

Report on Fiscal Year 2020

ALTANA AG Annual Press Conference
March 19, 2021



Agenda

Overview and Outlook

Martin Babilas, CEO

Financials

Stefan Genten, CFO

Questions and Answers

Moderation

Andrea Neumann



ALTANA 2020 – Overview

Presented by
Martin Babilas
CEO

Steering Through the Pandemic

Focus on health protection and safety

The health of our employees is a top priority for ALTANA

Precautionary measures implemented at a very early stage and still in place have had an impact, in particular:

- Consistent distance and hygiene rules
- Equipping employees with protective masks
- Extensive travel restrictions
- Maximizing mobile work from home



On this basis, we ensured support and delivery performance for our customers

Except for a few temporary individual cases, all processes could be maintained worldwide

Constant supply of particularly important product solutions

Selected ALTANA Solutions in Particularly Important Areas

Sustainable, consumer-oriented applications in particular demand



“Greener consumption”: PVC-free sealing compounds for food packaging



DIY trend: paints and varnishes without solvents thanks to additives



Run on household appliances: functioning technology with electrical insulation materials



Bicycle boom: protective coatings thanks to functional metallic pigments

Balance Sheet 2020

Sales down only slightly, EBITDA exceeds previous year's level

€ 2,178 million sales

Overall only **3 %** below previous year's level

ACTEGA division grows by **9 %**

EBITDA rises to **€ 426 million**, margin at 19.6 percent

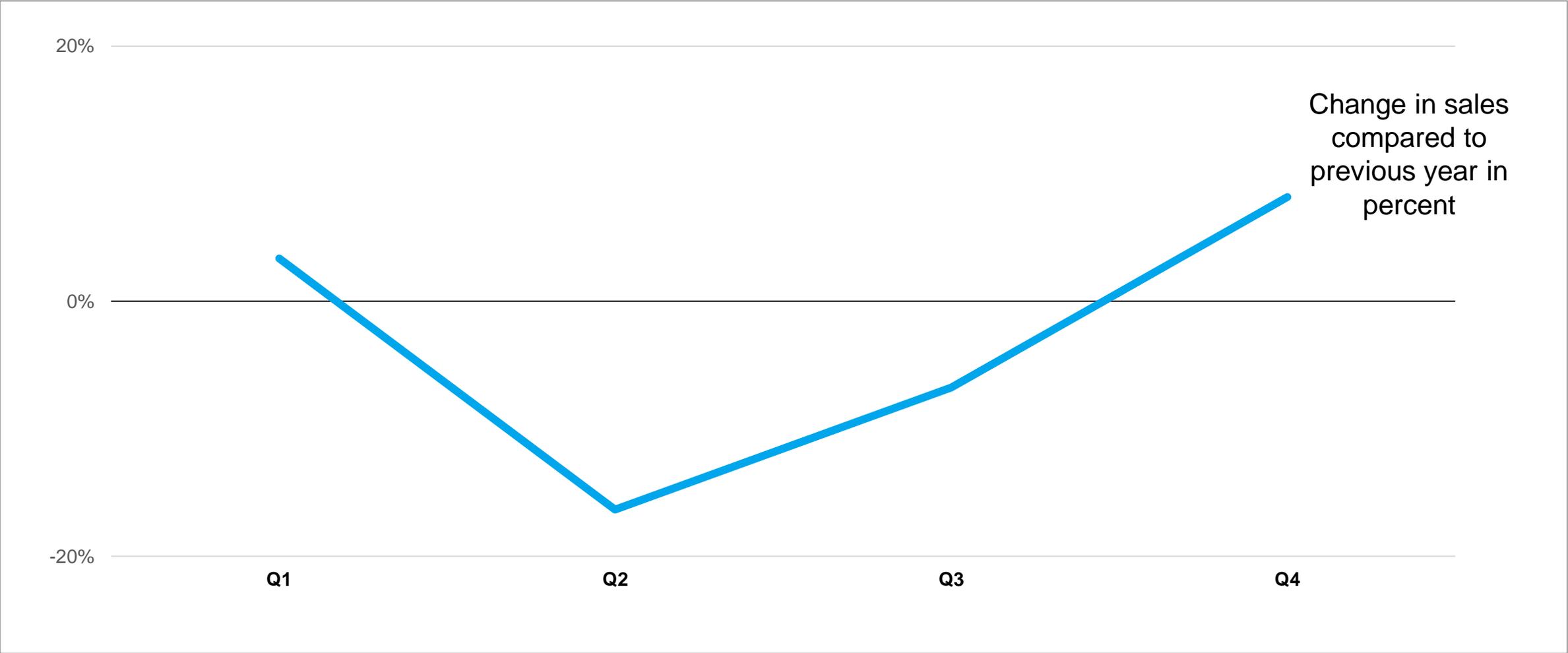
R&D spending remains high at about **8 %** of sales

Carbon footprint reduced by **50 %**

On course for sustainable growth

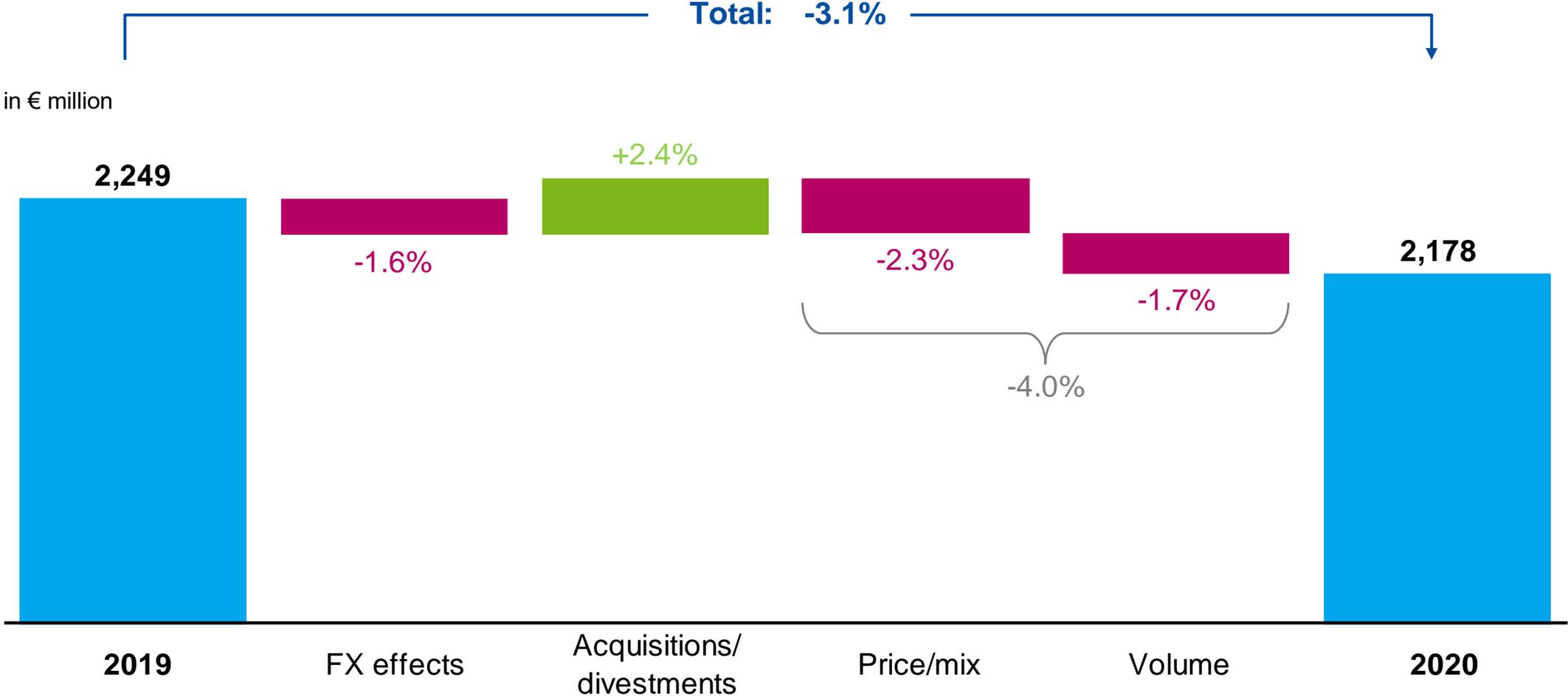
Business Performance 2020

Recovery after lockdown effect leads to exceptionally strong 4th quarter



Sales Development

Growth impetus from acquisitions

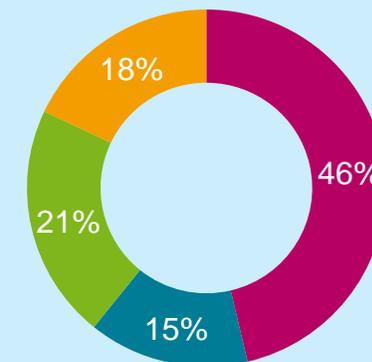


Sales by Division

ACTEGA on growth course due to acquisitions and higher demand

in € million

	2019	2020	Δ	Δ op.*
 BYK	1,041	1,009	(3%)	(4%)
 ECKART	356	315	(11%)	(11%)
 ELANTAS	495	463	(6%)	(5%)
 ACTEGA	358	391	9%	3%
 ALTANA	2,249	2,178	(3%)	(4%)



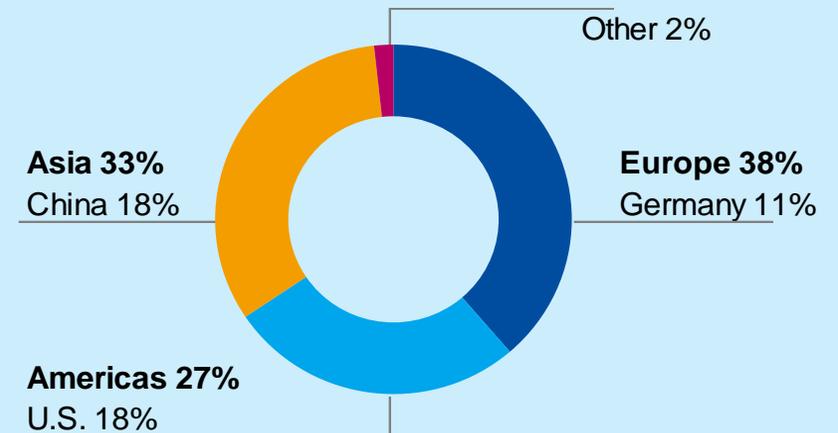
* adjusted for acquisition and divestment as well as exchange-rate effects

Sales by Region

Stable sales distribution, rapid recovery in China

in € million

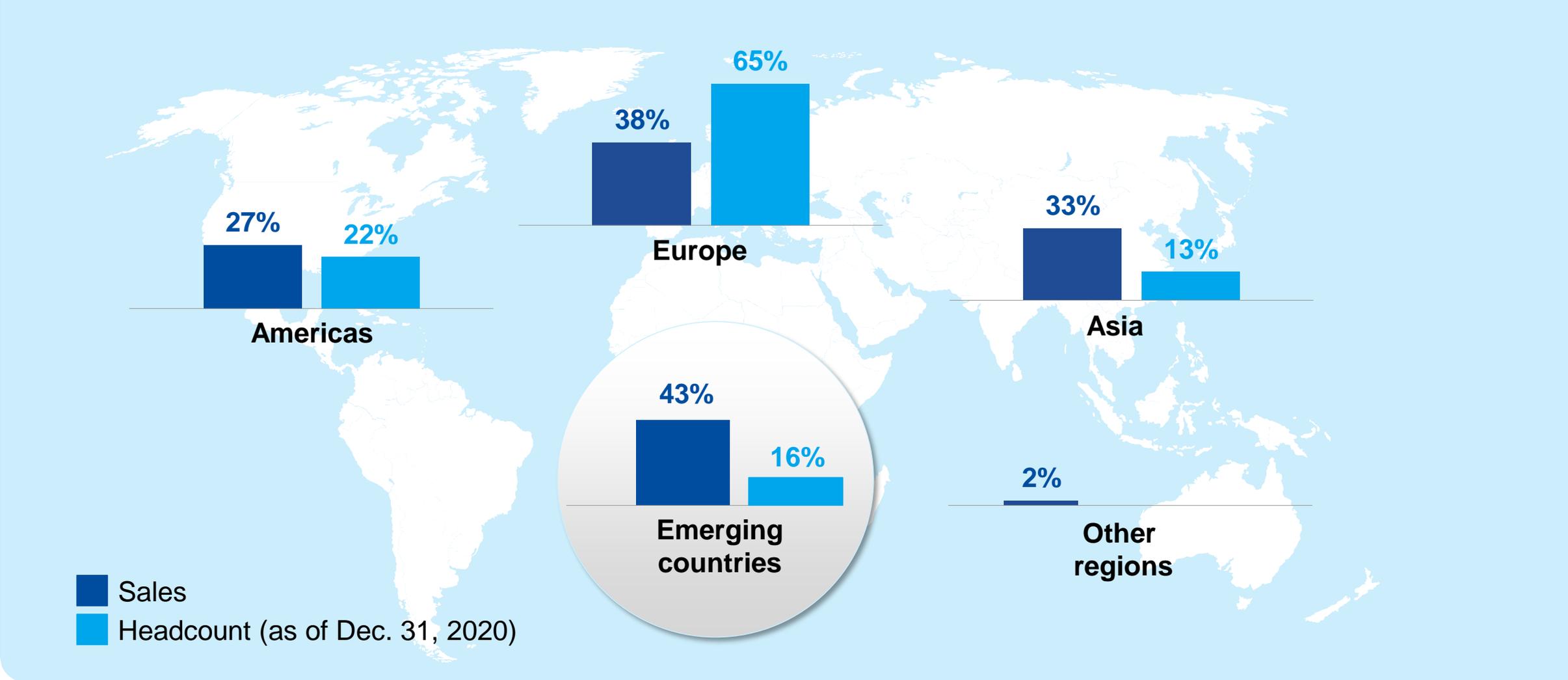
	2019	2020	Δ	Δ op.*
Europe	858	842	(2%)	(5%)
<i>thereof Germany</i>	259	245	(6%)	(8%)
Americas	621	586	(6%)	(5%)
<i>thereof U.S.</i>	428	397	(7%)	(9%)
Asia	732	712	(3%)	(3%)
<i>thereof China</i>	388	385	(1%)	1%
Other regions	39	38	(2%)	(4%)
ALTANA Group	2,249	2,178	(3%)	(4%)



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

Balanced Geographic Profile

Business in established and emerging markets

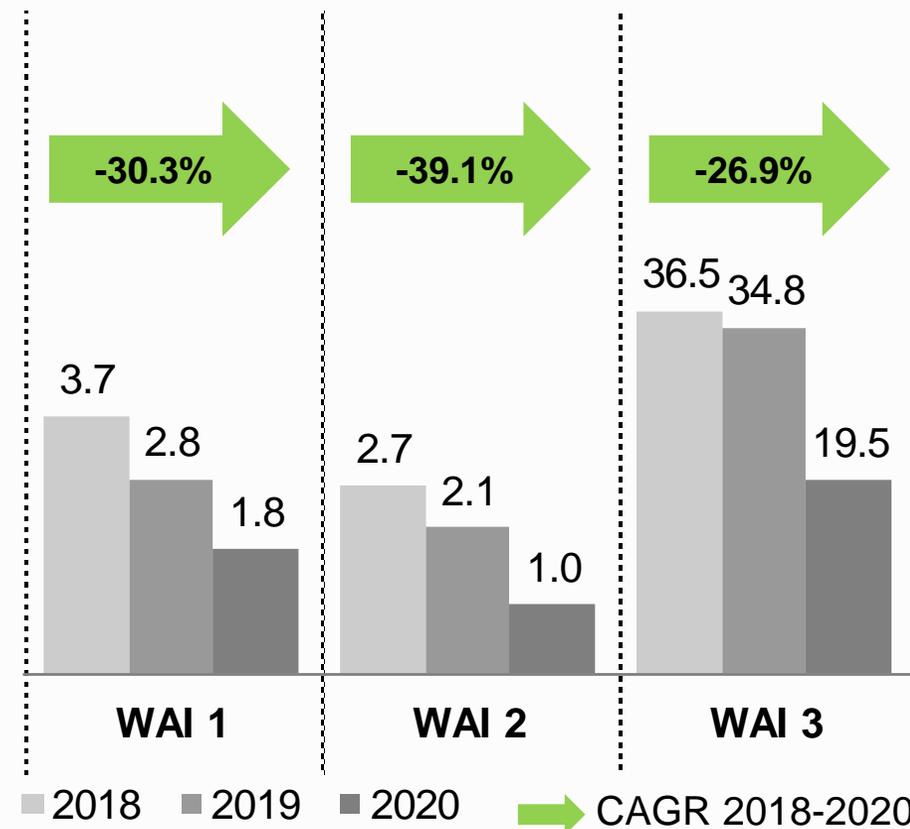


ALTANA Is One of the Safest Chemical Companies

Occupational safety significantly improved once again

Occupational safety strengthened

In 2020, we again significantly reduced the number of occupational accidents in all three categories (Work Accident Indicator – WAI) worldwide.



WAI1: number of reported occupational accidents with lost work time of one day or more per million working hours.

WAI2: number of reported occupational accidents with lost work time of more than three days per million working hours.

WAI3: number of lost work days due to reported occupational accidents per million working hours.

Carbon Footprint Halved in 2020

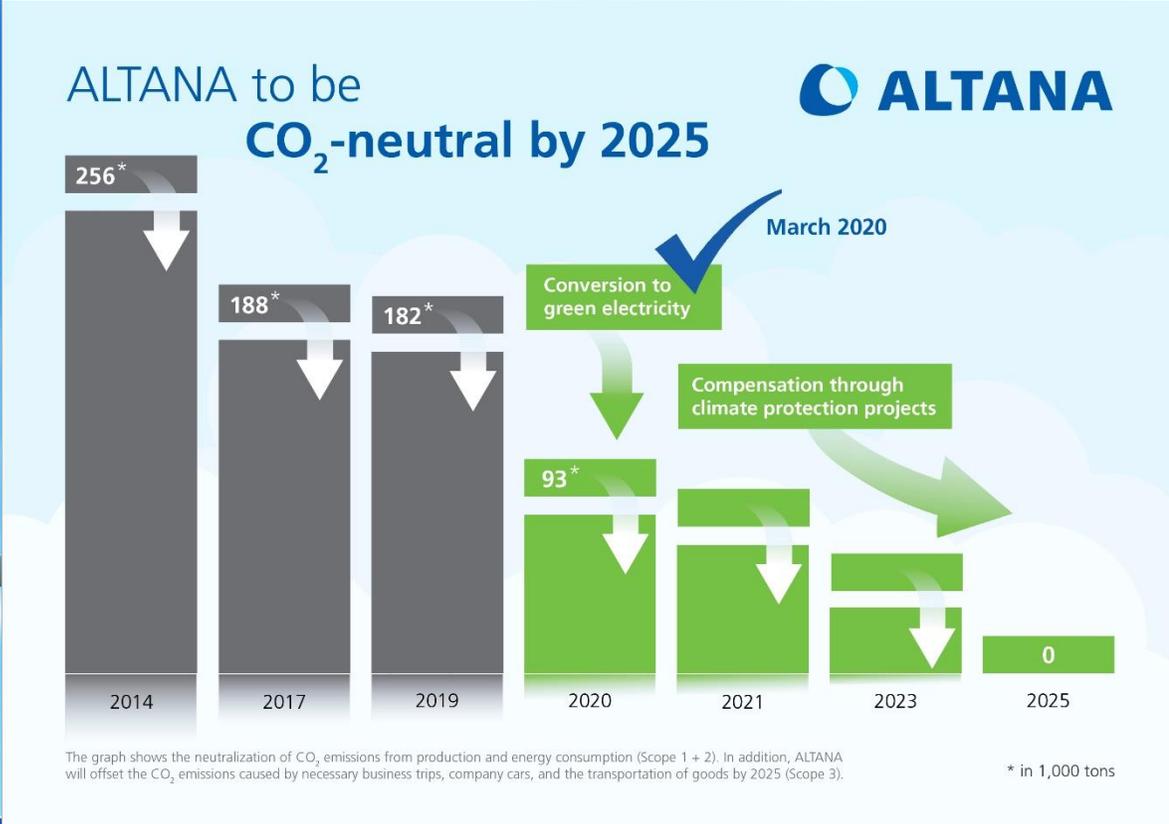
On course for climate neutrality by 2025



Complete conversion of power supply to renewable energy for all sites already in March 2020



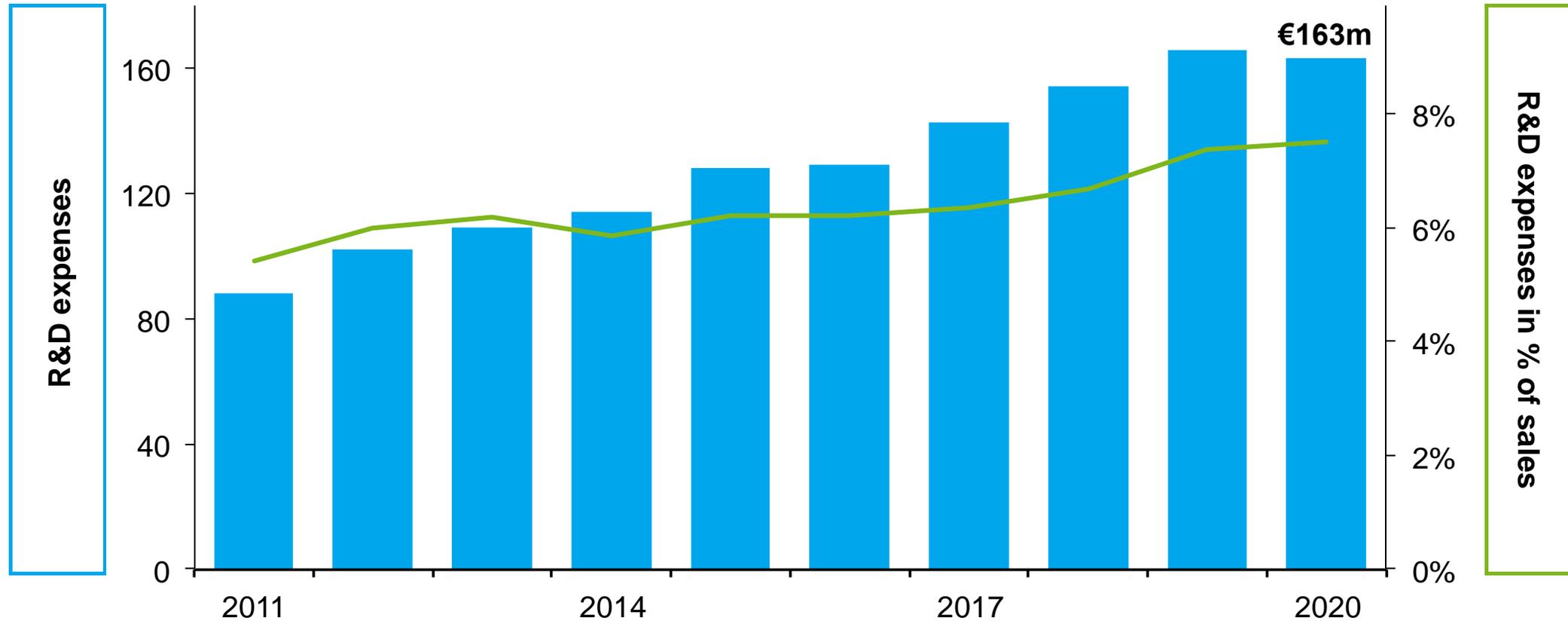
Gold status for the ALTANA Group in the sustainability rating by EcoVadis with significantly higher score confirmed



Investments in Research & Development

In 2020, we invested about 8 % of sales in R&D

in € million



One in five employees works in research & development.

We Shape Future Markets

Investments in R&D and new technologies

ECKART



Establishment of a center of excellence for metal-based 3D printing in Bitterfeld, Germany

Expansion of the ECKART portfolio in industrial 3D printing following the acquisition of the business of TLS Technik GmbH & Co. Spezialpulver KG and British specialist AMT



ACTEGA

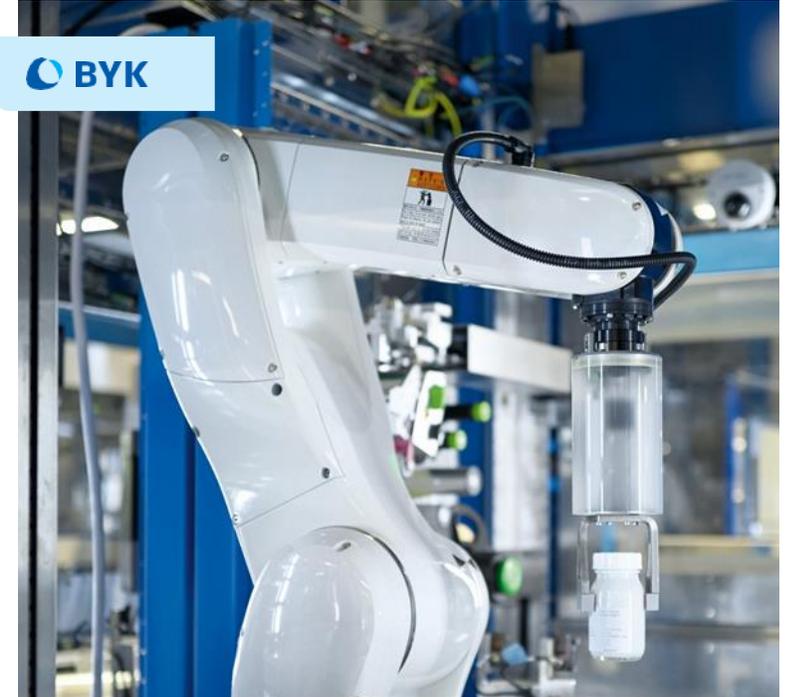


Startup ACTEGA Metal Print wins beta customers and distribution partners

Market launch of a groundbreaking technology that achieves decorative metallic effects with significantly less material, costs, and production time than before



BYK



Commissioning of a high-throughput screening plant in Wesel, Germany

Series tests with tremendous speed and efficiency at the highest quality level create scope for future innovations



ALTANA 2020 – Financials

Presented by
Stefan Genten
CFO

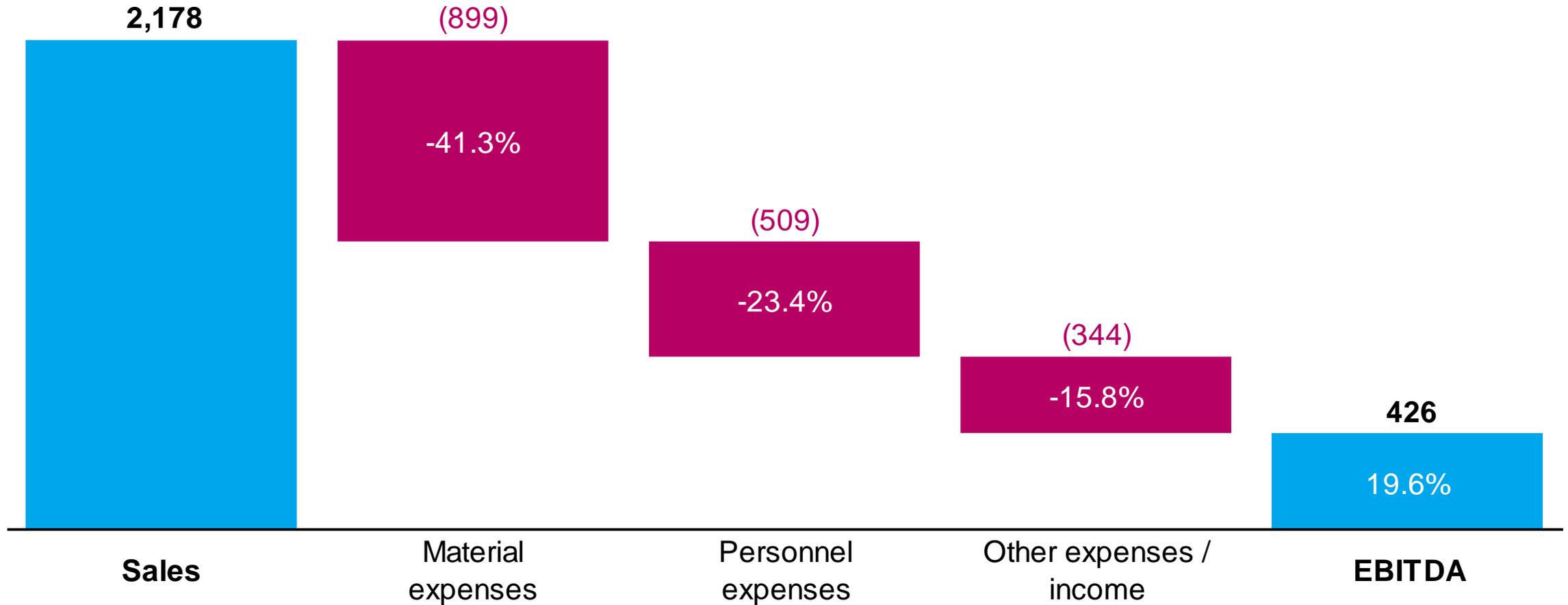
Key Figures

in € million

	2019	% of Sales	2020	% of Sales	Δ%
Sales	2,249	100.0	2,178	100.0	(3.1)
Material expenses	(961)	(42.7)	(899)	(41.3)	6.4
Production expenses	(464)	(20.6)	(458)	(21.0)	1.3
Gross profit	824	36.6	821	37.7	(0.4)
Selling & distribution expenses	(290)	(12.9)	(285)	(13.1)	1.9
R&D expenses	(166)	(7.4)	(163)	(7.5)	1.3
General administration expenses	(105)	(4.7)	(105)	(4.8)	0.3
EBITDA	416	18.5	426	19.6	2.4

Major Cost Items

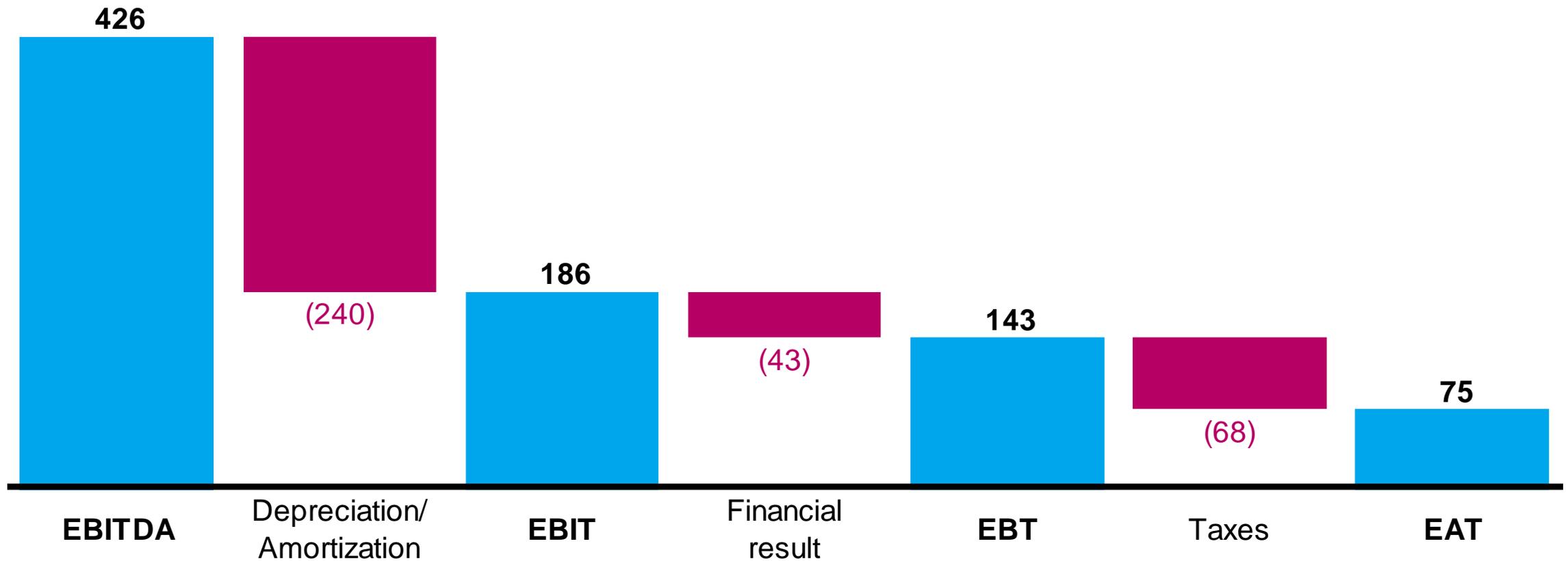
in € million



Structure figures as a percentage of sales

Details on Earnings

in € million



Cash Flow Statement

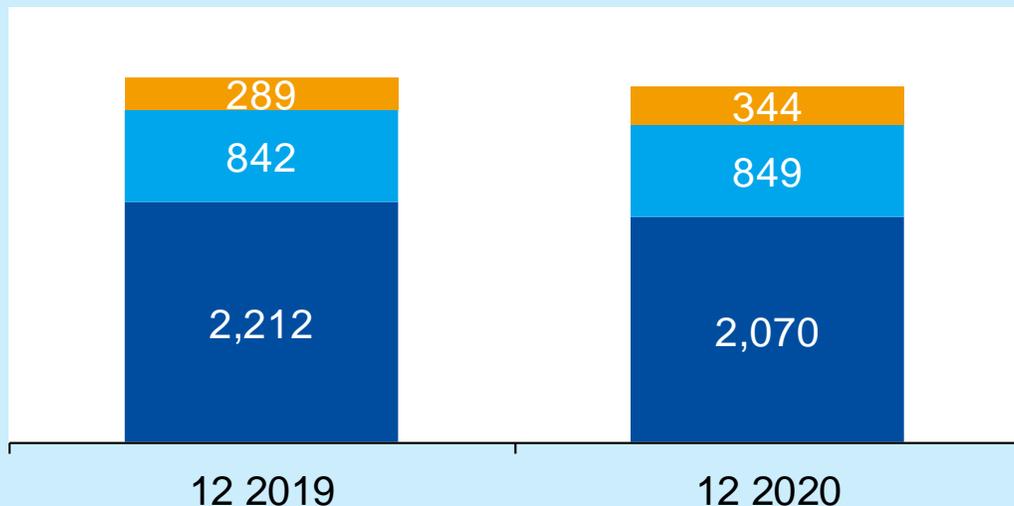
in € million

	2019	2020
Net income	169	75
Amortization, depreciation, and impairment on intangible and tangible assets	153	240
Change in net working capital	22	(6)
Income taxes	(12)	8
Change in provisions and other	55	56
Cash flow from operating activities	386	374
Investments in intangible and tangible assets	(157)	(105)
Other	1	4
Cash flow from ordinary investing activities	(156)	(101)
Ordinary free cash flow	230	273
Acquisitions	(9)	(106)
Free cash flow	221	167

Balance Sheet

in € million

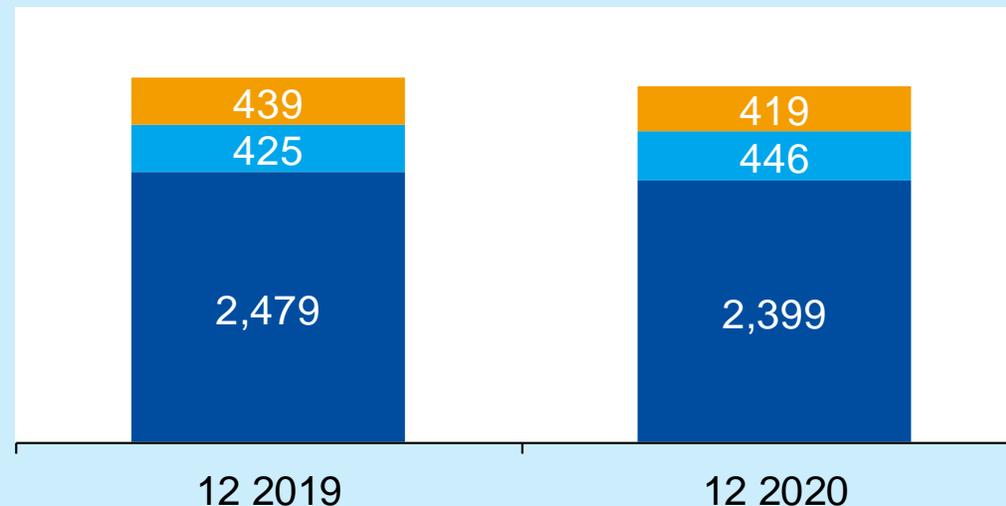
Assets



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

Total Assets	(€m)
Dec. 31, 2020:	3,263
Dec. 31, 2019:	3,343
Change:	-2%

Shareholders' Equity and Liabilities



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

Equity Ratio	
Dec. 31, 2020:	74%
Dec. 31, 2019:	74%

Financing Structure

in € million

	2019	2020
Cash and cash equivalents (incl. securities, financial assets and issued loans)	312	366
Promissory note loans	(48)	0
Other financial liabilities	(65)	(59)
Net financial position	198	307
Employee benefit obligations	(256)	(273)
Net debt (-) / Net financial assets (+)	(58)	34

→ Net financial position further strengthened in 2020

→ Excellent basis for further growth projects and acquisitions

Value Management

in € million

	2019	2020
Operating capital (annual average)	2,857	2,929
Operating earnings (after tax)	250	246
Return on capital employed (ROCE)	8.8%	8.4%
Weighted cost of capital	8.0%	7.5%
ALTANA Value Added (%)	0.8%	0.9%
ALTANA Value Added (abs.)	22	26

→ Renewed positive contribution to our ALTANA Value Added despite the challenging environment in 2020 and the continued high investment in future growth



ALTANA - Outlook 2021

Presented by
Martin Babilas
CEO



- ALTANA expects the coronavirus pandemic to be further contained in the current year and the global economy to subsequently recover. Our forecast in such an environment:
 - Operating sales growth in the low to mid single-digit percentage range
 - Acquisitions will lead to additional sales growth
 - EBITDA margin down but within the long-term target range of 18 to 20 percent
- **Significant innovative and financial strength form a strong basis for sustainable growth**

Thank you for
your attention

