

CORPORATE NEWS

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Alzchem Group AG achieves record sales of EUR 129.4 million (+24%) in the first quarter of 2022

- EBITDA slightly above previous year at EUR 17.1 million
- Equity ratio improved from 23.7% to 28.2%
- Sales forecast for the fiscal year 2022 increased

Trostberg, 28 April 2022 – Alzchem Group AG, a vertically integrated specialty chemicals supplier with a leading market position in selected niche markets, reported a very pleasing business performance in the first quarter of 2022 despite the challenging environment. The company achieved new record sales of EUR 129.4 million, equivalent to an increase of 24% compared to the already strong sales in the same period of the previous year. This development was due on the one hand to volume growth across all segments and on the other to successful price increases. Alzchem has thus already succeeded to a large extent in compensating for the enormous price increases for raw materials and energy via the market and in consultation with customers.

The Specialty Chemicals segment recorded a 15% increase in sales in the first three months of 2022, with plant capacity utilization remaining high. Significant contributions were made in particular by the automotive sector (DYHARD® and airbag applications) and higher demand for PCR tests, fresh fruit (including Dormex®) and efficient animal nutrition (Creamino®). The Basics & Intermediates segment increased sales by 40% compared to the prior-year quarter. This was mainly due to products for agriculture, the dicyandiamide product area (essentially a raw material for pharmaceuticals) and the metallurgy business. Alzchem was also able to win new customers in all business units.

On the earnings side, Alzchem succeeded in passing on most of the significant increases in raw material and energy prices to the market. Once again, the company's own Verbund production, in which many raw materials are manufactured in-house, proved to be a key success factor and important pillar. A series of optimization projects, which are summarized under the term Alzfit 2025 and have led to considerable cost reductions and efficiency increases, also had a stabilizing effect. Specifically, Alzchem generated EBITDA of EUR 17.1 million in the first quarter of 2022, up 2% on the previous year's figure of EUR 16.7 million. The resulting EBITDA margin was 13.2% (first quarter of 2021: 16.0%). At EUR 7.7 million, the result for the period was almost on a par with the previous year (EUR 7.9 million) and had a correspondingly positive effect on the development of equity, which grew by a total of EUR 24.4 million to EUR 114.0 million as of March 31, 2022. The strengthened equity also reflects the interest-related reduction in pension obligations. Overall, the equity ratio increased from 23.7% to 28.2%.

Andreas Niedermaier, CEO of Alzchem Group AG: "The new record sales in the first quarter are already a great success and show how reliably we were able to supply our markets. However, the real challenge in 2022 will be to work through the turbulence in the procurement markets. We are making very good progress here and are also already in a position to pass on the cost

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increases to the market through price increases. Higher selling prices and our good order situation well above the prior year and budget mean we can expect significant sales growth for the full year 2022. We have therefore adjusted our sales forecast upward.”

For the fiscal year 2022, Alzchem now forecasts “strongly to particularly strongly increasing” consolidated sales of up to EUR 520 million (previously: up to EUR 480 million). The higher projected upper limit for consolidated sales results mainly from the cost development on the raw material and energy markets. The other forecasts for the fiscal year 2022 made in the consolidated financial statements as of December 31, 2021 remain unchanged.

The detailed quarterly statement for the first quarter of 2022 can be downloaded from the website www.alzchem.com under [Investor Relations/Publications](#).

About Alzchem

Alzchem is a globally active specialty chemicals company that is predominantly among the market leaders in its fields of activity. Alzchem benefits in particular from the three very different global developments of climate change, population growth and longer life expectancy. In order to achieve the resulting social goals, Alzchem products can offer attractive solutions with a wide range of different applications.

The company sees interesting growth prospects for itself especially in the areas of human and animal nutrition and agriculture. As a result of population growth, it is necessary to achieve efficient food production. Pharmaceutical raw materials and our creatine products can contribute to healthy aging 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.

The broad product range of Alzchem Group AG includes dietary supplements, precursors for corona tests and pharmaceutical raw materials. These products are our company’s response to global trends and developments. Alzchem is ideally positioned in this regard and sees itself as well equipped for an environmentally oriented future and global developments.

The company employs around 1,630 people at four production sites in Germany and one plant in Sweden, as well as two sales companies in the USA and China. In 2021, Alzchem generated consolidated sales of around EUR 422.3 million and EBITDA of around EUR 62.0 million.