

Despite challenging environment: LANXESS keeps dividend stable

Board of Management and Supervisory Board propose dividend of EUR 1.05 per share at Annual Stockholders' Meeting

Cologne, May 24, 2023 – At this year's virtual Annual Stockholders' Meeting of specialty chemicals company LANXESS, CEO Matthias Zachert gave a positive summary of the past fiscal year: "2022 was an extremely challenging but also successful year for LANXESS."

LANXESS Group sales in 2022 were EUR 8.1 billion, more than 32 percent higher than the previous year's figure of approximately EUR 6.1 billion. EBITDA pre exceptionals rose by 14.1 percent to EUR 930 million, compared with EUR 815 million in the previous year. "We therefore intend to continue our policy of paying at least a stable dividend, even though 2023 will be even more challenging," said Zachert.

The Board of Management and Supervisory Board proposed a dividend of EUR 1.05 per share to the Annual Stockholders' Meeting. This corresponds to the value of the dividend paid in the previous year. LANXESS will thus pay out a total of around EUR 91 million to its stockholders.

Further focus on specialty chemicals

In 2022, LANXESS further sharpened its profile as a specialty chemicals company. In July 2022, LANXESS acquired the microbial control business of U.S.-based company IFF, thereby strengthening its Consumer Protection segment. "The transaction makes us one of the world's largest suppliers of microbial control products and strengthens our presence in the increasingly important U.S. market," Zachert said.

In addition, the specialty chemicals company announced at the end of May 2022 that it would transfer its High Performance Materials business into a joint venture with private equity investor Advent

LANXESS AG

Corporate Communications
50569 Cologne
Germany

Contact:

Ingo Drechsler
Head of External Relations
Phone: +49 221 8885-3790
ingo.drechsler@lanxess.com

Eva Krüger

Press spokesperson
Finance and business press
Phone: +49 221 8885-4010
eva.krueger@lanxess.com

Alexander Böhm

Press spokesperson
Finance and business press
Phone: +49 221 8885-4746
alexander.boehm@lanxess.com

International. This joint venture also includes the former Engineering Materials business of the Dutch group Royal DSM. The joint venture was launched in April 2023 under the name “Envalior”. LANXESS holds about 40 percent of Envalior, Advent about 60 percent. As part of the transaction, LANXESS received a payment of approximately EUR 1.27 billion, which the Group is using primarily to reduce its debt.

“With the formation of Envalior and the acquisition of IFF Microbial Control, we have now largely completed our strategic transformation. In the coming months, we will focus entirely on integrating the new businesses,” Zachert concluded.

Milestone on the road to climate neutrality

In August 2022, the specialty chemicals company also set itself the goal of making its entire value chain climate-neutral by 2050. Zachert: “In the medium term, we want to offer emission-reduced and climate-neutral variants for all our products. Our Flavors & Fragrances business unit is already demonstrating that we can do this.” Already by the end of this year, the business unit will offer sustainable product variants for its entire portfolio of flavors and fragrances, preservatives and animal food products. Zachert continues, “Other business units will follow suit. By 2050, we then want to have exclusively climate-neutral products in our portfolio.”

2023: Cautiously optimistic after weak start

For 2023, Matthias Zachert expects a recovery in the second half of the year after a difficult first quarter: “2023 will be a tough year for the chemical industry and thus also for LANXESS. The subdued demand, which we already clearly felt in the fourth quarter of 2022, continues to this day. I therefore expect the first half of the year to be particularly difficult. At the same time, I am cautiously optimistic that our economic environment will pick up significantly toward the second half of the year.” LANXESS Group sales in the first quarter came in at EUR 1.899 billion, down 1.7 percent from the prior-year figure of EUR 1.931 billion. EBITDA pre exceptionals fell 27.9 percent to EUR 189

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Ingo Drechsler
Head of External Relations
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Press spokesperson
Finance and business press
Phone: +49 221 8885-4010
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Alexander Böhm

Press spokesperson
Finance and business press
Phone: +49 221 8885-4746
alexander.boehm@lanxess.com

million, compared with EUR 262 million a year earlier. For the full 2023 financial year, the Group expects EBITDA pre exceptionals to be between EUR 850 million and EUR 950 million.

Creating the right framework conditions

Zachert is concerned about the lack of global competitiveness of Germany as an industrial location: “While LANXESS’ key figures have improved significantly in terms of sales and earnings, the underlying conditions have deteriorated considerably. In fact, these were among the most difficult we have experienced in the past ten years. Especially here in Germany.”

Zachert spoke out in favor of competitive energy prices, faster approval procedures, better infrastructure and an industry-friendly attitude, and appealed to politicians once again: “If we want our home country to be able to compete internationally in the future, we have to act now. Create the right framework conditions now. Only then can we as an industry also make a powerful contribution to maintaining our nation’s prosperity.”

All voting results can be found here after the end of the Annual General Meeting: <https://lanxess.com/en/Investors/Annual-Stockholders-Meeting/Voting-Results>

LANXESS is a leading specialty chemicals company with sales of EUR 8.1 billion in 2022. The company currently has about 13,200 employees in 33 countries. The core business of LANXESS is the development, manufacturing and marketing of chemical intermediates, additives and consumer protection products. LANXESS is listed in the leading sustainability indices Dow Jones Sustainability Index (DJSI World and Europe) and FTSE4Good.

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Head of External Relations
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Finance and business press
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eva.krueger@lanxess.com

Alexander Böhm
Press spokesperson
Finance and business press
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alexander.boehm@lanxess.com

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