

Buy EUR 68.00 (EUR 51.00) Price EUR 52.00 Upside 30.8 %	Value Indicators: EUR DCF: 68.43 FCF-Value Potential 24-26: 69.03 SotP 24: 56.82	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: 529.2 No. of shares (m): 10.2 EV: 638.7 Freefloat MC: 255.1 Ø Trad. Vol. (30d): 362.33 th	Shareholders: Freefloat 48.21 % LIVIA Corporate Dev. SE 25.13 % for two na GmbH 15.05 % HDI Vier CE GmbH 11.61 %	Key Figures (WRE): 2024e Beta: 1.5 Price / Book: 2.7 x Equity Ratio: 43 % Net Fin. Debt / EBITDA: 0.1 x Net Debt / EBITDA: 1.1 x

Q2 performance well ahead of estimates; Guidance raised

As already highlighted in our First Glance publication following the release of Q2 results on August 1, Alzchem's Q2 clearly beat both WR and consensus estimates. The favourable operational development in H1 prompted management to increase its FY 24 EBITDA guidance to more than EUR 100m (+25% yoy, was: ca. EUR 90m) based on sales of ca. EUR 570m (unchanged; +5.4% yoy).

Q2 sales rose by 7.6% yoy to EUR 136.2m, driven by an increase of 9.0% in volumes and, even though prices were -1.5% lower, changes in FX relations added another 0.2%. EBITDA jumped to EUR 27.0m, +51.2% yoy, mainly driven by the stellar performance of the Specialty Chemicals segment, which thrived on good demand from animal and human nutrition as well from automotive and defence. Volumes in the segment increased by 16.2% yoy while prices were mostly flat (+0.7% yoy). FX effects were marginal (+0.3% yoy). Interestingly, Alzchem recorded positive development in demand from automotive and pharmaceutical but sluggish demand from the chemical industry still affected custom synthesis. Given high capacity utilization, there was favourable development of unit costs which allowed for an increase in EBITDA to EUR 22.8m (+52.9% yoy).

Sales in the Basic & Intermediates segment were -9.1% lower yoy at EUR 41.6m as volumes (-3.2%) and prices (-5.8%) declined while FX effects were negligible at -0.1% yoy. Alzchem faced tough competition especially from Asia, a trend that was already visible in the previous quarters. As the company decided not to compete with cut-throat price levels, the respective price-declines were triggered by price escalation clauses on energy and raw-material costs. Nitralz® in particular faced tough Asian competition while demand for Perika® improved. Given the improvement in the product mix, EBITDA increased by 26.8% to EUR 3.1m. Sales in the Others & Holding segment increased by 11.2% to EUR 8.5m, triggered by the pass-through of higher costs. The segment's EBITDA doubled with a change in the product mix. Given that the D&A number hardly budged yoy, the group's EBIT increased by 78.3% yoy to EUR 20.6m. The combination of a significantly less negative financial result (EUR -0.7m vs EUR -1.6m last year) and a constant tax rate of 27.5% in the quarter helped to double the net result yoy to EUR 14.4m. FCF amounted to EUR 24.8m in Q2 2024, slightly lower than the record EUR 25.8m the year before. Thus, financial net debt declined by 88.6% to EUR 7.5m yoy. Compared to the EUR 45.6m of FY 2023, net financial debt declined by -83.6% despite the EUR 12.2m dividend payment in Q2 2024. The massive reduction in financial net debt from EUR 84.7m by the end of FY 2022 to only EUR 7.5m in H1 2024 provides Alzchem with ample strategic room to manoeuvre as regards upcoming M&A transactions to bolster organic growth. Based on our revised estimates, we increase our PT to EUR 68 (based on a DCF calculation) and reiterate our Buy recommendation.

Changes in Estimates:				Comment on Changes:			
FY End: 31.12. in EUR m	2024e (old)	+ / -	2025e (old)	+ / -	2026e (old)	+ / -	
Sales	571.5	-0.2 %	596.9	2.5 %	623.7	3.8 %	■ Changes in estimates mainly reflect better operational improvement than anticipated in FY 2024 which is bound to continue in the coming years.
EBIT	63.8	16.1 %	65.2	17.6 %	68.0	20.8 %	
EPS	4.07	19.6 %	4.25	21.4 %	4.40	26.1 %	
DPS	1.30	15.4 %	1.40	14.3 %	1.50	13.3 %	
Net Debt	133.3	-15.6 %	143.0	-26.2 %	148.0	-39.2 %	

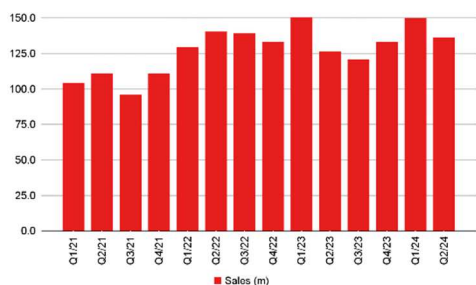


Rel. Performance vs CDAX:	
1 month:	4.8 %
6 months:	118.9 %
Year to date:	95.3 %
Trailing 12 months:	144.9 %

Company events:
07.11.24 Q3

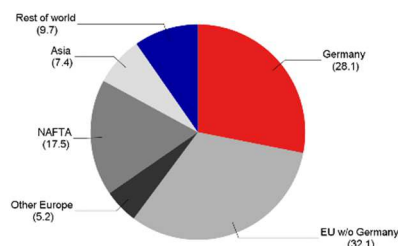
FY End: 31.12. in EUR m	CAGR (23-26e)	2020	2021	2022	2023	2024e	2025e	2026e
Sales	6.2 %	379.3	422.3	542.2	540.6	570.5	611.8	647.6
Change Sales yoy		0.8 %	11.3 %	28.4 %	-0.3 %	5.5 %	7.2 %	5.9 %
Gross profit margin		64.4 %	62.0 %	50.8 %	57.7 %	64.2 %	62.8 %	62.9 %
EBITDA	12.3 %	53.8	62.0	61.4	81.4	101.4	107.0	115.1
Margin		14.2 %	14.7 %	11.3 %	15.1 %	17.8 %	17.5 %	17.8 %
EBIT	14.0 %	30.7	37.6	35.9	55.5	74.1	76.7	82.1
Margin		8.1 %	8.9 %	6.6 %	10.3 %	13.0 %	12.5 %	12.7 %
Net income	17.7 %	19.7	27.6	30.1	34.6	49.5	52.5	56.4
EPS	17.7 %	1.94	2.72	2.96	3.40	4.87	5.16	5.55
EPS adj.	17.7 %	1.94	2.72	2.96	3.40	4.87	5.16	5.55
DPS	12.3 %	0.77	1.00	1.05	1.20	1.50	1.60	1.70
Dividend Yield		3.9 %	4.1 %	5.3 %	6.0 %	2.9 %	3.1 %	3.3 %
FCFPS		1.95	1.43	-3.23	5.12	4.76	2.57	3.44
FCF / Market cap		9.9 %	5.9 %	-16.3 %	25.5 %	9.2 %	4.9 %	6.6 %
EV / Sales		1.0 x	1.0 x	0.7 x	0.6 x	1.1 x	1.0 x	0.9 x
EV / EBITDA		7.2 x	6.9 x	6.1 x	4.3 x	6.3 x	5.8 x	5.2 x
EV / EBIT		12.6 x	11.3 x	10.5 x	6.3 x	8.6 x	8.1 x	7.4 x
P / E		10.2 x	8.9 x	6.7 x	5.9 x	10.7 x	10.1 x	9.4 x
P / E adj.		10.2 x	8.9 x	6.7 x	5.9 x	10.7 x	10.1 x	9.4 x
FCF Potential Yield		7.9 %	9.1 %	11.5 %	14.5 %	10.1 %	10.9 %	12.1 %
Net Debt		185.4	179.8	174.8	145.9	112.5	105.5	90.0
ROCE (NOPAT)		8.9 %	10.9 %	8.9 %	12.7 %	17.1 %	16.8 %	16.6 %
Guidance:		FY 2024: EBITDA growing to more than EUR 100m						

Sales development
in EUR m



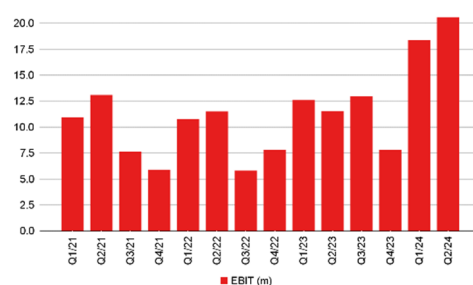
Source: Warburg Research

Sales by regions
2023; in %



Source: Warburg Research

EBIT development
in EUR m



Source: Warburg Research

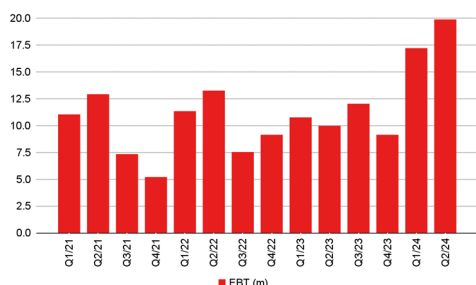
Company Background

- 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

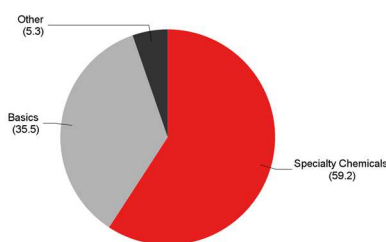
- Alzchem is a globally active, vertically integrated manufacturer of various chemical products of the calcium carbide/calcium cyanamide chain with a strategic focus on growth in the Specialty Chemicals business segment
- Alzchem's integrated manufacturing "Verbund" system enables efficiency gains in 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



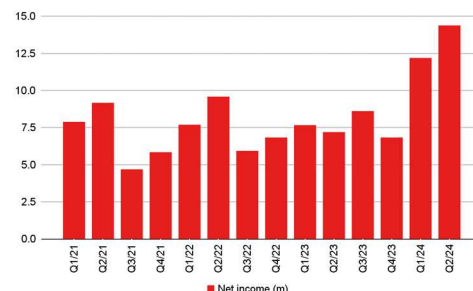
Source: Warburg Research

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	570.5	611.8	647.6	675.5	703.8	732.7	762.0	791.7	821.8	851.4	880.3	908.5	935.8	
Sales change	5.5 %	7.2 %	5.9 %	4.3 %	4.2 %	4.1 %	4.0 %	3.9 %	3.8 %	3.6 %	3.4 %	3.2 %	3.0 %	1.0 %
EBIT	74.1	76.7	82.1	81.8	84.5	87.2	90.7	94.3	97.8	102.2	106.6	110.9	115.1	
EBIT-margin	13.0 %	12.5 %	12.7 %	12.1 %	12.0 %	11.9 %	11.9 %	11.9 %	11.9 %	12.0 %	12.1 %	12.2 %	12.3 %	
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	53.4	55.2	59.1	58.9	60.8	62.8	65.3	67.9	70.4	73.6	76.7	79.8	82.9	
Depreciation	27.3	30.3	33.0	36.4	38.7	41.0	42.6	44.3	46.0	46.8	47.5	48.1	48.6	
in % of Sales	4.8 %	5.0 %	5.1 %	5.4 %	5.5 %	5.6 %	5.6 %	5.6 %	5.6 %	5.5 %	5.4 %	5.3 %	5.2 %	
Changes in provisions	2.8	3.7	3.1	4.7	4.8	4.9	5.0	5.0	5.1	5.0	4.9	4.8	4.6	
Change in Liquidity from														
- Working Capital	-2.6	10.1	7.0	7.1	7.3	7.4	7.5	7.6	7.7	7.6	7.4	7.2	7.0	
- Capex	37.0	52.0	52.0	39.9	40.8	41.8	41.9	42.0	41.9	42.6	44.0	45.4	46.8	
Capex in % of Sales	6.5 %	8.5 %	8.0 %	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)	49.1	27.2	36.2	53.1	56.2	59.6	63.5	67.6	71.9	75.3	77.7	80.1	82.4	81
PV of FCF	47.7	24.3	29.9	40.3	39.3	38.3	37.6	36.9	36.1	34.8	33.1	31.4	29.7	382
share of PVs	12.12 %			42.47 %										45.42 %

Model parameter

Derivation of WACC:		Derivation of Beta:	
Debt ratio	30.00 %	Financial Strength	1.30
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	8.63 %	Beta	1.46

Valuation (m)

Present values 2036e	459		
Terminal Value	382		
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	694	Value per share (EUR)	68.43

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
1.72	9.6 %	55.66	56.41	57.20	58.04	58.93	59.87	60.87	1.72	9.6 %	53.19	54.81	56.42	58.04	59.65	61.27	62.88
1.59	9.1 %	60.08	60.97	61.91	62.90	63.97	65.10	66.30	1.59	9.1 %	57.75	59.47	61.19	62.90	64.62	66.34	68.06
1.52	8.9 %	62.49	63.46	64.48	65.58	66.74	67.98	69.31	1.52	8.9 %	60.25	62.03	63.80	65.58	67.35	69.13	70.90
1.46	8.6 %	65.05	66.11	67.23	68.43	69.71	71.07	72.54	1.46	8.6 %	62.92	64.76	66.59	68.43	70.26	72.10	73.93
1.40	8.4 %	67.78	68.93	70.16	71.48	72.88	74.39	76.02	1.40	8.4 %	65.78	67.68	69.58	71.48	73.38	75.28	77.18
1.33	8.1 %	70.68	71.95	73.30	74.75	76.30	77.97	79.77	1.33	8.1 %	68.84	70.81	72.78	74.75	76.72	78.68	80.65
1.20	7.6 %	77.10	78.63	80.27	82.04	83.95	86.01	88.25	1.20	7.6 %	75.67	77.79	79.92	82.04	84.16	86.29	88.41

- 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	49.7	52.7	56.6	
+ 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	-3.1	-1.5	-1.3	
- 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	64.2	67.3	73.2	
FCF Potential Yield (on market EV)	7.9 %	9.1 %	11.5 %	14.5 %	10.1 %	10.9 %	12.1 %	
WACC	8.63 %	8.63 %	8.63 %	8.63 %	8.63 %	8.63 %	8.63 %	
= Enterprise Value (EV)	387.2	425.3	375.2	350.6	638.7	619.7	604.2	
= Fair Enterprise Value	352.3	450.8	499.9	588.5	744.8	780.5	848.9	
- Net Debt (Cash)	45.6	45.6	45.6	45.6	9.5	-1.3	-19.9	
- Pension Liabilities	100.3	100.3	100.3	100.3	103.1	106.8	109.9	
- 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	206.4	304.9	353.9	442.6	635.3	690.0	773.9	
Number of shares, average	10.2	10.1	10.1	10.2	10.2	10.2	10.2	
= Fair value per share (EUR)	20.29	30.08	34.92	43.49	62.42	67.80	76.05	
premium (-) / discount (+) in %					20.0 %	30.4 %	46.2 %	
Sensitivity Fair value per Share (EUR)								
	11.63 %	11.40	18.60	22.20	28.68	43.71	48.20	54.74
	10.63 %	13.82	21.71	25.64	32.74	48.84	53.58	60.59
	9.63 %	16.76	25.46	29.80	37.63	55.04	60.07	67.65
WACC	8.63 %	20.29	30.08	34.92	43.49	62.42	67.80	76.05
	7.63 %	24.92	35.91	41.39	51.28	72.31	78.17	87.34
	6.63 %	30.86	43.51	49.81	61.19	84.85	91.32	101.63
	5.63 %	38.90	53.80	61.22	74.62	101.86	109.14	121.01

■ 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	2.7 x	2.2 x	1.9 x
Book value per share ex intangibles	6.40	8.42	13.92	15.52	19.23	22.92	26.89
EV / Sales	1.0 x	1.0 x	0.7 x	0.6 x	1.1 x	1.0 x	0.9 x
EV / EBITDA	7.2 x	6.9 x	6.1 x	4.3 x	6.3 x	5.8 x	5.2 x
EV / EBIT	12.6 x	11.3 x	10.5 x	6.3 x	8.6 x	8.1 x	7.4 x
EV / EBIT adj.*	12.6 x	11.3 x	10.5 x	6.3 x	8.6 x	8.1 x	7.4 x
P / FCF	10.1 x	16.9 x	n.a.	3.9 x	10.9 x	20.3 x	15.1 x
P / E	10.2 x	8.9 x	6.7 x	5.9 x	10.7 x	10.1 x	9.4 x
P / E adj.*	10.2 x	8.9 x	6.7 x	5.9 x	10.7 x	10.1 x	9.4 x
Dividend Yield	3.9 %	4.1 %	5.3 %	6.0 %	2.9 %	3.1 %	3.3 %
FCF Potential Yield (on market EV)	7.9 %	9.1 %	11.5 %	14.5 %	10.1 %	10.9 %	12.1 %

*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	570.5	611.8	647.6
Change Sales yoy	0.8 %	11.3 %	28.4 %	-0.3 %	5.5 %	7.2 %	5.9 %
Increase / decrease in inventory	-2.5	10.0	22.2	-3.8	12.0	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	582.5	611.8	647.6
Material expenses	132.5	170.7	288.9	225.1	216.2	227.7	240.2
Gross profit	244.2	261.7	275.5	311.7	366.3	384.1	407.4
<i>Gross profit margin</i>	<i>64.4 %</i>	<i>62.0 %</i>	<i>50.8 %</i>	<i>57.7 %</i>	<i>64.2 %</i>	<i>62.8 %</i>	<i>62.9 %</i>
Personnel expenses	127.4	132.2	137.1	145.6	173.0	180.6	190.2
Other operating income	10.7	11.4	24.2	13.9	15.0	15.8	16.7
Other operating expenses	73.7	78.8	101.1	98.5	106.9	112.3	118.9
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	101.4	107.0	115.1
<i>Margin</i>	<i>14.2 %</i>	<i>14.7 %</i>	<i>11.3 %</i>	<i>15.1 %</i>	<i>17.8 %</i>	<i>17.5 %</i>	<i>17.8 %</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	74.1	76.7	82.1
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	74.1	76.7	82.1
<i>Margin</i>	<i>8.1 %</i>	<i>8.9 %</i>	<i>6.6 %</i>	<i>10.3 %</i>	<i>13.0 %</i>	<i>12.5 %</i>	<i>12.7 %</i>
EBIT adj.	30.7	37.6	35.9	55.5	74.1	76.7	82.1
Interest income	0.0	0.0	0.0	0.3	0.4	1.1	1.8
Interest expenses	2.1	1.5	2.5	5.8	3.6	2.6	3.1
Other financial income (loss)	-1.4	0.4	7.9	-1.8	-1.9	-2.0	-2.2
EBT	27.2	36.5	41.3	48.2	69.0	73.2	78.6
<i>Margin</i>	<i>7.2 %</i>	<i>8.6 %</i>	<i>7.6 %</i>	<i>8.9 %</i>	<i>12.1 %</i>	<i>12.0 %</i>	<i>12.1 %</i>
Total taxes	7.3	8.7	11.1	13.4	19.3	20.5	22.0
Net income from continuing operations	19.9	27.8	30.2	34.8	49.7	52.7	56.6
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	49.7	52.7	56.6
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	49.5	52.5	56.4
<i>Margin</i>	<i>5.2 %</i>	<i>6.5 %</i>	<i>5.5 %</i>	<i>6.4 %</i>	<i>8.7 %</i>	<i>8.6 %</i>	<i>8.7 %</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	4.87	5.16	5.55
EPS adj.	1.94	2.72	2.96	3.40	4.87	5.16	5.55

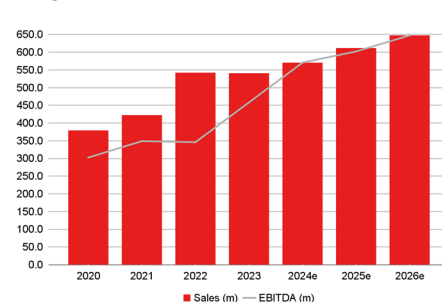
*Adjustments made for: Restructuring costs, value adjustments, one-off earnings/losses

Guidance: FY 2024: EBITDA growing to more than EUR 100m

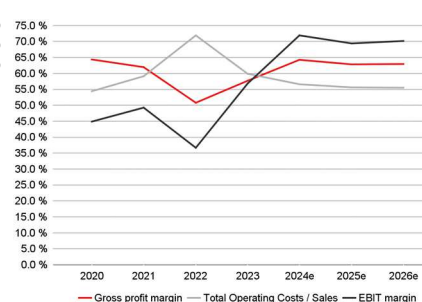
Financial Ratios

	2020	2021	2022	2023	2024e	2025e	2026e
Total Operating Costs / Sales	54.4 %	59.1 %	71.9 %	59.9 %	56.6 %	55.6 %	55.4 %
Operating Leverage	0.5 x	2.0 x	-0.2 x	-187.8 x	6.1 x	0.5 x	1.2 x
EBITDA / Interest expenses	25.1 x	41.6 x	24.4 x	14.0 x	28.5 x	41.6 x	37.5 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 %	30.7 %	30.9 %	30.6 %
Sales per Employee	217,941	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

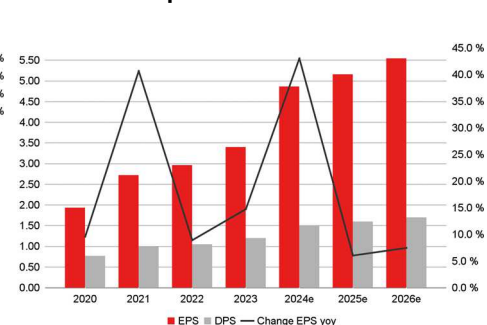
Sales, EBITDA
in EUR m



Operating Performance
in %



Performance per Share



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

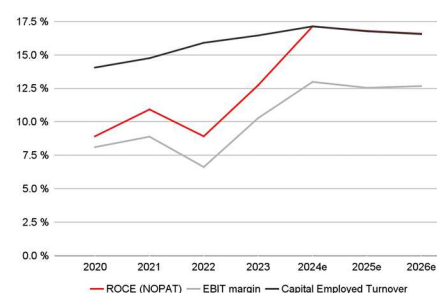
Consolidated balance sheet

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	109.4	116.7	121.3
Accounts receivable	33.1	40.8	55.7	75.2	79.4	85.1	90.1
Liquid assets	17.1	8.3	9.2	11.9	32.1	50.9	71.4
Other short-term assets	51.2	53.0	44.8	44.3	45.9	48.1	50.0
Current assets	168.9	188.8	232.1	238.9	266.9	300.9	332.8
Total Assets	354.3	377.7	422.9	424.7	462.3	518.0	569.0
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	11.7	16.1	21.0
Retained earnings	-25.5	-10.3	30.8	43.7	70.9	98.1	127.5
Other equity components	-5.2	-2.1	6.3	9.0	14.6	20.2	26.2
Shareholders' equity	66.9	87.6	144.0	161.6	198.9	236.2	276.4
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	201.0	238.3	278.5
Provisions	168.9	167.3	109.1	123.5	127.1	132.0	136.2
thereof provisions for pensions and similar obligations	141.8	140.0	90.1	100.3	103.1	106.8	109.9
Financial liabilities (total)	60.7	48.0	93.9	57.5	41.6	49.6	51.6
Short-term financial liabilities	12.7	10.5	66.4	8.8	6.2	9.5	9.8
Accounts payable	20.9	32.8	37.4	31.6	40.3	43.2	45.7
Other liabilities	35.1	39.9	36.5	48.5	52.3	54.9	57.0
Liabilities	285.6	288.1	276.9	261.1	261.4	279.7	290.5
Total liabilities and shareholders' equity	354.3	377.7	422.9	424.7	462.3	518.0	569.0

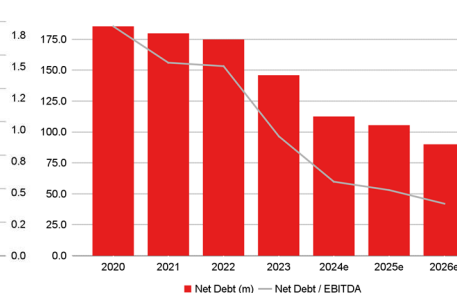
Financial Ratios

	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	1.7 x	1.6 x	1.6 x
Capital Employed Turnover	1.5 x	1.6 x	1.7 x	1.7 x	1.8 x	1.8 x	1.8 x
ROA	10.6 %	14.6 %	15.8 %	18.6 %	25.3 %	24.2 %	23.9 %
Return on Capital							
ROCE (NOPAT)	8.9 %	10.9 %	8.9 %	12.7 %	17.1 %	16.8 %	16.6 %
ROE	31.1 %	35.7 %	25.9 %	22.7 %	27.5 %	24.1 %	22.0 %
Adj. ROE	31.1 %	35.7 %	25.9 %	22.7 %	27.5 %	24.1 %	22.0 %
Balance sheet quality							
Net Debt	185.4	179.8	174.8	145.9	112.5	105.5	90.0
Net Financial Debt	43.6	39.8	84.7	45.6	9.5	-1.3	-19.9
Net Gearing	270.0 %	200.7 %	119.8 %	89.2 %	56.0 %	44.3 %	32.3 %
Net Fin. Debt / EBITDA	81.1 %	64.1 %	137.8 %	56.1 %	9.4 %	n.a.	n.a.
Book Value / Share	6.6	8.6	14.2	15.9	19.5	23.2	27.2
Book value per share ex intangibles	6.4	8.4	13.9	15.5	19.2	22.9	26.9

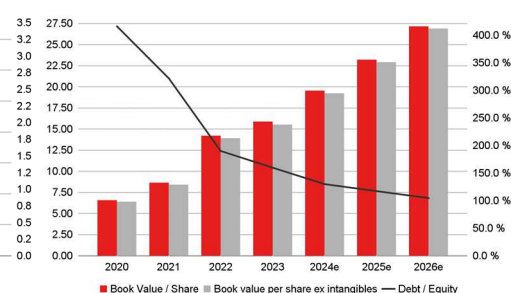
ROCE Development



Net debt in EUR m



Book Value per Share in EUR



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

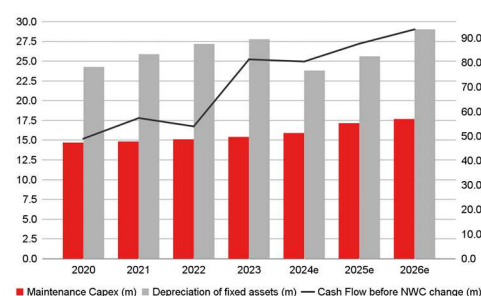
Consolidated cash flow statement

In EUR m	2020	2021	2022	2023	2024e	2025e	2026e
Net income	19.9	27.8	30.2	34.8	49.7	52.7	56.6
Depreciation of fixed assets	24.3	25.9	27.2	27.8	23.8	25.6	29.0
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	3.5	4.7	4.0
Increase/decrease in long-term provisions	-1.2	-1.4	-1.7	-1.9	3.5	4.7	4.0
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	80.5	87.7	93.6
Increase / decrease in inventory	5.3	-16.5	-37.9	9.6	-2.0	-7.3	-4.6
Increase / decrease in accounts receivable	-5.8	1.8	-19.9	-18.0	-5.8	-8.0	-6.9
Increase / decrease in accounts payable	0.0	0.0	0.0	0.0	0.1	0.2	0.1
Increase / decrease in other working capital positions	0.2	0.3	-0.3	-0.1	12.5	5.4	4.7
Increase / decrease in working capital (total)	-0.3	-14.4	-58.2	-8.6	4.9	-9.6	-6.6
Net cash provided by operating activities [1]	48.7	43.0	-4.2	72.7	85.4	78.1	87.0
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	-15.9	8.0	1.9
Dividends paid	-7.8	-8.0	-10.3	-10.9	-12.3	-15.4	-16.4
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	-28.2	-7.3	-14.4
Change in liquid funds [1]+[2]+[3]	8.2	-9.3	0.8	3.3	20.2	18.8	20.5
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	32.1	50.9	71.4

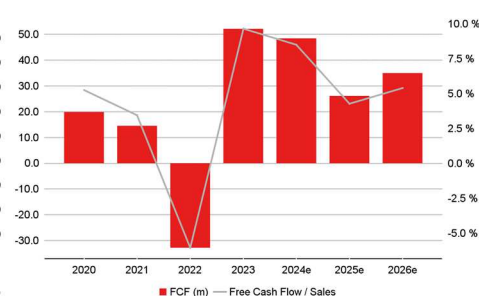
Financial Ratios

	2020	2021	2022	2023	2024e	2025e	2026e
Cash Flow							
FCF	19.9	14.5	-32.8	52.1	48.4	26.1	35.0
Free Cash Flow / Sales	5.2 %	3.4 %	-6.0 %	9.6 %	8.5 %	4.3 %	5.4 %
Free Cash Flow Potential	30.4	38.9	43.1	50.8	64.2	67.3	73.2
Free Cash Flow / Net Profit	100.9 %	52.7 %	-109.0 %	150.6 %	97.8 %	49.7 %	62.0 %
Interest Received / Avg. Cash	0.1 %	0.0 %	0.5 %	3.0 %	1.9 %	2.7 %	2.9 %
Interest Paid / Avg. Debt	3.5 %	2.7 %	3.5 %	7.7 %	7.2 %	5.6 %	6.1 %
Management of Funds							
Investment ratio	7.6 %	6.8 %	5.4 %	3.8 %	6.5 %	8.5 %	8.0 %
Maint. Capex / Sales	3.9 %	3.5 %	2.8 %	2.9 %	2.8 %	2.8 %	2.7 %
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 %	26.3 %	25.1 %	25.0 %
Trade Debtors / Trade Creditors	158.6 %	124.6 %	149.0 %	238.4 %	197.0 %	197.0 %	197.0 %
Inventory Turnover	2.0 x	2.0 x	2.4 x	2.1 x	2.0 x	2.0 x	2.0 x
Receivables collection period (days)	32	35	38	51	51	51	51
Payables payment period (days)	58	70	47	51	68	69	70
Cash conversion cycle (Days)	160	151	145	174	168	169	166

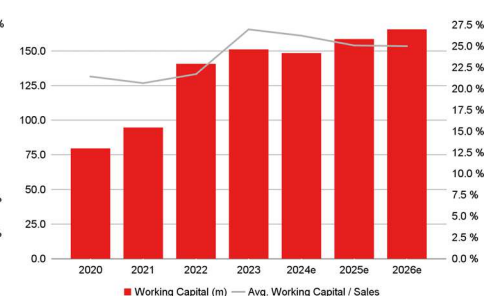
CAPEX and Cash Flow
in EUR m



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	141	70
Hold	43	21
Sell	11	5
Rating suspended	6	3
Total	201	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	41	75
Hold	10	18
Sell	2	4
Rating suspended	2	4
Total	55	100

PRICE AND RATING HISTORY ALZCHEM AS OF 19.08.2024



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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