

Evonik optimizes structures to reduce bureaucracy and accelerate decision-making

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- Reduction of global administrative and selling expenses by €200 million until 2021
- First measures worth €50 million to be reflected in 2018 earnings

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Essen. In the course of executing its strategic agenda, Evonik will optimize its global processes and cost structures in administration and sales. The aim is to permanently save €200 million per year, which will be fully reflected in earnings as of 2021.

“We want to build a best-in-class specialty chemicals company,” says Christian Kullmann, chairman of the Executive Board. “That also requires bringing our costs in line with our aspiration.” Cost savings are to be achieved in the management holding, the four segments and the regions, and will make a contribution to reaching the target EBITDA margin of 18 to 20 percent. “We will increase cost discipline, reduce bureaucracy, and accelerate decision-making,” notes Kullmann.

For the year 2018, Evonik already has identified savings measures of €50 million, which will permanently relieve the overall cost base.

“In light of our free cash flow generation, our efforts in 2018 will initially concentrate on measures which can be implemented quickly and will not cause major one-off costs,” explains Ute Wolf, CFO of Evonik.

Evonik plans to address the further development and implementation of the measures in the coming months, working together with all relevant stakeholder groups.

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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 365,000 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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