

Press release

2020 Results: ALTANA's sales down only slightly, EBITDA exceeds previous year's level

- Sales of 2,178 million euros, 3 percent below the previous year's level
- ACTEGA division grows by 9 percent
- EBITDA increases by 2 percent to 426 million euros
- Research and development spending remains at a high level
- CO₂ footprint reduced by 50 percent
- Forecast for 2021: growth in the course of economic recovery

Wesel, March 19, 2021 - Despite the burdens of the coronavirus pandemic, the specialty chemicals group ALTANA recorded only a slight decline in sales in the 2020 fiscal year and was able to increase EBITDA in a year to year comparison. Sales reached 2,178 million euros, just 3 percent below the 2019 level. Adjusted for acquisition and exchange-rate effects, the sales decrease was 4 percent. Earnings before interest, taxes, depreciation and amortization (EBITDA) rose to 426 million euros, exceeding the previous year's level by 2 percent. Favorable raw material costs, active cost management, and pandemic-related one-time effects including savings due to the absence of travel and trade shows contributed to this development. At 19.6 percent, the EBITDA margin was at the upper end of the long-term target range of 18 to 20 percent, despite continued high spending in key areas such as research and development and digitalization.

"Our top priority in the 2020 fiscal year was to protect our more than 6,500 colleagues worldwide. On this basis, we once again succeeded in demonstrating ALTANA's characteristic customer proximity in spite of physical distance," said Martin Babilas, CEO of ALTANA AG. "The business results also show how deeply ALTANA's innovative solutions are anchored in the lives of many people." While demand in some segments, for example in the automotive sector, declined significantly due to the pandemic, consumer-oriented and sustainable solutions on the part of ALTANA increased in importance.

Divisions: ACTEGA on growth course due to acquisition and higher demand

Sales of the largest division, BYK, declined by 3 percent to 1,009 million euros. Adjusted for currency and acquisition effects, sales were 4 percent below the previous year's level. Following a significant decline in sales volume as a result of the lockdown in the second quarter, sales recovered rapidly, particularly in the field of paint and coating additives. This development was driven, among other things, by strong demand in the DIY sector.

The effect pigments specialist ECKART achieved sales of 315 million euros, corresponding to a decline of 11 percent. The main reason was the pandemic-related weak demand in the automotive sector as well as other industries, such as the cosmetics sector. The discontinuation of the white pigments trading business in China in mid-2019 also contributed to this development. The acquisition of the business of TLS Technik GmbH & Co. Spezialpulver KG to expand the ECKART portfolio in industrial, metal-based 3D printing will not be included in earnings until 2021.

Date

March 19, 2021

Page

1/2

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Press release

ELANTAS, the supplier of electrical insulation materials, recorded sales of 463 million euros, 6 percent below the 2019 figure (5 percent in operating terms). The positive acquisition effects could not offset the pandemic-related decrease in demand and negative exchange-rate effects.

ACTEGA achieved significant growth in the 2020 fiscal year compared to 2019, increasing its sales by 9 percent to 391 million euros. Even adjusted for the acquisition of the Swiss Schmid Rhyner AG and negative exchange-rate effects, ACTEGA posted operating growth of 3 percent, significantly above the previous year's level. The division particularly benefitted from a shift in consumer behavior toward even more sustainable solutions, including PVC-free sealants for food packaging.

Stable sales distribution, rapid recovery in China

The ALTANA Group's sales continue to be evenly distributed worldwide, though there were regional differences in the 2020 fiscal year. Europe, which continues to be the Group's strongest sales region, achieved sales of 842 million euros and remained stable overall with a slight decline of 2 percent. Adjusted for positive acquisition effects, the sales decrease was 5 percent. Sales in the Americas fell by 6 percent to 586 million euros. Adjusted for acquisition and exchange-rate effects, the sales drop was 5 percent. Sales in Asia reached 712 million euros, only 3 percent down on the previous year's figure in both nominal and operating terms due to the rapid and sustained recovery in China.

As of December 31, 2020, ALTANA had 6,529 employees worldwide, 53 more than at the end of 2019. One in five employees works in research and development.

High investment in innovation and sustainable success

ALTANA continued to invest expressly in innovation in 2020, including in the future market of digital printing. For example, ALTANA's internal startup ACTEGA Metal Print succeeded in deploying a novel technology to enable decorative metallic effects with considerably less material, costs, and production time than with previously common processes. The first beta customers and a sales partner were acquired for this purpose. Overall, research and development expenditure in the ALTANA Group remained at a high level, 163 million euros, accounting for about 8 percent of sales.

At the same time, ALTANA continues to drive forward digitalization. Following BYK and ACTEGA in the previous year, ECKART's e-commerce platform went online in 2020. In all, ALTANA invested around 10 million euros in digitalization projects in the past fiscal year.

In addition, ALTANA is on track to achieve climate neutrality in its direct sphere of influence by 2025. Already in March 2020, the Group switched its entire electricity procurement worldwide to renewable energies, thereby reducing its carbon footprint by around 50 percent. In the summer, the independent rating company EcoVadis awarded the ALTANA Group gold status for its commitment to sustainability for the second time.

Press release

Outlook

ALTANA expects the coronavirus pandemic to be further contained in the current year and the global economy to recover as a result. In this environment, the company forecasts operating sales growth in the low to mid single-digit percentage range with a lower EBITDA margin compared to 2020. Acquisitions will lead to additional sales growth.

The press conference presentation, photo material, and the Corporate Report 2020 can be downloaded 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, 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 48 production facilities and 65 service and research laboratories worldwide. Throughout the Group more than 6,500 people work to ensure the worldwide success of ALTANA. In 2020, ALTANA achieved sales of about € 2.2 billion. About 7 percent of sales is 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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Press release

Key figures at a glance

ALTANA Group (in € million)	2020	2019	Change in %	Operating change ¹ in %
Sales – total	2,178	2,249	-3	-4
Sales by division				
BYK	1,009	1,041	-3	-4
ECKART	315	356	-11	-11
ELANTAS	463	495	-6	-5
ACTEGA	391	358	9	3
Sales by region				
Europe	842	858	-2	-5
<i>thereof Germany</i>	245	259	-6	-8
The Americas	586	621	-6	-5
<i>thereof U.S.</i>	397	428	-7	-9
Asia	712	732	-3	-3
<i>thereof China</i>	385	388	-1	1
Other regions	38	39	-2	-4
Earnings before interest, taxes, depreciation and amortization (EBITDA)	426	416	2	4
Operating income (EBIT) ²	186	262	-29	
Earnings before taxes (EBT) ²	143	231	-38	
Net income (EAT) ²	75	169	-56	
Research and development expenses	163	166	-1	
Headcount	6,529	6,476	1	
Safety key figures				
WAI 1 (Number of reported occupational accidents with lost work time of one day or more per million working hours)	1.8	2.8	-36	
WAI 2 (Number of reported occupational accidents with lost work time of more than three days per million working hours)	1.0	2.1	-52	
WAI 3 (Number of lost work days due to reported occupational accidents per million working hours)	19.5	34.8	-44	
Carbon footprint				
Total CO ₂ equivalents (Scope 1 + Scope 2) ³ (t)	92,553	182,344	-49	
CO ₂ equivalents specific (Scope 1 + Scope 2) ³ (kg/kg finished goods)	0.18	0.35	-49	

¹ Adjusted for acquisition and currency effects

² Including a one-time effect from valuation adjustment (non-cash)

³ Scope 1: direct emissions; Scope 2: indirect emissions. The values for 2020 are calculated using the "market-based" method. Biogenic emissions are not included.