

Evonik
Power to create.

Company presentation

Q4 2018 Results Roadshow

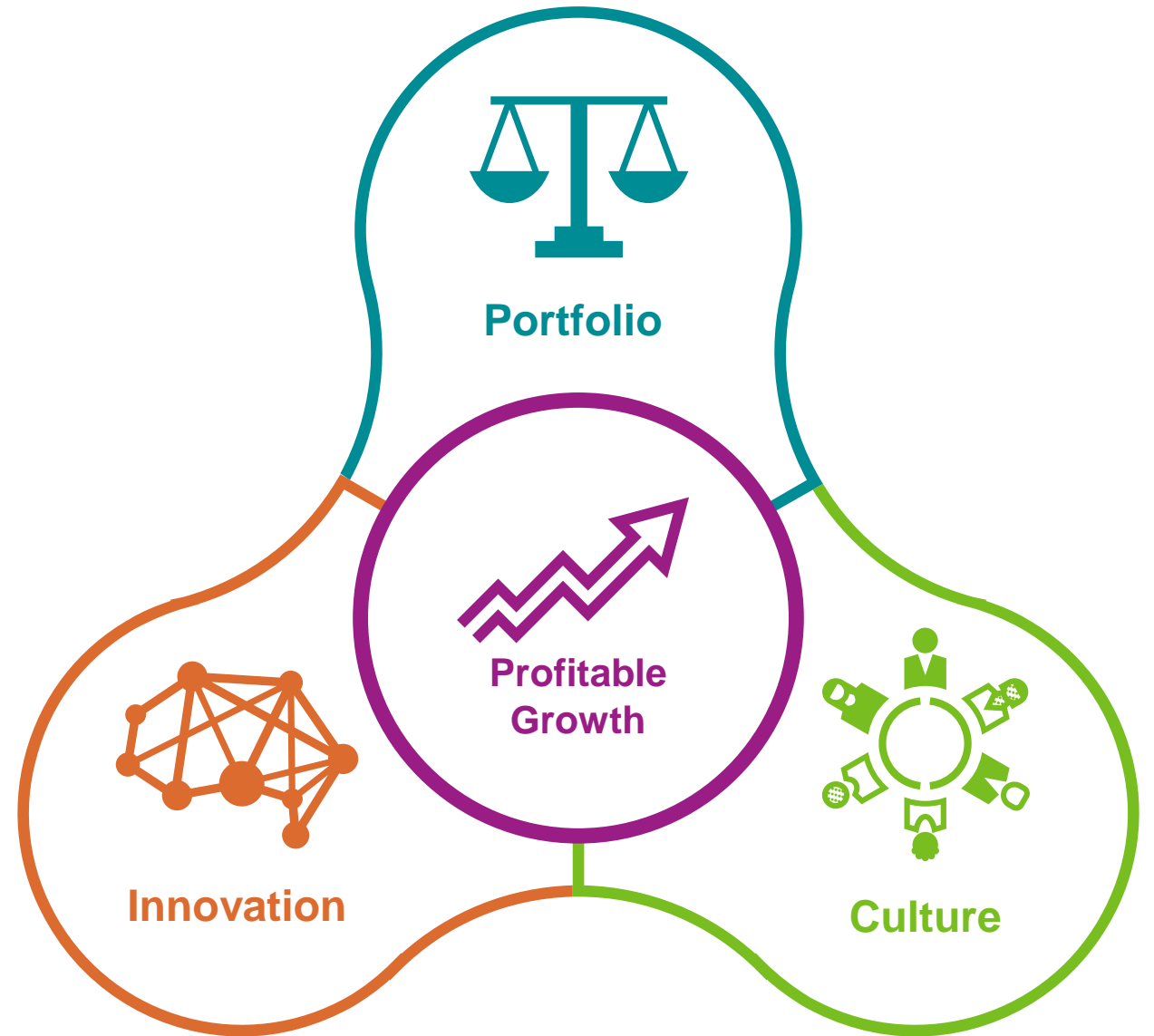


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A strong basis in Specialty Chemicals

Market leadership



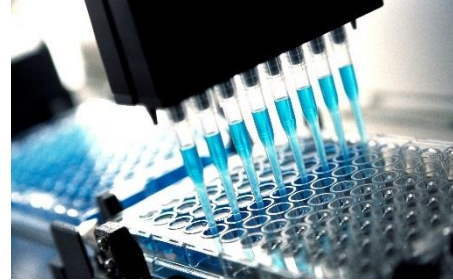
Leading market positions in
80%
of our businesses¹

Customer proximity



Almost 90%
of direct sales
via
marketing & sales force
of **~2,000**
employees

Technology leadership



Leading and
proprietary technology
platforms in
25 countries
on
5 continents

Unique brand recognition



tego
An Evonik product.

ROHACELL
An Evonik product.

PLEXIGLAS

(selected product brands)

Qualified employees



**Highly qualified
workforce**
as key factor for a
successful and
sustainable business
development

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

Three segments with differentiated management

Group financials 2018

Sales

€15,024 m

Adj. EBITDA

€2,601 m

Margin

17.3%

ROCE

12.1%



Growth

**Nutrition
& Care**



**Resource
Efficiency**



Efficiency

**Performance
Materials**



Sales
€4,646 m



Adj. EBITDA / Margin
€810 m / 17.4%



Sales
€5,709 m



Adj. EBITDA / Margin
€1,288 m / 22.6%



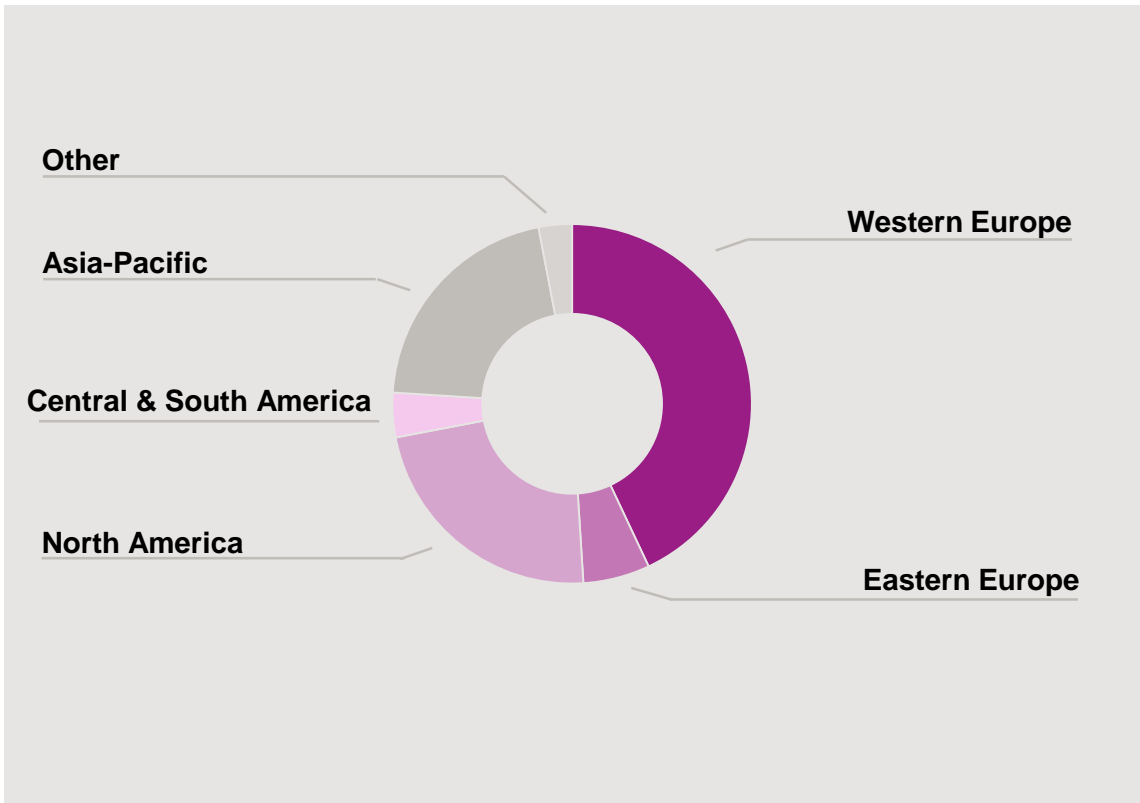
Sales
€3,976 m



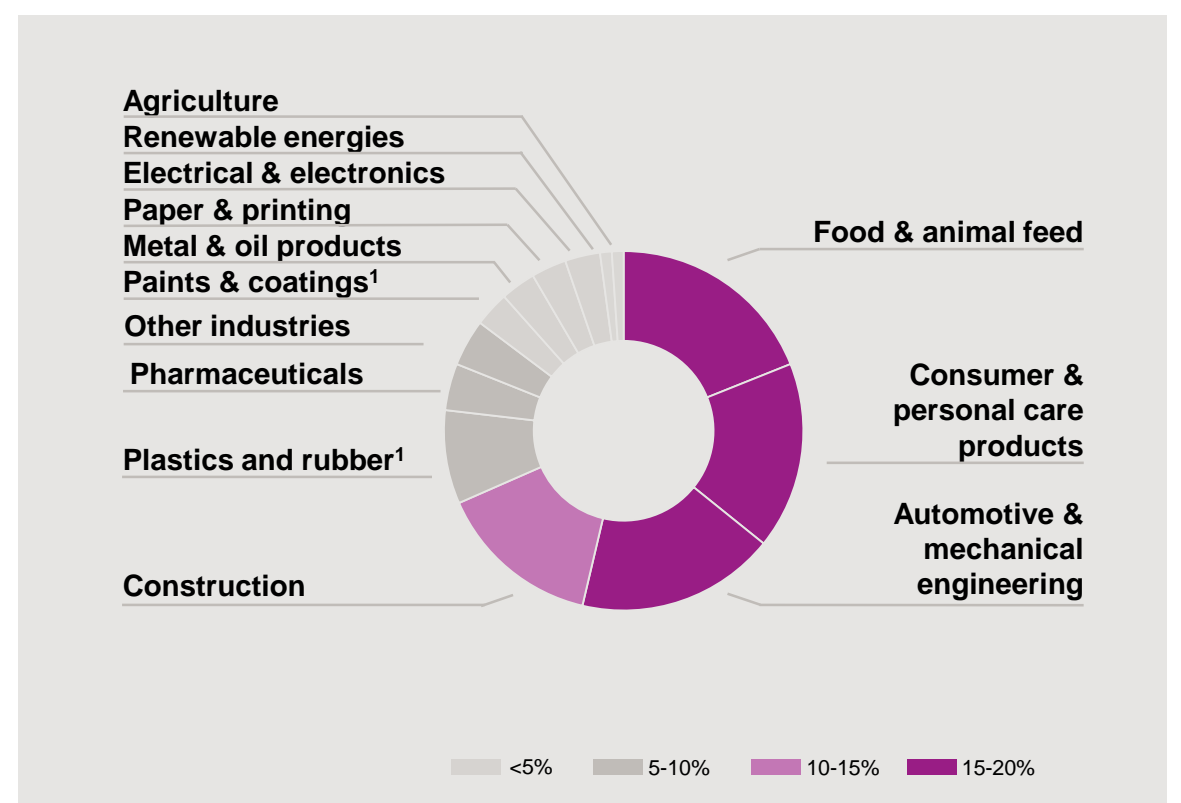
Adj. EBITDA / Margin
€670 m / 16.9%

Balanced regional and end market split

Sales by region



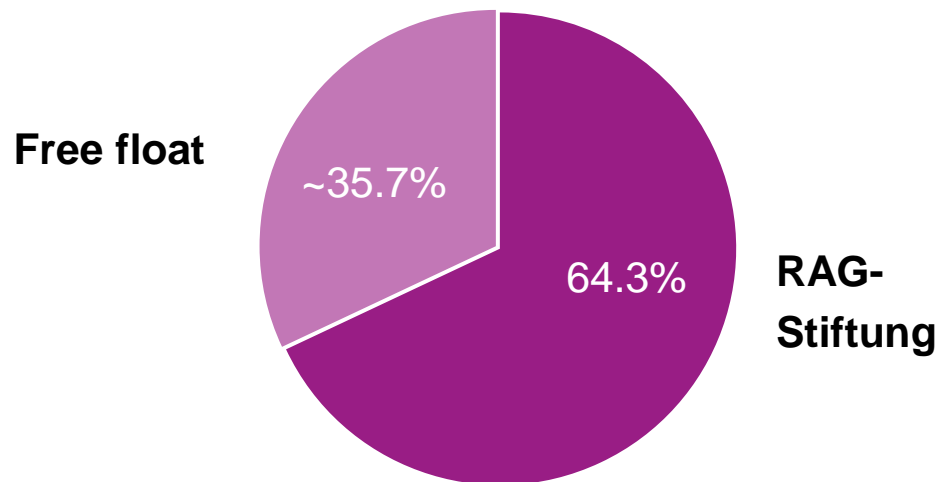
End market split



1. Where not assigned to other end-customer industries | 2018 Financials

“RAG-Stiftung” as long-term shareholder with focus on attractive returns

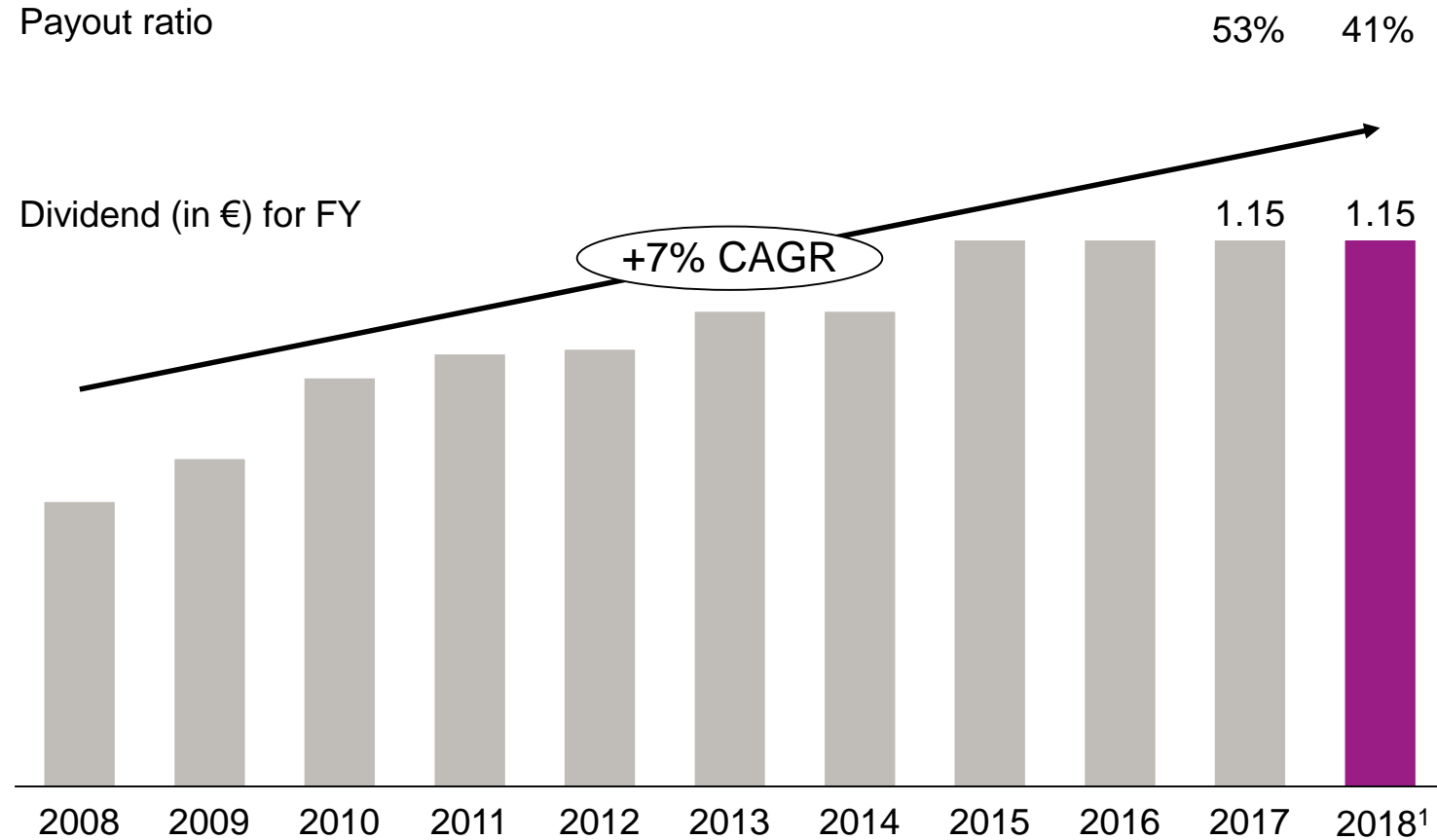
Ownership structure



RAG-Stiftung

- A foundation with the obligation to finance the perpetual liabilities arising from the cessation of hard-coal mining in Germany
- Evonik as integral and stable portfolio element with **attractive and reliable dividend policy**
- **Clear intention to remain significant shareholder**
- RAG-Stiftung capable to cover annual cash out requirements with Evonik dividend (~€365 m dividend received in 2017)

Reliable and attractive dividend policy



- Sustainable dividend growth over the last years: 7% CAGR between 2008 and 2018
- **Attractive dividend yield**
- Reliable dividend policy targeting:
 - **dividend continuity**
 - a **payout ratio of ~40%** of adjusted net income

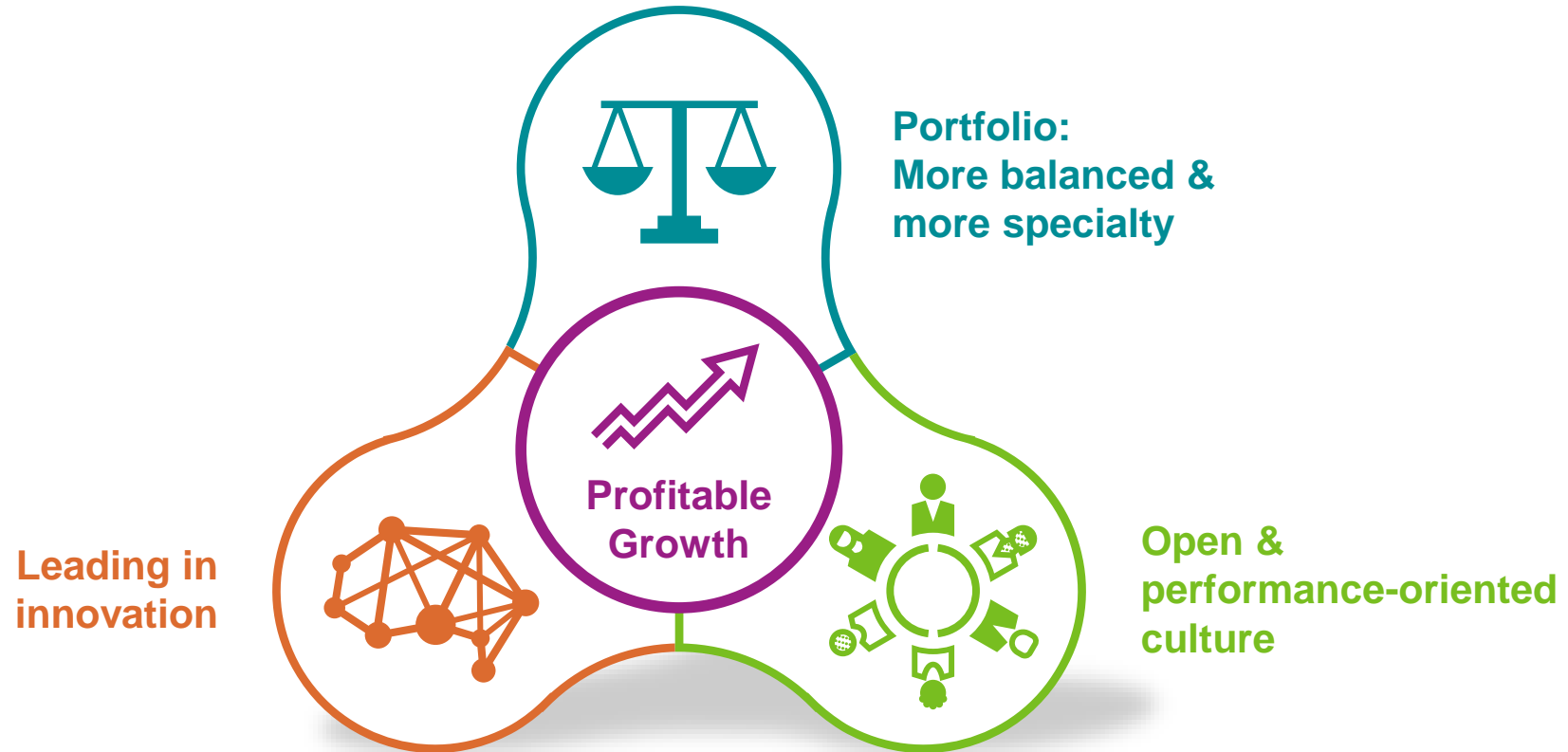
1. Proposal to AGM 2019

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Building a best-in-class specialty chemicals company

Targeting excellence in three strategic focus areas



Target portfolio structure

Four growth engines as drivers for profitable & balanced growth

NUTRITION & CARE

RESOURCE EFFICIENCY



Health & Care



Smart Materials



Specialty Additives



Animal Nutrition

Four
growth
engines

Building on our strengths

Developing our growth segments and businesses

NUTRITION & CARE

€4.6 bn

Mature
businesses



Growth
businesses

RESOURCE EFFICIENCY

€5.7 bn

Mature
businesses



Growth
businesses

PERFORMANCE MATERIALS

€4.0 bn

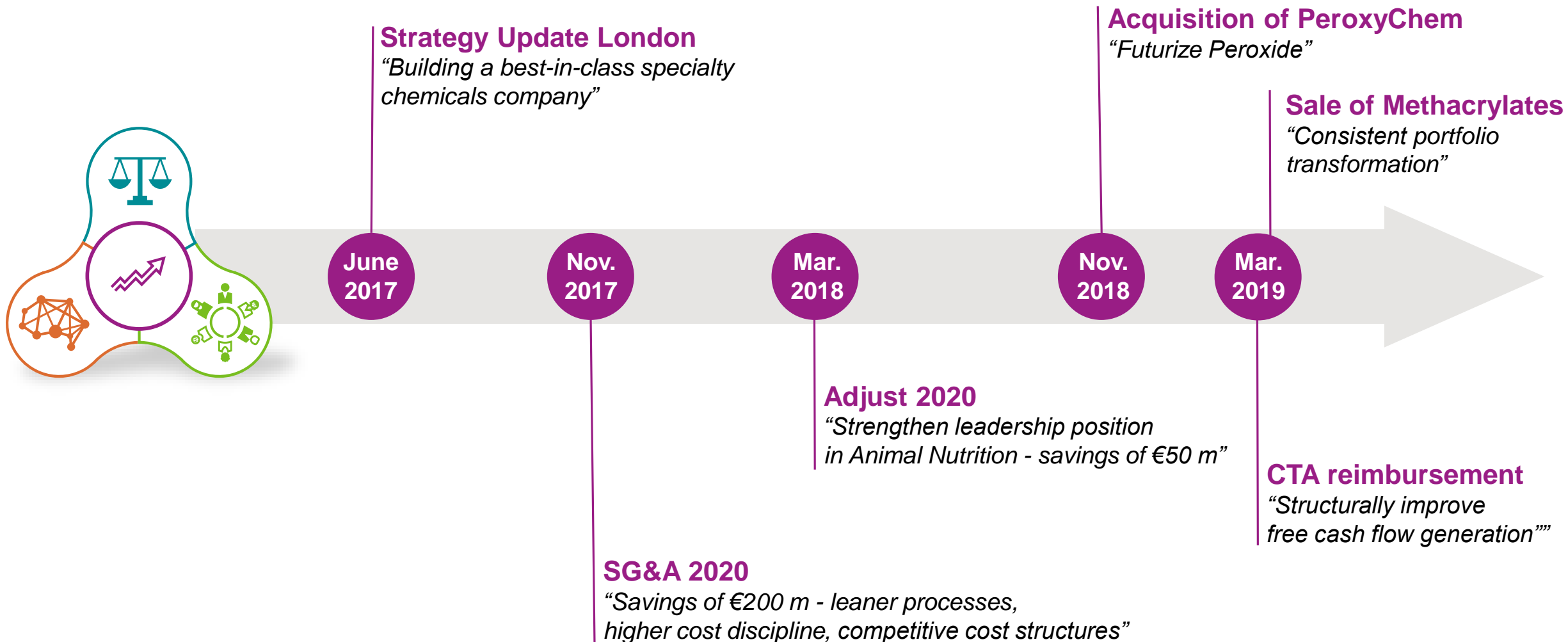
Mature
businesses



✓ Meeting specialty chemicals characteristics

Step by step execution of strategic agenda

What we achieved so far



Active portfolio management

More balanced and specialty with improved financial metrics

Acquisitions

APD Specialty Additives

„Creating a global leader in Specialty & Coating Additives“

Huber Silica

„Excellent complementary fit for resilient silica business“

Dr. Straetmans

„Expansion as leading partner for the cosmetics industry“

PeroxyChem

„Expansion of high-growth & -margin H₂O₂ specialty applications“



- Stable businesses with GDP+ growth
- EBITDA margin above target range
- CAPEX-light
- Sustained high cash conversion

Divestments

Jayhawk (non-core agrochemical site in PM)

„Streamlining on business-line level“

MMA/PMMA Verbund

„Major step towards a more specialty & balanced portfolio“



- Supply/demand-driven cyclical businesses
- Margin and FCF volatility over the cycle
- CAPEX-intensive

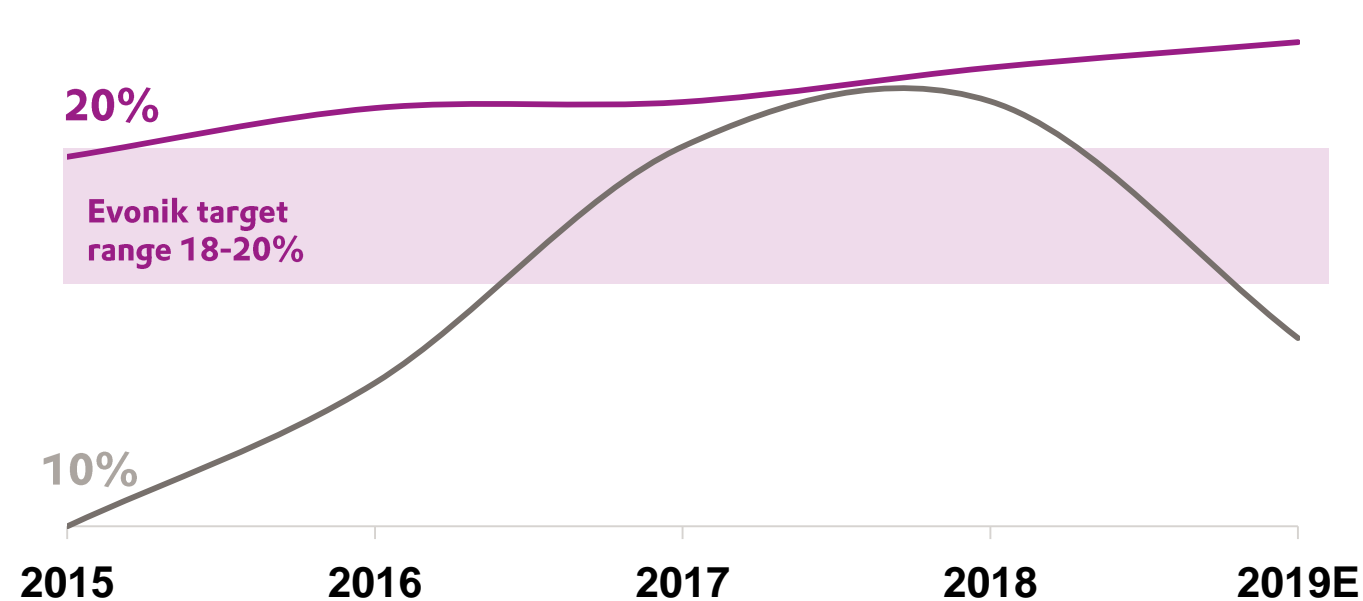
Portfolio transformation leads to higher margins with reduced volatility

EBITDA margin development: Acquisitions vs. “MMA/PMMA Verbund”

Acquisitions



MMA/PMMA



Ø Acquisitions
~22%

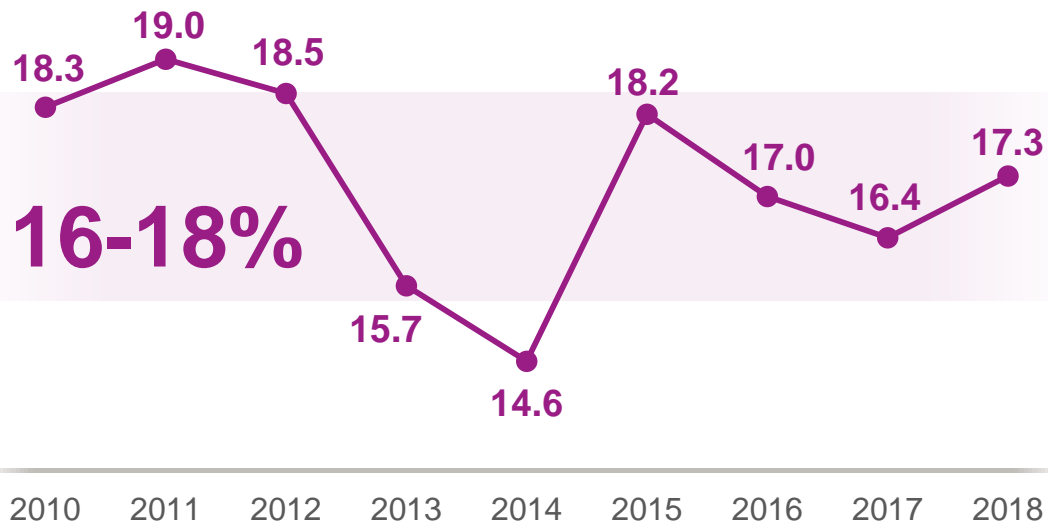
VS.

Ø MMA
~17%

Strategic agenda reflected in ambitious financial targets

Structurally lifting EBITDA margin and driving balanced growth

Historic margin range (in %)



Targets going forward (over the cycle)

Structurally lift EBITDA margin into sustainably higher range of **18-20%**

Above-average volume growth **GDP+**

- ROCE above cost of capital
- FCF significantly above dividend level
- Reliable and sustainably growing dividend
- Solid investment grade rating

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FY 2018 – We delivered on our main financial targets

EBITDA growth¹

+10%

*Delivering on guidance,
despite more difficult
macro environment*

EBITDA margin¹

+90bp
(to 17.3%)

*Moving closer to
target range of 18-20%*

Free cash flow¹

+32%
(cash conversion rate 25.8%)

*Clear improvement of
absolute FCF level
and conversion rate*

ROCE¹

+90bp
(to 12.1%)

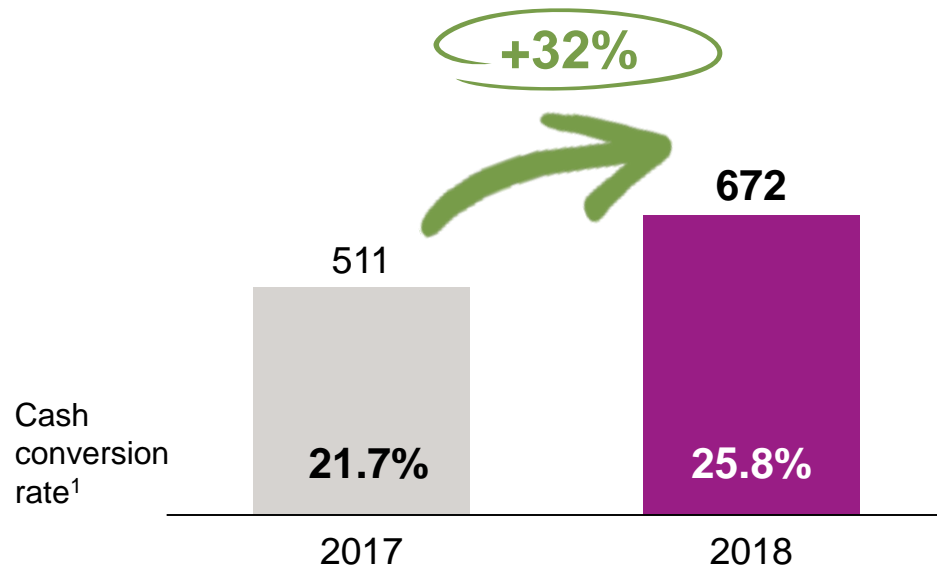
*ROCE clearly above
cost of capital*

1. Compared to prior year

Free Cash Flow 2018

Strong FCF driven by operating performance and efficiency measures

Free Cash Flow 2018 (in €m)

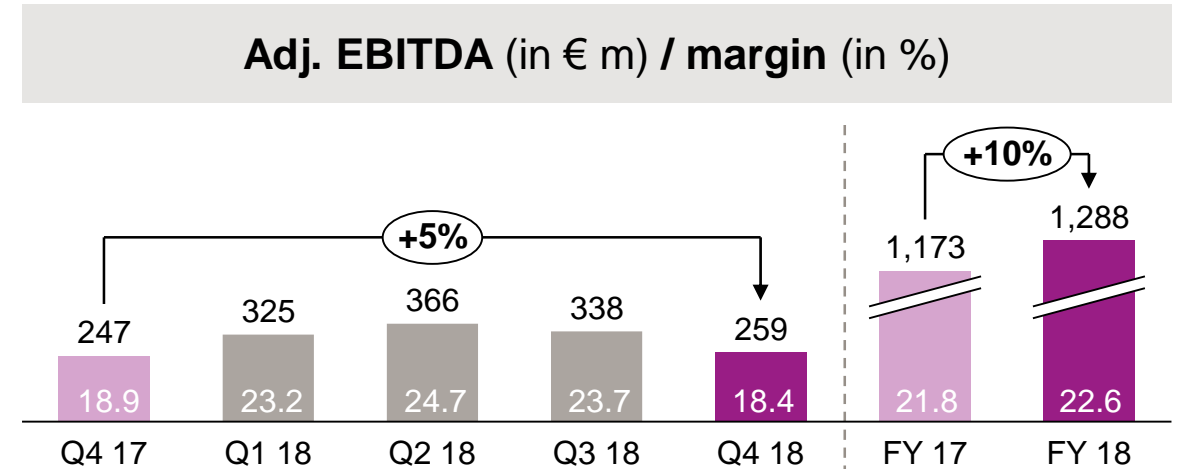
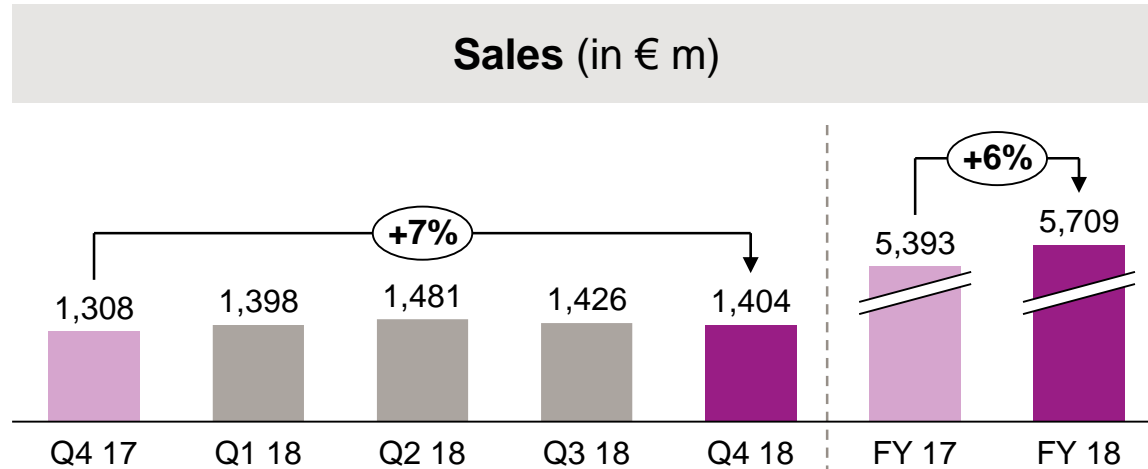


- FCF improved by €161 m – **strong operational performance** mirrored in operating cash flow
- Strong FCF generation despite **above-average NWC outflow in 2018** due to logistical challenges from low Rhine water level and cautious customer behavior towards year-end
- **Lower cash-out** for taxes in 2018 due to reimbursements relating to other periods

1. Free cash flow conversion (FCF/adj. EBITDA)

Resource Efficiency

Positive volumes, further margin expansion



	Volume	Price	FX	Other
Q4 18 vs. Q4 17	+1% ↗	+6% ↗	-1% ↘	+1% ↗

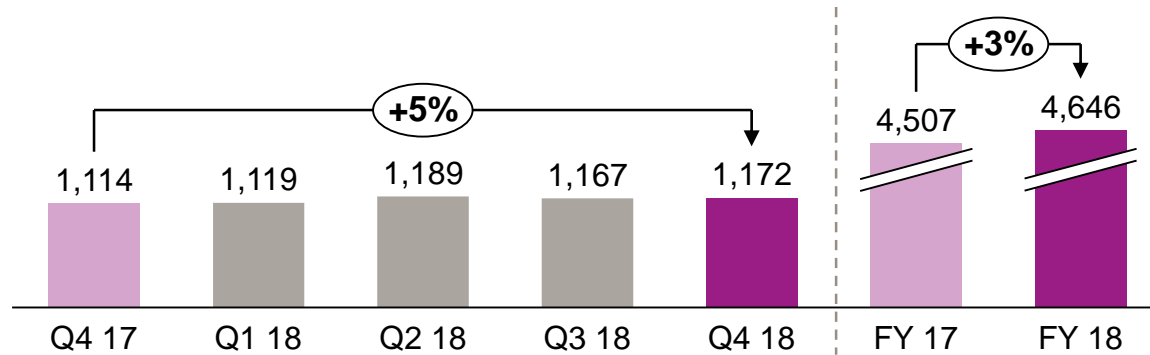


- Positive volume growth in Q4
- Good demand for eco-friendly, water-borne Coating Additives and High Performance Polymers
- Q4 impacted by usual seasonality and cautious customer behavior in Auto- and China-related businesses
- Earnings growth targeted for FY 2019

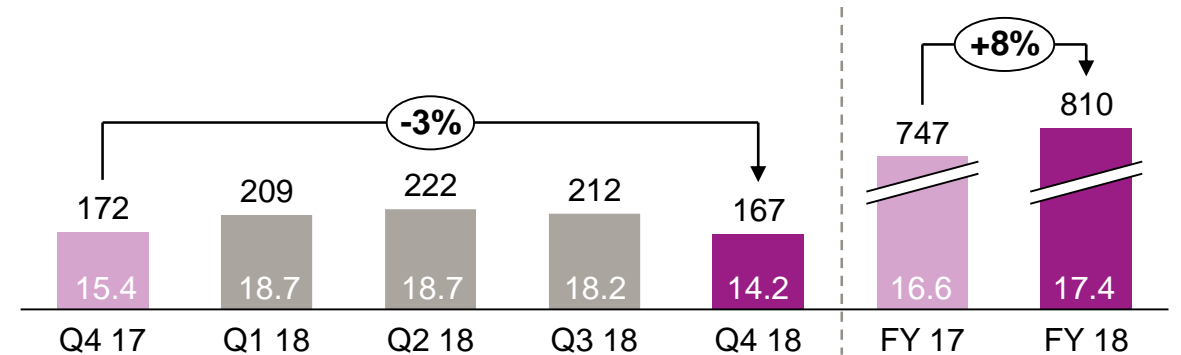
Nutrition & Care

Animal Nutrition robust, Health and Personal Care with strong development

Sales (in € m)



Adj. EBITDA (in € m) / margin (in %)



	Volume	Price	FX	Other
Q4 18 vs. Q4 17	+9% ↗	-2% ↘	-2% ↘	0% →



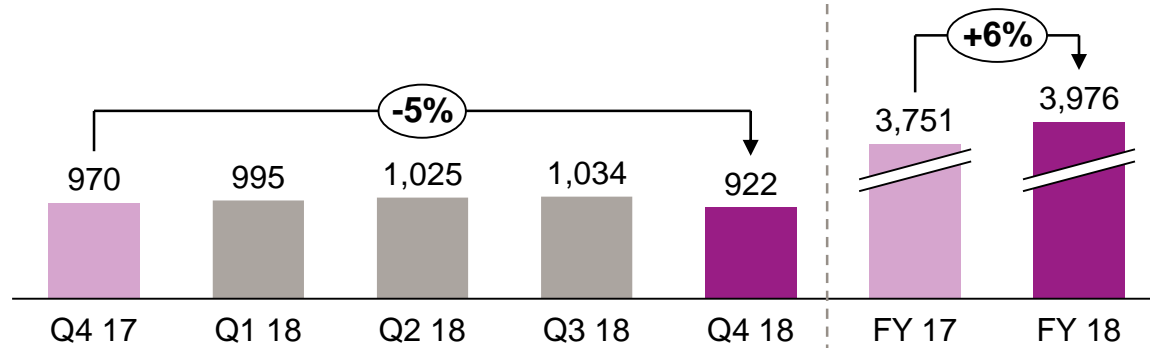
- Strong volume growth at year-end driven by Animal Nutrition and Baby Care
- Industry-linked businesses (e.g. Comfort & Insulation) in Q4 impacted by cautious customer behavior especially in China
- Methionine with unchanged healthy demand trend; prices down yoy due to higher product availability
- Lower earnings in Q1 expected (yoy), driven by seasonal patterns in Health Care, lower Methionine price (comps improving throughout the year) and ramp-up costs for new methionine plant

1. Mix of portfolio effects and others

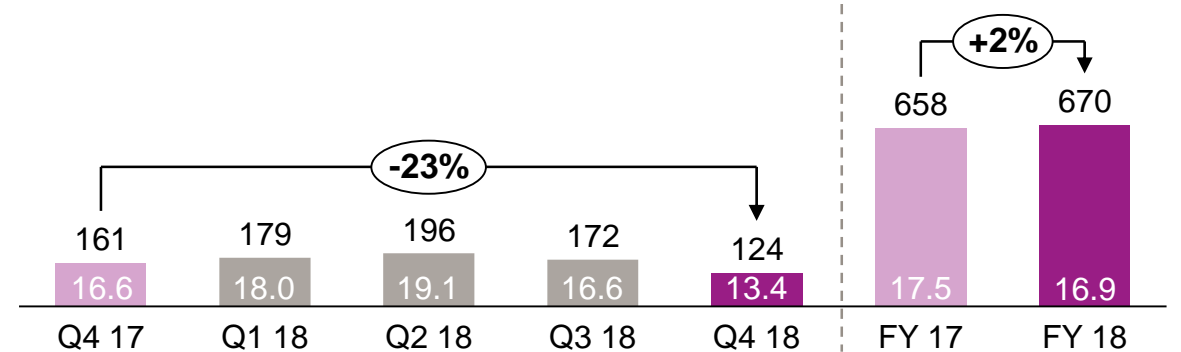
Performance Materials

Successful FY 2018 despite a challenging year-end

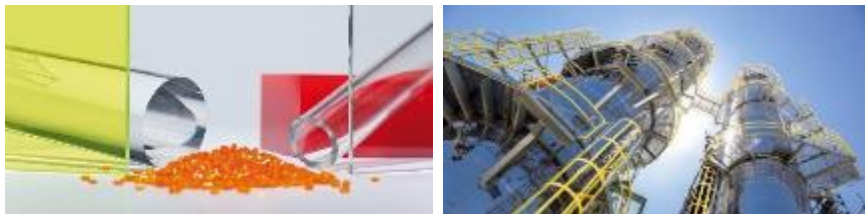
Sales (in € m)



Adj. EBITDA (in € m) / margin (in %)



Q4 18 vs. Q4 17	Volume	Price	FX	Other
	-13% ↘	+9% ↗	-1% ↘	0% →



- Q4 burdened by low Rhine water level (Q4 impact ~€20 m) and limited raw material availability
- Weaker demand in Coatings & Construction and destocking in chemical supply chain additionally impacting volumes
- Positive pricing mainly driven by yoy higher butadiene spreads; expected margin normalization in MMA/PMMA
- In Q1, margin normalization in MMA/PMMA expected to continue; C4 business with limited raw material availability

Resilient portfolio – Challenges addressed

Confidence for 2019 despite a more difficult macro environment



● ————— yoy EBITDA growth expected for **>3/4** of all business lines ————— ●



- **Specialty Additives** with resource-efficient solutions
- **Health & Care** with high exposure to attractive end-markets
- **Smart Materials** with ongoing replacement trend of traditional materials
- **Animal Nutrition** with unchanged trend towards sustainable nutrition
- Successful divestment of **methacrylates business**
- **Animal Nutrition** with “adjust 2020” efficiency program underway
- **SG&A 2020** efficiency program in execution
 - Integration of **acquisitions**: Synergies & additional earnings contribution

Outlook 2019: Adj. EBITDA

Outlook 2019

“slightly lower (up to -10%)

or

stable adj. EBITDA” (0%)

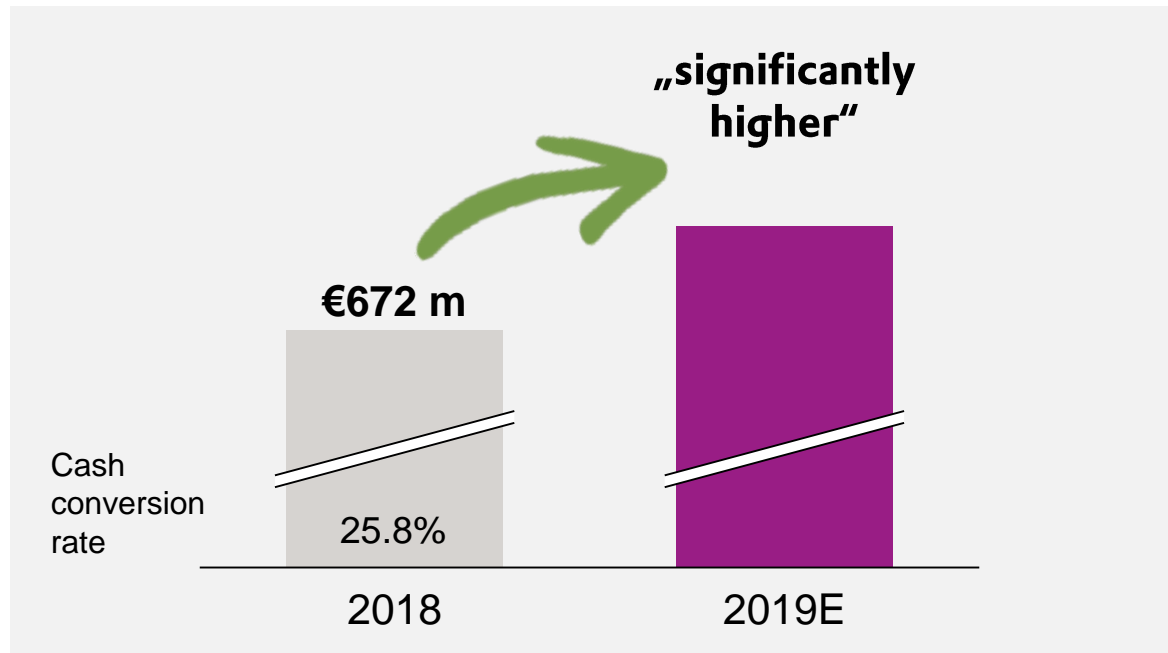
(FY 2018: €2,601 m)

- Assumption of **lower economic growth** throughout the year 2019
- Including price normalization in **Methacrylates** (- €140m)
- Nutrition & Care slightly lower;
Resource Efficiency slightly higher;
Performance Materials noticeably lower

Outlook 2019: Free Cashflow

Further improvement in cash generation expected

“significantly higher free cash flow” (FY 2018: €672 m)



Positives:

- CTA pension reimbursement
- Lower cash-outflow for working capital

Negatives:

- Normalization of cash taxes
- Cash-out for efficiency program (SG&A)

Strategy shift in pension assets for sustainable FCF improvement

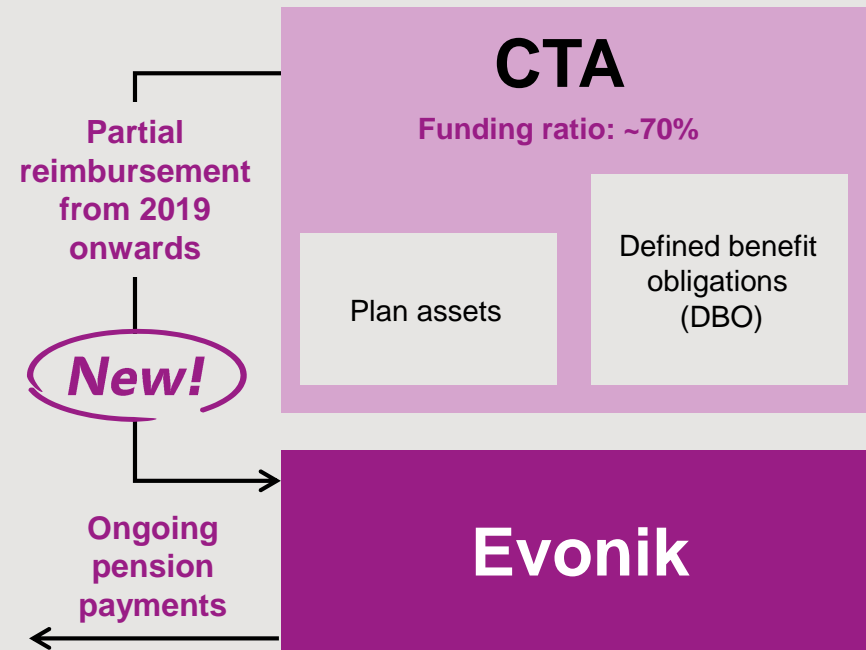
Reimbursement from pension assets with tangible effect

- Target **CTA funding ratio of ~70% reached ahead of plan** due to historic top-ups (2011-2015) and strong asset performance
- **Reimbursement** (out of CTA assets) brought forward from 2021 to 2019
- Sufficient asset base to **reimburse annually until the end of pension life** while keeping funding ratio ~70% (no future top-ups)

**Sustainable annual FCF improvement
of ~ €100 m p.a.**

Contractual trust arrangement (CTA)

(Common vehicle to finance pensions and mitigate volatility of pensions valuations on balance sheet)



Additional indications for 2019

- Synergies from acquisitions (APD & Huber Silica) **Additional synergies of ~€30 m** (total synergies: ~€70 m)
- PeroxyChem Not yet included in outlook, closing expected mid-2019 (Adj. EBTDA FY 2018: \$60 m)
- ROCE **Above cost of capital** (10.0% before taxes) but below 2018 (12.1%) due to higher capital employed (IFRS 16-related)
- Capex **~€1 bn** (2018: €1,050 m)
- EUR/USD **1.15 EUR/USD** (2018: 1.18 EUR/USD)
- EUR/USD sensitivity¹ +/- 1 USD cent = **-/+ ~€8 m** adj. EBITDA (FY basis)
- Adj. EBITDA Services **Around the level of 2018** (2018: €146 m)
- Adj. EBITDA Corporate / Others **Slightly less negative than in 2018** (2018: -€313 m)
- Adj. D&A **~€950 m** (2018: €877 m); increase mainly IFRS 16-related (~ +€90 m)
- Adj. net financial result² **~€190 m** (2018: -€162 m); increase partly IFRS 16-related (~ -€10 m)
- Adj. tax rate **~28%** (2018: 23%); 2018 benefitted from deferred taxes revaluation

1. Including transaction effects (after hedging) and translation effects; before secondary / market effects | 2. Guidance for “Adj. net financial result” subject to interest rate fluctuations which influence discounting effects on provisions



EVONIK

POWER TO CREATE

Appendix

- 1. Strategy Details**
2. Segment overview
3. Financials
4. Upcoming events

Consistently executing our strategic agenda

Levers for structural uplift in profitability and growth







	Strategic lever	Impact (p.a.)	by (year)
Synergy realization	<ul style="list-style-type: none"> Realization of synergies from Air Products and J.M. Huber acquisitions 	€85 m EBITDA	2020/2021
Cost excellence	<ul style="list-style-type: none"> Targeting structural improvements in SG&A, reduction of 1,000 FTE 	€200 m EBITDA	2021 (full impact)
Innovation	<ul style="list-style-type: none"> Leverage additional growth from six innovation growth fields with above-average profitability 	€1 bn additional SALES	2025
Portfolio Management	<ul style="list-style-type: none"> Portfolio strategy: more balanced and more specialty 		

18-20%
EBITDA margin

GDP+
volume growth

Four growth engines

Growth drivers and product examples

	Growth trends and drivers	Product examples	Market growth
 <p>Specialty Additives “Small volume, big impact”</p>	<ul style="list-style-type: none"> More sophisticated requirements on additive effects Need for increased product performance and efficiency 	<p>Coating Additives PU-Additives Oil Additives</p>	 <p>5-6%</p>
 <p>Health & Care Preferred partner in Pharma and Cosmetics</p>	<ul style="list-style-type: none"> Increasing health-awareness and lifestyle Bio based products and environmentally-safe cosmetics 	<p>Pharma polymers Oleochemicals Advanced biotechnology</p>	 <p>5-6%</p>
 <p>Smart Materials Tailored functionalities for sustainable solutions</p>	<ul style="list-style-type: none"> Trend towards resource efficiency in high demanding applications Engineered materials and systems to fulfill high performance requirements 	<p>Rubber Silica & Silanes High Performance Polymers Membranes</p>	 <p>4-7%</p>
 <p>Animal Nutrition Comprehensive portfolio for more sustainable food chain</p>	<ul style="list-style-type: none"> Sustainable nutrition Improving food quality and safety 	<p>Amino acids Probiotics</p>	 <p>5-7%</p>

Portfolio Management

Targeted and disciplined M&A approach



Air Products
Performance Materials (2016)



Huber Silica
(2016)



Dr. Straetmans
(2017)



PeroxyChem
(2018)

Purchase price

~ €3.5 bn

~ €600 m

€100 m

\$625 m

EBITDA margin

>20%

>20%

~20%

~20%

Market growth

~4-5%

~4-6%

~10%

~6%¹

Business

Highly attractive strategic fit, seamless integration into existing businesses

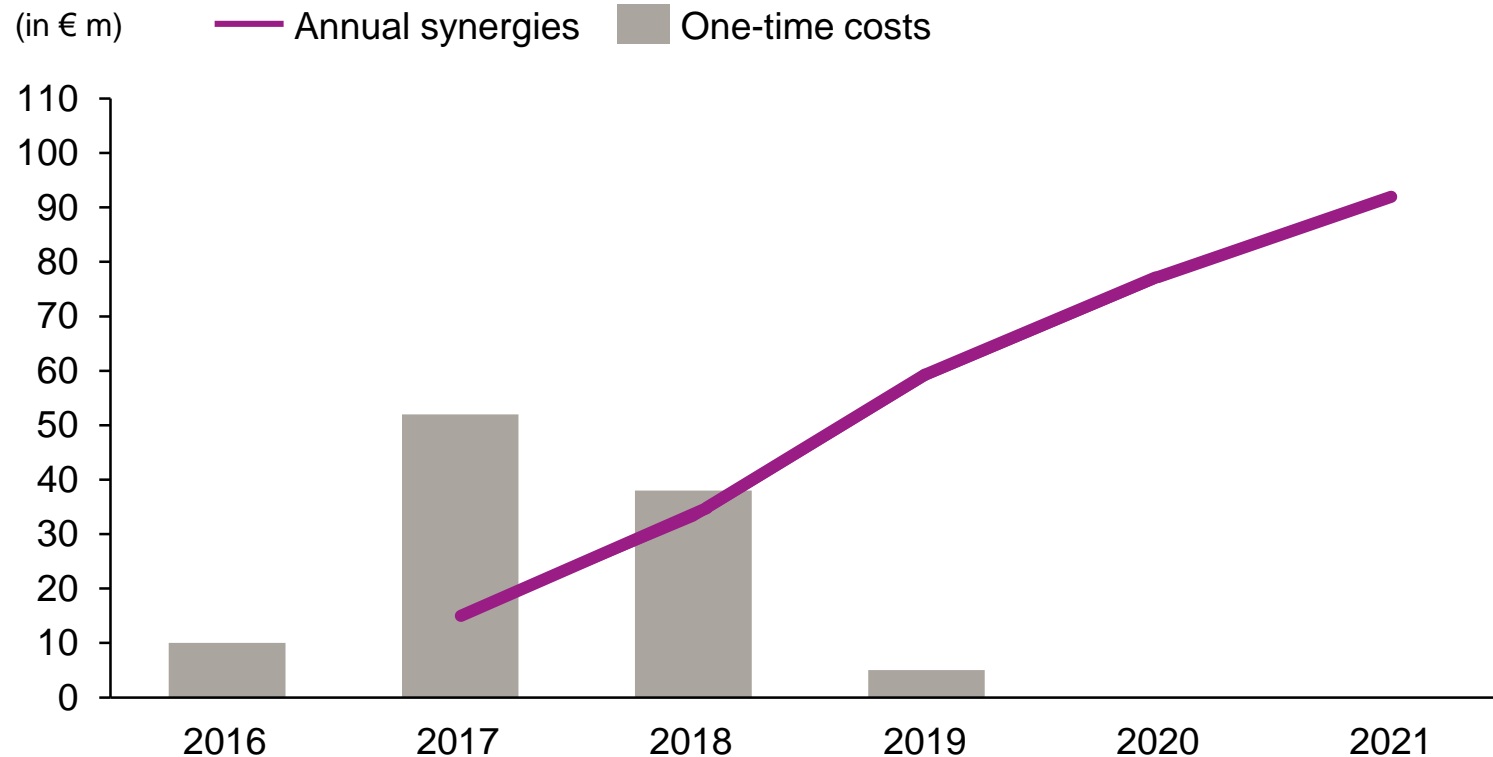
Disciplined expansion in high-growth & -margin businesses with excellent strategic fit

1. In specialty applications (~65% of total Adj. EBITDA)

Implementation schedule for acquisition synergies

Ramp-up on track for Air Products specialty additives and Huber silica acquisitions

Implementation schedule



Total

Annual synergies

~ €85 m p.a. (USD100 m)
 APD: ~ €68 m p.a. (USD80 m)
 Huber: ~ €17 m p.a. (USD20 m)

One-time integration costs¹

~ €105 m p.a.
 APD: ~ €75 m p.a.
 Huber: ~ €30 m p.a.

1. Excluding transaction-related costs | Currency translation based on current EUR/USD rate of ~1.20

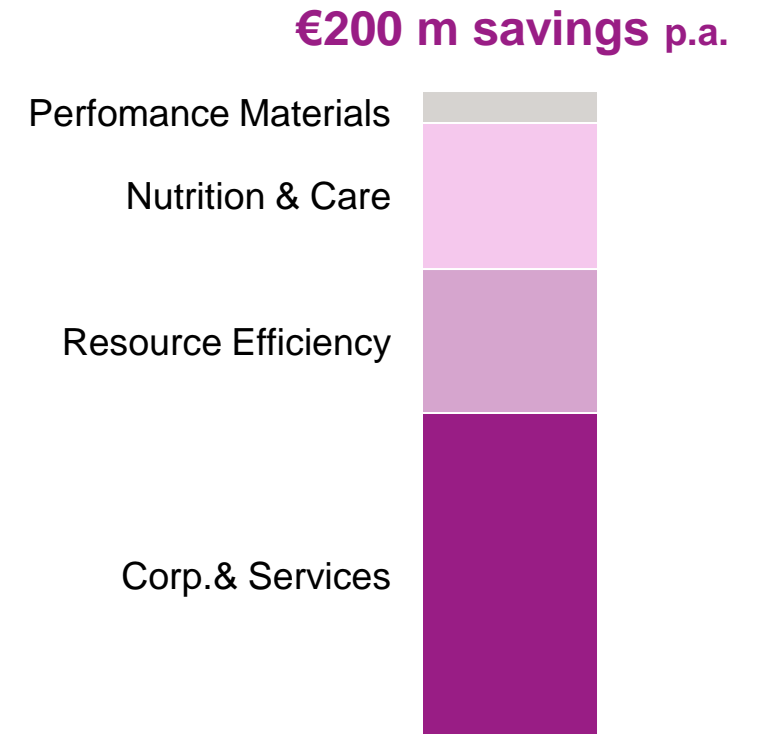
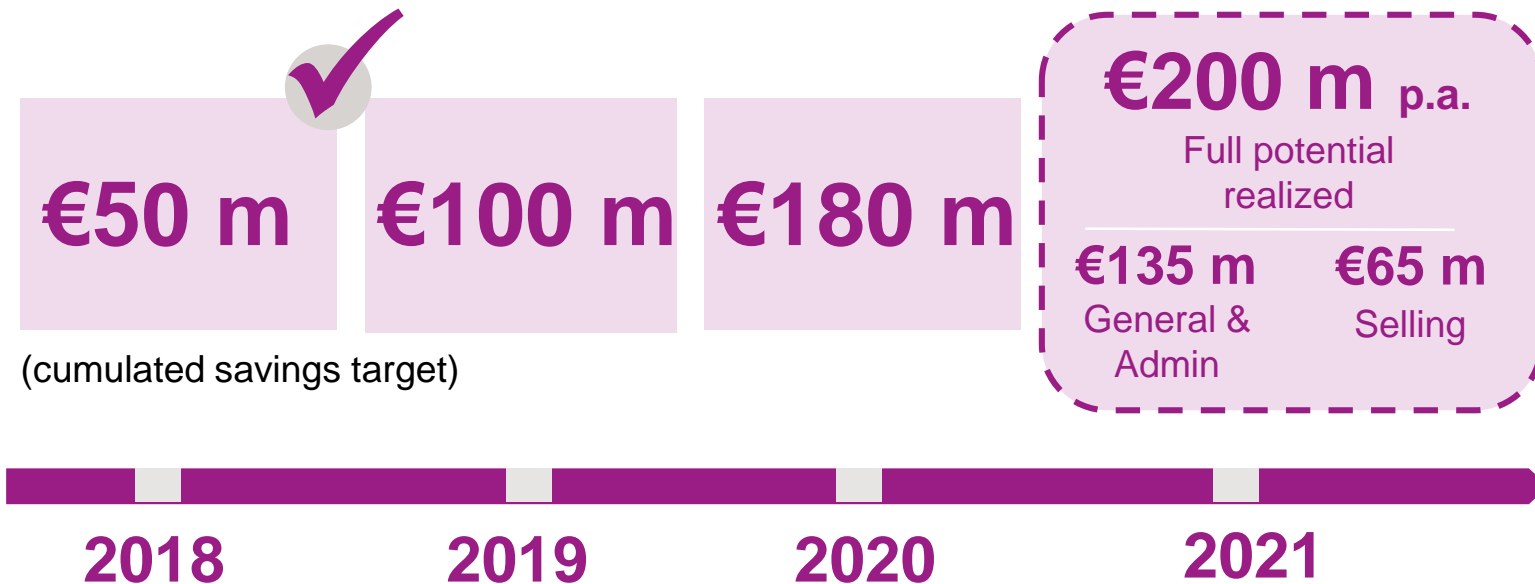
Achieving cost excellence: SG&A 2020

Targeting structural improvements in SG&A

Cost savings of **€200 m** p.a.

Reduction of **1,000 FTE**

Savings **across all units and segments**



Successful efficiency measures reflected in improved financial metrics

Admin expenses¹

- €58 m

- **Delivering SG&A savings** as planned
- Measures for next €150 m defined and in implementation
- FTEs identified and provisioned in Q4

Selling expenses²

- 10bp

- **Delivering SG&A savings** as planned...
- ... and despite significantly higher logistics costs during low Rhine water levels

R&D expenses

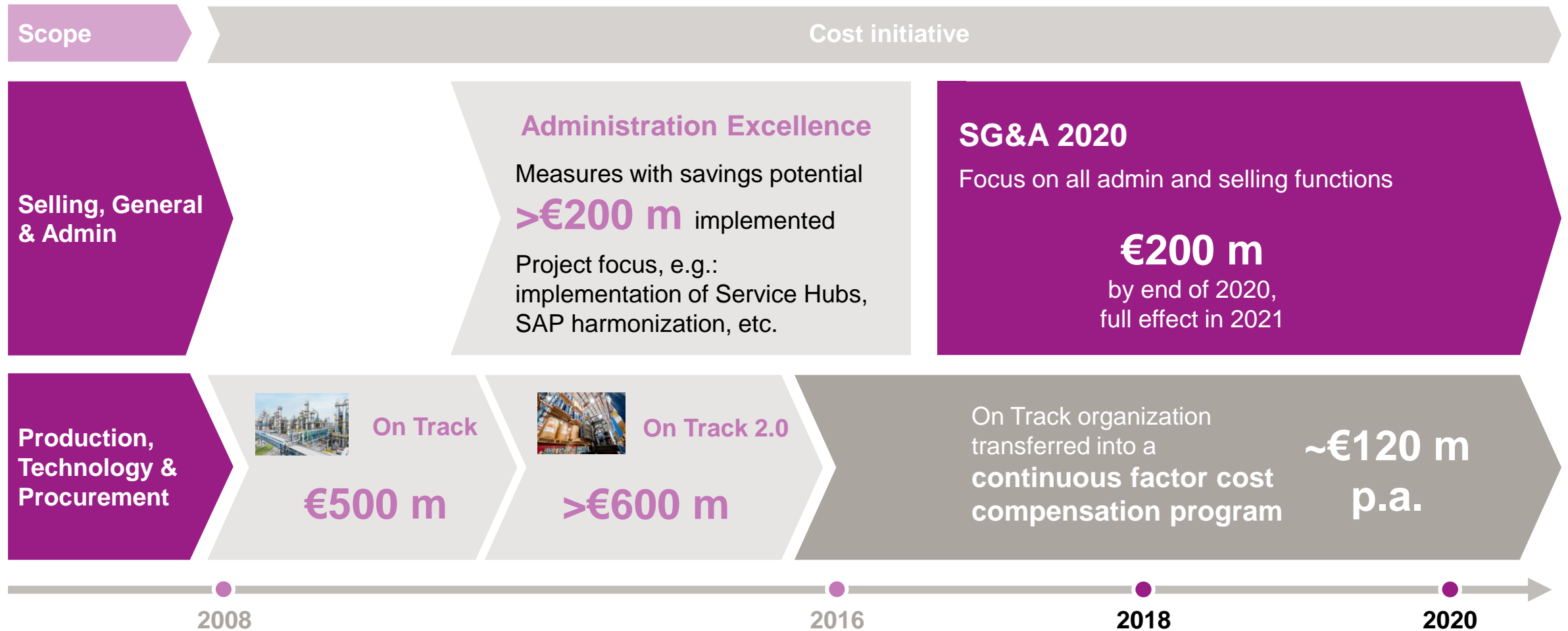
Stable at ~ €460 m

- More targeted R&D approach and focus on innovation growth fields
- At same time, **sales with new products³ increased** from 10 to 12%

1. FY 2018 P&L compared to prior year; 2. FY 2018 P&L in % of sales compared to prior year; 3. Products/applications younger than five years of overall sales

Recent cost initiatives

Program to achieve cost excellence in admin and selling initiated



Leading in Innovation

Innovation growth fields with tangible size already today – strong growth ahead

Innovation Growth Fields

Advanced Food Ingredients



Additive Manufacturing



Sustainable Nutrition



Membranes



Cosmetic Solutions

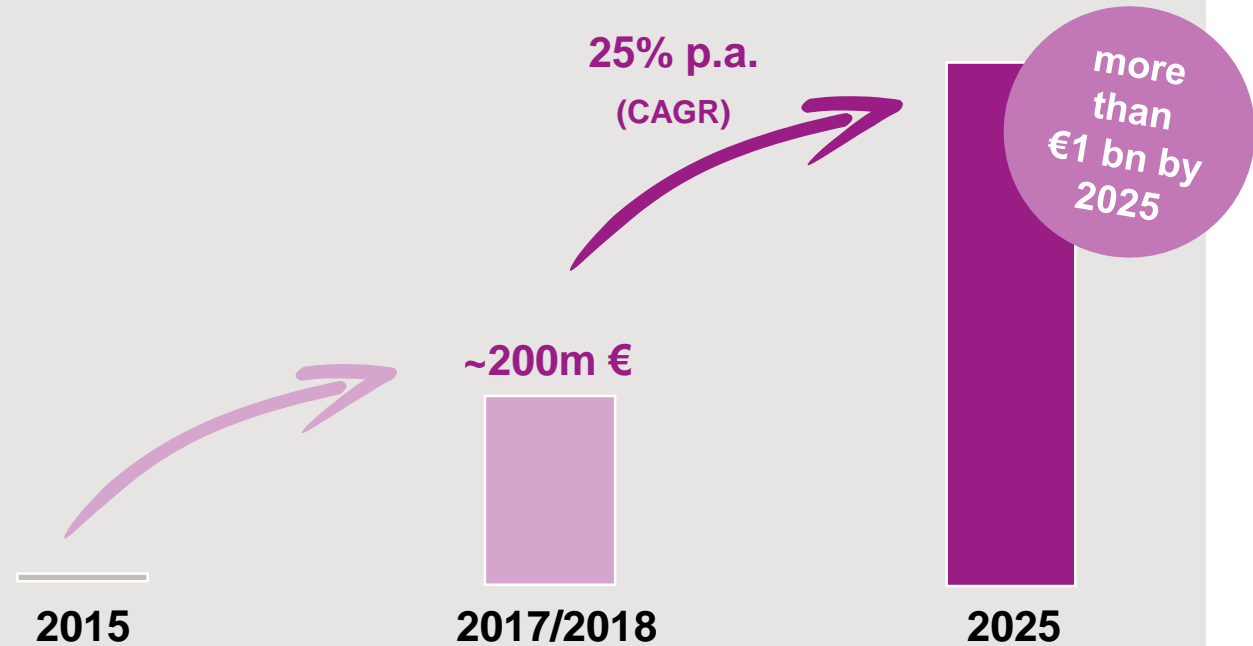


Healthcare Solutions



Sales contribution

Additional contribution to sales from Innovation Growth Fields



Open & performance-oriented culture

New corporate values and performance management system

New corporate values

- Guidelines for cultural change
- Introduced in September 2018, now drilled down into the organization

New performance management system

- Leaner process and strict alignment with Group financial targets on all levels
- Reach goals together rather than individually and in silos
- Clearer differentiation of individual performance levels
- To be implemented from 2019 onwards



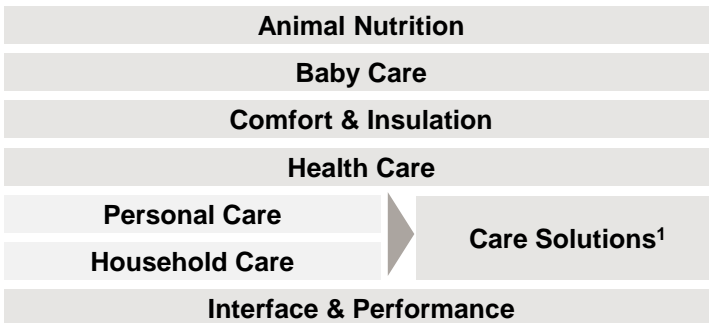
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Evonik Group

Number of BL's will be reduced from 22 to 17

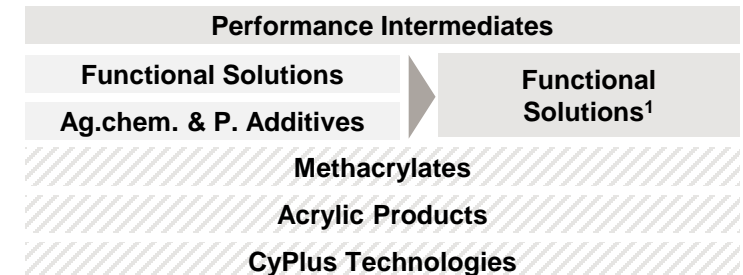
Nutrition & Care



Resource Efficiency



Performance Materials



Divestment process started

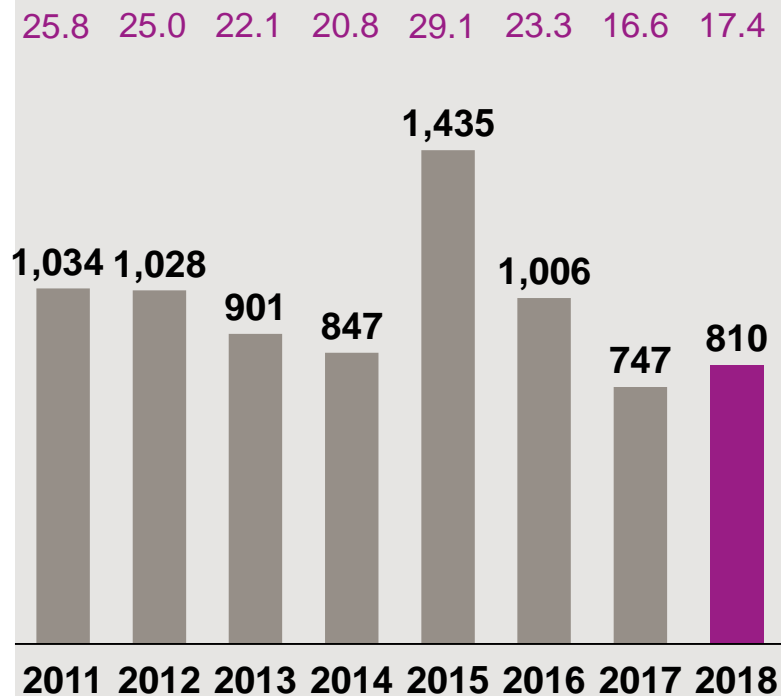
Nutrition & Care

Fulfilling human needs in a globalizing world

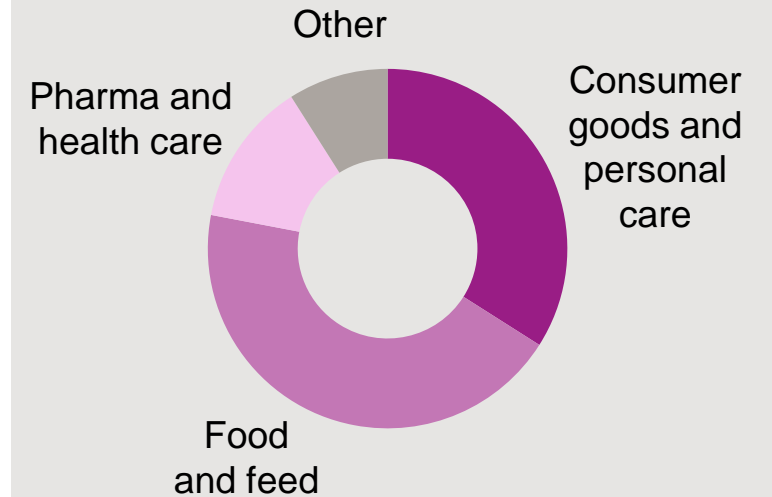
Key characteristics

- Long-term development is especially driven by **socioeconomic megatrends and sustainability**
- High degree of **customer intimacy and market know-how**
- Enabling our customers to deliver **differentiating solutions** in their markets
- **Excellent technology platforms**

Adj. EBITDA (€ m) and margin (%)



End market split



Nutrition & Care

Selected growth trends and products examples

Nutrition & Care produces specialty chemicals, principally for use in consumer goods for daily needs, in animal nutrition and in healthcare products

Growth example ***Smart Drug Delivery***



With smart drug delivery systems like EUDRAGIT®, active ingredients get to where they are needed in the body

Growth example ***Sustainable Nutrition***



With our amino acids and probiotics, we have an extensive offering of solutions for sustainable healthy nutrition of animals

Growth example ***Bio-based Cosmetics***



With RHEANCE®, we offer a multifunctional solution for gentle cleansing enabling 100% biodegradable skin and hair care products

Growth example ***Innovative Additives***



With our innovative additives based on organically modified silicones like TEGOSTAB® mattresses are more flexible

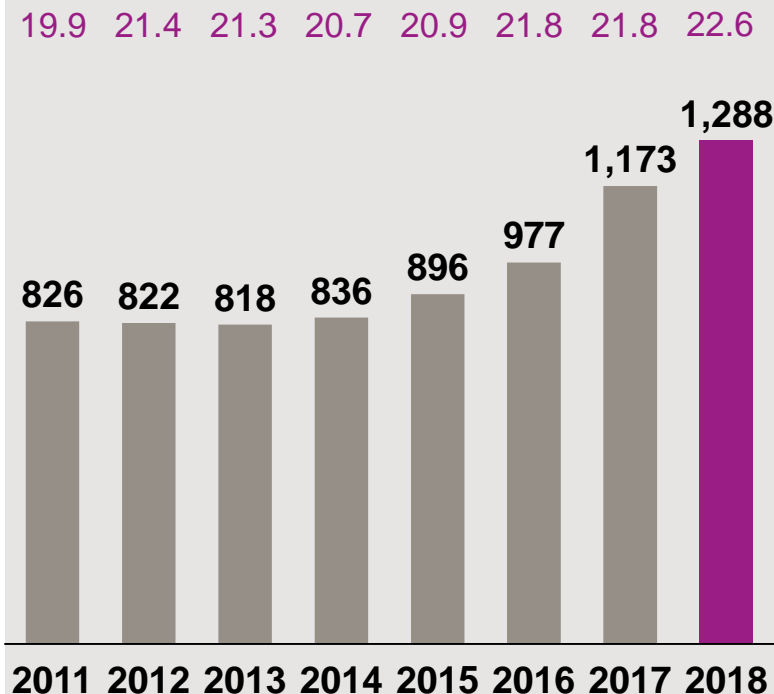
Resource Efficiency

Innovative products for resource-efficient solutions

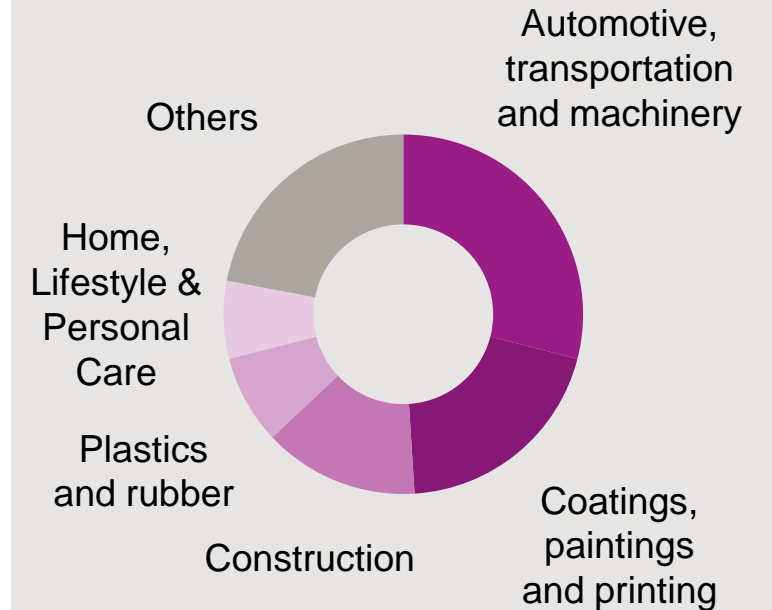
Key characteristics

- **High-value and resilient specialty business** with broad application scope
- 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 technology platforms, application know-how** and **innovation focus**

Adj. EBITDA (€ m) and margin (%)



End market split



Resource Efficiency

Selected growth trends and products examples

Resource Efficiency provides environment-friendly and energy-efficient system solutions, mainly for the automotive sector and for the paints, coatings and construction industries

Growth example ***Lightweight***



With high performance polymers like ROHACELL® or Polyamid 12, we make for example airplanes or cars lighter

Growth example ***Green Tires***



With our ULTRASIL® Silica/Silane technology, we reduce the rolling resistance of tires and help to save fuel

Growth example ***Eco-friendly Insulation***



With our purely mineral and fully recyclable insulation material CALOSTAT®, we insulate houses efficiently

Growth example ***Eco-friendly Coatings***



With our waterborne and solvent-free TEGO® applications, we make coatings environmentally friendly

Performance Materials

Integrated production platforms for efficient production of rubber and plastic intermediates

Key characteristics

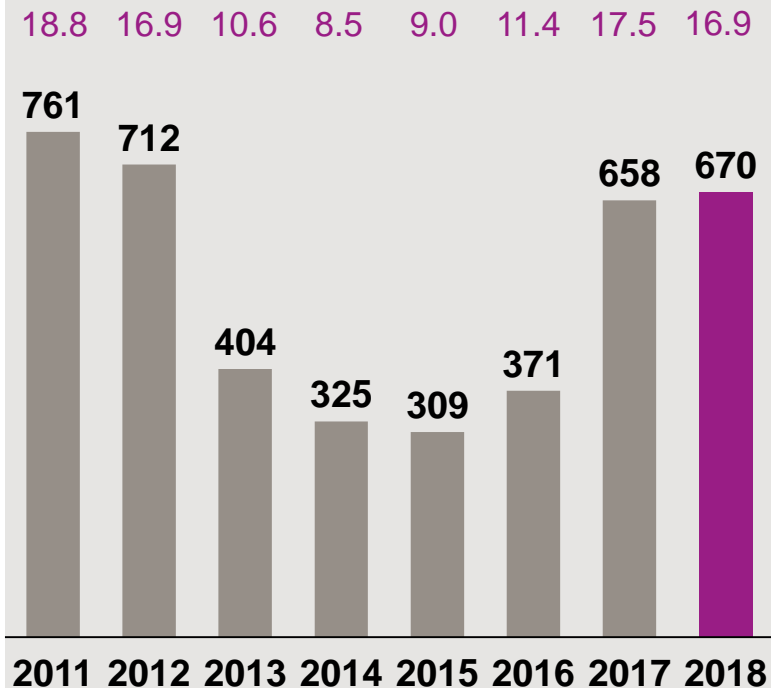
- Strong **integrated production platforms**
- **Leading cost positions**
- Favorable **raw material access**
- Focus on **continuous efficiency improvements**
- High degree of **supply reliability**

Key products

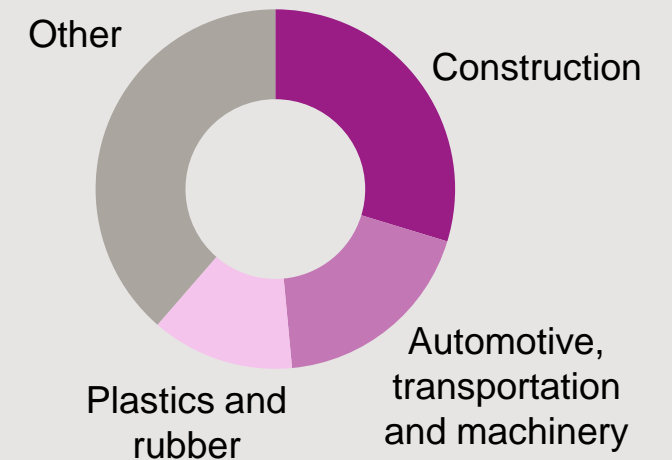
- Acrylic sheets, molding compounds (PMMA) and its precursors (MMA), e.g. for LED and touch screens
- Butadiene for synthetic rubber
- MTBE as fuel additive



Adj. EBITDA (€ m) and margin (%)

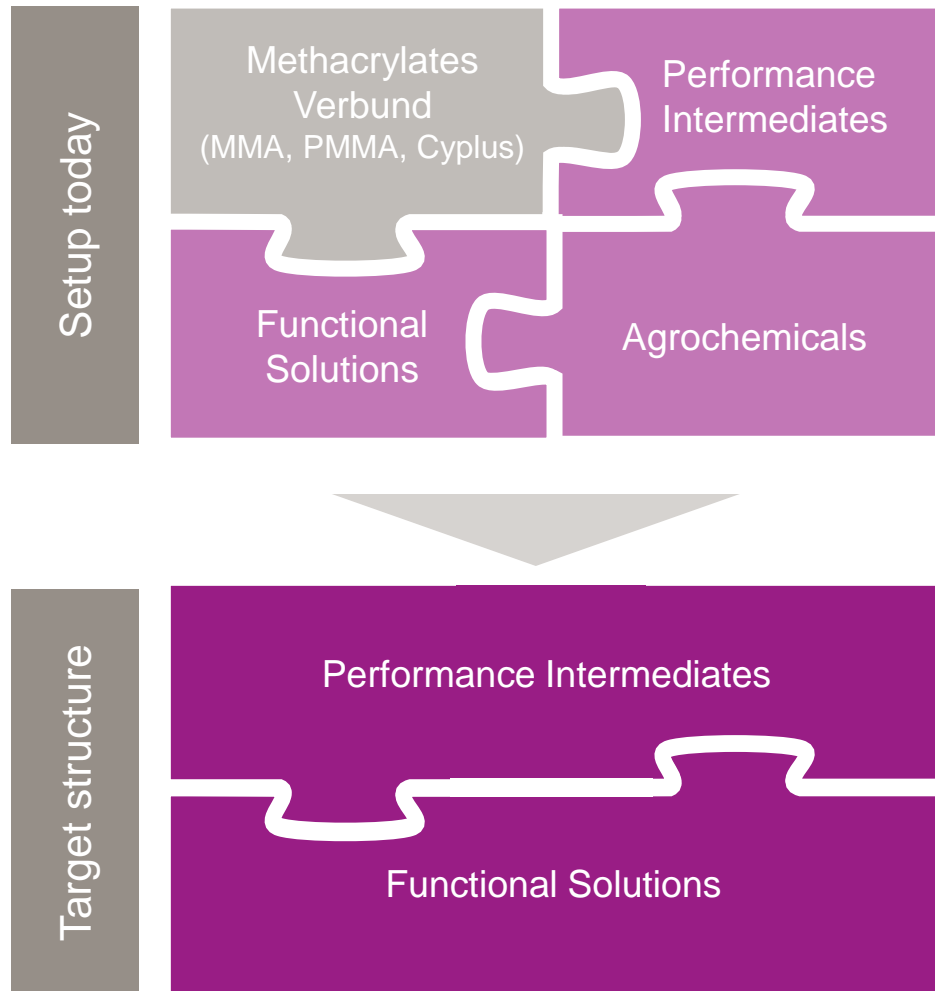


End market split



Streamlined setup of Performance Materials segment

Merger Functional Solutions & Agrochemicals business lines



Merger Functional Solutions & Agrochemicals: Bundling of competencies

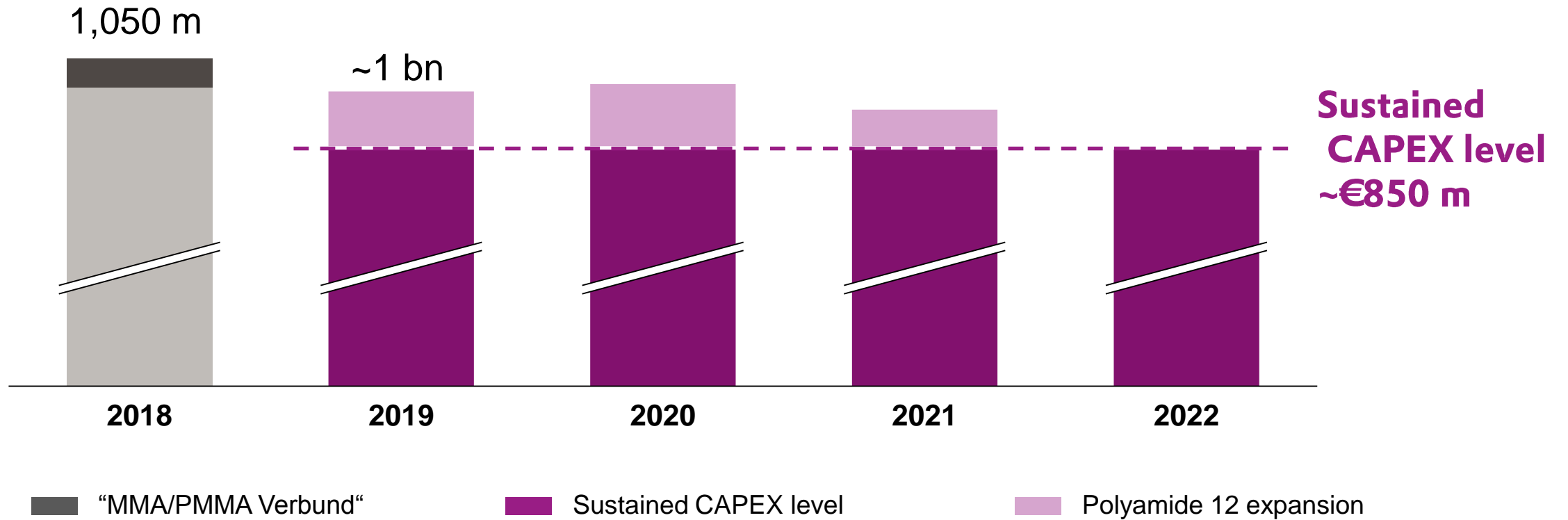
- **Complexity reduction:**
 - On segment level: Going forward, only 2 business lines in Performance Materials
 - On business line level: Reduction of product lines from 5 to 3 (in new Functional Solutions business line)
- **Efficiency improvement:**
 - Further optimization of Chlorine Verbund
 - More efficient supply chain organization
 - Bundling of mgmt. positions and support functions

Appendix

1. Strategy Details
2. Segment overview
- 3. Financials**
4. Upcoming events

Trimming down sustained CAPEX level to ~€850 m

CAPEX development (in € m)



Investments

Selective projects announced for 2018/2019

Investment projects successfully completed ...

Precipitated Silica plant

United States

Rationale: new capacity in response to high demand for silica from tire industry in North America (e.g. green tires)



PA12 powder exp.

Germany

Rationale: additional capacities target highly attractive growth markets (e.g. 3-D printing) and solidifies leading market position for PA 12



Specialty silicones plant

China

Rationale: local production increases flexibility in the fast growing market for specialty silicones (e.g. used in polyurethane, paints, and coatings)



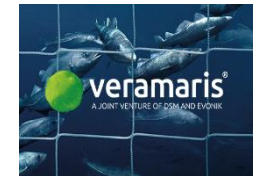
... and projects with start-up planned for 2019

Veramaris JV (Green Ocean)

United States

Start-up: 2019

Volume: ~€100 m



Extension of fumed silica

Belgium

Start-up: 2019

Volume: upper double-digit million €



New methionine plant (Me6)

Singapore

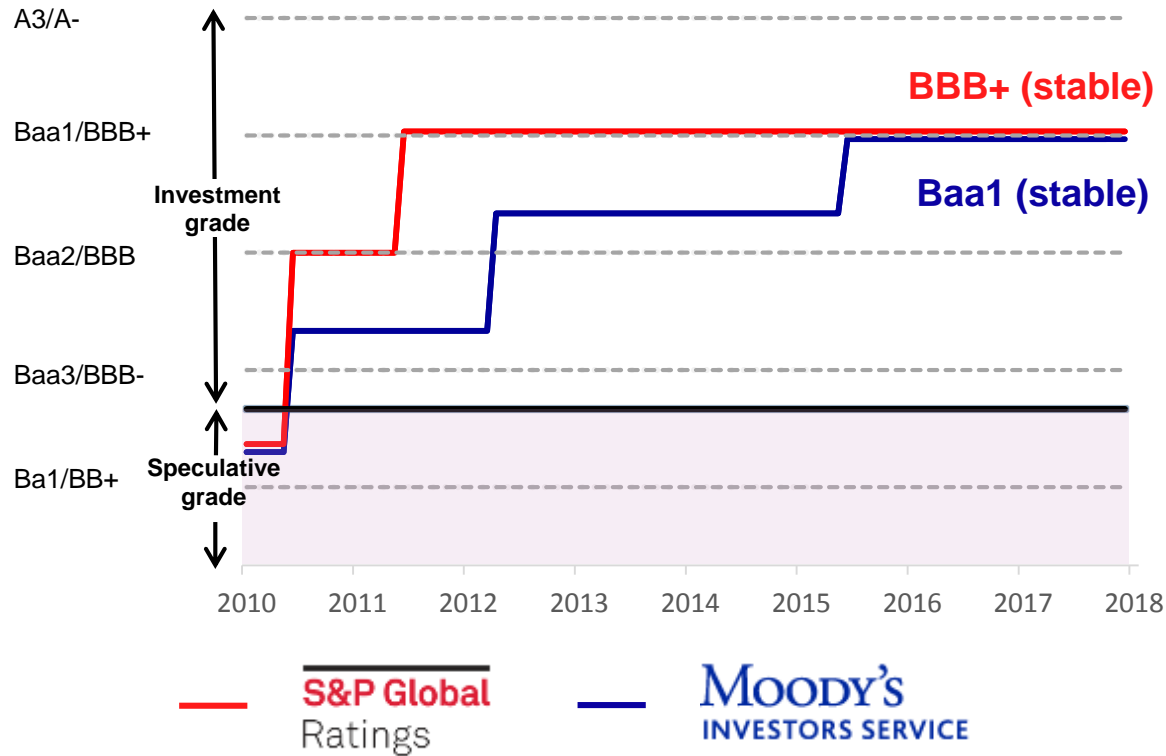
Start-up: 2019

Volume: >€500 m



Financial policy

Maintaining a solid investment grade rating



Successful track record of a strong rating from both rating agencies based on:

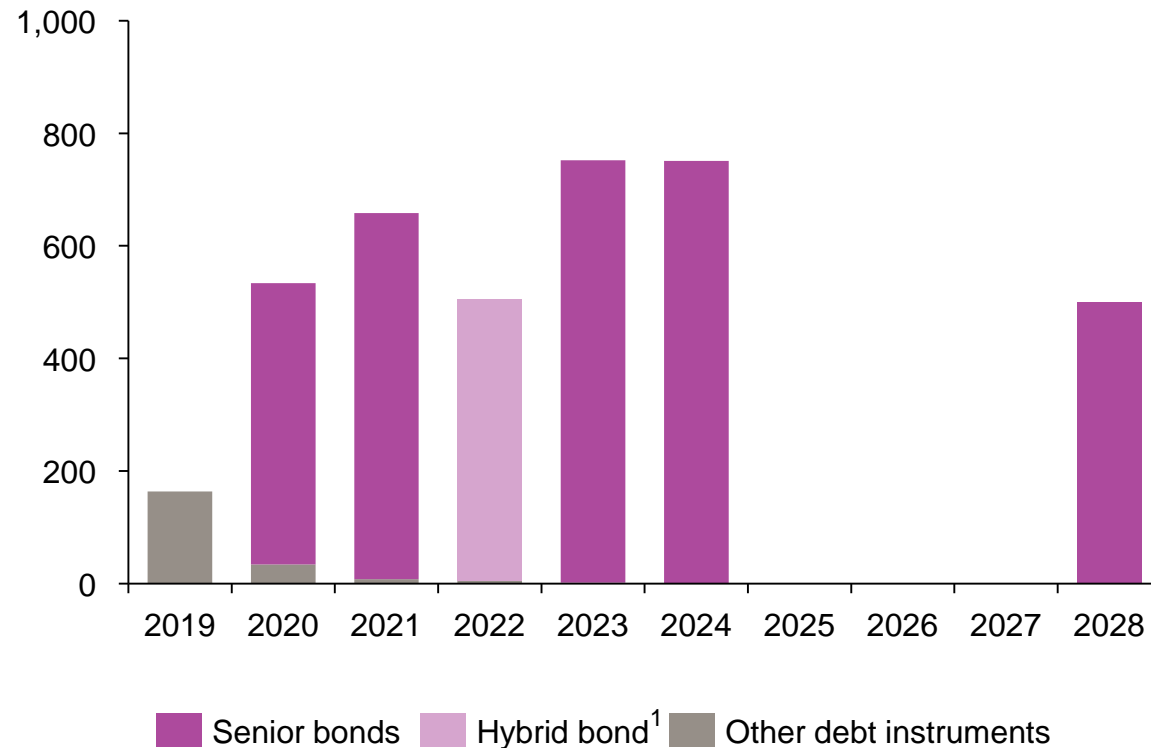
- Strong business profile underpinned by significant size and leading global market positions
- Greater-than-peer diversity in terms of end-markets and product range
- Supportive financial policy and management's commitment to a solid investment-grade rating

Maintaining a solid investment grade rating is a central element in our financing strategy

Debt structure

Well balanced maturity profile

(in € m as of December 31, 2018)



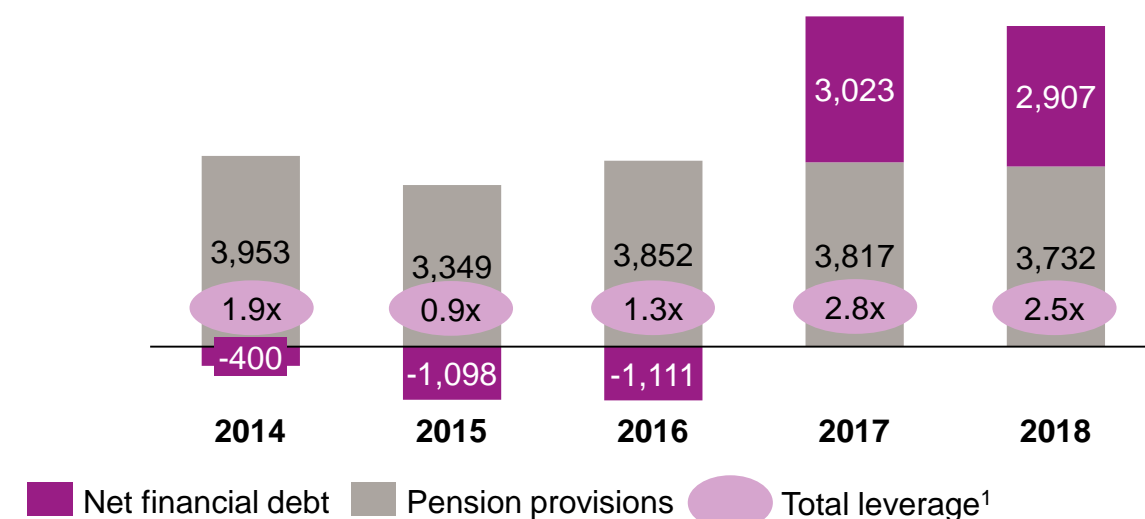
- Well balanced debt maturity profile with no single maturity greater than €750 m
- Long-term capital market financing secured at favorable conditions:
 - average coupon of 0.74% p.a. on €3.15 bn senior bonds
 - coupon of 2.125% p.a. on €0.5 bn hybrid bond
- Undrawn €1.75 bn syndicated revolving credit facility maturing June 2023 (plus one-year extension option) provides comfortable level of back-up liquidity

1. Formal lifetime of 60 years; first redemption right for Evonik in 2022

Development of net debt and leverage over time

(in € m)

Net debt	3,553	2,251	2,741	6,840	6,639
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- Net financial debt reduced in 2018 by €116 m due to good development of free cash flow
- Pension provisions slightly reduced in 2018 at a constant discount rate
- Net financial debt development 2017 mainly driven by acquisition-related purchase price payments (in particular APD and Huber Silica)
- Pension provisions are partly balanced by corresponding deferred tax assets of ~€1.2 bn
- More than half of total net debt consists of long-dated pension obligations (> 15 years) and depends on the discount rate

2.65	2.91	2.16	2.12	2.15
2.50	2.75	2.00	2.00	2.00

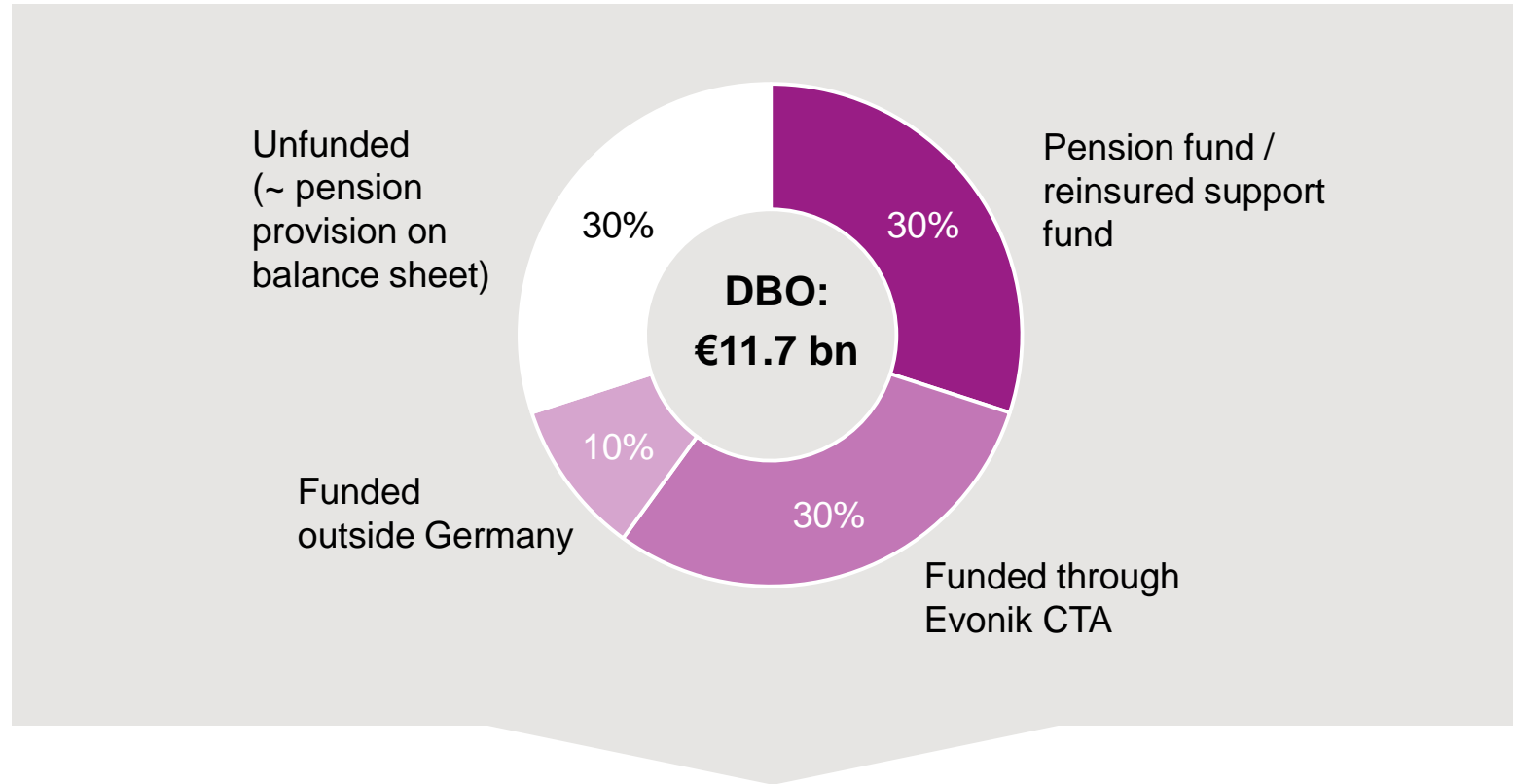
Evonik Group global discount rate (in %)²

Evonik discount rate for Germany (in %)

1. Total leverage defined as (net financial debt - 50% hybrid bond + pension provisions) / adj. EBITDA LTM | 2. Calculated annually

Pensions

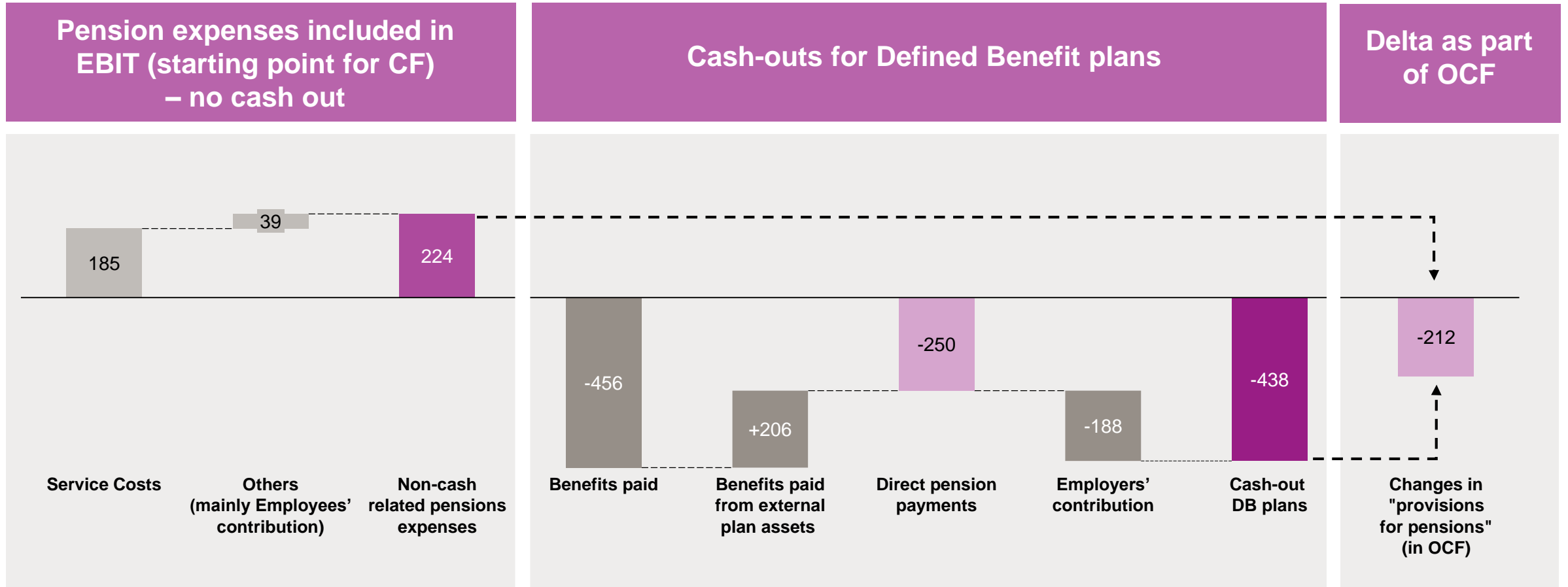
Pension funding overview as of 31 December 2018



- Pensions very long-term, patient debt (>16 years) with no funding obligations in Germany
- DBO level of €11.7 bn yoy stable (interest rate unchanged at 2.00%)
- Funding ratio at ~70% mainly due to positive development of pension asset

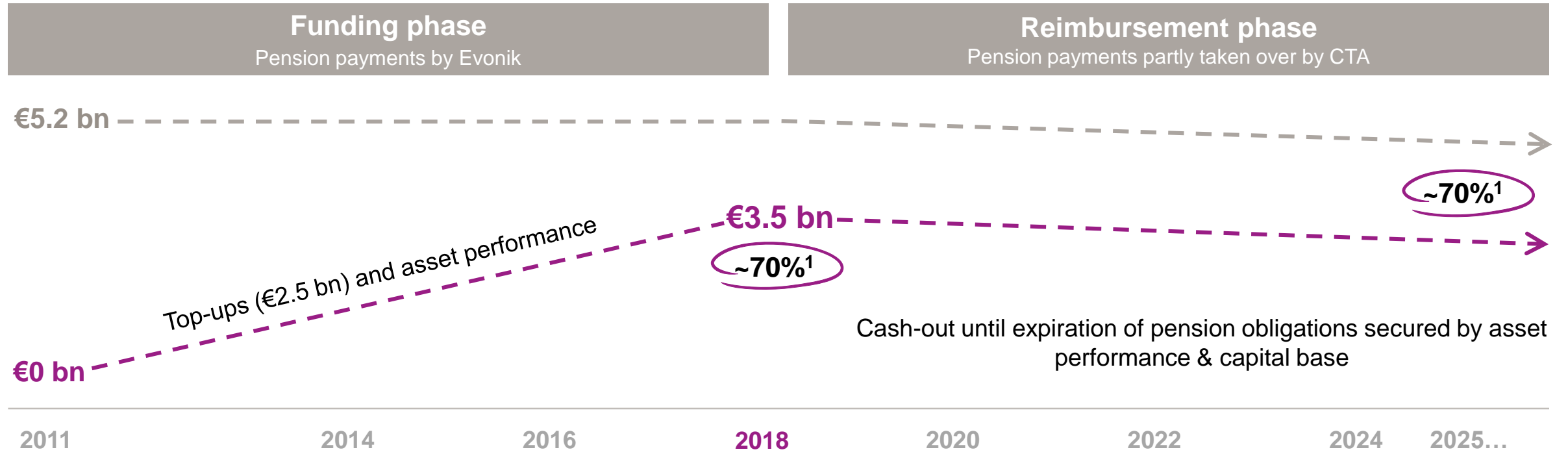
Funding level at ~70%

Transition of “Changes in provisions for pensions” in Operating Cash Flow



Pensions: Sustainable free cash flow improvement

Strong CTA performance as a basis for reimbursements without further top-ups

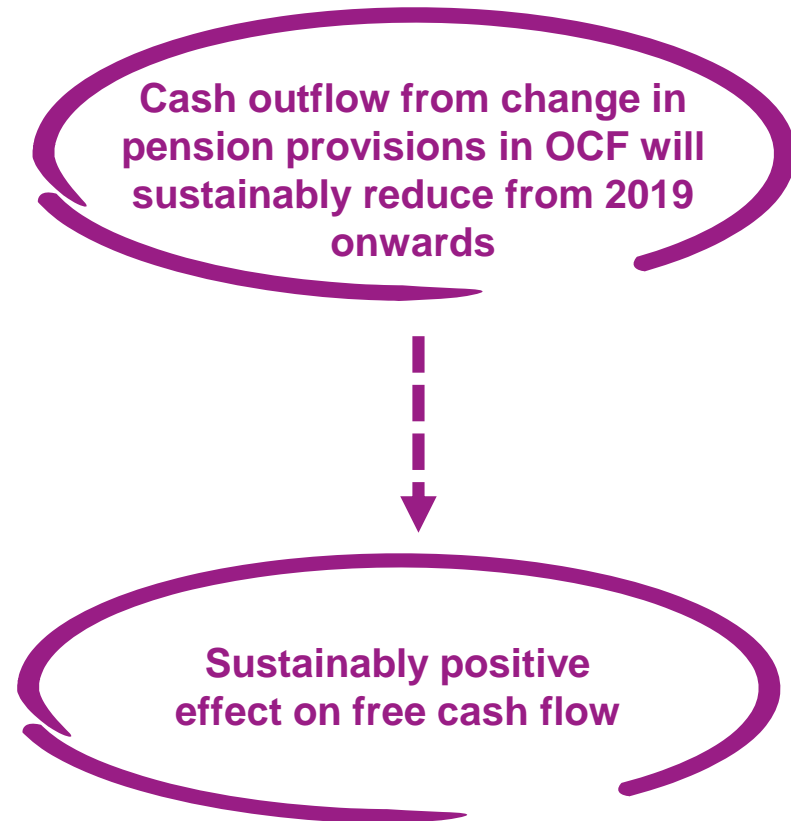


Sustainably positive effect on FCF: ~€100 m from 2019 onwards

1. Funding ratio | - · - · Development of CTA assets - - - Pension obligations in CTA

Impact on Cash flow statement

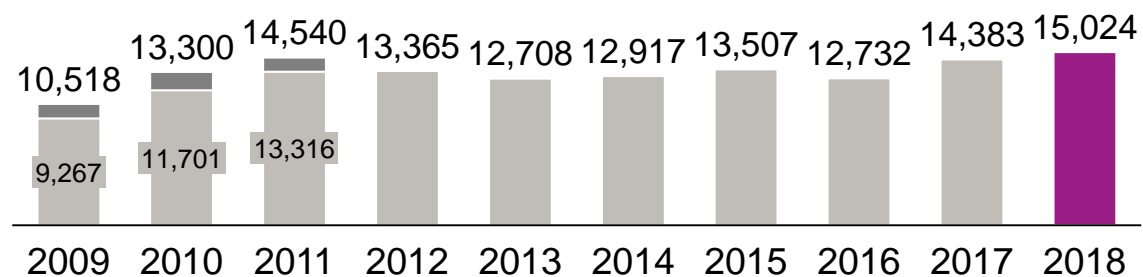
in € m	Change in 2019
Income before financial result and income taxes	
Depreciation and amortization	
Δ Net working capital	
Change in provisions for pensions and other post-employment benefits	+ ~€100 m
Change in other provisions	
Change in miscellaneous assets/liabilities	
Cash outflows from income taxes	
Others	
Cash flow from operating activities	+ ~€100 m
Cash inflows/outflows for investment in/divestments of intangible assets, pp&e	
Free Cash Flow	+ ~€100 m



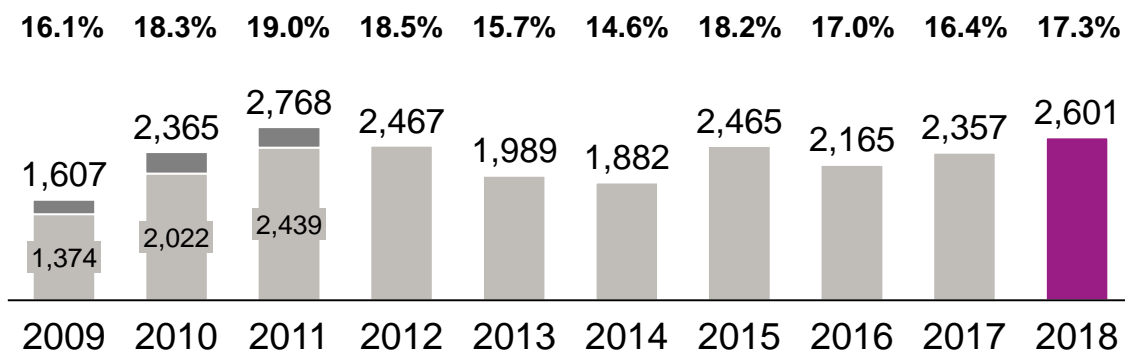
Financial track record

Sales (in € m)

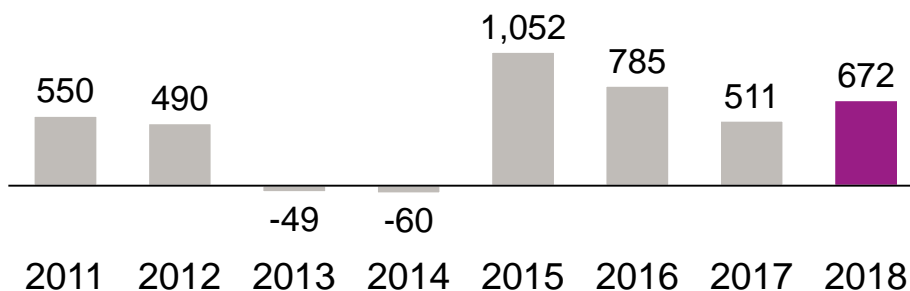
■ Carbon Black/Real Estate



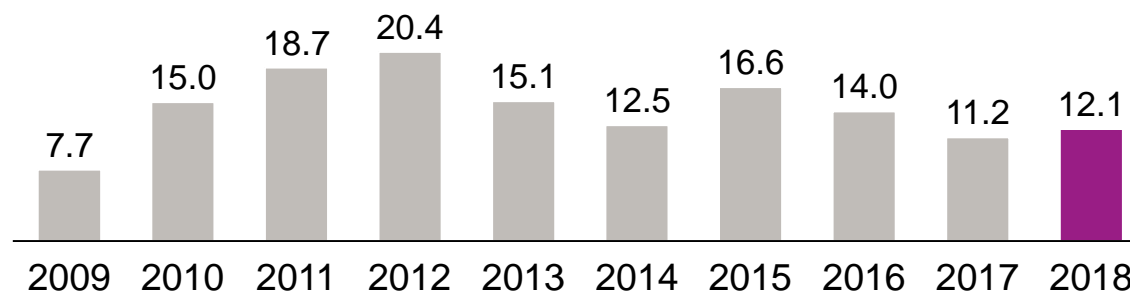
Adj. EBITDA (in € m) / margin¹



Free Cash Flow (in € m)



ROCE (in %)



1. Excluding Carbon Black

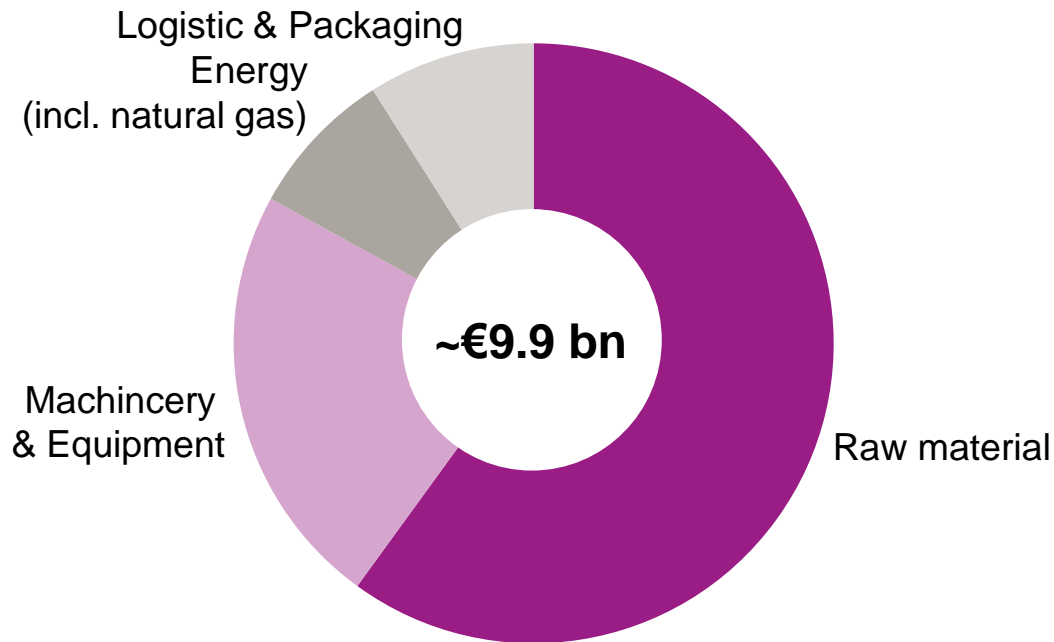
Segment overview by quarter

Sales (in € m)	Q1/17	Q2/17	Q3/17	Q4/17	FY 2017	Q1/18	Q2/18	Q3/18	Q4/18	FY 2018
Nutrition & Care	1,120	1,163	1,110	1,114	4,507	1,119	1,189	1,167	1,172	4,646
Resource Efficiency	1,360	1,367	1,358	1,308	5,393	1,398	1,481	1,426	1,404	5,709
Performance Materials	959	910	913	970	3,751	995	1,025	1,034	922	3,976
Services	193	174	172	178	717	163	172	164	178	677
Corporate / Others	4	4	3	3	15	3	3	3	6	16
Evonik Group	3,636	3,618	3,556	3,573	14,383	3,678	3,870	3,794	3,681	15,024

Adj. EBITDA (in € m)	Q1/17	Q2/17	Q3/17	Q4/17	FY 2017	Q1/18	Q2/18	Q3/18	Q4/18	FY 2018
Nutrition & Care	187	201	188	172	747	209	222	212	167	810
Resource Efficiency	297	318	311	247	1,173	325	366	338	259	1,288
Performance Materials	157	168	172	161	658	179	196	172	124	670
Services	43	38	49	3	133	49	35	49	13	146
Corporate / Others	-89	-85	-80	-100	-354	-83	-77	-79	-74	-313
Evonik Group	595	640	640	483	2,357	679	742	692	487	2,601

Raw material split

Total procurement volume 2018 (in € m)



Breakdown of raw material spend¹ (examples)

Bio

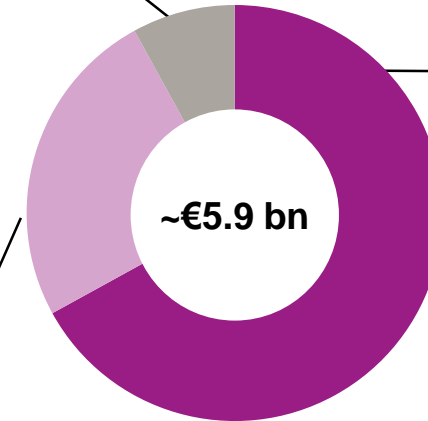
- Dextrose
- Fatty alcohols
- Tallow fatty acid
- Fatty acids
- tallow

Inorganic & other

- Sodium silicate
- Sodium hydroxide
- Silicon metal

Fossil

- Crack C4
- Propylene
- Acrylic acid
- Acetone
- Methanol



1. Raw material spend 60% of total procurement volume in 2018

Management compensation

<p>Fixed salary ~1/3</p>	<ul style="list-style-type: none"> ▪ To be paid in cash for each financial year on a monthly basis 	
<p>Bonus ~1/3</p>	<ul style="list-style-type: none"> ▪ Pay-out calculated on the basis of the achievement of focused KPIs; aligned to mid-term strategic targets: <ol style="list-style-type: none"> 1. Progression towards EBITDA margin target 2. EBITDA growth (yoy) 3. Contribution to group's FCF target 4. Accident performance 	<ul style="list-style-type: none"> ▪ Factor of between 0.8 and 1.2 to take into account the achievement of further individual targets ▪ Bonus capped at 200% of initial target
<p>Long-term incentive plan ~1/3</p>	<ul style="list-style-type: none"> ▪ Granted LTI target amount is calculated in virtual shares (4-year lock-up) ▪ Value of LTI to mirror the development of Evonik's share price (incl. dividends) ▪ Amount payable is determined by two performance elements 	<ul style="list-style-type: none"> ▪ Absolute performance: Real price of the Evonik share ▪ Relative performance against external index benchmark (MSCI Chemicals) ▪ Bonus capped at 300% of initial amount ▪ To be paid out in cash after lock-up period

Our sustainability targets 2019 and beyond

Strategy and Growth



- Anchor sustainability in strategy dialogues
- Review SDGs of relevance for Evonik (from 2020)

Value chain and Products



- Conduct sustainability analysis of our businesses using new methodology
- ≥ 20 supplier sustainability audits according to TfS¹⁾
- $> \text{€}1$ bn additional sales in six innovation growth fields (2025)

Governance and Compliance



- 20% women at 1st and 2nd management levels below executive board (year-end 2019)

Environment



- Reduce absolute scope 1 and scope 2 emissions by 50 percent²⁾ (2025)
- Introduce a global water management system, including site-specific action plans

Employees



- Analyze results of global employee survey
- Further support for diversity
- Occupational Health Performance Index ≥ 5

Safety



- Accident frequency rate ≤ 1.30
- Incident frequency rate ≤ 1.10

1) Under the shared audit principle of the „Together for Sustainability“ initiative 2) Reference base: 2008

UN Sustainable Development Goals (SDGs)

Our contributions to the SDGs



2018: Most relevant SDGs for the Evonik Group



Ratings & Rankings: Evonik well-positioned

- ✓ **Oekom Research** (Prime Standard B-)
- ✓ **Sustainalytics** (among Top 10 of chemicals sector)
- ✓ Together for Sustainability/**EcoVadis** (“Gold Standard”)
- ✓ **Dow Jones Sustainability Indices** **World** and **Europe**
- ✓ **FTSE4Good** Europe, FTSE4Good Global
- ✓ **STOXX**® Global ESG Leaders
- ✓ **MSCI** World ESG Leaders Index; Socially Responsible Index MSCI Europe
- ✓ **Vigeo Eiris** Euronext Index – Europe 120



Appendix

1. Strategy
2. Segment overview
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Upcoming IR events

Conferences & Roadshows

8 March 2019	Roadshow, Frankfurt
8 March 2019	Roadshow, London
14 March 2019	Goldman Sachs Chemicals Conference, London
15 March 2019	Roadshow, Edinburgh
19 March 2019	Exane Consumer Ingredients Conference, London
20 March 2019	Roadshow, Zurich
21 March 2019	Roadshow, Wien
28 March 2019	MainFirst Corporate Conference, Copenhagen
4 April 2019	Roadshow, New York

Upcoming Events & Reporting Dates

5 March 2019	FY 2018 reporting
7 May 2019	Q1 2019 reporting
28 May 2019	AGM
1 August 2019	Q2 2019 reporting
5 November 2019	Q3 2019 reporting

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