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**Evonik Industries AG**

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**Supervisory Board**Bernd Tönjes, Chairman  
Dr. Werner Müller, Honorary Chairman **Executive Board**Christian Kullmann, Chairman  
Dr. Harald Schwager, Deputy Chairman  
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Registered Office is Essen

Register Court Essen Local Court

Commercial Registry B 19474

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Key Financial Data:

First half/second quarter 2018

Strong results in second quarter

* Sales up by 7 percent to €3.9 billion
* Adjusted EBITDA rises 16 percent to €742 million
* Free cash flow climbs to €56 million (prior-year: -€192 million)

**Essen.** Evonik increased adjusted EBITDA to €742 million in the second quarter of 2018 (prior-year: €640 million). All three chemical segments contributed with excellent operational business development: All three segments were able to increase their adjusted EBITDA as well as EBITDA margin compared to the same quarter of the previous year. Evonik thereby confirms the preliminary results pre-released on July 17.

Sales increased to €3.9 billion in the second quarter (prior-year: €3.6 billion), largely due to higher sales volumes and higher selling prices. Adjusted net income was €354 million, which corresponds to adjusted earnings per share of €0.76. The adjusted EBITDA margin improved to 19.2 percent, 1.5 percentage points higher than in the same period of the previous year.  
  
Evonik is well on track in terms of free cash flow development. While free cash flow is usually negative in the second quarter because of variable compensation payments, it improved significantly by €248 million and was positive at €56 million (prior year: -€192 million). This was primarily due to improved operating income.

“We are pleased to confirm the strong results that we already pre-released,” says Christian Kullmann, Chairman of the Executive Board. “The implementation of strategic measures and a higher awareness of cost is increasingly reflected in our operating business development and a significantly improved cash flow.”

In the first half of the year 2018, Evonik generated sales of €7.5 billion and an adjusted EBITDA of €1.4 billion. Compared to the first half of 2017, sales rose by 4 percent, and adjusted EBITDA by   
15 percent. The adjusted EBITDA margin rose from 17.0 to 18.8 percent. Free cash flow rose significantly in the first half to €140 million (prior year: -€135 million).

**Outlook increased**

Based on its excellent performance in the first half of the year, Evonik increased its outlook for the fiscal year 2018 and is now expecting an adjusted EBITDA between €2.60 and €2.65 billion. The company had previously projected an adjusted EBITDA between €2.4 and €2.6 billion.

The outlook for free cash flow has also been increased. Evonik projects a noticeably higher free cash flow for the fiscal year 2018 compared to prior year (€511 million). The company had so far forecasted a free cash flow slightly above the level of 2017.

**Development in the segments**

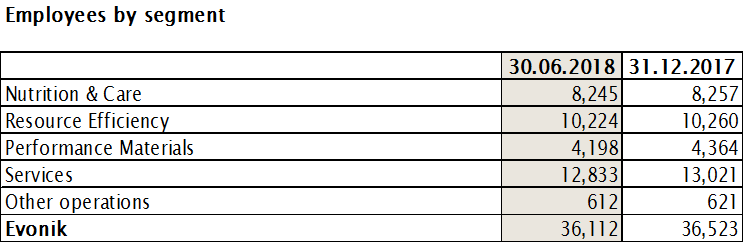
The **Resource Efficiency** segment continued its extremely stable and profitable development in the second quarter. Sales increased by 8 percent to €1.5 billion, while adjusted earnings were 15 percent above the same quarter of the previous year at €366 million. The adjusted EBITDA margin in the segment increased by 1.4 percentage points to an outstanding 24.7 percent. Overall, the segment benefited from high capacity utilization and continuing high demand for silica, high-performance polymers, including for lightweight design, and for water-based, environmentally friendly paints and coatings from the Coating Additives business line.

Sales in the **Nutrition & Care** segment were 2 percent above prior-year at €1.2 billion. Adjusted earnings rose by 10 percent to €222 million. The segment was able to significantly increase its adjusted EBITDA margin to 18.7 percent (prior-year: 17.3 percent). This was achieved with a consistent focus on higher-margin products, successfully passing on increased raw material costs, and strict cost reductions, especially in Animal Nutrition and Baby Care. In the amino acids business for animal nutrition, the market environment remained robust over the course of the reporting quarter. Sales volumes developed positively and were above those of the same quarter in the previous year. Sales prices continued the stabilization trend that had already been evident at the beginning of the year. Significant sales increases were also reported in Personal Care, which benefited from significantly higher volumes at an improved product mix. In the Health Care business pharmaceutical polymers and exclusive synthesis developed very well.

Sales in the **Performance Materials** segment reached €1.0 billion in the second quarter, 13 percent above the previous year. This was due to persistently high selling prices in the methacrylate business and an improved market environment for Performance Intermediates. The adjusted EBITDA improved by 17 percent to €196 million. The Performance Materials segment increased its adjusted EBITDA margin to 19.1 percent (prior-year: 18.5 percent).







**Company information**

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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