

Tuebingen, November 14<sup>th</sup>, 2017

## **CHT invests into strategic growth and is successfully expanding**

- In 2017, the positive sales development is continuing, even in the difficult market environment
- Currency effects and higher raw material costs decrease the profit
- Strategic acquisition in the field of silicone specialities supports the successful course for the future even beyond the textile industry
- Investment into the future - CHT counts on in-house development of next generation leaders

So far, 2017 has been successful for the CHT Group. At the beginning of this year, the new corporate identity was presented. With its modern logo and claim "Smart Chemistry with Character" it provides more clarity and a significant brand promise. The new corporate identity is uniform for the complete company positioning itself with its clear internal and external statement.

Within the framework of the strategic process "Agenda 2020" the CHT Group aims at reaching sales of 500 million EUR by 2020 through an organic growth. Existing white spots, both regional ones and technological ones, are to be additionally filled by means of acquisitions.

The strategic acquisition of the U.S. ICM Silicones Group at the end of August is the successful result of the M&A activities.

The Management around CEO Dr. Frank Naumann is convinced that this acquisition represents the most perfect merger of silicone companies that has been effected in the last 30 years.

Since the end of the nineties the CHT Group has been active offering silicone specialities on the market. CHT had originally started the silicone business to secure its provision with raw materials for textile softeners since at that point in time silicones seemed to become the new basic raw materials. Silicone chemistry has meanwhile become an important strategic pillar for the business development beyond the textile business.

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With the acquisition of the U.S. ICM Silicones Group representing the so far biggest transaction in the company's history with purchased sales of 69 million USD CHT was able to unite two targets. "This transaction does not only significantly increase the existing silicone business for our company, it also supplements our existing silicone technologies and our silicone know-how, not least because of the access to new, attractive market segments", says CEO Dr. Frank Naumann. "What's more, with this step we fill the white spot U.S.A. Two companies represent ICM Silicones Group in this important economic market."

Dr. Bernhard Hettich, CTO of the CHT Group, states, "The business expansion in promising market segments with sustainable and innovative products is a central focus within our growth strategy with the Agenda 2020. Silicone elastomers particularly stand out as lasting and efficient materials due to their physiological harmlessness and high environmental compatibility."

Their versatile use and not least their very high temperature stability make them particularly suitable for the use in compact electronic devices to derive the developing heat energy. The thermal conductivity and simultaneous durability of the material in use are of increasing importance, above all in compact lightweight construction of modern appliances or vehicles. Together with internal segment leaders CHT develops innovative silicones.

Despite raising challenges by worldwide competitors the sales of the CHT Group are on course. With regard to the numerous geopolitical and economic crisis regions as well as the slowed down growth of the global textile industry, this renewed organic growth is very positive. The CHT Group has adjusted its policy to the increasingly difficult market environment and the current developments in Great Britain, the U.S.A, Turkey and parts of Central America.

"For 2017 we expect a sales increase by about 5% and a slightly decreasing but still very good EBIT", says Dr. Frank Naumann. "The low raw material prices and currency effects have backed us in recent years but this year the tide has turned. Increasing raw material prices as well as currency influences

will lead to the fact that in our EBIT we won't be able to reach last year's performance."

Many examples currently show that market influences can hardly be predicted or changed. What can be planned and influenced, however, is the development of future executives for the company. The CHT Group launched two programmes in this field. First, the Next Generation Leaders (NGL) programme where 16 international employees are currently prepared for future management tasks in a three-year extra-occupational curriculum. This training provides the future executives not only with classic management skills but mainly forms their personality as executive and imparts the necessary competences. The colleagues' foreign assignment for at least six months rounds off the training. It shall prepare them for their possible future working environment.

Since 2017, CHT has additionally launched a national equivalent to the NGL programme - JUMP. This programme is a two-year extra-occupational training which was mainly developed for young future executives who have just taken over a leading position or will do so in the near future. JUMP has a very strong practical orientation and is based on exercises and case studies with direct reference to daily work. JUMP focuses on providing the participants with management skills such as e.g. conflict management, communication with and motivation of the staff.

Both training programmes are to support the ONE Company approach to establishing an international, seamless and value-based organisation.

### **About the CHT Group**

The CHT Group, medium-sized global player and "hidden champion" for speciality chemistry, is worldwide active in development, production and sales. The CHT Germany GmbH in Tuebingen is the Group's headquarters.

The products improve the quality, the functionality and the performance of textiles, building materials, colours, coatings, papers and agrochemicals as well as cleaning and care products for the field of consumer goods industry.

By bundling the strengths of the entire group, innovative products, applications or processes are constantly being developed. Highly qualified specialists work in top

equipped laboratories for development, analysis and application technique in order to develop ideas and solutions in compliance with the most modern requirements.

The CHT Group with its own production and sales locations is represented by more than 25 companies worldwide. In the financial year 2016, the CHT Group generated group sales of 418 million Euro with around 1,900 employees (without ICM Silicones Group). For more information please visit us at [www.cht.com](http://www.cht.com)

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