LANXESS – Q1 2021 results
Earnings back on high previous year level

Matthias Zachert, CEO
Michael Pontzen, CFO
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Q1 2021: Execution on strategy, solid earnings level

Q1 Highlights

Strategic:

- Acquisition of Emerald Kalama Chemical signed
- Two bolt-on acquisitions closed in Consumer Protection segment
- Entry into battery chemistry business announced: electrolyte production for Tinci at BU SGO

Financial:

- Volumes above previous year after unexpectedly strong March
- EBITDA pre on previous year level at €242 m, stable margin at 14.3%
- Several effects burden Q1’21: winter shutdowns (USA), energy & freight costs, raw material price increases, FX
ESG theme as a chance - LANXESS goes climate neutral by 2040

Our goal: Climate neutrality

<table>
<thead>
<tr>
<th>Year</th>
<th>2004</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2025</th>
<th>2030</th>
<th>2040</th>
</tr>
</thead>
<tbody>
<tr>
<td>Emissions (thousand tons CO₂e)</td>
<td>6,500</td>
<td>3,210</td>
<td>2,950</td>
<td>2,533</td>
<td>2,400</td>
<td>1,600</td>
<td>Neutral¹</td>
</tr>
</tbody>
</table>

Three-pronged approach

- Reduction of N₂O emissions and change to renewable energies
- CO₂e balance as criteria for organic growth and acquisitions
- Focus R&D activities on climate neutral processes and technologies

Ahead of EU regulation²

- Global trajectory
- German industry trajectory
- EU Industry based on Green Deal
- LANXESS

Emissions based on Scope 1 + Scope 2, numbers rounded.

LANXESS is on track to achieve targets set for 2025

¹ Climate neutral: Less than 300,000 tons of CO₂ equivalents per year. These will be reduced through compensation measures.
² This is based on current legislation. There is a plan for a more ambitious 2045 Net-Zero Emission Goal to be approved by cabinet shortly.
LANXESS enhances its disclosures according to SASB and TCFD reporting standards

**Mapping of KPIs to SASB\(^1\) standard**

- SASB with uniform reporting procedures for sustainability KPIs to facilitate categorization and analysis
- Growing importance globally after initial focus in US
- LANXESS publishes a SASB Index in accordance with Chemical Standard for environmental, social and governance issues

**Reporting according to TCFD\(^2\) standard**

- TCFD with recommendations for more effective climate-related disclosures, in particular to report information on climate-related opportunities and risks
- Disclosure around four thematic areas: Governance, strategy, risk management and metrics and targets
- LANXESS acknowledges the need for improved and increased reporting of climate-related financial information

LANXESS takes a proactive role in contributing to a better, sustainable future

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\(^1\) SASB = Sustainability Accounting Standards Board

\(^2\) TCFD = Task Force on Climate-related Financial Disclosures
Current outlook: Recovering demand in most end markets, increasing raw material prices and FX burden

Advanced Intermediates
- Increasing demand in all end markets, but energy prices burden
- Boom in construction in all regions, strong order book

Specialty Additives
- Strong demand for automotive supports all BUs; aviation still weak
- Positive trends in key industries: Construction strong, oil & gas improving

Consumer Protection
- Disinfection, purification and biocides with good business momentum despite high comparable base
- Agro market rebounding

Engineering Materials
- Strong auto recovery in all regions, Force Majeure of supplier burdens
LANXESS guidance raised – recovery gains traction

Current view on economy
- Ongoing recovery in most end markets:
  - Strong rebound in automotive, agro and construction
  - Aviation still weak, oil & gas gradually improving
- Further soaring raw material prices trigger typical time lag for pass-through

LANXESS outlook
- Q2: EBITDA pre range of €240-280 m expected, despite burden of
  - Unplanned shutdowns at BU HPM (~€5-10 m)
  - Weak US Dollar
- FY 2021 EBITDA pre expected €950-1,000 m