

Evonik divests U.S. betaine business

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- Care Solutions business shifts portfolio further to System Solutions
- Focus on increased investment in high-growth and high-margin, sustainable specialty chemicals
- Sale includes North plant at Hopewell, Virginia, site

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Essen, Germany. Evonik, one of the world's leading providers of personal care ingredients, is continuing its portfolio transformation to System Solutions by divesting its U.S. betaine business. On July 28, 2022, Evonik signed an agreement to sell its whole betaines business in Hopewell, Virginia in the U.S. – inclusive staff and part of the site – to specialty chemicals company Kensing LLC. This divestment marks the next stage of the transformation of Evonik's Care Solutions business line to become a System Solutions provider for the personal care and cleaning industries.

The Care Solutions business line is a cornerstone of Evonik's growing life sciences division, Nutrition & Care, which aims to increase its share of System Solutions from 20 percent today to more than 50 percent by 2030. This goal supports the transformation of the whole company to make sustainability the central driver of innovation as Next Generation Evonik. System Solutions are multi-component offerings across products, technologies and services that are tailored to a unique customer need and often have proven sustainability benefits.

“Betaines are an attractive and profitable business, but they are no longer core to Care Solutions' strategy, which is driven by high-value-added System Solutions. We are convinced, with the new ownership under Kensing, the business will be in good hands for the North plant employees of Evonik,” said Yann d'Hervé, head of Evonik's Care Solutions business line.

Betaines are amphoteric surfactants, which are used as ingredients in the formulation of shampoos, hair conditioners and skin care products for the personal care industry and in a wide range of other consumer applications. This portfolio adjustment

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of the Care Solutions business line will enable further investments and acquisitions of sustainable specialties, especially within the innovation growth field cosmetic solutions.

In August 2020, Evonik divested its betaine business in the UK with the sale of the Milton Keynes site. In November 2020, it consolidated its European manufacturing activities to support the transition to specialty technology by closing its site in Granollers, Spain. Evonik will continue its betaine businesses in Europe, Asia and Latin America.

The remaining part of the Hopewell facility, which manufactures additives for polyurethane foam manufacture, agricultural and industrial applications and its approximately 100 employees will continue to be an important part of Evonik's North America region.

Company information

Evonik is one of the world leaders in specialty chemicals. The company is active in more than 100 countries around the world and generated sales of €15 billion and an operating profit (adjusted EBITDA) of €2.38 billion in 2021. Evonik goes far beyond chemistry to create innovative, profitable and sustainable solutions for customers. About 33,000 employees work together for a common purpose: We want to improve life today and tomorrow.

About Nutrition & Care

The focus of the business of the Nutrition & Care division is on health and quality of life. It develops differentiated solutions for active pharmaceutical ingredients, medical devices, nutrition for humans and animals, personal care, cosmetics, and household cleaning. In these resilient end markets, the division generated sales of €3.56 billion in 2021 with about 5,300 employees.

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