



alzchem
group

AGILE SCIENCE PURE RESULTS

Alzchem Group AG

QUARTERLY STATEMENT Q1 2025



Alzchem at a Glance

~ € 145
mn

Sales generated by Alzchem in the 1st quarter of 2025
1st quarter of 2024: ~ € 150 mn

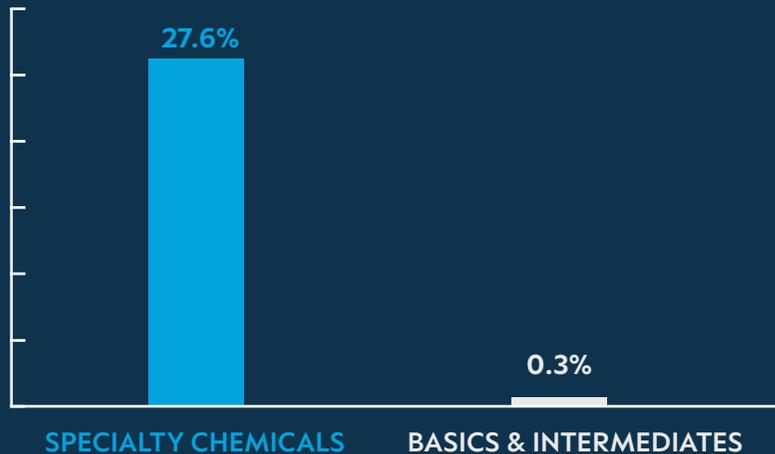
~ € 27
mn

EBITDA generated by Alzchem in the 1st quarter of 2025
1st quarter of 2024: ~ € 25 mn

MARKETS



EBITDA MARGIN BY MAIN SEGMENTS



THREE REPORTING SEGMENTS

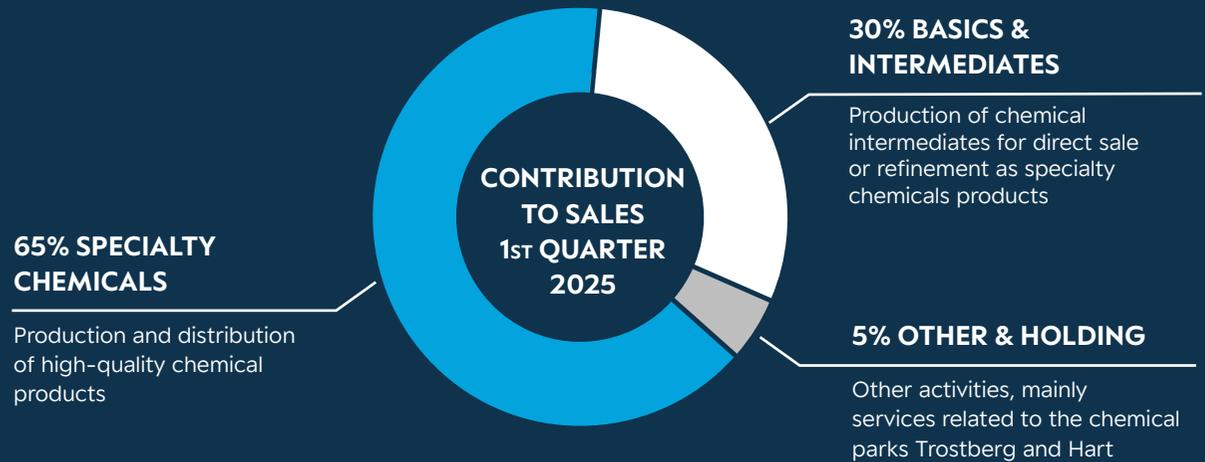




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Positive earnings development from 2024 continues in the first quarter 2025; construction start for new nitroguanidine plant on schedule; forecast 2025 confirmed

- Group EBITDA rises by 10% to EUR 27.4 million with an increase in the EBITDA margin from 16.6% to 18.9%; slight decline in sales of 4% at the expected level
- Development in the Specialty Chemicals segment in line with expectations; sales and EBITDA growth mainly driven by Creapure® and Custom Manufacturing
- Special effects due to significant customer prepayments for the nitroguanidine capacity expansion cause free cash flow to climb to EUR 36.4 million
- Sales and EBITDA development in line with growth forecasts for 2025: Group sales of around EUR 580 million (2024: EUR 554.2 million) and EBITDA of around EUR 113 million (2024: EUR 105.3 million) expected
- No effects from the customs policy in the USA to date
- Construction starts on schedule for investment project to expand capacity for guanidine nitrate and nitroguanidine

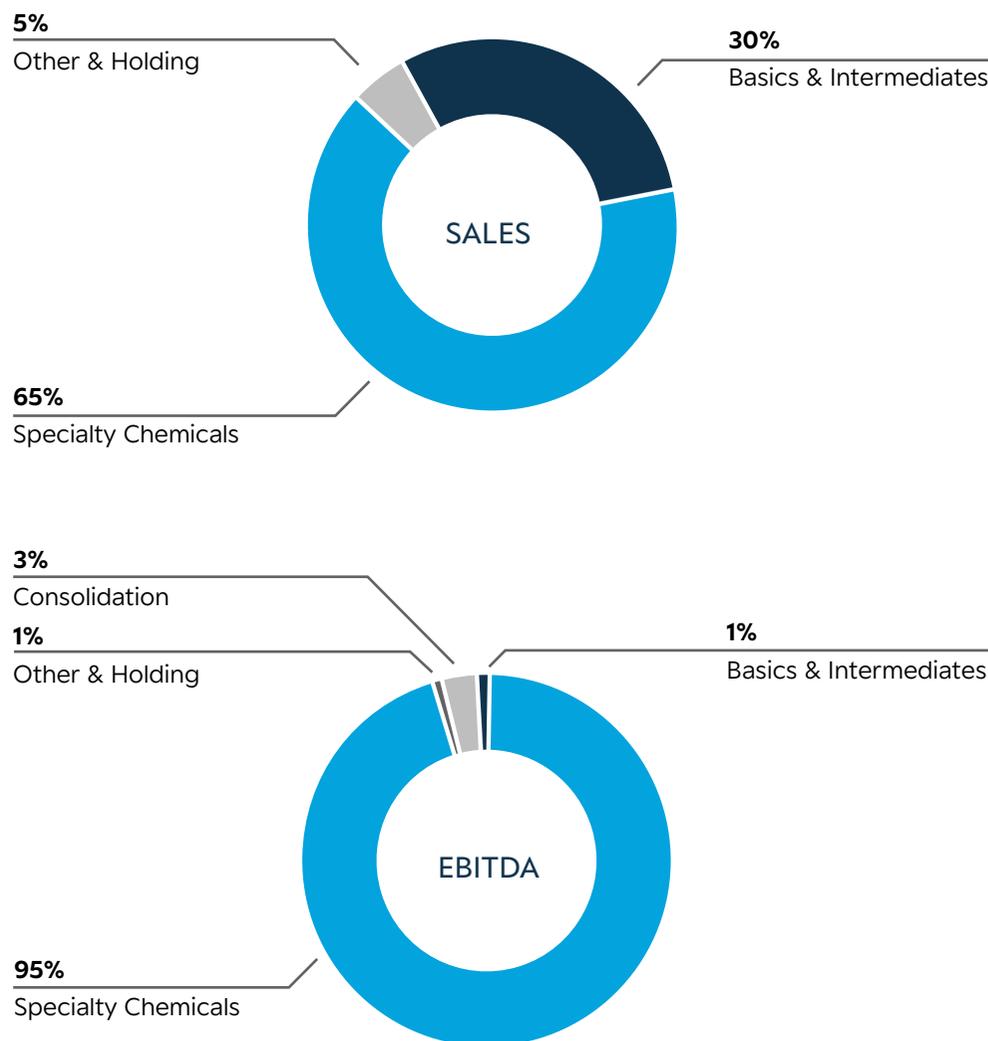
Note: Unless otherwise stated, all amounts are shown in EUR thousand. For computational reasons, rounding differences of ± one unit may occur in tables.

KEY FIGURES OF THE ALZCHEM GROUP

Key figure	Unit	1st quarter 2024	1st quarter 2025
Sales	EUR thousand	150,064	144,680
EBITDA	EUR thousand	24,910	27,362
EBITDA margin	%	16.6	18.9
EBIT	EUR thousand	18,375	20,810
Result for the period	EUR thousand	12,237	14,636
Earnings per share (undiluted and diluted)*	EUR thousand	1.20	1.44
Equity ratio	%	40.0	40.0

* Calculated with 10,176,335 shares in the period from January 1 to March 31, 2024; calculated with 10,111,083 shares in the period from January 1 to March 31, 2025

SALES AND EBITDA SHARE BY SEGMENT IN THE FIRST QUARTER 2025



CHANGE IN SALES COMPARED TO PREVIOUS YEAR



1. Development of the Group

1.1 SIGNIFICANT DEVELOPMENTS IN THE 3-MONTH PERIOD FROM JANUARY 1 TO MARCH 31, 2025

In the first three months of 2025, at EUR 144.7 million, Alzchem managed to maintain consolidated sales at almost the very strong prior-year level of EUR 150.1 million. The volume- and price-related decline in sales of 14% in the Basics & Intermediates segment was largely offset by volume-driven growth in the Specialty Chemicals business with an increase of 2%.

In addition to the positive development in the creatine business, the specialty business was also strongly driven by the increasing demand for custom manufacturing products. This trend is particularly positive, as demand for the capacities of Alzchem's highly specialized multi-purpose plants had dropped noticeably over the past two years – parallel to the declining dynamics in the European chemical industry. Gradually, however, an upswing can be observed, which is also reflected positively in the sales and EBITDA of the Specialty Chemicals segment.

In contrast, Alzchem's basic chemicals business recorded the expected decrease in sales in the first quarter of 2025. The continued stable development in the agricultural sector with the fertilizer Perika® was unable to compensate for the decline in demand from the steel industry. This trend was already evident in the third and fourth quarters of the previous year and is now continuing. It remains to be seen whether the new German government's planned special economic stimulus program "Infrastructure" will also have a positive impact on the European steel industry. This could lead to an increase in demand for Alzchem's desulphurization products.

Alzchem continues to consistently pursue its transformation towards higher-margin specialty chemicals with a corresponding shift in the sales mix. As a result, all key earnings figures increased significantly in the first three months of 2025 compared to the same period of the previous year. Despite the expected slight decline in sales of 4%, Group EBITDA rose noticeably by 10% to EUR 27.4 million, resulting in a significant increase in the EBITDA margin from 16.6% to 18.9%.

In the first quarter of 2025, Alzchem's economic and industry-related environment was characterized by the change of government in the USA and the associated expectations of changes in US customs policy, which then materialized in April. Alzchem considers the NAFTA region to be an important growth market and is looking for a location in the USA for this reason, among others. For many products, Alzchem is the only manufacturer outside China and is therefore hardly in direct competition with US companies but is certainly in intense and direct competition with Chinese suppliers. The current discussion about disproportionately higher US tariffs on Chinese products could possibly even represent an opportunity – however, it is still too early for a detailed and well-founded assessment. Overall, Alzchem considers the US and NAFTA market as a whole to be intact and with high potential. The Defense and Human Nutrition sectors in particular are expected to continue to provide strong impetus.

1.2 SUCCESSFUL GLOBAL CREATINE CONFERENCE

Alzchem has set itself the goal of further developing the creatine market as the only manufacturer outside of China in a leading position and also driving creatine research and the broadening of applications through its own platforms. In addition to established applications in sports, these include, for example, the enhancement of cognitive abilities, women's health and the treatment of various diseases (e.g. Alzheimer's, cancer, long COVID, diabetes) using creatine. To this end, Alzchem organized the Creatine Conference 2025 in Munich over four days in March 2025. The hybrid event immediately became a meeting place for over 440 global creatine research experts, scientists, health and nutrition experts and the trade press. Important partners from the industry were also present. Everyone agreed that the many possible applications of creatine have not yet been nearly exhausted and that there is still huge potential for further areas of application. In order to be able to transfer its own market position in the creatine market into profitable company growth, Alzchem is gradually expanding its creatine production capacities in the Human Nutrition division at the German site in the second half of 2025. The implementation is proceeding according to plan, so that commissioning is expected in the third quarter of 2025.

1.3 EXPANSION OF PRODUCTION CAPACITIES FOR GUANIDINE NITRATE AND NITROGUANIDINE

As planned, Alzchem gave the go-ahead for the doubling of its production capacities for nitroguanidine in Germany in the first quarter of 2025. This investment is intended to meet the increased and forecast future demand for nitroguanidine in the Defense sector. Construction of this investment project with a total volume of approx. EUR 140 million has now started following receipt of the official approvals. All work is proceeding in line with the financial and time budgets. The investment is mainly financed by payments from customers to secure certain delivery volumes and a subsidy from the European Union. Alzchem's own contribution is correspondingly low. After the first funds from the EU were already received in the fourth quarter of 2024, the first advance payments from customers were also received in the first quarter of 2025. Since these customer payments have a significant impact on Alzchem's key figures, they were presented transparently as a separate item in the reporting. This is discussed in detail in the notes on financial development and in the separate section 1.4.

The commissioning of the new production capacities in Germany is scheduled to take place in the second half of 2026 and is expected to lead to an increase in sales in the upper double-digit million range over time from 2027 with correspondingly positive earnings contributions. Approximately 60% of the remaining financial investments are expected to be made in 2025 and 40% in 2026. The "Special Defense Fund" adopted by the German government has not yet resulted in any changes to the plant's capacity planning.

In addition to expanding production capacity in Germany, Alzchem has also started searching for a site in the USA. Together with partners, a corresponding project group has been established, and the first sites have already been inspected and evaluated. In the previous year, an agreement was concluded with the US Department of Defense with the aim of building a nitroguanidine production plant in the USA. The two parties initially gave themselves two years to find the necessary site. The US Department of Defense has already pledged a non-repayable investment grant of USD 150 million for the construction of the plant in the USA by the end of 2029. This plant is to be operated in addition to the plants in Germany if there is sufficient market demand. The change of government in the USA at the beginning of 2025 and the developments in US customs policy did not lead to any change in the environmental conditions for this project and did not require any adjustments to the current plans. Alzchem is in regular contact with the relevant authorities.

1.4 SPECIAL EFFECTS DUE TO CUSTOMER SUBSIDIES RECEIVED

In the first quarter of 2025, Alzchem received the first payments as part of the contractually agreed customer subsidies for the capacity expansion of nitroguanidine production in Germany. These significantly change certain key figures of Alzchem and are therefore explained separately and in summary here.

IMPACT ON THE CASH FLOW STATEMENT

In accordance with IFRS accounting regulations, the customer grants received must be shown in the operating cash flow. The operating cash flow was therefore significantly influenced by the customer grants received. In the first quarter of 2025, Alzchem received customer prepayments in the amount of EUR 39,501 thousand, which increased the operating cash flow by this amount.

IMPACT ON THE BALANCE SHEET

The contractual arrangements and customer prepayments have a significant impact on Alzchem's balance sheet in the form of a balance sheet extension: in particular, these are the balance sheet items "Other receivables and other assets" on the assets side and "Contract liabilities" on the liabilities side of the balance sheet.

Receivables from future customer payments are reported under "Other receivables and other assets" if the contractual provisions provide for regular payments from customers for which no further requirements need to be met. These receivables are reduced by customer payments and reported as current or non-current depending on their maturity. As of March 31, 2025, EUR 10,498 thousand was reported under non-current and EUR 3,761 thousand under current other receivables and other assets.

All customer grants received for this investment project are initially recognized as contract liabilities on the liabilities side of the balance sheet. This also applies to the receivables from future customer grants reported under "Other receivables and other assets". Alzchem has to fulfill the assurance of additional production capacities for the delivery of products (nitroguanidine) from the new production plant subsidized by the customers as the main consideration for these customer grants – this obligation represents the contract liability. As soon as these additional quantities can be delivered, the contract liability is reversed over the respective term of the individual customer contract in accordance with the quantities to

be delivered per year as part of revenue recognition. This revenue recognition complies with IFRS 15 and is in addition to the revenue actually invoiced to customers and will not occur significantly before the fiscal year 2027. As of March 31, 2025, a total of EUR 53,760 thousand was reported under non-current contract liabilities.

The recognition of these balance sheet items also has an impact on the balance sheet total and consequently on the Group's equity ratio. As of March 31, 2025, the balance sheet total of Alzchem increased by EUR 53,760 thousand due to these special effects.

IMPACT ON THE INCOME STATEMENT

In the first quarter of 2025, the customer subsidies did not yet have any effect on Alzchem's income statement.

1.5 RESULTS OF OPERATIONS

CONSOLIDATED INCOME STATEMENT (IFRS, UNAUDITED)

in EUR thousand	1st quarter 2024	1st quarter 2025
Sales	150,064	144,680
Change in inventories of finished goods / work in progress	-6,520	11,436
Other operating income	3,558	5,263
Cost of materials	-53,237	-64,236
Personnel expenses	-40,588	-41,150
Other operating expenses	-28,367	-28,631
EBITDA	24,910	27,362
Depreciation and amortization	-6,535	-6,552
EBIT	18,375	20,810
Other interest and similar income	292	711
Interest and similar expenses	-1,454	-1,278
Financial result	-1,162	-567
Result from ordinary business activities	17,213	20,243
Taxes on income and earnings	-4,976	-5,607
Consolidated result for the period	12,237	14,636
thereof non-controlling interests	43	43
thereof shares of the shareholders of Alzchem Group AG	12,194	14,593
Earnings per share in EUR (undiluted and diluted)*	1.20	1.44

* Calculated with 10,176,335 shares in the period from January 1 to March 31, 2024; calculated with 10,111,083 shares in the period from January 1 to March 31, 2025



In the reporting period from January to March 2025, Alzchem generated sales of EUR 144,680 thousand, down EUR 5,384 thousand on the same period of the previous year. While sales in the Specialty Chemicals segment rose by EUR 1,551 thousand, sales in the Basics & Intermediates segment decreased by EUR 6,661 thousand, while sales in the Other & Holding segment remained almost stable. By further shifting sales shares to the Specialty Chemicals segment, Alzchem was able to successfully continue its consistent transformation towards higher-margin specialty chemicals.

The cost of materials is considered together with the changes in inventories as the “extended cost of materials ratio”, which improved from 39.8% to 36.5% in the first quarter of 2025 compared to the same period of the previous year. The increase in the cost of materials by EUR 10,999 thousand is mainly due to the development of the electricity price in the first quarter of 2025, which was significantly higher than in the previous year, which was also reflected in the cost of materials. The changes in inventories reflect the targeted inventory build-up in advance of a major planned carbide furnace maintenance in the first half of 2026.

Other operating income was EUR 1,705 thousand higher than in the previous year. This is due, among other things, to increased exchange rate gains from currency translation and own work capitalized.

Personnel expenses amounted to EUR 41,150 thousand in the reporting period, up slightly by EUR 562 thousand on the previous year. This reflects the collective wage increases of the previous year.

Other operating expenses amounted to EUR 28,631 thousand in the reporting period and thus rose by EUR 264 thousand compared with the previous year. The increase was mainly due to higher exchange rate losses from currency translation.

In the first three months of the fiscal year 2025, Alzchem generated EBITDA of EUR 27,362 thousand, up EUR 2,452 thousand or 10% on the previous year. The two operating segments developed differently. While the Specialty Chemicals segment significantly exceeded the previous year’s EBITDA (EUR+ 3,357 thousand), the Basics & Intermediates segment recorded a decline (EUR -1,662 thousand).

The EBITDA margin was 18.9% in the reporting period and therefore significantly higher than the 16.6% in the same period of the previous year. The further shift in sales shares towards the higher-margin Specialty Chemicals segment is the main reason for the positive develop-

ment of the Group’s overall profitability. Although the higher burden of electricity costs led to a decline in the EBITDA margin in the Basics & Intermediates segment, this effect was more than offset by the margin increase in the Specialty Chemicals segment.

Depreciation and amortization increased as planned by EUR 17 thousand to EUR 6,552 thousand.

The financial result amounted to EUR -567 thousand and was therefore significantly better than in the previous year. This positive development was mainly due to the stable cash situation of the Alzchem Group. On the one hand, this allowed liquidity surpluses to be invested profitably and, on the other, the sale of receivables continued to be kept to a minimum, which also reduced the interest burden. Non-cash interest effects also had an impact on the improved financial result. These resulted primarily from interest rate effects from the valuation of long-term personnel provisions and provisions for deposits. The different development of discount rates for non-current provisions led to a decrease in interest expenses for valuation purposes compared to the first quarter of 2024. Slightly higher interest expenses had to be recognized for pension obligations in the first three months of the fiscal year 2025, as the interest rates as of December 31 of a year are always used for the subsequent period. These were higher on December 31, 2024, than on December 31, 2023, and led to slightly higher interest expenses than in the same period of the previous year.

Tax expenses amounted to EUR 5,607 thousand in the first three months of 2025 and were therefore EUR 631 thousand higher than in the same period of the previous year. The increase is due to the higher operating result. The tax rate amounted to 27.7% (previous year: 28.9%).

In total, the consolidated result for the 3-month period 2025 amounted to EUR 14,636 thousand. This corresponds to an increase of EUR 2,399 thousand or 20% compared to the previous year.

Earnings per share grew by EUR 0.24 or 20% to EUR 1.44 as result of the sharp rise in consolidated result for the period and the slight decrease in the number of shares to be taken into account (due to the ongoing share buyback). Earnings per share were calculated using a weighted average number of shares in circulation of 10,111,083 in the period from January 1 to March 31, 2025, and 10,176,335 in the period from January 1 to March 31, 2024. The number of shares was influenced by the ongoing share buyback program.

1.6 FINANCIAL POSITION

CONSOLIDATED CASH FLOW STATEMENT (IFRS, UNAUDITED)

in EUR thousand	1st quarter 2024	1st quarter 2025
Cash flow from operating activities	33,450	49,517
Cash outflow from investing activities	-6,894	-13,101
Free cash flow	26,556	36,416
Cash outflow from financing activities	-2,415	-6,461
Net increase in cash and cash equivalents	24,141	29,955

The Alzchem Group received EUR 49,517 thousand in cash from operating activities in the first three months of the fiscal year 2025. The operating cash flow was significantly influenced by the customer grants received in connection with the expansion of production capacities for nitroguanidine. The first customer prepayments in the amount of EUR 39,501 thousand were received by Alzchem in the first quarter of 2025 and are shown in the operating cash flow in accordance with IFRS accounting regulations. The planned increase in inventories ahead of the carbide furnace maintenance led to an increase in net working capital and consequently to a negative effect on cash flow from operating activities compared to the previous year.

The Alzchem Group spent EUR 13,101 thousand on investing activities in the reporting period. This means that capital expenditure almost doubled compared to the previous year. In the first quarter of 2025, a large part of the investment activity was related to the expansion of production capacities for nitroguanidine. Approximately half of the current investment cash flow was used for this purpose.

The significant rise in operating cash flow of EUR 16,067 thousand led an overall increase in free cash flow of EUR 9,860 thousand compared to the same period of the previous year, despite the EUR 6,207 thousand higher cash outflow from investing activities. Free cash flow for the first three months of 2025 thus amounted to EUR 36,416 thousand, reflecting the positive financing effect of customer prepayments for the nitroguanidine expansion.

The cash outflow from financing activities of EUR -6,461 thousand mainly includes the scheduled repayment of non-current liabilities to banks in the amount of EUR 2,208 thousand (previous year: EUR 1,771 thousand) and payments for the acquisition of treasury shares of EUR 3,604 thousand (previous year: EUR 0 thousand).

Cash and cash equivalents amounted to EUR 91,374 thousand as of March 31, 2025. Taking currency effects into account, this corresponds to an inflow of EUR 29,955 thousand compared to December 31, 2024.

Alzchem was therefore able to generate a clearly positive operating cash flow in the first quarter of 2025, which was used for investment activities (such as the above-mentioned expansion in the nitroguanidine area) and to repay financial liabilities, among other things. Surplus liquidity can continue to be invested at short notice to generate interest. These developments support Alzchem's very solid financial position.

1.7 NET ASSETS

CONSOLIDATED BALANCE SHEET (IFRS, UNAUDITED)

in EUR thousand	12/31/2024	03/31/2025	Delta
Assets			
Intangible assets	3,671	3,807	+136
Property, plant and equipment	192,976	200,324	+7,348
Lease usage rights	4,023	3,546	-477
Financial assets	6	6	0
Other receivables and other assets	1,234	11,686	+10,452
Deferred tax assets	20,121	17,485	-2,636
Non-current assets	222,031	236,854	+14,823
Inventories	101,166	111,782	+10,616
Trade receivables	78,935	84,612	+5,677
Other receivables and other assets	20,080	31,969	+11,889
Income tax claims	70	9	-61
Cash and cash equivalents	61,544	91,374	+29,830
Total current assets	261,795	319,746	+57,951
Total assets	483,826	556,600	+72,774
Capital			
Equity	207,471	222,899	+15,428
Non-current liabilities	170,956	215,779	+44,823
Current liabilities	105,399	117,922	+12,523
Balance sheet total	483,826	556,600	+72,774

As of March 31, 2025, Alzchem's balance sheet total amounted to EUR 556,600 thousand, a significant increase of EUR 72,774 thousand compared to December 31, 2024.

There was a rise in both current and non-current assets. Non-current assets grew mainly in the items "Property, plant and equipment" and "Other receivables and other assets". The main reason for the increase in property, plant and equipment is the investments in connection with the expansion of production capacity for nitroguanidine. Other non-current receivables and other assets include contractually agreed customer grants as part of this investment project, the payment dates of which are not within the next twelve months. These are reduced by regular payments over the term of the corresponding customer agreements. Further details can be found in section 1.4.

Current assets grew by a total of EUR 57,951 thousand. The main increases resulted from inventories (EUR +10,616 thousand), other receivables and other assets (EUR +11,889 thousand) and cash and cash equivalents (EUR +29,830 thousand). The rise in inventories was primarily due to the scheduled extended maintenance of a carbide furnace at the Hart site in the first half of 2026 in order to have sufficient carbide stocks available during the maintenance work. The increase in other receivables and other assets is mainly due to reporting date-related effects and the portion of the customer grants described above that are due in the short term as part of the nitroguanidine investment project. The exact development of cash and cash equivalents can be found in section 1.6 Financial position.

Equity rose by EUR 15,428 thousand to EUR 222,899 thousand as of December 31, 2024. As expected, the Group's equity ratio remained slightly below the figure at the last reporting date due to the increase in the balance sheet total, primarily as a result of the recognition of customer grants as liabilities in connection with the expansion of production capacity for nitroguanidine. The consolidated result for the period, which amounted to EUR 14,636 thousand in the first three months of 2025, had a positive impact on equity. The decline in pension obligations also had an increasing effect on equity. The changes in actuarial assumptions regarding the risk-free interest rate used to measure pension obligations as of March 31, 2025, resulted in an increase in equity after tax effects of EUR 4,156 thousand. In contrast, the purchase of treasury shares had a reducing effect on equity.

For the first time, non-current liabilities included non-current contract liabilities in the amount of EUR 53,760 thousand from grant payments from customers as part of the investment project for nitroguanidine in Germany. Further details can be found in section 1.4.

The development of pension obligations is significantly influenced by actuarial parameters. Although their change does not affect the consolidated result, it is recognized directly in equity under other comprehensive income. The risk-free market interest rate plays a key role in the actuarial parameters. If this market interest rate falls, there is an increase in pension obligations, while a rise leads to a decrease in pension obligations. Historically, the risk-free market interest rate has developed as follows:

in %	2019	2020	2021	2022	2023	2024	Q1/2024	Q1/2025
Discount rate	0.90	0.50	1.00	3.70	3.20	3.40	3.50	3.80

Pension provisions decreased by a total of EUR 5,639 thousand. No new employees have been included in the pension plan since 2007. Pension payments are now rising slowly due to the age structure, as more employees eligible for the plan are retiring. The plan is structured in such a way that future pension payments extend over a very long projected period of around 30 years and therefore do not have a significant impact on Alzchem's financial performance. These pension payments have historically developed as follows:

in EUR thousand	2019	2020	2021	2022	2023	2024	Q1/2024	Q1/2025
Pensions paid	-1,005	-1,181	-1,516	-1,685	-1,930	-2,265	-633	-768

Non-current loan liabilities also decreased by EUR 1,583 thousand compared to December 31, 2024, due to reclassification to the current portion.

Current liabilities rose by EUR 12,523 thousand compared to December 31, 2024, due to the business and reporting date and amounted to EUR 117,922 thousand as of March 31, 2025.

2. Development in the segments

2.1. SPECIALTY CHEMICALS SEGMENT

in EUR thousand	1st quarter 2024	1st quarter 2025
External sales	92,961	94,512
EBITDA	22,684	26,041
EBITDA margin	24.4%	27.6%
Inventories	56,355	59,919

DEVELOPMENT IN THE 1ST QUARTER OF 2025

The steady growth trend continued in the Specialty Chemicals segment. In the first three months of the fiscal year 2025, sales amounted to EUR 94,512 thousand, up EUR 1,551 thousand or 2% on the previous year. The increase in sales was mainly volume-driven.

The Human Nutrition (Creapure®, Creavitalis®) and Custom Manufacturing (multi-purpose systems) product areas in particular made a positive contribution to sales growth compared to the same period of the previous year.

In the Human Nutrition segment, the high sales level of the previous year was further increased. Demand for creatine “Made in Germany” continues to develop positively. Current developments in the global creatine market offer additional growth potential in new areas of application. Against this background, Alzchem is working on an incremental expansion of creatine production capacities in Germany. The implementation is proceeding according to plan, so that commissioning is expected in the third quarter of 2025.

A trend reversal was achieved in the Custom Manufacturing segment (multi-purpose plants). While demand in the last two years was negatively affected by the weak economy in the

German and European chemical industry, an upswing is gradually becoming apparent. This development confirms Alzchem’s conviction that the volume declines of recent years were only a temporary phase and that the product area offers further growth opportunities with a corresponding contribution to earnings.

This contribution was also immediately reflected in EBITDA in the first quarter of 2025, which made a disproportionately strong contribution to the segment’s EBITDA, driven by developments in the creatine and custom manufacturing areas (due to capacity utilization). In the first three months of the fiscal year 2025, the segment generated EBITDA of EUR 26,041 thousand, up EUR 3,357 thousand or 15% on the previous year. This resulted in an EBITDA margin of 27.6% in the reporting period (previous year: 24.4%). The growth trend in the Specialty Chemicals segment thus also continued in the EBITDA margin in the first three months of 2025.

The segment’s inventories amounted to EUR 59,919 thousand and were therefore EUR 3,564 thousand higher than in the previous year. The overall rise in inventories in the Specialty Chemicals segment is primarily due to stronger demand. In addition, Alzchem decided to increase transit and safety stocks for US deliveries.

2.2 BASICS & INTERMEDIATES SEGMENT

in EUR thousand	1st quarter 2024	1st quarter 2025
External sales	49,299	42,638
EBITDA	1,802	140
EBITDA margin	3.7%	0.3%
Inventories	40,115	50,842

DEVELOPMENT IN THE 1ST QUARTER OF 2025

The Basics & Intermediates segment closed the reporting period with sales of EUR 42,638 thousand. Sales were therefore EUR 6,661 thousand or 14% below the previous year's level.

The decline in sales is due to a combination of price and volume effects and is essentially in line with the forecast. The main reason for the drop in sales in the segment was the weak economy in the European and German steel industry, which led to a significant reduction in demand in the metallurgy product area. Due to the high raw material and electricity intensity, sales prices in the Basics & Intermediates segment are determined by price escalation clauses agreed with customers in some product areas. Changes in raw material and electricity prices therefore have a direct impact on sales prices – albeit with a time lag. The sales prices of the first quarter of 2025 based on price escalation clauses were therefore still the result of the more favorable raw material and energy costs of the fourth quarter of 2024 compared to the current situation and were therefore at a reduced level.

The decline in sales in the Basics & Intermediates segment also led to a reduction in segment EBITDA. This amounted to EUR 140 thousand in the first three months of the fiscal year 2025 and was therefore EUR 1,662 thousand below the previous year's level. The EBITDA margin fell by 3.4 percentage points to 0.3%. The decline in EBITDA was caused in particular by the significant increase in electricity prices in Germany, which were around 40% higher in the first quarter of 2025 than in the same period of the previous year. Due to the price formula, the higher electricity prices in some product areas only lead to an increase in sales prices with a time lag.

At EUR 50,842 thousand, the segment's inventories were up on the previous year's level of EUR 40,115 thousand. The increase in inventories was targeted and as forecast due to the scheduled extended maintenance of a carbide furnace at the Hart site in the first half of 2026. The early and continuous build-up of inventories is necessary to ensure the supply of carbide to production operations during the furnace shutdown period.

2.3 OTHER & HOLDING SEGMENT

in EUR thousand	1st quarter 2024	1st quarter 2025
External sales	7,804	7,530
EBITDA	537	307
EBITDA margin	6.9%	4.1%
Inventories	3,338	4,956

DEVELOPMENT IN THE 1ST QUARTER OF 2025

Sales in the Other & Holding segment were slightly below the previous year (EUR -274 thousand). This decline is mainly due to reduced electricity grid fees charged to the chemical park customers.

The segment's EBITDA was also down on the previous year (EUR -230 thousand), with the EBITDA margin falling by 2.8 percentage points to 4.1%, largely in line with the sales trend.

As of the reporting date, inventories were EUR 1,618 thousand higher than in the previous year. Since this mainly related to consumables and supplies, this reflects the increased cost level and seasonal and reporting date fluctuations.

3. Sustainability at Alzchem

In the combined management report as of December 31, 2024, Alzchem reported on the non-financial matters of the company in partial compliance with the European Sustainability Reporting Standards (ESRS) and underwent a voluntary limited assurance engagement in accordance with ISAE 3000. There were no fundamental changes to the statements in this sustainability statement in the first quarter of 2025. However, as a responsible company in the Bavarian region, we would like to inform our stakeholders about our current sustainability activities in the first three months of the fiscal year 2025 in this quarterly report as of March 31, 2025.

SUSTAINABLY STRONG: ALZCHEM IS DELIGHTED TO RECEIVE THE BAVARIAN ENVIRONMENTAL AND CLIMATE PACT AWARD

District Administrator Max Heimerl and Economic Development Manager Thomas Perzl presented the certificate of the Bavarian Environmental and Climate Pact to Andreas Niedermaier, CEO of Alzchem, on April 7, 2025.

Andreas Niedermaier expressed his thanks and emphasized: “The Bavarian Environmental and Climate Pact raises awareness of environmental protection goals. Our responsibility for the environment, climate and living space not only increases the positive perception of our company. Our environmental protection measures in the areas of energy, resources, water and waste help us to save costs and at the same time increase our attractiveness as an employer.”

With the current Environmental and Climate Pact, the Bavarian State Government and its partners, the Bavarian Industry Association (vbw), the Bavarian Chamber of Industry and Commerce (BIHK) and the Bavarian Association of Skilled Crafts (BHT) are working to develop solutions for dealing with outstanding environmental and sustainability issues in order to promote environmental and climate protection in companies and businesses. The Environmental and Climate Pact is open to all Bavarian companies and businesses, regardless of size. A prerequisite for participation is additional corporate environmental protection measures that go beyond the legal requirements. In future, it is planned that the previously separate environmental statement will be incorporated into the general ESG report.

4. Forecast

The following table provides an overview of the values forecast for the Group's financial performance indicators for the fiscal year 2025 in the consolidated financial statements as of December 31, 2024:

	Unit	2024	Forecast 2025
Group sales	EUR million	554.2	Growing to around EUR 580 million
Adjusted EBITDA*	EUR million	105.3	Growing to around EUR 113 million
Adjusted EBITDA margin*	%	19.0	Growing to approx. 19.5%
Inventories	EUR million	101.2	Particularly strong growth
Inventory intensity	%	18.3	Slightly growing
Equity ratio	%	42.9	Slightly decreasing

* No adjustments were made.

The forecasts for the fiscal year 2025 made in the consolidated financial statements as of December 31, 2024, can be confirmed with this quarterly statement. The assumptions made in the Annual Report 2024 continue to apply.

At the time of the quarterly statement, it can be assumed that the changes in US customs policy will not have a significant impact on the forecast made. Alzchem is the only manufacturer of many products outside of China and is therefore hardly in competition with US companies but is certainly in intense competition with Chinese competitors. The current discussion about disproportionately higher US tariffs on Chinese products could possibly even represent an opportunity. The current US tariff situation is still too volatile to adequately predict its economic impact for a well-founded assessment and consideration in the forecast for fiscal year 2025.

5. Significant events after the balance sheet date

No significant events occurred after the balance sheet date that could have an impact on the net assets, financial position and results of operations of Alzchem.

List of abbreviations

AG	Aktiengesellschaft (stock corporation)
EBIT	Earnings before interest and taxes
EBITDA	Earnings before interest, taxes, depreciation and amortization
ESG	Environmental, Social and Governance
EU	European Union
EUR	Euro
USA	United States of America
USD	US dollar

Financial Calendar 2025

May 8, 2025	Annual General Meeting 2025
June 30 to July 30, 2025	Quiet Period*
July 30, 2025	Half-year Financial Report 2025
September 30 to October 30, 2025	Quiet Period*
October 30, 2025	Q3 Quarterly Statement 2025

* During a "quiet period", Alzchem Group AG only communicates with the capital market to a limited extent before publishing quarterly and full-year results.

Here you can find all current events of Alzchem:



alzchem.com/en/investor-relations/financial-calendar/





Remarks

This quarterly statement may contain forward-looking statements based on current assumptions and forecasts made by the management of Alzchem Group AG. Such statements are subject to risks and uncertainties. These and other factors may cause actual results, financial position, development or performance of the company to differ materially from the estimates made here. The company assumes no liability whatsoever to update such forward-looking statements or to conform them to future events or developments.

In the interests of readability, the quarterly statement does not use the masculine, feminine and diverse (m/f/d) forms of language simultaneously. All references to persons apply equally to all genders.

This quarterly statement is also available in German. In the event of deviations, only the German version is legally binding.

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