



“Let it flow.”

Business Line Oil Additives

Evonik Capital Markets Day 2014

Ralf Duessel
Head of BL Oil Additives
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Positioning within Resource Efficiency

Oil Additives as important contributor to portfolio of resource efficient customer solutions



Segment

Resource Efficiency

Sales: ~€3.8 bn

Adj. EBITDA / margin: ~€800 m / ~21%



Business Lines

Oil Additives (~15%)



Silica (~25% of segment sales)



Silanes (~10%)



Catalysts (~5%)



Active Oxygens (~10%)



Crosslinkers (~10%)



Coatings & Adhesive Resins (~10%)



Coating Additives (~5%)



High Performance Polymers (~10%)



Oil Additives at a glance

Leading global supplier of unique, high performance lubricant, fuel and refinery additives



#1

supplier of resource
efficient viscosity modifiers

25

largest lubricant
companies are all Evonik
customers

5%

R&D ratio (incl. technical
service)

>5 million

tons of CO₂ emissions
avoided through the use of
our technologies

GDP++

annual sales growth
over last 10 years

75%

diversity in management
positions

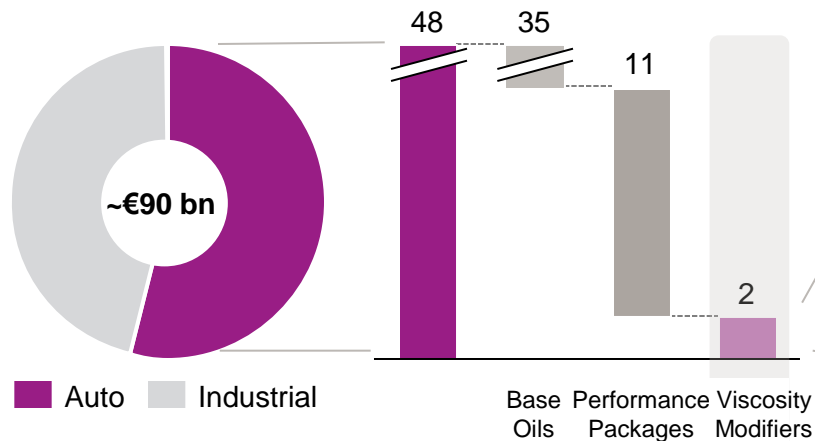
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Facts & figures

Well positioned in lubricant additives market

Lubricant market (in € bn)



Competitors



#1-2

Main competitors

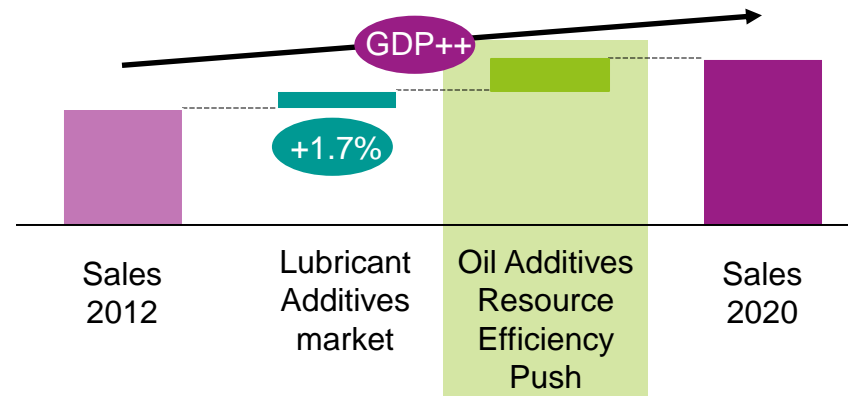
Lubrizol

Infineum

Oronite

Afton
CHEMICAL

Market growth

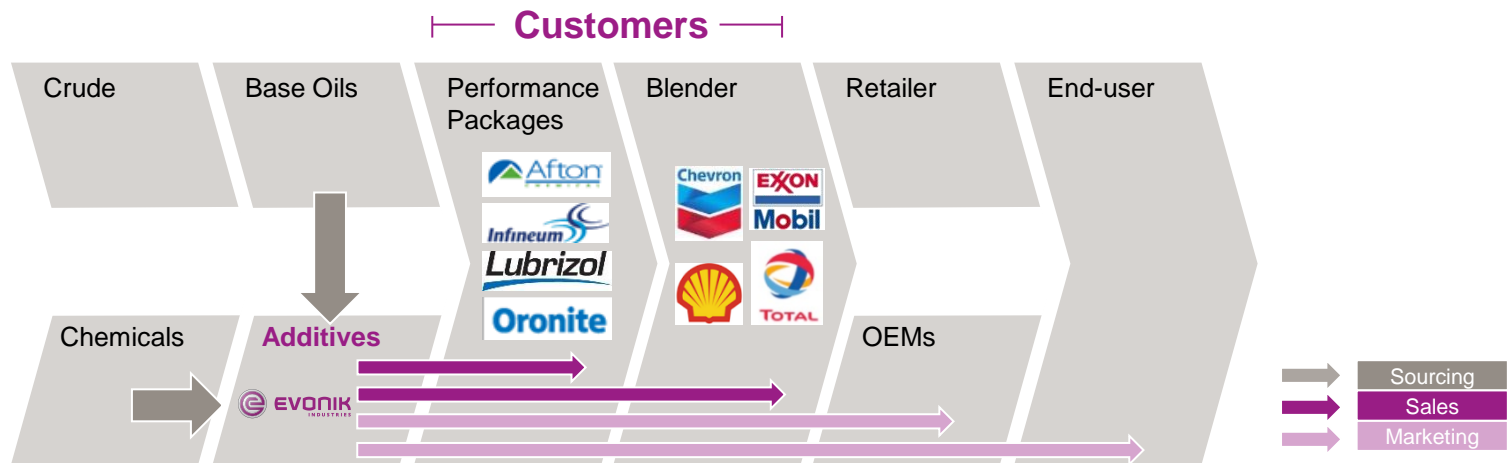


Facts & figures

Integrated supply chain with high customer intimacy and OEM reputation



Integrated supply chain with downstream relationships



- Integrated global supply chain and production network
- Technical support for customers, own R&D and product development capabilities
- Downstream OEM and end-user relationships and reputation

Facts & figures

Enabling our customers to improve resource efficiency of their products



A **DYNAVIS®** technology formulated hydraulic fluid saves up to **25%** with heavy stone milling.



DRIVON™ technology for transmission and engine oils can save the value chain up to **€ 600** per car.



NUFLUX™ technology for wind turbine gear oils deliver reliability, extended service life and reduce “oil cost” by up to **20%**

Facts & figures

Broad product portfolio improving friction, wear and flow performance of base fluids



Main products

Viscosity Index Improvers (VII)

Pour Point Depressants (PPD)

Cold Flow Improvers for Biodiesel

Synthetic Base Fluids

Application examples



Automotive: engine oil additives contribute to fuel economy, engine cleanliness and reduced wear.



Heavy machinery: additives in hydraulic fluids improve cold temperature performance and fuel economy.



Aviation: hydraulic fluids with improved fire resistance, reliability and safety.



Wind turbines: Gear oils for maximized energy yield and minimized wear in gearboxes.

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Key success factors

Tailor-made solutions based on deep understanding of customers' needs



Global reach

- 5 production plants around the globe
- 5 technical service facilities
- Sales force in >35 countries
- Strong Key Account Management

Technology leadership

- Core competencies include:
 - Deep understanding of applications
 - Hydrocarbon fluid viscometrics, rheology and tribology
 - Polymer design

Customer intimacy

- Novel technologies for formulation components and base fluids
- Tailor-made products improve friction, wear and flow performance
- Application- and solution-driven
- Strong focus on technical service
- Strong brand positioning



Customer intimacy

Example “DYNAVIS inside”



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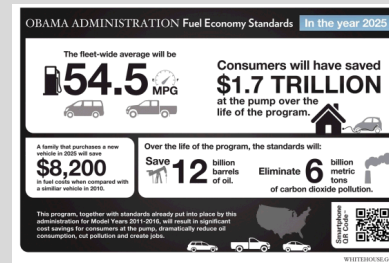
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Future growth drivers

Efficiency increases important criteria for lubricant customers

Efficiency increases are key to

- ▶ mitigate increase in emissions
- ▶ meet future governmental emission limits
- ▶ prolong lubricant life



Customers and competitors are focusing on efficiency and sustainability



Efficient lubricants will also play a more critical role to enable the use of renewable energies



Resource efficient lubricants require higher concentrations of performance additives

Future growth drivers

Broadening the scope of our portfolio

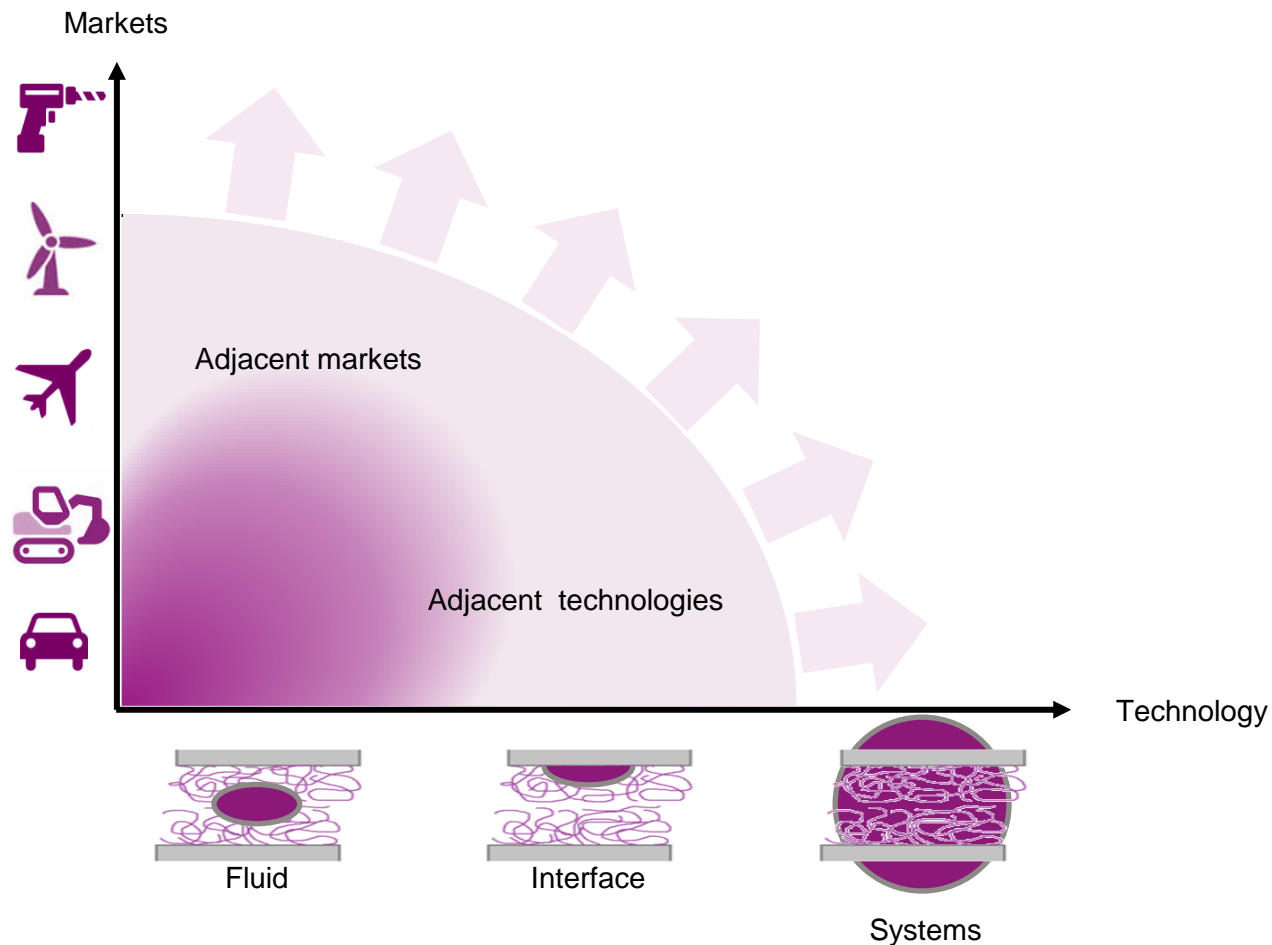


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Summary

Oil Additives well positioned to drive sustainable and profitable growth



- Leading global supplier of unique, high performance lubricant, fuel and refinery additives
- Integrated supply chain with high customer intimacy and OEM reputation
- Tailor-made solutions based on deep understanding of customers' needs
- Well positioned to drive future growth by
 - Resource Efficiency push in existing market,
 - and broadening of the portfolio into adjacent markets and technologies



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