# LANXESS – Q3 2024 Roadshow

Volume growth in challenging market environment and delivering on savings


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# Agenda

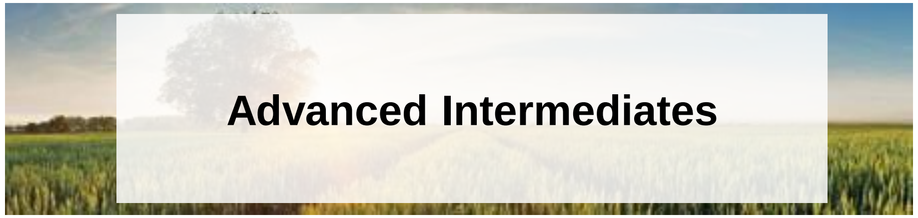
| | |
|---|---|
| 1 | Building a stronger sustainable portfolio |
| 2 | We are taking action: FORWARD! and leverage |
| 3 | Financial and business details Q3 2024 |

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

LANXESS Energizing Chemistry

**Portfolio transformation achieved in a timely and focused manner**






**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**

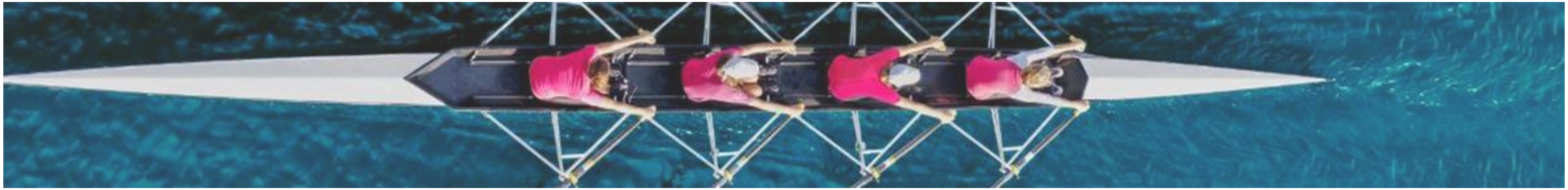
# LANXESS is operationally well positioned to participate in demand recovery

## Current levers to deliver

- Lean cost base: Restructuring program leading to €150 m annual savings by 2025
- Geared to benefit from recovery, utilization in 2023 at 58% only
- Currently minimal growth CAPEX required to participate in demand recovery

## Excellent financing backbone

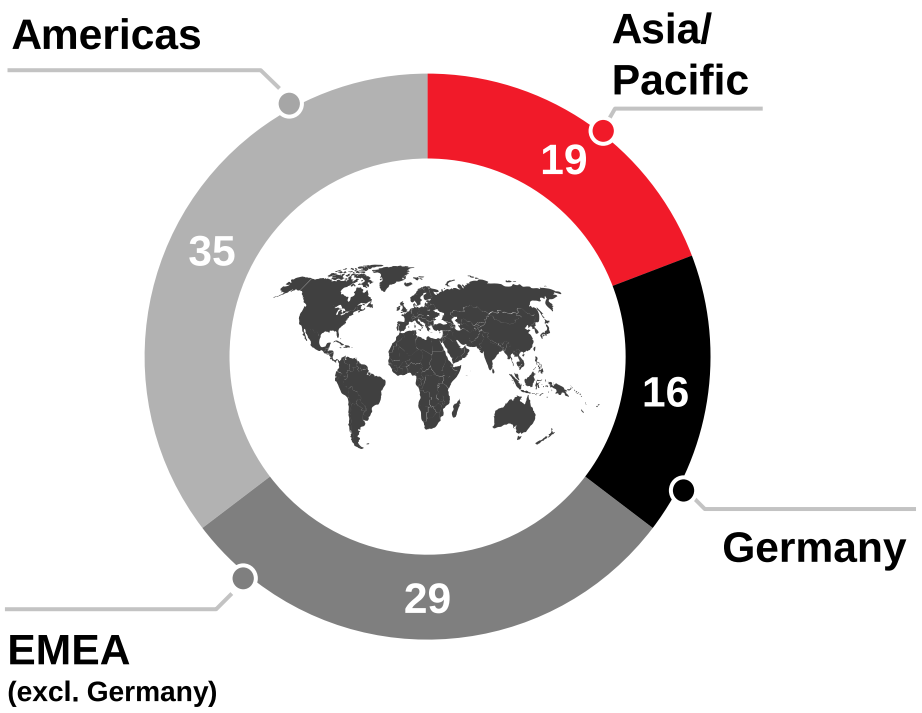
- No covenants and ample liquidity
- Fixed Ø interest rate of 1.0% on outstanding bonds; Next maturity in May 2025; expected to be paid back with Urethane Systems proceeds
- Sustainability-linked credit facility signed for €800 m in Sep 2024, securing access to liquidity for 5+2 years
- Focus on deleveraging



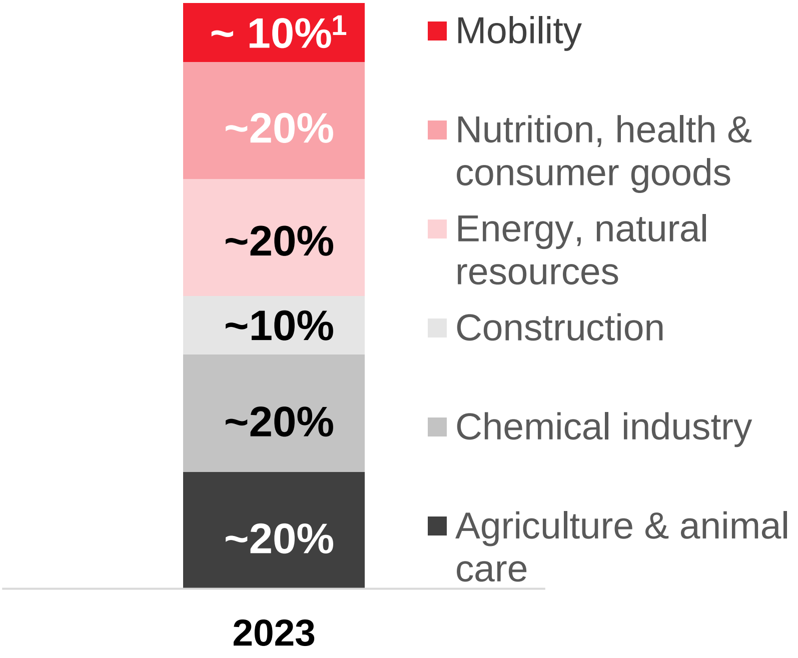
**EBITDA pre expected to grow by 10 – 20 % in 2024 (incl. BU URE)**

# LANXESS’ portfolio is balanced across regions and end-markets

## FY 2023 sales by region [%]




## FY 2023 sales end-market exposure

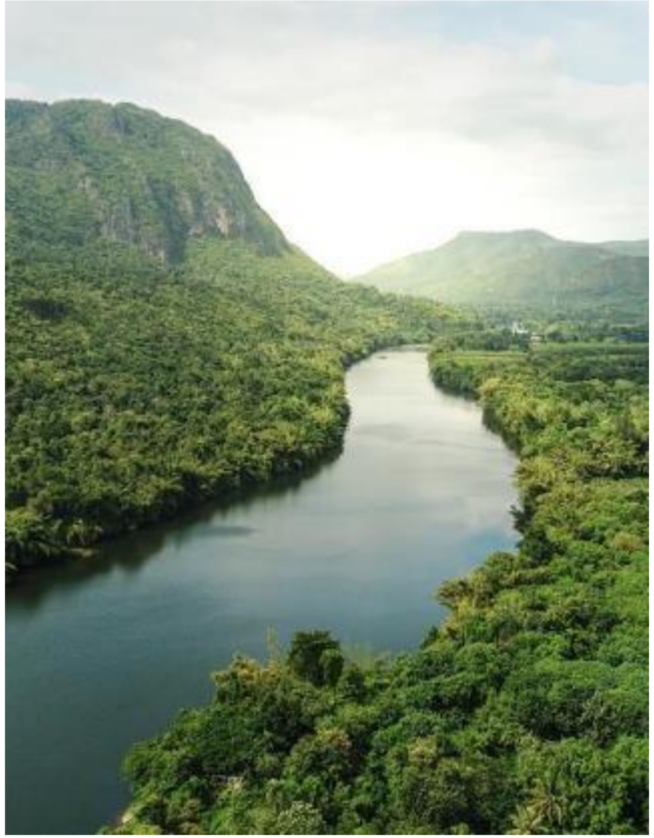





[1] Includes sales in the automotive, aviation and shipping industries including relevant electronic components

# 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% $CO_2$e emissions by 2030 versus 2004<br>➢ Net zero by 2050 for Scope 3: -60% $CO_2$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[1] at 30% in 2030 |



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

[1] Management refers to all managerial employees below the Board of management

# Our product portfolio is aligned with our sustainability strategy

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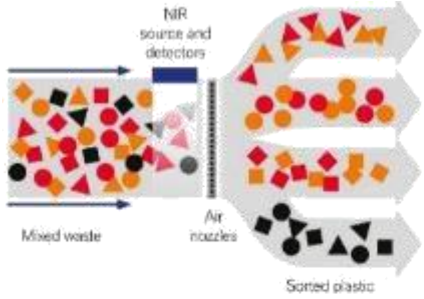
## Available: Sustainable products (BU F&F)

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

## Available: Enabling recycling (BU IPG)

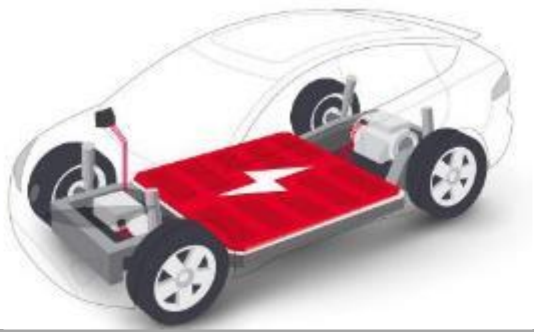
**BAYFERROX® 303 T makes black plastic detectable by recycling machines (usually not possible)**




**LEWATIT® adsorber enable direct air capture of $CO_2$**


## 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)

# Leading ESG rating providers honor our performance

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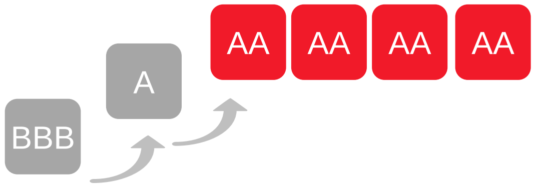
MSCI ESG RATINGS

Rating recently confirmed

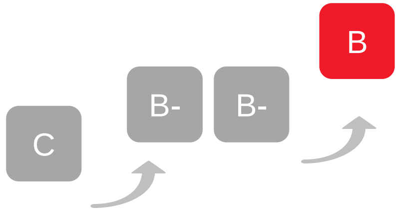



2nd highest category for 4th time

Convincing governance set-up and climate strategy

ISS ESG

Rating recently updated




Prime status since 2020; B rating since 2024

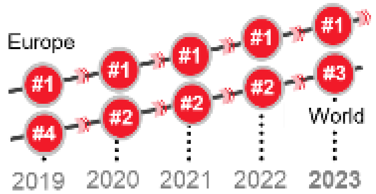
Top 10%

CDP
DISCLOSURE INSIGHT ACTION


In total, 7 times on Climate A list (among top 2%), 5th time in a row

2nd time A- rating for water disclosure

Dow Jones Sustainability Indices
Powered by the S&P Global CSA




Top 10% in DJSI World (13th year)

#1 in DJSI Europe (7th year)

Sustainability Yearbook member

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

Bloomberg Gender-Equality Index 2023

GOLD | Top 5% ecovadis Sustainability Rating SEP 2024

Rating recently updated

MOODY'S ANALYTICS

SUSTAINALYTICS

# Agenda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# FORWARD!: Actively counteracting current weak market conditions

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**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

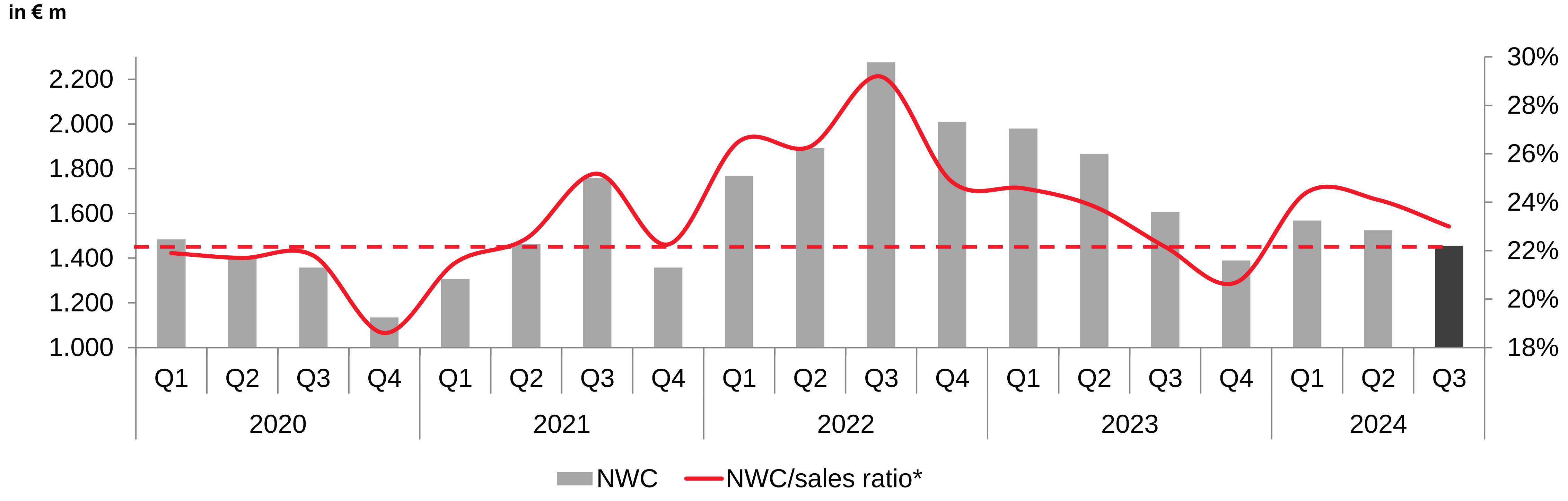
| | 2024 | 2025 |
|---|---|---|
| Savings | ~€90 m | ~€60 m |
| Cash-outs | ~€50 m | ~€30 m |
| FTEs* | ~870 globally | |

**Sustainable improvement of our cost base**

* FTEs: full-time equivalents

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

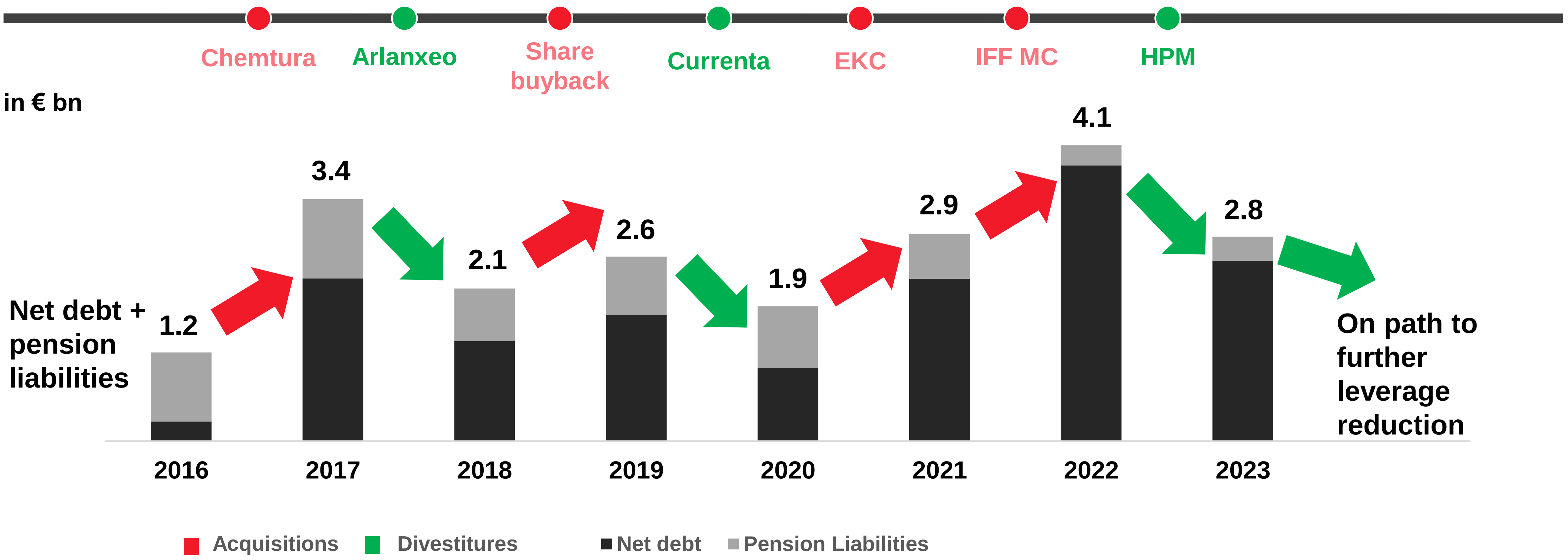
## Significant reduction of net working capital since peak in Q3 2022




## Lower net working capital as lever for cash generation

*Net working capital to sales ratio
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

# We have a proven track record of de-leveraging after acquisitions




**Disposal of Urethane Systems further contributes to debt reduction in H1 2025**

Net debt defined as net debt incl. total financial assets; pension liabilities defined as pension obligation minus pension assets minus deferred tax assets

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

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## Key financial data

| | |
|---|---|
| Sales | ~€250 m |
| EBITDA pre | ~€40 m |
| FTEs | ~400 |
| Low cash tax | ~€20 m |
| Enterprise value | €460 m |

**expected proceeds**
**~€500 m**

**Multiple**
**~11x**

**leverage ratio* reduced by**
**~0.5x**

## Strategic rational

- Disposal of the last remaining polymer business
- No strategic overlap with core operations of existing portfolio
- Monetize high-value asset to unlock capital and reduce leverage


**Closing expected in first half of 2025**

Sales and EBITDA pre: LTM June 2024
* based on current net debt and EBITDA pre consensus

# Substantial leverage improvement despite the assumption of trough profitability in 2024

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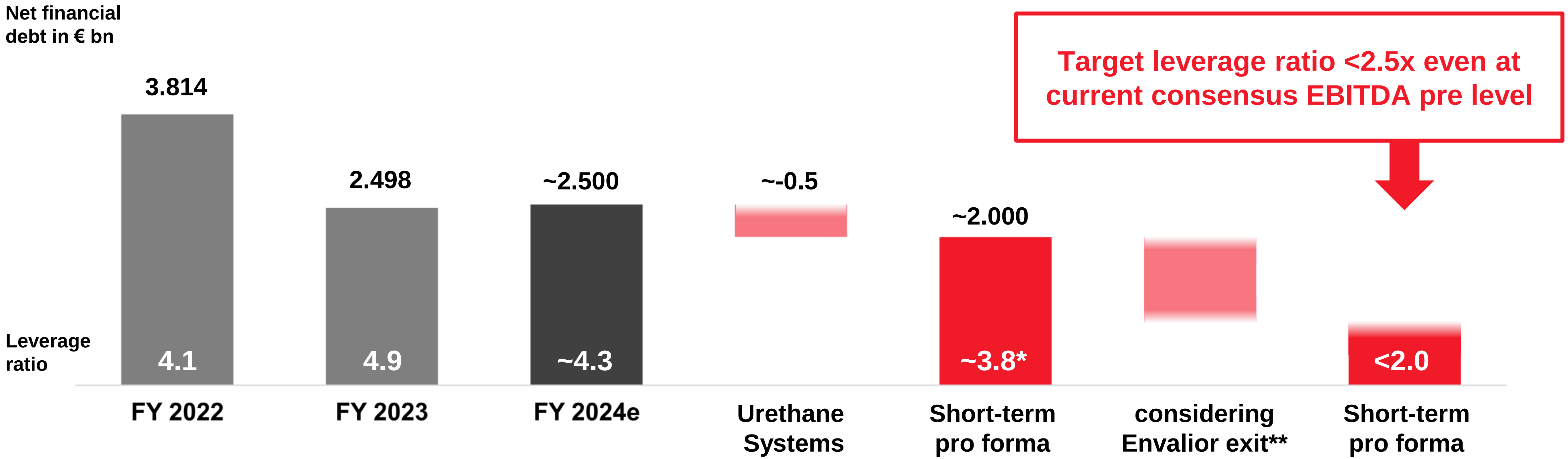
**Overview: Mid-term leverage reduction after Urethane Systems & Envalior exit**




**Achievement of investment grade leverage**

FY 2024e: EBITDA pre and net financial debt based on analyst consensus
* EBITDApre consensus 2024 excl. Urethane Systems and considering respective remnant costs
** LANXESS has the possibility to sell its minority interest for the first time in 2026 under certain conditions

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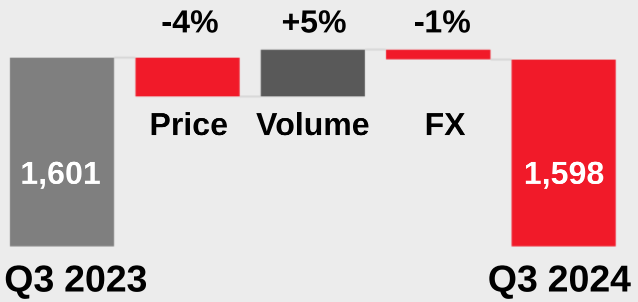
# Q3 2024: Solid EBITDA pre improvement

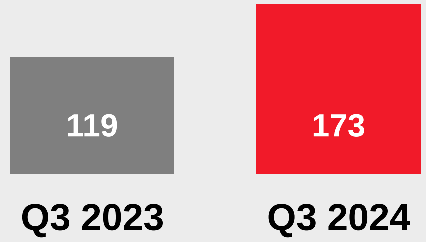
## Sales




**0%**

**However, volume growth in 9 out of 10 businesses**

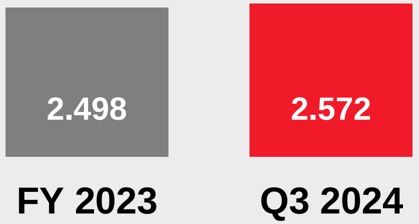
## EBITDA pre




**+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**

All figures in € m

# 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

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**Acquisitions**

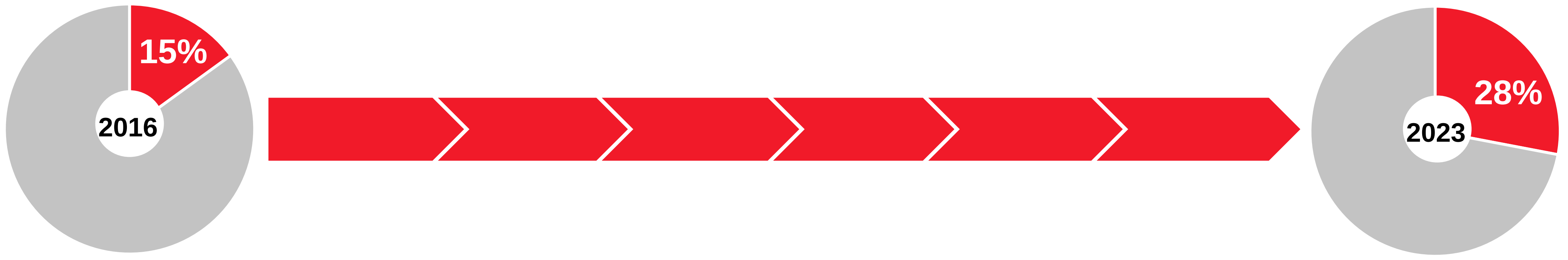
- 2016: Chemours – *Clean & Disinfect*
- 2017: Chemtura
- 2018: SOLVAY – *Phosphor-Additive*
- 2021: Emerald Kalama Chemical
- 2022: iff – *Microbial Control*

2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024

**Divestments**

- 2016: ARLANXEO Performance Elastomers 50%
- 2018: ARLANXEO Performance Elastomers 50%
- 2019/2020: CURRENTA Leistung für Chemie und Industrie
- 2021: Leather chemicals
- 2023: Envalior Imagine the Future
- 2024: Urethane Systems

**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

# LANXESS Group: Considerably improved EBITDA in still difficult market environment

LANXESS Energizing Chemistry

## 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

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## 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% | +5% | -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

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## 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

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| 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 Envalior 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

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| 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 Envalior 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

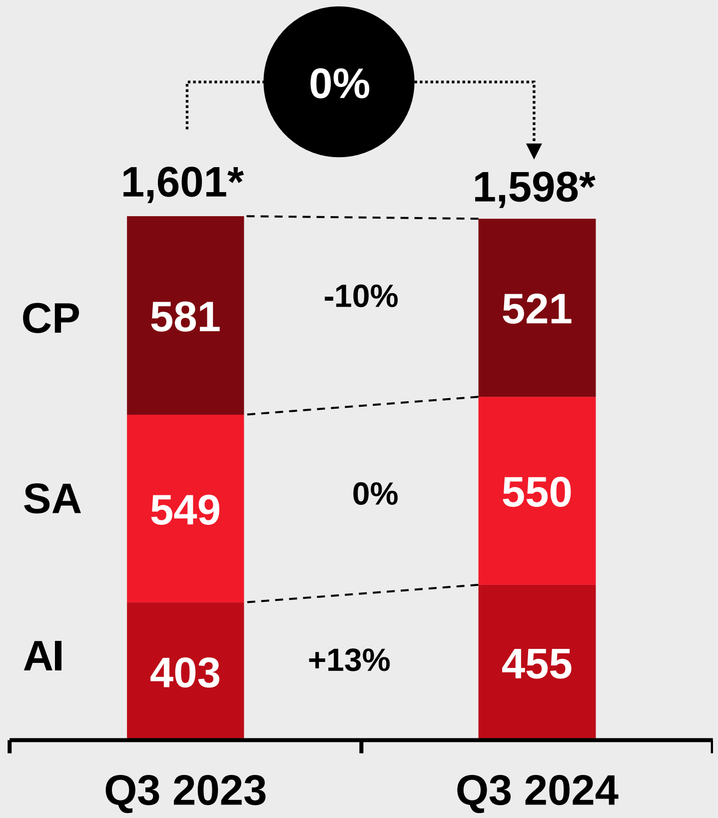
| Balance sheet [€ m] | 31.12.2023 | 30.06.2024 | 30.09.2024 |
|---|---|---|---|
| **Total assets** | **9,665** | **9,689** | **9,448** |
| Equity | 4,507 | 4,563 | 4,378 |
| **Equity ratio** | **47%** | **47%** | **46%** |
| **Net financial debt[1]** | **2,498** | **2,547** | **2,572** |
| **Pension 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% |

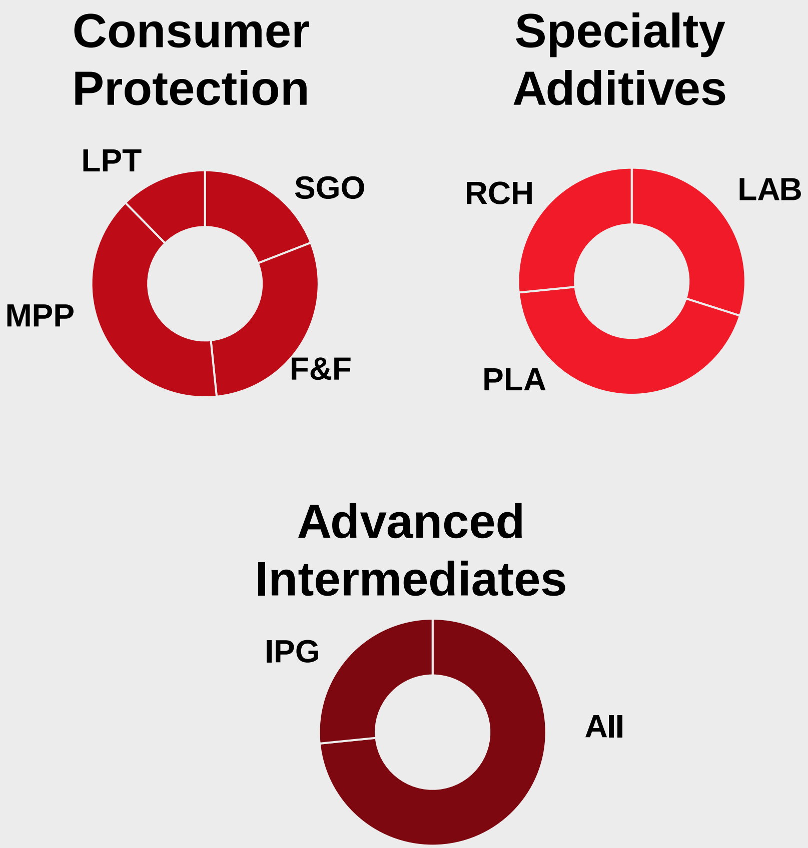
- Decrease in total assets mainly FX driven
- As of 30th September 2024, net working capital reported without BU URE (Reported as "Assets held for sale")
- Underlying Working Capital including BU URE remains flat

[1] Deducting cash, cash equivalents, near cash assets
[2] Calculated from quarterly sales
[3] Last twelve months sales

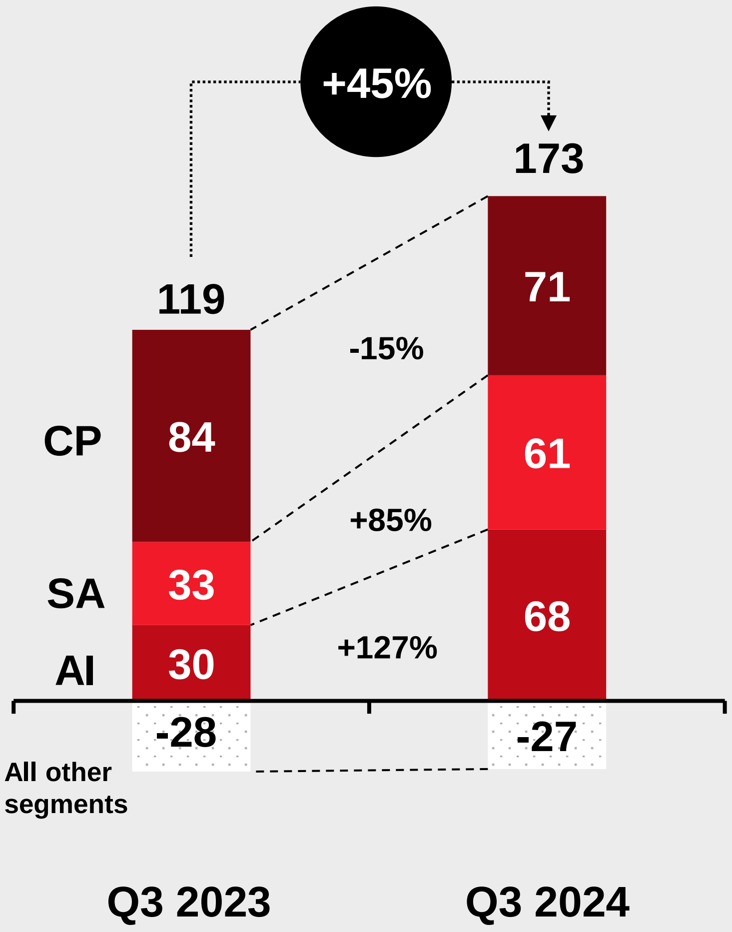
# Q3 2024: Weak agro business burdens CP; improved EBITDA pre in AI & SA due to savings & better utilization

## Sales [€ m]



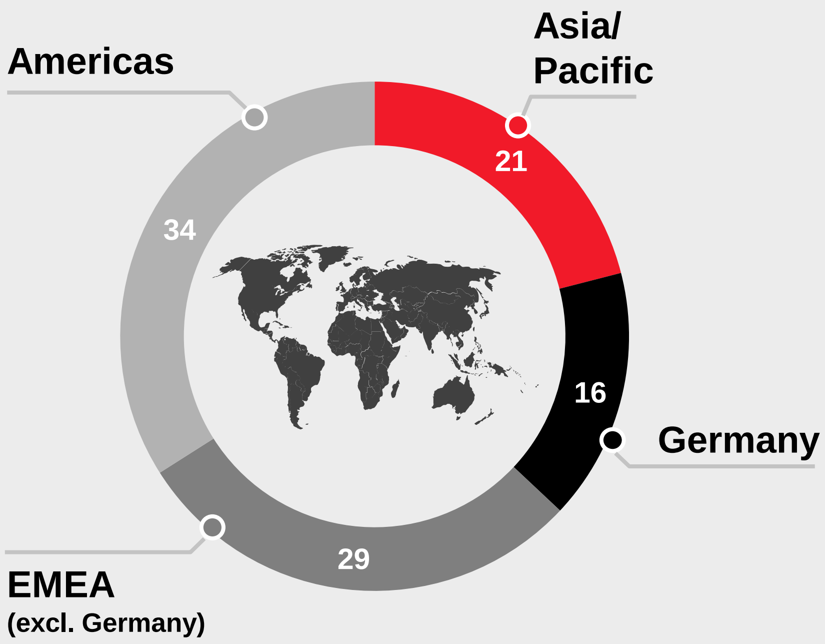

## EBITDA pre [€ m]



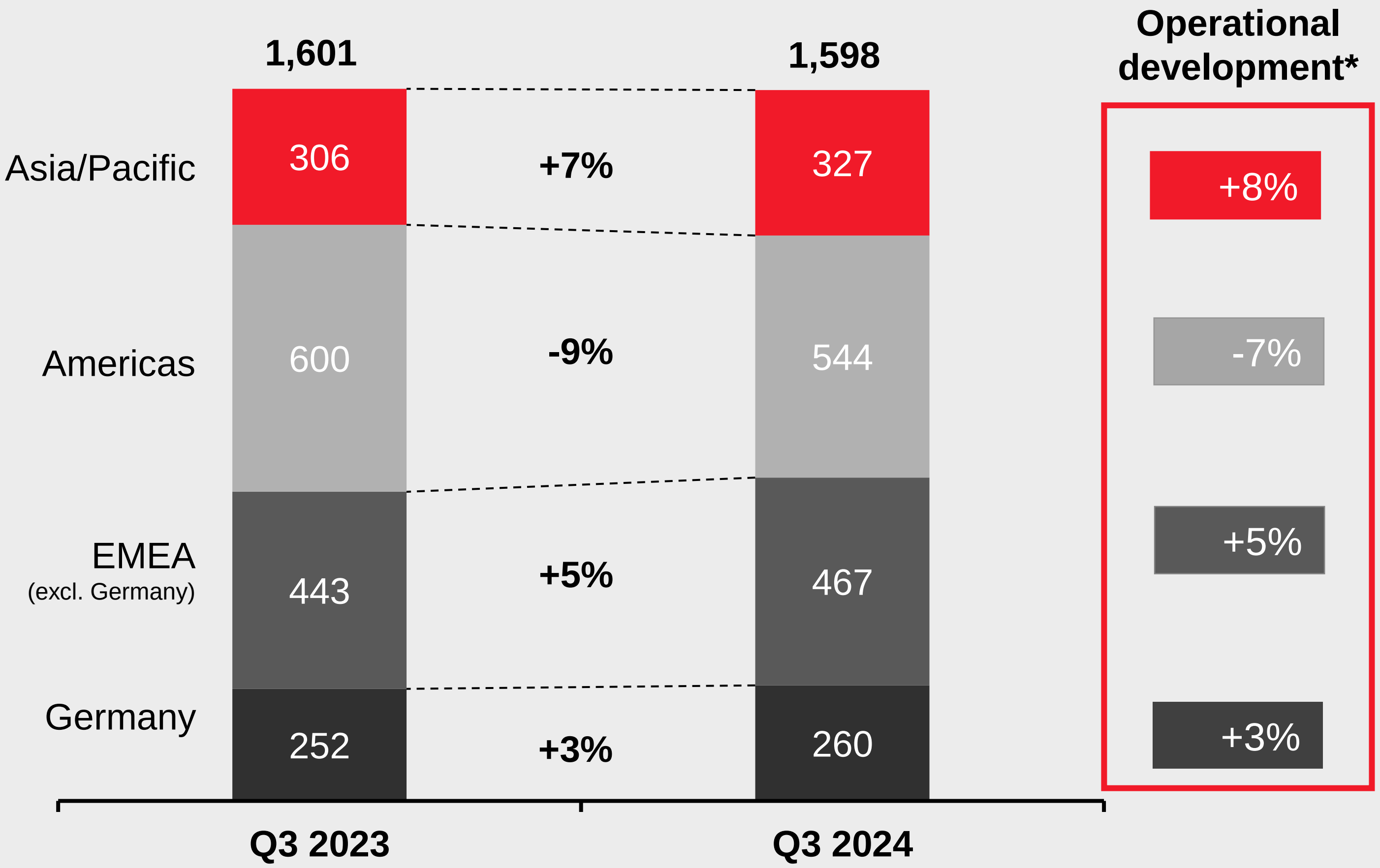

* Total group sales including all other segments

# 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%

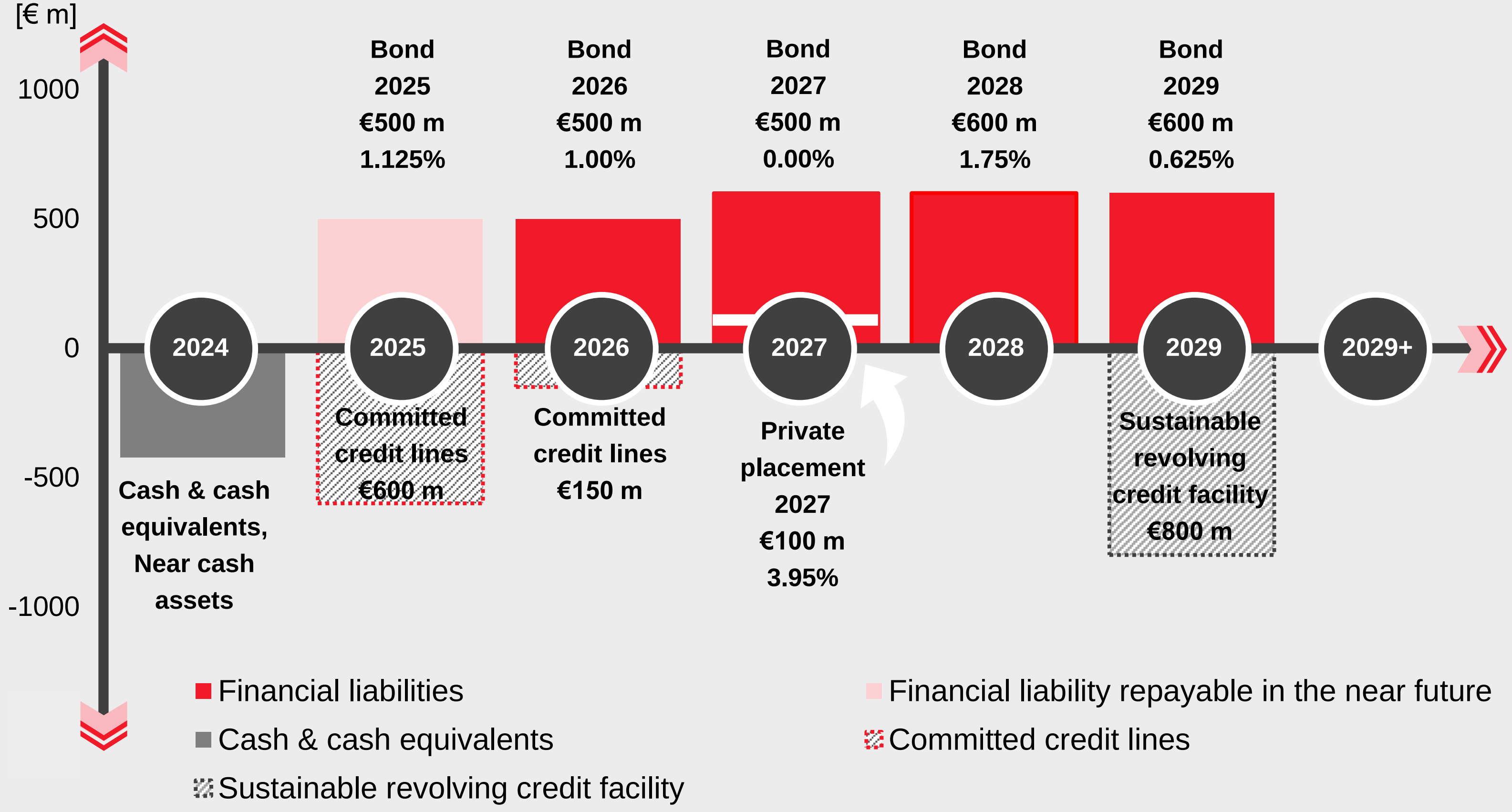
-49%

# 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






* 1.1% incl. financial leases

# 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**<br>**2026: ~€10 m**<br>**2027: ~€5 m** |

* Including BU Urethane Systems

# LANXESS portfolio transformed towards a true specialty chemicals player

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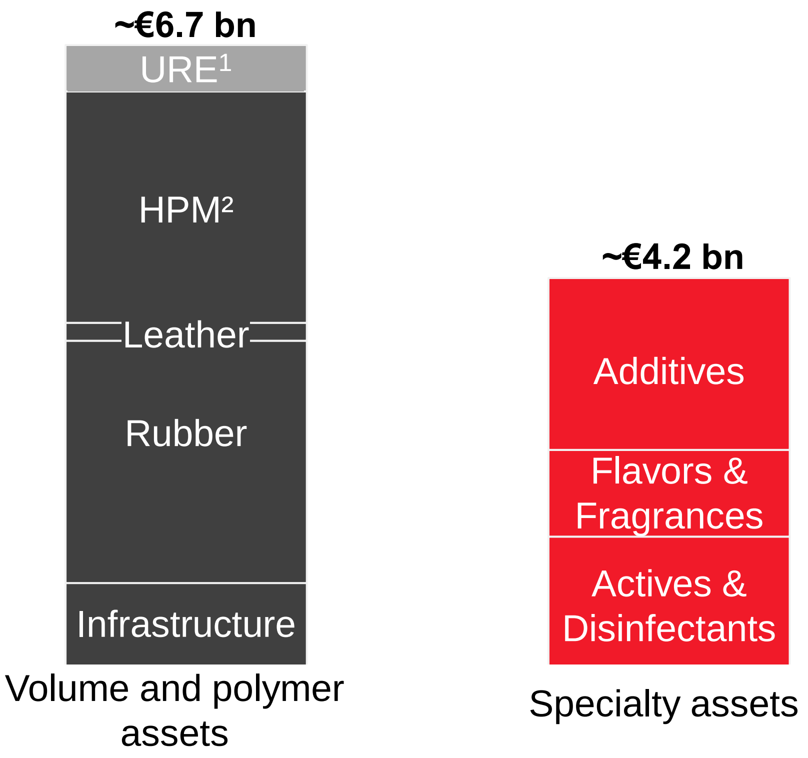
## Portfolio transactions since 2016

**Transaction values**




## Acquired businesses:

**High profitability and cash generation**

**Asset light**

**Less cyclical**

## Divested businesses:

**Lower profitability**

**Asset intensive**

**More cyclical**

[1] Sale of business unit Urethane Systems expected to close in H1 2025
[2] HPM: High performance materials business (Polyamid) transferred to JV with Advent on April 1, 2023

# 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

LANXESS
Energizing Chemistry

| 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)

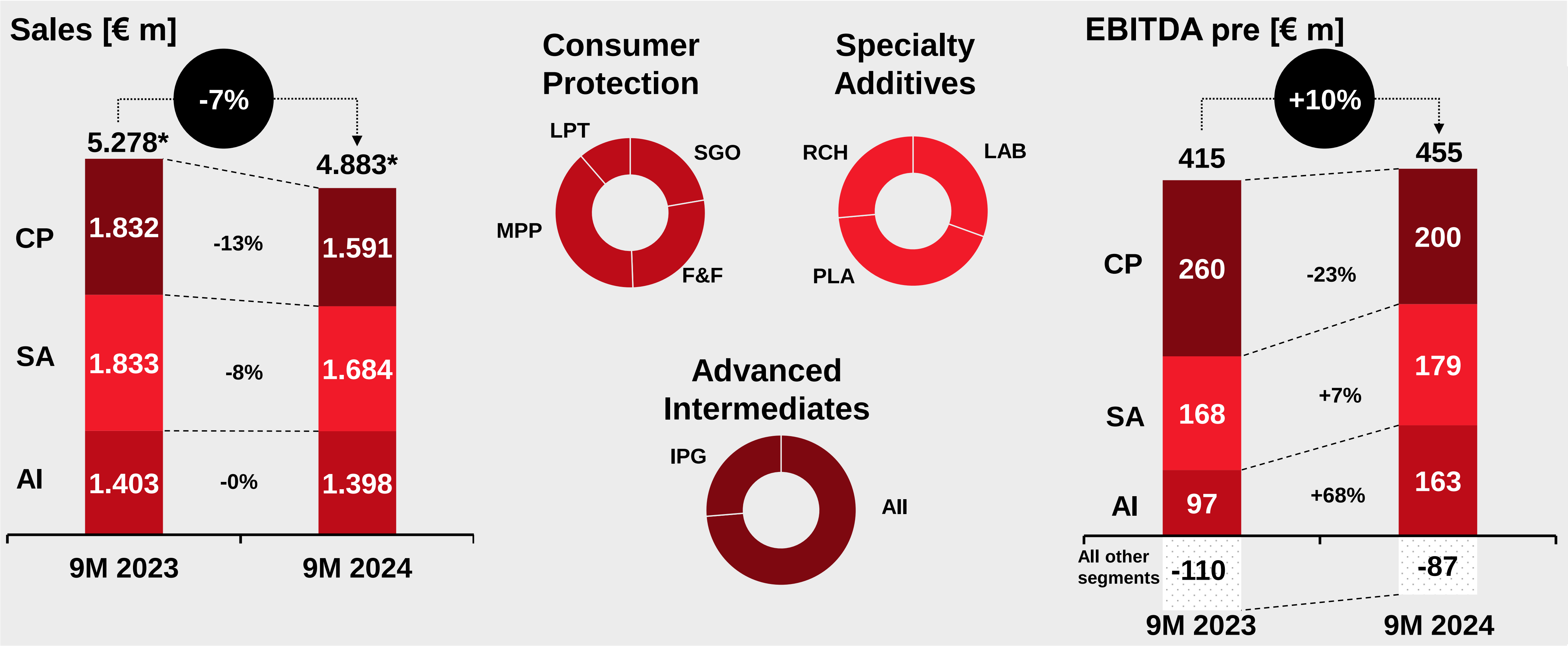
# 9M 2024: Operating cash flow compares with high previous year which was supported by inventory reduction

| 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

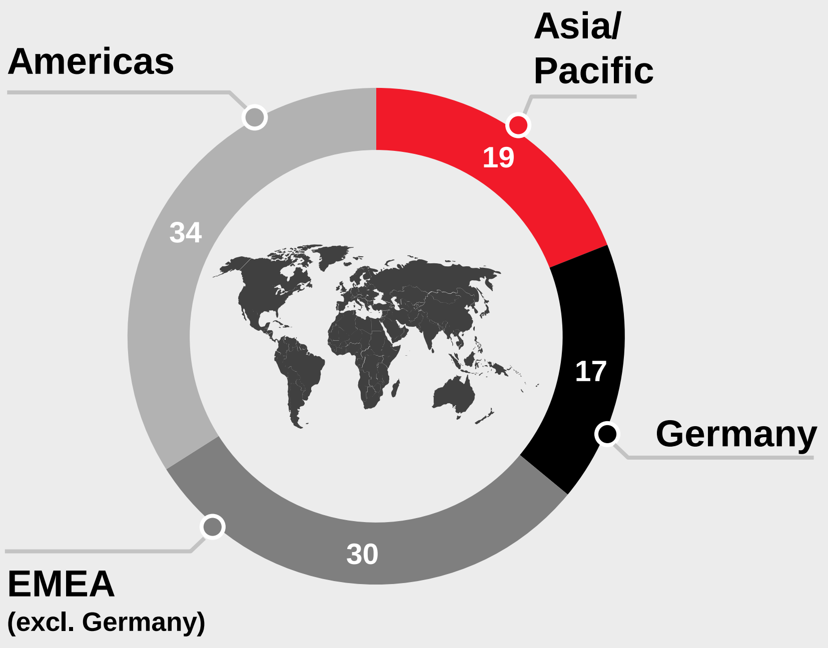
# 9M 2024: weak agro business burdens CP; improved EBITDA pre in AI & SA due to savings & better utilization



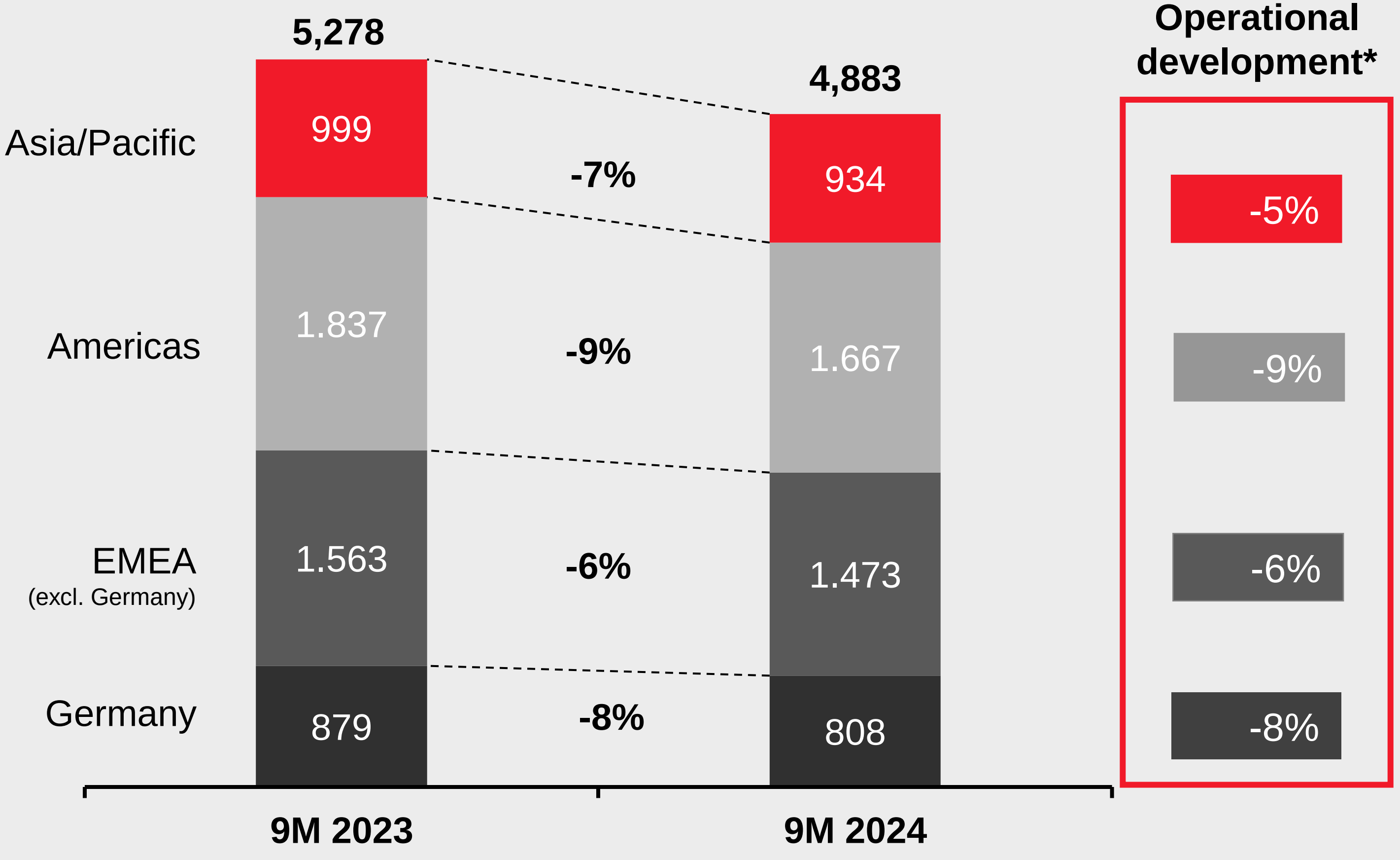

* Total group sales including all other segments

# 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 |

Share ownership guideline: Over a period of four years, the members of the Board of Management are obliged to invest a defined proportion of their compensation in shares in LANXESS AG and verifiably hold the shares until the end of their service contract. The target is 150% for the CEO and 100% for all other board members.

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

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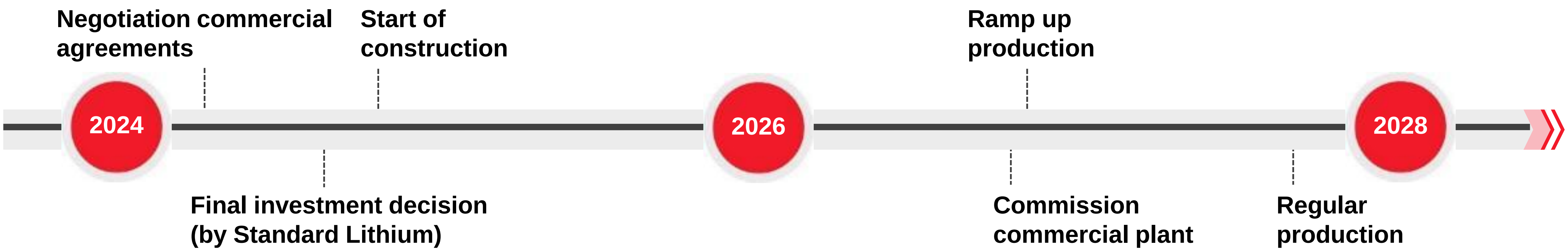
Energizing Chemistry

## 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

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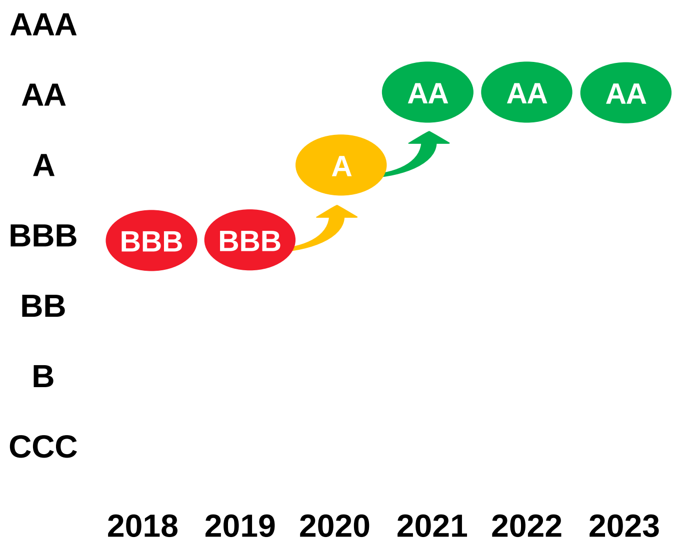
## MSCI ESG confirms AA rating

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




MSCI
ESG RATINGS

## SBTi reconfirms LANXESS climate targets

LANXESS CLIMATE NEUTRAL 2040
NET ZERO VALUE CHAIN

SCIENCE BASED TARGETS

- SBTi again approved alignment with 1.5°C pathway for 2030 emissions targets (Scope 1 and 2) after HPM carve-out (Envalior 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** ✓

SBTi = Science Based Targets initiative

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

LANXESS
Energizing Chemistry

## 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

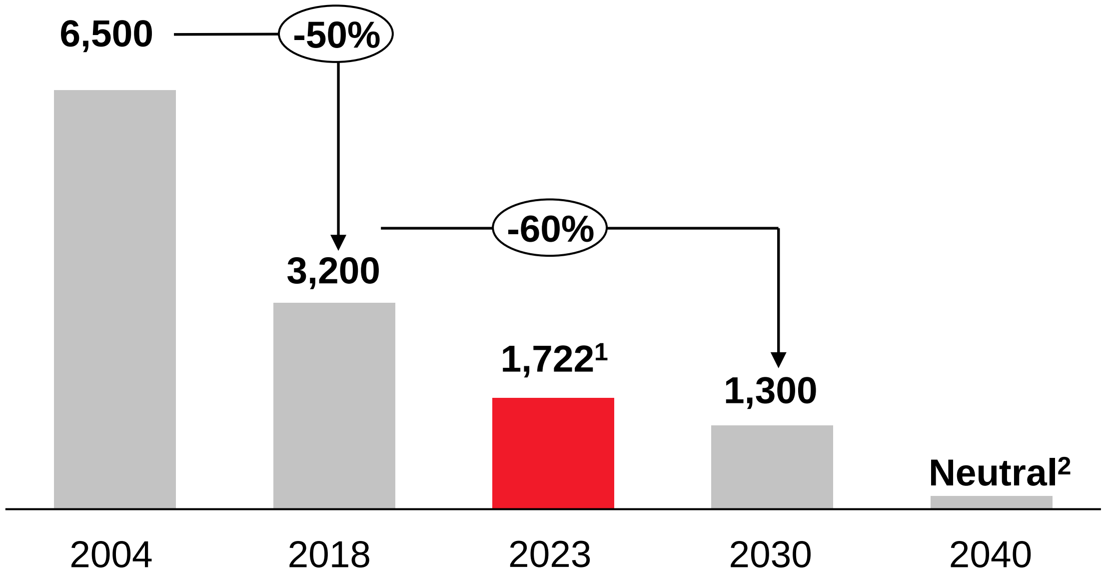
Recycling enables the recovery of molecules, reduces waste and makes re-use possible

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

CLIMATE NEUTRAL 2040

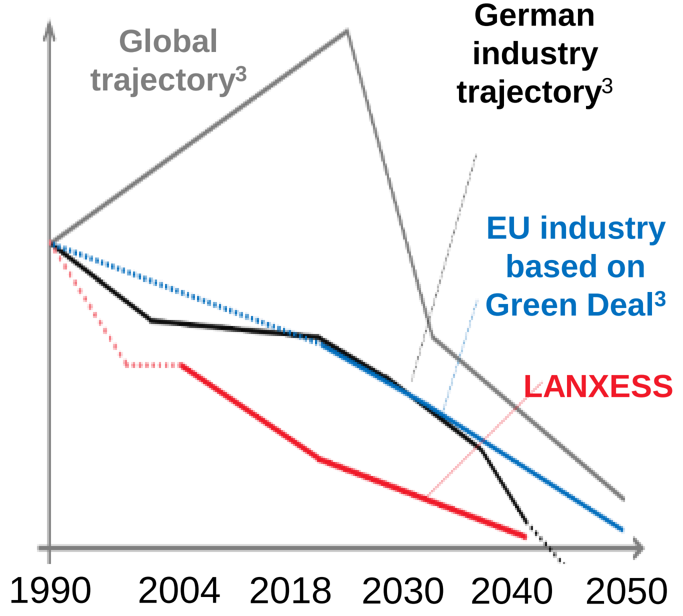
1. Realize major impact projects
2. Decouple emissions & growth
3. Pursue technological innovations

## Our path to climate neutrality




in thousand metric tons of $CO_2e$ 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**

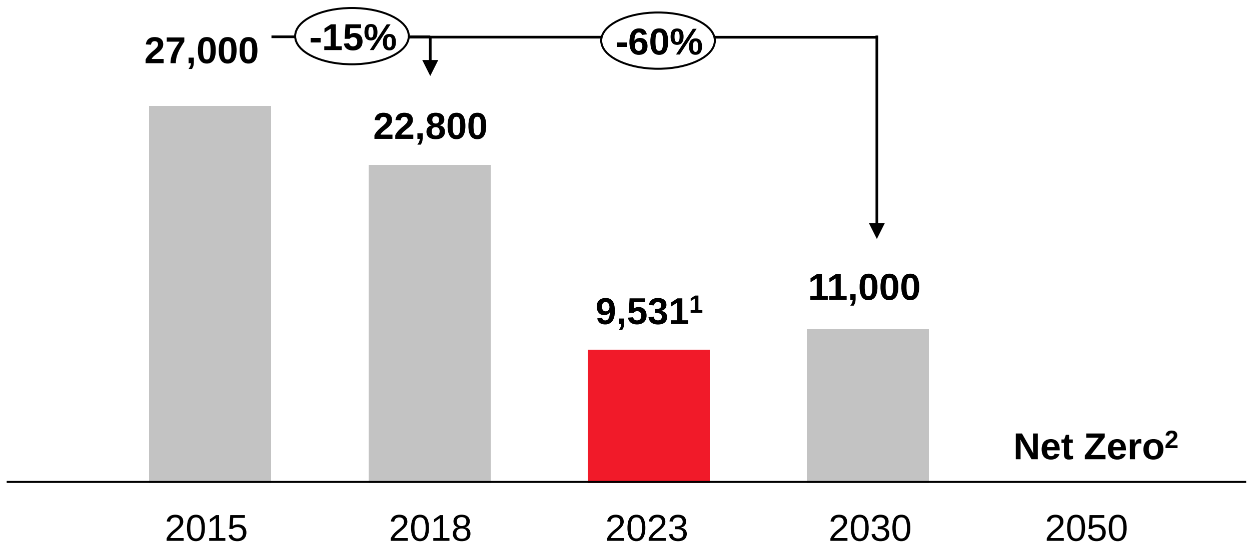
[1] Only continuing operations. 2023 figure distorted by very low utilization. | [2] Climate neutral: Less than 220k tons of $CO_2$ equivalents (e) per year. These will be reduced through compensation measures. | [3] Estimation based on AGORA Energiewende

# 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 $CO_2e$ Scope 3 emissions

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

[1] Only continuing operations. 2023 figure distorted by very low utilization.
[2] "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.

# 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)**


**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

**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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# 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

| | |
|---|---|
| **AII** | Advanced Industrial Intermediates |
| **IPG** | Inorganic Pigments |

# Upcoming events 2024/2025 - Proactive capital market communication

LANXESS
Energizing Chemistry

## Nov

**07 Q3 2024 Results**

12 MS Global Chemicals Conference Boston

**26 Analyst Roundtable London**

27 Eigenkapitalforum Frankfurt

## Dec

03 Citi Basic Materials Conference New York

04 Berenberg European Conference Pennyhill

## Jan

09/10 ODDO BHF Forum Lyon

14/15 Commerzbank & ODDO German Investment Seminar New York

22 Unicredit & Kepler German Corporate Conference Frankfurt