

LANXESS makes strong start to fiscal year 2022

- **Sales in the first quarter increase by 43.7 percent to EUR 2.432 billion**
- **EBITDA pre exceptionals up 32.2 percent year-on-year at EUR 320 million**
- **CEO Matthias Zachert: “Our strong market positions are paying off.”**
- **EBITDA guidance for Q2 2022: EUR 280 to 350 million**

Cologne, May 5, 2022 – In a challenging environment, specialty chemicals company LANXESS made a strong start to the year 2022. Today, it confirmed the preliminary figures for the first quarter released on April 19. LANXESS is also confident going into the second quarter, in which the Group expects EBITDA pre exceptionals of between EUR 280 million and EUR 350 million. In the prior-year quarter, the company had generated EUR 277 million. For the full year, LANXESS still expects EBITDA pre exceptionals to be significantly higher than in the previous year. However, the guidance does not take into account potential further impacts of the war in Ukraine and the contribution of the acquisition of IFF’s Microbial Control business. The transaction is expected to close in the third quarter.

“With our focus on specialty chemicals, we have built up strong market positions in recent years, which are particularly paying off in the current situation. We can thus pass on higher raw material and energy costs via our selling prices. However, it is impossible to predict the impact of the war in Ukraine on future business performance. We are therefore monitoring the further developments very closely,” said Matthias Zachert, Chairman of the Board of Management of LANXESS AG.

In the first quarter of 2022, EBITDA pre exceptionals increased considerably and amounted to EUR 320 million, 32.2 percent higher than the previous year’s figure of EUR 242 million. All the company’s

LANXESS AG

Corporate Communications
50569 Cologne
Germany

Contacts:

Ingo Drechsler
Head of External Relations
Phone: +49 221 8885-3790
ingo.drechsler@lanxess.com

Eva Krüger
Spokesperson
Financial and Business Media
Phone: +49 151 74659546
eva.krueger@lanxess.com

Alexander Böhm
Spokesperson
Financial and Business Media
Phone: +49 221 8885-4746
alexander.boehm@lanxess.com

segments contributed to the growth, with the Specialty Additives segment performing particularly well. LANXESS passed on the significantly increased raw material and energy costs via higher selling prices. The successful acquisitions, especially that of Emerald Kalama Chemical, likewise made a positive earnings contribution. The EBITDA margin pre exceptionals came to 13.2 percent, against 14.3 percent a year ago.

Group sales amounted to EUR 2.432 billion in the first quarter, up 43.7 percent on the previous year's figure of EUR 1.693 billion. Net income reached EUR 98 million, after net income from continuing operations of EUR 63 million in the previous year.

Higher raw material and energy costs passed on in all segments

Sales in the **Advanced Intermediates** segment rose by 35.6 percent from EUR 452 million in the prior-year quarter to EUR 613 million. The sales development was in particular the result of higher selling prices as LANXESS passed on the significantly increased raw material and energy prices. The segment's EBITDA pre exceptionals amounted to EUR 87 million, up 24.3 percent on the previous year's figure of EUR 70 million. The EBITDA margin pre exceptionals was 14.2 percent, compared with 15.5 percent in the prior-year quarter.

In the **Specialty Additives** segment, higher selling prices and generally improved demand resulted in a positive development of sales and EBITDA pre exceptionals. This was due in particular to good demand from the construction, oil and gas industries and the continuing recovery of the aviation industry. The development of exchange rates, especially of the U.S. dollar, likewise had a positive effect. The segment's sales amounted to EUR 730 million, up 41.2 percent on the previous year's figure of EUR 517 million. EBITDA pre exceptionals increased by a considerable 83.8 percent from EUR 74 million in the previous year to EUR 136 million, reaching the highest figure in the company's history. The EBITDA

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Head of External Relations
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Spokesperson
Financial and Business Media
Phone: +49 151 74650546
eva.krueger@lanxess.com

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margin pre exceptionals increased to 18.6 percent, against 14.3 percent a year ago.

The **Consumer Protection** segment's sales and earnings improved compared with the prior-year quarter. The new Flavors & Fragrances business unit made a particularly positive contribution here. This unit comprises the business with specialty chemicals for the consumer goods sector from the acquisition of U.S. company Emerald Kalama Chemical. In addition, all the segment's business units achieved higher selling prices. The development of exchange rates had a positive effect, too. Lower sales volumes due to a generally difficult logistics situation had an opposite effect. Sales amounted to EUR 506 million, up 48.4 percent on the prior-year quarter's figure of EUR 341 million. EBITDA pre exceptionals grew by 13.2 percent from EUR 76 million in the previous year to EUR 86 million. The EBITDA margin pre exceptionals reached 17.0 percent, against 22.3 percent a year ago.

The development of the **Engineering Materials** segment's sales and earnings in the first quarter was influenced by the sharp rise in selling prices, which resulted from the pass-through of increased raw material and energy prices. Sales amounted to EUR 576 million, up 52.8 percent on the previous year's sales of EUR 377 million. EBITDA pre exceptionals grew by 13.6 percent from EUR 59 million in the previous year to EUR 67 million. The slightly weaker demand from the automotive industry due to supply shortages led to a volume-driven decline in earnings, especially in the High Performance Materials business unit. The EBITDA margin pre exceptionals decreased from 15.6 percent in the previous year to 11.6 percent.

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Head of External Relations
Phone: +49 221 8885-3790
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Spokesperson
Financial and Business Media
Phone: +49 151 74650546
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€ million	Q1 2021	Q1 2022	Change %
Sales	1,693	2,432	43.7
EBITDA pre exceptionals	242	320	32.2
EBITDA margin pre exceptionals	14.3%	13.2%	
Net income	63*	98	55.6
Net financial liabilities	2,345**	2,501	6.7
Employees (as of March 31)	14,866**	14,886	0.1

* Net income from continuing operations

** As of December 31, 2021

LANXESS is a leading specialty chemicals company with sales of EUR 7.6 billion in 2021. The company currently has about 14,900 employees in 33 countries. The core business of LANXESS is the development, manufacturing and marketing of chemical intermediates, additives, specialty chemicals and plastics. LANXESS is listed in the leading sustainability indices Dow Jones Sustainability Index (DJSI World and Europe) and FTSE4Good.

Forward-Looking Statements

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News Release



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