

# Report on the 2023 Fiscal Year

**ALTANA AG Annual Press Conference**  
March 22, 2024

# Agenda

## Overview and outlook

Martin Babilas, CEO

## Financial information

Stefan Genten, CFO

## Questions and answers

## Moderation

Andrea Neumann

# ALTANA 2023 - Overview

Presented by  
**Martin Babilas**  
CEO



# Results 2023: Business Strengthened by Acquisitions and Investments

Sales below previous year due to economic conditions

Sales



€ **2,742** million

EBITDA



€ **385** million


Margin, adjusted for Von Roll acquisition and other special effects, with 14.8 % at previous year's level



**3** acquisitions

strengthen three divisions (2023 & January 2024)

R&D expenditures increased



to € **197** million

Investments in sites and digitalization up by



**34** % to € 138 million



**5** more sites

on the way to generating energy from renewable sources

**A year marked by challenges, yet one in which we seized opportunities!**

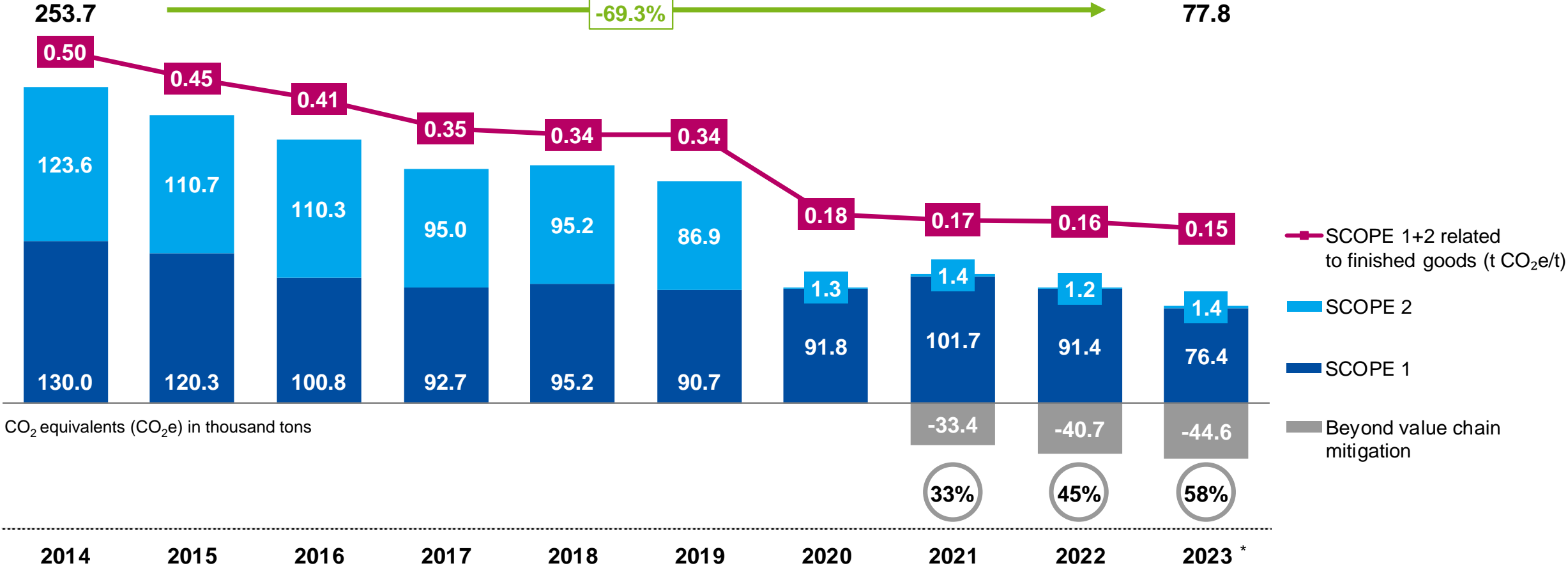
# On the Road to Energy Transformation

In-house generation of electricity and heat from renewable sources expanded



# 10-year Carbon Footprint

Greenhouse gas emissions (Scope 1 and 2) reduced by around 70 percent



Scope 1 : Direct emissions.  
 Scope 2: Indirect emissions. The value shown here for Scope 2 is calculated using the market-based method.

\* excl. companies most recently acquired in 2023/24

# Acquisition of the Von Roll Group

## Second largest acquisition in the company's history



### Leading specialist for electrical insulation systems

- Net sales of over 230 million euros
- Around 1,000 employees at 14 sites worldwide
- Integration into the ELANTAS division
- Pooling innovative strength drives the expansion of electromobility and renewable energies
- Particularly forward-looking: innovative insulation systems and special resins for the high-voltage range



# Acquisition of Imaginant's Business

## Strengthening the portfolio of testing and measuring instruments

### Leading specialist for high-frequency ultrasonic measuring devices

- Expansion of ALTANA's BYK division with patented technology for handheld and robotic measuring devices
- Detects, for example, the thickness of each individual layer of car paint from the outside
- Complements BYK-Gardner's strengths as a specialist in innovative high-tech instruments for testing color, gloss, and physical properties
- Entry into the growth market of the semiconductor industry



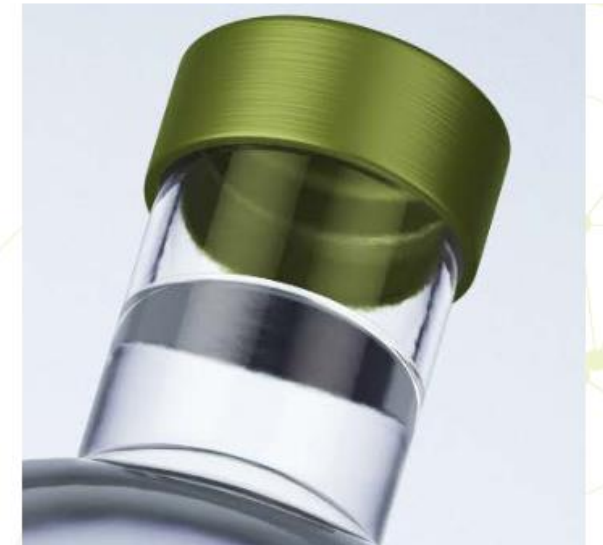


# January 2024: Acquisition of the Silberline Group

## Expansion of global presence in the effect pigments business

### Leading manufacturer of aluminum effect pigments

- Over 450 employees worldwide with sales of around 80 million US dollars
- Integration into the ECKART division bolsters local research and production capacities – particularly through new sites in North America and Asia
- Products are used in a wide range of applications: from automotive paints and printing inks to plastics, protective coatings, and packaged consumer goods



# Innovative Product Developments

## Sustainable technologies for future markets

*Energy storage*

### High-performance additives

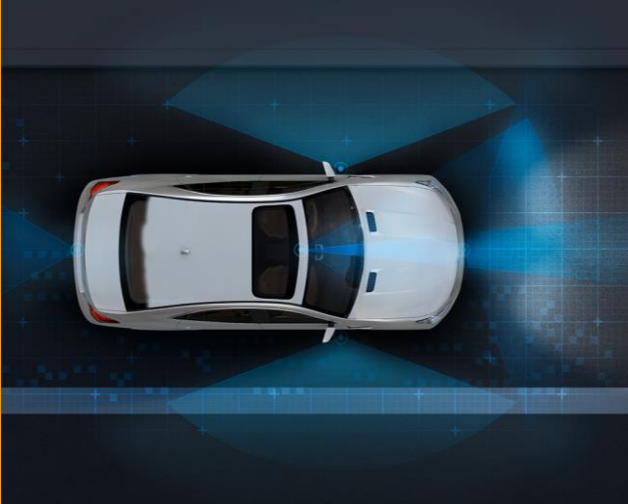
optimize the manufacturing process and performance of battery cells for electric cars.



*Autonomous driving*

### Radar-transparent pearlescent pigments

support the use of radar sensors even under metallic paintwork.



*Printed electronics*

### Novel materials

enable particularly fine conductor paths and gaps in order, for example, to increase the efficiency of solar cells.



*Creative interaction*

### Sealants

enable the direct insertion of QR codes into the crown cork, facilitating the placement of information and preserving labels.



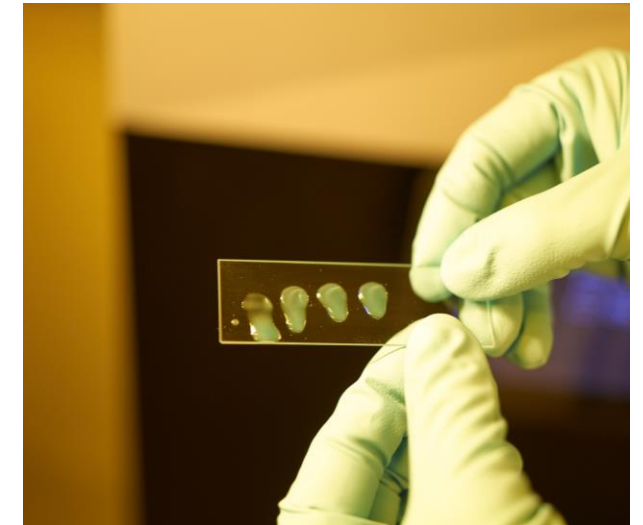
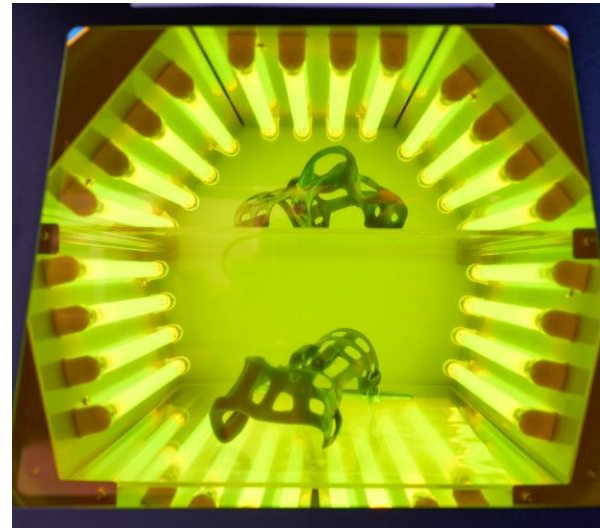
# Next Generation of 3D Printing

Over ten new resin-based Cubic Ink® materials launched on the market



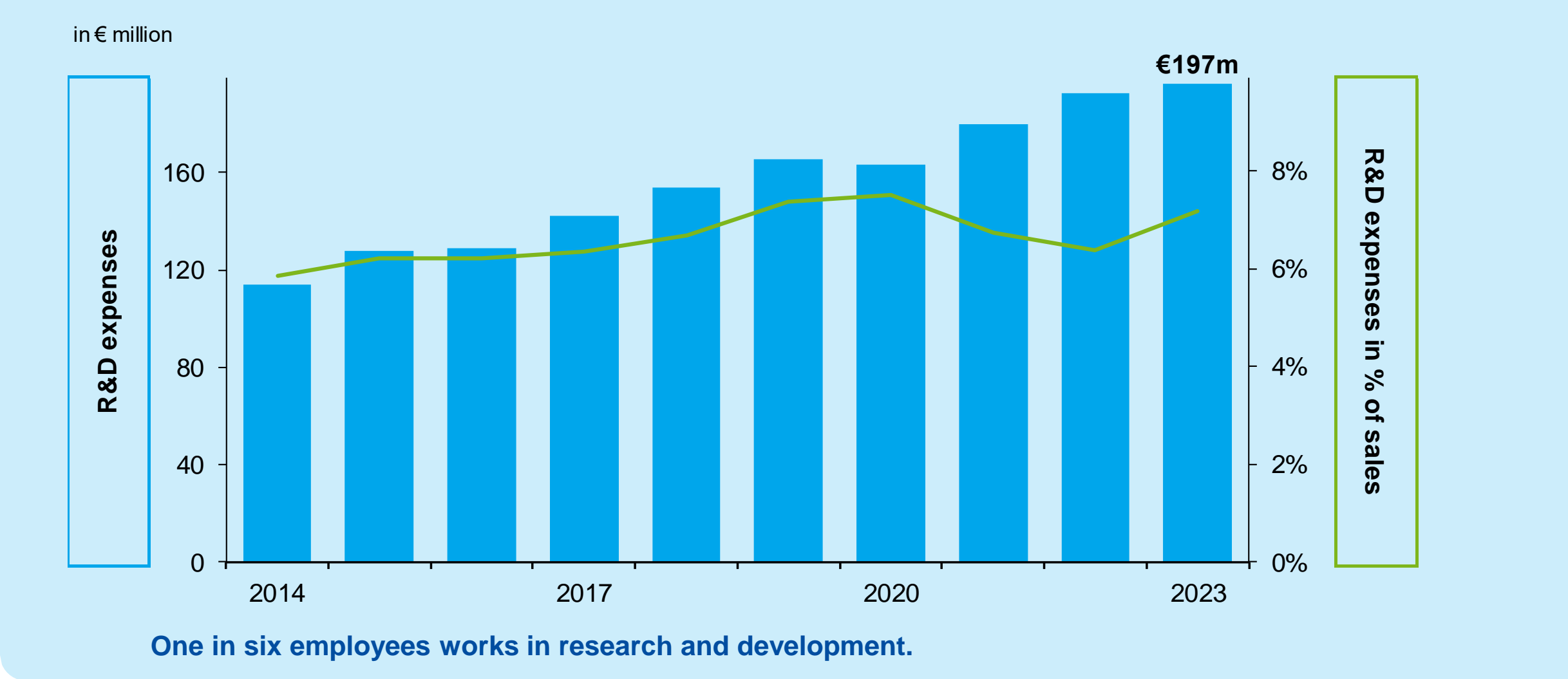
## Manufacturer-independent and open-system product family

- Applications for the automotive and aerospace industries, but also for medical technology
- Innovative new products for mold production enable, for example, the production of small batches
- New high-performance materials tested by accredited testing laboratories for medical applications – for example orthoses for fingers and arms



# Record Investments in Research and Development

R&D expenditure increased by a further 2 %

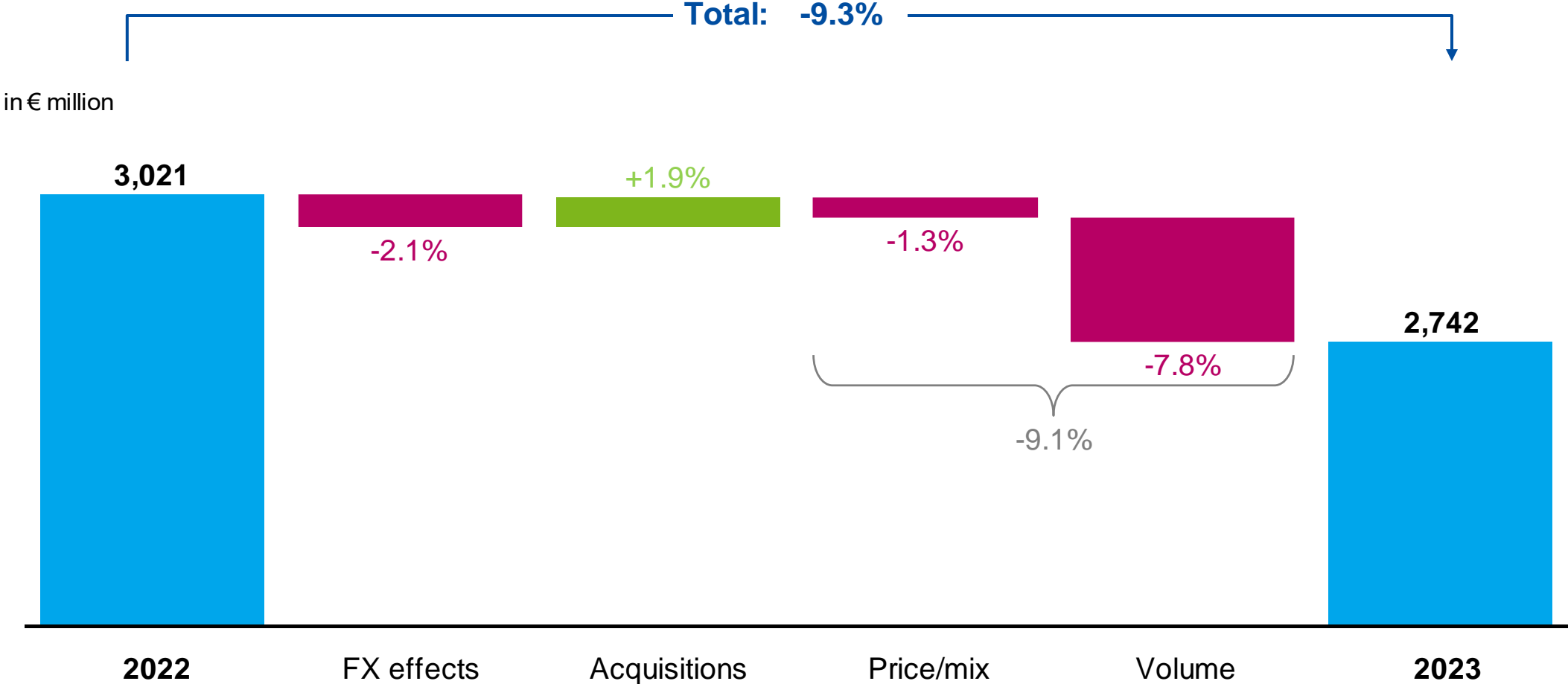




# ALTANA 2023 – Financial information

Presented by  
**Stefan Genten**  
CFO






# Sales Development

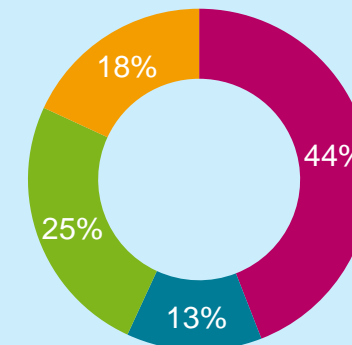


# Sales by Division

Economic weakness and geopolitical uncertainties adversely affected demand

in € million

	2022	2023	Δ	Δ op.*
 <b>BYK</b>	1,371	1,208	(12%)	(10%)
 <b>ECKART</b>	397	351	(12%)	(10%)
 <b>ELANTAS</b>	698	686	(2%)	(5%)
 <b>ACTEGA</b>	555	496	(11%)	(10%)
 <b>ALTANA</b>	<b>3,021</b>	<b>2,742</b>	<b>(9%)</b>	<b>(9%)</b>



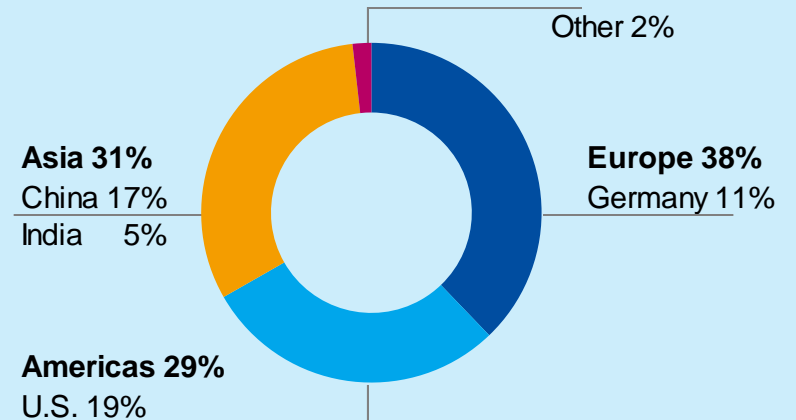
\* adjusted for acquisition and divestment as well as exchange-rate effects

# Sales by Region

Europe remains most important sales market; strong growth in India

in €m

	2022	2023	Δ	Δ op.*
Europe	1,081	1,037	(4%)	(7%)
<i>thereof Germany</i>	318	292	(8%)	(11%)
Americas	895	792	(11%)	(12%)
<i>thereof U.S.</i>	595	521	(12%)	(12%)
Asia	989	863	(13%)	(9%)
<i>thereof China</i>	540	462	(15%)	(10%)
<i>thereof India</i>	144	149	3%	8%
Other regions	56	49	(13%)	(14%)
<b>ALTANA Group</b>	<b>3,021</b>	<b>2,742</b>	<b>(9%)</b>	<b>(9%)</b>

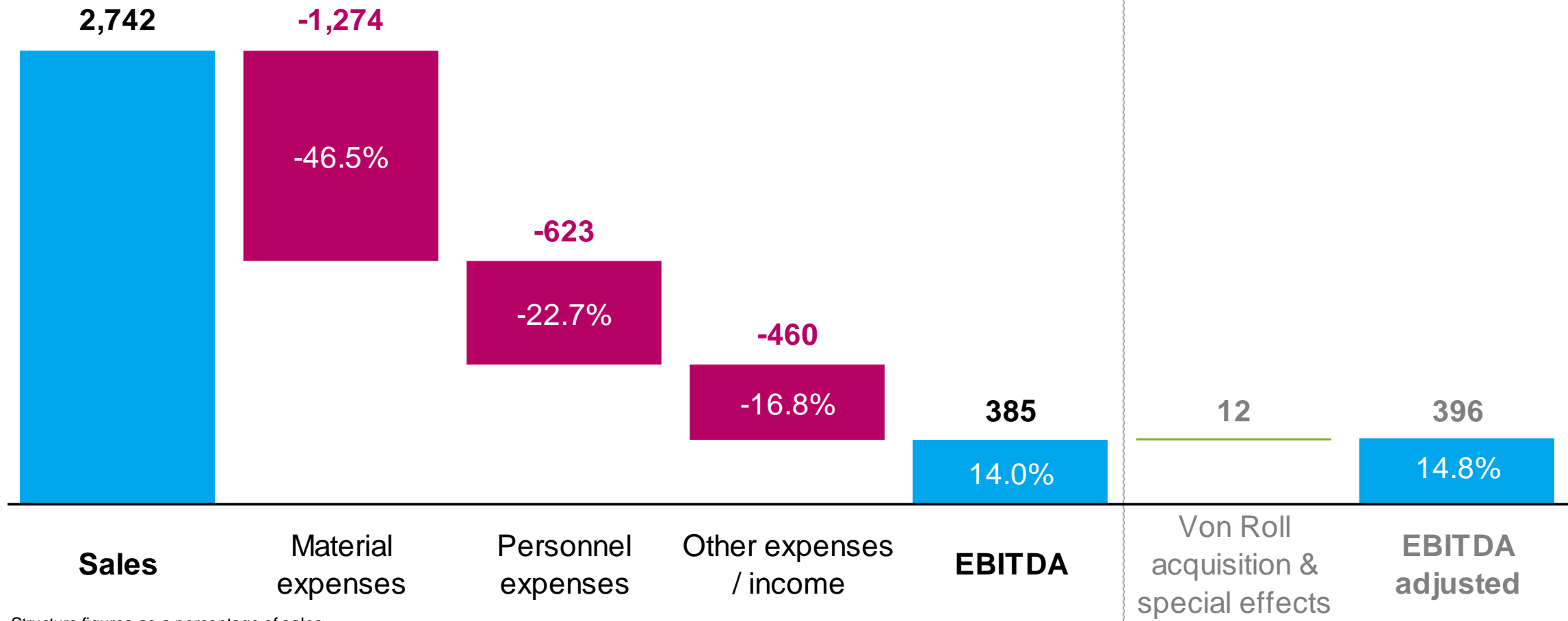


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# Major Cost Items

in €m



Structure figures as a percentage of sales

# Cash Flow Statement

Record cash flow from operating activities used for acquisitions and investments

in € million

	2022	2023
<b>Net income</b>	<b>232</b>	<b>110</b>
Amortization, depreciation, and impairment on intangible and tangible assets	165	169
Change in net working capital	(125)	91
Income taxes	(30)	(2)
Change in provisions and other	(40)	45
<b>Cash flow from operating activities</b>	<b>202</b>	<b>413</b>
Investments in intangible and tangible assets	(103)	(138)
Other	2	3
<b>Cash flow from ordinary investing activities</b>	<b>(101)</b>	<b>(135)</b>
<b>Ordinary free cash flow</b>	<b>100</b>	<b>278</b>
Acquisitions and Technologies	0	(233)
<b>Free cash flow</b>	<b>100</b>	<b>44</b>

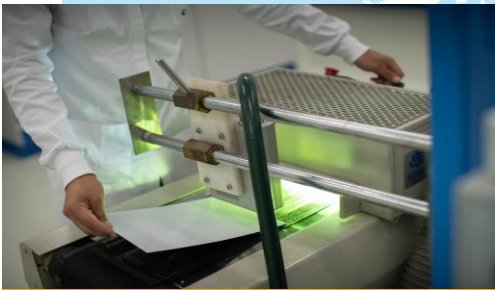
# Global Site Network Further Expanded – Regional Profile Strengthened



● ALTANA ● BYK ● ECKART ● ELANTAS ● ACTEGA

# Global Site Network Further Expanded – Regional Profile Strengthened

## New investments in future growth



### Araçariquama - São Paulo, Brazil

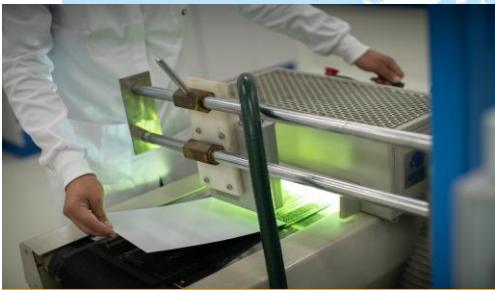
Consolidation of three sites to modernize production and significantly expand research capacities

**Investment sum:**  
~ 7 million euros



# Global Site Network Further Expanded – Regional Profile Strengthened

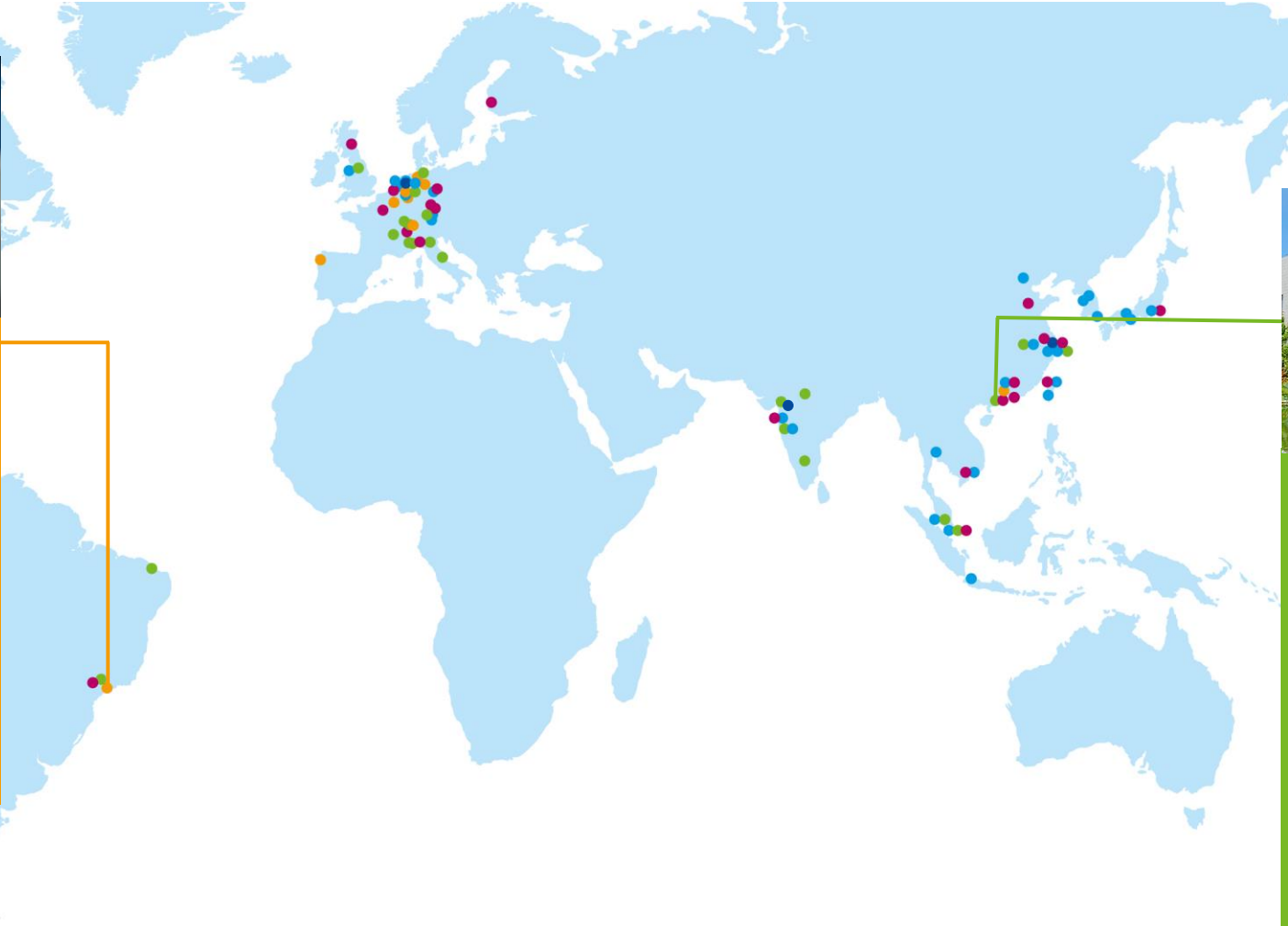
## New investments in future growth



### Araçariguama - São Paulo, Brazil

Consolidation of three sites to modernize production and significantly expand research capacities

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### Zhuhai, China

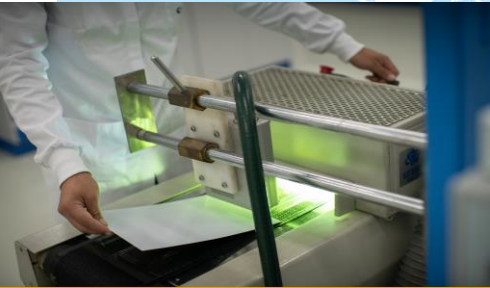
Significantly expanded production capacities to meet the growing demand for solutions for the energy and mobility transformation

**Investment sum:**  
~ 40 million euros



# Global Site Network Further Expanded – Regional Profile Strengthened

## New investments in future growth



**Araçariguama - São Paulo, Brazil**

Consolidation of three sites to modernize production and significantly expand research capacities

**Investment sum:**  
~ 7 million euros




**India**

Cross-divisional site to take full advantage of growth opportunities

**Investment sum:**  
in planning




**Zhuhai, China**

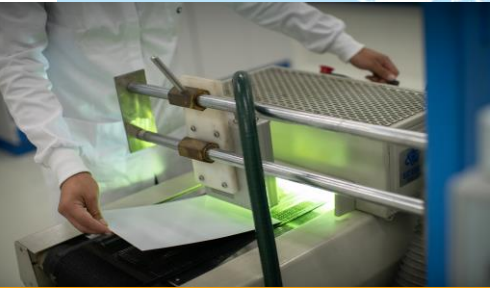
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# Global Site Network Further Expanded – Regional Profile Strengthened


## New investments in future growth



**Araçariquama - São Paulo, Brazil**

Consolidation of three sites to modernize production and significantly expand research capacities

**Investment sum:**  
~ 7 million euros



**Wesel, Germany**

Construction of a new laboratory building to be able to develop solutions for future markets even more intensively

**Investment sum:**  
~ 25 million euros




**India**

Cross-divisional site to take full advantage of growth opportunities

**Investment sum:**  
in planning




**Zhuhai, China**

Significantly expanded production capacities to meet the growing demand for solutions for the energy and mobility transformation

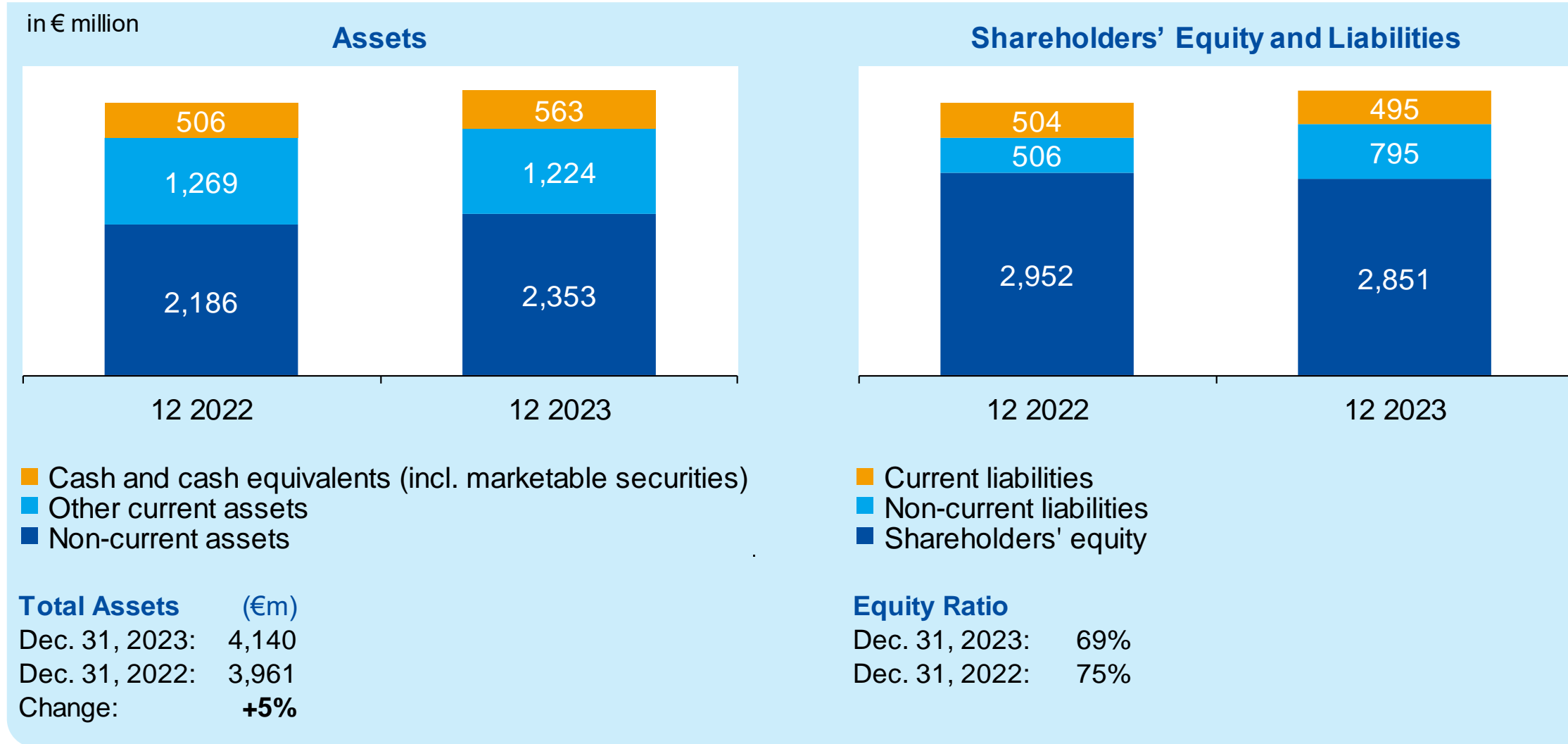
**Investment sum:**  
~ 40 million euros



● ALTANA ● BYK ● ECKART ● ELANTAS ● ACTEGA

# Balance Sheet

Total assets exceed € 4 billion for the first time; equity ratio remains high






# Solid Long-term Financing Structure

## High flexibility

in € million

	2022	2023
Cash and cash equivalents (incl. securities, financial assets and issued loans)	532	611
Other financial liabilities	(215)	(464)
<b>Net financial position</b>	<b>317</b>	<b>148</b>
Employee benefit obligations	(172)	(200)
<b>Net debt (-) / Net assets (+)</b>	<b>145</b>	<b>(52)</b>

- New **sustainability-linked loan** ("ESG-linked loan") amounting to **€ 180 million**
- The transaction, which was placed with German and international investors, was **several times oversubscribed**.
- **Flexible structure, attractive interest rate**
- The interest rate is linked to **sustainability components** and therefore depends on the company's performance in terms of environmental, social, and corporate control processes.



# ALTANA – Outlook 2024

Presented by  
**Martin Babilas**  
CEO



## Our forecast for 2024:

- Moderate growth in the global economy
- Positive demand trend
- Operating sales growth expected to be in the mid single-digit percentage range
- Further growth through recent acquisitions
- Improved earnings profitability
- **With its financial and innovative strength and the acquisitions and investments the company made, ALTANA remains ideally positioned for sustainable growth with future-oriented solutions**

Thank you for  
your attention