

Press Release

ALTANA Remains on Growth Path in First Half of 2018

- Operating sales increase by 6 percent
- EBITDA slightly below first six months of previous year due to higher raw material costs
- Forecast for 2018 as a whole confirmed

Wesel, Germany, August 8, 2018 – The specialty chemicals company ALTANA continued on its growth path in the first half of 2018. Nominal sales rose by 3 percent, and, adjusted for acquisition and exchange-rate effects, by 6 percent to 1,200 million euros. In addition to the expanded sales volumes, the main drivers were price increases as well as contributions from completed acquisitions. On the other hand, the exchange-rate development, especially that of the U.S. dollar against the euro, curbed sales growth.

In the first six months of 2018, the ALTANA Group achieved earnings before interest, taxes, depreciation and amortization (EBITDA) of 252 million euros. On account of significantly higher raw material prices, the result is 4 percent below the previous year's figure despite the sales price increases that were implemented. But the EBITDA margin, at 21.0 percent, remained above the target range of 18 to 20 percent.

ALTANA confirms its forecast for the whole of 2018

"In the first half-year of 2018, ALTANA remained on the growth path. Thanks to the dynamic demand for our innovative products, we were able to successfully master the challenges we faced on the raw material and currency markets," says Martin Babilas, the CEO of ALTANA AG. "Our aim is to continue to grow organically and to achieve sustained profitability in the future too due to acquisitions."

ALTANA confirms its forecast for the whole year. Sales are expected to grow in operating terms by between 2 and 5 percent. Considerably higher material costs resulting from raw material price increases are expected to lead to slightly lower profitability. As a result, the EBITDA margin is expected to be closer to the long-term target range of 18 to 20 percent.

Dynamic divisional sales growth

The four ALTANA divisions, BYK, ECKART, ELANTAS, and ACTEGA, grew dynamically in the first half of 2018. The largest division, BYK, increased its nominal sales by 4 percent and in operating terms by 6 percent to 561 million euros. Sales were driven in particular by the strong demand in China for the solutions of the additives specialist as well as by impetus from the PolyAd companies acquired last year.

The ECKART division's sales amounted to 203 million euros, with nominal sales 1 percent and in operating terms 5 percent higher than in the same period of the

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previous year. The supplier of electrical insulating materials, ELANTAS, generated the strongest sales growth, both in nominal and operating terms rising by 7 percent to 260 million euros.

Due to the stronger demand for solutions for the packaging industry, ACTEGA's sales rose by 4 percent in operating terms to 176 million euros; in nominal terms, sales remained at the prior year's level owing to detrimental exchange-rate changes.

Growth driver Asia

In the first six months of 2018, all of the regions ALTANA is active in contributed to the operating sales growth. The ALTANA Group's innovative and sustainable solutions were in particularly strong demand in Asia (adjusted for currency as well as acquisition effects, sales increased by 8 percent to 396 million euros). China once again demonstrated strong momentum, with operating sales growth of 12 percent to 221 million euros.

In Europe, sales increased by 4 percent in operating terms to 466 million euros, with 145 million euros generated in Germany (plus 1 percent). At 318 million euros, sales in North and South America lagged slightly behind the previous year's level. In operating terms, sales grew by 5 percent, and the company's largest single market, the U.S., boosted its operating sales growth by 4 percent to 223 million euros.

At the half-year mark in 2018 (June 30), the specialty chemicals company employed 6,307 people, 168 more than on June 30, 2017.

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, 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 6,300 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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Key figures at a glance

ALTANA Group (in € million)	January to June 2018	January to June 2017	Change in %	Operating change* in %
Sales – total	1,200	1,160	3	6
Sales by division				
BYK	561	540	4	6
ECKART	203	200	1	5
ELANTAS	260	244	7	7
ACTEGA	176	176	0	4
Sales by region				
Europe	466	446	5	4
<i>thereof Germany</i>	145	142	2	1
The Americas	318	325	-2	5
<i>thereof U.S.</i>	223	229	-3	4
Asia	396	372	7	8
<i>thereof China</i>	221	198	11	12
Other regions	20	18	10	11
Earnings before interest, taxes, depreciation and amortization (EBITDA)	252	262	-4	-4
Operating income (EBIT)	186	196	-5	
Earnings before taxes (EBT)	171	183	-7	
Net income (EAT)	123	127	-4	
Research and development expenses	75	69	9	
Headcount (June 30)	6,307	6,139	3	

* Adjusted for acquisition and divestment as well as exchange-rate effects