

Buy EUR 75.00 (EUR 68.00) Price EUR 59.60 Upside 25.8 %	Value Indicators: EUR DCF: 74.80 FCF-Value Potential 24-26: 54.44 SotP 24: 54.89	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: 606.5 No. of shares (m): 10.2 EV: 735.7 Freefloat MC: 305.4 Ø Trad. Vol. (30d): 527.97 th	Shareholders: Freefloat 50.35 % LIVIA Corporate Dev. SE 22.99 % for two na GmbH 15.05 % HDI Vier CE GmbH 11.61 %	Key Figures (WRe): 2024e Beta: 1.4 Price / Book: 3.0 x Equity Ratio: 44 % Net Fin. Debt / EBITDA: 0.3 x Net Debt / EBITDA: 1.3 x

The nitroguanidine expansion just got bigger

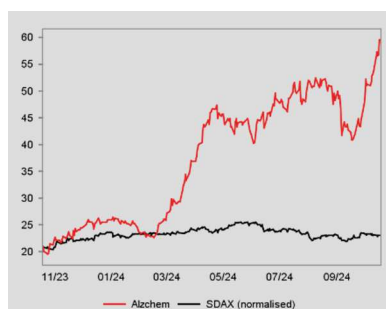
Following Alzchem's plans to increase the production capacity of nitroguanidine and to modernise and expand its existing facilities for the production of the precursor guanidine nitrate in March 2024, Alzchem has unveiled additional expansion plans. With the largest investment in the company's history, the company will not only build a new nitroguanidine production plant, but will also renew and expand the existing facilities for the production of guanidine nitrate, the precursor of nitroguanidine. As a consequence, the total investment that was originally calculated at ca. EUR 76m will almost double to ca. EUR 150m. According to management, this should enable the company to increase its nitroguanidine sales by an upper double-digit million amount from 2027 onwards (WRe: EUR 75-90m, increasing over time). The new production capacities are expected to be commissioned in the second half of 2026. WR expects the corresponding EBITDA margin of this product to be in the vicinity of more than 25%, which would amount to additional EBITDA potential of more than EUR 20m annually, increasing from 2027 onwards. Alzchem has already signed framework agreements with customers in the defense sector to utilise these new capacities.

For the first planned investment project, which was communicated in March 2024, the company has already been awarded an investment grant of EUR 34.4m by the EU Commission as part of the ASAP (Act in Support of Ammunition Production). The second investment project, which has now been unveiled, will be mostly funded by Alzchem's customers in the form of upfront payments to be received in the years 2025 and 2026. Thus, Alzchem's share in the planned total capex of EUR 150m is expected to be less than EUR 50m, which corresponds to a payback on the investment within the first two years of full production. In parallel to the planned expansion of its German sites, Alzchem will intensify its search for the acquisition or construction of a new production site in the US. To this end, a preliminary contract has been signed with the US Department of Defense. The contract grants Alzchem USD 150m for the construction of a production facility in the US by the end of 2029 if a suitable production site can be found within the next two years.

We applaud the planned expansion projects, especially in light of the related limited cash-outs for Alzchem, given the investment grant from the EU as well as the capital injections from its customers which, to our understanding, are non-repayable. In the light of the structural increase in demand for nitroguanidine and a very small producer base, we do not foresee a negative impact on future pricing from the financing model. We have not yet included the impact of a new US-based production facility in our model, as we deem the respective visibility to be too low.

Based on our revised estimates, we reiterate our Buy rating but increase our PT to EUR 75 (based on a DCF calculation).

Changes in Estimates:				Comment on Changes:			
FY End: 31.12. in EUR m	2024e (old)	+ / -	2025e (old)	+ / -	2026e (old)	+ / -	
Sales	570.5	0.0 %	611.8	-1.5 %	647.6	0.5 %	<ul style="list-style-type: none"> Changes to FY 2024 estimates reflect a slightly lower D&A charge than originally modelled. Changes to FY 2025 & 2026 estimates mainly reflect the build-up of additional nitroguanidine capacity which is accompanied by prepayments from customers to help finance the project. We expect the new facilities to start producing in H2 2026.
EBIT	74.1	1.5 %	76.7	2.8 %	82.1	8.6 %	
EPS	4.87	1.6 %	5.16	2.1 %	5.55	7.4 %	
DPS	1.50	0.0 %	1.60	0.0 %	1.70	5.9 %	
Net Debt	112.5	17.5 %	105.5	35.2 %	90.0	22.5 %	

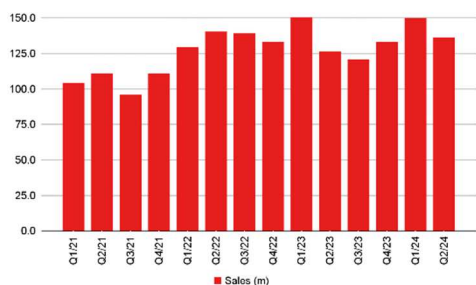


Rel. Performance vs SDAX:	
1 month:	43.5 %
6 months:	32.0 %
Year to date:	131.7 %
Trailing 12 months:	181.5 %

Company events:
07.11.24 Q3

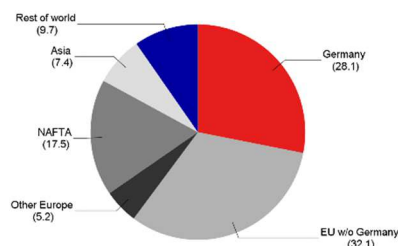
FY End: 31.12. in EUR m	CAGR (23-26e)	2020	2021	2022	2023	2024e	2025e	2026e
Sales	6.4 %	379.3	422.3	542.2	540.6	570.5	602.3	650.9
Change Sales yoy		0.8 %	11.3 %	28.4 %	-0.3 %	5.5 %	5.6 %	8.1 %
Gross profit margin		64.4 %	62.0 %	50.8 %	57.7 %	64.2 %	62.9 %	63.6 %
EBITDA	13.9 %	53.8	62.0	61.4	81.4	101.4	106.2	120.1
Margin		14.2 %	14.7 %	11.3 %	15.1 %	17.8 %	17.6 %	18.5 %
EBIT	17.2 %	30.7	37.6	35.9	55.5	75.2	78.9	89.2
Margin		8.1 %	8.9 %	6.6 %	10.3 %	13.2 %	13.1 %	13.7 %
Net income	20.5 %	19.7	27.6	30.1	34.6	50.3	53.6	60.6
EPS	20.5 %	1.94	2.72	2.96	3.40	4.95	5.27	5.96
EPS adj.	20.5 %	1.94	2.72	2.96	3.40	4.95	5.27	5.96
DPS	14.5 %	0.77	1.00	1.05	1.20	1.50	1.60	1.80
Dividend Yield		3.9 %	4.1 %	5.3 %	6.0 %	2.5 %	2.7 %	3.0 %
FCFPS		1.95	1.43	-3.23	5.12	2.83	0.77	5.20
FCF / Market cap		9.9 %	5.9 %	-16.3 %	25.5 %	4.7 %	1.3 %	8.7 %
EV / Sales		1.0 x	1.0 x	0.7 x	0.6 x	1.3 x	1.2 x	1.1 x
EV / EBITDA		7.2 x	6.9 x	6.1 x	4.3 x	7.3 x	6.9 x	5.8 x
EV / EBIT		12.6 x	11.3 x	10.5 x	6.3 x	9.8 x	9.3 x	7.9 x
P / E		10.2 x	8.9 x	6.7 x	5.9 x	12.0 x	11.3 x	10.0 x
P / E adj.		10.2 x	8.9 x	6.7 x	5.9 x	12.0 x	11.3 x	10.0 x
FCF Potential Yield		7.9 %	9.1 %	11.5 %	14.5 %	7.8 %	6.6 %	10.3 %
Net Debt		185.4	179.8	174.8	145.9	132.2	142.6	110.3
ROCE (NOPAT)		8.9 %	10.9 %	8.9 %	12.7 %	16.8 %	15.8 %	16.5 %
Guidance:		FY 2024: EBITDA growing to more than EUR 100m						

Sales development
in EUR m



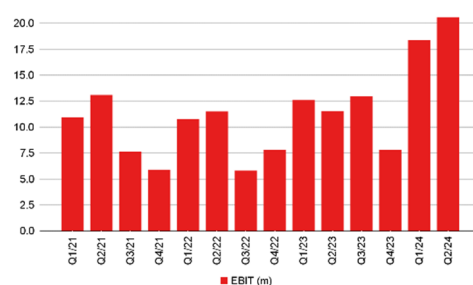
Source: Warburg Research

Sales by regions
2023; in %



Source: Warburg Research

EBIT development
in EUR m



Source: Warburg Research

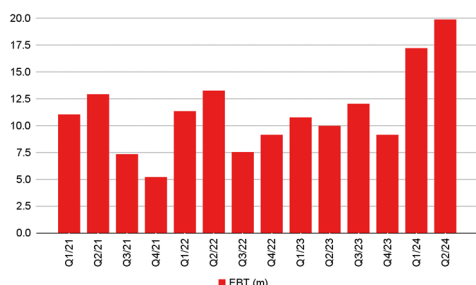
Company Background

- 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

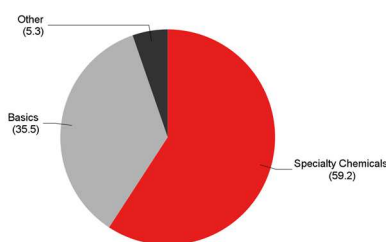
- Alzchem is a globally active, vertically integrated manufacturer of various chemical products of the calcium carbide/calcium cyanamide chain with a strategic focus on growth in the Specialty Chemicals business segment
- Alzchem's integrated manufacturing "Verbund" system enables efficiency gains in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



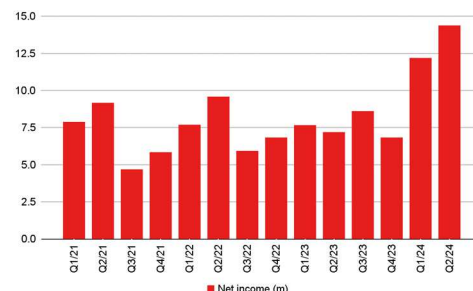
Source: Warburg Research

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	602.3	650.9	731.0	752.9	774.8	796.5	818.0	839.2	859.4	878.3	895.9	912.0	1.0 %
Sales change	5.5 %	5.6 %	8.1 %	12.3 %	3.0 %	2.9 %	2.8 %	2.7 %	2.6 %	2.4 %	2.2 %	2.0 %	1.8 %	
EBIT	75.2	78.9	89.2	101.6	104.7	108.5	110.7	112.9	115.0	116.9	118.6	120.0	121.3	13.3 %
EBIT-margin	13.2 %	13.1 %	13.7 %	13.9 %	13.9 %	14.0 %	13.9 %	13.8 %	13.7 %	13.6 %	13.5 %	13.4 %	13.3 %	
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	54.2	56.8	64.2	73.2	75.4	78.1	79.7	81.3	82.8	84.2	85.4	86.4	87.3	
Depreciation	26.2	27.3	30.9	34.4	34.6	34.9	35.8	36.8	37.8	38.7	39.5	40.3	41.0	
in % of Sales	4.6 %	4.5 %	4.8 %	4.7 %	4.6 %	4.5 %	4.5 %	4.5 %	4.5 %	4.5 %	4.5 %	4.5 %	4.5 %	
Changes in provisions	2.8	2.9	4.3	13.6	3.7	3.7	3.7	3.6	3.6	3.4	3.2	3.0	2.7	
Change in Liquidity from														
- Working Capital	-2.6	8.3	9.5	20.5	5.6	5.6	5.5	5.5	5.4	5.1	4.8	4.5	4.1	
- Capex	52.3	104.4	63.9	29.2	30.9	32.5	34.2	36.0	37.8	38.7	39.5	40.3	41.0	
Capex in % of Sales	9.2 %	17.3 %	9.8 %	4.0 %	4.1 %	4.2 %	4.3 %	4.4 %	4.5 %	4.5 %	4.5 %	4.5 %	4.5 %	
- Other	0.8	-39.1	-29.5	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)	32.6	13.4	55.5	71.4	77.2	78.5	79.4	80.2	81.0	82.4	83.7	84.9	85.9	85
PV of FCF	32.4	12.2	46.5	54.9	54.5	50.9	47.3	43.9	40.6	38.0	35.4	33.0	30.7	386
share of PVs	10.05 %			47.37 %										42.58 %

Model parameter

Derivation of WACC:		Derivation of Beta:	
Debt ratio	25.00 %	Financial Strength	1.30
Cost of debt (after tax)	3.6 %	Liquidity (share)	1.90
Market return	8.25 %	Cyclicalit	1.00
Risk free rate	2.75 %	Transparency	1.50
		Others	1.50
WACC	8.90 %	Beta	1.44

Valuation (m)

Present values 2036e	520		
Terminal Value	386		
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	758	Value per share (EUR)	74.80

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
1.68	9.9 %	61.92	62.66	63.44	64.27	65.14	66.07	67.05	1.68	9.9 %	59.44	61.05	62.66	64.27	65.88	67.48	69.09
1.56	9.4 %	66.44	67.31	68.24	69.22	70.26	71.36	72.54	1.56	9.4 %	64.11	65.81	67.51	69.22	70.92	72.62	74.33
1.50	9.2 %	68.90	69.85	70.85	71.92	73.06	74.27	75.56	1.50	9.2 %	66.65	68.41	70.17	71.92	73.68	75.43	77.19
1.44	8.9 %	71.50	72.53	73.63	74.80	76.04	77.37	78.79	1.44	8.9 %	69.36	71.18	72.99	74.80	76.61	78.42	80.23
1.38	8.7 %	74.26	75.39	76.59	77.86	79.23	80.69	82.25	1.38	8.7 %	72.25	74.12	75.99	77.86	79.73	81.60	83.47
1.32	8.4 %	77.19	78.42	79.73	81.14	82.64	84.25	85.98	1.32	8.4 %	75.34	77.27	79.20	81.14	83.07	85.01	86.94
1.20	7.9 %	83.63	85.11	86.70	88.40	90.23	92.21	94.34	1.20	7.9 %	82.18	84.26	86.33	88.40	90.48	92.55	94.63

- 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	50.5	53.8	60.8	
+ Depreciation + Amortisation	23.1	24.5	25.5	25.9	26.2	27.3	30.9	
- Net Interest Income	-2.1	-1.5	-2.5	-5.5	-3.1	-2.1	-2.6	
- Maintenance Capex	14.7	14.8	15.1	15.4	22.5	34.4	21.7	
+ 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	57.3	48.8	72.6	
FCF Potential Yield (on market EV)	7.9 %	9.1 %	11.5 %	14.5 %	7.8 %	6.6 %	10.3 %	
WACC	8.90 %	8.90 %	8.90 %	8.90 %	8.90 %	8.90 %	8.90 %	
= Enterprise Value (EV)	387.2	425.3	375.2	350.6	735.7	734.1	701.8	
= Fair Enterprise Value	341.4	436.8	484.3	570.2	644.1	547.9	815.5	
- Net Debt (Cash)	45.6	45.6	45.6	45.6	29.1	36.7	0.1	
- Pension Liabilities	100.3	100.3	100.3	100.3	103.1	105.9	110.2	
- 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	195.5	290.9	338.4	424.3	514.9	420.3	720.2	
Number of shares, average	10.2	10.1	10.1	10.2	10.2	10.2	10.2	
= Fair value per share (EUR)	19.21	28.70	33.39	41.69	50.59	41.30	70.77	
premium (-) / discount (+) in %					-15.1 %	-30.7 %	18.7 %	
Sensitivity Fair value per Share (EUR)								
	11.90 %	10.80	17.84	21.35	27.68	34.78	27.84	50.78
	10.90 %	13.11	20.79	24.62	31.54	39.14	31.55	56.30
	9.90 %	15.89	24.35	28.56	36.18	44.38	36.01	62.93
WACC	8.90 %	19.21	28.70	33.39	41.69	50.59	41.30	70.77
	7.90 %	23.55	34.15	39.44	48.98	58.84	48.31	81.24
	6.90 %	29.05	41.19	47.23	58.16	69.21	57.13	94.37
	5.90 %	36.41	50.60	57.68	70.45	83.09	68.95	111.95

■ 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	3.0 x	2.5 x	2.1 x
Book value per share ex intangibles	6.40	8.42	13.92	15.52	19.30	23.11	27.49
EV / Sales	1.0 x	1.0 x	0.7 x	0.6 x	1.3 x	1.2 x	1.1 x
EV / EBITDA	7.2 x	6.9 x	6.1 x	4.3 x	7.3 x	6.9 x	5.8 x
EV / EBIT	12.6 x	11.3 x	10.5 x	6.3 x	9.8 x	9.3 x	7.9 x
EV / EBIT adj.*	12.6 x	11.3 x	10.5 x	6.3 x	9.8 x	9.3 x	7.9 x
P / FCF	10.1 x	16.9 x	n.a.	3.9 x	21.1 x	77.5 x	11.5 x
P / E	10.2 x	8.9 x	6.7 x	5.9 x	12.0 x	11.3 x	10.0 x
P / E adj.*	10.2 x	8.9 x	6.7 x	5.9 x	12.0 x	11.3 x	10.0 x
Dividend Yield	3.9 %	4.1 %	5.3 %	6.0 %	2.5 %	2.7 %	3.0 %
FCF Potential Yield (on market EV)	7.9 %	9.1 %	11.5 %	14.5 %	7.8 %	6.6 %	10.3 %

*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	602.3	650.9
Change Sales yoy	0.8 %	11.3 %	28.4 %	-0.3 %	5.5 %	5.6 %	8.1 %
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	602.3	650.9
Material expenses	132.5	170.7	288.9	225.1	216.2	223.4	237.0
Gross profit	244.2	261.7	275.5	311.7	366.3	379.0	414.0
<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>62.9 %</i>	<i>63.6 %</i>
Personnel expenses	127.4	132.2	137.1	145.6	173.0	177.8	191.1
Other operating income	10.7	11.4	24.2	13.9	15.0	15.5	16.8
Other operating expenses	73.7	78.8	101.1	98.5	106.9	110.6	119.5
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	101.4	106.2	120.1
<i>Margin</i>	<i>14.2 %</i>	<i>14.7 %</i>	<i>11.3 %</i>	<i>15.1 %</i>	<i>17.8 %</i>	<i>17.6 %</i>	<i>18.5 %</i>
Depreciation of fixed assets	23.1	24.5	25.5	25.9	26.2	27.3	30.9
EBITA	30.7	37.6	35.9	55.5	75.2	78.9	89.2
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	75.2	78.9	89.2
<i>Margin</i>	<i>8.1 %</i>	<i>8.9 %</i>	<i>6.6 %</i>	<i>10.3 %</i>	<i>13.2 %</i>	<i>13.1 %</i>	<i>13.7 %</i>
EBIT adj.	30.7	37.6	35.9	55.5	75.2	78.9	89.2
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	3.6	2.6	3.0
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	70.1	74.7	84.4
<i>Margin</i>	<i>7.2 %</i>	<i>8.6 %</i>	<i>7.6 %</i>	<i>8.9 %</i>	<i>12.3 %</i>	<i>12.4 %</i>	<i>13.0 %</i>
Total taxes	7.3	8.7	11.1	13.4	19.6	20.9	23.6
Net income from continuing operations	19.9	27.8	30.2	34.8	50.5	53.8	60.8
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	50.5	53.8	60.8
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	50.3	53.6	60.6
<i>Margin</i>	<i>5.2 %</i>	<i>6.5 %</i>	<i>5.5 %</i>	<i>6.4 %</i>	<i>8.8 %</i>	<i>8.9 %</i>	<i>9.3 %</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	4.95	5.27	5.96
EPS adj.	1.94	2.72	2.96	3.40	4.95	5.27	5.96

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

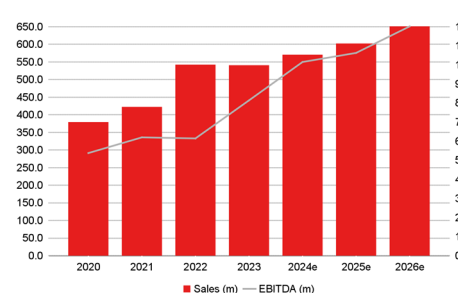
Guidance: FY 2024: EBITDA growing to more than EUR 100m

Financial Ratios

	2020	2021	2022	2023	2024e	2025e	2026e
Total Operating Costs / Sales	54.4 %	59.1 %	71.9 %	59.9 %	56.6 %	55.4 %	54.8 %
Operating Leverage	0.5 x	2.0 x	-0.2 x	-187.8 x	6.5 x	0.9 x	1.6 x
EBITDA / Interest expenses	25.1 x	41.6 x	24.4 x	14.0 x	28.5 x	41.2 x	39.5 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 %	30.2 %	30.3 %	30.1 %
Sales per Employee	217,941	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

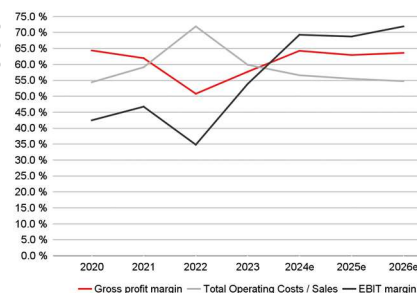
Sales, EBITDA

in EUR m

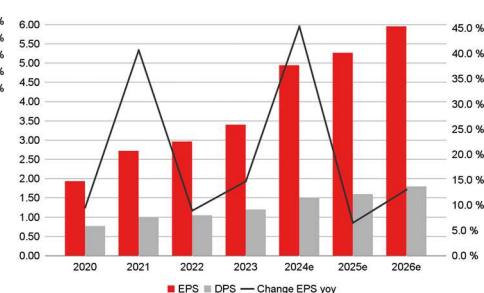


Operating Performance

in %



Performance per Share



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

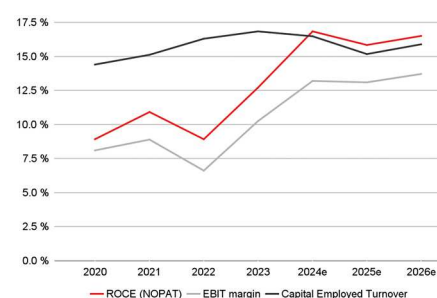
Consolidated balance sheet

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	208.6	286.0	319.3
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	212.0	289.0	322.0
Inventories	67.4	86.7	122.4	107.5	109.4	115.5	121.7
Accounts receivable	33.1	40.8	55.7	75.2	79.4	83.8	90.6
Liquid assets	17.1	8.3	9.2	11.9	12.5	12.5	21.7
Other short-term assets	51.2	53.0	44.8	44.3	45.9	47.6	50.2
Current assets	168.9	188.8	232.1	238.9	247.2	259.4	284.2
Total Assets	354.3	377.7	422.9	424.7	459.2	548.5	606.2
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	11.8	16.4	21.7
Retained earnings	-25.5	-10.3	30.8	43.7	71.5	99.5	131.9
Other equity components	-5.2	-2.1	6.3	9.0	14.7	20.5	27.1
Shareholders' equity	66.9	87.6	144.0	161.6	199.7	238.1	282.4
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	201.8	240.2	284.6
Provisions	168.9	167.3	109.1	123.5	127.1	130.9	136.5
thereof provisions for pensions and similar obligations	141.8	140.0	90.1	100.3	103.1	105.9	110.2
Financial liabilities (total)	60.7	48.0	93.9	57.5	41.6	49.2	21.8
Short-term financial liabilities	12.7	10.5	66.4	8.8	6.2	9.4	9.9
Accounts payable	20.9	32.8	37.4	31.6	40.3	42.5	46.0
Other liabilities	35.1	39.9	36.5	48.5	48.3	85.6	117.2
Liabilities	285.6	288.1	276.9	261.1	257.4	308.3	321.6
Total liabilities and shareholders' equity	354.3	377.7	422.9	424.7	459.2	548.5	606.2

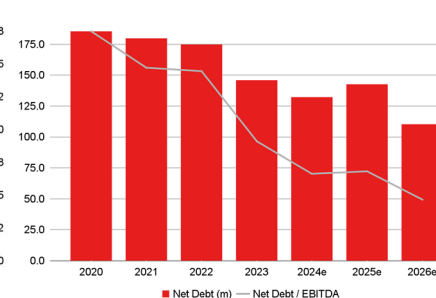
Financial Ratios

	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	1.4 x	1.3 x
Capital Employed Turnover	1.5 x	1.6 x	1.7 x	1.7 x	1.7 x	1.6 x	1.6 x
ROA	10.6 %	14.6 %	15.8 %	18.6 %	23.7 %	18.6 %	18.8 %
Return on Capital							
ROCE (NOPAT)	8.9 %	10.9 %	8.9 %	12.7 %	16.8 %	15.8 %	16.5 %
ROE	31.1 %	35.7 %	25.9 %	22.7 %	27.9 %	24.5 %	23.3 %
Adj. ROE	31.1 %	35.7 %	25.9 %	22.7 %	27.9 %	24.5 %	23.3 %
Balance sheet quality							
Net Debt	185.4	179.8	174.8	145.9	132.2	142.6	110.3
Net Financial Debt	43.6	39.8	84.7	45.6	29.1	36.7	0.1
Net Gearing	270.0 %	200.7 %	119.8 %	89.2 %	65.5 %	59.4 %	38.8 %
Net Fin. Debt / EBITDA	81.1 %	64.1 %	137.8 %	56.1 %	28.7 %	34.5 %	0.1 %
Book Value / Share	6.6	8.6	14.2	15.9	19.6	23.4	27.8
Book value per share ex intangibles	6.4	8.4	13.9	15.5	19.3	23.1	27.5

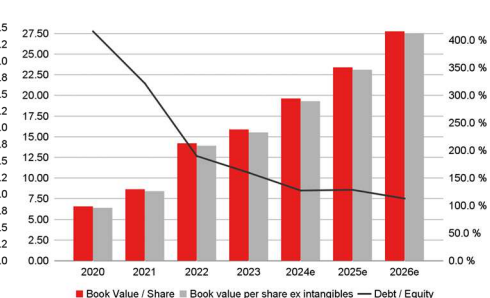
ROCE Development



Net debt in EUR m



Book Value per Share in EUR



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

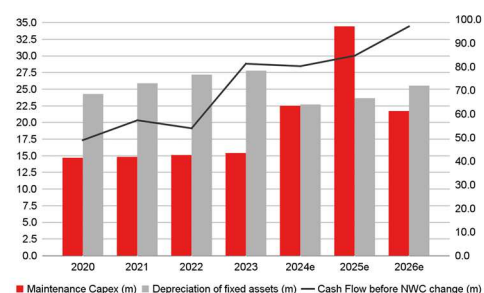
Consolidated cash flow statement

In EUR m	2020	2021	2022	2023	2024e	2025e	2026e
Net income	19.9	27.8	30.2	34.8	50.5	53.8	60.8
Depreciation of fixed assets	24.3	25.9	27.2	27.8	22.7	23.7	25.5
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	3.6	5.4
Increase/decrease in long-term provisions	-1.2	-1.4	-1.7	-1.9	3.5	3.6	5.4
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	80.2	84.7	97.1
Increase / decrease in inventory	5.3	-16.5	-37.9	9.6	-2.0	-6.1	-6.2
Increase / decrease in accounts receivable	-5.8	1.8	-19.9	-18.0	-5.8	-6.1	-9.3
Increase / decrease in accounts payable	0.0	0.0	0.0	0.0	0.1	0.1	0.2
Increase / decrease in other working capital positions	0.2	0.3	-0.3	-0.1	8.5	39.5	35.0
Increase / decrease in working capital (total)	-0.3	-14.4	-58.2	-8.6	0.9	27.5	19.7
Net cash provided by operating activities [1]	48.7	43.0	-4.2	72.7	81.1	112.2	116.8
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	-52.3	-104.4	-63.9
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	-52.3	-104.4	-63.9
Change in financial liabilities	-1.9	-12.7	45.9	-36.4	-15.9	7.5	-27.4
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	-7.8	-43.7
Change in liquid funds [1]+[2]+[3]	8.2	-9.3	0.8	3.3	0.6	0.0	9.2
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	12.5	12.5	21.7

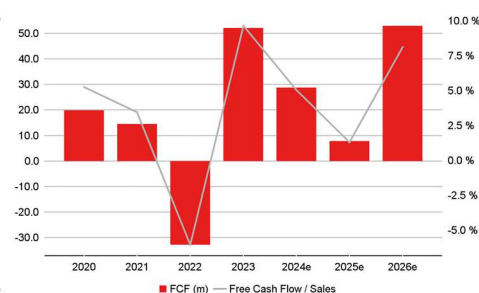
Financial Ratios

	2020	2021	2022	2023	2024e	2025e	2026e
Cash Flow							
FCF	19.9	14.5	-32.8	52.1	28.8	7.8	52.9
Free Cash Flow / Sales	5.2 %	3.4 %	-6.0 %	9.6 %	5.0 %	1.3 %	8.1 %
Free Cash Flow Potential	30.4	38.9	43.1	50.8	57.3	48.8	72.6
Free Cash Flow / Net Profit	100.9 %	52.7 %	-109.0 %	150.6 %	57.2 %	14.6 %	87.4 %
Interest Received / Avg. Cash	0.1 %	0.0 %	0.5 %	3.0 %	3.4 %	3.5 %	2.5 %
Interest Paid / Avg. Debt	3.5 %	2.7 %	3.5 %	7.7 %	7.2 %	5.7 %	8.6 %
Management of Funds							
Investment ratio	7.6 %	6.8 %	5.4 %	3.8 %	9.2 %	17.3 %	9.8 %
Maint. Capex / Sales	3.9 %	3.5 %	2.8 %	2.9 %	3.9 %	5.7 %	3.3 %
Capex / Dep	124.8 %	116.6 %	113.8 %	79.4 %	199.8 %	382.4 %	206.5 %
Avg. Working Capital / Sales	21.4 %	20.6 %	21.7 %	27.0 %	26.3 %	25.3 %	24.8 %
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	1.9 x	1.9 x
Receivables collection period (days)	32	35	38	51	51	51	51
Payables payment period (days)	58	70	47	51	68	70	71
Cash conversion cycle (Days)	160	151	145	174	168	170	167

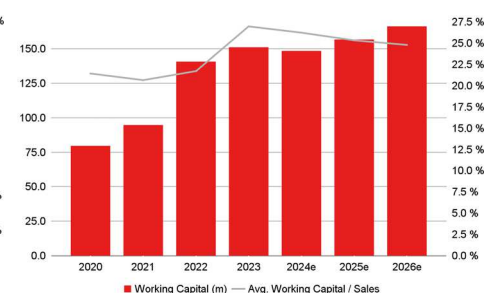
CAPEX and Cash Flow
in EUR m



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

INVESTMENT RECOMMENDATION

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.

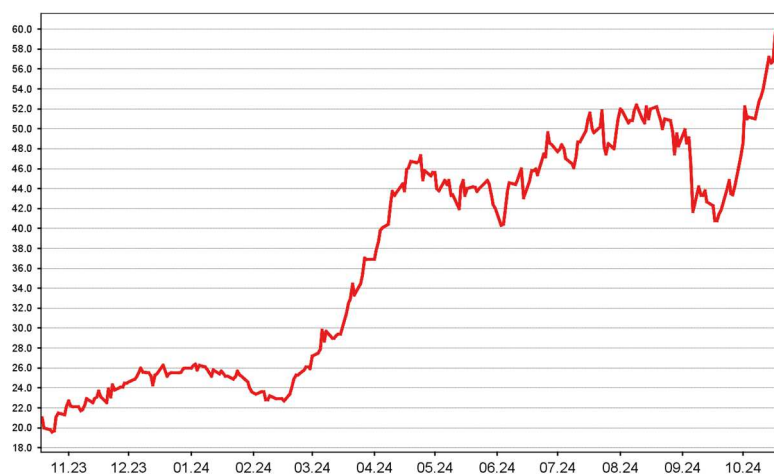
WARBURG RESEARCH GMBH – ANALYSED RESEARCH UNIVERSE BY RATING

Rating	Number of stocks	% of Universe
Buy	143	71
Hold	42	21
Sell	10	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	43	77
Hold	9	16
Sell	2	4
Rating suspended	2	4
Total	56	100

PRICE AND RATING HISTORY ALZCHEM AS OF 18.10.2024


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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