

## Evonik “Division Spotlight Series”: Nutrition & Care set to unleash its full potential in new and more focused setup

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- New setup with clear focus on attractive, consumer-oriented end markets with science-based solutions
- Strong synergies through shared technology platforms
- “System Solutions” as growth drivers
- Ambitious financial and ESG targets

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Essen. After the implementation of its new divisional structure mid-2020, Evonik is hosting a “Division Spotlight Series” this year to give further insights into its three growth divisions. The series kicks off today with the spotlight on Nutrition & Care.

In its new divisional setup around Care Solutions, Health Care and Animal Nutrition, Nutrition & Care focuses on consumer-oriented end markets with common market drivers and high levels of cross-divisional synergies.

“By executing our clear strategic management agenda, we will outgrow the attractive markets we serve”, says Johann-Caspar Gammelín, President of Nutrition & Care. “Sustainability is the guiding business principle for our innovation, product development and portfolio management. It drives us to achieve our vision: Bringing Nutrition & Care to life – for life and living”.

The Nutrition & Care strategic management agenda is defined by the three levers “Growth – Performance – People”.

Growth is fuelled by the division’s portfolio shift towards “System Solutions”. These highly specialized System Solutions take our attractive products to the next level – with added value like differentiating application know-how and formulation services. Thus, we transform our products into tailored, unique solutions to meet the specific needs of our customers”, Gammelín says. System Solutions are characterized by higher growth prospects and above-average margins. Their share within the Nutrition & Care portfolio is expected to grow from around 20 percent today to more than 50 percent by 2030.

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The backbone of the division's growth ambitions are the shared technology platforms. They are characterized by a broad technology overlap and leveraging competencies across all three businesses of Nutrition & Care. The most prominent example is the biotechnology platform. With solutions such as natural algae-based omega 3 fatty acids, biosurfactants or non-animal derived collagen, Evonik expects the sales potential of this platform to be around 1 billion € by 2030 latest.

Growth highlights from the operating businesses during the "Division Spotlight" are Active Ingredients & Delivery Systems in Care Solutions as well as Drug Delivery Systems in Health Care. Sustainable Healthy Nutrition is another important growth driver going forward. Each of the three businesses already today has a critical mass of triple-digit million € sales and is expected to deliver double-digit growth rates over the next years.

In terms of performance, structural and efficiency improvements continue to be driven by further portfolio adjustments, asset optimization and operational excellence measures. Nutrition & Care has already delivered around 70 million € of annual cost savings in both 2019 and 2020. Going forward, the division is targeting annual cost savings of around 30 million €.

People are the driving force behind the strategic management agenda of Nutrition & Care. As the division operates in knowledge-based and innovation-driven businesses, attracting and retaining the best talent is crucial for future success. With its global, international, diverse and knowledge-driven setup as well as the high focus on sustainability, Nutrition & Care is very well positioned to recruit employees with the right skills and potential to advance the business further.

The stringent execution of the strategic management agenda is already reflected in an accelerating financial performance in fiscal year 2020. The three levers "Growth – Performance – People" will bring further progress and are underpinned by ambitious mid-term financial and ESG targets: The sales share of "Next Generation Solutions" with superior sustainability benefits is to reach more than 50 percent of the Nutrition & Care portfolio. The

division expects an EBITDA CAGR of more than 8%. The adjusted EBITDA margin will increase to more than 22% and the return on capital employed will reach a level superior to 14%.

The fully virtual “Division Spotlight” for Nutrition & Care will start today at 3.00 pm (CEST). The webcast link and the presentation including more details can be found on Evonik’s Investor Relations website:

<https://corporate.evonik.com/en/evonik-156665.html>

The “Division Spotlight Series” will continue with the two other growth divisions on June 24 for Smart Materials and July 1 for Specialty Additives.

### **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 €12.2 billion and an operating profit (adjusted EBITDA) of €1.91 billion in 2020. Evonik goes far beyond chemistry to create innovative, profitable and sustainable solutions for customers. More than 33,000 employees work together for a common purpose: We want to improve life today and tomorrow.

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