



## When Bad Things Happen To Good People

SOHN INVESTMENT CONFERENCE

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May 14, 2025



I want to thank the Sohn Investment Conference for inviting me to speak. Evan – 30 years is an incredible achievement. Congratulations!

The last two years I have given presentations on European companies that most of you had never heard of.

Maybe it is because we are finding more value in unloved European companies, but this year I will present to you...

Another European company most of you have not heard of.

We are on a streak. Last year, I presented Solvay, which has since returned 25%, including dividends. Two years ago, I presented Vitesco, which went up 50% in the next six months, before eventually being taken over at a discount to that by the controlling shareholder.

In case you are curious, the year before was Gold when it was about \$1,850 an ounce, and the year before that was Teck Resources, which returned about 58% in the following year.

Let's see if we can keep this going.

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2

Here are our disclosures.

I'd like to remind everyone that the idea I'm about to present is in our portfolio. We may change our position at any time.



3

The cartoon says, “Hey, I’m a big boy... I can accept that bad things sometimes happen to good people. What drives me nuts is how all the good things always seem to happen to people I can’t stand!”

Today I am presenting a company, where the management has made excellent strategic decisions, but the stock has suffered due to a lot of bad luck.

Source: [www.CartoonStock.com](http://www.CartoonStock.com).



Matthias Zachert, CEO

Ticker: LXS DE

Workforce: ~12,500

Footprint: 32 countries

Sales (2024): €6.4 billion

Market Cap: €2.4 billion

Net Debt: €2.1 billion

4

Our idea is Lanxess, a German chemicals company.

This is Matthias Zachert. He is the CEO.

We met him in 2004, when Lanxess was spun out of Bayer. At the time of the spin-out, he was the CFO.

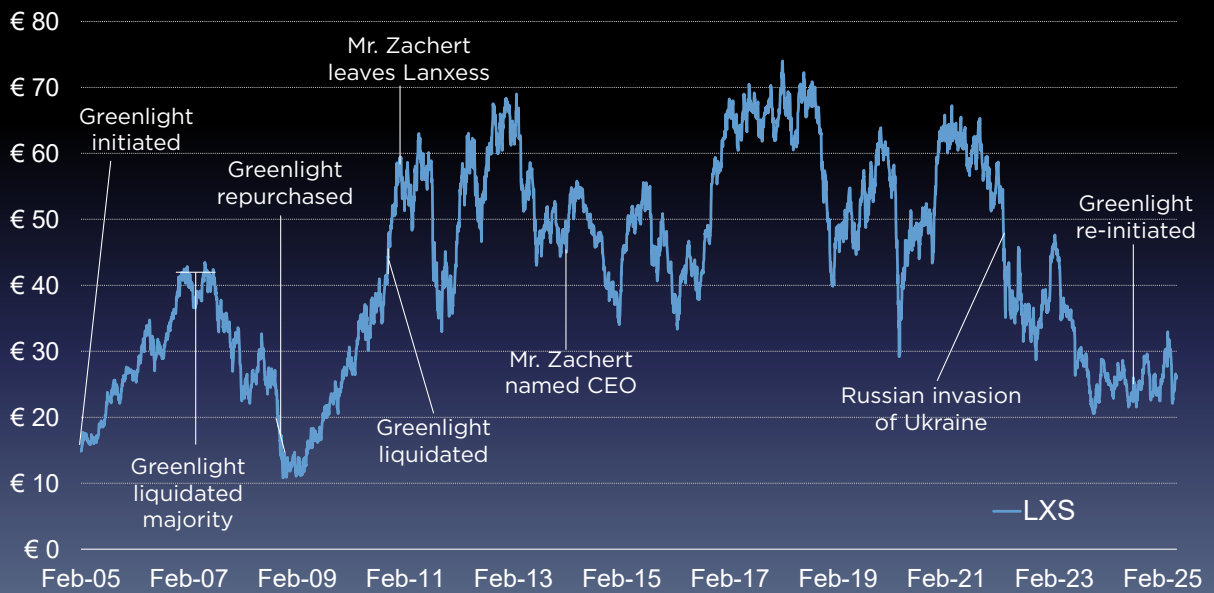
In 2011, Matthias left to become CFO of Merck KGaA, which had a strong run under his leadership.

He returned to Lanxess as CEO in 2014, when the company was a mess.

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Source: Lanxess 2024 annual report and Lanxess first quarter 2025 financial report, available at <https://lanxess.com/en/investors/reporting>; Bloomberg, LP, retrieved May 12, 2025; Greenlight calculations. Net debt as of May 2025, pro-forma for repayment of debt from proceeds of Urethane Systems disposal completed on April 1, 2025.

# History



5

At the time of the spin-out, Lanxess was a hodgepodge of non-core chemical businesses.

When we sold in 2010 in the low 40s, it had been our second most profitable investment ever.

With 15 years having passed, the stock is about one-third lower today from where we sold it, and just over half of where it was when Matthias returned in 2014.

Suffice it to say, this company has *not* been a compounder.

Source: Bloomberg, LP, retrieved May 12, 2025.



6

The cartoon says, “What if we don't change at all... and something magical just happens?”

Matthias has transformed Lanxess through divestitures and acquisitions, and the company today looks completely different from when we owned it 20 years ago.

Lanxess has shed highly cyclical commodity businesses, and replaced them with more stable and higher quality specialty chemicals in attractive global niches.

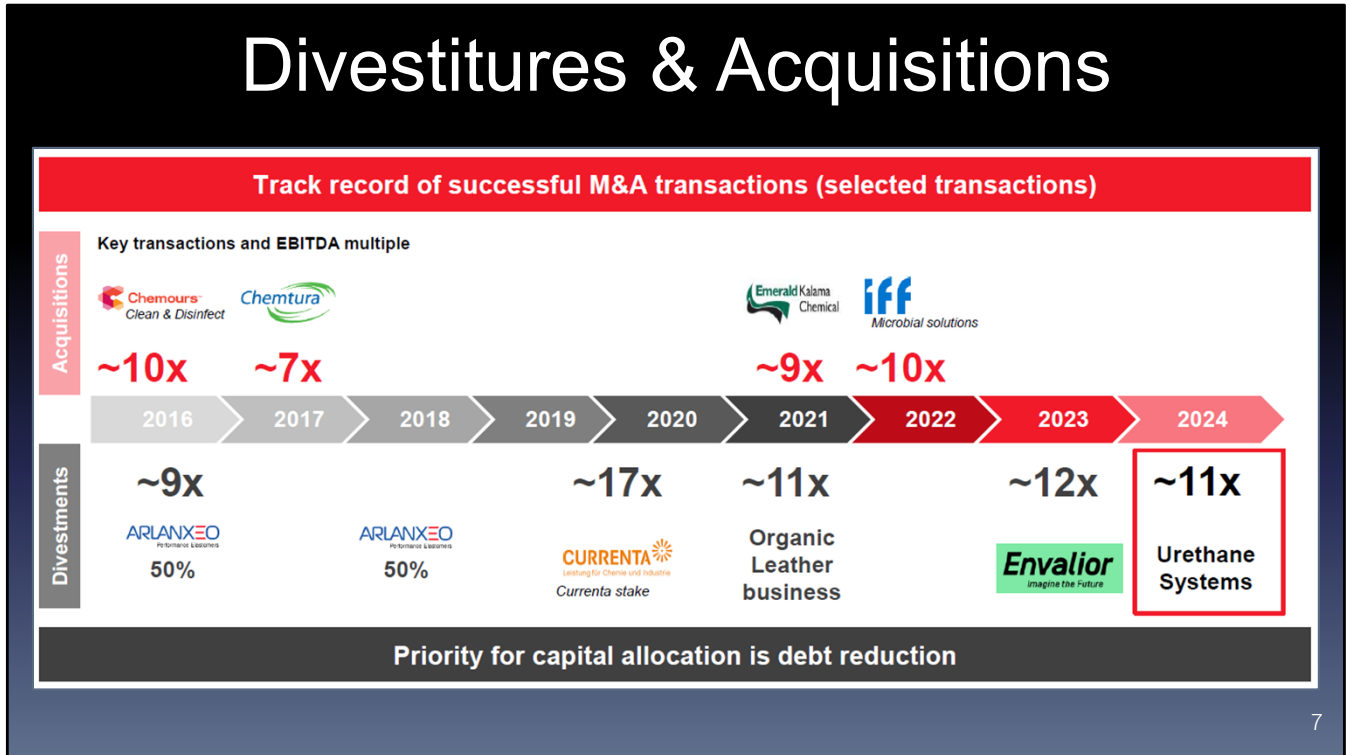
In theory, this should have led to more stable results, higher margins and a higher multiple.

In practice, the progress was temporarily derailed by a slew of unfortunate developments.

The opportunity today is to realize that the troubles have largely passed, and the company is likely to be on a successful path to realizing the benefits of its transformation.

Source: [www.CartoonStock.com](http://www.CartoonStock.com).

# Divestitures & Acquisitions



In 2016, about half of Lanxess sales were polymers from ArlanxEO and Envalior.

ArlanxEO was sold by 2018. In 2020, Lanxess sold Currenta, and in 2021, it sold its Organic Leather business.

In 2023, Lanxess sold the majority of Envalior to a JV where it retains a 41% interest.

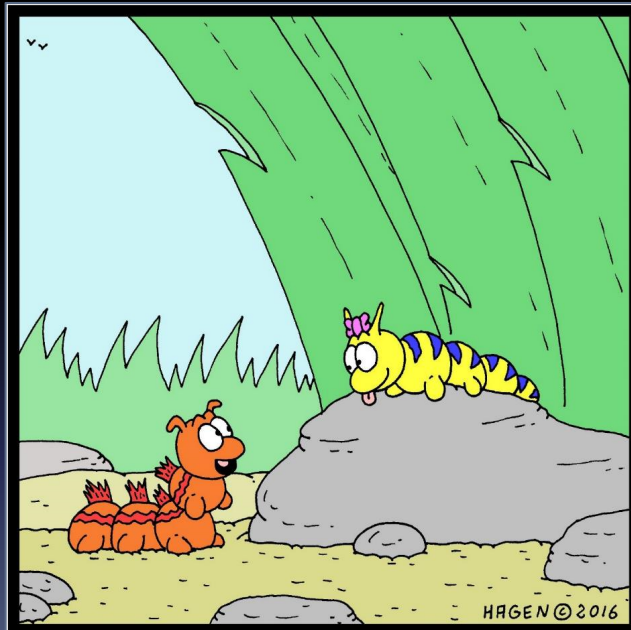
And, this year, it sold its last commodity business, Urethane Systems, in a deal that just closed.

I think it is interesting that the market likes to value Lanxess at around 5-6x EBITDA, even though it has sold its *bad businesses* at multiples that are much higher than that.

During this time, Lanxess has made four key acquisitions:

- Chemours Clean & Disinfect business in 2016;
- Chemtura in 2017, which focuses on flame retardants and lubricant additives;
- Emerald Kalama in 2021, which makes preservatives and aroma chemicals; and
- IFF's Microbial Solutions business in 2022, which made Lanxess one of the largest suppliers of microbial control products.

Source: Lanxess, *LANXESS to sell Urethane Systems business to UBE Corporation*, October 3, 2024.



What are you going to be when you grow up:  
A butterfly or a moth?

CartoonStock.com

8

The cartoon says, “What are you going to be when you grow up: A butterfly or a moth?”

Transforming a business is no easy task, and Lanxess has now done all the heavy lifting of repositioning its portfolio of businesses.

Lanxess owns a strong portfolio with reduced complexity, lower asset intensity and is now focused on cash generation.

We think we are left with a butterfly, which is being perceived for the moment as a moth.

The quality of Lanxess has improved, but its value has not been unlocked yet.

Let’s observe what Lanxess looks like today.

Source: [www.CartoonStock.com](http://www.CartoonStock.com).

# Consumer Protection

35% of sales; 16% average adjusted EBITDA margin

## Material Protection Products



Global leader in **Biocides** for biosecurity and industrial consumer protection

## Flavors & Fragrances



Leading manufacturer of benzoate-based **preservatives**, and **flavors & fragrances**

## Saltigo



Leading **contract developer and manufacturer** with focus on agrochemicals, pharmaceuticals and specialty chemicals

## Liquid Purification Technologies



One of the leading global suppliers of water **treatment and purification**

9

Lanxess is organized into three segments.

The first segment is Consumer Protection, which has four separate Business Units.

All the business units are top-three players in niche markets.

Like me, you probably had no idea what *biocides* are. They are products intended to destroy or control harmful organisms to protect us, animals and materials from harm. Think of items like disinfectants, preservatives, pesticides and antimicrobials.

While Saltigo doesn't immediately strike you as a "consumer protection" business, most of the unit focuses on crop protection chemicals.

The acquisition of Emerald Kalama in 2021 made Lanxess a global champion in Flavors & Fragrances.

Source: Lanxess, *Fact Book, Edition 9.0*, November 2024. Weighted average EBITDA pre-exceptionals from 2020 until Q3 2024.

# Specialty Additives



10

The second segment is Specialty Additives.

The cartoon says, "But but... if we remove all the additives there'll be nothing left!"

It's really hard to find a good *additives* cartoon.

True story: My cartoon person – yes apparently that's a job – said she fell asleep finding a good *additives* cartoon.

Source: [www.CartoonStock.com](http://www.CartoonStock.com).

# Specialty Additives

35% of sales; 14% average adjusted EBITDA margin

## Polymer Additives



Broad portfolio of bromine- and phosphorus-based **flame retardants**, plasticizers, stabilizers and other products

## Lubricant Additives Business



Leading **lubricant additives** player with industrial focus

## Rhein Chemie



World's largest **rubber additives** provider offering chemicals and processing aids to the rubber industry

11

Specialty Additives has three Business Units, which are all top-three players in niche markets.

The Polymer Additives business unit operates a bromine well in Arkansas, which has a 70-year reserve and is vertically integrated for the whole bromine value chain, which is mostly used in flame retardants.

Rhein Chemie is the world's largest rubber additives manufacturer.

Source: Lanxess, *Fact Book, Edition 9.0*, November 2024. Weighted average EBITDA pre-exceptionals from 2020 until Q3 2024.

# Advanced Intermediates

26% of sales; 13% average adjusted EBITDA margin

## Advanced Industrial Intermediates (AII)



One of the world's leading manufacturers of high-quality **industrial intermediates** such as benzene- and toluene-derivatives, amines, polyols, inorganics and organometallics

## Inorganic Pigments



Leading manufacturer of inorganic iron and chromium oxide **pigments** for coloring of construction materials, coatings and plastics

12

The third segment is Advanced Intermediates, which has two Business Units.

Unfortunately, Advanced Industrial Intermediates is abbreviated A-I-I, which is probably one “I” too many to get a good multiple.

They make all kinds of intermediate chemicals for many industries. The unit has a unique integrated manufacturing network in Germany with a lean cost structure.

Inorganic Pigments is the leading global manufacturer of iron- and chromium-oxide pigments. Even I can understand this one. It has over 40% market share in Europe.

These are used in things like coloring, making red bricks “red” and green bricks “green.”

It’s like synergy in our portfolio.

Source: Lanxess, *Fact Book, Edition 9.0*, November 2024. Weighted average EBITDA pre-exceptionals from 2020 until Q3 2024.



CartoonStock.com

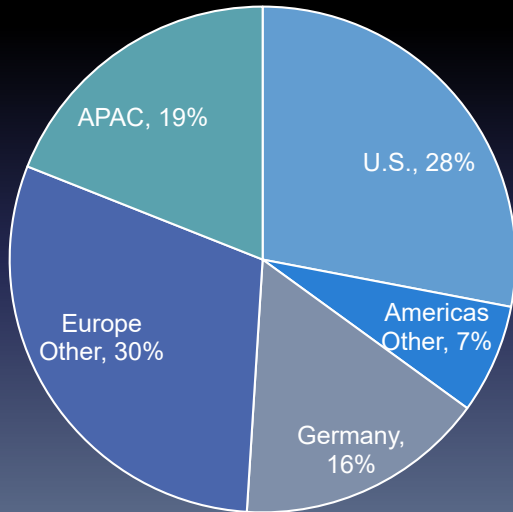
13

The caveman says, "You found another pigment? Hallelujah! I'm so tired of my blue period."

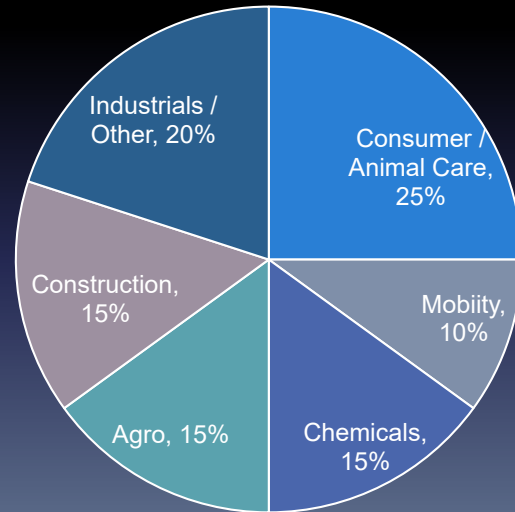
Source: [www.CartoonStock.com](http://www.CartoonStock.com).

# Lanxess Sales

## Geography



## End-Market



14

Lanxess today is a top-3 leader in each of its business units globally and it has a balanced portfolio that is not overly reliant on a single industry.

The M&A activity has given Lanxess a much larger U.S. presence than it had historically.

Sales are 35% in the Americas, of which 28% is in the U.S., nearly doubling in the last 8 years.

European sales are 46% and Asia-Pacific is the remaining 19%.

The business 8 years ago was much more heavily weighted toward the automotive industry, which made up almost 40% of sales.

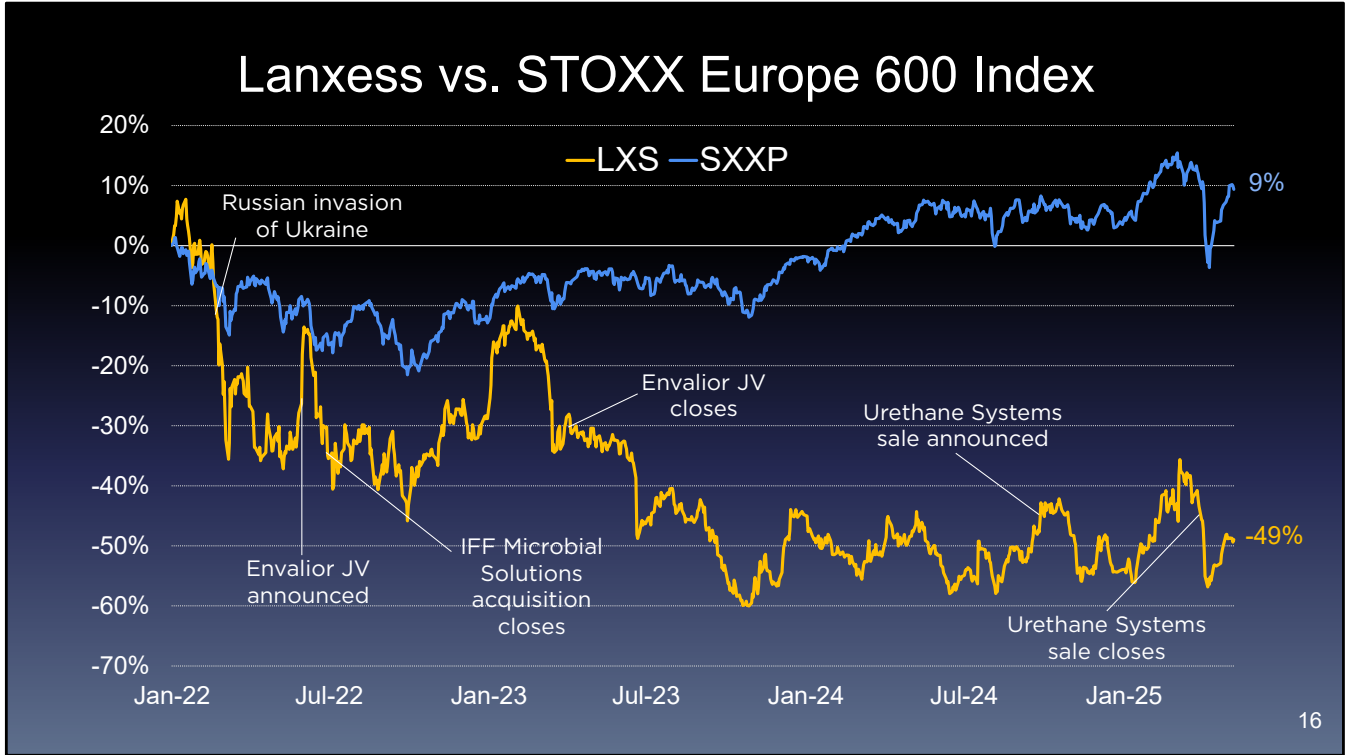
Today it is much more balanced, with Mobility at only 10% of sales.

Source: Lanxess, *Fact Book, Edition 9.0*, November 2024.



Despite a thoughtful business plan and an excellent execution of acquisitions and divestitures, Lanxess ran into problems over the past few years.

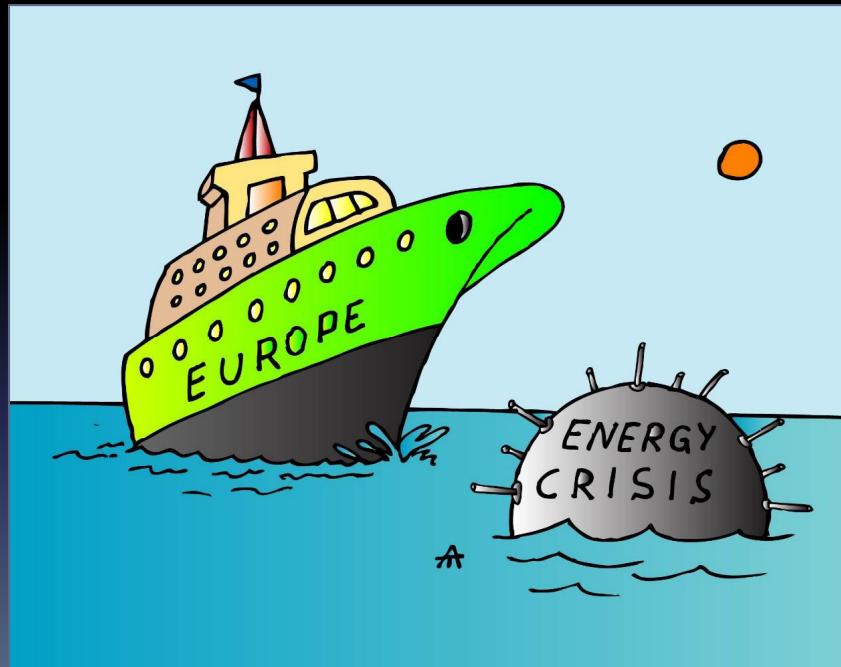
It is critical to understand what happened, in order to get comfortable that the future likely has clearer skies.



Since the month before Russia invaded Ukraine, Lanxess shares have been cut in half.

During the same period, the STOXX Europe 600 index returned 9%.

Source: Bloomberg, LP, retrieved May 12, 2025.



CartoonStock.com

17

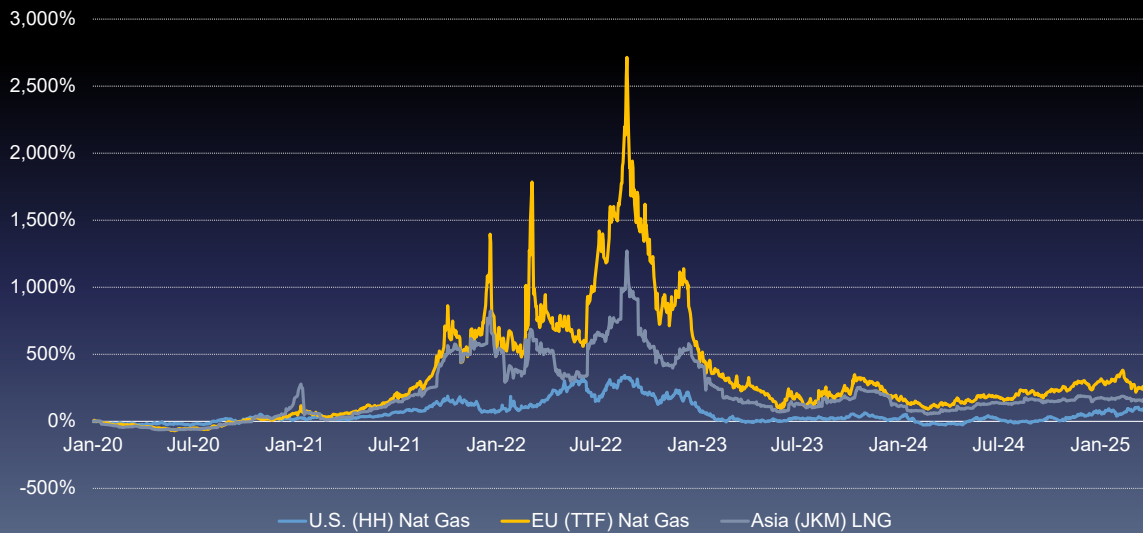
The Russian invasion of Ukraine triggered a European energy crisis.

And energy is one of the main input costs for all chemical producers including Lanxess.

Source: [www.CartoonStock.com](http://www.CartoonStock.com).

# European Energy Crisis

Geographical Prices of Natural Gas



18

European natural gas prices increased drastically from base 2020 levels.

To give you a sense of how bad things got, European gas went from €12/MWh in 2020 to a peak of €339/MWh in August of 2022, an increase of over 2,700%.

And Europe basically had no energy substitution during this crisis. The average price in 2022 was 13 times higher than in 2020!

Competitors in China and India didn't have this problem and sharply undercut Lanxess on pricing. This caused Lanxess to suffer both a margin squeeze and share loss.

Source: Bloomberg, LP, retrieved May 12, 2025.



19

The cartoon says, “Let’s say you want to save millions of dollars – you just push this button here...”

Starting in 2021, Lanxess started to implement SAP software, an enterprise resource planning, or ERP, system.

Most ERP systems will lead you to believe in great stories like this cartoon.

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Source: timoelliott.com.

# SAP ERP Nightmare



20

And this is more like the reality...

The cartoon says, "Dilbert, I want you to integrate our sales database with our inventory and finance systems. The managers of those systems are a nitwit, an ogre, and a word that is unspeakable at this family gathering, respectively. And they know that two of them will be fired when it's complete."

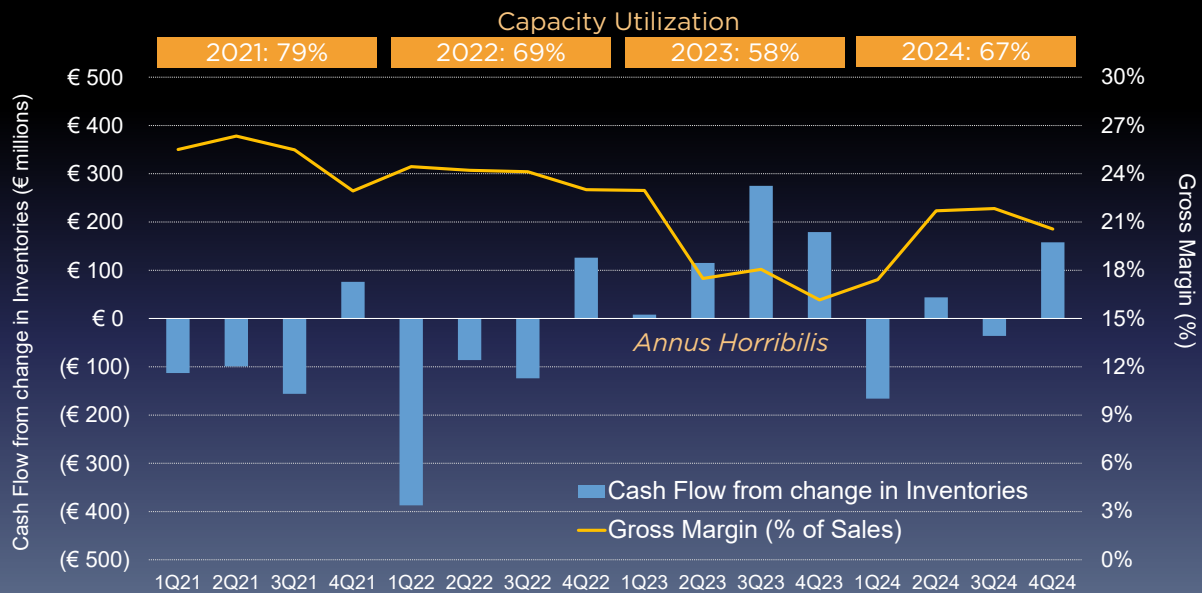
Dilbert replies, "I can get that done in thirty years."

Lanxess' implementation of SAP turned into the usual nightmare, with the bulk of the work done in 2022 and 2023. Lanxess expects it will complete the full SAP implementation this year.

During this period, Lanxess had to build buffer inventories on its balance sheet to ensure delivery reliability to its customers.

Source: <https://dilbert-viewer.herokuapp.com/2002-09-30>.

# Inventory Build and De-Stocking



21

Lanxess increased its inventory buffer in 2021 and ramped up significantly in 2022 as shown here.

This increase happened precisely when energy and raw material prices were exceptionally high due to the energy crisis.

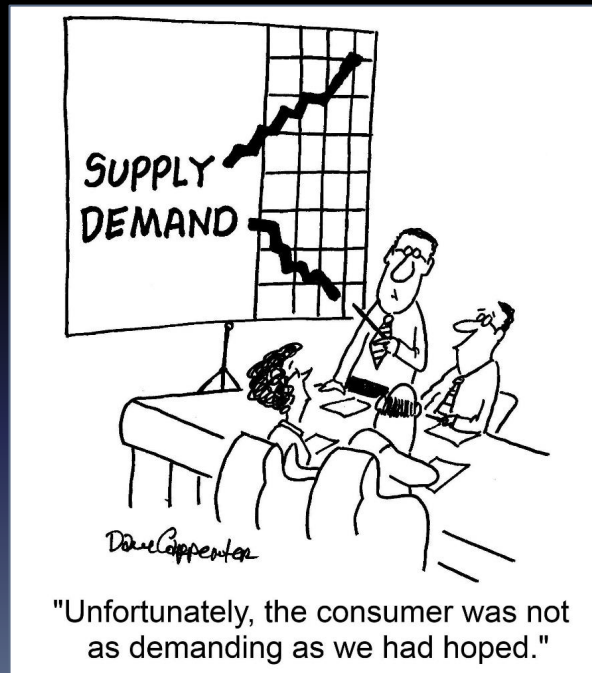
When demand fell off the wagon, Lanxess had to sell its high-cost inventory into an environment of falling prices.

This crushed profits in 2023 as we can see from the significant drop in gross margins.

In the second half of 2023, Lanxess had to prioritize free cash flow generation over profitability, given its high financial leverage.

Capacity utilization dropped from 79% in 2021 to 69% in 2022 and 58% in 2023, before rebounding to the still low level of 67% in 2024.

Source: Multiple Lanxess financial reports, available at <https://lanxess.com/en/investors/reporting>; Greenlight calculations.



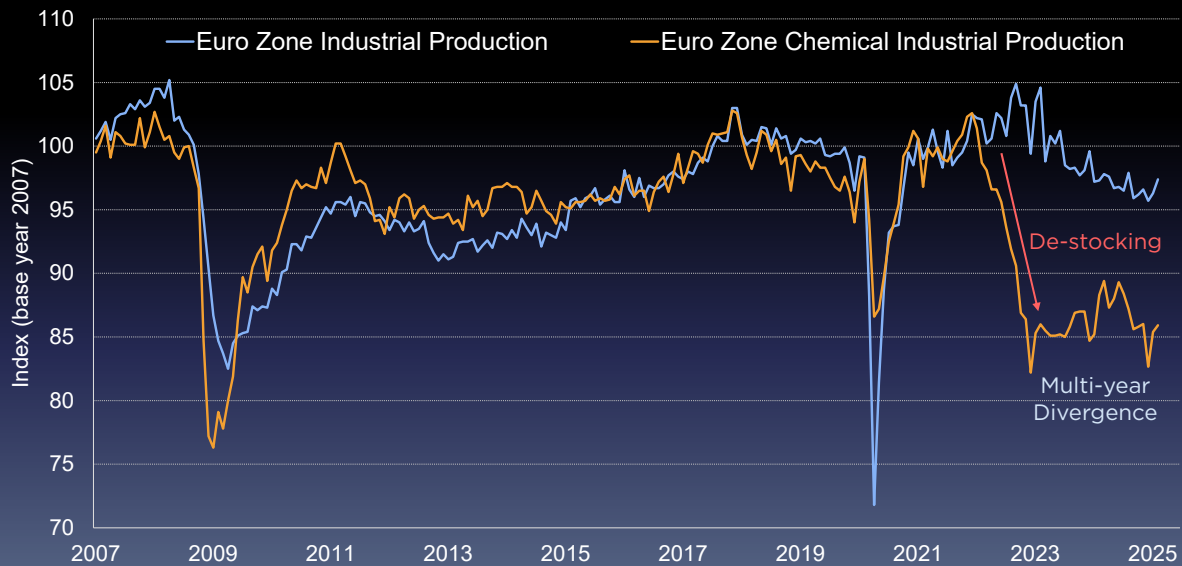
CartoonStock.com

22

The cartoon says, "Unfortunately, the consumer was not as demanding as we had hoped."

Source: [www.CartoonStock.com](http://www.CartoonStock.com).

# COVID and De-Stocking Cycle



23

European Industrial Production had been recovering since the 2008 financial crisis. Then COVID hit.

COVID had a significant impact. Initially, there was a bust followed by a sharp recovery. However, customers built inventories in late 2021 into early 2022 based on fears of missing out on profitable sales due to shortages of key inputs. This was a period where just-in-time was replaced by just-in-case.

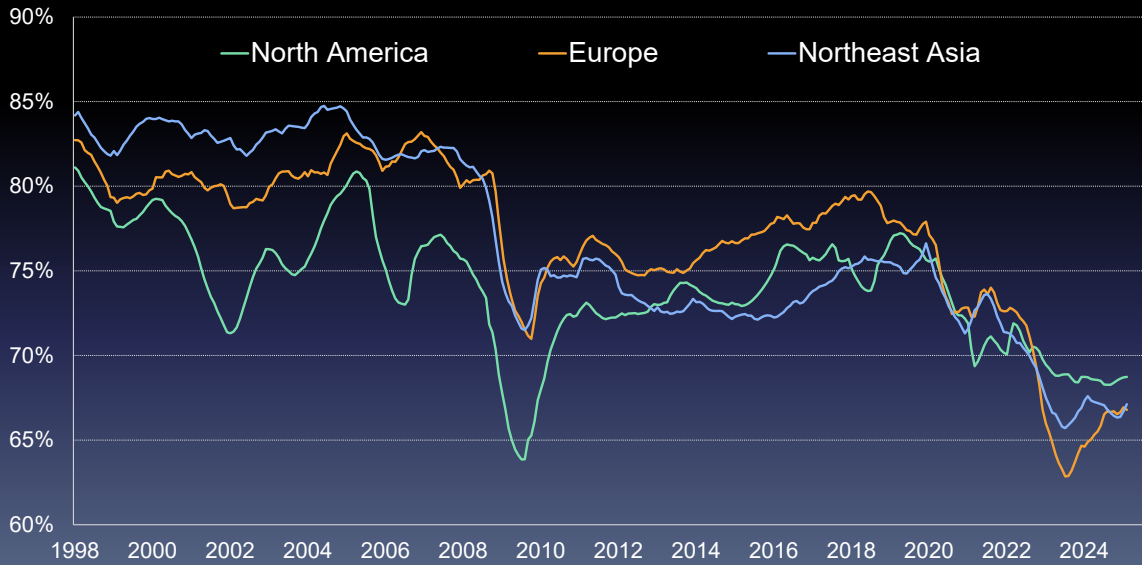
But that proved to be short-lived, and a large inventory de-stocking cycle began.

You can see that European Industrial Production has seen a multi-year slowdown cycle from 2022 through the present – and Chemical Production decoupled due to this de-stocking effect to levels not seen before.

Even with a large amount of de-stocking, demand has more stabilized than recovered.

Source: Goldman Sachs Global Investment Research; Datastream data. Indexed to Jan 2007.

# Chemicals Capacity Utilization



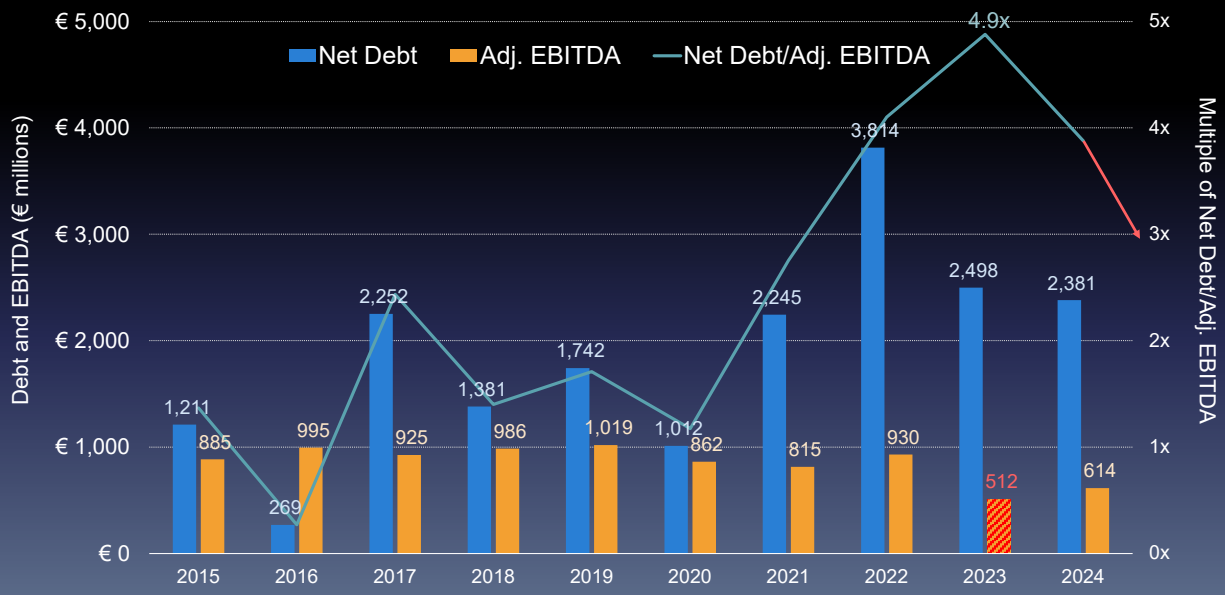
24

This is a chemicals industry chart of capacity utilization by geography. We are in recessionary levels or even worse.

Overall European capacity utilization dropped below 65% for most of 2023 and early 2024, well below the rest of the world. It has begun to recover off a very low trough.

Source: Goldman Sachs Global Investment Research; ICIS data. Chemical capacity utilization (12m avg.) by geography.

# Financial Performance and Leverage



From a longer-term perspective, Lanxess had stable EBITDA until 2022, in the range of €800 million to a billion annually.

Due to the larger acquisitions, debt rose significantly in 2021 and 2022, which left Lanxess at peak leverage just before its troubles emerged.

In 2023, due to the crises we just discussed, EBITDA dropped by 45% to €512 million.

The leverage ratio jumped to nearly 5x and Moody's downgraded the company to Baa3 with a negative outlook. Lanxess was forced to cut its dividend by 90%.

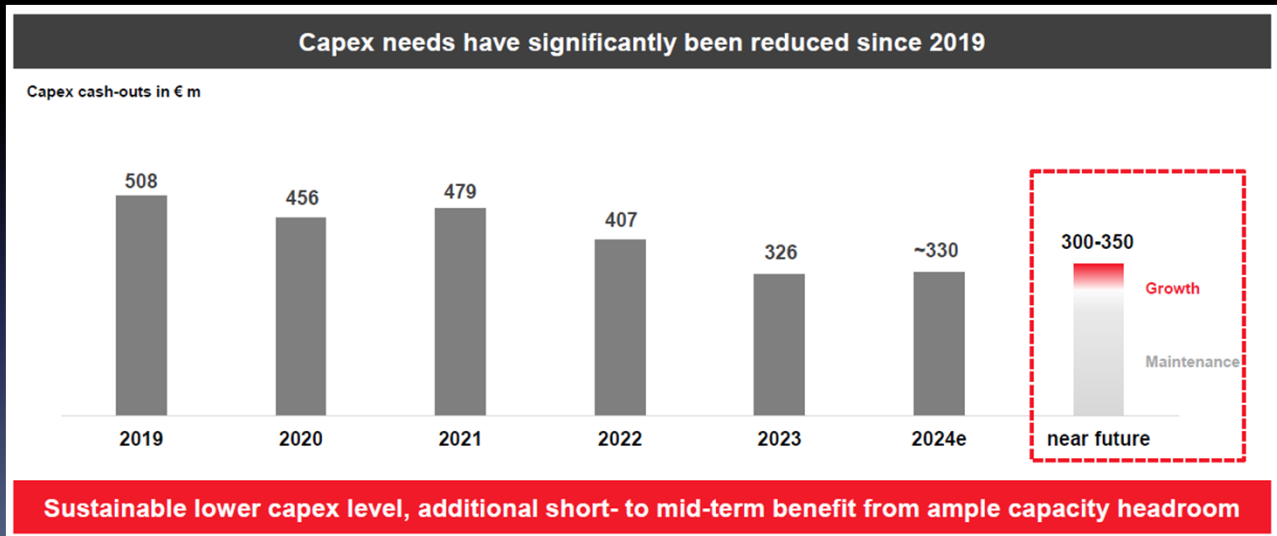
Leverage has come down since, and Lanxess is using the proceeds from the sale of its Urethane Systems business, to further delever.

Pro forma net debt should be €2.1 billion and pro forma net debt-to-EBITDA ratio will drop to a more normal 3.0x by year-end.

Management is committed to reducing the leverage ratio to below 2x longer-term.

Source: Lanxess financial reports, available at <https://lanxess.com/en/investors/reporting>; Greenlight estimates and calculations.

# Transformation: Lower Capex



26

Despite all the hiccups, the transformation is now complete.

The new Lanxess is a higher-quality business with lower asset intensity.

Capacity utilization, while beginning to improve, remains depressed.

As a result, Lanxess does not need a lot of growth capex and should be able to manage with only €300 to €350 million of total annual capex.

Source: Lanxess, *Fact Book, Edition 9.0*, November 2024.

# 2025 Guidance

- Improved EBITDA in all 3 segments
  - 2025 adjusted EBITDA of €600-650 million (~10% higher organically at midpoint)
- Committed to solid investment grade ratios
  - Continued de-levering: ~3x in Q2 '25 and <2x longer term
- Complete cost savings plan started in 2024
  - Recurring savings of €150 million; elimination of 870 FTEs

27

Lanxess' goal is now to maximize the performance of its existing businesses.

For 2025, Lanxess is guiding to €600 to €650 million in EBITDA pre-exceptionals, which is about 10% higher organically than 2024, given the divestiture of the Urethane business.

Lanxess will also complete its ERP system implementation and cost-cutting plans this year.

The strategy appears to be de-risked.

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Source: Lanxess, Q4/FY 2024 results: *Solid EBITDA pre and Free Cash Flow improvement*; Lanxess, Q1 2025 results: *EBITDA pre improvement in volatile times*.

# Tariffs



28

Lanxess could actually be a tariff beneficiary.

When everyone thinks about the inflationary impact of tariffs, they seem mostly focused on how much of higher import prices will be passed on to consumers. There is relatively little discussion about the inflationary impact from domestic manufacturers raising prices.

Almost 30% of Lanxess' manufacturing capacity is in the U.S. In some areas such as parts of its Advanced Industrial Intermediates business unit, Lanxess is the sole remaining U.S. producer and faces Chinese competition.

The Chinese tariffs create a pricing umbrella, where Lanxess can either raise price, or gain share, or both.

Further, some of the European manufactured products including agrochemical precursors have no alternative U.S. domestic supplier and Lanxess also competes in the U.S. with Chinese imports, which may be tariffed at a higher rate.

As the tariff situation is extremely volatile, it is impossible to quantify the benefit or even know if it will materialize. However, there is certainly the possibility that tariffs could create upside potential to Lanxess' guidance that was provided before Liberation Day.

Source: J. Bosco.

# Other Tailwinds



Inventory de-stocking  
nearly complete



Germany infrastructure  
stimulus

Ukraine peace /  
reconstruction



29

There are several other tailwinds that should help improve Lanxess' bottom line over the next few years.

First, the inventory de-stocking cycle is nearly done and end users will start to increase purchases, leading to improved capacity utilization.

Second, Germany just passed a significant infrastructure stimulus package of €500 billion over the next 10 years. All things being equal, it should increase Lanxess' baseline volumes by about 6% in 2026 and more in 2027 and 2028.

Third, a number of the end markets, particularly Agriculture and European Construction, are operating at cyclically trough levels.

Finally, if Russia and Ukraine agree to a peace deal, there will be significant reconstruction that should be a tailwind for a lot of European industrial demand.

Source: Greenlight estimates and calculations.



30

2025 marks what should be the early stage of a multi-year recovery.

The market is not giving Lanxess credit yet.

Now you can invest in a de-risked situation as management focuses on executing and further streamlining the business in order to improve earnings and margin potential.

It is a compelling story... "but wait, there's more!"

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Source: <https://tenor.com>.

# Envalior JV

- Joint venture with Advent Partners to create global leader in polyamides (Nylon) and other engineering plastics
- Announced in May 2022 and closed April 2023
- Combined Lanxess' High Performance Materials unit with Advent's DSM Engineering Materials
- Lanxess received €1.1 billion (12x EBITDA) and retained 41% interest (with a put option starting April 2026)
- Combined EBITDA of €510 million (FY 2021) with significant synergies from business combination

31

In 2023, Lanxess contributed its High Performance Materials business unit into a joint venture with private equity firm Advent Partners.

The joint venture was named Envalior, and it is a global leader in nylon and other engineering plastics.

Lanxess retains a 41% stake in Envalior, and it has a put option back to Advent starting next year.

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Source: Lanxess data.



CartoonStock.com

32

So how much is the 41% stake in Envalior worth?

The cartoon says, "Well, we'd value the company at either 24 million... less than 100,000 or somewhere in between. But we wouldn't want you to hold us to that."

Source: [www.CartoonStock.com](http://www.CartoonStock.com).

# Value of Envalior Stake

€ millions (except per share amts)	2026E
EBITDA	500
Est. Exit EV/EBITDA Multiple	12x
Enterprise Value	6,000
Est. Net Debt	(3,900)
Equity Value	2,100
Lanxess Stake	40.94%
<b>Value of Lanxess Stake</b>	<b>€ 860</b>
<b>Value per Share</b>	<b>€ 9.96</b>

33

Next year, Lanxess has the right to put its remaining stake in the JV back to Advent at about 12x trailing EBITDA.

Lanxess chooses when to exercise the option, so it can select a time when EBITDA appears to have reached a cyclical peak.

This is a very valuable option.

Envalior is levered and has about €3.9 billion of net debt.

S&P Global Ratings has published a credit analysis that shows Envalior is expected to have between €475 million and €525 million of EBITDA in 2026. We believe that this estimate is below the company's internal forecast.

Assuming Envalior simply hits the midpoint of that estimate, Lanxess could sell its stake in early 2027 for about €860 million, which is over one-third of Lanxess' current market cap.

If it appears that there will be further EBITDA growth, Lanxess might choose to defer a sale. Every 100 million of extra EBITDA is worth 500 million to Lanxess.

Source: S&P Global, *Chemical Company Envalior Affirmed At 'B-' On Improving Earnings; Outlook Stable*, December 13, 2024; Greenlight estimates and calculations.

# Hidden Asset

## Envalior has value only if profits go up a lot

As emphasized on the earnings call, management believe the residual stake in Envalior has meaningful value. **We disagree.** According to S&P's revised (lower) forecast in

BofA Research, March 20, 2025

valuation in our view. While we acknowledge Lanxess's portfolio optionality (upside risk from Envalior JV), and that management has stated it is at the end of its portfolio adjustments, we see leverage as elevated going into a downturn on 4.3x 2025E vs. the peer average of 2.3x. **We also think Envalior may be hard to monetise** at an attractive equity value against such a weak macro backdrop. Among diversified chemicals we

Goldman Sachs, April 11, 2025

There was much discussion of the residual Envalior stake and the validity of the put option. This could be a material swing in valuation **but we still value at zero** in light of insufficient disclosure on certain exercise conditions and the risky capital structure (see

BofA Research, November 27, 2024

34

As Envalior has negative net income, partly due to amortization of goodwill created by its formation, it does not contribute to Lanxess' current results.

Some bearish sell-side analysts value the Envalior stake at zero.

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Source: BofA Global Research, *Lanxess: Pathway to de-leveraging is long and arduous*, March 20, 2025; Goldman Sachs Equity Research, *European Chemicals: Cutting estimates and PTs on deteriorating macro; downgrading CRDA & LXS to Sell*, April 11, 2025; BofA Global Research, *Lanxess: Under-invested and/or under-managed?*, November 27, 2024.

# Lanxess Forecast

€ millions	2025E	2026E	2027E	2028E
Revenues	6,388	6,575	6,836	7,066
Adj. EBITDA	623	719	819	902
FCF after Capex	126	160	185	251
Net Debt / Pension	2,309	2,149	1,104	853
Enterprise Value	4,726	4,567	3,521	3,271
<b>Multiples</b>				
EV/Sales	0.7x	0.7x	0.5x	0.5x
EV/EBITDA (Adj.)	7.6x	6.3x	4.3x	3.6x
P/FCF	19.1x	15.2x	13.0x	9.6x

35

We think Lanxess is set for success.

Assuming Lanxess uses its free cash flow to pay down debt, and sells Envalior for €860 million, by 2027 the company would have relatively little debt.

Contribution margins on incremental volumes should be quite high as capacity utilization improves.

An eventual demand recovery in capacity utilization from 67% in 2024 to a more typical level could see Lanxess generate over €900 million of adjusted EBITDA in 2028. This wouldn't even fully return the company to pre-COVID profits and margins.

Source: Greenlight estimates and calculations. The valuation presented on slides 35-38 differs slightly from the original Sohn presentation on May 14, 2025.

# Lanxess Valuation

€ millions (except per share amts)	2028E		
	6.0x	7.0x	8.0x
Adj. EBITDA	902	902	902
EBITDA Multiple	6.0x	7.0x	8.0x
Enterprise Value	5,411	6,313	7,215
Net Debt / Pension	(853)	(853)	(853)
Market Cap	4,558	5,460	6,362
<b>Share Price</b>	<b>€ 52.79</b>	<b>€ 63.24</b>	<b>€ 73.68</b>

36

A 6x multiple on the €900 million in 2028 EBITDA would be worth around €53 per share at the end of 2027.

If the market re-rated Lanxess to be a higher-quality specialty chemicals company with a 7x or 8x EBITDA multiple, which is still at a discount where peers like AkzoNobel and Croda trade, it would imply a share price between €63 and €74.

Source: Greenlight estimates and calculations.

# Share Buyback

€ millions (except per share amts)	2026E	2027E	2028E
Net Debt to EBITDA (Adj.) Target	3.0x	2.0x	2.0x
Net Debt - Capacity	2,158	1,638	1,804
Net Debt - Forecasted	1,868	1,298	1,638
Net Debt - Excess Capacity	291	339	166
Free Cash Flow	160	185	251
<b>Share Repurchase Capacity</b>	<b>450</b>	<b>525</b>	<b>417</b>
<i>millions (except per share amts)</i>			
Lanxess Shares Outstanding - BoP	86.3	72.9	59.9
Assumed Repurchase Price	€ 33.60	€ 40.32	€ 48.38
Est. Shares Repurchased	13.4	13.0	8.6
% of Shares Repurchased			41%

37

Alternatively, if Lanxess decided to repurchase shares when it gets to 3x Debt/EBITDA before the Envalior sale and 2x Debt/EBITDA after, the company could buy back a lot of stock.

After 3 years, Lanxess could repurchase about 41% of its shares.

This assumes the stock price goes up 20% per year. Obviously, if the stock went up faster, the buyback would have a smaller impact. We could live with that.

Source: Greenlight estimates and calculations. 2026 forecasted net debt figure is 2025 so as to not double count 2026 free cash flow.

# Buyback Value Creation

€ millions (except per share amts)	2028E		
	6.0x	7.0x	8.0x
Adj. EBITDA	902	902	902
EBITDA Multiple	6.0x	7.0x	8.0x
Enterprise Value	5,411	6,313	7,215
Net Debt / Pension	(2,245)	(2,245)	(2,245)
Market Cap	3,167	4,068	4,970
<b>Share Price</b>	<b>€ 61.71</b>	<b>€ 79.28</b>	<b>€ 96.86</b>

38

The value creation from the share buyback is significant.

At the 7x EBITDA multiple, we estimate the buyback could add another €16 per share of value.

A guy can dream...

Source: Greenlight estimates and calculations.



We think Lanxess is set for success and will surprise the market.

It's always an honor to be here. Thirty years is quite an accomplishment.

Actually, this is good practice for celebrating a 30-year milestone.

Greenlight will turn 30, right about when I hopefully present here next year!