

Care Solutions

The Preferred Sustainability Specialties Partner

Consumer Ingredients Conference / BNP Paribas

17 March 2022

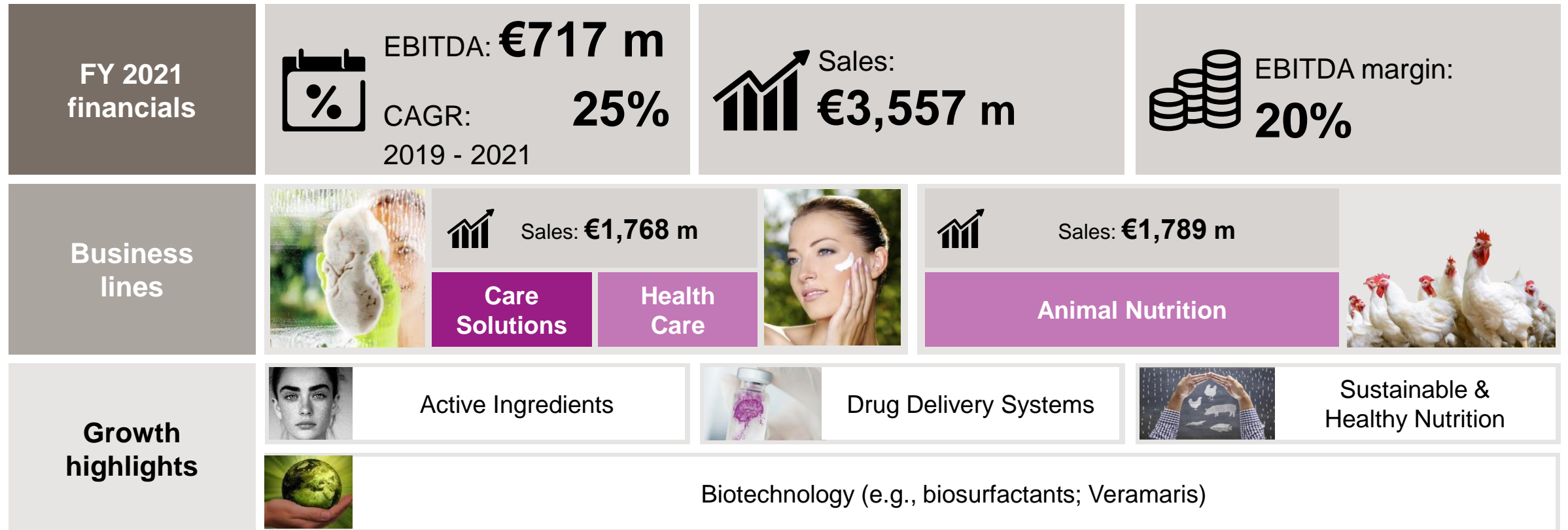
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Nutrition & Care Portfolio

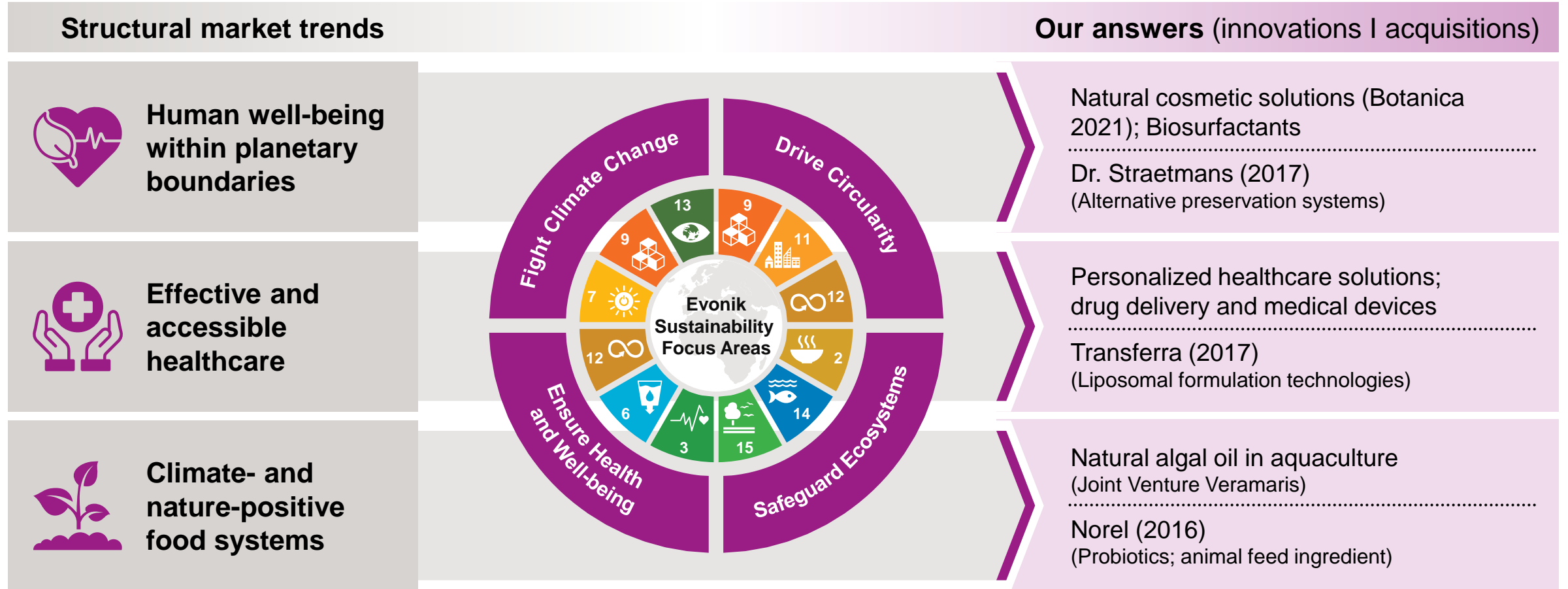
Focused portfolio on consumer-oriented end markets with high level of synergies

“Bringing Nutrition & Care to Life – For life and living”



Sustainability as a guiding business principle for Nutrition & Care

Addressing structural market trends with own innovation and targeted acquisitions



Growth – System Solutions businesses as major growth driver

>50% sales from Systems Solutions as strong commitment

Sales share of System Solutions



Resulting in....

Higher **growth prospects**

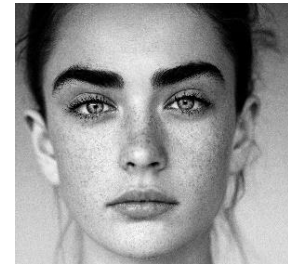
Strong **pricing** power

Above average **margin**

Higher **return on capital**

1) Antibiotic Growth Promoters

Examples of System Solutions



Active Ingredients – Retinol

- Reducing wrinkles without inducing skin irritation
- **Formulation service:** Encapsulation as delivery technology to increase stability and bioavailability



Drug Delivery Systems – Complex Parenterals

- **Lipid nano particles** for vaccination, cell and gene therapy
- **Integrated services** from feasibility to commercial



Sustainable & Healthy Nutrition – Probiotics

- **GutCare®** for AGP¹-free healthy poultry nutrition
- Holistic, ready-to-use **concepts for animal diet formulations**, designed on specific customer needs

Deep dive into Care Solutions

Care Solutions Portfolio

Our strategic goal is to be the preferred Sustainability Specialties Partner

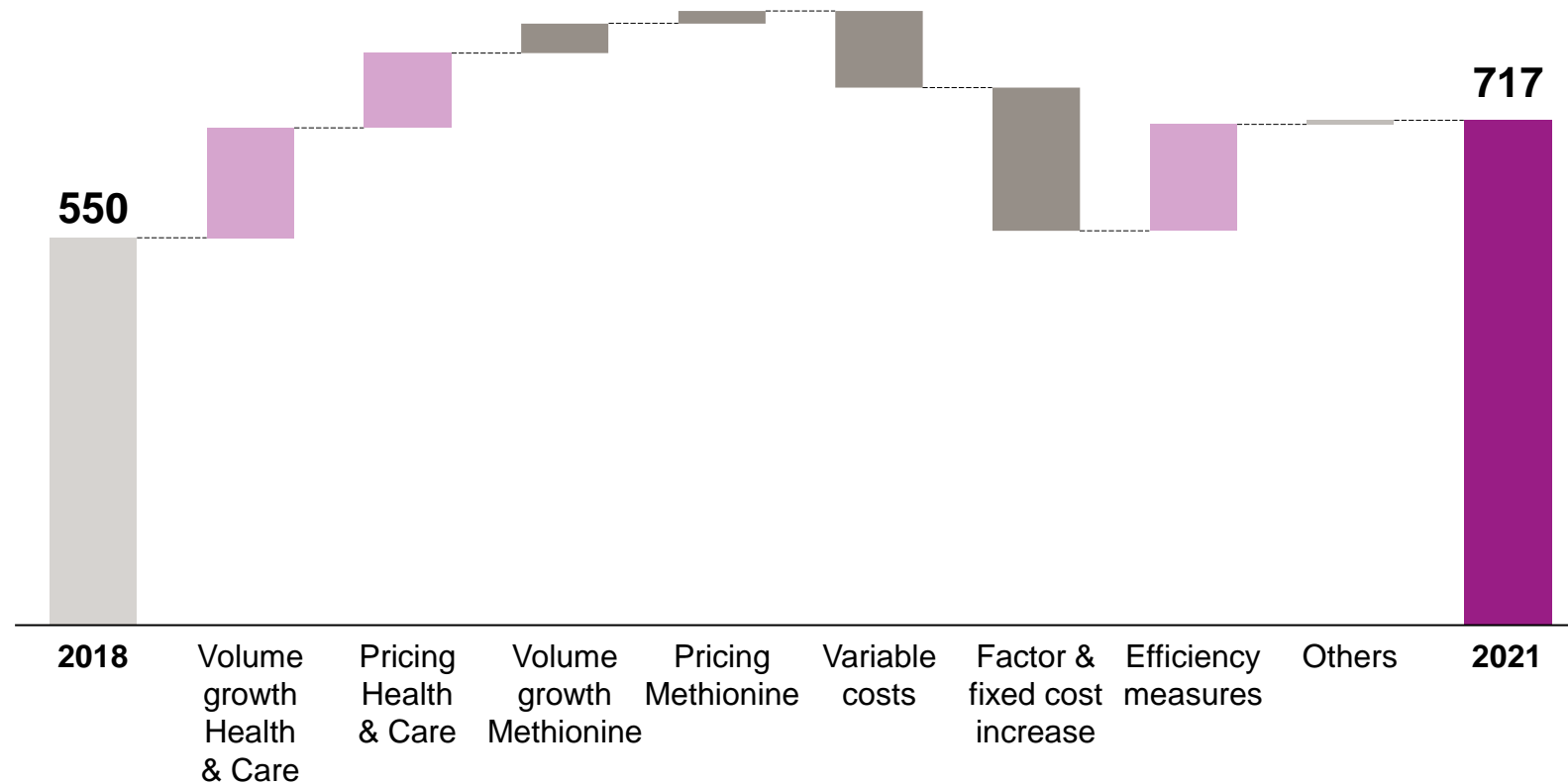
	Beauty, Personal Care and Cleaning					
Market segment						
	Active Ingredients	Active Delivery Systems	Functional Ingredients	Alternative Preservation	Biosurfactants	Cleaning Solutions
Market growth	>7%		>4%	>6%	New market	>3%
Evonik CAGR 2018 - 2021	> 25%		> 6%		New market	stable

- **Attractive markets:** Care Solutions operates in high growth Personal Care market
- **Preferred Sustainability Specialties Partner:** Strong technical competences, market reach and customer intimacy
- **Portfolio shift toward Sustainable Specialties:** Innovation and targeted acquisitions to strengthen System Solutions

Nutrition & Care: The longer-term perspective

Strong earnings growth driven by Health & Care and efficiency measures

EBITDA (in € m)

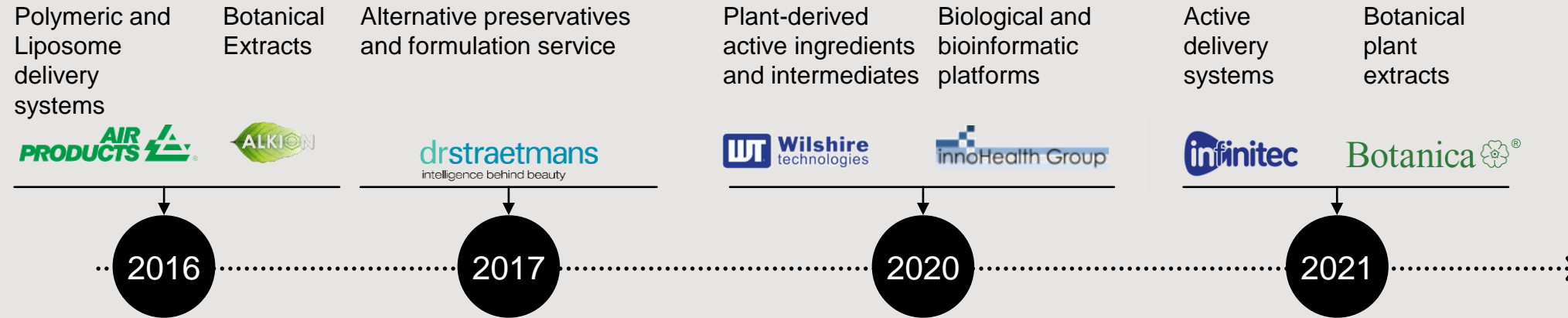


- **Organic growth Health & Care:**
 - Strong volume growth in active ingredients (Care Solutions) and drug delivery systems (Health Care)
 - Pricing reflects successful upgrading of product portfolio and pricing power to compensate higher variable costs
- **Volume Growth Animal Nutrition:**
 - 5% annual volume growth in Methionine
- **Methionine price** virtually stable comparing 2018 and 2021 price level
- **Efficiency improvements:**
 - Successful implementation of efficiency programs 'OLEO' (Care Solutions) and 'adjust' (Animal Nutrition)
- **Factor & Fixed Cost:**
 - Annual factor cost increase of ~3% and higher fixed costs for new capacities (e.g. Methionine Singapore or Health Care)

Care Solutions Portfolio

Acquisitions and asset restructuring have accelerated the transformation

Acquisitions



Asset restructuring

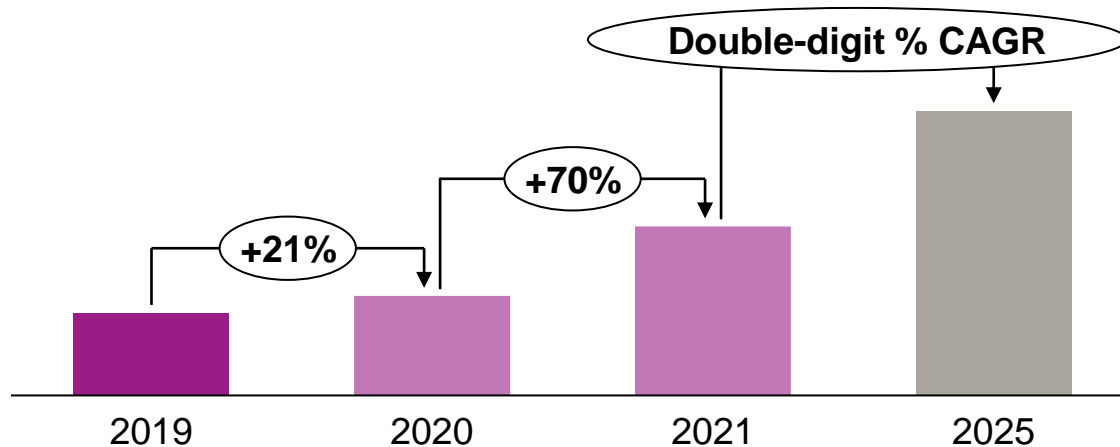


Transformation into THE sustainable specialties partner

Active Ingredients – Strong track record and growth ambition

Shaping and growing the „Actives“ portfolio

Sales with Active Ingredients & Delivery Systems






- Double-digit % growth track record over last 20 years
- Significant growth acceleration in 2021
- Critical mass of triple digit million € sales reached in 2021
- Majority of future sales growth secured via contracts
- Asset-light, attractive EBITDA margin

Shaping & growing the portfolio

- Organic growth via **internationalization** and **value selling**
- **Strong innovation engine** to generate new products with scientifically proven claims
- Well positioned to spot and integrate **attractive M&A opportunities** with significant growth and value potential
- **Leverage synergy potential** of acquisitions across cosmetics, cleaning, food & pharma portfolio

Division Nutrition & Care

Our strategic management agenda will result in highly attractive KPIs

			Mid-term targets
 People	Contribute to “One Evonik” goals	Internationality in top management ¹	> 35%
		Females in senior management ¹	> 23%
 Planet		Next Generation Solutions ²	> 50%
 Profit		EBITDA CAGR	> 8%
		Adj. EBITDA margin	> 22%
		ROCE	> 14%

1: Management Circle 1-2 | 2: Products and solutions with a clearly positive sustainability profile that is above or well above the market reference level

Nutrition & Care – A strong value driver for Evonik



- New setup with clear focus on **consumer-oriented end markets** with **science-based** solutions
- **Sustainability** as a guiding business principle
- Strategic management agenda: **Growth - Performance - People**
- Active in **attractive end markets** – with ambition to clearly outgrow relevant markets
- Highly synergistic **technology platforms**
- **System solutions** as growth driver: High level of specialization, high entry barriers and above-average margin potential
- Strategic management agenda to **deliver on financial and ESG targets**



EVONIK

Leading Beyond Chemistry

Active Ingredients – System Solutions for Personal Care

Full-service provider for our customers from an idea up to a proven product

System solution SK-INFLUX®



Functional and Preservation

Active Ingredients
Essential Ceramides (I, III, VI)

Formulation

Ready-to-Use

Emulsion of
Essential
Ceramides

Cosmetic Claims

- Restores the protective skin barrier function
- Enhanced delivery and exchange of skin lipids
- Enhances skin moisturization

System solution InuMax® Advanced Retinol



Functional and Preservation

Active Ingredients
Retinol

Formulation

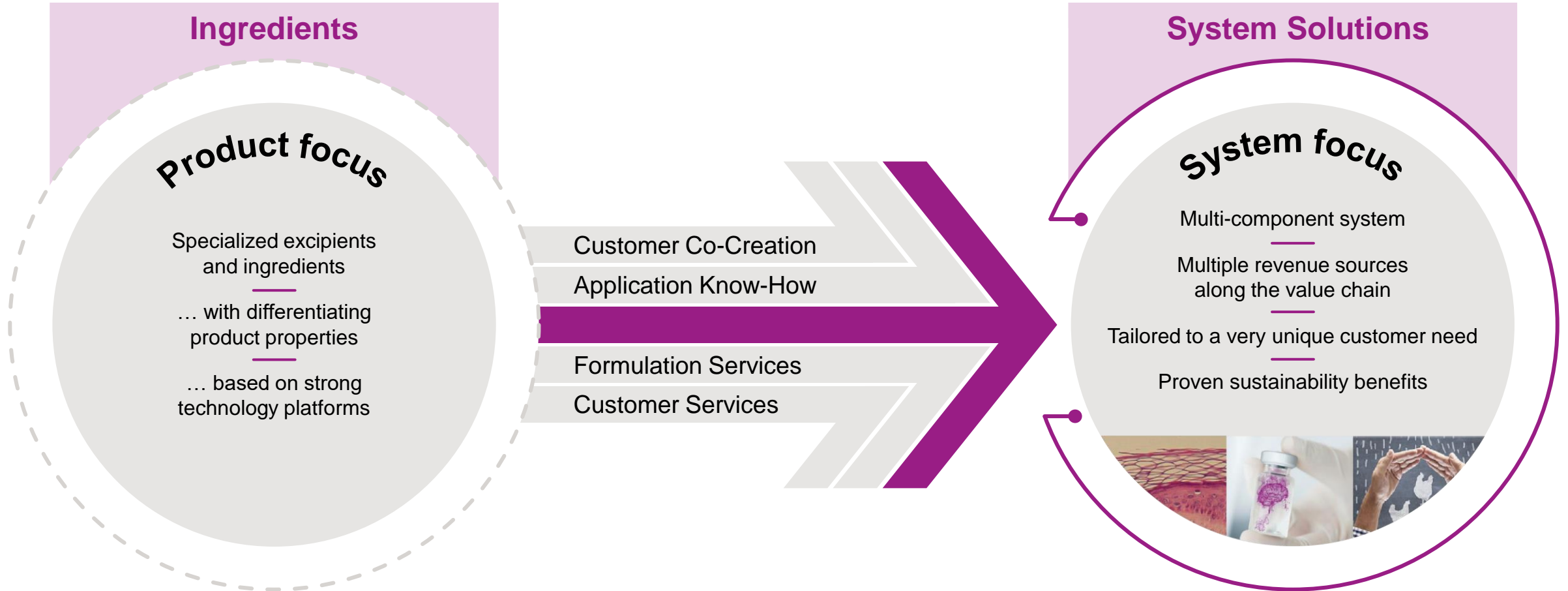
Active Delivery Systems

Cosmetic Claims

- Uses an advanced delivery technology to enhance the epidermal bioavailability of retinol
- Counter skin aging

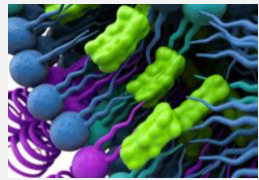
Growth – Strategic portfolio shift towards “System Solutions”

Portfolio upgrade towards higher specialization and higher returns



Lipids: Strong position & synergies as growth driver for Nutrition & Care

Contracted business and strong project pipeline in Health Care and Care Solutions



Lipids for mRNA

- 2021 driven by Evonik's PhytoChol® and Pfizer/BioNTech COVID vaccine
- Established contracts for 2022 with upside potential
- Proven capability to ramp up and customize lipid production quickly

>15%
growth rate¹



mRNA-LNP drug delivery systems

- Strong footprint in lipid nanoparticles for mRNA delivery technologies
- Attractive project pipeline beyond COVID expected to result in material CMO sales contribution in 3 to 5 years

>50%
growth rate¹



Lipids for Cosmetics

- Lipids for Active Cosmetics Ingredients & Delivery Systems, e.g. Essential Ceramides
- Majority of future sales growth secured via contracts

>25%
growth rate²



Biosurfactants

- Evonik Rhamnolipids as natural surfactants produced by fermentation
- 1st global world-scale plant with start-up in 2023

€1 bn
market size
2030

- Evonik with excellent positioning in lipid technology
- Synergies across multiple applications and end markets
- Attractive sales potential well beyond COVID vaccines

Clear triple-digit million sales today (FY 2021)

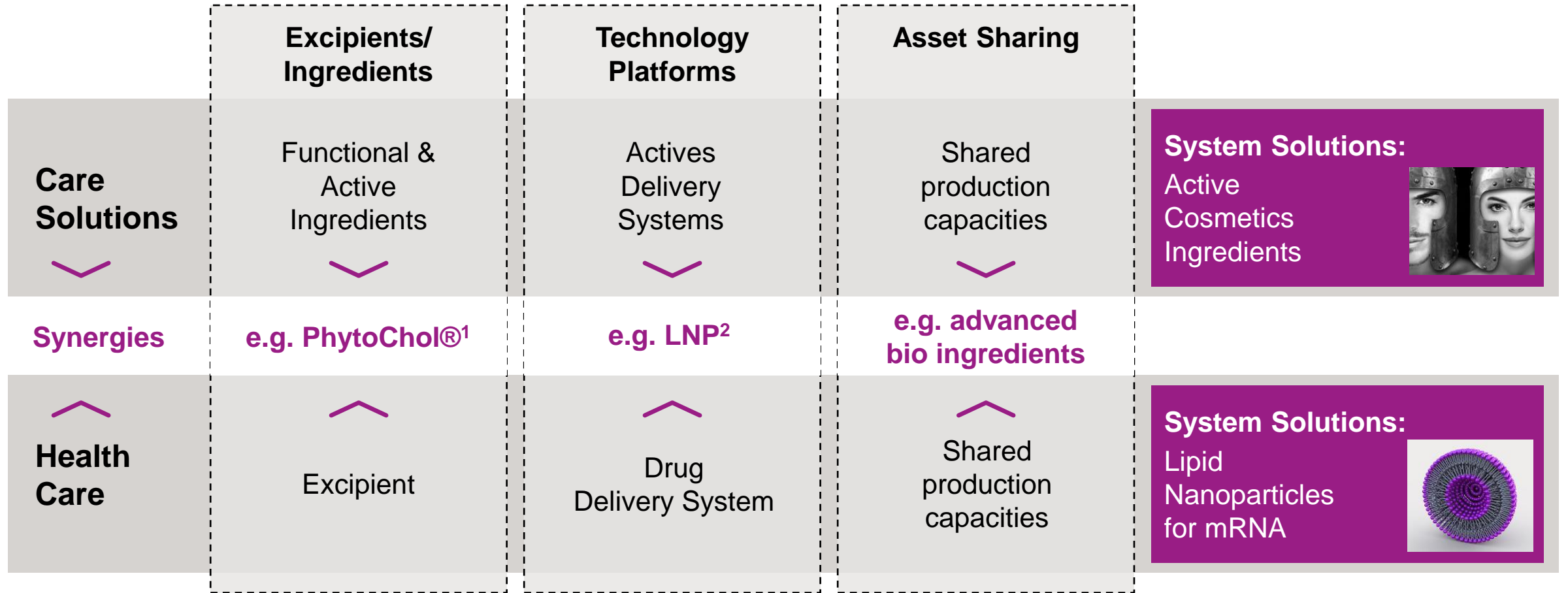
>25% CAGR

in lipid technologies over next 5 years

1. CAGR over next 10 years | 2. CAGR over next 5 years

Strong synergies between Health Care and Care Solutions

Synergies based on shared technology platforms and System Solutions approach



1: Plant-based cholesterol used as excipient/ingredient for both Health Care (e.g. COVID-19 vaccines) and Care Solutions (e.g. Advanced Actives Complexes & Systems)

2: Lipid nanoparticles used as delivery system for both Health Care (e.g. mRNA) and Care Solutions (e.g. encapsulation of Retinol)

Growth – Focusing on shared technology platforms

Strong synergies and joint resources across all three businesses

Technology Platform	Care Solutions		Health Care			Animal Nutrition	
	Smart Cleaning	Cosmetics	Medical Devices	Pharma	Nutraceuticals	Sustainable Nutrition	Digital Livestock Management
Microbiome modulation		■		■	■	■	
Biotech test systems		■		■	■	■	
Biotech processes	■	■	■	■	■	■	
Delivery systems		■	■	■	■	■	
Particle design		■	■	■		■	
Digital platforms		■		■	■	■	■

■ Already active ■ Expansion area

Benefits of setup

- Broad **technology overlap** and **competence leveraged** across all three businesses
- Reduced **time to market**
- High **capital efficiency**
- High degree of **innovation**

Complemented by our own innovation and selected M&A

Technology Platform Example – Biotechnology

>30 years of broad and differentiating competencies in white biotechnology




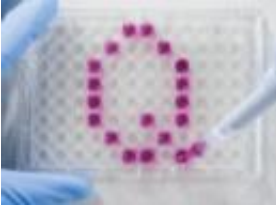


Biotechnology – Process Excellence and Launched Products

	Care Solutions	Health Care	Sustainable Nutrition
Microbiome Modulation	Microbiotic actives to support skin barrier function	Probiotics and Gut Health Solutions	
Biotech Processes	Non-animal derived Collagen	Cell Culture	Natural algae-based omega 3 fatty acids
	Actives (e.g. Ceramides)	CDMO (e.g. fermentation-based proteins)	
	Biosurfactants	Amino acids pharma grade	Bio amino acids

Sales potential from biotechnology platform of ~ €1 bn by 2030 latest

Health Care Portfolio

Attractive portfolio with high level of synergies and access to fast-growing markets

Health Care						
Market segment	Pharmaceutical				Nutraceutical	Medical Devices
	 <p>Drug Delivery Systems</p>	 <p>Contract Manufacturing & API Synthesis</p>	 <p>Pharma Amino Acids</p>	 <p>Cell Culture & Tissue Engineering</p>	 <p>Advanced Food Ingredients & Nutraceutical Coatings</p>	 <p>Biomaterials & Application Technologies</p>
Market growth	>6%	>4%	>4%	>8%	>7%	>4%

- **Attractive markets:** Health Care operates in high-margin, fast-growing markets
- **Reliability and quality:** Track record for specialized system solutions based on products, technologies, and services
- **High level of synergies:** Shared competencies and technology platforms across pharmaceutical, nutraceutical & medical device markets

BIOSURFACTANTS: Evonik invests in Rhamnolipids to continue its lead in growth and innovation in the attractive biosurfactants market

Unique Technology: Sustainability Focus

- Evonik invented the first **commercial biotechnological production process** based on natural ingredients.
- Evonik will continue to expand its portfolio of biotechnology-derived ingredients to strengthen its position as a **leading provider of sustainable solutions** that are able to excite both suppliers & consumers of household cleaning and cosmetic products.



Biotechnological process



Traceable and responsible sourcing



Low aquatox



Nature-identical structure



100% Sugar-based ingredient



100% Biodegradability



Fulfilling today's and tomorrow's consumer needs



Powerful performance

- Excellent foaming
- High cleansing/degreasing
- Hard water resistant



Pleasant and mild

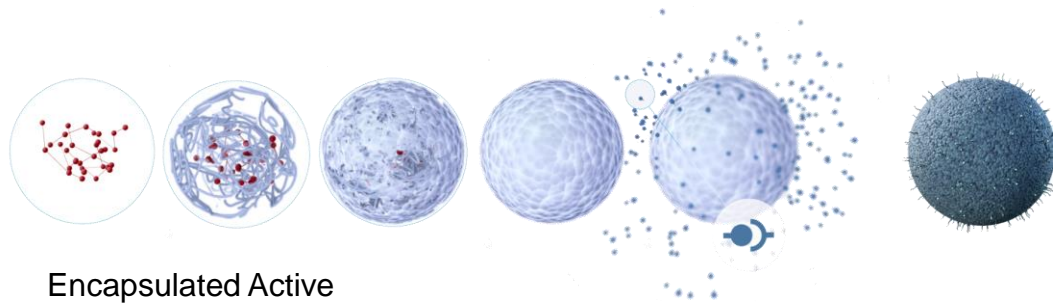
- Mild to the skin
- Pleasant skin feel
- Creamy foam

Strategic Partnership: Clean Future Initiative

Evonik and Unilever are in a **long-term collaboration** for the commercial manufacturing and supply of Evonik's rhamnolipids for use in a range of Unilever's green household cleaning products.



Acquisition of Infinitec: Expanded outreach to various Skin Care customers, from small Indie Brands to Global Key Accounts



Innovative technology platform that makes unique cosmetics

- It is a tool that can be easily functionalized according to the desired activity.
- Improving the Active ingredient stability and bioavailability and providing numerous benefits.
- Multiple activities that can be translated into consumer claims



Acquisition of Botanica: Success based on customer relationship, sustainability, naturality, product quality and product diversification



~43% of the
cosmetic product
launches had a
Botanical/Herbal
claim
from 2015 to 2020

- **Tailormade** plant extracts business model
- Strong, reliable and **long-term partnership** with **customers**
- A broad and **Biodiverse botanical** portfolio (plants, algae, fruits, nuts and upcycling ingredients)
- Offers products in **different qualities** to meet customer needs and demands (distillates, concentrates...)
- A strong focus on **sustainability, traceability** and **naturality**
- **Green extraction** technologies and **inhouse manufacturing** capabilities