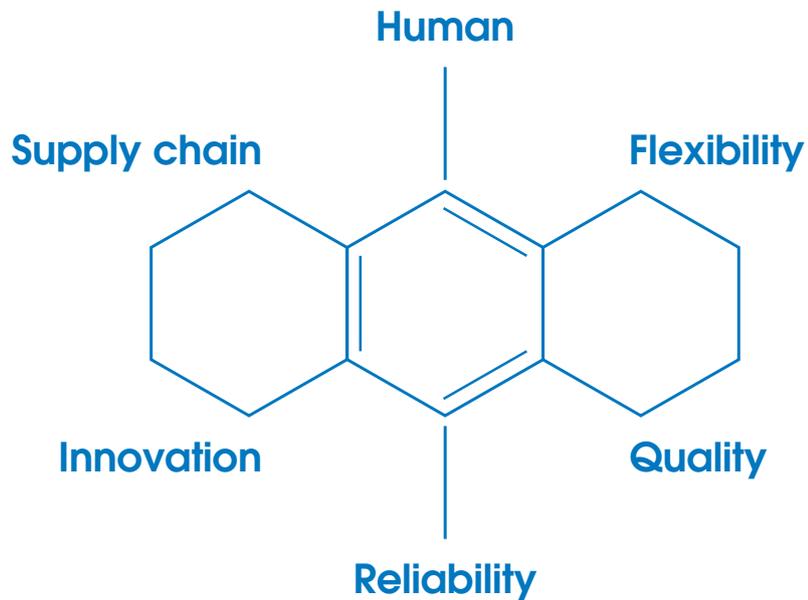


OUR COMPOUND FOR SUCCESS



Overview

- Following a solid start to 2020, effects from coronavirus increase at the turn of the quarter
- Operating income (EBITDA) reaches €10.7 million
- Improvement over final quarter of 2019

H&R GMBH & CO. KGAA IN FIGURES

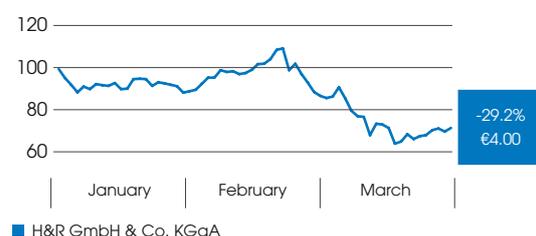
IN € MILLION	Q1/2020	Q1/2019	Changes (absolute)
Sales revenue	259.4	286.1	-26.7
Operating income (EBITDA)	10.7	20.1	-9.4
EBIT	-2.0	9.4	-11.4
EBT	-3.7	7.3	-11.0
Consolidated net income	-4.2	5.2	-9.4
Consolidated income attributable to shareholders	-4.7	5.1	-9.8
Consolidated income per share (undiluted) in €	-0.13	0.14	-0.27
Cash flow from operating activities	2.9	43.6	-40.7
Cash flow from investing activities	-25.1	-18.2	-6.9
Free cash flow	-22.2	25.4	-47.6
Cash flow from financing activities	-5.1	0.4	-5.5
	3/31/2020	12/31/2019	
Balance sheet total	811.2	838.6	-27.4
Net working capital	147.1	105.9	41.2
Equity	357.9	363.4	-5.5
Equity ratio (in %)	44.1	43.3	0.8
No. of employees	1,580	1,625	-45

THE SEGMENTS IN FIGURES

IN € MILLION	Q1/2020	Q1/2019	Changes (absolute)
Chemical-Pharmaceutical Raw Materials Refining			
Sales	170.7	183.6	-12.9
EBITDA	5.0	13.4	-8.4
Chemical-Pharmaceutical Raw Materials Sales			
Sales	80.2	93.8	-13.6
EBITDA	6.7	7.0	-0.3
Plastics			
Sales	11.0	11.5	-0.5
EBITDA	-0.1	0.1	-0.2
Reconciliation			
Sales	-2.6	-2.8	0.2
EBITDA	-0.9	-0.4	-0.5

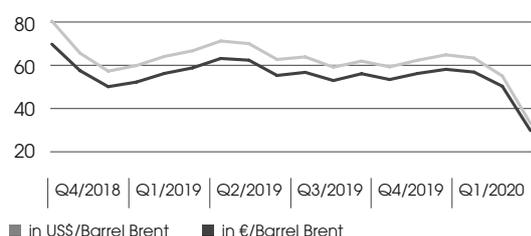
PERFORMANCE OF THE H&R SHARE

(INDEX 1/2/2020=100)



OIL PRICES Q4/2018 TO Q1/2020

(AVERAGE MONTHLY PRICES)



Letter from the Executive Board

Dear Shareholders, dear Business Partners,

At times like these, we would all like nothing better than a return to a semblance of normality as we know it. I could then take this opportunity to report to you on our company's 100th anniversary again. Both you and I would make the most of the warm weather to meet up with friends and we would all be looking forward to the Annual Shareholders' Meeting at the Meridien Hotel.

This year, however, is a different story entirely. Protective measures to prevent further infections with the novel coronavirus mean that H&R is having to postpone large-scale gatherings, including the Annual Shareholders' Meeting. As a result, we have decided to hold a virtual Annual Shareholders' Meeting this year – without meeting up in person and without any face-to-face contact with our shareholders.

I can assure you this decision is justified and appropriate. Nevertheless, I very much regret the fact that we will not be able to meet in person on May 29.

We are bound to remember the start of 2020 for a long time to come in other respects, too. The year started out well with no shortage of positive impetus. The personnel restructuring measures implemented in the Plastics business had allowed us to whittle down the costs associated with the Coburg site, and we were looking forward to seeing positive effects in 2020. The segments in the Chemical-Pharmaceutical division were also showing the first few signs of a recovery compared to previous months. And indeed, our company was able to achieve a significant improvement in its EBITDA, which rose by more than 30% in the first quarter of 2020 as against the considerably weaker final quarter of 2019.

A comparison of the first two quarters of 2019 and 2020, however, paints a different picture. In the period from January 1 to March 31, 2020, our company achieved operating income (EBITDA) of €10.7 million. This means that the first quarter of 2020 closed significantly down on the comparative figure of €20.1 million reported for the first

quarter of 2019. The reasons for this development are more than obvious and can be traced back primarily to global market factors and overall economic conditions. In the later course of the first quarter, the coronavirus pandemic led to increasingly tougher measures, bringing entire economies more or less to a complete standstill. Production stoppages in key industries, such as the automotive sector, extensive social distancing requirements and even complete curfews, furlough arrangements and moves to minimize economic, public and social interaction left their mark on key global economic figures, with a knock-on effect on H&R's business income, too. Initially, our customers still valued our quality and delivery reliability, meaning that sales volumes remained at a good level until the middle of the quarter, as did prices. Towards the end of the quarter, however, our customers started to adopt a more cautious approach. In the first quarter of 2020, for example, we achieved total sales of €259.4 million, down by around 9.3% on the previous year (Q1/2019: €286.1 million).

The refineries in the Refining Segment contributed €170.7 million to this figure due to lower volumes at the end of the quarter and the drastic drop in raw materials prices. On the earnings side, the lower cost of raw materials led to negative valuation effects (windfall losses), which are expected to level off as the year progresses, but nevertheless had a negative impact on our income in the first quarter of 2020. The EBITDA reported by the segment amounted to €5.0 million. The international sites of our Sales segment also saw a marked downward trend in terms of sales, but remained almost on a par with the prior-year level in terms of operating income. In the first quarter of 2020, they achieved EBITDA of €6.7 million. The Plastics segment almost broke even, with EBITDA of €-0.1 million (Q1/2019: €0.1 million). Sales in this segment also remained virtually constant at €11.0 million. The uneven development in sales volumes, sales revenue and contributions to income throughout the entire Group showed just how complex the challenges facing the H&R Group are.

So, what implications will the current developments have for the H&R Group's overall outlook? At present, economic experts are forecasting a marked drop in economic data. Germany will not be the only country affected. The decisive factor will be how quickly the world's economies want to, and indeed can, ramp their industrial and service sectors back up again without jeopardizing a sustainable economic recovery in the short term by allowing new infection rates among the population at large to rise.

Thanks to its broad range of products and customers, I believe that H&R is in a stable position overall. The operational performance of our locations is also fully guaranteed: To date there have been no corona-related sick leaves at our more

than 40 locations! A good reason to be optimistic and to get prepared for the economy's recovery. Therefore we are sticking by our expectations for operating income in 2020 in the range of €50.0 million to €65.0 million for the time being, based on our current in-house analyses.

Hamburg, May 2020

Sincerely yours,



Niels H. Hansen
Executive Board

Business Performance in the 1st Quarter of 2020

Robust Start to the Year Collides With Global Pandemic

At the beginning of the first quarter of 2020, H&R KGaA was still predicting that it would make a generally satisfactory start to the year, as the figures were initially moving more clearly toward an improved business trend compared with the first quarter of 2019. As coronavirus infections started to increase worldwide, prompting governments to take different countermeasures, which were, however, very similar in terms of their ramifications, the global economy started to come under increasing pressure.

At the beginning of the “winding down” of the German economy, H&R’s customers still valued our delivery reliability and continued to purchase our products at a good level. However, they were much more cautious in their assessment of the prospects at the end of the quarter. Overall, the lower quantities purchased as a result of the coronavirus lockdown were also reflected in lower revenue.

The ChemPharm Refining and Sales segments nevertheless remained in positive income territory. The Plastics segment, which we had expected to show a more marked recovery following the restructuring measures implemented at the end of the year, only just failed to break even.

Income: Too Late for a Good First Quarter – Too Early to Write Off the Year as a Whole

Based on revenue of €259.4 million (Q1/2019: €286.1 million), the company generated consolidated operating income (EBITDA) of €10.7 million in the first quarter of 2020, compared with €20.1 million in the same period of 2019. Higher depreciation and amortization pushed EBIT down from €9.4 million in the first quarter of 2019 to €-2.0 million in the first quarter of 2020. Although slightly higher interest expense this year was offset by higher financing income, income before

tax (EBT) fell from €7.3 million to €-3.7 million. Consolidated income attributable to shareholders fell around €9.8 million short of the previous year’s figure, amounting to €-4.7 million in the first quarter of 2020.

A positive income contribution was once again made by the ChemPharm Refining segment. It initially sold significantly higher volumes than at the end of 2019, thus prices remained more or less stable. As the quarter went on, the effects of the coronavirus shutdowns started to leave more and more of a mark, which was reflected in pronounced buying restraint at the end of the quarter. This development was compounded by distortions in raw material prices, resulting in windfall effects (processing of raw materials previously purchased at a higher price). Although these windfall losses are expected to level off as the year progresses, they had a significant negative impact on the business of refineries in the first quarter of the year. All in all, EBITDA in the segment came to €5.0 million (Q1/2019: €13.4 million).

By contrast, the international activities of the ChemPharm Sales segment reported stronger performance: EBITDA of €6.7 million was almost on a par with the previous year’s level (Q1/2019: €7.0 million). As in the Refining segment, this segment was also unable to maintain its revenue. We nevertheless consider the more stable EBITDA margin of our international business and our good network spanning a large number of regions, sectors and customers to be one of the main advantages of our business model and expect to achieve stable performance over the year as a whole, despite the potential for further effects resulting from the coronavirus pandemic.

EBITDA BY SEGMENT, Q1/2020

IN % (Q1/2019 FIGURES)



IN € MILLION (Q1/2019 FIGURES)



■ Chemical-Pharmaceutical Raw Materials Refining
■ Chemical-Pharmaceutical Raw Materials Sales
■ Plastics

Faced with shutdowns at many vehicle manufacturers, suppliers and component manufacturers, the Plastics segment found it difficult to benefit from the restructuring measures and the positive effects that they were expected to bring. It fell just short of the break-even mark and reported EBITDA of €-0.1 million as against €0.1 million in Q1/2019.

SALES BY SEGMENT IN Q1/2020

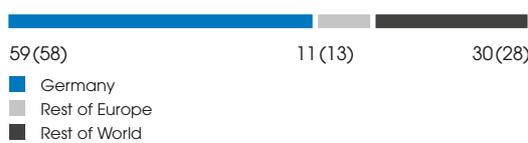
IN % (Q1/2019 FIGURES)



This means that, at €259.4 million, revenue for the past quarter was down by €26.7 million on the comparable figure of €286.1 million for the same period last year due to a combination of volume and price factors. A breakdown by segment shows a familiar picture for sales: A significant proportion, 96%, was generated by the Chemical-Pharmaceutical division’s Refining and Sales segments, although the composition was once again slightly different than in the previous year. Our Plastics segment accounted for around 4% of sales.

SALES BY REGION IN Q1/2020

IN % (Q1/2019 FIGURES)



Net Assets and Financial Position: Cash Positions Under Considerable Pressure

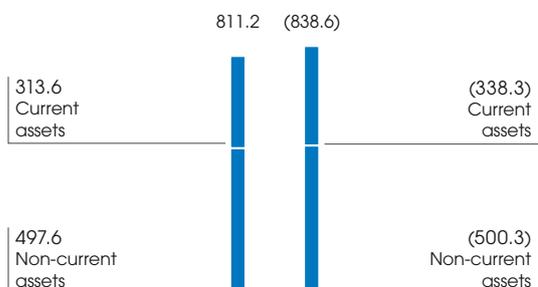
With our business model, there is a high degree of volatility inherent in the cash flow. This is attributable to changes in net working capital, in particular when raw materials are delivered to our refineries close to the reporting dates. Cash flow from operating activities amounted to €2.9 million in the first quarter of the 2020 financial year, remaining in positive territory (Q1/2020: €43.6 million). Based on lower consolidated income of €-4.2 million, depreciation and amortization first of all had more of an impact than in the previous year. At the same time, however, the net working capital requirement changed from €22.4 million to €-31.1 million. Changes in remaining net assets helped to shift the cash flow into the black. Projects that were launched in 2019 resulted in cash outflows in the first quarter of 2020, putting pressure on free cash flow. All in all, the value fell to a total of €-22.2 million (Q1/2019: €25.4 million). The values at the end of the quarter, however, looked much more relaxed, and H&R reported cash flow from operating activities of €28.8 million for March alone. The free cash flow amounted to a good €23.2 million.

Due to the increase in financing activities, cash and cash equivalents had decreased to €64.7 million by the end of the quarter (Q1/2019: €74.0 million).

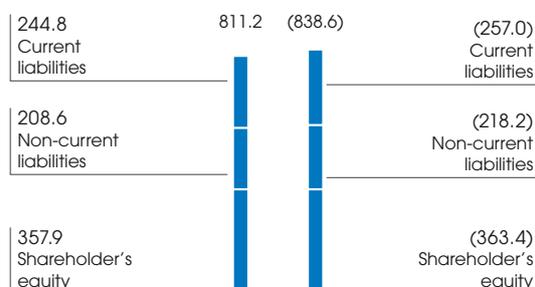
The balance sheet total fell from €838.6 million on December 31, 2019, to €811.2 million on March 31, 2020. On the assets side of the statement of financial position, there was a decrease both in current assets (March 31, 2020: €313.6 million; December 31, 2019: €338.3 million) and non-current assets (March 31, 2020: €497.6 million; December 31, 2019: €500.3 million). In terms of current assets, cash and cash equivalents declined in particular, while trade receivables did not increase to the same extent. As far as non-current assets are concerned, offsetting effects ensured that the total value remained virtually constant.

ASSETS 3/31/2020

IN € MILLION (PREVIOUS YEAR'S FIGURES 12/31/2019)

**LIABILITIES AND SHAREHOLDERS' EQUITY 3/31/2020**

IN € MILLION (PREVIOUS YEAR'S FIGURES 12/31/2019)



On the liabilities side, current and non-current liabilities also decreased, with a significant proportion of current liabilities attributable to trade payables. With regard to non-current liabilities, lower liabilities to banks, lower pension provisions and lower lease liabilities were offset by higher other liabilities.

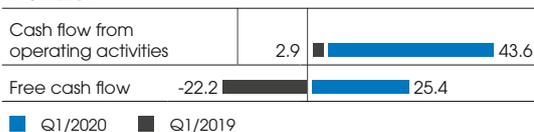
Due to lower other reserves compared to the reporting date, equity fell slightly from €363.4 million to €357.9 million. The equity ratio rose due to the lower balance sheet total, amounting to 44.1% (December 31, 2019: 43.3%).

FINANCIAL POSITION

IN € MILLION	Q1/2020	Q1/2019	Change in %
Cash flow from operating activities	2.9	43.6	-40.6
Cash flow from investing activities	-25.1	-18.2	-6.9
Free cash flow	-22.2	25.4	-47.6
Cash flow from financing activities	-5.1	0.4	-5.5
Cash and cash equivalents as of March 31	64.7	74.0	-9.33

Q1/2020 CASH FLOW

IN € MILLION



■ Q1/2020 ■ Q1/2019

Outlook: Overall Expectations Confirmed

When the 2019 annual report was published, the company had set targets for annual sales at a figure of at least €1,000.0 million and had stated percentage expectations for the individual segments. Following the end of the first quarter of 2020, H&R KGaA is on track to generate sales at the upper end of the expected range overall, with a greater weighting assigned to the Refining segment. The Sales segment has reported slightly lower revenue to date, while the Plastics division has reported exactly the revenue that was predicted at the beginning of the year.

In percentage terms, the Sales segment delivered an EBITDA share of around 63% in the first quarter of 2020 instead of the expected 46%. As we are only a quarter of the way into the financial year, this cannot yet be classified as a trend, as the distribution could change significantly again in connection with future coronavirus-related developments. However, the trends once again show just how important our international business is.

In absolute terms, the figures for the first quarter of 2020 certainly still leave us with room for improvement. The extent to which we will be able to exploit the potential for improvement also depends on how the global economy develops and how strong potential catch-up effects prove to be. Given the impact of fluctuations in prices of raw materials, the sensitivity of market rates and product prices, and the social and geopolitical challenges, we are currently opting not to adopt the oft-cited “crystal ball” approach and will be quantifying our expectations based on the known figures for the time being. Based on these figures, we expect to achieve operating income of between €50.0 million and €65.5 million for 2020 as a whole.

SALES AND INCOME FORECAST

	2020 forecast
Consolidated sales	€1,000 million to €1,200 million
of which Refining	58%
of which Sales	37%
of which Plastics	5%
Consolidated EBITDA	~ €50.0 million to €65.0 million
of which Refining	46%
of which Sales	46%
of which Plastics	8%

Interim Financial Statement

Consolidated Statement of Financial Position of H&R GmbH & Co. KGaA

as of March 31, 2020

ASSETS		
IN € THOUSAND	3/31/2020	12/31/2019
Current assets		
Cash and cash equivalents	64,682	94,794
Trade receivables	100,142	86,881
Income tax refund claims	112	4,300
Inventories	127,649	127,469
Other financial assets	11,249	16,260
Other assets	9,803	8,586
Current assets	313,637	338,290
Non-current assets		
Property, plant and equipment	428,056	432,967
Goodwill	22,455	22,466
Other intangible assets	15,210	15,752
Shares in holdings valued at equity	4,821	4,682
Other financial assets	11,900	12,013
Other assets	6,328	1,328
Deferred tax assets	8,816	11,099
Non-current assets	497,586	500,307
Total assets	811,223	838,597
LIABILITIES AND SHAREHOLDERS' EQUITY		
IN € THOUSAND	3/31/2020	12/31/2019
Current liabilities		
Liabilities to banks	112,097	112,384
Trade payables	80,688	108,424
Income tax liabilities	4,740	5,106
Contract liabilities	2,189	3,403
Other provisions	13,331	10,580
Other financial liabilities	9,298	9,740
Other liabilities	22,462	7,314
Current liabilities	244,805	256,951
Non-current liabilities		
Liabilities to banks	63,445	69,250
Pension provisions	77,812	86,684
Other provisions	3,594	3,528
Other financial liabilities	38,093	39,784
Other liabilities	21,854	14,874
Deferred tax liabilities	3,761	4,080
Non-current liabilities	208,559	218,200
Equity		
Subscribed capital	95,156	95,156
Capital reserve	46,867	46,867
Retained earnings	171,365	170,069
Other reserves	4,599	12,310
Equity of H&R GmbH & Co. KGaA shareholders	317,987	324,402
Non-controlling interests	39,872	39,044
Equity	357,859	363,446
Total liabilities and shareholders' equity	811,223	838,597

Income Statement of H&R GmbH & Co. KGaA

for the period from January 1 to March 31, 2020

IN € THOUSAND	Q1/2020	Q1/2019
Sales revenues	259,412	286,120
Changes in inventories of finished and unfinished goods	-9,115	-10,469
Other operating income	5,944	5,274
Cost of materials	-198,900	-213,880
Personnel expenses	-21,184	-21,905
Depreciation, amortization and impairment of fixed assets and property, plant and equipment	-12,694	-10,663
Other operating expenses	-25,633	-25,238
Operating result	-2,170	9,239
Income from holdings valued at equity	139	152
Financing income	545	56
Financing expenses	-2,194	-2,159
Income before tax (EBT)	-3,680	7,288
Income taxes	-550	-2,061
Consolidated income	-4,230	5,227
of which attributable to non-controlling interests	-510	104
of which attributable to shareholders of H&R GmbH & Co. KGaA	-4,740	5,123
Earnings per share (undiluted), €	-0.13	0.14
Earnings per share (diluted), €	-0.13	0.14

Consolidated Cash Flow Statement of H&R GmbH & Co. KGaA for the period from January 1 to March 31, 2020

IN € THOUSAND		Q1/2020	Q1/2019
1.	Consolidated income	-4,230	5,227
2.	Income taxes	550	2,061
3.	Net interest income	1,649	1,934
4.	+/- Depreciation/appreciation on fixed assets and intangible assets	12,694	10,701
5.	+/- Increase/decrease in non-current provisions	-571	-390
6.	+ Interest received	545	56
7.	- Interest paid	-2,866	-915
8.	+/- Income tax received/paid	2,498	-1,200
9.	+/- Other non-cash expenses/income	241	-348
10.	+/- Increase/decrease in current provisions	2,861	2,722
11.	-/+ Gain/loss from the disposal of fixed assets	8	-30
12.	-/+ Changes in net working capital	-31,100	22,378
13.	+/- Changes in remaining net assets/other non-cash items	20,627	1,355
14.	= Cash flow from operating activities (sum of items 1 to 13)	2,906	43,551
15.	+ Proceeds from disposals of property, plant and equipment	1	76
16.	- Payments for investments in property, plant and equipment	-25,042	-18,106
17.	- Payments for investments in intangible assets	-70	-114
18.	= Cash flow from investing activities (sum of items 15 to 17)	-25,111	-18,144
19.	= Free cash flow (sum of items 14 and 18)	-22,205	25,407
20.	- Payments for settling financial liabilities	-28,554	-11,967
21.	+ Proceeds from taking up financial liabilities	23,457	12,415
22.	= Cash flow from financing activities (sum of items 20 to 21)	-5,097	448
23.	+/- Changes in cash and cash equivalents (sum of items 14, 19 and 22)	-27,302	25,855
24.	+ Cash and cash equivalents at the beginning of the period	94,794	46,495
25.	+/- Change in cash and cash equivalents due to changes in exchange rates	-2,810	1,615
26.	= Cash and cash equivalents at the end of the period	64,682	73,965

Financial Calendar

May 29, 2020	Annual Shareholders' Meeting in Hamburg
August 14, 2020	2020 Half-year Report
November 13, 2020	Q3/2020 Interim Report

Contact

If you have any questions concerning our company or if you would like to sign up for the company mailing list, please contact our Investor Relations team:

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Disclaimer

This document contains forward-looking statements that reflect management's current views with respect to future events. Such statements are subject to risks and uncertainties that are beyond H&R GmbH & Co. KGaA's control or ability to make precise estimates, such as future market and economic conditions, the behavior of other market participants, the ability to successfully integrate acquired businesses and to achieve anticipated synergies, and the actions of government regulators. If any of these or other risks and uncertainties occur, or if the assumptions underlying any of these statements prove incorrect, then actual results may be materially different from those expressed or implied by such statements. H&R GmbH & Co. KGaA does not intend, nor does H&R GmbH & Co. KGaA assume any separate obligation, to update forward-looking statements to reflect events or developments occurring after the publication of this interim report.

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