

Specialty Chemicals

Full-year:

- Revenue up 2 percent due to favorable currency effects, partly offset by the divestment of the Paper Chemicals business and adverse price/mix. Overall volumes were flat
- Volumes were affected by interruptions in the manufacturing and supply chain in Rotterdam and Tianjin
- Operating income up 20 percent at €609 million due to continuous improvement programs, favorable currency effects, lower costs and incidental items
- ROS increased to 12.2 percent (2014: 10.4 percent); ROI increased to 17.2 percent (2014: 14.8 percent)

Full-year revenue was up 2 percent due to favorable currency effects, partly offset by the divestment of the Paper Chemicals business and adverse price/mix. Overall volumes were flat. Growth in some segments compensated for lower demand in oil drilling segments which mainly impacted Surface Chemistry and some segments within Functional Chemicals. Growth in China was subdued and demand remained stable in Europe.

Operating income increased by 20 percent in 2015, with significant savings from continuous improvement programs, favorable currency effects, lower costs and the positive divestment result. The divestment of Paper Chemicals was closed in Q2, with a book profit net of related costs of €31 million reported in operating income (as an incidental item).

Although the incident at the port of Tianjin, China, did not affect us directly, it did result in significant interruptions in the manufacturing and supply chain.

In Q4, revenue was down 2 percent. Volumes were flat, affected by interruptions in the manufacturing and supply chain in Rotterdam and Tianjin. Favorable currency effects were more than offset by divestments and increased price pressure. Operating income was down 2 percent.

Revenue

Fourth quarter

January-December

2014	2015	Δ%	in € millions	2014	2015	Δ%
423	408	(4)	Functional Chemicals *	1,756	1,822	4
295	308	4	Industrial Chemicals *	1,230	1,204	(2)
247	236	(4)	Surface Chemistry	1,010	1,060	5
258	231	(10)	Pulp and Performance Chemicals	1,009	989	(2)
(29)	(16)		Other/intragroup eliminations	(122)	(87)	
1,194	1,167	(2)	Total	4,883	4,988	2
93	91	(2)	Operating income	508	609	20
7.8	7.8		ROS%	10.4	12.2	
			Average invested capital	3,442	3,540	
			Moving average ROI (in %)	14.8	17.2	
175	171	(2)	EBITDA	815	898	10
99	130		Capital expenditures	297	331	
			Number of employees	9,800	9,100	

* Adjusted to the new business structure



Our Specialty Chemicals business has developed a stronger micronutrient for new agro applications. Not only is Bolikel XP cost-efficient and biodegradable, it also improves the uptake by plants. Because it's a stronger product, less dosing is necessary, while it also performs in even the most demanding soil types.

Functional Chemicals

Full-year revenue was up 4 percent. Favorable currency effects were partly offset by lower demand and price pressure in the ethylene based business, as well as lower volumes in Asia. Volumes in Europe and North America were flat.

In Q4, revenue was down 4 percent, mainly due to lower volumes in Asia as a result of the interruptions in the manufacturing and supply chain.

Industrial Chemicals

Full-year revenue was down 2 percent, mainly due to price pressure. In the second half of the year there was higher product availability with the new chlorine plant in Frankfurt fully on-stream.

In Q4, revenue was up 4 percent, mainly due to higher volumes, despite some interruptions in the manufacturing and supply chain in Rotterdam.

Surface Chemistry

Full-year revenue was up 5 percent due to positive currency effects, partly offset by lower volumes and price pressure. Volumes were down in the oil drilling segments, mostly in the Americas, partly compensated by other segments and higher demand in Europe. Volumes in Asia were flat compared with the previous year.

In Q4, revenue was down 4 percent. Favorable currency effects were more than offset by lower volumes. Market conditions in the oil drilling segment deteriorated further as a result of the continued decline in the oil price.

Pulp and Performance Chemicals

Full-year revenue was up 8 percent excluding the impact of the divested Paper Chemicals business. Positive price/mix, favorable currency effects and volume growth all contributed.

Revenue for Q4, excluding the divested Paper Chemicals business, was up 7 percent compared with the previous year, supported by positive currency developments and improved price/mix.

Revenue development full-year 2015



Revenue development Q4 2015

