Evonik
Leading Beyond Chemistry

Company Presentation Q3 2023

NEXTGEN

EVONIK
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Sequential earnings improvement despite ongoing challenging environment; self-help measures on track and extended

Adj. EBITDA of €485 m well above Q2 level,
weak economic environment offset by positive market momentum in Animal Nutrition and contingency support

Reinforcement of self-help measures:
Contingency measures on track and to be extended into 2024

Cash generation picking up strongly with FCF of €469 m in Q3;
positive year-end finish expected in Q4 **to reach cash conversion towards 40% for the full year**

Adj. EBITDA outlook for FY 2023 of €1.6 to 1.8 bn **confirmed**

Strategic realignment of Technology & Infrastructure division and administration
to focus resources even more on operating businesses of three growth divisions

EVONIK
Leading Beyond Chemistry

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2. Strategy

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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 Leading Beyond Chemistry

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

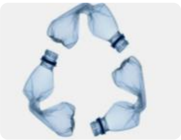
- Specialty peroxides solutions
- Membranes for gas separation

Leading Beyond Chemistry

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

Strong positioning …

… and attractive financials[1]

Specialty Additives

Wide range of additives for **maximum performance** which make the key difference

Sales: €4,184 m
Margin: 23%
ROCE: 16%

Nutrition & Care

Sustainable solutions for basic human needs in **resilient end markets** like pharma, personal care and animal nutrition

Sales: €4,237 m
Margin: 16%
ROCE: 9%

Smart Materials

Innovative materials that enable **environmentally-friendly solutions** for mobility, environment and urbanization

Sales: €4,833 m
Margin: 14%
ROCE: 7%

1: FY 2022

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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

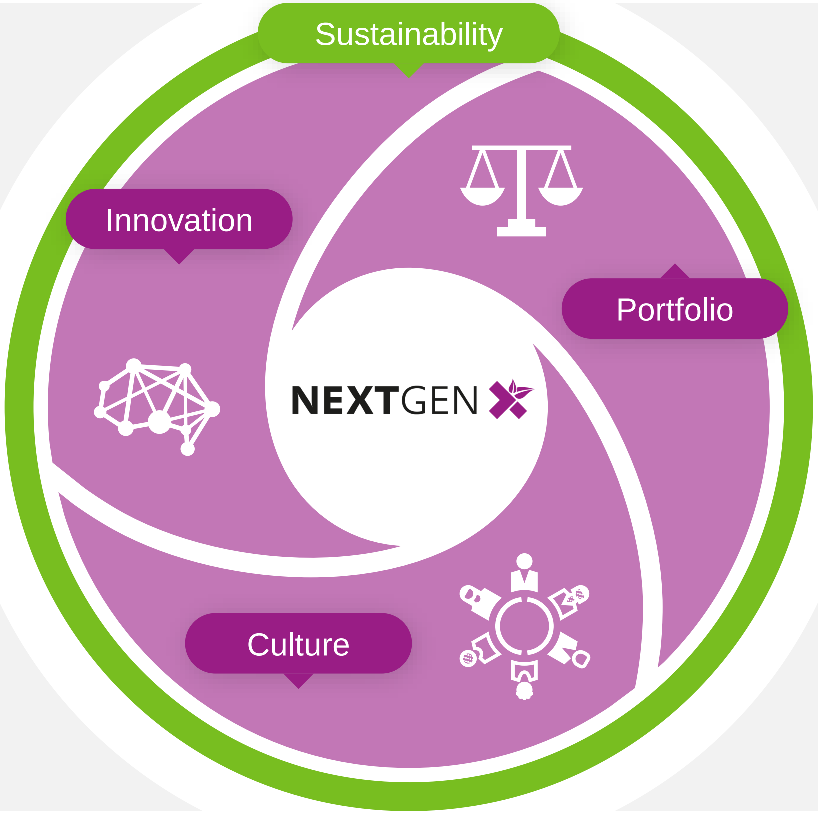
Next Generation Innovation

+ €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

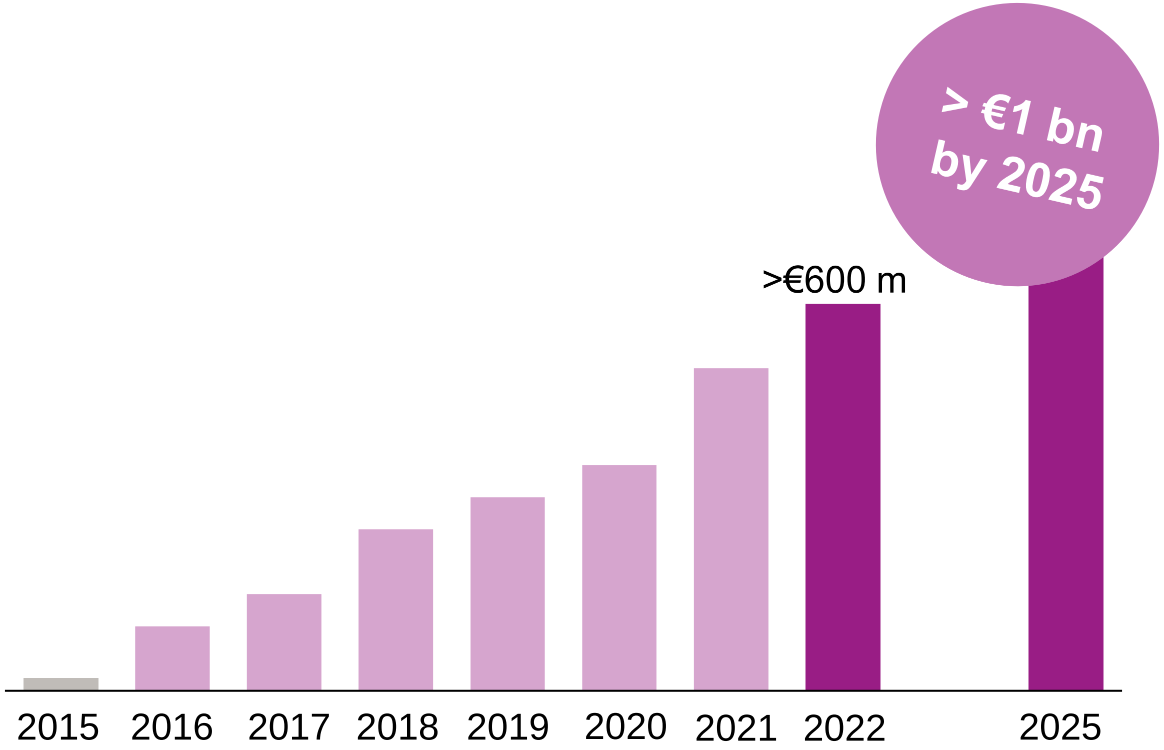

Membranes


Healthcare Solutions

Sizeable sales base established in all growth fields

Above-average margin contribution

Sales contribution Innovation Growth Fields



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Evonik with sustainability full integrated
Sustainability as part of portfolio and strategic management processes

Excellent Rankings	Environmental Targets	Portfolio Management

Sector leading rankings

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

-25%

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 aligned to sustainability

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

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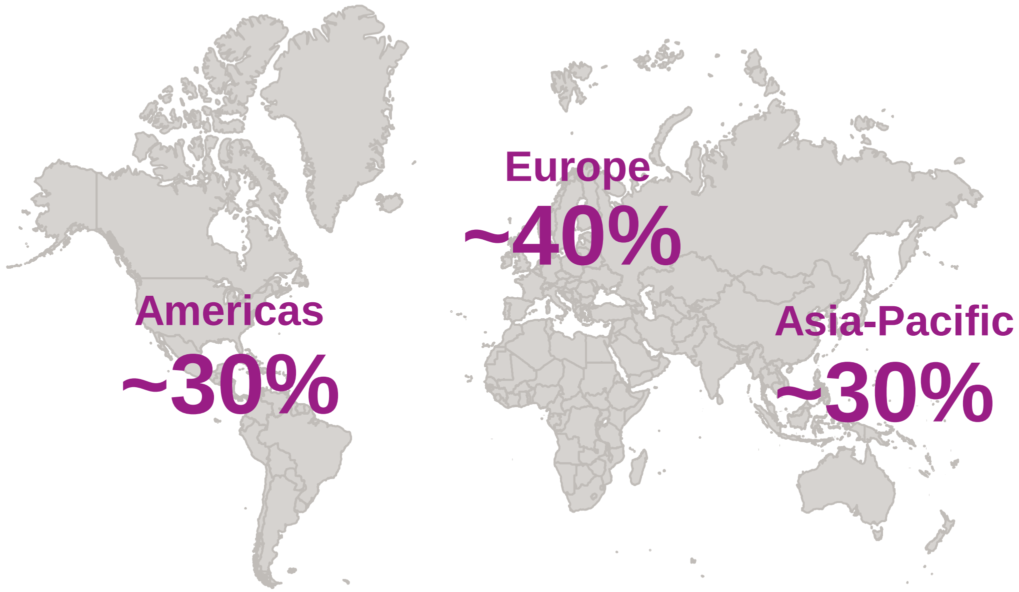
Balanced global footprint – Clearly profitable in all regions

Europe as profitable core region for Evonik

Share of production volumes (in kt, FY 2022)[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

Leading Beyond Chemistry

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. Upper limit, 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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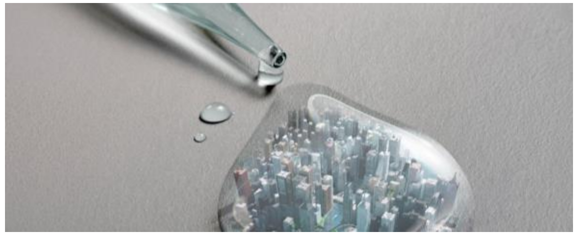
Portfolio transformation – Clear portfolio roles
Focus on three growth divisions - Exit Performance Materials

Specialty Additives	Nutrition & Care	Smart Materials	Performance Materials
			

Growth focus

- Strong innovation pipeline
- 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

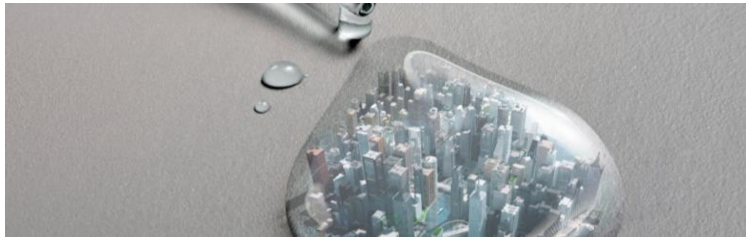
Exit

- Aiming to find new owners for each of the three businesses

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	Acquisitions

~€2 bn cyclical sales

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

Ø EBITDA margin: **~15%**[1]

>€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

Exit of Performance Materials underway

Functional Solutions

- Sale of Lülsdorf site, incl. the production of **potash derivatives and cyanuric chlorides,** to ICIG signed in early April
- **Alkoxides** (biodiesel catalysts) integrated into catalyst business within Smart Materials[1]

Next steps

Superabsorber

Performance Intermediates

1. As of January 1st, 2023

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Strengthening competitiveness of Animal Nutrition business

TODAY

One operating model for all products within Animal Nutrition

SPECIALTY NUTRITION

for example

veramaris
A JOINT VENTURE OF DSM AND EVONIK

Ecobiol®

Focus portfolio on profitable system solutions

TOMORROW

Running Animal Nutrition with two distinct operating models

ESSENTIAL NUTRITION

for example

Streamlined operating model with lean sales organization

€200 m cost savings by 2025

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RD&I at a glance

Facts & Figures

RD&I AT EVONIK

>€460 m SPENT

>€600 M SALES IN 2022 FROM INNOVATION GROWTH FIELDS

~24,000 PATENTS[1]

>2,700 EMPLOYEES

100% SUSTAINABILITY-INTEGRATED

FIGHT CLIMATE CHANGE

DRIVE CIRCULARITY

SAFEGUARD ECOSYSTEMS

ENSURE HEALTH & SAFETY

1. Patents and patents pending

RD&I steers innovation based on clear alignment and 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

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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	-11%

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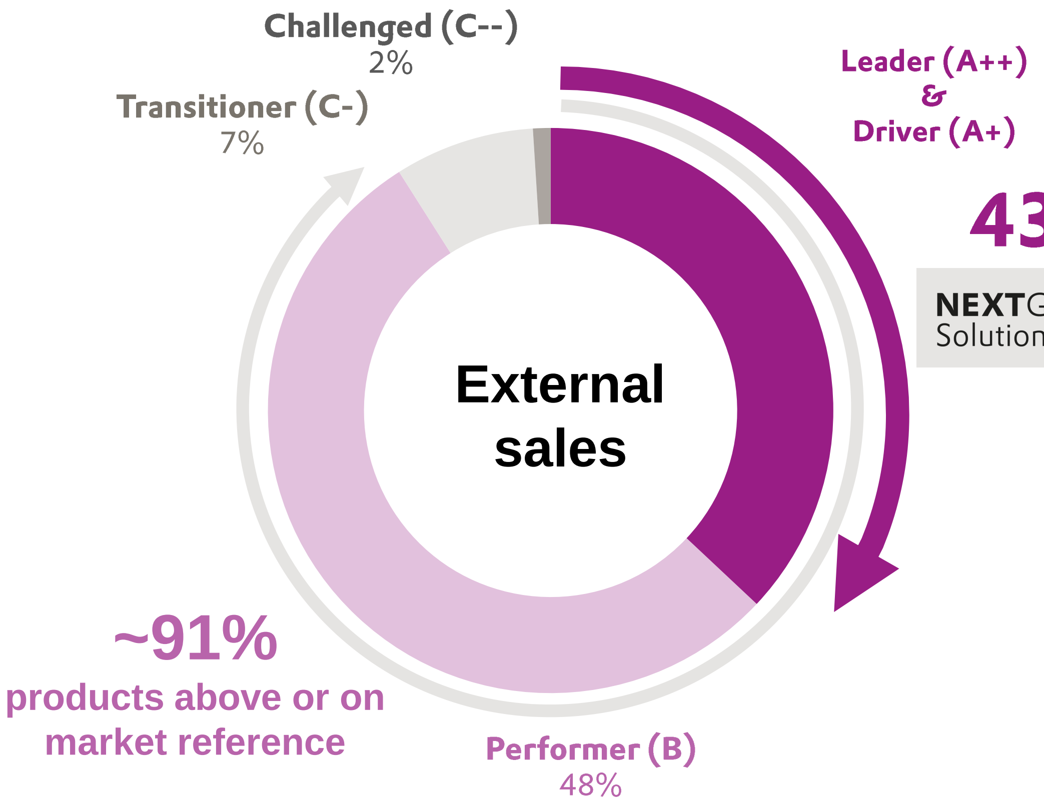
Handprint: “Next Generation Solutions”
43% of Evonik’s portfolio with superior sustainability benefits

Result of PSA analysis



43%

NEXTGEN Solutions

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

…deliver **above-average growth**

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

NEXTGEN Solutions

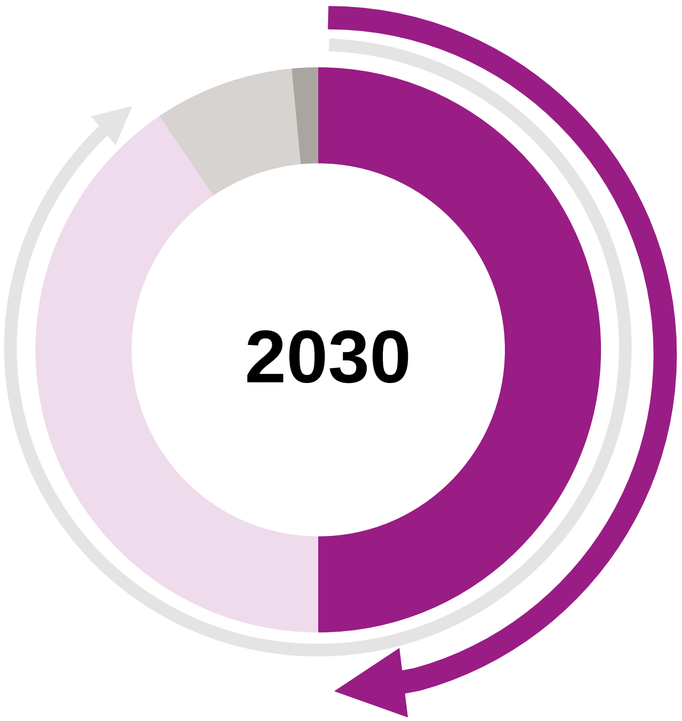
…deliver **superior sustainability benefits** to our customers

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

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%

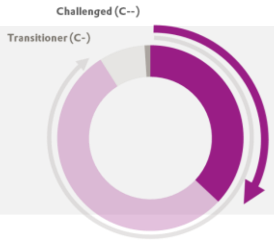
NEXTGEN Solutions

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

Additives for durability in construction

- 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

- High-quality proteins with essential amino acids
- Production of omega-3 fatty acids from microalgae

Drug Delivery Systems

Modern aquaculture solutions

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

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Footprint: Further reduction underway

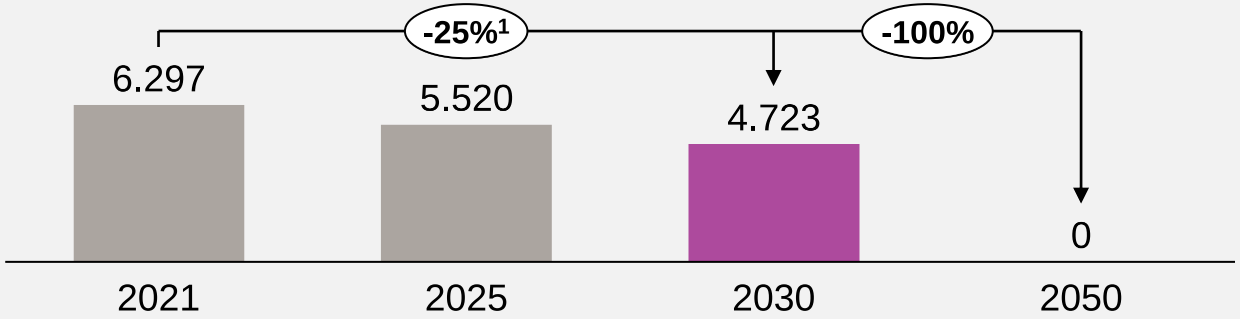
Holistic and measurable set of environmental KPIs in place

Emission reduction with good progress already in 2022

Scope 1&2

2022 **-6%** → **2030** **-25%**

Our path to climate neutrality



New water & waste targets until 2030

Reduce specific production waste[2] **-10%**

Reduce specific freshwater intake[2] **-3%**

1. Gross emissions in Scope 1 and 2; reference year 2021 and target year 2030 | 2. Corresponding to the production volume; reference year 2021

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Footprint: Targeting 100% green sourced electricity until 2030

Increasing independence from fossil energy sources

Europe: Long-term PPA with EnBW starting in 2026

- First PPA (100 MW) concluded in Q4 2022
- Second long-term agreement (50 MW) in February 2023
- Covering 33% European electricity needs of Evonik with wind energy (~150 kt CO_2 emission reduction p.a.[1])

Asia: Further PPAs at production locations

- Nanning site (Health Care) switching from coal-fired power to green electricity from wind
- PPAs at five Chinese locations for electricity from wind power and photovoltaic plants in 2022

Increase of share of green sourced electricity to ~50% in 2026, targeting 100% until 2030

1. CO_2 reduction occurs in GHG protocol scope 1 or 3

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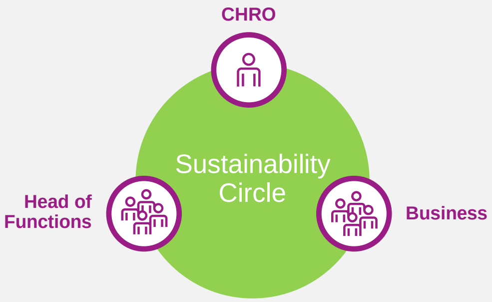
Complementing the governance on ESG
Reflected in organizational set-up and remuneration

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 **integrated in remuneration schemes** of Executive Board

20%
ESG

Long-term incentives linked to ESG KPIs:

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

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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 commitment 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 targets (excl. PM)	
Organic sales CAGR >4%	
Unchanged	EBITDA margin in the range of 18-20%
	Cash conversion ratio of >40%
	ROCE ~11% - well above cost of capital
	Reliable and sustainably growing dividend
	Solid investment grade rating

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

Significant cash inflow …	… invested into our green transformation		
Increasing Operating Cash Flow Attractive cash conversion with steadily growing earnings	**>€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)
Divestment proceeds Performance Materials		**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 (~€75 m p.a. on average)

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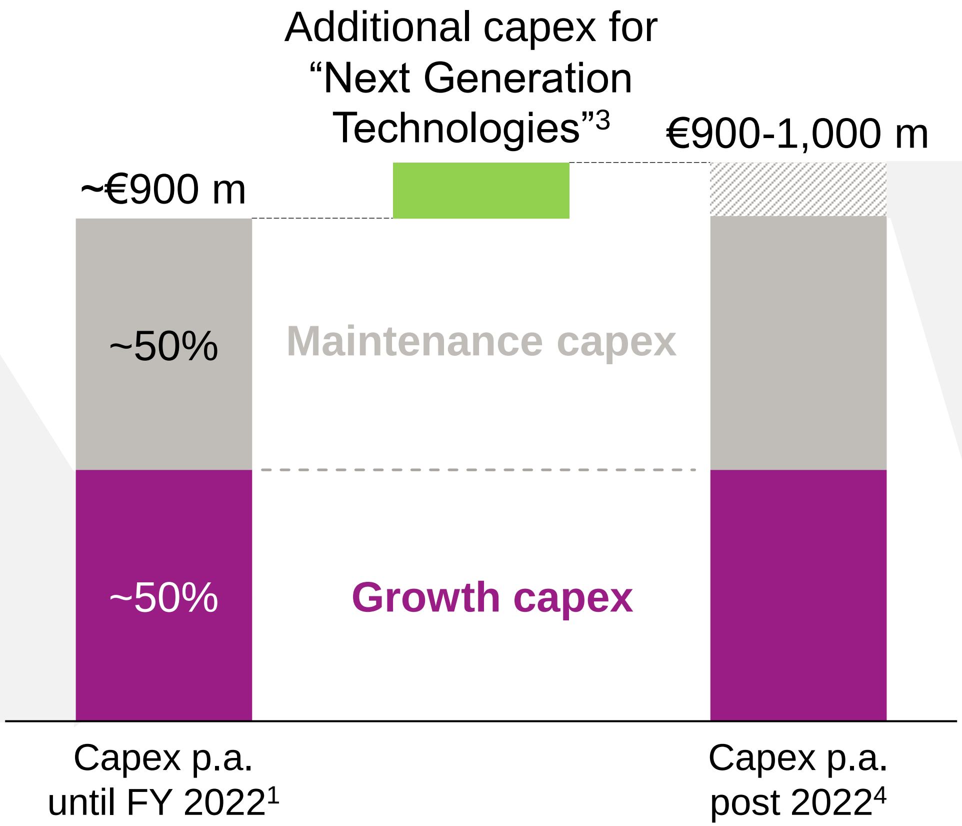
Capex as key element for investments into handprint & footprint

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. ~€75 m p.a. for NGT

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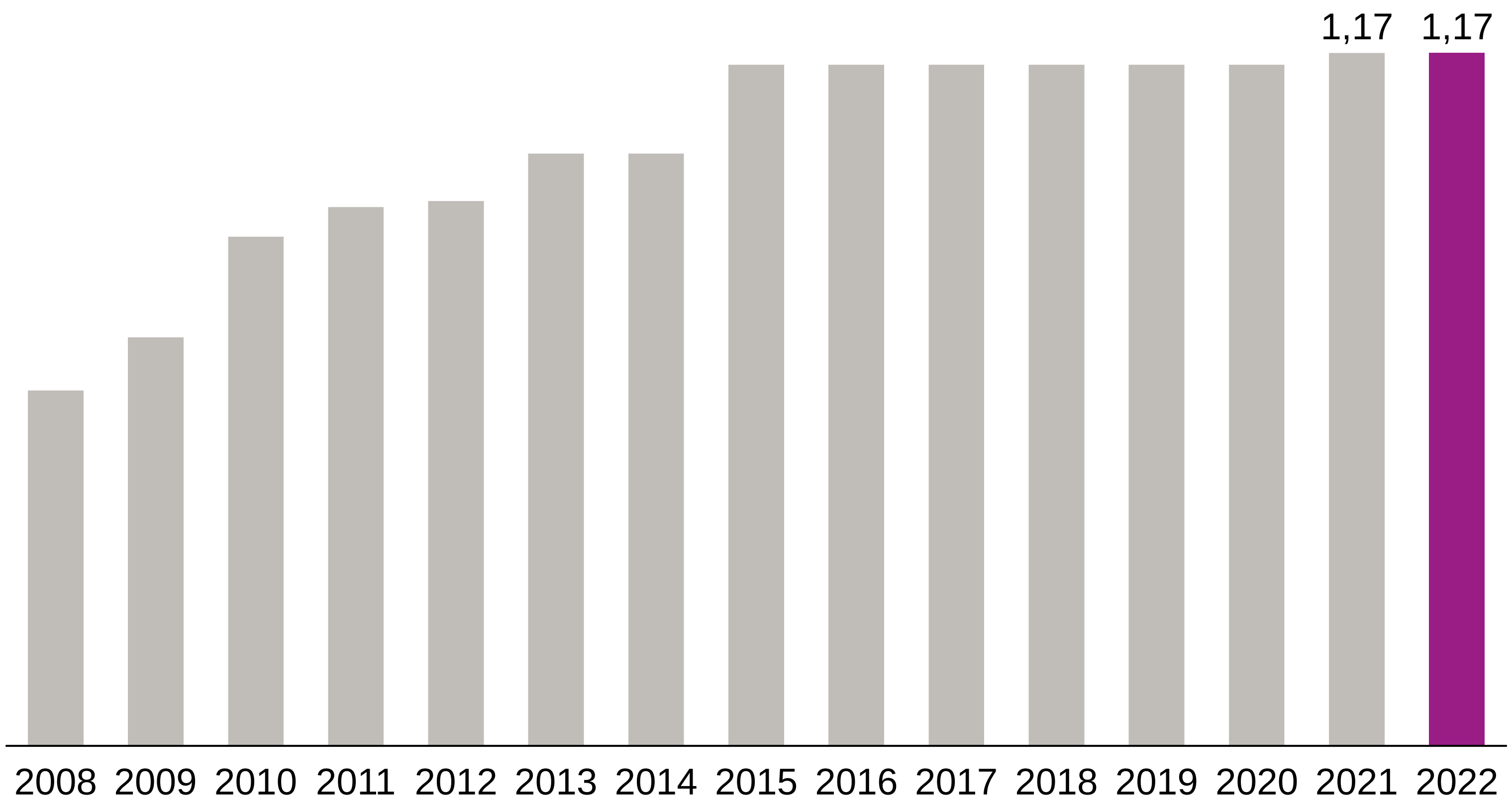
Clear value generation with investments into “Next Generation Solutions” and “Next Generation Technologies”

	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

Spotlight on shareholder returns
Reliable and attractive dividend policy

Dividend (in €) for FY



- **Stable with** €1.17 in FY 2022
- **Attractive dividend yield of ~6%**
- Reliable dividend policy targeting:
  - **Dividend continuity**
  - **Adj. EPS and FCF growth** with potential for sustainable **dividend growth** going forward

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Addressing the current downturn with short-term as well as structural measures

Self-help measures for 2023

Strong cash generation even in downturn

FCF conversion ***towards ~40%*** in FY 2023

Extension of **contingencies** into 2024

On track for **€250 m** savings in FY 2023

Adjustment of business model in **Animal Nutrition**

First savings realized in 2023 (of ~€200 m by 2025)

Mid-term structural measures

Streamlining administration: “Evonik Tailor Made”

Investments into **future growth**

Process for **realignment of Technology & Infrastructure** started

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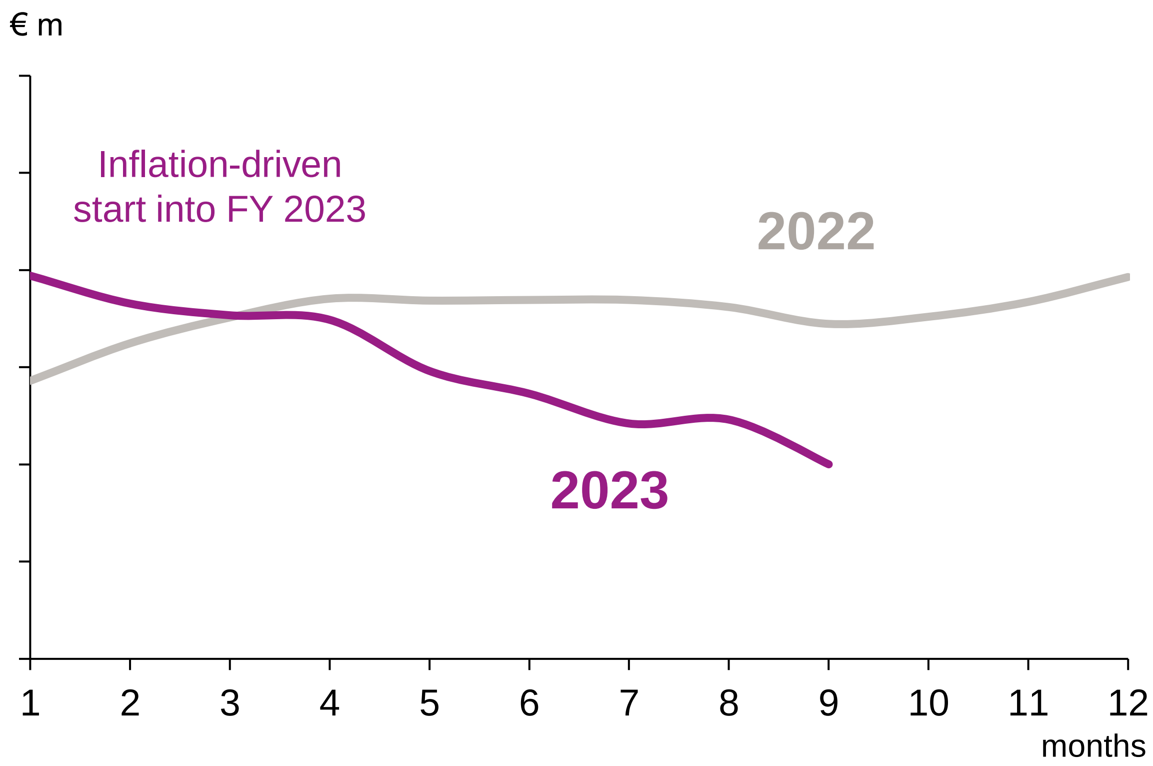
Reinforcement of contingency measures
On track and extended into 2024

Self-help measures for 2023

Fixed cost development (€ m)



- Overall contingency achievement level after 9M:
  ~70% (of total €250 m targeted savings for FY 2023)
- Fixed costs now **clearly below FY 2022** and overcompensating cost inflation
- **Further declining trend** into Q4
- Among others, cost savings of
  - ~€90 m personnel
  - ~€40 m for external services & travel
  - ~€30 m optimized logistics & maintenance
- Contingencies **extended into FY 2024**

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Realignment of Technology & Infrastructure and administration
to focus resources on operating businesses of three growth divisions

Mid-term structural measures

	2023	2024	2025	Outcome
T&I		Mid of 2024 Detailing of new organizational structures Beginning of 2025 Reorganization into a) cross-site technology and b) site-specific infrastructure activities completed	End of 2025 Infrastructure units at sites in Marl, Wesseling and Antwerp set up as independent legal entities	√ Strong technology unit to support business √ **Individual model** for each site with best self-financing option implemented (fully remaining within Group, partnership & JV models, divestments)
Evonik Tailor Made	Launch Oct 2023 Group-wide analysis of current admin structures	H1 2024 Update on scope and savings potential First savings to be realized in 2024	2024 – 2026 Implementation & reorganisation Realization of cost savings with full impact in FY 2026	√ Significantly reduced complexity √ Stronger business focus √ Faster decision making √ **Significantly lower admin costs**

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Investments into future growth
Strengthening Next Generation Solutions

Mid-term structural measures

SEPURAN® Membranes

Capacity expansion for gas-separation membranes

- **1,000th biogas plant** using SEPURAN® Green membranes in September
- Mid-double-digit million € investment into capacity expansions in Austria
- Completion scheduled for **H1 2025**

Biosurfactants

First world-scale biosurfactant plant start up is on time

- Plant **for bio-based rhamnolipids in Slovakia** mechanically completed
- Start-up and production of first samples in **Q4 2023**
- Further ramp-up in 2024 & 2025, with initial volumes already committed by partners

Gut Health for Animal Nutrition

JV in China for gut health products

- Evonik and **Shandong Vland Biotech** join forces
- Focus on **gut health solutions for animals products incl. probiotics**
- JV to enter the market in **Q1 2024**

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Q3 2023 results overview

Sales (in € m)	**Adj. EBITDA** (in € m)	**Free cash flow** (in € m)	**Adj. EPS** (in €)
3,771 (Q3 2022: 4,878)	**485** (Q3 2022: 615)	**469** (Q3 2022: 288)	**0.41** (Q3 2022: 0.54)
Lower volumes and pricing both yoy and qoq	Benefitting from positive momentum in Animal Nutrition and contingency ramp-up	Strong cash generation owing to strict NWC management	Reported EPS of -0.21€ impacted by impairment on planned divestments (Superabsorber)

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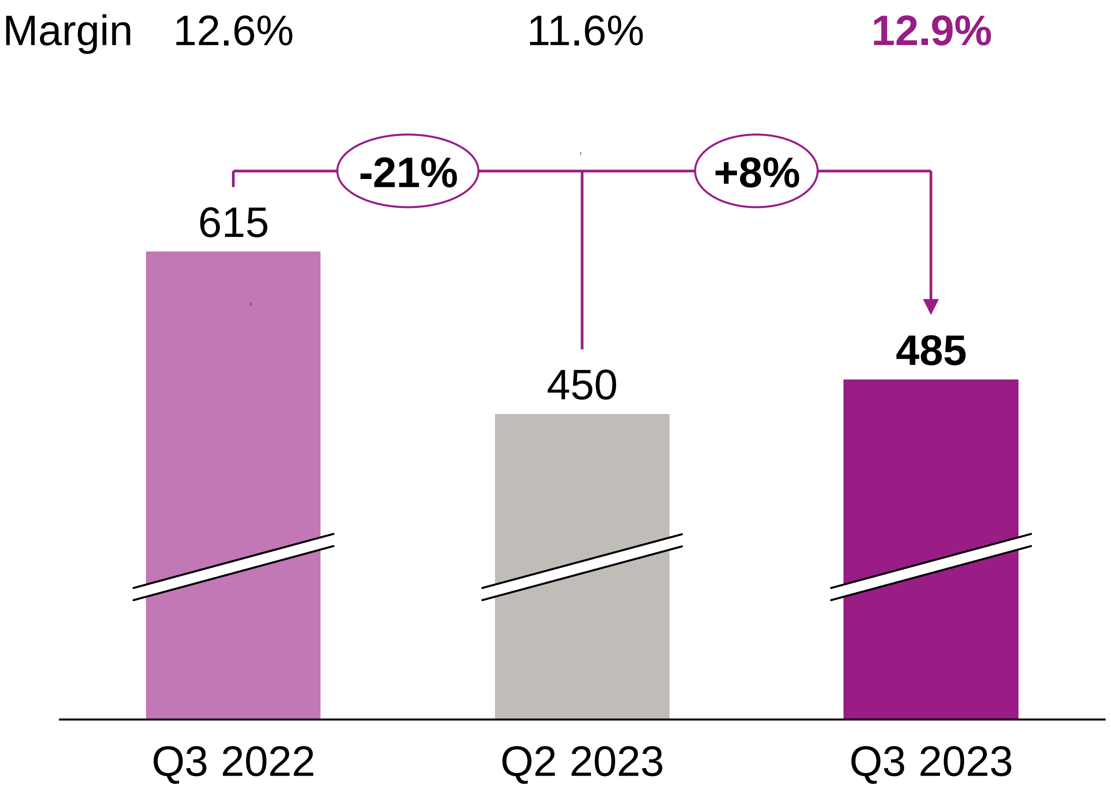
Adj. EBITDA of €485 m well above Q2 level

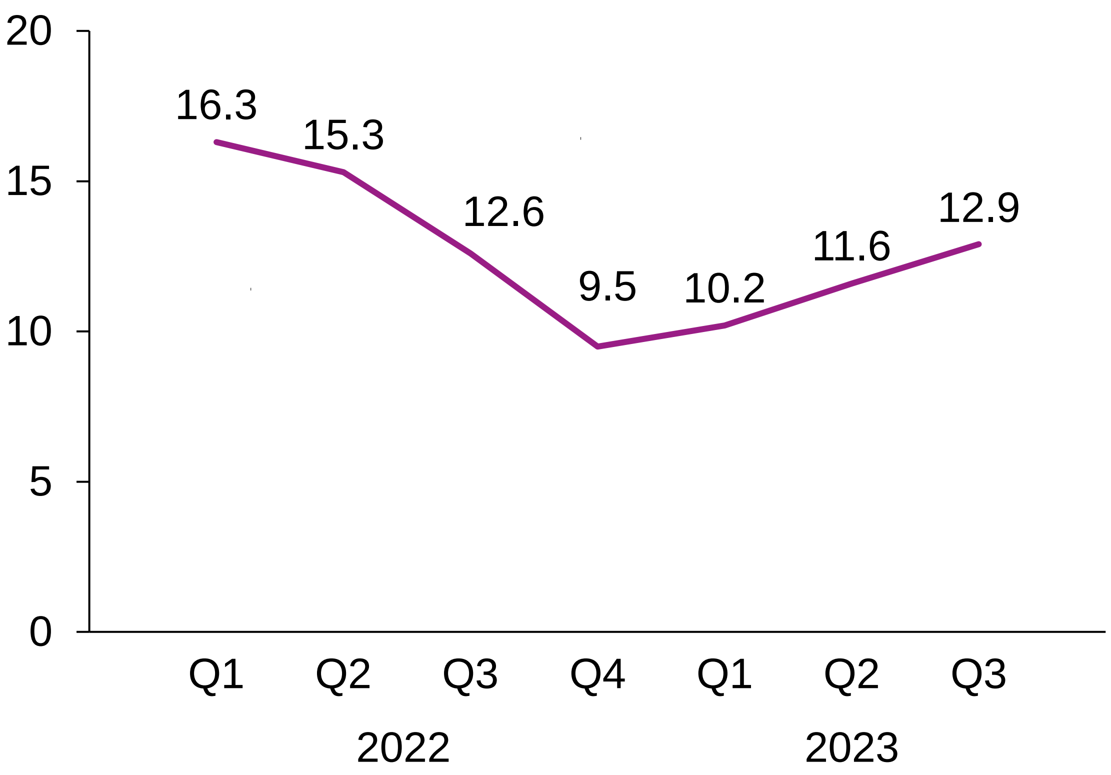
Adj. EBITDA (in € m)



- **Specialty Additives** with continued weak demand and low plant utilization resulting in qoq earnings decline
- **Nutrition & Care** with positive momentum and price turnaround in Animal Nutrition, additionally supported by inventory build ahead of Singapore shutdown in Q4
- **Smart Materials** benefitting from full availability of both PA12 plants after maintenance in Q2 while demand across virtually all market segments remains weak
- Support from contingency measures and reduced bonus provisions across all divisions, most pronounced in **T&I / Other**

Adj. EBITDA margin with positive trend

Adj. EBITDA margin (in %)



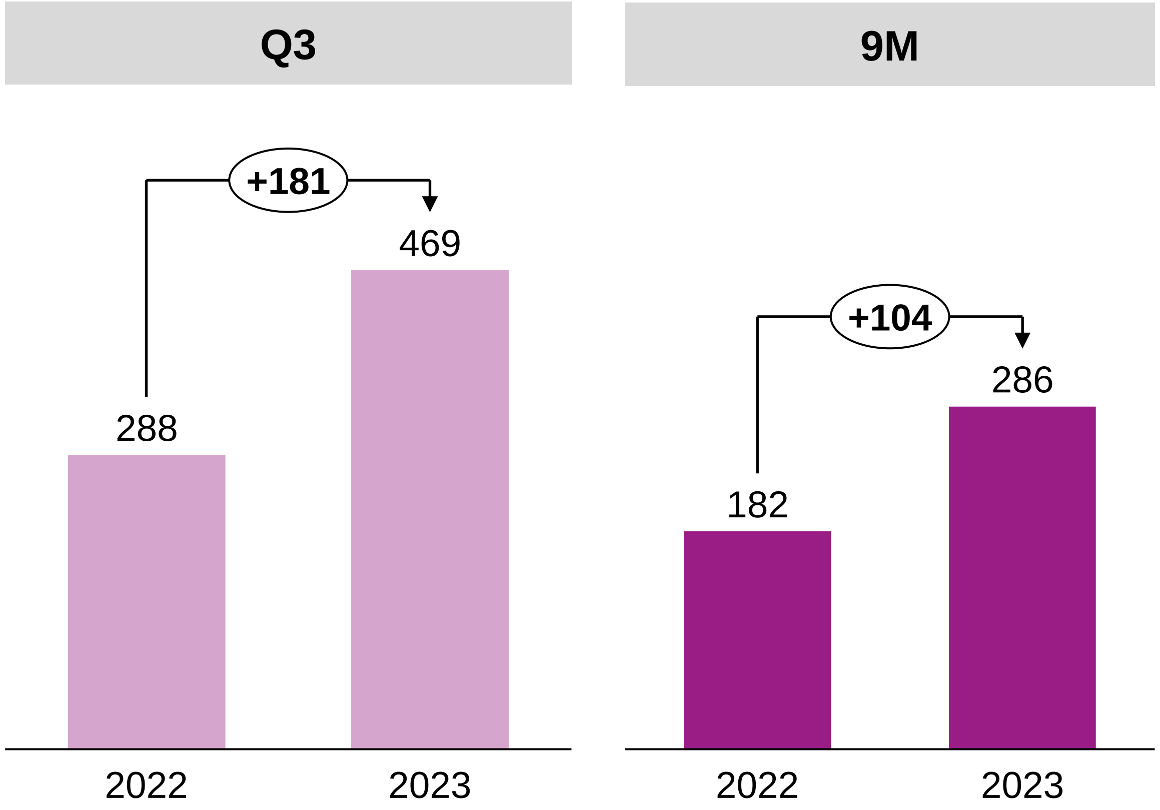
- **EBITDA margin of 12.9%** in Q3 2023 still on unsatisfactory level (impacted by low volumes and utilization rates) … but **positive margin trend**

Supporting factors

- Successful **pricing** policy despite challenging volume environment
- **Contingency measures** gaining more and more speed
- **Bonus provision** release during fiscal 2023

Cash generation picking up strongly with FCF of €469 m in Q3

Free Cash Flow (in € m)



- **Track record of strong cash generation** continuing despite more challenging environment
- FCF after 9M **even exceeding prior year** (+€104 m) despite significantly weaker adj. EBITDA (-€733 m)
- Continued and stringent NWC management throughout the year resulting in **significantly lower NWC outflow** (+€857 m yoy after 9M)

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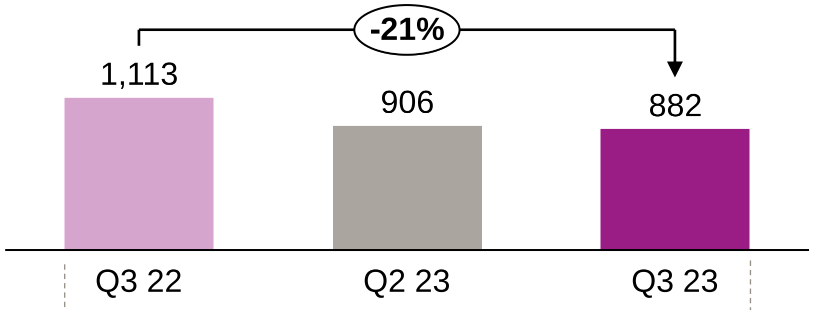
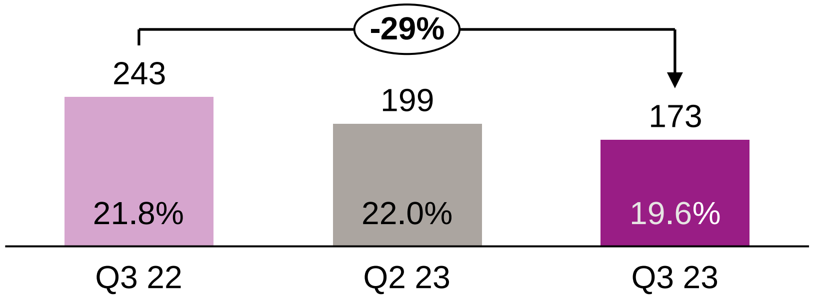
Specialty Additives

Sales
(in € m)



Q3 23 vs. Q3 22			
Volume	Price	FX	Other
-11%	-3%	-5%	-2%

Adj. EBITDA
(in € m)
/ margin
(in %)



- Unprecedented demand weakness continued in Q3: 4th quarter in a row with double-digit volume declines (yoy), resulting from a combination of weak end customer demand, still destocking in some areas and Asian exports into Europe and US
- Margin pressure from low plant utilization; reacting with capacity adjustments of selected plants from Q4 onwards
- Pricing turning negative in this difficult environment, but also falling raw material costs
- Positives: Volumes in China turning slightly better yoy;
  PU foam and Oil Additives with robust performance

Q3 2022 still contained sales and earnings from the TAA derivatives business, which was divested in Q4 2022

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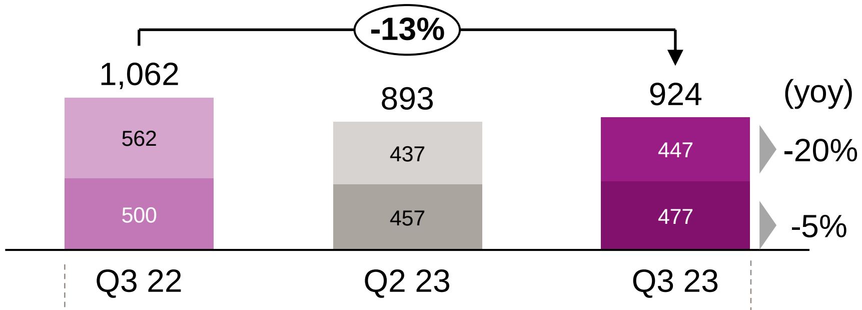
Nutrition & Care

Sales
(in € m)

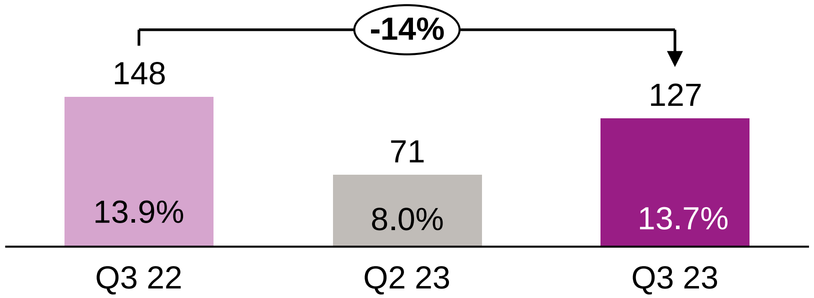
Animal Nutrition

Health & Care



Q3 23 vs. Q3 22			
Volume	Price	FX	Other
+5%	-10%	-7%	-1%

Adj. EBITDA
(in € m)
/ margin
(in %)



Health & Care

- Care Solutions: Strong performance (already stable yoy) driven by ongoing portfolio upgrading towards sustainable specialties
- Health Care: Solid oral drug delivery and drug substance business

Animal Nutrition

- Overall positive volume development (qoq) across all regions; support from lower variable costs
- Price trend turning positive during Q3, further positive momentum for Q4 and into Q1 2024
- Q3 result benefits from inventory build-up in preparation of Singapore expansion shutdown with corresponding negative impact in Q4

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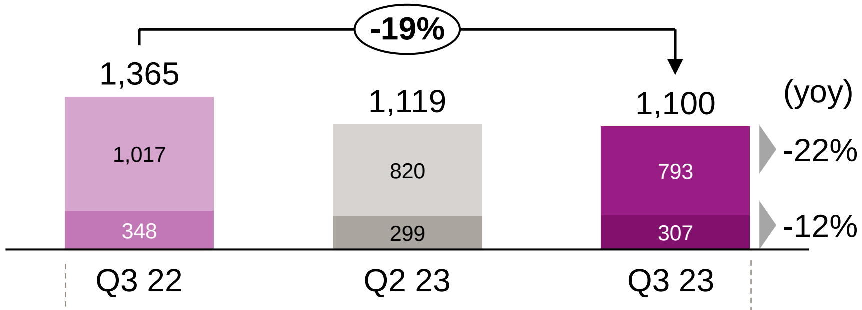
Smart Materials

Sales
(in € m)

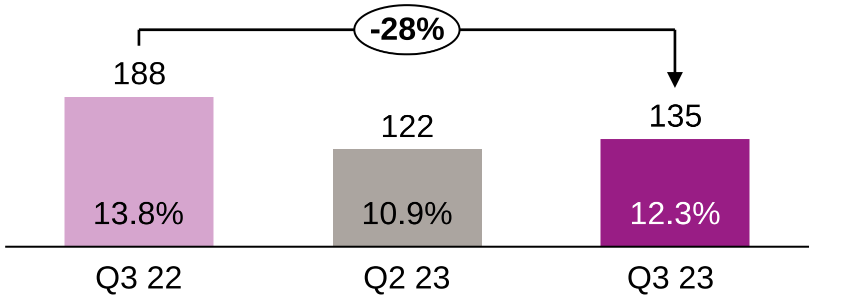
Inorganics

Polymers

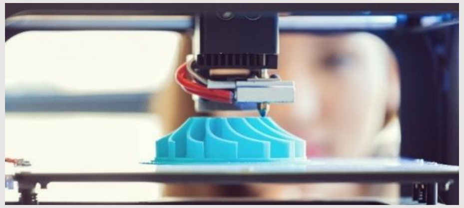


Q3 23 vs. Q3 22			
Volume	Price	FX	Other
-12%	-4%	-3%	+/-0%

Adj. EBITDA
(in € m)
/ margin
(in %)



- Sales continue to be impacted by broad-based volume declines due to lower demand across virtually all market segments
- Prices decreased due to pass-on of lower raw material costs
- Sequential adj. EBITDA improvement based on
  - improving Active Oxygens business (mostly lower variable costs)
  - additional PA12 volumes (maintenance in Q2) and increase in membrane sales
- … although limited by qoq weaker other businesses (e.g. Silanes and Catalysts)



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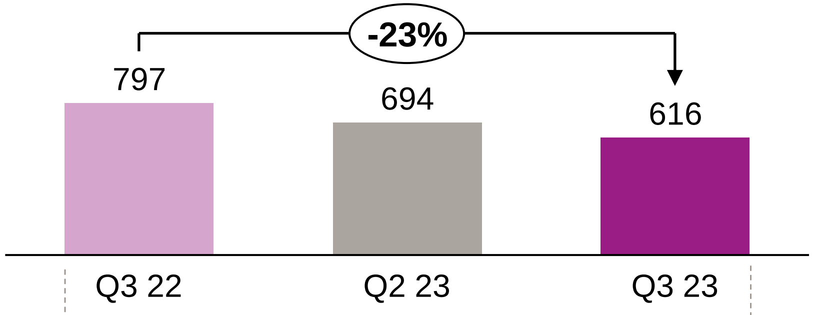
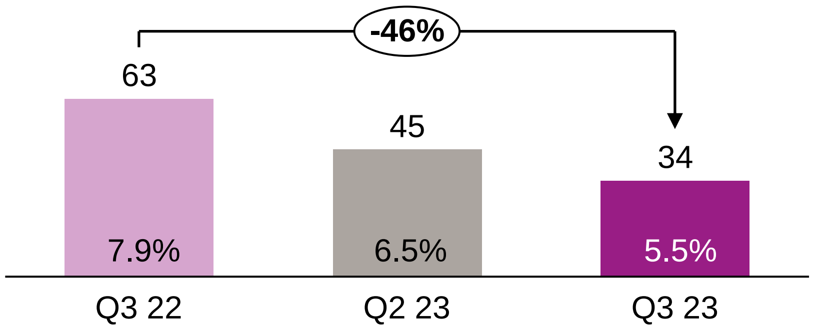
Performance Materials

Sales
(in € m)



Q3 23 vs. Q3 22			
Volume	Price	FX	Other
-4%	-9%	-3%	-7%

Adj. EBITDA
(in € m)
/ margin
(in %)



- Strong prices and margins in MTBE, market remained short
- However, all other C4 products (Butadiene, INA, Butene-1) weakened further, lower prices & margins and weak downstream demand
- Superabsorber continue to benefit from improved contract price level
- “Other” at -7% driven by divestments of Lülsdorf site (Q2 2023)

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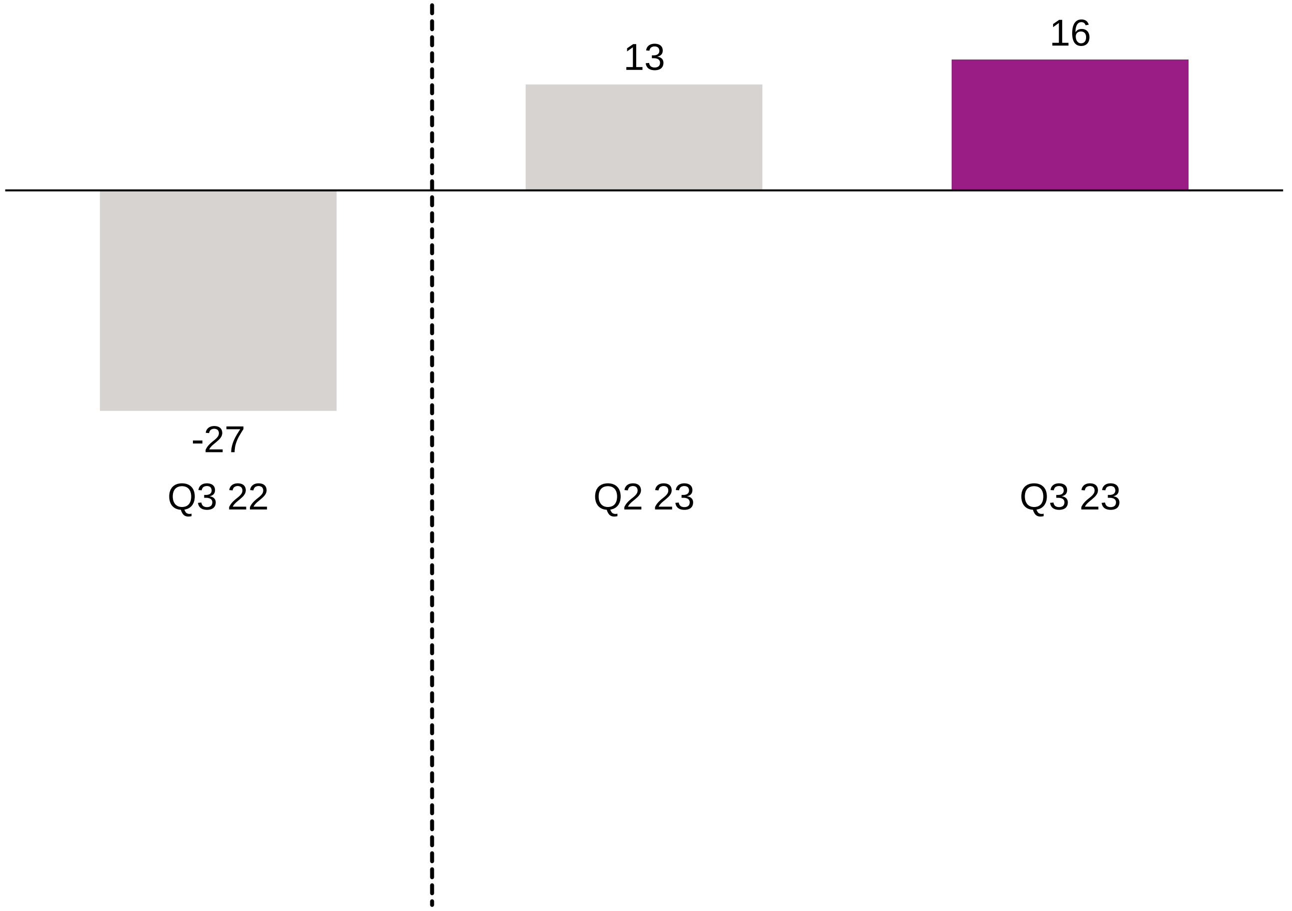
Technology & Infrastructure / Other

Adj. EBITDA
(in € m)



- T&I / Other again with extraordinary earnings level mainly driven by
  – Ramp-up of contingencies
  – Release of bonus provisions
  – Positive effects from option valuation, partly already pulled forward from Q4 2023
- For Q4, clearly more negative adj. EBITDA expected (qoq)
  – Lower utilization in technical services
  – Year-end invoicing in “Other” functions
  – Negative effects from tariff payment (inflation compensation) and FX

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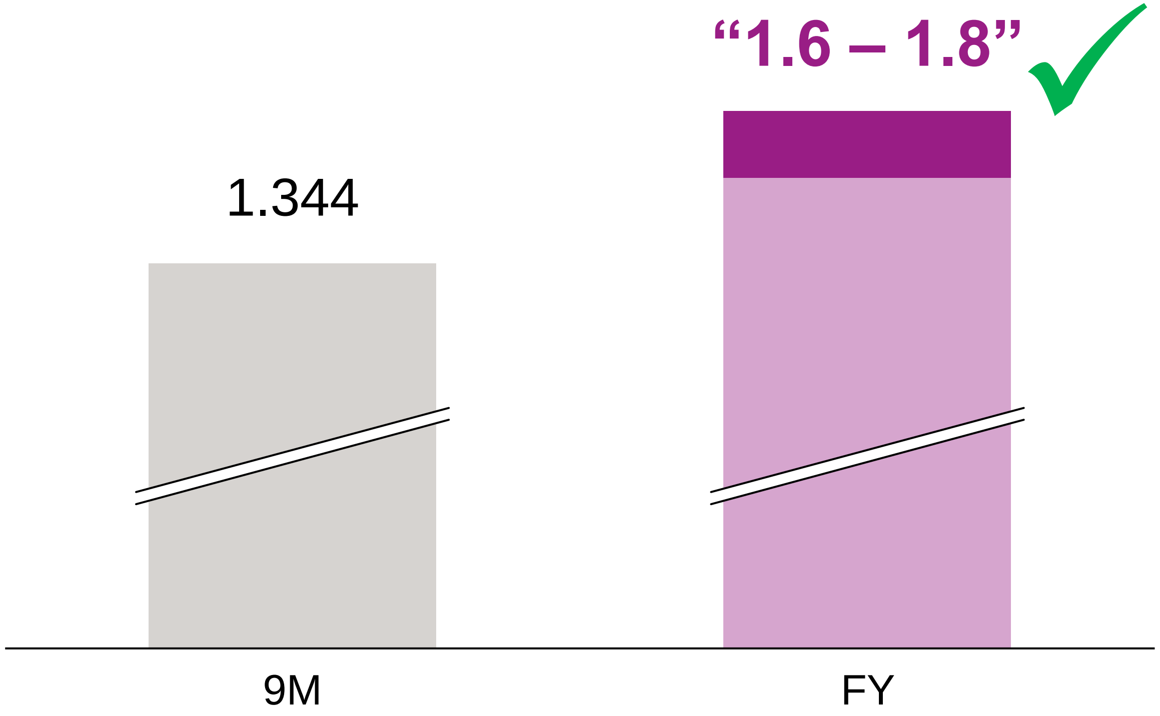
Adj. EBITDA outlook for FY 2023 confirmed

Adj. EBITDA (in € bn)



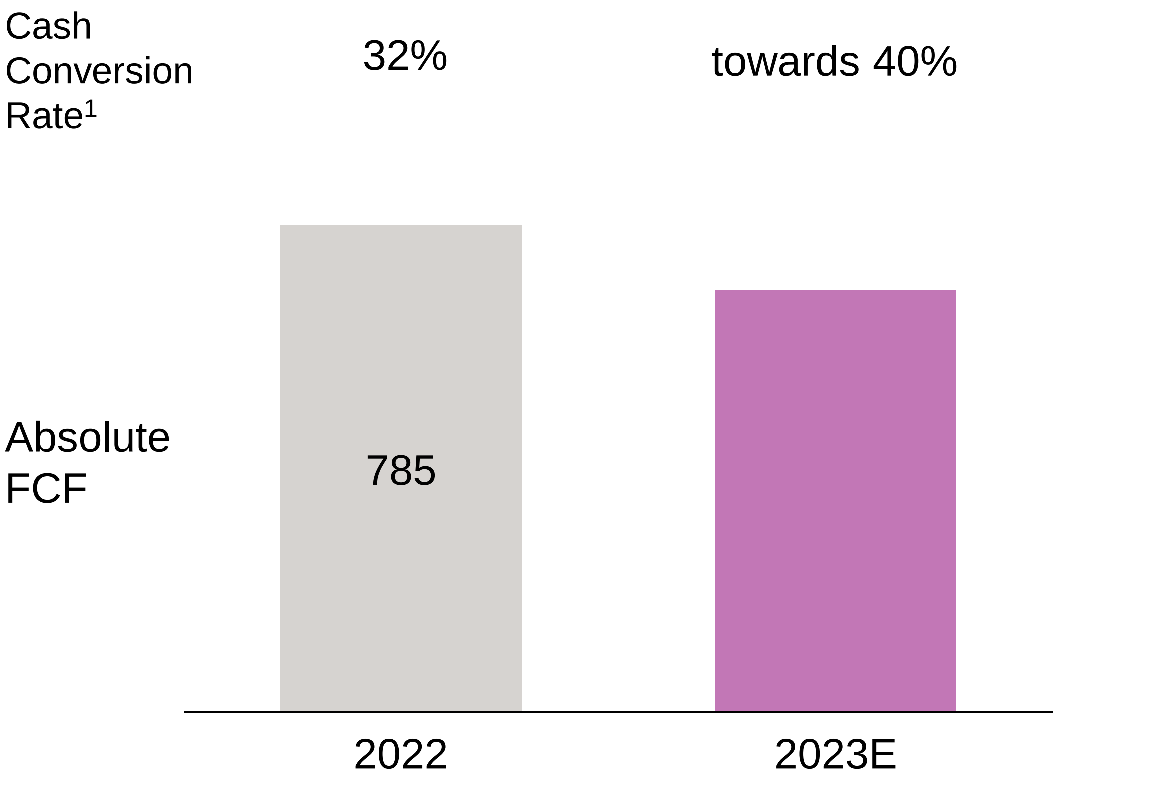
Basis for the outlook

Expectations for Q4:

- Continued demand weakness with no recovery in Q4, plus year-end seasonality
- Nutrition & Care with ongoing positive momentum in Animal Nutrition and positive year-end finish in Health Care, negative effect from Methionine Singapore expansion shutdown in Q4
- T&I / Other with further support from contingency measures; negative effects in Q4 expected from tariff payment (inflation compensation) and FX

Cash conversion rate “towards 40%” confirmed

Free Cashflow (in € m)



Outlook for FY:

- Lower absolute FCF (based on lower EBITDA level)
- FCF conversion to develop towards 40% target (FY 2022: 32%)

Expectations for Q4

- Strong cash generation from Q3 continuing into Q4
- Lower cash inflow from NWC expected in Q4 (yoy) as stronger NWC reductions were already achieved in Q3 this year

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

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Indications for adj. EBITDA FY 2023 on division level

Specialty Additives

- Specialty Additives division faced weak demand and destocking by customers in the first nine months
- An improvement of this situation and a recovery of demand is not expected in Q4
- Support from cost savings and lower raw material costs

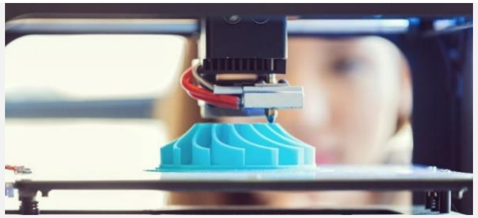
"significantly lower than prior-year level"
(previously: considerably lower)

Nutrition & Care

- Health & Care expected to deliver a considerably better H2 after a weak first half
- Animal Nutrition with significantly lower prices yoy, price trend turning positive during Q3
- First savings from new amino acid operating model supportive

"significantly lower than prior-year level"
(unchanged vs. Q2 reporting)

Smart Materials



- Weak demand especially in Inorganics
- New PA12 capacities to contribute to earnings in H2, following a planned maintenance in Q2

"considerably lower than prior-year level"[1]
(unchanged vs. Q2 reporting)

Performance Materials

- Significant pressure on margins in the C_4 business
- Superabsorbers to benefit from improving market environment and long-term customer relationships

"significantly lower than prior-year level"[1]
(unchanged vs. Q2 reporting)

1. Outlook for Smart Materials and Performance Materials based on restated prior-year figures: alkoxides business moved from PM to SM as of January 1st, 2023

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Additional indications for FY 2023

Sales	**between €14 and 16 bn** (unchanged; 2022: €18.5 bn)
ROCE	**significantly below the level of 2022** (unchanged; 2022: 8.3%)
Capex[1]	**around €850 m** (unchanged; 2022: €865 m), incl. maintenance and growth investments as well as investments in Next Generation Technologies (€700 m until 2030)
EUR/USD sensitivity[2]	+/-1 USD cent **-/+ ~€6 m** adj. EBITDA (FY basis) (previously: -/+ ~€10 m)
Adj. EBITDA T&I/Other	**negative mid-double digit million € amount** (unchanged; 2022: -€226 m)
Adj. D&A	**around the level of 2022** (previously: slightly above the level of 2022; 2022: €1,140 m)
Adj. net financial result	**back to around 2021 level** (unchanged; 2022: -€19 m; 2021: -€97 m)
Adj. tax rate	**considerably below the level of 2022** (1-9/2023 at 21%) (previously: ~30%; 2022: 29%)

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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Adjusted income statement Q3 2023

in € m	Q3 2022	Q3 2023	∆ in %
Sales	**4,878**	**3,771**	**-23**
Adj. EBITDA	**615**	**485**	**-21**
Depreciation & amortization	-273	-283	
Adj. EBIT	**342**	**202**	**-41**
Adj. net financial result	-21	-13	
D&A on intangible assets	39	38	
Adj. income before income taxes	**360**	**227**	**-37**
Adj. income tax	-106	-33	
Adj. income after taxes	**254**	**194**	**-24**
Adj. non-controlling interests	-1	-5	
Adj. net income	**253**	**189**	**-25**
Adj. earnings per share (in €)	**0.54**	**0.41**	
Adjustments	-16	-303	

Adj. net financial result (-€13 m)

- Income from positive valuation effects in high inflation countries overcompensating higher interest expenses due to higher interest rates

Adj. tax rate (15%)

- Significantly below FY guidance of 30% reflecting lower earnings level and due to one-time tax effects relating to other periods

Adjustments (-€303 m)

- Impairment in the context of planned divestments (-€233 m on Superabsorber) and smaller asset impairments (-€47 m) in Smart Materials

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Cash flow statement Q3 2023

in € m	Q3 2022	Q3 2023
Income before financial result and income taxes (EBIT)	326	-101
Depreciation and amortization	275	574
∆ Net working capital	-115	111
Change in provisions for pensions & other post-employment benefits	-5	-31
Change in other provisions	85	31
Change in miscellaneous assets/liabilities	12	108
Cash outflows from income taxes	-59	-60
Others	-2	-1
Cash flow from operating activities	**517**	**631**
Cash outflows for investment in intangible assets, pp&e	-229	-162
FCF	**288**	**469**
Cash flow from investing activities	**-188**	**-17**
Cash flow from financing activities	**27**	**-426**

CF from operating activities (€631 m)

- EBIT significantly lower yoy; including higher impairment charges
- Considerable reduction in inventories vs an increase last year
- Higher cash inflow from miscellaneous assets related to other tax receivables

CF from investing activities (-€17 m)

- Higher cash inflow from the sale of short-term securities

CF from financing activities (-€426 m)

- Lower inflow from debt issuance and higher outflows from debt repayment yoy

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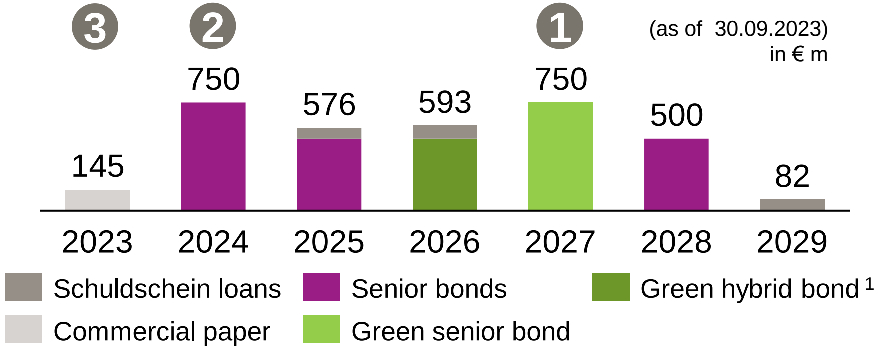
Evonik financially solidly positioned

Liquidity safeguarding measures implemented in 2022, ratings confirmed

Strong liquidity

- Comfortable level of **cash and cash equivalents** in amount of **€588 m** as of the end of Q3
- **€1.75 bn syndicated revolving credit facility** refinanced in November 2022 with a tenor of 5 years (plus two extension options of one year each)
- In H2 2022 **bilateral revolving credit facilities** increased from €200 m to **€800 m**
- Further strengthening of liquidity with **issuance of Schuldschein loans** of **€250 m** in **August 2022**

Well-balanced capital market maturity profile



1. **Early refinancing** of January 2023 bond maturity by issuing a **€750 m green senior bond in May 2022**
2. **No bond maturity before September 2024**
3. **Temporary use of commercial paper** to cover peak liquidity need for dividend payout in June 2023

Solid investment grade rating

S&P:	**BBB+ stable**
Moody's:	**Baa2 stable**

- **Ratings confirmed** by both rating agencies in **July 2023 despite profit warning**

1. Formal lifetime of 60 years, first redemption right for Evonik in 2026

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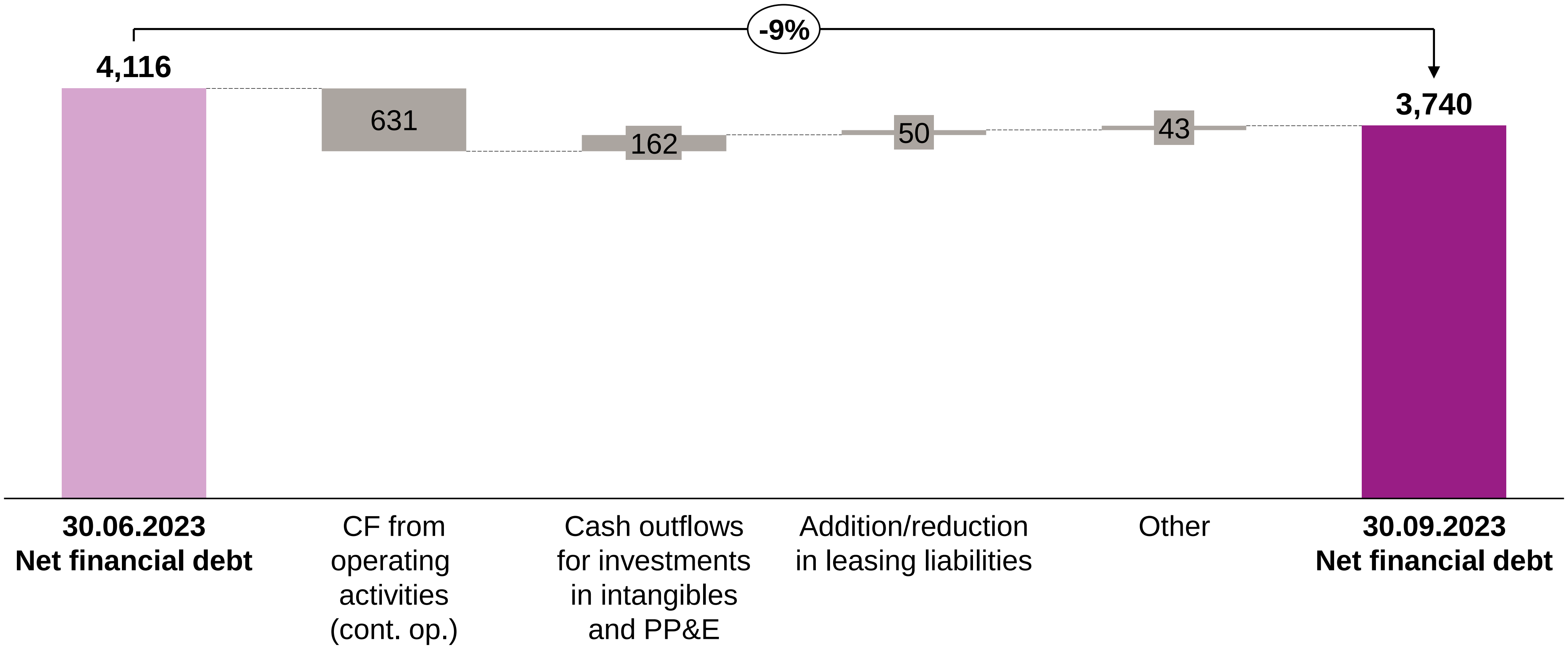
Net financial debt development Q3 2023

(in € m)



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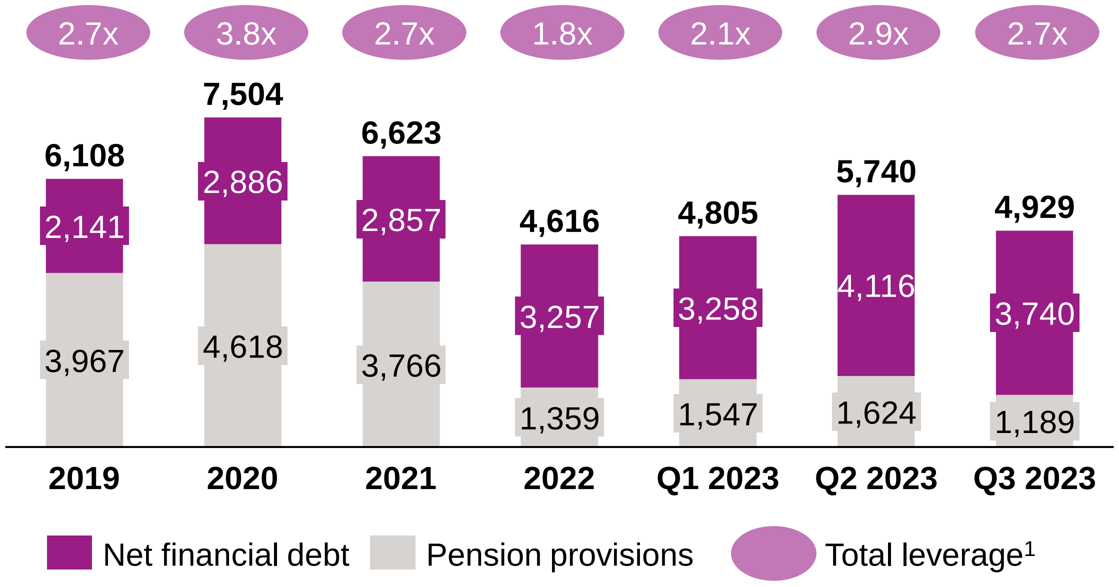
Development of debt and leverage over time

(in € m)



	2019	2020	2021	2022	Q1 2023	Q2 2023	Q3 2023
Adj. net debt[2]	5,858	7,254	6,373	4,366	4,555	5,490	4,679
Adj. EBITDA (last 12 months)	2,153	1,906	2,383	2,490	2,164	1,887	1,756
German pension discount rate (%)	1.30	0.90	1.30	4.10	3.90	3.80	4.40

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

Net financial debt (€3,740 m)

- Decrease by €0.4 bn mainly driven by strong cash generation in Q3
- Stable net financial debt leverage qoq at 2.0x[3] (Q2: 2.0x; Q1: 1.4x; FY 2022: 1.2x)

Pension provisions (€1,189 m)

- Long-dated pension obligations with >13 years duration
- Lower pension provisions qoq after increase of pension discount rates (esp. in Germany from 3.8% to 4.4%)
- Pension provisions partly balanced by corresponding deferred tax assets of ~€0.4 bn

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Divisional overview by quarter

Sales (in € m)	FY 2021	Q1/22	Q2/22	**Q3/22**	Q4/22	FY 2022	Q1/23	Q2/23	**Q3/23**
Specialty Additives	3,710	1,049	1,116	**1,113**	906	4,184	921	906	**882**
Nutrition & Care	3,557	1,038	1,027	**1,062**	1,111	4,237	886	893	**924**
Smart Materials	3,918	1,284	1,335	**1,365**	1,256	5,240	1,188	1,119	**1,100**
Performance Materials	2,911	844	945	**797**	666	3,253	707	694	**616**
T&I / Other	859	283	349	**541**	401	1,574	303	274	**249**
Evonik Group	14,955	4,498	4,772	**4,878**	4,340	18,488	4,005	3,886	**3,771**

Adj. EBITDA (in € m)	FY 2021	Q1/22	Q2/22	**Q3/22**	Q4/22	FY 2022	Q1/23	Q2/23	**Q3/23**
Specialty Additives	920	252	263	**243**	188	946	168	199	**173**
Nutrition & Care	717	222	185	**148**	122	677	76	71	**127**
Smart Materials	650	212	219	**188**	124	743	164	122	**135**
Performance Materials	317	82	142	**63**	63	350	37	45	**34**
T&I / Other	-221	-33	-81	**-27**	-85	-226	-36	13	**16**
Evonik Group	2,383	735	728	**615**	413	2,490	409	450	**485**

Alkoxides business moved from Performance Materials to Smart Materials as of January 1st, 2023; 2022 financials restated

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Upcoming IR events

Conferences & roadshows	
November 14, 2023	UBS European Conference, London
November 15, 2023	Frankfurt Roadshow with Oddo
November 15, 2023	Virtual Investor Meetings with Bank of America
November 29, 2023	Bank of America European Materials Conference, London
November 30, 2023	Societe Generale The Premium Review Conference, Paris
December 5, 2023	Berenberg European Conference, London Pennyhill

Upcoming events & reporting dates	
March 4, 2024	Q4 / FY 2023 Reporting
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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