



LANXESS
Energizing Chemistry

LANXESS – Q1 2024 results

Trend turns positive – measures take grip and the industry softly improves

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Agenda

1 Review Q1 2024 and outlook

2 Financial and business details Q1 2024

3 Appendix

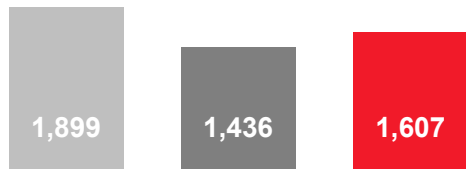


Q1 performance sequentially improved but still below Q1 2023 – bottom reached

Demand improving

Sales

€ m



Q1 2023 Q4 2023 Q1 2024

+12% seq

with effect on
working capital

EBITDA pre

€ m



Q1 2023 Q4 2023 Q1 2024

+4% seq

Implementation of cost savings

As planned



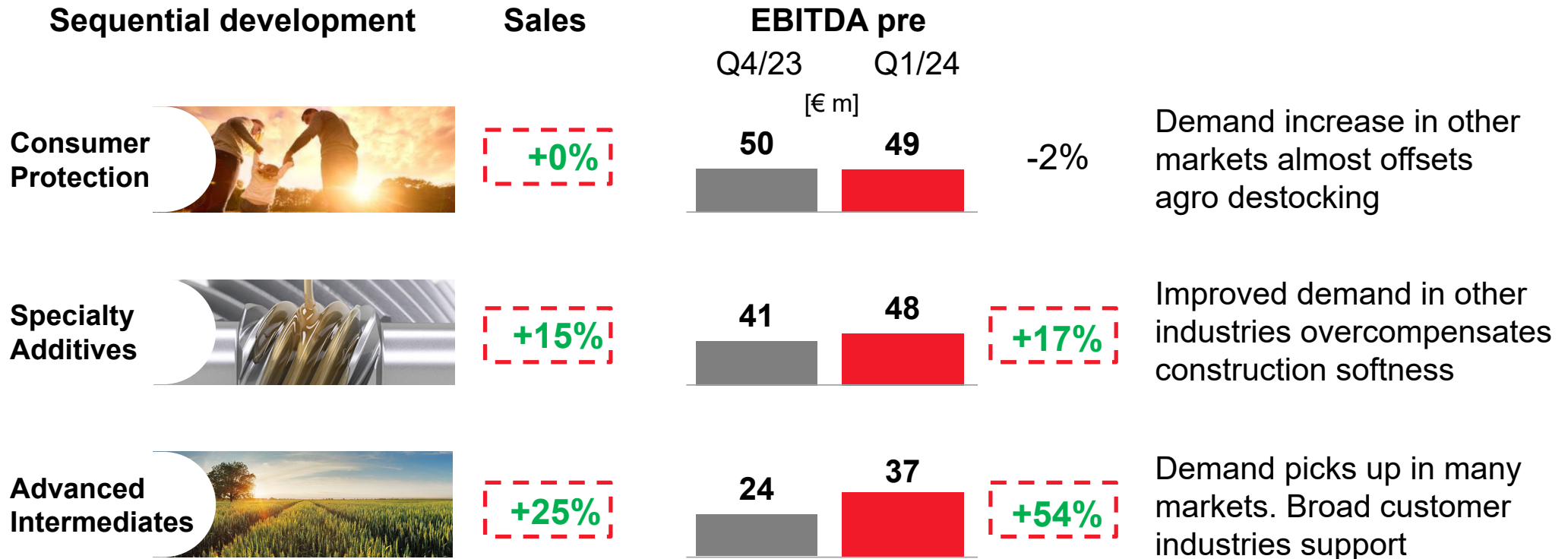
Urethanes divestment process

Well on track

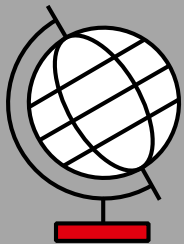


First signs of volume improvements visible, however agro destocking weighs on Consumer Protection

Sales increase 12% sequentially, driven by 13% higher volumes and only slight price declines

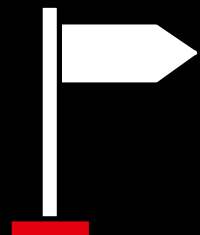


FY 2024 guidance: EBITDA pre expected to increase by 10-20%



Our view on economic environment

- Demand has stabilized and is starting to pick up
- Burden from agro customers' destocking continues



LANXESS outlook

- **FY guidance: EBITDA pre expected to grow by 10-20% (incl. BU URE)**
- EBITDA pre expected to sequentially increase in Q2 and Q3, with normal seasonality in Q4
- **Continued focus on cash generation**
 - Balanced working capital approach
 - Strong capex discipline

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LANXESS Group: Q1 EBITDA bottoming out, operational improvement visible

Volume increase in Advanced Intermediates

[€ m]	2023		2024	Δ YOY
	Q1	Q4	Q1	
Sales	1,899	1,436	1,607	-15%
EBITDA pre	189	97	101	-47%
Margin	10.0%	6.8%	6.3%	
Capex	59	132	39	-34%



Price **-9%** Volume **-5%** FX **-1%** Portfolio **0%**

Total **-15%**

Q1 Sales vs. PY

- Lower sales prices driven by pass through of input costs
- While volumes picked up sequentially, yoy comparison reflects still stronger Q1 of previous year
- EBITDA pre and margin declined on basis of lower prices and volumes; ramp up of structural savings does not yet outweigh reduction of temporary savings



Consumer Protection: EBITDA stable sequentially

Agro-destocking is sequentially offset by pick-up in other markets

[€ m]	2023		2024	Δ YoY
	Q1	Q4	Q1	
Sales	647	508	509	-21%
EBITDA pre	94	50	49	-48%
Margin	14.5%	9.8%	9.6%	
Capex	17	34	12	-29%

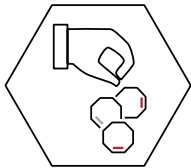


Price	Volume	FX	Portfolio
-5%	-16%	-1%	0%

Total -21%

Q1 Sales vs. PY

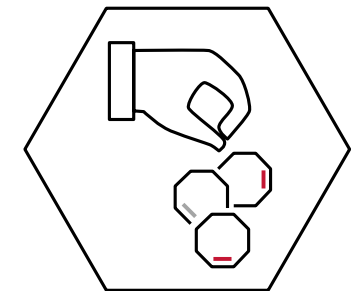
- YoY volume decline in all BUs, mainly in BU SGO due to intensified agro destocking and F&F still limited by steam supply outage
- Massive agro-destocking is sequentially offset by pick-up in other markets
- EBITDA pre and margin decline based on lower volumes, especially for agro end market



Specialty Additives: Moderate pick-up sequentially

Sequentially improving despite construction weakness

[€ m]	2023		2024	Δ YoY
	Q1	Q4	Q1	
Sales	664	492	566	-15%
EBITDA pre	98	41	48	-51%
Margin	14.8%	8.3%	8.5%	
Capex	23	45	14	-39%



Price **-10%** Volume **-4%** FX **-1%** Portfolio **0%**

Total **-15%**

Q1 Sales vs. PY

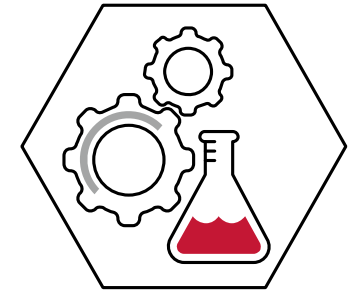
- Lower prices in all BUs, mainly due to pass through and market weakness
- Slightly lower volumes reflect continued weakness in construction
- Sequentially all BUs with increasing sales
- EBITDA pre and margin compared against still relatively strong previous year especially for flame retardants



Advanced Intermediates: Meaningful sequential volume improvement

Volumes increase also year-over-year

[€ m]	2023		2024	Δ YoY
	Q1	Q4	Q1	
Sales	516	372	465	-10%
EBITDA pre	44	24	37	-16%
Margin	8.5%	6.5%	8.0%	
Capex	16	29	11	-31%



Price **-14%** Volume **+5%** FX **0%** Portfolio **0%**

Total **-10%**

Q1 Sales vs. PY

- Sales decline due to price pass through clauses as input costs normalize
- Volumes have turned positive, additionally supported by customers' re-stocking for BU Inorganic Pigments
- EBITDA pre and margin remain unsatisfactory but start to improve

Q1 EBITDA pre below prior year due to agro destocking and weak construction business



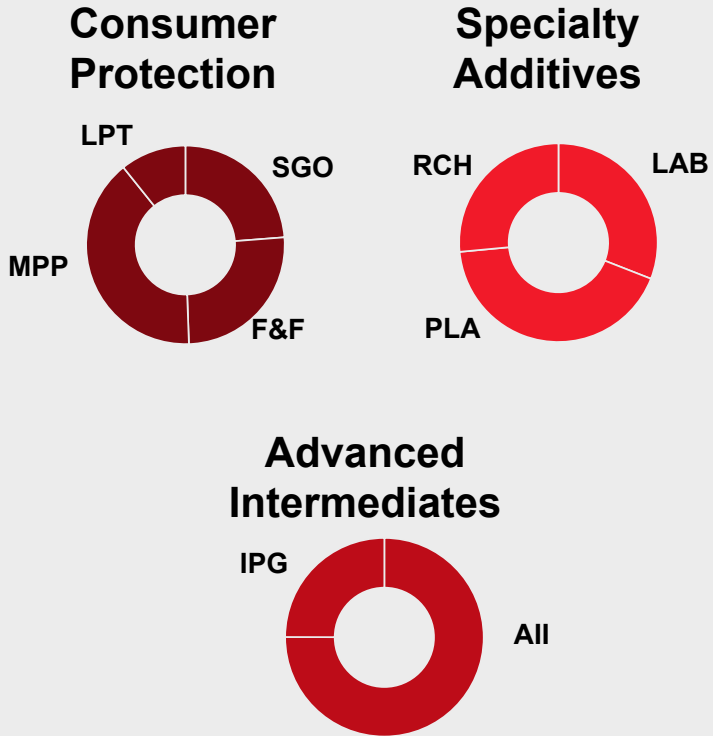
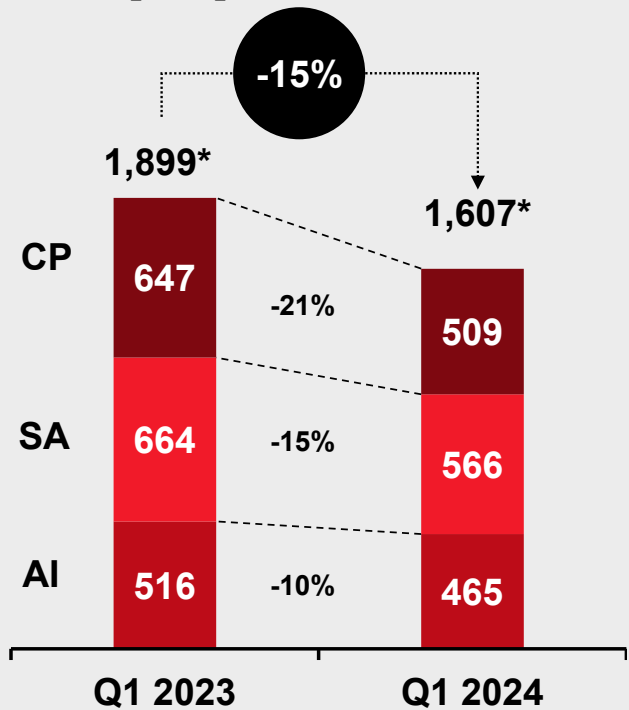
P&L [€ m]*	Q1/2023		Q1/2024		yoy
Sales	1,899	(100%)	1,607	(100%)	-15%
Cost of sales	-1,463	(-77%)	-1,327	(-83%)	9%
Selling	-276	(-15%)	-223	(-14%)	19%
G&A	-71	(-4%)	-68	(-4%)	4%
R&D	-27	(-1%)	-28	(-2%)	-4%
Financial result	-21		-62		>-100%
Net Income	-44		-98		>-100%
Adjust. EPS (cont.) [€]	0.63		-0.09		>-100%
EBITDA	171	(9%)	83	(5%)	-51%
thereof except.	18	(1%)	18	(1%)	0%
EBITDA pre except.	189	(10%)	101	(6.3%)	-47%

- Sales decline primarily due to pass through of lower raw material and energy prices
- Reduced selling expenses reflect lower volumes and logistic costs
- Improved G&A costs include FORWARD! savings
- Financial result contains effect from Envalor's at-equity contribution which has been included since 1st April 2023

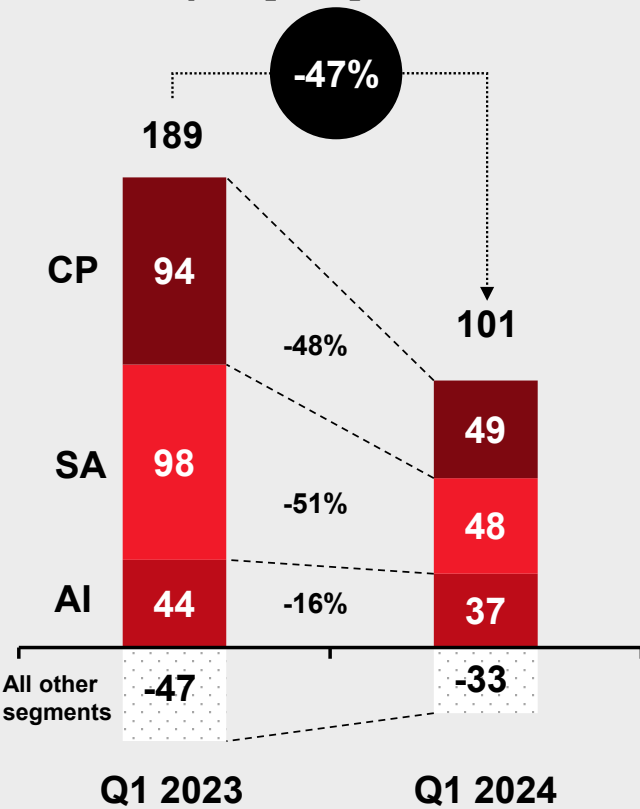
* All figures from continuing operations only – except net income

Q1 2024: Demand weakness and destocking burden all segments, CP hit by suppliers' force majeure

Sales [€ m]



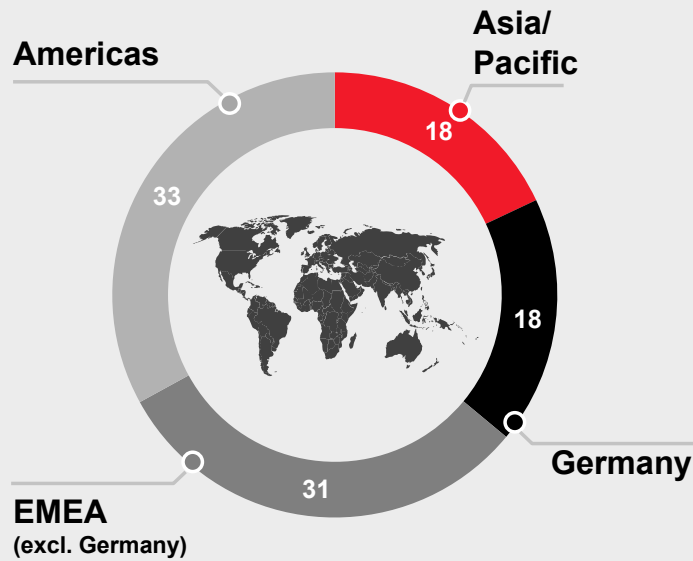
EBITDA pre [€ m]



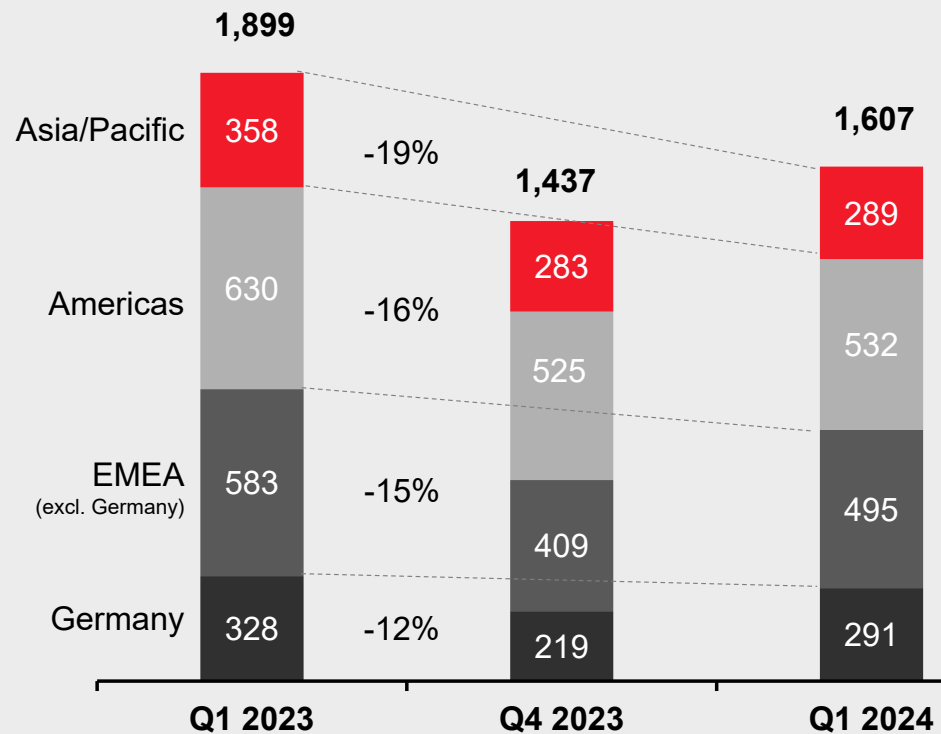
* Total group sales including all other segments

Q1 2024: All regions impacted by sales decline

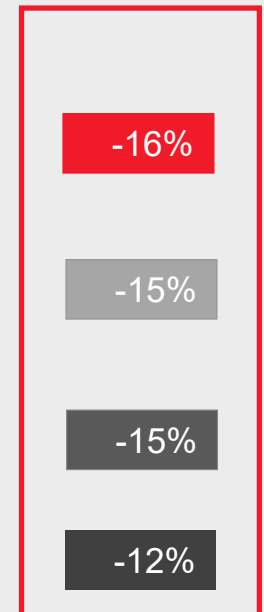
Q1 2024 sales by region [%]



Regional development of sales [€ m]



YOY Operational development*



* Currency adjusted

Free cash flow held back by operating result and volume driven increase in receivables

Cash flow [€ m]*	Q1/2023	Q1/2024	Δ
Profit before tax	13	-119	-132
Depreciation & amortization	137	140	3
Result from investments accounted for using the equity method	-1	46	47
Financial Result	24	11	-13
Income taxes	-10	-1	9
Changes in other assets & liab.	0	41	41
Changes in working capital	8	-166	-174
Operating cash flow	171	-48	-219
Capex	-59	-39	20
Free cash flow	112	-87	-199

- Profit before tax decreased due to weaker operational performance and non-cash effect from Envalior's at-equity contribution
- Changes in other assets and liabilities amongst others driven by built-up of personnel provisions
- Increase in working capital mainly results from typical seasonal increase in receivables driven by higher sales at the end of the quarter
- Capex significantly reduced

* Applies to continuing operations; Free cash flow = Operating cash flow minus Capex

Continued solid equity ratio

Balance sheet [€ m]	31.12.2023	31.03.2024
Total assets	9,688	9,711
Equity	4,530	4,561
Equity ratio	47%	47%
Net financial debt¹	2,498	2,609
Pension provisions	498	462
Net working capital	1,389	1,568
DSI (in days) ²	85	76
DSO (in days) ³	38	46
Net working capital / sales ⁴	21	24

- Stable total assets and equity
- Slight increase in net financial debt reflects operating result and working capital increase
- Working capital to sales ratio impacted by typical seasonal higher sales and respective receivables at the end of the quarter
- Decline in pension provisions in line with slight increase in interest rate

¹ Deducting cash, cash equivalents, near cash assets

² Days sales of inventory calculated from quarterly sales

³ Days of sales outstanding calculated from quarterly sales

⁴ Last twelve months sales

Q1 exceptional items (EBIT) on PY level

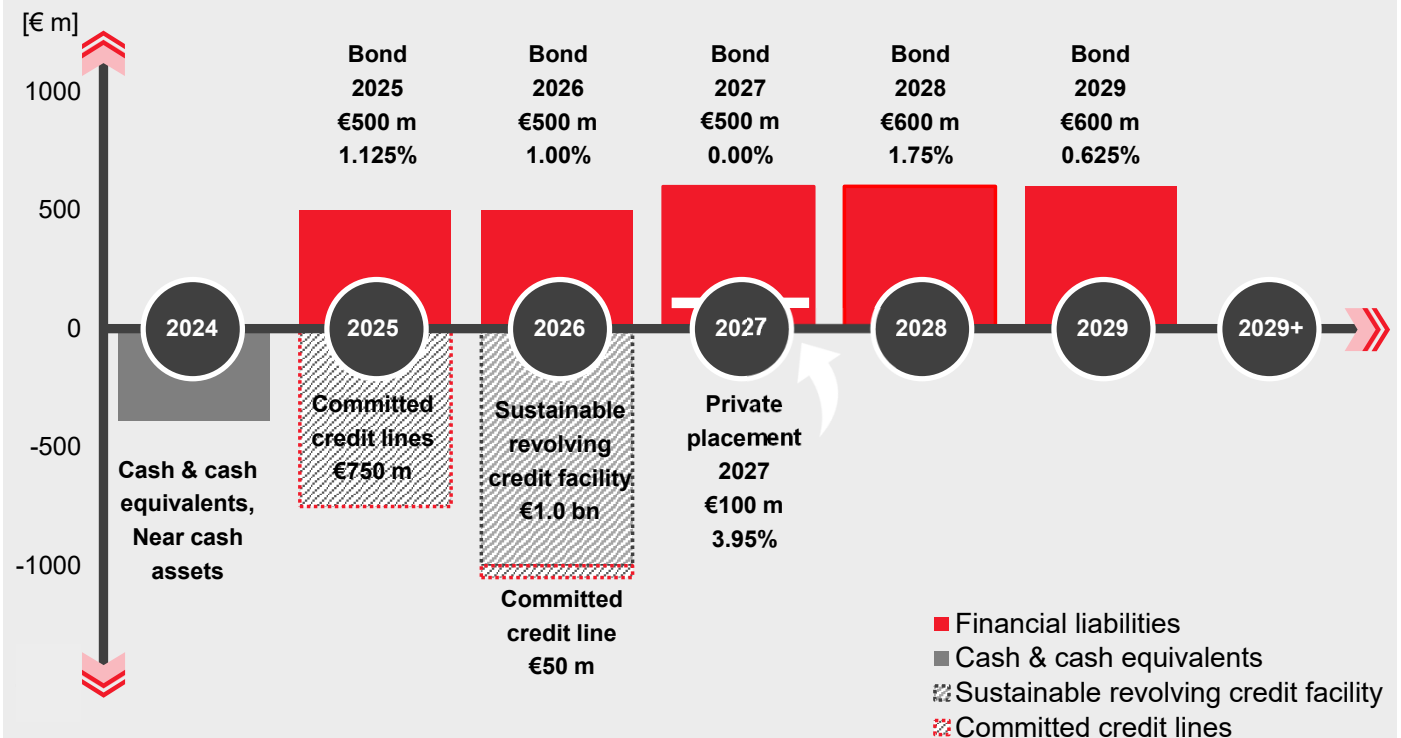
[€ m]	Q1 2023		Q1 2024	
	Excep.	thereof D&A	Excep.	thereof D&A
Strategic realignment and restructuring (incl. FORWARD!)	-1	0	-5	0
M&A, digitalization and others	-12	-1	-8	-1
Strategic IT projects	-6	0	-6	0
Total	-19	-1	-19	-1

LANXESS maturity profile without refinancing need in 2024 and pre-financed 2025 maturity

Long-term financing secured

- Diversified financing sources
- Average interest rate of financial liabilities ~1.0%*
- All group financing executed without financial covenants
- Next maturity in 2025

Liquidity and maturity profile as per March 2024



* 1.1% incl. financial leases

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Housekeeping items 2024*

Capex	~€350 m
Operational D&A	~€550 m (thereof ~€150 m of intangible amortization effects)
All other segments	~€130 m EBITDA pre
Underlying tax rate	~26%- 27%
Exceptionals	~€60 m
FX sensitivity	One cent change of USD/EUR resulting in ~€3 m EBITDA pre impact after hedging

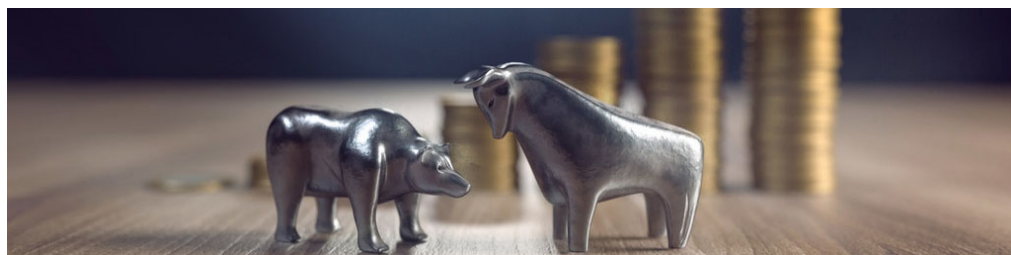
* Including BU Urethane Systems

Management is significantly invested and in the shoes of investors

Overview of managers' purchases since Q3 2023 reporting (November 8, 2023)

Name	Function	Date	Ø Price	Total quantity	Total volume
Matthias Zachert	CEO	March 14 & 15, 2024 (two purchases)	24.36 €	16,505 shares	402,070.84 €
Matthias Zachert	CEO	December 5, 2023	23.06 €	8,780 shares	202,425.25 €
Matthias Zachert	CEO	December 4, 2023	23.10 €	8,700 shares	201,000.03 €
Frederique van Baarle	Board member	December 8, 2023	25.88 €	3,025 shares	78,274.40 €
Hubert Fink	Board member	March 14 & 15, 2024 (two purchases)	24.49 €	9,056 shares	221,803.62 €
Oliver Stratmann	CFO	December 8, 2023	26.06 €	2,100 shares	54,720.00 €
Oliver Stratmann	CFO	November 8, 2023	23.66 €	2,000 shares	47,314.20 €

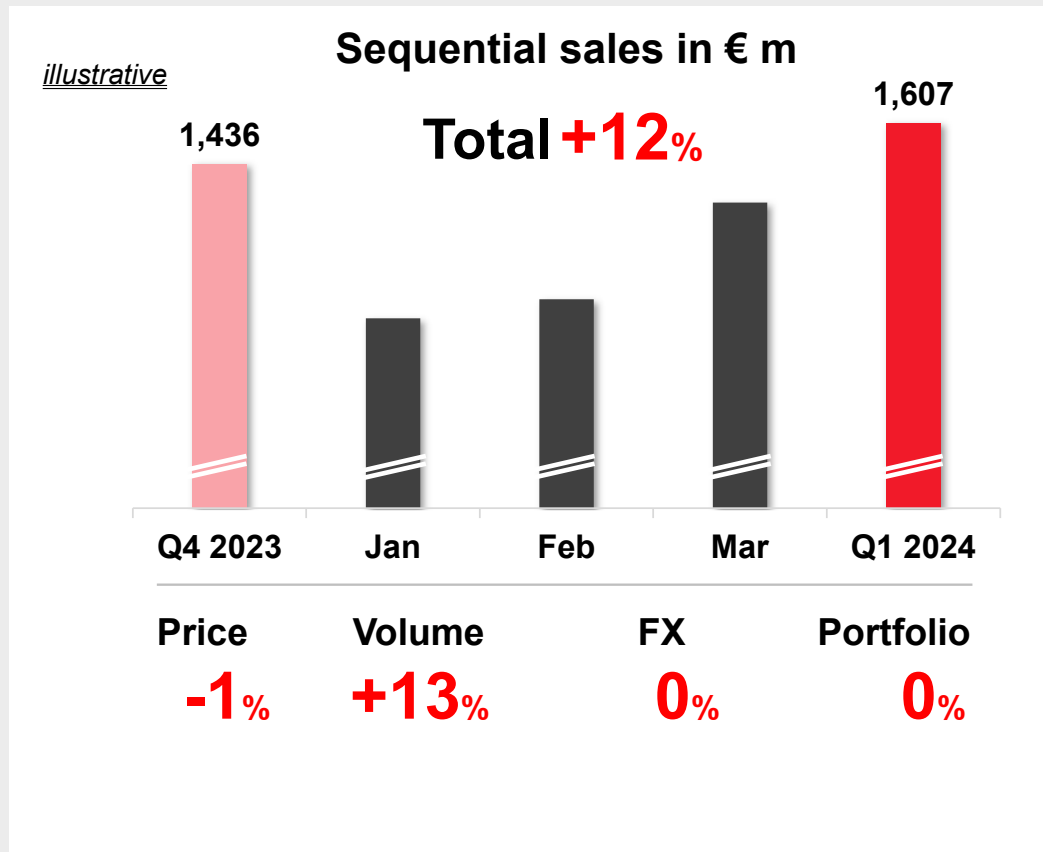
Total holdings by active members of the Board of Management exceeds required value



Name	Function	Total number of shares
Matthias Zachert	CEO	102,635
Dr. Hubert Fink	Board member	39,856
Frederique van Baarle	Board member	7,986
Oliver Stratmann	CFO	10,567

Share ownership guideline: Over a period of four years, the members of the Board of Management are obliged to invest a defined proportion of their compensation in shares in LANXESS AG and verifiably hold the shares until the end of their service contract. The target is 150% for the CEO and 100% for all other board members.

First signs of volume improvements visible, however uncertainty remains high



Q1 in a nutshell:

- Broad volume pick-up sequentially, prices rather stable leading to nice sales increase; resulting in higher receivables at end of quarter
- Agro customers' de-stocking burdens
- Fading temp-savings offset ramp-up of structural FORWARD! Savings



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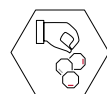


Abbreviations



Consumer Protection

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



Specialty Additives

PLA	Polymer Additives
LAB	Lubricant Additives Business
RCH	Rhein Chemie



Advanced Intermediates

AII	Advanced Industrial Intermediates
IPG	Inorganic Pigments

Upcoming events 2024 - Proactive capital market communication

May

June

Aug

08 Q1 2024 Results

- 15 Citi's European Chemicals Conference (virtual)
- 16 UBS Pan European Conference London

24 Annual Stockholders' Meeting

- 29 SocGen Flagship Conference Nice

11 Berenberg CSO Conference (virtual)

- 25 Morgan Stanley Cannon Ball Run
Field Trip Cologne

09 Q2 2024 Results