

# Q2 2024 Results

## LANXESS Group



Investor Relations  
Kennedyplatz 1  
50569 Cologne  
Germany

**André Simon**  
Head of Investor Relations  
P: +49 221-8885-3494  
F: +49 221-8885-4944

**Operational improvement with substantial EBITDA increase – significantly lower cost base drives results**

	Q2 2023	Q2 2024	Δ vs. PY	Comments on Q2
<b>Sales</b>	€1,778 m	<b>€1,678 m</b>	-6%	↓ Reduced prices reflect mainly pass through of lower raw material, energy and freight costs; increased sales volumes in most BUs are offset by ongoing very weak agro chemicals demand
<b>EBITDA pre</b>	€107 m	<b>€181 m</b>	+69%	↑ EBITDA pre and margin increase due to improved utilization due to absence of own inventory destocking, supported by savings from FORWARD! program
<b>Margin</b>	6.0%	<b>10.8%</b>	+4.8 pp.	↑
<b>Adjusted EPS</b>	-€0.19	<b>€0.60</b>	>100%	↑ Adjusted EPS reflects improved EBIT
<b>Operating cash flow</b>	€67 m	<b>€145 m</b>	>100%	↑ Cashflow reflects sequential improvement in earnings and working capital
<b>Free cash flow</b>	€0 m	<b>€83 m</b>	>100%	↑
<b>Net financial debt*</b>	Mar 2024 €2,609 m	<b>Jun 2024 €2,547 m</b>	-2%	↓ Net financial debt sequentially reduced due to operating result and reduced working capital
<b>Capex</b>	€67 m	<b>€62 m</b>	-7%	↓ Capex remains on tightly managed level

**Sales - 6%**

Price  
- 6%

Volume  
+ 0%

FX  
+ 0%

Portfolio  
-

\* Deducting cash, cash equivalents, near cash assets, short-term money market investments

## Consumer Protection



Generally improving demand offsets agro weakness – nearly stable EBITDA pre

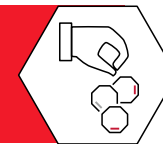
- Volume increase in all BUs, except for Saltigo due to expected agro weakness; BU F&F still impacted by steam supply outage
- Lower sales prices driven by pass-through of lower input costs
- EBITDA pre and margin development on previous year's level as cost savings and improved utilization mitigate impact from agro destocking

YoY

<b>Sales</b>	<b>-7%</b>		
Price	Volume	FX	Portfolio
<b>-2%</b>	<b>-5%</b>	<b>-0%</b>	<b>-</b>

	<b>Q2 2023</b>	<b>Q2 2024</b>
<b>EBITDA pre</b>	€82 m	<b>€80 m</b>
<b>margin</b>	13.6%	<b>14.3%</b>

## Specialty Additives



Significant performance improvement – emerging out of the trough

- Lower prices based on input costs development in all business units
- Stable volumes: slight demand improvement in other markets offsets construction industry weakness
- Significant EBITDA pre and margin improvement based on higher utilization due to the absence of own intended inventory reduction and contribution from savings program

YoY

<b>Sales</b>	<b>-8%</b>		
Price	Volume	FX	Portfolio
<b>-8%</b>	<b>-0%</b>	<b>+0%</b>	<b>-</b>

	<b>Q2 2023</b>	<b>Q2 2024</b>
<b>EBITDA pre</b>	€37 m	<b>€70 m</b>
<b>margin</b>	6.0%	<b>12.3%</b>

## Advanced Intermediates



Substantial earnings rebound - positive volume trend continues

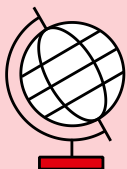
- Both BUs with increased sales volumes. Prices decline with raw material and energy costs
- EBITDA pre and margin with strong improvement based on higher utilization of plants and savings from restructuring program
- As expected: substantial earnings improvement after a very weak base 2023

YoY

<b>Sales</b>	<b>-1%</b>		
Price	Volume	FX	Portfolio
<b>-7%</b>	<b>+6%</b>	<b>+0%</b>	<b>-</b>

	<b>Q2 2023</b>	<b>Q2 2024</b>
<b>EBITDA pre</b>	€23 m	<b>€58 m</b>
<b>margin</b>	4.8%	<b>12.1%</b>

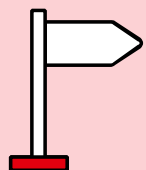
## FY 2024 guidance confirmed: EBITDA pre expected to increase by 10-20%



### Our view on economic environment

- Currently, no consistent and continuous demand recovery visible
- Ongoing uncertainty, intensified by the crises in the Ukraine and Near / Middle East
- Demand in agro and construction industry remains weak

### LANXESS outlook



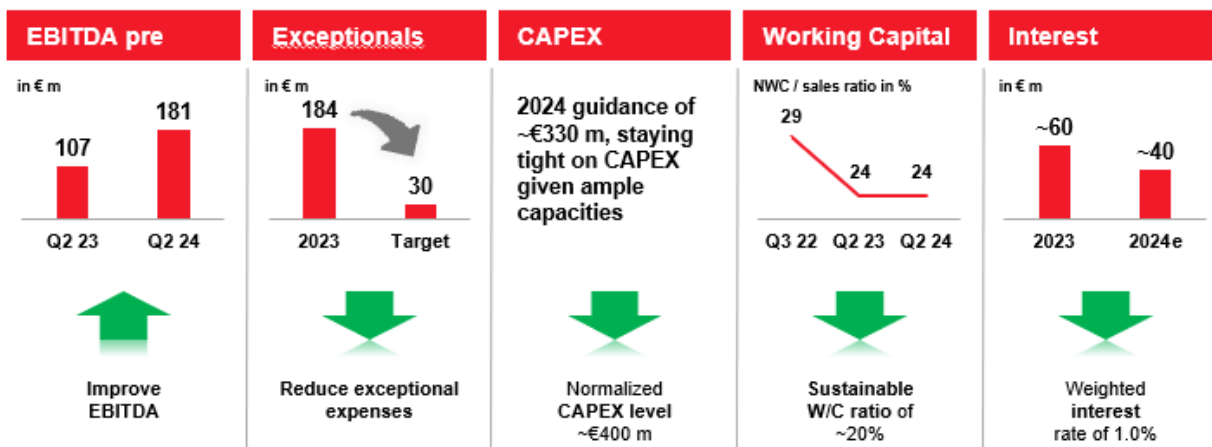
- **FY guidance: EBITDA pre expected to grow by 10-20% (incl. BU URE)**
- Q3 EBITDA pre expected to be close to or up to the level of the second quarter
- Normal seasonality in Q4

## FY 2024 EBITDA pre guidance confirmed despite absence of broad demand recovery



Trough of earnings seems to have been reached

## Cashflow improvements as announced



Free cash flow of €83 m in Q2 2024

## Housekeeping items 2024\*

- Capex:** ~€330 m [previously ~€350 m]
- Operational D&A** ~€550 m (thereof ~€150 m of intangible amortization effect)
- All other segments:** ~€130 m EBITDA pre
- Exceptionals:** ~€60 m
- FX sensitivity:** One cent change of USD/EUR resulting in ~€3 m EBITDA pre impact after hedging

\* Including BU Urethane Systems

# Financial Overview Q2 2024

in € million

	LANXESS			Consumer Protection			Specialty Additives			Advanced Intermed.			All other Segments	
	Q2/2023	Q2/2024	Chg. in %	Q2/2023	Q2/2024	Chg. in %	Q2/2023	Q2/2024	Chg. in %	Q2/2023	Q2/2024	Chg. in %	Q2/2023	Q2/2024
<b>Sales</b>	<b>1,778</b>	<b>1,678</b>	<b>-6%</b>	<b>604</b>	<b>561</b>	<b>-7%</b>	<b>620</b>	<b>568</b>	<b>-8%</b>	<b>484</b>	<b>478</b>	<b>-1%</b>	<b>70</b>	<b>71</b>
Price*			-5.7%			-1.5%			-8.2%			-7.2%		
Volume*			0.1%			-5.5%			-0.5%			6.0%		
Currency*			0.0%			-0.1%			0.3%			0.0%		
Portfolio*			0.0%			0.0%			0.0%			0.0%		
<b>EBIT</b>	<b>-56</b>	<b>28</b>	<b>n.m.</b>	<b>35</b>	<b>33</b>	<b>-6%</b>	<b>-8</b>	<b>22</b>	<b>n.m.</b>	<b>-6</b>	<b>30</b>	<b>n.m.</b>	<b>-77</b>	<b>-57</b>
Deprec. & amortizat.	137	141	3%	46	47	2%	45	48	7%	27	29	7%	19	17
<b>EBITDA</b>	<b>81</b>	<b>169</b>	<b>&gt;100%</b>	<b>81</b>	<b>80</b>	<b>-1%</b>	<b>37</b>	<b>70</b>	<b>89%</b>	<b>21</b>	<b>59</b>	<b>&gt;100%</b>	<b>-58</b>	<b>-40</b>
exceptionals in EBITDA	26	12	-54%	1	0	-100%	0	0	0%	2	-1	n.m.	23	13
<b>EBITDA pre excep.</b>	<b>107</b>	<b>181</b>	<b>69%</b>	<b>82</b>	<b>80</b>	<b>-2%</b>	<b>37</b>	<b>70</b>	<b>89%</b>	<b>23</b>	<b>58</b>	<b>&gt;100%</b>	<b>-35</b>	<b>-27</b>
normalized D&A	136	139	2%	46	47	2%	45	48	7%	27	28	4%	18	16
EBIT pre excep.	-29	42	n.m.	36	33	-8%	-8	22	n.m.	-4	30	n.m.	-53	-43
exceptionals in EBIT	27	14	-48%	1	0	-100%	0	0	0%	2	0	-100%	24	14
<b>Capex</b>	<b>67</b>	<b>62</b>	<b>-7%</b>	<b>19</b>	<b>17</b>	<b>-11%</b>	<b>25</b>	<b>24</b>	<b>-4%</b>	<b>17</b>	<b>18</b>	<b>6%</b>	<b>6</b>	<b>3</b>
Net financial debt	2,498	2,547	2%											

\* approximate numbers

# Cash Flow Statement Q2 2024

in € million

	Q2/2023	Q2/2024	H1/2023	H1/2024
<b>Income before income taxes</b>	<b>-157</b>	<b>-12</b>	<b>-144</b>	<b>-131</b>
Amortization, depreciation and write-downs of intangible assets and property, plant and equipment	137	141	274	281
Gains/losses on disposals of intangible assets and property, plant and equipment	-1	-1	-1	-1
Income from investments accounted for using the equity method	78	27	77	73
Financial losses (gains)	15	5	39	16
Income taxes refunded/paid	-22	-16	-32	-17
Changes in inventories	167	-42	156	-25
Changes in trade receivables	46	45	63	-158
Changes in trade payables	-98	41	-96	61
Changes in other assets and liabilities	-98	-43	-98	-2
<b>Net cash provided by (used in) operating activities – continuing operations</b>	<b>67</b>	<b>145</b>	<b>238</b>	<b>97</b>
Net cash provided by (used in) operating activities – discontinued operations	-1	–	-11	–
Net cash provided by (used in) operating activities – total	66	145	227	97
Cash outflows for purchases of intangible assets and property, plant and equipment	-67	-62	-126	-101
Cash inflows from sales of intangible assets and property, plant and equipment	2	1	2	1
Cash outflows for financial and other assets held for investment purposes	-201	-105	-1,595	-125
Cash inflows from financial and other assets held for investment purposes	1,328	31	1,328	171
Cash inflows from the sale of subsidiaries and other businesses, less divested cash and cash equivalents	-73	–	1,194	–
Interest and dividends received	1	1	5	3
<b>Net cash provided by / used in investing activities – continuing operations</b>	<b>990</b>	<b>-134</b>	<b>808</b>	<b>-51</b>
Net cash provided by / used in investing activities – discontinued operations	–	–	-6	–
Net cash provided by / used in investing activities – total	990	-134	802	-51
Proceeds from borrowings	100	1	367	2
Repayments of borrowings	-1,210	-14	-1,437	-30
Interest paid and other financial disbursements	-37	-14	-54	-27
Dividend payments	-91	-9	-91	-9
<b>Net cash provided by / used in financing activities – continuing operations</b>	<b>-1,238</b>	<b>-36</b>	<b>-1,215</b>	<b>-64</b>
Net cash provided by / used in financing activities – discontinued operations	–	–	-1	–
Net cash provided by /used in financing activities – total	-1,238	-36	-1,216	-64
<b>Change in cash and cash equivalents – continuing operations</b>	<b>-181</b>	<b>-25</b>	<b>-169</b>	<b>-18</b>
Change in cash and cash equivalents – discontinued operations	-1	–	-18	–
Change in cash and cash equivalents – total	-182	-25	-187	-18
Cash and cash equivalents as of beginning of period	351	155	360	146
Exchange differences and other changes in cash and cash equivalents – total	–	1	-4	3
<b>Cash and cash equivalents as of end of period</b>	<b>169</b>	<b>131</b>	<b>169</b>	<b>131</b>
of which continuing operations	169	–	169	–
of which discontinued operations	–	–	–	–

## Abbreviations:

### Consumer Protection

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

### Specialty Additives

- LAB** Lubricant Additives Business
- PLA** Polymer Additives
- RCH** Rhein Chemie

### Advanced Intermediates:

- All** Advanced Industrial Intermediates
- IPG** Inorganic Pigments

# Income Statement Q2 2024

in € million	Q2/2023	Q2/2024	Chg. in %	H1/2023	H1/2024	Chg. in %
Sales	1,778	1,678	-6%	3,677	3,285	-11%
Cost of sales	-1,467	-1,314	10%	-2,930	-2,641	10%
Gross profit	311	364	17%	747	644	-14%
Selling expenses	-240	-230	4%	-516	-453	12%
Research and development expenses	-25	-27	-8%	-52	-55	-6%
General administration expenses	-71	-63	11%	-142	-131	8%
Other operating income	19	17	-11%	31	38	23%
Other operating expenses	-50	-33	34%	-90	-72	20%
<b>Operating result (EBIT)</b>	<b>-56</b>	<b>28</b>	<i>n.m.</i>	<b>-22</b>	<b>-29</b>	<i>-32%</i>
Income from investments accounted for using the equity method	-78	-27	65%	-77	-73	5%
Interest income	2	1	-50%	6	3	-50%
Interest expense	-16	-12	25%	-46	-23	50%
Other financial income and expense	-9	-2	78%	-5	-9	-80%
<b>Financial result</b>	<b>-101</b>	<b>-40</b>	<i>60%</i>	<b>-122</b>	<b>-102</b>	<i>16%</i>
<b>Income before income taxes</b>	<b>-157</b>	<b>-12</b>	<i>92%</i>	<b>-144</b>	<b>-131</b>	<i>9%</i>
Income taxes	12	-4	<i>n.m.</i>	9	17	<i>89%</i>
<b>Income after income tax from continuing operations</b>	<b>-145</b>	<b>-16</b>	<i>89%</i>	<b>-135</b>	<b>-114</b>	<i>16%</i>
<b>Income after income tax from discontinued operations</b>	<b>1,353</b>	<b>0</b>	<i>-100%</i>	<b>1,299</b>	<b>0</b>	<i>-100%</i>
<b>Income after income taxes</b>	<b>1,208</b>	<b>-16</b>	<i>n.m.</i>	<b>1,164</b>	<b>-114</b>	<i>n.m.</i>
of which attributable to non-controlling interests	0	0	<i>0%</i>	0	0	<i>0%</i>
<b>Net income (attributable to LANXESS AG stockholders)</b>	<b>1,208</b>	<b>-16</b>	<i>n.m.</i>	<b>1,164</b>	<b>-114</b>	<i>n.m.</i>
<b>EPS total (in €)</b>	<b>13.99</b>	<b>-0.19</b>	<i>n.m.</i>	<b>13.48</b>	<b>-1.32</b>	<i>n.m.</i>
thereof EPS (in €) from continuing operations	-1.68	-0.19	<i>89%</i>	-1.56	-1.32	<i>15%</i>
thereof EPS (in €) from discontinued operations	15.67	0.00	<i>-100%</i>	15.04	0.00	<i>-100%</i>
<b>EPS adjusted (in €)*</b>	<b>-0.19</b>	<b>0.60</b>	<i>n.m.</i>	<b>0.44</b>	<b>0.51</b>	<i>16%</i>

\* continuing operations only

## Safe harbor statement

The information included in this presentation is being provided for informational purposes only and does not constitute an offer to sell, or a solicitation of an offer to purchase, securities of LANXESS AG. No public market exists for the securities of LANXESS AG in the United States.

This presentation contains certain forward-looking statements, including assumptions, opinions, expectations and views of the company or cited from third party sources. Various known and unknown risks, uncertainties and other factors could cause the actual results, financial position, development or performance of LANXESS AG to differ materially from the estimations expressed or implied herein. LANXESS AG does not guarantee that the assumptions underlying such forward-looking statements are free from errors, nor does it accept any responsibility for the future accuracy of the opinions expressed in this presentation or the actual occurrence of the forecast developments. No representation or warranty (expressed or implied) is made as to, and no reliance should be placed on, any information, estimates, targets and opinions contained herein, and no liability whatsoever is accepted as to any errors, omissions or misstatements contained herein, and accordingly, no representative of LANXESS AG or any of its affiliated companies or any of such person's officers, directors or employees accepts any liability whatsoever arising directly or indirectly from the use of this document.