

**Evonik.**  
**Power to create.**

Company presentation

February 2016



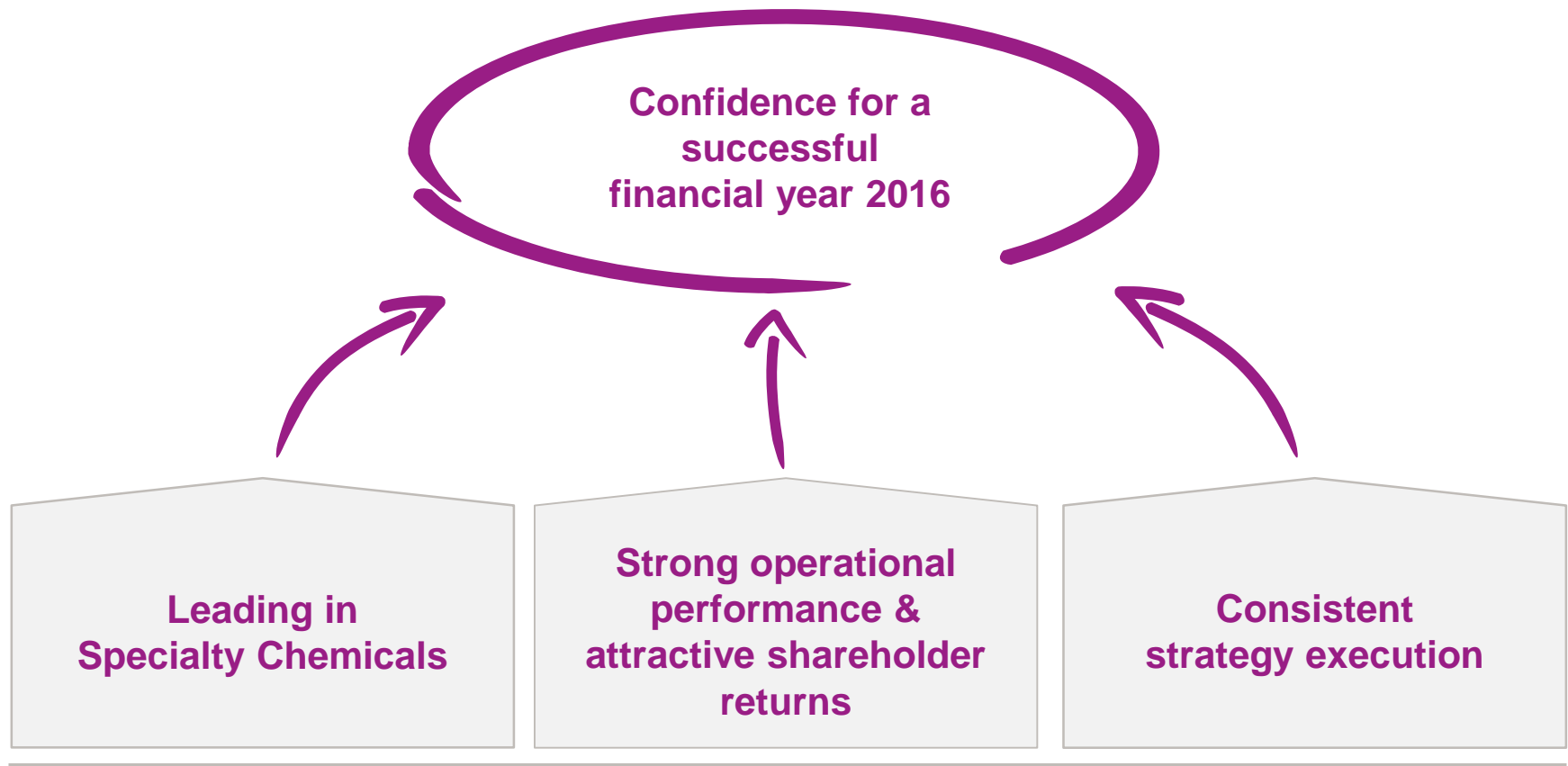
**EVONIK**  
INDUSTRIES

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## Our agenda for a successful year 2016



# Leading in specialty chemicals

## Market leader

Leading market positions in **80%** of our businesses<sup>1</sup>



## Customer proximity

Strong customer intimacy and tailor-made solutions with **almost 90%** of direct sales



## Value proposition

Most products with **small volumes** but **big impact** in customers' end products



## Growth profile

Organic growth in **2015** stemming from **higher volumes as well as prices**



## Innovation power

**~500 R&D projects** driving future sales potential



<sup>1</sup> Sales with top 1-3 market position by sales, production volume or capacity (depending on available data)

# Corporate structure

## Enabling differentiated management of segments



**Sales**  
€12,917 m

**Adj. EBITDA**  
€1,882 m

**Margin**  
14.6%

**ROCE**  
12.5%



### Nutrition & Care



**Sales**  
€4,075 m



**Adj. EBITDA / Margin**  
€847 m / 20.8%



### Resource Efficiency



**Sales**  
€4,040 m



**Adj. EBITDA / Margin**  
€836 m / 20.7%



### Performance Materials



**Sales**  
€3,827 m



**Adj. EBITDA / Margin**  
€325 m / 8.5%

### Growth



Investments



Innovation



M&A

### Efficiency



# Our Methionine success story

## A true specialty chemicals business



### Strong track record...



Market, technology, innovation & cost leader

**Global production footprint**

Customer intimacy

Sales presence in **>120 countries**

**Continued innovation** in service offers

**Best-in-class position in global methionine market**

### ...as basis for future success



Sustainability and advanced nutritional concepts as major driver for **market growth >6% p.a.**

**High barriers to entry**

Visibility on new capacities for the next years

**Attractive market dynamics expected to persist**

# Resource Efficiency

Innovative products for resource-efficient solutions



**Diversified  
businesses  
with a  
common  
purpose**

- Focus on **performance-impacting** and value-driving components
- **Minor share of cost** in most end products
- Strong focus on **technical service**
- **Low risk of substitution**
- High pricing power (**value-based pricing**)



**Strong  
growth  
&  
attractive  
margins**

**4 %**  
volume growth  
(annual average;  
2013 - 9M 2015)

**>20 %**  
adj. EBITDA margin  
(2013 - 9M 2015)



Continued strong  
**GDP+** sales growth  
at continued attractive  
EBITDA margin level of  
**20+**

## Strong operational performance in 2015...

### Best-in-class margin level

---

**~25%**

adj. EBITDA margin  
(growth segments<sup>1</sup>)

**~18%**

adj. EBITDA margin  
(group level)

**> 2/3 of Business Lines**

contributing to earnings growth in 2015

### Strong free cash flow generation

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**Free Cash Flow >€600 m**

(after nine months 2015)

Track-record in **flexible and disciplined execution of capex** plans

<sup>1</sup> Nutrition & Care and Resource Efficiency



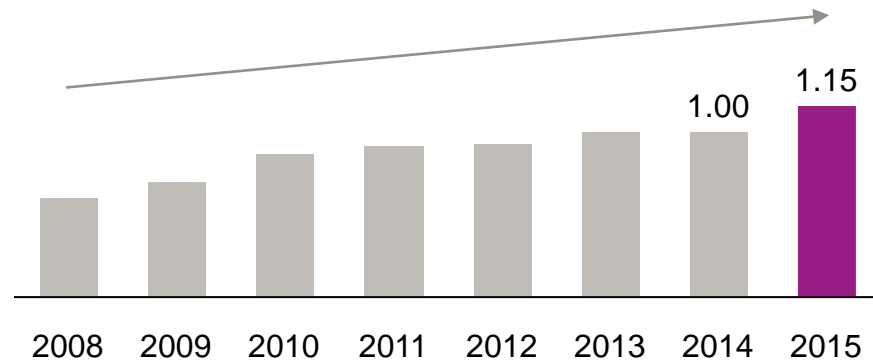
## ...and attractive shareholder returns

### Disciplined use of funds aligned with shareholder interests

**Reliable dividend policy**

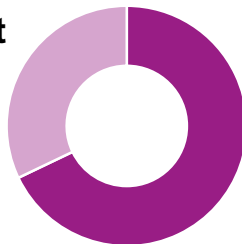
**9% dividend growth p.a.**  
(2008 - 2015)

**~4% dividend yield**



### Shareholder structure

**Free float**  
~32.1%



**RAG Foundation**  
~67.9%

**Increased free float** and  
one long-term major  
shareholder

# Consistent strategy execution

## Focus on growth and efficiency



### Growth

Program to accelerate **organic growth** by consistent intensification of sales activities and strengthening of sales teams

Capitalize on strong **innovation pipeline**

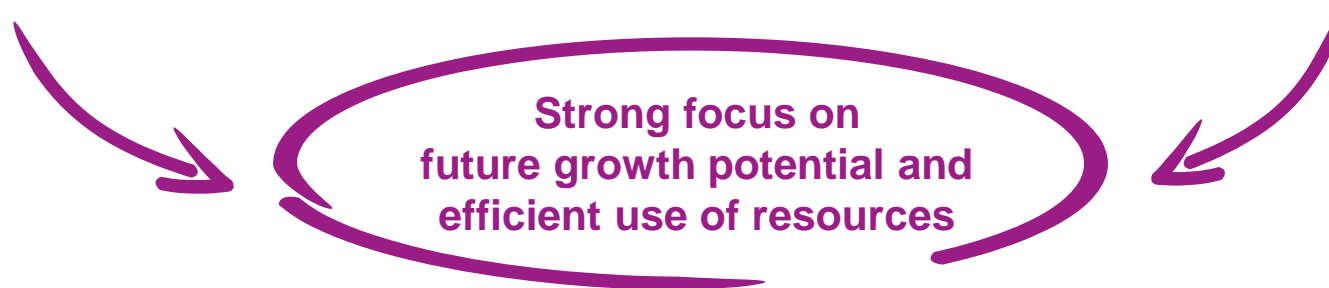
New capacities expected to deliver significant additional earnings

### Efficiency

On Track 2.0 program **progressing according to plan**

Administration Excellence expected to deliver **>€50 m** of additional savings in FY 2016

Further drive **efficiency measures in Performance Materials**



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One of the world leaders in specialty chemicals



19.1%

adj. EBITDA margin in  
first nine month of 2015

~2,000

marketing and sales  
experts globally

80%

of sales from  
#1-3 market positions

~33,000

employees in more  
than 100 countries

>4%

average volume growth  
(CAGR) since 2009<sup>1</sup>

~500

R&D projects driving  
innovation

<sup>1</sup> Excluding Carbon Black and Real Estate

# Three specialty chemicals segments



**Sales**  
€12,917 m

**Adj. EBITDA**  
€1,882 m

**Margin**  
14.6%

**ROCE**  
12.5%



## Nutrition & Care

Products for applications in the consumer goods, animal nutrition and healthcare sectors

**Sales** €4,075 m  
**Adj. EBITDA** €847 m  
**Margin** 20.8%



## Resource Efficiency

Environment-friendly and energy-efficient system solutions

**Sales** €4,040 m  
**Adj. EBITDA** €836 m  
**Margin** 20.7%



## Performance Materials

Polymer materials and intermediates mainly for the rubber and plastics industries

**Sales** €3,827 m  
**Adj. EBITDA** €325 m  
**Margin** 8.5%

## Services

**Sales**  
**Adj. EBITDA**

€906 m  
€151 m

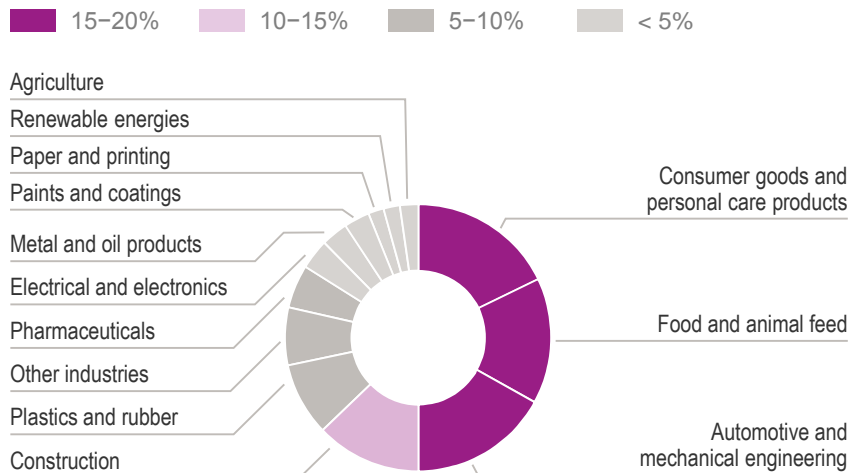
## Corporate / Other

**Sales**  
**Adj. EBITDA**

€69 m  
- €277 m

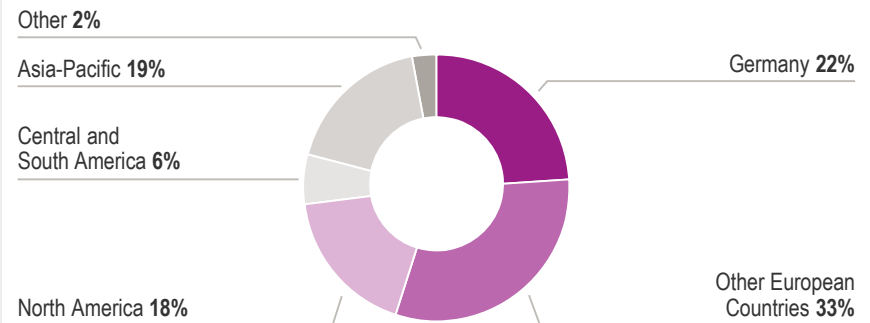
# Balanced and diversified portfolio

## End market split<sup>1</sup>



No dependency on single end markets;  
no end market exposure >20%

## Sales by region<sup>2</sup>

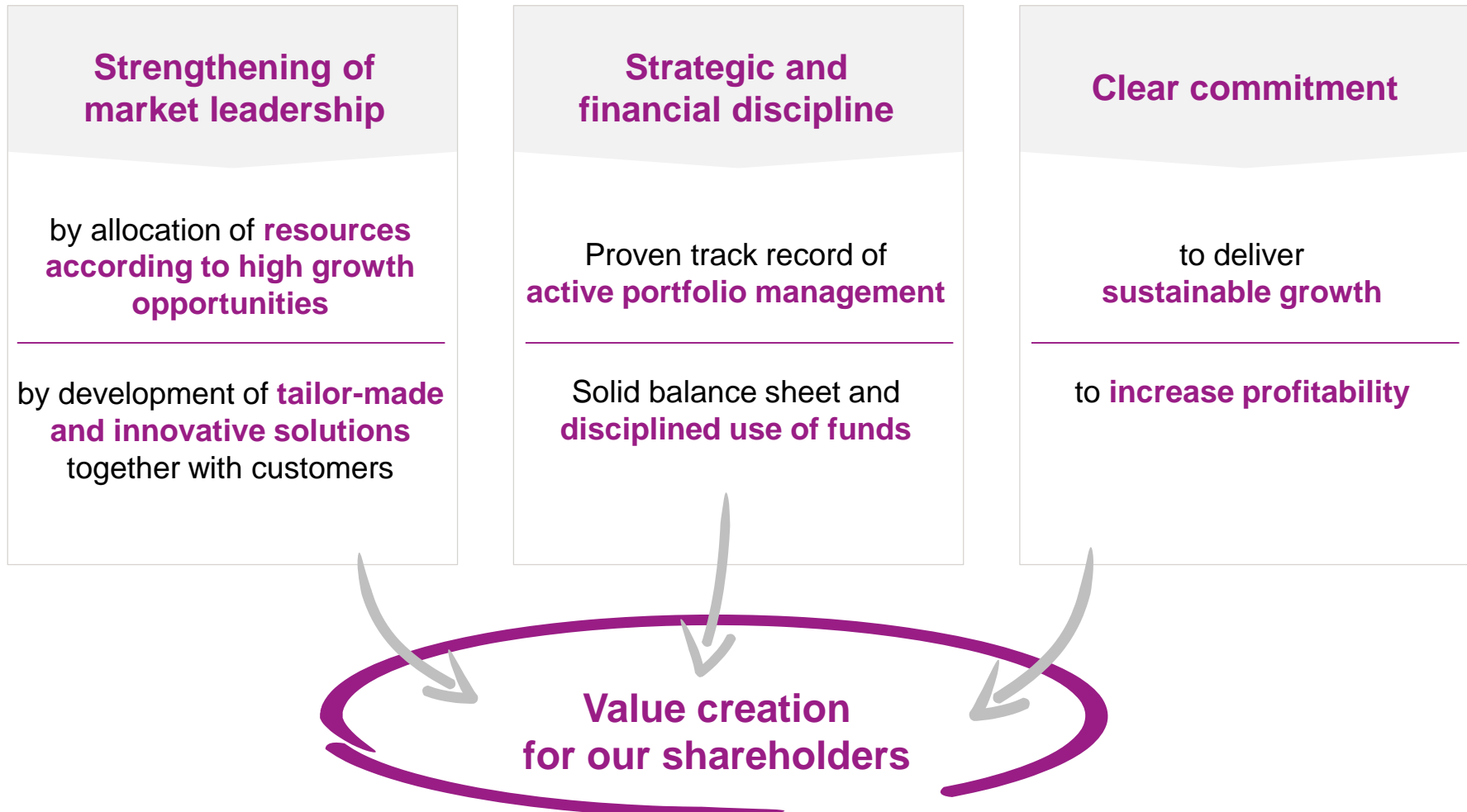


Strong European heritage,  
selected expansion into growth regions

<sup>1</sup> Based on specialty chemicals segments' 2014 sales

<sup>2</sup> Consolidated Group sales 2014

# Committed to create value



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# New corporate structure

## Enabling differentiated management of segments



### Strategic Management Holding

- Three specialty chemicals segments **as separate legal entities**
- **Differentiated management of businesses** tailored to specific needs
- **Higher degree of entrepreneurial freedom**

#### Nutrition & Care

#### Resource Efficiency

#### Performance Materials



Investments



Innovation



M&A



# Levers for sustainable growth

## Combining internal and external growth

### Investments



- Focused investments into high-growth end markets and regions
- Disciplined and flexible approach in execution
- Recently finished projects according with increasing earnings contribution

### Innovation



- “Power to create” as part of Evonik’s DNA
- “Leading innovation” initiative with ambition to generate best-in-class ideas for future products and solutions
- Strong market and customer orientation for tailor-made solutions

### M&A



- Acquisitions as additional route for value creation
- Sharpening of specialty chemicals portfolio
- Proven track record of portfolio optimization
- Disciplined use of funds

# Investments

Major projects finished in 2014, more underway

## Plants in planning or construction phase

### Fumed silica & silanes platform

Capex ~€100 m  
Start up 2017

### New silica plant

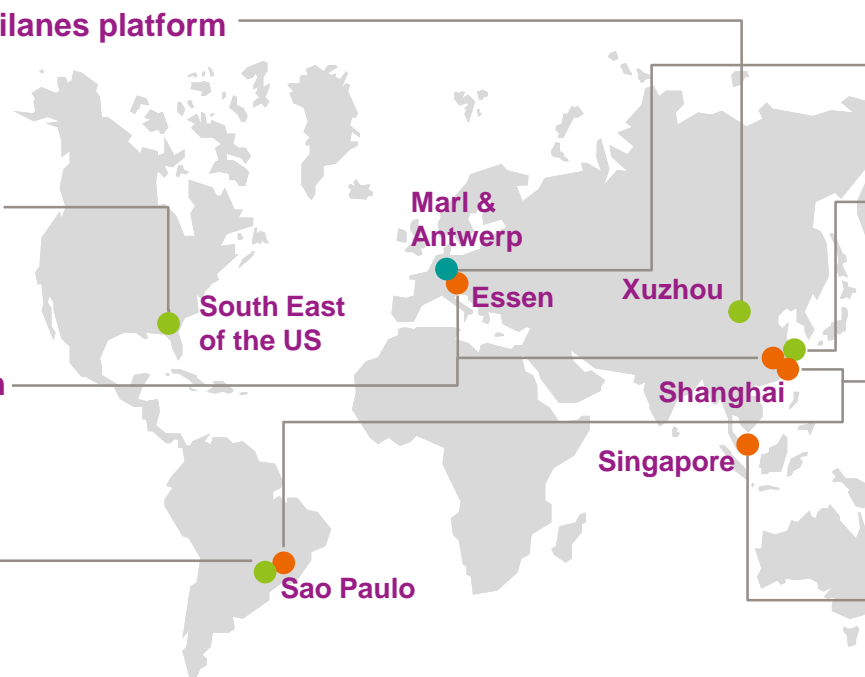
Capex >€50 m  
Start up 2017

### Silicone platform

Capex >€100 m  
Start up 2017

### New silica plant

Capex ~€50 m  
Start up 2016



## Recently finished investment projects



### Expansion C4 chain

Capex >€250 m  
Start up mid 2015



### Isophorone chain

Capex >€100 m  
Start up Q2 2014



### Oleochemicals plants

Capex >€100 m  
China: Start up Q4 2013  
Brazil: Start up Q1 2015



### Methionine plant

Capex >€500 m  
Start up Q4 2014

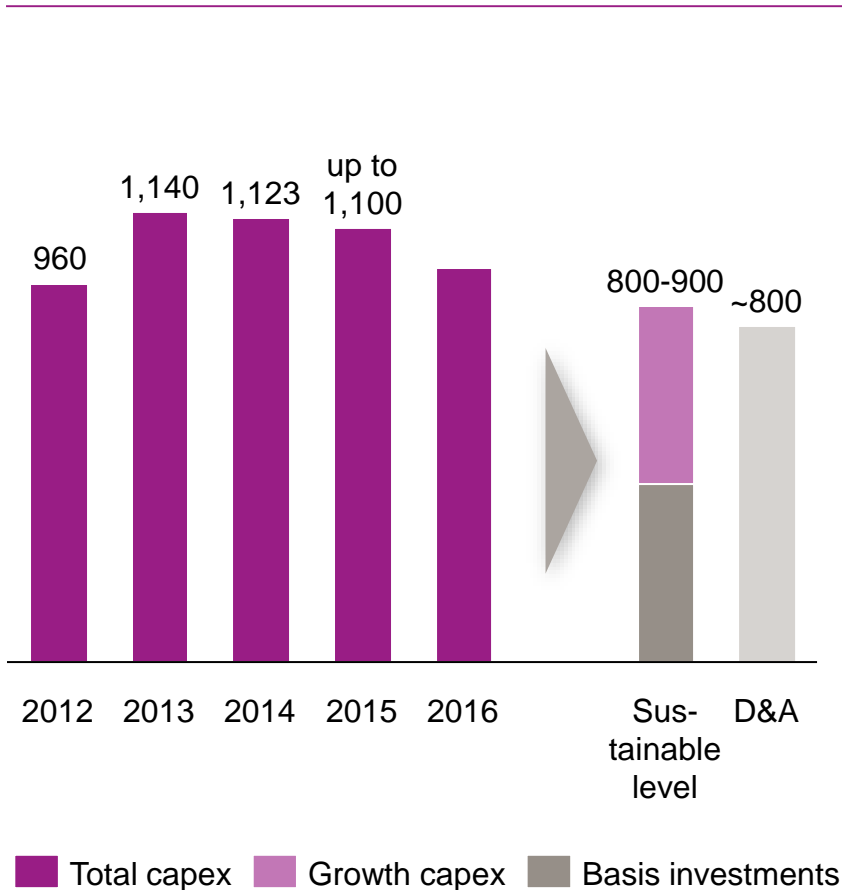


● Nutrition & Care    ● Resource Efficiency    ● Performance Materials

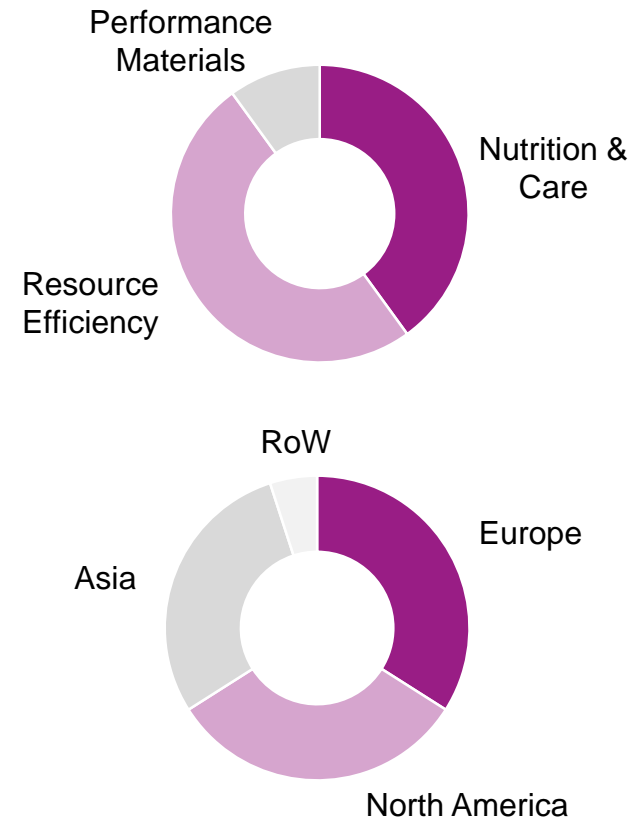
# Investments

## Capex returning to sustainable level after 2016

Capex spending (in € m)



Growth capex by segment and region<sup>1</sup>



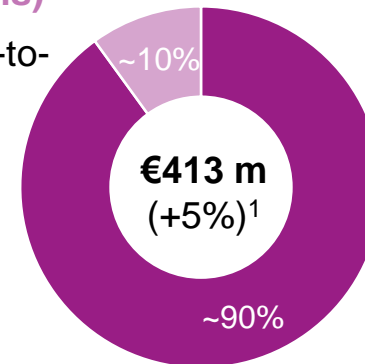
<sup>1</sup> After 2016

# Innovation

Strong market and customer orientation

## Transformational innovation (Creavis)

- Centralized, mid-to-long-term R&D



## Core and adjacent business innovation

- Decentralized, shorter-term R&D in operating segments
- Cross business, e.g. in industry teams
- Very close to customers (often joint R&D efforts)

Technology /  
Products

new  
adjacent  
established

Transformational innovation

Adjacent business innovation

Incremental core business innovation

established

adjacent

new

Market /  
Application

<sup>1</sup> R&D expenses 2014 (vs. 2013)

### Semi-conductors for high-resolution screens



- Inorganic metal-oxide semi-conductors replacing traditional amorphous silicon
- Enabling higher image resolution of ultra-HD televisions
- Significant production process simplification
- After successful customer trials in early 2015, product rollout together with strategic partners starting now

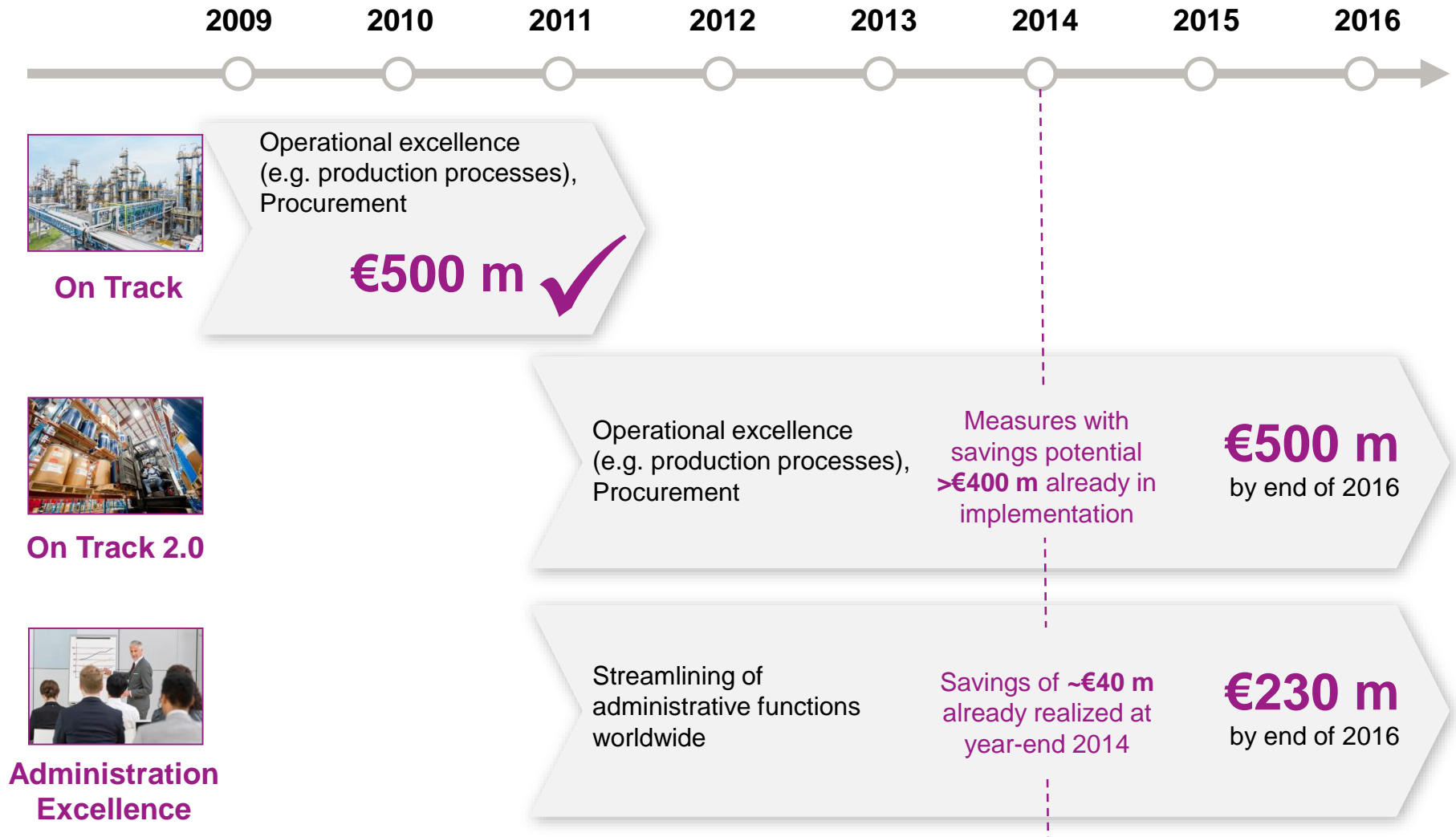
### Algae-based omega-3 fatty acids



- Joint development agreement for algae-based omega-3 fatty acid products for animal nutrition with DSM
- Currently, more fish is used as feed than the final aquacultured fish production delivers  
→ Need for a more sustainable route to fish farming
- Solution are amino acids to reduce the fishmeal content in fish diets and a source of highly unsaturated algal omega-3 product to reduce fish oil content in diets

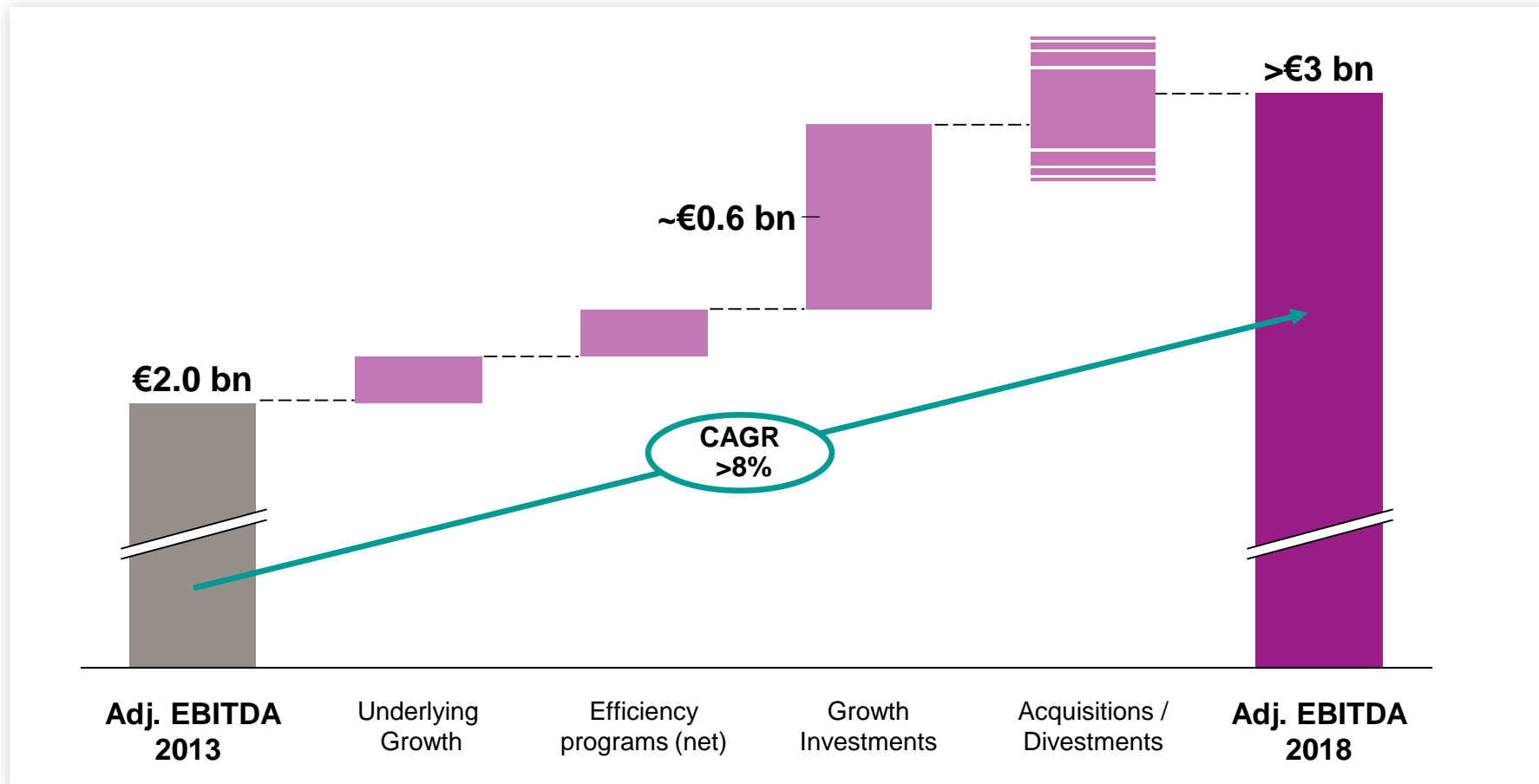
# Proven history of efficiency improvements

## Improving cost position since 2009





Aspiration level: Adj. EBITDA of >€3 bn  
and an attractive premium on cost of capital





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# Highlights Q3 2015

Evonik delivers third strong quarter in a row



## Strong operational performance

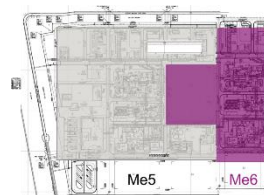
**Strong business performance** continued into H2

**Adj. EBITDA of €653 m** clearly above prior year (+31%), year-on-year earnings growth in all three chemical segments

**Outlook confirmed:** adj. EBITDA of around €2.4 bn expected for FY 2015

## Consistent execution of strategy

New **world-scale methionine complex in Singapore** planned for 2019 to meet strong demand for sustainable animal nutrition



**Acquisition of hydrogen peroxide plant** in the Netherlands to complement our European asset footprint



# Financial highlights Q3 2015

Adj. EBITDA margin climbing to 19.4%



**Sales** increased by 4% to €3,365 m supported by positive price development, volumes impacted by planned maintenance shutdowns

**Adj. EBITDA** of €653 m in line with the previous quarters' high levels

**Adj. EBITDA margin** of 19.4% stands out within the chemicals sector

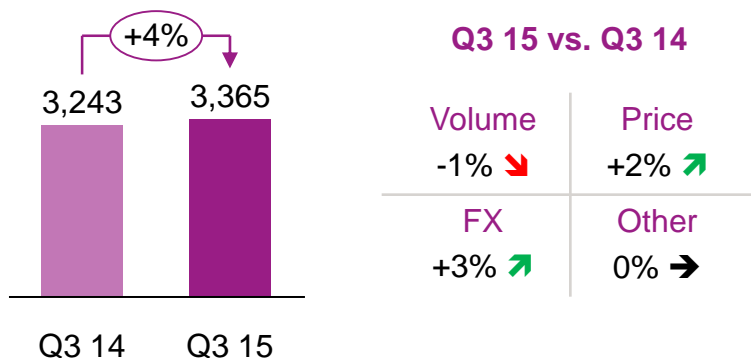
Strong **operating cash flow** generation of €717 m (prior year: €312 m); net cash position increased to €963 m

# Financial highlights Q3 2015

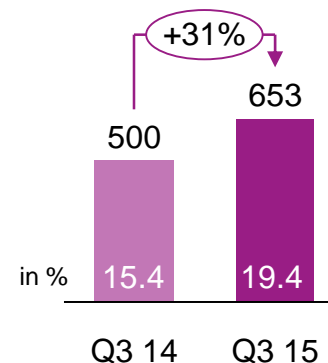
Positive price development; volumes impacted by planned maintenance shutdowns



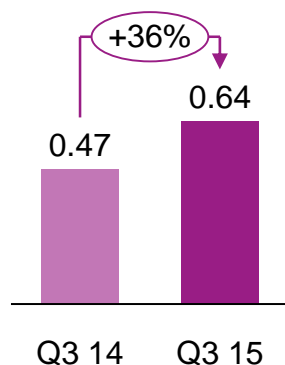
## Sales (in € m)



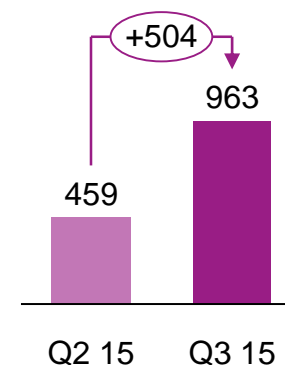
## Adj. EBITDA (in € m) / margin



## Adj. EPS (in €)



## Net financial position (in € m)







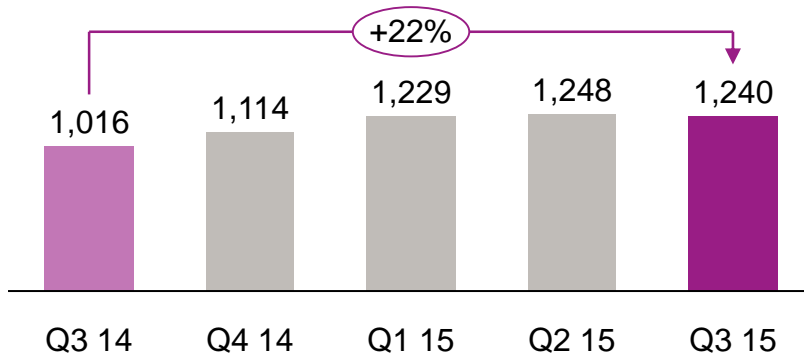
# Nutrition & Care

Another excellent quarter for Animal Nutrition

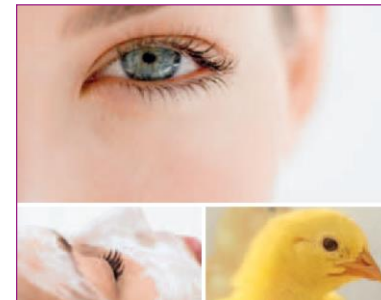
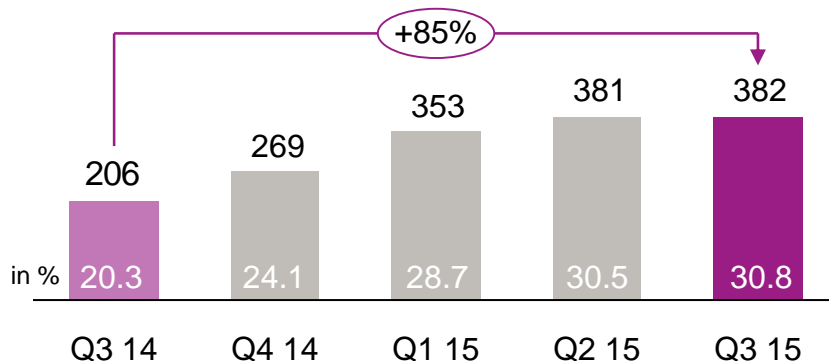
## Sales (in € m)

### Q3 15 vs. Q3 14

Volume	Price
+1% 	+16% 
FX	Other
+5% 	0% 



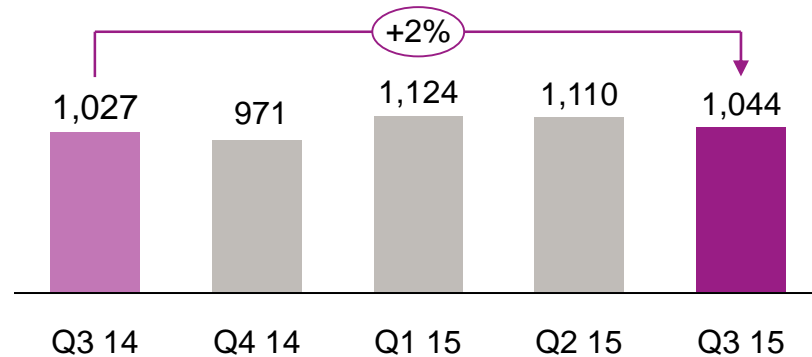
## Adj. EBITDA (in € m) / margin (in %)







# Resource Efficiency

Sales and earnings up yoy despite maintenance

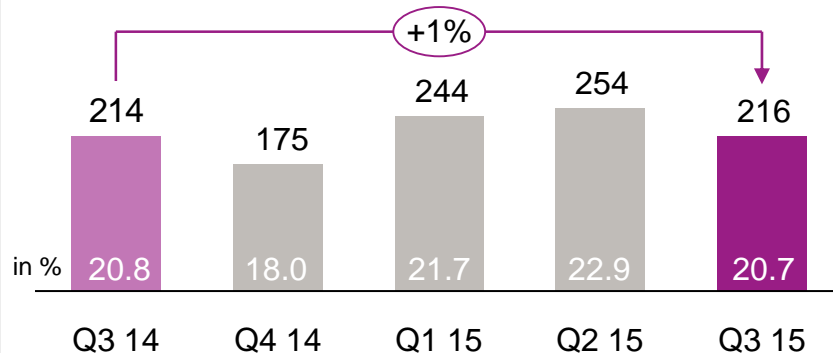
**Sales (in € m)**



**Q3 15 vs. Q3 14**

Volume	Price
-3% 	+1% 
FX	Other
+3% 	+1% 

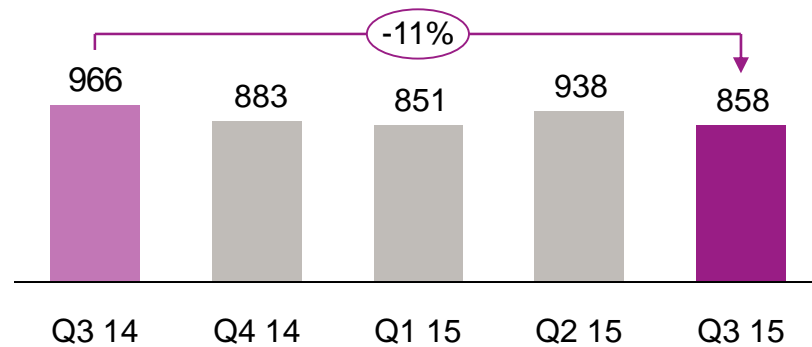
**Adj. EBITDA (in € m) / margin (in %)**



# Performance Materials

## Temporary margin improvement in C4 business

### Sales (in € m)



### Q3 15 vs. Q3 14

Volume

-2% ↓

Price

-11% ↓

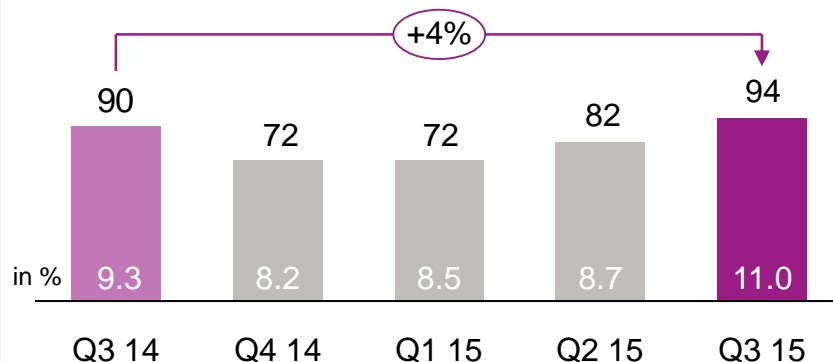
FX

+2% ↑

Other

0% →

### Adj. EBITDA (in € m) / margin (in %)

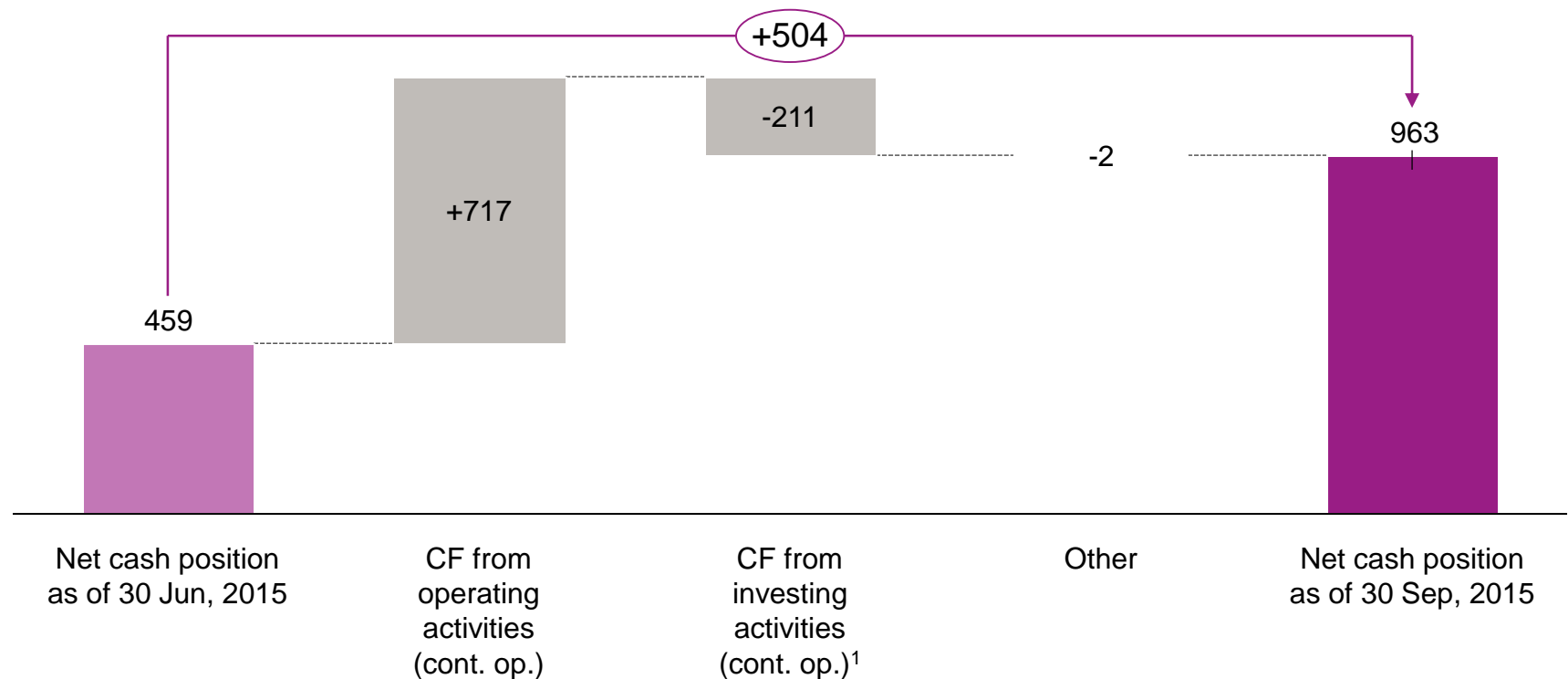


# Cash flow development

## Strong operating cash flow generation



Development of net financial position (in € m)



<sup>1</sup> Cash outflow for investment in intangible assets, PP&E and shareholdings, not including cash in- and outflows related to divestments and securities  
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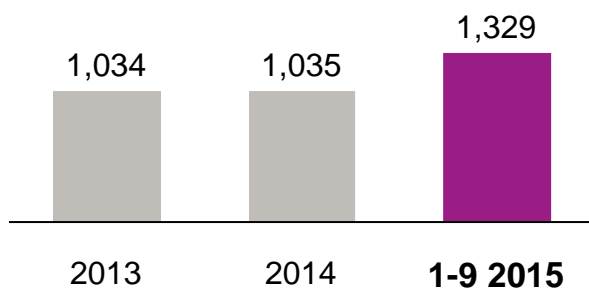


# Cash flow development

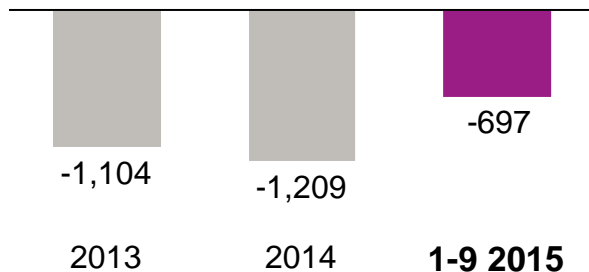
OCF significantly above prior year already after nine months; FCF turning positive



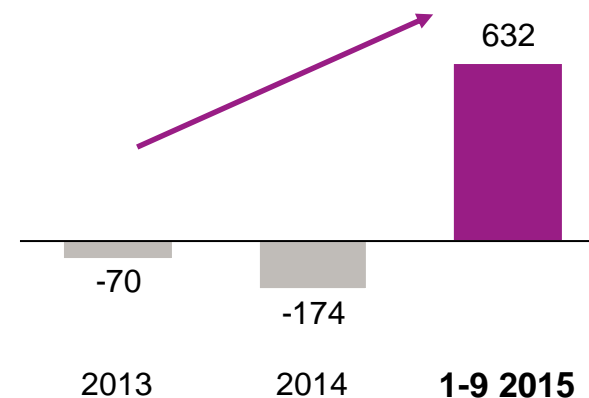
## Operating Cash Flow (cont. op. in € m)



## Investing Cash Flow (cont. op. in € m)<sup>1</sup>



## Free Cash Flow (cont. op. in € m) (before dividends and divestments)



<sup>1</sup> Cash outflow for investment in intangible assets, PP&E and shareholdings, not including cash in- and outflows related to divestments and securities

## Outlook for 2015 confirmed

Adj. EBITDA of around €2.4 bn expected



### Outlook FY 2015:

Sales: ~ €13.5 bn

Adj. EBITDA: around €2.4 bn

Growth investments

Efficiency measures

Operational performance

FY 2014:

Sales: €12.9 bn

Adj. EBITDA: €1.9 bn

Positive FX impact on sales and adj. EBITDA included in outlook (assumption: US\$1.13)

Effects from lower raw material prices should largely balance out on Group level

February 2016 | Evonik company presentation | Financials Q3 2015

## Additional indications for 2015

- EUR/USD sensitivity<sup>1</sup>                      +/-1 USD cent = -/+ ~€5 m adj. EBITDA (FY basis)
- Adj. EBITDA Services                      **Slightly below 2014** (*unchanged*; 2014: €151 m)
- Adj. EBITDA Corporate/Other              **More negative than -€300 m** (*unchanged*; 2014: -€277 m)
- Adj. D&A                                      ~ **-€700 m** (*unchanged*; 2014: -€626 m)
- Adj. net financial result<sup>2</sup>                **Slight improvement** (*unchanged*; 2014: -€209 m)
- Adj. tax rate                                 ~**29%** (*unchanged*; 2014: 28.3%)
- Capex                                         **Up to €1.1 bn** in 2015 (*unchanged*; 2014: €1.1 bn)
- Net financial position                      **Net cash position of more than €800 m**, including €200 m contribution to CTA in Q4 (*previously: “net cash position of more than €500 m”; 2014: €400 m net cash*)

<sup>1</sup> Including transaction effects (after hedging) and translation effects; before secondary / market effects

<sup>2</sup> Guidance for “Adj. net financial result” (incl. “Adj. interest income/expense” and “Other financial income/expense”)



**EVONIK**  
INDUSTRIES

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### Financial policy

**Maintaining a  
solid investment grade rating**

**Goal: Evonik as a long-term reliable partner of bond investors and banks**



### Financing structure

- Equity ratio 42%
- Net financial position of €963 m
- Balanced debt maturity profile

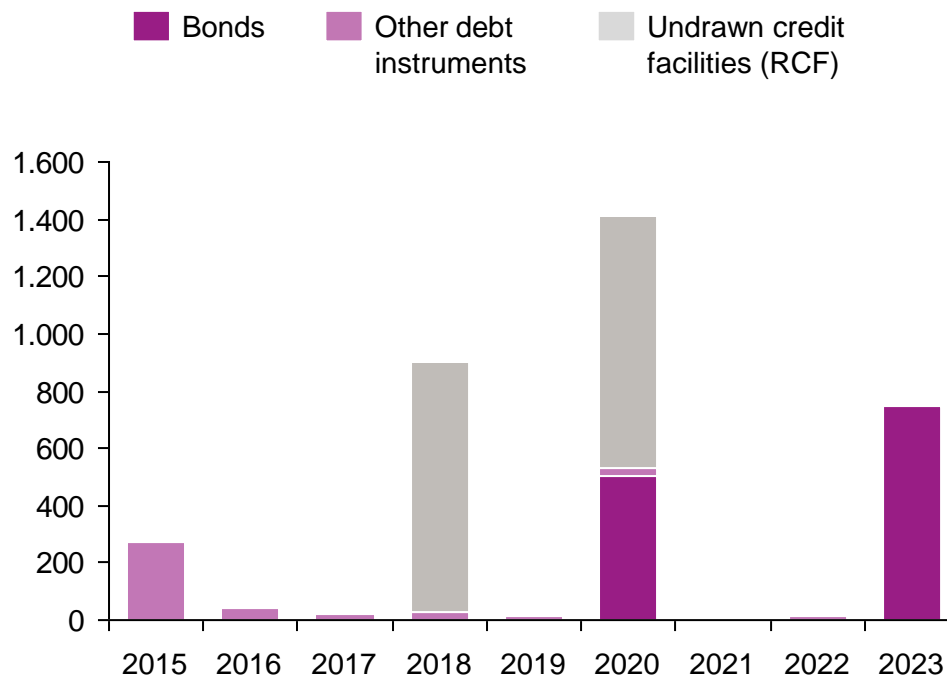
**Strong balance sheet and financing structure**



# Balanced maturity profile

## No major maturities until 2020

Maturity profile (in € m)

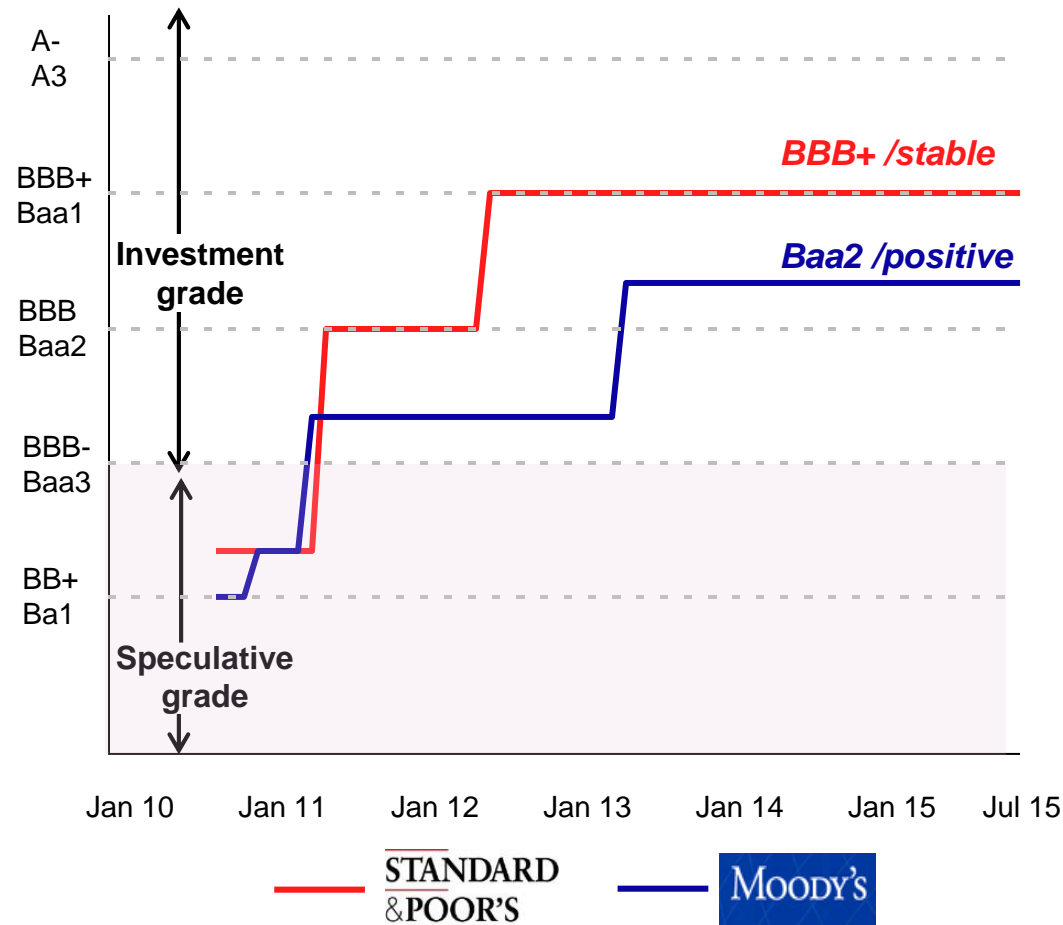


- Maturity of syndicated revolving credit facility (RCF) extended by one year to 2018/20 (€875 m each)
- Repayment of €750 m 7% bond (2009/14) in October 2014
- Issuance of new €750 m 1% bond in January 2015 (8yrs to 2023); achieved lowest ever 8-year spread and coupon for a BBB (+/-/flat) rated corporate issuer
- No major maturities until 2020

# Rating history

Positioned in upper range of BBB

## Rating development



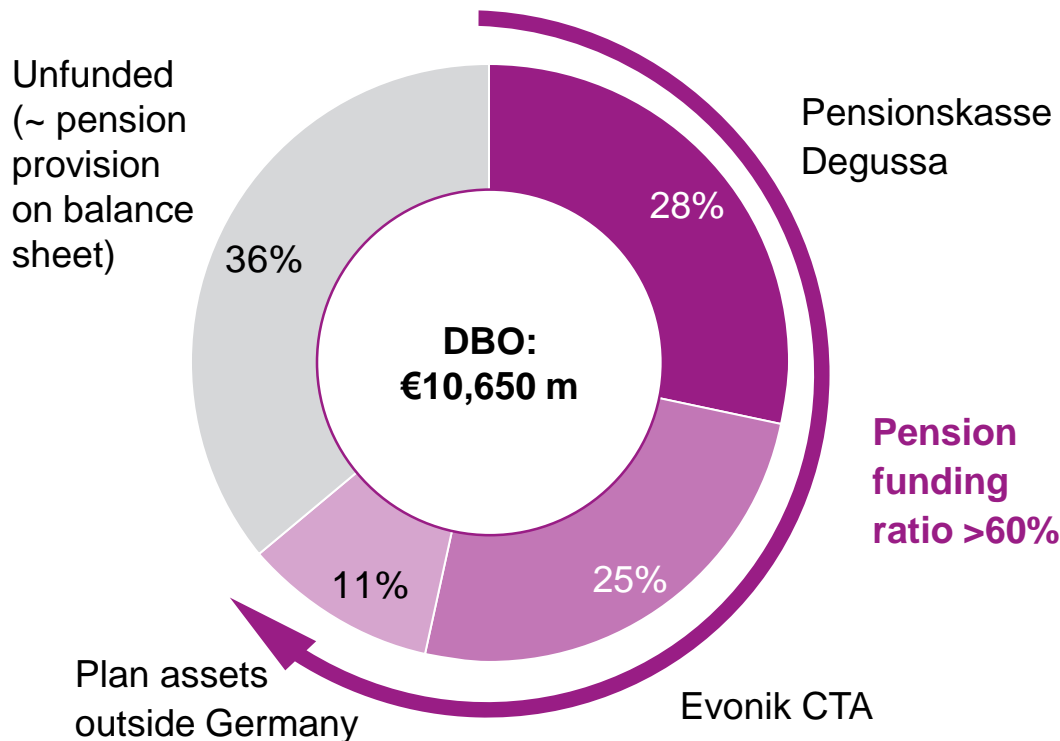
- S&P's rating BBB+ with stable outlook since May 2012
  - Moody's rating Baa2 with positive outlook since March 2014
  - Impressive rating dynamic thanks to focus on specialty chemicals and clear financial policy
- ➡
- **Maintaining a solid, long-term investment grade rating is an integral part of our financial policy**



# Pensions

## Pension obligations well financed

### Pension funding overview as of Dec 31, 2014



- Pensions very long-term, patient debt with no funding obligations in Germany
- Funding ratio remains on solid level above 60%
- Further cash contribution of €200 m intended in Q4 2015 (ends cash contribution plan of €1.6 bn from 2010-2015)
- Corresponding deferred tax assets of about €1 bn

# Pensions

## Breakdown of P&L and cash flow effects

### P&L

in € m	P&L item / KPI	2013	2014	Annual report
Current service costs	Adj. EBITDA	-178	-172	p. 223
Interest costs	Net interest expense	-330	-341	p. 220
Exp. return on plan assets	Net interest expense	+195	+224	p. 221
Other	Adj. EBITDA	-50	-38	p. 223
Total pension expense		-363	-327	

### Cash flow

in € m		2013	2014	Annual report
Benefits paid	} From defined benefit plans	-401	-404	p. 220
Benefits paid from plan assets		+168	+163	p. 221
Contribution to plan assets (excl. CTA)		-126	-135	p. 221
Payments under defined contribution plans		-134	-144	p. 223
Total cash out for pensions (excl. CTA)		-493	-520	

# Pensions

Discount rate changes with significant effects on balance sheet and P&L

**Sensitivity analysis<sup>1</sup>:**  
**Increase (decrease) in**  
**discount rate**  
**by 100 bp in year x**

## Impact in year x

- **Personnel costs:** no impact
- **Finance costs:** no impact
- **Cash flow:** no impact
- **Balance sheet:** decrease (increase) of pension provision by -€1.5 bn (+€2.0 bn) against equity and deferred tax liabilities (assets)

## Impact in year x+1

- **Personnel costs:** decrease (increase) due to lower (higher) service costs
- **Finance costs:** increase (decrease) due to higher (lower) pension interest
- **Cash flow:** no impact
- **Balance sheet:** no impact

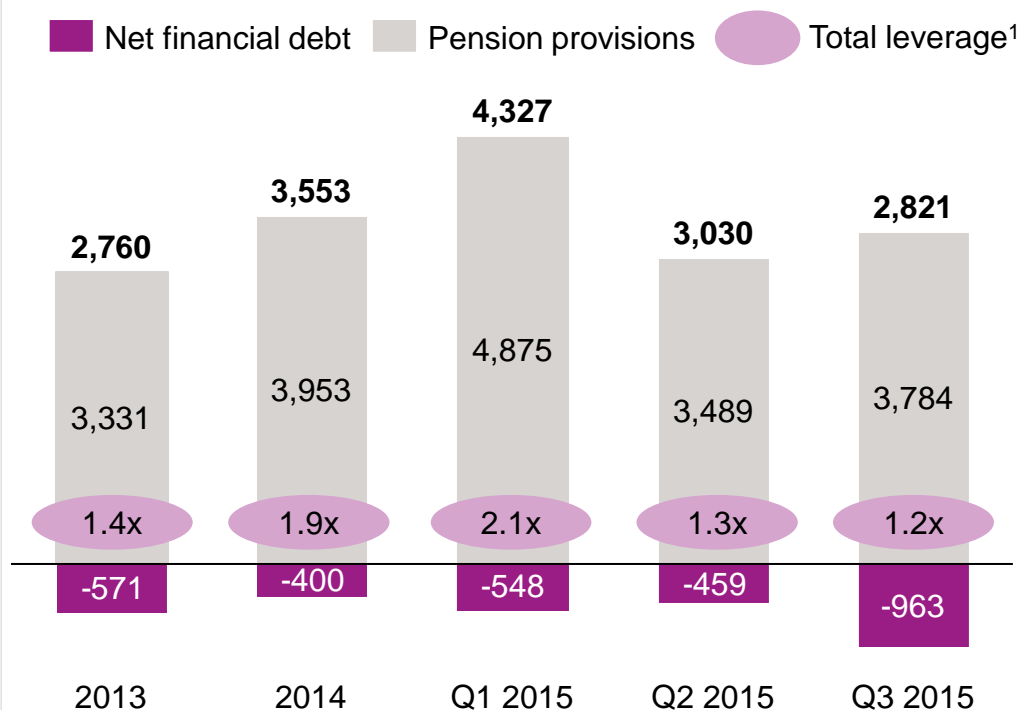
<sup>1</sup> Excluding any effects from potential actuarial changes

# Net debt development

Increase in pension obligations in Q3 due to slightly lower discount rate



## Net debt development (in € m)



- Majority of debt consists of long-dated pension obligations; average life of DBO exceeds 15 years
- Increase of unfunded pension obligations in Q3 by about €300 m due to slightly lower discount rate (from 2.75% to 2.50% in Germany)

2013	2014	Q1 2015	Q2 2015	Q3 2015
3.84	2.65			
3.75	2.50	1.75	2.75	2.50

Evonik Group global discount rate<sup>2</sup>

Evonik discount rate for Germany

<sup>1</sup> Total leverage defined as (net financial debt + pension provisions) / adj. EBITDA LTM

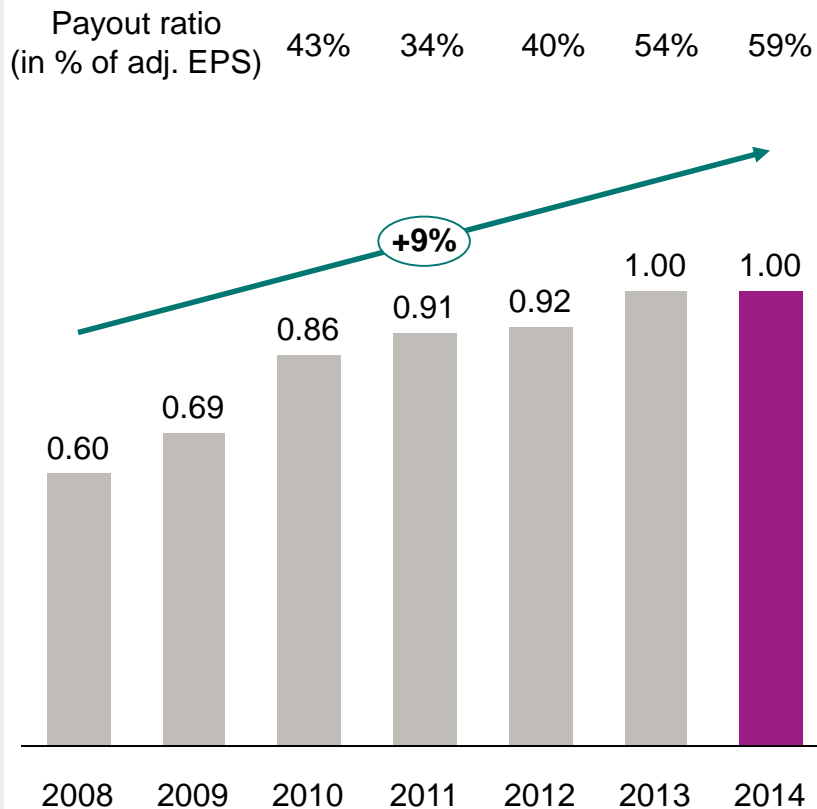
<sup>2</sup> Calculated annually

# Dividend policy

## Reliability and attractive returns



### Dividend history (in €)



### Dividend policy

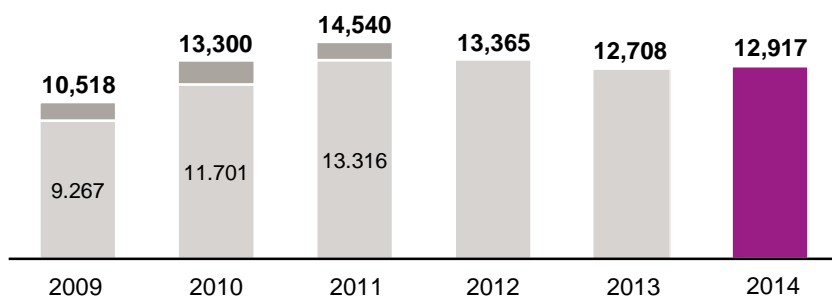
Two components of Evonik's dividend policy:

- 1) Overarching target of **dividend continuity**
  - 2) additionally, targeted payout ratio: **~40% of adjusted net income**
- Compelling track record with regards to dividend policy and shareholder returns (already pre-listing)
  - Dividend for 2014 of 1.00 €; stable dividend despite lower adj. net income

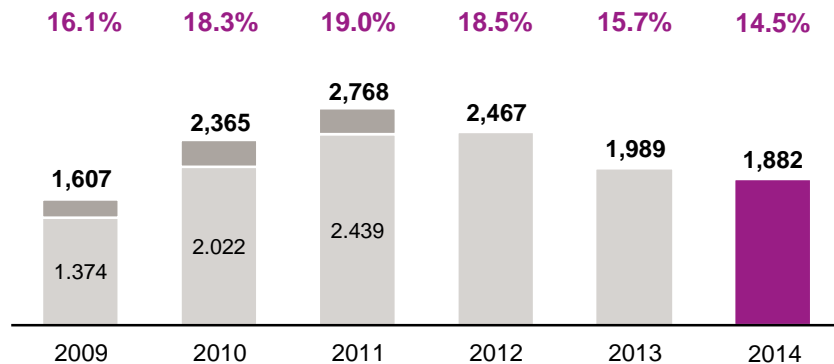
# Strong financial track record

## Sales (in € m)

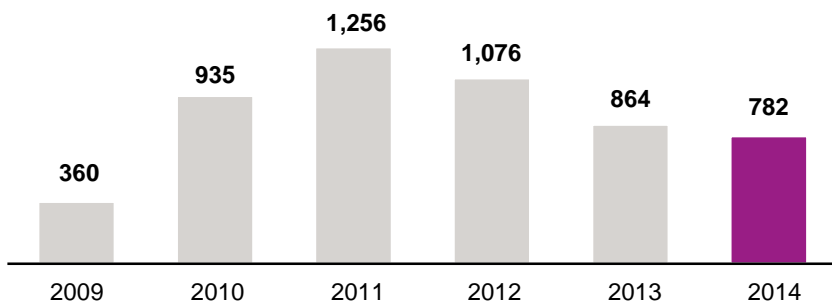
Carbon Black/Real Estate



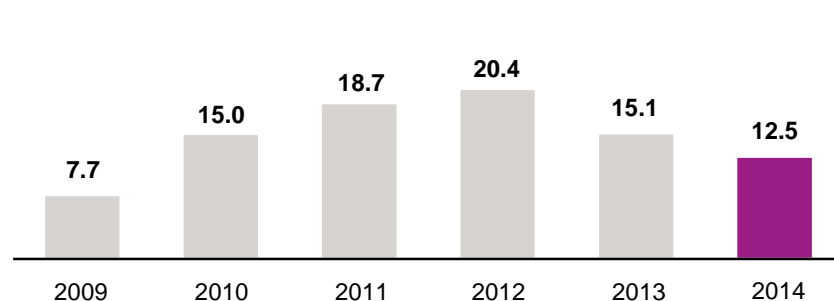
## Adj. EBITDA (in € m) / margin<sup>1</sup>



## Adj. net income (in € m)



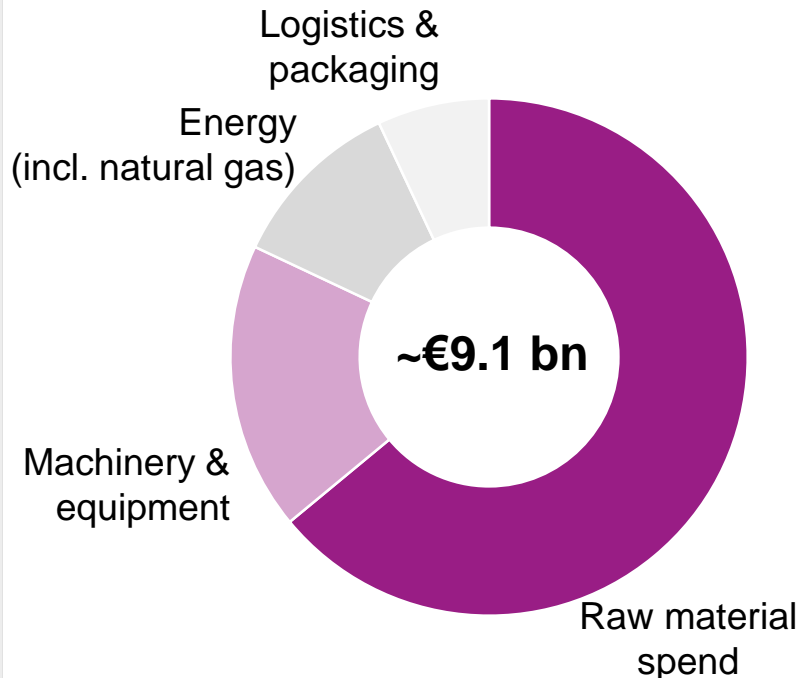
## ROCE (in %)



<sup>1</sup> Excluding Carbon Black

# Raw material split

## Total procurement volume 2014 (in € m)



## Oil price link of raw material spend<sup>1</sup> (examples)

- Sodium silicate (Silica)
- Sugar (Animal Nutrition)
- Fatty acids (Personal Care)

### No oil price link

### Direct oil price link

- CC4 (Performance Intermediates)
- Propylene (Baby Care, Animal Nutrition)

### Indirect oil price link

- Acrylic acid (Baby Care)
- Acetone (Coatings & Additives, Acrylic Monomers)
- Methanol (Acrylic Monomers, Performance Intermediates)

<sup>1</sup> Raw material spend ~60% of total procurement volume in 2014  
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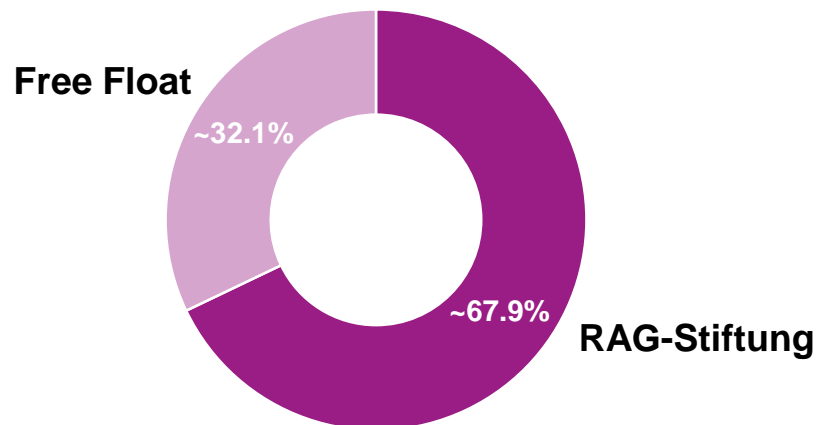
# Company history

More than 150 years of experience in chemicals



### Ownership structure

- **RAG-Stiftung:** Obligation to finance the perpetual liabilities arising from the cessation of hard-coal mining in Germany; intention to retain a strategic shareholding of **at least 25.1% in the long term**



### Presence on capital markets

- Trading since April 25, 2013 in the Prime Standard of Frankfurt Stock Exchange
- 14.2% of Evonik shares successfully placed in advance of the listing (7.1% by RAG-Stiftung and CVC<sup>1</sup> each)
- CVC sold additional 13.7% of shares in four tranches between March and November 2015
- CVC currently holds 4.2% of shares, which are the basis and collateral for an exchangeable bond
- **Free Float market cap ~€5 billion**
- Average **daily trading volume > €15 million** per day (>600 k shares)

<sup>1</sup> Shares held by Gabriel Acquisitions GmbH, an indirect subsidiary of funds advised by CVC

# Management compensation (as of 2014)

Value creation focus anchored in management incentivization system at Board level



<b>Fixed salary</b> (c.30%)	<ul style="list-style-type: none"><li>• To be paid in cash for each financial year on a monthly basis</li></ul>
<b>Bonus</b> (c.33%)	<ul style="list-style-type: none"><li>• To be paid out in cash annually</li><li>• Pay-out calculated on the basis of the achievement of certain, primarily value creation focused KPIs (e.g. ROCE, adj. net income, adj. EBITDA) and accident performance</li><li>• Factor of between 0.8 and 1.2 to take into account the achievement of further individual targets</li><li>• Bonus capped at 200% of initial target</li></ul>
<b>Long term incentive plan</b> (c.37%)	<ul style="list-style-type: none"><li>• Granted LTI target amount is calculated in virtual shares (4-year lock-up)</li><li>• Value of LTI to mirror the development of Evonik's share price (incl. dividends)</li><li>• Amount payable is determined by two performance elements:</li><li>• Absolute performance: Real price of the Evonik share</li><li>• Relative performance against external index benchmark (MSCI Chemicals)</li><li>• Bonus capped at 300% of initial amount</li><li>• To be paid out in cash after lock-up period</li></ul>

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# Specialty Chemicals segments

## New segment structure from January 2015

Segments	Nutrition & Care 		Resource Efficiency 		Performance Materials 	
	KPI's		KPI's		KPI's	
	Sales: €4,075 m Adj. EBITDA: €847 m Adj. EBITDA margin: 20.8%		Sales: €4,040 m Adj. EBITDA: €836 m Adj. EBITDA margin: 20.7%		Sales: €3,827 m Adj. EBITDA: €325 m Adj. EBITDA margin: 8.5%	
Business Lines	Animal Nutrition (~35%)	Health Care (~10%)	Silica (~25%)	Coating & Adhesive Resins (~10%)	Performance Intermediates (~45%)	Agrochemicals (~5%)
	Baby Care (~25%)	Comfort & Insulation (~5%)	Oil Additives (~15%)	Silanes (~10%)	Acrylic Monomers (~20%)	Functional Solutions (~5%)
	Personal Care (~10%)	Interface & Performance (~5%)	Crosslinkers (~10%)	Coating Additives (~5%)	Acrylic Polymers (~20%)	CyPlus Technologies (~5%)
	Household Care (~10%)		Active Oxygens (~10%)	Catalysts (~5%)		
			High Performance Polymers (~10%)			

Financials for FY 2014, restated to reflect new segment structure from Jan 1<sup>st</sup>, 2015

# Nutrition & Care

## Business Line overview (1/2)

Key products  
Main Applications  
Market position<sup>1</sup>  
Main competitors

### Animal Nutrition



- Methionine
- Lysine, Threonine, Tryptophan

- Feed additives and services for animal nutrition

- # 1 in Feed Amino Acids

- Chem China/Adisseo
- Novus
- Ajinomoto
- Cheil Jedang

### Baby Care



- Superabsorbents

- Baby Care
- Female Care
- Adult Care

- # 2-3 in superabsorbents

- BASF
- Nippon Shokubai

### Personal Care



- Actives
- Emulsifiers
- Conditioners

- Personal Care

- # 4 in cosmetic ingredients

- Ashland
- BASF
- Croda

### Household Care



- Fabric conditioners
- Specialty surfactants

- Laundry care
- Home care
- Car care

- # 1 in fabric softeners

- AkzoNobel
- BASF
- Solvay
- Stepan

<sup>1</sup> Company estimates for relevant markets based on multiple research reports

# Nutrition & Care

## Business Line overview (2/2)

Key products  
Main Applications  
Market position<sup>1</sup>  
Main competitors

### Health Care



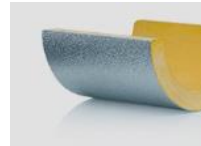
- Active pharma ingredients
- Pharma grade amino acids
- Pharmaceutical coatings

- Drug delivery systems for oral and parenteral dosage
- Tailor-made pharmaceutical syntheses
- Pharma Amino Acids

- # 1 Functional Polymers for Controlled Release
- # 2 Exclusive Synthesis
- # 3 Pharma Amino Acids

- BASF
- DSM
- Lonza
- Ajinomoto

### Comfort & Insulation



- Foam stabilizers
- Catalysts
- Release agents

- Furniture / appliances
- Construction
- Automotive

- # 1 in polyurethane foam additives

- Maysta
- Momentive

### Interface & Performance



- Release coatings
- Super spreading additives

- Packaging / tapes
- Agrochemicals
- Plastic additives

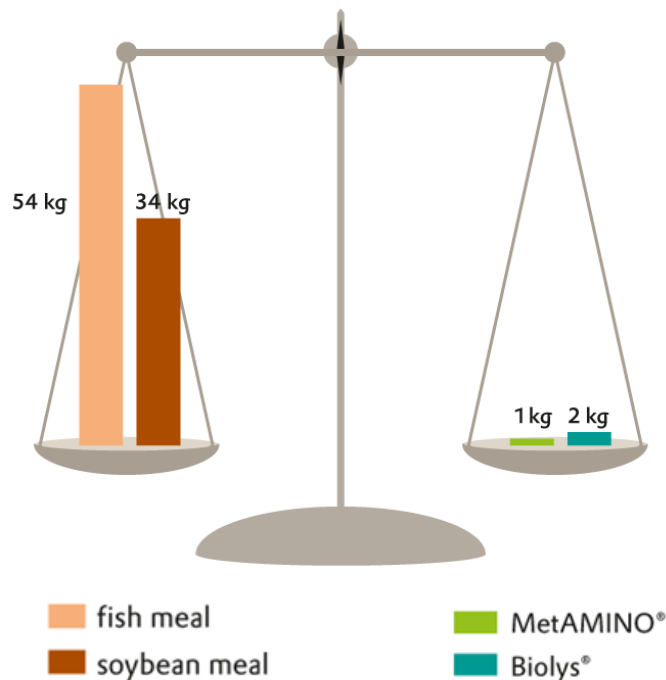
- # 1-2 in release coatings

- Clariant
- Dow Corning
- Momentive
- Wacker

<sup>1</sup> Company estimates for relevant markets based on multiple research reports

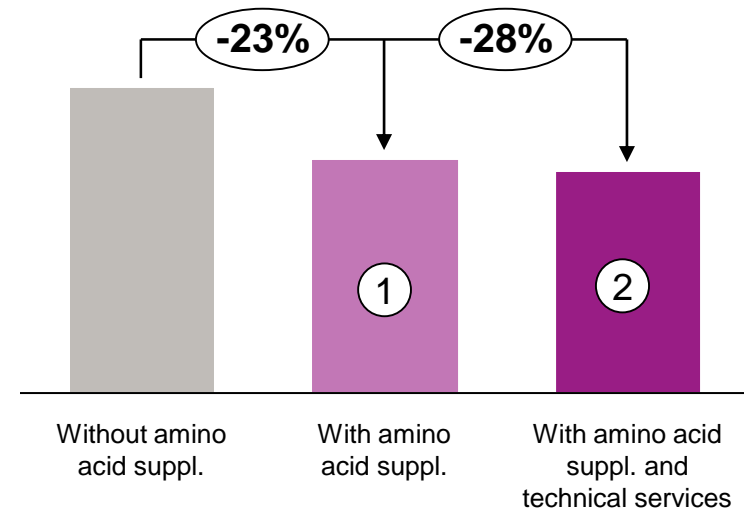
# Amino Acids significantly increase efficiency and improve our customer's P&L

## Significant increase in efficiency



## Significant savings potential

Feed costs to produce poultry meat

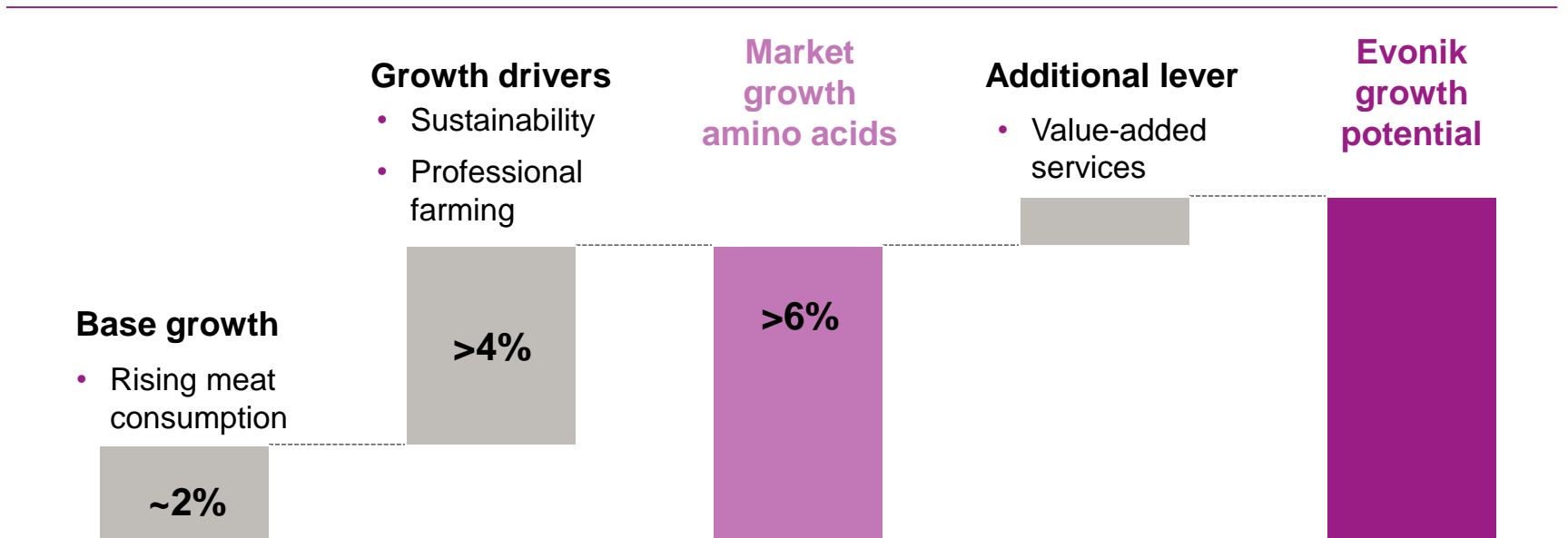


- ① Low protein diets with full range of Evonik amino acids
- ② Balanced amino acid and nutrient profiles via Evonik's Animal Nutrition service offering



# Sustainability, professional farming and value-added services as growth drivers

## Components of annual amino acid market growth



### Evonik growth potential in amino acids significantly outpacing meat consumption due to:

- **Sustainability:** Significant ecological advantages, healthier livestock
- **Professionalization of farming:** Clear efficiency and performance improvements; consolidation trend in agricultural sector
- **Value-added services:** Additional growth driver for Evonik

## Example Methionine: Substantial benefit on resource consumption and emissions

With 1 kg of DL-Methionine, up to 260 kg of soybean meal can be replaced in feed.  
The use of 100,000 t DL-Methionine<sup>1</sup> means:

– 1,000,000 t



Less consumption of resources (**crude oil equivalents**)

– 790,000 t



Reduced nitrates (**NO<sub>3</sub> emissions**) into ground waters

– 800,000 t

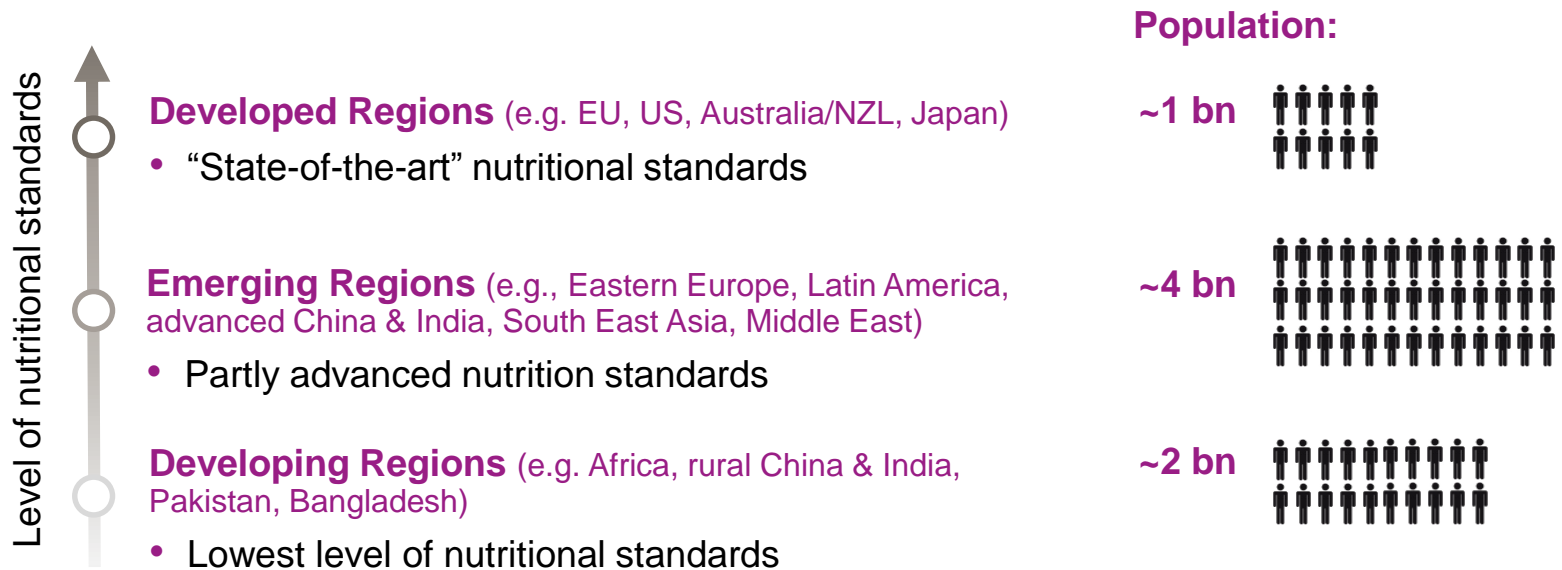


Reduced ammonia (**NH<sub>3</sub> emissions**) into the air

<sup>1</sup> The calculation is based on the “Ökobilanz –Methionin 2003” – 1 kg of DL-methionine replaces 260 kg soybean meal.  
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# Globally improving standards in animal nutrition drive growth for high-performance feed

## Nutritional Standards by Region

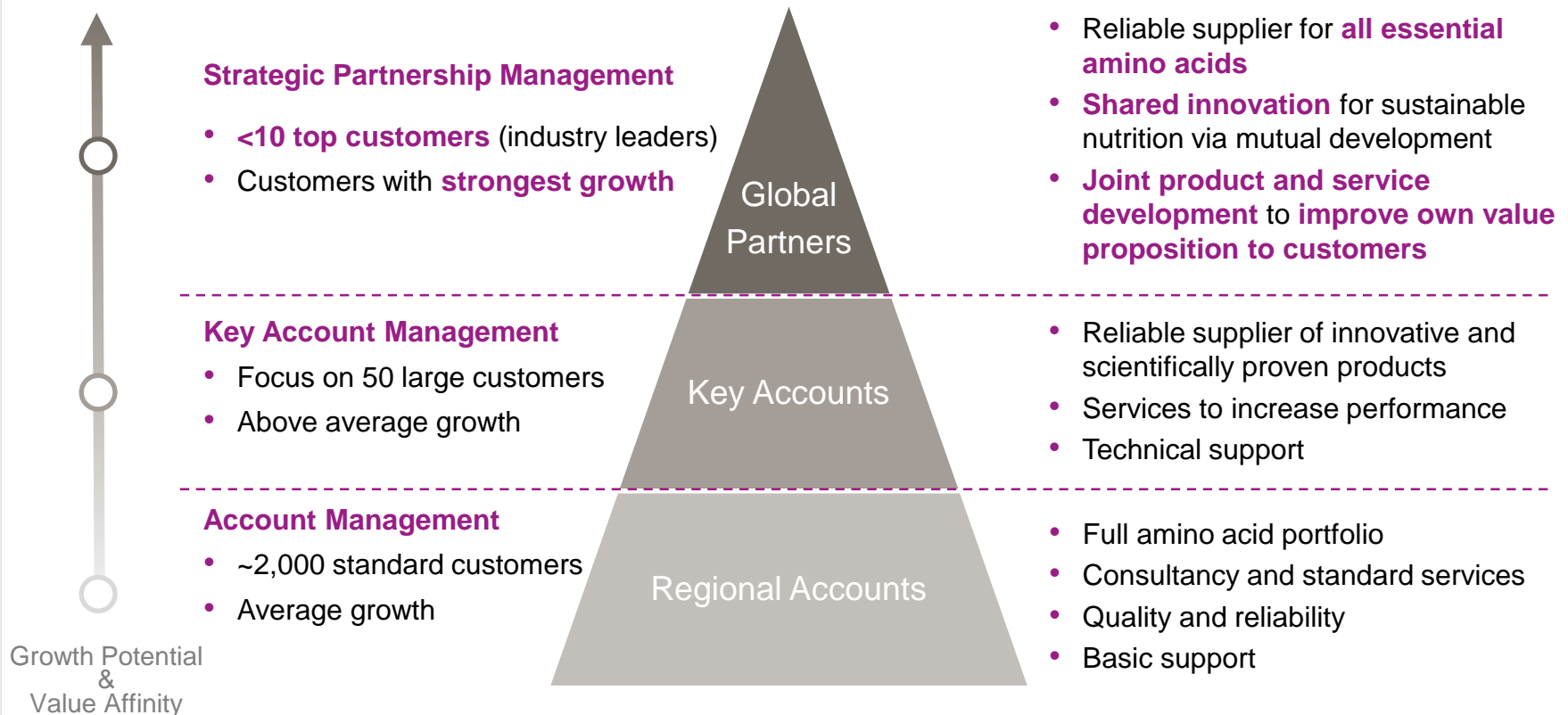


**Increasing use of advanced nutrition concepts** factored with **growing population** as key growth drivers for feed markets in developing regions

# Segmentation of customers according to their specific service expectation

## Our sales approach

## Our value propositions

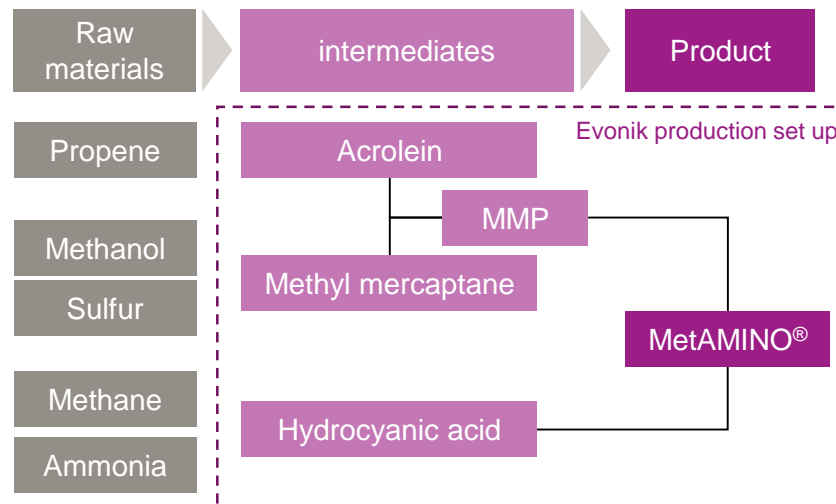


# Excellence in technology is one of our key strength for reliable and sustainable supply

## Advantages of Evonik

- *“The Right to Play”*: 60 years of experience and process know-how
- *“Setting standards”*: Continuous innovation leadership for cutting-edge safety technology
- *“Best in Class”*: Continuously optimized manufacturing and technology position
- Fully backward integrated production complexes
- Economies of scale with world-scale plants to meet market growth timely

## Setup of Methionine complex



### Implemented innovations 2014 in Singapore:

- ✓ Further minimization of toxic intermediates
- ✓ Realization of economy of scale (150 kt)
- ✓ New highly efficient energy integration concept

# Resource Efficiency

## Business Line overview (1/3)

Key products  
Main Applications  
Market position<sup>1</sup>  
Main competitors

### Silica



- Precipitated silica
- Fumed silica
- Special oxides

- Silicone rubber
- Tires, green tires & rubber
- Paints & coatings
- Adhesives & sealants

- # 1 in silicas (precipitated, fumed, special oxides, matting agents and specialty fillers)

- Cabot
- JM Huber
- Solvay
- Wacker

### Oil Additives



- Lubricant additives (viscosity modifiers)
- Fuel additives

- Auto & industrials
- Hydraulic systems
- Refinery processing
- Biofuels

- # 1 in viscosity modifiers for lubricants

- Infineum
- Lubrizol
- NewMarket (Afton)
- Oronite

### Crosslinkers



- Crosslinkers for composites, elastomers and non-solvent coatings

- Composites
- Coatings & paints
- Flooring
- Automotive interior

- # 1 in isophorone chemicals

- Arkema
- BASF
- Covestro

<sup>1</sup> Company estimates for relevant markets based on multiple research reports

# Resource Efficiency

## Business Line overview (2/3)

Key products  
Main Applications  
Market position<sup>1</sup>  
Main competitors

### Active Oxygens



- Hydrogen peroxide

- Oxidising agent in chemical reactions
- Pulp & paper bleaching

- # 2 in hydrogen peroxide

- Arkema
- Solvay

### High Performance Polymers



- High perf. polyamide (PA12)
- Polyetheretherketone (PEEK)
- Membranes and Polyimide fibres

- Automotive components
- Medical
- Oil & gas pipes

- # 1 in PA12

- Arkema
- EMS
- Solvay
- Victrex

### Coating & Adhesive Resins



- Functional resins
- Adhesive hot melts
- Heat sealants
- Polybutadiene

- Hot melt
- Pre coated metal
- Protective coatings
- Road marking

- # 1 in polyester resins

- Dow
- DSM
- Mitsubishi Chemical

<sup>1</sup> Company estimates for relevant markets based on multiple research reports

# Resource Efficiency

## Business Line overview (3/3)

Key  
products

### Silanes



- Chlorosilanes
- Organofunctional silanes
- Rubber silanes

Main  
Applications

- Fumed silica
- Optical fibres
- Adhesive & sealants
- Building protection

Market  
position<sup>1</sup>

- # 1 in chlorosilanes
- # 1 in organofunctional and rubber silanes

Main  
competitors

- Dow Corning
- Momentive
- Shin Etsu
- Tokuyama

### Coating Additives



- Additives for eco-friendly and highly solid industrial coatings

- Eco-friendly coatings (low VOC, water based)
- High solid industrial coatings

- # 2 in high performance additives for coatings and inks
- # 1-2 in silicone resins for special applications

- Altana
- BASF
- Dow Corning

### Catalysts



- Activated base metal catalysts
- Precious metal catalysts
- Catalysts for industrial & petrochemicals

- Catalysts for chemical processes
- Enabler for process efficiency / innovation

- #1 in precious metal powder catalysts
- #3 in activated base metal catalysts

- BASF
- Clariant
- Johnson Matthey
- WR Grace

<sup>1</sup> Company estimates for relevant markets based on multiple research reports



# Performance Materials

## Business Line overview (1/2)

Key products  
Main Applications  
Market position<sup>1</sup>  
Main competitors

### Performance Intermediates



- Butadiene
  - MTBE
  - Butene-1
  - Plasticizers (INA&DINP)
- 
- Plastics
  - Styrene-Butadiene-Rubber
  - High performance polymers
- 
- # 1 in butene-1
- 
- BASF
  - Sabic
  - LyondellBasell

### Acrylic Monomers



- Methylmethacrylate (MMA) & application monomers
  - Methacrylic acid
- 
- Coatings
  - PMMA
  - Monomers for specialty applications
- 
- # 2 in MMA
- 
- LG MMA
  - Mitsubishi Chemicals
  - Sumitomo

### Acrylic Polymers



- Molding compounds
  - Acrylic sheets (Plexiglas / Acrylite)
  - PMMA systems
- 
- LED/touch screens
  - Construction
  - Light-weight systems
  - Automotive components
- 
- # 1-2 in PMMA
- 
- Arkema
  - Mitsubishi Chemicals
  - Sumitomo

<sup>1</sup> Company estimates for relevant markets based on multiple research reports

# Performance Materials

## Business Line overview (2/2)

Key products  
Main Applications  
Market position<sup>1</sup>  
Main competitors

### Agrochemicals



- Triacetoneamine
- Crosslinkers
- Precursors of glyphosates

- Polymer additives
- Optical brighteners
- Photovoltaic
- Agro chemicals

- n.a.

- Lanxess
- Weylchem

### Functional Solutions



- Alkoxides  
(e.g. sodium methyllate)

- Catalysts for biodiesel production

- # 1 in alkoxides

- BASF
- DuPont

### CyPlus Technologies



- Sodium cyanide
- Potassium cyanide

- Precious metals mining
- Fine chemicals

- n.a.

- AGR
- DuPont
- Orica

<sup>1</sup> Company estimates for relevant markets based on multiple research reports

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## Upcoming IR events

### Conference participations

- 11-12 January, 2016: Commerzbank German Investment Seminar, New York
- 18-19 January, 2016: Kepler Cheuvreux German Corporate Conference, Frankfurt
- 20 January, 2016: Commerzbank Chemical Conference, Warsaw
- 4 February, 2016: Bankhaus Lampe German Equity Forum, London

### Next reporting dates

- 3 March, 2016: Q4 / FY 2015 reporting
- 4 May, 2016: Q1 2016 reporting
- 5 August, 2016: Q2 2016 reporting
- 4 November, 2016: Q3 2016 reporting

**Please find an updated schedule  
on our IR website  
("Events & Presentations")**

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