

Press Release

Half-year results: ALTANA below the strong level of the previous year in a challenging environment

- **Sales decline by 4 percent to 1,154 million euros**
- **EBITDA margin reaches 19.2 percent**
- **Strong investments in research and development, digitalization, and locations worldwide**
- **Forecast for the year as a whole: sales roughly at previous year's level**

Wesel, August 6, 2019 – The specialty chemicals group ALTANA did not reach the strong level of the previous year in the first half of 2019. Due to continued sluggish demand in key industrial sectors, in particular the automotive industry, and the general economic slowdown, particularly in China, sales decreased by 4 percent to 1,154 million euros in the first six months of this year. Adjusted for positive exchange-rate effects, the decline was 6 percent. Earnings before interest, taxes, depreciation and amortization (EBITDA) reached 221 million euros, 12 percent down on the previous year's figure. The EBITDA margin reached 19.2 percent despite a further increase in expenses for research and development.

The Group boosted its spending in this field by 7 percent in the first half of 2019. With a share of sales of also 7 percent ALTANA continues to invest above-average amounts in research and development, including the development of innovative printing technologies.

"ALTANA is a company with substantial financial and innovative strength. Therefore, we can hold our ground even in a difficult environment and continue to invest heavily in our future in order to remain on course for sustained success," says Martin Babilas, Chief Executive Officer of ALTANA AG.

For the second half of the year, ALTANA expects the challenging conditions to persist. Sales for the year as a whole should be at roughly the same level as in the previous year. The EBITDA margin is expected to be at the lower end of the long-term target range of 18 to 20 percent.

Divisions: ACTEGA continues to grow

The largest division, BYK, recorded a decline in sales of 5 percent (7 percent in operating terms) to 535 million euros. The acquisition of Paul N. Gardner Company, completed in July, will contribute to strengthening the instruments business, particularly in America, in the second half of 2019.

The effect pigment specialist ECKART generated sales of 185 million euros. This corresponds to a decline in sales of 9 percent (operating 11 percent). In addition to sluggish demand, particularly from the automotive industry, the discontinuation of trading in white pigments in China contributed to this development as a special effect.

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The supplier of electrical insulation materials, ELANTAS, recorded sales of 250 million euros and was thus 4 percent (operating 5 percent) below the previous year's figure, mainly owing to the lack of demand momentum in China.

ACTEGA continued its growth in the first half of 2019. Due to the continuing good demand for coating and packaging solutions from consumer-oriented industries, the division increased its sales by 4 percent to 184 million euros. Adjusted for positive exchange-rate effects, operating sales growth amounted to 3 percent.

Stable development in Europe, sustained high investments in the future

Business developed differently from region to region. Europe, still the region with the highest sales, reached 456 million euros and remained stable overall with a slight minus of 2 percent. Sales in Asia fell by 8 percent to 363 million euros. Adjusted for positive exchange-rate effects, the decline in operating sales was 10 percent, mainly owing to the current low demand in China. Operating sales in America decreased by 6 percent. Due to positive exchange-rate effects, ALTANA almost reached the previous year's figure with only a slight decrease of 1 percent to 316 million euros.

ALTANA continued to expand its sites in all regions of the world in the first half of the year. In April, the Group opened a new integrated site for BYK in Shanghai. In June, a new ACTEGA innovation center commenced operations in Grevenbroich. ALTANA is currently significantly expanding the BYK site in Gonzales (Texas) with 50 million euros and the ACTEGA site in Bremen with around 20 million euros.

At the same time, ALTANA is investing heavily in digitalization. For example, two new e-commerce platforms went online at BYK and ACTEGA in the first half of the year. Over the next three years, the specialty chemicals group plans to spend almost 40 million euros on this future-oriented area.

At mid-year 2019 (June 30), ALTANA had 6,436 employees worldwide, 130 more than on June 30, 2018.

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 60 service and research laboratories worldwide. Throughout the Group more than 6,400 people work to ensure the worldwide success of ALTANA. In 2018, ALTANA achieved sales of €2.3 billion. About 7 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 2019	January to June 2018	Change in %	Operating change* in %
Sales – total	1,154	1,200	-4	-6
Sales by division				
BYK	535	561	-5	-7
ECKART	185	203	-9	-11
ELANTAS	250	260	-4	-5
ACTEGA	184	176	4	3
Sales by region				
Europe	456	466	-2	-2
<i>thereof Germany</i>	136	145	-6	-6
Americas	316	318	-1	-6
<i>thereof USA</i>	221	223	-1	-7
Asia	363	396	-8	-10
<i>thereof China</i>	190	221	-14	-15
Other regions	18	20	-7	-8
Earnings before interest, taxes, depreciation and amortization (EBITDA)	221	252	-12	-12
Operating income (EBIT)	148	186	-20	
Earnings before taxes (EBT)	130	171	-24	
Net income (EAT)	94	123	-23	
Research and development expenses	81	75	7	
Headcount (June 30)	6,436	6,307	2	

* Adjusted for acquisitions/divestments and exchange-rate effects