QUARTERLY STATEMENT

3RD QUARTER 2018 | 1ST NINE MONTHS 2018

EVONIK
POWER TO CREATE

A very good third quarter 2018

3rd quarter

- Sales grew 7 percent to €3.8 billion
- Considerable increase in earnings in the growth segments
- Adjusted EBITDA rose 8 percent to €692 million

1st nine months

- Organic sales growth (7 percent) driven by higher volumes (1 percent) and prices (6 percent)
- Very good adjusted EBITDA of €2.1 billion (+13 percent)
- Adjusted EBITDA margin improved to 18.6 percent
- Adjusted net income increased to €1.1 billion (+30 percent)
- Free cash flow rose 26 percent to €442 million
- Outlook for 2018 confirmed: Adjusted EBITDA expected to be between €2.60 billion and €2.65 billion with free cash flow notably higher than in the previous year

Key data for the Evonik Group

Key data

	3rd quarter		1st nine months	
in € million	**2018**	2017	**2018**	2017
Sales	3,794	3,556	11,343	10,810
Adjusted EBITDA[a]	692	640	2,114	1,874
Adjusted EBITDA margin in %	18.2	18.0	18.6	17.3
Adjusted EBIT[b]	468	423	1,462	1,245
Income before financial result and income taxes, continuing operations (EBIT)	449	392	1,399	1,047
Net income	329	227	928	606
Adjusted net income	370	275	1,057	816
Earnings per share in €	0.71	0.49	1.99	1.30
Adjusted earnings per share in €	0.79	0.59	2.27	1.75
Cash flow from operating activities	542	727	1,146	1,033
Cash outflows for investments in intangible assets, property, plant and equipment	−240	−242	−704	−683
Free cash flow[c]	302	485	442	350
Net financial debt as on the balance sheet as of September 30	–	–	−3,188	−3,156
No. of employees as of September 30	–	–	36,316	36,573

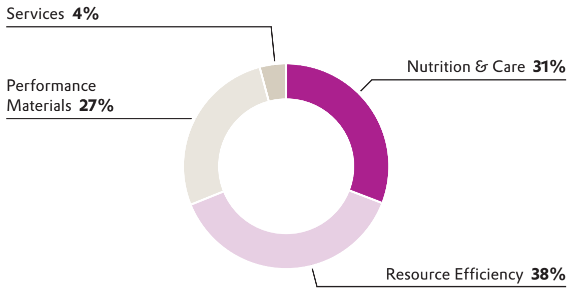
Prior-year figures restated.

[a] Earnings before financial result, taxes, depreciation and amortization, after adjustments.
[b] Earnings before financial result and taxes, after adjustments.
[c] Cash flow from operating activities less cash outflows for investment in intangible assets, property, plant and equipment.

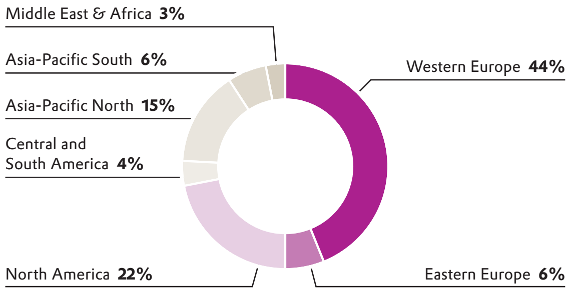
Due to rounding, some figures in this report may not add up exactly to the totals stated.

QUARTERLY STATEMENT
3RD QUARTER 2018

Sales by segment



Sales by region [a]



[a] By location of customer.

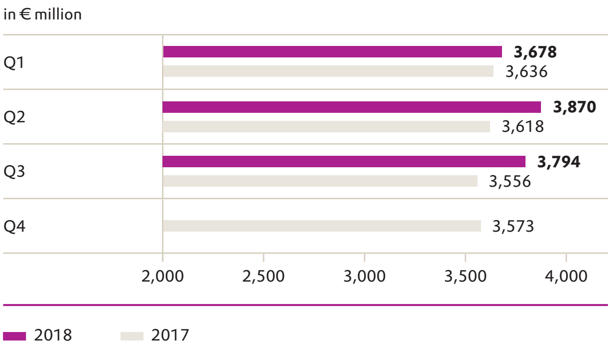
Business conditions and performance

1. Business performance

Business performance in Q3 2018

Evonik once again posted a successful business performance. With demand remaining good and higher selling prices, both sales and adjusted EBITDA increased. The Nutrition & Care and Resource Efficiency growth segments generated considerably higher earnings. Group-wide, the first visible success of the program to reduce selling and administrative expenses contributed to the improvement in earnings.

Sales by quarter



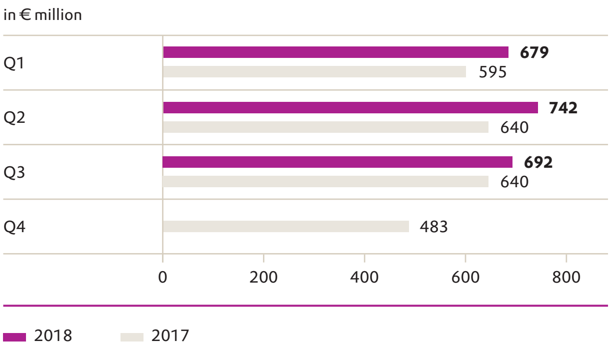
Prior-year figures restated.

The Evonik Group grew **sales** 7 percent to €3,794 million. The 8 percent organic sales growth was driven by higher selling prices, resulting in some cases from passing on higher raw material costs. Volumes declined slightly, partly due to the restrictions on the transportation of goods due to the low water levels of the river Rhine. One percentage point came from the initial consolidation of the silica business acquired from J. M. Huber Corporation, Atlanta (Georgia, USA), effective September 1, 2017. Negative exchange rate movements had a countereffect.

Year-on-year change in sales

in %	1st quarter 2018	2nd quarter 2018	**3rd quarter 2018**	**1st nine months 2018**
Volumes	1	3	–1	1
Prices	4	4	9	6
Organic sales growth	**5**	**7**	**8**	**7**
Exchange rates	–5	–3	–1	–3
Change in the scope of consolidation/ other effects	1	3	–	1
Total	**1**	**7**	**7**	**5**

Adjusted EBITDA by quarter



Prior-year figures restated.

Adjusted EBITDA rose 8 percent to €692 million. The adjusted EBITDA margin increased from 18.0 percent in the prior-year quarter to 18.2 percent.

The **adjustments** of –€19 million contain restructuring expenses of €4 million in connection with the reduction in selling and administrative expenses. Also included are project expenses of a further €3 million for the integration of the businesses acquired in 2017. Other includes expenses for examining the options for the future development of the methacrylates business. The prior-year adjustments principally comprised costs in connection with the acquisition of the silica business from Huber and the specialty additives business from Air Products and Chemicals, Inc., Allentown (Pennsylvania, USA). The **financial result** improved to –€42 million. The prior-year figure of –€62 million contained special items totaling –€7 million, mainly for currency hedging in connection with the acquisition of the Huber silica business. The adjusted financial result improved by €14 million to –€41 million. **Income before income taxes, continuing operations** rose 23 percent to €407 million. The income tax rate and adjusted income tax rate were both 19 percent, partly due to non-period tax income.

Overall, **net income** improved 45 percent to €329 million.

The calculation of **adjusted net income** (after adjustment for special items) improves comparability of the earnings power of the continuing operations, especially on a long-term view, and thus facilitates the forecasting of future development. In the third quarter of 2018 it rose 35 percent to €370 million. **Adjusted earnings per share** increased from €0.59 to €0.79.

Statement of income

in € million	3rd quarter 2018	3rd quarter 2017	Change in %	1st nine months 2018	1st nine months 2017	Change in %
Sales	**3,794**	**3,556**	**7**	**11,343**	**10,810**	**5**
Adjusted EBITDA	**692**	**640**	**8**	**2,114**	**1,874**	**13**
Adjusted depreciation, amortization and impairment losses	−224	−217		−652	−629	
Adjusted EBIT	**468**	**423**	**11**	**1,462**	**1,245**	**17**
Adjustments	−19	−31		−63	−198	
thereof attributable to						
Restructuring	*−4*	*−6*		*−26*	*−19*	
Impairment losses/reversals of impairment losses	*–*	*1*		*7*	*2*	
Acquisition/divestment of shareholdings	*−3*	*−19*		*−14*	*−145*	
Other	*−12*	*−7*		*−30*	*−36*	
Financial result	−42	−62		−141	−153	
Income before income taxes, continuing operations	**407**	**330**	**23**	**1,258**	**894**	**41**
Income taxes	−76	−101		−319	−278	
Income after taxes, continuing operations	**331**	**229**	**45**	**939**	**616**	**52**
Income after taxes, discontinued operations	3	2		4	4	
Income after taxes	**334**	**231**	**45**	**943**	**620**	**52**
thereof attributable to non-controlling interests	5	4		15	14	
Net income	**329**	**227**	**45**	**928**	**606**	**53**
Earnings per share in €	**0.71**	**0.49**	**–**	**1.99**	**1.30**	**–**

Prior-year figures restated.

Reconciliation to adjusted net income

in € million	3rd quarter 2018	3rd quarter 2017	Change in %	1st nine months 2018	1st nine months 2017	Change in %
Adjusted EBITDA	**692**	**640**	**8**	**2,114**	**1,874**	**13**
Adjusted depreciation, amortization and impairment losses	−224	−217		−652	−629	
Adjusted EBIT	**468**	**423**	**11**	**1,462**	**1,245**	**17**
Adjusted financial result	−41	−55		−138	−140	
Amortization and impairment losses on intangible assets	34	34		109	98	
Adjusted income before income taxes [a]	**461**	**402**	**15**	**1,433**	**1,203**	**19**
Adjusted income taxes	−86	−123		−361	−373	
Adjusted income after taxes [a]	**375**	**279**	**34**	**1,072**	**830**	**29**
thereof adjusted income attributable to non-controlling interests	5	4		15	14	
Adjusted net income [a]	**370**	**275**	**35**	**1,057**	**816**	**30**
Adjusted earnings per share [a] in €	**0.79**	**0.59**	**–**	**2.27**	**1.75**	**–**

Prior-year figures restated.

[a] Continuing operations.

Business performance in the first nine months of 2018

Sales grew 5 percent to €11,343 million. We posted organic sales growth of 7 percent, driven by a slight rise in volumes (1 percentage point) and higher selling prices (6 percentage points). Initial consolidation of the silica business acquired from Huber with effect from September 1, 2017 contributed 1 percentage point. Sales growth was held back by negative currency effects (–3 percentage points).

Adjusted EBITDA rose 13 percent to €2,114 million. The adjusted EBITDA margin rose from 17.3 percent in the first nine months of 2017 to 18.6 percent.

The **adjustments** of –€63 million include –€26 million relating to restructuring, primarily for the shutdown of a production site in Hungary. The adjustments also contain –€14 million relating to the purchase/disposal of investments, principally in connection with integration of the businesses acquired in 2017. In addition, other includes expenses for examining the options for the future development of the methacrylates business. The prior-year figure of –€198 million mainly comprised expenses in connection with the acquisitions made in 2017. The **financial result** improved to –€141 million. The prior-year figure of –€153 million included interest income of €17 million from tax refunds and special items of –€13 million, mainly for currency hedging of the acquisition of the Huber silica business. After adjustment for special items, the financial result improved by €2 million to –€138 million. **Income before income taxes, continuing operations** increased 41 percent to €1,258 million. The income tax rate and adjusted income tax rate were both 25 percent, partly as a consequence of non-period tax income.

Net income rose 53 percent to €928 million.

After special items, **adjusted net income** increased 30 percent to €1,057 million, while **adjusted earnings per share** rose from €1.75 to €2.27.

Systematic implementation of corporate strategy

As part of its concentration on specialty chemicals, Evonik is focusing on its four defined growth engines, Specialty Additives, Animal Nutrition, Smart Materials, and Health & Care, which are characterized by above-average growth and low cyclical exposure. In 2018, we initiated major steps in the ongoing development of our portfolio:

On March 6, 2018, the Executive Board of Evonik Industries AG decided to examine all options for the future development of the methacrylates business. These options include potential partnerships and complete separation. The methacrylates business does not form part of the defined growth engines; it comprises large-volume monomers such as methylmethacrylate (MMA), various specialty monomers, and the PLEXIGLAS® brand of PMMA molding compounds and semi-finished products.

At the end of August 2018, Evonik signed an agreement to divest its Jayhawk site in Galena (Kansas, USA). This site is operated by the Performance Materials Segment and produces precursors for agrochemicals, which are not included in the growth businesses defined by Evonik. On the balance sheet, these activities have been reclassified as held for sale.

To strengthen our Health & Care growth engine, at the start of 2019 we will be merging our personal care and household products businesses, together with the associated oleochemical technology platform. The new Care Solutions unit will concentrate on clearly differentiated specialties. This new structure should make processes more efficient and leverage synergies. In addition, two sites in the UK and Spain are to be closed.

Good progress is being made with the program introduced in fall 2017 to bring a lasting reduction of €200 million in selling and administrative expenses. The first €50 million savings will be achieved this year. Initial measures to realize the remaining €150 million are now being implemented.

2. Segment performance

Nutrition & Care Segment

Key data for the Nutrition & Care Segment

in € million	3rd quarter 2018	3rd quarter 2017	Change in %	1st nine months 2018	1st nine months 2017	Change in %
External sales	1,167	1,110	5	3,474	3,393	2
Adjusted EBITDA	212	188	13	643	575	12
Adjusted EBITDA margin in %	18.2	16.9	–	18.5	16.9	–
Adjusted EBIT	141	116	22	438	374	17
Capital expenditures[a]	94	91	3	341	246	39
No. of employees as of September 30	–	–	–	8,237	8,330	–1

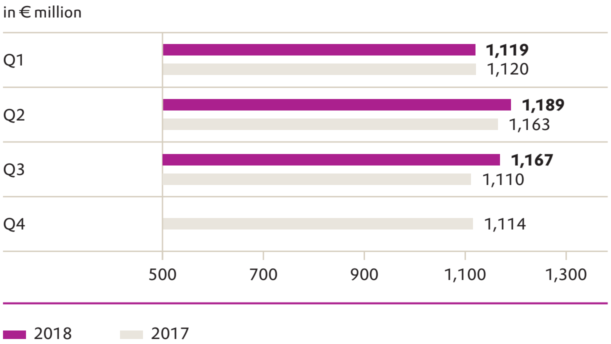
Prior-year figures restated.

[a] Capital expenditures for intangible assets, property, plant and equipment.

The Nutrition & Care Segment grew sales 5 percent to €1,167 million in the **third quarter of 2018.** This was due to significantly higher volumes and selling prices, while exchange rates had a negative effect.

Market conditions for essential amino acids for animal nutrition, especially methionine, remained robust. Sales volumes developed positively and were significantly higher than in the prior-year quarter. Measures to reduce costs were implemented successfully. The health care business performed very well and generated a substantial rise in sales. The business with specialties for industrial markets also registered higher sales as a result of increased demand. A better product mix led to a rise in sales of personal care products.

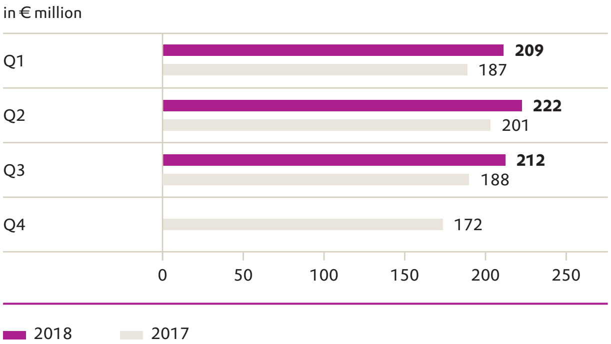
Sales Nutrition & Care Segment



Prior-year figures restated.

Adjusted EBITDA increased 13 percent to €212 million, thanks to volume growth, the systematic focus on higher-margin products, and successful cost savings. The adjusted EBITDA margin improved significantly from 16.9 percent in the prior-year quarter to 18.2 percent.

Adjusted EBITDA Nutrition & Care Segment



Prior-year figures restated.

In the **first nine months of 2018,** the Nutrition & Care Segment's sales rose 2 percent to €3,474 million. This was attributable to higher volumes and selling prices. The increase was held back by negative currency effects. Adjusted EBITDA advanced 12 percent to €643 million and the adjusted EBITDA margin improved significantly to 18.5 percent.

Resource Efficiency Segment

Key data for the Resource Efficiency Segment

	3rd quarter			1st nine months		
in € million	2018	2017	Change in %	2018	2017	Change in %
External sales	1,426	1,358	5	4,305	4,085	5
Adjusted EBITDA	338	311	9	1,029	926	11
Adjusted EBITDA margin in %	23.7	22.9	–	23.9	22.7	–
Adjusted EBIT	264	242	9	805	720	12
Capital expenditures[a]	60	79	–24	174	214	–19
No. of employees as of September 30	–	–	–	10,318	10,284	–

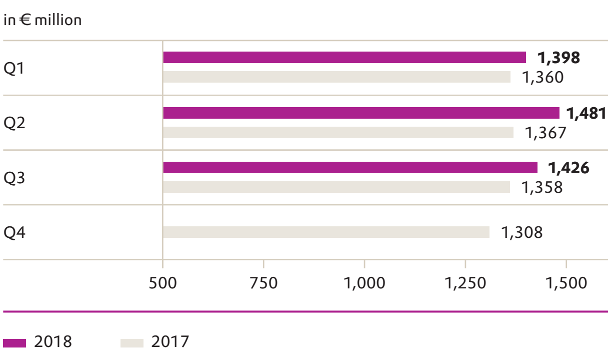
Prior-year figures restated.

[a] Capital expenditures for intangible assets, property, plant and equipment.

The Resource Efficiency Segment continued to develop successfully in the **third quarter of 2018.** Sales rose 5 percent to €1,426 million, driven mainly by higher selling prices, partly because higher raw material costs were passed on to customers, and by the consolidation of the Huber silica business, which was acquired on September 1, 2017. The rise was reduced by slightly lower volumes and negative currency effects.

Sales of high-performance polymers increased significantly. Since there was strong demand for products for lightweight structures, higher prices had a positive effect. Coating additives benefited from high demand for water-based, environment-friendly paints and coatings and also generated significantly higher sales. Consolidation of the acquired silica business increased sales of silica.

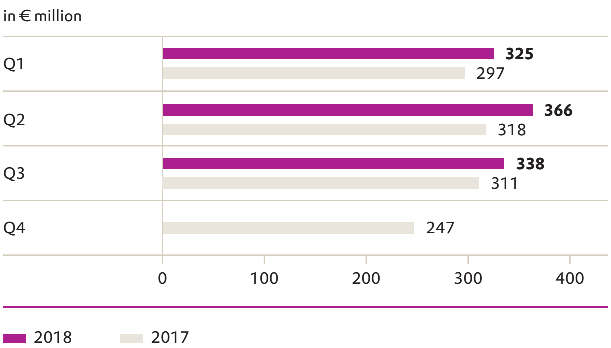
Sales Resource Efficiency Segment



Prior-year figures restated.

Adjusted EBITDA rose 9 percent to €338 million, mainly on price grounds. The adjusted EBITDA margin rose from 22.9 percent to 23.7 percent.

Adjusted EBITDA Resource Efficiency Segment



Prior-year figures restated.

In the **first nine months of 2018,** sales in the Resource Efficiency Segment rose 5 percent to €4,305 million. Alongside first-time consolidation of the Huber silica business, which was acquired on September 1, 2017, this was attributable to higher selling prices. Negative currency movements had a countereffect. Adjusted EBITDA increased 11 percent to €1,029 million. The adjusted EBITDA margin improved from 22.7 percent in the prior-year period to 23.9 percent.

Performance Materials Segment

Key data for the Performance Materials Segment

in € million	3rd quarter			1st nine months		
	2018	2017	Change in %	**2018**	2017	Change in %
External sales	1,034	913	13	3,054	2,781	10
Adjusted EBITDA	172	172	–	546	497	10
Adjusted EBITDA margin in %	16.6	18.8	–	17.9	17.9	–
Adjusted EBIT	138	133	4	445	386	15
Capital expenditures[a]	27	35	–23	75	103	–27
No. of employees as of September 30	–	–	–	4,264	4,458	–4

Prior-year figures restated.

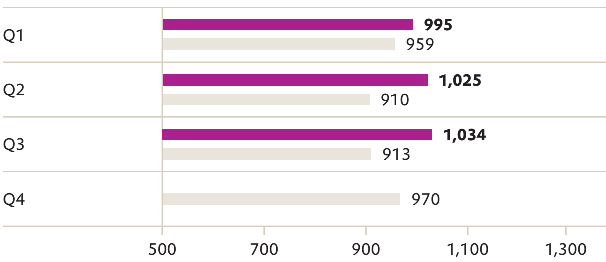
[a] Capital expenditures for intangible assets, property, plant and equipment.

The Performance Materials Segment grew sales 13 percent to €1,034 million in the **third quarter of 2018.** This was attributable to a significant rise in selling prices, mainly because higher raw material costs were passed on to customers, but was held back by negative currency effects. Volumes declined as a result of restrictions on the transportation of goods due to the low water levels in the river Rhine.

Methacrylates again performed very well and generated higher sales. High demand, especially from the coatings and automotive sectors, coincided with sustained tight supply on the market. Sales of performance intermediates increased significantly thanks to the raw material-driven rise in selling prices.

Sales Performance Materials Segment

in € million



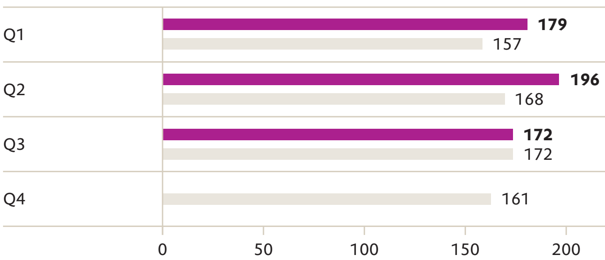
2018 2017

Prior-year figures restated.

Adjusted EBITDA was unchanged from the prior year at €172 million. The adjusted EBITDA margin was 16.6 percent, down from 18.8 percent in the prior-year period.

Adjusted EBITDA Performance Materials Segment

in € million



2018 2017

Prior-year figures restated.

In the **first nine months of 2018,** sales in the Performance Materials Segment rose 10 percent to €3,054 million. While currency movements had a negative effect, growth came from higher selling prices. Adjusted EBITDA improved 10 percent to €546 million and the adjusted EBITDA margin was 17.9 percent.

Services Segment

Key data for the Services Segment

	3rd quarter			1st nine months		
in € million	2018	2017	Change in %	2018	2017	Change in %
External sales	164	172	−5	499	539	−7
Adjusted EBITDA	49	49	–	133	130	2
Adjusted EBITDA margin in %	29.9	28.5	–	26.7	24.1	–
Adjusted EBIT	10	18	−44	31	37	−16
Capital expenditures[a]	33	27	22	79	82	−4
No. of employees as of September 30	–	–	–	12,979	12,875	1

Prior-year figures restated.

[a] Capital expenditures for intangible assets, property, plant and equipment.

In the **third quarter of 2018,** sales declined 5 percent to €164 million, mainly as a result of lower revenues from procurement for external customers at our sites. Adjusted EBITDA was unchanged from the prior year at €49 million.

Sales dropped 7 percent to €499 million in the **first nine months of 2018.** Adjusted EBITDA increased 2 percent to €133 million, partly due to higher earnings contributions from Site Management.

Financial condition

Net financial debt increased to €3,188 million, which was €165 million more than on December 31, 2017. The slight rise was principally due to cash outflows that occur regularly in the second quarter, such as annual bonus payments and payment of the dividend for fiscal 2017 (€536 million). The cash flows from the operating business had a positive effect in the first nine months.

Net financial debt

in € million	Sep. 30, 2018	Dec. 31, 2017
Non-current financial liabilities[a]	–3,681	–3,694
Current financial liabilities[a]	–248	–351
Financial debt	**–3,929**	**–4,045**
Cash and cash equivalents	717	1,004
Current securities	8	9
Other financial investments	16	9
Financial assets	**741**	**1,022**
Net financial debt as stated on the balance sheet	**–3,188**	**–3,023**

[a] Excluding derivatives and refund liabilities under rebate and bonus agreements.

In the first nine months of 2018, **capital expenditures for property, plant and equipment** were €678 million (9M 2017: €657 million). A production facility for precipitated silica for the tire industry came on stream in South Carolina (USA) and a new production line for specialty polyamide 12 powder (PA12) was taken into service in Marl (Germany). In principle, there is a slight timing difference in outflows for property, plant and equipment due to payment terms. In the reporting period, cash outflows for property, plant and equipment totaled €704 million (9M 2017: €683 million).

Cash flow statement (excerpt)

in € million	1st nine months 2018	1st nine months 2017
Cash flow from operating activities	1,146	1,033
Cash outflows for investments in intangible assets, property, plant and equipment	–704	–683
Free cash flow	**442**	**350**
Cash flow from other investing activities	–75	–4,136
Cash flow from financing activities	–650	–
Change in cash and cash equivalents	–283	–3,786

The **cash flow from operating activities** increased by €113 million to €1,146 million in the first nine months. This was mainly due to the improvement in operating earnings, while the rise was held back by a higher rise in net working capital. Due to the increase in the cash flow from operating activities, the **free cash flow** improved by €92 million to €442 million.

The cash flow from other investing activities comprised an outflow of €75 million. The high prior-year figure principally comprised outflows for the acquisition of the Air Products specialty additives business and the Huber silica business. The cash outflow of €650 million for financing activities was primarily for payment of the dividend for 2017 (€536 million).

Expected development

We revised our forecast for global growth in our half year financial report due to the emerging economic slowdown caused by the US administration's protectionist measures and slower growth in some emerging markets. Our forecast for **global economic conditions in 2018** has not changed since then. Overall, we anticipate a year-on-year growth rate of 3.2 percent in 2018.

The projection for the global economy is affected by mounting uncertainties. For example, we see a risk that escalation of the trade disputes could put a perceptible brake on global economic activity. Moreover, economic momentum could be dampened by a further increase in the already elevated political risks in the European Union, including the still unresolved issue of the UK's exit. Finally, there are initial signs that the goal of normalizing US monetary policy could unsettle the capital markets, leading to correction phases on the financial markets or a reversal of capital flows. This would adversely affect the emerging markets, in particular, and hold back the global economy.

Our forecast is based on the following assumptions:
- Global growth: 3.2 percent[1]
- Euro/US dollar exchange rate: US$1.18[2]
- Internal raw material cost index slightly higher than in the prior year

We are reiterating the revised **outlook** for key figures published in August 2018:

Forecast

Forecast performance indicators	2017	Original forecast for 2018[a]	Forecast for 2018 as revised in August 2018[b]
Group sales	€14.4 billion	Slight increase	Unchanged
Adjusted EBITDA	€2.357 billion	Between €2.4 billion and €2.6 billion	Between €2.60 billion and €2.65 billion
ROCE[c]	11.2 percent	Above the cost of capital, about level with the prior year	Unchanged
Capital expenditures[d]	€1.1 billion	Around €1.0 billion	Unchanged
Free cash flow	€0.5 billion	Slightly above the prior year	Notably above the prior year

Prior-year figures restated.

[a] See Financial Report 2017.
[b] See Half Year Financial Report 2018.
[c] Return on capital employed.
[d] Capital expenditures for intangible assets, property, plant and equipment.

[1] Assumption at start of the year: 3.3 percent; adjusted to 3.2 percent in August 2018.
[2] Assumption at start of the year: US$1.20; adjusted to US$1.26 in May 2018 and to US$1.20 in August 2018.

Income statement

Income statement for the Evonik Group

in € million	3rd quarter		1st nine months	
	2018	2017	**2018**	2017
Sales	3,794	3,556	11,343	10,810
Cost of sales	−2,620	−2,424	−7,705	−7,381
Gross profit on sales	**1,174**	**1,132**	**3,638**	**3,429**
Selling expenses	−438	−417	−1,301	−1,258
Research and development expenses	−111	−116	−331	−345
General administrative expenses	−158	−171	−489	−518
Other operating income	45	55	147	170
Other operating expense	−64	−93	−270	−438
Result from investments recognized at equity	1	2	5	7
Income before financial result and income taxes, continuing operations	**449**	**392**	**1,399**	**1,047**
Interest income	7	8	16	41
Interest expense	−49	−62	−157	−177
Other financial income/expense	–	−8	–	−17
Financial result	**−42**	**−62**	**−141**	**−153**
Income before income taxes, continuing operations	**407**	**330**	**1,258**	**894**
Income taxes	−76	−101	−319	−278
Income after taxes, continuing operations	**331**	**229**	**939**	**616**
Income after taxes, discontinued operations	3	2	4	4
Income after taxes	**334**	**231**	**943**	**620**
thereof attributable to				
Non-controlling interests	5	4	15	14
Shareholders of Evonik Industries AG (net income)	329	227	928	606
Earnings per share in € (basic and diluted)	**0.71**	**0.49**	**1.99**	**1.30**

Prior-year figures restated.

Balance sheet

Balance sheet for the Evonik Group

in € million	Sep. 30, 2018	Dec. 31, 2017
Intangible assets	6,120	6,105
Property, plant and equipment	6,575	6,495
Investments recognized at equity	47	47
Financial assets	229	327
Deferred taxes	1,240	1,226
Other income tax assets	13	14
Other assets	430	296
Non-current assets	**14,654**	**14,510**
Inventories	2,309	2,038
Other income tax assets	115	154
Trade accounts receivable	1,864	1,755
Financial assets	166	166
Other assets	320	313
Cash and cash equivalents	717	1,004
	5,491	**5,430**
Assets held for sale	74	–
Current assets	**5,565**	**5,430**
Total assets	**20,219**	**19,940**
Issued capital	466	466
Capital reserve	1,167	1,167
Accumulated income	6,401	6,012
Treasury shares	–	–
Accumulated other comprehensive income	−236	−214
Equity attributable to shareholders of Evonik Industries AG	**7,798**	**7,431**
Equity attributable to non-controlling interests	88	88
Equity	**7,886**	**7,519**
Provisions for pensions and other post-employment benefits	3,864	3,817
Other provisions	785	788
Deferred taxes	527	541
Other income tax liabilities	225	225
Financial liabilities	3,697	3,706
Other payables	46	57
Non-current liabilities	**9,144**	**9,134**
Other provisions	860	968
Other income tax liabilities	108	50
Financial liabilities	375	438
Trade accounts payable	1,392	1,449
Other payables	439	382
	3,174	**3,287**
Liabilities associated with assets held for sale	15	–
Current liabilities	**3,189**	**3,287**
Total equity and liabilities	**20,219**	**19,940**

Prior-year figures restated.

Cash flow statement

Cash flow statement for the Evonik Group

	3rd quarter		1st nine months	
in € million	**2018**	2017	**2018**	2017
Income before financial result and income taxes, continuing operations	449	392	1,399	1,047
Depreciation, amortization, impairment losses/reversal of impairment losses on non-current assets	219	213	646	626
Result from investments recognized at equity	–1	–2	–5	–7
Gains/losses on the disposal of non-current assets	–1	–3	–1	–2
Change in inventories	–114	–9	–296	–30
Change in trade accounts receivable	61	89	–122	–79
Change in trade accounts payable	–7	51	–29	28
Change in provisions for pensions and other post-employment benefits	–58	–59	–164	–155
Change in other provisions	78	82	–97	–92
Change in miscellaneous assets/liabilities	35	69	73	34
Cash outflows for interest	–21	–25	–82	–86
Cash inflows from interest	5	7	17	35
Cash inflows from dividends	–	–	7	5
Cash inflows/outflows for income taxes	–103	–78	–200	–291
Cash flow from operating activities	**542**	**727**	**1,146**	**1,033**
Cash outflows for investments in intangible assets, property, plant and equipment	–240	–242	–704	–683
Cash outflows for investments in subsidiaries	–7	–536	–13	–4,116
Cash outflows for investments in other shareholdings	–2	–5	–13	–7
Cash inflows from divestments of intangible assets, property, plant and equipment	4	6	11	10
Cash inflows/outflows from divestment of shareholdings	–	2	–1	–10
Cash inflows/outflows relating to securities, deposits and loans	–13	–10	–34	10
Transfers to the pension trust fund (CTA)	–	–	–25	–23
Cash flow from investing activities	**–258**	**–785**	**–779**	**–4,819**
Cash outflows for dividends to shareholders of Evonik Industries AG	–	–	–536	–536
Cash outflows for dividends to non-controlling interests	–2	–2	–13	–13
Cash outflows for the purchase of treasury shares	–	–	–17	–19
Cash inflows from the sale of treasury shares	–	–	17	20
Cash inflows from the addition of financial liabilities	2	447	89	643
Cash outflows for repayment of financial liabilities	–111	–74	–195	–159
Cash inflows/outflows in connection with financial transactions	3	–1	5	64
Cash flow from financing activities	**–108**	**370**	**–650**	**–**
Change in cash and cash equivalents	**176**	**312**	**–283**	**–3,786**
Cash and cash equivalents as of July 1/January 1	**543**	**517**	**1,004**	**4,623**
Change in cash and cash equivalents	176	312	–283	–3,786
Changes in exchange rates and other changes in cash and cash equivalents	–2	–6	–4	–14
Cash and cash equivalents as on the balance sheet as of September 30	**717**	**823**	**717**	**823**

Prior-year figures restated.

Segment report

Segment report by operating segments—3rd quarter

	Nutrition & Care		Resource Efficiency		Performance Materials	
in € million	**2018**	2017	**2018**	2017	**2018**	2017
External sales	1,167	1,110	1,426	1,358	1,034	913
Internal sales	7	7	13	8	44	38
Total sales	1,174	1,117	1,439	1,366	1,078	951
Adjusted EBITDA	212	188	338	311	172	172
Adjusted EBITDA margin in %	18.2	16.9	23.7	22.9	16.6	18.8
Adjusted EBIT	141	116	264	242	138	133
Capital expenditures[a]	94	91	60	79	27	35
Financial investments	–	–	–	547	–	–

Prior-year figures restated.

[a] Intangible assets, property, plant and equipment.

Segment report by regions—3rd quarter

	Western Europe		Eastern Europe		North America	
in € million	**2018**	2017	**2018**	2017	**2018**	2017
External sales[a]	1,623	1,538	223	215	874	822
Capital expenditures	104	120	3	1	43	50

Prior-year figures restated.

[a] External sales Western Europe: thereof Germany €659 million (Q3 2017: €647 million).

	Services		Other operations		Corporate, consolidation		**Total Group (continuing operations)**	
	2018	2017	**2018**	2017	**2018**	2017	**2018**	2017
	164	172	3	3	–	–	3,794	3,556
	562	516	7	4	–633	–573	–	–
	726	688	10	7	–633	–573	3,794	3,556
	49	49	–21	–23	–58	–57	692	640
	29.9	28.5	–	–	–	–	18.2	18.0
	10	18	–25	–27	–60	–59	468	423
	33	27	–5	3	1	1	210	236
	–	1	1	–	2	2	3	550

	Central and South America		Asia-Pacific North		Asia-Pacific South		Middle East & Africa		**Total Group (continuing operations)**	
	2018	2017	**2018**	2017	**2018**	2017	**2018**	2017	**2018**	2017
	155	134	577	521	246	225	96	101	3,794	3,556
	1	2	8	18	51	45	–	–	210	236

Segment report by operating segments—1st nine months

	Nutrition & Care		Resource Efficiency		Performance Materials	
in € million	2018	2017	2018	2017	2018	2017
External sales	3,474	3,393	4,305	4,085	3,054	2,781
Internal sales	25	22	36	33	126	143
Total sales	3,499	3,415	4,341	4,118	3,180	2,924
Adjusted EBITDA	643	575	1,029	926	546	497
Adjusted EBITDA margin in %	18.5	16.9	23.9	22.7	17.9	17.9
Adjusted EBIT	438	374	805	720	445	386
Capital expenditures[a]	341	246	174	214	75	103
Financial investments	6	1,801	–	2,338	–	3
No. of employees as of September 30	8,237	8,330	10,318	10,284	4,264	4,458

Prior-year figures restated.

[a] Intangible assets, property, plant and equipment.

Segment report by regions—1st nine months

	Western Europe		Eastern Europe		North America	
in € million	2018	2017	2018	2017	2018	2017
External sales[a]	4,907	4,685	712	622	2,527	2,521
Goodwill as of September 30[b]	2,416	2,380	54	54	1,908	1,904
Other intangible assets, property, plant and equipment as of September 30[b]	4,152	4,042	25	44	1,903	1,842
Capital expenditures[c]	277	348	4	3	131	150
No. of employees as of September 30	24,470	24,476	577	640	4,899	5,006

Prior-year figures restated.

[a] External sales Western Europe: thereof Germany €2,017 million (9M 2017: €1,964 million).
[b] Non-current assets according to IFRS 8.33 b.
[c] Intangible assets, property, plant and equipment.

Services 2018	Services 2017	Other operations 2018	Other operations 2017	Corporate, consolidation 2018	Corporate, consolidation 2017	**Total Group (continuing operations)** 2018	**Total Group (continuing operations)** 2017
499	539	11	12	–	–	11,343	10,810
1,663	1,538	19	18	−1,869	−1,754	–	–
2,162	2,077	30	30	−1,869	−1,754	11,343	10,810
133	130	−69	−71	−168	−183	2,114	1,874
26.7	24.1	–	–	–	–	18.6	17.3
31	37	−80	−81	−177	−191	1,462	1,245
79	82	8	9	1	3	678	657
1	2	–	–	7	3	14	4,147
12,979	12,875	230	261	288	365	36,316	36,573

Central and South America 2018	Central and South America 2017	Asia-Pacific North 2018	Asia-Pacific North 2017	Asia-Pacific South 2018	Asia-Pacific South 2017	Middle East & Africa 2018	Middle East & Africa 2017	**Total Group (continuing operations)** 2018	**Total Group (continuing operations)** 2017
453	397	1,716	1,586	704	684	324	315	11,343	10,810
31	30	195	183	96	87	19	18	4,719	4,656
142	190	713	856	1,034	789	7	8	7,976	7,771
4	6	24	42	238	107	–	1	678	657
684	679	3,686	3,824	1,819	1,753	181	195	36,316	36,573

Appendix—Restatement of prior-year figures

The accounting policies applied in this quarterly statement are the same as those applied in the consolidated financial statements as of December 31, 2017, with the exception of the following changes.

1. First-time application of IFRS 15

Evonik applied IFRS 15 Revenue from Contracts with Customers for the first time retrospectively as of January 1, 2018. The following tables show the impact of retrospective application on the prior-year figures for the income statement and balance sheet.

Impact of IFRS 15 on the income statement (excerpt)

	Impact of change	
in € million	3rd quarter 2017	1st nine months 2017
Sales	–	–42
Cost of sales	1	30
Gross profit on sales	**1**	**–12**
Other operating income	–	–1
Other operating expense	–1	1
Income before financial result and income taxes, continuing operations	**–**	**–12**
Financial result	–	–1
Income before income taxes, continuing operations	**–**	**–13**
Income taxes	–	5
Income after taxes	**–**	**–8**
thereof attributable to		
Non-controlling interests	–	–
Shareholders of Evonik Industries AG (net income)	–	–8
Earnings per share in € (basic and diluted)	**–**	**–0.02**

Retrospective application of this standard resulted in an increase of €1 million in both adjusted EBITDA and adjusted EBIT in the third quarter of 2017, and decreased both adjusted EBITDA and adjusted EBIT by €12 million in the first nine months of 2017. As a result of positive effects in the fourth quarter, the reduction in adjusted EBITDA was €3 million for fiscal 2017 as a whole. As a result of rounding, adjusted EBIT decreased by €4 million.

Impact of IFRS 15 on the balance sheet (excerpt)

in € million	Dec. 31, 2017 Before application of IFRS 15	Reclassification	Change in timing of recognition	Change in revenue over total period	Taxes	Dec. 31, 2017 After application of IFRS 15
Deferred taxes	1,223	–	–	–	3	1,226
Other assets	296	–	–	–	–	296
Non-current assets	**14,507**	**–**	**–**	**–**	**3**	**14,510**
Inventories	2,025	–	14	–1	–	2,038
Trade accounts receivable	1,776	–	–21	–	–	1,755
Financial assets	159	–	–	7	–	166
Other assets	314	–	–	–1	–	313
Current assets	**5,432**	**–**	**–7**	**5**	**–**	**5,430**
Total assets	**19,939**	**–**	**–7**	**5**	**3**	**19,940**
Equity	**7,527**	**–**	**–8**	**–3**	**3**	**7,519**
Other payables	57	–	–	–	–	57
Non-current liabilities	**9,134**	**–**	**–**	**–**	**–**	**9,134**
Other provisions	1,035	–67	–	–	–	968
Financial liabilities	371	67	–	–	–	438
Other payables	373	–	1	8	–	382
Current liabilities	**3,278**	**–**	**1**	**8**	**–**	**3,287**
Total equity and liabilities	**19,939**	**–**	**–7**	**5**	**3**	**19,940**

Under IFRS 15, the rebate and bonus agreements previously recognized as other provisions are included in financial liabilities as refund liabilities. As of December 31, 2017, this resulted in reclassifications totaling €67 million.

2. First-time application of IFRS 9

Evonik has applied the new accounting standard IFRS 9 Financial Instruments for the first time for the fiscal year starting on January 1, 2018. In accordance with the transitional provisions of IFRS 9, the comparative data have not been restated, with the exception of certain aspects of hedge accounting. Retrospective application is mandatory where the intrinsic value of an option is designated as the hedging instrument in a hedging relationship. Here, IFRS 9 specifies that changes in the fair value of the time value of the options over the term of the hedging relationship must initially be recognized in other comprehensive income and subsequently released through a basis adjustment or directly to profit or loss, depending on the type of hedged transaction. As of the transition date, Evonik did not have any such cases.

However, in 2017 the Group recognized options transactions that expired in September 2017. Their purpose was to hedge the purchase price of the silica business of J. M. Huber Corporation, Atlanta (Georgia, USA). The change in fair value recognized in profit or loss in the third quarter of 2017 was €9 million. The countereffects in the second and third quarters of 2017 canceled each other out in the third quarter of 2017.

Impact of IFRS 9 on the income statement

	Impact of change	
in € million	3rd quarter 2017	1st nine months 2017
Financial result	9	–
Income before income taxes, continuing operations	**9**	**–**
Income taxes	–3	–
Income after taxes	**6**	**–**
thereof attributable to		
Non-controlling interests	–1	–
Shareholders of Evonik Industries AG (net income)	7	–
Earnings per share in € (basic and diluted)	**0.02**	**–**

Retrospective application did not alter the adjusted financial result and adjusted net income reported for the third quarter of 2017 and the first nine months of 2017.

3. Further restatement of prior-year figures

The role of the Corporate Innovation unit is to manage and direct innovations. Since January 1, 2018, the costs incurred for this unit have been included in research and development expenses instead of in general administrative expenses as in the past. This results in an adjustment of €4 million for the third quarter of 2017 and of €13 million for the first nine months of 2017. The effect for 2017 as a whole is €18 million.

Financial calendar

Financial calendar 2018/2019

Event	Date
Report on Q4 2018 and FY 2018	March 5, 2019
Interim report Q1 2019	May 7, 2019
Annual Shareholders' Meeting 2019	May 28, 2019
Interim report Q2 2019	August 1, 2019
Interim report Q3 2019	November 5, 2019

Credits

PUBLISHED BY
Evonik Industries AG
Rellinghauser Strasse 1–11
45128 Essen, Germany
www.evonik.com

CONTACT
Communications
Phone +49 201 177-3315
presse@evonik.com

Investor Relations
Phone +49 201 177-3146
investor-relations@evonik.com

CONCEPT, DESIGN AND PRODUCTION
BISSINGER[+] GmbH

The English version is a translation of the German version and is provided for information only.

POWER TO CREATE