

# Evonik

## Leading Beyond Chemistry

Company Presentation Q1 2022

**NEXTGEN** 



# Key messages Q1 2022

## Evonik-specific drivers supporting strong Q1 performance

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**Adj. EBITDA of €735 m** (+25% yoy) clearly above expectations

**Drivers of strong Q1 performance:** Nutrition & Care with 9th quarter of resilient yoy growth;  
Performance Materials working as natural hedge against higher oil prices

Positive effect from own price increases further ramping up (>€750 m after ~€600 m in Q4 2021),  
**again overcompensating variable cost increases on Group level**

**FCF (€133 m) burdened by further outflow for NWC**  
as a result of continued cost inflation and higher safety stock levels to prepare for potential supply chain challenges

**Outlook** of adj. EBITDA between €2.5 and 2.6 bn **confirmed**

# Managing through the current challenges...

FY outlook confirmed

## Raw material prices

... managed well

- Higher variable costs successfully compensated via own price increases in each of the last five quarters

### Outlook:

- Further price increases necessary and in implementation for the next quarters

## Supply chain

... closely monitored

- Tight supply chains and raw material markets still putting limitations on sales potential

### Outlook:

- China lockdown puts further stress on local & global supply chains

## Energy ... fully hedged for FY 2022

- Flexibility from extending coal-fired power plant in Marl
- Low risk, high visibility for energy costs in 2022 (95% hedged)

### Outlook:

- Continued gas supply critical for European Chemicals industry and Evonik

## Demand ... holding up well

- Healthy demand in Q1
- No slowdown in demand or order books visible yet

### Outlook:

- Outlook for FY 2022 confirmed, even assuming macro slowdown in H2

# Key messages Capital Markets Day May 11<sup>th</sup>, 2022

## Next Generation Evonik

Strong track record of **strategic and financial execution** over the last four years

**“Enabler of Sustainable Change”:**  
Portfolio circled around “Sustainability Focus Areas”

**Sustainability fully integrated into the three strategic levers**  
“Portfolio – Innovation – Culture”

**Full focus on three attractive growth divisions**  
Exit Performance Materials in the course of 2023

**Capital allocation into our green transformation:**  
“Next Generation Technologies” & “Next Generation Solutions”

**Ambitious financial & non-financial targets;**  
integrated into management compensation scheme



**NEXTGEN** 

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# Leading Beyond Chemistry – Our purpose

Evonik on the way to become a best-in-class specialty chemicals company



Video “We are Evonik”

Leading ...

- Leading market positions in **80%** of our business
- Leading **key financial indicators**

... Beyond ...

- **Connecting skills** and perspectives
- Develop **solutions** together with partners
- **Sustainability** key driver of growth

... Chemistry

- Clear focus on **specialty chemicals**
- Target **100% specialty** portfolio

# Evonik well equipped as “Enabler of Sustainable Change”

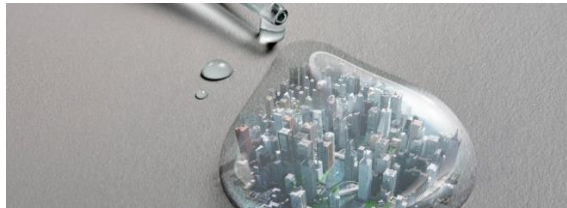
## Portfolio circled around our four “Sustainability Focus Areas”






# Leading Beyond Chemistry – Growth divisions

Specialty chemicals portfolio with strong positioning and attractive financials

## Specialty Additives




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

 Sales: €3,710 m  
 Margin: 25%  
 ROCE: 18%

## Nutrition & Care






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

 Sales: €3,557 m  
 Margin: 20%  
 ROCE: 12%

## Smart Materials



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

 Sales: €3,918 m  
 Margin: 17%  
 ROCE: 8%

Strong positioning ...

... and attractive financials<sup>1</sup>

1: FY 2021



# Leading Beyond Chemistry – Growth divisions

## Ambition and promising growth drivers

Discover more in our Factbook!

	Specialty Additives	Nutrition & Care	Smart Materials
			
<b>Ambition</b>	“Small amount – <b>Big effect</b> ”	“Bringing Nutrition & Care to Life – <b>for life and living</b> ”	“We find solutions for the <b>needs of today and tomorrow</b> ”
<b>... and promising growth drivers</b>	✓ Making the difference	✓ Active cosmetics ingredients	✓ Future Mobility
	✓ Enabling circular economy	✓ Drug delivery systems	
	✓ Digital solutions	✓ Sustainable & healthy nutrition	✓ Eco-Solutions

# Next Generation Evonik: Embarking on the next phase of our transformation

## Sustainability fully integrated into all three strategic levers

Three major strategic levers...

... with sustainability fully integrated ...

... delivering on ambitious targets

### Next Generation Portfolio

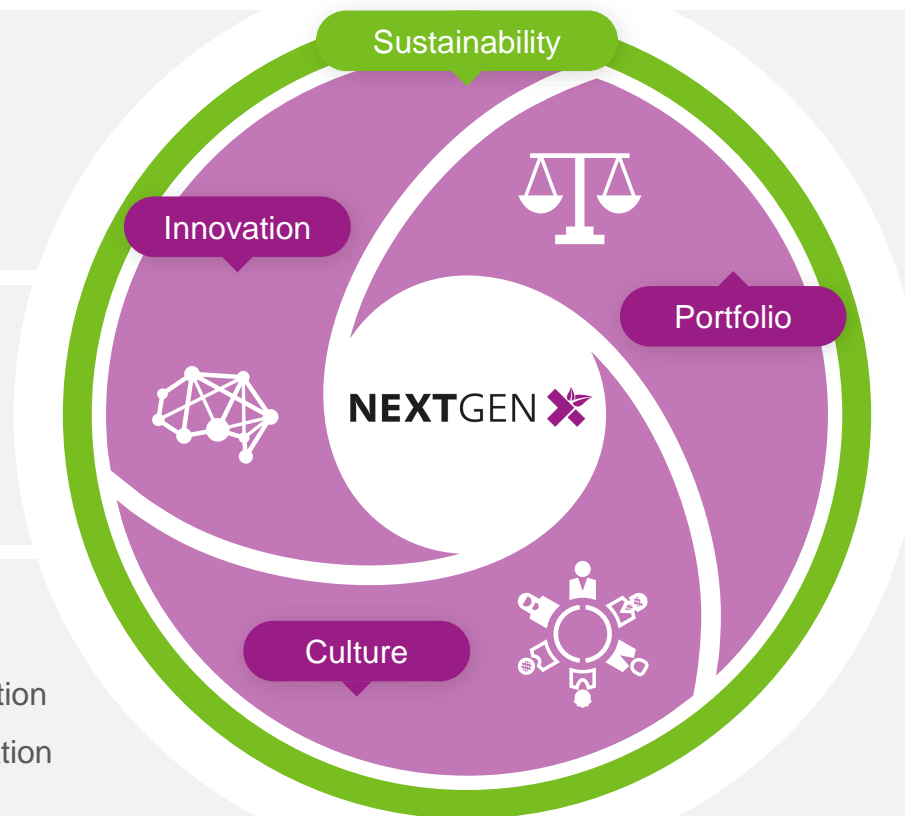
- + Exit Performance Materials
- + Full focus on three attractive growth divisions

### Next Generation Innovation

- + €1 bn new sales well on track
- + Growth areas beyond 2025 already launched

### Next Generation Culture

- + Diversity as key to successful strategy execution
- + ESG targets integrated into mgmt. compensation



### ESG Targets

- + >50% sales share of **NEXTGEN Solutions** ✦
- + -25% CO<sub>2</sub> emission reduction, e.g. via **NEXTGEN Technologies** ✦

### Financial Targets

- + Organic growth >4%
- + EBITDA margin 18-20%
- + ROCE ~11%
- + FCF Conversion >40%

# 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



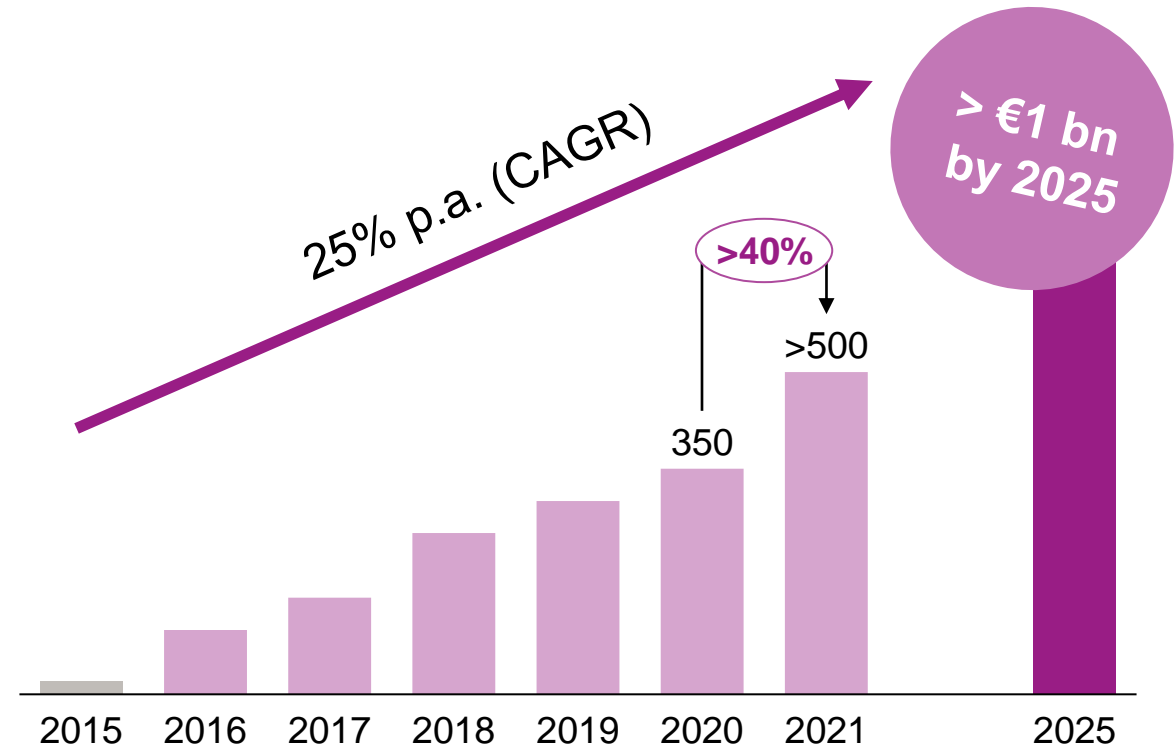
Healthcare Solutions



**Sizeable sales base** established in all growth fields

**Above-average margin** contribution

## Sales contribution Innovation Growth Fields



# 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 – “AA” MSCI ESG rating, EcoVadis “Platin” rating, “B-” ISS Oekom and “A-” CDP rating

### Environmental Targets

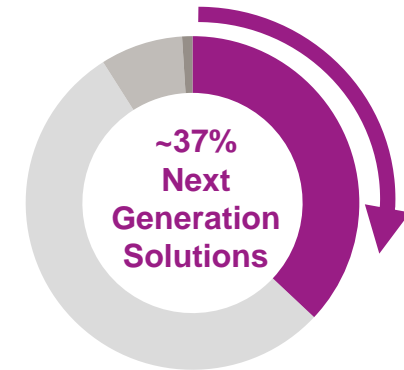


reduction of scope 1 and scope 2 emission until 2030 (vs. 2021)

### Ambitious environmental targets

Evonik’s sustainability strategy with ambitious targets  
Evonik will be climate neutral by 2050

### Portfolio Management



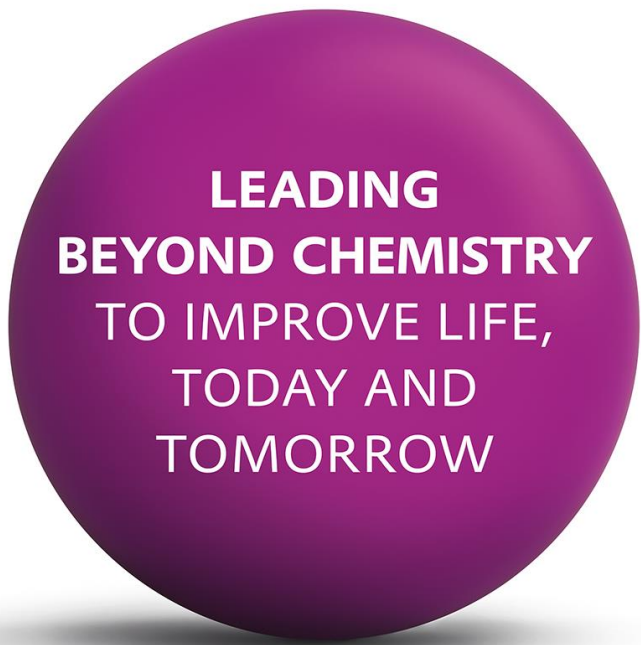
### Portfolio aligned to sustainability

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

# Leading Beyond Chemistry

## Summary of key financial & ESG targets

Financial Targets		ESG Targets	
Organic sales CAGR	>4%	Accident frequency rate <sup>1</sup>	≤0.26
EBITDA margin	18-20%	“Next Generation Solutions” <sup>2</sup>	>50%
Cash conversion ratio	>40%	Sales Inno. Growth Fields <sup>3</sup>	>€1 bn
ROCE	~11%	GHG emissions (scope 1&2) <sup>4</sup>	-25%
Reliable & sustainably growing dividend		Gender diversity <sup>5</sup>	23%
Solid investment grade rating		Intercultural mix <sup>6</sup>	20%



1. Indicator per 200,000 working hours | 2. Sales share by 2030 | 3. by 2025

4. Gross emissions, reference year 2021, target year 2030 | 5. Executive & senior management positions by 2023 | 6. Executive positions by 2023

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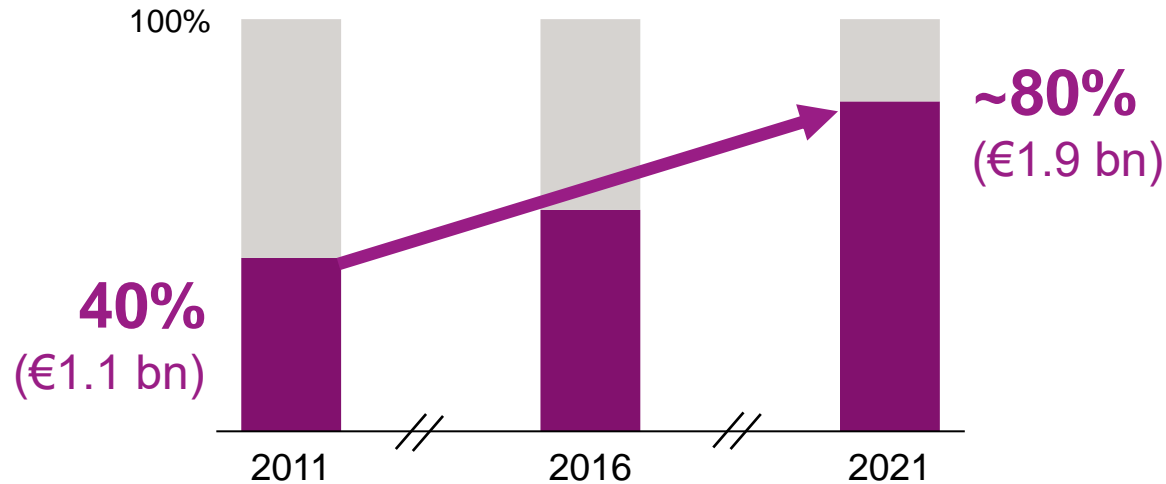
4. Financials Q1 2022



# 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 EBITDA
- Specialty businesses with 10-year track record of **3pp higher annual organic earnings growth<sup>1</sup>**

Specialty businesses: Specialty Additives, Smart Materials, Health & Care (excl. Animal Nutrition & Performance Materials)  
1: organic EBITDA CAGR Specialty vs. Total Operating Businesses (excl. M&A) 2011 – 2021



# Portfolio transformation – Clear portfolio roles

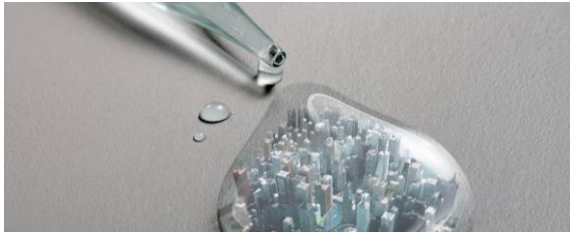
## Focus on three growth divisions - Exit Performance Materials

Specialty Additives

Nutrition & Care

Smart Materials

Performance Materials



Growth focus

Exit

- 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

- Aiming to find new owners/partners for the businesses in the course of 2023
- Performance Materials to be ceased thereafter





# Portfolio: Full focus on three attractive growth divisions

## Investments in R&D, organic & inorganic growth

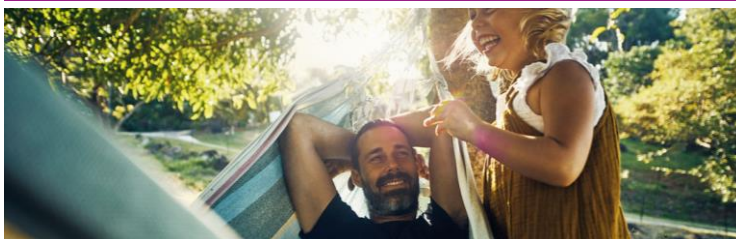
### Specialty Additives



#### Additive Technologies

- **Modular expansion of Silicones & Amine platforms** via >€100 m investments (2022 – 2024)
- **Addition of new effects, functionalities and technology platforms** to Additives portfolio

### Nutrition & Care



#### Drug Delivery Systems

- **mRNA**: Sizeable investments into lipids, formulation and fill-finish

#### Care Solutions

- Three-digit million € investment into **world's first industrial-scale biosurfactants production** (start-up 2023/24)
- Targeting market leadership in **Active Cosmetics Ingredients** market by 2025 via organic growth and M&A

### Smart Materials



#### Membranes

- Modular investments into **capacity expansion for gas-filtering membranes** (~€50 m)
- Breakthrough of electrolytic production of green hydrogen via **DURAION® AEM membranes**

#### Specialty Peroxides Solutions

- Investments into **purification capacities** to capture growth potential of Specialties applications
- Growth option in highly efficient and sustainable **HP+ technologies** (HPPO, HPPG)



# Portfolio transformation – Active M&A management

## Decisive and value-accretive portfolio management

### Divestments

~€2 bn cyclical sales

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

Ø EBITDA margin: ~**15%**<sup>1</sup>



### Acquisitions

>€2 bn resilient sales

Ø multiple of **9.1x** EV/EBITDA  
(incl. synergies)

Ø EBITDA margin: ~**22%**

Delivery of synergies on track (€80 m by end of 2020)



## Decisive and value-accretive portfolio management

- Portfolio cyclicalities & Capex intensity reduced
- More resilient EBITDA margin and improved cash profile

Divestments: Methacrylates business sold for EV of €3 bn (8.5x EV/EBITDA) in 07/2019

Acquisitions: Air Products specialty additives business for US\$3.8 bn (9.9x EV/EBITDA incl. synergies & tax benefits) in 01/2017 | Dr. Straetmans cosmetics business in 05/2017

Huber Silica business for US\$630 m (~7x EV/EBITDA incl. synergies & tax benefits) in 09/2017 | PeroxyChem for US\$640 m (7.6x EV/EBITDA incl. synergies) in 02/2020 | Porocel for US\$210 m (9.1x EV/EBITDA) in 11/2020

1: 2014-2019



# Portfolio: Exit of Performance Materials in execution

## Transformation for all three business lines ongoing

### Superabsorber



~ €700 m sales<sup>1</sup>

- Carve-out completed July 1<sup>st</sup> 2021
- Value-enhancing start of divestment process on the basis of improved 2022 financials and positive 2023 outlook

### Functional Solutions



~ €450 m sales<sup>1</sup>

- Divestment process for Lülisdorf site (~ €150 m sales) initiated in 2021
- Alkoxides (biodiesel catalysts; ~ €300 m sales) to become part of Evonik growth divisions

### Performance Intermediates



~ €1,800 m sales<sup>1</sup>

- Process to find strong new partner for the business to be initiated in H2 2022
- Joint venture as preferred intermediate step for full divestment

Aiming to find new owners/partners for each of the three businesses in the course of 2023  
Division Performance Materials to be ceased thereafter

1. FY 2021



# RD&I at a glance

## Facts & Figures

### RD&I AT EVONIK

>€450 m SPENT

>€500 M SALES IN 2021 FROM INNOVATION GROWTH FIELDS

~24,000 PATENTS<sup>1</sup>

>€2,500 EMPLOYEES

100% SUSTAINABILITY-INTEGRATED

#### FIGHT CLIMATE CHANGE



#### DRIVE CIRCULARITY



#### SAFEGUARD ECOSYSTEMS



#### ENSURE HEALTH & SAFETY

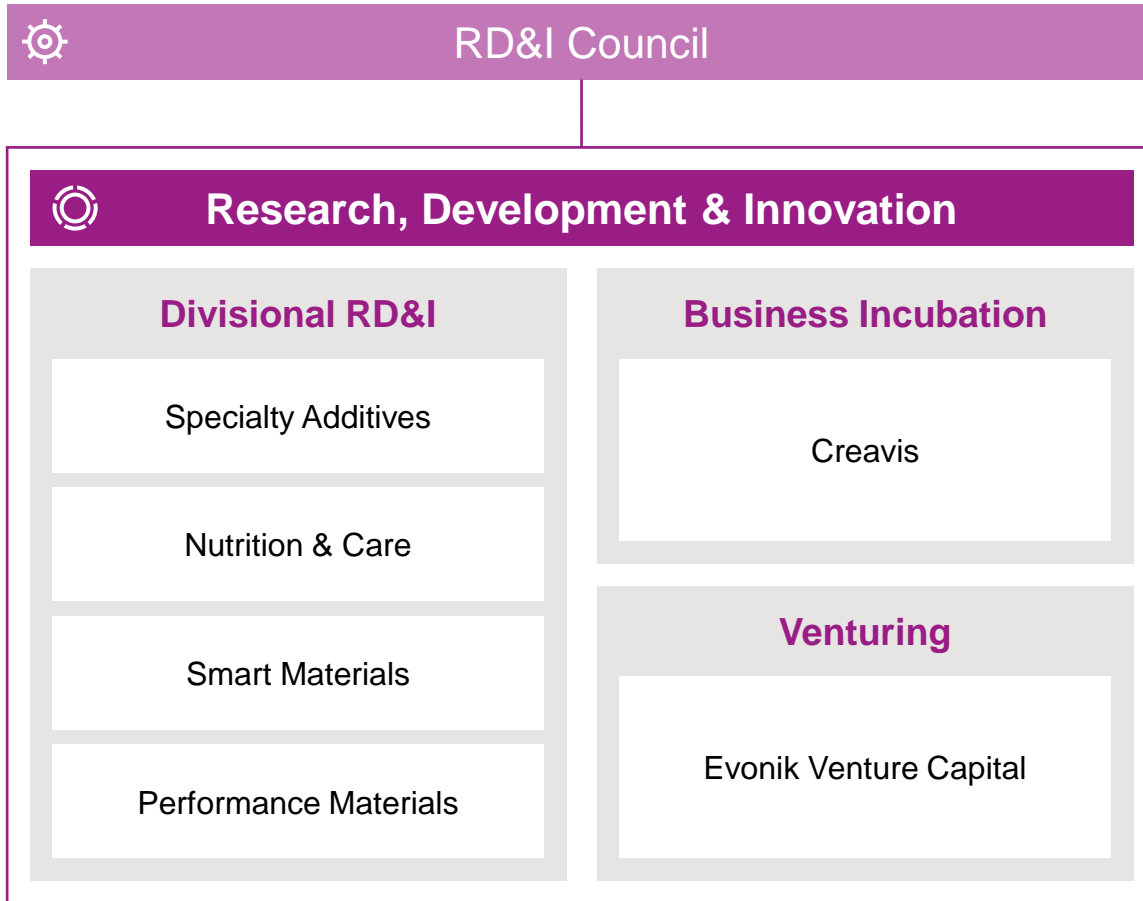


1. Patents and patents pending



# RD&I organization

## Continuous exchange across the entire Evonik organization



- Consistent focus on the same strategic direction as a Group
- Knowledge sharing and use of different technology platforms
- Efficient use of resources and competencies; flexible setup of interdisciplinary project teams
- Full integration of sustainability criteria into decision making and allocation of resources

# Sustainability as backbone of Evonik's purpose and strategy

## Clear commitment to growing handprint and reducing footprint

### Sustainability is an integral part of our purpose

LEADING  
BEYOND CHEMISTRY  
TO IMPROVE LIFE,  
TODAY AND  
TOMORROW

"We see profitable growth and assuming responsibility as **two sides of the same coin.**"

### Key growth driver...

#### Our Handprint



"Sustainability is a key growth driver and the cornerstone of our product portfolio, our investments and our innovation management."

### ...and saving resources

#### Our Footprint



"We **take responsibility** by **caring about our resources.**"

### Core elements of our sustainability approach

**1** Evonik fully integrates sustainability in its **Strategic Management Process**



**2** Evonik intends to **increase the portfolio share** of products with **sustainability benefits**



**3** Evonik is committed to foresighted **resource management**



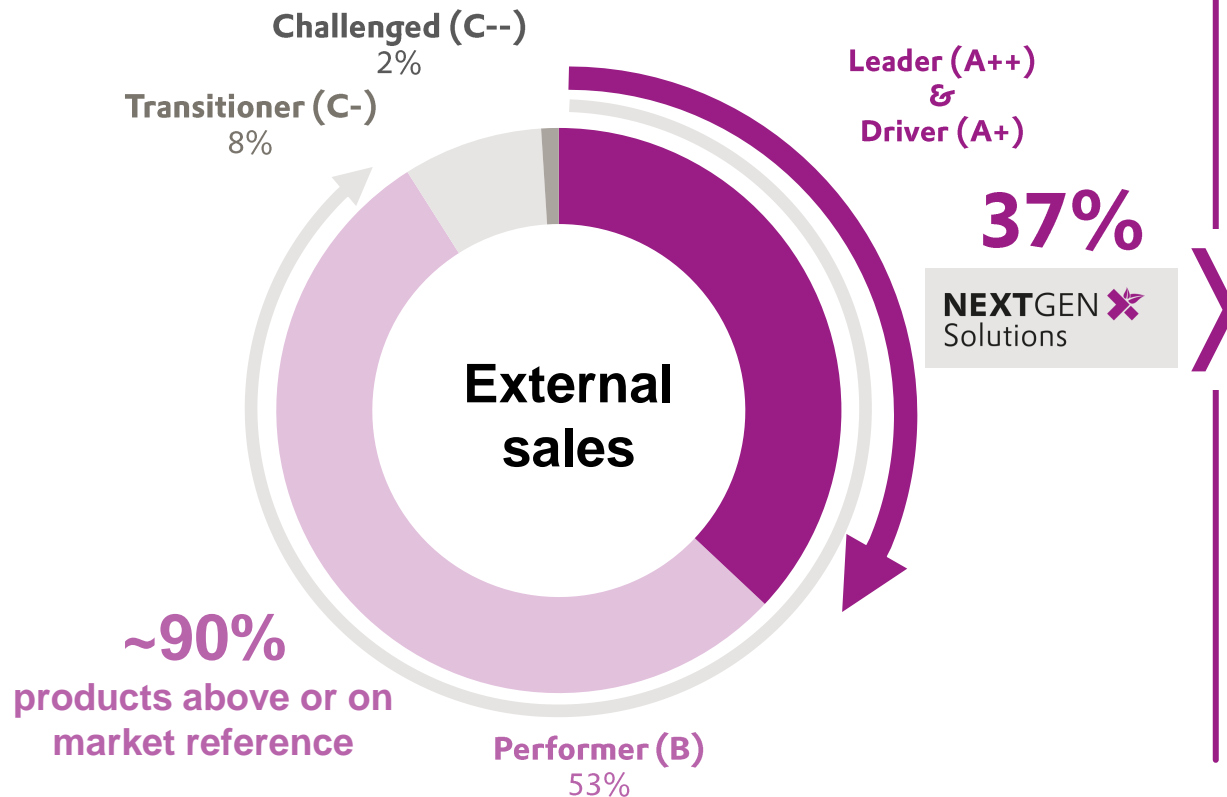
**4** Evonik with high standards for **governance** and continuous **improvement of its reporting**



# Handprint: “Next Generation Solutions”

## 37% of Evonik’s portfolio with superior sustainability benefits

### Result of PSA analysis



### Best-in-class products in Evonik’s portfolio which...

...deliver **above-average growth**

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

**NEXTGEN**   
Solutions

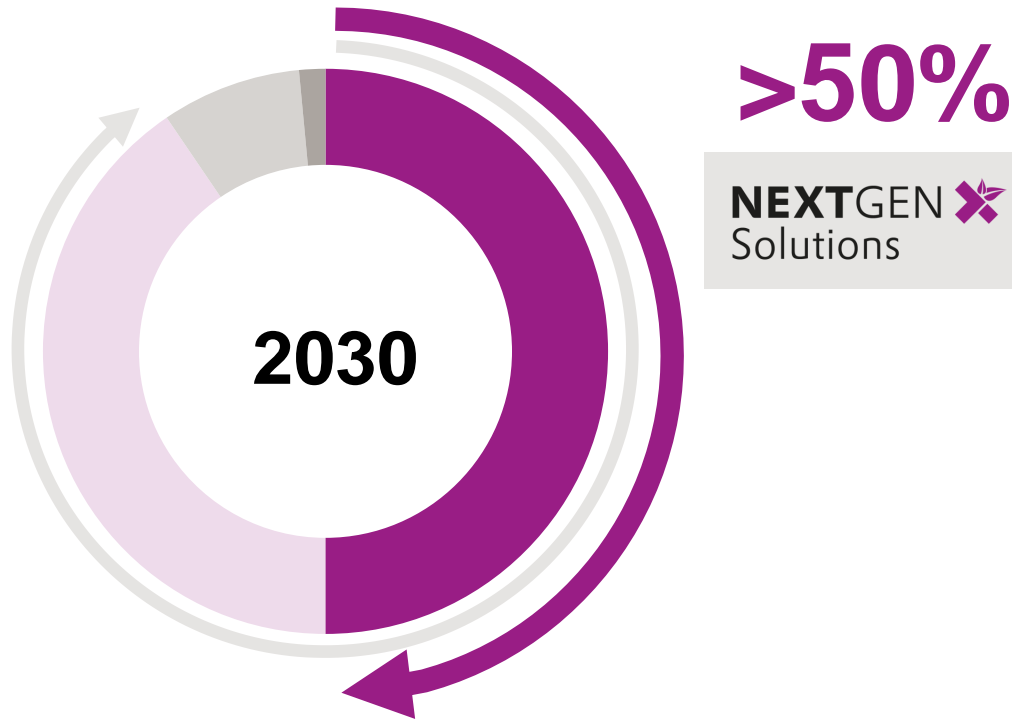
...deliver **superior sustainability benefits** to our customers

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

# Handprint: “Next Generation Solutions” to grow beyond 50% by 2030

## Ambitious new sales share target to be achieved through three levers

### Increase “Next Generation Solutions”



### Three levers to increase the share of NGS

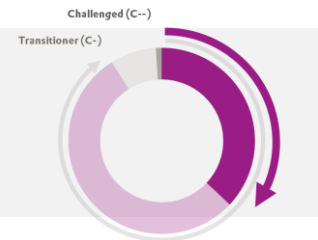
Existing “Next Generation Solutions” with **superior sales growth rates**



New sales from **innovations** becoming “Next Generation Solutions”



“**Challenged**” and “**Transitioner**” products exiting or with new formulations

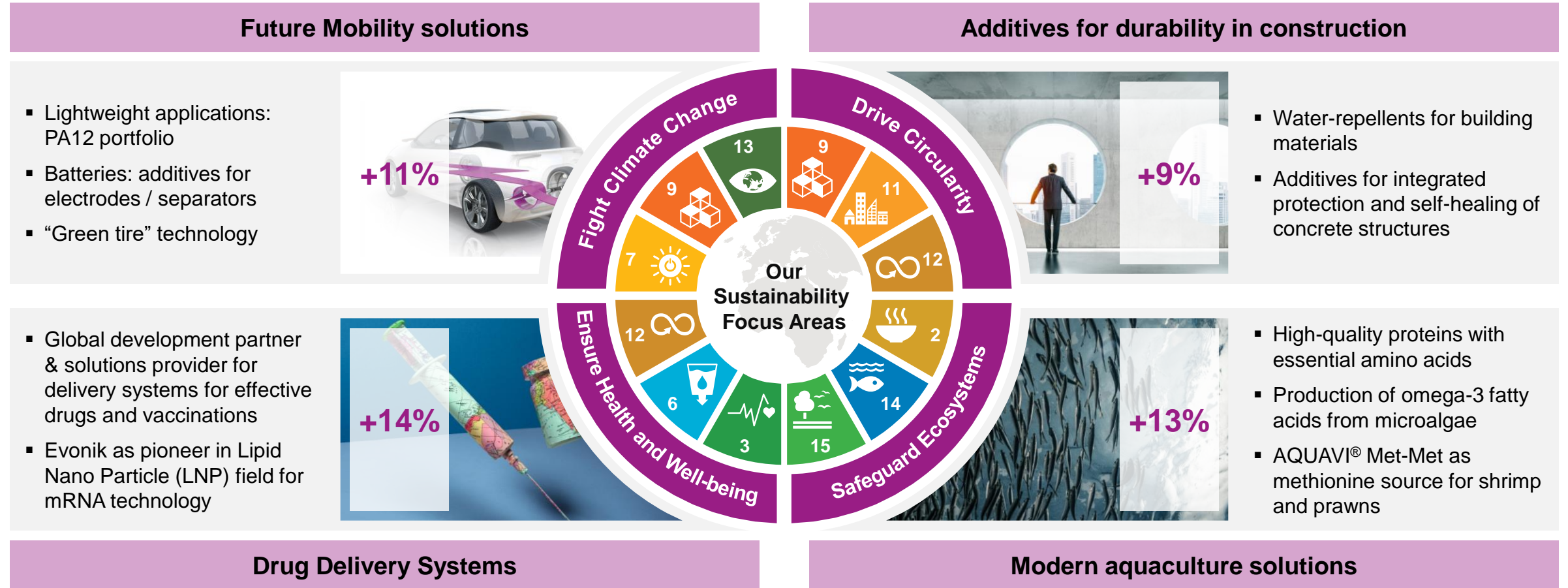


1. NGS: “Next Generation Solutions” include “Leader” (A++) and “Driver” (A+) products and solutions



# Handprint: Above-average growth of “Next Generation Solutions”

## Selected examples addressing our four Sustainability Focus Areas



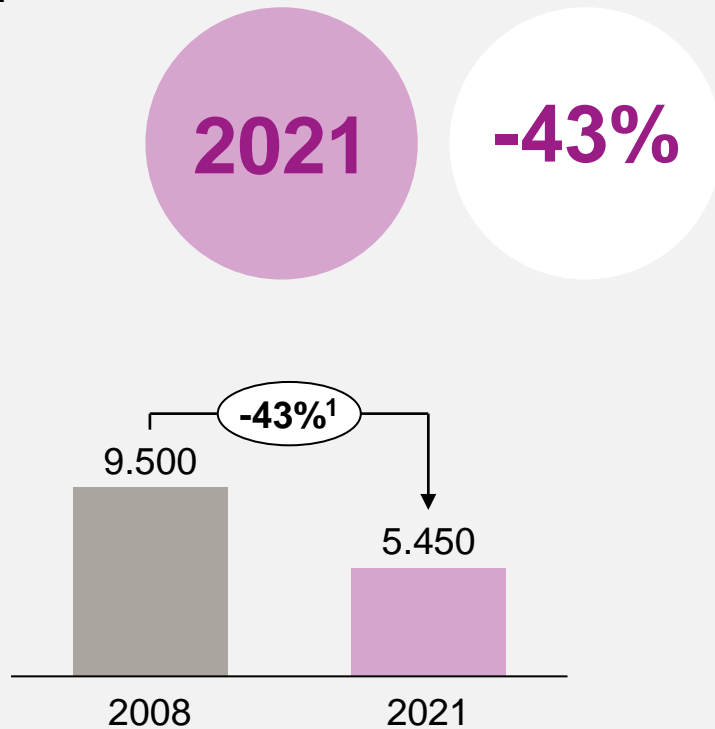
% values: Target CAGR 2021-2030 defined in Strategy Dialogue

# Footprint: Commitments to reaching the Paris Climate Agreement

Evonik will be climate neutral by 2050. Committed to SBTi.

## Achievements on GHG emissions' reduction

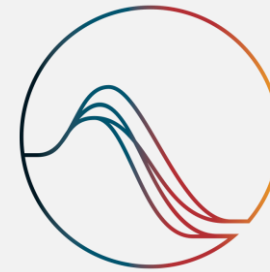
### Scope 1&2



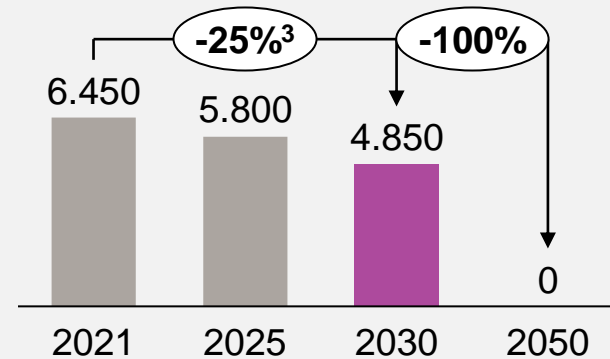
## New targets for GHG emissions scope 1&2

**Scope 1&2**  
Well below 2°C<sup>2</sup>

**Scope 3**  
Committed<sup>2</sup>



2030 -25%



2050 -100%

1. Net emissions (= gross emissions minus power and steam sold externally); reference year 2008; on initial -50% target by year 2025

2. Commitment letter signed and handed in for SBTi, 25<sup>th</sup> April 2022

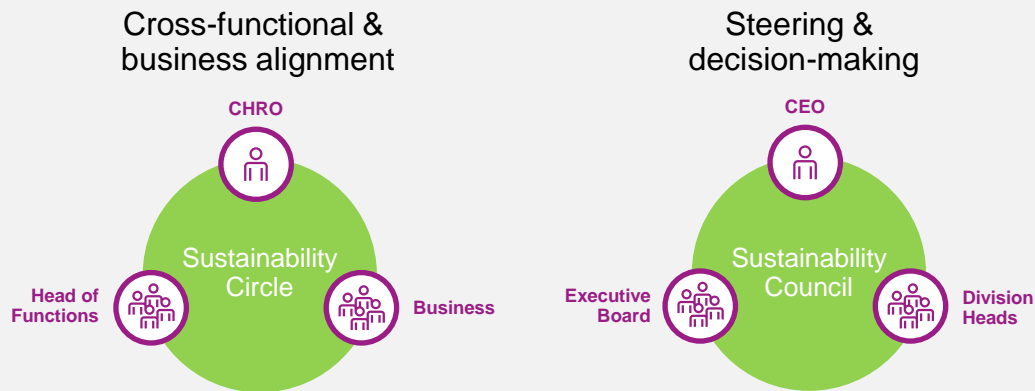
3. Gross emissions; reference year 2021, target year 2030

# Complementing the governance on ESG

## Reflected in organizational set-up and remuneration

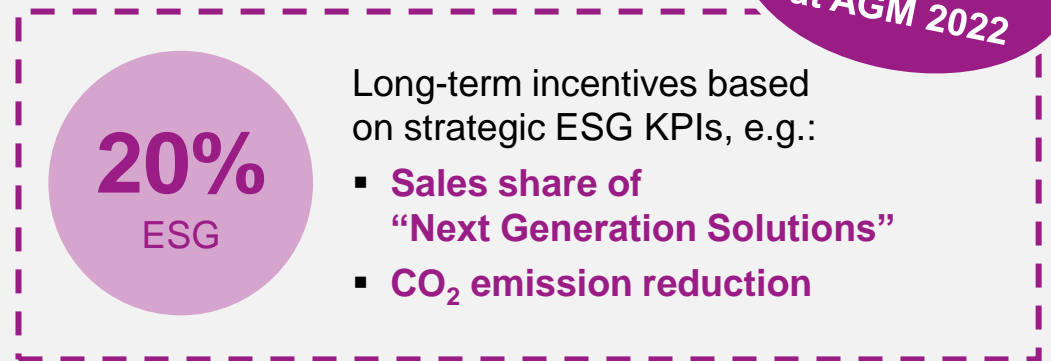
### Clear responsibilities

- **Executive Board** has overall **responsibility** for sustainability
- Setting **strategic framework** and **executing measures** in close cooperation with operating divisions



### Part of remuneration

- Occupational safety part of remuneration of the executive board since more than a decade
- New ESG goals to be **integrated in remuneration schemes** of Executive Board





# ONE Evonik. ONE Culture

... with unifying elements for a diverse company

**Our Purpose**  
inspires us



**Our Values**  
guide us



**Safety first as foundation:**

- Accident frequency as part of management compensation
- Low level secured over the last years<sup>1</sup>

**Diversity as basis of our economic success:**

- Ambitious targets defined
- Inclusive mindset and behavior ultimately utilize diversity successfully

**Attractive employer:**

- Employee commitment with increase of 5 pp in latest employee survey

1. below upper limit of 0.26 (number of accidents per 200,000 working hours)

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# Financial targets

## Evonik Group

### Mid-term Financial Targets

Above-average volume growth in growth divisions (>3%)

EBITDA margin in the range of 18-20%

Cash conversion ratio of >40%

ROCE ~11% - well above cost of capital

Reliable and sustainably growing dividend

Solid investment grade rating

### Revised targets (excl. PM)

Organic sales CAGR >4%

EBITDA margin in the range of 18-20%

Cash conversion ratio of >40%

ROCE ~11% - well above cost of capital




Reliable and sustainably growing dividend

Solid investment grade rating

Unchanged

# Financial targets

## By growth division

	Specialty Additives	Nutrition & Care	Smart Materials
			
<b>Next Generation Solutions<sup>1</sup></b>	<b>&gt; 40%</b>	<b>&gt; 50%</b>	<b>&gt; 50%</b>
<b>EBITDA margin</b>	<b>Secure</b> strong level (2021: 25%)	<b>&gt; 22%</b> (2021: 20%)	<b>~ 20%</b> (2021: 17%)
<b>ROCE</b>	<b>Secure</b> strong level (2021: 18%)	<b>&gt; 14%</b> (2021: 12%)	<b>&gt; 11%</b> (2021: 8%)

1: Products and solutions with a clearly positive sustainability profile that is above or well above the market reference level

# Capital allocation into our green transformation

## Priority on growth investments and targeted M&A

### Significant cash inflow ...

#### Increasing Operating Cash Flow

Attractive cash conversion with steadily growing earnings

#### Divestment proceeds Performance Materials

### ... invested into our green transformation

**>€3 bn**  
2022-2030

**NEXTGEN**   
Solutions

- Growth investments into our sustainability leaders
- Attractive growth rates and returns (IRR >11%)

**~€700 m**  
2022-2030

**NEXTGEN**   
Technologies

- Investments into infrastructure, production and processes
- Significant energy & emissions reduction as well as reduction of operating costs (>€100 m by 2030)

#### Targeted M&A

- Acceleration of portfolio transformation
- Expansion of businesses with above-average growth, sustainability profile and returns

#### Attractive dividend

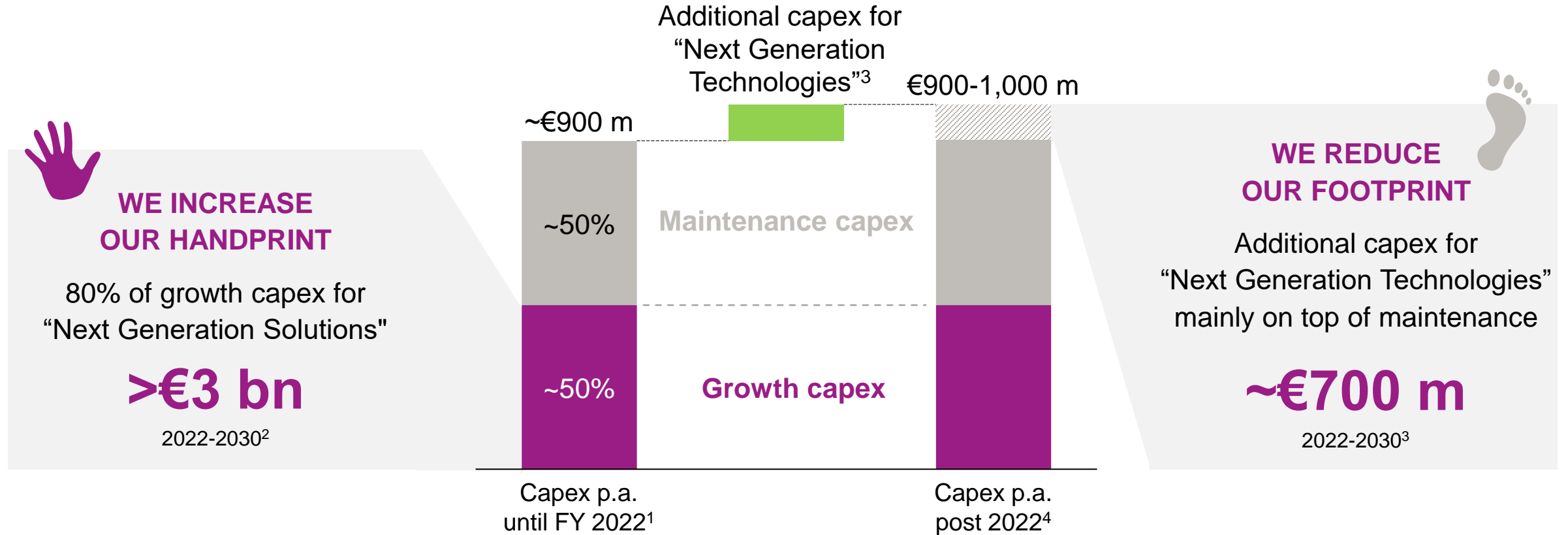
- Reliable and sustainably growing

**Solid investment grade rating**

1. 80% of growth capex for Next Generation Solutions (~€350 m p.a.) | 2. Additional capex for Next Generation Technologies (~€65 m p.a. on average)



# Capex as key element for investments into handprint & footprint



1. Incl. ~€50 m p.a. for Performance Materials | 2. ~€350 m p.a. | 3. ~€80 m p.a. on average incl. ~€15 m p.a. for PM, ramping up gradually over the coming years | 4. Incl. ~€65 m p.a. for PM

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

## Target & benefit

### NEXTGEN Solutions

NEXTGEN   
Solutions

**>50%**  
sales share

Products with superior sustainability<sup>1</sup> and financial performance

## Value creation

**Clear investment criteria – aligned with strategic, sustainability and financial targets**

- Above-average market growth
- Superior sustainability profile (PSA analysis)
- IRR above ROCE target (>11%)
- CO<sub>2</sub> pricing implemented

### NEXTGEN Technologies



**2030**

**-25%<sup>2</sup>**

Scope 1+2

Projects to lower CO<sub>2</sub> emissions with value-enhancing, positive NPVs

**€700 m capex (2022-2030) ...**

- For NPV-positive projects
- For advanced levers, innovative waste heat up-cycling and process re-design

**... resulting in >€100 m opex savings (p.a.)**

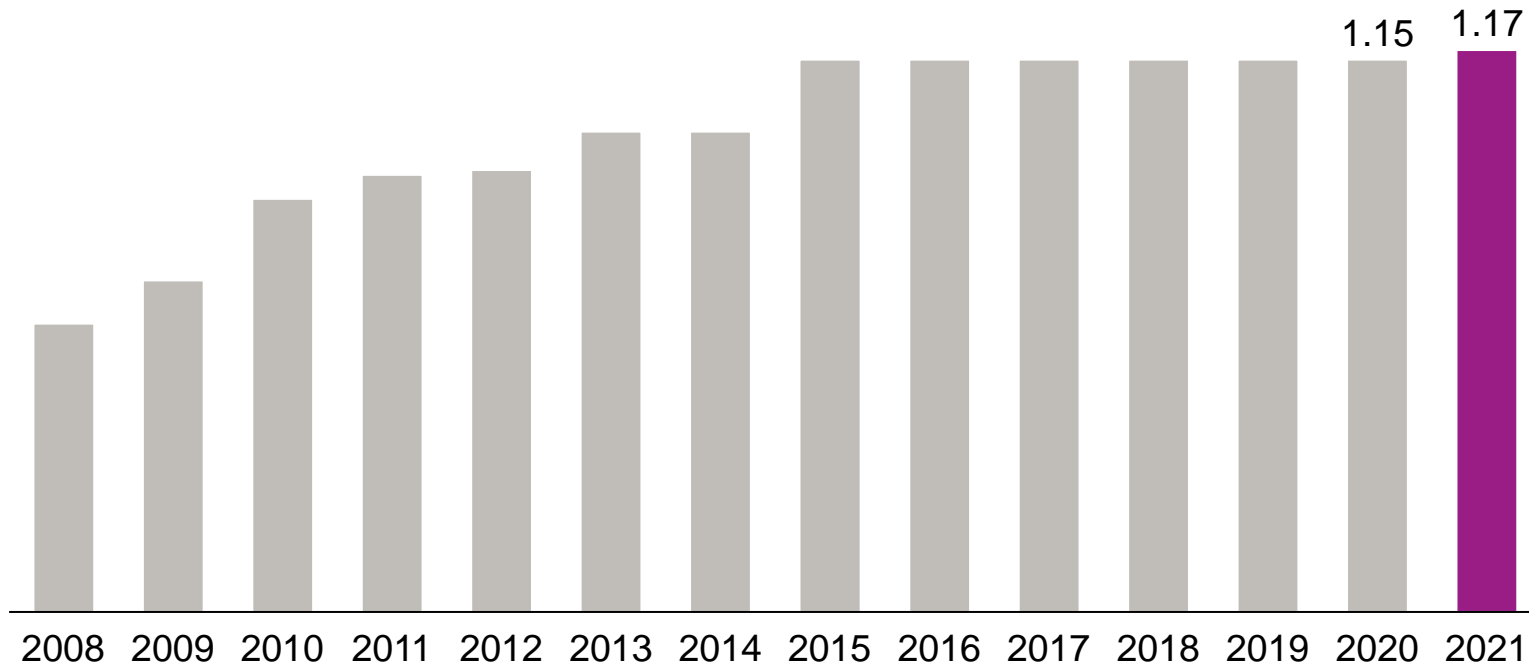
1. “Next Generation Solutions” include “Leader” (A++) and “Driver” (A+) products and solutions

2. Commitment letter signed and handed in for SBTi, 25th April 2022, gross emissions reduction with reference year 2021, target year 2030

# Spotlight on shareholder returns

## Reliable and attractive dividend policy

Dividend (in €) for FY

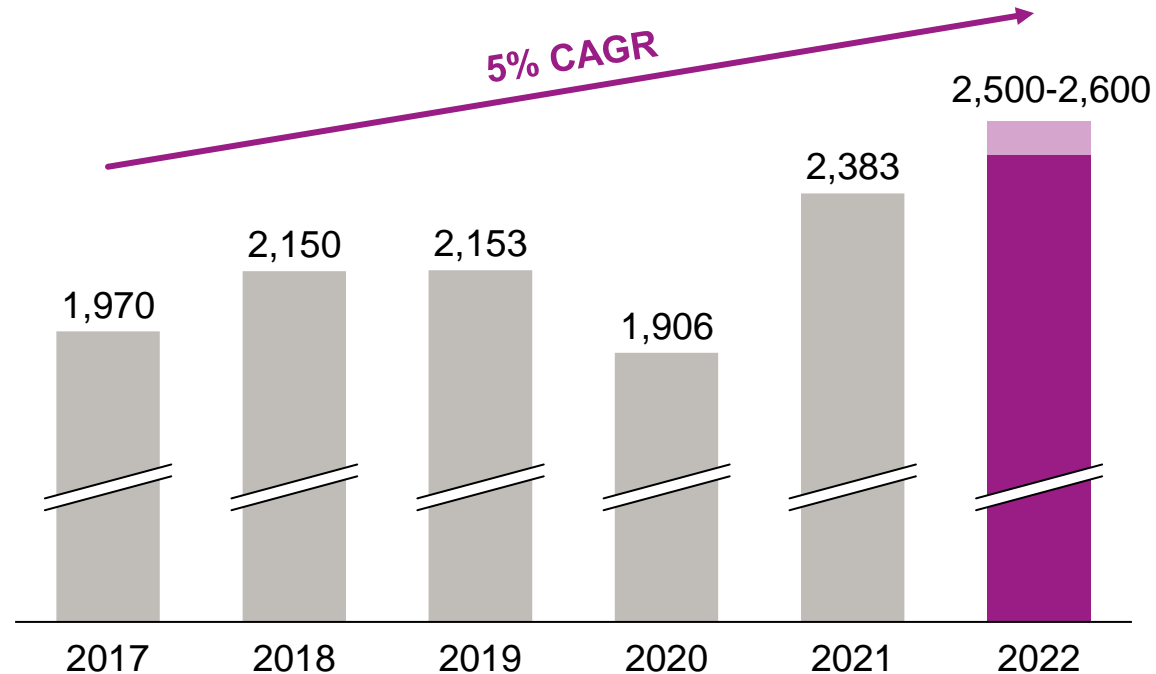


- **Slight increase** to €1.17 in FY 2021
- **Attractive dividend yield of ~4%**
- Reliable dividend policy targeting:
  - **Dividend continuity**
  - **Adj. EPS and FCF growth** with potential for sustainable **dividend growth** going forward

# We are consistently and reliably growing EBITDA and Free Cash Flow

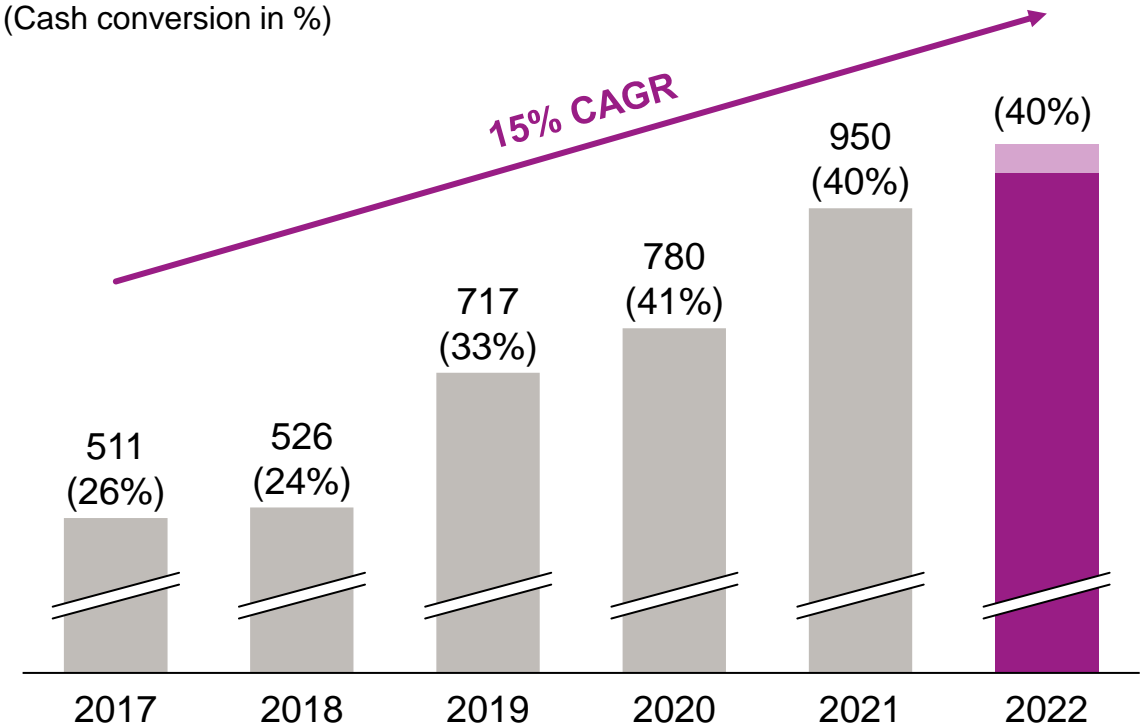
## Strong earnings growth ...

Adj. EBITDA in € m



## ... is translating into even faster FCF growth

Free Cash Flow in € m  
(Cash conversion in %)



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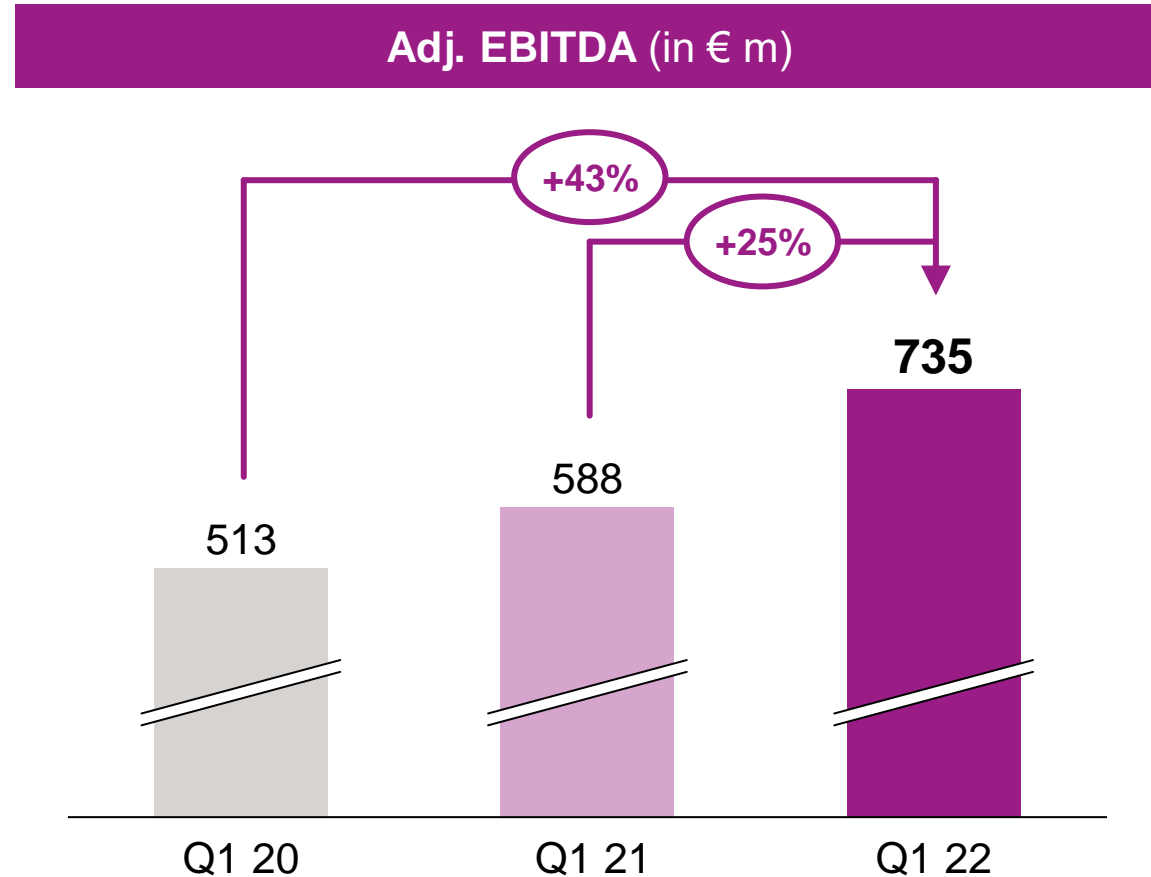
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## Q1 2022 results at a glance

Sales (in € m)	Adj. EBITDA (in € m)	Free cash flow (in € m)	Adj. EPS (in €)
<b>4,498</b> (Q1 2021: 3,358)	<b>735</b> (Q1 2021: €588 m)	<b>133</b> (Q1 2021: €312 m)	<b>0.76</b> (Q1 2021: 0.51 €)
Strong increase driven by further accelerating prices (+22%) and solid volume growth (+4%)	Strong performance in Nutrition & Care and Performance Materials	Significantly higher NWC outflow (yoy) mainly due to higher inventories and receivables	Supported by both improved financial result and lower adj. tax rate

# Adj. EBITDA Q1 2022

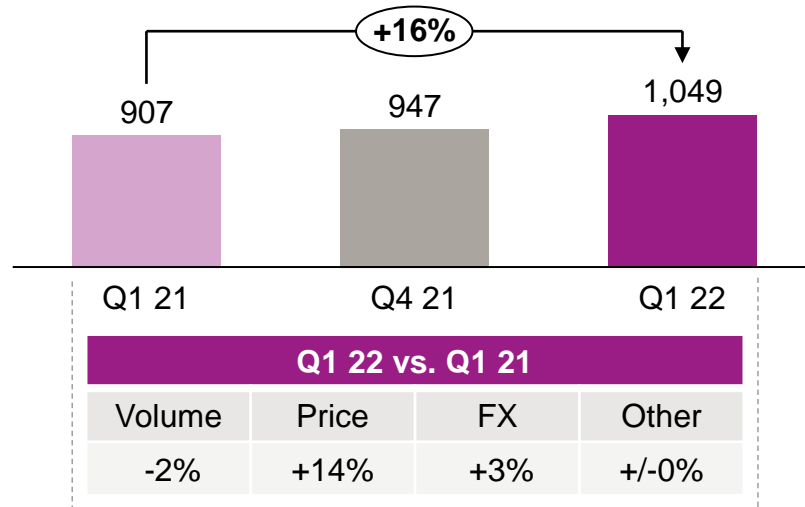


- **Strong start** into the year, **double-digit growth** yoy
- **Notably higher prices** continue to overcompensate increase in variable costs on Group level
- Higher adj. EBITDA driven by:
  - Nutrition & Care with 9th quarter of resilient yoy growth
  - Performance Materials working as natural hedge against higher oil prices
- Earnings temporarily supported by inventory revaluation effects

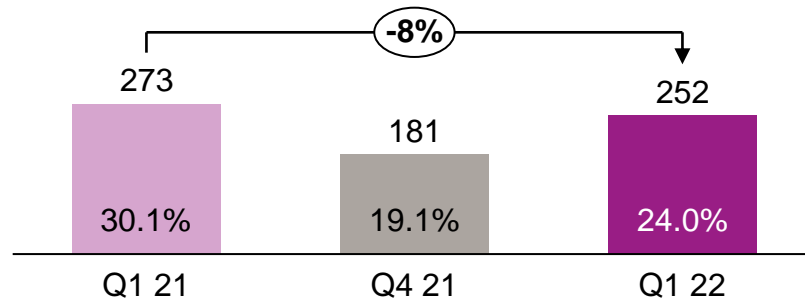
Solid basis for **FY 2022 growth aspirations**

# Specialty Additives

**Sales**  
(in € m)



**Adj. EBITDA**  
(in € m)  
**/ margin**  
(in %)



- Q1 with robust underlying demand across key end markets
- Volumes down slightly against very strong comparables (Q1 2021: +10%), limited by ongoing raw material and logistics constraints
- Pricing campaigns accelerating further: +14% in Q1 following +10% in Q4 and +7% in Q3
- Gap between prices and variable costs closed in Q1; another round of price increases needed to compensate for further cost increases
- Margin notably below extraordinarily high prior year due to
  - very high logistics costs to maintain product deliveries to key customers
  - technical margin dilution in inflationary environment

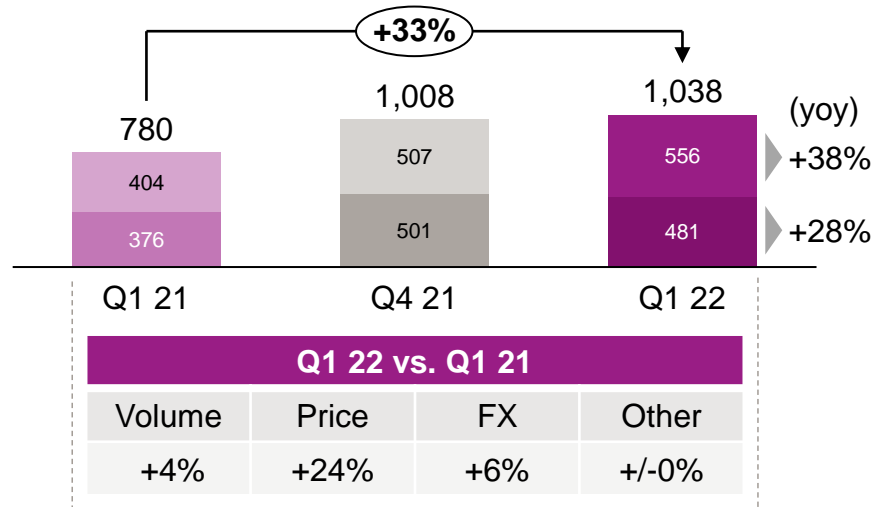




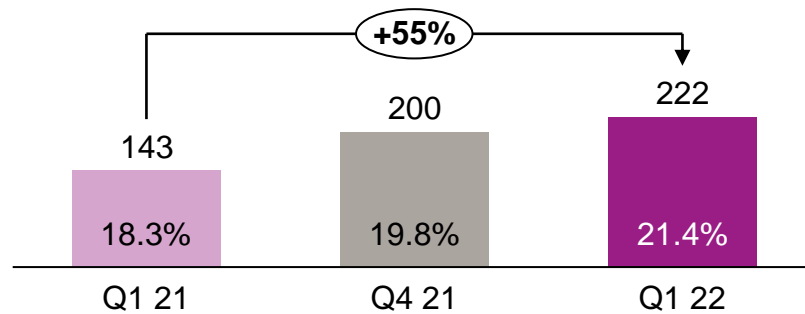
# Nutrition & Care

## Sales (in € m)

Animal  
Nutrition  
---  
Health &  
Care



## Adj. EBITDA (in € m) / margin (in %)



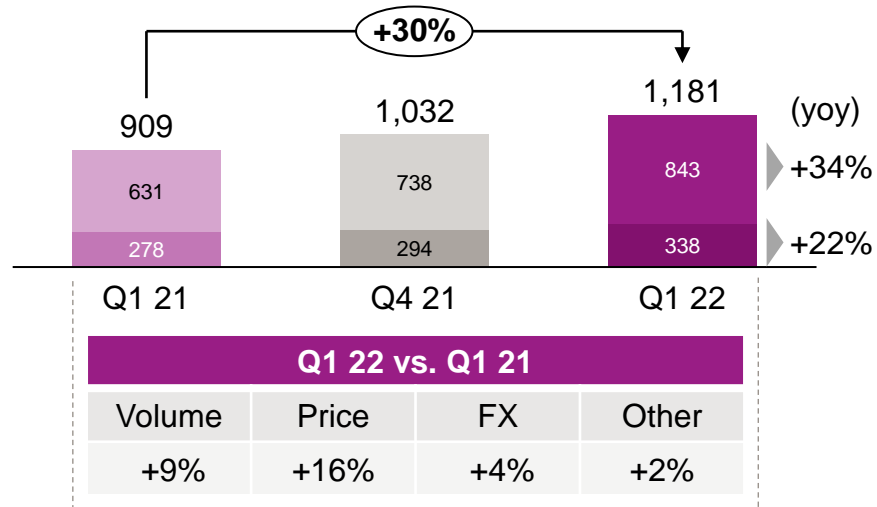
- Health & Care with double-digit EBITDA growth, driven by strong position and contracted sales in active cosmetics ingredients as well as healthy demand for drug delivery systems
- Animal Nutrition benefitting from another quarter of rising amino acid prices due to a) global supply chain disruptions and b) push in supplementation of methionine and lysine in animal feed diet formulations due to high soft commodity prices (e.g. corn)
- Further sequential earnings growth in NC expected for Q2



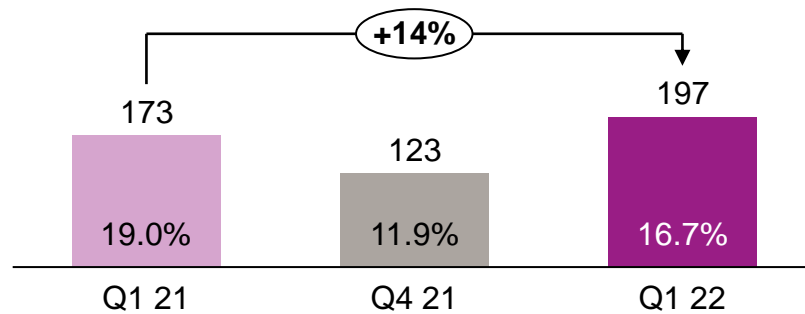
# Smart Materials

## Sales (in € m)

Inorganics  
---  
Polymers



## Adj. EBITDA (in € m) / margin (in %)

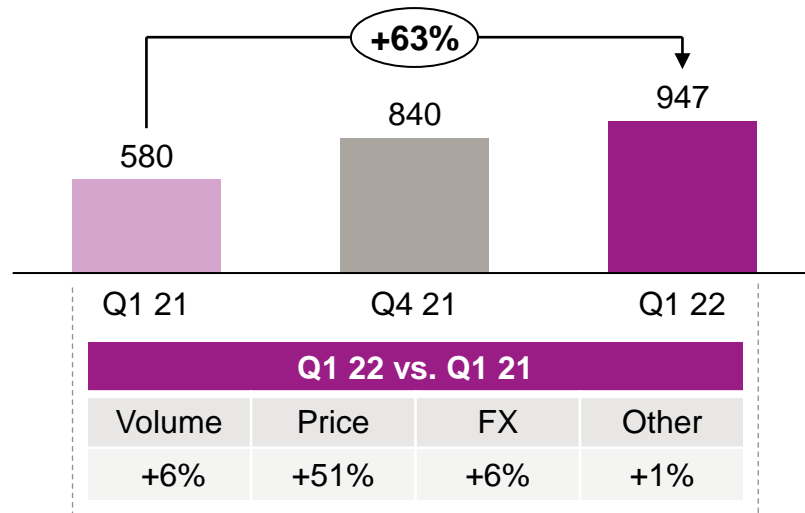


- Double-digit EBITDA growth, driven by strong volume increase with all businesses contributing
- “Eco-Solutions“ (e.g. H2O2 specialties and catalysts) with positive developments
- Pricing campaigns accelerating further: +16% in Q1 following +10% in Q4 and +6% in Q3
- Higher selling prices compensating increasing variable costs – another round of price increases necessary to compensate for further variable cost increases
- Polyamide 12 impacted by higher fixed costs for new plant in Marl

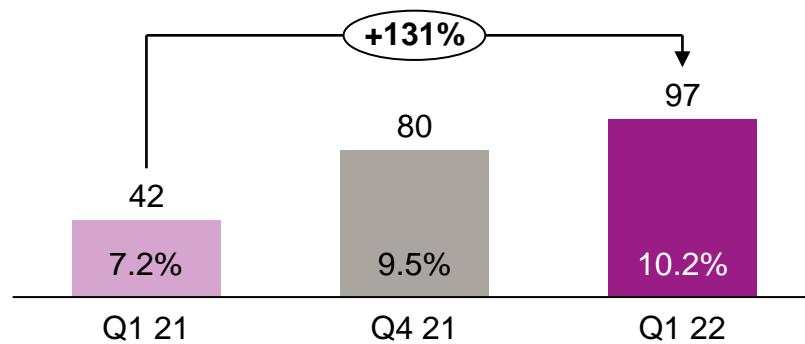


# Performance Materials

**Sales**  
(in € m)



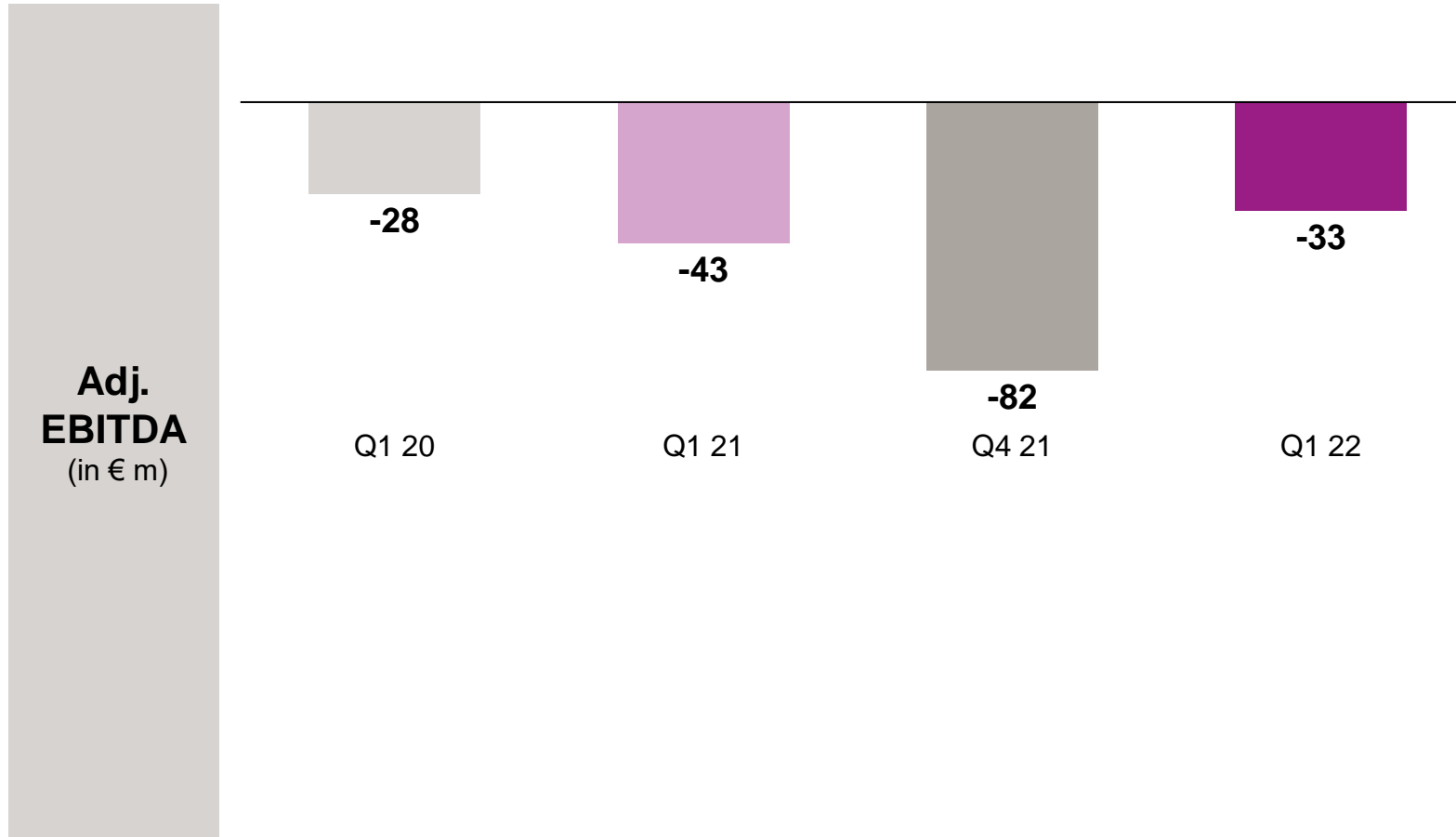
**Adj. EBITDA / margin**  
(in € m)  
(in %)



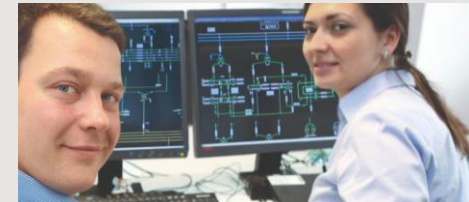
- C4 chain with balanced to tight markets and healthy spreads across nearly all products
- Naphtha-factor based pricing working as natural hedge against higher oil prices
- Baby Care with improved contract pricing on the back of implemented price increases



# Technology & Infrastructure (T&I)/Other

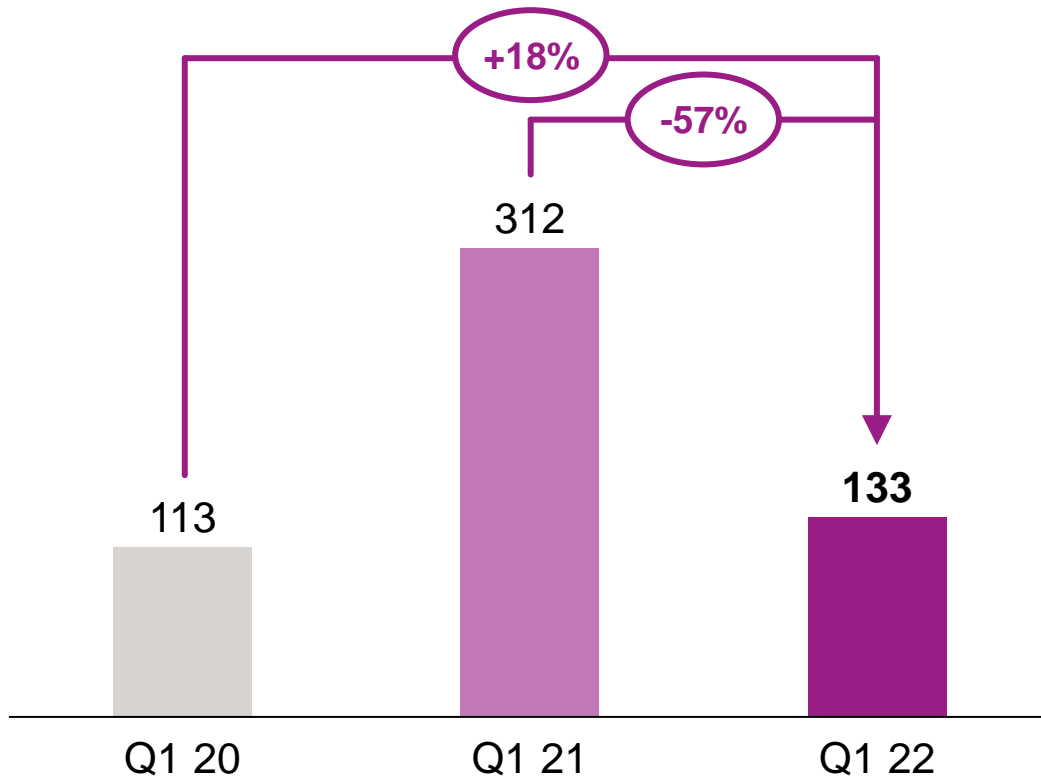


- yoy improvement due to
  - lower personnel-related provisions
  - last year's Q1 with negative weather impact of ~€10 m



# Free Cash Flow Q1 2022

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



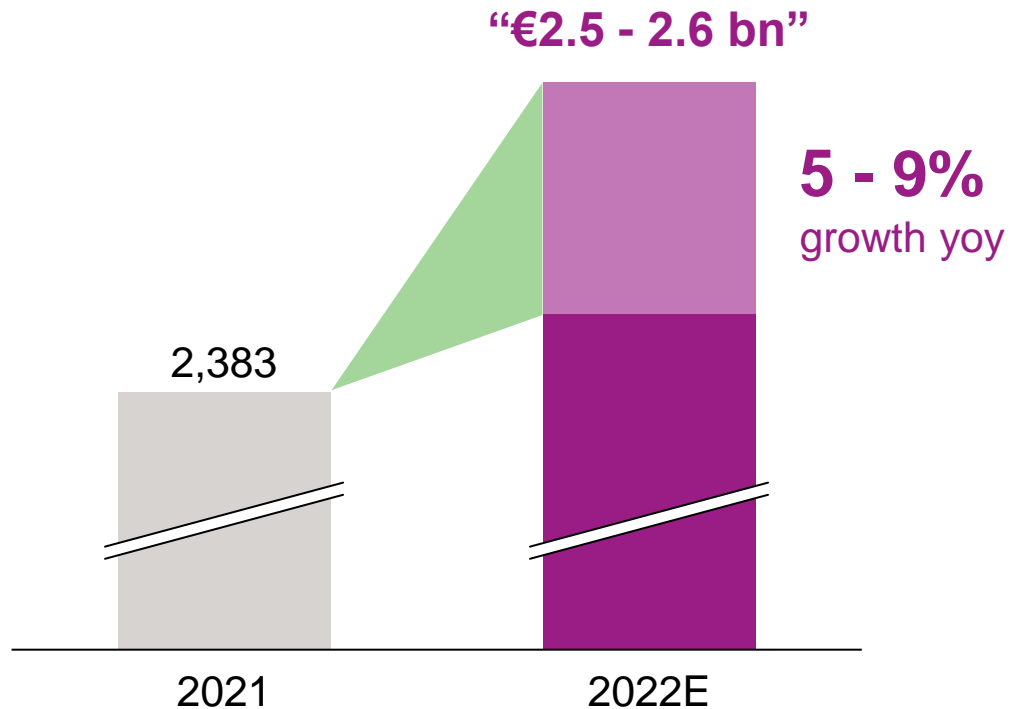
- **Q1 FCF** impacted by significantly higher NWC outflow yoy (-€490 m vs -€177 m in Q1 2021)
- Increased raw material prices resulting in
  - Higher inventories (valuation)
  - Higher receivables (increased sales base)
- Additionally higher inventory levels due to
  - more goods in transit
  - higher level of safety stocks
  - preparation for maintenance shutdowns in Q2

- Prior year's very strong FCF generation supported by low outflows for NWC and taxes

# Outlook for FY 2022 confirmed

## Continued structural earnings growth – Strong start into the year

“Adj. EBITDA between €2.5 and 2.6 bn”



### Basis for the outlook

- GDP growth expectation lowered to 3.3% (from 4.2%)
- Assuming a macro slowdown in 2<sup>nd</sup> half of the year
- However no further deterioration of geopolitical situation

### Sales

between €15.5 and 16.5 bn  
(unchanged; FY 2021: €15.0 bn)

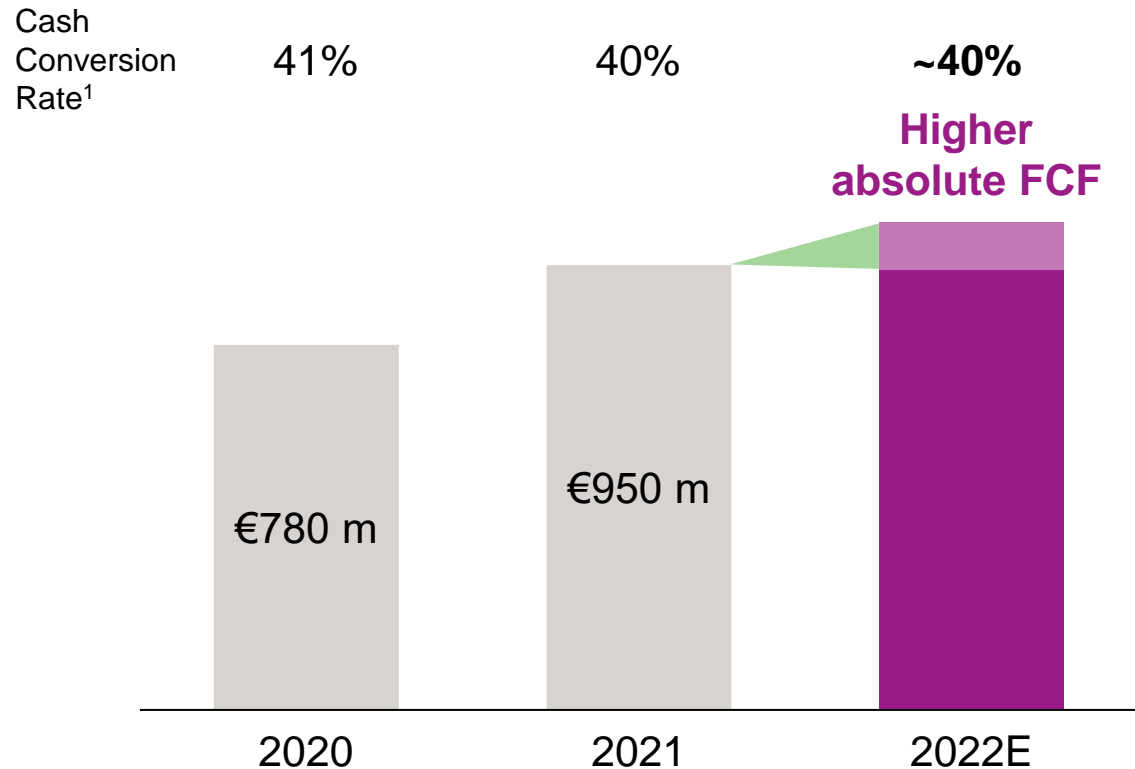
### Adj. EBITDA

between €2.5 and 2.6 bn  
(unchanged; FY 2021: €2,383 m)

# Outlook for FY 2022 confirmed

Continued strong cash conversion = higher absolute FCF

“Stable FCF conversion around 40%”



## Positives

- Higher **adj. EBITDA**
- Continued **capex** discipline despite inflationary environment

## Challenges

- FCF outlook is based on the targeted reduction of the currently higher NWC levels throughout the year, resulting in **yoy lower NWC outflow**
- Higher **bonus payments** (outflow in Q2)

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

# Additional indications for FY 2022

<b>Sales</b>	<b>between €15.5 and 16.5 bn</b> (2021: €15.0 bn)
<b>ROCE</b>	<b>slightly above the level of 2021</b> (2021: 9.0%)
<b>Capex<sup>1</sup></b>	<b>around €900 m</b> (2021: €865 m)
<b>EUR/USD sensitivity<sup>2</sup></b>	+/-1 USD cent = <b>-/+ ~€6 m</b> adj. EBITDA (FY basis)
<b>Adj. EBITDA T&amp;I/Other</b>	<b>considerably less negative than prior year level</b> (2021: -€221 m)
<b>Adj. D&amp;A</b>	<b>slightly above the level of 2021</b> (2021: €1,045 m)
<b>Adj. net financial result</b>	<b>slightly less negative than 2021</b> (2021: -€97 m)
<b>Adj. tax rate</b>	<b>around</b> long-term sustainable level of <b>~30%</b> (previously: long-term level of 31%); higher compared to previous years (2021: 28%), amongst others due to changes in international tax legislation

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



# Upcoming IR events

## Conferences & Roadshows

<b>May 16, 2022</b>	Roadshow London (Barclays)
<b>May 17, 2022</b>	Best of Europe Conference (UBS)
<b>May 18, 2022</b>	Chemical Conference (Citi)
<b>May 24, 2022</b>	dbAccess German Corporate Conference (Deutsche Bank)
<b>June 2, 2022</b>	Roadshow Frankfurt (Oddo)
<b>June 15, 2022</b>	European CEO Conference (Exane)

## Upcoming Events & Reporting Dates

<b>May 25, 2022</b>	<b>Annual General Meeting</b>
<b>August 10, 2022</b>	Q2 2022 reporting
<b>November 8, 2022</b>	Q3 2022 reporting

# Evonik Investor Relations team

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**Tim Lange**  
Head of Investor Relations

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



**Christoph Rump**  
Investor Relations Manager

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



**Katharina Gayk**  
Team Assistant

+49 201 177 3146  
katharina.gayk@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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