Evonik
Leading Beyond Chemistry

Company Presentation Q3 2022

NEXTGEN

EVONIK
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Key messages Q3 2022

Solid results in an increasingly challenging market environment

Solid results in an increasingly challenging market environment:
Adj. EBITDA of €615 m in Q3 – supported by a **strong Specialty Additives performance** (+8% yoy)

Volumes decline, pricing holding up: Double-digit price increases across all growth divisions resulting in **ongoing successful pass-on** of higher variable costs

Cash generation picking up with FCF of €288 m in Q3;
further significant NWC improvement expected in Q4 to **achieve ~30% cash conversion for the full year**

Outlook for FY 2022 **confirmed**: Adj. EBITDA between €2.5 and 2.6 bn

Structural support for 2023: Resilient & regionally balanced portfolio setup, progress in Performance Materials divestment, high visibility on energy costs & gas supply, contingency measure toolbox in implementation

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Leading Beyond Chemistry – Our purpose

Evonik on the way to become a best-in-class specialty chemicals company

Video “We are Evonik”

Leading …

- Leading market positions in **80%** of our business
- Leading **key financial indicators**

… Beyond …

- **Connecting skills** and perspectives
- Develop **solutions** together with partners
- **Sustainability** key driver of growth

… Chemistry

- Clear focus on **specialty chemicals**
- Target **100% specialty** portfolio

Evonik well equipped as “Enabler of Sustainable Change”
Portfolio circled around our four “Sustainability Focus Areas”

ENSURE HEALTH & WELL-BEING

DRUG DELIVERY SYSTEMS
- Advanced oral & parenteral drug delivery systems (e.g. mRNA LNP)

SPECIALTY ADDITIVES
- for environmentally-friendly solutions, e.g. water-based artificial leather

FIGHT CLIMATE CHANGE

FUTURE MOBILITY
- Lightweight solutions
- Solutions for hybrid & full battery cars

ECO-SOLUTIONS
- Specialty peroxides solutions
- Membranes for gas separation

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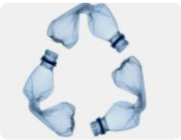
DRIVE CIRCULARITY

CIRCULAR ECONOMY
- Circular plastic & circular polyurethanes additive solutions



BIO-BASED SOLUTIONS
- Bio-based & fully bio-degradable surfactants
- Natural active cosmetics ingredients

SAFEGUARD ECOSYSTEMS

SUSTAINABLE NUTRITION
- Omega-3 fatty acids from natural marine algae
- Gut health solutions

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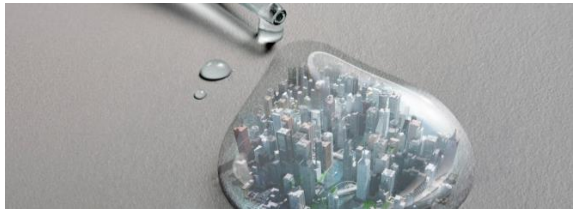
Leading Beyond Chemistry – Growth divisions

Specialty chemicals portfolio with strong positioning and attractive financials

	Specialty Additives	Nutrition & Care	Smart Materials
			
Strong positioning …	Wide range of additives for **maximum performance** which make the key difference	Sustainable solutions for basic human needs in **resilient end markets** like pharma, personal care and animal nutrition	Innovative materials that enable **environmentally-friendly solutions** for mobility, environment and urbanization
… and attractive financials[1]	Sales: €3,710 m Margin: 25% ROCE: 18%	Sales: €3,557 m Margin: 20% ROCE: 12%	Sales: €3,918 m Margin: 17% ROCE: 8%

1: FY 2021

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Leading Beyond Chemistry – Growth divisions
Ambition and promising growth drivers

Discover more in our Factbook!

	Specialty Additives	Nutrition & Care	Smart Materials
			
Ambition	"Small amount – **Big effect**"	"Bringing Nutrition & Care to Life – **for life and living**"	"We find solutions for the **needs of today and tomorrow**"
… and promising growth drivers	✓ Making the difference ✓ Enabling circular economy ✓ Digital solutions	✓ Active cosmetics ingredients ✓ Drug delivery systems ✓ Sustainable & healthy nutrition	✓ Future Mobility ✓ Eco-Solutions

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Next Generation Evonik: Embarking on the next phase of our transformation

Sustainability fully integrated into all three strategic levers

Three major strategic levers…

Next Generation Portfolio

+ Exit Performance Materials
+ Full focus on three attractive growth divisions

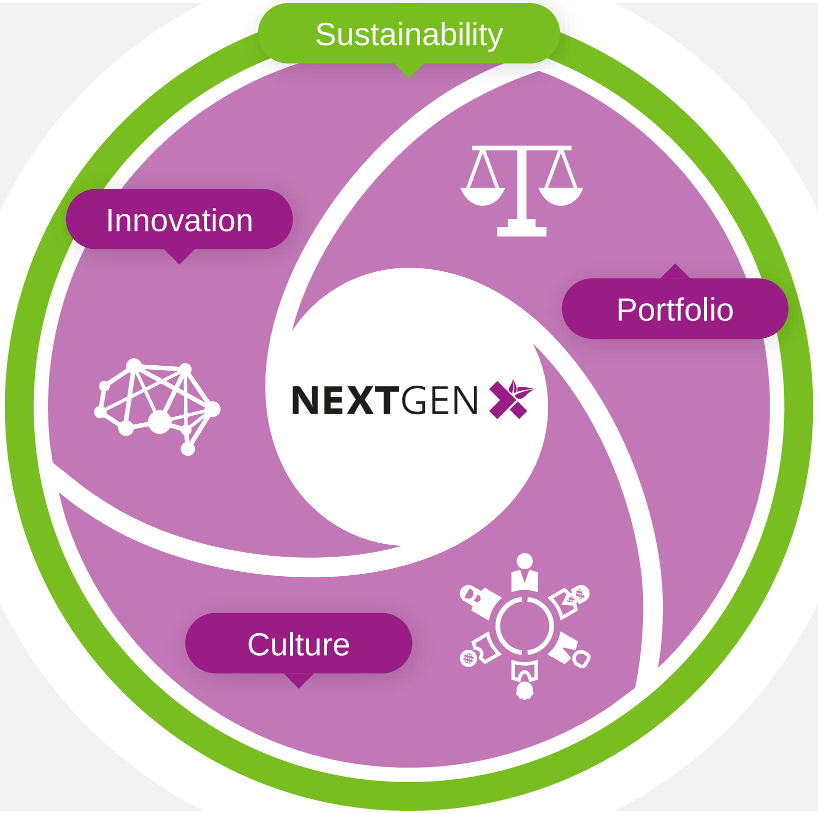
Next Generation Innovation

+ €1 bn new sales well on track
+ Growth areas beyond 2025 launched

Next Generation Culture

+ Diversity as key to successful strategy execution
+ ESG targets integrated into mgmt. compensation

… with sustainability fully integrated …



… delivering on ambitious targets

ESG Targets[1]

+ >50% sales share of NEXTGEN Solutions
+ -25% CO_2 emission reduction, e.g. via NEXTGEN Technologies

Financial Targets

+ Organic growth >4%
+ EBITDA margin 18-20%
+ ROCE ~11%
+ FCF Conversion >40%

1. Until 2030

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Leading in Innovation – Growth fields and sales target
On track to achieve target of >€1 bn sales from innovation

Innovation Growth Fields


Advanced Food Ingredients


Additive Manufacturing


Sustainable Nutrition


Cosmetic Solutions

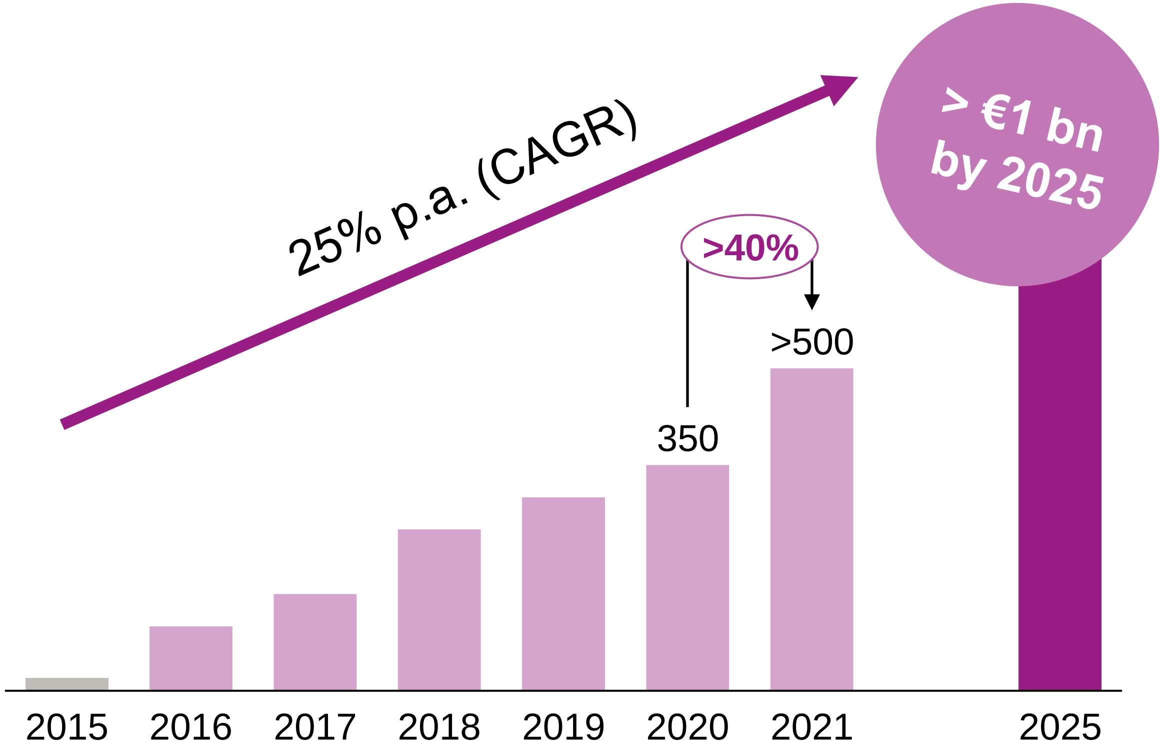

Membranes


Healthcare Solutions

Sizeable sales base established in all growth fields

Above-average margin contribution

Sales contribution Innovation Growth Fields



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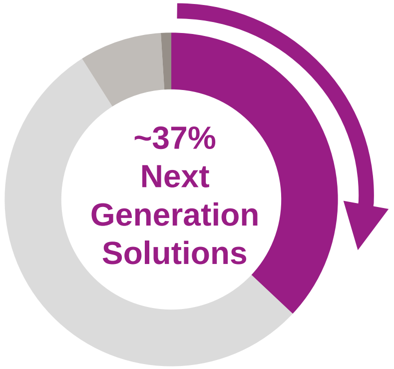
Evonik aligned to sustainability

Sustainability as part of portfolio and strategic management processes

Excellent Rankings	Environmental Targets	Portfolio Management

-25%

reduction of scope 1 and scope 2 emission until 2030 (vs. 2021)



Sector leading rankings

Evonik amongst leaders in all relevant ratings – “AA” MSCI ESG rating, EcoVadis “Platin” rating, “B-” ISS Oekom and “A-” CDP rating

Ambitious environmental targets

Evonik’s sustainability strategy with ambitious targets
Evonik will be climate neutral by 2050

Portfolio aligned to sustainability

Sales share with solutions with a clearly positive sustainability profile; target of >50% by 2030

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Summary of key financial & ESG targets

Financial Targets

Organic sales CAGR	>4%
EBITDA margin	18-20%
Cash conversion ratio	>40%
ROCE	~11%
Reliable & sustainably growing dividend	
Solid investment grade rating	

ESG Targets

Accident frequency rate[1]	≤0.26
"Next Generation Solutions"[2]	>50%
Sales Inno. Growth Fields[3]	>€1 bn
GHG emissions (scope 1&2)[4]	-25%
Gender diversity[5]	23%
Intercultural mix[6]	20%

1. Indicator per 200,000 working hours | 2. Sales share by 2030 | 3. by 2025
4. Gross emissions, reference year 2021, target year 2030 | 5. Executive & senior management positions by 2023 | 6. Executive positions by 2023

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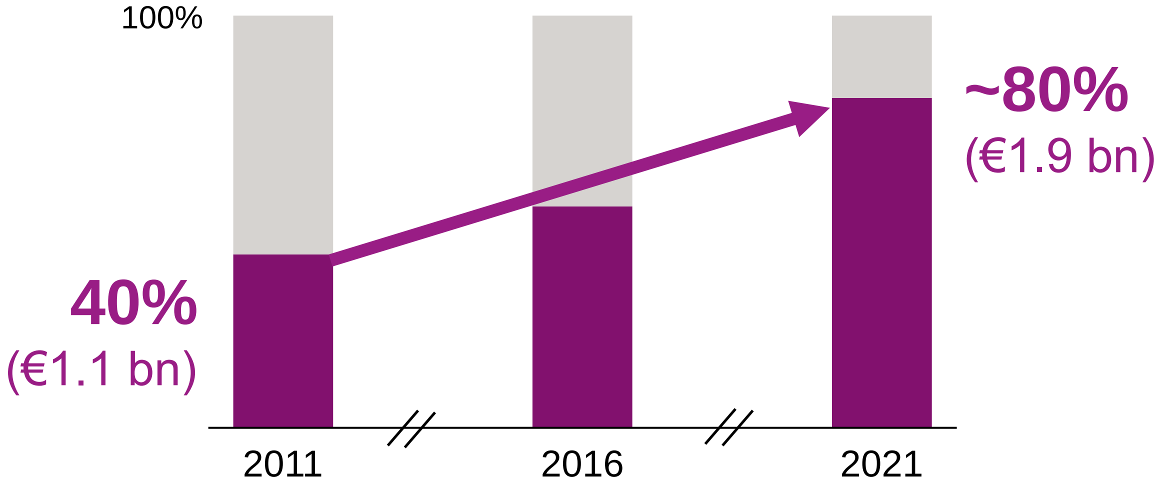
2. **Strategy**
3. Capital allocation & financial targets
4. Financials Q3 2022

Portfolio transformation – More balanced and more specialty

Portfolio quality significantly improved – today ~80% specialty businesses

Adj. EBITDA operating businesses



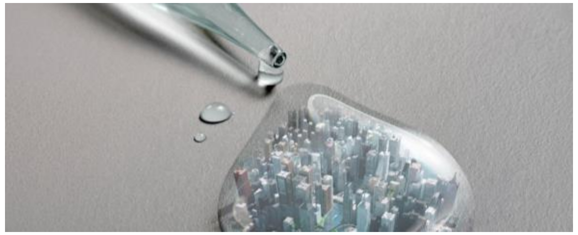
Portfolio characteristics

- **Specialty businesses** now represent **~80%** of EBITDA
- Specialty businesses with 10-year track record of **3pp higher annual organic earnings growth**[1]

Specialty businesses: Specialty Additives, Smart Materials, Health & Care (excl. Animal Nutrition & Performance Materials)
1: organic EBITDA CAGR Specialty vs. Total Operating Businesses (excl. M&A) 2011 – 2021

Portfolio transformation – Clear portfolio roles
Focus on three growth divisions - Exit Performance Materials

Specialty Additives	Nutrition & Care	Smart Materials	Performance Materials




Growth focus

- Strong innovation pipeline: ~4% R&D/sales
- High sustainability focus: Expand portfolio share of “Next Generation Solutions”
- Targeted M&A in complementary products and technologies
- Selected efficiency measures to strengthen cost leadership and improve portfolio quality

Exit

- Aiming to find new owners/partners for the businesses in the course of 2023
- Performance Materials to be ceased thereafter

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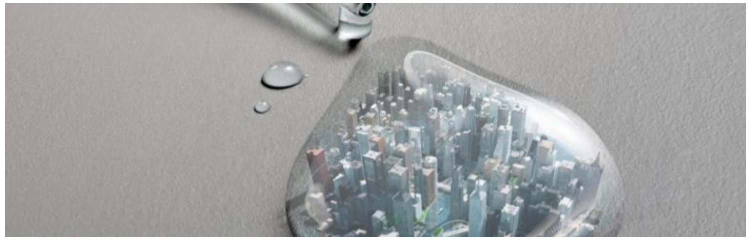
Portfolio: Full focus on three attractive growth divisions

Investments in R&D, organic & inorganic growth

Specialty Additives



Additive Technologies

- **Modular expansion of Silicones & Amine platforms** via >€100 m investments (2022 – 2024)
- **Addition of new effects, functionalities and technology platforms** to Additives portfolio

Nutrition & Care

Drug Delivery Systems

- **mRNA**: Sizeable investments into lipids, formulation and fill-finish

Care Solutions

- Three-digit million € investment into **world's first industrial-scale biosurfactants production** (start-up 2023/24)
- Targeting market leadership in **Active Cosmetics Ingredients** market by 2025 via organic growth and M&A

Smart Materials

Membranes

- Modular investments into **capacity expansion for gas-filtering membranes** (~€50 m)
- Breakthrough of electrolytic production of green hydrogen via **DURAION® AEM membranes**

Specialty Peroxides Solutions

- Investments into **purification capacities** to capture growth potential of Specialties applications
- Growth option in highly efficient and sustainable **HP+ technologies** (HPPO, HPPG)

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Portfolio transformation – Active M&A management
Decisive and value-accretive portfolio management

Divestments

~€2 bn cyclical sales

sold at attractive valuation
(**8.5x** EV/EBITDA)

Ø EBITDA margin: **~15%**[1]

Acquisitions

>€2 bn resilient sales

Ø multiple of **9.1x** EV/EBITDA (incl. synergies)

Ø EBITDA margin: **~22%**

Delivery of synergies on track (€80 m by end of 2020)

Decisive and value-accretive portfolio management

- Portfolio cyclicality & Capex intensity reduced
- More resilient EBITDA margin and improved cash profile

Divestments: Methacrylates business sold for EV of €3 bn (8.5x EV/EBITDA) in 07/2019
Acquisitions: Air Products specialty additives business for US$3.8 bn (9.9x EV/EBITDA incl. synergies & tax benefits) in 01/2017 I Dr. Straetmans cosmetics business in 05/2017
Huber Silica business for US$630 m (~7x EV/EBITDA incl. synergies & tax benefits) in 09/2017 I PeroxyChem for US$640 m (7.6x EV/EBITDA incl. synergies) in 02/2020 I Porocel for US$210 m (9.1x EV/EBITDA) in 11/2020
1: 2014-2019

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Portfolio: Exit of Performance Materials in execution

Transformation for all three business lines ongoing

Superabsorber

~ €700 m sales[1]

- Carve-out completed July 1st 2021
- Value-enhancing start of divestment process on the basis of improved 2022 financials and positive 2023 outlook

Functional Solutions

~ €450 m sales[1]

- Divestment process for Lülsdorf site (~ €150 m sales) initiated in 2021
- Alkoxides (biodiesel catalysts; ~ €300 m sales) to become part of Evonik growth divisions

Performance Intermediates

~ €1,800 m sales[1]

- Process to find strong new partner for the business to be initiated in H2 2022
- Joint venture as preferred inter-mediate step for full divestment

Aiming to find new owners/partners for each of the three businesses in the course of 2023
Division Performance Materials to be ceased thereafter

1. FY 2021

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RD&I at a glance
Facts & Figures

RD&I AT EVONIK

>€450 m SPENT

>€500 M SALES IN 2021 FROM INNOVATION GROWTH FIELDS

~24,000 PATENTS[1]

>€2,500 EMPLOYEES

100% SUSTAINABILITY-INTEGRATED

FIGHT CLIMATE CHANGE

DRIVE CIRCULARITY

SAFEGUARD ECOSYSTEMS

ENSURE HEALTH & SAFETY

1. Patents and patents pending

RD&I organization

Continuous exchange across the entire Evonik organization

RD&I Council

Research, Development & Innovation

Divisional RD&I

- Specialty Additives
- Nutrition & Care
- Smart Materials
- Performance Materials

Business Incubation

- Creavis

Venturing

- Evonik Venture Capital

Consistent focus on the same strategic direction as a Group

Knowledge sharing and use of different technology platforms

Efficient use of resources and competencies; flexible setup of interdisciplinary project teams

Full integration of sustainability criteria into decision making and allocation of resources

Sustainability as backbone of Evonik's purpose and strategy

Clear commitment to growing handprint and reducing footprint

Sustainability is an integral part of our purpose

LEADING BEYOND CHEMISTRY TO IMPROVE LIFE, TODAY AND TOMORROW

"We see profitable growth and assuming responsibility as **two sides of the same coin**."

Key growth driver…

Our Handprint

"**Sustainability is a key growth driver** and the cornerstone of our product portfolio, our investments and our innovation management."

…and saving resources

Our Footprint

"We **take responsibility** by **caring about our resources**."

Core elements of our sustainability approach

1. Evonik fully integrates sustainability in its **Strategic Management Process**
2. Evonik intends to **increase the portfolio share** of products with **sustainability benefits**
3. Evonik is committed to foresighted **resource management**
4. Evonik with high standards for **governance** and continuous **improvement of its reporting**

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Ambitious commitments on handprint and footprint
In line with Science Based Targets

NEXTGEN Solutions

NEXTGEN Technologies

SCIENCE BASED TARGETS

Sales by 2030

Next Gen Solution
(Leaders + Drivers)
>50%

Challenged Products
<5%

CO_2 reduction 2030

Scope 1+2
(Well below 2 degrees)
-25%

Scope 3
(2 degrees, committed)

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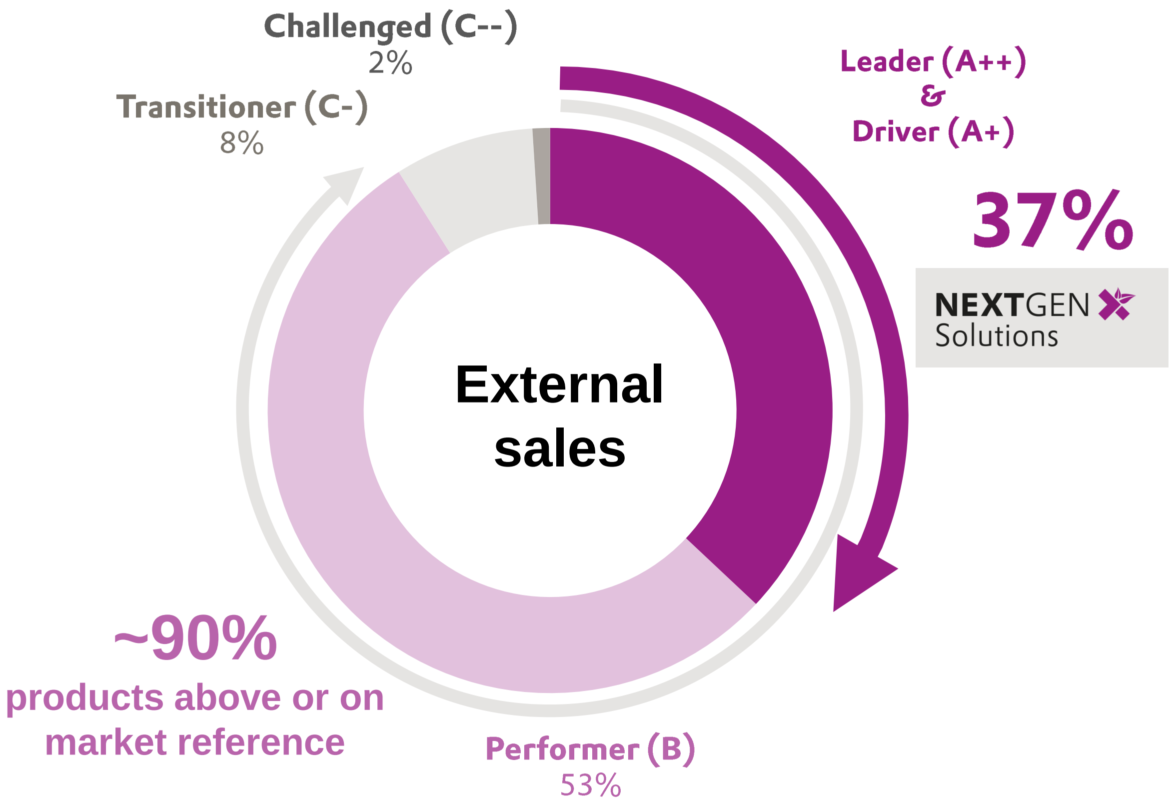
Handprint: “Next Generation Solutions”
37% of Evonik’s portfolio with superior sustainability benefits

Result of PSA analysis



Best-in-class products in Evonik’s portfolio which…

…deliver **above-average growth**

…address **increasing customer demand** for sustainable solutions

NEXTGEN Solutions

…deliver **superior sustainability benefits** to our customers

NGS: “Next Generation Solutions” include “Leader” (A++) and “Driver” (A+) products and solutions

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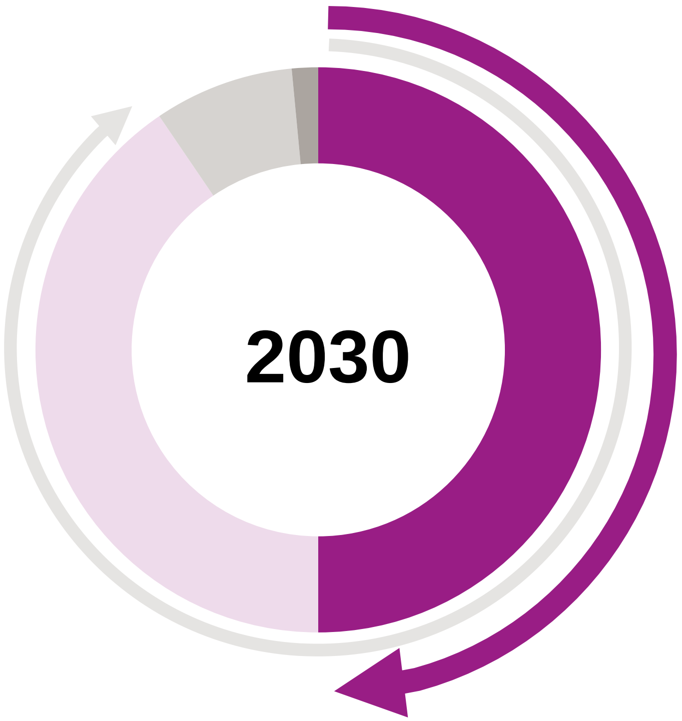
Handprint: “Next Generation Solutions” to grow beyond 50% by 2030

Ambitious new sales share target to be achieved through three levers

Increase “Next Generation Solutions”



>50%

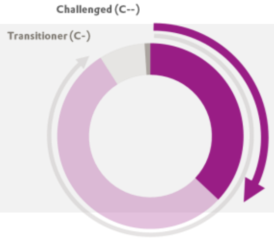
NEXTGEN Solutions

Three levers to increase the share of NGS

Existing “Next Generation Solutions” with **superior sales growth rates**

New sales from **innovations** becoming “Next Generation Solutions”

“**Challenged**” and “**Transitioner**” products exiting or with new formulations



1. NGS: “Next Generation Solutions” include “Leader” (A++) and “Driver” (A+) products and solutions

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Handprint: Above-average growth of “Next Generation Solutions”

Selected examples addressing our four Sustainability Focus Areas

Future Mobility solutions

- Lightweight applications: PA12 portfolio
- Batteries: additives for electrodes / separators
- “Green tire” technology

+11%

Additives for durability in construction

+9%

- Water-repellents for building materials
- Additives for integrated protection and self-healing of concrete structures

- Global development partner & solutions provider for delivery systems for effective drugs and vaccinations
- Evonik as pioneer in Lipid Nano Particle (LNP) field for mRNA technology

+14%

Drug Delivery Systems

+13%

- High-quality proteins with essential amino acids
- Production of omega-3 fatty acids from microalgae
- AQUAVI® Met-Met as methionine source for shrimp and prawns

Modern aquaculture solutions

% values: Target CAGR 2021-2030 defined in Strategy Dialogue

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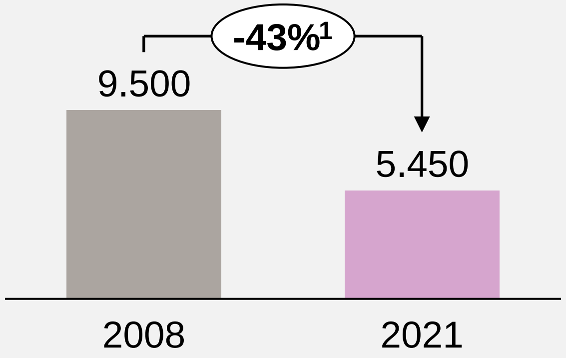
Footprint: Commitments to reaching the Paris Climate Agreement

Evonik will be climate neutral by 2050. Committed to SBTi.

Achievements on GHG emissions’ reduction

Scope 1&2

2021 **-43%**

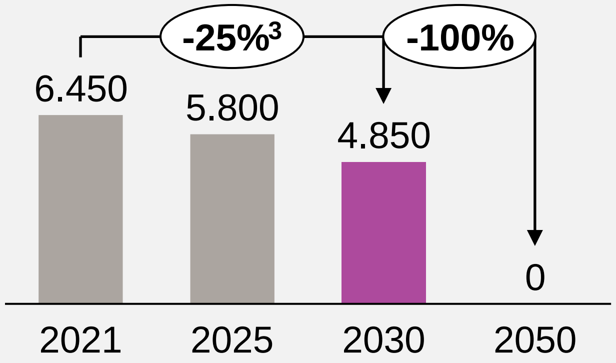


New targets for GHG emissions scope 1&2

Scope 1&2
Well below 2°C[2]

Scope 3
Committed[2]

2030 **-25%**



2050 **-100%**

1. Net emissions (= gross emissions minus power and steam sold externally); reference year 2008; on initial -50% target by year 2025
2. Commitment letter signed and handed in for SBTi, 25th April 2022
3. Gross emissions; reference year 2021, target year 2030

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Footprint: Long-term PPA signed with EnBW

Covering 25% of European electricity needs of Evonik with wind energy

- PPA signed with EnBW for a new North Sea offshore wind park starting in 2026
- Delivery of 0.4 TWh to Evonik
- Covering 25% of Evonik's European electricity needs (~100 kt CO_2 emission reduction p.a.)
- Fixed conditions over 15 years (duration of contract)

Significantly reducing dependency on availability and prices of conventional energy sources

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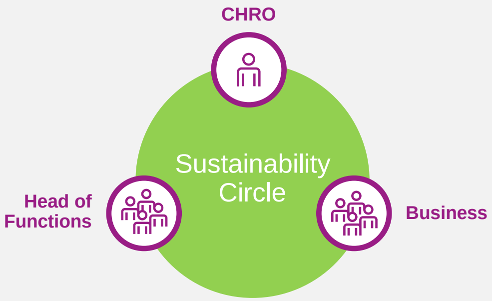
Complementing the governance on ESG
Reflected in organizational set-up and remuneration

Clear responsibilities

- **Executive Board** has overall **responsibility** for sustainability
- Setting **strategic framework** and **executing measures** in close cooperation with operating divisions

Cross-functional & business alignment



Steering & decision-making

Part of remuneration

- Occupational safety part of remuneration of the executive board since more than a decade
- New ESG goals to be **integrated in remuneration schemes** of Executive Board

New element for approval at AGM 2022

20% ESG

Long-term incentives based on strategic ESG KPIs, e.g.:

- **Sales share of "Next Generation Solutions"**
- **CO_2 emission reduction**

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ONE Evonik. ONE Culture
… with unifying elements for a diverse company

Our Purpose
inspires us

LEADING BEYOND CHEMISTRY

TO IMPROVE LIFE, TODAY AND TOMORROW

Our Values
guide us

Safety first as foundation:

- Accident frequency as part of management compensation
- Low level secured over the last years[1]

Diversity as basis of our economic success:

- Ambitious targets defined
- Inclusive mindset and behavior ultimately utilize diversity successfully

Attractive employer:

- Employee committment with increase of 5 pp in latest employee survey

1. below upper limit of 0.26 (number of accidents per 200,000 working hours)

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Financial targets
Evonik Group

Mid-term Financial Targets		Revised targets (excl. PM)
Above-average volume growth in growth divisions (>3%)		Organic sales CAGR >4%
EBITDA margin in the range of 18-20%	Unchanged	EBITDA margin in the range of 18-20%
Cash conversion ratio of >40%	Unchanged	Cash conversion ratio of >40%
ROCE ~11% - well above cost of capital	Unchanged	ROCE ~11% - well above cost of capital
Reliable and sustainably growing dividend	Unchanged	Reliable and sustainably growing dividend
Solid investment grade rating	Unchanged	Solid investment grade rating

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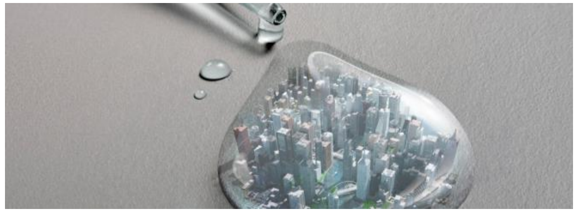
Financial targets
By growth division

	Specialty Additives	Nutrition & Care	Smart Materials
			
Next Generation Solutions[1]	**> 40%**	**> 50%**	**> 50%**
EBITDA margin	**Secure** strong level (2021: 25%)	**> 22%** (2021: 20%)	**~ 20%** (2021: 17%)
ROCE	**Secure** strong level (2021: 18%)	**> 14%** (2021: 12%)	**> 11%** (2021: 8%)

1: Products and solutions with a clearly positive sustainability profile that is above or well above the market reference level

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Capital allocation into our green transformation
Priority on growth investments and targeted M&A

Significant cash inflow …

Increasing Operating Cash Flow

Attractive cash conversion with steadily growing earnings

Divestment proceeds Performance Materials

… invested into our green transformation

>€3 bn 2022-2030	NEXTGEN Solutions	▪ Growth investments into our sustainability leaders ▪ Attractive growth rates and returns (IRR >11%)
~€700 m 2022-2030	NEXTGEN Technologies	▪ Investments into infrastructure, production and processes ▪ Significant energy & emissions reduction as well as reduction of operating costs (>€100 m by 2030)
	Targeted M&A	▪ Acceleration of portfolio transformation ▪ Expansion of businesses with above-average growth, sustainability profile and returns
	Attractive dividend	▪ Reliable and sustainably growing

Solid investment grade rating

1. 80% of growth capex for Next Generation Solutions (~€350 m p.a.) | 2. Additional capex for Next Generation Technologies (~€65 m p.a. on average)

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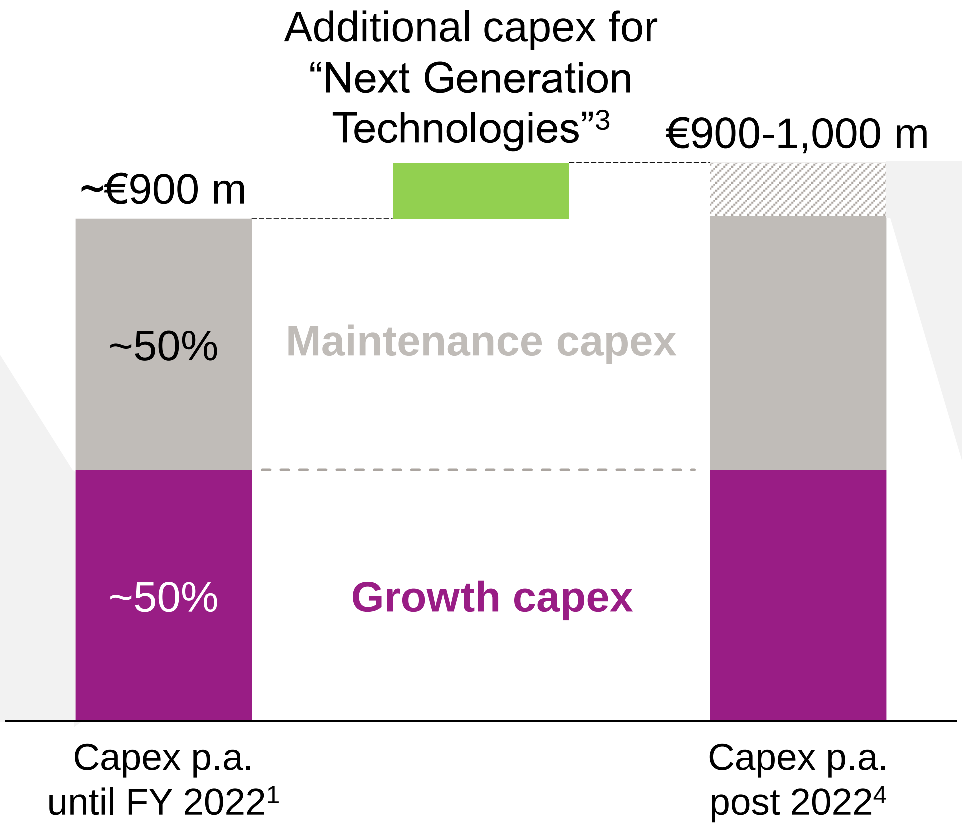
Capex as key element for investments into handprint & footprint

WE INCREASE OUR HANDPRINT

80% of growth capex for "Next Generation Solutions"

>€3 bn

2022-2030[2]



WE REDUCE OUR FOOTPRINT

Additional capex for "Next Generation Technologies" mainly on top of maintenance

~€700 m

2022-2030[3]

1. Incl. ~€50 m p.a. for Performance Materials | 2. ~€350 m p.a. | 3. ~€80 m p.a. on average incl. ~€15 m p.a. for PM, ramping up gradually over the coming years | 4. Incl. ~€65 m p.a. for PM

Clear value generation with investments into “Next Generation Solutions” and “Next Generation Technologies”

	NEXTGEN Solutions	NEXTGEN Technologies
Target & benefit	NEXTGEN Solutions **>50%** sales share Products with superior sustainability[1] and financial performance	**-25%**[2] **2030** Scope 1+2 Projects to lower CO_2 emissions with value-enhancing, positive NPVs
Value creation	**Clear investment criteria – aligned with strategic, sustainability and financial targets** ▪ Above-average market growth ▪ Superior sustainability profile (PSA analysis) ▪ IRR above ROCE target (>11%) ▪ CO_2 pricing implemented	**€700 m capex** (2022-2030) … ▪ For NPV-positive projects ▪ For advanced levers, innovative waste heat up-cycling and process re-design … **resulting in >€100 m opex savings** (p.a.)

1. “Next Generation Solutions” include “Leader” (A++) and “Driver” (A+) products and solutions
2. Commitment letter signed and handed in for SBTi, 25th April 2022, gross emissions reduction with reference year 2021, target year 2030

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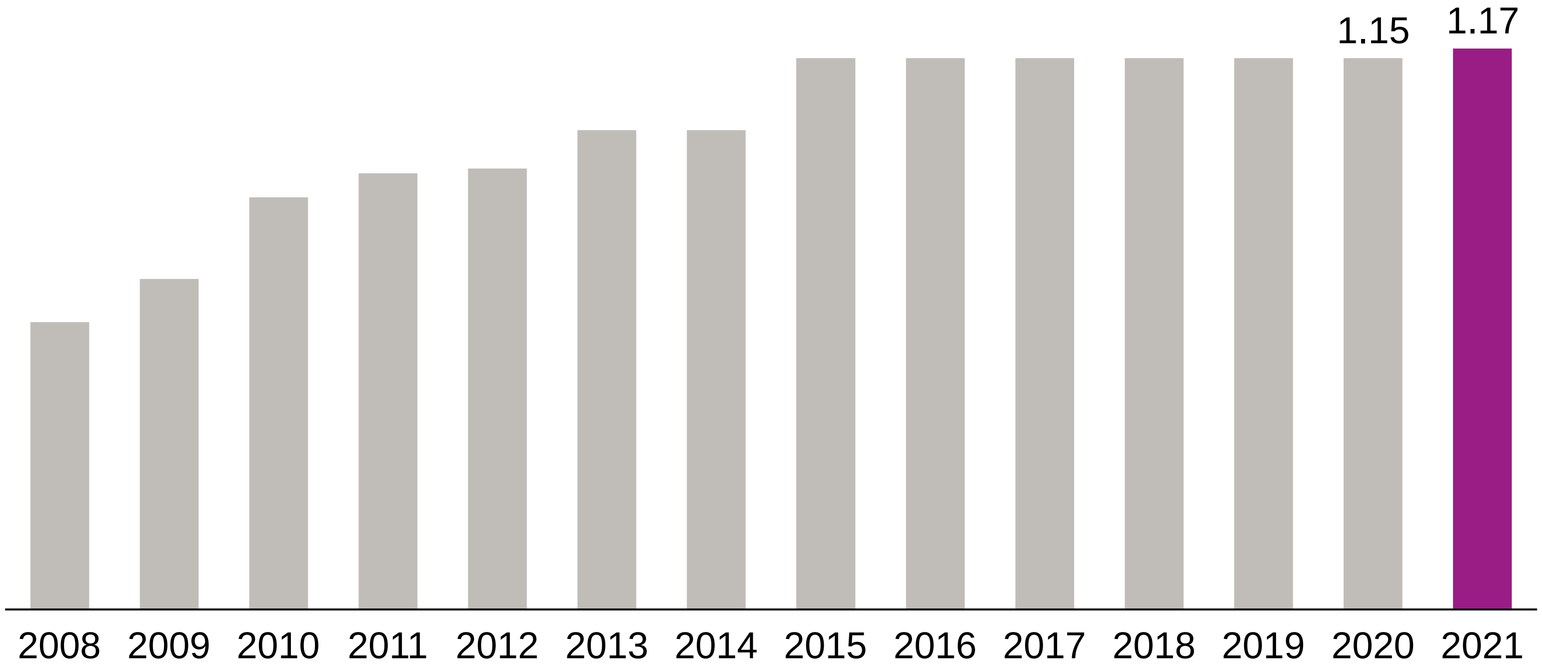
Spotlight on shareholder returns
Reliable and attractive dividend policy

Dividend (in €) for FY



- **Slight increase** to €1.17 in FY 2021
- **Attractive dividend yield of ~4%**
- Reliable dividend policy targeting:
  - **Dividend continuity**
  - **Adj. EPS and FCF growth** with potential for sustainable **dividend growth** going forward

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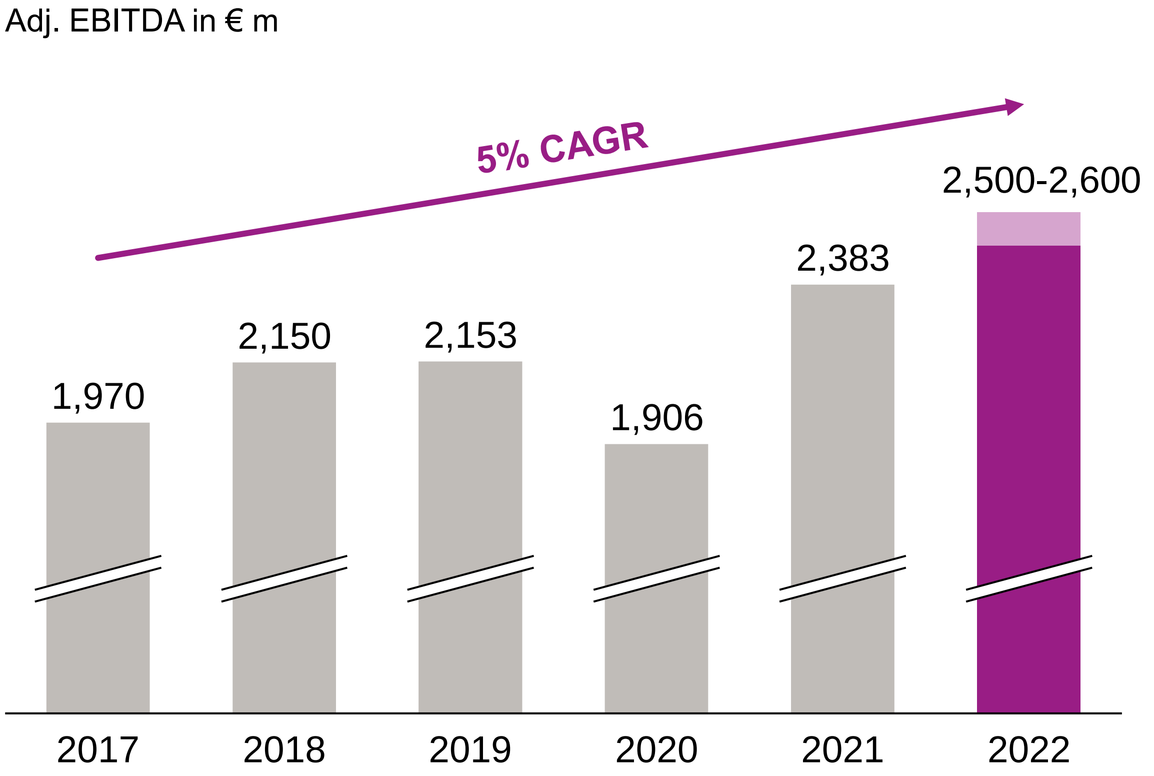
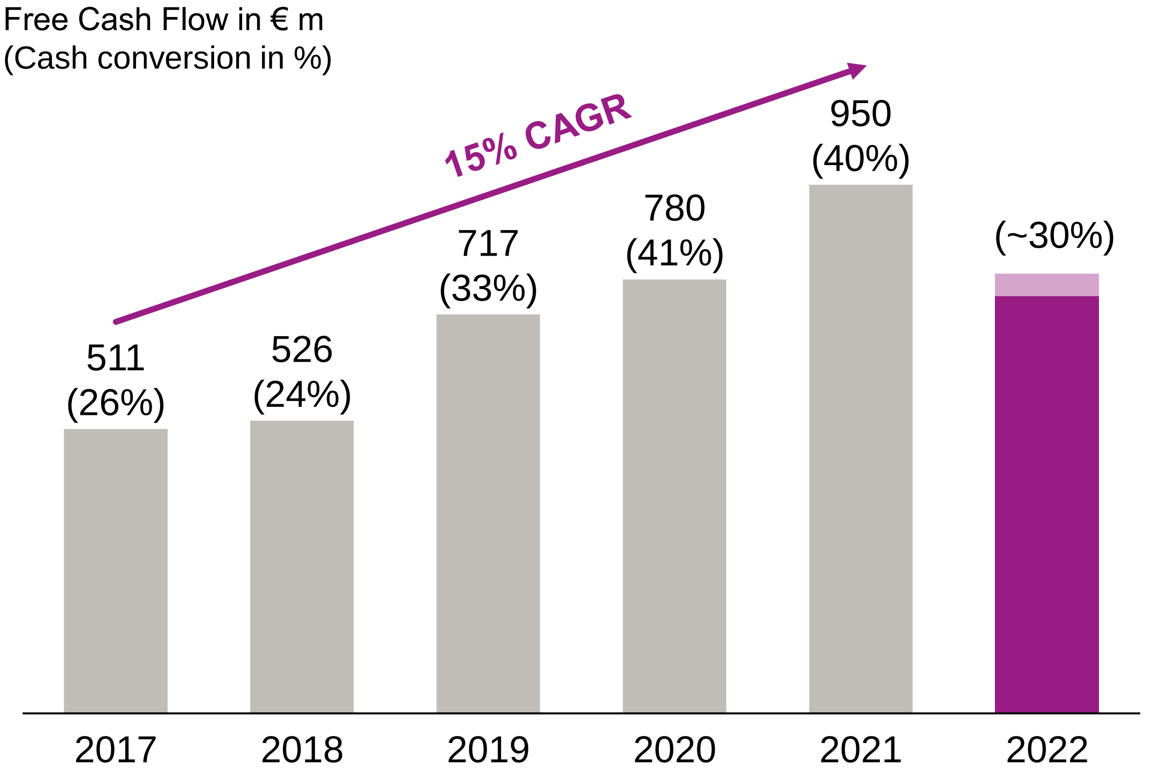
We are consistently and reliably growing EBITDA and Free Cash Flow

Strong earnings growth …



… is translating into even faster FCF growth



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Q3 2022 results at a glance

Sales (in € m)	**Adj. EBITDA** (in € m)	**Free cash flow** (in € m)	**Adj. EPS** (in €)
4,878 (Q3 2021: 3,871)	**615** (Q3 2021: €645 m)	**288** (Q3 2021: €524 m)	**0.54** (Q3 2021: 0.58 €)
Volumes decline; another +17% pricing on already elevated prior-year basis	Solid results – Specialty Additives above and Smart Materials on prior-year level	Cash generation picking up thanks to improvement in inventories	Financial result and tax rate in-line with expectations and FY guidance

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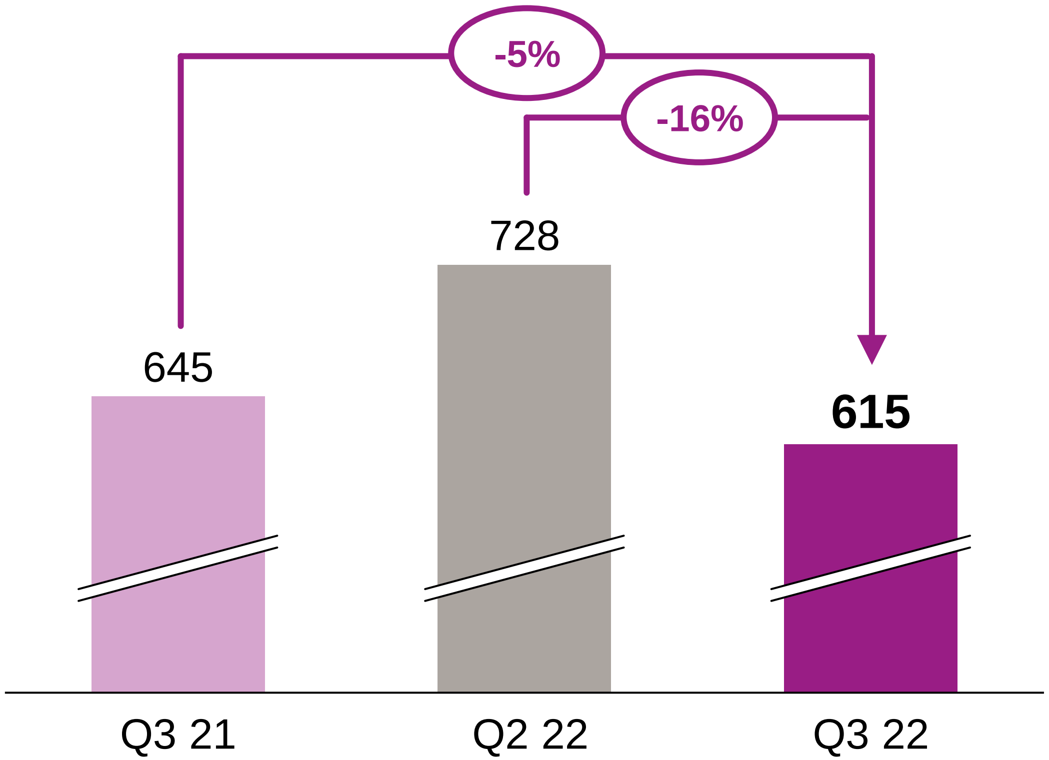
Adj. EBITDA Q3 2022

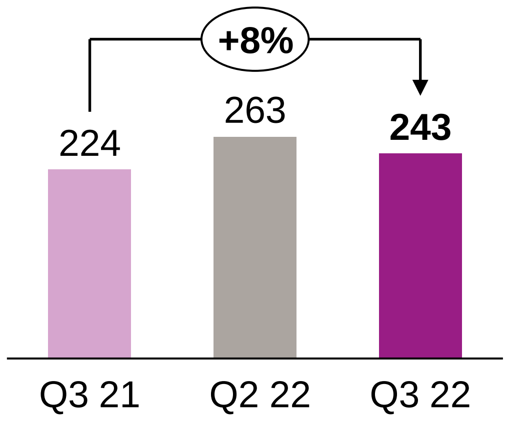
Adj. EBITDA (in € m)



- **Solid results** in an increasingly challenging environment
  - **Higher prices** again compensate higher variable costs in all divisions
  - **Lower volumes** across majority of businesses impacting earnings
- **No impact** from inventory revaluation in Q3

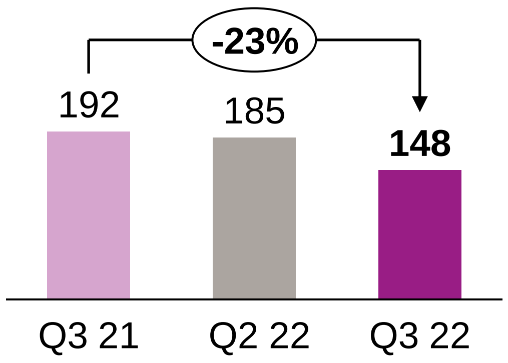
Adj. EBITDA development by division

Specialty Additives



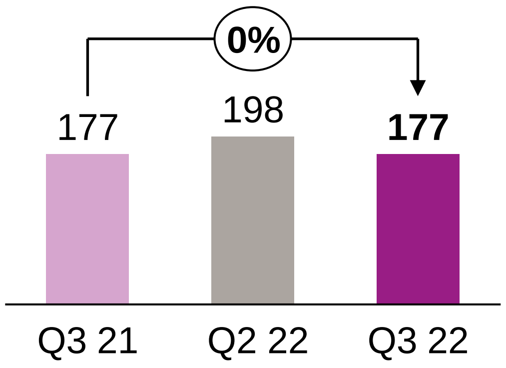
Proving resilience in challenging environment once more

Nutrition & Care



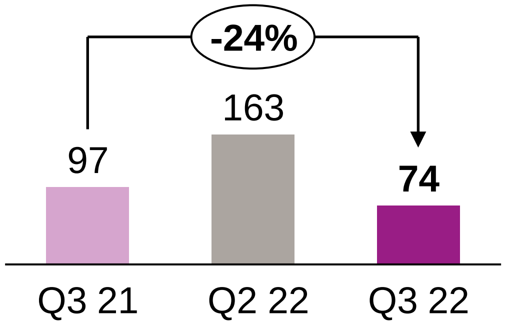
Supply chain issues in Health Care and destocking in Animal Nutrition; Care Solutions strong

Smart Materials



Strong silica and silanes business compensate lower PA12 volumes and weaker demand for H_2O_2

Performance Materials



Spread normalization and maintenance in C4 chain after an exceptional Q2

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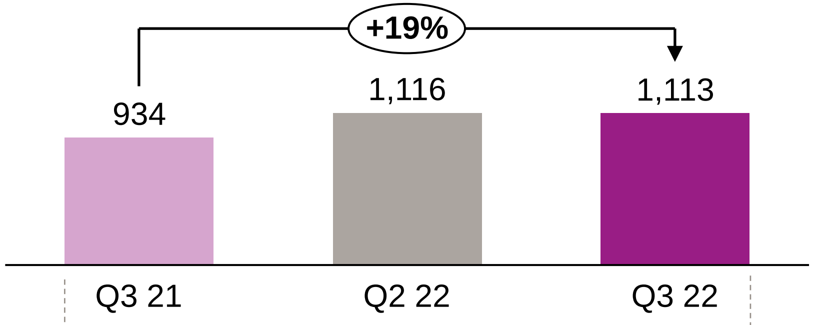
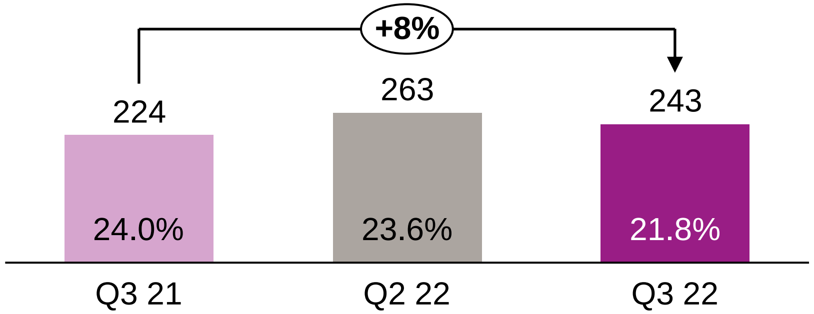
Specialty Additives

Sales (in € m)



Q3 22 vs. Q3 21			
Volume	Price	FX	Other
-6%	+18%	+6%	+1%

Adj. EBITDA (in € m) **/ margin** (in %)



- Overall strong performance across all businesses – demonstrating resilience in tougher environment
- Price increases continue on similar strong level as Q2 (+18% yoy) and compensate for higher variable costs
- Volume declines in Europe and Asia, volume expansion in Americas
  - Good demand in agro, energy storage and release coatings
  - Weaker demand and destocking esp. from coatings and construction
  - Unplanned downtime in Crosslinkers

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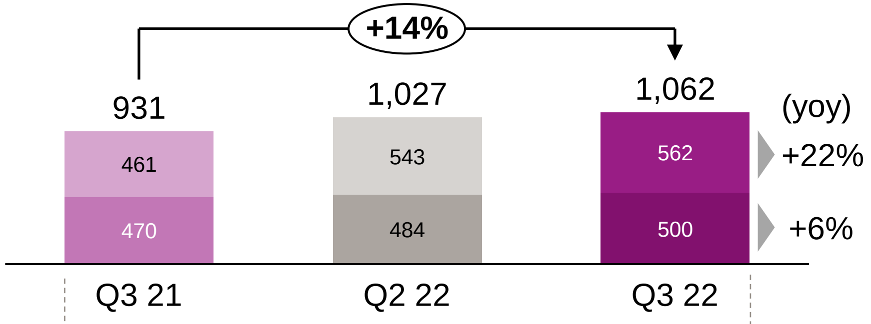
Nutrition & Care

Sales
(in € m)

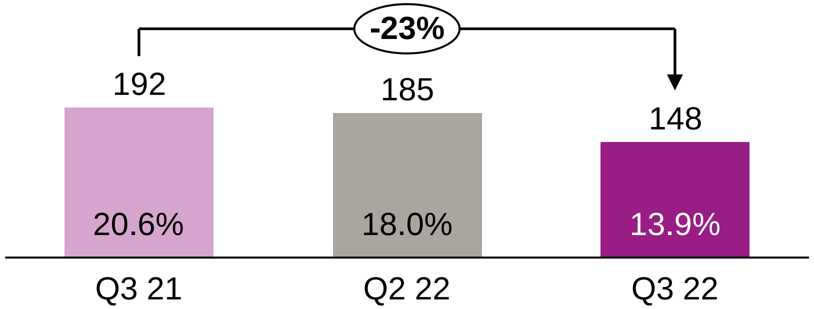
Animal Nutrition

Health & Care



Q3 22 vs. Q3 21			
Volume	Price	FX	Other
-10%	+14%	+9%	+1%

Adj. EBITDA
(in € m)
/ margin
(in %)



- **Health & Care:**
  - Care Solutions: Strong volumes and pricing esp. for cosmetic solutions and active cosmetic ingredients
  - Health Care: weak quarter with supply chain issues at several sites resulting in lower deliveries to customers, catch-up in Q4
- **Animal Nutrition**:
  - Only slow demand recovery in Q3 (qoq)
  - Ongoing customer destocking across all regions and impact of global inflation on meat consumption in low-income countries

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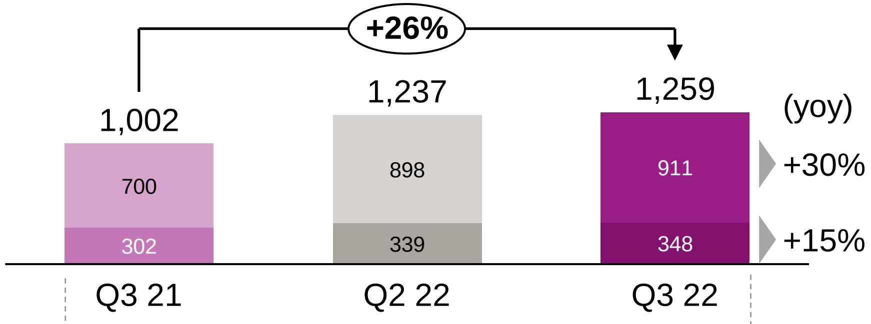
Smart Materials

Sales
(in € m)

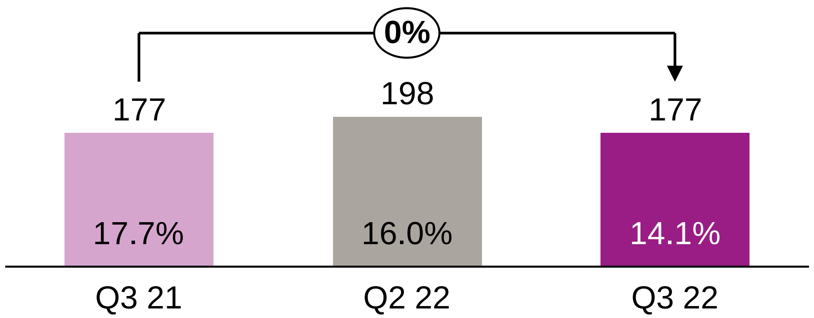
Inorganics

Polymers

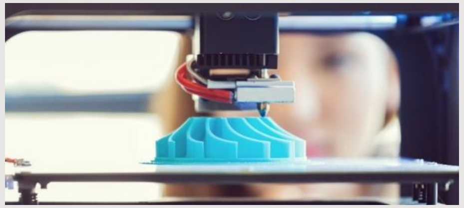


Q3 22 vs. Q3 21			
Volume	Price	FX	Other
-1%	+20%	+6%	+1%

Adj. EBITDA
(in € m)
/ margin
(in %)



- Stable volumes despite weaker demand in construction and limitations in raw materials for PA12 (C4 maintenance)
- Continued strong growth in Silanes and Silica, driven by automotive demand, oral care, electronics and special oxides
- Active Oxygen's base business affected by current gas price
- High demand for "Eco-Solutions" like active oxygen specialties and gas separation membranes
- Price increases in same magnitude as previous quarter, continue to compensate higher variable costs



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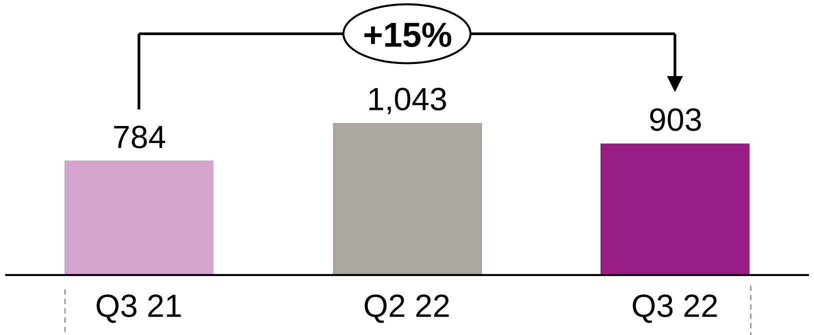
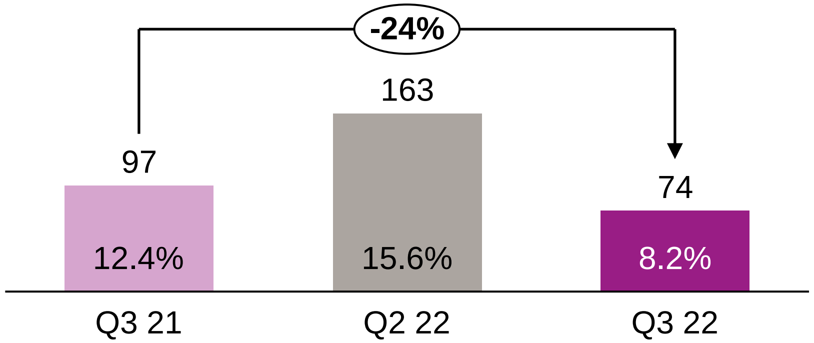
Performance Materials

Sales (in € m)



Q3 22 vs. Q3 21			
Volume	Price	FX	Other
-16%	+23%	+8%	+/-0%

Adj. EBITDA (in € m) **/ margin** (in %)



- Lower earnings after exceptional Q2 driven by lower volumes in C4 business: Planned maintenance shutdown in Marl followed by force majeure of a supplier
- Weaker development across all C4 market segments, most pronounced in INA and plasticizers (lower demand from construction and automotive)
- C4 spreads down from peak levels, additional margin impact from lower Naphtha price and increased energy costs

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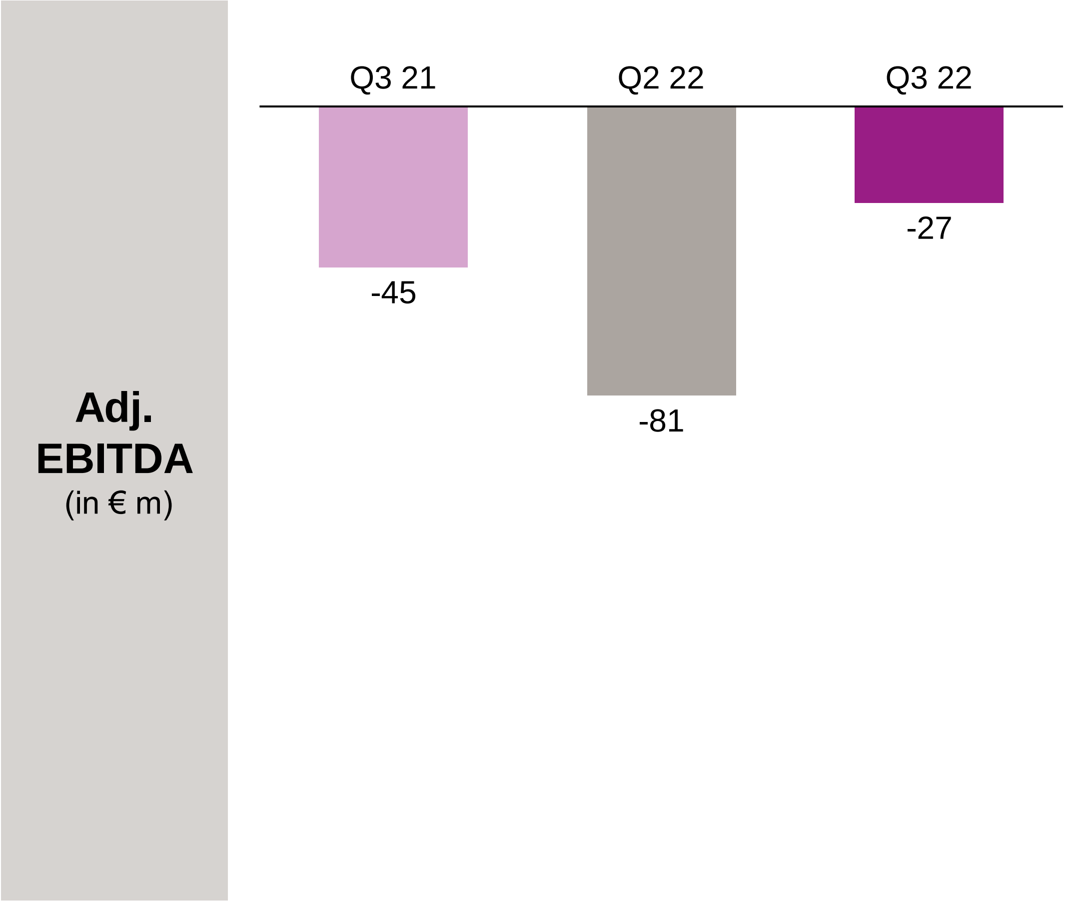
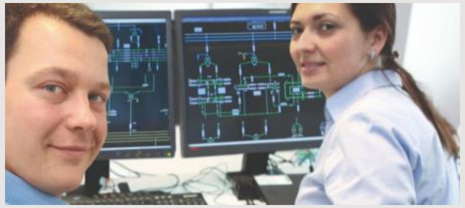
Technology & Infrastructure (T&I) / Other

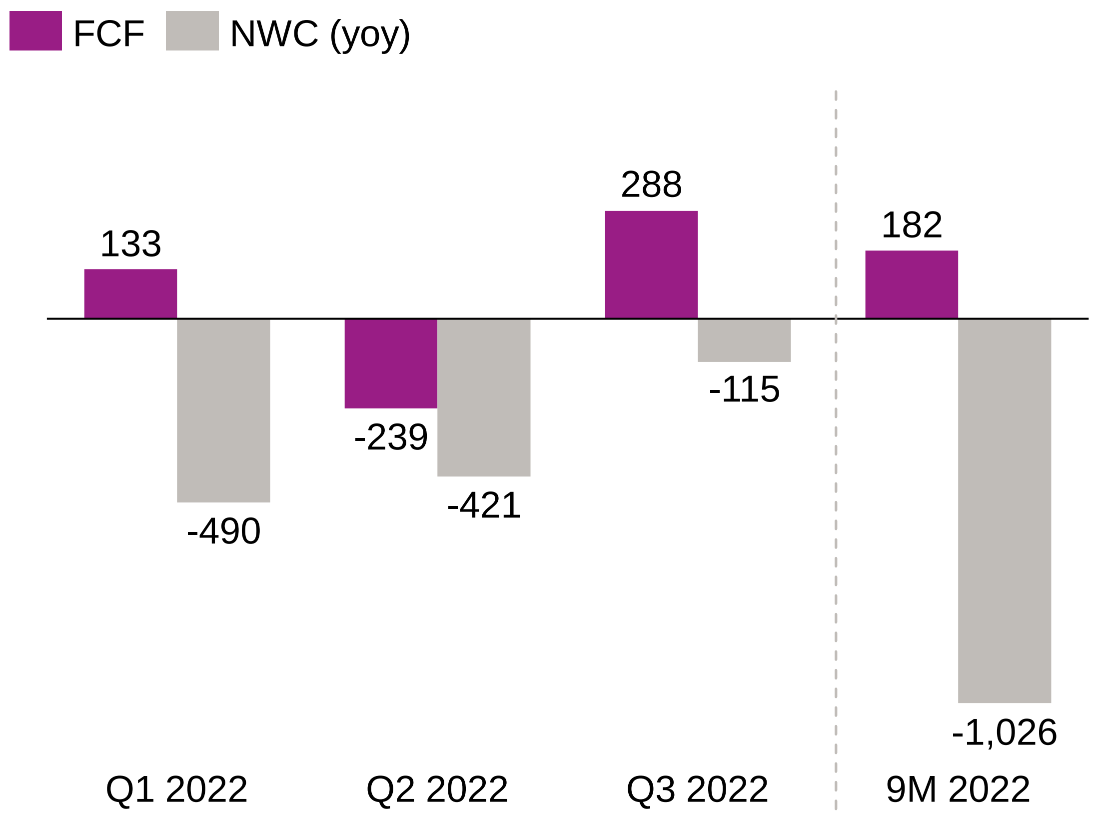


- Revenue up +146% yoy (to €541 m) due to energy purchasing for third parties (pass-through to customers, no effect on earnings)
- Adj. EBITDA clearly better yoy and qoq due to re-distribution of negative effects (esp. higher costs for power plants and energy purchasing) in Q2 to operating businesses



Improving cash generation despite continued NWC headwinds

Free Cash Flow (in € m, continuing operations)



- **Cash generation picking up in Q3** and pointing into the right direction – despite significant NWC headwind
- **Implemented inventory optimization measures** starting to take effect and set to continue in Q4

- After 9M 2022, free cash flow remains heavily impacted by **significantly higher NWC outflow yoy**
- Additionally, yoy higher cash outflow for variable remuneration (in Q2 2022 for FY 2021)

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Structural support for 2023

Resilient & regionally balanced portfolio setup

- Support from sustainability focus and defensive end markets
- Contribution from new PA12 plant
- Diversified, global asset footprint
- Competitive European operations

Progress in Performance Materials divestment

- Divestment projects progressing as planned
- Aiming to find new owners/partners in the course of 2023
- Reducing exposure to Europe

High visibility on energy costs and gas supply

- Good visibility on energy cost development – independent from political decisions
- Energy supply well secured
- Raw material & logistics costs beyond peak level

Contingency measure toolbox in implementation

- Triple-digit million € additional cost savings
- Proven cash generation also in tougher times (41% conversion in 2020)
- Strong balance sheet and liquidity position

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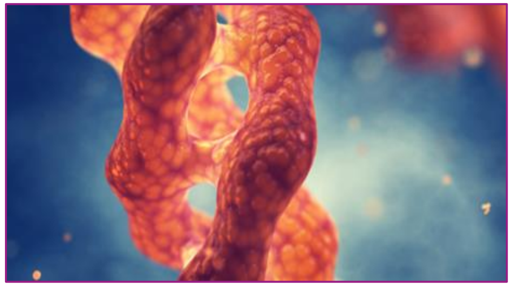
Support from sustainability focus & defensive end markets
Also in 2023 – largely independent of general macro trends

Additives
that make the
sustainable difference

Renewable energy production

- Growth driver: Increasing number of wind farms
  e.g. Crosslinkers for composite materials in wind turbine blades
  e.g. Oil Additives for wind turbine gear oils



Resilience & growth in Health & Care

Defensive end markets

- Earnings growth 2023 expected for both Care Solutions and Health Care

Strong growth from biotech platform

- Ceramides, cell culture and CDMO projects as growth drivers

PA12:
New capacities into favorable end markets

New capacities

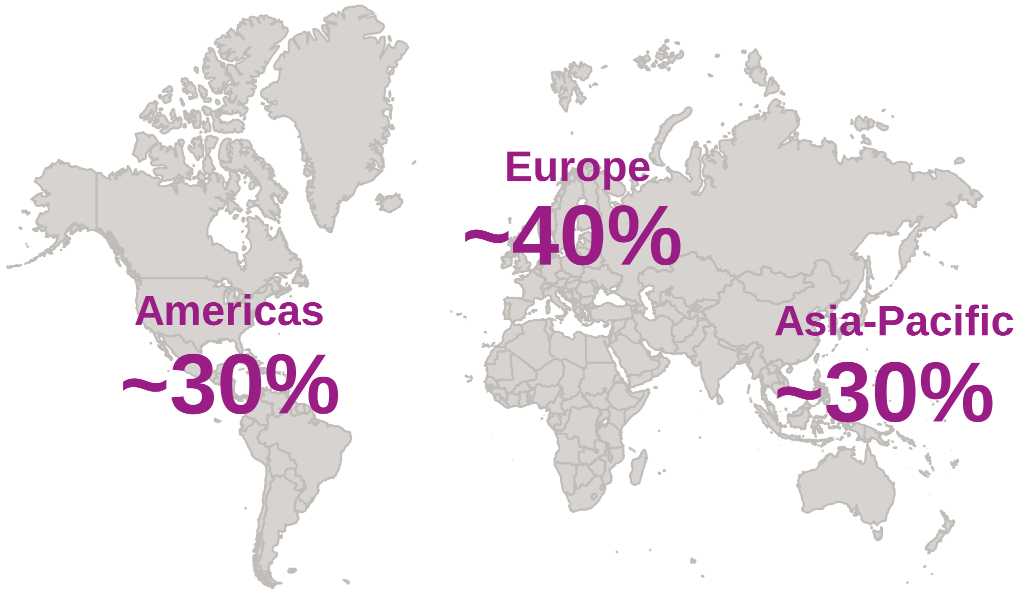
- >50% capacity increase in attractive market
  creating the world's largest fully integrated PA12 network in Marl

Various applications

- >400 specific compounds and tailor-made formulations

Balanced global footprint – Clearly profitable in all regions
Europe as profitable core region for Evonik

Share of production volumes (in kt, FY 2021)[1]



All major value chains with production hubs in all three key regions

European business with high competitiveness

Portfolio
- Focus on less energy-intensive businesses
- Frontrunner in sustainability

Innovation
- Innovation-driven, customer-centric solutions
- Value-based pricing

Clearly profitable across all value chains in Europe – now and in the future

1. Excl. Performance Materials

High visibility on energy costs and gas supply
Independent from political decisions

Evonik-specific advantages

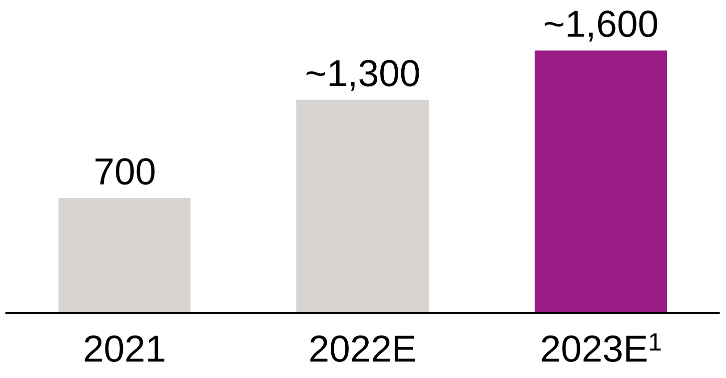
Long-term hedging strategy

Gas substitution measures
(up to 40% natural gas in Germany)

We are in control:

- Cost increase 2023 will be below the increase of 2022
- Security on energy supply and costs largely independent from political decisions

Energy costs (in € m)



1. Excluding potential impact from gas price cap in Germany

Contingency measure toolbox in implementation
Triple-digit million € additional cost savings in 2023

Learnings from 2020:
- Contingency measure toolbox ready
- Will be executed immediately

1 Operations
- Reduce fixed cost base
- Capex discipline
- Strict NWC management
- Optimized maintenance schedules
- Discipline on projects with no immediate business impacts

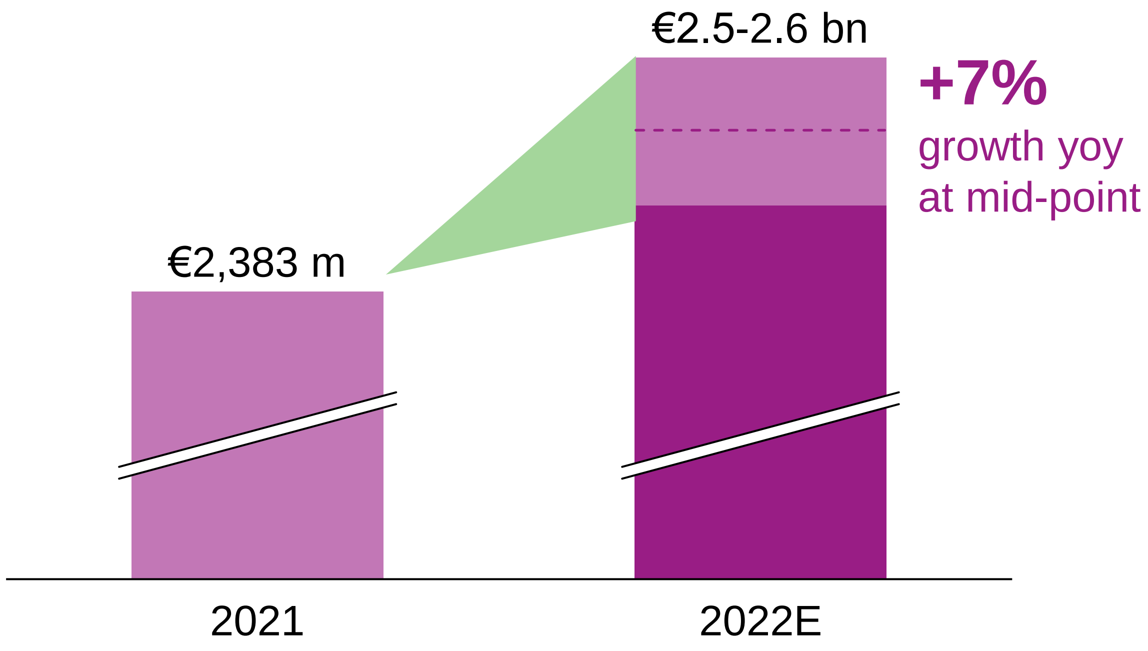
2 Personnel
- Discipline on hiring & secondments
- Less business travel
- Discipline on wage increases and promotions

3 Other
- Less use of consultants
- Reduced fair and event participation
- Review of non-contracted sponsoring

Triple-digit million € additional cost savings in 2023

FY 2022 outlook for adj. EBITDA “between €2.5 and 2.6 bn” confirmed

“Adj. EBITDA between €2.5 and 2.6 bn”



Basis for the outlook

- Strong 9M performance as basis (+10% yoy)
- Assuming similar pace of macro slowdown for Q4 like in Q3
- Energy supply:
  - Outlook based on sufficient gas supply to maintain production on necessary scale
  - Extensive measures implemented to make energy production at European sites largely independent from Russian gas

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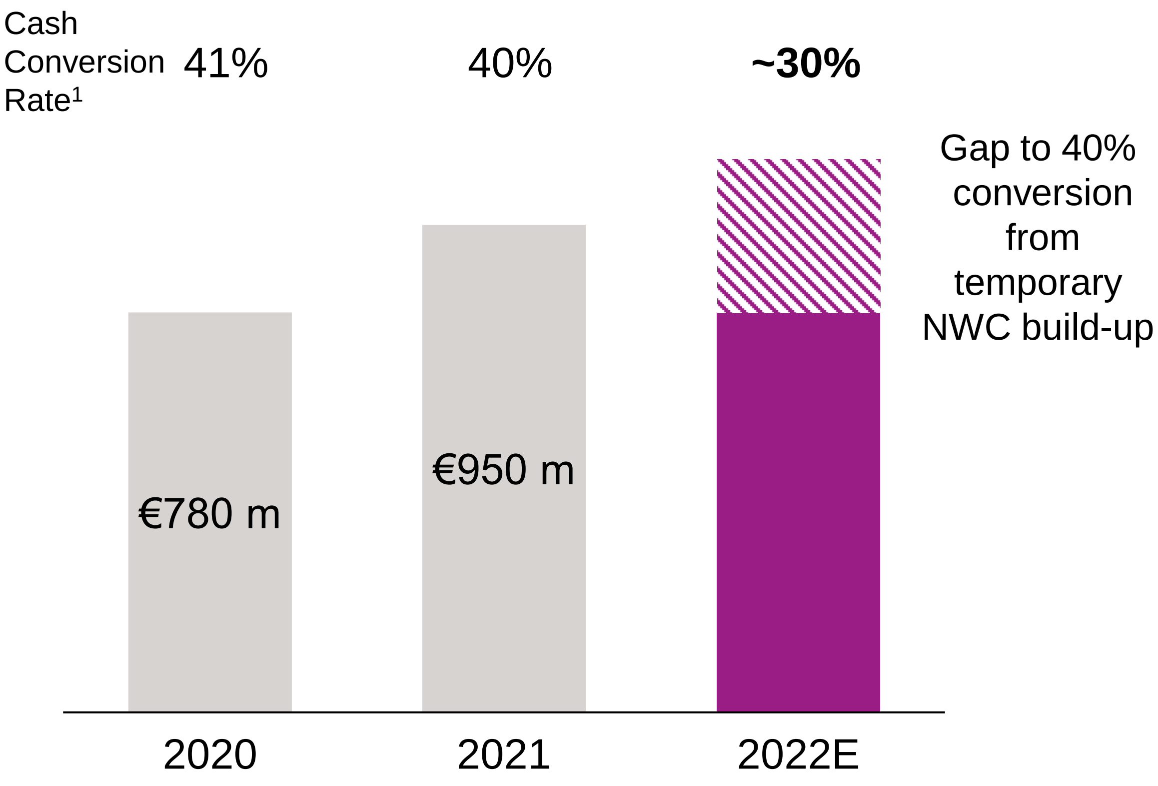
FCF conversion “around 30%” confirmed

“FCF conversion around 30%”



NWC impact in 2022 so far

- **~€1 bn NWC outflow in 9M** (yoy delta of ~€500 m) driven mainly by inventories and payables
- **Inventory optimization measures** started to take effect in Q3 and will continue in Q4

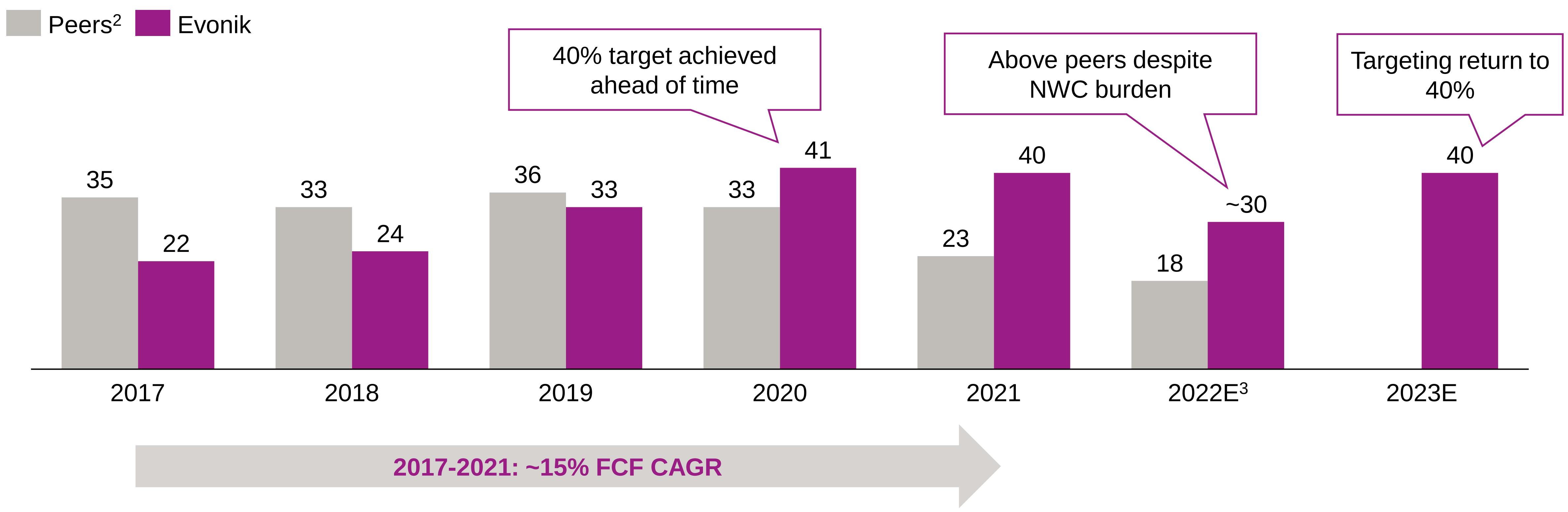
Outlook

- **Significant NWC improvement** expected in Q4
- Leaving additional NWC reversal potential in 2023 to **return to 40% cash conversion**

1. Free cash flow conversion (FCF/adj. EBITDA)

Evonik with structural cash generation improvement – above peers

FCF conversion (in %)[1]



1. Free cash flow conversion (FCF/adj. EBITDA) | 2. Average of peer group: Arkema, BASF, Clariant, Covestro, DSM, Lanxess, Solvay | 3. Visible Alpha Consensus for peers, outlook for Evonik

Additional indications for FY 2022

Sales	**around €18.5 bn** (previously: between €17 and 18 bn ; 2021: €15.0 bn)
ROCE	**slightly above the level of 2021** (unchanged; 2021: 9.0%)
Capex[1]	**around €900 m** (unchanged; 2021: €865 m)
EUR/USD sensitivity[2]	+/-1 USD cent = **-/+ ~€6 m** adj. EBITDA (FY basis)
Adj. EBITDA T&I/Other	**considerably less negative than prior year level** (unchanged; 2021: -€221 m)
Adj. D&A	**slightly above the level of 2021** (unchanged; 2021: €1,045 m)
Adj. net financial result	**slightly less negative than 2021** (unchanged; 2021: -€97 m)
Adj. tax rate	**around** long-term sustainable level of **~30%** (unchanged; FY 2021: 28%); higher compared to previous years, amongst others due to changes in international tax legislation

1. Cash outflow for investment in intangible assets, pp&e | 2. Including transaction effects (after hedging) and translation effects; before secondary / market effects

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Indications for adj. EBITDA FY 2022 on division level

Specialty Additives

- Mission-critical solutions with superior sustainability profile supporting broad-based growth across additives portfolio
- Pricing initiatives continue to compensate higher input costs

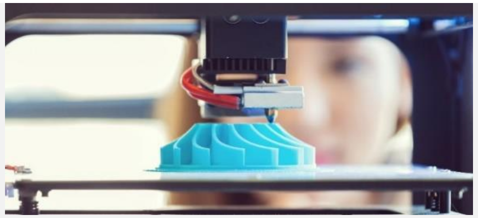
“slightly above prior year level”
(unchanged)

Nutrition & Care

- Increasing share of “System Solutions” with above-average margin profile
- Positive price trend in Animal Nutrition
- Continued active cost & portfolio management

“on prior year level”
(previously: considerably above PY)

Smart Materials



- Ongoing positive development in “Eco Solutions”
- Inorganics as key driver of positive earnings trajectory
- Pricing initiatives continue to compensate higher input costs

“considerably above prior year level”
(unchanged)

Performance Materials

- Product spreads in C4 chain with clearly positive trends
- Superabsorber to benefit from improving market environment and long-term customer relationships

“significantly above prior year level”
(unchanged)

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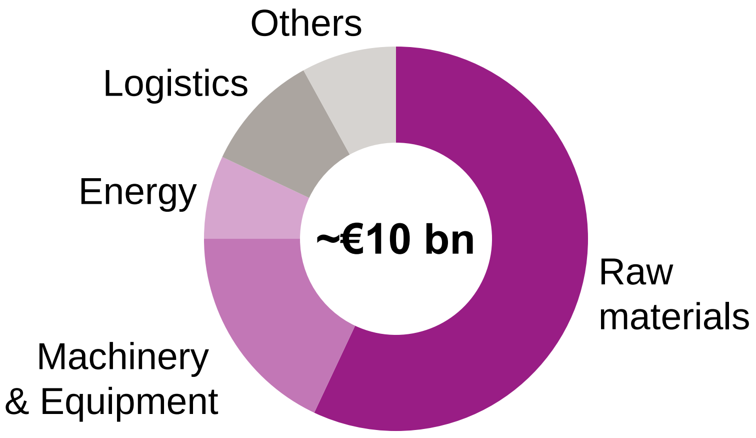
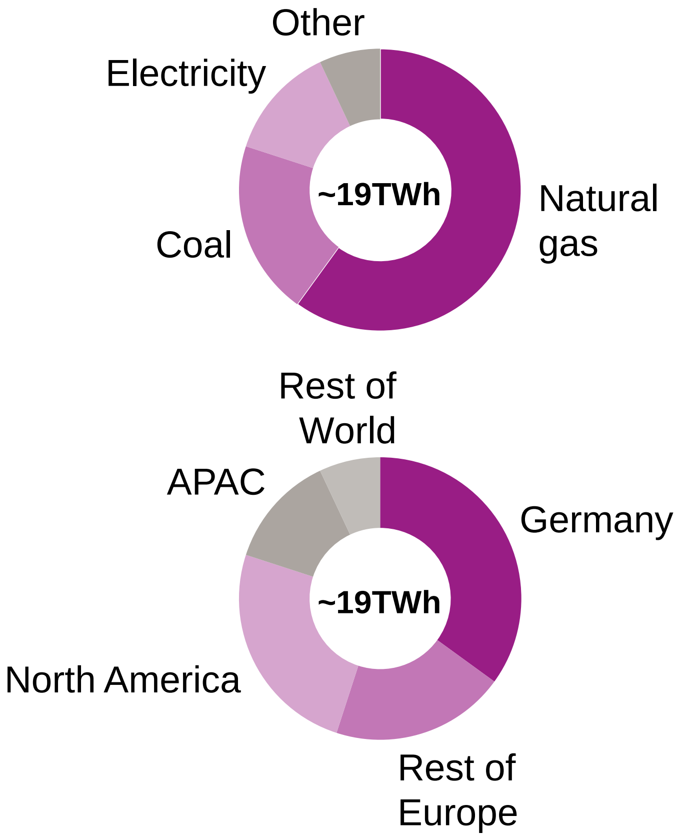
Evonik energy and gas consumption

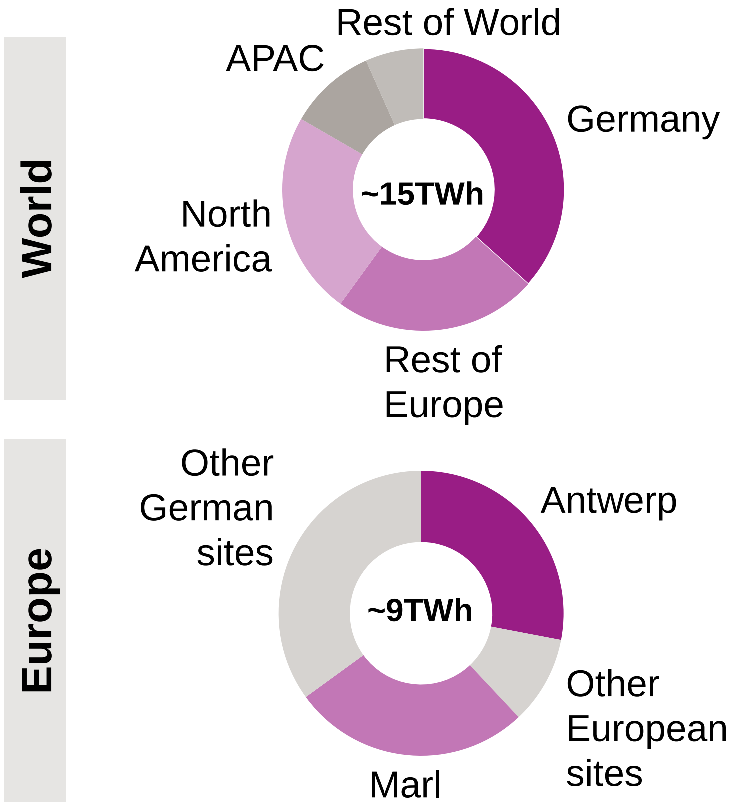
Total procurement volume[1]



Thereof: Energy[1, 2]



Total gas consumption[1, 3]



1. FY 2021; gross energy bill, not considering the selling to external parties | 2. Does not include gas as raw material (~4 TWh globally) | 3. Includes gas as raw material

Adjusted income statement Q3 2022

in € m	Q3 2021	Q3 2022	∆ in %
Sales	**3,871**	**4,878**	**+26**
Adj. EBITDA	**645**	**615**	**-5**
Depreciation & amortization	-258	-273	
Adj. EBIT	**387**	**342**	**-12**
Adj. net financial result	-37	-21	
D&A on intangible assets	37	39	
Adj. income before income taxes	**387**	**360**	**-7**
Adj. income tax	-113	-106	
Adj. income after taxes	**274**	**254**	**-7**
Adj. non-controlling interests	-5	-1	
Adj. net income	**269**	**253**	**-6**
Adj. earnings per share	**0.58**	**0.54**	
Adjustments	-14	-16	

Adj. net financial result (-€21 m)

- Higher interest income, mainly due to higher discount rate on other provisions

Adj. tax rate (29%)

- Slightly below FY guidance of 30%

Adjustments (-€16 m)

- Restructuring: mainly charges related to the intended divestment of Performance Materials
- M&A: Integration of previous acquisitions

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Cash flow statement Q3 2022

in € m	Q3 2021	Q3 2022
Income before financial result and income taxes (EBIT)	**373**	**326**
Depreciation and amortization	**260**	**275**
∆ Net working capital	**-159**	**-115**
Change in provisions for pensions & other post-employment benefits	**10**	**-5**
Change in other provisions	**163**	**85**
Change in miscellaneous assets/liabilities	**40**	**12**
Cash in- and outflows from income taxes	**15**	**-59**
Others	**-1**	**-2**
Cash flow from operating activities (continuing ops.)	**701**	**517**
Cash outflows for investment in intangible assets, pp&e	**-177**	**-229**
FCF	**524**	**288**
Cash flow from investing activities (continuing ops.)	**-315**	**-188**
Cash flow from financing activities (continuing ops.)	**-83**	**27**

CF from operating activities (€517 m)

- Lower NWC outflow yoy, following substantially higher yoy outflow in Q1 & Q2 (>-€400 m each)
- Other provisions: yoy lower contribution to bonus provisions
- Normalized tax payment after inflow in last year

CF from investing activities (-€188 m)

- Capex catching-up after yoy lower outflows in Q1 and Q2
- Inflow from sale of securities

CF from financing activities (€27 m)

- Inflow from Schuldschein largely compensated by outflow for other financing activities

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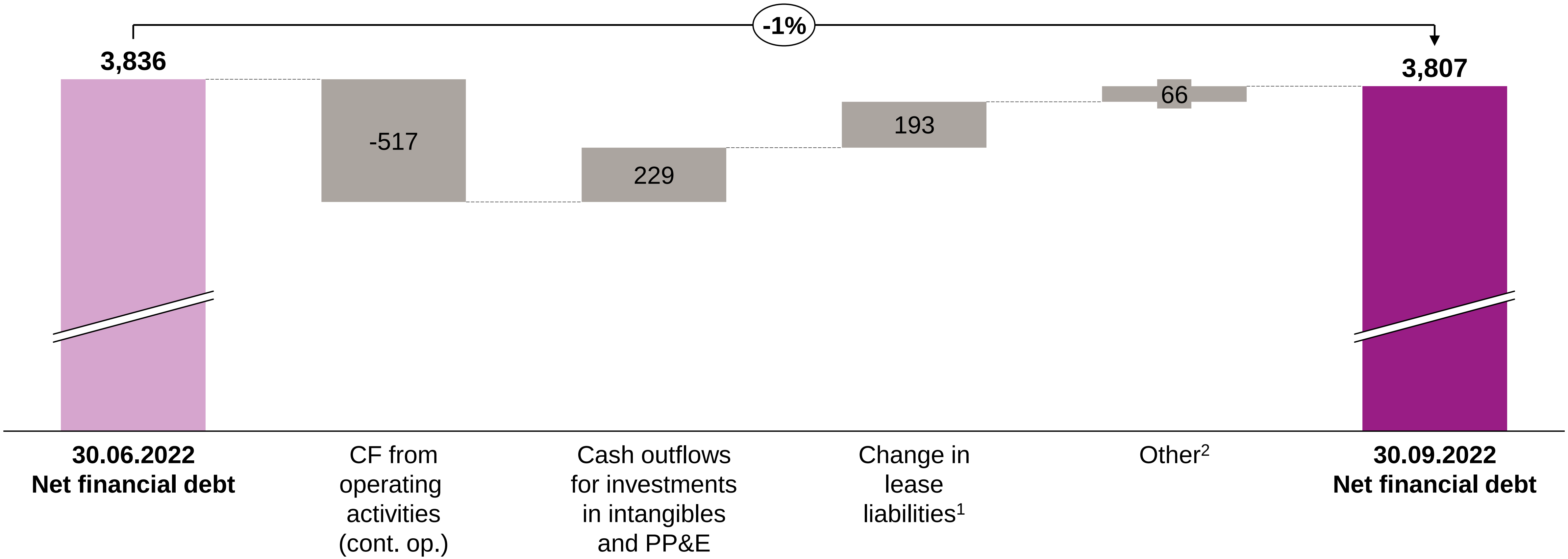
Net financial debt development Q3 2022

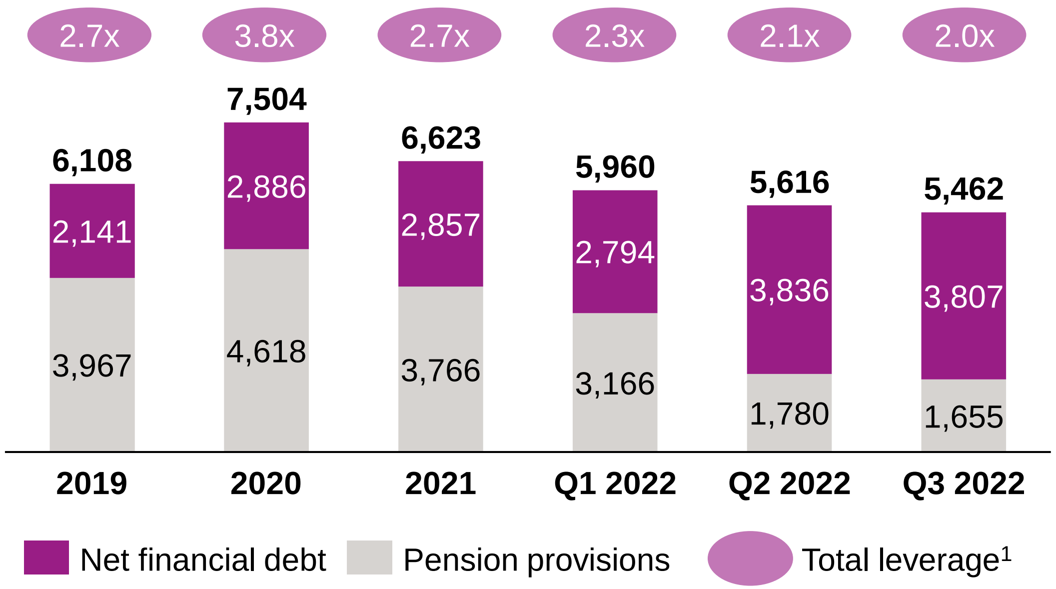
(in € m)



1. Attributable to the new gas power plant in Marl | 2. Incl. outflows for financial transactions and interest payments

Development of net debt and leverage over time

(in € m)



	2019	2020	2021	Q1 2022	Q2 2022	Q3 2022
Adj. net debt[2]	5,858	7,254	6,373	5,710	5,365	5,211
Adj. EBITDA (last 12 months)	2,153	1,906	2,383	2,530	2,609	2,579
German pension discount rate (%)	1.30	0.90	1.30	1.90	3.30	3.90

Net financial debt (€3,807 m)

- Basically unchanged vs. last quarter-end
- Still low net financial debt leverage at 1.4x[3]

Pension provisions (€1,655 m)

- Long-dated pension obligations with >18 years duration
- Further slight decline in Q3 due to another increase of pension discount rates (German pension discount rate increase from 3.3% to 3.9%)
- Pension provisions partly balanced by corresponding deferred tax assets of ~€0.7 bn

1. Adj. net debt / adj. EBITDA | 2. Net financial debt – 50% hybrid bond + pension provisions | 3. (Net financial debt – 50% hybrid bond) / adj. EBITDA

Divisional overview by quarter

Sales (in € m)	Q1/21	Q2/21	**Q3/21**	Q4/21	FY 2021	Q1/22	Q2/22	**Q3/22**
Specialty Additives	907	922	**934**	947	3,710	1,049	1,116	**1,113**
Nutrition & Care	780	838	**931**	1,008	3,557	1,038	1,027	**1,062**
Smart Materials	909	975	**1,002**	1,032	3,918	1,181	1,237	**1,259**
Performance Materials	580	708	**784**	840	2,911	947	1,043	**903**
Technology & Infrastructure (T&I) / Other	182	193	**220**	264	859	283	349	**541**
Evonik Group	3,358	3,636	**3,871**	4,091	14,955	4,498	4,772	**4,878**

Adj. EBITDA (in € m)	Q1/21	Q2/21	**Q3/21**	Q4/21	FY 2021	Q1/22	Q2/22	**Q3/22**
Specialty Additives	273	242	**224**	181	920	252	263	**243**
Nutrition & Care	143	183	**192**	200	717	222	185	**148**
Smart Materials	173	176	**177**	123	650	197	198	**177**
Performance Materials	42	99	**97**	80	317	97	163	**74**
Technology & Infrastructure (T&I) / Other	-43	-51	**-45**	-82	-221	-33	-81	**-27**
Evonik Group	588	649	**645**	502	2,383	735	728	**615**

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Upcoming IR events

Conferences & roadshows	
January 6, 2023	Oddo BHF Forum, Lyon
January 10, 2023	Commerzbank & Oddo BHF German Investment Seminar, New York
January 17, 2023	Kepler Cheuvreux German Corporate Conference, Frankfurt

Upcoming reporting dates	
March 2, 2023	Q4 / FY 2022 Reporting
May 9, 2023	Q1 2023 Reporting
May 31, 2023	Annual General Meeting
August 4, 2023	Q2 2023 Reporting
November 7, 2023	Q3 2023 Reporting

Evonik Investor Relations team

Tim Lange
Head of Investor Relations

+49 201 177 3150
tim.lange@evonik.com

Christoph Finke
Investor Relations Manager

+49 201 177 3145
christoph.finke@evonik.com

Janine Göttel
Team Assistant

+49 201 177 3146
janine.goettel@evonik.com

Cédric Schupp
Investor Relations Manager

+49 201 177 3149
cedric.schupp@evonik.com

Katharina Gayk
Team Assistant

+49 201 177 3141
katharina.gayk@evonik.com

Dr. Rouven Möller
Investor Relations Manager

+49 201 177 3148
rouven.moeller@evonik.com

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