# Table of contents

1. Evonik at a glance
2. Strategy
3. Financials Q4/FY 2019
4. Appendix
A strong basis in Specialty Chemicals

**Market leadership**
Leading market positions in **80%** of our businesses\(^1\)

**Customer proximity**
Almost **90%** of direct sales via marketing & sales force of ~2,000 employees

**Technology leadership**
Leading and proprietary technology platforms in **25 countries** on 5 continents

**Unique brand recognition**

**Qualified employees**
Highly qualified workforce as key factor for a successful and sustainable business development

---

1. Sales with top 1-3 market position by sales, production volume or capacity (depending on available data)
### Group financials 2019¹

<p>| | | | | |</p>
<table>
<thead>
<tr>
<th></th>
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<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Sales</td>
<td>Adj. EBITDA</td>
<td>Margin</td>
<td>ROCE</td>
</tr>
<tr>
<td></td>
<td>€13,108 m</td>
<td>€2,153 m</td>
<td>16.4%</td>
<td>8.6%</td>
</tr>
</tbody>
</table>

#### Growth

<p>| | | | |</p>
<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Nutrition &amp; Care</td>
<td>Sales</td>
<td>Adj. EBITDA / Margin</td>
<td></td>
</tr>
<tr>
<td></td>
<td>€4,582 m</td>
<td>€728 m / 15.9%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sales</td>
<td>Adj. EBITDA / Margin</td>
<td></td>
</tr>
<tr>
<td></td>
<td>€5,685 m</td>
<td>€1,290 m / 22.7%</td>
<td></td>
</tr>
</tbody>
</table>

#### Efficiency

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>Performance Materials</td>
<td>Sales</td>
<td>Adj. EBITDA / Margin</td>
</tr>
<tr>
<td></td>
<td>€2,043 m</td>
<td>€224 m / 11.0%</td>
</tr>
</tbody>
</table>

¹. Continuing Operations
Balanced regional and end market split

Sales by region

- Other
- Asia-Pacific
- Central & South America
- North America
- Western Europe
- Eastern Europe

End market split

- Agriculture
- Renewable energies
- Electrical & electronics
- Paper & printing
- Metal & oil products
- Paints & coatings\(^1\)
- Other industries
- Pharma & Healthcare
- Plastics and rubber\(^1\)
- Construction
- Food & animal feed
- Consumer & personal care products
- Automotive & mechanical engineering

Legend:
- <5%
- 5-10%
- 10-15%
- 15-20%
Evonik Sustainability Strategy and Targets
Execution of sustainability strategy confirmed by rankings

Environmental targets

-50% reduction of Scope 1 and Scope 2 emissions until 2025 (vs. base year 2008)

Sustainable Development Goals

>50% of sales contribute to SDGs

SDGs “Responsible consumption production”, “Climate Action”, “Good Health” and “Clean Water” identified as being particularly relevant to Evonik

Excellent Rankings

Sector-leading rankings

“A” MSCI ESG rating
EcoVadis “Gold” rating
“B-” ISS Oekom
“B-” CDP rating

Ambitious targets implemented

Evonik’s sustainability strategy 2020+ focuses on environmental targets

1. Rating on a scale of AAA-CCC | 2. Rating on a scale of A+-D- | 3. Rating on a scale of A+-D-
Sustainable dividend growth over the last years: 6% CAGR between 2008 and 2019

Attractive dividend yield

Reliable dividend policy targeting:
- dividend continuity
- a payout ratio of ~40% of adjusted net income

1. Dividend proposal
Table of contents

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2. Strategy

3. Financials Q4/FY 2019

4. Appendix
Building a best-in-class specialty chemicals company
Targeting excellence in three strategic focus areas

Portfolio: More balanced & more specialty

Profitable Growth

Leading in innovation

Open & performance-oriented culture
Target portfolio structure
Four growth engines as drivers for profitable & balanced growth

NUTRITION & CARE

- Health & Care

RESOURCE EFFICIENCY

- Smart Materials

Specialty Additives

Animal Nutrition
Building on our strengths
Developing our growth segments and businesses

NUTRITION & CARE
- €4.6 bn
  - Mature businesses
  - Growth businesses

RESOURCE EFFICIENCY
- €5.7 bn
  - Mature businesses
  - Growth businesses

PERFORMANCE MATERIALS
- €2.0 bn
  - Mature businesses

Meeting specialty chemicals characteristics

2019 Financials continuing operations
Step by step execution of strategic agenda
What we achieved so far

Strategy Update London
“Building a best-in-class specialty chemicals company”

Sale of Methacrylates
“Consistent portfolio transformation”

Adjust 2020
“Strengthen leadership position in Animal Nutrition - savings of €50 m”

Acquisition of PeroxyChem
“Futurize Peroxide”

CTA reimbursement
“Structurally improve free cash flow generation”

SG&A 2020
“Savings of €200 m - leaner processes, higher cost discipline, competitive cost structures”

June 2017
Nov. 2017
Mar. 2018
Nov. 2018
Mar. 2019
Active portfolio management
More balanced and specialty with improved financial metrics

**Acquisitions**

**APD Specialty Additives**
„Creating a global leader in Specialty & Coating Additives“

**Huber Silica**
„Excellent complementary fit for resilient silica business“

**Dr. Straetmans**
„Expansion as leading partner for the cosmetics industry“

**PeroxyChem**
„Expansion of high-growth & -margin H2O2 specialty applications“

- Stable businesses with GDP+ growth
- EBITDA margin above target range
- CAPEX-light
- Sustained high cash conversion

**Divestments**

**Jayhawk** (non-core agrochemical site in PM)
„Streamlining on business-line level“

**MMA/PMMA Verbund**
„Major step towards a more specialty & balanced portfolio“

- Supply/demand-driven cyclical businesses
- Margin and FCF volatility over the cycle
- CAPEX-intensive
Portfolio transformation leads to higher margins with reduced volatility

EBITDA margin development: Acquisitions vs. “MMA/PMMA Verbund”

Acquisitions: APD Specialty Additives; Huber Silica; Dr. Straetmans; PeroxyChem

Evonik target range 18-20%

Ø Acquisitions ~22%

VS.

Ø MMA ~17%

Acquisitions: APD Specialty Additives; Huber Silica; Dr. Straetmans; PeroxyChem
Portfolio development
Asset-light shift towards specialties leads to margin uplift

Asset-light shift towards specialty applications offers significant margin potential

**PA12**
Processing PA12 product into powders suitable for highest needs in 3D printing (additive manufacturing)

**Omega 3 fatty acids**
Repurposing fermenters of mature lysine business to produce high-end algae based omega-3 fatty acids

**H₂O₂**
Add purification stages to further transform base business into high-end applications in electronics and environmental applications

**Care Solutions**
Aligning the product portfolio and adapting the asset network to meet the future requirements for a higher share of specialties
Strategic agenda reflected in ambitious financial targets
Structurally lifting EBITDA margin and driving balanced growth

Historic margin range (in %)


16-18%

15.5 16.2 16.4

Targets going forward (over the cycle)

Structurally lift EBITDA margin into sustainably higher range of 18-20%

Above-average volume growth GDP+

- ROCE above cost of capital
- FCF significantly above dividend level
- Reliable and sustainably growing dividend
- Solid investment grade rating

2017-2019: continued operations
Table of contents

1. Evonik at a glance

2. Strategy

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Strategic highlights FY 2019
Consistent execution of strategy and portfolio transformation

- Divestment of cyclical MMA business
- Strengthening of specialty businesses with PeroxyChem acquisition
- Leverage innovation potential via targeted allocation of resources (e.g. biosurfactants, 3D-printing)
- Continued streamlining on Business Line level (e.g. product portfolio shift in Care Solutions)
- Execution of efficiency measures (SG&A and short-term contingencies)
FY 2019 – we delivered on our main financial targets

<table>
<thead>
<tr>
<th>EBITDA</th>
<th>EBITDA margin(^1)</th>
<th>Free cash flow(^1)</th>
<th>Dividend</th>
</tr>
</thead>
<tbody>
<tr>
<td>stable at €2,153 m (2018: €2,150 m)</td>
<td>+20bp (to 16.4%)</td>
<td>+36% (cash conversion rate(^2): 33%)</td>
<td>1.15€ (yield: 4.2%)</td>
</tr>
</tbody>
</table>

Delivering on guidance, despite more difficult macro environment

Improvement supported by strict cost discipline

Clear improvement of absolute FCF level and cash conversion rate

Reliable and attractive dividend at the top of the chemicals industry

---

1. Compared to prior year  
2. Free cash flow conversion (FCF/adj. EBITDA)
Successful efficiency measures also reflected in improved financial metrics

- **Admin expenses**
  - €31 m (-20bp\(^2\))

- **Selling expenses**
  - €52 m (-30bp\(^2\))

- **R&D expenses**
  - Stable at ~ €430 m

- Delivering **SG&A savings** faster than planned
  - accelerated phasing in 2019: €70 m savings realized
  - Measures for remaining €80 m in 2020 defined and in implementation
  - Program will be **fully realized in 2020** (initial plan: 2021)
  - FTEs reduced by ~600 → fully on track for targeted 1,000

- More **targeted R&D approach** and focus on innovation growth fields
  - **Sales of the innovation growth fields** are fully on track
  (>€300 m in 2019; target >€1 bn by 2025)

---
1. FY 2019 P&L compared to prior year | 2. FY 2019 P&L in % of sales compared to prior year
Free Cash Flow 2019
Significantly higher FCF and strong improvement of conversion rate in FY 2019

Free Cash Flow 2019 (in €m, continuing operations)

+€191 m

Cash conversion rate

<table>
<thead>
<tr>
<th>Year</th>
<th>Cash Flow (in €m)</th>
<th>Conversion Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>526</td>
<td>24.5%</td>
</tr>
<tr>
<td>2019</td>
<td>717</td>
<td>33.3%¹</td>
</tr>
</tbody>
</table>

Measures for FCF improvement with ongoing positive effects:
- Strict working capital management
- High capex discipline
- Support from CTA reimbursement

Cash conversion improved to beyond 30%

1. Free cash flow conversion (FCF/adj. EBITDA) | 2. Extraordinary carve-out taxes of €245 m (related to MMA divestment) not considered
Difficult market environment for auto and coatings businesses continued, visible in declining volume.

High margin level due to continued solid pricing, cost savings and license income in Active Oxygen business (~€40 m).

Oil Additives, High Performance Polymers and Crosslinkers with resilient performance throughout the year.
**Nutrition & Care**

*yoy earnings growth in Q4, price pressure in Animal Nutrition fading out*

<table>
<thead>
<tr>
<th></th>
<th>Sales (in € m)</th>
<th>Adj. EBITDA (in € m) / margin (in %)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Q4 18</td>
<td>Q1 19</td>
</tr>
<tr>
<td><strong>Volume</strong></td>
<td>1,172</td>
<td>1,149</td>
</tr>
<tr>
<td><strong>Price</strong></td>
<td></td>
<td>-1%</td>
</tr>
<tr>
<td><strong>FX</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Other</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales</td>
<td>1,131</td>
<td>1,138</td>
</tr>
<tr>
<td><strong>Volume</strong></td>
<td></td>
<td>-1%</td>
</tr>
<tr>
<td><strong>Price</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>FX</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Other</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales</td>
<td>1,138</td>
<td>1,163</td>
</tr>
<tr>
<td><strong>Volume</strong></td>
<td></td>
<td>+1%</td>
</tr>
<tr>
<td><strong>Price</strong></td>
<td></td>
<td>-5%</td>
</tr>
<tr>
<td><strong>FX</strong></td>
<td></td>
<td>+1%</td>
</tr>
<tr>
<td><strong>Other</strong></td>
<td></td>
<td>+2%</td>
</tr>
<tr>
<td>Sales</td>
<td>1,163</td>
<td>4,646</td>
</tr>
<tr>
<td><strong>Volume</strong></td>
<td></td>
<td>-1%</td>
</tr>
<tr>
<td><strong>Price</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>FX</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Other</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales</td>
<td>4,582</td>
<td>4,582</td>
</tr>
</tbody>
</table>

**Q4 19 vs. Q4 18**

- **Volume**: +1%
- **Price**: -5%
- **FX**: +1%
- **Other**: +2%

- **For the first time in 2019, Nutrition & Care with yoy earnings growth in Q4**
- **High volumes in Animal Nutrition continue to be mitigated by planned shift from bulk to specialty products (in Care Solutions and for Veramaris JV)**
- **Strong finish in Care Solutions and Health Care**
- **Methionine with ongoing strong volumes and sequentially almost stable pricing**
Performance Materials
Unusual high number of one-offs impacting FY earnings level

Sales (in € m)

<table>
<thead>
<tr>
<th></th>
<th>Q4 18</th>
<th>Q1 19</th>
<th>Q2 19</th>
<th>Q3 19</th>
<th>Q4 19</th>
<th>FY 18</th>
<th>FY 19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>506</td>
<td>520</td>
<td>553</td>
<td>475</td>
<td>495</td>
<td>2,233</td>
<td>2,043</td>
</tr>
</tbody>
</table>

Adj. EBITDA (in € m) / margin (in %)

<table>
<thead>
<tr>
<th></th>
<th>Q4 18</th>
<th>Q1 19</th>
<th>Q2 19</th>
<th>Q3 19</th>
<th>Q4 19</th>
<th>FY 18</th>
<th>FY 19</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA</td>
<td>46</td>
<td>53</td>
<td>74</td>
<td>47</td>
<td>50</td>
<td>239</td>
<td>224</td>
</tr>
<tr>
<td>Margin</td>
<td>9.1</td>
<td>10.2</td>
<td>13.4</td>
<td>9.9</td>
<td>10.1</td>
<td>10.7</td>
<td>11.0</td>
</tr>
</tbody>
</table>

- As guided, Q4 with ~€10 m negative impact from compressor failure in C4 businesses (Q4 2018 with ~€20 negative effect from low Rhine water levels)
- Higher volumes, as prior year was burdened by low Rhine water level and limited raw material availability
- Price decline due to yoy weaker Butadiene and INA spreads
- Functional solutions holding up well due to persistent high demand for alkoxides
Outlook 2020: Adj. EBITDA

“between €2.0 and €2.3 bn” (FY 2019: €2.153 bn)

- Assumption of ongoing low growth environment in 2020
- Outlook includes PeroxyChem (11 months)
- Specialty businesses expected to grow
- Performance Materials with challenging price environment
- Further execution of efficiency measures
Indications 2020 on Segment level

**Resource Efficiency**
- Resilient performance expected for majority of businesses
- Lower growth in Auto-related end markets to continue
- High level of license income will not reoccur in 2020
- 11 months contribution from PXC

**Nutrition & Care**
- Resilience and earnings growth expected for Health & Care
- Strong volumes and assumption of stable Methionine price (yoy annual average)
- Lower earnings contribution from Baby Care

**Performance Materials**
- Continued price weakness leading to lower product spreads year-on-year
- Negative impact from limited raw material supply and plant outages should not reoccur

Earnings at least stable
Slightly higher earnings
Stable to slightly lower earnings
Outlook 2020: Free Cashflow

“slightly higher Free Cashflow” (FY 2019: €717 m¹)

Positives
- Strict working capital management
- High capex discipline
- Lower bonus payments (for 2019)

Negatives
- Normalization of tax payments
- Cash outflows for SG&A 2020

1. Extraordinary carve-out taxes of €245 m (related to MMA divestment) not considered
Structure follows strategy:
Logical evolution of defined growth engines into divisional structure

- Clearly defined strategic roles
- Higher transparency
- Easier-to-understand and to model (common themes, drivers & end markets for each division)
- Smoother internal management (e.g. technology platforms assigned to single divisions)
New divisional structure – the next logical step in our portfolio transformation
Consequent evolution of our growth engines into new divisions

<table>
<thead>
<tr>
<th>New Divisional Setup</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Specialty Additives</strong></td>
</tr>
<tr>
<td>Broad spectrum of performance-defining additives making the key difference in industrial applications for coatings, polyurethane foam &amp; lubricants</td>
</tr>
<tr>
<td>Quarterly sales for sub-divisions “Animal Nutrition” and “Health &amp; Care”</td>
</tr>
</tbody>
</table>

### Key products

- **Specialty Additives**
  - Coating additives
  - PU additives
  - Lubricant additives

- **Nutrition & Care**
  - Amino acids
  - Active ingredients
  - Drug delivery systems

- **Smart Materials**
  - Silica / Silanes
  - H₂O₂
  - PA12
  - Catalysts

- **Performance Materials**
  - C4 derivatives
  - Superabsorbers
Timeline for implementation of new divisional structure

April
- Capital Markets Day 2020
  - Deep-dive into new divisions
  - Restated financials

May
- 1st quarter reporting 2020
  - Reporting and outlook in old segment structure
  - No changes to current setup

August
- 2nd quarter reporting 2020
  - Reporting in old segment structure
  - Segment outlook transferred into division outlook

November
- 3rd quarter reporting 2020
  - Reporting in new divisional structure
Additional indications for 2020

- PeroxyChem: Included in outlook with 11 months (2019: ~ USD300 m sales, ~ USD60 m adj. EBITDA)
- ROCE: **Around the level of 2019** (2019: 8.6%)
- Capex: **Around the already low level of 2019** (2019: €842 m)
- EUR/USD sensitivity¹: +/-1 USD cent = -/+ ~€7 m adj. EBITDA (FY basis)
- Adj. EBITDA Services: **Around the level of 2019** (2019: €122 m)
- Adj. EBITDA Corporate / Others: **Slightly more negative than 2019** (2019: -€211 m)
- Adj. D&A: **Around the level of 2019** (2019: €952 m)
- Adj. net financial result: **Around -€100 m** (2019: -€185 m) due to bond payback and lower interest rates for pensions
- Adj. tax rate: **Back to a normalized rate of ~27%** (2019: 20%; MMA-related)

¹. Including transaction effects (after hedging) and translation effects; before secondary / market effects | 2. Guidance for "Adj. net financial result" subject to interest rate fluctuations which influence discounting effects on provisions
Appendix

1. Strategy Details
2. Segment overview
3. Financials
4. Upcoming events
## Consistently executing our strategic agenda
### Levers for structural uplift in profitability and growth

<table>
<thead>
<tr>
<th>Strategic lever</th>
<th>Impact (p.a.)</th>
<th>by (year)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Synergy realization</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Realization of synergies from Air Products, J.M. Huber and PeroxyChem acquisitions</td>
<td>~ €100 m EBITDA</td>
<td>2020/2021/2022</td>
</tr>
<tr>
<td><strong>Cost excellence</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Targeting structural improvements in SG&amp;A, reduction of 1,000 FTE</td>
<td>€200 m EBITDA</td>
<td>2021 (full impact)</td>
</tr>
<tr>
<td><strong>Innovation</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Leverage additional growth from six innovation growth fields with above-average profitability</td>
<td>€1 bn additional SALES</td>
<td>2025</td>
</tr>
<tr>
<td><strong>Portfolio Management</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Portfolio strategy: more balanced and more specialty</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
# Four growth engines

## Growth drivers and product examples

<table>
<thead>
<tr>
<th>Specialty Additives</th>
<th>Health &amp; Care</th>
<th>Smart Materials</th>
<th>Animal Nutrition</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>“Small volume, big impact”</strong></td>
<td><strong>Preferred partner in Pharma and Cosmetics</strong></td>
<td><strong>Tailored functionalities for sustainable solutions</strong></td>
<td><strong>Comprehensive portfolio for more sustainable food chain</strong></td>
</tr>
<tr>
<td>▪ More sophisticated requirements on additive effects</td>
<td>▪ Increasing health-awareness and lifestyle</td>
<td>▪ Trend towards resource efficiency in high demanding applications</td>
<td>▪ Sustainable nutrition</td>
</tr>
<tr>
<td>▪ Need for increased product performance and efficiency</td>
<td>▪ Bio based products and environmentally-safe cosmetics</td>
<td>▪ Engineered materials and systems to fulfill high performance requirements</td>
<td>▪ Improving food quality and safety</td>
</tr>
</tbody>
</table>

### Growth trends and drivers

- More sophisticated requirements on additive effects
- Need for increased product performance and efficiency
- Increasing health-awareness and lifestyle
- Bio based products and environmentally-safe cosmetics
- Trend towards resource efficiency in high demanding applications
- Engineered materials and systems to fulfill high performance requirements
- Sustainable nutrition
- Improving food quality and safety
- More sophisticated requirements on additive effects
- Need for increased product performance and efficiency
- Increasing health-awareness and lifestyle
- Bio based products and environmentally-safe cosmetics
- Trend towards resource efficiency in high demanding applications
- Engineered materials and systems to fulfill high performance requirements
- Sustainable nutrition
- Improving food quality and safety

### Product examples

- Coating Additives
- PU-Additives
- Oil Additives
- Pharma polymers
- Oleochemicals
- Advanced biotechnology
- Rubber Silica & Silanes
- High Performance Polymers
- Membranes
- Amino acids
- Probiotics

### Market growth

- Specialty Additives: 5-6%
- Health & Care: 5-6%
- Smart Materials: 4-7%
- Animal Nutrition: 5-7%
## Portfolio Management

### Targeted and disciplined M&A approach

<table>
<thead>
<tr>
<th>Air Products</th>
<th>Huber Silica</th>
<th>Dr. Straetmans</th>
<th>PeroxyChem</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Business</strong></td>
<td>Highly attractive strategic fit, seamless integration into existing businesses</td>
<td><strong>Disciplined expansion in high-growth &amp; -margin businesses with excellent strategic fit</strong></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Purchase price</th>
<th>~ €3.5 bn</th>
<th>~ €600 m</th>
<th>€100 m</th>
<th>$640 m</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Multiple(^2)</strong></td>
<td>15.2x / 9.9x</td>
<td>10.5x / 7x</td>
<td>(not disclosed)</td>
<td>9.9x / 7.6x</td>
</tr>
<tr>
<td><strong>EBITDA margin</strong></td>
<td>&gt;20%</td>
<td>&gt;20%</td>
<td>~20%</td>
<td>~20%</td>
</tr>
<tr>
<td><strong>Market growth</strong></td>
<td>~4-5%</td>
<td>~4-6%</td>
<td>~10%</td>
<td>~6%(^1)</td>
</tr>
</tbody>
</table>

1. In specialty applications (~65% of total Adj. EBITDA)  
2. EV/EBITDA pre / post synergies & tax benefits
Successful closing of PeroxyChem acquisition
Specialty character impressively demonstrated in a challenging year 2019

- Closing is the **next step** in consistent **strategy execution** and **portfolio transformation**
- Re-investing parts of the MMA proceeds for **expansion** into high-margin & less cyclical specialties

**Strategy Execution**

- Court ruling **confirmed specialty nature** of PXC hydrogen peroxide (H₂O₂) and peracetic acid (PAA) business
- **Strong 2019 business performance** with earnings growth and margin expansion
- Acquisition unlocks **additional growth opportunities** in environmental, food safety and semiconductor industries
- **Synergy level** of US$20 m **confirmed**, fully realized by 2022

**Specialty character**
PeroxyChem acquisition highlights

✓ Strengthening of Evonik’s growth segment Resource Efficiency
✓ Focus on environmentally-friendly specialty applications
✓ Attractive end-market growth with low cyclicality
✓ Excellent fit with Evonik’s peroxide portfolio – expansion of business in North America
✓ EBITDA margin of ~20% above Evonik’s average group margin
✓ Strong FCF generation with sustainable FCF conversion >60%
✓ Fair valuation with EV / adj. EBITDA multiple 7.8x (incl. synergies)
Acquisition of PeroxyChem
Excellent complementary fit with Evonik’s existing peroxide business

Evonik Business Line Active Oxygens

- Standard Business
- Specialties
- HPPO

PeroxyChem’s peroxide portfolio

- Standard Business
- Specialties
- HPPO

Market growth
3% p.a.
6% p.a.

Combined sales¹: > €700 m

1. Sales of Evonik Business Line Active Oxygen and PeroxyChem
### Attractive peroxide applications

Focus on specialty applications with strong secular growth drivers

<table>
<thead>
<tr>
<th>Specialty</th>
<th>Industry</th>
<th>Environmental</th>
<th>Electronics</th>
<th>Food &amp; Beverage</th>
<th>Other specialties</th>
<th>Process Chemicals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Application fields</td>
<td>▪ Solutions for waste water treatment, soil remediation and groundwater treatment</td>
<td>▪ Ultra-pure hydrogen peroxide as cleaning agent in semiconductor Fabs</td>
<td>▪ PAA as disinfectant in poultry &amp; beef processing</td>
<td>▪ Medical, consumer and personal care applications such as sterilization of medical equipment and contact lens solutions</td>
<td>▪ Hydrogen peroxide for pulp and paper processing</td>
<td>▪ Hydrogen peroxide for pulp and paper processing</td>
</tr>
<tr>
<td></td>
<td>▪ H₂O₂ and PAA as alternative to chlorine</td>
<td>▪ Aseptic packaging with H₂O₂ and PAA</td>
<td>▪ Energy: Persulfates and PAA in hydraulic fracturing</td>
<td>▪ H₂O₂ and PAA in chemical synthesis</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Growth driver</td>
<td>▪ Stricter environmental regulations</td>
<td>▪ Growth of mobile devices</td>
<td>▪ Stronger regulations for food safety</td>
<td>▪ Increased regulations on cosmetic and care products for high purity grades</td>
<td>▪ Customer need for increased high product quality and supply security</td>
<td></td>
</tr>
<tr>
<td></td>
<td>▪ Redevelopments of former industrial or military sites</td>
<td>▪ Automatization and digitalization</td>
<td>▪ Increased demand for convenient packaged food</td>
<td>▪ Rising domestic oil and natural gas production</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Growth</td>
<td>5-6% p.a.</td>
<td>&gt;7% p.a.</td>
<td>4-6% p.a.</td>
<td>3-5% p.a.</td>
<td>3% p.a.</td>
<td></td>
</tr>
</tbody>
</table>
Evonik and PeroxyChem specialty exposure
Expansion of high-growth and -margin specialty applications

Evonik Business Line
Active Oxygens

PeroxyChem peroxide portfolio

Combined peroxide portfolio with higher specialty exposure

Share of specialty business increasing from ~50% to ~65%

Combined specialty applications Evonik and PeroxyChem
**Synergies and integration costs**

Tangible synergies driven by excellent strategic fit; low integration complexity

<table>
<thead>
<tr>
<th>Synergies</th>
<th>Integration costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost Savings in Production, Logistic</td>
<td>Integration costs (e.g. IT integration, consultants)</td>
</tr>
<tr>
<td>Cross Selling</td>
<td></td>
</tr>
<tr>
<td>SG&amp;A</td>
<td></td>
</tr>
</tbody>
</table>

**Total synergies:**

~€18 m p.a.

fully realized by 2022

**Expected cash-out of**

~€18 m

in 2020 & 2021

Integration costs excluding transaction costs
Attractive valuation

Enterprise Value

$640 m

in $ m

EV / adj. EBITDA 2019

7.6x

including synergies

EV / adj. EBITDA 2019

9.9x

excluding synergies

EPS & FCF accretive

in 2020
Implementation schedule for acquisition synergies
Strong delivery on synergy targets; PeroxyChem with additional synergies

Implementation schedule

(in € m)
• Annual synergies
• One-time costs

Total

~ €100 m p.a. (USD120 m)
• APD: ~ €68 m p.a. (USD80 m)
• Huber: ~ €17 m p.a. (USD20 m)
• PeroxyChem: ~ €18 m p.a. (USD20 m)

One-time integration costs¹

~ €120 m
• APD: ~ €75 m
• Huber: ~ €30 m
• PeroxyChem: ~ €18 m

1. Excluding transaction-related costs | Currency translation based on current EUR/USD rate of ~1.20 for APD & Huber; 1.12 for PXC
SG&A 2020 – progressing faster than expected
Full saving potential already realized by end of 2020

(SG&A savings p.a. in €m)

As announced

<table>
<thead>
<tr>
<th>Year</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>50</td>
<td>50</td>
<td>80</td>
<td>20</td>
</tr>
</tbody>
</table>

New phasing

<table>
<thead>
<tr>
<th>Year</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>50</td>
<td>50</td>
<td>60</td>
<td></td>
</tr>
</tbody>
</table>

€200 m savings already realized by end of 2020

Split by Segment

- Nutrition & Care
- Resource Efficiency
- Corp. & Services
- Perf. Materials

(SG&A savings p.a. in €m)

Perf. Materials
Recent cost initiatives
Program to achieve cost excellence in admin and selling initiated

Scope

Selling, General & Admin

Administration Excellence
- Measures with savings potential
- >€200 m implemented
- Project focus, e.g.: implementation of Service Hubs, SAP harmonization, etc.

Cost initiative

2008
On Track
€500 m

2016
On Track 2.0
>€600 m

2018
On Track organization transferred into a continuous factor cost compensation program

~€120 m p.a.

2020

SG&A 2020
- Focus on all admin and selling functions
- €200 m by end of 2020

Production, Technology & Procurement
Leading in Innovation
Innovation growth fields with tangible size already today – strong growth ahead

<table>
<thead>
<tr>
<th>Innovation Growth Fields</th>
<th>Sales contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advanced Food Ingredients</td>
<td></td>
</tr>
<tr>
<td>Additive Manufacturing</td>
<td></td>
</tr>
<tr>
<td>Sustainable Nutrition</td>
<td></td>
</tr>
<tr>
<td>Membranes</td>
<td></td>
</tr>
<tr>
<td>Cosmetic Solutions</td>
<td></td>
</tr>
<tr>
<td>Healthcare Solutions</td>
<td></td>
</tr>
</tbody>
</table>

Additional contribution to sales from Innovation Growth Fields

25% p.a. (CAGR)

more than €1 bn by 2025

~€250 m

2015 2018 2025
Open & performance-oriented culture
New corporate values and performance management system

New corporate values
• Guidelines for cultural change
• Introduced in September 2018, now drilled down into the organization

New performance management system
• Leaner process and strict alignment with Group financial targets on all levels
• Reach goals together rather than individually and in silos
• Clearer differentiation of individual performance levels
• Implemented since 2019
Appendix

1. Strategy Details

2. Segment overview

3. Financials

4. Upcoming events
Evonik Group
17 Business Lines managed in 3 operative segments

Nutrition & Care
- Sales: €4,582 m
- Adj. EBITDA / Margin: €728 m / 15.9%

Animal Nutrition
Care Solutions
Baby Care
Comfort & Insulation
Health Care
Interface & Performance

Resource Efficiency
- Sales: €5,685 m
- Adj. EBITDA / Margin: €1,290 m / 22.7%

Silica
Crosslinkers
Oil Additives
High Performance Polymers
Coating Additives
Coating & Adhesive Resins
Active Oxygens
Silanes
Catalysts

Performance Materials
- Sales: €2,043 m
- Adj. EBITDA / Margin: €224 m / 11.0%

Performance Intermediates
Functional Solutions
### Nutrition & Care
Fulfilling human needs in a globalizing world

<table>
<thead>
<tr>
<th>Key characteristics</th>
</tr>
</thead>
<tbody>
<tr>
<td>▪ Long-term development is especially driven by socioeconomic megatrends and sustainability</td>
</tr>
<tr>
<td>▪ High degree of customer intimacy and market know-how</td>
</tr>
<tr>
<td>▪ Enabling our customers to deliver differentiating solutions in their markets</td>
</tr>
<tr>
<td>▪ Excellent technology platforms</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Adj. EBITDA (€ m) and margin (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>25.1 22.1 20.8 29.1 23.3 16.6 17.4 15.9</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>End market split</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pharma and health care</td>
</tr>
<tr>
<td>Consumer goods and personal care</td>
</tr>
<tr>
<td>Food and feed</td>
</tr>
<tr>
<td>Other</td>
</tr>
</tbody>
</table>

![Graph showing Adj. EBITDA and End market split](image)
### Nutrition & Care

**Nutrition & Care** produces specialty chemicals, principally for use in consumer goods for daily needs, in animal nutrition and in healthcare products.

<table>
<thead>
<tr>
<th>Growth example</th>
<th><strong>Smart Drug Delivery</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>With smart drug delivery systems like EUDRAGIT®, active ingredients get to where they are needed in the body</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Growth example</th>
<th><strong>Sustainable Nutrition</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>With our amino acids and probiotics, we have an extensive offering of solutions for sustainable healthy nutrition of animals</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Growth example</th>
<th><strong>Bio-based Cosmetics</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>With RHEANCE®, we offer a multifunctional solution for gentle cleansing enabling 100% biodegradable skin and hair care products</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Growth example</th>
<th><strong>Innovative Additives</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>With our innovative additives based on organically modified silicones like TEGOSTAB®, mattresses are more flexible</td>
</tr>
</tbody>
</table>
Strong consumer-pull for sustainable salmon products

- Product **supplied to three of the largest salmon feed producers** and used by the largest salmon farmers in Norway and Chile
- First Veramaris-fed salmon **available in store at major retailers** across Europe

Next targets 2020:
- Entering the **highly attractive pet food market**
- Intensifying consumer-pull through further **retail engagement and marketing along the value chain**
Biosurfactants are the next game changer in Evonik’s innovation portfolio
Large-scale production of world’s first “green” biosurfactant (rhamnolipids)

A unique process resulting in a unique product

- 100% renewable natural resource & biodegradable
- Plant based sugars as only carbon source – no oils used
- Unique product properties, especially cleansing & foaming (comparable products usually made from petrochemicals)
- First large-scale biosurfactant for cosmetics and cleaning

Commercialization to capture future growth

- Unilever has successfully launched a product in Chile in 2019
- Next step in commercializing Evonik’s leading biotechnology capabilities: designs of a global scale production plant
- Evonik will be the first company to produce biosurfactants on industrial scale with focus on attractive markets in personal and home care
Resource Efficiency
Innovative products for resource-efficient solutions

<table>
<thead>
<tr>
<th>Key characteristics</th>
<th>Adj. EBITDA (€ m) and margin (%)</th>
<th>End market split</th>
</tr>
</thead>
<tbody>
<tr>
<td>▪ High-value and resilient specialty business with broad application scope</td>
<td>21.2 21.3 20.7 20.9 21.8 21.8 22.5 22.7</td>
<td>Automobile, transportation and machinery</td>
</tr>
<tr>
<td>▪ Focus on performance-impacting and value-driving components</td>
<td></td>
<td>Others</td>
</tr>
<tr>
<td>▪ Minor share of cost in most end products</td>
<td></td>
<td>Plastics and rubber</td>
</tr>
<tr>
<td>▪ Strong focus on technical service</td>
<td></td>
<td>Home, Lifestyle &amp; Personal Care</td>
</tr>
<tr>
<td>▪ Low risk of substitution</td>
<td></td>
<td>Construction</td>
</tr>
<tr>
<td>▪ High pricing power (value-based pricing)</td>
<td></td>
<td>Coatings, paintings and printing</td>
</tr>
<tr>
<td>▪ Strong technology platforms, application know-how and innovation focus</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Resource Efficiency
Selected growth trends and products examples

Resource Efficiency provides environment-friendly and energy-efficient system solutions, mainly for the automotive sector and for the paints, coatings and construction industries.

**Growth example Lightweight**
With high performance polymers like ROHACELL® or Polyamid 12, we make for example airplanes or cars lighter.

**Growth example Green Tires**
With our ULTRASIL® Silica/Silane technology, we reduce the rolling resistance of tires and help to save fuel.

**Growth example Eco-friendly Insulation**
With our purely mineral and fully recyclable insulation material CALOSTAT®, we insulate houses efficiently.

**Growth example Eco-friendly Coatings**
With our waterborne and TEGO® applications, we make coatings environmentally friendly.
Resource Efficiency – E-Mobility
Additional sales opportunities

Opportunities arising from e-mobility …

**Plastics and composites** *(e.g. PA 12 or ROHACELL®)*
Cooling lines, charging and high voltage cables

**Lubricants** *(e.g. Additives like DYNAVIS® or DRIVON™)*
Cooling fluids and e-motor greases, hybrid transmission

**Tires** *(e.g. Silica like ULTRASIL®)*
Reduced rolling and higher abrasion resistance

**Adhesives & Sealants** *(e.g. Polyesters like DYNACOLL®)*
Gap fillers for batteries, noise reduction, vibration/harshness

---

Additional sales potential in auto end market 2018-2028 *(in €m)*

<table>
<thead>
<tr>
<th>Year</th>
<th>Conventional</th>
<th>Hybrid</th>
<th>E-Mobility</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2028</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

> GDP +
Performance Materials
Integrated production platforms for efficient production of rubber and plastic intermediates

Key characteristics
- Strong integrated production platforms
- Leading cost positions
- Favorable raw material access
- Focus on continuous efficiency improvements
- High degree of supply reliability

Key products
- Butadiene for synthetic rubber
- MTBE as fuel additive
- Alkoxides for biodiesel and life-science products

Adj. EBITDA\(^1\) (€ m) and margin\(^1\) (%)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Adj. EBITDA</td>
<td>404</td>
<td>325</td>
<td>309</td>
<td>371</td>
<td>658</td>
<td>239</td>
<td>224</td>
</tr>
<tr>
<td>Margin</td>
<td>10.6</td>
<td>8.5</td>
<td>9.0</td>
<td>11.4</td>
<td>17.5</td>
<td>10.7</td>
<td>11.0</td>
</tr>
</tbody>
</table>

End market split

1. 2017-2019: restated for continuing operations (excluding methacrylates)
Appendix

1. Strategy Details
2. Segment overview
3. Financials
4. Upcoming events
CAPEX
High CAPEX discipline in 2019 and 2020

CAPEX development (in € m)

Sustained CAPEX level ~ €850 m

“around the already low level of 2019”

1. Continuing operations (excluding methacrylates)
Pensions
Pension funding overview as of 31 December 2019

- Pensions very long-term, debt (>17 years) with no funding obligations in Germany
- DBO level of €12.2 bn (interest rate at 1.30%)
- Funding ratio at ~70% mainly due to positive development of pension asset
Debt structure
Well balanced maturity profile

(in € m as of December 31, 2019)

- Well balanced debt maturity profile with no single bond maturity greater than € 750m
- Long-term capital market financing secured at favorable conditions:
  - average coupon of 0.74% p.a. on €3.15 bn senior bonds
  - coupon of 2.125% p.a. on €0.5 bn hybrid bond
- MMA disposal proceeds partially used for deleveraging: €500 m senior bond due April 2020 will be repaid (coupon of 1.875% p.a.)
- Undrawn €1.75 bn syndicated revolving credit facility maturing June 2024

1. Formal lifetime of 60 years; first redemption right for Evonik in 2022
Financial policy
Maintaining a solid investment grade rating

Successful rating development based on a strong credit profile:

- Strong business profile underpinned by significant size and leading global market positions
- Greater-than-peer diversity in terms of end-markets and product range
- Supportive financial policy and management’s commitment to a solid investment-grade rating

Maintaining a solid investment grade rating is a central element in our financing strategy
Development of debt and leverage over time

(in € m)

- Net financial debt significantly reduced mainly by disposal proceeds from methacrylate activities, mitigated by IFRS 16 effect (€666 m)
- **Net financial debt leverage at only 0.9x as per end of 2019**
- Around 2/3 of net debt consists of long-dated pension obligations with > 17 years duration
- Pension provisions increased due to sharp discount rate decline, mitigated by transfer of €0.6 bn pension provisions with methacrylate disposal and strong performance of plan assets
- Pension provisions partly balanced by corresponding deferred tax assets of ~€1.35 bn

<table>
<thead>
<tr>
<th>Year</th>
<th>Net financial debt</th>
<th>Pension provisions</th>
<th>Total leverage^2</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>3,349</td>
<td>-1,098</td>
<td>0.9x</td>
</tr>
<tr>
<td>2016</td>
<td>3,852</td>
<td>-1,111</td>
<td>1.3x</td>
</tr>
<tr>
<td>2017</td>
<td>3,817</td>
<td>2.8x</td>
<td>2.8x</td>
</tr>
<tr>
<td>2018</td>
<td>3,732</td>
<td>2.5x</td>
<td>2.5x</td>
</tr>
<tr>
<td>2019^1</td>
<td>3,967</td>
<td>2.7x</td>
<td>2.7x</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>Adj. net debt^3</th>
<th>Adj. EBITDA</th>
<th>German pension discount rate (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>2,251</td>
<td>2,465</td>
<td>2.75</td>
</tr>
<tr>
<td>2016</td>
<td>2,741</td>
<td>2,165</td>
<td>2.00</td>
</tr>
<tr>
<td>2017</td>
<td>6,590</td>
<td>2,357</td>
<td>2.00</td>
</tr>
<tr>
<td>2018</td>
<td>6,389</td>
<td>2,601</td>
<td>2.00</td>
</tr>
<tr>
<td>2019^1</td>
<td>5,858^1</td>
<td>2,153^1</td>
<td>1.30</td>
</tr>
</tbody>
</table>

1. Continuing operations (excluding methacrylate activities, including IFRS 16 effect)
2. Adj. net debt^3 / adj. EBITDA
3. Net financial debt – 50% hybrid bond + pension provisions
## Financials

### Sales\(^1\) (in € bn)

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>11.8</td>
</tr>
<tr>
<td>2012</td>
<td>11.8</td>
</tr>
<tr>
<td>2013</td>
<td>11.2</td>
</tr>
<tr>
<td>2014</td>
<td>11.4</td>
</tr>
<tr>
<td>2015</td>
<td>11.9</td>
</tr>
<tr>
<td>2016</td>
<td>11.3</td>
</tr>
<tr>
<td>2017</td>
<td>12.7</td>
</tr>
<tr>
<td>2018</td>
<td>13.3</td>
</tr>
<tr>
<td>2019</td>
<td>13.108</td>
</tr>
</tbody>
</table>

### Adj. EBITDA\(^1\) (in € m) / margin

<table>
<thead>
<tr>
<th>Year</th>
<th>Adj. EBITDA</th>
<th>Margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>2,246</td>
<td>19.1%</td>
</tr>
<tr>
<td>2012</td>
<td>2,231</td>
<td>18.9%</td>
</tr>
<tr>
<td>2013</td>
<td>1,836</td>
<td>16.5%</td>
</tr>
<tr>
<td>2014</td>
<td>1,734</td>
<td>15.2%</td>
</tr>
<tr>
<td>2015</td>
<td>2,298</td>
<td>19.2%</td>
</tr>
<tr>
<td>2016</td>
<td>1,940</td>
<td>17.2%</td>
</tr>
<tr>
<td>2017</td>
<td>1,970</td>
<td>15.5%</td>
</tr>
<tr>
<td>2018</td>
<td>2,150</td>
<td>16.2%</td>
</tr>
<tr>
<td>2019</td>
<td>2,153</td>
<td>16.4%</td>
</tr>
</tbody>
</table>

### Free Cash Flow (as reported, in € m)

<table>
<thead>
<tr>
<th>Year</th>
<th>Free Cash Flow</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>550</td>
</tr>
<tr>
<td>2012</td>
<td>490</td>
</tr>
<tr>
<td>2013</td>
<td>-49</td>
</tr>
<tr>
<td>2014</td>
<td>1,052</td>
</tr>
<tr>
<td>2015</td>
<td>785</td>
</tr>
<tr>
<td>2016</td>
<td>511</td>
</tr>
<tr>
<td>2017</td>
<td>672</td>
</tr>
<tr>
<td>2018</td>
<td>526</td>
</tr>
<tr>
<td>2019</td>
<td>717</td>
</tr>
</tbody>
</table>

### ROCE (as reported, in %)

<table>
<thead>
<tr>
<th>Year</th>
<th>ROCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>18.7</td>
</tr>
<tr>
<td>2012</td>
<td>20.4</td>
</tr>
<tr>
<td>2013</td>
<td>15.1</td>
</tr>
<tr>
<td>2014</td>
<td>12.5</td>
</tr>
<tr>
<td>2015</td>
<td>16.6</td>
</tr>
<tr>
<td>2016</td>
<td>14.0</td>
</tr>
<tr>
<td>2017</td>
<td>11.2</td>
</tr>
<tr>
<td>2018</td>
<td>12.1</td>
</tr>
<tr>
<td>2019</td>
<td>8.6</td>
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</table>

1. Continuing operations
## Segment overview by quarter – continuing operations

<table>
<thead>
<tr>
<th>Sales (in € m)</th>
<th>Q1/18</th>
<th>Q2/18</th>
<th>Q3/18</th>
<th>Q4/18</th>
<th>FY 2018</th>
<th>Q1/19</th>
<th>Q2/19</th>
<th>Q3/19</th>
<th>Q4/19</th>
<th>FY 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nutrition &amp; Care</td>
<td>1,119</td>
<td>1,189</td>
<td>1,167</td>
<td>1,172</td>
<td>4,646</td>
<td>1,149</td>
<td>1,131</td>
<td>1,138</td>
<td>1,163</td>
<td>4,582</td>
</tr>
<tr>
<td>Resource Efficiency</td>
<td>1,402</td>
<td>1,478</td>
<td>1,425</td>
<td>1,402</td>
<td>5,708</td>
<td>1,438</td>
<td>1,445</td>
<td>1,414</td>
<td>1,387</td>
<td>5,685</td>
</tr>
<tr>
<td>Performance Materials</td>
<td>563</td>
<td>573</td>
<td>591</td>
<td>506</td>
<td>2,233</td>
<td>520</td>
<td>553</td>
<td>475</td>
<td>495</td>
<td>2,043</td>
</tr>
<tr>
<td>Services</td>
<td>160</td>
<td>169</td>
<td>161</td>
<td>175</td>
<td>664</td>
<td>174</td>
<td>171</td>
<td>196</td>
<td>221</td>
<td>763</td>
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<tr>
<td>Corporate / Others</td>
<td>3</td>
<td>4</td>
<td>3</td>
<td>6</td>
<td>16</td>
<td>6</td>
<td>6</td>
<td>9</td>
<td>18</td>
<td>35</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Adj. EBITDA (in € m)</th>
<th>Q1/18</th>
<th>Q2/18</th>
<th>Q3/18</th>
<th>Q4/18</th>
<th>FY 2018</th>
<th>Q1/19</th>
<th>Q2/19</th>
<th>Q3/19</th>
<th>Q4/19</th>
<th>FY 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nutrition &amp; Care</td>
<td>209</td>
<td>222</td>
<td>212</td>
<td>167</td>
<td>810</td>
<td>180</td>
<td>190</td>
<td>188</td>
<td>170</td>
<td>728</td>
</tr>
<tr>
<td>Resource Efficiency</td>
<td>324</td>
<td>367</td>
<td>335</td>
<td>256</td>
<td>1,283</td>
<td>330</td>
<td>326</td>
<td>322</td>
<td>314</td>
<td>1,290</td>
</tr>
<tr>
<td>Performance Materials</td>
<td>60</td>
<td>71</td>
<td>63</td>
<td>46</td>
<td>239</td>
<td>53</td>
<td>74</td>
<td>47</td>
<td>50</td>
<td>224</td>
</tr>
<tr>
<td>Services</td>
<td>35</td>
<td>25</td>
<td>39</td>
<td>0</td>
<td>100</td>
<td>31</td>
<td>36</td>
<td>32</td>
<td>24</td>
<td>122</td>
</tr>
<tr>
<td>Evonik Group</td>
<td>554</td>
<td>616</td>
<td>579</td>
<td>402</td>
<td>2,150</td>
<td>539</td>
<td>566</td>
<td>543</td>
<td>505</td>
<td>2,153</td>
</tr>
</tbody>
</table>
Raw material split

**Total procurement volume 2019 (in € m)**

- Logistic & Packaging
- Energy (incl. natural gas)
- Machinery & Equipment
- Raw materials

~€9.4 bn

**Breakdown of raw material spend¹ (examples)**

**Bio**
- Dextrose
- Fatty alcohols
- Tallow fatty acid
- Fatty acids
- Tallow

~€6.1 bn

**Fossil**
- Crack C4
- Propylene
- Acrylic acid
- Acetone
- Methanol

**Inorganic & other**
- Sodium silicate
- Sodium hydroxide
- Silicon metal

1. Raw material spend 65% of total procurement volume in 2019
“RAG-Stiftung” as long-term shareholder with focus on attractive returns

**Ownership structure**

- **Free float**: 41.1%
- **RAG-Stiftung**: 58.9%

**RAG-Stiftung**

- A foundation with the obligation to finance the perpetual liabilities arising from the cessation of hard-coal mining in Germany
- Evonik as integral and stable portfolio element with attractive and reliable dividend policy
- Clear intention to remain significant shareholder
- RAG-Stiftung capable to cover annual cash out requirements with Evonik dividend (~€345 m dividend received in 2019)
## Management compensation

<table>
<thead>
<tr>
<th>Component</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fixed salary</strong></td>
<td>~1/3 To be paid in cash for each financial year on a monthly basis</td>
</tr>
<tr>
<td><strong>Bonus</strong></td>
<td>~1/3 Pay-out calculated on the basis of the achievement of focused KPIs; aligned to mid-term strategic targets:</td>
</tr>
<tr>
<td></td>
<td>1. Progression towards EBITDA margin target</td>
</tr>
<tr>
<td></td>
<td>2. EBITDA growth (yoy)</td>
</tr>
<tr>
<td></td>
<td>3. Contribution to FCF target</td>
</tr>
<tr>
<td></td>
<td>4. Accident performance</td>
</tr>
<tr>
<td><strong>Long-term incentive plan</strong></td>
<td>~1/3 Granted LTI target amount is calculated in virtual shares (4-year lock-up)</td>
</tr>
<tr>
<td></td>
<td>Value of LTI to mirror the development of Evonik's share price (incl. dividends)</td>
</tr>
<tr>
<td></td>
<td>Amount payable is determined by two performance elements</td>
</tr>
<tr>
<td><strong>Factor of between 0.8 and 1.2 to take into account the achievement of further individual targets</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Bonus capped at 200% of initial target</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Absolute performance: Real price of the Evonik share</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Relative performance against external index benchmark (MSCI Chemicals)</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Bonus capped at 300% of initial amount</strong></td>
<td></td>
</tr>
<tr>
<td><strong>To be paid out in cash after lock-up period</strong></td>
<td></td>
</tr>
</tbody>
</table>
Appendix

1. Strategy
2. Segment overview
3. Financials
4. Upcoming events
In so far as forecasts or expectations are expressed in this presentation or where our statements concern the future, these forecasts, expectations or statements may involve known or unknown risks and uncertainties. Actual results or developments may vary, depending on changes in the operating environment. Neither Evonik Industries AG nor its group companies assume an obligation to update the forecasts, expectations or statements contained in this release.
## Upcoming IR events

<table>
<thead>
<tr>
<th>Conferences &amp; Roadshows</th>
<th>Upcoming Events &amp; Reporting Dates</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>10 &amp; 11 March 2020</strong></td>
<td><strong>4 March 2020</strong> Q4/FY 2019 reporting</td>
</tr>
<tr>
<td>Roadshow, London</td>
<td></td>
</tr>
<tr>
<td><strong>12 March 2020</strong></td>
<td><strong>1 April 2020</strong> Capital Markets Day, London</td>
</tr>
<tr>
<td>Goldman Sachs Chemicals Conference, London</td>
<td></td>
</tr>
<tr>
<td><strong>16 March 2020</strong></td>
<td><strong>7 May 2020</strong> Q1 2020 reporting</td>
</tr>
<tr>
<td>Roadshow, Frankfurt</td>
<td></td>
</tr>
<tr>
<td><strong>18 March 2020</strong></td>
<td><strong>4 August 2020</strong> Q2 2020 reporting</td>
</tr>
<tr>
<td>Exane BNP Paribas Consumer Ingredients Conf., London</td>
<td></td>
</tr>
<tr>
<td><strong>24 March 2020</strong></td>
<td><strong>3 November 2020</strong> Q3 2020 reporting</td>
</tr>
<tr>
<td>Société Générale ESG/SRI Conference, Paris</td>
<td></td>
</tr>
<tr>
<td><strong>26 March 2020</strong></td>
<td></td>
</tr>
<tr>
<td>Bankhaus Lampe Deutschlandkonferenz, Baden-Baden</td>
<td></td>
</tr>
<tr>
<td><strong>21 April 2020</strong></td>
<td></td>
</tr>
<tr>
<td>Roadshow, Amsterdam</td>
<td></td>
</tr>
</tbody>
</table>
Evonik Investor Relations team

Tim Lange
Head of Investor Relations
+49 201 177 3150
tim.lange@evonik.com

Ina Gährken
Investor Relations Manager
+49 201 177 3142
ina.gaehrken@evonik.com

Joachim Kunz
Investor Relations Manager
+49 201 177 3148
joachim.kunz@evonik.com

Janine Kanotowsky
Team Assistant
+49 201 177 3146
janine.kanotowsky@evonik.com

Kai Kirchhoff
Investor Relations Manager
+49 201 177 3145
kai.kirchhoff@evonik.com

Fabian Schwane
Investor Relations Manager
+49 201 177 3149
fabian.schwane@evonik.com