Evonik
Leading Beyond Chemistry

Company Presentation Q1 2022
Key messages Q1 2022
Evonik-specific drivers supporting strong Q1 performance

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\textsuperscript{th}, 2022
Next Generation Evonik

Strong track record of \textit{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
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Leading Beyond Chemistry – Our purpose
Evonik on the way to become a best-in-class specialty chemicals company

- Leading market positions in 80% of our business
- Leading key financial indicators
- Connecting skills and perspectives
- Develop solutions together with partners
- Sustainability key driver of growth
- Clear focus on specialty chemicals
- Target 100% specialty portfolio

Video “We are Evonik”
Evonik well equipped as “Enabler of Sustainable Change”
Portfolio circled around our four “Sustainability Focus Areas”

**ENSURE HEALTH & WELL-BEING**

**DRUG DELIVERY SYSTEMS**
- Advanced oral & parenteral drug delivery systems (e.g. mRNA LNP)

**SPECIALTY ADDITIVES**
- for environmentally-friendly solutions, e.g. water-based artificial leather

**CIRCULAR ECONOMY**
- Circular plastic & circular polyurethanes additive solutions

**FUTURE MOBILITY**
- Lightweight solutions
- Solutions for hybrid & full battery cars

**FIGHT CLIMATE CHANGE**

**ECO-SOLUTIONS**
- Specialty peroxides solutions
- Membranes for gas separation

**BIO-BASED SOLUTIONS**
- Bio-based & fully bio-degradable surfactants
- Natural active cosmetics ingredients

**SUSTAINABLE NUTRITION**
- Omega-3 fatty acids from natural marine algae
- Gut health solutions

**SAFE GUARD ECOSYSTEMS**

**DRIVE CIRCULARITY**

**SPECIALTY ADDITIVES**
- for environmentally-friendly solutions, e.g. water-based artificial leather

**CIRCULAR ECONOMY**
- Circular plastic & circular polyurethanes additive solutions

**BIO-BASED SOLUTIONS**
- Bio-based & fully bio-degradable surfactants
- Natural active cosmetics ingredients

**SUSTAINABLE NUTRITION**
- Omega-3 fatty acids from natural marine algae
- Gut health solutions
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%

1: FY 2021

May / June 2022 | Evonik Q1 2022 Company Presentation
### Leading Beyond Chemistry – Growth divisions

#### Ambition and promising growth drivers

<table>
<thead>
<tr>
<th>Specialty Additives</th>
<th>Nutrition &amp; Care</th>
<th>Smart Materials</th>
</tr>
</thead>
<tbody>
<tr>
<td>“Small amount – Big effect”</td>
<td>“Bringing Nutrition &amp; Care to Life – for life and living”</td>
<td>“We find solutions for the needs of today and tomorrow”</td>
</tr>
</tbody>
</table>

**Ambition**

- Making the difference
- Enabling circular economy
- Digital solutions

**… and promising growth drivers**

- Active cosmetics ingredients
- Drug delivery systems
- Sustainable & healthy nutrition
- Future Mobility
- Eco-Solutions

**Discover more in our Factbook!**
Next Generation Evonik: Embarking on the next phase of our transformation
Sustainability fully integrated into all three strategic levers

Three major strategic levers...

**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

... with sustainability fully integrated ...

**ESG Targets**
+ >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%

... delivering on ambitious targets
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

- 25% p.a. (CAGR)
- >40%
- >500
- > €1 bn by 2025

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May / June 2022 | Evonik Q1 2022 Company Presentation
Evonik aligned to sustainability
Sustainability as part of portfolio and strategic management processes

Excellent Rankings

Evonik amongst leaders in all relevant ratings – “AA” MSCI ESG rating, EcoVadis “Platin” rating, “B-” ISS Oekom and “A-” CDP rating

Environmental Targets

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

-25%
reduction of scope 1 and scope 2 emission until 2030 (vs. 2021)

Portfolio Management

~37%
Next Generation Solutions

Sector leading rankings

Ambitious environmental targets

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

<table>
<thead>
<tr>
<th>Financial Targets</th>
<th>ESG Targets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organic sales CAGR &gt;4%</td>
<td>Accident frequency rate $\leq 0.26$</td>
</tr>
<tr>
<td>EBITDA margin 18-20%</td>
<td>“Next Generation Solutions” $&gt;50%$</td>
</tr>
<tr>
<td>Cash conversion ratio &gt;40%</td>
<td>Sales Inno. Growth Fields $&gt;\EUR 1\text{ bn}$</td>
</tr>
<tr>
<td>ROCE ~11%</td>
<td>GHG emissions (scope 1&amp;2) $-25%$</td>
</tr>
<tr>
<td>Reliable &amp; sustainably growing dividend</td>
<td>Gender diversity $23%$</td>
</tr>
<tr>
<td>Solid investment grade rating</td>
<td>Intercultural mix $20%$</td>
</tr>
</tbody>
</table>

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

May / June 2022 | Evonik Q1 2022 Company Presentation
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Portfolio transformation – More balanced and more specialty
Portfolio quality significantly improved – today ~80% specialty businesses

- Specialty businesses now represent ~80% of EBITDA
- Specialty businesses with 10-year track record of 3pp higher annual organic earnings growth¹

Adj. EBITDA operating businesses

Portfolio characteristics


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-accrative 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)

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**Decisive and value-accrative portfolio management**

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

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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 I Dr. Straetmans cosmetics business in 05/2017
Huber Silica business for US$630 m (~7x EV/EBITDA incl. synergies & tax benefits) in 09/2017 I PeroxyChem for US$640 m (7.6x EV/EBITDA incl. synergies) in 02/2020 I Porocel for US$210 m (9.1x EV/EBITDA) in 11/2020

¹: 2014–2019

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May / June 2022 | Evonik Q1 2022 Company Presentation
Portfolio: Exit of Performance Materials in execution
Transformation for all three business lines ongoing

Superabsorber
~ €700 m sales\(^1\)
- Carve-out completed July 1\(^{st}\) 2021
- Value-enhancing start of divestment process on the basis of improved 2022 financials and positive 2023 outlook

Functional Solutions
~ €450 m sales\(^1\)
- Divestment process for Lülsdorf 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\(^1\)
- 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

May / June 2022 | Evonik Q1 2022 Company Presentation
### RD&I at Evonik

<table>
<thead>
<tr>
<th>Category</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Patents and patents pending</td>
<td>&gt;€500 m spent</td>
</tr>
<tr>
<td></td>
<td>~24,000 patents</td>
</tr>
<tr>
<td>Sales in 2021 from innovation</td>
<td>&gt;€500 m sales in 2021 from innovation growth fields</td>
</tr>
<tr>
<td>Employees</td>
<td>&gt;€2,500 employees</td>
</tr>
<tr>
<td><strong>Sustainability</strong></td>
<td>100% sustainability-integrated</td>
</tr>
</tbody>
</table>

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1. Patents and patents pending

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May / June 2022 | Evonik Q1 2022 Company Presentation
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

RD&I Council

Research, Development & Innovation

Divisional RD&I

Specialty Additives

Nutrition & Care

Smart Materials

Performance Materials

Business Incubation

Creavis

Venturing

Evonik Venture Capital
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

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

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**

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.**”
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...

- Leader (A++)
- Driver (A+)

- deliver above-average growth
- address increasing customer demand for sustainable solutions

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

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

~90% products above or on market reference

37% External sales

- Challenged (C--): 2%
- Transitioner (C): 8%
- Performer (B): 53%

~90% products above or on market reference

May / June 2022 | Evonik Q1 2022 Company Presentation
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

May / June 2022 | Evonik Q1 2022 Company Presentation
Handprint: Above-average growth of “Next Generation Solutions”
Selected examples addressing our four Sustainability Focus Areas

Future Mobility solutions
- Lightweight applications: PA12 portfolio
- Batteries: additives for electrodes / separators
- “Green tire” technology

Additives for durability in construction
- Water-repellents for building materials
- Additives for integrated protection and self-healing of concrete structures

Global development partner & solutions provider for delivery systems for effective drugs and vaccinations
- Evonik as pioneer in Lipid Nano Particle (LNP) field for mRNA technology

Drug Delivery Systems
- +11%

Modern aquaculture solutions
- High-quality proteins with essential amino acids
- Production of omega-3 fatty acids from microalgae
- AQUAVI® Met-Met as methionine source for shrimp and prawns

- +13%

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

May / June 2022 | Evonik Q1 2022 Company Presentation
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

2021
-43%

2008 2021
9.500 5.450

New targets for GHG emissions scope 1&2

Scope 1&2
Well below 2°C

Scope 3
Committed

2030
-25%

2050
-100%

2021 2025 2030 2050
6.450 5.800 4.850 0

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

May / June 2022 | Evonik Q1 2022 Company Presentation
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

Long-term incentives based on strategic ESG KPIs, e.g.:
- Sales share of “Next Generation Solutions”
- CO₂ emission reduction
LEADING BEYOND CHEMISTRY
TO IMPROVE LIFE, TODAY AND TOMORROW

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\(^1\)

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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4. Financials Q1 2022
<table>
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<tr>
<th>Mid-term Financial Targets</th>
<th>Revised targets (excl. PM)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Above-average volume growth in growth divisions (&gt;3%)</td>
<td>Organic sales CAGR &gt;4%</td>
</tr>
<tr>
<td>EBITDA margin in the range of 18-20%</td>
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<td>Cash conversion ratio of &gt;40%</td>
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<td>ROCE ~11% - well above cost of capital</td>
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<td>Reliable and sustainably growing dividend</td>
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<tr>
<td>Solid investment grade rating</td>
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</tbody>
</table>

Unchanged
## Financial targets
By growth division

<table>
<thead>
<tr>
<th></th>
<th>Specialty Additives</th>
<th>Nutrition &amp; Care</th>
<th>Smart Materials</th>
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</thead>
<tbody>
<tr>
<td>Next Generation Solutions(^1)</td>
<td>&gt; 40%</td>
<td>&gt; 50%</td>
<td>&gt; 50%</td>
</tr>
<tr>
<td>EBITDA margin</td>
<td>Secure strong level (2021: 25%)</td>
<td>&gt; 22% (2021: 20%)</td>
<td>~ 20% (2021: 17%)</td>
</tr>
<tr>
<td>ROCE</td>
<td>Secure strong level (2021: 18%)</td>
<td>&gt; 14% (2021: 12%)</td>
<td>&gt; 11% (2021: 8%)</td>
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1: Products and solutions with a clearly positive sustainability profile that is above or well above the market reference level

May / June 2022 | Evonik Q1 2022 Company Presentation
## Capital allocation into our green transformation

**Priority on growth investments and targeted M&A**

<table>
<thead>
<tr>
<th>Significant cash inflow …</th>
<th>… invested into our green transformation</th>
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<tr>
<td>Increasing Operating Cash Flow</td>
<td>▪ Growth investments into our sustainability leaders</td>
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<tr>
<td>Attractive cash conversion with steadily growing earnings</td>
<td>▪ Attractive growth rates and returns (IRR &gt;11%)</td>
</tr>
<tr>
<td>Divestment proceeds Performance Materials</td>
<td>▪ Investments into infrastructure, production and processes</td>
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<tr>
<td></td>
<td>▪ Significant energy &amp; emissions reduction as well as reduction of operating costs (&gt;€100 m by 2030)</td>
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<tr>
<td></td>
<td>▪ Targeted M&amp;A</td>
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<td></td>
<td>▪ Acceleration of portfolio transformation</td>
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<tr>
<td></td>
<td>▪ Expansion of businesses with above-average growth, sustainability profile and returns</td>
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<tr>
<td></td>
<td>▪ Attractive dividend</td>
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<tr>
<td></td>
<td>▪ Reliable and sustainably growing</td>
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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)

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May / June 2022 | Evonik Q1 2022 Company Presentation
Capex as key element for investments into handprint & footprint

WE INCREASE OUR HANDPRINT

80% of growth capex for “Next Generation Solutions”

>€3 bn

2022-2030

WE REDUCE OUR FOOTPRINT

Additional capex for “Next Generation Technologies” mainly on top of maintenance

~€700 m

2022-2030

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”

**NEXTGEN Solutions**

- Products with superior sustainability¹ and financial performance
- >50% sales share

**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**

- Projects to lower CO₂ emissions with value-enhancing, positive NPVs
- -25%² Scope 1+2

**Target & benefit**

- €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.)

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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

- 2017: 1,970
- 2018: 2,150
- 2019: 2,153
- 2020: 1,906
- 2021: 2,383
- 2022: 2,500-2,600

5% CAGR

... is translating into even faster FCF growth

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

- 2017: 511 (26%)
- 2018: 526 (24%)
- 2019: 717 (33%)
- 2020: 780 (41%)
- 2021: 950 (40%)
- 2022: (40%)

15% CAGR
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### Q1 2022 results at a glance

<table>
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<tr>
<th>Sales (in € m)</th>
<th>Adj. EBITDA (in € m)</th>
<th>Free cash flow (in € m)</th>
<th>Adj. EPS (in €)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>4,498</strong></td>
<td><strong>735</strong></td>
<td><strong>133</strong></td>
<td><strong>0.76</strong></td>
</tr>
<tr>
<td>(Q1 2021: 3,358)</td>
<td>(Q1 2021: 588 m)</td>
<td>(Q1 2021: 312 m)</td>
<td>(Q1 2021: 0.51 €)</td>
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**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**
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
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

- 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

- **Inorganics**
  - Q4 21: 909 m€
  - Q1 22: 1,181 m€
- **Polymers**
  - Q4 21: 1,032 m€
  - Q1 22: 1,181 m€

### Adj. EBITDA

- **Inorganics**
  - Q4 21: 738 m€
  - Q1 22: 843 m€
- **Polymers**
  - Q4 21: 294 m€
  - Q1 22: 338 m€

#### EBITDA Growth

- **Volume** +9%
- **Price** +16%
- **FX** +4%
- **Other** +2%

#### Q1 22 vs. Q1 21

- **Volume** +9%
- **Price** +16%
- **FX** +4%
- **Other** +2%
- **Adj. EBITDA** +14%

**Inorganics**

- **EBITDA** +30%
- **Margin** 19.0%

**Polymers**

- **EBITDA** +14%
- **Margin** 11.9%

### Key Points

- 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.

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Performance Materials

### Sales
(in € m)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Volume</th>
<th>Price</th>
<th>FX</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 21</td>
<td>580</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q4 21</td>
<td>840</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q1 22</td>
<td>947</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

++63%  

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

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Volume</th>
<th>Price</th>
<th>FX</th>
<th>Other</th>
<th>Margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 21</td>
<td>42</td>
<td></td>
<td></td>
<td>7.2%</td>
<td></td>
</tr>
<tr>
<td>Q4 21</td>
<td>80</td>
<td></td>
<td></td>
<td>9.5%</td>
<td></td>
</tr>
<tr>
<td>Q1 22</td>
<td>97</td>
<td></td>
<td></td>
<td>10.2%</td>
<td></td>
</tr>
</tbody>
</table>

++131%  

- 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

Adj. EBITDA (in € m)

<table>
<thead>
<tr>
<th></th>
<th>Q1 20</th>
<th>Q1 21</th>
<th>Q4 21</th>
<th>Q1 22</th>
</tr>
</thead>
<tbody>
<tr>
<td>-28</td>
<td>-43</td>
<td>-82</td>
<td>-33</td>
<td></td>
</tr>
</tbody>
</table>

- yoy improvement due to
  - lower personnel-related provisions
  - last year’s Q1 with negative weather impact of ~€10 m
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 2nd 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%”

<table>
<thead>
<tr>
<th>Cash Conversion Rate¹</th>
<th>2020</th>
<th>2021</th>
<th>2022E</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>€780 m</td>
<td>€950 m</td>
<td></td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Category</th>
<th>Indication</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>between €15.5 and 16.5 bn (2021: €15.0 bn)</td>
</tr>
<tr>
<td>ROCE</td>
<td>slightly above the level of 2021 (2021: 9.0%)</td>
</tr>
<tr>
<td>Capex¹</td>
<td>around €900 m (2021: €865 m)</td>
</tr>
<tr>
<td>EUR/USD sensitivity²</td>
<td>+/- 1 USD cent = +/- ~€6 m adj. EBITDA (FY basis)</td>
</tr>
<tr>
<td>Adj. EBITDA T&amp;I/Other</td>
<td>considerably less negative than prior year level (2021: -€221 m)</td>
</tr>
<tr>
<td>Adj. D&amp;A</td>
<td>slightly above the level of 2021 (2021: €1,045 m)</td>
</tr>
<tr>
<td>Adj. net financial result</td>
<td>slightly less negative than 2021 (2021: -€97 m)</td>
</tr>
<tr>
<td>Adj. tax rate</td>
<td>around long-term sustainable level of ~30% (previously: long-term level of 31%); higher compared to previous years (2021: 28%), amongst others due to changes in international tax legislation</td>
</tr>
</tbody>
</table>

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

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## Upcoming IR events

### Conferences & Roadshows

<table>
<thead>
<tr>
<th>Date</th>
<th>Event Description</th>
<th>Host</th>
</tr>
</thead>
<tbody>
<tr>
<td>May 16, 2022</td>
<td>Roadshow London (Barclays)</td>
<td></td>
</tr>
<tr>
<td>May 17, 2022</td>
<td>Best of Europe Conference (UBS)</td>
<td></td>
</tr>
<tr>
<td>May 18, 2022</td>
<td>Chemical Conference (Citi)</td>
<td></td>
</tr>
<tr>
<td>May 24, 2022</td>
<td>dbAccess German Corporate Conference (Deutsche Bank)</td>
<td></td>
</tr>
<tr>
<td>June 2, 2022</td>
<td>Roadshow Frankfurt (Oddo)</td>
<td></td>
</tr>
<tr>
<td>June 15, 2022</td>
<td>European CEO Conference (Exane)</td>
<td></td>
</tr>
</tbody>
</table>

### Upcoming Events & Reporting Dates

<table>
<thead>
<tr>
<th>Date</th>
<th>Event Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>May 25, 2022</td>
<td>Annual General Meeting</td>
</tr>
<tr>
<td>August 10, 2022</td>
<td>Q2 2022 reporting</td>
</tr>
<tr>
<td>November 8, 2022</td>
<td>Q3 2022 reporting</td>
</tr>
</tbody>
</table>
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