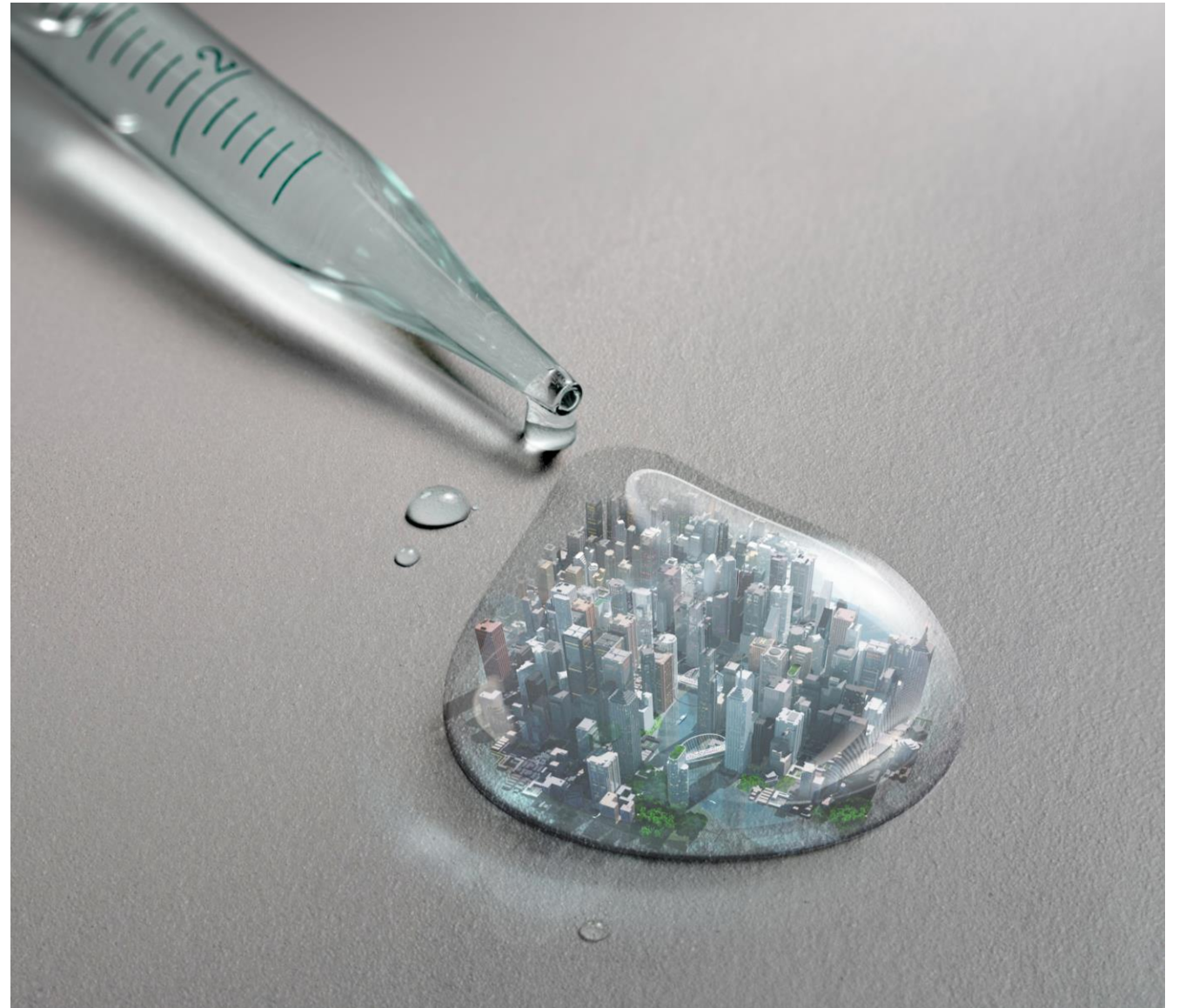


SMALL AMOUNT. BIG EFFECT.

Introduction to Specialty Additives

November 30, 2022

Dr. Claudine Mollenkopf
President Specialty Additives



Additive

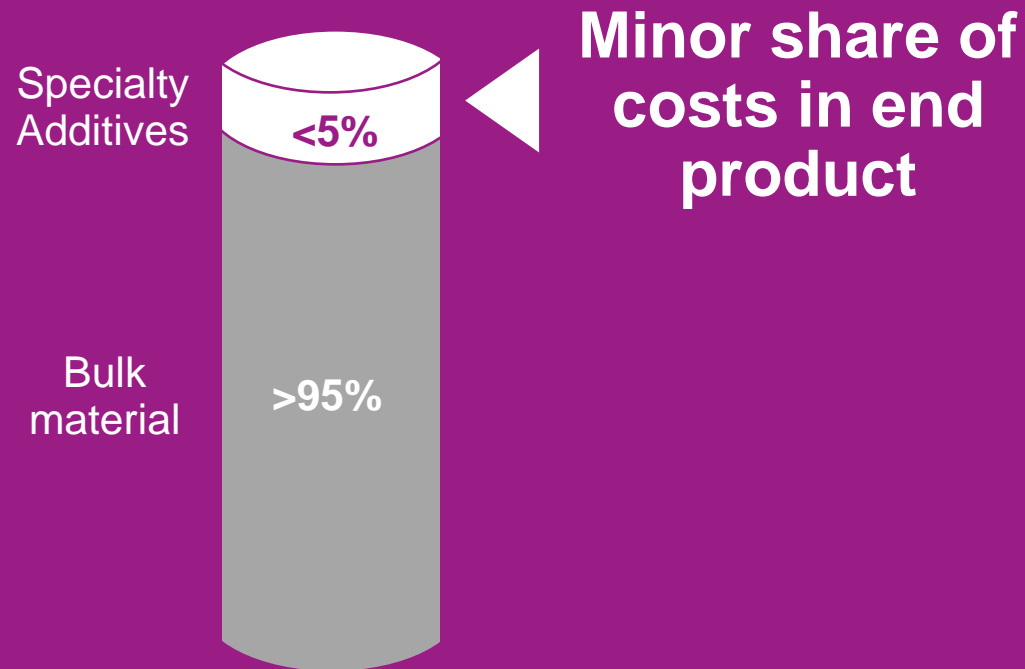
solutions

**WE MAKE A
DIFFERENCE**

**for
maximum**

performance

SMALL AMOUNT.



BIG EFFECT.

Less maintenance



Less energy



More protection



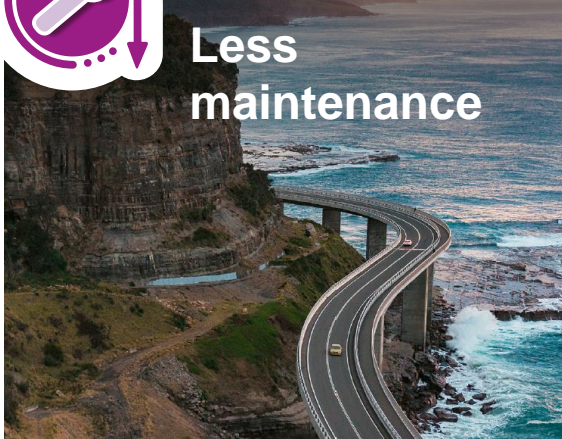
More durability



Improved product characteristics
Improved sustainability profile



Less maintenance



Rust does not stand a chance

Crosslinkers for composite-reinforced bars with outstanding mechanical and chemical properties

15 – 35%

reduction potential in corrosion costs (~US\$2.5 tn)



Less energy



Colder food & drinks for less money

PU foam additives create performance advantages to make appliances and buildings more energy efficient

up to **5%**

reduction potential in energy costs



More protection



The paint stays put

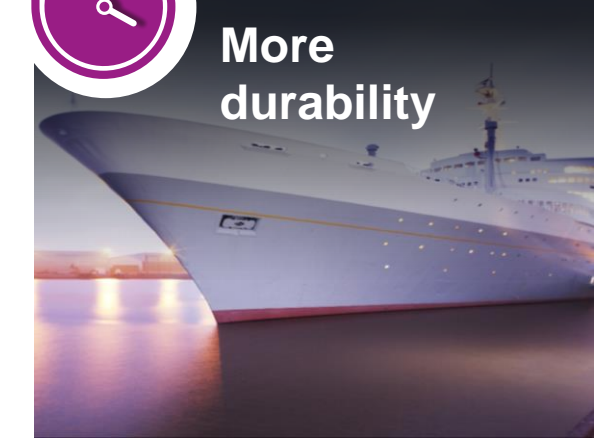
Additives for paint systems creating a lasting barrier against chemical cleaning agents

>€30k

avoided repainting costs for rail car surfaces



More durability

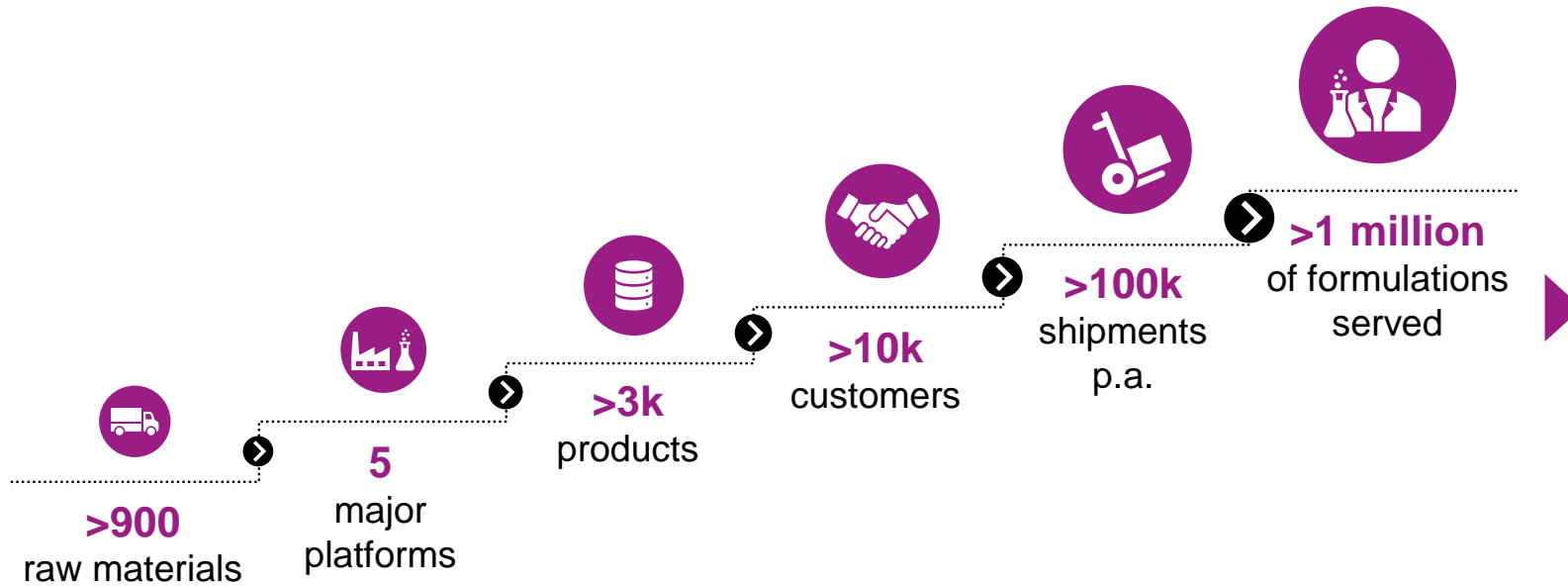


Solutions against biofouling

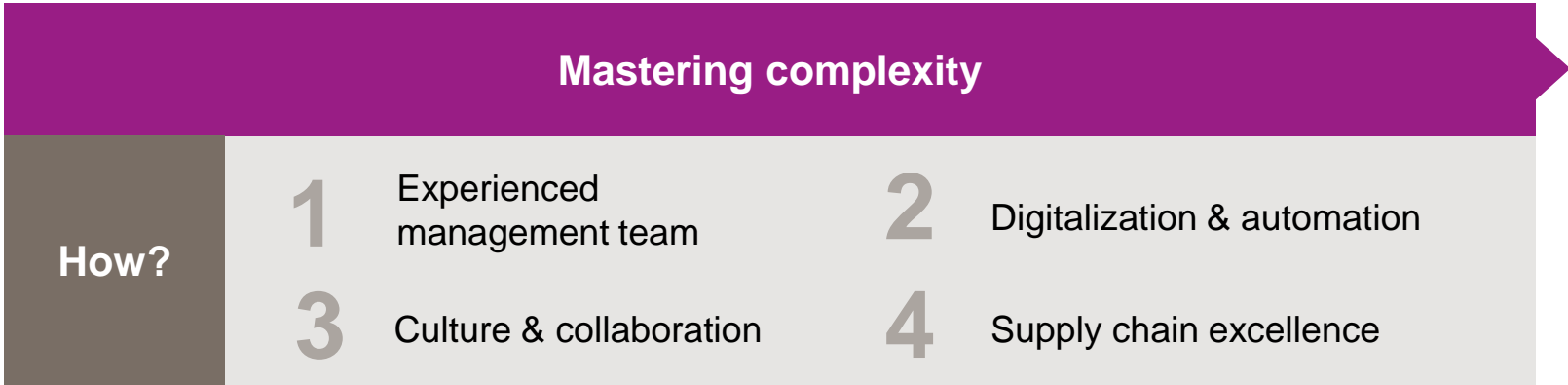
Hydrophilic AEROSIL® improves anti-fouling coatings for ship hulls

up to **30%**

decreasing fuel consumption

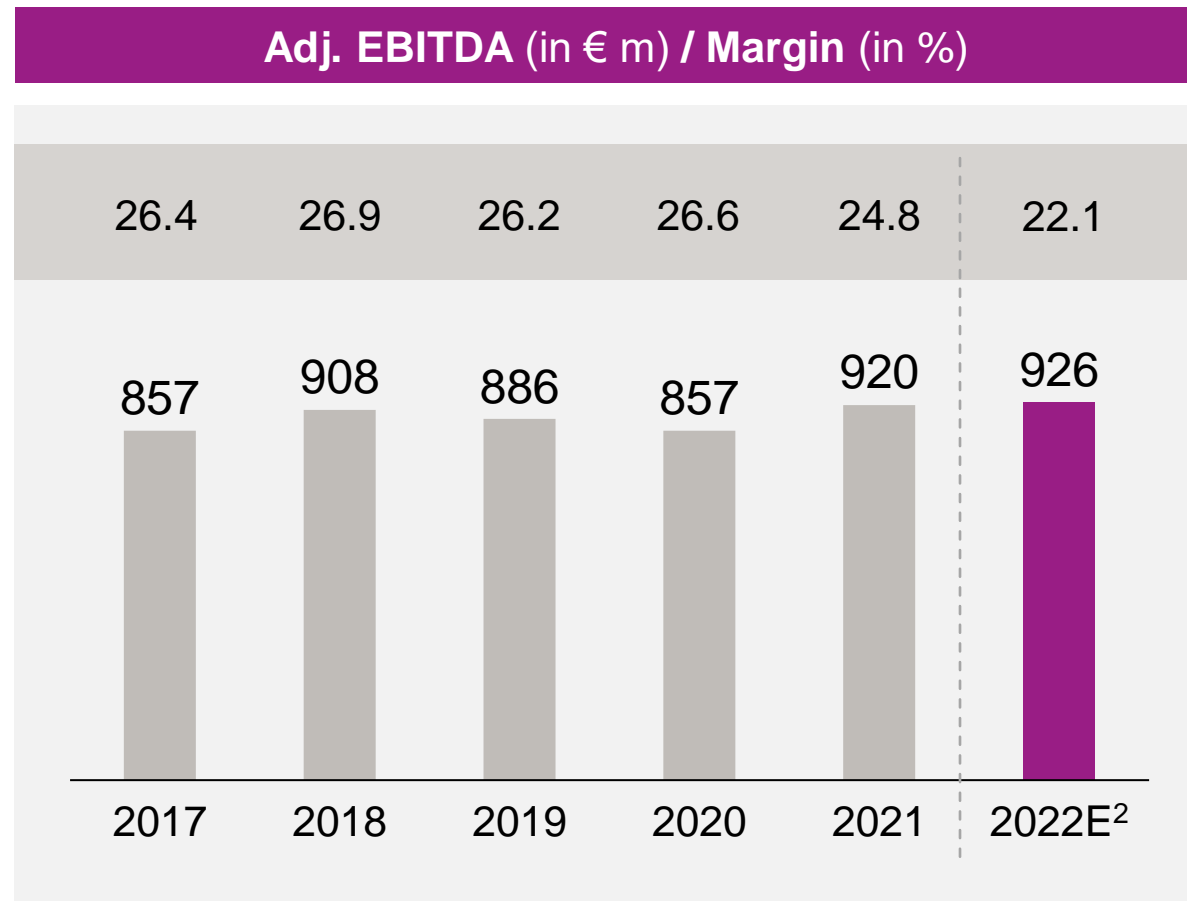
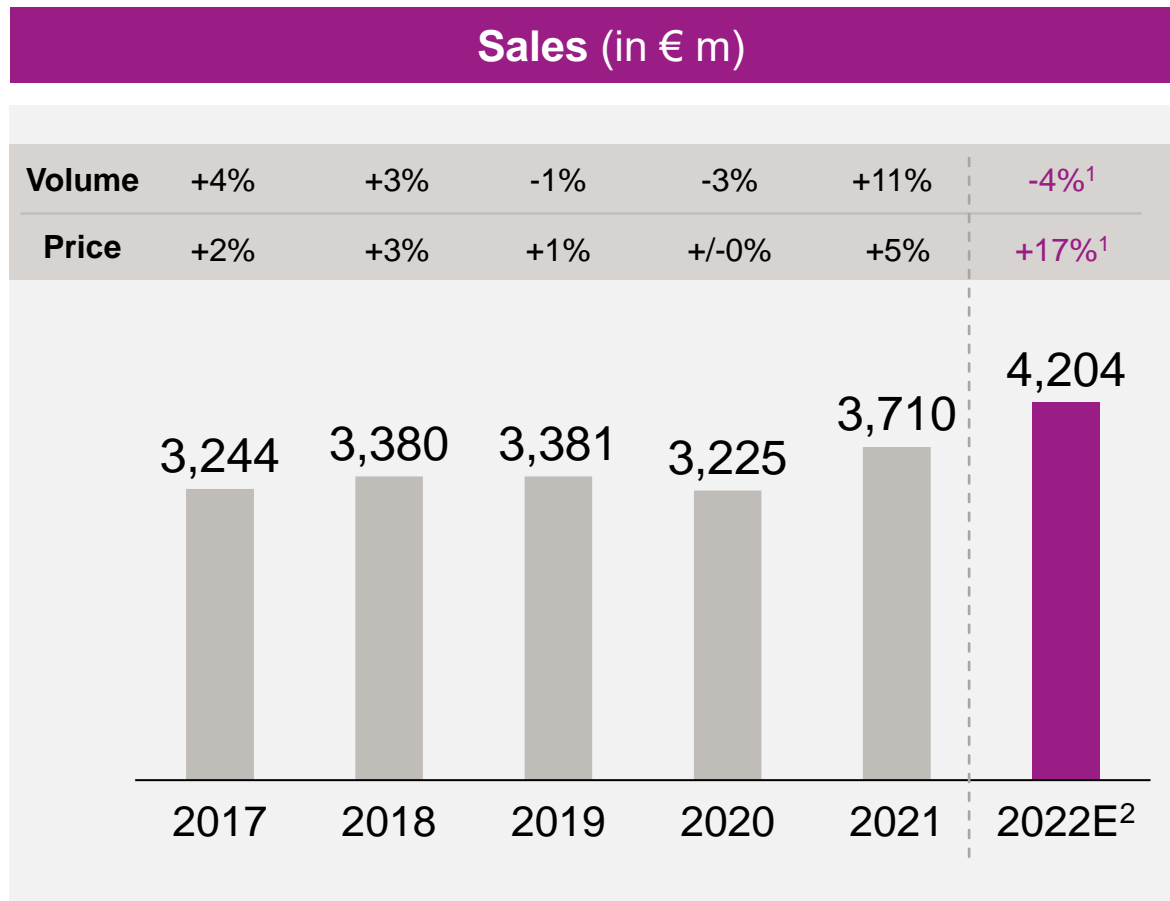


High barriers to entry
Resilient financial performance
Strong market & customer position



Tangible benefits

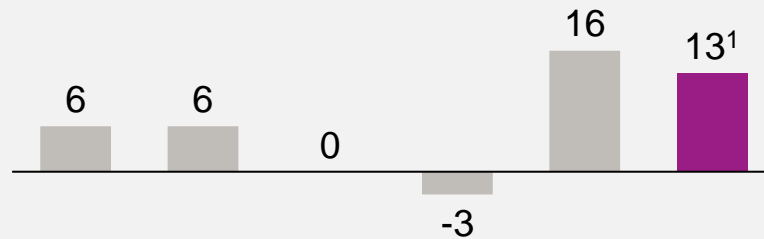
Financial performance since 2017



1. After first nine months of 2022 | 2. Vara Consensus as of October 13, 2022

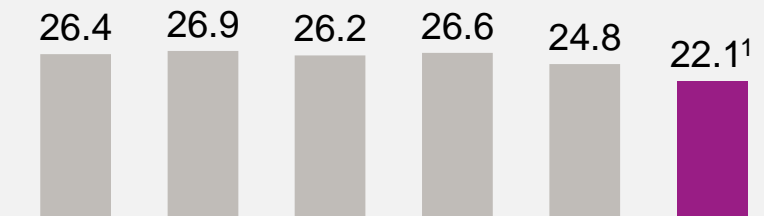
Specialty Additives business model is highly profitable and resilient – demonstrated over the last years also in difficult environments

Organic sales growth
(in %)



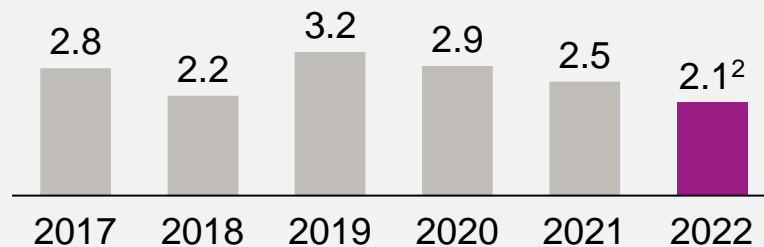
- Continued and resilient sales growth
- Largely price-driven based on additives business model
- But also strong volume recovery in 2021 despite supply chain challenges

EBITDA margin
(in %)



- Consistently high profitability across businesses
- Proven margin stability during COVID-crisis
- Great resilience also in 2022 – only mathematical dilution

Capex to sales ratio
(in %)



- Highly capital-light additives business model
- Capacity expansions usually modular and hence with smaller investment volumes
- Resulting in ROCE in the high-teens through the cycle

1. Vara Consensus as of October 13, 2022 | 2. After first nine months of 2022

Balanced view on navigating currently difficult environment and long-term strategy execution

Focus on

- Maintaining attractive pricing despite slowing demand
- Driving commercial excellence
- Optimizing net working capital and freeing up cash flow
- Securing key raw materials cost efficiently

Managing current market environment

H2 2022 and into 2023

2023 and beyond

Long-term strategy execution

Strategic priorities

Foster leadership in sustainability along anticipated market needs



Investment in capacity for revenue growth and optimized geographical footprint

Continue development of fast organization

Specialty Additives Play

Sitting at the table



Building #1 position in customer relevance

to be decisive part of their innovation agenda and product offering

Ability to assess



Understanding our customers' value chains and markets to create the ideal solution

Rapid tailored innovation



Delivering continuously new solutions for markets and customers

Mastering complexity



Broad spectrum of tailored product for numerous customers



EVONIK

Leading Beyond Chemistry

2021



18%
ROCE



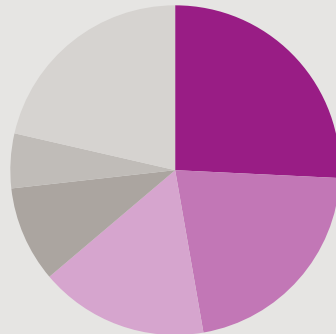
25%
EBITDA MARGIN



>3,500
EMPLOYEES



48
NATIONALITIES



- Mobility
- Construction
- Consumer Goods
- Coatings
- Environmental
- Other



Additives for coatings and inks



Additives for polyurethane foam



Specialty defoamers and wetting agents



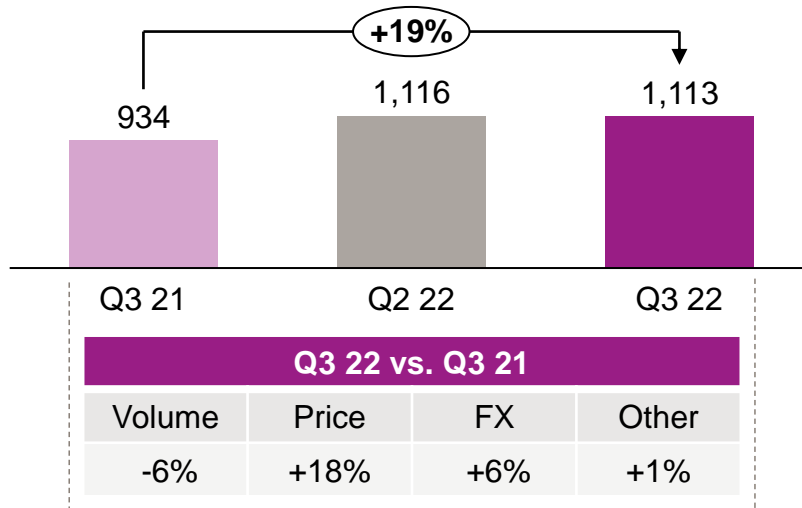
Epoxy hardeners for crosslinkers



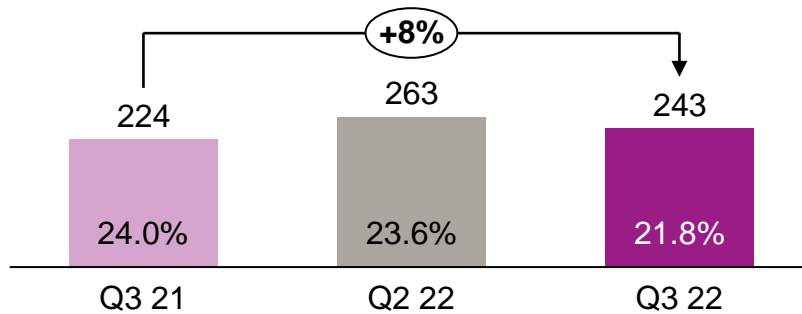
Lubricant additives

Financial performance in Q3 2022

Sales (in € m)



Adj. EBITDA (in € m) / margin (in %)



- Overall strong performance across all businesses – demonstrating resilience in tougher environment
- Price increases continue on similar strong level as Q2 (+18% yoy) and compensate for higher variable costs
- Volume declines in Europe and Asia, volume expansion in Americas
 - Good demand in agro, energy storage and release coatings
 - Weaker demand and destocking esp. from coatings and construction
 - Unplanned downtime in Crosslinkers



Specialty Additives: Five major technology platforms

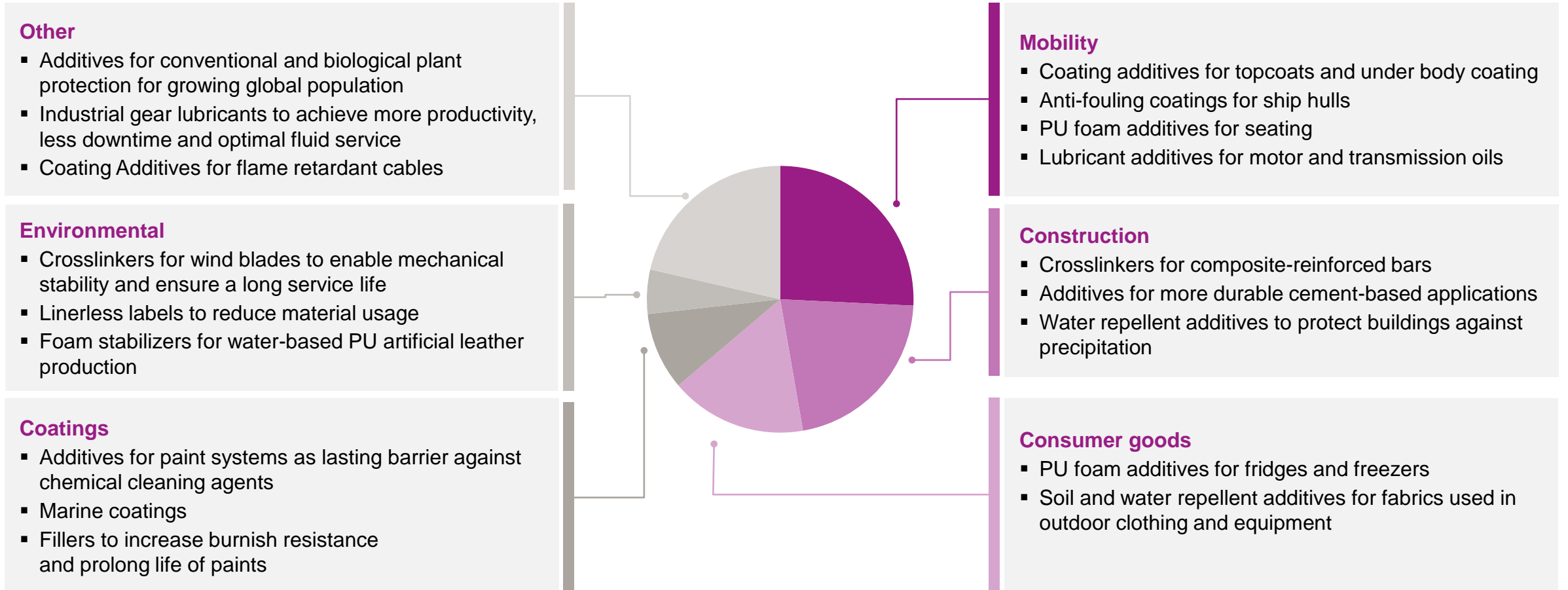
Amines	Isophorone chain	Silicones	Oleochemicals, Silica & BL specific platforms
Special catalysts for high performance spray foam insulations	Crosslinkers for durable wind turbine blades	Silicone surfactants for designed polyurethane foams in mattresses, seats and insulation	Additives and dispersing agents for waterborne artificial leather
Curing agents for high quality and efficient epoxy coating and flooring	High performance composite ingredients for electro vehicle components	Highly effective polyether siloxane defoamer for waterborne coatings	Scratch/scrub/burnish resistance with spherical amorphous silica
			Poly alkylmethacrylate for fuel efficient lubricants

Technology platforms with modular, stepwise and capex-light expansion   capex to sales ratio

Investment example: Amines platform
 Stepwise debottlenecking of intermediate products in China and the US

Investment example: Silicones platform
 Implementation of expanded regional hubs in Europe, China and the US

Specialty Additives end markets and product examples



We make a difference

Solutions for maximum performance



SILIKOTOP®
for ultra-high-solids top coats
MORE PROTECTION



TEGOSTAB®
for lighter and comfortable seating
LESS ENERGY



TEGOMER®
for scratch resistant surfaces
MORE DURABILITY



VISCOPEX®
for fuel economy improvement
LESS ENERGY



Nourybond®
for under body coating
MORE PROTECTION



We make a difference

Solutions for maximum performance



DABCO®
for integrity of roofings
MORE DURABILITY



SPHERILEX®
for wall paints
MORE DURABILITY



Ancamide®
for wet on wet floor coatings
LESS ENERGY



TEGOSIVIN®
for more durable cement-based applications
LESS MAINTENANCE



VISIOMER®
for waterborne architectural coatings
MORE PROTECTION

We make a difference

Solutions for maximum performance



TEGO®
for improved plastic coatings
LESS MAINTENANCE



TEGOSTAB®
for fridges & freezers
LESS ENERGY



TEGOMER®
for food packaging
MORE DURABILITY



VISIONER®
for countertops and sinks
MORE DURABILITY



VESTAGON®
for coatings of household appliances
MORE PROTECTION



We make a difference

Solutions for maximum performance

AIRASE®
for durable coatings
MORE DURABILITY



DABCO®
for roof and wall insulation
LESS ENERGY

Ancamine®
for resistant top coats
LESS MAINTENANCE



VISIOMER®
for weather and scratch resistance
MORE PROTECTION



TEGOMER®
for flame retardant cables
MORE PROTECTION



We make a difference

Solutions for
maximum performance



TEGO® RC

for reducing paper waste in food, logistics & e-commerce labeling

LESS ENERGY



VESTAGON®

for PU powder coatings

MORE PROTECTION



NANOPOX®

for more durable wind turbine blades

LESS MAINTENANCE



DYNAVIS®

for reduced emissions

LESS ENERGY



TEGO®

for FDA approved can coatings

MORE DURABILITY

