

Press release

ALTANA's half-year results: sales below the previous year due to the coronavirus; EBITDA margin declined slightly at a high level

- Sales decrease by nearly 7 percent to 1,078 million euros
- EBITDA margin reaches 18.7 percent
- Company continues to invest in the future; worldwide conversion to CO₂-neutral power supply already implemented
- Forecast for the year as a whole: single-digit decline in sales

Wesel, August 14, 2020 – After a positive start to the year, in the first half of 2020 the specialty chemicals group ALTANA recorded an overall sales decline of nearly 7 percent to EUR 1,078 million in the wake of the coronavirus pandemic. This was primarily due to the strong decrease in demand in various industrial areas, above all the automotive sector. By contrast, consumer-related business segments such as PVC-free seals for conserved foods continued their growth trend. Adjusted for acquisition and exchange-rate effects, sales fell by 9 percent in total. Earnings before interest, taxes, depreciation and amortization (EBITDA) reached 202 million euros, also almost 9 percent below the previous year's figure. Owing to countermeasures, ALTANA was able to keep the EBITDA margin with 18.7 percent (previous year: 19.2 percent) at a high level in the first six months of 2020.

In spite of the economic slowdown, in the first half of 2020 the Group increased its research and development expenditure by 3 percent compared to the same period last year. With a share of sales of almost 8 percent right now, ALTANA continues to invest above-average amounts in innovations, for example in the future digital printing market. For instance, ALTANA's internal startup ACTEGA Metal Print acquired its first beta customers and a sales partner for a novel technology that achieves decorative metallic effects with significantly less material, costs, and production time than the processes that have been commonly used thus far.

"Our longstanding customer proximity, our innovative and financial strength, and our decentralized structure are important success factors enabling us to safeguard our operating business even in this period," says ALTANA CEO Martin Babilas. "Our top priority was to protect the health of ALTANA employees worldwide. At the same time, we not only managed to maintain our ability to supply our customers and provide them with service, but also to continue to invest in the future in a targeted manner."

On course for climate neutrality in 2025

ALTANA already implemented the conversion to a CO₂-neutral power supply planned for 2020 in March of this year. As a result, the company is on course for climate neutrality by 2025, a goal ALTANA announced at the beginning of the year.

Business divisions: ACTEGA continues to grow

The company's largest division, BYK, reported a 6 percent decline in sales to 504 million euros. Adjusted for acquisition and exchange-rate effects, sales were 9 percent below the previous year's level.

Date
August 14, 2020

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Contact
Corporate Communications

Andrea Neumann (Head)
Phone +49 281 670-10300

Heike Dimkos
Phone +49 281 670-10302

Fax +49 281 670-10999
press@altana.com
www.altana.com/press

ALTANA AG
Abelstrasse 43
46483 Wesel
Germany
Phone +49 281 670-8
Fax +49 281 670-10999
info@altana.com
www.altana.com

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The effect pigment specialist ECKART generated sales of 155 million euros, corresponding to a sales decrease of 16 percent (operating sales 17 percent).

ELANTAS, a supplier of electrical insulation materials, achieved sales of 219 million euros, 12 percent down on the previous year's figure in both nominal and operating terms.

ACTEGA continued its growth in the first half of 2020. Sales increased by 9 percent to 200 million euros. The acquisition of the Swiss company Schmid Rhyner AG, in particular, had a positive effect. Even when adjusted for acquisition and exchange-rate effects, ACTEGA recorded slight growth of one percent due to the continued good demand from consumer-related customer industries.

Balanced sales distribution worldwide

The ALTANA Group's sales continued to be evenly distributed worldwide. Sales in Europe, the region in which ALTANA achieves its highest sales, amounted to 426 million euros in the first six months of 2020. This corresponds to a sales decline of 7 percent (9 percent in operating terms). Sales in Asia fell by 6 percent (8 percent in operating terms) to 341 million euros. The sales volume in America totaled 294 million euros, down by 7 percent (11 percent in operating terms).

As of mid-2020 (June 30), ALTANA employed 6,544 people worldwide, 108 more than on June 30, 2019.

For the second half of the year, ALTANA expects the global economy to recover slightly and, as a result, expects a sales drop that will remain in the upper single-digit percentage range.

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 47 production facilities and 65 service and research laboratories worldwide. Throughout the Group more than 6,500 people work to ensure the worldwide success of ALTANA. In 2019, ALTANA achieved sales of more than €2.2 billion. About 7 percent of sales is 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 2020	January to June 2019	Change in %	Operating change* in %
Sales – total	1,078	1,154	-7	-9
Sales by division				
BYK	504	535	-6	-9
ECKART	155	185	-16	-17
ELANTAS	219	250	-12	-12
ACTEGA	200	184	9	1
Sales by region				
Europe	426	456	-7	-9
<i>thereof Germany</i>	123	136	-10	-12
Americas	294	316	-7	-11
<i>thereof USA</i>	208	221	-6	-13
Asia	341	363	-6	-8
<i>thereof China</i>	170	190	-10	-10
Other regions	17	18	-6	-8
Earnings before interest, taxes, depreciation and amortization (EBITDA)	202	221	-9	-9
Operating income (EBIT)	124	148	-17	
Earnings before taxes (EBT)	104	130	-20	
Net income (EAT)	72	94	-24	
Research & development expenses	83	81	3	
Headcount (June 30)	6,544	6,436	2	

* Adjusted for acquisitions/divestments and exchange-rate effects