

LANXESS expects earnings growth of 10 to 20 percent for the full year 2024

- **Sales of EUR 1.6 billion in the first quarter of 2024 were 15.4 percent below the same quarter of the previous year**
- **EBITDA pre exceptionals at EUR 101 million in the first quarter after EUR 189 million in the previous year**
- **Slight upward trend in sales and earnings compared to the fourth quarter of 2023**
- **Guidance for full year 2024: EBITDA pre exceptionals expected to grow by 10 to 20 percent year-on-year (2023: EUR 512 million)**

Cologne, May 8, 2024 – Specialty chemicals company LANXESS expects earnings for the current fiscal year to increase between 10 and 20 percent – even though the results for the first quarter were still impacted by the weak global economic environment in the chemical industry.

In the first quarter, sales fell by 15.4 percent and reached EUR 1.607 billion compared to the comparatively strong same quarter of the previous year with EUR 1.899 billion. EBITDA pre exceptionals was at EUR 101 million and therefore 46.6 percent below the previous year's figure of EUR 189 million. The main reasons for the decline in earnings were lower sales prices and continued weak demand in numerous customer industries.

However, compared to the fourth quarter of 2023, there are signs of a slight upward trend – mainly due to an increase in volumes sold. Compared to the previous quarter, sales rose by 11.9 percent from EUR 1.436 billion to EUR 1.607 billion, while EBITDA pre exceptionals increased by 4.1 percent to EUR 101 million compared to EUR 97 million in the fourth quarter of 2023. The Advanced Intermediates (+54%) and Specialty Additives (+17%) segments recorded particularly strong growth in EBITDA pre exceptionals.

“It seems that we have touched the economic bottom in the chemical industry. At the same time, our FORWARD! action plan is having a positive impact with initial structural savings,” said Matthias Zachert,

LANXESS AG
Investor Relations
50569 Cologne
Germany

Phone: +49 221 8885 9834
Fax: +49 221 8885 4944

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CEO of LANXESS AG. “We expect the positive trend to continue in the second quarter and that we will achieve better results for the year as a whole than in 2023. However, it is clearly too early to sound the all-clear. Global demand has not yet returned to normal levels and therefore 2024 will certainly remain a tense year for the chemical industry.”

LANXESS AG
Investor Relations
50569 Cologne
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Despite an economic environment that continues to be characterized by many uncertainties, LANXESS anticipates a slight upturn in demand over the remainder of the year. The Group also expects higher capacity utilization and an improved cost base as a result of the structural measures in its FORWARD! action plan. For the full year 2024, the Group is therefore expecting an increase in EBITDA pre exceptionals of 10 to 20 percent compared to the previous year's figure of EUR 512 million. LANXESS expects a sequential increase in EBITDA pre exceptionals for the second and third quarter of 2024 and a more subdued development in the fourth quarter due to the normal seasonal pattern.

Business development in the segments

The **Consumer Protection** segment generated sales of EUR 509 million in the first quarter of 2024, which corresponds to a decrease of 21.3 percent compared to the figure of EUR 647 million in the same quarter of the previous year. EBITDA pre exceptionals reached EUR 49 million and fell by 47.9 percent from EUR 94 million in the same period of the previous year. This was mainly due to lower volumes resulting from intensive destocking by customers in the agrochemicals sector and lower capacity utilization. The EBITDA margin pre exceptionals was 9.6 percent, against 14.5 percent in the previous year.

In the first quarter of 2024, the **Specialty Additives** segment recorded sales of EUR 566 million, which was 14.8 percent below the first quarter of 2023 with sales of EUR 664 million. EBITDA pre exceptionals fell by 51.0 percent to EUR 48 million from EUR 98

million in the same quarter of the previous year. Lower sales prices and lower volumes due to weaker demand had a negative impact on earnings and the margin. The EBITDA margin pre exceptionals amounted to 8.5 percent, compared to 14.8 percent in the previous year.

The **Advanced Intermediates** segment generated sales of EUR 465 million in the first quarter of 2024. Compared to the figure of EUR 516 million in the same quarter of the previous year, sales fell by 9.9 percent. EBITDA pre exceptionals amounted to EUR 37 million, which was 15.9 percent down from EUR 44 million in the previous year. Lower purchase prices for raw materials and energy led to lower sales prices. However, the segment's volumes have developed positively. The EBITDA margin pre exceptionals was 8.0 percent and therefore only slightly below the previous year's margin of 8.5 percent.

LANXESS AG
 Investor Relations
 50569 Cologne
 Germany

Phone: +49 221 8885 9834
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EUR million	Q1 2023	Q1 2024	Change %
Sales	1,899	1,607	-15.4
EBITDA pre exceptionals	189	101	-46.6
EBITDA margin pre exceptionals	10.0%	6.3%	
Net income	-44	-98	<-100
from continuing operations	10	-98	<-100
from discontinued operations	-54		100
Net financial liabilities	2,498	2,609	4.4
Employees (as of March 31)	12,849*	12,621	-1.8

*As of the balance sheet date December 31, 2023.

LANXESS is a leading specialty chemicals company with sales of EUR 6.7 billion in 2023. The company currently has about 12,600 employees in 32 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 of the Dow Jones Sustainability Index (DJSI World and Europe).

Forward-Looking Statements

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LANXESS AG

Investor Relations
50569 Cologne
Germany

Phone: +49 221 8885 9834

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