

# 2024

Quarterly Statement  
as of March 31, 2024

## LANXESS Group Key Data

€ million	Q1 2023	Q1 2024	Change %
Sales	1,899	1,607	(15.4)
Gross profit	436	280	(35.8)
Gross profit margin	23.0%	17.4%	
EBITDA pre exceptionals <sup>1</sup>	189	101	(46.6)
EBITDA margin pre exceptionals <sup>1</sup>	10.0%	6.3%	
EBITDA <sup>1</sup>	171	83	(51.5)
EBIT pre exceptionals <sup>1</sup>	53	(38)	< (100)
EBIT <sup>1</sup>	34	(57)	< (100)
EBIT margin <sup>1</sup>	1.8%	(3.5)%	
Net income – loss	(44)	(98)	< (100)
from continuing operations	10	(98)	< (100)
from discontinued operations	(54)	–	100.0
Weighted average number of shares outstanding	86,346,303	86,346,303	–
Earnings per share –€	(0.51)	(1.13)	< (100)
from continuing operations	0.12	(1.13)	< (100)
from discontinued operations	(0.63)	–	100.0
Adjusted earnings per share from continuing operations –€ <sup>2</sup>	0.63	(0.09)	< (100)
Cash flow from operating activities – continuing operations	171	(48)	< (100)
Depreciation and amortization	137	140	2.2
Cash outflows for capital expenditures	59	39	(33.9)
Total assets	9,688 <sup>5) 6)</sup>	9,711	0.2
Equity –including non-controlling interests	4,530 <sup>5) 6)</sup>	4,561	0.7
Equity ratio <sup>3</sup>	46.8% <sup>5) 6)</sup>	47.0%	
Provisions for pensions and other post-employment benefits	498 <sup>5)</sup>	462	(7.2)
Net financial liabilities <sup>4</sup>	2,498 <sup>5)</sup>	2,609	4.4
Employees –as of March 31	12,849 <sup>5)</sup>	12,621	(1.8)

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) 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) Balance sheet date December 31, 2023.

6) Prior-year figures restated due to retrospective changes to Envalior's opening statement of financial position.

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## QUARTERLY STATEMENT

as of March 31, 2024

- › First sustainable savings through structural measures of the FORWARD! action plan realized
- › Sales in all segments down year-on-year in the first quarter but higher compared with previous quarter
- › EBITDA pre exceptionals of €101 million in the first quarter below the previous year driven by lower prices and volumes, but improved compared with fourth quarter of previous year
- › Adjusted earnings per share from continuing operations of minus €0.09 in first quarter after €0.63 in previous year
- › Guidance for fiscal year 2024: EBITDA pre exceptionals expected to increase by 10–20% compared to €512 million in previous year

### FORWARD! ACTION PLAN

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. Structural measures will permanently reduce costs by €150 million by 2025. In addition to cutting 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.

## BUSINESS PERFORMANCE

### Sales

Sales of the LANXESS Group amounted to €1,607 million, down by €292 million or 15.4% from the previous year's figure. In the same quarter of the previous year, sales amounted to €1,899 million. Overall, lower sales prices led to a decline in sales of 9.2% and lower sales volumes to a drop in sales of 5.4%. However, demand picked up in the first quarter compared with the end of the previous year. Shifts in exchange rates had a negative effect and reduced sales by 0.8% in total.

#### Effects on Sales

in %	Q1 2024
Price	(9.2)
Volume	(5.4)
Currency	(0.8)
	<b>(15.4)</b>

### EBITDA and operating result (EBIT)

In a weak global economic environment in the chemical industry and a still tense economic situation in the first quarter of 2024, the operating result before depreciation, amortization, write-downs and reversals (EBITDA) pre exceptionals fell by €88 million or 46.6% to €101 million from €189 million in the same quarter of the previous year, which was the strongest quarter in 2023. All segments recorded lower procurement prices for raw materials and energy, which resulted in lower selling prices. Weaker demand and the resulting lower sales volumes led to a decline in earnings, particularly in the Specialty Additives and Consumer Protection segments. Having already seen weaker demand in the first quarter of 2023, our Advanced Intermediates segment reported a comparatively slight to moderate decline in earnings. The change in exchange rates had a slightly positive effect on earnings development at Group level. Please see the table below and "Segment Information" for details on the individual segments.

#### EBITDA Pre Exceptionals by Segment

€ million	Q1 2023	Q1 2024	Change %
Consumer Protection	94	49	(47.9)
Specialty Additives	98	48	(51.0)
Advanced Intermediates	44	37	(15.9)
All Other Segments	(47)	(33)	29.8
	<b>189</b>	<b>101</b>	<b>(46.6)</b>

Cost savings due to the FORWARD! action plan had a positive impact on all functional cost areas with the exception of research and development expenses. In addition, selling and distribution expenses fell by 19.2% compared to the value in the same quarter of the previous year, in particular due to lower freight rates, and amounted to €223 million. Research and development costs amounted to €28 million compared to €27 million in the same period of the previous year, while general and administrative expenses amounted to €68 million compared to €71 million in the same period of the previous year. The Group EBITDA margin pre exceptionals amounted to 6.3%, against 10.0% in the prior-year quarter.

Compared to the same quarter of the previous year, amortization of intangible assets and depreciation of property, plant and equipment increased by €3 million or 2.2% to €140 million. This includes write-downs of €1 million. In the prior-year quarter, write-downs amounted to €2 million. The negative exceptionals of €19 million included in the other operating result had a total impact on EBITDA of €18 million and related to expenses as part of the FORWARD! action plan as well as expenses in connection with strategic IT projects, digitalization projects and M&A activities. In the same quarter of the previous year, there were also negative exceptionals totaling €19 million, which had an impact on EBITDA of €18 million.

#### Reconciliation of EBITDA Pre Exceptionals to EBIT

€ million	Q1 2023	Q1 2024	Change %
<b>EBITDA pre exceptionals</b>	<b>189</b>	<b>101</b>	<b>(46.6)</b>
Depreciation and amortization	(137)	(140)	(2.2)
Exceptional items in EBITDA	(18)	(18)	0.0
<b>Operating result (EBIT)</b>	<b>34</b>	<b>(57)</b>	<b>&lt; (100)</b>

#### Financial result

The financial result for the first quarter of 2024 amounted to minus €62 million, compared with minus €21 million for the prior-year period. The lower financial result is mainly due to the result from the investment in Envalior, which was only recognized from the second quarter of the previous year. In the first quarter of 2024, the result from the equity-accounted investments in Envalior GmbH, Cologne (Germany), and Viance LLC, Wilmington (U.S.), amounted to a total of minus €46 million. LANXESS's net interest result was minus €9 million compared to minus €26 million in the prior-year quarter. The previous year's result was influenced by higher interest expenses due to the realization of a disagio in connection with the early repayment of a hybrid bond. The other financial result amounted to minus €7 million compared to €4 million in the same quarter of the previous year.

#### Income before income taxes

Earnings before income taxes amounted to minus €119 million in the first quarter of 2024 compared to €13 million in the same period of the previous year. In addition to a lower operating result, this was largely due to income from investments accounted for using the equity method, which did not yet include income from the investment in Envalior in the same quarter of the previous year. Particularly because the income from investments accounted for using the equity method is not offset by income taxes at LANXESS level, the effective tax rate of 17.6% was considerably lower than the prior-year quarter's 23.1%.

## Net income/earnings per share/adjusted earnings per share from continuing operations

Net income for the reporting period amounted to minus €98 million, all of which was attributable to continuing operations. In the same quarter of the previous year, €10 million of the consolidated profit or loss of minus €44 million was attributable to continuing operations and minus €54 million was attributable to discontinued operations in the High Performance Materials business unit.

Earnings per share (EPS) is calculated by dividing the consolidated net result by the weighted average number of LANXESS shares in circulation during the reporting period. At minus €1.13, EPS was below the previous year's figure of minus €0.51 in a quarterly comparison. While all of this is attributable to continuing operations in the current year, minus €0.63 was attributable to earnings per share from discontinued operations in the prior-year quarter.

### Net Income and Earnings per Share

	Q1 2023	Q1 2024
<b>Net income (€ million)</b>	<b>(44)</b>	<b>(98)</b>
from continuing operations (€ million)	10	(98)
from discontinued operations (€ million)	(54)	–
Weighted average number of shares outstanding	86,346,303	86,346,303
<b>Earnings per share (€)</b>	<b>(0.51)</b>	<b>(1.13)</b>
from continuing operations (€)	0.12	(1.13)
from discontinued operations (€)	(0.63)	–

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 minus €0.09 in the first quarter of 2024. In the prior-year period, adjusted earnings per share from continuing operations amounted to €0.63.

### Reconciliation to Adjusted Earnings per Share from Continuing Operations

€ million	Q1 2023	Q1 2024
<b>Net income from continuing operations</b>	<b>10</b>	<b>(98)</b>
Exceptionals <sup>1)</sup>	19	19
Amortization of intangible assets <sup>1)</sup>	41	41
Income taxes <sup>1)</sup>	(15)	(16)
Income from investments accounted for using the equity method	(1)	46
<b>Adjusted net income from continuing operations</b>	<b>54</b>	<b>(8)</b>
Weighted average number of shares outstanding	86,346,303	86,346,303
<b>Adjusted earnings per share from continuing operations (€)</b>	<b>0.63</b>	<b>(0.09)</b>

<sup>1)</sup> Excluding items attributable to non-controlling interests.

## BUSINESS DEVELOPMENT BY REGION

Group sales in the first quarter of 2024 amounted to €1,607 million, down 15.4% from the previous year's figure of €1,899 million. All regions saw declining business development.

### Sales by Market

	Q1 2023		Q1 2024		Change
	€ million	%	€ million	%	
EMEA					
(Excluding Germany)	583	30.7	495	30.8	(15.1)
Germany	328	17.3	291	18.1	(11.3)
Americas	630	33.2	532	33.1	(15.6)
Asia-Pacific	358	18.8	289	18.0	(19.3)
	<b>1,899</b>	<b>100.0</b>	<b>1,607</b>	<b>100.0</b>	<b>(15.4)</b>

## SEGMENT INFORMATION

### Consumer Protection

	Q1 2023		Q1 2024		Change
	€ million	Margin %	€ million	Margin %	
Sales	647		509		(21.3)
EBITDA pre exceptionals	94	14.5	49	9.6	(47.9)
EBITDA	93	14.4	49	9.6	(47.3)
Operating result (EBIT) pre exceptionals	48	7.4	3	0.6	(93.8)
Operating result (EBIT)	47	7.3	3	0.6	(93.6)
Cash outflows for capital expenditures	17		12		(29.4)
Depreciation and amortization	46		46		0.0
Employees (as of March 31) (previous year: as of Dec. 31)	3,555		3,506		(1.4)

In our **Consumer Protection** segment, sales amounted to €509 million in the reporting quarter of 2024, down 21.3% from the prior-year level. This was due in particular to lower sales volumes caused by weaker demand, also based on intensive destocking by our customers in the agrochemicals sector, as well as lower capacity utilization, mainly due to continued limited steam availability caused by production difficulties at a supplier to the Flavors & Fragrances business unit. At

segment level, lower sales volumes led to a drop in sales of 15.9%. Lower sales prices reduced sales by 4.8% at segment level. The development of exchange rates also had a negative impact on all business units and led to an overall drop in sales of 0.6% at segment level. Sales in all regions were below the level of the prior-year quarter. Sales remained stable compared with the fourth quarter of the previous year, with the effect of intensive destocking among customers in the agrochemicals sector being offset by a recovery in other markets.

At €49 million, EBITDA pre exceptionals in the Consumer Protection segment was €45 million or 47.9% below the figure of €94 million in the same period of the previous year, but stabilized at the level recorded in the fourth quarter of 2023. Lower sales volumes in all business units, particularly as a result of weaker demand, higher idle capacity costs due to lower capacity utilization and lower sales prices had a negative impact on earnings development and the margin. Lower procurement prices for raw materials and energy were reflected in lower selling prices. Lower freight costs and the change in exchange rates had a positive effect. The EBITDA margin pre exceptionals came in at 9.6%, against 14.5% in the prior-year period.

No exceptional items were attributable to the segment in the first quarter of the current year. In the prior-year quarter, the segment recorded negative exceptional items of €1 million, which impacted EBITDA. Please see “Notes on EBIT and EBITDA (Pre Exceptionals)” for details.

### Specialty Additives

	Q1 2023		Q1 2024		Change
	€ million	Margin %	€ million	Margin %	
Sales	664		566		(14.8)
EBITDA pre exceptionals	98	14.8	48	8.5	(51.0)
EBITDA	98	14.8	48	8.5	(51.0)
Operating result (EBIT) pre exceptionals	53	8.0	1	0.2	(98.1)
Operating result (EBIT)	53	8.0	1	0.2	(98.1)
Cash outflows for capital expenditures	23		14		(39.1)
Depreciation and amortization	45		47		4.4
Employees (as of March 31) (previous year: as of Dec. 31)	2,945		3,074		4.4

Compared to the same quarter of the previous year, sales in our **Specialty Additives** segment fell by 14.8% to €566 million in the first quarter of 2024. Compared to a high sales price level in the same quarter of the previous year, lower sales prices in all business units led to an overall decline in sales at segment level of 9.6%. Due to continued weak demand, particularly from the construction industry, sales volumes in the Polymer Additives business unit were down on the same quarter of the previous year, while sales volumes in the Lubricant Additives Business and Rheinchemie business units were up on the previous year.

Overall, there was a negative volume effect of 4.1% at segment level. Shifts in exchange rates also had a negative effect on all business units and reduced the segment's sales by 1.1%. Sales in all regions were below the level of the prior-year quarter. All of the business units recorded higher sales than in the previous quarter due to the business volume.

EBITDA pre exceptionals in the Specialty Additives segment decreased by €50 million or 51.0% to €48 million in the first quarter but improved compared with the fourth quarter of the previous year. Compared to a high sales price level in the same quarter of the previous year, which was mainly due to price increases as a result of higher raw material and energy prices, all of the business units recorded lower sales prices in the first quarter of the current year on the back of lower purchase prices for raw materials and energy. Lower sales volumes due to weaker demand had a negative impact on earnings and the margin. The development of exchange rates had a positive effect on the earnings. The EBITDA margin pre exceptionals was 8.5%, against 14.8% in the prior-year period.

#### Advanced Intermediates

	Q1 2023		Q1 2024		Change %
	€ million	Margin %	€ million	Margin %	
Sales	516		465		(9.9)
EBITDA pre exceptionals	44	8.5	37	8.0	(15.9)
EBITDA	44	8.5	37	8.0	(15.9)
Operating result (EBIT) pre exceptionals	18	3.5	9	1.9	(50.0)
Operating result (EBIT)	18	3.5	9	1.9	(50.0)
Cash outflows for capital expenditures	16		11		(31.3)
Depreciation and amortization	26		28		7.7
Employees (as of March 31) (previous year: as of Dec. 31)	2,941		2,866		(2.6)

Our **Advanced Intermediates** segment recorded sales of €465 million in the first quarter of 2024, down 9.9%, or €51 million, compared to the prior-year period. In particular, the 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 14.1% at segment level.

Due to a slight upturn in demand, among others due to some customers' moderate restocking, the Inorganic Pigments business unit in particular was able to achieve higher sales volumes. Overall, there was a positive volume effect of 4.6% at segment level. Exchange rate developments had a negative impact on sales in both business units and reduced sales by 0.4% in the segment as a whole. Sales in all regions were below the level of the prior-year quarter. Both of the business units recorded higher sales than in the previous quarter due to the increased sales volume.

At €37 million, EBITDA pre exceptionals in the Advanced Intermediates segment was down by 15.9% on the previous year's figure of €44 million but up significantly compared with the fourth quarter of 2023. Lower sales prices in particular had a negative impact on earnings compared with the first quarter of the previous year. A lower price level for raw materials and energy resulted in lower sales prices. However, lower freight rates and higher sales volumes had a positive effect on earnings. The change in exchange rates had a slightly negative influence on earnings development in the segment. The EBITDA margin pre exceptionals was 8.0%, against 8.5% in the prior-year quarter.



**All Other Segments**

€ million	Q1 2023	Q1 2024	Change %
Sales	72	67	(6.9)
EBITDA pre exceptionals	(47)	(33)	29.8
EBITDA	(64)	(51)	20.3
Operating result (EBIT) pre exceptionals	(66)	(51)	22.7
Operating result (EBIT)	(84)	(70)	16.7
Cash outflows for capital expenditures	3	2	(33.3)
Depreciation and amortization	20	19	(5.0)
Employees (as of March 31) (previous year: as of Dec. 31)	3,408	3,175	(6.8)

The sales reported in **All Other Segments** for the first quarter of the fiscal year and the prior-year period mainly relate to the business of the Urethane Systems business unit. EBITDA pre exceptionals came to minus €33 million in the first quarter of 2024 compared with minus €47 million in the previous year and

resulted mainly from expenses for the business activities of the corporate functions. The decline in expenses related in particular to the absence of prior year's expenses from currency hedges and savings measures in the current quarter. The segment reported higher expenses than in the fourth quarter of 2023, which was characterized by cost savings in connection with immediate measures as part of the FORWARD! program. Among other things, the sequential increase in expenses was due to the usual seasonal increase in personnel-related provisions at the start of the year, especially for variable compensation and vacation. In the first reporting quarter, negative exceptional items of €19 million were incurred, €18 million of which impacted EBITDA. The exceptionals were primarily attributable to expenses in connection with FORWARD! action plan as well as 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 €18 million, which had an impact on EBITDA of €17 million. 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 at the level of 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 supplementary to the data prepared according to IFRS; they are not a substitute.

**Reconciliation to EBIT/EBITDA**

€ million	EBIT Q1 2023	EBIT Q1 2024	EBITDA Q1 2023	EBITDA Q1 2024
<b>EBIT/EBITDA pre exceptionals</b>	<b>53</b>	<b>(38)</b>	<b>189</b>	<b>101</b>
<b>Consumer Protection</b>	<b>(1)</b>	<b>0</b>	<b>(1)</b>	<b>0</b>
Strategic realignment	(1)	0	(1)	0
<b>Specialty Additives</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>-</b>
<b>Advanced Intermediates</b>	<b>-</b>	<b>0</b>	<b>-</b>	<b>0</b>
<b>All Other Segments</b>	<b>(18)</b>	<b>(19)</b>	<b>(17)</b>	<b>(18)</b>
FORWARD!	-	(5)	-	(5)
Strategic IT projects (SAP S/4HANA and other IT applications)	(6)	(6)	(6)	(6)
Digitalization, M&A expenses and other	(12)	(8)	(11)	(7)
<b>Total exceptional items</b>	<b>(19)</b>	<b>(19)</b>	<b>(18)</b>	<b>(18)</b>
<b>EBIT/EBITDA</b>	<b>34</b>	<b>(57)</b>	<b>171</b>	<b>83</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 planning, 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

The LANXESS Group's total assets as at March 31, 2024 amounted to €9,711 million. This was up €23 million or 0.2% on the figure of €9,688 million as at December 31, 2023. Equity increased by €31 million compared with December 31, 2023, to €4,561 million. The equity ratio at the end of the first quarter was 47.0%, after 46.8% as of December 31, 2023.

### Financial position

#### *Changes in the statement of cash flows*

In the first three months of the 2024 financial year, the cash outflow from operating activities totaled €48 million compared to a cash inflow from continuing operations of €171 million in the same period of the previous year. Income before income taxes

declined from €13 million to minus €119 million. In the reporting period, this was adjusted for non-cash income from investments accounted for using the equity method of minus €46 million, among other effects. Furthermore, non-cash depreciation, amortization and write-downs amounted to €140 million in the reporting period, up €3 million on the €137 million of the prior-year period. The change in net working capital resulted in a cash outflow of €166 million as compared to a cash inflow of €8 million in the same period of the previous year. The cash outflow was due in particular to the increase in trade receivables as a result of the higher level of sales. Income taxes paid led to a cash outflow of €1 million as compared to €10 million in the previous year.

Investing activities resulted in a cash inflow of €83 million in the first three months of the year 2024 as compared to a cash outflow from continuing operations of €182 million in the same period of the previous year. The cash inflow in the reporting period was mainly 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 previous year, there was a significant effect from the payments in connection with the establishment of Envalior and the direct reinvestment in shares 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 €39 million, compared with €59 million in the first three months of the previous year.

Financing activities resulted in a cash outflow of €28 million in the reporting period as compared to a cash inflow from continuing operations of €23 million in the first three months of the year 2023. The cash outflow in the reporting period was mainly due to the repayment of lease liabilities as well as interest payments and other payments from the financial area. The cash inflow in the previous year was due in particular to the raising of bank loans, while the repayment of bank loans as well as interest payments and other payments in the financial area had the opposite effect.

### **Financing and liquidity**

Net financial liabilities totaled €2,609 million as of March 31, 2024, compared with €2,498 million as of December 31, 2023.

#### **Net Financial Liabilities**

€ million	Dec. 31, 2023	March 31, 2024
Non-current financial liabilities	2,938	2,939
Current financial liabilities	72	70
Less		
Liabilities for accrued interest	(16)	(13)
Cash and cash equivalents	(146)	(155)
Near-cash assets	(350)	(232)
<b>Net Financial Liabilities</b>	<b>2,498</b>	<b>2,609</b>

Provisions for pensions and other post-employment benefits totaled €462 million as of March 31, 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

In the current fiscal year, the economic environment is still influenced by uncertain conditions due to the ongoing war in Ukraine and the conflict in Israel/Palestine. With the risk of energy shortages and an economic recession also persisting in the first quarter of 2024, the recovery in the economic environment was delayed.

The further development of the comparatively precarious geopolitical situation, continuing populist or protectionist tendencies in some areas and the ongoing trade conflicts between the U.S. and China still represent a significant uncertainty factor for global economic development.

Although it has generally improved compared with the end of 2023, the demand situation in Europe in particular remains strained. Accordingly, we expect the chemical industry to see a moderate upturn in demand in 2024. Thanks to the measures we have initiated and our improved capacity utilization, however, we are forecasting an increase in EBITDA pre exceptionals of 10–20% compared with the figure of €512 million recorded in fiscal year 2023. Following the €101 million achieved in the first quarter of 2024, earnings should continue to rise in the second and third quarters and follow the normal seasonal pattern in the fourth quarter.

# FINANCIAL DATA

as of March 31, 2024

## STATEMENT OF FINANCIAL POSITION LANXESS GROUP

€ million	Dec. 31, 2023	March 31, 2024
<b>ASSETS</b>		
Intangible assets	2,721	2,743
Property, plant and equipment	2,620	2,591
Investments accounted for using the equity method <sup>1)</sup>	868	819
Investments in other affiliated companies	14	9
Non-current derivative assets	10	7
Other non-current financial assets	262	259
Non-current income tax receivables	60	60
Deferred taxes	165	179
Other non-current assets	59	61
<b>Non-current assets</b>	<b>6,779</b>	<b>6,728</b>
Inventories	1,360	1,354
Trade receivables	613	822
Cash and cash equivalents	146	155
Near-cash assets	350	232
Current derivative assets	13	9
Other current financial assets	215	196
Current income tax receivables	41	33
Other current assets	171	182
<b>Current assets</b>	<b>2,909</b>	<b>2,983</b>
<b>Total assets</b>	<b>9,688</b>	<b>9,711</b>

€ million	Dec. 31, 2023	March 31, 2024
<b>EQUITY AND LIABILITIES</b>		
Capital stock and capital reserves	1,317	1,317
Other reserves <sup>1)</sup>	3,050	3,527
Net income (loss)	443	(98)
Other equity components	(286)	(191)
Equity attributable to non-controlling interests	6	6
<b>Equity</b>	<b>4,530</b>	<b>4,561</b>
Provisions for pensions and other post-employment benefits	498	462
Other non-current provisions	299	304
Non-current derivative liabilities	0	1
Other non-current financial liabilities	2,938	2,939
Non-current income tax liabilities	17	18
Other non-current liabilities	38	40
Deferred taxes	194	185
<b>Non-current liabilities</b>	<b>3,984</b>	<b>3,949</b>
Other current provisions	338	328
Trade payables	584	608
Current derivative liabilities	17	6
Other current financial liabilities	72	70
Current income tax liabilities	42	49
Other current liabilities	121	140
<b>Current liabilities</b>	<b>1,174</b>	<b>1,201</b>
<b>Total equity and liabilities</b>	<b>9,688</b>	<b>9,711</b>

1) Prior-year figures restated.

## INCOME STATEMENT LANXESS GROUP

€ million	Q1 2023	Q1 2024
<b>Sales</b>	<b>1,899</b>	<b>1,607</b>
Cost of sales	(1,463)	(1,327)
<b>Gross profit</b>	<b>436</b>	<b>280</b>
Selling expenses	(276)	(223)
Research and development expenses	(27)	(28)
General administration expenses	(71)	(68)
Other operating income	12	21
Other operating expenses	(40)	(39)
<b>Operating result (EBIT)</b>	<b>34</b>	<b>(57)</b>
Income from investments accounted for using the equity method	1	(46)
Interest income	4	2
Interest expense	(30)	(11)
Other financial income and expense	4	(7)
<b>Financial result</b>	<b>(21)</b>	<b>(62)</b>
<b>Income before income taxes</b>	<b>13</b>	<b>(119)</b>
Income taxes	(3)	21
<b>Income after income taxes from continuing operations</b>	<b>10</b>	<b>(98)</b>
<b>Income after income taxes from discontinued operations</b>	<b>(54)</b>	<b>-</b>
<b>Income after income taxes</b>	<b>(44)</b>	<b>(98)</b>
of which attributable to non-controlling interests	0	0
of which attributable to LANXESS AG stockholders (net income)	(44)	(98)
<b>Earnings per share (basic/diluted) (€)</b>		
from continuing operations	0.12	(1.13)
from discontinued operations	(0.63)	-
from continuing and discontinued operations	(0.51)	(1.13)

## STATEMENT OF COMPREHENSIVE INCOME LANXESS GROUP

€ million	Q1 2023	Q1 2024
<b>Income after income taxes</b>	<b>(44)</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	(33)	48
Financial instruments fair value measurement	4	(5)
Other comprehensive income (net of income tax) attributable to investments accounted for using the equity method	-	0
Income taxes	8	(13)
	<b>(21)</b>	<b>30</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	(84)	106
Financial instruments fair value measurement	7	(9)
Financial instruments cost of hedging	0	(1)
Other comprehensive income (net of income tax) attributable to investments accounted for using the equity method	-	(5)
Income taxes	(2)	3
	<b>(79)</b>	<b>94</b>
<b>Other comprehensive income, net of income tax</b>	<b>(100)</b>	<b>124</b>
<b>Total comprehensive income</b>	<b>(144)</b>	<b>26</b>
of which attributable to non-controlling interests	0	0
of which attributable to LANXESS AG stockholders	(144)	26
<b>Total comprehensive income attributable to LANXESS AG stockholders</b>	<b>(144)</b>	<b>26</b>
from continuing operations	(97)	26
from discontinued operations	(47)	-

## 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			
<b>Dec. 31, 2022</b>	<b>86</b>	<b>1,231</b>	<b>2,955</b>	<b>250</b>	<b>(103)</b>	<b>3</b>	<b>(1)</b>	<b>4,421</b>	<b>6</b>	<b>4,427</b>
Allocations to retained earnings			250	(250)				0		0
Total comprehensive income			(24)	(44)	(84)	8	0	(144)	0	(144)
Income after income taxes				(44)				(44)	0	(44)
Other comprehensive income, net of income tax			(24)		(84)	8	0	(100)	0	(100)
<b>March 31, 2023</b>	<b>86</b>	<b>1,231</b>	<b>3,181</b>	<b>(44)</b>	<b>(187)</b>	<b>11</b>	<b>(1)</b>	<b>4,277</b>	<b>6</b>	<b>4,283</b>
<b>Dec. 31, 2023</b>	<b>86</b>	<b>1,231</b>	<b>3,050<sup>1)</sup></b>	<b>443</b>	<b>(287)</b>	<b>1</b>	<b>0</b>	<b>4,524</b>	<b>6</b>	<b>4,530</b>
Allocations to retained earnings			443	(443)				0		0
Total comprehensive income			34	(98)	101	(10)	(1)	26	0	26
Income after income taxes				(98)				(98)	0	(98)
Other comprehensive income, net of income tax			34		101	(10)	(1)	124	0	124
Other changes			0		–	5		5		5
<b>March 31, 2024</b>	<b>86</b>	<b>1,231</b>	<b>3,527</b>	<b>(98)</b>	<b>(186)</b>	<b>(4)</b>	<b>(1)</b>	<b>4,555</b>	<b>6</b>	<b>4,561</b>

1) Prior-year figure restated.

## STATEMENT OF CASH FLOWS LANXESS GROUP

€ million	Q1 2023	Q1 2024
<b>Income before income taxes</b>	<b>13</b>	<b>(119)</b>
Amortization, depreciation and write-downs of intangible assets and property, plant and equipment	137	140
Gains on disposals of intangible assets and property, plant and equipment	0	0
Income from investments accounted for using the equity method	(1)	46
Financial losses (gains)	24	11
Income taxes paid	(10)	(1)
Changes in inventories	(11)	17
Changes in trade receivables	17	(203)
Changes in trade payables	2	20
Changes in other assets and liabilities	0	41
<b>Cash inflow/outflow from operating activities – continuing operations</b>	<b>171</b>	<b>(48)</b>
<b>Net cash used in operating activities – discontinued operations</b>	<b>(10)</b>	<b>–</b>
<b>Net cash provided by (used in) operating activities – total</b>	<b>161</b>	<b>(48)</b>
Cash outflows for purchases of intangible assets and property, plant and equipment	(59)	(39)
Cash inflows from sales of intangible assets and property, plant and equipment	0	0
Cash outflows for financial and other assets held for investment purposes	(1,394)	(20)
Cash inflows from financial and other assets held for investment purposes	–	140
Cash outflows for the acquisition of subsidiaries and other businesses, less acquired cash and cash equivalents	0	–
Cash inflows from the sale of subsidiaries and other businesses, less divested cash and cash equivalents	1,267	–
Interest and dividends received	4	2

€ million	Q1 2023	Q1 2024
<b>Net cash used in (provided by) investing activities – continuing operations</b>	<b>(182)</b>	<b>83</b>
<b>Net cash used in investing activities – discontinued operations</b>	<b>(6)</b>	<b>–</b>
<b>Net cash used in (provided by) investing activities – total</b>	<b>(188)</b>	<b>83</b>
Proceeds from borrowings	267	1
Repayments of borrowings	(227)	(16)
Interest paid and other financial disbursements	(17)	(13)
<b>Net cash provided by (used in) financing activities – continuing operations</b>	<b>23</b>	<b>(28)</b>
<b>Net cash used in financing activities – discontinued operations</b>	<b>(1)</b>	<b>–</b>
<b>Net cash provided by (used in) financing activities – total</b>	<b>22</b>	<b>(28)</b>
<b>Change in cash and cash equivalents – continuing operations</b>	<b>12</b>	<b>7</b>
<b>Change in cash and cash equivalents – discontinued operations</b>	<b>(17)</b>	<b>–</b>
<b>Change in cash and cash equivalents – total</b>	<b>(5)</b>	<b>7</b>
<b>Cash and cash equivalents at beginning of period – total</b>	<b>360</b>	<b>146</b>
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>351</b>	<b>155</b>
of which continuing operations	277	155
of which discontinued operations	74	–

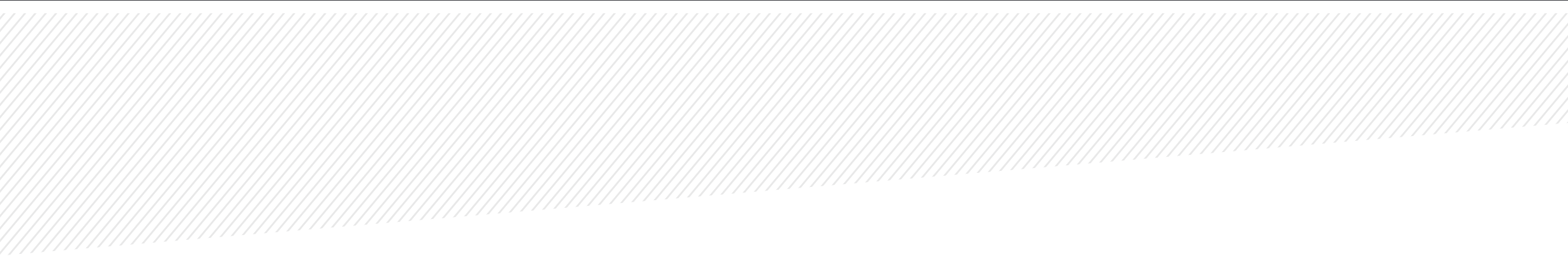
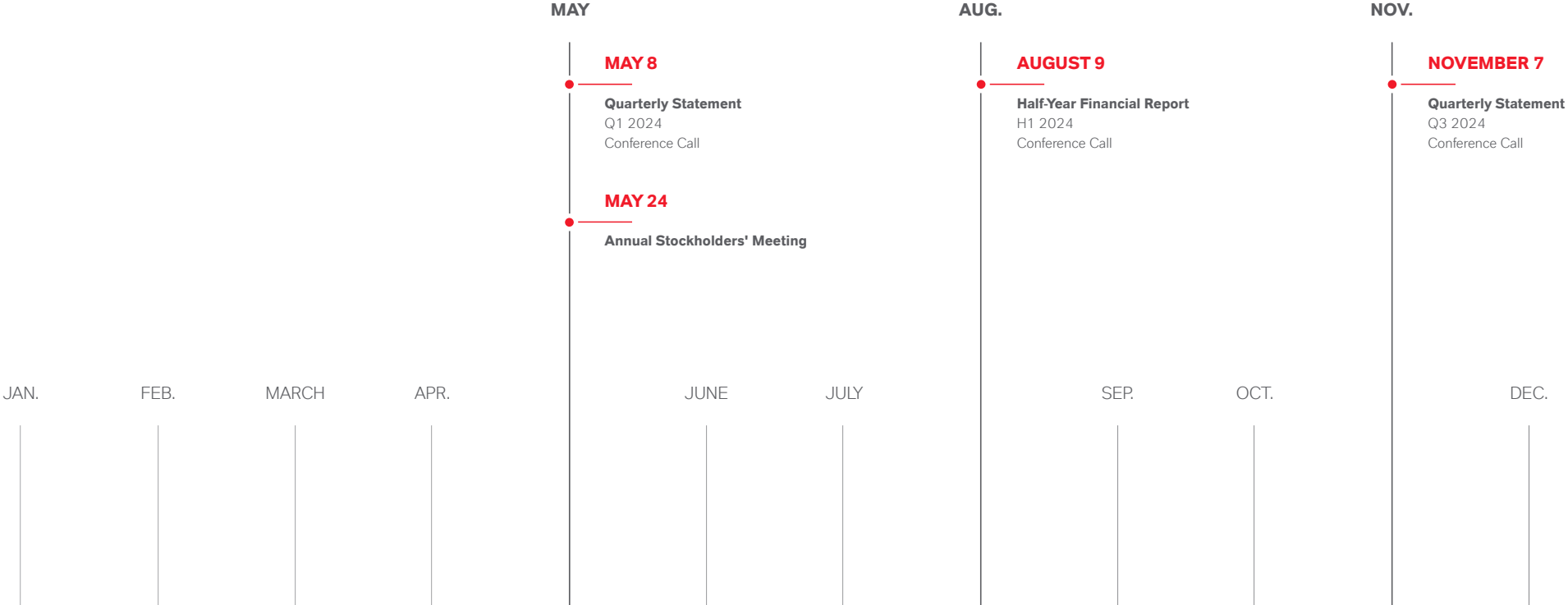
## BUSINESS UNIT KEY DATA

### Key Data by Segment First Quarter

€ million	Consumer Protection		Specialty Additives		Advanced Intermediates		All Other Segments		LANXESS	
	Q1 2023	Q1 2024	Q1 2023	Q1 2024	Q1 2023	Q1 2024	Q1 2023	Q1 2024	Q1 2023	Q1 2024
External sales	647	509	664	566	516	465	72	67	1,899	1,607
Inter-segment sales	27	16	5	2	12	9	(44)	(27)	0	0
Segment/Group sales	674	525	669	568	528	474	28	40	1,899	1,607
Segment result/EBITDA pre exceptionals	94	49	98	48	44	37	(47)	(33)	189	101
EBITDA margin pre exceptionals (%)	14.5	9.6	14.8	8.5	8.5	8.0			10.0	6.3
EBITDA	93	49	98	48	44	37	(64)	(51)	171	83
EBIT pre exceptionals	48	3	53	1	18	9	(66)	(51)	53	(38)
EBIT	47	3	53	1	18	9	(84)	(70)	34	(57)
Segment capital expenditures	21	22	24	16	19	15	10	3	74	56
Depreciation and amortization	46	46	45	47	26	28	20	19	137	140
Employees (as of March 31) (previous year: as of Dec. 31)	3,555	3,506	2,945	3,074	2,941	2,866	3,408	3,175	12,849	12,621



# Financial Calendar 2024



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