

Full Year 2013 Results

ALTANA AG Annual Press Conference
Düsseldorf, March 21, 2014



ALTANA

Agenda

Overview

Dr. Matthias L. Wolfgruber,
CEO

Financials

Martin Babilas,
CFO

Outlook

Dr. Matthias L. Wolfgruber,
CEO

Welcome Address

Andrea Neumann,
Head of Corporate Communications

ALTANA 2013 – Overview

Presented by
Dr. Matthias L. Wolfgruber
CEO



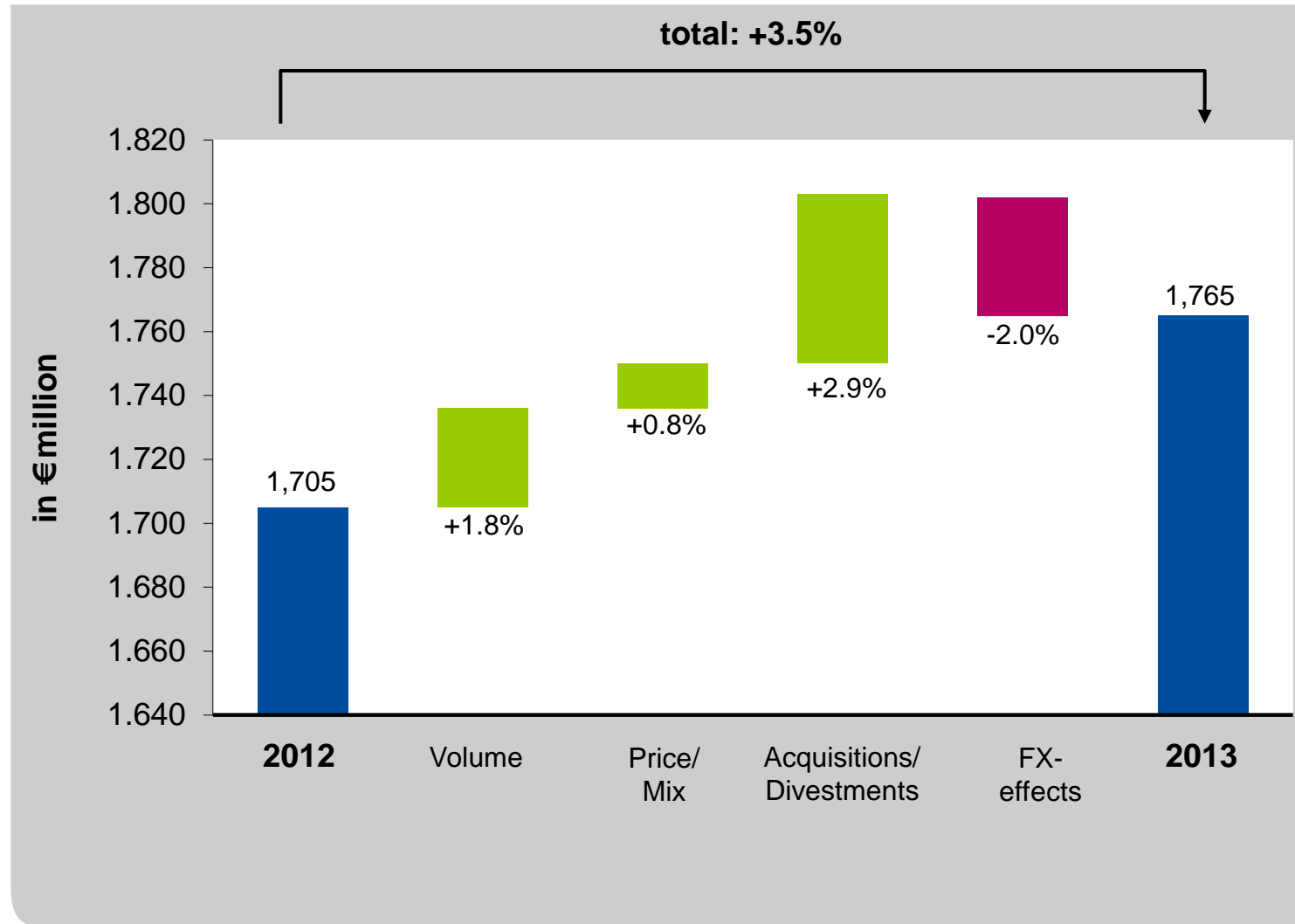
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ALTANA Continues its Growth Course

- Sales increase by 4 % to €1.8 billion
 - EBITDA reaches €336 million
 - At 19%, EBITDA margin remains at a high level
 - Dynamic growth of R&D expenses
 - Headcount rises to 5,741
 - Integration of rheology acquisition is proceeding to plan
- **Another important milestone on our growth path**






Sales: Growth Components

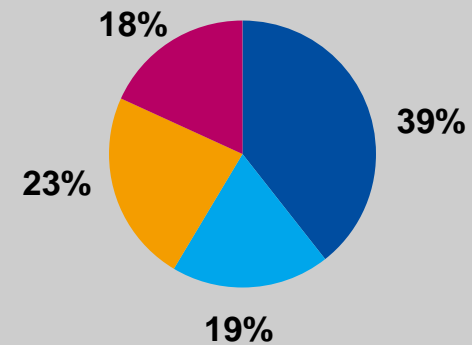
Acquisitions and higher sales volumes as drivers



Sales by Division

Strong growth at BYK through acquisition

(in €million)	2013	2012	Δ %	Δ % operat. ^(a)
 BYK Additives & Instruments	691	618	12	7
 ECKART Effect Pigments	335	341	-2	0
 ELANTAS Electrical Insulation	415	413	1	3
 ACTEGA Coatings & Sealants	325	334	-3	-3
 ALTANA	1,765	1,705	4	3

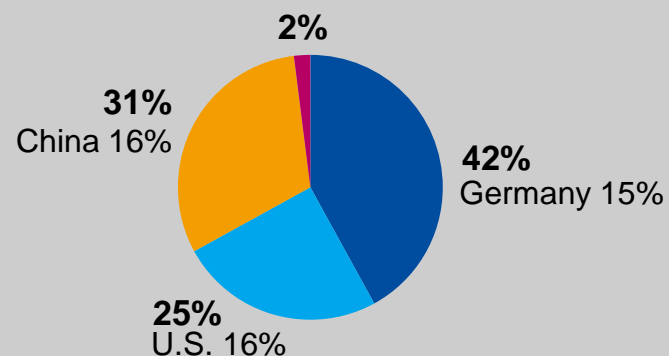


(a) adjusted for exchange rate as well as acquisition and divestment effects

Sales by Region

Growth in Asia and the Americas

(in €million)	2013	2012	Δ %	Δ % operat. ^(a)
Europe	745	752	-1	-2
<i>thereof Germany</i>	262	266	-1	-2
America	438	412	6	1
<i>thereof U.S.</i>	289	268	8	1
Asia	547	510	7	10
<i>thereof China</i>	288	252	14	14
Other regions	34	32	8	7
ALTANA Group	1,765	1,705	4	3



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

Acquisitions in 2013

Expansion & specialization considerably pushed ahead

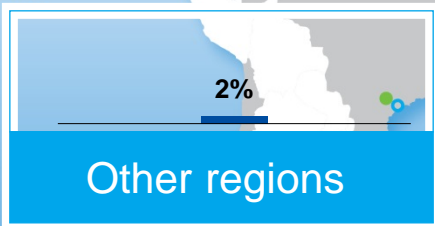
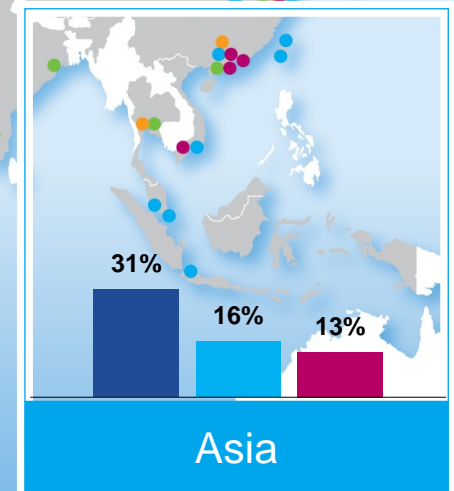
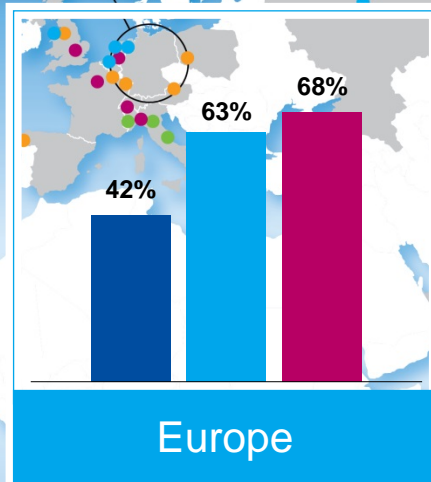
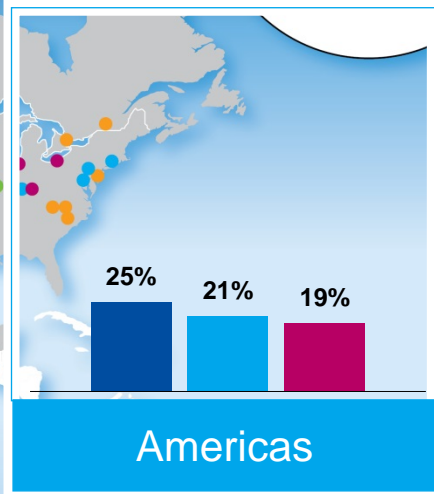
- **ALTANA acquires Rockwood's rheology business**
second-largest acquisition in the company's history,
integration into the BYK division as of October 1, 2013
 - **BYK becomes a leading supplier of rheology additives**

- **Acquisition of Henkel's specialty coatings business**
integration into ACTEGA Kelstar and ACTEGA Terra in
August 2013
 - **Further expansion, particularly in North America**

- **Acquisition of Valspar's overprint varnishes activities**
integration into ACTEGA Terra in October 2013
 - **Strengthening of European business**

Strong Presence in Growth Regions

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



- ALTANA Holding
- BYK
- ECKART
- ELANTAS
- ACTEGA

- Sales 2013
- Assets (as of Dec. 31, 2013)
- Headcount (as of Dec. 31, 2013)

Further Expansion in Growth Markets

Major investment projects in 2013/2014



BYK expands its production in the U.S.

Largest investment outside of Germany to date in Wallingford
Basis for further growth in North America
Strengthening of regional development of additives

ELANTAS expands its production capacity in China

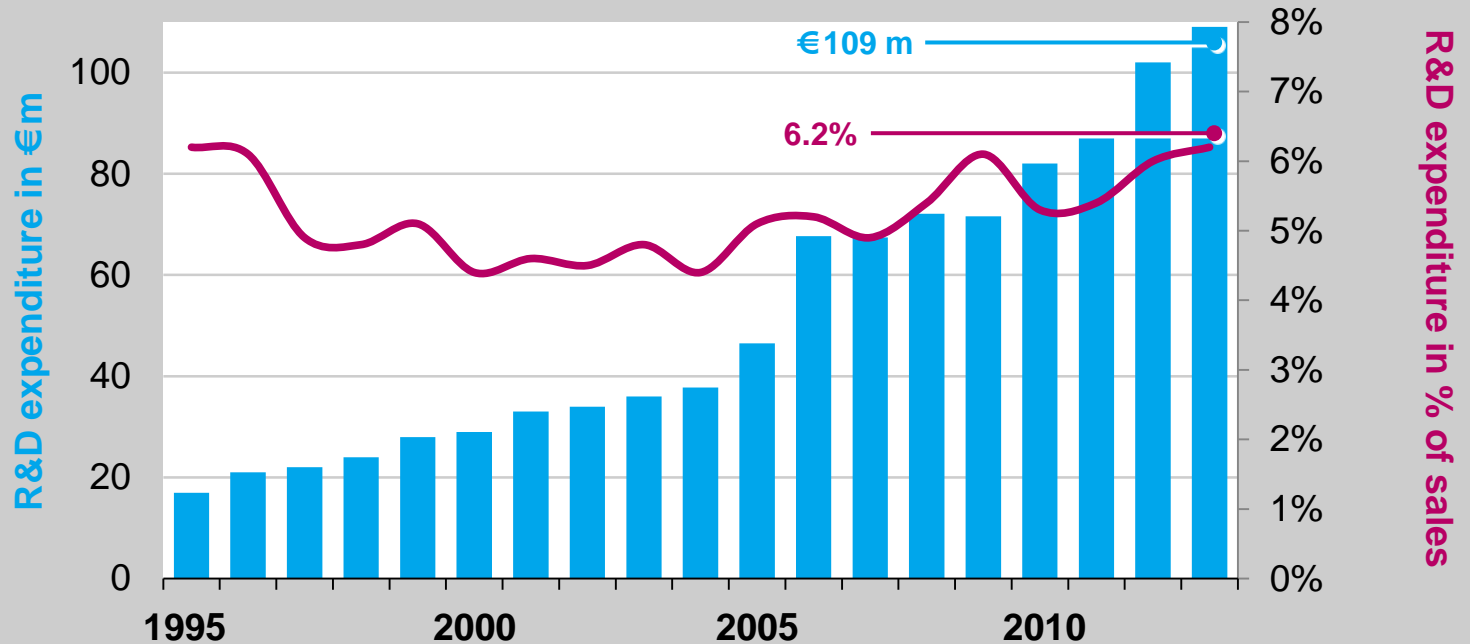
Expansion of production in Tongling to meet
strong demand for wire enamels

ACTEGA builds new laboratory in China

Strengthening of R&D for Chinese customers at the company's
site in Foshan

Sustainable Investment in Our Future

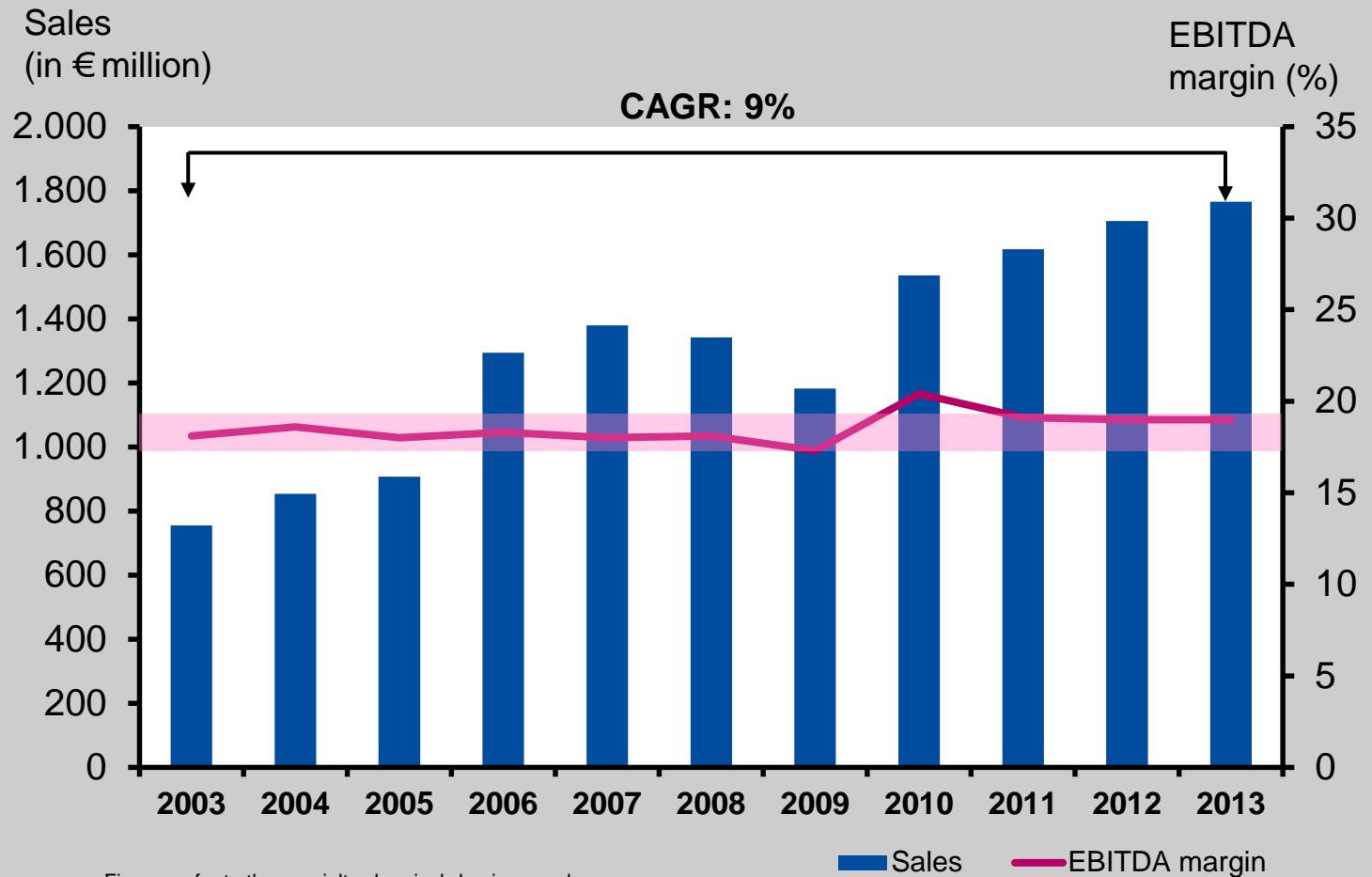
Dynamic increase in R&D expenses



More than 16% of our employees work in research and development

10-Year Trend

Sustainable value creation through profitable growth



Figures refer to the specialty chemicals business only

ALTANA 2013 – Financials

Presented by
Martin Babilas
CFO



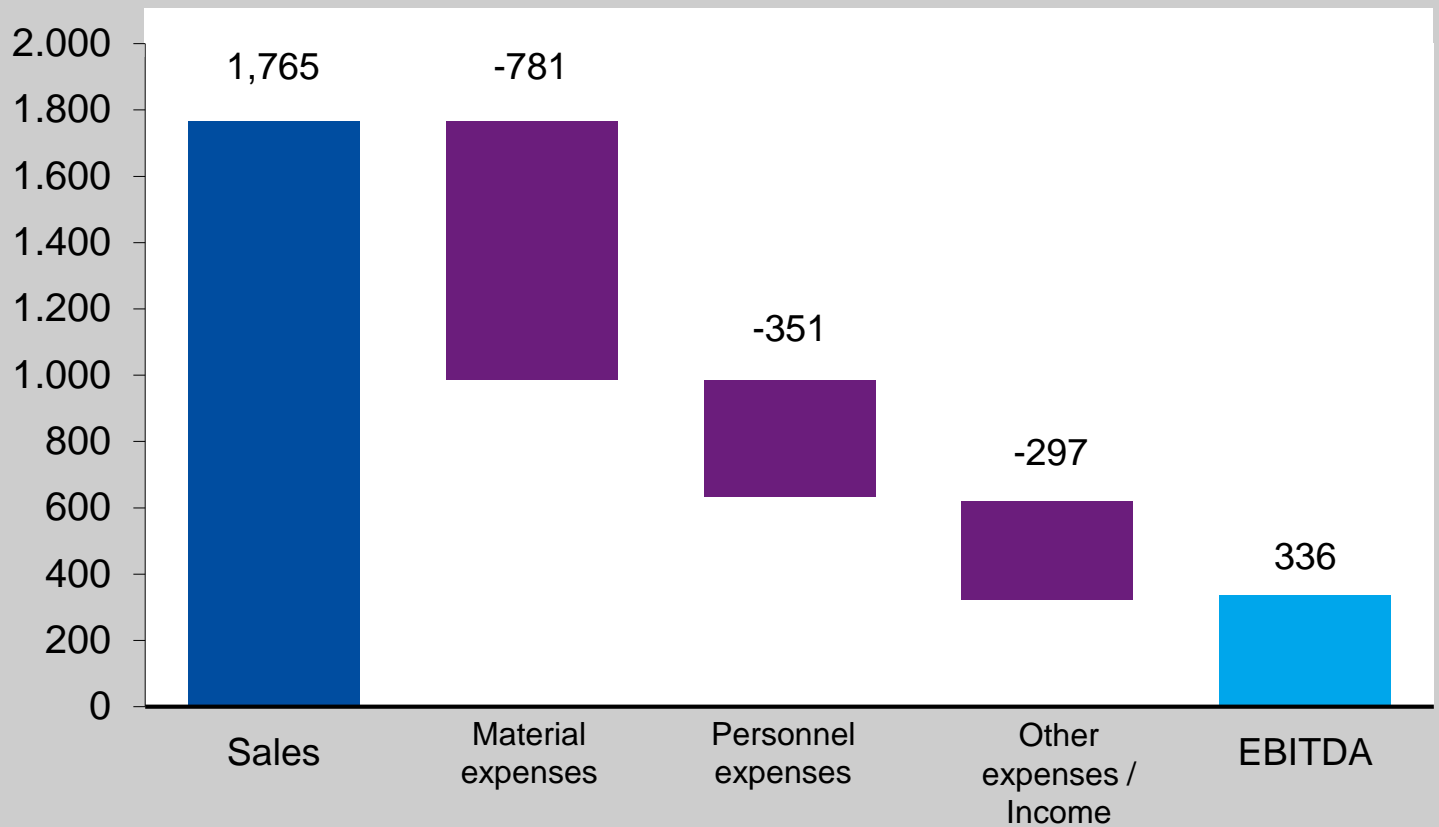
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Income Statement

(in € million)	2013	Sales in %	2012	Sales in %	Δ %
Sales	1,765	100.0	1,705	100.0	3.5
Material expenses	(781)	-44.2	(767)	-45.0	-1.8
Production expenses	(318)	-18.0	(298)	-17.5	-6.6
Gross profit	667	37.8	640	37.5	4.1
Selling & distribution expenses	(234)	-13.3	(227)	-13.3	-3.3
Research & development expenses	(109)	-6.2	(102)	-6.0	-6.9
General administration expenses	(94)	-5.3	(91)	-5.3	-3.1
Other operating income/expenses	0	0.0	7	0.4	-98.7
Operating income (EBIT)	229	13.0	227	13.3	1.0
Financial result ^(a)	(17)	-0.9	(10)	-0.6	-70.2
Earnings before taxes (EBT)	213	12.0	217	12.7	-2.1
Income tax ^(b)	(61)	-28.7	(63)	-28.8	2.5
Net income (EAT)	152	8.6	155	9.1	-2.0

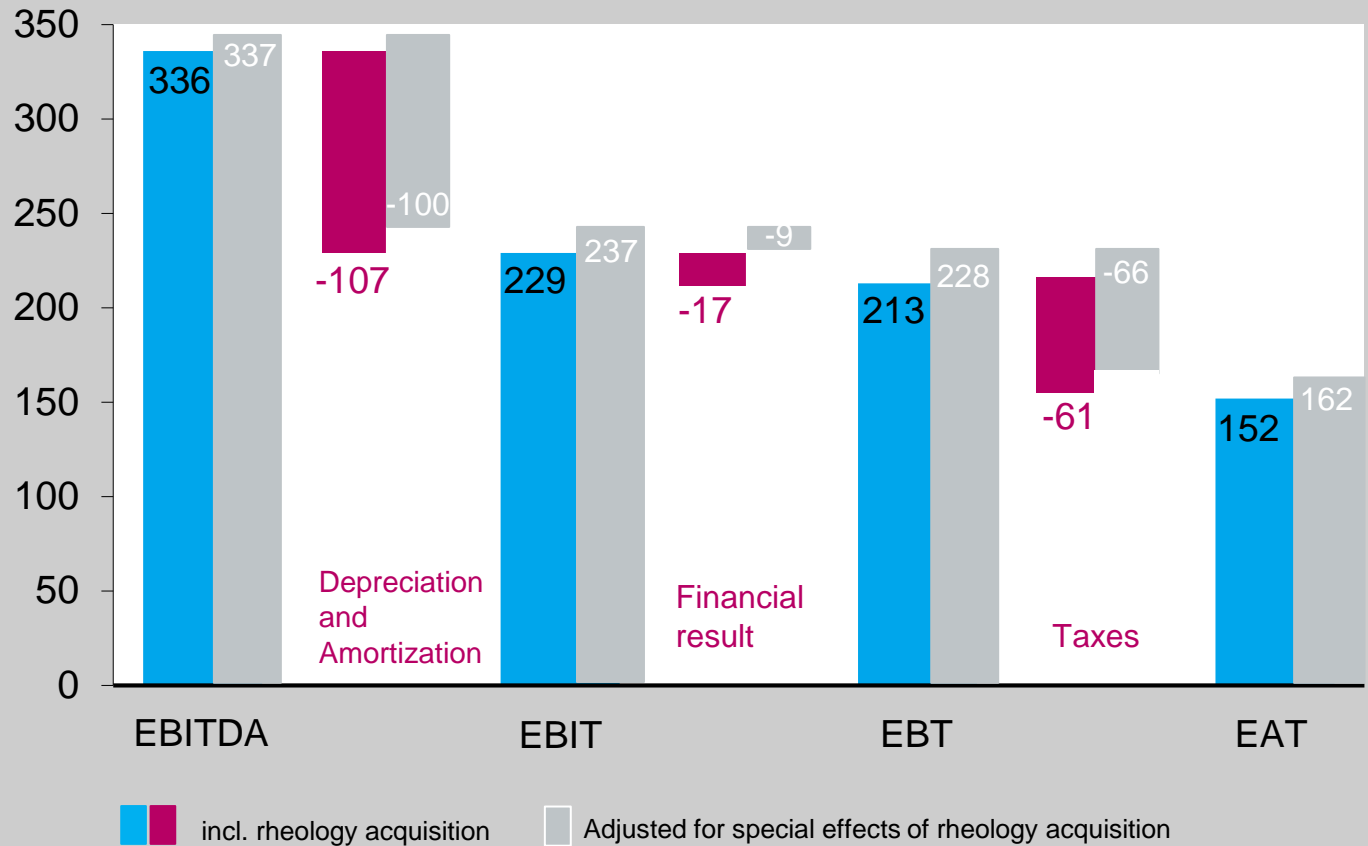
Major Expense Items

in €million



Details on 2013 Earnings

in € million

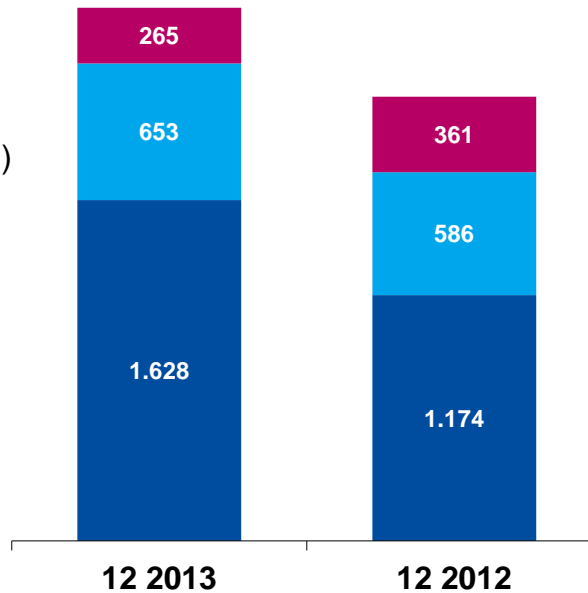


Cash Flow Statement 2013

(in € million)	2013	2012
Net income	152	155
Amortization, depreciation, and impairment on intangible and tangible assets	107	96
Change in net working capital	(5)	0
Change in provisions and other	6	23
Cash flow from operating activities^(a)	259	275
Investments in intangible and tangible assets	(94)	(90)
Other	1	1
Cash flow from ordinary investing activities	(93)	(89)
Ordinary free cash flow	166	185
Acquisitions	(475)	(10)
Payments from the sale of ALTANA Pharma	-	(7)
Free cash flow	(309)	168

ALTANA Group Consolidated Statement of Financial Position as of December 31, 2013

Assets (in € million)



Total Assets (in € million)

Dec. 31, 2013: 2,546

Dec. 31, 2012: 2,121

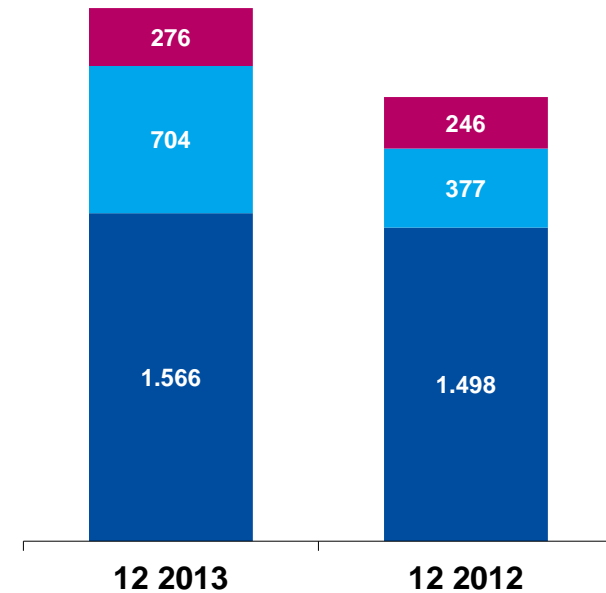
Change: +20%

Equity Ratio

Dec. 31, 2013: 61%

Dec. 31, 2012: 71%

Shareholders' Equity and Liabilities (in € million)



■ Non-current assets

■ Other current assets

■ Cash and cash equivalents (incl. marketable securities)

■ Current liabilities

■ Non-current liabilities

■ Shareholders' equity

Financing Structure

(in €million)	Dec. 31, 2013	Dec. 31, 2012
Cash and cash equivalents (incl. marketable securities)	265	361
Promissory note loan (German Schuldschein)	(350)	(150)
Indebtedness to banks	(72)	(3)
Net financial position	(157)	208
Employee benefit obligations	(147)	(140)
Net debt (-) / financial assets (+)	(304)	68

- Strengthening of the company's long-term financing capability through successful issue of a second promissory note loan (German Schuldschein) with a volume of €200 million
- Net debt after acquisitions < 1 x EBITDA

➤ Flexibility for further growth

Value Management

(in €million)	2013	2013 excl. rheology acquisition	2012
Operating capital (annual average)	2,021	1,796	1,762
Operating earnings (after tax)	200	198	191
Return on capital employed (ROCE)	9.9%	11.0%	10.8%
Weighted average cost of capital	8.0%	8.0%	8.0%
ALTANA Value Added (%)	1.9%	3.0%	2.8%
ALTANA Value Added (abs.)	39	54	50

➤ **ALTANA continues to create value**

ALTANA – Outlook 2014

Presented by
Dr. Matthias L. Wolfgruber
CEO

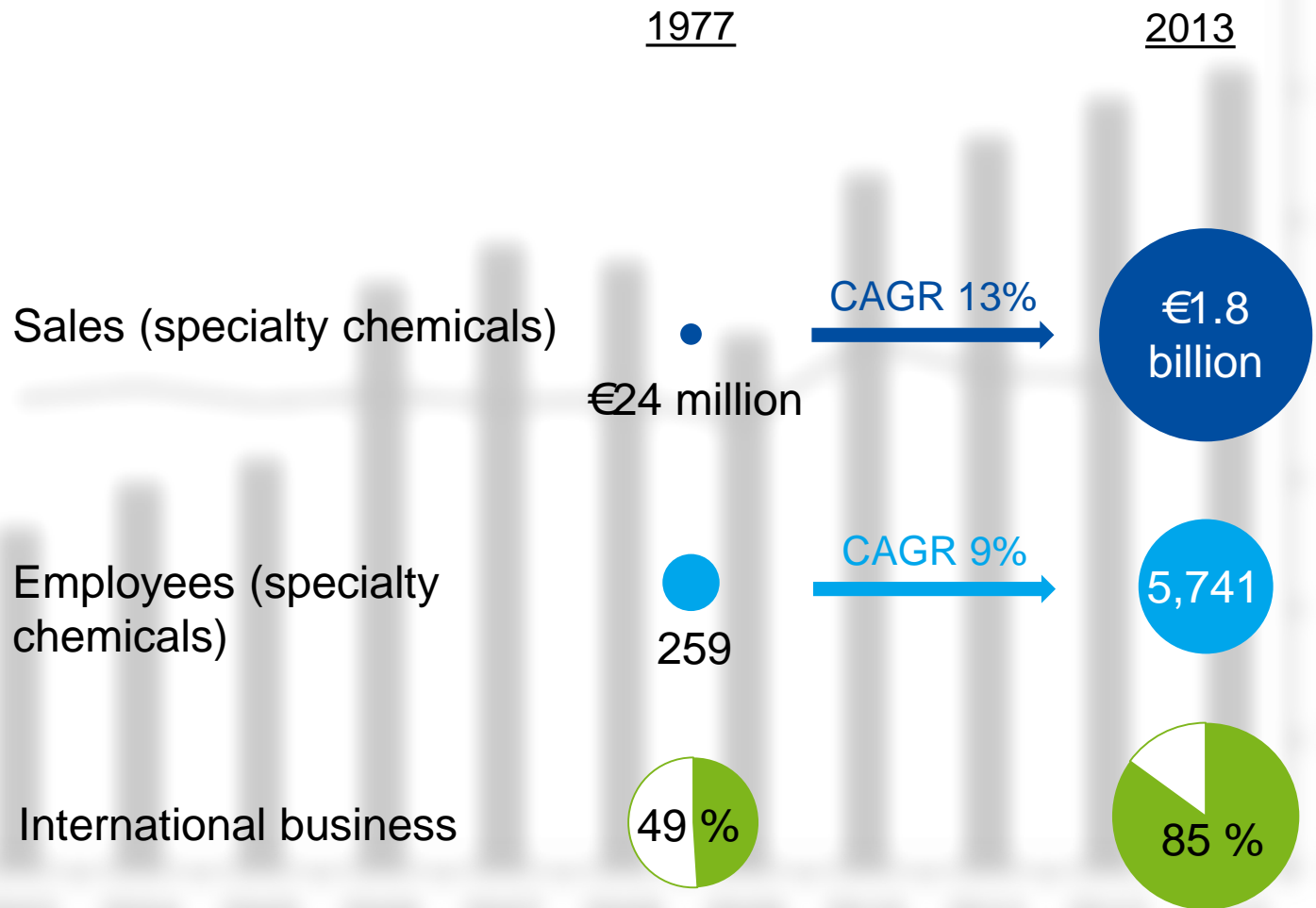


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Outlook 2014

- Slight improvement and enhanced stability of economic climate
 - Asia and the Americas will remain growth regions, Europe expected to return to the growth zone
 - Slightly accelerated operating sales growth in the low to medium single-digit percentage range
 - High single-digit nominal sales growth due to the acquisitions implemented in 2013
 - Return on sales and capital expected to be at a similarly high level as in 2013
 - EBITDA margin should remain stable within the target range of 18 % and 20 %
- **Strong basis for further sustainable value creation due to our sound financial position and innovative strength**

ALTANA Is a True Growth Story



➤ **We want to continue on our growth course and seek to double our business by 2020**

Thank you for your
attention



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