



# CORPORATE NEWS

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## **Alzchem Group AG seamlessly builds on strong business performance in 2023 with EBITDA growth of 31.7% in first quarter 2024**

- **Result for the period increases significantly by 58.7% to EUR 12.2 million**
- **Strong free cash flow of EUR 26.6 million**
- **Management Board confirms forecasts for the full year 2024**

**Trostberg, April 30, 2024** – Alzchem Group AG, a vertically integrated specialty chemicals supplier with a leading market position in selected niche markets, reports a successful start to the fiscal year 2024. With consolidated sales of EUR 150.1 million in the first quarter, the company was able to confirm the previous year's strong level of EUR 150.4 million. As in the full year 2023, the Specialty Chemicals business proved to be a key success factor, achieving significant growth in both sales (+8.4%) and EBITDA (+41.6%). The Specialty Chemicals growth segment thus successfully compensated for the expected decline in sales and EBITDA (-14.0% and -35.2% respectively) in the Basics & Intermediates segment. The Human Nutrition (Creapure®), Animal Nutrition (Creamino®) and Defense ((nitroguanidine) divisions in particular performed strongly in the first three months of 2024. By contrast, business in the Custom Manufacturing segment (multi-purpose plants), which is significantly influenced by the general economic situation in the chemical industry, and in nitriles, due to persistently strong competition from Asia, remained challenging.

The strategic optimization of the product mix towards higher-margin specialty chemicals is impressively reflected in the earnings performance in the first quarter of 2024. At EUR 24.9 million, Alzchem was able to increase Group EBITDA by 31.7 % (previous year: EUR 18.9 million). Based on the stable sales development, the EBITDA margin increased from 12.6% to 16.6%. The result for the period climbed by 58.7% quarter-on-quarter from EUR 7.7 million to EUR 12.2 million. The scaling of plant expansions, particularly in the Human Nutrition division, had a very positive effect on earnings. The Animal Nutrition and Defense divisions also made important contributions to earnings. In addition, the fact that the manufacturing costs of products in the Specialty Chemicals segment are significantly less affected by the price of electricity than in the Basics & Intermediates segment also has a generally positive effect on earnings. In the reporting period, electricity prices allowed price reductions for customers, particularly in the more electricity-intensive Basics & Intermediates segment, although this is reflected in the lower sales of this segment.

AGILE SCIENCE PURE RESULTS

The Alzchem Group's financial position also developed very positively in the first quarter of 2024. The operating cash flow increased from EUR 10.2 million to EUR 33.5 million, which is due in particular to the growth in EBITDA and the reduction in working capital. Although investments rose from EUR 4.8 million to EUR 6.9 million, free cash flow rose to EUR 26.6 million, which is almost five times the previous year's figure of EUR 5.4 million. This development ultimately also led to a sharp increase in cash and cash equivalents.

Andreas Niedermaier, CEO of Alzchem Group AG: "Our consistent transformation towards specialty chemicals continues to bear fruit, as the successful start to the fiscal year 2024 impressively demonstrates. This applies both to our key figures achieved in the first quarter and in view of the continuing high demand for our products. We have therefore recently decided on a further incremental expansion of our creatine production capacities. We are therefore confident about the rest of the year."

Based on the good business development in the first three months, the Management Board confirms its forecasts for the full year 2024. Accordingly, Group sales are expected to increase from EUR 540.6 million to around EUR 570 million and Group EBITDA from EUR 81.4 million to around EUR 90 million.

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

## About Alzchem

Alzchem is a globally active specialty chemicals company that is one of the market leaders in most of its fields of activity. Alzchem benefits from the three very different global developments climate change, population growth and longer life expectancy in a unique way. Alzchem 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. Alzchem 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.

Alzchem 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. Alzchem is ideally positioned in this respect and considers itself well prepared for an environmental future and global developments.



The company employs around 1,690 people at four production sites in Germany and a plant in Sweden, as well as three sales companies in the USA, China and England. Alzchem generated Group sales of EUR 540.6 million and EBITDA of EUR 81.4 million in 2023.