Press release

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A good performance in 2016
Acquisitions strengthen growth segments

- Forecast fully achieved: adjusted EBITDA is at the upper end of the range at €2.165 billion
- Proposed dividend: constant at an attractive level of €1.15 per share
- Outlook for 2017: higher revenues and earnings, adjusted EBITDA between €2.2 billion and €2.4 billion

Essen. Evonik Industries AG fully achieved its earnings forecast in 2016. With adjusted EBITDA of €2.165 billion, earnings were at the upper end of the range of €2.0 billion to €2.2 billion. While volumes grew by a 3 solid percent, sales declined 6 percent to €12.7 billion as a result of lower prices.

“At 17 percent, our adjusted EBITDA margin remains good,” said Klaus Engel, Chairman of the Executive Board. “The successful acquisition of the Air Products specialty additives business and the planned acquisition of Huber's silica business provide additional growth impetus and open up further perspectives for our attractive portfolio.”

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 2016, that gives a dividend yield of 4.1 percent, positioning Evonik among the top chemical companies. “The high free cash flow of €810 million enables us to make this level of payout without impairing our ambitious growth targets,” said Engel.

Following an exceptionally strong performance in the previous year, the earnings situation normalized in 2016. Evonik was only partially able to compensate for the low global economic momentum, the low oil price, and the normalization of prices for animal nutrition products. Adjusted EBITDA was therefore 12 percent below the previous year's outstanding level. Adjusted net income also dropped year-on-year to €930 million.

Evonik's financial position is still very sound. “The structure of our balance sheet remains healthy, even after acquiring the Air Products specialty additives business,” said CFO Ute Wolf. This is also evidenced by solid investment-grade ratings. “Capital efficiency and cash flow will continue to play a central role in the management of the company,” said Wolf.
The return on capital employed (ROCE) was 14 percent in 2016 and thus once again well above the cost of capital.

Evonik expects the Nutrition & Care and Resource Efficiency growth segments to make a positive earnings contribution in 2017 as a result of the successful integration of the Air Products specialty additives business. In addition, the company’s strong market positions, balanced portfolio and concentration on high-growth businesses will continue to drive its performance.

Despite the increasing uncertainty inherent in the geopolitical situation and high market volatility, Evonik aims to grow revenues and operating earnings in 2017 and expects adjusted EBITDA to be between €2.2 billion and €2.4 billion.

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 35,000 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 Industries has been producing specialty chemical products in the Greater China region (Mainland China, Hong Kong and Taiwan) since the late 1970’s; with wide-ranging trading relations already in place prior to this in the region. Evonik regards Greater China as one of the driving forces of the global economy and we consequently endeavor to grow our business in the region. The company now has around 3,000 employees in the Greater China region, the regional sales reached about €1.3 billion in 2016.

Disclaimer

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