

PODCAST

ALTANA CEO: “Germany Is Our Innovation Hub”



Martin Babilas has been CEO of the chemical company ALTANA since 2016
© ALTANA

Many chemical companies are in the midst of a crisis, but business is going very well at ALTANA—partly because the company now generates only 10 percent of its revenue in Germany. Why the CEO still believes in Germany as a business location.

The chemical company ALTANA is headquartered in Wesel on the Lower Rhine, employs more than 8,000 people worldwide, and produces specialty chemicals, including additives for paints and batteries as well as insulating materials for electric motors. In 2025, the company generated more than 3 billion euros in revenue, with only about one-tenth of that coming from Germany. ALTANA is owned by SKion, an investment company led by Susanne Klatten, a major shareholder in BMW and Quandt heiress. She has handed SKion over to her children but remains its managing director.

CAPITAL: Mr. Babilas, there has been a great deal of complaining about Germany lately. Yet you warn against taking down the country as a business location. Why?

MARTIN BABILAS: There are indeed many challenges in Germany, and they need to be clearly identified. I simply do not believe it is appropriate to completely disparage Germany as a location for business. It is still possible to operate successfully in Germany today. As a country, we have considerable strengths: a very strong industrial base, the dual vocational training system, excellent universities, and close networks between companies and universities. There is much we can

build on, and these strengths continue to contribute to the success of many companies. However, if you look at developments over the past few years, quite a bit has changed, and Germany now needs to do its homework in certain areas.

Which areas are those?

One example is bureaucracy, which has truly gotten completely out of hand. It needs to be scaled back—and scaled back boldly. Too many things slow us down in our day-to-day work. Another challenge is energy costs. We now face competitive disadvantages, particularly compared with North America, but also with some Asian countries. These disadvantages are not sustainable in the long run and stand in the way of the energy transition. Then there are the issues of digitalization and infrastructure development. We have a lot of catching up to do in many areas. Germany must now take bold political steps so that we can get things back on track.

The federal government has now been in office for a little over a year. How do you view its performance so far?

There can and must be more progress. The federal government has announced many reforms, but only in certain areas have we moved from announcement mode to action mode. I very much hope that substantial progress will be made in the coming months.

Let's turn to the company. ALTANA is a supplier of specialty chemicals. What exactly does that mean, and where do we encounter your products in everyday life?

There is no clear-cut definition. Perhaps the best one is that, typically, you cannot simply write a chemical formula on the wall to describe our products. Our products usually require some explanation. For example, we are a leading supplier of the sealant used in bottle caps. A few years ago, we introduced an innovation that helps remove 0.3 grams of steel or sheet metal from the bottle cap. That may not sound like much, but when 300 billion bottles are sold every year, the savings really add up. We are talking about 90,000 metric tons of steel that can be saved.

What are your blockbuster products and most important offerings?

We do not have any true blockbuster products of the kind you might be familiar with from the pharmaceutical industry, for example. That is actually one of the appealing aspects of our business because it makes it more stable. The largest individual product we have—and I will be completely honest, I could not even tell you its name—accounts for only a fraction of a percent of our total revenue. So, the product portfolio is highly fragmented.

You have been with ALTANA since 1998—almost 30 years. During that time, have you ever seriously considered moving on?

Back in 1998, I never imagined that would be the case. It is not the sort of thing — you plan. Over these nearly 30 years, I have consistently been given interesting challenges and responsibilities, some of which may have been a bit bigger than I was ready for at the time. I would also say that over the past 28 years, I have been almost a little too busy to think about it very deeply.

You just said that some responsibilities may have been bigger than you were ready for. What kinds of moments or situations were those?

For example, in 2001, while I was still relatively young, I was asked to build up the corporate development function of what was then the chemicals division—ALTANA also had a pharmaceuticals division at the time. I have now been a member of the Management Board for 18 years, and there have been many interesting moments along the way, including the company's withdrawal from the stock exchange.

Susanne Klatten, the major BMW shareholder and then-owner of ALTANA, sold the pharmaceuticals division, took the company private, and integrated it into her investment company SKion. How do you remember that period?

It was, of course, a very exciting period. It was also marked by significant global economic upheaval. In September 2008, Lehman Brothers collapsed; and the investment bank's failure triggered the financial crisis. Angela Merkel and Peer Steinbrück appeared before the cameras and assured the public that savings deposits were safe. It was during this period that our shareholder made this offer because she recognized an entrepreneurial opportunity. It was a very bold move

Did the company's withdrawal from the stock exchange change its corporate culture?

To be honest: not all that much. The family already held a majority stake in the company beforehand. In my view, this did not bring about a fundamental cultural change, although it did involve many organizational adjustments. Your calendar looks very different when you serve on the board of a publicly listed company. We were then able to direct that additional freedom and attention toward the company itself.

How closely involved is the owner family in day-to-day operations?

Susanne Klatten is our Deputy Chair of the Supervisory Board and is, of course, present at Supervisory Board meetings. She participates in discussions and helps shape opinions when it comes to fundamental strategic decisions. In day-to-day operations, the Management Board has considerable freedom to act.

ALTANA posted record profits in 2025. Yet Germany's chemical industry has been in crisis for years, partly because of high energy prices. Why does this seem to affect you less?

Compared with the overall performance of industry in Germany and Europe, 2025 was indeed a good year for us. Against the trend, we achieved slight operating growth and higher earnings. From our perspective, this is, to some extent, confirmation of the long-term path we have chosen: investing in the company, in innovation, and in sustainability, regardless of economic cycles. Added to this is our financial strength. Another factor is energy intensity. Our processes require less energy than those of many other companies in the industry. At the same time, we are present in all major markets worldwide, including with our production facilities. In these markets, we are part of local value chains. As a result, we are well equipped to deal with challenges such as disruptions in cross-border value chains and customs-related issues.

Do you make money in Germany?

Yes. We make money in all major markets in which we operate, including Germany. That is our objective. Germany still accounts for about 10 percent of our revenue. From a market perspective, the country is therefore no longer as decisive as it once was. However, Germany is our innovation hub. Many of our developments and patents still originate here. That is why Germany remains highly important to us as both our base and a central driving force within the company.

Listen to the podcast (German): <https://maschinenraum.podigee.io/69-martin-babilas#t=10>



The image shows a podcast player interface. On the left is a square cover image featuring a portrait of Martin Babilas, a man with glasses and a dark suit, against a dark blue background. Text on the cover includes 'In Kooperation mit Capital', 'ALLES NEU...?' in large white letters, and 'MARTIN BABILAS ALTANA AG' at the bottom. To the right of the cover is the title 'Martin Babilas von ALTANA AG: Wie ein Chemiekonzern mitten in der Branchenkrise Rekordergebnisse einführt'. Below the title is a light orange playback bar with standard controls: a back arrow, a 10-second rewind icon, a play button, a 30-second fast forward icon, and a forward arrow. Below the bar, the text '1x' is on the left and '00:09' is on the right. At the bottom left is the 'podigee' logo, and at the bottom right are the buttons 'Abonnieren', 'Teilen', and a three-dot menu icon.