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Building a Best-in-Class Specialty Chemicals Company

- Evonik portfolio to become more balanced and more specialty
- Performance-oriented corporate culture to be encouraged
- Company aims to strengthen its innovation pipeline
- Strategy to enable Evonik to accelerate growth and achieve a sustainable margin of 18–20%

London. Under new leadership, Evonik strives to build a best-in-class specialty chemicals company. Evonik aims to achieve profitable growth by making its portfolio more specialty and more balanced, strengthening its innovation power and driving a performance-oriented corporate culture.

“I am excited at the opportunities that lie ahead for Evonik,” Chief Executive Officer Christian Kullmann told analysts and investors at a strategy update in London. “We will enhance value creation for our stakeholders by sharpening our focus on specialty chemicals, driving innovation and encouraging a trustful corporate culture of measured risk-taking.”

With the help of these three levers, Evonik aims to grow sales volumes faster than global GDP. At the same time the company plans to lift its adjusted EBITDA margin into a sustainably higher range of 18 –20 percent, from a historic range of around 16 – 18 percent.

“We want to focus more strongly on businesses with a clear specialty chemicals character,” said Kullmann. “Going forward our portfolio will have a higher share of growth businesses.”

The company has identified four areas – specialty additives, animal nutrition, smart materials and health care – that have above-average growth and margin potential. These will be the focus of capital allocation.

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“Active portfolio management with regular strategic reviews as well as improved cost competitiveness will help the group achieve its growth and margin goals,” emphasized Chief Financial Officer Ute Wolf.

Evonik’s innovation pipeline will also drive improving profitability. The goal is for products and applications younger than five years to make up 16 percent of sales in the medium term. The company will sharpen the focus of its activities by intensifying collaboration with customers and along value chains.

Evonik aims for a corporate culture in which employees will take action and initiate change. The goal is to develop a more international and diverse mind-set that builds on trust, respect and openness.

“An ownership culture, in which every employee takes responsibility for the company’s success, is crucial to taking Evonik into the next phase of profitable growth,” said Kullmann. “Finding new ways of doing something and taking measured risks boosts the chances of achieving our ambitious targets.”

The new four-member management board will form a strong and aligned team with complementing strengths. Along with Christian Kullmann (48), Harald Schwager (56) will be joining Evonik on September 1 as the new deputy chairman of the executive board with responsibility for chemicals and innovation. Ute Wolf (49) and Thomas Wessel (54) will continue in their roles as Chief Financial Officer and Chief Human Resources Officer respectively.

Company information

Evonik, the creative industrial group from Germany, is one of the world leaders in specialty chemicals. Profitable growth and a sustained increase in the value of the company form the heart of Evonik’s corporate strategy. Evonik benefits specifically from its innovative prowess and integrated technology platforms. 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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