

2024

Quarterly Statement
as of September 30, 2024

LANXESS Group Key Data

€ million	Q3 2023	Q3 2024	Change in %	9M 2023	9M 2024	Change in %
Sales	1,601	1,598	(0.2)	5,278	4,883	(7.5)
Gross profit	289	349	20.8	1,036	993	(4.2)
Gross profit margin	18.1%	21.8%		19.6%	20.3%	
EBITDA pre exceptionals ¹⁾	119	173	45.4	415	455	9.6
EBITDA margin pre exceptionals ¹⁾	7.4%	10.8%		7.9%	9.3%	
EBITDA ¹⁾	83	163	96.4	335	415	23.9
EBIT pre exceptionals ¹⁾	(22)	36	> 100	2	40	> 100
EBIT ¹⁾	(65)	24	> 100	(87)	(5)	94.3
EBIT margin ¹⁾	(4.1)%	1.5%		(1.6)%	(0.1)%	
Net income (loss)	(131)	1	> 100	1,033 ⁵⁾	(113)	< (100)
from continuing operations	(131)	1	> 100	(266)	(113)	57.5
from discontinued operations	0	–	(100.0)	1,299 ⁵⁾	–	(100.0)
Weighted average number of shares outstanding	86,346,303	86,346,303	–	86,346,303	86,346,303	–
Earnings per share (€)	(1.52)	0.01	> 100	11.96 ⁵⁾	(1.31)	< (100)
from continuing operations	(1.52)	0.01	> 100	(3.08)	(1.31)	57.5
from discontinued operations	0	–	–	15.04 ⁵⁾	–	(100.0)
Adjusted earnings per share from continuing operations (€)	(0.01)	0.86	> 100	0.43	1.37	> 100
Cash flow from operating activities – continuing operations	390	59	(84.9)	628	156	(75.2)
Depreciation and amortization	148	139	(6.1)	422	420	(0.5)
Cash outflows for capital expenditures	68	73	7.4	194	174	(10.3)
Total assets	9,665	9,448	(2.2)	9,665 ⁶⁾	9,448	(2.2)
Equity (including non-controlling interests)	4,507	4,378	(2.9)	4,507 ⁶⁾	4,378	(2.9)
Equity ratio ³⁾	46.6%	46.3%		46.6% ⁶⁾	46.3%	
Provisions for pensions and other post-employment benefits	498	439	(11.8)	498 ⁶⁾	439	(11.8)
Net financial liabilities ⁴⁾	2,498	2,572	3.0	2,498 ⁶⁾	2,572	3.0
Employees (as of Sep. 30)	12,849	12,387	(3.6)	12,849 ⁶⁾	12,387	(3.6)

1) EBIT: earnings before interest and taxes.

EBIT pre exceptionals: EBIT disregarding 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 disregarding exceptional charges and income.

EBITDA margin pre exceptionals: EBITDA pre exceptionals in relation to sales.

See "Notes on EBIT and EBITDA (Pre Exceptionals)" for details.

2) Adjusted earnings per share from continuing operations: earnings per share from continuing operations disregarding exceptional charges and income, amortization of intangible assets and attributable tax effects and income from investments accounted for using the equity method. See "Net income/earnings per share/adjusted earnings per share from continuing operations" 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.

See "Statement of Financial Position and Financial Condition" for details.

5) Prior-year figures restated.

6) As of December 31, 2023.

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QUARTERLY STATEMENT

as of September 30, 2024

- › Contract signed for the sale of the Urethane Systems business unit
- › All businesses except Saltigo report higher sales volumes than in weak prior-year quarter
- › However, sales flat overall year-on-year due to lower prices and weak demand from agrochemicals
- › Sustainable savings realized through structural measures as part of the FORWARD! action plan
- › EBITDA pre exceptionals up significantly year-on-year at €173 million in third quarter
- › EBITDA margin pre exceptionals rises to 10.8% compared to prior-year quarter
- › New sustainability-linked revolving credit line of €800 million concluded
- › Adjusted earnings per share from continuing operations of €0.86 in third quarter after minus €0.01 in previous year
- › Guidance for fiscal year 2024 confirmed: EBITDA pre exceptionals to increase by 10% to 20% compared to €512 million in previous year

MATERIAL CHANGES IN THE BUSINESS ORGANIZATION AND THE GROUP PORTFOLIO

LANXESS is counteracting the weak global economy in the chemical industry and the continuing tense economic situation with its FORWARD! action plan initiated in the previous year. Specific structural measures were initiated to reduce costs permanently by €150 million by the end of 2025. In addition to reducing the workforce by around 870 jobs worldwide and sharpening the business models, the plan is to improve market access. This is intended to strengthen LANXESS's businesses in the long term in order to increase the earnings level and permanently improve the earnings margin.

On October 3, 2024, LANXESS signed a contract to sell the Urethane Systems business unit reported under "All other segments" to Japanese UBE Corporation. The Urethane Systems business to be divested includes five production sites worldwide and application development laboratories in the United States, Europe and China. UBE Corporation will take over operations with a total of around 400 employees. LANXESS will use the proceeds from the sale to further reduce its debt. The transaction remains subject to the approval of the relevant authorities. We expect it to be completed in the first half of 2025. With this sale, LANXESS divests the last remaining polymer business in its business portfolio. The assets and liabilities to be disposed of were recognized as held for sale in the statement of financial position as of September 30, 2024. As of Q4, the Urethane Systems business unit's intangible assets and property,

plant and equipment are not subject to further amortization or depreciation and are recognized at the lower of carrying amount and fair value less costs to sell.

BUSINESS PERFORMANCE

Sales

Sales of the LANXESS Group in the third quarter of 2024 amounted to €1,598 million, on a par with the prior-year sales of €1,601 million. Compared to the prior-year quarter, which was characterized by ongoing destocking, the current quarter saw higher demand volumes in almost all markets. This positive development was only slowed by the fact that agrochemical demand volumes remained extremely weak. Nearly all business units significantly increased their sales volumes, pushing up sales by 4.7% overall. By contrast, the 3.9% reduction in sales prices, which was partly driven by raw material and energy prices, had a negative impact on sales. Shifts in exchange rates also had a slightly negative effect and reduced sales by 1.0% in total.

Effects on Sales

%	Q3 2024	9M 2024
Price	(3.9)	(6.4)
Volume	4.7	(0.5)
Currency	(1.0)	(0.6)
	(0.2)	(7.5)

EBITDA Pre Exceptionals and Operating Result (EBIT)

At €173 million, the operating result before depreciation, amortization, write-downs and reversals (EBITDA) pre exceptionals in the third quarter of 2024 was €54 million higher than the figure of €119 million in the same quarter of the previous year. Our Advanced Intermediates and Specialty Additives segments posted quarterly earnings well above last year's levels. Earnings were positively impacted by an improvement in the cost of sales compared to the prior year and higher capacity utilization, both of which had been negatively impacted by active inventory management in the previous year. In addition, cost savings from the FORWARD! action plan had a positive impact on earnings in all segments. However, the Consumer Protection segment reported an overall decrease in earnings, in particular as a result of the consistently extremely challenging agrochemical

environment and the weak demand volumes this entailed. All segments reported lower prices for raw materials and energy. Together with sustained price pressure from Asia in some areas of business, this resulted in lower selling prices. Higher volumes in many of our markets more than offset the significantly weaker demand from agrochemicals. Exchange rate changes had a negative effect on earnings performance at Group level. Please see the table below and "Segment Information" for details on the individual segments.

Cost savings under the FORWARD! action plan had a positive impact on virtually all functional cost areas. However, selling and distribution expenses increased by 3.8% to €221 million compared to the prior-year quarter, mainly volume driven. Research and development costs amounted to €27 million compared to €24 million in the same period of the previous year,

while general and administrative expenses fell to €68 million after €73 million in the same period of the previous year. The Group EBITDA margin pre exceptionals increased to 10.8% as against 7.4% in the prior-year quarter.

Compared to the same quarter of the previous year, depreciation, amortization and write-downs of intangible assets and property, plant and equipment decreased by €9 million or 6.1% to €139 million. The negative exceptionals of €12 million (net) included in the other operating result had a total impact on EBITDA of €10 million and related to expenses in connection with strategic IT projects, digitalization projects and M&A activities. In the prior-year quarter, negative exceptional items totaling €43 million were incurred, €36 million of which impacted EBITDA.

Financial Result

The financial result amounted to minus €22 million in the third quarter of 2024. In the prior-year quarter, the financial result was minus €77 million. Income from the investment accounted for using the equity method in Envalior GmbH, Cologne, Germany, and in Viance LLC, Wilmington, U.S., amounted to minus €36 million in total after minus €66 million in the previous year. LANXESS's net interest result was unchanged year-on-year at minus €12 million. The other financial result was €26 million as compared to €1 million in the prior-year quarter. This was mainly due to the valuation of the shareholder loan granted to Envalior.

Income Before Income Taxes

Income before income taxes improved to €2 million in the third quarter of 2024, up from minus €142 million in the same period of the previous year, mainly due to the positive development of operating earnings and income from investments accounted for using the equity method.

EBITDA Pre Exceptionals by Segment

€ million	Q3 2023	Q3 2024	Change in %	9M 2023	9M 2024	Change in %
Consumer Protection	84	71	(15.5)	260	200	(23.1)
Specialty Additives	33	61	84.8	168	179	6.5
Advanced Intermediates	30	68	> 100	97	163	68.0
All other segments	(28)	(27)	3.6	(110)	(87)	20.9
	119	173	45.4	415	455	9.6

Reconciliation of EBITDA Pre Exceptionals to EBIT

€ million	Q3 2023	Q3 2024	Change in %	9M 2023	9M 2024	Change in %
EBITDA pre exceptionals	119	173	45.4	415	455	9.6
Depreciation and amortization	(148)	(139)	6.1	(422)	(420)	0.5
Exceptional items in EBITDA	(36)	(10)	72.2	(80)	(40)	50.0
Operating result (EBIT)	(65)	24	> 100	(87)	(5)	94.3

Net Income/Earnings per Share/Adjusted Earnings per Share from Continuing Operations

Net Income and Earnings per Share

	Q3 2023	Q3 2024	9M 2023	9M 2024
Net income (€ million)	(131)	1	1,033¹⁾	(113)
from continuing operations (€ million)	(131)	1	(266)	(113)
from discontinued operations (€ million)	0	–	1,299 ¹⁾	–
Weighted average number of shares outstanding	86,346,303	86,346,303	86,346,303	86,346,303
Earnings per share (€)	(1.52)	0.01	11.96¹⁾	(1.31)
from continuing operations (€)	(1.52)	0.01	(3.08)	(1.31)
from discontinued operations (€)	0	–	15.04 ¹⁾	–

1) Prior-year figures restated.

Net income for the reporting period amounted to €1 million. In the prior-year quarter, net income was minus €131 million. It was fully attributable to continuing operations in each case.

Earnings per share are calculated by dividing net income by the weighted average number of LANXESS shares outstanding during the reporting period. Earnings per share amounted to €0.01, which was higher than the prior-year figure of

minus €1.52. These figures were fully attributable to continuing operations in each case.

We also calculate adjusted earnings per share from continuing operations, which are not defined by International Financial Reporting Standards. This value was calculated from the net income from continuing operations 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 from continuing operations for the earnings from equity-accounted investments for the reporting year and the previous year. The adjusted EPS from continuing operations amounted to €0.86 in the third quarter of 2024. In the prior-year period, adjusted earnings per share from continuing operations amounted to minus €0.01.

Reconciliation to Adjusted Earnings per Share from Continuing Operations

€ million	Q3 2023	Q3 2024	9M 2023	9M 2024
Net income from continuing operations	(131)	1	(266)	(113)
Exceptionals ¹⁾	43	12	89	45
Amortization of intangible assets ¹⁾	41	39	123	120
Income taxes ¹⁾	(20)	(14)	(52)	(43)
Income from investments accounted for using the equity method	66	36	143	109
Adjusted net income from continuing operations	(1)	74	37	118
Weighted average number of shares outstanding	86,346,303	86,346,303	86,346,303	86,346,303
Adjusted earnings per share from continuing operations (€)	(0.01)	0.86	0.43	1.37

1) Excluding items attributable to non-controlling interests.

BUSINESS DEVELOPMENT BY REGION

Group sales in the third quarter of 2024 amounted to €1,598 million, on a par with the prior-year period. In the same quarter of the previous year, sales amounted to €1,601 million. The business contraction in the Americas region was offset by the positive development in the other regions.

Sales by Market

	Q3 2023		Q3 2024		Change	9M 2023		9M 2024		Change
	€ million	%	€ million	%	%	€ million	%	€ million	%	%
EMEA (Excluding Germany)	443	27.7	467	29.2	5.4	1,563	29.6	1,474	30.2	(5.7)
Germany	252	15.7	260	16.3	3.2	879	16.7	808	16.6	(8.1)
Americas	600	37.5	544	34.0	(9.3)	1,837	34.8	1,667	34.1	(9.3)
Asia-Pacific	306	19.1	327	20.5	6.9	999	18.9	934	19.1	(6.5)
	1,601	100.0	1,598	100.0	(0.2)	5,278	100.0	4,883	100.0	(7.5)

SEGMENT INFORMATION

Consumer Protection

	Q3 2023		Q3 2024		Change	9M 2023		9M 2024		Change
	€ million	Margin %	€ million	Margin %		%	€ million	Margin %	€ million	
Sales	581		521		(10.3)	1,832		1,591		(13.2)
EBITDA pre exceptionals	84	14.5	71	13.6	(15.5)	260	14.2	200	12.6	(23.1)
EBITDA	84	14.5	71	13.6	(15.5)	258	14.1	200	12.6	(22.5)
Operating result (EBIT) pre exceptionals	33	5.7	27	5.2	(18.2)	117	6.4	63	4.0	(46.2)
Operating result (EBIT)	33	5.7	27	5.2	(18.2)	115	6.3	63	4.0	(45.2)
Cash outflows for capital expenditures	17		24		41.2	53		53		0.0
Depreciation and amortization	51		44		(13.7)	143		137		(4.2)
Employees as of Sep. 30 (previous year: as of Dec. 31)	3,555		3,469		(2.4)	3,555		3,469		(2.4)

In our **Consumer Protection** segment, sales amounted to €521 million in the third quarter of 2024, down 10.3% on the previous year's figure. This was particularly due to lower sales volumes in the Saltigo business unit, which essentially resulted from continued extremely weak demand from our agrochemicals customers. All other business units achieved higher sales volumes than in the same quarter of the previous year, though plant availability in the Flavors & Fragrances business unit was still impacted by the limited supply of steam on account of production difficulties experienced by a supplier. At segment level, lower sales volumes led to a drop in sales of 5.1% overall.

Lower procurement prices for raw materials and energy resulted in lower selling prices, which reduced segment sales by 3.8%. The development of exchange rates also had a negative impact on all business units and led to an overall drop in sales of 1.4% at segment level. Sales in the Germany region were above the level of the prior-year quarter, while sales in all other regions were down year-on-year.

At €71 million, EBITDA pre exceptionals in the Consumer Protection segment was €13 million or 15.5% below the figure of €84 million in the same period of the previous year. Earnings

and margins were particularly affected by weak demand from agrochemicals. This was only partially offset by higher sales volumes in the other areas and cost savings from the FORWARD! action plan. Currency movements also had a negative impact on earnings. Lower procurement prices for raw materials and energy were reflected in lower selling prices. The EBITDA margin pre exceptionals came in at 13.6% as against 14.5% in the prior-year period.

Specialty Additives

	Q3 2023		Q3 2024		Change	9M 2023		9M 2024		Change
	€ million	Margin %	€ million	Margin %		€ million	Margin %	€ million	Margin %	
Sales	549		550		0.2	1,833		1,684		(8.1)
EBITDA pre exceptionals	33	6.0	61	11.1	84.8	168	9.2	179	10.6	6.5
EBITDA	33	6.0	61	11.1	84.8	168	9.2	179	10.6	6.5
Operating result (EBIT) pre exceptionals	(13)	(2.4)	15	2.7	> 100	32	1.7	38	2.3	18.8
Operating result (EBIT)	(13)	(2.4)	15	2.7	> 100	32	1.7	38	2.3	18.8
Cash outflows for capital expenditures	29		25		(13.8)	77		63		(18.2)
Depreciation and amortization	46		46		0.0	136		141		3.7
Employees as of Sep. 30 (previous year: as of Dec. 31)	2,945		2,987		1.4	2,945		2,987		1.4

Sales in our **Specialty Additives** segment amounted to €550 million in the third quarter of 2024, on par with the prior-year figure of €549 million. Higher volumes across all business units led to an overall 5.7% increase in segment sales compared to the weak prior-year quarter. Demand remained low, particularly in the construction industry. All business units reported lower selling prices, which was mainly driven by lower prices for raw materials and energy. This resulted in an overall 4.4% decline in sales at segment level. Exchange rate changes

also had a negative effect on all business units and reduced the segment's sales by 1.1%. Sales were above the level of the prior-year quarter in the Asia-Pacific and EMEA regions (excluding Germany) and below it in the other regions.

EBITDA pre exceptionals in the Specialty Additives segment increased by €28 million or 84.8% to €61 million in the third quarter. In particular, our improved cost position – which was due in part to the impact of active inventory management on

the prior-year figure, as well as higher capacity utilization and cost savings under the FORWARD! action plan – had a positive effect on earnings and margin performance. Earnings also benefited from positive sales volumes in all end markets other than construction. Exchange rate changes had a negative impact on earnings. All business units reported lower selling prices primarily on account of passing on lower prices for raw materials and energy. Nevertheless, the EBITDA margin pre exceptionals amounted to 11.1% as against 6.0% in the prior-year quarter.

Advanced Intermediates

	Q3 2023		Q3 2024		Change	9M 2023		9M 2024		Change
	€ million	Margin %	€ million	Margin %		€ million	Margin %	€ million	Margin %	
Sales	403		455		12.9	1,403		1,398		(0.4)
EBITDA pre exceptionals	30	7.4	68	14.9	> 100	97	6.9	163	11.7	68.0
EBITDA	30	7.4	71	15.6	> 100	95	6.8	167	11.9	75.8
Operating result (EBIT) pre exceptionals	1	0.2	41	9.0	> 100	15	1.1	80	5.7	> 100
Operating result (EBIT)	(4)	(1.0)	43	9.5	> 100	8	0.6	82	5.9	> 100
Cash outflows for capital expenditures	18		21		16.7	51		50		(2.0)
Depreciation and amortization	34		28		(17.6)	87		85		(2.3)
Employees as of Sep. 30 (previous year: as of Dec. 31)	2,941		2,810		(4.5)	2,941		2,810		(4.5)

Sales in our **Advanced Intermediates** segment rose by 12.9% year-on-year to €455 million in the third quarter of 2024. The increase in sales was primarily due to positive sales volume development in both of the segment’s business units. Compared to the very weak prior-year quarter, there was a positive volume effect of 16.1% at segment level. A persistently difficult market environment and lower purchase prices for raw materials and energy resulted in lower sales prices for both business units in the segment, which had a negative effect on sales of 3.0% at segment level. Sales in all regions were above the level of the prior-year quarter.

EBITDA pre exceptionals in the Advanced Intermediates segment was well above the weak prior-year figure of €30 million, rising by 126.7% to €68 million. Higher capacity utilization due to increased sales volumes and cost savings from the FORWARD! action plan had a particularly positive impact on earnings and margins compared to the third quarter of the previous year. Lower price levels for raw materials and energy resulted in lower sales prices. The EBITDA margin pre exceptionals climbed to 14.9% after 7.4% in the prior-year quarter.

In the third quarter, the segment reported positive EBITDA exceptionals of €3 million and negative EBITDA exceptionals of €1 million from the impairment of property, plant and equipment. There were no exceptional items in the segment in the prior-year quarter. Please see “Notes on EBIT and EBITDA (Pre Exceptionals)” for details.

All Other Segments

	Q3 2023	Q3 2024	Change	9M 2023	9M 2024	Change
	€ million	€ million	%	€ million	€ million	%
Sales	68	72	5.9	210	210	0.0
EBITDA pre exceptionals	(28)	(27)	3.6	(110)	(87)	20.9
EBITDA	(64)	(40)	37.5	(186)	(131)	29.6
Operating result (EBIT) pre exceptionals	(43)	(47)	(9.3)	(162)	(141)	13.0
Operating result (EBIT)	(81)	(61)	24.7	(242)	(188)	22.3
Cash outflows for capital expenditures	4	3	(25.0)	13	8	(38.5)
Depreciation and amortization	17	21	23.5	56	57	1.8
Employees as of Sep. 30 (previous year: as of Dec. 31)	3,408	3,121	(8.4)	3,408	3,121	(8.4)

The sales reported in **All other segments** for the third quarter of the fiscal year and the prior-year period mainly relate to the activities of the Urethane Systems business unit. EBITDA pre exceptionals came to minus €27 million in the third quarter of 2024 as compared to minus €28 million in the previous year and resulted mainly from expenses for the business activities of the corporate functions. Net negative exceptional items

of €14 million were incurred in the third quarter, €13 million of which impacted EBITDA. The exceptionals were primarily attributable to expenses in connection with strategic IT projects, digitalization projects and M&A activities. In the same period of the previous year, there were negative exceptionals of €38 million, €36 million of which impacted EBITDA. 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 earnings 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 should be seen as supplementary to the data prepared according to IFRS; they are not a substitute.

Reconciliation to EBIT/EBITDA

€ million	EBIT Q3 2023	EBIT Q3 2024	EBITDA Q3 2023	EBITDA Q3 2024	EBIT 9M 2023	EBIT 9M 2024	EBITDA 9M 2023	EBITDA 9M 2024
EBIT/EBITDA pre exceptionals	(22)	36	119	173	2	40	415	455
Consumer Protection	0	0	0	0	(2)	0	(2)	0
Strategic realignment	-	-	-	-	(2)	0	(2)	0
Specialty Additives	0	-	0	-	0	0	0	0
Advanced Intermediates	(5)	2	0	3	(7)	2	(2)	4
FORWARD!	-	2	-	3	-	1	-	3
Strategic realignment	-	0	-	0	-	1	-	1
Adjustment of the production network	(5)	0	-	0	(7)	0	(2)	0
All other segments	(38)	(14)	(36)	(13)	(80)	(47)	(76)	(44)
FORWARD!	(10)	0	(10)	0	(10)	(5)	(10)	(5)
Strategic IT projects (SAP S/4HANA and other IT applications)	(10)	(7)	(9)	(7)	(26)	(18)	(25)	(18)
Digitalization, M&A expenses and other	(18)	(7)	(17)	(6)	(44)	(24)	(41)	(21)
Total exceptional items	(43)	(12)	(36)	(10)	(89)	(45)	(80)	(40)
EBIT/EBITDA	(65)	24	83	163	(87)	(5)	335	415

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, as well as 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 connection, 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 process, targets are set for this benchmark of our company's success, which are then 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 a relative indicator to compare earnings 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 €9,448 million as of September 30, 2024. This was down €217 million or 2.2% on the figure of €9,665 million as of December 31, 2023. The increase in current assets from €2,909 million as of December 31, 2023 to €3,329 million is mainly due to the first-time classification of the Urethane Systems business unit as held for sale. In accordance with IFRS 5, its assets and liabilities were reclassified to the current items "Assets held for sale" and "Liabilities related to assets held for sale". This reclassification mainly related to property, plant and equipment, intangible assets, and working capital.

At €1,695 million, current liabilities were up €521 million compared to December 31, 2023, mainly due to the reclassification of a Eurobond maturing in May 2025 from non-current financial liabilities. Equity decreased by €129 million compared with December 31, 2023, to €4,378 million. The equity ratio at the end of the third quarter was 46.3%, after 46.6% as of December 31, 2023.

Financial Position

Changes in the Statement of Cash Flows

The net cash inflow from operating activities totaled €156 million in the first nine months of 2024 as compared to a net cash inflow from continuing operations of €628 million in the same period of the previous year. Income before income taxes improved from minus €286 million to minus €129 million. In the reporting period, this was adjusted for non-cash income from investments accounted for using the equity method of minus €109, compared to minus €143 million in the same period of the previous year. Furthermore, non-cash depreciation, amortization and write-downs of intangible assets and property, plant and equipment amounted to €420 million in the reporting period, which was on par with the prior-year period. The change in net working capital resulted in a net cash outflow of €158 million as against a net cash inflow of €398 million in the same period of the previous year. The net cash outflow was mainly driven by higher trade receivables resulting from the increase in sales compared to the fourth quarter of 2023. Higher inventories also contributed to the increase in net working capital. Income taxes paid led to a net cash outflow of €31 million as against €37 million in the same period of the previous year.

Investing activities resulted in a net cash inflow of €50 million in the first nine months of 2024 as compared to a net cash inflow from continuing operations of €622 million in the same period of the previous year. The net cash inflow in the reporting period was essentially due to proceeds from financial assets and other assets held for investment purposes, which primarily resulted from the disposal of shares of money market funds that can be sold at any time. In the same period of the previous year, there were significant effects from the proceeds in connection with the formation of Envalor and the direct reinvestment in money market funds that can be sold at any time. Cash outflows for the acquisition of intangible assets and property, plant and equipment resulted in a net cash outflow of €174 million as against €194 million in the first nine months of the previous year.

Financing activities resulted in a net cash outflow of €67 million in the reporting period compared with a net cash outflow from continuing operations of €1,420 million in the first nine months of 2023. The net cash outflow in the reporting period essentially resulted from the repayment of lease liabilities, interest payments and other financial payments as well as the dividend distribution of €9 million to LANXESS's shareholders. The net cash used in the prior-year period year was due in particular to the repayment of various bilateral money market loans and the repayment of the hybrid bond of €500 million utilizing the first redemption option.

Financing and Liquidity

Net financial liabilities totaled €2,572 million as of September 30, 2024 compared with €2,498 million as of December 31, 2023. LANXESS's liquidity position remains sound overall. It is secured in particular by undrawn credit lines of around €1.6 billion. These include the €800 million sustainability-linked revolving credit line newly arranged in September 2024, which replaced the existing facility ahead of schedule and has a basic term until September 2029 and two one-year extension options.

Net Financial Liabilities

€ million	Dec. 31, 2023	Sep. 30, 2024
Non-current financial liabilities	2,938	2,427
Current financial liabilities	72	586
Less		
Liabilities for accrued interest	(16)	(18)
Cash and cash equivalents	(146)	(283)
Near-cash assets	(350)	(140)
Net financial liabilities	2,498	2,572

Provisions for pensions and other post-employment benefits totaled €439 million as of September 30, 2024, compared with €498 million as of December 31, 2023. This decrease was mainly due to a slight increase in the interest rates used for discounting.

OUTLOOK

The economic situation in our customer industries still failed to universally and consistently recover in the third quarter of 2024. While volume demand is slightly higher in individual markets, as opposed to the previous year's distinct efforts to reduce inventory levels, the situation is still particularly unsatisfactory in the agrochemical and construction markets.

The unstable geopolitical situation, in particular driven by the ongoing conflict in Ukraine, tension in the Middle East and persistent populist and protectionist trends, makes future developments difficult to predict and remains a key source of uncertainty for the global economy. Although demand volumes have bounced back slightly overall as compared to the end of 2023, they remain volatile and the economic recovery is taking longer to emerge.

Thanks to the savings activities initiated in conjunction with our FORWARD! action plan and improved capacity utilization, we anticipate that earnings will rise by 10% to 20% compared to adjusted EBITDA pre exceptionals for 2023, which amounted to €512 million.

FINANCIAL DATA

as of September 30, 2024

STATEMENT OF FINANCIAL POSITION LANXESS GROUP

€ million	Dec. 31, 2023	Sep. 30, 2024
ASSETS		
Intangible assets	2,721	2,420
Property, plant and equipment	2,620	2,372
Investments accounted for using the equity method	845	730
Investments in other affiliated companies	14	11
Non-current derivative assets	10	3
Other non-current financial assets	262	287
Non-current income tax receivables	60	58
Deferred taxes	165	177
Other non-current assets	59	61
Non-current assets	6,756	6,119
Inventories	1,360	1,351
Trade receivables	613	672
Cash and cash equivalents	146	283
Near-cash assets	350	140
Current derivative assets	13	10
Other current financial assets	215	226
Current income tax receivables	41	28
Other current assets	171	220
Assets held for sale	–	399
Current assets	2,909	3,329
Total assets	9,665	9,448

€ million	Dec. 31, 2023	Sep. 30, 2024
EQUITY AND LIABILITIES		
Capital stock and capital reserves	1,317	1,317
Other reserves	3,027	3,516
Net income (loss)	443	(113)
Other equity components	(286)	(348)
Equity attributable to non-controlling interests	6	6
Equity	4,507	4,378
Provisions for pensions and other post-employment benefits	498	439
Other non-current provisions	299	292
Non-current derivative liabilities	0	0
Other non-current financial liabilities	2,938	2,427
Non-current income tax liabilities	17	17
Other non-current liabilities	38	30
Deferred taxes	194	170
Non-current liabilities	3,984	3,375
Other current provisions	338	340
Trade payables	584	567
Current derivative liabilities	17	4
Other current financial liabilities	72	586
Current income tax liabilities	42	38
Other current liabilities	121	124
Liabilities related to assets held for sale	–	36
Current liabilities	1,174	1,695
Total equity and liabilities	9,665	9,448

INCOME STATEMENT LANXESS GROUP

€ million	Q3 2023	Q3 2024	9M 2023	9M 2024
Sales	1,601	1,598	5,278	4,883
Cost of sales	(1,312)	(1,249)	(4,242)	(3,890)
Gross profit	289	349	1,036	993
Selling expenses	(213)	(221)	(729)	(674)
Research and development expenses	(24)	(27)	(76)	(82)
General administration expenses	(73)	(68)	(215)	(199)
Other operating income	17	25	48	63
Other operating expenses	(61)	(34)	(151)	(106)
Operating result (EBIT)	(65)	24	(87)	(5)
Income from investments accounted for using the equity method	(66)	(36)	(143)	(109)
Interest income	1	1	7	4
Interest expense	(13)	(13)	(59)	(36)
Other financial income and expense	1	26	(4)	17
Financial result	(77)	(22)	(199)	(124)
Income before income taxes	(142)	2	(286)	(129)
Income taxes	11	0	20	17
Income after income taxes from continuing operations	(131)	2	(266)	(112)
Income after income taxes from discontinued operations	0	-	1,299¹⁾	-
Income after income taxes	(131)	2	1,033¹⁾	(112)
of which attributable to non-controlling interests	0	1	0	1
of which attributable to LANXESS AG stockholders (net income)	(131)	1	1,033 ¹⁾	(113)
Earnings per share (basic/diluted) (€)				
from continuing operations	(1.52)	0.01	(3.08)	(1.31)
from discontinued operations	0	-	15.04 ¹⁾	-
from continuing and discontinued operations	(1.52)	0.01	11.96 ¹⁾	(1.31)

1) Prior-year figures restated.

STATEMENT OF COMPREHENSIVE INCOME LANXESS GROUP

€ million	Q3 2023	Q3 2024	9M 2023	9M 2024
Income after income taxes	(131)	2	1,033¹⁾	(112)
Items that will not be reclassified subsequently to profit or loss				
Remeasurements of the net defined benefit liability for post-employment benefit plans	90	(8)	83	77
Financial instruments fair value measurement	(9)	3	(1)	(2)
Other comprehensive income (net of income tax) attributable to investments accounted for using the equity method	-	0	-	0
Income taxes	(24)	1	(25)	(22)
	57	(4)	57	53
Items that may be reclassified subsequently to profit or loss if specific conditions are met				
Exchange differences on translation of operations outside the eurozone	114	(190)	64	(58)
Financial instruments fair value measurement	(11)	7	(6)	(4)
Financial instruments cost of hedging	(1)	0	0	(1)
Other comprehensive income (net of income tax) attributable to investments accounted for using the equity method	(14)	3	(19)	(4)
Income taxes	3	(2)	2	1
	91	(182)	41	(66)
Other comprehensive income, net of income tax	148	(186)	98	(13)
Total comprehensive income	17	(184)	1,131¹⁾	(125)
of which attributable to non-controlling interests	0	0	0	0
of which attributable to LANXESS AG stockholders	17	(184)	1,131 ¹⁾	(125)
Total comprehensive income attributable to LANXESS AG stockholders	17	(184)	1,131¹⁾	(125)
from continuing operations	17	(184)	(175)	(125)
from discontinued operations	-	-	1,306 ¹⁾	-

1) Prior-year figures restated.

STATEMENT OF CHANGES IN EQUITY LANXESS GROUP

€ million	Capital stock	Capital reserves	Other reserves	Net income (loss)	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, 2022	86	1,231	2,955	250	(103)	3	(1)	4,421	6	4,427
Allocations to retained earnings			250	(250)				0		0
Dividend payments			(91)					(91)	0	(91)
Total comprehensive income ¹⁾			58	1,033	45	(5)	0	1,131	0	1,131
Income after income taxes ¹⁾				1,033				1,033	0	1,033
Other comprehensive income, net of income tax			58		45	(5)	0	98	0	98
Sep. 30, 2023	86	1,231	3,172	1,033	(58)	(2)	(1)	5,461	6	5,467
Dec. 31, 2023	86	1,231	3,027	443	(287)	1	0	4,501	6	4,507
Allocations to retained earnings			443	(443)				0		0
Dividend payments			(9)					(9)	0	(9)
Total comprehensive income			55	(113)	(62)	(5)	(1)	(126)	0	(126)
Income after income taxes				(113)				(113)	1	(112)
Other comprehensive income, net of income tax			55		(62)	(5)	(1)	(13)	(1)	(14)
Other changes			0		2	4		6		6
Sep. 30, 2024	86	1,231	3,516	(113)	(347)	-	(1)	4,372	6	4,378

1) Prior-year figures restated.

STATEMENT OF CASH FLOWS LANXESS GROUP

€ million	Q3 2023	Q3 2024	9M 2023	9M 2024
Income before income taxes	(142)	2	(286)	(129)
Amortization, depreciation and write-downs of intangible assets and property, plant and equipment	148	139	422	420
Gains on disposals of intangible assets and property, plant and equipment	0	0	(1)	(1)
Income from investments accounted for using the equity method	66	36	143	109
Financial losses (gains)	5	(13)	44	3
Income taxes paid	(5)	(14)	(37)	(31)
Changes in inventories	194	(40)	350	(65)
Changes in trade receivables	101	56	164	(102)
Changes in trade payables	(20)	(52)	(116)	9
Changes in other assets and liabilities	43	(55)	(55)	(57)
Net cash provided by operating activities – continuing operations	390	59	628	156
Net cash used in operating activities – discontinued operations	0	–	(11)	–
Net cash provided by operating activities – total	390	59	617	156
Cash outflows for purchases of intangible assets and property, plant and equipment	(68)	(73)	(194)	(174)
Cash inflows from sales of intangible assets and property, plant and equipment	0	0	2	1
Cash outflows for financial and other assets held for investment purposes	(123)	0	(1,718)	(125)
Cash inflows from financial and other assets held for investment purposes	1	171	1,329	342
Cash inflows from the sale of subsidiaries and other businesses, less divested cash and cash equivalents	–	–	1,194	–

€ million	Q3 2023	Q3 2024	9M 2023	9M 2024
Interest and dividends received	4	3	9	6
Net cash used in (provided by) investing activities – continuing operations	(186)	101	622	50
Net cash used in investing activities – discontinued operations	–	–	(6)	–
Net cash used in (provided by) investing activities – total	(186)	101	616	50
Proceeds from borrowings	14	14	381	16
Repayments of borrowings	(215)	(14)	(1,652)	(44)
Interest paid and other financial disbursements	(4)	(3)	(58)	(30)
Dividend payments	0	0	(91)	(9)
Net cash (used in) financing activities – continuing operations	(205)	(3)	(1,420)	(67)
Net cash used in financing activities – discontinued operations	–	–	(1)	–
Net cash used in financing activities – total	(205)	(3)	(1,421)	(67)
Change in cash and cash equivalents – continuing operations	(1)	157	(170)	139
Change in cash and cash equivalents – discontinued operations	0	–	(18)	–
Change in cash and cash equivalents – total	(1)	157	(188)	139
Cash and cash equivalents at beginning of period – total	169	131	360	146
Exchange differences and other changes in cash and cash equivalents – total	2	(5)	(2)	(2)
Cash and cash equivalents at end of period – total	170	283	170	283

BUSINESS UNIT KEY DATA

Key Data by Segment Third Quarter

€ million	Consumer Protection		Specialty Additives		Advanced Intermediates		All other segments		LANXESS	
	Q3 2023	Q3 2024	Q3 2023	Q3 2024	Q3 2023	Q3 2024	Q3 2023	Q3 2024	Q3 2023	Q3 2024
External sales	581	521	549	550	403	455	68	72	1,601	1,598
Inter-segment sales	16	20	2	2	11	10	(29)	(32)	0	0
Segment/Group sales	597	541	551	552	414	465	39	40	1,601	1,598
Segment result/EBITDA pre exceptionals	84	71	33	61	30	68	(28)	(27)	119	173
EBITDA margin pre exceptionals (%)	14.5	13.6	6.0	11.1	7.4	14.9			7.4	10.8
EBITDA	84	71	33	61	30	71	(64)	(40)	83	163
EBIT pre exceptionals	33	27	(13)	15	1	41	(43)	(47)	(22)	36
EBIT	33	27	(13)	15	(4)	43	(81)	(61)	(65)	24
Segment capital expenditures	22	26	33	28	22	23	6	5	83	82
Depreciation and amortization	51	44	46	46	34	28	17	21	148	139

Key Data by Segment First Nine Months

€ million	Consumer Protection		Specialty Additives		Advanced Intermediates		All other segments		LANXESS	
	9M 2023	9M 2024	9M 2023	9M 2024	9M 2023	9M 2024	9M 2023	9M 2024	9M 2023	9M 2024
External sales	1,832	1,591	1,833	1,684	1,403	1,398	210	210	5,278	4,883
Inter-segment sales	61	57	11	6	34	27	(106)	(90)	0	0
Segment/Group sales	1,893	1,648	1,844	1,690	1,437	1,425	104	120	5,278	4,883
Segment result/EBITDA pre exceptionals	260	200	168	179	97	163	(110)	(87)	415	455
EBITDA margin pre exceptionals (%)	14.2	12.6	9.2	10.6	6.9	11.7			7.9	9.3
EBITDA	258	200	168	179	95	167	(186)	(131)	335	415
EBIT pre exceptionals	117	63	32	38	15	80	(162)	(141)	2	40
EBIT	115	63	32	38	8	82	(242)	(188)	(87)	(5)
Segment capital expenditures	64	66	84	70	60	58	29	11	237	205
Depreciation and amortization	143	137	136	141	87	85	56	57	422	420
Employees as of Sep. 30 (previous year: as of Dec. 31)	3,555	3,469	2,945	2,987	2,941	2,810	3,408	3,121	12,849	12,387

Financial Calendar 2024/2025

NOV

NOVEMBER 7, 2024

Quarterly Statement
Q3 2024
Conference Call

DEC

JAN

FEB

MARCH

MARCH 20, 2025

Annual Report
Operating results 2024
Conference Call

APR

MAY

MAY 8, 2025

Quarterly Statement
Q1 2025
Conference Call

MAY 22, 2025

Annual Stockholders' Meeting

JUNE

JULY

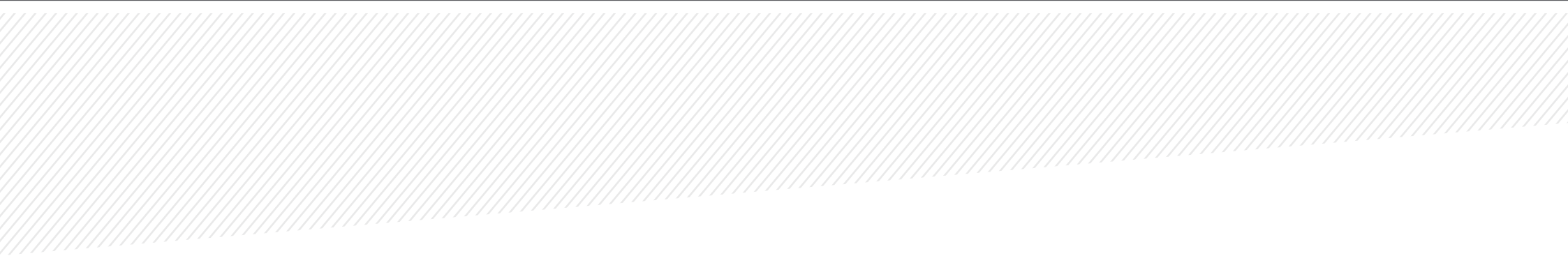
AUG

AUGUST 14, 2025

Half-Year Financial Report
H1 2025
Conference Call

SEP

OCT



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