Evonik
Leading Beyond Chemistry

Company Presentation Q3 2020
Key Messages Q3 Roadshow Season
Portfolio delivering resilience in challenging environment

**Strategy execution** well on track
- Acquisition of Porocel
- Announced Baby Care carveout
- Asset optimization in Methionine

**Sustainability as key driver** in innovation
- Next generation of ready-to-use PA12 powders for 3D printing – 80% reusability
- Biosurfactants: Evonik as key pillar in Unilever’s “Clean future” initiative

**Portfolio** has proven **resilience** YTD
- Robust performance driven by growth divisions with only -1% yoy and stable pricing
- Many businesses virtually unaffected by the crisis

**“Promise and deliver”** – EBITDA outlook confirmed & FCF outlook increased
- EBITDA outlook now narrowed: Range of €1.8 bn to €2.0 bn
- FCF upgraded once more: FCF ~€700 m and CCR >35%
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2. Strategy
3. Financials Q3 2020
4. Appendix
LEADING BEYOND CHEMISTRY
TO IMPROVE LIFE, TODAY AND TOMORROW
Leading Beyond Chemistry – Our purpose
Evonik on the way to become a best-in-class specialty chemicals company

- Leading market positions in $80\%$ of our business
- Leading key financial indicators
- Connecting skills and perspectives
- Develop solutions together with partners
- Sustainability key driver of growth
- Clear focus on specialty chemicals
- Target $100\%$ specialty portfolio

Video “We are Evonik”
Leading Beyond Chemistry – Growth divisions
Specialty chemicals portfolio with strong positioning and attractive financials

**Specialty Additives**
Broad spectrum of additives for **maximum performance** which make the key difference

- Sales: €3,381 m
- Margin: 26%
- ROCE: 18%

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

- Sales: €2,922 m
- Margin: 16%
- ROCE: 8%

**Smart Materials**
Innovative materials that enable **resource-saving solutions** for environment, urbanization, mobility and health

- Sales: €3,371 m
- Margin: 19%
- ROCE: 16%

Financials FY 2019
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**
From “zero” to ~€300 m in just 4 years

- 25% p.a. (CAGR)
- 2015: Bar
- 2016: Bar
- 2017: Bar
- 2018: Bar
- 2019: Bar
- 2025: ~300

> €1 bn by 2025
Evonik aligned to sustainability
Sustainability as part of portfolio and strategic management processes

Excellent Rankings

- Sector leading rankings
  Evonik amongst leaders in all relevant ratings – “A” MSCI ESG rating\(^1\), EcoVadis “Gold” rating, “B”-ISS Oekom\(^2\) and “B” CDP rating\(^3\)

Environmental Targets

- Ambitious environmental targets
  Evonik’s sustainability strategy 2020+ with ambitious climate and water targets

Portfolio Management

- Portfolio aligned to sustainability
  >30% of sales with superior sustainability benefits to customers; integration of sustainability into strategic management processes and decisions

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1. Rating on a scale of AAA to CCC  | 2. Rating on a scale of A+ to D-  | 3. Rating on a scale of A+ to D-
Evonik – A compelling equity story today and tomorrow
Leading beyond chemistry to drive shareholder value

Ongoing portfolio transformation
- Target: Specialty portfolio with 100% growth businesses

Ambitious financial targets
- EBITDA margin: 18-20%
- Cash conversion ratio: >40%
- ROCE: 11%

Innovation & Sustainability as growth drivers
- €1 bn additional sales from innovation growth fields by 2025
- Growing portfolio share of “Next generation solutions”

Performance-driven corporate culture
- Further drive gender and cultural diversity
- Deliver on efficiency programs in Administration & Operations
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Targeting excellence in three strategic focus areas

**Innovation**
Clearly defined growth fields & bundling of cross-business competencies

**Portfolio**
Specialty portfolio with 100% growth businesses

**Culture**
Open & performance-oriented culture
Performance-oriented culture
Major lever of corporate culture with increased capital market focus

Cost awareness
- Streamlined organization with high cost awareness on all levels
- ~€200 m savings achieved by end of 2019

Performance Management
- Group-wide incentive system strictly aligned to financial targets on all levels
- Clearer differentiation of individual performance levels (“Top”, “Good”, “Low”)

Corporate Values
- Values “Performance”, “Trust”, “Openness” and “Speed” as guidelines for Evonik’s operations
- Bottom up initiatives like internal “Speed up Conferences” support cultural change

Diversity
- Living diversity is one of the keys to Evonik’s economic success
- Targets for gender diversity and intercultural mix implemented

1: SG&A program (€120 m of €200 m achieved by end of 2019), Adjust 2020 (€30 m of €50 m achieved), Oleo 2020 (€20 m achieved)
### Innovation strategy
Targeted approach for market-leading innovations

#### Targeted approach
- **Central steering** of innovation activities
- Focus on **innovation growth fields** with clearly assigned responsibilities
- Bundling of **cross-business competencies** in dedicated R&D hubs

#### Sustainability focus
- Sustainability as **key driver** for future innovation initiatives
- Sustainability criteria and KPI’s **integrated** into innovation process
- Continuous **sustainability analysis** of introduced products

#### Process innovations
- Higher focus on **process innovations** to drive operational excellence
- Integrate process innovations into continuous improvement process
- **Lower capex and opex levels** for capacity expansions
Innovation pipeline – examples
A well-filled R&D pipeline with different target horizons

Additive Manufacturing
- Evonik’s 3D printing portfolio as beneficiary from trend “prototyping only” into real series production

Biosurfactants
- Based on Evonik’s leading biotechnology know-how
- 100% renewable natural resource & biodegradable

Precision Livestock Farming
- Digital solutions to optimize every aspect of livestock production – in one holistic approach
Portfolio transformation – More balanced and more specialty
Portfolio quality significantly improved – today 80% specialty businesses

Adj. EBITDA operating businesses

Portfolio characteristics

- Specialty businesses now represent 
  ~80% of EBITDA¹
- Specialty businesses with track record of 
  6% annual organic earnings growth²

Specialty businesses: Specialty Additives, Smart Materials, Health & Care
1: Calculation for operating businesses excluding Services & Corporate I 2: organic EBITDA CAGR (excl. M&A) 2014 – 2019
Portfolio transformation – Active M&A management
Decisive and value-accrative portfolio management

<table>
<thead>
<tr>
<th>Divestments</th>
<th>Acquisitions</th>
</tr>
</thead>
<tbody>
<tr>
<td>~€2 bn cyclical sales</td>
<td>&gt;€2 bn resilient sales</td>
</tr>
<tr>
<td>sold at attractive valuation (8.5x EV/EBITDA)</td>
<td>Ø multiple of 9.1x EV/EBITDA (incl. synergies)</td>
</tr>
<tr>
<td>Ø EBITDA margin: ~15%¹</td>
<td>Ø EBITDA margin: ~22%</td>
</tr>
<tr>
<td></td>
<td>Delivery of synergies on track (€70 m by end of 2019)</td>
</tr>
</tbody>
</table>

Decisive and value-accrative 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 July 2019
Acquisitions: Air Products specialty additives business for US$3.8 bn (9.9x EV/EBITDA incl. synergies & tax benefits) in January 2017 | Dr. Straetmans cosmetics business in May 2017
Huber Silica business for US$630 m (~7x EV/EBITDA incl. synergies & tax benefits) in September 2017 | PeroxyChem for US$640 m (7.6x EV/EBITDA incl. synergies) in February 2020

¹: 2014-2019
Portfolio transformation – Spotlight on acquisitions
Targeted acquisitions to improve quality of growth divisions

- Creating a **global leader** in Specialty & Coating Additives
- **High margin and resilient business** with low capital intensity and strong cash generation

**Specialty Additives**

- Combination of preservatives know how with emulsifier know how of Evonik
- **Expanded formulation skills** in one hand, thus enhanced capability to offer formulation packages

**Nutrition & Care**

- **Portfolio expansion** by sustainable specialty applications for **dental silica**, **hydrogen peroxide** and **catalysts**

- Creating a **global leader** in Specialty & Coating Additives
- **High margin and resilient business** with low capital intensity and strong cash generation

**Smart Materials**

- (2017)
- (2017)
- (2020)
Strategic agenda going forward
Clear strategic and financial targets

- Strong innovation pipeline: ~4% R&D/sales
- 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

Growth focus: >3% volume growth target

Efficiency focus:
- Constant process innovation and optimization
- Increase feedstock flexibility
- Leverage digitalization potential

Mid-term Group targets:
- >3% Volume growth
- 18-20% EBITDA margin
- >40% FCF conversion
- 11% ROCE

1: in growth divisions over the cycle
Capital allocation
Priorities for capital deployment

Our capital allocation priorities

Efficient capex allocation
- Strict capital allocation criteria
- Optimized Capex spending on continuously lower level
- Investment projects contributing to financial targets

Attractive dividend
- Shareholder return mainly via attractive dividend
- Stable to rising dividend going forward

Targeted M&A
- Strong strategic fit in our portfolio
- Contributing to defined financial targets
- Strict return criteria
- High level of synergies

Healthy balance sheet level
- Maintaining a solid investment grade rating
- Solid balance sheet leaves sufficient room for development of the group

Increasing shareholder value
Spotlight on shareholder returns
Reliable and attractive dividend policy

- Sustainable dividend growth over the last years: 6% CAGR between 2008 and 2019
- Attractive dividend yield (~5% mid-2020)
- Reliable dividend policy targeting:
  - Dividend continuity
  - Adj. EPS and FCF growth with potential for sustainable dividend growth going forward
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Proven resilience
Portfolio delivering strength in challenging environment

Stable YTD EBITDA & pricing in growth divisions

FCF YTD above prior year level

Clear sequential earnings recovery in Q3

EBITDA outlook confirmed FCF guidance increased during the crisis
Resilient first nine month despite corona crisis
Robust performance driven by growth divisions

Adjusted EBITDA 9M 2020 (yoy)

-1%  -10%  -17%

Growth Divisions¹  Evonik Group  Peer Average²

Specialty Additives
- Resilient business model with mission-critical solutions for customers
- Stable margin and pricing

Nutrition & Care
- Defensive end market exposure, pricing support & active cost mgmt.
- yoy higher earnings

Smart Materials
- Ongoing resilience in Inorganics like H₂O₂, Consumer Silica or Catalysts
- Clear recovery in automotive-related businesses

1. Defined as Growth divisions + Services, Corporate & Other
2. Peers: Akzo, Arkema, Ashland, BASF, Clariant, Covestro, DSM, Fuchs, Lanxess, Solvay, WR Grace; 9M reported where available, otherwise H1 + Q3 consensus
Q3 2020 – Clear sequential earnings improvement

<table>
<thead>
<tr>
<th>Sales</th>
<th>Adj. EBITDA</th>
<th>Free cash flow (9M)</th>
<th>Adj. EPS</th>
</tr>
</thead>
<tbody>
<tr>
<td>€2,917 m</td>
<td>€519 m</td>
<td>€521 m</td>
<td>0.40€</td>
</tr>
<tr>
<td>(Q3 19: €3,232 m)</td>
<td>(margin: 17.8%)</td>
<td>(9M 19: €417 m)</td>
<td>(Q3 19: 0.42€)</td>
</tr>
</tbody>
</table>

Solid pricing in growth divisions; sequential volume improvement in Specialty Additives & Smart Materials
Clear sequential improvement in earnings and margin
FCF above prior year; strict cash & cost discipline
Better financial result while higher income taxes
Free Cash Flow 9M 2020
Clearly higher FCF despite challenging environment

Free cash flow 9M 2020 (in € m, continuing operations)

Free cash flow clearly higher in 9M (yoy):
- Overcompensating EBIT decline of €154 m
- High cash awareness with strict cost management
- Disciplined capex management
- Ongoing benefit from CTA pension reimbursement
- Lower tax & bonus payments

Excl. extraordinary carve-out taxes of ~€128 m in Q3 2019 (related to MMA divestment)
Specialty Additives
Strong track record of sustained high margin level and stable prices

- Resilient performance based on leading portfolio of mission-critical additive solutions
- Robust business model with strong track record of stable prices and sustained high margin level
- Construction and renewable energy end markets continue to be robust, also benefitting from governmental stimulus programs
- Recovery in automotive, coatings and durable consumer goods towards the end of the quarter

Sales
(in € m)

<table>
<thead>
<tr>
<th></th>
<th>Q3 19</th>
<th>Q2 20</th>
<th>Q3 20</th>
</tr>
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<tbody>
<tr>
<td>Sales</td>
<td>861</td>
<td>747</td>
<td>777</td>
</tr>
<tr>
<td>Adj. EBITDA</td>
<td></td>
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<tr>
<td>(in € m)</td>
<td></td>
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<tr>
<td>Volume</td>
<td>-6%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Price</td>
<td>+/-0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FX</td>
<td>-4%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>+/-0%</td>
<td></td>
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</tr>
</tbody>
</table>

Volume:
-6%

Price:
+/-0%

FX:
-4%

Other:
+/-0%
Nutrition & Care
Resilient end markets and active cost management

- Yoy higher earnings and margin supported by resilient end markets and active cost management
- Health & Care: Benefitting from defensive setup with continuously strong demand for active ingredients in cosmetic applications and pharma polymers as well as active cost management
- Animal Nutrition: Lower volumes after strong first half-year and negative FX effects

Sales (in € m)

<table>
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<tr>
<th></th>
<th>Q3 19</th>
<th>Q2 20</th>
<th>Q3 20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales Nutrition</td>
<td>345</td>
<td>384</td>
<td>330</td>
</tr>
<tr>
<td>Health &amp; Care</td>
<td>381</td>
<td>358</td>
<td>385</td>
</tr>
</tbody>
</table>

### Q1 20 - Q1 20

-4% Yoy

### Q3 19 - Q3 20

+1% Yoy

Adj. EBITDA (in € m) / margin (in %)

<table>
<thead>
<tr>
<th></th>
<th>Q3 19</th>
<th>Q2 20</th>
<th>Q3 20</th>
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</thead>
<tbody>
<tr>
<td>Volume</td>
<td>-2%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Price</td>
<td></td>
<td>+8%</td>
<td></td>
</tr>
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<td>FX</td>
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<table>
<thead>
<tr>
<th></th>
<th>Q3 19</th>
<th>Q2 20</th>
<th>Q3 20</th>
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</thead>
<tbody>
<tr>
<td>119</td>
<td>168</td>
<td>140</td>
<td></td>
</tr>
<tr>
<td>16.4</td>
<td>22.6</td>
<td>19.6</td>
<td></td>
</tr>
</tbody>
</table>

- Yoy higher earnings and margin supported by resilient end markets and active cost management
- Health & Care: Benefitting from defensive setup with continuously strong demand for active ingredients in cosmetic applications and pharma polymers as well as active cost management
- Animal Nutrition: Lower volumes after strong first half-year and negative FX effects
### Smart Materials

**Continued resilience in Inorganics; improving trends in automotive**

<table>
<thead>
<tr>
<th></th>
<th>Inorganics</th>
<th>Polymers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Volume</td>
<td>Quantity</td>
<td>Volume</td>
</tr>
<tr>
<td>Q3 19</td>
<td>833</td>
<td>567</td>
</tr>
<tr>
<td>Q2 20</td>
<td>722</td>
<td>528</td>
</tr>
<tr>
<td>Q3 20</td>
<td>790</td>
<td>566</td>
</tr>
<tr>
<td>Price</td>
<td>Price</td>
<td>Price</td>
</tr>
<tr>
<td>Q3 19</td>
<td>-7%</td>
<td>-2%</td>
</tr>
<tr>
<td>Q2 20</td>
<td>-16%</td>
<td>-4%</td>
</tr>
<tr>
<td>Q3 20</td>
<td>-13%</td>
<td>-16%</td>
</tr>
<tr>
<td>FX</td>
<td>FX</td>
<td>FX</td>
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<tr>
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<td>-20%</td>
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<tr>
<td>Other</td>
<td>Other</td>
<td>Other</td>
</tr>
<tr>
<td>Q3 19</td>
<td>+8%</td>
<td>+8%</td>
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<td>Q2 20</td>
<td>+8%</td>
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</tr>
<tr>
<td>Q3 20</td>
<td>+8%</td>
<td>+8%</td>
</tr>
</tbody>
</table>

- Improving volume trend (Q3 20: -7% yoy vs. Q2 20: -20% yoy) and ongoing resilient pricing
- Inorganics: Sales back to prior year level; continued resilience in hygiene, personal care and environmental applications; replacement-related automotive products (e.g. Silica for tires) showing clear recovery
- Polymers: After strong decline in Q2, OEM-related automotive applications with improving trends. Membranes and 3D printing applications with ongoing strong development.
**Performance Materials**

**Slow recovery from trough levels**

- **Difficult market environment for petrochemical derivatives prevailing**
- **Business slowly recovering from trough levels with higher volumes and improving naphtha spreads in C4-chain**
- **Demand from auto sector for Butadiene and MTBE still weak but slowly recovering**
- **Baby Care with yoy lower volume and prices**

### Sales (in € m)

<table>
<thead>
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<tr>
<td>Other</td>
<td>+/-0%</td>
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### Adj. EBITDA (in € m) / margin (in %)

<table>
<thead>
<tr>
<th></th>
<th>Q3 19</th>
<th>Q2 20</th>
<th>Q3 20</th>
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</thead>
<tbody>
<tr>
<td>Volume</td>
<td>8.1</td>
<td>12</td>
<td>6.3</td>
</tr>
<tr>
<td>Price</td>
<td>2.7</td>
<td>6.3</td>
<td></td>
</tr>
<tr>
<td>FX</td>
<td>+/-0%</td>
<td>+/-0%</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>+/-0%</td>
<td>+/-0%</td>
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</table>
Outlook FY 2020 (1/2)
Adjusted EBITDA outlook narrowed to €1.8 - 2.0 bn

Adj EBITDA outlook FY 2020 (FY 2019: €2,153 m)

- “Promise & Deliver” continued despite Corona pandemic
- Specific outlook provided already in May
- Confirmed with Q2 reporting
- Now narrowed to range of €1.8 - 2.0 bn
FCF ~€700 m & cash conversion rate\(^1\) >35% (FY 2019: €717 m / 33.3%)

- Strong track record in CCR improvement
- High cash awareness and strict cost management
- CAPEX & NWC discipline

FCF outlook upgraded once more:
- FCF ~€700 m
- Cash conversion rate\(^1\) of >35%
  (previously: at least on prior year’s level)

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1. Free cash flow conversion (FCF/adj. EBITDA) 2: Including Methacrylates business
## Additional indications for 2020

- **PeroxyChem:** Included in outlook with 11 months (FY 2019: ~USD300 m sales, ~USD60 m adj. EBITDA)
- **ROCE:** **Below the level of 2019** (2019: 8.6%)
- **Capex**: **Around the already low level of 2019** (2019: €880 m)
- **EUR/USD:** **1.14 EUR/USD** (previous indication: 1.10 EUR/USD; 2019: 1.12 EUR/USD)
- **EUR/USD sensitivity**: 
  
  +/-1 USD cent = -/+ ~€7 m adj. EBITDA (FY basis)
- **Adj. EBITDA Services, Corp. & Others:** **Slightly more negative than 2019** (2019: -€94 m)
  
  (In the new divisional structure and starting with Q3 2020, Services, Corporate & Other will be reported and guided in IR documents as only one line item going forward)
- **Adj. D&A:** **Around the level of 2019** (2019: €952 m)
- **Adj. net financial result:** 
  
  -€100 - 130 m (previous indication: around -€100 m; 2019: -€185 m)
  
  Less negative in 2020 due to lower cross-currency swaps, lower interest rates for pensions and other provisions
- **Adj. tax rate:** **Around 28%** (previous indication: ~27%; 2019: 20%, related to MMA divestment)

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1. Cash outflow for investment in intangible assets, pp&e | 2. Including transaction effects (after hedging) and translation effects; before secondary / market effects
Feedback on this presentation?
Are you missing anything?
Any comments?

We are always happy about feedback:
investor-relations@evonik.com
Appendix

1. Strategy Details
2. Financial targets
3. Division overview
4. Sustainability
5. Financials
6. Upcoming events
Portfolio Management – Portfolio Strategy
Active portfolio management on multiple layers

**Examples …**

**Restructuring**
- Bio-amino acids (toll manufacturing, streamlining production cost base)
- Care Solutions (adapting asset network for a higher share of specialties)

**Innovation and product mix**
- \( \text{H}_2\text{O}_2 \) (transform base business into specialized applications)
- Veramaris (switching of Lysin fermentation capacities)

**Active M&A**
- Bolt-on M&A to strengthen “growth” businesses
- Constant portfolio review and exit of commoditized businesses

**Target: Portfolio with 100% growth businesses**
## Portfolio Management – overview acquisitions

Proof of concept for targeted and disciplined M&A approach

<table>
<thead>
<tr>
<th>Business</th>
<th>Highly attractive strategic fit, seamless integration into existing businesses</th>
</tr>
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<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Purchase price</strong></td>
<td>~ €3.5 bn</td>
<td>~ €600 m</td>
<td>$640 m</td>
</tr>
<tr>
<td><strong>Multiple</strong></td>
<td>15.2x / 9.9x</td>
<td>10.5x / 7x</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>
</tr>
<tr>
<td><strong>Market growth</strong></td>
<td>~4-5%</td>
<td>~4-6%</td>
<td>~6%</td>
</tr>
</tbody>
</table>

**Business**

Disciplined expansion in high-growth & -margin businesses with excellent strategic fit

1. In specialty applications (~65% of total Adj. EBITDA)  
2. EV/EBITDA pre / post synergies & tax benefits

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Porocel – Overview
Leading global provider of specialty catalysts and related services

- Headquarter in Houston, Texas (USA)
- Ownership: privately held company
- Headcount: ~300 globally
- Locations: 6 manufacturing facilities in USA, Canada, Luxemburg, Singapore and China

Key products:
- Full suite of critical hydro-processing catalyst services, including a patented technology for highly efficient rejuvenation of desulfurization catalysts
- Leading supplier of purification adsorbents and sulfur recovery catalysts used in the petrochemical, fine chemicals and petroleum refining industries

Sales 2019: ~$100 m
adj. EBITDA 2019: ~$23 m
adj. EBITDA margin: ~23%
Acquisition of Porocel
Excellent complementary fit with Evonik’s catalysts business

Evonik catalyst business

- Strong **catalyst customization know-how** and scale-up competencies
- Well positioned in “Fine Chemicals & Intermediates” segment for e.g. agriculture, food, pharmaceuticals
- **Sales** and **EBITDA** CAGR of ~10% since 2014 – significantly above overall market growth

Porocel catalyst business

- Leading market position in the field of **rejuvenation of desulfurization** catalysts
- Core markets with attractive growth and trends towards **sustainability and circular economy**
- Established relationships with **blue-chip customers in refining & petrochemicals**
- Access to **available production capacities** with high economies of scale

**Acceleration of growth strategy** of Evonik’s catalyst business
Positioning from multi-niche to a **leading supplier** in the chemical catalyst market
Spotlight – Circular economy & Decarbonization
Rejuvenation catalysts contribute to considerable CO2 savings

Rejuvenation of used catalysts saves resources

Comparison of CO$_2$ emissions from catalyst production

- Rejuvenated catalysts save >50% CO$_2$ compared to new catalyst
- Since 2004, Porocel products have saved ~1 million tons of CO$_2$
Spotlight – Porocel purification technology
Technology needed for crude oil and sustainable raw material sources

- Long-term trend from oil-based to bio-based or recycled refinery raw materials
- Requirement for purification of the material flows (e.g. desulfurisation)
- Porocel with comprehensive purification expertise and comprehensive product portfolio for this key technology
Catalysts play an important role in global key industries
>80% of all chemical products are made by use of a catalyst

- **... accelerate chemical processes** while not being consumed during the reaction
- **... steer chemical reactions** towards the desired products and avoid by-products and waste
- **... enable efficient chemical processes by using less feedstock and reduced energy consumption**
- **... are ~1% of costs of the respective product** value and offer resilient market growth of 4% p.a.

**Key end markets**

- **Chemical catalysts**
- **Refining catalysts**
- **Environmental catalysts**
### Portfolio management – sustainability analysis
Sustainability Analysis integrated into strategy and portfolio decisions

#### Portfolio management via sustainability criteria

<table>
<thead>
<tr>
<th>Method</th>
<th>Analysis and results</th>
<th>Strategic measures</th>
</tr>
</thead>
<tbody>
<tr>
<td><img src="image" alt="Clock" /></td>
<td><img src="image" alt="Circles" /></td>
<td><img src="image" alt="Target" /></td>
</tr>
<tr>
<td>▪ WBCSD(^1) sector <strong>standard approach</strong> aligned to specific requirements of Evonik</td>
<td>▪ 99% of sales covered by Sustainability analysis</td>
<td>▪ Analysis part of <strong>strategic portfolio management</strong> e.g. for</td>
</tr>
<tr>
<td>▪ Approach <strong>audited</strong> by PWC</td>
<td>▪ <strong>Classification</strong> of product portfolio according to its <strong>sustainability performance</strong> (A++ to C--)</td>
<td>▪ Investments</td>
</tr>
<tr>
<td><img src="image" alt="Checkmark" /></td>
<td><img src="image" alt="Checkmark" /></td>
<td><img src="image" alt="Checkmark" /></td>
</tr>
</tbody>
</table>

1. Portfolio Sustainability Assessments (PSA) from World Business Council for Sustainable Development
Portfolio management – “Next Generation Solutions”
>30% of Evonik’s portfolio with superior sustainability benefits

>30%
“Next Generation Solutions”²

- … address globally **increasing demand** for sustainable solutions
  - .. deliver **above-average growth**
  - … are highly **profitable** (in or above margin target range of 18-20%)

Target to further increase “Next Generation Solutions”

- Challenged products: evaluation of strategic options (transform/exit/divest) within 5 years

---

1. 2018 sales continuing operations | 2. “Next Generation Solutions” include “Leader” (A++) and “Driver” (A+) products and solutions
## Portfolio management – examples “Next Generation Solutions”

Addressing customers’ desire for sustainable solutions

<table>
<thead>
<tr>
<th><strong>Biosurfactants</strong></th>
<th><strong>Sustainable Food Packaging</strong></th>
<th><strong>Improving Lithium-Ion Batteries</strong></th>
<th><strong>Superinsulation</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Biosurfactants used in personal and household care applications</td>
<td>Food stays fresh for longer due to $O_2$ absorbing packaging</td>
<td>High-performance separators for more powerful batteries</td>
<td>Purely mineral high-performance insulation material</td>
</tr>
<tr>
<td><strong>Evonik’s superiority to market</strong></td>
<td><strong>Evonik’s superiority to market</strong></td>
<td><strong>Evonik’s superiority to market</strong></td>
<td><strong>Evonik’s superiority to market</strong></td>
</tr>
<tr>
<td>▪ Evonik only company to produce bio-based surfactants on an industrial scale</td>
<td>▪ Evonik only provider of additive to capture oxygen molecules inside of packages to keep them fresh longer and reduce global food waste</td>
<td>▪ Evonik’s high-quality pure silica and metal oxides increase safety, lifetime and performance of batteries for EVs</td>
<td>▪ Silica-based insulation material which is fully recyclable and incombustible for sustainable housing</td>
</tr>
<tr>
<td>Growth &gt;10%</td>
<td>Growth &gt;5%</td>
<td>Growth &gt;20%</td>
<td>Growth &gt;20%</td>
</tr>
</tbody>
</table>
## Culture – self-help measures supporting margin target
Targeting cost excellence in Administration and Operations

### Administration

<table>
<thead>
<tr>
<th>SG&amp;A</th>
</tr>
</thead>
<tbody>
<tr>
<td>▪ Started in 2018</td>
</tr>
<tr>
<td>▪ Total savings of ~€200 m</td>
</tr>
<tr>
<td>▪ €120 m already achieved</td>
</tr>
<tr>
<td>▪ Completed by <strong>end of 2020</strong></td>
</tr>
</tbody>
</table>

**Ongoing**

<table>
<thead>
<tr>
<th>New divisional structure</th>
</tr>
</thead>
<tbody>
<tr>
<td>▪ Leaner organizational setup &amp; and optimization of processes (reduction of 150 FTE1)</td>
</tr>
<tr>
<td>▪ Cost savings of €25 m by end of 2021</td>
</tr>
</tbody>
</table>

**New**

### Operations

<table>
<thead>
<tr>
<th>On Track</th>
</tr>
</thead>
<tbody>
<tr>
<td>▪ Continuous factor cost compensation in Production and Procurement</td>
</tr>
<tr>
<td>▪ Started in 2008, ~€120 m gross savings p.a.</td>
</tr>
</tbody>
</table>

**Ongoing**

<table>
<thead>
<tr>
<th>Optimizing businesses</th>
</tr>
</thead>
<tbody>
<tr>
<td>▪ Strengthening <strong>cost position</strong> and <strong>optimizing portfolio</strong> on business line level (e.g. Animal Nutrition, Care Solutions)</td>
</tr>
</tbody>
</table>

**Ongoing**

### Factor cost compensation

<table>
<thead>
<tr>
<th>Factor cost compensation</th>
</tr>
</thead>
<tbody>
<tr>
<td>▪ From 2021 onwards, following completion of SG&amp;A program</td>
</tr>
<tr>
<td>▪ Continuous <strong>factor cost compensation mechanism</strong> in Corporate and Admin</td>
</tr>
</tbody>
</table>

**Going forward**

<table>
<thead>
<tr>
<th>Supply Chain</th>
</tr>
</thead>
<tbody>
<tr>
<td>▪ Optimized end-to-end processes</td>
</tr>
<tr>
<td>▪ Lower <strong>supply chain costs</strong> and reduced <strong>Capital Employed</strong></td>
</tr>
</tbody>
</table>

**Going forward**
Appendix

1. Strategy Details

2. Financial targets

3. Division overview

4. Sustainability

5. Financials

6. Upcoming events
## Financial targets going forward

<table>
<thead>
<tr>
<th>Mid-term Financial Targets set in 2017</th>
<th>Updated mid-term Financial Targets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Above-average volume growth (GDP+)</td>
<td><strong>Above-average</strong> volume growth ¹)</td>
</tr>
<tr>
<td>Structurally lift EBITDA margin into sustainably higher range of <strong>18-20%</strong></td>
<td></td>
</tr>
<tr>
<td>FCF significantly above dividend level</td>
<td><strong>Cash Conversion</strong> ratio of ²)</td>
</tr>
<tr>
<td>ROCE above Cost of Capital</td>
<td><strong>ROCE well above Cost of Capital</strong></td>
</tr>
<tr>
<td>Reliable and sustainably growing dividend</td>
<td>✓</td>
</tr>
<tr>
<td>Solid investment grade rating</td>
<td>✓</td>
</tr>
</tbody>
</table>

1: In growth divisions | 2: Cash Conversion ratio defined as FCF/Adj. EBITDA

---

>3%  
>40%  
~11%  
✓  
✓  
✓
# Top-line growth

Targeting above-average volume growth in growth divisions

<table>
<thead>
<tr>
<th>Target</th>
<th>Above-average volume growth in growth divisions</th>
<th>&gt;3%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ø Volume growth</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Specialty Additives</td>
<td>~3%</td>
<td></td>
</tr>
<tr>
<td>Nutrition &amp; Care</td>
<td>~4%</td>
<td></td>
</tr>
<tr>
<td>Smart Materials</td>
<td>~3%</td>
<td></td>
</tr>
</tbody>
</table>

Volume growth going forward

>3% in growth divisions (over the cycle)
EBITDA margin target range of 18-20%
Three strategic focus areas driving structural margin improvement

**EBITDA margin in % (Group level excl. MMA)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>15.5%</td>
</tr>
<tr>
<td>2019</td>
<td>16.4%</td>
</tr>
</tbody>
</table>

2017-2019: Clear margin progress despite difficult macro environment

**Main drivers going forward**

- **Portfolio¹**
  - Organic growth projects
  - Ongoing shift of product portfolio towards specialty
  - >100 bp¹

- **Culture**
  - Cost savings from efficiency measures in Administration and Operations
  - ~50bp

- **Innovation**
  - €1 bn additional sales from Innovation Growth Fields with above-average margin
  - ~50bp
FCF conversion
Strong track record established – further improvement ahead

Target  Cash Conversion Ratio\(^1\) of

\( >40\% \)

<table>
<thead>
<tr>
<th>Strong improvement of FCF and Cash Conversion(^1)</th>
</tr>
</thead>
<tbody>
<tr>
<td><img src="image" alt="Graph showing cash conversion ratio from 2017 to 2019" /></td>
</tr>
</tbody>
</table>

- **FCF levers going forward**
  - Ongoing strict NWC management: current low level to be secured going forward
  - Maintain capex level of €850 m going forward
  - Growth projects contributing to high cash conversion e.g.
    - Methionine plant (ME6)
    - PA12 expansion
  - Fade-out of cash-outs from efficiency measures
  - Pensions with stable cash-outs on lowered level (CTA)
  - Bolt-on acquisitions with high cash conversion (e.g. PeroxyChem >60%)
Targeting ROCE well above Cost of Capital

~11%

Increase in Capital Employed mainly driven by IFRS 16: capitalization of leases (~€0.6 bn with Q1 2020)

Larger growth projects (like ME6, Precipitated silica USA, PA12):
- ~€1 bn capitalized on balance sheet
- Full level of fixed costs already since start-up

Higher EBIT contribution
- Increasing utilization
- Growing market penetration
- Improving process efficiency

Supply chain optimization:
- Optimized processes, lower Capital Employed

1: Including Methacrylates business | 2: WACC reduced to 9% due to lower cost of capital and lower beta factor | 3: Annual averages
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New divisional structure – Overview
Growth divisions with strong positioning and promising drivers

Specialty Additives
Nutrition & Care
Smart Materials
Performance Materials

Broad spectrum of additives solutions for maximum performance which make the key difference in industrial applications for coatings, polyurethane foam & lubricants

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

Innovative materials for resource-saving solutions and substitution of conventional materials in environmental, mobility and construction end markets

Efficient platforms for production of high-volume intermediates for mobility, plastics & rubber as well as superabsorbent polymers for consumer applications

Portrait

Main Growth Drivers
- More sophisticated additive effects
- Environmentally-friendly additives

- Social trends in health, well-being and nutrition
- Natural-based ingredients
- Biotechnology and fermentation

- Saving resources
- Use of lightweight materials
- Stricter regulation and safety standards

- Focus on efficiency in production & procurement

Further details on the new divisions are available in the Strategy Update May 2020 presentation on our Evonik IR website
New divisional structure – Overview
Technology platforms and end market exposure

<table>
<thead>
<tr>
<th>Specialty Additives</th>
<th>Nutrition &amp; Care</th>
<th>Smart Materials</th>
<th>Performance Materials</th>
</tr>
</thead>
<tbody>
<tr>
<td>▪ Silicone chemistry</td>
<td>▪ Biotechnology / Fermentation</td>
<td>▪ Inorganic particle design</td>
<td>▪ C4 processing and derivatizing</td>
</tr>
<tr>
<td>▪ Isophorone platform</td>
<td>▪ Methionine platform</td>
<td>▪ Specialty polymers</td>
<td></td>
</tr>
<tr>
<td>▪ Amines</td>
<td>▪ Oleo chemistry</td>
<td>▪ Active oxygens</td>
<td></td>
</tr>
<tr>
<td>▪ Biotechnology / Fermentation</td>
<td>▪ Methionine platform</td>
<td>▪ Process catalysts</td>
<td></td>
</tr>
<tr>
<td>▪ Inorganic particle design</td>
<td>▪ Oleo chemistry</td>
<td>▪ Polymeric know-how</td>
<td></td>
</tr>
</tbody>
</table>

**Technology platforms**

- Silicone chemistry
- Isophorone platform
- Amines
- Biotechnology / Fermentation
- Methionine platform
- Oleo chemistry
- Inorganic particle design
- Specialty polymers
- Active oxygens
- Process catalysts
- C4 processing and derivatizing
- Polymer know-how

**Key products & global market positions**

- #1-2 in Coating additives
- #1 in PU additives
- #1 in Viscosity modifiers (for lubricants)
- #1 in Methionine
- Strong position in Active cosmetic ingredients
- #2 in Drug delivery systems
- #1 in Silica
- #2 in H₂O₂
- Leading in Catalysts
- #1 in PA12
- C4 derivatives
- Superabsorbers

**End market split**

1. #2 in activated nickel catalysts, #3 in Oil & fat hydrogenation catalysts
# Financial targets for growth divisions going forward

<table>
<thead>
<tr>
<th>Financial target</th>
<th>Specialty Additives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Volume growth</td>
<td>Maintain very attractive margin level (2019: 26%)</td>
</tr>
<tr>
<td>EBITDA margin level</td>
<td>Getting back into target range (2019: 16%)</td>
</tr>
<tr>
<td>Capex/Sales ratio</td>
<td>~4%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Financial target</th>
<th>Nutrition &amp; Care</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA margin level</td>
<td>Getting back into target range (2019: 16%)</td>
</tr>
<tr>
<td>Capex/Sales ratio</td>
<td>~5%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Financial target</th>
<th>Smart Materials</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA margin level</td>
<td>Secure margin level at least in range of 18 - 20% (2019: 19%)</td>
</tr>
<tr>
<td>Capex/Sales ratio</td>
<td>~6%</td>
</tr>
</tbody>
</table>

*All targets are to be achieved over the planning horizon.*

- Financial targets: 
  - Volume growth: >3% in all growth divisions (over the cycle)
New divisional structure – Peers
Growth division with more homogenous trends easier-to-compare to peers

<table>
<thead>
<tr>
<th>Specialty Additives</th>
<th>Nutrition &amp; Care</th>
<th>Smart Materials</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leaders in industrial additives and major players in our core customer industries such as paints &amp; coatings</td>
<td>Specialists with a chemicals pedigree in the field of consumer well-being and food &amp; feed</td>
<td>Companies in the sphere of inorganic specialties, incl. catalysts, as well as high-performance polymers</td>
</tr>
</tbody>
</table>

Characteristics of divisional peers which we see as a benchmark…

Examples for comparable business model or overlap in value chains…
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Sustainability – Rankings
Evonik best-in-class within chemicals sector in terms of sustainability
UN Sustainable Development Goals (SDGs)
>50% of Evonik’s portfolio with positive benefit to SDGs

Most relevant SDGs for Evonik

>50%¹ of Evonik’s sales contribute to SDGs

1. 2018 sales continuing operations | Most relevant SDGs ranked by significance from left to right
Sustainability – Environmental targets
Ambitious greenhouse gas emission reduction targets

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

-15% reduction of upstream Scope 3 emission until 2025 (vs. 2020)

▪ Strong commitment to ”Paris Agreement on Climate Change” reflected in implementation and execution on environmental targets

▪ “Sustainability Strategy 2020+” targets reduction of -50% of Scope 1 and Scope 2 emissions by 2025 (compared to base year 2008)

▪ Global CO₂ pricing used as an additional planning parameter for investment decisions

---

**Evonik Scope 1 and Scope 2 emissions¹**

<table>
<thead>
<tr>
<th>Year</th>
<th>Emissions (thousand metric tons CO₂eq)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>9.029</td>
</tr>
<tr>
<td>2018</td>
<td>5.689</td>
</tr>
<tr>
<td>2019</td>
<td>4.923</td>
</tr>
<tr>
<td>2025</td>
<td></td>
</tr>
</tbody>
</table>

¹ in thousand metric tons CO₂eq
Sustainability – Main KPIs

Greenhouse gas emissions
Scope 1 and Scope 2 emissions in thousand metric tons CO2 equivalents

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>5.964</td>
<td>5.875</td>
<td>5.934</td>
<td>5.930</td>
<td>5.609</td>
<td>5.689</td>
<td>4.923</td>
<td></td>
</tr>
</tbody>
</table>

Accident frequency
Number of accidents per 1 million working hours

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>1.5</td>
<td>1.4</td>
<td>1.0</td>
<td>1.2</td>
<td>1.0</td>
<td>1.2</td>
<td>1.2</td>
<td>0.9</td>
<td>1.2</td>
</tr>
</tbody>
</table>

Specific water intake
In m3 freshwater per metric ton production

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>32.3</td>
<td>31.8</td>
<td>32.1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Diversity/Employees
Female managers in % (Management circles 1 – 3)

<table>
<thead>
<tr>
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<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>~18</td>
<td>18.8</td>
<td>20.1</td>
<td>20.8</td>
<td>22.0</td>
<td>23.2</td>
<td>24.3</td>
<td>25.2</td>
</tr>
</tbody>
</table>
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Spotlight on capex
Optimized capex spending on a continuously lower level of €850 m

Continuous capex level of ~€850 m

Optimized capex spending going forward

- **Strict allocation criteria**, especially for maintenance capex
- **Harmonization of maintenance projects** to global standards
- **Asset Lifecycle Management** for each business with a 10-year time horizon
- **Site Footprint Masterplan**: Definition and capex allocation according to clear capex roles for individual sites

Capex = Cash outflow for investment in intangible assets, pp&e
Pensions
Pension funding overview as of 31 December 2019

- Pensions very long-term, patient 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

Funding level at ~ 70%
Debt structure
Well balanced maturity profile

(in € m as of September 30, 2020)

- Well balanced debt maturity profile with no single bond maturity greater than €750 m
- Long-term capital market financing secured at favorable conditions:
  - average coupon of 0.55% p.a. on €3.15 bn senior bonds
  - coupon of 2.125% p.a. on €0.5 bn hybrid bond
- Undrawn €1.75 bn syndicated revolving credit facility maturing June 2024
- The €650 m bond due 8 March 2021 will be redeemed three months ahead of the final maturity date (i.e. on 8 December 2020)\(^2\)

1. Formal lifetime of 60 years; first redemption right for Evonik in 2022
2. Early redemption right of Evonik (3 months par call)
Maintaining a solid investment grade rating is a central element in our financing strategy.

In April 2020, Moody’s affirmed the Baa1 rating of Evonik and changed the outlook to negative from stable.

At the same time, Moody’s assessed the liquidity profile of Evonik as solid underpinned by a strong cash position.

S&P rating and outlook remains unchanged at BBB+/stable since 2012.

Both rating agencies acknowledge:

- a strong business profile of Evonik 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 commitment to a solid investment-grade rating
Development of debt and leverage over time

(in € m)

<table>
<thead>
<tr>
<th>Year</th>
<th>Net financial debt</th>
<th>Pension provisions</th>
<th>Total leverage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>2,251</td>
<td>3,349</td>
<td>-1,098</td>
</tr>
<tr>
<td>2016</td>
<td>2,741</td>
<td>3,852</td>
<td>-1,111</td>
</tr>
<tr>
<td>2017</td>
<td>6,840</td>
<td>3,023</td>
<td>3,817</td>
</tr>
<tr>
<td>2018</td>
<td>6,639</td>
<td>2,907</td>
<td>3,732</td>
</tr>
<tr>
<td>2019¹</td>
<td>6,108</td>
<td>2,141</td>
<td>3,967</td>
</tr>
<tr>
<td>Q3 2020¹</td>
<td>7,184</td>
<td>2,910</td>
<td>4,274</td>
</tr>
</tbody>
</table>

- Increase of net financial debt as per Q3 2020 (vs year-end 2019) mainly from closing of PeroxyChem acquisition
- Net financial debt leverage continues to be low at only 1.3x
- More than half of net debt consists of long-dated pension obligations with >17 years duration
- Q3 pension provisions higher upon decrease of pension discount rates (mainly from German discount rate decline from 1.3% to 1.2%)
- Pension provisions partly balanced by corresponding deferred tax assets of ~€1.43 bn

### Financials

#### Sales

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales (in € bn)</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>13.1</td>
</tr>
</tbody>
</table>

#### Adj. EBITDA

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

#### Free Cash Flow

<table>
<thead>
<tr>
<th>Year</th>
<th>Free Cash Flow (as reported, in € m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>550</td>
</tr>
<tr>
<td>2012</td>
<td>490</td>
</tr>
<tr>
<td>2013</td>
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<td>2014</td>
<td>1,052</td>
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<td>2015</td>
<td>785</td>
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<td>2016</td>
<td>511</td>
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<tr>
<td>2017</td>
<td>672</td>
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<tr>
<td>2018</td>
<td>526</td>
</tr>
<tr>
<td>2019</td>
<td>717</td>
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</table>

#### ROCE

<table>
<thead>
<tr>
<th>Year</th>
<th>ROCE (as reported, in %)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>18.7</td>
</tr>
<tr>
<td>2012</td>
<td>20.4</td>
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<tr>
<td>2013</td>
<td>15.1</td>
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<tr>
<td>2014</td>
<td>12.5</td>
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<tr>
<td>2015</td>
<td>16.6</td>
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<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
## Divisional overview by quarter

<table>
<thead>
<tr>
<th></th>
<th>Q1/19</th>
<th>Q2/19</th>
<th>Q3/19</th>
<th>Q4/19</th>
<th>FY 2019</th>
<th>Q1/20</th>
<th>Q2/20</th>
<th>Q3/20</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales (in € m)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Specialty Additives</td>
<td>842</td>
<td>867</td>
<td>861</td>
<td>810</td>
<td>3,381</td>
<td>852</td>
<td>747</td>
<td>777</td>
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<tr>
<td>Nutrition &amp; Care</td>
<td>731</td>
<td>719</td>
<td>726</td>
<td>747</td>
<td>2,922</td>
<td>748</td>
<td>742</td>
<td>715</td>
</tr>
<tr>
<td>Smart Materials</td>
<td>857</td>
<td>845</td>
<td>833</td>
<td>836</td>
<td>3,371</td>
<td>858</td>
<td>722</td>
<td>790</td>
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<tr>
<td>Performance Materials</td>
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<td>698</td>
<td>607</td>
<td>652</td>
<td>2,634</td>
<td>584</td>
<td>437</td>
<td>444</td>
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<tr>
<td>Services, Corporate &amp; Others</td>
<td>180</td>
<td>177</td>
<td>205</td>
<td>239</td>
<td>800</td>
<td>201</td>
<td>179</td>
<td>191</td>
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<tr>
<td><strong>Evonik Group</strong></td>
<td>3,287</td>
<td>3,306</td>
<td>3,232</td>
<td>3,284</td>
<td><strong>13,108</strong></td>
<td>3,243</td>
<td>2,827</td>
<td>2,917</td>
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</table>

<table>
<thead>
<tr>
<th></th>
<th>Q1/19</th>
<th>Q2/19</th>
<th>Q3/19</th>
<th>Q4/19</th>
<th>FY 2019</th>
<th>Q1/20</th>
<th>Q2/20</th>
<th>Q3/20</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Adj. EBITDA (in € m)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Specialty Additives</td>
<td>225</td>
<td>226</td>
<td>232</td>
<td>203</td>
<td>886</td>
<td>239</td>
<td>202</td>
<td>214</td>
</tr>
<tr>
<td>Nutrition &amp; Care</td>
<td>113</td>
<td>121</td>
<td>119</td>
<td>109</td>
<td>462</td>
<td>118</td>
<td>168</td>
<td>140</td>
</tr>
<tr>
<td>Smart Materials</td>
<td>162</td>
<td>164</td>
<td>157</td>
<td>168</td>
<td>651</td>
<td>166</td>
<td>102</td>
<td>137</td>
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<tr>
<td>Performance Materials</td>
<td>63</td>
<td>84</td>
<td>49</td>
<td>53</td>
<td>248</td>
<td>18</td>
<td>12</td>
<td>28</td>
</tr>
<tr>
<td>Services, Corporate &amp; Others</td>
<td>-24</td>
<td>-29</td>
<td>-14</td>
<td>-27</td>
<td>-94</td>
<td>-28</td>
<td>-28</td>
<td>0</td>
</tr>
<tr>
<td><strong>Evonik Group</strong></td>
<td>539</td>
<td>566</td>
<td>543</td>
<td>505</td>
<td><strong>2,153</strong></td>
<td>513</td>
<td>456</td>
<td>519</td>
</tr>
</tbody>
</table>
Balanced regional and end market split 2019

Sales by region

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

End market split

- Consumer Care
- Automotive
- Nutrition
- Chemicals, O&G
- Consumer Goods
- Environmental
- Construction
- Other
- Coatings

Legend:
- 5-10%
- 10-15%
- 15-20%
“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>Fixed salary</th>
<th>~1/3</th>
</tr>
</thead>
<tbody>
<tr>
<td>- To be paid in cash for each financial year on a monthly basis</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Bonus</th>
<th>~1/3</th>
</tr>
</thead>
</table>
| - Pay-out calculated on the basis of the achievement of focused KPIs; aligned to mid-term strategic targets:  
  1. Progression towards EBITDA margin target  
  2. EBITDA growth (yoy)  
  3. Contribution to FCF target  
  4. Accident performance |
| - Factor of between 0.8 and 1.2 to take into account the achievement of further individual targets  
  - Bonus capped at 200% of initial target |

<table>
<thead>
<tr>
<th>Long-term incentive plan</th>
<th>~1/3</th>
</tr>
</thead>
</table>
| - Granted LTI target amount is calculated in virtual shares (4-year lock-up)  
  - Value of LTI to mirror the development of Evonik's share price (incl. dividends)  
  - Amount payable is determined by two performance elements |
| - Absolute performance: Real price of the Evonik share  
  - Relative performance against external index benchmark (MSCI Chemicals)  
  - Bonus capped at 300% of initial amount  
  - To be paid out in cash after lock-up period |
Raw material split and TOP 3 raw materials per division

Total procurement volume 2019 (in € m)

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

~€9.4 bn

Breakdown of raw material spend¹ (examples)

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

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

~€6.1 bn

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

Specialty Additives
- Acetone
- Ammonia
- Fatty Alcohol

Nutrition & Care
- Propylene
- Methanol
- Dextrose

Smart Materials
- Sodium Silicate
- Silicone Metal
- Sodium Hydroxide

Performance Materials
- Crack C4
- Propylene
- Acrylic Acid

1. Raw material spend 65% of total procurement volume in 2019
Appendix

1. Strategy Details
2. Financials
3. Division overview
4. Sustainability
5. Financials
6. Upcoming events
## Upcoming IR events

<table>
<thead>
<tr>
<th>Date</th>
<th>Event Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>4 November 2020</td>
<td>Roadshow, Frankfurt (virtual)</td>
</tr>
<tr>
<td>4 November 2020</td>
<td>Roadshow, global (virtual)</td>
</tr>
<tr>
<td>10 November 2020</td>
<td>UBS European Conference, London (virtual)</td>
</tr>
<tr>
<td>10/11 November 2020</td>
<td>Morgan Stanley Chemicals Conference, Boston (virtual)</td>
</tr>
<tr>
<td>12 November 2020</td>
<td>Baird's Global Industrial Conference, Chicago (virtual)</td>
</tr>
<tr>
<td>17 November 2020</td>
<td>Société Générale European ESG/SRI Conference, Paris (virtual)</td>
</tr>
<tr>
<td>24 November 2020</td>
<td>Credit Suisse Year End Conference, London (virtual)</td>
</tr>
<tr>
<td>30 November 2020</td>
<td>Berenberg European Conference, London (virtual)</td>
</tr>
<tr>
<td>1 December 2020</td>
<td>Bank of America Chemicals Conference, London (virtual)</td>
</tr>
</tbody>
</table>

## Upcoming Events & Reporting Dates

<table>
<thead>
<tr>
<th>Date</th>
<th>Event Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>3 November 2020</td>
<td>Q3 2020 reporting</td>
</tr>
<tr>
<td>4 March 2021</td>
<td>Q4/FY 2020 reporting</td>
</tr>
<tr>
<td>6 May 2021</td>
<td>Q1 2021 reporting</td>
</tr>
<tr>
<td>2 June 2021</td>
<td>AGM</td>
</tr>
<tr>
<td>5 August 2021</td>
<td>Q2 2021 reporting</td>
</tr>
<tr>
<td>4 November 2021</td>
<td>Q3 2021 reporting</td>
</tr>
</tbody>
</table>
Evonik Investor Relations team

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

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Disclaimer

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