

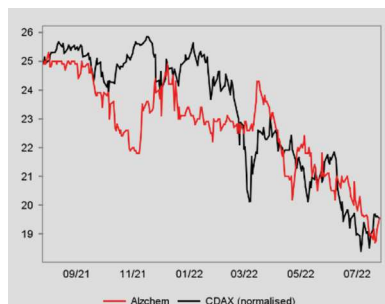
Buy EUR 32.20 Price EUR 19.55 Upside 64.7 %	Value Indicators: EUR DCF: 32.22 FCF-Value Potential 22-24: 36.81 SotP 22-23: 34.26	Warburg ESG Risk Score: 2.4 ESG Score (MSCI based): 3.0 Balance Sheet Score: 3.3 Market Liquidity Score: 1.0	Description: Alzchem is an integrated specialty chemicals provider
	Market Snapshot: EUR m Market cap: 198.2 No. of shares (m): 10.1 EV: 355.0 Freefloat MC: 87.9 Ø Trad. Vol. (30d): 41.56 th	Shareholders: Freefloat 44.37 % LIVIA Corporate Development 25.13 % HDI Vier CE GmbH 15.05 % for two na GmbH 15.05 %	Key Figures (WRe): 2022e Beta: 1.5 Price / Book: 1.6 x Equity Ratio: 31 % Net Fin. Debt / EBITDA: 0.6 x Net Debt / EBITDA: 2.5 x

First Glance: Q2 2022 better than expected, outlook confirmed

Figures Q2/2022

	Q2 2022	yoy	Q2 2022e	Q2 2021	Consensus	HY 2022	yoy	HY 2022e	HY 2021
Sales Group	140,44	26,5%	123,07	111,00	133,5	269,83	25,3%	252,46	215,32
thereof Specialty Chemicals	76,21	28,5%	62,30	59,33		141,49	21,9%	127,58	116,11
Basics & Intermediates	57,93	28,2%	54,21	45,18		115,37	33,8%	111,66	86,25
Other & Holding	6,29	-3,0%	6,56	6,49		12,97	0,0%	13,23	12,97
EBITDA Group	17,81	-6,0%	16,94	18,93	18,1	34,87	-2,4%	33,53	35,72
EBITDA margin	12,7%		13,8%	17,1%		12,9%		13,3%	16,6%
thereof Specialty Chemicals	16,32	10,3%	14,30	14,80		30,59	6,4%	28,59	28,75
Basics & Intermediates	0,85	-77,7%	2,29	3,83		3,70	-44,2%	5,01	6,62
Other & Holding	0,83	n.m.	0,45	-0,04		0,69	76,3%	0,50	0,39
Consolidation	-0,20	n.m.	-0,10	0,35		-0,10	n.m.	-0,57	-0,04
EBIT Group	11,51	-12,1%	10,16	13,09	11,9	22,27	-7,4%	20,93	24,05
Net profit	9,59	4,5%	7,00	9,17	8,40	17,29	1,3%	14,69	17,06
EpS	0,95	5,6%	0,69	0,90	0,83	1,71	1,8%	1,45	1,68

- As expected, the company faced significantly higher raw-material and energy prices in Q2 2022 yoy. However, as the company was able to pass on most of the cost increases to its customers, sales expanded by almost 29% while EBITDA was down only by -6%.
- The company was able to more than offset the negative yoy EBITDA development with a much more positive financial result than anticipated. The significant improvement was mainly due to interest rate changes for non-current provisions and pension obligations. Discount rates for non-current provisions increased sharply in the first half of 2022, resulting in substantially higher interest income than the prior-year level. As a result, net income increased slightly yoy, in contrast to consensus and WR assumptions.
- Free cash flow clearly suffered from a huge build-up of working capital, mostly related to higher inventories (again, driven by higher raw-material and energy prices). FCF in Q2 2022 was EUR -19.3m compared to EUR +11.2m in Q2 2021.
- The company increased its sales outlook to "up to EUR 520m" from "up to EUR 480m" but kept its EBITDA guidance unchanged (noticeably declining to especially strongly increasing to up to EUR 68m).



Rel. Performance vs CDAX:	
1 month:	-3.8 %
6 months:	7.8 %
Year to date:	5.6 %
Trailing 12 months:	0.6 %

Company events:	
26.07.22	Q2
26.10.22	Q3

FY End: 31.12. in EUR m	CAGR (21-24e)	2018	2019	2020	2021	2022e	2023e	2024e
Sales	7.8 %	375.2	376.1	379.3	422.3	482.5	506.8	529.2
Change Sales yoy		6.0 %	0.2 %	0.8 %	11.3 %	14.3 %	5.0 %	4.4 %
Gross profit margin		60.0 %	60.8 %	64.4 %	62.0 %	57.0 %	57.1 %	56.9 %
EBITDA	6.6 %	49.4	50.1	53.8	62.0	62.8	70.6	75.3
Margin		13.2 %	13.3 %	14.2 %	14.7 %	13.0 %	13.9 %	14.2 %
EBIT	9.0 %	34.2	30.6	30.7	37.6	37.6	44.7	48.7
Margin		9.1 %	8.1 %	8.1 %	8.9 %	7.8 %	8.8 %	9.2 %
Net income	6.5 %	22.7	18.0	19.7	27.6	25.3	30.2	33.3
EPS	6.5 %	2.23	1.77	1.94	2.72	2.50	2.98	3.29
EPS adj.	6.5 %	2.23	1.77	1.94	2.72	2.50	2.98	3.29
DPS	3.2 %	0.90	0.75	0.77	1.00	1.00	1.10	1.10
Dividend Yield		3.2 %	3.5 %	3.9 %	4.1 %	5.1 %	5.6 %	5.6 %
FCFPS		-0.51	0.23	1.95	1.43	-0.67	2.35	2.63
FCF / Market cap		-1.8 %	1.1 %	9.9 %	5.9 %	-3.5 %	12.0 %	13.5 %
EV / Sales		1.2 x	1.1 x	1.0 x	1.0 x	0.7 x	0.7 x	0.6 x
EV / EBITDA		9.0 x	8.1 x	7.2 x	6.9 x	5.6 x	4.9 x	4.4 x
EV / EBIT		13.0 x	13.2 x	12.6 x	11.3 x	9.4 x	7.7 x	6.8 x
P / E		12.8 x	12.0 x	10.2 x	8.9 x	7.8 x	6.6 x	5.9 x
P / E adj.		12.8 x	12.0 x	10.2 x	8.9 x	7.8 x	6.6 x	5.9 x
FCF Potential Yield		5.9 %	6.4 %	7.9 %	9.1 %	10.3 %	12.3 %	13.6 %
Net Debt		155.0	188.3	185.4	179.8	156.8	146.3	133.6
ROCE (NOPAT)		11.7 %	9.2 %	8.9 %	10.9 %	9.8 %	11.2 %	11.8 %
Guidance:	FY 2021: EBITDA of EUR 60-68m							

Analyst

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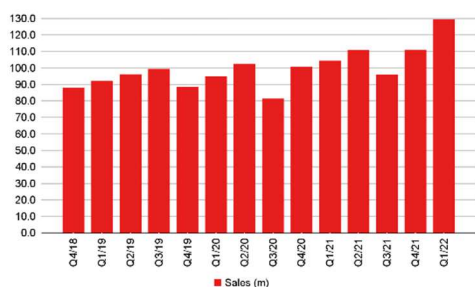
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FIRST GLANCE

Published 26.07.2022 08:15

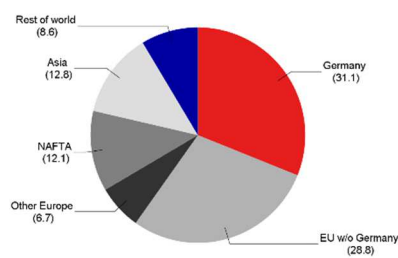
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Sales development
in EUR m



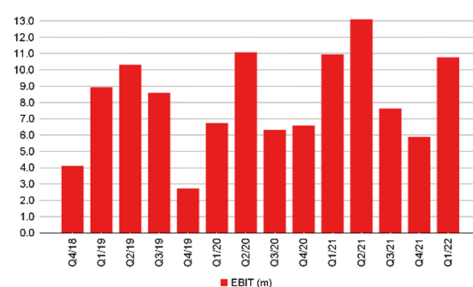
Source: Warburg Research

Sales by regions
2021; in %



Source: Warburg Research

EBIT development
in EUR m



Source: Warburg Research

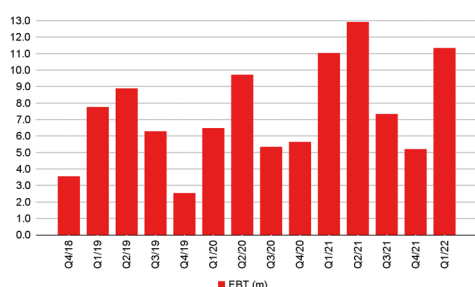
Company Background

- Alzchem goes back to the Bayerische Stickstoff-Werke GmbH (1908), which built a large calcium carbide and calcium cyanamide plant on the river Alz
- In 1939, Bayerische Kraftwerk AG and Donauwerke AG merged to form Süddeutsche Kalkstickstoffe AG, based in Trostberg. In 1978 company's name was changed to SKW Trostberg AG
- Merger of Degussa Hüls AG with Trostberg AG to form Degussa AG in 2000. Merger of the Alz locations Trostberg, Schalchen, Hart and Waldkraiburg into AlzChem Holding GmbH in 2006
- Takeover by bluO in 2009, conversion to Alzchem AG 2011. In 2019 the company heavily invested in the area of feed additives with the construction of a dedicated CreAMINO® production facility
- Alzchem is brought into the listed Alzchem Group AG (formerly Softmatic AG). Alzchem Group AG is the new parent company of the Alzchem Group. 2019 Commissioning of investment projects Creamino® and Nitrile

Competitive Quality

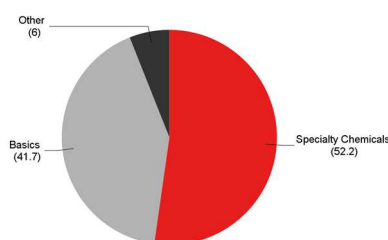
- Alzchem is a globally active, vertically integrated manufacturer of various chemical products of the calcium carbide/calcium cyanamide chain with a strategic focus on growth in the Specialty Chemicals business segment
- Alzchem's integrated manufacturing "Verbund" system enables efficiency gains in production. The company is the global leader or among the leading companies in its chosen fields of activity
- The company has four production facilities in Germany and one in Sweden that are complemented by two marketing companies in the US and in China allowing for global distribution of its products
- The company is benefiting from megatrends like sustainable energy production, population growth and increase in aging population. Its products offer attractive solutions that meet demand growth.
- Alzchem provides a highly diversified product portfolio ranging e.g. from dietary supplements, plant growth regulators to precursors for corona testing, thus addressing a wide range of customer industries

EBT development
in EUR m



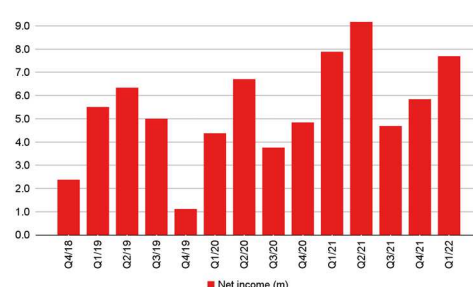
Source: Warburg Research

Sales by segments
2021; in %



Source: Warburg Research

Net income development
in EUR m



Source: Warburg Research

DCF model

Figures in EUR m	Detailed forecast period			Transitional period										Term. Value
	2022e	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	
Sales	482.5	506.8	529.2	550.4	571.8	593.5	615.5	637.7	660.0	681.8	702.9	723.3	742.8	1.0 %
Sales change	14.3 %	5.0 %	4.4 %	4.0 %	3.9 %	3.8 %	3.7 %	3.6 %	3.5 %	3.3 %	3.1 %	2.9 %	2.7 %	
EBIT	37.6	44.7	48.7	51.6	53.1	54.5	55.9	57.2	58.6	59.8	61.0	62.0	63.0	1.0 %
EBIT-margin	7.8 %	8.8 %	9.2 %	9.4 %	9.3 %	9.2 %	9.1 %	9.0 %	8.9 %	8.8 %	8.7 %	8.6 %	8.5 %	
Tax rate (EBT)	28.0 %	28.0 %	28.0 %	29.0 %	29.0 %	29.0 %	29.0 %	29.0 %	29.0 %	29.0 %	29.0 %	29.0 %	29.0 %	1.0 %
NOPAT	27.1	32.2	35.1	36.6	37.7	38.7	39.7	40.6	41.6	42.5	43.3	44.0	44.7	
Depreciation	25.2	25.9	26.6	28.2	29.9	31.6	33.4	35.2	37.1	39.0	40.9	42.8	44.7	1.0 %
in % of Sales	5.2 %	5.1 %	5.0 %	5.1 %	5.2 %	5.3 %	5.4 %	5.5 %	5.6 %	5.7 %	5.8 %	5.9 %	6.0 %	
Changes in provisions	-20.0	3.0	2.7	5.0	5.1	5.2	5.2	5.3	5.3	5.2	5.0	4.8	4.6	1.0 %
Change in Liquidity from														
- Working Capital	11.4	3.7	3.3	7.3	7.6	4.9	4.9	5.0	5.0	4.9	4.7	4.6	4.4	1.0 %
- Capex	30.0	30.9	31.8	35.8	36.6	37.4	38.2	38.9	39.6	40.9	42.2	43.4	44.6	
Capex in % of Sales	6.2 %	6.1 %	6.0 %	6.5 %	6.4 %	6.3 %	6.2 %	6.1 %	6.0 %	6.0 %	6.0 %	6.0 %	6.0 %	1.0 %
- Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Free Cash Flow (WACC Model)	-9.1	26.5	29.2	26.8	28.5	33.2	35.2	37.3	39.4	40.9	42.3	43.8	45.1	45
PV of FCF	-8.7	23.5	23.9	20.4	20.0	21.6	21.2	20.8	20.4	19.6	18.8	18.0	17.2	248
share of PVs	7.99 %			40.87 %										51.14 %

Model parameter

Derivation of WACC:		Derivation of Beta:	
Debt ratio	34.00 %	Financial Strength	1.50
Cost of debt (after tax)	3.6 %	Liquidity (share)	2.00
Market return	7.50 %	Cyclicality	1.50
Risk free rate	2.00 %	Transparency	1.50
		Others	1.00
WACC	7.97 %	Beta	1.50

Valuation (m)

Present values 2034e	237		
Terminal Value	248		
Financial liabilities	45		
Pension liabilities	120		
Hybrid capital	0		
Minority interest	2		
Market val. of investments	0		
Liquidity	8	No. of shares (m)	10.1
Equity Value	327	Value per share (EUR)	32.22

Sensitivity Value per Share (EUR)

		Terminal Growth									Delta EBIT-margin						
Beta	WACC	0.25 %	0.50 %	0.75 %	1.00 %	1.25 %	1.50 %	1.75 %	Beta	WACC	-0.8 pp	-0.5 pp	-0.3 pp	+0.0 pp	+0.3 pp	+0.5 pp	+0.8 pp
1.78	9.0 %	23.71	24.22	24.77	25.35	25.97	26.62	27.33	1.78	9.0 %	21.25	22.62	23.98	25.35	26.71	28.08	29.44
1.64	8.5 %	26.58	27.20	27.85	28.55	29.29	30.09	30.95	1.64	8.5 %	24.17	25.63	27.09	28.55	30.01	31.47	32.93
1.57	8.2 %	28.16	28.83	29.55	30.32	31.14	32.02	32.97	1.57	8.2 %	25.78	27.29	28.80	30.32	31.83	33.34	34.85
1.50	8.0 %	29.84	30.58	31.37	32.22	33.13	34.11	35.16	1.50	8.0 %	27.51	29.08	30.65	32.22	33.78	35.35	36.92
1.43	7.7 %	31.64	32.45	33.32	34.26	35.27	36.36	37.54	1.43	7.7 %	29.37	31.00	32.63	34.26	35.89	37.52	39.15
1.36	7.5 %	33.57	34.46	35.43	36.47	37.59	38.81	40.13	1.36	7.5 %	31.38	33.08	34.77	36.47	38.16	39.86	41.55
1.22	7.0 %	37.87	38.97	40.16	41.45	42.85	44.38	46.06	1.22	7.0 %	35.92	37.76	39.61	41.45	43.29	45.13	46.98

- The beta value Beta value reflects the limited liquidity of the share (Free float 47.5%),
- In addition, transparency is reduced for structural reasons as Alzchem is positioned as a B2B company

Free Cash Flow Value Potential

Warburg Research's valuation tool "FCF Value Potential" reflects the ability of the company to generate sustainable free cash flows. It is based on the "FCF potential" - a FCF "ex growth" figure - which assumes unchanged working capital and pure maintenance capex. A value indication is derived via the perpetuity of a given year's "FCF potential" with consideration of the weighted costs of capital. The fluctuating value indications over time add a timing element to the DCF model (our preferred valuation tool).

in EUR m	2018	2019	2020	2021	2022e	2023e	2024e	
Net Income before minorities	22.8	18.1	19.9	27.8	25.5	30.3	33.5	
+ Depreciation + Amortisation	15.2	19.5	23.1	24.5	25.2	25.9	26.6	
- Net Interest Income	-2.2	-2.6	-2.1	-1.5	-1.2	-1.5	-1.0	
- Maintenance Capex	14.0	14.5	14.7	14.8	15.3	15.5	15.9	
+ Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
= Free Cash Flow Potential	26.2	25.8	30.4	38.9	36.6	42.3	45.2	
FCF Potential Yield (on market EV)	5.9 %	6.4 %	7.9 %	9.1 %	10.3 %	12.3 %	13.6 %	
WACC	7.97 %	7.97 %	7.97 %	7.97 %	7.97 %	7.97 %	7.97 %	
= Enterprise Value (EV)	444.4	404.4	387.2	425.3	355.0	344.4	331.7	
= Fair Enterprise Value	328.6	323.3	381.2	487.8	459.0	530.1	566.9	
- Net Debt (Cash)	39.8	39.8	39.8	39.8	36.8	23.3	7.8	
- Pension Liabilities	140.0	140.0	140.0	140.0	120.0	123.0	125.7	
- Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Market value of minorities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
+ Market value of investments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
= Fair Market Capitalisation	148.9	143.5	201.5	308.0	302.2	383.8	433.4	
Number of shares, average	10.2	10.2	10.2	10.1	10.1	10.1	10.1	
= Fair value per share (EUR)	14.63	14.10	19.80	30.39	29.82	37.87	42.76	
premium (-) / discount (+) in %					52.5 %	93.7 %	118.7 %	
Sensitivity Fair value per Share (EUR)								
WACC	10.97 %	5.82	5.44	9.59	17.23	17.44	23.57	27.46
	9.97 %	8.18	7.76	12.33	20.74	20.74	27.38	31.54
	8.97 %	11.07	10.60	15.69	25.03	24.77	32.04	36.52
	7.97 %	14.63	14.10	19.80	30.39	29.82	37.87	42.76
	6.97 %	19.34	18.73	25.27	37.29	36.32	45.37	50.78
	5.97 %	25.55	24.84	32.47	46.51	44.99	55.38	61.49
	4.97 %	34.25	33.41	42.57	59.43	57.15	69.42	76.50

■ Historical volatility of the value indication is due to cyclical operative development

Sum of the parts

- Specialty chemicals segment peers: Covestro, Huntsman, Ube Industries, PetroChina Company and Kumho Petrochemical
 - Basics & Intermediates segment peers: BASF, DuPont de Nemours, Clariant, Evonik, Lanxess,
 - International Flavours and Fragrances (IFF)
 - Other & Holding segment peer: Evonik
-

Valuation	2018	2019	2020	2021	2022e	2023e	2024e
Price / Book	4.3 x	3.6 x	3.0 x	2.8 x	1.6 x	1.4 x	1.2 x
Book value per share ex intangibles	6.50	5.72	6.40	8.42	11.91	13.90	16.11
EV / Sales	1.2 x	1.1 x	1.0 x	1.0 x	0.7 x	0.7 x	0.6 x
EV / EBITDA	9.0 x	8.1 x	7.2 x	6.9 x	5.6 x	4.9 x	4.4 x
EV / EBIT	13.0 x	13.2 x	12.6 x	11.3 x	9.4 x	7.7 x	6.8 x
EV / EBIT adj.*	13.0 x	13.2 x	12.6 x	11.3 x	9.4 x	7.7 x	6.8 x
P / FCF	n.a.	93.8 x	10.1 x	16.9 x	n.a.	8.3 x	7.4 x
P / E	12.8 x	12.0 x	10.2 x	8.9 x	7.8 x	6.6 x	5.9 x
P / E adj.*	12.8 x	12.0 x	10.2 x	8.9 x	7.8 x	6.6 x	5.9 x
Dividend Yield	3.2 %	3.5 %	3.9 %	4.1 %	5.1 %	5.6 %	5.6 %
FCF Potential Yield (on market EV)	5.9 %	6.4 %	7.9 %	9.1 %	10.3 %	12.3 %	13.6 %

*Adjustments made for: Restructuring costs, value adjustments, one-off earnings/losses

Consolidated profit & loss

In EUR m	2018	2019	2020	2021	2022e	2023e	2024e
Sales	375.2	376.1	379.3	422.3	482.5	506.8	529.2
Change Sales yoy	6.0 %	0.2 %	0.8 %	11.3 %	14.3 %	5.0 %	4.4 %
Increase / decrease in inventory	5.5	-4.9	-2.5	10.0	0.0	0.0	0.0
Own work capitalised	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Sales	380.7	371.2	376.7	432.3	482.5	506.8	529.2
Material expenses	155.4	142.4	132.5	170.7	207.4	217.3	228.3
Gross profit	225.2	228.8	244.2	261.7	275.1	289.5	300.9
<i>Gross profit margin</i>	<i>60.0 %</i>	<i>60.8 %</i>	<i>64.4 %</i>	<i>62.0 %</i>	<i>57.0 %</i>	<i>57.1 %</i>	<i>56.9 %</i>
Personnel expenses	114.2	122.1	127.4	132.2	141.5	147.6	153.2
Other operating income	13.4	17.1	10.7	11.4	12.2	12.8	13.4
Other operating expenses	75.1	73.8	73.7	78.8	82.9	84.1	85.8
Unfrequent items	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	49.4	50.1	53.8	62.0	62.8	70.6	75.3
<i>Margin</i>	<i>13.2 %</i>	<i>13.3 %</i>	<i>14.2 %</i>	<i>14.7 %</i>	<i>13.0 %</i>	<i>13.9 %</i>	<i>14.2 %</i>
Depreciation of fixed assets	15.2	19.5	23.1	24.5	25.2	25.9	26.6
EBITA	34.2	30.6	30.7	37.6	37.6	44.7	48.7
Amortisation of intangible assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Goodwill amortisation	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	34.2	30.6	30.7	37.6	37.6	44.7	48.7
<i>Margin</i>	<i>9.1 %</i>	<i>8.1 %</i>	<i>8.1 %</i>	<i>8.9 %</i>	<i>7.8 %</i>	<i>8.8 %</i>	<i>9.2 %</i>
EBIT adj.	34.2	30.6	30.7	37.6	37.6	44.7	48.7
Interest income	0.2	0.1	0.0	0.0	0.5	0.1	0.1
Interest expenses	2.4	2.7	2.1	1.5	1.7	1.6	1.1
Other financial income (loss)	0.0	-2.5	-1.4	0.4	-1.0	-1.1	-1.1
EBT	32.0	25.5	27.2	36.5	35.4	42.1	46.5
<i>Margin</i>	<i>8.5 %</i>	<i>6.8 %</i>	<i>7.2 %</i>	<i>8.6 %</i>	<i>7.3 %</i>	<i>8.3 %</i>	<i>8.8 %</i>
Total taxes	9.1	7.3	7.3	8.7	9.9	11.8	13.0
Net income from continuing operations	22.8	18.1	19.9	27.8	25.5	30.3	33.5
Income from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income before minorities	22.8	18.1	19.9	27.8	25.5	30.3	33.5
Minority interest	0.1	0.2	0.2	0.2	0.2	0.2	0.2
Net income	22.7	18.0	19.7	27.6	25.3	30.2	33.3
<i>Margin</i>	<i>6.0 %</i>	<i>4.8 %</i>	<i>5.2 %</i>	<i>6.5 %</i>	<i>5.2 %</i>	<i>6.0 %</i>	<i>6.3 %</i>
Number of shares, average	10.2	10.2	10.2	10.1	10.1	10.1	10.1
EPS	2.23	1.77	1.94	2.72	2.50	2.98	3.29
EPS adj.	2.23	1.77	1.94	2.72	2.50	2.98	3.29

*Adjustments made for: Restructuring costs, value adjustments, one-off earnings/losses

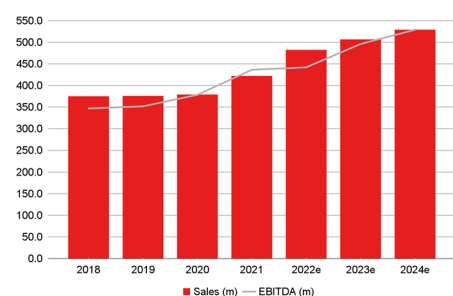
Guidance: FY 2021: EBITDA of EUR 60-68m

Financial Ratios

	2018	2019	2020	2021	2022e	2023e	2024e
Total Operating Costs / Sales	61.4 %	57.5 %	54.4 %	59.1 %	60.2 %	59.5 %	59.4 %
Operating Leverage	2.3 x	-46.3 x	0.5 x	2.0 x	0.0 x	3.7 x	2.0 x
EBITDA / Interest expenses	20.2 x	18.3 x	25.1 x	41.6 x	37.4 x	45.3 x	69.2 x
Tax rate (EBT)	28.6 %	28.8 %	27.0 %	24.0 %	28.0 %	28.0 %	28.0 %
Dividend Payout Ratio	40.1 %	42.1 %	39.4 %	36.5 %	39.8 %	36.8 %	33.3 %
Sales per Employee	761,221,489	223,112	n.a.	n.a.	n.a.	n.a.	n.a.

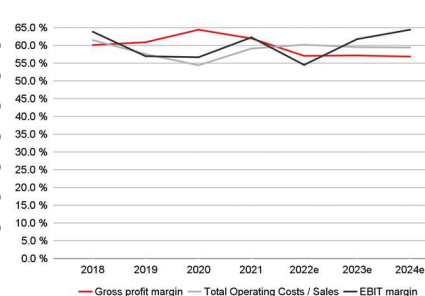
Sales, EBITDA

in EUR m

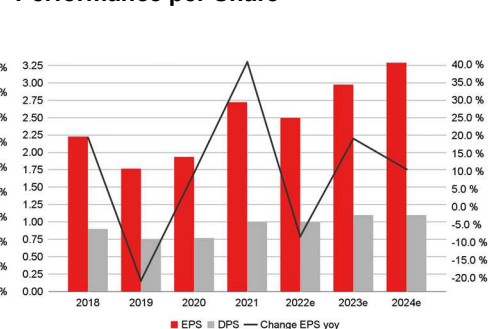


Operating Performance

in %



Performance per Share



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

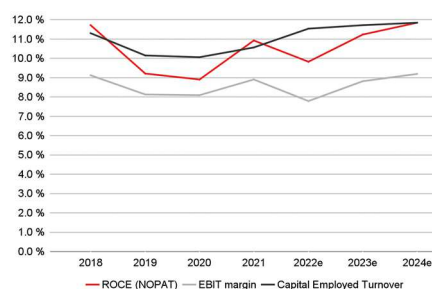
Consolidated balance sheet

In EUR m	2018	2019	2020	2021	2022e	2023e	2024e
Assets							
Goodwill and other intangible assets	0.9	1.5	1.8	2.3	2.1	1.9	1.7
thereof other intangible assets	0.9	1.5	1.8	2.3	2.1	1.9	1.7
thereof Goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Property, plant and equipment	144.3	175.5	183.6	186.5	191.5	196.7	202.1
Financial assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other long-term assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Fixed assets	145.1	177.0	185.4	188.8	193.6	198.6	203.8
Inventories	78.9	74.6	67.4	86.7	99.9	103.3	106.3
Accounts receivable	34.4	32.5	33.1	40.8	48.7	51.1	53.4
Liquid assets	12.9	9.1	17.1	8.3	7.8	7.9	8.2
Other short-term assets	42.4	49.4	51.3	53.0	54.1	55.9	57.5
Current assets	168.4	165.6	168.9	188.8	210.5	218.1	225.4
Total Assets	313.6	342.6	354.3	377.7	404.0	416.7	429.3
Liabilities and shareholders' equity							
Subscribed capital	101.8	101.8	101.8	101.8	101.8	101.8	101.8
Capital reserve	-4.2	-5.0	-4.2	-1.7	2.5	4.9	7.6
Retained earnings	-25.4	-30.7	-25.5	-10.3	15.4	30.0	46.2
Other equity components	-5.2	-6.3	-5.2	-2.1	3.2	6.2	9.5
Shareholders' equity	67.0	59.8	66.9	87.6	122.8	142.8	165.0
Minority interest	1.4	1.6	1.8	1.9	2.0	2.1	2.2
Total equity	68.4	61.4	68.7	89.6	124.8	144.9	167.2
Provisions	131.4	158.8	168.9	167.3	149.9	154.0	157.6
thereof provisions for pensions and similar obligations	110.0	134.6	141.8	140.0	120.0	123.0	125.7
Financial liabilities (total)	57.9	62.7	60.7	48.0	44.6	31.1	16.0
Short-term financial liabilities	25.4	11.9	12.7	10.5	8.5	8.8	8.0
Accounts payable	30.9	24.1	20.9	32.8	42.5	44.6	46.6
Other liabilities	25.0	35.7	35.1	39.9	42.2	42.1	41.9
Liabilities	245.2	281.2	285.6	288.1	279.2	271.8	262.1
Total liabilities and shareholders' equity	313.6	342.6	354.3	377.7	404.0	416.7	429.3

Financial Ratios

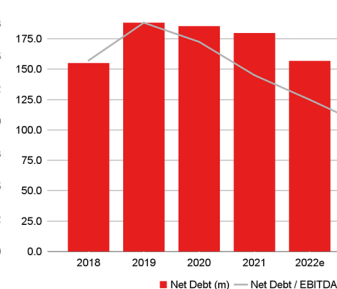
	2018	2019	2020	2021	2022e	2023e	2024e
Efficiency of Capital Employment							
Operating Assets Turnover	1.7 x	1.5 x	1.4 x	1.5 x	1.6 x	1.7 x	1.7 x
Capital Employed Turnover	1.7 x	1.5 x	1.5 x	1.6 x	1.7 x	1.7 x	1.8 x
ROA	15.6 %	10.2 %	10.6 %	14.6 %	13.1 %	15.2 %	16.4 %
Return on Capital							
ROCE (NOPAT)	11.7 %	9.2 %	8.9 %	10.9 %	9.8 %	11.2 %	11.8 %
ROE	37.0 %	28.4 %	31.1 %	35.7 %	24.1 %	22.7 %	21.7 %
Adj. ROE	37.0 %	28.4 %	31.1 %	35.7 %	24.1 %	22.7 %	21.7 %
Balance sheet quality							
Net Debt	155.0	188.3	185.4	179.8	156.8	146.3	133.6
Net Financial Debt	45.1	53.6	43.6	39.8	36.8	23.3	7.8
Net Gearing	226.7 %	306.8 %	270.0 %	200.7 %	125.6 %	100.9 %	79.9 %
Net Fin. Debt / EBITDA	91.3 %	107.1 %	81.1 %	64.1 %	58.6 %	33.0 %	10.4 %
Book Value / Share	6.6	5.9	6.6	8.6	12.1	14.1	16.3
Book value per share ex intangibles	6.5	5.7	6.4	8.4	11.9	13.9	16.1

ROCE Development



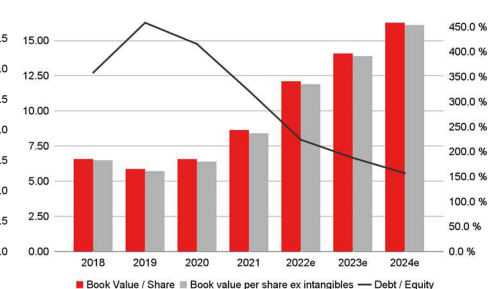
Source: Warburg Research

Net debt in EUR m



Source: Warburg Research

Book Value per Share in EUR



Source: Warburg Research

Consolidated cash flow statement

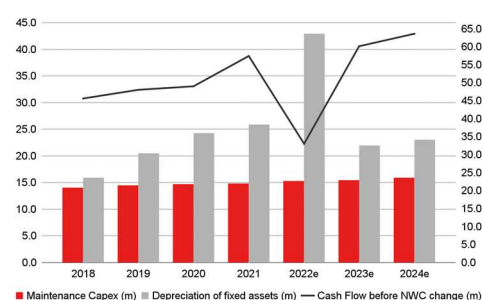
In EUR m	2018	2019	2020	2021	2022e	2023e	2024e
Net income	22.8	18.1	19.9	27.8	25.5	30.3	33.5
Depreciation of fixed assets	15.9	20.5	24.3	25.9	42.9	22.0	23.0
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	-0.7	-1.0	-1.2	-1.4	-17.7	3.9	3.5
Increase/decrease in long-term provisions	-0.7	-1.0	-1.2	-1.4	-17.7	3.9	3.5
Other non-cash income and expenses	8.3	11.4	7.2	6.6	0.0	0.0	0.0
Cash Flow before NWC change	45.6	48.0	49.0	57.4	33.0	60.1	63.6
Increase / decrease in inventory	-5.3	2.4	5.3	-16.5	-13.2	-3.4	-3.0
Increase / decrease in accounts receivable	-5.9	-7.1	-5.8	1.8	-8.9	-4.3	-3.9
Increase / decrease in accounts payable	0.0	0.0	0.0	0.0	0.3	0.1	0.1
Increase / decrease in other working capital positions	0.3	0.3	0.2	0.3	12.0	2.1	1.7
Increase / decrease in working capital (total)	-10.9	-4.4	-0.3	-14.4	-9.9	-5.5	-5.1
Net cash provided by operating activities [1]	34.7	43.6	48.7	43.0	23.2	54.7	58.5
Investments in intangible assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Investments in property, plant and equipment	-40.1	-41.4	-28.8	-28.5	-30.0	-30.9	-31.8
Payments for acquisitions	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial investments	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Income from asset disposals	0.2	0.1	0.0	0.1	0.0	0.0	0.0
Net cash provided by investing activities [2]	-39.9	-41.3	-28.8	-28.5	-30.0	-30.9	-31.8
Change in financial liabilities	16.5	4.8	-1.9	-12.7	-3.4	-13.5	-15.1
Dividends paid	-11.3	-9.3	-7.8	-8.0	-10.2	-10.2	-11.2
Purchase of own shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Capital measures	0.0	0.0	0.0	-1.0	0.0	0.0	0.0
Other	0.0	-1.6	-2.0	-1.9	0.0	0.0	0.0
Net cash provided by financing activities [3]	5.3	-6.2	-11.7	-23.6	-13.7	-23.7	-26.3
Change in liquid funds [1]+[2]+[3]	0.0	-3.9	8.2	-9.3	-20.5	0.1	0.3
Effects of exchange-rate changes on cash	0.0	0.1	-0.1	0.3	0.0	0.0	0.0
Cash and cash equivalent at end of period	12.9	9.1	17.1	8.3	7.8	7.9	8.2

Financial Ratios

	2018	2019	2020	2021	2022e	2023e	2024e
Cash Flow							
FCF	-5.2	2.3	19.9	14.5	-6.8	23.8	26.7
Free Cash Flow / Sales	-1.4 %	0.6 %	5.2 %	3.4 %	-1.4 %	4.7 %	5.0 %
Free Cash Flow Potential	26.2	25.8	30.4	38.9	36.6	42.3	45.2
Free Cash Flow / Net Profit	-23.1 %	12.8 %	100.9 %	52.7 %	-27.0 %	78.9 %	80.0 %
Interest Received / Avg. Cash	1.6 %	1.1 %	0.1 %	0.0 %	6.2 %	0.9 %	0.9 %
Interest Paid / Avg. Debt	4.9 %	4.5 %	3.5 %	2.7 %	3.6 %	4.1 %	4.6 %
Management of Funds							
Investment ratio	10.7 %	11.0 %	7.6 %	6.8 %	6.2 %	6.1 %	6.0 %
Maint. Capex / Sales	3.7 %	3.9 %	3.9 %	3.5 %	3.2 %	3.0 %	3.0 %
Capex / Dep	264.2 %	212.3 %	124.8 %	116.6 %	118.9 %	119.3 %	119.8 %
Avg. Working Capital / Sales	21.4 %	22.0 %	21.4 %	20.6 %	20.8 %	21.3 %	21.1 %
Trade Debtors / Trade Creditors	111.3 %	135.0 %	158.6 %	124.6 %	114.6 %	114.6 %	114.6 %
Inventory Turnover	2.0 x	1.9 x	2.0 x	2.0 x	2.1 x	2.1 x	2.1 x
Receivables collection period (days)	33	32	32	35	37	37	37
Payables payment period (days)	72	62	58	70	75	75	74
Cash conversion cycle (Days)	146	161	160	151	138	135	132

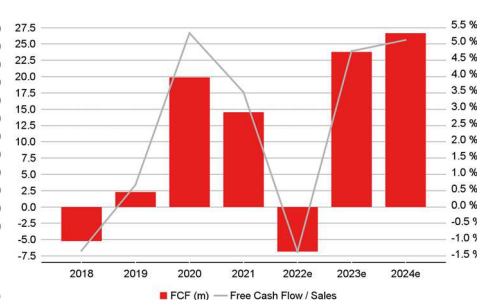
CAPEX and Cash Flow

in EUR m



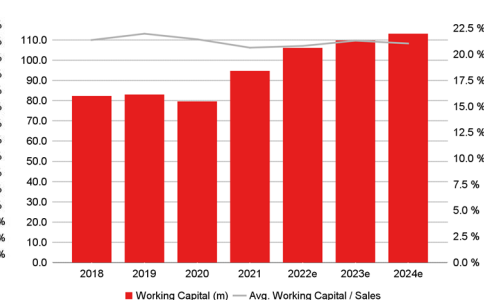
Source: Warburg Research

Free Cash Flow Generation



Source: Warburg Research

Working Capital



Source: Warburg Research

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Company	Disclosure	Link to the historical price targets and rating changes (last 12 months)
Alzchem	5	http://www.mmwarburg.com/disclaimer/disclaimer_en/DE000A2YNT30.htm

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Investment recommendation: expected direction of the share price development of the financial instrument up to the given price target in the opinion of the analyst who covers this financial instrument.

-B-	Buy:	The price of the analysed financial instrument is expected to rise over the next 12 months.
-H-	Hold:	The price of the analysed financial instrument is expected to remain mostly flat over the next 12 months.
-S-	Sell:	The price of the analysed financial instrument is expected to fall over the next 12 months.
“-“	Rating suspended:	The available information currently does not permit an evaluation of the company.

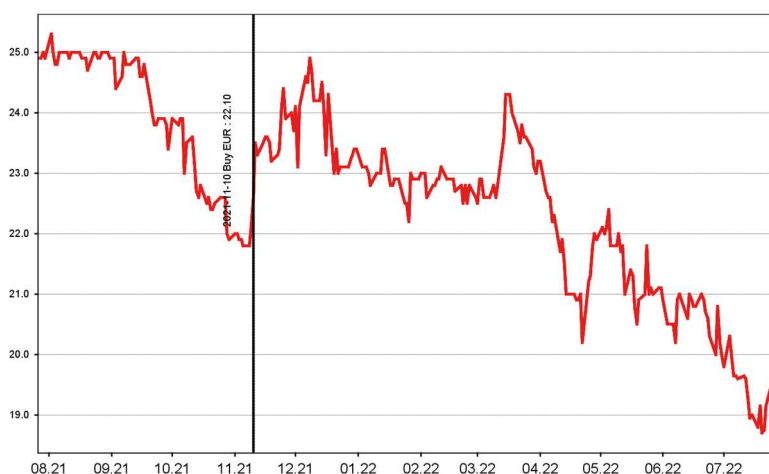
WARBURG RESEARCH GMBH – ANALYSED RESEARCH UNIVERSE BY RATING

Rating	Number of stocks	% of Universe
Buy	167	78
Hold	41	19
Sell	4	2
Rating suspended	3	1
Total	215	100

WARBURG RESEARCH GMBH – ANALYSED RESEARCH UNIVERSE BY RATING ...

... taking into account only those companies which were provided with major investment services in the last twelve months.

Rating	Number of stocks	% of Universe
Buy	50	85
Hold	6	10
Sell	1	2
Rating suspended	2	3
Total	59	100

PRICE AND RATING HISTORY ALZCHEM AS OF 26.07.2022


Markings in the chart show rating changes by Warburg Research GmbH in the last 12 months. Every marking details the date and closing price on the day of the rating change.

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