

Q3 2024 Results

LANXESS Group



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Considerably improved EBITDA in still difficult market environment – Volume increase offsets price decline

	Q3 2023	Q3 2024	Δ vs. PY	Comments on Q3
Sales	€1,601 m	€1,598 m	0% ↓	Lower prices mainly due to pass-through of lower input costs; Higher volumes in all businesses except for agro-exposed Saltigo
EBITDA pre	€119 m	€173 m	+45% ↑	Strong increase in EBITDA pre and improved margin based on higher utilization and supported by well-progressing savings program in all segments
Margin	7.4%	10.8%	+3.4 pp. ↑	
Adjusted EPS	-€0.01	€0.86	>100% ↑	Adjusted EPS reflects improved EBIT
Operating cash flow	€390 m	€59 m	<100% ↓	Cashflow reflects increase in working capital in Q3, mainly driven by lower payables and build up of safety stocks due to US harbor strike
Free cash flow	€322 m	€-14 m	<100% ↓	
Net financial debt*	Jun 2024 €2,547 m	Sep 2024 €2,572 m	+1% ↑	Net financial debt sequentially almost on stable level
Capex	€68 m	€73 m	+7% ↑	Capex remains on tightly managed level

Sales **0%** Price **- 4%** Volume **+ 5%** FX **- 1%** Portfolio **-**

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

Consumer Protection



General EBITDA recovery more than offset by ongoing agro weakness – Cost savings counteract volume loss from agro

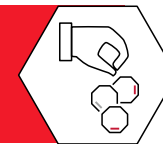
- Lower sales prices driven by pass-through of lower input costs
- Improvements in biocide, water and personal care businesses
- Higher volumes in all businesses (except Saltigo) are more than offset by agro demand weakness
- EBITDA pre and margin below previous year: operational improvement and cost savings more than offset by agro weakness

YoY

Sales	-10%		
Price	Volume	FX	Portfolio
-4%	-5%	-1%	-

	Q3 2023	Q3 2024
EBITDA pre	€84 m	€71 m
margin	14.5%	13.6%

Specialty Additives



Performance improvement – Higher volumes throughout the segment compared to weak prior year

- Lower prices in all businesses mainly caused by lower input costs
- Slight volume recovery (vs. low prior year), while construction end markets remain weak
- Significant EBITDA pre and margin improvement result from higher utilization and supported by savings

YoY

Sales	+0%		
Price	Volume	FX	Portfolio
-4%	+6%	-1%	-

	Q3 2023	Q3 2024
EBITDA pre	€33 m	€61 m
margin	6.0%	11.1%

Advanced Intermediates



Substantial earnings improvement compared to very weak Q3 2023 – Benefitting from improved utilization

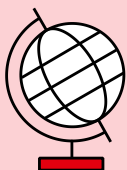
- Lower prices reflect lower input costs and measures to regain market share
- Significant volume increase across the segment, especially in Inorganic Pigments
- EBITDA pre and margin with strong improvement driven by higher volumes, improved utilization and savings

YoY

Sales	+13%		
Price	Volume	FX	Portfolio
-3%	+16%	-0%	-

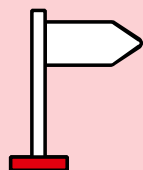
	Q3 2023	Q3 2024
EBITDA pre	€30 m	€68 m
margin	7.4%	14.9%

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



Our view on economic environment

- Macro-economic uncertainty intensifying and H2 demand softening
- Environment especially for Agro and construction industries remains challenging

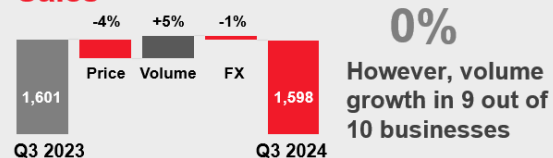


LANXESS outlook

- **FY guidance: EBITDA pre expected to grow by 10-20% (incl. BU URE)**
- Normal seasonality expected in Q4 – sequentially weaker EBITDA, backend-loaded capex

Q3 2024: Solid EBITDA pre improvement

Sales



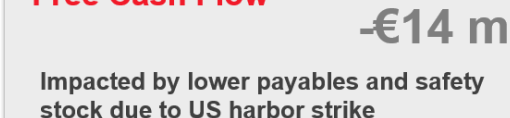
EBITDA pre



Net financial debt



Free Cash Flow



Q3 in a nutshell

Key business developments

- Strong rebound in Advanced Intermediates and Specialty Additives compared to very low base 2023
- Softness in Consumer Protection solely driven by Agro / Saltigo weakness
- Diligent FORWARD! implementation ongoing and visible
- Preparation for US harbor strike with impact on inventories

Portfolio transformation completed

- Divestment of Urethane Systems signed
- Reported as “assets held for sale” as of 30th Sept 2024; no adjustment in PY
- Closing expected in H1 2025



Liquidity secured long-term

- New sustainability-linked credit facility signed for €800 m
- Access to liquidity secured for 5+2 years without financial covenants



Housekeeping items 2024*

Capex: ~€330 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

Remnant Costs: 2025: ~€15 m

2026: ~€10 m

2027: ~€5 m

* Including BU Urethane Systems

Financial Overview Q3 2024

in € million

	LANXESS			Consumer Protection			Specialty Additives			Advanced Intermed.			All other Segments		
	Q3/2023	Q3/2024	Chg. in %	Q3/2023	Q3/2024	Chg. in %	Q3/2023	Q3/2024	Chg. in %	Q3/2023	Q3/2024	Chg. in %	Q3/2023	Q3/2024	Chg. in %
Sales	1.601	1.598	0%	581	521	-10%	549	550	0%	403	455	13%	68	72	6%
Price*			-4%			-4%			-4%			-3%			-7%
Volume*			5%			-5%			6%			16%			13%
Currency*			-1%			-1%			-1%			0%			0%
Portfolio*			0%			0%			0%			0%			0%
EBIT	-65	24	<i>n.m.</i>	33	27	-18%	-13	15	<i>n.m.</i>	-4	43	<i>n.m.</i>	-81	-61	25%
Deprec. & amortizat.	148	139	-6%	51	44	-14%	46	46	0%	34	28	-18%	17	21	24%
EBITDA	83	163	96%	84	71	-15%	33	61	85%	30	71	>100%	-64	-40	38%
exceptionals in EBITDA	36	10	-72%	0	0	0%	0	0	-100%	0	-3	<i>n.m.</i>	36	13	-64%
EBITDA pre excep.	119	173	45%	84	71	-15%	33	61	85%	30	68	>100%	-28	-27	4%
normalized D&A	141	137	-3%	51	44	-14%	46	46	0%	29	27	-7%	15	20	33%
EBIT pre excep.	-22	36	<i>n.m.</i>	33	27	-18%	-13	15	<i>n.m.</i>	1	41	>100%	-43	-47	-9%
exceptionals in EBIT	43	12	-72%	0	0	0%	0	0	-100%	5	-2	<i>n.m.</i>	38	14	-63%
Capex	68	73	7%	17	24	41%	29	25	-14%	18	21	17%	4	3	-25%
Net financial debt	2.498	2.572	3%												

* approximate numbers

Financial Overview 9M 2024

in € million

	LANXESS			Consumer Protection			Specialty Additives			Advanced Intermed.			All other Segments		
	9M/2023	9M/2024	Chg. in %	9M/2023	9M/2024	Chg. in %	9M/2023	9M/2024	Chg. in %	9M/2023	9M/2024	Chg. in %	9M/2023	9M/2024	Chg. in %
Sales	5.278	4.883	-7%	1.832	1.591	-13%	1.833	1.684	-8%	1.403	1.398	0%	210	210	0%
Price*			-6%			-3%			-8%			-9%			-9%
Volume*			-1%			-9%			0%			8%			10%
Currency*			-1%			-1%			-1%			0%			-1%
Portfolio*			0%			0%			0%			0%			0%
EBIT	-87	-5	<i>n.m.</i>	115	63	-45%	32	38	19%	8	82	>100%	-242	-188	22%
Deprec. & amortizat.	422	420	0%	143	137	-4%	136	141	4%	87	85	-2%	56	57	2%
EBITDA	335	415	24%	258	200	-22%	168	179	7%	95	167	76%	-186	-131	30%
exceptionals in EBITDA	80	40	-50%	2	0	-100%	0	0	0%	2	-4	<i>n.m.</i>	76	44	-42%
EBITDA pre excep.	415	455	10%	260	200	-23%	168	179	7%	97	163	68%	-110	-87	21%
normalized D&A	413	415	0%	143	137	-4%	136	141	4%	82	83	1%	52	54	4%
EBIT pre excep.	2	40	>100%	117	63	-46%	32	38	19%	15	80	>100%	-162	-141	13%
exceptionals in EBIT	89	45	-49%	2	0	-100%	0	0	0%	7	-2	<i>n.m.</i>	80	47	-41%
Capex	194	174	-10%	53	53	0%	77	63	-18%	51	50	-2%	13	8	-38%
Net financial debt	2.498	2.572	3%												

* approximate numbers

Cash Flow Statement Q3 2024

in € million	Q3/2023	Q3/2024	9M/2023	9M/2024
Income before income taxes	-142	2	-286	-129
Amortization, depreciation and write-downs of intangible assets and property, plant and equipment	148	139	422	420
Gains/losses on disposals of intangible assets and property, plant and equipment	–	–	-1	-1
Income from investments accounted for using the equity method	66	36	143	109
Financial losses (gains)	5	-13	44	3
Income taxes refunded/paid	-5	-14	-37	-31
Changes in inventories	194	-40	350	-65
Changes in trade receivables	101	56	164	-102
Changes in trade payables	-20	-52	-116	9
Changes in other assets and liabilities	43	-55	-55	-57
Net cash provided by (used in) operating activities – continuing operations	390	59	628	156
Net cash provided by (used in) operating activities – discontinued operations	–	–	-11	–
Net cash provided by (used in) operating activities – total	390	59	617	156
Cash outflows for purchases of intangible assets and property, plant and equipment	-68	-73	-194	-174
Cash inflows from sales of intangible assets and property, plant and equipment	–	–	2	1
Cash outflows for financial and other assets held for investment purposes	-123	–	-1.718	-125
Cash inflows from financial and other assets held for investment purposes	1	171	1.329	342
Cash inflows from the sale of subsidiaries and other businesses, less divested cash and cash equivalents	–	–	1.194	–
Interest and dividends received	4	3	9	6
Net cash provided by / used in investing activities – continuing operations	-186	101	622	50
Net cash provided by / used in investing activities – discontinued operations	–	–	-6	–
Net cash provided by / used in investing activities – total	-186	101	616	50
Proceeds from borrowings	14	14	381	16
Repayments of borrowings	-215	-14	-1.652	-44
Interest paid and other financial disbursements	-4	-3	-58	-30
Dividend payments	–	–	-91	-9
Net cash provided by / used in financing activities – continuing operations	-205	-3	-1.420	-67
Net cash provided by / used in financing activities – discontinued operations	–	–	-1	–
Net cash provided by / used in financing activities – total	-205	-3	-1.421	-67
Change in cash and cash equivalents – continuing operations	-1	157	-170	139
Change in cash and cash equivalents – discontinued operations	–	–	-18	–
Change in cash and cash equivalents – total	-1	157	-188	139
Cash and cash equivalents as of beginning of period	169	131	360	146
Exchange differences and other changes in cash and cash equivalents – total	2	-5	-2	-2
Cash and cash equivalents as of end of period	170	283	170	283
of which continuing operations	170	–	170	–
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 Q3 2024

in € million	Q3/2023	Q3/2024	Chg. in %	9M/2023	9M/2024	Chg. in %
Sales	1.601	1.598	0%	5.278	4.883	-7%
Cost of sales	-1.312	-1.249	5%	-4.242	-3.890	8%
Gross profit	289	349	21%	1.036	993	-4%
Selling expenses	-213	-221	-4%	-729	-674	8%
Research and development expenses	-24	-27	-13%	-76	-82	-8%
General administration expenses	-73	-68	7%	-215	-199	7%
Other operating income	17	25	47%	48	63	31%
Other operating expenses	-61	-34	44%	-151	-106	30%
Operating result (EBIT)	-65	24	<i>n.m.</i>	-87	-5	94%
Income from investments accounted for using the equity method	-66	-36	45%	-143	-109	24%
Interest income	1	1	0%	7	4	-43%
Interest expense	-13	-13	0%	-59	-36	39%
Other financial income and expense	1	26	>100%	-4	17	<i>n.m.</i>
Financial result	-77	-22	71%	-199	-124	38%
Income before income taxes	-142	2	<i>n.m.</i>	-286	-129	55%
Income taxes	11	0	-100%	20	17	-15%
Income after income tax from continuing operations	-131	2	<i>n.m.</i>	-266	-112	58%
Income after income tax from discontinued operations	0	0	-100%	1.299	0	-100%
Income after income taxes	-131	2	<i>n.m.</i>	1.033	-112	<i>n.m.</i>
of which attributable to non-controlling interests	0	1	>100%	0	1	>100%
Net income (attributable to LANXESS AG stockholders)	-131	1	<i>n.m.</i>	1.033	-113	<i>n.m.</i>
EPS total (in €)	-1,52	0,01	<i>n.m.</i>	11,96	-1,31	<i>n.m.</i>
thereof EPS (in €) from continuing operations	-1,52	0,01	<i>n.m.</i>	-3,08	-1,31	57%
thereof EPS (in €) from discontinued operations	0,00	0,00	<i>n.m.</i>	15,04	0,00	-100%
EPS adjusted (in €)*	-0,01	0,86	<i>n.m.</i>	0,43	1,37	>100%

* continuing operations only

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