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Leading Beyond Chemistry

Q4 / FY 2022
Earnings Conference Call

March 2nd, 2023

Christian Kullmann, Chief Executive Officer
Ute Wolf, Chief Financial Officer

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Challenging year-end finish: Strong volume declines – record FCF
Innovation growth & resilience in specialty businesses expected to continue in 2023

FY 2022 adj. EBITDA of €2.5 bn at **lower end of outlook range**:
Record first half followed by weak H2 with strong volume declines

Strong FCF finish: **active NWC management** in Q4 resulting in **strongest-ever quarterly FCF of €603 m** – bringing FY cash conversion to >30%

Portfolio management on track:
Divestments in Performance Materials progressing well

Innovation success story continues:
FY 2022 with **20% sales growth in Innovation Growth Fields** – driven by Cosmetic Solutions and Sustainable Nutrition

Outlook FY 2023: **Resilience in Specialty Additives, Health & Care and Smart Materials**;
lower prices in Animal Nutrition and Performance Materials

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2022: A year of multiple external challenges

Logistic hurdles	Energy crisis	Pricing & demand dynamics
81 **Forces Majeures** at suppliers in February	**0%** **Russian gas flows** to Germany since September	**2.4bn€** **higher variable costs**
32cm **River Rhine water level** in August	**40%** **natural gas substitution**[1] potential at Evonik	**23%** **price increase** in H1
11 months **lockdowns in China**	**26%** **energy saved** in Q4	**-9%** **volume decline** in H2

1. Natural gas for energy consumption

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Actively shaping the future of Evonik

1 Progress in divestment of Performance Materials

2 Innovation success story continues

3 Balanced global investments into future growth

4 Further environmental footprint reduction underway

5 Increasing independence from fossil energy sources

6 Cost management to deliver €250 m savings in 2023

1 Exit of Performance Materials underway
Progress in divestments of all three business lines

Superabsorber	Functional Solutions	Performance Intermediates
		
~ €900 m sales[1]	**~ €650 m sales[1]**	**~ €2,100 m sales[1]**
▪ Carve-out completed July 1st, 2021 ▪ Start of divestment process on the basis of improved market dynamics and positive financial outlook for 2023 ▪ Teaser will be sent out shortly	▪ Successful carve-out of Lülsdorf site on January 1st, 2023 ▪ Investor negotiations at an advanced stage ▪ Alkoxides (biodiesel catalysts; ~€407 m sales) moved to Smart Materials	▪ Carve-out process ongoing ▪ Closely monitoring market environment for value-enhancing start of divestment process

Aiming to find new owners/partners for each of the three businesses in the course of 2023

1. FY 2022

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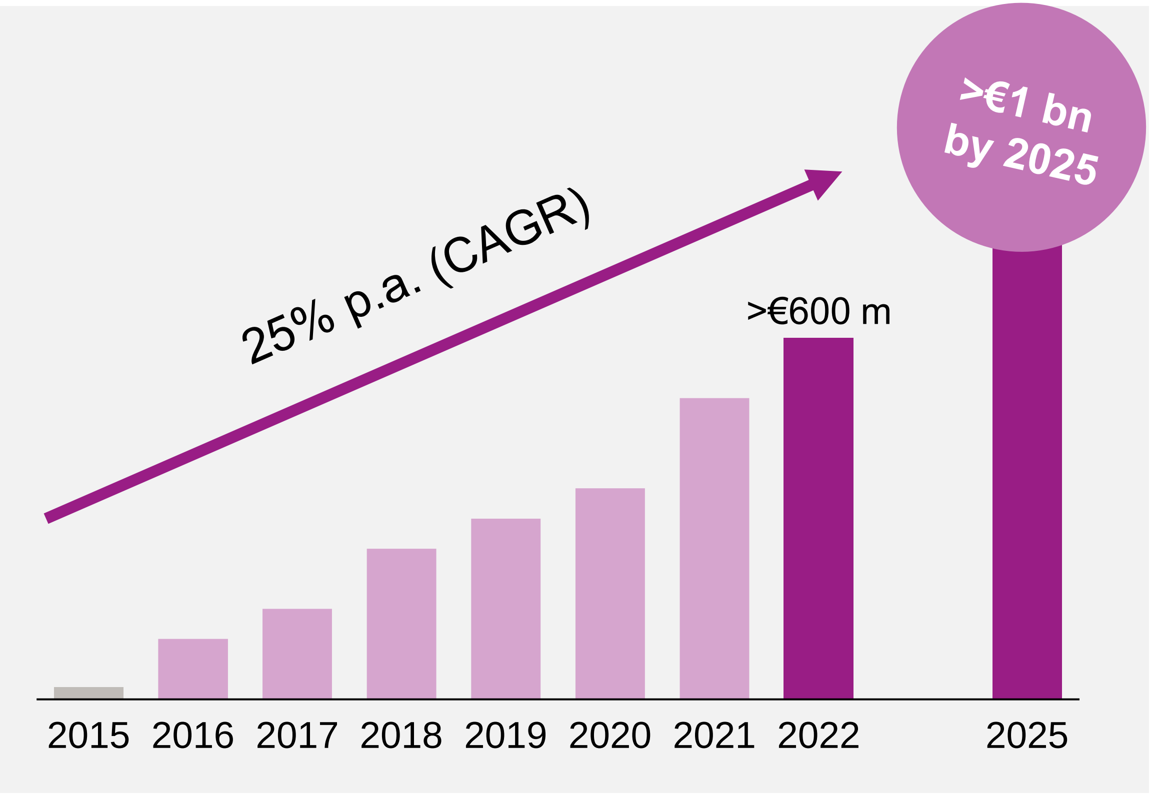
2 Innovation success story continues

Growth track record for Innovation Growth Fields continued in 2022

Sales contribution Innovation Growth Fields



Major innovation growth drivers

Innovation highlights	FY 2022
Sustainable Nutrition: ▪ Veramaris with strong upswing in demand for salmon farming and increased interest for applications in pet food and human nutrition ▪ Amino acid delivery systems for dairy cows showed continued sales growth throughout 2022	
Cosmetic Solutions: ▪ Continued significant growth contribution from liposome delivery systems ▪ Two new product launches: Biodegradable film former for sun care & economical ester quat for hair conditioning; high demand for product samples already	

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3 Balanced global investments into future growth
Strengthening Next Generation Solutions across all regions

Pharmaceutical lipids

New lipid production in Tippecanoe

- New **global-scale production facility** for pharma lipids for **new mRNA-based drugs** scheduled to go on stream in 2025
- Project **mostly funded by US Government**

North America

Biosurfactants

First world-scale biosurfactant plant

- Construction of a new production plant **for bio-based rhamnolipids in Slovakia**, scheduled to go on stream 2023-2024
- **Fermentation of sugar completely replaces petrochemicals raw materials**

Europe

Battery Materials

Expansion of fumed aluminum oxides plant in Yokkaichi, Japan

- Expansion of production facility for special aluminum oxides to serve **fast-growing battery and powder coating markets**
- Supported by funds from the Japanese Government

Asia-Pacific

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3 Increase of “Next Generation Solutions” to 43% of sales

Solutions with tangible sustainability benefits

NEXTGEN

Increase of **“Next Generation Solutions”[1]**

2020	37%
2022	**43%**
2030	**>50%**

44.3 million tons

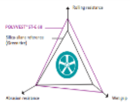
avoided CO_2e emissions[2]

Green tire Silica

Hydraulic fluids

Amino acids

HPPO



Functional rubber additives

Metal oxides in batteries

1. NGS: “Next Generation Solutions” include “Leader” (A++) and “Driver” (A+) products and solutions | 2. Avoided emissions from six selected Next Generation Solutions

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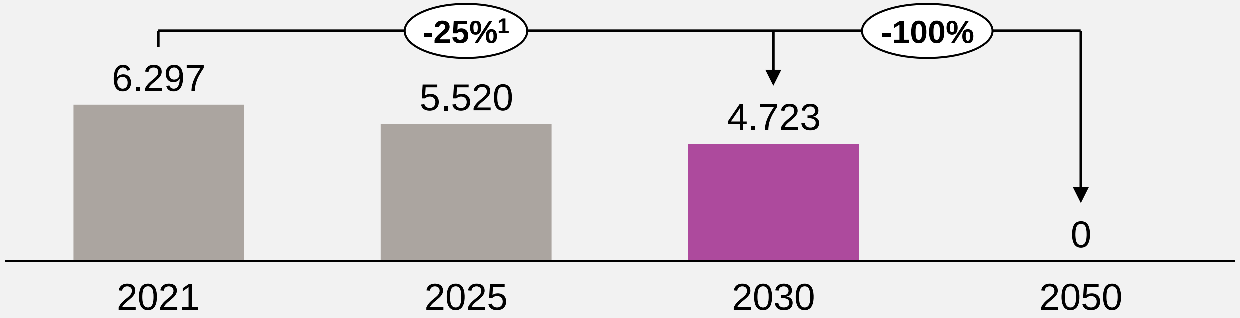
4 Further environmental footprint reduction underway
Holistic and measurable set of environmental KPIs in place

Emission reduction with good progress already in 2022

Scope 1&2

2022 **-6%** → **2030** **-25%**

Our path to climate neutrality



New water & waste targets until 2030

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

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

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

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5 Targeting 100% green sourced electricity until 2030

Increasing independence from fossil energy sources

Europe: Long-term PPA with EnBW starting in 2026

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

Asia: Further PPAs at production locations

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

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

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

6 Contingency measures to counterbalance cost inflation
Strict cost control in place

~25%
Operations

e.g. optimized maintenance plans, discipline in non-essential projects

~25%
Others

e.g. less use of consultants, reduced fair & event participation, reduced sponsoring, optimized IT costs

Cost savings of
€250 m
in FY 2023

Established controlling process

Consolidated cost overview enables close **deviation analyses** at group and management level

Monthly reporting across all divisions on group and management level

Regular monitoring by Executive Board

~50%
Personnel

e.g. discipline in hiring & wage, overtime work, secondments, promotions, travel, car policy

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FY 2022 results
Earnings at 10-year high – strong FCF catch-up in H2

Sales (in € m)	**EBITDA** (in € m)	**Free cash flow** (in € m)	**Dividend** (in €)
18,488 (FY 2021: €14,955 m)	**2,490** (FY 2021: €2,383 m)	**785** (FY 2021: €950 m)	**1.17** (FY 2021: 1.17 €)
Pricing holding up well throughout the year, compensating cost inflation; clear volume losses in H2	Adjusted EBITDA at 10-year high driven by strong H1	NWC build-up in H1 largely reversed in H2, resulting in strongest-ever quarterly FCF of €603 m in Q4	Continuation of reliable and attractive dividend

FY 2022 results
A year of two halves for EBITDA and FCF

2022

	H1	H2	FY 2022
Adj. EBITDA growth (yoy, in %)	**+18%** Strong volumes & pricing	**-10%** Volume driven due to destocking and weak demand	**4%** Achieving a 10-year high adj. EBITDA of €2,490 m
Free Cash Flow (in € m)	**-106** NWC build-up due to higher raw material prices and supply chain issues	**+891** Active inventory management: Highest-ever cash-inflow for a half-year	**785** Cash conversion of 32% achieved

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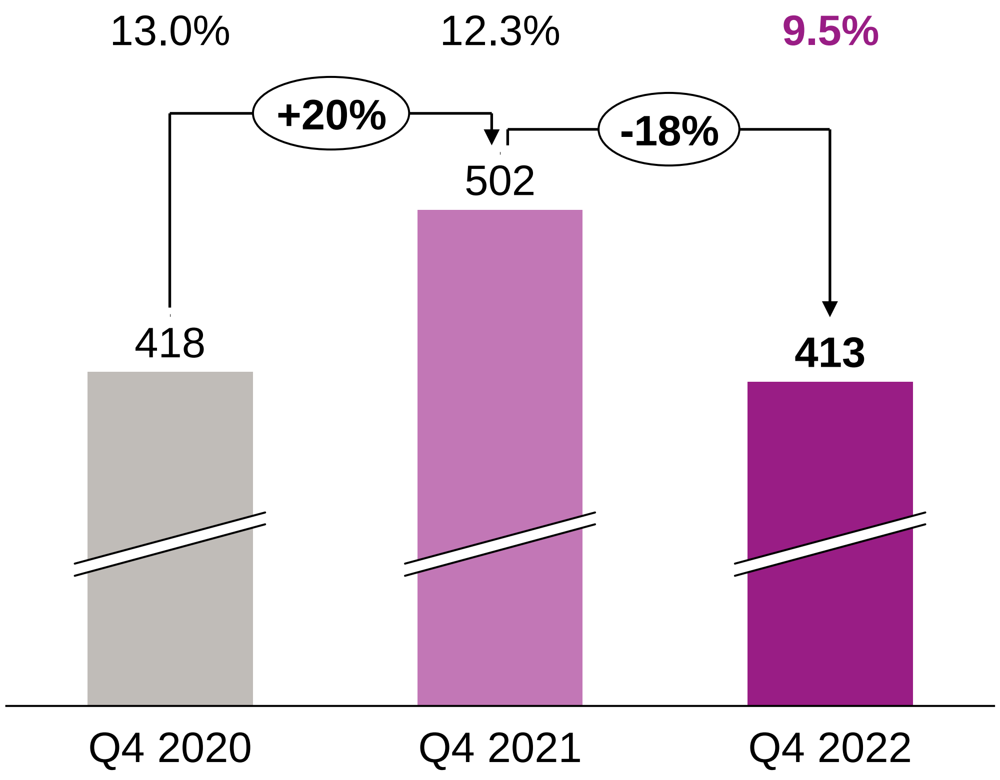
EBITDA – Q4 2022 Results

Challenging year-end finish characterized by strong volume declines

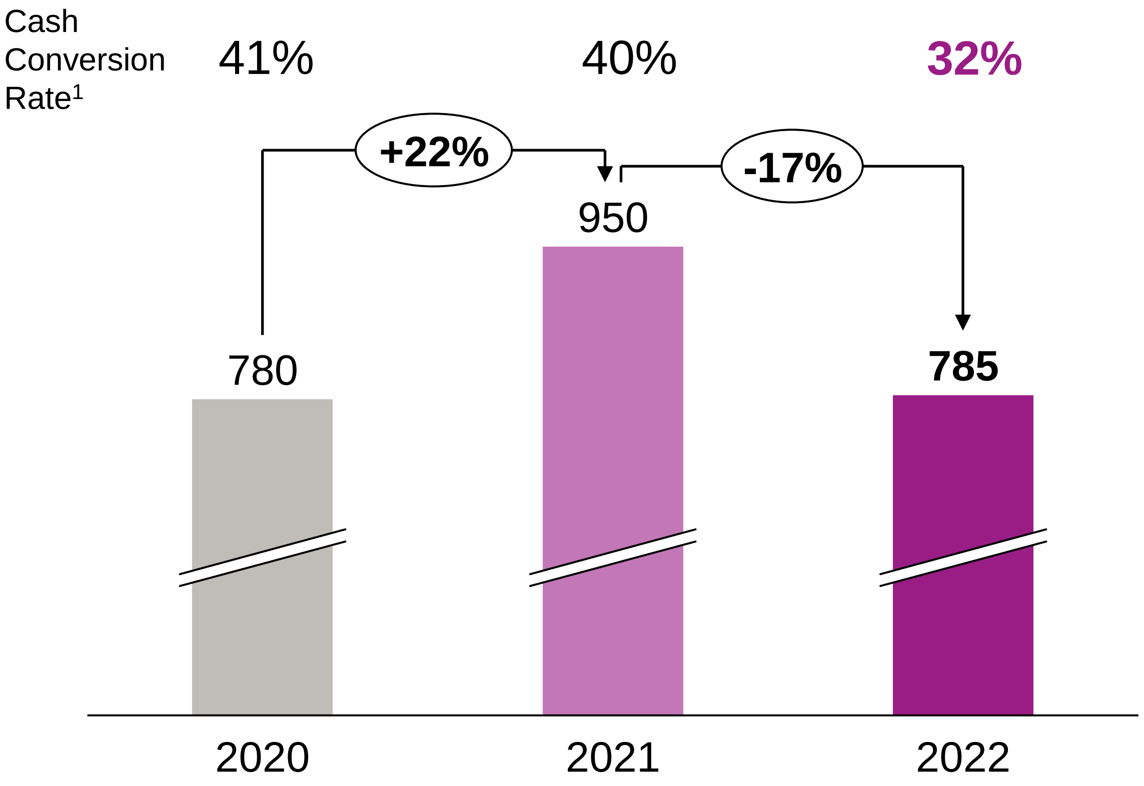
Adj. EBITDA (in € m)



- **Q4 EBITDA** down due to significant **volume** declines across all divisions (-11% yoy)
  - Result of de-stocking – following a period of very high safety stocks (peak in summer months)
  - … and weakening end customer demand
- **Prices** holding up well (+11% yoy)
- Focus on NWC management positive for FCF…
- ...led to under-absorption of fixed costs with negative impact on adj. EBITDA

FCF – FY 2022 Results
Strongest-ever quarterly FCF of €603 m in Q4

Free Cash Flow 2022 (in € m, continuing operations)



- **Q4 FCF** (€603 m vs €13 m prior-year)
  - Significantly higher cash inflow from NWC release vs prior-year (+€541 m vs. +€114 m)
  - Lower tax pre-payments (+€14m vs -€230 m)
- **FY FCF** lower yoy due to
  - Slightly higher build-up of net working capital
  - Higher bonus payments (yoy) for FY 2021

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

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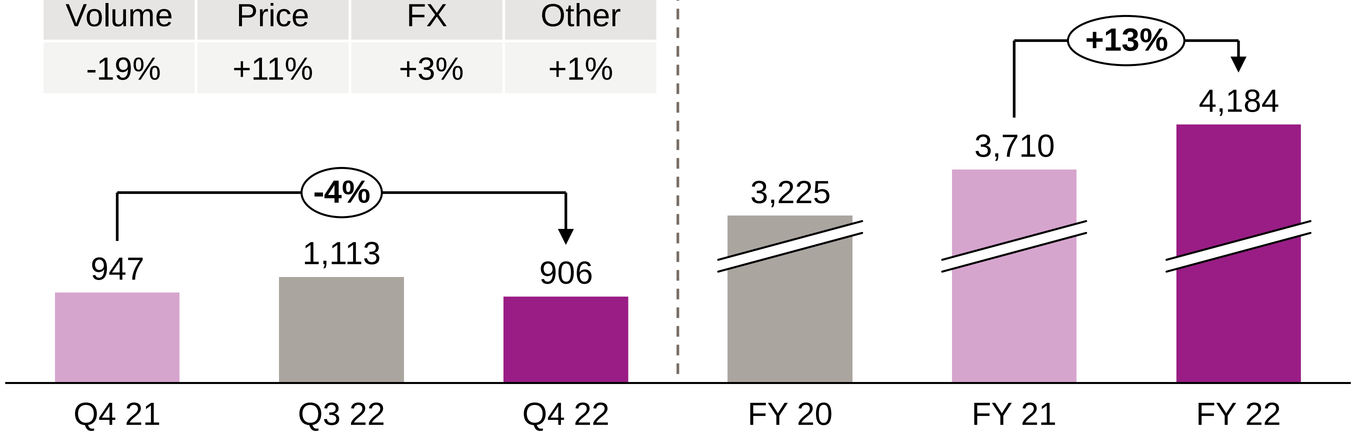
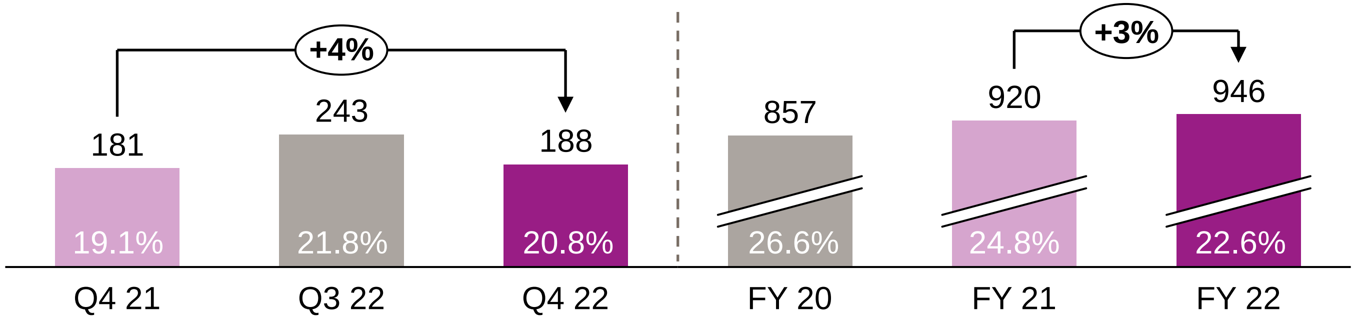
Specialty Additives

Sales
(in € m)

Q4 22 vs Q4 21			
Volume	Price	FX	Other
-19%	+11%	+3%	+1%



Adj. EBITDA
(in € m)
/ margin



- Q4 with quite pronounced volume declines, reflecting customer destocking from high levels during a year of supply chain constraints
- Exception: strong Crosslinkers demand from wind power customers in China
- Another quarter of double-digit price increases, compensating for still elevated variable costs
- Despite lower volumes and utilization, yoy slightly higher earnings and margins
- Compared to Q3, lower utilization and fixed cost absorption

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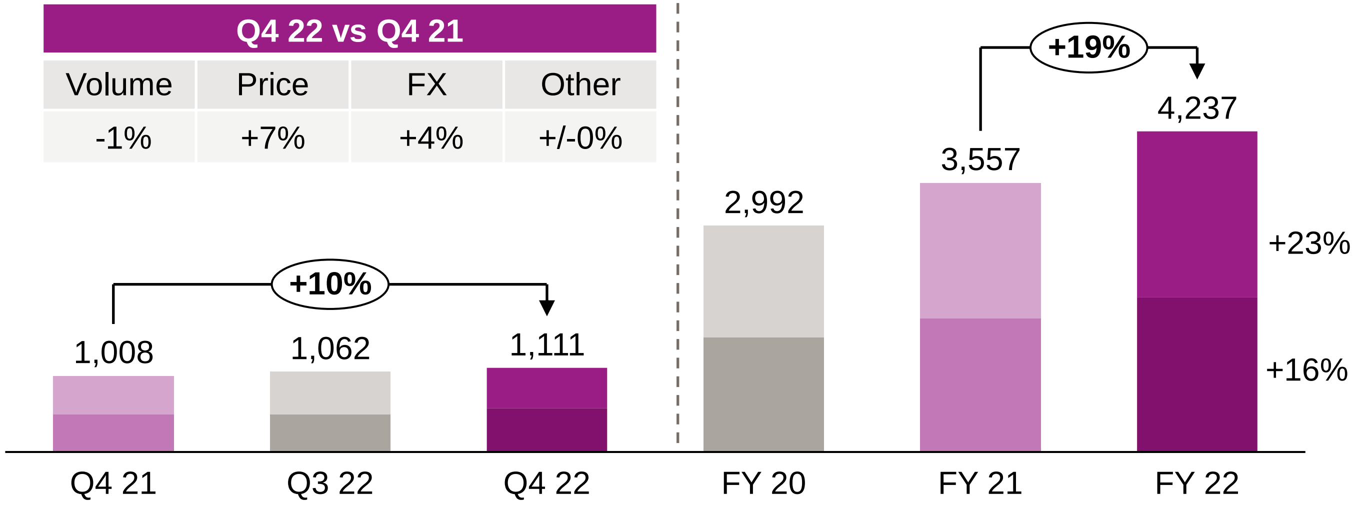
Nutrition & Care

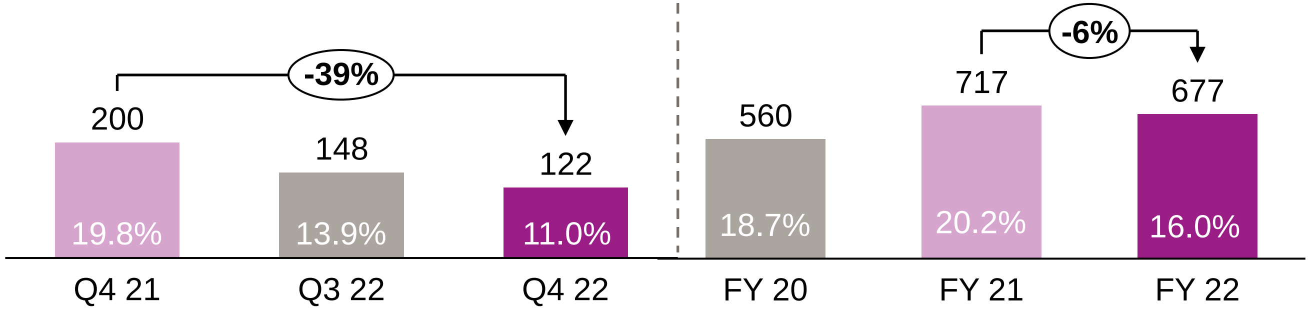
Sales
(in € m)

Split Animal Nutrition and Health & Care

Q4 22 vs Q4 21			
Volume	Price	FX	Other
-1%	+7%	+4%	+/-0%



Adj. EBITDA
(in € m)
/ margin



Health & Care

- Care Solutions: Positive pricing esp. for cosmetic solutions and active cosmetic ingredients overcompensates lower volumes
- Health Care: Strong operational performance for both drug delivery and substance resulted in clear catch-up from Q3

Animal Nutrition

- Ongoing customer destocking in Q4
- Selling prices with expected step-down, still elevated variable costs

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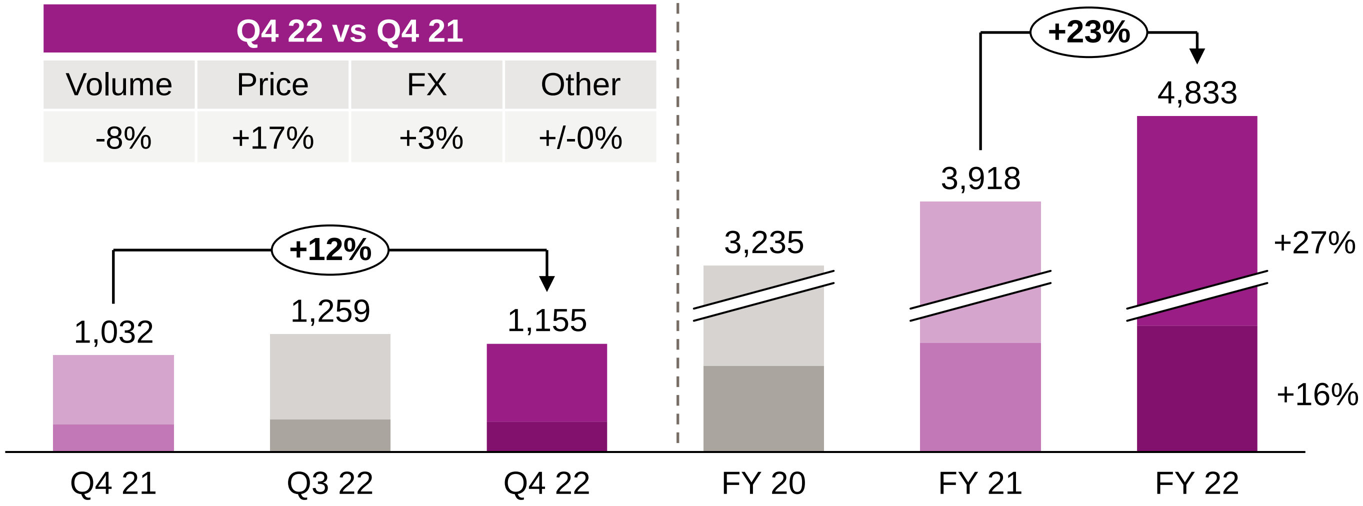
Smart Materials

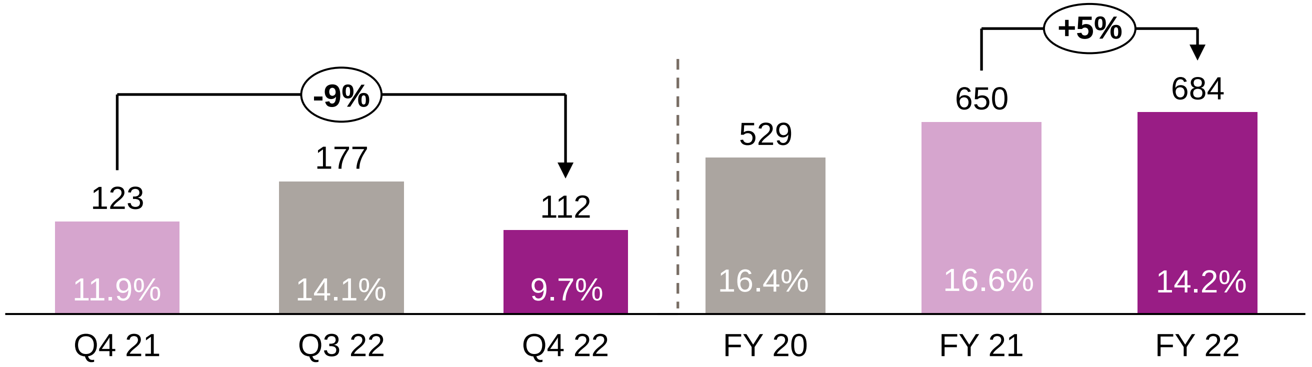
Sales
(in € m)

Split
Inorganics
&
Polymers

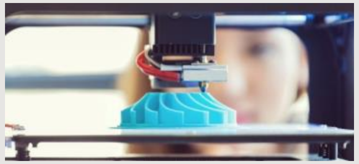
Q4 22 vs Q4 21			
Volume	Price	FX	Other
-8%	+17%	+3%	+/-0%



Adj. EBITDA
(in € m)
/ margin



- Strong sales progression, mainly driven by double-digit price increases, compensating for higher raw material and energy costs
- Q4 burdened by lost volumes, mainly due to lower demand and plant shutdowns (HPPO)
- Exception: double-digit volume growth for High-Performance Polymers based on strong and broad-based demand
- Positive top line not reflected in earnings, additionally impacted by negative inventory effects and higher logistic costs



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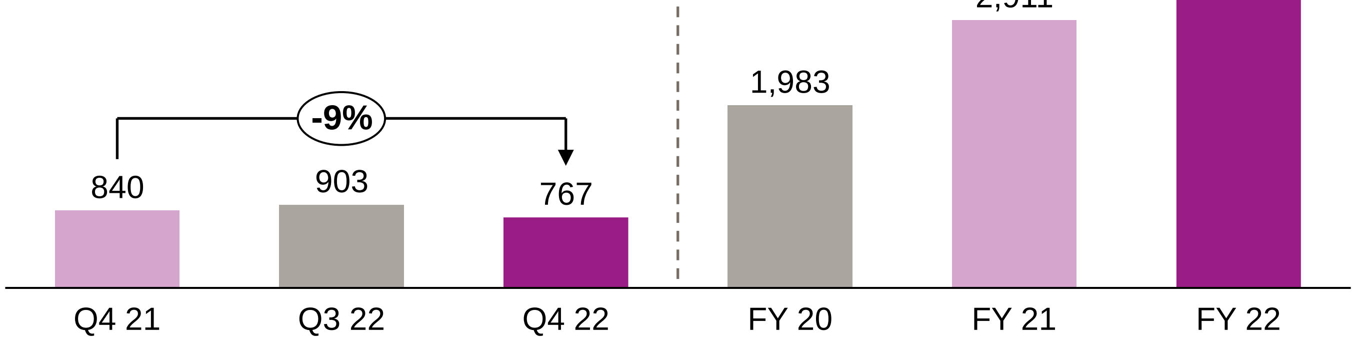
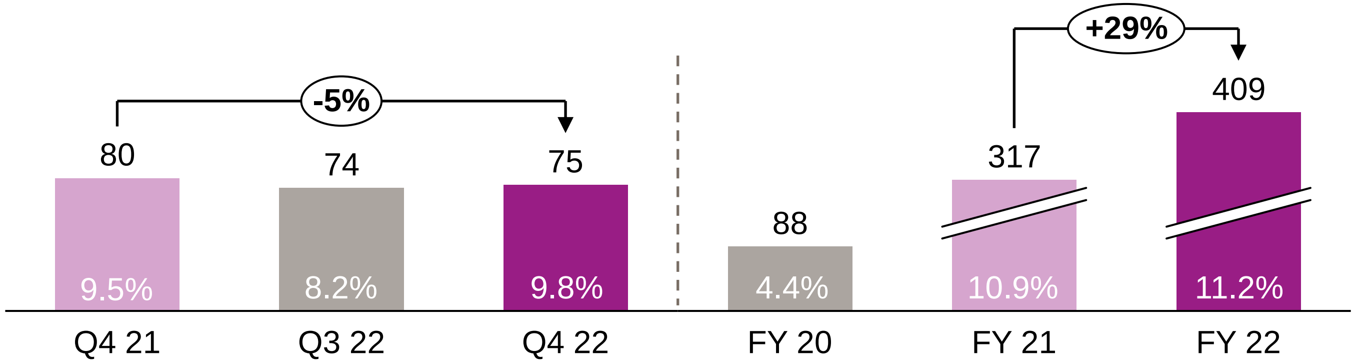
Performance Materials

Sales
(in € m)

Q4 22 vs Q4 21			
Volume	Price	FX	Other
-22%	+11%	+2%	+/-0%



Adj. EBITDA
(in € m)
/ margin



- Less pronounced seasonal volume decline in Q4 (qoq) as Q3 was impacted by longer maintenance shutdown in C_4
- Spreads in Q4 on average similar to Q3 levels for MTBE and Butene-1
- However, underlying demand for C_4 products remains negatively impacted by weak economic environment and customer end markets
- Clear sequential decline expected for Q1 in C_4 spreads and weak demand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Assumptions for our FY outlook

Macro & Phasing

- Challenging macroeconomic environment (GDP +1.9%; 2022: +3.0%)
- **Weak business** performance expected **in Q1**, continuation of weak momentum of year-end 2022
- **Successive acceleration** in business development **from Q2 onwards**

Volume & Price

- **Prices** in specialty chemicals businesses expected to remain **stable or decline only slightly** during the course of the year
- In Animal Nutrition and Performance Intermediates, more significant price declines anticipated from high previous year level
- Sales **volumes** expected to **decline only slightly** overall (still clearly negative in H1, growing again in H2)

Energy costs

- Energy cost trend in Europe more beneficial, but uncertainty remains for 2023
- **Only slight increase** of ~€100 m expected vs previous year (from €1.2 bn to €1.3 bn; previous expectation in Nov 2022: increase of €300m), based on long-term hedging strategy

Inflation

- **Slightly lower raw material costs** vs previous year
- **Rising factor costs** expected to be **largely offset** by implementation of €250 m contingency measures

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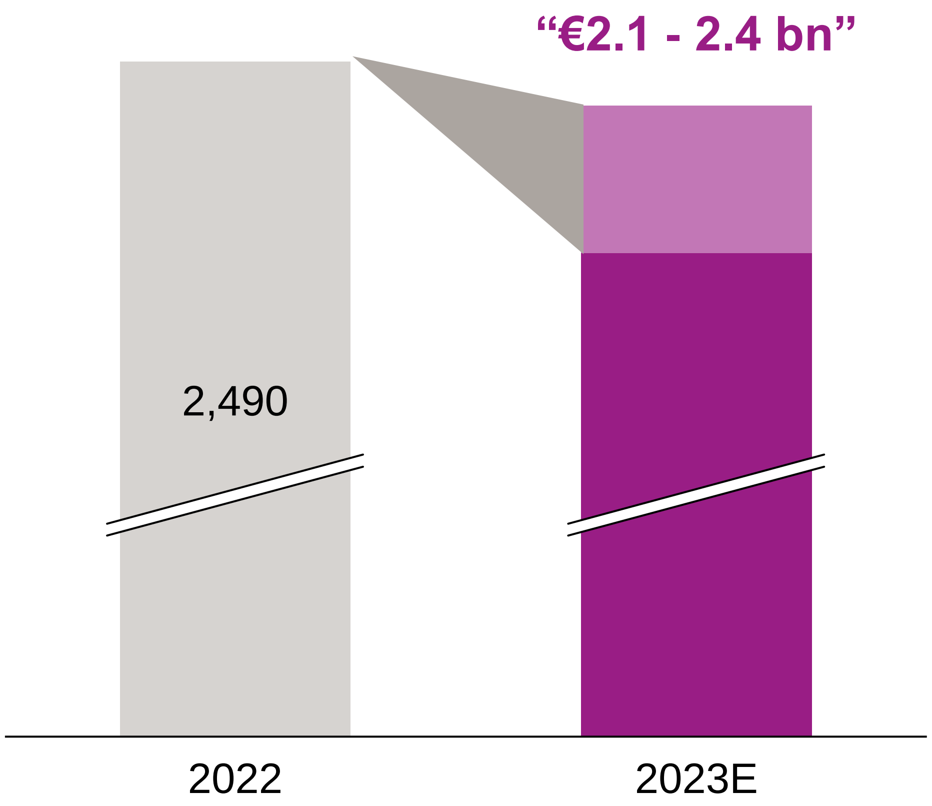
Outlook 2023: Adj. EBITDA

Resilience in Specialty Additives, Smart Materials, Health & Care
Earnings decline in Animal Nutrition and Performance Intermediates

Adj. EBITDA (in € m)



Outlook by division

Specialty Additives		▪ Applications for energy efficiency to develop positively
Nutrition & Care	Health & Care	▪ Unbroken positive trends esp. in Care Solutions
Nutrition & Care	Animal Nutrition	▪ Slightly higher volumes, noticeable normalization of prices, lower raw material costs
Smart Materials		▪ Inorganics with positive demand for H_2O_2 specialties and catalysts ▪ Polymers to benefit from additional capacities for PA12
Performance Materials		▪ Baby Care up ▪ Performance Intermediates down significantly

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Indications for adj. EBITDA FY 2023 on division level

Specialty Additives

- Specialty Additives to benefit from mission-critical solutions geared towards sustainability
- e.g. solutions for the energy transition or to improve efficiency
- Supply chain disruptions experienced in 2022 should not repeat

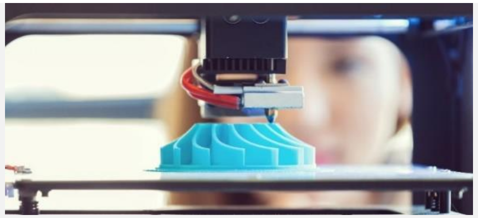
"stable at around prior-year level"

Nutrition & Care

- Health & Care with increasing share of "System Solutions" at above-average margins
- Animal Nutrition: Return to volume growth while prices expected well below prior year's levels; easing raw material and logistic costs in H2
- Continued active cost management

"considerably lower than prior-year level"

Smart Materials



- Ongoing positive development in "Eco Solutions", especially for specialties in Active Oxygens and Catalysts
- "Future Mobility": New PA12 capacities into tight market
- Alkoxides (bio-diesel catalysts) now part of Catalysts business line

"slightly above prior-year level"[1]

Performance Materials

- Significant pressure on margins in the C_4 business
- Baby Care with higher earnings, benefiting from improving market environment and long-term customer relationships

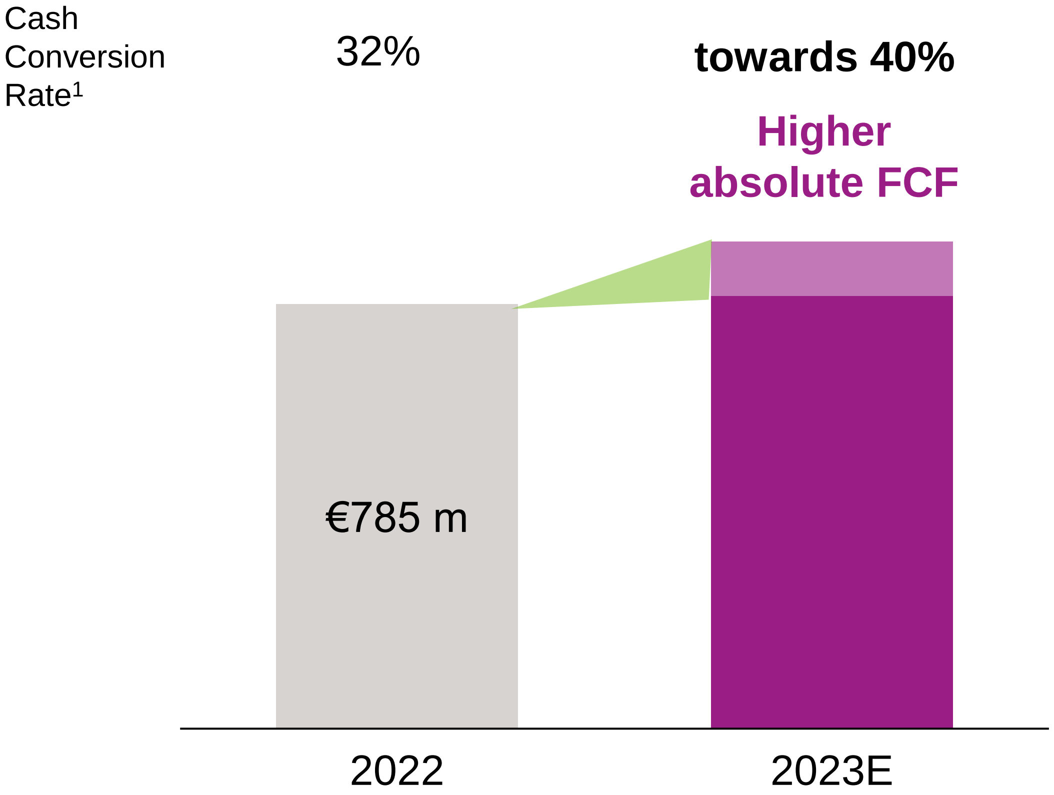
"significantly lower than prior-year level"[1]

1. Outlook for Smart Materials and Performance Materials based on restated prior-year figures: alkoxides moved from PM to SM as of January 1st, 2023; €59 m EBITDA in FY 2022, for further details see backup slide

Outlook 2023: Free Cashflow

Better cash conversion and higher absolute FCF

"Develop cash conversion towards target of 40%"



Higher absolute FCF in FY 2023 driven by:

- Positive contribution from **NWC** management
- Continued **capex** discipline: unchanged base budget of €900 m despite inflationary environment

  … plus investments in "Next Generation Technologies"[2] of ~€75 m
- Lower **bonus** payments for fiscal 2022

1. Free cash flow conversion (FCF / adj. EBITDA) | 2. Measures to increase efficiency and reduce CO_2 emissions in production

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Footprint: Reduction targets in all our sustainability focus areas

Measurable set of KPIs in place

Footprint reduction

Targets 2030[1]

Fight Climate Change

-25%

Scope 1 & 2 emissions

- 100% renewable sourced electricity
- -11% Scope 3 emissions
- Be climate neutral for all emission scopes by 2050

Drive Circularity

-10%

Specific[2] production waste

- Reduce amount of non-hazardous waste sent to landfill
- Significant increase in bio-based and circular raw materials

Safeguard Ecosystems

-3%

Specific[2] freshwater intake

- Site-specific action plans for water-stress production sites
- 100% RSPO MB[3] certified palm oil and derivatives by 2025

Ensure Health & Wellbeing

-20%

Other emissions to air

- Maintain low risk exposure to “Hazardous Chemicals of High Concern”

1. reference year 2021; 2. Corresponding to the production volume; 3. RSPO MB: Roundtable on Sustainable Palm Oil Mass Balance

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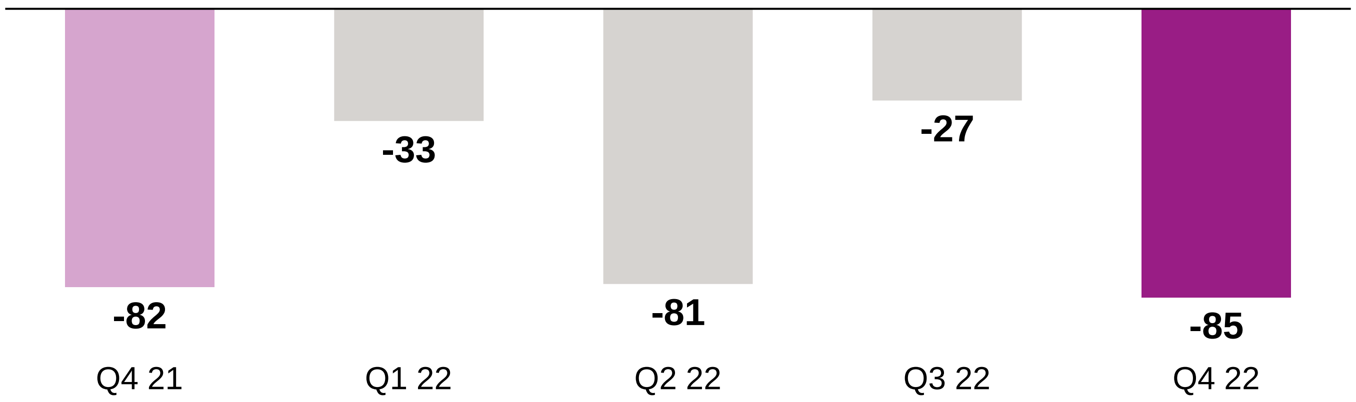
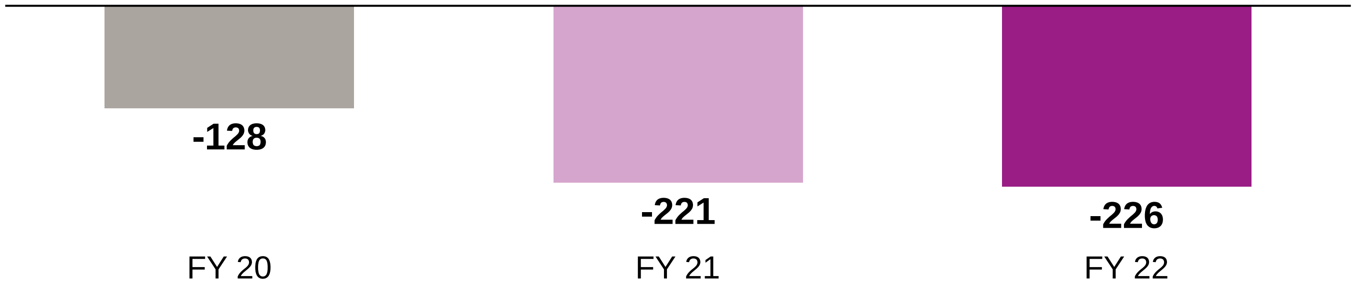
Technology & Infrastructure / Other

Adj. EBITDA
(in € m)





- FY 2022 earnings burdened by higher costs for power plants and energy purchasing
- Visible esp. in Q2 and Q4 – before redistribution of negative effects to operating businesses (e.g. in Q3)
- Q4 with additional year-end effects and one-time payment to employees as part of the tariff agreement reached in October
- Earnings will be significantly less negative in 2023 yoy as contingency measures will have a positive effect

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Additional indications for FY 2023

Sales	**between €17 and 19 bn** (2022: €18.5 bn)
ROCE	**slightly below the level of 2022** (2022: 8.3%)
Capex[1]	**base budget around €900 m** (2022: €865 m), plus ~€75 m for NPV-positive investment in Next Generation Technologies (€700 m until 2030)
EUR/USD sensitivity[2]	+/-1 USD cent = **-/+ ~€10 m** adj. EBITDA (FY basis)
Adj. EBITDA T&I/Other	**significantly less negative than prior year level** (2022: -€226 m)
Adj. D&A	**slightly above the level of 2022** (2022: €1,140 m)
Adj. net financial result	**back to around 2021 level** (2022: -€19 m; 2021: -€97 m)
Adj. tax rate	**around** long-term sustainable level of **~30%** (2022: 29%)

1. Cash outflow for investment in intangible assets, pp&e | 2. Including transaction effects (after hedging) and translation effects; before secondary / market effects

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Reorganization of Alkoxides in preparation of Funct. Solutions divestment
Restated figures as basis for divisional outlook 2023

Smart Materials

Catalysts

From January 1st, 2023

Performance Materials

Functional Solutions

Potassium Derivatives/Cyanuric Chloride:
~€200 m sales, low-double digit margin[1]

Part of Performance Materials until closing of the divestment

Alkoxides:
€407 m sales, €59 m EBITDA[1]

Smart Materials

	Sales	Adj. EBITDA
Financials 2022	€4,833 m	€684 m
Restatement Alkoxides	€407 m	€59 m
Restated 2022 (as basis for outlook 2023)	€5,240 m	€743 m

Performance Materials

	Sales	Adj. EBITDA
Financials 2022	€3,660 m	€409 m
Restatement Alkoxides	€407 m	€59 m
Restated 2022 (as basis for outlook 2023)	€3,253 m	€350 m

1. FY 2022

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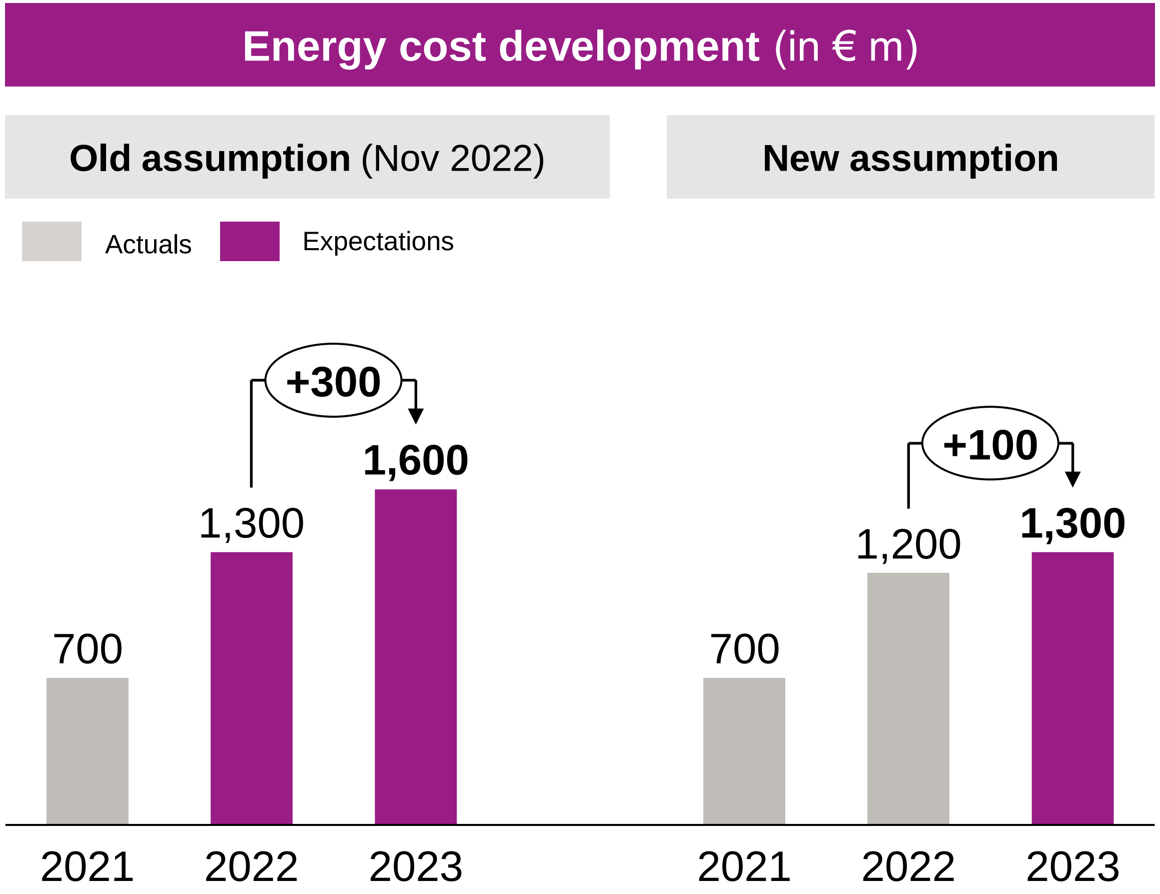
Energy cost development

€100 m increase yoy, lower than assumed in November 2022



Expected energy cost development influenced by:

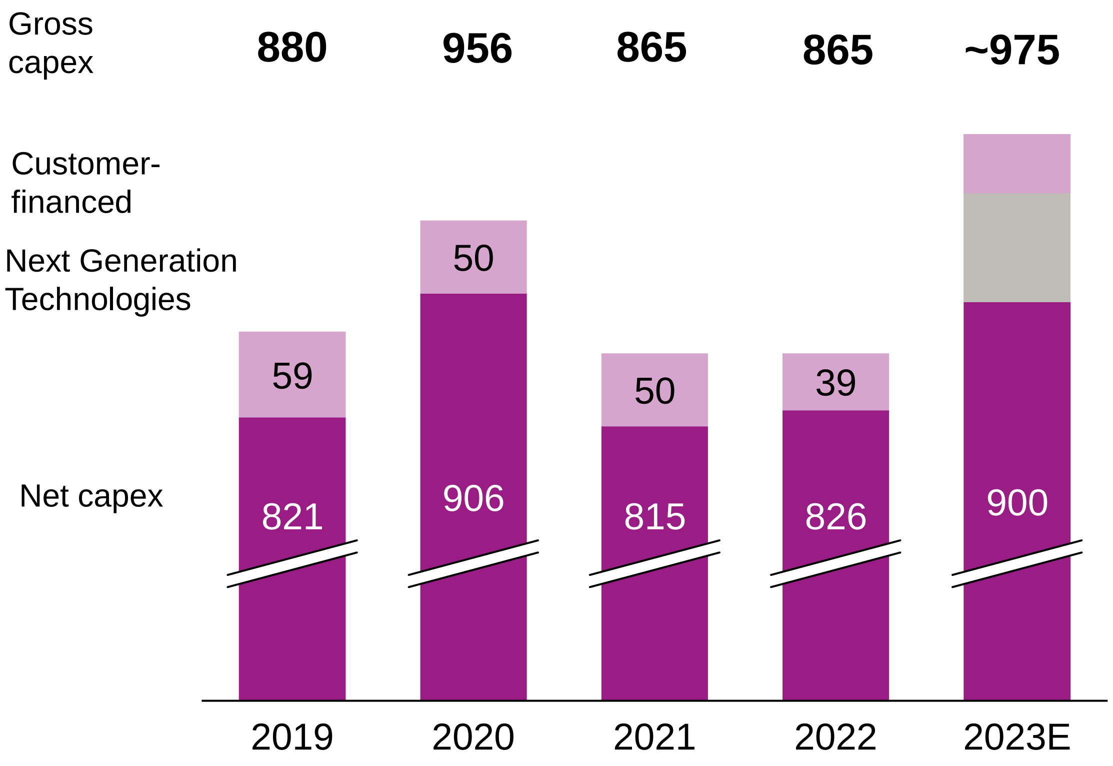
- Large parts of exposure hedged via physical forwards

Changes mainly driven by remaining unhedged part:

- Lower energy cost in **2022** due to quickly falling energy prices at year-end (€1.2 instead of €1.3 bn)
- Energy cost **2023** lower than previous expectation due to lower energy price level in Europe (€1.6 vs €1.3 bn)
- **Energy cost increase (yoy) €200 m lower than assumed in November 2022** (+€100 vs +€300 m)

Cash-out for capex expected at target level of “~€975 m” in FY 2023
Temporary lower capex in 2021 and 2022

Capex development (in € m)



- Lower capex after higher capex esp. in 2020 for new Polyamide 12 plant in Germany (>€500 m from 2019 to 2022)
- ~€75 m additional capex for investment in **Next Generation Technologies** (€700 m until 2030) leading to €100 m opex savings p.a.
- **Positive cash-in from customer-financed projects[1]** resulting in lower „net capex“ and positive for FCF

1. Customer financing included in operating cash flow (as part of EBITDA or „misc. assets & liabilities“)

Adjusted income statement Q4 2022

in € m (except per adj. EPS)	Q4 2021	Q4 2022	∆ in %
Sales	**4,091**	**4,340**	**+6**
Adj. EBITDA	**502**	**413**	**-18**
Depreciation & amortization	-285	-333	
Adj. EBIT	**217**	**80**	**-63**
Adj. net financial result	11	10	
D&A on intangible assets	54	48	
Adj. income before income taxes	**282**	**138**	**-51**
Adj. income tax	-54	-39	
Adj. income after taxes	**229**	**99**	**-57**
Adj. non-controlling interests	4	-5	
Adj. net income	**224**	**94**	**-58**
Adj. earnings per share	**0.48**	**0.20**	
Adjustments	-104	-340	

Depreciation & amortization

- Higher depreciation & amortization mainly due to several smaller impairments resulting from asset impairment test in Q4

Adj. tax rate

- Q4 with adj. tax rate of 28% slightly below FY guidance of 30%

Adjustments

- Goodwill impairment for Performance Materials of €301 m, driven by conservative assumption on future energy prices (persisting on elevated levels of 2022)
- Restructuring: Mainly charges related to the intended divestment of Performance Materials
- Divestments: Proceeds from previous divestments (mainly TAA derivatives and US Betaine operations in Hopewell Virginia)

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Adjusted income statement FY 2022

in € m (except per adj. EPS)	FY 2021	FY 2022	∆ in %
Sales	**14,955**	**18,488**	**+24**
Adj. EBITDA	**2,383**	**2,490**	**+4**
Depreciation & amortization	-1,045	-1,140	
Adj. EBIT	**1,338**	**1,350**	**+1**
Adj. net financial result	-97	-19	
D&A on intangible assets	162	169	
Adj. income before income taxes	**1,403**	**1,500**	**+7**
Adj. income tax	-396	-431	
Adj. income after taxes	**1,007**	**1,069**	**+6**
Adj. non-controlling interests	-21	-15	
Adj. net income	**986**	**1,054**	**+7**
Adj. earnings per share	**2.12**	**2.26**	
Adjustments	-165	-408	

Adj. net financial result

- Extraordinarily low, mainly due to application of higher discount rate on other provisions and lower interest expenses from reduced interest rates for tax interest (non-recurring)

Adj. tax rate

- At 29%, slightly below FY guidance of 30%

Adjustments

- Goodwill impairment for Performance Materials of €301 m, driven by conservative assumption on future energy prices (persisting on elevated levels of 2022)
- Restructuring: Mainly charges related to the intended divestment of Performance Materials
- Divestments: Proceeds from previous divestments (mainly TAA derivatives and US Betaine operations in Hopewell Virginia)

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Cash flow statement Q4 2022

in € m	Q4 2021	Q4 2022
Income before financial result and income taxes (EBIT)	113	-260
Depreciation and amortization	312	755
∆ Net working capital	114	541
Change in provisions for pensions & other post-employment benefits	31	-44
Change in other provisions	100	-11
Change in miscellaneous assets/liabilities	-113	-44
Cash outflows from income taxes	-230	14
Others	21	-53
Cash flow from operating activities (continuing ops.)	348	898
Cash outflows for investment in intangible assets, pp&e	-335	-295
FCF	13	603
Cash flow from investing activities (continuing ops.)	-544	-328
Cash flow from financing activities (continuing ops.)	-168	-994

CF from operating activities

- Lower EBIT
- Depreciation well above prior-year-level, mainly due to goodwill impairment at Performance Materials
- NWC inflow well above prior-year level, reflecting strict NWC management (esp. decreases of inventories and accounts receivables)
- Lower tax pre-payments

CF from investing activities

- Including divestment proceeds of sale of TAA-derivatives and US betaine operations in Hopewell, Virginia

CF from financing activities

- Repayment of debt including an early redemption of a €750 m bond

Cash flow statement FY 2022

in € m	FY 2021	FY 2022
Income before financial result and income taxes (EBIT)	**1,173**	**942**
Depreciation and amortization	**1,073**	**1,568**
Δ Net working capital	**-444**	**-485**
Change in provisions for pensions & other post-employment benefits	**83**	**-19**
Change in other provisions	**207**	**-149**
Change in miscellaneous assets/liabilities	**-23**	**10**
Cash outflows from income taxes	**-308**	**-174**
Others	**54**	**-43**
Cash flow from operating activities (continuing ops.)	**1,815**	**1,650**
Cash outflows for investment in intangible assets, pp&e	**-865**	**-865**
FCF	**950**	**785**
Cash flow from investing activities (continuing ops.)	**-1,070**	**-777**
Cash flow from financing activities (continuing ops.)	**-856**	**-672**

CF from operating activities

- Lower EBIT
- Depreciation well above prior-year-level, mainly due to goodwill impairment at Performance Materials
- NWC outflow above prior-year level due to inflationary environment
- “Other provisions” reflecting lower bonus cashout (for FY 2021) as well as lower bonus provisions (for FY 2022)
- Lower tax pre-payments

CF from investing activities

- Including divestment proceeds of sale of TAA-derivatives and betaine operations in Hopewell Virginia US

CF from financing activities

- Slightly lower cash outflow due to issuance of €250 m Schuldschein loan in Q3

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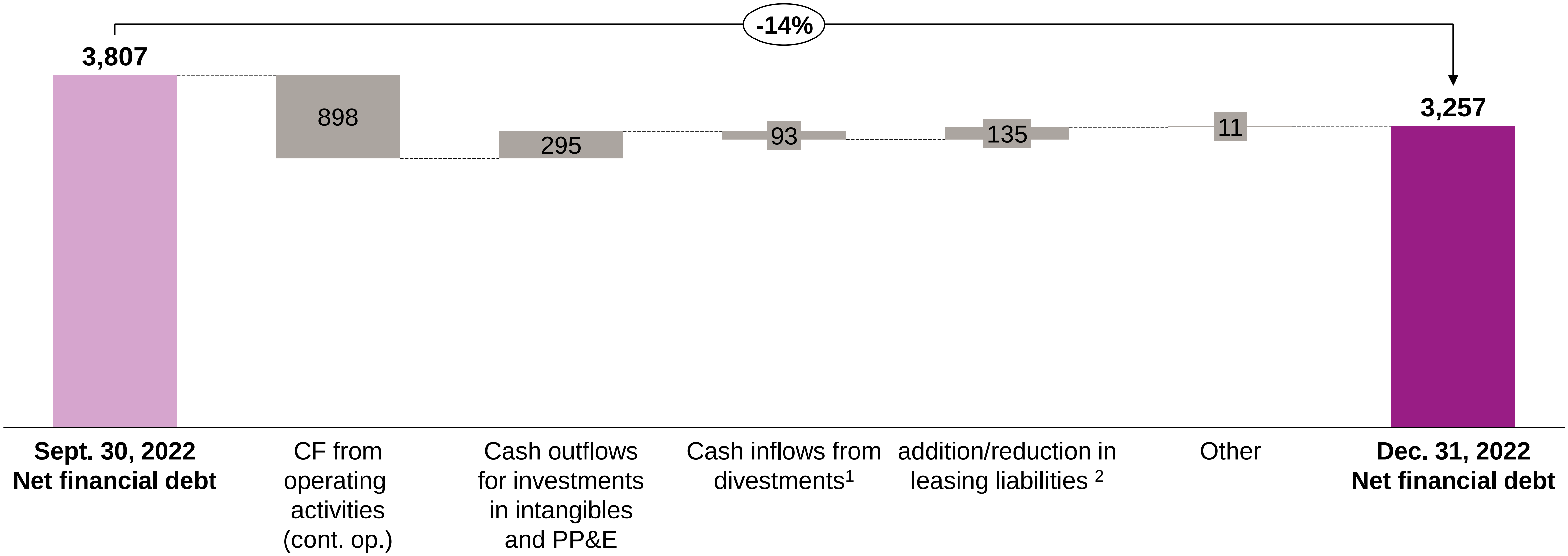
Net financial debt development Q4 2022

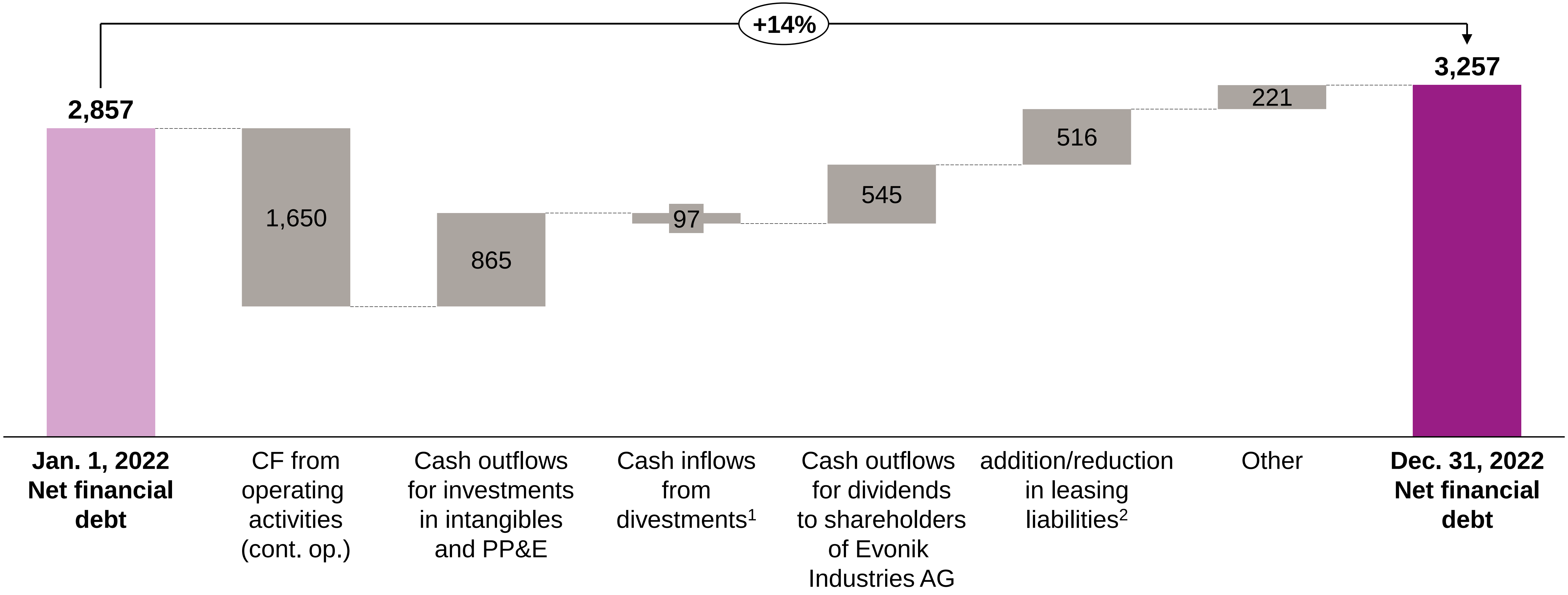
(in € m)



1. Incl. cash-in for divestment of TAA-derivatives and US betaine operations in Hopewell, Virginia | 2. Primarily due to the start-up of new gas and steam power plants in Marl

Net financial debt development FY 2022

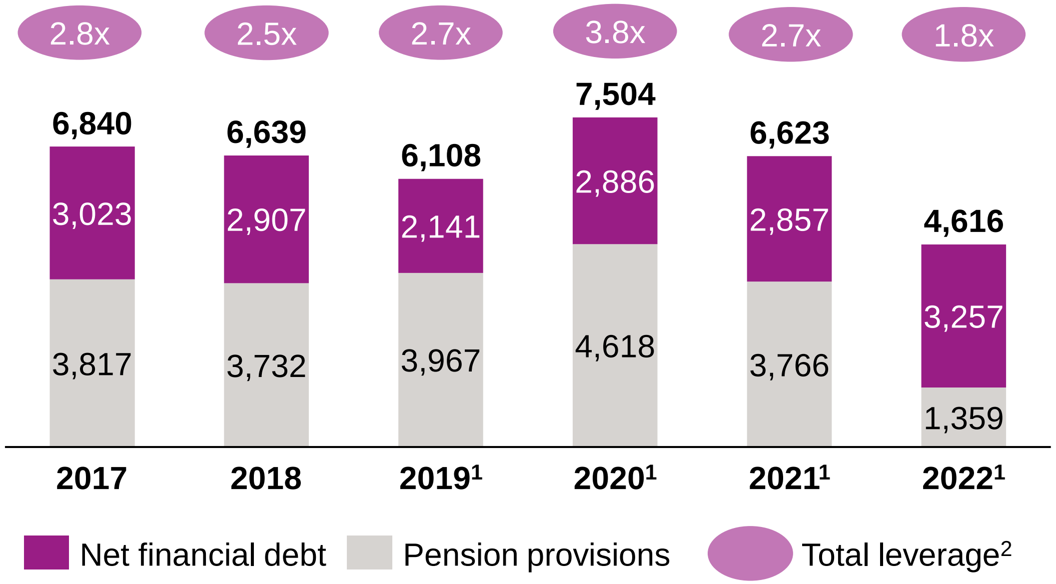
(in € m)



1. Incl. cash-in for divestment of TAA-derivatives and US betaine operations in Hopewell, Virginia | 2. Primarily due to the start-up of new gas and steam power plants in Marl

Development of debt and leverage over time

(in € m)



	2017	2018	2019[1]	2020[1]	2021[1]	2022[1]
Adj. net debt[3]	6,590	6,389	5,858[1]	7,254[1]	6,373[1]	4,366[1]
Adj. EBITDA (last 12 months)	2,357	2,601	2,153[1]	1,906[1]	2,383[1]	2,490[1]
German pension discount rate (%)	2.00	2.00	1.30	0.90	1.30	4.10

- Majority of net debt consists of long-dated pension obligations with >13 years duration
- FY 2022: Lower pension provisions from increase of pension discount rates (German pension discount rate increase from 1.3% at year-end 2021 to 4.1%)
- Pension provisions partly balanced by corresponding deferred tax assets of ~€0.5 bn
- Increased net financial debt versus year-end 2021: free cash flow counterbalanced by cash-outs for dividend and additions of leasing liabilities, primarily due to start-up of new gas & steam power plants in Marl
- Low net financial debt leverage at 1.2x[4]

1. Continuing operations (excluding methacrylate activities) | 2. Adj. net debt / adj. EBITDA
3. Net financial debt – 50% hybrid bond + pension provisions | 4. (Net financial debt – 50% hybrid bond) / adj. EBITDA

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Divisional overview by quarter

Sales (in € m)	Q1/21	Q2/21	Q3/21	Q4/21	**FY 2021**	Q1/22	Q2/22	Q3/22	Q4/22	**FY 2022**
Specialty Additives	907	922	934	947	**3,710**	1,049	1,116	1,113	906	**4,184**
Nutrition & Care	780	838	931	1,008	**3,557**	1,038	1,027	1,062	1,111	**4,237**
Smart Materials	909	975	1,002	1,032	**3,918**	1,181	1,237	1,259	1,155	**4,833**
Performance Materials	580	708	784	840	**2,911**	947	1,043	903	767	**3,660**
Services, Corporate & Others	182	193	220	264	**859**	283	349	541	401	**1,574**
Evonik Group	3,358	3,636	3,871	4,091	**14,955**	4,498	4,772	4,878	4,340	**18,488**

Adj. EBITDA (in € m)	Q1/21	Q2/21	Q3/21	Q4/21	**FY 2021**	Q1/22	Q2/22	Q3/22	Q4/22	**FY 2022**
Specialty Additives	273	242	224	181	**920**	252	263	243	188	**946**
Nutrition & Care	143	183	192	200	**717**	222	185	148	122	**677**
Smart Materials	173	176	177	123	**650**	197	198	177	112	**684**
Performance Materials	42	99	97	80	**317**	97	163	74	75	**409**
Services, Corporate & Others	-43	-51	-45	-82	**-221**	-33	-81	-27	-85	**-226**
Evonik Group	588	649	645	502	**2,383**	735	728	615	413	**2,490**

Divisional overview by quarter

RESTATED for Alkoxides business[1]

Sales (in € m)	Q1/21	Q2/21	Q3/21	Q4/21	**FY 2021**	Q1/22	Q2/22	Q3/22	Q4/22	**FY 2022**
Specialty Additives	907	922	934	947	**3,710**	1,049	1,116	1,113	906	**4,184**
Nutrition & Care	780	838	931	1,008	**3,557**	1,038	1,027	1,062	1,111	**4,237**
Smart Materials	909	975	1,002	1,032	**3,918**	1,284	1,335	1,365	1,256	**5,240**
Performance Materials	580	708	784	840	**2,911**	844	945	797	666	**3,253**
Services, Corporate & Others	182	193	220	264	**859**	283	349	541	401	**1,574**
Evonik Group	3,358	3,636	3,871	4,091	**14,955**	4,498	4,772	4,878	4,340	**18,488**

Adj. EBITDA (in € m)	Q1/21	Q2/21	Q3/21	Q4/21	**FY 2021**	Q1/22	Q2/22	Q3/22	Q4/22	**FY 2022**
Specialty Additives	273	242	224	181	**920**	252	263	243	188	**946**
Nutrition & Care	143	183	192	200	**717**	222	185	148	122	**677**
Smart Materials	173	176	177	123	**650**	212	219	188	124	**743**
Performance Materials	42	99	97	80	**317**	82	142	63	63	**350**
Services, Corporate & Others	-43	-51	-45	-82	**-221**	-33	-81	-27	-85	**-226**
Evonik Group	588	649	645	502	**2,383**	735	728	615	413	**2,490**

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

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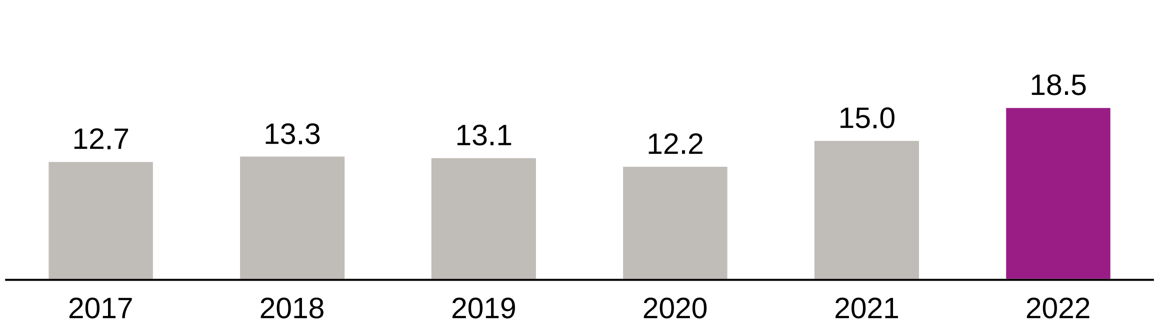
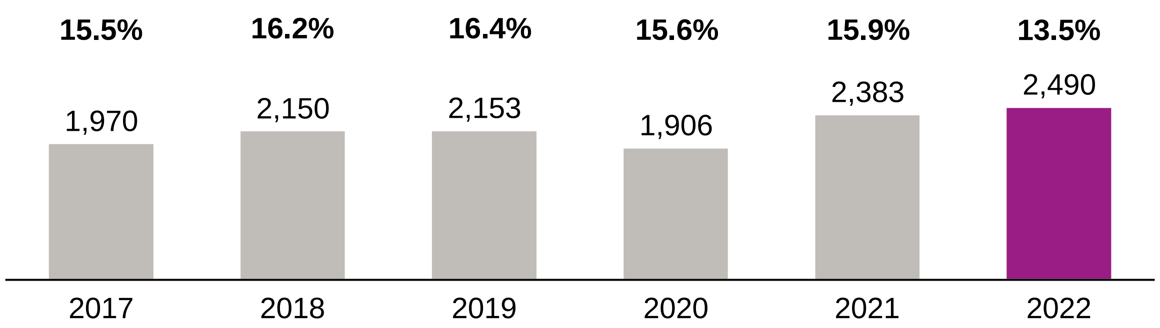
Financials[1]

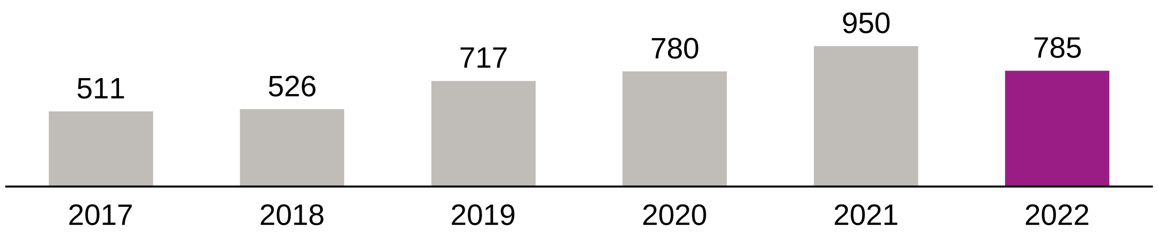
Sales (in € bn)



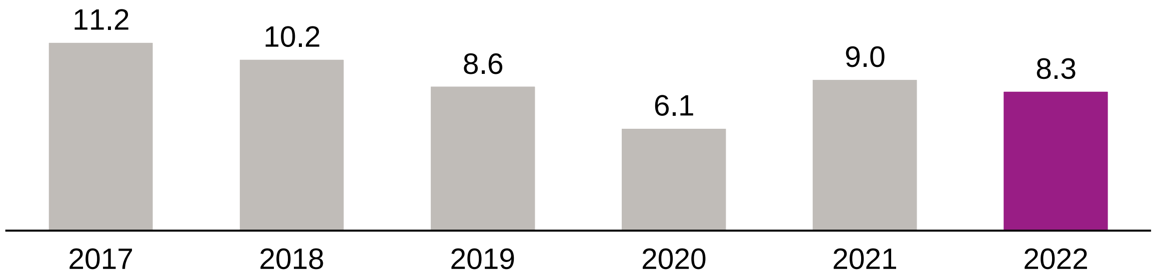
Adj. EBITDA (in € m) **/ margin**



Free Cash Flow (as reported, in € m)



ROCE (as reported, in %)



1. Continuing operations

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Upcoming IR events

Conferences & Roadshows	
March 8, 2023	Management Roadshow Frankfurt, Bankhaus Metzler
March 9, 2023	Goldman Sachs Chemicals & Consumer Ingredients Conference, London
March 15, 2023	Exane Consumer Ingredients Conference, London
March 16, 2023	Management Roadshow London, JP Morgan
March 27, 2023	Management Roadshow New York, Bernstein
March 29, 2023	Societe Generale European ESG Conference, Paris
March 30, 2023	Stifel Conference, Copenhagen

Upcoming Events & Reporting Dates	
May 9, 2023	Q1 2023 Reporting
May 24, 2023	Sellside Dinner London
May 31, 2023	Annual General Meeting
August 10, 2023	Q2 2023 Reporting
November 7, 2023	Q3 2023 Reporting

Evonik Investor Relations team

Tim Lange
Head of Investor Relations

+49 201 177 3150
tim.lange@evonik.com

Janine Göttel
Team Assistant

+49 201 177 3146
janine.goettel@evonik.com

Katharina Gayk
Team Assistant

+49 201 177 3141
katharina.gayk@evonik.com

Christoph Finke
Investor Relations Manager

+49 201 177 3145
christoph.finke@evonik.com

Cédric Schupp
Investor Relations Manager

+49 201 177 3149
cedric.schupp@evonik.com

Dr. Rouven Möller
Investor Relations Manager

+49 201 177 3148
rouven.moeller@evonik.com

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