

Q4 2025 Results

LANXESS Group



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A soft Q4 as expected; Prior-year base benefitted from pre-buying

	Q4 2024	Q4 2025	Δ vs. PY		Comments on Q4
Sales	€1,483 m	€1,268 m	-14%	↓	Lower sales mainly due to lower volumes (pre-buying in prior-year Q4), FX and portfolio effect (URE)
EBITDA pre	€159 m	€102 m	-36%	↓	Earnings and margin decrease mainly as a result of lower utilization, unfavorable FX-development and absence of Urethane business
Margin	10.7%	8.0%	-2.7 pp.	↓	
Adjusted EPS	€0.21	€0.37	+76%	↑	Increase driven by valuation of Envalior loan & right to offer
Operating cash flow	€352 m	€209 m	-41%	↓	Decrease mainly driven by lower operating result
Free cash flow	€206 m	€64 m	-69%	↓	
Net financial debt	Dec 2024 €2,381 m	Dec 2025 €2,023 m	-15%	↓	Net financial debt significantly reduced with proceeds from divestment of Business Unit Urethane Systems in Q2 2025
Capex	€146 m	€145 m	-	→	Capex remains on tightly managed level

Sales - 14 % Price - 2 % Volume - 4 % FX - 4 % Portfolio - 4 %

* Deducting cash, cash equivalents, near cash assets

Consumer Protection



Stable FY earnings and margins in a challenging environment

- 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

Sales YoY

Price	Volume	FX	Total
- 7 %	0 %	- 4 %	- 11 %

	Q4 2024	Q4 2025
EBITDA pre	€86 m	€58 m
margin	17.6%	13.4%

Specialty Additives



Stable pricing in continuously weak demand environment

- + 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 YoY

Price	Volume	FX	Total
+ 1 %	- 4 %	- 6 %	- 9 %

	Q4 2024	Q4 2025
EBITDA pre	€48 m	€46 m
margin	9.1%	9.6%

Advanced Intermediates



Low demand, tariffs and Asian competition continue to burden

- o 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 YoY

Price	Volume	FX	Total
- 1 %	- 9 %	- 3 %	- 13 %

	Q4 2024	Q4 2025
EBITDA pre	€47 m	€18 m
margin	11.6%	5.1%

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



Reduced net debt despite soft earnings

Q4 EBITDA pre (€ m)

159	102
Q4 2024	Q4 2025

Main drivers:

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

FY EBITDA pre (€ m)

614	510
FY 2024	FY 2025

Main drivers:

- Lower volumes
- Portfolio effect
- Adverse FX effect

Net financial debt (€ m)

2,381	2,023	Further reduced
31 Dec 2024	31 Dec 2025	

Net working capital (€ m)

1,350	1,200	~21%
Q4 2024	Q4 2025	Net working capital/sales

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

<p>Consumer Protection</p>	<p>Specialty Additives</p>	<p>Advanced Intermediates</p>
<p>Earnings slightly below 2025:</p> <ul style="list-style-type: none"> ▪ 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 	<p>Earnings slightly above 2025:</p> <ul style="list-style-type: none"> ▪ Construction recovery earliest in H2 ▪ Slightly positive impulses from other end markets, e.g. Electro & Electronics 	<p>Earnings slightly above 2025:</p> <ul style="list-style-type: none"> ▪ Construction recovery earliest in H2 ▪ Earnings improvement based on utilization increase supported by peer consolidation
<p>H1 with tough comparable base</p>		

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 Outs ¹	~25	~15	~10
FTEs ²	~550		

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

Actively adjusting our cost structure



Rating downgrade has very limited financial impact

- Secured financing with fixed coupons around ~1%
- ~€1 m additional annual costs (commitment fees)
- No financial covenants
- Envalior: Future monetization opportunity remains!



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

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



Financial Overview Q4 & FY 2025

in € million

	LANXESS			Consumer Protection			Specialty Additives			Advanced Intermed.			All other Segments		
	Q4/2024	Q4/2025	Chg. in %	Q4/2024	Q4/2025	Chg. in %	Q4/2024	Q4/2025	Chg. in %	Q4/2024	Q4/2025	Chg. in %	Q4/2024	Q4/2025	Chg. in %
Sales	1.483	1.268	-14%	490	434	-11%	525	478	-9%	406	354	-13%	62	2	-97%
Price*			-2,2%			-7,1%			1,1%			-0,9%			0,0%
Volume*			-4,1%			-0,2%			-4,2%			-8,9%			-1,6%
Currency*			-4,3%			-4,1%			-5,9%			-3,0%			-1,6%
Portfolio*			-3,9%			0,0%			0,0%			0,0%			-93,6%
EBIT	-23	-234	>-100%	39	-73	n.m.	-6	-104	>-100%	11	-14	n.m.	-67	-43	36%
Deprec. & amortizat.	146	321	>100%	47	128	>100%	52	150	>100%	32	31	-3%	15	12	-20%
EBITDA	123	87	-29%	86	55	-36%	46	46	0%	43	17	-60%	-52	-31	40%
exceptionals in EBITDA**	-36	-15	-58%	0	-3	>100%	-2	0	-100%	-4	-1	-75%	-30	-11	-63%
EBITDA pre excep.	159	102	-36%	86	58	-33%	48	46	-4%	47	18	-62%	-22	-20	9%
normalized D&A	146	135	-8%	47	45	-4%	52	48	-8%	32	31	-3%	15	11	-27%
EBIT pre excep.	13	-33	n.m.	39	13	-67%	-4	-2	50%	15	-13	n.m.	-37	-31	16%
exceptionals in EBIT**	-36	-201	>100%	0	-86	>100%	-2	-102	>100%	-4	-1	-75%	-30	-12	-60%

in € million

	LANXESS			Consumer Protection			Specialty Additives			Advanced Intermed.			All other Segments		
	2024	2025	Chg. in %	2024	2025	Chg. in %	2024	2025	Chg. in %	2024	2025	Chg. in %	2024	2025	Chg. in %
Sales	6.366	5.673	-11%	2.081	1.889	-9%	2.209	2.056	-7%	1.804	1.653	-8%	272	75	-72%
Price*			-2,7%			-4,9%			-0,8%			-2,7%			-1,4%
Volume*			-3,0%			-2,1%			-3,1%			-4,2%			-0,4%
Currency*			-2,2%			-2,2%			-3,0%			-1,5%			0,4%
Portfolio*			-3,0%			0,0%			0,0%			0,0%			-71,0%
EBIT	-28	-314	n.m.	102	-39	n.m.	32	-120	n.m.	93	7	-92%	-255	-162	36%
Deprec. & amortizat.	566	806	42%	184	309	68%	193	320	66%	117	116	-1%	72	61	-15%
EBITDA	538	492	-9%	286	270	-6%	225	200	-11%	210	123	-41%	-183	-101	45%
exceptionals in EBITDA**	-76	-18	-76%	0	-20	>100%	-2	-1	-50%	0	-5	>100%	-74	8	n.m.
EBITDA pre excep.	614	510	-17%	286	290	1%	227	201	-11%	210	128	-39%	-109	-109	0%
normalized D&A	561	537	-4%	184	182	-1%	193	184	-5%	115	116	1%	69	55	-20%
EBIT pre excep.	53	-27	n.m.	102	108	6%	34	17	-50%	95	12	-87%	-178	-164	8%
exceptionals in EBIT**	-81	-287	>100%	0	-147	>100%	-2	-137	>100%	-2	-5	>100%	-77	2	n.m.
Capex	320	319	0%	88	89	1%	119	112	-6%	86	98	14%	27	20	-26%
Net financial debt***	2.149	1.762	-18%												

* approximate numbers

** + = expense *** adjusted for Envalior shareholder loan

Cash Flow Statement Q4 & FY 2025

in € million	Q4/2024	Q4/2025	2024	2025
Income before income taxes	-68	-287	-197	-471
Amortization, depreciation and write-downs of intangible assets and property, plant and equipment	146	321	566	806
Gains/losses on disposals of intangible assets and property, plant and equipment	–	-4	-1	-80
Income from investments accounted for using the equity method	24	71	133	162
Financial losses (gains)	13	-27	16	-21
Income taxes refunded/paid	-16	7	-47	-27
Changes in inventories	46	141	-19	47
Changes in trade receivables	48	6	-54	85
Changes in trade payables	64	11	73	-80
Changes in other assets and liabilities	95	-30	38	-132
Net cash provided by (used in) operating activities	352	209	508	289
Cash outflows for purchases of intangible assets and property, plant and equipment	-146	-145	-320	-319
Cash inflows from sales of intangible assets and property, plant and equipment	1	4	2	5
Cash outflows for financial and other assets held for investment purposes	-176	-23	-301	-60
Cash inflows from financial and other assets held for investment purposes	2	8	344	320
Cash inflows from the sale of subsidiaries and other businesses, less divested cash and cash equivalents	–	–	–	443
Interest and dividends received	6	5	12	15
Net cash provided by / used in investing activities	-313	-151	-263	404
Proceeds from borrowings	4	62	20	71
Repayments of borrowings	-22	-17	-66	-579
Interest paid and other financial disbursements	-12	-12	-42	-41
Dividend payments	–	–	-9	-10
Net cash provided by /used in financing activities	-30	33	-97	-559
Change in cash and cash equivalents	9	91	148	134
Cash and cash equivalents as of beginning of period	283	329	146	299
Exchange differences and other changes in cash and cash equivalents – total	7	-1	5	-14
Cash and cash equivalents as of end of period	299	419	299	419
Less cash and cash equivalents of assets held for sale	–	–	–	–
Cash and cash equivalents as of end of period (balance sheet)	299	419	299	419

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 & FY 2025

in € million	Q4/2024	Q4/2025	Chg. in %	2024	2025	Chg. in %
Sales	1.483	1.268	-14%	6.366	5.673	-11%
Cost of sales	-1.178	-1.040	12%	-5.068	-4.542	10%
Gross profit	305	228	-25%	1.298	1.131	-13%
Selling expenses	-216	-192	11%	-890	-834	6%
Research and development expenses	-22	-21	5%	-104	-96	8%
General administration expenses	-59	-58	2%	-258	-230	11%
Other operating income	18	35	94%	81	163	>100%
Other operating expenses	-49	-226	<-100%	-155	-448	>-100%
Operating result (EBIT)	-23	-234	<-100%	-28	-314	>-100%
Income from investments accounted for using the equity method	-24	-71	<-100%	-133	-162	-22%
Interest income	2	1	-50%	6	5	-17%
Interest expense	-11	-13	-18%	-47	-44	6%
Other financial income and expense	-12	30	<i>n.m.</i>	5	44	>100%
Financial result	-45	-53	-18%	-169	-157	7%
Income before income taxes	-68	-287	<-100%	-197	-471	>-100%
Income taxes	4	-111	<i>n.m.</i>	21	-105	<i>n.m.</i>
Income after income taxes	-64	-398	<-100%	-176	-576	>-100%
of which attributable to non-controlling interests	0	0	0%	1	1	0%
Net income (attributable to LANXESS AG stockholders)	-64	-398	<-100%	-177	-577	>-100%
EPS total (in €)	-0,74	-4,61	<-100%	-2,05	-6,68	>-100%
EPS adjusted (in €)	0,21	0,37	76%	1,58	1,12	-29%

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