

LANXESS with strong cash flow and significant earnings growth in the second quarter of 2024

- **EBITDA pre exceptionals up 69.2 percent at EUR 181 million**
- **Sales down 5.6 percent year-on-year at EUR 1.678 billion in second quarter of 2024**
- **Significantly improved cost base as a result of “FORWARD!” action plan**
- **Debt further reduced due to improved cash flow**
- **Forecast for full year 2024 unchanged: EBITDA pre exceptionals between 10 and 20 percent above previous year’s level (EUR 512 million).**

Cologne, August 9, 2024 – The “FORWARD!” action plan, which LANXESS is using to counteract weak demand in the chemical industry, is making an impact: In the second quarter of 2024, EBITDA pre exceptionals rose significantly by 69.2 percent, reaching EUR 181 million compared to EUR 107 million in the same period of the previous year. The main factors driving this earnings increase were a significantly improved cost base and better utilization of production plants. The company is thus confirming the preliminary figures for the second quarter published on July 17, 2024.

“Our fast and consistent action is now paying off. With our FORWARD! action plan, we have considerably reduced our costs and significantly improved our earnings – despite a continued weak market environment. Although we are seeing some individual markets pick up slightly, there is still no sign of a broad-based recovery,” says Matthias Zachert, CEO of LANXESS AG.

Sales amounted to EUR 1.678 billion in the second quarter, 5.6 percent lower than the previous year’s figure of EUR 1.778 billion. This was primarily due to lower selling prices, as the Group passed on reduced raw material and energy costs.

LANXESS is confirming its forecast for the current fiscal year 2024 and continues to anticipate an increase in earnings of 10 to 20

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percent compared to the previous year's figure of EUR 512 million EBITDA pre exceptionals. For the third quarter of 2024, LANXESS expects EBITDA pre exceptionals to be close to or up to the level of the second quarter. For the fourth quarter, the Group then anticipates a more muted performance as a result of the normal seasonal development.

The EBITDA margin pre exceptionals for the second quarter amounted to 10.8 percent compared to 6.0 percent in the same period of the previous year. The net income amounted to minus EUR 16 million and was attributable entirely to continuing operations. In the same period of the previous year, there had been a net income from continuing operations of minus EUR 145 million.

Net debt reduced, free cash flow improved

LANXESS continued to focus on reducing debt and increasing cash flow in the second quarter. Free cash flow improved from EUR 0 million in the same quarter of the previous year to EUR 83 million. On this basis, the company was able to reduce net debt by 11 percent to EUR 2.547 billion as at June 30, 2024 compared to EUR 2.863 billion at the same time last year.

Business development in the segments

The **Consumer Protection** segment generated sales of EUR 561 million in the second quarter of 2024, which corresponds to a decrease of 7.1 percent compared to the figure of EUR 604 million in the same quarter of the previous year. EBITDA pre exceptionals reached EUR 80 million and fell by 2.4 percent from EUR 82 million in the same period of the previous year. The development of earnings was negatively impacted by lower sales volumes as a result of persistently weaker demand from agrochemicals customers. The EBITDA margin pre exceptionals was 14.3 percent, against 13.6 percent in the same quarter of the previous year.

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In the second quarter of 2024, the **Specialty Additives** segment recorded sales of EUR 568 million, which was 8.4 percent below the second quarter of 2023 with sales of EUR 620 million. EBITDA pre exceptionals rose by 89.2 percent to EUR 70 million from EUR 37 million in the same quarter of the previous year. Lower production costs, higher capacity utilization, lower freight costs and savings from the FORWARD! action plan had a positive effect on earnings performance. The EBITDA margin pre exceptionals rose to 12.3 percent against 6.0 percent in the previous year.

Sales in the **Advanced Intermediates** segment almost matched the previous year's level. At EUR 478 million in the second quarter of 2024, they were only 1.2 percent lower than the figure of EUR 484 million from the same quarter of the previous year. EBITDA pre exceptionals reached EUR 58 million and was therefore 152.2 percent above the previous year's figure of EUR 23 million. Earnings and the margin benefited from lower production costs and higher plant utilization resulting from increased sales volumes, as well as savings from the FORWARD! action plan. The EBITDA margin pre exceptionals rose to 12.1 percent against 4.8 percent in the same period of the previous year.

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EUR million	Q2 2023	Q2 2024	Change %
Sales	1,778	1,678	-5.6
EBITDA pre exceptionals	107	181	69.2
EBITDA margin pre exceptionals	6.0%	10.8%	
Net income*	1,208	-16	<-100
from continuing operations	-145	-16	89
from discontinued operations*	1,353		-100
Net financial liabilities	2,863**	2,547**	-11.0
Employees (as of June 30)	12,849***	12,453	-3.1

* Prior-year figures restated

** as of June 30

*** as of December 31, 2023

LANXESS is a leading specialty chemicals company with sales of EUR 6.7 billion in 2023. The company currently has about 12,500 employees in 32 countries. The core business of LANXESS is the development, manufacturing and marketing of chemical intermediates, additives and consumer protection products. LANXESS has achieved leading positions in the Dow Jones Sustainability Index and the MSCI ESG and ISS ESG ratings, among others, for its commitment to sustainability.

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