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Key Financial Data: Third quarter 2018

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Good results in third quarter

- Sales up by 7 percent to €3.8 billion
- Adjusted EBITDA rises 8 percent to €692 million
- Full-year outlook for 2018 confirmed

Essen, Germany. Evonik increased adjusted EBITDA to €692 million in the third quarter of 2018 (prior-year: €640 million). The two growth segments – Nutrition & Care and Resource Efficiency – contributed considerable earnings growth, helping to increase profitability. The adjusted EBITDA margin improved to 18.2 percent compared with 18.0 percent in the same quarter of the previous year.

Sales increased to €3.8 billion in the third quarter (prior-year: €3.6 billion), largely due to higher selling prices. Adjusted net income rose 35 percent to €370 million, which corresponds to adjusted earnings per share of €0.79.

“We are consistently implementing our strategy,” says Christian Kullmann, Chairman of the Executive Board. “We will continue to actively shape our portfolio, bring innovations to the market and drive cultural change.”

Outlook confirmed

Evonik confirms its outlook, which it had raised after the first half of the year, for the fiscal year 2018 and is still expecting an adjusted EBITDA between €2.60 and €2.65 billion and sales to increase slightly (previous year: €14.4 billion). Evonik is sticking to its outlook for a noticeably higher free cash flow for 2018 compared to the prior year (€511 million).

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Robust demand in the majority of the relevant end-markets is expected to continue into the fourth quarter, especially for the growth segments Nutrition & Care and Resource Efficiency.

Development in the segments

Resource Efficiency: Sales at the segment increased by 5 percent to €1.4 billion in the third quarter, while adjusted EBITDA was 9 percent above the same quarter of the previous year at €338 million. The adjusted EBITDA margin in the segment increased to 23.7 percent from 22.9 percent. High demand for high-performance polymers used in lightweight design and for water-based, environmentally friendly paints and coatings boosted sales in the quarter.

Nutrition & Care: Segment sales rose 5 percent to €1.2 billion. Adjusted EBITDA rose by 13 percent to €212 million. The segment was able to significantly increase its adjusted EBITDA margin to 18.2 percent (prior-year: 16.9 percent). Demand remained high in the amino acids business for animal nutrition. The Personal Care and Health Care businesses continued to develop very well.

Performance Materials: Sales at the segment reached €1.0 billion in the third quarter, 13 percent above the previous-year quarter. Selling prices were higher, mainly due to the passing on of increased raw-materials costs. Low water levels in the Rhine River reduced transport volumes which had a negative impact on the flow of raw materials and goods. The methacrylate business enjoyed continued good demand, especially from the coatings and auto industries. The segment's adjusted EBITDA of €172 million was on the same level as the year-ago period while the adjusted EBITDA margin dropped to 16.6 percent from 18.8 percent.

Evonik Group: Excerpt from the income statement

(in € million)	Q3 2018	Q3 2017	Change in %	1-9 2018	1-9 2017	Change in %
Sales	3,794	3,556	7%	11,343	10,810	5%
Adjusted EBITDA	692	640	8%	2,114	1,874	13%
Adjusted EBIT	468	423	11%	1,462	1,245	17%
Adjustments	-19	-31		-63	-198	
Financial result	-42	-62		-141	-153	
Income before income taxes, continuing operations	407	330	23%	1,258	894	41%
Income taxes	-76	-101		-319	-278	
Income after taxes, continuing operations	331	229	45%	939	616	52%
Income after taxes, discontinued operations	3	2		4	4	
Income after taxes	334	231	45%	943	620	52%
thereof attributable to non-controlling interests	5	4		15	14	
Net Income	329	227	45%	928	606	53%
Adjusted net income	370	275	35%	1,057	816	30%

Prior-year figures restated.

Segment performance

(in € million)	Sales			Adjusted EBITDA		
	Q3 2018	Q3 2017	Change in %	Q3 2018	Q3 2017	Change in %
Nutrition & Care	1,167	1,110	5%	212	188	13%
Resource Efficiency	1,426	1,358	5%	338	311	9%
Performance Materials	1,034	913	13%	172	172	0%
Services	164	172	-5%	49	49	0%
Other operations	3	3		-79	-80	
Group	3,794	3,556	7%	692	640	8%
	Sales			Adjusted EBITDA		
	1-9 2018	1-9 2017	Change in %	1-9 2018	1-9 2017	Change in %
Nutrition & Care	3,474	3,393	2%	643	575	12%
Resource Efficiency	4,305	4,085	5%	1,029	926	11%
Performance Materials	3,054	2,781	10%	546	497	10%
Services	499	539	-7%	133	130	2%
Other operations	11	12		-237	-254	
Group	11,343	10,810	5%	2,114	1,874	13%

Prior-year figures restated.

Employees by segment

	30.09.2018	31.12.2017
Nutrition & Care	8,237	8,257
Resource Efficiency	10,318	10,260
Performance Materials	4,264	4,364
Services	12,979	13,021
Other operations	518	621
Evonik	36,316	36,523

About Evonik

Evonik is one of the world leaders in specialty chemicals. The focus on more specialty businesses, customer-orientated 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 2017, the enterprise generated sales of €14.4 billion and an operating profit (adjusted EBITDA) of €2.36 billion.

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