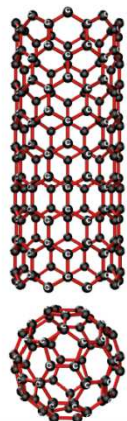


QUALITY WORKS.



LANXESS – Energizing Chemistry

Business Profile 2018

Investor Relations, March 2018

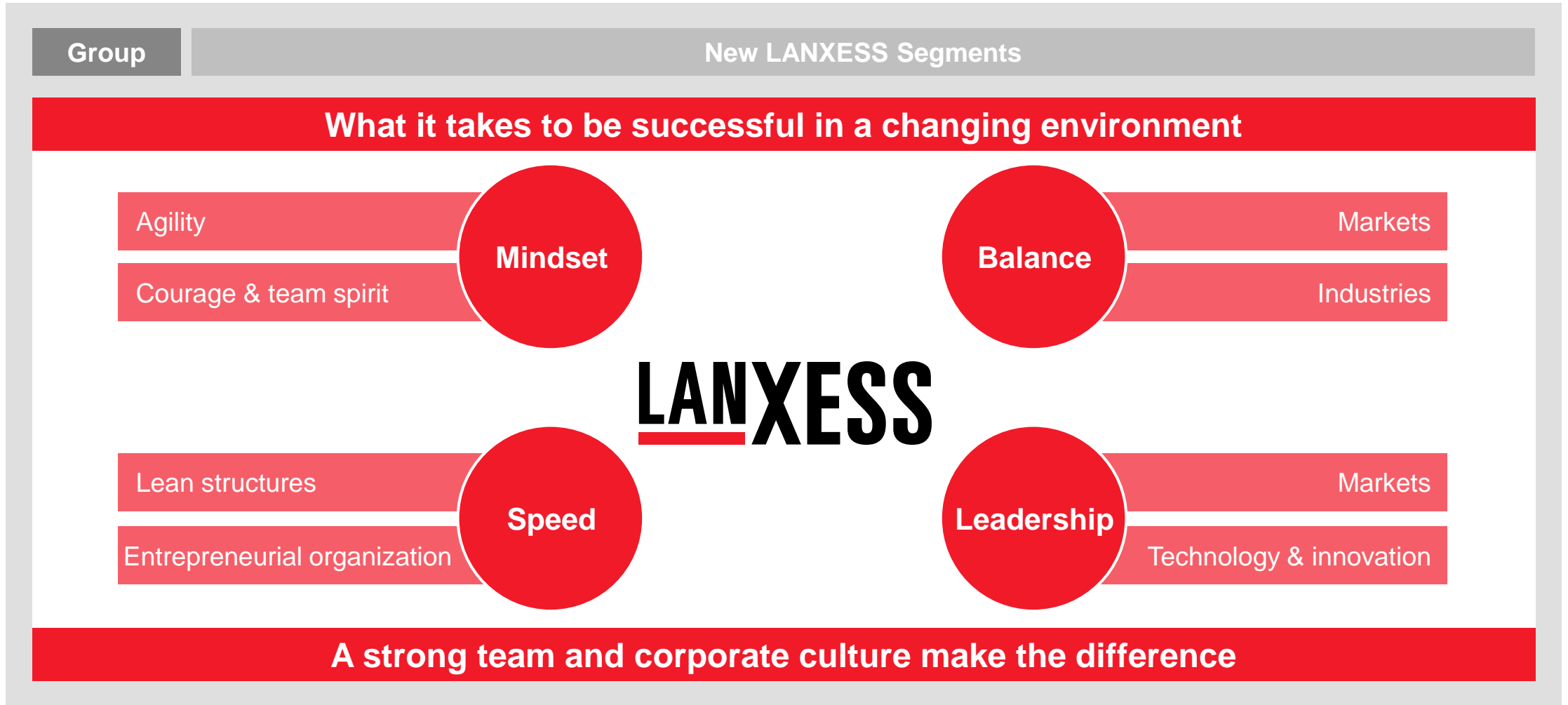
LANXESS
Energizing Chemistry

Safe harbor statement

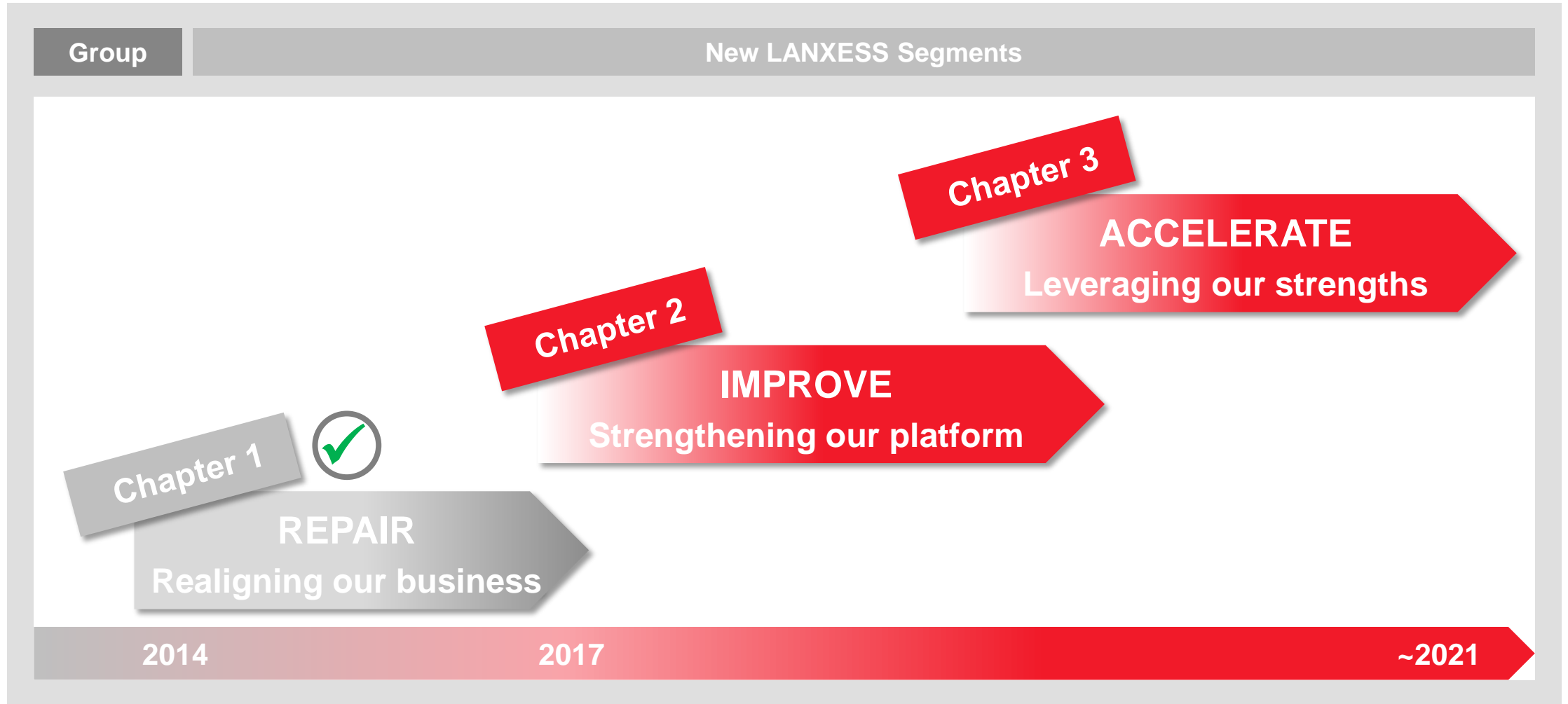
The information included in this presentation is being provided for informational purposes only and does not constitute an offer to sell, or a solicitation of an offer to purchase, securities of LANXESS AG. No public market exists for the securities of LANXESS AG in the United States.

This presentation contains certain forward-looking statements, including assumptions, opinions, expectations and views of the company or cited from third party sources. Various known and unknown risks, uncertainties and other factors could cause the actual results, financial position, development or performance of LANXESS AG to differ materially from the estimations expressed or implied herein. LANXESS AG does not guarantee that the assumptions underlying such forward-looking statements are free from errors nor does it accept any responsibility for the future accuracy of the opinions expressed in this presentation or the actual occurrence of the forecast developments. No representation or warranty (expressed or implied) is made as to, and no reliance should be placed on, any information, estimates, targets and opinions, contained herein, and no liability whatsoever is accepted as to any errors, omissions or misstatements contained herein, and accordingly, no representative of LANXESS AG or any of its affiliated companies or any of such person's officers, directors or employees accept any liability whatsoever arising directly or indirectly from the use of this document.

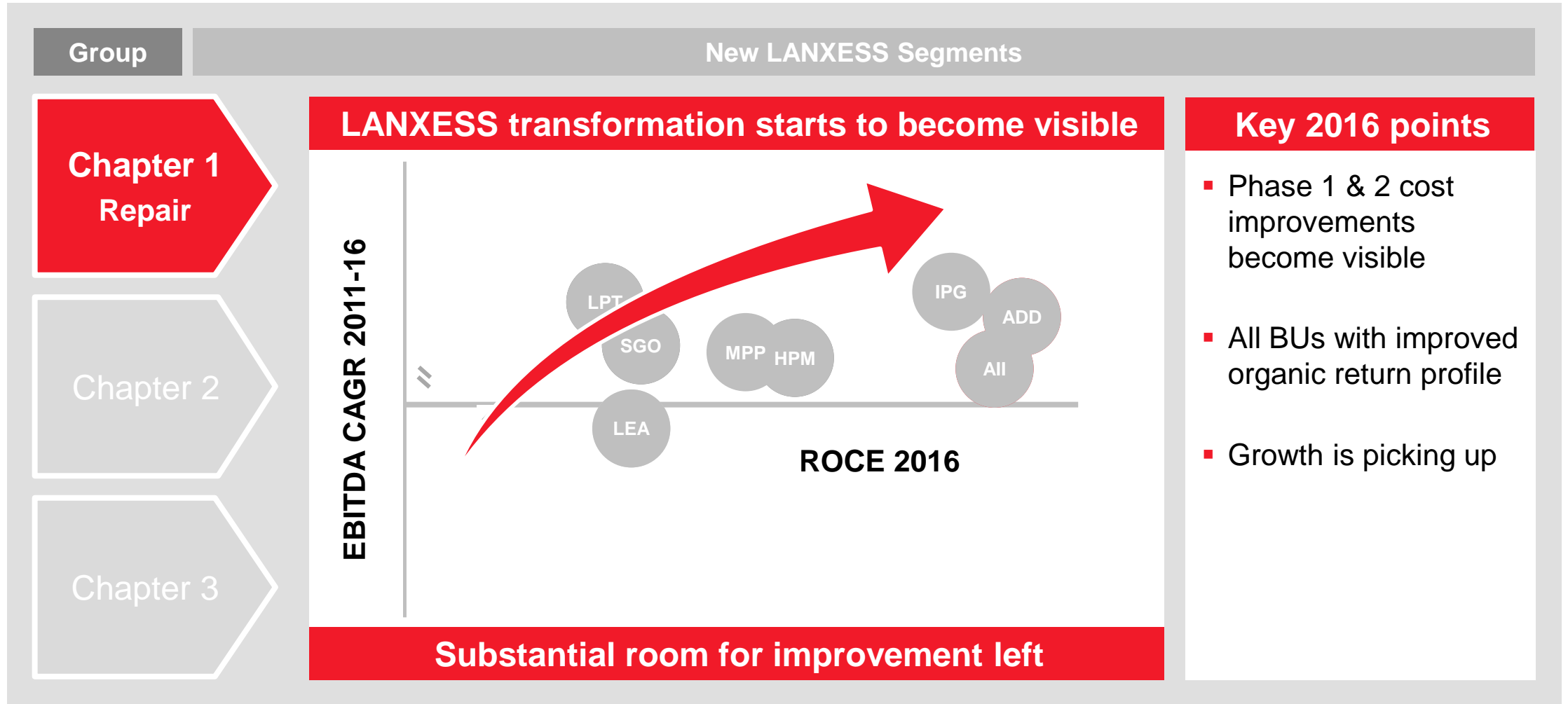
A rapidly changing world – Our answer: Energizing chemistry!



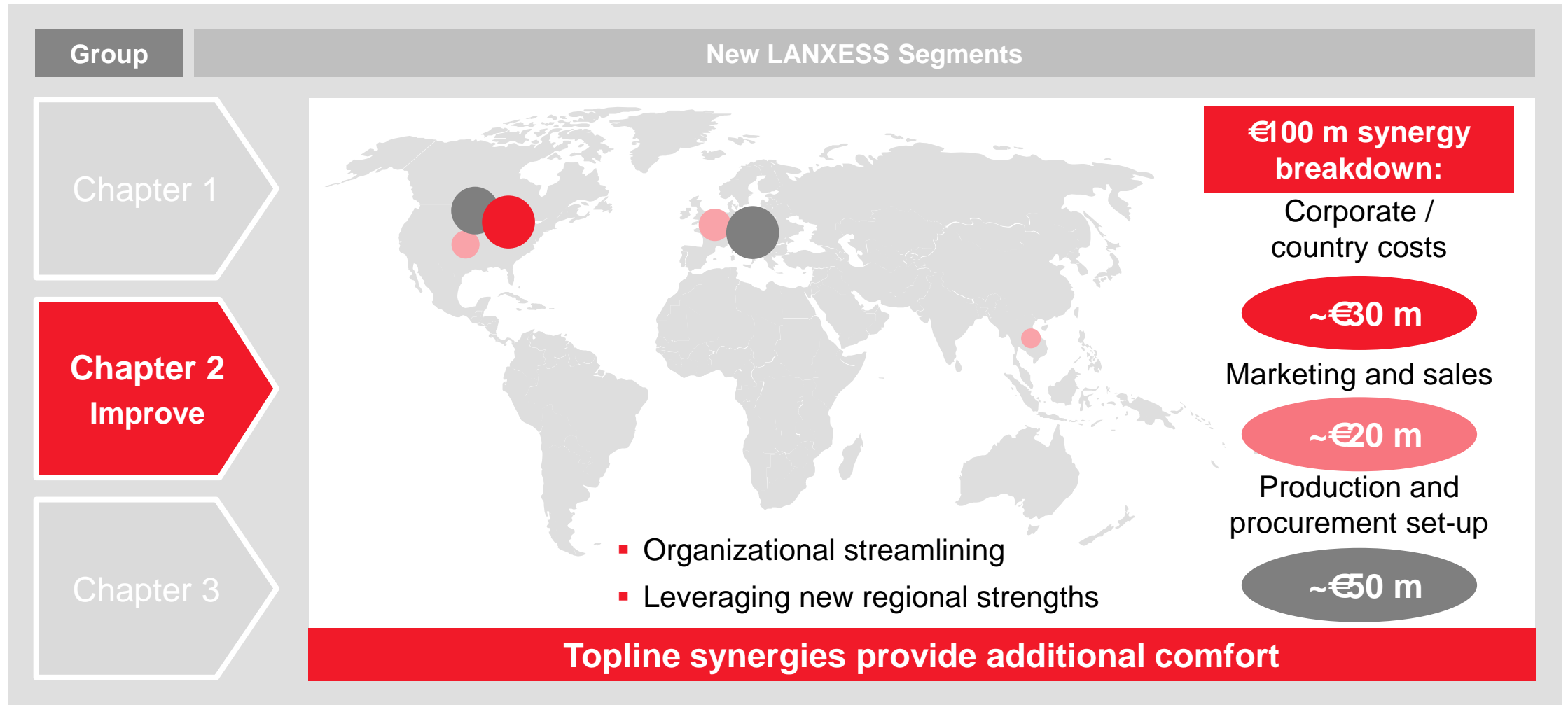
Our journey: Shaping New LANXESS – a story in three chapters



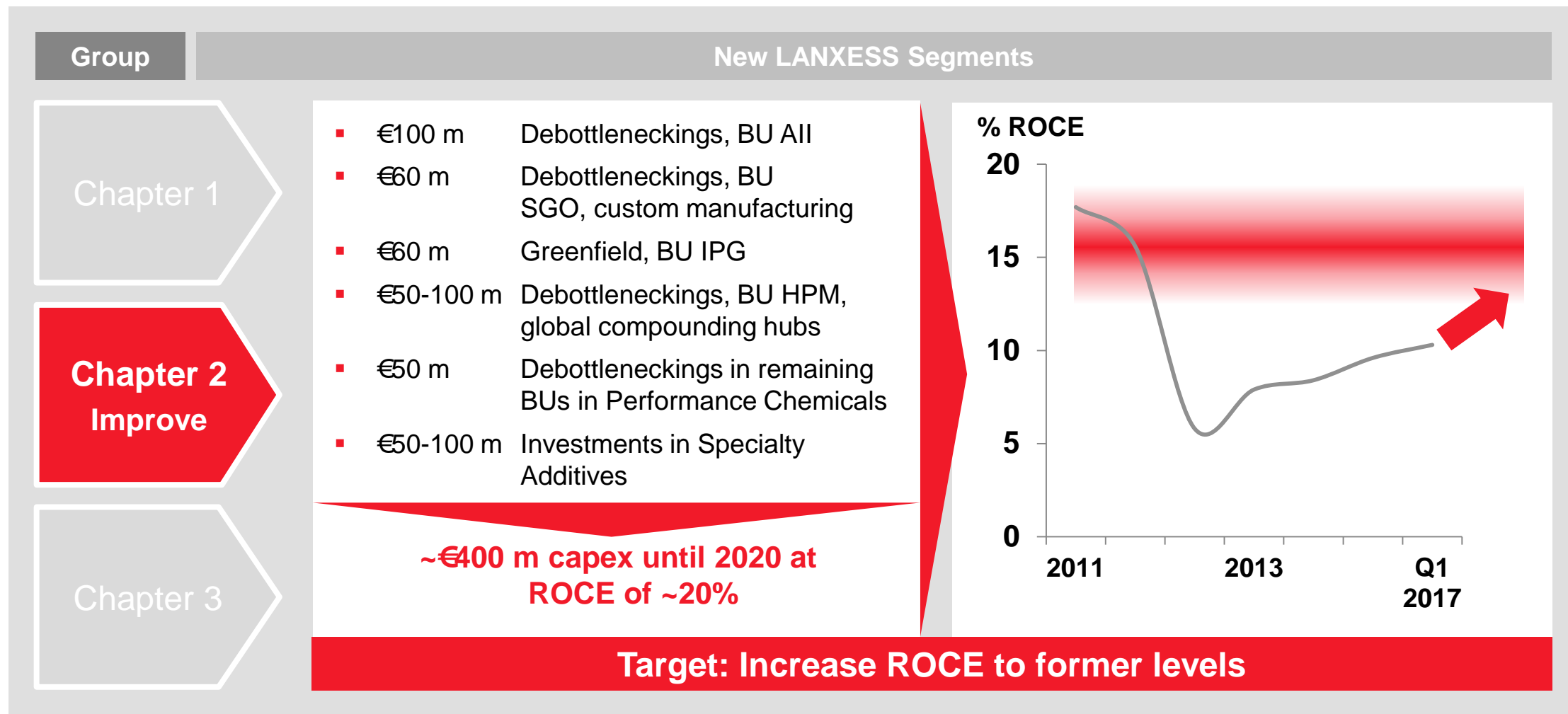
Restructuring and change of strategy yields first positive results



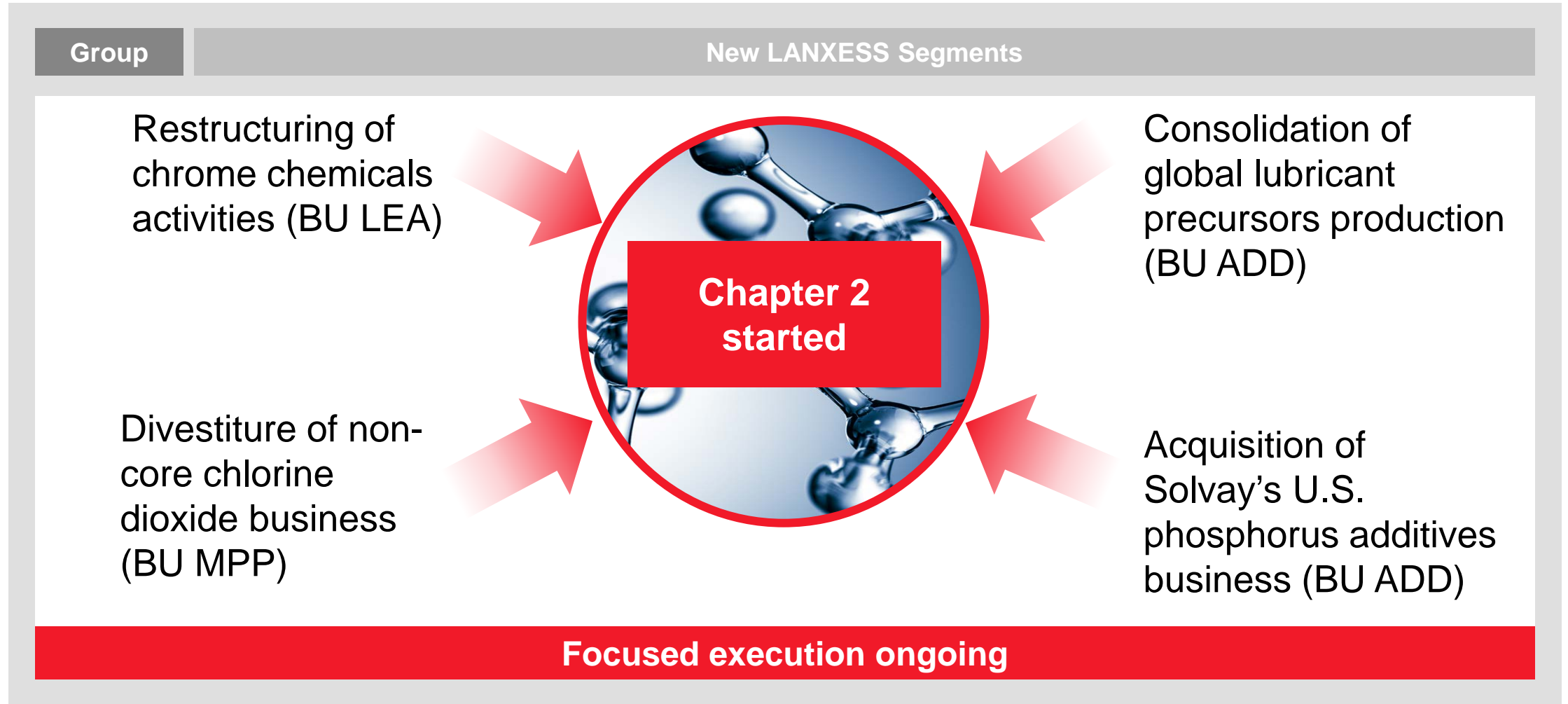
Chemtura integration: €100 m of synergies by 2020



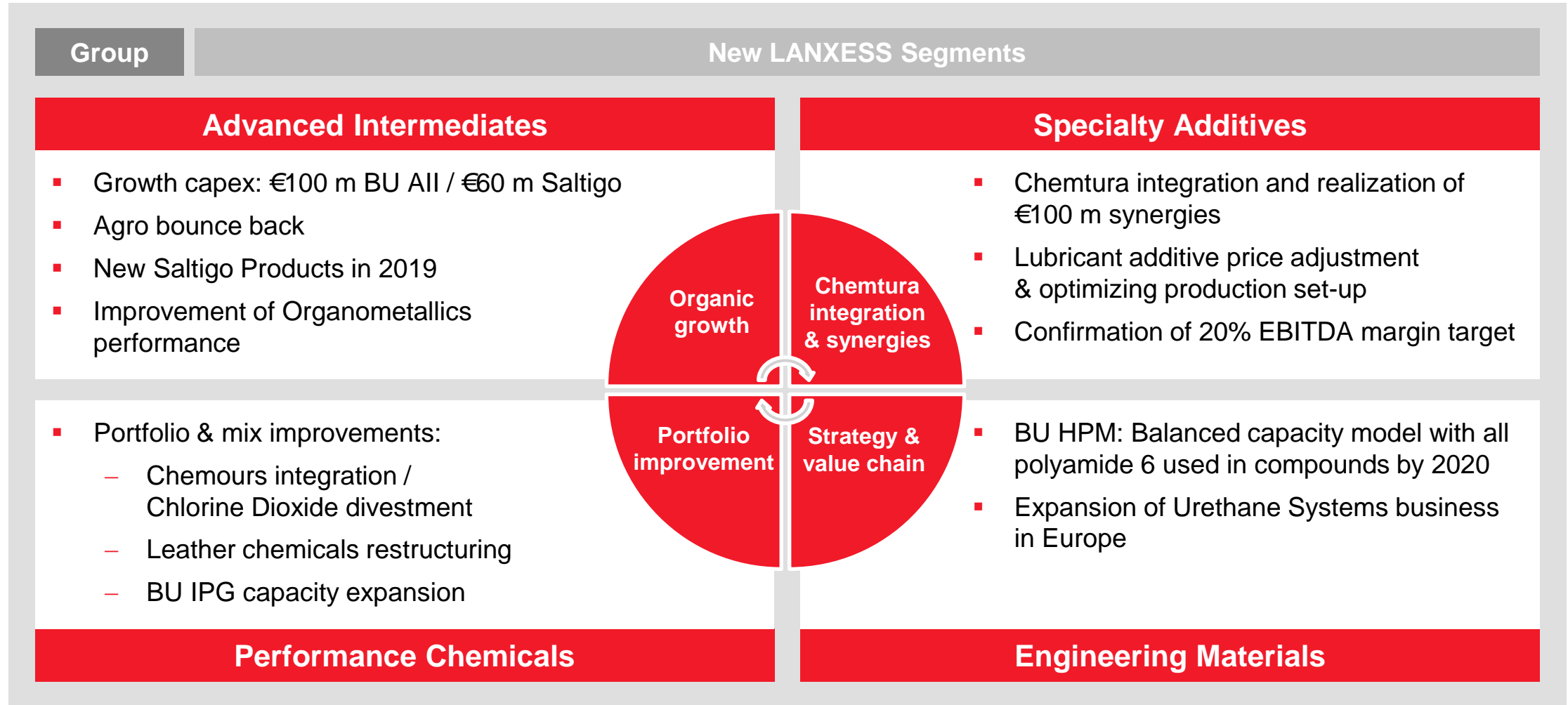
Organic investments will improve company ROCE





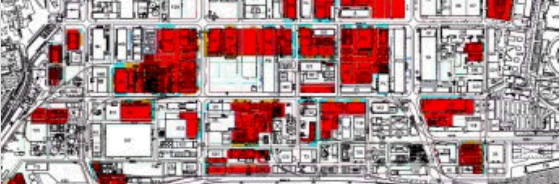
Chapter 2 proceeds with visible measures




LANXESS Value Drivers: Working towards our 2021 targets



Chapter 3: More balanced and stronger platform along three key dimensions

Group	New LANXESS Segments		
Chapter 1	Regional platform 	Industrial platform 	Market positions 
Chapter 2	Balancing the ground for further growth		
Chapter 3 Accelerate	<ul style="list-style-type: none">Regionally balanced platform with no pronounced dependenciesDiversified industrial platform mitigates impact from any individual industry's volatilityMarket positions in every business at least among leading players to keep or improve profitability level		
Solid growth	Chapter 3 will establish an even stronger platform		



The diagram illustrates the LANXESS strategic framework. It features the LANXESS logo in the center. Surrounding the logo are four red circles, each with a label: 'Mindset' (top), 'Speed' (bottom), 'Balance' (left), and 'Leadership' (right). Each circle is connected to a horizontal bar containing related terms: 'Agility' and 'Courage & team spirit' for Mindset; 'Lean structures' and 'Entrepreneurial organization' for Speed; 'Markets' and 'Industries' for Balance; and 'HR' and 'Technology & Innovation' for Leadership.

LANXESS' target 2021 – Leading, balanced and strongly cash generative

Group

New LANXESS Segments

Strategic and financial goals

- Stable specialty chemical company with sound cash generation and balanced portfolio
- Increased footprint in growing regions (North America and Asia)
- Leading positions in core and attractive mid-sized markets
- Low dependency on individual markets, thus less cyclical
- Solid investment grade rating and significantly reduced net financial debt

EBITDA pre margin
(group, Ø through the cycle)

14-18%

Cash conversion

>60%

EBITDA margin volatility



Underlying growth: Sustainable >GDP growth targeted

Cash conversion: $(\text{EBITDA pre} - \text{capex}) / \text{EBITDA pre}$

New LANXESS - A better end market exposure

Group

New LANXESS Segments

LANXESS in 2015

End market split by sales



New LANXESS ~2018

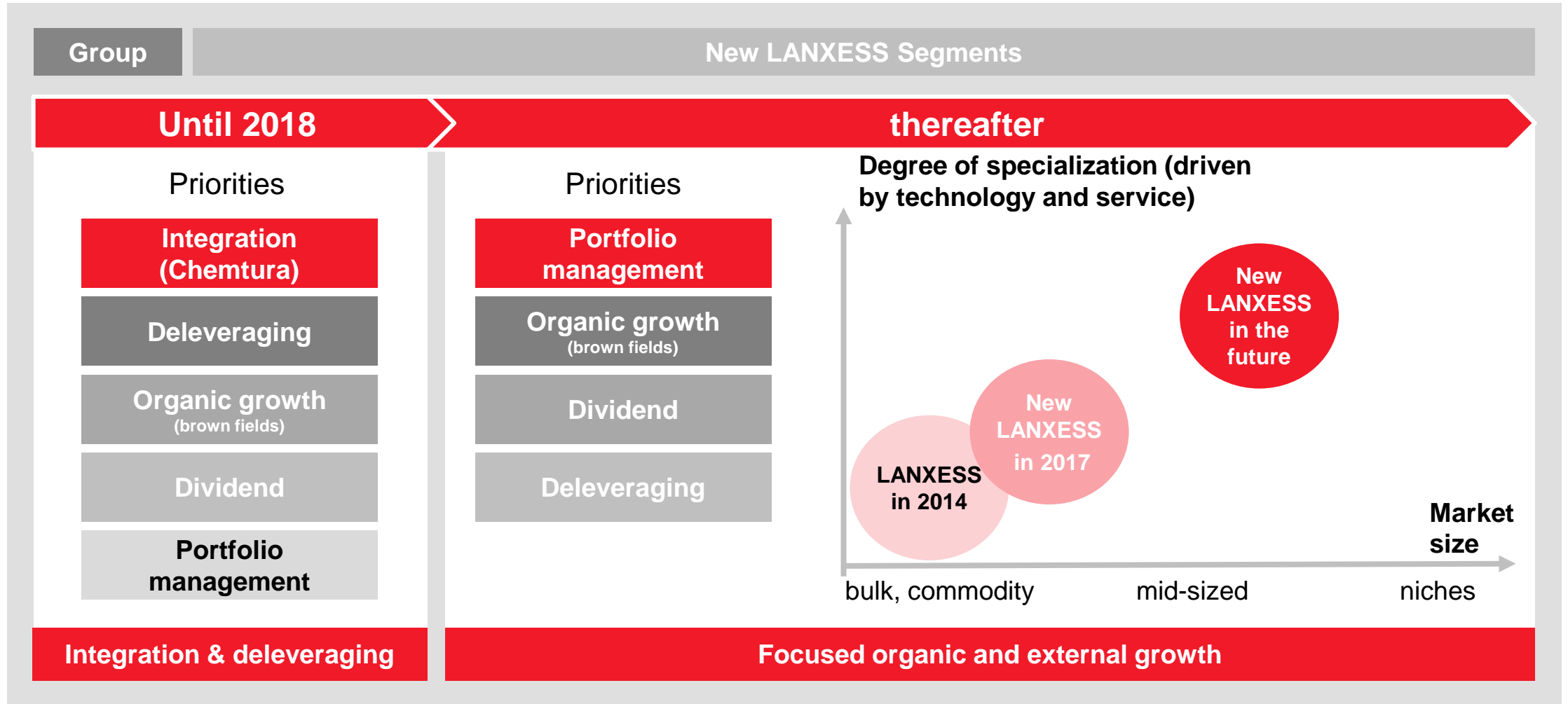
End market split by sales excl. ARLANXEO



More diversified and resilient

* Including General Industry, Pharma, Leisure

Progressing very focused with clear priorities regarding capital allocation



LANXESS – Energizing Chemistry

Group

New LANXESS Segments and ARLANXEO

New LANXESS – a well diversified portfolio*

ARLANXEO**

Advanced Intermediates



Europe No. 1-2

Building a global and resilient intermediates player

Specialty Additives



Top 3 position

Creating a major global additives business

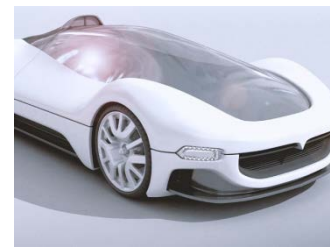
Performance Chemicals



No. 1-4 in niches

Building a specialty division

Engineering Materials



Leading position

Building an integrated engineering plastics player

ARLANXEO joint venture**



Globally No. 1-3

Leading position in production and marketing of synthetic rubber

Market position

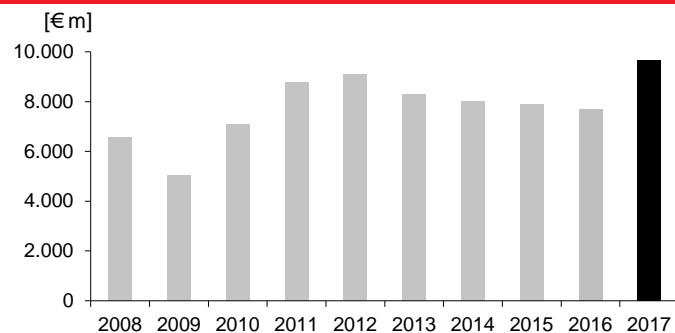
* Reporting structure since closing of Chemtura acquisition on 21 April 2017; ** ARLANXEO to be reported as discontinued operations from 1 April 2018 (with a restatement of 2017 and 2018 YTD figures) and reported as associate using the equity method from 1 April 2019

FY 2017: LANXESS delivers

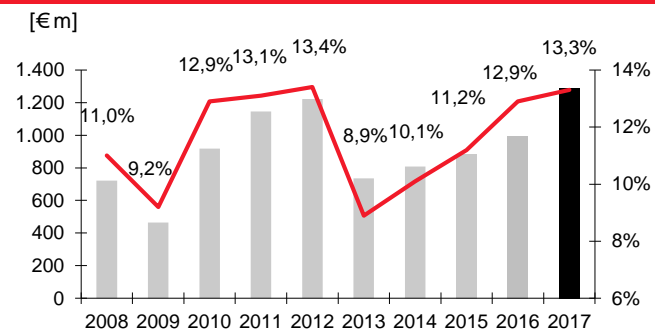
Group

New LANXESS Segments and ARLANXEO

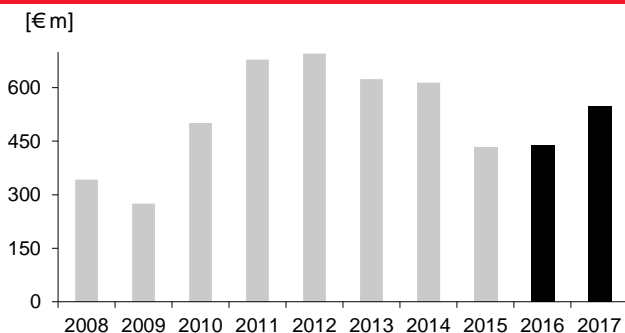
Sales 2008-2017



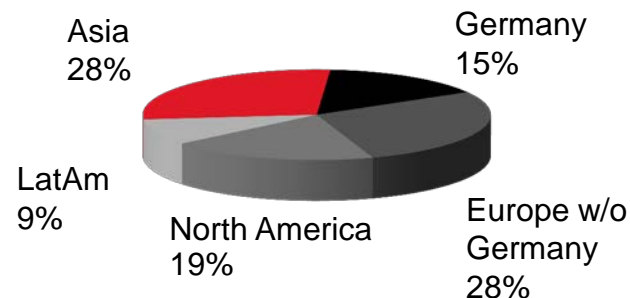
EBITDA (margin) 2008-2017



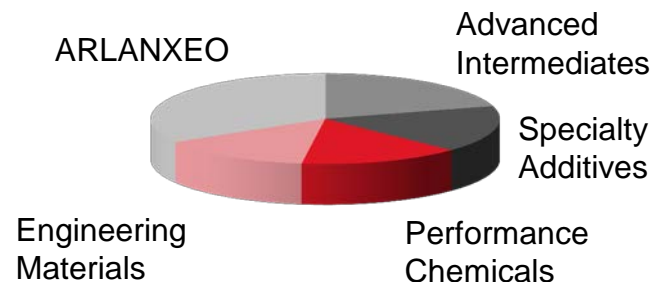
CAPEX¹ 2008-2017



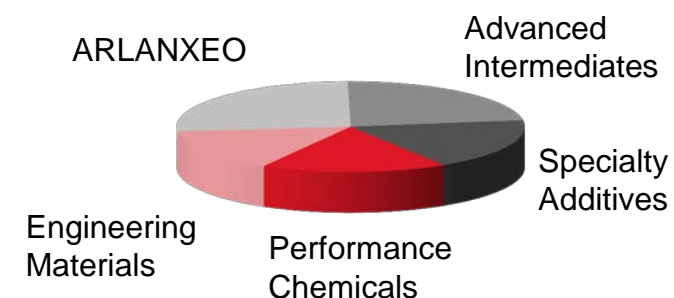
Sales by Region 2017



Sales by Segment 2017

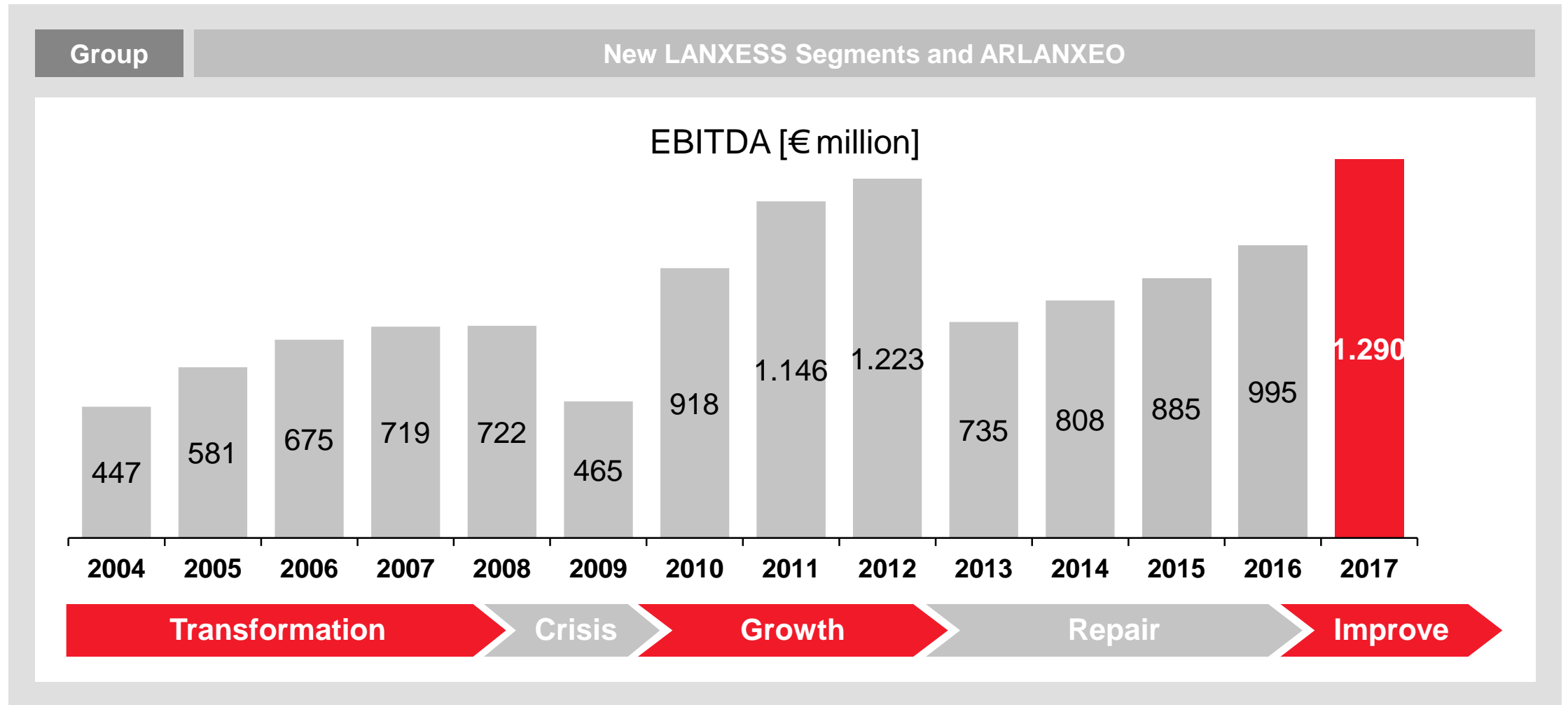


EBITDA by Segment 2017



All references to EBITDA are pre exceptionals; ¹ Net of capitalized borrowing cost, projects financed by customers and finance lease

LANXESS – successful transformation and profitable growth



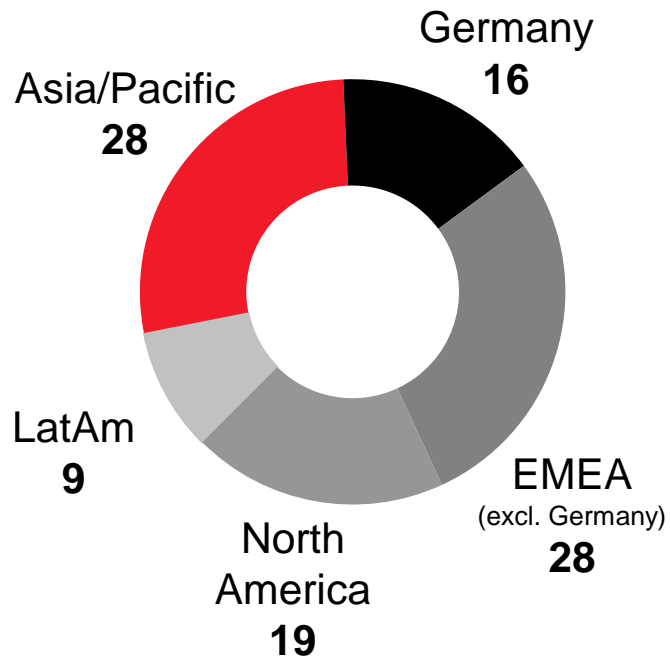
All references to EBITDA are pre exceptionals; 2012 restated due to IAS 19 (revised)

FY 2017: Strong operational development in all regions in addition to portfolio effect of Chemtura acquisition

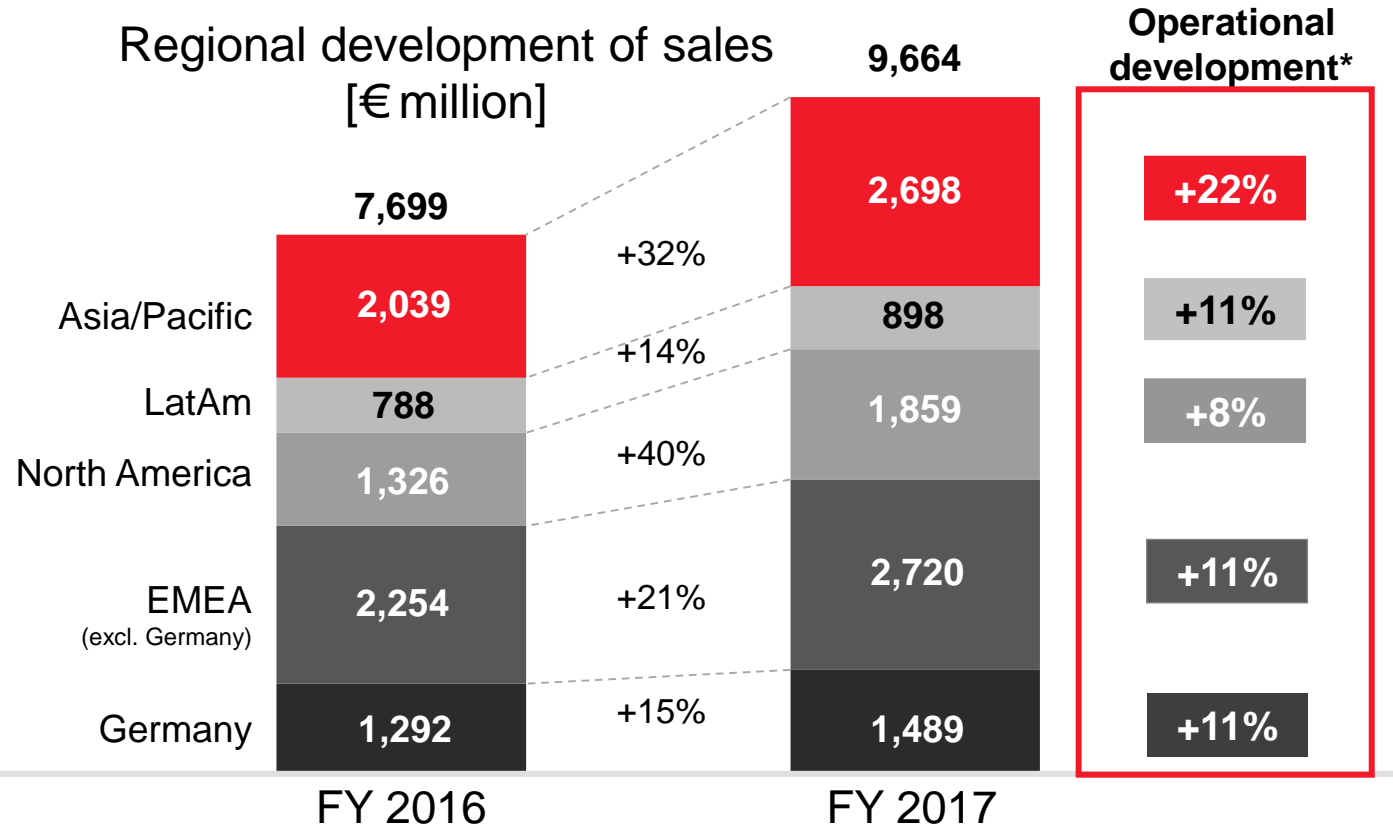
Group

New LANXESS Segments and ARLANXEO

FY 2017 sales by region [%]



Regional development of sales [€ million]



* Currency and portfolio adjusted

KPIs are improving again

Group	New LANXESS Segments and ARLANXEO									
In €m	2004	...	2010	2011	2012	2013	2014	2015	2016	2017
EBITDA ¹	447	...	918	1,146	1,223	735	808	885	995	1,290
Net financial debt	1,135	...	913	1,515	1,483	1,731	1,336	1,211	269	2,252
Net fin. debt / EBITDA ¹	2.5x	...	1.0x	1.3x	1.2x	2.4x	1.7x	1.4x	0.3x	1.8x
Gearing	101%	...	52%	73%	64%	91%	62%	52%	7%	66%
EPS pre [in €] ²		...			6.44	1.73	2.22	2.03	2.69	4.14

¹ Pre exceptionals; ² Net of exceptional charges and income, amortization of intangible assets and attributable tax effects as well as non-recurring earnings effects of the U.S. tax reform

The Advanced Intermediates segment comprises our businesses in intermediates and fine chemicals

Group

Advanced Intermediates

Specialty Additives

Performance Chemicals

Engineering Materials

Advanced Industrial Intermediates



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

Saltigo



- A leading supplier in the custom synthesis market, providing state of the art technologies and services to the agrochemicals and specialty chemicals industries
- Growth driven by strong foothold in agrochemical industry

Advanced Intermediates – Intermediates form a very cost efficient production platform

Group

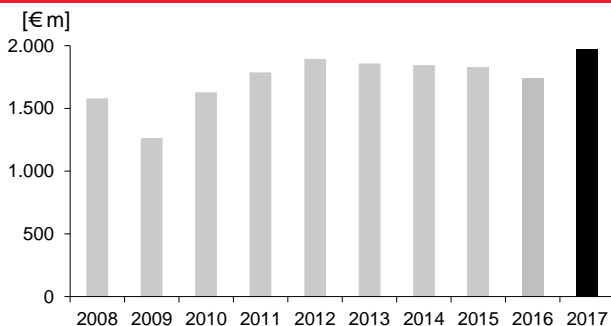
Advanced Intermediates

Specialty Additives

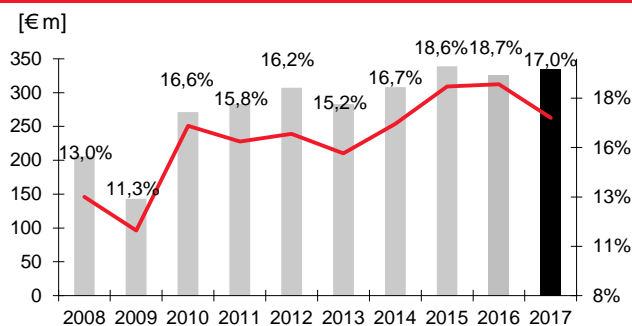
Performance Chemicals

Engineering Materials

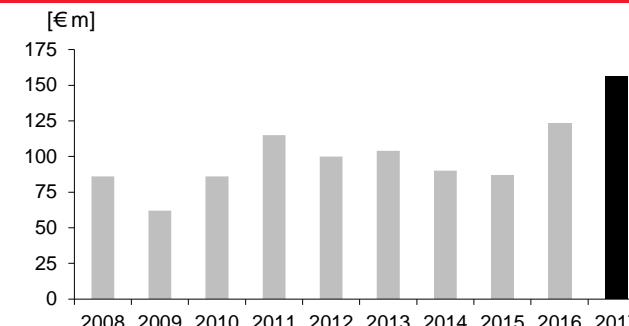
Sales 2008-2017¹



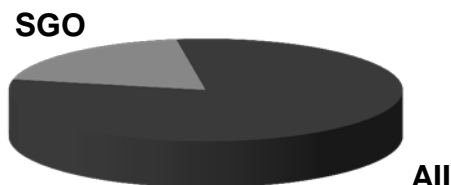
EBITDA (margin) 2008-2017¹



Capex² 2008-2017¹



Sales by BU 2017



Characteristics

- Leading market positions and process technologies
- Efficient and strong production platform
- Highly diversified end markets
- Attractive cash generation through technology leadership and efficient business set-up
- Growth slightly above GDP

All references to EBITDA are pre exceptionals; ¹ Operating segments; pro forma restatements with new BU structure as of Jan 1st 2016; ² Net of capitalized borrowing cost, projects financed by customers and finance lease

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

Group

Advanced Intermediates

Specialty Additives

Performance Chemicals

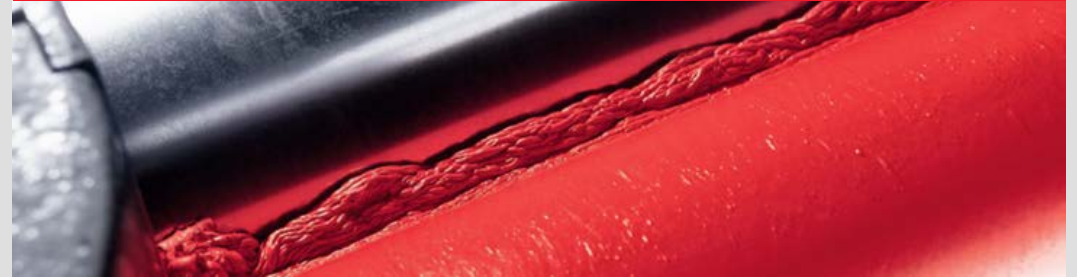
Engineering Materials

Additives



- The additives business unit comprises a broad portfolio of:
 - phosphorus and brominated flame retardants
 - lubricant products
 - plasticizers and bromine performance products

Rhein Chemie



- The portfolio of Rhein Chemie consists of:
 - customized active ingredient compounds
 - processing aids for the rubber, plastics and colorants industries
 - specialty chemicals

Specialty Additives offers a higher than average profitability

Group

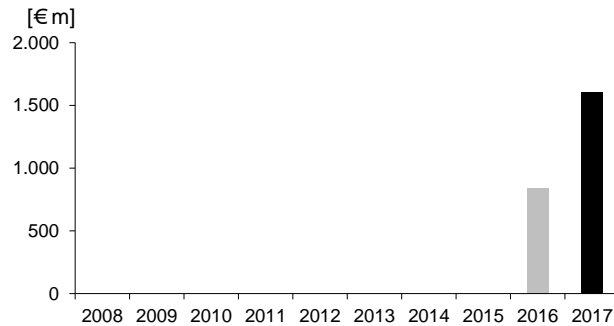
Advanced Intermediates

Specialty Additives

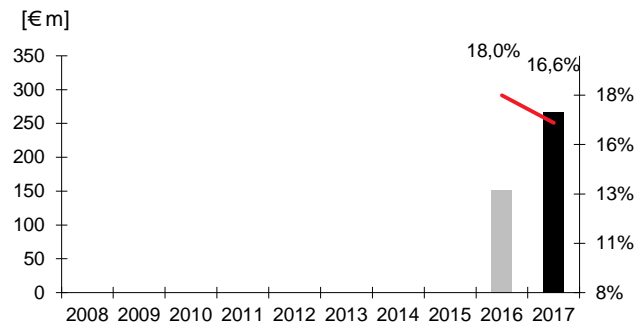
Performance Chemicals

Engineering Materials

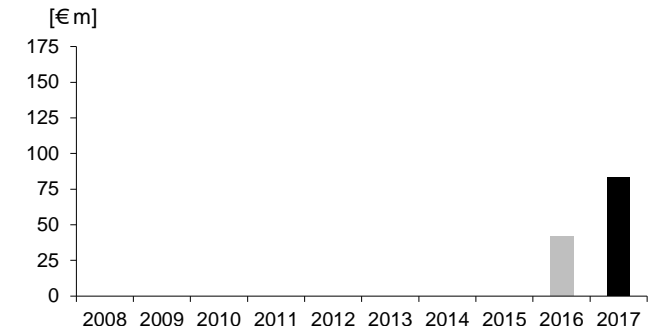
Sales 2008-2017¹



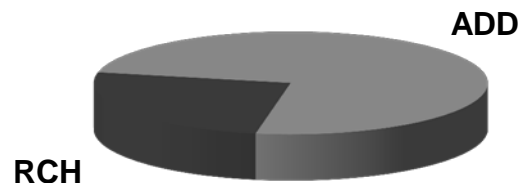
EBITDA (margin) 2008-2017¹



Capex² 2008-2017¹



Sales by BU 2017



Characteristics

- Leading market positions and backward integrated bromine chain
- Knowledge and technical service intensive products
- Tailor-made, high value added solutions for highly diversified customer base
- Global production footprint and sales platform
- Growth above GDP

All references to EBITDA are pre exceptional as of 21 April 2017 Chemtura's additives business was consolidated; ¹ Operating segments; pro forma restatements with new BU structure as of Jan 1st 2016; ² Net of capitalized borrowing cost, projects financed by customers and finance lease

Performance Chemicals: Production of application-focused chemicals for a wide range of industries

Group

Advanced Intermediates

Specialty Additives

Performance Chemicals

Engineering Materials

Inorganic Pigments



- A leading global supplier of inorganic pigments for the coloring of construction materials, coatings, plastics and for technical applications

Leather



- Supplier with a complete range of products for leather processing (tanning agents, preservatives, finishing auxiliaries, dye products)

Material Protection Prod.



- Wide range of microbial control products for construction and paints, beverages, industrial use and wood protection

Liquid Purification Technol.



- One of the leading global producers of ion exchange resins, adsorbers, functional polymers and reverse osmosis membranes for the treatment and purification of water and other liquids

Performance Chemicals – Solution and service provider adding functionality, color or processability to products

Group

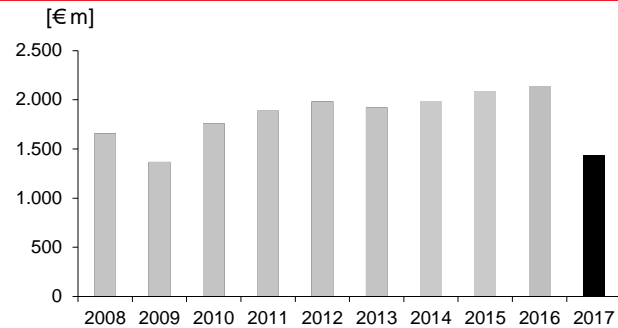
Advanced Intermediates

Specialty Additives

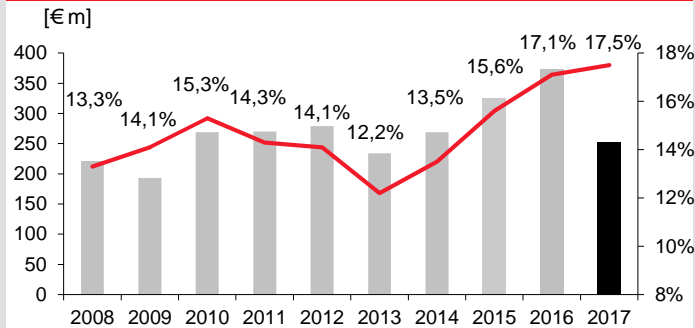
Performance Chemicals

Engineering Materials

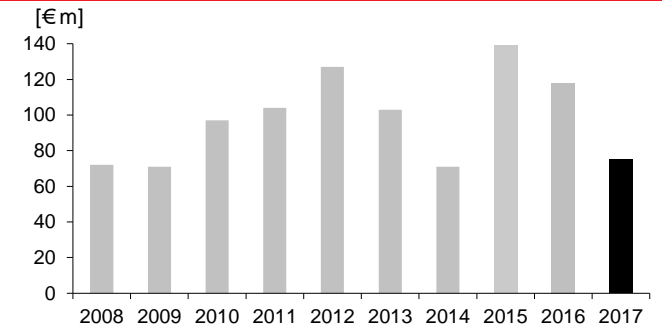
Sales 2008-2017¹



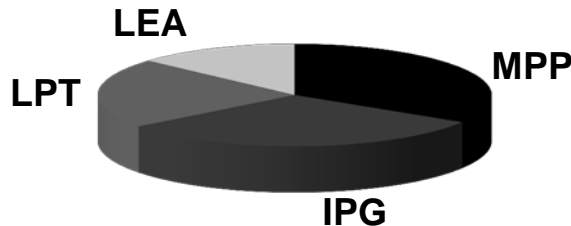
EBITDA (margin) 2008-2017¹



Capex² 2008-2017¹



Sales by BU 2017



Characteristics

- Strong position in respective niche markets
- Low importance of raw materials
- Acting as solution provider
- Considerable cash generation based on good mix of solution focused businesses
- Growth roughly in line with GDP

All references to EBITDA are pre exceptionals;

¹ Operating segments; pro forma restatements with new BU structure as of Jan 1st 2016

² Net of capitalized borrowing cost, projects financed by customers and finance lease

Engineering Materials: Innovative plastic solutions for challenging industrial and automotive applications

Group

Advanced Intermediates

Specialty Additives

Performance Chemicals

Engineering Materials

High Performance Materials



One of the leading providers of a wide range of engineering plastic compounds for the automotive, electrical & electronic and other industries, benefiting from the trend of replacing metal in structural automotive parts

Urethane Systems



Globally market and technology leading position for cast elastomer systems. Products are highly customer specific offering abrasion resistance with various degrees of hardness

High Performance Materials: Leading supplier of light-weight solutions with integrated engineering capability

Group

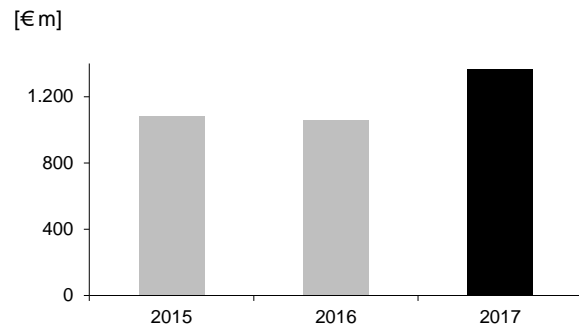
Advanced Intermediates

Specialty Additives

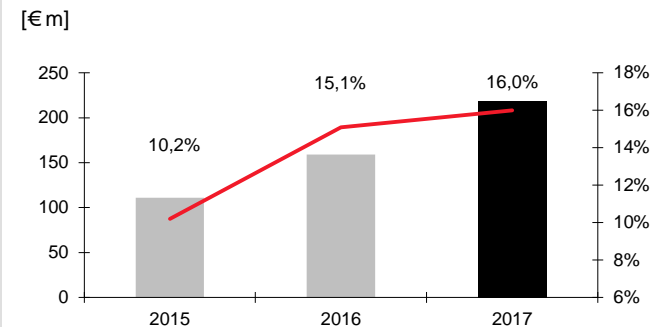
Performance Chemicals

Engineering Materials

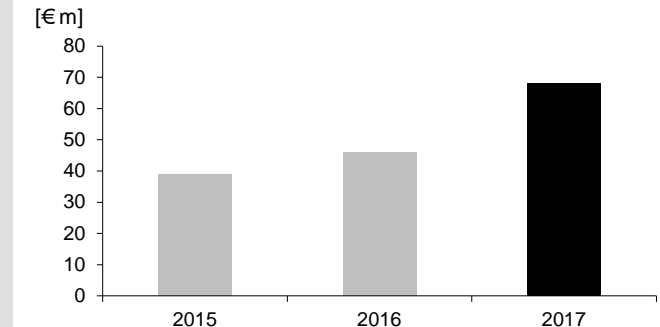
Sales 2015-2017



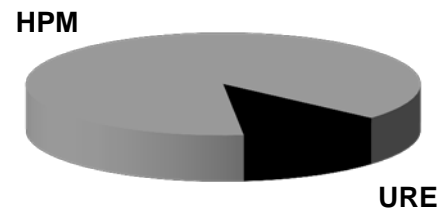
EBITDA (margin) 2015-2017



Capex¹ 2015-2017



Sales by BU 2017



Characteristics

- Customer and market proximity; backward integrated into strategic raw materials
- Global production network
- Among leading providers of engineering plastics
- Focus on high-tech compounds to meet global trend in lightweight constructions
- Growth for engineering plastics in automotive applications²

All references to EBITDA are pre exceptional; ¹ Net of capitalized borrowing cost, projects financed by customers and finance lease; ² Source: AMI Plastics, IHS Chemicals, LMC Automotive, PCI Nylon, Plastics Europe, LANXESS volume estimates / demand growth through substitution (from metal to plastics in cars)

LANXESS

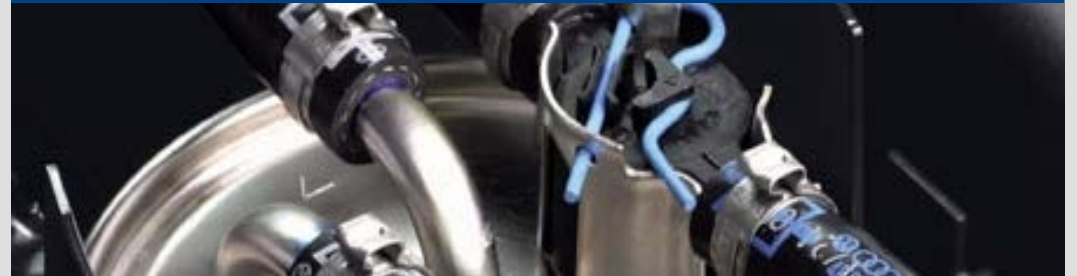
ARLANXEO

Tire & Specialty Rubbers



- A leading manufacturer of high quality synthetic rubbers which are primarily used in inner liners, treads and sidewalls of modern, fuel-efficient tires as well as non-tire applications

High Performance Elastomers

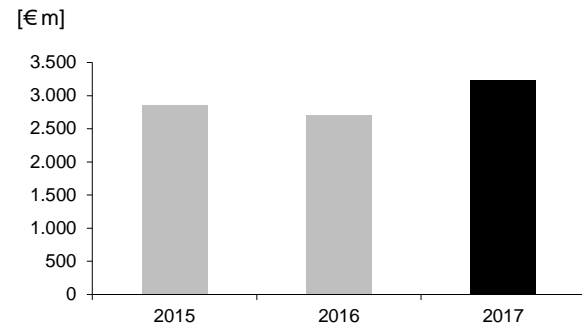


- A leading global supplier of synthetic rubbers for a wide range of technical applications (e.g. seals, hoses, profiles, cable sheathing, special films and adhesives)

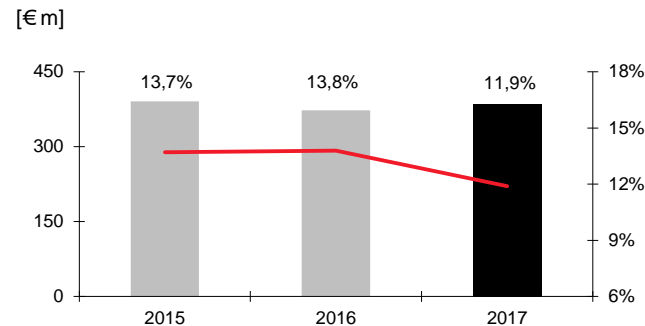
ARLANXEO: Newly formed joint venture for synthetic rubber between Saudi Aramco and LANXESS

ARLANXEO

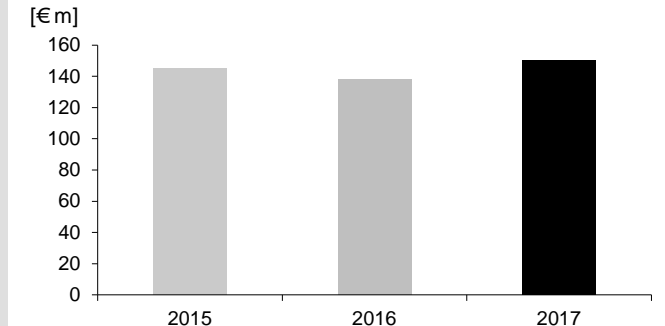
Sales 2015-2017



EBITDA (margin) 2015-2017



Capex1 2015-2017



Sales by BU 2017



Characteristics

- Leading market positions with strong and diversified portfolio
- Global production network
- Broadest synthetic rubber platform with competitive advantage for future development
- Growth slightly above GDP

All references to EBITDA are pre exceptionals; ¹ Net of capitalized borrowing cost, projects financed by customers and finance lease; As of Q2 2016 the BUs TSR and HPE formed ARLANXEO; They were reported in the Performance Polymer segment before

Corporate Responsibility well integrated - achieving goals sustainably

Group

New LANXESS Segments and ARLANXEO

Climate / Environmental goals

- Reduction of specific CO₂ emission by 25%¹ until 2025
- Reduction of specific energy consumptions by 25%¹ until 2025
- Reduction of volatile organic compounds (NMVOC³) emissions by 25%¹ until 2025

Safety goals

- Xact: Global safety program to improve occupational, process and plant safety (since 2011)
- Global management system for optimization of transportation of (dangerous) goods

Procurement initiatives

- 'Supplier Code of Conduct' for supplier selection and rating
- 'Together for Sustainability' initiative² for higher transparency in the supply chain (implementation of a global auditing program)

Social initiatives and goals

- Global board initiative 'Diversity & Inclusion': raising the proportion of women in management to 20% by 2020
- Leverage water know-how: support of AMREF⁴
- Education initiatives with local and global commitment



¹ Base year: 2015; for CO₂: Scope 1 and Scope 2 emissions

² Members: BASF, Bayer, Evonik, Henkel, LANXESS, Akzo Nobel, Solvay

³ Non methane volatile organic compounds; ⁴ African Medical and Research Foundation

Abbreviations

Advanced Intermediates

- All Advanced Industrial Intermediates
- SGO Saltigo

Performance Chemicals

- IPG Inorganic Pigments
- LEA Leather
- MPP Material Protection Products
- LPT Liquid Purification Technologies

Specialty Additives

- ADD Additives
- RCH Rhein Chemie

Engineering Materials

- HPM High Performance Materials
- URE Urethane Systems

ARLANXEO*

- TSR Tire & Specialty Rubbers
- HPE High Performance Elastomers

* ARLANXEO will be accounted for as discontinued operations from April 1, 2018 onwards

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