

LANXESS: On track

Q2 2019 Conference Presentation

Investor Relations

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Agenda

1 Our journey: Shaping LANXESS

2 Business and financial details Q2 and H1 2019

3 Back-up

LANXESS is characterized by a clear strategy and strong culture

Strengthening leading market positions

- Leading positions in attractive mid-sized markets
- Higher stability by a balanced regional setup, product portfolio and industry exposure
- Competitive technology and cost structure



Creating value

- Rigorous strategic and operational resource allocation
- Generating cash, securing jobs and acting sustainably for a better future

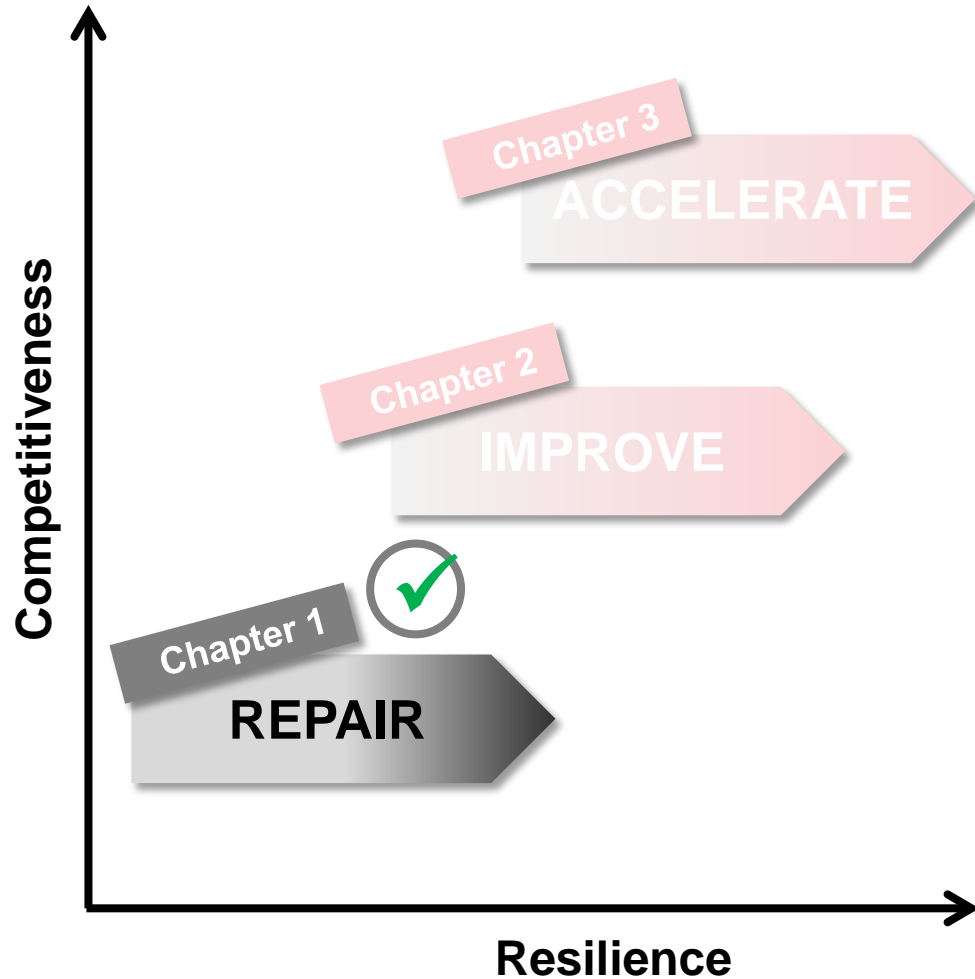


Living Performance Culture

- Differentiating by a fast, dynamic and agile corporate culture



Chapter 1 of our journey: Realignment of business successfully completed



Leaner and more powerful organization



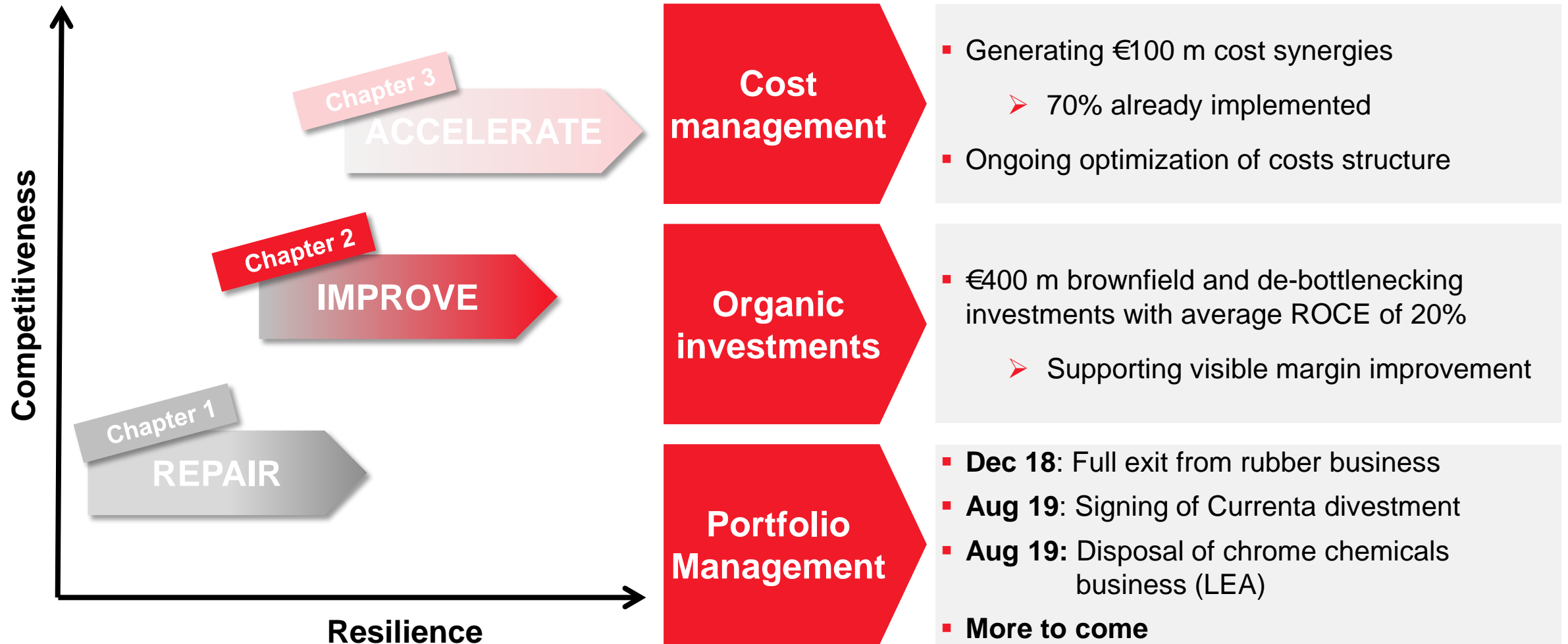
Divestment of volatile Rubber business



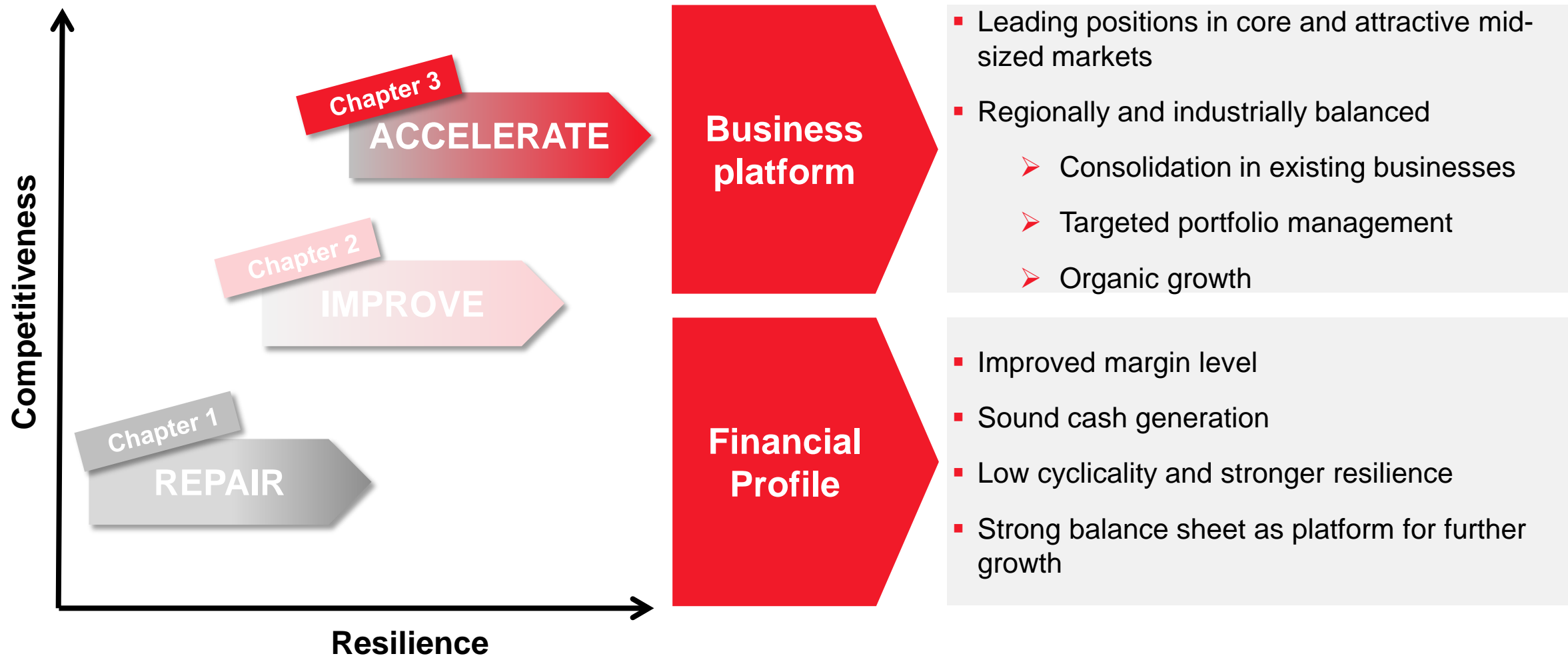
Strategic portfolio upgrade started



Strengthening of our platform well on track



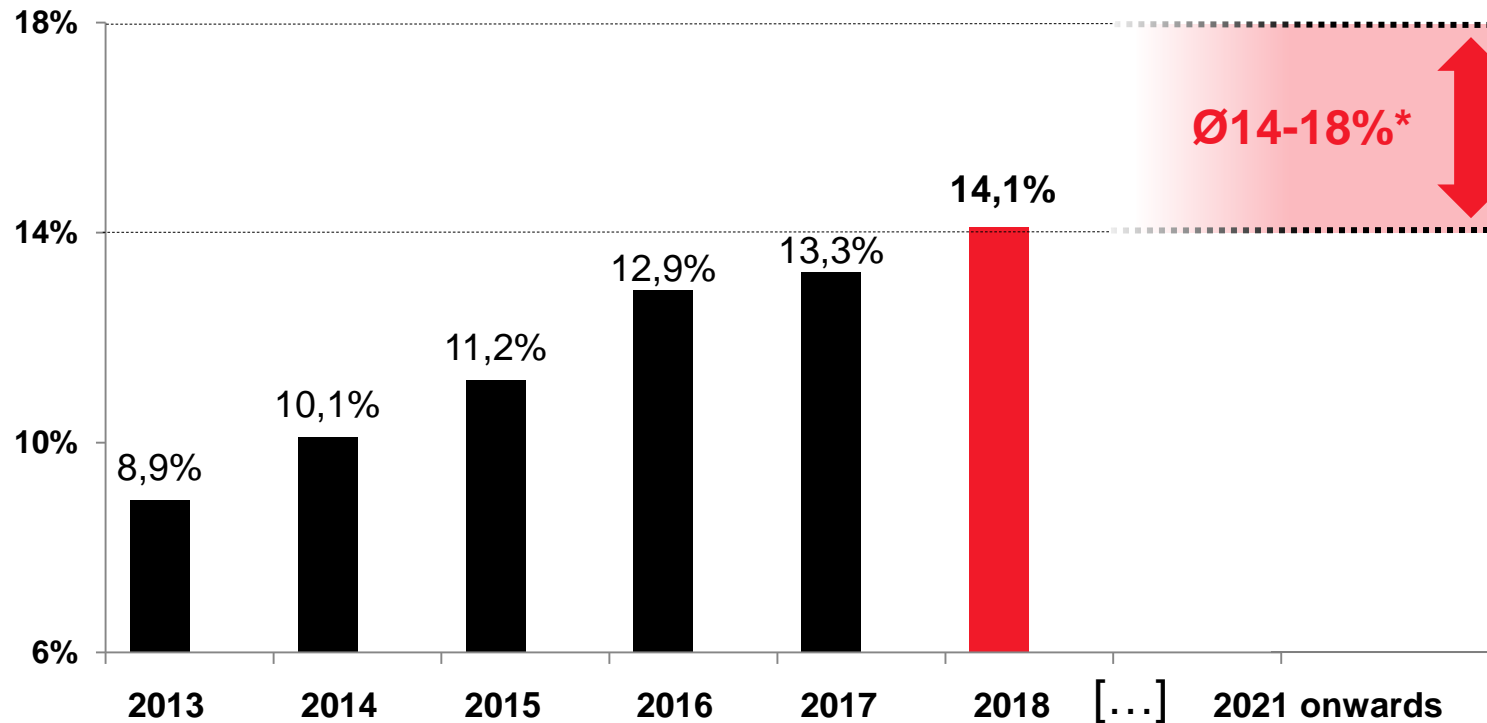
Targeted setup precisely defined to further leverage our strengths



EBITDA-margin approaching targeted corridor

Trajectory to mid-term target

[EBITDA pre margin]



Self-help measures in place to achieve goals and become more resilient

Self-help measures

- Debottlenecking and brownfield growth capex (ROCE of ~20%)
- Implementation of remaining €30 m synergies from Chemtura until 2020
- Saltigo improvement
- Take Organometallics' margin to industry level (~15%)
- Further portfolio alignment

On track to reach financial goals for 2021

EBITDA pre margin
(group, Ø through the cycle)

14-18%

Cash con-version*

>60%

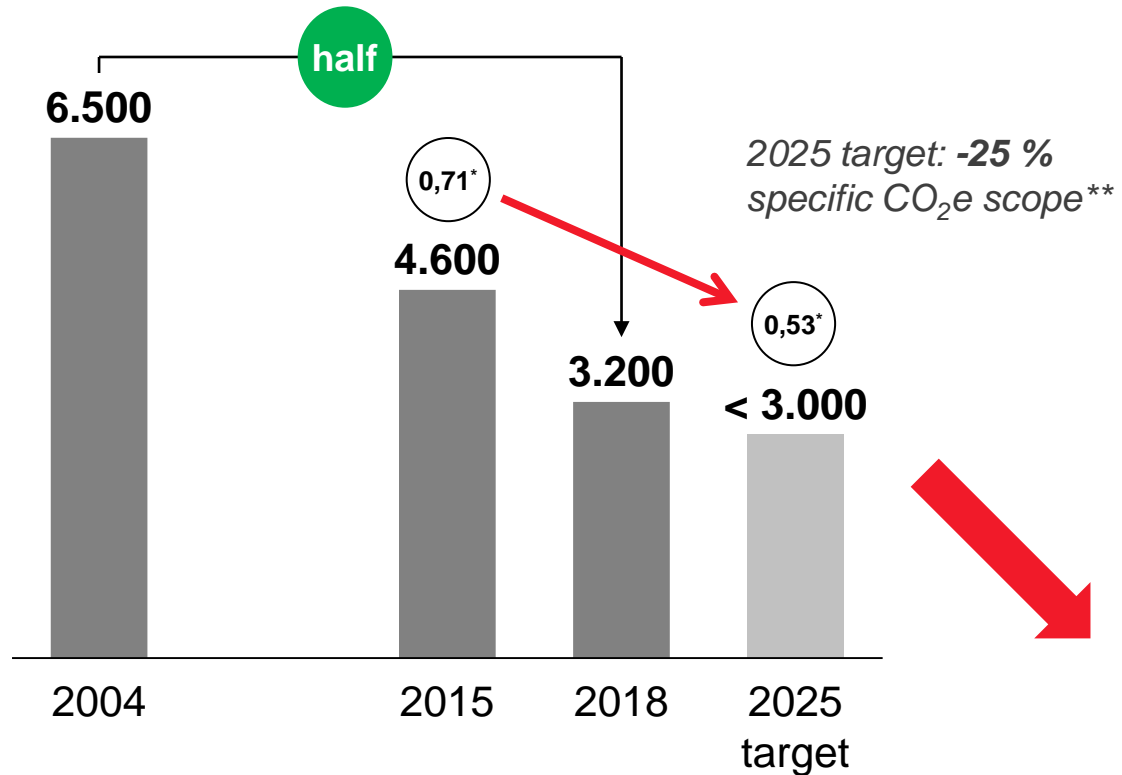
EBITDA pre margin volatility



LANXESS is well prepared for its climate journey

Greenhouse gas emissions on track for 2025 target

Absolute CO₂e scope 1+2 emissions in thousand tons, LXS



Far-sighted management of ETS certificates

- LXS has been pro actively managing CO₂ reduction in accordance with Emission Trading Scheme (ETS) reduction targets
- Currently, cost effect from ETS is neutral
- LXS will continue to reduce CO₂ emissions and be ahead of ETS reduction targets

Well positioned - independently from economic environment

Best platform for any economic environment



Growing stability and resilience



All means in place to further execute on strategy



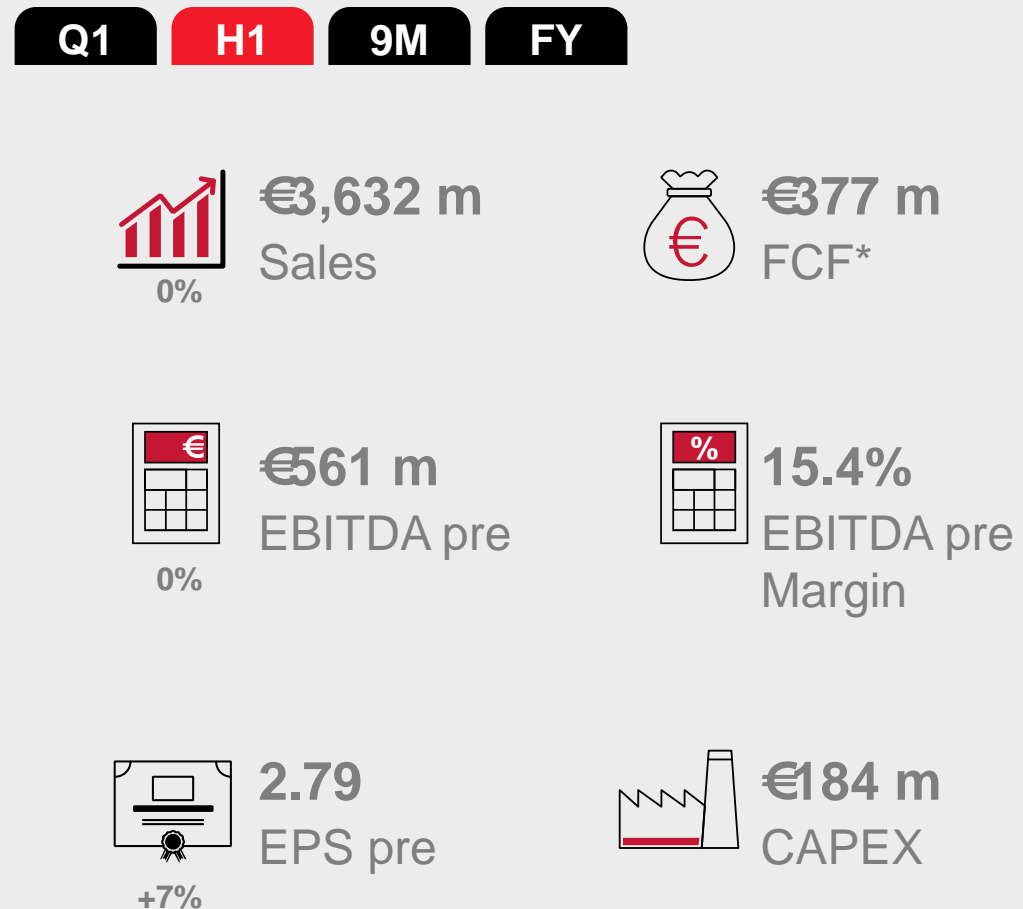
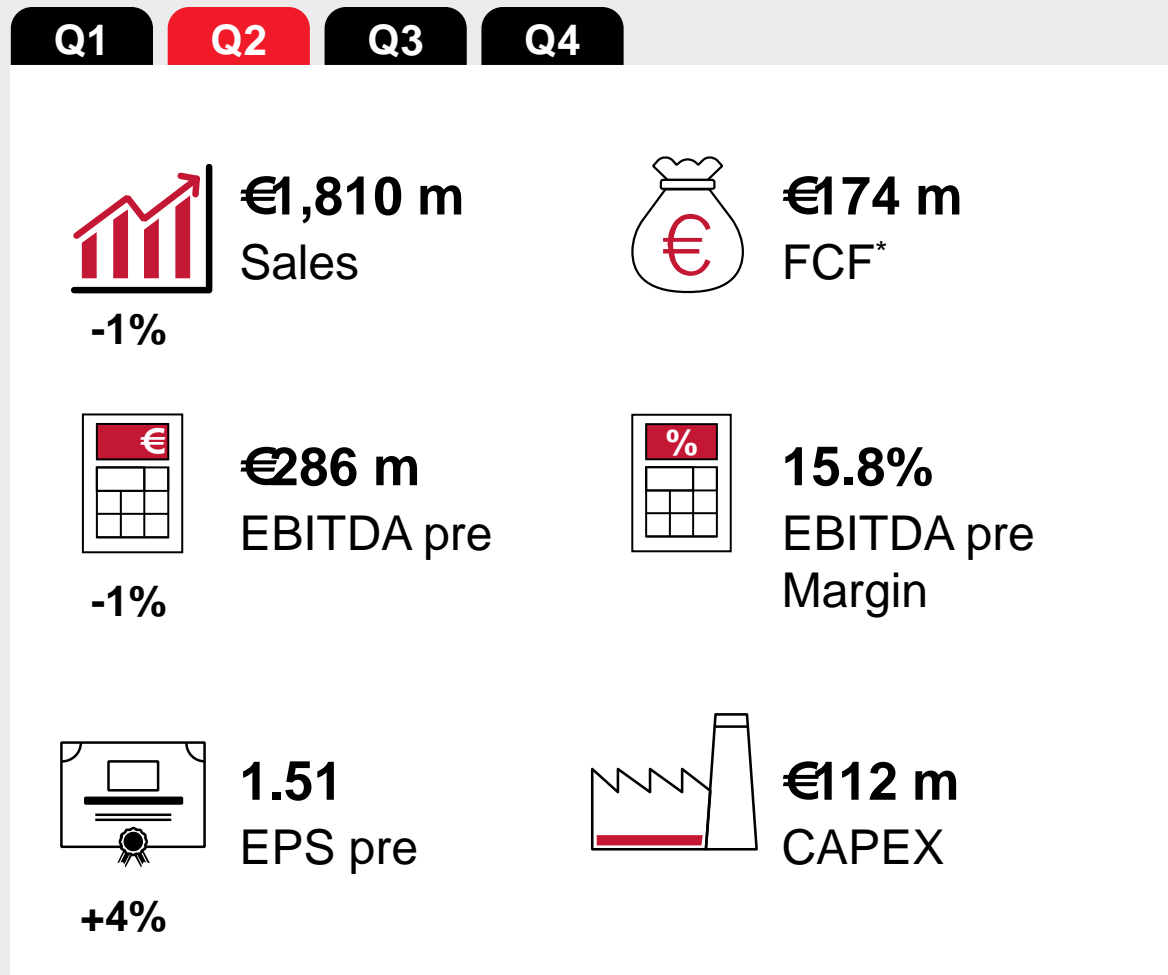
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Key Figures: Q2 2019 on track as guided



* FCF defined as EBITDA pre - CAPEX

Q2 2019: Solid performance despite macroeconomic headwinds



Highlights

- Strategic transformation is paying off
- Leading positions in attractive niche markets balance declining auto sector
- Three out of four segments weather increasingly challenging environment
- Group financials on strong prior year's level
- Share buy-back program accomplished



Challenges

- Lower volumes due to:
 - persistent weakness in automotive and agro sector
 - termination of low-margin contracts and site closures (Specialty Additives)
- Generally hesitant order behavior of customers

LXS Group: Resilient performance

EBITDA and margin on PY level despite macroeconomic headwinds

[€m]	Q2 2018	Q2 2019	Δ	YTD 2018	YTD 2019	Δ
Sales	1,829	1,810	-1%	3,645	3,632	0%
EBITDA pre	290	286	-1%	560	561	0%
Margin	15.9%	15.8%		15.4%	15.4%	
CAPEX	83	112	35%	143	184	29%

Price	Volume	FX	Portfolio
0%	-3%	+3%	0%

Total -1%

Q2 Sales vs. PY

- Slightly lower sales: volume decline mainly impacted by auto demand and termination of margin-dilutive tolling agreements mitigated by strong AI segment and positive FX effect
- EBITDA pre and margin supported by favorable FX
- Higher capex resulting from further investments in de-bottleneckings



Advanced Intermediates: Holding up nicely

Weathering troubled waters

[€m]	Q2 2018	Q2 2019	Δ	YTD 2018	YTD 2019	Δ
Sales	546	561	3%	1,111	1,147	3%
EBITDA pre	97	107	10%	199	221	11%
Margin	17.8%	19.1%		17.9%	19.3%	
CAPEX	30	33	10%	53	58	9%

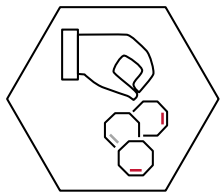
Price Volume FX Portfolio

-2% **+3%** **+2%** **0%**

Total **+3%**

Q2 Sales vs. PY

- Volume-driven sales increase in both BUs
- Slightly lower prices also due to raw material price pass-through
- Positive FX development compensates price decline in sales
- Volume-driven EBITDA pre and margin improvement based on strong performance in BU All and ongoing recovery in BU SGO



Specialty Additives: Stable development

**Bromine and
flame retardants
support
performance**

[€m]	Q2 2018	Q2 2019	Δ	YTD 2018	YTD 2019	Δ
Sales	508	506	0%	1,008	991	-2%
EBITDA pre	91	89	-2%	172	172	0%
Margin	17.9%	17.6%		17.1%	17.4%	
CAPEX	28	30	7%	44	44	0%

Price Volume FX Portfolio

+1% **-6%** **+4%** **0%**

Total **0%**

Q2 Sales vs. PY

- Sales on PY level: Price and FX effects mitigate reduced volumes
- Positive price effect in bromine products
- Volume decrease due to lower auto demand (mainly BU RCH) and termination of margin-dilutive tolling agreements
- Pricing, FX and synergies compensate volume effect on EBITDA pre and margin level



Performance Chemicals: Improving

**Regulated
chemistry with
strong
performance**

[€m]	Q2 2018	Q2 2019	Δ	YTD 2018	YTD 2019	Δ
Sales	356	356	0%	692	703	2%
EBITDA pre	58	60	3%	110	114	4%
Margin	16.3%	16.9%		15.9%	16.2%	
CAPEX	15	17	13%	27	30	11%

Price	Volume	FX	Portfolio
+1%	-3%	+3%	0%

Total 0%

Q2 Sales vs. PY

- Stable sales as pricing and FX compensate for lower volumes
- Higher prices in BU MPP and BU LPT, while prices in BU IPG and BU LEA decline slightly
- Strong volumes in BU MPP (African Swine Fever) overcompensated by decline in BU LEA also impacted by illegal strike in South Africa
- BUs MPP, LPT and IPG contribute to improved EBITDA pre and margin



Engineering Materials: Lower volumes due to weak auto demand

Tough market environment

[€m]	Q2 2018	Q2 2019	Δ	YTD 2018	YTD 2019	Δ
Sales	399	365	-9%	791	747	-6%
EBITDA pre	81	65	-20%	154	130	-16%
Margin	20.3%	17.8%		19.5%	17.4%	
CAPEX	9	20	>100%	15	31	>100%

Price Volume FX Portfolio

0% **-11%** **+2%** **0%**

Total -9%

Q2 Sales vs. PY

- Sales impacted by lower volumes compared to a strong Q2 2018
- Prices stable in both BUs
- Volumes drop mainly in BU HPM due to weaker auto demand, impacting EBITDA pre and margin
- Margin retained on good level despite end market weakness

Q2 2019: Stable on strong previous year level

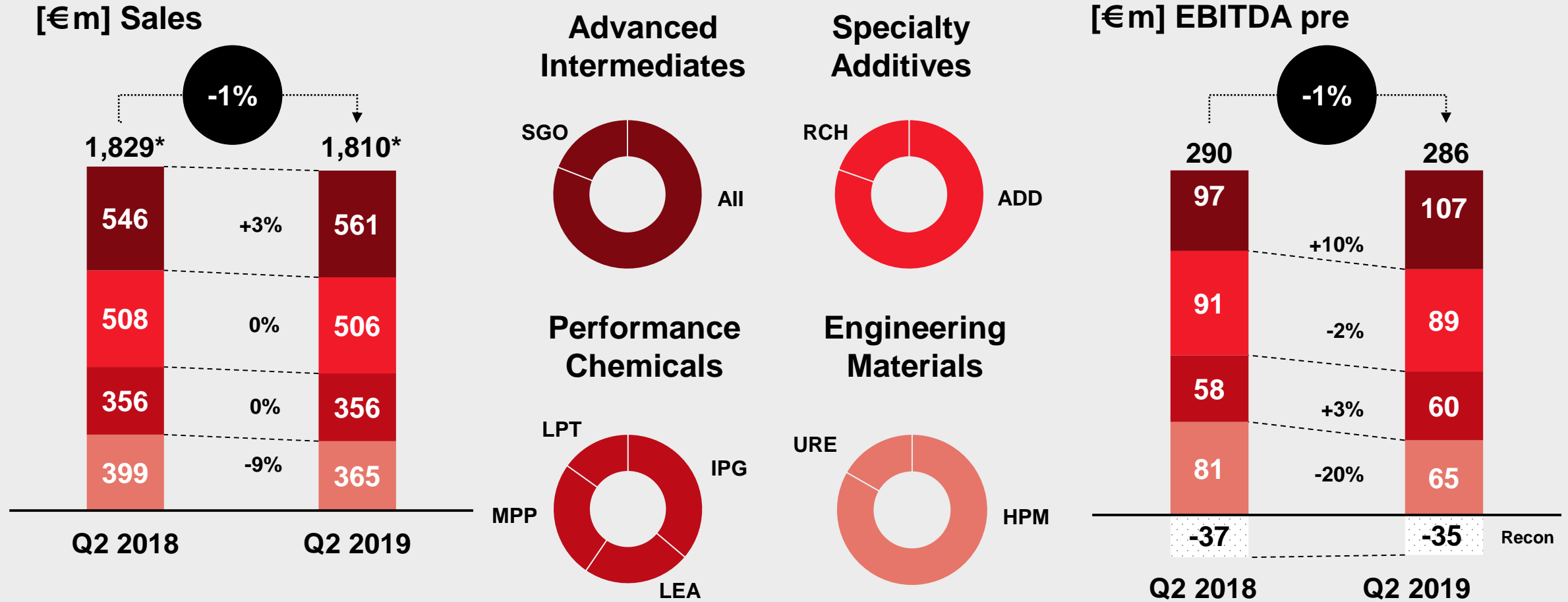
[€m]	Q2 2018*		Q2 2019		yoy in %
Sales	1,829	(100%)	1,810	(100%)	-1%
Cost of sales	-1,332	(-73%)	-1,315	(-73%)	1%
Selling	-212	(-12%)	-228	(-13%)	-8%
G&A	-69	(-4%)	-69	(-4%)	0%
R&D	-28	(-2%)	-31	(-2%)	-11%
EBIT	159	(9%)	143	(8%)	-10%
Net Income	97	(5%)	100	(6%)	3%
EPS pre**	1.45		1.51		4%
EBITDA	263	(14%)	264	(15%)	0%
thereof except.	-27	(-1%)	-22	(-1%)	-19%
EBITDA pre except.	290	(15.9%)	286	(15.8%)	-1%

- Higher selling expenses driven by rising freight costs and FX
- Improved net income resulting from a better financial result, mainly driven by higher Currenta dividend
- EPS pre increase supported by share buyback
- Decrease in exceptionals due to lower restructuring and project costs

* 2018 applies to continuing operations

** Net of exceptionals and amortization of intangible assets as well as attributable tax effects

Q2 2019: Balanced portfolio compensates for lower demand from auto industry



* Total group sales including reconciliation

Cash flow Q2 2019: Higher operating cash flow due to improved working capital

[€m]	Q2 2018*	Q2 2019	Δ
Operating cash flow	37	82	45
Changes in working capital	-67	13	80
Investing cash flow	-81	-74	7
thereof capex	-83	-112	-29

- Increase in operating cash flow driven by:
 - Improvement in changes in working capital, reflecting lower increase in inventories
- Capex increase driven by debottlenecking investments

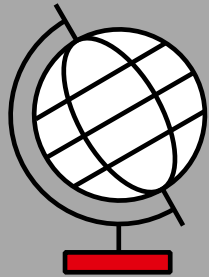
* 2018 applies to continuing operations

Balance sheet: Solid!

[€m]	31.12.2018	30.06.2019
Total assets	8,687	8,584
Equity	2,773	2,648
Equity ratio	32%	31%
Net financial debt¹	1,381	1,902
Near cash, cash & cash equivalents	797	229
Pension provisions	1,083	1,170
Net working capital	1,455	1,611
DSI (in days) ²	69	69
DSO (in days) ³	46	46

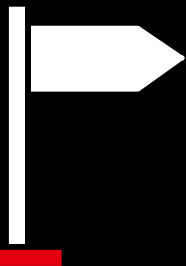
- Net debt and cash position mainly impacted by:
 - Share buy-back (€200 m),
 - IFRS 16 effect (~€130 m)
 - Dividend payment (€79 m)
 - Payment of variable compensation
- Higher pension provisions due to declining underlying interest rate in Germany
- Working capital following normal seasonal pattern with stable DSI and DSO

Guidance for FY 2019 reiterated – LANXESS' transformation is paying off



Current view on economy

- Macro risks increasing
- Auto: no recovery ahead
- Demand situation remains uncertain – triggering hesitant customer order pattern



LANXESS FY 2019

FY 2019 EBITDA pre still expected between €1,000 m and €1,050 m, Q3 slightly weaker, Q4 slightly better than in 2018

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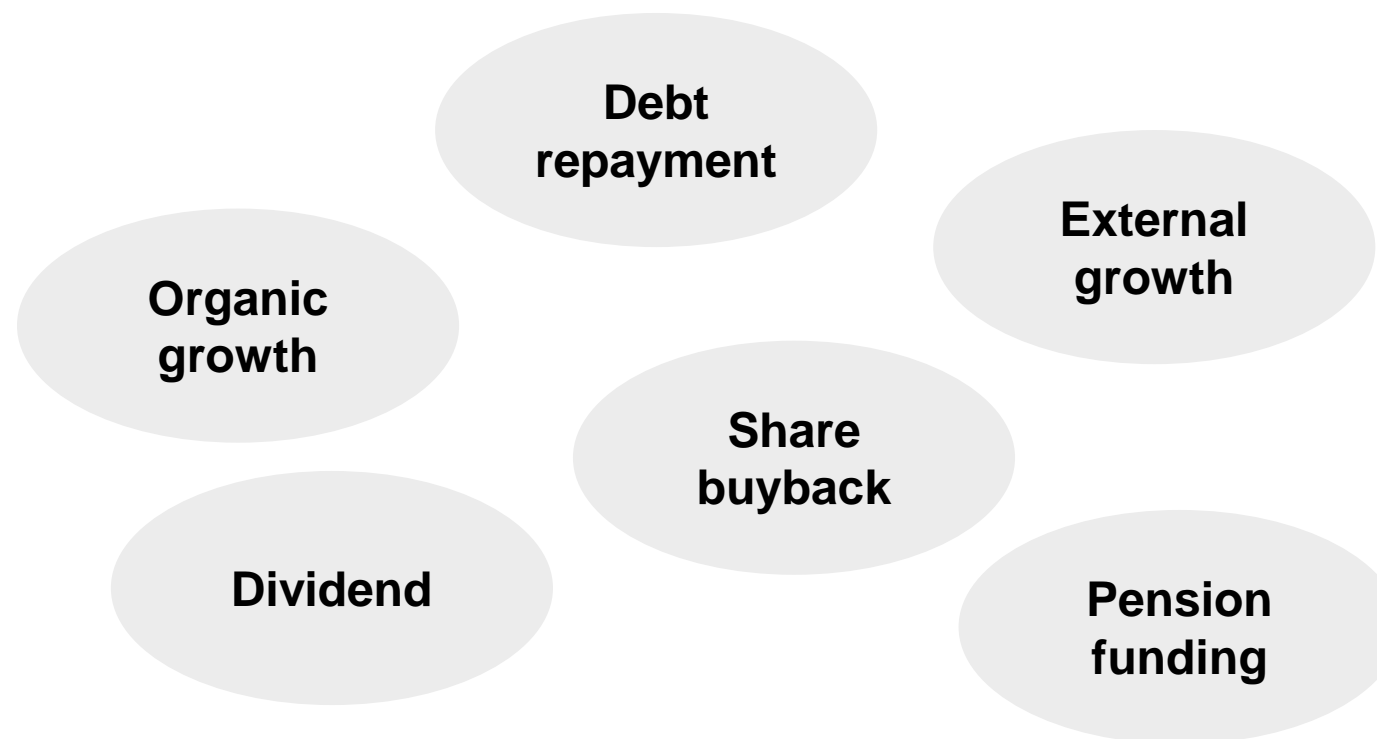
3 Back-up

Housekeeping items

Capex 2019	~ € 500m
Operational D&A 2019	~ € 450m
Reconciliation 2019	~ € 150m - € 160m including remnant costs
Tax rate	~30%
Exceptionals 2019	~ € 30m - € 60m based on current initiatives
FX sensitivity	One cent change of USD/EUR resulting in ~ € 7m EBITDA pre impact before hedging
Remnant costs	ARLANXEO: ~ € 8 m in 2019 ~ € 10 m in 2020

After closing of Currenta divestment, all capital allocation options will be considered

Capital allocation options after receipt of cash at closing (until April 30, 2020*)



In line with investment grade commitment and aligned with our shareholders' interests

* Subject to antitrust approval

LANXESS signs contract to sell its stake in Currenta to Macquarie*

Securing site-services by long-term contracts

- Currenta (CUR) is the infrastructure and site services provider for three chemical parks (Leverkusen, Krefeld-Uerdingen, Dormagen) in Germany
- Ownership structure of CUR since LANXESS' spinoff: Bayer 60%, LANXESS 40%
- Current accounting treatment: equity method – value on LANXESS' balance sheet of €0 m; dividend shown in financial result (avg. dividend last 5 years: ~€15 m)
- Future site services secured – 10 year contracts at attractive conditions for continued services in place



LANXESS realizes hidden reserve while securing its strategic interest

* Funds managed by Macquarie Infrastructure and Real Assets (MIRA)

Win-win: Long-term protection of competitive operations and monetarization of hidden reserves

Straight forward rationale

- Securing strategic site services at attractive conditions:
 - Long-term contracts regarding utilities, services and other supply with continued quality, costs, etc.
 - ▶ Making shareholding in CUR obsolete
- Raise hidden reserve and strengthen financial position

Attractive financial details

- 100% EV of Currenta: ~ €3.5 bn (including ~€1.6 bn pension provisions and net debt)
- Equity value of ~€780* m for 40% CUR expected, equals ~50x avg. dividend and representing ~18% of LANXESS' market cap***
- LANXESS receives profit participation till closing until April 30, 2020**



* Pre tax, tax rate of ~20% expected ** Subject to antitrust approval *** As per August 6, 2019

Delivery: LANXESS to sell its chrome chemicals business to Brother Enterprises

Key Figures

- **Sales:** ~€100 m
- **Closing:** end of 2019*

Strategic Rationale

- Chrome chemicals no longer fit to our strategic focus
- Leadership of Brother Enterprises fosters future growth and development

Transaction Scope

BU Leather structure

Chrome Ore

South Africa

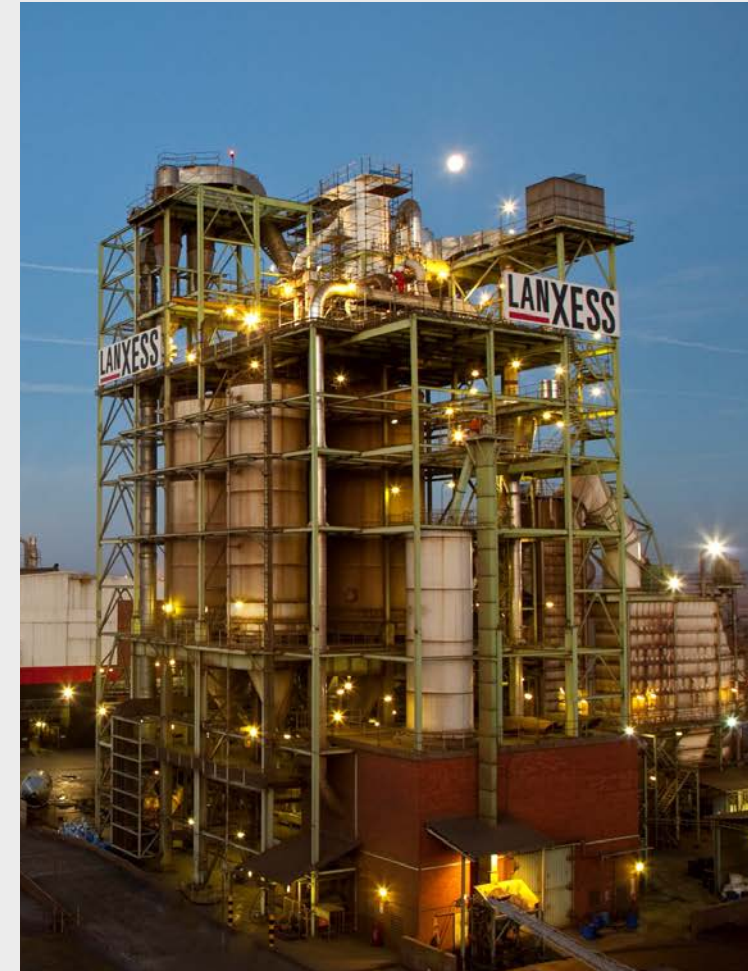
Scope

Chrome Chemicals**

South Africa

Organic Leather
Chemicals

EMEA, China



H1 2019: Stable on strong previous year level

[€m]	H1 2018*		H1 2019		yoy in %
Sales	3,645	(100%)	3,632	(100%)	0%
Cost of sales	-2,674	(-73%)	-2,666	(-73%)	0%
Selling	-411	(-11%)	-444	(-12%)	-8%
G&A	-146	(-4%)	-135	(-4%)	8%
R&D	-58	(-2%)	-59	(-2%)	-2%
EBIT	313	(9%)	282	(8%)	-10%
Net Income	178	(5%)	184	(5%)	3%
EPS pre**	2.61		2.79		7%
EBITDA	518	(14%)	517	(14%)	0%
thereof except.	-42	(-1%)	-44	(-1%)	5%
EBITDA pre except.	560	(15.4%)	561	(15.4%)	0%

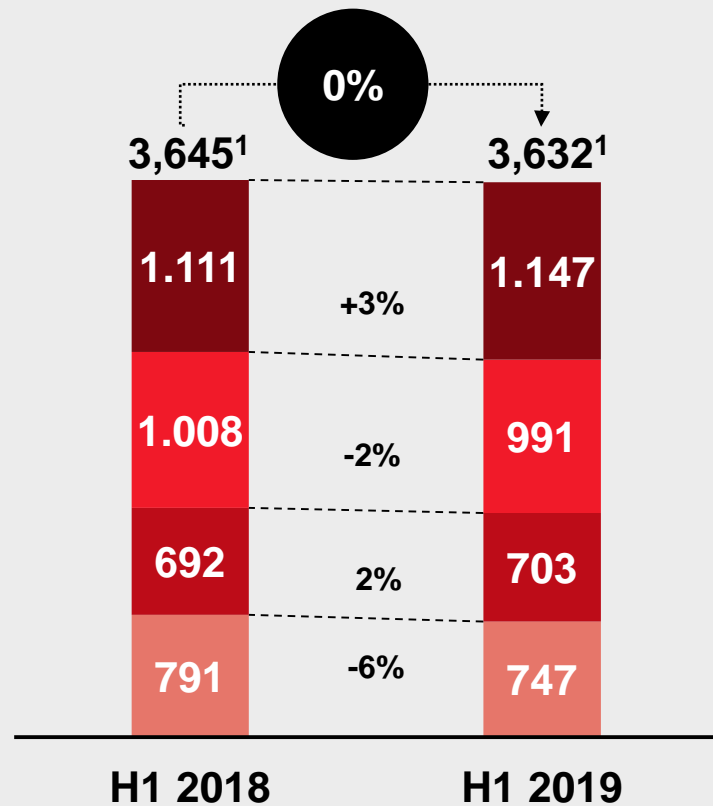
- Higher selling expenses driven by rising freight costs and FX
- Increase in net income resulting from a better financial result, mainly driven by higher Currenta dividend
- EPS pre increase supported by share buyback

* 2018 applies to continuing operations

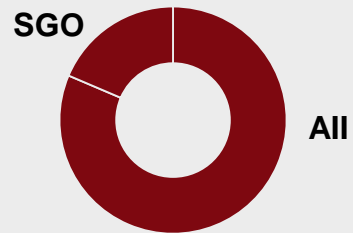
** Net of exceptionals and amortization of intangible assets as well as attributable tax effects

H1 2019: Balanced portfolio compensates for lower demand from auto industry

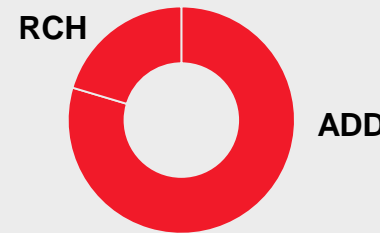
[€m] Sales



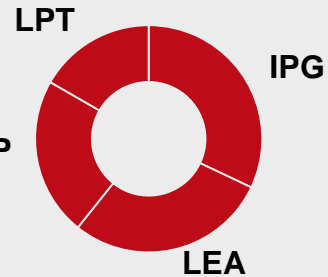
Advanced Intermediates



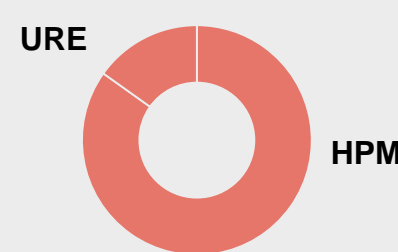
Specialty Additives



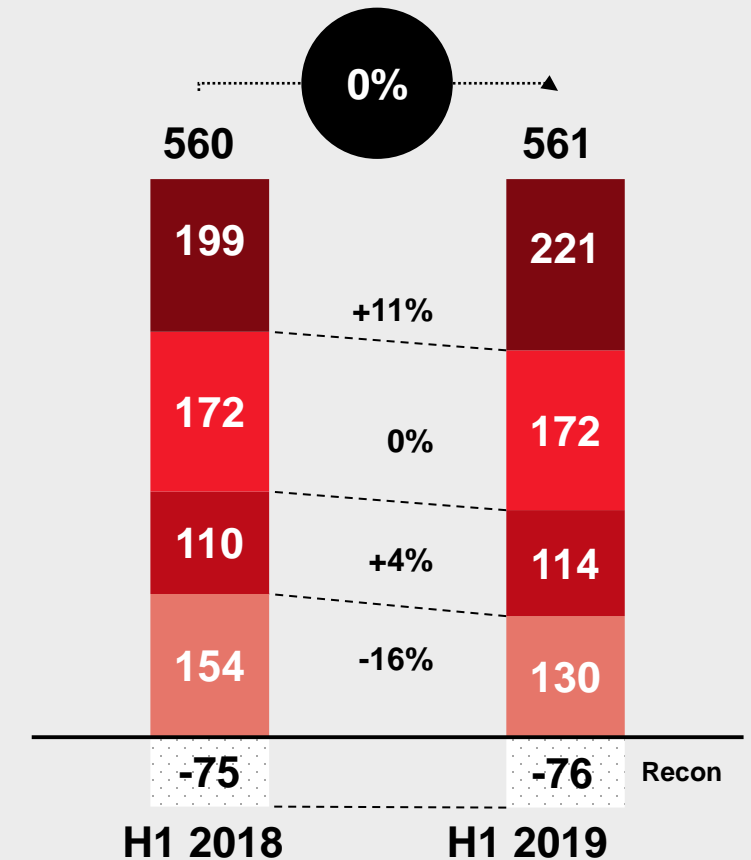
Performance Chemicals



Engineering Materials



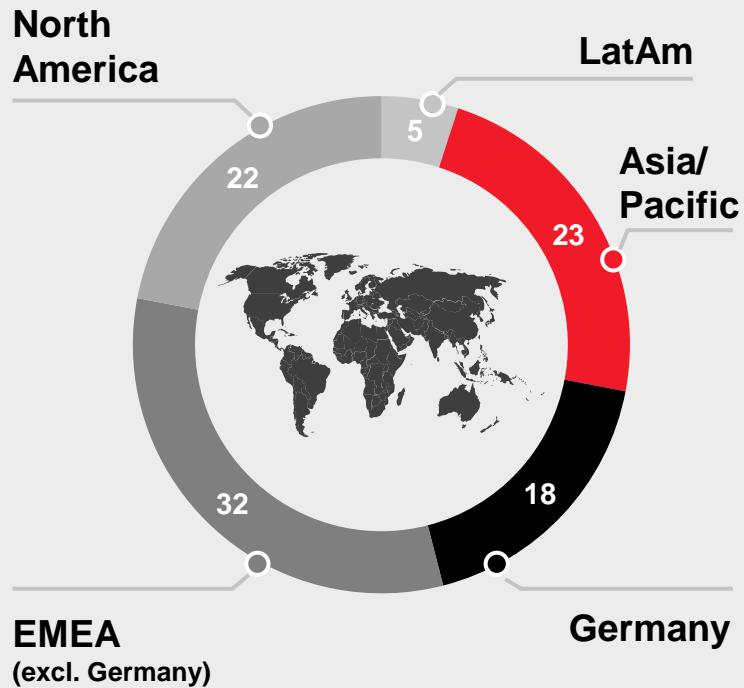
[€m] EBITDA pre



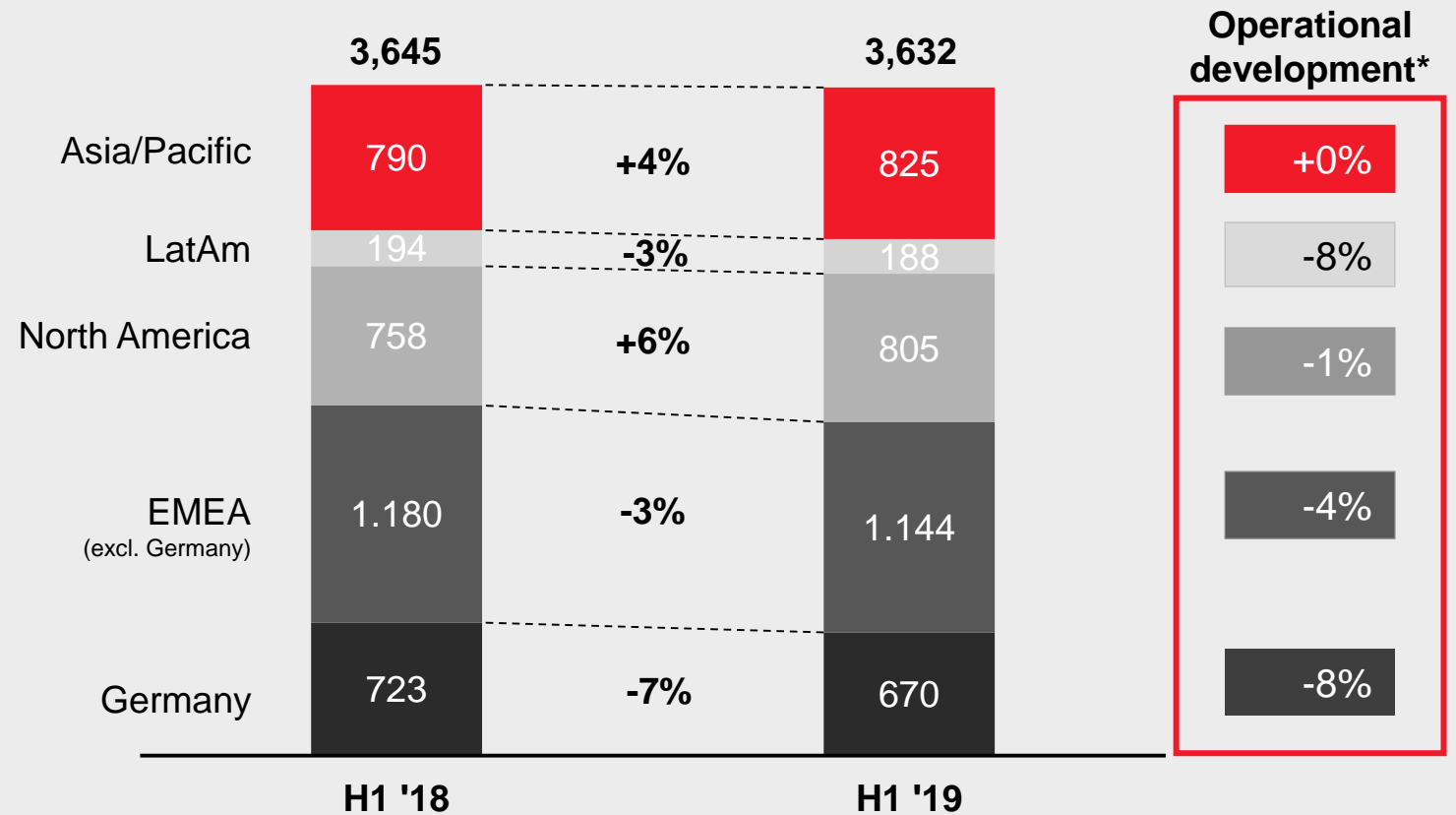
* Total group sales including reconciliation

H1 2019: Asia and North America grow supported by FX tailwind, other regions decline

H1 2019 sales by region [%]



Regional development of sales [€m]



* Currency and portfolio adjusted

Cash flow H1 2019: Higher operating cash flow due to improved working capital

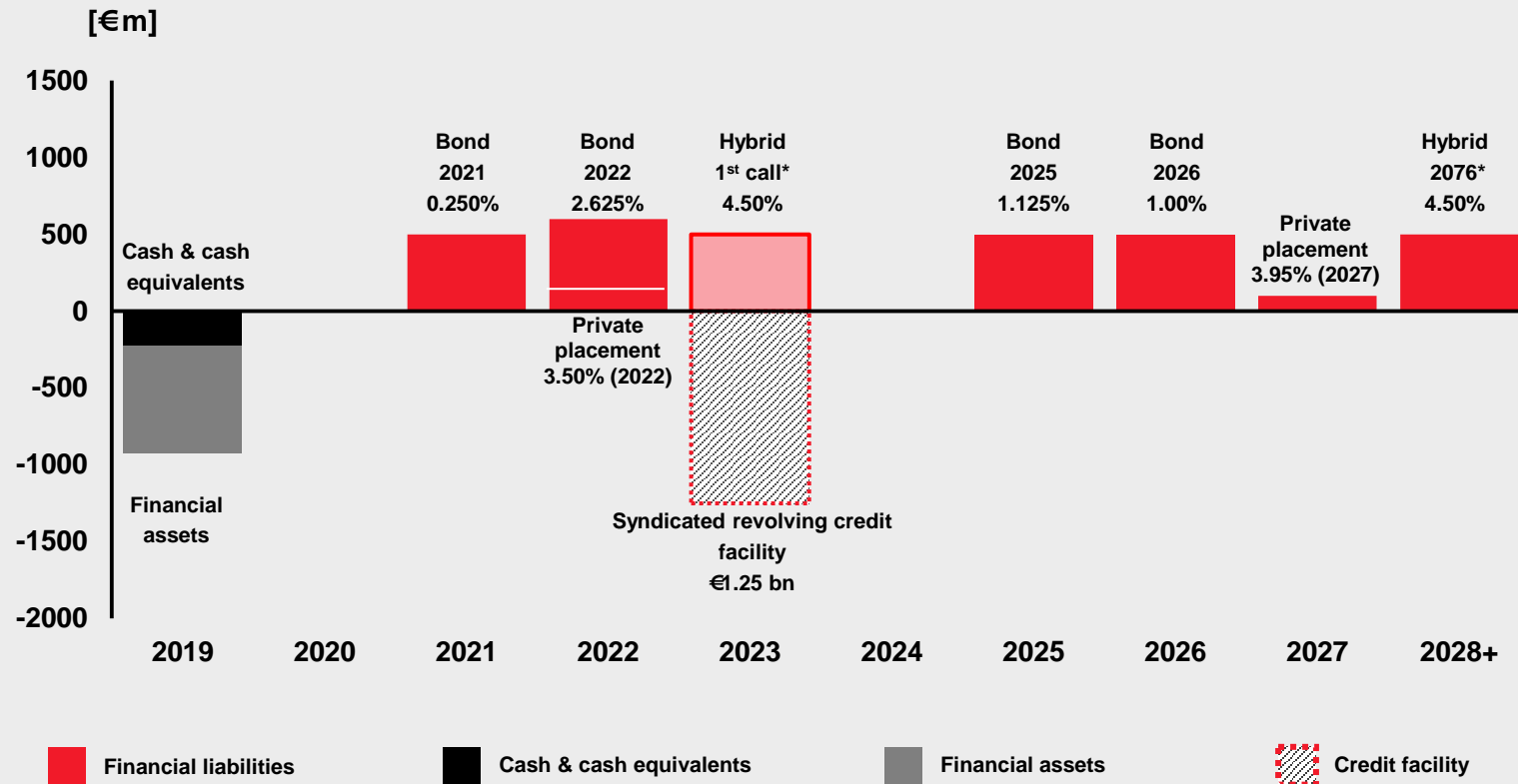
[€m]	H1 2018*	H1 2019	Δ
Operating cash flow	65	114	49
Changes in working capital	-273	-149	124
Investing cash flow	-194	-313	-119
thereof capex	-143	-184	-41

- Increase in operating cash flow driven by:
 - Improvement in changes in working capital, reflecting lower increase in inventories
- Lower investing cash flow due to
 - Capex increase driven by debottlenecking investments
 - Investment of liquidity after ARLANXEO divestment

* 2018 applies to continuing operations

Maturity profile actively managed and well balanced

Liquidity and maturity profile as per June 2019


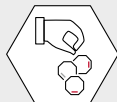




Long-term financing secured

- Diversified financing sources
 - Bonds & private placements
 - Syndicated credit facility
- Average interest rate of financial liabilities ~2%
- Next bond maturity in 2021
- All group financing executed without financial covenants

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

Decrease in exceptional items (on EBIT) due to lower restructuring and project costs

[€m]	Q2 2018		Q2 2019		YTD 2018		YTD 2019	
	Excep.	Thereof D&A	Excep.	Thereof D&A	Excep.	Thereof D&A	Excep.	Thereof D&A
 Advanced Intermediates	0	0	0	0	0	0	0	0
 Specialty Additives	2	0	5	2	2	0	6	2
 Performance Chemicals	0	0	1	0	1	0	5	0
 Engineering Materials	1	1	0	0	1	1	0	0
Reconciliation	25	0	19	1	39	0	36	1
Total	28	1	25	3	43	1	47	3



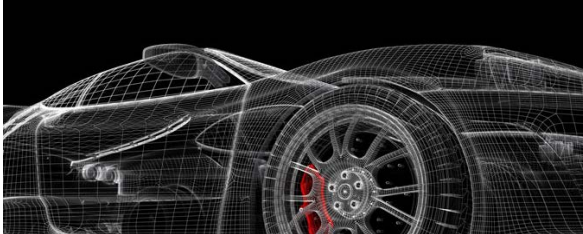
New Board member responsible for additives business

Anno Borkowsky

- Responsibility for all businesses in the Specialty Additives segment
- New position underpins importance of additives business at LANXESS
- Start on June 1, 2019
- Roughly 30 years of experience in the chemical industry
 - Since 1990: working at Bayer / LANXESS
 - 2004-2017: Head of RheinChemie (additives) business unit
 - 2017-2019 Head of Additives business unit

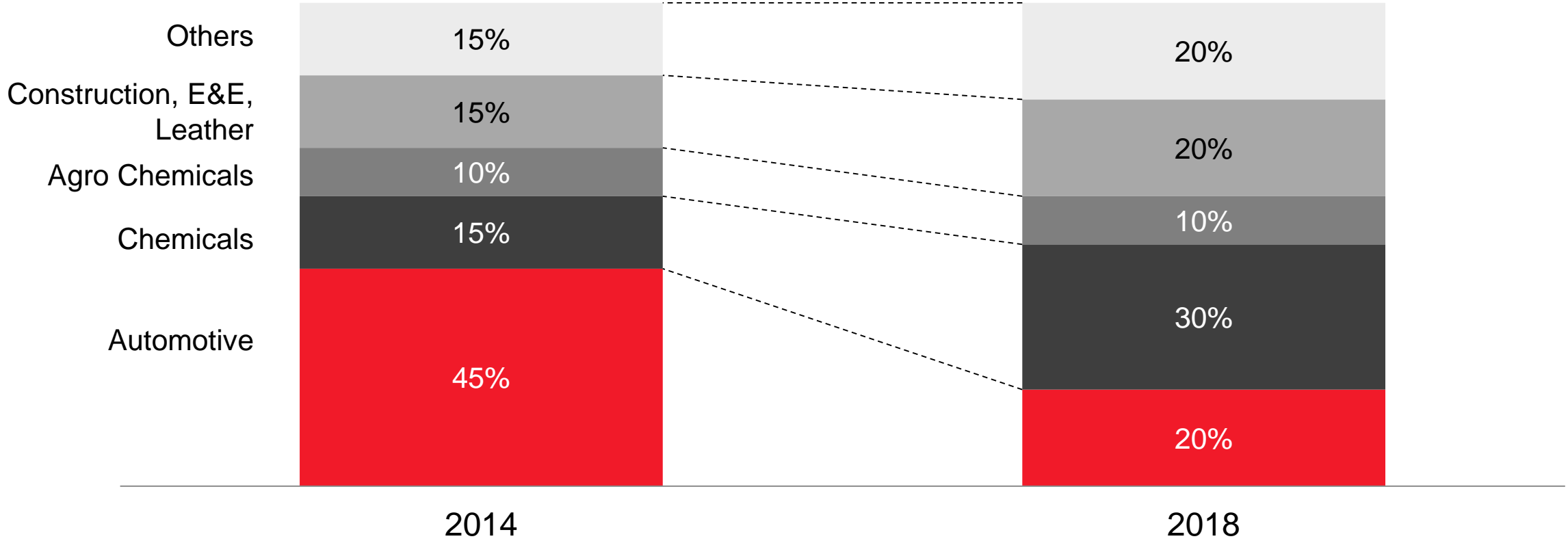


Reorganization of Specialty Additives segment

Advanced Intermediates	Specialty Additives	Performance Chemicals	Engineering Materials
			
<ul style="list-style-type: none">▪ Advanced Industrial Intermediates▪ Saltigo	<ul style="list-style-type: none">▪ Polymer Additives (new)<ul style="list-style-type: none">– Flame retardants / other plastics additives– Head of BU: Karsten Job▪ Lubricant Additives Business (new)<ul style="list-style-type: none">– Lubricants / lubricant additives– Head of BU: Martin Saewe▪ Rhein Chemie<ul style="list-style-type: none">– Rubber additives / colorants– Head of BU: Philipp Junge	<ul style="list-style-type: none">▪ Material Protection Products▪ Inorganic Pigments▪ Leather▪ Liquid Purification Technologies	<ul style="list-style-type: none">▪ High Performance Materials▪ Urethane Systems

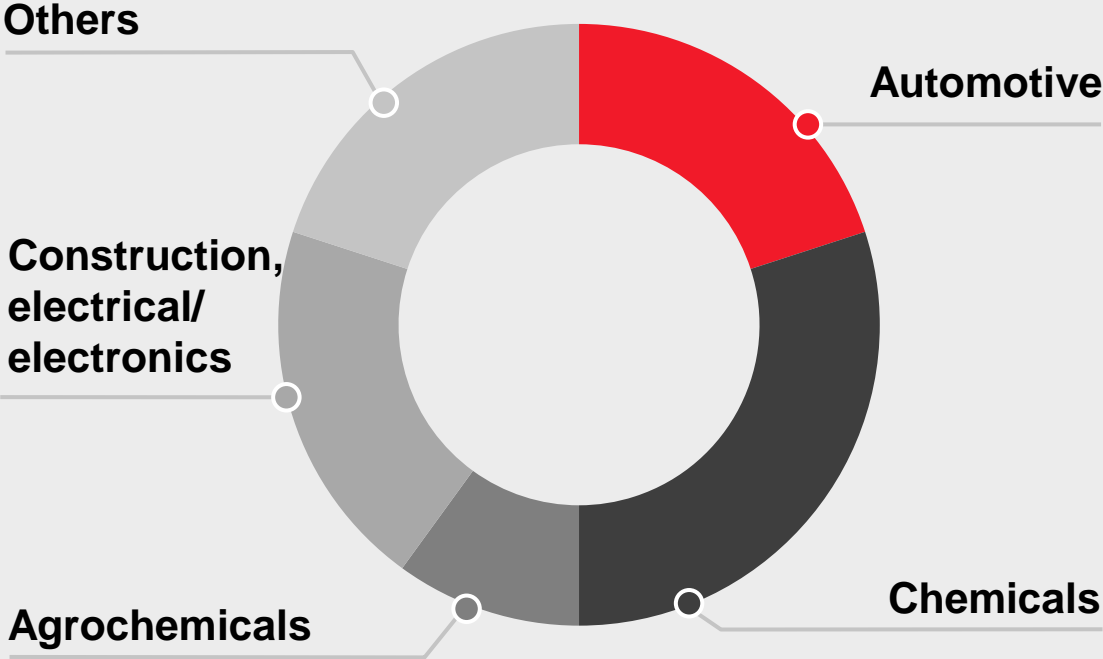
More diversified and resilient end market exposure...

End market split by sales

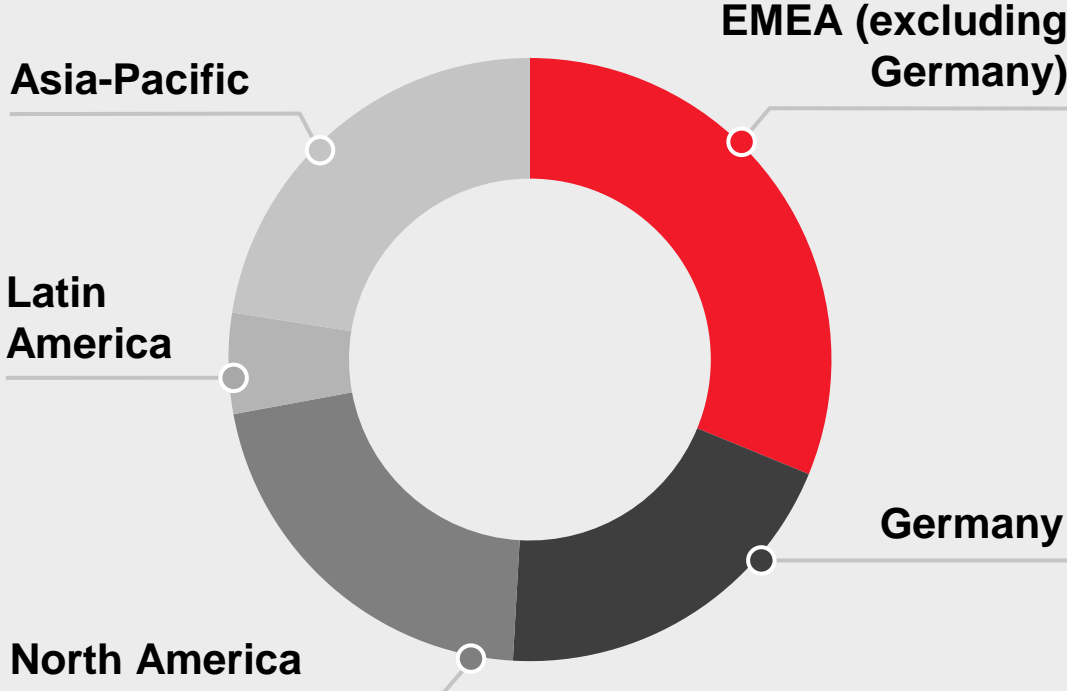


LANXESS well diversified, well balanced

LANXESS group – Sales by industry sector*


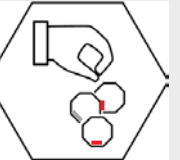

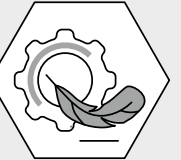


Sales by region*



* Numbers as of 2018

LANXESS – improved portfolio of strong businesses

Segments	 Advanced Intermediates	 Specialty Additives	 Performance Chemicals	 Engineering Materials
Business Units	Advanced Industrial Intermediates Saltigo	Polymer Additives Lubricant Additives Business Rhein Chemie	Material Protection Products Inorganic Pigments Leather Liquid Purification Technologies	High Performance Materials Urethane Systems
Applications	<ul style="list-style-type: none"> ▪ Agrochemicals ▪ Automotive ▪ Construction ▪ Aroma & Flavors ▪ Pharmaceuticals ▪ Tire Chemicals ▪ Semiconductors & photovoltaics 	<ul style="list-style-type: none"> ▪ Plastics & rubber additives ▪ Phosphorus-based and brominated flame retardants ▪ Lubricants 	<ul style="list-style-type: none"> ▪ Disinfection ▪ Protection and preservation of wood, construction materials, coatings and foodstuffs ▪ Color pigments ▪ Material for leather production & water treatment 	<ul style="list-style-type: none"> ▪ Automotive ▪ Construction ▪ Medical technology ▪ Electrical/ electronics ▪ Tires and wheel ▪ Mining, Oil & gas ▪ Industrial & mechanical products
Market position	Europe no. 1-2	Top 3 position	No. 1-4 in niches	Leading position

* FY 2018
All figures in [€]

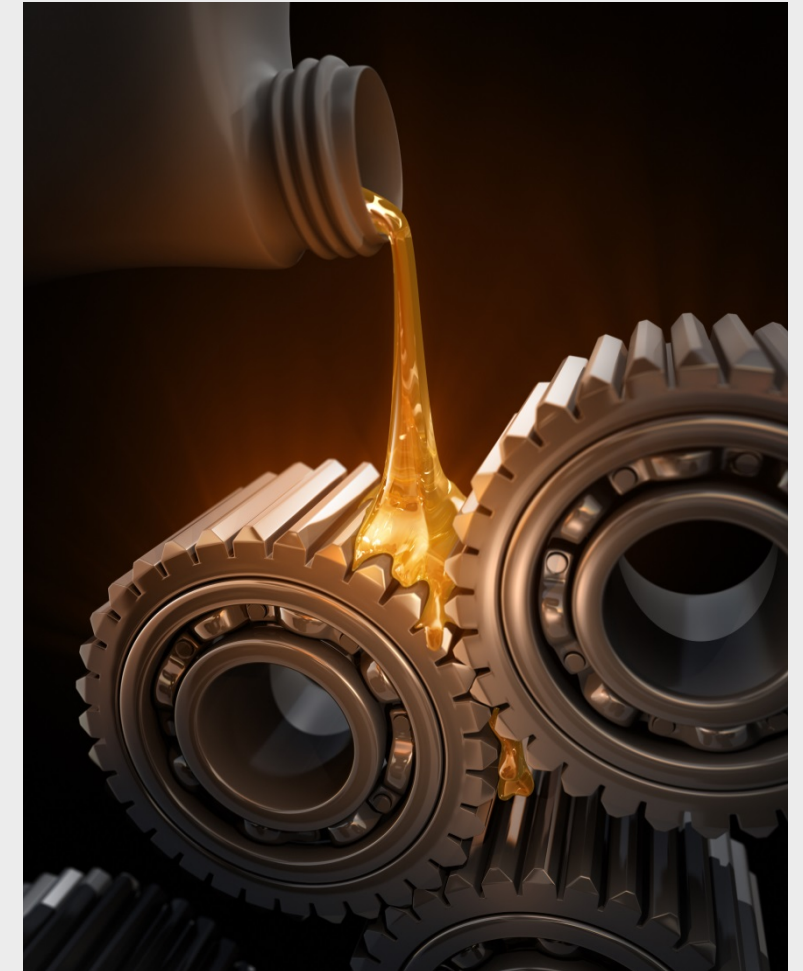
Advanced Intermediates: Solid backbone with focus on organic growth

	All	SGO
Market positions ¹	TOP 3	# 1
Expected growth	~3-4%	Recovery in 2019
Development focus	Rather organic	Organic & External
Growth drivers	<ul style="list-style-type: none"> Invest €100 m into debottleneckings Ramp up profitability of Organometallics to peer level (around 15%) 	<ul style="list-style-type: none"> Best prepared for agro recovery Expand fine chemicals business



Specialty Additives: Leading additives platform with broad expansion opportunities

	ADD	RCH
Market positions ¹	TOP 3	# 1
Expected growth	~4%	~3%
Development focus	Organic & External	Organic & External
Growth drivers	<ul style="list-style-type: none"> ▪ Generate synergies until 2020 ▪ Leverage position in dynamic markets ▪ Push product innovations (next generation FR) and synthetic base lubricants 	<ul style="list-style-type: none"> ▪ Use unique global scale to penetrate market ▪ Leverage innovations ▪ Streamline product portfolio



Performance Chemicals: Expect structural changes!

	IPG	LEA	MPP	LPT
Market positions ¹	# 1	TOP 2	TOP 3	TOP 3
Expected growth	~ 2%	1 - 2%	3%	4 - 10%
Development focus	Organic	Restructuring	Organic & external	Organic & External
Growth drivers	<ul style="list-style-type: none"> Benefit from industry consolidation Further penetrate and develop North American market 	<ul style="list-style-type: none"> Trimmed chrome value chain Potential partnerships 	<ul style="list-style-type: none"> Expand and enrich regulatory organization to penetrate global markets Benefit from disinfection trends 	<ul style="list-style-type: none"> Option to build-up production footprint (new assets) in North America or China Further develop high-value market applications

Engineering Materials: Leading players with clear strategy for market independent growth

	HPM	URE
Market positions ¹	# 2 Europe	# 1
Expected growth	~5%	~3%
Development focus	Organic	Organic & external
Growth drivers	<ul style="list-style-type: none"> ▪ Lightweight trend and e-mobility ▪ Capital light compounding investments ▪ Continuous consumer product innovation in E&E 	<ul style="list-style-type: none"> ▪ Expand market share in Europe and Asia ▪ Leverage further product innovations (esp. on low-free isocyanate products) ▪ Benefit from automation trends



LANXESS and Canadian Standard Lithium start cooperation

Parties agreed first stages for potential JV

Content

- Feasibility study for extraction of battery grade lithium from tail brine generated in LXS' US bromine production site
- Terms of JV subject to completion of due diligence and result of feasibility study

Status

- Parties signed term sheet
- Start-up level – evaluation of proof of concept just triggered

Technical feasibility and economic viability to be confirmed



Chemtura synergies realized ahead of plan

Implementation of synergies faster than predicted

Key Messages

[€m]	2017	2018	2019	2020	Total
Synergies	~30	~40	~20	~10	~100
Expense (one-time costs)*	~80	~30	~20	~10	~140
Cash out	~40	~50	~40	~10	~140
Capex	~20	~20	~10		~50

- Synergies confirmed
 - €100 m of “hard” costs
 - Earlier realization
 - Topline synergies not included
- OTCs and cash-outs confirmed
- Capex confirmed, mainly related to Manufacturing Excellence

* Does not include ~€65 m PPA charges from inventory step-up in opening balance sheet. Transaction related charges were recognized in opening balance sheet

LANXESS delivers on organic growth – upcoming capacity expansions

Organic investment program well on track

Capex

BU All:	Capacity increase for DCB* initiated, Leverkusen (Germany), finalized beginning 2019	not discl.
	Expansion of hexandiol production, Krefeld-Uerdingen	not discl.
BU RCH:	Capacity expansion for Macrolex brand dyes, in Q2 2019	~€5 m
BU LPT:	Ion exchange resins production, Leverkusen (Germany), through H1 2019	single-digit €m
BU IPG:	Planned capacity increase for iron oxides pigments, Germany and Brazil, available in 2019	not discl.
BU HPM:	New compounding facility in Changzhou (China), available Q2 2019, further expansion of engineering plastics capacity	~€20 m
	New compounding facility, Krefeld-Uerdingen (Germany), available in the second half of 2019	mid double-digit €m
BU URE:	Additional prepolymers capacity, Porto Feliz (Brazil), available mid 2019	<€10 m

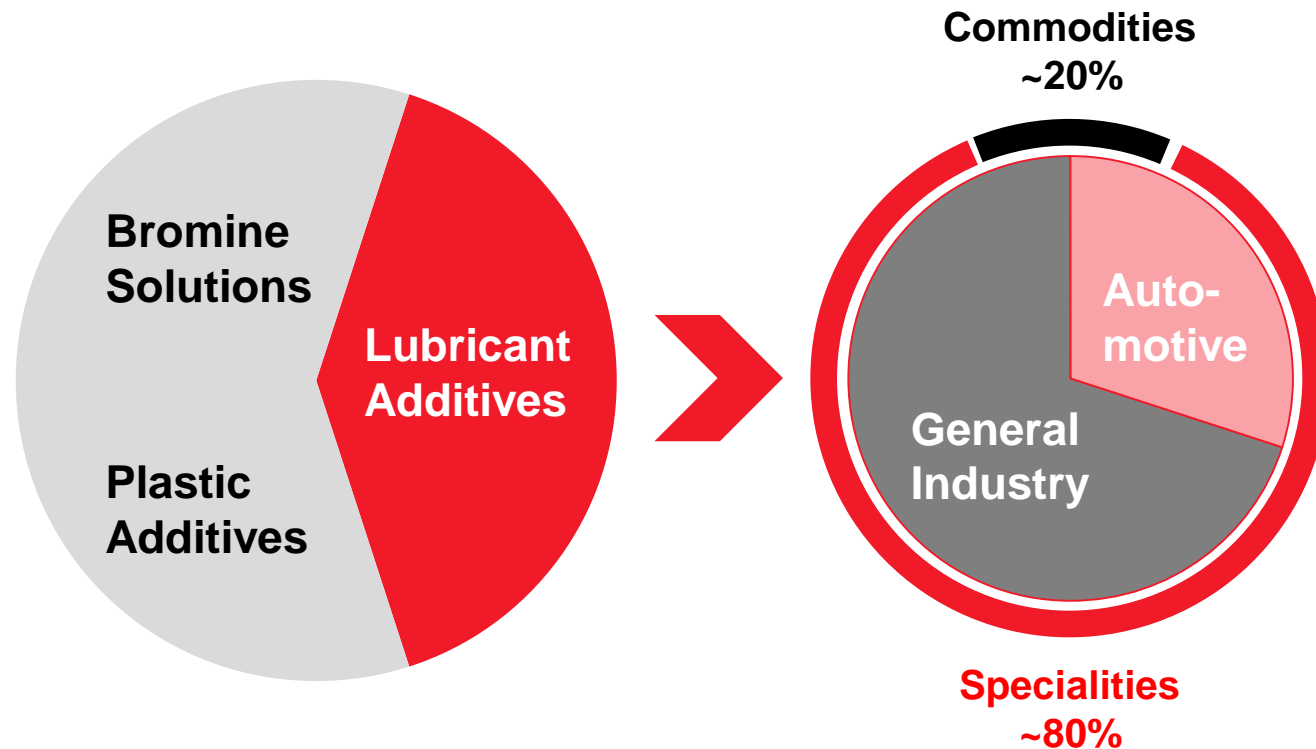


Business Unit Additives with strong focus on high value-add industrial lubricant solutions

Well diversified and specialized lubricants portfolio

A leading specialties player

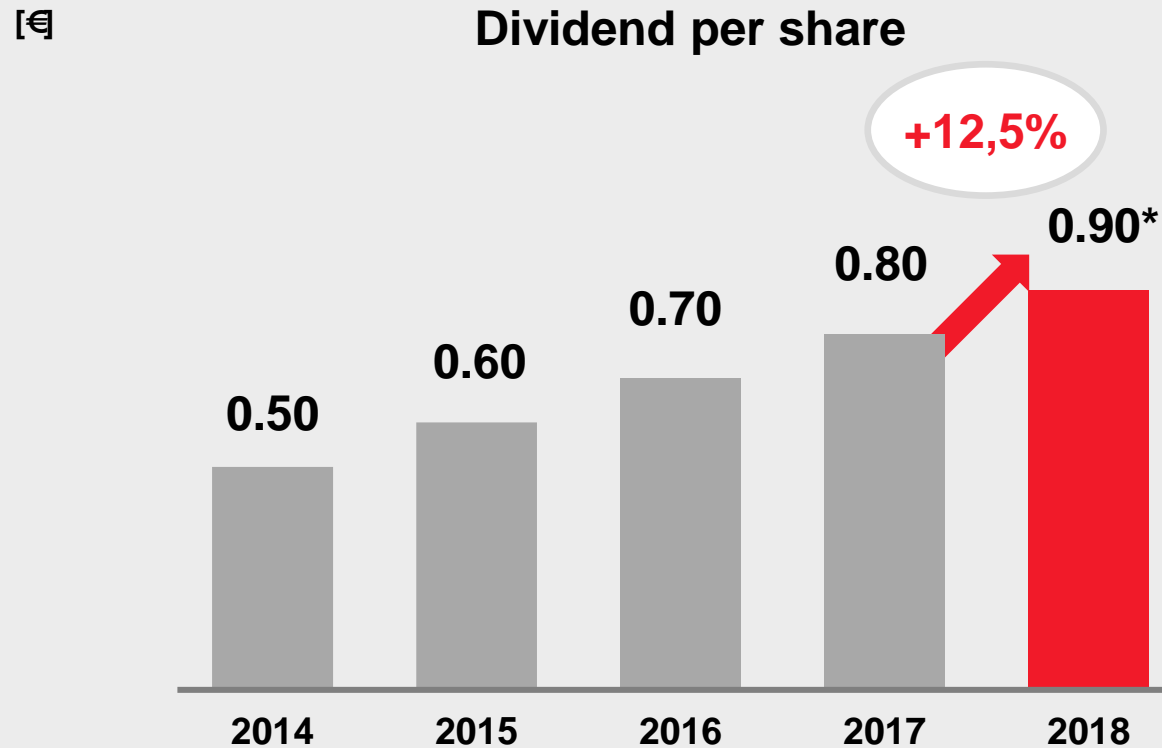
Sales of Business Unit Additives -
illustrative



- Highly diversified end-market split with focus on industrial lubricants
- Strong expertise in high value-add specialty lubricants
- Leading positions in mid-sized and niche markets
- Automotive exposure well balanced with additives and base stocks only for high grade specialty engine oils (highest category 4 & 5)

Shareholders benefit from rising dividend and share buy-back

A reliable income stream for investors



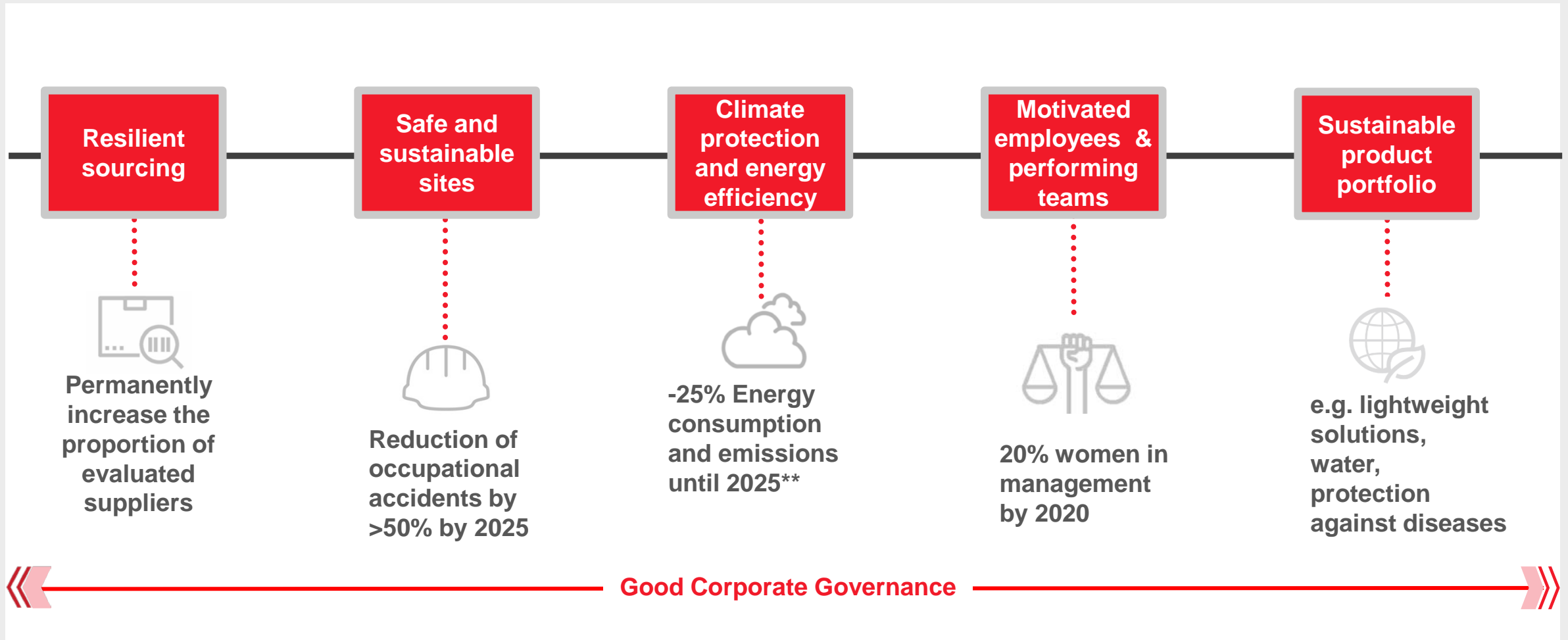
Dividend policy

LANXESS aims for a rising or at least stable dividend



Sustainability as core element of our strategy

Material topics and goals*



* Selection from all goals shown ** Specific emissions, base year 2015

Awards in ratings and indices reflect high sustainability standards

Commitment and entitlement



THE GLOBAL GOALS
For Sustainable Development



Responsible Care®
OUR COMMITMENT TO SUSTAINABILITY



Awards in ratings and indices

MEMBER OF
Dow Jones
Sustainability Indices
In Collaboration with RobecoSAM

Member DJSI World and Europe



EcoVadis „Gold Recognition Level“



Klimascore A-



FTSE4Good

Index Member

LANXESS product portfolio is highly aligned with society drivers



Health

Arsenic removal and protection against Malaria



Water

Membranes and ion exchange resins



Infrastructure

Flame and building protection



New Mobility

Electric mobility and lightweight construction

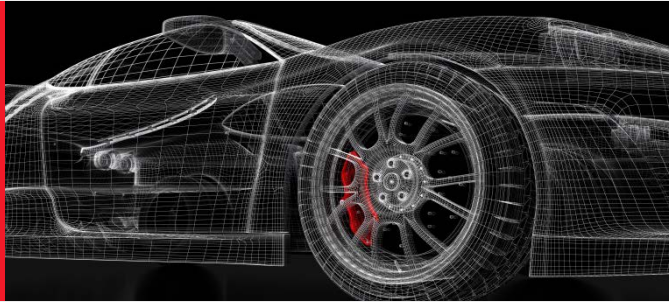


Majority of LANXESS' sales volume contributes to the SDGs

LANXESS products enable sustainable solutions in key areas of application



Lightweight solutions



High-performance plastics from LANXESS, such as **Durethan®**, **Pocan®** and **Tepex®**, can replace many of the metal parts in cars to help reduce weight and fuel consumption, without compromising on vehicle safety.

Protection against diseases



Saltidin® is an active ingredient that is exclusively manufactured by LANXESS subsidiary Saltigo. It is used in insect repellents and lowers the risk of contracting malaria, dengue fever, Zika virus, borreliosis or encephalitis.

Quality you can drink



With its **Lewabrane®** membrane elements and **Lewatit®** ion exchange resins, the Liquid Purification Technologies business unit offers a high-performance solution for ensuring a reliable supply of drinking and purified water.

Adding value to business and society – various concepts to assess and measure our impacts

Societal Added Value

Sustainability profile and societal impacts of our products

The quantified impact of our gate-to-gate business operations on society

Our contribution to the Agenda 2030 goals to overcome society challenges



Product Portfolio Assessment



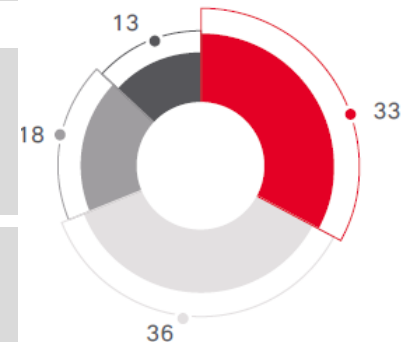
Impact Valuation Concept



Sustainable Development Goals Analysis

Management compensation

Fix	Annual base salary	Fixed annual base salary Compensation in kind (mainly tax value of perquisites)
	Annual Performance Payment (APP)	Based on: Targets for EBITDA pre exceptionals Cap: 200% of individual budget Deduction in case of serious safety and/or environmental problems
Variable	Long-term orientation	
	Long-Term Performance Bonus (LTPB)	Based on: Individual APP target for 2 successive fiscal years Cap: 45% of annual base salary (Ø APP target attainment of 100%)
	Long-Term Stock Performance Plan (LTSP)*	Based on: LXS stock performance vs. MSCI World Chemicals Index* Cap: 30% of annual base salary Vesting period: 4 years** Until 2017: Personal investment in LXS shares (5% of annual base salary) Since 2018: Share performance rights plus share ownership guidelines (investment in LXS shares: CEO 1.5x and board members 1x of base salary)



- → Annual base salary
- → Annual Performance Payment
- → Long-Term Stock Performance Plan
- → Long-Term Performance Bonus

*LTSP 2014–2017; Dow Jones STOXX 600 ChemicalsSM serves as a reference index for the LTSP 2010–2013

** Five year vesting period applies to LTSP 2010–2013

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Visit the IR
website



Abbreviations



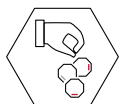
Advanced Intermediates

AI	Advanced Industrial Intermediates
SGO	Saltigo



Performance Chemicals

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



Specialty Additives

LAB	Lubricant Additives Business
PLA	Polymer Additives
RCH	Rhein Chemie



Engineering Materials

HPM	High Performance Materials
URE	Urethane Systems

LANXESS

Energizing Chemistry