

Key Financial Data:

January 1 to December 31, 2016 / Outlook for 2017

March 3, 2017

Mari Sugata
Regional communications
TEL +81 (0)3 5323-7319
FAX +81 (0)3 5323-7398
info-jp@evonik.com

A good performance in 2016 Acquisitions strengthen growth segments

- Forecast fully achieved: adjusted EBITDA is at the upper end of the range at €2.165 billion
- Proposed dividend: constant at an attractive level of €1.15 per share
- Outlook for 2017: higher revenues and earnings, adjusted EBITDA between €2.2 billion and €2.4 billion

Essen. Evonik Industries AG fully achieved its earnings forecast in 2016. With adjusted EBITDA of €2.165 billion, earnings were at the upper end of the range of €2.0 billion to €2.2 billion. While volumes grew by a 3 solid percent, sales declined 6 percent to €12.7 billion as a result of lower prices.

“At 17 percent, our adjusted EBITDA margin remains good,” said Klaus Engel, Chairman of the Executive Board. “The successful acquisition of the Air Products specialty additives business and the planned acquisition of Huber’s silica business provide additional growth impetus and open up further perspectives for our attractive portfolio.”

At the Annual Shareholders’ Meeting on May 23, the Executive Board and Supervisory Board will be proposing a dividend of €1.15 per share. Based on the closing share price at year-end 2016, that gives a dividend yield of 4.1 percent, positioning Evonik among the top chemical companies. “The high free cash flow of €810 million enables us to make this level of payout without impairing our ambitious growth targets,” said Engel.

Following an exceptionally strong performance in the previous year, the earnings situation normalized in 2016. Evonik was only

Evonik Japan Co., Ltd.
Shinjuku Monolith 12F
2-3-1, Nishi-Shinjuku, Shinjuku-ku
Tokyo 163-0938
www.evonik.jp

partially able to compensate for the low global economic momentum, the low oil price, and the normalization of prices for animal nutrition products. Adjusted EBITDA was therefore 12 percent below the previous year's outstanding level. Adjusted net income also dropped year-on-year to €930 million.

Evonik's financial position is still very sound. "The structure of our balance sheet remains healthy, even after acquiring the Air Products specialty additives business," said CFO Ute Wolf. This is also evidenced by solid investment-grade ratings. "Capital efficiency and cash flow will continue to play a central role in the management of the company," said Wolf.

The return on capital employed (ROCE) was 14 percent in 2016 and thus once again well above the cost of capital.

Evonik expects the Nutrition & Care and Resource Efficiency growth segments to make a positive earnings contribution in 2017 as a result of the successful integration of the Air Products specialty additives business. In addition, the company's strong market positions, balanced portfolio and concentration on high-growth businesses will continue to drive its performance.

Despite the increasing uncertainty inherent in the geopolitical situation and high market volatility, Evonik aims to grow revenues and operating earnings in 2017 and expects adjusted EBITDA to be between €2.2 billion and €2.4 billion.

Evonik Group: Excerpt from the income statement

(in € million)	Q4 2016	Q4 2015	Change in %	2016	2015	Change in %
Sales	3,205	3,198	0	12,732	13,507	-6
Adjusted EBITDA	437	501	-13	2,165	2,465	-12
Adjusted EBIT	258	308	-16	1,448	1,752	-17
Adjustments	-76	-82		-150	-88	
Financial result	8	-22		-174	-223	
Income before income taxes, continuing operations	190	204	-7	1,124	1,441	-22
Income taxes	-66	-70		-362	-422	
Income after taxes, continuing operations	124	134	-7	762	1,019	-25
Income after taxes, discontinued operations	95	-2		96	-17	
Income after taxes	219	132	66	858	1,002	-14
thereof attributable to non-controlling interests	3	3		14	11	
= Net income	216	129	67	844	991	-15
Adjusted net income	182	205	-11	930	1,128	-18

Segment performance

	Sales			Adjusted EBITDA		
	Q4 2016 € million	Q4 2015 € million	Change in %	Q4 2016 € million	Q4 2015 € million	Change in %
Nutrition & Care	1,093	1,208	-10	209	319	-34
Resource Efficiency	1,081	1,001	8	189	182	4
Performance Materials	846	789	7	98	62	58
Services	180	203	-11	32	40	-20
Other operations	5	-3	-	-91	-102	-
Group	3,205	3,198	0	437	501	-13
	Sales			Adjusted EBITDA		
	2016 € million	2015 € million	Change in %	2016 € million	2015 € million	Change in %
Nutrition & Care	4,316	4,924	-12	1,006	1,435	-30
Resource Efficiency	4,473	4,279	5	977	896	9
Performance Materials	3,245	3,435	-6	371	309	20
Services	683	828	-18	151	159	-5
Other operations	15	41	-	-340	-334	
Group	12,732	13,507	-6	2,165	2,465	-12

Prior-year figures restated

Employees by segment

	Dec. 31, 2016	Dec. 31, 2015
Nutrition & Care	7,594	7,165
Resource Efficiency	8,928	8,662
Performance Materials	4,393	4,380
Services	12,892	12,668
Other operations	544	701
Evonik	34,351	33,576

Prior-year figures restated

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. Its activities focus on the key megatrends health, nutrition, resource efficiency and globalization. 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.

Disclaimer

In so far as forecasts or expectations are expressed in this press release or where our statements concern the future, these forecasts, expectations or statements may involve known or unknown risks and uncertainties. Actual results or developments may vary, depending on changes in the operating environment. Neither Evonik Industries AG nor its group companies assume an obligation to update the forecasts, expectations or statements contained in this release.