



LANXESS
Energizing Chemistry

Steering against the storm

Annual press conference on fiscal year 2023

CEO Matthias Zachert

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2023: The multi-crisis year of the chemical industry

**Weak demand in
customer industries**



**Customers'
destocking**



**High energy costs
in Germany**



Geopolitical tensions





Still making strategic progress

Specialty chemicals portfolio further sharpened

Debt reduced, cash flow increased

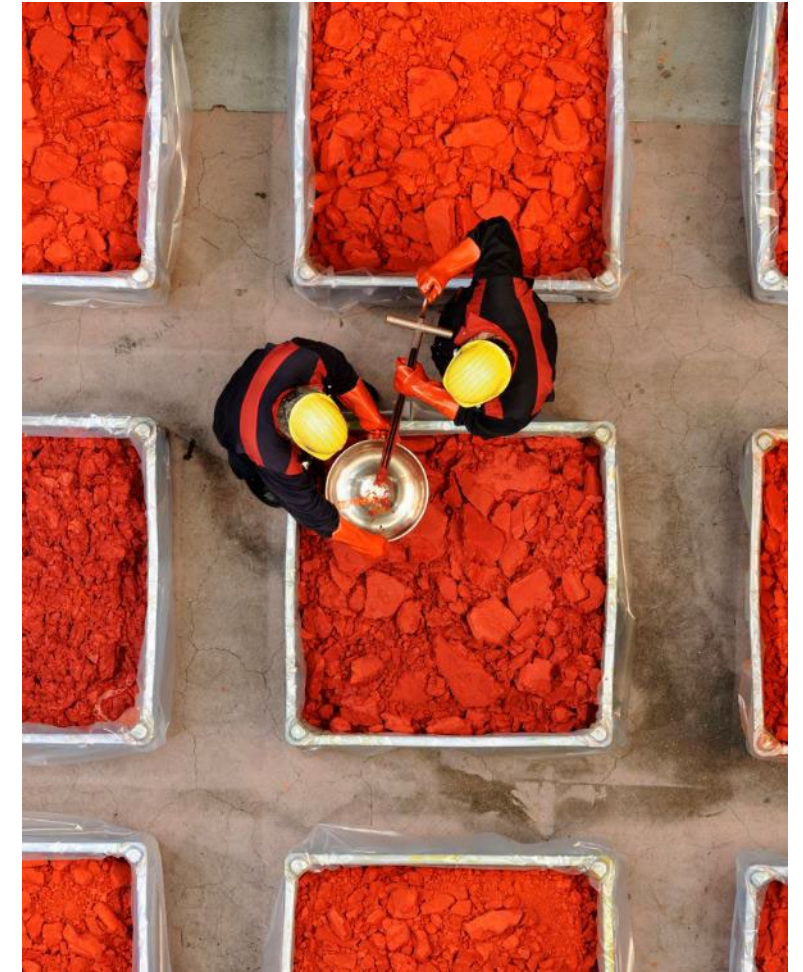
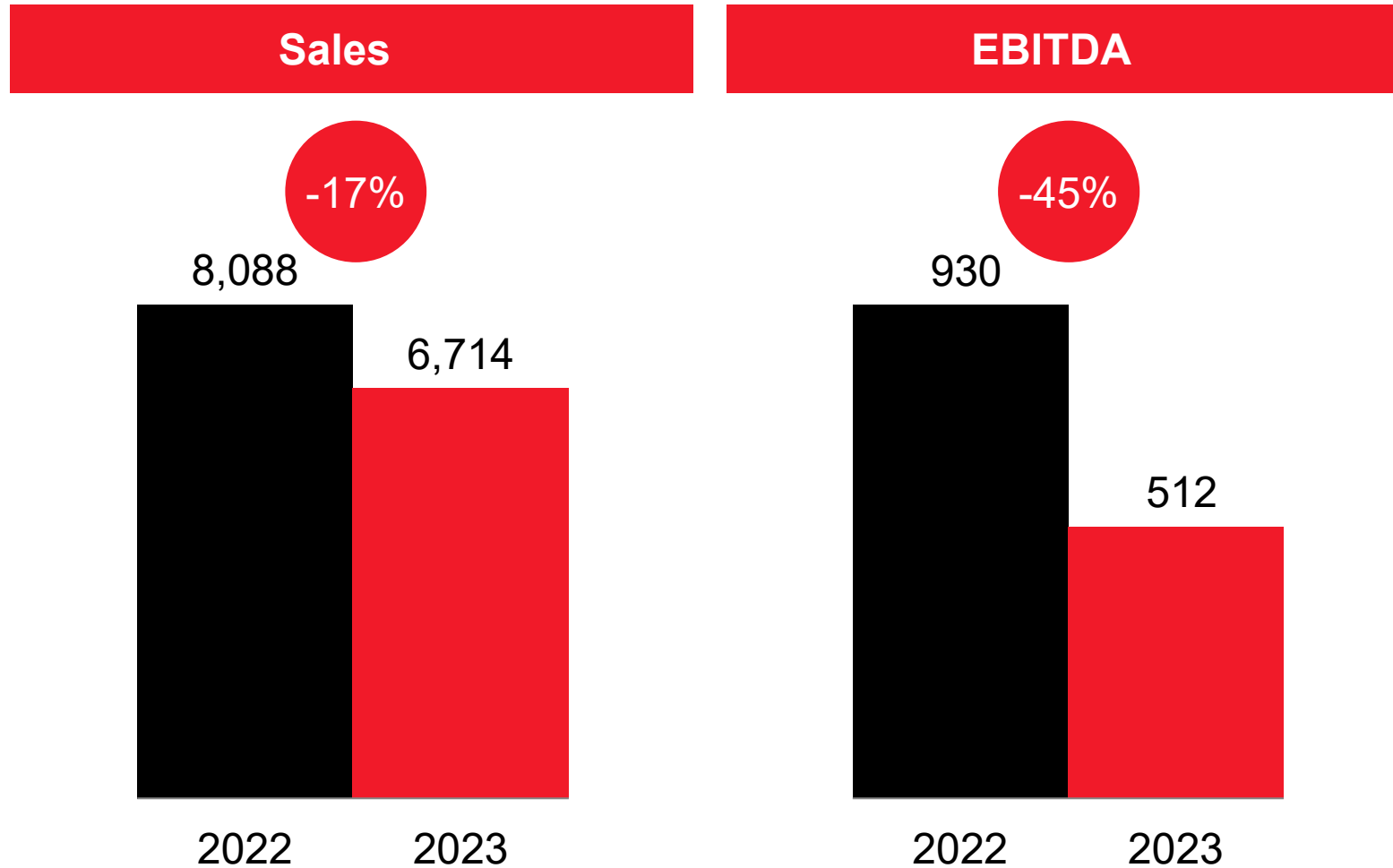
FORWARD! action program achieves first savings

Sustainability profile improved

Business development 2023

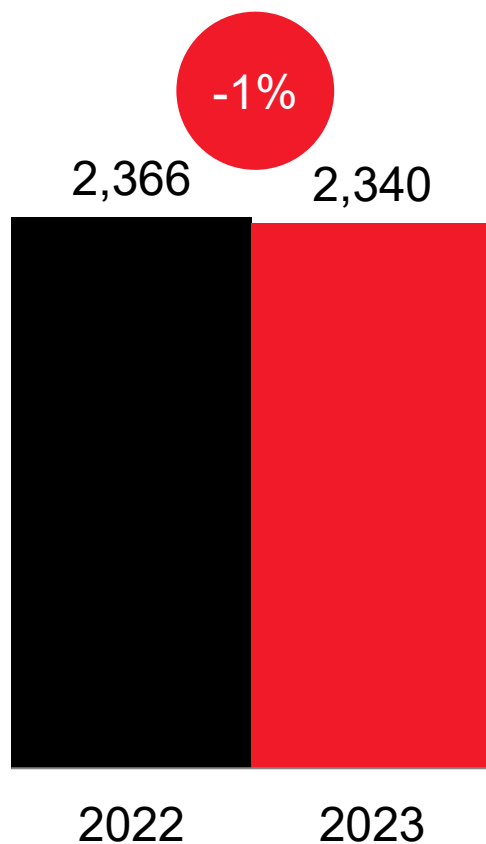


Weak demand impacts sales and earnings

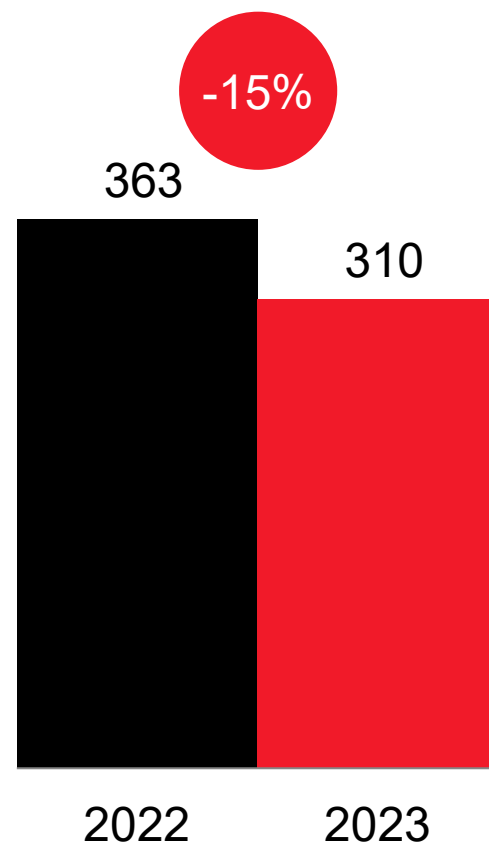


Consumer Protection: Most stable segment of the Group

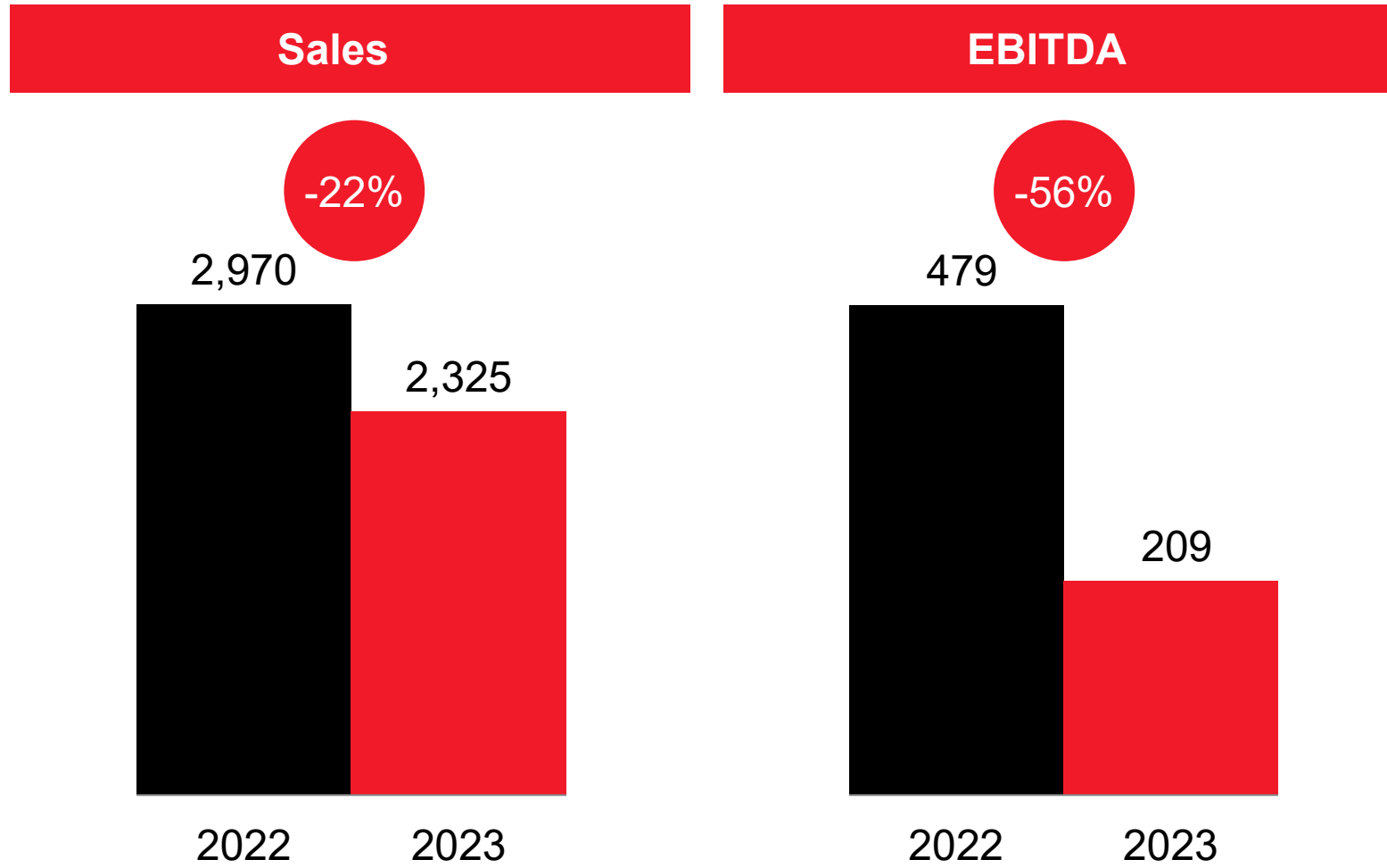
Sales



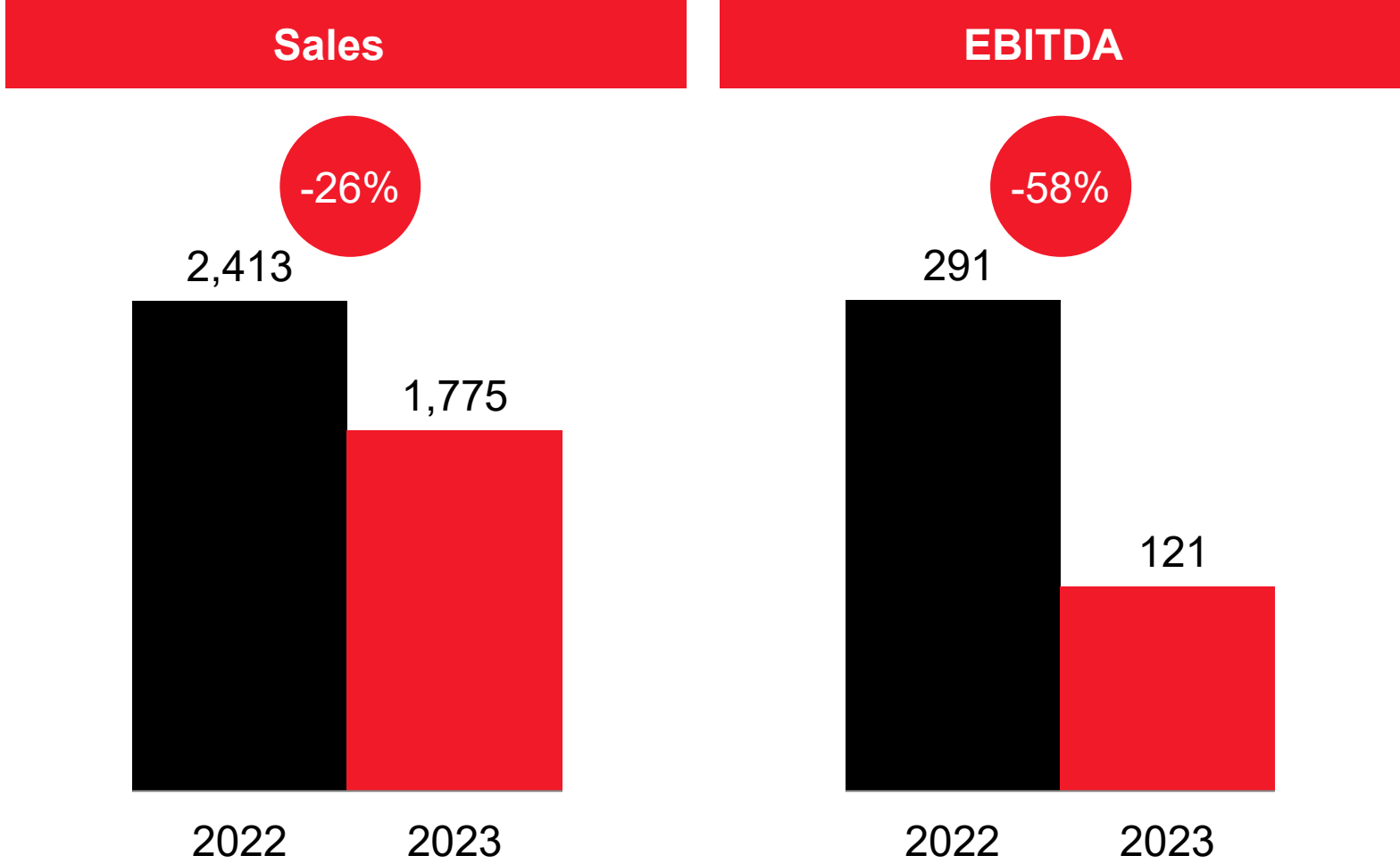
EBITDA



Specialty Additives: Weak demand in key customer industries

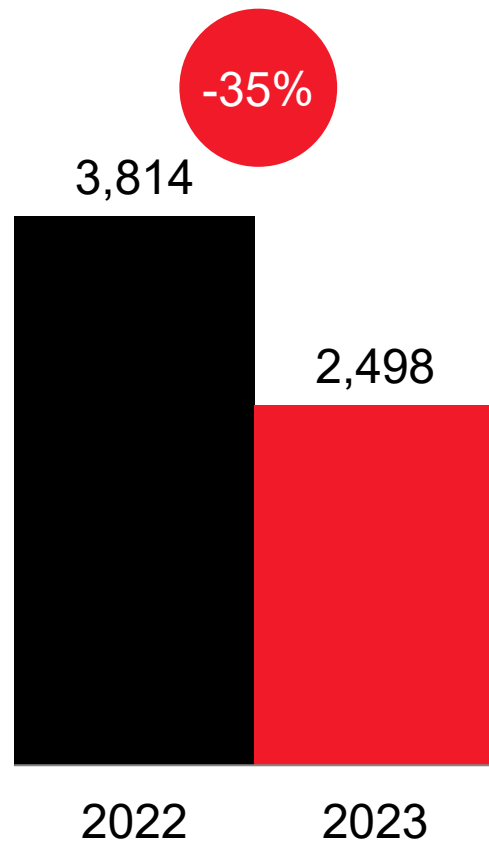


Advanced Intermediates: Burdened by weak demand and low prices

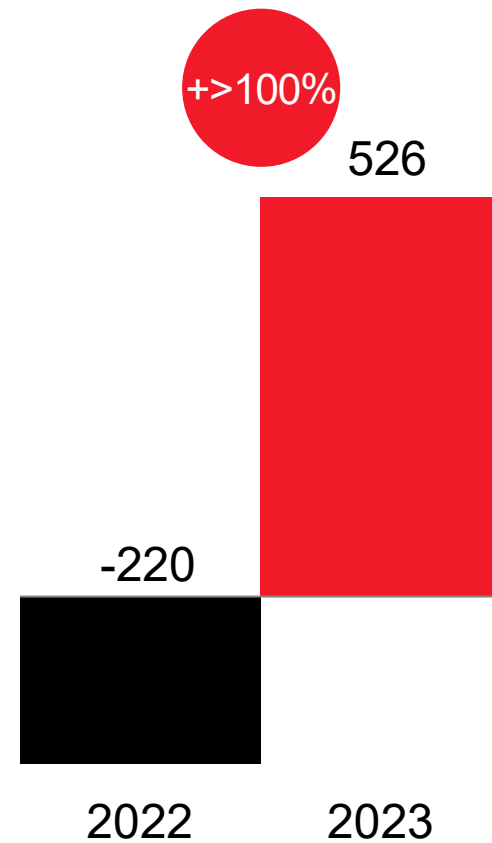


Debt reduced, cash flow increased

Net financial liabilities



Free cash flow

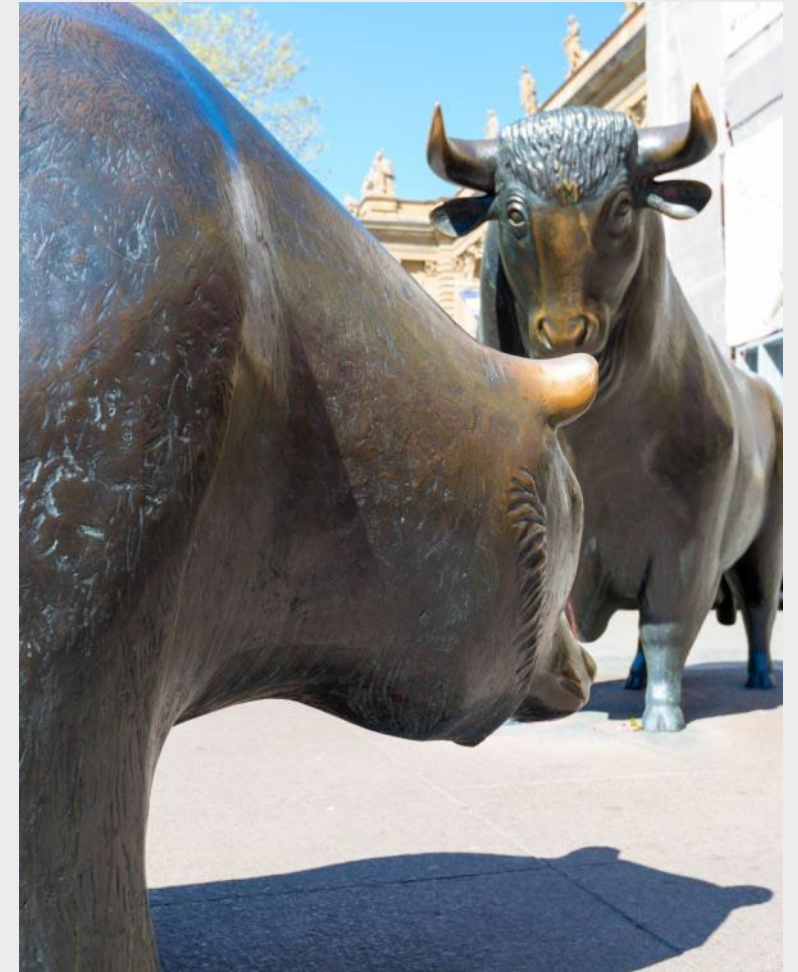


Dividend adjusted to economic and financial situation

Economic situation and debt are taken into account

Focus 2023/2024: debt reduction

Dividend proposal for 2023: EUR 0.10



Strategic development

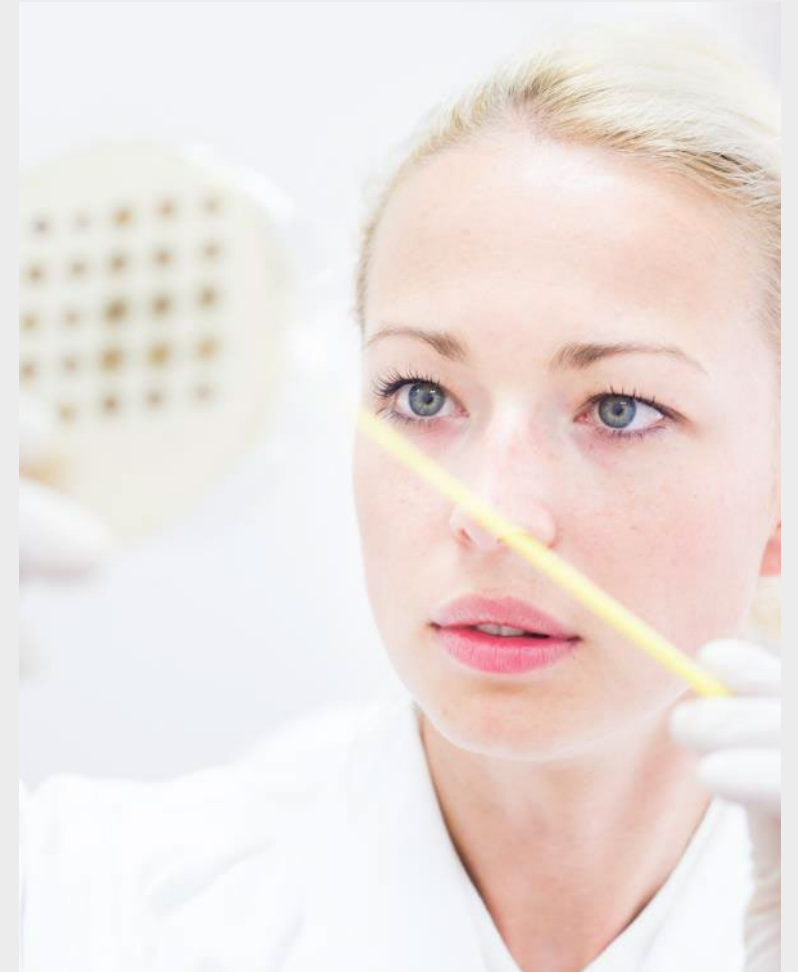


Specialty chemicals profile further sharpened

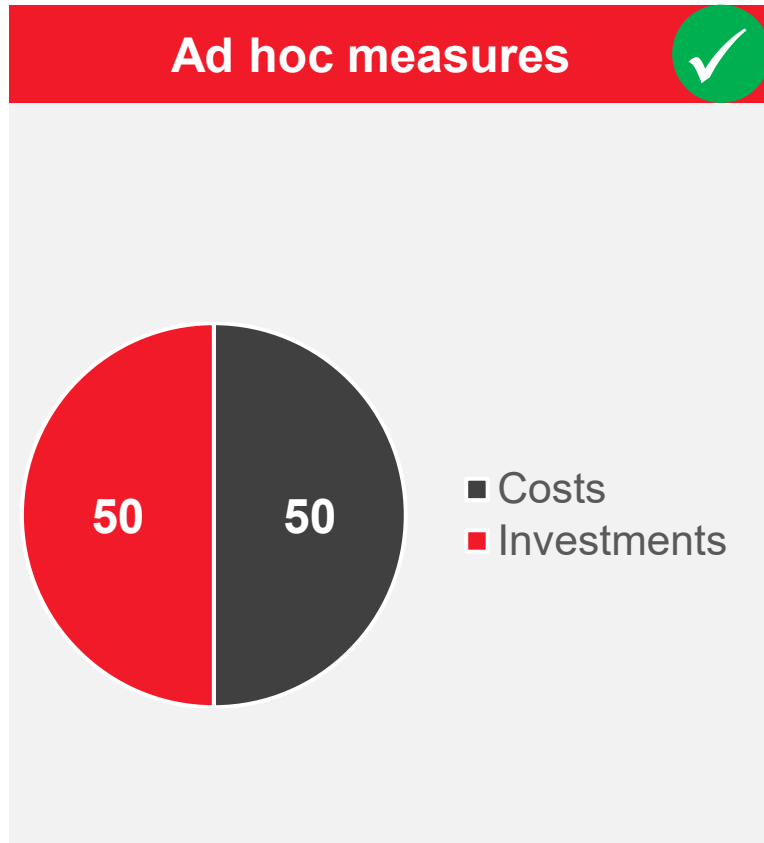
Envalior joint venture launched

IFF Microbial Control and Emerald Kalama integrated

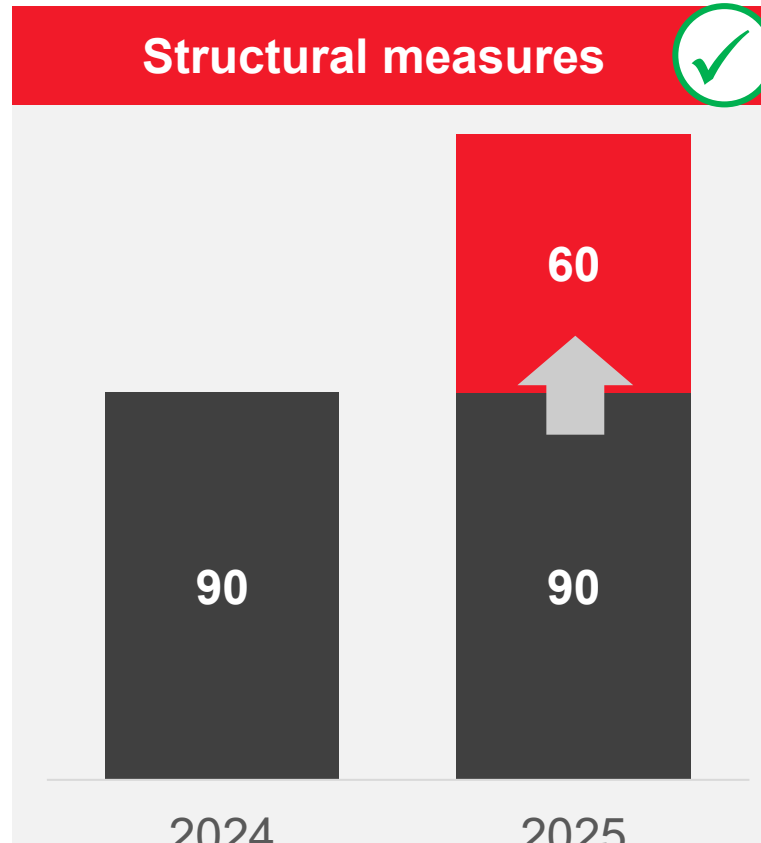
Desinvestment process of Urethane Systems initiated



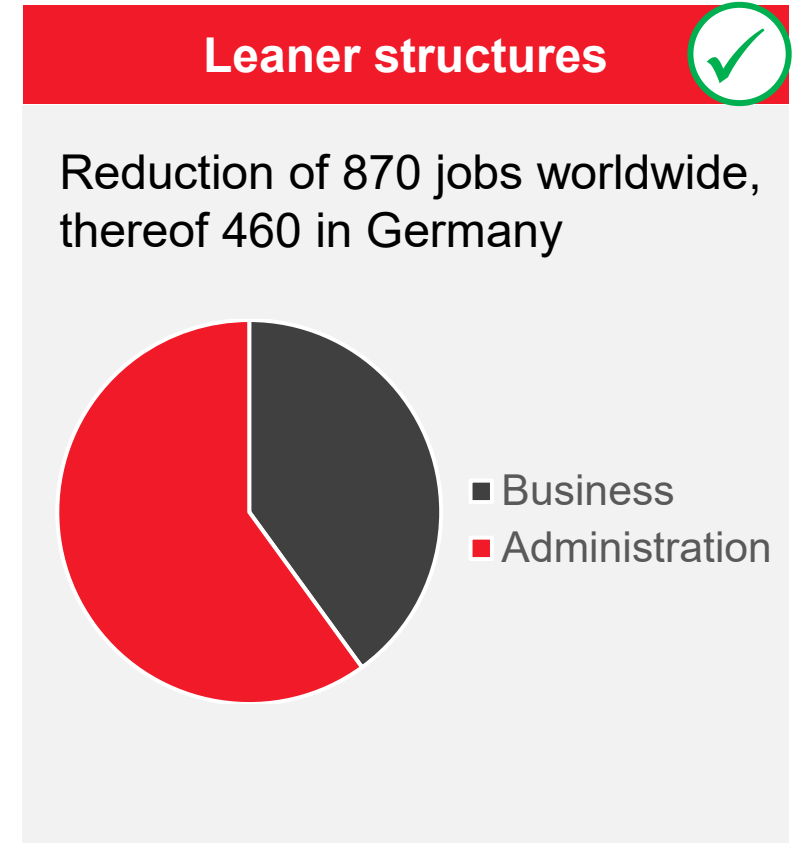
FORWARD! action program on track



One-off savings: EUR 100 million



Permanent savings: EUR 150 million



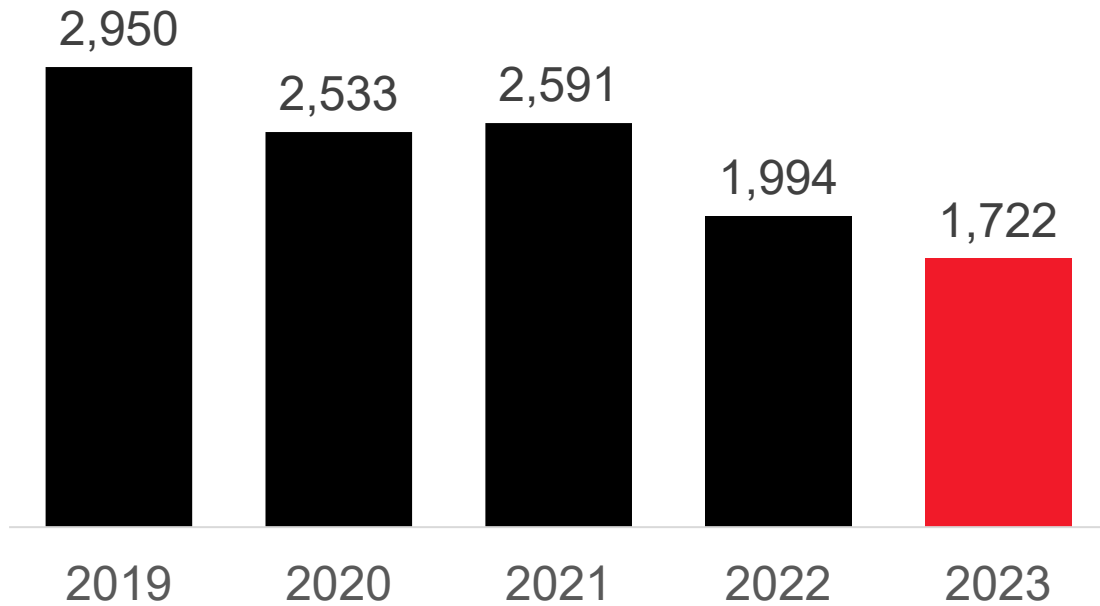
Majority of contracts signed

Sustainability



Operational emissions significantly reduced – not only due to lower production

CO₂e emissions (Scope 1 + 2)

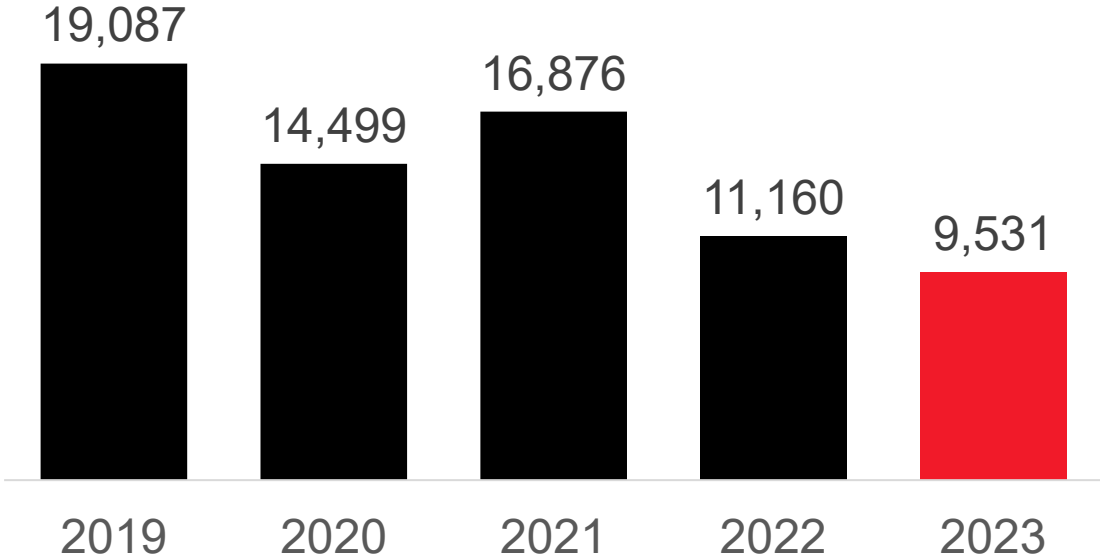


Ø -11 % emissions p.a.



Scope 3 emissions reduced due to increasing use of green raw materials and lower production volumes

CO₂e emissions (Scope 3)



Ø -14 % emissions p.a.



Sustainable LANXESS products on the rise

Scopeblue solutions for e.g.

- Preservatives
- Lubricant additives
- Antidegradants
- Plasticizers
- Polymer additives
- Ion exchange resins

Product Carbon Footprint Engine introduced

- Specially developed tool automatically calculates carbon footprint
- Supports customers in achieving their climate targets
- TÜV-certified software



Excellent sustainability

Validated again: Business on 1.5° path



SCIENCE
BASED
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION



Top 1 percent in ecoVadis rating

Top grade for climate protection from CDP



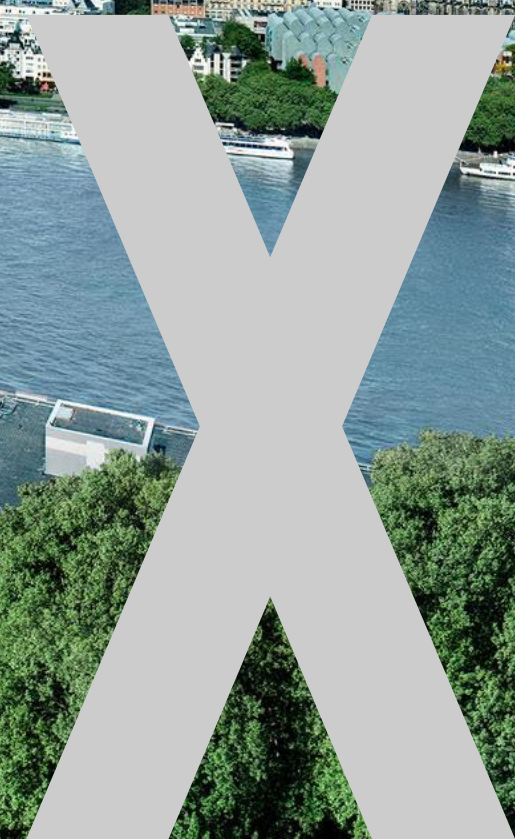
Member of

**Dow Jones
Sustainability Indices**

Powered by the S&P Global CSA

First rank in DJSI Europe

Outlook



Our priorities for 2024

Sharpen business models

- Marketing / Sales: use opportunities of new markets
- Optimize recently acquired LANXESS plants
- Make supply chain even more customer-centric
- Utilize synergies in innovation activities

Strengthen financial basis

- Further increase cash generation
- Further reduce debt


Streamline organization

- Conclude job cuts
- Sell Urethane Systems


Goal: The best setup for better times

Outlook for segments: strongest growth expected in Advanced Intermediates

Consumer Protection



Results roughly at prior year level




Specialty Additives




Results slightly to moderately above previous year



Advanced Intermediates



Results significantly above previous year



Guidance: moderately better results in 2024

Macro environment

- Ongoing weak demand at least in H1
- Agro customers' destocking burdens

LANXESS

- EBITDA for Q1 2024: on Q4 2023 level (up to EUR 100 million)
- Moderate volume improvement expected from Q2 onwards
- EBITDA for full year 2024: moderately above crisis result of 2023 but still significantly below normal levels



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