

Full Year 2015 Results

ALTANA AG Annual Press Conference
Düsseldorf, March 18, 2016



ALTANA

Agenda

Overview and Outlook

Martin Babilas,
CEO

Financials

Stefan Genten,
Member of the Management Board

Q&A

Martin Babilas, CEO
Stefan Genten, Member of the Management Board
Dr. Christoph Schlünken, Member of the Management Board

Welcome Address

Andrea Neumann,
Head of Corporate Communications

ALTANA 2015 – Overview

Presented by
Martin Babilas
CEO



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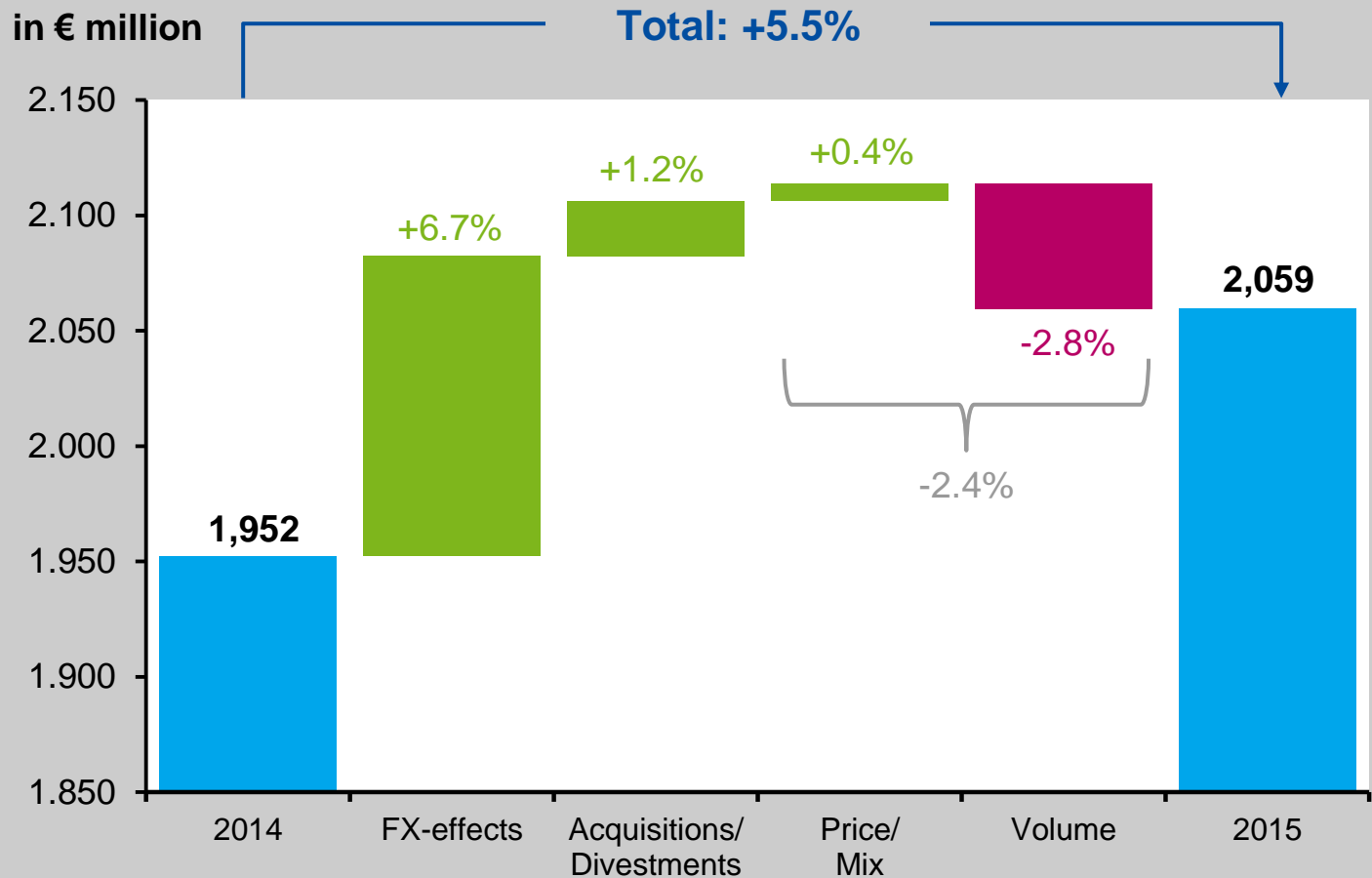
2015 Results: ALTANA Remains on Track

Growth in challenging environment

- Sales increase by 5 % to more than €2 billion for the first time
 - EBITDA reaches €391 million
 - At 19.0 %, EBITDA margin at high level
 - Substantial investments in our future
- **Very well positioned for further profitable growth**






Sales: Growth Components

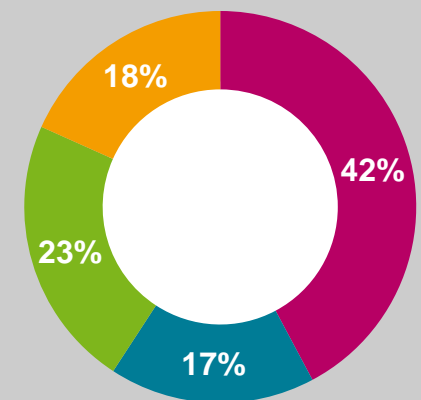
Currency effects and acquisitions as drivers



2015 Sales by Division

Double-digit growth at ACTEGA following acquisition

in € million	2015	2014	Δ	Δ operat.*
 BYK Additives & Instruments	870	857	2%	-4%
 ECKART Effect Pigments	350	332	5%	0%
 ELANTAS Electrical Insulation	463	431	7%	-3%
 ACTEGA Coatings & Sealants	376	332	13%	0%
 ALTANA	2,059	1,952	5%	-2%

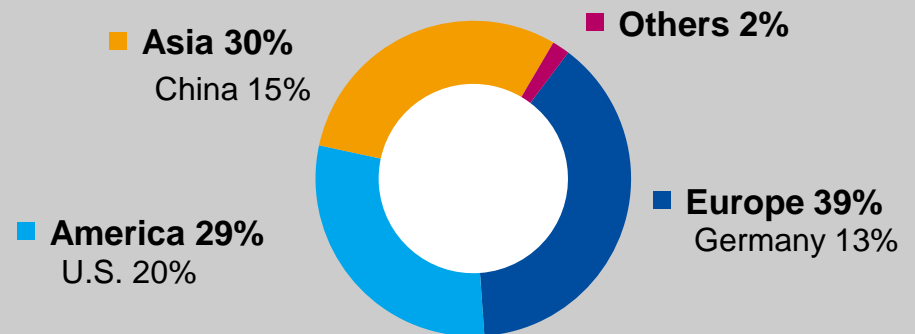


* adjusted for exchange rate as well as acquisition and divestment effects

2015 Sales by Region

Balanced geographical distribution

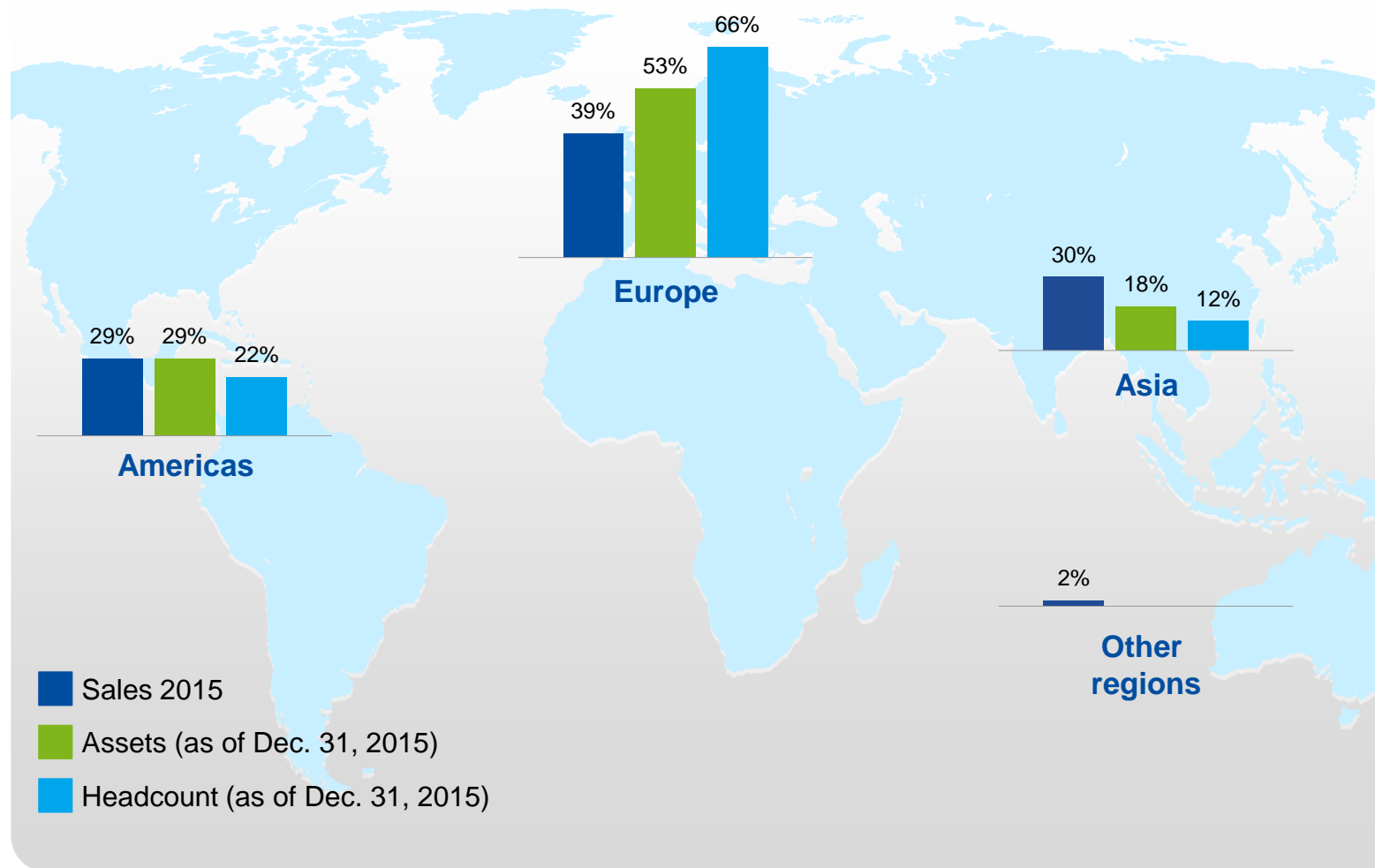
in € million	2015	2014	Δ	Δ operativ*
Europe	796	795	0%	0%
<i>thereof Germany</i>	270	277	-3%	-3%
Americas	607	527	15%	-4%
<i>thereof U.S.</i>	416	365	14%	-3%
Asia	619	593	4%	-4%
<i>thereof China</i>	316	310	2%	-10%
Other regions	38	37	2%	1%
ALTANA Group	2,059	1,952	5%	-2%



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

Global Presence

49 production sites and more than 50 service and laboratory locations



Investment Focus on Germany

Expansion of research, development, and production



Wesel

Continuous investments in production and infrastructure



Grevenbroich

Expansion of R&D capacities for food-safe coatings and adhesives



Hamburg

New research center for printed electronics

Lehrte

New production hall for UV-curing coatings



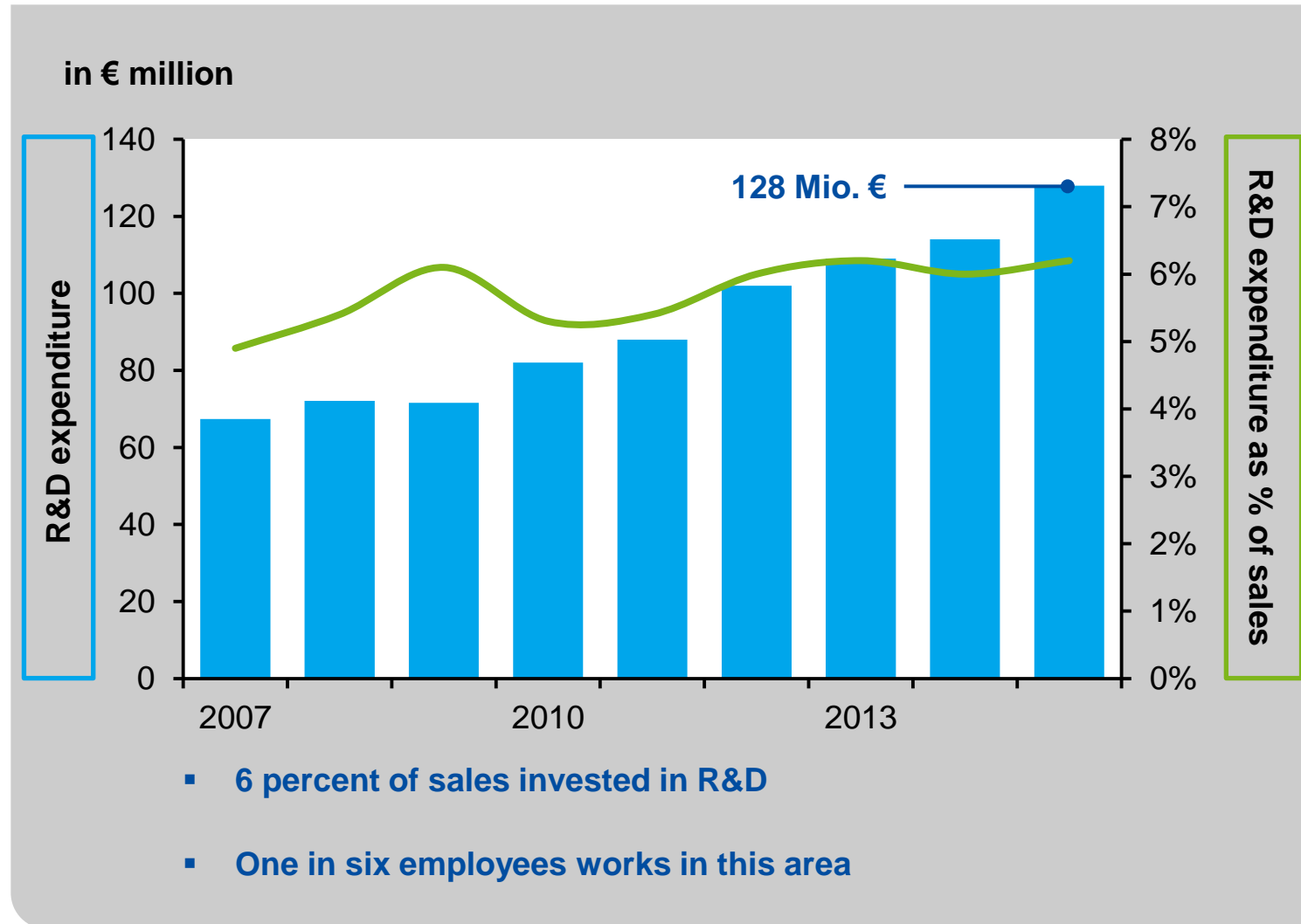
Hartenstein

Expansion of the manufacture of functional effect pigments for the construction industry



Focus on Research and Development

R&D investments increased by 12 percent



ALTANA 2015 – Financials

Presented by
Stefan Genten
Member of the Management Board



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Consolidated Financial Statements

Income statement

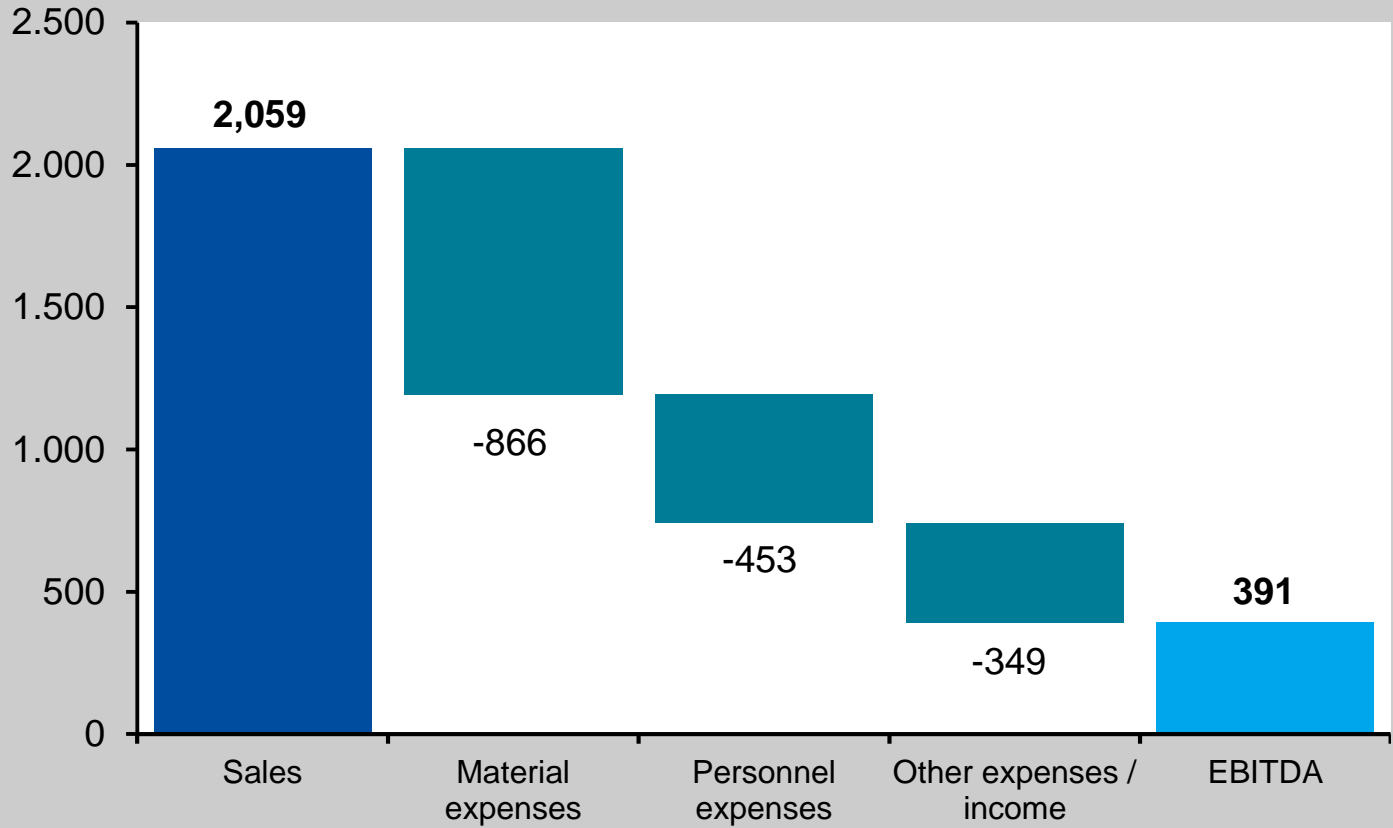
in Mio. €	2015	% of sales	2014	% of sales	Δ %
Sales	2,059	100.0	1,952	100.0	5.5
Material expenses	(866)	-42.0	(836)	-42.8	-3.5
Production expenses	(412)	-20.0	(374)	-19.2	-10.2
Gross profit	781	37.9	742	38.0	5.3
Selling & distribution expenses	(274)	-13.3	(263)	-13.5	-4.2
R&D expenses	(128)	-6.2	(114)	-5.8	-12.4
General administration expenses	(115)	-5.6	(101)	-5.2	-13.3
Other operating income/expenses	(13)	-0.6	4	0.2	<-100
Operating income (EBIT)	251	12.2	268	13.7	-6.1
Financial result ^(a)	(24)	-1.1	(16)	-0.8	-47.9
Earnings before taxes (EBT)	228	11.1	252	12.9	-9.5
Income tax ^(b)	(70)	-29.0	(73)	-28.6	4.0
Net income (EAT)	158	7.7	179	9.2	-11.8

(a) incl. income from associated companies

(b) rate as % of EBT (tax rate)

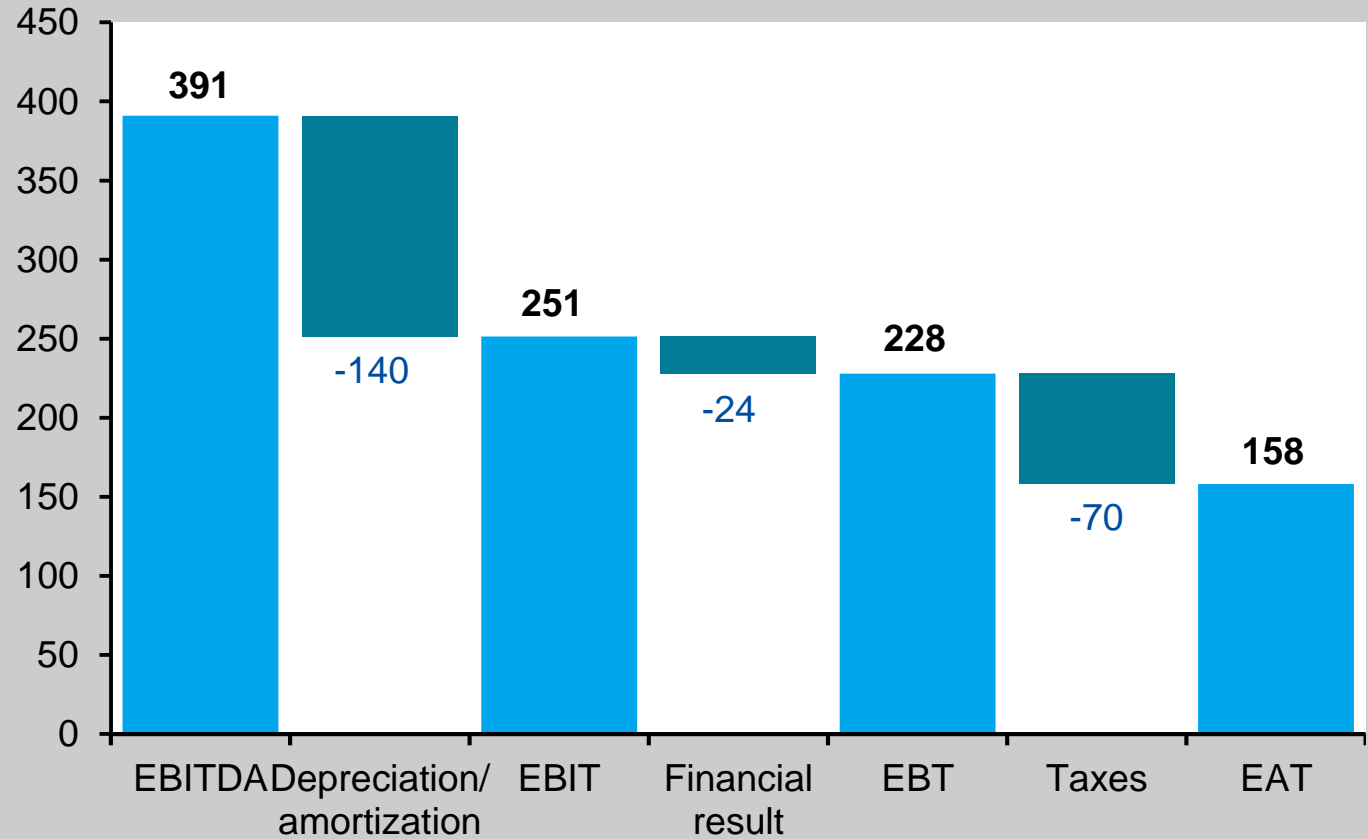
Major Expense Items

in € million



Details on 2015 Earnings

in € million



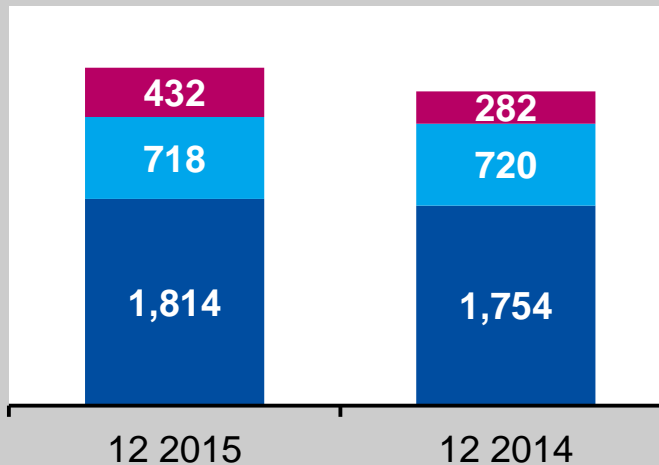
Cash Flow Statement 2015

in € million	2015	2014
Net income	158	179
Amortization, depreciation, and impairment on intangible and tangible assets	140	130
Change in net working capital	44	(31)
Change in provisions and other	5	20
Cash flow from operating activities	346	298
Investments in intangible and tangible assets	(86)	(90)
Other	2	2
Cash flow from ordinary investing activities	(83)	(88)
Ordinary free cash flow	263	210
Acquisitions	0	(26)
Free cash flow	263	184

ALTANA Group Consolidated Statement of Financial Position as of Dec. 31, 2015

in € million

Assets



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

Total Assets (in € million)

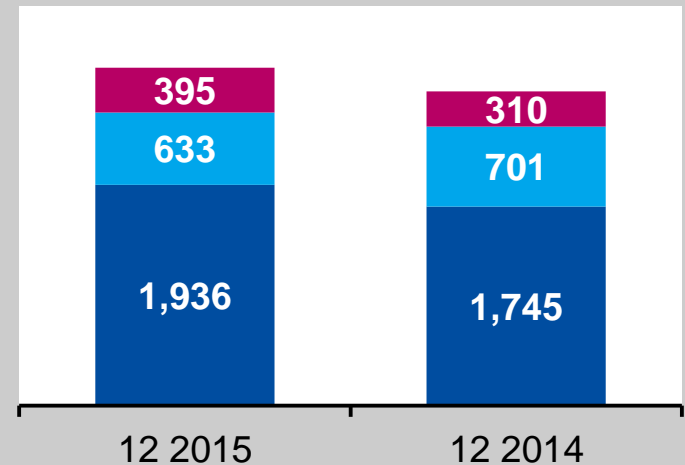
Dec. 31, 2014: 2,756

Dec. 31, 2015: 2,964

Change: **+8%**

in € million

Shareholders' Equity and Liabilities



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

Equity Ratio

Dec. 31, 2014: 63%

Dec. 31, 2015: 65%

Financing Structure

in € million	Dec. 31, 2015	Dec. 31, 2014
Cash and cash equivalents (incl. marketable securities)	432	282
Promissory note loans (German Schuldscheine)	(350)	(350)
Indebtedness to banks	(2)	(5)
Net financial position	80	(73)
Employee benefit obligations	(194)	(208)
Net debt (-) / financial assets (+)	(114)	(280)

- Cash flow significantly improved
 - Syndicated line of credit amounting to €250 million extended
- Headroom for further growth ensured

Value Management

in € million	2015	2014
Operating capital (annual average)	2,354	2,300
Operating earnings Ertrag (after tax)	238	236
Return on capital employed (ROCE)	10.1%	10.3%
Weighted average cost of capital	8.0%	8.0%
ALTANA Value Added (%)	2.1%	2.3%
ALTANA Value Added (abs.)	49	52

- **Stable value contribution at a high level**

ALTANA – Outlook for 2016

Presented by
Martin Babilas
CEO



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Outlook for 2016

- Global economy expected to show growth similar to that of the previous year
 - Above-average growth rates in Asia and the Americas
 - Slight increase of economic activity in Europe
 - Operating sales growth between 2 % and 5 %
 - Exchange rates and acquisitions can have an influence on nominal sales growth
 - EBITDA margin should remain at a high level within our long-term target range (18 % to 20 %)
- **Strong basis for further growth due to our sound financial position and innovative strength**

Thank you for your
attention



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Disclaimer

This presentation contains forward-looking statements, i.e. current estimates or expectations of future events or future results. The statements are based on beliefs of ALTANA as well as assumptions made by and information currently available to ALTANA.

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