

LANXESS raises guidance for fiscal year 2021

- **Specialty chemicals company now expects EBITDA pre exceptionals between EUR 950 million and EUR 1 billion**
- **Sales of EUR 1.693 billion at good prior-year level**
- **EBITDA pre exceptionals also at good prior-year level at EUR 242 million**
- **EBITDA margin pre exceptionals stable at 14.3 percent**
- **Q1 2021 marked by strategic growth**

Cologne, May 12, 2021 – LANXESS is raising its guidance for the full year 2021 following a good first quarter: The specialty chemicals company now expects EBITDA pre exceptionals of between EUR 950 million and EUR 1 billion. Previously, the company had assumed earnings of between EUR 900 million and EUR 1 billion.

At EUR 242 million, EBITDA pre exceptionals in the first quarter came in at the good level of the prior-year quarter (EUR 245 million), which had not yet been significantly affected by the Coronavirus pandemic. Group-wide, volumes in the first quarter of 2021 were above the prior-year level. Growing demand from the automotive sector was a key driver, particularly in the Engineering Materials segment. This was offset by the effects of weather-related production shutdowns in the United States in the Advanced Intermediates, Specialty Additives and Consumer Protection segments. Moreover, negative exchange rate effects, particularly from the US dollar, and significantly higher energy costs, especially in Germany, had a negative impact.

Group sales in the first quarter of EUR 1.693 billion were at the good level of the previous year (EUR 1.704 billion). Group income from continuing operations also remained stable at EUR 63 million.

“The positive momentum from the fourth quarter has continued and we have made a good start to the new year. We are benefiting from a further increase in demand, particularly in the automotive sector.

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Operationally, we have thus left Corona behind us and are now very confident about the rest of the year,” said Matthias Zachert, Chairman of the Board of Management of LANXESS AG. “Now we are focusing on our growth course and are doing everything we can to ensure that our new businesses quickly develop their full potential.”

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First quarter marked by strategic growth

In the first quarter, LANXESS also pursued strategic growth. In the Consumer Protection segment, the specialty chemicals company completed two acquisitions. With the French biocide specialist INTACE, the company has expanded its range of fungicides for paper and packaging. With the successful acquisition of disinfection and hygiene provider Theseo, LANXESS has significantly expanded its offering for the growth market of animal hygiene.

In mid-February 2021, the specialty chemicals company announced the second-largest acquisition in its corporate history. The acquisition of US-based group Emerald Kalama Chemical will enable LANXESS to open up high-margin new fields of application, such as in the food industry and animal health. The Group expects the transaction to be completed in the second half of the year following regulatory approvals.

The specialty chemicals company has also been involved in the future field of battery chemistry since this year, entering into a cooperation agreement with Tinci, a leading global manufacturer of lithium-ion battery materials, at the end of March. From 2022, LANXESS will produce electrolyte formulations for lithium-ion batteries in Leverkusen under the authorization of the Chinese company.

Segments: Rising demand in almost all customer industries

As of January 1, 2021, the antioxidants and reaction accelerators business was organizationally reassigned from the Advanced Industrial Intermediates business unit (Advanced Intermediates segment) to Rhein Chemie (Specialty Additives segment). The previous year's figures have been restated accordingly. In addition, the colorant and colorant additives business was transferred within the Specialty Additives segment from Rhein Chemie to the Polymer Additives business unit.

In the **Advanced Intermediates** segment, sales rose by 1.2 percent from EUR 483 million to EUR 489 million. Good demand led to higher volumes, offset by lower selling prices and adverse exchange rate effects. EBITDA pre exceptionals for the segment came in at EUR 77 million, 6.1 percent below the prior-year figure of EUR 82 million. Higher volumes could not offset the negative price effect, adverse exchange rate effects and a weather-related production shutdown in the United States. The EBITDA margin pre exceptionals fell accordingly from 17.0 percent to 15.7 percent.

In the **Specialty Additives** segment, sales and earnings did not match the good level of the previous year. A weather-related production shutdown in the United States lasting several weeks and continued weak demand from the aviation industry led to lower volumes. Adverse exchange rate effects also had a negative impact. At EUR 517 million, sales were 9.9 percent below the prior-year figure of EUR 574 million. EBITDA pre exceptionals fell by 18.7 percent from EUR 91 million to EUR 74 million. The EBITDA margin pre exceptionals was 14.3 percent, against 15.9 percent in the previous year.

The businesses in the **Consumer Protection** segment continued to develop well in the first quarter of 2021. This development was driven by the continued strong agrochemicals business at Saltigo and good demand for disinfectants at Material Protection Products, mitigated by

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adverse exchange rate effects. At EUR 290 million, sales were 3.9 percent above the prior-year figure of EUR 279 million despite lower selling prices. EBITDA pre exceptionals rose by 3.0 percent from EUR 67 million to EUR 69 million despite a weather-related production shutdown in the United States. The EBITDA margin pre exceptionals reached 23.8 percent, against 24.0 percent in the previous year.

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The **Engineering Materials** segment benefited from the increasingly strong demand from the automotive industry. Sales in the first quarter of 2021 rose by 8.6 percent from EUR 347 million to EUR 377 million due to higher volumes. EBITDA pre exceptionals was up 20.4 percent from the prior-year figure of EUR 49 million to EUR 59 million, despite higher freight and energy costs. The EBITDA margin rose from 14.1 percent to 15.6 percent.

EUR million	Q1/2020	Q1/2021	Change %
Sales	1,704	1,693	-0.6
EBITDA pre exceptionals	245	242	-1.2
EBITDA margin pre exceptionals	14.4%	14.3%	
Net income	64	64	0.0
from continuing operations	63	63	0.0
from discontinued operations	1	1	0.0
Net financial liabilities	1,012*	1,223	20.8
Employees (March 31)**	14,309*	14,159	-1.0

* As of December 31, 2020

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

LANXESS is a leading specialty chemicals company with sales of EUR 6.1 billion in 2020. The company currently has about 14,300 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.

Forward-Looking Statements

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