

LANXESS significantly increases earnings in fiscal year 2024

- **EBITDA pre exceptionals increases by 19.9 percent to EUR 614 million**
- **Sales of EUR 6.366 billion down 5 percent year-on-year**
- **FORWARD! action plan delivers significant cost reductions**
- **Strong free cash flow of EUR 188 million, net financial debt continues to decline**
- **Guidance for 2025: EBITDA pre exceptionals between EUR 600 to 650 million; corresponds to operational growth of around 10 percent on an adjusted basis**

Cologne, March 20, 2025 – In fiscal year 2024, LANXESS significantly increased its earnings despite the difficult global economic situation: EBITDA pre exceptionals climbed by 19.9 percent to EUR 614 million, up from EUR 512 million in the previous year. The company thus confirms the preliminary figures published on January 20, 2025. In particular, higher capacity utilization and significantly lower costs as a result of the “FORWARD!” action plan contributed to the increase in earnings.

Although nearly all business units were able to increase their sales volumes, Group sales decreased by 5.2 percent from EUR 6.714 billion in the previous year to EUR 6.366 billion. This was mainly due to lower sales prices resulting from reduced raw material and energy costs. The EBITDA margin pre exceptionals rose to 9.6 percent from 7.6 percent in the previous year.

“We have defied the economic and geopolitical headwinds and significantly increased our earnings from our own resources. This shows that our structural measures are working. They will continue to pay off in the current year. We therefore remain confident of achieving further growth by 2025, even if a broad-based recovery in

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global demand is not in sight,” says Matthias Zachert, Chairman of the Board of Management of LANXESS AG.

For the current fiscal year 2025, LANXESS expects the economic and geopolitical environment to remain challenging. Nevertheless, the Group expects a portfolio-adjusted increase in EBITDA pre exceptionals of around 10 percent for the full year, also due to the ongoing effects of the “FORWARD!” action plan. This corresponds to a reported EBITDA pre exceptionals of between EUR 600 and 650 million, as the earnings contribution from the Urethane Systems business will only be included for the first quarter of 2025. LANXESS expects the business to be divested in April 2025. In 2024, the Urethane Systems business unit generated EBITDA pre exceptionals of around EUR 50 million.

For the first quarter of 2025, the Group expects EBITDA pre exceptionals to be 25 to 35 percent higher than in the prior-year quarter.

Strong free cashflow, net financial debt reduced

LANXESS was able to reduce net financial debt by 4,7 percent from EUR 2.498 billion at the end of the previous year to EUR 2.381 billion in 2024. This was mainly due to the strong cash flow generation from operating activities. Free cash flow amounted to EUR 188 million in 2024.

Cost savings implemented more quickly

With the “FORWARD!” action plan introduced in the summer of 2023, LANXESS is counteracting the effects of the economic downturn. Through structural measures, LANXESS plans to permanently reduce its annual costs by around EUR 150 million by 2025. EUR 110 million of these savings have already been realized in 2024, EUR 20 million more than originally planned.

Stable dividend

LANXESS plans to pay a stable dividend for fiscal year 2024 compared to the previous year. The amount of the dividend reflects

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the company's focus on further reducing its net financial debt. The Board of Management and the Supervisory Board will therefore propose to the Annual Stockholders' Meeting on 22 May 2025 a dividend of EUR 0.10 per share (2023: EUR 0.10) to be paid for fiscal year 2024. The proposal would correspond to a total dividend payout of around EUR 9 million.

Transformation into specialty chemicals company completed

At the beginning of October 2024, LANXESS signed an agreement to sell its Urethane Systems business to Japan's UBE Corporation. The business unit has a global footprint with five production sites and around 400 employees. The closing of the sale is expected in April 2025. With the agreed sale of the Urethane Systems business unit, LANXESS is divesting its last polymer business and completing the transformation of the Group into a specialty chemicals company. LANXESS will use the proceeds from the sale to further reduce its debt.

Segments at a glance

In the **Consumer Protection** segment, sales in fiscal year 2024 were 2.081 billion euros, 11.1 percent below the prior-year figure of 2.340 billion euros. EBITDA pre exceptionals fell by 7.7 percent to EUR 286 million compared to EUR 310 million in the previous year. The decline in earnings was mainly due to the continuing weak demand from agrochemical customers in the Saltigo business unit. The EBITDA margin pre exceptionals rose from 13.2 percent last year to 13.7 percent.

Sales in the **Specialty Additives** segment decreased by 5.0 percent from EUR 2.325 billion in the previous year to EUR 2.209 billion in 2024 despite higher volumes in almost all business units. This was due in particular to lower selling prices as a result of passing on lower raw material and energy prices. EBITDA pre exceptionals rose by 8.6 percent from EUR 209 million in the previous year to EUR 227 million. This positive development was driven by better capacity utilization and lower costs as a result of the FORWARD! action plan.

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The EBITDA margin pre exceptionals reached 10.3 percent, compared to 9.0 percent in the previous year.

In fiscal 2024, the **Advanced Intermediates** segment benefited from a slight recovery in demand and the resulting increase in volumes. Sales amounted to EUR 1.804 billion, up 1.6 percent from the prior-year figure of EUR 1.775 billion. EBITDA pre exceptionals of EUR 210 million was well above the prior-year figure of EUR 121 million and increased by 73.6 percent. The increase resulted primarily from higher capacity utilization and cost savings achieved through the “FORWARD!” action plan. The EBITDA margin pre exceptionals reached 11.6 percent, compared to 6.8 percent in the previous year.

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EUR million	Q4/2023	Q4/2024	Change in %	2023	2024	Change in %
Sales	1,436	1,483	3.3	6,714	6,366	-5.2
EBITDA pre exceptionals	97	159	63.9	512	614	19.9
EBITDA margin pre exceptionals	6.8%	10.7%		7.6%	9.6%	
Net income	-590	-64	89.2	443	-177	<-100
from continuing operations	-577	-64	88.9	-843	-177	79.0
from discontinued operations	-13	-	100	1,286	-	-100
Dividend or proposed dividend per share (EUR)				0.10	0.10	-
Net financial liabilities				2,498	2,381	-4.7
Employees (December 31)				12,849	12,338	-4.0

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LANXESS is a leading specialty chemicals company with sales of EUR 6.4 billion in 2024. The company currently has about 12,300 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 Best-in-Class Index and the MSCI ESG and ISS ESG ratings, among others, for its commitment to sustainability.

Forward-looking statements

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