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Statement

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Good morning, ladies and gentlemen,

Together with my colleagues on the Executive Board, I would like to welcome you to Evonik in Essen.

Today, we can look back at a successful year in 2017. Ute Wolf will take you through the details of our performance after my remarks. And then we will give you an outlook for this year. After that, there will be time for your questions.

Last year was a good one for our company. We clearly achieved the goals we announced at the start of the year. That is important: It strengthens trust, including the trust of the capital markets. We set ourselves an EBITDA target of between €2.2 billion and €2.4 billion and we landed at the upper end of this range, at €2.36 billion.

Our acquisitions, the Air Products specialty chemicals business, the Huber silica business, and Dr. Straetmans to strengthen our personal care operations, paid off in 2017 and also boosted growth. We have made good progress in integrating these acquisitions. That may sound easy, but it involved a good deal of work.

On the Executive Board, we have already successfully integrated our new colleague, who joined us in September and is responsible for innovation and chemicals. We are pleased to have you on board, Harald.

The goal we are all committed to is the profitable growth of our company. In 2017, we defined the strategy to guide us in this. It will also determine the path we take in 2018, as we strive to become the world's best specialty chemicals company.

I presented the three key pillars of this strategy to you last year:

- active management of our portfolio
- customer-focused innovation, and
- a performance-oriented corporate culture.

We took a number of steps to implement this strategy in 2017, so I would like to report briefly on them here.

We are sharpening the focus of our portfolio on specialty chemicals. That means focusing on highly innovative businesses characterized by continuous growth, attractive returns, and low cyclical exposure. We intend to continue our selective investment

in these businesses, which are bundled in our Nutrition & Care and Resource Efficiency growth segments, to enhance our leading market positions and gain new customers worldwide.

Concentrating our investment on these growth segments also means that other, equally successful businesses will no longer receive the level of investment that would be necessary for them to develop optimally. These include the methacrylates business in our Performance Materials Segment. We therefore want to withdraw from this business and are currently exploring all options: for the best possible development of this business and therefore for its employees. These options include potential partnerships or divestment.

Innovations that are systematically aligned to customers' needs are a key factor driving growth and success in the specialty chemicals business. In October, Harald Schwager gave you a detailed overview of our innovation strategy and of selected products and processes. We are making very good progress here and our well-stocked pipeline of new products makes us confident that we can generate further growth.

This process starts with an idea that triggers research and development. I would like to give you one small but noteworthy example: the Rheticus project that we are realizing with Siemens at our site in Marl in Germany. The aim of this project is to convert excess green electricity and CO₂ first into process gases via electrolysis and subsequently into chemicals via fermentation. We have just started to build a pilot plant for this. The German government sees this as a contribution to the transition in energy policy and is therefore supporting the project through research funding. However, it will be some time before the first plant of this type starts to produce chemicals.

We are far further advanced with one of our most promising innovations, which grew out of the Green Ocean project. This entails producing special omega-3 fatty acids for sustainable salmon farming. Together with our partner, DSM, we have developed a fermentation process for this and are building the first commercial-scale production facility at the Evonik site in Blair in the US state of Nebraska. In the future, this facility will produce omega-3 fatty acids from algae, providing a considerably more sustainable alternative to fish oil. At the same time, it will make an important contribution to reducing overfishing of the oceans. A few weeks ago, we took the next step and established the Veramaris joint venture with DSM.

We see partnerships of this type, where both companies

contribute their expertise, as groundbreaking for the specialty chemicals sector. That does not mean that both partners always have to be chemicals companies. For example, we are setting up a partnership with the US company Hewlett Packard to drive forward 3D printing. This is a business with particularly high growth potential, and our high-performance polymer PA-12 has outstanding properties as a support material.

Our digitalization subsidiary has also established its first partnerships: with the Chinese e-commerce platform Alibaba and with IBM. These alliances are helping us in our search for new sales channels and new business models for Evonik. Here, we regard ourselves as a trailblazer in the chemicals sector. At the same time, we get the impression that we cannot truly comprehend the magnitude and implications of this fourth industrial revolution.

Ladies and gentlemen,

Our corporate culture is vital for the successful realization of all our plans: in research, production, administration and sales. The keys are leadership, responsibility, and a willingness to take measured risks and to learn from mistakes. It means focusing all our efforts on Evonik's success: clearly, consistently, and cooperatively.

For that, we need to recognize and clearly identify our strengths and our weaknesses. Evonik is a strong, creative, and profitable company, but we are still some way from being best-in-class in our industry. We measure ourselves against the best—in our markets, in innovation, in profitability, in administration.

We have used the past year to analyze our internal structures and processes and the associated efficiency. And we have established that we could do better.

To accelerate decision-making and give our managers more responsibility, we are therefore making our administration less complex and reducing bureaucracy.

Selling and administrative expenses have risen faster than sales in recent years. That is not healthy and we will be taking action to change it.

We aim to permanently reduce selling and administrative expenses worldwide by €200 million by the end of 2020, with initial savings of €50 million being made this year. The Executive Board adopted the first measures at the end of 2017 and these have already been

implemented. They include a decision to keep external recruitment for vacancies in sales and administration to a minimum.

Our codetermination partners are involved in the entire process and all measures will be realized in a socially compatible manner.

We have extended the ban on dismissals for business-related reasons in Germany for a further year. It now runs until the end of 2021.

As you can see, we think and plan consistently and long-term, in other words, without time pressure. We are working systematically through our strategic agenda and using the present good years to pave the way for further successful growth in the future.

And now, Ute Wolf will explain what that means in numbers.

Dear Ute, thank you very much.

Ladies and gentlemen,

After the first two months of the year, we can confirm today that Evonik has made a very good start to 2018. For the first quarter, we expect our adjusted EBITDA to exceed €650 million.

For the entire year, we observe a sustained positive trend in our businesses and markets and, together with our customers, we will take advantage of these developments. With this in mind, we aim to continue to grow our revenues and earnings in the current year and, for 2018, we anticipate an adjusted EBITDA of between €2.4 billion and €2.6 billion.

Our goal to increase our EBITDA margin across the Group from the previous 16 to 18 percent up to a level between 18 and 20 percent remains unchanged.

Before we take your questions, I would like to say a few personal words.

The Chairman of our Supervisory Board, Werner Müller, will resign from his position on May 23 on conclusion of our Annual Shareholders' Meeting and will step down from the Supervisory Board. The news of Mr. Müller's serious illness has come as a very serious blow to us all at Evonik.

To honor the outstanding service Mr. Müller has given to our company, our Supervisory Board yesterday voted unanimously to elect Mr. Müller as its Honorary Chairman. After the meeting yesterday, I spoke with Mr. Müller. Considering the circumstances, he is doing quite well.

I hope, therefore, that Mr. Müller will continue to lend us his experience and his vision and will remain as an excellent counsel and friend to Evonik for a long time to come.