

## CORPORATE NEWS

### **AlzChem Group AG continues growth in short fiscal year 2018**

- **Disproportionately high earnings growth**
- **Dividend proposal of EUR 0.11 per share**
- **New Creamino® production plant scheduled to go on stream in mid-2019**
- **Stable sales growth and above-average earnings growth expected**

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Trostberg, September 17, 2018 – AlzChem Group AG was able to continue its growth course in the short fiscal year 2018 (January 1 to June 30, 2018). Compared with the first half of 2017, consolidated sales revenues rose by 6.8% to EUR 195.2 million. At the same time, earnings growth was significantly above average. AlzChem increased EBITDA to EUR 31.0 million and thus by 10.8% compared with the first six months of 2017. The EBITDA margin rose to 15.9% (first half of 2017: 15.3%). Net profit improved in the short fiscal year 2018 from EUR 14.6 million to EUR 16.1 million. Earnings per share amounted to EUR 0.16 after EUR 0.14 in the previous year.

AlzChem Group AG will propose to its shareholders at the Annual General Meeting to be held on November 22, 2018 that a dividend of EUR 0.11 be distributed for the short fiscal year 2018. Ulli Seibel, CEO of AlzChem Group AG: “The main reason for the short fiscal year 2018 was to allow our shareholders to participate in the success of our Group as soon as possible through an attractive dividend policy. We promised this when we went public in 2017, and we are now in a position to deliver on it. We are very satisfied with the course of business, were able to achieve our targets and continue to see the prospects for the future as very positive.”

The most important project for the future, the tripling of production capacities for Creamino®<sup>1</sup> with an investment volume of EUR 50 million, is also proceeding according to plan. The time and cost budgets will be met, and production is scheduled to start in mid-2019. AlzChem is thus creating the best conditions for maintaining and expanding its clear growth course in the very high-margin Specialty Chemicals segment following a transition phase for Creamino®.

### **High sales and earnings momentum at Specialty Chemicals**

In the short fiscal year 2018, the strategically important Specialty Chemicals segment developed very dynamically. Multi-purpose facilities performed particularly well. The broad product portfolio once again proved to be the Group's strength. The positive development was supported to a large extent by sales growth for the DYHARD®,

Creamino<sup>®</sup>, Creapure<sup>®</sup> and Dormex<sup>®</sup> brands and by the expansion of the product range of multi-purpose facilities. Segment sales increased by 14.7% comparing the six-month periods 2017 and 2018 and the EBITDA margin improved to 26.0% (first half of 2017: 23.8%). In the Basics & Intermediates segment, developments were particularly strongly affected by higher raw material prices. This is reflected in both sales and earnings. On the sales side, there was a slight decline, with the EBITDA margin falling from 6.5% to 1.8%. The business figures in the third segment Other & Holding developed positively. Various investments and structural measures were made in 2017, which had a positive impact in 2018 and were reflected in stable demand for services and sales of EUR 13.4 million. On the earnings side, this segment returned to profitability with an EBITDA margin of 3.7%.

### **Outlook characterized by further growth**

AlzChem intends to combine further sales growth with a disproportionately high increase in earnings in the future as well. CFO Andreas Niedermaier: “We have already demonstrated in 2017 and in the first six months of 2018 that we can more than compensate for unexpectedly high and unfortunately sustained price increases for raw materials and energy. Negative currency effects also slowed our momentum. We do not expect the environment to become any simpler, but are nevertheless very confident that we will continue to grow and that we will also be able to achieve a disproportionately positive earnings trend. Creamino<sup>®</sup> will also contribute to this, where we should already see the positive effects from the capacity expansion and the start of our own distribution from mid-2019.”

For the six months from July to December 2018, AlzChem expects sales growth in the range of 3 % to 7 % compared to the same period of the previous year and EBITDA and EBIT growth in excess of this. For seasonal reasons, the momentum in the second half of the calendar year will, as always, be somewhat weaker than in the first six months. For the calendar year 2018 as a whole – i.e. combined for the short fiscal year just ended and for the current six-month period – the forecast made at December 31, 2017 for 2018 as a whole remains valid. The forecast is to achieve sales growth in the mid-single-digit percentage range and EBITDA of EUR 49 to 54 million over a twelve-month period.

The Annual Report for the short fiscal year 2018 is available for download on the website [www.alzchem.com](http://www.alzchem.com) under Investor Relations/Publications/Financial reports.

### **About AlzChem Group AG**

AlzChem Group AG is a vertically integrated manufacturer of various chemical products based on the NCN chain. These are products with typical nitrogen-carbon-nitrogen bonding that are used in a wide variety of different industries. The company has a leading position in select niche markets. The strategic focus of growth and the main focus of its extensive research and

development are on the business segment Specialty Chemicals. The company has around 1,500 employees at four sites in Germany and three other sites abroad.

<sup>1</sup> Creamino<sup>®</sup> is a brand of Evonik Industries AG.