



LANXESS Analyst Roundtable

Path to specialty chemicals performance

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What are we going to talk about today?

Portfolio transformation

Regional & end-market split

Streamlined portfolio - leadership positions

Financials & value drivers

LANXESS capabilities

Focus on cash profile

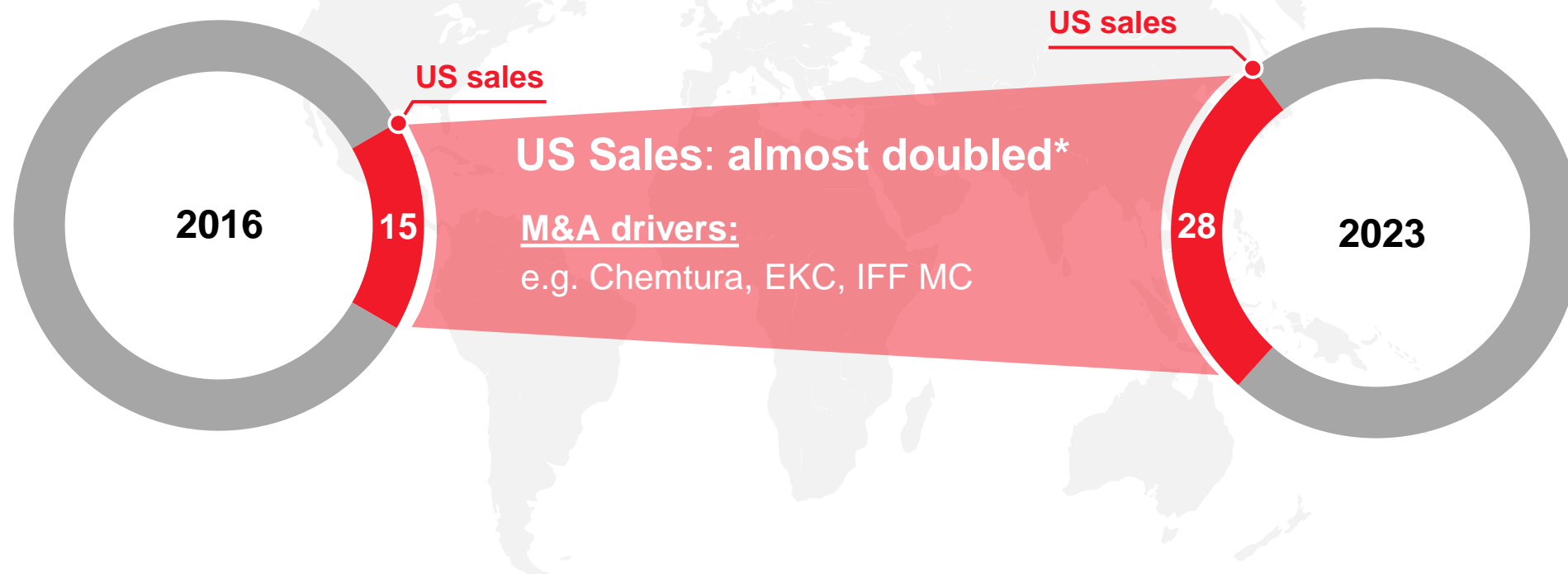
Sustainability & innovation



Successful portfolio transformation with extended U.S. footprint

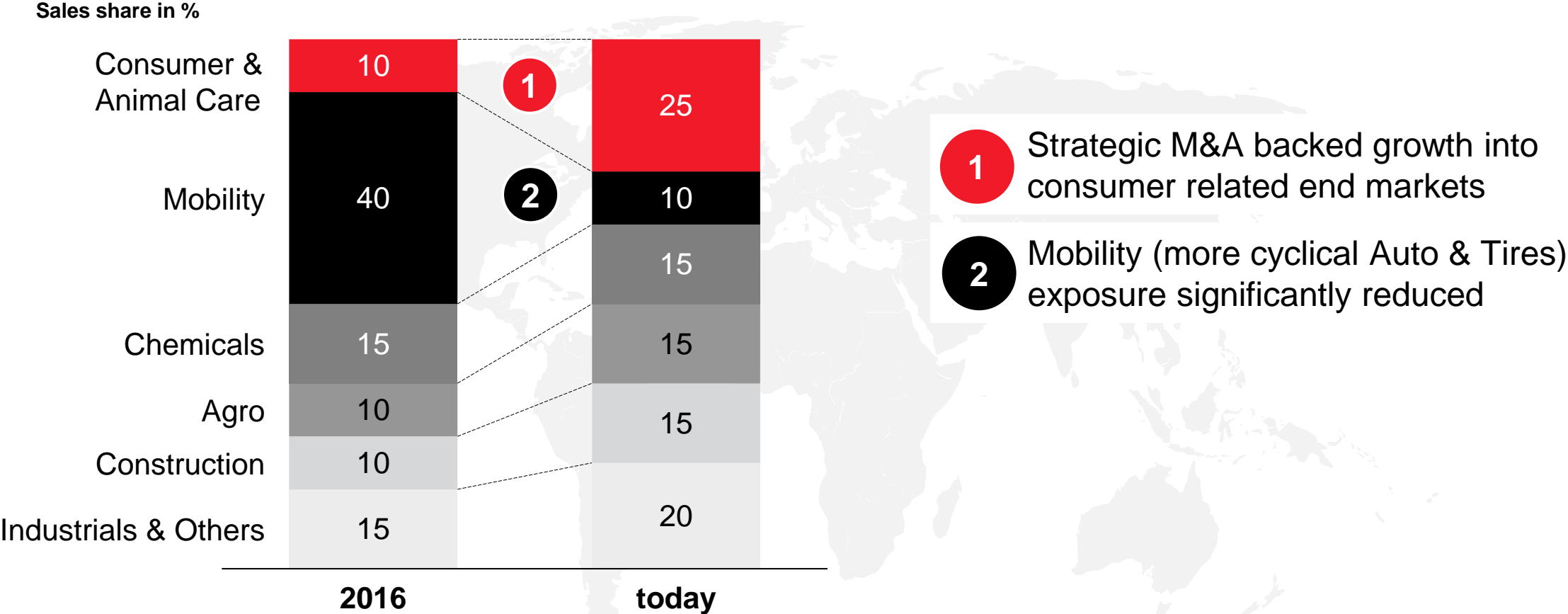
Regionally balanced portfolio with strategic focus on U.S. growth market

Regional sales in %



Balanced portfolio with strategic focus on consumer related markets

Overall balanced portfolio structure with strong mid-term upcycle potential



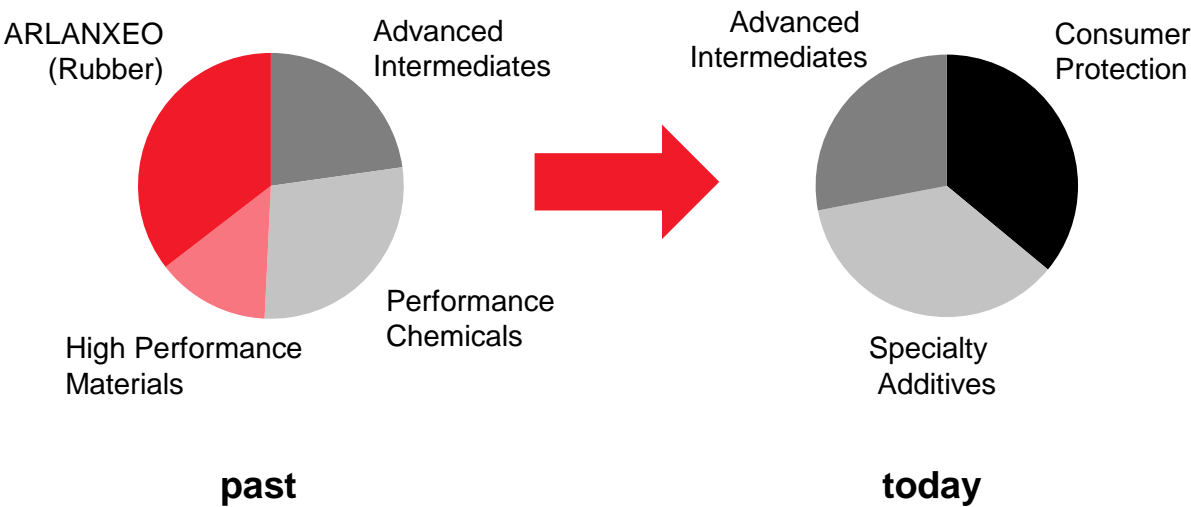
Transformation into a focused and streamlined specialty chemicals player



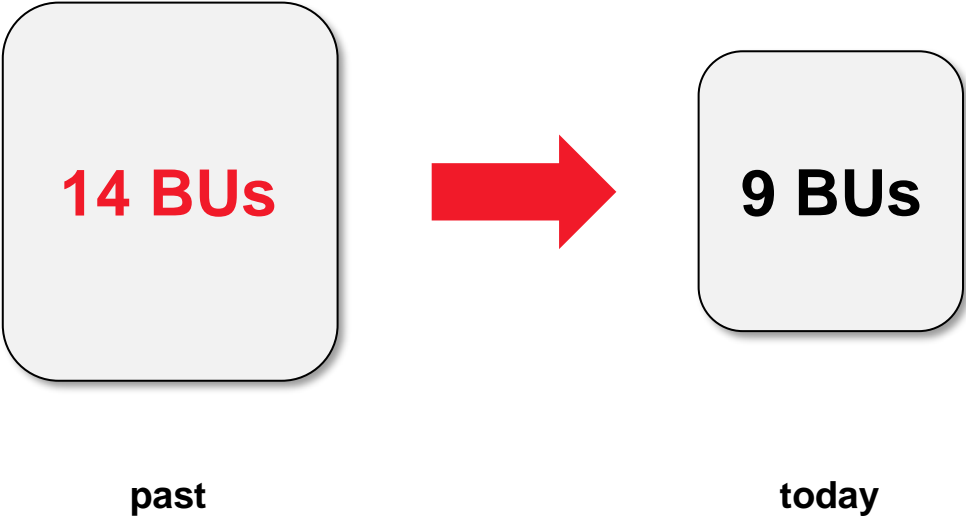
Strategic focus on specialty chemicals

Significantly reduced complexity

Development of segment structure

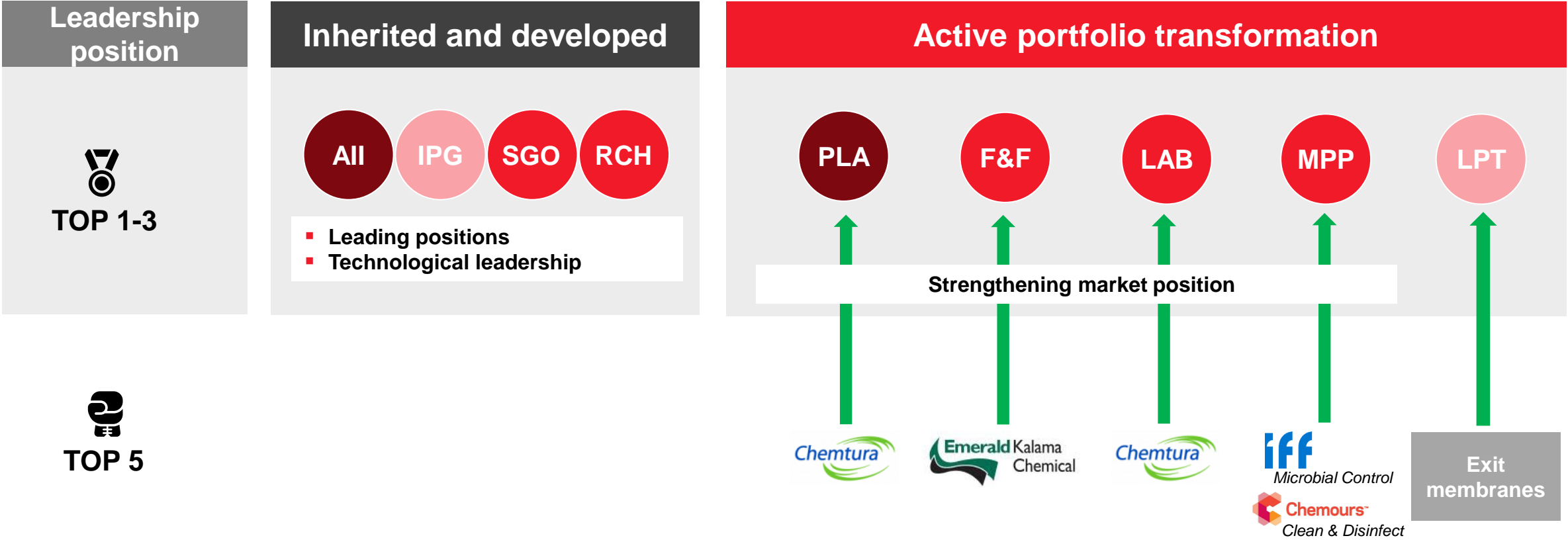


Development of Business Units



CO₂ & energy intensive businesses and mass markets exited

Leading positions with best prerequisites for recovery



 **Leading positions in all of our businesses to achieve full potential**

Bubble color indicates size of business: ● <€500 m sales ● €500 – 1,000 m sales ● >€1,000 m sales

Regional & end-market split

Streamlined portfolio - leadership positions

LANXESS capabilities

Focus on cash profile

Sustainability & innovation




Building on our existing strengths – transforming into a true specialty chemicals player

Our strengths ...

- Know-how to run assets efficiently
- Leading in niche chemical products
- M&A-driven portfolio transformation
- Clear sustainability & safety focus

... capabilities we want to further develop

- 
- ➔ **1** Customer- and market-led, commercially driven company leveraging our leadership positions
 - ➔ **2** Differentiated products, services and innovative business models
 - ➔ **3** Organic, innovation-driven growth
 - ➔ **4** Clear leadership based on a holistic, best-in-class sustainability and safety management

Embedded in our performance culture and an entrepreneurial mindset

Solid foundation to unlock future value levers

1

Commercially driven company



- Anticipation of customer value chains
- Accompany customers into new markets/applications
- Targeted incentivization

2

Differentiated business models



- Capitalize on regional technical service centers
- Solution-oriented and customer-centric approach

3

Organic, innovation driven growth



- AI backed product innovation
- Ample capacity headroom without additional investments

4

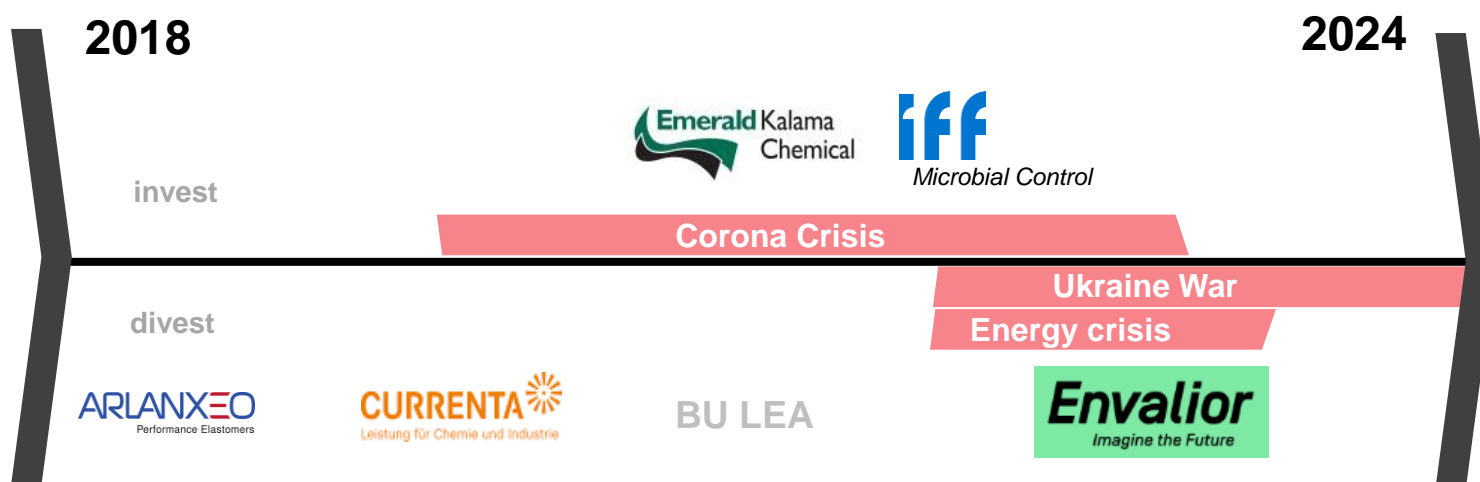
Leadership in safety & sustainability



- World class safety standards
- Best in class sustainability set-up ensures license to operate for the future

Right set-up to grow

Active portfolio improvement for value creation



- ▶ Divestment of CO₂ & energy intensive mass market businesses
- ▶ Building strong specialty chemicals businesses
- ▶ Strong increase of US footprint, asset base in Europe reduced

Transformation accomplished at the right point in time!



Strong muscles for self-help

Financial performance drivers:

- Focus on LXS' capabilities
- Leveraging our leadership positions
- **It is all in our own hands to improve our financial performance**



Regional & end-market split

Streamlined portfolio - leadership positions

LANXESS capabilities

Focus on cash profile

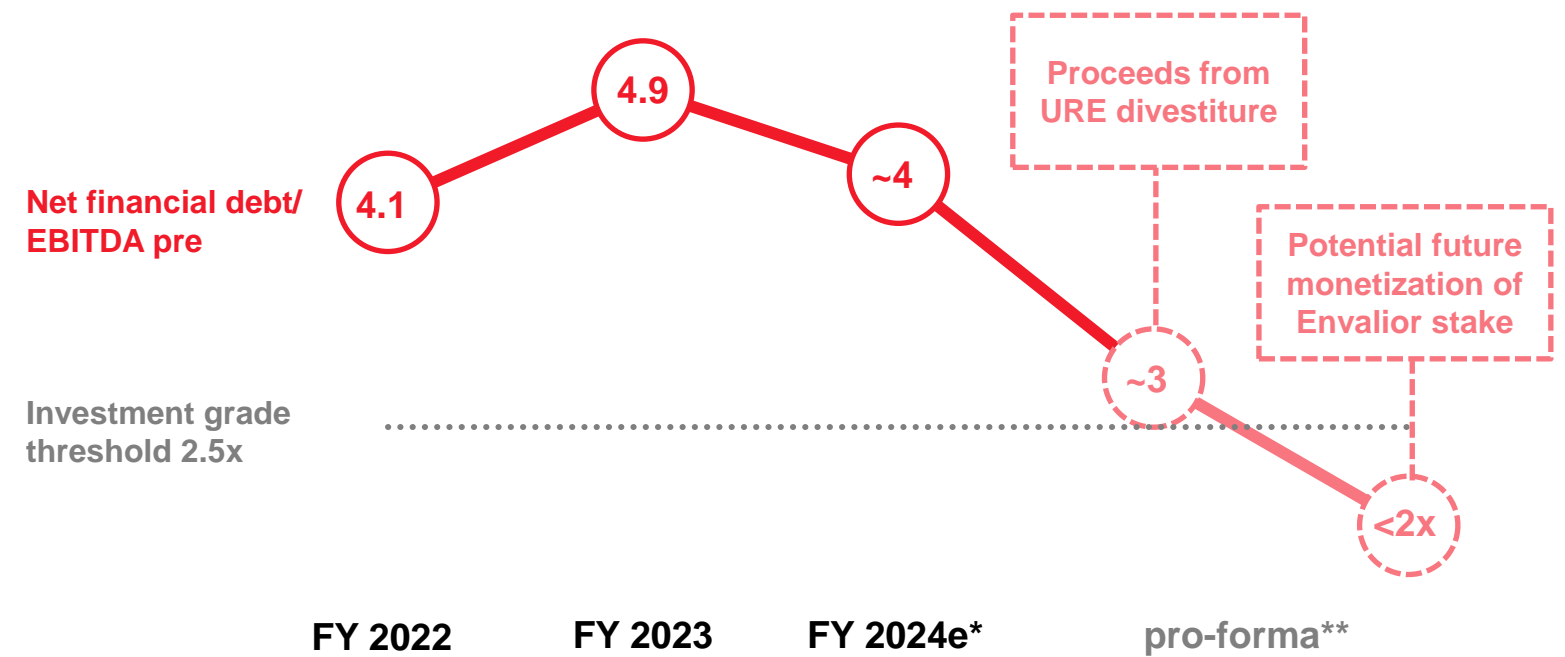
Sustainability & innovation



Substantial leverage improvement projected



Path to leverage reduction



Additional cash flow levers

- EBITDA improvement based on demand recovery and FORWARD! savings
- WC/Sales optimization towards 20%
- Benefit from limited capex needs and ample capacity headroom
- Exceptional cash-outs fade out to ~€30 m
- Stable financing costs
- Mid-term tax rate of ~26%

Commitment to strive for solid investment grade ratios

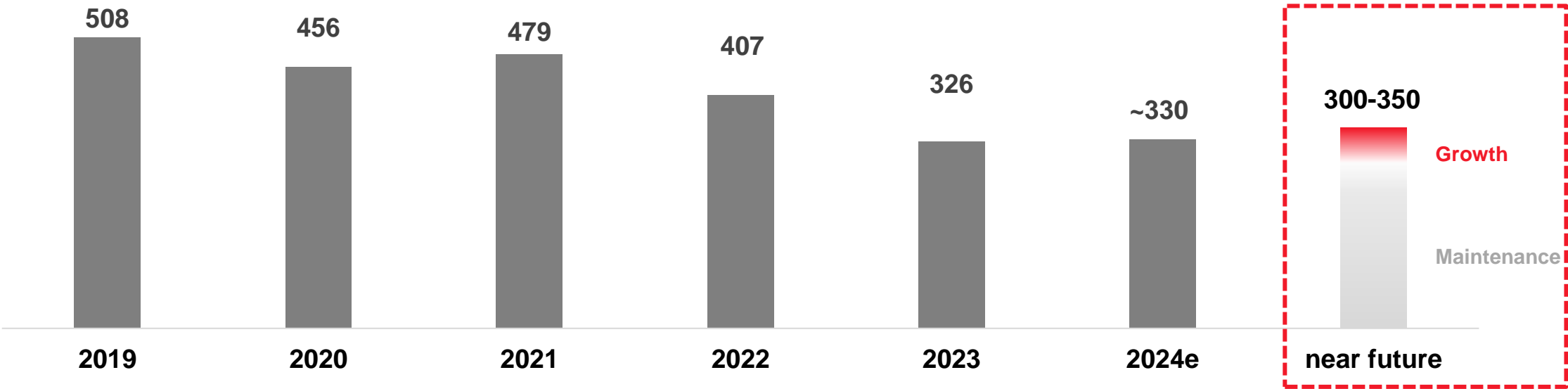
* based on consensus 2024
13 ** based on consensus 2025 excl. Urethane Systems, additionally reflecting LANXESS' possibility to monetize on its Envalior stake in the future

Our structurally improved business platform requires less capex



Capex needs have significantly been reduced since 2019

Capex cash-outs in € m



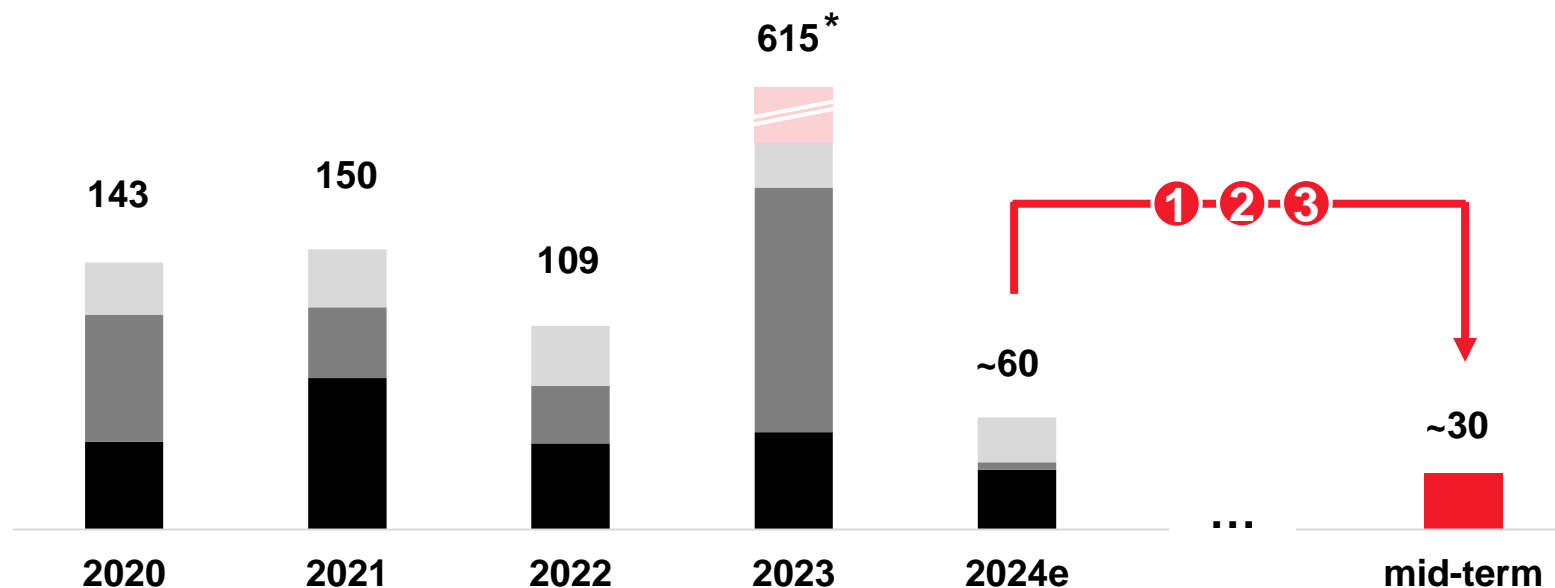
Sustainable lower capex level, additional short- to mid-term benefit from ample capacity headroom

After successful transformation, exceptionals are to decrease further in the upcoming years

Exceptionals development since 2020

Exceptionals in € m

IT Restructuring Portfolio Impairment



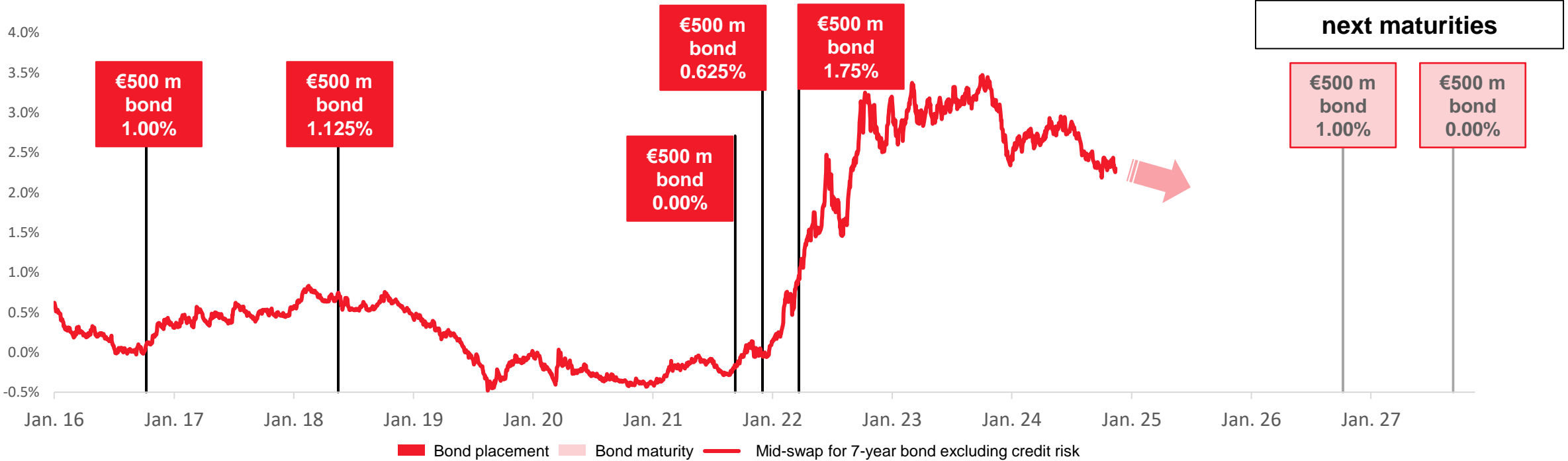
- 1 Portfolio:**
Transformation now completed
- 2 Restructuring:**
To be finished by end of 2025
- 3 IT:** ERP system implementation to be finalized by end of 2025

We expect a remainder of ~€30 m exceptionals mid-term

* incl. €409 m impairments

LANXESS without maturities during the current peak interest rates

NO refinancing requirements in current high interest period



Stable financing costs – attractive average interest rate of ~1.0%

Regional & end-market split

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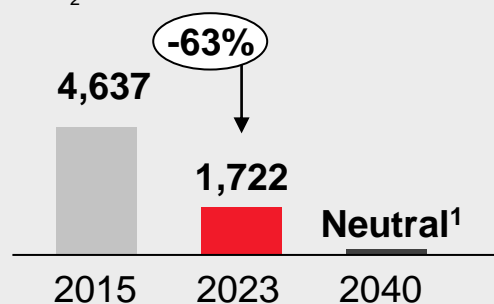


Our successful path to sustainability is supported by innovation to enable organic growth

Ambitious climate strategy

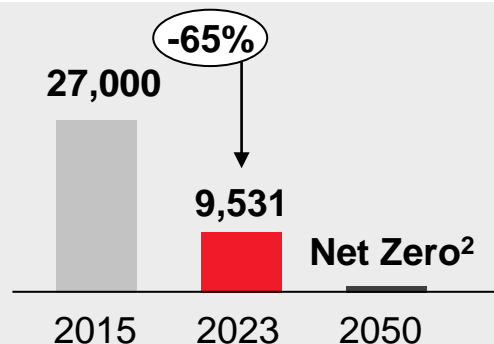
in 1,000 metric tons of CO₂e emissions

**Scope
1 & 2**



**Scope 1, 2
and 3
emissions
reduced by
2/3 in the past
9 years**

**Scope
3**



Catalyzing innovation to fuel future growth

Boost innovation output:

- Improve, accelerate and standardize innovation processes
- Facilitate internal & external collaboration with partners
- Empower and develop innovative mindset
- Establish clear innovation ambition and targets

We are well advanced on our path to a sustainable transformation

¹ Climate neutral: Less than 220k tons of CO₂ per year. These will be reduced through compensation measures.

² "Net zero" will be achieved by a combination of positive and negative emissions during the life-cycle. Final 10% of emissions (equal to ~1,475 kt CO₂ in relation to 2021 baseline) will be reduced by compensation measures.

Our dedication to sustainability remains unchanged and has proven successful



Rating recently confirmed

BBB → A → AA → AA → AA → AA

2nd highest category for 4th time
Convincing governance set-up and climate strategy

Rating recently updated

C → B- → B- → B

Prime status since 2020; B rating since 2024
Top 10%

In total, 7 times on Climate A list (among top 2%), 5th time in a row
2nd time A- rating for water disclosure

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

Rating recently updated

LANXESS is well prepared!

Balanced regional and end-market split

Portfolio transformed & leadership positions built

Develop capabilities of a specialty chemicals company

!

Focus on cash profile of a specialty chemicals company

!

Drive sustainability & innovation opportunities



Q & A



LANXESS

A solid red horizontal bar is positioned below the 'LAN' portion of the 'LANXESS' logo.

Energizing Chemistry

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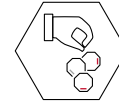
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Abbreviations



Consumer Protection (CP)

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



Specialty Additives (SA)

PLA	Polymer Additives
LAB	Lubricant Additives Business
RCH	Rhein Chemie



Advanced Intermediates (AI)

AI	Advanced Industrial Intermediates
IPG	Inorganic Pigments