



WE GO BEYOND TO ENABLE TRANSFORMATION

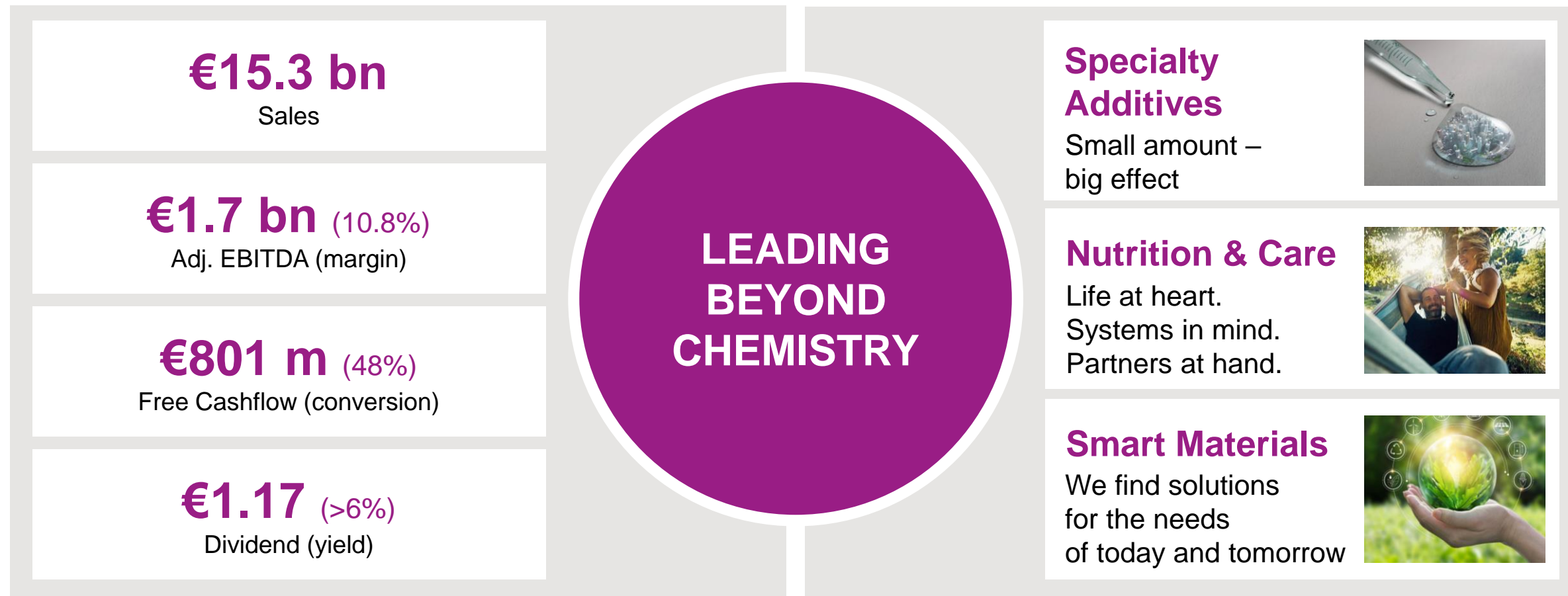
Company Presentation Q4 / FY 2023



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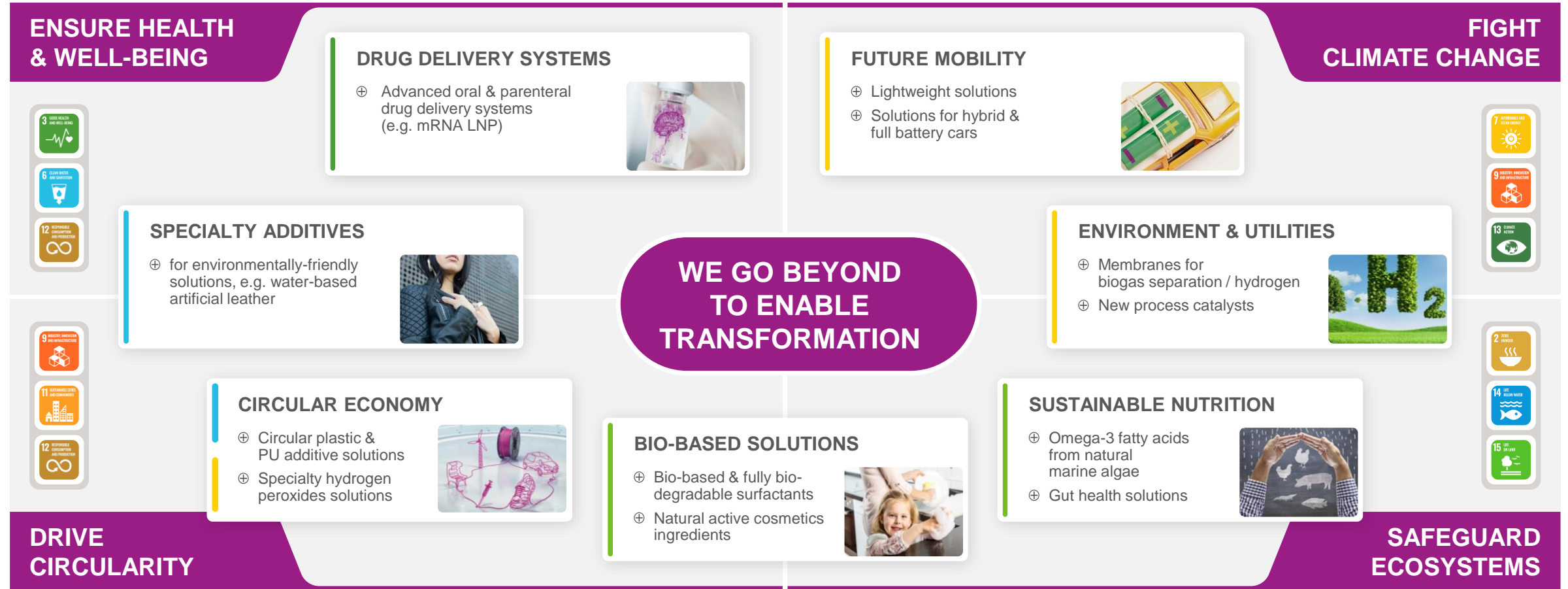
1. **Evonik at a glance**
2. Executing well against a difficult market backdrop
3. Financial performance Q4 / FY 2023

Evonik at a glance



FY 2023

Evonik well positioned as enabler of transformation



Next Generation Evonik: Our strategy

Three major strategic levers...

... with sustainability fully integrated ...

... delivering on ambitious targets

Next Generation Portfolio

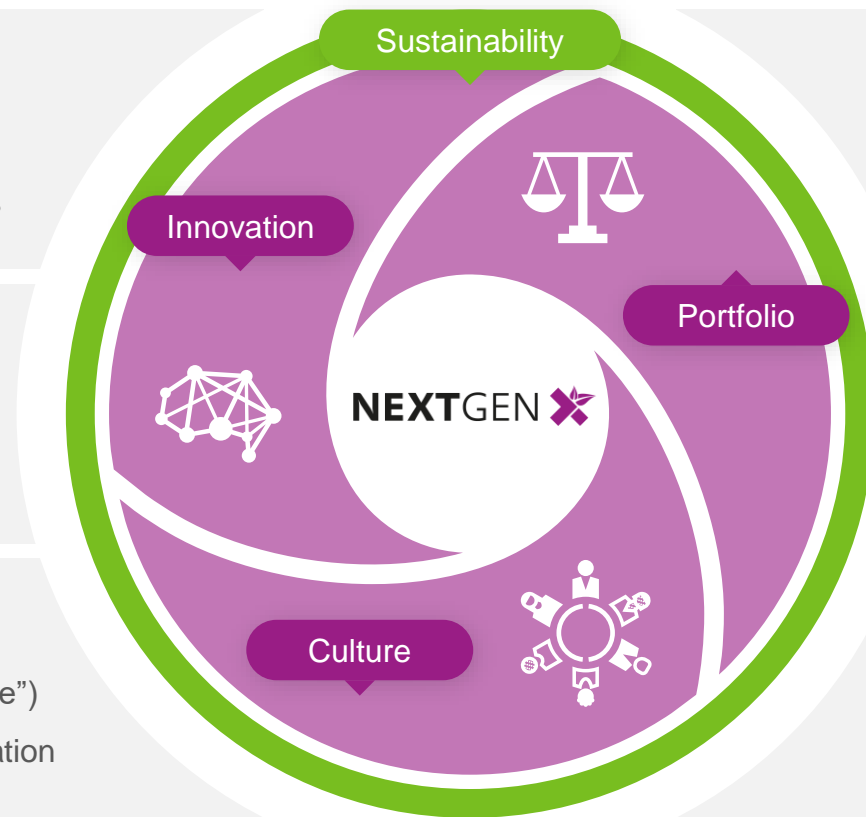
- + Exit Performance Materials division
- + Full focus on three attractive growth divisions

Next Generation Innovation

- + €1 bn new sales from Innovation Growth Fields by 2025 driven by new products such as membranes or rhamnolipids

Next Generation Culture

- + Employee empowerment (“Evonik Tailor Made”)
- + ESG targets integrated into mgmt. compensation



ESG Targets¹

- + >50% sales share of **NEXTGEN Solutions** ✖
- + -25% CO₂ emission reduction, e.g. via **NEXTGEN Technologies** ✖

Financial Targets

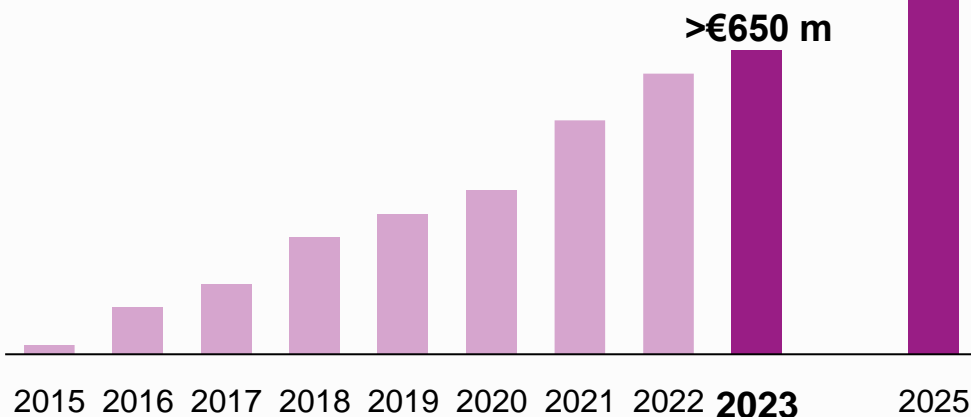
- + Organic growth >4%
- + EBITDA margin 18-20%
- + ROCE ~11%
- + FCF Conversion >40%

1. Until 2030

Customer-centric innovation as part of our DNA

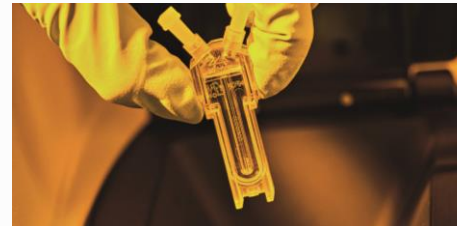
Innovation Growth Fields (sales in € m)

Targeting >€1 bn of sales by 2025
from six Innovation Growth Fields
at above Group margins



Cosmetic Solutions

- Expanding portfolio of innovative active cosmetic ingredients



Healthcare Solutions

- e.g. lipids for mRNA-based therapies
- US production facility under construction



Membranes

- For separation of biogas or the extraction of hydrogen
- New capacities coming 2025

Sustainability integrated in portfolio and strategic management processes

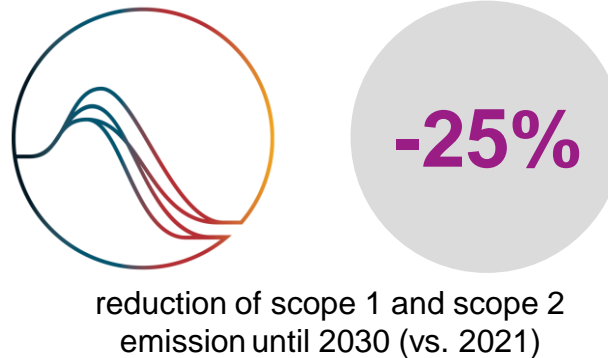
Excellent Rankings



Sector leading rankings

Evonik leading in most relevant ratings – “AA” MSCI ESG, “Top 5%” Sustainalytics, EcoVadis “Gold”, “B-” ISS Oekom and “A-” CDP

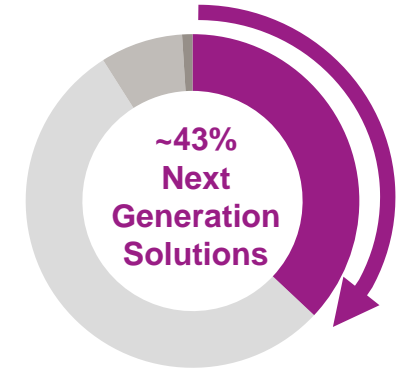
Environmental Targets



Ambitious environmental targets

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

Portfolio Management



Portfolio aligned to sustainability

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

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Executing well against a difficult market backdrop

Short-term self-help measures

Contingency measures in 2023 & 2024
Business optimization programs
NWC and capex discipline

Mid-term strategy execution

Portfolio transformation
Reorganization: Evonik Tailor Made
Innovation and NGS growth

Earnings growth in 2024

Sustainably strong cash generation

Attractive & reliable dividend

Green transformation of portfolio and production

Innovation for future growth

Contingency measures in 2023 & 2024: €250 m savings to safeguard financial performance



Personnel



Operations



Others

Measures driving H2 ramp-up

Personnel

- Hiring freeze: all vacant positions to be filled internally

Operations

- Optimizing logistics & packaging
- Discipline in maintenance

Others

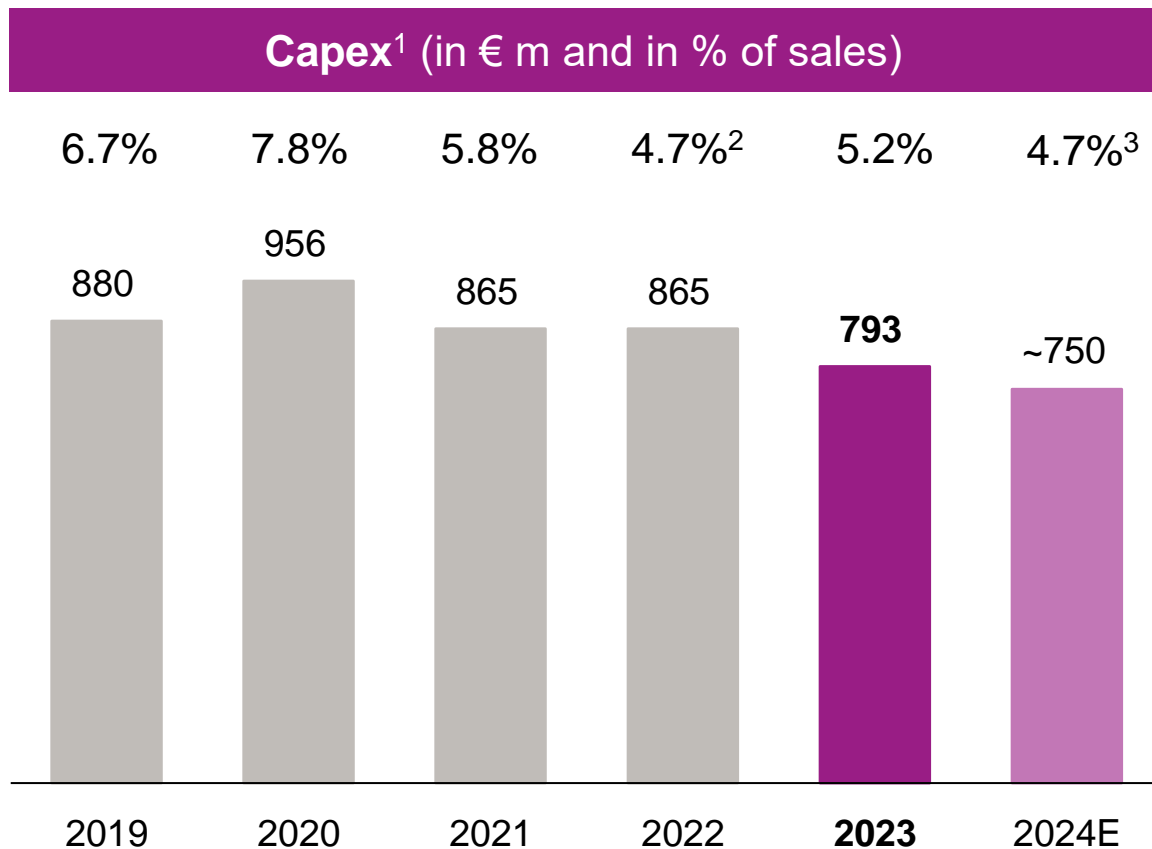
- Trainings & seminars cancelled or postponed
- Travelling reduced to the minimum

Business optimization programs: Strengthening long-term competitiveness of Animal Nutrition business



Capex discipline:

Targeted investment approach supporting cash track record



Capex constantly lowered over recent years

- Larger capex projects (e.g. PA12 or Methionine) completed
- Current low utilization rates enable growth without larger new investments

More targeted investment approach

- Leveraging government support where possible (e.g. lipids in the US, aluminum oxide in Japan)
- Focusing capex on attractive growth areas (e.g. biosurfactants, lipids, battery materials)

1. Cash outflow for investment in intangible assets, pp&e | 2. Sales inflated by prices | 3. At mid-point of sales guidance range of €15-17 bn in FY 2024

Portfolio transformation: Two steps in divesting Performance Materials done



Functional Solutions



2023



Superabsorber



2024

Reorganization: Evonik Tailor Made:

Started in October; 1st phase now completed; €400 m savings target

Overarching idea of Evonik Tailor Made

Business Lines as “nucleus” of Evonik

through shifting of responsibilities
from corporate or division level

Empowerment of individual employees and faster decision making

through reduction of hierarchy levels, increasing management
span and cutting tasks without direct business relevance

€400m

First smaller savings in 2024;
majority of savings in 2025 and 2026

Personnel costs

~80%

- Reduction of up to 2,000 employees by end of 2026
- Majority in administration & other support functions, remaining from business organizations
- Over-proportionally high number of management positions
- Max. 6 hierarchy levels below C-level (down from currently up to 10); management span¹ increasing from 1:4 to 1:7

Non-personnel costs

~20%

e.g.:

- Agency & consulting costs
- Sport sponsoring

1. Number of employees per leadership position

Innovation and NGS growth:

New products and applications to drive share of sustainable products up

Improving our
handprint:
Increasing share of
“Next Generation
Solutions”¹

NEXTGEN 

2020 37%

2023 43%

2030 >50%

2024

**First industrial-scale rhamnolipid
biosurfactant plant**
for household & personal care

2025

**Lipid production facility for mRNA-
based therapies** in the U.S.

1. NGS: “Next Generation Solutions” include “Leader” (A++) and “Driver” (A+) products and solutions = products with superior sustainability benefits compared with the market standard

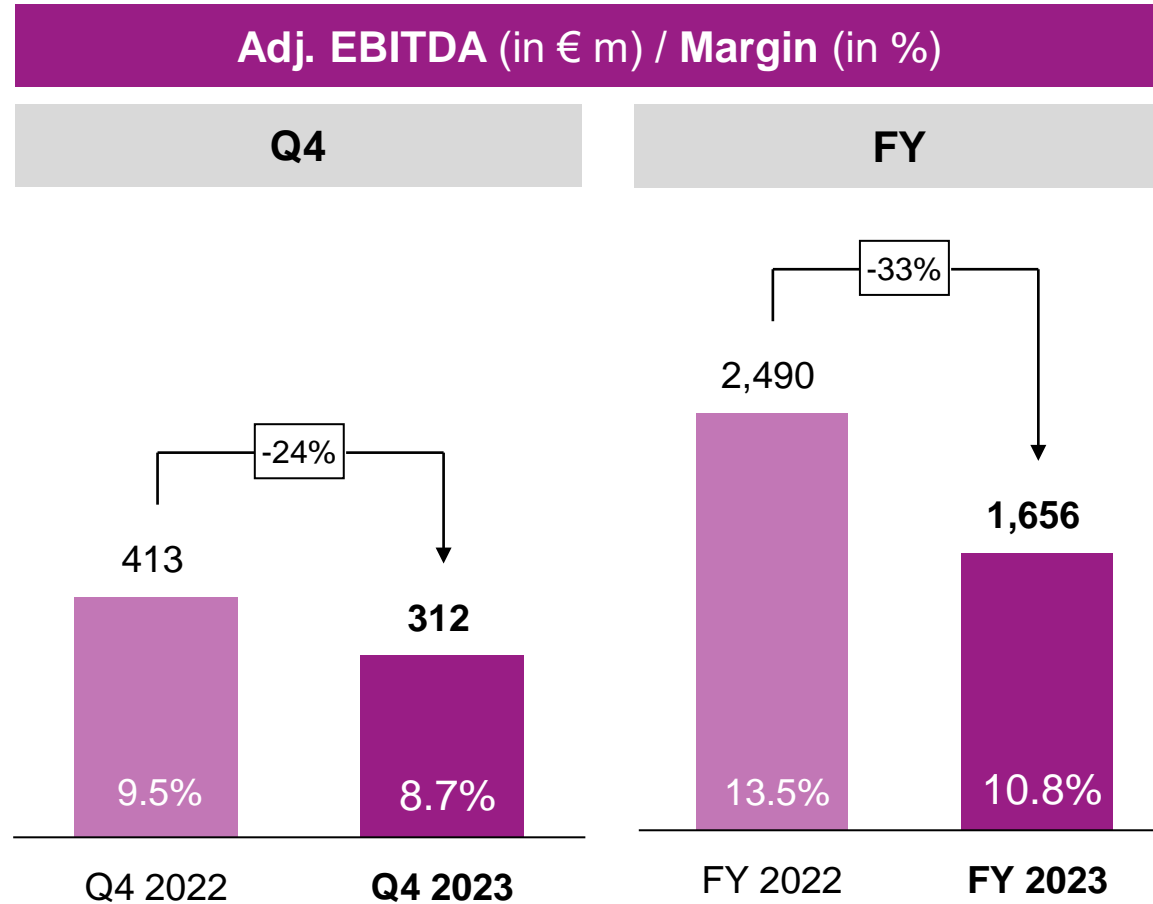
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Q4 2023 results overview

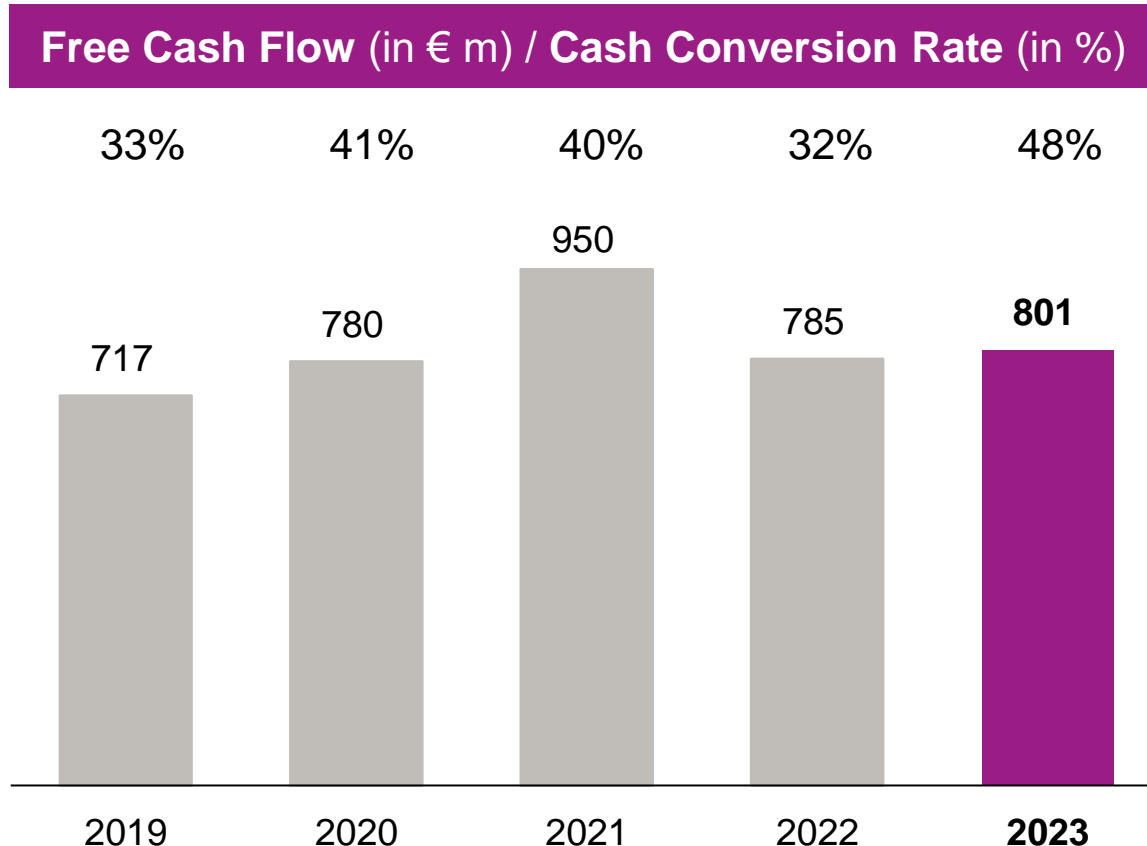
Sales (in € m)	Adj. EBITDA (in € m)	Free cash flow (in € m)	Adj. EPS (in €)
3,604 (Q4 2022: 4,340)	312 (Q4 2022: 413)	515 (Q4 2022: 603)	-0.12 (Q4 2022: 0.20)
Volume effect yoy (-2%) less negative than in Q3; pricing effect yoy (-5%) on similar level as in Q3	Impacted by around -€50 m exceptional headwinds	Strong NWC and capex discipline resulting in record-high cash conversion of 48% for the full year	Impacted by more negative financial result and extraordinarily high tax rate

Adj. EBITDA development in 2023



- **Operational headwinds** in Q4
 - Volumes in kt even lower qoq
 - Prices -5% yoy vs. -6% in Q3: positive price trend in Animal Nutrition compensates yoy slightly lower prices in Specialty Additives and Smart Materials
 - NWC (esp. inventory) optimization with negative EBITDA effect
 - Planned shutdown of methionine plant in Singapore
- Additionally, Q4 impacted negatively by around **-€50 m exceptional headwinds**
 - Argentinian Peso devaluation and hyperinflation accounting (in “Other”)
 - Inventory devaluation in PM

Free Cash Flow: Strong track record in absolute terms and %-conversion



Track record of strong and stable cash generation

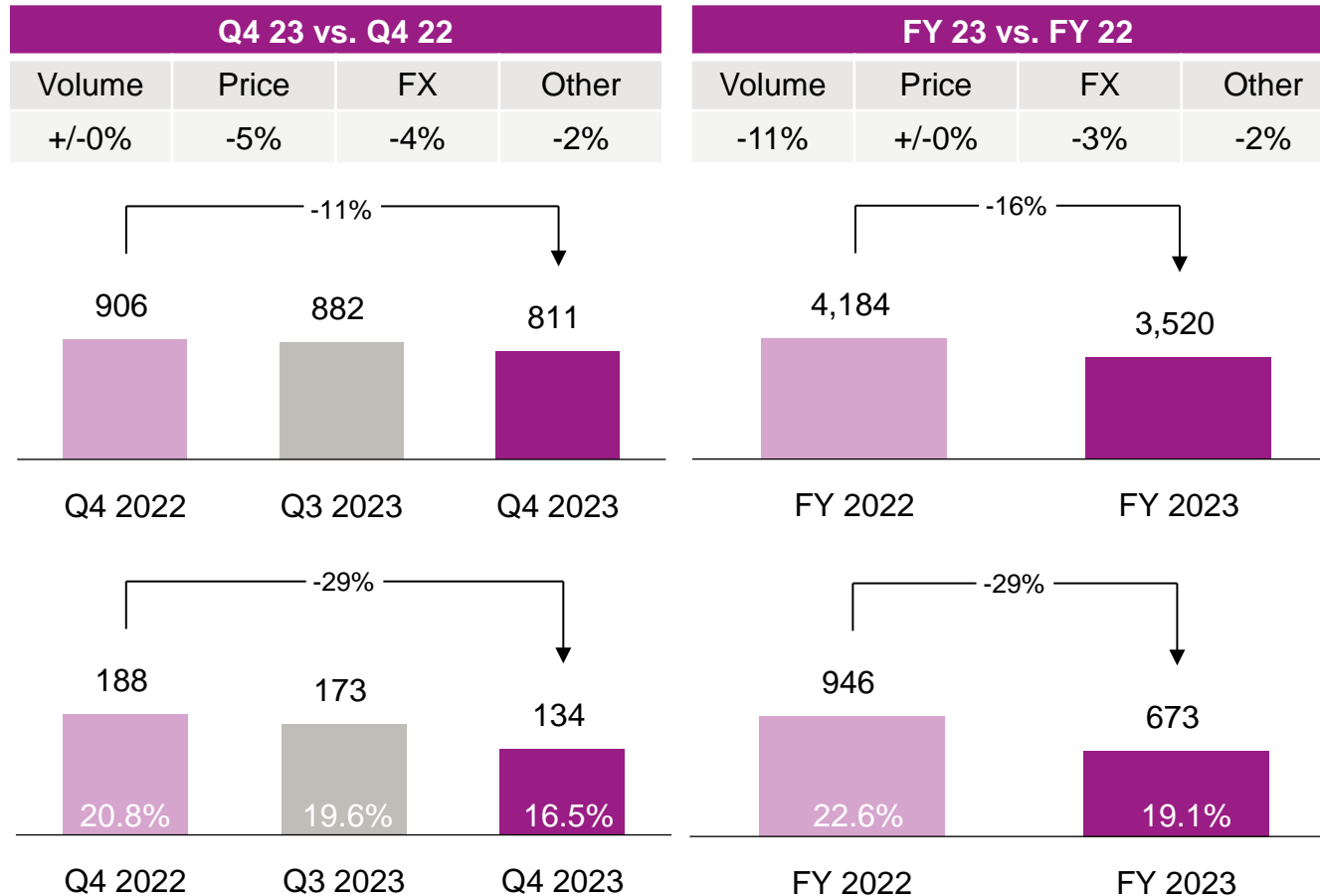
- >€700 m FCF and >30% CCR in each of last five years
- Average cash conversion rate of 39%

FY 2023

- Stable FCF despite >€800 m lower adj. EBITDA
- >€700 m positive cash impact yoy from stringent NWC management

Specialty Additives

Sales
(in € m)



Adj. EBITDA
(in € m)
/ margin
(in %)

- Volumes in kt seasonally lower vs. Q3 but stable yoy following four quarters in a row with double-digit lower volumes
- Continued margin pressure from low plant utilization; reacting with capacity adjustments of selected plants
- Increasing competitive environment in Crosslinkers weighed on profitability in Q4 – also a factor to watch in 2024
- Positives: PU, Coating and Oil Additives with robust performance around prior-year level – expecting a pick-up into 2024 in these businesses



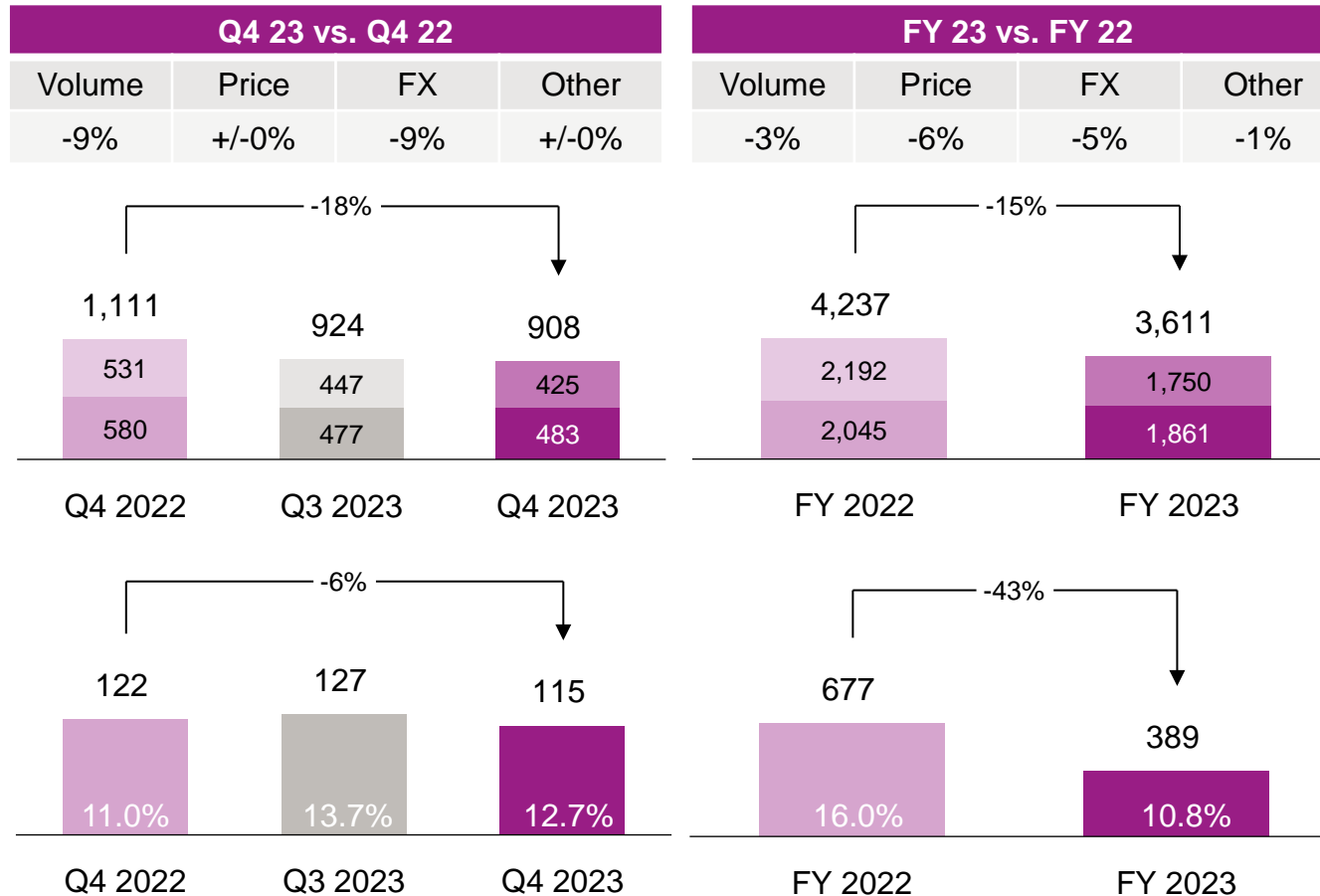
Nutrition & Care

Sales (in € m)

Animal
Nutrition

Health &
Care

Adj. EBITDA (in € m) / margin (in %)



- Care Solutions: Q4 with seasonal slowdown in Cleaning Solutions and Base Ingredients; Sustainable Specialties remain strong
- Health Care: strong Q4 with expected year-end catch-up
- Animal Nutrition:
 - Weaker volumes (qoq) and negative effect from maintenance costs & inventory reduction as result of expansion shutdown in Singapore
 - Positive pricing momentum in Q4; further clear contract price step-up on higher volumes in Q1 2024



Smart Materials

Sales

(in € m)

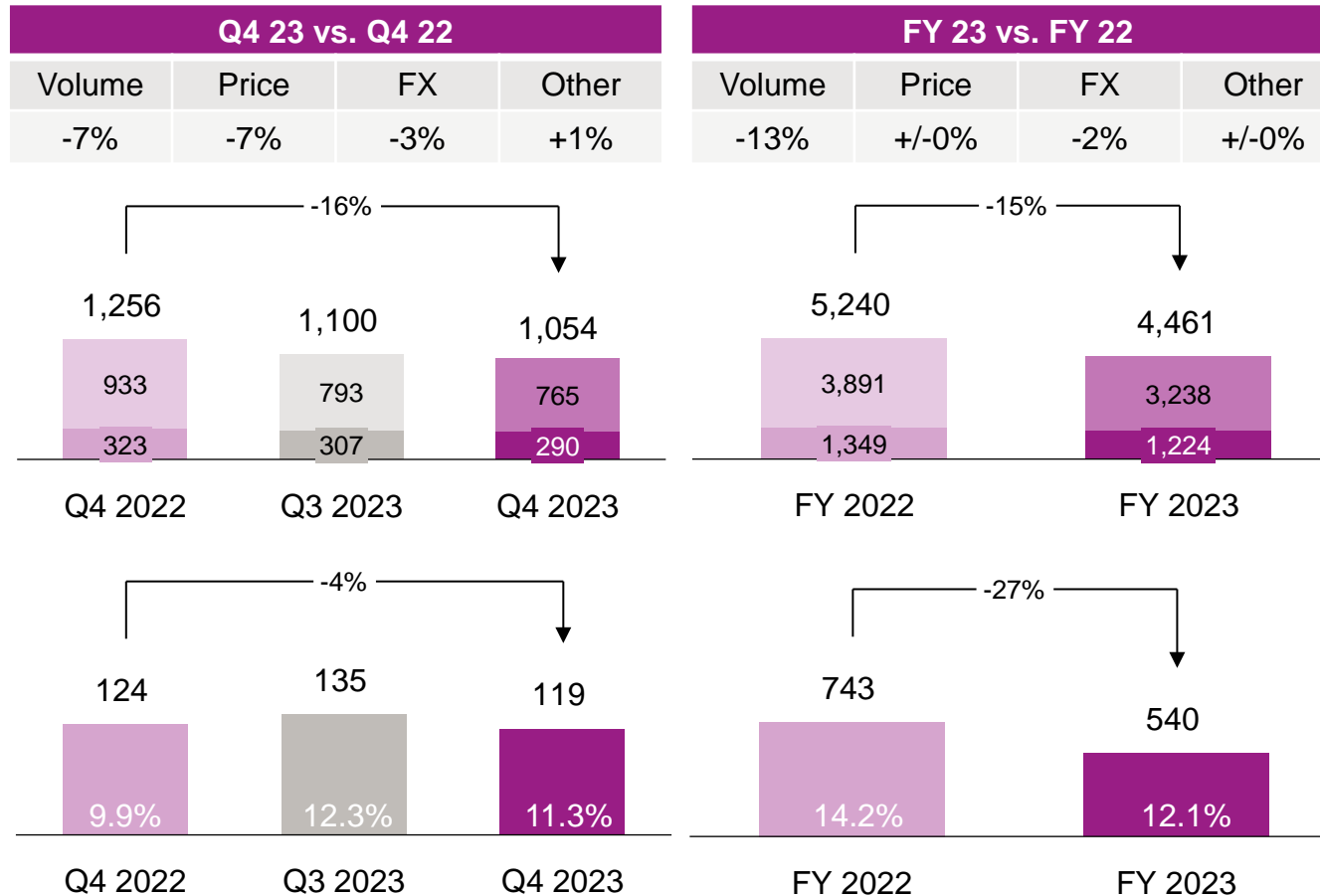
Inorganics

Polymers

Adj. EBITDA

(in € m)

/ margin
(in %)

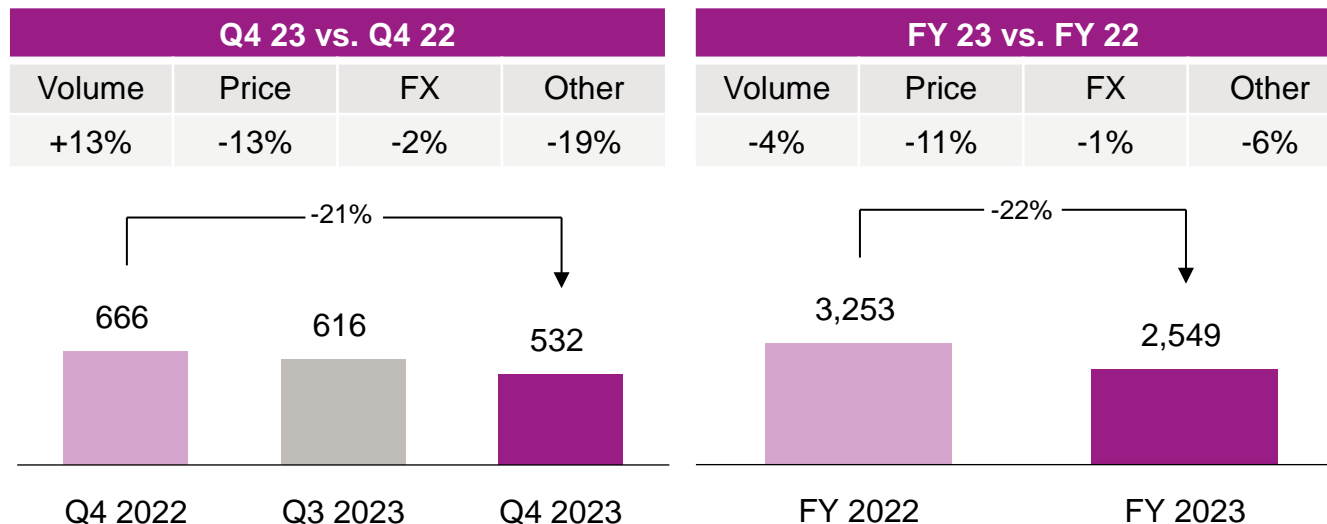


- Volumes reflecting weak environment and especially impacted by NWC optimization (own & customers) at year-end
- Lower pricing to pass on decreasing raw material costs
- Almost stable adj. EBITDA yoy and less seasonal decline qoq, based on
 - Positive momentum in specialty silica
 - Improving Active Oxygens business (based on lower energy costs)
 - Limited by weaker other businesses (e.g. Silanes & Catalysts) and year-end destocking in PA12

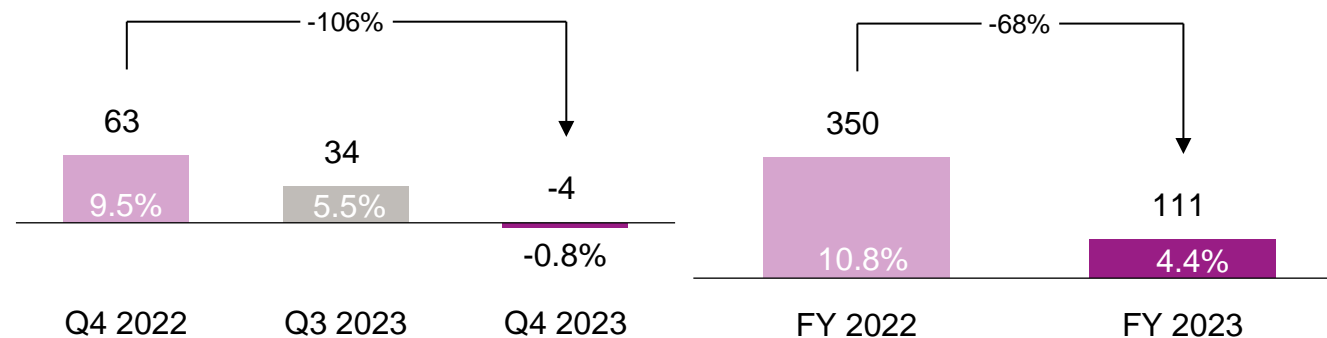


Performance Materials

Sales (in € m)



Adj. EBITDA (in € m) / margin (in %)



- Overall lower volumes towards year-end (customer destocking, weak end market demand and weak competitiveness of customers)
- MTBE margin down (gasoline winter specification) and normalized on still decent levels, however below average 2023 levels
- Butadiene: Some margin recovery from very low levels but still high pressure and no sign of demand recovery
- Apart from seasonal and operational decline, majority of sequential EBITDA reduction explained by inventory devaluation effects

Assumptions for FY 2024 outlook

Supporting factors

Self-help measures extended

- Contingency measures to be continued in 2024
- First smaller savings from “Evonik Tailor Made”
- Operational efficiency programs (esp. in Animal Nutrition) ramping up further

Animal Nutrition with stronger H1

- Methionine contract price on healthy level at least during H1

Factors to consider

Conservative macro assumptions

- Global GDP growth below 2023 level (2.3% vs 2.7%)
- Geo-political uncertainties to persist
- No pronounced demand recovery in end markets

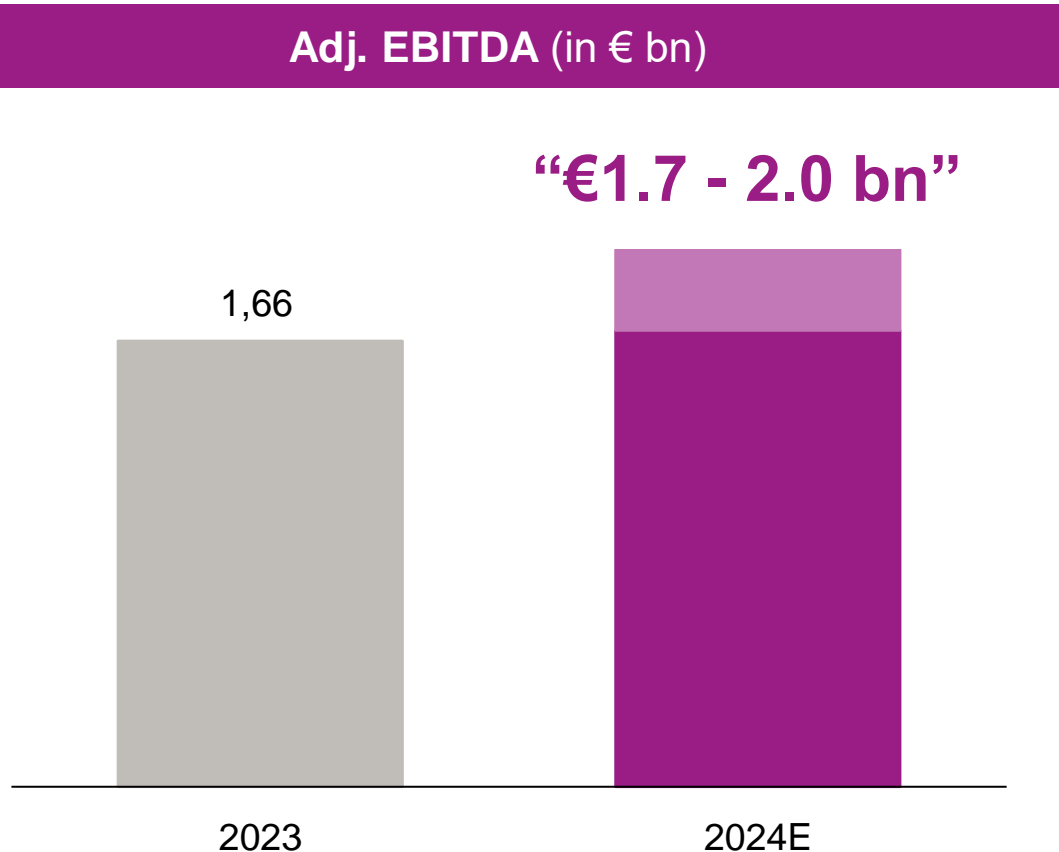
Procurement

- Energy costs only slightly lower due to long-term hedging
- Raw material basket expected to move sideways
- Logistic costs with significant relief (high double-digit m €)

Others

- Higher bonus provisions expected (yoy)

Adj. EBITDA: Growth expected despite conservative macro assumptions



By division

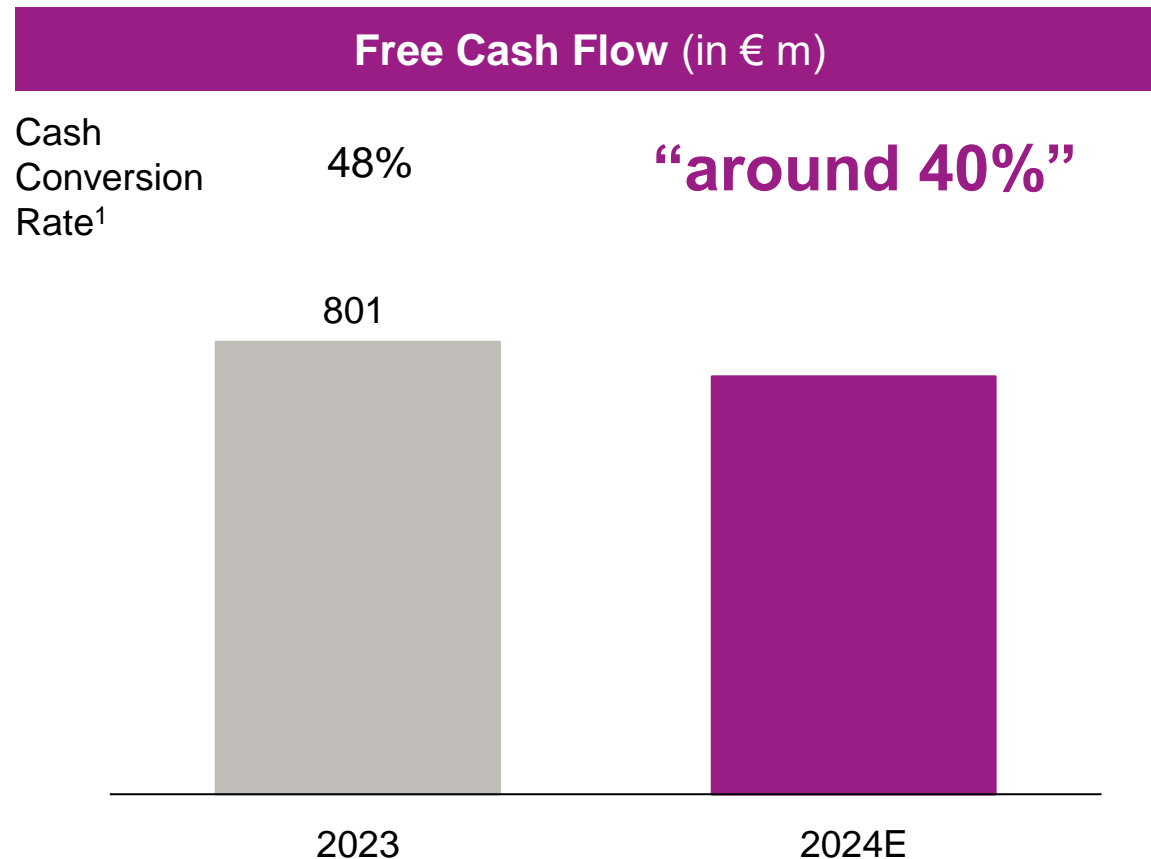
- Specialty Additives & Smart Materials: Assumption of no pronounced end market recovery
- Nutrition & Care: “Considerably above prior-year level”
 - Methionine contract price with healthy price level at least during H1 and additional savings from change in business model
 - Growth in Care Solutions
- Performance Materials: Continued low demand, only modest recovery expected

Q1 2024

- Adj. EBITDA expected above prior-year level (Q1 2023: €409 m)

Unchanged portfolio vs. year-end 2023 (Performance Materials incl. Superabsorber)

Free Cash Flow: Again targeting ~40% conversion



Building blocks for FCF development

yoy better **operating result** as starting point

Continued **capex**² discipline:
~€750 m targeted; ~€50 m lower yoy





~€100 m yoy lower **bonus payments** in FY 2024 (for 2023)

NWC outflow expected (vs inflow in 2023)

Slightly lower **cash taxes** expected

1. Free cash flow conversion (FCF / adj. EBITDA) | 2. Cash outflow for investment in intangible assets, pp&e

FY 2024 adj. EBITDA outlook by division^{1, 2}

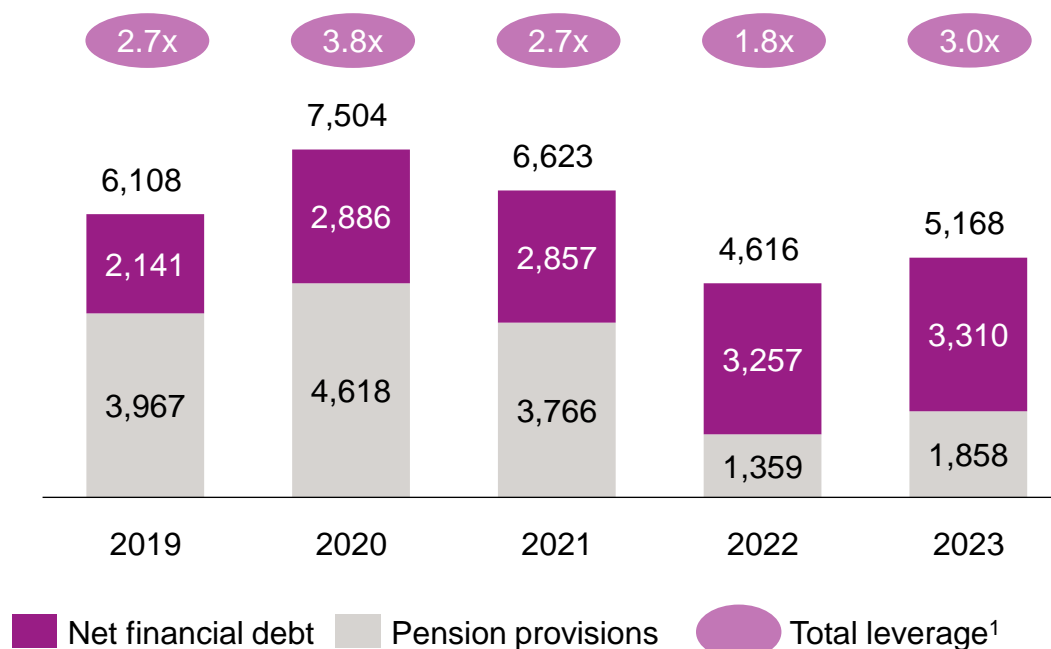
Specialty Additives	Nutrition & Care	Smart Materials	Performance Materials
 <ul style="list-style-type: none"> ▪ No broad-based recovery of demand, prod. volumes and capacity utilization assumed ▪ First signs of recovery from coatings industry after prolonged period of destocking ▪ Continued high competitive intensity (esp. Crosslinkers) 	 <ul style="list-style-type: none"> ▪ Animal Nutrition to benefit from healthy price level at least during H1 as well as operational efficiency program ▪ Care Solutions with growth in Sustainable Specialties – supported by start-up of new biosurfactants plant 	 <ul style="list-style-type: none"> ▪ Assumption of no pronounced end market recovery ▪ Slightly positive development in Inorganics ▪ Polymers supported by increasing PA12 volumes and less maintenance costs 	 <ul style="list-style-type: none"> ▪ Continued low demand level assumed in C4 ▪ Modest recovery in prices and margins from trough levels ▪ Some support from lower energy costs
<p>“around prior-year level” (2023: €673 m)</p>	<p>“considerably above prior-year level” (2023: €389 m)</p>	<p>“slightly above prior-year level” (2023: €540 m)</p>	<p>“above prior-year level” (2023: €111 m)</p>

1. Unchanged portfolio vs. year-end 2023 (Performance Materials incl. Superabsorber)

2. “Service dividend” paid to the divisions by Technology & Infrastructure in the past (-€82 m in FY 2023) will no longer be paid; as a result, earnings at Technology & Infrastructure to increase in 2024 compared to the previous year, while earnings in the operating divisions will decrease proportionately (previous year's figures not adjusted)

Development of debt and leverage over time

(in € m)



Adj. net debt ²	5,858	7,254	6,373	4,366	4,918
Adj. EBITDA (last 12 months)	2,153	1,906	2,383	2,490	1,656
German pension discount rate (%)	1.30	0.90	1.30	4.10	3.50

1. Adj. net debt / adj. EBITDA | 2. Net financial debt – 50% hybrid bond + pension provisions
3. (Net financial debt – 50% hybrid bond) / adj. EBITDA | 4. Before impairment

Net financial debt (€3,310 m)

- Net financial debt yoy broadly stable
- Lower adj. EBITDA leading to increase of net financial debt leverage to 1.8x³

Pension provisions (€1,858 m)

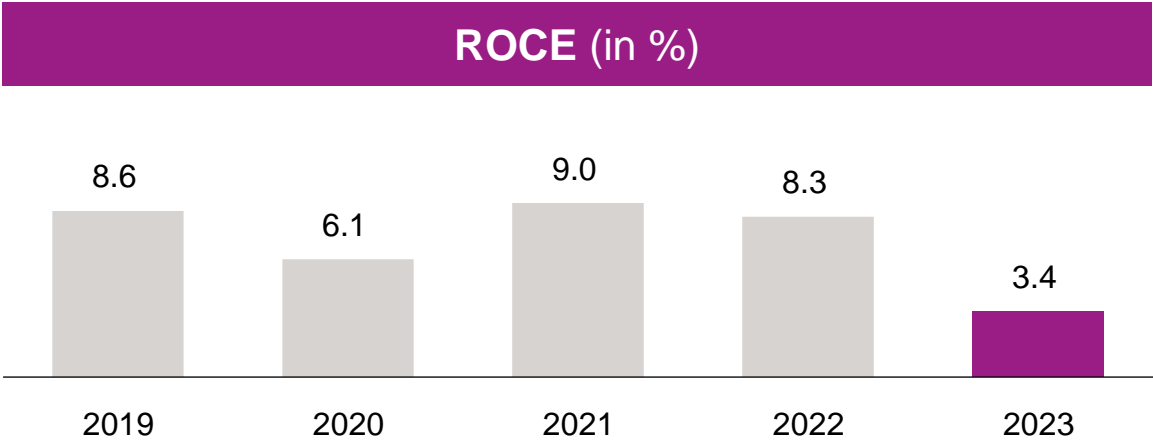
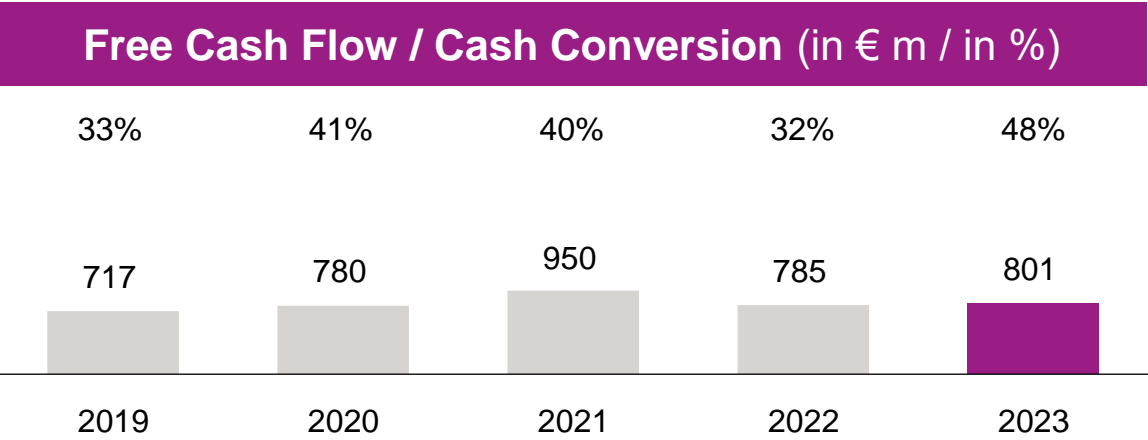
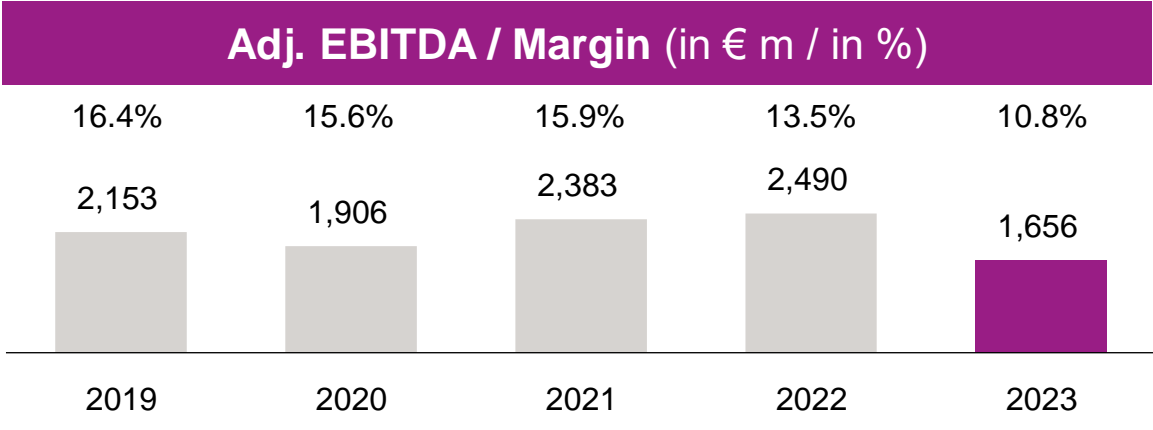
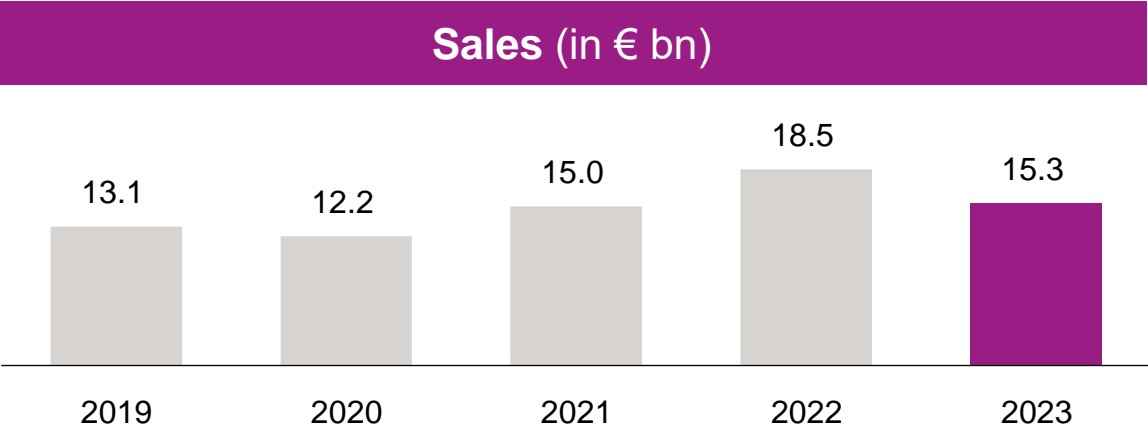
- Long-dated pension obligations with ~14 years duration
- ~€500 m / ~€700 m higher pension provisions yoy / qoq due to decrease of pension discount rates (in Germany from 4.1% / 4.4% to 3.5%)
- Pension provisions partly balanced by corresponding deferred tax assets of ~€0.6 bn⁴

Divisional overview by quarter

Sales (in € m)	Q1/22	Q2/22	Q3/22	Q4/22	FY 2022	Q1/23	Q2/23	Q3/23	Q4/23	FY 2023
Specialty Additives	1,049	1,116	1,113	906	4,184	921	906	882	811	3,520
Nutrition & Care	1,038	1,027	1,062	1,111	4,237	886	893	924	908	3,611
Smart Materials	1,284	1,335	1,365	1,256	5,240	1,188	1,119	1,100	1,054	4,461
Performance Materials	844	945	797	666	3,253	707	694	616	532	2,549
T&I / Other	283	349	541	401	1,574	303	274	249	300	1,126
Evonik Group	4,498	4,772	4,878	4,340	18,488	4,005	3,886	3,771	3,604	15,267

Adj. EBITDA (in € m)	Q1/22	Q2/22	Q3/22	Q4/22	FY 2022	Q1/23	Q2/23	Q3/23	Q4/23	FY 2023
Specialty Additives	252	263	243	188	946	168	199	173	134	673
Nutrition & Care	222	185	148	122	677	76	71	127	115	389
Smart Materials	212	219	188	124	743	164	122	135	119	540
Performance Materials	82	142	63	63	350	37	45	34	-4	111
T&I / Other	-33	-81	-27	-85	-226	-36	13	16	-50	-57
Evonik Group	735	728	615	413	2,490	409	450	485	312	1,656

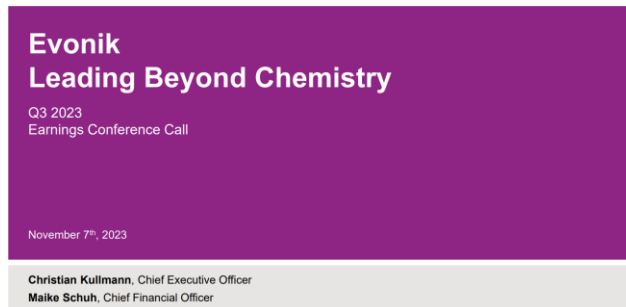
Five-year financial review



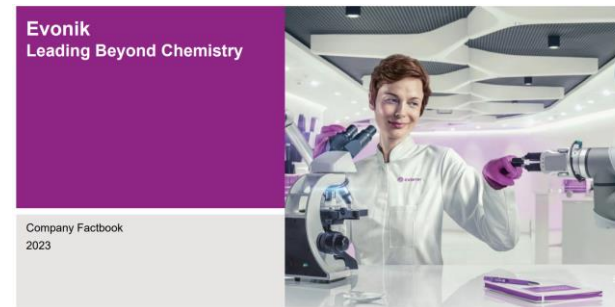
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Discover more in our presentations and factbooks



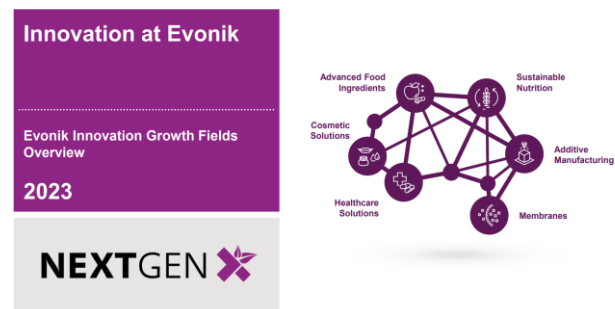
Q4 / FY Earnings Conference Call Presentation



Evonik Company Factbook



Sustainability Factbook



Innovation Factbook

Upcoming IR events

Conferences & roadshows

May 14, 2024	London Roadshow
May 14, 2024	Citi Chemicals Conference, London
May 14, 2024	UBS virtual Best of Europe Conference
May 15, 2024	Stifel German Corporate Conf., Frankfurt
May 23, 2024	Paris Roadshow

Upcoming reporting dates & events

May 8, 2024	Q1 2024 Reporting
June 4, 2024	Evonik Annual General Meeting
August 1, 2024	Q2 2024 Reporting
November 6, 2024	Q3 2024 Reporting

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EVONIK

Leading Beyond Chemistry