

CORPORATE NEWS

AlzChem Group AG
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AlzChem achieves all goals it set for 2017

- **Sales rise 8% to EUR 354 million**
- **EBITDA of EUR 46 million around 18% higher than the previous year; EBITDA margin at around 13%**
- **Groundbreaking ceremony for new CreAMINO®¹ production plant in Trostberg in March 2018**
- **Forecast for 2018: strong mid-single-digit percentage growth in revenue and significant EBITDA growth in the upper single-digit percentage range**

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Trostberg, March 26, 2018 - AlzChem Group AG (WKN: A0AHT4) recorded positive revenue and earnings development in fiscal year 2017. As a result, the vertically integrated specialty chemicals supplier with leading market positions in select niche markets managed to increase its sales level by 8.2% compared to the previous year to a total of EUR 353.9 million (2016: EUR 327.2 million). Earnings before interest, taxes, depreciation and amortization (EBITDA) improved disproportionately to sales by 18.3% compared to the previous year (2016: EUR 38.6 million) to EUR 45.7 million. The EBITDA margin amounted to 12.9% in 2017.

Ulli Seibel, CEO of AlzChem, commented: “With profitable growth in the past fiscal year, we achieved all of our goals, with all three segments contributing to our growth. We are therefore very satisfied with the general business development and want to continue this positive trend in 2018 and beyond. We laid the groundwork for this in the past year.” AlzChem decided in 2017 to build a new CreAMINO® production plant in Trostberg which will triple its current capacity in its highly profitable Specialty Chemicals segment. The project is already fully financed, and the groundbreaking

¹ CreAMINO® is a brand of Evonik Industries AG.

ceremony took place in March 2018. The facility is expected to be operational in the summer of 2019.

Positive sales development in all segments

All three segments of AlzChem made a positive contribution to revenue development in the 2017 re-orting period. The Specialty Chemicals segment grew by 9.7% to EUR 185.7 million. This business segment produces and markets high-quality chemical products for end markets such as fine chemicals and agriculture. Key growth drivers here are the feed additive CreAMINO[®] and the dietary supplement Creapure[®]. The strategy of clearly focusing growth on the Specialty Chemicals business segment is also reflected in the planned tripling of CreAMINO[®] production capacity to a total of 21,000 metric tons per year.

In the Basics & Intermediates business segment, which bundles the production of chemical intermediates, AlzChem generated sales of EUR 140.9 million in the past fiscal year (2016: EUR 133.6 million). Above all, the Nitralz[®] product family, used for instance in pigment production, agrochemicals and pharmaceutical active ingredients, contributed to the increase in sales. The main reason for this was improved market positioning in Asia.

AlzChem combines all other activities in the third segment Other & Holdings. These are largely services for the chemical parks Trostberg and Hart, which are operated in part for third parties also. AlzChem increased its sales in the reporting period here to EUR 27.4 million (2016: EUR 24.4 million).

High profitability

At segment level, the Specialty Chemicals division was also able to increase its EBITDA. In the Specialty Chemicals segment, EBITDA increased at the level of segment revenue by 8.8% to EUR 42.7 million (2016: EUR 39.2 million). EBITDA in the basic chemistry segment Basics & Intermediates fell by 19.7% to EUR 5.6 million (2016: EUR 7.0 million), mainly due to higher raw material prices. EBITDA in the Other & Holding segment improved to EUR -2.6 million (2016: EUR -7.4 million). This is mainly due to provision for a successful IPO in fiscal year 2016. On the other hand,

scheduled renewal steps in plant infrastructure burdened segment EBITDA in 2017 as expected.

Positive prospects in 2018

CFO Andreas Niedermaier is optimistic about the future: “The price level for commodities will remain high in 2018 as well and the strong euro will have an effect on the margin in our business outside the euro zone. Our consistent strategic orientation also very well positions us in this market environment. Driven by our growth segment Specialty Chemicals, we therefore expect the company to continue its positive development. At Group level, we expect strong mid-single-digit percentage revenue growth for 2018. Due to the anticipated high contribution of the Specialty Chemicals segment, which is characterized by an above-average margin within the Group, we expect significant EBITDA growth in the upper single-digit percentage range this year.”

The complete 2017 Annual Report is available for download at www.alzchem.com under Investor Relations/Publications.

About AlzChem Group AG

AlzChem Group AG 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, including the markets for feed additives and food supplements. 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 1,500 employees at four sites in Germany and three other sites abroad.