LANXESS
Energizing Chemistry

LANXESS – Q3 2025

Self-help measures support another tough quarter

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2005–2025
20 YEARS ENERGIZING CHEMISTRY

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Agenda

1 Leveraging a strong platform for earnings recovery

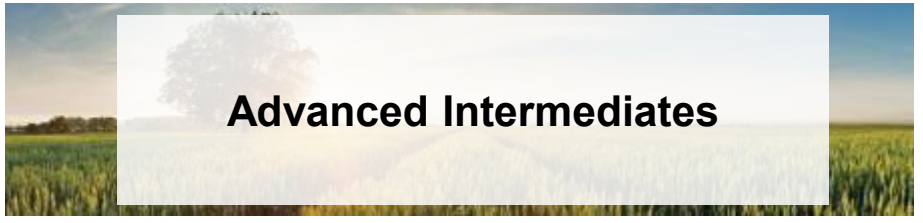
2 We are taking action

3 Review Q3 2025 and outlook

4 Financial and business details Q3 2025

LANXESS built a portfolio with three strong pillars – laying the strategic foundation for future growth

Portfolio transformation achieved in a timely and focused manner



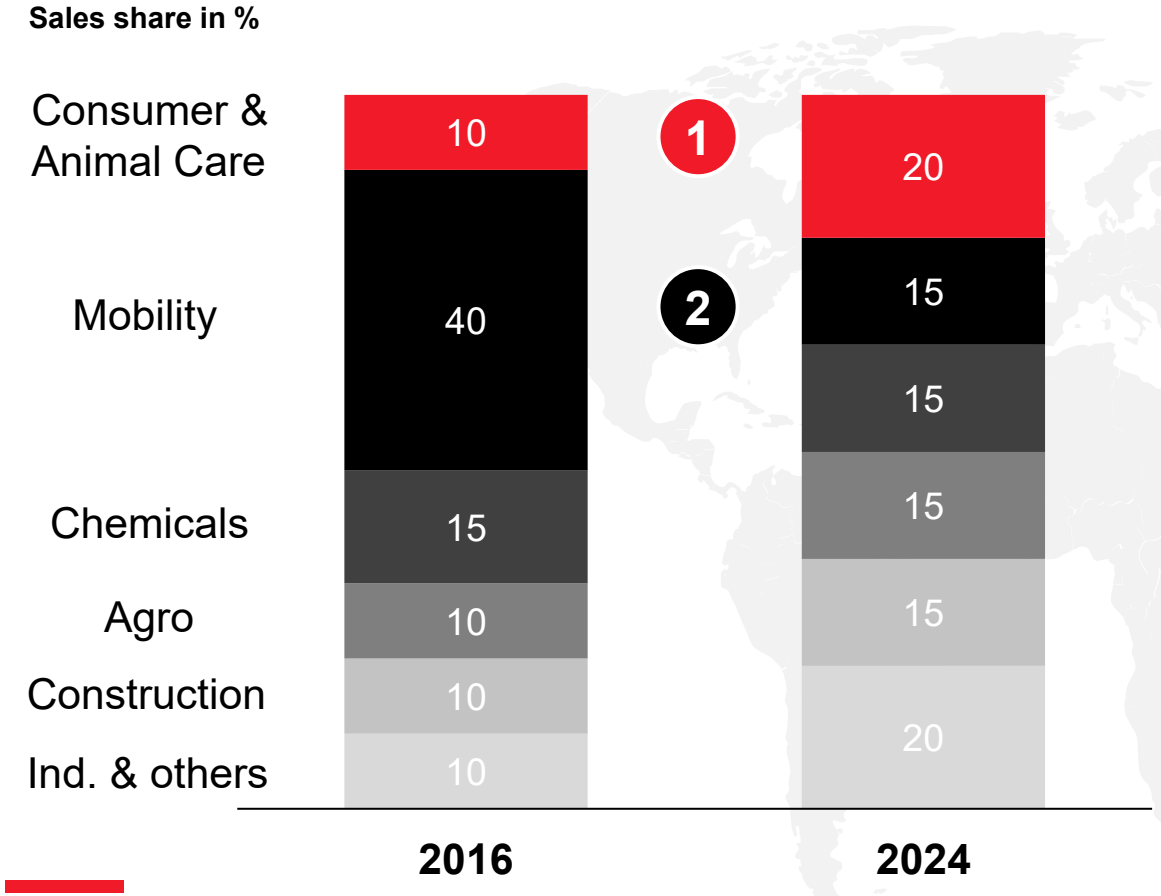
Setup for operational success

- Leading among the top 3 globally in growing niche markets
- Balanced portfolio without dependency on single industry
- Focus on path to a solid balance sheet and high cash flow; harvesting from new portfolio
- Strong platform to grow in the US & Asia

Leading ESG position with goals embedded in management incentive and financing

Balanced portfolio with strategic focus on consumer related markets

Overall balanced portfolio structure with strong mid-term upcycle potential



1. Strategic M&A backed growth into consumer related end markets
2. Mobility (more cyclical Auto & Tires) exposure significantly reduced

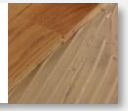
All figures rounded

Today, we are still affected by multiple crises but see various levers to benefit mid-term

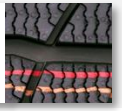
LANXESS Energizing Chemistry

We expect benefits in several Business Units

Tariff stabilization — H2/2026 — **all BUs**

German stimulus — H2/2026 — e.g. **All**  **IPG**  **PLA**  **MPP** 

Anti-dumping — 2027 + — e.g. **Cases in execution:** **Several BUs**; **Positively decided cases:** **All**  **PLA** 

Market consolidation — 2027 + — e.g. **All**  **RCH** 

Supply chain consolidation — e.g. Envalior Imagine the Future — Capro-lactam

Actively striving to identify all levers to steer through current market conditions

Strategic step: Monetization of our stake in Envalior through exercising right to offer initiated

Step 1: Closing in April 2023

LANXESS already received
~€1.3 bn plus ~40% stake in JV in 2023

Monetization of BU HPM

12x
Multiple

~€2.5 bn
Enterprise Value

1 → **~€1.3 bn**
Immediate cash-in

2 → **~€1.2 bn**
(~40% in JV)

Step 2: Exit of remaining stake at pre-defined attractive valuation

€1.2 bn base value of LANXESS' Envalior stake

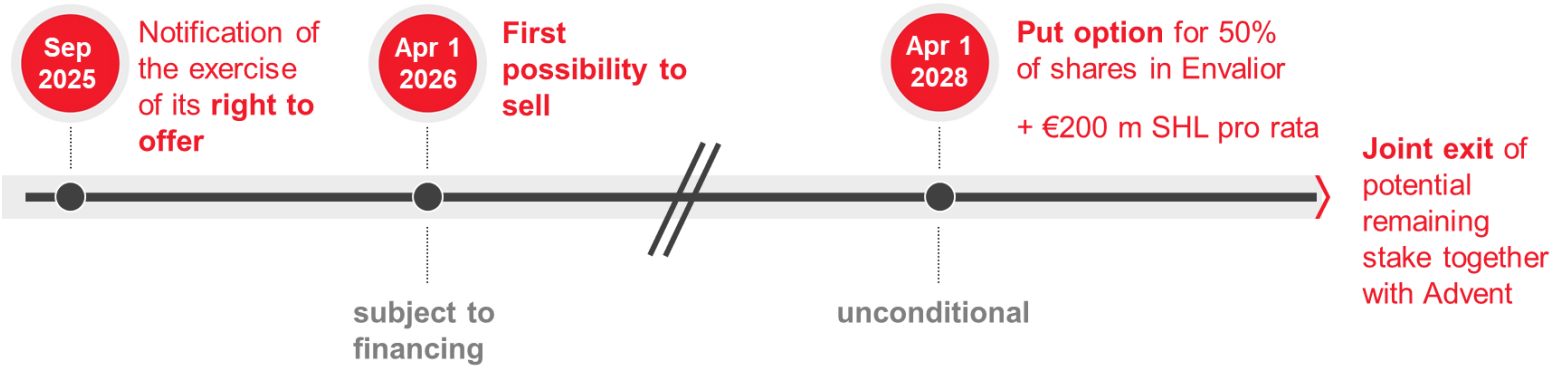
x

Achievement of LTM EBITDA (in %) vs. signing EBITDA*

No debt adjustments

=

Purchase price for LANXESS' Envalior stake



* Simplified structure

Leading ESG rating providers continue to honor LANXESS' performance

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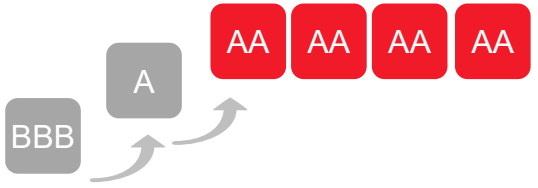
Energizing Chemistry

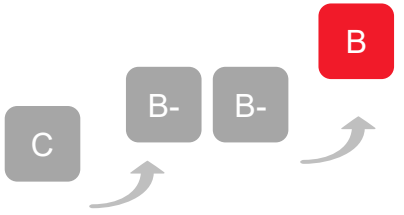
MSCI ESG RATINGS



2nd highest category for 4th time

Convincing governance set-up and climate strategy

ISS ESG



Prime status since 2020; B rating since 2024

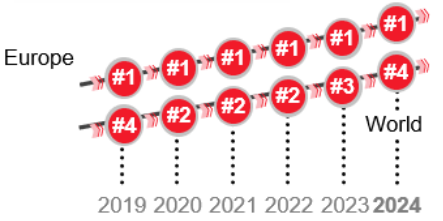
Top 10%

CDP
DISCLOSURE INSIGHT ACTION

In total, 8 times on Climate A list (among top 2%), 6th time in a row

3rd time A- rating for water disclosure

Dow Jones
Best-in-Class Indices



Top 10% in DJSI World (13th year)

#1 in DJSI Europe (7th year)

Sustainability Yearbook member

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

Bloomberg Gender-Equality Index 2023

GOLD | Top 5%
ecovadis
Sustainability Rating
SEP 2024

SUSTAINALYTICS

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FORWARD! savings program on track – additional measures initiated

- Further cost reduction program of ~€100 m in preparation
- Streamlining of admin functions ongoing

Immediate measures:

- Global hiring freeze until further notice
- Release of variable compensation provisions supports earnings

Continuously working on improving cost structure

Actively adjusting our cost structures in response to current environment

FORWARD!

Personnel

Processes

~€150 m

by the end of 2025

Production efficiencies

Personnel

Production

~€50 m

by the end of 2027

Additional measures in preparation

Personnel

Processes

~€100 m

Details to follow

Sustainably reducing cost base

Actively taking measures to counteract demand weakness

Germany

Uerdingen:

- Closing of Hexane oxidation plant in BU AII (end of Q2 '25)
- Optimized CO_2-footprint; plant is highly energy-intensive

Leverkusen:

- Improving production efficiencies in agro chemicals

UK

Widnes:

- Planned closure due to high underutilization and opportunity to relocate products to other sites throughout 2026

USA

El Dorado:

- Improvement of production efficiency within brine and bromine network
- Effective implementation end of 2026

Permanent optimization of production network ongoing

~€50 m

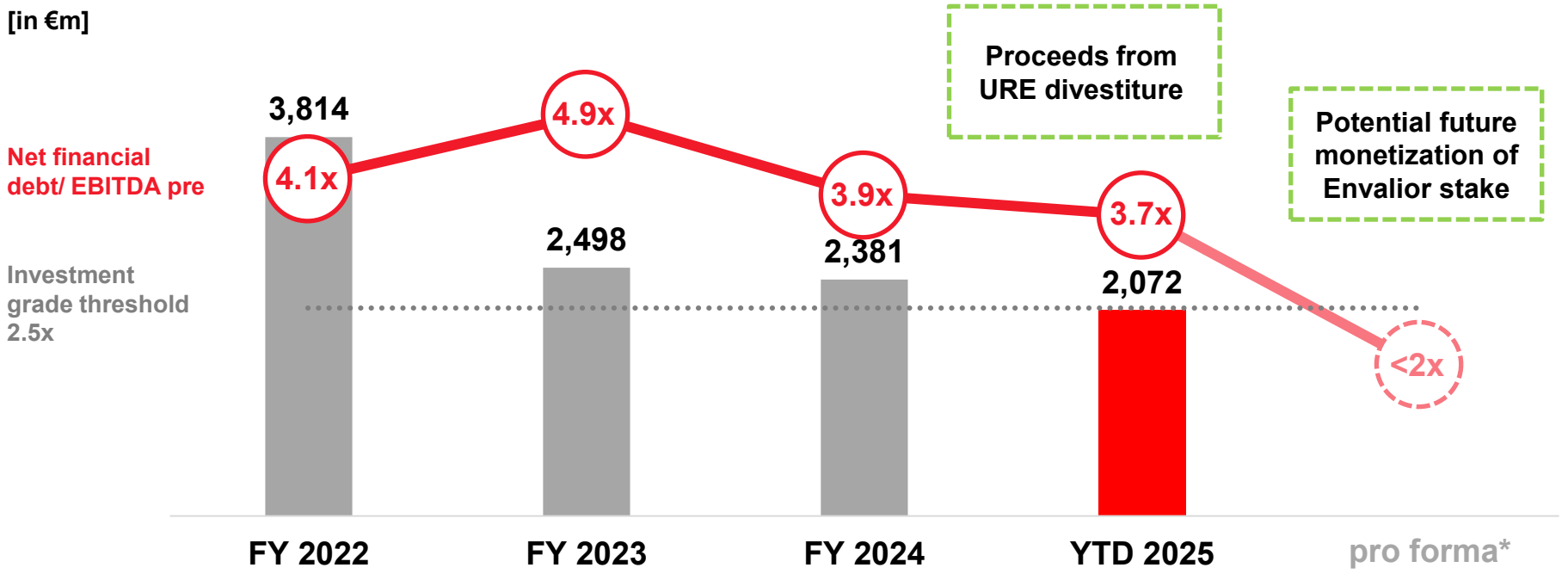
targeted level of annual savings by year-end 2027

[in € m]	2025	2026	2027
Savings	-	~15	~35
Exceptional expenses*	~25	-	-
Cash Outs	~10	~10	~5

* booked in Q2 2025; additionally, exceptional D&A of €82 m

Substantial leverage improvement already realized

Threshold of 2.5x leverage targeted



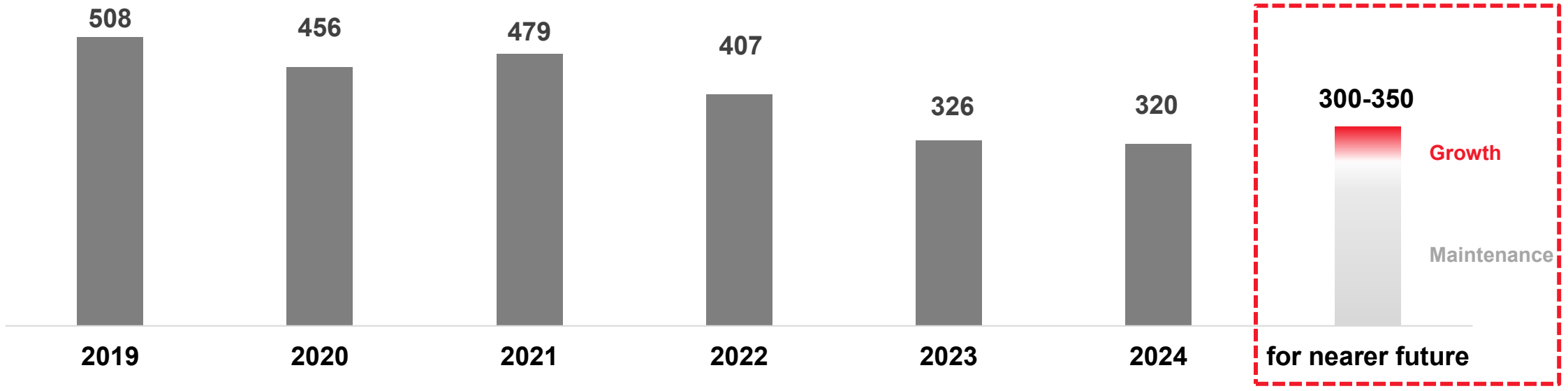
Clear commitment to strive for solid investment grade ratios

* based on consensus 2026 excl. Urethane Systems, additionally reflecting LANXESS' possibility to monetize on its Envalior stake in the future

Our structurally improved business platform requires less capex

Capex needs have significantly been reduced since 2019

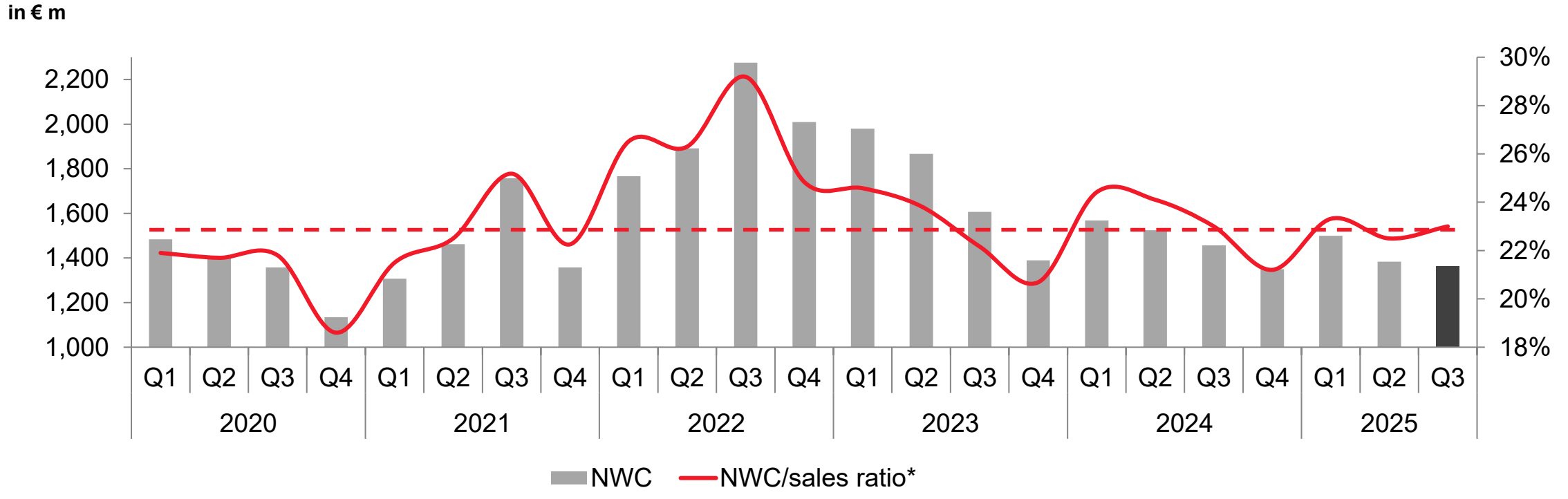
Capex cash-outs in € m



Sustainable lower capex level, additional short- to mid-term benefit from ample capacity headroom

Diligently managing net working capital – balancing profitability and inventory control

Significant reduction of net working capital since peak in Q3 2022



Lower net working capital as lever for cash generation

*Net working capital to sales ratio

As of 30th September 2024, net working capital reported without BU URE (Reported as “Assets held for sale”); Underlying Working Capital including BU URE remains flat

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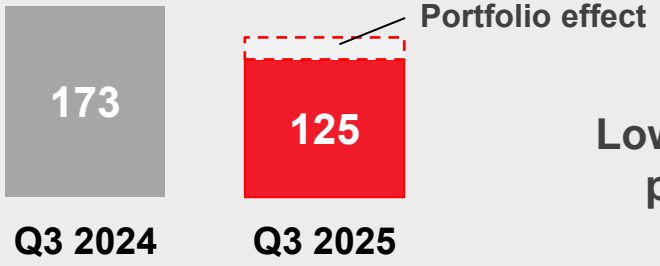
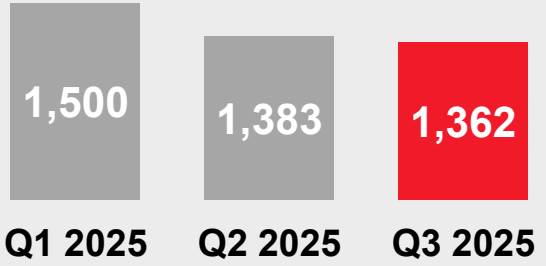
EBITDA pre decline in line with market expectations; cash discipline in tough environment

EBITDA pre (€ m)



Lower volumes and portfolio effect main driver

Working capital (€ m)



- €21 m

Mainly driven by lower receivables

Net financial debt (€ m)

stable

due to tight cash management

Right to offer the stake in Envalior was exercised

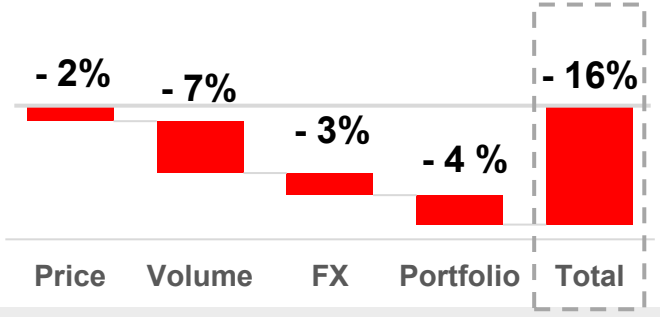
Initiating monetization of Envalior stake

LANXESS Group: Uncertainties continue to weigh on demand; counteracted by self-help measures

Most customer industries continue to face headwinds

[€ m]	Q3/2024	Q3/2025	Δ	9M 2024	9M 2025	Δ
Sales	1,598	1,338	-16%	4,883	4,405	-10%
EBITDA pre	173	125	-28%	455	408	-10%
Margin	10.8%	9.3%		9.3%	9.3%	
Capex	73	64	-12%	174	174	0%

Sales vs. prior year Q3



- ○ Lower prices reflect raw material cost deflation
- – Lower volumes on ongoing weak demand; competitive headwinds from Asia
- – Lower utilization and supplier's chlorine FM burden earnings and margins
- – FX effect & Urethane Systems divestment additionally drag

Positive effects on EBITDA:

- \+ Release of variable compensation provisions
- \+ Self-help measures and restructuring efforts

FY 2025 guidance specified – Challenging market environment persists

Our view on economic environment

- Strong macroeconomic uncertainties persist
- Positive effect from German infrastructure stimulus program expected to start in the course of 2026
- Excess capacities from Asian competitors

LANXESS outlook

- **FY 2025 EBITDA pre guidance: Around lower end of €520 – 580 m range**
- Considerations for Q4:
  - Absence of EBITDA contribution from Urethane Systems business yoy
  - Q4 EBITDA pre seasonally lower than Q3

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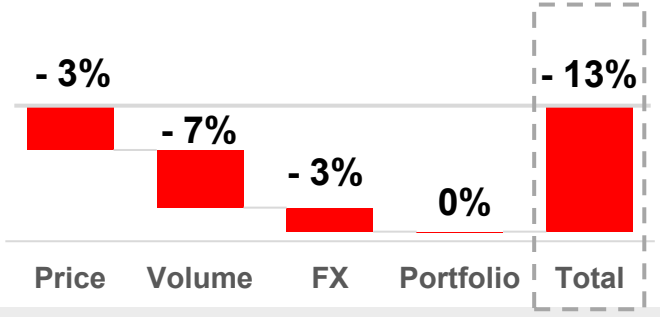
Consumer Protection: Stable earnings level

Active cost management to counteract weak demand

[€ m]	Q3/2024	Q3/2025	Δ	9M 2024	9M 2025	Δ
Sales	521	453	-13%	1,591	1,455	-9%
EBITDA pre	71	72	1%	200	232	16%
Margin	13.6%	15.9%		12.6%	15.9%	
Capex	24	20	-17%	53	47	-11%

Sales vs. prior year Q3



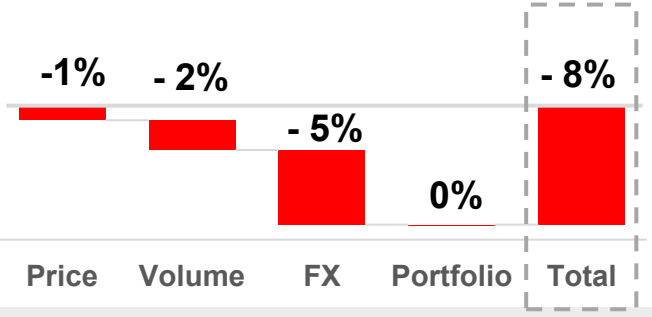
- ○ Pass-through of lower raw material prices amid low demand
- – Lower volumes in consumer-related markets, construction and agro
- \+ Positive contribution from a take-or-pay-contract (~€10 m)
- \+ Continuing cost savings (FORWARD!) and release of variable compensation provisions

Specialty Additives: Weak demand and currency effects impact earnings

Still no recovery in construction markets visible

[€ m]	Q3/2024	Q3/2025	Δ	9M 2024	9M 2025	Δ
Sales	550	505	-8%	1,684	1,578	-6%
EBITDA pre	61	45	-26%	179	155	-13%
Margin	11.1%	8.9%		10.6%	9.8%	
Capex	25	21	-16%	63	61	-3%

Sales vs. prior year Q3



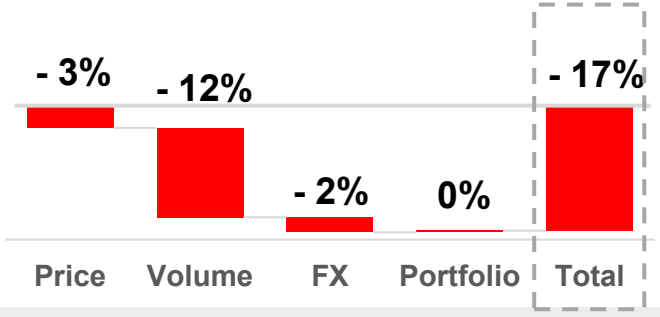
- ○ Slightly lower prices due to pass-through of lower raw material prices
- – Decreased volumes in most businesses leading to lower utilization and higher idle costs
- – FX effect from weaker USD
- \+ Strict capex discipline

Advanced Intermediates: Tough market environment

Low demand combined with fierce competition burden results

[€ m]	Q3/2024	Q3/2025	Δ	9M 2024	9M 2025	Δ
Sales	455	377	-17%	1,398	1,299	-7%
EBITDA pre	68	26	-62%	163	110	-33%
Margin	14.9%	6.9%		11.7%	8.5%	
Capex	21	20	-5%	50	58	16%

Sales vs. prior year Q3



- Lower prices due to pass-through of raw material prices
- Significantly lower volumes due to low demand in most end industries and persisting competition from Asia
- Lower utilization, respective idle costs and a supplier's FM weigh on earnings
- Higher energy costs in a more asset intensive business burden additionally

P&L Q3: Decreased earnings mainly due to lower volumes and absence of Urethane Business

P&L [€ m]	Q3/2024		Q3/2025		yoy
Sales	1,598	(100%)	1,338	(100%)	-16%
Cost of sales	-1,249	(-78%)	-1,084	(-81%)	13%
Selling	-221	(-14%)	-199	(-15%)	10%
G&A	-68	(-4%)	-44	(-3%)	35%
R&D	-27	(-2%)	-22	(-2%)	19%
EBIT	**24**	**(2%)**	**-28**	**(-2%)**	**-**
Financial result	-22		-40		-82%
thereof at-equity result	*-36*		*-32*		*11%*
Net Income	**1**	**(0%)**	**-77**	**(-6%)**	**-**
Adjusted EPS [€]	**0.86**		**-0.07**		**-**
EBITDA	163	(10%)	105	(8%)	-36%
EBITDA pre	**173**	**(10.8%)**	**125**	**(9.3%)**	**-28%**

- Lower sales mainly due to lower volumes and portfolio effect (URE)
- Cost saving efforts and release of variable compensation provisions reflected in all cost items
- Financial result includes positive valuation effect of shareholder loan to Envalior in 2024
- At equity result improved due to Envalior development
- Earnings and margin decrease as a result of lower utilization (lower volumes, supplier FM impact) and absence of Urethane business

Challenging environment also reflected in cash flow

Cash flow [€ m]	Q3/2024	Q3/2025
Profit before tax	**2**	**-68**
Depreciation & amortization	139	133
Result from investments accounted for using the equity method	36	32
Financial result	-13	2
Income taxes	-14	-11
Changes in other assets & liab.	-55	-54
Changes in working capital	-36	16
Operating cash flow	**59**	**50**
Capex	-73	-64
Free cash flow	**-14**	**-14**

- Lower profit before tax due to decreased operating result
- At equity investment reflects Envalior's slightly better result
- Financial result includes non-cash effect from positive valuation of shareholder loan to Envalior in 2024
- Changes in working capital mainly due to lower receivables
- Capex remains on tightly managed level

Free cash flow = Operating cash flow minus Capex

Continued strong equity ratio and significant reduction of net financial debt

Balance sheet [€ m]	31.12.2024	30.09.2025
Total assets	**9,711**	**8,183**
Equity	4,592	3,908
Equity ratio	**47%**	**48%**
Net financial debt[1]	**2,381**	**2,072**
Pension provisions	**429**	**417**
Net working capital	**1,350**	**1,362**
Net working capital / sales[2]	21%	23%

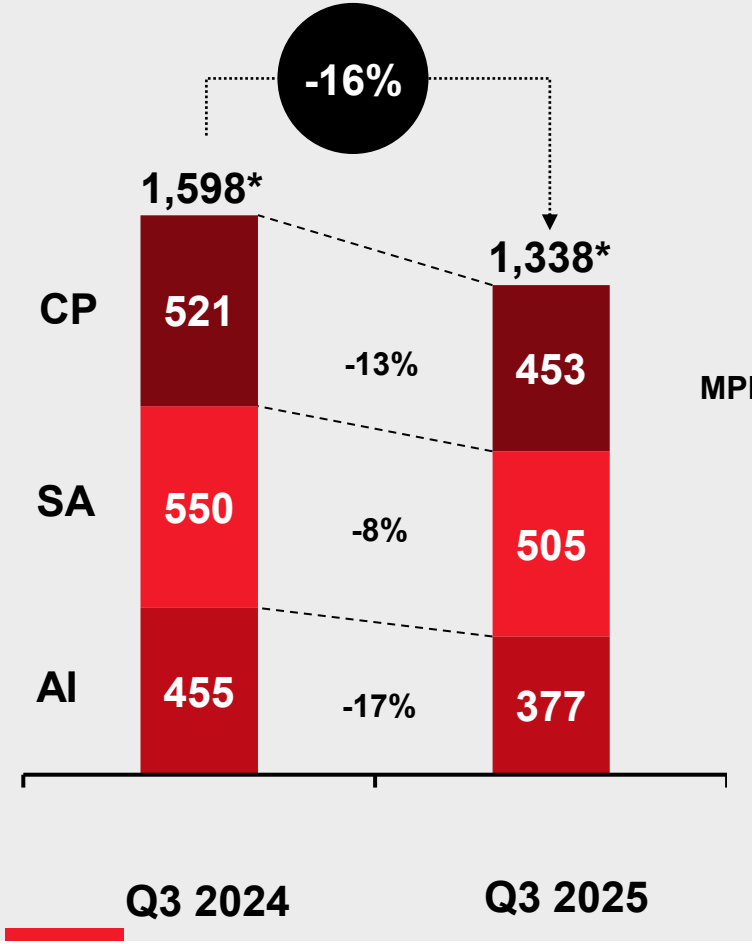
- Decrease in total assets due to €500 m bond repayment and FX effect
- Decrease in equity mainly related to FX and net income
- Equity ratio remains strong
- Net financial debt after divestment of Business Unit Urethane Systems on reduced level
- Working capital on comparable level to end of 2024

[1] Deducting cash, cash equivalents, near cash assets

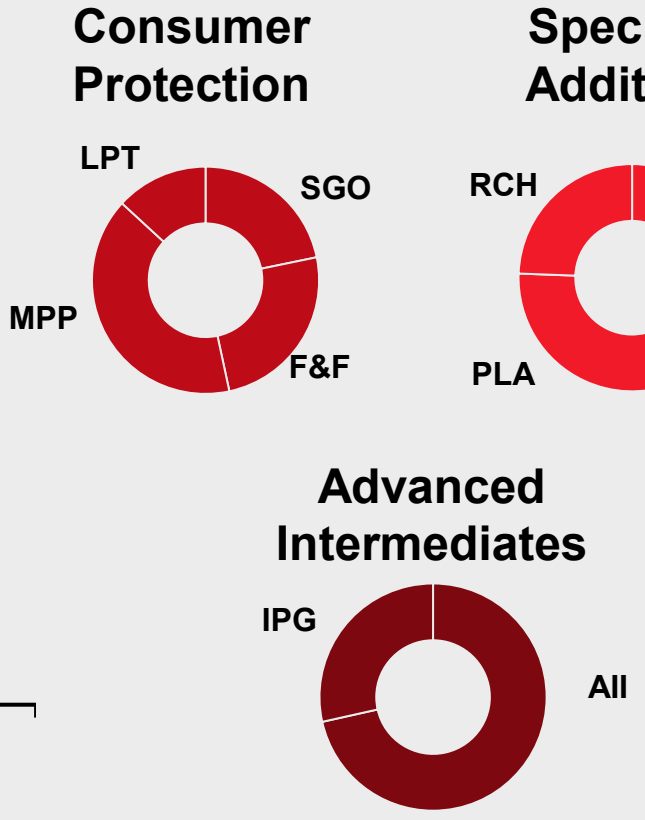
[2] Last twelve months sales

Q3 2025: Input costs- & volume-driven lower sales

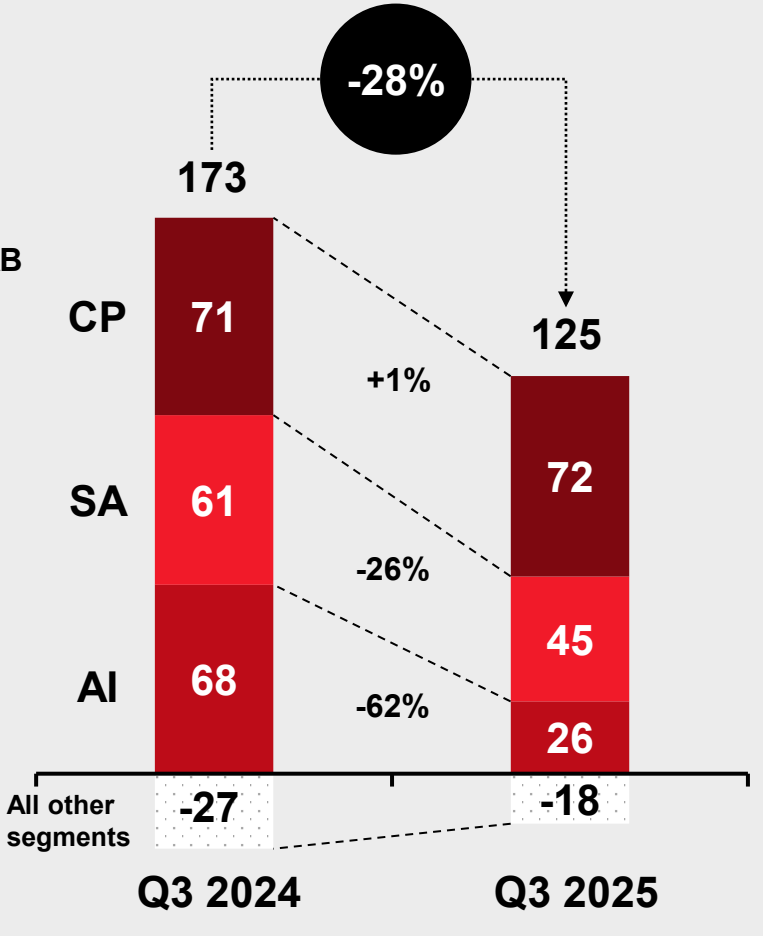
Sales [€ m]



Sales share [%]



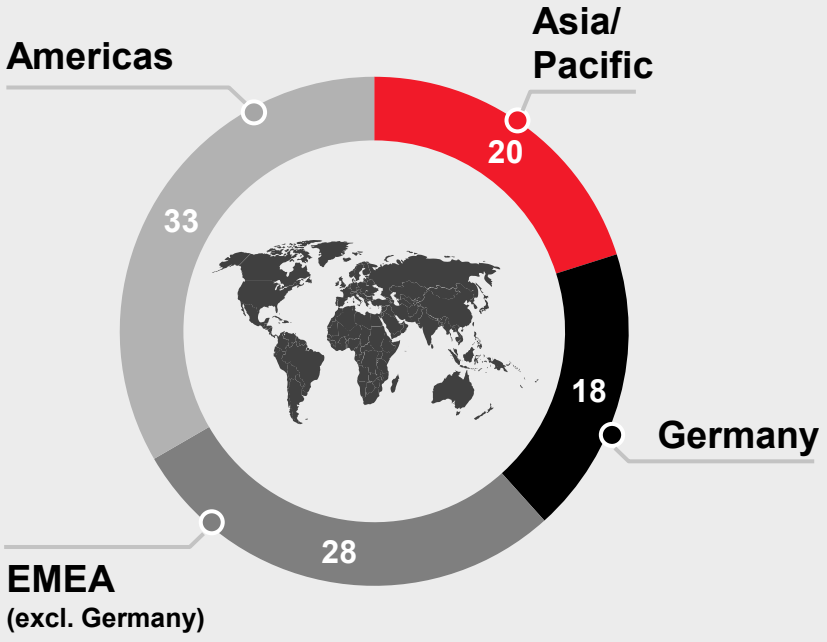
EBITDA pre [€ m]



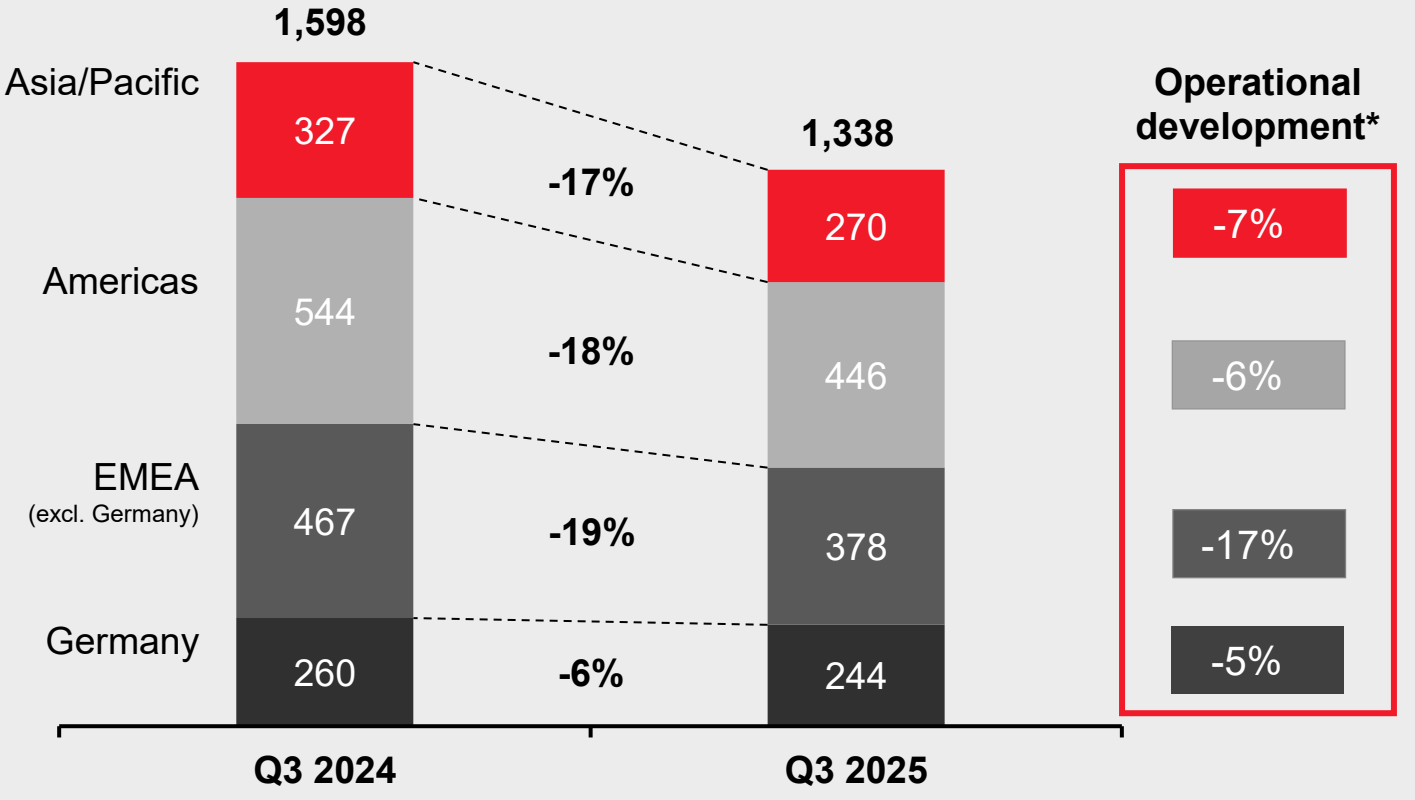
* Total group sales including all other segments

Q3 2025: Volume-driven sales decline in all regions

Q3 2025 sales by region [%]



Regional development of sales [€ m]



* Currency and portfolio adjusted

Exceptional items (on EBIT) increased driven by adj. in production network, partially offset by URE disposal

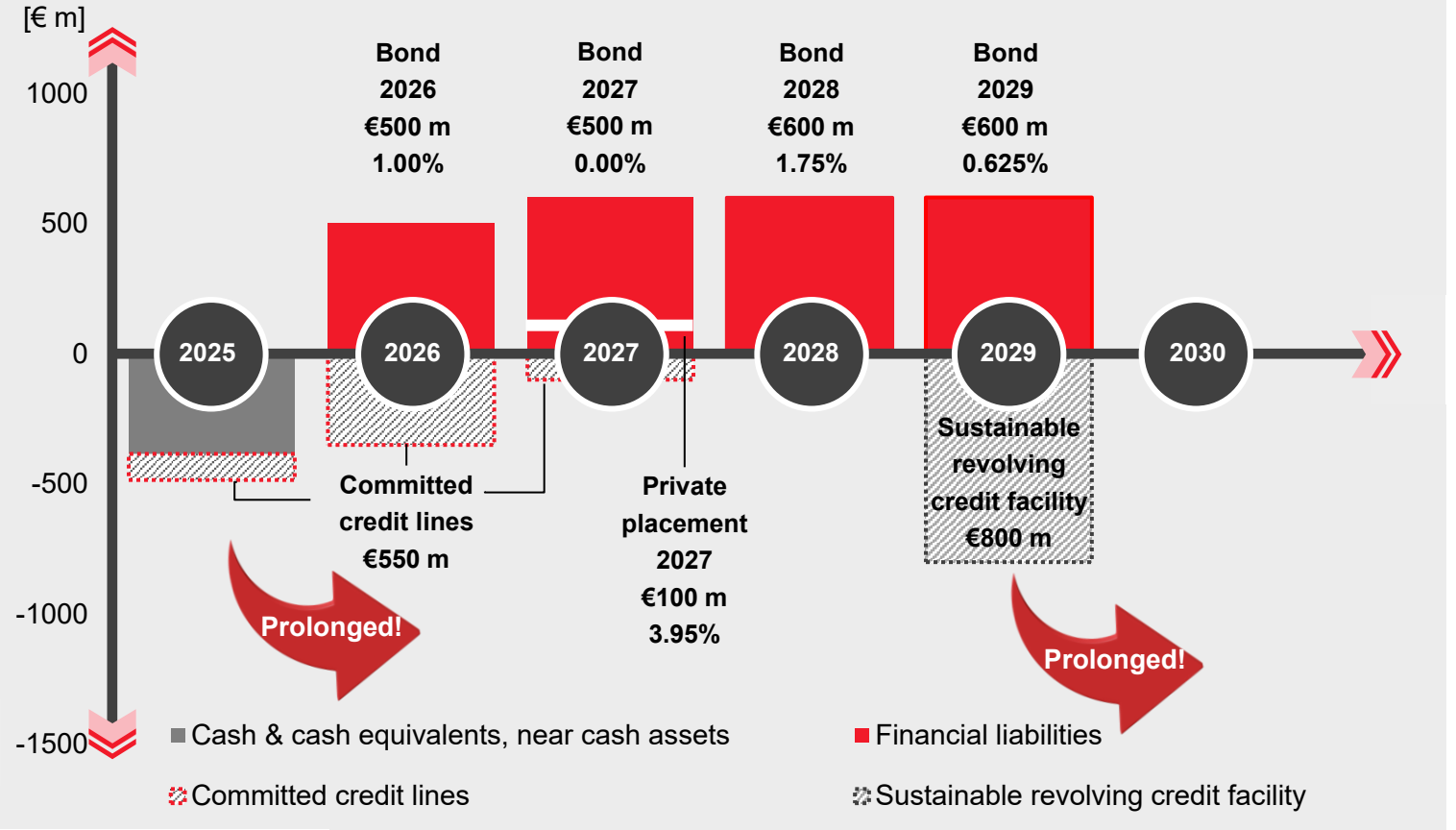
[€ m]	Q3 2024		Q3 2025		9M 2024		9M 2025	
	Excep.	thereof D&A	Excep.	thereof D&A	Excep.	thereof D&A	Excep.	thereof D&A
Strategic realignment and restructuring (incl. FORWARD!)	2	-1	**-2**	**3**	-3	-2	**-111**	**-78**
Strategic IT projects	-8	0	**-9**	**0**	-19	0	**-25**	**0**
M&A, digitalization and others	-6	-1	**-6**	**0**	-23	-3	**50**	**-5**
Total	-12	-2	**-17**	**3**	-45	-5	**-86**	**-83**

LANXESS maturity profile actively managed and well balanced

Long-term financing secured

- Average interest rate of financial liabilities ~1.0%*
- All group financing executed without financial covenants
- Next maturity in October 2026

Liquidity and maturity profile as per September 2025



* 1.2% incl. financial leases

Aiming for investment grade rating

Credit rating history

	2020	2021	2022	2023	2024	2025
Moody's Investors Service	Baa2/ stable August 2020	Baa2/ stable August 2021	Baa2/ stable July 2022	Baa3/ negative November 2023	Baa3/ negative November 2024	**Baa3**/ negative
Scope	BBB+/ stable September 2020	BBB+/ stable August 2021	BBB+/ stable July 2022	BBB+/ negative June 2023	BBB/ negative February 2024	**BBB**/ stable August 2025

Investment grade rated since spin-off in 2004

Appendix

9M 2025: EBITDA pre on lower level due to disposal of Urethane Systems business and lower sales

P&L [€ m]	9M 2024		9M 2025		yoy
Sales	4,883	(100%)	4,405	(100%)	-10%
Cost of sales	-3,890	(-80%)	-3,502	(-80%)	10%
Selling	-674	(-14%)	-642	(-15%)	5%
G&A	-199	(-4%)	-172	(-4%)	14%
R&D	-82	(-2%)	-75	(-2%)	9%
EBIT	**-5**	**(0%)**	**-80**	**(-2%)**	**-**
Financial result	-124		-104		16%
thereof at-equity result	*-109*		*-91*		*17%*
Net income	**-113**	**(-2%)**	**-179**	**(-4%)**	**-58%**
Adjust. EPS [€]	**1.37**		**0.75**		**-45%**
EBITDA	415	(8%)	405	(9%)	-2%
EBITDA pre	**455**	**(9.3%)**	**408**	**(9.3%)**	**-10%**

- Lower sales mainly due to lower prices based on the pass-through of lower raw material prices and Urethane portfolio effect
- Cost saving efforts and release of variable compensation provisions reflected in all cost items
- EBIT decreased mainly due to increase in exceptionals
- Financial result reflects positive valuation effect of shareholder loan to Envalior in 2024
- At equity result improved due to Envalior development
- EBITDA pre without Urethane business from Q2 onwards

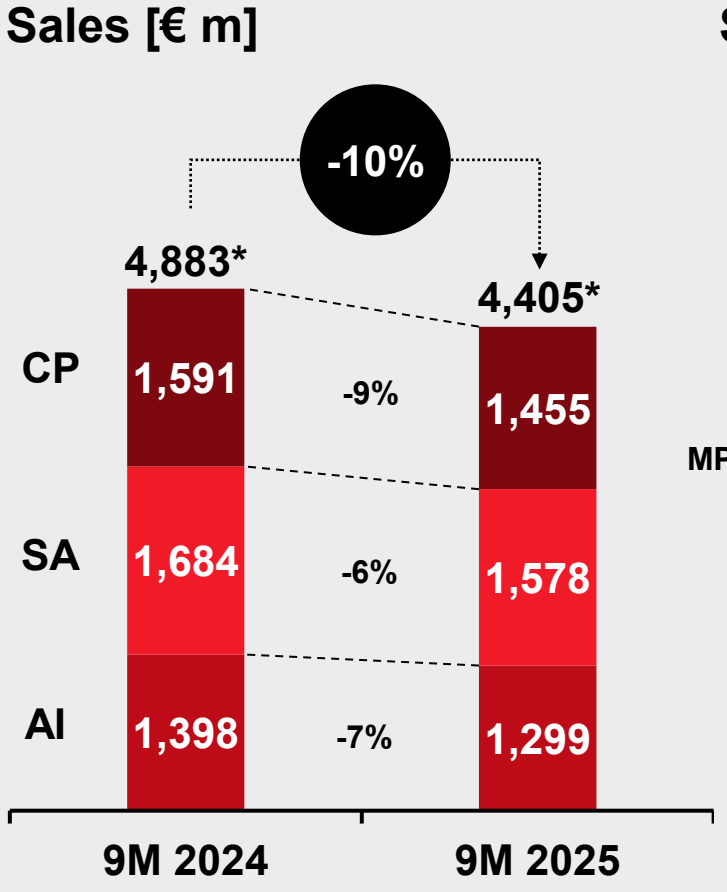
9M 2025: Operating cash flow compares with higher prior-year base

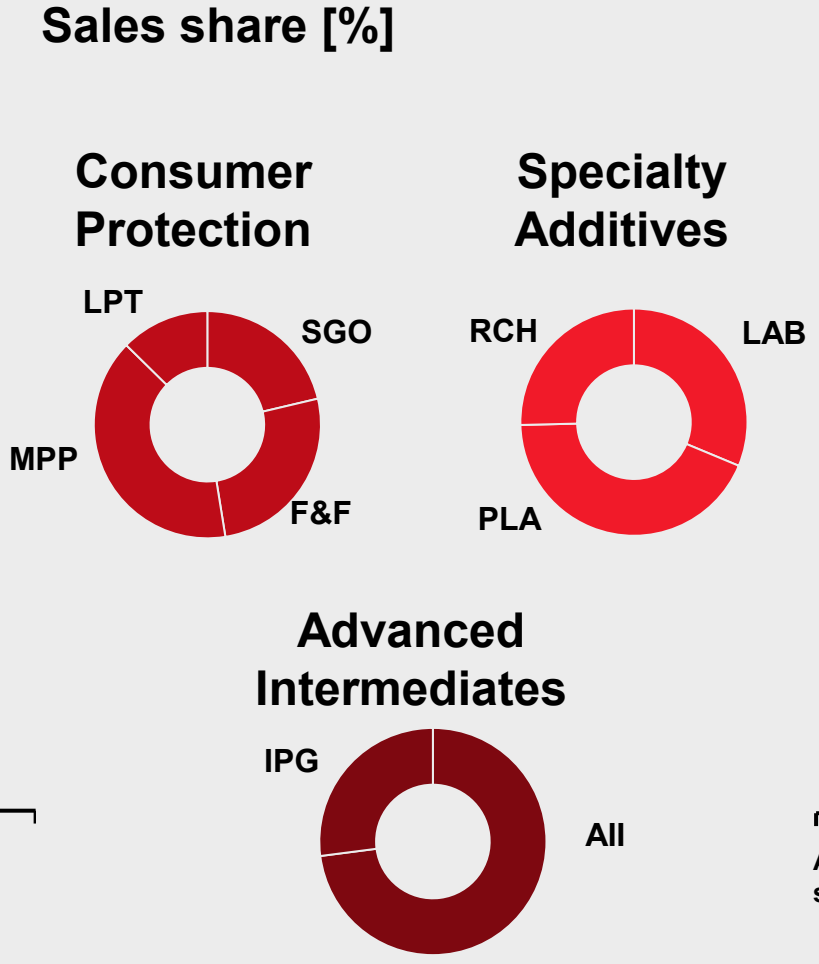
Cash flow [€ m]	9M 2024	9M 2025
Profit before tax	**-129**	**-184**
Depreciation & amortization	420	485
Result from investments accounted for using the equity method	109	91
Income taxes	-31	-34
Changes in other assets & liab.	-57	-102
Changes in working capital	-158	-106
Financial result	2	-70
Operating cash flow	**156**	**80**
Capex	-174	-174
Free cash flow	**-18**	**-94**

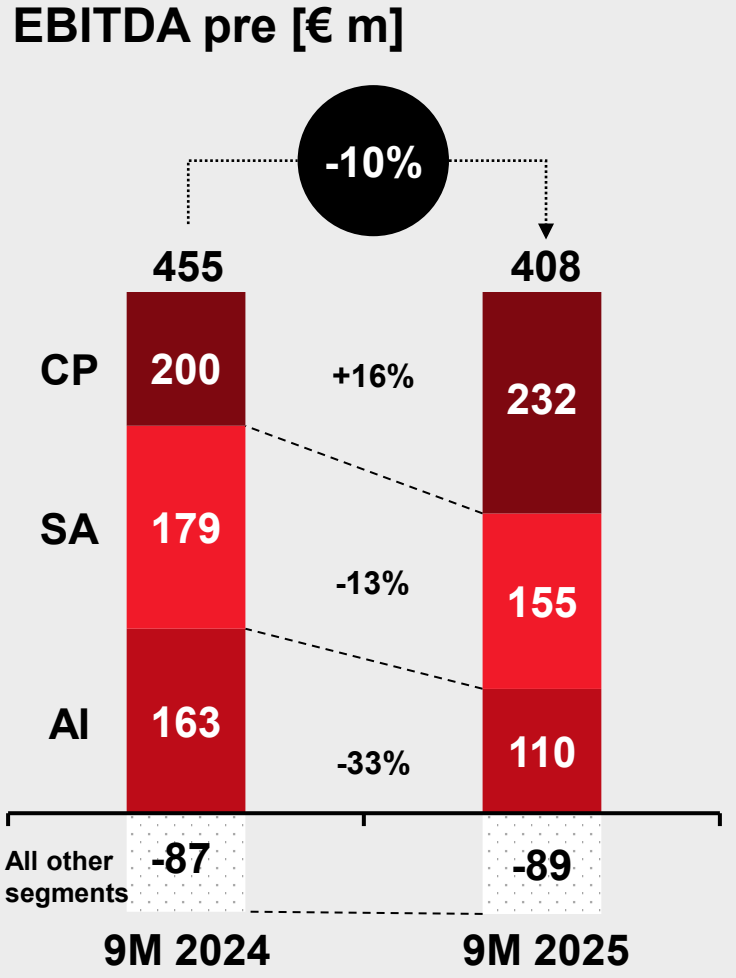
- Lower profit before tax due to decreased operating result
- Higher D&A due to higher exceptional write-offs in Q2
- At equity investments reflect Envalior's slightly better result
- Changes in other assets and liabilities include bonus payout (for 2024) and other changes in provisions as well as FX hedges
- Change in working capital reflects seasonal pattern
- Gains from disposal of assets reflect sale of Urethane Systems Business
- Capex remains on tightly managed level

Free cash flow = Operating cash flow minus Capex

9M 2025: Results below prior-year level; positive earnings development in Consumer Protection



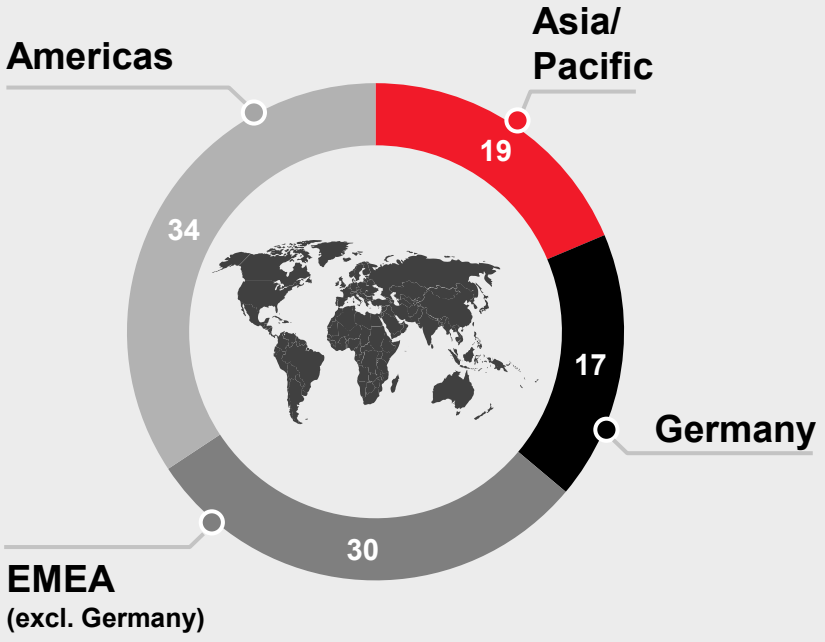




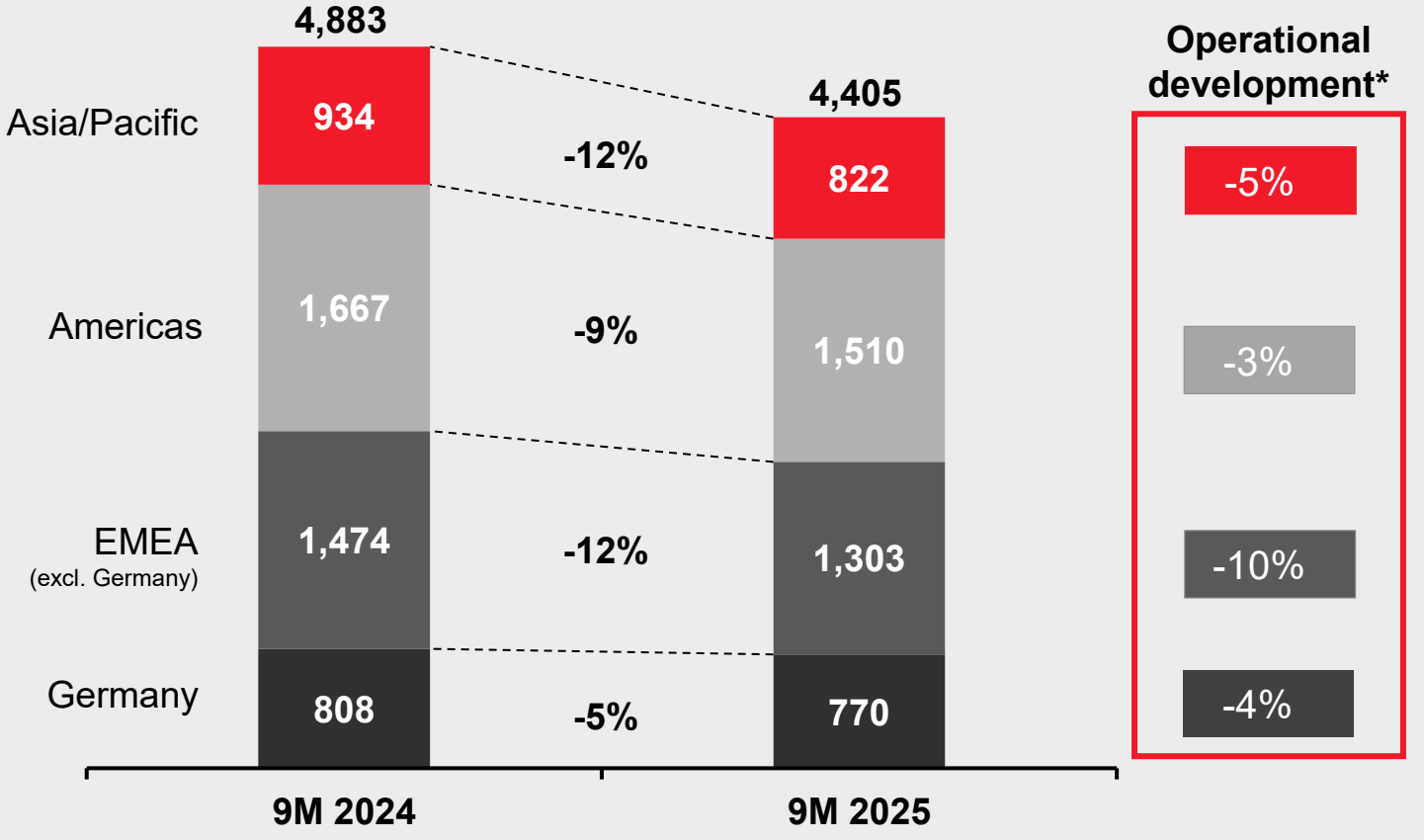
* Total group sales including all other segments

9M 2025: Sales decline in all regions, regional sales split relatively unchanged

9M 2025 sales by region [%]



Regional development of sales [€ m]



* Currency and portfolio adjusted

Housekeeping items 2025

FY 2025 Outlook (in € m)		
Capex	**~330**	
Operational depreciation	**~370**	▪ excluding ~€150 m of intangible amortization
All other segments (EBITDA pre)	**-130**	▪ previously ~€-150 to -160 m
Exceptional expenses	**~100**	▪ on EBIT
FX sensitivity	**~3**	▪ EBITDA pre impact after hedging per cent change of EUR/USD
Remnant Costs	**2025: ~15** **2026: ~10** **2027: ~5**	▪ mainly from termination of Envalior services and Urethane divestment

Management is significantly invested and in the shoes of investors

Overview of managers‘ purchases since FY 2024 reporting (March 14, 2024)

Name	Function	Date	Ø Price	Total quantity	Total volume
Matthias Zachert	CEO	March 14 & 15, 2024 (two purchases)	24.36 €	16,505 shares	402,070.84 €
Hubert Fink	Board member	March 14 & 15, 2024 (two purchases)	24.49 €	9,056 shares	221,803.62 €
Frederique van Baarle	Board member	February 13, 2025	30.37 €	5,070 shares	153.950,55 €

Total holdings by active members of the Board of Management exceeds required value

Name	Function	Total number of shares
Matthias Zachert	CEO	102,635
Dr. Hubert Fink	Board member	39,856
Frederique van Baarle	Board member	13,056
Oliver Stratmann	CFO	10,567

Share ownership guideline: Over a period of four years, the members of the Board of Management are obliged to invest a defined proportion of their compensation in shares in LANXESS AG and verifiably hold the shares until the end of their service contract. The target is 150% for the CEO and 100% for all other board members.

Abbreviations

Consumer Protection

MPP	Material Protection Products
F&F	Flavors & Fragrances
SGO	Saltigo
LPT	Liquid Purification Technologies

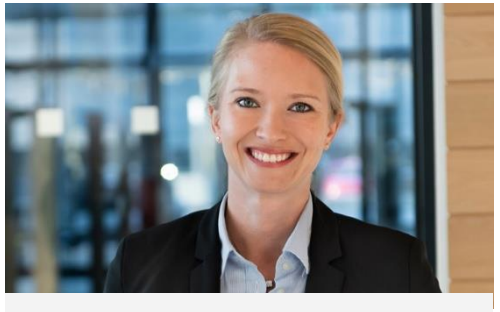
Specialty Additives

PLA	Polymer Additives
LAB	Lubricant Additives Business
RCH	Rhein Chemie

Advanced Intermediates

All	Advanced Industrial Intermediates
IPG	Inorganic Pigments

Contact details Investor Relations



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