

# Q4 2024 Results

## LANXESS Group



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### Strong finish in Q4 despite tough environment

|                     | Q4 2023              | Q4 2024                      | Δ vs. PY |   | Comments on Q4  |
|---------------------|----------------------|------------------------------|----------|---|---|
| Sales               | €1,436 m             | <b>€1,483 m</b>              | +3%      | ↑ | Slightly lower prices mostly due to input cost deflation; increased volumes for most Business Units supported by pre-buying among others from the U.S. region |
| EBITDA pre          | €97 m                | <b>€159 m</b>                | +64%     | ↑ | EBITDA pre and margin improvement in all segments due to higher utilization and restructuring efforts; comparing to a weak prior year base                    |
| Margin              | 6.8%                 | <b>10.7%</b>                 | +3.9 pp. | ↑ |   |
| Adjusted EPS        | -€0.30               | <b>€0.21</b>                 | >100%    | ↑ | Adjusted EPS reflects better operating result   |
| Operating cash flow | €224 m               | <b>€352 m</b>                | +57%     | ↑ | Improvement reflects better operating result  |
| Free cash flow      | €92 m                | <b>€206 m</b>                | >100%    | ↑ |   |
| Net financial debt* | Sep 2024<br>€2,572 m | <b>Dec 2024<br/>€2,381 m</b> | -7%      | ↓ | Net financial debt further reduced by sound cash flow generation  |
| Capex               | €132 m               | <b>€146 m</b>                | +11%     | ↑ | Capex remains on tightly managed level  |

Sales **+3 %**    Price **- 1 %**    Volume **+ 3 %**    FX **0 %**    Portfolio **-**

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

## Consumer Protection



**Strong EBITDA pre improvement against a weak base – Weak agro business weighs on volumes**

- Sales decline results from lower volumes due to ongoing agro weakness; effect mitigated by pre-buying in the U.S. region
- EBITDA pre and margin development driven by
  - pre-buying effect
  - contribution from cost savings
  - supported by insurance compensations (high single digit)
  - prior-year Q4 burdened by negative effects from supplier outages for chlorine & steam (~€15 m) and own inventory reduction

YoY

|              |              |            |           |
|--------------|--------------|------------|-----------|
| <b>Sales</b> | <b>- 4 %</b> |            |           |
| Price        | Volume       | FX         | Portfolio |
| <b>+ 1 %</b> | <b>- 4 %</b> | <b>0 %</b> | <b>-</b>  |

|            | Q4 2023 | Q4 2024      |
|------------|---------|--------------|
| EBITDA pre | €50 m   | <b>€86 m</b> |
| margin     | 9.8%    | <b>17.6%</b> |

## Specialty Additives



**Results supported by customers' pre-buying in the U.S. – Strong volumes and cost savings contribute**

- Price decrease reflects pass-through of lower input costs
- Higher volumes in all Business Units, supported by U.S. related pre-buying effects
- Improved EBITDA pre and margin due to higher utilization and contribution from cost savings program FORWARD!
- Higher freight costs held back further improvements

YoY

|              |              |              |           |
|--------------|--------------|--------------|-----------|
| <b>Sales</b> | <b>+ 7 %</b> |              |           |
| Price        | Volume       | FX           | Portfolio |
| <b>- 3 %</b> | <b>+ 9 %</b> | <b>+ 1 %</b> | <b>-</b>  |

|            | Q4 2023 | Q4 2024      |
|------------|---------|--------------|
| EBITDA pre | €41 m   | <b>€48 m</b> |
| margin     | 8.3%    | <b>9.1%</b>  |

## Advanced Intermediates



**Improved earnings compared to exceptionally low prior year – Leverage from utilization improvement**

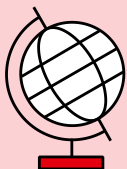
- Positive price deviation on sales is influenced by accounting for average prices in long-term contracts
- Higher volumes based on risen demand from diversified end-markets and market share gains in pigments
- EBITDA pre and margin increase driven by improved utilization & cost savings, while 2023 was burdened by inventory control measures

YoY

|              |              |            |           |
|--------------|--------------|------------|-----------|
| <b>Sales</b> | <b>+ 9 %</b> |            |           |
| Price        | Volume       | FX         | Portfolio |
| <b>+ 2 %</b> | <b>+ 7 %</b> | <b>0 %</b> | <b>-</b>  |

|            | Q4 2023 | Q4 2024      |
|------------|---------|--------------|
| EBITDA pre | €24 m   | <b>€47 m</b> |
| margin     | 6.5%    | <b>11.6%</b> |

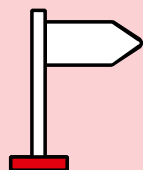
## FY 2025 guidance: EBITDA pre of €600-650 m



### Our view on economic environment







- No significant change in demand expected
- Currently, economic growth indicators show slow development
- High likelihood of politically triggered economic turbulences

### LANXESS outlook



- **FY 2025 EBITDA pre guidance: €600-650 m, including pro rata contribution of Urethane Systems**
  - Urethane Systems contributed ~€50 m in 2024; closing expected in April 2025
- Q1 guidance: after pre-buying in Q4/24 we still expect YoY growth of ~25-35%

## FY 2025: All segments are expected to contribute to our EBITDA pre improvement

| Consumer Protection  | Specialty Additives  | Advanced Intermediates   |
|--|--|--|
|  <ul style="list-style-type: none"> <li>▪ Results expected slightly to moderately above 2024</li> <li>▪ Solid growth in most businesses</li> <li>▪ Remaining cautious for agro demand into 2025</li> <li>▪ Less impact from supply outages</li> </ul> |  <ul style="list-style-type: none"> <li>▪ Results expected slightly above 2024</li> <li>▪ Contribution to growth from all businesses</li> <li>▪ Construction &amp; automotive still on low level</li> </ul> |  <ul style="list-style-type: none"> <li>▪ Results expected slightly above 2024</li> <li>▪ Variety of end markets with moderate growth; construction holds back</li> <li>▪ Slight improvement of utilization after strong volume recovery in 2024</li> </ul> |
|   |   |   |
| <b>EBITDA pre growth in a challenging environment</b>  |  |  |

## Self-help measures and financial discipline drove operational improvement in 2024

|                                    |  |
|------------------------------------|--|
| <b>Improved profitability</b>      | <ul style="list-style-type: none"> <li>+ Successful FORWARD! cost savings: €110 m</li> <li>+ Increased utilization</li> </ul>  |
| <b>Improved financial leverage</b> | <ul style="list-style-type: none"> <li>+ Solid free cash flow and net debt reduction</li> <li>+ Secured long term liquidity (new RCF)</li> <li>+ Completion of portfolio transformation - Signing of Urethane Systems divestment → Closing expected in April 2025!</li> <li>- Cash-outs for restructuring</li> </ul> |
| <b>Economic headwinds</b>          | <ul style="list-style-type: none"> <li>- Weak demand in most end industries</li> <li>- Massive destocking and weakness in agro</li> </ul>  |



## Housekeeping items 2025

- Capex:** ~€330 m
- Operational D&A:** ~€370 m (excluding ~€150 m of intangible amortization)
- All other segments:** ~€150-160 m EBITDA pre; assuming closure of URE transaction in April 2025
- Exceptionals:** ~€60 m (thereof ~€15 m coming from URE divestment process)
- 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

# Financial Overview Q4 2024

in € million

|                           | LANXESS |         |           | Consumer Protection |         |           | Specialty Additives |         |           | Advanced Intermed. |         |           | All other Segments |         |           |
|---------------------------|---------|---------|-----------|---------------------|---------|-----------|---------------------|---------|-----------|--------------------|---------|-----------|--------------------|---------|-----------|
|                           | Q4/2023 | Q4/2024 | Chg. in % | Q4/2023             | Q4/2024 | Chg. in % | Q4/2023             | Q4/2024 | Chg. in % | Q4/2023            | Q4/2024 | Chg. in % | Q4/2023            | Q4/2024 | Chg. in % |
| <b>Sales</b>              | 1.436   | 1.483   | 3%        | 508                 | 490     | -4%       | 492                 | 525     | 7%        | 372                | 406     | 9%        | 64                 | 62      | -3%       |
| Price*                    |         |         | -1%       |                     |         | 1%        |                     |         | -3%       |                    |         | 2%        |                    |         | -5%       |
| Volume*                   |         |         | 3%        |                     |         | -4%       |                     |         | 9%        |                    |         | 7%        |                    |         | 0%        |
| Currency*                 |         |         | 0%        |                     |         | 0%        |                     |         | 1%        |                    |         | 0%        |                    |         | 2%        |
| Portfolio*                |         |         | 0%        |                     |         | 0%        |                     |         | 0%        |                    |         | 0%        |                    |         | 0%        |
| <b>EBIT</b>               | -581    | -23     | 96%       | -278                | 39      | n.m.      | -174                | -6      | 97%       | -50                | 11      | n.m.      | -79                | -67     | 15%       |
| Deprec. & amortizat.      | 574     | 146     | -75%      | 316                 | 47      | -85%      | 195                 | 52      | -73%      | 43                 | 32      | -26%      | 20                 | 15      | -25%      |
| <b>EBITDA</b>             | -7      | 123     | n.m.      | 38                  | 86      | >100%     | 21                  | 46      | >100%     | -7                 | 43      | n.m.      | -59                | -52     | 12%       |
| exceptionals in EBITDA    | 104     | 36      | -65%      | 12                  | 0       | -100%     | 20                  | 2       | -90%      | 31                 | 4       | -87%      | 41                 | 30      | -27%      |
| <b>EBITDA pre excep.</b>  | 97      | 159     | 64%       | 50                  | 86      | 72%       | 41                  | 48      | 17%       | 24                 | 47      | 96%       | -18                | -22     | -22%      |
| normalized D&A            | 152     | 146     | -4%       | 57                  | 47      | -18%      | 48                  | 52      | 8%        | 28                 | 32      | 14%       | 19                 | 15      | -21%      |
| <b>EBIT pre excep.</b>    | -55     | 13      | n.m.      | -7                  | 39      | n.m.      | -7                  | -4      | 43%       | -4                 | 15      | n.m.      | -37                | -37     | 0%        |
| exceptionals in EBIT      | 526     | 36      | -93%      | 271                 | 0       | -100%     | 167                 | 2       | -99%      | 46                 | 4       | -91%      | 42                 | 30      | -29%      |
| <b>Capex</b>              | 132     | 146     | 11%       | 34                  | 35      | 3%        | 45                  | 56      | 24%       | 29                 | 36      | 24%       | 24                 | 19      | -21%      |
| <b>Net financial debt</b> | 2.498   | 2.381   | -5%       |                     |         |           |                     |         |           |                    |         |           |                    |         |           |

\* approximate numbers

# Financial Overview FY 2024

in € million

|                          | LANXESS      |              |             | Consumer Protection |              |             | Specialty Additives |              |             | Advanced Intermed. |              |             | All other Segments |             |           |
|--------------------------|--------------|--------------|-------------|---------------------|--------------|-------------|---------------------|--------------|-------------|--------------------|--------------|-------------|--------------------|-------------|-----------|
|                          | 2023         | 2024         | Chg. in %   | 2023                | 2024         | Chg. in %   | 2023                | 2024         | Chg. in %   | 2023               | 2024         | Chg. in %   | 2023               | 2024        | Chg. in % |
| <b>Sales</b>             | <b>6.714</b> | <b>6.366</b> | -5%         | <b>2.340</b>        | <b>2.081</b> | -11%        | <b>2.325</b>        | <b>2.209</b> | -5%         | <b>1.775</b>       | <b>1.804</b> | 2%          | <b>274</b>         | <b>272</b>  | -1%       |
| Price*                   |              |              | -5%         |                     |              | -3%         |                     |              | -7%         |                    |              | -6%         |                    |             | -8%       |
| Volume*                  |              |              | 0%          |                     |              | -8%         |                     |              | 2%          |                    |              | 8%          |                    |             | 7%        |
| Currency*                |              |              | 0%          |                     |              | -1%         |                     |              | 0%          |                    |              | 0%          |                    |             | 0%        |
| Portfolio*               |              |              | 0%          |                     |              | 0%          |                     |              | 0%          |                    |              | 0%          |                    |             | 0%        |
| <b>EBIT</b>              | <b>-668</b>  | <b>-28</b>   | <i>n.m.</i> | <b>-163</b>         | <b>102</b>   | <i>n.m.</i> | <b>-142</b>         | <b>32</b>    | <i>n.m.</i> | <b>-42</b>         | <b>93</b>    | <i>n.m.</i> | <b>-321</b>        | <b>-255</b> | 21%       |
| Deprec. & amortizat.     | 996          | 566          | -43%        | 459                 | 184          | -60%        | 331                 | 193          | -42%        | 130                | 117          | -10%        | 76                 | 72          | -5%       |
| <b>EBITDA</b>            | <b>328</b>   | <b>538</b>   | 64%         | <b>296</b>          | <b>286</b>   | -3%         | <b>189</b>          | <b>225</b>   | 19%         | <b>88</b>          | <b>210</b>   | >100%       | <b>-245</b>        | <b>-183</b> | 25%       |
| exceptionals in EBITDA   | 184          | 76           | -59%        | 14                  | 0            | -100%       | 20                  | 2            | -90%        | 33                 | 0            | -100%       | 117                | 74          | -37%      |
| <b>EBITDA pre excep.</b> | <b>512</b>   | <b>614</b>   | 20%         | <b>310</b>          | <b>286</b>   | -8%         | <b>209</b>          | <b>227</b>   | 9%          | <b>121</b>         | <b>210</b>   | 74%         | <b>-128</b>        | <b>-109</b> | 15%       |
| normalized D&A           | 565          | 561          | -1%         | 200                 | 184          | -8%         | 184                 | 193          | 5%          | 110                | 115          | 5%          | 71                 | 69          | -3%       |
| EBIT pre excep.          | -53          | 53           | <i>n.m.</i> | 110                 | 102          | -7%         | 25                  | 34           | 36%         | 11                 | 95           | >100%       | -199               | -178        | 11%       |
| exceptionals in EBIT     | 615          | 81           | -87%        | 273                 | 0            | -100%       | 167                 | 2            | -99%        | 53                 | 2            | -96%        | 122                | 77          | -37%      |
| <b>Capex</b>             | <b>326</b>   | <b>320</b>   | -2%         | <b>87</b>           | <b>88</b>    | 1%          | <b>122</b>          | <b>119</b>   | -2%         | <b>80</b>          | <b>86</b>    | 8%          | <b>37</b>          | <b>27</b>   | -27%      |
| Net financial debt       | 2.498        | 2.381        | -5%         |                     |              |             |                     |              |             |                    |              |             |                    |             |           |

\* approximate numbers

# Cash Flow Statement Q4 2024

| in € million   | Q4/2023     | Q4/2024     | 2023          | 2024        |
|--|-------------|-------------|---------------|-------------|
| <b>Income before income taxes</b>  | <b>-661</b> | <b>-68</b>  | <b>-947</b>   | <b>-197</b> |
| Amortization, depreciation and write-downs of intangible assets and property, plant and equipment        | 574         | 146         | 996           | 566         |
| Gains/losses on disposals of intangible assets and property, plant and equipment                         | -1          | -           | -2            | -1          |
| Income from investments accounted for using the equity method  | 29          | 24          | 172           | 133         |
| Financial losses (gains)   | 48          | 13          | 92            | 16          |
| Income taxes refunded/paid   | -16         | -16         | -53           | -47         |
| Changes in inventories   | 115         | 46          | 465           | -19         |
| Changes in trade receivables   | 66          | 48          | 230           | -54         |
| Changes in trade payables  | -2          | 64          | -118          | 73          |
| Changes in other assets and liabilities  | 72          | 95          | 17            | 38          |
| <b>Net cash provided by (used in) operating activities – continuing operations</b>                       | <b>224</b>  | <b>352</b>  | <b>852</b>    | <b>508</b>  |
| Net cash provided by (used in) operating activities – discontinued operations                            | -3          | -           | -14           | -           |
| Net cash provided by (used in) operating activities – total  | 221         | 352         | 838           | 508         |
| Cash outflows for purchases of intangible assets and property, plant and equipment                       | -132        | -146        | -326          | -320        |
| Cash inflows from sales of intangible assets and property, plant and equipment                           | 1           | 1           | 3             | 2           |
| Cash outflows for financial and other assets held for investment purposes                                | -105        | -176        | -1.823        | -301        |
| Cash inflows from financial and other assets held for investment purposes                                | 29          | 2           | 1.358         | 344         |
| Cash inflows from the sale of subsidiaries and other businesses, less divested cash and cash equivalents | -           | -           | 1.194         | -           |
| Interest and dividends received  | 14          | 6           | 23            | 12          |
| <b>Net cash provided by / used in investing activities – continuing operations</b>                       | <b>-193</b> | <b>-313</b> | <b>429</b>    | <b>-263</b> |
| Net cash provided by / used in investing activities – discontinued operations                            | -           | -           | -6            | -           |
| Net cash provided by / used in investing activities – total  | -193        | -313        | 423           | -263        |
| Proceeds from borrowings   | 2           | 4           | 383           | 20          |
| Repayments of borrowings   | -34         | -22         | -1.686        | -66         |
| Interest paid and other financial disbursements  | -13         | -12         | -71           | -42         |
| Dividend payments  | -           | -           | -91           | -9          |
| <b>Net cash provided by / used in financing activities – continuing operations</b>                       | <b>-45</b>  | <b>-30</b>  | <b>-1.465</b> | <b>-97</b>  |
| Net cash provided by / used in financing activities – discontinued operations                            | -           | -           | -1            | -           |
| Net cash provided by / used in financing activities – total  | -45         | -30         | -1.466        | -97         |
| <b>Change in cash and cash equivalents – continuing operations</b>                                       | <b>-14</b>  | <b>9</b>    | <b>-184</b>   | <b>148</b>  |
| Change in cash and cash equivalents – discontinued operations  | -3          | -           | -21           | -           |
| Change in cash and cash equivalents – total  | -17         | 9           | -205          | 148         |
| Cash and cash equivalents as of beginning of period  | 170         | 283         | 360           | 146         |
| Exchange differences and other changes in cash and cash equivalents – total                              | -7          | 7           | -9            | 5           |
| <b>Cash and cash equivalents as of end of period</b>   | <b>146</b>  | <b>299</b>  | <b>146</b>    | <b>299</b>  |
| of which continuing operations   | 146         | 299         | 146           | 299         |
| 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 Q4 2024

| in € million  | Q4/2023      | Q4/2024      | Chg. in %    | 2023         | 2024         | Chg. in %       |
|---|--------------|--------------|--------------|--------------|--------------|-----------------|
| Sales   | 1.436        | 1.483        | 3%           | 6.714        | 6.366        | -5%             |
| Cost of sales   | -1.204       | -1.178       | 2%           | -5.446       | -5.068       | 7%              |
| Gross profit  | 232          | 305          | 31%          | 1.268        | 1.298        | 2%              |
| Selling expenses  | -204         | -216         | -6%          | -933         | -890         | 5%              |
| Research and development expenses                             | -23          | -22          | 4%           | -99          | -104         | -5%             |
| General administration expenses                               | -64          | -59          | 8%           | -279         | -258         | 8%              |
| Other operating income  | 30           | 18           | -40%         | 78           | 81           | 4%              |
| Other operating expenses                                      | -552         | -49          | 91%          | -703         | -155         | 78%             |
| <b>Operating result (EBIT)</b>                                | <b>-581</b>  | <b>-23</b>   | <b>96%</b>   | <b>-668</b>  | <b>-28</b>   | <b>96%</b>      |
| Income from investments accounted for using the equity method | -29          | -24          | 17%          | -172         | -133         | 23%             |
| Interest income   | 3            | 2            | -33%         | 10           | 6            | -40%            |
| Interest expense  | -11          | -11          | 0%           | -70          | -47          | 33%             |
| Other financial income and expense                            | -43          | -12          | 72%          | -47          | 5            | n.m.            |
| <b>Financial result</b>                                       | <b>-80</b>   | <b>-45</b>   | <b>44%</b>   | <b>-279</b>  | <b>-169</b>  | <b>39%</b>      |
| <b>Income before income taxes</b>                             | <b>-661</b>  | <b>-68</b>   | <b>90%</b>   | <b>-947</b>  | <b>-197</b>  | <b>79%</b>      |
| Income taxes  | 85           | 4            | -95%         | 105          | 21           | -80%            |
| <b>Income after income tax from continuing operations</b>     | <b>-576</b>  | <b>-64</b>   | <b>89%</b>   | <b>-842</b>  | <b>-176</b>  | <b>79%</b>      |
| <b>Income after income tax from discontinued operations</b>   | <b>-13</b>   | <b>0</b>     | <b>-100%</b> | <b>1.286</b> | <b>0</b>     | <b>-100%</b>    |
| <b>Income after income taxes</b>                              | <b>-589</b>  | <b>-64</b>   | <b>89%</b>   | <b>444</b>   | <b>-176</b>  | <b>n.m.</b>     |
| of which attributable to non-controlling interests            | 1            | 0            | -100%        | 1            | 1            | 0%              |
| <b>Net income (attributable to LANXESS AG stockholders)</b>   | <b>-590</b>  | <b>-64</b>   | <b>89%</b>   | <b>443</b>   | <b>-177</b>  | <b>n.m.</b>     |
| <b>EPS total (in €)</b>                                       | <b>-6,83</b> | <b>-0,74</b> | <b>89%</b>   | <b>5,13</b>  | <b>-2,05</b> | <b>n.m.</b>     |
| thereof EPS (in €) from continuing operations                 | -6,68        | -0,74        | 89%          | -9,76        | -2,05        | 79%             |
| thereof EPS (in €) from discontinued operations               | -0,15        | 0,00         | -100%        | 14,89        | 0,00         | -100%           |
| <b>EPS adjusted (in €)*</b>                                   | <b>-0,30</b> | <b>0,21</b>  | <b>n.m.</b>  | <b>0,13</b>  | <b>1,58</b>  | <b>&gt;100%</b> |

\* continuing operations only

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