



LANXESS

Energizing Chemistry

FACT BOOK

Edition 8.0 – November 2022

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Dear Investor, dear Analyst,

LANXESS has substantially changed its characteristics as a corporation and as an investment over the last years. We built a strong business platform which now enables us to accelerate resilient growth and profitability.

We have not only proven our new stability through the global pandemic, we have also started to expand our already strong footing in Consumer Protection products, which comprises various types of disinfectants, preservatives and biocides for globally growing applications in attractive sectors such as Animal Health, Beverage and Personal Care, just to name a few.

In terms of sustainability, we have not only defined a clear path towards climate neutrality earlier than the European trajectory, but also set clear targets for aspects such as water use and diversity.

Going forward, we will continuously shape our portfolio to deliver higher returns and attractive growth with a clear focus on cash generation, while maintaining our financial stability and remaining committed to generating value.

This Fact Book will provide you with the most transparent and comprehensive information on our strategy, businesses, ESG related focus and financials, in order for you to make the most educated investment decision.

We want to become an attractive target on everyone's radar who is looking for broad international exposure with German quality chemical roots. You are invited to join our journey.

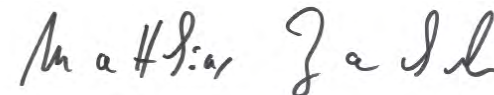
What you can expect from us:

- Full commitment based on a culture that fosters performance and open feedback every day
- Increasing cashflows, as exceptional cash outs for integration and IT projects phase out in the next years
- Continued implementation of measures on our roadmap to reduce CO₂ emissions and remain a frontrunner in sustainability management and workforce with "skin in the game" when it comes to investments in our own shares
- Active and transparent communications through real and virtual channels by top management

Therefore, we are thrilled to implement our plans for the next years to expand what LANXESS stands for to a broader, more powerful base.

My fellow colleagues and I myself are committed to generating excellent returns for our investors – and are looking forward to continue our personal dialogue.

Sincerely,



Matthias Zachert
Chairman of the Board of Management

LANXESS

Energizing Chemistry



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Consumer Protection | Specialty Additives | Advanced Intermediates

LANXESS – a globally operating specialty chemicals company

Specialty chemicals company



- Specialty chemicals portfolio with focus on consumer protection chemicals, specialty additives and advanced chemical intermediates

Set-up



- 53 production sites worldwide
- Around 13,200 employees in 33 countries
- Global sales of €7.8 bn LTM Sep 2022

Focus on profitability and resilience



- Building on leading positions in medium-sized markets
- Strengthening in Europe, expansion in USA
- Differentiating by LANXESS performance culture

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Consumer Protection | Specialty Additives | Advanced Intermediates

Strong portfolio of attractive businesses: reduced complexity, higher profitability, lower asset intensity

Consumer Protection	Specialty Additives	Advanced Intermediates
		
<ul style="list-style-type: none"> ▪ Material Protection Products ▪ Flavors & Fragrances ▪ Saltigo ▪ Liquid Purification Technologies 	<ul style="list-style-type: none"> ▪ Polymer Additives ▪ Lubricant Additives Business ▪ Rhein Chemie 	<ul style="list-style-type: none"> ▪ Advanced Industrial Intermediates ▪ Inorganic Pigments
<ul style="list-style-type: none"> ▪ Among top 3 players ▪ High profitability ▪ Asset light and high cash conversion 	<ul style="list-style-type: none"> ▪ Among top 3 players ▪ Small volume, high impact ▪ Integrated value chains 	<ul style="list-style-type: none"> ▪ Among top 3 players ▪ Technology and process driven ▪ Market leader in Western hemisphere
<p>Group functions and countries</p>		
<p>Globally responsible Business Unit set-up fosters dedication and entrepreneurship</p>		

5 Overview

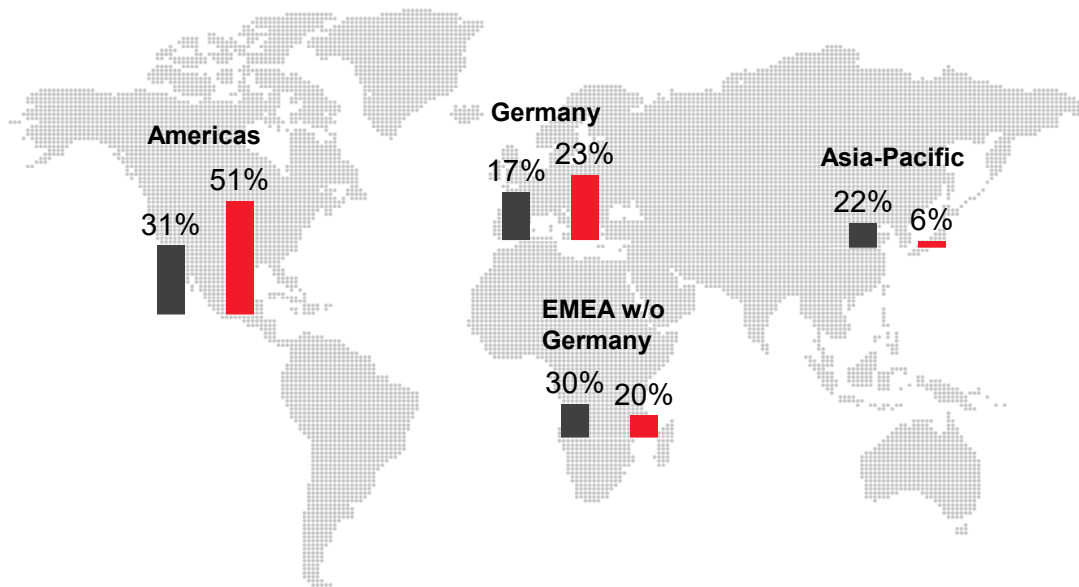
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Consumer Protection | Specialty Additives | Advanced Intermediates

LANXESS well diversified, worldwide presence and serving a broad range of industries

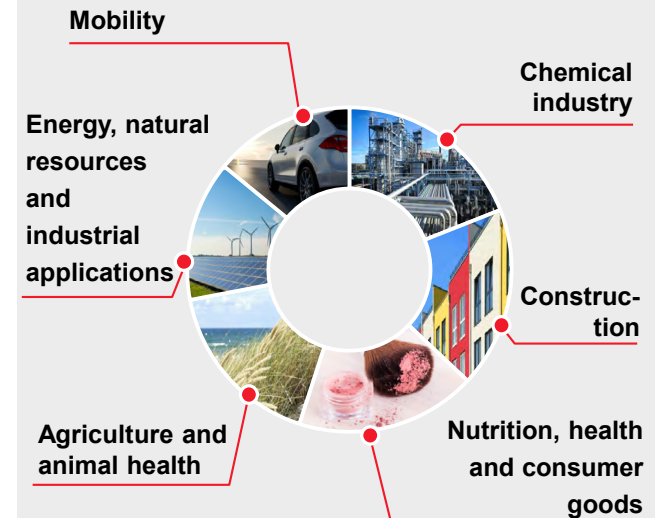
LANXESS key figures by region LTM Sep 2022¹



Sales¹: ~€7.8 bn

Investment³: ~€7 bn

Pro-forma sales by industry²



¹ LTM Sep 2022; restated, excluding HPM business shown under discontinued operations from 2022 onwards; ² Excluding HPM business and including contribution of newly acquired IFF-MC business;

³ Organic and inorganic investments since 2017 by region





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Consumer Protection | Specialty Additives | Advanced Intermediates

Organization with global responsibility – the board of LANXESS

<p>Matthias Zachert CEO</p>	<p>Michael Pontzen CFO</p>	<p>Hubert Fink Board of Management</p>	<p>Anno Borkowsky Board of Management</p>
			
<p>Business Units</p> <ul style="list-style-type: none"> ▪ Flavors & Fragrances ▪ Liquid Purification Technologies ▪ Material Protection Products ▪ Corporate Communications ▪ Corporate Development ▪ Legal & Compliance 	<ul style="list-style-type: none"> ▪ Accounting ▪ Corporate Controlling ▪ Global Business Services ▪ Information Technology ▪ Mergers & Acquisitions ▪ Tax & Trade Compliance ▪ Treasury & Investor Relations 	<p>Business Units</p> <ul style="list-style-type: none"> ▪ Advanced Industrial Intermediates ▪ Inorganic Pigments ▪ Saltigo ▪ Urethane Systems ▪ Global Procurement & Logistics ▪ Production, Technology, Safety & Environment 	<p>Business Units</p> <ul style="list-style-type: none"> ▪ Lubricant Additives Business ▪ Polymer Additives ▪ Rhein Chemie ▪ Human Resources / Labor Director ▪ eMobility & circular economy initiative
<p>Clear cut responsibilities enable fast decision making</p>			

Our portfolio transformation has been successful: Recent divestments support strategic goals

CURRENTA stake

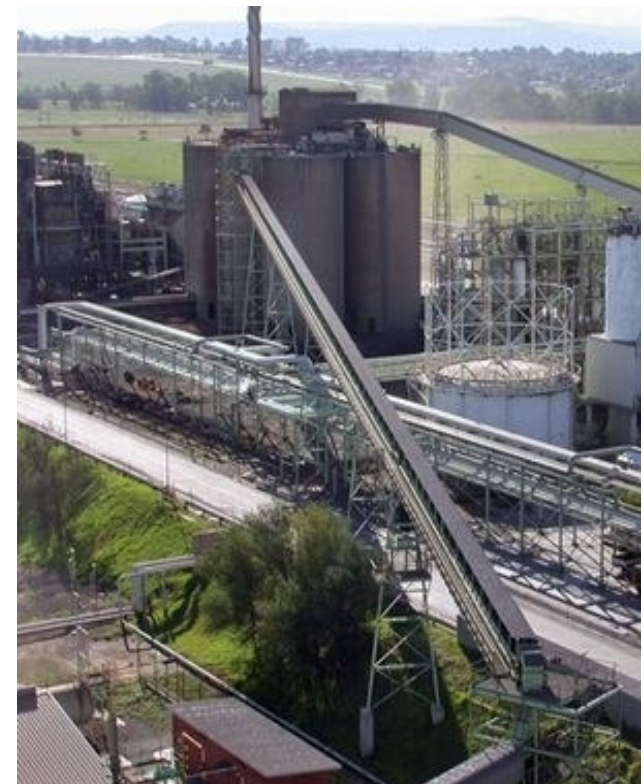
- Monetizing hidden reserves
- Cash inflow strengthened financial position

Leather business

- Exit from unattractive business
- Reducing automotive exposure

Organo- metallics (Tin / Gallium based) Membranes

- Rigorously addressing under-performing businesses across our portfolio
- Shifting all resources to focus areas



Targeted acquisitions in Consumer Protection boost specialty character of LANXESS portfolio



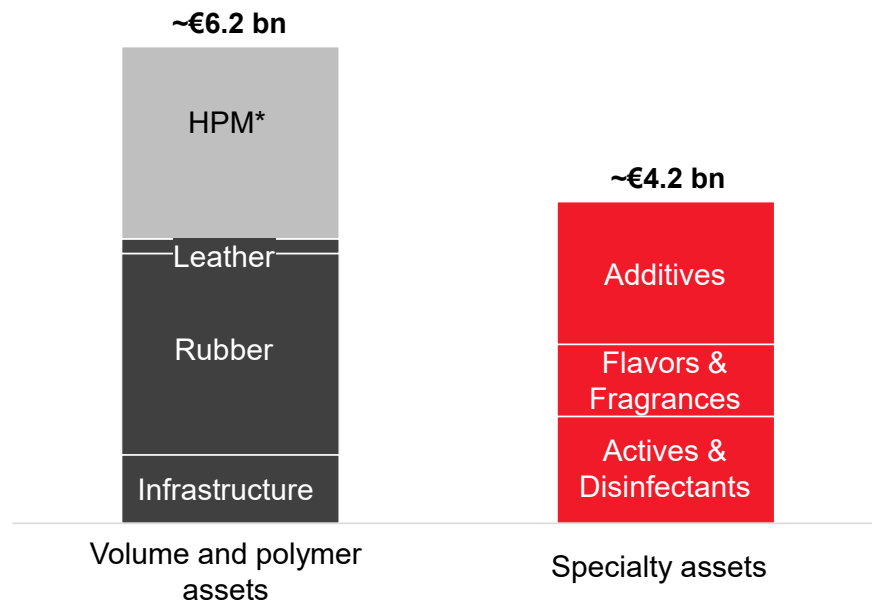
- Secular growth
- High profitability
- Asset light and strong cash conversion
- Complementary to existing business (thus, high synergies)
- CO₂ light



LANXESS portfolio transformed towards a true specialty chemicals player

Portfolio transactions since 2016

Transaction values

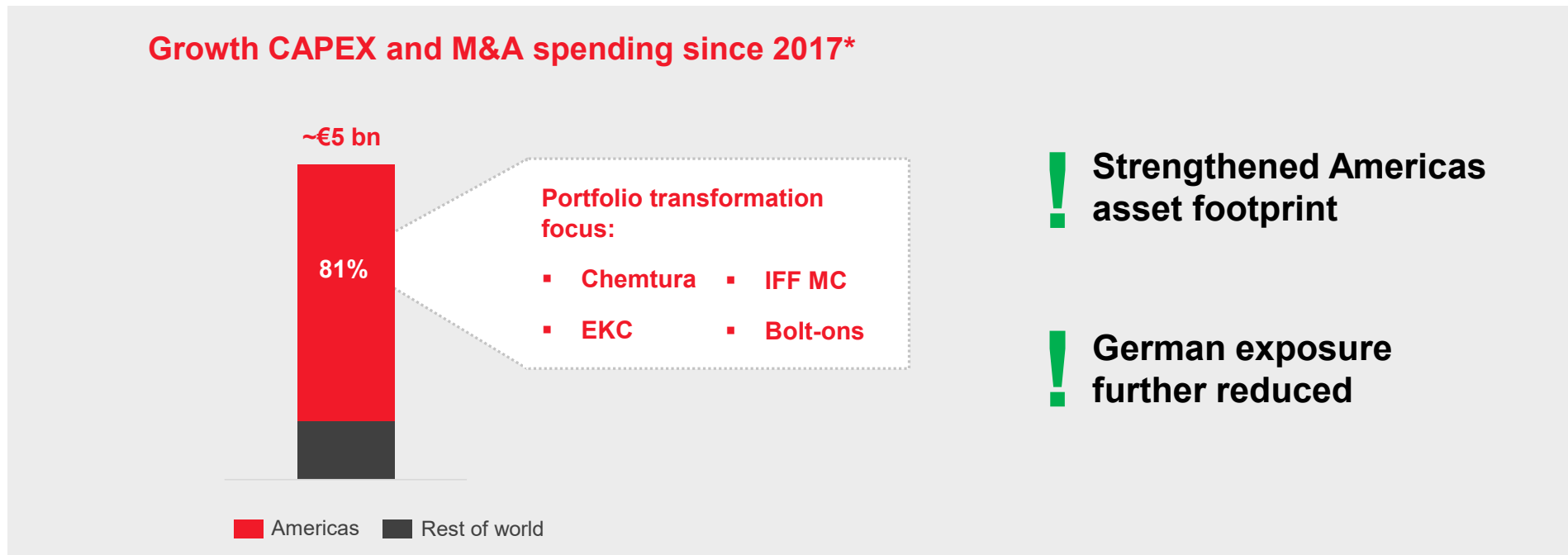


Acquired businesses:
 High profitability and cash generation
 Asset light
 Less cyclical

Divested businesses:
 Lower profitability
 Asset intensive
 More cyclical

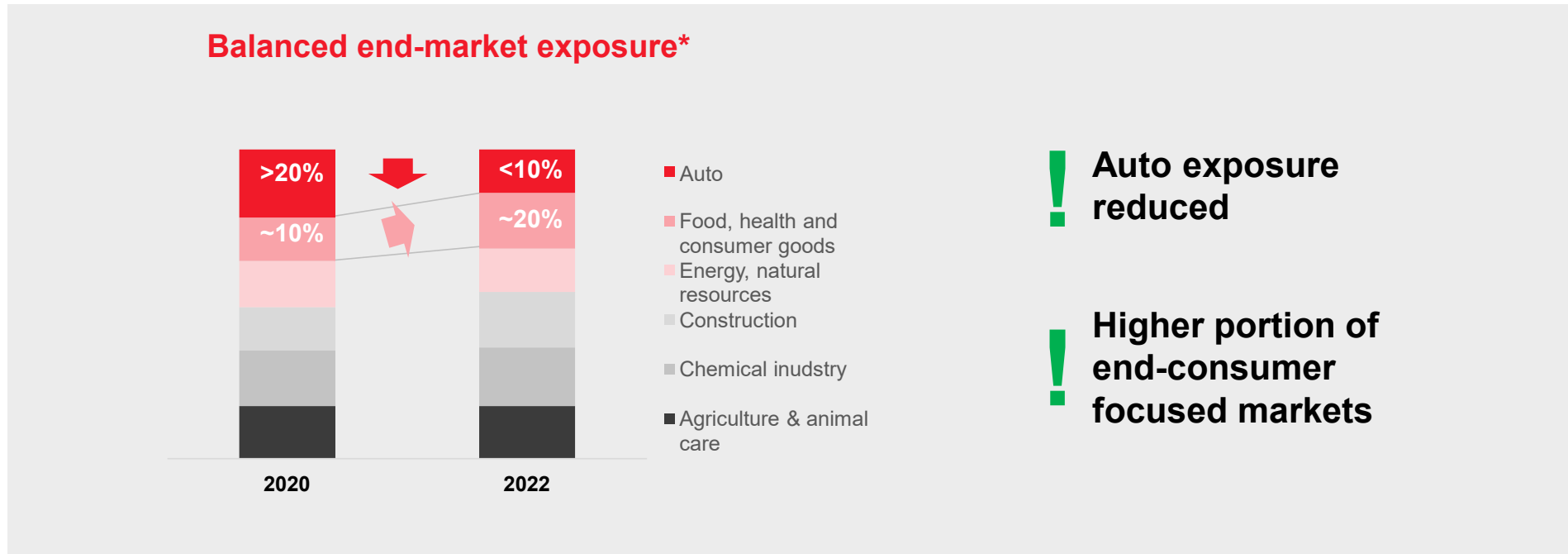
* HPM: High performance materials business (Polyamid); to be transferred to JV with Advent, transaction still subject to the approval of responsible authorities; closing expected in H1 2023

Portfolio transformation increased US footprint...



* Growth CAPEX spending and M&A activity in %; incl. HPM and pro forma IFF

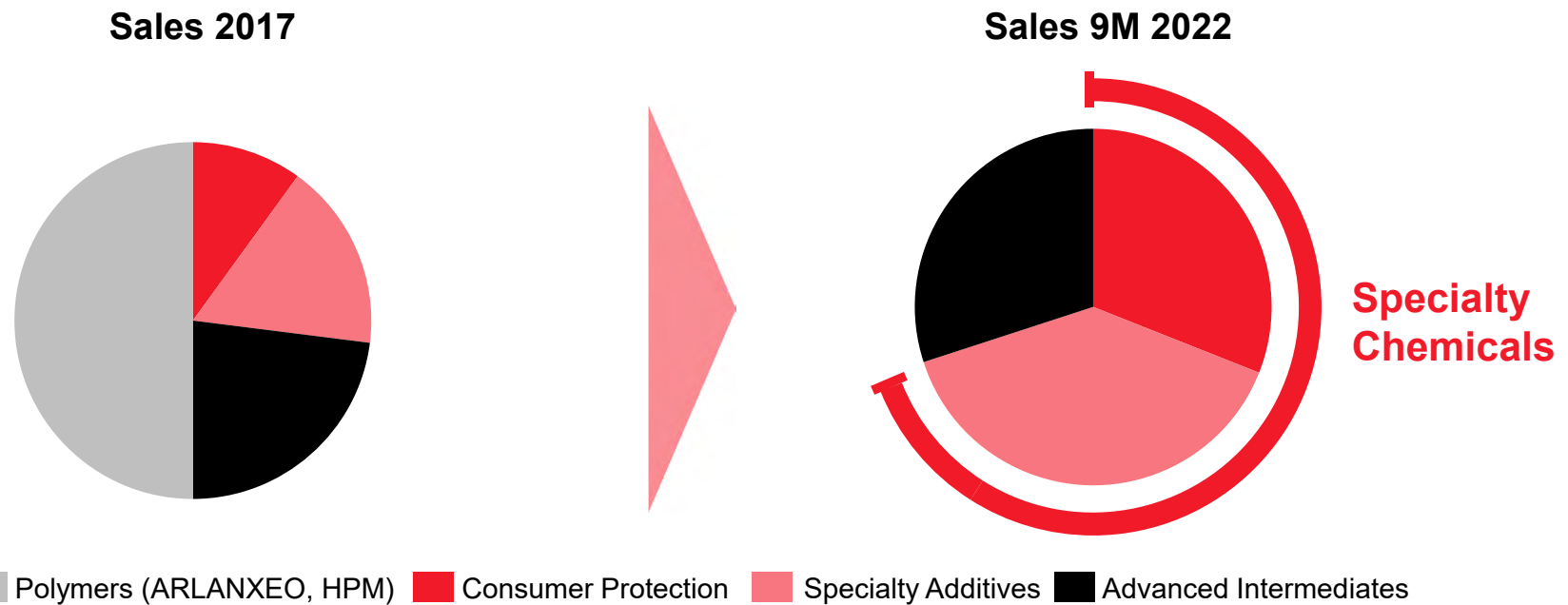
... and led to a more balanced end-market exposure



* Pro forma sales split including IFF contribution and excluding HPM business

Specialty character substantially increased – portfolio transformation concluded (for the time being)

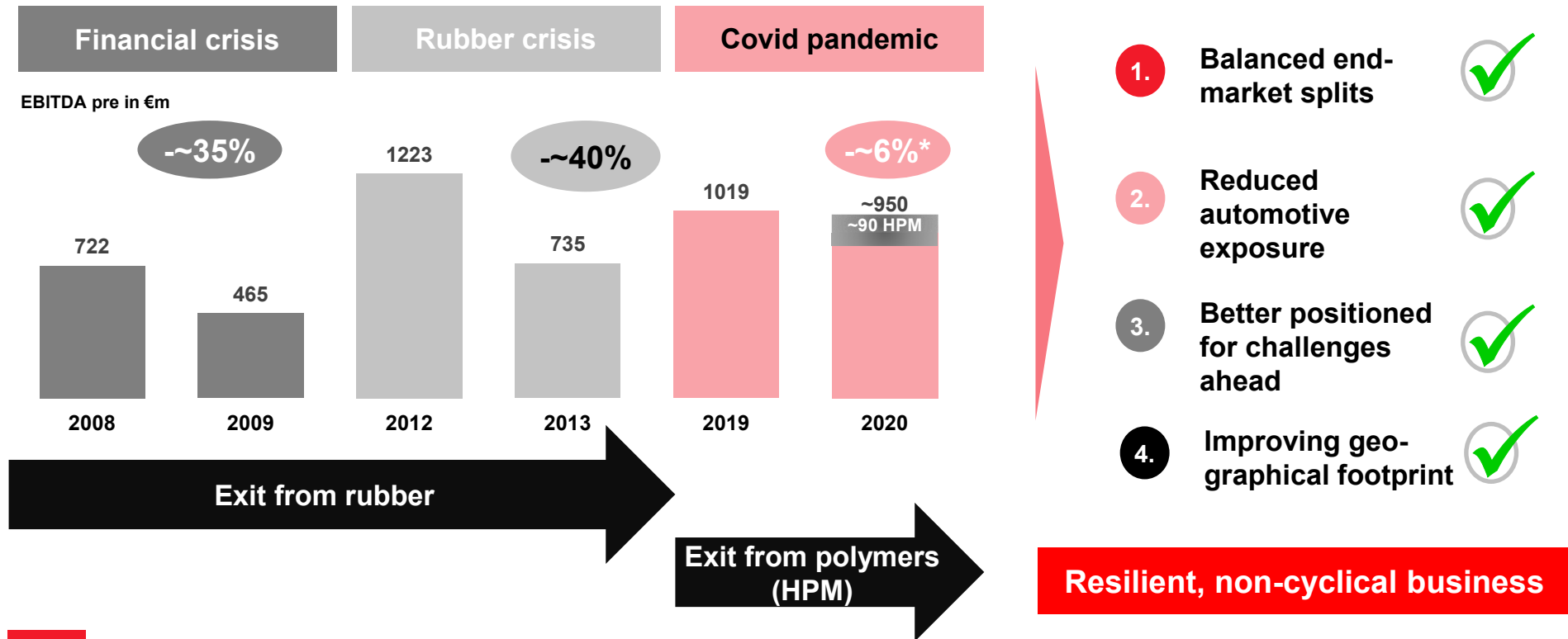
Becoming a leading specialty chemicals player



Specialty character improved – portfolio now mainly based on specialty chemical value chains

Illustration simplified; Urethanes excluded

Portfolio transformation strengthened our resilience – prepared for the next challenges

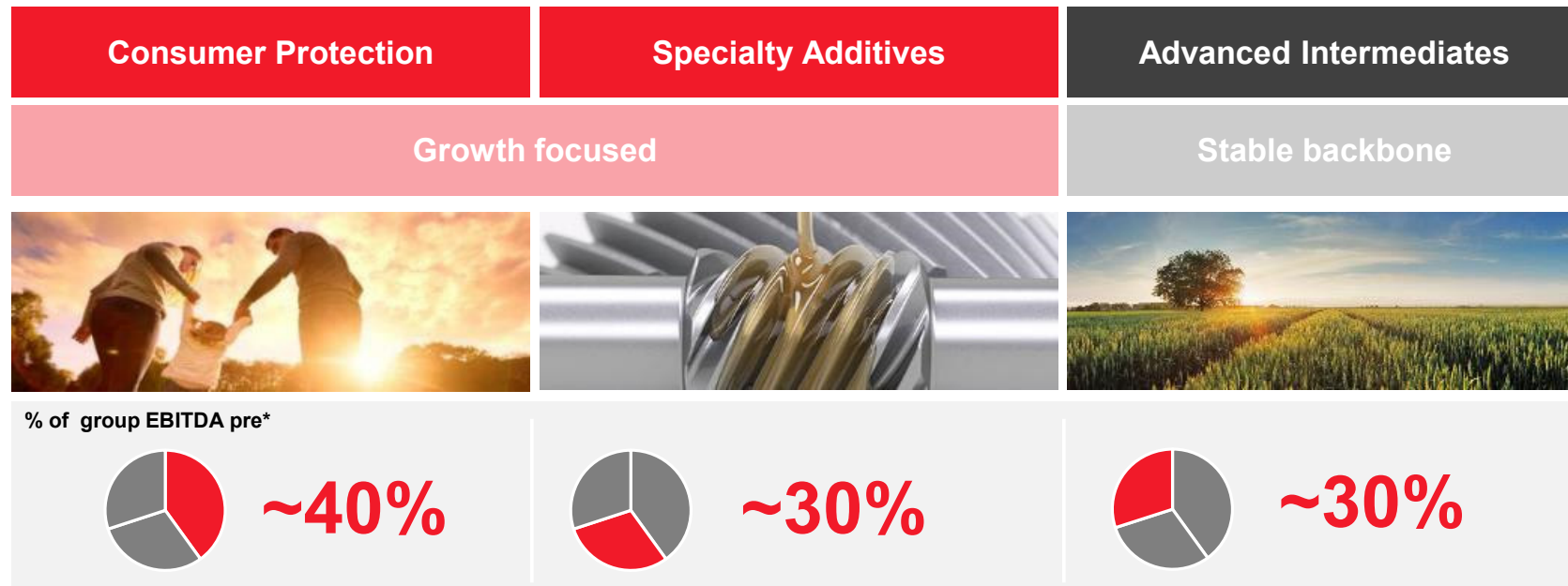


* Covid impact incl. HPM was ~14% of EBITDA decline; without HPM it would have been only ~6%

Now the imperatives are the following for LANXESS!






Portfolio framework: Two growth-focused platforms – financed by a stable backbone



Complexity reduced; Consumer Protection will stand for ~40% of EBITDA pre

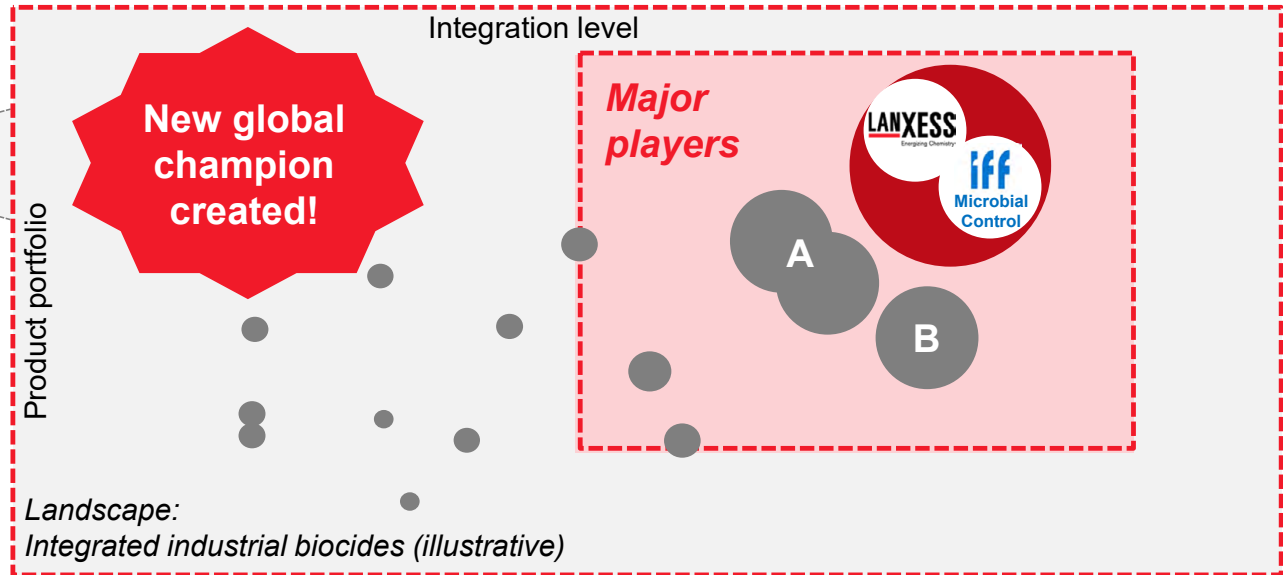
* Pro forma split including IFF contribution and excluding HPM business

Updated order of segments underlines new focus

Consumer Protection	Specialty Additives	Advanced Intermediates
		
<ul style="list-style-type: none">▪ Material Protection Products▪ Flavors & Fragrances▪ Saltigo▪ Liquid Purification Technologies <p>1</p>	<ul style="list-style-type: none">▪ Polymer Additives▪ Lubricant Additives Business▪ Rhein Chemie <p>2</p>	<ul style="list-style-type: none">▪ Advanced Industrial Intermediates▪ Inorganic Pigments <p>3</p>

Active market transformation created a strong global position in microbial control

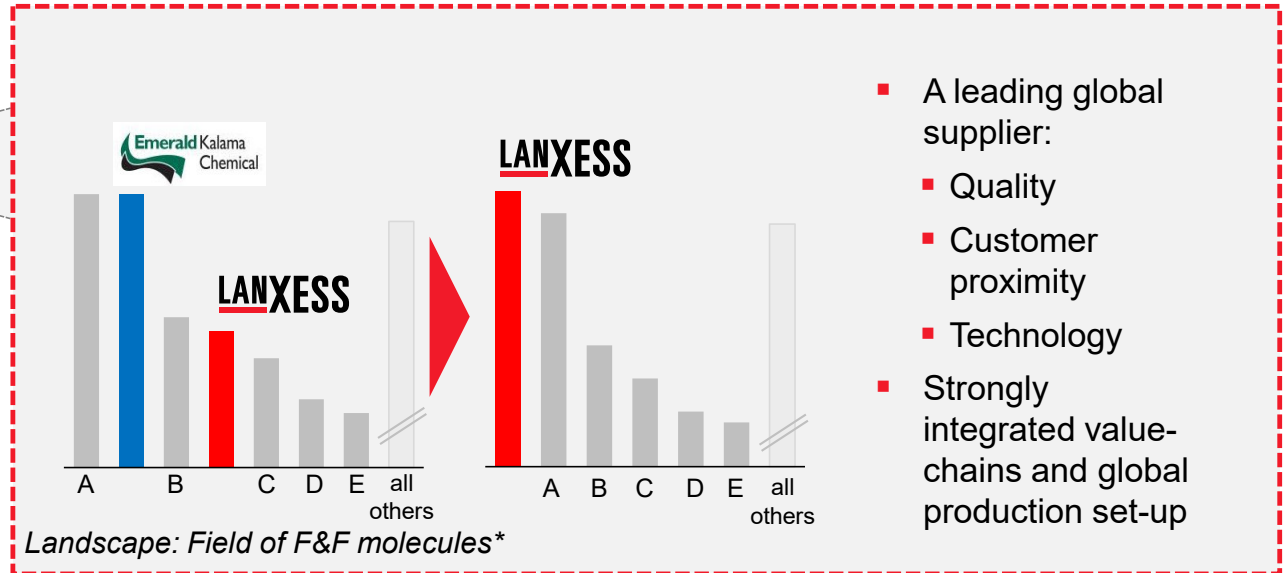
- 1. **LANXESS among top 3 players in the biocide business**
- Active market transformation reduced number of big players



LANXESS formed top player in transformed market with strong underlying growth

LANXESS created a new global champion in flavors and fragrances

1. Strong position in niche markets  BU F&F



- A leading global supplier:
- Quality
- Customer proximity
- Technology
- Strongly integrated value-chains and global production set-up

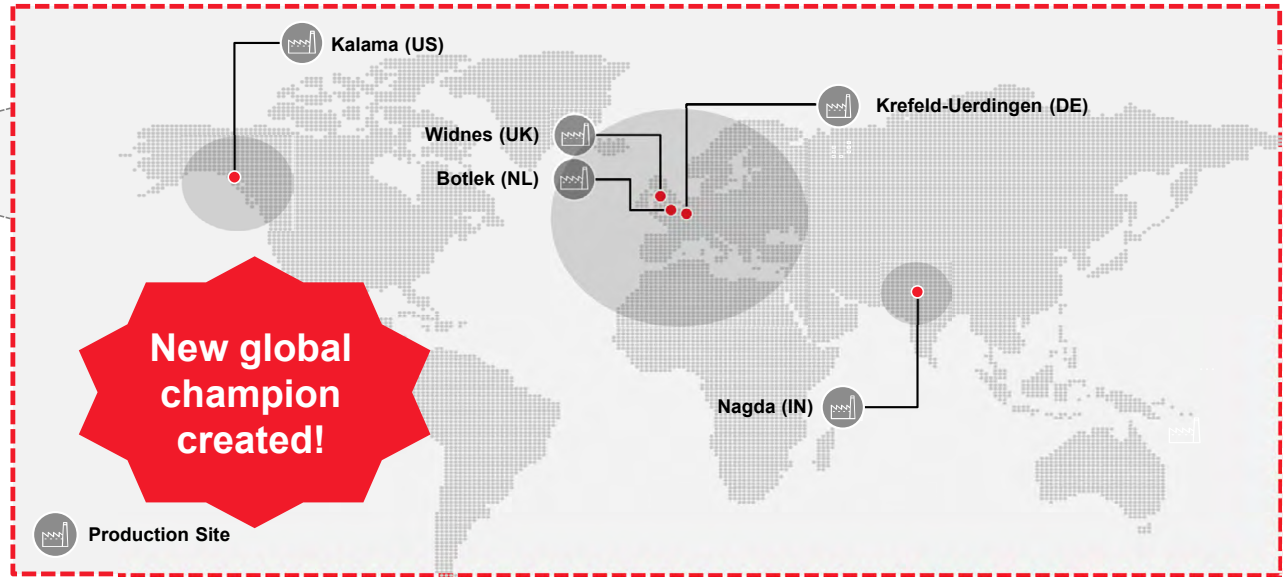
LANXESS created a strong player in the field of flavors and fragrances

* Illustrative and simplified, segment positioning in terms of revenue, approximate figures based on IHS, Markets & Markets custom report, LANXESS own research



LANXESS with global reach in flavors and fragrances

1. Strong position in niche markets  BU F&F



LANXESS expanded on existing position in attractive F&F market

Consumer Protection businesses well positioned to exploit strong growth trends in their markets

2. Strong secular growth driven by underlying trends



~5% avg.

Market growth in Consumer Protection end-markets



Stricter regulations and sustainability



Strong growth in Home & Personal Care



Population growth and urbanization



Water quality and scarcity



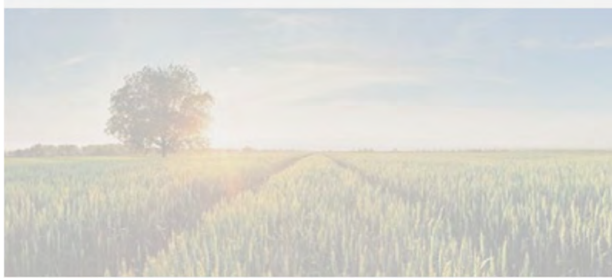


Higher health awareness



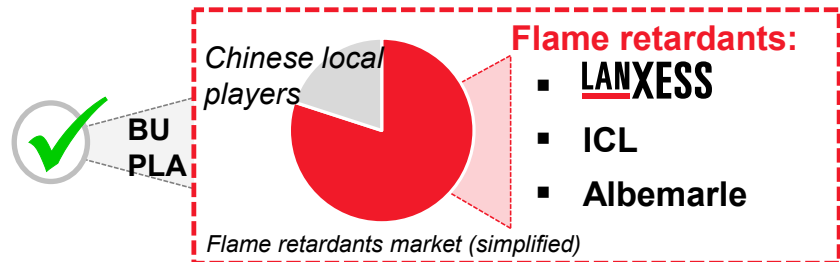
Consumer preference for "milder" solutions

Specialty Additives: Driving segment to full potential

Consumer Protection	Specialty Additives	Advanced Intermediates
		
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Specialty Additives: Leading positions, strong US asset base and major trends driving GDP growth

1. Strong position in niche markets

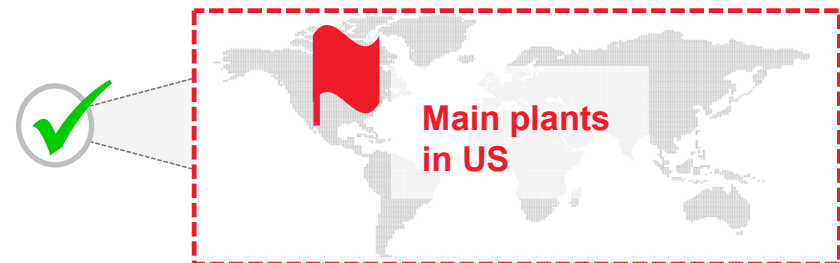


- Major players account for the largest part of the business
- Western players better positioned to cope with high regulatory standards

2. Strong asset base outside Europe



- Market transformation driven by Chemtura acquisition
- LANXESS with one of the broadest product portfolios
- Strong in non-auto lubricants additives






- Backward integration into one of few Bromine sources globally – Arkansas site: 2nd highest concentration and well-positioned in industry cost curve
- Lubricants: majority of plants also in US

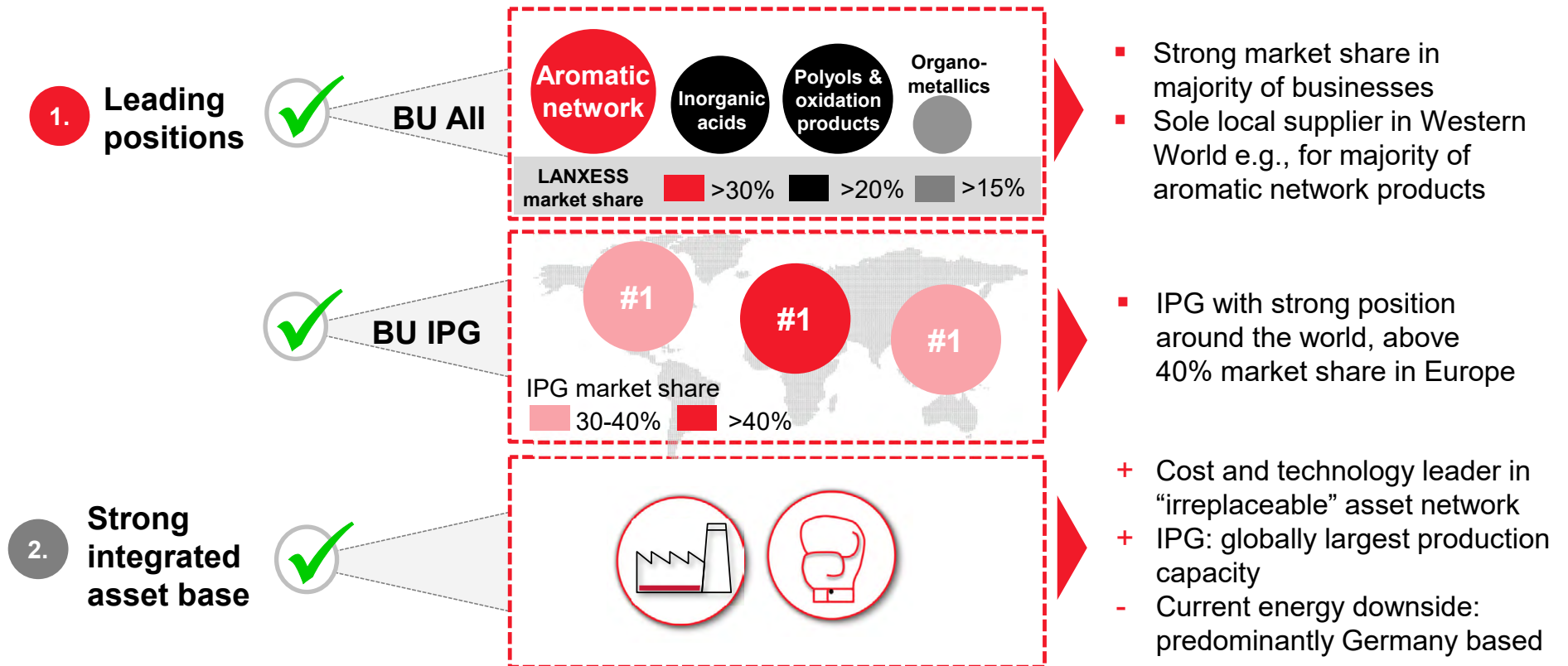
* Simplified, approximate figures based on Kline Global Lubricant Additives, LANXESS own research



Advanced Intermediates as stable backbone

Consumer Protection	Specialty Additives	Advanced Intermediates
		
<ul style="list-style-type: none">▪ Material Protection Products▪ Flavors & Fragrances▪ Saltigo▪ Liquid Purification Technologies	<ul style="list-style-type: none">▪ Polymer Additives▪ Lubricant Additives Business▪ Rhein Chemie	<ul style="list-style-type: none">▪ Advanced Industrial Intermediates▪ Inorganic Pigments <p data-bbox="1989 1273 2033 1327">3</p>




Advanced Intermediates: Strong market positions and process technology as strong base for LANXESS growth



Our businesses have higher profitability potential in a normal business environment



Portfolio framework well balanced and positioned for the future

	Consumer Protection 	Specialty Additives 	Advanced Intermediates 
Portfolio role	Growth	Growth	Stability
Growth profile	GDP+	~GDP	~GDP
Way forward	Organic growth, synergies & innovation	Organic growth & innovation	Operational excellence & efficiencies
Growth CAPEX relevance	✓	✓	Projects already implemented / on-stream
Market position	Strong	Strong	Strong

LANXESS is ready to deliver!



Portfolio sharpened, champions established: Ready to deliver!



LANXESS significantly improved across various dimensions



Years to come: Harvesting synergies and delivering on improved earnings and margin potential



Additional value opportunities



Engineering Plastics Joint Venture is a powerful additional value driver



HPM is a strong business





- + Among top 5 players globally
- + Reliability through backward integration
- + Strong technology position in PA6, PBT and Tepex
- + Customer proximity via global compounding network
- High auto exposure
- Most volatile business in portfolio



Rationale for Engineering Plastics JV

- + Very complementary regional set-up
- + Very complementary industry exposure
- + Strengthening technology and sustainability position
- + Highly synergistic

Closing and carve-out process fully on track

<div style="text-align: center;"> <p>Engineering Plastics JV</p>  </div>	<p>Management appointed</p>	<ul style="list-style-type: none"> ▪ CEO: Calum MacLean - over 30 years in the chemical industry ▪ Mixed management team: Senior executives from LXS and DSM as well as an experienced external CFO ▪ Shareholders' Committee to represent all parties to the transaction 
	<p>Carve-out and antitrust process</p>	<ul style="list-style-type: none"> ▪ HPM carve-out completion by year end, DSM business already carved out ▪ Financing guaranteed by Western global banks ▪ Large number of merger clearances already received (e.g., US, Chinese and Brazilian authorities) 
	<p>Value generation</p>	<ul style="list-style-type: none"> ▪ First cash-in of at least €1.1 bn in H1 2023 will support LXS deleveraging ▪ Synergy realization is major value driver ▪ LANXESS to hold 35-40% in global player 

Focus on cash-in and deleveraging while driving synergies and value upside!

Additional value drivers: Strategic projects making progress



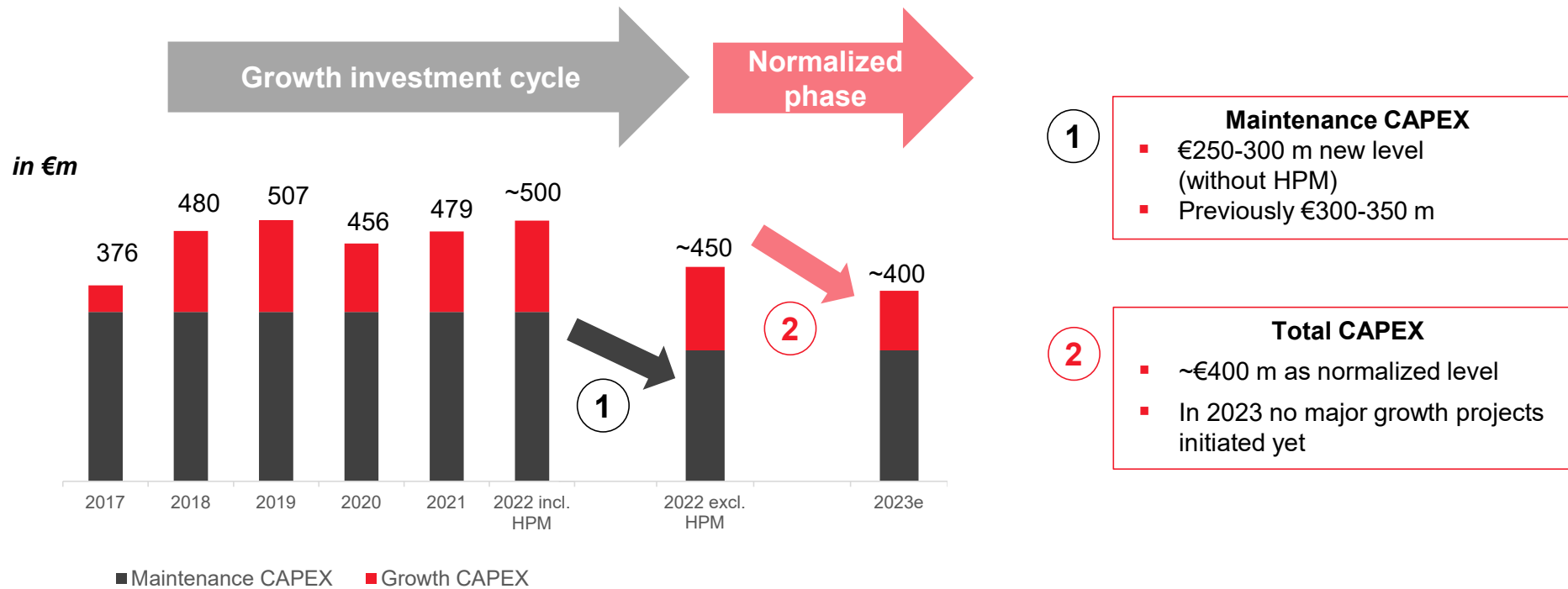
All projects with good progress: potential additional upside for LANXESS

* Front end Engineering design study (FEED)



**No M&A planned in the foreseeable future:
Focus on addressing and managing our weak spots!**

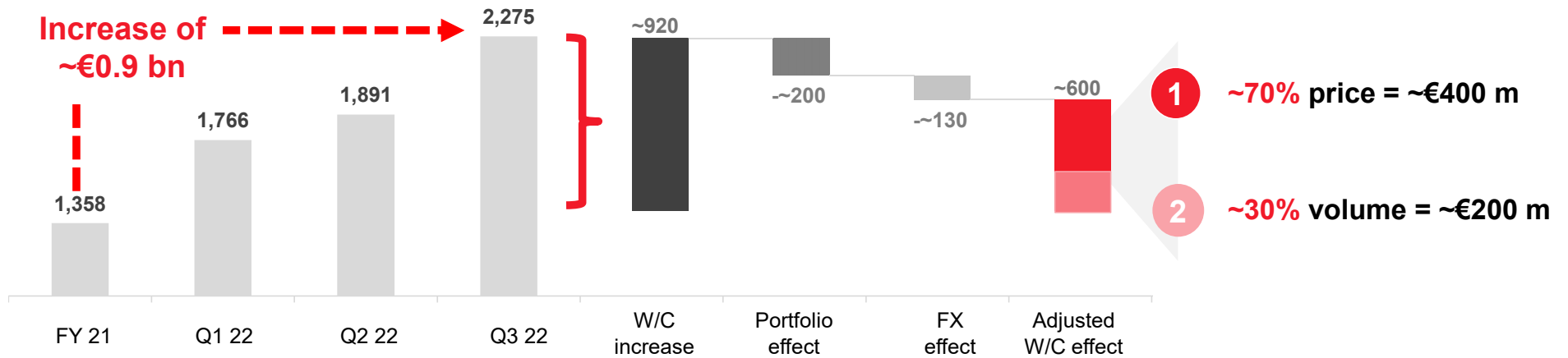
Lower CAPEX after completion of growth investment cycle and HPM exclusion



Lower CAPEX profile reflecting focus on lean assets

Working Capital outflow in 2022 mainly driven by energy and raw material price inflation

W/C in €m



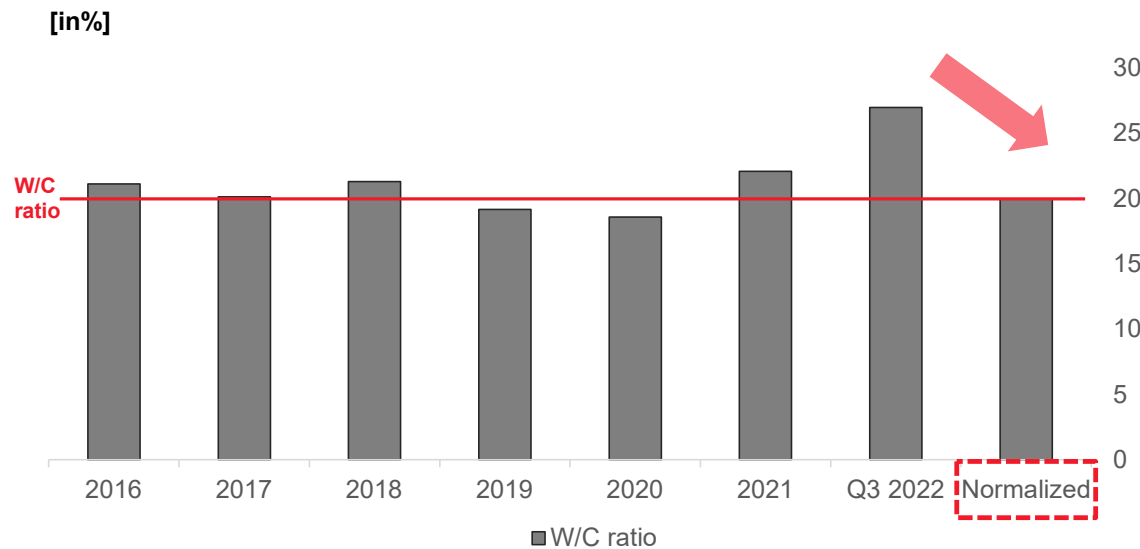
Substantial increase in Working Capital driven by price effects

W/C reflects Continuing Operations only

Operating cash relief from Working Capital expected

Development of W/C KPIs reflect inflationary environment

Drivers for cash relief



Price:

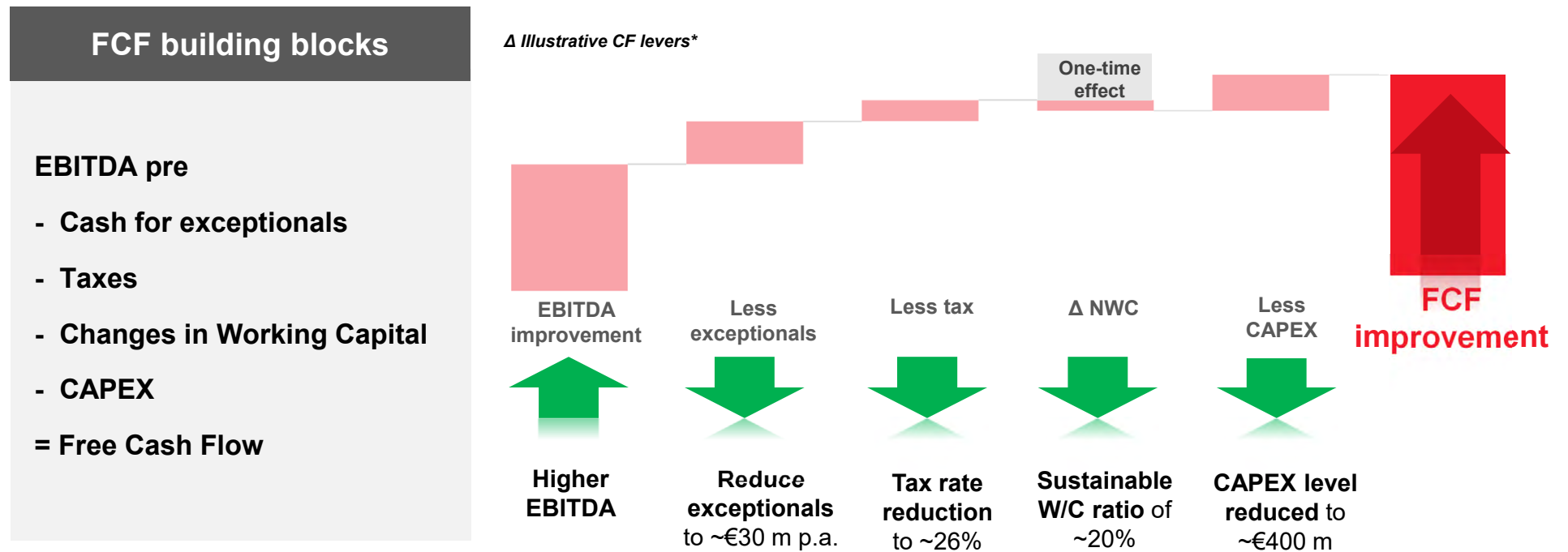
- Raw materials costs declining since September 2022
- Energy costs in Germany falling in October to 2021 levels but still volatile

Volume:

- Logistic constraints expected to ease in 2023
- Seasonal effect in Q4

W/C ratio to normalize at ~20% of sales

Working on additional levers to improve cash flow longer-term






Solid cash flow generation potential of LANXESS medium-term

* Illustrative and all things equal

One-time effect from relief in W/C once inflationary environment eases

The chemical industry supports the transformation towards a sustainable society

Circular economy	Renewable energy	New mobility
		
<p>With chemical recycling, molecules can be recovered from waste and re-used infinitely</p>	<p>High-end materials enable sustainable energy generation</p>	<p>New mobility solutions are the pathway to climate-neutral mobility</p>

Sustainability is a business case and drives our economic and strategic success

We drive sustainable solutions...

Societal needs which we can and want to fulfill, e.g.,

- Need for clean drinking water for an increasing world population
- Disinfection to prevent the spread of diseases
- Contribute to the shift towards eMobility



... and see clear financial benefits

- **Energy-efficient production:** Cost saving potential by determination in addressing areas of sustainability risks
- **Acceptance and reputation:** Strategic investment decisions by shifting into “tomorrow’s markets” with growth and innovation potentials
- **Better, integrated decision-making:** Position ourselves with a foresighted business strategy and thereby secure our financial base
- **Higher employee retention and lower recruiting cost:** Healthier and happier workforce

Sustainability commitment as our license to operate

We offer extensive transparency on our commitment to sustainability

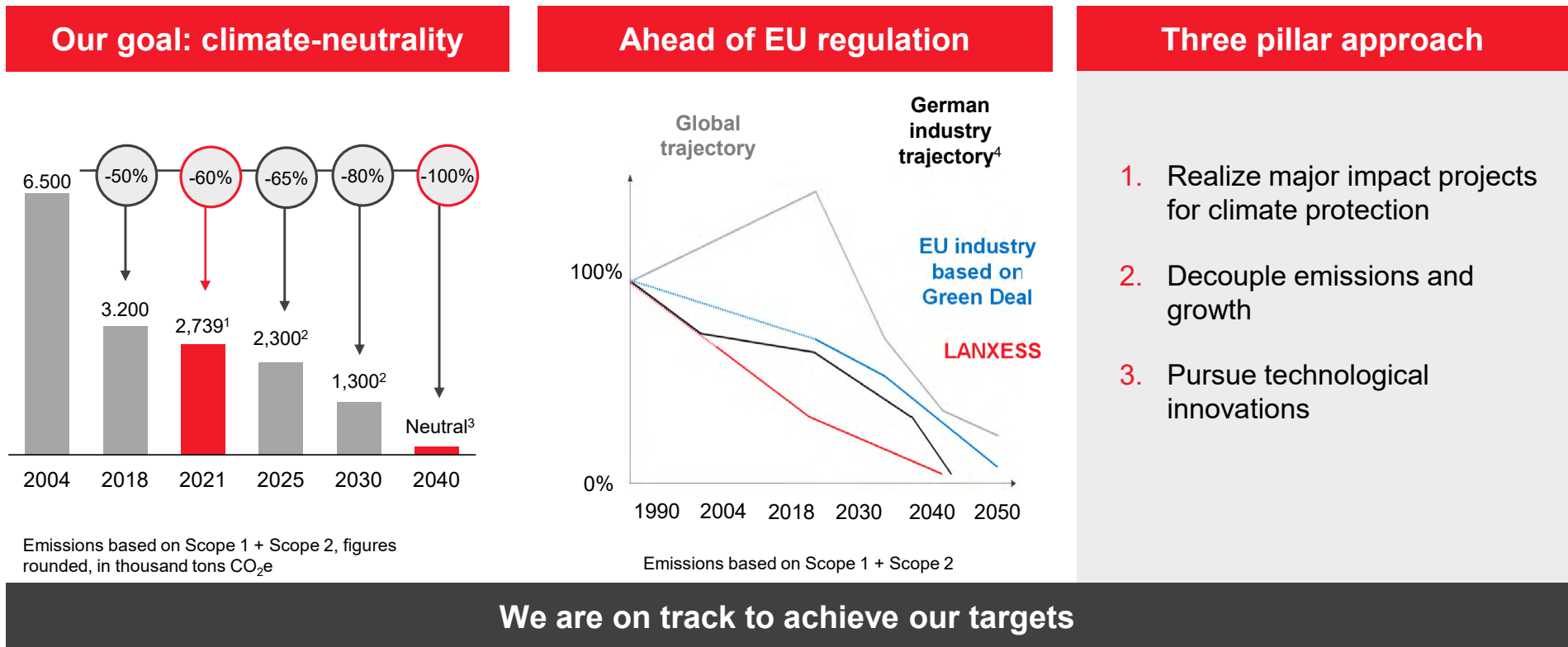
We commit to several initiatives and frameworks...



... and we offer transparency on where we stand complying with standards and regulations



We will go climate-neutral by 2040



¹ Figure includes full year emissions from acquisition of Emerald Kalama Chemical (EKC). Figure for only 4 months of EKC amounted to approximately 2,591 kt; ² Targets adjusted after communication of joint venture of Business Unit HPM; ³ Climate-neutral: Less than 300,000 tons of CO₂ equivalents (e) per year. These will be reduced through compensation measures; ⁴ Estimation based on AGORA Energiewende

We have recently enhanced our climate strategy with our new “Net Zero Value Chain” program

NET ZERO \ VALUE CHAIN

We are one of very few chemical companies with a validated SBTi 1.5° target



Our road to Net Zero

Make use of sustainable raw materials

- Launch of “Net Zero Sourcing” program
- Supply agreements on renewable raw materials

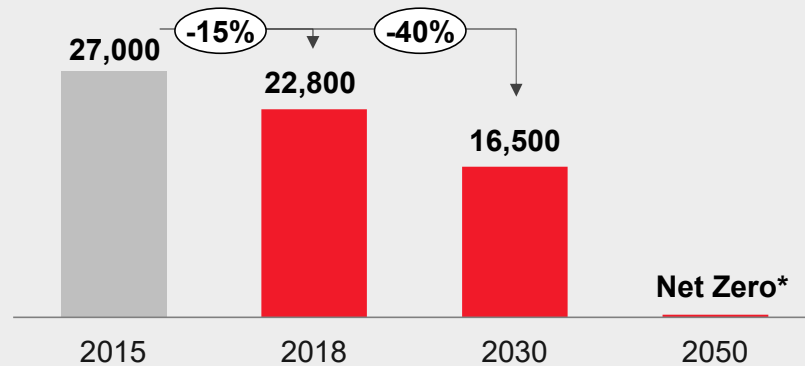
Transition to green logistics

- Increase transportation asset utilization
- Optimize freight transport modes

Offer low-carbon and climate-neutral products

- Brand “Scopeblue” for low-carbon / circular products
- Transparency by certified carbon footprints

Our Scope 3 CO₂e emissions (kt)



Emissions related to Scope 3. | 2030 target will be adjusted after HPM deconsolidation in 2023.
* “Net Zero” may include emission compensation measures

We have a clear strategy for sustainable water management

LANXESS Water Program

- Regular assessment of current and future water stress* and specific withdrawal
- >90% of water withdrawal at sites without water scarcity
- Four water risks sites** identified and measures to reduce water withdrawal planned

- **Global target: To reduce annual water consumption by 2% despite organic growth**
- **Local targets: 15% absolute reduction of water withdrawal until 2023 at water risk sites**



* Water stress refers to the (lack of the) ability to meet human and ecological demand for freshwater. It also takes the quality and accessibility of water into account;

** Sites located in Nagda and Jhagadia (both India), Latina (Italy) and Qingdao (China)

Our product classification system identifies the share of sustainable products in our portfolio

85% of our products are sustainable

LANXESS Product Sustainability Monitor



Evaluation criteria and sustainability dimensions

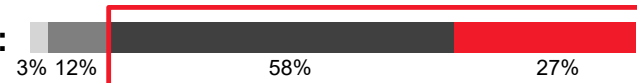
environmental ▪ social ▪ economical

	ENV	SOC	ECO
Climate change	■	■	■
Water use and water risk	■	■	■
Support of the Agenda 2030	■	■	■
Waste efficiency	■	■	■
Environmental risk	■	■	■
Human health risk	■	■	■
Demand trend	■	■	■
Profitability	■	■	■
Legislative and reputational risk	■	■	■

Sustainable products

Energizer	<ul style="list-style-type: none"> Outstanding sustainability performance Very low to low environmental impact Contribution to at least one SDG
Performer	<ul style="list-style-type: none"> State-of-the-art sustainable products Fulfill or exceed sustainability requirements Low to medium environmental impact
Transitioner	<ul style="list-style-type: none"> Do not (yet) fulfill all LANXESS sustainability requirements Active steering and improvement processes
Roadmap	<ul style="list-style-type: none"> End-products* with sustainability concerns containing >0.1% critical substances Roadmap process for sustainable alternatives

2021 sales:



* Not considered as chemical end-products are chemical intermediates sold to chemical-industry customers. Figures do not include figures from discontinued operations (Business Unit High Performance Materials).

We have a strong commitment towards diversity and inclusion

Success driven by personal commitment of every employee



- Further increase proportion of women in...
 - management to 30%
 - first level below Board of Management to 15%
 - second level below Board of Management to 25%
- Have at least 30% female and 40% non-German participants in corporate talent programs
- Further increase proportion of countries with flexible working conditions

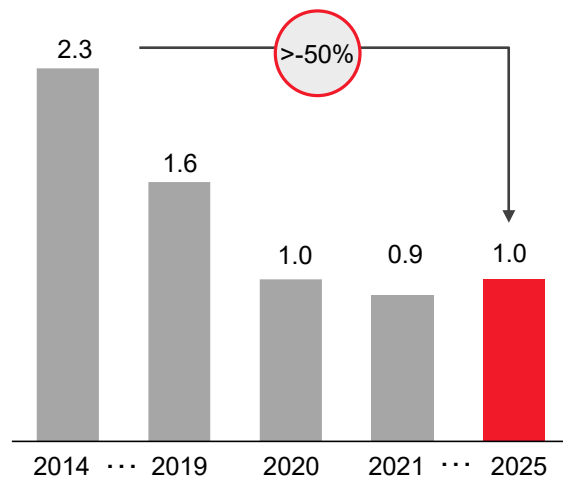


We are on track with achieving our targets and plan to further foster diversity and inclusion

We view social principles as major drivers for sustainable success

Ambition: avoid all accidents

Social principles are more than diversity indicators



LTIFR*: Accident rate per million hours worked


- Commitment to ILO** convention and its principles for work
- Initiatives fostering occupational health and safety, e.g., platform in place with various offers around health and prevention measures
- Fair compensation and comprehensive benefits, e.g., offers beyond legal requirements for (child-)care, maternity / paternity leave, pension, transition into retirement and for different insurances
- Comprehensive concepts for employee qualification, e.g., reflected in high ratio of apprentices hired after completing the training
- Close and regular collaboration with workers' councils and labor unions leading to avoidance of conflicts and strikes

Our social principles are embedded in our Performance Culture

* LTIFR = lost time injury frequency rate, known as MAQ in Germany. Accident rate per million hours worked resulting in one workday or more lost following the day of the accident, calculated for all employees (including temporary workers) at all sites; ** ILO = International Labour Organization



Our governance structure starting with the Supervisory Board ensures strategic oversight

Composition	The Supervisory Board of LANXESS consists of 12 members: 6 represent the shareholders 6 represent the employees	
Independence	All current shareholder representatives are independent	
Diversity	> 30% of the members of the Supervisory Board are women	
Tenure	Maximum of 12 years	
Assessment	Supervisory Board regularly assesses its effectiveness as a whole and its committees	
Age limit	An age limit has been set following the completion of the 75th year of life	
		<p>Broad competence profile to ensure specialist knowledge and experience</p> <p>Chemical industry, international management, corporate governance / compliance, strategy, M&A, production, marketing & sale of chemical products, raw material procurement, energy & services, HR / codetermination, investor relations, corporate financing, accounting and auditing, risk management, IT / digitalization and ESG</p>

Sustainability management is actively driven from the top

CEO-led committee structure

Sustainability Committee

Matthias Zachert (CEO)

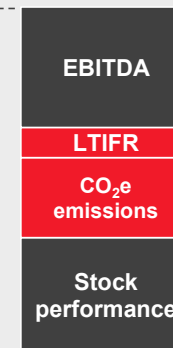
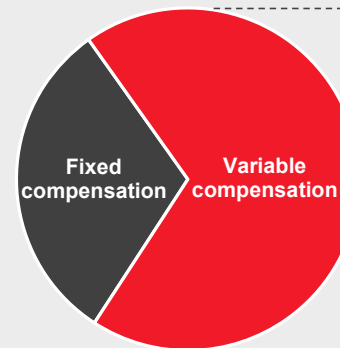
Entire board reviews and tracks quarterly the sustainability performance and aligns on targets and action plans

Sub-committees

Climate and Energy	Health, Safety and Environment	Value Chain Circularity & Product Stewardship	People and Governance	Stakeholder Expectations & Reporting Standards
--------------------	--------------------------------	---	-----------------------	--

Each sub-committee is led by a member of the board of management and coordinated by senior management

Board compensation linked to sustainability




Short-term variable compensation

Sustainability criteria

Long-term variable compensation


Leading ESG rating providers honor our performance



MSCI
ESG RATINGS

BBB → A → AA


Convincing climate strategy
Ongoing improvement: water stress and chemical safety



ISS ESG

C → B-

Prime status
Top 8%



CDP
DISCLOSURE INSIGHT ACTION

A A- A A A A (2016-2021)

Climate leader
Top 5%



Dow Jones Sustainability Indices
Powered by the S&P Global CSA

Europe: #4 (2017), #2 (2018), #1 (2019), #1 (2020), #1 (2021)
World: #7 (2017), #3 (2018), #4 (2019), #2 (2020), #2 (2021)

Top 10% in DJSI World (11th year)
DJSI Europe (5th year)

We are rewarded for our efforts on sustainability that go beyond the must-haves



Bloomberg
Gender-Equality Index
2022

2nd time in a row



PLATINUM Top 1%
2022
ecovadis
Sustainability Rating



vigeo eiris



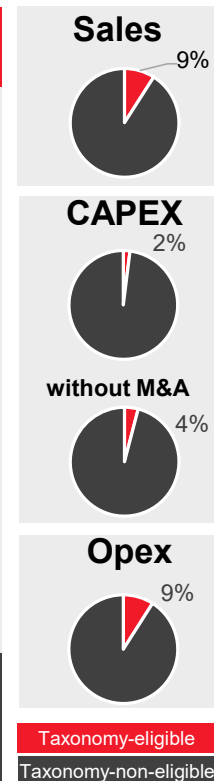
SUSTAINALYTICS

Our activities in 2021 accounted only for minor CO₂e emissions, hence only minor taxonomy-eligibility

EU taxonomy as one element of the European Union’s Green Deal

- For alignment with EU taxonomy, assessment of*:
 - Substantial contribution to one of six environmental objectives
 - While doing no significant harm (DNSH) to any of the other objectives
- As of the first reporting year, only eligibility with regard to the first two objectives (“climate change mitigation” and “climate change adaptation”) has to be determined
- Taxonomy focuses on sectors responsible for over 93% of European Scope 1 CO₂e emissions
- All other activities that do not have material CO₂e emissions currently labeled as taxonomy-non-eligible

Positive signal: LANXESS only with minor share of taxonomy-eligible product portfolio



* In addition, minimum safeguards for occupational health and safety and human rights must be guaranteed for each activity. Figures do not include figures from discontinued operations (Business Unit High Performance Materials).



LANXESS



On course for a more sustainable environment

Sustainability at the core of our strategy

Creating measurable benefits for company, customers and society

Supporting a sustainable economy with activities and products

Further information and documents on ESG can be found here

- [ESG Equity Story](#)
- [Annual Report 2021](#)
- [Articles of Association of LANXESS AG](#)
- [Business Partner Code of Conduct](#)
- [Code of Conduct](#)
- [Compensation Report 2021](#)
- [Coporate Policy](#)
- [ESG Data Factsheet \(KPI overview\)](#)

- [ESG Background Papers on: Climate, Water, Working at LXS](#)
- [Position on Human Rights](#)
- [Political activities](#)
- [Political positions](#)
- [Taxation Policy](#)

BUSINESS

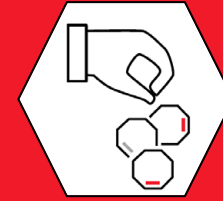
Segments



—
**Consumer
Protection**



—
**Advanced
Intermediates**



—
**Specialty
Additives**

Consumer Protection | Specialty Additives | Advanced Intermediates

59 Material Protection Products

64 Flavors & Fragrances

69 Saltigo

74 Liquid Purification Technologies

LANXESS

Business Segment

—
Consumer Protection



- Consumer Protection** | Specialty Additives | Advanced Intermediates
- 59 Material Protection Products
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Consumer Protection: Segment of champions in niche markets



Consumer Protection | Specialty Additives | Advanced Intermediates
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Consumer Protection: Portfolio of true specialty chemicals businesses driving growth

Material Protection Products



- A global leader in biocides for biosecurity and industrial consumer protection
- Used in a broad range of applications such as paints and coating, construction, animal disinfection, water treatment, textile, personal care and energy

Flavors & Fragrances



- A leading manufacturer of a wide range of flavors, fragrances and preservatives used in home and personal care, food and feed
- Advanced technology platform guaranteeing highest-quality solutions for our customers

Saltigo



- A leading supplier in the field of custom synthesis, providing state-of-the-art technologies and services
- End-markets in the agrochemicals, pharmaceutical and specialty chemicals industries

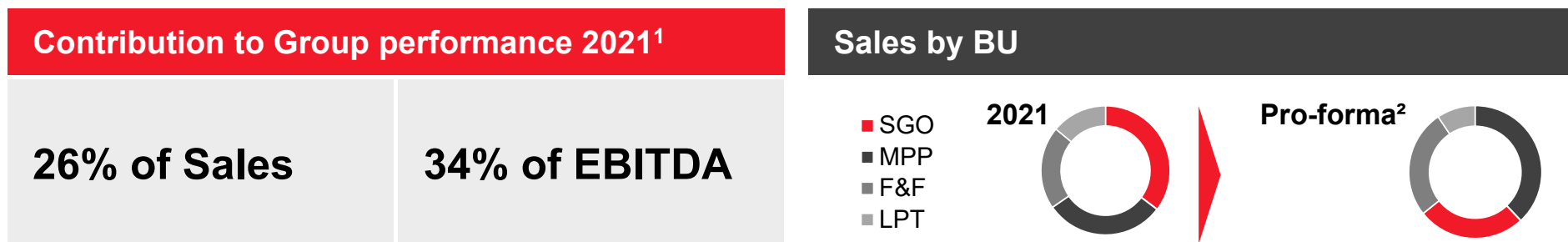
Liquid Purification Technologies



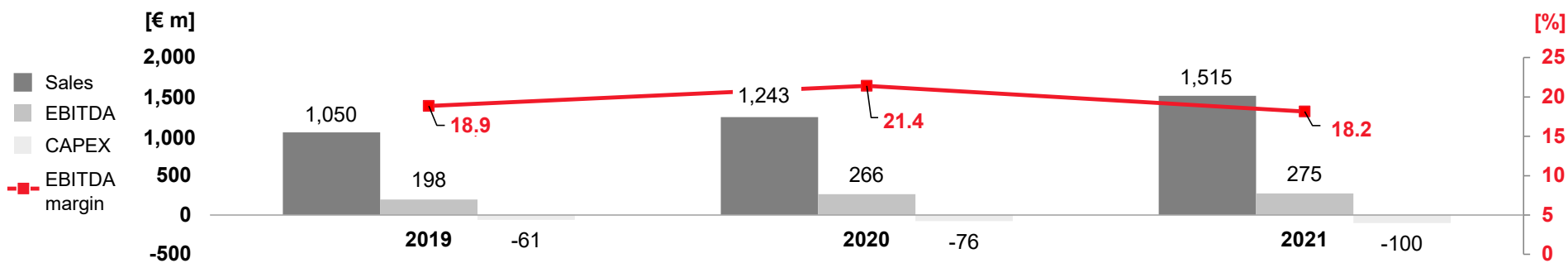
- One of the leading global suppliers for the treatment and purification of water and other liquids
- Manufacturer of ion exchange resins, adsorbents and functional polymers

- Consumer Protection** | Specialty Additives | Advanced Intermediates
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Consumer Protection: Secular growth in asset light business



History of sales, CAPEX and EBITDA (margin) 2019-2021³



Note: All references to EBITDA are pre exceptionals;
¹ Restated operating segments (excl. HPM); ² Pro-forma sales split including IFF-MC and EKC for full year; ³ 2019 and 2020 figures have been restated based on reporting of subsequent year



Consumer Protection | Specialty Additives | Advanced Intermediates

59 Material Protection Products

64 Flavors & Fragrances

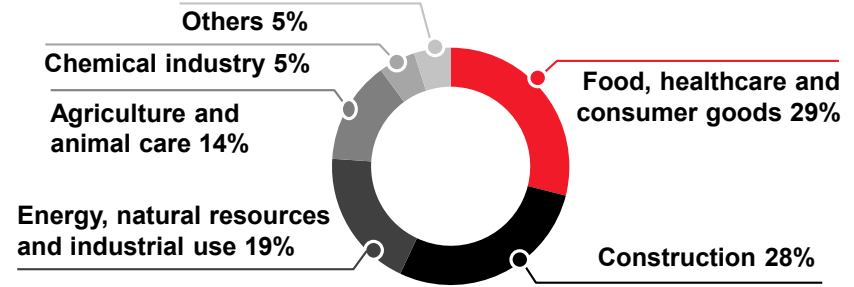
69 Saltigo

74 Liquid Purification Technologies

Material Protection Products – a global leader in biosecurity, industrial biocides and consumer protection

Key facts*	
▪ Sales:	€500-1,000 m
▪ Market growth:	~5%
▪ Customers	~6000
▪ Products:	~1,350
▪ Production:	14 sites
▪ Research:	18 Technical Competence Centers
▪ Employees:	~1,100
▪ Market position:	Among top 3 biocides companies
▪ Competitors:	Arxada, Thor, BASF, Ecolab
▪ Business:	One of the global leaders in biocides for wood protection, construction, disinfection, energy, personal care and water treatment Global customer service organization provides leading technical and regulatory support

Sales by end-use 2021



Sales by region 2021



* Key facts include the acquisitions of Theseo, Intace and IFF Microbial Control



Consumer Protection | Specialty Additives | Advanced Intermediates

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Compelling business model combining innovative products and regulatory know-how



Consumer Protection | Specialty Additives | Advanced Intermediates

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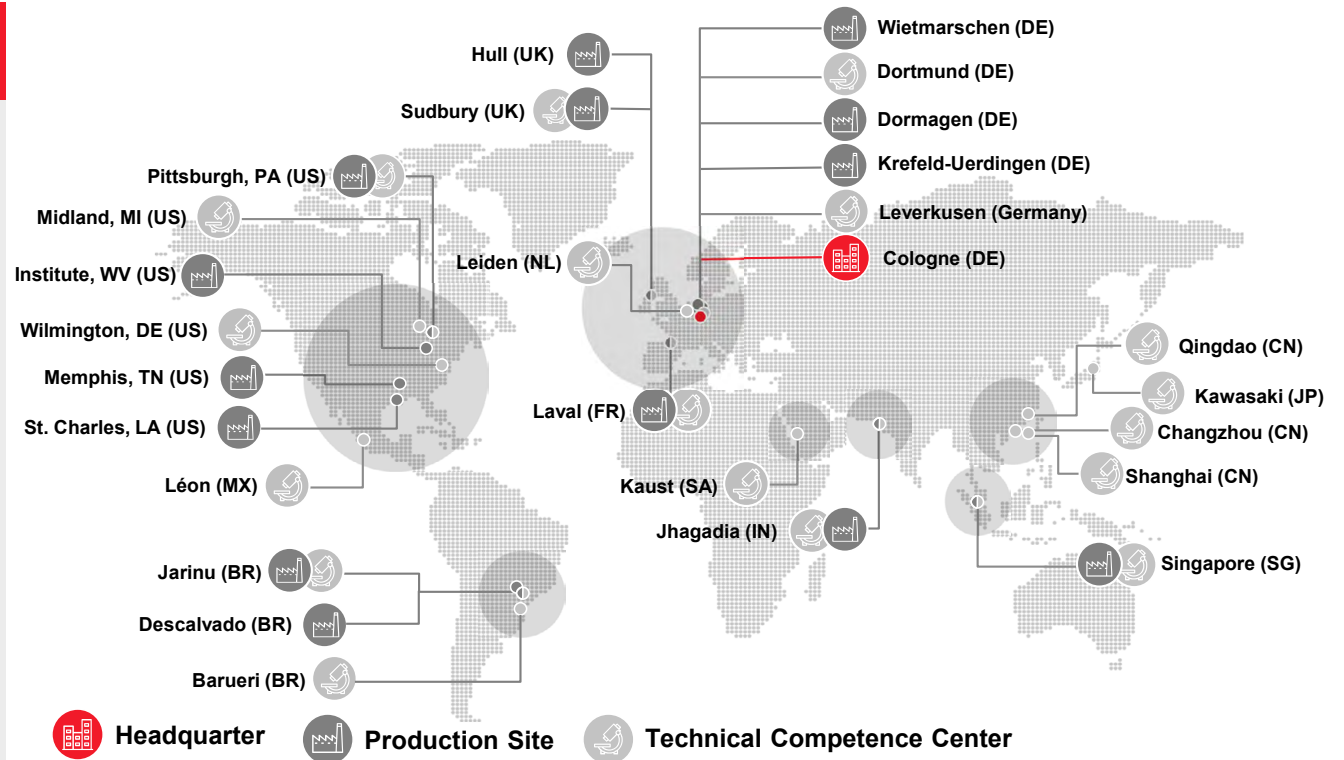
69 Saltigo

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Strong international set-up to serve global demand for microbial control solutions

Global service

- Production sites in Germany, USA, France, India, Singapore, UK and Brazil
- Local technical support – Technical Competence Centers in China, Germany, France, Mexico, Brazil, UK, Singapore, USA, India, Saudi Arabia, Netherlands and Japan
- Global and local experts for regulatory affairs
- Local sales offices with dedicated MPP staff and carefully selected distribution partners



Consumer Protection | Specialty Additives | Advanced Intermediates

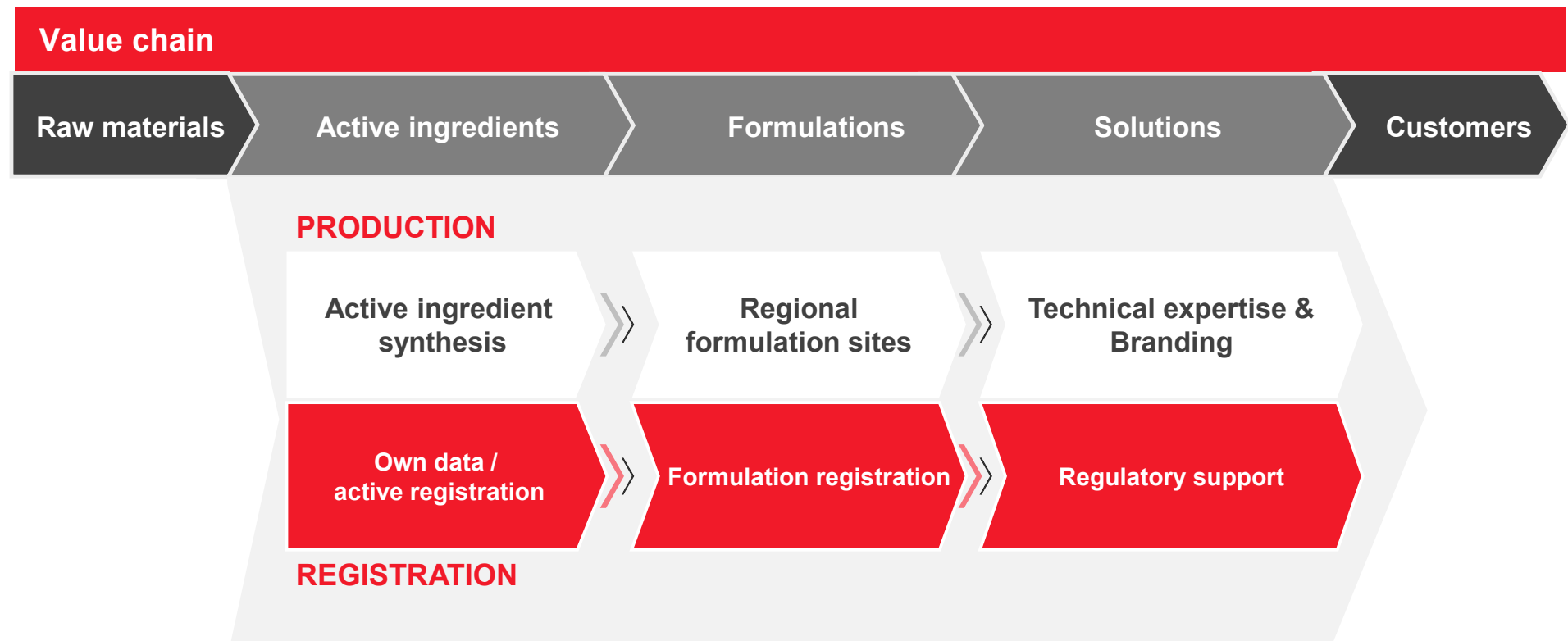
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The value chain comprises both production and regulation, which constitutes our core strength



Consumer Protection | Specialty Additives | Advanced Intermediates

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Strong regulatory expertise to meet trend towards tighter chemical regulation

Key market developments

- **Legislation:** Dedicated regulatory rules far beyond REACH*
- **Resources:** Lengthy process / high investments in new registrations
- **Requirements:** Global regulatory systems continuously evolve

MPP unique selling value proposition



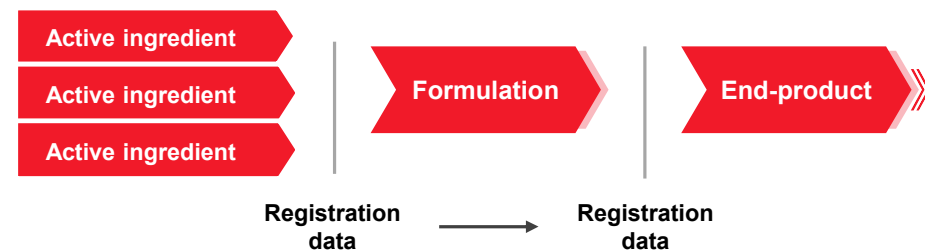
Regulatory expertise: With ~50 senior regulatory experts, one of the world's largest teams



Data creation: ~40% of CAPEX for data creation and long-term data access



Registrations:
~100 active ingredient registrations
~7,500 formulation registrations



* REACH = "Registration, Evaluation, Authorisation and Restriction of Chemicals"

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Flavors & Fragrances – a global player with a wide range of products for personal care applications

Key facts	
▪ Sales*:	€500-1,000 m
▪ Market growth:	>GDP
▪ Products:	>200
▪ Customers:	>1,000 customers in >100 countries
▪ Production:	5 sites in 5 countries
▪ Employees:	>750 FTE
▪ Market position:	Among global top 3 players
▪ Competitors:	Eastman, Valtris and select Chinese players: Whuhan Youji, Hongrun, Dongda
▪ Business:	Benzoates (preservatives for food, feed, home and consumer care markets), Flavors & Fragrances

* Normalized FY 2021

Sales by end-use 2021

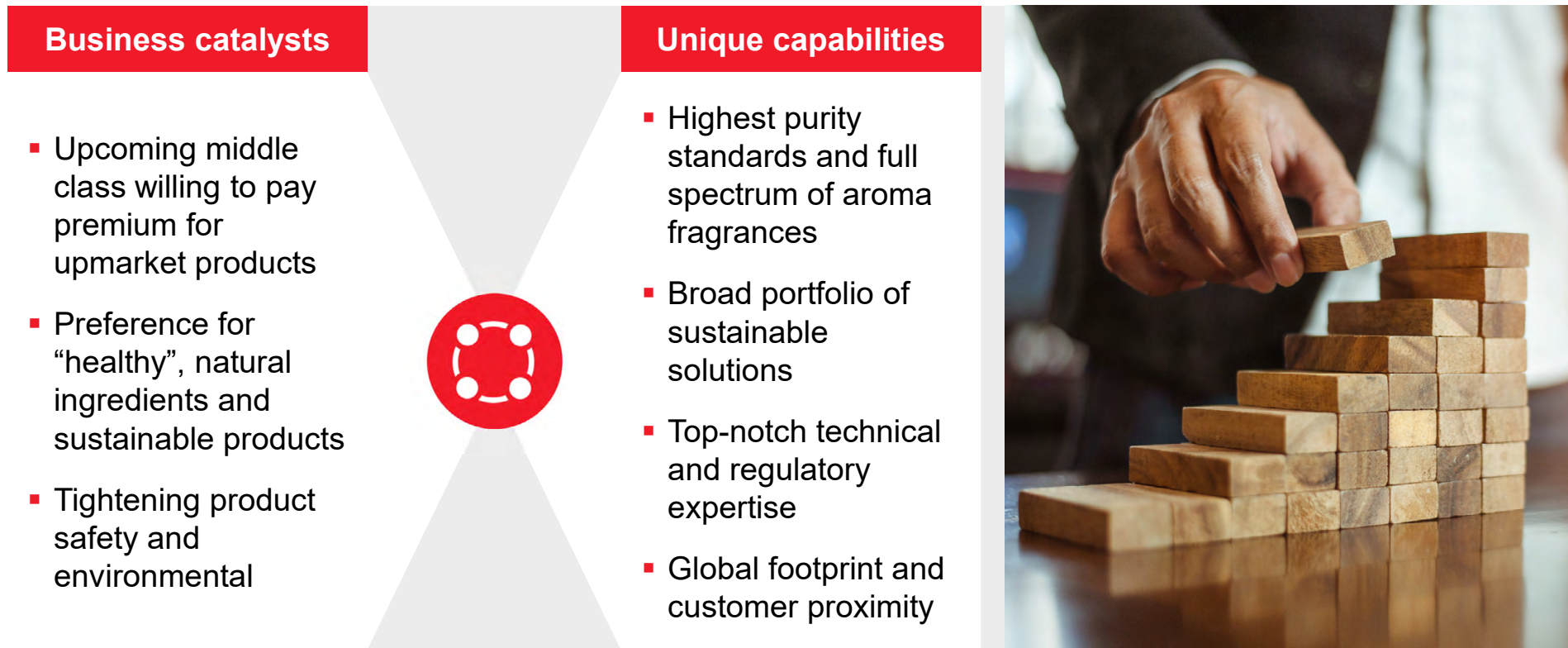


Sales by region 2021



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Positioned to benefit from underlying growth trends in flavors and fragrance business

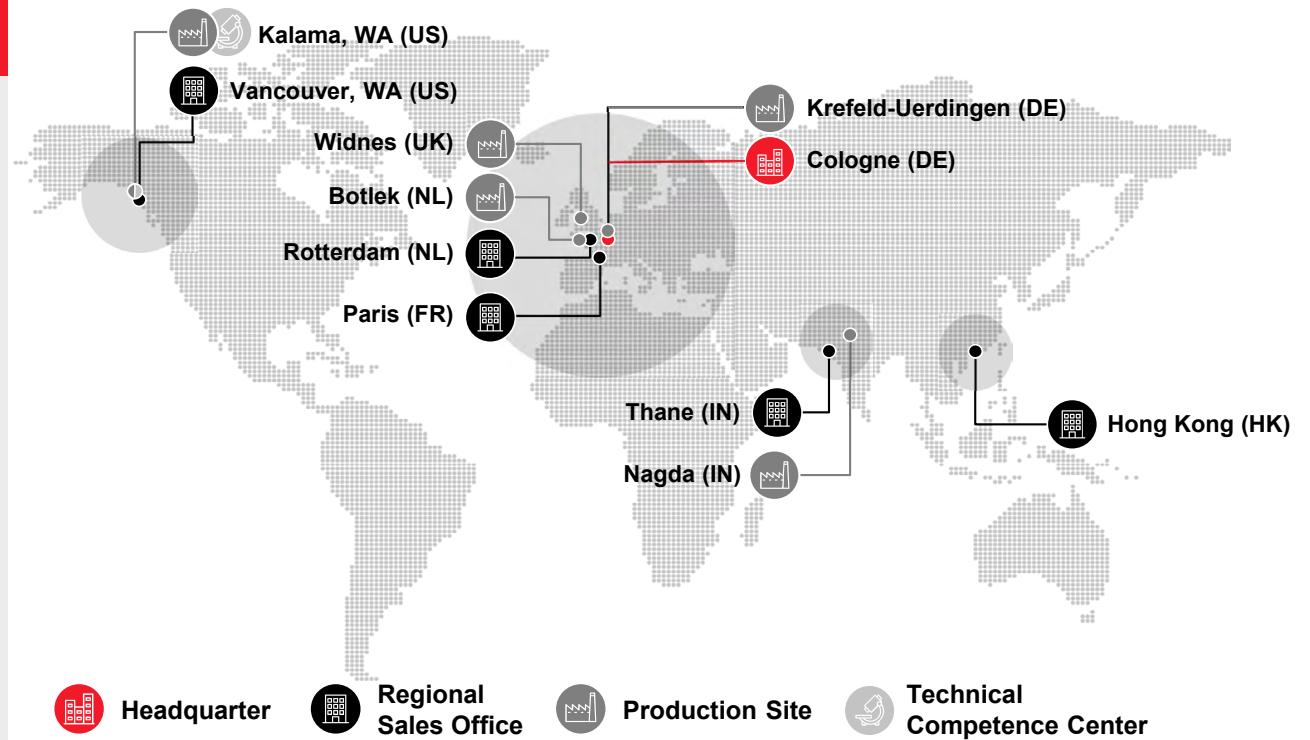


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Lean production network across the world

Global footprint in benzoates

- Advanced technology platform guaranteeing highest quality and purity standards
- Sole benzoate producer in NORAM and largest in Europe
- Strong global R&D set-up driving innovation and adapting to changing market conditions



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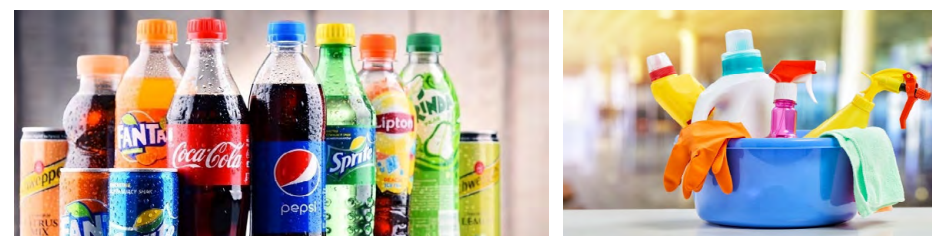
With our broad product portfolio, BU F&F covers a wide range of customers and end-applications

Flavors & Fragrances



Applications:	<ul style="list-style-type: none"> Flavors and fragrances for food and beverage, personal care, home care, animal feed Agrochemicals and pharma intermediates
Exemplary products:	<ul style="list-style-type: none"> Cinnamic aldehyde Peach lactone
Brands:	<ul style="list-style-type: none"> Purolan®

Benzoates



Applications:	<ul style="list-style-type: none"> Preservatives and antimicrobial activities for food and beverage, personal care, home care, animal feed and agriculture Inhibition / control growth of yeasts and molds Maintain freshness and formulation integrity
Exemplary products:	<ul style="list-style-type: none"> Sodium benzoate Potassium benzoate
Brands:	<ul style="list-style-type: none"> Kalaguard® SOLBROL® Purox®

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Our aroma chemicals cover a broad spectrum of fragrances using the highest industry standards



Floral

C-9 Aldehyde – rose, flower-wax, aldehyde
Florosol – muguet, lilac, cyclamen
Lilestralis® Pure – fresh, green, light



Spicy / Cinnamon

Cypriol – sweet, balsamic-floral, oriental
Cyprinal – warm, cinnamon, balsamic
3 Phenyl propanol – balsamic, spicy, honey, lilac, hyacinth



Earthy

Osyrol® – sandalwood, floral
Vetimoss® – forest, damp wood, vegetation



Fruity

Azuril – powerful, citrus, ozone, linen
C-12 Lauric aldehyde – citrus, floral, soap
C-6 Aldehyde – citrus, apple, fresh, grassy



Other

Benzyl benzoate – nearly odorless fixative in gum / confectionary
Benzaldehyde – almond, cherry

Amyl cinnamic aldehyde – jasmine, cocoa, fatty
Hexyl cinnamic aldehyde – green, lily, jasmine
Benzyl acetate – sweet floral fruity jasmin fresh

Cinnamic alcohol – spicy, honey
Cinnamic aldehyde – cinnamon bark, sweet spice, oriental

C-8 Aldehyde – orange peel, aldehyde
C-10 Aldehyde – citrus, orange peel, fatty
Peach lactone – sweet, peachy, apricot, creamy

Benzyl alcohol – fragrance fixative for chewing gum / confectionary
Methyl benzoate – wintergreen, camphoraceous, phenolic

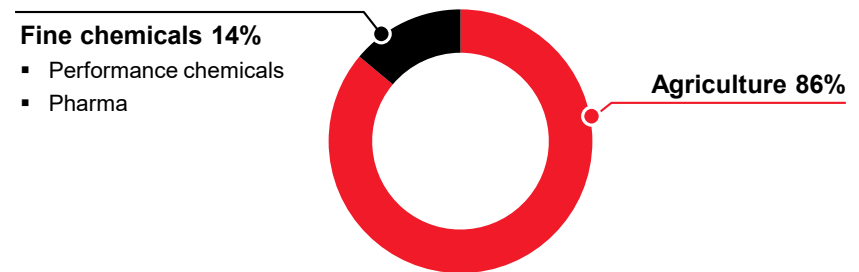


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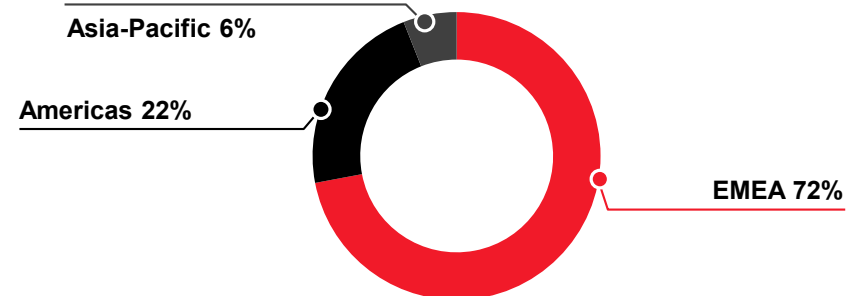
Saltigo – a leading custom manufacturer for the agro and fine chemicals markets

Key facts	
▪ Sales:	€500-1,000 m
▪ Market growth:	~5%
▪ Customers:	Batch processes up to 5,000 tons for ~300 customers
▪ Products:	>400
▪ Production:	Unique production network with 10 plants in Dormagen and Leverkusen (Germany)
▪ Research:	World-class R&D center
▪ Employees:	~1,200
▪ Market position:	One of the global leaders in agro custom manufacturing
▪ Competitors:	CABB, Deccan Chemicals, Lianhe, inter alia
▪ Business:	Exclusive synthesis for active ingredients notably for the agro industry, pharma and specialty chemicals like Saltidin® (insect repellent) and from 2022 onwards electrolytes for Li-ion batteries

Sales by end-use 2021



Sales by region 2021



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Custom manufacturer of choice for leading agrochemical companies



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Saltigo's unique, fully integrated production network serves blue chips with global reach

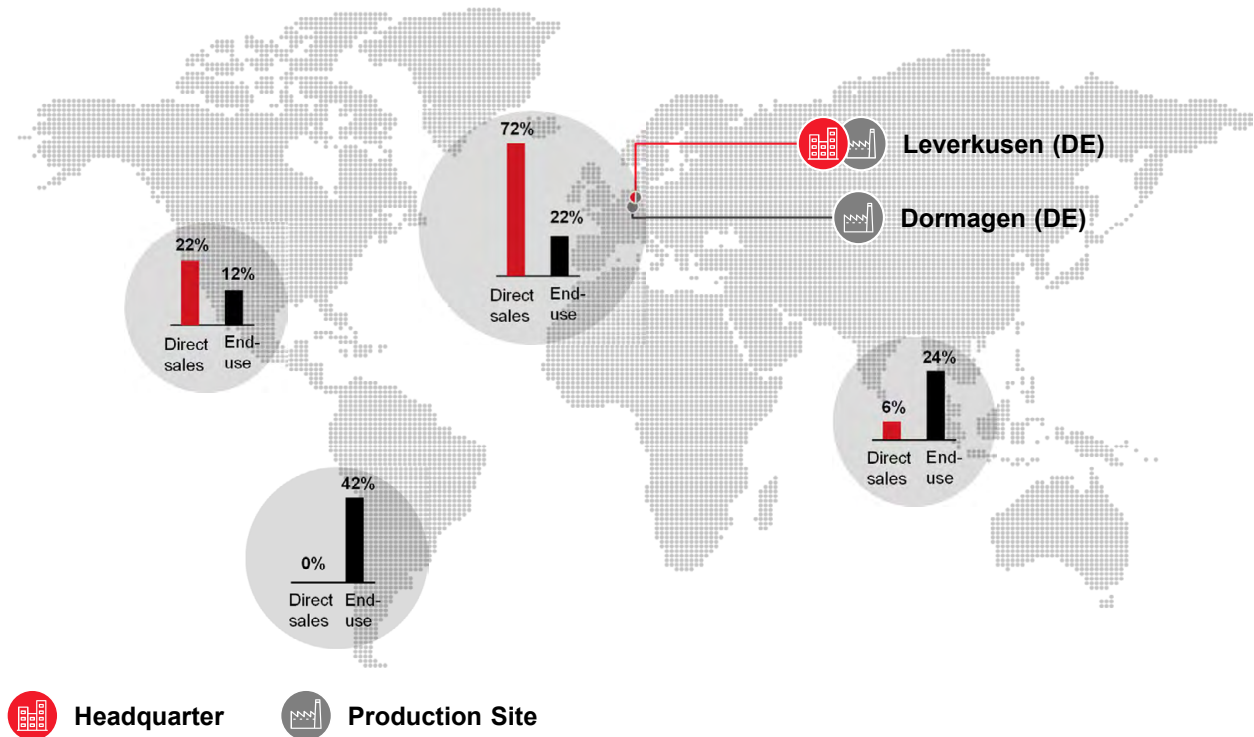
Key features

German hub

- Fully integrated production network, unique in industry
 - Multi-purpose and technology specific plants
 - Very broad permits and chemistries
- All business functions concentrated on one site, allowing high speed and flexibility

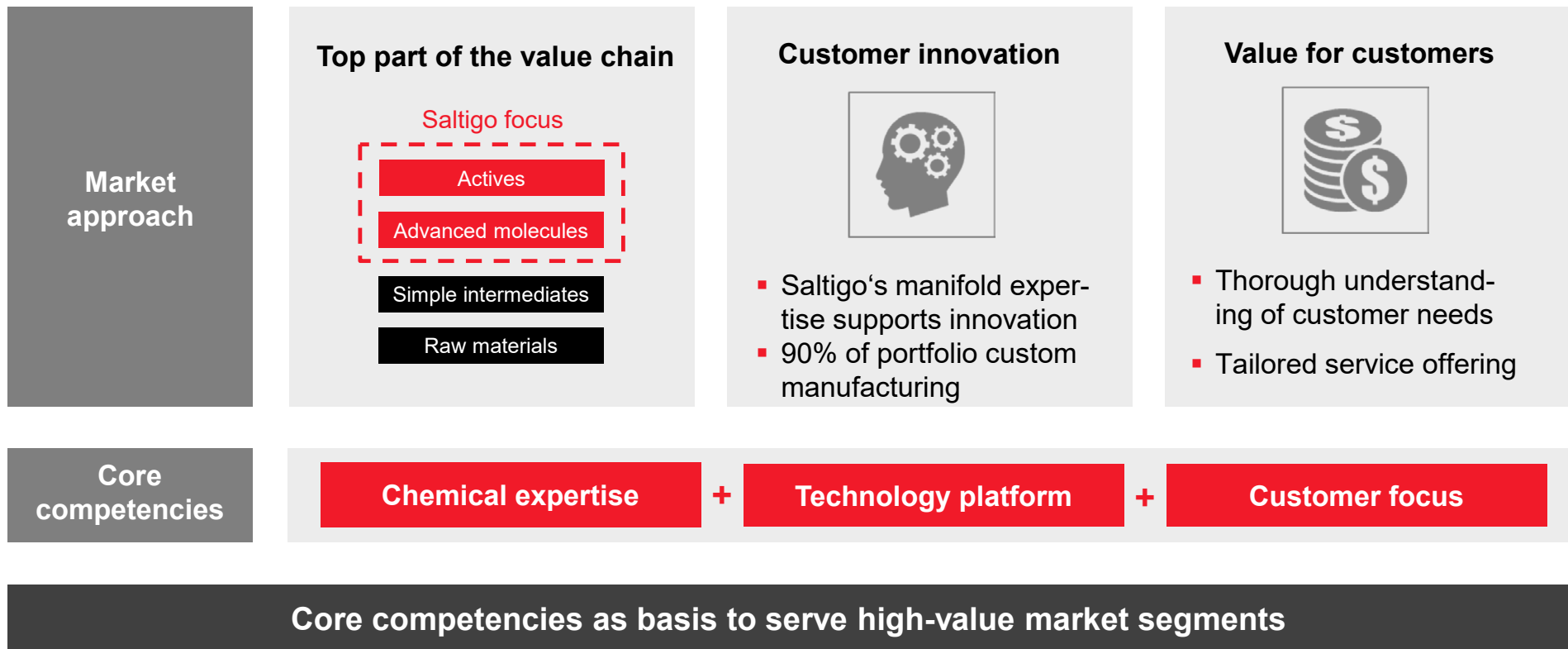
Global reach

- Majority of products is sold to blue chips
- Latin America and Asia as main end-use regions



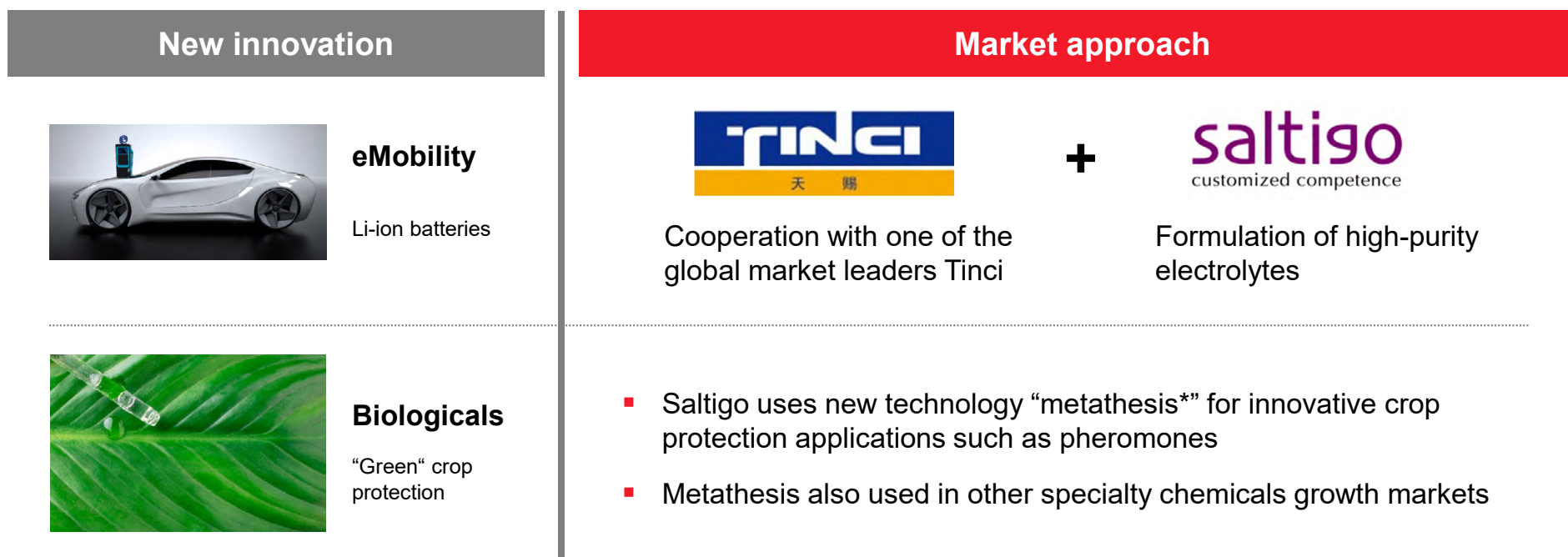
Consumer Protection | Specialty Additives | Advanced Intermediates
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Saltigo focusses on complex, high value-add specialties, providing important value for its customers



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Saltigo with thorough service offerings for innovative growth markets



Saltigo leverages its competence to expand into new strategic segments

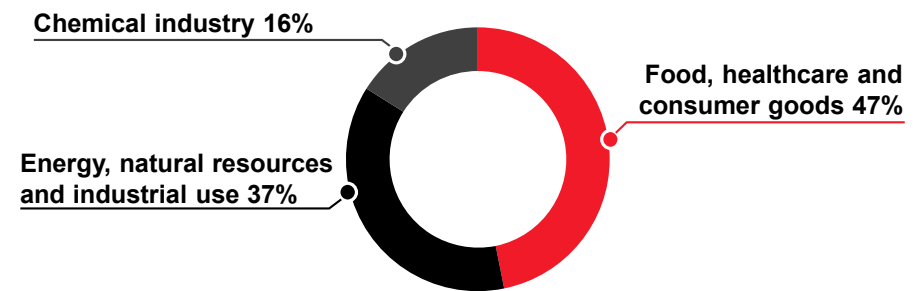
* Nobel-prize winning chemistry (2005), advanced technology for the stereoselective synthesis of olefines

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Liquid Purification Technologies – a leading global solution provider for liquid purification

Key facts	
▪ Sales:	<€500 m
▪ Market growth:	>5%
▪ Customers:	>1,500
▪ Products:	>160
▪ Production:	3 sites
▪ Research:	6 Technical Competence Centers globally
▪ Employees:	~500
▪ Market position:	Among global top 3 players in overall ion exchange resins business
▪ Competitors:	DuPont, Purolite and Mitsubishi Chemicals, inter alia
▪ Business:	Ion exchange resins, adsorbents and functional polymers

Sales by end-use 2021

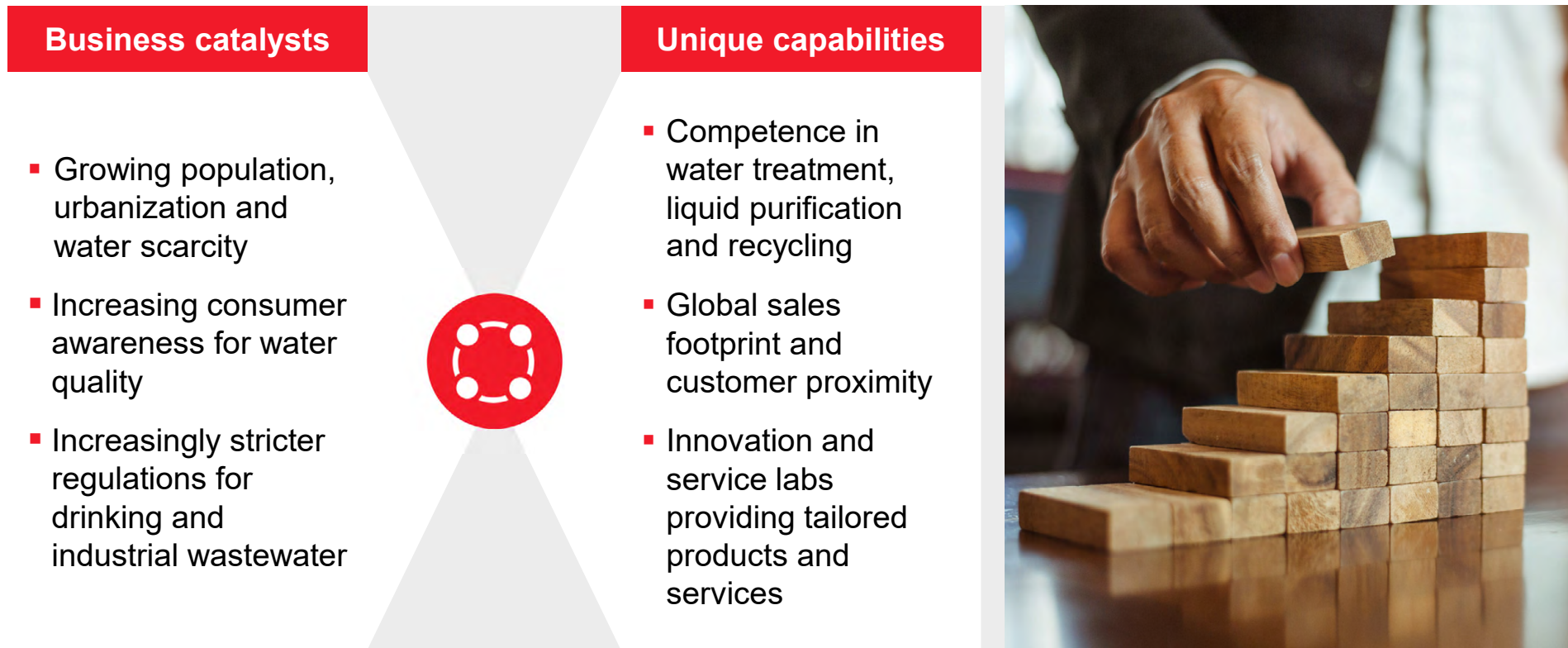


Sales by region 2021



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Leading solutions provider for purification of water and other liquids

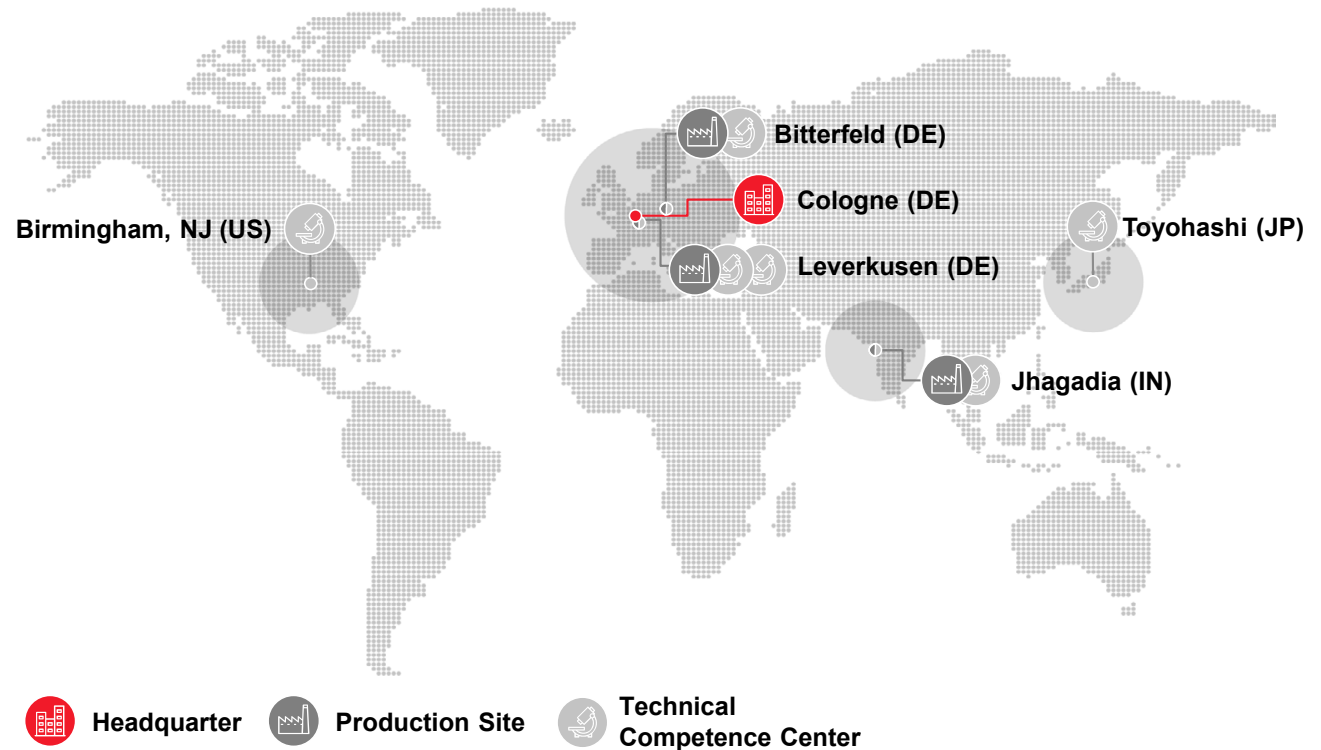


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LPT with strong global presence for ion exchange resins and adsorbers




A reliable partner for our customers – worldwide

- Global presence via production network, innovation laboratories, warehouses and sales force
- Three state-of-the-art production sites in Germany and India with unique manufacturing technologies for high-end applications
- Worldwide sales offices and strong global distribution network
- Innovation and service labs to provide tailored products and services



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Versatile specialists – comprehensive product portfolio provides advanced solutions

Products and brands	
	<ul style="list-style-type: none"> Ion exchange resins, adsorbers and functional polymers for use in many industries and applications
	<ul style="list-style-type: none"> Granular iron oxide adsorbers for water treatment
	<ul style="list-style-type: none"> Calculation and design software for the dimensioning of water treatment systems



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LPT's broad and unique product portfolio is well-positioned within the ion exchange resins value chain



LPT solutions



Lewatit®

- Complete product portfolio of ion exchange resins best serving customers in multi-level production processes
- Unique manufacturing technologies for high-end applications:
 - monodisperse polymerization for products with enhanced application properties
 - PTI* process for highly selective resins



Bayoxide®

- Iron oxide adsorbents as complementary technology

Additional services

- Global technical service with comprehensive expertise
- LewaPlus® design software
- Regulatory competence and support

* PTI = Phtalimide chemistry

Consumer Protection | **Specialty Additives** | Advanced Intermediates

83 Polymer Additives

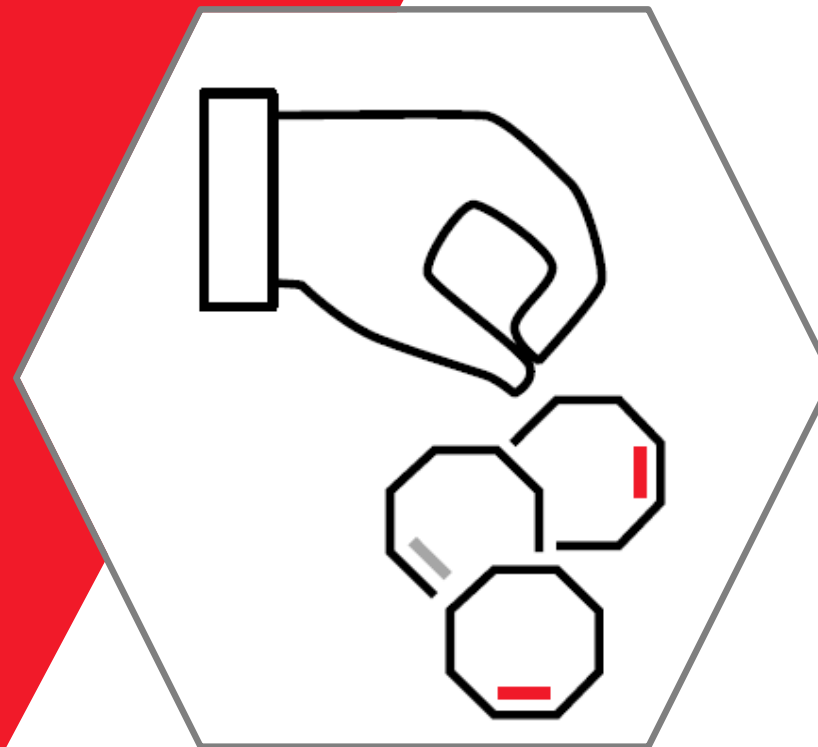
89 Lubricant Additives Business

95 Rhein Chemie

LANXESS

Business Segment

**Specialty
Additives**



Consumer Protection | **Specialty Additives** | Advanced Intermediates

83 Polymer Additives

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Specialty Additives: A leading additives player in niche markets

Among top 3 players
in niche markets

Segment growth drivers:

Global sales footprint

Integrated value chains

Strong US asset base

~GDP
growth

Up to 20%
EBITDA pre
margin potential

**Attractive product
characteristics:**
small volume, high impact

Consumer Protection | **Specialty Additives** | Advanced Intermediates

83 Polymer Additives

89 Lubricant Additives Business

95 Rhein Chemie

Specialty Additives: World-class player in several highly attractive additives niches

Polymer Additives



- Polymer Additives offers a broad portfolio of brominated, as well as phosphorus flame retardants, plasticizers, colorants and other additives and intermediates

Lubricant Additives Business



- Leading lubricants additives player with strong industrial focus and highly specialized and balanced portfolio to serve growing end-markets

Rhein Chemie

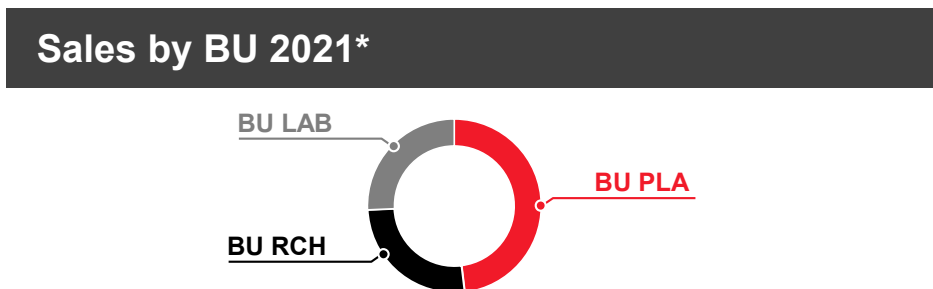
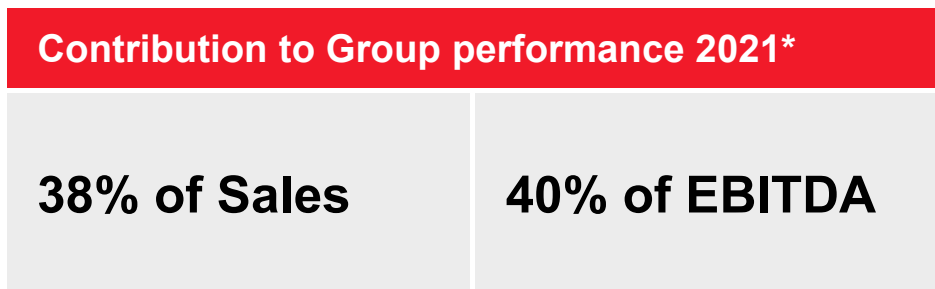


- World's largest rubber additive provider offering chemicals, specialty chemicals and processing aids for the rubber industry

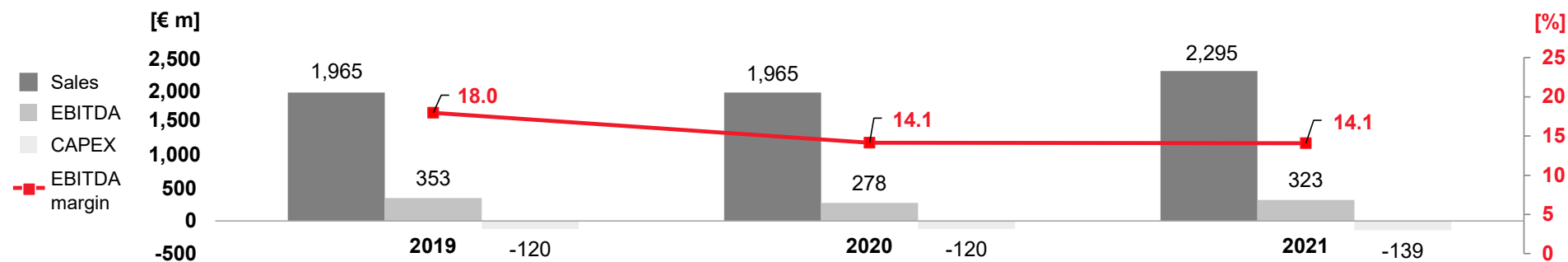
Consumer Protection | **Specialty Additives** | Advanced Intermediates

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Specialty Additives: Balanced portfolio of leading additives businesses



History of sales, CAPEX and EBITDA (margin) 2019-2021**



Note: All references to EBITDA are pre exceptionals
 * Restated operating segments (excl. HPM); ** 2019 and 2020 figures have been restated based on reporting of subsequent year



Consumer Protection | **Specialty Additives** | Advanced Intermediates

83 Polymer Additives

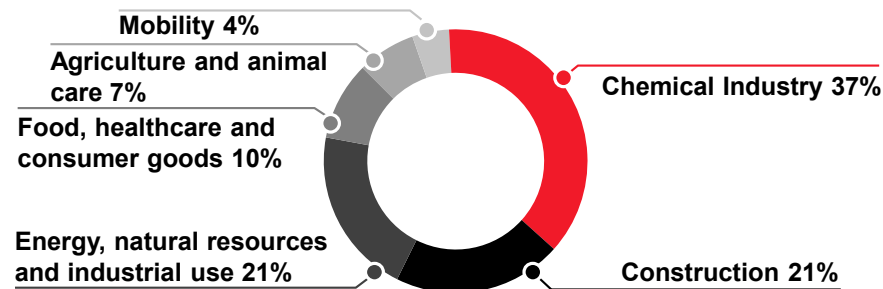
89 Lubricant Additives Business

95 Rhein Chemie

Polymer Additives – a major global player in flame retardants and plasticizers serving diverse end-markets

Key facts	
▪ Sales:	€1,000-2,000 m
▪ Market growth:	~GDP
▪ Customers:	~1,800 in more than 100 countries
▪ Products:	More than 500
▪ Production:	9 sites in 5 countries
▪ Research:	7 Technical Competence Centers in North America, Europe and Asia
▪ Employees:	~1,000
▪ Market position:	Among top 1-3 additives companies
▪ Competitors:	ICL, Albemarle, Wansheng, Yoke, Eastman, Clariant
▪ Business:	Polymer Additives offers a broad portfolio of brominated as well as phosphorus flame retardants, plasticizers and other products

Sales by end-use 2021



Sales by region 2021



Consumer Protection | **Specialty Additives** | Advanced Intermediates

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89 Lubricant Additives Business

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A leading player and innovation driver for high-quality flame retardants



Consumer Protection | **Specialty Additives** | Advanced Intermediates

83 Polymer Additives

89 Lubricant Additives Business

95 Rhein Chemie

Polymer Additives – a truly global player with close customer proximity

Headquarter: Cologne, Germany

Global production footprint:

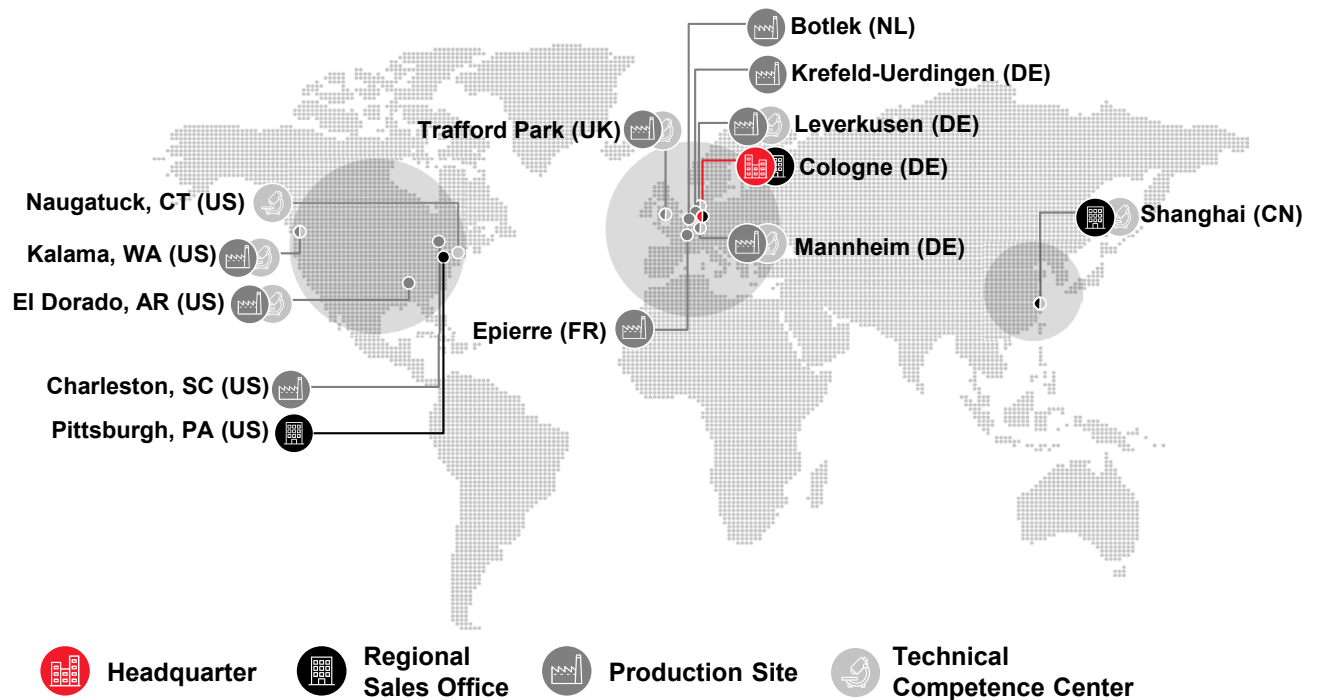
- 9 production sites in 5 countries

Global Technical Competence Center network:

- Leverkusen, Germany
- Mannheim, Germany
- Trafford Park, UK
- Naugatuck (CT), and El Dorado (AR), and Kalama (WA), USA
- Shanghai, China

Strong commercial presence:

- Cologne, Germany
- Pittsburgh, PA, USA
- Shanghai, China



Consumer Protection | **Specialty Additives** | Advanced Intermediates

83 Polymer Additives

89 Lubricant Additives Business

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Polymer Additives provides indispensable solutions for modern life

Flame retardants

- > Safety solutions for **sustainable, climate-efficient** construction products and materials
- > Safety solutions for **eMobility**



Disflamoll®, Reofos®, Levagard®, Firemaster®, Emerald Innovation®

Sustainable plasticizers

- > Phthalate-free plasticizer solutions that are **safe in human contact or food**
- > Phthalate-free plasticizer solutions for adhesives and sealants for **construction, packaging and light-weight manufacturing**



Mesamoll®, K-FLEX®, Ultramoll®, Adimoll®

Polymer stabilizers

- > **LANXESS' stabilizers** extend the lifespan of products by up to three fold – **allowing** the use of these materials in **critical applications**
- > Prolonged use phase contributes to **enhanced life-cycle performances** of end-products



Stabaxol® works effectively against hydrolysis in a wide range of polymers

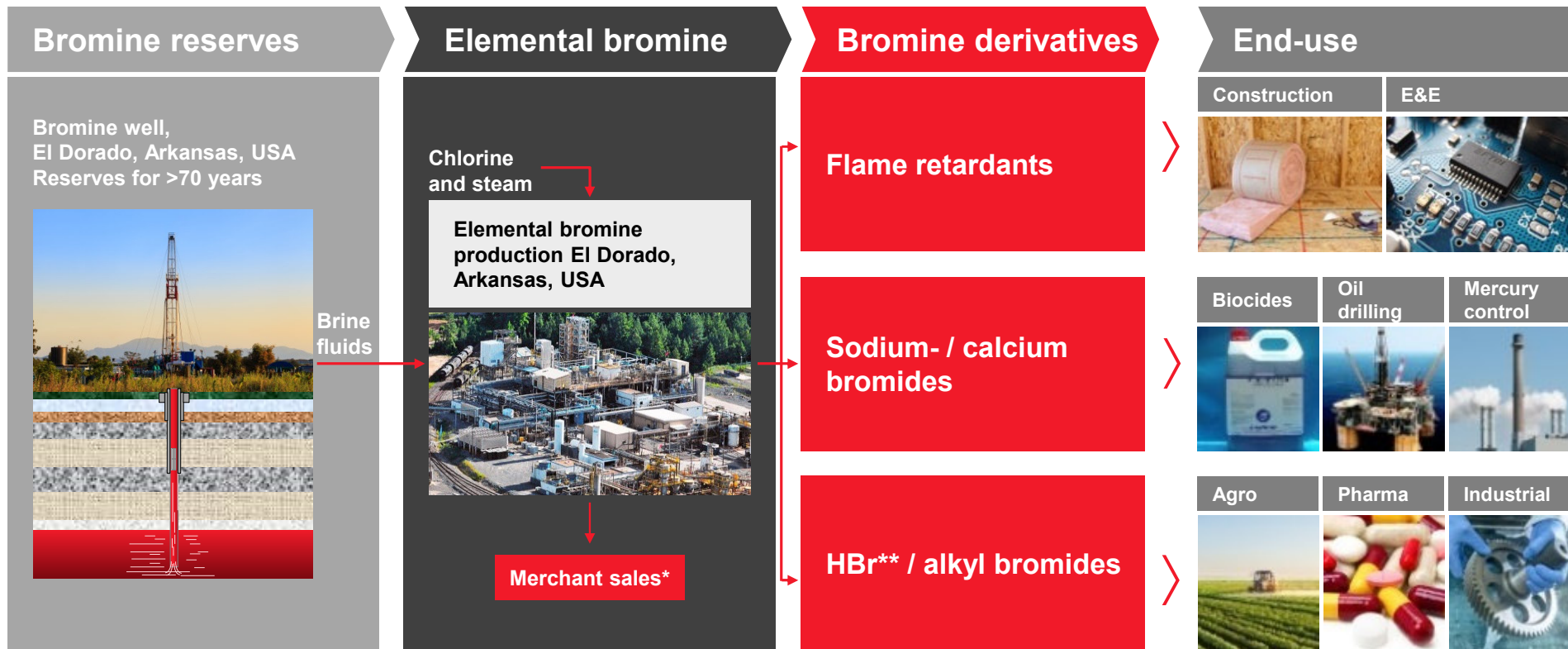
Consumer Protection | **Specialty Additives** | Advanced Intermediates

83 Polymer Additives

89 Lubricant Additives Business

95 Rhein Chemie

Bromine derivatives – extracting value from bromine by pursuing the whole value chain



■ Products sold by LANXESS

* Roughly 20% of total bromine volume; ** HBr – hydrogen bromide

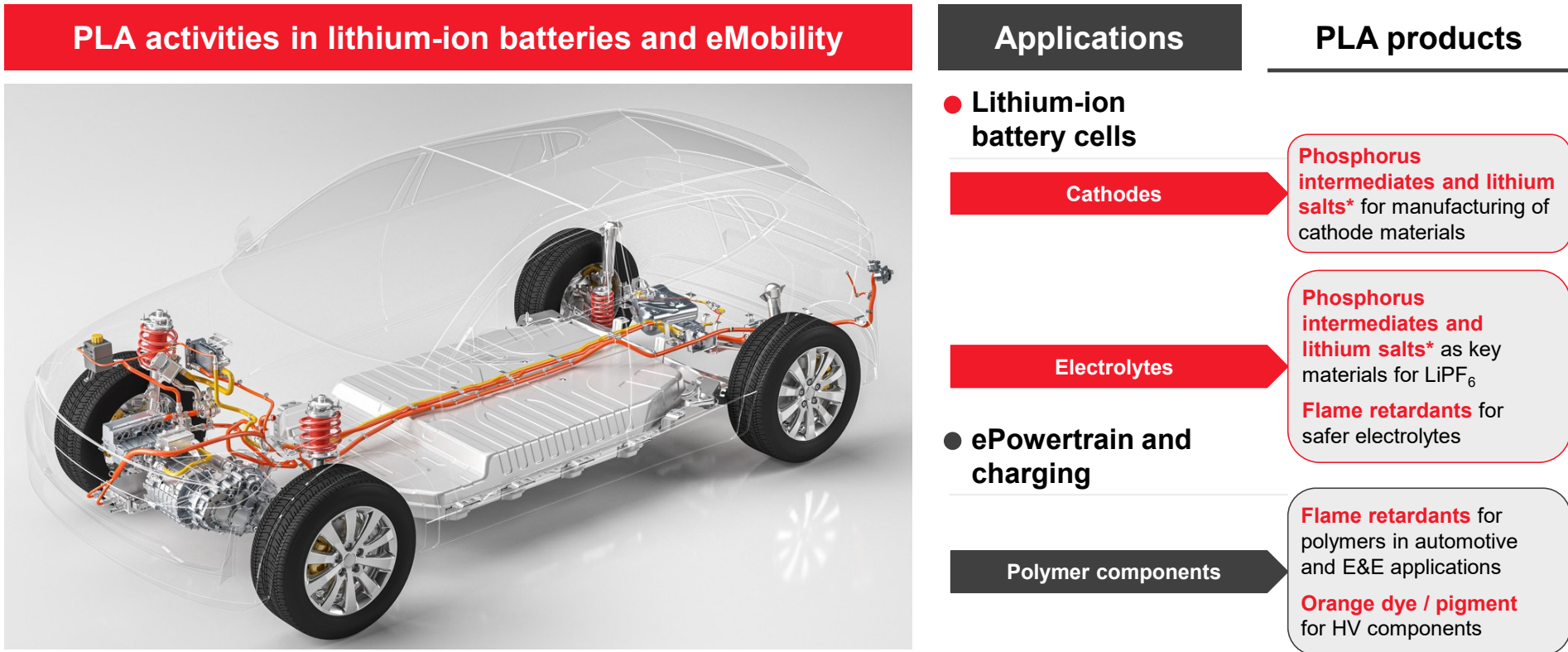
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Providing key raw materials and additive solutions for Li-ion batteries and electric vehicles



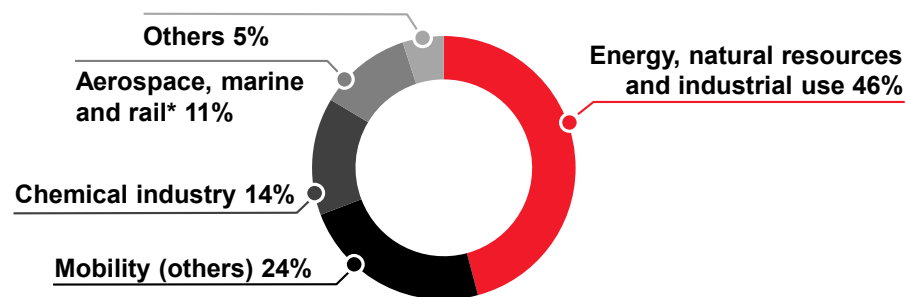
* In cooperation with Standard Lithium (SLI), subject to proof of concept | Pictures: Adobe Stock

Consumer Protection | **Specialty Additives** | Advanced Intermediates
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89 Lubricant Additives Business
 95 Rhein Chemie

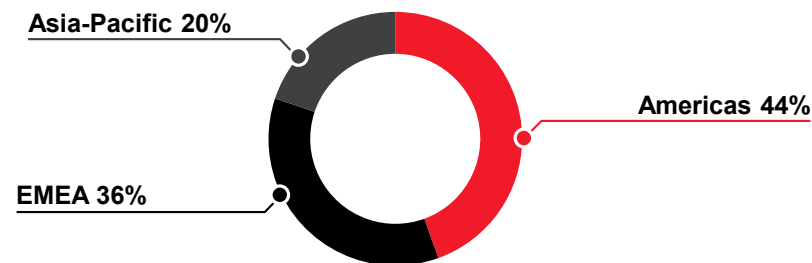
Lubricant Additives Business – a leading specialty solutions provider to the global lubricants value chain

Key facts	
▪ Sales:	€500-1,000 m
▪ Market growth:	~GDP
▪ Customers:	~800 in more than 120 countries
▪ Products:	~660
▪ Production:	11 sites
▪ Research:	4 Technical Competence Centers in North America, Europe and Asia
▪ Employees:	~800
▪ Market position:	Among Top 3 lubricant additives companies
▪ Competitors:	DIC, Exxon, BASF, Vanderbilt, Lubrizol, Afton, ICL
▪ Business:	Leading specialty solutions provider to the entire global lubricants value chain. Highly specialized product portfolio with strong industrial focus serving into growing end-markets

Sales by end-use 2021



Sales by region 2021



* Mostly Aerospace sales – part of Mobility segment

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Strong focus on high value-add industrial lubricant solutions



Consumer Protection | **Specialty Additives** | Advanced Intermediates

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Lubricant Additives Business – global setup

Headquarter: Shelton (CT), US

Manufacturing:

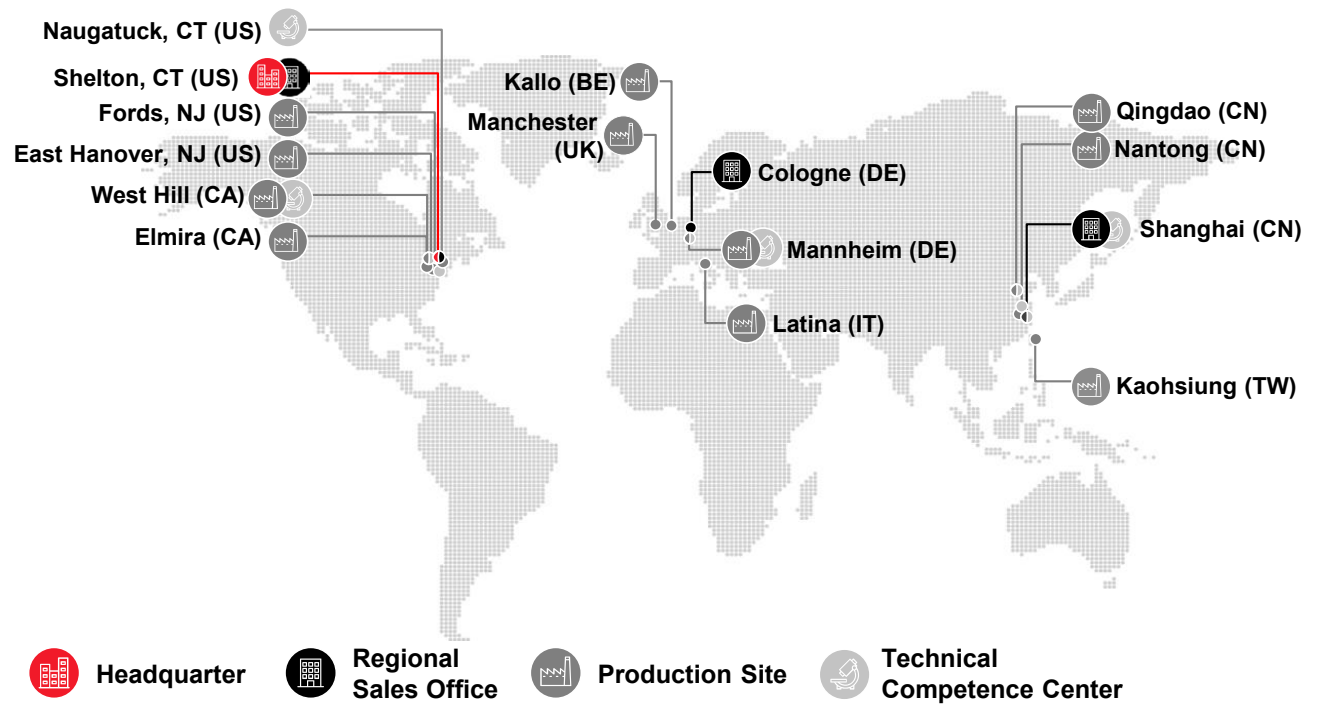
- 11 production sites in 7 countries

Technical Competence Centers:

- Naugatuck (CT), USA
- West Hill, Canada
- Mannheim, Germany
- Shanghai, China

Global sales with regional footprint:

- Cologne, Germany
- Shelton (CT), USA
- Shanghai, China

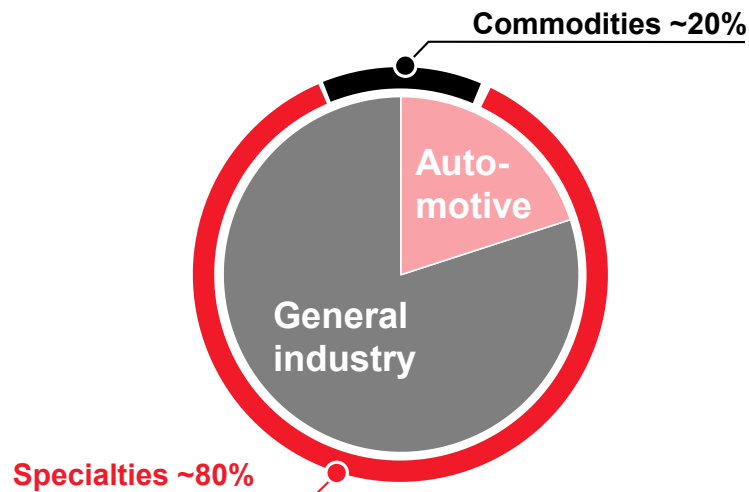


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Lubricant Additives Business with strong focus on high value-add industrial lubricant solutions

Well-diversified and specialized lubricants portfolio

Sales of Business Unit Lubricant Additives (illustrative)



A leading specialties player

- Highly diversified end-market split with focus on industrial lubricants
- Strong expertise in high value-add specialty lubricants
- Leading positions in mid-sized markets and niche segments
- Automotive exposure well-balanced with specialty lubricants for premium aerospace, marine, rail and other niche mobility applications

Consumer Protection | **Specialty Additives** | Advanced Intermediates

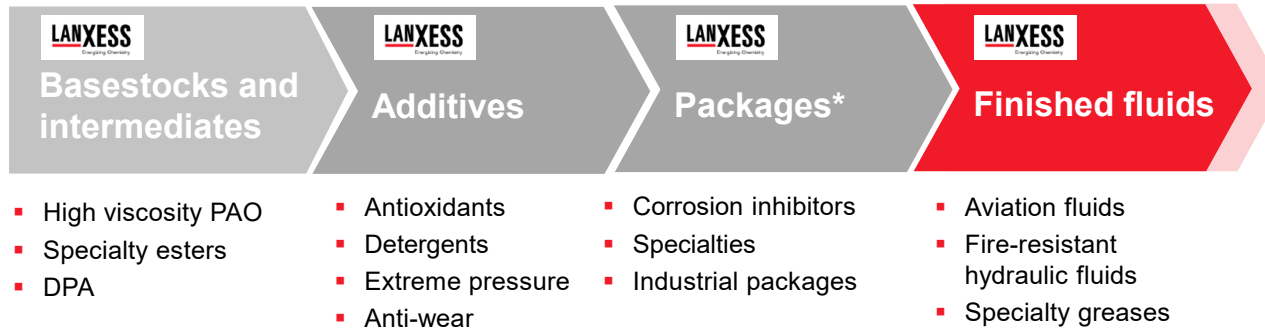
83 Polymer Additives

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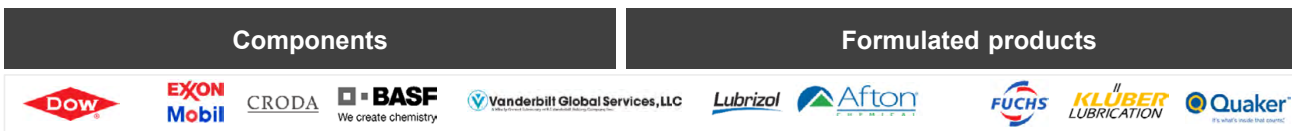
Uniquely integrated lubricant value chain from synthetic basestocks to lubricant additives, packages and finished fluids

Lubricant value chain from LANXESS



- Unique backward integration
- Strong complementary product portfolio with cross-selling potential
- Premium products meeting highest standards
- Long track record of providing technical expertise to customers
- Striving for innovation and technology leadership

Peers cover parts of the value chain



* Technical term for formulations / mixtures of different additive components

Consumer Protection | **Specialty Additives** | Advanced Intermediates

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New mobility as an opportunity

Innovation projects

EV driveline fluids

- New fluids with superior corrosive, thermal and electrical properties required for eDriveline
- Wear protection and package development is key competency of LAB

Status



Immersion cooling fluids

- Immersion cooling fluids enable fast-charging of electric vehicle batteries by removing excess heat from battery cells during charging process
- LAB offers a range of cooling fluids, including phosphate esters, that are non-conductive and highly flame resistant

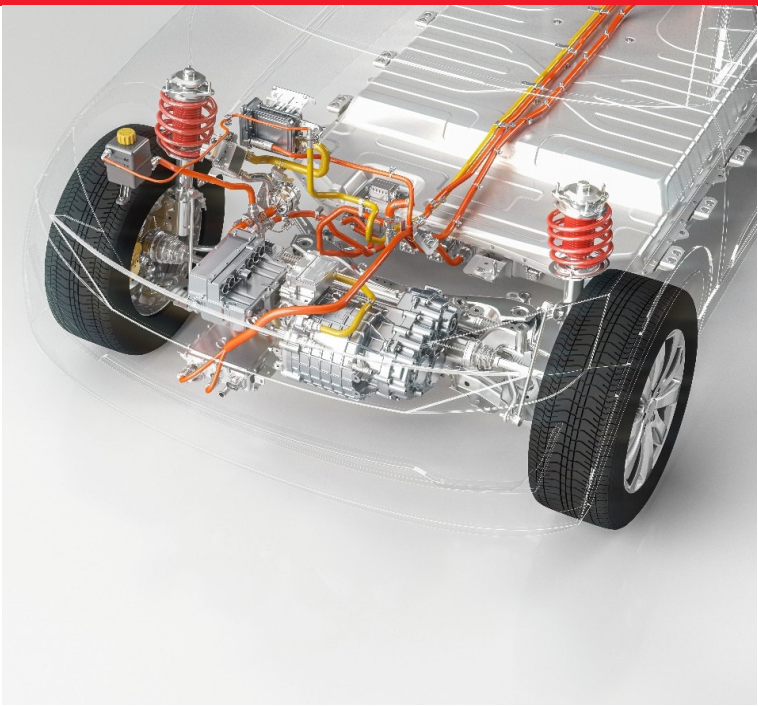


Electrolyte additives

- Additives required to improve electrolyte stability, protect cathode against overcharge
- AO chemistry is key competency of LAB



 Under development

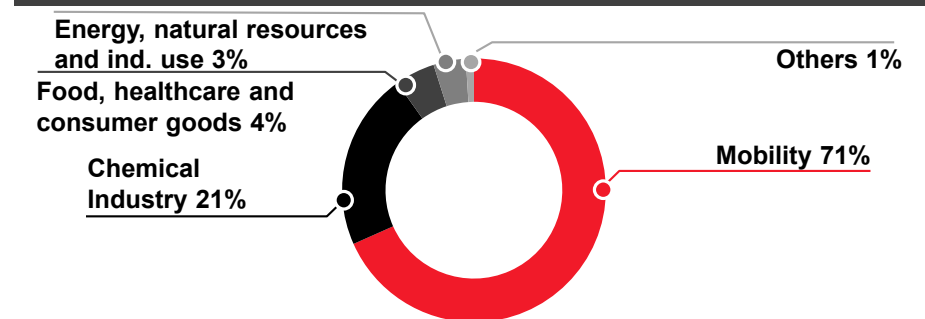


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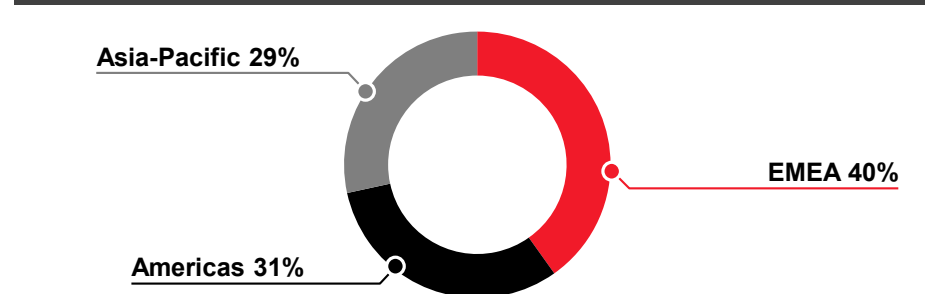
Rhein Chemie – high-quality rubber additives products and solutions for mobility

Key facts	
▪ Sales:	€500-1,000 m
▪ Market growth:	~GDP
▪ Customers:	>1,200 in more than 70 countries
▪ Products:	>1,500
▪ Production:	14 sites
▪ Research:	5 Technical Competence Centers globally
▪ Employees:	~1,000
▪ Market position:	A leading market position in main businesses
▪ Competitors:	Sennics, Sunsine, SI Group
▪ Business:	Solution provider for additives in rubber

Sales by end-use 2021



Sales by region 2021



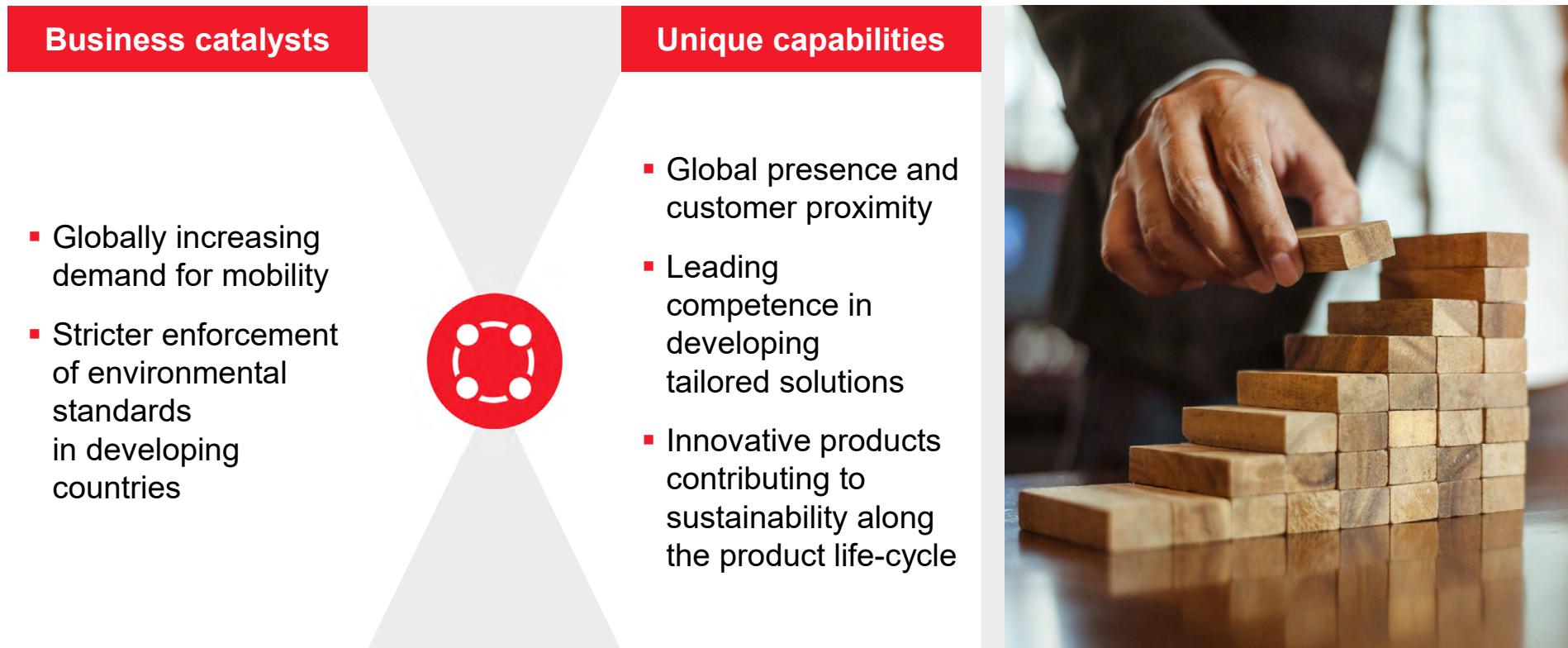
Consumer Protection | **Specialty Additives** | Advanced Intermediates

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Highest quality in rubber additives and solutions



Consumer Protection | **Specialty Additives** | Advanced Intermediates

83 Polymer Additives

89 Lubricant Additives Business

95 Rhein Chemie

Worldwide presence and customer proximity

Headquarter: Mannheim, Germany

Production Sites

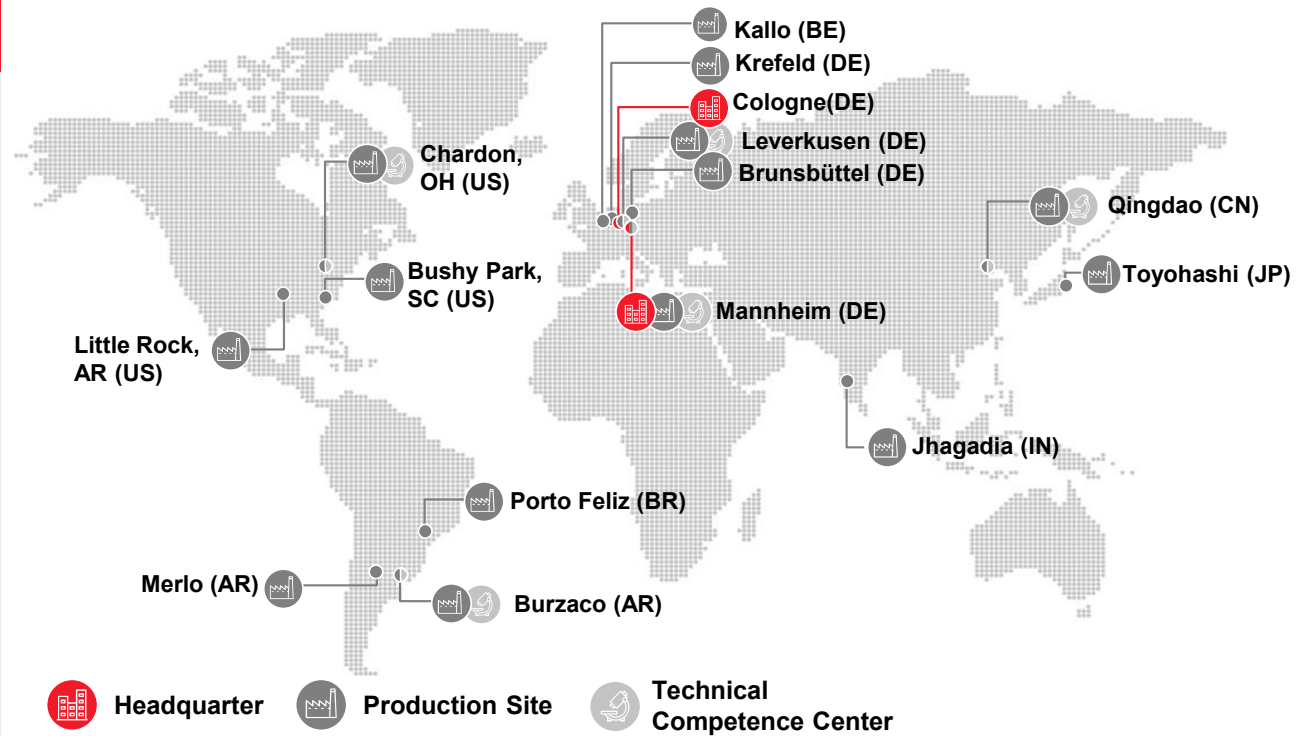
- 14 production sites in 8 countries

Technical Competence Centers

- 5 Technical Competence Centers in Argentina, China, Germany, and USA

Sales Offices

- Worldwide sales offices of LANXESS and local distributors



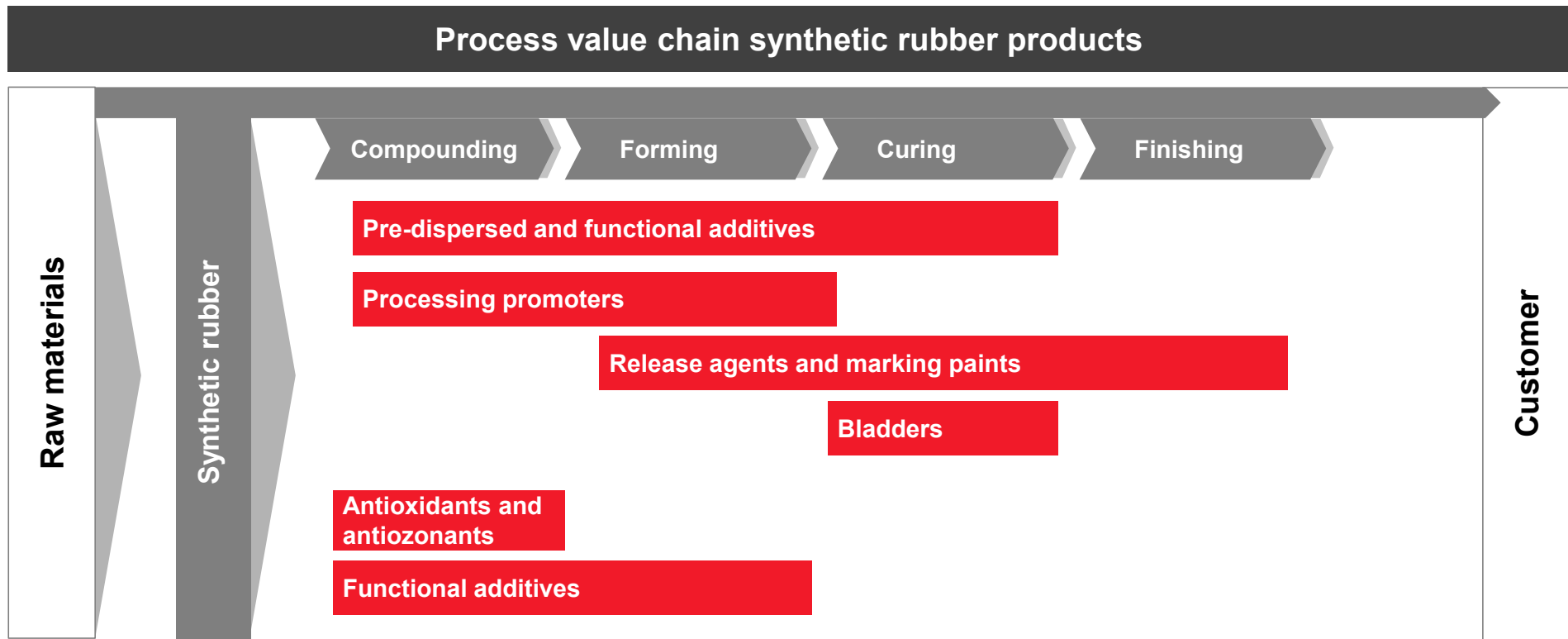
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Broad portfolio of rubber additives for all steps in value chain and critical product properties



Consumer Protection | Specialty Additives | **Advanced Intermediates**

103 Advanced Industrial Intermediates

108 Inorganic Pigments

LANXESS

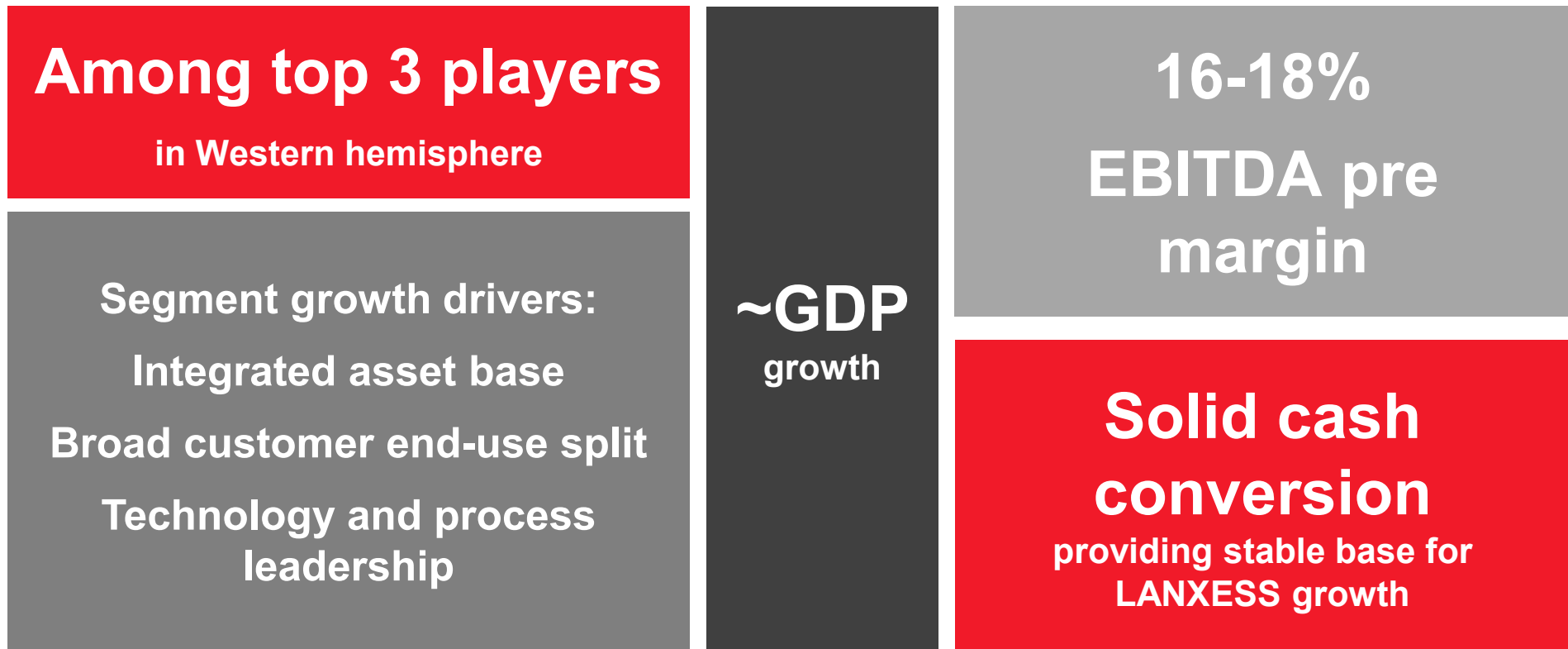
Business Segment

**Advanced
Intermediates**



Consumer Protection | Specialty Additives | **Advanced Intermediates**
103 Advanced Industrial Intermediates
108 Inorganic Pigments

Advanced Intermediates: Powerful positions and assets create strong foundation for LANXESS growth



Consumer Protection | Specialty Additives | **Advanced Intermediates**

103 Advanced Industrial Intermediates

108 Inorganic Pigments

Advanced Intermediates: LANXESS is an important manufacturer of intermediates

Advanced Industrial Intermediates

- One of the world's leading manufacturers of high-quality industrial intermediates such as benzene- and toluene-derivatives, amines, polyols, inorganics and organometallics
- Competitiveness through an integrated production network with resilient business in the agro and chemicals industries



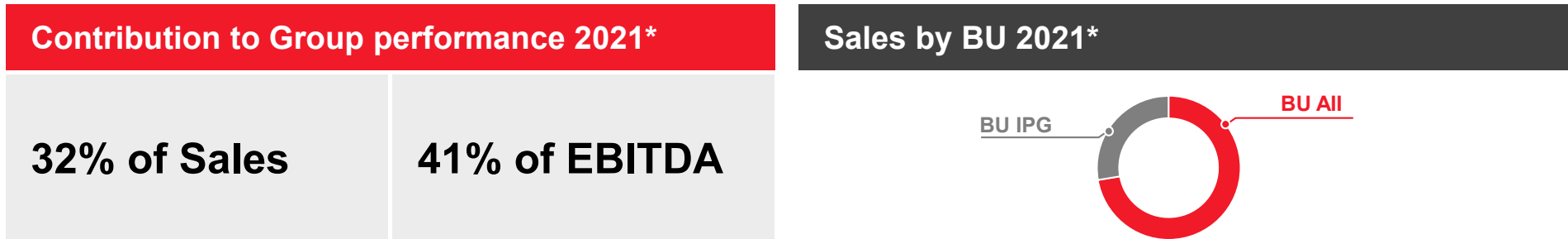
Inorganic Pigments

- A leading global manufacturer of inorganic iron and chromium oxide pigments for the coloring of construction materials, coatings, plastics and for technical applications
- Pigments available in red, yellow, green, brown, black and many shades in-between

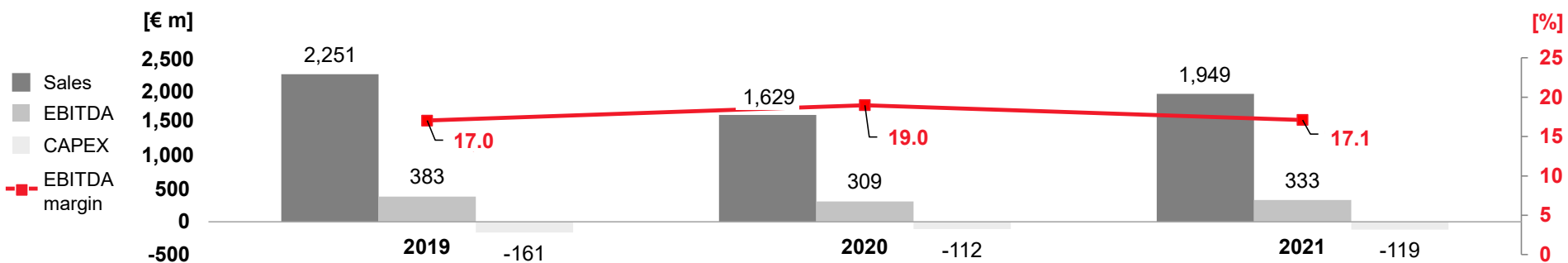


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 108 Inorganic Pigments

Advanced Intermediates: Financials demonstrate considerable business resilience



History of sales, CAPEX and EBITDA (margin) 2019-2021**



Note: All references to EBITDA are pre exceptionals;
 * Restated operating segments (excl. HPM); ** 2019 and 2020 figures have been restated based on reporting of subsequent year

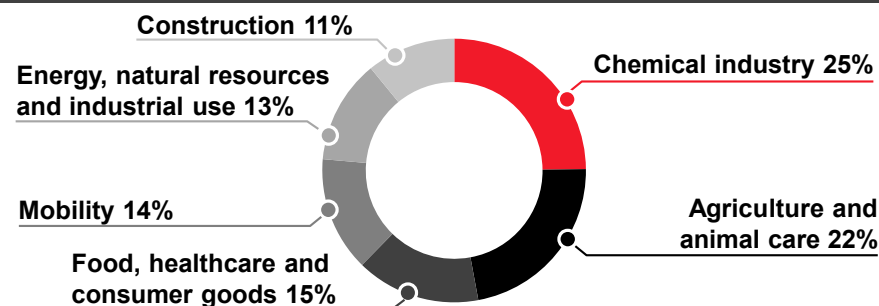


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Advanced Industrial Intermediates – one of the world’s leading suppliers of high-quality industrial chemicals

Key facts	
▪ Sales:	€1,000-2,000 m
▪ Market growth:	3%
▪ Customers:	~1,600
▪ Products:	~110
▪ Production:	7 sites in 3 countries
▪ Employees:	~1,700
▪ Market position:	Strong positions in various intermediates markets
▪ Competitors:	Yangnong, Aarti, Honshu, Deepak, Tsaker and Panoli, inter alia
▪ Business:	One of the world’s leading manufacturers of high-quality industrial intermediates

Sales by end-use 2021

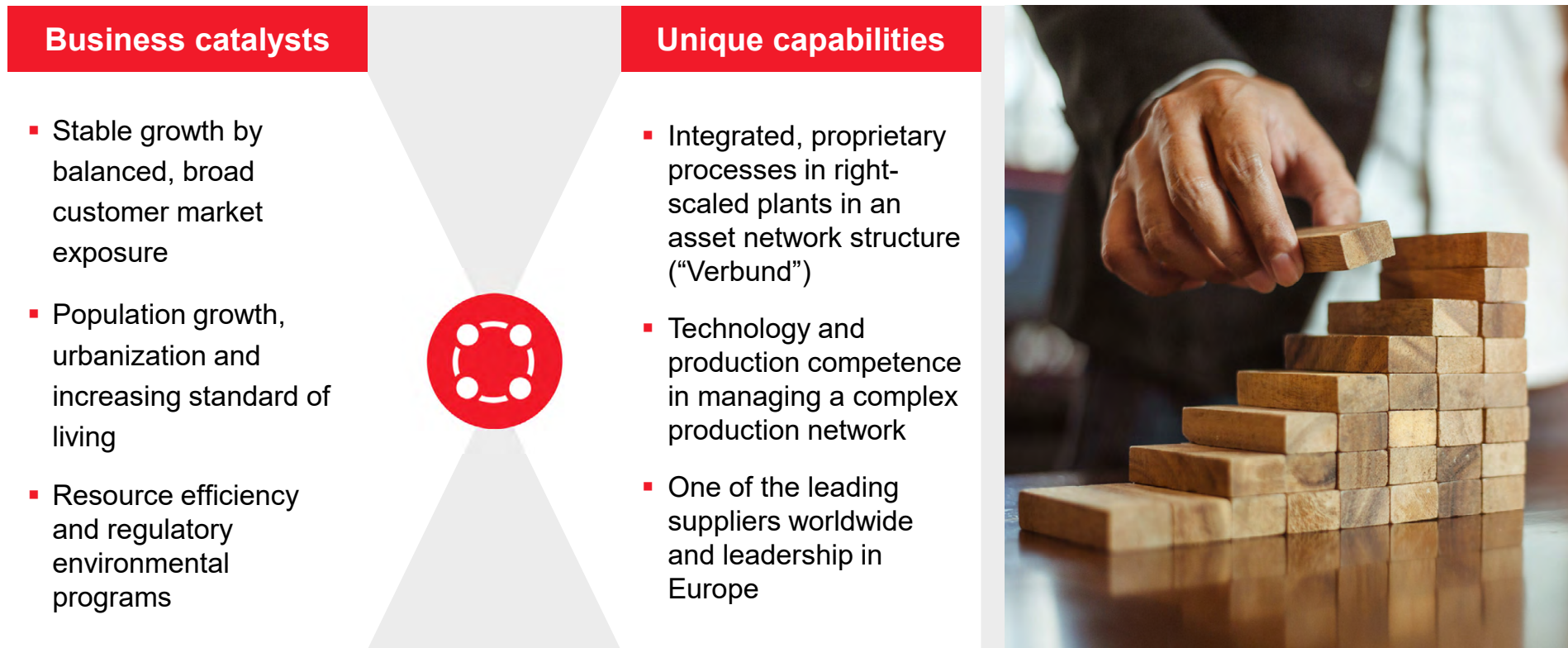


Sales by region 2021



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Integrated value chain based on technology competence and production network



Consumer Protection | Specialty Additives | **Advanced Intermediates**
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A global footprint with sites in China, Germany, India and the US to serve worldwide demand

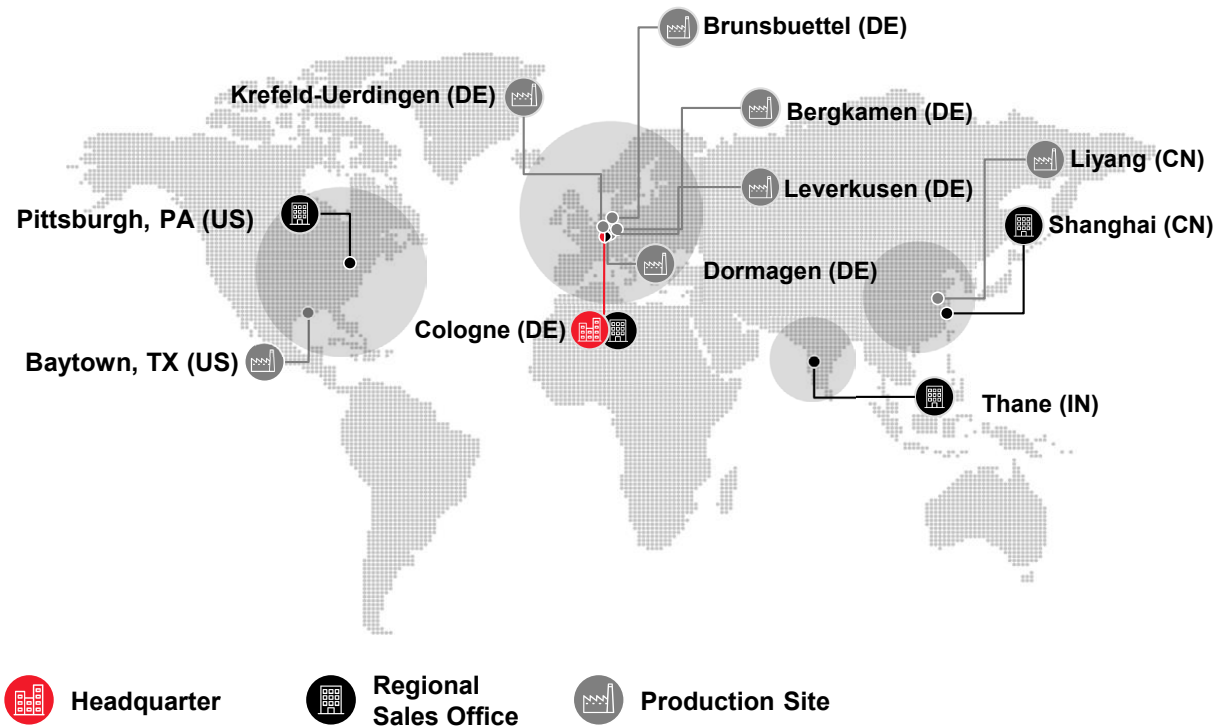
Headquarter: Cologne, Germany

Production Sites

- 7 production sites in 3 countries

Sales Offices

- Salles offices of LANXESS in major regions globally



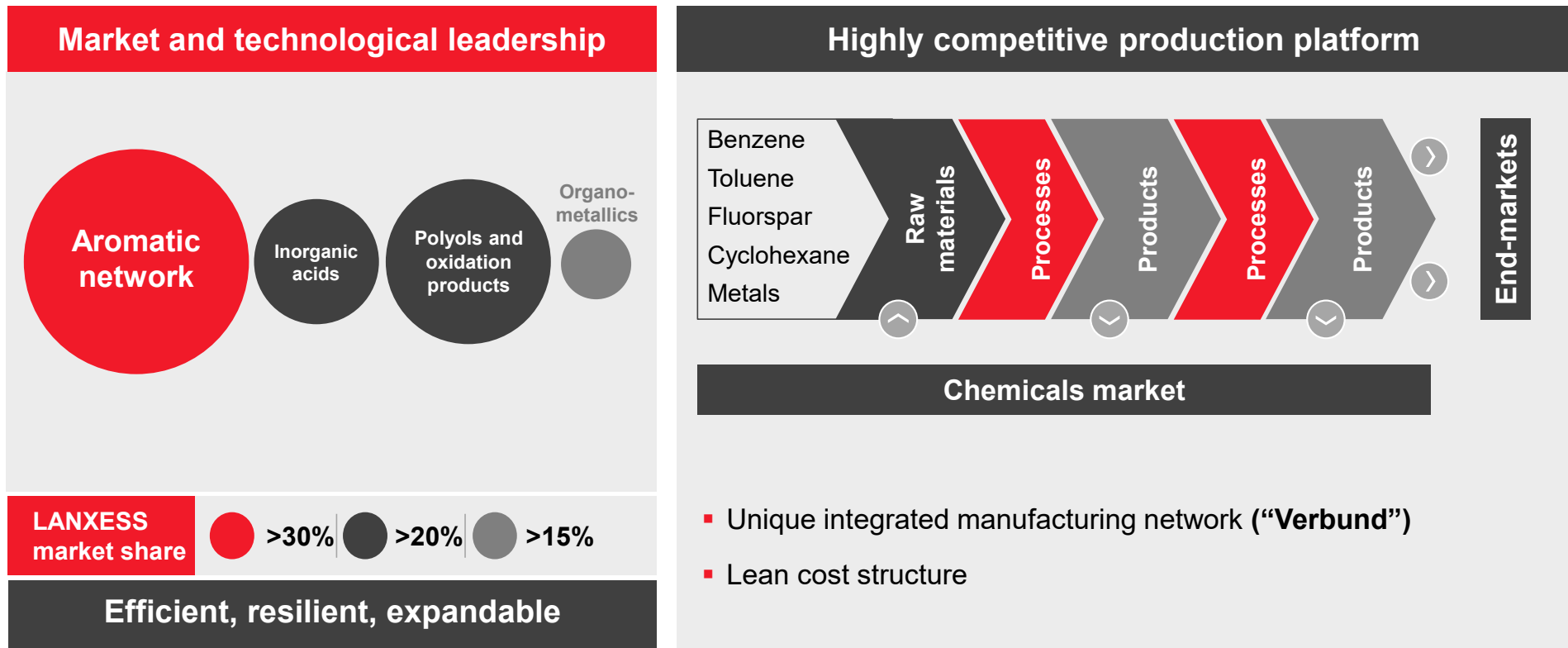
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Providing chemical intermediates for a wide range of applications

Aromatic network	Inorganic acid and amines	Polyols and oxidation products	Organometallics
Key applications			
<ul style="list-style-type: none"> ▪ Agrochemicals ▪ High-tech plastics ▪ Chemicals 	<ul style="list-style-type: none"> ▪ Agrochemicals ▪ Advanced polymers 	<ul style="list-style-type: none"> ▪ Polyester resins ▪ Coatings ▪ Plasticizers ▪ Building material additives 	<ul style="list-style-type: none"> ▪ Catalysts for polyolefins, elastomers and linear alpha olefins ▪ Fine chemicals
Main intermediates			
<p>Chlorobenzenes, Chlorotoluenes, Cresols, d / l-Menthol, Nitrotoluenes, Toluidines, Monoisocyanates</p>	<p>Amines, Hydrofluoric acid, Thionyl Chloride, Hydrazine hydrate</p>	<p>Hexanediol, Trimethylolpropane, Adipic acid, Maleic anhydride, Phthalic anhydride, Calcium formate</p>	<p>Aluminiumalkyl co-Catalyst components, Aluminoxane Activators, Silane Stereomodifiers, Magnesiumalkyl</p>

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Highly competitive value chain based on technology and production network



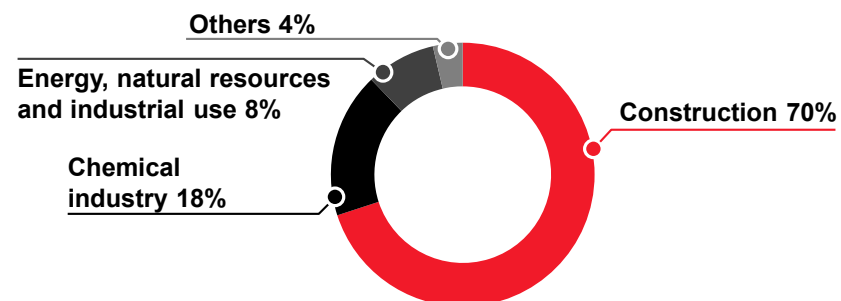
Bubble sizes represent sales

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108 Inorganic Pigments

Inorganic Pigments – iron oxide market leader serving diverse applications in global markets

Key facts	
▪ Sales:	€500-1,000 m
▪ Market growth:	2%
▪ Customers:	~2,500
▪ Products:	~1,000
▪ Production:	Production sites on five continents with a capacity of ~380,000 t/a
▪ Employees:	~1,300
▪ Market position:	One of the leading position in iron oxide pigment production and all target industries
▪ Competitors:	Venator, Ferro and selected Chinese players: Cathay, Hyrox, Yuxing, inter alia
▪ Business:	Among the leading manufacturers of inorganic iron oxide pigments with largest own synthesis production capacity ensuring a reliable global supply; over 100 color shades in various delivery forms

Sales by end-use 2021

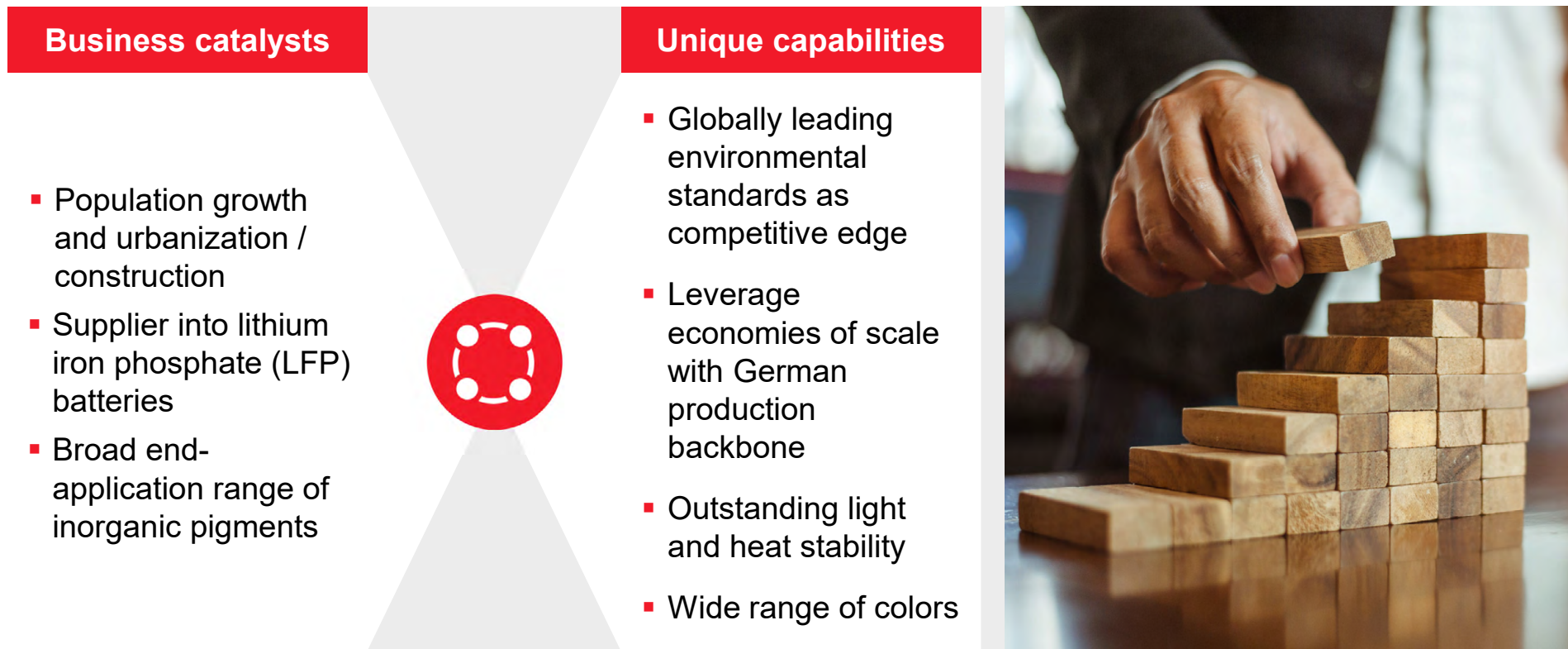


Sales by region 2021



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108 Inorganic Pigments

Shaping the iron oxide market with our unique capabilities

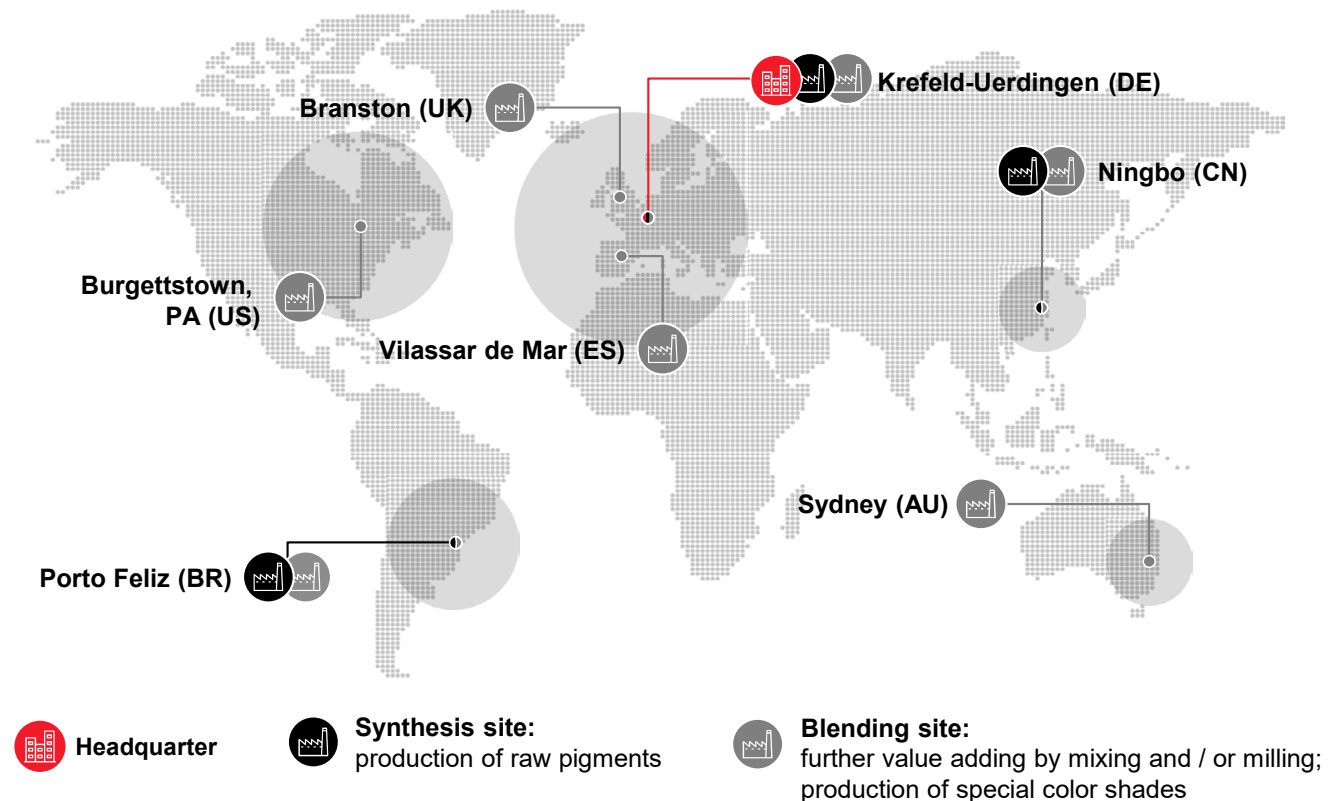


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108 Inorganic Pigments

Inorganic Pigments – a truly global player with synthesis plants and blending sites around the world

Global asset network

- Production sites on five continents
- Largest global production capacity of ~380,000 t/a
- Krefeld-Uerdingen is the heart of the LANXESS pigment business with over 90 years of experience in iron oxide pigment production
- Continuous investments into capacity expansions and advanced technologies
- Globally leading environmental standards as competitive edge



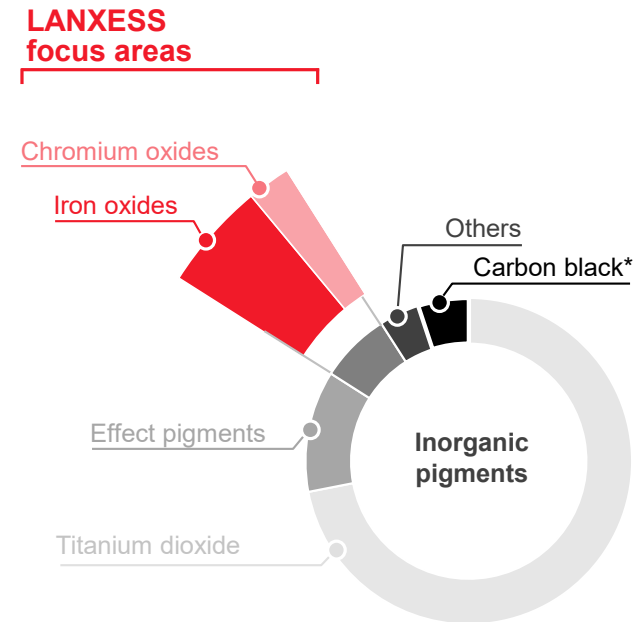
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108 Inorganic Pigments

IPG focusing on high-quality synthetic iron oxide and chromium oxide pigments for various applications

Segmentation of inorganic pigment market

Inorganic pigments

Products	<ul style="list-style-type: none"> ▪ Main product groups: titanium dioxide, effect pigments, carbon black and iron oxides 	IPG focus <ul style="list-style-type: none"> ▪ Synthetic iron oxide pigments ▪ Synthetic chromium oxide pigments
Color	<ul style="list-style-type: none"> ▪ Wide range coloring (black, white, red, blue, green, etc.) with more natural color shades 	IPG focus <ul style="list-style-type: none"> ▪ Earth tones: red, yellow, black and blends ▪ Green
Applications	<ul style="list-style-type: none"> ▪ Coloring: construction, paints, coatings, paper, plastics, printing inks ▪ Technical applications: water purification, toner, catalysts, rubber, brake linings, etc. 	



Source: internal analysis; split estimation based on market values; * Including only carbon black for pigmentary applications (~93% used for rubber-applications)

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108 Inorganic Pigments

Inorganic pigments are used for coloring and various technical applications

Products and brands

- **Iron oxide pigments** (red, yellow, brown, black)
- **Chromium oxide pigments** (green)
- LANXESS IPG main brands:



BAYFERROX®
Color for Life.

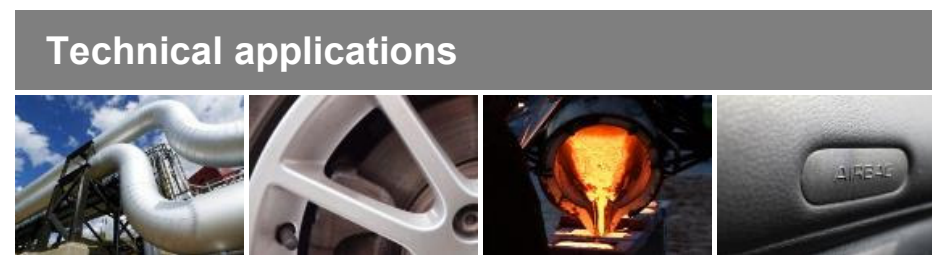


COLORTHERM®
Color for Life.



Bayoxide®





FINANCIALS



Conservative financial policy and centralized risk management

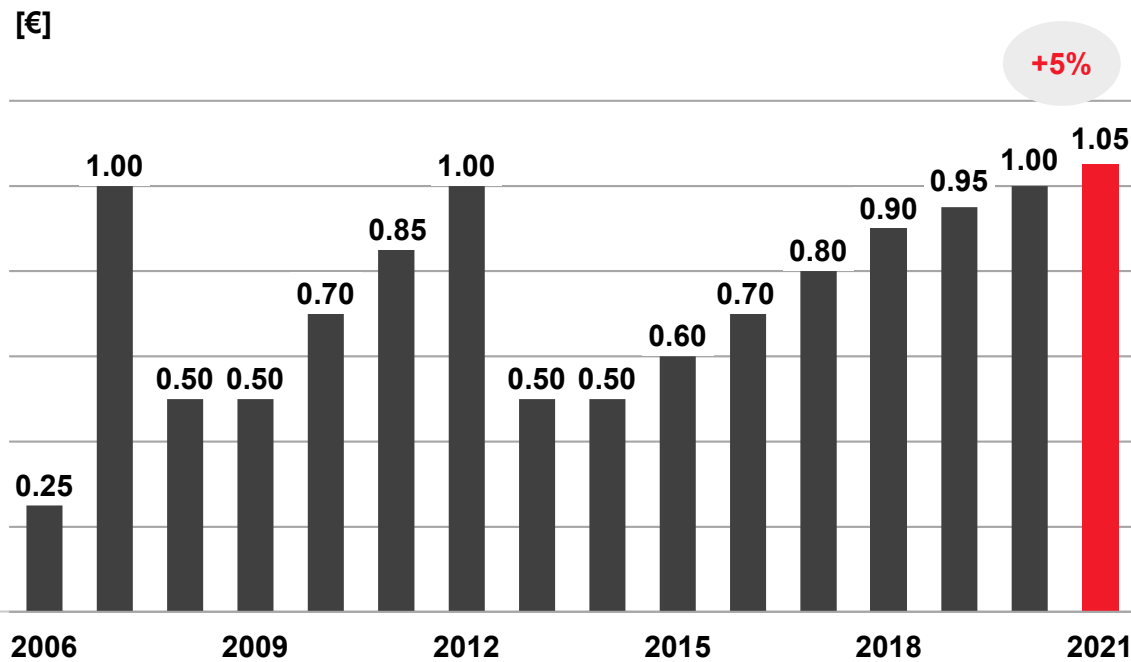
- Centralized management of all relevant risks
 - Liquidity and refinancing
 - Foreign exchange, interest rates and commodity risk
 - Counterparty risk
 - Customer credit risk
 - Insurances
- Pension risk management
- Committed to solid investment grade rating



Our active risk management aims at the reduction of financial and operational volatilities

Shareholders benefit from rising dividend

A reliable income stream for investors



Dividend policy

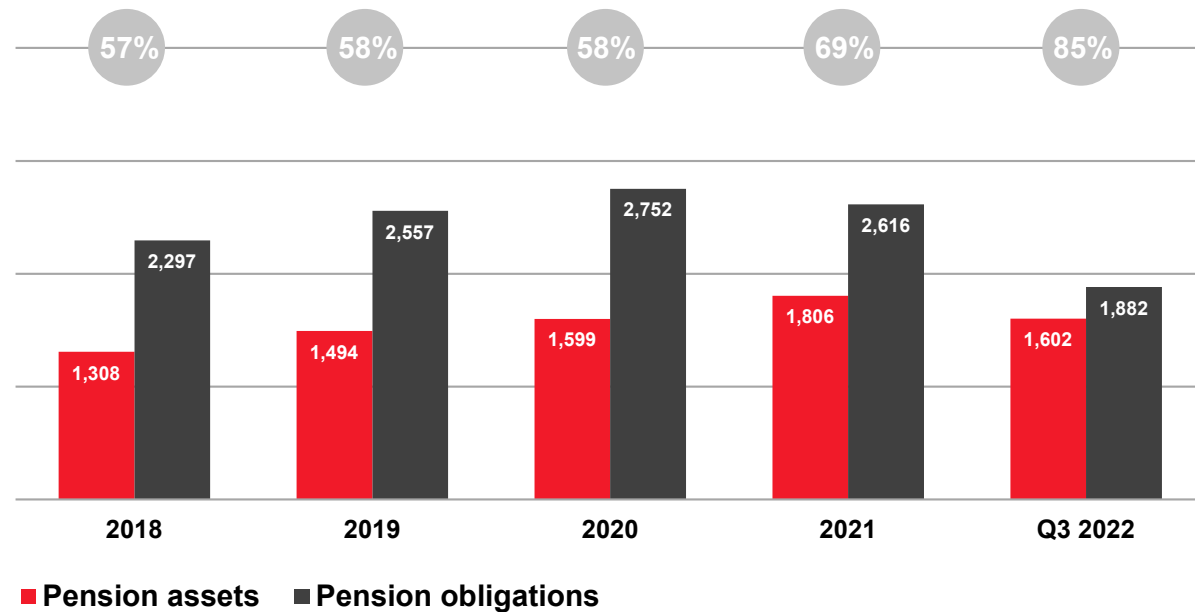
- LANXESS has been pursuing a consistent dividend policy for years
- Our goal remains to increase the dividend each year or at least to keep it at a stable level

Funded status of defined pension obligation

Pension debt actively and well managed*

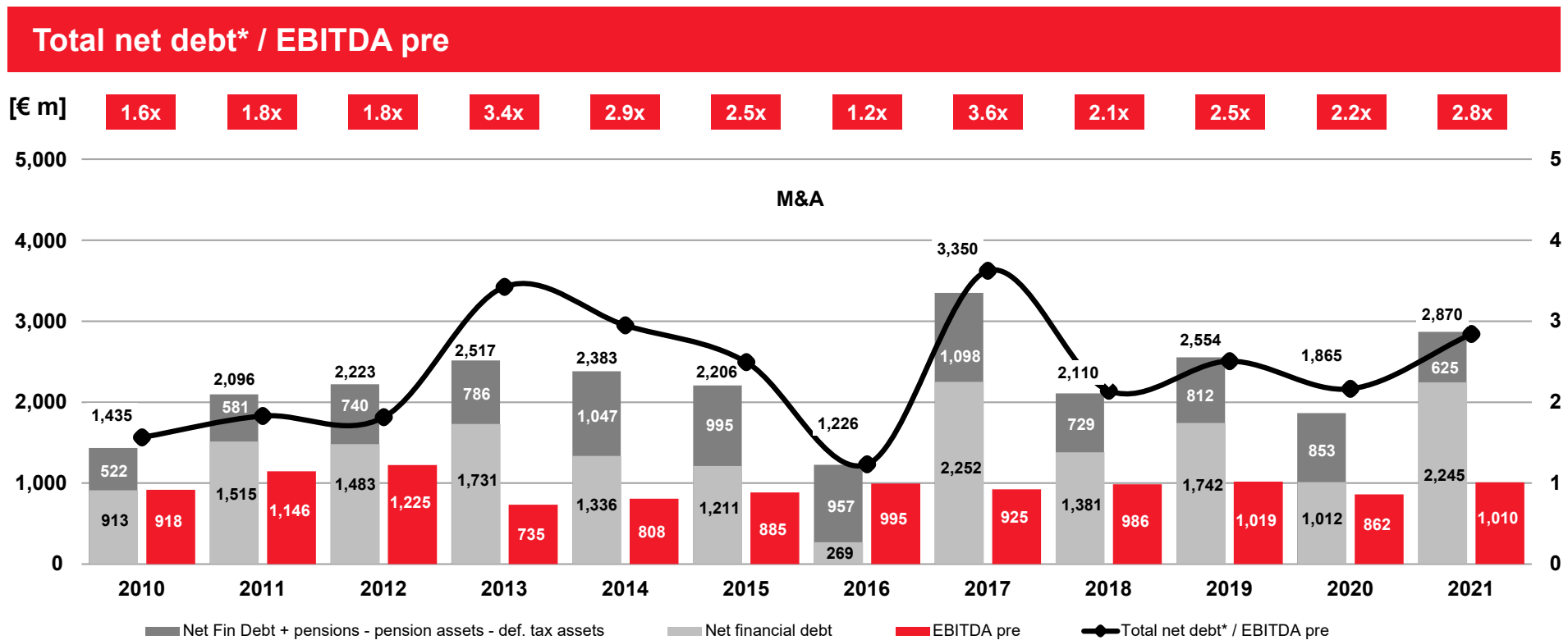
- Group wide funding ratio improved to 85%
- Lower pension obligations due to increased discount rates and prudent asset management
- Continued active risk management (e.g., inflation hedging, tail risk hedging) supports asset performance
- On-going monitoring and optimization of pension structure

Funded status



* Figures in million €; pension obligations incl. other liabilities

LANXESS historically manages its net financial debt tightly after increases of acquisitions, as in 2022

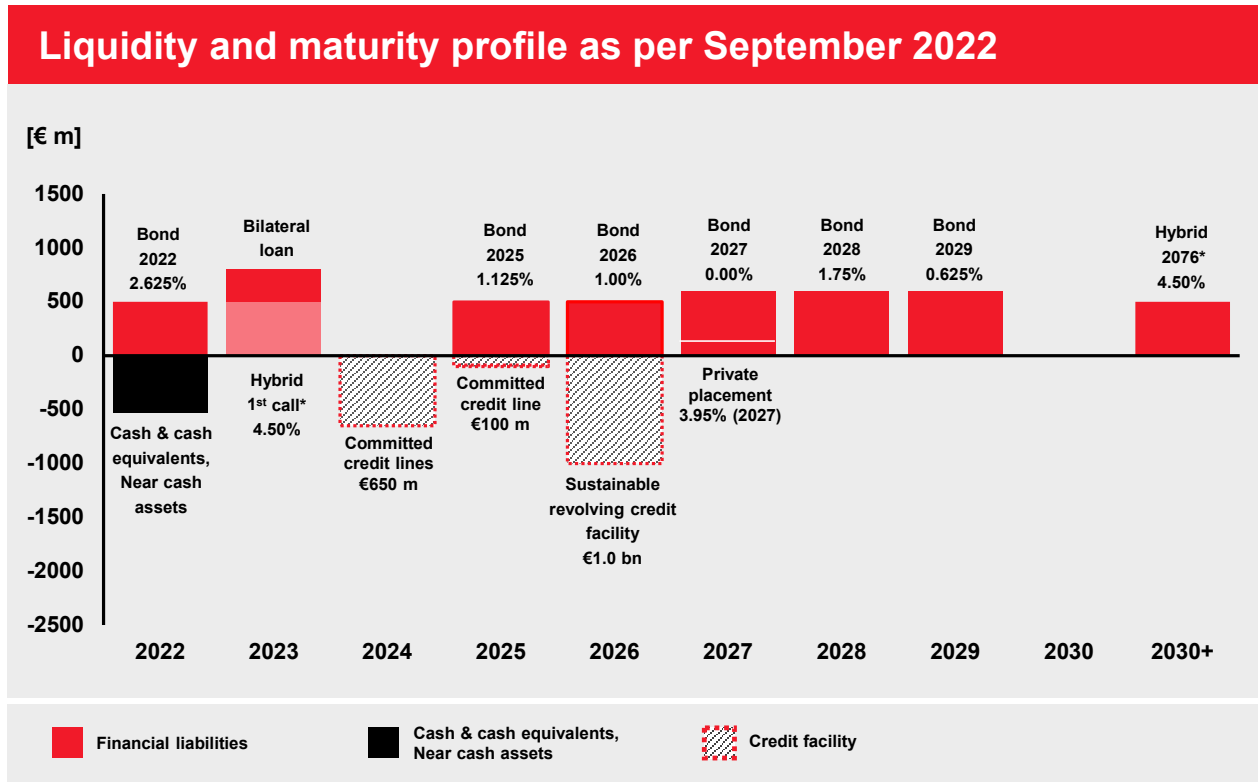


* All references to EBITDA are pre exceptionals, 2017 restated ARLANXEO as discontinued operation, 2018 restated BU LEA as discontinued operation; all references to debt = financial debt – cash + pensions

Maturity profile actively managed and well-balanced

Long-term financing secured




- Diversified financing sources
 - Bonds and private placements
 - Undrawn sustainable revolving credit facility
 - Undrawn committed credit lines
- Average interest rate of financial liabilities ~1.5%
- All group financing executed without financial covenants
- Maturities in 2022:
 - Bond in November will not be refinanced



* Hybrid Bond with contractual maturity date in 2076 has a first optional call date in 2023

Solid investment grade rating

Credit rating history

	2017	2018	2019	2020	2021	2022
	BBB-/ stable July 2017	BBB/ stable October 2018	BBB/ stable September 2019	BBB/ stable July 2020	BBB/ stable August 2021	BBB/ negative September 2022
	Baa3/ stable October 2017	Baa2/ stable August 2018	Baa2/ stable August 2019	Baa2/ stable August 2020	Baa2/ stable August 2021	Baa2/ stable July 2022
		BBB+/ stable August 2018	BBB+/ stable July 2019	BBB+/ stable September 2020	BBB+/ stable August 2021	BBB+/ stable July 2022

Investment grade rated since spin-off in 2004

Evolving financials since 2013

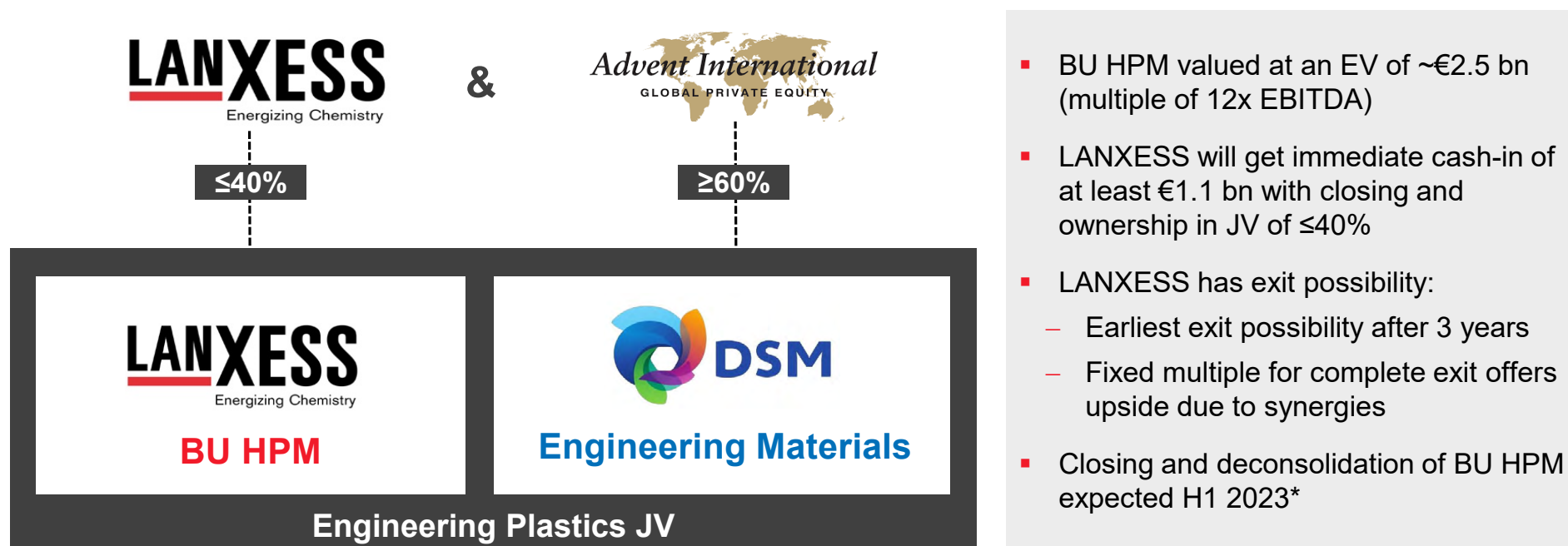
[€ m]	2013	2014	2015	2016	2017 ²	2018 ³	2019	2020	2021
EBITDA pre	735	808	885	995	925	986	1,019	862	1,010
Net financial debt	1,731	1,336	1,211	269	2,252	1,381	1,742	1,012	2,245
Net financial debt / EBITDA pre	2.4x	1.7x	1.4x	0.3x	2.4x	1.4x	1.7x	1.2x	2.2x
Gearing [%]	91	62	52	7	66	50	66	34	60
EPS pre [€] ¹	1.73	2.22	2.03	2.69	3.84	4.48	4.73	3.50	4.83
Dividend [€]	0.50	0.50	0.60	0.70	0.80	0.90	0.95	1.00	1.05

LANXESS' key financials

¹ Change in EPS definition: EPS pre exceptional items and amortization of intangible assets: earnings per share disregarding exceptional charges and income, amortization of intangible assets and attributable tax effects as well as (only in 2017) non-recurring earnings effects of the U.S. tax reform, from 2017 onwards continuing operations only;

² Restated ARLANXEO as discontinued operation; ³ Restated BU Leather as discontinued operation



Formation of a powerful plastics JV – immediate cash-in and clear exit determined



LANXESS retains exit possibility for $\leq 40\%$ ownership in JV

* BU HPM treated as discontinued operations as of 1st of January 2022

HPM & DEM: Bringing together two strong global engineering materials players

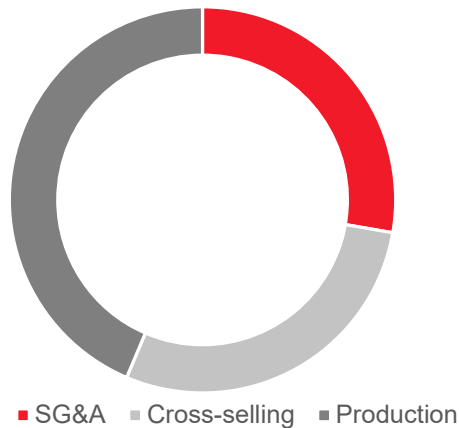
FY 2021	 LANXESS Energizing Chemistry High Performance Materials	 DSM Engineering Materials	Combined KPI in JV
Sales	~€1.5 bn	~€1.5 bn	~€3.0 bn
EBITDA pre	~€210 m	~€300 m	~€510 m plus synergies
Production sites	10	8	18
R&D centers	7	7	14
Employees	~1,900	~2,100	~4,000

LANXESS to own ≤40% in joint venture with combined EBITDA: ~€510 m plus synergies

All figures relate to FY 2021

Combining HPM & DEM offers massive synergy potential

Synergies based on highly complementary businesses



- Portfolio combinations
- Complementary HPM/DEM specialty business (procurement, compounding)
- Cross-selling
- Optimization of PA6 Polymerization in EMEA



+



Explanatory notes on financials history

Balance sheet

- Figures shown as reported at year of publication, no restatments for balance sheet

Income statement and cash flow statement

- 2022 restated to reflect BU HPM as discontinued operation
- 2018 restated to reflect BU LEA as discontinued operation
- 2017 restated to reflect ARLANXEO as discontinued operation

Segment data

- 2022 and 2021 figures are reflected as reported
- 2020 is restated based on segment structure in 2021
- 2019 is restated based on segment structure in 2020

Balance sheet – LANXESS (€ m)	Sep 30, 2022	Dec 31, 2021	Dec 31, 2020	Dec 31, 2019	Dec 31, 2018	Dec 31, 2017	Dec 31, 2016	Dec 31, 2015	Dec 31, 2014	Dec 31, 2013
Intangible assets	3,591	2,531	1,647	1,765	1,764	1,769	494	300	320	323
Property, plant and equipment	2,835	3,148	2,674	2,724	2,577	4,059	3,519	3,447	3,333	2,903
Investment accounted for using the equity method	79	0	0	0	0	0	0	0	0	12
Investments in other affiliated companies	30	56	2	1	2	9	12	12	13	13
Non-current derivative assets	12	28	4	1	0	7	1	1	5	20
Other non-current financial assets	57	62	41	29	25	20	19	21	11	11
Deferred taxes	77	192	326	324	287	442	442	361	380	254
Other non-current assets	131	112	129	221	131	133	32	38	39	56
Non-current assets	6,812	6,129	4,823	5,065	4,786	6,439	4,519	4,180	4,101	3,592
Inventories	2,090	1,633	1,070	1,195	1,347	1,680	1,429	1,349	1,384	1,299
Trade receivables	1,056	1,050	745	769	903	1,316	1,088	956	1,015	1,070
Near cash assets	219	491	1,523	0	0	50	40	100	100	106
Cash and cash equivalents	315	643	271	296	797	538	355	366	418	427
Current derivative assets	10	34	19	5	4	45	65	14	14	58
Other current financial assets	165	249	65	864	598	7	2,130	4	5	6
Other current assets	321	289	246	296	252	321	251	250	213	253
Assets from discontinued operations	1,277	0	118	205	-	-	-	-	-	-
Current assets	5,453	4,389	4,057	3,630	3,901	3,957	5,358	3,039	3,149	3,219
Total assets	12,265	10,518	8,880	8,695	8,687	10,396	9,877	7,219	7,250	6,811
Capital stock and capital reserves	1,317	1,317	1,317	1,317	1,317	1,317	1,317	1,317	1,317	889
Other reserves	2,951	2,401	1,359	1,429	1,391	1,381	1,257	1,313	1,253	1,690
Net income	271	267	885	205	431	87	192	165	47	-159
Other equity components	321	-229	-560	-282	-359	-498	-214	-485	-458	-525
Equity attributable to non-controlling interests	6	6	-2	-22	-7	1,126	1,176	13	2	5
Stockholders equity	4,866	3,762	2,999	2,647	2,773	3,413	3,728	2,323	2,161	1,900
Provisions for pensions and other post-employment benefits	363	877	1,205	1,178	1,083	1,490	1,249	1,215	1,290	943
Other non-current provisions	386	360	349	338	337	460	319	271	275	258
Non-current derivative liabilities	9	1	1	2	3	2	7	19	20	12
Other non-current financial liabilities	3,424	2,829	2,265	2,777	2,686	2,242	2,734	1,258	1,698	1,649
Non-current income tax liabilities	39	37	75	95	117	119	31	19	25	49
Other non-current liabilities	38	50	51	67	80	99	93	108	118	89
Deferred taxes	300	223	113	109	89	113	83	46	21	29
Non-current liabilities	4,559	4,377	4,059	4,566	4,395	4,525	4,516	2,936	3,447	3,029
Other current provision	460	492	332	409	465	525	406	411	350	355
Current derivative liabilities	85	21	15	17	25	12	42	100	101	22
Other current financial liabilities	893	675	566	66	59	633	78	443	182	668
Trade payables	871	1,008	681	656	795	1,048	889	779	799	690
Current income tax liabilities	43	25	24	122	44	61	44	85	44	21
Other current liabilities	140	157	129	111	131	179	174	142	166	126
Liabilities from discontinued operations	348	1	75	101	-	-	-	-	-	-
Current liabilities	2,840	2,379	1,822	1,482	1,519	2,458	1,633	1,960	1,642	1,882
Total equity and liabilities	12,265	10,518	8,880	8,695	8,687	10,396	9,877	7,219	7,250	6,811

P&L statement – LANXESS (€ m)	9M 2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Net sales	6,115	7,557	6,104	6,802	6,824	6,530	7,699	7,902	8,006	8,300
Cost of goods sold	-4,632	-5,712	-4,548	-5,043	-5,086	-4,796	-5,945	-6,154	-6,418	-6,752
Gross Profit	1,483	1,845	1,556	1,759	1,738	1,734	1,754	1,748	1,588	1,548
<i>Gross Margin</i>	24.3%	24.4%	25.5%	25.9%	25.5%	26.6%	22.8%	22.1%	19.8%	18.7%
Selling expenses	-773	-951	-773	-812	-759	-761	-781	-759	-742	-755
R&D expenses	-76	-115	-108	-114	-109	-103	-131	-130	-160	-186
G&A expenses	-219	-304	-267	-274	-295	-326	-303	-284	-278	-301
Other operating income	20	79	77	95	114	164	147	207	118	128
Other operating expenses	-159	-204	-232	-247	-198	-409	-222	-367	-308	-527
<i>Other operating income – net</i>	-139	-125	-155	-152	-84	-245	-75	-160	-190	-399
Operating Result (EBIT)	276	350	253	407	491	299	464	415	218	-93
Income/expense from investments in affiliated companies – net	0	0	0	0	0	0	0	0	2	0
Interest expense – net	-50	-51	-56	-54	-69	-80	-63	-66	-69	-106
Other financial result – net	52	4	877	-7	-41	0	-62	-61	-71	-40
Financial result	2	-47	821	-61	-110	-80	-125	-127	-138	-146
Earnings before taxes (EBT)	278	303	1,074	346	381	219	339	288	80	-239
Income taxes	-79	-84	-165	-105	-99	-159	-144	-121	-36	71
Earnings after taxes from continued operations	199	219	909	241	282	60	195	167	44	-168
Earnings after taxes from discontinued operations	73	48	-7	-50	241	64	0	0	0	0
Earnings after taxes total	272	267	902	191	523	124	195	167	44	-168
Minorities	1	0	17	-14	92	37	3	2	-3	-9
Net income (loss)	271	267	885	205	431	87	192	165	47	-159
EPS	3.14	3.09	10.22	2.32	4.71	0.95	2.10	1.80	0.53	-1.91
EPS pre (continued)	3.28	4.83	3.50	4.73	4.48	3.84	2.69	2.03	2.22	1.73
EBIT	276	350	253	407	491	299	464	415	218	-93
EBITDA	673	863	757	910	906	709	945	833	644	624
Exceptionals	85	150	143	150	90	259	50	7	184	381
D&A in exceptionals	3	3	38	41	10	43	0	-45	20	270
EBITDA pre exceptionals	755	1,010	862	1,019	986	925	995	885	808	735

Cash flow statement – LANXESS (€ m)	9M 2022	FY 2021	FY 2020	FY 2019	FY 2018	FY 2017	FY 2016	FY 2015	FY 2014	FY 2013
Income before income taxes	278	303	1,074	346	381	219	339	288	80	-239
Depreciation and amortization	397	513	504	503	415	410	481	418	426	717
Gains from the disposal of intangible assets and property, plant and equipment	3	-1	-1	-1	-1	1	0	-42	-1	-2
Financial losses (gains)	-17	30	-840	34	63	35	56	66	75	111
Income taxes paid	37	-10	-215	-193	-154	-139	-184	-98	-31	-41
Working Capital changes	-597	-413	106	68	-179	-66	-47	93	147	110
Others	-6	17	-34	-123	-84	108	44	-33	101	-15
Operating cash flow – continued operations	95	439	594	634	441	568	689	692	797	641
Operating cash flow – discontinued operations	-104	-32	-9	9	145	300	-	-	-	-
Operating cash flow – total	-9	407	585	643	586	868	689	692	797	641
Investing cash flow – continued operations	-1,010	-431	-350	-697	80	-22	-2,879	-400	-587	-342
Investing cash flow – discontinued operations	-19	-1	-3	-15	-184	-145	-	-	-	-
Investing cash flow – total	-1,029	-432	-353	-712	-104	-167	-2,879	-400	-587	-342
~ thereof CAPEX	-249	-479	-456	-508	-482	-397	-439	-434	-614	-624
Financing cash flow – continued operations	714	389	-246	-431	-160	-545	2,173	-333	-222	-260
Financing cash flow – discontinued operations	-3	0	-1	-2	-57	37	-	-	-	-
Financing cash flow – total	711	389	-247	-433	-217	-508	2,173	-333	-222	-260
Free Cash Flow	-258	-72	129	135	104	471	250	258	183	17

Segment data

Consumer Protection Key Figures (€ m)	9M 2022	2021	2020	2019
Sales	1,726	1,515	1,243	1,050
EBIT	152	155	160	116
Depreciation & Amortization	121	107	106	82
EBITDA	273	262	266	198
Exceptionals (EBIT relevant)	13	13	17	0
D&A in exceptionals	0	0	17	0
EBITDA pre exceptionals	286	275	266	198

Specialty Additives Key Figures (€ m)	9M 2022	2021	2020	2019
Sales	2,286	2,295	1,965	1,965
EBIT	250	134	69	179
Depreciation & Amortization	140	172	192	158
EBITDA	390	306	261	337
Exceptionals (EBIT relevant)	1	18	32	18
D&A in exceptionals	0	1	15	2
EBITDA pre exceptionals	391	323	278	353

Advanced Intermediates – Key Figures (€ m)	9M 2022	2021	2020	2019
Sales	1,842	1,949	1,629	2,251
EBIT	140	212	203	198
Depreciation & Amortization	86	115	108	170
EBITDA	226	327	311	368
Exceptionals (EBIT relevant)	0	6	1	50
D&A in exceptionals	0	0	3	45
EBITDA pre exceptionals	226	333	309	383

All Other Segments Key Figures (€ m)	9M 2022	2021	2020	2019
Sales	261	90	77	86
EBIT	-266	-319	-262	-258
Depreciation & Amortization	50	47	31	27
EBITDA	-216	-272	-231	-231
Exceptionals (EBIT relevant)	71	112	92	82
D&A in exceptionals	3	2	3	4
EBITDA pre exceptionals	-148	-162	-142	-153

APPENDIX



Urethane Systems – a leading niche player in specialized and innovative urethane-based products

Key facts

- **Sales:** <€500 m
- **Market growth:** >GDP
- **Customers:** ~750
- **Products:** >500
- **Production:** 6 sites
- **Research:** 8 Technical Competence Centers
- **Employees:** ~400
- **Market position:** Tier 1 in cast elastomer systems
- **Competitors:** Covestro, Dow, BASF, Huntsman, COIM, ERA, DIC, Mitsui, Wanhua, Dongda, inter alia
- **Business:** One of the leading global manufacturers of urethane systems; technology leader in low free (LF) technology*

Sales by end-use 2021



Sales by region 2021

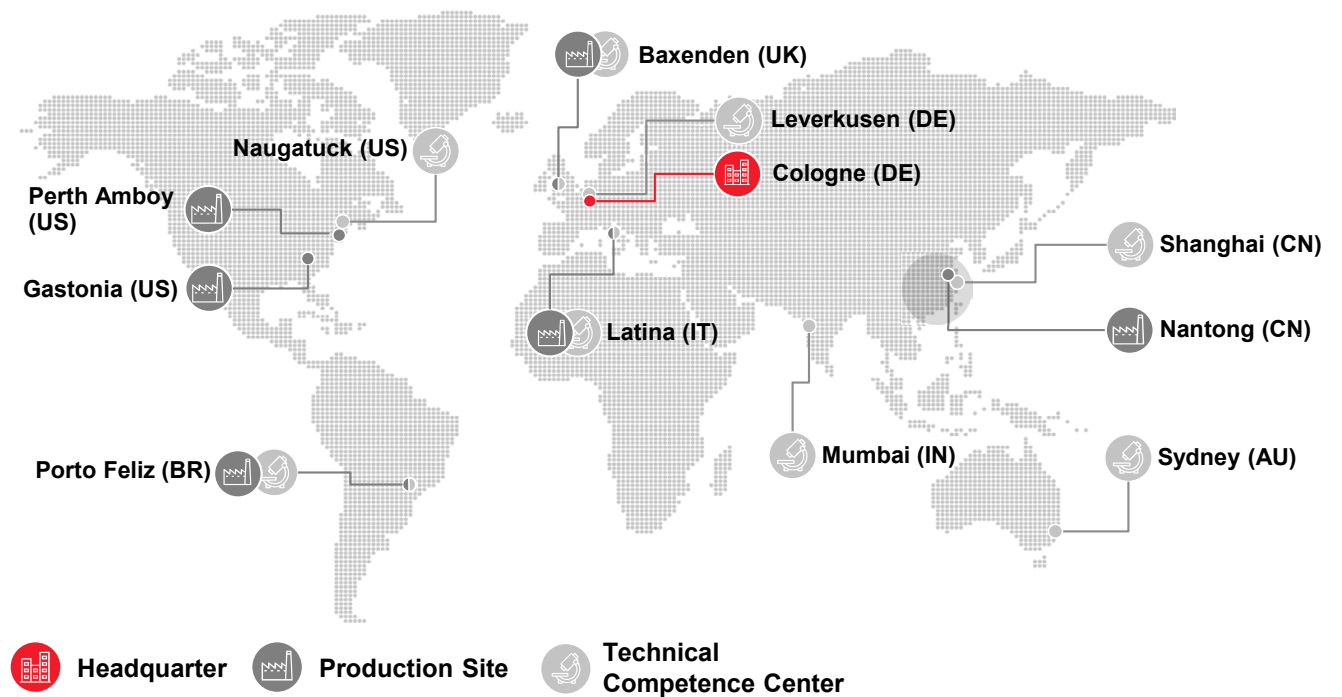


* LF = low level of free isocyanates, this product segment of prepolymers meets or exceeds tightening health and safety regulations

Urethane Systems – local coverage for a global customer base

Global customer proximity

- Production sites in Brazil, USA, Italy, UK and China
- Local technical support – Technical Competence Centers in Brazil, USA, UK, Germany, Italy, India, China and Australia



High-quality solutions are provided for four main product areas

Cast elastomers	Coatings	Adhesives and sealants	Polyester polyols
<p>Key applications</p> <ul style="list-style-type: none">▪ Oil and gas▪ Mining▪ Wheels and tires▪ Paper and printing▪ Industrial	<p>Key applications</p> <ul style="list-style-type: none">▪ Leather and textile▪ Glass fiber sizing▪ Breathable coatings▪ Automotive coatings▪ Protective coatings	<p>Key applications</p> <ul style="list-style-type: none">▪ Field-applied ambient cured adhesives and sealants▪ Factory-applied heat cured adhesives and sealants	<p>Key applications</p> <ul style="list-style-type: none">▪ PU foam, TPU and elastomer production▪ Adhesives for metals, paper and wood▪ Protective coatings
			
<p>Products</p> <ul style="list-style-type: none">▪ Adiprene® LF▪ Vibrathane®, Adiprene®▪ Vibracure®, Duracure®▪ Vibracat®▪ Ultralast®	<p>Products</p> <ul style="list-style-type: none">▪ Adiprene® LF▪ Witcobond®, Witcoflex®▪ Pellart®▪ Trixene®▪ Quasilan®	<p>Products</p> <ul style="list-style-type: none">▪ Adiprene® LF▪ Witcobond®, Witcoflex®▪ Trixene®▪ Quasilan®▪ WRM®	<p>Products</p> <ul style="list-style-type: none">▪ Fomrez®

Offering specialized systems and design for urethanes

