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| November 5, 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

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Key Financial Data: Third quarter 2019

Evonik confirms full-year earnings outlook despite ongoing weakness in global economy

* 2019: Adjusted EBITDA to remain at least stable
* Free cash flow outlook for full year confirmed and specified: around €700 million
* Q3: Sales and operating earnings below year-ago period
* Stricter cost discipline supports earnings

**Essen, Germany**. Evonik is sticking to its full-year earnings outlook despite an ongoing weakness in the global economy.

The company expects adjusted EBITDA to remain at least stable compared with last year. Sales are now expected to be slightly lower than the previous year because of lower demand. Evonik had expected sales to remain stable. In 2018 Evonik generated - excluding the divested Methacrylates business - sales of

€13.3 billion and adjusted EBITDA of €2.15 billion.

“We prepared ourselves at an early stage with stricter cost discipline and additional contingency measures for a cooling global economy,” said Christian Kullmann, chairman of Evonik’s executive board. “We are being very proactive to ensure we meet our full-year outlook.”

The 2018 initiated efficiency program to reduce administrative and selling expenses by €200 million annually has been accelerated. By end of this year, Evonik will achieve €120 million of savings, €20 million more than originally planned. A further €20 million will be saved with additional contingency measures such as delaying new hires and more restrictive expenditure on external services.

Evonik is specifying its full-year outlook for free cash flow and

is now expecting a level of around €700 million, a significantly higher free cash flow compared with last year. This is mainly due to lower capex spending, less build-up of net working capital and the partial reimbursement of pension payments from the Contractual Trust Arrangement (CTA). The more precise outlook does not include taxes incurred from the carve out of the divested Methacrylates business.

The global economic slowdown continued to impact Evonik’s performance in the third quarter. In the months July to September sales fell 3 percent to €3.23 billion due to lower volumes and selling prices. Adjusted EBITDA fell 6 percent year-on-year to €543 million.

**Segment Performance**

**Resource Efficiency**: Segment sales declined 1 percent to

€1.4 billion in the third quarter. Coatings as well as the adhesive and resins business was affected by the global economic slowdown, especially in the automotive and coatings sector.

Sales volumes declined for industry-related silica applications.

In contrast, high-performance polymers benefited from solid demand for membranes and from the 3D printing industry. Crosslinkers saw high demand from the wind industry.

Adjusted EBITDA dropped 4 percent to €322 million.

**Nutrition & Care**: Sales declined 2 percent to €1.14 billion in the third quarter. Demand for essential amino acids for animal nutrition remained high while selling prices declined further. In the Health Care business sales increased, especially due to good demand for pharma and food ingredients. Sales increased significantly for polyurethane-foam additives, mostly on high demand for durable consumer goods and insulation. Adjusted EBITDA at the segment dropped 11 percent to €188 million.

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

20 percent to €475 million compared with the prior-year quarter. Development at Performance Intermediates was impaired by a lower oil and naphtha price and slightly lower selling prices. Continuing constraints in raw-material supply and technical problems at the C4 plants in Marl and Antwerp weighed on earnings. At Functional Solutions the alkoxides business developed well. Adjusted EBITDA declined 25 percent to

€47 million at the segment.





**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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