

Embargoed until: August 2, 2018, 7 a.m. CEST

August 2, 2018

Key Financial Data:

First half/second quarter 2018

Matthias Ruch

External Communications

Phone +49 201 177 3348

Mobile +49 174 325 4299

Matthias.Ruch@evonik.com

Strong results in second quarter

- Sales up by 7 percent to €3.9 billion
- Adjusted EBITDA rises 16 percent to €742 million
- Free cash flow climbs to €56 million (prior-year: –€192 million)

Essen. Evonik increased adjusted EBITDA to €742 million in the second quarter of 2018 (prior-year: €640 million). All three chemical segments contributed with excellent operational business development: All three segments were able to increase their adjusted EBITDA as well as EBITDA margin compared to the same quarter of the previous year. Evonik thereby confirms the preliminary results pre-released on July 17.

Sales increased to €3.9 billion in the second quarter (prior-year: €3.6 billion), largely due to higher sales volumes and higher selling prices. Adjusted net income was €354 million, which corresponds to adjusted earnings per share of €0.76. The adjusted EBITDA margin improved to 19.2 percent, 1.5 percentage points higher than in the same period of the previous year.

Evonik is well on track in terms of free cash flow development. While free cash flow is usually negative in the second quarter because of variable compensation payments, it improved significantly by €248 million and was positive at €56 million (prior year: –€192 million). This was primarily due to improved operating income.

“We are pleased to confirm the strong results that we already pre-released,” says Christian Kullmann, Chairman of the Executive Board. “The implementation of strategic measures and a higher

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

Bernd Tönjes, Chairman

Dr. Werner Müller, Honorary Chairman

Executive Board

Christian Kullmann, Chairman

Dr. Harald Schwager, Deputy Chairman

Thomas Wessel, Ute Wolf

Registered Office is Essen

Register Court Essen Local Court

Commercial Registry B 19474

awareness of cost is increasingly reflected in our operating business development and a significantly improved cash flow.”

In the first half of the year 2018, Evonik generated sales of €7.5 billion and an adjusted EBITDA of €1.4 billion. Compared to the first half of 2017, sales rose by 4 percent, and adjusted EBITDA by 15 percent. The adjusted EBITDA margin rose from 17.0 to 18.8 percent. Free cash flow rose significantly in the first half to €140 million (prior year: –€135 million).

Outlook increased

Based on its excellent performance in the first half of the year, Evonik increased its outlook for the fiscal year 2018 and is now expecting an adjusted EBITDA between €2.60 and €2.65 billion. The company had previously projected an adjusted EBITDA between €2.4 and €2.6 billion.

The outlook for free cash flow has also been increased. Evonik projects a noticeably higher free cash flow for the fiscal year 2018 compared to prior year (€511 million). The company had so far forecasted a free cash flow slightly above the level of 2017.

Development in the segments

The **Resource Efficiency** segment continued its extremely stable and profitable development in the second quarter. Sales increased by 8 percent to €1.5 billion, while adjusted earnings were 15 percent above the same quarter of the previous year at €366 million. The adjusted EBITDA margin in the segment increased by 1.4 percentage points to an outstanding 24.7 percent. Overall, the segment benefited from high capacity utilization and continuing high demand for silica, high-performance polymers, including for lightweight design, and for water-based, environmentally friendly paints and coatings from the Coating Additives business line.

Sales in the **Nutrition & Care** segment were 2 percent above prior-year at €1.2 billion. Adjusted earnings rose by 10 percent to €222 million. The segment was able to significantly increase its adjusted EBITDA margin to 18.7 percent (prior-year: 17.3

percent). This was achieved with a consistent focus on higher-margin products, successfully passing on increased raw material costs, and strict cost reductions, especially in Animal Nutrition and Baby Care. In the amino acids business for animal nutrition, the market environment remained robust over the course of the reporting quarter. Sales volumes developed positively and were above those of the same quarter in the previous year. Sales prices continued the stabilization trend that had already been evident at the beginning of the year. Significant sales increases were also reported in Personal Care, which benefited from significantly higher volumes at an improved product mix. In the Health Care business pharmaceutical polymers and exclusive synthesis developed very well.

Sales in the **Performance Materials** segment reached €1.0 billion in the second quarter, 13 percent above the previous year. This was due to persistently high selling prices in the methacrylate business and an improved market environment for Performance Intermediates. The adjusted EBITDA improved by 17 percent to €196 million. The Performance Materials segment increased its adjusted EBITDA margin to 19.1 percent (prior-year: 18.5 percent).

Evonik Group: Excerpt from the income statement

(in € million)	Q2 2018	Q2 2017	Change in %	1-6 2018	1-6 2017	Change in %
Sales	3,870	3,618	7%	7,548	7,254	4%
Adjusted EBITDA	742	640	16%	1,422	1,234	15%
Adjusted EBIT	514	434	18%	994	822	21%
Adjustments	-19	-54		-44	-168	
Financial result	-49	-36		-99	-91	
Income before income taxes, continuing operations	446	344	30%	851	563	51%
Income taxes	-133	-110		-243	-178	
Ergebnis nach Steuern fortgeführter Aktivitäten	313	234	34%	608	385	58%
Ergebnis nach Steuern nicht fortgeführter Aktivitäten	1	3		1	3	
Income after taxes	314	237	32%	609	388	57%
thereof attributable to non-controlling interests	5	5		10	9	
Net Income	309	232	33%	599	379	58%
Adjusted net income	354	293	21%	687	541	27%

Prior-year figures restated

Segment performance

	Sales			Adjusted EBITDA		
	Q2 2018 € million	Q2 2017 € million	Change in %	Q2 2018 € million	Q2 2017 € million	Change in %
Nutrition & Care	1,189	1,163	2%	222	201	10%
Resource Efficiency	1,481	1,367	8%	366	318	15%
Performance Materials	1,025	910	13%	196	168	17%
Services	172	174	-1%	35	38	-8%
Other operations	3	4		-77	-85	
Group	3,870	3,618	7%	742	640	16%
	Sales			Adjusted EBITDA		
	1-6 2018 € million	1-6 2017 € million	Change in %	1-6 2018 € million	1-6 2017 € million	Change in %
Nutrition & Care	2,308	2,283	1%	431	388	11%
Resource Efficiency	2,879	2,727	6%	691	615	12%
Performance Materials	2,020	1,869	8%	375	325	15%
Services	335	367	-9%	84	81	4%
Other operations	6	8		-159	-175	
Group	7,548	7,254	4%	1,422	1,234	15%

Prior-year figures restated

Employees by segment

	30.06.2018	31.12.2017
Nutrition & Care	8,245	8,257
Resource Efficiency	10,224	10,260
Performance Materials	4,198	4,364
Services	12,833	13,021
Other operations	612	621
Evonik	36,112	36,523

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.

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.