

Field Trip

Animal Nutrition

Update on Evonik Group

Klaus Engel
Chief Executive Officer
Antwerp, 1 October, 2015



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Consistent & reliable execution of our strategy

Strong operational performance

- Considerable improvement in **adjusted EBITDA** in H1 2015 (+40% yoy)
- **Outlook raised:** adj. EBITDA of around €2.4 bn expected for FY 2015

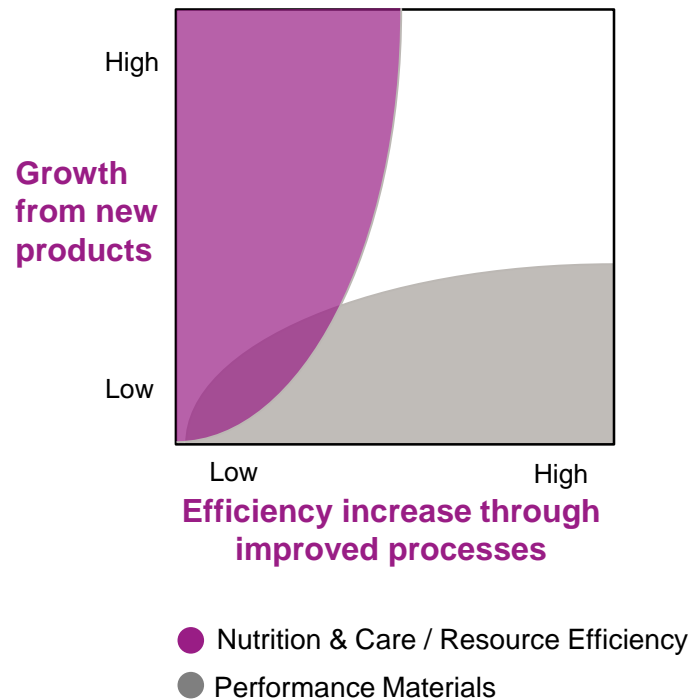
Portfolio profile sharpened

- New segment structure in place
- Management teams delivering on defined strategic roles

Innovation stimulating growth

- Innovation strategy aligned to new corporate structure
- Successful **rollout of innovation** enlarges market potential for our products

Strategic classification as basis for innovation strategies



Nutrition & Care / Resource Efficiency

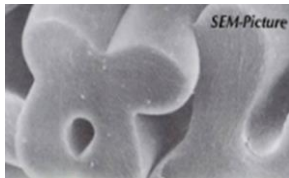
- Growth through innovations in new areas
- Incremental and disruptive innovations regarding products, processes and business models
- R&D/sales ratio above Evonik average

Performance Materials

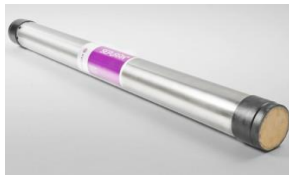
- Maintaining competitive position
- Focus on incremental optimization of processes and products
- Below-average R&D/sales ratio

Healthy innovation pipeline to spur growth

Example High Performance Polymers – Membranes for new markets



P84® Hot-gas filtration



SEPURAN® for biogas (2014)



SEPURAN® Technical gases (2015) and natural gas (2016)

- Development of polyimide hollow fibre for hot-gas filtration started in 2010
- Improvement to hollow polyimide fibres membrane modules
→ marketed under the SEPURAN® brand in the biogas market
- Presentation of SEPURAN® for separation of technical gases at this year's AICHE trade fair
- Further expansion into other gases ahead, e.g. fostering significant market potential in recovery of helium from natural gas

Further investment projects coming on stream

New oleochemical plants



Shanghai (China)

Capacity: 80 kt/a
Start-up: Q1 2014

Americana (Brazil)

Capacity: 50 kt/a
Opening: Fall 2014

- Production of ingredients for cosmetics and personal care products as well as fabric softeners
- Local customer base successfully established
- Tailor-made innovative products for customers
- Strong focus on R&D and application technology

Expansion of oil additives plant



Singapore

Capacity nearly doubled
Start-up: Spring 2015

- Expansion addresses rising demand for high-performance lubricants
- Growth drivers:
 - Increasing mobility in Asia
 - Stronger focus on resource efficiency
- Strengthens competitiveness of Asian customers locally with individual solutions

Emerging Regions as growth drivers: Evonik well positioned in China's "New Normal"



China's "New Normal"

- Medium-high growth rate
- Innovation-driven growth instead of factor-driven growth
- Change of economic structure and upgrading of industry
- Focus on value creation and sustainable development

**Continuing
Evonik
growth track
record in
China**

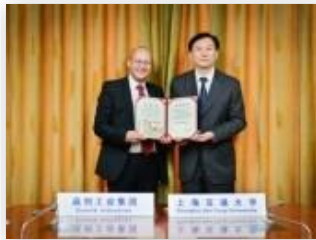
Evonik in Greater China

- Wide ranging products and solutions geared to megatrends and sustainable solutions
- Well established local productions with high environmental standards
- Local innovation facilities, competencies and network
- Fully-fledged local organization with skilled and motivated employees



Local R&D activities support our growth in Asia

R&D activities in Asia



- Research & Development
- Technical services

Rationale:

- Specific regional customer needs require development of product applications in Asia as well as tailor-made technical service
- Attract and leverage top-quality know-how locally

Open innovation:

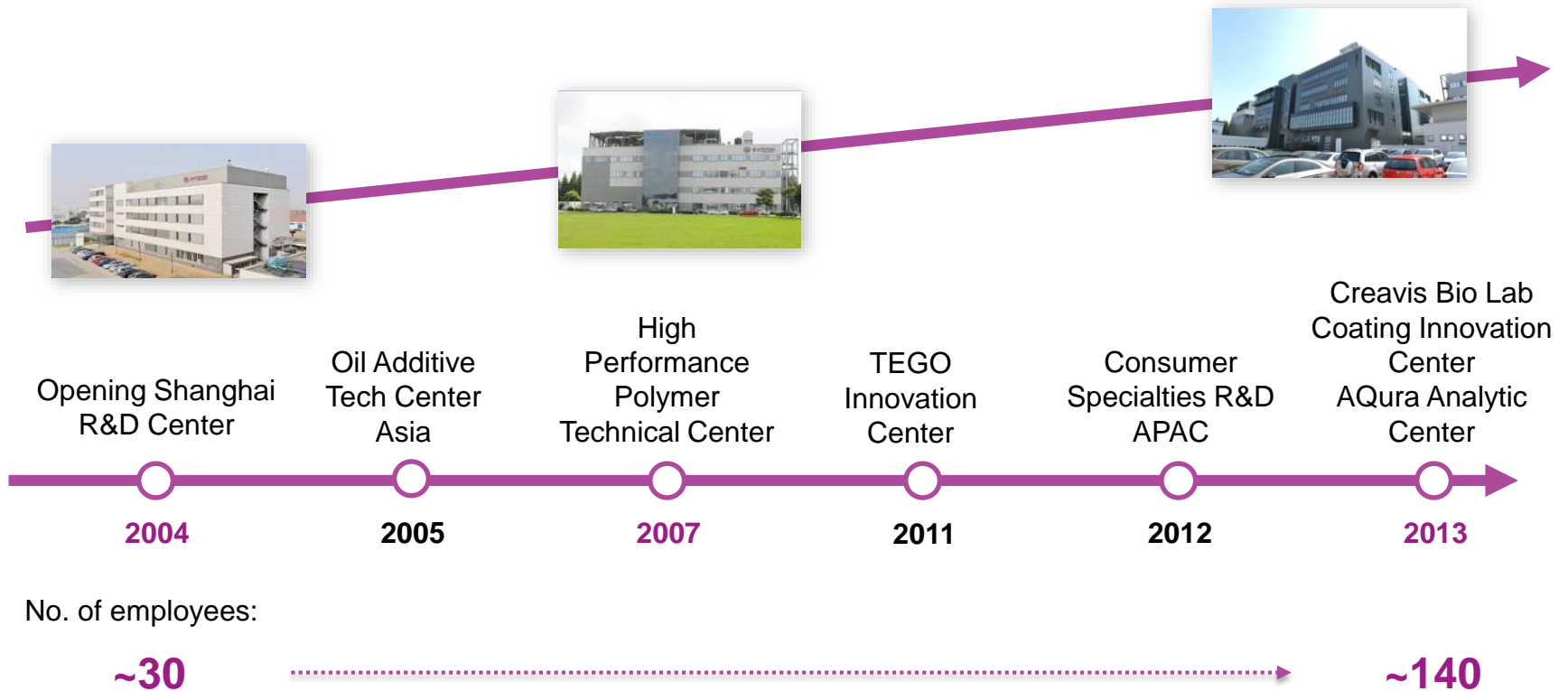
- Partnership with University of Shanghai, Tokyo and A*STAR in Singapore
- “Evonik Meets Science” Conferences (8 times)

Major R&D Centers:

- Hsinchu (Taiwan): Center for Light & Electronics
- Singapore: SEANZ hub
- Shanghai: 3 expansions since 2004

Shanghai R&D center as an innovation hub

Shanghai R&D – Three expansions within ten years





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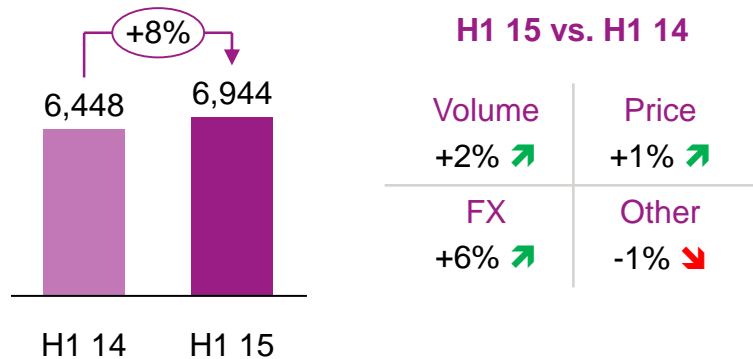
Ute Wolf
Chief Financial Officer
Antwerp, 1 October, 2015



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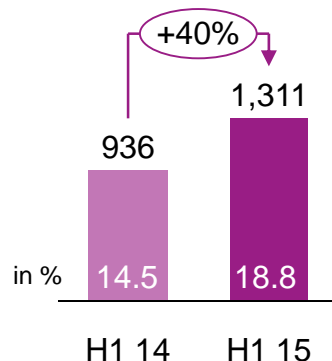
Strong financial performance in H1 2015

Sales (in € m)



- Strong organic growth of 3%
- Driven by growth segments Nutrition & Care (+19%) and Resource Efficiency (+4%)

Adj. EBITDA (in € m) / margin



- Strong increase in adj. EBITDA to €1,311 m (+40%)
- Attractive margin of 18.8%
- Three quarters of our Business Lines contributed with higher earnings (yoy)

Progressing in our growth-to-value-transformation



Efficiency gains and cost savings

- On Track 2.0 on the finish line – measures with savings potential of €450 m being implemented
- Admin Excellence well advanced, measures with ~ €150 m savings potential in implementation

Strong balance sheet and strict financial policy

- Strong operating cash flow generation (€612 m in H1 2015; €279 m in H1 2014)
- Solid investment grade rating as sustainable objective

Disciplined employment of funds

- Capex 2015 expected below prior year
- Attractive dividend policy to be continued

Spotlight Asia: Asia is more than China

South East Asia (SEA) as attractive growth region for Evonik

- Already strong presence in SEA core countries like Singapore, Indonesia and Thailand
- Strong footprint and market positions with core products like Amino Acids, Silica, Crosslinkers and Methacrylates
- Continuous expansion of production footprint, e.g. Methionine and Oil Additives in Singapore
- Demand growth in SEA supports ramp-up of new Chinese facilities, e.g. Oleochemicals or Crosslinkers in Shanghai
- Innovation center in Singapore with tangible results



Opening ceremony
Methionine plant, Singapore

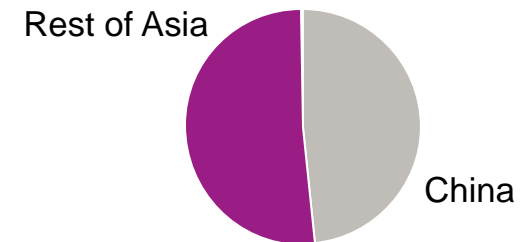


Opening ceremony Beauty & Care
Innovation Center, Singapore

Key Figures South East Asia

- 800 employees
- 7 production sites
- 2 representation offices
- 1 innovation hub

Sales split Asia



Spotlight Asia: Well-balanced business supported by structural growth drivers



PLEXIGLAS®

PMMA for noise barriers, design



Performance Materials

DL-METHIONINE

Amino Acids as essential nutrients in animal feed



Nutrition & Care

Emollients

Care Specialties for Cosmetics Industry



SIPERNAT®

Precipitated silica for battery separators, Pigments, Food Industry



Resource Efficiency

Oil Additives

Lubricant Additives for improved viscosity



Consistent & reliable execution of our strategy – Wrap up



Strong operational performance

- On the finish line for significant earnings improvement in 2015

Portfolio profile sharpened

- Management teams delivering on defined strategic roles

Further value creation stimulated

- Innovation power and focused investments as levers for sustainable growth



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