

Evonik “Meet the Management”: Strategy execution on track

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- Portfolio focused on four growth engines, with healthy balance of growth and financing businesses
- Complexity reduction and efficiency improvement via further portfolio streamlining
- Outlook for full-year 2018 confirmed

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Evonik is committed to build a best-in-class specialty chemicals company. At the “Meet the Management” event in London, Deputy CEO Harald Schwager today confirmed that strategy execution is on track. Evonik is focusing on a more balanced and specialty portfolio, leading innovation capabilities as well as a more open and performance-oriented culture.

In terms of portfolio, Evonik is further strengthening the growth businesses within Nutrition & Care and Resource Efficiency. “Our four growth engines are the essential building blocks of our specialty portfolio”, says Schwager. “At the same time, we are ensuring our healthy balance between growth and financing businesses.”

Evonik’s growth businesses serve highly attractive markets with above-average returns. By investing into these businesses, Evonik will keep pace with steadily growing customer demand. The financing businesses currently have low investment needs and stand for strong and stable cash returns.

Portfolio management at Evonik goes along with complexity reduction. Evonik’s target is to simplify the portfolio and thus reduce costs. With the measures currently in implementation, including the planned sale of the methacrylates business, the future portfolio will consist of just 17 business lines instead of the current 22.

The most recent example is the merger of the Household and Personal Care business lines into the new Care Solutions business line. “We will manage the business more consistently according to standard and specialty products, enabling an even more targeted customer approach. Furthermore, we will reduce complexity via a

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leaner organizational structure and a more efficient production setup”, says Reiner Beste, head of the Nutrition & Care segment.

With the recently announced sale of the US Jayhawk site, part of the Performance Materials segment, Evonik is taking another step towards optimizing the portfolio by divesting non-core assets and focusing on high-margin specialty chemicals businesses.

“We will continue to reallocate capital to our growth businesses via organic growth projects – like the recently announced investments in our silica or polyamide capacities. Our resilient specialty portfolio in the Resource Efficiency segment – in combination with continuous efficiency improvements and synergy realization – will further support our successful growth track record”, says Dr. Claus Rettig, head of the Resource Efficiency segment.

The stringent strategy execution is paying off and is reflected in accelerating financial performance: Based on the strong operational performance in the first half and the good start into the second half of the year, Evonik confirms its outlook for an adjusted EBITDA of between €2.6 billion and €2.65 billion for the full year 2018.

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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