



WE GO BEYOND TO ENABLE TRANSFORMATION

Company Presentation Q1 2024



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1. **Evonik at a glance**
2. Executing well against a difficult market backdrop
3. Financial performance Q1 2024

Evonik at a glance

€15.3 bn

Sales

€1.7 bn (10.8%)

Adj. EBITDA (margin)

€801 m (48%)

Free Cashflow (conversion)

€1.17 (>6%)

Dividend (yield)

**LEADING
BEYOND
CHEMISTRY**

Specialty Additives

Small amount –
big effect



Nutrition & Care

Life at heart.
Systems in mind.
Partners at hand.



Smart Materials

We find solutions
for the needs
of today and tomorrow



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

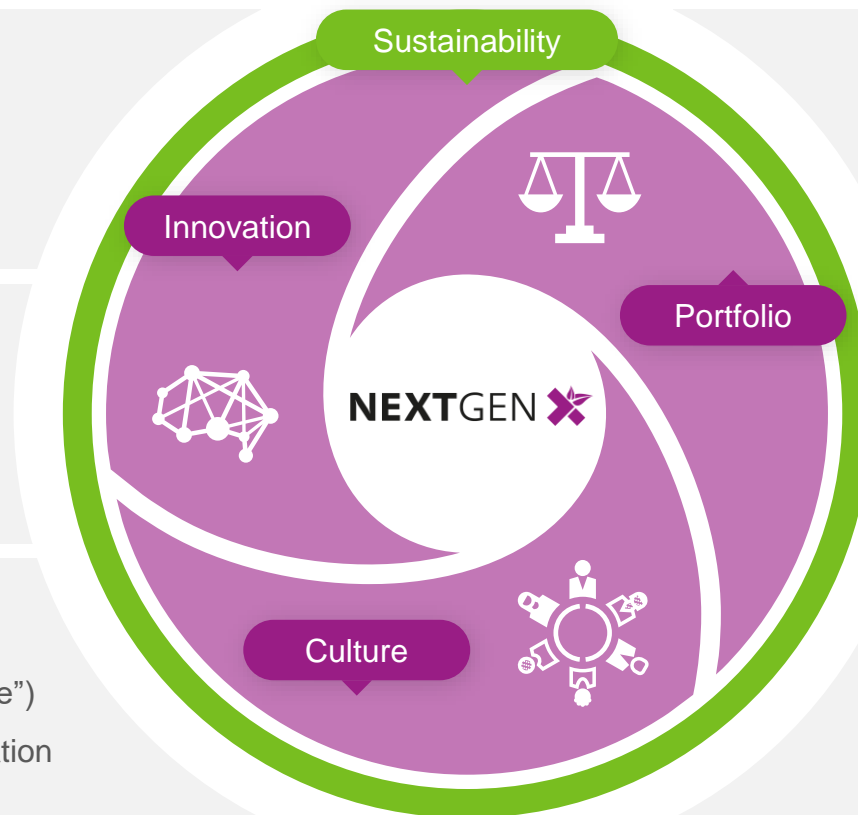
- + Exit Performance Materials division
- + Full focus on three attractive growth divisions

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

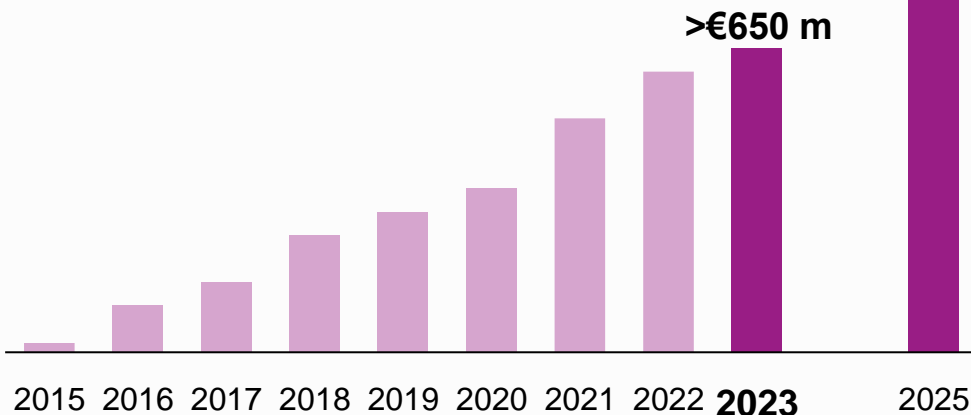
- + Organic growth >4%
- + EBITDA margin 18-20%
- + ROCE ~11%
- + FCF Conversion >40%

1. Until 2030

Customer-centric innovation as part of our DNA

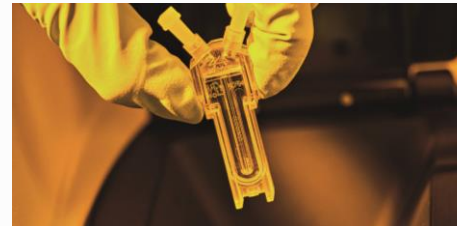
Innovation Growth Fields (sales in € m)

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

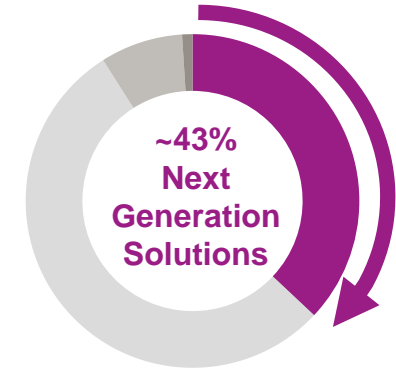


reduction of scope 1 and scope 2 emission until 2030 (vs. 2021)

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

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

Mid-term strategy execution

Reorganization: Evonik Tailor Made
Innovation and NGS growth
Portfolio transformation

Earnings growth in 2024

Q1:
+ 28% yoy

Sustainably strong cash generation

Q1:
+ €106 m yoy

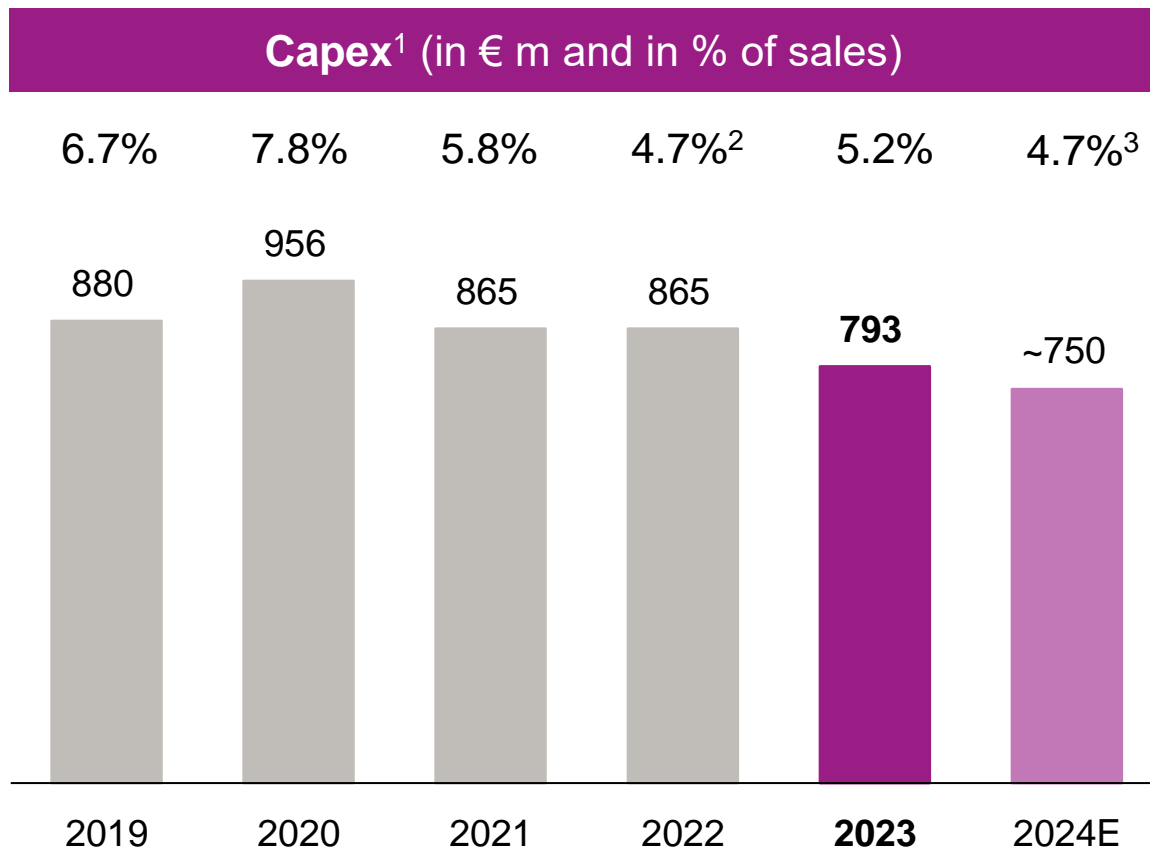
Attractive & reliable dividend

Green transformation of portfolio and production

Innovation for future growth

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

Short-term
self-help
measures

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



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

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

Portfolio transformation: Two steps in divesting Performance Materials done



Functional Solutions



2023



Superabsorber



2024

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Q1 2024 results overview

Sales (in € m)	Adj. EBITDA (in € m)	Free cash flow (in € m)	Adj. EPS (in €)
3,796 (Q1 2023: 4,005)	522 (Q1 2023: 409)	127 (Q1 2023: 21)	0.42 (Q1 2023: 0.25)
Positive volumes (+4% yoy) Sales decline driven by continued negative pricing (-5%) and portfolio effects (-3%, mainly PM)	Strong performance mainly supported by Evonik-specific drivers	Higher EBIT as starting point, plus continued strong NWC discipline	Higher earnings and lower D&A, while interest result more negative

Evonik-specific drivers for EBITDA growth in Q1

Q1 2024

yoy change adj. EBITDA

+ €17 m

Specialty Additives:
Positive leverage on
volumes coming back

+ €64 m

Nutrition & Care:
Methionine recovery &
strong Care Solutions

+ €31 m

T&I / Other:
Contingency measures
further bearing fruits

Looking ahead...

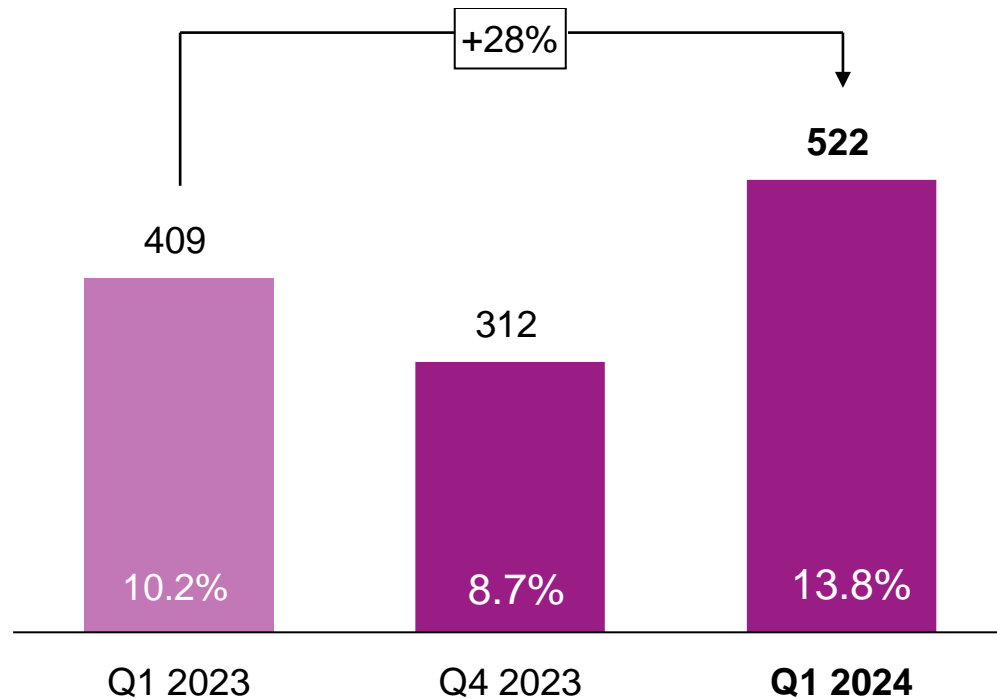
End of destocking + high-quality business =
Growth at high operating volume leverage

- Animal Nutrition with further ramp-up of €200 m cost savings (e.g. backward integration US in 2025)
- Care Solutions back on double-digit EBITDA growth track record

“Evonik Tailor Made“ program with significant positive contribution across all divisions from 2025 onwards

Adj. EBITDA Q1 2024

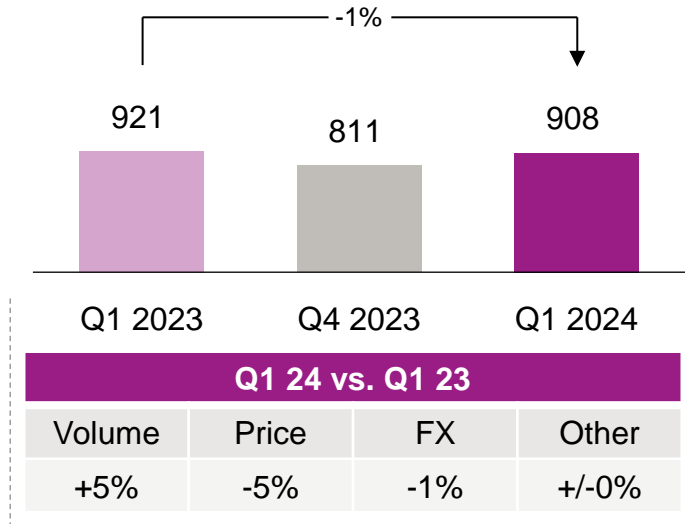
Adj. EBITDA (in € m) / Margin (in %)



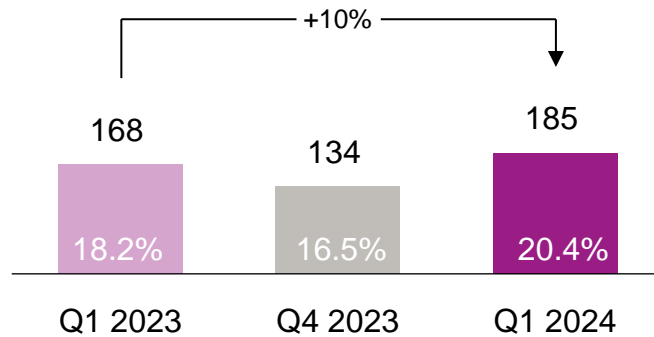
- **EBITDA margin recovery (+3.6pp)** supported by
 - operating volume leverage (e.g. in SP and PM)
 - contingency measures across the company
 - operational efficiency measures and lower variable costs (e.g. in Methionine)
- **Pricing still down** (-5% yoy), similar to Q3 and Q4
 - little price momentum visible yet
 - ... but also support from falling input costs

Specialty Additives

Sales
(in € m)



Adj. EBITDA
(in € m)
/ margin
(in %)



- Volumes increasing across virtually all businesses
 - Strong growth in Asia and re-stocking of customers
 - Most pronounced in coatings, PU foam & lubricant additives
 - Not based on pronounced macro-recovery
- Improving utilization leading to strong operating leverage (margin +2.2pp)
- Challenging competitive environment in Crosslinkers persists
- Q2: solid order books, however still short-term order patterns; Crosslinkers with planned maintenance shutdown in Q2

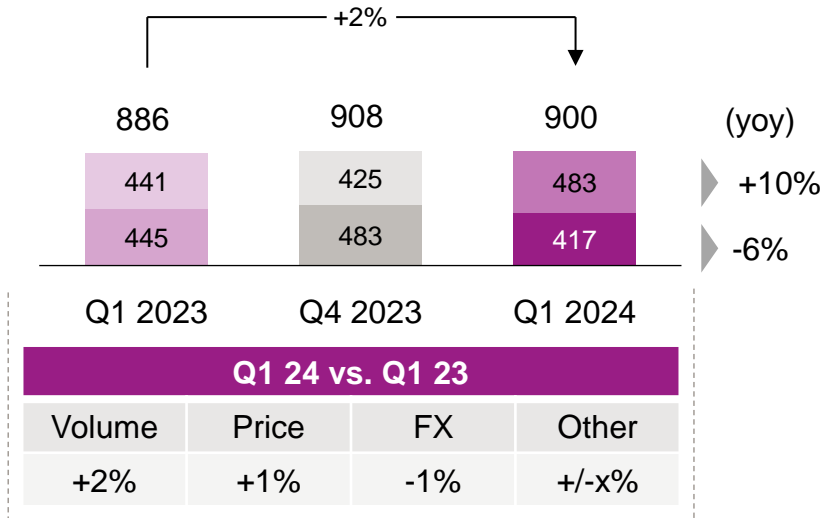


Nutrition & Care

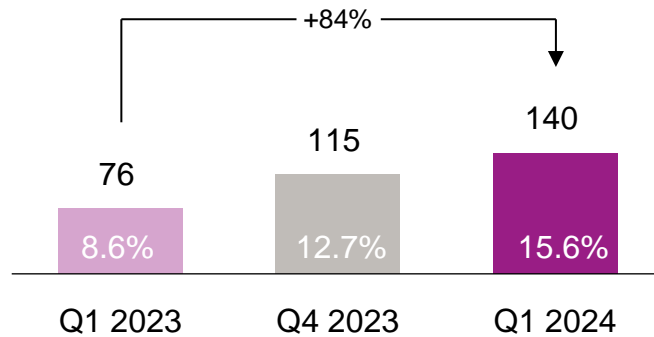
Sales (in € m)

Animal
Nutrition

Health &
Care



Adj. EBITDA (in € m) / margin (in %)



Health & Care

- Care Solutions with strong performance across whole portfolio
- Health Care with typically lower order pattern for start into the year

Animal Nutrition

- Double-digit increase in volumes yoy
- Pricing still flat in Q1 yoy (will change in course of year 2024 to show different direction of price dynamic compared to 2023)
- Lower variable costs and ramp-up of cost savings supportive
- Q2 with further sequential price step-up, compensated by lower volumes from shutdown in Singapore

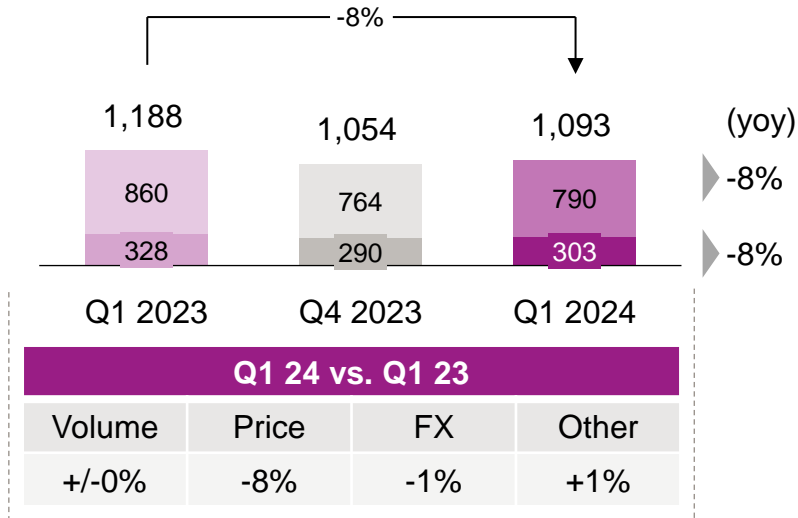


Smart Materials

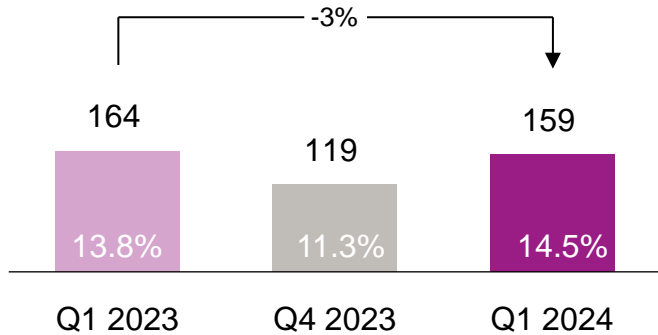
Sales (in € m)

Inorganics

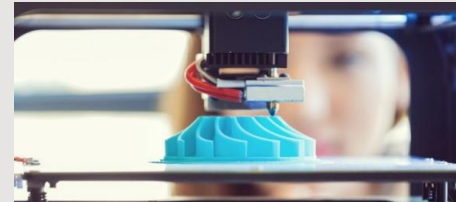
Polymers



Adj. EBITDA (in € m) / margin (in %)

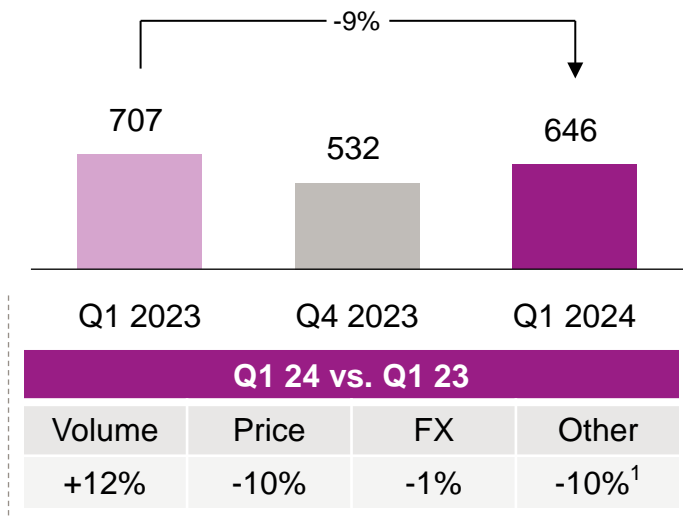


- Moderate start into the year
 - Flat volumes: Silica and construction applications with slight volume growth, but still no broad-based demand recovery visible
 - Still negative pricing, partially passing on decreasing input costs
- Adj. EBITDA stable on last year's level, with sequential improvement
 - Supported by license income in H₂O₂ (Fuhua hydrogen peroxide plant in Sichuan Province)
- Q2: expected around Q1 level, with slightly better performance in Silica, Catalysts and High-Performance Polymers

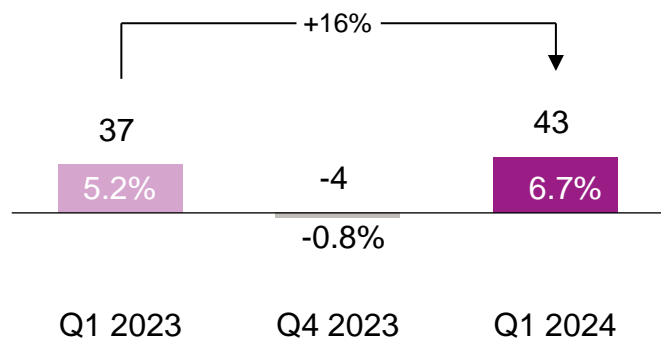


Performance Materials

Sales
(in € m)



Adj. EBITDA
(in € m)
/ margin
(in %)

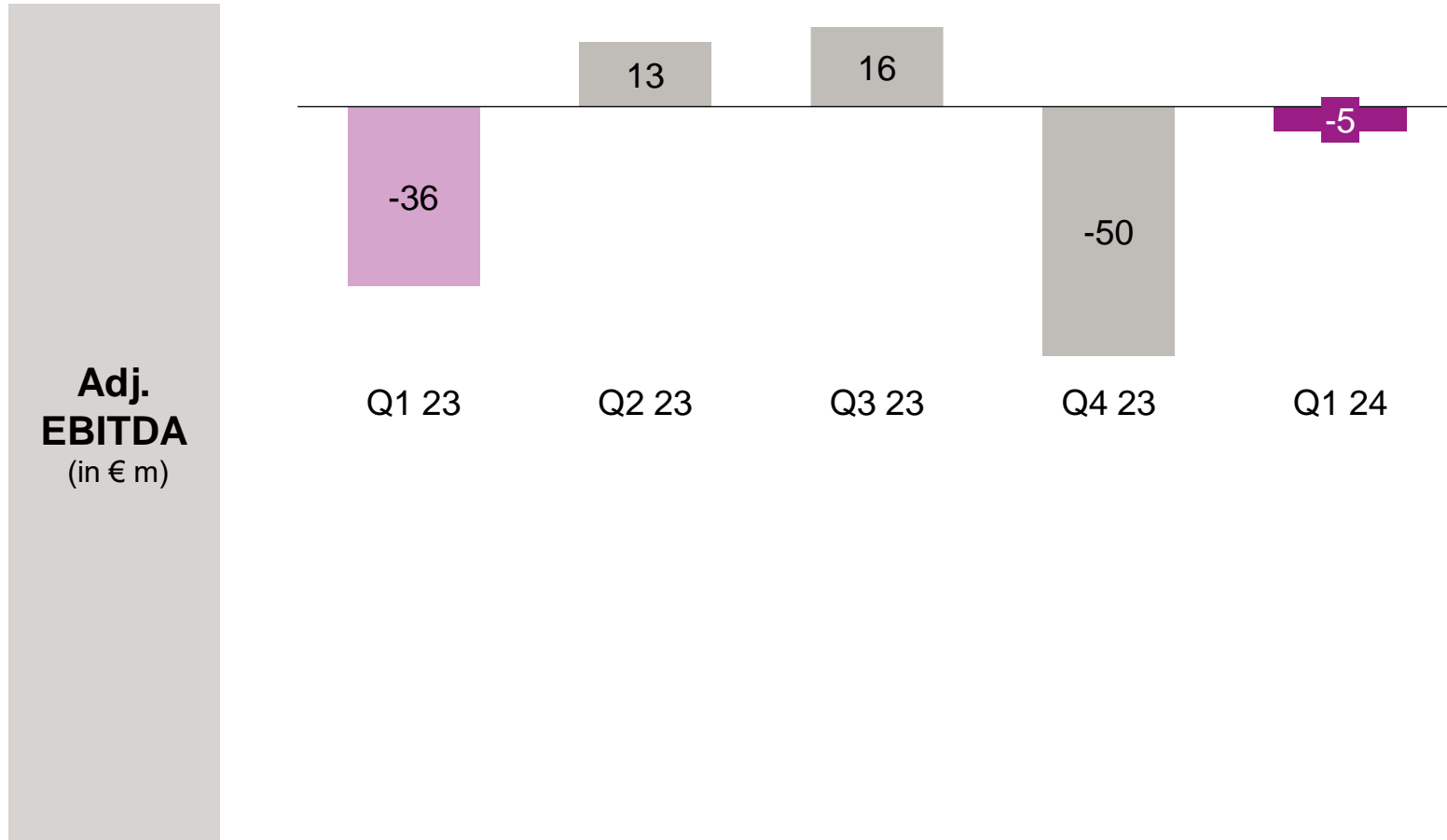


- Towards end of the quarter, disruptions of global supply chains with positive impact on oxo-alcohol and plasticizers business
- Demand in other end markets and products remains subdued
- Q2: Oxo-alcohol and plasticizers business remains supportive; maintenance in C4 business planned for April
- Superabsorbers still included until closing (expected for mid-year)



1: Prior-year not adjusted for divestment of Functional Solutions business

Technology & Infrastructure / Other

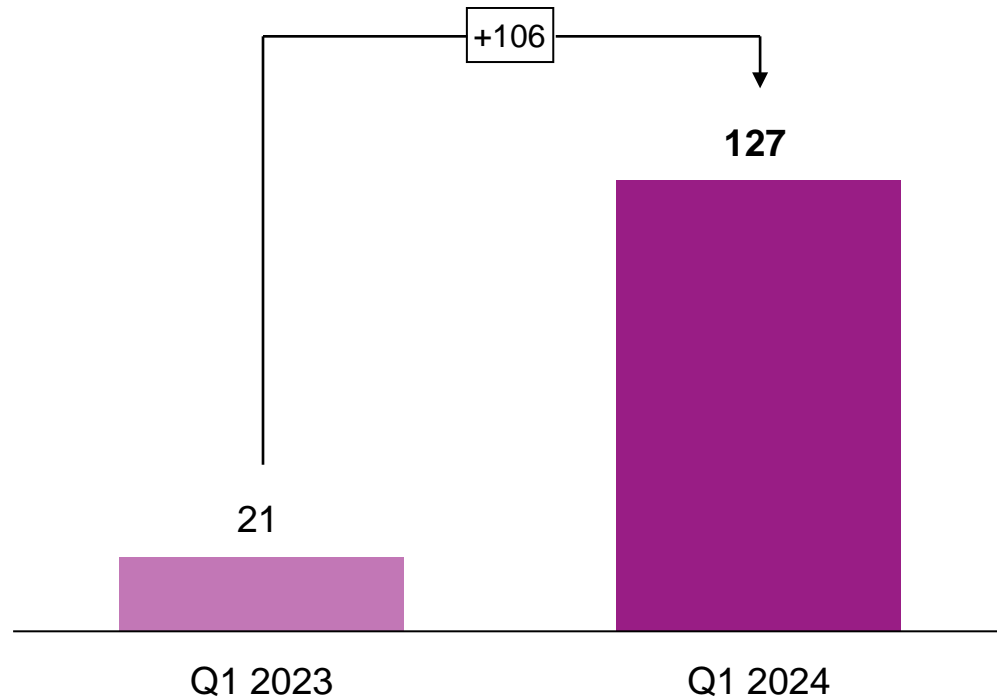


Q1 2024

- Continued positive effect from contingency measures
- Termination of “service dividend”: Higher adj. EBITDA for TI (yoy); lower for chemicals divisions (FY 2023: €82 m effect, see back-up)

Free Cash Flow Q1 2024

Free Cash Flow (in € m)



- Q1 FCF **well above prior-year level**, mainly driven by
 - Higher EBIT as starting point
 - Continued NWC discipline despite restocking needs
 - Lower cash-out for taxes
 - Misc. assets/liabilities: negative yoy effect mainly from changes in pre-payments received and made
- **Higher capex** (- €45 m yoy) due to phasing; FY outflows for investments further expected below prior-year level

Assumptions for FY 2024 outlook

(change only in raw material assumption)

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

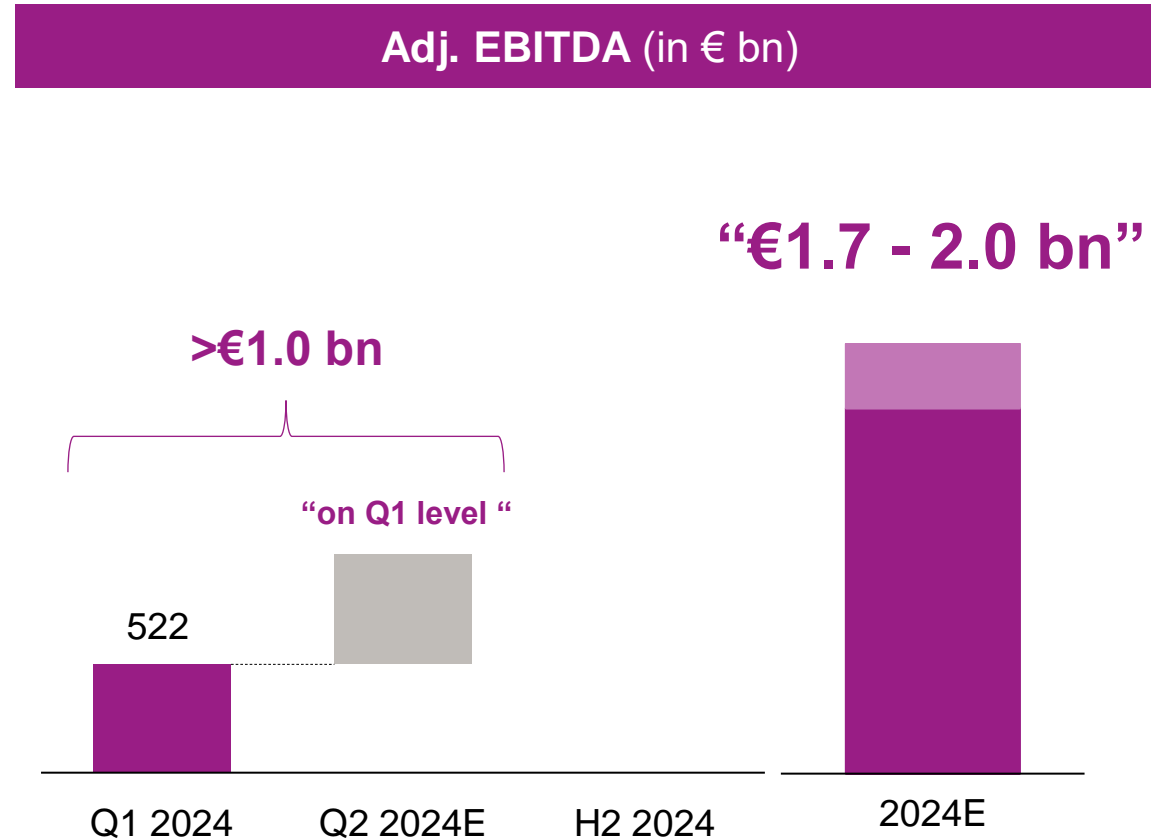
Procurement

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

Others

- Higher bonus provisions expected (yoy)

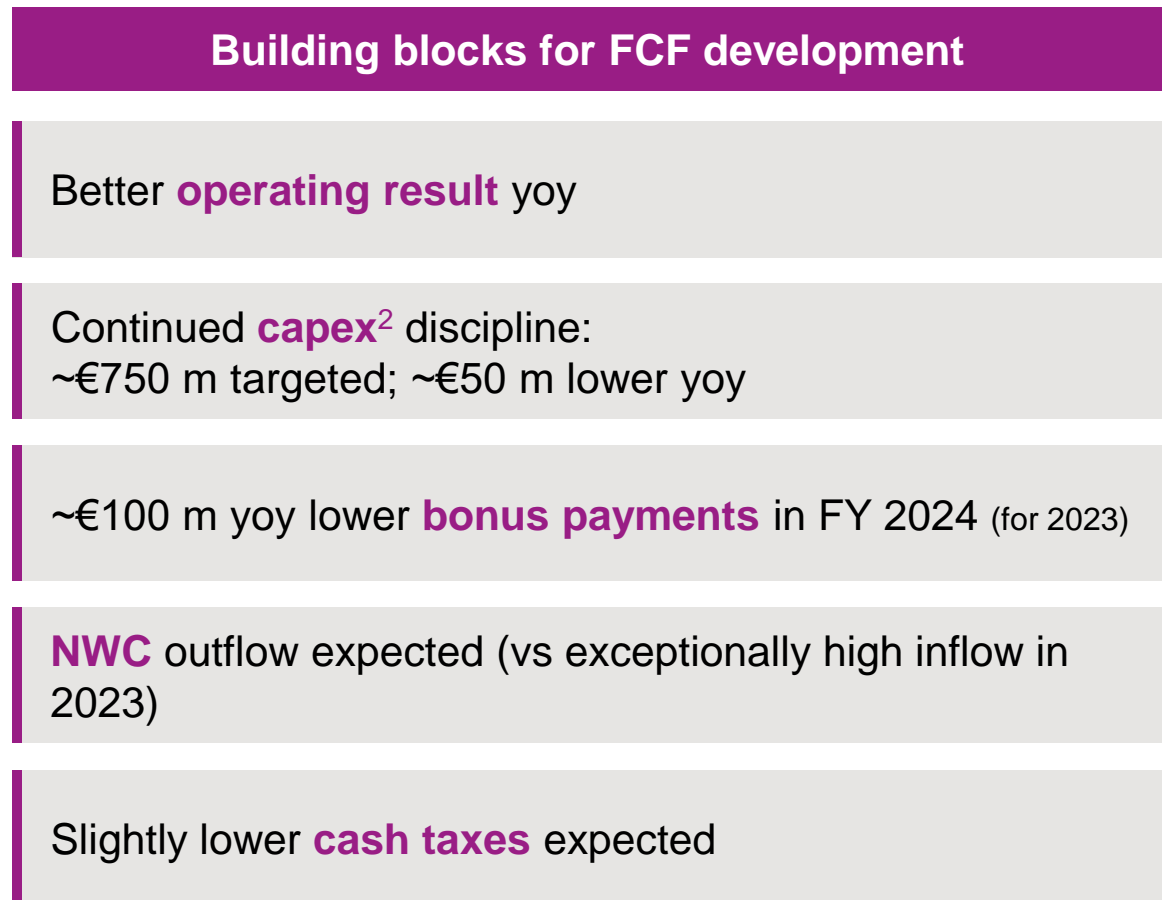
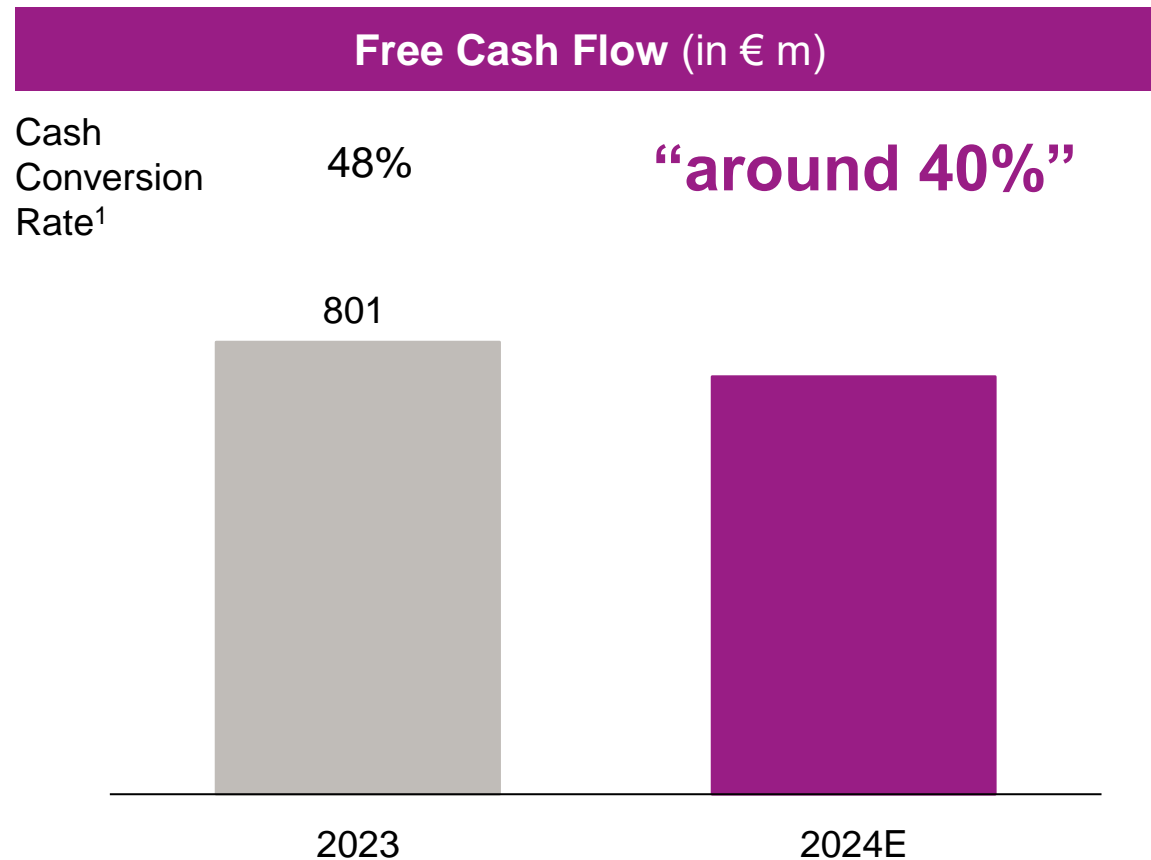
Adj. EBITDA outlook confirmed – Q2 expected on Q1 level



- **Q1** with strong start into the year
- **Q2 expected on Q1 level** (€522 m)
 - Despite planned shutdowns for Methionine in Singapore, for Crosslinkers and C4 chain
 - With that, also Q2 well above prior-year level (Q2 2023: €450 m)
- **H1 well underpins** current outlook range
- More pronounced macro & volume recovery in the course of the year **as additional potential** (not as requirement)





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

Free Cash Flow outlook confirmed: Targeting ~40% conversion



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} (unchanged)

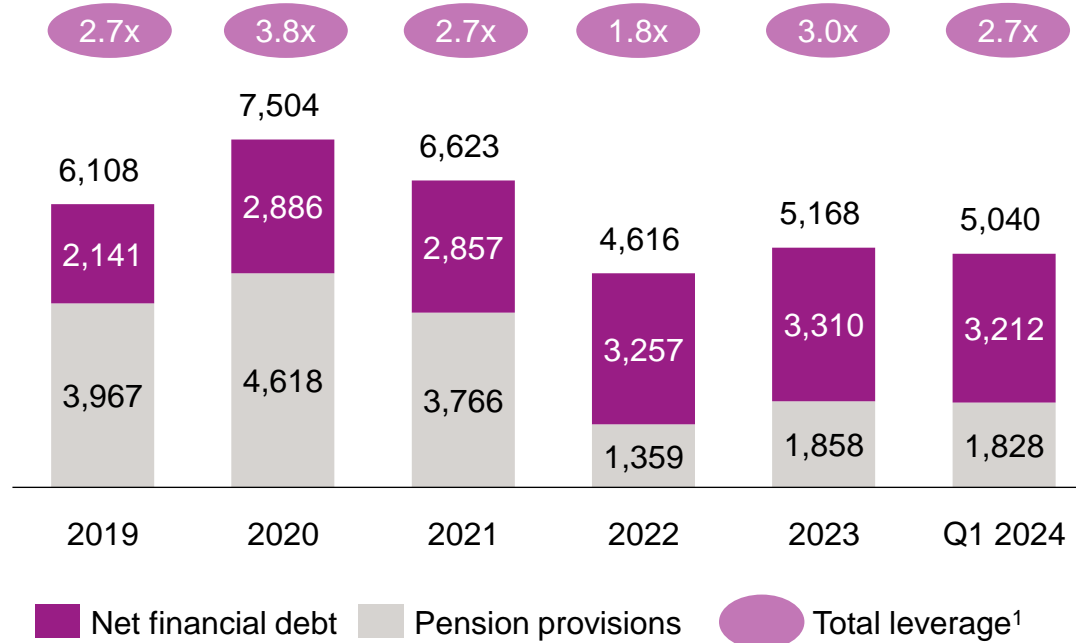
Specialty Additives	Nutrition & Care	Smart Materials	Performance Materials
 <ul style="list-style-type: none"> ▪ No broad-based recovery of demand, prod. volumes and capacity utilization assumed ▪ First signs of recovery after prolonged period of destocking ▪ Continued high competitive intensity (esp. 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 debt²	5,858	7,254	6,373	4,366	4,918	4,790
Adj. EBITDA (last 12 months)	2,153	1,906	2,383	2,490	1,656	1,769
German pension discount rate (%)	1.3	0.9	1.3	4.1	3.5	3.5

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 (€3,212 m)

- Net financial debt slightly decreased qoq
- Higher adj. EBITDA leading to decrease of net financial debt leverage to 1.7x³

Pension provisions (€1,828 m)

- Long-dated pension obligations with ~14 years duration
- Stable pension provisions at unchanged discount rates
- Pension provisions partly balanced by corresponding deferred tax assets of ~€0.6 bn⁴

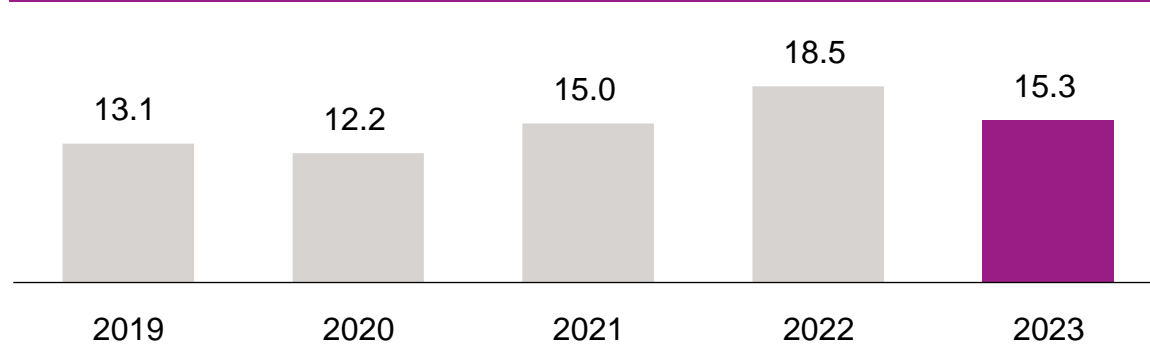
Divisional overview by quarter

Sales (in € m)	Q1/22	Q2/22	Q3/22	Q4/22	FY 2022	Q1/23	Q2/23	Q3/23	Q4/23	FY 2023	Q1/24
Specialty Additives	1,049	1,116	1,113	906	4,184	921	906	882	811	3,520	908
Nutrition & Care	1,038	1,027	1,062	1,111	4,237	886	893	924	908	3,611	900
Smart Materials	1,284	1,335	1,365	1,256	5,240	1,188	1,119	1,100	1,054	4,461	1,093
Performance Materials	844	945	797	666	3,253	707	694	616	532	2,549	646
T&I / Other	283	349	541	401	1,574	303	274	249	300	1,126	249
Evonik Group	4,498	4,772	4,878	4,340	18,488	4,005	3,886	3,771	3,604	15,267	3,796

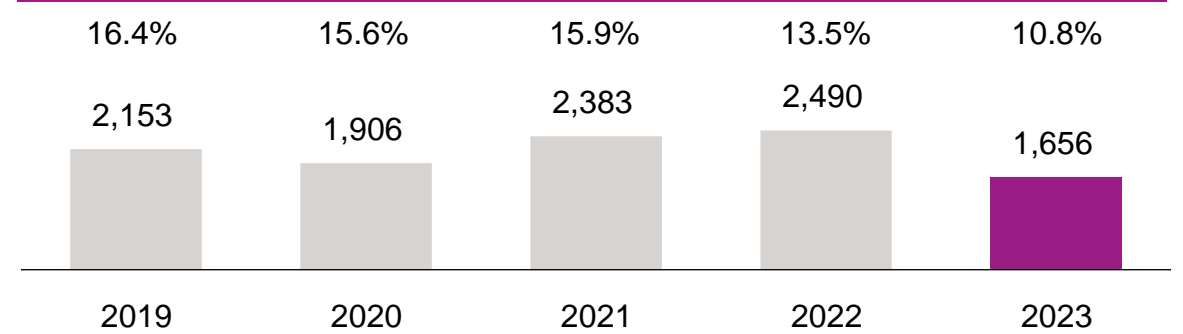
Adj. EBITDA (in € m)	Q1/22	Q2/22	Q3/22	Q4/22	FY 2022	Q1/23	Q2/23	Q3/23	Q4/23	FY 2023	Q1/24
Specialty Additives	252	263	243	188	946	168	199	173	134	673	185
Nutrition & Care	222	185	148	122	677	76	71	127	115	389	140
Smart Materials	212	219	188	124	743	164	122	135	119	540	159
Performance Materials	82	142	63	63	350	37	45	34	-4	111	43
T&I / Other	-33	-81	-27	-85	-226	-36	13	16	-50	-57	-5
Evonik Group	735	728	615	413	2,490	409	450	485	312	1,656	522

Five-year financial review

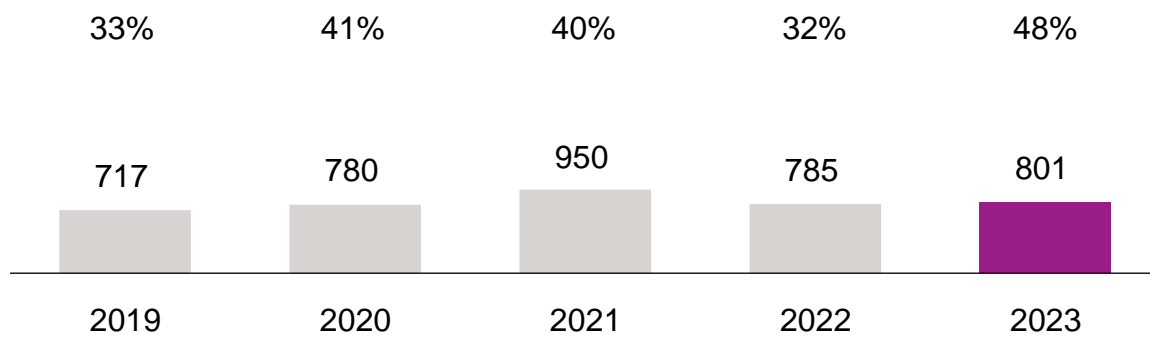
Sales (in € bn)



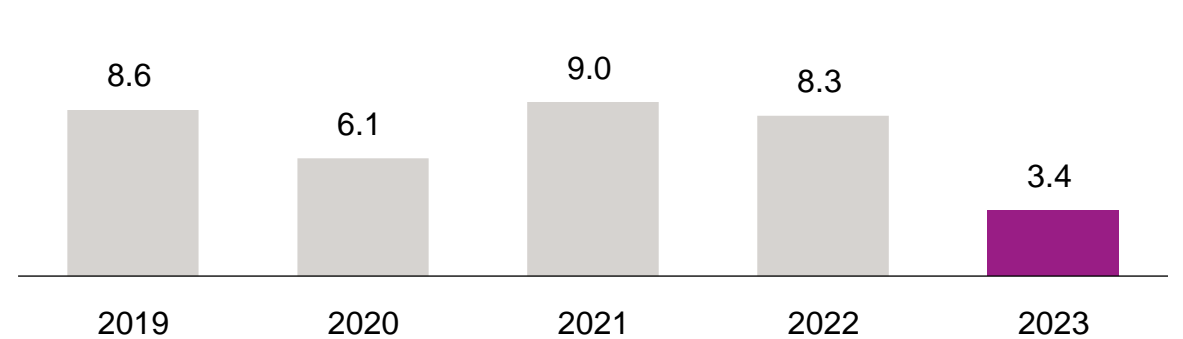
Adj. EBITDA / Margin (in € m / in %)



Free Cash Flow / Cash Conversion (in € m / in %)



ROCE (in %)



Appendix

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- 4. IR team and further presentations**

Discover more in our presentations and factbooks

Evonik
Leading Beyond Chemistry
Q1 2024
Earnings Conference Call
May 8, 2024
Christian Kullmann, Chief Executive Officer
Maïke Schuh, Chief Financial Officer

Q1 Earnings Conference Call Presentation

**WE GO BEYOND
TO ENABLE
TRANSFORMATION**
Company Factbook 2024
EVONIK
Leading Beyond Chemistry

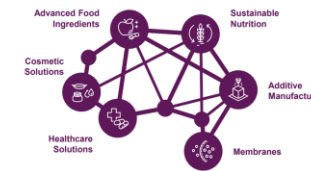
Evonik Company Factbook

**Sustainability at
Evonik.**
2024
Placeholder text Date | Presenter
NEXTGEN



Sustainability Factbook

Innovation at Evonik
Evonik Innovation Growth Fields
Overview
2023
NEXTGEN



Innovation Factbook

Upcoming IR events

Conferences & roadshows

May 14, 2024	Citi Chemicals Conference, London
May 14, 2024	London Roadshow (Deutsche Bank)
May 14, 2024	UBS Best of Europe Conference, virtual
May 15, 2024	Stifel German Corp. Conference, Frankfurt
May 23, 2024	Paris Roadshow (Exane)
May 29, 2024	Jefferies „Chemicals Spring Fireside Series“, virtual

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
March 4, 2025	Q4/FY 2024 Reporting

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EVONIK

Leading Beyond Chemistry