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**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

Key Financial Data: January 1 to December 31, 2018

Evonik more robust as strategy takes effect

* Promised and delivered: adjusted EBITDA climbs to

€2.6 billion

* Sales rise 4 percent to €15 billion
* Outlook for 2019: adjusted EBITDA to decline slightly or to remain stable, free cash flow to rise significantly

**Essen, Germany.** Evonik grew again strongly in 2018. Adjusted EBITDA increased 10 percent to €2.6 billion, compared with the previous year. All three chemical segments contributed to profit growth. The earnings forecast, that Evonik had raised after the first half of the year, was achieved despite external adversities in the second half of the year.

Sales rose 4 percent to €15 billion. The adjusted EBITDA margin climbed to 17.3 percent, about 1 percentage point higher than in 2017, taking Evonik a significant step towards its mid-term goal of earning a margin between 18 percent and 20 percent.

“Despite substantial external burdens, we delivered on our forecast for 2018,” said Christian Kullmann, chairman of the executive board of Evonik. “The consistent implementation of our strategy has shown Evonik to be more robust, even in times of a weaker global economy and unusual weather patterns.”   
  
At the annual shareholders’ meeting on May 28, the executive board and supervisory board will be proposing a dividend of €1.15 per share. Based on the closing share price at year-end 2018 that gives a dividend yield of 5.3 percent, positioning Evonik among the top chemical companies.

Adjusted net income for the year rose 29 percent to

€1.29 billion, reaching a record level. Evonik generated free cash flow of €672 million.

“We promised a considerably higher free cash flow for 2018 and we have delivered,” Chief Financial Officer Ute Wolf said. “This year we will continue to work on steadily improving our free cash flow.”

As announced in fall 2017, Evonik is optimizing its administrative and sales processes to permanently reduce costs by €200 million a year by the end of 2020. Savings of €50 million are already reflected in 2018 earnings and measures to achieve the remaining €150 million were identified during the course of last year.

With a new sustainability strategy 2020+, Evonik has set itself the goal of reducing its greenhouse gas emissions by 50 percent by 2025, using 2008 as a reference year. An internal price for CO2 will be taken into account for important investment decisions. At the same time, Evonik is expanding activities that will increase the share of products and solutions that have particular sustainability benefits. The company already generates about half of its sales from applications that have a proven contribution to improve resource efficiency for the customer.

Despite political uncertainties and weaker economic growth Evonik expects adjusted EBITDA in 2019 to be at about the level of 2018 or slightly lower.

“With the active honing of our portfolio and the sharpening of our cost awareness, Evonik is now in better shape to continue to drive transformation this year,” said Kullmann. “It’s not going to be an easy year but we are prepared to meet the challenges and will continue to build a best-in-class specialty chemicals company.”

**Segment performance**

**Resource Efficiency:** Sales at the segment rose 6 percent to €5.71 billion in 2018. The main driver was higher selling prices, partly due to the passing on of higher raw-materials costs, and the inclusion of the silica business of J.M. Huber, acquired in September 2017. Demand for coating additives as well as for polyamide 12 from the auto and 3D-printing industries boosted

sales at the segment. Adjusted EBITDA at Resource Efficiency increased 10 percent to €1.29 billion.

**Nutrition & Care:** Annual sales at the segment rose 3 percent to €4.65 billion as rising demand worldwide led to higher volumes and selling prices. Polymers for smart drug delivery systems in pharmaceutical applications were very successful at the healthcare business as were ingredients for personal care products. Although prices for essential amino acids for feed additives were below the previous year, sales remained stable because of higher volumes sold. The segment’s adjusted EBITDA rose 8 percent to €810 million.

**Performance Materials:** Sales for the year rose 6 percent to €3.98 billion at Performance Materials, mainly because of significantly higher selling prices. The methacrylates business developed very well on continuing good demand, especially from the coatings and auto industries, as well as tight market supply. In the second half of the year low water levels in the Rhine River limited the transport of raw materials and goods and led to higher logistics costs. Adjusted EBITDA at the segment increased 2 percent to

€670 million.





**About Evonik**

Evonik is one of the world leaders in specialty chemicals. The focus on more specialty businesses, 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 2018, the enterprise generated sales of €15 billion and an operating profit (adjusted EBITDA) of €2.6 billion.

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