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Key Financial Data:  
First half/second quarter 2017

## **Evonik on target after the first half of 2017**

- Sales grew 15 percent to €7.3 billion
- Adjusted EBITDA rose 8 percent to €1.25 billion
- Initial synergies from integration of the Air Products specialty additives business

**Essen.** Evonik grew sales to €7.3 billion in the first six months of 2017. The rise of 15 percent compared with the first half of 2016 was partly due to the first-time consolidation of the specialty additives business of the US company Air Products. Evonik acquired this business in January. Other reasons for the increase in sales were the significant rise in demand and slightly higher selling prices.

“Our business development is on target,” said Christian Kullmann, Chairman of the Executive Board. “Moreover, we are reaping the first benefits of the biggest acquisition in our history.”

Adjusted EBITDA rose 8 percent to €1.25 billion in the first six months, driven principally by better results in the Resource Efficiency and Performance Materials segments. Earnings in the Nutrition & Care segment were lower than in the prior-year period, mainly because of lower prices for feed additives.

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Adjusted net income increased 10 percent to €549 million, while adjusted earnings per share improved to €1.18. Net income slipped 3 percent to €394 million, principally as a result of one-time expenses in connection with the acquisition of the Air Products specialty additives business.

Integration of these units, which were acquired at the start of the year, is proceeding smoothly and successfully. Initial synergies were leveraged in the second quarter. Good progress is also being made with the acquisition of the silica business of US company J.M. Huber. Evonik expects to close this transaction as planned in the second half of 2017.

The company's net financial debt was €3.09 billion as of June 30, 2017. At the start of July, Evonik issued a hybrid bond for the first time. With a coupon of 2.125 percent, this was the cheapest ever Euro hybrid bond issued by an industrial company. The proceeds will be used to finance the acquisition of Huber's silica business. "The conditions achieved are further evidence that the capital markets have enormous confidence in our financial position," said Chief Financial Officer Ute Wolf. "We have a solid investment grade rating. And we want to keep that."

### **Outlook confirmed**

Evonik confirmed its forecast to increase both sales and operating profit for the full year 2017. Adjusted EBITDA is still expected to grow to between €2.2 billion and €2.4 billion (2016: €2.165 billion).

## Segment performance

**Resource Efficiency:** Sales increased 21 percent to €2.76 billion in the first half of 2017. 12 percentage points of this increase came from the first-time consolidation of the business acquired from Air Products. Prices were also slightly higher. Moreover, volumes were driven by high demand for silica, especially from the tire industry, for high-performance polymers, e.g. for 3D printing, and for oil additives for the automotive, construction and transportation industries, as well as for coating additives. Adjusted EBITDA rose by 19 percent to €628 million in the Resource Efficiency segment.

**Nutrition & Care:** Sales rose 5 percent to €2.28 billion in the first six months. This was attributable to the initial consolidation of the business acquired from Air Products, and to slight volume growth. On the downside, selling prices for feed additives were substantially lower than in the prior-year period. Adjusted EBITDA fell 31 percent to €385 million in the Nutrition & Care segment.

**Performance Materials:** Sales grew 18 percent to €1.89 billion in the first six months, and adjusted EBITDA almost doubled to €328 million. High demand and continued shortages in the supply chain, especially for butadiene and methylmethacrylate, resulted in higher selling prices. Successful implementation of restructuring measures also had a positive impact.

Evonik Group: Excerpt from the income statement

(in € million)	Q2 2017	Q2 2016	Change in %	H1 2017	H1 2016	Change in %
Sales	3,614	3,258	11	7,296	6,363	15
Adjusted EBITDA	635	585	9	1,247	1,150	8
Adjusted EBIT	429	406	6	834	795	5
Adjustments	-54	-47		-167	-59	
Financial result	-26	-93		-82	-128	
Income before income taxes, continuing operations	349	266	31	585	608	-4
Income taxes	-112	-97		-184	-195	
Income after taxes, continuing operations	237	169	40	401	413	-3
Income after taxes, discontinued operations	3	-1		3	-1	
Income after taxes	240	168	43	404	412	-2
thereof attributable to non-controlling interests	5	3		10	7	
<b>Net income</b>	<b>235</b>	<b>165</b>	<b>42</b>	<b>394</b>	<b>405</b>	<b>-3</b>
<b>Adjusted net income</b>	<b>289</b>	<b>246</b>	<b>17</b>	<b>549</b>	<b>501</b>	<b>10</b>

Prior-year figures restated

Segment performance

	Sales Q2			Adjusted EBITDA Q2		
	2017 € million	2016 € million	Change in %	2017 € million	2016 € million	Change in %
Nutrition & Care	1,151	1,111	4	196	264	-26
Resource Efficiency	1,368	1,156	18	318	270	18
Performance Materials	916	829	10	169	105	61
Services	174	163	7	35	33	6
Other operations / consolidation	5	-1		-83	-87	
<b>Group</b>	<b>3,614</b>	<b>3,258</b>	<b>11</b>	<b>635</b>	<b>585</b>	<b>9</b>

	Sales H1			Adjusted EBITDA H1		
	2017 € million	2016 € million	Change in %	2017 € million	2016 € million	Change in %
Nutrition & Care	2,275	2,157	5	385	557	-31
Resource Efficiency	2,759	2,276	21	628	526	19
Performance Materials	1,888	1,601	18	328	169	94
Services	367	330	11	76	68	12
Other operations / consolidation	7	-1		-170	-170	
<b>Group</b>	<b>7,296</b>	<b>6,363</b>	<b>15</b>	<b>1,247</b>	<b>1,150</b>	<b>8</b>

**Employees by segment**

	<b>June 30, 2017</b>	<b>Dec. 31, 2016</b>
Nutrition & Care	8,564	7,594
Resource Efficiency	9,140	8,928
Performance Materials	4,404	4,393
Services	12,725	12,892
Other operations	596	544
<b>Group</b>	<b>35,429</b>	<b>34,351</b>

**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 35,000 employees. In fiscal 2016, the enterprise generated sales of around €12.7 billion and an operating profit (adjusted EBITDA) of about €2.165 billion.

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