

CORPORATE NEWS

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AlzChem Group AG: clear growth in sales and earnings in calendar year 2018

- **Sales in 2018 increase by 6.0% to 375.2 million euros**
- **EBITDA in 2018 rises by 8.1% to EUR 49.4 million**
- **Dividend proposal of EUR 0.09 for short fiscal year from July to December 2018**
- **Forecast 2019: sales growth to EUR 389.9 to 398.9 million with stable EBITDA**

Trostberg, March 29, 2019 – AlzChem Group AG continued to grow dynamically in terms of sales and profits in the 2018 calendar year as well as in the short fiscal year from July to December 2018 and met its own forecasts. Sales in the calendar year 2018 rose by 6.0% from EUR 353.9 million to EUR 375.2 million. EBITDA increased slightly disproportionately highly by 8.1% from EUR 45.7 million to EUR 49.4 million. Consolidated net income grew by 10.8% from EUR 20.6 million to EUR 22.8 million. This results in an increase in earnings per share by EUR 0.02 from EUR 0.20 to EUR 0.22.

AlzChem Group AG will now propose a dividend of EUR 0.09 per share to the Annual General Meeting on May 14, 2019. Ulli Seibel, CEO of the AlzChem Group AG: “The calendar year 2018 is the most successful year of the AlzChem Group so far and we have strategically further developed the company with the largest investments in new production facilities and capacity expansions in the company's history as well as the decision for our own distribution for the fastest growing product Creamino. Of particular importance to us was and is the balance between investments in especially future-proof products, a stable development of equity and the continuation of our attractive dividend policy. The very good earnings development gives us the necessary freedom to do so.”

Dynamic growth for Specialty Chemicals

Overall, the AlzChem Group was very satisfied with the course of business in the calendar year 2018. The Specialty Chemicals segment, which is of strong strategic focus, developed particularly dynamically. The broad product portfolio once again proved to be the Group's strength. The positive development was supported to a large extent by sales growth for the DYHARD®, Creamino, Creapure® and Dormex® brands and by the expansion of the product range from the multi-purpose plants. In the Basics & Intermediates segment, the development was particularly strongly affected by higher raw material prices. This is reflected above all in the earnings performance of this segment. Sales were impacted by the difficult environment for agricultural applications, so that this segment was unable to quite match the high sales of the previous year 2017, despite very pleasing business developments in the basic

chemicals businesses. The disproportionately high earnings growth at Group level shows all the more that AlzChem was able to further strengthen its earnings power even in a very difficult market environment with rising raw material prices and energy costs.

Sustained growth planned for 2019

For 2019, the AlzChem Group expects continued growth in sales and earnings. Despite the expected shift in sales at Creamino in the first half of 2019, consolidated sales are expected to rise from EUR 375.2 million to EUR 389.9 million to EUR 398.9 million. EBITDA of EUR 49.4 million in 2018 is expected to range between EUR 46.5 million and EUR 51.9 million in 2019, resulting in an adjusted EBITDA margin of 11.9% to 13.0%. Major projects in 2019 will include the completion of the expansion and thus tripling of production capacity at the Creamino plant, the expansion of nitrile production capacity and the further development of logistics infrastructure at the Trostberg and Schalchen chemical parks.

Ulli Seibel: "The own distribution for Creamino started in 2019 as planned. I am already very pleased when our Creamino plant with its tripled capacity starts production in the middle of the year. In my opinion, we will then have exactly the right setup to profit from the excellent growth prospects in this market over the next few years – while at the same time creating optimum value. Our other investment projects are also within budget in terms of both time and cost. After a very challenging phase, I am now also more optimistic again for the Basics & Intermediates segment. We expect the agricultural sector to recover and want to benefit from a growing basic chemicals business."

The planned Group sales growth is to be achieved entirely organically. Volume effects are the primary growth driver. The objective will continue to be to further develop the product mix towards complex molecules and value-added-chain-intensive products, thus generating additional impetus for sales and earnings.

The Annual Report 2018 for the short fiscal year from July to December 2018 is available for download on the website www.alzchem.com under Investor Relations/Publications/Financial Reports.

About AlzChem

The AlzChem Group is a vertically integrated manufacturer of various chemical products based on the NCN chain. These are products with typical nitrogen-carbon-nitrogen bonding that are used in a wide variety of different industries. The company has a leading position in select niche markets. The strategic focus of growth and the main focus of its extensive research and development are on the business segment Specialty Chemicals. The company has around 1,560 employees at four sites in Germany and three other sites abroad.