

## Key Financial Data: Third Quarter 2020

November 3, 2020

### Evonik is getting through the crisis well

- Evonik confirms preliminary figures for the third quarter: Adjusted EBITDA of €519 million, sales of €2.9 billion
- Outlook for 2020: Adjusted EBITDA between €1.8 billion and €2.0 billion expected
- Outlook for free cash flow for 2020 raised

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

**Essen, Germany.** Despite the persistently challenging macroeconomic environment, Evonik continues to manage well in the crisis. In the third quarter, the company achieved adjusted EBITDA of €519 million, down just 4 percent from the same quarter of the previous year. Sales amounted to €2.92 billion, compared with €3.23 billion in the prior-year quarter. Evonik thus confirms the preliminary results already published on 15 October.

"We are pleased to confirm our previously published results, which were clearly above market expectations," said Christian Kullmann, chairman of the management board. "We are in an excellent position to get through the crisis because of the strategic measures we implemented this year and in previous years."

Following the better-than-expected performance of the third quarter, Evonik on 15 October also confirmed and further specified the outlook for the full year 2020. Evonik expects adjusted EBITDA to be between €1.8 billion and €2.0 billion (2019: €2.15 billion). Previously, the company had expected adjusted EBITDA of between €1.7 billion and €2.1 billion. The sales outlook remains unchanged at €11.5 billion to €13.0 billion (2019: €13.1 billion).

The outlook for free cash flow was also raised. Evonik expects around €700 million in 2020 (2019: €717 million before tax payments from the Methacrylates business carve-out). Free cash flow relative to adjusted EBITDA, the so-called cash conversion rate, is now expected to be above 35 percent. Previously, Evonik had forecast a figure at the previous year's level of at least 33.3 percent.

**Evonik Industries AG**  
Rellinghauser Straße 1-11  
45128 Essen  
Germany  
Phone +49 201 177-01  
Fax +49 201 177-3475  
www.evonik.com

**Supervisory Board**  
Bernd Tönjes, Chairman  
**Executive Board**  
Christian Kullmann, Chairman  
Dr. Harald Schwager, Deputy Chairman  
Thomas Wessel, Ute Wolf

Registered Office is Essen  
Register Court Essen Local Court  
Commercial Registry B 19474

"The Corona crisis is far from over; visibility remains very low. Nevertheless, we are delivering what we promised," said Ute Wolf, chief financial officer.

In the third quarter, the company was able to generate €312 million in free cash flow, a similar level to the prior-year quarter. (Q3 2019: €321 million before tax payments from the methacrylate business carve-out).

### Development of the divisions

**Specialty Additives:** The division stands out for its high resilience, stable prices and a sustainable high margin level of 27.5 percent. Business development in end markets such as construction and renewable energies continued to be robust, also benefitting from governmental stimulus programs. Demand, in particular from the automotive sector and for coatings, improved compared to the previous quarter but was still below the previous year's quarter. Sales at Specialty Additives fell 10 percent to €777 million in the third quarter. Adjusted EBITDA decreased 8 percent to €214 million.

**Nutrition & Care:** Sales at Nutrition & Care fell 2 percent to €715 million in the third quarter. The development was characterized by higher demand in the health and care sector. The essential amino acids contributed slightly lower sales, mainly due to currency factors, while selling prices were noticeably higher than in the same quarter of the previous year. Adjusted EBITDA rose 18 percent to €140 million.

**Smart Materials:** The division reported a noticeably more buoyant business performance in the third quarter than in the second quarter, but sales and earnings fell short of the same quarter of the previous year. The global economic slowdown, particularly in the new car business in the automotive sector, but also in other industries, led to a decline in volumes, particularly for high-performance polymers as well as silica for the tire industry. The inclusion of PeroxyChem for the first time, on the other hand, had

a significant positive effect. Sales fell 5 percent to €790 million in the third quarter. Adjusted EBITDA fell 13 percent to €137 million.

**Performance Materials:** Sales of C4-Verbund products fell as a result of declining demand, particularly from the automotive and fuel industries. The massive drop in the price of oil also weighed on the business. Sales fell 27 percent to €444 million and adjusted EBITDA by 43 percent to €28 million in the third quarter.

Excerpt from the income statement

in € million	3rd quarter			Nine months		
	2019	2020	Change in %	2019	2020	Change in %
Sales	3,232	2,917	-10	9,824	8,986	-9
Adjusted EBITDA	543	519	-4	1,647	1,488	-10
Adjusted EBIT	293	269	-8	948	744	-22
Adjustments	-74	-24		-114	-64	
Financial result	-7	-24		-112	-99	
Income before income taxes, continuing operations	212	221	4	722	581	-20
Income taxes	-54	-69		-155	-160	
Income after income taxes, continuing operations	158	152	-4	567	421	-26
Income after taxes, discontinued operations	1.326	-		1.395	-18	
Income after taxes	1.484	152	-90	1.962	403	-79
thereof attributable to non-controlling interests	5	3		17	10	
Net Income	1.479	149	-90	1.945	393	-80
Adjusted net income	195	186	-5	671	527	-21

Segment performance – 3rd quarter

in € million	Sales			Adjusted EBITDA		
	2019	2020	Change in %	2019	2020	Change in %
Specialty Additives	861	777	-10	232	214	-8
Nutrition & Care	726	715	-2	119	140	18
Smart Materials	833	790	-5	157	137	-13
Performance Materials	607	444	-27	49	28	-43
Services	196	184	-6	32	41	28
Other operations	9	7	-22	-46	-41	-11
Group	3,232	2,917	-10	543	519	-4

## Segment performance – Nine months

In € million	Sales			Adjusted EBITDA		
	2019	2020	Change in %	2019	2020	Change in %
Specialty Additives	2,571	2,377	-8	683	656	-4
Nutrition & Care	2,176	2,205	1	353	427	21
Smart Materials	2,535	2,369	-7	483	405	-16
Performance Materials	1,981	1,466	-26	195	57	-71
Services	542	546	1	99	107	8
Other operations	19	23	21	-166	-164	1
Group	9,824	8,986	-9	1,647	1,488	-10

## Employees by segment

	31.12.2019	30.09.2020
Specialty Additives	3,651	3,649
Nutrition & Care	5,322	5,257
Smart Materials	7,065	7,610
Performance Materials	1,645	1,640
Services	14,451	14,348
Other operations	289	318
Evonik	32,423	32,822

**Company information**

Evonik is one of the world leaders in specialty chemicals. The company is active in more than 100 countries around the world and generated sales of €13.1 billion and an operating profit (adjusted EBITDA) of €2.15 billion in 2019. Evonik goes far beyond chemistry to create innovative, profitable and sustainable solutions for customers. More than 32,000 employees work together for a common purpose: We want to improve life, today and tomorrow.

**Disclaimer**

In so far as forecasts or expectations are expressed in this Investor Relations News or where our statements concern the future, these forecasts, expectations or statements may involve known or unknown risks and uncertainties. Actual results or developments may vary, depending on changes in the operating environment. Neither Evonik Industries AG nor its group companies assume an obligation to update the forecasts, expectations or statements contained in this release.