Key Financial Data:
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Scarlett Shi
Communications
Tel +86 21 6119-1000
Fax +86 21 6119-1116
scarlett.shi@evonik.com

A good performance in 2017

- Forecast fully achieved: Adjusted EBITDA of €2.36 billion is at the upper end of the range
- Outlook for 2018: Sales and earnings growth, adjusted EBITDA between €2.4 billion and €2.6 billion
- Active portfolio management: Examining strategic options for the methacrylates business

Essen. Evonik fully achieved its earnings forecast in 2017. With adjusted EBITDA of €2.36 billion, earnings were at the upper end of the range of €2.2 billion to €2.4 billion. Sales grew 13 percent to €14.4 billion.

“2017 was a good year for Evonik,” said Christian Kullmann, Chairman of the Executive Board. “We made progress in implementing our strategy and we will continue to consistently drive it forward in 2018.”

At the Annual Shareholders’ Meeting on May 23, the Executive Board and Supervisory Board will be proposing a dividend of €1.15 per share. Based on the closing share price at year-end 2017 that gives a dividend yield of 3.7 percent, positioning Evonik among the top chemical companies.

“We fully delivered on everything we announced,” Chief Financial Officer Ute Wolf said. “We are also remaining true to our reliable dividend policy.”

The increase in sales in 2017 was driven by organic growth and by consolidation of the specialty additives business acquired from Air Products and the Huber silica business.

Evonik aims to grow sales and operating earnings in 2018 and expects adjusted EBITDA to be between €2.4 billion and €2.6 billion. Thanks to its strong market positions and strategic focus on its four growth engines—Specialty Additives, Animal Nutrition, Smart

Materials, and Health & Care—Evonik anticipates that demand will remain high and there will be a perceptible increase in volumes. Evonik had a good start to the year.

Systematic implementation of the company's strategy includes active portfolio management and sharpening the focus on specialty chemicals. The Executive Board is therefore examining all options for the future development of the methacrylates businesses (MMA and PMMA). These options include possible partnerships or a complete exit. “Our MMA and PMMA businesses have leading competitive positions and they are profitable and attractive”, said Kullmann. “We can therefore explore the options without time pressure and decide on the best solution.”

At the segment Nutrition & Care, Evonik is strengthening its business with feed additives. The business is intensifying growth initiatives in the area of sustainable animal nutrition in order to expand its leading market position. At the same time, optimization of production, logistics as well as sales and marketing are to result in €50 million in savings by the end of 2020.

As announced in fall 2017, Evonik aims to optimize its administrative and sales processes and permanently reduce costs by €200 million a year by the end of 2020. That is about 10 percent of total global selling and administrative expenses. Savings of €50 million will be reflected in earnings this year. “Cost discipline is an important success factor and is becoming part of our corporate culture,” said Kullmann. “Selling and administrative expenses must not be allowed to rise faster than sales. That is why we are now taking action worldwide, in a socially acceptable manner.” Evonik still rules out business-related dismissals for employees in Germany. A corresponding agreement with the Works Council has been extended until the end of 2021.

Segment performance

Resource Efficiency: The Resource Efficiency segment developed very successfully, benefiting from higher volumes and selling prices as well as the integration of the acquired businesses. Positive effects came, in particular, from strong demand from the tire industry for silica, the pleasing development of business with high-performance polymers (polyamide 12) for the automotive industry, and demand for crosslinkers for environment-friendly coatings and composites.

Nutrition & Care: The Nutrition & Care segment used the more favorable market conditions in the second half of the year to raise prices of feed additives. However, earnings declined substantially because the average market price was significantly lower than in the previous year. Buoyant demand from the construction and automotive industries for additives for polyurethane foam was encouraging. In the healthcare business, polymers for smart drug delivery systems for pharmaceutical applications were very successful.

Performance Materials: Earnings at the Performance Materials segment were significantly higher than in the previous year. Continuing good demand from the coatings and automotive industries came at the same time as tight market supply, especially for methacrylates. Successful implementation of measures to improve efficiency contributed to the good performance in the fiscal year.

Company information
Evonik is one of the world leaders in specialty chemicals. The focus on more specialty businesses, customer-orientated innovative prowess and a trustful and performance-oriented corporate culture form the heart of Evonik's corporate strategy. They are the lever for profitable growth and a sustained increase in the value of the company. Evonik benefits specifically from its customer proximity and leading market positions. Evonik is active in over 100 countries around the world with more than 36,000 employees. In fiscal 2017, the enterprise generated sales of €14.4 billion and an operating profit (adjusted EBITDA) of €2.36 billion.

Evonik's international activities are organized into six regions. The Asia Pacific North region consists of China, Taiwan, Japan & Korea, and is headquartered in Shanghai. Sales in Asia Pacific North reached 2,158 million euros in 2017. Evonik regards China as one of the driving forces of the global economy and we consequently endeavor to grow our business here. The company now employs about 3,000 employees and has in total of 10 production sites in China.

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