



LANXESS – Q4 2025 results

March 19, 2026

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Agenda

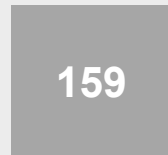
1 Review Q4/FY 2025 and outlook

2 Financial and business details Q4 2025

3 Appendix

Reduced net debt despite soft earnings

Q4 EBITDA pre (€ m)



Q4 2024

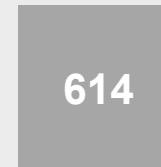


Q4 2025

Main drivers:

- Pre-buying in 2024, lower volumes in 2025
- Portfolio effect
- Adverse FX effect

FY EBITDA pre (€ m)



FY 2024

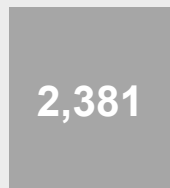


FY 2025

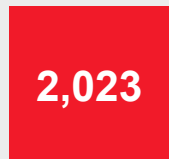
Main drivers:

- Lower volumes
- Portfolio effect
- Adverse FX effect

Net financial debt (€ m)



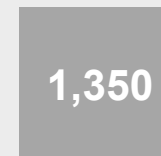
31 Dec 2024



31 Dec 2025

Further reduced

Net working capital (€ m)



Q4 2024



Q4 2025

~21%

Net working capital/sales

No Envalior acquisition of Advent in 2026, however LXS with unconditional right to sell 50% of its stake in 2028



Contractually fixed calculation of valuation for all years

Defined next steps 2027 and 2028:



Advent declares not to be able to finance acquisition of LANXESS stake in Envalior*



Advent's right to acquire LANXESS stake on 2026 conditions



LANXESS's unconditional* right to sell 50% of stake; based on March 2028 LTM EBITDA
Additionally, pro-rata redemption of loan to Envalior (+ accrued interest)**

**Envalior business drivers:
Market recovery, further delivery of synergies and competitor consolidation!**

Advent refers to Advent HoldCo (an investment entity of Advent International)

* Referring to contractual financing condition

** In the form of a pro-rata sale of financial asset from LANXESS to Advent

Rating downgrade has very limited financial impact

→ Secured financing with fixed coupons around ~1%

→ ~€1 m additional annual costs (commitment fees)

→ No financial covenants

→ Envalor: Future monetization opportunity remains!



Rating adjusted, fundamentals unaffected: Clear focus on operational excellence and cash

Solid liquidity and sufficient sources at hand to cover refinancing

Cash/liquidity

€497 m

as of
FY 2025

Bonds

- Market is highly liquid
- LANXESS with solid track record in fixed income market

Credit facilities

€1.35 bn

available
(fully undrawn)

Refinancing of October 2026 maturity is ensured



Iran war: Immanent risks hard to predict

Intervention in the Middle East currently with limited direct impact

LANXESS considerations:

- Sales exposure to the conflict region: <2%
- Currently no supply chain interruptions
- Increased oil and gas prices with direct impact on raw materials, energy and logistic costs
- European gas shortage not expected



As of now no visible impacts
High risk remains

LANXESS countermeasures:

- Contractual price pass-through of raw material costs
- Strategic energy price hedging
- Active risk management

Solid foundation:

Strategically balanced regional and industry end market exposure

Targeting further €150 m structural savings by the end of 2028

FORWARD! 

More to come...

... implementation by:

~€150 m
by the end of 2025

~€50 m
+
~€100 m
by the end of 2028

[in € m]	2026	2027	2028
Savings	~65	~55	~30
Cash Outs¹	~25	~15	~10
FTEs²	~550		

- Reduction of ~550 positions worldwide across all functions
- Fluctuation & demographics supportive
- Adjustments in production network³

Actively adjusting our cost structure

¹ Additional €10 m cash-outs already included in 2025

² FTEs: full-time equivalents

³ As announced in Q2 2025

FY 2026 segment expectations: All segments to benefit from cost savings and efficiency measures

Consumer Protection



Earnings slightly below 2025:

- Earnings situation to be slightly improved operationally, however, reported profitability will be slightly lower yoy due to lack of one-time effects
- Remaining cautious for agro demand in 2026

Specialty Additives



Earnings slightly above 2025:

- Construction recovery earliest in H2
- Slightly positive impulses from other end markets, e.g. Electro & Electronics

Advanced Intermediates



Earnings slightly above 2025:

- Construction recovery earliest in H2
- Earnings improvement based on utilization increase supported by peer consolidation

H1 with tough comparable base

FY 2026 guidance: EBITDA pre expected in €450 – 550 m range

Our view on economic environment

- Significant macro-economic uncertainties persist, intensified by Middle East conflict
- Positive effect from German infrastructure program on construction end industry expected to start earliest in H2 2026
- FX headwinds throughout the year vs. PY

LANXESS outlook

- **FY 2026 guidance: EBITDA pre expected in €450 – 550 m range**
- **Considerations for FY:**
 - Absence of Urethane Systems contribution
 - 2025 supported by non-recurring effects (insurance, take-or-pay)
 - Continued cost streamlining to mitigate inflation, savings back-end loaded
- **Considerations for Q1:**
 - No operational improvement sequentially
 - Impact from US winter storms burdens
 - Portfolio & FX effects negative vs. PY



Economic environment remains tough, but several points for consideration going forward

→ Restructured portfolio and cost savings

→ Government stimulus program

→ Anti-dumping vs. Chinese competition

→ Market and supply chain consolidation

→ Envalor: Future monetization

Several indicators show in the right direction: We have the right set-up and are ready to deliver!

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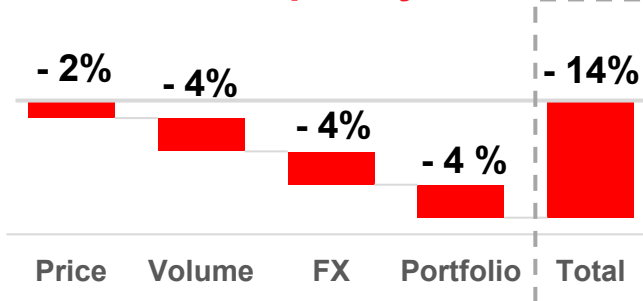
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LANXESS Group: A soft Q4 as expected

Prior-year base benefitted from pre-buying

[€ m]	Q4/2024	Q4/2025	Δ	FY 2024	FY 2025	Δ
Sales	1,483	1,268	-14%	6,366	5,673	-11%
EBITDA pre	159	102	-36%	614	510	-17%
Margin	10.7%	8.0%		9.6%	9.0%	
Capex	146	145	-1%	320	319	0%

Sales vs. prior year Q4



- Slightly lower prices driven by pass-through of lower input costs and continued market pressure in some businesses
- Lower volumes and weak demand while headwinds from Asia persist
- FX & Urethane portfolio effect additionally weigh on sales and earnings
- Exceptionally low utilization burdens earnings and margins further

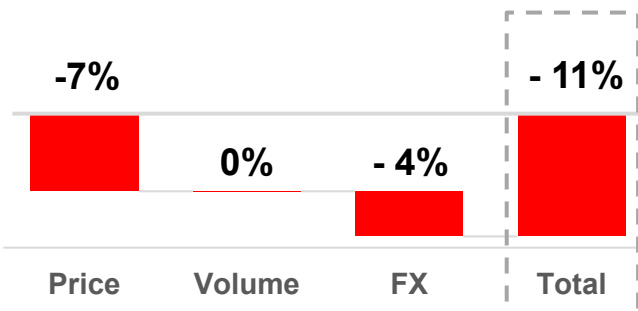


Consumer Protection: Stable FY earnings and margins in a challenging environment

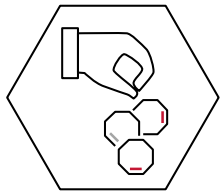
Q4: weak end markets persist

[€ m]	Q4/2024	Q4/2025	Δ	FY 2024	FY 2025	Δ
Sales	490	434	-11%	2,081	1,889	-9%
EBITDA pre	86	58	-33%	286	290	1%
Margin	17.6%	13.4%		13.7%	15.4%	
Capex	35	42	20%	88	89	1%

Sales vs. prior year Q4



- Lower prices due to continuously weak agro business and pass-through of lower input costs
- o Stable volumes: strong contribution from water treatment and biocides business while agro volumes remain subdued
- FX effect mainly driven by weaker USD
- Earnings in last year's Q4 supported by pre-buying and insurance compensation



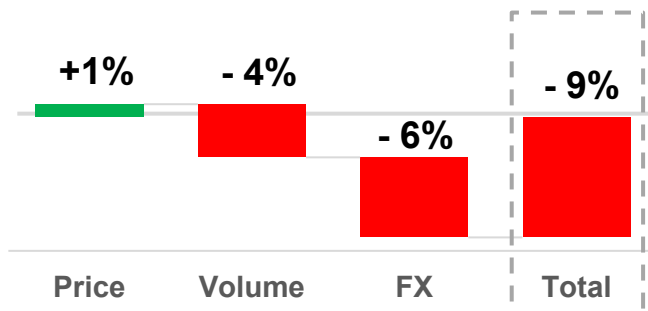
Specialty Additives: Stable pricing in continuously weak demand environment

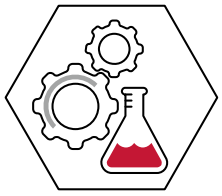
Strong burden from currencies

[€ m]	Q4/2024	Q4/2025	Δ	FY 2024	FY 2025	Δ
Sales	525	478	-9%	2,209	2,056	-7%
EBITDA pre	48	46	-4%	227	201	-11%
Margin	9.1%	9.6%		10.3%	9.8%	
Capex	56	51	-9%	119	112	-6%

- + Some positive pricing in niches partly offset by pass-through of lower raw material costs
- Lower volumes especially in Rhein Chemie; slightly positive volume development of flame retardants in Electro & Electronics
- FX effect with visible negative impact on sales
- o EBITDA pre decline mitigated by improved cost structures

Sales vs. prior year Q4





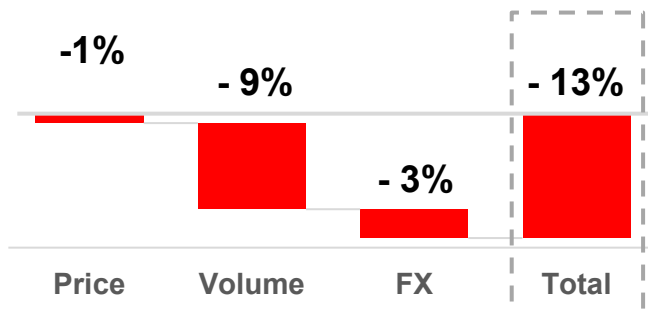
Advanced Intermediates: Low demand, tariffs and Asian competition continue to burden

Challenging environment

[€ m]	Q4/2024	Q4/2025	Δ	FY 2024	FY 2025	Δ
Sales	406	354	-13%	1,804	1,653	-8%
EBITDA pre	47	18	-62%	210	128	-39%
Margin	11.6%	5.1%		11.6%	7.7%	
Capex	36	40	11%	86	98	14%

- Prices remain relatively stable
- Lower volumes as key end markets remain under pressure, competition from Asia persists and CXO plant closure completed; 2024 pre-buying effect in Pigments
- Exceptionally low utilization, worsened by year-end turnarounds, weighed on results
- FX, tariffs and still high energy costs continue to burden

Sales vs. prior year Q4



P&L Q4: Decreased earnings mainly due to lower utilization and absence of Urethane Business

P&L [€ m]	Q4/2024		Q4/2025		yoy
Sales	1,483		1,268		-14%
Cost of sales	-1,178		-1,040		12%
Selling	-216		-192		11%
G&A	-59		-58		2%
R&D	-22		-21		5%
EBIT	-23	(-2%)	-234	(-18%)	-
Financial result	-45		-53		-18%
Net Income	-64	(-4%)	-398	(-31%)	-
Adjusted EPS [€]	0.21		0.37		76%
EBITDA	123	(8%)	87	(7%)	-29%
EBITDA pre except.	159	(11%)	102	(8%)	-36%

- Lower sales mainly due to lower volumes (pre-buying in prior-year Q4), FX and portfolio effect (URE)
- Lower selling expenses mainly due to lower volumes
- Financial result includes unfavorable development of Envalior at-equity result
- Net income additionally burdened by impairment (€341 m) of goodwill, fixed assets and deferred tax assets
- Earnings and margin decrease mainly as a result of lower utilization, unfavorable FX-development and absence of Urethane Systems business

Cashflow statement reflects cash containment measures in tough times

Cash flow [€ m] Q4/2024 Q4/2025

Cash flow [€ m]	Q4/2024	Q4/2025
Profit before tax	-68	-287
Depreciation & amortization	146	321
Result from investments accounted for using the equity method	24	71
Financial losses (gains)	13	-27
Income taxes	-16	7
Changes in working capital	158	158
Changes in other assets & liab.	95	-30
Operating cash flow	352	209
Capex	-146	-145
Free cash flow	206	64

- Lower profit before tax due to decreased operating result and impairments
- At-equity result reflects mainly Envalor
- Financial gain/losses reflect interest reclassification and valuation of Envalor loan & right to offer
- Changes in other assets & liabilities mainly due to release of HR related provision
- Changes in working capital mainly driven by the reduction of inventory

Continued strong equity ratio and significant reduction of net financial debt

Balance sheet [€ m]	31.12.2024	31.12.2025
Total assets	9,711	7,748
Equity	4,592	3,500
Equity ratio	47%	45%
Net financial debt¹	2,381	2,023
Net financial debt after deduction of ENVALIOR shareholder loan	2,149	1,762
Pension provisions	429	421
Net working capital	1,350	1,200
Net working capital / sales ²	21%	21%

- Decrease in total assets due to €500 m bond repayment, FX effects and impairments
- Decrease in equity mainly related to FX and net income development (incl. Envalior)
- Equity ratio remains strong
- Net financial debt after divestment of Business Unit Urethane Systems further reduced (€1,762 m if considering loan to Envalior)
- Tight working capital management

Impairments of goodwill (BU F&F) and fixed assets (BU RCH) as well as deferred tax assets

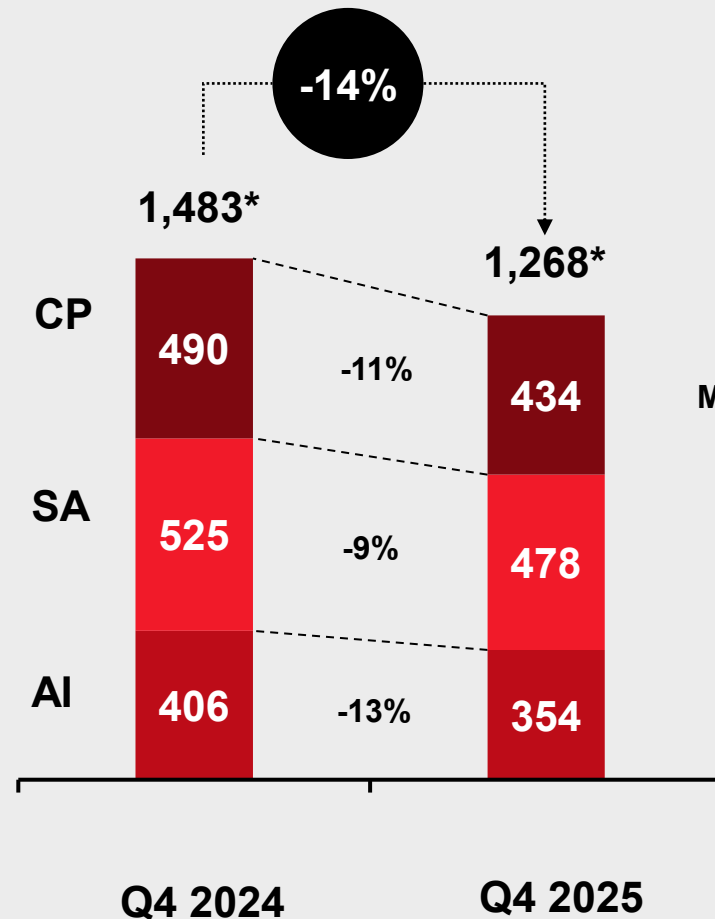
Total write-downs of €341 m burdening net income

Included as exceptional items in other operating expenses (and thus EBIT):

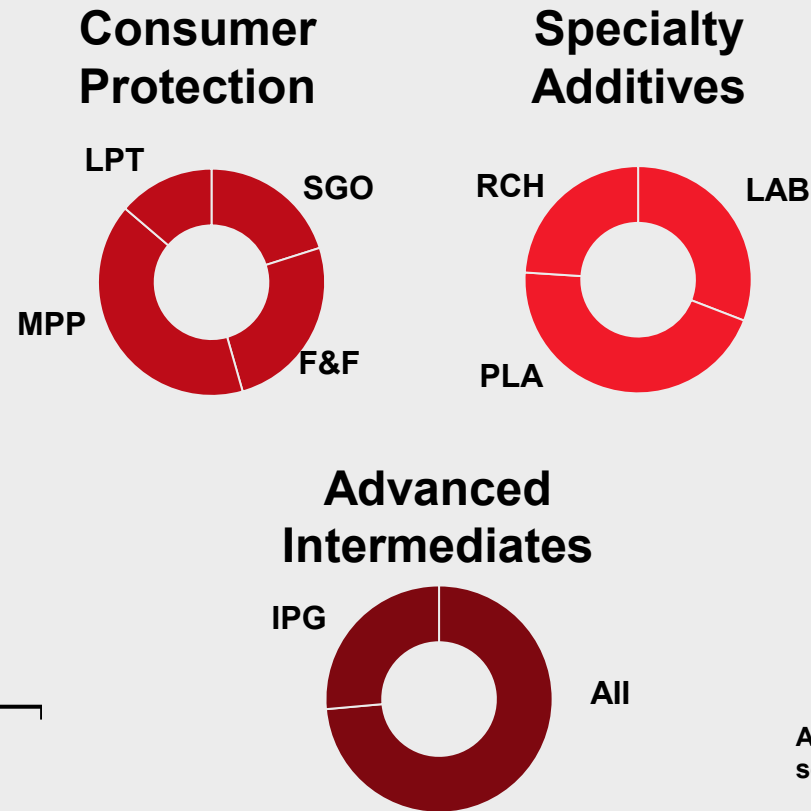
Rhein Chemie	Impairment of fixed assets: Structural profitability shortfalls – measures for earnings improvements underway	€104 m
Flavors & Fragrances	Impairment of goodwill: Earnings recovery slower than originally expected	€83 m
<i>Included in income taxes:</i>		
Deferred tax assets	Impairment of deferred tax assets: Expected taxable income in the period under consideration primarily in Germany may not be sufficient to utilize existing deferred tax assets	€154 m

Q4 2025: FX- & volume-driven lower sales

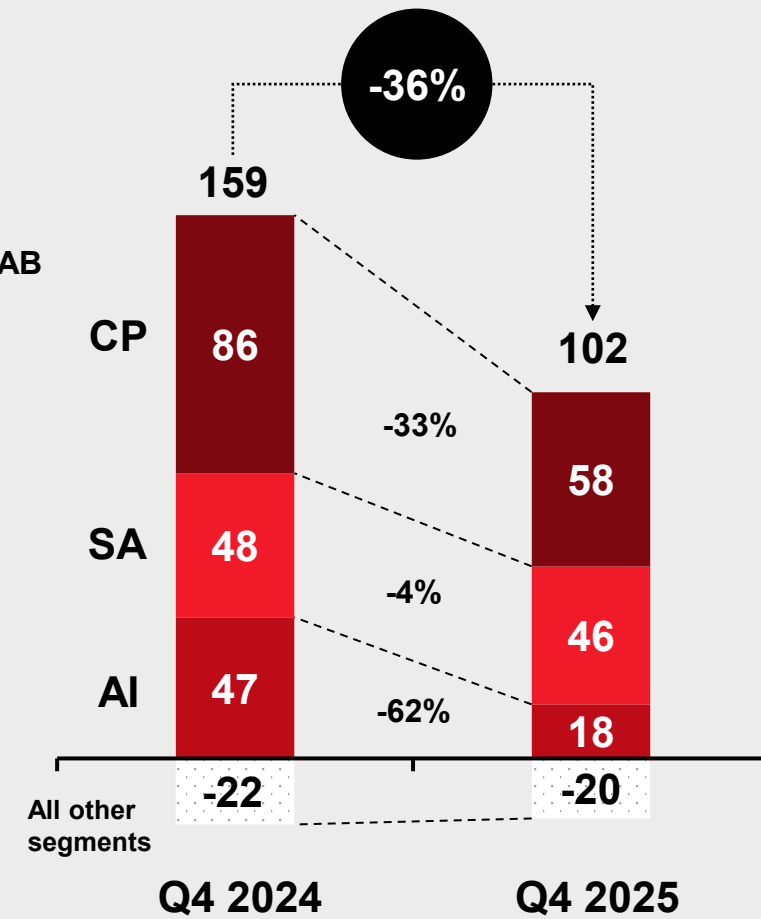
Sales [€ m]



Sales share [%]

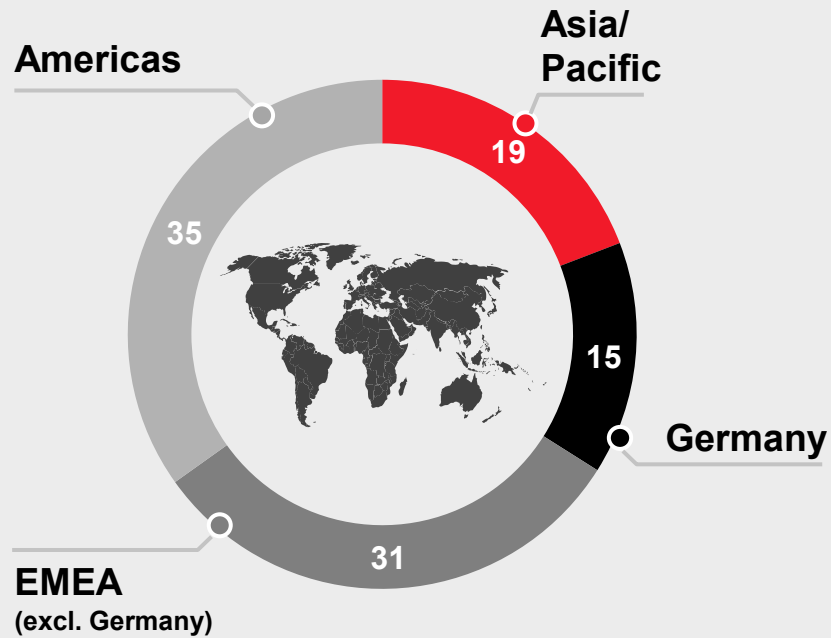


EBITDA pre [€ m]

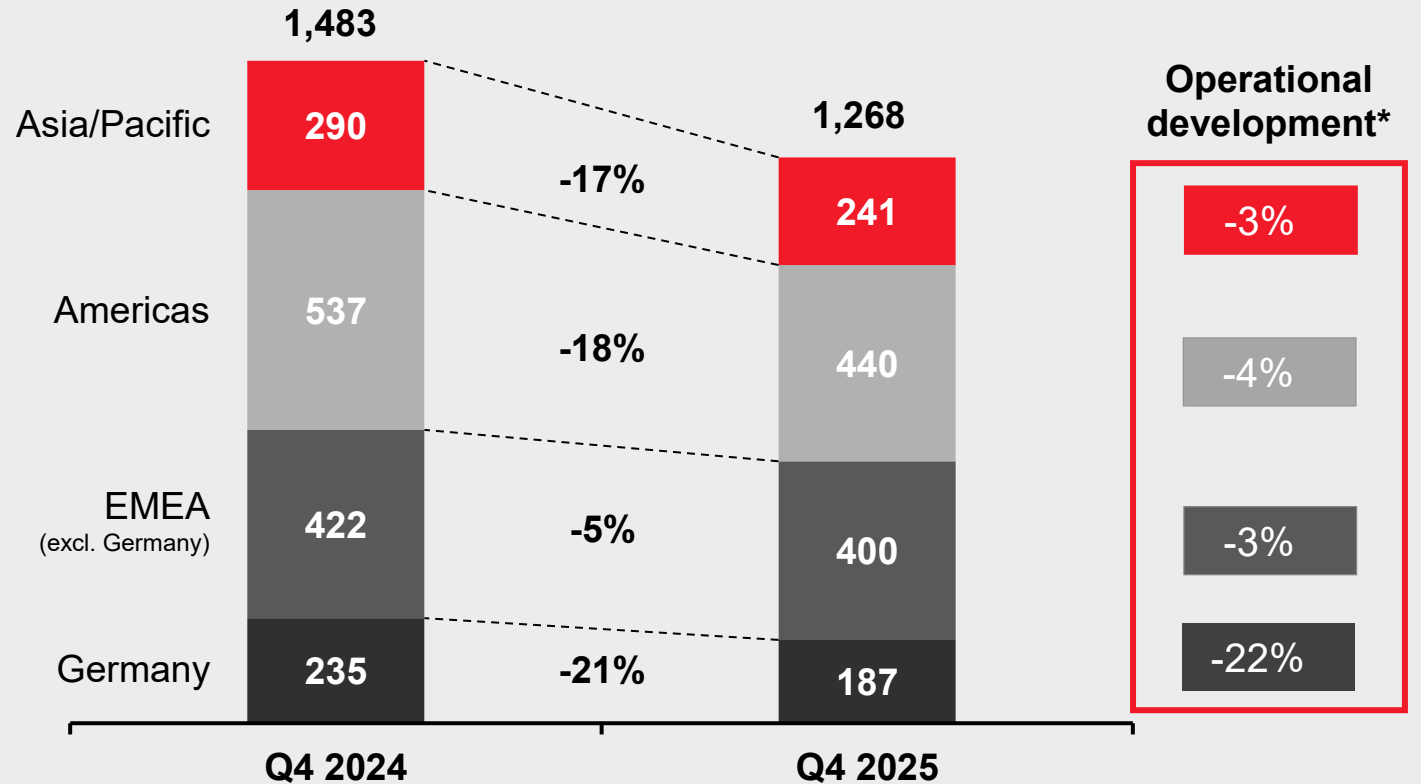


Q4 2025: Volume-driven sales decline in all regions

Q4 2025 sales by region [%]



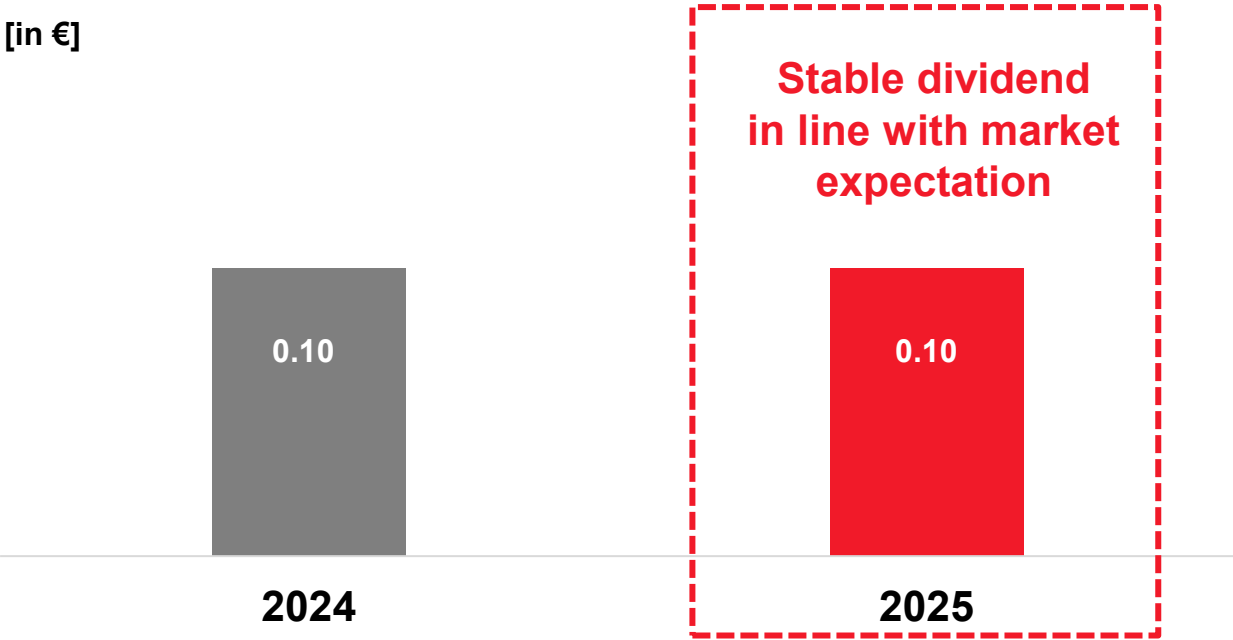
Regional development of sales [€ m]



Stable dividend for 2025 proposed - continued focus on cost discipline and deleveraging

Focused dividend policy

[in €]



Due to our focus on deleveraging, the dividend proposal to the AGM for FY 2025 is €0.10*

Exceptional items (on EBIT) increased: write-downs, adj. in production network, partially offset by URE disposal

[€ m]	Q4 2024		Q4 2025		FY 2024		FY 2025	
	Excep.	thereof D&A	Excep.	thereof D&A	Excep.	thereof D&A	Excep.	thereof D&A
Strategic realignment and restructuring (incl. FORWARD!)	-8	0	-7	3	-11	-2	-117	-76
Strategic IT projects	-2	0	-6	-1	-21	0	-31	-1
M&A, digitalization and others	-26	-1	-1	0	-49	-3	49	-5
Write-downs on fixed assets & goodwill	0	0	-187	-187	0	0	-187	-187
Total	-36	-1	-201	-183	-81	-5	-287	-269

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Housekeeping items 2026

FY 2026 Outlook (in €m)

Capex

~330

Operational depreciation

~340

All other segments (EBITDA pre)

-140 to -150

Exceptional expenses

~40 to 60

FX sensitivity

~3

- excluding ~€130 m of intangible amortization

- on EBIT, based on current projects

- EBITDA pre impact after hedging per cent change of EUR/USD

FY 2025: EBITDA pre on lower level due to lower utilization and disposal of Urethane Systems business

P&L [€ m]	FY 2024		FY 2025		yoy
Sales	6,366		5,673		-11%
Cost of sales	-5,068		-4,542		10%
Selling	-890		-834		6%
G&A	-258		-230		11%
R&D	-104		-96		8%
EBIT	-28	(0%)	-314	(-6%)	-
Financial result	-169		-157		7%
Net income	-177	(-3%)	-577	(-10%)	-
Adjust. EPS [€]	1.58		1.12		-29%
EBITDA	538	(8%)	492	(9%)	-9%
EBITDA pre	614	(10%)	510	(9%)	-17%

- Lower sales mainly due to lower demand & utilization respectively and Urethane portfolio effect
- Cost saving efforts and hardly any build-up of variable compensation provisions reflected in all cost items
- EBIT decreased mainly due to weaker sales and an increase in exceptionals
- Financial result reflects Envalor's at-equity contribution
- EBITDA pre without Urethane Systems business from Q2 2025 onwards

FY 2025: Cash discipline in muted earnings environment

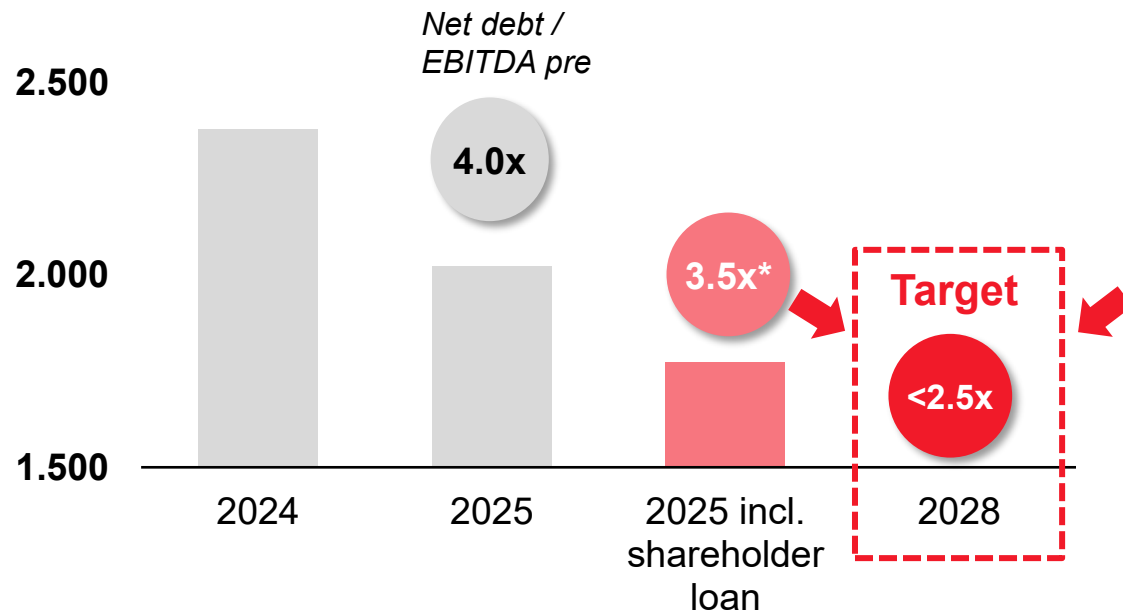
Cash flow [€ m]	FY 2024	FY 2025
Profit before tax	-197	-471
Depreciation & amortization	566	806
Result from investments accounted for using the equity method	133	162
Financial losses & gains from disposal of assets	15	-101
Income taxes	-47	-27
Changes in working capital	0	52
Changes in other assets & liab.	38	-132
Operating cash flow	508	289
Capex	-320	-319
Free cash flow	188	-30

- Lower profit before tax due to decreased operating result
- Higher D&A due to impairments
- At-equity result reflects mainly Envalior
- Gains from disposal of assets reflect sale of Business Unit Urethane Systems
- Changes in other assets and liabilities include bonus payout (for 2024) and other changes in provisions
- Disciplined working capital and capex management
- Lower free cash flow due to decreased operating result

Debt reduction remains priority despite persisting economic challenges

We target to restore investment grade rating until 2028

Net debt in € m



Operational levers

- Initial signs of possible recovery in the construction industry at the earliest during the second half of the year
- Continued cost streamlining
- Tight working capital management targeting structural improvement

Strategic levers

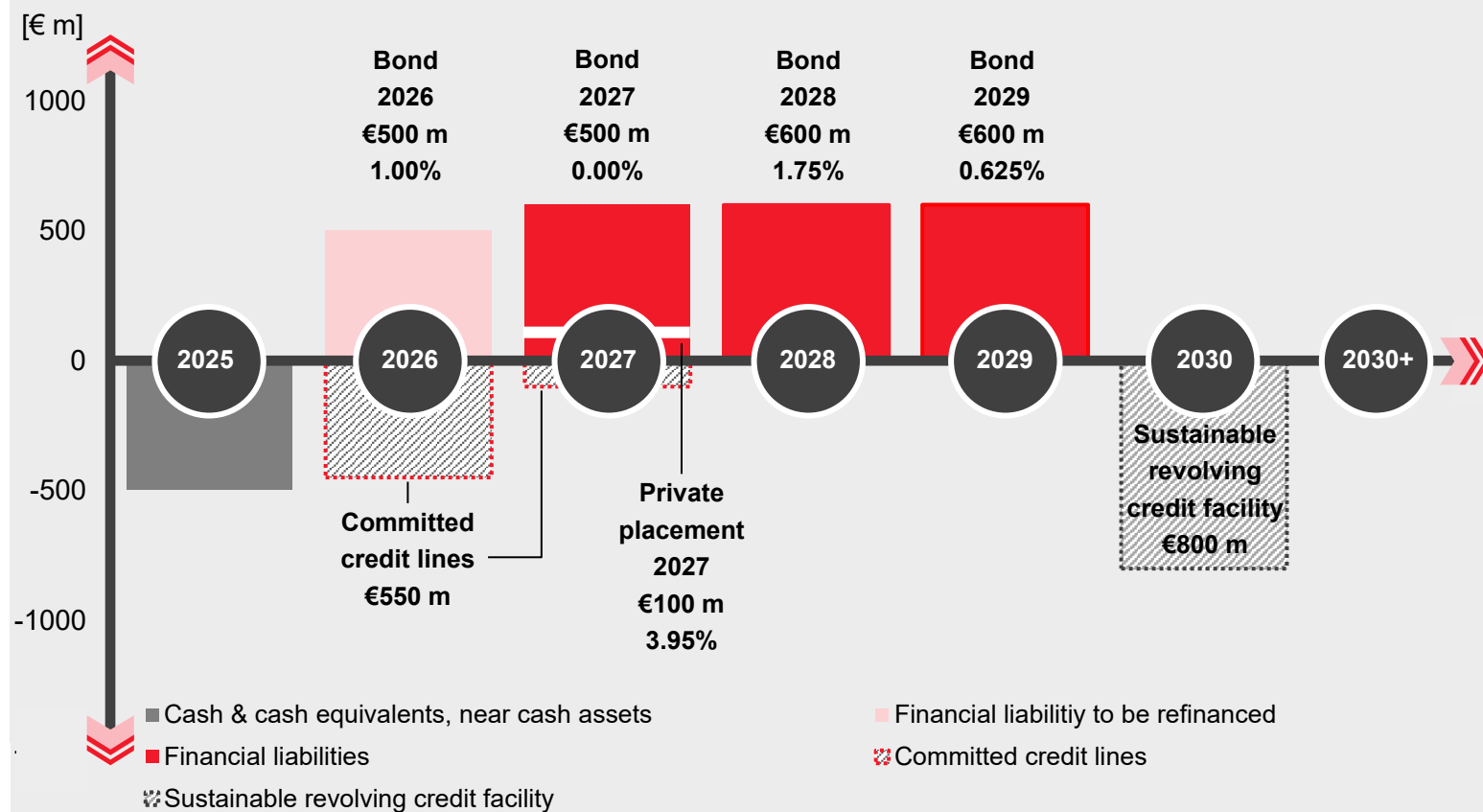
- Sale of Envalior stake
- Additionally, pro-rata redemption of loan to Envalior** (+ accrued interest)

LANXESS maturity profile actively managed – next bond maturity already pro-actively secured

Long-term financing secured

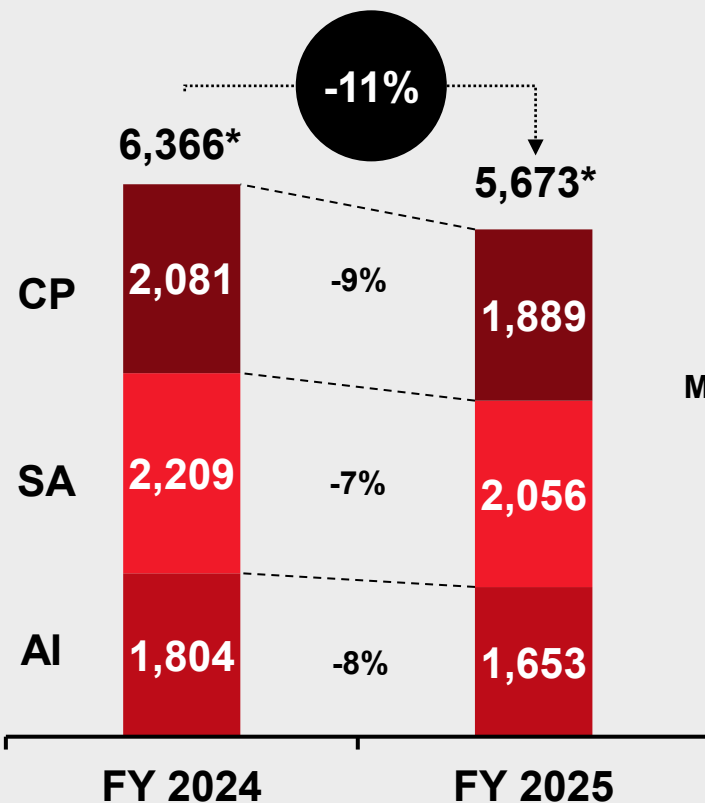
- Average interest rate of financial liabilities ~1.0%*
 - All group financing executed without financial covenants
 - Next maturity in October 2026
- Refinancing secured by:
- > cash and cash equivalents available
 - > highly liquid bond market
 - > available credit lines

Liquidity and maturity profile as per December 2025

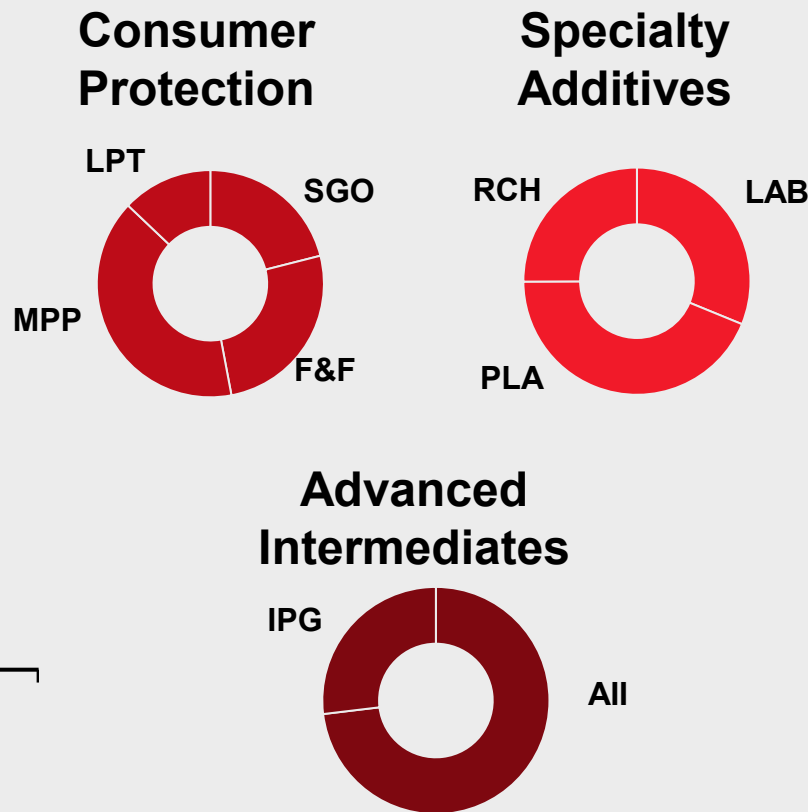


FY 2025: Results below prior-year level; ongoing demand weakness, portfolio effect and FX burden sales

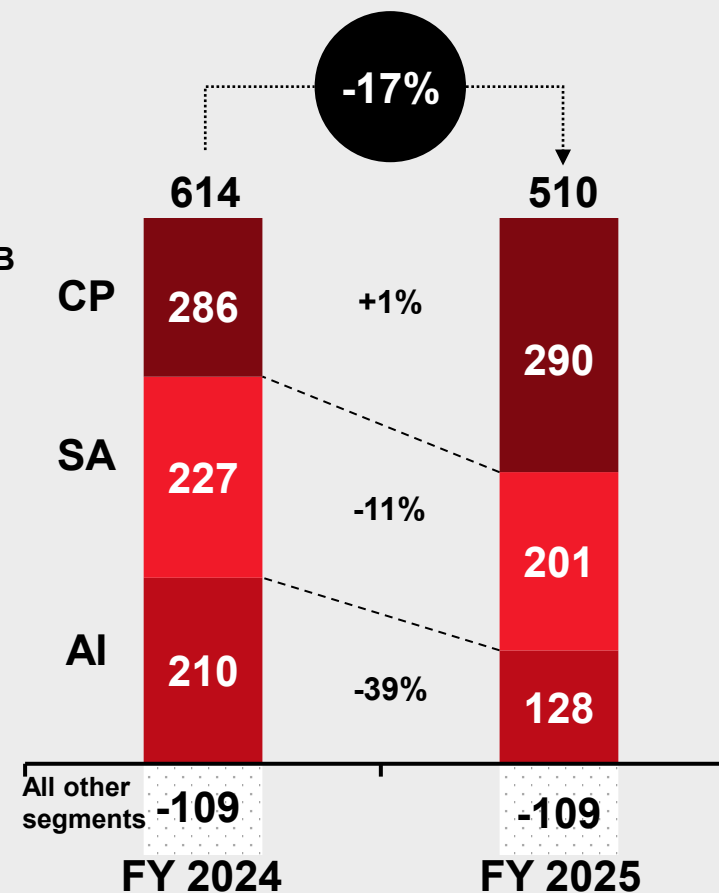
Sales [€ m]



Sales share [%]

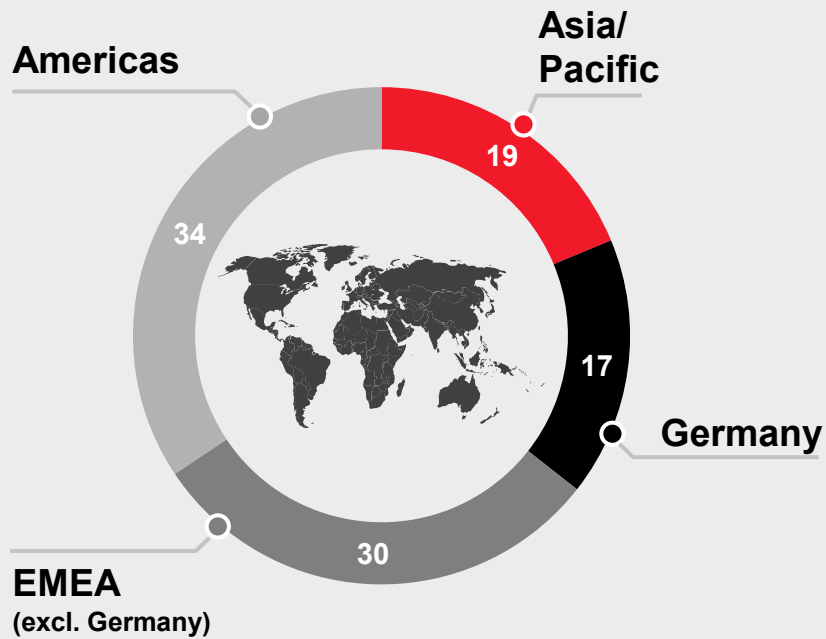


EBITDA pre [€ m]

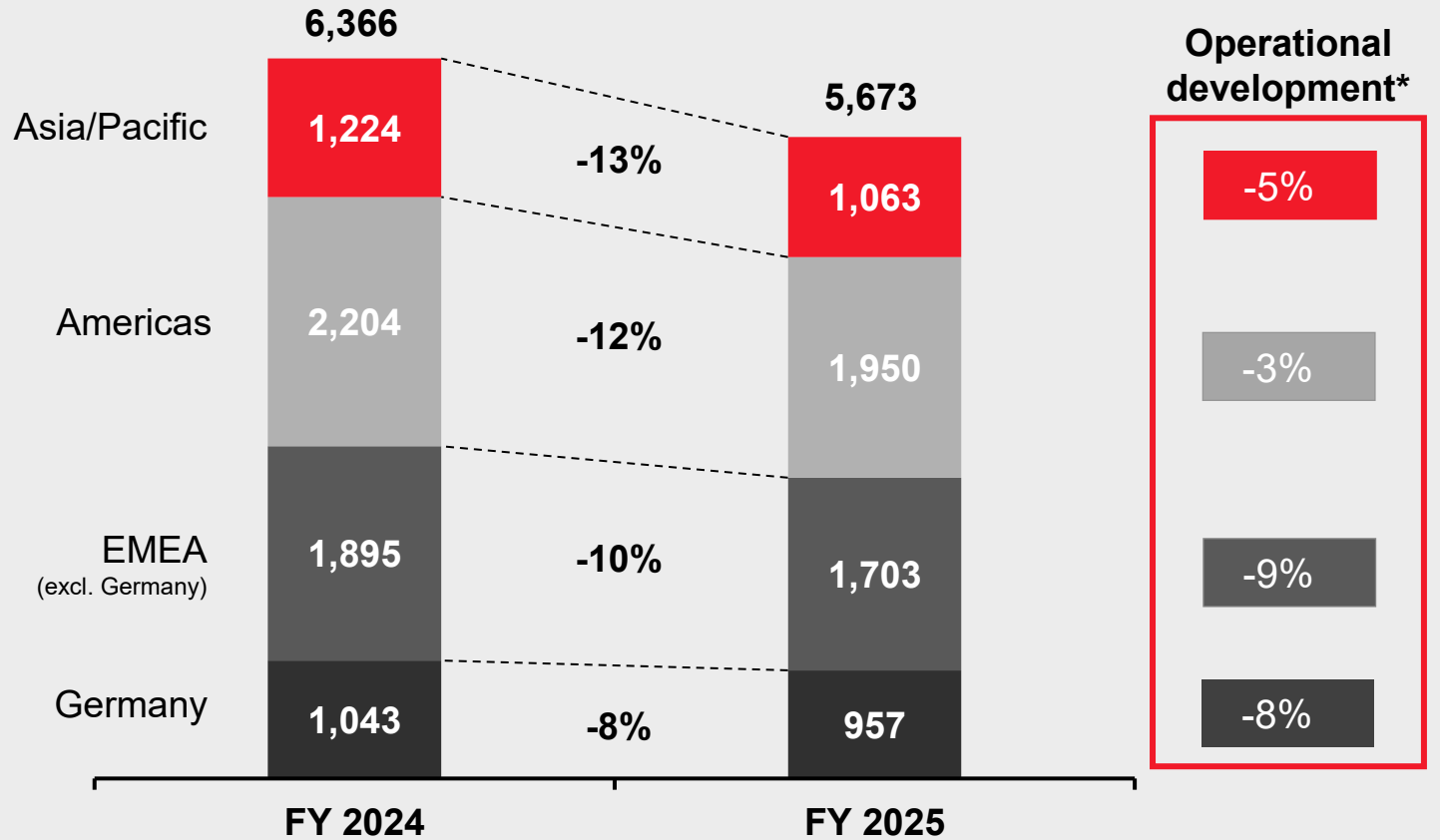


FY 2025: Sales across regions remain balanced

FY 2025 sales by region [%]



Regional development of sales [€ m]



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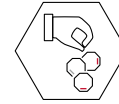
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Abbreviations



Consumer Protection

MPP	Material Protection Products
F&F	Flavors & Fragrances
SGO	Saltigo
LPT	Liquid Purification Technologies



Specialty Additives

PLA	Polymer Additives
LAB	Lubricant Additives Business
RCH	Rhein Chemie



Advanced Intermediates

AI	Advanced Industrial Intermediates
IPG	Inorganic Pigments

Upcoming events 2026 – Proactive capital market communication

