

### **LANXESS significantly increases earnings in the third quarter of 2024**

- **EBITDA pre exceptionals up 45.4 percent to EUR 173 million**
- **Higher volumes and better capacity utilization, along with cost savings, drive earnings**
- **Sales in the third quarter of 2024 at EUR 1.598 billion, on par with the previous year**
- **Guidance for full year 2024 unchanged: EBITDA pre exceptionals between 10 and 20 percent above previous year's level (EUR 512 million)**

**Cologne, November 7, 2024** – Specialty chemicals company LANXESS saw a significant earnings increase in the third quarter of 2024: EBITDA pre exceptionals came in at EUR 173 million, up 45.4 percent from the prior-year quarter's EUR 119 million. This was mainly due to higher volumes, increased capacity utilization and cost savings from the "FORWARD!" action plan.

"Despite the continuing rough sea and the challenging competitive environment for the chemical industry, we are staying on course. Our timely actions to address the global weakness in demand are paying off. Our plants are operating at higher capacity utilization and our "FORWARD!" action plan has significantly improved our cost situation. We are therefore maintaining our guidance for the full year – even though a broad-based recovery is not yet in sight," said Matthias Zachert, Chairman of the Board of Management of LANXESS AG.

At EUR 1.598 billion, Group sales remained almost stable compared to the prior-year figure of EUR 1.601 billion. Volumes increased in almost all business units, while selling prices declined, in particular due to lower raw material and energy costs.

The EBITDA margin pre exceptionals reached 10.8 percent in the third quarter, compared to 7.4 percent in the prior-year period. Net income amounted to EUR 1 million and was generated entirely from

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continuing operations. In the prior-year period, net income from continuing operations was minus EUR 131 million.

LANXESS reaffirms its guidance for the current fiscal year 2024 and continues to expect an increase in earnings of 10 to 20 percent compared to prior-year figure of EUR 512 million. For the fourth quarter, the company expects a subdued performance due to the normal seasonal nature of its business.

### **Sale of the Urethane Systems business**

At the beginning of October, LANXESS signed an agreement to sell its Urethane Systems business to Japan's UBE Corporation. The business is valued at EUR 460 million and LANXESS expects to receive proceeds of around EUR 500 million. Zachert said: "We also made strategic progress in this quarter. With the agreed sale of our Urethane Systems business unit we have divested our last polymer business and completed the transformation of our Group into a specialty chemicals company." LANXESS plans to use the proceeds from the sale to reduce debt. The transaction remains subject to the approval of the relevant authorities. LANXESS expects the transaction to close in the first half of 2025.

### **Business performance in the segments**

The **Consumer Protection** segment posted third-quarter sales of EUR 521 million, down 10.3 percent from EUR 581 million in the year-ago quarter. EBITDA pre exceptionals came in at EUR 71 million, down 15.5 percent from EUR 84 million recorded in the prior-year period. Earnings were impacted in particular by continued very weak demand from agrochemical customers. By contrast, business with customers in the other industries was positive. The EBITDA margin pre exceptionals was 13.6 percent, compared to 14.5 percent in the prior-year quarter.

In the third quarter, the **Specialty Additives** segment posted sales of EUR 550 million, on a par with the prior-year quarter (EUR 549

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million). EBITDA pre exceptionals rose 84.8 percent to EUR 61 million from EUR 33 million in the prior-year quarter. Higher capacity utilization and cost savings from the “FORWARD!” action plan had a positive impact on earnings. The EBITDA margin pre exceptionals rose to 11.1 percent, against 6.0 percent in the previous year.

Sales in the **Advanced Intermediates** segment rose by 12.9 percent from EUR 403 million in the third quarter of 2023 to EUR 455 million in the third quarter of 2024. EBITDA pre exceptionals reached EUR 68 million, up 126.7 percent from the prior-year figure of EUR 30 million. Earnings and margins benefited from higher capacity utilization due to volume growth and cost savings from the “FORWARD!” action plan. The EBITDA margin pre exceptionals rose to 14.9 percent, from 7.4 percent in the prior-year period.

EUR million	Q3 2023	Q3 2024	Change %
Sales	1,601	1,598	-0.2
EBITDA pre exceptionals	119	173	45,4
EBITDA margin pre exceptionals	7.4%	10.8%	
Net income	-131	1	>100
from continuing operations	-131	1	>100
from discontinued operations	0	-	-100
Net financial liabilities	2,498*	2,572*	3.0
Employees (as of September 30)	12,849**	12,387	-3.6

\* as of September 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 12,400 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.

### Forward-looking statements

This company release contains certain forward-looking statements, including assumptions, opinions, expectations and views of the company or cited from third-party

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