Business Line
Coating Additives

Evonik
Resource Efficiency Segment

January 2015
Evonik Group
22 Business Lines grouped in 3 segments

2015 financials; Business Lines ranked by turnover
January 2015
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<td>Key success factors</td>
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<td>3</td>
<td>Growth drivers</td>
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Business at a glance
Leading supplier for high performance additives and specialty resins

- Top #2 supplier for high performance additives and specialty resins
- 25 innovation partnerships with leading customers
- >450 tailor-made products for broad spectrum of applications in diversified end markets
- GDP++ annual sales growth over last 10 years
- >5% R&D ratio

January 2015
Global customer access
Customer service labs in all major regions

- Production sites
- Customer service labs
- Innovation centers

January 2015
Niche positioning in coatings & inks market
Attractive “low-volume – high impact” business

Market Split: Coatings & Inks [€ bn]

<table>
<thead>
<tr>
<th>Ingredients</th>
<th>Coatings &amp; Inks</th>
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<tr>
<td>~50</td>
<td>~100</td>
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Coatings & Inks Ingredients Market [€ bn]

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<tr>
<th>Ingredients</th>
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<tr>
<td>Total</td>
</tr>
<tr>
<td>Standard/Commodity Resins &amp; Additives</td>
</tr>
<tr>
<td>Solvents</td>
</tr>
<tr>
<td>Pigments/Fillers</td>
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<td>~1.5</td>
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CAGR 2013-2018:

- Total Ingredients: ~6%
- Standard/Commodity Resins & Additives: ~4%
- Solvents: ~4%
- Pigments/Fillers: ~1.5%

Main competitors:

BYK Additives & Instruments
Lubrizol
BASF
Dow Corning
## Major Applications and Functionalities

Broad application spectrum in diversified end markets

<table>
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<tr>
<th>Applications</th>
<th>Functionality examples</th>
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| Architectural Paints                | • Water protection of façade paints  
• Defoaming of wall paints            |
| Printing Inks                       | • Improved substrate wetting on packaging materials  
• Gloss increase of packaging inks for better appearance |
| Wood Coatings                       | • Stronger anti-blocking properties  
• Increased scratch resistance of parquet coatings |
| Pigment Concentrates                | • Increased color strength of pigment concentrates for color rich paints               |
| Industrial & Automotive Coatings    | • Longer lasting durability of industrial & automotive coatings, e.g. by better chemical and weathering resistance |
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1. Coating Additives at a glance
2. Key success factors
3. Growth drivers
Based on its extensive know-how in surface chemistry, Coating Additives delivers individual solutions to various issues of coatings and inks.
Partnering with customers
Joint development projects as key element of innovation partnership approach

Phase 1: Initiation
- Regular dialogue with customers; discussion of future projects
- Excl. development agreements
- Kick-off development project

Phase 2: Development
- Discussion of performance and other specifications
- Development of new structures and products based on specifications

Phase 3: Application testing
- Lab and field performance tests
- Detailed feedback and discussion of test results
- Tests at end customers

Phase 4: Business
- Final approval
- Final negotiations
- Start of production
- Delivery to the customer

Activities

- Iterative, multi step process

Customer functions
- Purchasing; Management

Evonik functions
- Key Account Mgmt.; Management

Partnering with customers
Joint development projects as key element of innovation partnership approach

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Future growth drivers
With its portfolio, Coating Additives addresses several important trends in coatings & inks market

<table>
<thead>
<tr>
<th>Trends and growth rates</th>
<th>Environmentally friendly coatings &amp; inks</th>
<th>Modular coating manufacturing</th>
<th>Coatings with increased durability</th>
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<tr>
<td></td>
<td>5% (waterborne paints)</td>
<td>7 – 8 % (universal grinding systems)</td>
<td>6% (High solid anti corrosion coatings)</td>
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<tr>
<td></td>
<td>7% (UV cured coatings)</td>
<td></td>
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<td>Solution examples from BL Coating Additive</td>
<td>TEGO® Foamex: High performance foam control agents</td>
<td>TEGO® Dispers: Dispersants for universal pigment concentrates</td>
<td>SILIKOPON®: Ultra high solid Si-hybrid resins for long-lasting coatings</td>
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Coating Additives offers innovative solutions to address current trends in the coatings industry
Coating Additives has set the course to continue the successful growth story in the future

- Leading global position with broad and attractive portfolio
- Mission-critical solutions with high value-added for end customers
- Close strategic customer relations and innovation partnerships
- Tailor-made solutions based on deep understanding of customers’ needs
- Strong growth opportunities by addressing current trends in the coatings industry