



LANXESS – Q3 2024 results

Volume growth in challenging market environment and delivering on savings

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Agenda

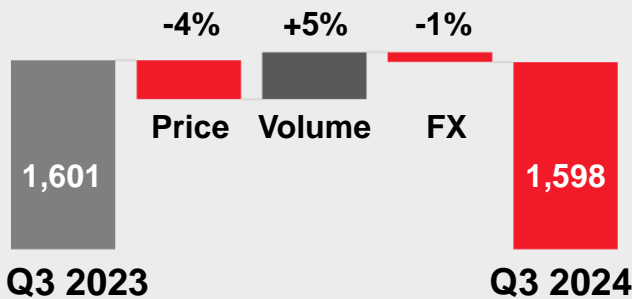
1 Review Q3 2024 and outlook

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Q3 2024: Solid EBITDA pre improvement

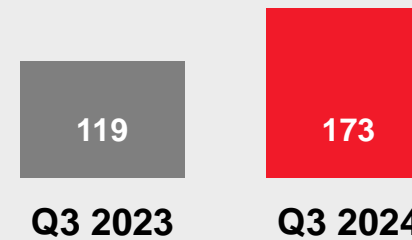
Sales



0%

However, volume growth in 9 out of 10 businesses

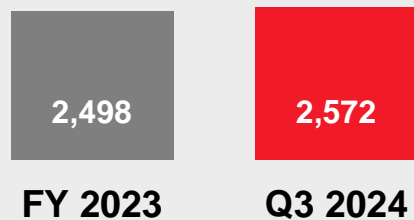
EBITDA pre



+45%

Driven by improved utilization & cost structures

Net financial debt



+3%

Working capital driven increase

Free Cash Flow

-€14 m

Impacted by lower payables and safety stock due to US harbor strike

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



US-footprint significantly increased by portfolio transformation

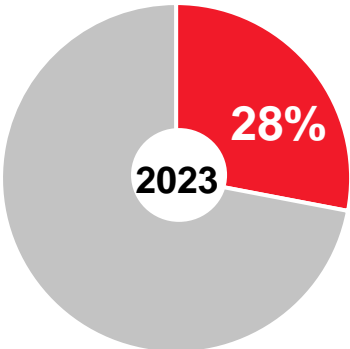
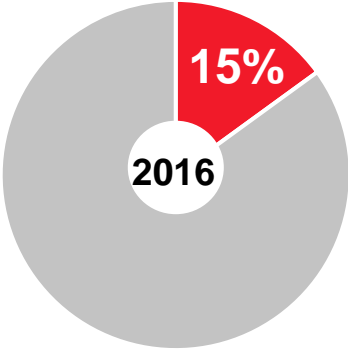
Acquisitions



Divestments



USA share of total sales nearly doubled*



* based on adjusted portfolio

FY 2024 guidance confirmed again: 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 pre, backend-loaded capex



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LANXESS Group: Considerably improved EBITDA in still difficult market environment

Volume increase offsets price decline

[€ m]	Q3/2023	Q3/2024	Δ	9M 2023	9M 2024	Δ
Sales	1,601	1,598	0%	5,278	4,883	-7%
EBITDA pre	119	173	45%	415	455	10%
Margin	7.4%	10.8%		7.9%	9.3%	
Capex	68	73	7%	194	174	-10%

Price Volume FX Portfolio

-4% **+5%** **-1%** **-**

Total **0%**

Q3 Sales vs. PY

- Lower prices mainly due to pass-through of lower input costs
- Higher volumes in all businesses except for agro-exposed Saltigo
- Strong increase in EBITDA pre and improved margin based on higher utilization and supported by well-progressing savings program in all segments



Consumer Protection: General EBITDA recovery more than offset by ongoing agro weakness

Cost savings counteract volume loss from agro

[€ m]	Q3/2023	Q3/2024	Δ	9M 2023	9M 2024	Δ
Sales	581	521	-10%	1,832	1,591	-13%
EBITDA pre	84	71	-15%	260	200	-23%
Margin	14.5%	13.6%		14.2%	12.6%	
Capex	17	24	41%	53	53	0%

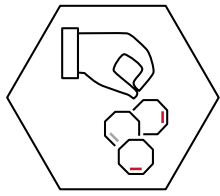
Price Volume FX Portfolio

-4% **-5%** **-1%** **-**

Total -10%

Q3 Sales vs. PY

- 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



Specialty Additives: Performance improvement

Higher volumes throughout the segment compared to weak prior year

[€ m]	Q3/2023	Q3/2024	Δ	9M 2023	9M 2024	Δ
Sales	549	550	0%	1,833	1,684	-8%
EBITDA pre	33	61	85%	168	179	7%
Margin	6.0%	11.1%		9.2%	10.6%	
Capex	29	25	-14%	77	63	-18%

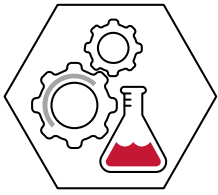
Price Volume FX Portfolio

-4% **+6%** **-1%** **-**

Total **+0%**

Q3 Sales vs. PY

- 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



Advanced Intermediates: Substantial earnings improvement compared to very weak Q3 2023

Benefitting from improved utilization

[€ m]	Q3/2023	Q3/2024	Δ	9M 2023	9M 2024	Δ
Sales	403	455	13%	1,403	1,398	0%
EBITDA pre	30	68	>100%	97	163	68%
Margin	7.4%	14.9%		6.9%	11.7%	
Capex	18	21	17%	51	50	-2%

Price Volume FX Portfolio

-3% +16% -0% -

Total +13%

Q3 Sales vs. PY

- 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

P&L Q3: Improved earnings driven by higher utilization and reduced cost structures

P&L [€ m]	Q3/2023		Q3/2024		yoy
Sales	1,601	(100%)	1,598	(100%)	0%
Cost of sales	-1,312	(-82%)	-1,249	(-78%)	5%
Selling	-213	(-13%)	-221	(-14%)	-4%
G&A	-73	(-5%)	-68	(-4%)	7%
R&D	-24	(-1%)	-27	(-2%)	-13%
Financial result	-77		-22		71%
Net Income	-131		1		>100%
Adjusted EPS [€]	-0.01		0.86		>100%
EBITDA	83	(5%)	163	(10%)	96%
thereof except.	36	(2%)	10	(1%)	-72%
EBITDA pre except.	119	(7.4%)	173	(10.8%)	45%

- Flat sales: Higher volumes compensate lower prices and negative FX effect
- Savings from FORWARD! program led to improved cost of sales and G&A costs
- Increase in selling costs due to higher volumes and logistic costs
- Financial result improved mainly due to better Envalor performance
- EBITDA pre and margin increase due to better utilization and cost savings

2024 cash flow compares to strong previous year which was driven by significant working capital reduction

Cash flow [€ m]*	Q3/2023	Q3/2024
Profit before tax	-142	2
Depreciation & amortization	148	139
Result from investments accounted for using the equity method	66	36
Financial losses (gains)	5	-13
Income taxes	-5	-14
Changes in other assets & liab.	43	-55
Changes in working capital	275	-36
Operating cash flow	390	59
Capex	-68	-73
Free cash flow	322	-14

- Improved profit before tax due to increased operating result and better Envalor performance
- Changes in other assets and liabilities reflect among others payments for our FORWARD! program and increase in VAT tax claims
- Increase in working capital due to lower payables and build up of safety stocks due to US harbor strike
- Capex remains on tightly managed level

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

Ongoing strong equity ratio

Balance sheet [€ m]	31.12.2023	30.06.2024	30.09.2024
Total assets	9,665	9,689	9,448
Equity	4,507	4,563	4,378
Equity ratio	47%	47%	46%
Net financial debt¹	2,498	2,547	2,572
Pension provisions	498	433	439
Net working capital	1,389	1,524	1,456
DSI (in days) ²	85	75	76
DSO (in days) ²	38	42	38
Net working capital/sales ³	21%	24%	23%

- Decrease in total assets mainly FX driven
- As of 30th September 2024, net working capital reported without BU URE (Reported as “Assets held for sale”)
- Underlying Working Capital including BU URE remains flat

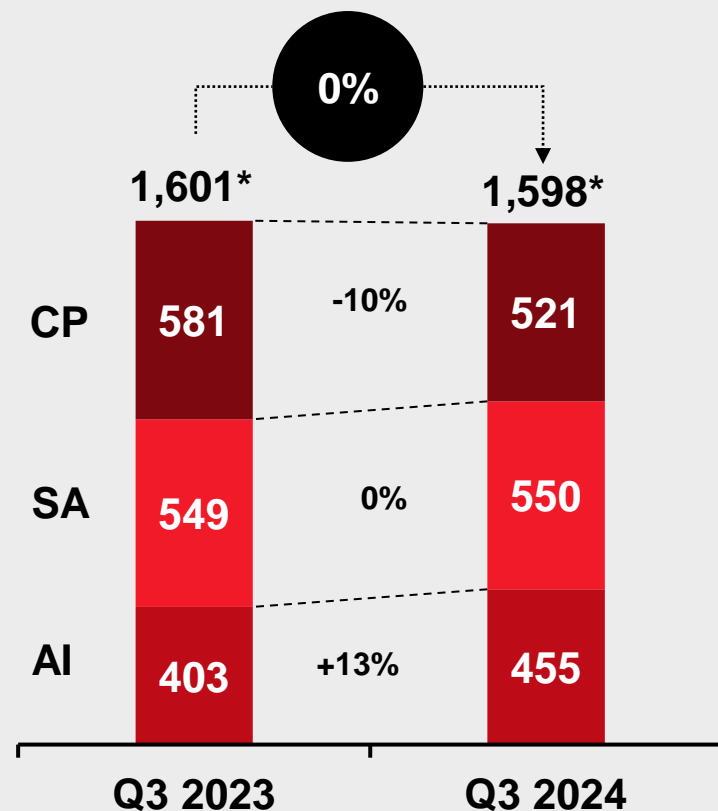
¹ Deducting cash, cash equivalents, near cash assets

² Calculated from quarterly sales

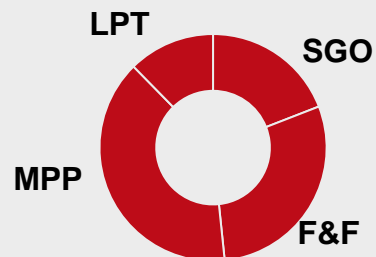
³ Last twelve months sales

Q3 2024: Weak agro business burdens CP; improved EBITDA pre in AI & SA due to savings & better utilization

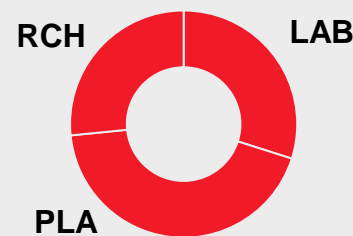
Sales [€ m]



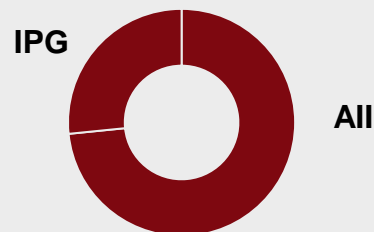
Consumer Protection



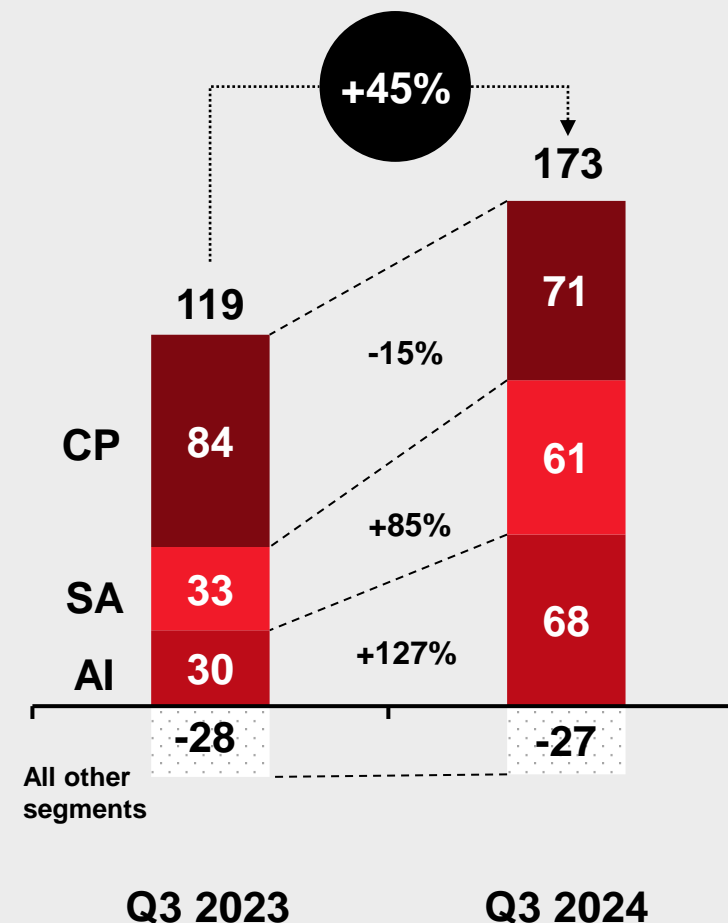
Specialty Additives



Advanced Intermediates



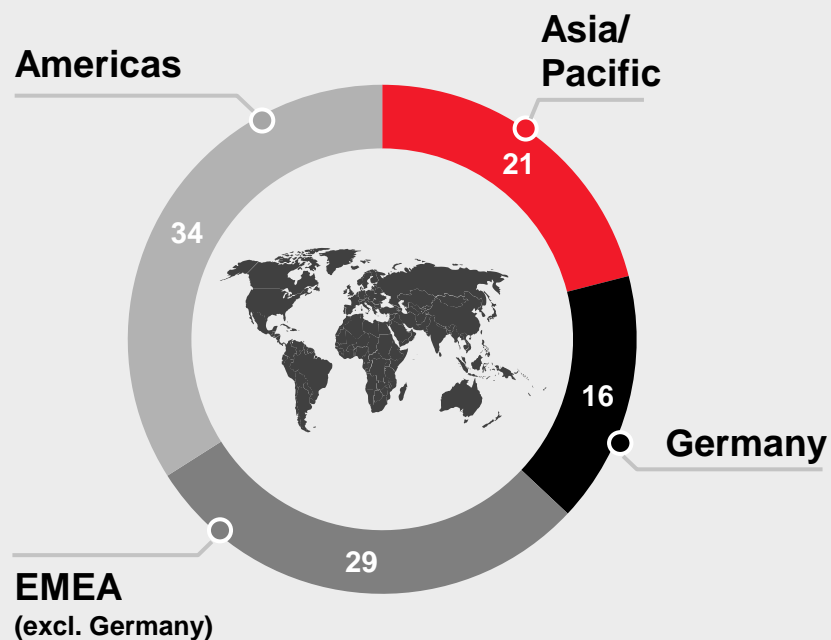
EBITDA pre [€ m]



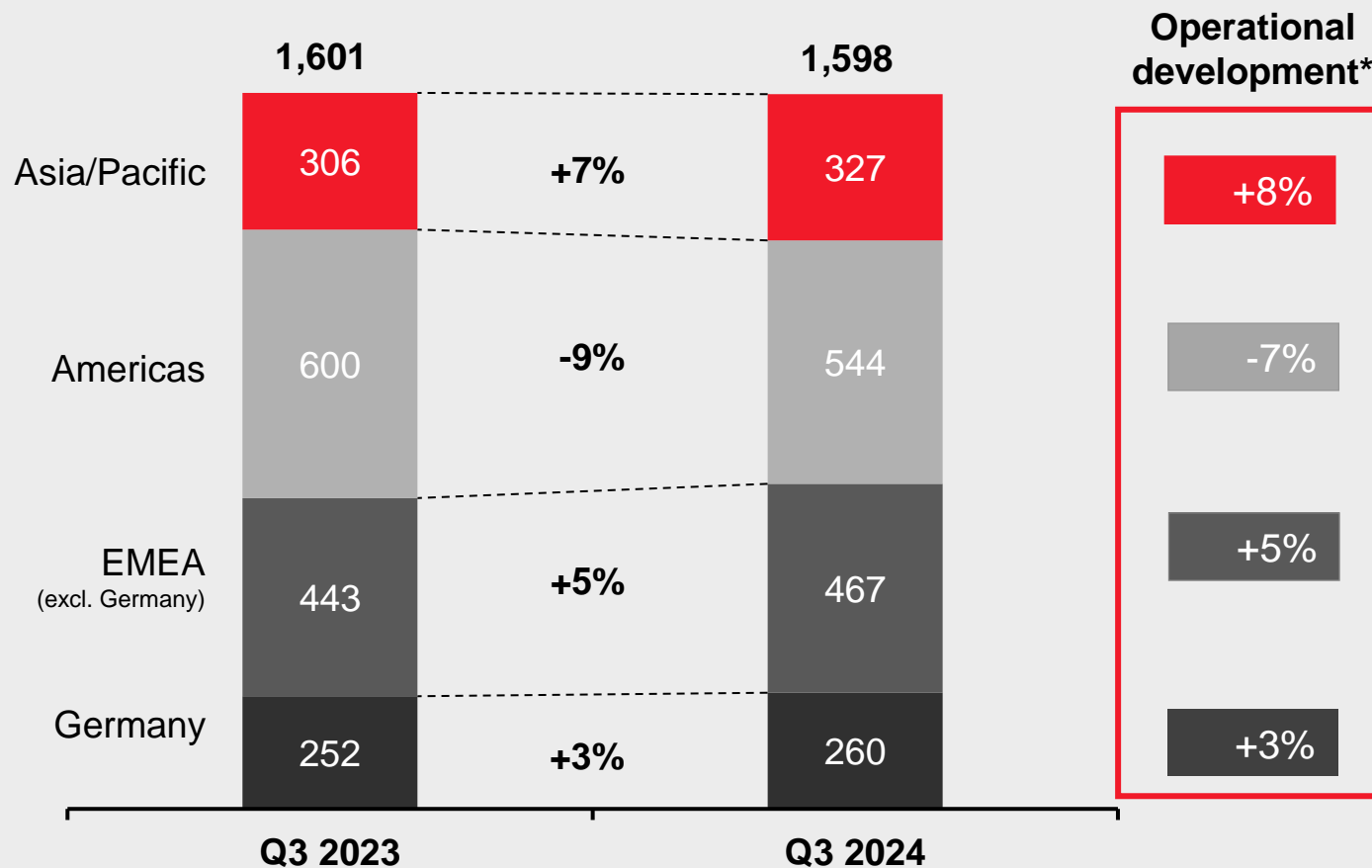
* Total group sales including all other segments

Q3 2024: Lower sales in Americas due to agro is compensated by positive development in all other regions

Q3 2024 sales by region [%]



Regional development of sales [€ m]



* Currency and portfolio adjusted

Q3 2024: Exceptional items decreased significantly

[€ m]	Q3 2023		Q3 2024		9M 2023		9M 2024	
	Excep.	thereof D&A	Excep.	thereof D&A	Excep.	thereof D&A	Excep.	thereof D&A
Strategic realignment and restructuring (incl. FORWARD!)	-15	-5	2	-1	-19	-5	-3	-2
Strategic IT projects	-10	-1	-7	0	-26	-1	-18	0
M&A, digitalization and others	-18	-1	-7	-1	-44	-3	-24	-3
Total	-43	-7	-12	-2	-89	-9	-45	-5

-72%

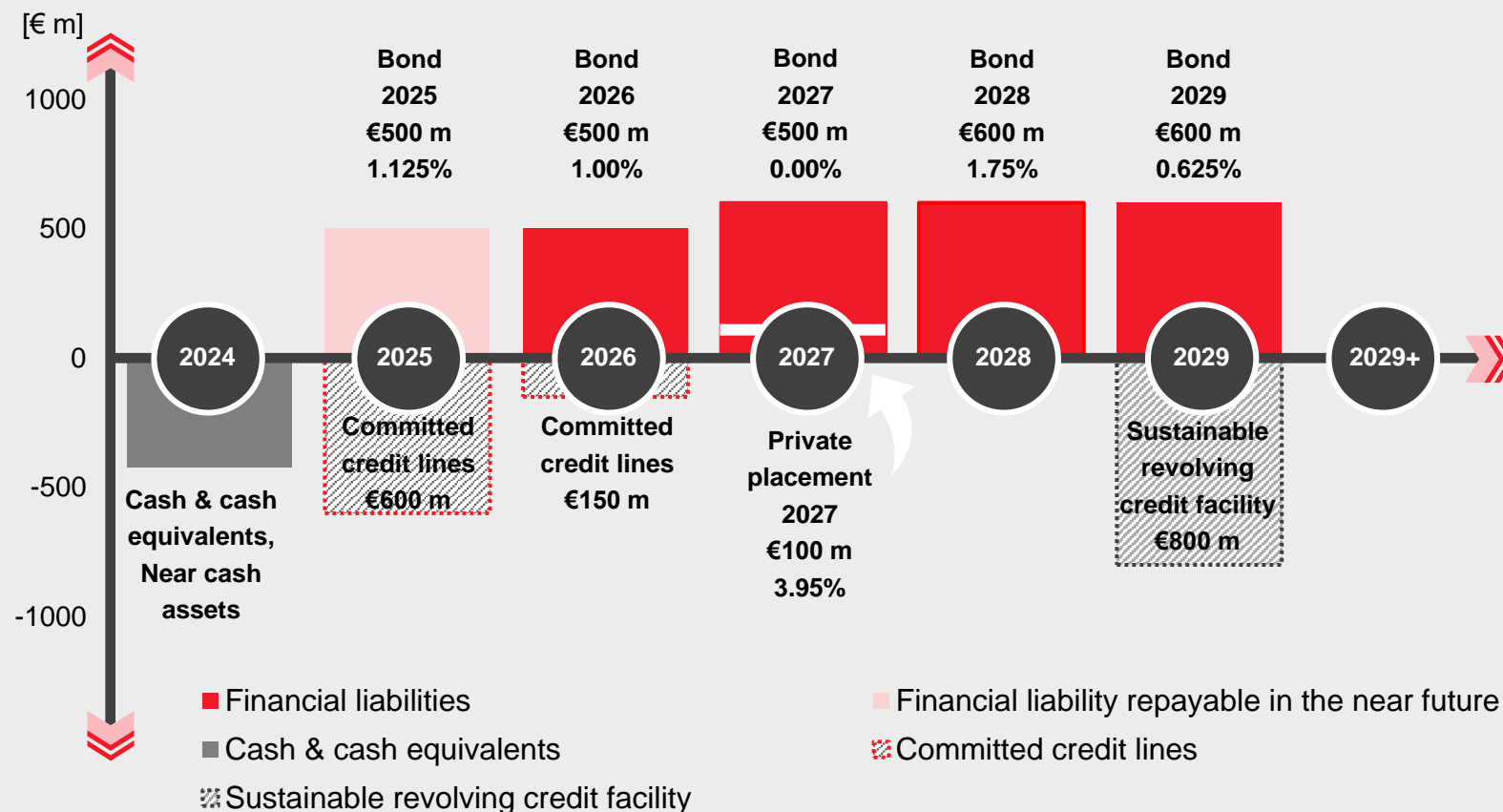
-49%

Significant reduction in gross debt due to envisaged repayment of bond maturing in May 2025

Long-term financing secured

- Average interest rate of financial liabilities ~1.0%*
- All group financing executed without financial covenants
- Next maturity in 2025, expected to be paid back with Urethane Systems proceeds

Liquidity and maturity profile as per September 2024



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Housekeeping items 2024*

Capex	~€330 m
Operational D&A	~€550 m (thereof ~€150 m of intangible amortization effects)
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

9M 2024: Earnings improvement due to higher utilization and reduced cost structures

P&L [€ m]*	9M 2023		9M 2024		yoy
Sales	5,278	(100%)	4,883	(100%)	-7%
Cost of sales	-4,242	(-80%)	-3,890	(-80%)	8%
Selling	-729	(-14%)	-674	(-14%)	8%
G&A	-215	(-4%)	-199	(-4%)	7%
R&D	-76	(-1%)	-82	(-2%)	-8%
Financial result	-199	(-4%)	-124	(-3%)	38%
Net income	1,033	(20%)	-113	(-2%)	>-100%
Adjust. EPS (cont.) [€]	0.43		1.37		>100%
EBITDA	335	(6%)	415	(8%)	24%
thereof except.	-80	(-2%)	-40	(-1%)	50%
EBITDA pre	415	(7.9%)	455	(9.3%)	10%

- Lower sales mainly due to pass through of lower input costs, slightly lower volumes and negative FX effect
- Savings from FORWARD! program led to improved cost of sales, selling and G&A costs
- Financial result improved mainly due to better Envalior performance
- Net income in previous year contains book gain from HPM disposal
- EBITDA pre and margin increase due to better utilization and cost savings

* Figures from continuing operations only (except net income)

9M 2024: Operating cash flow compares with high previous year which was supported by inventory reduction

Cash flow [€ m]*	9M 2023	9M 2024
Profit before tax	-286	-129
Depreciation & amortization	422	420
Result from investments accounted for using the equity method	143	109
Income taxes	-37	-31
Changes in other assets & liab.	-55	-57
Changes in working capital	398	-158
Others**	43	2
Operating cash flow	628	156
Capex	-194	-174
Free cash flow	434	-18

- Significantly higher profit before tax due to increased operating and financial result
- Change in W/C driven by
 - Significant inventory reduction in PY
 - Higher inventories driven by build up of safety stock due to US harbor strike
 - Increase in receivables based on higher sales than at year end 2023
- Capex remains on tightly managed level

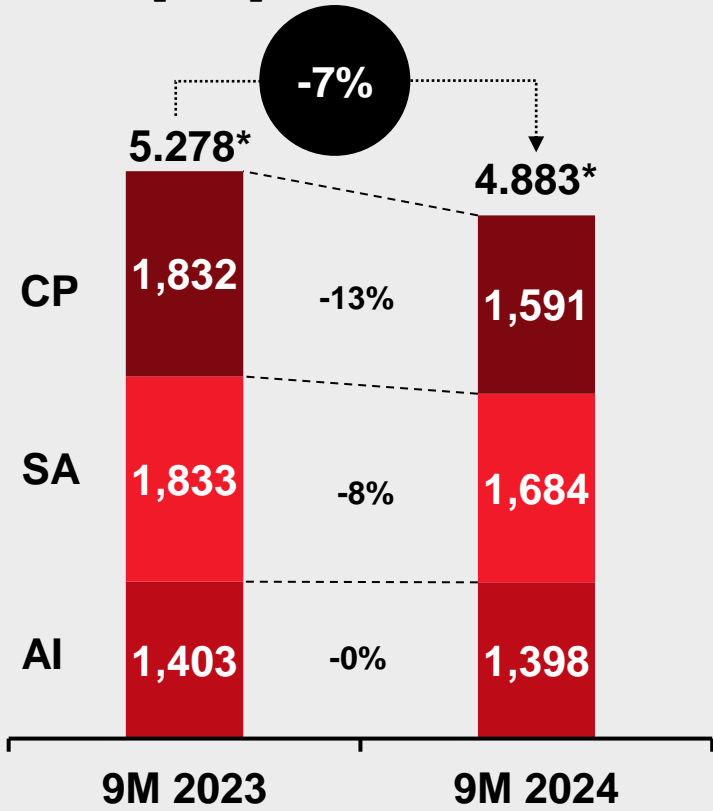
* Applies to continuing operations; Free cash flow = Operating cash flow minus Capex

** Financial losses (gains), gains on disposals of intangible assets and property, plant & equipment

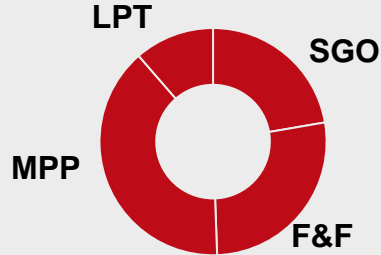
9M 2024: weak agro business burdens CP; improved EBITDA pre in AI & SA due to savings & better utilization



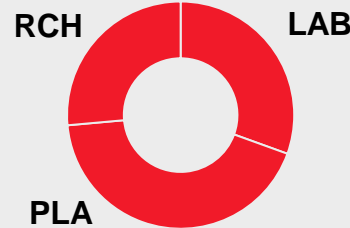
Sales [€ m]



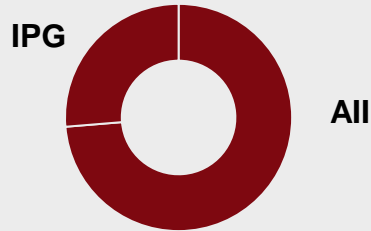
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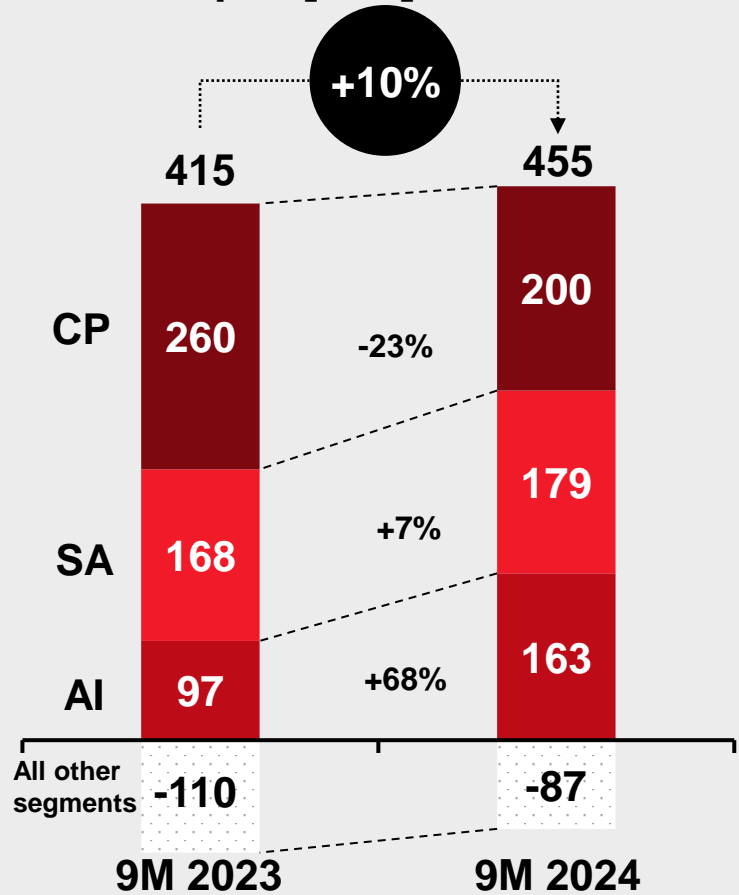
Specialty Additives



Advanced Intermediates



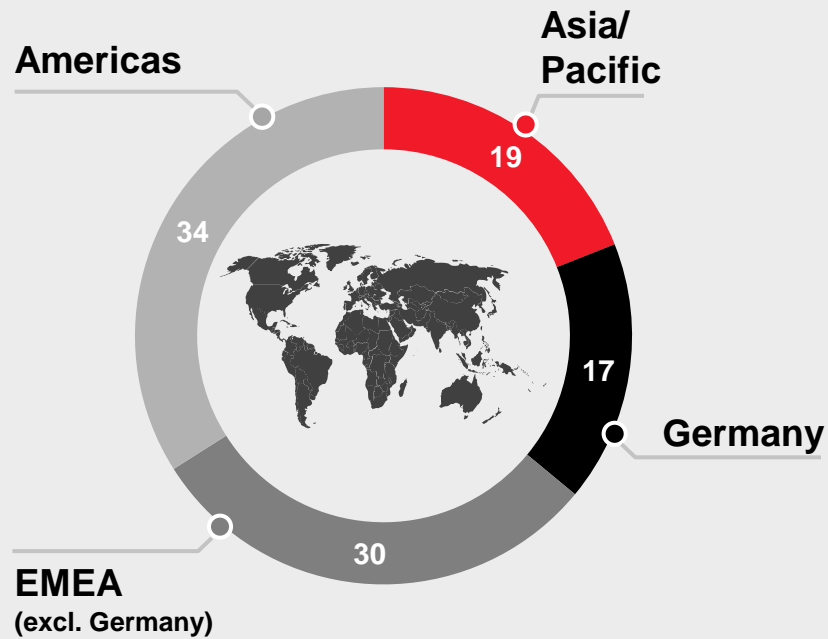
EBITDA pre [€ m]



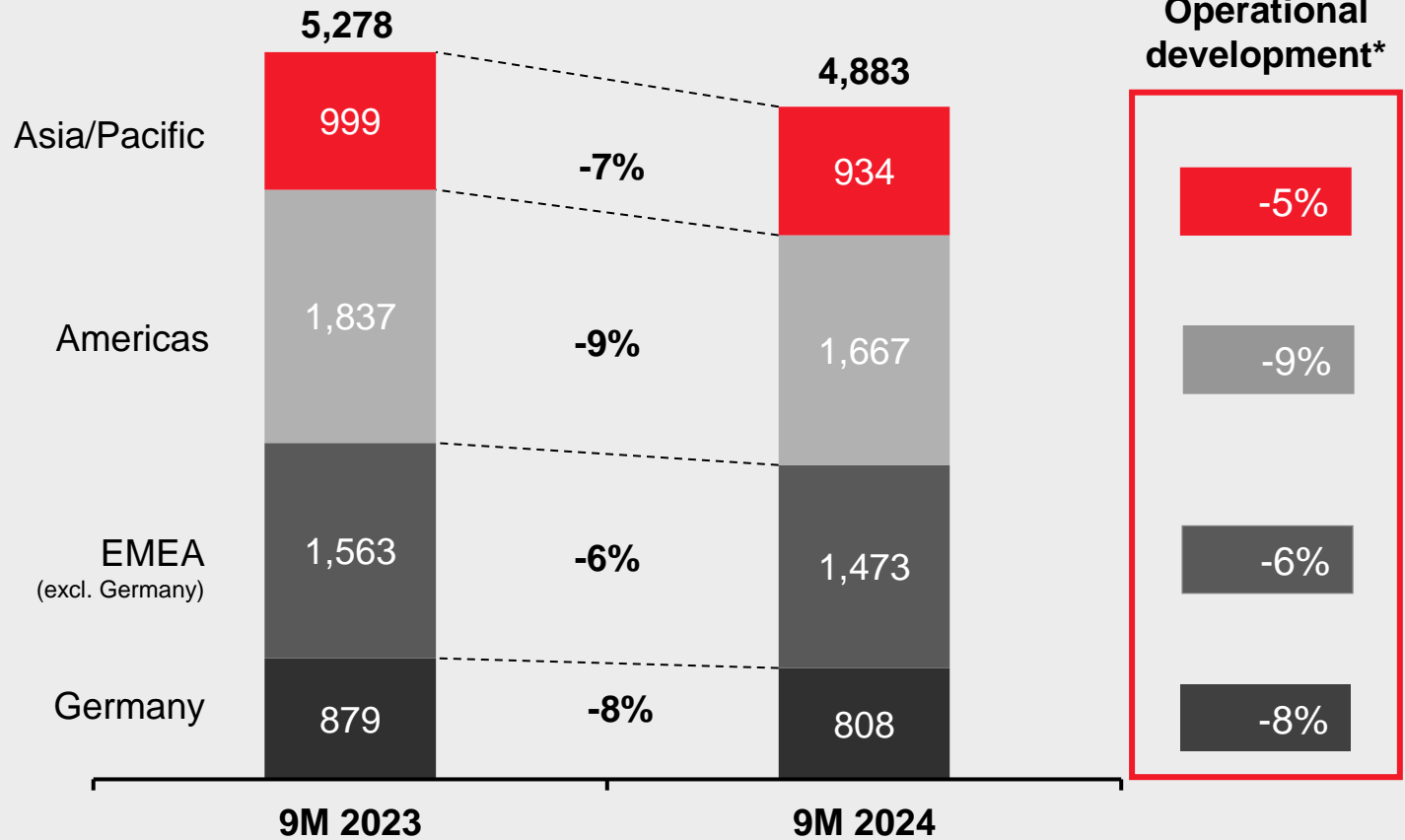
* Total group sales including all other segments

9M 2024: Sales decline in all regions

9M 2024 sales by region [%]



Regional development of sales [€ m]



* Currency and portfolio adjusted

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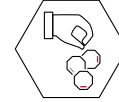
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Abbreviations



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

AI	Advanced Industrial Intermediates
IPG	Inorganic Pigments

Upcoming events 2024/2025 - Proactive capital market communication

