

Tuebingen, June 28th 2018

The CHT Group achieves again a sales record in 2017 - currency developments and high raw material costs burden the result

- With sales of 456 million EUR the year 2017 was the most successful one for the group of companies
- Result under pressure due to higher raw material costs and negative currency effects
- Investments remain high - approximately 11 million EUR invested in production sites and new technologies worldwide
- With the acquisition of the North American ICM Silicones Group, CHT Group positions itself even stronger in the silicone specialties market
- 2018 - moderately optimistic business expectations in a difficult market environment

The medium-sized global player for specialty chemicals closed the financial year of 2017 with record sales for the fifth year in succession. Even though the expectations could not be fully met due to negative currency effects. With sales of 456 million EUR, the previous year's success in the Group was exceeded by 9%.

The encouraging growth compared to 2016 is mainly due to the acquisition of the ICM Silicones Group, a North American silicone specialist with locations in the USA, UK, Italy and China. With this strategic investment, the CHT Group has more than doubled its existing silicone business and intends to significantly expand it worldwide and gain new market shares.

In addition, business development with the textile industry in Germany, Brazil, India, Mexico and Pakistan made an unexpectedly strong contribution to sales in 2017.

With regard to the result (EBIT), the CHT Group was unable to continue the excellent performance of the previous year in 2017. The Group-wide operating result (EBIT) remained below the expectations, in particular due to significantly higher raw material costs. In mid-2018, the CHT Group records

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cost increases of over 80% for some raw material groups. By the end of the year, the situation is not expected to improve, but instead further increases in raw material prices are to be anticipated.

“For 2018 we expect a rather moderate growth in sales. Due to increased raw material costs and the shortage of some raw materials, market development has not become easier for us,” says Dr. Frank Naumann, CEO of the CHT Group. “Nevertheless, we have responded to the difficult market conditions and are supplementing and optimising our product portfolio. Purchasing raw materials has become a daunting challenge. As a result, significant price increases in all product ranges and industry segments are unavoidable for us this year”.

In addition to acquisitions, investments and above all innovations contribute to attaining our growth objectives. In 2017, the CHT Group continued to invest around 11 million EUR in the expansion of its technologies, in modern production sites and in personnel development.

As part of its 2020 strategy, the CHT Group has set itself the goal of supporting its customers in all markets worldwide as a preferred partner and leading reference for sustainable chemical solutions. In this respect, innovations play a central role. In 2017, the global research and development quota of the CHT Group was 4.1 % (+0.1 % compared to 2016). At the headquarters in Germany with the competence centres and the central research and development department, it was 6.6 % (+0.1 % above 2016).

The CHT Group continues to gain size and attractiveness as an employer. At the end of 2017 the Group had 2,186 employees, about one third of them at the German sites of Tübingen, Dusslingen, Oyten and Geretsried. Through the acquisition of the ICM Silicones Group, the CHT Group grew by almost 200 new employees. New tasks and the worldwide activity make the CHT Group more and more interesting as an employer and keep it on a growth course.

About the CHT Group

The CHT Group, a medium-sized global player for speciality chemistry, is worldwide active in development, production and sales. CHT Germany GmbH in Tübingen is the headquarters of the group of companies which focuses on sustainable chemical products and process solutions. TEXTILE SOLUTIONS of CHT improve the quality, functionality as well as look and purity of textiles and optimise their manufacturing processes. In the fields of silicones, building materials, paints, coatings, paper, agrochemicals as well as cleaning and care products innovative products and process solutions are provided by INDUSTRY SOLUTIONS. By bundling the strengths of the complete group further innovative products, applications or processes are permanently developed and vast technical support is offered within the SCIENCE & SERVICE SOLUTIONS. Highly qualified specialists work in state-of-the-art laboratories for development, analytics and application technique in order to work out ideas and solutions that meet the latest requirements.

The CHT Group with its own production and sales locations is represented by more than 29 companies worldwide. In the financial year 2017, the CHT Group generated a group turnover of 456 million Euro with around 2,200 employees. For more information please visit us at www.cht.com

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