

Evonik

Leading Beyond Chemistry

Company Presentation Q2 2022

NEXTGEN 



Key messages Q2 2022

Q2 continues on strong Q1 level – Outlook for adj. EBITDA confirmed

Adj. EBITDA of €728 m in Q2 (+12% yoy) – pricing power intact

Specialty Additives and Smart Materials as basis for strong Q2 with higher earnings both yoy and qoq;
Performance Materials with exceptionally strong spreads **delivering a standout quarter**

Outlook for adj. EBITDA between €2.5 and 2.6 bn **confirmed**;
with €1,462 m in H1, **€2.6 bn well underpinned** even assuming a **successive economic slowdown in H2**

Risks around gas supply prevailing,
tackled with up to 40% natural gas substitution in Germany through use of alternative energy sources

H1 FCF of -€106 m **burdened by ~€500 m higher NWC outflow yoy**;
inflow in H2 expected to **achieve ~30% cash conversion for the full year**

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1. **Evonik at a glance**
2. Strategy
3. Capital allocation & financial targets
4. Financials Q2 2022

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”

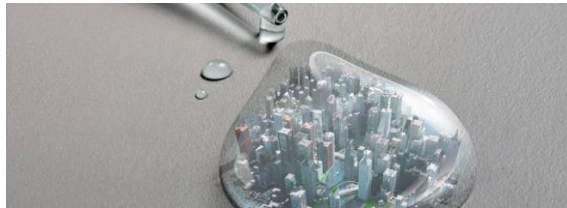
Portfolio circled around our four “Sustainability Focus Areas”




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 financials¹

1: FY 2021

Leading Beyond Chemistry – Growth divisions

Ambition and promising growth drivers

Discover more in our Factbook!

	Specialty Additives	Nutrition & Care	Smart Materials
			
Ambition	“Small amount – Big effect ”	“Bringing Nutrition & Care to Life – for life and living ”	“We find solutions for the needs of today and tomorrow ”
... and promising growth drivers	<ul style="list-style-type: none"> ✓ Making the difference ✓ Enabling circular economy ✓ Digital solutions 	<ul style="list-style-type: none"> ✓ Active cosmetics ingredients ✓ Drug delivery systems ✓ Sustainable & healthy nutrition 	<ul style="list-style-type: none"> ✓ Future Mobility ✓ 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

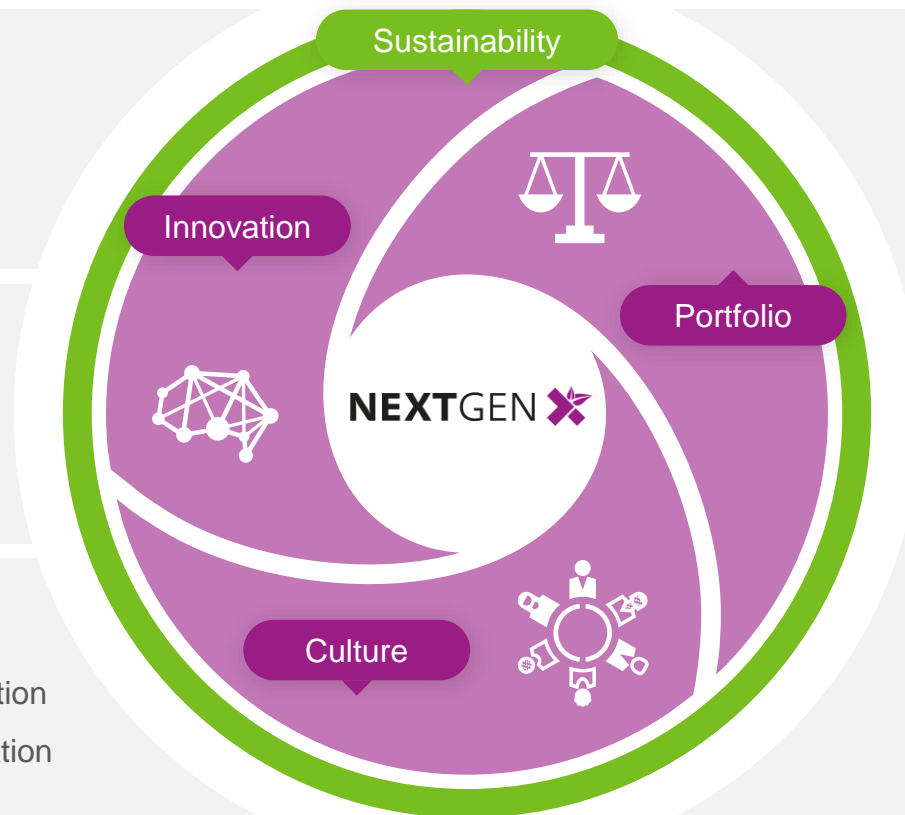
- + Exit Performance Materials
- + Full focus on three attractive growth divisions

Next Generation Innovation

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

Next Generation Culture

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



ESG Targets¹

- + >50% sales share of **NEXTGEN Solutions** ✦
- + -25% CO₂ emission reduction, e.g. via **NEXTGEN Technologies** ✦

Financial Targets

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

1. Until 2030

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



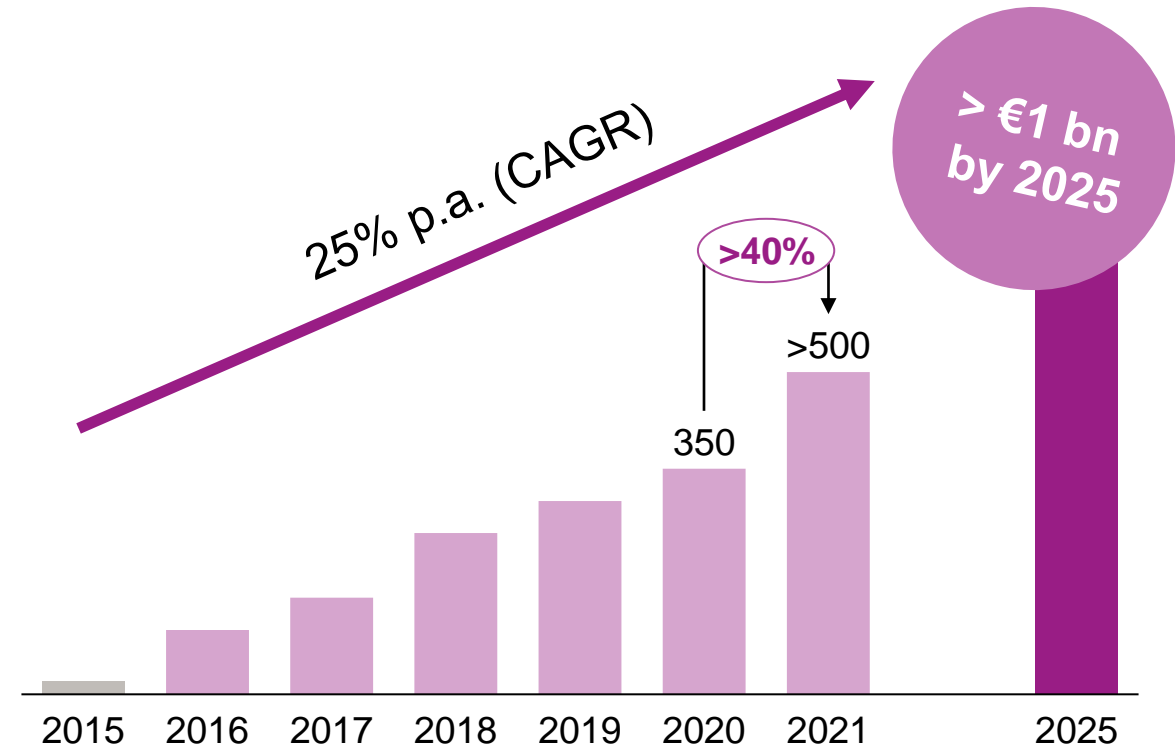
Healthcare
Solutions



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

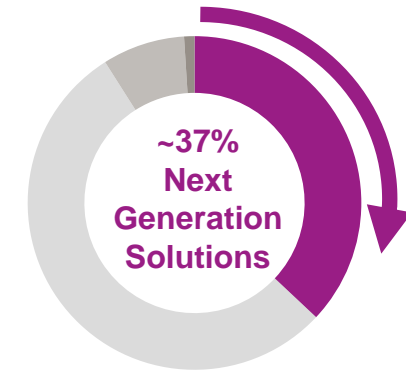


reduction of scope 1 and scope 2 emission until 2030 (vs. 2021)

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 ¹	≤0.26
EBITDA margin	18-20%	“Next Generation Solutions” ²	>50%
Cash conversion ratio	>40%	Sales Inno. Growth Fields ³	>€1 bn
ROCE	~11%	GHG emissions (scope 1&2) ⁴	-25%
Reliable & sustainably growing dividend		Gender diversity ⁵	23%
Solid investment grade rating		Intercultural mix ⁶	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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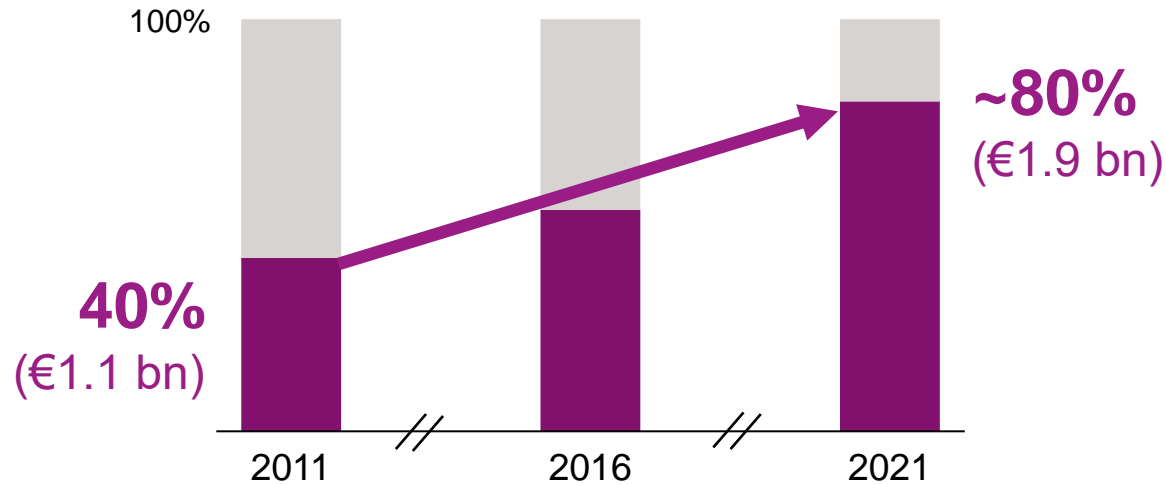
1. Evonik at a glance
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Portfolio transformation – More balanced and more specialty

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 growth¹**

Specialty businesses: Specialty Additives, Smart Materials, Health & Care (excl. Animal Nutrition & Performance Materials)

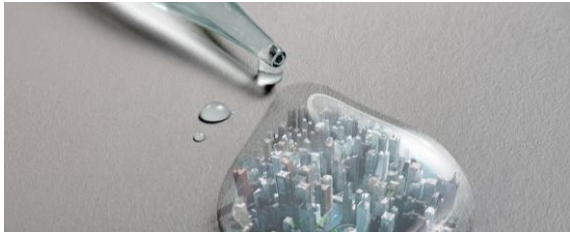
1: organic EBITDA CAGR Specialty vs. Total Operating Businesses (excl. M&A) 2011 – 2021



Portfolio transformation – Clear portfolio roles

Focus on three growth divisions - Exit Performance Materials

Specialty Additives



Nutrition & Care



Smart Materials



Performance Materials



Growth focus

- 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

Exit

- 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%**¹



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 sales¹

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

Functional Solutions



~ €450 m sales¹

- 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 sales¹

- 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 PATENTS¹

>€2,500 EMPLOYEES

100% SUSTAINABILITY-INTEGRATED

FIGHT CLIMATE CHANGE



DRIVE CIRCULARITY



SAFEGUARD ECOSYSTEMS



ENSURE HEALTH & SAFETY

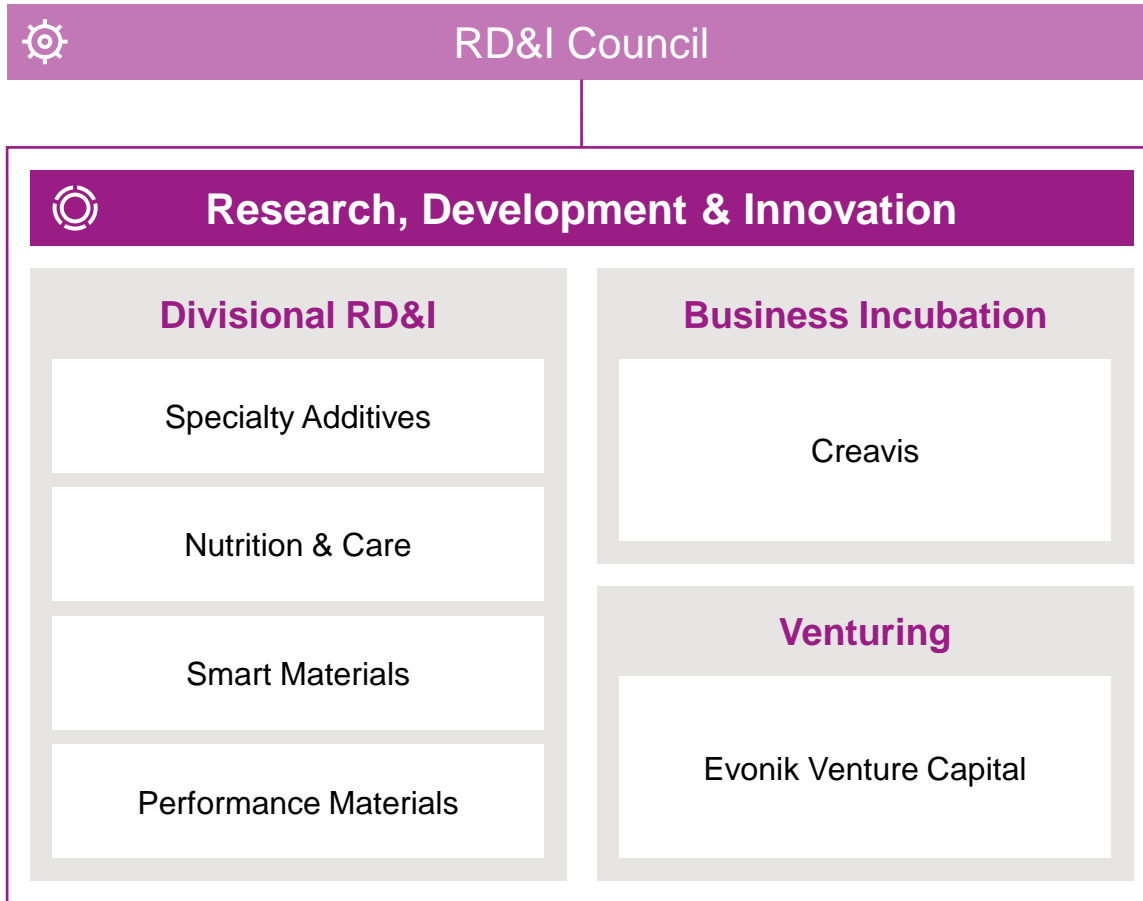


1. Patents and patents pending



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**



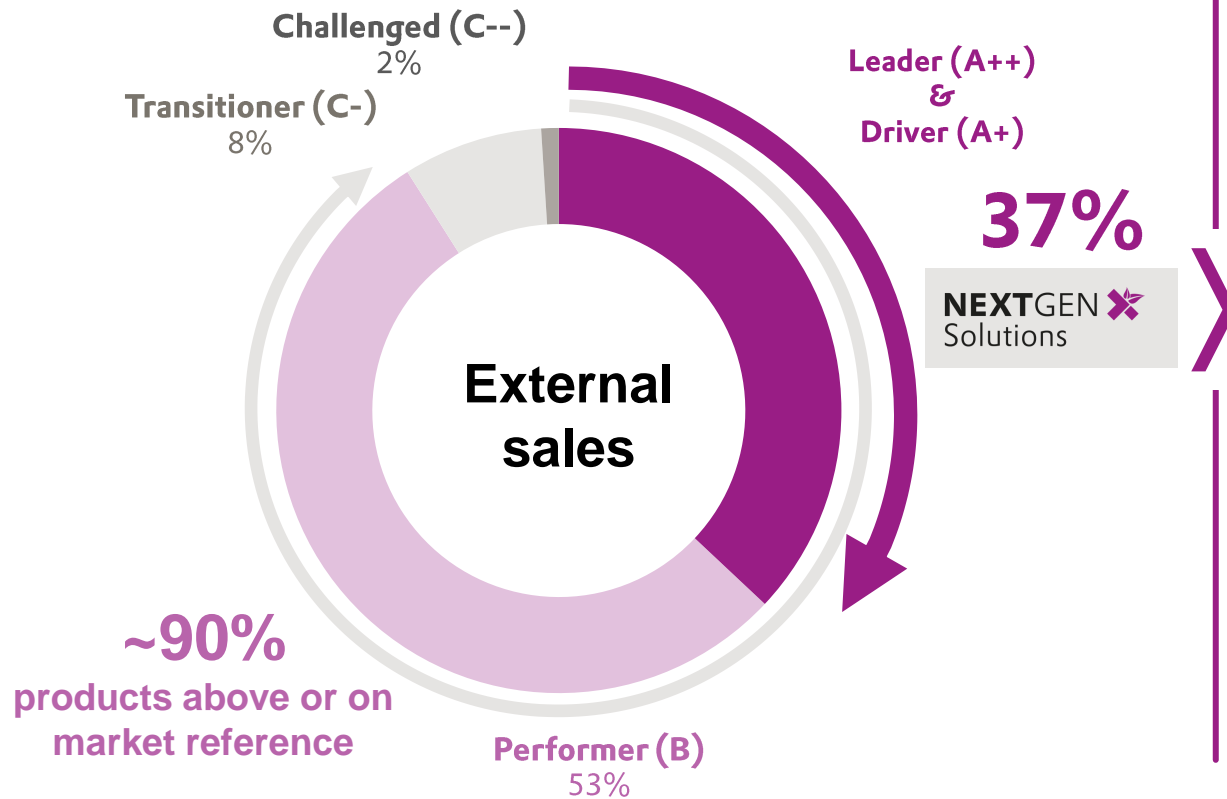
4 Evonik with high standards for **governance** and continuous **improvement of its reporting**



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

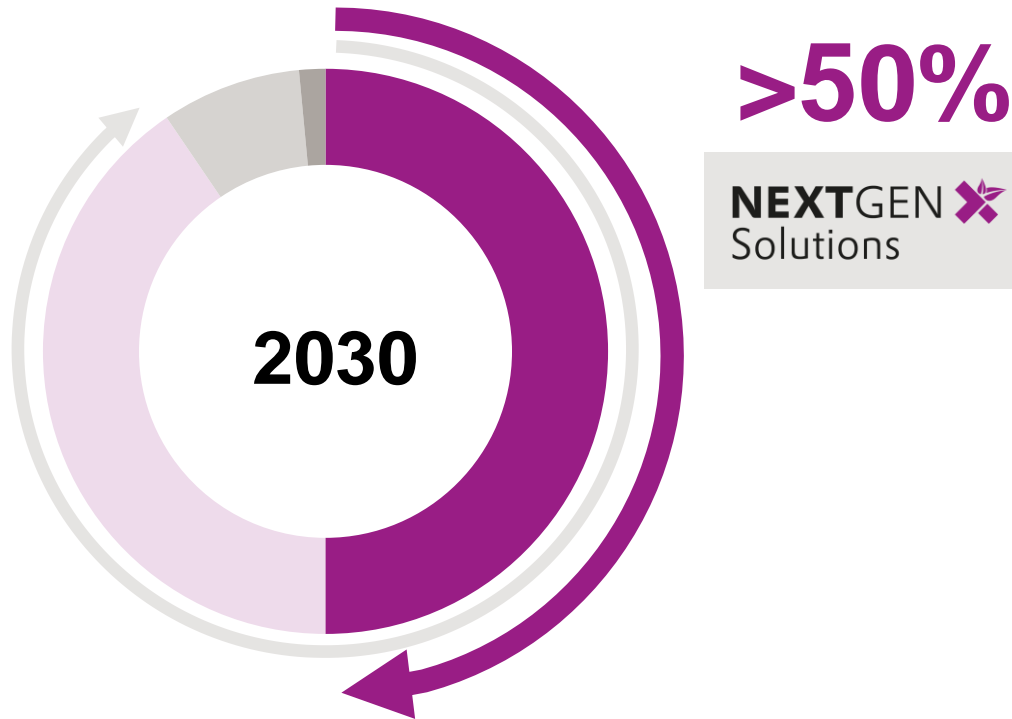
...deliver **superior sustainability benefits** to our customers

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

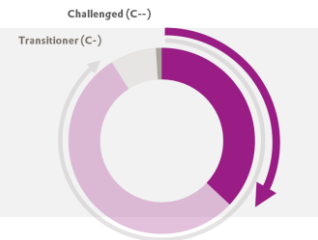
Existing “Next Generation Solutions” with **superior sales growth rates**



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



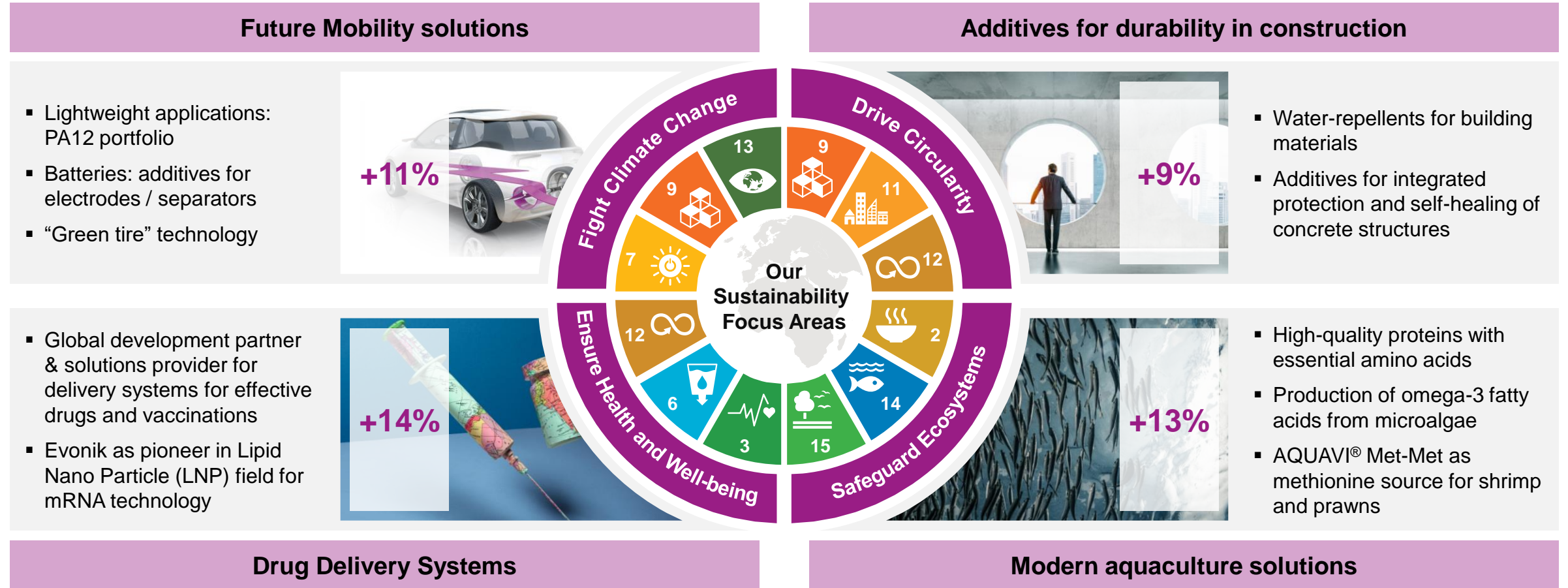
“**Challenged**” and “**Transitioner**” products exiting or with new formulations



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



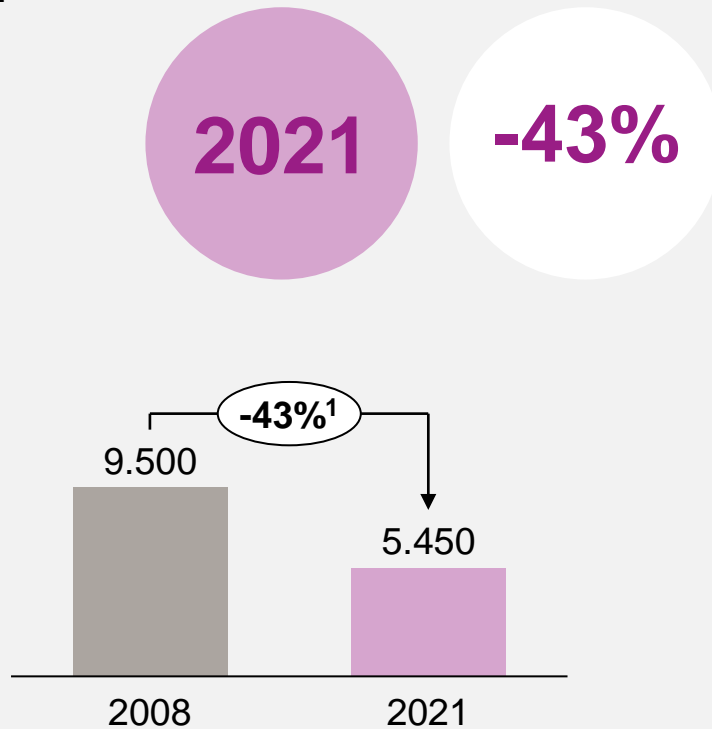
% values: Target CAGR 2021-2030 defined in Strategy Dialogue

Footprint: Commitments to reaching the Paris Climate Agreement

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

Achievements on GHG emissions' reduction

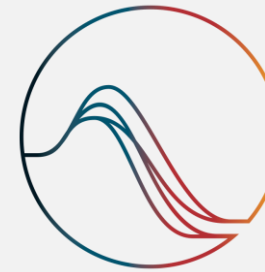
Scope 1&2



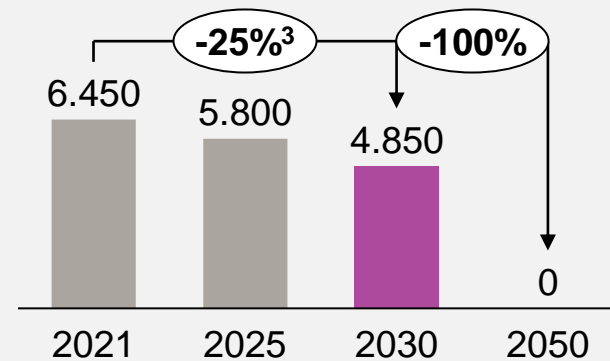
New targets for GHG emissions scope 1&2

Scope 1&2
Well below 2°C²

Scope 3
Committed²



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, 25th April 2022

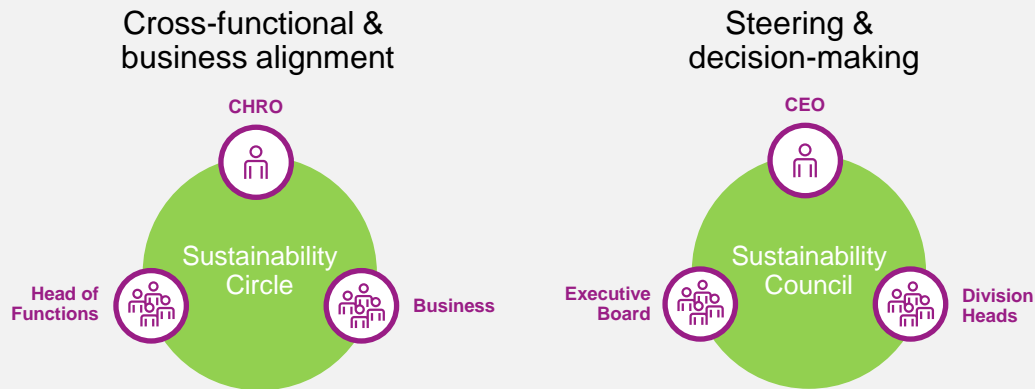
3. Gross emissions; reference year 2021, target year 2030

Complementing the governance on ESG

Reflected in organizational set-up and remuneration

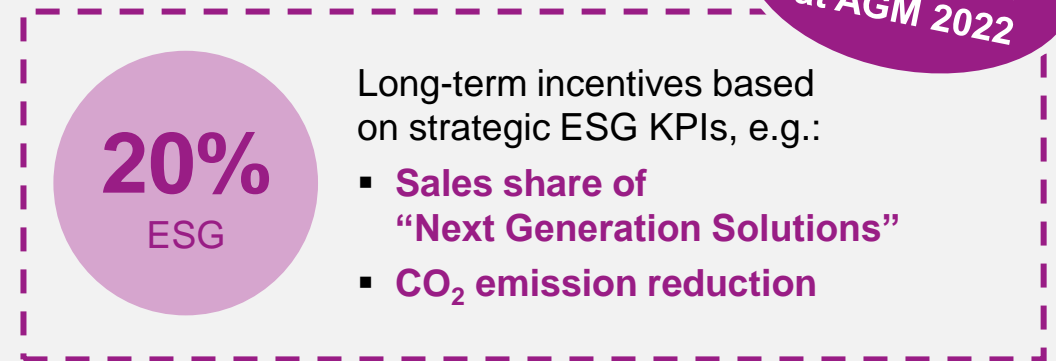
Clear responsibilities

- **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 years¹

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
			
Next Generation Solutions¹	> 40%	> 50%	> 50%
EBITDA margin	Secure strong level (2021: 25%)	> 22% (2021: 20%)	~ 20% (2021: 17%)
ROCE	Secure strong level (2021: 18%)	> 14% (2021: 12%)	> 11% (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

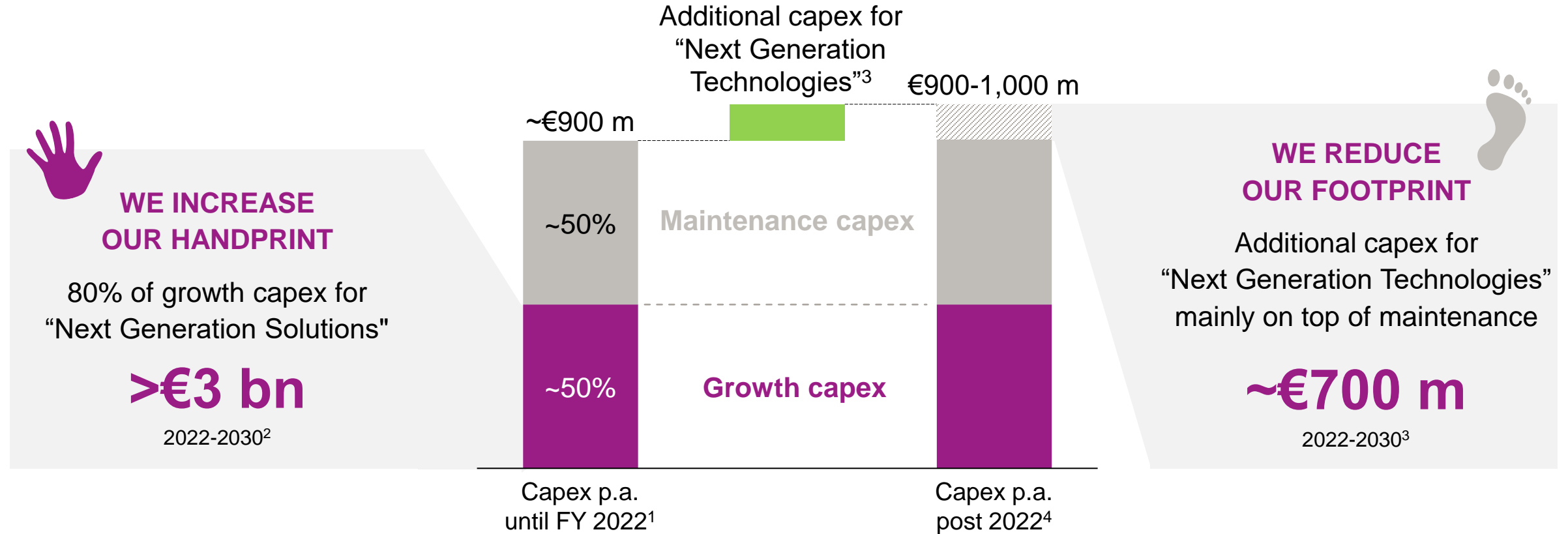
Attractive dividend

- 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 sustainability¹ 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%)
- CO₂ pricing implemented

NEXTGEN Technologies



2030

-25%²

Scope 1+2

Projects to lower CO₂ 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.)

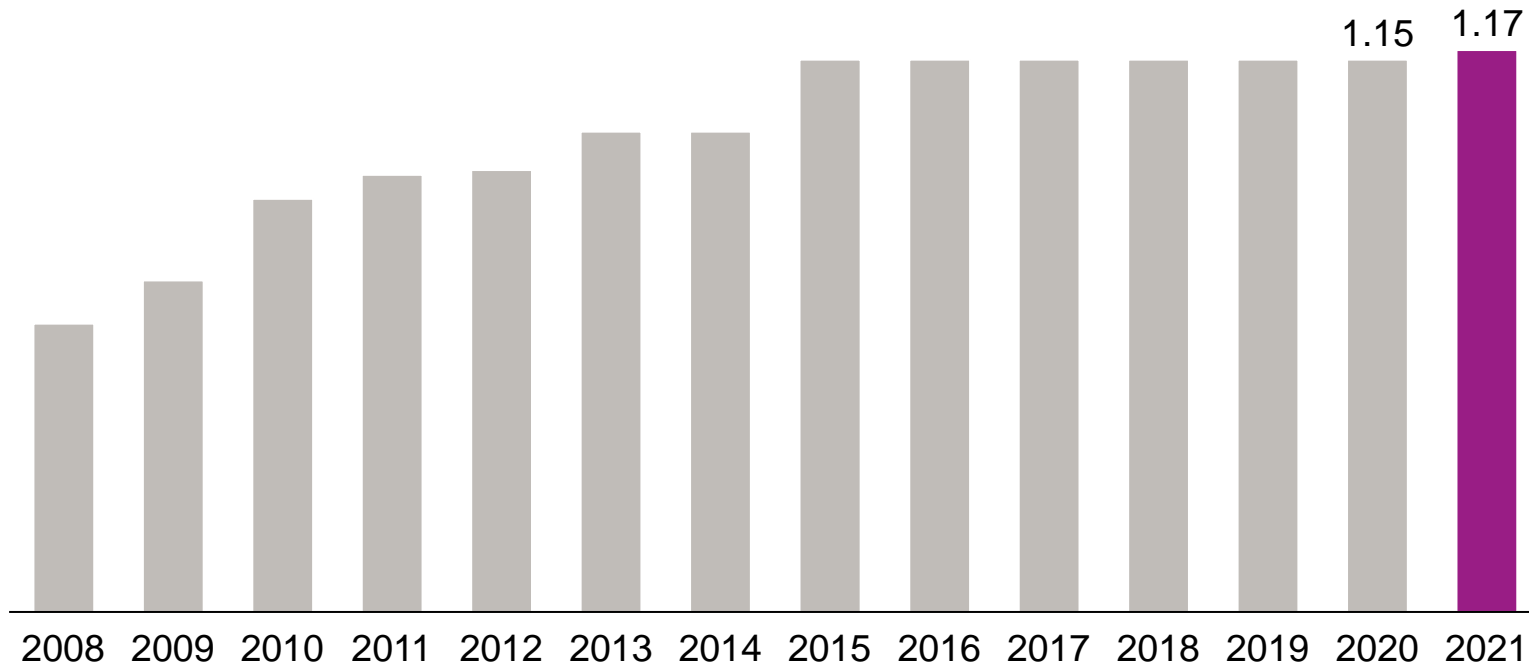
1. “Next Generation Solutions” include “Leader” (A++) and “Driver” (A+) products and solutions

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

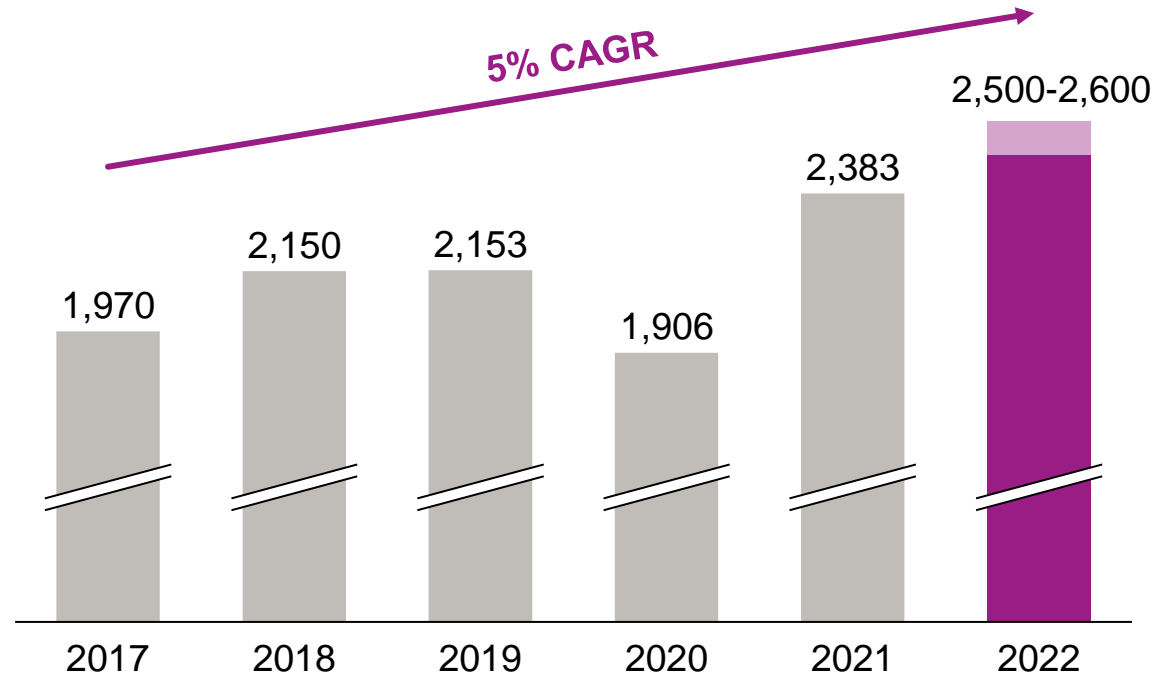


- **Slight increase** to €1.17 in FY 2021
- **Attractive dividend yield of ~4%**
- Reliable dividend policy targeting:
 - **Dividend continuity**
 - **Adj. EPS and FCF growth** with potential for sustainable **dividend growth** going forward

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 %)

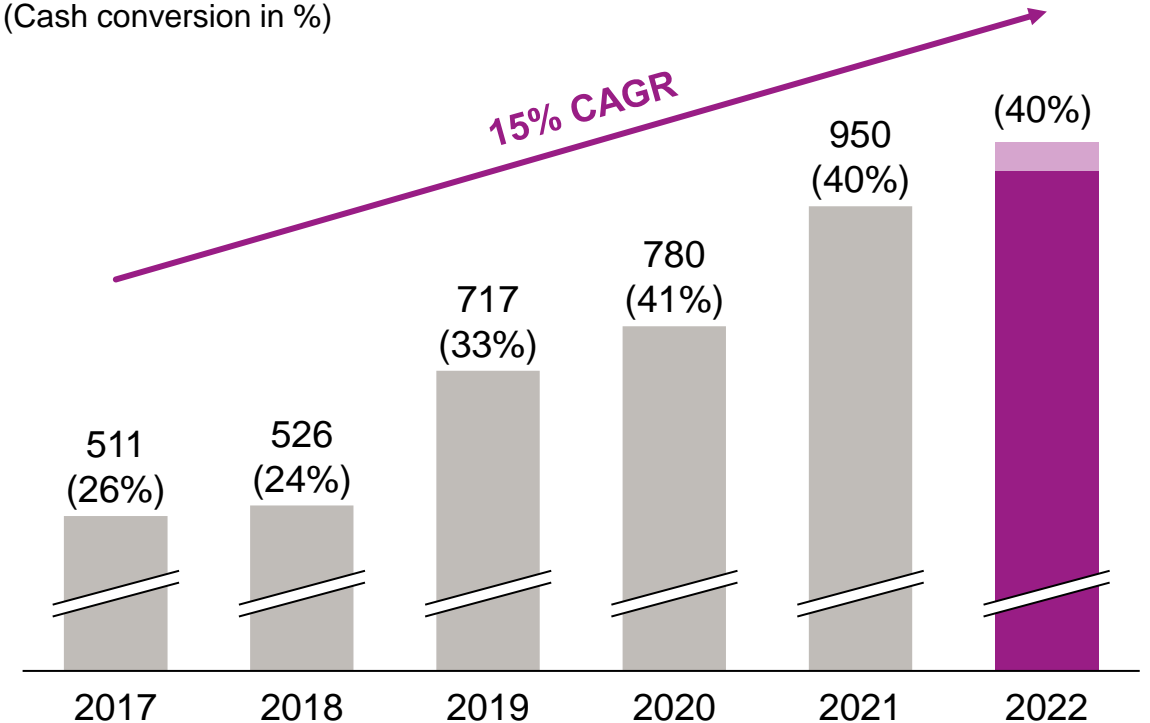


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Decisive steps to reduce gas exposure in Germany

Energy supply at Marl site to become completely independent from natural gas

Germany

Measures for up to 40%
gas substitution (up to 2 TWh)

Marl

- Single biggest measure: substitution of natural gas with LPG in new gas power plant
- Runtime extension of coal power plant
- Energy supply at site to become completely independent from natural gas

Other German sites

- Partial switch to fuel oil

Total gas consumption in Europe (TWh)¹

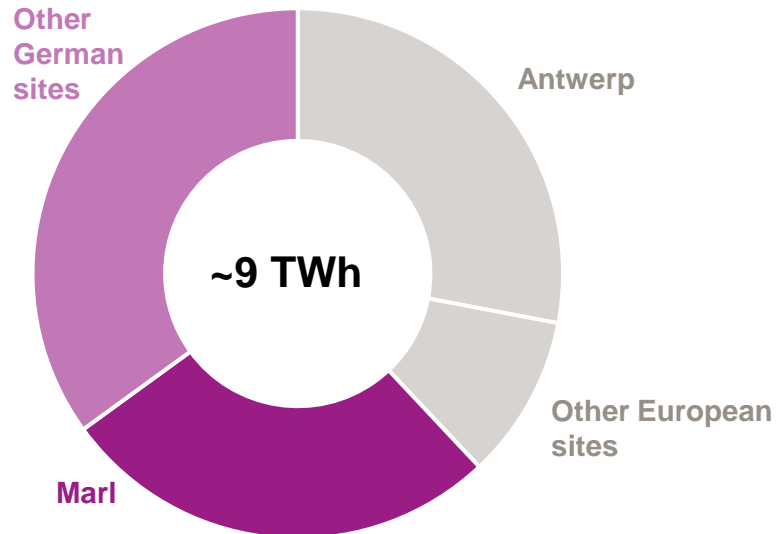
Germany: ~5 TWh in 2021
→ to be reduced by up to 40%

Rest of Europe

Less dependency
on gas from Russia

Antwerp

- Biggest gas consuming site of Evonik in Europe (e.g. C4 chain, Animal Nutrition)
- Benefitting from favorable infrastructure, e.g. direct proximity to LNG terminals



1. FY 2021; includes gas as raw material

Substitution of natural gas with LPG in new gas power plant in Marl as main measure to reduce gas consumption at German sites



BP Cracker (Scholven)

- LPG up to now handed back to BP cracker
- Will be replaced by alternative raw materials



C4 Chain (Marl)

LPG (liquified petroleum gas) as by-product in production of Performance Intermediates (C4 chain) in Marl



New gas power plant (Marl)

- New gas power plant in Marl technically equipped to also use LPG as energy source
- Significant reduction in natural gas consumption without any production limitation
- Enhancing supply security, but also economically viable in current environment

Left picture: BP Europa SE

Strong track record of passing on higher costs

Measures in place to limit 2023 energy cost increase

Raw material costs

- Successfully compensated through own price increases
- Pressure easing as raw material price trends are flattening

~€3 bn

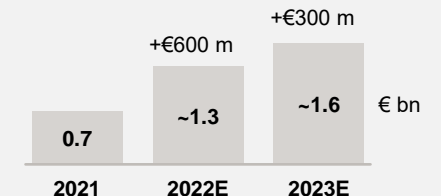
raw material cost increase since the beginning of 2020

Energy costs

- **Compensation measures limiting energy cost increase:**
 - Hedging in place
 - 40% gas substitution at German sites
- Targeting pass-on through own price increases

~€300 m

expected energy cost increase yoy for FY 2023¹



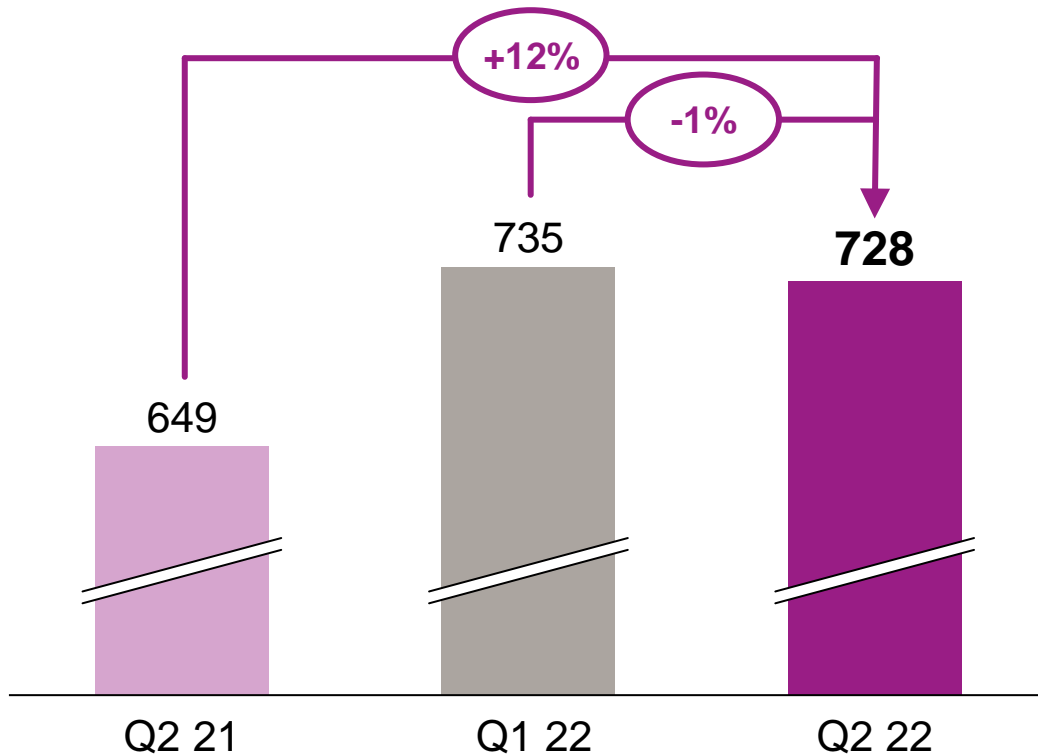
1. Not including potential levy for higher costs from gas imports and gas storage in Germany

Q2 2022 results at a glance

Sales (in € m)	Adj. EBITDA (in € m)	Free cash flow (in € m)	Adj. EPS (in €)
4,772 (Q2 2021: 3,636)	728 (Q2 2021: €649 m)	-239 (Q2 2021: €101 m)	0.75 (Q2 2021: 0.54 €)
Strong increase driven by further accelerating prices (+24%) – a clear sign that pricing power is intact	Specialty Additives and Smart Materials as basis for strong Q2; Performance Materials supporting with standout quarter	Significantly higher NWC outflow (yoy) mainly due to higher inventories and receivables	Supported by positive financial result; adj. tax rate of 29%

Adj. EBITDA Q2 2022

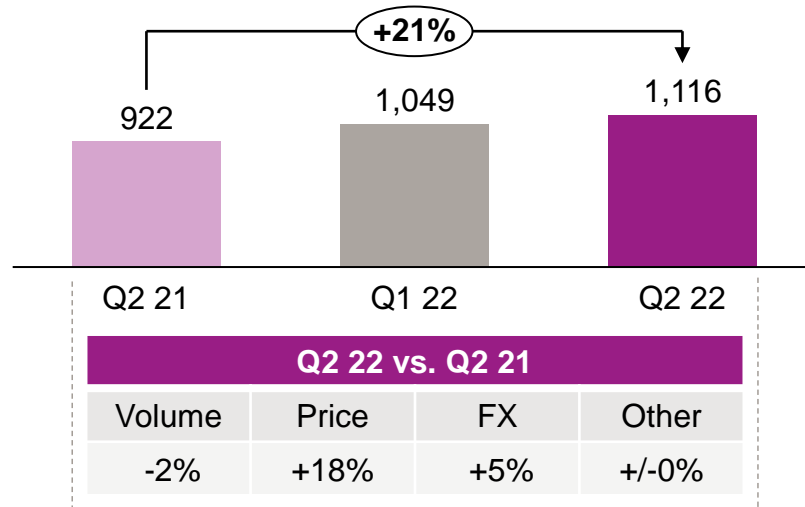
Adj. EBITDA (in € m)



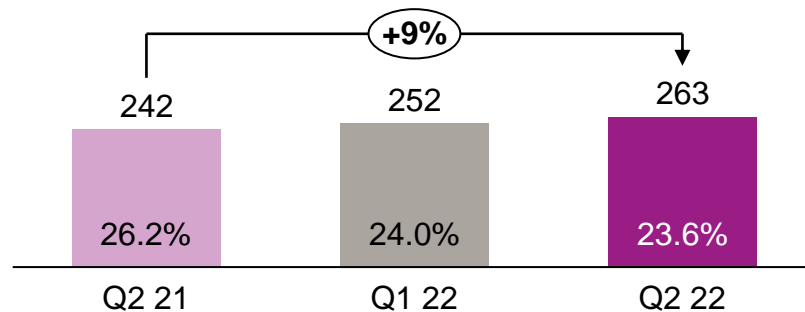
- **Q2 continues on strong Q1 level**
- ... despite **€20 m costs for one-time payment to employees** (mutual tariff agreement)
- **Higher prices** again compensate higher variable costs in all divisions
- **Specialty Additives and Smart Materials as basis for strong Q2** - with higher earnings both yoy and qoq
- **Performance Materials** with exceptionally strong spreads **delivering a standout quarter**
- Earnings **supported by inventory revaluation** effects
 - Similar level as Q1
 - Performance Materials with biggest impact

Specialty Additives

Sales
(in € m)



Adj. EBITDA
(in € m)
/ margin
(in %)



- Continued positive underlying end market dynamics across all businesses in a good pricing environment
 - Crosslinkers with strong earnings momentum as a result of ongoing pricing campaigns to compensate higher raw mat costs
 - Additives businesses with good pricing and solid demand especially in agro and industrial applications
- Volumes down slightly against tough comparables (Q2 2021: +24%), still limited by logistics and ongoing raw material constraints
- Pricing campaigns accelerating further (with time-lag): +18% in Q2
- Gap between prices and variable costs closed in Q2 22, in addition some raw material prices start to flatten out, however logistics and energy costs remain elevated

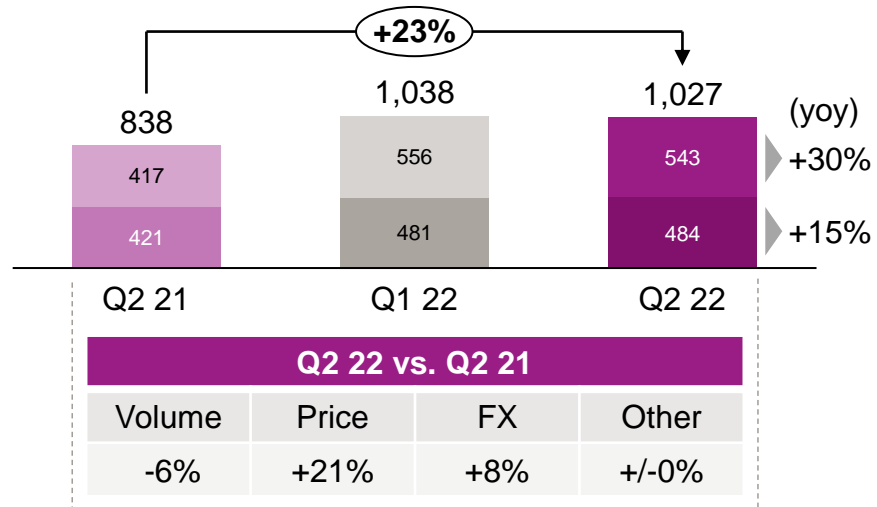


Nutrition & Care

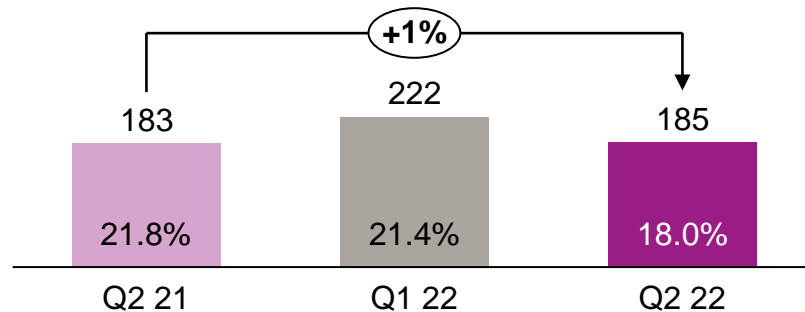
Sales (in € m)

Animal
Nutrition

Health &
Care



Adj. EBITDA (in € m) / margin (in %)



- Health & Care with continued strong growth yoy and stable qoq
 - Care Solutions with continued strong volume growth and accelerating pricing esp. for active cosmetic ingredients and cosmetic solutions
 - Health Care with slightly lower order pattern for drug delivery, catch-up in H2 expected
- Animal Nutrition with strong pricing for another quarter, volumes lower mainly due to
 - lockdowns of major Chinese cities
 - some customer destocking

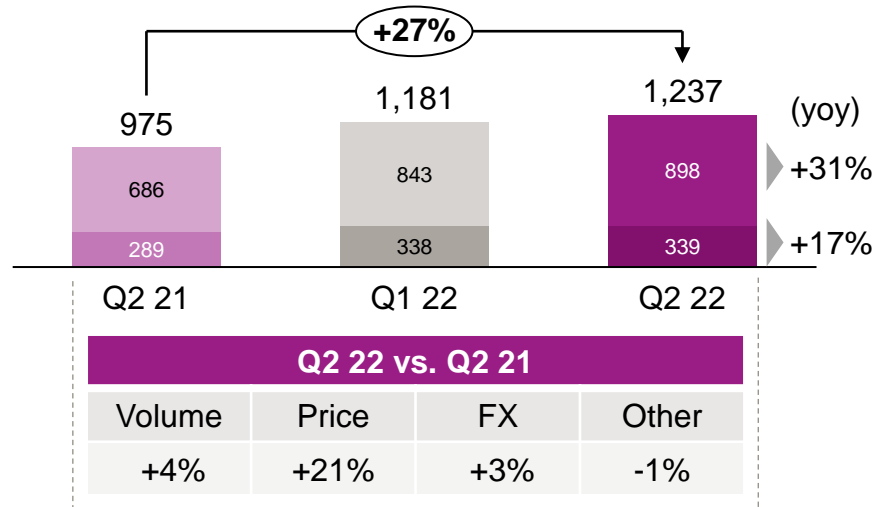


Smart Materials

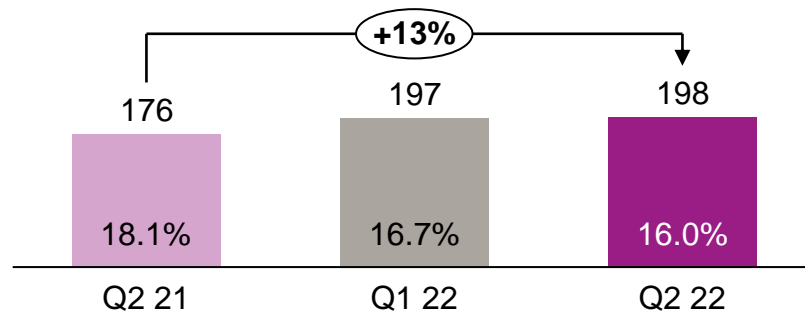
Sales (in € m)

Inorganics

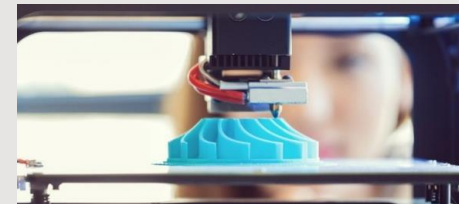
Polymers



Adj. EBITDA (in € m) / margin (in %)

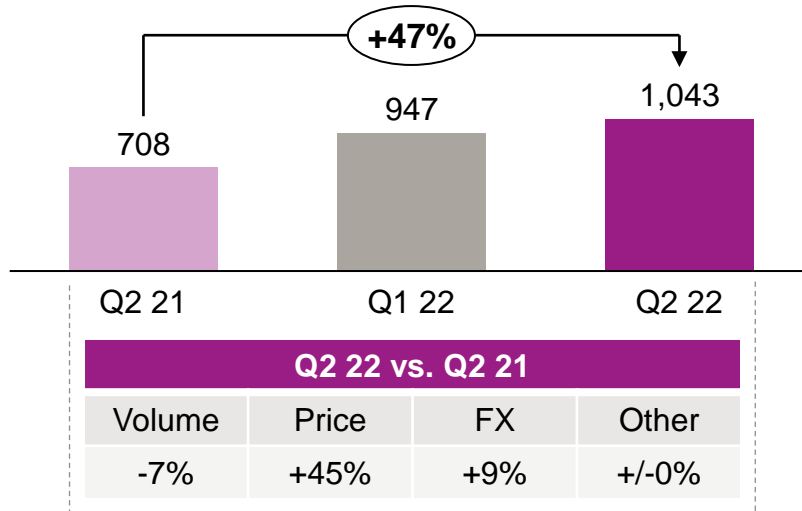


- Double-digit EBITDA growth, driven by strong pricing
- Solid volume growth despite limitations by China lockdown, logistic issues and planned maintenance shutdown in PA12
- Continued strong growth in Silanes and Silica
- Project-based catalyst business supporting growth of the division
- Pricing campaigns accelerating further (with time-lag): +21%, following +16% in Q1 and +10% in Q4

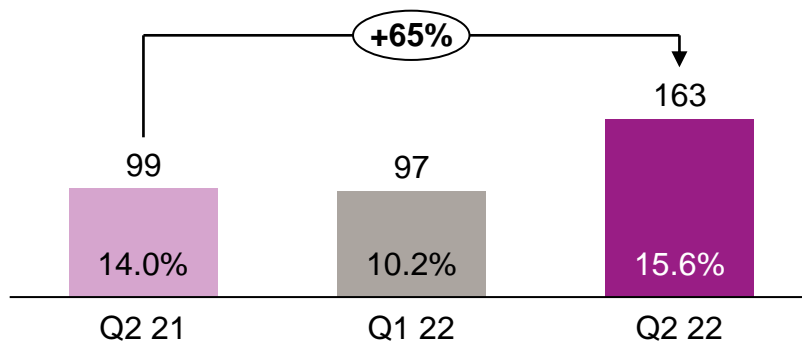


Performance Materials

Sales
(in € m)



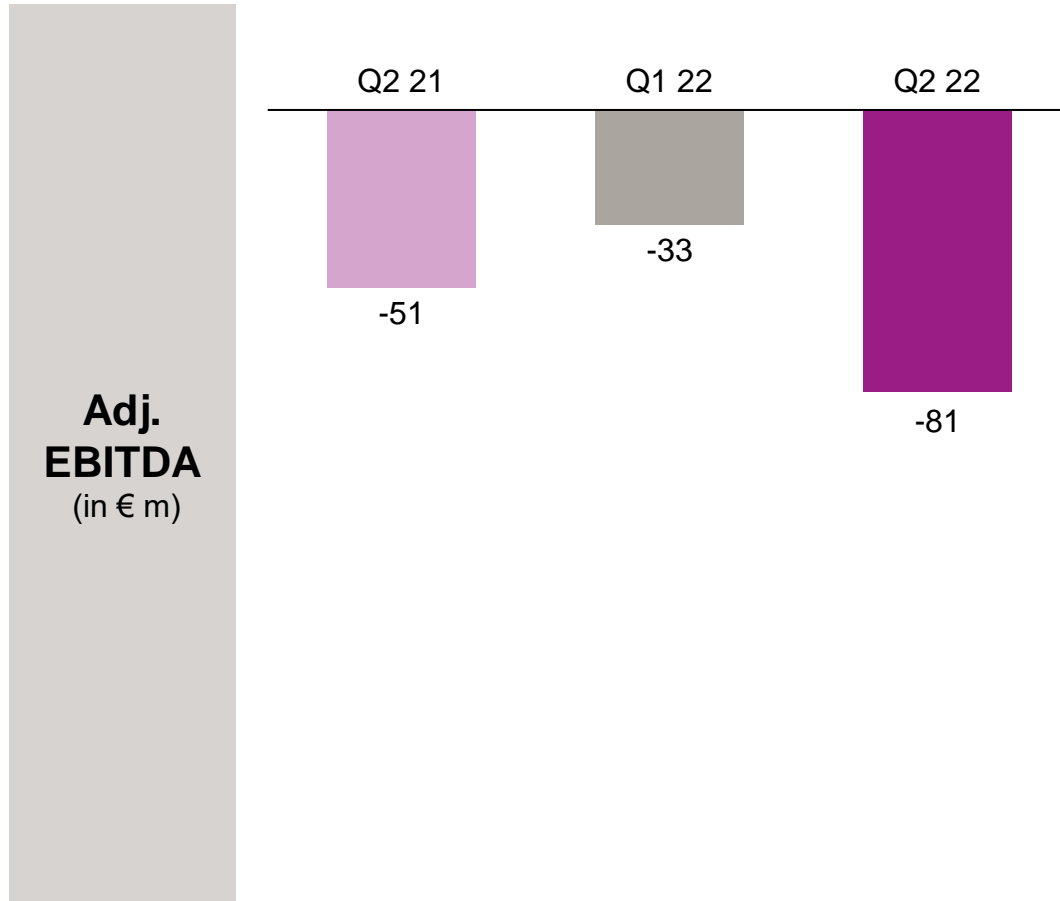
Adj. EBITDA / margin
(in € m)
(in %)



- Extraordinary strong quarter and spreads for C4 business
- Tight C4 markets in Q2, mainly supply-driven (several planned and unplanned shutdowns in Asia & US); markets relaxing into H2
- Naphtha price further supportive in Q2
- Q2 volumes negatively impacted by logistical challenges and reduced raw material availability; Q3 with planned maintenance in C4 operations in Marl, Germany
- Superabsorber with ongoing market recovery, Q2 negatively impacted by time lag in raw material pass-on



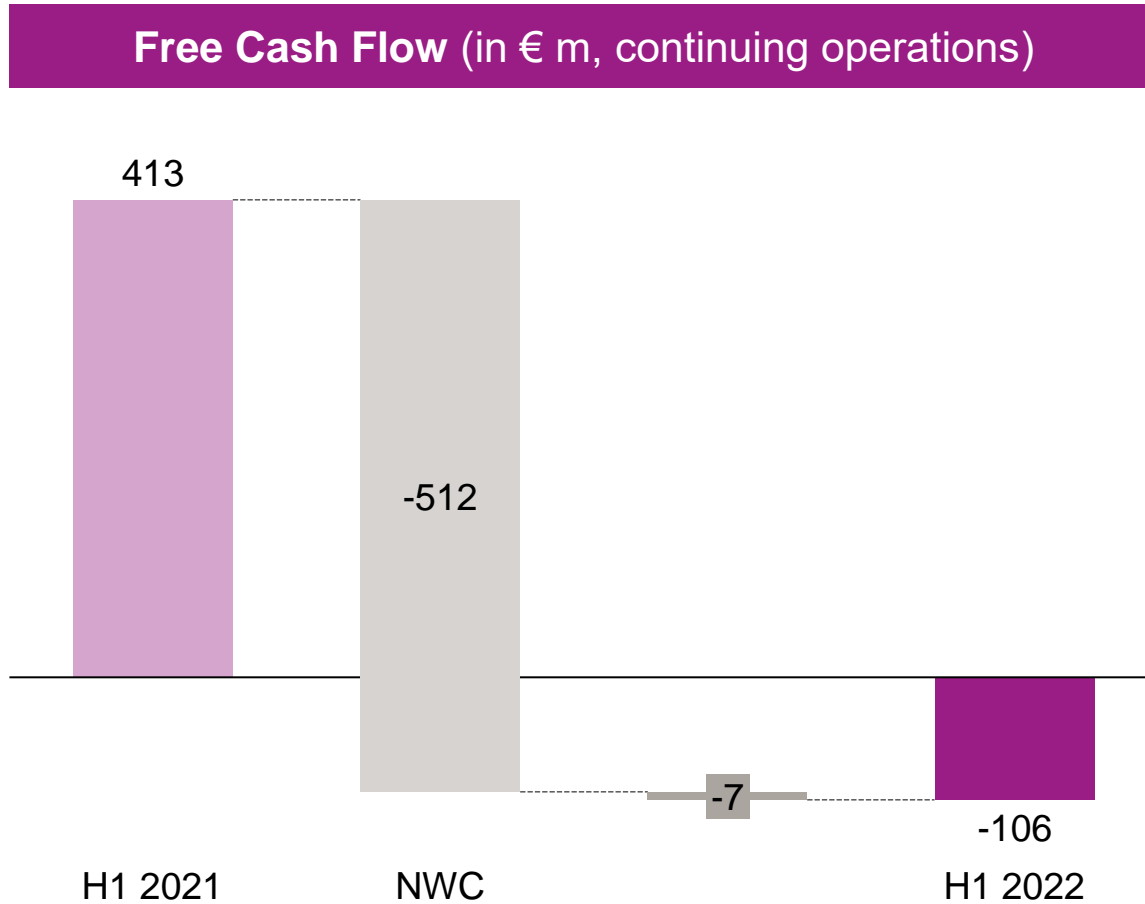
Technology & Infrastructure (T&I) / Other



- Clearly below prior year and usual run rate due to
 - higher energy costs (e.g. additional purchase of coal)
 - higher costs for power plants in Marl
 - preparation of coal power plant for extended run-time
 - ramp-up of gas power plant using LPG
 - higher personnel costs due to one-time payment to employees as result of mutual tariff agreement
- Normalization in Q3 and Q4 leading to unchanged expectation for considerably less negative result in FY 2022



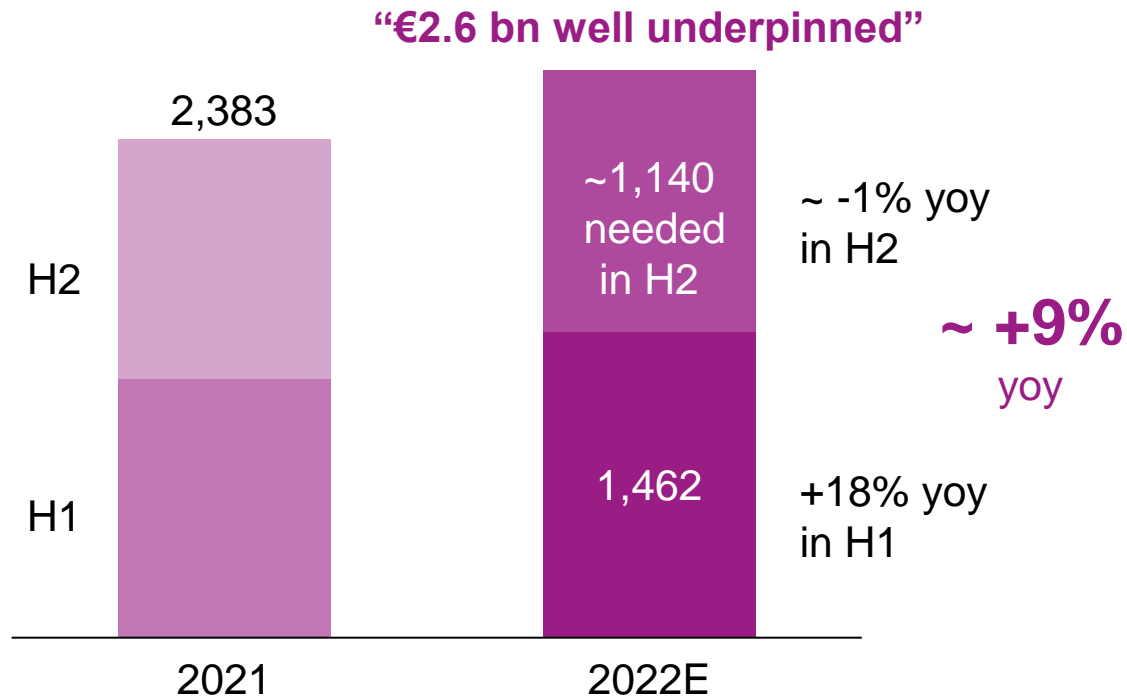
Free Cash Flow H1 2022



- H1 FCF impacted by **significantly higher NWC outflow** yoy (-€911 m vs -€399 m in H1 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
- Higher EBIT(DA) compensated by higher cash outflow for variable remuneration (for FY 2021)

FY 2022 outlook for adj. EBITDA confirmed

“Adj. EBITDA between €2.5 and 2.6 bn”



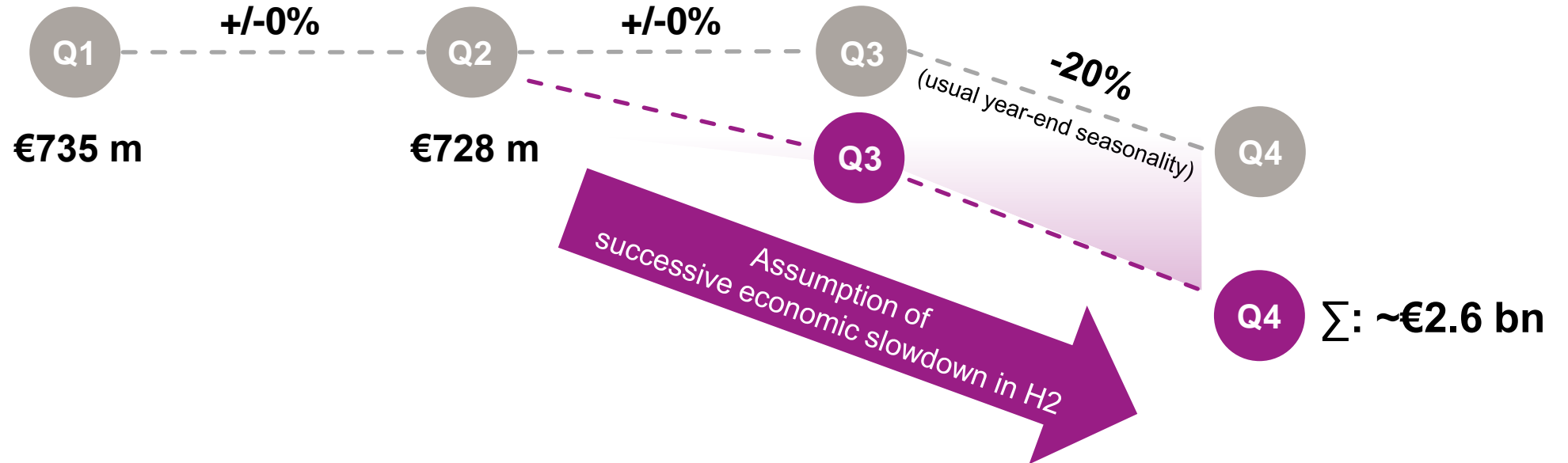
Basis for the outlook

- Strong H1 performance as basis
- Assuming a successive macro slowdown in H2
- Energy supply:
 - Outlook based on sufficient gas supply to maintain production on necessary scale
 - Implementation of extensive measures to make energy production at European sites largely independent from further gas cuts
 - Levy for higher costs from gas imports and gas storage in Germany included

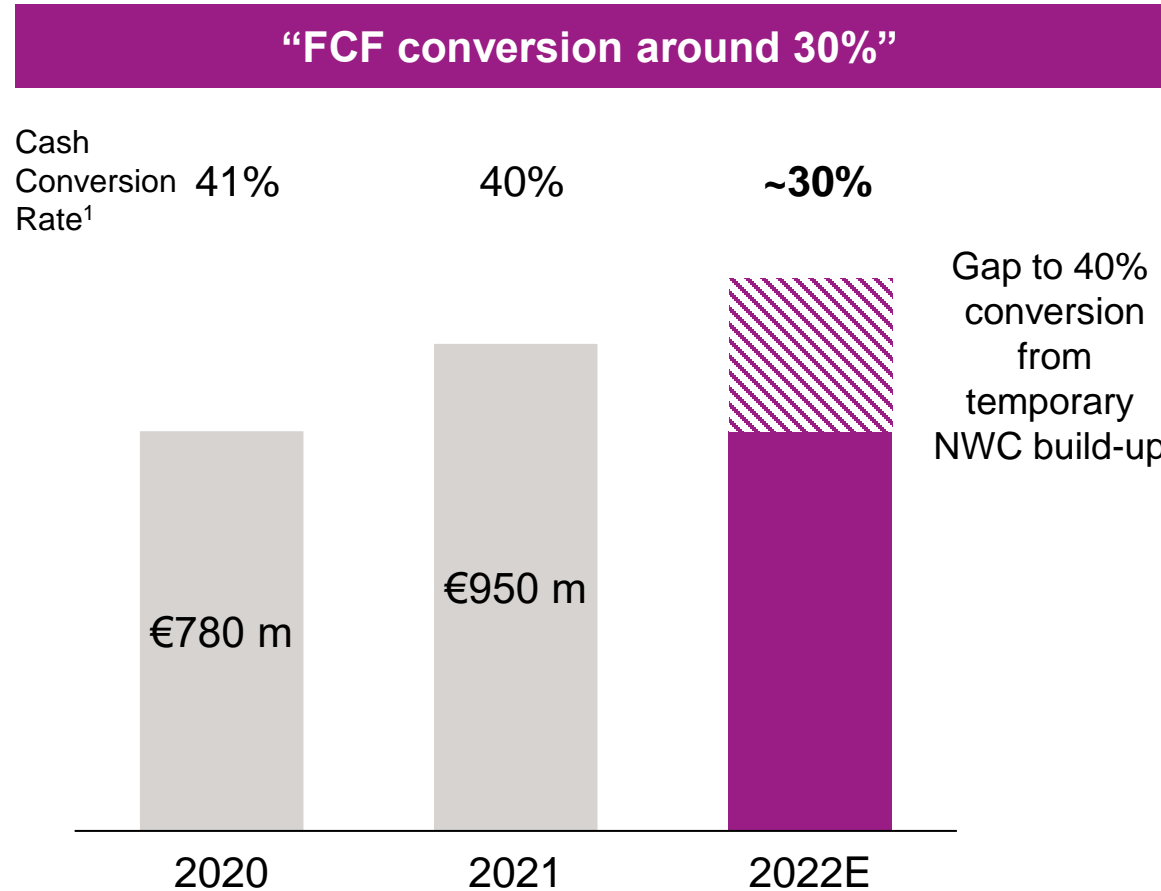
Macroeconomic slowdown in H2 factored into adj. EBITDA outlook for 2022

Typical earnings distribution
(adj. EBITDA 2015-2021)

Expected earnings distribution in 2022
(adj. EBITDA)



FCF conversion expected lower in FY 2022 due to NWC outflow



NWC impact in 2022 so far

- **~€900 m NWC outflow in H1** (yoy delta of ~€500 m) due to both higher inventories and receivables

Outlook

- Partly NWC reversal expected in H2 with **~€400-500 m inflow**
- Further NWC reversal potential in 2023


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

Additional indications for FY 2022

Sales	between €17 and 18 bn (previously: between €15.5 and 16.5 bn; 2021: €15.0 bn)
ROCE	slightly above the level of 2021 (unchanged; 2021: 9.0%)
Capex¹	around €900 m (unchanged; 2021: €865 m)
EUR/USD sensitivity²	+/-1 USD cent = -/+ ~€6 m adj. EBITDA (FY basis)
Adj. EBITDA T&I/Other	considerably less negative than prior year level (unchanged; 2021: -€221 m)
Adj. D&A	slightly above the level of 2021 (unchanged; 2021: €1,045 m)
Adj. net financial result	slightly less negative than 2021 (unchanged; 2021: -€97 m)
Adj. tax rate	around long-term sustainable level of ~30% (unchanged; FY 2021: 28%); higher compared to previous years, amongst others due to changes in international tax legislation

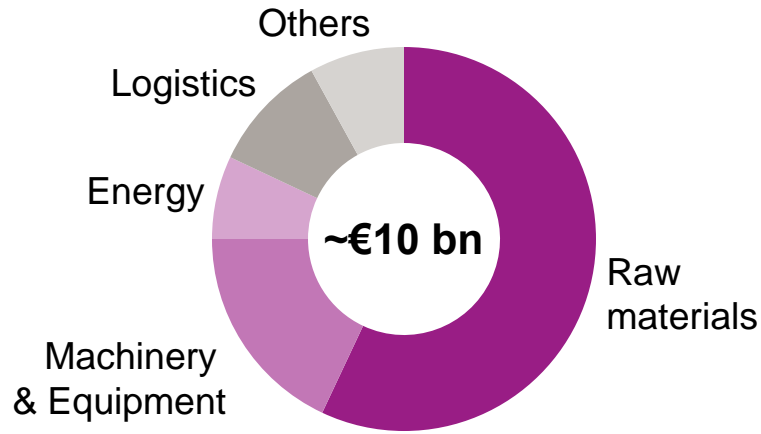
1. Cash outflow for investment in intangible assets, pp&e | 2. Including transaction effects (after hedging) and translation effects; before secondary / market effects

Indications for adj. EBITDA FY 2022 on division level

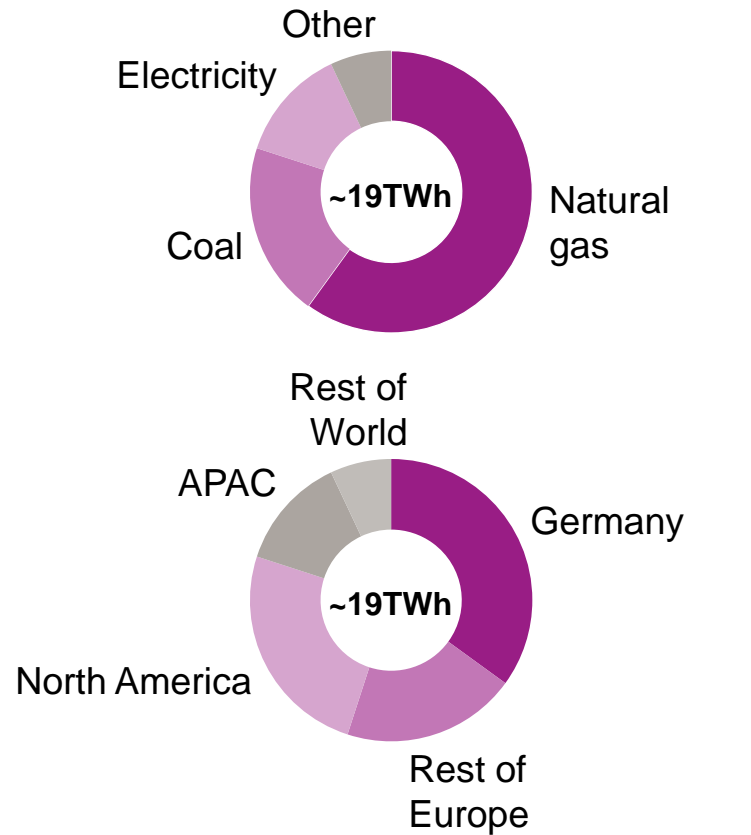
Specialty Additives	Nutrition & Care	Smart Materials	Performance Materials
 <ul style="list-style-type: none">▪ Mission-critical solutions with superior sustainability profile supporting broad-based growth across additives portfolio▪ Pricing initiatives continue to compensate higher input costs	 <ul style="list-style-type: none">▪ Increasing share of “System Solutions” with above-average margin profile▪ Positive price trend in Animal Nutrition▪ Continued active cost & portfolio management	 <ul style="list-style-type: none">▪ Ongoing positive development in “Eco Solutions”▪ “Future Mobility”: New PA12 capacities into tight market▪ Pricing initiatives continue to compensate higher input costs	 <ul style="list-style-type: none">▪ Product spreads in C4 chain with clearly positive trends▪ Superabsorber to benefit from improving market environment and long-term customer relationships
<p>“slightly above prior year level” (unchanged)</p>	<p>“considerably above prior year level” (unchanged)</p>	<p>“considerably above prior year level” (previously: significantly above PY)</p>	<p>“significantly above prior year level” (previously: below PY)</p>

Evonik energy and gas consumption

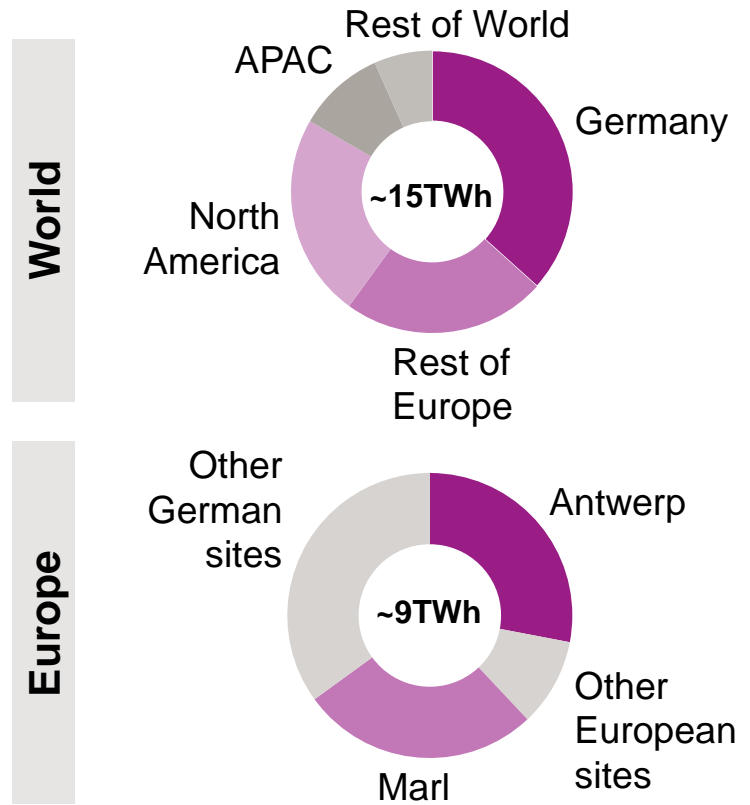
Total procurement volume¹



Thereof: Energy^{1, 2}



Total gas consumption^{1, 3}

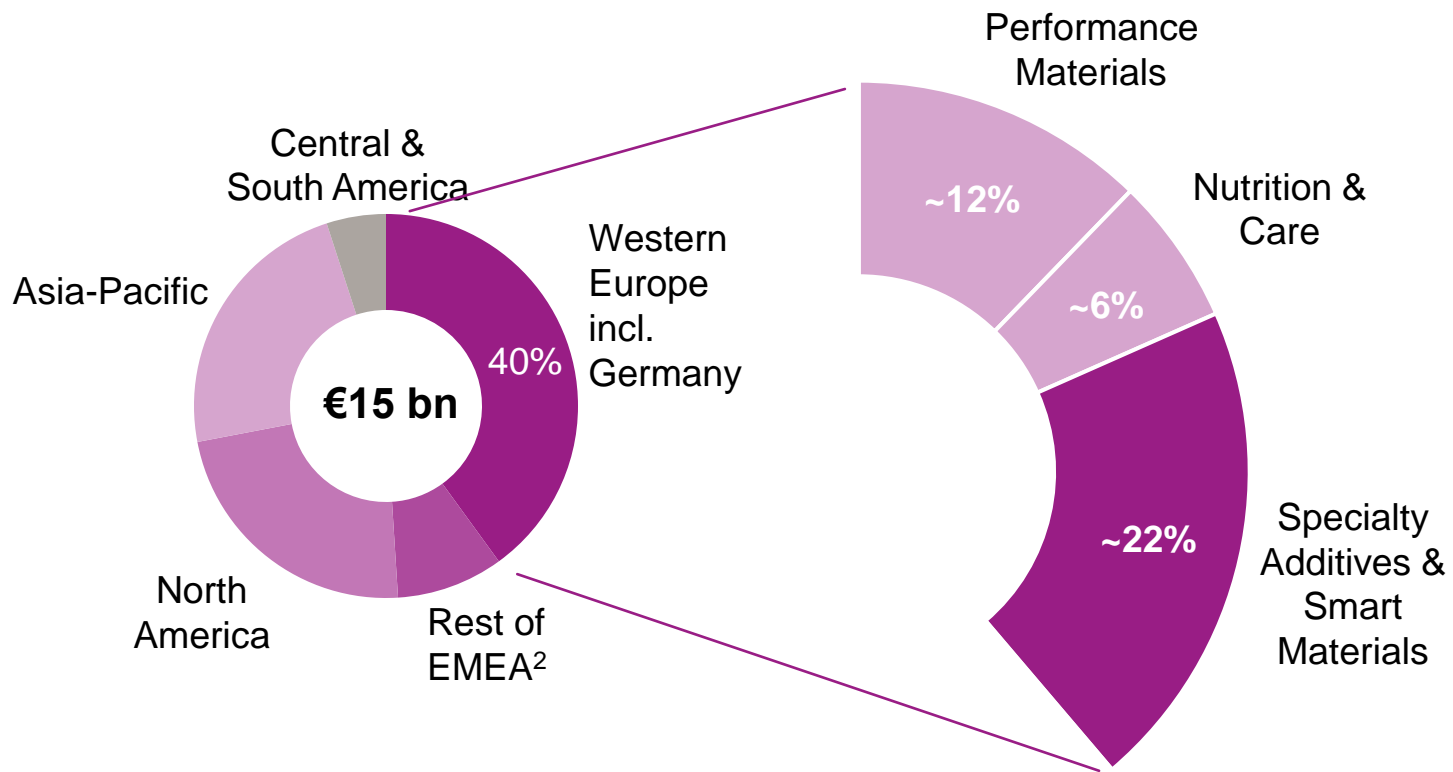


1. FY 2021; gross energy bill, not considering the selling to external parties | 2. Does not include gas as raw material (~4 TWh globally) | 3. Includes gas as raw material

Regional sales split

Only 20% exposure to Europe excluding non-core PM and resilient NC

Evonik Group sales by region¹



Performance Materials

- Divestment in execution

Nutrition & Care

- Resilient end markets in Health, Care and Animal Nutrition

Specialty Additives & Smart Materials³

- Europe exposure to benefit from
 - Innovation power, e.g. for hydrogen economy
 - Accelerated transformation into low-carbon economy with higher share of renewable energy

1. FY 2021; by location of customer | 2. Middle East and Africa; CEE | 3. Also including TI/Others

Upcoming IR events

Conferences & Roadshows

August 17, 2022	Roadshow Zürich (Baader Bank)
August 23, 2022	Roadshow London (Berenberg)
August 24, 2022	Roadshow Edinburgh (Berenberg)
September 6, 2022	Oddo Corporate Conference, Frankfurt
September 14, 2022	JP Morgan CEO Call Series, virtual
September 19, 2022	Baader Investment Conference, Munich
September 28, 2022	Exane ESG Conference, Paris

Upcoming Events & Reporting Dates

November 8, 2022	Q3 2022 Reporting
March 2, 2023	Q4 / FY 2022 Reporting

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