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| August 1, 2019  Tim Lange  Head of Investor Relations Phone +49 201 177-3150  tim.lange@evonik.com |
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**Evonik Industries AG**

Rellinghauser Straße 1-11

45128 Essen

Germany

Phone +49 201 177-01

Fax +49 201 177-3475

www.evonik.com

**Supervisory Board**  
Bernd Tönjes, Chairman  
**Executive Board**  
Christian Kullmann, Chairman  
Dr. Harald Schwager, Deputy Chairman  
Thomas Wessel, Ute Wolf

Registered Office is Essen

Register Court Essen Local Court

Commercial Registry B 19474

Key Financial Data:

First half/second quarter 2019

Evonik sticks to full-year outlook despite cooling economy

* Outlook for 2019 confirmed: Sales and adjusted EBITDA to remain at least stable
* Second-quarter sales and earnings below year-ago period
* Compared with the first quarter all three chemical segments increase earnings

**Essen, Germany**. Evonik is sticking to its full-year outlook despite an increasingly gloomy economic environment. The company expects sales and adjusted EBITDA from continued operations to remain at least stable compared with last year. In 2018 Evonik generated - not including the divested Methacrylates business - sales of €13.3 billion and adjusted EBITDA of €2.15 billion.

In the second quarter of this year sales declined 3 percent to €3.31 billion compared with the prior-year quarter. While sales volumes fell because of the weaker economy, Evonik was able to keep prices largely stable. Adjusted EBITDA fell 8 percent to

€566 million in the quarter. In comparison to the first quarter of 2019, all three of the company’s chemical segments were able to improve their earnings. For the second half of the year Evonik expects a continued solid development.

“We are on track and confirm our forecast,” said Christian Kullmann, chairman of Evonik’s executive board. “The cooling of world trade and an increasing weakness in major industries isn’t making it easier. Still, we are confident for the remainder of the year.”

In the first half, free cash flow reached €95 million. That is more than double the amount in the first half of 2018 (€46 million).

So Evonik is on track to meet its target for a significantly higher free cash flow for the full year.

“Strategically we have taken a big step forward with focusing our portfolio on specialty chemicals,” said Kullmann. “We invest in areas with stable and attractive growth perspectives and divest cyclical businesses when the time is right. That makes Evonik less exposed to economic cycles.”

As well as the sale of the Methacrylates business to Advent International, the company has reached another milestone. On

July 10, Veramaris, a joint venture between Evonik and Dutch company DSM, officially opened its production plant for omega-3 fatty acids needed for healthy salmon farming. A tangible earnings contribution from the project, which contributes to long-term sustainable animal nutrition and helps conserve biodiversity in the oceans, is expected from next year.

**Segment Performance**

**Resource Efficiency**: A weaker market environment for auto- and coatings-related businesses meant that sales at the segment declined 2 percent to €1.4 billion in the second quarter. Sales volumes at the Silica, Oil Additives and Coatings businesses were impacted by the economic weakness. The segment enjoyed higher demand for high performance polymers as well as for composite applications at the Crosslinkers business from the wind-energy market. Adjusted EBITDA dropped 9 percent to €325 million.

**Nutrition & Care**: Second-quarter sales decreased 5 percent to €1.31 billion at the segment. Demand for essential amino acids for animal nutrition remained high while selling prices were lower than the prior-year quarter. Adjusted EBITDA at the segment dropped 14 percent to €190 million on lower prices as well as ramp-up costs for the new methionine facility in Singapore.

Areas such as Care Solutions or Health Care that are closer to the consumer have shown their stability in a cyclically weaker environment.

**Performance Materials**: Sales in the second quarter decreased

4 percent to €594 million. Development at Performance Intermediates was hurt by a lower oil price as well as slightly lower selling prices. In contrast, at Functional Solutions the alkoxides developed well. Adjusted EBITDA at the segment fell 4 percent to €76 million.





**Company information**

Evonik is one of the world leaders in specialty chemicals. The focus on more specialty businesses, customer-oriented 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. In fiscal 2018, the enterprise with more than 32,000 employees generated sales of €13.3 billion and an operating profit (adjusted EBITDA) of €2.15 billion from continuing operations.

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