

QUARTERLY STATEMENT

1st quarter 2022

STRONG FIRST QUARTER— FORECAST CONFIRMED

- **Organic sales growth** was 26 percent thanks to higher demand and successful price rises
- **Adjusted EBITDA** grew by 25 percent to a very good level of €735 million
- All **chemicals divisions** were able to offset higher variable costs by raising prices
- **Adjusted net income** improved by 49 percent to €356 million
- **Free cash flow** was below the good prior-year figure at €133 million due to increased inventories
- **Outlook for 2022 confirmed:** Adjusted EBITDA expected to be between €2.5 billion and €2.6 billion

Key figures for the Evonik Group

in € million	1st quarter	
	2021	2022
Sales	3,358	4,498
Adjusted EBITDA ^a	588	735
Adjusted EBITDA margin in %	17.5	16.3
Adjusted EBIT ^b	336	472
Income before financial result and income taxes, continuing operations (EBIT)	308	456
Net income	186	314
Adjusted net income	239	356
Earnings per share in €	0.40	0.67
Adjusted earnings per share in €	0.51	0.76
Cash flow from operating activities, continuing operations	494	309
Cash outflows for investments in intangible assets, property, plant and equipment	-182	-176
Free cash flow ^c	312	133
Net financial debt as of March 31	-2,704	-2,794
No. of employees as of March 31	32,745	33,151

^a Earnings before financial result, taxes, depreciation, and amortization, after adjustments, continuing operations.

^b Earnings before financial result and taxes, after adjustments, continuing operations.

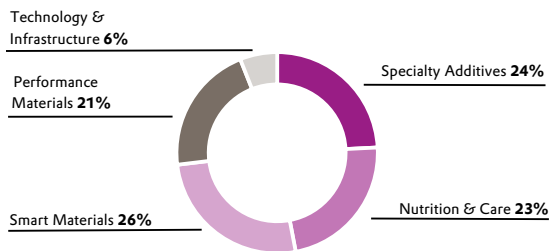
^c Cash flow from operating activities, continuing operations, less cash outflows for investments in intangible assets, property, plant and equipment.

Due to rounding, some figures in this report may not add up exactly to the totals stated.

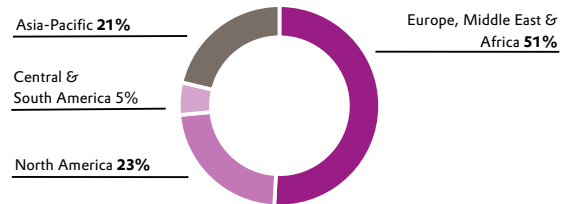
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Sales by division—1st quarter



Sales by region^a—1st quarter



^a By location of customer.

Business conditions and performance

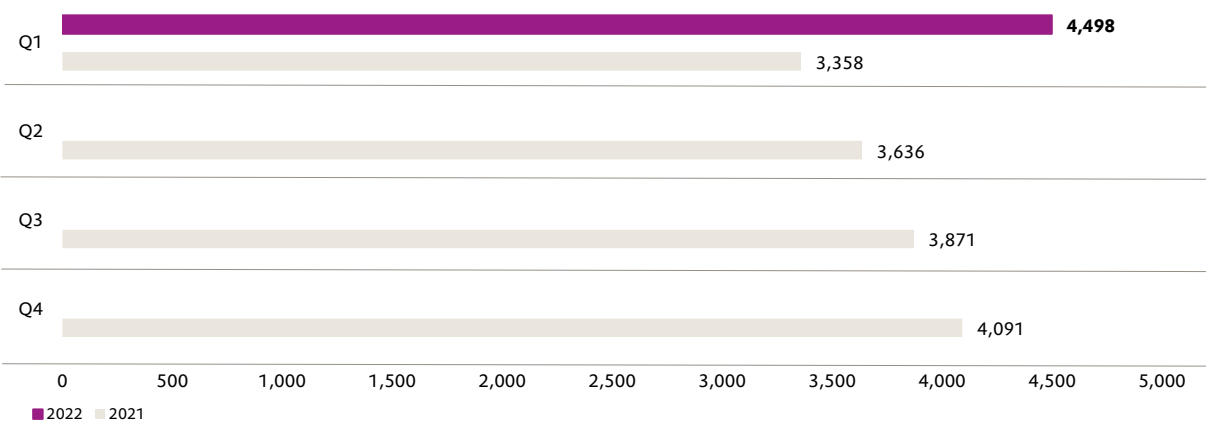
1. Business performance

Business performance in Q1 2022

Overall, Evonik made a good start to 2022 in increasingly difficult business conditions. Nevertheless, the supply situation for raw materials, packaging, and logistics remains difficult due to the war in Ukraine, including the extensive sanctions, and the renewed lockdowns in China to contain the coronavirus. Higher prices, especially for oil and gas, are increasingly being felt along the supply chain. Demand rose slightly and we were able to raise prices to pass the significant hike in variable costs on to customers. There was a significant increase in sales and adjusted EBITDA compared with the prior-year period.

Sales by quarter

in € million



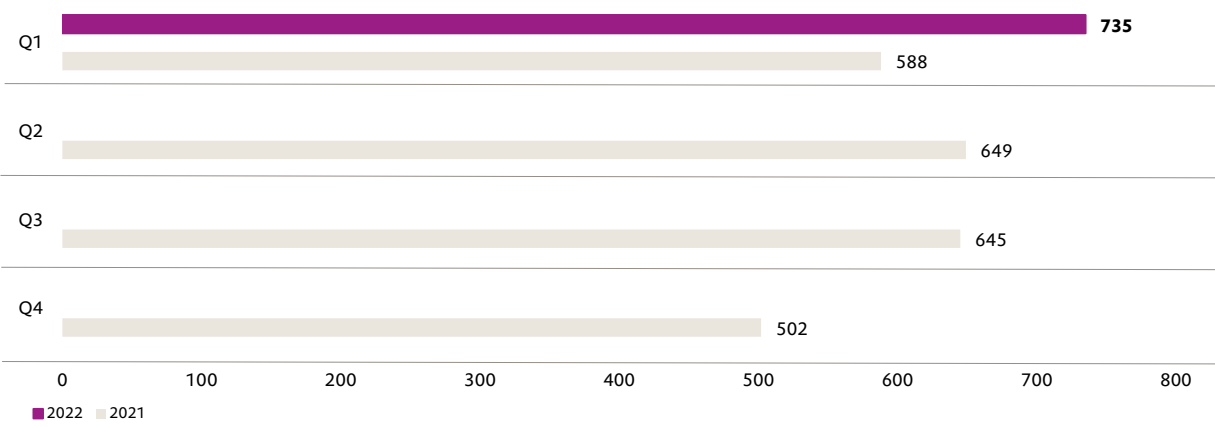
The Evonik Group's **sales** increased by 34 percent to €4,498 million. Organic sales growth was 26 percent, helped by the successful adjustment of selling prices and higher volumes.

Year-on-year change in sales

in %	1st quarter 2022
Volumes	4
Prices	22
Organic sales growth	26
Exchange rates	4
Change in the scope of consolidation/other effects	4
Total	34

Adjusted EBITDA by quarter

in € million



Adjusted EBITDA rose 25 percent to €735 million, with the main contributions to this coming from the Nutrition & Care and Performance Materials divisions. The adjusted EBITDA margin declined to 16.3 percent, compared with 17.5 percent in the prior-year period.

Statement of income

in € million	1st quarter		Change in %
	2021	2022	
Sales	3,358	4,498	34
Adjusted EBITDA	588	735	25
Adjusted depreciation, amortization, and impairment losses	-252	-263	
Adjusted EBIT	336	472	40
Adjustments	-28	-16	
thereof restructuring	-3	-	
thereof impairment losses/reversal of impairment losses	-	-	
thereof acquisition/divestment of shareholdings	-4	-2	
thereof other	-21	-14	
Income before financial result and income taxes, continuing operations (EBIT)	308	456	48
Financial result	-21	-12	
Income before income taxes, continuing operations	287	444	55
Income taxes	-88	-126	
Income after taxes, continuing operations	199	318	60
Income after taxes, discontinued operations	-7	-	
Income after taxes	192	318	66
thereof attributable to non-controlling interests	6	4	
Net income	186	314	69
Earnings per share in €	0.40	0.67	

The **adjustments** of -€16 million contained -€2 million for the integration of PeroxyChem. Further adjustments related to the recognition of power derivatives and termination of a project in Russia. The prior-year adjustments included expenses in connection with legal disputes relating to the divestment of the former carbon blacks business. The **financial result** improved to -€12 million, mainly because interest income was higher. Overall, **income before income taxes, continuing operations** increased by 55 percent to €444 million. The income tax rate on the continuing operations and the adjusted income tax rate were both 28 percent. **Net income** rose 69 percent to €314 million.

As a result of the good operating performance, **adjusted net income** improved by 49 percent to €356 million. **Adjusted earnings per share** increased from €0.51 to €0.76.

Reconciliation to adjusted net income

in € million	1st quarter		
	2021	2022	Change in %
Adjusted EBITDA	588	735	25
Adjusted depreciation, amortization, and impairment losses	-252	-263	
Adjusted EBIT	336	472	40
Adjusted financial result	-21	-12	
Amortization and impairment losses on intangible assets	36	41	
Adjusted income before income taxes^a	351	501	43
Adjusted income taxes	-106	-141	
Adjusted income after taxes^a	245	360	47
thereof adjusted income attributable to non-controlling interests	6	4	
Adjusted net income^a	239	356	49
Adjusted earnings per share in €^a	0.51	0.76	

^a Continuing operations.

2. Performance of the divisions

Specialty Additives

Key figures

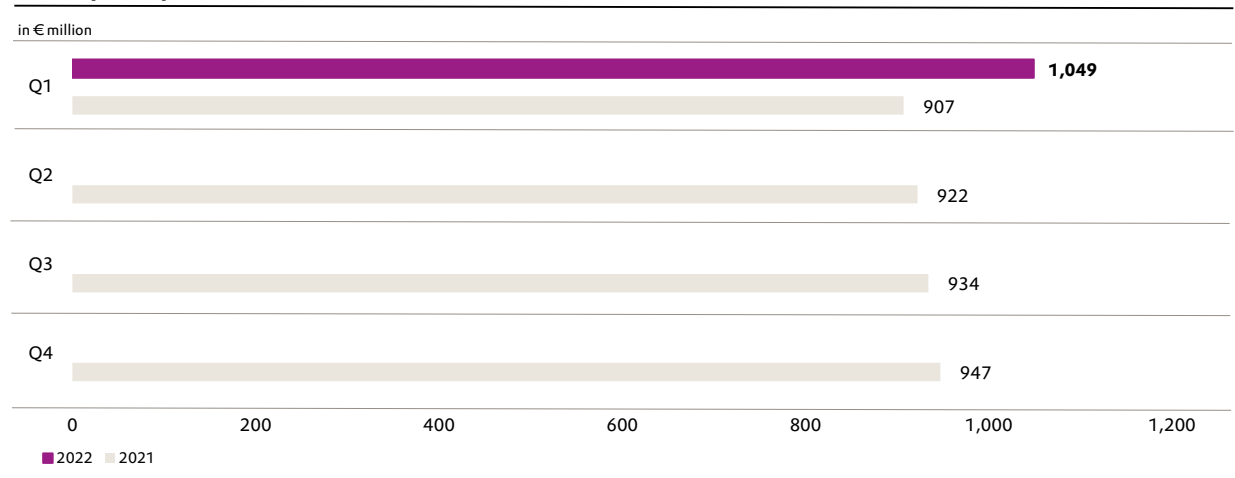
in € million	1st quarter		
	2021	2022	Change in %
External sales	907	1,049	16
Adjusted EBITDA	273	252	-8
Adjusted EBITDA margin in %	30.1	24.0	-
Adjusted EBIT	230	205	-11
Capital expenditures*	12	18	50
No. of employees as of March 31	3,678	3,742	2

* Capital expenditures for intangible assets, property, plant and equipment.

In the Specialty Additives division, sales rose 16 percent to €1,049 million in the **first quarter of 2022**. The sales growth resulted from considerably higher selling prices, as higher variable costs were passed on to customers, and positive currency effects. Volumes were slightly below the high prior-year level.

Demand for products for the construction and coatings industries and renewable energies was lower, partly due to problems in global supply chains. Nevertheless, successful price rises to compensate for the higher costs lifted sales. Sales of additives for polyurethane foams, paints, and coatings increased significantly, principally as a result of higher selling prices. Sales of additives for the automotive sector were also higher thanks to solid demand and improved prices.

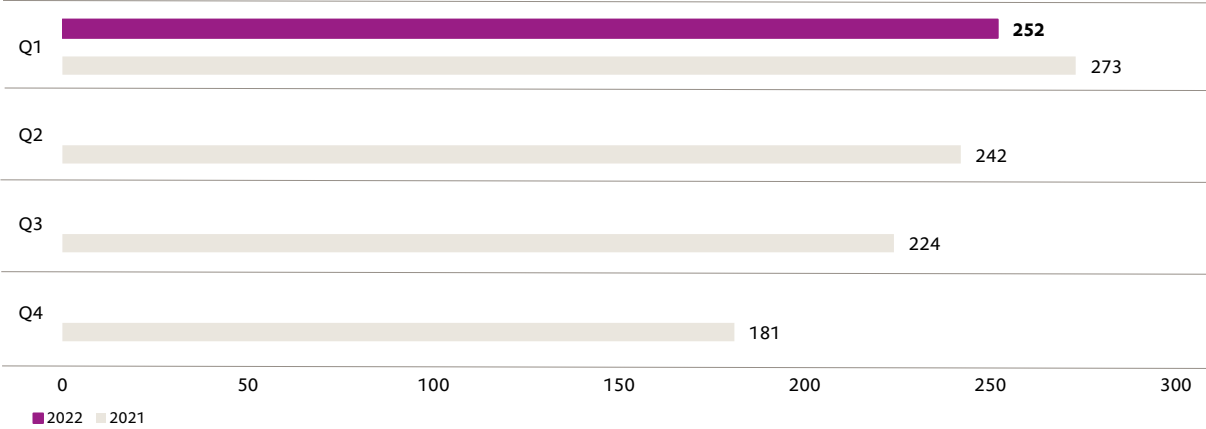
Sales Specialty Additives



Adjusted EBITDA decreased by 8 percent to €252 million due to slightly lower volumes and higher logistics costs. The adjusted EBITDA margin dropped from the high level of 30.1 percent in the prior-year period to 24.0 percent, partly because of the strong sales growth.

Adjusted EBITDA Specialty Additives

in € million



Nutrition & Care

Key figures

in € million	1st quarter		Change in %
	2021	2022	
External sales	780	1,038	33
Adjusted EBITDA	143	222	55
Adjusted EBITDA margin in %	18.3	21.4	-
Adjusted EBIT	78	155	99
Capital expenditures ^a	22	25	14
No. of employees as of March 31	5,281	5,540	5

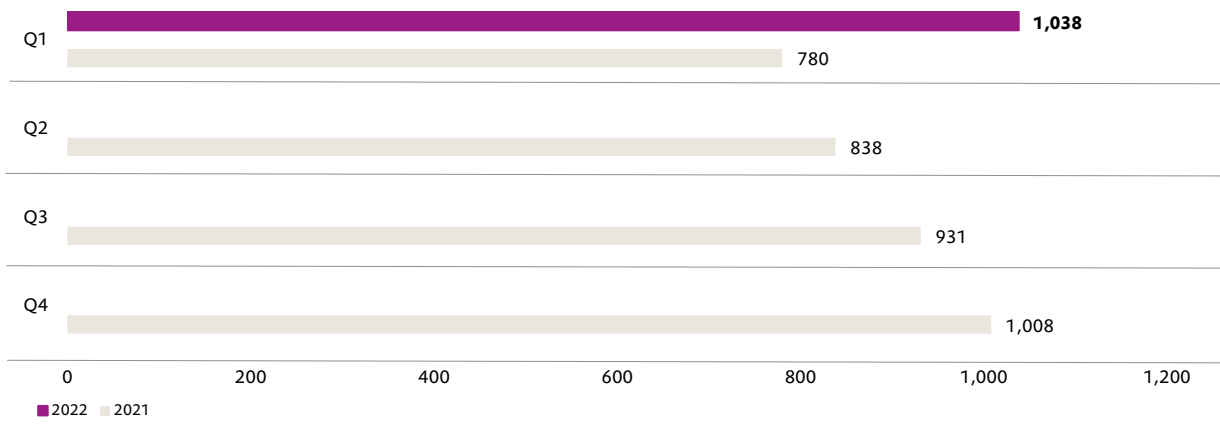
^a Capital expenditures for intangible assets, property, plant and equipment.

The Nutrition & Care division recorded a 33 percent rise in sales to €1,038 million in the **first quarter of 2022**, driven by a slight rise in volumes, a significant increase in selling prices, and positive currency effects.

Demand for essential amino acids remained strong worldwide. Together with a significant improvement in selling prices, this led to a substantial rise in sales. Sales of health and care products also grew significantly. In particular, the business with drug delivery systems and active ingredients for cosmetic applications was very pleasing.

Sales Nutrition & Care

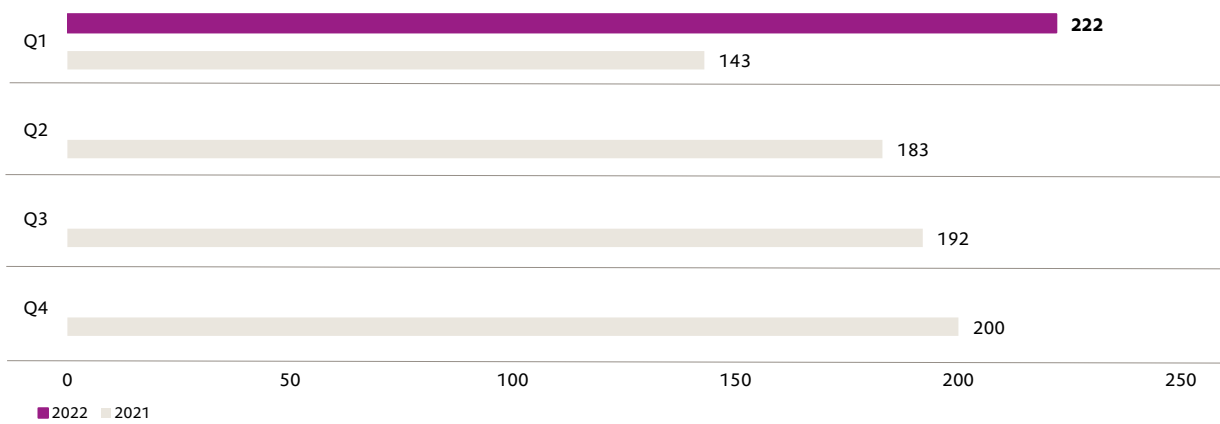
in € million



Adjusted EBITDA climbed 55 percent to €222 million, mainly because of the very good price trend. The adjusted EBITDA margin improved from 18.3 percent in the prior-year period to 21.4 percent.

Adjusted EBITDA Nutrition & Care

in € million



Smart Materials

Key figures

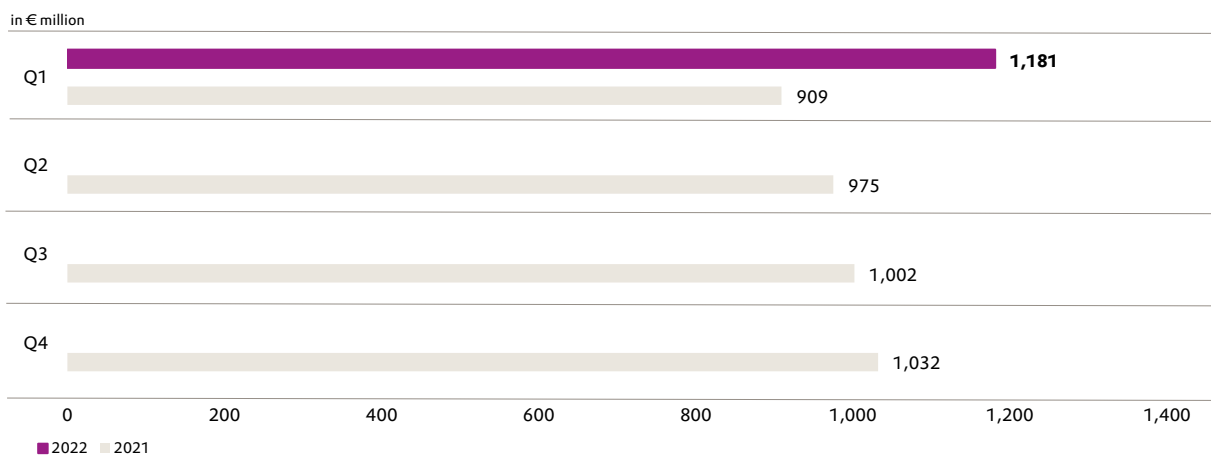
in € million	1st quarter		Change in %
	2021	2022	
External sales	909	1,181	30
Adjusted EBITDA	173	197	14
Adjusted EBITDA margin in %	19.0	16.7	-
Adjusted EBIT	108	127	18
Capital expenditures*	59	45	-24
No. of employees as of March 31	7,783	7,826	1

* Capital expenditures for intangible assets, property, plant and equipment.

In the Smart Materials division, sales rose 30 percent to €1,181 million in the **first quarter of 2022**. The reasons here were considerably higher volumes and selling prices and positive currency effects.

There was also a substantial increase in sales of inorganic products. Since demand developed favorably, it was possible to raise selling prices to recoup the rise in variable costs. The development of eco-solutions products was especially good. The polymers business also benefited from significantly higher demand and improved selling prices, so its sales contribution was substantially higher than in the prior-year period.

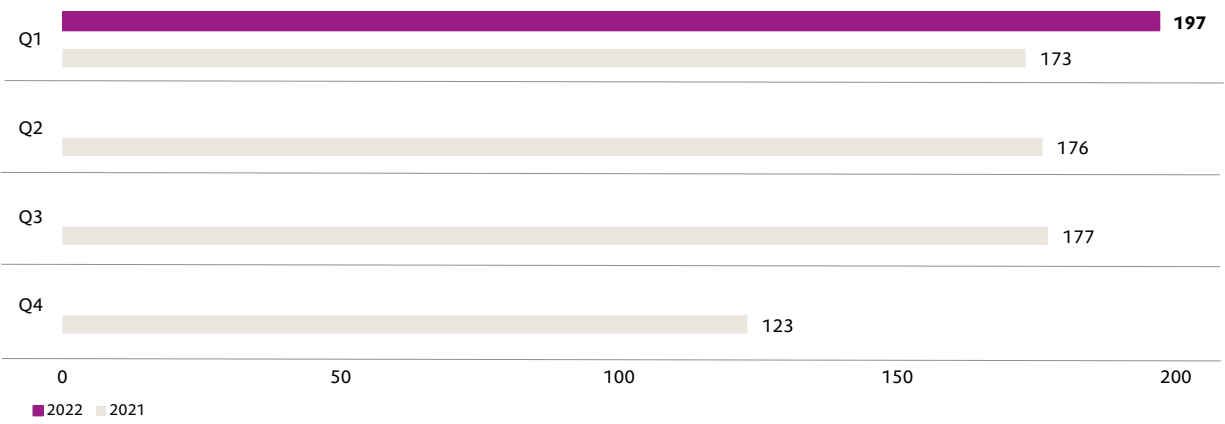
Sales Smart Materials



Adjusted EBITDA improved 14 percent to €197 million, driven by volumes and sales. The adjusted EBITDA margin declined from 19.0 percent in the prior-year period to 16.7 percent.

Adjusted EBITDA Smart Materials

in € million



Performance Materials

Key figures

in € million	1st quarter		Change in %
	2021	2022	
External sales	580	947	63
Adjusted EBITDA	42	97	131
Adjusted EBITDA margin in %	7.2	10.2	-
Adjusted EBIT	10	66	560
Capital expenditures ^a	8	12	50
No. of employees as of March 31	1,810	1,975	9

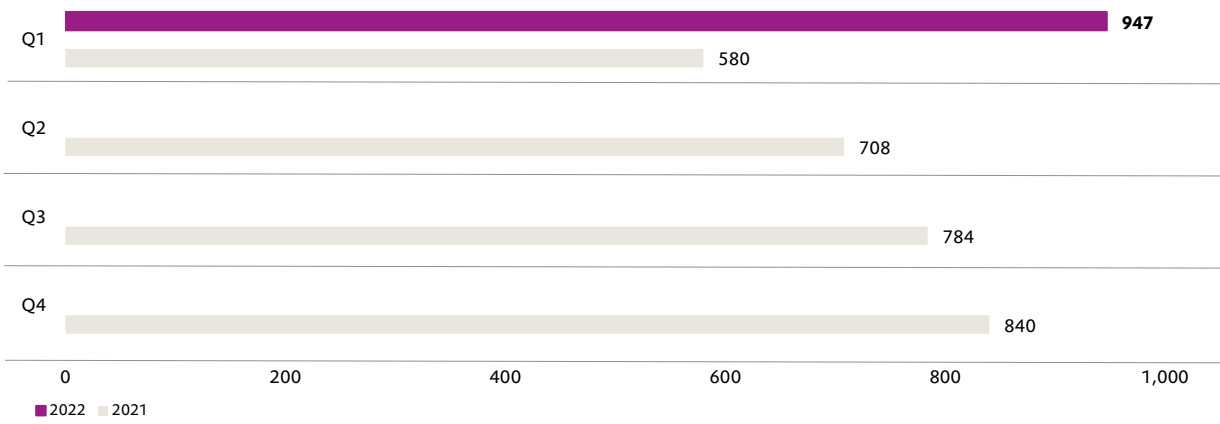
^a Capital expenditures for intangible assets, property, plant and equipment.

Sales in the Performance Materials division climbed 63 percent to €947 million in the **first quarter of 2022**, boosted by substantially higher prices, higher volumes, and positive currency effects.

Substantial sales growth was reported by C₄ products as demand was high and there was a strong improvement in selling prices. There was also a substantial rise in sales of superabsorbents thanks to an upturn in demand and higher selling prices.

Sales Performance Materials

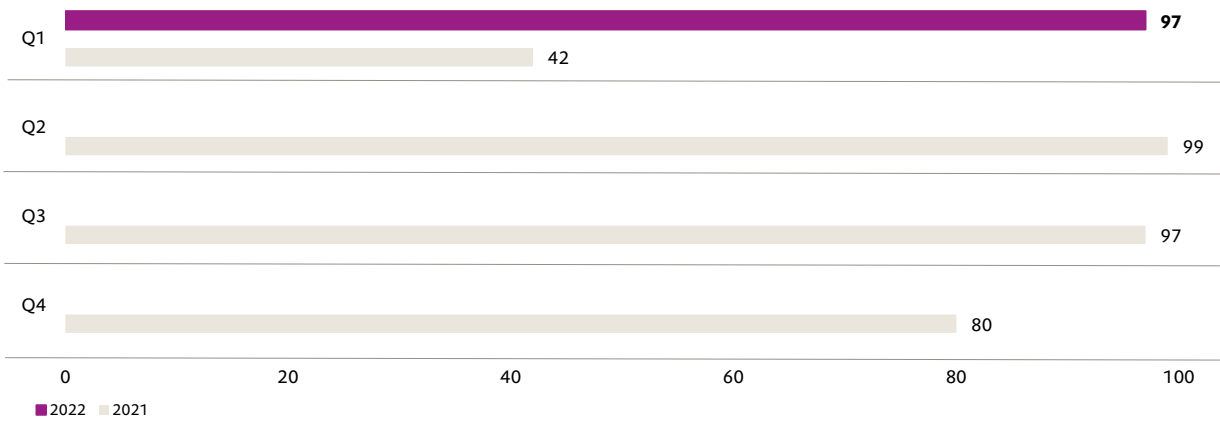
in € million



Adjusted EBITDA improved from €42 million to €97 million, mainly due to better product margins. The adjusted EBITDA margin increased from 7.2 percent in the prior-year period to 10.2 percent.

Adjusted EBITDA Performance Materials

in € million



Technology & Infrastructure

Key figures

in € million	1st quarter		Change in %
	2021	2022	
External sales	169	271	60
Adjusted EBITDA	29	35	21
Adjusted EBITDA margin in %	17.2	12.9	-
Adjusted EBIT	2	7	250
Capital expenditures*	18	23	28
No. of employees as of March 31	8,510	8,044	-5

* Capital expenditures for intangible assets, property, plant and equipment.

In the Technology & Infrastructure division, sales grew 60 percent to €271 million **in the first quarter of 2022**, with the rise coming principally from higher energy prices in trading with external customers at our sites. Adjusted EBITDA increased by 21 percent to €35 million, driven by higher contributions from energy supply and technical services. The adjusted EBITDA margin decreased from 17.2 percent to 12.9 percent.

Financial position

The cash flow from operating activities, continuing operations decreased by €185 million to €309 million in the first quarter. This was due to a significant increase in net working capital as a result of higher raw material costs and a deliberate increase in inventories in light of the present situation in order to be prepared for possible supply chain disruption. **Free cash flow** was therefore €179 million below the good level of the prior-year period at €133 million.

Cash flow statement (excerpt)

in € million	1st quarter	
	2021	2022
Cash flow from operating activities, continuing operations	494	309
Cash outflows for investments in intangible assets, property, plant and equipment	-182	-176
Free cash flow	312	133
Cash flow from other investing activities, continuing operations	129	-14
Cash flow from financing activities, continuing operations	-73	65
Change in cash and cash equivalents	368	184

Net financial debt was €2,794 million, a decrease of €63 million compared with December 31, 2021 due to the positive free cash flow.

Net financial debt

in € million	Dec. 31, 2021	Mar. 31, 2022
Non-current financial liabilities ^a	-3,527	-2,776
Current financial liabilities ^a	-232	-1,106
Financial debt	-3,759	-3,882
Cash and cash equivalents	456	647
Current securities	446	441
Financial assets	902	1,088
Net financial debt	-2,857	-2,794

^a Excluding derivatives and excluding the liabilities under rebate and bonus agreements.

In the first quarter of 2022, **capital expenditures for property, plant and equipment** amounted to €137 million (Q1 2021: €130 million). In principle, there is a slight timing difference in cash outflows for property, plant and equipment. The expansion of capacity for isobutene derivatives at the C₄ production complex in Marl (Germany) was completed.

Expected development

It is currently very difficult to estimate the far-reaching effects on the **global economy** of the risks resulting from the Russia-Ukraine war. One direct consequence is that higher raw material and energy prices will fuel inflation further and reduce disposable income. Moreover, bottlenecks in production and supply chains will probably hold back the economy in the coming months. One indirect consequence could be an adverse effect on demand in Evonik's end-customer industries. We have therefore reduced our forecast for global economic growth in 2022 from 4.2 percent to 3.3 percent.¹ Moreover, if the supply of Russian gas were to be halted, this would constitute a significant risk for the European economy and the chemical industry; the effects cannot yet be quantified. The future development of the coronavirus pandemic, for example, in China, and the possible emergence of new mutations of the virus could lead to further disruption of the global supply chains and renewed economic downturns.

In view of the continuing global uncertainty, we assume that raw material prices will rise further. In all, we expect that in 2022 the price level for Evonik-specific raw materials will be significantly higher than in 2021.

Our forecast is based on the following assumptions:

- Global growth: 3.3 percent (start of 2022: 4.2 percent)
- Internal raw material index: significantly higher than in the prior year (start of 2022: higher than in the prior year)

Sales and earnings

Evonik has reviewed its expectations for 2022 as a whole in light of the reduced projections for global economic growth. Based on the strong first quarter and the assumption that there will not be a further escalation in the geopolitical situation and, in particular, that the supply of oil and gas from Russia remains stable, we are confirming our outlook for the full year.

Evonik anticipates that **sales** will be between €15.5 billion and €16.5 billion in 2022 (2021: €15.0 billion). The three growth divisions will benefit from structural trends and continue their positive long-term development. We anticipate strong growth in demand from customers for our Next Generation Solutions, in other words, Evonik products and solutions with a superior sustainability profile. Our six innovation growth fields should also make a further contribution to growth in 2022. Evonik is currently raising its own prices to offset the significant rise in raw material, energy, and logistics costs since the second half of 2021. Overall, we expect **adjusted EBITDA** to be between €2.5 billion and €2.6 billion (2021: €2,383 million).

In 2022, the return on capital employed (**ROCE**) is expected to be slightly above the previous year's level (2021: 9.0 percent).

¹ Based on data from IHS Markit as of March 15, 2022.

Financing and investments

We expect **cash outflows for investments in intangible assets, property, plant and equipment** to be around €900 million in 2022 (2021: €865 million).

For the free cash flow, we expect the **cash conversion rate** to reach the previous year's very good level of approximately 40 percent. Combined with the forecast improvement in adjusted EBITDA, the absolute **free cash flow** should therefore be higher than in the previous year (2021: €950 million). Our high investment discipline should have a positive impact, but higher bonus payments will provide a headwind. In the remainder of the year, we aim to reduce the net working capital from the higher level recorded at the end of the first quarter.

Forecast for 2022

Forecast performance indicators	2021	Forecast for 2022 ^a
Group sales	€15.0 billion	Between €15.5 billion and €16.5 billion
Adjusted EBITDA	€2.4 billion	Between €2.5 billion and €2.6 billion
ROCE	9.0%	Slightly above the prior-year level
Cash outflows for investments in intangible assets, property, plant and equipment	€865 million	Around €900 million
Free cash flow: cash conversion rate ^b	40%	Around 40%

^a As in the financial report 2021.

^b Ratio of free cash flow to adjusted EBITDA.

Income statement

in € million	1st quarter	
	2021	2022
Sales	3,358	4,498
Cost of sales	-2,371	-3,277
Gross profit on sales	987	1,221
Selling expenses	-392	-492
Research and development expenses	-104	-112
General administrative expenses	-135	-130
Other operating income	45	39
Other operating expense	-95	-72
Result from investments recognized at equity	2	2
Income before financial result and income taxes, continuing operations (EBIT)	308	456
Interest income	7	12
Interest expense	-29	-26
Other financial income/expense	1	2
Financial result	-21	-12
Income before income taxes, continuing operations	287	444
Income taxes	-88	-126
Income after taxes, continuing operations	199	318
Income after taxes, discontinued operations	-7	-
Income after taxes	192	318
thereof attributable to non-controlling interests	6	4
thereof attributable to shareholders of Evonik Industries AG (net income)	186	314
Earnings per share in € (basic and diluted)	0.40	0.67
thereof continuing operations	0.41	0.67
thereof discontinued operations	-0.01	0.00

Prior-year figures restated.

Balance sheet

in € million	Dec. 31, 2021	Mar. 31, 2022
Goodwill	4,785	4,823
Other intangible assets	1,260	1,240
Property, plant and equipment	6,963	6,974
Right-of-use assets	608	616
Investments recognized at equity	81	79
Other financial assets	581	568
Deferred taxes	1,755	1,589
Other income tax assets	16	16
Other non-financial assets	125	119
Non-current assets	16,174	16,024
Inventories	2,548	2,863
Trade accounts receivable	1,954	2,345
Other financial assets	571	573
Other income tax assets	199	157
Other non-financial assets	382	474
Cash and cash equivalents	456	647
Current assets	6,110	7,059
Total assets	22,284	23,083
Issued capital	466	466
Capital reserve	1,168	1,171
Retained earnings	7,767	8,526
Other equity components	-112	15
Equity attributable to shareholders of Evonik Industries AG	9,289	10,178
Equity attributable to non-controlling interests	83	83
Equity	9,372	10,261
Provisions for pensions and other post-employment benefits	3,766	3,166
Other provisions	657	631
Other financial liabilities	3,531	2,795
Deferred taxes	628	644
Other income tax liabilities	195	202
Other non-financial liabilities	143	141
Non-current liabilities	8,920	7,579
Other provisions	892	984
Trade accounts payable	2,022	2,139
Other financial liabilities	477	1,373
Other income tax liabilities	211	230
Other non-financial liabilities	390	517
Current liabilities	3,992	5,243
Total equity and liabilities	22,284	23,083

Cash flow statement

in € million	1st quarter	
	2021	2022
Income before financial result and income taxes, continuing operations	308	456
Depreciation, amortization, impairment losses/reversal of impairment losses on non-current assets	251	264
Result from investments recognized at equity	-2	-2
Gains/losses on the disposal of non-current assets	-1	1
Change in inventories	-158	-278
Change in trade accounts receivable	-229	-362
Change in trade accounts payable	210	150
Change in provisions for pensions and other post-employment benefits	25	21
Change in other provisions	47	66
Change in miscellaneous assets/liabilities	67	34
Cash inflows from dividends	11	11
Cash outflows for income taxes	-64	-72
Cash inflows from income taxes	29	20
Cash flow from operating activities, continuing operations	494	309
Cash outflows for investments in intangible assets, property, plant and equipment	-182	-176
Cash outflows to obtain control of businesses	-2	-
Cash outflows relating to the loss of control over businesses	-78	-
Cash outflows for investments in other shareholdings	-4	-11
Cash inflows from divestments of intangible assets, property, plant and equipment	7	3
Cash inflows/outflows relating to securities, deposits, and loans	204	-9
Cash inflows from interest	2	3
Cash flow from investing activities, continuing operations	-53	-190
Cash outflows for dividends to non-controlling interests	-6	-2
Cash outflows for the purchase of treasury shares	-15	-16
Cash inflows from the addition of financial liabilities	81	156
Cash outflows for repayment of financial liabilities	-129	-60
Cash inflows/outflows in connection with financial transactions	12	1
Cash outflows for interest	-16	-14
Cash flow from financing activities, continuing operations	-73	65
Change in cash and cash equivalents	368	184
Cash and cash equivalents as of January 1	563	456
Change in cash and cash equivalents	368	184
Changes in exchange rates and other changes in cash and cash equivalents	5	7
Cash and cash equivalents as on the balance sheet as of March 31	936	647

Segment report

Segment report by operating segments—1st quarter

in € million	Specialty Additives		Nutrition & Care		Smart Materials	
	2021	2022	2021	2022	2021	2022
External sales	907	1,049	780	1,038	909	1,181
Internal sales	3	2	2	2	9	21
Total sales	910	1,051	782	1,040	918	1,202
Adjusted EBITDA	273	252	143	222	173	197
Adjusted EBITDA margin in %	30.1	24.0	18.3	21.4	19.0	16.7
Adjusted EBIT	230	205	78	155	108	127
Capital expenditures ^a	12	18	22	25	59	45
Financial investments	–	–	–	1	5	9
No. of employees as of March 31	3,678	3,742	5,281	5,540	7,783	7,826

^a For intangible assets, property, plant and equipment.

Segment report by regions—1st quarter

in € million	Europe, Middle East & Africa		North America	
	2021	2022	2021	2022
External sales ^a	1,642	2,286	773	1,022
Non-current assets in accordance with IFRS 8 as of March 31	7,200	7,446	4,228	4,320
Capital expenditures	109	101	16	25
No. of employees as of March 31	22,215	22,441	4,849	4,912

Prior-year figures restated.

^a External sales Europe, Middle East & Africa: thereof Germany €756 million (Q1 2021: €557 million).

Performance Materials		Technology & Infrastructure		Enabling functions, other activities, consolidation		Total Group (continuing operations)	
2021	2022	2021	2022	2021	2022	2021	2022
580	947	169	271	13	12	3,358	4,498
26	58	345	435	-385	-518	-	-
606	1,005	514	706	-372	-506	3,358	4,498
42	97	29	35	-72	-68	588	735
7.2	10.2	17.2	12.9	-	-	17.5	16.3
10	66	2	7	-92	-88	336	472
8	12	18	23	11	14	130	137
-	-	-	-	1	7	6	17
1,810	1,975	8,510	8,044	5,683	6,024	32,745	33,151

Central & South America		Asia-Pacific		Total Group (continuing operations)	
2021	2022	2021	2022	2021	2022
149	234	794	956	3,358	4,498
128	181	1,908	1,903	13,464	13,850
2	2	3	9	130	137
680	713	5,001	5,085	32,745	33,151

Appendix

Restatement of prior-year figures

Restatement in the income statement

The **presentation of the adjustments** was altered as of December 31, 2021. Irrespective of their classification as adjustments, they are now allocated to the relevant function costs. The prior-year figures for Q1 2021 have been restated.

Impact on the income statement

in € million	2021
Sales	-
Cost of sales	-3
Gross profit on sales	-3
Selling expenses	-2
Research and development expenses	-
General administrative expenses	-3
Other operating income	-2
Other operating expense	10
Result from investments recognized at equity	-
Income before financial result and income taxes, continuing operations (EBIT)	-

Restatement in the segment report

The definition of **non-current assets in accordance with IFRS 8** Operating Segments was adjusted as of December 31, 2021. Alongside goodwill, other intangible assets, property, plant and equipment, and right-of-use assets, non-current assets in accordance with IFRS 8 now also include investments recognized at equity and non-current other non-financial assets. The prior-year figures for Q1 2021 have been restated.

Financial calendar

Financial calendar 2022

Event	Date
Annual shareholders' meeting 2022	May 25, 2022
Interim report Q2 2022	August 10, 2022
Interim report Q3 2022	November 8, 2022

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Evonik Industries AG
Rellinghauser Strasse 1-11
45128 Essen, Germany
www.evonik.com

Contact

Communications

Phone +49 201 177-3315
presse@evonik.com

Investor Relations

Phone +49 201 177-3146
investor-relations@evonik.com