



# 2017 / Q4

## AlzChem Group AG

Ulli Seibel, CEO  
Andreas Niedermaier, CFO

March 26, 2018



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# AGENDA

2017 / Q4 – Analyst presentation

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## EXECUTIVE SUMMARY 2017 / Q4

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## BUSINESS AND FINANCIAL DETAILS 2017 / Q4

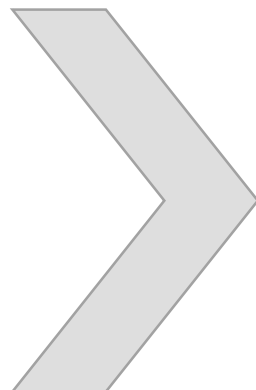
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## BACK-UP

# FINANCIAL HIGHLIGHTS 2017

Strategic and operational targets for 2017 achieved

## STRATEGIC TARGETS



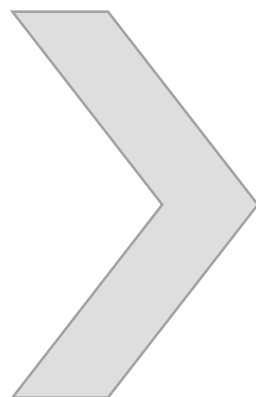
IPO successfully implemented

Investment CreAMINO® initiated

Growth focus on specialty chemicals

Creapure® – new online approach

## FINANCIAL TARGETS



Strong sales growth (8.2%)

Attractive operating cash flow

Net profit significantly increased



**CreAMINO®**

### FEED ADDITIVE TURNS TO CREATINE

CreAMINO® is a feed additive that - after being absorbed in the animals' bodies - is processed into the endogenous substance creatine

### +3 TO +5 POINTS FCR GROWTH

CreAMINO® leads to an improved feed conversion rate, that allows farm operators to reduce their total feed volume

### ~50 m€ INVESTMENT

In September 2017 a 50 million investment decision for a new CreAMINO® production plant in Trostberg (GER) was taken

### +200% PRODUCTION CAPACITY

The new plant is supposed to triple the production capacities for CreAMINO®

### GROWING WORLD POPULATION NEEDS EFFICIENT FOOD SUPPLY

AlzChem benefits with its Specialty Chemicals products from external growth drivers such as the growing world population, the trend towards healthy ageing and the growing importance of energy efficiency



### BASIC CHEMICALS

The investment will strengthen the division in the long term

**~7.2 m€**  
INVESTMENT

In December 2017 a 7.2 million investment decision for expansion NITRALZ® production plant in Trostberg (GER) was made

### ADDITIONAL DEMAND

Plant expansion in special equipment and materials

**+15%**  
PRODUCTION CAPACITY

Increased production capacities  
for higher margin chlorinated types of NITRALZ®

### APPLICATIONS

The applications for the product group NITRALZ range from its use as a high-performance pigment, e.g. for automotive paints, as a raw material for blood thinners and as a key raw material for crop protection products.







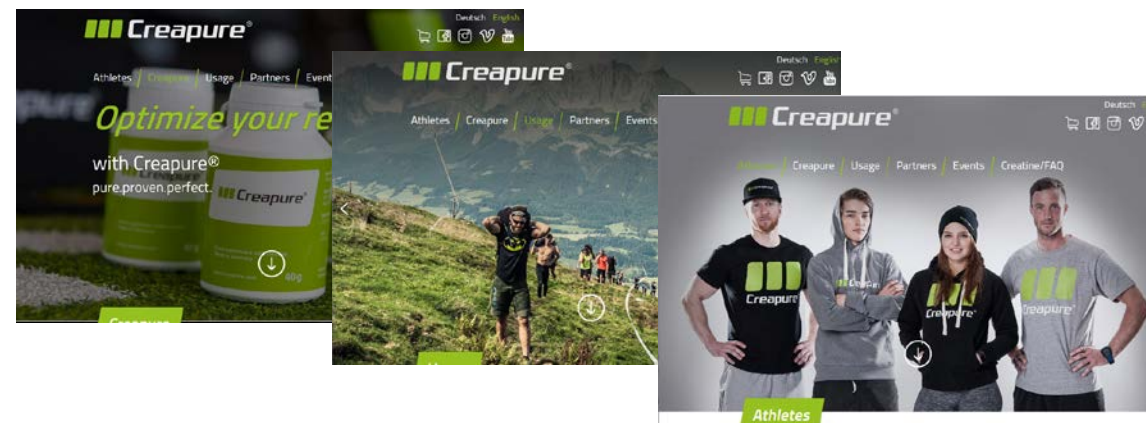
## BASIC CONCEPT

Focus on end customer information

New brand ambassadors concept

Added value through customers shop integration

**WEBSITE**  
[www.creapure.com](http://www.creapure.com)



## Social Media



## Events

Exhibitions and Sportevents (B2C)

# FINANCIAL OVERVIEW



Financial targets delivered

ALZCHEM GROUP [m€]	Q4 / 2016	Q4 / 2017	yoy %	1-12 / 2016	1-12 / 2017	yoy %
SALES	76.7	81.2	5.8%	327.2	353.9	8.2%
EBITDA <sup>1</sup>	9.0	7.4	-17.7%	38.6	45.7	18.3%
EBITDA margin <sup>1</sup>	11.8%	9.1%		11.8%	12.9%	1.1 pp
adjusted EBITDA	9.0	8.5	-5.6%	44.9	47.7	6.2%
adjusted EBITDA margin	11.8%	10.5%	-1.3 pp	13.7%	13.5%	-0.2 pp

<sup>1</sup> 2016 incl. IPO costs +6.3 m€  
2017 incl. IPO costs +2.0 m€; thereof Q4 1.1 m€

## COMMENTS

- High growth in sales, driven by quantity on a broad basis (2017: 1-12 +26.7 m€; Q4 +4.5 m€)
- Volume growth across all segments
- Q4 / 2017 EBITDA was impacted by adverse raw material effects, one time IPO costs and FX effects



# AGENDA

2017 / Q4 – Analyst presentation

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EXECUTIVE SUMMARY 2017 / Q4

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BUSINESS AND FINANCIAL DETAILS 2017 / Q4

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BACK-UP

# SEGMENT

## BASICS & INTERMEDIATES

AlzChem's **Basics & Intermediates** segment

comprises the **production of intermediate** products which

are either **used for the production of its Specialty**

**Chemicals** products **or sold externally,**

e.g., desulfurization blends for the metallurgy industry

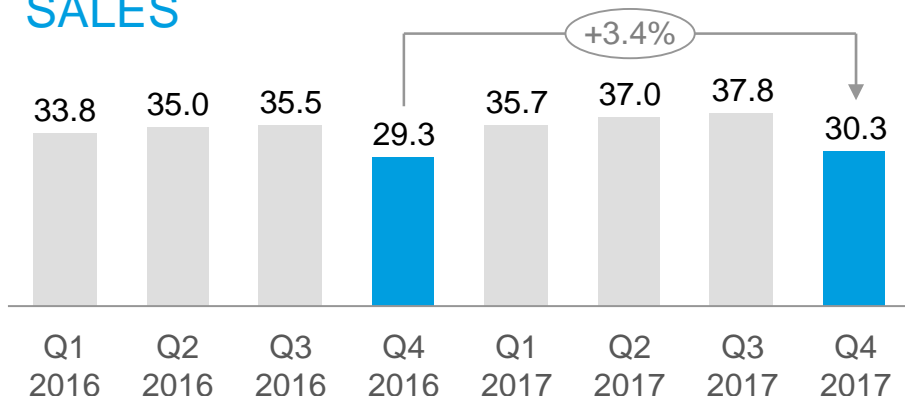
(sold under the brand name **CaD**).



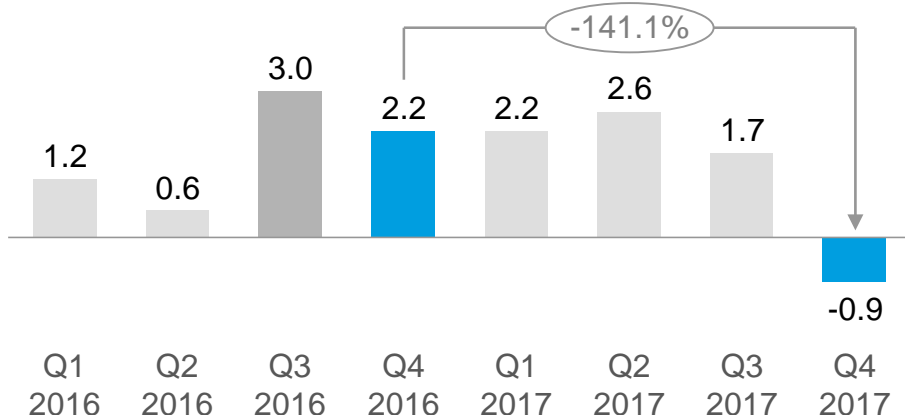
# SEGMENT BASICS & INTERMEDIATES

## Segment analysis – financial overview

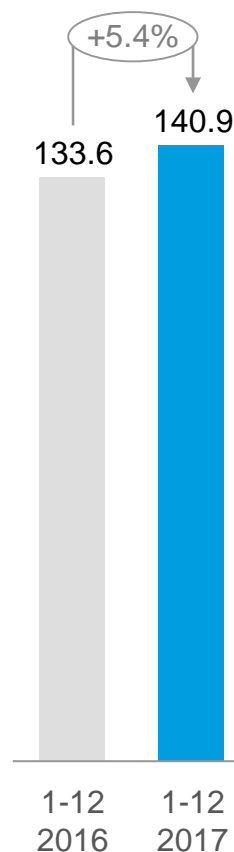
### SALES



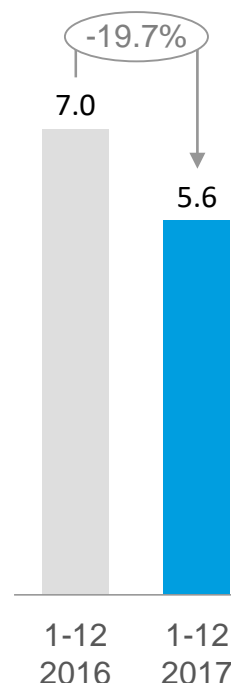
### EBITDA



### SALES



### EBITDA



### SALES ANALYSIS

Q4/2016 vs. Q4/2017

+5% Volume	+0% Price	-2% FX
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YTD 2016 vs. YTD 2017

+5% Volume	+1% Price	-1% FX
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### COMMENTS

- Sales growth driven mainly by NITRALZ® and metallurgical products
- Increase was caused by good volume development and positive pricing effects
- Agro business slightly exceeded previous year's figures and more than made up for the Q3 backlog
- Q4 EBITDA impacted by raw material price increases, higher maintenance efforts and FX effects

# SEGMENT

## SPECIALTY CHEMICALS

AlzChem's Specialty Chemicals segment comprises the production and distribution of higher-value products, e.g., a nutritional feed additive for the feed industry (**CreAMINO**<sup>®1</sup>), a dietary supplement for the nutrition market (**Creapure**<sup>®</sup>), highly purified guanidine hydrochloride salts (**BioSELECT**<sup>®</sup>) for the biotechnology, diagnostics and pharma sector and silicon nitride powder (**Silzot**<sup>®</sup>) for the ceramics, coatings and photovoltaics industry.

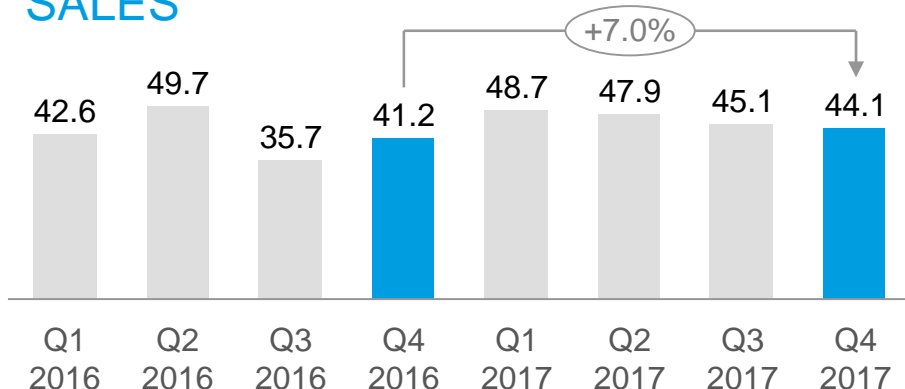
<sup>1</sup> CreAMINO<sup>®</sup> brand of EVONIK



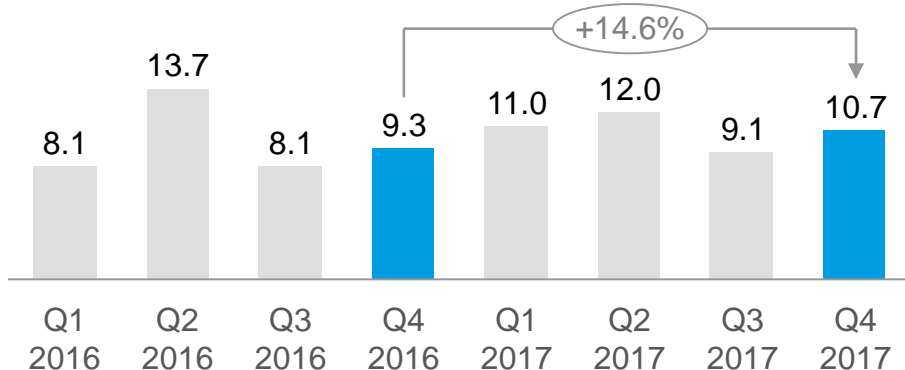
# SEGMENT SPECIALTY CHEMICALS

## Segment analysis – financial overview

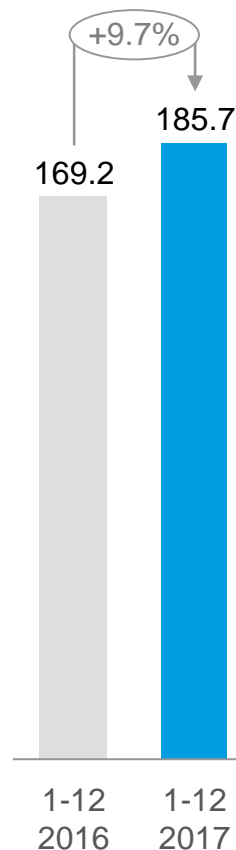
### SALES



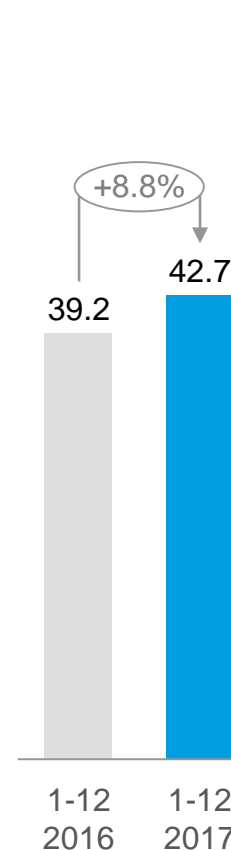
### EBITDA



### SALES



### EBITDA



### SALES ANALYSIS

Q4/2016 vs. Q4/2017	+8% Volume	+0% Price	-1% FX
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YTD 2016 vs. YTD 2017	+12% Volume	-2% Price	-0% FX
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### COMMENTS

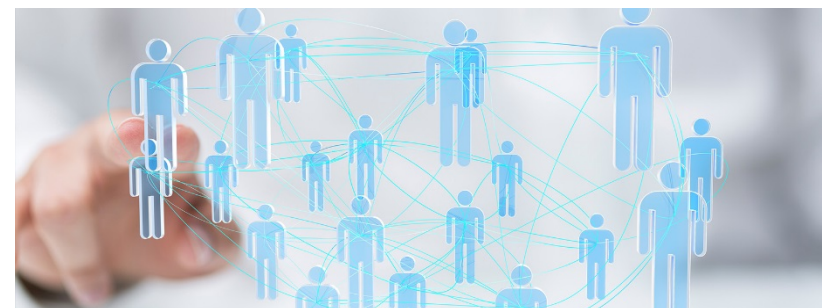
- Significant sales increase driven by growth of Dormex<sup>®</sup>, Creapure<sup>®</sup> Business and by strong growth of CreAMINO<sup>®</sup>-Business
- Higher volumes lead to higher sales of 9,7% and a strong growth within EBITDA of 8,8% above prior-year
- Some increase in raw material prices and negative impact of exchange rate
- Product mix caused increase in costs



# SEGMENT OTHER & HOLDING

AlzChem's Other & Holding segment comprises AlzChem's holding and other activities which are not accounted for in the Specialty Chemicals or Basics & Intermediates segment.

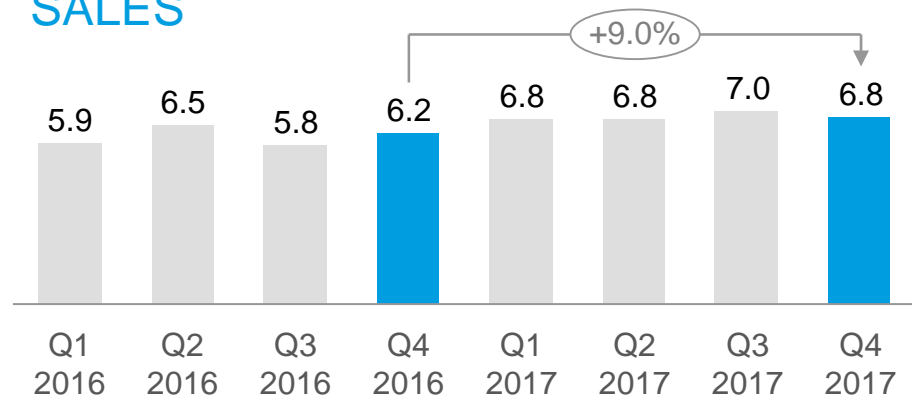
The majority of net sales in this segment are attributable to **services** offered to external customers mainly at the **sites Trostberg and Hart**.



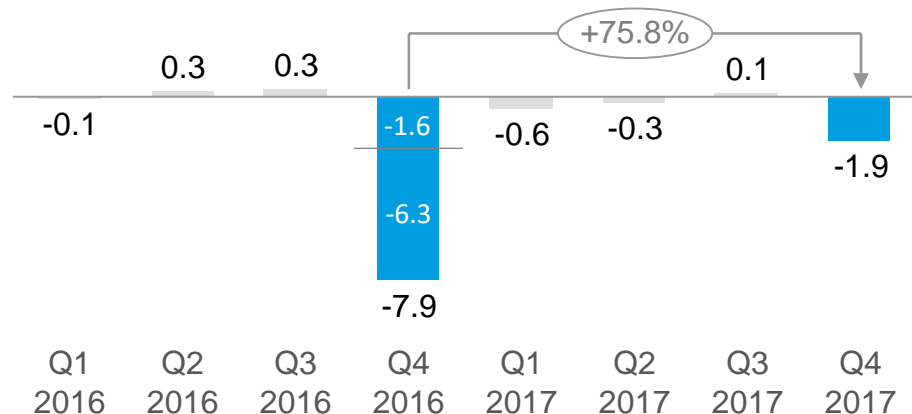
# SEGMENT OTHER & HOLDING

## Segment analysis – financial overview

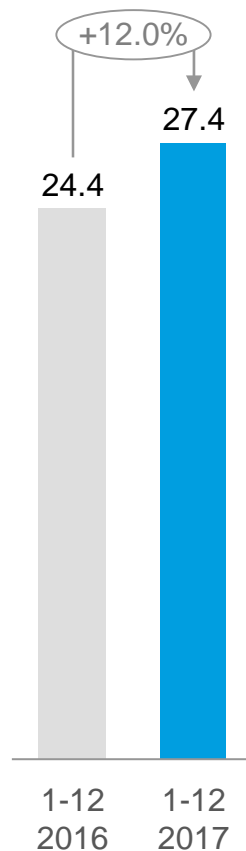
### SALES



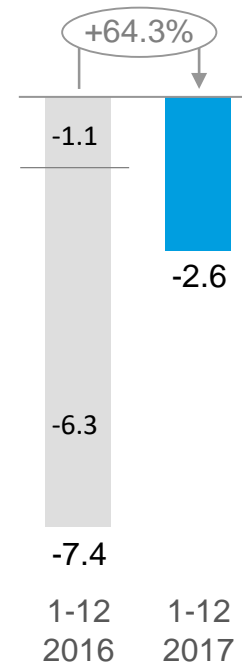
### EBITDA



### SALES



### EBITDA



### SALES ANALYSIS

Q4/2016 vs. Q4/2017

Volume	Price	FX
+8%	+1%	±0%

YTD 2016 vs. YTD 2017

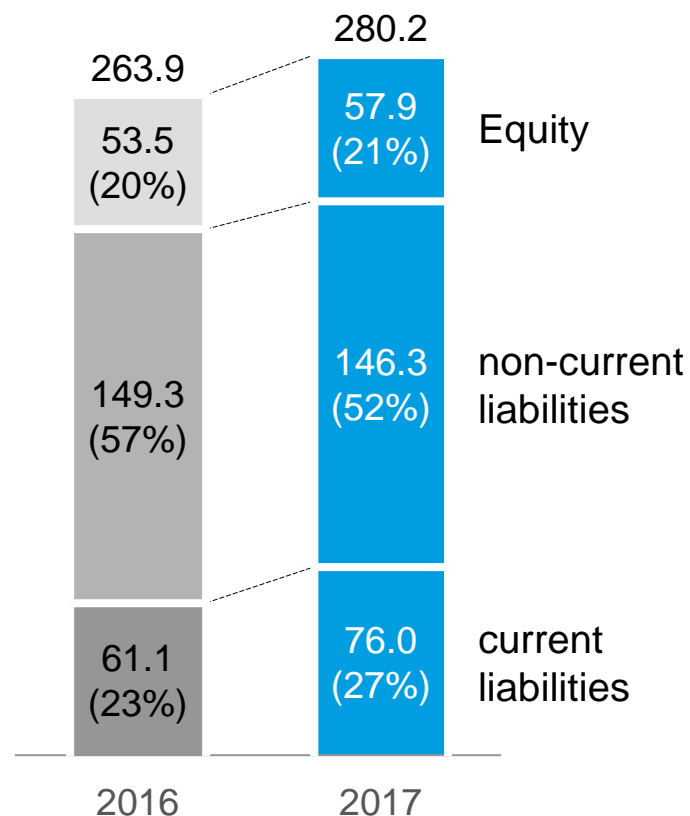
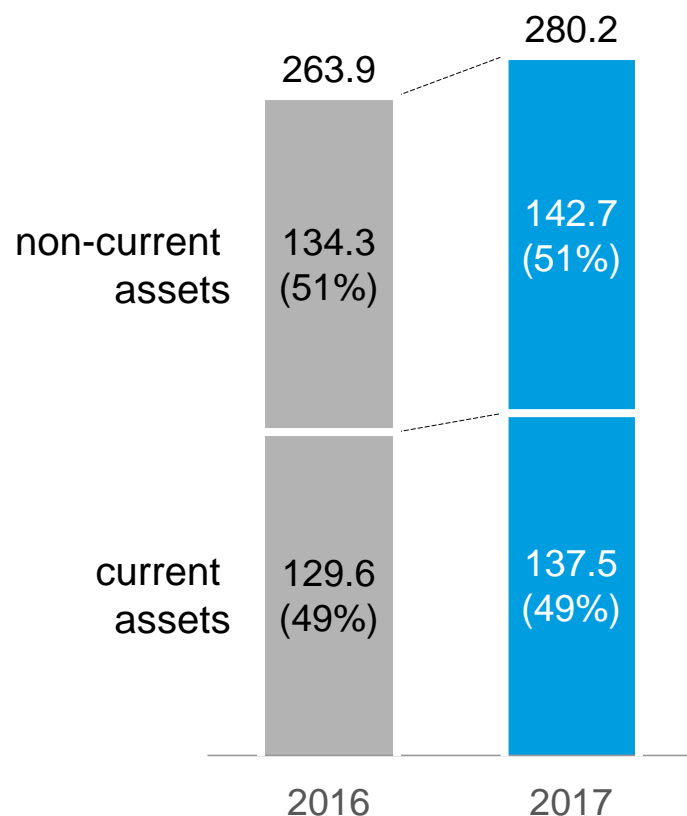
Volume	Price	FX
+11%	+1%	±0%

### COMMENTS

- Sales increase follows site service needs of our customers
- Sales growth mainly volume driven
- EBITDA 2016 reflects IPO costs
- Negative impact of maintenance of plant infrastructure on EBITDA in 2017

# BALANCE SHEET

AlzChem Group

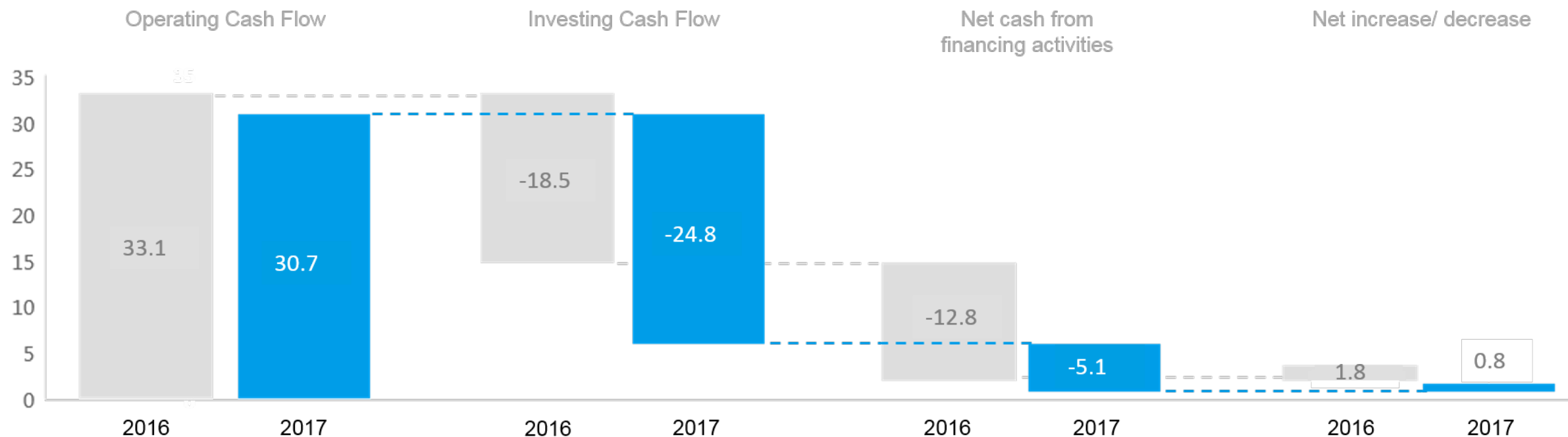


## COMMENTS

- Increased fixed assets, as a significant part of non-current assets, by €10.3 million and supports strategic growth
- Inventories, e. g. of CreAMINO<sup>®</sup>, were increased as planned in order to keep pace with the expected market growth.
- The increase in short-term financing is due to the fact that we have not yet called up the €50.7 million investment loans already taken out for CreAMINO<sup>®</sup> Investment as of the balance sheet date.
- No change in interest rate valuation in pension provisions

# CASH FLOW

Growth CAPEX is the basis for further growth

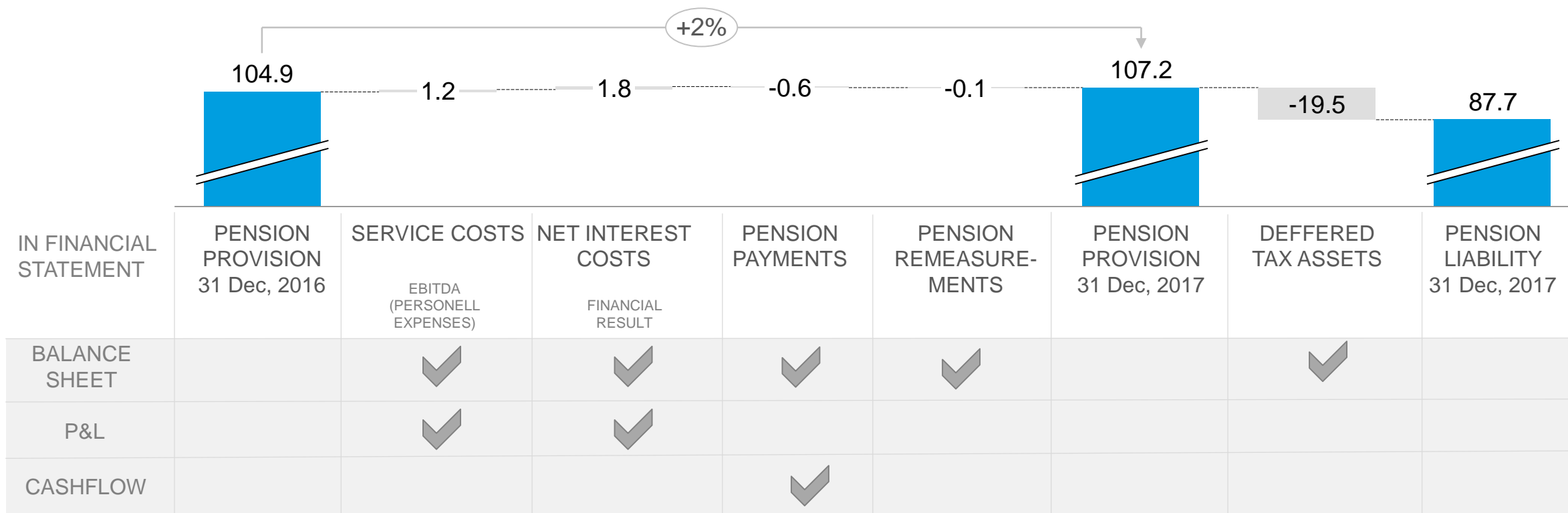


## COMMENTS

- Investing Cash Flow exceeds previous year level mainly to due cash-out for CreAMINO® project in Q4/2017
- YTD: usage of credit lines due to high pay out ratio of dividend, growth CAPEX and strategic inventory increase

# PENSION ACCOUNTING

Cash-out for pension payments only 0.6 m€



## COMMENTS

Pension remeasurements close to zero due to equal valuation interest rate at the level of 1.75%

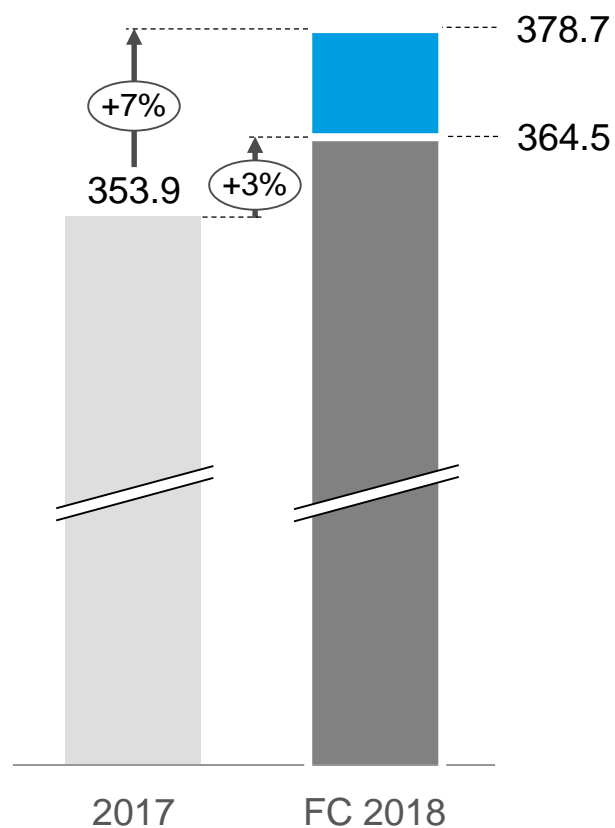


# OUTLOOK 2018

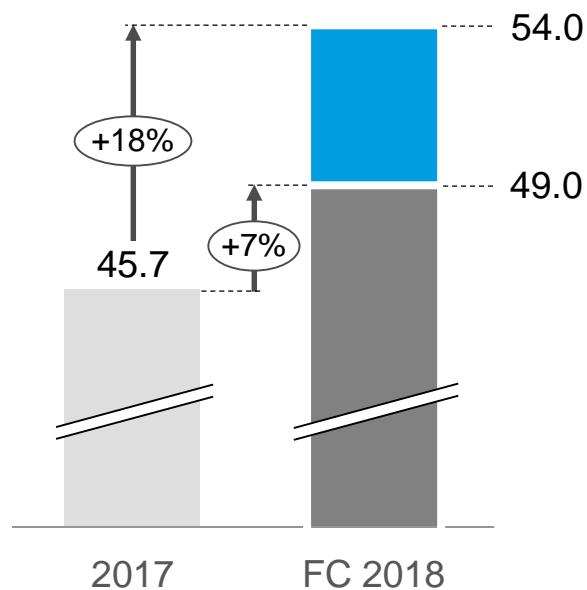
Sales and earnings growth continue



## SALES



## EBITDA



## COMMENTS

- sales growth will be driven primarily by specialty chemicals, mainly through CreAMINO<sup>®</sup>, Creapure<sup>®</sup> and Custom Synthesis
- Further reduced dependence on Basics & Intermediates
- EBITDA growth above sales growth as EBITDA-margin of Specialty Chemicals are above group average
- High volatility in raw materials and FX expected

### Assumptions

- No significant changes in market interest rates
- Overall economic growth of 2.2% assumed - no economic turmoil (USA, China)
- Stability in registration and energy legislation

### Factors to watch

- Headwind from weaker US-Dollar (2018 Forecast: 1.20 €/ US\$) in 2018
- High volatility in raw material prices with potential impact on earnings
- Construction of major CAPEX projects will require full attention

# FINANCIAL CALENDAR

Upcoming dates



2018	<b>MAR 26</b>	ANNUAL REPORT 2017
2018	<b>MAY 15</b>	Q1 FIGURES 2018 (Jan. – Mar.)
2018	<b>MAY 23</b>	1 <sup>st</sup> GENERAL MEETING 2018
2018	<b>SEPT 24</b>	FINANCIALS REPORT SHORT FINANCIAL YEAR 2018 (Jan. - June)
2018	<b>NOV 12</b>	Q1 FIGURES 2018 (July - Sept.)
2018	<b>NOV</b>	2 <sup>nd</sup> GENERAL MEETING 2018
2018	<b>DEC 31</b>	END OF FISCAL YEAR 2018





**1,491**  
EMPLOYEES  
average

m€  
**~354**  
SALES

m€  
**~46**  
EBITDA

m€  
**~31**  
OPERATING  
CASHFLOW



ALZCHEM  
PRODUCTS  
ARE SOLD  
**WORLDWIDE**

INNOVATION SINCE

**1908**

SPECIALTY  
CHEMICALS  
52%

BASICS &  
INTERMEDIATES  
40%

OTHERS &  
HOLDING  
8%

SALES  
**Q4 2017**  
YTD



THANK YOU  
FOR YOUR ATTENTION!

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# AGENDA

2017 / Q4 – Analyst presentation

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EXECUTIVE SUMMARY 2017 / Q4

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BUSINESS AND FINANCIAL DETAILS 2017 / Q4

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BACK-UP

# Q4 PROFIT & LOSS

AlzChem Group



ALZCHEM GROUP [m€]	Q4 / 2016	Q4 / 2017	Delta	
Revenue	76.7	81.2	4.5	5.8%
Changes in inventories of finished goods and work in progres:	7.3	2.7	-4.6	-62.8%
Other income	2.6	4.0	1.4	52.8%
Raw materials and consumables used	-31.2	-32.5	-1.3	4.1%
Employee benefits expense	-28.4	-27.4	1.0	-3.6%
Other expense	-18.0	-20.6	-2.6	14.4%
<b>EBITDA</b>	<b>9.0</b>	<b>7.4</b>	-1.6	-17.7%
<i>EBITDA adjusted</i>	<i>9.0</i>	<i>8.5</i>	-0.5	-5.6%
Depreciation expense	-3.5	-3.7	-0.2	5.1%
<b>EBIT</b>	<b>5.5</b>	<b>3.7</b>	-1.8	-32.2%
<i>EBIT adjusted</i>	<i>5.5</i>	<i>4.8</i>	-0.7	-12.4%
Investment income		0.0		
Other interest and similar income	0.2	0.2		17.9%
<i>thereof interest income (cash-effective)</i>	0.2	0.1	-0.1	-54.9%
<i>thereof interest income (provisions)</i>	0.0	0.1	0.1	
Other interest and similar expense	-0.1	-0.7	-0.6	563.5%
<i>thereof interest expense (cash-effective)</i>	-0.2	-0.2		19.2%
<i>thereof interest expense (provisions)</i>	0.1	-0.5	-0.6	-925.1%
<b>Financial result</b>	<b>0.1</b>	<b>-0.5</b>	-0.6	-694.8%
Result from associates				
<b>Result from ordinary business</b>	<b>5.6</b>	<b>3.3</b>	-2.3	-41.3%
Taxes on income and profit	-2.1	-1.7	0.4	-20.1%
<i>thereof income tax</i>	-1.5	0.4	1.9	-128.1%
<i>thereof change from deferred taxes</i>	-0.7	-2.1	-1.4	220.0%
<b>Net profit</b>	<b>3.4</b>	<b>1.6</b>	-1.8	-54.5%
<i>Net profit adjusted</i>	<i>3.4</i>	<i>2.6</i>	-0.8	-23.2%
<i>thereof minority interests</i>	0.0	0.01		
<i>thereof shares held by shareholders</i>	3.4	1.55	-1.8	-54.8%
<b>Earnings per share in EUR</b>	<b>0.03 €</b>	<b>0.02 €</b>		-49.7%

## COMMENTS

- Solid volume growth in all segments
- The P + L positions are growing in line with sales
- Not all raw material increases could be passed on to the customers
- Other expenses include IPO costs and higher maintenance

# 1-12 PROFIT & LOSS

AlzChem Group



ALZCHEM GROUP [m€]	1-12 / 2016	1-12 / 2017	Delta	
Revenue	327.2	353.9	26.7	8.2%
Changes in inventories of finished goods and work in progres:	5.1	1.8	-3.3	-65.1%
Other income	11.3	11.6	0.3	2.6%
Raw materials and consumables used	-126.2	-137.9	-11.7	9.2%
Employee benefits expense	-112.3	-109.2	3.1	-2.7%
Other expense	-66.4	-74.5	-8.1	12.2%
<b>EBITDA</b>	<b>38.6</b>	<b>45.7</b>	7.1	18.3%
<i>EBITDA adjusted</i>	<i>44.9</i>	<i>47.7</i>	2.8	6.2%
Depreciation expense	-13.0	-14.0	-1.0	7.3%
<b>EBIT</b>	<b>25.6</b>	<b>31.7</b>	6.1	23.8%
<i>EBIT adjusted</i>	<i>31.8</i>	<i>33.7</i>	1.8	5.7%
Investment income	0.0	0.0	0.0	476.7%
Other interest and similar income	0.4	0.6	0.2	39.3%
<i>thereof interest income (cash-effective)</i>	<i>0.4</i>	<i>0.4</i>	<i>0.0</i>	<i>-10.7%</i>
<i>thereof interest income (provisions)</i>	<i>0.0</i>	<i>0.2</i>	<i>0.2</i>	
Other interest and similar expense	-4.2	-3.0	1.2	-27.7%
<i>thereof interest expense (cash-effective)</i>	<i>-1.1</i>	<i>-0.8</i>	<i>0.3</i>	<i>-28.0%</i>
<i>thereof interest expense (provisions)</i>	<i>-3.1</i>	<i>-2.2</i>	<i>0.8</i>	<i>-27.6%</i>
<b>Financial result</b>	<b>-3.7</b>	<b>-2.3</b>	1.4	-36.7%
Result from associates				
<b>Result from ordinary business</b>	<b>21.9</b>	<b>29.3</b>	7.5	34.1%
Taxes on income and profit	-6.6	-8.8	-2.2	32.9%
<i>thereof income tax</i>	<i>-7.5</i>	<i>-5.8</i>	<i>1.7</i>	<i>-22.6%</i>
<i>thereof change from deferred taxes</i>	<i>0.9</i>	<i>-3.0</i>	<i>-3.9</i>	<i>-436.0%</i>
<b>Net profit</b>	<b>15.3</b>	<b>20.6</b>	5.3	34.6%
<i>Net profit adjusted</i>	<i>21.5</i>	<i>22.5</i>	1.0	4.6%
<i>thereof minority interests</i>	<i>0.0</i>	<i>0.2</i>	<i>0.2</i>	
<i>thereof shares held by shareholders</i>	<i>15.3</i>	<i>20.4</i>	<i>5.1</i>	<i>33.4%</i>
<b>Result per share in EUR</b>	<b>0.15 €</b>	<b>0.20 €</b>		33.4%

## COMMENTS

- Due to strong sales in the Specialty Chemicals segment, yoy sales growth is on a ~8% level
- About half of the increase in raw material costs is due to the rise in raw material prices.
- Employee benefits expenses 2016 include IPO Bonus
- higher other expenses include IPO costs, higher maintenance and product mix-related higher disposal costs

# BALANCE SHEET

AlzChem Group



ASSETS	31.12.2016	31.12.2017	yoy %
<b>NON-CURRENT ASSETS</b>			
Intangible assets	0.8	1.0	25.0%
Tangible assets	104.8	115.1	9.8%
Investment properties			
Investments accounted for using the equity method			
Financials assets	0.0	0.0	
Trade receivables			
Other receivables	0.3	1.1	266.7%
Deferred tax assets	28.4	25.4	-10.6%
<b>SUM NON-CURRENT ASSETS</b>	<b>134.3</b>	<b>142.7</b>	<b>6.3%</b>
<b>CURRENT ASSETS</b>			
Inventories	64.1	71.4	11.4%
Trade receivables	35.4	35.0	-1.1%
Financial assets			
Other receivables	18.0	16.3	-9.4%
Income tax receivables	0.0	2.0	
Cash and cash equivalents	12.1	12.8	5.8%
Assets classified as held for sale			
Other assets			
<b>SUM CURRENT ASSETS</b>	<b>129.6</b>	<b>137.5</b>	<b>6.1%</b>
<b>SUM ASSETS</b>	<b>263.9</b>	<b>280.2</b>	<b>6.2%</b>

EQUITY & LIABILITIES	31.12.2016	31.12.2017	yoy %
<b>EQUITY</b>			
<b>SHARE</b> TO THE SHAREHOLDERS OF ALZCHEM AG	<b>53.3</b>	<b>55.7</b>	<b>4.5%</b>
Non-controlling interests	0.1	2.2	2100.0%
<b>SUM EQUITY</b>	<b>53.5</b>	<b>57.9</b>	<b>8.2%</b>
<b>NON-CURRENT LIABILITIES</b>			
Provisions for pensions	104.9	107.2	2.2%
Other provisions	17.1	17.4	1.8%
Loans	24.8	19.2	-22.6%
Finance lease liabilities	0.2	0.2	
Other liabilities		0.0	
Deferred tax liabilities	2.3	2.2	-4.3%
<b>SUM NON-CURRENT LIABILITIES</b>	<b>149.3</b>	<b>146.3</b>	<b>-2.0%</b>
<b>CURRENT LIABILITIES</b>			
Other provisions	7.2	1.2	-83.3%
Loans	5.6	22.1	294.6%
Finance lease liabilities			
Finance liabilities	0.1		-100.0%
Trade liabilities	21.7	28.2	30.0%
Other liabilities	23.4	23.4	
Income tax liabilities	3.0	1.1	-63.3%
<b>SUM CURRENT LIABILITIES</b>	<b>61.1</b>	<b>76.0</b>	<b>24.4%</b>
<b>Sum EQUITY AND LIABILITIES</b>	<b>263.9</b>	<b>280.2</b>	<b>6.2%</b>

# CASH FLOW

AlzChem Group



CASHFLOW (IN M€)	Q4 / 2016	Q4 / 2017	yoy %	1-12 / 2016	1-12 / 2017	yoy %
OPERATING CASHFLOW	4.8	6.1	27.1%	33.1	30.7	-7.3%
INVESTING CASHFLOW	-6.3	-12.7	101.6%	-18.5	-24.8	34.1%
<b>FREE CASHFLOW</b>	<b>-1.5</b>	<b>-6.6</b>	<b>340.0%</b>	<b>14.6</b>	<b>5.9</b>	<b>-59.6%</b>
RAISING / REPAYMENT FROM LOANS	-1.4	-1.6	14.3%	-4.7	-4.8	2.1%
PAYMENT / DEPOSIT FROM SHORT-TERM CREDIT LINES		6.5			15.7	
DIVIDENDS PAID				-8.0	-17.8	122.5%
PAYMENT FROM CAPITAL INCREASE		2.6			2.6	
COST OF CAPITAL INCREASE W/O TAX EFFECT		-0.7			-0.7	
PAYMENT PROFIT CLAIM OF NON-CONTROLLING INTERESTS	-0.0			-0.1		-100.0%
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>-1.4</b>	<b>6.7</b>	<b>-578.6%</b>	<b>-12.8</b>	<b>-5.1</b>	<b>-60.2%</b>
<b>NET INCREASE / DECREASE CASH AND CASH EQUIVALENTS</b>	<b>-2.9</b>	<b>0.1</b>	<b>-103.4%</b>	<b>1.8</b>	<b>0.8</b>	<b>-55.6%</b>

## COMMENTS

- Capex are exceeding previous year expenses in Q4 due to strategic CreAMINO® Capex with first orders
- YTD: usage of credit lines due to high pay out ratio of dividend, Capex and higher CreAMINO® inventories



# SEGMENT OVERVIEW BY QUARTER

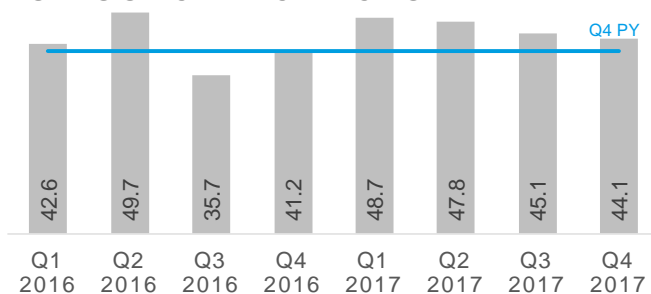


AlzChem Group

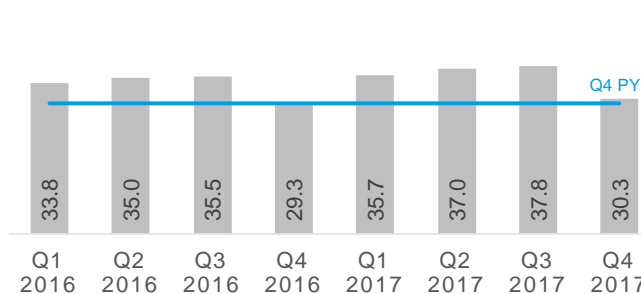
SALES [m€]	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q4 2016 YTD	Q4 2017 YTD	yoy %
SPECIALTY CHEMICALS	42.6	49.7	35.7	41.2	48.7	47.8	45.1	44.1	169.2	185.7	9.7%
BASICS & INTERMEDIATES	33.8	35.0	35.5	29.3	35.7	37.0	37.8	30.3	133.6	140.9	5.4%
OTHER & HOLDING	5.9	6.5	5.8	6.2	6.8	6.8	7.0	6.8	24.4	27.4	12.0%
GROUP CONSOLIDATION	0.0	0.0	0.0	-0.1	0.0	0.0	-0.1		-0.1	-0.1	
<b>ALZCHEM GROUP</b>	<b>82.3</b>	<b>91.2</b>	<b>77.0</b>	<b>76.7</b>	<b>91.2</b>	<b>91.7</b>	<b>89.9</b>	<b>81.2</b>	<b>327.2</b>	<b>353.9</b>	<b>8.2%</b>

EBITDA [m€]	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q4 2016 YTD	Q4 2017 YTD	yoy %
SPECIALTY CHEMICALS	8.1	13.7	8.1	9.3	11.0	12.0	9.1	10.7	39.2	42.7	8.8%
BASICS & INTERMEDIATES	1.2	0.6	3.0	2.2	2.2	2.6	1.7	-0.9	7.0	5.6	-19.7%
OTHER & HOLDING	-0.1	0.3	0.3	-7.9	-0.6	-0.3	0.1	-1.9	-7.4	-2.6	-64.3%
GROUP CONSOLIDATION	0.1	0.5	-6.1	5.4	0.8	0.2	-0.7	-0.4	-0.2	0.0	
<b>ALZCHEM GROUP</b>	<b>9.4</b>	<b>15.0</b>	<b>5.3</b>	<b>9.0</b>	<b>13.4</b>	<b>14.5</b>	<b>10.3</b>	<b>7.4</b>	<b>38.6</b>	<b>45.7</b>	<b>18.3%</b>

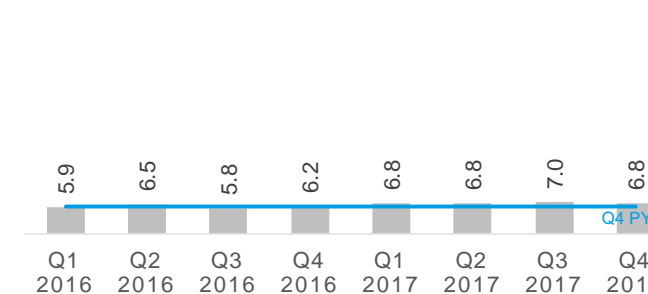
SALES SPECIALTY CHEMICALS



SALES BASICS & INTERMEDIATES



SALES OTHER & HOLDING



# Executive Team

Experienced management to deliver on the next phase



**KLAUS ENGLMAIER**



**ULLI SEIBEL**



**ANDREAS NIEDERMAIER**

CURRENT POSITION	<b>COO (since 2016)</b>	<b>CEO (since 2009)</b>	<b>CFO (since 2010)</b>
AGE	56	42	48
WITH ALZCHEM SINCE <sup>1</sup>	1988	2009	1999
DEGREE	Mechanical Engineering	Industrial Engineering	Industrial Engineering
AREAS OF RESPONSIBILITY	<ul style="list-style-type: none"> <li>• Production</li> <li>• Engineering</li> <li>• Environment, Safety, Health, Quality</li> <li>• Technology</li> </ul>	<ul style="list-style-type: none"> <li>• Company Strategy</li> <li>• Investor Relations</li> <li>• Sales</li> <li>• Marketing</li> <li>• R&amp;D</li> </ul>	<ul style="list-style-type: none"> <li>• Finance &amp; Controlling</li> <li>• IT</li> <li>• Supply Chain Management</li> <li>• Legal (Patents &amp; Trademarks)</li> <li>• HR &amp; Social</li> </ul>

# ALZCHEM GROUP LOCATIONS

Production sites and sales companies



- SALES COMPANY
- PRODUCTION SITE



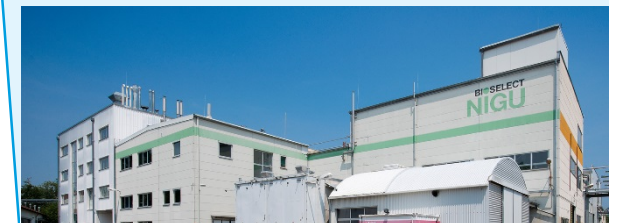
TROSTBERG (GER)



SCHALCHEN (GER)



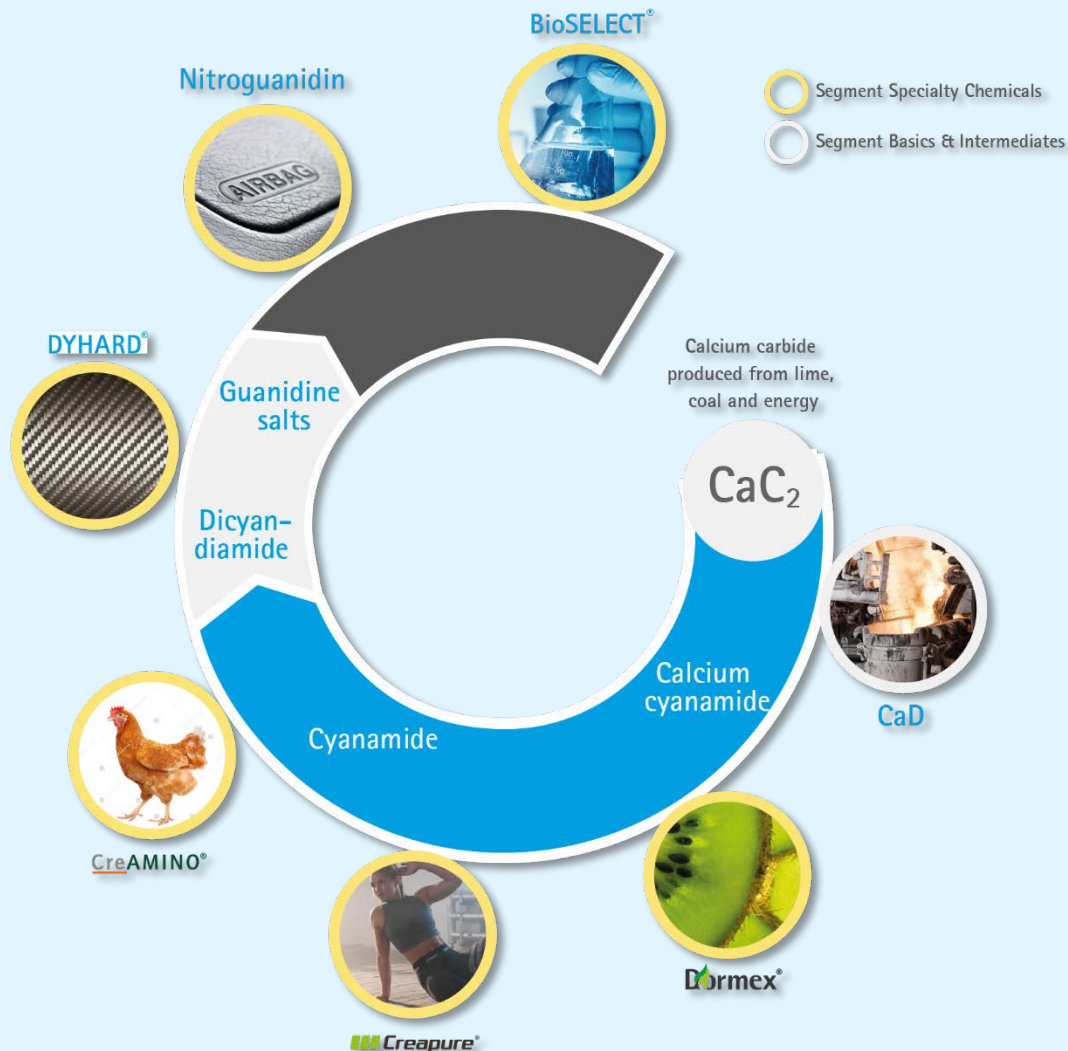
HART a. d. ALZ (GER)



WALDKRAIBURG (GER)

# Fully integrated business model (“verbund” system)

Flexibility to adapt production to meet changing end market needs



## THE “VERBUND”-SYSTEM

- Fully integrated production circle
- Output from one production step serves as base input for the next production step
- Transport cost advantage as compared to sourcing carbide and cyanamide from third parties
- Highly specialized system that is difficult to replicate

## BENEFITS OF “VERBUND”

- Full control of product quality and specifications
- Lower costs
- Security of supply
- Higher financial predictability
- Well positioned to address specialty niche markets

# INTRODUCTION TO GROUP SEGMENTS




## Overview of Specialty Chemicals products

	KEY PRODUCTS	DESCRIPTION	END MARKETS
SPECIALTY CHEMICALS	CreAMINO <sup>®(1)</sup>	A nutritional additive for broilers and pigs	Feed additive
	Creapure <sup>®</sup>	Premium brand for creatine monohydrate used as supplements in sports nutrition	Dietary supplements
	Alipure <sup>®</sup>	Alpha-lipoic acid for dog feed additive and dietary applications	Pet feed additive Dietary supplements
	Dormex <sup>®</sup>	Plant growth regulator, used in fruit production	Agriculture
	BREAKTHRU'S 240	Additive for plant protection formulations	Agriculture
	SitoFex <sup>®</sup>	Plant growth regulator, used in fruit production	Agriculture
	Alzogur	Biocide, for disease prevention in animal production	Agriculture
	Silzot SQ	Silicon nitride powder	Photovoltaics
	Silzot HQ	Silicon nitride powder	Ceramics
	BioSELECT	Highly purified form of guanidine hydrochloride salts	Pharma/ API
	Cyanamide	Organic compound that is widely used in agriculture and pharma	Agrochemical Pharma
	DYHARD <sup>®</sup>	Hardeners and accelerators in powder, paste and liquid form	Powder coatings Adhesives
	Thiourea	Diverse applications incl. flotation agent and pharma raw material	Mining Veterinary
	Nitroguanidine	Intermediate for agrochemical products	Agrochemical

# INTRODUCTION TO GROUP SEGMENTS (CONT'D)



Overview of **B&I** products and **O&H** services

	KEY PRODUCTS	DESCRIPTION	END MARKETS
BASICS & INTERMEDIATES	<b>CaD</b>	Calcium carbide-based process chemical for hot metal desulfurization	Steel industry
	<b>Guanidine Salts</b>	Gas generant for air bags, key production intermediate	Airbags Agrochemicals
	<b>Dicyandiamide</b>	Versatile intermediate for diverse markets including pharma	Pharma Fertilizer
	<b>Nitrile</b>	Buildings blocks for color, agro and pharma applications	Pigments Pharma
	 <b>Perlka®</b>	Specialty value-add nitrogen fertilizer	Agriculture
OTHER & HOLDING	Comprises AlzChem's holding and other activities which are not accounted for in the Specialty Chemicals or Basics & Intermediates segment		
	Operation of the Chemiepark Trostberg (companies based on site: AlzChem, BASF, Evonik, Aramark, VIActiv, Degussa Bank)		
	Site services		



# STOCK

## Share details



ISIN / WKN	DE000A0AHT46 / A0AHT4
TICKER SYMBOL	SFP1
TYPE AND NUMBER OF SHARES	101,763,355 value (bearer shares)
TRADING SEGMENT	Regulated Market (Prime Standard)
DESIGNATED SPONSOR	Baader Bank AG
MARKET CAPITALICATION DEC 31, 2017*	301.6 m€

OWNERSHIP STRUCTURE	%
LIVIA Corporate Development SE	47.70
HDI Vier CE GmbH	26.38
four two na GmbH	19.79
Jan Ulli Seibel	4.93
Free float	1.19



# Q4 FINANCIAL HIGHLIGHTS

Top line growth continues in Q4



- + Strong growth in sales, driven by Specialty Chemicals
- + Moderate sales growth within Basics & Intermediates
- Management of raw materials volatility is becoming more and more important



# SALES BY REGION

ASIA/PACIFIC intensive marketing strategy pays back

## GERMANY



Q4 / 2016	Q4 / 2017	yoy %
29.7	33.8	13.8%

1-12 / 2016	1-12 / 2017	yoy %
131.7	152.6	15.9%

➔ +20.9m€

## EMEA



Q4 / 2016	Q4 / 2017	yoy %
27.0	27.7	2.6%

1-12 / 2016	1-12 / 2017	yoy %
115.4	118.4	2.6%

➔ +3.0m€

## ASIA / PACIFIC

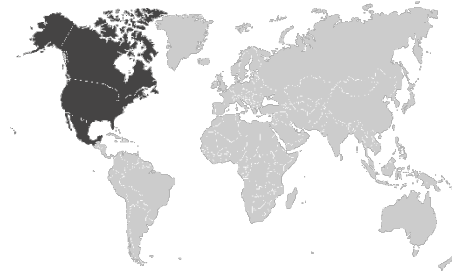


Q4 / 2016	Q4 / 2017	yoy %
8.9	9.1	2.2%

1-12 / 2016	1-12 / 2017	yoy %
34.6	38.2	10.4%

➔ +3.6m€

## NORTH AMERICA



Q4 / 2016	Q4 / 2017	yoy %
10.4	9.9	-4.8%

1-12 / 2016	1-12 / 2017	yoy %
36.7	34.6	-5.7%

➔ -2.1m€

## SOUTH AMERICA



Q4 / 2016	Q4 / 2017	yoy %
0.8	0.7	-12.5%

1-12 / 2016	1-12 / 2017	yoy %
8.7	10.0	14.9%

➔ +1,3m€