



LANXESS
Energizing Chemistry

Persistently weak demand shapes 3rd quarter

Q3 2023 telephone press conference

November 8, 2023

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LANXESS fights against the crisis

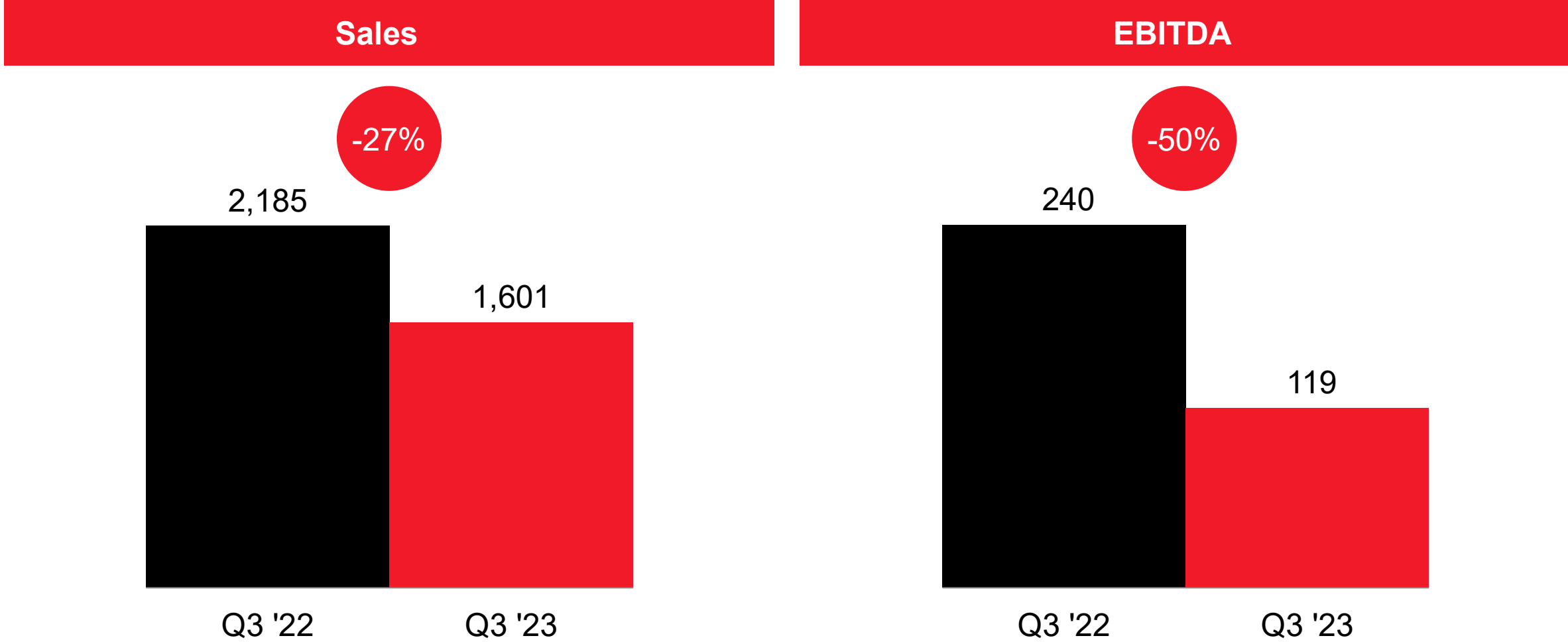
Sales and earnings impacted by weak global demand

Cost reduction: “FORWARD!” action plan launched

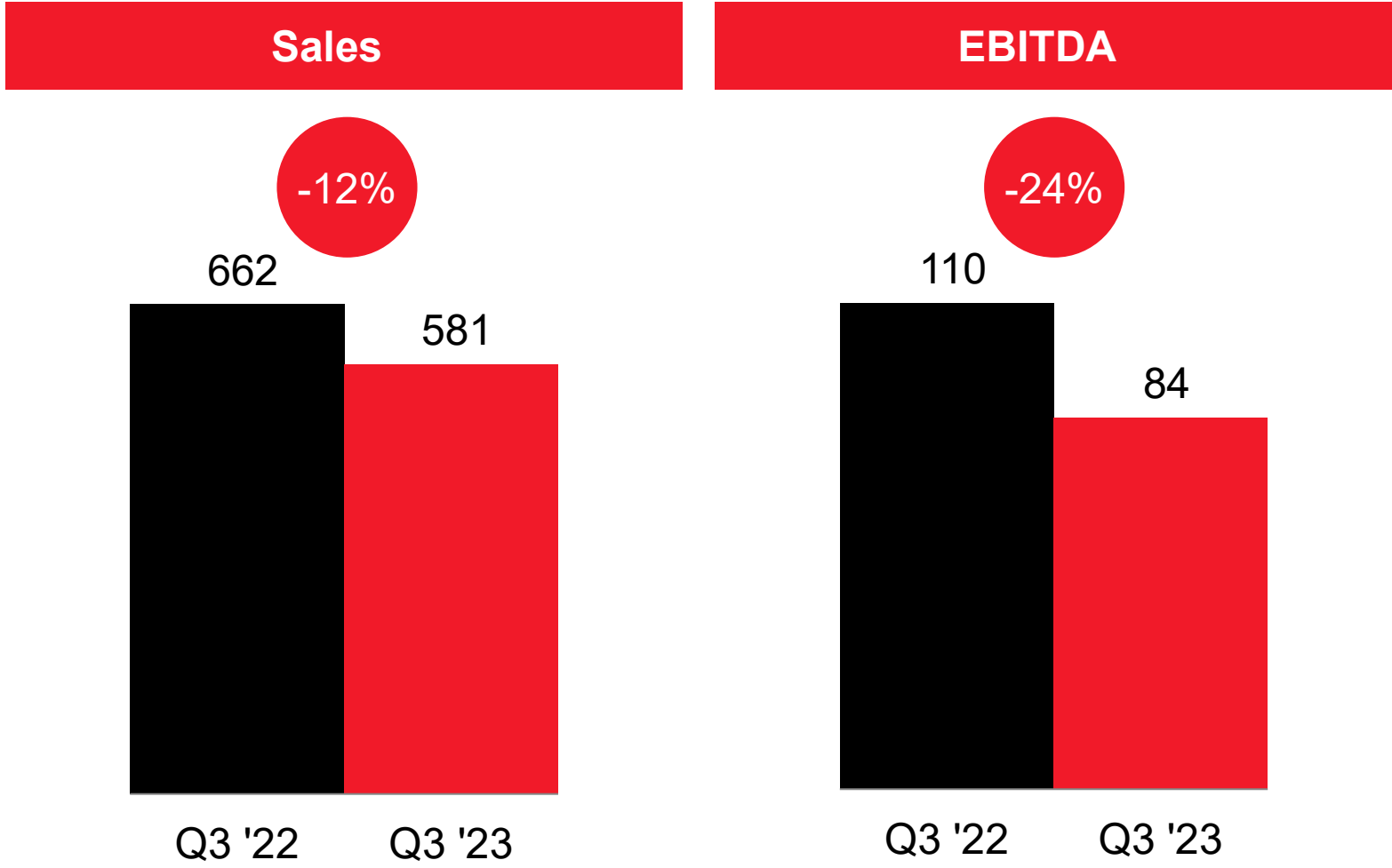
Focus on cash flow: reducing inventories, decreasing debt

Further portfolio optimization started

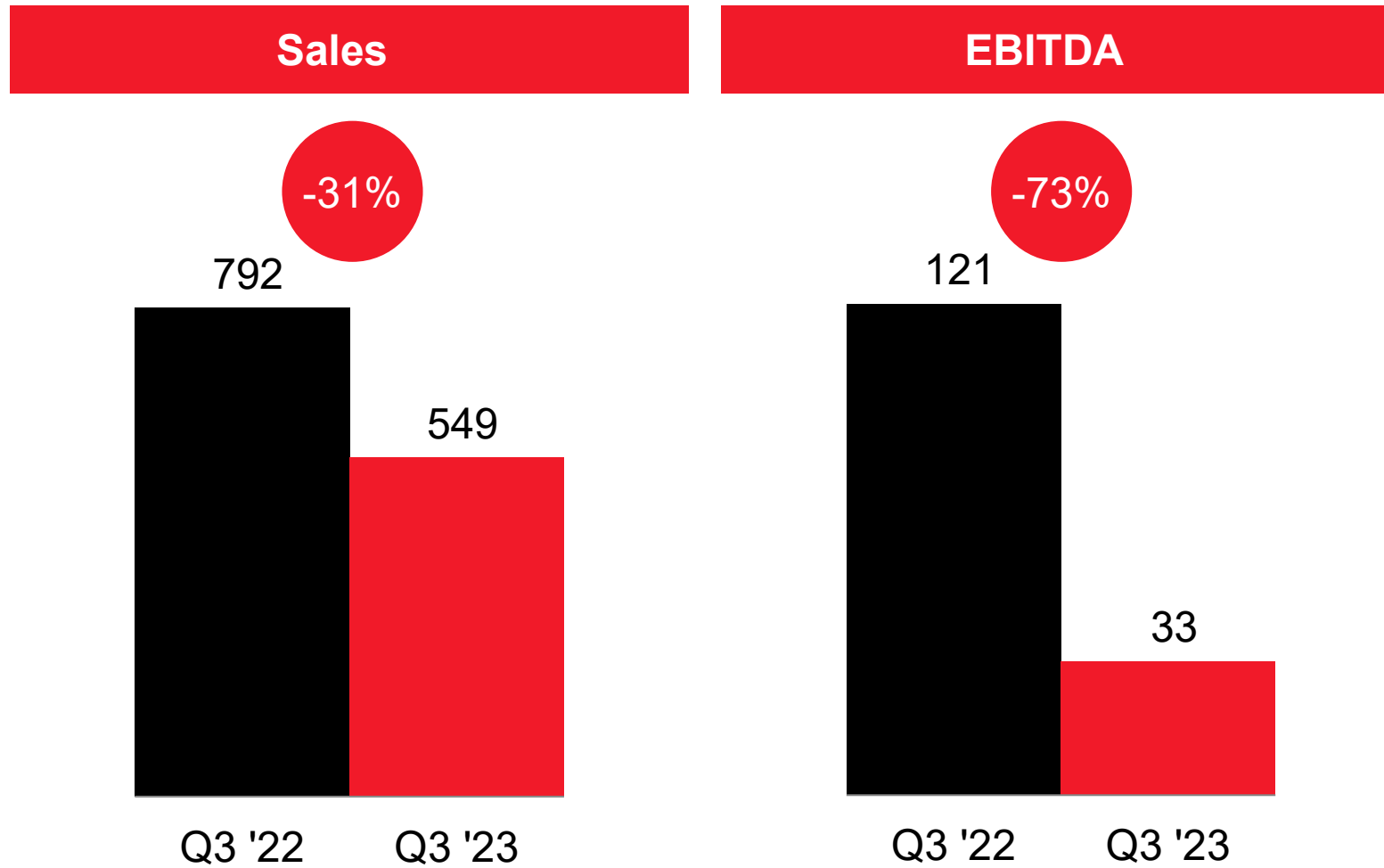
Weak demand continues to weigh on earnings



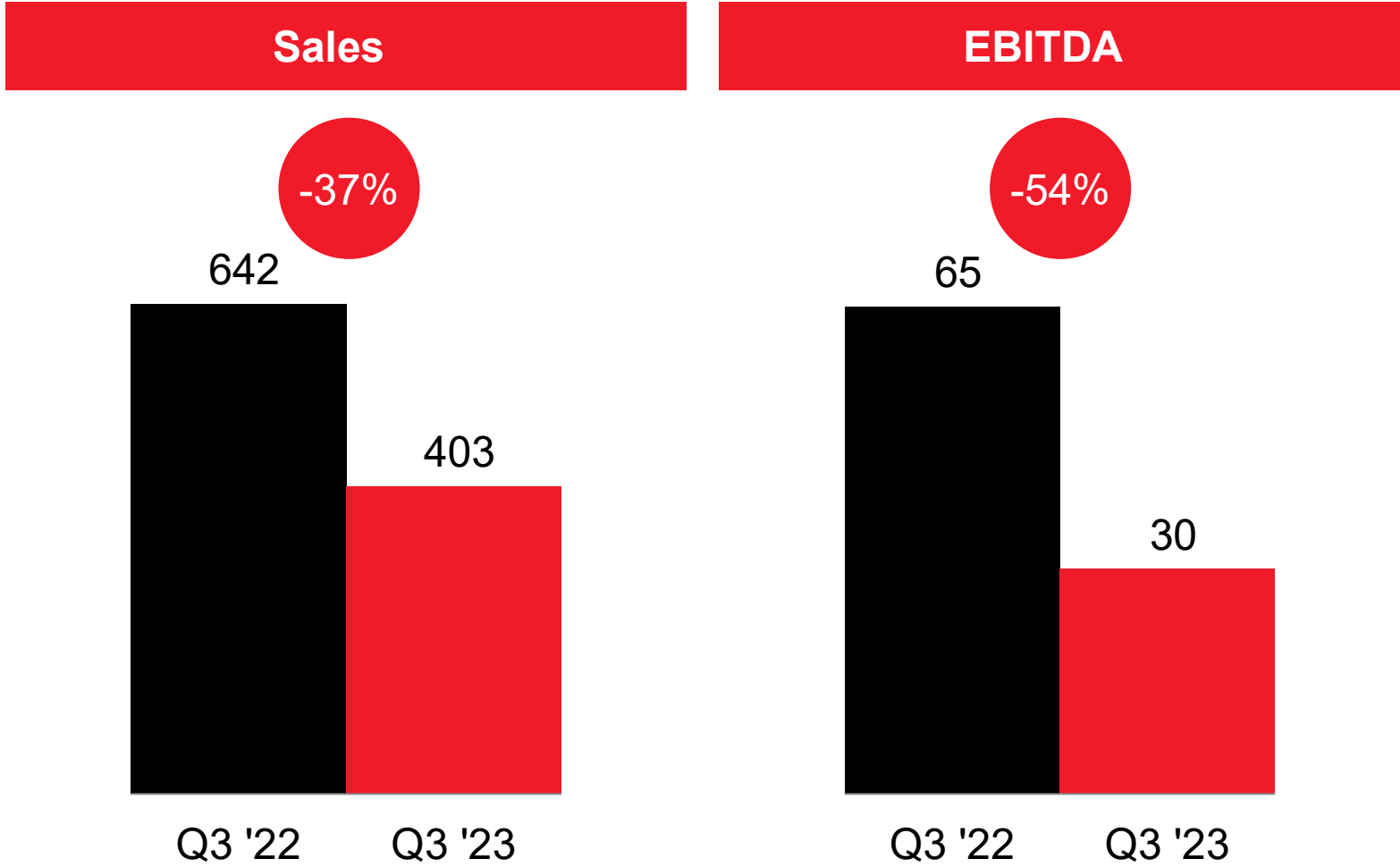
Consumer Protection: Weak demand and destocking by customers



Specialty Additives: Weak demand, own destocking, low plant utilization

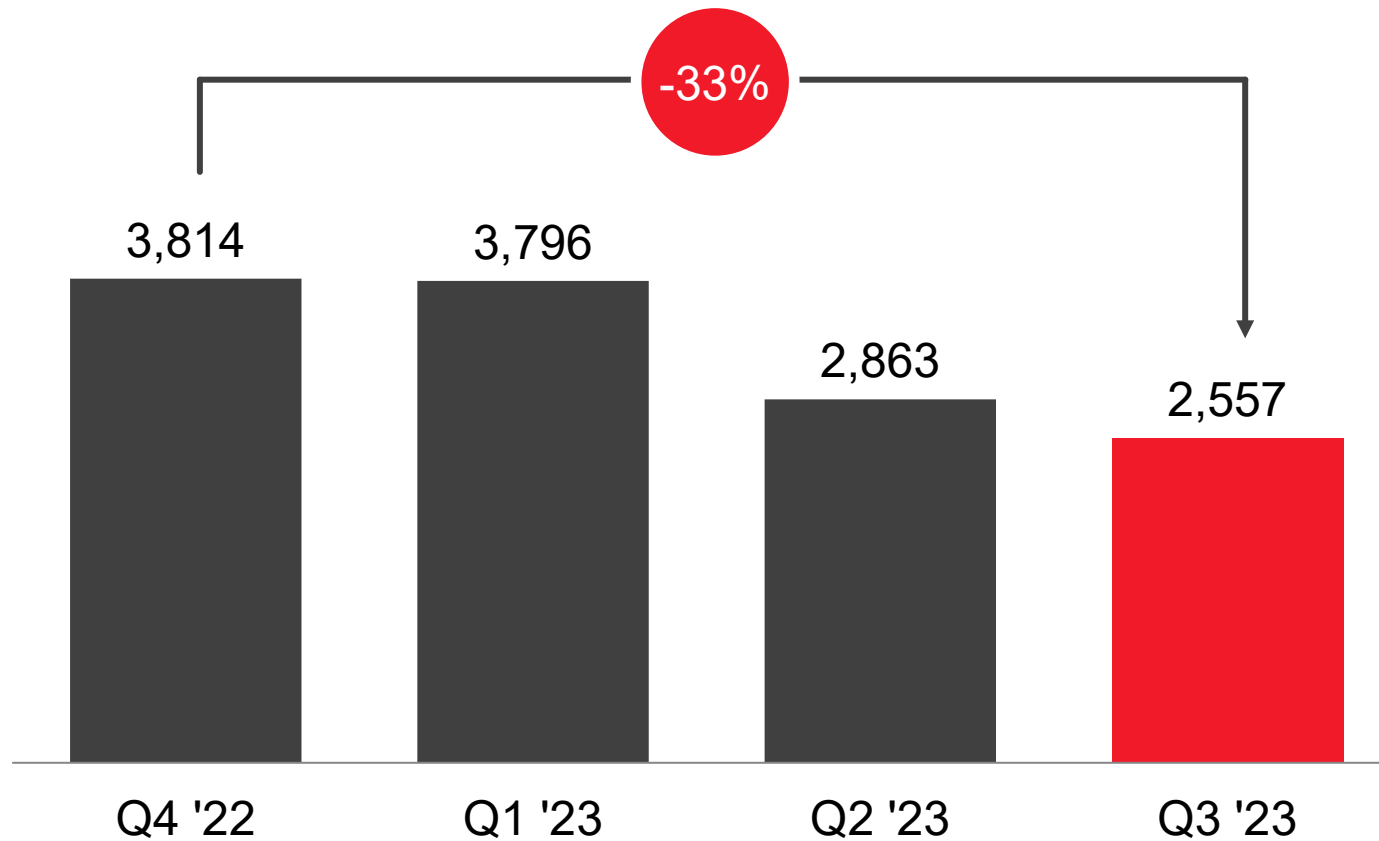


Advanced Intermediates: Weak construction industry burdens sales and earnings



Net debt further reduced

Net financial debt



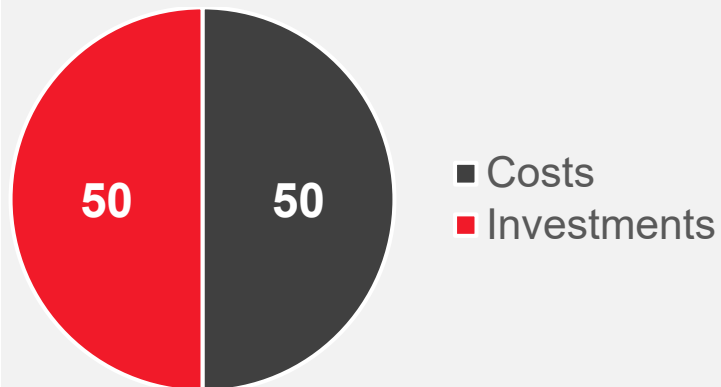
Focus on cash generation

- Reduction of inventories, reduction of net working capital
- Lower investments
- Proceeds after foundation of Envalor (Q2)

“FORWARD!” action plan launched

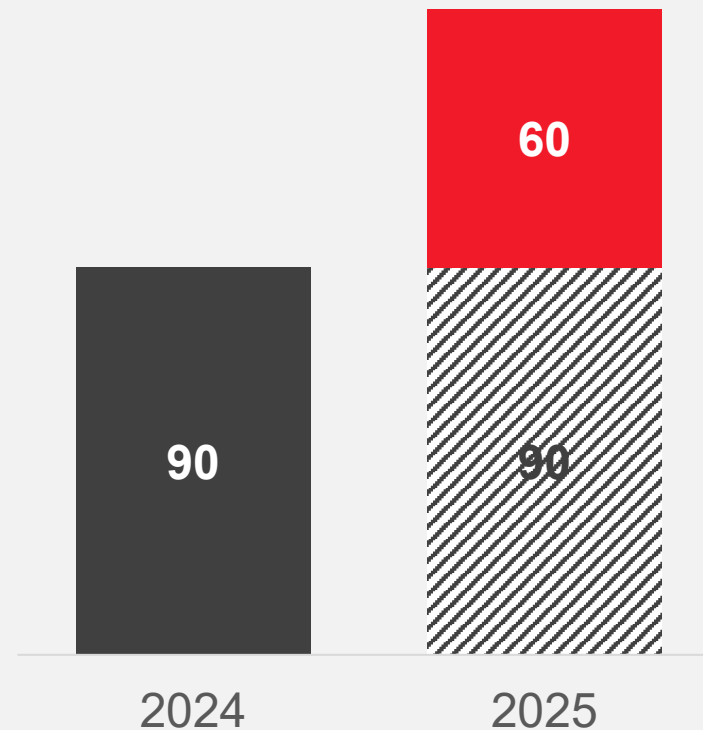
Ad-hoc measures

- Strict spending discipline
- Reduction of investments
- Recruitment freeze in Europe



One-off savings: EUR 100 million

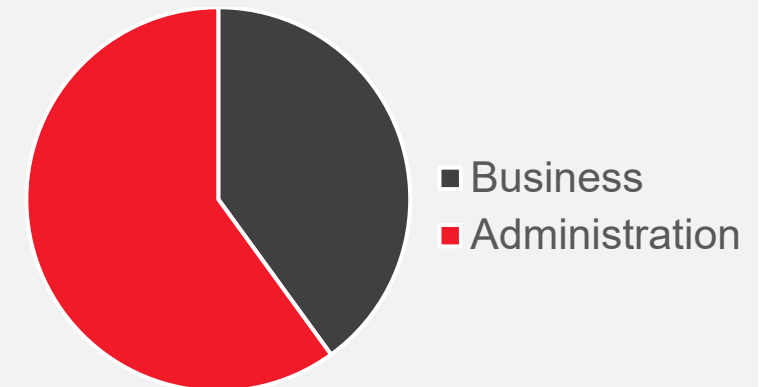
Structural measures



Permanent savings: EUR 150 million

Leaner structures

Reduction of 870 jobs worldwide, including 460 in Germany



Strategic measure supporting debt reduction

Sale of Urethane Systems initiated

- 6 production sites, 400 employees
- Good development of the business unit since acquisition in 2017
- Last remaining polymer business no longer fits LANXESS' strategy

Dividend reduction

- Proposal by the Board of Management: EUR 0.10 dividend for fiscal 2023
- Savings compared to previous year: EUR 82 million

Guidance

Market development

- Ongoing recessionary environment
- No recovery in demand expected in Q4
- Weaker than expected start to Q4

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- Destocking by agro customers
- Limited steam supply at Botlek site
- Guidance for Full Year 2023:
EUR 500-550 million



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