

Buy EUR 51.00 Price EUR 44.40 Upside 14.9 %	Value Indicators: EUR DCF: 51.25 FCF-Value Potential 24-26: 51.96 SotP 24: 48.38	Warburg ESG Risk Score: 2.7 ESG Score (MSCI based): 3.0 Balance Sheet Score: 4.0 Market Liquidity Score: 1.0	Description: Alzchem is an integrated specialty chemicals provider
	Market Snapshot: EUR m Market cap: 451.8 No. of shares (m): 10.2 EV: 582.2 Freefloat MC: 212.7 Ø Trad. Vol. (30d): 432.19 th	Shareholders: Freefloat 47.08 % LIVIA Corporate Dev. SE 25.13 % for two na GmbH 15.05 % HDI Vier CE GmbH 12.74 %	Key Figures (WRE): 2024e Beta: 1.5 Price / Book: 2.4 x Equity Ratio: 43 % Net Fin. Debt / EBITDA: 0.3 x Net Debt / EBITDA: 1.5 x

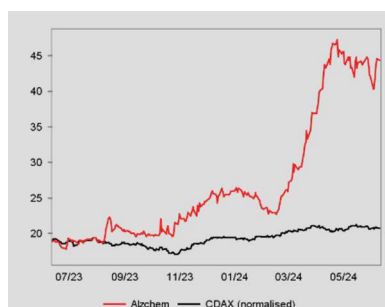
Growth at a discount price

Meeting Highlights

- Q1 2024 results were driven by a significant improvement in the product mix as declining low-margin Basics & Intermediates sales were substituted by an increase in high-margin Specialty Chemicals sales. The positive development was driven by favourable demand for Creamino® (feed additive), Creapure® (food supplement) and Nitroguanidine salts (propellant used in the automotive and in the armaments industry).
- Creapure® volumes expanded as a result of the capacity expansion finalized by the end of FY 2022. While the additional production capacity was still in the start-up phase in Q1 2023, it was fully loaded by FY 2024. There was also a change in the sales distribution in the customer base for guanidine salts. Historically, 90% of sales were generated with the agrochemical sector as a precursor for insecticide production and as a propellant for airbags in the automotive industry while 10% went to the military sector. In Q1 2024, 90% of sales were generated with the military sector, while the rest mostly went into automotive production. As the EBITDA margin generated with the military sector is superior to the other applications, the switch resulted in an increase in profitability.
- So far, Q2 2024 performance seems to have been in line with the company's expectations and hence also with its FY 2024 guidance.
- In regard to future growth, Alzchem highlighted the currently ongoing further capacity expansion for Creapure® (capex: EUR 15m) which is earmarked to produce first additional quantities by early 2025. The market for creatine keeps expanding, especially in the food sector. New products coming to the market in 2024 will be glucose candies containing Creapure® by a major German drugstore chain and yoghurts containing Creapure® by an Italian dairy. The University of Groningen (Netherlands) is currently working on a Phase II study that highlights the benefits of creatine in the dialysis process. Eminex®, too, which suppresses methane and CO₂ emissions during slurry storage, seems to be slowly taking off as some dairies have started incentivizing its farmers to use the product in order to reduce greenhouse gas emissions.
- The EU will support Alzchem's EUR 75m capex programme, which is slated to increase production capacities for nitroguanidine and to renew and expand existing guanidine nitrate production facilities with a EUR 34.4m investment grant as a part of the EU's ASAP programme. The respective facilities will be built by the end of 2026 at Alzchem's Schalchen (Germany) site. Management hinted at additional capex of ca. EUR 30m which might be used to expand the guanidine salt production as well, but did not share details as regards timing.

Conclusion

- Once again, Alzchem highlighted the benefits of being the "last man standing" in regard to running coke-2-chemicals processes in Western Europe, which gives it a unique market position in both creatine and nitroguanidine production in the western world.
- Given that market growth is set to continue or even accelerate especially in its Specialty Chemicals products, we expect positive mix effects to prevail and not only in FY 2024.
- Given Alzchem's undemanding valuation and its favourable growth prospects, we reiterate our Buy rating as well as our PT of EUR 51.



Rel. Performance vs CDAX:

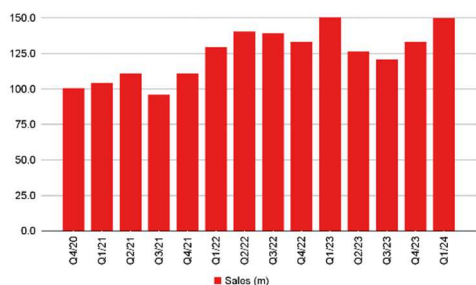
1 month:	4.1 %
6 months:	67.6 %
Year to date:	64.4 %
Trailing 12 months:	125.2 %

Company events:

01.08.24	Q2
07.11.24	Q3

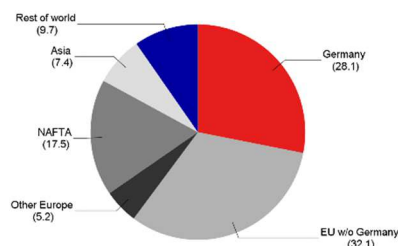
FY End: 31.12. in EUR m	CAGR (23-26e)	2020	2021	2022	2023	2024e	2025e	2026e
Sales	4.9 %	379.3	422.3	542.2	540.6	571.5	596.9	623.7
Change Sales yoy		0.8 %	11.3 %	28.4 %	-0.3 %	5.7 %	4.4 %	4.5 %
Gross profit margin		64.4 %	62.0 %	50.8 %	57.7 %	58.1 %	58.0 %	58.1 %
EBITDA	7.5 %	53.8	62.0	61.4	81.4	91.1	95.5	101.0
Margin		14.2 %	14.7 %	11.3 %	15.1 %	15.9 %	16.0 %	16.2 %
EBIT	7.0 %	30.7	37.6	35.9	55.5	63.8	65.2	68.0
Margin		8.1 %	8.9 %	6.6 %	10.3 %	11.2 %	10.9 %	10.9 %
Net income	8.9 %	19.7	27.6	30.1	34.6	41.4	43.2	44.8
EPS	8.9 %	1.94	2.72	2.96	3.40	4.07	4.25	4.40
EPS adj.	8.9 %	1.94	2.72	2.96	3.40	4.07	4.25	4.40
DPS	7.7 %	0.77	1.00	1.05	1.20	1.30	1.40	1.50
Dividend Yield		3.9 %	4.1 %	5.3 %	6.0 %	2.9 %	3.2 %	3.4 %
FCFPS		1.95	1.43	-3.23	5.12	2.72	0.59	1.14
FCF / Market cap		9.9 %	5.9 %	-16.3 %	25.5 %	6.1 %	1.3 %	2.6 %
EV / Sales		1.0 x	1.0 x	0.7 x	0.6 x	1.0 x	1.0 x	0.9 x
EV / EBITDA		7.2 x	6.9 x	6.1 x	4.3 x	6.4 x	6.1 x	5.8 x
EV / EBIT		12.6 x	11.3 x	10.5 x	6.3 x	9.1 x	8.9 x	8.6 x
P / E		10.2 x	8.9 x	6.7 x	5.9 x	10.9 x	10.4 x	10.1 x
P / E adj.		10.2 x	8.9 x	6.7 x	5.9 x	10.9 x	10.4 x	10.1 x
FCF Potential Yield		7.9 %	9.1 %	11.5 %	14.5 %	9.8 %	10.3 %	10.9 %
Net Debt		185.4	179.8	174.8	145.9	133.3	143.0	148.0
ROCE (NOPAT)		8.9 %	10.9 %	8.9 %	12.7 %	14.5 %	13.6 %	12.8 %
Guidance:		FY 2024: EBITDA growing to ca. EUR 90m						

Sales development
in EUR m



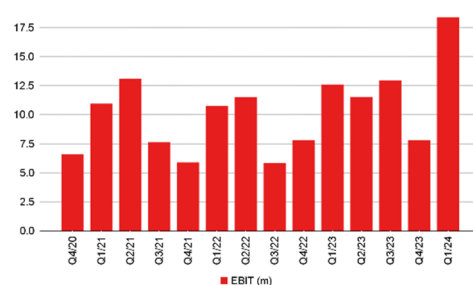
Source: Warburg Research

Sales by regions
2023; in %



Source: Warburg Research

EBIT development
in EUR m



Source: Warburg Research

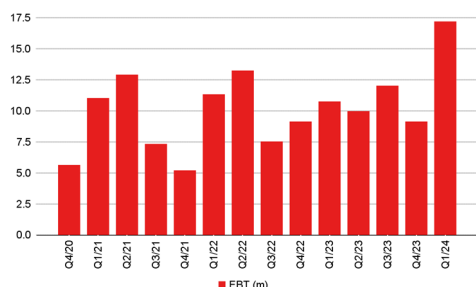
Company Background

- Alzchem goes back to the Bayerische Stickstoff-Werke GmbH (1908), which built a large calcium carbide and calcium cyanamide plant on the river Alz
- In 1939, Bayerische Kraftwerk AG and Donauwerke AG merged to form Süddeutsche Kalkstickstoffe AG, based in Trostberg. In 1978 company's name was changed to SKW Trostberg AG
- Merger of Degussa Hüls AG with Trostberg AG to form Degussa AG in 2000. Merger of the Alz locations Trostberg, Schalchen, Hart and Waldkraiburg into AlzChem Holding GmbH in 2006
- Takeover by bluO in 2009, conversion to Alzchem AG 2011. In 2019 the company heavily invested in the area of feed additives with the construction of a dedicated CreAMINO® production facility
- Alzchem is brought into the listed Alzchem Group AG (formerly Softmatic AG). Alzchem Group AG is the new parent company of the Alzchem Group. 2019 Commissioning of investment projects CreAMINO® and Nitrile

Competitive Quality

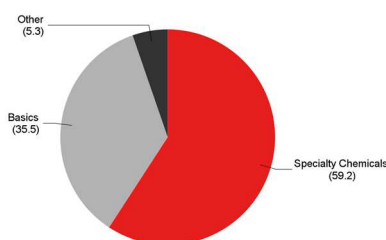
- Alzchem is a globally active, vertically integrated manufacturer of various chemical products of the calcium carbide/calcium cyanamide chain with a strategic focus on growth in the Specialty Chemicals business segment
- Alzchem's integrated manufacturing "Verbund" system enables efficiency gains in production. The company is the global leader or among the leading companies in its chosen fields of activity
- The company has four production facilities in Germany and one in Sweden that are complemented by two marketing companies in the US and in China allowing for global distribution of its products
- The company is benefiting from megatrends like sustainable energy production, population growth and increase in aging population. Its products offer attractive solutions that meet demand growth.
- Alzchem provides a highly diversified product portfolio ranging e.g. from dietary supplements, plant growth regulators to precursors for corona testing, thus addressing a wide range of customer industries

EBT development
in EUR m



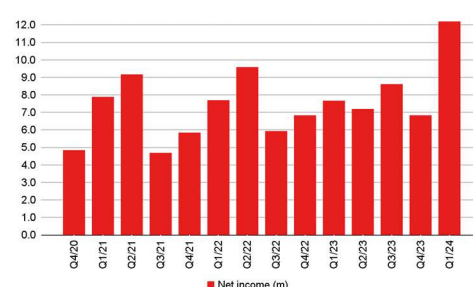
Source: Warburg Research

Sales by segments
2023; in %



Source: Warburg Research

Net income development
in EUR m



Source: Warburg Research

DCF model

Figures in EUR m	Detailed forecast period			Transitional period										Term. Value
	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	2036e	
Sales	571.5	596.9	623.7	650.5	677.9	705.7	733.9	762.5	791.5	820.0	847.9	875.0	901.2	
Sales change	5.7 %	4.4 %	4.5 %	4.3 %	4.2 %	4.1 %	4.0 %	3.9 %	3.8 %	3.6 %	3.4 %	3.2 %	3.0 %	1.0 %
EBIT	63.8	65.2	68.0	75.5	78.0	80.5	83.0	85.5	87.9	91.1	93.4	95.5	97.4	
EBIT-margin	11.2 %	10.9 %	10.9 %	11.6 %	11.5 %	11.4 %	11.3 %	11.2 %	11.1 %	11.1 %	11.0 %	10.9 %	10.8 %	
Tax rate (EBT)	28.0 %	28.0 %	28.0 %	28.0 %	28.0 %	28.0 %	28.0 %	28.0 %	28.0 %	28.0 %	28.0 %	28.0 %	28.0 %	
NOPAT	45.9	46.9	48.9	54.4	56.2	58.0	59.8	61.5	63.3	65.6	67.2	68.7	70.1	
Depreciation	27.3	30.3	33.0	35.1	37.2	39.4	41.0	42.6	44.2	45.0	46.5	48.0	49.5	
in % of Sales	4.8 %	5.1 %	5.3 %	5.4 %	5.5 %	5.6 %	5.6 %	5.6 %	5.6 %	5.5 %	5.5 %	5.5 %	5.5 %	
Changes in provisions	2.9	2.3	2.4	4.6	4.7	4.8	4.9	4.9	5.0	4.9	4.8	4.7	4.5	
Change in Liquidity from														
- Working Capital	6.6	7.4	5.7	7.3	7.5	7.6	7.7	7.8	7.9	7.8	7.6	7.4	7.2	
- Capex	37.0	52.0	52.0	38.4	39.3	40.2	40.4	40.4	40.4	41.0	42.4	43.7	45.1	
Capex in % of Sales	6.5 %	8.7 %	8.3 %	5.9 %	5.8 %	5.7 %	5.5 %	5.3 %	5.1 %	5.0 %	5.0 %	5.0 %	5.0 %	
- Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Free Cash Flow (WACC Model)	32.5	20.2	26.6	48.4	51.3	54.4	57.6	60.9	64.3	66.7	68.6	70.3	71.9	71
PV of FCF	31.1	17.7	21.4	35.6	34.6	33.6	32.6	31.6	30.5	29.0	27.3	25.7	24.1	292
share of PVs	10.53 %			45.65 %										43.81 %

Model parameter

Derivation of WACC:		Derivation of Beta:	
Debt ratio	25.00 %	Financial Strength	1.50
Cost of debt (after tax)	3.6 %	Liquidity (share)	2.00
Market return	8.25 %	Cyclicality	1.00
Risk free rate	2.75 %	Transparency	1.50
		Others	1.50
WACC	9.15 %	Beta	1.50

Valuation (m)

Present values 2036e	375		
Terminal Value	292		
Financial liabilities	57		
Pension liabilities	100		
Hybrid capital	0		
Minority interest	2		
Market val. of investments	0		
Liquidity	12	No. of shares (m)	10.1
Equity Value	519	Value per share (EUR)	51.25

Sensitivity Value per Share (EUR)

Beta	WACC	Terminal Growth							Beta	WACC	Delta EBIT-margin						
		0.25 %	0.50 %	0.75 %	1.00 %	1.25 %	1.50 %	1.75 %			-0.8 pp	-0.5 pp	-0.3 pp	+0.0 pp	+0.3 pp	+0.5 pp	+0.8 pp
1.74	10.2 %	41.49	42.04	42.62	43.22	43.87	44.55	45.27	1.74	10.2 %	38.89	40.33	41.78	43.22	44.67	46.12	47.56
1.62	9.7 %	44.95	45.60	46.28	47.00	47.76	48.57	49.43	1.62	9.7 %	42.40	43.93	45.47	47.00	48.53	50.06	51.60
1.56	9.4 %	46.83	47.53	48.27	49.06	49.89	50.78	51.72	1.56	9.4 %	44.32	45.90	47.48	49.06	50.64	52.22	53.80
1.50	9.2 %	48.82	49.58	50.39	51.25	52.16	53.13	54.17	1.50	9.2 %	46.35	47.99	49.62	51.25	52.88	54.51	56.14
1.44	8.9 %	50.93	51.76	52.64	53.58	54.58	55.65	56.79	1.44	8.9 %	48.53	50.21	51.90	53.58	55.27	56.95	58.64
1.38	8.7 %	53.16	54.07	55.04	56.07	57.17	58.35	59.61	1.38	8.7 %	50.84	52.59	54.33	56.07	57.81	59.56	61.30
1.26	8.2 %	58.08	59.17	60.34	61.58	62.92	64.36	65.91	1.26	8.2 %	55.97	57.84	59.71	61.58	63.45	65.33	67.20

- The beta value reflects the limited liquidity of the shares (free float 47.08%),
- In addition, transparency is reduced for structural reasons as Alzchem is positioned as a B2B company

Free Cash Flow Value Potential

Warburg Research's valuation tool "FCF Value Potential" reflects the ability of the company to generate sustainable free cash flows. It is based on the "FCF potential" - a FCF "ex growth" figure - which assumes unchanged working capital and pure maintenance capex. A value indication is derived via the perpetuity of a given year's "FCF potential" with consideration of the weighted costs of capital. The fluctuating value indications over time add a timing element to the DCF model (our preferred valuation tool).

in EUR m	2020	2021	2022	2023	2024e	2025e	2026e	
Net Income before minorities	19.9	27.8	30.2	34.8	41.6	43.4	44.9	
+ Depreciation + Amortisation	23.1	24.5	25.5	25.9	27.3	30.3	33.0	
- Net Interest Income	-2.1	-1.5	-2.5	-5.5	-4.1	-2.9	-3.5	
- Maintenance Capex	14.7	14.8	15.1	15.4	15.9	17.2	17.7	
+ Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
= Free Cash Flow Potential	30.4	38.9	43.1	50.8	57.1	59.5	63.7	
FCF Potential Yield (on market EV)	7.9 %	9.1 %	11.5 %	14.5 %	9.8 %	10.3 %	10.9 %	
WACC	9.15 %	9.15 %	9.15 %	9.15 %	9.15 %	9.15 %	9.15 %	
= Enterprise Value (EV)	387.2	425.3	375.2	350.6	582.2	579.8	584.9	
= Fair Enterprise Value	332.2	425.0	471.2	554.8	624.4	650.3	696.5	
- Net Debt (Cash)	45.6	45.6	45.6	45.6	30.2	37.5	40.2	
- Pension Liabilities	100.3	100.3	100.3	100.3	103.2	105.5	107.8	
- Other	0.0	0.0	0.0	0.0	-3.0	-15.0	-15.0	
- Market value of minorities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
+ Market value of investments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
= Fair Market Capitalisation	186.3	279.1	325.3	408.9	494.1	522.3	563.4	
Number of shares, average	10.2	10.1	10.1	10.2	10.2	10.2	10.2	
= Fair value per share (EUR)	18.30	27.53	32.10	40.18	48.55	51.33	55.37	
premium (-) / discount (+) in %					9.4 %	15.6 %	24.7 %	
Sensitivity Fair value per Share (EUR)								
	12.15 %	10.28	17.18	20.62	26.82	33.53	35.69	38.62
	11.15 %	12.50	20.01	23.76	30.52	37.70	40.03	43.26
	10.15 %	15.15	23.40	27.52	34.95	42.68	45.21	48.82
WACC	9.15 %	18.30	27.53	32.10	40.18	48.55	51.33	55.37
	8.15 %	22.40	32.68	37.80	47.05	56.30	59.41	64.02
	7.15 %	27.54	39.26	45.10	55.65	65.98	69.48	74.81
	6.15 %	34.36	47.99	54.78	67.04	78.80	82.83	89.11

■ Historical volatility of the value indication is due to cyclical operative development

Valuation	2020	2021	2022	2023	2024e	2025e	2026e
Price / Book	3.0 x	2.8 x	1.4 x	1.3 x	2.4 x	2.0 x	1.8 x
Book value per share ex intangibles	6.40	8.42	13.92	15.52	18.43	21.41	24.44
EV / Sales	1.0 x	1.0 x	0.7 x	0.6 x	1.0 x	1.0 x	0.9 x
EV / EBITDA	7.2 x	6.9 x	6.1 x	4.3 x	6.4 x	6.1 x	5.8 x
EV / EBIT	12.6 x	11.3 x	10.5 x	6.3 x	9.1 x	8.9 x	8.6 x
EV / EBIT adj.*	12.6 x	11.3 x	10.5 x	6.3 x	9.1 x	8.9 x	8.6 x
P / FCF	10.1 x	16.9 x	n.a.	3.9 x	16.3 x	75.4 x	38.9 x
P / E	10.2 x	8.9 x	6.7 x	5.9 x	10.9 x	10.4 x	10.1 x
P / E adj.*	10.2 x	8.9 x	6.7 x	5.9 x	10.9 x	10.4 x	10.1 x
Dividend Yield	3.9 %	4.1 %	5.3 %	6.0 %	2.9 %	3.2 %	3.4 %
FCF Potential Yield (on market EV)	7.9 %	9.1 %	11.5 %	14.5 %	9.8 %	10.3 %	10.9 %

*Adjustments made for: Restructuring costs, value adjustments, one-off earnings/losses

Consolidated profit & loss

In EUR m	2020	2021	2022	2023	2024e	2025e	2026e
Sales	379.3	422.3	542.2	540.6	571.5	596.9	623.7
Change Sales yoy	0.8 %	11.3 %	28.4 %	-0.3 %	5.7 %	4.4 %	4.5 %
Increase / decrease in inventory	-2.5	10.0	22.2	-3.8	0.0	0.0	0.0
Own work capitalised	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Sales	376.7	432.3	564.4	536.8	571.5	596.9	623.7
Material expenses	132.5	170.7	288.9	225.1	239.2	250.5	261.6
Gross profit	244.2	261.7	275.5	311.7	332.3	346.5	362.2
<i>Gross profit margin</i>	<i>64.4 %</i>	<i>62.0 %</i>	<i>50.8 %</i>	<i>57.7 %</i>	<i>58.1 %</i>	<i>58.0 %</i>	<i>58.1 %</i>
Personnel expenses	127.4	132.2	137.1	145.6	151.0	156.8	162.8
Other operating income	10.7	11.4	24.2	13.9	14.8	15.4	16.1
Other operating expenses	73.7	78.8	101.1	98.5	104.9	109.6	114.5
Unfrequent items	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	53.8	62.0	61.4	81.4	91.1	95.5	101.0
<i>Margin</i>	<i>14.2 %</i>	<i>14.7 %</i>	<i>11.3 %</i>	<i>15.1 %</i>	<i>15.9 %</i>	<i>16.0 %</i>	<i>16.2 %</i>
Depreciation of fixed assets	23.1	24.5	25.5	25.9	27.3	30.3	33.0
EBITA	30.7	37.6	35.9	55.5	63.8	65.2	68.0
Amortisation of intangible assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Goodwill amortisation	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	30.7	37.6	35.9	55.5	63.8	65.2	68.0
<i>Margin</i>	<i>8.1 %</i>	<i>8.9 %</i>	<i>6.6 %</i>	<i>10.3 %</i>	<i>11.2 %</i>	<i>10.9 %</i>	<i>10.9 %</i>
EBIT adj.	30.7	37.6	35.9	55.5	63.8	65.2	68.0
Interest income	0.0	0.0	0.0	0.3	0.4	0.4	0.4
Interest expenses	2.1	1.5	2.5	5.8	4.6	3.3	3.9
Other financial income (loss)	-1.4	0.4	7.9	-1.8	-1.9	-2.0	-2.1
EBT	27.2	36.5	41.3	48.2	57.8	60.3	62.4
<i>Margin</i>	<i>7.2 %</i>	<i>8.6 %</i>	<i>7.6 %</i>	<i>8.9 %</i>	<i>10.1 %</i>	<i>10.1 %</i>	<i>10.0 %</i>
Total taxes	7.3	8.7	11.1	13.4	16.2	16.9	17.5
Net income from continuing operations	19.9	27.8	30.2	34.8	41.6	43.4	44.9
Income from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income before minorities	19.9	27.8	30.2	34.8	41.6	43.4	44.9
Minority interest	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Net income	19.7	27.6	30.1	34.6	41.4	43.2	44.8
<i>Margin</i>	<i>5.2 %</i>	<i>6.5 %</i>	<i>5.5 %</i>	<i>6.4 %</i>	<i>7.2 %</i>	<i>7.2 %</i>	<i>7.2 %</i>
Number of shares, average	10.2	10.1	10.1	10.2	10.2	10.2	10.2
EPS	1.94	2.72	2.96	3.40	4.07	4.25	4.40
EPS adj.	1.94	2.72	2.96	3.40	4.07	4.25	4.40

*Adjustments made for: Restructuring costs, value adjustments, one-off earnings/losses

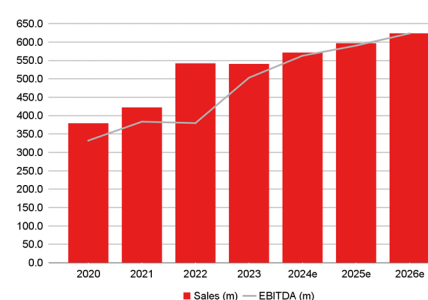
Guidance: FY 2024: EBITDA growing to ca. EUR 90m

Financial Ratios

	2020	2021	2022	2023	2024e	2025e	2026e
Total Operating Costs / Sales	54.4 %	59.1 %	71.9 %	59.9 %	60.2 %	60.3 %	60.3 %
Operating Leverage	0.5 x	2.0 x	-0.2 x	-187.8 x	2.6 x	0.5 x	0.9 x
EBITDA / Interest expenses	25.1 x	41.6 x	24.4 x	14.0 x	20.0 x	28.9 x	26.0 x
Tax rate (EBT)	27.0 %	24.0 %	26.8 %	27.8 %	28.0 %	28.0 %	28.0 %
Dividend Payout Ratio	39.4 %	36.5 %	35.2 %	35.1 %	31.8 %	32.8 %	34.0 %
Sales per Employee	217,941	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

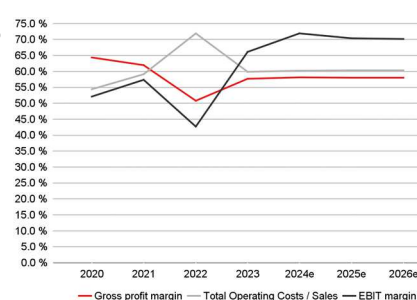
Sales, EBITDA

in EUR m

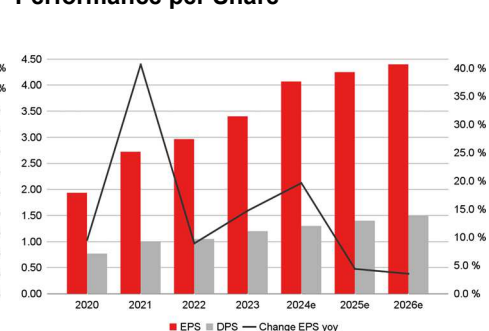


Operating Performance

in %



Performance per Share



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

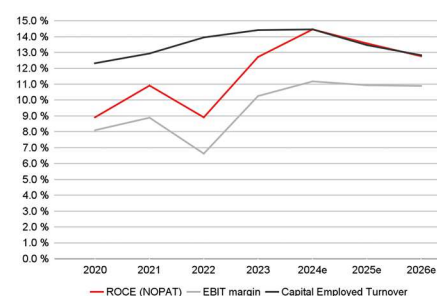
Consolidated balance sheet

In EUR m	2020	2021	2022	2023	2024e	2025e	2026e
Assets							
Goodwill and other intangible assets	1.8	2.3	3.0	3.7	3.3	3.0	2.7
thereof other intangible assets	1.8	2.3	3.0	3.7	3.3	3.0	2.7
thereof Goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Property, plant and equipment	183.6	186.5	187.8	182.1	192.2	214.2	233.5
Financial assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other long-term assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Fixed assets	185.4	188.8	190.7	185.8	195.5	217.2	236.2
Inventories	67.4	86.7	122.4	107.5	111.6	116.9	120.4
Accounts receivable	33.1	40.8	55.7	75.2	79.5	83.0	86.8
Liquid assets	17.1	8.3	9.2	11.9	11.5	11.4	10.2
Other short-term assets	51.2	53.0	44.8	44.3	46.0	47.3	48.8
Current assets	168.9	188.8	232.1	238.9	248.6	258.7	266.1
Total Assets	354.3	377.7	422.9	424.7	444.1	475.8	502.2
Liabilities and shareholders' equity							
Subscribed capital	101.8	101.8	101.8	101.8	101.8	101.8	101.8
Capital reserve	-4.2	-1.7	5.1	7.2	10.7	14.3	18.0
Retained earnings	-25.5	-10.3	30.8	43.7	65.0	86.9	109.2
Other equity components	-5.2	-2.1	6.3	9.0	13.4	17.9	22.4
Shareholders' equity	66.9	87.6	144.0	161.6	190.8	220.9	251.4
Minority interest	1.8	1.9	1.9	1.9	2.0	2.1	2.2
Total equity	68.7	89.6	145.9	163.6	192.9	223.0	253.6
Provisions	168.9	167.3	109.1	123.5	127.3	130.3	133.4
thereof provisions for pensions and similar obligations	141.8	140.0	90.1	100.3	103.2	105.5	107.8
Financial liabilities (total)	60.7	48.0	93.9	57.5	41.7	48.9	50.4
Short-term financial liabilities	12.7	10.5	66.4	8.8	6.2	9.4	9.6
Accounts payable	20.9	32.8	37.4	31.6	33.4	34.8	36.4
Other liabilities	35.1	39.9	36.5	48.5	48.9	38.8	28.5
Liabilities	285.6	288.1	276.9	261.1	251.2	252.9	248.7
Total liabilities and shareholders' equity	354.3	377.7	422.9	424.7	444.1	475.8	502.2

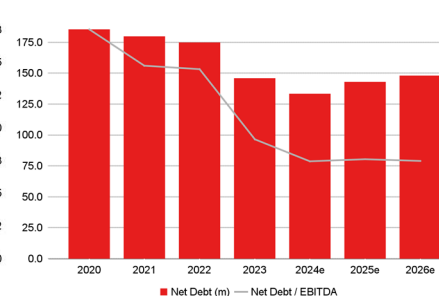
Financial Ratios

	2020	2021	2022	2023	2024e	2025e	2026e
Efficiency of Capital Employment							
Operating Assets Turnover	1.4 x	1.5 x	1.7 x	1.6 x	1.6 x	1.6 x	1.5 x
Capital Employed Turnover	1.5 x	1.6 x	1.7 x	1.7 x	1.8 x	1.6 x	1.6 x
ROA	10.6 %	14.6 %	15.8 %	18.6 %	21.2 %	19.9 %	19.0 %
Return on Capital							
ROCE (NOPAT)	8.9 %	10.9 %	8.9 %	12.7 %	14.5 %	13.6 %	12.8 %
ROE	31.1 %	35.7 %	25.9 %	22.7 %	23.5 %	21.0 %	19.0 %
Adj. ROE	31.1 %	35.7 %	25.9 %	22.7 %	23.5 %	21.0 %	19.0 %
Balance sheet quality							
Net Debt	185.4	179.8	174.8	145.9	133.3	143.0	148.0
Net Financial Debt	43.6	39.8	84.7	45.6	30.2	37.5	40.2
Net Gearing	270.0 %	200.7 %	119.8 %	89.2 %	69.1 %	64.1 %	58.4 %
Net Fin. Debt / EBITDA	81.1 %	64.1 %	137.8 %	56.1 %	33.1 %	39.3 %	39.8 %
Book Value / Share	6.6	8.6	14.2	15.9	18.8	21.7	24.7
Book value per share ex intangibles	6.4	8.4	13.9	15.5	18.4	21.4	24.4

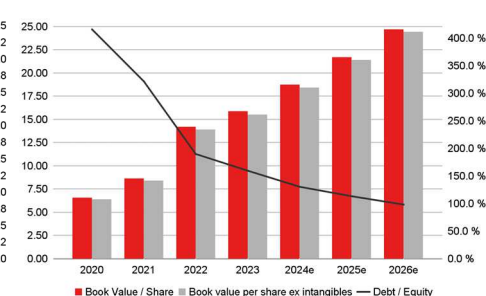
ROCE Development



Net debt in EUR m



Book Value per Share in EUR



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

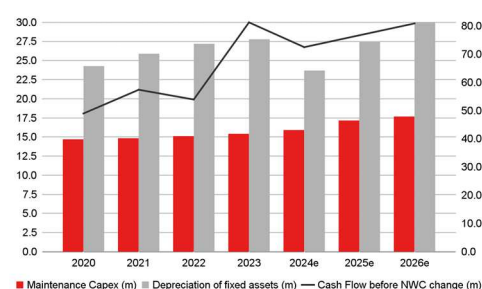
Consolidated cash flow statement

In EUR m	2020	2021	2022	2023	2024e	2025e	2026e
Net income	19.9	27.8	30.2	34.8	41.6	43.4	44.9
Depreciation of fixed assets	24.3	25.9	27.2	27.8	23.7	27.4	30.0
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	-1.2	-1.4	-1.7	-1.9	3.6	2.9	3.0
Increase/decrease in long-term provisions	-1.2	-1.4	-1.7	-1.9	3.6	2.9	3.0
Other non-cash income and expenses	7.2	6.6	-0.1	22.5	0.0	0.0	0.0
Cash Flow before NWC change	49.0	57.4	54.0	81.3	72.5	76.7	80.9
Increase / decrease in inventory	5.3	-16.5	-37.9	9.6	-4.1	-5.3	-3.5
Increase / decrease in accounts receivable	-5.8	1.8	-19.9	-18.0	-6.0	-4.9	-5.1
Increase / decrease in accounts payable	0.0	0.0	0.0	0.0	0.1	0.1	0.1
Increase / decrease in other working capital positions	0.2	0.3	-0.3	-0.1	2.1	-8.6	-8.8
Increase / decrease in working capital (total)	-0.3	-14.4	-58.2	-8.6	-7.8	-18.7	-17.3
Net cash provided by operating activities [1]	48.7	43.0	-4.2	72.7	64.7	58.0	63.6
Investments in intangible assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Investments in property, plant and equipment	-28.8	-28.5	-29.1	-20.6	-37.0	-52.0	-52.0
Payments for acquisitions	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial investments	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Income from asset disposals	0.0	0.1	0.6	0.0	0.0	0.0	0.0
Net cash provided by investing activities [2]	-28.8	-28.5	-28.5	-20.5	-37.0	-52.0	-52.0
Change in financial liabilities	-1.9	-12.7	45.9	-36.4	-15.8	7.2	1.5
Dividends paid	-7.8	-8.0	-10.3	-10.9	-12.3	-13.3	-14.3
Purchase of own shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Capital measures	0.0	-1.0	0.0	0.0	0.0	0.0	0.0
Other	-2.0	-1.9	-1.9	-1.9	0.0	0.0	0.0
Net cash provided by financing activities [3]	-11.7	-23.6	33.6	-49.2	-28.1	-6.1	-12.9
Change in liquid funds [1]+[2]+[3]	8.2	-9.3	0.8	3.3	-0.4	-0.1	-1.2
Effects of exchange-rate changes on cash	-0.1	0.3	0.1	-0.3	0.0	0.0	0.0
Cash and cash equivalent at end of period	17.1	8.3	9.2	11.9	11.5	11.4	10.2

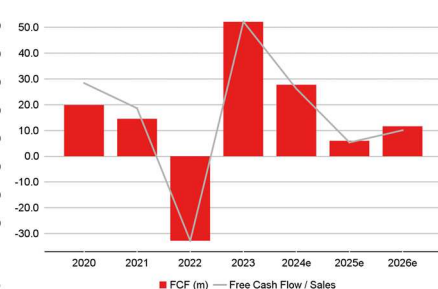
Financial Ratios

	2020	2021	2022	2023	2024e	2025e	2026e
Cash Flow							
FCF	19.9	14.5	-32.8	52.1	27.7	6.0	11.6
Free Cash Flow / Sales	5.2 %	3.4 %	-6.0 %	9.6 %	4.9 %	1.0 %	1.9 %
Free Cash Flow Potential	30.4	38.9	43.1	50.8	57.1	59.5	63.7
Free Cash Flow / Net Profit	100.9 %	52.7 %	-109.0 %	150.6 %	66.9 %	13.9 %	26.0 %
Interest Received / Avg. Cash	0.1 %	0.0 %	0.5 %	3.0 %	3.5 %	3.5 %	3.7 %
Interest Paid / Avg. Debt	3.5 %	2.7 %	3.5 %	7.7 %	9.2 %	7.3 %	7.8 %
Management of Funds							
Investment ratio	7.6 %	6.8 %	5.4 %	3.8 %	6.5 %	8.7 %	8.3 %
Maint. Capex / Sales	3.9 %	3.5 %	2.8 %	2.9 %	2.8 %	2.9 %	2.8 %
Capex / Dep	124.8 %	116.6 %	113.8 %	79.4 %	135.5 %	171.4 %	157.6 %
Avg. Working Capital / Sales	21.4 %	20.6 %	21.7 %	27.0 %	27.0 %	27.0 %	26.9 %
Trade Debtors / Trade Creditors	158.6 %	124.6 %	149.0 %	238.4 %	238.4 %	238.4 %	238.4 %
Inventory Turnover	2.0 x	2.0 x	2.4 x	2.1 x	2.1 x	2.1 x	2.2 x
Receivables collection period (days)	32	35	38	51	51	51	51
Payables payment period (days)	58	70	47	51	51	51	51
Cash conversion cycle (Days)	160	151	145	174	170	170	168

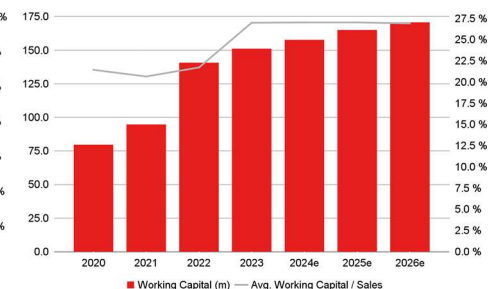
CAPEX and Cash Flow
in EUR m



Free Cash Flow Generation



Working Capital



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

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Company	Disclosure	Link to the historical price targets and rating changes (last 12 months)
Alzchem	5	https://www.mmwarburg.com/disclaimer/disclaimer_en/DE000A2YNT30.htm

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Investment recommendation: expected direction of the share price development of the financial instrument up to the given price target in the opinion of the analyst who covers this financial instrument.

-B-	Buy:	The price of the analysed financial instrument is expected to rise over the next 12 months.
-H-	Hold:	The price of the analysed financial instrument is expected to remain mostly flat over the next 12 months.
-S-	Sell:	The price of the analysed financial instrument is expected to fall over the next 12 months.
“-“	Rating suspended:	The available information currently does not permit an evaluation of the company.

WARBURG RESEARCH GMBH – ANALYSED RESEARCH UNIVERSE BY RATING

Rating	Number of stocks	% of Universe
Buy	142	70
Hold	46	23
Sell	9	4
Rating suspended	7	3
Total	204	100

WARBURG RESEARCH GMBH – ANALYSED RESEARCH UNIVERSE BY RATING ...

... taking into account only those companies which were provided with major investment services in the last twelve months.

Rating	Number of stocks	% of Universe
Buy	46	79
Hold	9	16
Sell	0	0
Rating suspended	3	5
Total	58	100

PRICE AND RATING HISTORY ALZCHEM AS OF 11.06.2024



Markings in the chart show rating changes by Warburg Research GmbH in the last 12 months. Every marking details the date and closing price on the day of the rating change.

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