

Evonik optimizes structures to reduce bureaucracy and accelerate decision-making

November 3, 2017

- Reduction of global administrative and selling expenses by €200 million until 2021
- First measures worth €50 million to be reflected in 2018 earnings

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

Essen. In the course of executing its strategic agenda, Evonik will optimize its global processes and cost structures in administration and sales. The aim is to permanently save €200 million per year, which will be fully reflected in earnings as of 2021.

“We want to build a best-in-class specialty chemicals company,” says Christian Kullmann, chairman of the Executive Board. “That also requires bringing our costs in line with our aspiration.” Cost savings are to be achieved in the management holding, the four segments and the regions, and will make a contribution to reaching the target EBITDA margin of 18 to 20 percent. “We will increase cost discipline, reduce bureaucracy, and accelerate decision-making,” notes Kullmann.

For the year 2018, Evonik already has identified savings measures of €50 million, which will permanently relieve the overall cost base.

“In light of our free cash flow generation, our efforts in 2018 will initially concentrate on measures which can be implemented quickly and will not cause major one-off costs,” explains Ute Wolf, CFO of Evonik.

Evonik plans to address the further development and implementation of the measures in the coming months, working together with all relevant stakeholder groups.

Evonik Industries AG
Rellinghauser Straße 1-11
45128 Essen
Germany
Phone +49 201 177-01
Fax +49 201 177-3475
www.evonik.com

Supervisory Board
Dr. Werner Müller, Chairman

Executive Board
Christian Kullmann, Chairman
Dr. Harald Schwager
Thomas Wessel
Ute Wolf

Registered Office is Essen
Register Court Essen Local Court
Commercial Registry B 19474

Company information

Evonik, the creative industrial group from Germany, is one of the world leaders in specialty chemicals. Profitable growth and a sustained increase in the value of the company form the heart of Evonik's corporate strategy. Its activities focus on the key megatrends health, nutrition, resource efficiency and globalization. Evonik benefits specifically from its innovative prowess and integrated technology platforms. Evonik is active in over 100 countries around the world with more than 36,000 employees. In fiscal 2016 the enterprise generated sales of around €12.7 billion and an operating profit (adjusted EBITDA) of about €2.165 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 1,947 million euros in 2016. Evonik regards China as one of the driving forces of the global economy and we consequently endeavour to grow our business here. The company now employs about 3,000 employees and has in total of 10 production sites in China.

Disclaimer

In so far as forecasts or expectations are expressed in this press release or where our statements concern the future, these forecasts, expectations or statements may involve known or unknown risks and uncertainties. Actual results or developments may vary, depending on changes in the operating environment. Neither Evonik Industries AG nor its group companies assume an obligation to update the forecasts, expectations or statements contained in this release.