

LANXESS with good third quarter of 2022

- **Sales up 38.2 percent year-on-year at EUR 2.185 billion**
- **Sales growth in all segments – Consumer Protection particularly strong**
- **EBITDA pre exceptionals increase 4.8 percent to EUR 240 million**
- **Increased raw material and energy prices successfully passed on**
- **Guidance for fiscal year 2022 specified: EBITDA pre exceptionals expected to be between EUR 900 million and EUR 950 million**

Cologne, November 9, 2022 – In a challenging environment with a continued rise in energy and raw material costs, the specialty chemicals company LANXESS delivered good results for the third quarter of 2022: Sales increased by a significant 38.2 percent from EUR 1.581 billion in the prior-year quarter to EUR 2.185 billion. EBITDA pre exceptionals reached EUR 240 million, growing by 4.8 percent compared to the previous year's figure of EUR 229 million.

In addition to the Additives businesses the development in the Consumer Protection segment, which the Group has strategically built up in recent years, was particularly positive. The Microbial Control business acquired from the U.S. corporation International Flavors & Fragrances (IFF) as of July 1, 2022, has already made a significant contribution to the segment's good earnings as well as the businesses of Emerald Kalama Chemical acquired in 2021. LANXESS passed on the further increase in energy and raw material costs via higher selling prices. Exchange rates also had a positive effect on earnings in all segments, while demand weakened in some customer industries such as construction. The EBITDA margin pre exceptionals decreased to 11.0 percent in the third quarter, against 14.5 percent in the prior-year quarter.

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“The good figures show that our strategy is taking us in the right direction. In turbulent times, we are much more stable than before thanks to our focus on less cyclical specialty chemicals. Midway through the year, we strengthened our Consumer Protection segment again by acquiring the Microbial Control business from IFF, and this has already paid off in the past quarter,” said Matthias Zachert, Chairman of the Board of Management of LANXESS AG. “However, we have already seen waning demand in some areas and an overall decline in the volume sold. In the fourth quarter, the headwind will blow even stronger due to further rises in energy prices and the threat of recession.”

LANXESS has specified its guidance for the full fiscal year 2022. The Group expects net income of between EUR 900 million and EUR 950 million, which would thus be well above the adjusted prior-year level of EUR 815 million. Previously, the Group anticipated EBITDA pre exceptionals of between EUR 900 million and EUR 1 billion.

Net income from continuing operations amounted to EUR 84 million in the third quarter, compared with EUR 40 million in the prior-year period.

Segments: Sales driven by rising selling prices

Thanks to the passing on of increased raw material prices, the **Advanced Intermediates** segment achieved higher selling prices and thus higher sales in the third quarter of 2022. The latter rose by 30.5 percent from EUR 492 million to EUR 642 million. Shifts in exchange rates also had a positive effect on sales. The segment’s EBITDA pre exceptionals reached EUR 65 million, 18.8 percent down on the previous year’s figure of EUR 80 million. The Group fully passed on the significantly increased raw material prices to the customers. The massively increased energy prices, especially in Germany, could not be passed on in full. Moreover, lower sales volumes due to weakening demand and higher freight costs had a negative impact on earnings. The EBITDA margin pre exceptionals

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declined to 10.1 percent, against 16.3 percent in the prior-year quarter.

The **Specialty Additives** segment benefited from higher selling prices, since LANXESS was able to pass on increased raw material and energy costs in full. Shifts in exchange rates also had a positive effect, while the volume sold was slightly below the good previous year's level. Sales in the third quarter of 2022 grew by 30.9 percent from EUR 605 million to EUR 792 million. EBITDA pre exceptionals grew by 18.6 percent from EUR 102 million in the previous year to EUR 121 million. The EBITDA margin pre exceptionals reached 15.3 percent, against 16.9 percent a year ago.

The **Consumer Protection** segment's sales and earnings developed particularly positively in the third quarter of 2022. The newly acquired businesses of IFF Microbial Control as well as Emerald Kalama Chemical made a significant contribution here. Sales grew by 60.7 percent to EUR 662 million, against EUR 412 million in the previous year. The segment's EBITDA pre exceptionals amounted to EUR 110 million, up 66.7 percent on the previous year's figure of EUR 66 million. The EBITDA margin pre exceptionals reached 16.6 percent, against 16.0 percent in the previous year.

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€ million	Q3 2021	Q3 2022	Change %	9M 2021	9M 2022	Change %
Sales	1,581	2,185	38.2	4,422	6,115	38.3
EBITDA pre exceptionals	229	240	4.8	643	755	17.4
EBITDA margin pre exceptionals	14.5%	11.0%		14.5%	12.3%	
Net income	74	80	8.1	238	271	13.9
from continuing operations	40	84	> 100	123	198	61.1
from discontinued operations	34	-4	< -100	115	73	-36.5

LANXESS is a leading specialty chemicals company with sales of EUR 6.1 billion in 2021. The company currently has about 13,200 employees in 33 countries. The core business of LANXESS is the development, manufacturing and marketing of chemical intermediates, additives and consumer protection products. 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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