

Press Release

2017 Half-Year Results: ALTANA Accelerates Growth Momentum

- Sales rise significantly by 9 percent to €1,160 million
- EBITDA improved to €262 million
- Growth forecast for 2017 confirmed

Wesel, August 9, 2017 – The specialty chemicals Group ALTANA recorded a pleasing increase in both sales and earnings in the first half of the 2017 fiscal year. Compared to the previous year's period, sales saw a significant rise of 9 percent to €1,160 million. Adjusted for acquisition and divestment as well as exchange-rate effects, sales grew by 6 percent. At €262 million, ALTANA's earnings before interest, taxes, depreciation and amortization (EBITDA) improved by around 5 percent. At 22.6 percent, the EBITDA margin was slightly lower than the previous year's figure (23.4 percent).

"The ALTANA Group's growth momentum in the first half of 2017 was significantly stronger than in the first six months of the previous year. The key driver is the high demand for our innovative products. Furthermore, the acquisitions that were carried out in the past months and strengthen our divisions also contributed to this growth," said Martin Babilas, CEO of ALTANA AG. "Our innovative ability coupled with our acquisition strategy and, not least, our financial strength, constitute a solid foundation for further sustainable and profitable growth."

ALTANA confirms its forecast for the full-year 2017, still anticipating operating sales growth of 2 to 5 percent with slightly lower earnings profitability. While the recent acquisitions are expected to provide additional momentum for nominal growth, it remains difficult to predict the effects resulting from rather volatile exchange rate developments.

BYK, ECKART, and ELANTAS on an expansion course

With growth rates of between 5 and 15 percent, the BYK Additives & Instruments, ECKART Effect Pigments, and ELANTAS Electrical Insulation divisions were clearly on an expansion course in the first half of 2017. The strongest growth was achieved by BYK, with an increase in sales of 15 percent in nominal terms to €540 million. The division's growth was considerably accelerated by the acquisitions of Addcomp in July 2016 and PolyAd Services in March 2017. BYK's operating sales growth, i.e. sales growth adjusted for acquisition and divestment as well as exchange-rate effects, was at 9 percent. ECKART posted growth of 11 percent to €200 million. At 10 percent, the division's operating growth was slightly lower. Both divisions benefitted, in particular, from the strong demand from the Chinese market.

The ELANTAS Electrical Insulation division, too, benefitted from the high demand from China and, in addition, from positive demand in Europe. Due to the higher volume, the division's sales rose to €244 million, which represents a nominal increase of 5 percent on the previous year's figure. Operating sales grew by 3 percent.

Date

August 9, 2017

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Contact

Corporate Communications

Andrea Neumann (Head)

Tel +49 281 670-10300

Heike Dimkos

Tel +49 281 670-10302

Sarah Grimhardt

Tel +49 281 670-10304

Fax +49 281 670-10999

press@altana.com

www.altana.com/press

ALTANA AG

Abelstraße 43

46483 Wesel

Germany

Tel: +49 281 670-8

Fax +49 281 670-10999

info@altana.com

www.altana.com

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Sales in the ACTEGA Coatings & Sealants division in the first six months of 2017 amounted to €176 million, 3 percent down on the previous year's figure. Adjusted for the impact of the sale of ACTEGA Colorchemie GmbH and its subsidiaries, ACTEGA's sales were on a par with the previous year's level.

Fastest pace of growth posted in Asia, particularly in China

The ALTANA Group generated its strongest sales growth in Asia, where sales rose by 15 percent to €372 million. In China, sales grew by as much as 23 percent to €198 million. Sales in the Americas increased by 10 percent to €325 million. In the U.S., sales were up by 13 percent to €229 million, mainly attributable to the acquisitions that were made in this region. Sales in Europe rose by 4 percent.

The ALTANA Group's sales distribution according to regions continues to be balanced, with Europe accounting for 38 percent of total sales, Asia for 32 percent, and the Americas for 28 percent.

At the end of the first half of 2017, the ALTANA Group employed 6,139 people. As of June 30, 2016, the number of employees was 5,896.

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 Additives & Instruments, ECKART Effect Pigments, ELANTAS Electrical Insulation, and ACTEGA Coatings & Sealants, 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 more than 50 service and research laboratories worldwide. Throughout the Group about 6,000 people work to ensure the worldwide success of ALTANA. In 2016, ALTANA achieved sales of more than 2 billion euros. About 6 percent of sales are 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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Key figures at a glance

ALTANA Group (in € million)	January to June 2017	January to June 2016	Change in %	Change operat.* in %
Sales – total	1,160	1,064	9	6
Sales by division				
BYK Additives & Instruments	540	469	15	9
ECKART Effect Pigments	200	181	11	10
ELANTAS Electrical Insulation	244	232	5	3
ACTEGA Coatings & Sealants	176	182	-3	0
Sales by region				
Europe	445	428	4	4
<i>thereof Germany</i>	142	140	2	3
Americas	325	295	10	2
<i>thereof U.S.</i>	229	202	13	4
Asia	372	323	15	14
<i>thereof China</i>	198	162	23	23
Other	18	18	1	-1
Earnings before interest, taxes, depreciation and amortization (EBITDA)	262	249	5	2
Operating income (EBIT)	196	189	4	
Earnings before taxes (EBT)	183	173	6	
Net income (EAT)	127	121	6	
Research and development expenses	69	63	10	
Headcount (June 30)	6,139	5,896	4	

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