2026

Half-Year Financial Report

January 1 to June 30, 2026

LANXESS
Energizing Chemistry

LANXESS GROUP KEY DATA

Key Data

€ million	Q2 2025	Q2 2026	Change %	H1 2025	H1 2026	Change %
Sales	1,466	1,561	6.5	3,067	2,939	(4.2)
Gross profit	327	330	0.9	649	592	(8.8)
Gross profit margin	22.3%	21.1%		21.2%	20.1%	
EBITDA pre exceptionals[1)]	150	152	1.3	283	246	(13.1)
EBITDA margin pre exceptionals[1)]	10.2%	9.7%		9.2%	8.4%	
EBITDA[1)]	188	105	(44.1)	300	186	(38.0)
EBIT pre exceptionals[1)]	19	30	57.9	17	4	(76.5)
EBIT[1)]	(29)	(27)	6.9	(52)	(67)	(28.8)
EBIT margin[1)]	(2.0%)	(1.7%)		(1.7%)	(2.3%)	
Net income	(45)	(53)	(17.8)	(102)	(194)	(90.2)
Weighted average number of shares outstanding	86,346,303	86,346,303	–	86,346,303	86,346,303	–
Earnings per share in €	(0.52)	(0.62)	(19.2)	(1.18)	(2.25)	(90.7)
Adjusted earnings per share in €[2)]	0.59	0.51	(13.6)	0.82	0.01	(98.8)
Cash flow from operating activities	96	120	25.0	30	132	> 100
Depreciation and amortization	217	132	(39.2)	352	253	(28.1)
Cash outflows for capital expenditures	65	64	(1.5)	110	105	(4.5)
Total assets				7,748[5)]	8,354	7.8
Equity (including non-controlling interests)				3,500[5)]	3,484	(0.5)
Equity ratio[3)]				45.2%[5)]	41.7%	
Provisions for pensions and other post-employment benefits				421[5)]	374	(11.2)
Net financial liabilities[4)]				2,023[5)]	2,049	1.3
Net financial liabilities after deduction of the shareholder loan granted to Envalior[4)]				1,762[5)]	1,787	1.4
Employees (as of June 30)				11,709[5)]	11,495	(1.8)

1) EBIT: Earnings before interest and taxes.
EBIT pre exceptionals: EBIT before exceptional charges and income.
EBIT margin: EBIT in relation to sales.
EBITDA: EBIT before depreciation of property, plant and equipment and amortization of intangible assets, less reversals of impairment charges on property, plant, equipment and intangible assets.
EBITDA pre exceptionals: EBITDA before exceptional charges and income.
EBITDA margin pre exceptionals: EBITDA pre exceptionals in relation to sales.
Please see "Notes on EBIT and EBITDA (Pre Exceptionals)" for details.
2) Adjusted earnings per share: earnings per share disregarding exceptional items, amortization of intangible assets and attributable tax effects, and result from investments accounted for using the equity method.
Please see "Net Income/Earnings Per Share/Adjusted Earnings Per Share" for details.
3) Equity ratio: equity in relation to total assets.
4) Net financial liabilities: sum of current and non-current financial liabilities (adjusted for liabilities for accrued interest) less cash, cash equivalents and near-cash assets.
Please see "Statement of Financial Position and Financial Condition" for details.
5) Balance sheet date December 31, 2025.

CONTENTS

2 Lanxess Group Key Data
3 Interim Group Management Report as of June 30, 2026
3 Group Structure and Business Activity
3 Economic Environment and Business Performance
8 Business Development by Region
9 SEGMENT INFORMATION
13 Notes on EBIT and EBITDA (pre exceptionals)
14 Statement of Financial Position and Financial Condition
16 Future Perspectives, Opportunities and Risks
17 Condensed Consolidated Interim Financial Statements as of June 30, 2026
17 Statement of Financial Position LANXESS Group
18 Income Statement LANXESS Group
18 Statement of Comprehensive Income LANXESS Group
19 Statement of Changes in Equity LANXESS Group
20 Statement of Cash Flows LANXESS Group
21 Segment and Region Data
23 Condensed Consolidated Interim Financial Statements as of June 30, 2026
28 Events after the Reporting Period
28 Responsibility Statement
30 Financial Calendar 2026
31 Contacts & Masthead

Page references within the report
References to websites

INTERIM GROUP MANAGEMENT REPORT

as of June 30, 2026

- Sales up on the prior-year quarter due to price and volume effects
- Persistently challenging market environment
- EBITDA pre exceptionals at €152 million in the second quarter, up on the prior-year quarter
- EBITDA margin pre exceptionals of 9.7% in the reporting quarter
- Net financial debt of €2.049 billion nearly stable compared with year-end, but lower than as of March 31, 2026
- Adjusted earnings per share of €0.51 in the second quarter after €0.59 in the prior-year quarter
- Guidance for fiscal year 2026 unchanged: EBITDA pre exceptionals expected between €450 million and €550 million

GROUP STRUCTURE AND BUSINESS ACTIVITY

Legal structure

LANXESS AG is the parent company of the LANXESS Group and functions largely as a management holding company. LANXESS Deutschland GmbH is a wholly owned subsidiary of LANXESS AG and in turn controls the other domestic and foreign subsidiaries and affiliates.

A list of the principal direct and indirect subsidiaries of LANXESS AG and a description of the Group's management and control organization are provided on page 26 of the Annual Report 2025 and in the "Companies consolidated" section of the Notes to the Condensed Consolidated Interim Financial Statements as of June 30, 2026.

Material business transactions

Against the backdrop of a persistently challenging market environment, particularly due to continuing competitive pressure from Asia and ongoing weak demand in the agrochemicals sector, restructuring measures were initiated. A number of immediate measures to reduce costs in administrative functions, including personnel-related measures, have already been launched. In addition, implementation of specific structural measures has begun in the Saltigo business unit of our Consumer Protection segment. In addition to streamlining production capacity at the Leverkusen site in Germany, these include aligning the business model more strongly with pharmaceutical applications and further specialty chemicals. The aim is to strengthen the businesses in the long term, reduce dependence on the agrochemicals market and permanently improve the earnings level and margin.

In June 2026, LANXESS successfully placed a €500 million Eurobond on the capital market. The bond has a five-year term and is intended, among other things, to refinance a €500 million bond maturing in October 2026.

On September 23, 2025, LANXESS had decided to exercise its contractual right to offer all of the shares it holds in Envalior (40.94%) to its joint venture partner, an investment company of Advent International.

In early March 2026, Advent informed LANXESS that the purchase of the remaining shares by the joint venture partner will not be carried out in the current year, referencing the financing condition. The contractual provisions therefore continue to apply, providing for further offer and purchase periods in 2027 and 2028, with the offer period in 2028 not being subject to a financing condition for 50% of the share held by LANXESS. The agreed base purchase price remains around €1.2 billion and is based on the original valuation of the High Performance Materials business unit contributed by LANXESS at the time Envalior was founded in 2023. For the 2027 purchase period, the adjustment of the base purchase price is linked to the development of Envalior's adjusted EBITDA in the twelve-month period before April 1, 2026. For 2028, the base purchase price applies, linked to the development of Envalior's adjusted EBITDA in the twelve-month period before April 1, 2028.

ECONOMIC ENVIRONMENT AND BUSINESS PERFORMANCE

Business conditions

General economic situation

In the second quarter, the global economy grew by 2.3% compared to the prior-year quarter. The Asia-Pacific region recorded particularly strong growth of 4.1%, while growth rates in the EMEA and Americas regions, at 0.7% and 1.9% respectively, were below global growth.

Evolution of major industries

The chemical industry recorded global growth in the second quarter; however, the German chemical industry lagged significantly behind this development and continued to be characterized by a lack of sustained recovery. Global automotive production was down slightly overall year-on-year in the reporting period and was significantly below the prior-year level in the EMEA region. The construction industry posted a slight increase compared with the prior-year quarter, driven mainly by the EMEA region. The overall agrochemicals market declined, driven particularly by the Americas and Asia-Pacific regions, while the decline in the EMEA region was comparatively less pronounced. The electrical/electronics industry grew worldwide, and the global food industry also posted slight growth. In both industries, the Asia-Pacific region recorded the highest growth rates.

Sales

Sales of the LANXESS Group in the second quarter of 2026 amounted to €1,561 million, up €95 million or 6.5% on the prior-year period. In the prior-year quarter, sales had amounted to €1,466 million. The increase in sales compared with the prior-year quarter resulted from higher sales volumes and higher selling prices. Sales volumes contributed 5.2% to the increase in sales at Group level and resulted particularly from improved demand in some areas of business and from temporary demand drivers in connection with the conflicts in the Middle East. Higher selling prices due to increased raw material prices also supported sales performance. Overall, higher selling prices led to an increase in sales of 3.1%. Exchange rate developments reduced sales by 1.8%.

Sales in the first six months of fiscal year 2026 amounted to €2,939 million, down €128 million or 4.2% on prior-year sales of €3,067 million. Exchange rate developments, particularly for the U.S. dollar, also reduced sales in the first half of the year. In addition, the sale of the Urethane Systems business effective April 1, 2025, resulted in a negative portfolio effect on sales. By contrast, the positive development in the second quarter and the resulting higher sales volumes and selling prices led to volume- and price-related increases in sales overall in the first half of the year. Adjusted for portfolio and currency effects, the LANXESS Group reported an operational increase of 1.3% in sales in the first half of the year.

Effects on Sales

%	Q2 2026	H1 2026
Price	3.1	0.1
Volume	5.2	1.2
Currency	(1.8)	(3.4)
Portfolio	–	(2.1)
	6.5	**(4.2)**

Sales by Segment

€ million	Q2 2025	Q2 2026	Change %	Proportion of Group sales %	H1 2025	H1 2026	Change %	Proportion of Group sales %
Consumer Protection	489	515	5.3	33.1	1,002	973	(2.9)	33.1
Specialty Additives	528	588	11.4	37.7	1,073	1,109	3.4	37.7
Advanced Intermediates	446	456	2.2	29.2	922	852	(7.6)	28.9
All other segments	3	2	(33.3)	0.1	70	5	(92.9)	0.2
	1,466	**1,561**	**6.5**	**100.0**	**3,067**	**2,939**	**(4.2)**	**100.0**

In an economic environment marked by geopolitical uncertainties, the Group reported higher sales than in the previous year in the second quarter due to individual slight economic improvements and as a result of price and volume effects. However, this positive development was not sufficient to fully offset the weak performance in the first quarter and negative currency and portfolio effects in the half-year comparison. While all segments reported higher sales in the quarterly comparison due to both price and volume effects, the Specialty Additives segment also posted positive price and volume effects in the half-year comparison. Due to the weak performance in the first quarter, the Advanced Intermediates segment reported lower sales in the half-year comparison as a result of price and volume effects, and the Consumer Protection segment reported lower sales due to price effects. Until the sale of the Urethane Systems business unit on April 1, 2025, most of the sales reported in "All other segments" in the prior year were attributable to that business. Please see the following table and "Segment Information" for details.

Order book status

Most of our business is not subject to long-term agreements on fixed purchase quantities or prices. Instead, our business is characterized by long-standing relationships with customers and revolving master agreements. Our activities are focused on demand-driven orders with relatively short lead times, which do not provide a basis for long-term, forward-looking statements about our capacity utilization or volumes. Our business is managed primarily on the basis of regular Group-wide forecasts with respect to the Group's operating target.

Any disclosure of the Group's order book status at a given reporting date therefore would not be indicative of the Group's short or medium-term earning power. For this reason, no such disclosure is made in this report.

Gross profit

The cost of sales increased by 8.1% year-on-year, to €1,231 million. In the prior-year quarter, it had amounted to €1,139 million. The increase resulted mainly from higher raw material prices and higher sales volumes. In the prior year, the sale of emission rights to compensate persistently high German energy costs compared to international levels that have distorted competition, had reduced the cost of sales.

In the quarterly comparison, exchange rate developments led to lower manufacturing costs. Gross profit was €330 million, up €3 million or 0.9% on the prior-year quarter. Positive effects resulted particularly from higher sales volumes and from increased selling prices, which reflected higher raw material prices. Exchange rate changes had a negative impact on gross profit. The gross margin of 21.1% was below the prior-year figure of 22.3%.

In the first half of the year, the cost of sales was €2,347 million, down 2.9% on the prior-year figure of €2,418 million. Gross profit was €592 million, down €57 million or 8.8% on the prior-year figure. The decline in gross profit resulted among other factors from currency effects and from the absence of the earnings contribution from the Urethane Systems business unit due to its divestiture. Positive earnings contributions from higher sales volumes and selling prices were not sufficient to fully offset these effects in the half-year comparison. The gross margin of 20.1% was also below the prior-year figure of 21.2%.

EBITDA pre exceptionals and operating result (EBIT)

At €152 million, the operating result before depreciation, amortization, write-downs and reversals (EBITDA) pre exceptionals in the second quarter of 2026 was €2 million higher than the prior-year quarter's figure of €150 million. Improved demand led to higher sales volumes. Price increases and an improved product mix had a positive impact on earnings performance, particularly in the Specialty Additives segment. Consumer Protection and Advanced Intermediates were also able to successfully implement price adjustments and thereby largely offset the burden from higher raw material and energy costs. Despite the partially increased customer demand due to geopolitical uncertainties, the market environment remained challenging. Exchange rate developments had a negative impact on the segments' earnings performance. Consumer Protection and Advanced Intermediates reported an overall decline in earnings. Please see the table below and "Segment Information" for details on the individual segments.

EBITDA pre Exceptionals by Segment

€ million	Q2 2025	Q2 2026	Change %	H1 2025	H1 2026	Change %
Consumer Protection	87	81	(6.9)	160	143	(10.6)
Specialty Additives	58	77	32.8	110	121	10.0
Advanced Intermediates	44	35	(20.5)	84	62	(26.2)
All other segments	(39)	(41)	(5.1)	(71)	(80)	(12.7)
	150	**152**	**1.3**	**283**	**246**	**(13.1)**

Selling expenses increased by 1.4% compared with the prior-year quarter, particularly due to volume trends, and amounted to €220 million. Research and development expenses, at €24 million, were on a level with the prior-year period. General administrative expenses decreased from €64 million to €56 million, particularly due to cost savings and exchange rate developments. The Group EBITDA margin pre exceptionals was 9.7%, after 10.2% in the prior-year quarter.

In the first half of the year, Group EBITDA pre exceptionals amounted to €246 million, down €37 million on the prior-year figure of €283 million. After lower raw material prices at the beginning of the year, all segments recorded higher raw material prices overall in the further course of the year. Due to the initially significant decline in selling prices in the first quarter, the Consumer Protection and Advanced Intermediates segments were not able to achieve higher selling prices overall compared with the prior-year period in the half-year comparison, despite price increases implemented immediately. Negative currency effects in all segments and the negative portfolio effect from the sale of our Urethane Systems business unit effective April 1, 2025, also had a negative impact. By contrast, the Consumer Protection and Specialty Additives segments reported higher sales volumes in some markets, also due to geopolitical uncertainties, and were thus able to more than offset the weak volume development in the Advanced Intermediates segment, particularly at the beginning of the year, at Group level. The Specialty Additives segment realized higher sales volumes particularly in lubricants and brominated flame retardants and posted a positive earnings performance in the half-year comparison. Cost savings had a positive effect in all segments and functional cost areas. The individual functional cost areas also registered lower costs for portfolio- and currency-related reasons. Selling expenses declined by €15 million compared with the first half of the previous year, to €428 million. Research and development expenses amounted to €50 million, compared to €53 million in the same period of the previous year, while general administrative expenses fell by €16 million to €112 million.

Reconciliation of EBITDA pre Exceptionals to EBIT

€ million	Q2 2025	Q2 2026	Change %	H1 2025	H1 2026	Change %
EBITDA pre exceptionals	**150**	**152**	**1.3**	**283**	**246**	**(13.1)**
Depreciation and amortization	(217)	(132)	39.2	(352)	(253)	28.1
Exceptional items in EBITDA	38	(47)	<–100	17	(60)	<–100
Operating result (EBIT)	**(29)**	**(27)**	**6.9**	**(52)**	**(67)**	**(28.8)**

The Group operating result (EBIT) amounted to minus €27 million in the second quarter after minus €29 million in the prior-year quarter. Depreciation and amortization of intangible assets and property, plant and equipment amounted to €132 million in the second quarter of 2026 after €217 million in the prior-year quarter. The prior-year quarter's figure included higher write-downs mainly from the adjustment of the production network. In this connection, write-downs of €86 million had been recognized as exceptional items. In the second quarter of 2026, write-downs amounted to €11 million, of which €10 million were recognized as exceptional items. Other operating income and expenses in the second quarter included net negative exceptional items of €57 million. These comprised exceptional charges of €58 million, of which €47 million impacted EBITDA, and exceptional income of €1 million. The exceptional charges were mainly related to restructuring measures in the Saltigo business unit and in the administrative functions. In the prior-year quarter, negative exceptional items of €48 million had been incurred. These comprised exceptional charges of €129 million and exceptional income of €81 million. The exceptional charges were mainly related to the optimization of our production network. The exceptional income resulted primarily from the divestiture of the Urethane Systems business unit. Overall, the exceptional items impacted EBITDA as income by €38 million. Please see "Notes on EBIT and EBITDA (pre exceptionals)" for details.

In the first half of the year, LANXESS posted EBIT of minus €67 million, compared with minus €52 million a year earlier. Depreciation and amortization of intangible assets and property, plant and equipment amounted to €253 million, compared with €352 million in the previous year. Here as well, significantly higher write-downs of €87 million for the adjustment of the production network had been recognized in the previous year. In the first half of 2026, write-downs amounted to €12 million, of which €11 million were recognized as exceptional items. Other operating income and expenses in the first half of 2026 included net negative exceptional items of €71 million. These comprised exceptional charges of €72 million, of which €60 million impacted EBITDA, and exceptional income of €1 million. In the first half of the year as well, the exceptional charges were mainly related to restructuring measures in the Saltigo business unit and in the administrative functions. In the prior-year period, net negative exceptional items of €69 million had been incurred, which impacted EBITDA as income by €17 million. The exceptional charges of €150 million were mainly related to the optimization of our production network. The exceptional income of €81 million resulted primarily from the divestiture of the Urethane Systems business unit. Please see "Notes on EBIT and EBITDA (pre exceptionals)" for details.

Financial result

The financial result amounted to minus €19 million in the second quarter of 2026. In the prior-year quarter, the financial result had amounted to minus €26 million. The result from investments accounted for using the equity method in Envalior GmbH, Cologne (Germany), and Viance LLC, Wilmington (United States), amounted to minus €31 million in total after minus €28 million in the previous year. The net interest result was minus €8 million compared to minus €9 million in the prior-year quarter. The other financial result was €20 million, after €11 million in the prior-year quarter, and was influenced particularly by the development of the measurement of the shareholder loan granted to Envalior and the related right to offer.

The financial result for the first half of 2026 was minus €115 million, compared with minus €64 million in the previous year. The result from investments accounted for using the equity method in Envalior GmbH and Viance LLC amounted to minus €95 million in total after minus €59 million in the first half of the previous year. The net interest result of LANXESS was minus €17 million, compared with minus €19 million in the previous year. The other financial result in the reporting period was minus €3 million, after €14 million in the prior-year period, and was mainly related to a lower exchange rate result.

Income before income taxes

Income before income taxes improved particularly as a result of the better financial result and came in at minus €46 million in the second quarter after minus €55 million in the prior-year quarter. The effective tax rate was 13.0%, against minus 18.2% in the prior-year quarter. Both figures are heavily impacted by the result from investments accounted for using the equity method and are therefore of limited informative value.

In a half-year comparison, income before income taxes was minus €182 million after minus €116 million in the previous year. The tax rate in the first half of the year was minus 6.0% after 12.1% in the previous year. Here as well, the effective tax rate is of limited informative value.

Net income/earnings per share/adjusted earnings per share

Net income in the second quarter was minus €53 million, compared with a prior-year figure of minus €45 million. In a half-year comparison, net income was minus €194 million after minus €102 million in the first half of the previous year.

Earnings per share are calculated by dividing net income by the weighted average number of LANXESS shares outstanding during the reporting period. At minus €0.62, earnings per share was below the prior-year figure of minus €0.52 in a quarterly comparison. Earnings per share amounted to minus €2.25 in the first half of the year. In the prior-year period, earnings per share had amounted to minus €1.18.

Earnings per Share

	Q2 2025	Q2 2026	H1 2025	H1 2026
Net income (€ million)	**(45)**	**(53)**	**(102)**	**(194)**
Weighted average number of shares outstanding	86,346,303	86,346,303	86,346,303	86,346,303
Earnings per share in €	**(0.52)**	**(0.62)**	**(1.18)**	**(2.25)**

We also calculate adjusted earnings per share, which are not defined by International Financial Reporting Standards. This value was calculated from the net income adjusted for exceptional items, amortization of intangible assets and attributable tax effects. As we do not have a controlling influence on the operating business of equity-accounted investments due to our minority shareholdings, we also adjust net income for the earnings from equity-accounted investments.

Adjusted earnings per share were €0.51 in the second quarter after €0.59 in the previous year and €0.01 in the first half of 2026, compared with €0.82 in the previous year.

Reconciliation to Adjusted Earnings per Share

€ million	Q2 2025	Q2 2026	H1 2025	H1 2026
Net income	**(45)**	**(53)**	**(102)**	**(194)**
Exceptional items[1)]	48	57	69	71
Amortization of intangible assets[1)]	37	33	76	66
Income taxes[1)]	(17)	(24)	(31)	(37)
Result from investments accounted for using the equity method	28	31	59	95
Adjusted net income	**51**	**44**	**71**	**1**
Weighted average number of shares outstanding	86,346,303	86,346,303	86,346,303	86,346,303
Adjusted earnings per share in €	**0.59**	**0.51**	**0.82**	**0.01**

1) Excluding items attributable to non-controlling interests.

BUSINESS DEVELOPMENT BY REGION

Sales by Market

	Q2 2025		Q2 2026		Change	H1 2025		H1 2026		Change
	€ million	%	€ million	%	%	€ million	%	€ million	%	%
EMEA (excluding Germany)	454	31.0	474	30.4	4.4	925	30.2	874	29.8	(5.5)
Germany	242	16.5	269	17.2	11.2	526	17.1	524	17.8	(0.4)
Americas	509	34.7	507	32.5	(0.4)	1,064	34.7	964	32.8	(9.4)
Asia-Pacific	261	17.8	311	19.9	19.2	552	18.0	577	19.6	4.5
	1,466	**100.0**	**1,561**	**100.0**	**6.5**	**3,067**	**100.0**	**2,939**	**100.0**	**(4.2)**

The divestiture of the Urethane Systems business unit effective April 1, 2025, still resulted in negative portfolio effects in the half-year period, particularly in the Americas and Asia-Pacific regions.

Sales in the **EMEA** (excluding Germany) region increased in the second quarter of 2026 by €20 million, or 4.4%, to €474 million. Adjusted for marginal negative currency effects, sales increased by 5.1%. While sales in the Advanced Intermediates segment were only slightly below the prior-year quarter, the Specialty Additives and Consumer Protection segments posted increases in the low double-digit and mid-single-digit percentage ranges, respectively.

In the first half of 2026, sales in the EMEA (excluding Germany) region fell by €51 million, or 5.5%, to €874 million. Adjusted for portfolio effects and marginal negative currency effects, sales decreased by 4.0%. The Advanced Intermediates segment posted a decline in sales in the low double-digit percentage range, while the Consumer Protection segment was only slightly below the prior-year sales figure and the Specialty Additives segment expanded its business by a low single-digit percentage.

Sales in **Germany** in the second quarter, largely unaffected by shifts in exchange rates, were €269 million, up €27 million, or 11.2%, on the prior-year figure. The Consumer Protection segment accounted for the largest share of this business performance, with sales increasing by a percentage still in the low double-digit range, while the Advanced Intermediates and Specialty Additives segments posted increases in the mid-single-digit percentage range.

In the first half of 2026, sales in Germany, largely unaffected by currency and portfolio effects, declined by €2 million, or 0.4%, to €524 million. While business in the Advanced Intermediates segment declined in the low single-digit percentage range, sales in the Consumer Protection segment increased by a similar margin. The performance of the Specialty Additives segment was essentially unchanged year-on-year.

Sales in the **Americas** region fell in the second quarter of 2026 by €2 million, or 0.4%, to €507 million. Adjusted for negative currency effects, sales increased by 1.9%. While sales in the Consumer Protection segment declined in the mid-single-digit percentage range, the Advanced Intermediates segment was slightly above the prior-year sales figure and the Specialty Additives segment increased its sales by a high single-digit percentage.

In the first half of 2026, sales in the Americas fell by €100 million, or 9.4%, to €964 million. Adjusted for negative currency and portfolio effects, sales decreased by 0.7%. While the Consumer Protection and Advanced Intermediates segments each reported sales declines in the mid-single-digit percentage range, the Specialty Additives segment expanded its business by a comparable margin.

In the **Asia-Pacific** region, sales increased in the second quarter by €50 million, or 19.2%, to €311 million. Adjusted for negative currency effects, sales increased by 23.4%. All segments contributed to this business performance with low double-digit growth rates, particularly Specialty Additives and Consumer Protection.

In the first half of 2026, sales in this region increased by €25 million, or 4.5%, to €577 million. Adjusted for negative currency and portfolio effects, sales increased by 15.6%. In particular, the Specialty Additives segment, as well as the Consumer Protection segment, posted business growth in the low double-digit percentage range, while the Advanced Intermediates segment achieved only a relative sales increase in the high single-digit percentage range.

SEGMENT INFORMATION

Consumer Protection

	Q2 2025		Q2 2026		Change	H1 2025		H1 2026		Change
	€ million	Margin %	€ million	Margin %	%	€ million	Margin %	€ million	Margin %	%
Sales	489		515		5.3	1,002		973		(2.9)
EBITDA pre exceptionals	87	17.8	81	15.7	(6.9)	160	16.0	143	14.7	(10.6)
EBITDA	71	14.5	58	11.3	(18.3)	144	14.4	120	12.3	(16.7)
Operating result (EBIT) pre exceptionals	41	8.4	38	7.4	(7.3)	68	6.8	57	5.9	(16.2)
Operating result (EBIT)	(20)	(4.1)	6	1.2	> 100	7	0.7	25	2.6	> 100
Cash outflows for capital expenditures	17		17		0.0	27		27		0.0
Depreciation and amortization	91		52		(42.9)	137		95		(30.7)
Employees as of June 30 (previous year: as of Dec. 31)	3,335		3,295		(1.2)	3,335		3,295		(1.2)

In our **Consumer Protection** segment, sales in the second quarter of 2026 amounted to €515 million, up 5.3% on the prior-year figure. In particular, our Flavors & Fragrances business unit was able to achieve both higher sales volumes and higher selling prices in important end markets. The Liquid Purification Technologies and Material Protection Products business units also achieved higher sales volumes, while the ongoing weakness in demand among our customers in the agrochemicals sector weighed on volume development in the Saltigo business unit. At segment level, the positive volume development resulted in an overall increase in sales of 6.7%. The positive price effects in the Flavors & Fragrances and Saltigo business units were partly offset by slightly lower prices in the segment's other business units. At segment level, this had only a minor effect of 0.4% on sales. Shifts in exchange rates, particularly for the U.S. dollar, had a negative effect on all business units and reduced segment sales by 1.8% overall. Sales were above the level of the prior-year quarter in all regions except the Americas.

EBITDA pre exceptionals in the Consumer Protection segment amounted to €81 million in the second quarter of 2026, down €6 million, or 6.9%, on the prior-year quarter's figure of €87 million, which had included an insurance reimbursement in the high single-digit million euro range. Higher raw material costs had a negative impact on earnings and the margin. Shifts in exchange rates also had a negative effect on earnings. Positive effects from higher sales volumes in some end markets and from our cost-reduction measures were able to partly offset these burdens. The EBITDA margin pre exceptionals was 15.7%, against 17.8% in the prior-year period.

In the first half of fiscal year 2026, the Consumer Protection segment generated sales of €973 million, which were down 2.9% on the prior-year period. Negative currency effects, particularly from the development of the U.S. dollar, had an adverse effect on all business units of the segment. At segment level, this resulted in a decline in sales of 3.2%. In addition, with the exception of the Flavors & Fragrances business unit, all business units of the segment reported lower selling prices after a very weak first quarter, reducing sales by 1.0% at segment level. This was offset by higher sales volumes in the Liquid Purification Technologies and Flavors & Fragrances business units, resulting in a positive sales effect of 1.3% at segment level.

In the first half of fiscal year 2026, the segment's EBITDA pre exceptionals decreased by 10.6% to €143 million. The EBITDA margin pre exceptionals was 14.7%, against 16.0% in the prior-year period.

In the second quarter and the first half of the current year, negative exceptionals of €32 million, of which €23 million impacted EBITDA, were attributable to the segment. The negative exceptionals were mainly related to restructuring measures in the Saltigo business unit. In the prior-year quarter and the first half of the previous year, exceptionals of €61 million, of which €16 million impacted EBITDA, were attributable to the segment. These were related to expenses in connection with the planned discontinuation of business activities at the Widnes site, United Kingdom, of our Flavors & Fragrances business unit. Please see "Notes on EBIT and EBITDA (pre exceptionals)" for details.

Specialty Additives

	Q2 2025		Q2 2026		Change	H1 2025		H1 2026		Change
	€ million	Margin %	€ million	Margin %	%	€ million	Margin %	€ million	Margin %	%
Sales	528		588		11.4	1,073		1,109		3.4
EBITDA pre exceptionals	58	11.0	77	13.1	32.8	110	10.3	121	10.9	10.0
EBITDA	57	10.8	78	13.2	36.8	109	10.2	122	11.0	11.9
Operating result (EBIT) pre exceptionals	14	2.7	37	6.3	> 100	19	1.8	41	3.7	> 100
Operating result (EBIT)	(23)	(4.4)	36	6.1	> 100	(18)	(1.7)	40	3.6	> 100
Cash outflows for capital expenditures	27		24		(11.1)	40		36		(10.0)
Depreciation and amortization	80		42		(47.5)	127		82		(35.4)
Employees as of June 30 (previous year: as of Dec. 31)	2,944		2,906		(1.3)	2,944		2,906		(1.3)

Sales in our **Specialty Additives** segment amounted to €588 million in the second quarter of 2026, up 11.4% on the prior-year figure. The positive sales performance resulted from improved demand and higher selling prices in all business units of the segment. Overall, there was a positive volume effect of 8.1% at segment level as well as a price-driven increase in sales of 5.7%. Shifts in exchange rates, particularly for the U.S. dollar, had a negative effect on all business units and reduced segment sales by 2.4% overall. Sales in all regions were above the level of the prior-year quarter.

EBITDA pre exceptionals in the Specialty Additives segment rose by €19 million, or 32.8%, to €77 million in the second quarter of 2026. The improvement in earnings was primarily attributable to higher sales volumes resulting from improved demand in all business units of the segment. Higher raw material prices were passed on to our customers through higher selling prices. Disadvantageous currency effects, by contrast, had a negative impact on earnings. The EBITDA margin pre exceptionals improved to 13.1%, against 11.0% in the prior-year quarter.

In the first half of 2026, the Specialty Additives segment generated sales of €1,109 million, up 3.4% on the prior-year figure. As in the quarterly comparison, the increase in sales in the first half of the year resulted particularly from an improvement in demand since the end of the first quarter. The Polymer Additives and Lubricant Additives Business business units in particular reported higher sales volumes than in the previous year. At segment level, this resulted in a positive sales effect of 6.4%. In addition, higher raw material costs were passed on to customers through higher selling prices. This resulted in a price-driven increase in sales of 1.9%. Shifts in exchange rates, particularly for the U.S. dollar, had a negative effect on all business units and reduced segment sales by 4.9% overall.

In the first half of fiscal year 2026, the segment's EBITDA pre exceptionals rose by 10.0% to €121 million. The EBITDA margin pre exceptionals amounted to 10.9%, against 10.3% in the previous year.

In the second quarter and the first half of the current year, negative exceptionals of €1 million were attributable to the segment. In the prior-year quarter and the first half of the previous year, negative exceptionals of €37 million, of which €1 million impacted EBITDA, were attributable to the segment. The exceptionals were mainly related to measures in connection with the optimization of the Polymer Additives business unit's production site in El Dorado, United States. Please see "Notes on EBIT and EBITDA (pre exceptionals)" for details.

Advanced Intermediates

	Q2 2025		Q2 2026		Change	H1 2025		H1 2026		Change
	€ million	Margin %	€ million	Margin %	%	€ million	Margin %	€ million	Margin %	%
Sales	446		456		2.2	922		852		(7.6)
EBITDA pre exceptionals	44	9.9	35	7.7	(20.5)	84	9.1	62	7.3	(26.2)
EBITDA	43	9.6	34	7.5	(20.9)	83	9.0	59	6.9	(28.9)
Operating result (EBIT) pre exceptionals	17	3.8	6	1.3	(64.7)	30	3.3	5	0.6	(83.3)
Operating result (EBIT)	16	3.6	5	1.1	(68.8)	29	3.1	2	0.2	(93.1)
Cash outflows for capital expenditures	20		21		5.0	38		39		2.6
Depreciation and amortization	27		29		7.4	54		57		5.6
Employees as of June 30 (previous year: as of Dec. 31)	2,712		2,665		(1.7)	2,712		2,665		(1.7)

Sales in our **Advanced Intermediates** segment amounted to €456 million in the second quarter of 2026, up 2.2%, or €10 million, on the prior-year period. The increase was mainly attributable to higher selling prices in the Advanced Industrial Intermediates business unit resulting from passing on higher raw material prices. At segment level, this resulted in an overall positive price effect on sales of 3.1%. In addition, the Inorganic Pigments business unit reported higher sales volumes, although these were dampened by lower sales volumes in the Advanced Industrial Intermediates business unit due to the closure of hexane oxidation operations at the Krefeld-Uerdingen site, Germany, at the end of the second quarter of 2025. Overall, this resulted in a positive volume effect of 0.2% at segment level. By contrast, shifts in exchange rates, particularly for the U.S. dollar, had a negative effect on both business units and reduced segment sales by 2.4% overall. Sales were above the level of the prior-year quarter in the Germany and Asia-Pacific regions and below it in all other regions.

EBITDA pre exceptionals in the Advanced Intermediates segment amounted to €35 million, down 20.5% on the prior-year quarter's figure of €44 million. Although higher selling prices were able to offset the increase in raw material costs, high energy costs weighed on earnings. In addition, a deliberate reduction in inventories to improve free cash flow had a negative effect on earnings performance and the margin due to the resulting limited recovery in capacity utilization. The segment's EBITDA margin pre exceptionals was 7.7%, against 9.9% in the prior-year period.

In the first half of 2026, the Advanced Intermediates segment generated sales of €852 million, down 7.6% on the prior-year level. The decline in sales resulted above all from lower sales volumes in the Advanced Industrial Intermediates business unit. This was due particularly to the sustained competitive pressure from Asia at the beginning of the year as well as lower volumes following the closure of hexane oxidation operations. Overall, this resulted in a negative volume effect of 4.8% at segment level. Negative currency effects, particularly from the development of the U.S. dollar, also reduced sales by 2.2%. Lower selling prices additionally resulted in a negative sales effect of 0.6%.

In the first half of fiscal year 2026, the segment's EBITDA pre exceptionals amounted to €62 million, down 26.2% on the prior-year level. The EBITDA margin pre exceptionals amounted to 7.3%, against 9.1% in the previous year.

In the second quarter of the current year, negative exceptionals of €1 million that impacted EBITDA were attributable to the segment, and in the first half of the year the figure was €3 million. In the prior-year quarter and the first half of the previous year, negative exceptionals of €1 million that impacted EBITDA were attributable to the segment. Please see "Notes on EBIT and EBITDA (pre exceptionals)" for details.

All Other Segments

€ million	Q2 2025	Q2 2026	Change %	H1 2025	H1 2026	Change %
Sales	3	2	(33.3)	70	5	(92.9)
EBITDA pre exceptionals	(39)	(41)	(5.1)	(71)	(80)	(12.7)
EBITDA	17	(65)	<(100)	(36)	(115)	<-100
Operating result (EBIT) pre exceptionals	(53)	(51)	3.8	(100)	(99)	1.0
Operating result (EBIT)	(2)	(74)	<(100)	(70)	(134)	(91.4)
Cash outflows for capital expenditures	1	2	100.0	5	3	(40.0)
Depreciation and amortization	19	9	(52.6)	34	19	(44.1)
Employees as of June 30 (previous year: as of Dec. 31)	2,718	2,629	(3.3)	2,718	2,629	(3.3)

The prior-year sales reported in **All Other Segments** were mainly attributable to our Urethane Systems business unit until its divestment on April 1, 2025. EBITDA pre exceptionals amounted to minus €41 million in the second quarter after minus €39 million in the prior-year quarter and to minus €80 million in the first half of the year after minus €71 million in the prior-year period, and essentially resulted from expenses for the business activities of the corporate functions. The absence of the earnings contribution from the Urethane Systems business unit was partly offset by cost reductions in the first half of the current year.

In the second quarter, net negative exceptionals of €23 million were incurred. In the first six months of the fiscal year, net negative exceptionals amounted to €35 million. In both the quarter and the first half of the year, the exceptional charges were mainly related to restructuring measures in administrative functions, strategic IT projects, digitalization projects and M&A activities. In the prior-year quarter, net positive exceptionals had amounted to €51 million. In the first half of the previous year, net positive exceptionals of €30 million had been incurred. Please see “Notes on EBIT and EBITDA (pre exceptionals)” for details.

NOTES ON EBIT AND EBITDA (PRE EXCEPTIONALS)

In order to better assess our operational business and to steer earning power at Group level and for the individual segments, we additionally calculate the earnings indicators EBITDA, and EBITDA and EBIT pre exceptionals, none of which are defined by International Financial Reporting Standards. These indicators are viewed as supplementary to the data prepared according to IFRS; they are not a substitute.

Reconciliation to EBIT/EBITDA

€ million	EBIT Q2 2025	EBIT Q2 2026	EBITDA Q2 2025	EBITDA Q2 2026	EBIT H1 2025	EBIT H1 2026	EBITDA H1 2025	EBITDA H1 2026
EBIT/EBITDA pre exceptionals	**19**	**30**	**150**	**152**	**17**	**4**	**283**	**246**
Consumer Protection	**(61)**	**(32)**	**(16)**	**(23)**	**(61)**	**(32)**	**(16)**	**(23)**
Adjustment of the production network[1]	(61)	(4)	(16)	(4)	(61)	(4)	(16)	(4)
Restructuring measures[2]	–	(28)	–	(19)	–	(28)	–	(19)
Specialty Additives	**(37)**	**(1)**	**(1)**	**1**	**(37)**	**(1)**	**(1)**	**1**
Adjustment of the production network[3]	(37)	–	(1)	–	(37)	–	(1)	–
Other	–	(1)	–	1	–	(1)	–	1
Advanced Intermediates	**(1)**	**(1)**	**(1)**	**(1)**	**(1)**	**(3)**	**(1)**	**(3)**
FORWARD![4]	(1)	(1)	(1)	(1)	(1)	(3)	(1)	(3)
All other segments	**51**	**(23)**	**56**	**(24)**	**30**	**(35)**	**35**	**(35)**
Restructuring measures[5]	–	(18)	–	(18)	–	(18)	–	(18)
FORWARD![4]	(8)	2	(8)	2	(9)	0	(9)	0
Strategic IT projects (SAP S/4HANA and other IT applications)	(9)	(4)	(9)	(4)	(17)	(10)	(17)	(10)
M&A costs, digitalization and other[6]	68	(3)	73	(4)	56	(7)	61	(7)
Total exceptional items	**(48)**	**(57)**	**38**	**(47)**	**(69)**	**(71)**	**17**	**(60)**
EBIT/EBITDA	**(29)**	**(27)**	**188**	**105**	**(52)**	**(67)**	**300**	**186**

1) The prior-year exceptional items related to charges in the Flavors & Fragrances business unit pertaining to the planned discontinuation of production at the site in Widnes, United Kingdom.
2) The exceptional items related to charges in the Saltigo business unit in connection with cost-cutting measures, the streamlining of production capacities at the Leverkusen site, Germany, and the stronger alignment of the business model with pharmaceutical applications and specialty chemicals.
3) The prior-year exceptional items related to charges in the Polymer Additives business unit pertaining to the more efficient design of production at the site in El Dorado, United States.
4) The exceptional items in the reporting period and the prior year-period related to charges in connection with the FORWARD! action plan for sustainable cost reduction and the further refinement of the business model.
5) The exceptional items related to charges in connection with immediate cost-cutting measures in administrative functions.
6) The exceptional items in the second quarter and the first half of 2025 comprised income of €72 million from the successful divestment of the Urethane Systems business unit.

EBITDA is calculated from the operating result (EBIT) by adding back depreciation and impairments of property, plant and equipment as well as amortization and impairments of intangible assets and subtracting reversals of impairment charges on property, plant, equipment and intangible assets.

EBIT pre exceptionals and EBITDA pre exceptionals are EBIT and EBITDA before exceptional items. The latter are effects that, by nature or extent, have a significant impact on the earnings position, but for which inclusion in the evaluation of business performance over several reporting periods does not seem to be appropriate. Exceptional items may include write-downs, reversals of impairment charges or the proceeds from the disposal of assets, certain expenses for strategic projects in the fields of IT and digitalization, restructuring expenses and income from the reversal of provisions established in this context, and reductions in earnings resulting from portfolio adjustments or purchase price allocations. Grants and subsidies from third parties for the acquisition and construction of property, plant and equipment are accounted for as deferred income using the gross method. In this respect, no adjustments other than for gross depreciation and amortization are made when calculating EBITDA pre exceptionals.

Every operational decision or achievement is judged in the short and long term by its sustainable impact on EBITDA pre exceptionals. As part of the annual budget planning, targets are set for this benchmark of our company's success. Targets for EBIT pre exceptionals are derived from this and taken into account in determining variable income components for the Board of Management, senior executives and the rest of the workforce.

The **earnings margins** are calculated from the ratios of the respective earnings indicators to sales. For example, the EBITDA margin (pre exceptionals) is calculated as the ratio of EBITDA (pre exceptionals) to sales and serves as an indicator to compare relative earning power at Group level and for the individual segments.

STATEMENT OF FINANCIAL POSITION AND FINANCIAL CONDITION

Structure of the statement of financial position

The total assets of the LANXESS Group amounted to €8,354 million as of June 30, 2026. This was up by €606 million, or 7.8%, on the figure of €7,748 million as of December 31, 2025. The increase in total assets resulted mainly from the successful placement of a Eurobond of €500 million with a term until June 2031. The equity ratio decreased to 41.7% at the end of the second quarter, after 45.2% as of December 31, 2025, particularly as a result of the increase in debt due to the balance sheet extension following the bond issue.

Non-current assets fell by €107 million compared with the end of the year to €5,035 million as of June 30, 2026. Compared with December 31, 2025, the carrying amount of intangible assets declined by €5 million to €2,103 million as of June 30, 2026, while the carrying amount of property, plant and equipment fell by €37 million to €2,053 million. In the first half of 2026, additions to non-current assets through investments in intangible assets and property, plant and equipment amounted to €136 million, compared with €129 million in the prior-year period. Depreciation, amortization and write-downs amounted to €253 million in the first six months, which was below the prior-year figure of €352 million, due particularly to write-downs in the prior-year period. The carrying amount of investments included in the consolidated financial statements using the equity method was €411 million as of June 30, 2026, after €468 million as of December 31, 2025, and essentially related to the non-controlling interest in Envalior GmbH, Cologne, Germany. Other non-current financial assets were nearly unchanged at €304 million, after €306 million as of December 31, 2025. The ratio of non-current assets to total assets was 60.3%, down from 66.4% as of December 31, 2025.

Current assets amounted to €3,319 million, up by €713 million, or 27.4%, compared with December 31, 2025. The increase resulted mainly from the cash received from the bond issue and the subsequent investment in money market funds, which were reported in the balance sheet item “Near-cash assets.” In addition, trade receivables increased by €188 million to €708 million due to higher sales, while inventories rose by €108 million to €1,329 million as of June 30, 2026, mainly on account of higher procurement prices. Compared with December 31, 2025, cash and cash equivalents increased by €110 million to €529 million and near-cash assets from €78 million to €391 million as of the end of the period. Current income tax receivables declined by €15 million to €21 million as of June 30, 2026, due to refunds received. The ratio of current assets to total assets was 39.7%, compared with 33.6% as of December 31, 2025.

Equity fell by €16 million to €3,484 million as of June 30, 2026. The reduction in equity resulted mainly from net income. The effects of exchange differences on translation of operations outside the eurozone recognized in other comprehensive income, due particularly to the development of the U.S. dollar, had an opposing effect.

Non-current liabilities increased by €341 million to €3,029 million as of June 30, 2026, mainly due to the issuance of the Eurobond of €500 million. This was partly offset by the reclassification of a private placement of €100 million with a term until April 2027 to other current financial liabilities. Provisions for pensions and other post-employment benefits amounted to €374 million, below the figure of €421 million as of December 31, 2025. This was mainly attributable to the positive development of plan assets and an increase in the discount rate for pension obligations in Germany. Other non-current provisions, at €228 million, were unchanged compared with the figure as of December 31, 2025. The ratio of non-current liabilities to total assets was 36.3%, against 34.7% as of December 31, 2025.

Current liabilities, at €1,841 million, were €281 million above the level as of December 31, 2025. Trade payables increased by a total of €122 million to €663 million, mainly due to higher procurement prices. Other current provisions amounted to €324 million, above the figure of €231 million as of December 31, 2025, particularly due to higher personnel provisions. The reclassification of the private placement of €100 million led to an increase in other current financial liabilities, which was partly offset by the repayment of other primary financial liabilities. The ratio of current liabilities to total assets was 22.0% as of June 30, 2026, after 20.1% at the end of 2025.

Financial condition and capital expenditures

Changes in the statement of cash flows

In the first six months of fiscal year 2026, there was total net cash inflow of €132 million from operating activities after €30 million in the prior-year period. The cash flows from operating activities were calculated using the indirect method. Earnings before income taxes declined from minus €116 million to minus €182 million and were adjusted for non-cash effects. Among other things, earnings before income taxes were adjusted for the result from investments accounted for using the equity method of minus €95 million, after minus €59 million in the prior-year period. In addition, earnings before income taxes were adjusted for the result from disposals of intangible assets, property, plant and equipment and divestitures, which in the previous year mainly consisted of income from the divestment of the Urethane Systems business unit. Non-cash depreciation, amortization and write-downs of intangible assets and property, plant and equipment, at €253 million, were €99 million below the prior-year figure of €352 million, due particularly to write-downs in the second quarter of 2025. The change in net working capital resulted in a net cash outflow of €151 million, after €122 million in the prior-year period. The net cash outflow in the first half of 2026 resulted mainly from a demand-related increase in trade receivables and a price-driven increase in inventories, while the increase in trade payables due to higher procurement prices had an opposing effect. The payment of income taxes resulted in a cash outflow of €4 million, after €23 million in the prior-year period. Changes in other assets and liabilities resulted in a net cash inflow of €114 million in the reporting period, after a net cash outflow of €48 million in the prior-year period, mainly due to higher personnel provisions and a higher payment for variable remuneration in the previous year.

There was a net cash outflow from investing activities of €410 million in the first six months of 2026, after a net cash inflow of €568 million in the prior-year period. The net cash outflow in the first half of 2026 was mainly attributable to the investment of part of the cash received from the bond placement in shares of money market funds that can be sold at any time. Overall, cash inflows and outflows for financial and other assets held for investment purposes led to a net cash outflow of €312 million in the current year and a net cash inflow of €231 million in the previous year. Cash outflows for purchases of intangible assets and property, plant and equipment amounted to €105 million, compared with €110 million in the prior-year period. The net cash inflow from investing activities in the previous year resulted particularly from inflows of €441 million from the sale of the Urethane Systems business unit, less divested cash.

Financing activities resulted in a net cash inflow of €387 million in the first six months of 2026, after a net cash outflow of €563 million in the prior-year period. The net cash inflow in the first half of 2026 was mainly due to the issue of the Eurobond of €500 million. Among the opposing effects were the repayment of liabilities from the supplier financing agreement, the repayment of lease liabilities, interest payments and other financial disbursements as well as the dividend distribution of €9 million to LANXESS's shareholders. The net cash outflow from financing activities in the prior-year period was mainly due to the repayment of the Eurobond maturing in May 2025 with a nominal volume of €500 million.

Free cash flow – the difference between the cash inflow from operating activities and the cash used for capital expenditures on property, plant and equipment and intangible assets – improved to €27 million in the first half of the year, against minus €80 million in the prior-year period.

Financing and liquidity

The principles and objectives of financial management discussed on page 46 of the Annual Report 2025 remained valid during the year. They are centered on a conservative financial policy built on long-term, secured financing.

Compared with the consolidated financial statements for 2025, cash and cash equivalents increased by €110 million to €529 million as of June 30, 2026, while near-cash assets rose from €78 million to €391 million. The Group's liquidity position remains sound overall.

Net financial liabilities are the total of current and non-current financial liabilities less liabilities for accrued interest, cash, cash equivalents and near-cash assets and amounted to €2,049 million as of June 30, 2026, after €2,023 million as of December 31, 2025.

The increase in net financial liabilities as of June 30, 2026, compared with the end of the year resulted mainly from cash outflows for purchases of intangible assets and property, plant and equipment, interest payments and other financial disbursements as well as the dividend distribution to LANXESS's shareholders. The net cash provided by operating activities had an opposing effect.

Net Financial Liabilities

€ million	Dec. 31, 2025	June 30, 2026
Non-current financial liabilities	1,905	2,299
Current financial liabilities	628	680
less:		
Liabilities for accrued interest	(13)	(10)
Cash and cash equivalents	(419)	(529)
Near-cash assets	(78)	(391)
Net financial liabilities	**2,023**	**2,049**
deduction of the shareholder loan granted to Envalior	(261)	(262)
Net financial liabilities after deduction of the shareholder loan granted to Envalior	**1,762**	**1,787**

As of June 30, 2026, we had a small amount of financing items that were not reported in the statement of financial position in the form of short-term leases and leases of low value. LANXESS is also a contractual partner to a factoring agreement for the revolving sale of trade receivables with an agreed maximum volume of €150 million and US$100 million.

Capital expenditures

In light of the still tense economic situation and existing production capacity, our capital expenditure continues to focus mainly on the maintenance of existing plants at various locations, strategic plant optimization and expansion as well as projects to raise plant security, to improve quality and to comply with environmental protection regulations.

FUTURE PERSPECTIVES, OPPORTUNITIES AND RISKS

Outlook

In the current market situation, we continue to face several factors of uncertainty that could have a significant impact on our business performance. These include, in particular, the ongoing consequences of the war in Ukraine, geopolitical tensions associated with the Iran war and other conflicts in the Middle East, as well as uncertainties relating to existing and future trade barriers. A key challenge remains the short-term passing on of raw material and energy prices, some of which fluctuate sharply, to our customers. The impact on the general consumer climate and the associated development of demand remains difficult to assess.

We therefore continue to expect a challenging market environment in most of our customer industries in the second half of the year. We now anticipate positive effects from the German federal government's infrastructure program, as well as a possible recovery in the construction industry, more likely in the course of 2027.

For fiscal year 2026, we continue to expect sustainable savings from our cost and efficiency programs and maintain the summary assessment of the Group's expected development as set out in the Annual Report 2025.

For the reporting year 2026, we continue to expect EBITDA pre exceptionals between €450 million and €550 million.

For our Consumer Protection segment, we continue to expect a slightly improved operating earnings situation. However, as positive exceptional effects had supported earnings in the previous year, we expect EBITDA pre exceptionals overall to be slightly below the level of 2025. These effects included an insurance payment as well as income from a contract with a minimum purchase obligation on the part of the customer.

We continue to expect business performance in our Specialty Additives segment in 2026 to be slightly above the prior-year level. Although we now anticipate a possible recovery in the construction industry more likely in the course of 2027, we expect compensating effects from the segment's other end markets, such as the electronics industry and the various fields of application for our lubricant additives.

For our Advanced Intermediates segment, we continue to expect earnings in the reporting year 2026 to be slightly above the prior-year level. We now anticipate positive effects from the construction industry more likely in the course of 2027 and therefore expect only a slight recovery in overall demand in this segment. However, any volume expansion in this segment, also supported by consolidation among competitors, should be reflected in an improvement in earnings due to better capacity utilization. The effects of anti-dumping measures should also support the second half of the year.

In "All other segments," we continue to expect earnings to be moderately below the prior-year level. This is primarily attributable to the very low burden from variable compensation in the previous year, the absence of the positive contribution from the divested Urethane Systems business and expected personnel cost inflation.

All segments should benefit from the cost savings and efficiency programs.

Significant opportunities and risks

Compared with December 31, 2025, the risk situation facing the LANXESS Group remains essentially unchanged. The possible effects of geopolitical conflicts and macroeconomic development represent the greatest factors of uncertainty for our business performance. The opportunities and risks arising from the conflicts in the Middle East are being monitored continuously in view of the dynamic developments. To date, there have been no material disruptions to LANXESS's supply chains.

Otherwise, there have been no significant changes compared to the account of the LANXESS Group's opportunities and risks in the Annual Report 2025. Further information on this topic is provided in the combined management report for LANXESS AG and the LANXESS Group for fiscal year 2025 on pages 57 to 67 of the Annual Report 2025. Based on an overall evaluation of risk management information, the Board of Management at the present time cannot identify any sufficiently likely risks or risk combinations that would jeopardize the continued existence of LANXESS.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

as of June 30, 2026

STATEMENT OF FINANCIAL POSITION
LANXESS GROUP

€ million	Dec. 31, 2025	June 30, 2026
ASSETS		
Intangible assets	2,108	2,103
Property, plant and equipment	2,090	2,053
Investments accounted for using the equity method	468	411
Investments in other affiliated companies	1	0
Non-current derivative assets	28	36
Other non-current financial assets	306	304
Non-current income tax receivables	57	40
Other non-current assets	51	55
Deferred taxes	33	33
Non-current assets	**5,142**	**5,035**
Inventories	1,221	1,329
Trade receivables	520	708
Cash and cash equivalents	419	529
Near-cash assets	78	391
Current derivative assets	7	12
Other current financial assets	172	154
Current income tax receivables	36	21
Other current assets	153	175
Current assets	**2,606**	**3,319**
Total assets	**7,748**	**8,354**

€ million	Dec. 31, 2025	June 30, 2026
EQUITY AND LIABILITIES		
Capital stock and capital reserves	1,317	1,317
Other reserves	3,354	2,820
Net income	(577)	(194)
Other equity components	(599)	(465)
Equity attributable to LANXESS AG stockholders	**3,495**	**3,478**
Equity attributable to non-controlling interests	5	6
Equity	**3,500**	**3,484**
Provisions for pensions and other post-employment benefits	421	374
Other non-current provisions	228	228
Non-current derivative liabilities	1	2
Other non-current financial liabilities	1,905	2,299
Non-current income tax liabilities	3	3
Other non-current liabilities	24	19
Deferred taxes	106	104
Non-current liabilities	**2,688**	**3,029**
Other current provisions	231	324
Trade payables	541	663
Current derivative liabilities	6	6
Other current financial liabilities	628	680
Current income tax liabilities	43	41
Other current liabilities	111	127
Current liabilities	**1,560**	**1,841**
Total equity and liabilities	**7,748**	**8,354**

INCOME STATEMENT
LANXESS GROUP

€ million	Q2 2025	Q2 2026	H1 2025	H1 2026
Sales	**1,466**	**1,561**	**3,067**	**2,939**
Cost of sales	(1,139)	(1,231)	(2,418)	(2,347)
Gross profit	**327**	**330**	**649**	**592**
Selling expenses	(217)	(220)	(443)	(428)
Research and development expenses	(24)	(24)	(53)	(50)
General administration expenses	(64)	(56)	(128)	(112)
Other operating income	96	22	112	40
Other operating expenses	(147)	(79)	(189)	(109)
Operating result (EBIT)	**(29)**	**(27)**	**(52)**	**(67)**
Income from investments accounted for using the equity method	(28)	(31)	(59)	(95)
Interest income	1	2	3	4
Interest expense	(10)	(10)	(22)	(21)
Other financial income and expense	11	20	14	(3)
Financial result	**(26)**	**(19)**	**(64)**	**(115)**
Income before income taxes	**(55)**	**(46)**	**(116)**	**(182)**
Income taxes	10	(6)	14	(11)
Income after income taxes	**(45)**	**(52)**	**(102)**	**(193)**
of which attributable to non-controlling interests	0	1	0	1
of which attributable to LANXESS AG stockholders (net income)	(45)	(53)	(102)	(194)
Earnings per share (basic/diluted) (€)	**(0.52)**	**(0.62)**	**(1.18)**	**(2.25)**

STATEMENT OF COMPREHENSIVE INCOME
LANXESS GROUP

€ million	Q2 2025	Q2 2026	H1 2025	H1 2026
Income after income taxes	**(45)**	**(52)**	**(102)**	**(193)**
Remeasurements of the net defined benefit liability for post-employment benefit plans	4	6	(7)	66
Financial instruments fair value measurement	4	–	3	0
Other comprehensive income (net of income tax) attributable to investments accounted for using the equity method	–	0	1	0
Income taxes	(1)	(1)	1	(17)
Items that will not be reclassified subsequently to profit or loss	**7**	**5**	**(2)**	**49**
Exchange differences on translation of operations outside the eurozone	(292)	32	(442)	99
Financial instruments fair value measurement	10	(11)	16	(1)
Financial instruments cost of hedging	0	0	0	1
Other comprehensive income (net of income tax) attributable to investments accounted for using the equity method	(35)	19	(50)	37
Income taxes	(3)	3	(5)	0
Items that may be reclassified subsequently to profit or loss if specific conditions are met	**(320)**	**43**	**(481)**	**136**
Other comprehensive income, net of income tax	**(313)**	**48**	**(483)**	**185**
Total comprehensive income	**(358)**	**(4)**	**(585)**	**(8)**
of which attributable to non-controlling interests	0	1	0	1
of which attributable to LANXESS AG stockholders	(358)	(5)	(585)	(9)

STATEMENT OF CHANGES IN EQUITY
LANXESS GROUP

€ million	Capital stock	Capital reserves	Other reserves	Net income	Other equity components			Equity attributable to LANXESS AG stockholders	Equity attributable to non-controlling interests	Equity
					Currency translation adjustment	Financial instruments				
						Fair value measurement	Cost of hedging			
Dec. 31, 2024	**86**	**1,231**	**3,533**	**(177)**	**(79)**	**(7)**	**(1)**	**4,586**	**6**	**4,592**
Allocations to retained earnings			(177)	177				0		0
Dividend payments			(9)					(9)	(1)	(10)
Total comprehensive income			(4)	(102)	(492)	13	0	(585)	0	(585)
Income after income taxes				(102)				(102)	0	(102)
Other comprehensive income, net of income tax			(4)		(492)	13	0	(483)	0	(483)
Other changes			0			(1)		(1)		(1)
June 30, 2025	**86**	**1,231**	**3,343**	**(102)**	**(571)**	**5**	**(1)**	**3,991**	**5**	**3,996**
Dec. 31, 2025	**86**	**1,231**	**3,354**	**(577)**	**(602)**	**4**	**(1)**	**3,495**	**5**	**3,500**
Allocations to retained earnings			(577)	577				0		0
Dividend payments			(9)					(9)		(9)
Total comprehensive income			49	(194)	136	(1)	1	(9)	1	(8)
Income after income taxes				(194)				(194)	1	(193)
Other comprehensive income, net of income tax			49		136	(1)	1	185	0	185
Other changes			3			(2)		1		1
June 30, 2026	**86**	**1,231**	**2,820**	**(194)**	**(466)**	**1**	**0**	**3,478**	**6**	**3,484**

STATEMENT OF CASH FLOWS
LANXESS GROUP

€ million	Q2 2025	Q2 2026	H1 2025	H1 2026
Income before income taxes	**(55)**	**(46)**	**(116)**	**(182)**
Amortization, depreciation and write-downs of intangible assets and property, plant and equipment	217	132	352	253
Gains on disposals of intangible assets, property, plant and equipment and divestments	(76)	0	(76)	0
Result from investments accounted for using the equity method	28	31	59	95
Financial losses (gains)	(3)	(18)	4	7
Income taxes paid	(28)	(11)	(23)	(4)
Changes in inventories	0	(39)	(88)	(88)
Changes in trade receivables	121	(83)	(6)	(179)
Changes in trade payables	(62)	97	(28)	116
Changes in other assets and liabilities	(46)	57	(48)	114
Net cash provided by operating activities	**96**	**120**	**30**	**132**
Cash outflows for purchases of intangible assets and property, plant and equipment	(65)	(64)	(110)	(105)
Cash inflows from sales of intangible assets and property, plant and equipment	0	1	1	1
Cash outflows for financial assets	(12)	(375)	(27)	(375)
Cash inflows from financial assets	108	1	258	63
Cash inflows from the sale of subsidiaries and other businesses, less divested cash and cash equivalents	441	–	441	–
Interest and dividends received	3	3	5	6
Net cash provided by (used in) investing activities	**475**	**(434)**	**568**	**(410)**
Proceeds from borrowings	4	505	9	539
Repayments of borrowings	(517)	(45)	(536)	(122)
Interest paid and other financial disbursements	(12)	(7)	(26)	(21)
Dividend payments	(10)	(9)	(10)	(9)
Net cash used in (provided by) financing activities	**(535)**	**444**	**(563)**	**387**
Change in cash and cash equivalents	**36**	**130**	**35**	**109**
Cash and cash equivalents at beginning of period	**295**	**399**	**299**	**419**
Exchange differences and other changes in cash and cash equivalents	(8)	0	(11)	1
Cash and cash equivalents at end of period	**323**	**529**	**323**	**529**

SEGMENT AND REGION DATA

Key Data by Segment Second Quarter

	Consumer Protection		Specialty Additives		Advanced Intermediates		All other segments		LANXESS	
€ million	**Q2 2025**	**Q2 2026**	**Q2 2025**	**Q2 2026**	**Q2 2025**	**Q2 2026**	**Q2 2025**	**Q2 2026**	**Q2 2025**	**Q2 2026**
External sales	489	515	528	588	446	456	3	2	1,466	1,561
Inter-segment sales	14	15	2	3	23	16	(39)	(34)	–	–
Segment/Group sales	503	530	530	591	469	472	(36)	(32)	1,466	1,561
Segment result/EBITDA pre exceptionals	87	81	58	77	44	35	(39)	(41)	150	152
EBITDA margin pre exceptionals (%)	17.8	15.7	11.0	13.1	9.9	7.7			10.2	9.7
EBITDA	71	58	57	78	43	34	17	(65)	188	105
EBIT pre exceptionals	41	38	14	37	17	6	(53)	(51)	19	30
EBIT	(20)	6	(23)	36	16	5	(2)	(74)	(29)	(27)
Segment capital expenditures	18	18	31	26	22	24	3	6	74	74
Depreciation and amortization	91	52	80	42	27	29	19	9	217	132

Key Data by Segment First Half

	Consumer Protection		Specialty Additives		Advanced Intermediates		All other segments		LANXESS	
€ million	**H1 2025**	**H1 2026**	**H1 2025**	**H1 2026**	**H1 2025**	**H1 2026**	**H1 2025**	**H1 2026**	**H1 2025**	**H1 2026**
External sales	1,002	973	1,073	1,109	922	852	70	5	3,067	2,939
Inter-segment sales	31	29	2	4	50	37	(83)	(70)	–	–
Segment/Group sales	1,033	1,002	1,075	1,113	972	889	(13)	(65)	3,067	2,939
Segment result/EBITDA pre exceptionals	160	143	110	121	84	62	(71)	(80)	283	246
EBITDA margin pre exceptionals (%)	16.0	14.7	10.3	10.9	9.1	7.3			9.2	8.4
EBITDA	144	120	109	122	83	59	(36)	(115)	300	186
EBIT pre exceptionals	68	57	19	41	30	5	(100)	(99)	17	4
EBIT	7	25	(18)	40	29	2	(70)	(134)	(52)	(67)
Segment capital expenditures	30	31	46	42	45	49	8	14	129	136
Depreciation and amortization	137	95	127	82	54	57	34	19	352	253

Key Data by Region Second Quarter

	EMEA (excluding Germany)		Germany		Americas		Asia-Pacific		LANXESS	
€ million	**Q2 2025**	**Q2 2026**	**Q2 2025**	**Q2 2026**	**Q2 2025**	**Q2 2026**	**Q2 2025**	**Q2 2026**	**Q2 2025**	**Q2 2026**
External sales by market	454	474	242	269	509	507	261	311	1,466	1,561
Proportion of Group sales %	31.0	30.4	16.5	17.2	34.7	32.5	17.8	19.9	100.0	100.0

Key Data by Region First Half

	EMEA (excluding Germany)		Germany		Americas		Asia-Pacific		LANXESS	
€ million	**H1 2025**	**H1 2026**	**H1 2025**	**H1 2026**	**H1 2025**	**H1 2026**	**H1 2025**	**H1 2026**	**H1 2025**	**H1 2026**
External sales by market	925	874	526	524	1,064	964	552	577	3,067	2,939
Proportion of Group sales %	30.2	29.8	17.1	17.8	34.7	32.8	18.0	19.6	100.0	100.0

The segment and region data forms part of the notes to the condensed consolidated interim financial statements. For details, please see the "Segment reporting" section in the notes to the condensed consolidated interim financial statements.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

as of June 30, 2026

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The condensed consolidated interim financial statements of LANXESS AG as of June 30, 2026, were prepared in accordance with IAS 34 and the International Financial Reporting Standards (IFRS), as adopted by the European Union, and the related interpretations of the International Accounting Standards Board (IASB) applicable to interim financial reporting. The standards and interpretations already mandatory as of January 1, 2026, were considered in preparing the interim financial statements.

The consolidated interim financial statements were prepared in euros. The reporting period covers the period from January 1 to June 30, 2026.

RECOGNITION AND VALUATION PRINCIPLES

The notes to the consolidated financial statements as of December 31, 2025, particularly those relating to the recognition and valuation principles, generally continue to apply unchanged. Changes in this respect are explained below.

The mandatory first-time application of the following financial reporting standards and interpretations in fiscal year 2026 currently has no impact, or no material impact on the LANXESS Group yet:

Standard	
IFRS 9, IFRS 7	Amendments to IFRS 9 and IFRS 7: Amendments to the Classification and Measurement of Financial Instruments
Various IAS and IFRS	Annual Improvements to IFRS – Volume 11 with Amendments to IAS 7, IFRS 1, IFRS 7, IFRS 9 and IFRS 10
IFRS 9, IFRS 7	Amendments to IFRS 9 and IFRS 7: Contracts Referencing Nature-dependent Electricitiy

In fiscal year 2026, the International Accounting Standards Board (IASB) and the IFRS Interpretations Committee issued financial reporting standards whose application is not yet mandatory for that year and which the LANXESS Group thus did not yet apply. The application of these standards and interpretations is in some cases contingent upon their endorsement by the E.U. With the exception of IFRS 18, they are not currently expected to be material to the LANXESS Group.

Standard		Date of publication	Mandatory for LANXESS as of fiscal year	Endorsed by the E.U.
IFRS 18	Presentation and Disclosure in Financial Statements	April 9, 2024	2027	Yes
IFRS 19	Subsidiaries without Public Accountability: Disclosures	May 9, 2024/ Aug. 21, 2025	2027	No
IAS 21	Amendments to IAS 21: Translation to a Hyperinflationary Presentation Currency	Nov. 13, 2025	2027	No
IFRS 20	Regulatory Assets and Regulatory Liabilities	May 27, 2026	2029	No

IFRS 18 “Presentation and Disclosure in Financial Statements” will replace IAS 1 “Presentation of Financial Statements” in the future and is mandatory for fiscal years beginning on or after January 1, 2027.

IFRS 18 provides for a standardized presentation of the income statement and a more detailed disaggregation of information. In particular, the new standard will result in changes to the classification and presentation of income and expenses within the income statement, while the underlying recognition and measurement requirements remain unchanged. The LANXESS Group is currently evaluating the potential impact of the first-time adoption of IFRS 18 on the consolidated financial statements.

In the future, income and expenses are required to be classified into five defined categories in the income statement: income and expenses from operating activities, investing activities and financing activities, as well as income taxes and discontinued operations. The classification of income and expenses is determined by an entity’s main business activities. The LANXESS Group does not conduct any specific main business activity within the meaning of IFRS 18.

The new standard introduces mandatory subtotals in the income statement and expands the requirements for the aggregation and disaggregation of items. Under IFRS 18, operating expenses may be presented by nature, by function or using a mixed presentation. The LANXESS Group will continue to classify the income statement by function. In addition, IFRS 18 includes new and expanded note disclosures, particularly with regard to management-defined performance measures (MPMs). In the future, additional explanations and reconciliations to IFRS-compliant subtotals will be required for these key figures. The requirements for presentation in the statement of cash flows will also be amended. Furthermore, the starting point for determining cash flows will be the operating profit or loss as defined in IFRS 18; currently, the LANXESS Group uses “income before income taxes.” In addition, existing presentation options, particularly for interest and dividends, will be removed.

Preparation of the consolidated interim financial statements in accordance with IFRS requires that assumptions and estimates are made that have an impact on the amount and recognition of assets and liabilities in the statement of financial position, income and expenses, and contingent liabilities. All assumptions and estimates are made

on the basis of conditions prevailing at the reporting date, using methods consistent with those applied in the consolidated financial statements for 2025. Assumptions and estimates that could alter these estimates are reviewed continually. The actual figures may differ from the assumptions or estimates if the underlying conditions develop differently than predicted at the reporting date.

The assumptions and estimates used are updated and reviewed on an ongoing basis (see "Estimation Uncertainties and the Exercise of Discretion" in the consolidated financial statements as of December 31, 2025).

The carrying amount of the investment in Envalior GmbH, Cologne, Germany, accounted for using the equity method, and the effects on earnings for the income statement and the other comprehensive income net of income tax resulting from its subsequent measurement are based on preliminary assumptions, among other things. For example, the carrying amount of the investment is subject to the final valuation of the business contributed by LANXESS and the determination of the final purchase price.

The shareholder loan issued in connection with the formation of Envalior is measured at fair value. Associated uncertainties result among other things from the management's assumptions regarding the amount and timing of the underlying cash flows and the determination of the discount rate by selecting and accounting for observed market interest rates.

The business of the LANXESS Group as a whole is not typically subject to pronounced seasonality. Because of their business activity, individual business units regularly see a seasonal effect in sales and earnings. In the past reporting period, however, this was significantly influenced by the currently challenging macroeconomic situation around the chemical industry and the persistent fears of recession. Additional information on the current economic situation is provided under "Economic Environment and Business Development" in the Interim Group Management Report as of June 30, 2026.

COMPANIES CONSOLIDATED

The consolidated financial statements of the LANXESS Group include the parent company LANXESS AG and all domestic and foreign affiliates.

	EMEA (excluding Germany)	Germany	Americas	Asia-Pacific	Total
Fully consolidated companies (incl. parent company)					
January 1, 2026	28	10	14	16	68
Additions	–	–	–	–	0
Retirements	–	–	–1	–1	–2
Mergers	–	–	–1	–1	–2
Changes in consolidation area	–	–	–	2	2
June 30, 2026	**28**	**10**	**12**	**16**	**66**
Associates and joint operations					
January 1, 2026	0	1	2	0	3
Additions	–	–	–	–	0
Retirements	–	–	–	–	0
Mergers	–	–	–	–	0
Changes in consolidation area	–	–	–	–	0
June 30, 2026	**0**	**1**	**2**	**0**	**3**
Non-consolidated companies					
January 1, 2026	2	2	1	3	8
Additions	–	–	–	–	0
Retirements	–	–	–	–	0
Mergers	–	–	–	–	0
Changes in consolidation area	–	–	–	–2	–2
June 30, 2026	**2**	**2**	**1**	**1**	**6**
Total					
January 1, 2026	30	13	17	19	79
Additions	–	–	–	–	0
Retirements	–	–	–1	–1	–2
Mergers	–	–	–1	–1	–2
Changes in consolidation area	–	–	–	–	0
June 30, 2026	**30**	**13**	**15**	**17**	**75**

ASSETS HELD FOR SALE AND DIVESTMENTS PRIOR YEAR

On April 1, 2025, LANXESS completed the sale of the Urethane Systems business unit reported under "All other segments" to Japanese UBE Corporation. The divested Urethane Systems business comprised five production sites worldwide and application development laboratories in the United States, Europe and China. UBE Corporation has taken over a total of around 400 employees. The purchase price was €498 million.

The assets and liabilities disposed of were classified as a disposal group and reported as held for sale in the statement of financial position for the first time as of September 30, 2024, in accordance with IFRS 5. The intangible assets and property, plant and equipment of the Urethane Systems business unit were not subject to any further amortization or depreciation after the fourth quarter of 2024 and were recognized at the lower of carrying amount and fair value less costs to sell.

The carrying amounts of the assets and liabilities of the Urethane Systems business unit disposed of are shown in the following table:

Carrying Amounts of Assets and Liabilities Disposed Of

€ million	April 1, 2025
Property, plant and equipment and intangible assets	312
Inventories and trade receivables	94
Cash and cash equivalents	57
Other assets	5
Total assets	**468**
Non-current liabilities	10
Current liabilities	28
Total liabilities	**38**

The other comprehensive income to be allocated to the Urethane Systems business within other equity components amounted to €3 million as of March 31, 2025.

The pre-tax income from the sale of the Urethane Systems business unit amounted to €72 million and was reported in other operating income and expenses as an exceptional item.

EARNINGS PER SHARE

As in the previous year, earnings per share for the second quarter and first half of 2026 were calculated on the basis of the weighted average number of shares outstanding during each reporting period. Since there are currently no equity instruments in issue that could dilute earnings per share, basic and diluted earnings per share are identical. For more information about equity instruments that could dilute earnings per share in the future, readers are referred to the notes to the consolidated financial statements as of December 31, 2025.

Earnings per Share

	Q2 2025	Q2 2026	H1 2025	H1 2026
Net income (€ million)	(45)	(53)	(102)	(194)
Weighted average number of shares outstanding	86,346,303	86,346,303	86,346,303	86,346,303
Earnings per share (basic/diluted) (€)	**(0.52)**	**(0.62)**	**(1.18)**	**(2.25)**

DIVIDEND DISTRIBUTION FOR FISCAL YEAR 2025

Pursuant to the resolution of the Annual Stockholders' Meeting on May 21, 2026, the amount of €9 million out of the distributable profit of €450 million reported in the annual financial statements of LANXESS AG as of December 31, 2025, was distributed to the stockholders on May 27, 2026. The dividend per eligible no-par share was €0.10. The remaining amount of €441 million was carried forward to new account.

FINANCIAL INSTRUMENTS

Fair value measurement

The following table shows the volumes of assets and liabilities that were measured at fair value on a recurring basis as of the end of the reporting period and the levels of the fair value hierarchy into which the measurement inputs were categorized.

Assets and Liabilities Measured at Fair Value

	Dec. 31, 2025			June 30, 2026		
€ million	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Non-current assets						
Investments in other affiliated companies	0	–	–	0	–	–
Non-current derivative assets	–	2	26	–	1	35
Other non-current financial assets	–	262	3	–	263	3
Current assets						
Current derivative assets	–	7	–	–	12	–
Trade receivables	–	–	302	–	–	428
Near-cash assets	78	–	–	391	–	–
Non-current liabilities						
Non-current derivative liabilities	–	(1)	–	–	(2)	–
Current liabilities						
Current derivative liabilities	–	(6)	–	–	(6)	–

According to the fair value hierarchy, quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date are given the highest priority (Level 1). Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, are assigned to Level 2. Unobservable inputs for the asset or liability are given the lowest priority (Level 3).

As of June 30, 2026, €391 million (December 31, 2025: €78 million) of near-cash assets were assigned to Level 1 of the measurement hierarchy. These relate to shares of money market funds that can be sold at any time.

Other non-current financial assets at Level 2 of the measurement hierarchy include €262 million (December 31, 2025: €261 million) for a shareholder loan granted to Envalior GmbH, Cologne, Germany, in connection with the formation of Envalior. The nominal amount of the loan is €200 million. The fair value is calculated using estimated cash flows that are discounted while taking into account observable, currency-specific (EURIBOR) market interest rates. To account for the individual credit risk of the contracting party, the assessment utilized rating-equivalent interest structure curves for corporate bonds with a comparable rating. The subsequent measurement resulted in income of €1 million (previous year: €10 million), which is part of the other financial result.

The trade receivables of €428 million (December 31, 2025: €302 million) at Level 3 of the measurement hierarchy are receivables potentially available for sale on the basis of a factoring agreement.

In addition to the purchase price payment, LANXESS also received a minority interest of 40.94% in Envalior GmbH, Cologne, Germany, in connection with the formation of the joint company. LANXESS has the possibility to sell the minority interest to Advent for the first time three years after the foundation of Envalior under certain conditions. LANXESS exercised the right to offer for the sale of all the shares in September 2025. In March 2026, the contractual partner notified LANXESS that its purchase of the remaining shares will not be carried out on April 1, 2026, referencing the financing condition. In accordance with the contractual agreements, this postpones the sale of the shares. In 2027, Advent will be entitled to acquire the shares at the same purchase price as in 2026. If this right is not exercised, LANXESS can exercise its right to offer again on April 1, 2028 based on the same evaluation and enforcement mechanism. In 2028, the acquisition of 50% of the shares held by LANXESS will, however, no longer be subject to a financing condition or other conditions. LANXESS can thus, in any case, demand the purchase of this share. The base purchase price of approximately €1.2 billion once again applies for the sale of any shares in 2028, although the comparison between the historical EBITDA and the EBITDA in the twelve-month period prior to April 1, 2028 is relevant in the case of a purchase price adjustment. The right to offer, which is recognized in non-current derivative assets, is measured at fair value and assigned to Level 3 of the fair value hierarchy.

A value can be attributed to the right to offer if LANXESS is better off under the contractual agreement than it would be in a comparable arm's length transaction at customary conditions based on fair value. The main factor affecting the valuation is the further business performance of Envalior in the coming years. The fair value of the right to offer is determined with a measurement model using a Monte Carlo simulation. The result of the valuation is materially determined by basic parameters underlying the model, such as business plan, capital costs, volatility, and composition of the peer group. Envalior's enterprise value is calculated using the discounted cash flow (DCF) method and is based on estimated future cash flows, which are discounted using the weighted average cost of capital (WACC). There are therefore uncertainties resulting in particular from the assumptions made as of the reporting date and the management's expectations in the determination of the basic parameters. Corresponding changes to these assumptions result in a future fair value adjustment. As of June 30, 2026, the fair value amounted to €35 million (December 31, 2025: €26 million). However, the final selling price will depend on Envalior's EBITDA of the last twelve months when LANXESS utilizes its possibility to offer its shares in Envalior to Advent to purchase after three years. Therefore, neither the accounting measurement of the investment accounted for using the equity method nor that of LANXESS's possibility to offer the shares for sale is decisive for the amount of the selling price actually achievable. The change of €9 million is exclusively due to valuation adjustments and is recognized under the other financial result.

A sensitivity analysis for the fair value of the right to offer simulated a change in EBITDA, the relevant factor for the future cash flows, by 10% per year. A 10% increase in Envalior's annual EBITDA figures would have resulted in a fair value of €19 million as of June 30, 2026. A corresponding decrease would have resulted in a fair value of €73 million.

A further sensitivity analysis for the fair value of the right to offer simulated a 10% change in the annual growth rate of the EBITDA figures. A 10% increase in the annual EBITDA growth rate would have resulted in a fair value of €24 million as of June 30, 2026. A corresponding decrease would have resulted in a fair value of €51 million.

Other non-current and current financial assets assigned to Level 3 also include investments in High-Tech Gründerfonds, which are measured at fair value through profit or loss. Measurement is based on the amount of the equity interests held. The fair value amounts to €3 million (December 31, 2025: €3 million).

The derivative financial instruments used by LANXESS are generally traded on an active, liquid market. The fair values as of the end of the reporting period predominantly relate to forward exchange contracts and forward commodity contracts. In the case of hedge accounting, the hedging transactions are designated based on forward rates. The approach selected for non-designated cross-currency interest rate swaps is to recognize them as costs of hedging. Where no market price is available, values are determined using recognized capital market pricing methods based on observable market data. In determining the fair values, adjustments for LANXESS's own credit risk and counterparty credit risk are made on the basis of the respective net positions.

In the case of financial instruments accounted for using valuation principles other than fair value measurement, the fair value – when reliably determined – is normally the carrying amount. The fair value of the bonds, which have a carrying amount of €2,796 million, amounted to €2,703 million as of June 30, 2026. The carrying amount of the bonds as of December 31, 2025 was €2,305 million and their fair value €2,208 million. Fair value measurement of the bonds is allocated to Level 1 of the

hierarchy although, as of June 30, 2026, one bond with a fair value of €103 million was allocated to Level 2 as there was no liquid market for it (December 31, 2025: €107 million). The fair value of liabilities allocated to Level 2 is calculated using discounted cash flows, taking observed market interest rates into account.

Expected credit losses of financial instruments

Changes in loss allowances for trade receivables and contract assets resulted in a net gain of €2 million (prior year: net loss of €1 million), which was recognized within other operating income and expenses. The carrying amount of loss allowances totaled €9 million (December 31, 2025: €13 million).

As at the end of the previous year, the expected losses on other financial assets to be taken into account in the financial result amounted to €0 million as of June 30, 2026.

Additional information about the measurement of fair value and about financial instruments is provided in the notes to the consolidated financial statements as of December 31, 2025.

SEGMENT REPORTING

Reported sales are predominantly generated through the sale of products. Other types of sales only make an immaterial contribution to total sales. In the LANXESS Group, revenue is recognized in principle at the time at which control of the products passes physically to the customer. Sales are recognized over time in the business model of manufacturing customer-specific products on the basis of long-term sales contracts with contractually defined minimum purchase requirements in the Consumer Protection segment and for services. Revenue for finished goods and work in progress, and for advance consideration paid by the customer, is recognized over the manufacturing period, or over the performance period in the case of services. Segment sales include €191 million (previous year: €192 million) of sales recognized over time. Of these, €149 million (previous year: €140 million) relate to the Consumer Protection segment, €5 million (previous year: €5 million) to the Specialty Additives segment, €32 million (previous year: €41 million) to the Advanced Intermediates segment and €5 million (previous year: €6 million) to “All other segments.”

The reconciliation of EBITDA pre exceptionals to income before income taxes is presented in the following table.

Reconciliation of Segment Results

€ million	Q2 2025	Q2 2026	H1 2025	H1 2026
Total reportable segment results	**189**	**193**	**354**	**326**
Depreciation and amortization	(217)	(132)	(352)	(253)
Exceptional items affecting EBITDA	38	(47)	17	(60)
Net interest expense	(9)	(8)	(19)	(17)
Result from investments accounted for using the equity method	(28)	(31)	(59)	(95)
Other financial income and expense	11	20	14	(3)
Income from “All other segments”	(39)	(41)	(71)	(80)
Income before income taxes	**(55)**	**(46)**	**(116)**	**(182)**

Details about the exceptional items can be found under “Notes on EBIT and EBITDA (Pre Exceptionals)” in the Interim Group Management Report as of June 30, 2026.

RELATED PARTIES

In the course of its operations, the LANXESS Group sources materials, inventories and services from a large number of business partners around the world. These include companies in which LANXESS AG has a direct or indirect interest. Transactions with these companies are carried out on an arm's length basis.

In the first half of 2026, the LANXESS Group generated sales of €20 million (previous year: €40 million) and other operating income of €10 million (previous year: €18 million) from transactions with affiliated companies, of which sales of €7 million (previous year: €30 million) and other operating income of €10 million (previous year: €18 million) are attributable to relationships with Envalior GmbH and its affiliated companies. Services purchased by LANXESS in the first half of 2026 of €2 million (previous year: €4 million) are based on trade relationships with Envalior GmbH and its affiliated companies.

As of June 30, 2026, these trade relationships as well as leasing, financing, and other transactions result in receivables of €294 million (December 31, 2025: €293 million) and liabilities of €4 million (December 31, 2025: €5 million). These comprise receivables of €287 million (December 31, 2025: €285 million) and liabilities of €4 million (December 31, 2025: €5 million) from transactions with Envalior GmbH and its affiliated companies.

Since Envalior was founded as of April 1, 2023, Envalior GmbH, Cologne, Germany, has been included in the LANXESS consolidated financial statements using the equity method. In connection with the foundation of Envalior, Envalior GmbH received a shareholder loan at a nominal amount of €200 million from LANXESS.

In addition, members of the Board of Management and the Supervisory Board as well as their close family members were identified as related parties. As in the previous year, there were no business transactions subject to reporting requirements in the first six months of 2026.

EMPLOYEES

As of June 30, 2026, the number of employees in the LANXESS Group around the world was 11,495 (December 31, 2025: 11,709).

In the EMEA region (excluding Germany), the number of employees decreased by 60 employees to 983. In Germany, the number of employees fell from 6,591 to 6,464. The number of employees in the Americas region amounted to 2,540, down from 2,585 at the end of 2025. The number of employees in the Asia-Pacific region increased from 1,490 to 1,508.

EVENTS AFTER THE REPORTING PERIOD

No events of special significance took place after June 30, 2026, that are expected to materially affect the financial position or results of operations of the LANXESS Group.

RESPONSIBILITY STATEMENT

To the best of our knowledge, and in accordance with the applicable reporting principles for half-year financial reporting, the interim consolidated financial statements give a true and fair view of the earnings, asset and financial position of the Group in line with generally accepted accounting standards, and the interim management report of the Group includes a fair view of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group for the remaining months of the fiscal year.

Cologne, July 27, 2026

LANXESS Aktiengesellschaft

The Board of Management

Matthias Zachert

Frederique van Baarle

Dr. Hubert Fink

Oliver Stratmann

Review Report
To LANXESS Aktiengesellschaft, Cologne

We have reviewed the condensed consolidated interim financial statements – comprising the statement of financial position, income statement and statement of comprehensive income, statement of changes in equity, statement of cash flows and notes to the condensed consolidated interim financial statements – together with the interim group management report of the LANXESS Aktiengesellschaft, Cologne, for the period from 1 January to 30 June 2026 that are part of the semi annual financial report according to § 115 WpHG ["Wertpapierhandelsgesetz": "German Securities Trading Act"]. The preparation of the condensed interim consolidated financial statements in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and of the interim group management report in accordance with the requirements of the WpHG applicable to interim group management reports, is the responsibility of the Company's management. Our responsibility is to issue a report on the condensed interim consolidated financial statements and on the interim group management report based on our review.

We performed our review of the condensed interim consolidated financial statements and the interim group management report in accordance with the German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW). Those standards require that we plan and perform the review so that we can preclude through critical evaluation, with a certain level of assurance, that the condensed interim consolidated financial statements have not been prepared, in material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU, and that the interim group management report has not been prepared, in material respects, in accordance with the requirements of the WpHG applicable to interim group management reports.

A review is limited primarily to inquiries of company employees and analytical assessments and therefore does not provide the assurance attainable in a financial statement audit. Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot issue an auditor's report.

Based on our review, no matters have come to our attention that cause us to presume that the condensed interim consolidated financial statements have not been prepared, in material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU, or that the interim group management report has not been prepared, in material respects, in accordance with the requirements of the WpHG applicable to interim group management reports.

Cologne, July 29, 2026

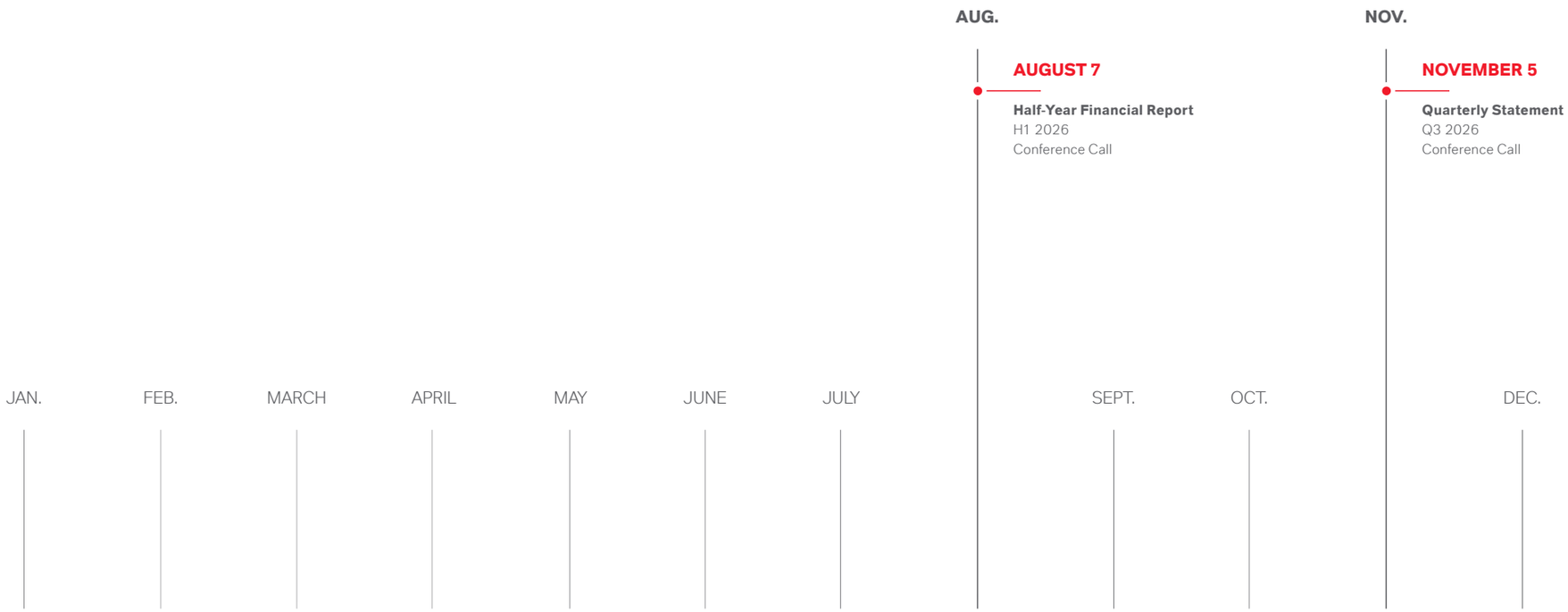
KPMG AG
Wirtschaftsprüfungsgesellschaft

[Original German version signed by:]

Dr. Hain
Wirtschaftsprüfer
[German Public Auditor]

Coir
Wirtschaftsprüfer
[German Public Auditor]

Financial Calendar 2026



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