

# CORPORATE NEWS

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## Alzchem Group AG achieves significant sales and earnings growth in the first quarter of 2023

- **Sales increase by 16% to EUR 150.4 million**
- **EBITDA rises by 11% to EUR 18.9 million**
- **Operating cash flow and free cash flow positive again**
- **Outlook 2023 confirmed**

**Trostberg, May 4, 2023** – Alzchem Group AG, a vertically integrated specialty chemicals supplier with a leading market position in selected niche markets, significantly increased its sales in the first quarter of 2023 compared to the same period of the previous year. At EUR 150.4 million, the company recorded a rise of 16%. The main drivers of this positive development were the products from the Specialty Chemicals segment. This segment achieved a 31% increase in sales, or EUR 20.5 million, to EUR 85.8 million, thus setting another record. This growth was due not only to price increases, but also to volume increases of around 8%. In the Basics & Intermediates segment, however, high raw material and energy costs led to a decline in volumes. Nevertheless, sales remained stable overall at the prior-year level as a result of price increases.

EBITDA recorded growth of 11% to EUR 18.9 million in the first quarter of 2023. The EBITDA margin fell slightly from 13.2% to 12.6% due to stronger sales increase.

Andreas Niedermaier, CEO of Alzchem Group AG: “Even though the situation regarding global supply chains is slowly normalizing thanks to the lifting of all quarantine rules, the situation on the raw materials and energy markets remains tense. Therefore, we are trying to focus even more on high-margin product areas in the future. We have already been able to fully utilize our new Creapure® plant in the first quarter of 2023 and are currently already planning a further capacity expansion in order to be able to meet the continuing high customer demand.”

The more relaxed situation on the logistics markets also meant that Alzchem was able to reduce inventories. This had a pleasing effect on operating cash flow, which was again clearly positive at EUR 10.2 million (Q1 2022: EUR -5.6 million). Free cash flow also developed very favorably at EUR 5.4 million, compared with EUR -12.9 million.

Consolidated result for the first quarter of 2023 amounted to EUR 7.7 million and was thus on a par with the same period of the previous year. Accordingly, earnings per share also matched the prior-year figure at EUR 0.76. Equity stood at EUR 151.2 million as of 31 March 2023, an increase of EUR 5.3 million since 31 December 2022. This corresponds to an equity ratio of 34.7% (31 December 2022: 34.5%).

## AGILE SCIENCE PURE RESULTS

As a responsible company, Alchem has a particular focus on sustainability and also on keeping its stakeholders continuously informed, for example about the Group's climate protection activities. Against this background, the company specified its roadmap to climate neutrality in the first quarter of 2023. The concept will be presented to the Annual General Meeting on 11 May 2023 and includes a concrete package of measures. Through the reduction of fossil fuels and climate-neutral production, the company aims to reduce its CO<sub>2</sub> emissions by more than 75% by 2030. Complete climate neutrality in this so-called Scope 1 is to be achieved by 2033.

For the fiscal year 2023, Alchem Group anticipates a continuation of its solid growth course. The key challenge here remains the ability to pass on the significant increases in procurement and electricity prices to the market. Slightly growing sales (up to EUR 590 million) and a slight rise in EBITDA (up to EUR 70 million) are forecast. The basic growth driver – even with increased prices – is volume growth. This will be achieved largely through the expansion of creatine production and at Creamino<sup>®</sup>, but further volume growth is also expected in the multi-purpose plants.

The detailed quarterly statement is available for download on the website [www.alchem.com](http://www.alchem.com) in the [Investors/Publications](#) section.

## About Alchem

Alchem is a globally active specialty chemicals company that is one of the market leaders in most of its fields of activity. Alchem benefits from the three very different global developments climate change, population growth and longer life expectancy in a unique way. Alchem products can offer attractive solutions for achieving the resulting social goals in a multitude of different applications.

The company sees interesting growth prospects for itself in the areas of human and animal nutrition and agriculture in particular. As a result of population growth, it is necessary to achieve efficient food production. Pharmaceutical raw materials and creatine products can contribute to a healthy old age as life expectancy increases. Alchem is facing up to the goal of sustainability arising from climate change in the field of renewable energies and across the entire company. The fields of fine chemicals and metallurgy offer just as great a perspective.

Alchem Group AG's broad product range includes dietary supplements, precursors for PCR tests and pharmaceutical raw materials. These offerings are the company's response to global trends and developments. Alchem is ideally positioned in this respect and considers itself well prepared for an environmental future and global developments.

The company employs around 1,680 people at four production sites in Germany and a plant in Sweden, as well as three sales companies in the USA, China and England. Alchem generated Group sales of around EUR 542.2 million and EBITDA of around EUR 61.4 million in 2022.