Evonik
Leading Beyond Chemistry

Q4 / FY 2021
Earnings Conference Call

Save the date
CMD 2022
on 11 May
in Essen

3 March 2022

Christian Kullmann, Chief Executive Officer
Ute Wolf, Chief Financial Officer

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Strategy execution paying off
Evonik growth engine keeps on running

Ongoing **portfolio upgrading**: >40% growth in innovation sales; ”Next Generation Solutions” reach 37% of group sales

Resilience 2020 – Strong growth 2021: **Growth divisions** as driving force behind €2.4 bn adj. EBITDA (+11% vs 2019)

Raw materials & supply chain remained challenging in Q4 – **€600 m price effect** already overcompensates variable costs

Structural growth continues into FY 2022: Targeting 5-9% adj. EBITDA growth; strong start in Q1 with at least +10% yoy

FCF: FY 2022 expected to be 5th year of higher FCF in a row

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Persistent track record of EBITDA & FCF growth …
… to be continued in FY 2022

	CAGR 2017-2021	2021 vs 2019	Guidance 2022
Adj. EBITDA	+5%	+11%	Outperform historic growth rates
FCF	+17%	+32%	Another increase – 5th year in a row

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Proven portfolio quality over last three years
… resulting in consistent growth

	2019	2020	2021
Year of…	**Stability** despite more challenging macro in H2	**Resilience** in a pandemic year with GDP at -3%	**Growth** despite raw material & supply chain challenges
Highlights	▪ Successful divestment of MMA business ▪ SG&A program well ahead of plan ▪ New divisional structure for more transparency	▪ Implementing pandemic plans & securing supply chain ▪ Three growth divisions with almost stable EBITDA on 2019 level	▪ Demonstrating control of cost inflation and supply chain disruptions ▪ Growth divisions as driven force
Promise & Deliver	**Stable at €2.15 bn** Spot on guidance after upgrade in Q1	**Spot-on at €1.9 bn** Reliable guidance throughout pandemic	**Strong growth to €2.4 bn** Well above initial guidance, with upgrades every quarter

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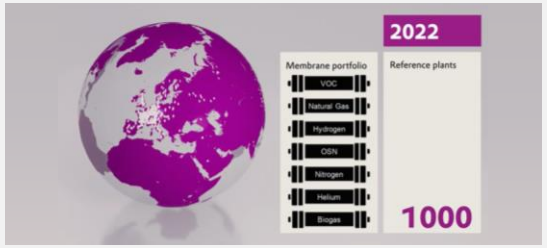
Sustainability as growth driver

“Next Generation Solutions” expanding to 37% sales share

Strong growth of Next Generation Solutions across our four **“Sustainability Focus Areas”**

Fight Climate Change

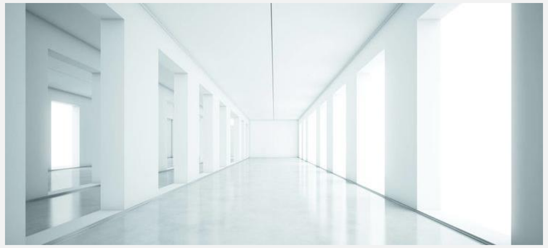
SEPURAN® membranes



- Success: >1,000 reference plants worldwide for gas separation
- From start-up to global technology leader for gas separation membranes within a decade

Drive Circularity

Abrasion-resistant coatings



- New material with a unique spherical particle morphology
- Highest performance in scratch- and abrasion-resistance

Safeguard Ecosystems

PAA for waste-water disinfection

- Increasing demand for alternative waste-water treatment solutions
- Offer for non-toxic, environmentally-friendly solution

Ensure Health & Well-being

RESOMER® excipients

- Biocompatible polymers for controlled release of complex parenteral drug products
- Varied use with small molecules, peptides and proteins

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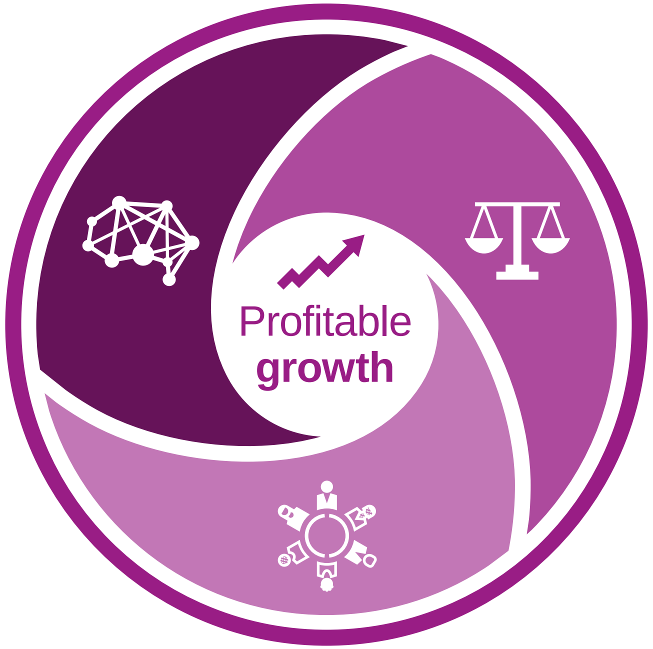
Progress on our strategic agenda

Transformation towards higher-quality portfolio with higher returns well on track

Innovation

- **>40%** growth in **Innovation Growth Fields**
- **Re-designed RD&I function** to leverage full potential from digitalization and Venture Capital investments
- **“Creavis”** as business incubator of Evonik realigned to address key global challenges



Ongoing portfolio transformation

- Carve-Out executed for **Baby Care**
- Divestment announced for main site of **Functional Solutions** (Lülsdorf, Germany)
- **Specialty share** within our businesses expanded – e.g. in Health & Care and Active Oxygens

Open & performance-driven corporate culture

- Improvement in **customer satisfaction and loyalty**
- Pushing **top performers**
- Fostering **diversity**

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Portfolio: Successful portfolio transformation beyond M&A

… resulting in higher share of specialty products & applications

Specialty Additives		**>20%**	sales growth in **novel PU additives** for environmentally friendly blowing agents in spray foam
Nutrition & Care		**~24%**	**sales share of “System Solutions”** ▪ up from ~20% in FY 2020 ▪ working toward >50% target in 2030
Smart Materials		**>10%**	sales growth with **specialty grade H_2O_2 for aseptic packaging**

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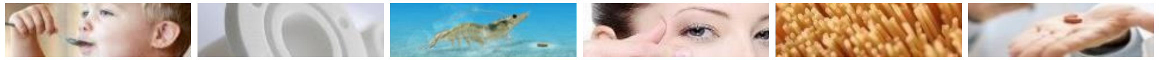
Innovation: Ahead of plan

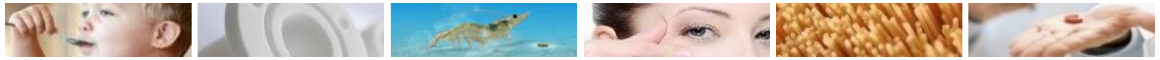
Critical size of Innovation Growth Fields achieved – Growth accelerating

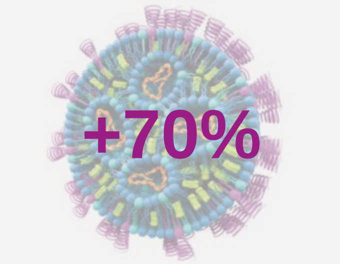
Sales with Innovation Growth Fields



	Growth rate p.a.	Sales level
Target until FY 2025	25%	>€1,000 m
Achieved in FY 2021	>40%	>€500 m

FY 2021: Major innovation growth drivers



Innovation highlights	FY 2021
Healthcare Solutions: ▪ Global development partner & solutions provider for drug delivery systems ▪ Evonik as pioneer in LNP field for mRNA technology	 +70%
Cosmetic Solutions: ▪ Active ingredients portfolio reaching triple-digit million € sales ▪ Launch of more than 10 new cosmetic actives in 2021 ▪ e.g. SPHINOX® Defenda: innovative bioactive sphingolipid offering various daylight skin defense and protection benefits	 +50%

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Culture: Open & performance-driven corporate culture

Progress on all levels of Evonik's corporate values

>80%	customer satisfaction and loyalty with constant increase over the last years[1]
>60%	of annual wage increases is now **performance-driven** – higher flexibility to support top performers
+2pp	women in management positions[2] (to 28% in 2021)

1. based on independent customer surveys | 2. management circles 1-3, with 17.7% in MC1 / Executive management positions, 17.6% in MC2 and 28.7% in MC3

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FY 2021 results
Up on all levels

Sales (in € m)	**EBITDA** (in € m)	**Free cash flow** (in € m)	**Dividend** (in €)
14,955 (FY 2020: 12,199)	**2,383** (FY 2020: €1,906 m)	**950** (FY 2020: €780 m)	**1.17** (FY 2020: 1.15 €)
Demand trends intact; price increases compensating cost inflation in H2	11% EBITDA growth vs FY 2019	Clear improvement of absolute FCF level (+22%)	Increase for reliable & attractive dividend

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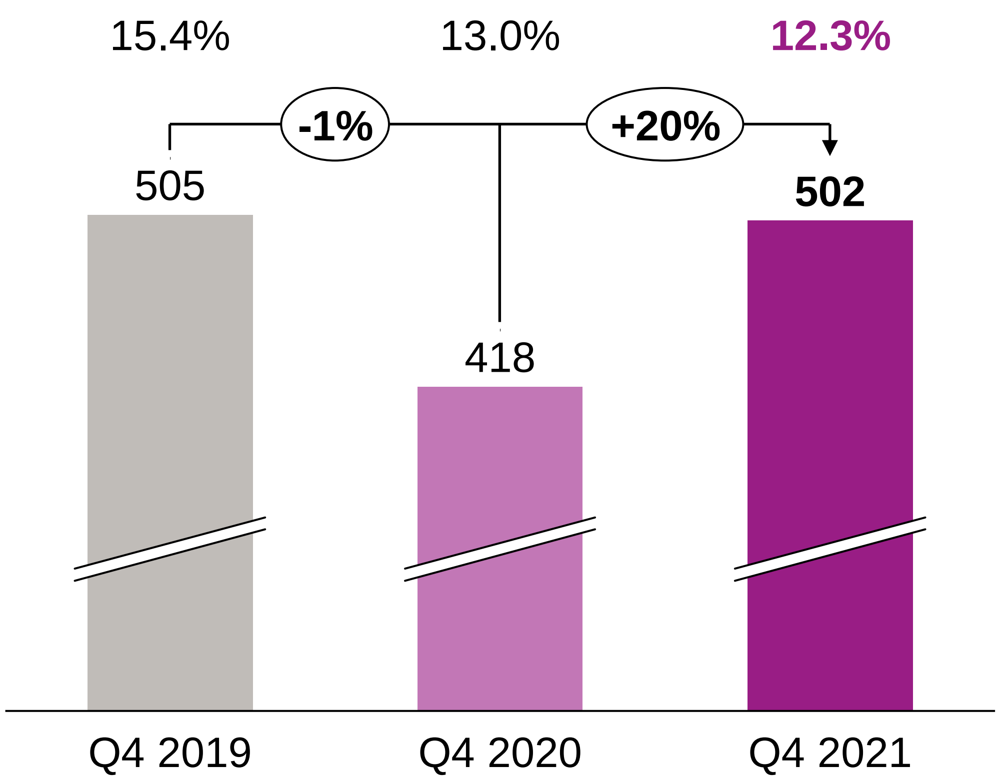
Q4 rounding out a successful year

Despite further rising variable costs and negative one-time effect

Adj. EBITDA (in € m) **& margin** (in %)



Unchanged positive demand dynamics across all businesses: 5% volume growth against strong prior-year level

~€20 m negative one-time effect in T&I/Other

- Higher costs due to unplanned outages of power plants in Marl, Germany

Lower margin explained by dilutive effect of higher raw material prices (base effect on sales; explanation on slide 38 in backup)

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Q4 Highlights

Positive trends to be sustained, negatives fading throughout 2022

+

- **Healthy volumes** in all businesses
- **Price increases** in SP & SM ramping up (+10% Q4 after +6% Q3)
- **Nutrition & Care** with a strong finish of a very successful year
  - Health Care: Ramp-up of lipid deliveries to BioNTech
  - Continued solid volume growth and successively higher prices in Animal Nutrition
- **Performance Materials:** C4 chain with sustained positive spreads in Butene-1, Oxo products and Specialties (~70% of the C4 chain)

Positive trends expected to continue into Q1

–

- **Raw materials:** Further cost increases, especially in Specialty Additives (siloxanes) and Smart Materials (silicon metal); volumes in Specialty Additives limited by supply chain disruptions
- **Logistics:** Commitment to supply security as reliable partner resulting in higher costs towards year-end
- **Baby Care:** Last quarter of unfavourable contract prices
- **T&I/Other:** Negative impact from unplanned power plant outage

Negatives fading from Q1 2022 onwards

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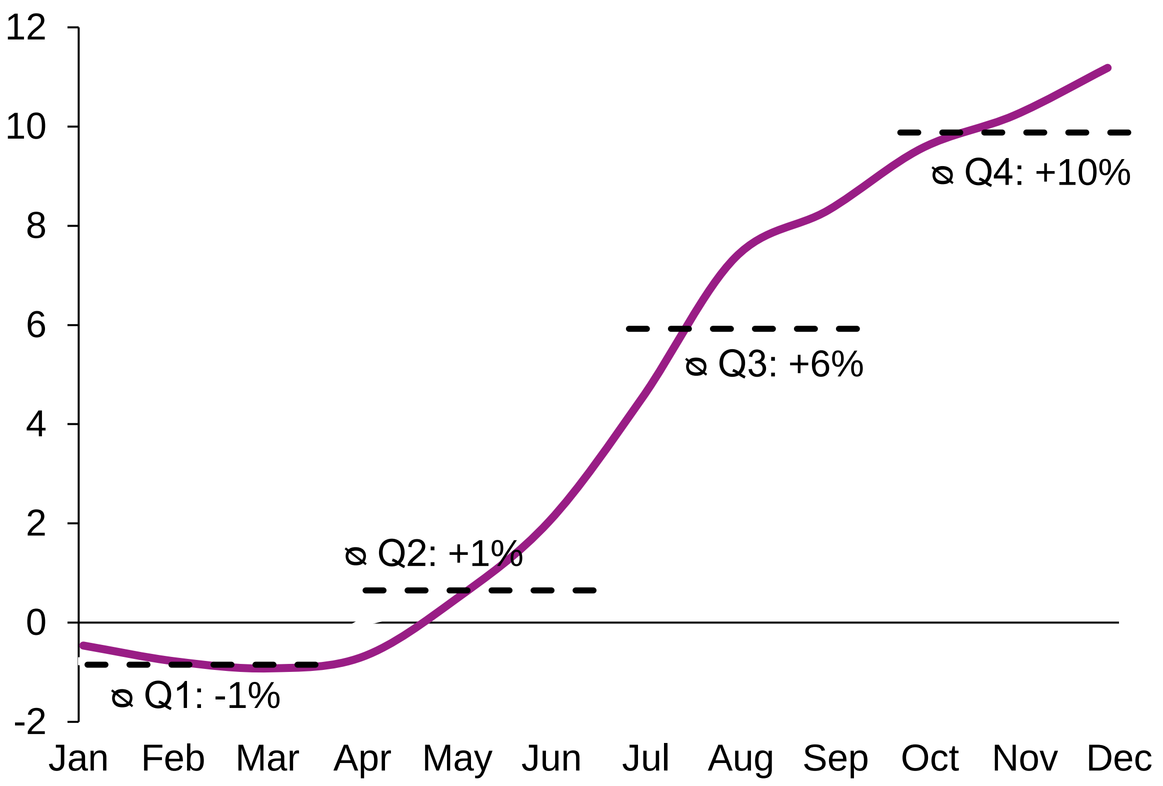
Price increases accelerating further in Q4

Time lag resulting in a tailwind for 2022

Monthly price effect (SP & SM, yoy in %)



Price increases accelerating…

- Price increases accelerating further in Q4 (Q4 at €600 m vs Q3 at €450 m on Group level)
- Campaigns continue to ramp up into 2022

…overcompensating cost inflation

- On Group level, price increases in Q4 of €600 m already overcompensate variable cost increase
- Specialty Additives and Smart Materials with 80% compensation in Q4 after another steep increase in raw material costs
- Catch-up of negative 2021 cost gap in SP & SM with a time lag; resulting in positive EBITDA contribution for 2022

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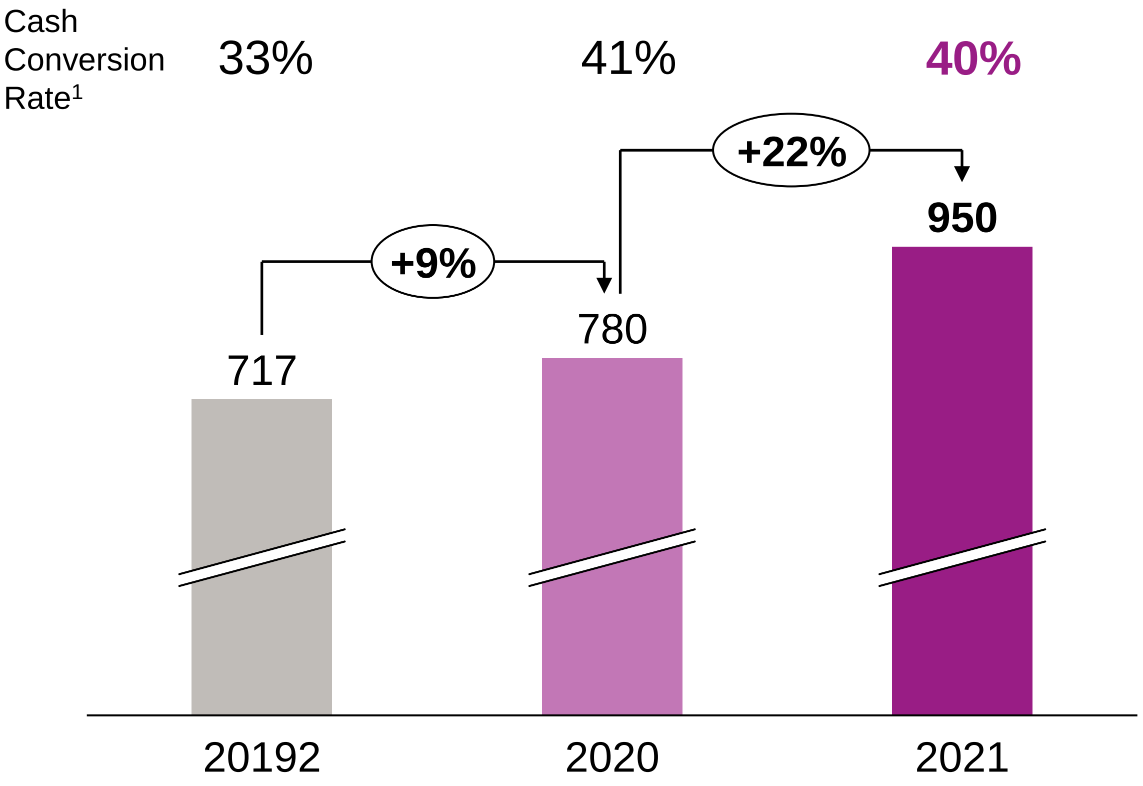
Free Cash Flow FY 2021
Significantly higher FCF

Free Cash Flow 2021 (in € m, continuing operations)



4th year in a row with higher FCF

Cash conversion rate continues at target level

+22% FCF growth in FY 2021 despite lower Q4 level

Q4 FCF (€13 m vs €259 m prior-year) impacted by

- NWC inflow well below prior-year level (€114 m vs €357 m) mainly due to higher inventories (higher price level, more goods in transit, preparation for maintenance shutdowns in Q1)
- High cash-out for taxes (€230 m vs €81 m) due to year-end phasing prepayments (adapting to higher earnings)

1. Free cash flow conversion (FCF/adj. EBITDA) | 2. Extraordinary carve-out taxes of €245 m (related to MMA divestment) not considered

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Well set for 2022 …

On track for continued structural earnings growth

Cost inflation

… managed well

- Successful price increases closing the cost inflation gap
- Proactive hedging strategy limiting energy cost increases

Growth divisions

… extending track record

- Proven both resilience in 2020 as well as growth in 2021
- Hardly any business overearning in FY 2021
- … boding well for further structural growth in FY 2022

Capacities

… ramping up

- Lipids: Contracted business and strong project pipeline for Health Care and Care Solutions
- PA12: Ramp-up of new capacity in tight market environment

Sustainable innovation

… gaining size

- ~€150 m higher sales from innovation in FY 2021 (yoy) at above-average margins
- Unchanged positive trends bode well for innovation-driven growth in FY 2022

Our outlook and all forward-looking statements are based on the currently observable positive sales and order book development. As anybody else, we are currently not able to assess the impact of the war in the Ukraine on the overall economic development.

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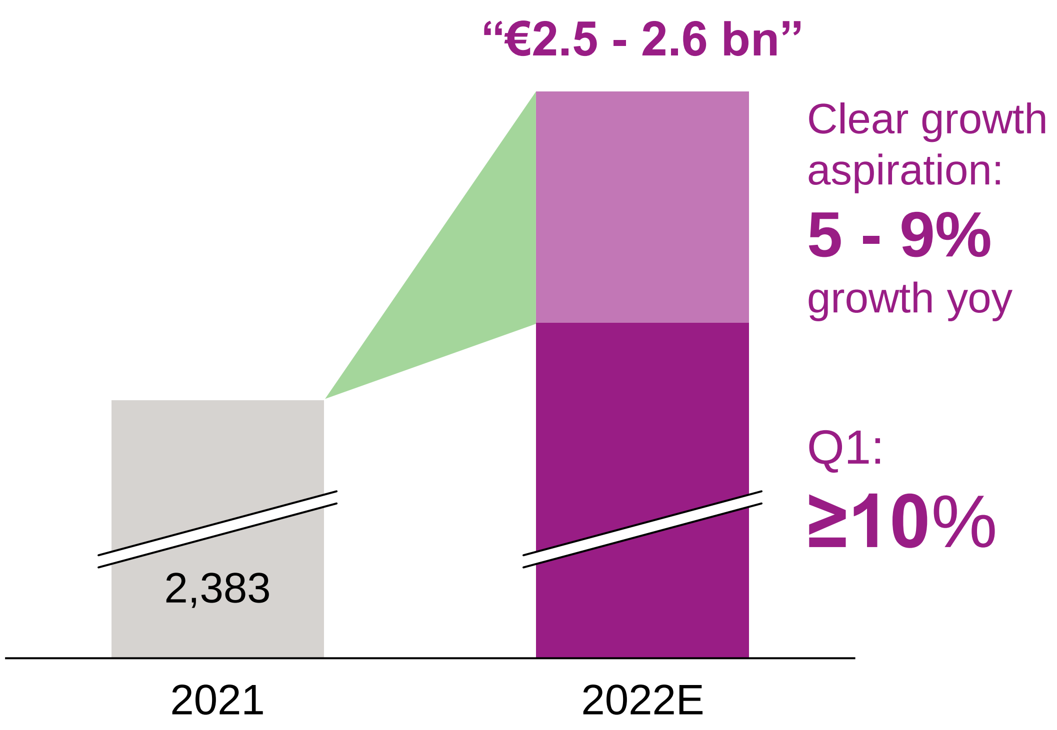
Outlook 2022: Adj. EBITDA

Continued structural earnings growth – Strong start into the year

"between €2.5 and 2.6 bn" (FY 2021: €2,383 m)



- Hardly any business overearning in FY 2021
- Acceleration of structural earnings growth expected in FY 2022 (vs 5% CAGR 2017 to 2021)
- Clear growth ambition in any scenario
- More resilient portfolio enables narrower range
- All three growth divisions expected with yoy higher adj. EBITDA

Strong start into the year:

- **Q1 adj. EBITDA** growth of **"at least 10%"** (yoy) expected
- … even above growth rate at upper end of FY guidance range (9%)

Our outlook and all forward-looking statements are based on the currently observable positive sales and order book development. As anybody else, we are currently not able to assess the impact of the war in the Ukraine on the overall economic development.

Indications for adj. EBITDA FY 2022 on division level

Specialty Additives

- Mission-critical solutions supporting broad-based growth across additives portfolio
- Ongoing strong demand across all key end markets
- Pricing initiatives continue to compensate higher input costs

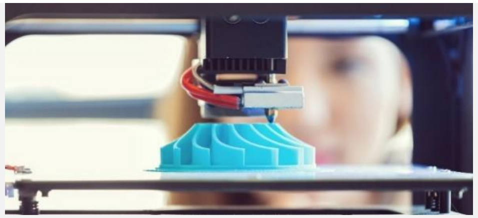
“slightly above prior year level”

Nutrition & Care

- Increasing share of “System Solutions” with above-average margin profile
- Positive price trend in Animal Nutrition
- Continued active cost & portfolio management

“considerably above prior year level”

Smart Materials



- Ongoing positive development in “Eco Solutions”
- “Future Mobility”: New PA12 capacities into tight market
- Pricing initiatives continue to compensate higher input costs

“significantly above prior year level”

Performance Materials

- Normalization of product spreads in C_4 chain
- Baby Care to benefit from improving market environment and long-term customer relationships

“below prior year level”

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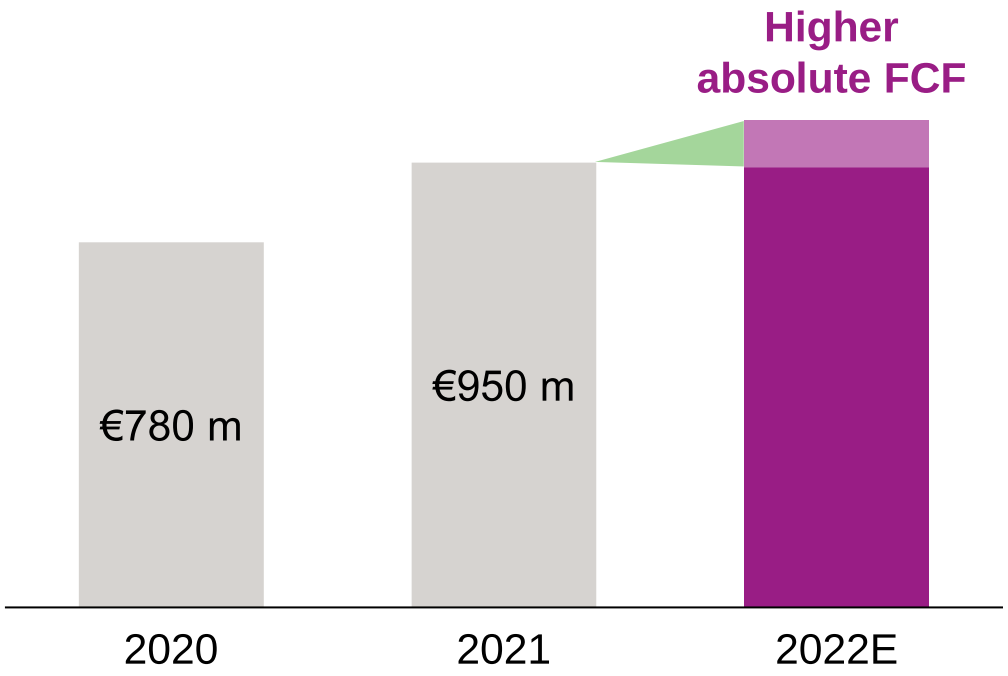
Outlook 2022: Free Cashflow

Continued strong cash conversion = higher absolute FCF

"Stable FCF conversion around 40%"

Cash Conversion Rate[1]	41%	40%	**~40%**



Higher absolute FCF in FY 2022 for the 5th year in a row, driven by:

- Higher **EBITDA**
- Significantly lower **NWC** outflow
- Continued **capex** discipline despite inflationary environment
- … overcompensating higher **bonus payments**

1. Free cash flow conversion (FCF/adj. EBITDA)

Save the date

Capital Markets Day

Essen, Germany
11 May 2022

Details and invitation to follow shortly

Additional indications for FY 2022

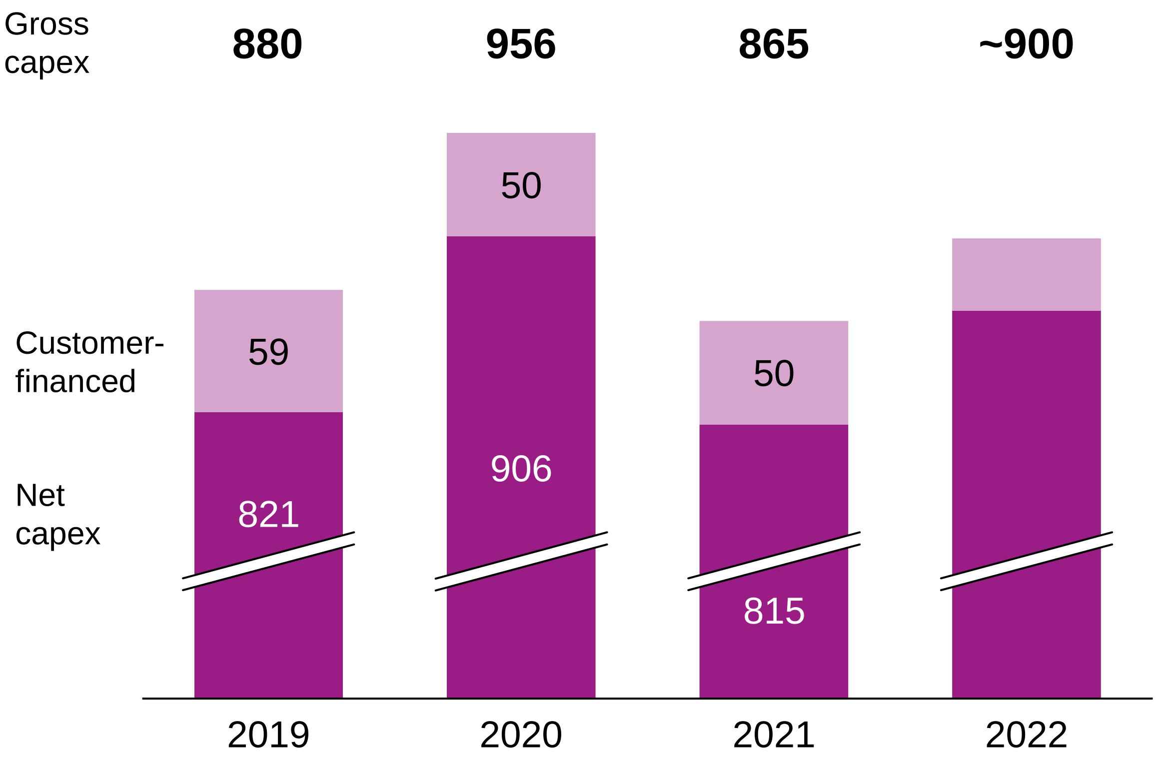
Sales	**between €15.5 and 16.5 bn** (2021: €15.0 bn)
ROCE	**slightly above the level of 2021** (2021: 9.0%)
Capex[1]	**around €900 m** (2021: €865 m)
EUR/USD sensitivity[2]	+/-1 USD cent = **-/+ ~€6 m** adj. EBITDA (FY basis)
Adj. EBITDA T&I/Other	**considerably less negative than prior year level** (2021: -€221 m)
Adj. D&A	**slightly above the level of 2021** (2021: €1,045 m)
Adj. net financial result	**slightly less negative than 2021** (2021: -€97 m)
Adj. tax rate	**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

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

Cash-out for capex expected at target level of "~€900 m" in FY 2022

Temporary lower capex in 2021

Capex development (in € m)



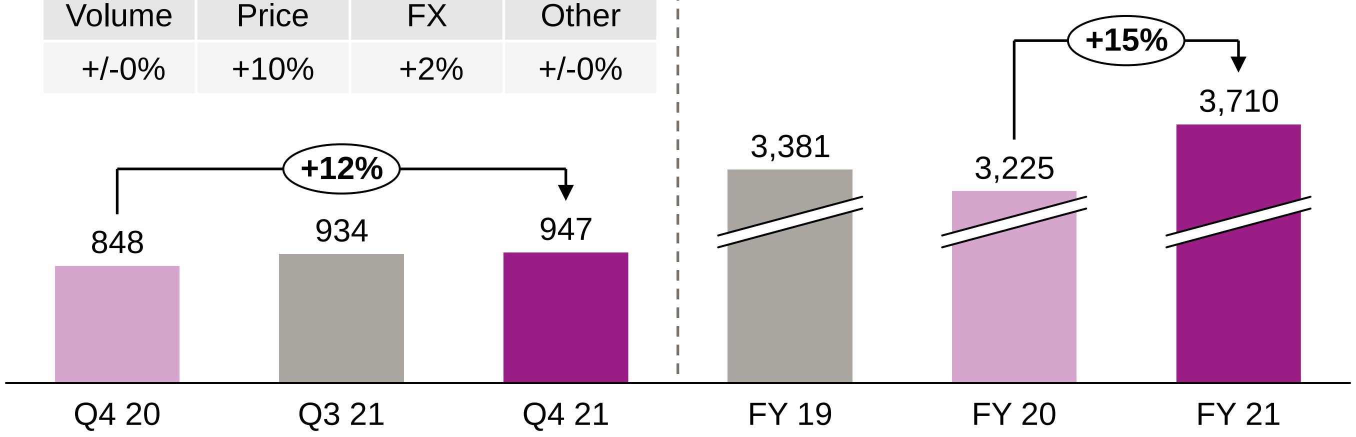
- COVID-related delays at construction sites in 2021 (higher hygienic standards at sites & delays in material supply)
- 2020 & 2021 with peak capex for new Polyamide 12 plant in Germany (>€500 m from 2019 to 2022)
- Positive cash-in from customer-financed projects[1] resulting in lower „net capex" and positive for FCF
- ~50% growth & ~50% maintenance capex

1. Customer financing included in Operating Cashflow (as part of EBITDA or „misc. assets & liabilities")

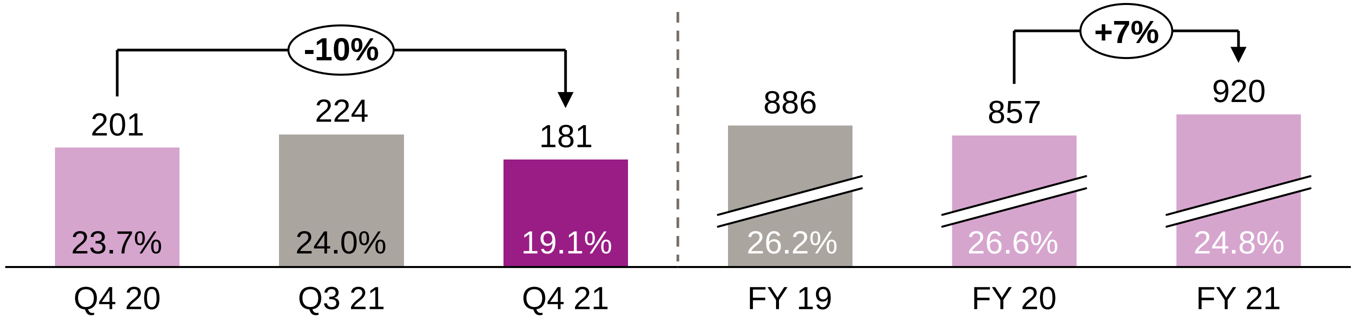
Specialty Additives
Strong sales growth, but temporary margin pressure continues in Q4

Sales
(in € m)

Q4 21 vs Q4 20			
Volume	Price	FX	Other
+/-0%	+10%	+2%	+/-0%



Adj. EBITDA
(in € m)
/ margin



- Finishing a strong year: 11% volume growth despite flat volumes in Q4 due to supply constraints
- Unbroken strong demand across all key end markets – also into 2022
- Pricing clearly accelerating: +10% in Q4 vs +7% in Q3
- Q4 with high logistics costs to maintain product deliveries to key customers
- Raw material price increases to be fully passed on with time delay in 2022
- Margin dilution due to higher raw material prices

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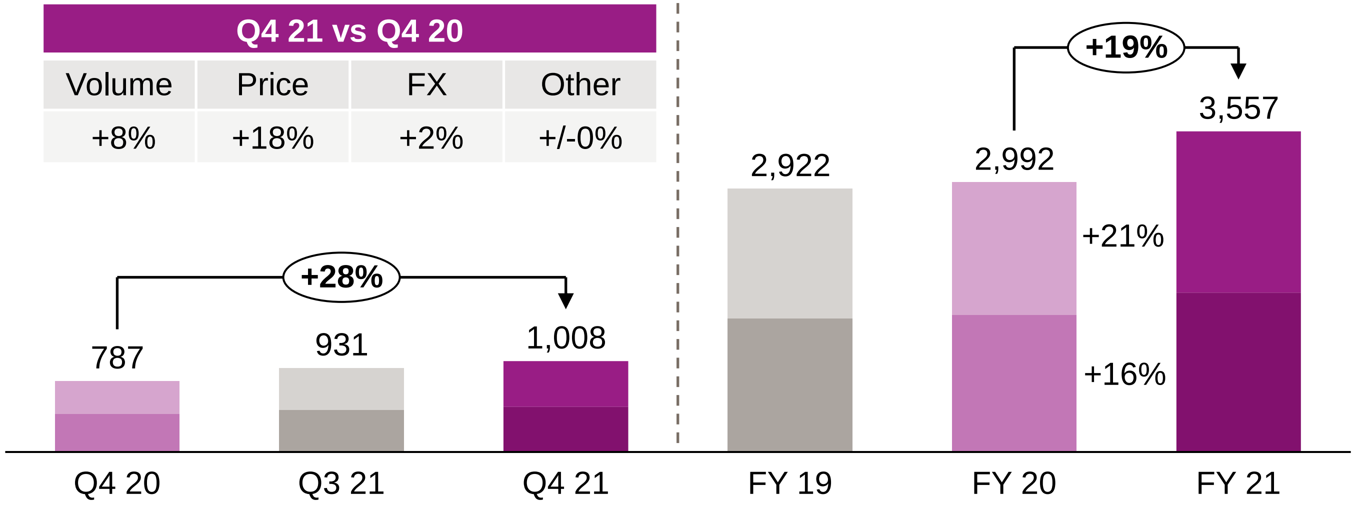
Nutrition & Care
Strong finish of a strong year

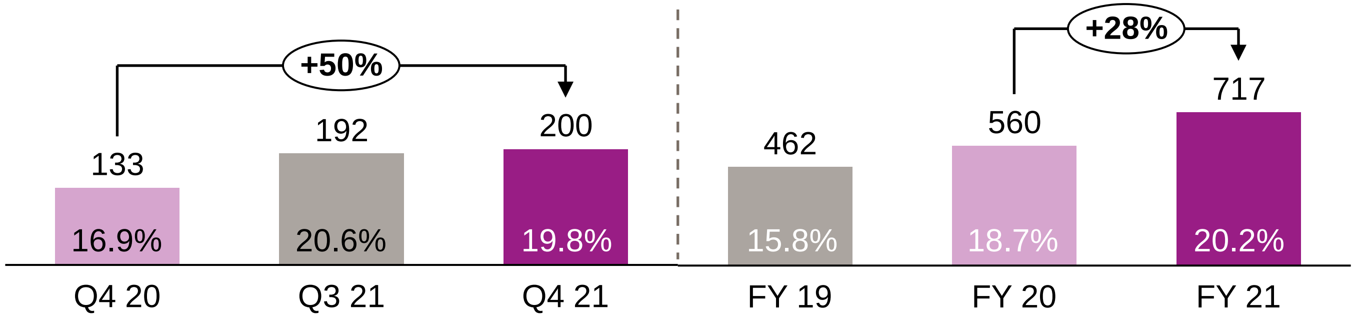
Sales
(in € m)

Split Animal Nutrition and Health & Care

Q4 21 vs Q4 20			
Volume	Price	FX	Other
+8%	+18%	+2%	+/-0%



Adj. EBITDA
(in € m)
/ margin



- N&C with ~€170 m higher EBITDA vs FY 2018 (9% CAGR) - a year with a similar Methionine price level
- Main drivers: Strong growth and margin expansion in Health & Care, steady Methionine volume growth of ~5% and active cost management
- FY 2021: Care Solutions with strong sales growth, driven by >50% growth in Active Ingredients
- Q4 with strong finish mainly in Health Care (lipid deliveries to BioNTech) and Animal Nutrition (challenging global supply situation at high demand supports volumes & prices)

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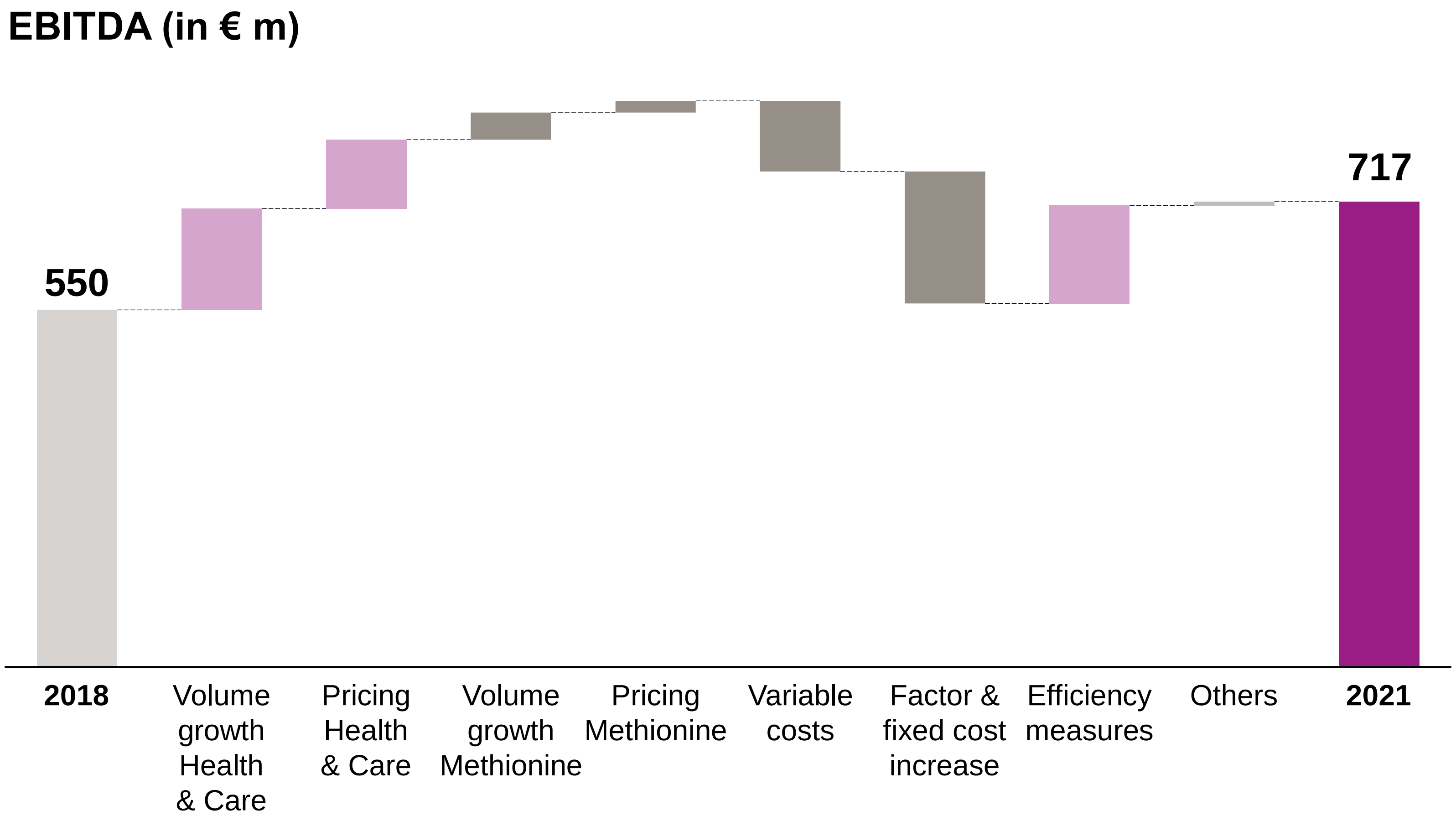
Nutrition & Care: The longer-term perspective

Strong earnings growth driven by Health & Care and efficiency measures



- **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)

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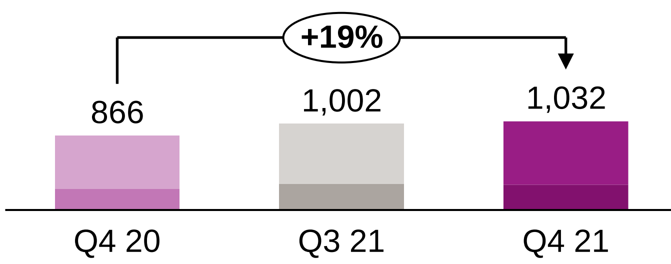
Smart Materials

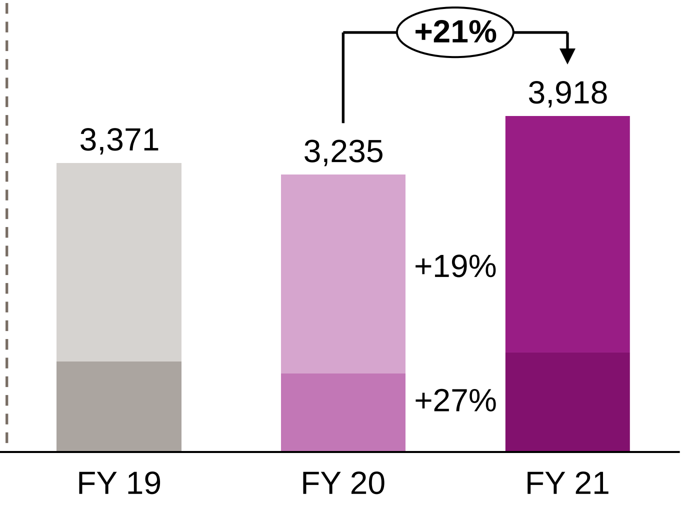
Intact structural demand trends, but increased margin pressure at year-end

Sales
(in € m)

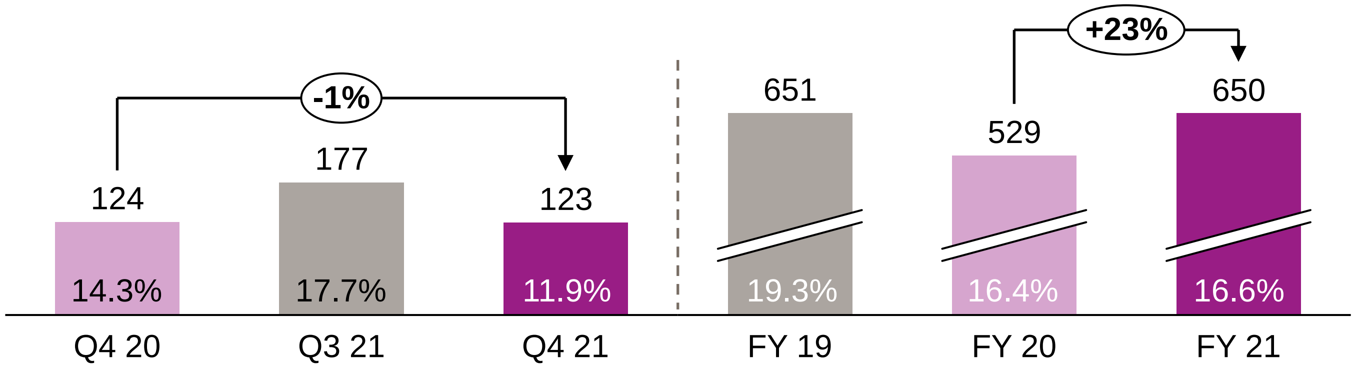
Split Inorganics & Polymers

Q4 21 vs Q4 20			
Volume	Price	FX	Other
+7%	+10%	+1%	+1%

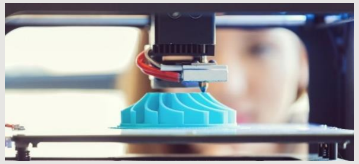




Adj. EBITDA
(in € m)
/ margin



- FY: Strong +16% volume growth based on intact demand trends
- Second half of the year burdened by raw material price increases and logistics, to be fully passed on with time lag in 2022
- ”Eco-Solutions“ (e.g. H_2O_2 specialties) with positive developments in all regions
- Polyamide 12 with strong volume growth, impacted by higher fixed costs for new plant
- Innovations: membranes and 3D printing powder with ongoing strong growth



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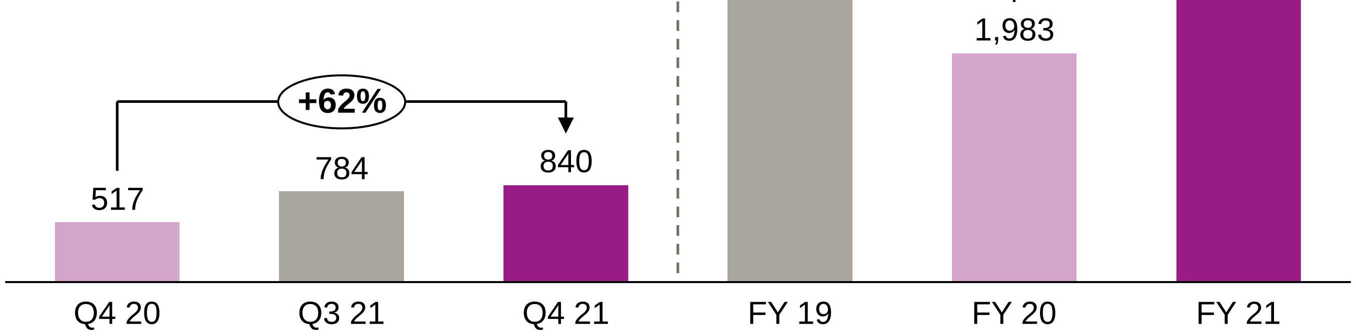
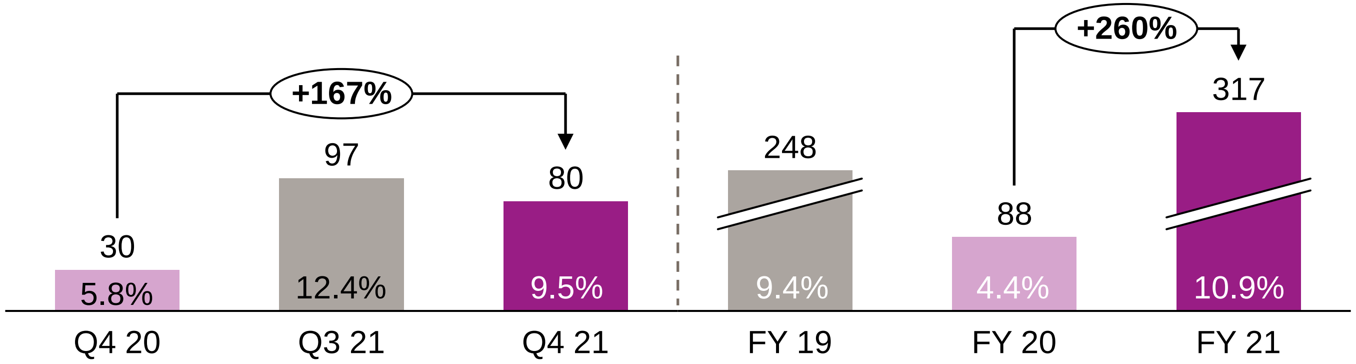
Performance Materials
Strong recovery from trough levels

Q4 21 vs Q4 20			
Volume	Price	FX	Other
+6%	+54%	+2%	+1%

Sales
(in € m)



Adj. EBITDA
(in € m)
/ margin



- Strong demand and unusual low seasonality for a Q4 resulting in high volumes and utilization rates
- Spreads remained healthy across most products
- Additional support from higher Naphtha price in Q4 (above Q3 level)
- Baby Care: last quarter of unfavourable contract prices

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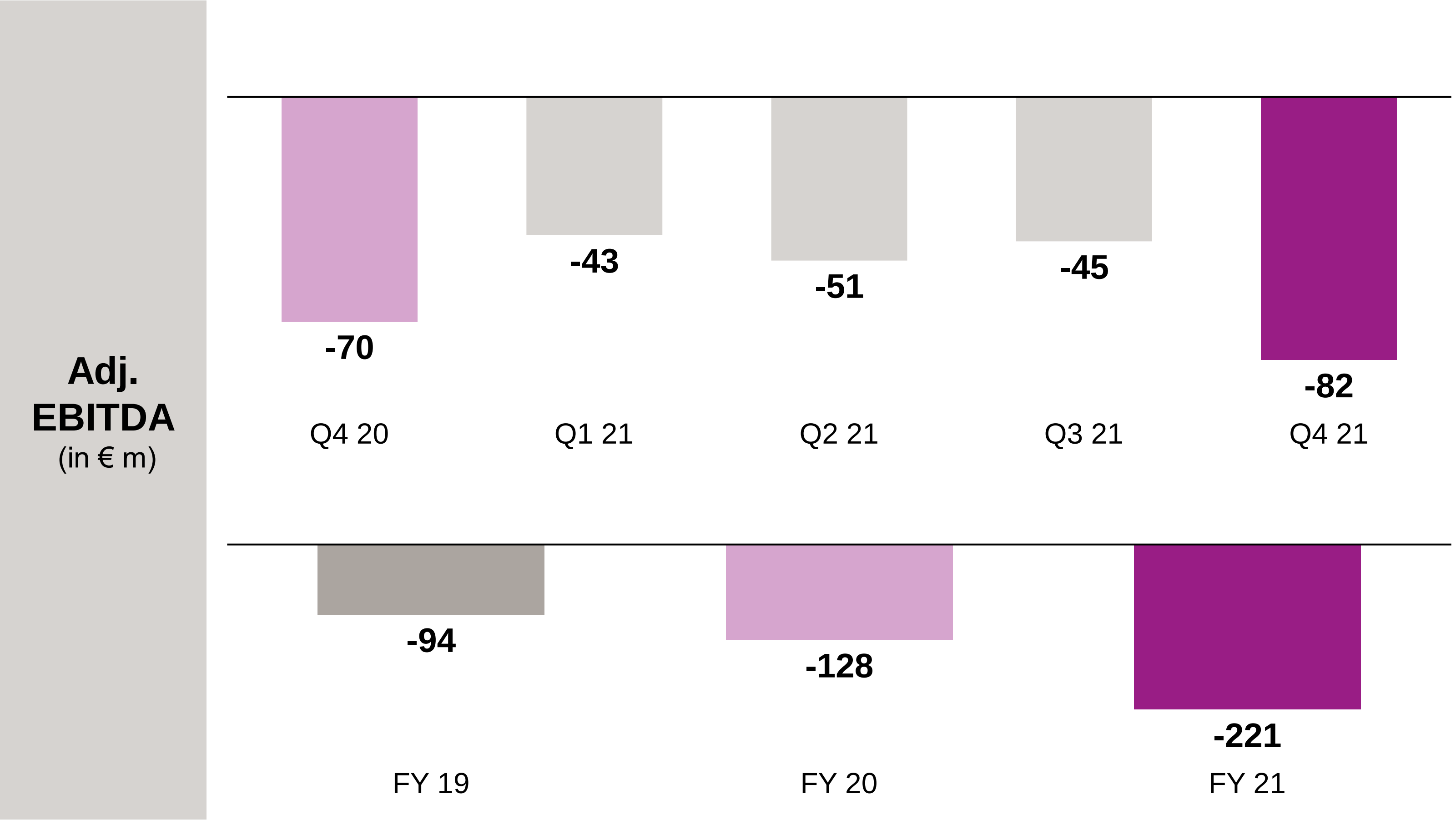
T&I/Other
Q4/FY 2021 comments



- Q4 2021: €20 m higher costs due to unplanned outages of power plants in Marl, Germany
- FY 2021 additionally impacted by:
  - Insurance claims for weather impacts in H1
  - Higher energy costs
  - Pre-purchases of CO_2 certificates
  - Increased bonus provisions
- Prior years supported by COVID-related short-term savings and bonus provision releases

Adjusted income statement Q4 2021

in € m	Q4 2020	Q4 2021	∆ in %
Sales	**3,212**	**4,091**	**+27**
Adj. EBITDA	**418**	**502**	**+20**
Depreciation & amortization	-272	-285	
Adj. EBIT	**146**	**217**	**+49**
Adj. net financial result	-36	11	
D&A on intangible assets	40	54	
Adj. income before income taxes	**150**	**282**	**+88**
Adj. income tax	-34	-54	
Adj. income after taxes	**116**	**229**	**+97**
Adj. non-controlling interests	-2	4	
Adj. net income	**114**	**224**	**+96**
Adj. earnings per share	**0.24**	**0.48**	
Adjustments	-7	-104	

Adj. net financial result:

- Lower interest rate environment & higher interest income for tax accruals and VAT refund claim

Adj. tax rate:

- Q4 with low adj. tax rate of 19% due to temporary lower foreign tax rates and slightly higher tax-free income

Adjustments:

- Restructuring (-€3 m): related to asset optimization in Animal Nutrition (Wesseling site)
- Impairment (-€27 m): for US site of Nutrition & Care
- Acquisitions (-€2 m): integration Porocel and PeroxyChem
- Other (-€74 m) containing a.o.:
  - One-time costs for carve-out Baby Care business
  - Settlement of legal case related to a past sale of land

Adjusted income statement FY 2021

in € m	FY 2020	FY 2021	Δ in %
Sales	**12,199**	**14,955**	**+23**
Adj. EBITDA	**1,906**	**2,383**	**+25**
Depreciation & amortization	-1,016	-1,045	
Adj. EBIT	**890**	**1,338**	**+50**
Adj. net financial result	-146	-97	
D&A on intangible assets	149	162	
Adj. income before income taxes	**893**	**1,403**	**+57**
Adj. income tax	-239	-396	
Adj. income after taxes	**654**	**1,007**	**+54**
Adj. non-controlling interests	-14	-21	
Adj. net income	**640**	**986**	**+54**
Adj. earnings per share	**1.37**	**2.12**	
Adjustments	-71	-165	

Adj. net financial result:
- Less negative due to lower interests for pensions and other provisions as well as higher interest income for tax accruals and VAT refund claim

Adj. tax rate:
- Adj. tax rate of 28% in 2021 below expected rate of ~32%, mainly due to lower than expected tax levels in Q3 and Q4 (temporary lower foreign tax rates and slightly higher tax-free income)

Adjustments
- Restructuring (-€20 m): related to asset optimization in Animal Nutrition and SG&A efficiency program
- Impairment (-€27 m): for US site of Nutrition & Care
- Acquisitions (-€13 m): integration Porocel and PeroxyChem
- Other (-€105 m), containing a.o.:
  - Settlement of legal cases related to past sale of land and to previous M&A transaction
  - One-time costs for carve-out Baby Care business

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Cash flow statement Q4 2021

in € m	Q4 2020	Q4 2021
Income before financial result and income taxes (EBIT)	**139**	**113**
Depreciation and amortization	**268**	**312**
∆ Net working capital	**357**	**114**
Change in provisions for pensions & other post-employment benefits	**-36**	**31**
Change in other provisions	**27**	**100**
Change in miscellaneous assets/liabilities	**-50**	**-113**
Cash outflows from income taxes	**-81**	**-230**
Others	**-5**	**21**
Cash flow from operating activities (continuing ops.)	**619**	**348**
Cash outflows for investment in intangible assets, pp&e	**-360**	**-335**
FCF	**259**	**13**
Cash flow from investing activities (continuing ops.)	**-365**	**-544**
Cash flow from financing activities (continuing ops.)	**-733**	**-168**

CF from operating activities
- Lower EBIT
- NWC inflow well below prior-year level, mainly due to higher inventories (higher price level, more goods in transit, preparation for maintenance shut-downs in Q1)
- "Other provisions" reflecting higher bonus provisions for current year
- High cash-out for taxes due to phasing of prepayments (adapting to higher earnings level)

CF from investing activities
- Lower capex level caused by logistic and supply constraints
- Higher outflow for purchase of securities in specialty funds

CF from financing activities
- Less repayment of debt; prior-year included -€650 m bond redemption

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Cash flow statement FY 2021

in € m	FY 2020	FY 2021
Income before financial result and income taxes (EBIT)	819	1,173
Depreciation and amortization	1,018	1,073
∆ Net working capital	94	-444
Change in provisions for pensions & other post-employment benefits	-14	83
Change in other provisions	-133	207
Change in miscellaneous assets/liabilities	33	-23
Cash outflows from income taxes	-83	-308
Others	2	54
Cash flow from operating activities (continuing ops.)	1,736	1,815
Cash outflows for investment in intangible assets, pp&e	-956	-865
FCF	780	950
Cash flow from investing activities (continuing ops.)	-570	-1,070
Cash flow from financing activities (continuing ops.)	-1,734	-856

CF from operating activities

- Higher EBIT
- Clear NWC outflow reflecting higher business activity and increase in raw material prices
- Inflow for pensions benefitting from CTA reimbursement
- “Other provisions” reflecting higher bonus provisions for current year
- Increased cash taxes based on higher earnings level with more pre-payments and less reimbursements

CF from investing activities

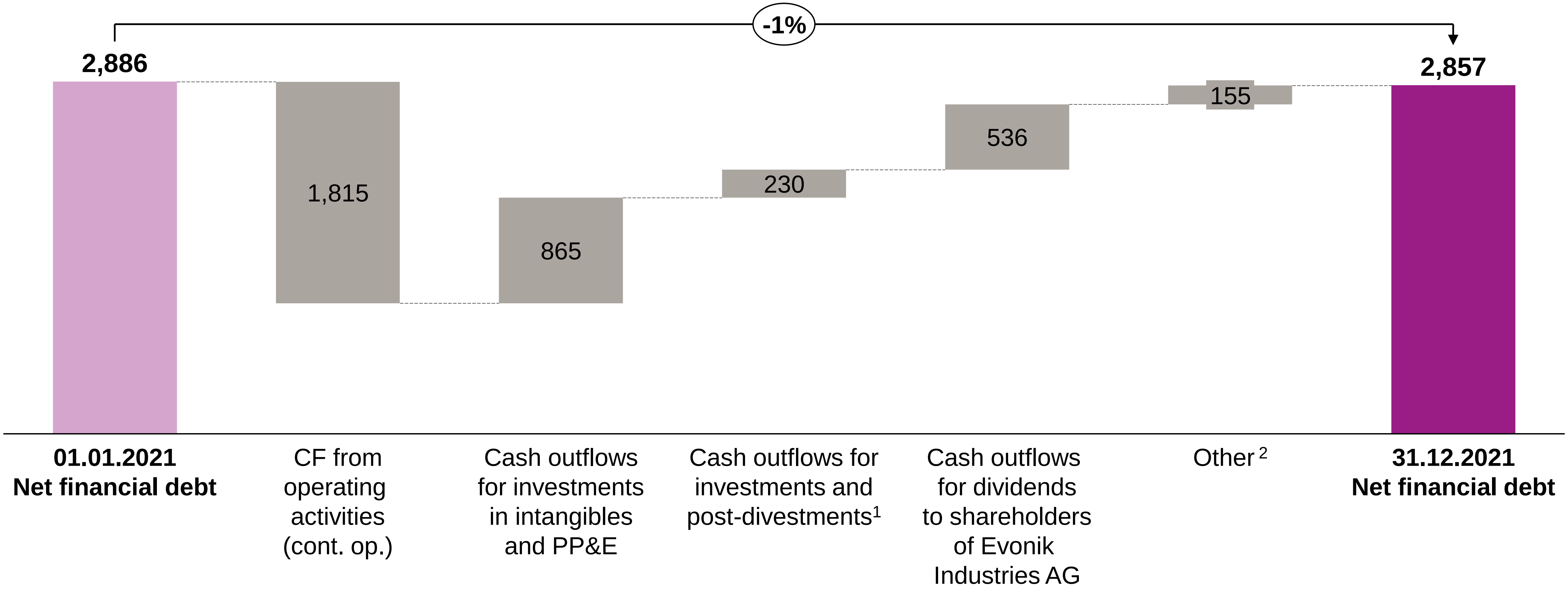
- Temporary lower capex level caused by logistic and supply constraints
- FY 2021: Cash-out for acquisitions (Botanica and Infinitec) & settlements from previous M&A transactions
- Prior-year with high cash inflow from sale of securities in specialty funds (overcompensating cash-out for acquisitions of Porocel and PeroxyChem)

CF from financing activities

- Less repayment of debt; prior-year included -€650 m bond redemption

Net financial debt development FY 2021

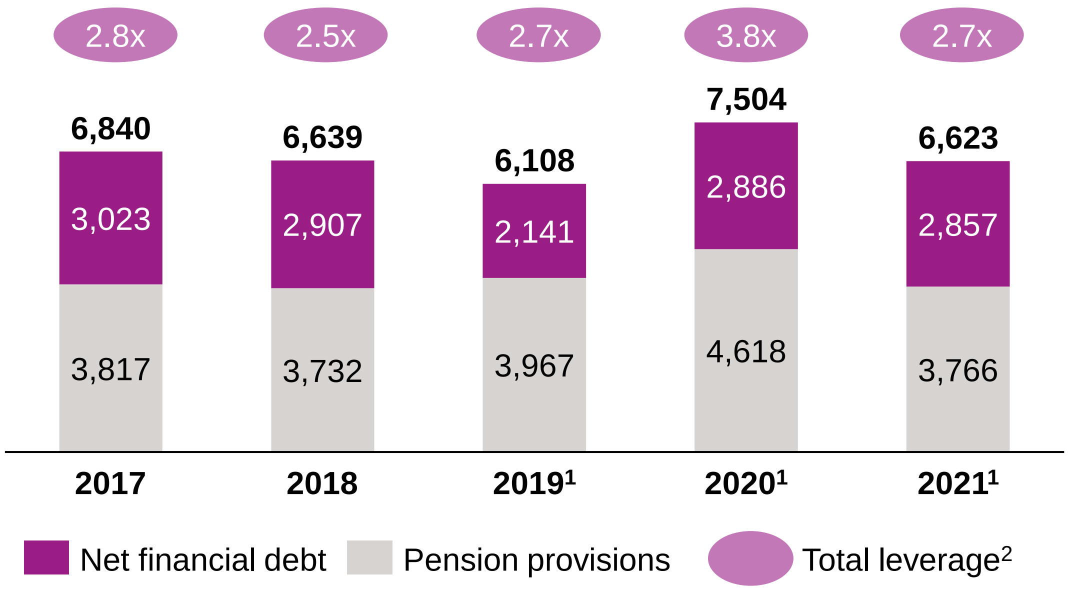
(in € m)



1. incl. cash-out for smaller acquisitions (€85 m) as well as settlements from previous M&A transactions (€145 m) | 2. incl. a. o. cash-out for interests (€82 m) and change in lease liabilities

Development of debt and leverage over time

(in € m)



	2017	2018	2019[1]	2020[1]	2021[1]
Adj. net debt[3]	6,590	6,389	5,858[1]	7,254[1]	6,373[1]
Adj. EBITDA (last 12 months)	2,357	2,601	2,153[1]	1,906[1]	2,383[1]
German pension discount rate (%)	2.00	2.00	1.30	0.90	1.30

- Stable net financial debt versus year-end 2020: higher free cash flow counterbalanced by cash-outs for dividend, acquisitions and previous M&A transactions
- Low net financial debt leverage at 1.1x[4]
- Majority of net debt consists of long-dated pension obligations with >18 years duration
- FY 2021: Lower pension provisions from increase of pension discount rates (German pension discount rate increase from 0.9% to 1.3%)
- Pension provisions partly balanced by corresponding deferred tax assets of ~€1.3 bn
- Q4 2021: Higher pension provisions (vs. €3,569 m end of Q3) amid decrease of pension discount rates (German pension discount rate from 1.4% to 1.3%)

1. Continuing operations (excluding methacrylate activities) | 2. Adj. net debt / adj. EBITDA |
3. Net financial debt – 50% hybrid bond + pension provisions | 4. (Net financial debt – 50% hybrid bond) / adj. EBITDA

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Even full pass-on of rising material costs causes a margin-dilutive effect

Effect to revert as soon as raw material costs decline

EBITDA margin (in € m, illustrative)

EBITDA margin before rising raw material costs:

$$\frac{\text{EBITDA}}{\text{Sales}} = \frac{20}{100} = \underline{\underline{\textbf{20\% EBITDA margin}}}$$

Example: Raw material costs rising by €5 m (thereof 100% passed on via higher price)

$$\frac{\text{EBITDA} + \text{Higher price} - \Delta\ \text{Raw materials}}{\text{Sales} + \text{Higher price}} = \frac{20 + 5 - 5}{100 + 5} = \underline{\underline{\textbf{19\% EBITDA margin}}}$$

Effect of price increases

EBITDA
+ *Higher price*
- *Increase in raw materials*

= New EBITDA

Sales
+ *Higher price*

= New Sales

Even if rising raw material costs are fully passed on to customers, a **margin-dilutive effect on EBITDA** is caused mathematically

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Sustainability – Environmental targets

Ambitious greenhouse gas emission reduction targets

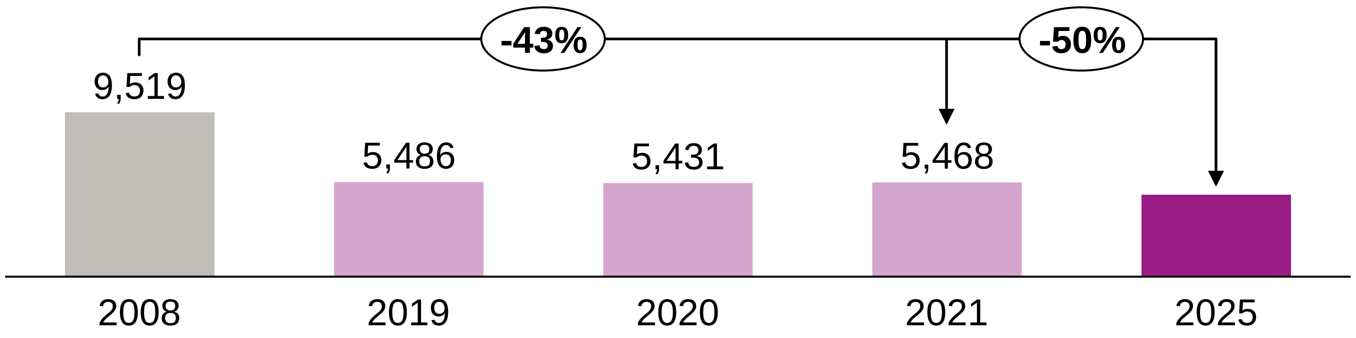
-50%

reduction of Scope 1 and Scope 2 emission until 2025 (vs. 2008)

-15%

reduction of upstream Scope 3 emission until 2025 (vs. 2020)

Evonik Scope 1 and Scope 2 emissions[1]



1. in thousand metric tons CO_2eq, values for 2020 corrected due to fast-close process

- Strong commitment to **"Paris Agreement on Climate Change"** reflected in implementation and execution on environmental targets
- Global **CO_2 pricing** used as additional parameter for large investment decisions
- In 2020, decline in Scope 1 emissions due to lower production volumes, however Scope 2 impacted by the acquisition of PeroxyChem
- In 2021, stable emissions despite increase in production volumes of 7%

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Divisional overview by quarter

Sales (in € m)	Q1/20	Q2/20	Q3/20	Q4/20	**FY 2020**	Q1/21	Q2/21	Q3/21	Q4/21	**FY 2021**
Specialty Additives	852	747	777	848	**3,225**	907	922	934	947	**3,710**
Nutrition & Care	748	742	715	787	**2,992**	780	838	931	1008	**3,557**
Smart Materials	858	722	790	866	**3,235**	909	975	1,002	1,032	**3,918**
Performance Materials	584	437	444	517	**1,983**	580	708	784	840	**2,911**
Services, Corporate & Others	201	179	191	194	**764**	182	193	220	264	**859**
Evonik Group	3,243	2,827	2,917	3,212	**12,199**	3,358	3,636	3,871	4,091	**14,955**

Adj. EBITDA (in € m)	Q1/20	Q2/20	Q3/20	Q4/20	**FY 2020**	Q1/21	Q2/21	Q3/21	Q4/21	**FY 2021**
Specialty Additives	239	202	214	201	**857**	273	242	224	181	**920**
Nutrition & Care	118	168	140	133	**560**	143	183	192	200	**717**
Smart Materials	166	102	137	124	**529**	173	176	177	123	**650**
Performance Materials	18	12	28	30	**88**	42	99	97	80	**317**
Services, Corporate & Others	-28	-28	0	-70	**-128**	-43	-51	-45	-82	**-221**
Evonik Group	513	456	519	418	**1,906**	588	649	645	502	**2,383**

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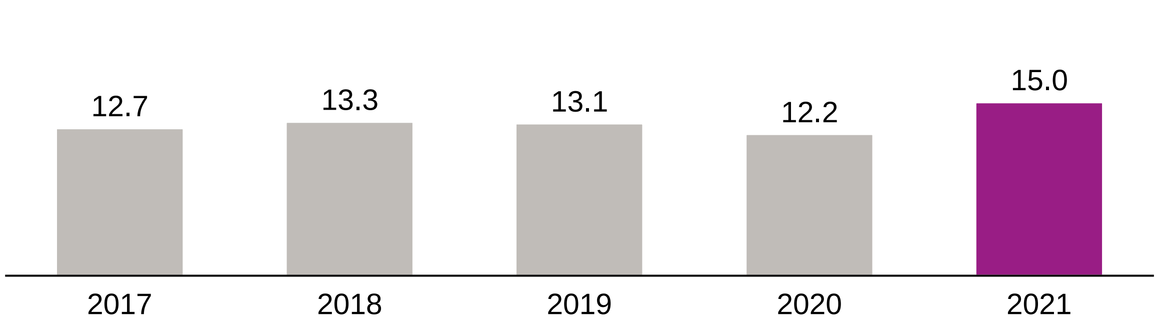
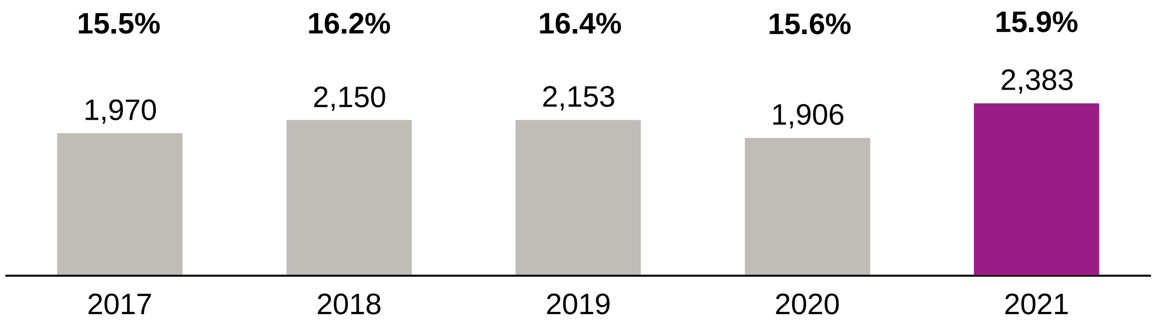
Financials[1]

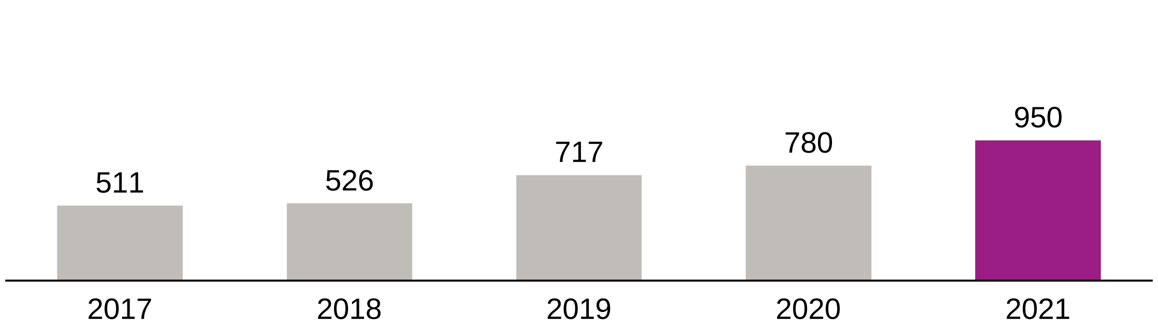
Sales (in € bn)



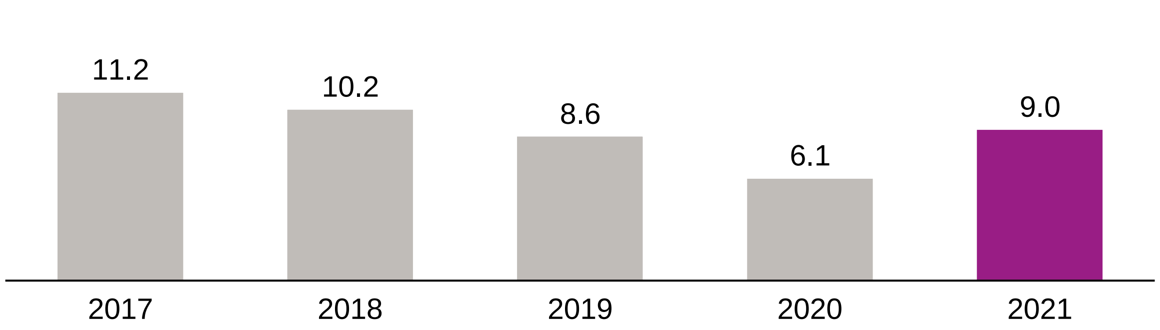
Adj. EBITDA (in € m) **/ margin**



Free Cash Flow (as reported, in € m)



ROCE (as reported, in %)



1. Continuing operations

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Upcoming IR events

Conferences & Roadshows	
March 9, 2022	Virtual Roadshow London (UBS)
March 9, 2022	Virtual Roadshow Paris & Benelux (Exane)
March 10, 2022	European Chemicals & Consumer Ingredients Conference London (Goldman Sachs)
March 17, 2022	Consumer Ingredients Conference London (Exane)
March 23, 2022	Roadshow Frankfurt (Metzler)

Upcoming Events & Reporting Dates	
May 6, 2022	Q1 2022 reporting
May 11, 2022	Capital Markets Day
May 24, 2022	AGM
August 3, 2022	Q2 2022 reporting

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