

Full Year 2014 Results

ALTANA AG Annual Press Conference
Düsseldorf, March 20, 2015



ALTANA

Agenda

Overview and Outlook

Dr. Matthias L. Wolfgruber,
CEO

Financials

Martin Babilas,
Member of the Management Board

Q&A

Dr. Matthias L. Wolfgruber, CEO
Martin Babilas, Member of the Management Board
Dr. Christoph Schlünken, Member of the Management Board

Welcome Address

Andrea Neumann,
Head of Corporate Communications

ALTANA 2014 – Overview

Presented by
Dr. Matthias L. Wolfgruber
CEO



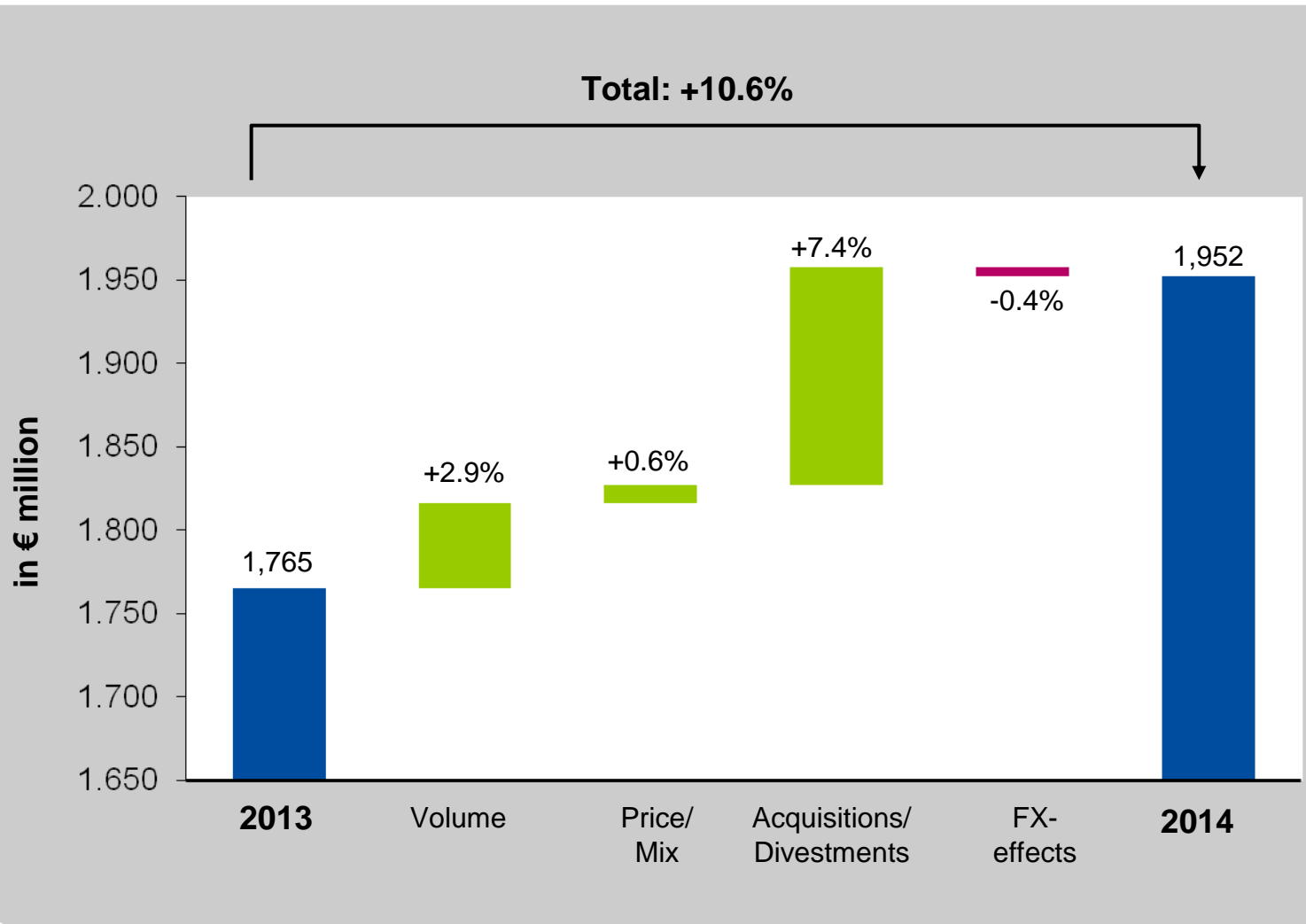
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2014: A Strong Year for ALTANA

- Sales increase by 11% to €2 billion
 - EBITDA reaches €397 million
 - At 20.4%, EBITDA margin at high level
 - More than 6,000 employees worldwide for the first time
 - Successful integration of rheology activities
- **On track for further profitable growth**






Sales: Growth Components

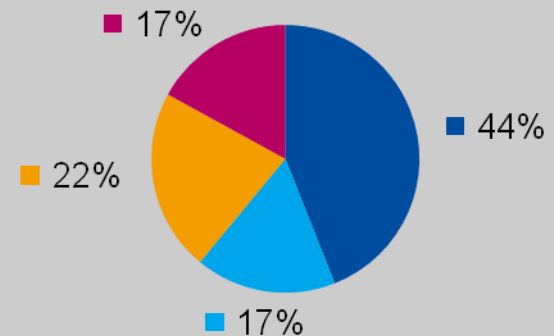
Acquisitions and higher sales volumes as drivers



Sales by Division

BYK achieves double-digit growth through acquisition

(in € million)	2014	2013	Δ %	Δ % operat. ^(a)
 BYK Additives & Instruments	857	691	24	7
 ECKART Effect Pigments	332	335	-1	-1
 ELANTAS Electrical Insulation	431	415	4	5
 ACTEGA Coatings & Sealants	332	325	2	0
 ALTANA	1,952	1,765	11	4

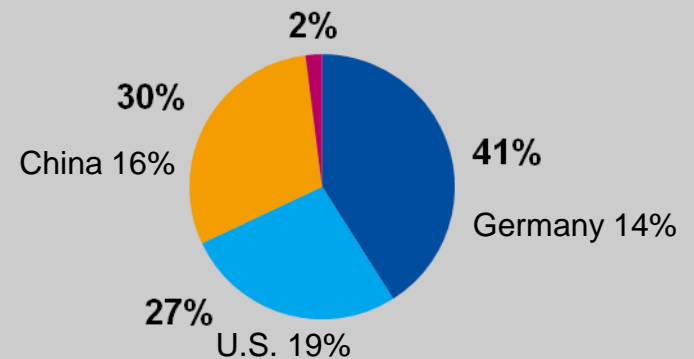


(a) adjusted for exchange rate as well as acquisition and divestment effects

Sales by Region

Growth worldwide – particularly in the Americas

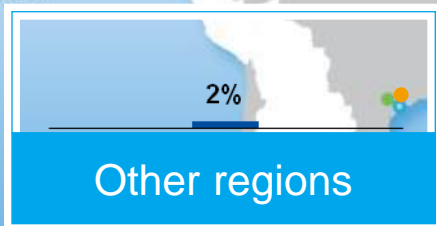
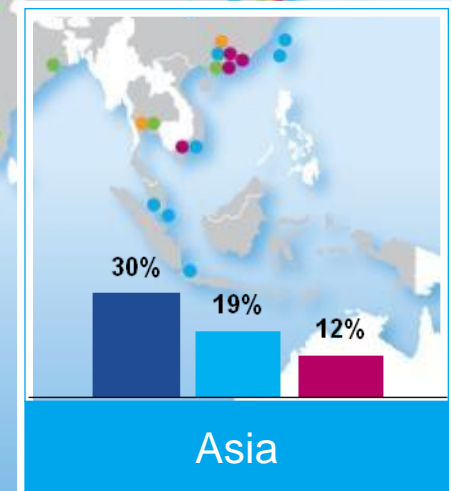
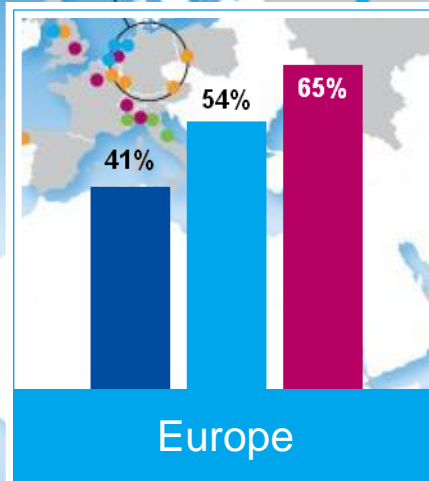
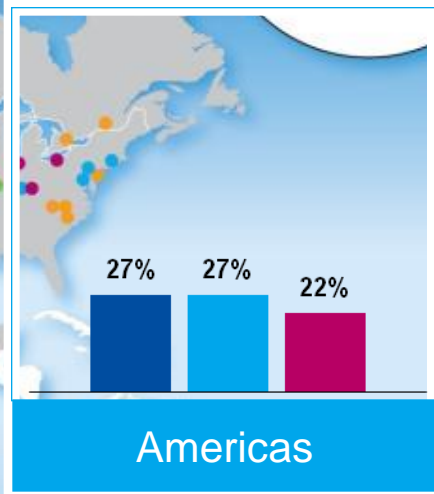
(in € million)	2014	2013	Δ %	Δ % operat. ^(a)
Europe	795	745	7	2
<i>thereof Germany</i>	<i>277</i>	<i>262</i>	<i>5</i>	<i>2</i>
Americas	527	438	20	4
<i>thereof U.S.</i>	<i>365</i>	<i>289</i>	<i>26</i>	<i>8</i>
Asia	593	547	8	5
<i>thereof China</i>	<i>310</i>	<i>288</i>	<i>8</i>	<i>5</i>
Other regions	37	34	8	3
ALTANA Group	1,952	1,765	11	4



(a) adjusted for exchange rate as well as acquisition and divestment effects

Strong Presence in Growth Regions

- Balanced geographical profile
- 49 production sites and more than 50 service and laboratory locations worldwide



- ALTANA Holding
- BYK
- ECKART
- ELANTAS
- ACTEGA

- Sales 2014
- Assets (as of Dec. 31, 2014)
- Headcount (as of Dec. 31, 2014)

Milestones in 2014

Our course is set worldwide for further growth

June: BYK USA puts into operation expanded production facilities

Largest single investment project outside of Germany to date finished according to plan



New research and production buildings of ACTEGA and ELANTAS are now in operation; BYK acquires new site



April: Expansion in China

June: Investment in Landa Digital Printing

Start of a strategic partnership for future innovations

November: Enlargement of the Management Board

Dr. Christoph Schlünken's appointment is a direct response to our continued growth

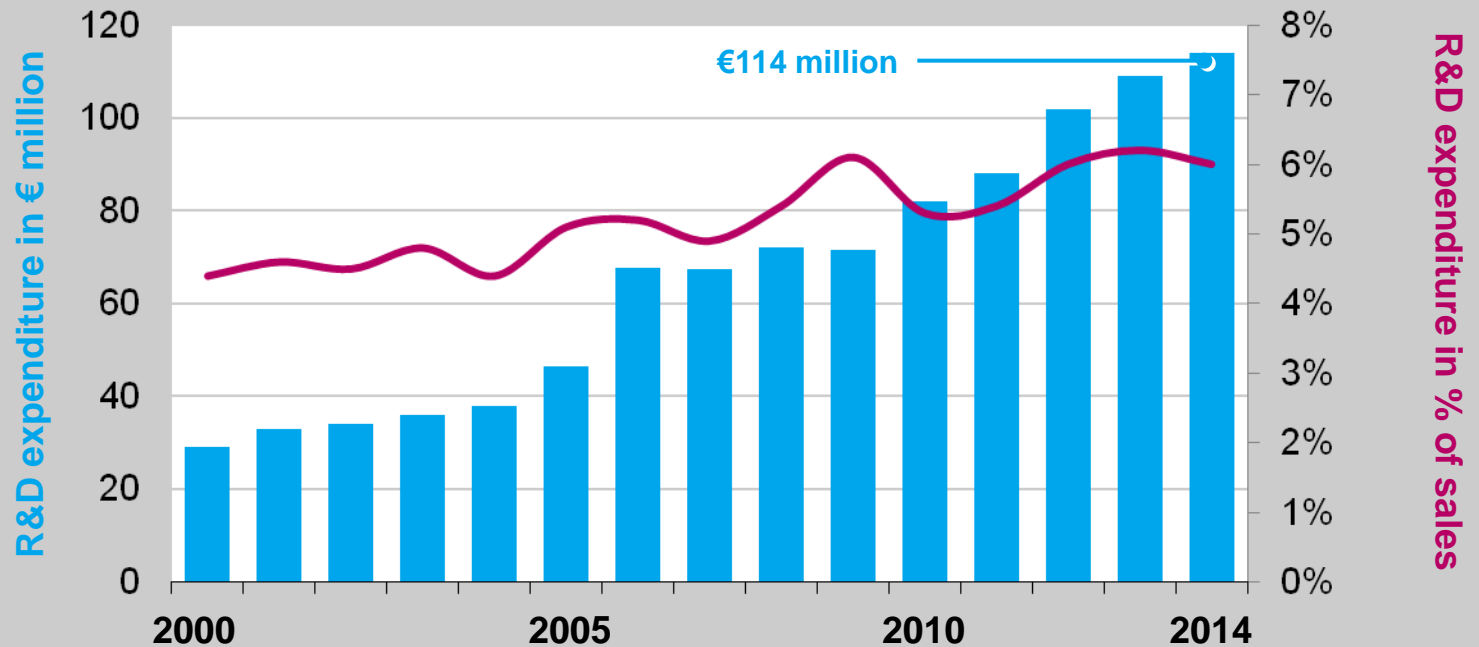


December: Expansion of business in Brazil through acquisitions

ACTEGA acquires two companies in the overprint varnish and printing ink industry

Investment in Our Future

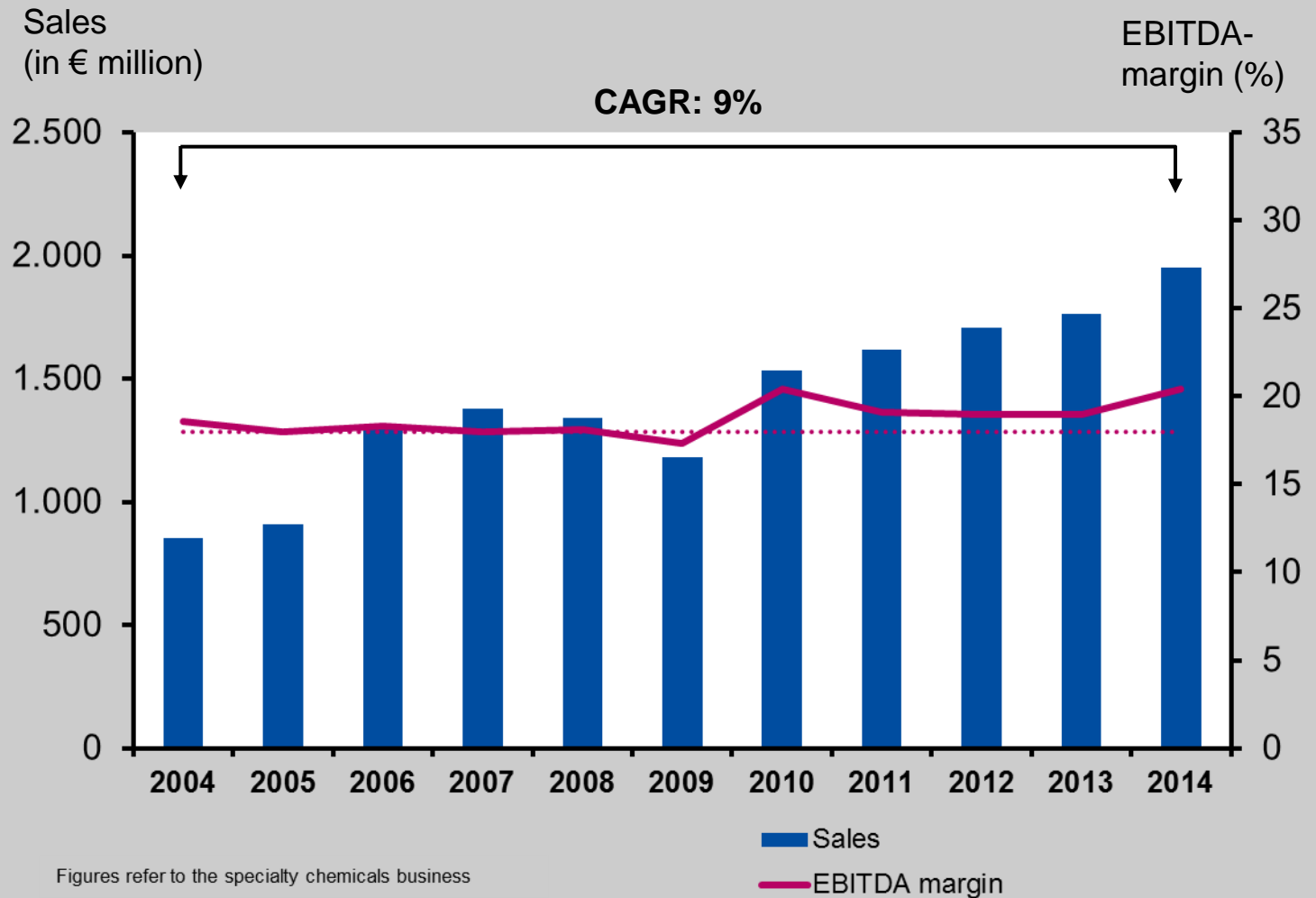
Research and development



- R&D expenses: 6% of sales
- R&D expenditure has tripled over the past ten years
- For the first time, more than 1,000 employees in R&D

10-Year Trend

Sustainable profitable growth



ALTANA 2014 – Financials

Presented by
Martin Babilas
Member of the Management Board



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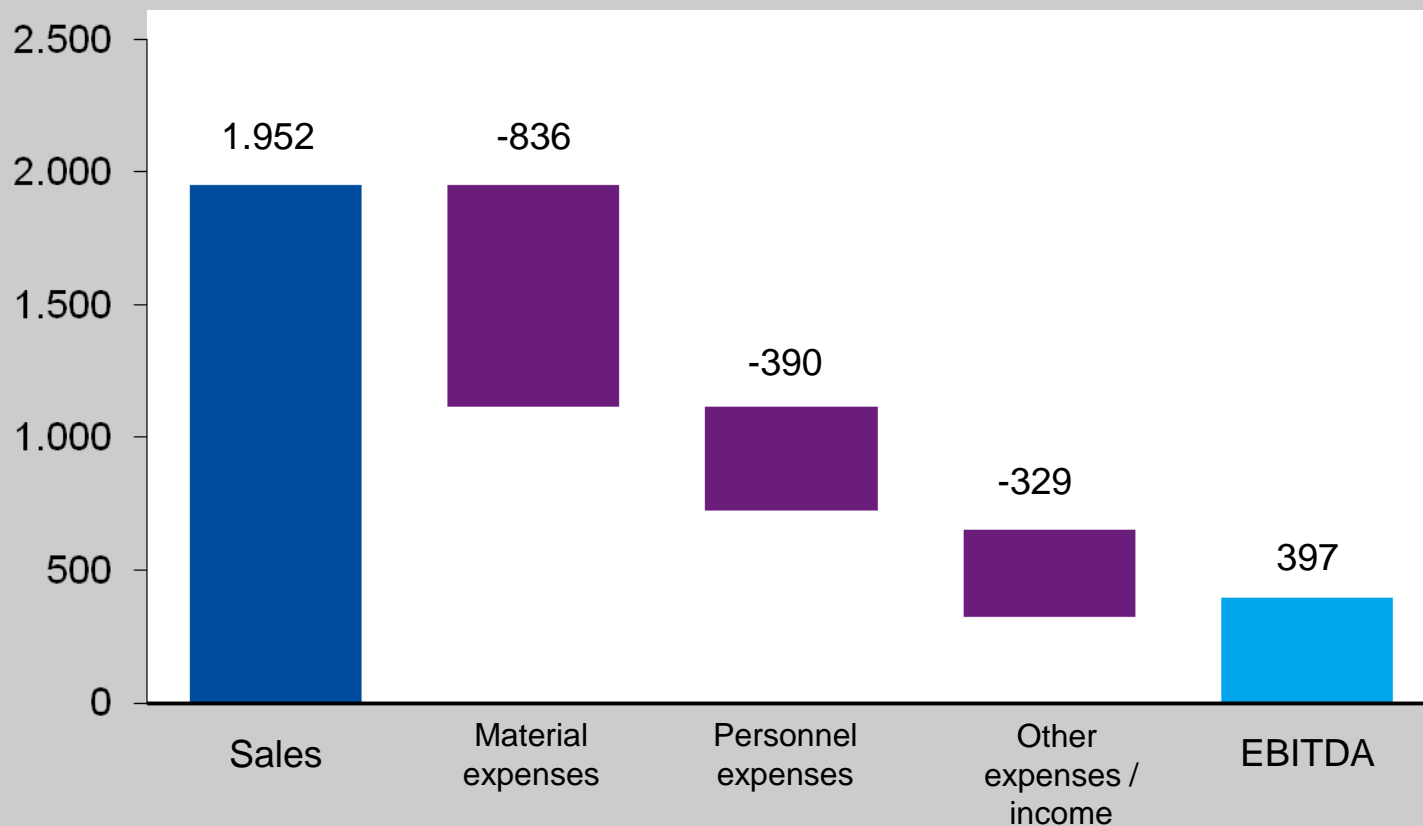
Income Statement

(in € million)	2014	% of sales	2013	% of sales	Δ %
Sales	1,952	100.0	1,765	100.0	10.6
Material expenses	(836)	(42.8)	(781)	(44.2)	(7.1)
Production expenses	(374)	(19.2)	(318)	(18.0)	(17.7)
Gross profit	742	38.0	667	37.8	11.3
Selling & distribution expenses	(263)	(13.5)	(234)	(13.3)	(12.3)
Research & development expenses	(114)	(5.8)	(109)	(6.2)	(4.2)
General administration expenses	(101)	(5.2)	(94)	(5.3)	(7.8)
Other operating income/expenses	4	0.2	0	0.0	>100
Operating income (EBIT)	268	13.7	229	13.0	16.8
Financial result	(14)	(0.7)	(17)	(1.0)	18.3
Income from associated companies	(2)	(0.1)	1	0.0	<-100
Earnings before taxes (EBT)	252	12.9	213	12.0	18.4
Income tax ^(a)	(73)	(28.6)	(61)	(28.8)	(19.1)
Net income (EAT)	179	9.2	152	8.6	18.1

(a) rate as % of EBT, before income from associated companies (tax rate)

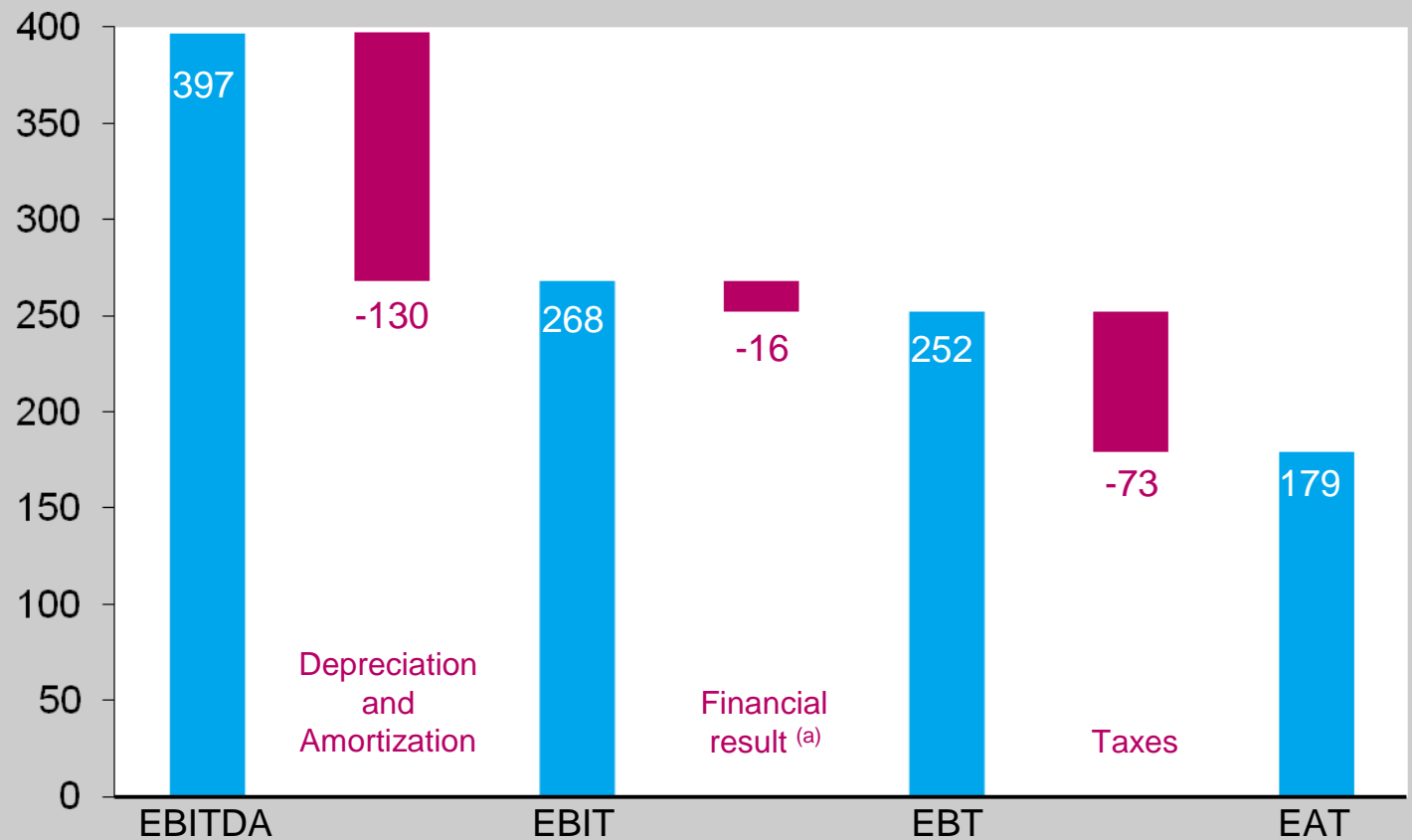
Major Expense Items

in € million



Details on 2014 Earnings

in € million



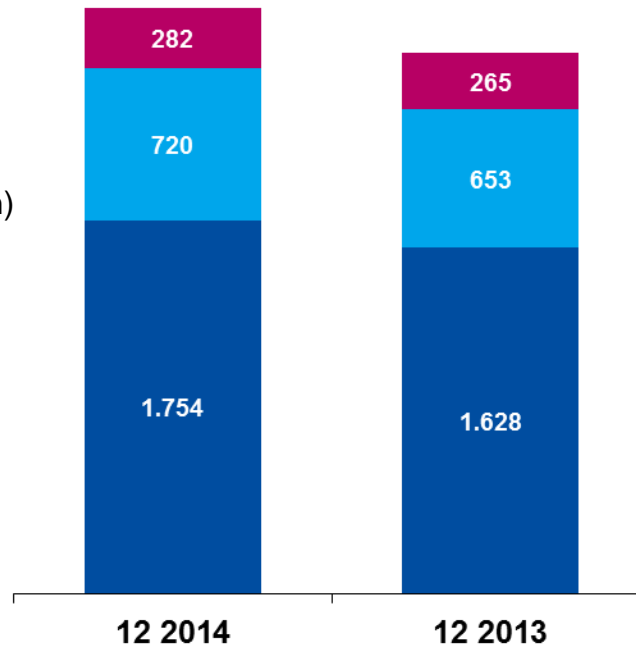
(a) incl. income from associated companies

Cash Flow Statement 2014

(in € million)	2014	2013
Net income	179	152
Amortization, depreciation, and impairment on intangible and tangible assets	130	107
Change in net working capital	(31)	(5)
Change in provisions and other	20	6
Cash flow from operating activities	298	259
Investments in intangible and tangible assets	(90)	(94)
Other	2	1
Cash flow from ordinary investing activities	(88)	(93)
Ordinary free cash flow	210	166
Acquisitions	(26)	(475)
Free cash flow	184	(309)

ALTANA Group Consolidated Statement of Financial Position as of Dec. 31, 2014

Assets (in € million)



Total Assets (in € million)

Dec. 31, 2013: 2,546

Dec. 31, 2014: 2,756

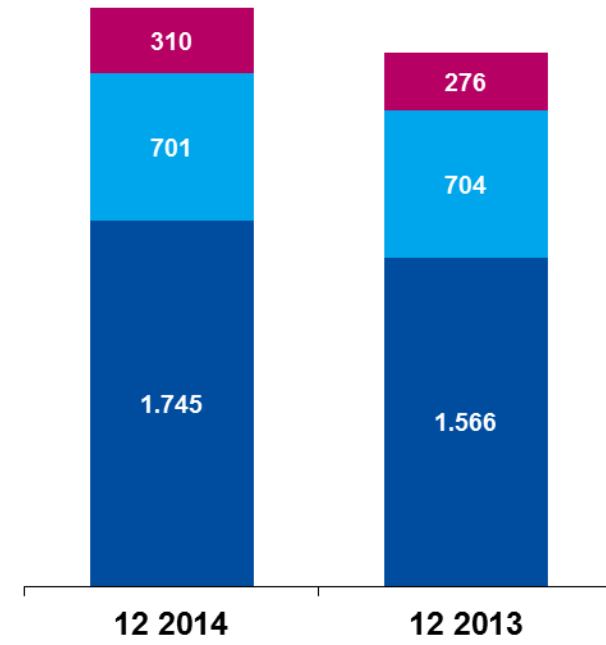
Change: +20%

Equity Ratio

Dec. 31, 2013: 61%

Dec. 31, 2014: 63%

Shareholders' Equity and Liabilities (in € million)



- Cash and cash equivalents (incl. marketable securities)
- Other current assets
- Non-current assets

- Current liabilities
- Non-current liabilities
- Shareholders' equity

Financing Structure

(in € million)	Dec. 31, 2014	Dec. 31, 2013
Cash and cash equivalents (incl. marketable securities)	282	265
Promissory note loan (German Schuldschein)	(350)	(350)
Indebtedness to banks	(5)	(72)
Net financial position	(73)	(157)
Employee benefit obligations	(208)	(147)
Net debt (-) / financial assets (+)	(280)	(304)

- Net debt after acquisitions < 1 x EBITDA

➤ **Flexibility for further growth**

Value Management

(in € million)	2014	2013
Operating capital (annual average)	2,300	2,021
Operating earnings (after tax)	236	200
Return on capital employed (ROCE)	10.3%	9.9%
Weighted average cost of capital	8.0%	8.0%
ALTANA Value Added (%)	2.3%	1.9%
ALTANA Value Added (abs.)	52	39

➤ **ALTANA continues to increase value**

ALTANA – Outlook 2015

Presented by
Dr. Matthias L. Wolfgruber
CEO



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Outlook 2015

- Economy expected to show stable growth similar to that of the previous year
 - Highest growth rates in Asia and the Americas
 - Further recovery of the European economy
 - Operating sales growth should range between 2% and 5%
 - Higher nominal sales growth due to positive acquisition and exchange rate effects
 - Return on sales and capital expected to be similar to that of 2014
 - EBITDA margin of around 20%
- **Strong basis for further growth
due to our sound financial position and innovative strength**

Thank you for your
attention



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