

2022

# QUARTERLY STATEMENT

as of March 31, 2022

## LANXESS Group Key Data

€ million	Q1 2021	Q1 2022	Change %
Sales	1,693	2,432	43.7
Gross profit	427	567	32.8
Gross profit margin	25.2%	23.3%	
EBITDA pre exceptionals <sup>1)</sup>	242	320	32.2
EBITDA margin pre exceptionals <sup>1)</sup>	14.3%	13.2%	
EBITDA <sup>1)</sup>	215	295	37.2
EBIT pre exceptionals <sup>1)</sup>	125	182	45.6
EBIT <sup>1)</sup>	98	156	59.2
EBIT margin <sup>1)</sup>	5.8%	6.4%	
Net income <sup>2)</sup>	63	98	55.6
Earnings per share (€) <sup>2)</sup>	0.73	1.13	54.8
Earnings per share adjusted for exceptional items and amortization of intangible assets (€) <sup>2)3)</sup>	1.17	1.63	39.3
Cash flow from operating activities – continuing operations	33	(177)	< (100)
Depreciation and amortization	117	139	18.8
Cash outflows for capital expenditures	70	63	(10.0)
Total assets	10,518 <sup>6)</sup>	11,720	11.4
Equity (including non-controlling interests)	3,762 <sup>6)</sup>	4,074	8.3
Equity ratio <sup>4)</sup>	35.8% <sup>6)</sup>	34.8%	
Provisions for pensions and other post-employment benefits	877 <sup>6)</sup>	748	(14.7)
Net financial liabilities <sup>5)</sup>	2,345 <sup>6)</sup>	2,501	6.7
Net financial liabilities after deduction of short-term money market investments and securities <sup>5)</sup>	2,245 <sup>6)</sup>	2,501	11.4
Employees (as of March 31)	14,866 <sup>6)</sup>	14,886	0.1

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.

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

2) Prior-year figure from continuing operations.

3) Earnings per share adjusted for exceptional items and amortization of intangible assets: earnings per share disregarding exceptional charges and income, amortization of intangible assets and attributable tax effects. See "Net income/earnings per share/earnings per share adjusted for exceptional items and amortization of intangible assets" for details.

4) Equity ratio: equity in relation to total assets.

5) 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.

6) As of December 31, 2021.

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## QUARTERLY STATEMENT as of March 31, 2022

- › Sales and earnings in all segments considerably higher than the previous year's level in the first quarter
- › EBITDA pre exceptionals up 32% year-on-year to €320 million
- › Positive earnings contribution from acquired businesses
- › Increased raw material and energy costs passed on to customers
- › Earnings per share adjusted for exceptional items and amortization of intangible assets in the first quarter up by around 40% against the previous year
- › Guidance for fiscal year 2022 confirmed: EBITDA pre exceptionals up significantly from the previous year's figure of €1,010 million

## BUSINESS PERFORMANCE

### Sales

Sales of the LANXESS Group amounted to €2,432 million, up by €739 million, or 43.7%, against the previous year. The sales development was influenced in particular by significantly higher selling prices driven by raw material and energy prices. Overall, higher selling prices resulted in sales growth of 30.9%. The portfolio changes had a positive effect on sales at Group level, primarily due to the contribution from the U.S. company Emerald Kalama Chemical acquired at the beginning of August 2021. Overall, there was a positive portfolio effect of 7.5% at segment level. Shifts in exchange rates increased sales by 4.2% while higher volumes resulted in a 1.1% increase in sales.

### Effects on Sales

%	Q1 2022
Price	30.9
Volume	1.1
Currency	4.2
Portfolio	7.5
	<b>43.7</b>

### EBITDA and operating result (EBIT)

The operating result before depreciation, amortization, write-downs and reversals (EBITDA) pre exceptionals amounted to €320 million in the first quarter of 2022, considerably higher than the prior-year quarter. In the previous year, EBITDA pre exceptionals amounted to €242 million. All segments generally saw positive business development, which was weakened by a continuing difficult logistics situation and the associated sharp increase in freight costs. The significantly increased raw material and energy prices were passed on to the market via a successful increase of selling prices. A positive impact was made in particular by the contribution of the U.S. company Emerald Kalama Chemical, acquired in August, but also the other acquisitions. The change in exchange rates likewise had a positive effect in the segments. Please see the table below and "Segment Information" for details on the individual segments.

### EBITDA Pre Exceptionals by Segment

€ million	Q1 2021	Q1 2022	Change %
Advanced Intermediates	70	87	24.3
Specialty Additives	74	136	83.8
Consumer Protection	76	86	13.2
Engineering Materials	59	67	13.6
Reconciliation	(37)	(56)	(51.4)
	<b>242</b>	<b>320</b>	<b>32.2</b>

Prior-year figures restated.

Primarily due to higher freight costs, portfolio effects, and exchange rate effects, selling expenses rose by 32.2% to €275 million. Research and development costs amounted to €29 million, compared to €27 million in the prior-year period, while general administration expenses amounted to €78 million, compared to €73 million in the prior-year period, particularly due to portfolio effects. The Group EBITDA margin pre exceptionals came in at 13.2%, against 14.3% in the prior-year quarter.

Depreciation, amortization and write-downs rose by €22 million, or 18.8%, compared with the figure for the prior-year quarter to €139 million, primarily due to the acquisition of Emerald Kalama Chemical in August 2021. The depreciation, amortization and write-downs include write-downs of €3 million. Net negative exceptional items of €26 million included in other operating income and expenses affected EBITDA by a total of €25 million and resulted primarily from expenses in connection with strategic IT projects, digitalization projects, and M&A and integration activities relating to the recently completed and agreed acquisitions. In the prior-year quarter, the operating result included negative exceptional items totaling €27 million.

#### Reconciliation of EBITDA Pre Exceptionals to EBIT

€ million	Q1 2021	Q1 2022	Change %
<b>EBITDA pre exceptionals</b>	<b>242</b>	<b>320</b>	<b>32.2</b>
Depreciation and amortization	(117)	(139)	(18.8)
Exceptional items in EBITDA	(27)	(25)	7.4
<b>Operating result (EBIT)</b>	<b>98</b>	<b>156</b>	<b>59.2</b>

### Financial result

The financial result for the first quarter of 2022 amounted to minus €22 million, compared with minus €13 million for the prior-year period. The net interest result was minus €16 million, compared with minus €15 million in the prior-year quarter. The other financial result was minus €6 million, compared with €2 million in the prior-year quarter.

### Income before income taxes

In the first quarter of 2022, income before income taxes came to €134 million, against €85 million for the prior-year period. The effective tax rate was 26.9%, compared with 25.9% for the prior-year quarter.

### Net income/earnings per share/earnings per share adjusted for exceptional items and amortization of intangible assets

Net income for the reporting period amounted to €98 million. In the prior-year quarter, net income from continuing operations amounted to €63 million. The increase in earnings resulted primarily from the good development of the operating businesses and the contribution from the acquired business of Emerald Kalama Chemical. 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 €1.13, which was higher than the prior-year figure from continuing operations of €0.73. We also calculate earnings per share pre exceptionals and amortization of intangible assets, which are not defined by International Financial Reporting Standards. This value was calculated from the earnings per share adjusted for exceptional items, amortization of intangible assets and attributable tax effects.

Earnings per share pre exceptionals and amortization of intangible assets were €1.63 in the first quarter of 2022. In the prior-year period, earnings per share from continuing operations adjusted for exceptional items and amortization of intangible assets had amounted to €1.17.

#### Reconciliation to Earnings per Share from Continuing Operations Adjusted for Exceptional Items and Amortization of Intangible Assets

€ million	Q1 2021	Q1 2022
<b>Net income<sup>1)</sup></b>	<b>63</b>	<b>98</b>
Exceptional items <sup>2)</sup>	27	26
Amortization of intangible assets/reversals of impairment charges <sup>2)</sup>	25	33
Income taxes <sup>2)</sup>	(14)	(16)
<b>Net income adjusted for exceptional items and amortization of intangible assets<sup>1)</sup></b>	<b>101</b>	<b>141</b>
Weighted average number of shares outstanding	86,346,303	86,346,303
<b>Earnings per share adjusted for exceptional items and amortization of intangible assets (€)<sup>1)</sup></b>	<b>1.17</b>	<b>1.63</b>

1) Prior-year figure from continuing operations

2) Excluding items attributable to non-controlling interests

## BUSINESS DEVELOPMENT BY REGION

Group sales in the first quarter of 2022 amounted to €2,432 million, up 43.7% on the previous year's figure of €1,693 million. All regions saw positive business development.

### Sales by Market

	Q1 2021		Q1 2022		Change
	€ million	%	€ million	%	
EMEA (excl. Germany)	535	31.6	828	34.0	54.8
Germany	320	18.9	433	17.8	35.3
North America	363	21.4	537	22.1	47.9
Latin America	89	5.3	146	6.0	64.0
Asia-Pacific	386	22.8	488	20.1	26.4
	<b>1,693</b>	<b>100.0</b>	<b>2,432</b>	<b>100.0</b>	<b>43.7</b>

## SEGMENT INFORMATION

### Advanced Intermediates

	Q1 2021		Q1 2022		Change
	€ million	Margin %	€ million	Margin %	
Sales	452		613		35.6
EBITDA pre exceptionals	70	15.5	87	14.2	24.3
EBITDA	70	15.5	87	14.2	24.3
Operating result (EBIT) pre exceptionals	43	9.5	59	9.6	37.2
Operating result (EBIT)	43	9.5	59	9.6	37.2
Cash outflows for capital expenditures	20		18		(10.0)
Depreciation and amortization	27		28		3.7
Employees as of March 31 (previous year: as of Dec. 31)	3,021		2,987		(1.1)

Prior-year figures restated in accordance with the organizational reassignment of the business with benzyl products from the Advanced Intermediates segment's Advanced Industrial Intermediates business unit to the Consumer Protection segment in 2021.

Our **Advanced Intermediates** segment recorded sales of €613 million in the first quarter of 2022, up 35.6%, or €161 million, compared to the prior-year period. The sales development was particularly influenced by the sharp rise in selling prices in both business units, which were above the previous year's level as much higher raw material and energy prices were passed on. Overall, there was a positive price effect on sales of 35.8% at segment level. Lower volumes resulted in a sales decline of 3.3%. Compared with a strong prior-year quarter, the Inorganic Pigments business unit saw lower volumes due to a difficult logistics situation. Shifts in exchange rates had a positive effect on both business units and increased the

segment's sales by 3.1% in total. Sales in all regions were above the level of the prior-year quarter.

EBITDA pre exceptionals in the Advanced Intermediates segment increased by 24.3% to €87 million, compared with the previous year's figure of €70 million. The significantly increased raw material and energy prices were passed on to the market in the first quarter. Lower sales volumes had a negative effect on earnings. Earnings for both business units were improved by advantageous currency effects. The EBITDA margin pre exceptionals was 14.2%, against 15.5% in the prior-year quarter.

### Specialty Additives

	Q1 2021		Q1 2022		Change
	€ million	Margin %	€ million	Margin %	
Sales	517		730		41.2
EBITDA pre exceptionals	74	14.3	136	18.6	83.8
EBITDA	72	13.9	136	18.6	88.9
Operating result (EBIT) pre exceptionals	33	6.4	92	12.6	> 100
Operating result (EBIT)	31	6.0	92	12.6	> 100
Cash outflows for capital expenditures	16		13		(18.8)
Depreciation and amortization	41		44		7.3
Employees as of March 31 (previous year: as of Dec. 31)	3,030		3,028		(0.1)

Sales in our **Specialty Additives** segment rose by 41.2% in the first quarter of 2022 to €730 million. Higher selling prices and generally improved demand resulted in positive sales development in all business units of the segment. Higher selling prices

increased sales by 22.4% at segment level. Compared with a weak prior-year quarter due to the coronavirus pandemic, the good demand in the Polymer Additives and Lubricant Additives business units in particular resulted in higher volumes and at segment level in volume-driven sales growth of 9.7%. Shifts in exchange rates, especially for the U.S. dollar, had a positive effect on all business units and increased sales in the segment by 5.8%. In addition, a positive sales contribution of 3.3% was made by the specialty chemicals business, integrated into the Polymer Additives business unit, of the U.S. company Emerald Kalama Chemical, which was acquired at the beginning of August 2021. Sales in all regions were above the level of the prior-year quarter.

In the first quarter, EBITDA pre exceptionals in the Specialty Additives segment rose significantly by €62 million or 83.8% to €136 million, compared with the prior-year quarter, which was negatively affected by weather-related shutdowns in the U.S. and the effects of the coronavirus pandemic. The strong earnings development resulted primarily from a catch-up effect relating to the pass-through of increased raw material and energy prices to customers. In addition, earnings were positively affected by good demand from the construction, oil and gas industries, an ongoing recovery in the aviation industry, and the associated increase in volumes in the Polymer Additives and Lubricant Additives business units in particular. Earnings were likewise improved by advantageous currency effects. The contribution from Emerald Kalama Chemical's specialty chemicals business, acquired at the beginning of August 2021, had a slightly positive effect on earnings. The EBITDA margin pre exceptionals increased to 18.6%, against 14.3% in the prior-year period.

No exceptional items that impacted EBITDA were attributable to the segment in the first quarter. In the previous year, negative exceptional items of €2 million were incurred in the operating result. Please see "Notes on EBIT and EBITDA (Pre Exceptionals)" for details.

### Consumer Protection

	Q1 2021		Q1 2022		Change
	€ million	Margin %	€ million	Margin %	
Sales	341		506		48.4
EBITDA pre exceptionals	76	22.3	86	17.0	13.2
EBITDA	76	22.3	85	16.8	11.8
Operating result (EBIT) pre exceptionals	55	16.1	49	9.7	(10.9)
Operating result (EBIT)	55	16.1	48	9.5	(12.7)
Cash outflows for capital expenditures	14		23		64.3
Depreciation and amortization	21		37		76.2
Employees as of March 31 (previous year: as of Dec. 31)	3,266		3,318		1.6

Prior-year figures restated in accordance with the organizational reassignment of the business with benzyl products from the Advanced Intermediates segment in 2021 and the reassignment of the business of LANXESS Distribution GmbH, Leverkusen, Germany, from the Reconciliation segment to the Flavors & Fragrances business unit as of January 1, 2022.

In our **Consumer Protection** segment, sales amounted to €506 million in the reporting quarter of 2022, up 48.4% from the prior-year level. This was particularly attributable to the sales of the Flavors & Fragrances business unit, which includes the business with specialty chemicals for the consumer goods sector of U.S. company Emerald Kalama Chemical, which was acquired at the beginning of August 2021. The other businesses acquired in the past twelve months also had a positive effect on sales. Overall, there was a positive portfolio effect of 32.0% at segment level. All business units achieved higher selling prices, which pushed up sales by 17.6%. The Material Protection Products business unit also achieved slightly higher sales volumes. The segment's other business units posted lower sales volumes. At segment level, lower volumes resulted in a sales decline of 3.8%. Shifts in exchange rates had a positive effect in all business units and overall had a positive influence of 2.6% on sales at segment level. Sales in all regions were above the level of the prior-year quarter.

EBITDA pre exceptionals in the Consumer Protection segment increased by €10 million, or 13.2%, compared with the prior-year level of €76 million. A positive earnings contribution resulted from the integration of the business with specialty chemicals for the consumer goods sector of U.S. company Emerald Kalama Chemical, which was acquired at the beginning of August 2021, into the Flavors & Fragrances business unit. The other businesses acquired in the past twelve months also had a positive effect on earnings. The mostly lower sales volumes, due partly to a generally difficult logistics situation, had a negative impact on earnings. In contrast, the change in exchange rates had a positive influence on earnings development. The EBITDA margin pre exceptionals was 17.0%, against 22.3% in the prior-year period.

The segment recorded negative exceptional items of €1 million in the first quarter, which impacted EBITDA and primarily related to the strategic realignment of the specialty chemicals business and the associated integration of Emerald Kalama Chemical. No exceptional items were attributable to the segment result in the prior-year quarter. Please see “Notes on EBIT and EBITDA (Pre Exceptionals)” for details.

### Engineering Materials

	Q1 2021		Q1 2022		Change
	€ million	Margin %	€ million	Margin %	%
Sales	377		576		52.8
EBITDA pre exceptionals	59	15.6	67	11.6	13.6
EBITDA	59	15.6	67	11.6	13.6
Operating result (EBIT) pre exceptionals	42	11.1	49	8.5	16.7
Operating result (EBIT)	42	11.1	49	8.5	16.7
Cash outflows for capital expenditures	10		5		(50.0)
Depreciation and amortization	17		18		5.9
Employees as of March 31 (previous year: as of Dec. 31)	2,264		2,293		1.3

Sales in our **Engineering Materials** segment rose by a significant 52.8% year-on-year in the first quarter of 2022 to €576 million. The sales development was particularly influenced by the sharp rise in selling prices, which were above the previous year's level as much higher raw material and energy prices were passed on, especially in the High Performance Materials business unit. 49.1% of the significant sales increase resulted from increased prices. The change in exchange rates had a positive influence on both business units and increased the segment's sales by 4.8%. Sales volumes in the two business units were slightly below the previous year's level. Sales in all regions were above the level of the prior-year quarter.

EBITDA pre exceptionals in the Engineering Materials segment increased by €8 million, or 13.6%, to €67 million. Sharply increased procurement prices for raw materials and energy

were passed on to the market. Shifts in exchange rates had a positive influence on earnings. The slightly weaker demand from the automotive industry due to supply shortages led to a volume-driven decline in earnings, especially in the High Performance Materials business unit. The EBITDA margin pre exceptionals of 11.6% was below the figure of 15.6% posted in the prior-year quarter.

### Reconciliation

€ million	Q1 2021	Q1 2022	Change %
Sales	6	7	16.7
EBITDA pre exceptionals	(37)	(56)	(51.4)
EBITDA	(62)	(80)	(29.0)
Operating result (EBIT) pre exceptionals	(48)	(67)	(39.6)
Operating result (EBIT)	(73)	(92)	(26.0)
Cash outflows for capital expenditures	10	4	(60.0)
Depreciation and amortization	11	12	9.1
Employees as of March 31 (previous year: as of Dec. 31)	3,285	3,260	(0.8)

Prior-year figures restated in accordance with the reassignment of the business of LANXESS Distribution GmbH, Leverkusen, Germany, to the Consumer Protection segment as of January 1, 2022.

EBITDA pre exceptionals for the reconciliation came to minus €56 million in the first quarter of 2022, compared with minus €37 million in the corresponding prior-year period. In the first reporting quarter, negative exceptional items of €25 million were incurred, €24 million of which impacted EBITDA. The exceptional items resulted primarily from expenses in connection with digitalization projects and M&A activities. In the prior-year period, there were negative exceptional items of €25 million, which fully 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 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 Q1 2021	EBIT Q1 2022	EBITDA Q1 2021	EBITDA Q1 2022
<b>EBIT/EBITDA pre exceptionals</b>	<b>125</b>	<b>182</b>	<b>242</b>	<b>320</b>
<b>Advanced Intermediates</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Specialty Additives</b>	<b>(2)</b>	<b>0</b>	<b>(2)</b>	<b>0</b>
Strategic realignment	(2)	0	(2)	0
<b>Consumer Protection</b>	<b>0</b>	<b>(1)</b>	<b>0</b>	<b>(1)</b>
Strategic realignment	–	(1)	–	(1)
<b>Engineering Materials</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Reconciliation</b>	<b>(25)</b>	<b>(25)</b>	<b>(25)</b>	<b>(24)</b>
Strategic IT projects (SAP S/4HANA and other IT applications)	(7)	(14)	(7)	(14)
Digitalization, M&A expenses and other	(18)	(11)	(18)	(10)
<b>Total exceptional items</b>	<b>(27)</b>	<b>(26)</b>	<b>(27)</b>	<b>(25)</b>
<b>EBIT/EBITDA</b>	<b>98</b>	<b>156</b>	<b>215</b>	<b>295</b>

**EBITDA** is calculated from earnings (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 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 (target) 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 an indicator of 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

As of March 31, 2022, the LANXESS Group's total assets stood at €11,720 million, up €1,202 million, or 11.4%, from €10,518 million on December 31, 2021. This development was particularly due to the issue of a new bond of €600 million maturing in 2028 and the positive total comprehensive income. Equity increased by €312 million compared with December 31, 2021, to €4,074 million. The equity ratio at the end of the first quarter was 34.8%, after 35.8% as of December 31, 2021.

### Financial position

#### Changes in the statement of cash flows

In the first three months of 2022, there was total net cash outflow of €181 million from operating activities, against net cash inflow of €32 million in the prior-year period. Income before income taxes increased from €85 million to €134 million. In the reporting period, non-cash depreciation, amortization and write-downs amounted to €139 million, against €117 million in the previous year. The change in net working capital resulted in a net cash outflow of €520 million, compared with €146 million in the prior-year period. The outflow resulted in particular from the increase in inventories due to the sharp rise in raw material and energy prices. In addition, adjustments of selling prices driven by raw

material and energy prices led to an increase in receivables. There was net cash inflow from the reimbursement of income taxes of €25 million, whereas income taxes paid resulted in a net cash outflow of €31 million in the prior-year period. Net cash outflow of €4 million was attributable to discontinued operations, compared with €1 million in the previous year.

There was a €854 million net cash outflow from investing activities in the first three months of 2022, compared with a €530 million net cash inflow in the same period a year ago. The net cash outflow of the reporting period resulted primarily from cash outflows for financial assets or other assets held for investment purposes, primarily for the acquisition of shares of money market funds that can be sold at any time. The net cash inflow from financial assets had the opposite effect due to the maturity of short-term money market investments. Cash outflows for purchases of intangible assets and property, plant and equipment resulted in a net cash outflow of €63 million, compared with €70 million in the first three months of the previous year.

Net cash provided by financing activities came to 893 million in the reporting period, compared with net cash used for financing activities of €13 million in the first three months of 2021. The net cash inflow in the reporting period was particularly due to the placement of a six-year Eurobond with a volume of €600 million. Further net cash inflow resulted in the reporting period from the borrowing of a bank loan of €300 million. Interest paid and other financial disbursements had the opposite effect.

### Financing and liquidity

Net financial liabilities totaled €2,501 million as of March 31, 2022, compared with €2,345 million as of December 31, 2021.

In March 2022, LANXESS successfully issued a euro benchmark bond of €600 million with a term of six years and a coupon of 1.75% on the European capital market.

#### Net Financial Liabilities

€ million	Dec. 31, 2021	March 31, 2022
Non-current financial liabilities	2,829	3,421
Current financial liabilities	675	1,005
Less:		
Liabilities for accrued interest	(25)	(40)
Cash and cash equivalents	(643)	(503)
Near-cash assets	(491)	(1,382)
<b>Net financial liabilities</b>	<b>2,345</b>	<b>2,501</b>
after deduction of short-term money market investments and securities	(100)	–
<b>Net financial liabilities after deduction of short-term money market investments and securities</b>	<b>2,245</b>	<b>2,501</b>

Provisions for pensions and other post-employment benefits totaled €748 million as of March 31, 2022, compared with €877 million as of December 31, 2021. This decrease was chiefly due to an increase in the interest rates used to discount provisions for pensions.

## OUTLOOK

In light of the persistently uncertain conditions, especially due to the uncertainty over the development of the coronavirus pandemic and above all the war in Ukraine, the prospect of the economic environment recovering in the current fiscal year has diminished. The further development of the geopolitical situation and the resulting problems in the supply of raw materials and energy represent an uncertainty factor for global economic development and for our business.

Thanks to our more resilient portfolio, the positioning of our businesses in attractive markets, and the effects of the contribution from Emerald Kalama Chemical acquired in the previous year, we continue to expect EBITDA pre exceptionals to be well above the previous year's level. EBITDA pre exceptionals amounted to €1,010 million in fiscal year 2021.

# FINANCIAL DATA

as of March 31, 2022

## STATEMENT OF FINANCIAL POSITION LANXESS GROUP

€ million	Dec. 31, 2021	March 31, 2022
<b>ASSETS</b>		
Intangible assets <sup>1)</sup>	2,526	2,540
Property, plant and equipment <sup>1)</sup>	3,153	3,147
Investments in other affiliated companies	56	52
Non-current derivative assets	28	59
Other non-current financial assets	62	70
Non-current income tax receivables	56	55
Deferred taxes	192	159
Other non-current assets	56	55
<b>Non-current assets</b>	<b>6,129</b>	<b>6,137</b>
Inventories	1,633	1,897
Trade receivables	1,050	1,311
Cash and cash equivalents	643	503
Near-cash assets	491	1,382
Current derivative assets	34	60
Other current financial assets	249	146
Current income tax receivables	96	51
Other current assets	193	233
<b>Current assets</b>	<b>4,389</b>	<b>5,583</b>
<b>Total assets</b>	<b>10,518</b>	<b>11,720</b>

€ million	Dec. 31, 2021	March 31, 2022
<b>EQUITY AND LIABILITIES</b>		
Capital stock and capital reserves	1,317	1,317
Other reserves	2,401	2,761
Net income	267	98
Other equity components	(229)	(108)
Equity attributable to non-controlling interests	6	6
<b>Equity</b>	<b>3,762</b>	<b>4,074</b>
Provisions for pensions and other post-employment benefits	877	748
Other non-current provisions	360	373
Non-current derivative liabilities	1	1
Other non-current financial liabilities	2,829	3,421
Non-current income tax liabilities	37	45
Other non-current liabilities	50	55
Deferred taxes	223	235
<b>Non-current liabilities</b>	<b>4,377</b>	<b>4,878</b>
Other current provisions	492	557
Trade payables	1,008	986
Current derivative liabilities	21	27
Other current financial liabilities	675	1,005
Current income tax liabilities	25	38
Other current liabilities	157	154
Liabilities directly related to assets held for sale and discontinued operations	1	1
<b>Current liabilities</b>	<b>2,379</b>	<b>2,768</b>
<b>Total equity and liabilities</b>	<b>10,518</b>	<b>11,720</b>

1) Prior-year figure restated.

## INCOME STATEMENT LANXESS GROUP

€ million	Q1 2021	Q1 2022
<b>Sales</b>	<b>1,693</b>	<b>2,432</b>
Cost of sales	(1,266)	(1,865)
<b>Gross profit</b>	<b>427</b>	<b>567</b>
Selling expenses	(208)	(275)
Research and development expenses	(27)	(29)
General administration expenses	(73)	(78)
Other operating income	14	9
Other operating expenses	(35)	(38)
<b>Operating result (EBIT)</b>	<b>98</b>	<b>156</b>
Interest income	1	1
Interest expense	(16)	(17)
Other financial income and expense	2	(6)
<b>Financial result</b>	<b>(13)</b>	<b>(22)</b>
<b>Income before income taxes</b>	<b>85</b>	<b>134</b>
Income taxes	(22)	(36)
<b>Income after income taxes from continuing operations</b>	<b>63</b>	<b>98</b>
<b>Income after income taxes from discontinued operations</b>	<b>1</b>	<b>0</b>
<b>Income after income taxes</b>	<b>64</b>	<b>98</b>
of which attributable to non-controlling interests	0	0
of which attributable to LANXESS AG stockholders (net income)	64	98
<b>Earnings per share (basic/diluted) (€)</b>		
from continuing operations	0.73	1.13
from discontinued operations	0.01	–
<b>from continuing and discontinued operations</b>	<b>0.74</b>	<b>1.13</b>

## STATEMENT OF COMPREHENSIVE INCOME LANXESS GROUP

€ million	Q1 2021	Q1 2022
<b>Income after income taxes</b>	<b>64</b>	<b>98</b>
<b>Items that will not be reclassified subsequently to profit or loss</b>		
Remeasurements of the net defined benefit liability for post-employment benefit plans	193	131
Financial instruments fair value measurement	–	(5)
Income taxes	(56)	(37)
	<b>137</b>	<b>89</b>
<b>Items that may be reclassified subsequently to profit or loss if specific conditions are met</b>		
Exchange differences on translation of operations outside the eurozone	142	93
Financial instruments fair value measurement	(18)	47
Financial instruments cost of hedging	1	(1)
Income taxes	5	(14)
	<b>130</b>	<b>125</b>
<b>Other comprehensive income, net of income tax</b>	<b>267</b>	<b>214</b>
<b>Total comprehensive income</b>	<b>331</b>	<b>312</b>
of which attributable to non-controlling interests	0	0
of which attributable to LANXESS AG stockholders	331	312
<b>Total comprehensive income attributable to LANXESS AG stockholders</b>	<b>331</b>	<b>312</b>
from continuing operations	329	312
from discontinued operations	2	–

## STATEMENT OF CHANGES IN EQUITY LANXESS GROUP

	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			
<b>€ million</b>										
<b>Dec. 31, 2020</b>	<b>87</b>	<b>1,230</b>	<b>1,359</b>	<b>885</b>	<b>(569)</b>	<b>9</b>	<b>0</b>	<b>3,001</b>	<b>(2)</b>	<b>2,999</b>
Allocations to retained earnings			885	(885)				0		0
Total comprehensive income			137	64	142	(13)	1	331	0	331
Income after income taxes				64				64	0	64
Other comprehensive income, net of income tax			137		142	(13)	1	267	0	267
<b>March 31, 2021</b>	<b>87</b>	<b>1,230</b>	<b>2,381</b>	<b>64</b>	<b>(427)</b>	<b>(4)</b>	<b>1</b>	<b>3,332</b>	<b>(2)</b>	<b>3,330</b>
<b>Dec. 31, 2021</b>	<b>86</b>	<b>1,231</b>	<b>2,401</b>	<b>267</b>	<b>(257)</b>	<b>28</b>	<b>0</b>	<b>3,756</b>	<b>6</b>	<b>3,762</b>
Allocations to retained earnings			267	(267)				0		0
Total comprehensive income			93	98	93	29	(1)	312	0	312
Income after income taxes				98				98	0	98
Other comprehensive income, net of income tax			93		93	29	(1)	214	0	214
<b>March 31, 2022</b>	<b>86</b>	<b>1,231</b>	<b>2,761</b>	<b>98</b>	<b>(164)</b>	<b>57</b>	<b>(1)</b>	<b>4,068</b>	<b>6</b>	<b>4,074</b>

## STATEMENT OF CASH FLOWS LANXESS GROUP

€ million	Q1 2021	Q1 2022
<b>Income before income taxes</b>	<b>85</b>	<b>134</b>
Amortization, depreciation, write-downs and reversals of impairment charges of intangible assets, property, plant and equipment	117	139
Gains on disposals of intangible assets and property, plant and equipment	0	0
Financial losses (gains)	10	19
Income taxes paid/refunded	(31)	25
Changes in inventories	(35)	(242)
Changes in trade receivables	(131)	(249)
Changes in trade payables	20	(29)
Changes in other assets and liabilities	(2)	26
<b>Net cash provided by (used in) operating activities – continuing operations</b>	<b>33</b>	<b>(177)</b>
<b>Net cash used in operating activities – discontinued operations</b>	<b>(1)</b>	<b>(4)</b>
<b>Net cash provided by (used in) operating activities – total</b>	<b>32</b>	<b>(181)</b>
Cash outflows for purchases of intangible assets and property, plant and equipment	(70)	(63)
Cash inflows from sales of intangible assets and property, plant and equipment	0	1
Cash outflows for financial and other assets held for investment purposes	(152)	(892)
Cash inflows from financial and other assets held for investment purposes	756	100
Cash outflows for the acquisition/sale of subsidiaries and other businesses, less acquired cash and cash equivalents	(8)	(3)
Interest and dividends received	4	3

€ million	Q1 2021	Q1 2022
<b>Net cash provided by (used in) investing activities – continuing operations</b>	<b>530</b>	<b>(854)</b>
<b>Net cash used in investing activities – discontinued operations</b>	<b>0</b>	<b>–</b>
<b>Net cash provided by (used in) investing activities – total</b>	<b>530</b>	<b>(854)</b>
Proceeds from borrowings	–	910
Repayments of borrowings	(11)	(15)
Interest paid and other financial disbursements	(2)	(2)
<b>Net cash (used in) provided by financing activities – continuing operations</b>	<b>(13)</b>	<b>893</b>
<b>Net cash used in financing activities – discontinued operations</b>	<b>0</b>	<b>–</b>
<b>Net cash (used in) provided by financing activities – total</b>	<b>(13)</b>	<b>893</b>
<b>Change in cash and cash equivalents – continuing operations</b>	<b>550</b>	<b>(138)</b>
<b>Change in cash and cash equivalents – discontinued operations</b>	<b>(1)</b>	<b>(4)</b>
<b>Change in cash and cash equivalents – total</b>	<b>549</b>	<b>(142)</b>
Cash and cash equivalents at beginning of period – total	271	643
Exchange differences and other changes in cash and cash equivalents – total	4	2
<b>Cash and cash equivalents at end of period – total</b>	<b>824</b>	<b>503</b>
of which continuing operations	821	503
of which discontinued operations	3	–

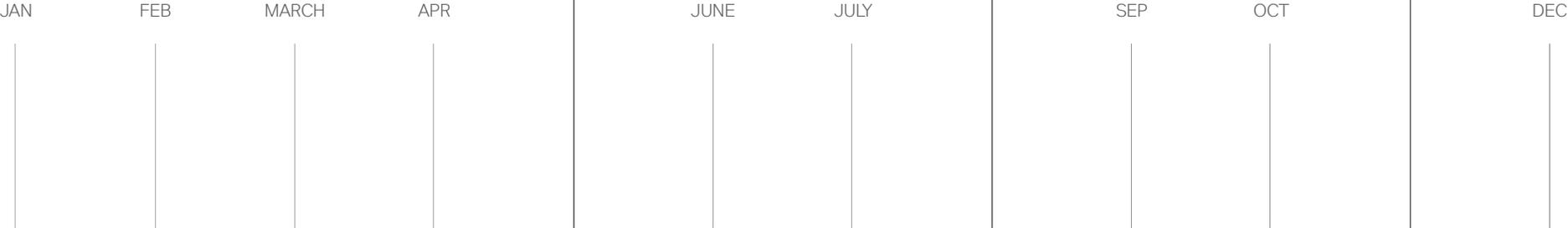
## BUSINESS UNIT KEY DATA

### Key Data by Segment First Quarter

€ million	Advanced Intermediates		Specialty Additives		Consumer Protection		Engineering Materials		Reconciliation		LANXESS	
	Q1 2021	Q1 2022	Q1 2021	Q1 2022	Q1 2021	Q1 2022	Q1 2021	Q1 2022	Q1 2021	Q1 2022	Q1 2021	Q1 2022
External sales	452	613	517	730	341	506	377	576	6	7	1,693	2,432
Inter-segment sales	9	11	2	3	13	18	0	0	(24)	(32)	0	0
Segment/Group sales	461	624	519	733	354	524	377	576	(18)	(25)	1,693	2,432
Segment result/EBITDA pre exceptionals	70	87	74	136	76	86	59	67	(37)	(56)	242	320
EBITDA margin pre exceptionals (%)	15.5	14.2	14.3	18.6	22.3	17.0	15.6	11.6			14.3	13.2
EBITDA	70	87	72	136	76	85	59	67	(62)	(80)	215	295
EBIT pre exceptionals	43	59	33	92	55	49	42	49	(48)	(67)	125	182
EBIT	43	59	31	92	55	48	42	49	(73)	(92)	98	156
Segment capital expenditures	23	22	19	16	16	27	12	6	15	6	85	77
Depreciation and amortization/ reversals of impairment charges	27	28	41	44	21	37	17	18	11	12	117	139
Employees as of March 31 (previous year: as of Dec. 31)	3,021	2,987	3,030	3,028	3,266	3,318	2,264	2,293	3,285	3,260	14,866	14,886

Prior-year figures restated.

# Financial Calendar 2022



MAY

**MAY 5**

**Quarterly Statement**  
Q1 2022  
Conference Call

**MAY 25**

**Annual Stockholders' Meeting**

AUG

**AUGUST 4**

**Half-Year Financial Report**  
H1 2022  
Conference Call

NOV

**NOVEMBER 9**

**Quarterly Statement**  
Q3 2022  
Conference Call

JAN

FEB

MARCH

APR

JUNE

JULY

SEP

OCT

DEC

# Contacts & Masthead

## MASTHEAD

LANXESS AG  
Kennedyplatz 1  
50569 Cologne, Germany  
Tel. +49 (0) 221 8885 0  
www.lanxess.com

Agency:  
Kirchhoff Consult AG, Hamburg, Germany

English edition:  
EVS Translations GmbH, Offenbach, Germany

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## CONTACTS

Corporate Communications  
Christiane Minderjahn  
Tel. +49 (0) 221 8885 2674  
mediarelations@lanxess.com

Investor Relations  
André Simon  
Tel. +49 (0) 221 8885 3494  
ir@lanxess.com

Date of publication:  
May 5, 2022

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**PUBLISHER**

**LANXESS AG**

50569 Cologne

Germany

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