

Key Financial Data: Third quarter 2021

November 4, 2021

Evonik: 2021 earnings expected at top end of forecast range

- Sales rise 33 percent in third quarter, adjusted EBITDA gains 24 percent
- Company expects adjusted EBITDA of about €2.4 billion for full year
- Free cash flow outlook raised to about €1 billion for 2021

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Essen, Germany. After a strong third quarter, Evonik is making its earnings forecast for the current year more precise. The company now expects adjusted earnings before interest, taxes, depreciation and amortization (adjusted EBITDA) of about €2.4 billion. This is the upper end of the previous range of €2.3 billion to €2.4 billion that Evonik had expected mid-year. Sales will also reach the upper end of the forecast range – €14.5 billion. Previously, Evonik had expected €13 billion to €14.5 billion.

"We continued to grow strongly in the third quarter," said Christian Kullmann, chairman of the board of management. "All four chemical divisions benefited from increased demand. We were able to completely compensate for higher raw material, energy and logistics costs by raising our prices."

Adjusted EBITDA rose 24 percent to €645 million in the July to September period compared with the same three months the previous year. Compared with the second quarter, earnings remained stable, despite one-time costs of around €30 million from higher bonus provisions, maintenance shutdowns and loss of sales due to impaired supply chains and a lack of raw material availability.

Sales at the company gained 33 percent to €3.87 billion in the third quarter compared with the previous year. The increase reflects continued positive demand dynamics across all divisions. Adjusted net income increased 45 percent to €269 million with adjusted earnings per share rising from €0.40 to €0.58.

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Improved business performance led to a 68 percent increase in free cash flow in the quarter to €524 million. As a result, free cash flow reached a record level of €937 million in the first nine months.

"For the year as a whole, we now expect free cash flow of around €1 billion," said Ute Wolf, chief financial officer. "We are proud that we were able to generate even more cash than previously thought. Now we're expecting a full-year cash conversion rate above last year's good figure, which was about 40 percent."

Development of the divisions

Specialty Additives: The division's sales rose 20 percent to €934 million in the third quarter. Products for the construction and coatings industry as well as for renewable energies achieved significant sales growth in all regions because of a considerable increase in demand. Additives for polyurethane foams for the automotive sector as well as durable goods such as mattresses and refrigerators saw higher demand with sales rising significantly. The increase in sales at the division was partly limited by interruptions in global supply chains and the associated lack of availability of individual raw materials. Adjusted EBITDA increased by 5 percent to €224 million.

Nutrition & Care: Sales at Nutrition & Care rose 30 percent to €931 million in the third quarter. Essential amino acids continued to be in high demand worldwide and generated significantly higher sales with improved selling prices. Products for the health and care sector also benefited from good demand. In particular, active ingredients for cosmetic applications saw very good volume development. In pharmaceutical applications lipids for mRNA vaccines saw a significant increase in sales. Adjusted EBITDA improved by 37 percent to €192 million.

Smart Materials: The division's sales improved by 27 percent to €1 billion in the third quarter. High-performance polymers saw a significant increase in demand from the automotive industry. Demand was also strong for polyamide-12 powders for 3D

printing and membranes for efficient gas processing. The tire silica business benefited from high demand worldwide and active oxygen products had good volume growth both in the specialty business and in the classic hydrogen peroxide business. The catalysts business benefited from the first-time inclusion of Porocel, which was acquired in November 2020. Adjusted EBITDA rose 29 percent to €177 million at the division.

Performance Materials: The division's sales rose by 77 percent to €784 million in the third quarter. Sales of C4 products increased significantly with higher demand and strongly improved selling prices. The superabsorbent business continues to be affected by a difficult market environment. Adjusted EBITDA rose from €28 million to €97 million in the quarter.

Excerpt from the income statement

in € million	3rd quarter			First nine months		
	2020	2021	Change in %	2020	2021	Change in %
Sales	2,917	3,871	33	8,986	10,865	21
Adjusted EBITDA	519	645	24	1,488	1,881	26
Adjusted EBIT	269	387	44	744	1,121	51
Adjustments	-24	-14		-64	-61	
Financial result	-24	-37		-99	-98	
Income before income taxes, continuing operations	221	336	52	581	962	66
Income taxes	-69	-100		-160	-300	
Income after income taxes, continuing operations	152	236	55	421	662	57
Income after taxes, discontinued operations	-	4		-18	-6	
Income after taxes	152	240	58	403	656	63
thereof attributable to non-controlling interests	3	5		10	16	
Net Income	149	235	58	393	640	63
Adjusted net income	186	269	45	527	762	45

Division performance – 3rd quarter

in € million	Sales			Adjusted EBITDA		
	2020	2021	Change in %	2020	2021	Change in %
Specialty Additives	777	934	20	214	224	5
Nutrition & Care	715	931	30	140	192	37
Smart Materials	790	1,002	27	137	177	29
Performance Materials	444	784	77	28	97	246
Technology & Infrastructure	172	204	19	44	27	-39
Enabling Functions, Other Activities, Consolidation	19	16	-16	-44	-72	-64
Evonik Group	2,917	3,871	33	519	645	24

Division performance – First nine months

in € million	Sales			Adjusted EBITDA		
	2020	2021	Change in %	2020	2021	Change in %
Specialty Additives	2,377	2,763	16	656	739	13
Nutrition & Care	2,205	2,549	16	427	517	21
Smart Materials	2,369	2,885	22	405	527	30
Performance Materials	1,466	2,071	41	57	237	316
Technology & Infrastructure	517	553	7	117	82	-30
Enabling Functions, Other Activities, Consolidation	52	44	-15	-174	-221	-27
Evonik Group	8,986	10,865	21	1,488	1,881	26

Employees by division

	Dec. 31, 2020	Sept. 30, 2021
Specialty Additives	3,666	3,704
Nutrition & Care	5,295	5,386
Smart Materials	7,874	7,731
Performance Materials	1,798	1,962
Technology & Infrastructure	8,711	8,154
Enabling Functions, Other Activities, Consolidation	5,762	5,954
Evonik Group	33,106	32,891

Company information

Evonik is one of the world leaders in specialty chemicals. The company is active in more than 100 countries around the world and generated sales of €12.2 billion and an operating profit (adjusted EBITDA) of €1.91 billion in 2020. Evonik goes far beyond chemistry to create innovative, profitable and sustainable solutions for customers. About 33,000 employees work together for a common purpose: We want to improve life today and tomorrow.

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