

LANXESS significantly increases sales and earnings in fiscal year 2021

- **Sales up 23.8 percent year-on-year at EUR 7.557 billion**
- **EBITDA pre exceptionals increase 17.2 percent to EUR 1.010 billion**
- **Dividend proposal for fiscal year 2021: EUR 1.05 per share**
- **CEO Matthias Zachert: “We promised and delivered a year of growth in 2021.”**
- **Significant earnings increase also expected for fiscal year 2022 – unforeseeable impact of war in Ukraine not considered**

Cologne, March 11, 2022 – LANXESS closed fiscal year 2021 successfully. Despite immense increases in energy, raw material and freight costs, the specialty chemicals company significantly improved its sales and earnings.

Group sales amounted to EUR 7.557 billion in 2021, up 23.8 percent on the previous year’s figure of EUR 6.104 billion. EBITDA pre exceptionals increased by 17.2 percent to EUR 1.010 billion compared with EUR 862 million a year earlier. Earnings were therefore within the guided range of EUR 1 billion to EUR 1.05 billion. The good results across all of the Group’s segments were mainly driven by strong demand from customer industries such as automotive, construction, transport and manufacturing. Influenced by significantly higher costs and one-time effects, the EBITDA margin pre exceptionals was now 13.4 percent after 14.1 percent in the previous year.

“We promised that 2021 would be a year of growth – and we delivered this against all the odds. We largely passed on the extreme cost increases to the market. In addition, we accomplished four acquisitions in the middle of the pandemic and thus massively expanded our Consumer Protection segment. All this shows the

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strength and stability that LANXESS now enjoys,” said Matthias Zachert, Chairman of the Board of Management of LANXESS.

At EUR 218 million, net income from continuing operations was significantly down on the previous year’s figure of EUR 908 million, as expected. In 2020, high extraordinary proceeds were generated from the sale of the stake in chemical park operator Currenta.

Significant growth expected for 2022 – impacts from war in Ukraine not yet considered

Zachert was optimistic about the current fiscal year 2022 despite a further increase in costs. “We expect energy and raw material prices to continue to rise in the first half of 2022. Global supply chains also remain fragile. Nevertheless, we would anticipate further significant earnings growth in this fiscal year.” However, the impact of the war in Ukraine is yet unforeseeable. LANXESS anticipates an earnings jump in the first quarter of 2022 and expects EBITDA pre exceptionals to come in between EUR 280 million and EUR 320 million (previous year: EUR 242 million).

Dividend to increase again

The dividend is to increase again for 2021. The Board of Management and Supervisory Board will propose a dividend of EUR 1.05 per share – five percent more than in the previous year – to the Annual Stockholders’ Meeting, which will be held virtually on May 25, 2022. This corresponds to a total dividend payout of around EUR 91 million.

Four acquisitions in the middle of the pandemic

Despite difficult conditions due to the coronavirus pandemic, LANXESS made four acquisitions in fiscal year 2021 and thus considerably strengthened the Consumer Protection segment. With the acquisition of the French biocide specialist INTACE, the specialty

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chemicals company expanded its range of fungicides for paper and packaging. LANXESS significantly expanded its product range for the growing animal health market with the portfolio of the disinfectant and hygiene provider Theseo. In August, the Group completed the acquisition of the U.S. specialty chemicals manufacturer Emerald Kalama Chemical and thus became one of the leading providers of products for flavors and fragrances. LANXESS likewise contractually agreed the acquisition of the Microbial Control business from U.S. corporation International Flavors & Fragrances Inc. (IFF) – one of the leading providers of antimicrobial active ingredients and formulations for material protection, preservatives and disinfectants – in August 2021. The transaction is scheduled to be completed in the second quarter of 2022.

Growth in all segments

In the **Advanced Intermediates** segment, LANXESS successfully passed on the increases in raw material prices. Due also to good demand, sales increased by 19.6 percent from EUR 1.629 billion in the previous year to EUR 1.949 billion. At EUR 333 million, EBITDA pre exceptionals was 7.8 percent higher than the previous year's figure of EUR 309 million. High energy and freight costs particularly burdened earnings and margin. The EBITDA margin pre exceptionals of 17.1 percent was therefore below the margin of 19.0 percent posted in the previous year.

The **Specialty Additives** segment benefited from the incipient recovery in the aviation industry and the good demand from the construction, oil and gas industries. The significantly increased raw material prices were successfully passed on. Sales amounted to EUR 2.295 billion, up 16.8 percent on the previous year's figure of EUR 1.965 billion. EBITDA pre exceptionals grew by 16.2 percent from EUR 278 million to EUR 323 million. Increased energy and freight costs also had a negative effect on earnings. The EBITDA margin pre exceptionals remained unchanged year-on-year at 14.1 percent.

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The businesses in the **Consumer Protection** segment performed very positively throughout the year. The segment benefited highly from the portfolio effect from the acquisition of the company Emerald Kalama Chemical. Together with the benzyl products of Advanced Industrial Intermediates, the new specialty chemicals businesses were integrated into the new Flavors & Fragrances business unit. Sales and earnings were also increased by the acquisition of the biocide companies INTACE and Theseo. Due also to higher volumes and selling prices, sales amounted to EUR 1.515 billion, up 21.9 percent on the previous year's figure of EUR 1.243 billion. EBITDA pre exceptionals grew by only 3.4 percent from EUR 266 million to EUR 275 million, due in particular to high energy and freight costs and unscheduled plant shutdowns. The EBITDA margin pre exceptionals reached 18.2 percent, against 21.4 percent a year ago.

Thanks to the recovery of demand in the automotive industry and the passing on of increases in raw material prices, sales in the **Engineering Materials** segment rose sharply. At EUR 1.708 billion, sales were up 43.5 percent on the previous year's figure of EUR 1.190 billion. EBITDA pre exceptionals grew by 59.6 percent from EUR 151 million to EUR 241 million, although high energy and freight costs had a negative effect on earnings. The EBITDA margin pre exceptionals amounted to 14.1 percent after 12.7 percent in the previous year.

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EUR million	Q4/2020	Q4/2021	Change %	2020	2021	Change %
Sales	1,503	2,082	38.5	6,104	7,557	23.8
EBITDA pre exceptionals	200	213	6.5	862	1,010	17.2
EBITDA margin pre exceptionals	13.3%	10.2%		14.1%	13.4%	
Net income	-3	29	>100	885	267	-69.8
from continuing operations	17	10	-41.2	908	218	-76.0
from discontinued operations	-20	19	>100	-23	49	>100
Dividend or proposed dividend per share (EUR)				1.00	1.05	5.0
Net financial liabilities*				1,012	2,245	>100
Employees (December 31)**				14,309	14,866	3.9

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*After deduction of short-term money market investments and securities.

**Employed in continuing operations as of the reporting date.

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LANXESS is a leading specialty chemicals company with sales of EUR 7.6 billion in 2021. The company currently has about 14,900 employees in 33 countries. The core business of LANXESS is the development, manufacturing and marketing of chemical intermediates, additives, specialty chemicals and plastics. LANXESS is listed in the leading sustainability indices Dow Jones Sustainability Index (DJSI World and Europe) and FTSE4Good.

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Forward-Looking Statements

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News Release

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