

Press Release

2017 Results: ALTANA Accelerates Growth

- Sales increase by 8 percent to €2,247 million
- EBITDA improves to €470 million
- Outlook for 2018: continued profitable growth

Wesel/Düsseldorf, March 16, 2018 – The specialty chemicals group ALTANA significantly accelerated its growth in the 2017 fiscal year. Sales rose to €2,247 million, 8 percent higher than in the previous year. This was primarily due to a strong increase in sales volumes, but also to acquisitions in the U.S. and China. Adjusted for acquisition and exchange-rate effects, sales climbed by 7 percent and thus exceeded the company's medium-term target of 5 percent.

Earnings before interest, taxes, depreciation, and amortization (EBITDA) were up by 4 percent to €470 million. The EBITDA margin in 2017 was below the previous year's figure (20.9 percent compared to 21.8 percent in 2016), mainly on account of continuously rising raw materials prices.

"The 2017 fiscal year was a further milestone in our growth history. Thanks to our customer proximity and innovative strength, as well as the acquisition of companies with innovative products and technologies, we were able to improve our sales and earnings once again," says Martin Babilas, the CEO of ALTANA AG. "At the same time, we paved the way for future success."

BYK breaks billion euro sales mark

Within the ALTANA Group, the BYK, ELANTAS and ECKART divisions grew dynamically. The additives and instruments specialist BYK posted the highest sales growth, increasing sales by 13 percent to €1,030 million. As a result, it exceeded the billion euro mark for the first time. The main driver was significantly higher sales volumes. The PolyAd companies acquired in 2017 and the pro-rata effects of the acquisition of Addcomp activities in the previous year contributed to the development. Adjusted for slightly negative exchange-rate effects and the effects of the acquisitions, sales grew by 9 percent.

The ECKART division boosted sales by 6 percent to €385 million. Adjusted for slightly negative exchange-rate effects, the pigment specialist achieved sales growth of 7 percent.

ELANTAS, an expert in insulating materials for the electric and electronics industry, recorded sales of €489 million in 2017, 8 percent higher than the year before. Adjusted for the sales expansion resulting from acquisitions in the U.S. and China, as well as negative exchange-rate influences, sales increased by 7 percent.

The performance of the ACTEGA division was influenced by the sale of the ACTEGA Colorchemie group in 2016. Sales totaled €343 million, 3 percent down from the previous year. Adjusted for this divestment effect and slight exchange-rate changes, sales remained stable.

Date
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Page
1/4

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Press Release

Growth engine Asia

Again in 2017, ALTANA achieved a balanced regional sales distribution. Europe accounted for 38 percent of the Group's sales, the same percentage as in the previous year, and thus remained the company's most important sales region. The specialty chemicals company generated 33 percent of its sales in Asia (previous year: 31 percent), and 28 percent again in the Americas.

ALTANA achieved its highest sales growth in Asia, at 12 percent. Operating sales growth was 13 percent in this region. China, the largest single market in the region and the company's second most-important sales region, expanded sales by 19 percent (nominal terms) and, adjusted for exchange-rate and acquisition effects, by 20 percent. This development was driven primarily by a strong increase in the need for sustainable product formulation solutions.

In the Americas region, nominal sales were 6 percent higher than in the previous year, and operating sales growth was 2 percent, due to the increasing demand from the oil and gas industry, after a sales decrease in 2016. The U.S., which remained the Group's largest single market, posted a sales increase of 9 percent, and 3 percent adjusted for acquisition effects. Nominal sales in Europe rose by 7 percent and operating sales growth was 6 percent. In Germany, ALTANA expanded its sales in nominal terms by 5 percent and in operating terms by 4 percent.

Research and development strengthened

In the 2017 fiscal year, ALTANA invested an above-average amount in its own innovation activities. The specialty chemicals company increased research and development expenditure by 10 percent to €142 million. This corresponds to a 6-percent share of sales, a high proportion compared to the industry as a whole. Particularly due to the purchase of the metallography technology of the Israeli Landa Group and the acquisition of a technology portfolio for labels and packaging in the U.S., the ratio of capital expenditure to sales increased sharply and above the average to a total of 8.4 percent (previous year: 5.9 percent).

Outlook: further profitable growth

For 2018, the specialty chemicals company expects further momentum in the global economy and thus further sales growth. ALTANA anticipates its sales to increase by 2 to 5 percent in operating terms. The acquisitions made in the past fiscal year should provide additional sales impetus.

Against the background of rising raw materials prices, the EBITDA margin should decrease slightly toward the strategic range of 18 percent to 20 percent. Overall, sales and earnings development can be influenced by hard-to-predict exchange-rate changes.

The press conference presentation, photo material, and the Corporate Report 2017 can be downloaded at www.altana.com.

About ALTANA:

ALTANA is a global leader in true specialty chemicals. The Group offers innovative, environmentally compatible solutions for coating manufacturers, paint and plastics processors, the printing and packaging industries, the cosmetics sector and the electrical and electronics industry. The product range includes additives, special coatings and adhesives, effect pigments,

Press Release

sealants and compounds, impregnating resins and varnishes, and testing and measuring instruments. ALTANA's four divisions, BYK, ECKART, ELANTAS, and ACTEGA, all occupy a leading position in their target markets with respect to quality, product solution expertise, innovation and service.

Headquartered in Wesel, Germany, the ALTANA Group has 52 production facilities and 60 service and research laboratories worldwide. Throughout the Group about 6,200 people work to ensure the worldwide success of ALTANA. In 2017, ALTANA achieved sales of more than €2.2 billion. About 6 percent of sales are invested in research and development every year. Its high earning power and high growth rate make ALTANA one of the most innovative, fastest growing, and profitable chemical companies in the world.

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Press Release

Key figures at a glance

ALTANA Group (in € million)	2017	2016	Change in %	Operating change* in %
Sales – total	2,247	2,075	8	7
Sales by division				
BYK	1,030	909	13	9
ECKART	385	362	6	7
ELANTAS	489	452	8	7
ACTEGA	343	352	-3	0
Sales by region				
Europe	852	799	7	6
<i>thereof Germany</i>	276	263	5	4
The Americas	624	587	6	2
<i>thereof U.S.</i>	436	399	9	3
Asia	733	652	12	13
<i>thereof China</i>	399	336	19	20
Other regions	38	37	1	1
Earnings before interest, taxes, depreciation and amortization (EBITDA)	470	453	4	1
Operating income (EBIT)	336	329	2	
Earnings before taxes (EBT)	306	300	2	
Net income (EAT)	235	210	12	
Research and development expenses	142	129	10	
Headcount (December 31)	6,186	5,967	4	

* Adjusted for acquisition/divestment and exchange-rate effects