

Full Year 2016 Results

ALTANA AG Annual Press Conference
Düsseldorf, March 17, 2017



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 2016 – Overview

Presented by
Martin Babilas
CEO



ALTANA

2016 Results

Sales increase and leap in earnings

Sales amount to **€2,075 m**

EBITDA reaches **€453 m**

At **21.8 %**, EBITDA margin at high level

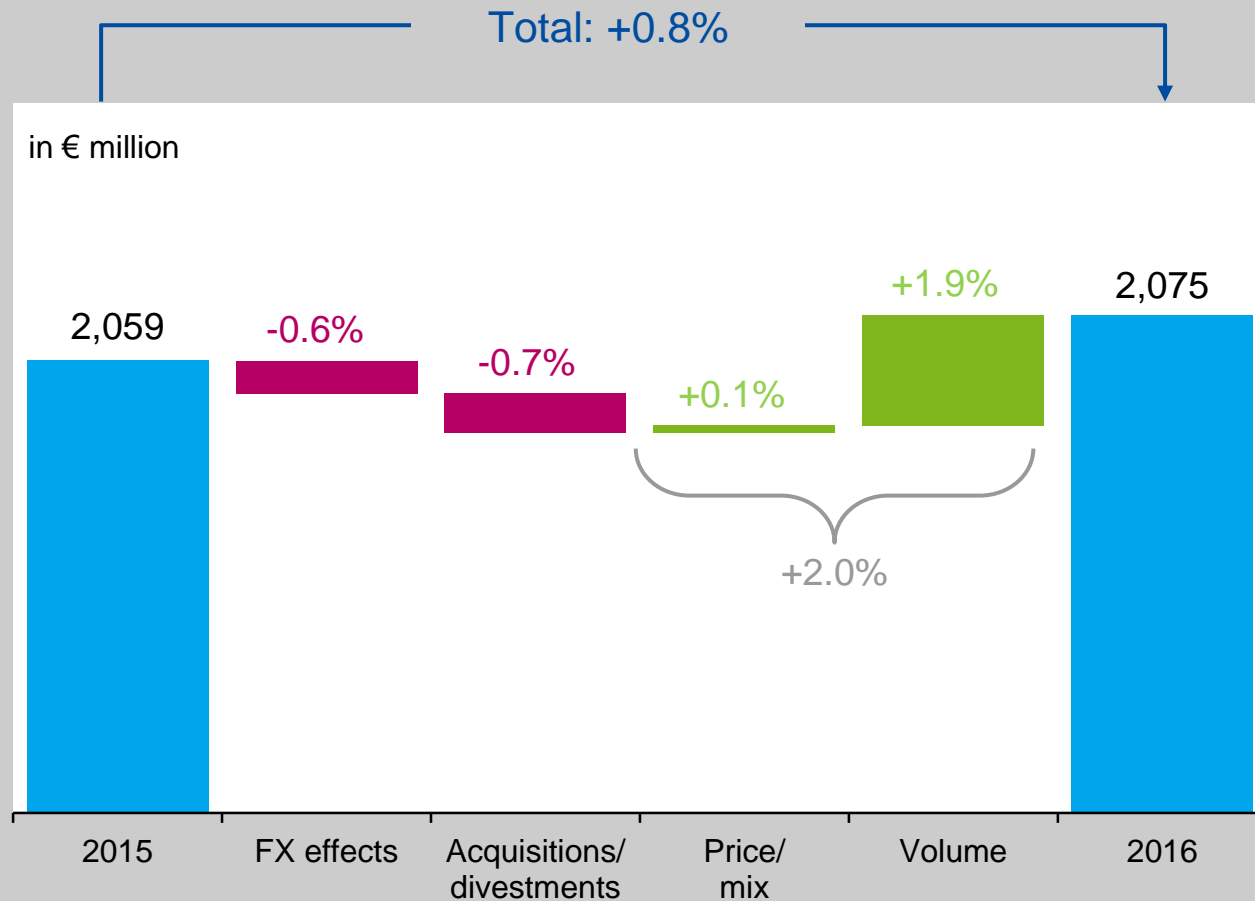
Strong investments in **R&D**

We paved the way for a sustainable and successful **future**

**ALTANA is well on track
for further profitable growth**






Sales: Growth Components

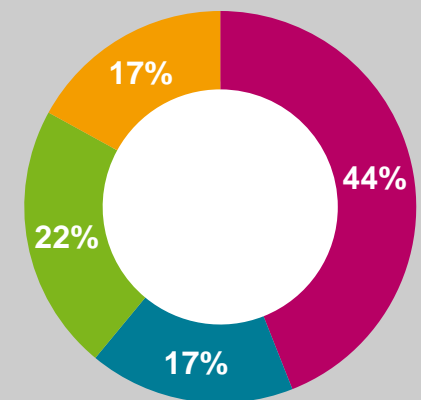
Increasing sales volumes as growth drivers



Sales by Division

BYK and ECKART determine the pace of growth

in € million	2016	2015	Δ	Δ operat.*
 BYK Additives & Instruments	909	870	4%	4%
 ECKART Effect Pigments	362	350	3%	3%
 ELANTAS Electrical Insulation	452	463	-2%	0%
 ACTEGA Coatings & Sealants	352	376	-6%	0%
 ALTANA	2,075	2,059	1%	2%

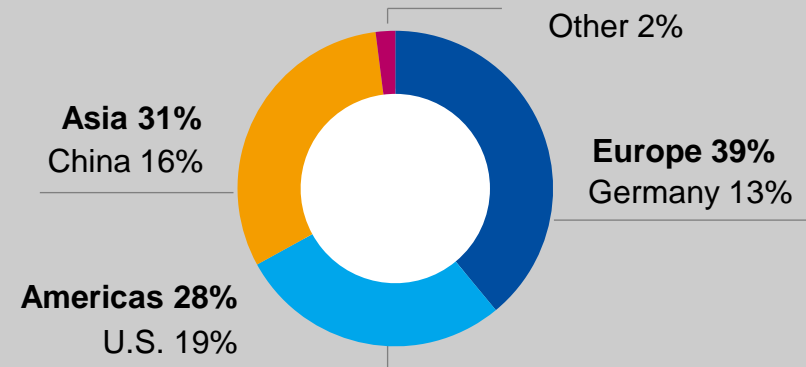


* adjusted for exchange-rate as well as acquisition and divestment effects

Sales by Region

Asia is the fastest-growing region

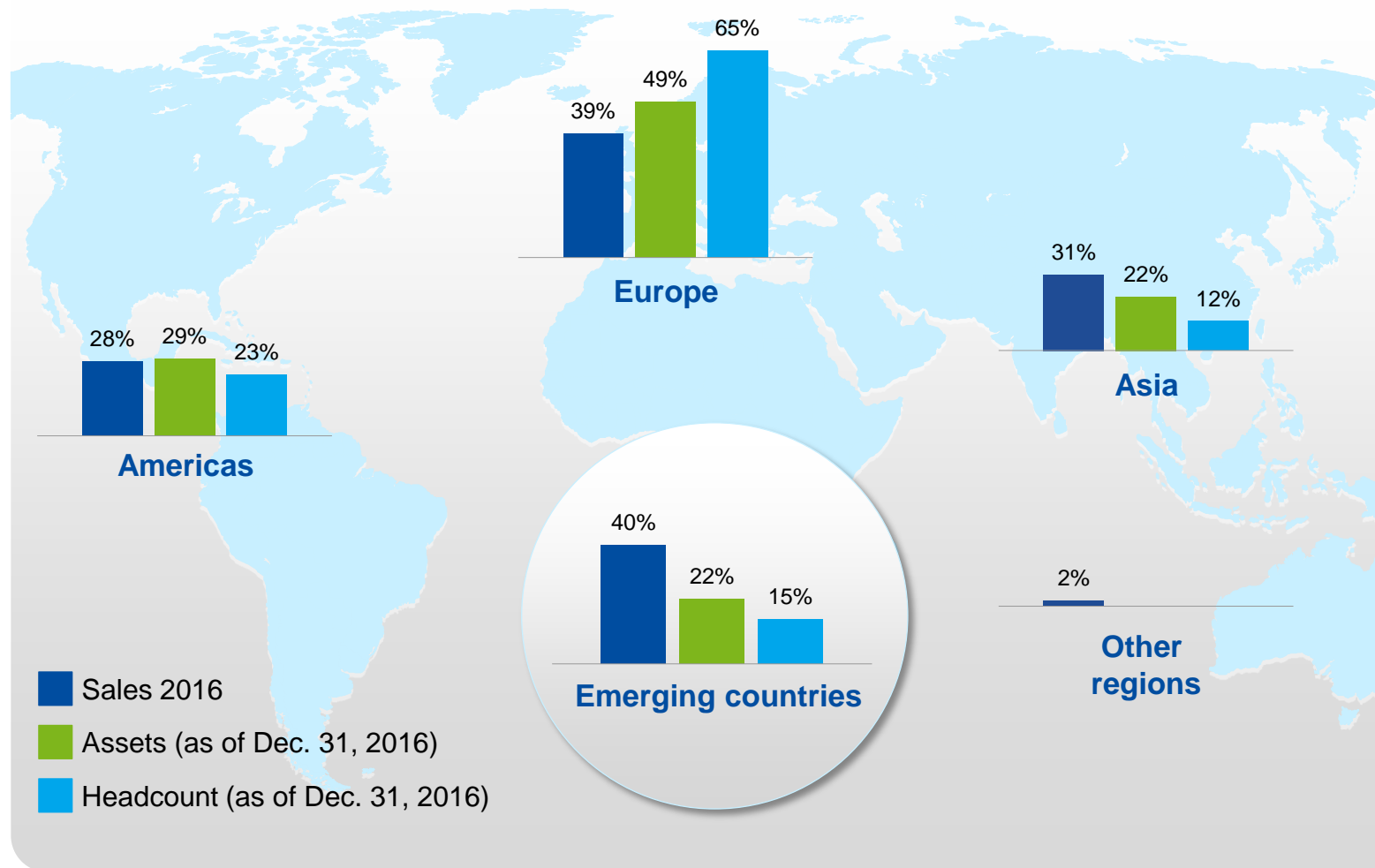
in € million	2016	2015	Δ	Δ operat.*
Europe	799	796	0%	2%
<i>thereof Germany</i>	263	270	-2%	1%
Americas	587	607	-3%	-4%
<i>thereof U.S.</i>	399	416	-4%	-5%
Asia	652	619	5%	8%
<i>thereof China</i>	336	316	6%	11%
Other regions	37	38	-2%	-1%
ALTANA Group	2,075	2,059	1%	2%



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

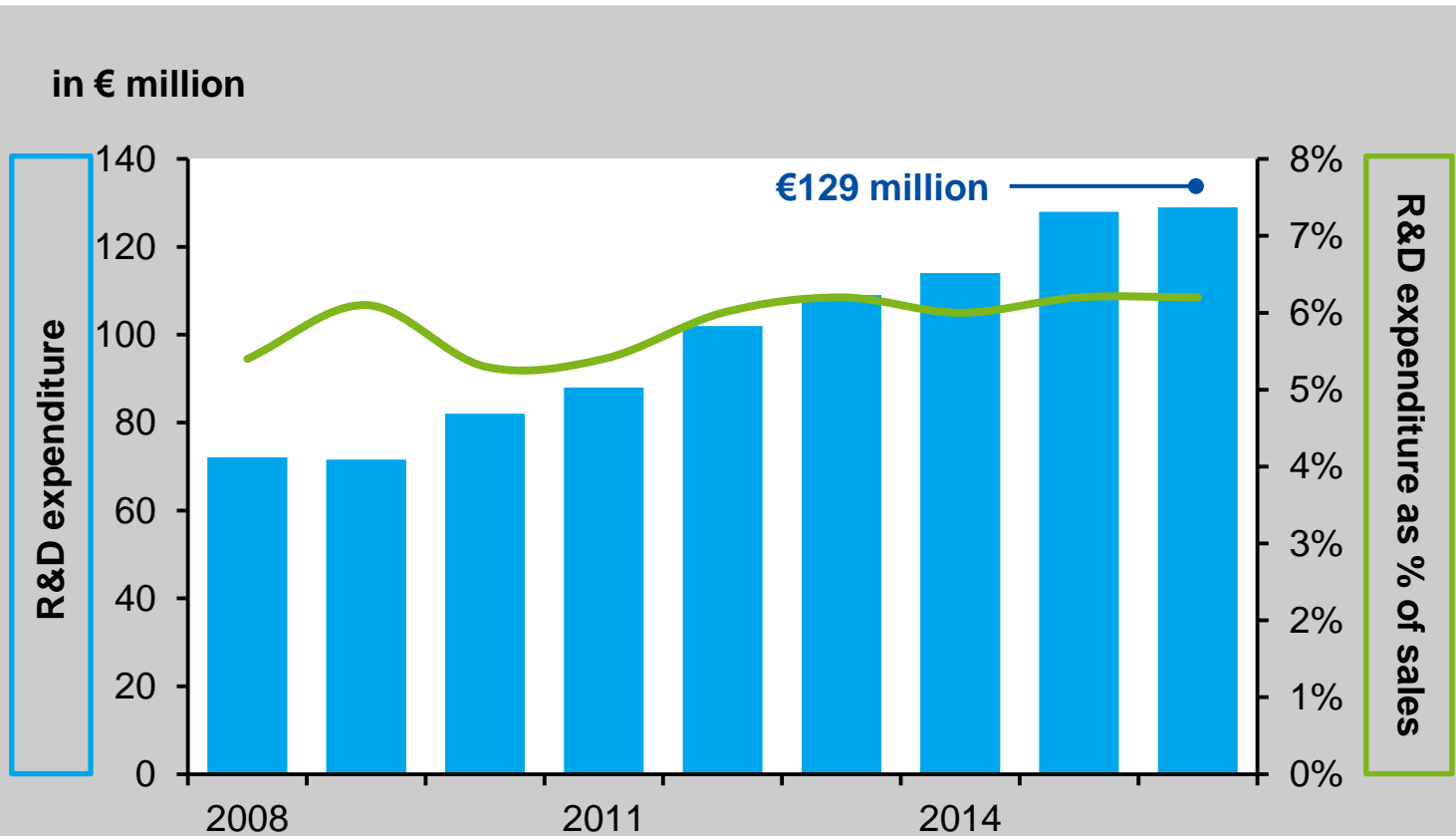
Balanced Geographic Profile

Business in established and emerging markets



Focus on Research and Development

6 percent of sales invested in R&D



One in six employees works in research and development

Sustainability in Figures

Responsibility has been made measurable

- High standard: ALTANA received the Gold Status in the renowned EcoVadis sustainability rating
 - Safety increased: all key accident figures were down compared to the previous year
 - Energy consumption lowered: decrease of 7 percent
 - CO₂ emissions reduced: decrease of 4 percent
 - Our goal: decrease of 30 percent compared to 2007 by 2020
- **Our integrated Annual and Sustainability Report reflects our definition of sustainability**

ALTANA 2016 – Financials

Presented by
Stefan Genten
Member of the Management Board



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Income Statement

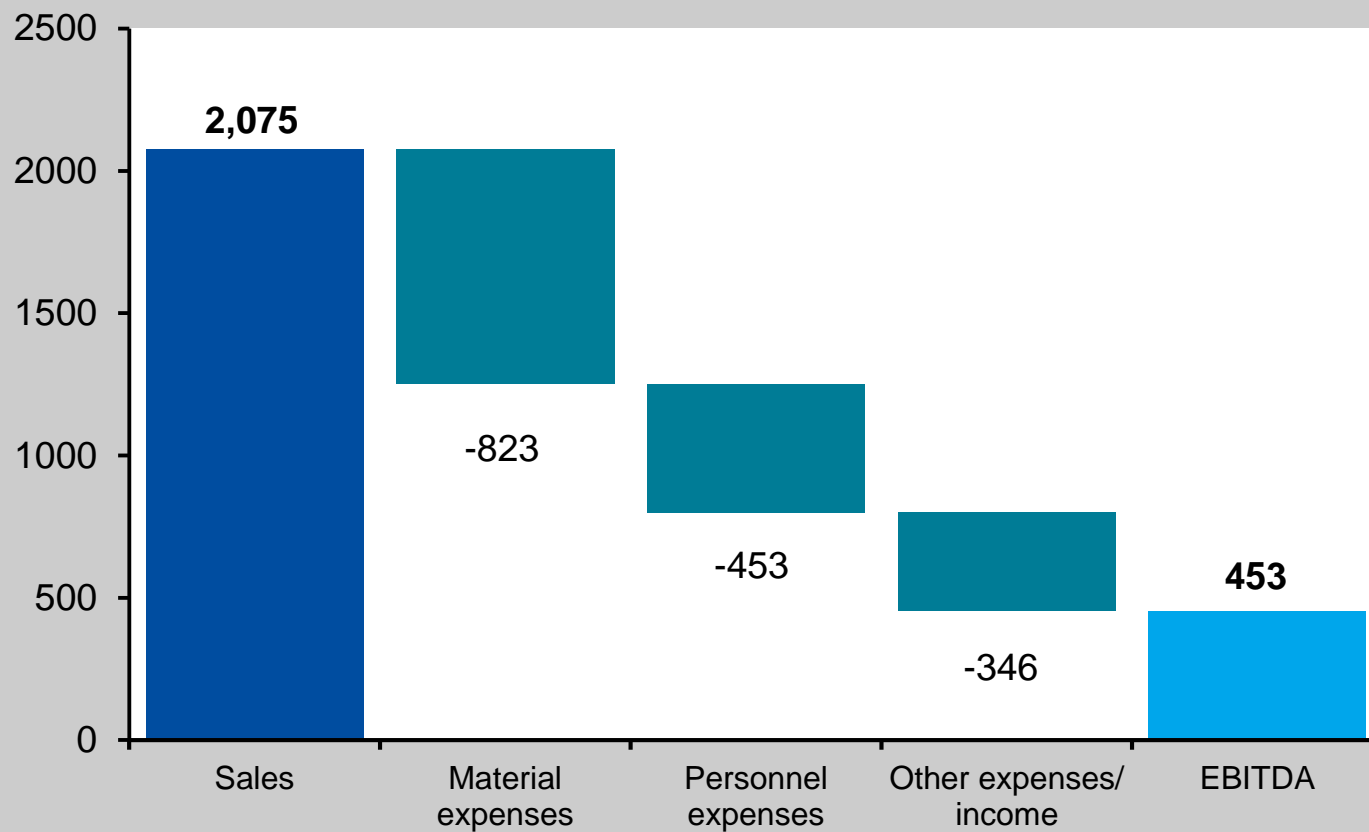
in € million	2016	% of sales	2015	% of sales	Δ %
Sales	2,075	100.0	2,059	100.0	0.8
Material expenses	(823)	-39.7	(866)	-42.0	4.9
Production expenses	(414)	-19.9	(412)	-20.0	-0.4
Gross profit	838	40.4	781	37.9	7.3
Selling & distribution expenses	(271)	-13.1	(274)	-13.3	1.0
R&D expenses	(129)	-6.2	(128)	-6.2	-1.0
General administration expenses	(116)	-5.6	(115)	-5.6	-0.9
Other operating income/expenses	7	0.3	(13)	-0.6	>100
Operating income (EBIT)	329	15.8	251	12.2	30.8
Financial result ^(a)	(29)	-1.4	(24)	-1.1	-21
Earnings before taxes (EBT)	300	14.4	228	11.1	31.6
Income tax ^(b)	(90)	-28.0	(70)	-29.0	-
Net income (EAT)	210	10.1	158	7.7	33.0

(a) incl. income from associated companies

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

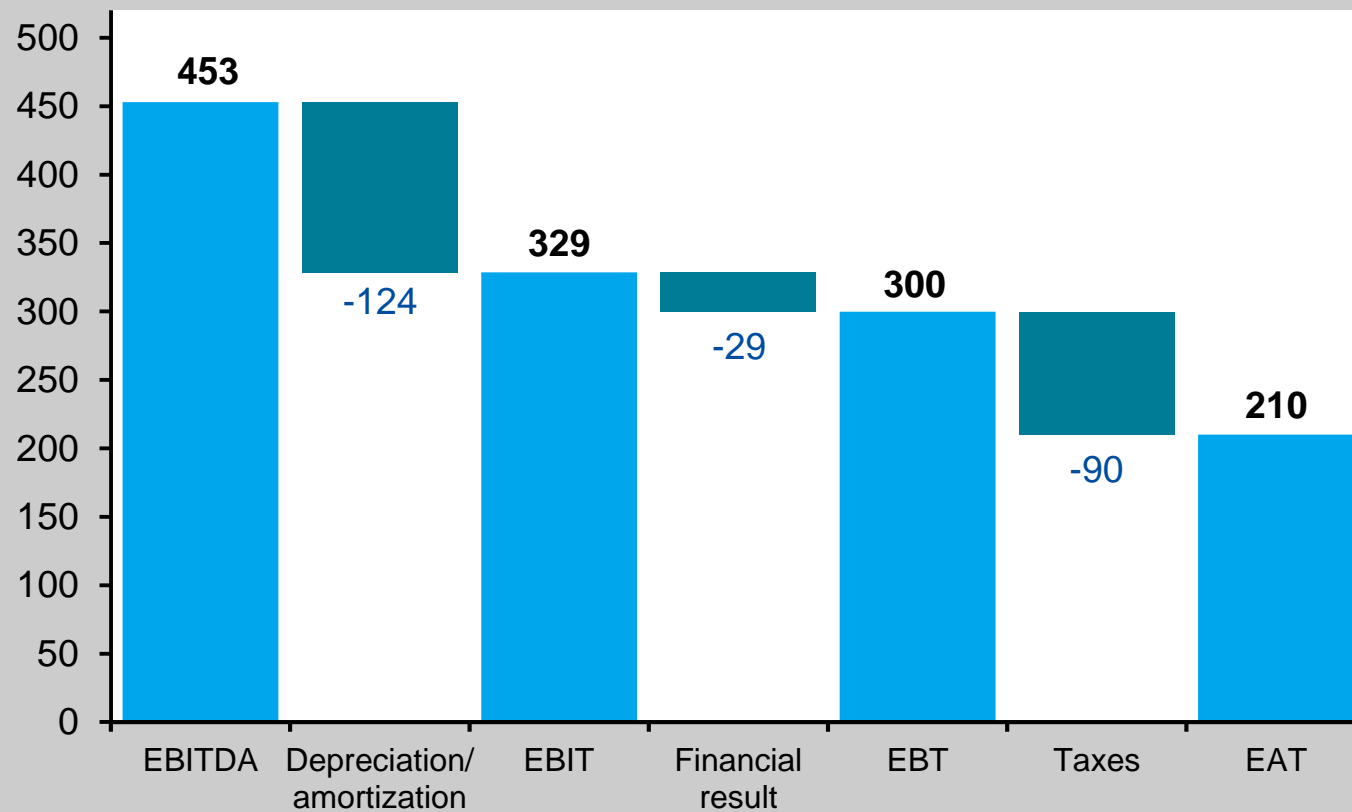
Major Expense Items

in € million



Details on 2016 Earnings

in € million



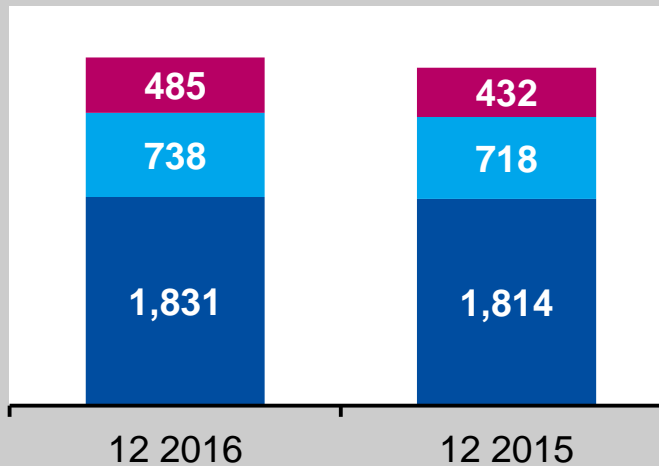
Cash Flow Statement

in € million	2016	2015
Net income	210	158
Amortization, depreciation, and impairment on intangible and tangible assets	124	140
Change in net working capital	1	44
Change in provisions and other	44	15
Cash flow from operating activities	377	346
Investments in intangible and tangible assets	(122)	(86)
Other	1	2
Cash flow from ordinary investing activities	(121)	(83)
Ordinary free cash flow	256	263
Acquisitions	4	0
Free cash flow	259	263

Consolidated Statement of Financial Position

in € million

Assets



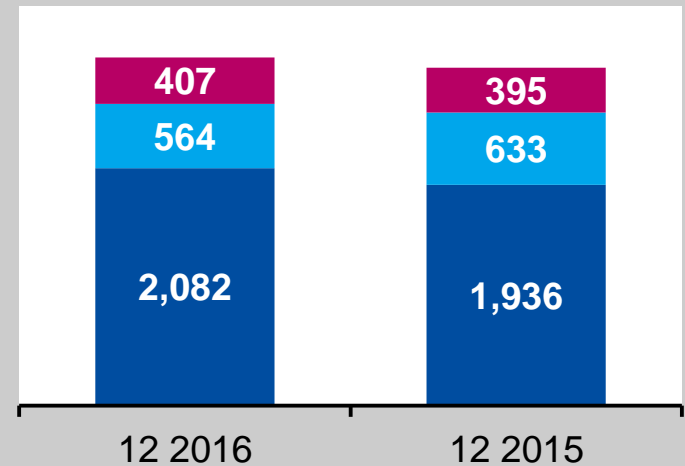
- Cash and cash equivalents (incl. marketable securities)
- Other current assets
- Non-current assets

Total Assets (in € million)

Dec. 31, 2015: 2,964
 Dec. 31, 2016: 3,054
 Change: **+3%**

in € million

Shareholders' Equity and Liabilities



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

Equity Ratio

Dec. 31, 2015: 65%
 Dec. 31, 2016: 68%

Financing Structure

in € million

	Dec. 31, 2016	Dec. 31, 2015
Cash and cash equivalents (incl. marketable securities)	485	432
Promissory note loans (German Schuldscheine)	(224)	(350)
Indebtedness to banks	(5)	(2)
Net financial position	256	80
Employee benefit obligations	(230)	(194)
Net debt (-) / Net financial assets (+)	26	(114)

→ Headroom for further growth

Value Management

in € million	2016	2015
Operating capital (annual average)	2,344	2,354
Operating earnings (after tax)	271	238
Return on capital employed (ROCE)	11.6%	10.1%
Weighted average cost of capital	8.0%	8.0%
ALTANA Value Added (%)	3.6%	2.1%
ALTANA Value Added (abs.)	83	49

→ Value contribution at a high level

ALTANA – Outlook for 2017

Presented by
Martin Babilas
CEO



ALTANA

Our Strategic Focus

6 factors for sustainable, profitable growth

Close cooperation with customers through highly specialized products and services

1



Innovation driver in growing specialty markets

2



Global market leadership positions

3



Profitable growth under our own steam and through acquisitions

4

Focus on sustainability: a combination of ecology, economy, and social responsibility

5



Highly qualified employees and a corporate culture that fosters innovative strength

6



The Course for the Future Has Been Set

Five strategic thrusts in our “Keep Changing Agenda”



Accelerate
growth



Differentiate through
innovation and sustainability



Focus organization
on value creation



Advance capabilities
to the next level



Mobilize
people

Acquisitions Accelerate our Growth

Acquisitions in 2016 / 2017



Outlook for 2017

Further profitable growth



- Global economy expected to exhibit slightly stronger growth than in the previous year
 - Highest growth rates in Asia
 - Slight increase in established industrial nations
- Stronger demand, increasing sales volumes
- Operating sales growth between 2 and 5 %
- Further growth due to acquisitions; exchange rates may influence sales growth
- EBITDA margin anticipated to be closer to long-term target range of 18 to 20 %

→ **Strong basis for further growth due to our sound financial position & innovative strength**

The logo for ACTEGA Coatings & Sealants, featuring the word "ACTEGA" in a bold, blue, sans-serif font above the words "Coatings & Sealants" in a smaller, blue, sans-serif font. A blue circle with a white dot is positioned to the left of the text.

ACTEGA
Coatings & Sealants

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.

Forward-looking statements speak only as of the date they are made. ALTANA does not intend and does not assume any obligation to update forward-looking statements to reflect facts, circumstances or events that have occurred or changed after such statements have been made.