



2019/Q1

AlzChem Group AG

Ulli Seibel, CEO
Andreas Niedermaier, CFO

May 10, 2019



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AGENDA

Analyst presentation 2019 / Q1



EXECUTIVE SUMMARY

BUSINESS AND FINANCIAL DETAILS

BACK-UP

HIGHLIGHTS

Summary of operative business Q1 / 2019

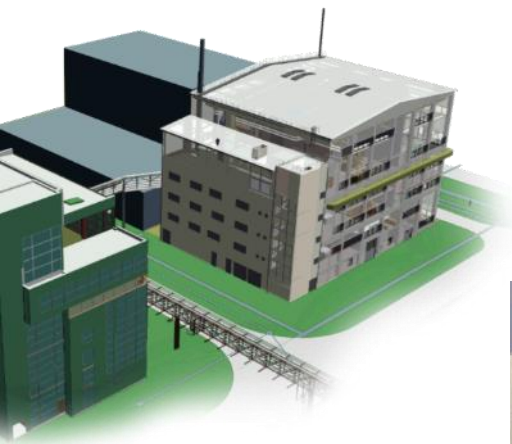


FACTS & NUMBERS FOR Q1 / 2019

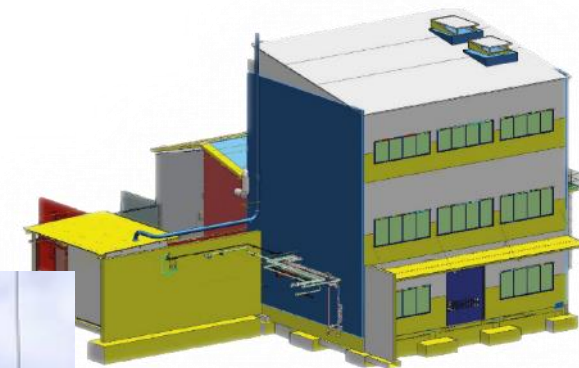
- Growth focus on Specialty Chemicals
- Successful start of own distribution of Creamino
- High raw material costs in the Basics & Intermediates
Segment passed on to customers
- Major CAPEX projects in time and on budget

PROGRESS OF CONSTRUCTION PROJECTS

Projects on budget and in time for start in summer 2019



New production facility
will triple the actual
production capacity



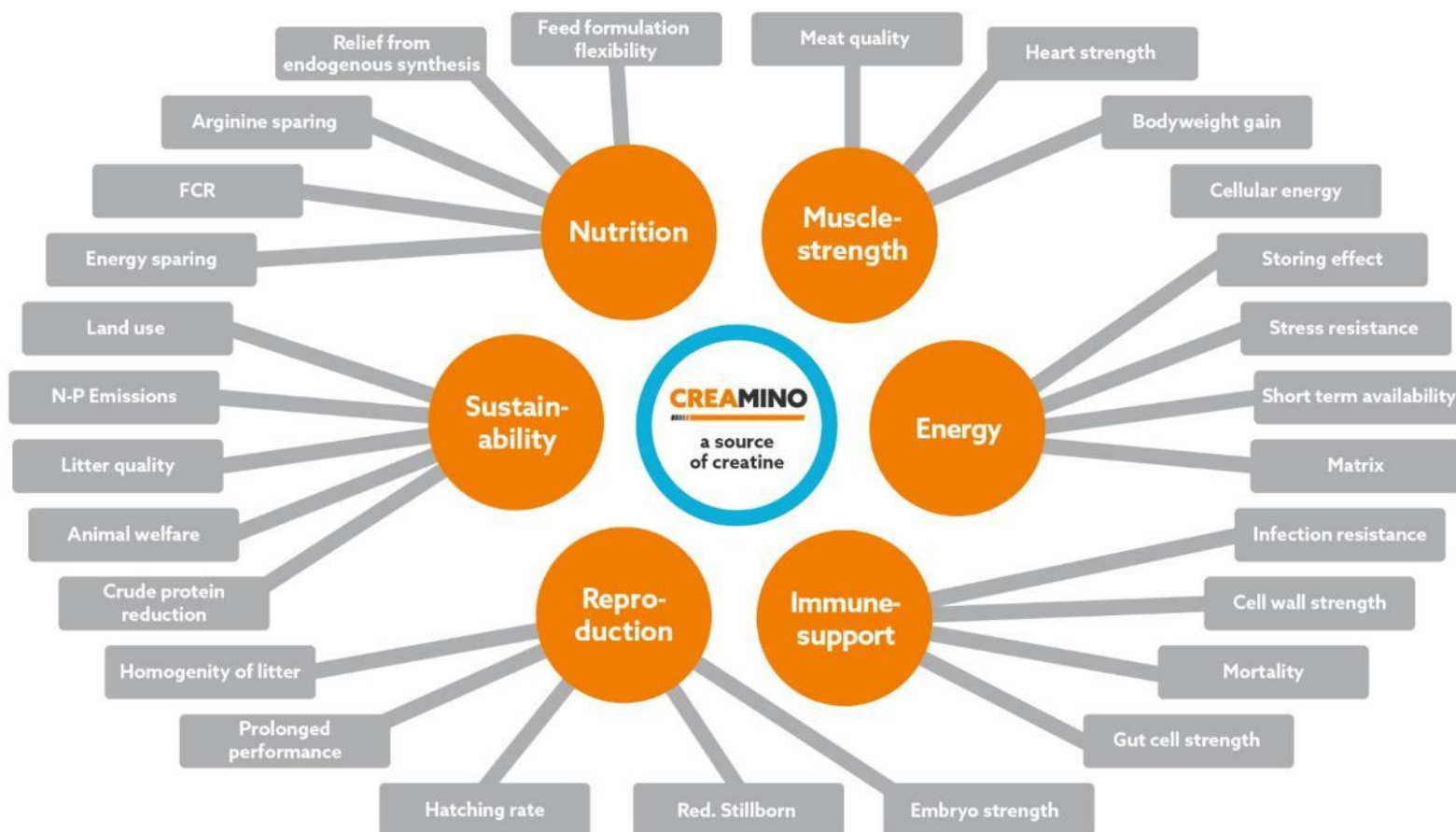
Production of highly
corrosive
chlorinated nitriles
with attractive
margin

Investment secured
with long term
customer contracts

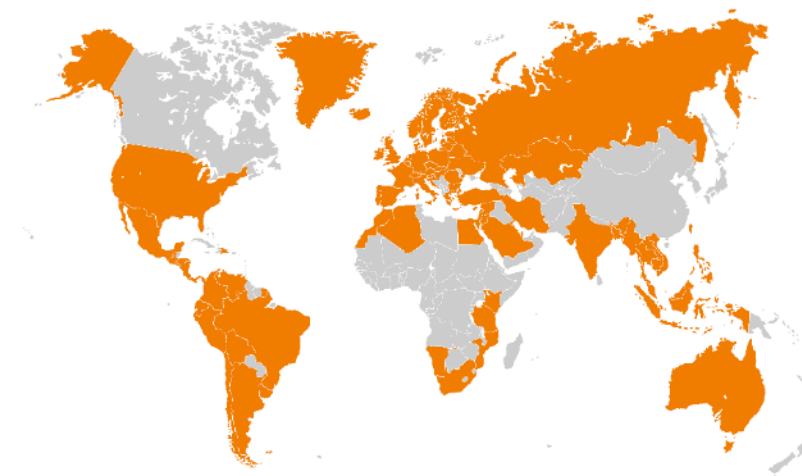
OWN DISTRIBUTION OF CREAMINO

Creamino - the source of creatine for animal nutrition

DIFFERENT MARKETING APPROACH



CREAMINO IN USE



CREAMINO
ENERGY FOR HEALTHY GROWTH

HEALTH BENEFITS

- Strengthens the muscular system
- Acts against the natural age-related reduction of muscle mass
- Leads to maximum filled creatine levels in your cells within four weeks
- Free of animal ingredients, gluten, lactose and sugar

CREATINE HEALTH CLAIM

In 2017 the European Commission has approved an additional health-related statement (Health Claim) for creatine:

Daily creatine consumption can enhance the effect of resistance training on muscle strength in adults over the age of 55.



FINANCIAL OVERVIEW Q1 / 2019

Result within guidance Q1 / 2019

ALZCHEM GROUP	Q1 2018	Q1 2019	yoy %
SALES (in M€)	94.5	92.1	-2.5%
EBITDA (in M€)	15.1	13.2	-12.1%
EBITDA margin (in %)	15.9%	14.4%	-1.5 pp
Earnings per Share (in € ct.)	7.8 ct	5.4 ct	-30.3%

COMMENTS

- Q1/2019 sales and accordingly EBITDA below previous year
- Nevertheless EBITDA exceeds the budgeted figures in Q1
- Due to inventory sell out by our former distributor at Creamino, we sold less product to the market. As guided, this also affected segment EBITDA.
- Forecast for 2019 can be confirmed

AGENDA

Analyst presentation 2019 / Q1



EXECUTIVE SUMMARY

BUSINESS AND FINANCIAL DETAILS

BACK-UP

BASICS & INTERMEDIATES SEGMENT

Our integrated system



DESCRIPTION

The "Basics & Intermediates" segment comprises the production of **basic and intermediate products** that are marketed as independent products - for example in agriculture, steel production and the automotive sector - and as raw materials for the manufacture of specialty chemicals.

SELECTED PRODUCTS



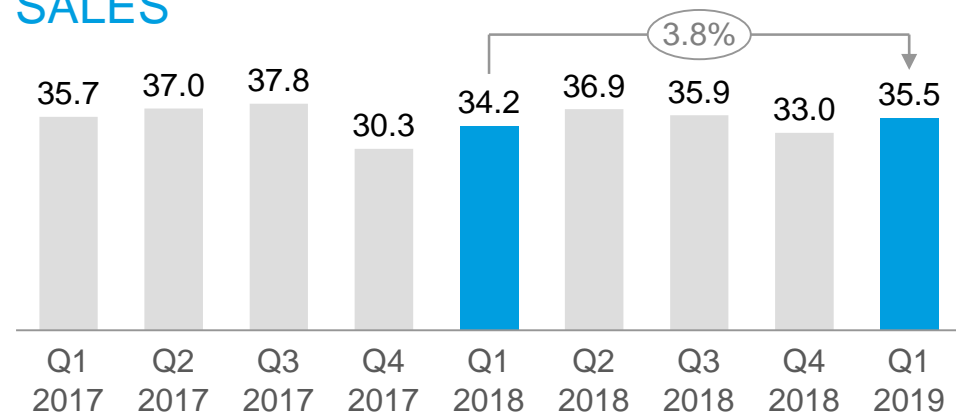
NITRALZ®



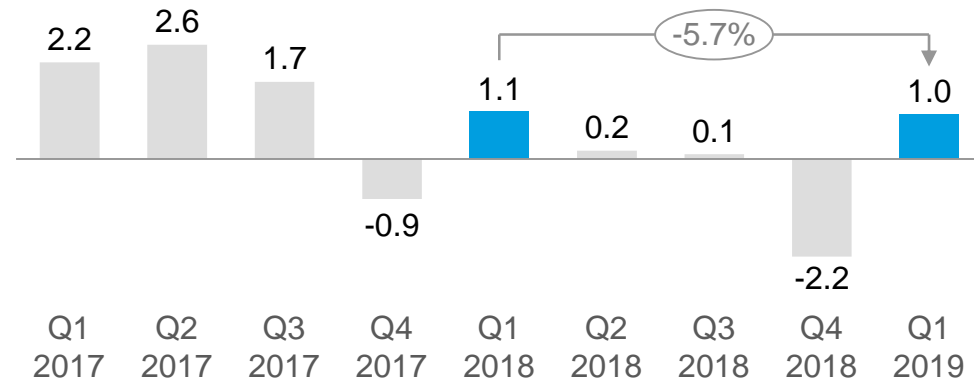
BASICS & INTERMEDIATES SEGMENT

Segment analysis – financial overview (M€)

SALES



EBITDA



SALES ANALYSIS

Q1 2018
vs.
Q1 2019

+ 0.1%
Volume

+ 3.1%
Price

+ 0.6%
FX

COMMENTS

- Q1/2019 sales 3.8% above prior year quarter
- Positive development of DCD und metallurgy business. First positive effects of price increases are visible; strong demand from steel industry
- Higher raw material costs were successfully passed on to customers (prices 3.1% above prior year level)
- Higher maintenance costs affected EBITDA negatively

SPECIALTY CHEMICALS SEGMENT

Our growth focus



DESCRIPTION

The "Specialty Chemicals" segment produces and sells **high-quality growth products** in the area of specialty chemicals.

SELECTED PRODUCTS

 **Creapure**[®]

DYHARD[®]

 **Dormex**[®]

**LIVA
DUR**[®]

CREAMINO

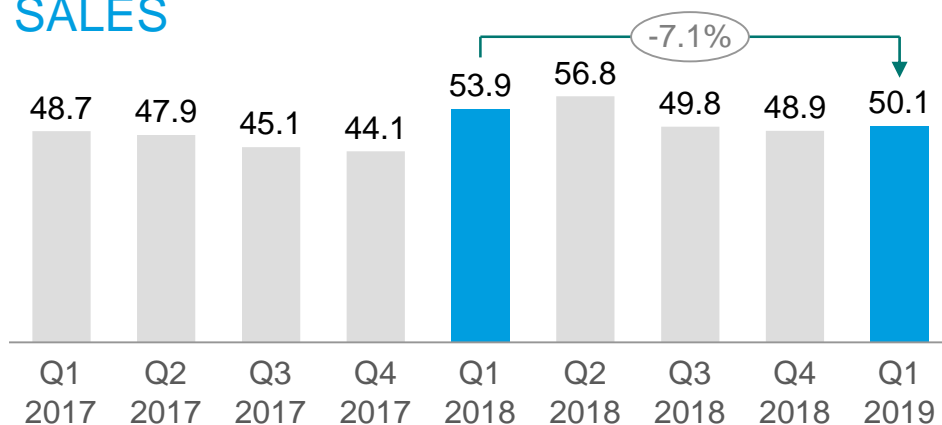
Bioselect[®]



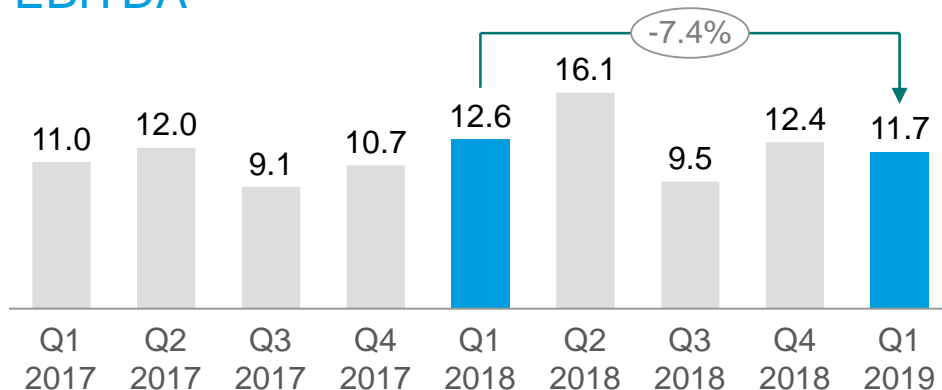
SPECIALTY CHEMICALS SEGMENT

Segment analysis – financial overview (M€)

SALES



EBITDA



SALES ANALYSIS

Q1 2018 vs. Q1 2019	- 11.6% Volume	+ 2.3% Price	+ 2.2% FX
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COMMENTS

- Sales remain significantly below prior year level (-7.1%)
- Positive feedback from the market regarding Creamino
- Due to inventory sales by our former distributor at Creamino, we were able to sell less product to the market. This has a 1:1 effect on EBITDA and EBITDA margin.
- Dormex® business remains on a positive trend
- The strategy on Creapure® und as well as the product launch of Livadur® is constantly pursued
- Stable EBITDA-Margin of ~23%

OTHER & HOLDING SEGMENT

Further activities



DESCRIPTION

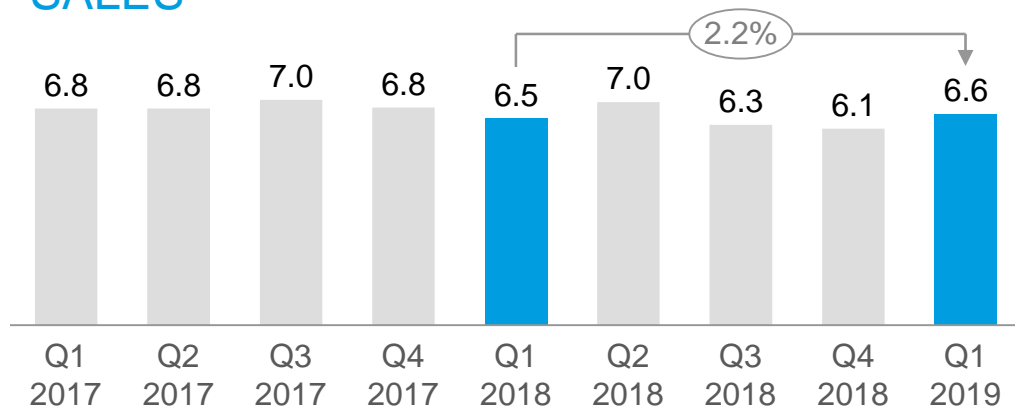
The "Other & Holding" segment comprises all other activities that cannot be allocated to the other segments. The segment offers **infrastructure and energy** supply services at our locations for the chemicals segments and for external customers.



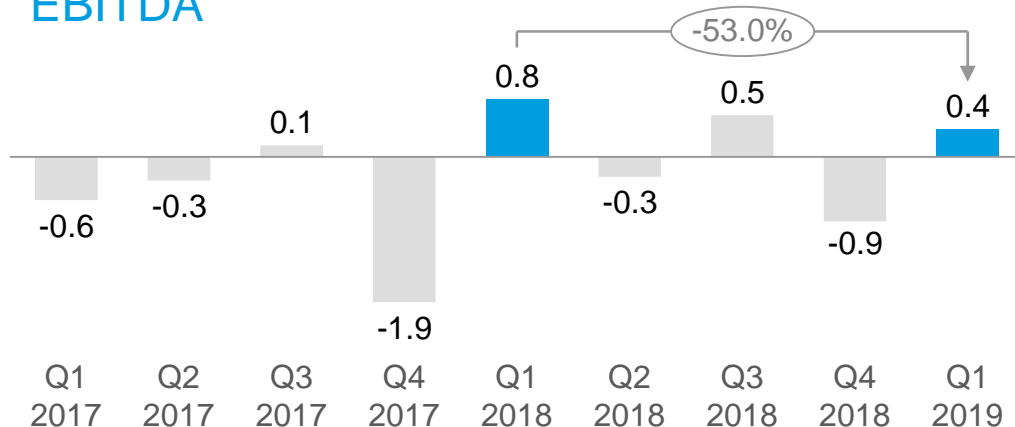
OTHER & HOLDING SEGMENT

Segment analysis – financial overview (M€)

SALES



EBITDA



SALES ANALYSIS

Q1 2018
vs.
Q1 2019

+ 0.7%
Volume

+ 1.5%
Price

+ 0.0%
FX

COMMENTS

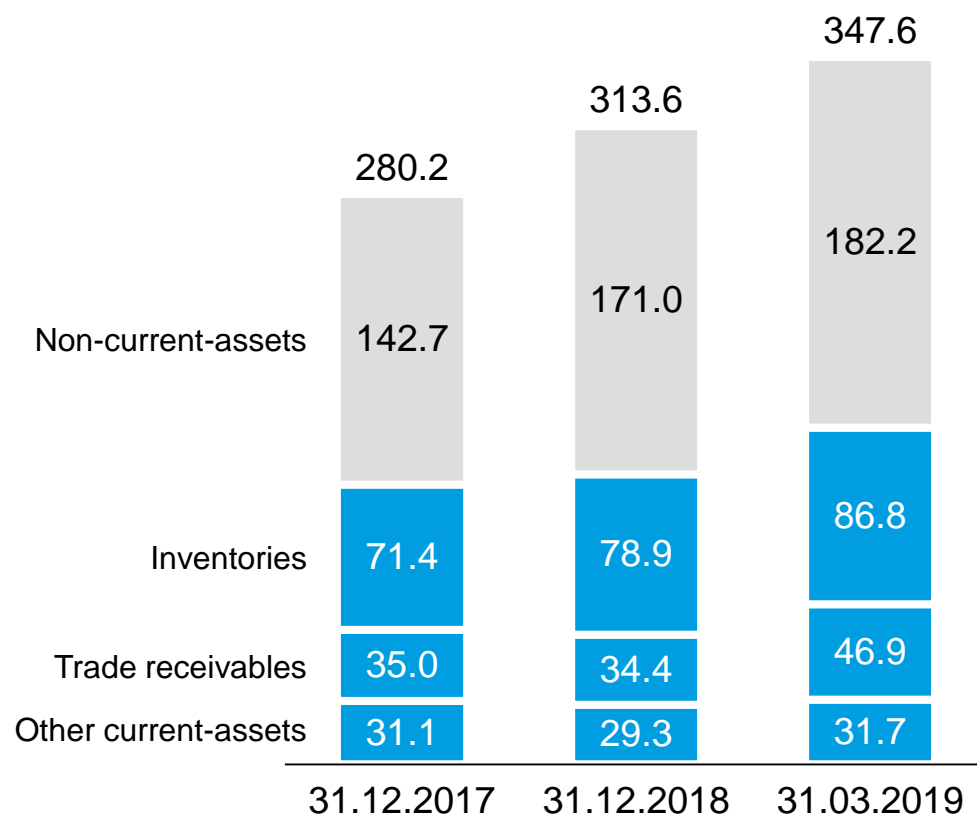
- Sales 2.2% above prior year quarter
- Segment follows customer site business
- Higher maintenance effort in Q1/19 compared to Q1/18
- higher grid cost allocation to third parties in Q1/18

BALANCE SHEET

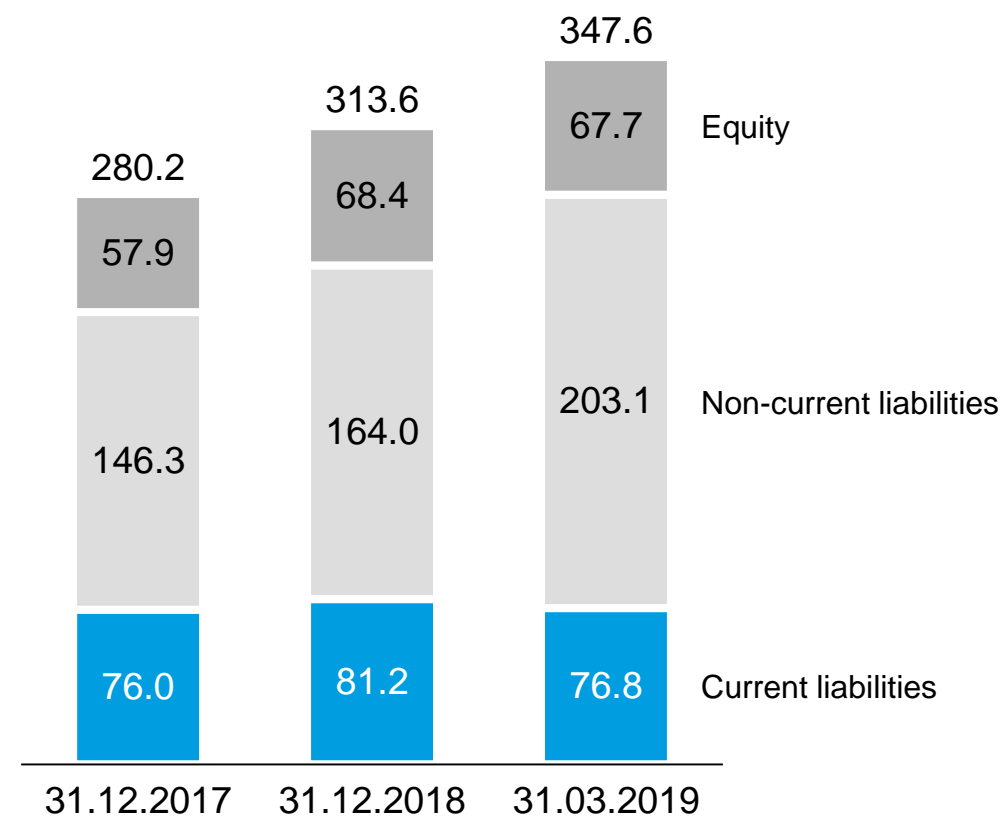
AlzChem Group (M€)



ASSETS

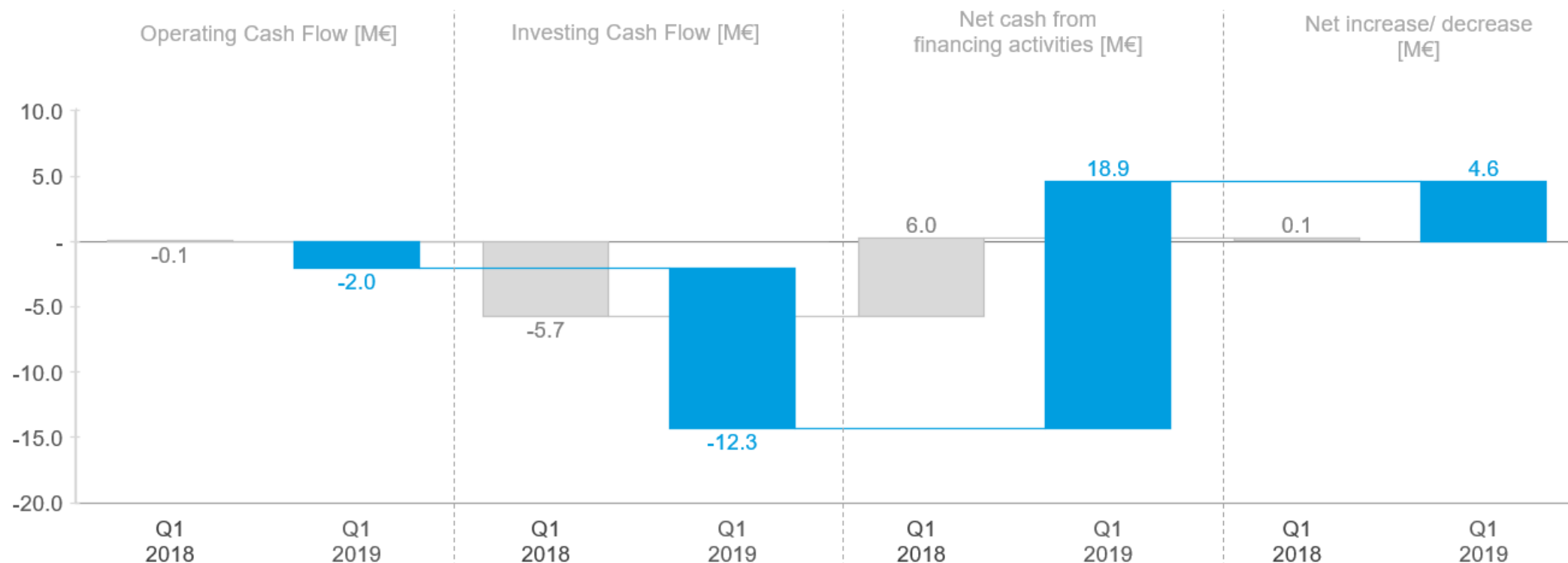


LIABILITIES



CASH FLOW

Growth CAPEX is the basis for further growth



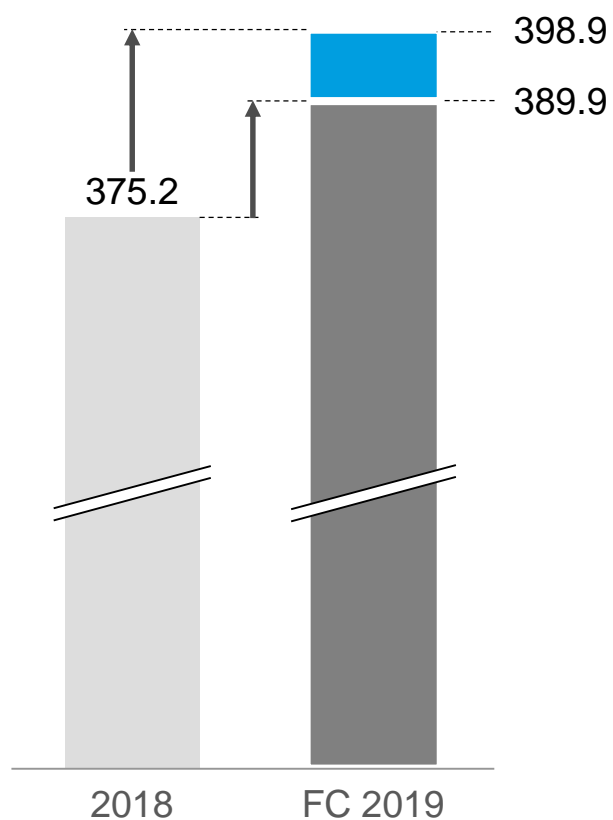
COMMENTS

- Operating cash flow strained with higher NWC – inventory reduction project started
- Higher investing cash flow primarily due to main projects like Creamino and NITRALZ®

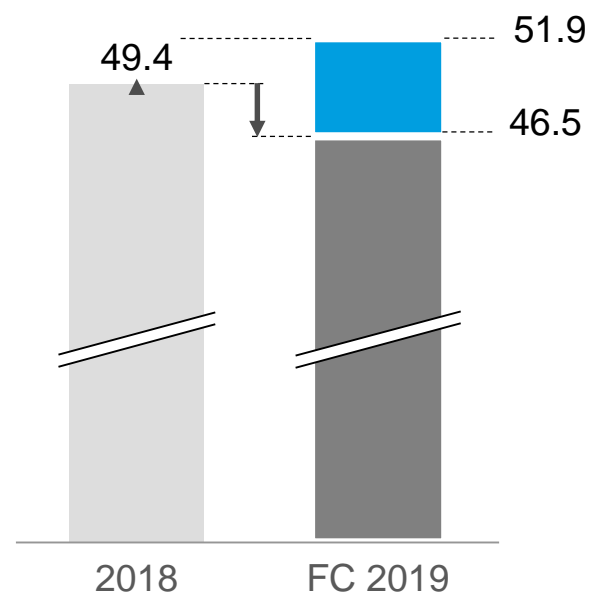
OUTLOOK 2019

Sales and earnings growth to continue (M€)

SALES



Adj. EBITDA



COMMENTS

- Sales growth will be organically driven both by Specialty Chemicals and Basics & Intermediates business
- Raw material markets expected to settle at a high level (previous year: increase in raw material costs)
- Forecast from the year end closing is confirmed
- Start-up costs for the new facilities (Creamino and NITRALZ®)

Assumptions

- No significant changes in market interest rates
- Overall economic growth of 2.2% assumed – no economic turmoil (USA, China)
- Stability in product registration and energy legislation
- US dollar forecast: 1.15 € / US\$

Factors to watch

- Continuous close monitoring of raw material prices
- Construction of major CAPEX projects will require full attention
- Focused development of Creamino own distribution

FINANCIAL CALENDAR

Upcoming dates



2019	MAY 10	Quarterly Statement 1 st Quarter 2019
2019	MAY 14	General Meeting 2019
2019	MAY 15	Frühjahrskonferenz 2019, Frankfurt
2019	AUG 14	Half-Year Financial Report 2019
2019	SEP 25	Berenberg European Conference
2019	SEP 27	Baader Investment Konferenz
2019	NOV 14	Quarterly Statement 3 rd Quarter 2019
2019	NOV 25-27	Deutsches Eigenkapitalforum
2019	DEC 03	Berenberg European Corporate Conference Pennyhill





1,584
EMPLOYEES

M€
~92
SALES

M€
~13
EBITDA

M€
~(2)
OPERATING
CASHFLOW



ALZCHEM
PRODUCTS
ARE SOLD
WORLDWIDE

INNOVATION SINCE

1908

SPECIALTY
CHEMICALS
54%

SALES
Q1 / 2019

BASICS &
INTERMEDIATES
39%

OTHERS &
HOLDING
7%



THANK YOU
FOR YOUR ATTENTION!

CONTACT

Investor Relations

T +49 8621 86-2888

F +49 8621 86-502888

ir@alzchem.com

WWW.ALZCHEM.COM

AGENDA

Analyst presentation 2018/10-12



EXECUTIVE SUMMARY

BUSINESS AND FINANCIAL DETAILS

BACK-UP

BALANCE SHEET

AlzChem Group



ALZCHEM GROUP (IN T€)	31.12.2018	31.03.2019	Deviation yoy	
Intangible assets	870	867	-3	-0.3%
Tangible assets	144,265	149,973	5,708	4.0%
Investment properties				
Right of use (assets)		3,032	3,032	
Investments accounted for using the equity method				
Financial assets	20	20		
Trade receivables				
Other receivables	891	366	-525	-59.0%
Deferred tax assets	24,954	27,907	2,954	11.8%
SUM NON-CURRENT ASSETS	171,000	182,166	11,166	6.5%
Inventories	78,856	86,778	7,922	10.0%
Trade receivables	34,351	46,887	12,537	36.5%
Financial assets	0	0		
Other receivables	14,510	13,986	-524	-3.6%
Income tax receivables	1,977	27	-1,950	-98.7%
Cash and cash equivalents	12,857	17,734	4,876	37.9%
Assets classified as held for sale				
Other assets				
SUM CURRENT ASSETS	142,551	165,412	22,861	16.0%
SUM ASSETS	313,551	347,578	34,027	10.9%

ALZCHEM GROUP (IN T€)	31.12.2018	31.03.2019	Deviation yoy	
Share capital	101,763	101,763		
RETAINED EARNINGS (+) / LOSS (-)	60,457	65,988	5,531	9.1%
Other comprehensive income	-32,103	-38,393	-6,290	19.6%
SHARE TO THE SHAREHOLDERS	66,970	66,211	-759	-1.1%
Non-controlling interests	1,421	1,464	43	3.0%
SUM EQUITY	68,392	67,675	-716	-1.0%
Provisions for pensions	109,960	119,345	9,386	8.5%
Other provisions	18,863	19,757	894	4.7%
Loans	32,577	59,697	27,121	83.3%
Lease liabilities		1,087	1,087	
Other liabilities	513	513		
Deferred tax liabilities	2,089	2,724	636	30.4%
SUM NON-CURRENT LIABILITIES	164,001	203,124	39,123	23.9%
Other provisions	2,554	3,335	781	30.6%
Loans	25,353	17,806	-7,548	-29.8%
Lease liabilities		1,497	1,497	
Trade liabilities	30,863	30,935	72	0.2%
Other liabilities	20,859	21,798	939	4.5%
Income tax liabilities	1,529	1,407	-122	-8.0%
SUM CURRENT LIABILITIES	81,158	76,778	-4,380	-5.4%
Sum EQUITY AND LIABILITIES	313,551	347,578	34,027	10.9%

INCOME STATEMENT

AlzChem Group



ALZCHEM GROUP (IN T€)	31.03.2018	31.03.2019	Deviation	
Revenue	94,522	92,123	-2,398	-2.5%
Changes in inventories of finished goods and work in progress	5,337	7,895	2,558	47.9%
Other income	2,589	4,427	1,838	71.0%
Raw materials and consumables used	-40,876	-39,541	1,335	-3.3%
Employee benefits expense	-29,123	-30,666	-1,543	5.3%
Other expense	-17,392	-21,007	-3,615	20.8%
EBITDA	15,057	13,231	-1,826	-12.1%
Depreciation expense	-3,720	-4,297	-577	15.5%
Impairment				
EBIT	11,337	8,934	-2,403	-21.2%
Investment income	9	8	-1	-8.1%
Other interest and similar income	84	37	-47	-55.9%
Other interest and similar expense	-697	-1,214	-517	74.1%
<i>thereof interest expense (cash-effective)</i>	-191	-165	27	-13.9%
<i>thereof interest expense (provisions)</i>	-506	-1,049	-543	107.4%
Financial result	-604	-1,169	-564	93.4%
Result from associates				
Result from ordinary business	10,733	7,766	-2,967	-27.6%
Taxes on income and profit	-2,846	-2,212	634	-22.3%
<i>thereof income tax</i>	-2,815	-2,034	782	-27.8%
<i>thereof change from deferred taxes</i>	-31	-179	-148	484.2%
Annual result	7,886	5,553	-2,333	-29.6%
<i>thereof minority interests</i>	-16	43	59	-371.0%
<i>thereof shares held by shareholders</i>	7,902	5,510	-2,392	-30.3%
Result per share in EUR (calculated with 101.763 shares)	0.08 €	0.05 €	-0.02	-29.6%

CASH FLOW

AlzChem Group



CASHFLOW (IN M€)	31.03.2018	31.03.2019	yoy %
Operating Cashflow	-0.1	-2.0	1540.2%
Investing Cashflow	-5.7	-12.3	114.5%
Free Cashflow	-5.8	-14.3	145.1%
Raising / Repayment from loans	-1.2	29.7	-2530.0%
Payment / Deposit from short-term credit lines	7.2	-10.3	-242.8%
Payment of reduction in leasing liabilities		-0.4	
Dividends paid			
Payment from capital increase			
Cost of capital increase w/o tax effect			
Payment profit claim of non-controlling interests		-0.2	
Net cash from financing activities	6.0	18.9	216.8%
Net increase / decrease cash and cash equivalent	0.1	4.6	3584.8%

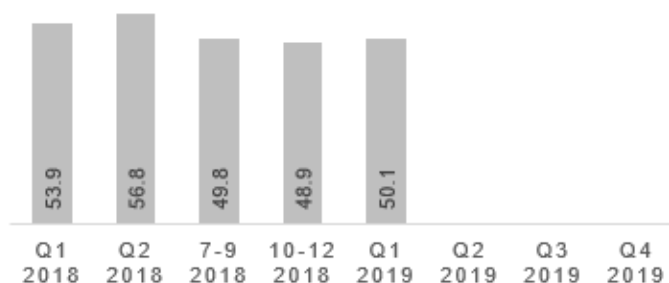
SEGMENT OVERVIEW BY QUARTER

AlzChem Group

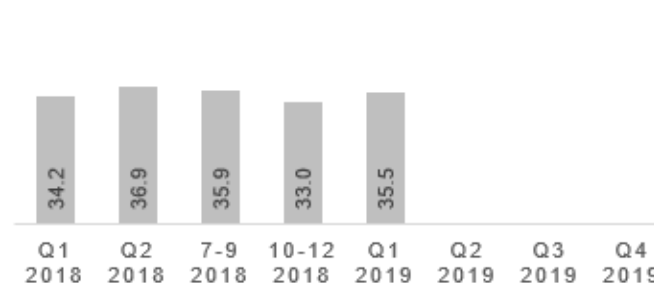
SALES [M€]	Q1 2018	Q2 2018	7-9 2018	10-12 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	1-3 2018 YTD	1-3 2019 YTD	yoy %
SPECIALTY CHEMICALS	53.9	56.8	49.8	48.9	50.1				53.9	50.1	-7.1%
BASICS & INTERMEDIATES	34.2	36.9	35.9	33.0	35.5				34.2	35.5	3.8%
OTHER & HOLDING	6.5	7.0	6.3	6.1	6.6				6.5	6.6	2.2%
GROUP CONSOLIDATION		0.0	0.0								
ALZCHEM GROUP	94.5	100.7	92.0	88.0	92.1				94.5	92.1	-2.5%

EBITDA [M€]	Q1 2019	Q2 2019	7-9 2019	10-12 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	1-3 2018 YTD	1-3 2019 YTD	yoy %
SPECIALTY CHEMICALS	12.6	16.1	9.5	12.4	11.7				12.6	11.7	-7.4%
BASICS & INTERMEDIATES	1.1	0.2	0.1	-2.2	1.0				1.1	1.0	-2.1%
OTHER & HOLDING	0.8	-0.3	0.5	-0.9	0.4				0.8	0.4	53.0%
GROUP CONSOLIDATION	0.6	-0.1	0.2	-1.3	0.1				0.6	0.1	
ALZCHEM GROUP	15.1	15.9	10.3	8.1	13.2				15.1	13.2	-12.1%

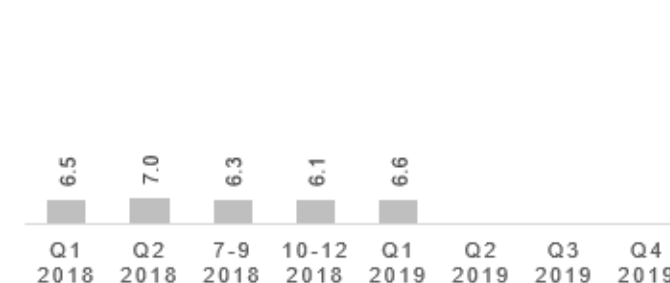
SALES SPECIALTY CHEMICALS

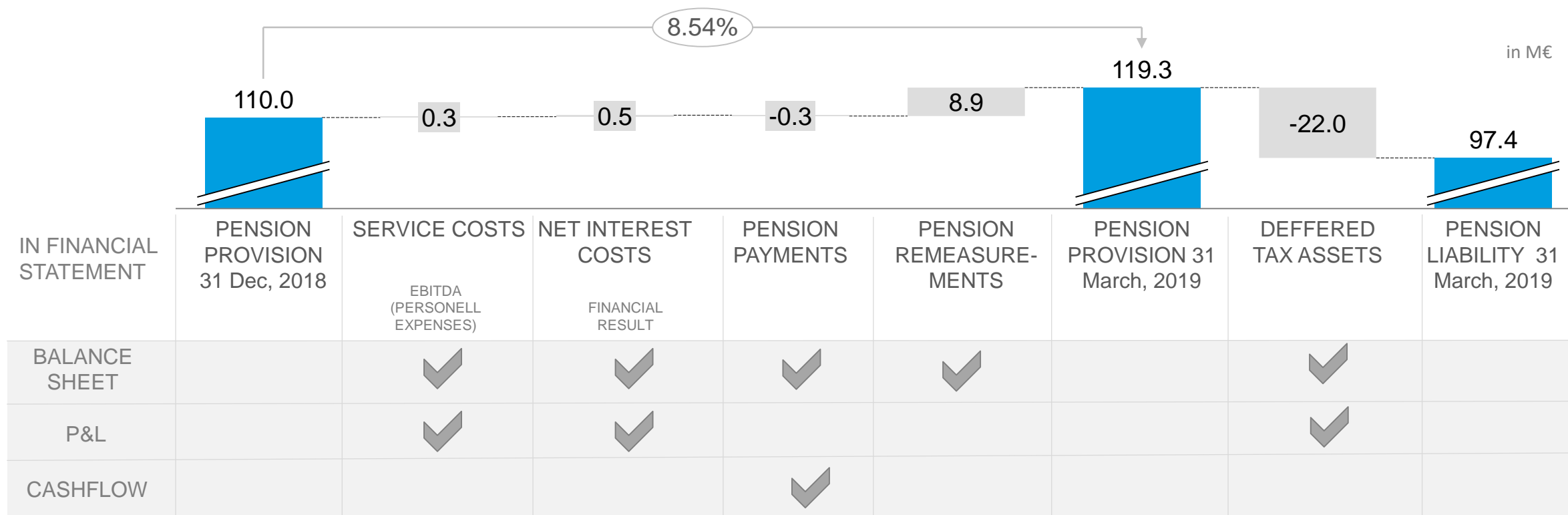


SALES BASICS & INTERMEDIATES



SALES OTHER & HOLDING





COMMENTS

- Slight adjustment of market interest rate from 1.90% → 1.40% as well as new morality tables from Heubeck included
- Continued low cash payments

Executive Team

Experienced management to deliver on the next phase



ULLI SEIBEL



ANDREAS NIEDERMAIER



KLAUS ENGLMAIER

CURRENT POSITION	CEO (since 2009)	CFO (since 2010)	COO (since 2016)
WITH ALZCHEM SINCE ¹	2009	1999	1988
DEGREE	Industrial Engineering	Industrial Engineering	Mechanical Engineering
AREAS OF RESPONSIBILITY	<ul style="list-style-type: none"> • Company Strategy • Investor Relations • Sales • Marketing • R&D 	<ul style="list-style-type: none"> • Finance & Controlling • IT • Supply Chain Management • Legal (Patents & Trademarks) • HR & Social 	<ul style="list-style-type: none"> • Production • Engineering • Environment, Safety, Health, Quality • Technology

ALZCHEM GROUP LOCATIONS

Production sites and sales companies



- SALES COMPANY
- PRODUCTION SITE



TROSTBERG (GER)



SCHALCHEN (GER)



HART a. d. ALZ (GER)



WALDKRAIBURG (GER)

Fully Integrated Business Model (“Verbund“- System)

Ability to adapt production to satisfy changing end market needs



THE “VERBUND-SYSTEM”

- Fully integrated production network
- The output of a production step serves as the basic input for the next production step.
- Cost benefits
- Highly specialized production chain as a unique selling point
- Full control over the quality and specification of all products

MEGATRENDS AS GROWTH DRIVERS

Growth of the population



Healthy aging



Energy efficiency





OUR PRODUCTS AND MARKETS

Successful with proven and new products in various industries

	MAIN PRODUCTS	DESCRIPTION	END-MARKETS
SPECIALTY CHEMICALS	CREAMINO	A feed additive for broilers and pigs	Feed additive
	Creapure®	Premium brand for creatine monohydrate as a food supplement in sports nutrition	Food supplements
	Alipure®	Alpha lipoic acid for dog food and food supplements	Food supplements
	Dormex®	Plant growth regulator used in fruit production	Agriculture
	BREATHRU'S 301	Additive for plant protection formulations	Agriculture
	Sitofex®	Plant growth regulator used in fruit production	Agriculture
	Alzogur®	Biocide for the prevention of diseases in animal production	Agriculture
	Silzot[®] SQ	Silicon nitride powder for the solar industry	Photovoltaics
	Silzot[®] HQ	Silicon nitride powder for ceramic applications	Ceramics
	Bioselect®	Highly purified form of guanidine hydrochloride salts	Pharmaceuticals / API
	Cyanamide	An organic compound widely used in agriculture and pharmaceuticals	Agriculture and pharmaceuticals
	DYHARD®	Hardeners and accelerators in powder, paste and liquid form	Hardener & Accelerator Systems for Composite Materials
	Thiourea	Various applications incl. flotation agents and pharmaceutical raw materials	Mining and pharmaceuticals
	Nitroguanidine	Intermediates for agrochemical products	Various

OUR PRODUCTS AND MARKETS

Successful with proven and new products in various industries

	MAIN PRODUCTS	DESCRIPTION	END-MARKETS
BASICS & INTERMEDIATES	 CaD [®]	Calcium carbide-based mixtures for hot metal desulphurization	Steel industry
	Guanidine Salts	Fuel for airbags, key production of the intermediate product	Automotive
	Dicyandiamide	Versatile intermediate in various markets including the pharmaceutical industry	Pharmaceutical Agriculture
	Nitrile	Business fields in color, agro and pharmaceutical applications	Pigments Pharmaceutical
	 Perlka [®]	Special calcium cyanamide multi-effect fertilizer	Agriculture
OTHER & HOLDING	Other activities not included in the "Specialty Chemicals" or "Basics & Intermediates" segments		
	Operation of the Trostberg Chemical Park (companies located at the site: AlzChem, BASF, Evonik, Aramark, VIACTIV, Degussa Bank)		
	Site services		

ALZCHEM SHARE

Share Details 29.03.2019



ISIN / WKN	DE000A0AHT46 / A0AHT4
TICKER SYMBOL	SFP1
TYPE AND NUMBER OF SHARES	101,763,355 bearer shares with no par value (par value shares)
STOCK EXCHANGES	Regulated Market (Prime Standard)
DESIGNATED SPONSOR	Baader Bank AG

SHAREHOLDER STRUCTURE	%
LIVIA Corporate Development SE	37.7
HDI Vier CE GmbH	20.4
Four two na GmbH	15.8
Free Float*	26.1
Including M&G Investment Management Limited	7.6
Including Ulli Seibel	4.9

