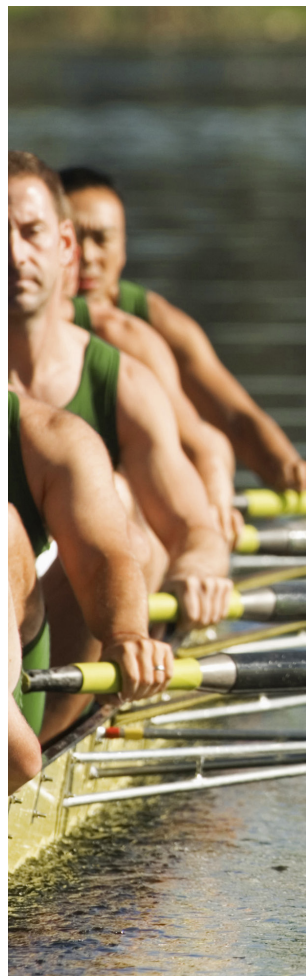




# QUARTERLY STATEMENT

1st Quarter 2018/2019 (July 1 to September 30, 2018)



# ALZCHEM AT A GLANCE

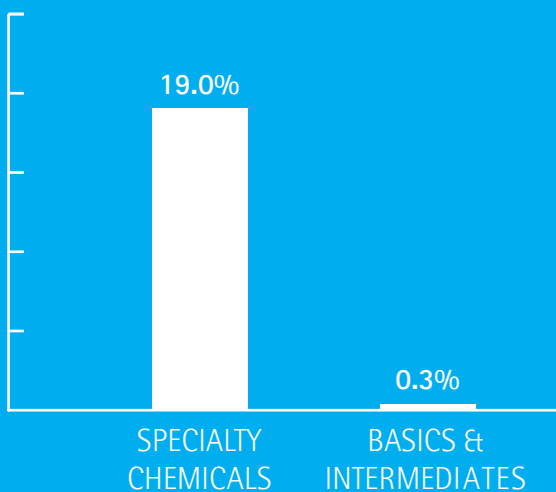
~ €92  
mn

sales generated by  
AlzChem from July to  
September 2018

~ €10  
mn

EBITDA achieved by  
AlzChem from July to  
September 2018

## EBITDA MARGIN BY MAIN SEGMENTS



## MARKETS



FOOD



FINE CHEMISTRY



AGRICULTURE



METALLURGY

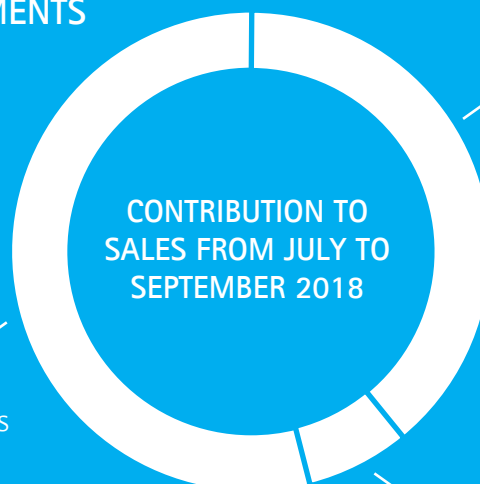


RENEWABLE  
ENERGIES

## THREE REPORTING SEGMENTS

54.1% SPECIALTY  
CHEMICALS

Production and distribution of  
high-quality chemical products



39.0% BASICS &  
INTERMEDIATES

Production of chemical  
intermediates for direct sale  
or refinement as specialty  
chemicals products

6.8% OTHER & HOLDING

Other activities, mainly  
services related to the chemical  
parks Trostberg and Hart

# TABLE OF CONTENTS

## **7 DEVELOPMENT OF THE GROUP**

**7** Earnings position in the 3-month period from July to September 2018

**8** Earnings position in the 9-month period from January to September 2018

## **10 FINANCIAL POSITION**

## **11 NET ASSETS**

## **12 DEVELOPMENT OF THE SEGMENTS**

**12** Specialty Chemicals segment

**13** Basics & Intermediates segment

**14** Other & Holding segment

## **14 SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE**

## **15 OUTLOOK**

## **15 LIST OF ABBREVIATIONS**

## **16 IMPRINT**

## **16 FINANCIAL CALENDAR 2018**

## **16 REMARKS**

# REPORTING STRUCTURE

The Annual General Meeting on August 4, 2017 resolved that future fiscal years of AlzChem Group AG should end on June 30 and no longer at the end of the calendar year. The change in fiscal year resulted in a short fiscal year from January 1 to June 30, 2018 (short fiscal year 2018).

Since the end of the short fiscal year 2018, the fiscal year of the parent company AlzChem Group AG begins on July 1 and ends on June 30 of the following calendar year. Consequently, this quarterly statement for the period from July 1 to September 30, 2018 formally refers to the first quarter of the fiscal year 2018/2019, which began on July 1, 2018.

For organizational reasons, the Management Board and the Supervisory Board of AlzChem Group AG will propose to the Annual General Meeting scheduled for November 22, 2018 that a further short fiscal year from July 1, 2018 to December 31, 2018 be resolved so that the fiscal year from January 1, 2019 will again correspond to the calendar year. In this way, all annual financial statements of the AlzChem Group companies are to be brought back into line with a fiscal year end on December 31.

In order to ensure comparability with the key financial figures of the prior-year periods, we present the following periods in this quarterly statement:

- Key financial figures for the 3-month period from July 1 to September 30, 2018
- Key financial figures for the 3-month period from July 1 to September 30, 2017
- Key financial figures for the 9-month period from January 1 to September 30, 2018
- Key financial figures for the 9-month period from January 1 to September 30, 2017
- Key financial figures as of September 30, 2018 and June 30, 2018

The key financial figures for the income statement and cash flow statement for the 9-month period from January 1 to September 30, 2018 were calculated by adding the short fiscal year 2018 and the 3-month period from July 1 to September 30, 2018.

# SOLID 1ST QUARTER 2018/2019 – OUTLOOK FOR CALENDAR YEAR 2018 CONFIRMED

## 1ST QUARTER 2018/2019

- Solid 2% sales growth.
- Sustained dynamic growth in demand for Creamino®<sup>1</sup>.
- Creapure® volumes can be significantly increased. Marketing offensive very well received by the market.
- The Basics & Intermediates segment is subject to higher seasonal influences than in the same period of the previous year.
- Weather conditions are having a noticeable effect on sales in agriculture.
- Despite steadily rising electricity costs, EBITDA can be improved slightly and is within the Management Board's expectations.

## JANUARY TO SEPTEMBER 2018

- Organic sales growth of 5%.
- Operating profit development (EBITDA) in line with forecast for calendar year 2018 and at a very good level of EUR 41.3 million.
- Free cash flow of EUR -6.3 million also within forecast range. The project financing of the measures for Creamino® is secured by term-congruent loans. The Creamino® and Nitrile 2020 projects are on schedule and within budget.
- Market environment remains challenging:
  - Brexit
  - Customs
  - Availability of raw materials and extremely volatile price trends, some with sharp increases in procurement prices
  - Electricity price development (increase)
  - CO<sub>2</sub> certificate prices (increase)
  - High capacity utilization in the supply industry (e.g. mechanical and plant engineering)

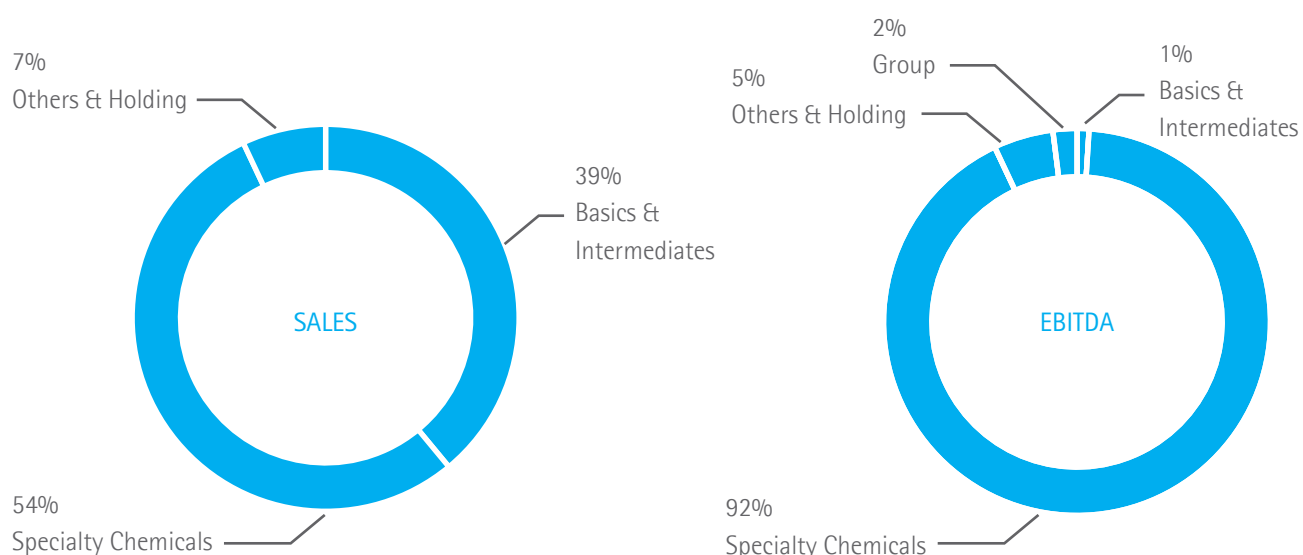
1 Creamino® is a brand of Evonik Industries AG.

Note: Unless otherwise stated, all amounts are stated in EUR thousands. For computational reasons, rounding differences of ± one unit may occur in tables.

## KEY FIGURES OF THE ALZCHEM GROUP IN THE 3-MONTH PERIOD FROM JULY TO SEPTEMBER 2018

		July – September 2017	July – September 2018	Delta	Delta
	Unit				
Sales	EUR thousands	89,909	91,953	2,044	2.3%
EBITDA	EUR thousands	10,322	10,362	40	0.4%
EBITDA margin	%	11.48	11.27	-0.21% points	
EBIT	EUR thousands	6,839	6,614	-225	-3.3%

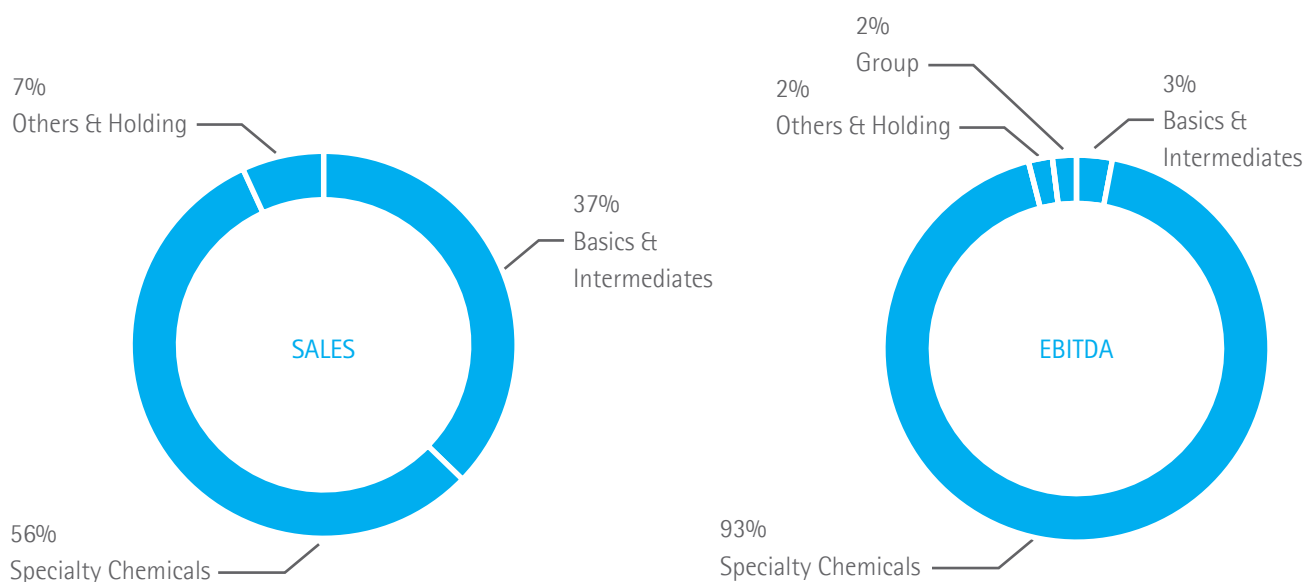
## SALES AND EBITDA SHARE BY SEGMENT IN THE 3-MONTH PERIOD FROM JULY TO SEPTEMBER 2018



## KEY FIGURES OF THE ALZCHEM GROUP IN THE 9-MONTH PERIOD FROM JANUARY TO SEPTEMBER 2018

		January – September 2017	January – September 2018	Delta	Delta
	Unit				
Sales	EUR thousands	27,723	287,194	14,471	5.3%
EBITDA	EUR thousands	38,247	41,321	3,074	8.0%
EBITDA margin	%	14.0	14.4	0.4% points	
EBIT	EUR thousands	27,939	30,075	2,136	7.6%
Inventories	EUR thousands	62,787	75,095	12,308	19.6%
Equity ratio of the Group	%	21.2	25.4	4.2% points	
Equity ratio of the Group	Ratio	0.74	0.71	-0.03	

## SALES AND EBITDA SHARE BY SEGMENT IN THE 9-MONTH PERIOD FROM JANUARY TO SEPTEMBER 2018



## 1. DEVELOPMENT OF THE GROUP

### 1.1 EARNINGS POSITION IN THE 3-MONTH PERIOD FROM JULY TO SEPTEMBER 2018

#### CONSOLIDATED INCOME STATEMENT FOR THE 3-MONTH PERIOD FROM JULY TO SEPTEMBER 2018 (IFRS, UNAUDITED)

in EUR thousands	July – September 2017	July – September 2018
<b>Sales</b>	<b>89,909</b>	<b>91,953</b>
Change in inventories of finished and unfinished products	-2,498	-2,527
Other operating income	2,336	2,372
Cost of materials	-36,441	-37,705
Operating personnel expenses	-25,625	-26,919
Other operating expenses	-17,358	-16,813
<b>EBITDA</b>	<b>10,322</b>	<b>10,362</b>
Depreciation	-3,483	-3,748
<b>EBIT</b>	<b>6,839</b>	<b>6,614</b>
Other interest and similar income	119	192
Interest and similar expenses	-962	-771
<b>Financial result</b>	<b>-844</b>	<b>-579</b>
Result from ordinary business activities	5,996	6,035
Taxes on income and earnings	-1,635	-1,674
<b>Consolidated net income</b>	<b>4,360</b>	<b>4,361</b>
Thereof non-controlling interests in the consolidated net income	23	39
Thereof shares of the shareholders of AlzChem Group AG	4,337	4,322
<b>Earnings per share in EUR (undiluted and diluted)<sup>2</sup></b>	<b>0.04</b>	<b>0.04</b>

<sup>2</sup> based on 101,763,355 shares (number of shares of AlzChem Group AG as of 09/30/2018)



In the 3-month period from July to September 2018, sales improved by 2.3% year-on-year. The strong increase in sales in the Specialty Chemicals segment more than offset the decline in sales in the other two segments.

The EBITDA of EUR 10,362 thousands was slightly above the level of the previous year despite rising raw material and electricity costs. In addition to the increasing procurement prices for coal and electricity, the cost rise in natural gas and oil is now increasingly reflected in the earnings position of the AlzChem Group. Even though the latter influencing factors are of an indirect nature, i.e. the increases in procurement costs for natural gas and oil-based raw materials, this effect is no less noticeable in the Group's income statement.

Depreciation continued to rise as a result of the significant increase in capital expenditure in previous years.

The rise in personnel costs is mainly due to the necessary increase in personnel.

The financial result improved by EUR 264 thousands compared to the same period of the previous year. In the previous year, a significant effect from the compounding of long-term provisions as a result of changed discount rates had to be recorded here. Interest expenses for pension obligations remained largely stable.

With tax expenses staying almost at the same level, the consolidated net income for the period remained nearly unchanged at EUR 4,361 thousand.

## 1.2 EARNINGS POSITION IN THE 9-MONTH PERIOD FROM JANUARY TO SEPTEMBER 2018

### CONSOLIDATED INCOME STATEMENT FOR THE 9-MONTH PERIOD FROM JANUARY TO SEPTEMBER 2018 (IFRS, UNAUDITED)

in EUR thousands	January – September 2017	January – September 2018
<b>Sales</b>	<b>272,723</b>	<b>287,194</b>
Change in inventories of finished and unfinished products	-961	2,264
Other operating income	7,570	8,970
Cost of materials	-105,364	-117,884
Operating personnel expenses	-81,823	-85,544
Other operating expenses	-53,898	-53,679
<b>EBITDA</b>	<b>38,247</b>	<b>41,321</b>
Depreciation	-10,307	-11,246
<b>EBIT</b>	<b>27,939</b>	<b>30,075</b>
Other interest and similar income	434	507
Interest and similar expenses	-2,318	-2,194
<b>Financial result</b>	<b>-1,884</b>	<b>-1,686</b>
Result from ordinary business activities	26,055	28,389
Taxes on income and earnings	-7,048	-7,965
<b>Consolidated net income</b>	<b>19,008</b>	<b>20,424</b>
Thereof non-controlling interests in the consolidated net income	168	95
Thereof shares of the shareholders of AlzChem Group AG	18,840	20,328
<b>Earnings per share in EUR (undiluted and diluted)<sup>3</sup></b>	<b>0.19</b>	<b>0.20</b>

<sup>3</sup> based on 101,763,355 shares (number of shares of AlzChem Group AG as of 09/30/2018)



In the 9-month period from January to September 2018, sales were 5.3% higher than in the same period of 2017. Here, the good sales performance also resulted primarily from the Specialty Chemicals segment.

The significant increase in the cost of materials is due on the one hand to a direct correlation with sales and volumes. On the other hand, almost all raw material purchases, including electricity prices, were partly subject to significant price increases, so that cost rises were recorded in addition to volume increases.

Ongoing growth and the further increase in plant utilization and the related increase in the number of employees resulted in higher personnel costs compared with the same period of the previous year.

Other operating expenses are characterized by selling expenses, which are associated with increased volumes and, in some cases, rising freight rates. Other significant items are other third-party services and maintenance costs. Environmental and disposal costs also had an impact on the development of

other operating expenses in the reporting period. In connection with rising production volumes, it also became necessary to purchase an increasing proportion of waste disposal services from external sources.

Overall, earnings before interest, taxes, depreciation and amortization (EBITDA) increased by EUR 3,074 thousands (8.0%) to EUR 41,321 thousands in the period from January to September 2018. Earnings before interest and taxes (EBIT) rose by EUR 2,136 thousands (7.6%) to EUR 30,075 thousands.

The positive earnings development resulted from the Specialty Chemicals and Other & Holding segments, whereas the Basics & Intermediates segment recorded a decline.

With almost the same tax rate, consolidated net income for the period increased by EUR 1,416 thousands year-on-year to EUR 20,424 thousands.

Earnings per share improved from EUR 0.19 per share to EUR 0.20 per share.

## 2. FINANCIAL POSITION

### CONSOLIDATED BALANCE SHEET AS OF SEPTEMBER 30, 2018 (IFRS, UNAUDITED)

in EUR thousands	12/31/2017	06/30/2018	09/30/2018	Delta
<b>Assets</b>				
Intangible assets	1,009	991	884	-107
Fixed assets	115,131	123,161	128,433	5,282
Financial assets	20	20	20	0
Other receivables and assets	1,071	1,067	1,078	11
Deferred tax assets	25,433	24,625	24,633	8
<b>Non-current assets</b>	<b>142,664</b>	<b>149,864</b>	<b>155,048</b>	<b>5,184</b>
Inventories	71,382	75,579	75,095	-484
Trade receivables	35,035	52,336	50,671	-1,665
Other receivables and assets	16,308	14,515	13,685	-830
Income tax claims	1,990	2,321	2,180	-141
Cash and cash equivalents	12,802	9,844	11,364	1,520
<b>Total current assets</b>	<b>137,517</b>	<b>154,595</b>	<b>152,994</b>	<b>1,601</b>
<b>Total assets</b>	<b>280,181</b>	<b>304,459</b>	<b>308,043</b>	<b>3,584</b>
<b>Capital</b>				
Equity	57,894	74,044	78,307	4,263
Non-current liabilities	146,278	145,007	154,786	9,779
Current liabilities	76,009	85,408	74,950	-10,458
<b>Balance sheet total</b>	<b>280,181</b>	<b>304,459</b>	<b>308,043</b>	<b>3,584</b>

Equity increased by EUR 4,263 thousands to EUR 78,307 thousands as of September 30, 2018 compared to June 30, 2018, which led to an increase in the Group equity ratio from 24.3% to 25.4%. This improvement was mainly due to the consolidated net profit for the period.

In total, non-current liabilities increased by EUR 9,779 thousands compared to June 30, 2018. This is due to the call of a total of EUR 10.3 million in loans for investment activities in the new Creamino® plant. The long-term loan agreements were already concluded in the fiscal year 2017 and have now been partially drawn down. Current liabilities decreased by

EUR 10,458 thousands compared to June 30, 2018 and amounted to EUR 74,950 thousands as of September 30, 2018. This was due to the repayment of short-term financing lines and the decrease in trade payables, the latter being purely a key date effect.

Cash and cash equivalents amounted to EUR 11,364 thousands as of September 30, 2018, an increase of EUR 1,520 thousands compared to June 30, 2018.

No significant overdue amounts or risks can be identified in the receivables portfolio.

## CASH FLOW STATEMENT FOR THE 3-MONTH PERIOD FROM JULY TO SEPTEMBER 2018

in EUR thousands	July – September 2017	July – September 2018
<b>Cash flow from ongoing operations</b>	<b>10,579</b>	<b>2,906</b>
Cash outflow from investing activity	-4,689	-8,879
<b>Free cash flow</b>	<b>5,890</b>	<b>-5,972</b>
Cash inflow (+)/cash outflow (-) from financing activity	-5,197	7,598
<b>Net decrease (-)/increase (+) in cash and cash equivalents</b>	<b>693</b>	<b>1,625</b>

Cash inflow from ongoing operations decreased by EUR 7,673 thousands to EUR 2,906 thousands compared to the 3-month period of the previous year. This reflects the effects of the further growth, combined with the above-scheduled increase in inventories and the forecast rise in trade receivables.

Cash flow from financing activity increased by EUR 12,756 thousands compared to the same period in 2017 and was clearly positive at EUR 7,598 thousands. Due to the call for the first financing funds for the investments in the new Creamino® plant, the Group received EUR 10.3 million in liquid funds, which were essentially used immediately for the investment cash flow, which increased by EUR 4,190 thousands. The increase also results from the investments in the new Creamino® plant.

## CASH FLOW STATEMENT FOR THE 9-MONTH PERIOD FROM JANUARY TO SEPTEMBER 2018

in EUR thousands	January – September 2017	January – September 2018
<b>Cash flow from ongoing operations</b>	<b>24,602</b>	<b>18,341</b>
Cash outflow from investing activity	-12,124	-24,601
<b>Free cash flow</b>	<b>12,478</b>	<b>-6,260</b>
Cash inflow (+)/cash outflow (-) from financing activity	-11,737	4,856
<b>Net decrease (-)/increase (+) in cash and cash equivalents</b>	<b>741</b>	<b>-1,404</b>

The cash inflow from ongoing operations decreased by EUR 6,261 thousands to EUR 18,341 thousands compared to the 9-month period of the previous year. This reflects the same effects from further growth as in the comparison of the 3-month period, combined with the scheduled increase in inventories and trade receivables.

The cash outflow from investing activity almost doubled to EUR 24,601 thousand compared to the same period in 2017. The increase of EUR 12,477 thousands was also mainly due to investments in the construction of the new Creamino® plant.

The financial cash flow increased by EUR 16,555 thousands to EUR 4,856 thousands compared to the same period in

2017. Two effects can be seen here: In the same period of the previous year, a cash dividend of EUR 17,775 thousands was paid to shareholders, which did not occur in the current period. In addition, the Group received EUR 10.3 million in cash and cash equivalents from the call for the first financing funds for investments in the new Creamino® plant.

### 3. NET ASSETS

Since June 30, 2018, assets have increased by EUR 3,584 thousands to EUR 308,043 thousands. The main reason for this was the expanded investment activity in connection with the construction of the new Creamino® plant, while trade receivables and inventories declined.

## 4. DEVELOPMENT OF THE SEGMENTS

### 4.1 SPECIALTY CHEMICALS SEGMENT

in EUR thousands	July – September 2017	July – September 2018	Delta
External sales	45,083	49,804	4,721
<b>EBITDA</b>	<b>9,094</b>	<b>9,485</b>	<b>391</b>
Depreciation	-1,273	-1,231	42
<b>EBIT</b>	<b>7,821</b>	<b>8,254</b>	<b>433</b>
Inventories	39,724	44,378	4,654
<b>EBITDA margin</b>	<b>20.2%</b>	<b>19.0%</b>	<b>-1.2% points</b>

In the 3-month period from July to September 2018, Specialty Chemicals contributed more strongly to the sales growth of the entire Group with sales of almost EUR 50 million compared with the previous year. The Creapure®, Creamino® and Dyhard® businesses continued to perform dynamically. AlzChem's product solutions in the areas of nutritional

supplements, animal nutrition, alternative building materials and alternative energies leave a lasting positive impression. In addition, the molecules from the multi-purpose facilities can be successfully placed worldwide in a wide variety of sales markets (pharmaceuticals, agrochemicals and life sciences).

in EUR thousands	January – September 2017	January – September 2018	Delta
External sales	141,594	160,538	18,944
<b>EBITDA</b>	<b>32,045</b>	<b>38,261</b>	<b>6,216</b>
Depreciation	-3,769	-3,854	-85
<b>EBIT</b>	<b>28,276</b>	<b>34,407</b>	<b>6,131</b>
Inventories	39,724	44,378	4,654
<b>EBITDA margin</b>	<b>22.6%</b>	<b>23.8%</b>	<b>1.2% points</b>

Sustainable growth in the Specialty Chemicals segment continued in the 9-month period from January to September 2018. Sales totaled EUR 160,538 thousands compared with EUR 141,594 thousands in the same period of 2017. This growth was mainly due to volume effects and, to a significantly lesser extent, price effects. In contrast, negative currency effects, mainly in the first half of the year, dampened development.

The main growth driver was, among other things, multi-purpose facilities, which have since developed into an important sales pillar in this segment. The successful transfer of products from the chemical laboratory to large-scale production contributed significantly to growth in 2018. Almost all chemical plants are operated close to their technical capacity limits. The

Nutrition segment (animal feed and dietary supplements) with the Creamino® and Creapure® brands also showed dynamic growth.

Creamino® confirmed its very high sales momentum in the reporting period. Inventories at Creamino® were further increased through full-load operation of the production plant in order to be able to accompany the existing and expected market growth from the existing production plant for a longer period. A new production plant for Creamino® will go into operation in 2019, tripling production capacity from approximately 7,000 tons per year to approximately 21,000 tons per year.

## 4.2 BASICS & INTERMEDIATES SEGMENT

in EUR thousands	July – September 2017	July – September 2018	Delta
External sales	37,849	35,896	-1,953
<b>EBITDA</b>	<b>1,740</b>	<b>106</b>	<b>-1,634</b>
Depreciation	-1,061	-1,274	-213
<b>EBIT</b>	<b>679</b>	<b>-1,168</b>	<b>-1,847</b>
Inventories	21,047	29,257	8,210
<b>EBITDA margin</b>	<b>4.6%</b>	<b>0.3%</b>	<b>-4.3% points</b>

In the Basics & Intermediates segment, we see the effects of the difficult market environment in domestic agriculture and the steel industry in Europe in the 3-month period from July to September 2018. However, the expansion of the business with building blocks and the strengthening of the nitrile business

(investment: nitrile 2020) can be used to compensate for this. As a result, we are feeling the effects of the sometimes enormous increases in procurement prices for raw materials and electricity.

in EUR thousands	January – September 2017	January – September 2018	Delta
External sales	110,540	106,977	-3,563
<b>EBITDA</b>	<b>6,494</b>	<b>1,354</b>	<b>-5,140</b>
Depreciation	-3,134	-3,681	-547
<b>EBIT</b>	<b>3,360</b>	<b>-2,327</b>	<b>-5,687</b>
Inventories	21,047	29,257	8,210
<b>EBITDA margin</b>	<b>5.9%</b>	<b>1.3%</b>	<b>-4.6% points</b>

Sales revenues in the Basics & Intermediates segment totaled EUR 106,977 thousands from January to September 2018, compared to EUR 110,540 thousands in the same period of 2017. Volume and negative currency effects (especially in the first half of the year) mainly dampened the development. In selected business segments, sales prices were adjusted as a result of the very significant increase in raw material prices.

Due to weather conditions, deliveries of direct agricultural applications (Perlka®) were below the previous year's level. Although AlzChem continued to grow with the basic chemical products of this segment, mainly NITRALZ®, as forecast, the decline in volume could not be fully offset.

The business volume of metallurgical products closed slightly below the high level of the previous year, which is to be seen in connection with a prolonged technical standstill and the resulting postponement of deliveries by a few months. Direct effects of the punitive tariffs are also a latent risk for AlzChem. However, due to the European focus of our customers, a weaker effect is to be expected. In parallel with the metallurgical volume business, our new applications, such as CalciPro®, are developing very positively and are showing very promising results in a large number of application trials.

#### 4.3 OTHER & HOLDING SEGMENT

in EUR thousands	July – September 2017	July – September 2018	Delta
External sales	7,037	6,259	-778
<b>EBITDA</b>	<b>149</b>	<b>547</b>	<b>398</b>
Depreciation	-1,119	-1,332	-213
<b>EBIT</b>	<b>-970</b>	<b>-785</b>	<b>185</b>
Inventories	3,659	2,984	-675
<b>EBITDA margin</b>	<b>2.1%</b>	<b>8.7%</b>	<b>6.6% points</b>

With solid sales of EUR 6,259 thousands in the 3-month period from July to September 2018, there was no significant change in the Other & Holding segment compared to the

previous quarters. The slight improvement in earnings is mainly attributable to maintenance measures with different schedules, so that these are shifts between the quarters.

in EUR thousands	January – September 2017	January – September 2018	Delta
External sales	20,632	19,680	-952
<b>EBITDA</b>	<b>-729</b>	<b>1,044</b>	<b>1,773</b>
Depreciation	-3,312	-3,946	-634
<b>EBIT</b>	<b>-4,041</b>	<b>-2,902</b>	<b>1,139</b>
Inventories	3,659	2,984	-675
<b>EBITDA margin</b>	<b>-3.5%</b>	<b>5.3%</b>	<b>8.8% points</b>

The business volume at the chemical parks in Trostberg and Hart remained essentially stable in the 9-month period from January to September 2018. Sales revenues in 2018 totaled EUR 19,680 thousands compared to EUR 20,632 thousands in the same period of the previous year. The improvement in

EBITDA and EBIT is primarily due to the fact that the necessary and implemented renovation measures in the area of plant infrastructure in 2017 and the maintenance of a stable electricity supply were incurred to a much lesser extent in the reporting period.

#### 5. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

LIVIA Corporate Development SE, HDI Vier CE GmbH and four two na GmbH, majority shareholders of AlzChem Group AG (ISIN: DE000A0AHT46, WKN: SFP1), successfully sold a total of 20,454,546 shares to institutional investors in a private

placement on October 17, 2018. This corresponds to 20.1% of the share capital of AlzChem Group AG. In this context, the majority shareholders agreed to a 6-month lock-up period.

## 6. OUTLOOK

### FORECASTS OF THE ALZCHEM GROUP

The positive market trends also predominate in the closer business environment of the AlzChem Group, so that the forecasts of the consolidated financial statements as of June 30, 2018 are also confirmed in this quarterly statement.

In the consolidated financial statements as of December 31, 2017, we expected for the calendar year 2018

- sales of EUR 364.5 to 378.7 million,
- EBITDA of EUR 49.0 to 54.0 million,
- a strongly increasing EBITDA margin
- and a sharp decline in inventories.

The review and update of the forecast as of the current reporting date of September 30, 2018 led the Management Board to conclude that the estimates made for the calendar year 2018 remain valid. Only the estimate regarding the development of inventories changes. As of December 31, 2017, we were still assuming a sharp decline here. This assessment

was already revised in the consolidated financial statements as of June 30, 2018, so that we now see a strong upward trend. However, based on the current inventory level (EUR 75,095 thousands), there will be a decline. This increase in inventories, which is monitored by management, is mainly attributable to the following circumstances:

- Longer-term stockpiling of raw materials, especially from China, to ensure delivery and supply security
- Extension of production campaigns in the area of multi-purpose facilities to optimize usable capacities.

Finally, higher raw material and electricity prices have a significant and sustained effect on inventories.

Due to the short fiscal year ended on June 30, 2018 and in accordance with German Accounting Standard 20 (DRS 20)<sup>4</sup>, the AlzChem Group had to issue a forecast for the following fiscal year or at least for the next 12-month period, i.e. for the period from July 1, 2018 to June 30, 2019.

The review and update of this forecast as of the current reporting date of September 30, 2018 also led the Management Board to conclude that the estimates made for this period remain valid.

in EUR thousands	Sales	EBITDA	EBITDA margin	EBIT	Inventories	Equity ratio	Debt ratio
AlzChem Group	370.6 – 380.6	48.1 – 53.0	12.9% – 13.9%	32.6 – 37.5	75.5 – 80.5	22.5% – 24.5%	0.72 – 0.75
Specialty Chemicals	200.1 – 205.1	45.9 – 48.9	22.9% – 23.8%	38.9 – 43.4	52.5 – 53.5	-	-
Basics & Intermediates	147.1 – 150.1	2.6 – 3.6	1.8% – 2.3%	-2.9 – 1.1	21.5 – 23.0	-	-
Other & Holding	23.4 – 25.4	-0.4 – 0.5	-0.2% – -0.2%	-3.4 – -4.8	1.5 – 4.0	-	-

### LIST OF ABBREVIATIONS

€/EUR	Euro
AG	Aktiengesellschaft (stock corporation)
EBIT	Earnings before interest and taxes
EBITDA	Earnings before interest, taxes, depreciation and amortization



# IMPRINT

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# FINANCIAL CALENDAR 2018

November 22, 2018	2nd Annual General Meeting 2018
November 26 – 28, 2018	Deutsches Eigenkapitalforum
December 6, 2018	Berenberg European Conference 2018

# REMARKS

This report may contain forward-looking statements based on current assumptions and forecasts made by the management of AlzChem Group AG. Such statements are subject to risks and uncertainties. These and other factors may cause actual results, financial position, development or performance of the company to differ materially from the estimates made here. The company assumes no liability whatsoever to update such forward-looking statements or to conform them to future events or developments.

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