

“Evonik Tailor Made“ reorganization program targeting €400 million cost reductions by end of 2026

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- First project phase completed, target organization defined
- Up to 2,000 jobs to be cut worldwide
- Cost reductions of €400 million annually by end of 2026

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Essen, Germany. Evonik has completed the first phase of the reorganization program „Evonik Tailor Made“ and defined the target organization structure for the company which is to be established by the end of 2026. All structures and processes of the company have been analyzed extensively over the past months. Based on this analysis, Evonik will design and establish a new organizational structure by the end of 2026. Evonik aims to significantly reduce all administrative activities that do not directly support its operating businesses. At the same time, key tasks will be consistently bundled in the new structure. The number of hierarchical levels below the Executive Board will be reduced to a maximum of six, while review and approval procedures will be significantly accelerated. Group-wide, managers will then lead a median of seven direct reports, compared to the current span of control of one to four.

"What we are currently experiencing are not cyclical fluctuations, but massive, consequential changes of our economic environment," says Kullmann. "We are addressing this challenge with the 'Evonik Tailor Made' program which will change our organizational structure for good."

As a result, Evonik will become leaner, faster, and have a significantly better cost structure. Up to 2,000 jobs will be cut worldwide, including a disproportionate number of management positions. The majority of these adjustments, around 1,500 jobs, will be made in Germany. Evonik expects cost reductions of around €400 million annually after the program's completion in 2026. Around 80 percent of these savings will be personnel reductions, the rest will come from lower non-personnel costs. First effects of 'Evonik Tailor Made' should materialize in the current year already.

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"We have chosen our own, tailor-made path for Evonik without external consultants to achieve the best possible results," says Thomas Wessel, Chief Human Resources Officer and Labor Director. "It is clear that our company will look very different in two years — much more dynamic and efficient. We will achieve this in the fair manner Evonik is known for: focused on joint goals and respectful in our dealings with each other."

In the coming weeks, the Executive Board and the co-determination bodies will negotiate how the planned job cuts will be carried out in a socially responsible manner.

Company information

Evonik is one of the world leaders in specialty chemicals. The company is active in more than 100 countries around the world and generated sales of €15.3 billion and an operating profit (adjusted EBITDA) of €1.66 billion in 2023. Evonik goes far beyond chemistry to create innovative, profitable, and sustainable solutions for customers. More than 33,000 employees work together for a common purpose: We want to improve life today and tomorrow.

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