

Press release

2023 results: ALTANA strengthens business through acquisitions and investments; sales below previous year due to economic conditions

- Sales decline by 9 percent to 2,742 million euros
- EBITDA margin at 14 percent due to inflation and acquisitions
- Research and development increases by a further 2 percent
- Outlook: Growth, also through acquisitions and further investments

Wesel, March 22, 2024 - The specialty chemicals group ALTANA recorded a 9 percent decline in sales to 2,742 million euros in the 2023 fiscal year compared to the strong previous year (3,021 million euros) because of the very challenging economic environment. The sales drop was primarily due to the decline in demand from various industrial sectors, partly due to significant destocking along the value chain. Earnings before interest, taxes, depreciation and amortization (EBITDA) amounted to 385 million euros, 15 percent down on the previous year's figure (452 million euros). In addition to lower sales volumes, this was attributed to the continued high cost of materials and the costs for three acquisitions. The EBITDA margin was 14.0 percent (previous year: 15.0 percent) on account of inflation and acquisitions. Adjusted for the acquisition of the Von Roll Group and other special effects, the EBITDA margin reached the previous year's level despite the decrease in volume due to targeted stabilization measures.

“A valuable year for ALTANA”

Despite the market's high level of uncertainty, ALTANA successfully fortified its business in 2023 through acquisitions and investments. Martin Babilas, CEO of ALTANA AG, remarked, “2023 was a year of challenges, but also one in which we courageously seized opportunities. We made strategic acquisitions, further expanded our research and development initiatives, invested significantly in our sites, and advanced our digitalization efforts. In doing so, we have set the course for the future. 2023 stands as a valuable year for ALTANA.”

Second largest acquisition in the company's history

In September, the Group made the second-largest acquisition in its history with the purchase of the Von Roll Group. With this strategic move, ALTANA aims to significantly advance the expansion of e-mobility and renewable energies by means of innovative electrical insulation systems. In August, the Group additionally acquired the business of Imaginant, the leading international specialist for high-frequency ultrasonic measuring devices. At the beginning of 2024, the Silberline Group was acquired to expand the company's global effect pigments business.

ALTANA increased its already high expenditure on research and development in 2023 by a further 2 percent to 197 million euros. The specialty chemicals group also elevated its investments, particularly in site expansion and continued digitalization efforts, marking a 34 percent increase compared to the previous year, totaling 138 million euros.

Date

March 22, 2024

Page

1/3

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Press release

The general economic weakness had a discernible effect in all divisions.

In the 2023 fiscal year, the largest division, BYK, experienced a 12 percent decline in sales, amounting to 1,208 million euros. Adjusting for positive acquisition effects from the purchase of the Imaginant business and negative exchange-rate impacts, sales were 10 percent below the previous year's level. In contrast, the Instruments product area achieved slight growth when adjusted for exchange-rate and acquisition effects. The effect pigment specialist, ECKART, reported sales of 351 million euros, reflecting a 12 percent decline. The acquisition of the Silberline Group is anticipated to positively impact sales in the current year. Adjusted for negative exchange-rate effects, sales were 10 percent lower than the previous year's figure. ELANTAS, the supplier of electrical insulation materials, recorded a slight 2 percent decline in sales, totaling 686 million euros. Adjusted for negative exchange-rate effects and initial positive impacts from the acquisition of the Von Roll Group end of September, sales were 5 percent down on the previous year's figure. ACTEGA, focusing on sustainable solutions for the packaging and graphic arts industries, generated sales of 496 million euros, representing an 11 percent decrease compared to the previous year. Adjusted for negative currency effects, the decline in sales amounted to 10 percent.

Europe remains the strongest region in terms of sales; strong growth in India

In 2023, global regions were universally impacted by a general decline in demand attributed to the weak economy and geopolitical uncertainties. Europe, maintaining its status as the strongest region in terms of sales, achieved sales of 1,037 million euros, a 4 percent decrease (7 percent in operating terms) compared to the previous year. Germany experienced an 8 percent decline (11 percent in operational terms). The Americas witnessed a decrease in sales to 792 million euros, reflecting an 11 percent decline (12 percent in operating terms). The U.S. market reported a 12 percent drop (both in nominal and operating terms). In Asia, sales fell by 13 percent (9 percent in operating terms), totaling 863 million euros. While the Chinese market experienced a 14 percent decline (10 percent in operating terms), India demonstrated robust growth with an 8 percent increase in operating terms.

As of the end of 2023, ALTANA employed 7,939 people worldwide, 982 more than on December 31, 2022, due to acquisitions.

Outlook: Further growth and new investments in sites

ALTANA anticipates moderate growth in the global economy for 2024, consequently foreseeing a positive development in demand. The company projects an operating sales growth in the mid-single-digit percentage range. The acquisitions will further contribute to this growth. Additionally, ALTANA forecasts an improvement in earnings profitability for the year 2024.

ALTANA will once again invest heavily in the future in 2024. Among other things, the specialty chemicals group is planning a new, cross-divisional site in India and the construction of a new laboratory building at its headquarters in Wesel. ALTANA has secured additional financial flexibility for further growth through a promissory note loan with a sustainability component issued in November 2023.

Press release

Key figures at a glance

ALTANA Group (in € million)	2023	2022	Change in %	Operating change operational ¹ in %
Sales – total	2,742	3,021	-9	-9
Sales by division				
BYK	1,208	1,371	-12	-10
ECKART	351	397	-12	-10
ELANTAS	686	698	-2	-5
ACTEGA	496	555	-11	-10
Sales by region				
Europe	1,037	1,081	-4	-7
<i>thereof Germany</i>	292	318	-8	-11
Americas	792	895	-11	-12
<i>thereof USA</i>	521	595	-12	-12
Asia	863	989	-13	-9
<i>thereof China</i>	462	540	-15	-10
<i>thereof India</i>	149	144	3	8
Other	49	56	-13	-14
Earnings before interest, taxes, depreciation, and amortization (EBITDA)	385	452	-15	-12
Operating income (EBIT)	216	288	-25	
Earnings before taxes (EBT)	166	305	-46	
Earnings after taxes (EAT)	110	232	-53	
Research & development expenses	197	193	2	
Headcount	7,939	6,957	14	
Safety key figures*				
WAI 1 (number of occupational accidents with lost time of one day or more per million working hours)	2.8	2.5	12	
WAI 2 (number of reported occupational accidents with lost time of more than three days per million working hours)	1.7	2.0	-15	
WAI 3 (number of lost work days due to reported occupational accidents per million working hours)	31.8	23.1	38	
Carbon footprint*				
Total CO ₂ equivalents (Scope 1 + Scope 2) ² (t)	77,769	92,629	-16	
<i>of which offset by compensation</i> (Scope 1) ² (t)	44,600	40,729	10	
CO ₂ equivalents specific (Scope 1 + Scope 2) ² (kg/kg finished products)	0.15	0.16	-6	

¹ Adjusted for acquisition and exchange-rate effects.

² Scope 1: direct emissions; Scope 2: indirect emissions. The figure shown for Scope 2 shown here is calculated according to the market-based method. Biogenic emissions are not included.

* Excluding companies most recently acquired in 2023/24

The presentation on the Annual Press Conference and the Corporate Report 2023 are available for download at www.altana.com.

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, specialty 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 64 production facilities and 68 service and research laboratories worldwide. Throughout the Group, around 8,000 people work to ensure the worldwide success of ALTANA. In 2023, ALTANA achieved sales of more than € 2.7 billion. About 7 percent of the total sales is invested in research and development each year. Its high earning power and high growth rate make ALTANA one of the world's most innovative, fastest growing, and most profitable chemical companies.

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Date
March 22, 2024

Page
3/3