



# LANXESS – Q3 2024 Roadshow

Volume growth in challenging market environment and delivering on savings

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# Agenda

**1 Building a stronger sustainable portfolio**

**2 We are taking action: Focus on cash profile**

**3 Financial and business details Q3 2024**




# LANXESS built a portfolio with three strong pillars – laying the strategic foundation for future growth



## Portfolio transformation achieved in a timely and focused manner



Consumer Protection



Specialty Additives



Advanced Intermediates

Setup for  
operational  
success

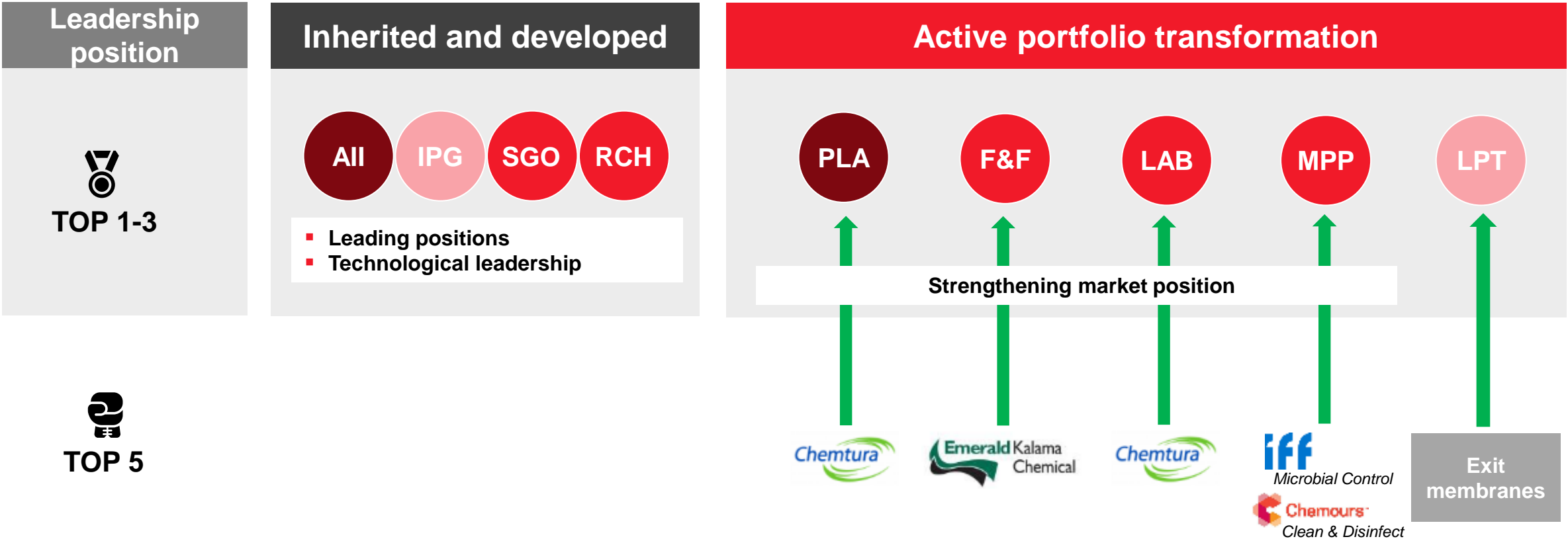
- Leading among the top 3 globally in growing niche markets
- Balanced portfolio without dependency on single industry
- Focus on path to a solid balance sheet and high cash flow; harvesting from new portfolio
- Strong platform to grow in the US & Asia



Leading ESG position with goals embedded in management incentive and financing



# Leading positions with best prerequisites for recovery



 **Leading positions in all of our businesses to achieve full potential**

Bubble color indicates size of business: ● <€500 m sales ● €500 – 1,000 m sales ● >€1,000 m sales

# Transformation into a focused and streamlined specialty chemicals player

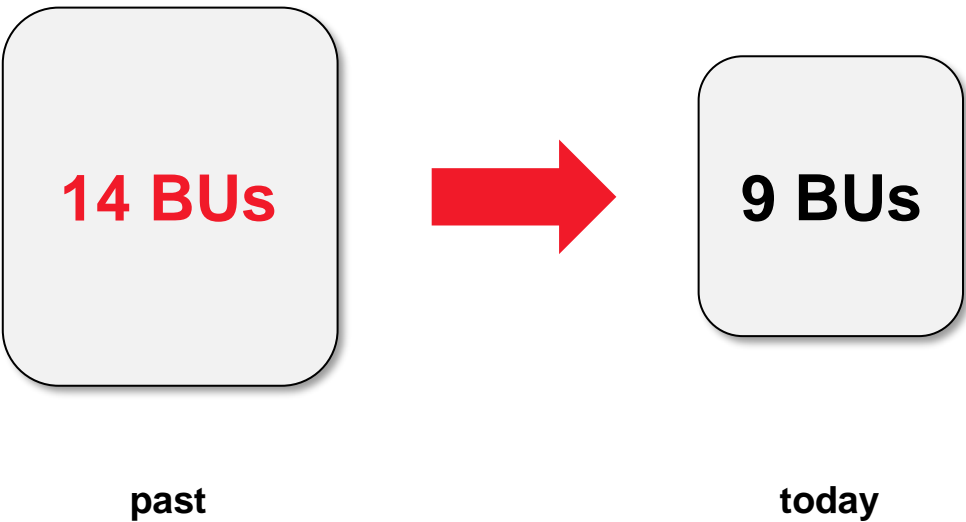
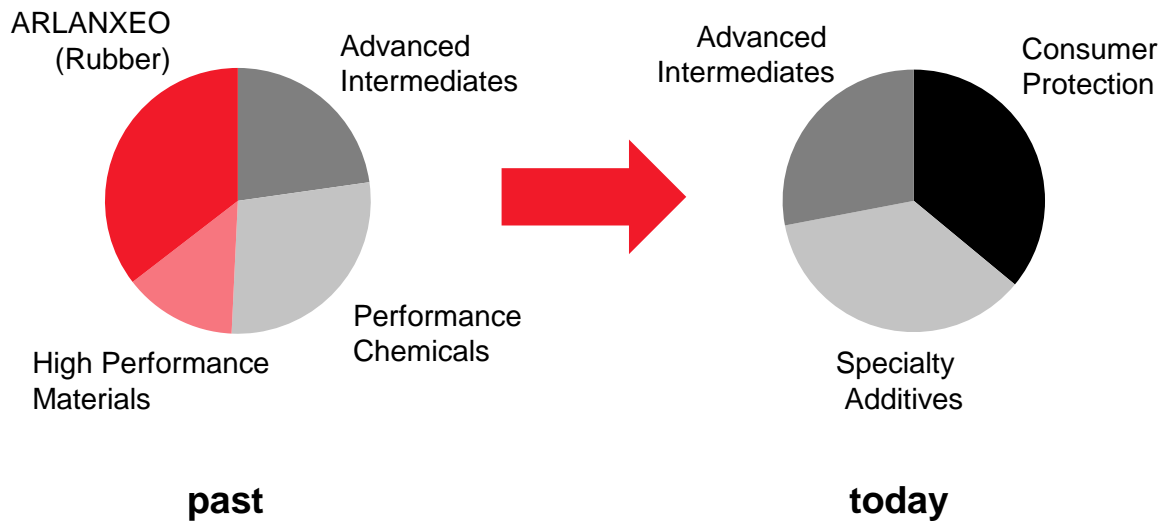


Strategic focus on specialty chemicals

Significantly reduced complexity

Development of segment structure

Development of Business Units

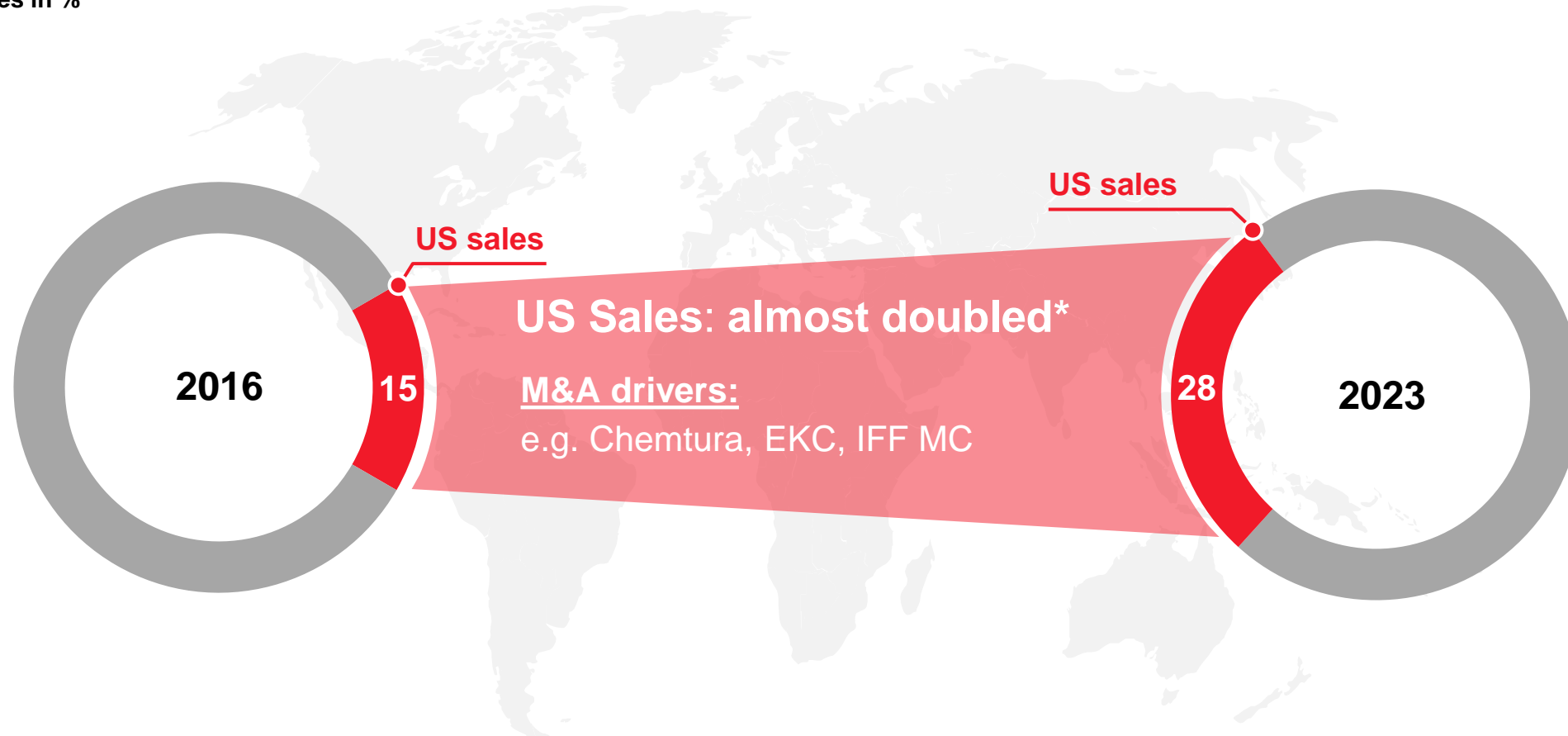


CO<sub>2</sub> & energy intensive businesses and mass markets exited

# Successful portfolio transformation with extended U.S. footprint

Regionally balanced portfolio with strategic focus on U.S. growth market

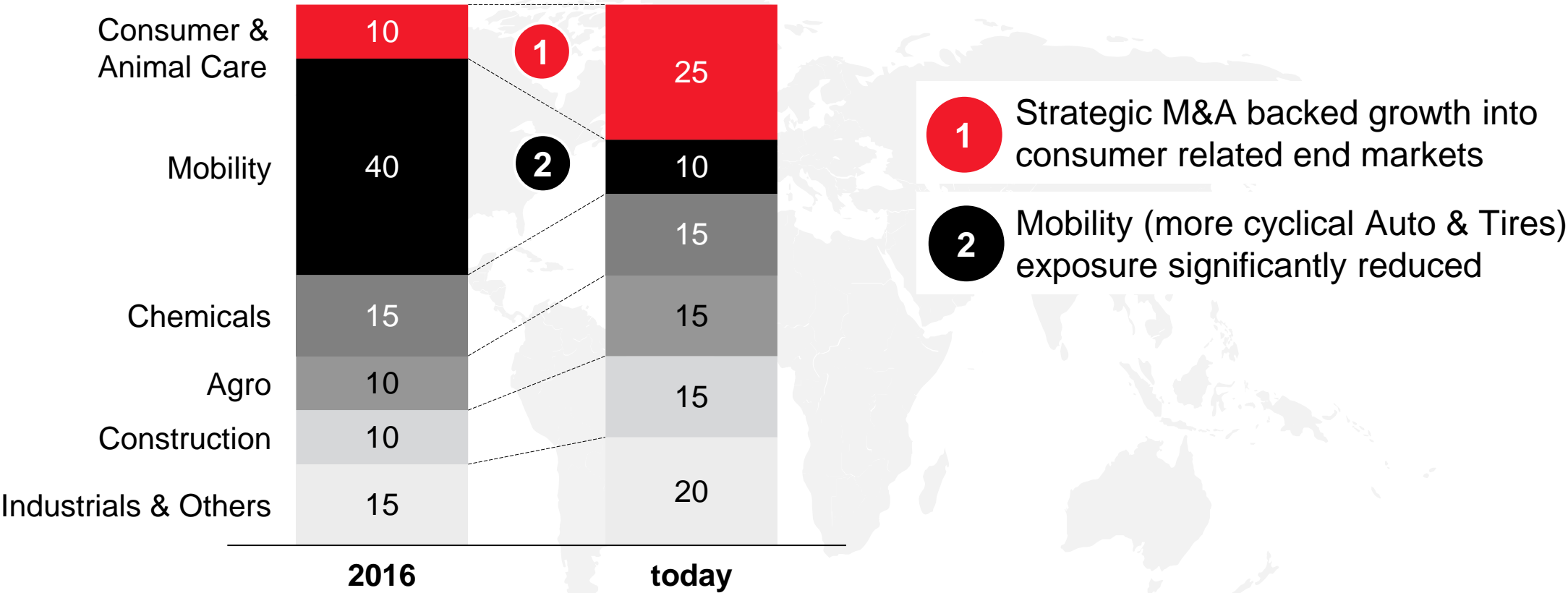
Regional sales in %



# Balanced portfolio with strategic focus on consumer related markets

## Overall balanced portfolio structure with strong mid-term upcycle potential

Sales share in %





# Building on our existing strengths – transforming into a true specialty chemicals player

## Our strengths ...

- Know-how to run assets efficiently
- Leading in niche chemical products
- M&A-driven portfolio transformation
- Clear sustainability & safety focus

## ... capabilities we want to further develop

- ➔ **1** Customer- and market-led, commercially driven company leveraging our leadership positions
- ➔ **2** Differentiated products, services and innovative business models
- ➔ **3** Organic, innovation-driven growth
- ➔ **4** Clear leadership based on a holistic, best-in-class sustainability and safety management

**Embedded in our performance culture and an entrepreneurial mindset**

# Solid foundation to unlock future value levers

1

## Commercially driven company



- Anticipation of customer value chains
- Accompany customers into new markets/applications
- Targeted incentivization

2

## Differentiated business models



- Capitalize on regional technical service centers
- Solution-oriented and customer-centric approach

3

## Organic, innovation driven growth



- AI backed product innovation
- Ample capacity headroom without additional investments

4

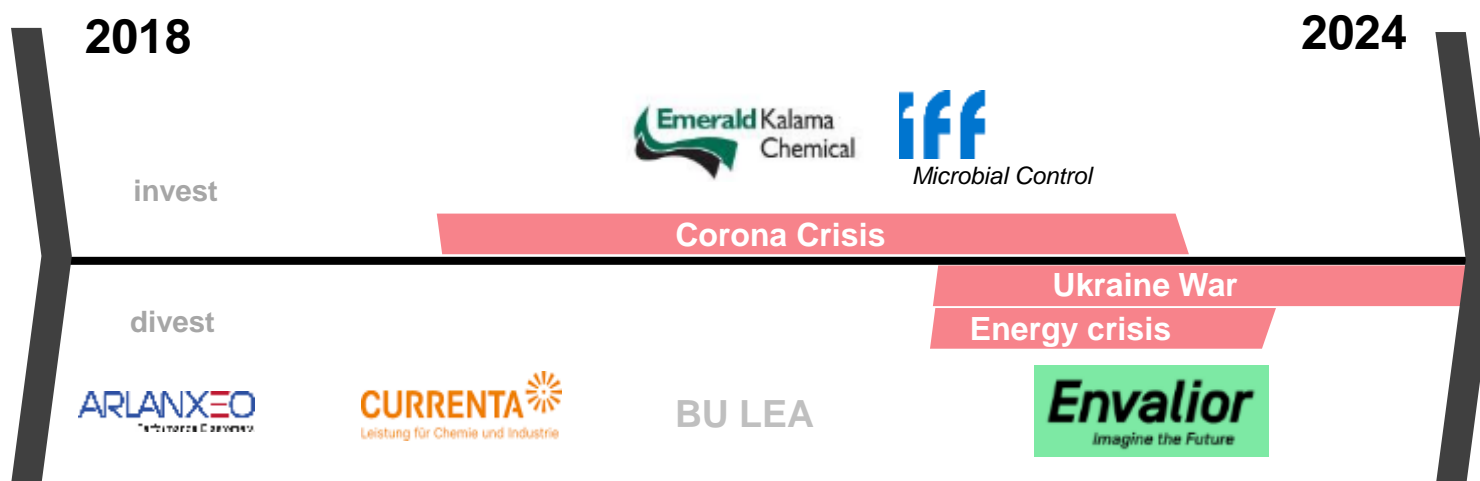
## Leadership in safety & sustainability



- World class safety standards
- Best in class sustainability set-up ensures license to operate for the future

# Right set-up to grow

## Active portfolio improvement for value creation



- ▶ Divestment of CO<sub>2</sub> & energy intensive mass market businesses
- ▶ Building strong specialty chemicals businesses
- ▶ Strong increase of US footprint, asset base in Europe reduced

**Transformation accomplished at the right point in time!**

## Strong muscles for self-help

### Financial performance drivers:

- Focus on LXS' capabilities
- Leveraging our leadership positions
- **It is all in our own hands to improve our financial performance**

# We have defined clear targets and objectives for the sustainability areas we consider most important

## CLIMATE

- Climate neutral by 2040 for Scope 1 & 2:  
-80% CO<sub>2</sub>e emissions by 2030 versus 2004
- Net zero by 2050 for Scope 3:  
-60% CO<sub>2</sub>e emissions by 2030 versus 2015

## WATER

- Reduction of absolute water withdrawal at water risk sites by 9% until end of 2028

## PRODUCTS

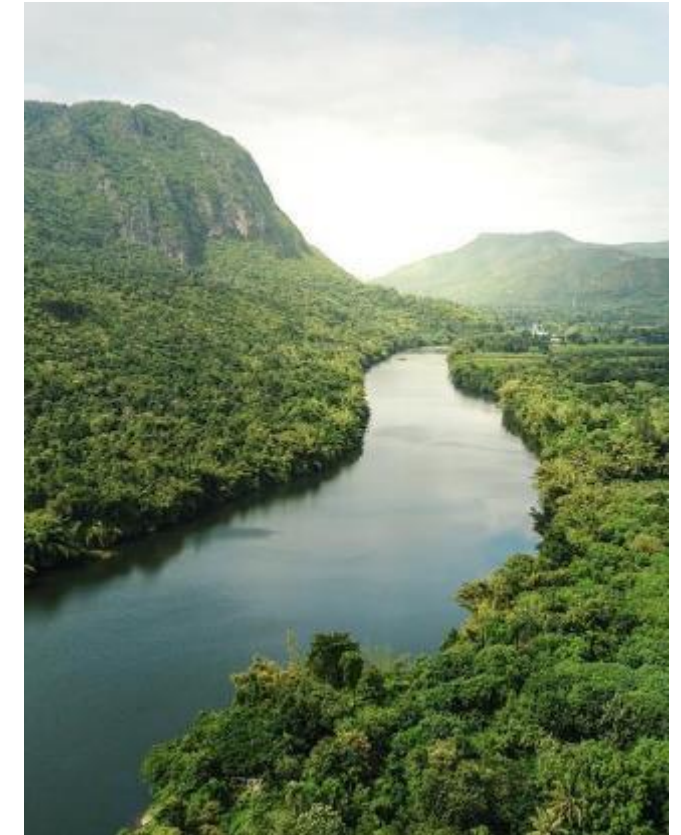
- Phase out of 2021/2023 roadmap products by 2026, innovate and substitute by 2030

## SAFETY

- Aiming for zero accidents

## DIVERSITY

- Proportion of women in management<sup>1</sup> at 30% in 2030



**Ambition: LANXESS, a leading, resilient, and sustainable company**

<sup>1</sup> Management refers to all managerial employees below the Board of management

# Leading ESG rating providers honor our performance



Rating recently confirmed

BBB → A → AA → AA → AA → AA

2<sup>nd</sup> highest category for 4<sup>th</sup> time  
Convincing governance set-up and climate strategy

Rating recently updated

C → B- → B- → B

Prime status since 2020; B rating since 2024  
Top 10%

DISCLOSURE INSIGHT ACTION

A A A- A A A A A

2016 2017 2018 2019 2020 2021 2022 2023

In total, 7 times on Climate A list (among top 2%), 5<sup>th</sup> time in a row  
2<sup>nd</sup> time A- rating for water disclosure

Powered by the S&P Global CSA

Europe: #1 #1 #1 #1 #1

World: #4 #2 #2 #2 #3

2019 2020 2021 2022 2023

Top 10% in DJSI World (13<sup>th</sup> year)  
#1 in DJSI Europe (7<sup>th</sup> year)  
Sustainability Yearbook member

We are rewarded for our efforts on sustainability that go beyond the must-haves

GOLD | Top 5%

SEP 2024

Rating recently updated



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# FORWARD!: Actively counteracting current weak market conditions



Savings of FORWARD! program have been confirmed and are in execution

## Progress

- Majority of contracts for FTE reduction signed
- Measure implementation according to plan
- Savings realization fully on track

**~€150 m**  
total recurring savings

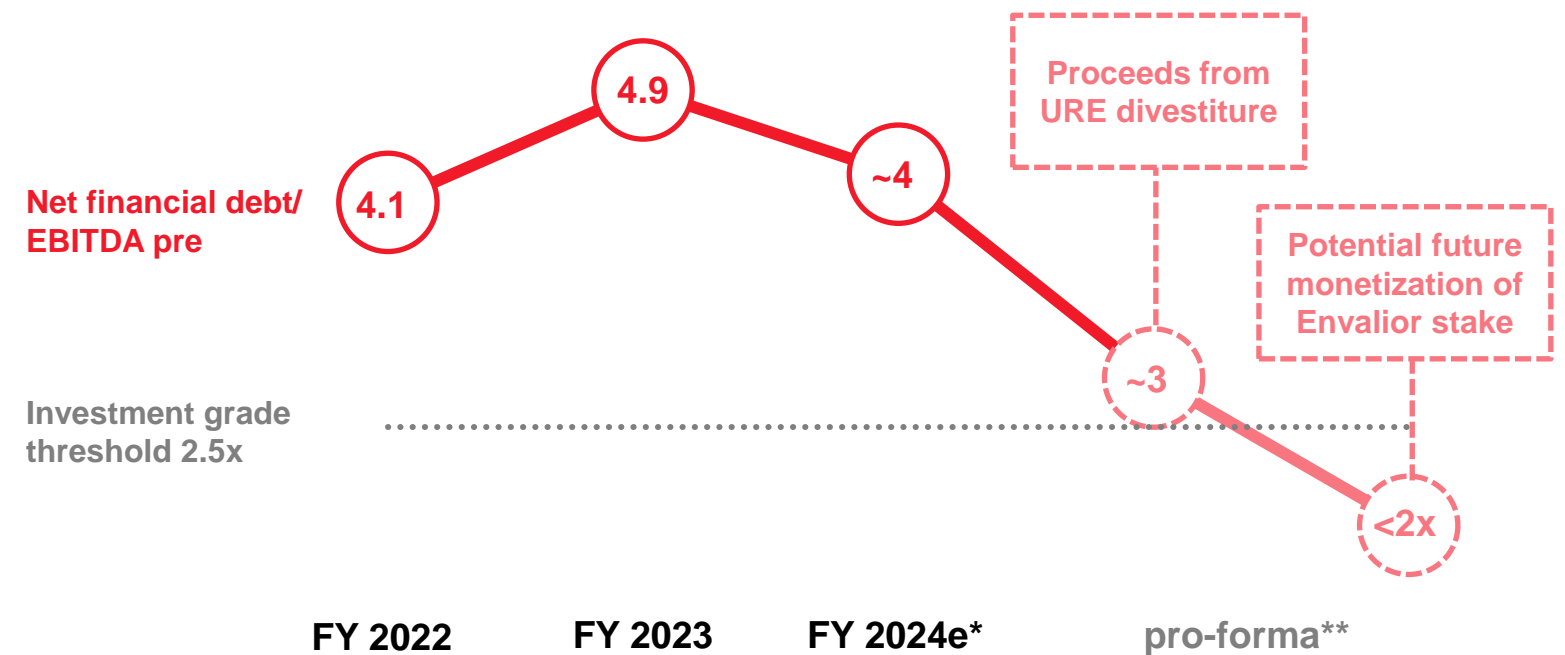
	2024	2025
Savings	~€90 m	~€60 m
Cash-outs	~€50 m	~€30 m
FTEs*	~870 globally	

Sustainable improvement of our cost base

# Substantial leverage improvement projected



## Path to leverage reduction



## Additional cash flow levers

- EBITDA improvement based on demand recovery and FORWARD! savings
- WC/Sales optimization towards 20%
- Benefit from limited capex needs and ample capacity headroom
- Exceptional cash-outs fade out to ~€30 m
- Stable financing costs
- Mid-term tax rate of ~26%

## Commitment to strive for solid investment grade ratios

\* based on consensus 2024  
16 \*\* based on consensus 2025 excl. Urethane Systems, additionally reflecting LANXESS' possibility to monetize on its Envalior stake in the future

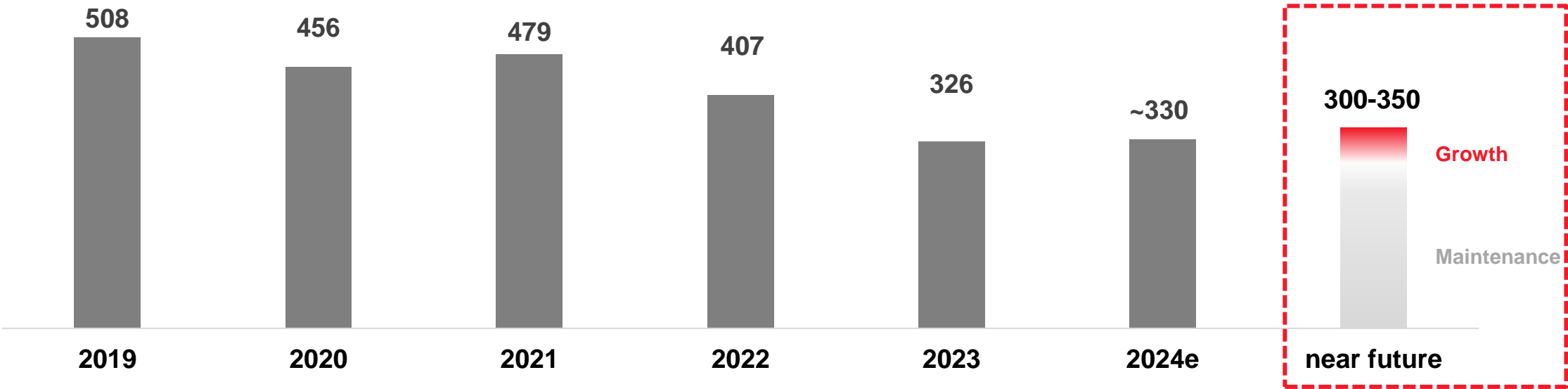


# Our structurally improved business platform requires less capex



Capex needs have significantly been reduced since 2019

Capex cash-outs in € m



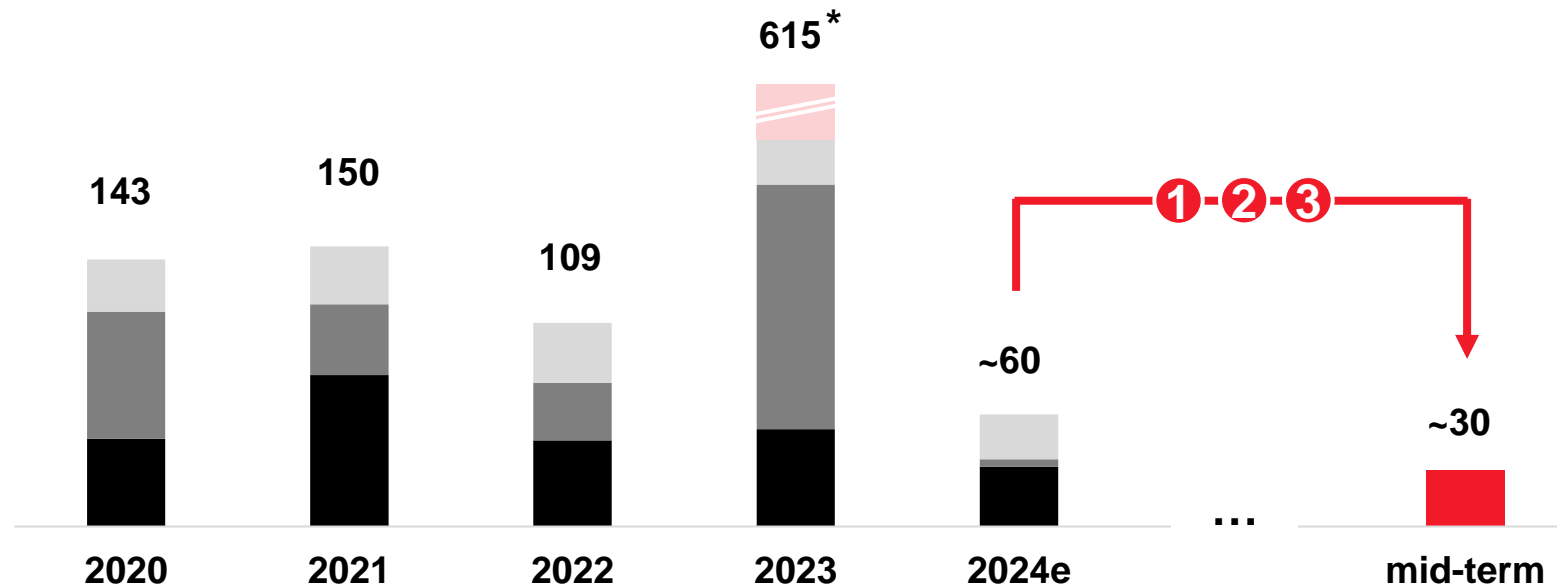
Sustainable lower capex level, additional short- to mid-term benefit from ample capacity headroom

# After successful transformation, exceptionals are to decrease further in the upcoming years

## Exceptionals development since 2020

Exceptionals in € m

IT Restructuring Portfolio Impairment



- 1 Portfolio:**  
Transformation now completed
- 2 Restructuring:**  
To be finished by end of 2025
- 3 IT:** ERP system implementation to be finalized by end of 2025

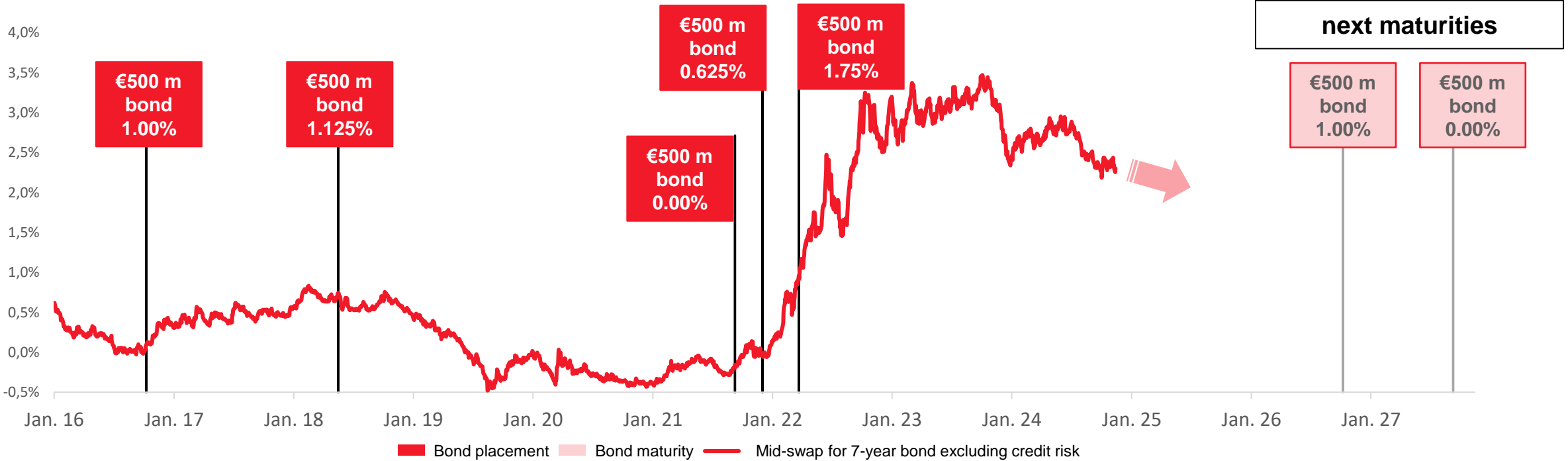
**We expect a remainder of ~€30 m exceptionals mid-term**

\* incl. €409 m impairments

# LANXESS without maturities during the current peak interest rates



NO refinancing requirements in current high interest period

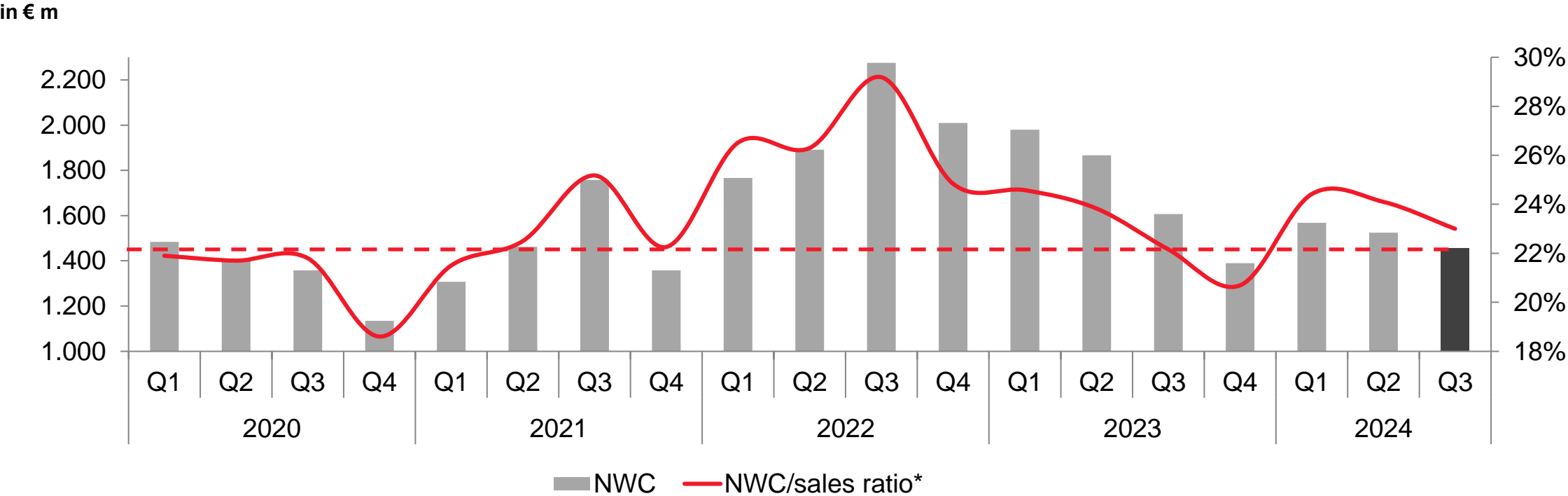


Stable financing costs – attractive average interest rate of ~1.0%

# Continuous net working capital reduction – balancing profitability and inventory control



Significant reduction of net working capital since peak in Q3 2022




Lower net working capital as lever for cash generation

20      \*Net working capital to sales ratio  
As of 30<sup>th</sup> September 2024, net working capital reported without BU URE (Reported as “Assets held for sale”); Underlying Working Capital including BU URE remains flat

# Disposal of Urethane Systems business substantially contributes to net debt reduction



Key financial data		Strategic rational	
Sales	~€250 m	<div>expected proceeds ~€500 m</div> <div>Multiple ~11x</div> <div>leverage ratio* reduced by ~0.5x</div>	<div><ul style="list-style-type: none"><li>Disposal of the last remaining polymer business</li><li>No strategic overlap with core operations of existing portfolio</li><li>Monetize high-value asset to unlock capital and reduce leverage</li></ul></div> <div></div>
EBITDA pre	~€40 m		
FTEs	~400		
Low cash tax	~€20 m		
Enterprise value	€460 m		

Closing expected in first half of 2025

# Agenda

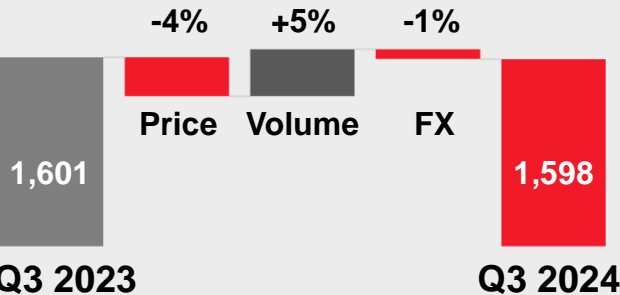
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# Q3 2024: Solid EBITDA pre improvement

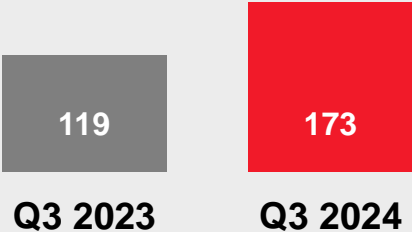


## Sales



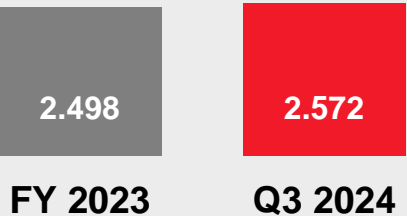
0%  
However, volume growth in 9 out of 10 businesses

## 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





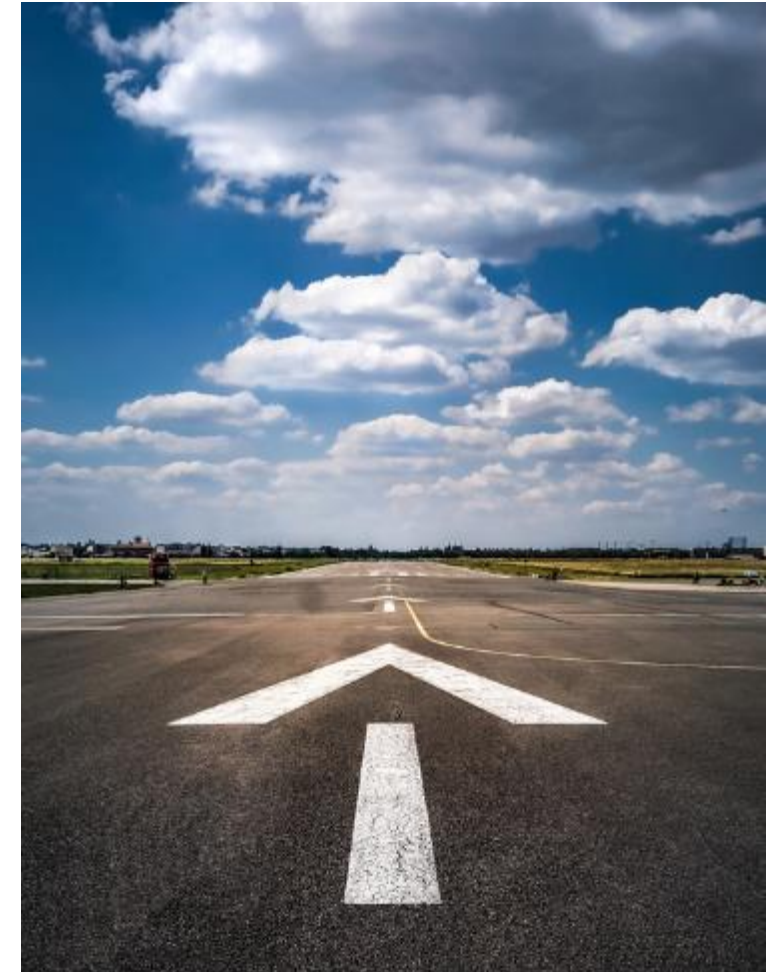
# FY 2024 guidance confirmed again: EBITDA pre expected to increase by 10-20%

## 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



# 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

Price Volume FX Portfolio

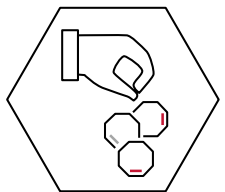
**-4%** **-5%** **-1%** **-**

**Total -10%**

**Q3 Sales vs. PY**

[€ 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%

- 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**

Price Volume FX Portfolio

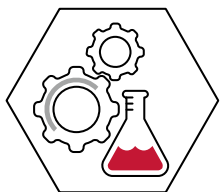
**-4% +5% -1% -**

**Total +0%**

**Q3 Sales vs. PY**

[€ 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%

- 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%
<b>Net Income</b>	<b>-131</b>		<b>1</b>		<b>&gt;100%</b>
<b>Adjusted EPS [€]</b>	<b>-0.01</b>		<b>0.86</b>		<b>&gt;100%</b>
EBITDA	83	(5%)	163	(10%)	96%
thereof except.	36	(2%)	10	(1%)	-72%
<b>EBITDA pre except.</b>	<b>119</b>	<b>(7.4%)</b>	<b>173</b>	<b>(10.8%)</b>	<b>45%</b>

- 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
<b>Profit before tax</b>	<b>-142</b>	<b>2</b>
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
<b>Operating cash flow</b>	<b>390</b>	<b>59</b>
Capex	-68	-73
<b>Free cash flow</b>	<b>322</b>	<b>-14</b>

- 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
<b>Total assets</b>	<b>9,665</b>	<b>9,689</b>	<b>9,448</b>
Equity	4,507	4,563	4,378
<b>Equity ratio</b>	<b>47%</b>	<b>47%</b>	<b>46%</b>
<b>Net financial debt<sup>1</sup></b>	<b>2,498</b>	<b>2,547</b>	<b>2,572</b>
<b>Pension provisions</b>	<b>498</b>	<b>433</b>	<b>439</b>
<b>Net working capital</b>	<b>1,389</b>	<b>1,524</b>	<b>1,456</b>
DSI (in days) <sup>2</sup>	85	75	76
DSO (in days) <sup>2</sup>	38	42	38
Net working capital/sales <sup>3</sup>	21%	24%	23%

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

<sup>1</sup> Deducting cash, cash equivalents, near cash assets

<sup>2</sup> Calculated from quarterly sales

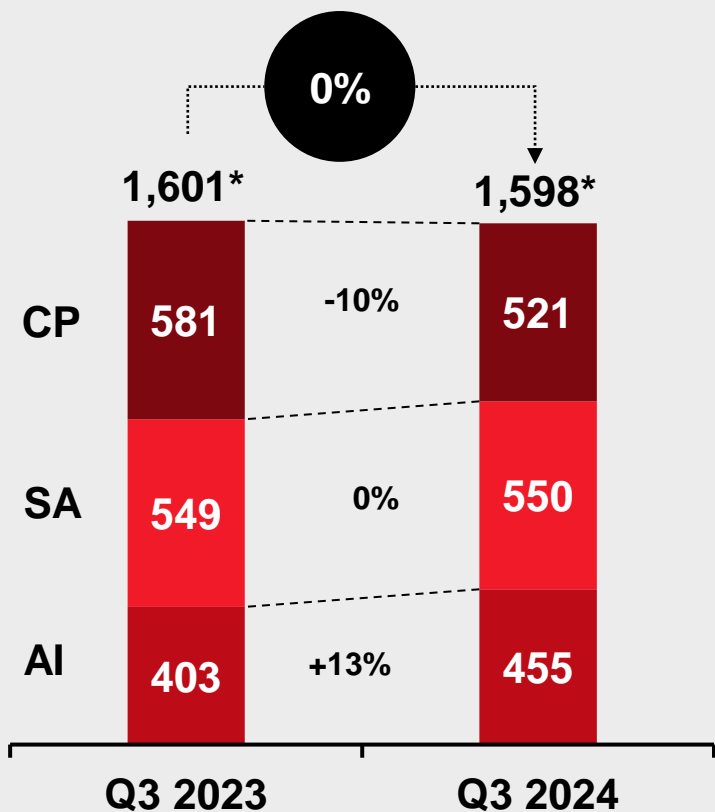
<sup>3</sup> Last twelve months sales



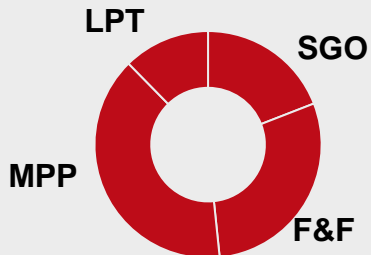
# Q3 2024: Weak agro business burdens CP; improved EBITDA pre in AI & SA due to savings & better utilization



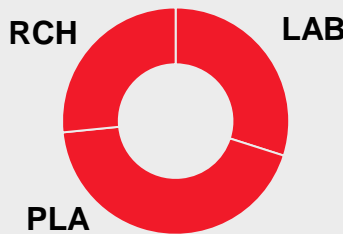
Sales [€ m]



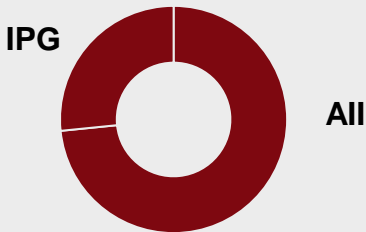
Consumer Protection



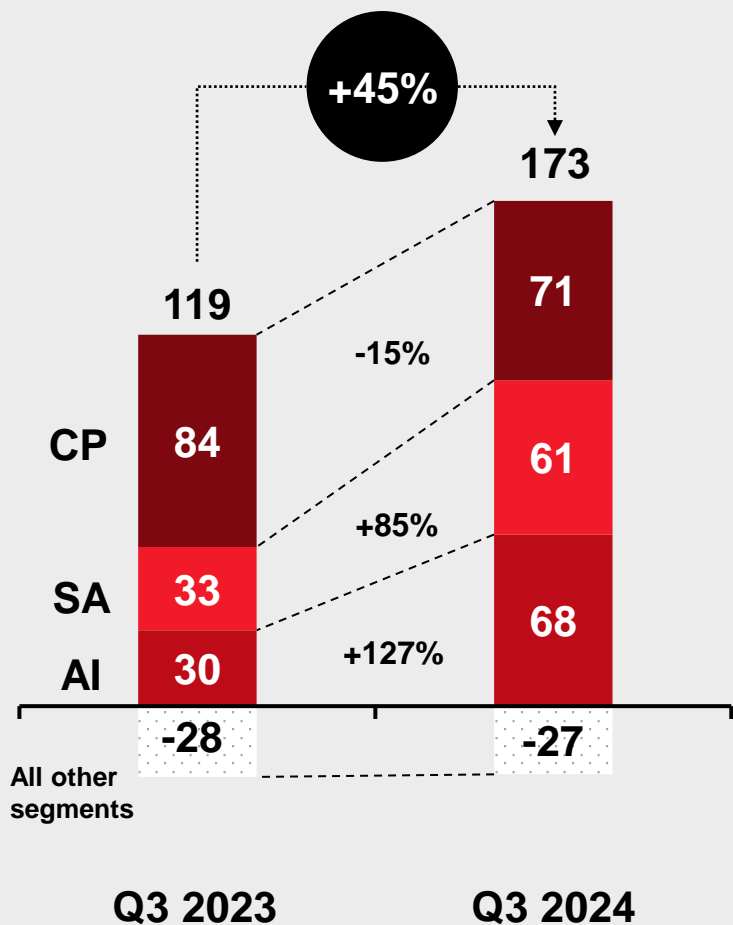
Specialty Additives



Advanced Intermediates



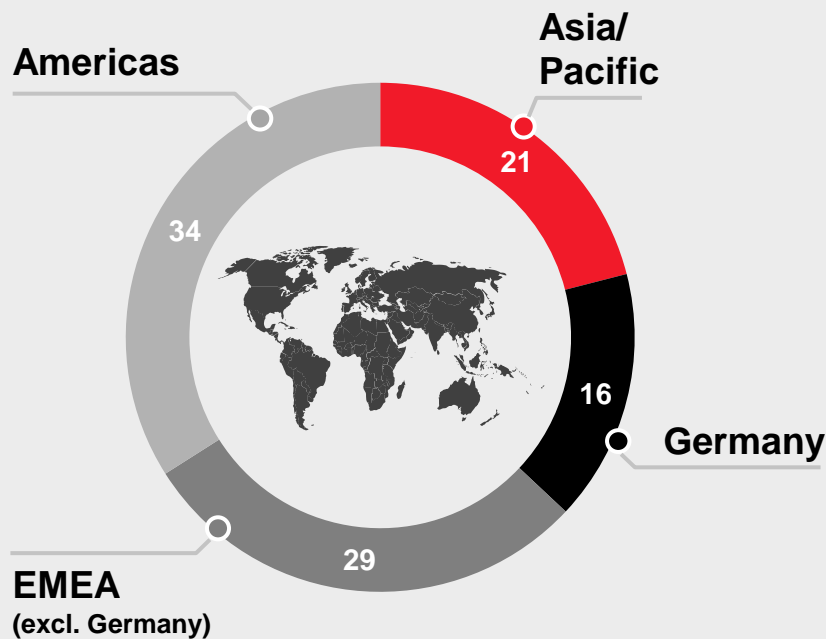
EBITDA pre [€ m]



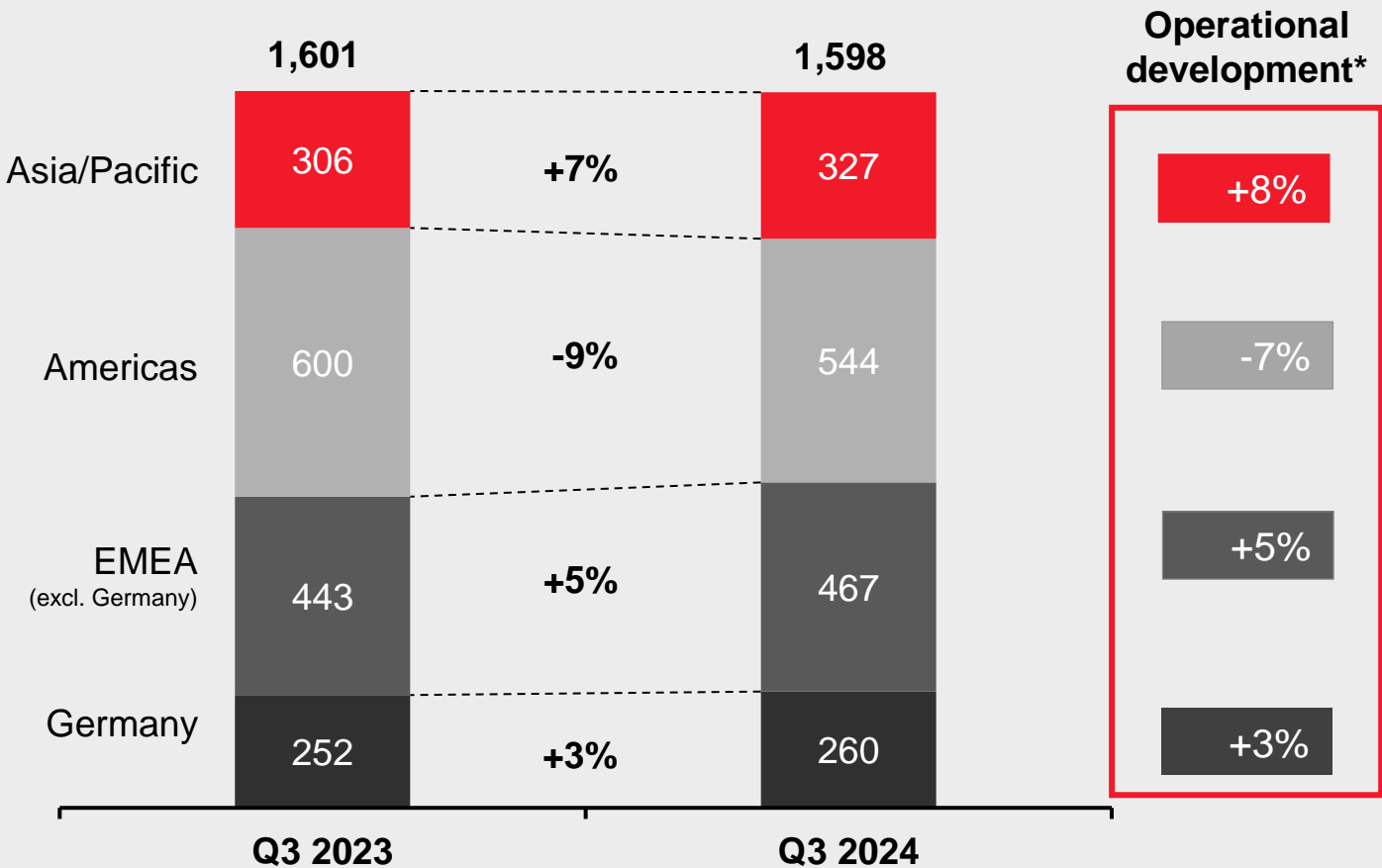
\* Total group sales including all other segments

# 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	<b>2</b>	<b>-1</b>	-19	-5	<b>-3</b>	<b>-2</b>
Strategic IT projects	-10	-1	<b>-7</b>	<b>0</b>	-26	-1	<b>-18</b>	<b>0</b>
M&A, digitalization and others	-18	-1	<b>-7</b>	<b>-1</b>	-44	-3	<b>-24</b>	<b>-3</b>
Total	-43	-7	<b>-12</b>	<b>-2</b>	-89	-9	<b>-45</b>	<b>-5</b>

**-72%**

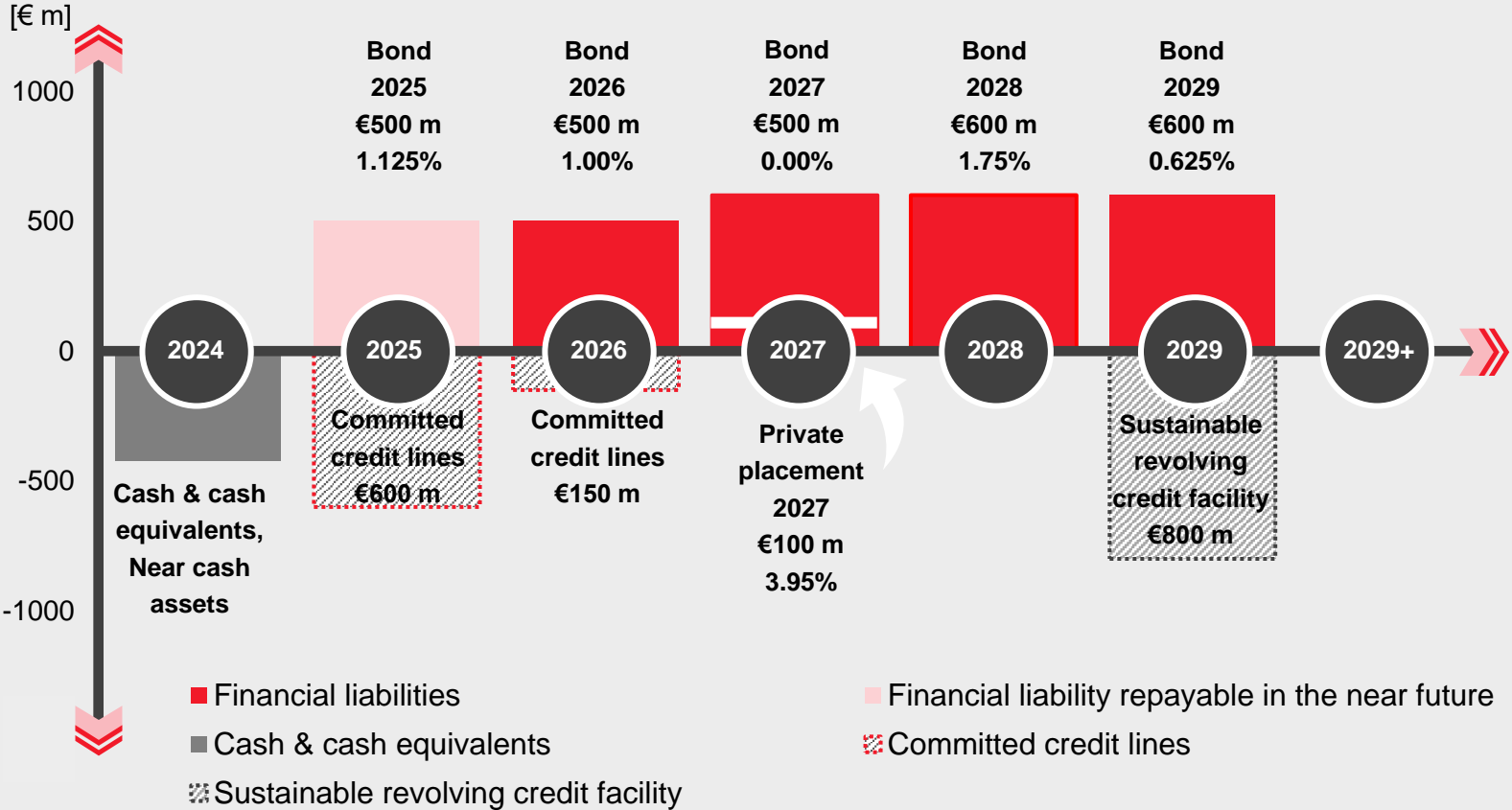
**-49%**

# 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



# Aiming for investment grade rating

## Credit rating history

	2019	2020	2021	2022	2023	2024
	Baa2/ stable August 2019	Baa2/ stable August 2020	Baa2/ stable August 2021	Baa2/ stable July 2022	Baa3/ negative November 2023	<b>Baa3/ negative</b> November 2024
	BBB+/ stable July 2019	BBB+/ stable September 2020	BBB+/ stable August 2021	BBB+/ stable July 2022	BBB+/ negative July 2023	<b>BBB/ negative</b> February 2024

Investment grade rated since spin-off in 2004

# Appendix



# 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

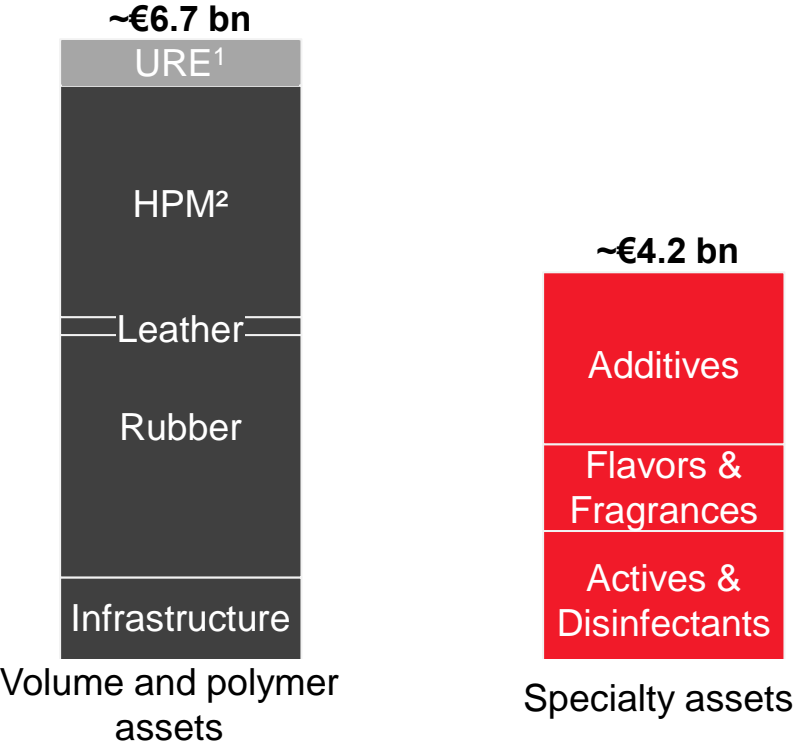
\* Including BU Urethane Systems

# LANXESS portfolio transformed towards a true specialty chemicals player



## Portfolio transactions since 2016

Transaction values



**Acquired businesses:**  
High profitability and cash generation  
Asset light  
Less cyclical

**Divested businesses:**  
Lower profitability  
Asset intensive  
More cyclical



# Strong portfolio of attractive businesses

## Consumer Protection



- Material Protection Products
- Flavors & Fragrances
- Saltigo
- Liquid Purification Technologies

- Among top 3 players
- High profitability
- Asset light and high cash conversion

## Specialty Additives



- Polymer Additives
- Lubricant Additives Business
- Rhein Chemie

- Among top 3 players
- Small volume, high impact
- Integrated value chains

## Advanced Intermediates



- Advanced Industrial Intermediates
- Inorganic Pigments

- Among top 3 players
- Technology and process driven
- Market leader in Western hemisphere

# 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%
<b>Net income</b>	<b>1,033</b>	<b>(20%)</b>	<b>-113</b>	<b>(-2%)</b>	<b>&gt;-100%</b>
<b>Adjust. EPS (cont.) [€]</b>	<b>0.43</b>		<b>1.37</b>		<b>&gt;100%</b>
EBITDA	335	(6%)	415	(8%)	24%
thereof except.	-80	(-2%)	-40	(-1%)	50%
<b>EBITDA pre</b>	<b>415</b>	<b>(7.9%)</b>	<b>455</b>	<b>(9.3%)</b>	<b>10%</b>

- 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 Envalor 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

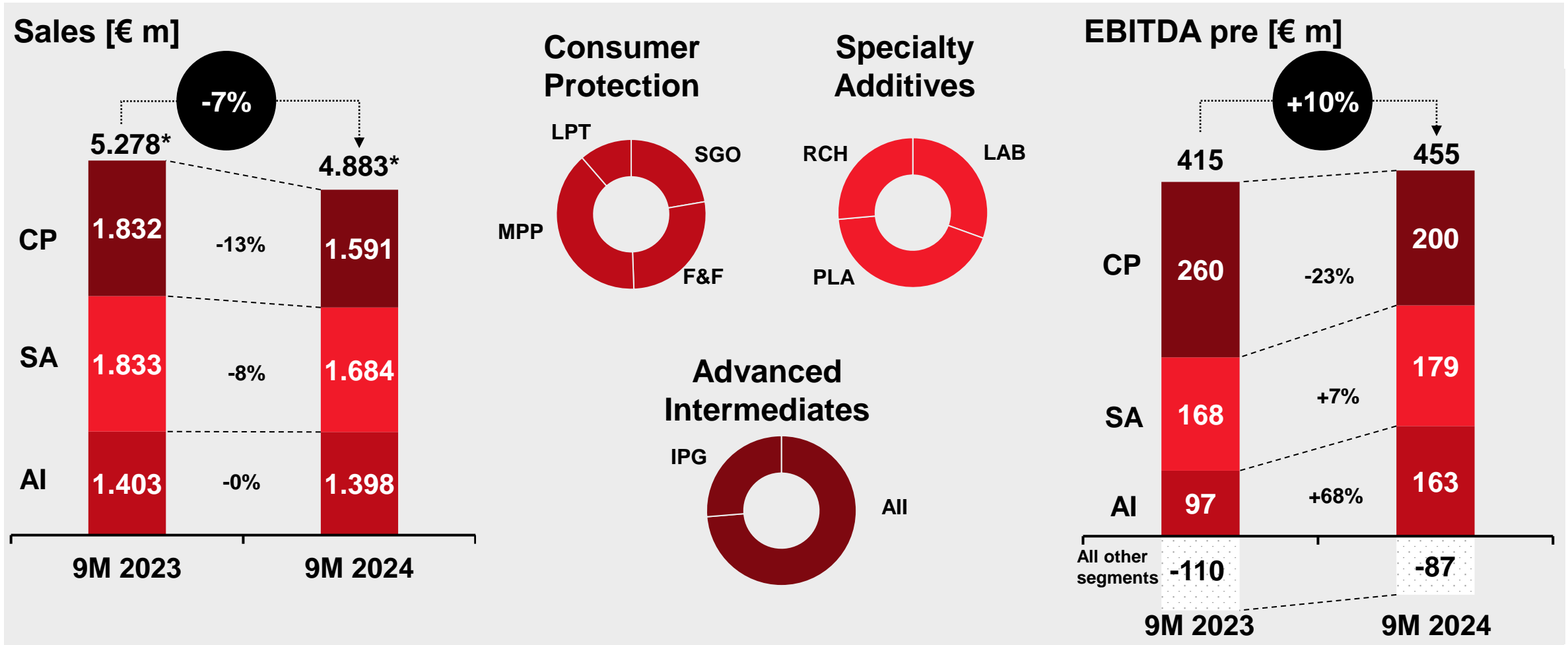
Cash flow [€ m]*	9M 2023	9M 2024
<b>Profit before tax</b>	<b>-286</b>	<b>-129</b>
Depreciation & amortization	422	420
Result from investments accounted for using the equity method	143	109
Income taxes	-37	-31
Changes in other assets & liab.	-55	-57
Changes in working capital	398	-158
Others**	43	2
<b>Operating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

- 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

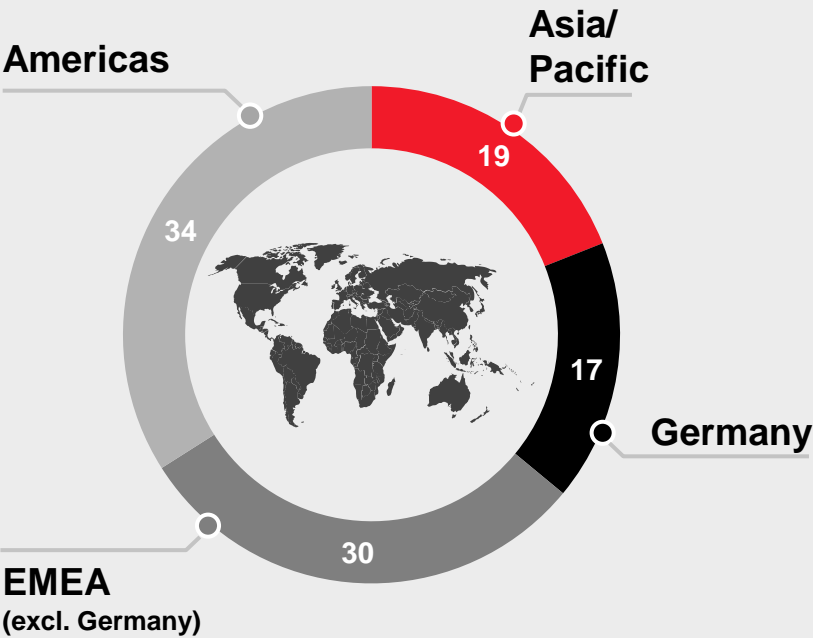
# 9M 2024: weak agro business burdens CP; improved EBITDA pre in AI & SA due to savings & better utilization



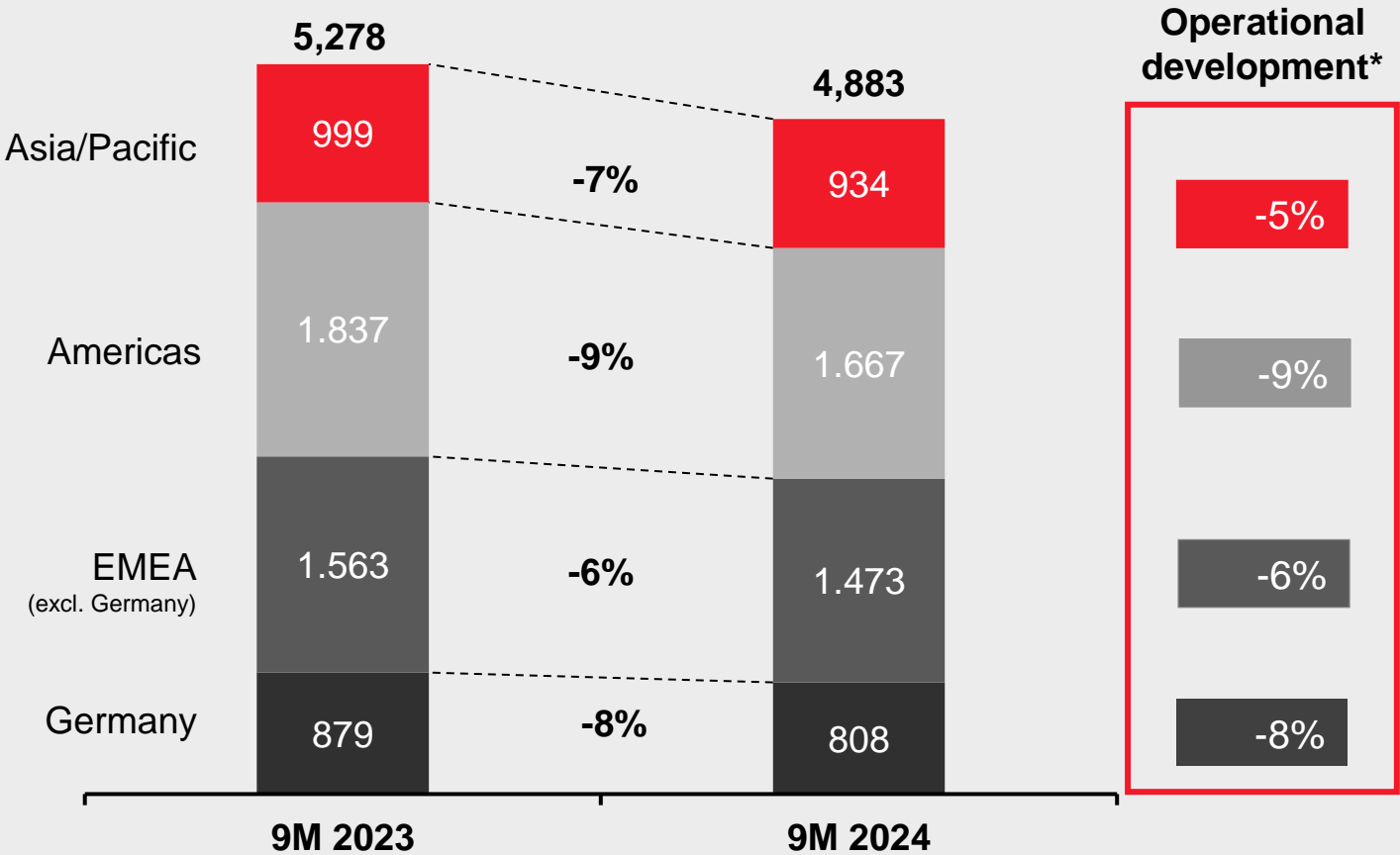
\* Total group sales including all other segments

# 9M 2024: Sales decline in all regions

9M 2024 sales by region [%]



Regional development of sales [€ m]



\* Currency and portfolio adjusted

# 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

# LANXESS plans to supply Standard Lithium with lithium-rich brine

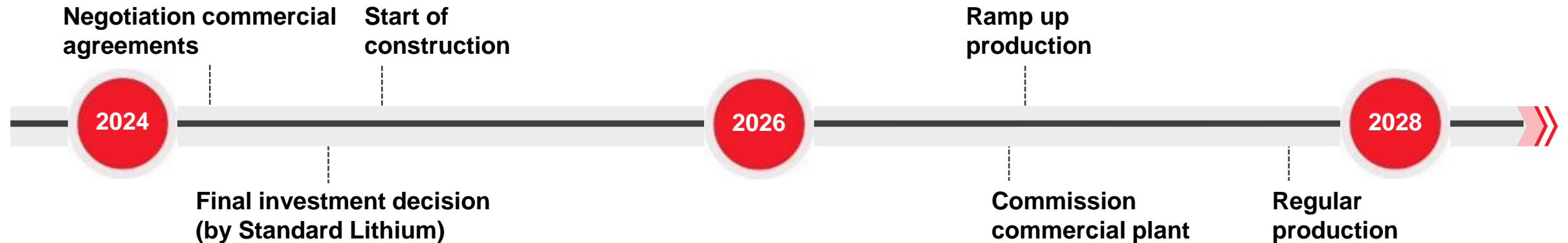


## Enhancing profitability

- Feasibility study of Standard Lithium confirms economic viability
- LANXESS opted for brine supply
- Long-term contract envisaged
- EBITDA contribution subject to current negotiations

## De-risking

- ✓ Making use of tail-brine after bromine extraction
- ✓ No investment from LANXESS needed;  
No associated cash out
- ✓ Margin contribution without risk

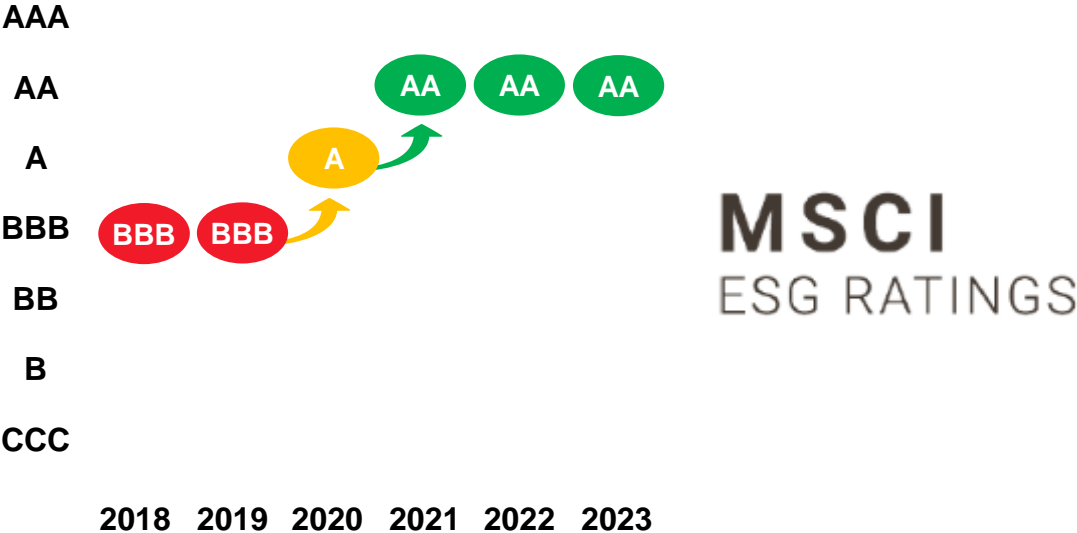


# LANXESS achieves leading sustainability performance



## MSCI ESG confirms AA rating

- Second highest rating confirmed in third consecutive year
- Above average performance in Governance, water stress and carbon emission



## SBTi reconfirms LANXESS climate targets



- SBTi again approved alignment with 1.5°C pathway for 2030 emissions targets (Scope 1 and 2) after HPM carve-out (Envalor JV formation)
- According to SBTi, also the long-term targets (up to 2050) for the entire value chain (Scope 1, 2 and 3) are in line with the 1.5°C reduction pathway

Climate targets in line with 1.5°C pathway





# LANXESS as part of the chemical industry enables the transformation towards a sustainable society



## New Mobility



Chemicals for battery production enable GHG-reduced solutions such as e-mobility

## Renewable Energy



High-end materials such as lubricants support sustainable energy generation

## Water Treatment



Ion exchange resins can purify water providing drinking water and helping wastewater treatment

## Circular Economy



Recycling enables the recovery of molecules, reduces waste and makes re-use possible

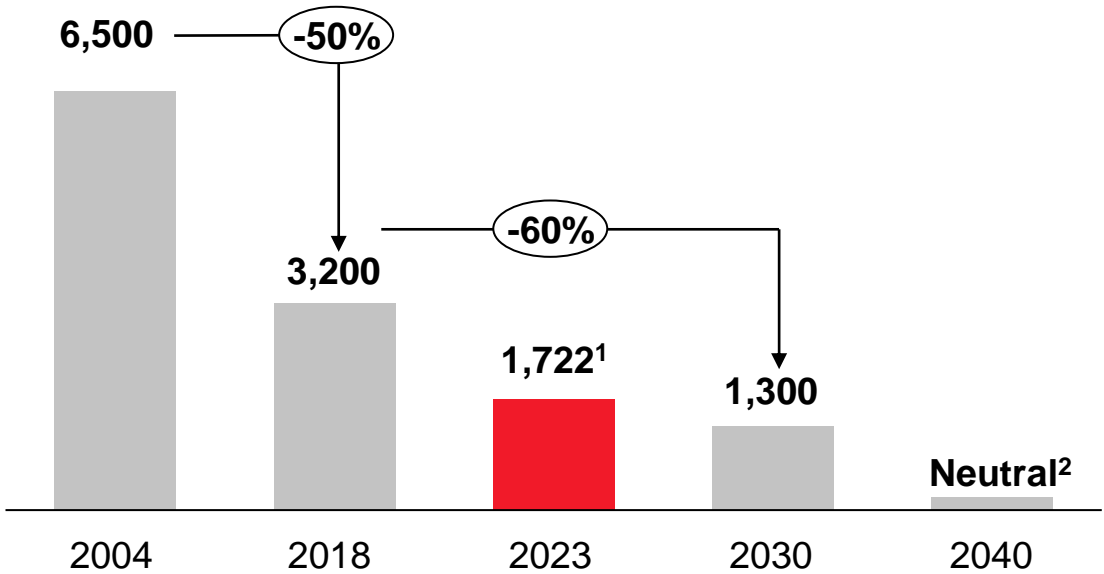
# Our projects to reduce Scope 1 and 2 emissions are on track



CLIMATE NEUTRAL 2040

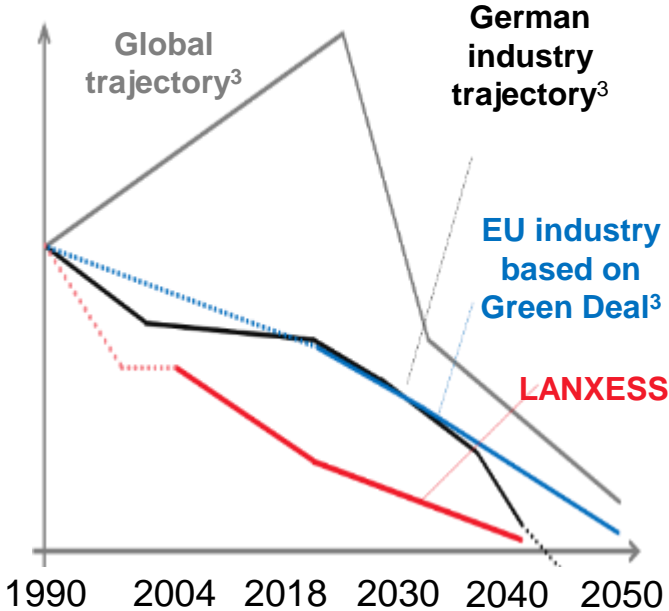
## Our path to climate neutrality

- 1 Realize major impact projects
- 2 Decouple emissions & growth
- 3 Pursue technological innovations



in thousand metric tons of CO<sub>2</sub>e Scope 1 and 2 emissions

## We are ahead of EU regulation



Scope 1 and 2 emissions

## We are on track to achieve target set for 2030

<sup>1</sup> Only continuing operations. 2023 figure distorted by very low utilization. | <sup>2</sup> Climate neutral: Less than 220k tons of CO<sub>2</sub> equivalents (e) per year. These will be reduced through compensation measures. | <sup>3</sup> Estimation based on AGORA Energiewende

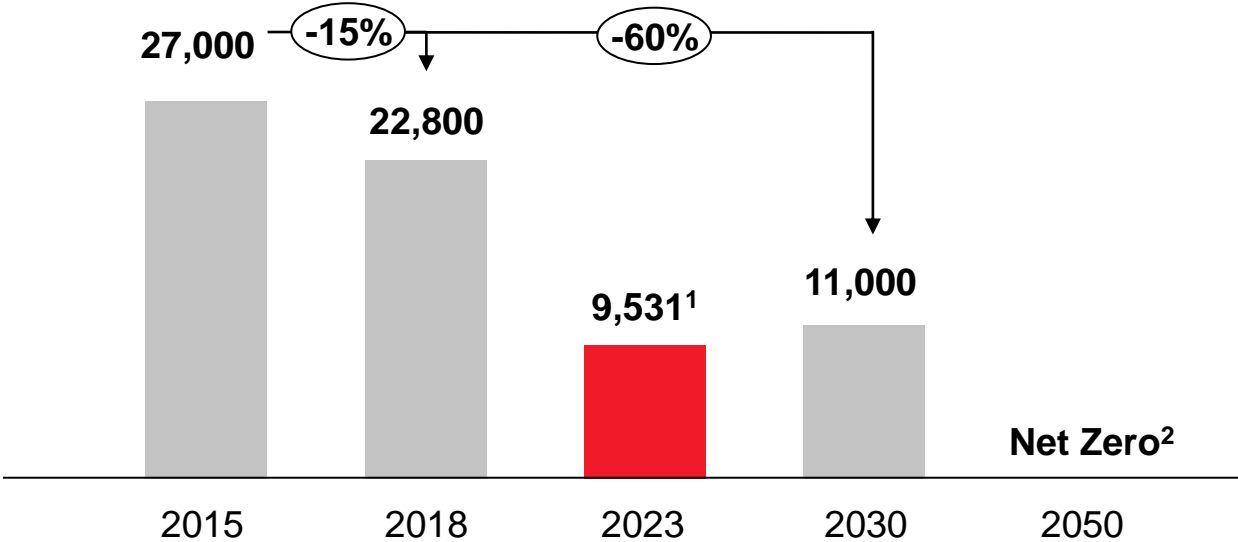
# We aim to reduce and ultimately neutralize our Scope 3 value chain emissions



NET ZERO \VALUE CHAIN

## Our path to Net Zero

- 1 Use of sustainable raw materials
- 2 Transition to green logistics
- 3 Increasingly offer low-carbon and climate-neutral products



in thousand metric tons of CO<sub>2</sub>e Scope 3 emissions

We are on track to achieve target set for 2030

<sup>1</sup> Only continuing operations. 2023 figure distorted by very low utilization.

<sup>2</sup> "Net zero" will be achieved by a combination of positive and negative emissions during the life-cycle. Final 10% of emissions will be reduced by compensation measures.

# Our product portfolio is aligned with our sustainability strategy

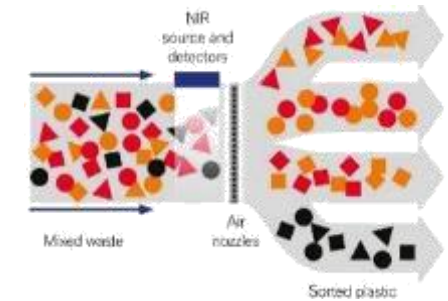
## Available: Sustainable products (BU F&F)

Customers have the choice: F&F offering majority of its portfolio in two alternatives - regular and sustainable



## Available: Enabling recycling (BU IPG)

**BAYFERROX® 303 T** makes black plastic detectable by recycling machines (usually not possible)

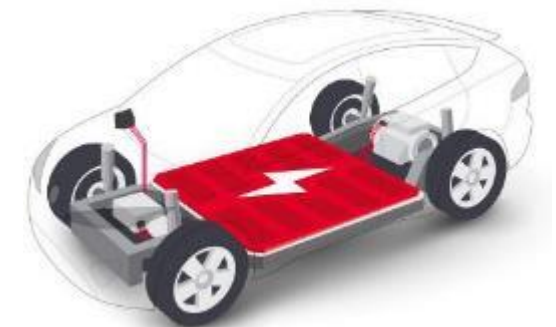


**LEWATIT®** adsorber enable direct air capture of CO<sub>2</sub>



New market: Direct air capture (BU LPT)

Immersion cooling fluids enable fast-charging of electric vehicle batteries by removing excess heat



New product: Battery technology (BU LAB)

# We strive for a sustainable, climate-neutral product portfolio without compromising product performance

NET ZERO \VALUE CHAIN

## Increasingly offer low-carbon and climate-neutral products (examples)



### **X Lewatit®** Scopeblue

- First sustainable ion exchange resin used in water filter cartridges
- Resins are based on bio-circular acrylonitrile resulting in a sustainable raw material share of more than 90%
- Production in compliance with certified ISCC Plus standards

### **X Trimethylolpropane** Scopeblue

- Is used in resins and polyurethane applications
- TMP Scopeblue is based on more than 50% circular Butyraldehyd as a raw material (ISCC Plus certified)
- Sustainable drop-in for existing formulations without compromising performance



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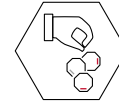
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# Abbreviations



## Consumer Protection

<b>MPP</b>	Material Protection Products
<b>F&amp;F</b>	Flavors & Fragrances
<b>SGO</b>	Saltigo
<b>LPT</b>	Liquid Purification Technologies



## Specialty Additives

<b>PLA</b>	Polymer Additives
<b>LAB</b>	Lubricant Additives Business
<b>RCH</b>	Rhein Chemie



## Advanced Intermediates

<b>AII</b>	Advanced Industrial Intermediates
<b>IPG</b>	Inorganic Pigments