

## CREDIT OPINION

18 July 2023

### Update



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### RATINGS

#### Evonik Industries AG

|                  |                                |
|------------------|--------------------------------|
| Domicile         | Essen, Germany                 |
| Long Term Rating | Baa2                           |
| Type             | LT Issuer Rating - Dom<br>Curr |
| Outlook          | Stable                         |

Please see the [ratings section](#) at the end of this report for more information. The ratings and outlook shown reflect information as of the publication date.

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### CLIENT SERVICES

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| Americas     | 1-212-553-1653  |
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## Evonik Industries AG

### Update to credit analysis

#### Summary

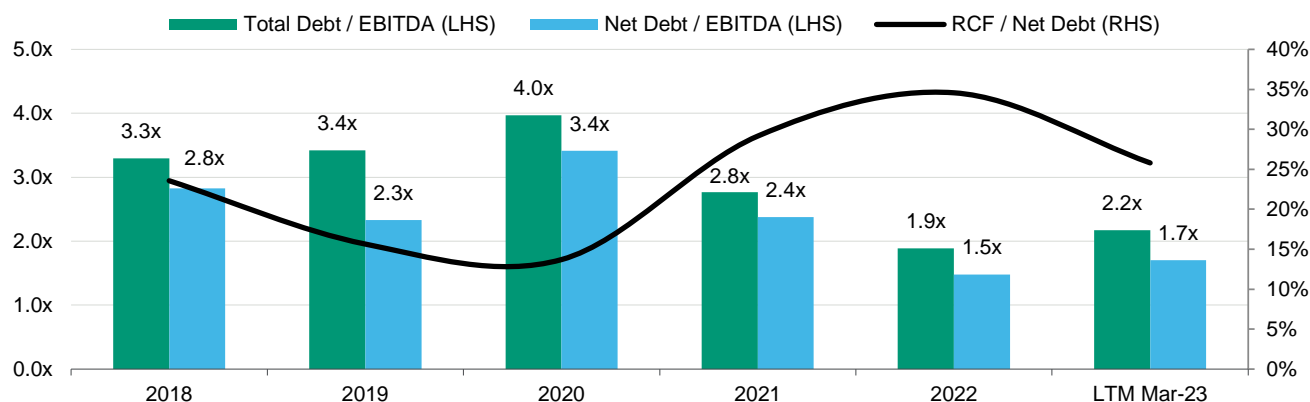
[Evonik Industries AG's](#) (Evonik) Baa2 rating reflects the continued divestiture of its non-core activities, and its use of proceeds to further build its specialty chemicals portfolio through capital investments and bolt-on and medium-sized acquisitions that will enhance the stability of its operating performance. We estimate Evonik's Moody's-adjusted leverage at around 2.5x for the 12 months that ended June 2023. In an ad hoc release on 10 July 2023, the company revised its 2023 guidance downwards, which would translate into Moody's-adjusted gross leverage slightly above 3x in 2023. This would be moderately above our expectations for the current Baa2 rating, but we expect that the company will return to metrics in line with our expectations for the rating category in a more favorable environment. The company previously announced measures to support its profitability in this challenging demand environment.

The Baa2 rating also takes into account low Moody's-adjusted free cash flow (FCF) that averaged around €87 million in 2018-22, and is constrained by relatively high annual dividend payouts of around €545 million in 2023 and annual Moody's-adjusted capital spending (including financial leases) of around €1.0 billion. However, the company's capacity to generate solid cash flow from operations (CFO) through the cycles has mostly kept its FCF positive or around break even levels, we would expect that this also will be the case in 2023.

Liquidity remains solid, supported by high cash balances and liquid assets of around €1.1 billion as of the end of March 2023, and an undrawn €1.75 billion revolving credit facility refinanced for five years in November 2022 which contains two extension options of one year each.

This report was republished on 19 July 2023 with a corrected typo in a date on page 3.

Exhibit 1

**Leverage and coverage metrics**

Source: Moody's Financial Metrics™

**Credit strengths**

- » Leading positions in growth markets, strong technology capabilities and extensive end-market diversification
- » Earnings and cash flow generation to benefit from incremental contributions from acquisitions and organic growth projects, and continuous focus on operating and capital efficiency
- » Ongoing pivot toward a higher share of more resilient specialty chemicals with more attractive growth prospects and higher, less volatile margins

**Credit challenges**

- » Weakening of EBITDA levels ahead
- » Delivery of cost savings from ongoing efficiency initiatives
- » High dividend payout of around €545 million and Moody's-adjusted capital spending of around €1.0 billion, which constrain FCF generation

**Rating outlook**

The stable rating outlook reflects our expectation that Evonik will continue to work toward increasing the share of specialty chemicals in its portfolio by divesting non-specialty chemicals activities, and reinvesting into specialty chemicals businesses and acquisitions to improve its business risk profile. The stable outlook also factors in the company's low Moody's-adjusted debt/EBITDA of 2.5x-3.0x.

**Factors that could lead to an upgrade**

- » Retained cash flow (RCF)/net debt above mid-20s in percentage terms
- » Debt/EBITDA below 2.5x

**Factors that could lead to a downgrade**

- » Debt/EBITDA remaining above 3.0x on a sustained basis
- » RCF/net debt approaching 15%

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the issuer/deal page on <https://ratings.moody.com> for the most updated credit rating action information and rating history.

## Key indicators

Exhibit 2

### Evonik Industries AG

|                           | 12/31/2018 | 12/31/2019 | 12/31/2020 | 12/31/2021 | 12/31/2022 | LTM 3/31/2023 |
|---------------------------|------------|------------|------------|------------|------------|---------------|
| Revenue (USD billion)     | \$15.7     | \$14.7     | \$13.9     | \$17.7     | \$19.5     | \$18.7        |
| PP&E (net) (USD billion)  | \$8.5      | \$7.9      | \$8.9      | \$8.6      | \$8.5      | \$8.5         |
| EBITDA Margin %           | 16.1%      | 16.6%      | 15.1%      | 15.4%      | 14.2%      | 12.7%         |
| Return on Average Assets  | 5.7%       | 5.8%       | 3.8%       | 5.9%       | 6.9%       | 5.2%          |
| Debt / EBITDA             | 3.3x       | 3.4x       | 4.0x       | 2.8x       | 1.9x       | 2.2x          |
| RCF / Debt                | 20.2%      | 10.7%      | 11.8%      | 25.0%      | 27.2%      | 20.2%         |
| EBITDA / Interest Expense | 9.4x       | 12.1x      | 12.8x      | 15.4x      | 14.4x      | 12.3x         |

[1] All figures and ratios are calculated using Moody's estimates and standard adjustments.

[2] Periods are Financial Year-End unless indicated. LTM = Last 12 Months.

Source: Moody's Investors Service

## Profile

Evonik Industries AG, headquartered in Essen, Germany, is the holding company of the Evonik group, one of the leading European specialty chemicals producers. In 2022, Evonik reported revenue of nearly €18.5 billion and an adjusted EBITDA of almost €2.5 billion, equivalent to an EBITDA margin of 13.5%.

Evonik has production facilities in 27 countries (with a significant share of production assets in Europe) and benefits from a high level of vertical integration (Verbund) mainly related to its C4 activities that it intends to exit in 2023. Its activities are organized under five divisions:

- » Specialty Additives: €4.2 billion of sales and an adjusted EBITDA of €946 million in 2022. Products include coating, polyurethane and lubricant additives.
- » Nutrition and Care: €4.2 billion of sales and an adjusted EBITDA of 677 million in 2022. Key products are amino acids, drug delivery systems and cosmetic ingredients.
- » Smart Materials: €4.8 billion of sales and an adjusted EBITDA of €684 million in 2022. Products include silica, hydrogen peroxide, catalysts and polyamide (PA12).
- » Performance Materials: €1.5 billion of sales and an adjusted EBITDA of €409 million in 2022. Products include C4 derivatives and superabsorbers.
- » Technology and Infrastructure: €1.5 billion of sales and an adjusted EBITDA of €86 million in 2022. Services include plant support and management.

On 17 July 2023, Evonik had a market capitalization of around €8.5 billion. It is 55% owned by RAG-Stiftung — a foundation set up to fund legacy costs relating to the termination of RAG's mining activities from 2019. The annual cash-out to be incurred by RAG-Stiftung is likely to be above €200 million, compared with the dividend payment of around €300 million that it received from Evonik in 2023.

## Detailed credit considerations

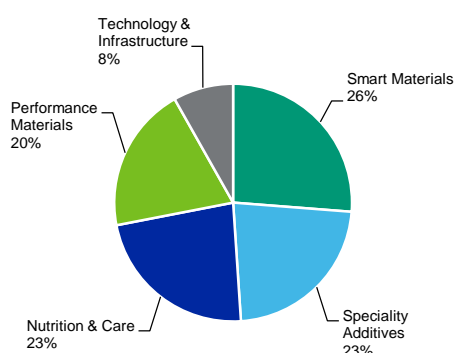
### Evonik's business profile is enhanced by acquisitions, divestments and organic growth

Acquisitions, divestments and organic growth projects in the past decade have strengthened Evonik's business profile as activities have shifted more toward specialty chemicals, which currently account for about 80% of group sales. Evonik announced in May 2022 its plans to exit its Performance Materials activities. The process began with the sale of the Lüssdorf site (around €200 million of sales in FY 2022) in June 2023 and the reclassification of the alkoxides business (around €407 million of sales in FY 2022) from Performance Materials to Smart Materials. The business lines that remain to be divested are Superabsorbers, with around €900 million of sales in FY 2022 and a completed carve-out in July 2021; and Performance Intermediates which was carved out in July 2023 with around €2.1 billion of sales in FY 2022. We expect any divestiture proceeds to be used for further bolt-on and medium-sized acquisitions and investments into the green transformation (NextGen solutions and NextGen technologies). Evonik had also conducted a string of divestments and acquisitions earlier, such as the divestment of the methacrylates business for an enterprise value of €3 billion in 2019. In 2020, Evonik

acquired PeroxyChem, a producer of hydrogen peroxide, persulfates and peracetic acid, for an enterprise value of \$640 million. Evonik also closed in November 2020 the €210 million acquisition of Porocel, a catalyst producer. Overall, the portfolio realignment resulted in less cyclicity and lower capex intensity. Capital spending as a percentage of revenue decreased to around 5.0% since 2018 from around 7.0% previously. Although the company is targeting to find new owners / partners for its performance materials businesses over the course of 2023, we note that the company has sufficient financial and operational flexibility if the process should take longer than anticipated.

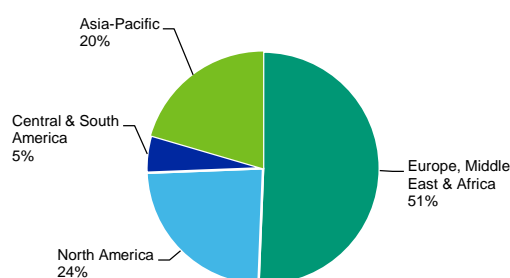
Evonik's business profile is underpinned by the significant size and strength of its chemicals franchise. It is well diversified in terms of end markets, with main exposures to the food and animal feed, consumer and personal care, pharmaceuticals, automotive and construction sectors, as well as to the chemicals industry and manufacturing of intermediate products used in the production of optical fibers, plastics and rubber. It does not have any undue customer concentration. Around 80% of sales in Evonik's growth divisions come from leading market positions, including DL-methionine, super absorbers, silicas and polyamide 12.

Exhibit 3

**Fiscal 2022 sales by division**

Sources: Company filings and Moody's Investors Service

Exhibit 4

**Fiscal 2022 sales by region**

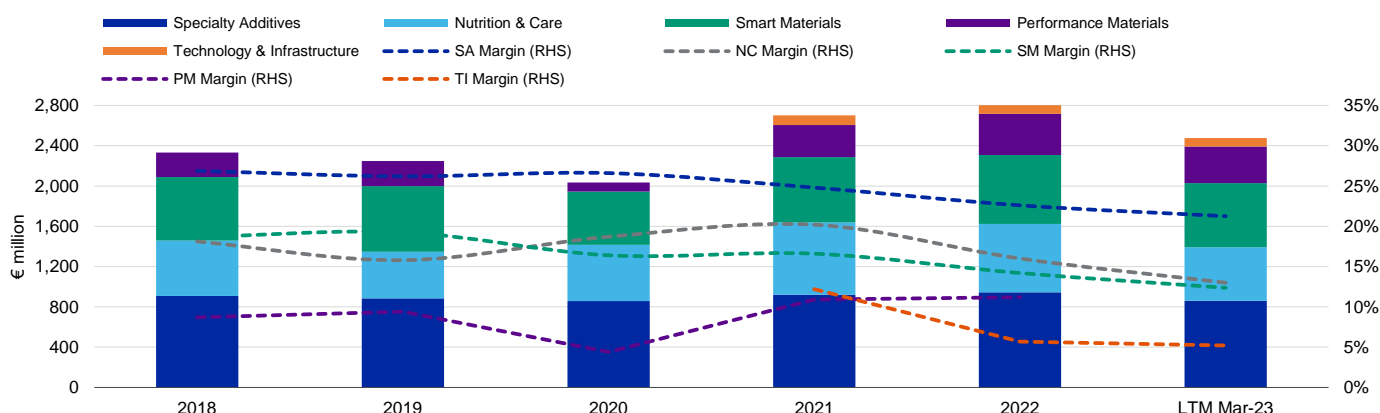
Sources: Company filings and Moody's Investors Service

### Growth fundamentals, innovation, acquisition synergies and efficiency gains to boost profitability

Evonik's three divisions — Specialty Additives, Nutrition and Care and Smart Materials — are primed for growth. The growth target, revised in May 2022, aims for an above-average organic growth in these divisions of more than 4% over the cycle. Evonik considers innovation and sustainability as key growth drivers, and targets more than €1.0 billion of sales contribution from innovation growth fields by 2025 from a base of more than €600 million in 2022 and with above-average margins. Evonik defines these growth fields as advanced food ingredients, additive manufacturing, sustainable nutrition, cosmetic solutions, membranes, and healthcare solutions. In 2022, around 43% of sales are generated from products that provide customers with sustainability benefits (so-called NextGen Solutions). Evonik targets to grow this share to more than 50% by 2030. Between 2021 and 2030, the company intends to invest around €3 billion in the growth of NextGen Solutions.

Excluding Performance Materials, where EBITDA margins are low and volatile over the cycle (2020: 4.4%; 2021: 10.9%; 2022: 11.2%), Evonik's remaining divisions have consistent and less volatile EBITDA margins. With the planned exit of Performance Materials, Evonik's business profile should strengthen with better earnings predictability and target EBITDA margins of 18%-20%.

Exhibit 5

**Historical EBITDA and EBITDA margin by segment (2018 - March 2023)**

Excluding services.

Sources: Company filings and Moody's Investors Service

**2023 leverage to be at upper end of rating expectations**

On 10 July 2023 Evonik published preliminary figures for Q2 2023 where the company expects a slight improvement in EBITDA in the range of €430 million to €450 million from €409 million in Q1 2023. We estimate Evonik's Moody's-adjusted gross leverage for the 12 months that ended June 2023 at around 2.5x, but this still reflects solid EBITDA generation in the second half of 2022. As part of the ad hoc release, the company revised its 2023 guidance downwards and now expects its adjusted EBITDA to be in the range of €1.6 billion to €1.8 billion, while Evonik had previously guided to an EBITDA in the range of €2.1 billion to €2.4 billion, at the time of its Q1 2023 results it already expected 2023 EBITDA to be at the lower end of its guidance range. The updated guidance range of €1.6 billion to €1.8 billion is mainly driven by continued weak demand across end markets as well as customer destocking. The company also indicated that it is currently not seeing a recovery to take place in the second half of the year.

In response to the challenging demand environment the company will focus on cost savings to support EBITDA generation, which include initiatives such as reducing personal and operational costs, as well as optimizing IT costs. The company estimates total cost savings of around €250 million in 2023. During its Q1 earnings call, the company also announced a restructuring of its Animal Nutrition segment. Part of the €200 million cost savings will be realized in 2023, with the biggest contribution to come in 2024-25.

Although, the company has not yet disclosed further details on the cost related to its restructuring measures, we expect that at the lower end of its revised guidance Moody's adjusted gross leverage will slightly be above 3x in 2023. This is moderately above our expectations for the current Baa2 rating, but we expect that the company will return to metrics in line with our expectations for the rating category in a more favorable environment.

Evonik's leverage also benefitted from a decline of discount rates for pensions. Hence, Moody's lower pension adjustment also contributed to lower Moody's adjusted gross debt. However, Evonik's pension debt adjustment, at around 18% of total adjusted debt as per 31 December 2022, remains high compared to its European chemicals peers for whom it is typically less than 10%.

**FCF remains constrained by relatively high annual dividend payouts and capital spending**

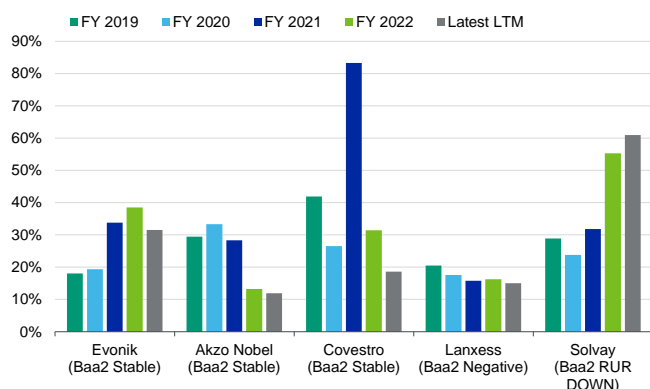
Compared with peers, Evonik has been able to generate solid funds from operations (FFO), with its FFO/debt remaining in line with that of peers and above 20% over the last years (see Exhibit 6). However, Evonik's dividend payout compared to its FFO generation is consistently at the higher end of its peer group (see Exhibit 7); this has limited its ability to generate substantial FCF, which has been moderate in the past.

As part of an ad hoc release on 10 July 2023, the company indicated that it will no longer manage to achieve the initially targeted substantial increase in FCF (company definition, before dividends and operating leases) in 2023 given lower expected operating result. Despite the weakening of earnings, we expect FCF (Moody's definition after dividends & lease payments) to remain at least flat to moderately positive as the company continues to focus on the release of working capital.

Exhibit 6

**Evonik's FFO in relation to debt has been solid in comparison to peers ...**

**Moody's-adjusted FFO/debt**

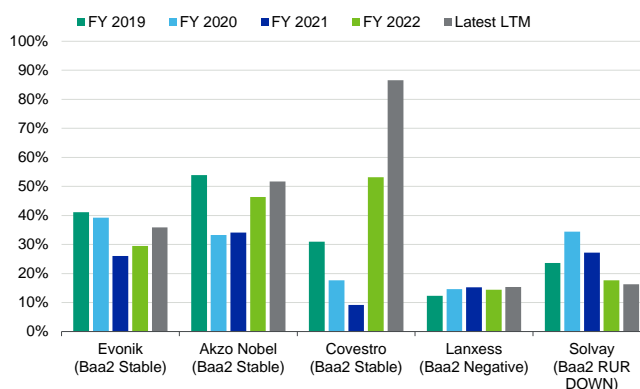


Source: Moody's Investors Service

Exhibit 7

**... but dividends in relation to FFO are consistently at the higher end of its peer group**

**Moody's-adjusted dividends/FFO**



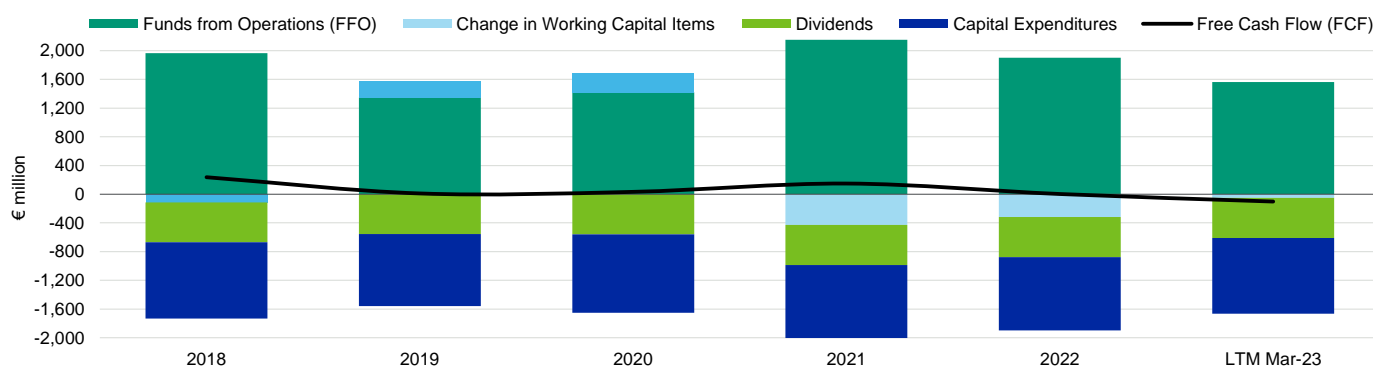
Source: Moody's Investors Service

Evonik aims to achieve reliable and sustainably growing dividends. We believe RAG Foundation, Evonik's anchor shareholder that owns 55% of its shares, relies on dividend income from Evonik to cover its own operating expenses. Although Evonik's relative importance in RAG's portfolio has diminished over time, with it accounting for less than 35% of RAG's assets, Evonik remains its single-most important source of recurring financial income. As we expect the dividend payout to remain sticky, only the ability to generate higher FFO will drive significant FCF generation.

Annual capital spending until 2022 amounted to around €900 million, of which half relates to maintenance and growth investments and €62 million relates to the planned exit from Performance Materials. Evonik is going to add around €75 million of annual investments for NextGen Technologies until 2030 for a total aggregate spending of around €700 million.

Exhibit 8

**Moody's adjusted FCF generation is moderate**



Source: Moody's Investors Service

## Liquidity analysis

Evonik's liquidity remains solid. As of 31 March 2023, Evonik reported cash and cash equivalents of €634 million and current securities of €434 million. It has access to a €1.75 billion revolving credit facility due November 2027, with the option to extend the maturity twice by one year. The facility is currently undrawn and does not contain any financial covenants or material adverse change clause. In addition, Evonik has access to bilateral revolving credit facilities of €800 million. We expect these sources in combination with FFO of around €1.4 billion in 2023 to cover dividend payments of almost €570 million (including minority dividends), capital investments of around €1.0 billion (including lease repayments) and swings in working capital.

## ESG considerations

### Evonik Industries AG's ESG Credit Impact Score is Moderately Negative CIS-3

Exhibit 9

#### ESG Credit Impact Score

# CIS-3

## Moderately Negative

For an issuer scored CIS-3 (Moderately Negative), its ESG attributes are overall considered as having a limited impact on the current rating, with greater potential for future negative impact over time. The negative influence of the overall ESG attributes on the rating is more pronounced compared to an issuer scored CIS-2.



Source: Moody's Investors Service

**CIS-3.** Evonik's CIS-3 indicates that ESG considerations have a limited impact on the current credit rating with potential for greater negative impact over time, especially through exposure to environmental risk. Evonik's governance and social practices partially mitigate environmental risk. With Evonik's continuing pivot towards a higher share of specialty chemicals and the contemplated exit of its C4 activities over the course of 2023, some risk factors, in particular for environmental risks could improve over time.

Exhibit 10

#### ESG Issuer Profile Scores

ENVIRONMENTAL

# E-4

## Highly Negative



SOCIAL

# S-3

## Moderately Negative



GOVERNANCE

# G-3

## Moderately Negative



Source: Moody's Investors Service

### Environmental

**E-4.** Evonik's exposure to environmental risks reflects the risks arising from Waste & Pollution and Carbon Transition. Carbon transition risk reflect Evonik's high scope 1 and 2 CO2 emissions and energy consumed by operations. The exit of the C4 activities over the course of 2023 should result in lower CO2 emissions over time. Evonik's Physical Climate risk reflects the geographical diversification of Evonik's global operational footprint with only limited operations in hurricane-affected areas such as the Gulf of Mexico. Water Management and Natural Capital exposure are in line with the overall sector's exposure.

### Social

**S-3.** Social risks reflect the associated risk of health & safety in the operation of large-scale chemical plants such as in Marl/Germany and Mobile/USA. Customer relations risks reflect the long-standing relationships to predominantly industrial end customers. Demographic & societal trends exposure is to some degree mitigated by the exposure to end markets with solid structural demand growth including food (e.g. methionine, Veramaris JV with DSM-Firmenich), light-weighting (PA12 for the automotive industry), insulation (urethanes).

### Governance

**G-3.** Evonik's governance risk reflects its board structures, policies and procedures with the presence of the controlling anchor shareholder RAG Foundation owning around 55% of Evonik's capital. Risks related to the concentrated ownership, however are offset to some extent by the fact that RAG Foundation only has one seat on the company's supervisory board. Financial Strategy & Risk

Management risks reflect the high dividend payouts when compared to sector peers, that constrain more meaningful free cash flow generation. Organizational Structure as well as Compliance & Reporting exposures are in line with other publicly-listed companies. Management Credibility & Track Record risks reflect the execution of strategy, prudent liquidity management and meeting, if not exceeding earnings guidance.

ESG Issuer Profile Scores and Credit Impact Scores for the rated entity/transaction are available on Moodys.com. In order to view the latest scores, please click [here](#) to go to the landing page for the entity/transaction on MDC and view the ESG Scores section.



## Methodology and scorecard

The principal methodology used in rating Evonik is the [Chemicals](#) rating methodology, published on 23 June 2022.

The scorecard-indicated outcome is Baa1 for the 12 months that ended March 2023, one notch above the assigned rating. The scorecard indicated rating in the forward view is in line with the assigned Baa2 rating.

Exhibit 11

### Rating factors

Evonik Industries AG

| Chemical Industry Scorecard [1][2]   |         |       | Current<br>LTM 3/31/2023 |  | Moody's 12-18 Month Forward View<br>As of 7/10/2023 [3] |       |
|--------------------------------------|---------|-------|--------------------------|--|---|-------|
| Factor 1 : Scale (15%)               | Measure | Score |                          |  | Measure   | Score |
| a) Revenue (USD Billion)             | \$18.7  | A     |                          |  | \$18 - \$19   | A     |
| b) PP&E (net) (USD Billion)          | \$8.5   | A     |                          |  | \$8.5   | A     |
| Factor 2 : Business Profile (25%)    |         |       |                          |  |   |       |
| a) Business Profile                  | A       | A     |                          |  | A   | A     |
| Factor 3 : Profitability (10%)       |         |       |                          |  |   |       |
| a) EBITDA Margin                     | 12.7%   | Ba    |                          |  | 12% - 13.5%   | Ba    |
| b) ROA (Return on Average Assets)    | 5.2%    | B     |                          |  | 5% - 5.5%   | B     |
| Factor 4 : Leverage & Coverage (30%) |         |       |                          |  |   |       |
| a) Debt / EBITDA                     | 2.2x    | Baa   |                          |  | 2.5x - 3.1x   | Baa   |
| b) RCF / Debt                        | 20.2%   | Baa   |                          |  | 20% - 25%   | Baa   |
| c) EBITDA / Interest Expense         | 12.3x   | Baa   |                          |  | 12x - 12.5x   | Baa   |
| Factor 5 : Financial Policy (20%)    |         |       |                          |  |   |       |
| a) Financial Policy                  | Baa     | Baa   |                          |  | Baa   | Baa   |
| Rating:                              |         |       |                          |  |   |       |
| a) Scorecard-Indicated Outcome       |         | Baa1  |                          |  |   | Baa2  |
| b) Actual Rating Assigned            |         |       |                          |  |   | Baa2  |

[1] All ratios are based on 'Adjusted' financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations.

[2] As of 3/31/2023(L).

[3] This represents Moody's forward view, not the view of the issuer.

Source: Moody's Financial Metrics™

## Appendix

Exhibit 12

### Peer comparison

|                          | Evonik Industries AG<br>Baa2 Stable |               |               | Arkema S.A.<br>Baa1 Stable |               |               | Covestro AG<br>Baa2 Stable |               |               | Solvay SA<br>Baa2 RUR-DNG |               |               | Lanxess AG<br>Baa2 Negative |               |               |
|--------------------------|-------------------------------------|---------------|---------------|----------------------------|---------------|---------------|----------------------------|---------------|---------------|---------------------------|---------------|---------------|-----------------------------|---------------|---------------|
| (in US millions)         | FYE<br>Dec-21                       | FYE<br>Dec-22 | LTM<br>Mar-23 | FYE<br>Dec-21              | FYE<br>Dec-22 | LTM<br>Mar-23 | FYE<br>Dec-21              | FYE<br>Dec-22 | LTM<br>Mar-23 | FYE<br>Dec-21             | FYE<br>Dec-22 | LTM<br>Mar-23 | FYE<br>Dec-21               | FYE<br>Dec-22 | LTM<br>Mar-23 |
| Revenue                  | \$17,694                            | \$19,485      | \$18,743      | \$11,262                   | \$12,173      | \$11,652      | \$18,816                   | \$18,937      | \$17,736      | \$11,956                  | \$14,150      | \$14,101      | \$7,218                     | \$8,524       | \$8,391       |
| EBITDA                   | \$2,717                             | \$2,760       | \$2,374       | \$1,913                    | \$2,097       | \$1,833       | \$3,648                    | \$1,673       | \$1,129       | \$2,340                   | \$3,043       | \$3,130       | \$860                       | \$970         | \$904         |
| Total Debt               | \$7,240                             | \$5,269       | \$5,376       | \$3,920                    | \$4,123       | \$4,575       | \$3,909                    | \$4,171       | \$4,412       | \$6,124                   | \$4,997       | \$5,069       | \$4,570                     | \$4,666       | \$4,816       |
| Cash & Cash Equiv.       | \$1,026                             | \$1,129       | \$1,160       | \$2,599                    | \$1,699       | \$2,083       | \$1,253                    | \$1,279       | \$1,251       | \$1,070                   | \$995         | \$1,370       | \$1,290                     | \$346         | \$1,901       |
| EBITDA Margin            | 15.4%                               | 14.2%         | 12.7%         | 17.0%                      | 17.2%         | 15.7%         | 19.4%                      | 8.8%          | 6.4%          | 19.6%                     | 21.5%         | 22.2%         | 11.9%                       | 11.4%         | 10.8%         |
| ROA - EBIT / Avg. Assets | 5.9%                                | 6.9%          | 5.2%          | 8.8%                       | 10.3%         | 7.9%          | 15.9%                      | 4.6%          | 1.1%          | 5.8%                      | 9.7%          | 9.8%          | 2.8%                        | 3.4%          | 2.5%          |
| EBITDA / Int. Exp.       | 15.4x                               | 14.4x         | 12.3x         | 24.5x                      | 24.5x         | 19.0x         | 32.9x                      | 13.0x         | 8.1x          | 10.7x                     | 13.3x         | 13.8x         | 9.5x                        | 9.7x          | 8.2x          |
| Debt / EBITDA            | 2.8x                                | 1.9x          | 2.2x          | 2.1x                       | 1.9x          | 2.4x          | 1.1x                       | 2.5x          | 3.7x          | 2.7x                      | 1.6x          | 1.6x          | 5.5x                        | 4.8x          | 5.1x          |
| RCF / Debt               | 25.0%                               | 27.2%         | 20.2%         | 28.9%                      | 36.1%         | 28.3%         | 75.6%                      | 14.7%         | 2.5%          | 23.2%                     | 45.5%         | 51.0%         | 13.4%                       | 13.9%         | 12.7%         |

[1] All figures &amp; ratios calculated using Moody's estimates &amp; standard adjustments.

[2] FYE = Financial Year-End. LTM = Last 12 Months. RUR\* = Ratings under Review, where UPG = for upgrade and DNG = for downgrade.

Source: Moody's Financial Metrics™

Exhibit 13

### Moody's-adjusted debt reconciliation for Evonik Industries AG

| (in EUR million)                   | FYE<br>Dec-18 | FYE<br>Dec-19 | FYE<br>Dec-20 | FYE<br>Dec-21 | FYE<br>Dec-22 | LTM<br>Mar-23 |
|------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| <b>As Reported Total Debt</b>      | 4,020         | 4,586         | 3,951         | 3,940         | 4,489         | 4,458         |
| Pensions                           | 2,693         | 3,158         | 3,625         | 2,855         | 868           | 868           |
| Operating Leases                   | 609           | 0             | 0             | 0             | 0             | 0             |
| Hybrid Securities                  | (248)         | (249)         | (249)         | (248)         | (248)         | (248)         |
| Non-Standard Public Adjustments    | (92)          | (51)          | 0             | (181)         | (172)         | (130)         |
| <b>Moody's Adjusted Total Debt</b> | 6,982         | 7,444         | 7,327         | 6,366         | 4,937         | 4,948         |

[1] All figures &amp; ratios calculated using Moody's estimates &amp; standard adjustments.

[2] FYE = Financial Year-End. LTM = Last 12 Months.

Source: Moody's Financial Metrics™

Exhibit 14

### Moody's-adjusted EBITDA reconciliation for Evonik Industries AG

| (in EUR million)               | FYE<br>Dec-18 | FYE<br>Dec-19 | FYE<br>Dec-20 | FYE<br>Dec-21 | FYE<br>Dec-22 | LTM<br>Mar-23 |
|--------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| <b>As Reported EBITDA</b>      | 1,935         | 2,151         | 1,843         | 2,265         | 2,593         | 2,253         |
| Pensions                       | 36            | 27            | 23            | 31            | 35            | 35            |
| Operating Leases               | 139           | 0             | 0             | 0             | 0             | 0             |
| Interest Expense - Discounting | (17)          | (34)          | (23)          | 0             | (9)           | (9)           |
| Unusual                        | 37            | 37            | 0             | 0             | 0             | 0             |
| <b>Moody's Adjusted EBITDA</b> | 2,130         | 2,181         | 1,843         | 2,296         | 2,619         | 2,279         |

[1] All figures &amp; ratios calculated using Moody's estimates &amp; standard adjustments.

[2] FYE = Financial Year-End. LTM = Last 12 Months.

Source: Moody's Financial Metrics™

Exhibit 15

## Summary financials for Evonik Industries AG

|                                 | FYE     | FYE     | FYE     | FYE     | FYE     | LTM     |
|---------------------------------|---------|---------|---------|---------|---------|---------|
| (in EUR million)                | Dec-18  | Dec-19  | Dec-20  | Dec-21  | Dec-22  | Mar-23  |
| <b>INCOME STATEMENT</b>         |         |         |         |         |         |         |
| Revenue                         | 13,267  | 13,108  | 12,199  | 14,955  | 18,488  | 17,995  |
| EBITDA                          | 2,130   | 2,181   | 1,843   | 2,296   | 2,619   | 2,279   |
| <b>BALANCE SHEET</b>            |         |         |         |         |         |         |
| Cash & Cash Equivalents         | 996     | 2,368   | 1,029   | 902     | 1,058   | 1,068   |
| Total Debt                      | 6,982   | 7,444   | 7,327   | 6,366   | 4,937   | 4,948   |
| Net Debt                        | 5,986   | 5,076   | 6,298   | 5,464   | 3,879   | 3,880   |
| <b>CASH FLOW</b>                |         |         |         |         |         |         |
| Funds from Operations (FFO)     | 1,968   | 1,347   | 1,420   | 2,153   | 1,902   | 1,561   |
| Change in Working Capital Items | (114)   | 223     | 265     | (426)   | (316)   | (51)    |
| Cash Flow From Operations (CFO) | 1,854   | 1,570   | 1,685   | 1,727   | 1,586   | 1,510   |
| Capital Expenditures            | (1,060) | (1,006) | (1,095) | (1,018) | (1,022) | (1,052) |
| Dividends                       | (557)   | (553)   | (557)   | (560)   | (561)   | (560)   |
| Free Cash Flow (FCF)            | 237     | 11      | 33      | 149     | 3       | (102)   |
| Retained Cash Flow (RCF)        | 1,411   | 794     | 863     | 1,593   | 1,341   | 1,001   |
| RCF / Debt                      | 20.2%   | 10.7%   | 11.8%   | 25.0%   | 27.2%   | 20.2%   |
| RCF / Net Debt                  | 23.6%   | 15.6%   | 13.7%   | 29.2%   | 34.6%   | 25.8%   |
| FCF / Debt                      | 3.4%    | 0.1%    | 0.5%    | 2.3%    | 0.1%    | -2.1%   |
| <b>PROFITABILITY</b>            |         |         |         |         |         |         |
| EBIT margin %                   | 8.9%    | 9.4%    | 6.7%    | 8.5%    | 8.2%    | 6.5%    |
| EBITDA margin %                 | 16.1%   | 16.6%   | 15.1%   | 15.4%   | 14.2%   | 12.7%   |
| <b>LEVERAGE</b>                 |         |         |         |         |         |         |
| Debt / EBITDA                   | 3.3x    | 3.4x    | 4.0x    | 2.8x    | 1.9x    | 2.2x    |
| Net Debt / EBITDA               | 2.8x    | 2.3x    | 3.4x    | 2.4x    | 1.5x    | 1.7x    |

[1] All figures and ratios are calculated using Moody's estimates and standard adjustments.

[2] Periods are Financial Year-End unless indicated. LTM = Last 12 Months.

Source: Moody's Financial Metrics™

## Ratings

Exhibit 16

| Category                       | Moody's Rating |
|--------------------------------|----------------|
| <b>EVONIK INDUSTRIES AG</b>    |                |
| Outlook                        | Stable         |
| Issuer Rating -Dom Curr        | Baa2           |
| Senior Unsecured -Dom Curr     | Baa2           |
| Jr Subordinate -Dom Curr       | Ba1            |
| <b>EVONIK FINANCE B.V.</b>     |                |
| Outlook                        | Stable         |
| Bkd Senior Unsecured -Dom Curr | Baa2           |

Source: Moody's Investors Service

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