



# WE GO BEYOND TO ENABLE TRANSFORMATION

Company Factbook 2024



# Evonik at a glance

**€15.3 bn**

Sales

**€1.7 bn** (10.8%)

Adj. EBITDA (margin)

**€801 m** (48%)

Free Cashflow (conversion)

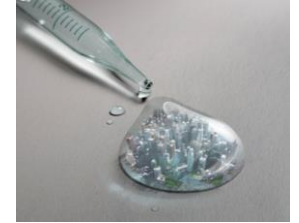
**€1.17** (>6%)

Dividend (yield)

**LEADING  
BEYOND  
CHEMISTRY**

## Specialty Additives

Small amount –  
big effect



## Nutrition & Care

Life at heart.  
Systems in mind.  
Partners at hand.



## Smart Materials

We find solutions  
for the needs  
of today and tomorrow



# Evonik well positioned as enabler of transformation



# Next Generation Evonik: Our strategy

Three major strategic levers...

... with sustainability fully integrated ...

... delivering on ambitious targets

## Next Generation Portfolio

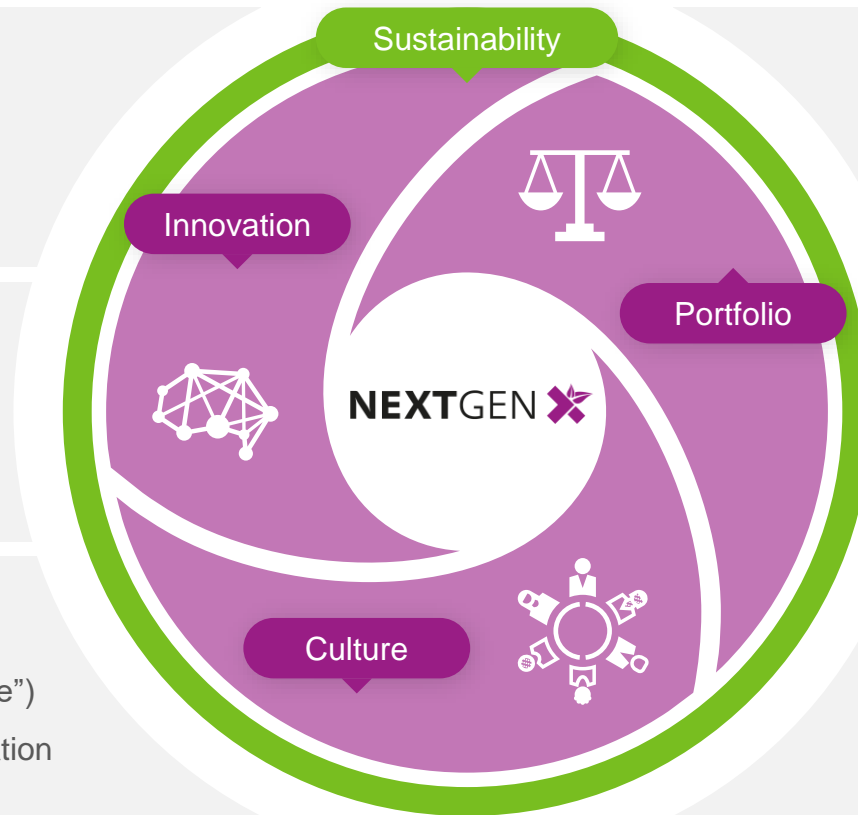
- + Exit Performance Materials division
- + Full focus on three attractive growth divisions

## Next Generation Innovation

- + €1.5 bn additional sales from 3 Innovation Growth Areas by 2032

## Next Generation Culture

- + Employee empowerment (“Evonik Tailor Made”)
- + ESG targets integrated into mgmt. compensation



## ESG Targets<sup>1</sup>

- + >50% sales share of **NEXTGEN Solutions** ✦
- + -25% CO<sub>2</sub> emission reduction, e.g. via **NEXTGEN Technologies** ✦

## Financial Targets

- + Organic growth >4%
- + EBITDA margin 18-20%
- + ROCE ~11%
- + FCF Conversion >40%

1. Until 2030

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## 1. Strategy

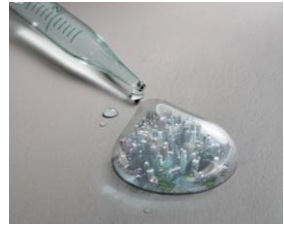
- **Portfolio**
- Sustainability
- Innovation
- Culture

## 2. Divisions

- Specialty Additives
- Nutrition & Care
- Smart Materials

## 3. Financials

# Full focus on three growth divisions and exit from Performance Materials



## Specialty Additives

Small amount –  
big effect

**€3.5 bn**

Sales

**19.1%**

Adj. EBITDA Margin



## Nutrition & Care

Life at heart.  
Systems in mind.  
Partners at hand.

**€3.6 bn**

Sales

**10.8%**

Adj. EBITDA Margin



## Smart Materials

We find solutions  
for the needs  
of today and tomorrow

**€4.5 bn**

Sales

**12.1%**

Adj. EBITDA Margin



## Exit: Performance Materials

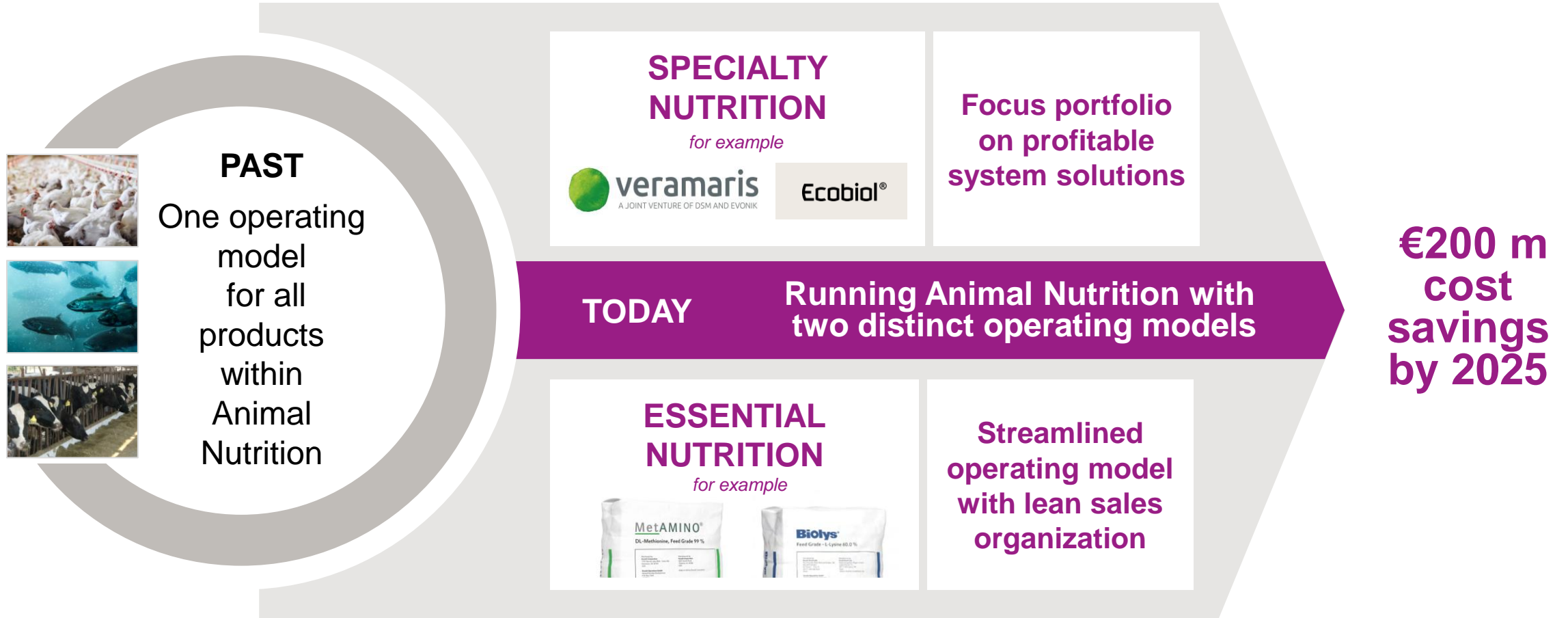
- Division used to consist of three separate businesses:
  - Functional Solutions (sold 2023)
  - Superabsorber (sold 2024)
  - Performance Intermediates / C4
- Aiming to find new owner for Performance Intermediates as well; division to be ceased thereafter

# Active portfolio management on multiple layers

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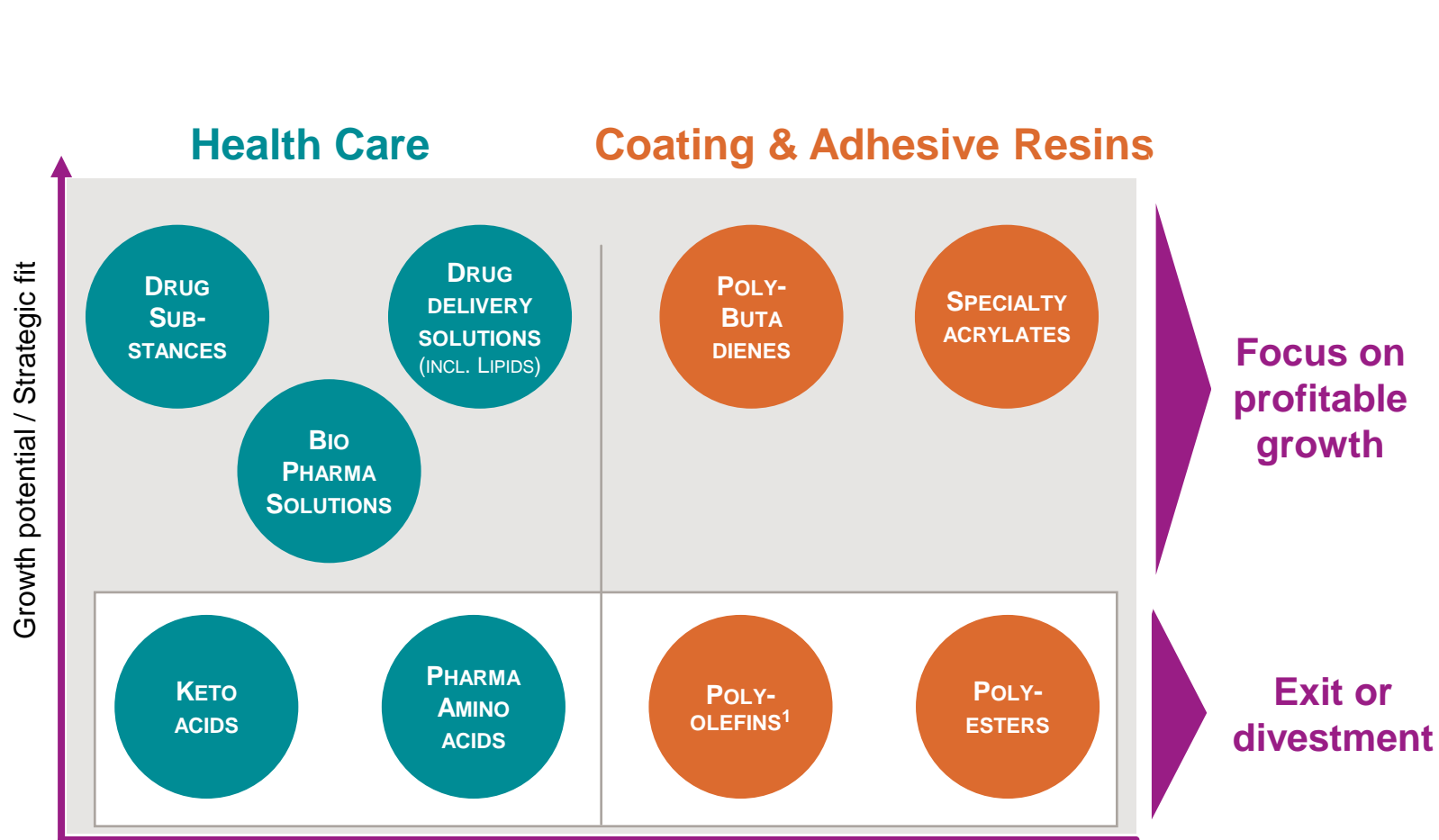


# Business transformation: Strengthening long-term competitiveness of Animal Nutrition business





# Business transformation: Realignment of business lines Health Care and Coating & Adhesive Resins

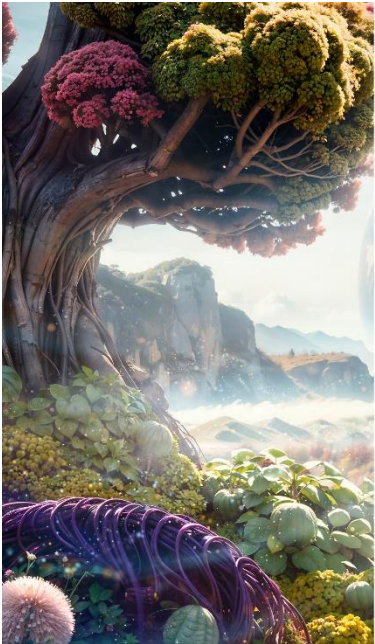


- Constant review of portfolio also on Business Line level
- **Focus of management resources & capex** on areas with best strategic fit and strongest growth potential
- Businesses to be exited or divested with combined sales of ~€350 m
- Resulting in **improvement of KPIs** (EBITDA & ROCE)
- Full effect of measures from 2026 onwards

1. Polyolefins will be transferred to Performance Intermediates (C<sub>4</sub> chain), then to be sold as part of this business

# Innovation: New Innovation Growth Areas address the most pressing challenges of our time where Evonik can make a difference

## WE GO BEYOND TO ENABLE THE GREEN TRANSFORMATION



**Advance  
Precision  
Biosolutions**



**Enable  
Circular  
Economy**



**Accelerate  
Energy  
Transition**

Develop new products and solutions that will distinctively stand out on the market and have a positive influence on society and people's everyday life

- **Sustainability:** Solutions for a bio-based, energy-efficient, and circular society
- **Resilience:** Strong growth potential, above-average margins
- **Focus:** Majority of R&D resources allocated to Innovation Growth Areas
- **Acceleration:** Supported by Creavis, Evonik Venture Capital, and regional innovation ecosystems

**Sales increase 2023 to 2032: €1.5 billion**

# Innovation and product mix: Investments in organic 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

### Green raw materials

- Investment in **pilot electrolyzer to produce green hydrogen** as a starting product for isophorone diamine (IPDA), a key raw material for rotor blades for wind turbines

## 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 2024)

### Animal Nutrition

- **Veramaris**: Delivering sustainable Omega-3 with the world's first ASC-MSC-certified microalgae oil for fish and shrimp feed

## Smart Materials



### Membranes

- Modular investments into **capacity expansion for gas-separation membranes**

### Silica

- Expansion of production of **precipitated silica** at US site in Charleston by 50% to serve **“green tire” market**

### Specialty Peroxides Solutions

- Growth option in highly efficient and sustainable **HP+ technologies** (HPPO, HPPG)

# Active M&A: Targeted and disciplined acquisition approach



**Air Products**  
Performance Materials (2017)



**Huber Silica**  
(2017)



**PeroxyChem**  
(2020)



**Porocel**  
(2020)

**Purchase price**

~ €3.5 bn

~ €600 m

\$640 m

\$210 m

**Multiple<sup>1</sup>**

15.2x / 9.9x

10.5x / 7x

9.9x / 7.6x

9.1x

**EBITDA margin**

>20%

>20%

~20%

~23%

**Market growth**

~4-5%

~4-6%

~6%<sup>2</sup>

~4%

**Business**

Highly attractive strategic fit, seamless integration into existing businesses

**Disciplined expansion in high-growth & -margin businesses with excellent strategic fit**

1. EV/EBITDA pre / post synergies & tax benefits | 2. In specialty applications (~65% of total adj. EBITDA)

# Active M&A: Stringent divestment of non-core businesses



**Methacrylates**  
(2019)



**Functional Solutions**  
(2023)



**Superabsorber**  
(2024)



**Performance Intermediates** (to come)

<b>Divestment price</b>	~ €3 bn	undisclosed	undisclosed	-
<b>Multiple</b>	8.5x	undisclosed	~7x	-
<b>Sales<sup>1</sup></b>	~ €1.8 bn	~ €260 m	~€890 m	~ €1.7 bn
<b>EBITDA margin<sup>1</sup></b>	~15%	<10%	<10%	<10%

**Stringent divestment of businesses which do not fit the Evonik portfolio criteria anymore**

1: Last FY before divestment; 2023 for Performance Materials

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# 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.**"

### Key growth driver...


### ...and saving resources

#### Our Handprint







"Sustainability is a key growth driver and the cornerstone of our product portfolio, our investments and our innovation management."

#### Our Footprint



"We take responsibility by caring about our resources."

### 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** 

# Ambitious commitments on handprint and footprint

## In line with Science Based Targets




### NEXTGEN

## Solutions

Sales by 2030

Next Gen Solution <i>(Leaders + Drivers)</i>	>50%
Challenged Products	<5%



### NEXTGEN

## Technologies

CO<sub>2</sub> reduction 2030

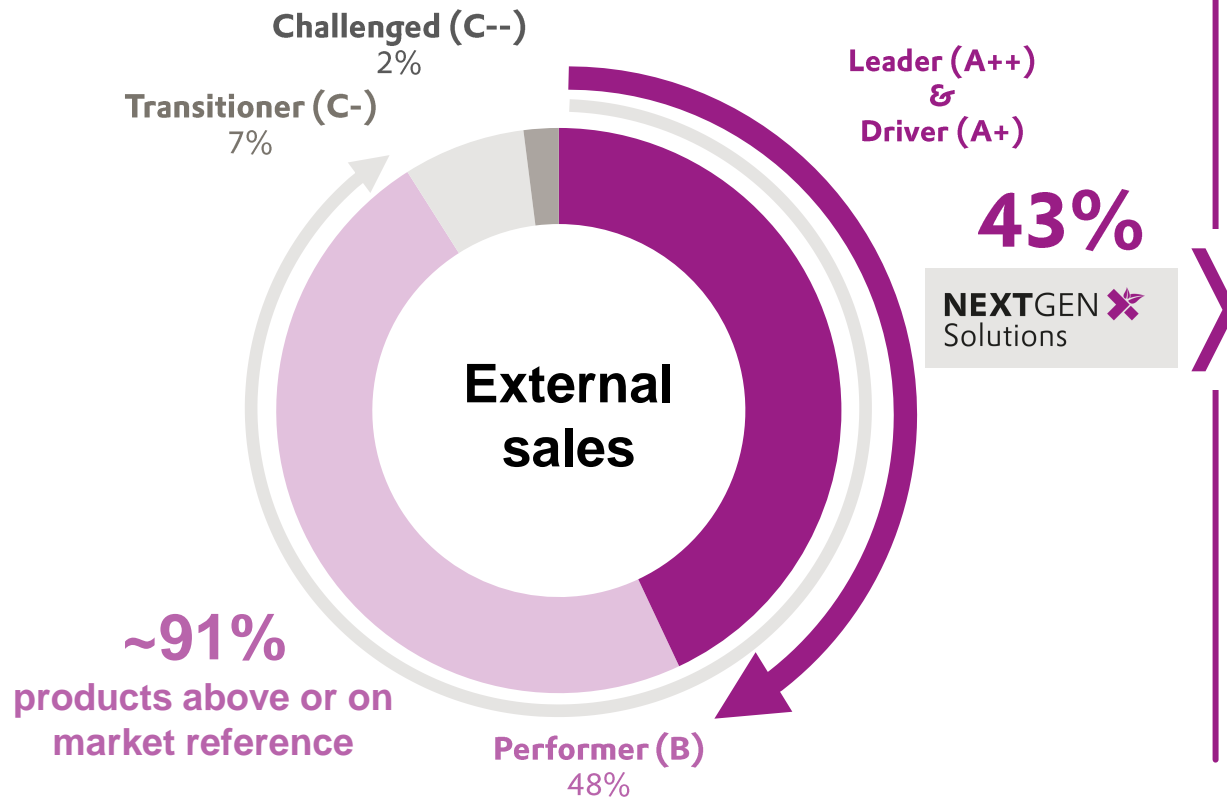
Scope 1+2 <i>(Well below 2 degrees)</i>	-25%
Scope 3	-11%



# Handprint: “Next Generation Solutions”

## 43% of Evonik’s portfolio with superior sustainability benefits

### Result of PSA analysis



### Best-in-class products in Evonik’s portfolio which...

...deliver **above-average growth**

...address **increasing customer demand** for sustainable solutions

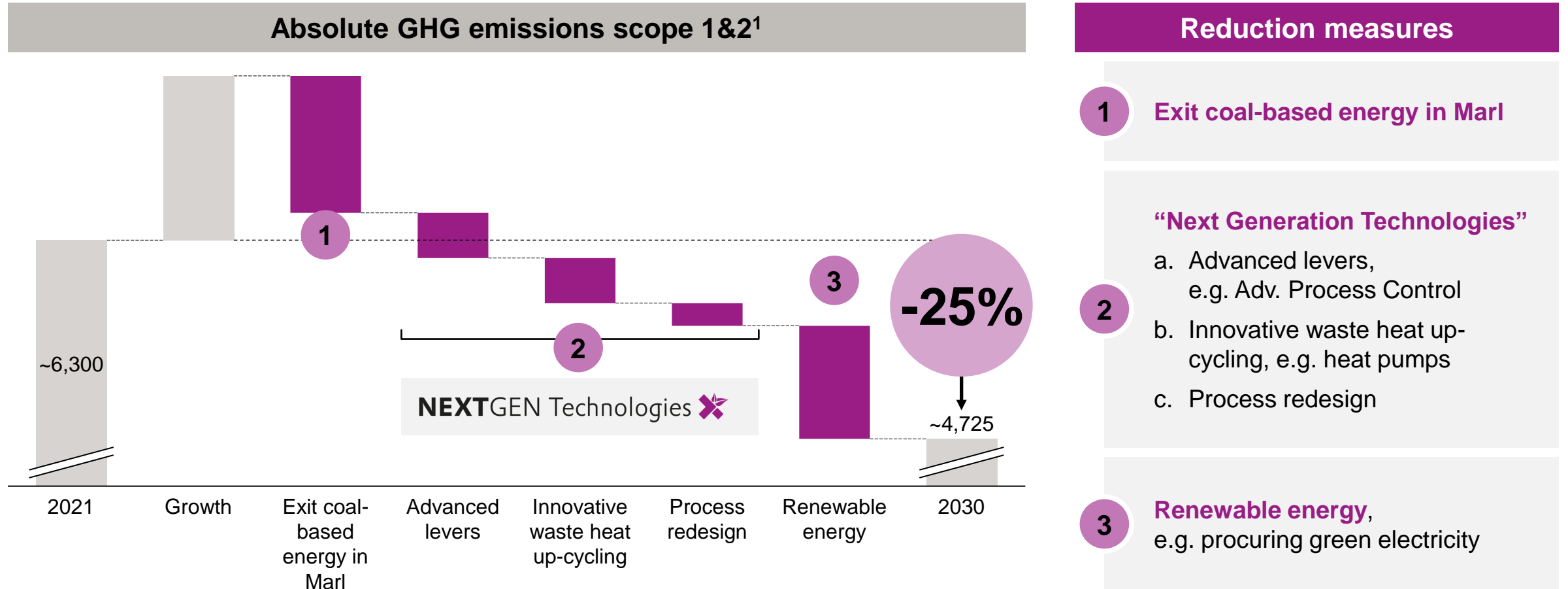
**NEXTGEN**   
Solutions

...deliver **superior sustainability benefits** to our customers

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

# Footprint: Clear roadmap to achieve Scope 1 & 2 targets by 2030

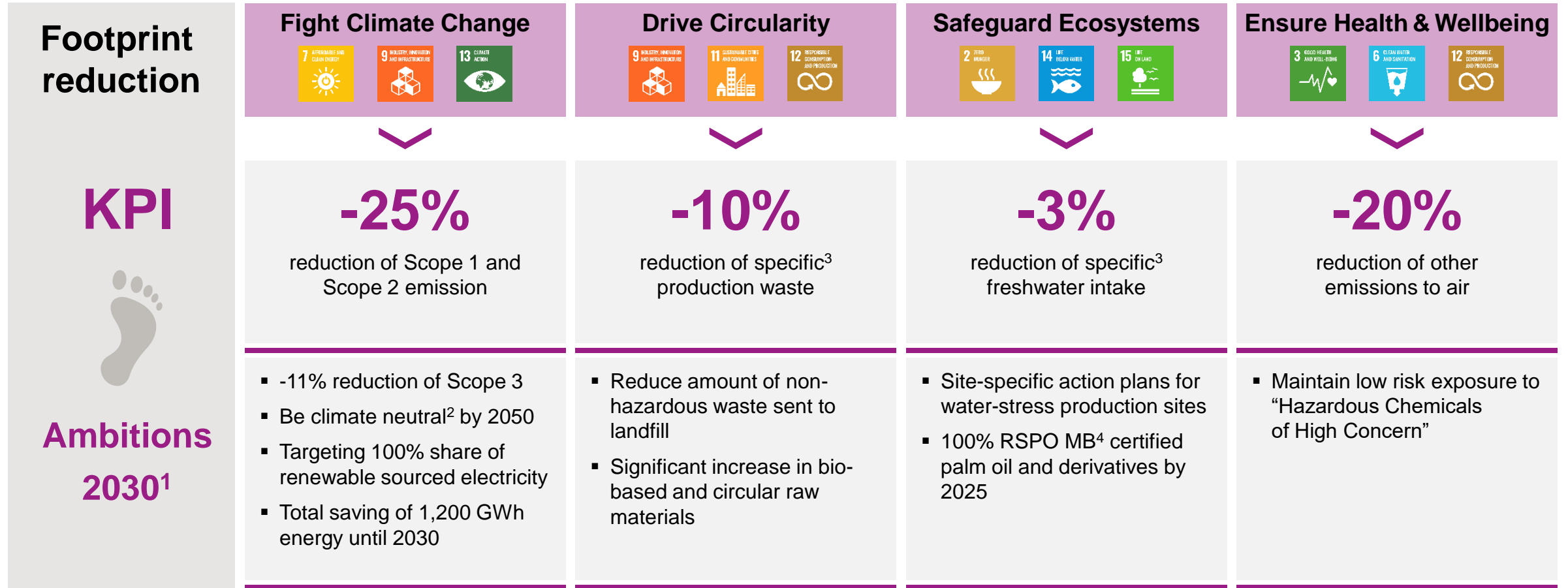
Three clusters with economically attractive measures defined



1. Gross emissions in kt CO<sub>2</sub>e

# Footprint: Reduction targets in all our sustainability focus areas

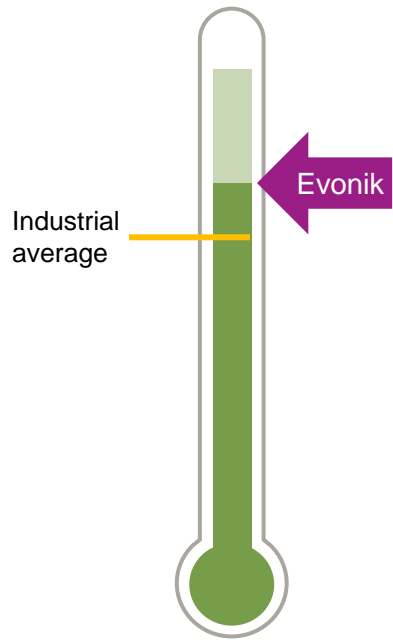
## Measurable set of KPIs in place



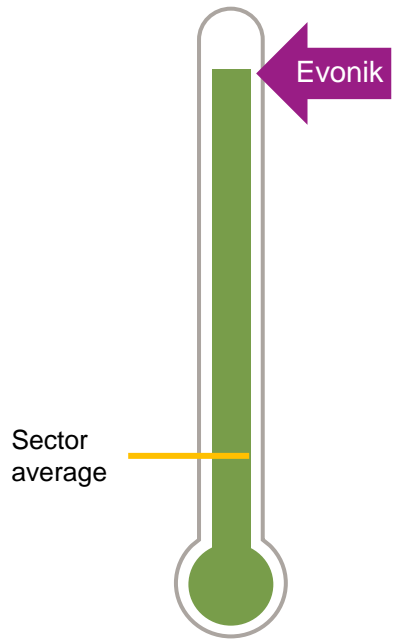
1. Reference year 2021 | 2. On all scopes 1, 2, 3 | 3. Corresponding to the production volume | 4. RSPO MB: Roundtable on Sustainable Palm Oil Mass Balance

# Sustainability Rankings

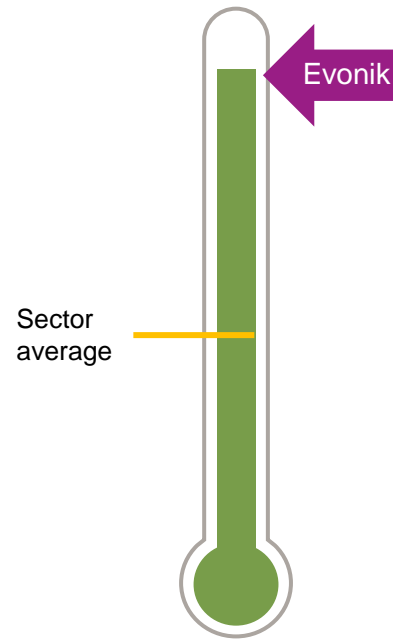
## Evonik best-in-class within chemicals sector



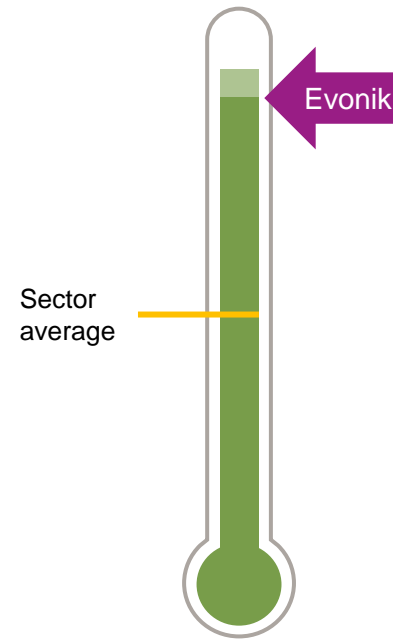
“AA”<sup>1</sup>



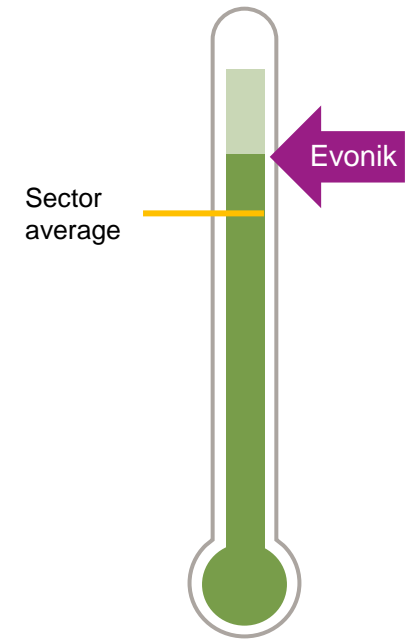
“Platin”<sup>2</sup>



“B-”<sup>3</sup>



Top 5%<sup>4</sup>



“A-”<sup>5</sup>

1: Rating on a scale of AAA to CCC | 2: Top 1% of companies assessed | 3: Rating on a scale of A+ to D- | 4: out of ~600 companies ranked in the chemical sector | 5: Rating on a scale of A+ to D-

**Discover more details  
in our ESG factbook  
on our website**

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# RD&I at Evonik at a glance

~€440 million R&D spend in 2023

2.9% R&D ratio in 2023




>2,700 employees<sup>1</sup>

~23,000 patents<sup>2</sup>

100% sustainability-integrated

1 RD&I, Application Technology, partly Process Technology | 2 Patents and patents pending







### Evonik Innovation Growth Areas

		
<b>Advance Precision Biosolutions</b>	<b>Enable Circular Economy</b>	<b>Accelerate Energy Transition</b>

# New Innovation Growth Areas revealed in September




## Addressing our most relevant sustainability trends


### Previous Innovation Growth Fields

		
Advanced Food Ingredients	Additive Manufacturing	Sustainable Nutrition
		
Cosmetic Solutions	Membranes	Healthcare Solutions

- Introduced in 2016
- Targeted €1 bn additional sales until FY 2025
- €650 m achieved end of FY 2023 with EBITDA margin well above Group average
- Further growth in FY 2024 despite difficult macro

### WE GO BEYOND TO ENABLE THE GREEN TRANSFORMATION

	<b>Advance Precision Biosolutions</b>	Leveraging biotechnology to enhance human health and quality of life while protecting our ecosystems
	<b>Enable Circular Economy</b>	Helping to close material cycles and paving the way for a sustainable future of our customers
	<b>Accelerate Energy Transition</b>	Addressing not only emission reduction, but also the capture, utilization, and storage of CO <sub>2</sub>



**€1.5 bn additional sales by 2032<sup>1</sup>**

1. Vs base year 2023

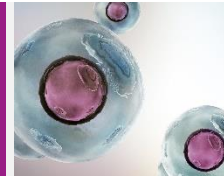


# Advance Precision Biosolutions: Leveraging biotechnology to enhance human health and quality of life while protecting our ecosystems

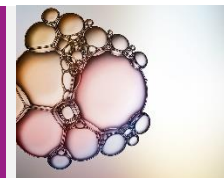
## WE GO BEYOND TO ACCELERATE PRECISION BIOSOLUTIONS



Nucleic Acid-Based Medicines & Drug Delivery Systems



Cell Culture Solutions



Biosurfactants & Biofunctional Ingredients



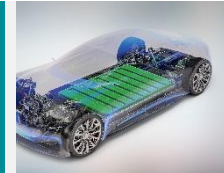
Cosmetic Actives & Delivery Systems

# Accelerate Energy Transition: Addressing not only emission reduction, but also the capture, utilization, and storage of CO<sub>2</sub>

## WE GO BEYOND TO ACCELERATE ENERGY TRANSITION



Membranes, Hydrogen Generation and Transport



Future Mobility and Battery Solutions



Carbon Capture and Storage



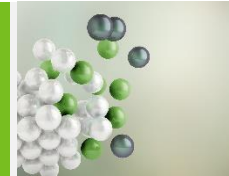
Renewable Energy and Energy Efficiency

# Enable Circular Economy: Helping to close material cycles and paving the way for a sustainable future of our customers

## WE GO BEYOND TO ENABLE CIRCULAR ECONOMY



Enable Plastic Recycling



Enable Catalyst and Inorganics Recycling

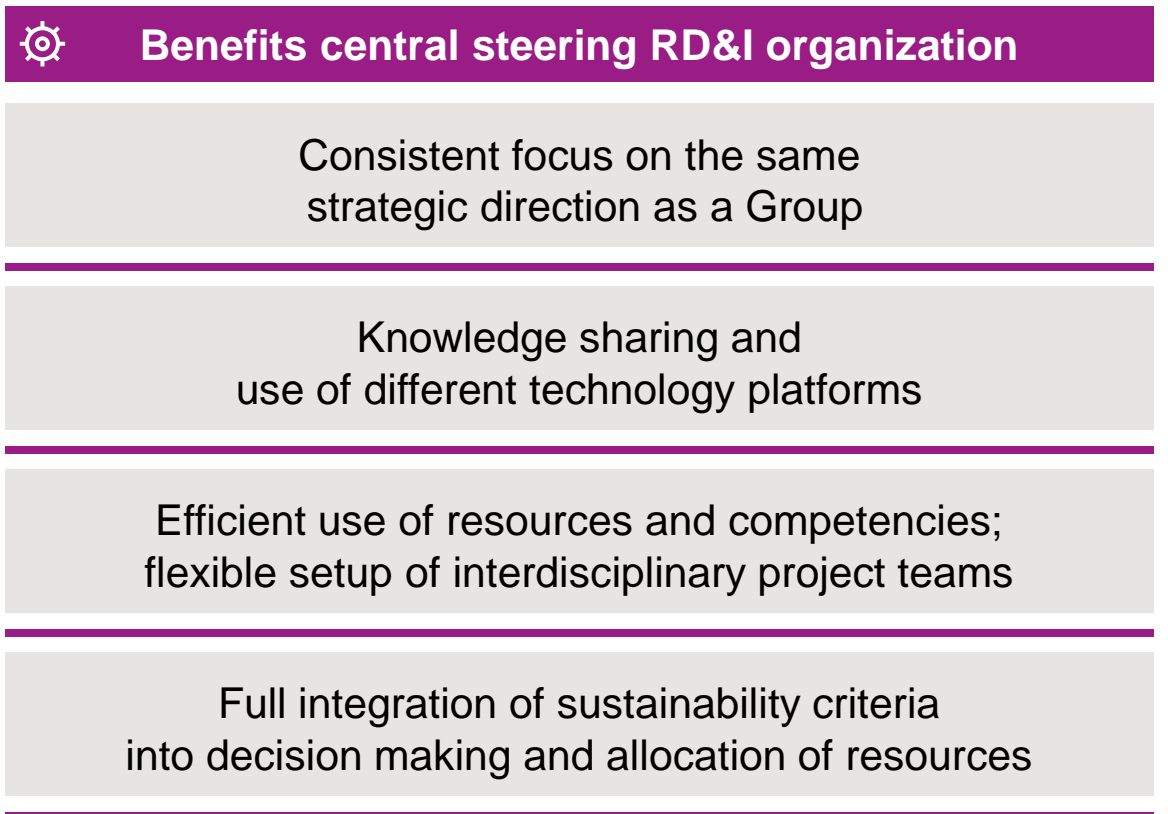
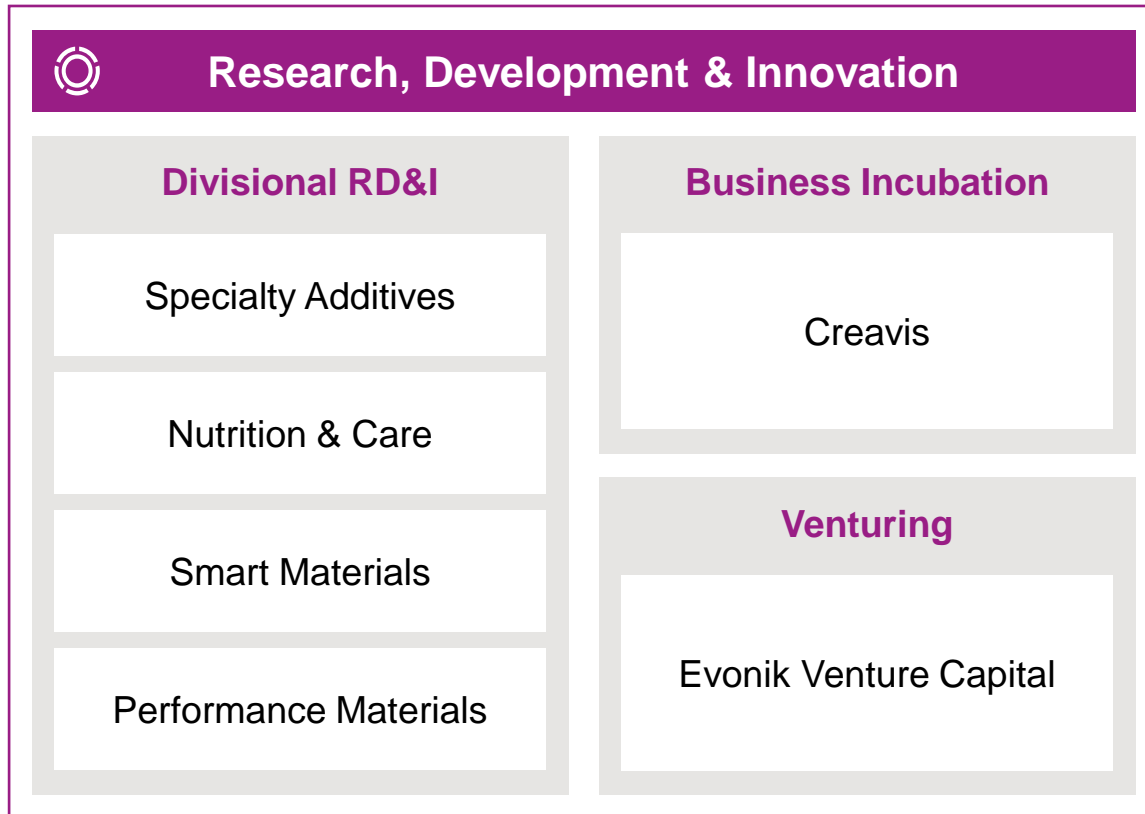


Renewable or Recycled Raw Materials

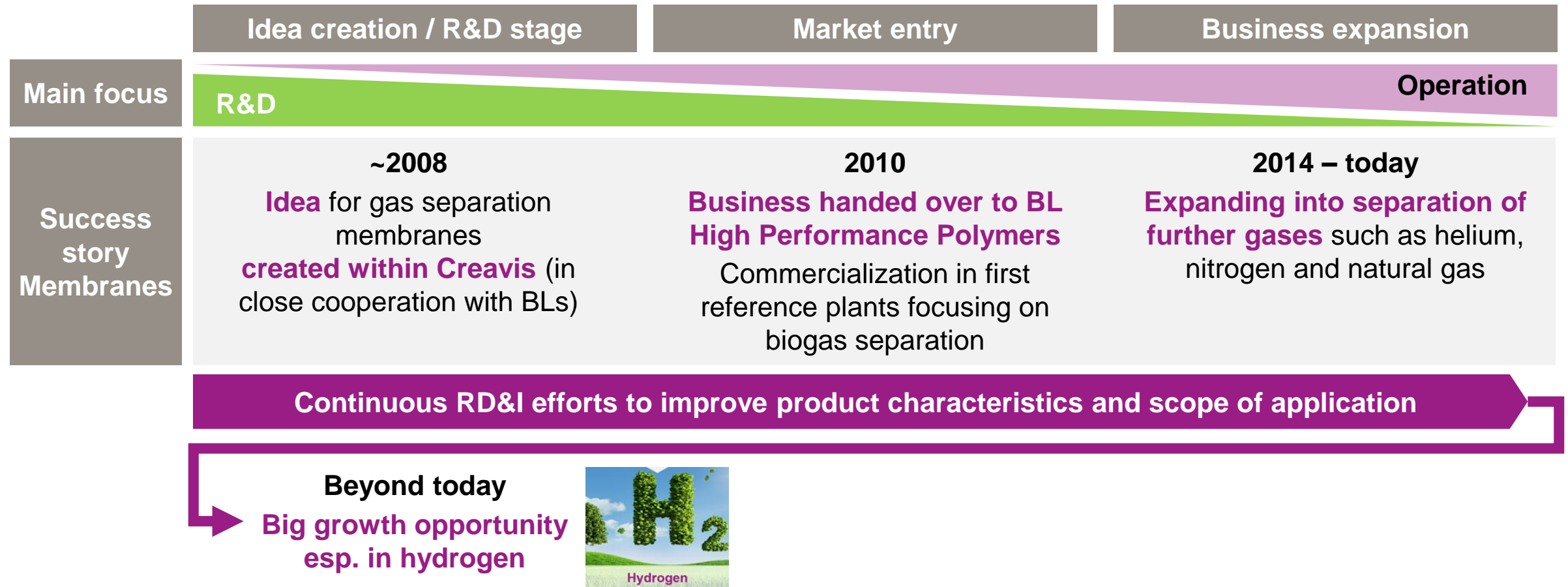


Design for Circularity

# RD&I steers innovation based on clear alignment and continuous exchange across the entire Evonik organization



# The success of our business incubation activities can be shown with the Innovation Growth Field “Membranes” as blueprint for future innovation



**Discover more details  
in our innovation factbook  
on our website**

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# Evonik culture as unifying element 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<sup>1</sup>

**Diversity as basis of our economic success:**

- Ambitious targets defined
- Inclusive mindset and behaviour 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)



# Launched in 2023: Reorganization program Evonik Tailor Made to foster a culture of employee empowerment and faster decision making

## Overarching idea of Evonik Tailor Made

**Business Lines  
as “nucleus” of Evonik**  
through shifting of responsibilities  
from corporate or division level

**Empowerment of individual employees  
and faster decision making**  
through reduction of hierarchy levels, increasing management  
span and cutting tasks without direct business relevance

**€400m**

First smaller savings in 2024;  
majority of savings in 2025 and 2026

Personnel costs

**~80%**

- Reduction of up to 2,000 employees by end of 2026
- Majority in administration & other support functions, remaining from business organizations
- Over-proportionally high number of management positions
- Max. 6 hierarchy levels below C-level (down from currently up to 10); management span<sup>1</sup> increasing from 1:4 to 1:7

Non-personnel costs

**~20%**

e.g.:

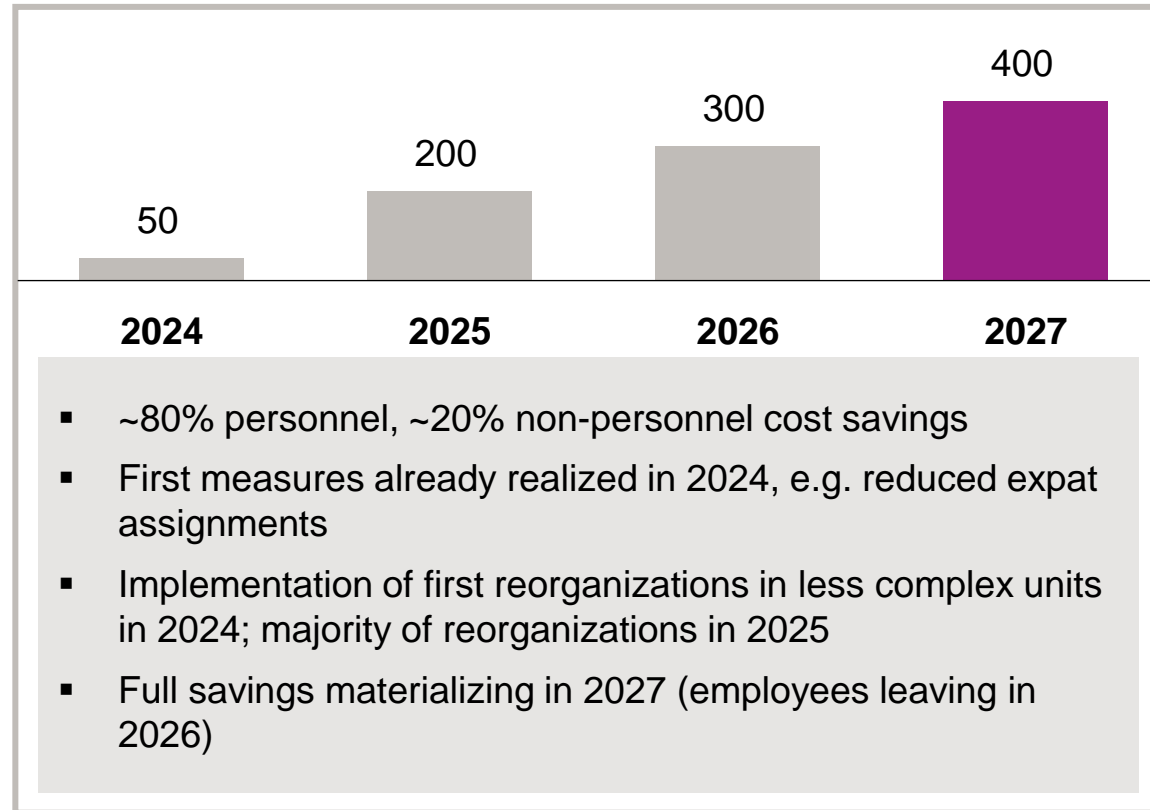
- Agency & consulting costs
- Sport sponsoring

1. Number of employees per leadership position

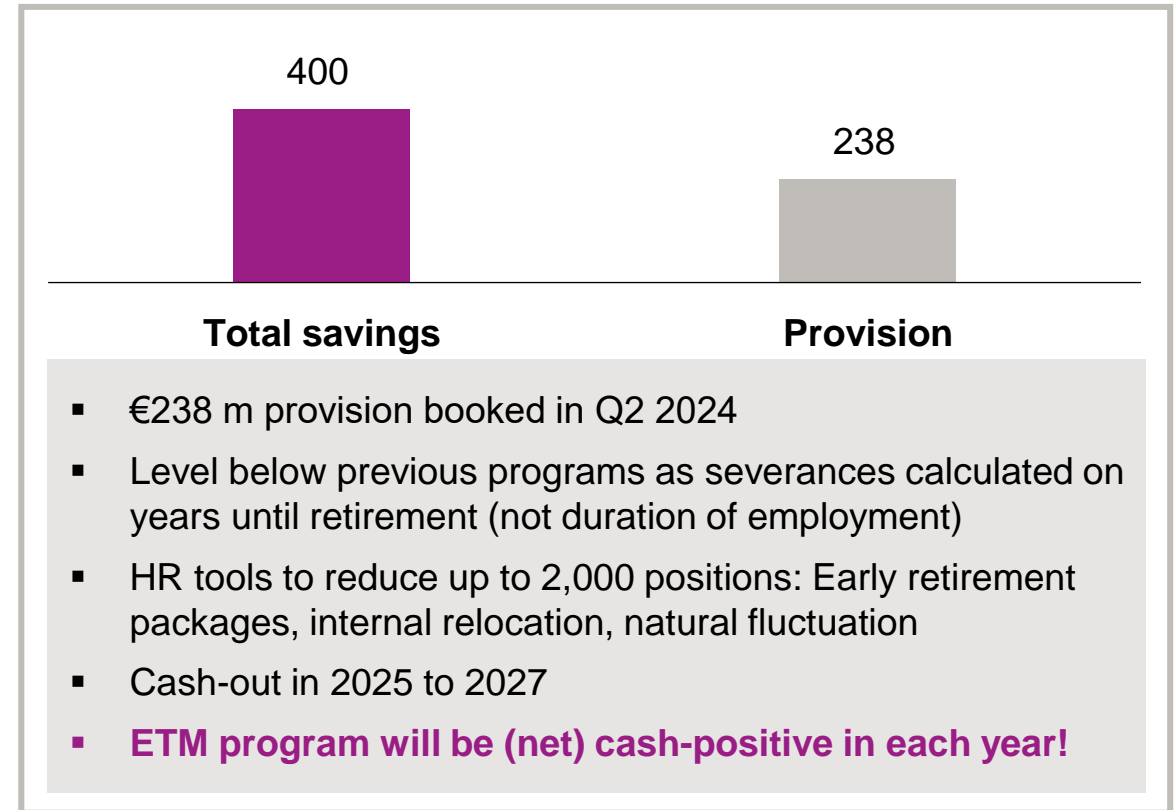
# Evonik Tailor Made

## First material savings in FY 2025 – (net) cash-positive in each year

### Phasing of cost savings<sup>1</sup> (cumulated; in € m)



### Total savings and Provision



1. Final numbers subject to further alignment with co-determination bodies

# Diversity goes far beyond qualitative targets: We approach diversity with diversity

## Diversity is key to economic success

- Evonik ranks among **top European companies** in terms of diversity
- We address **diversity** strategically, culturally and with an eye toward our business processes
- **Top management** as prominent **role model** in embracing diversity, e.g. in Diversity Council



## Specific goals with highest priority (by 2026)

- **Gender diversity:** e.g. **30%** of executive, senior management and on manager level (2023: 22%/19%/30%)
- **Intercultural mix:** e.g. **25%** of executive and **35%** of senior management positions (2023: 18%/26%)

## Diversity goes far beyond qualitative targets!

- Diversity is not only a numeric game but a **matter of culture**
- An **inclusive mindset and behavior** ultimately determine if we can utilize diversity successfully

Diversity creates growth

Diversity creates innovation

Diversity brings us closer to our customers

Diversity is our future

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# Specialty Additives

## Additive solutions for maximum performance

“SMALL AMOUNT. BIG EFFECT.”

FY 2023  
financials



Margin<sup>1</sup>: **19%**



Sales: **€3,520 m**



ROCE: **11%**

Key  
products &  
solutions



Additives for  
coatings and inks



Additives for  
polyurethane foam



Specialty defoamers  
and wetting agents



Epoxy hardeners  
for crosslinkers

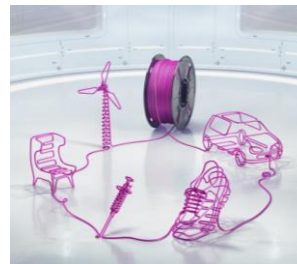


Lubricant additives

Growth  
highlights



Making the  
difference



Enabling  
circular  
economy

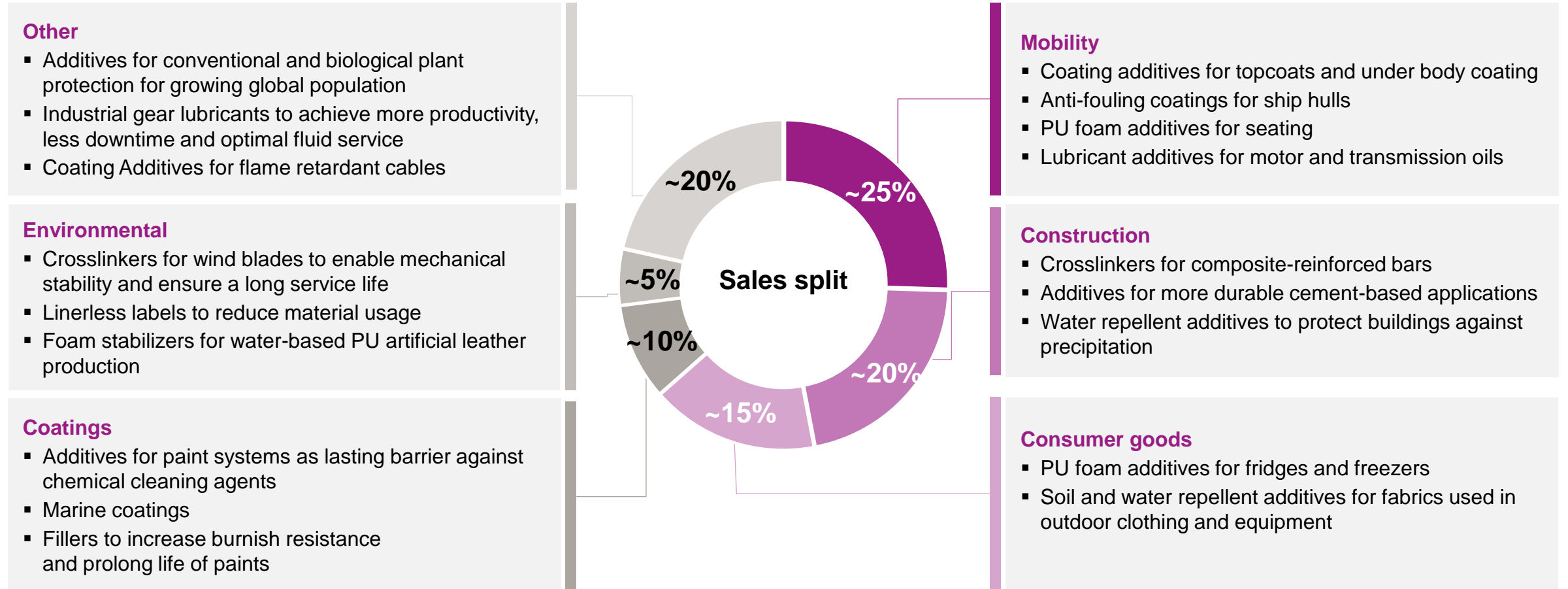


Digital  
Solutions

1. Adjusted EBITDA margin

# Specialty Additives

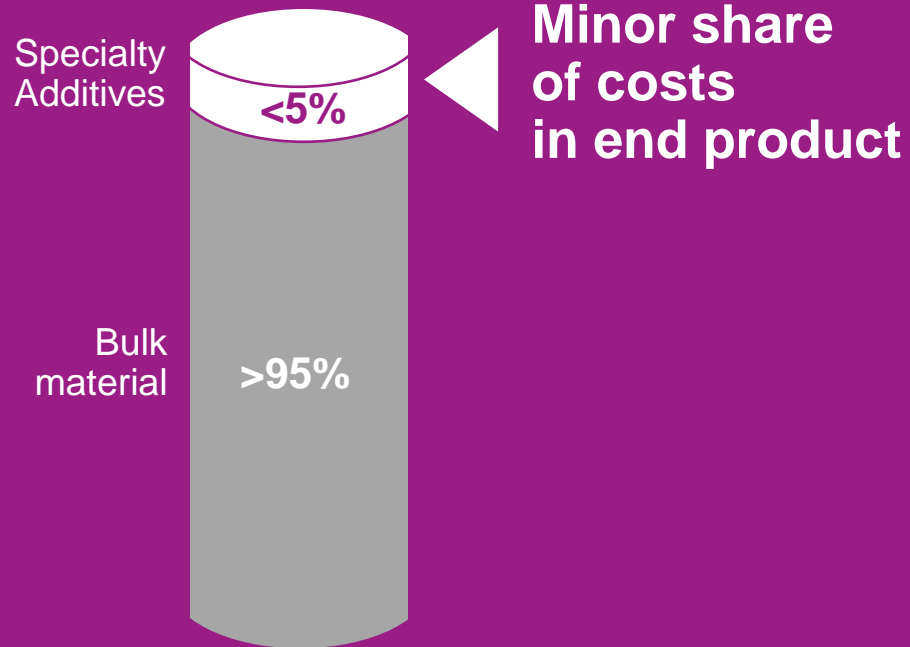
## End markets and product examples



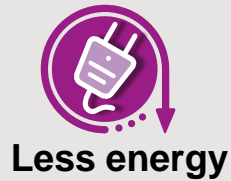
# Specialty Additives make the difference in customer's formulations

## Improving product characteristics and sustainability profile

### SMALL AMOUNT.



### BIG EFFECT.



Less energy

Novel **PU additives** enabling environmentally-friendly **housing insulation spray foam**



More protection

**Coating additives** prolong life of wall paints



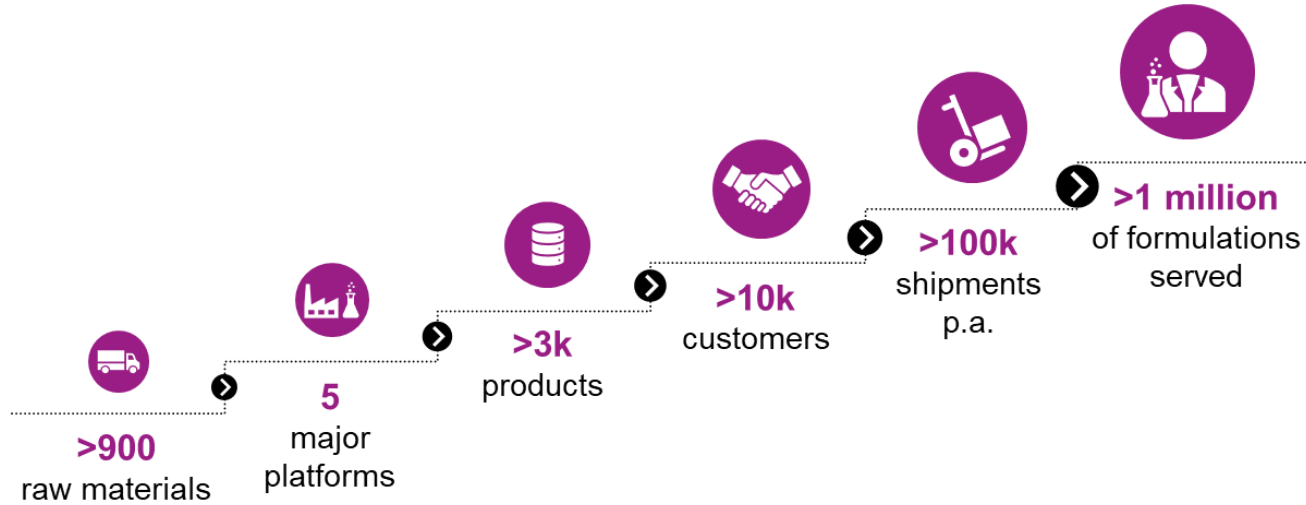
Less waste

**Silicone coatings for linerless labels** resulting in up to 40% material reduction



# Specialty Additives is mastering a highly complex business

## Resulting in tangible benefits



**High barriers to entry**

**Strong market & customer position**

**Resilient financial performance**

### Mastering complexity

How?

- |          |                             |          |                             |
|----------|-----------------------------|----------|-----------------------------|
| <b>1</b> | Experienced management team | <b>2</b> | Digitalization & automation |
| <b>3</b> | Culture & collaboration     | <b>4</b> | Supply chain excellence     |



# Specialty Additives Play

## 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

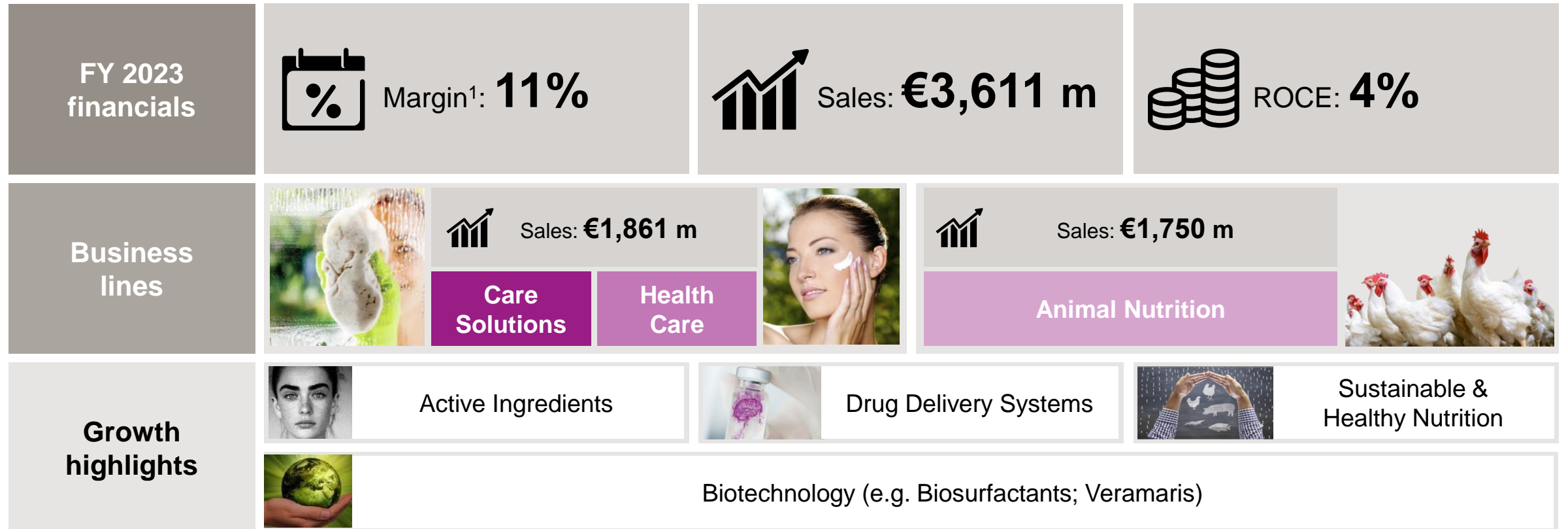
Broad spectrum of tailored product for numerous customers



# Nutrition & Care

Focused portfolio on consumer-oriented end markets with high level of synergies

“Life at heart. Systems in mind. Partners at hand.”



1. Adjusted EBITDA margin

# Nutrition & Care

## End markets and product examples

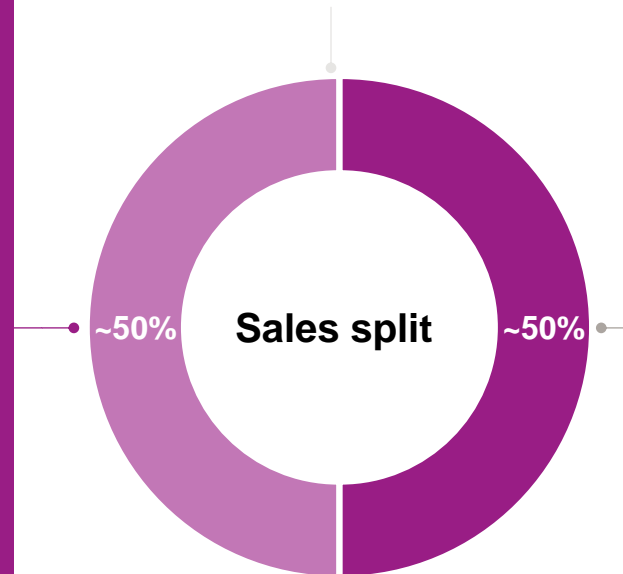
### Health & Care

#### Personal and Home Care

- Cosmetic Active Ingredients
- Active Delivery Systems
- Cosmetic Functional Ingredients
- Biosurfactants
- Fabric Enhancer
- Industrial and Institutional Cleaning

#### Pharmaceutical

- Drug Delivery Systems
- Contract Development and Manufacturing (CDMO)
- Active Pharmaceutical Ingredients (APIs)
- Pharma Amino Acids
- Cell Culture & Tissue Engineering
- Medical Devices



### Nutrition

#### Animal Nutrition

- Amino Acids
- Delivery Systems in Dairy Cows
- Gut Health Solutions
- Enhancement of energy metabolism
- Natural Algal Oil (Veramaris)
- Digital and Analytical Services

# Nutrition & Care growth: Focusing on shared technology platforms

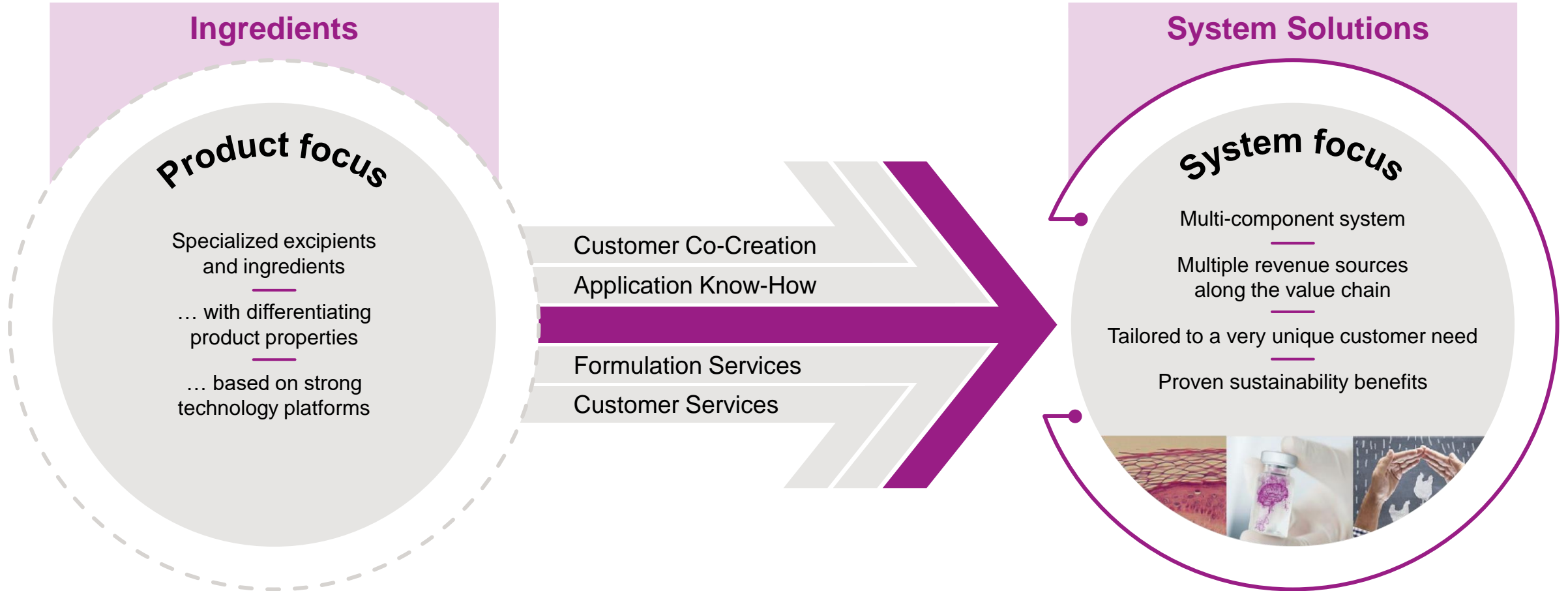
## Strong synergies and joint resources across all three businesses

### Technology Platform Example Biotechnology – Process Excellence and Launched Products

	Care Solutions	Health Care	Sustainable Nutrition
Microbiome Modulation	Microbiotic actives to support skin barrier function	Probiotics and Gut Health Solutions	
Biotech Processes	Non-animal derived Collagen	Cell Culture	Natural algae-based omega 3 fatty acids
	Actives (e.g. Ceramides)	CDMO (e.g. fermentation-based proteins)	
	Biosurfactants	Amino acids pharma grade	Bio amino acids

# Nutrition & Care: Strategic portfolio shift towards “System Solutions”

## Portfolio upgrade towards higher specialization and higher returns



# Nutrition & Care: System Solutions businesses as major growth driver

## >50% sales from Systems Solutions as strong commitment

### Sales share of System Solutions



### Resulting in....

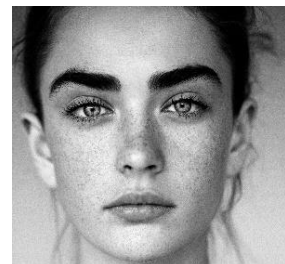
Higher **growth prospects**

Strong **pricing** power

Above average **margin**

Higher **return on capital**

### Examples of System Solutions



#### Active Ingredients – Retinol

- Reducing wrinkles without inducing skin irritation
- **Formulation service:** Encapsulation as delivery technology to increase stability and bioavailability



#### Drug Delivery Systems – Complex Parenterals

- **Lipid nano particles** for vaccination, cell and gene therapy
- **Integrated services** from feasibility to commercial



#### Sustainable & Healthy Nutrition – Probiotics




- **GutCare®** for healthy poultry nutrition without AGP<sup>1)</sup>
- Holistic, ready-to-use **concepts for animal diet formulations**, designed on specific customer needs

1: Antibiotic Growth Promoters

# Smart Materials

Focused portfolio on environmentally friendly solutions

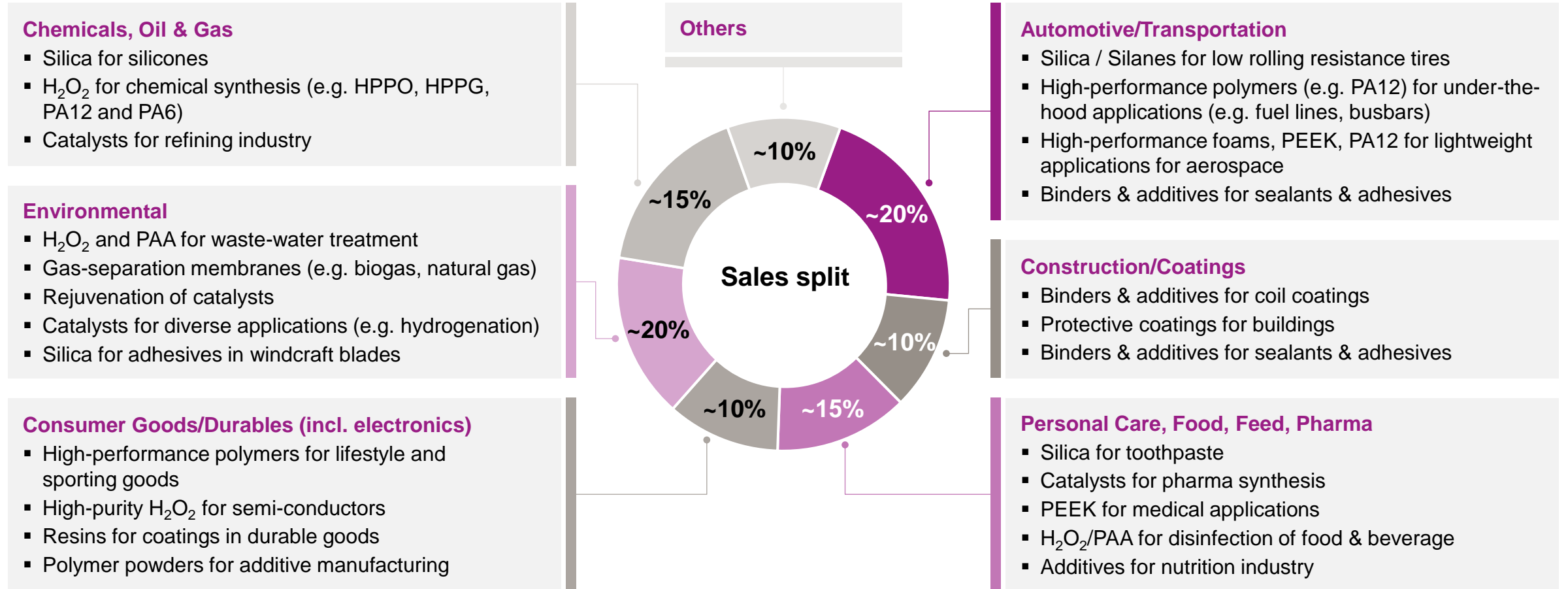
“We find solutions for the needs of today and tomorrow”

FY 2023 financials	 Margin <sup>1</sup> : <b>12%</b>	 Sales <sup>2</sup> : <b>€4,461 m</b>	 ROCE: <b>4%</b>	
Two strong technology platforms	 Sales: <b>€3,238 m</b> <b>Inorganics</b>		 Sales: <b>€1,224 m</b> <b>Polymers</b>	
Growth highlights	 Accelerating Energy Transition (e.g. PA12, Battery Materials, Membranes)			
	 Enabling Circularity (e.g. Active Oxygens, Catalysts, Green Silica)			

1. Adjusted EBITDA margin

# Smart Materials

## End markets and product examples





# We are “smart(er)” since...

## ... we develop innovative solutions

### Rohacell

PMI<sup>1</sup>-based structural foam at the core of lightweight high-performance fiber composites for demanding aerospace applications



### Anion Exchange Membrane (AEM)

Ion-conducting membranes for water electrolysis in alkaline conditions – the more efficient way to green hydrogen



## ... we tailor our solutions to the customers' needs



**>100** individual Silica grades to solve our customers' challenges



High performance polymers: **~500** customer/application-specific products



Specialized polymer powders for 3D printing process allowing for series production of complex and individualized products

## ... we help our customers with individual know-how and services

**840** employees in product, application and process development

**Service teams** for equipment, installation and full start-up support (e.g. to ensure dosing accuracy for Peracetic Acid in poultry anti-microbial interventions)

**80 years** of catalysts development expertise

**External partners** contributing in close cooperation to technology development

1. Polymethacrylimide.

# Smart Materials with growth fields addressing our four Sustainability Focus Areas

## Future Mobility solutions

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



## Excel® technology for catalysts

- Rejuvenation of catalysts avoids waste and reduces CO<sub>2</sub> by >50%
- Excel® technology to reduce the CO<sub>2</sub> footprint of hydro-processing in refineries



- Environmentally friendly oxidizer for food sanitation meeting stricter governmental regulations
- Hydrogen peroxide purified and diluted to various concentrations



- Superior biogas upgrading with hollow-fibre membranes
- Superior methane efficiency and low methane slip



## Active Oxygens for food safety

## Biogas membrane



# Future Mobility solutions:

## Extending the value potential of a conventional car (~€30)

### Electric/Electronic Components

e.g. power busbar insulation

### Tires

Reduced rolling resistance for extended range  
Higher abrasion resistance for EV acceleration

### Thermal Management

e.g. battery cooling lines

### Battery

Electrode materials & additives for separators

## Hybrid Car

In a hybrid car,  
Smart Materials' existing solutions  
with a value potential of

~€45



## Full Battery Car

In a full battery car,  
Smart Materials' existing solutions  
with a value potential of

~€70

# Our Membranes Vision: Smart enabler to the sustainable gas economy

## Contributing to the transition with superior membrane technology



With our **membrane technology**, we significantly contribute to the transition to a sustainable gas economy:

### 1 SEPURAN® Green

- Raw biogas from organic waste is converted into **sustainable biomethane** and "green" CO<sub>2</sub>

### 2 SEPURAN® Noble

- Our **hydrogen extraction membranes** enable to **use existing natural gas pipelines** to transport and extract green hydrogen
- In the **production of synthetic biomethane** from CO<sub>2</sub> and green hydrogen, we ensure efficient product separation

### 3 Anion Exchange Membrane

- With our ion-conducting AEM membranes, we contribute to the **breakthrough of electrolytic production of green hydrogen** in the future

**Discover more details  
on our divisions  
on our website**

# Table of contents

---

## 1. Strategy

- Portfolio
- Sustainability
- Innovation
- Culture

## 2. Divisions

- Specialty Additives
- Nutrition & Care
- Smart Materials

## 3. Financials

# Financial targets

## Mid-term targets

Organic sales growth CAGR<sup>1</sup>

>4%

Structurally lift **EBITDA margin**  
into sustainably higher range of

**18-20%**

Cash Conversion ratio of<sup>2</sup>

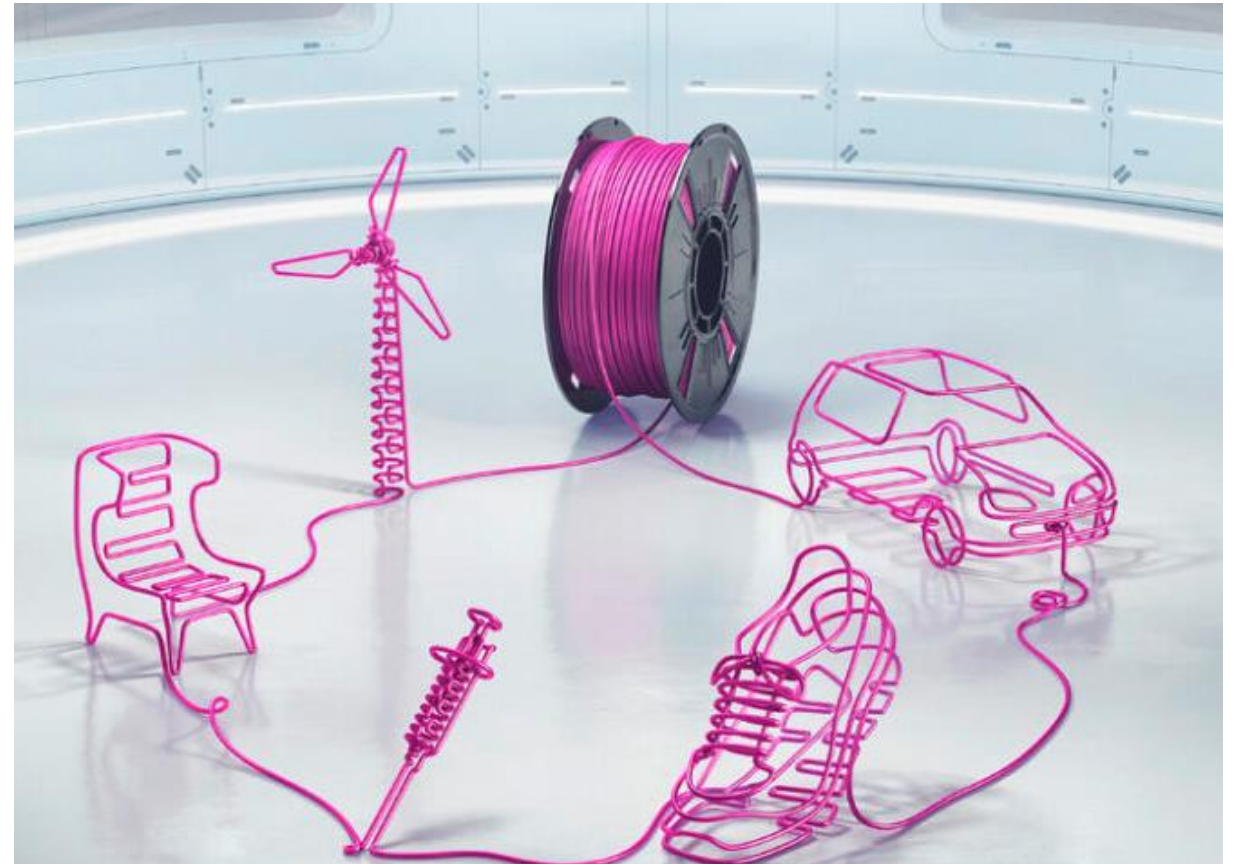
>40%

ROCE well above Cost of Capital

~11%

Reliable and sustainably growing dividend

Solid investment grade rating



1. In growth divisions | 2. Cash Conversion ratio defined as FCF/Adj. EBITDA

# Capital allocation priorities

## Significant cash inflow ...

### Increasing Operating Cash Flow

Attractive cash conversion  
with steadily growing earnings

### Divestment proceeds Performance Materials

## ... invested into our green transformation

**>€3 bn**  
2022-2030

**Growth  
capex for**

**NEXTGEN**   
Solutions

**~€700 m**  
2022-2030

**Capex for**

**NEXTGEN**   
Technologies

**Targeted M&A**  
to accelerate green portfolio transformation

Reliable and sustainably growing **dividend**

Solid investment grade rating

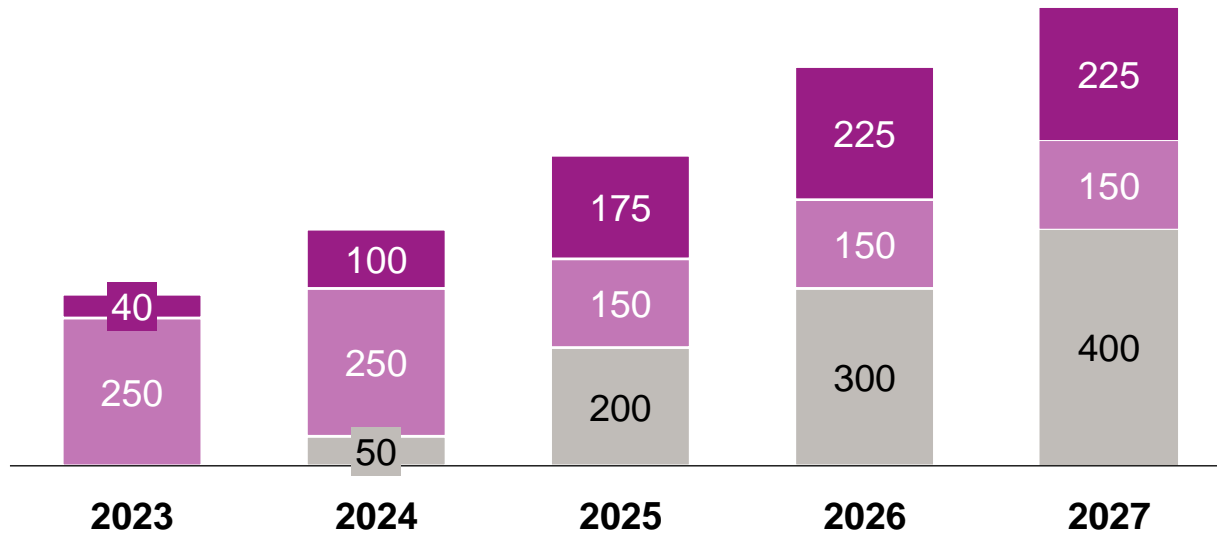


# Cost savings programs continue to support earnings and margins

## Overview gross savings (in € m)

■ Evonik Tailor Made ■ Contingencies ■ Business Optimization

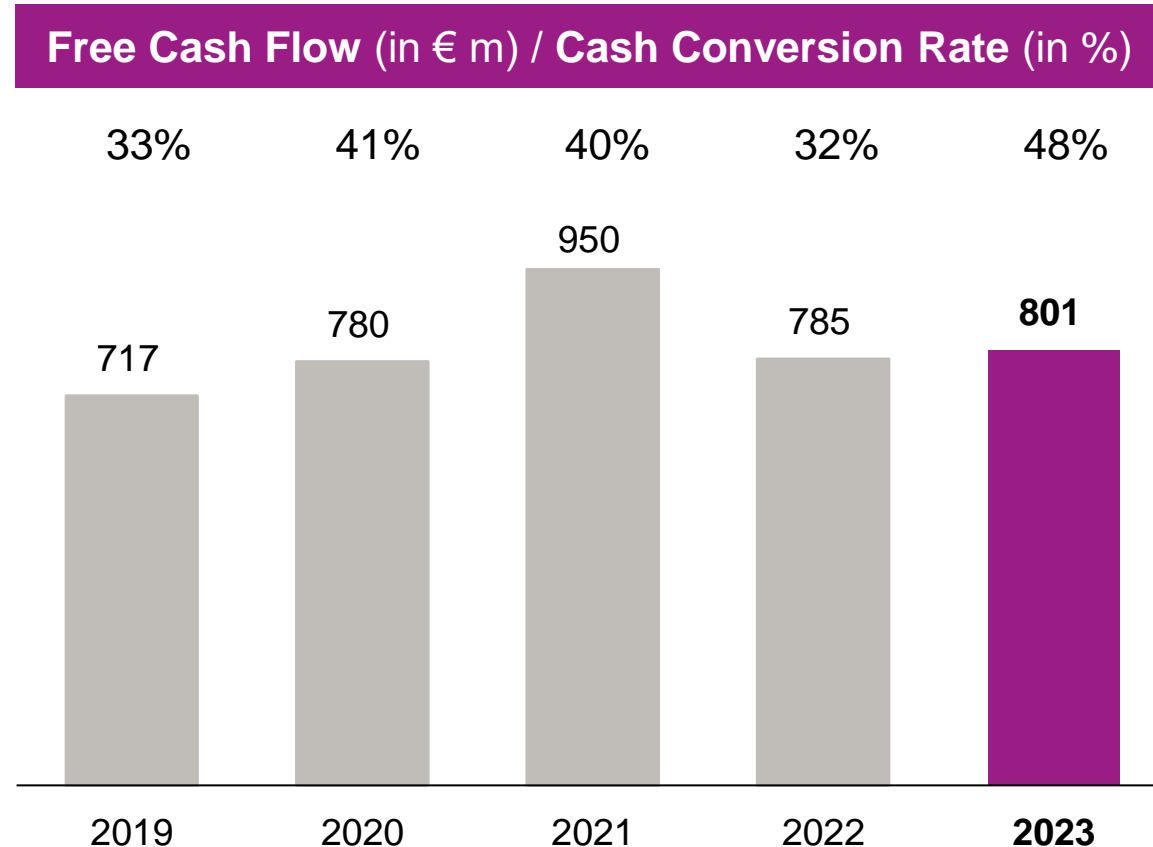
*Gross savings partly countered by factor cost increases*



## Effects in FY 2025

- Business optimization: **Additional gross ~€75 m** from measures in Animal Nutrition (started in 2023, full effect in FY 2026) as well as Coating Adhesive Resins and Health Care (started H2 2024)
- Short-term contingencies: Introduced in FY 2023, will be **partly reversed** in FY 2025 (**-€100 m**) to support business recovery seen this year
- “Evonik Tailor Made”: **Additional ~€150 m** gross savings in FY 2025

# FCF: Strong track record of cash generation



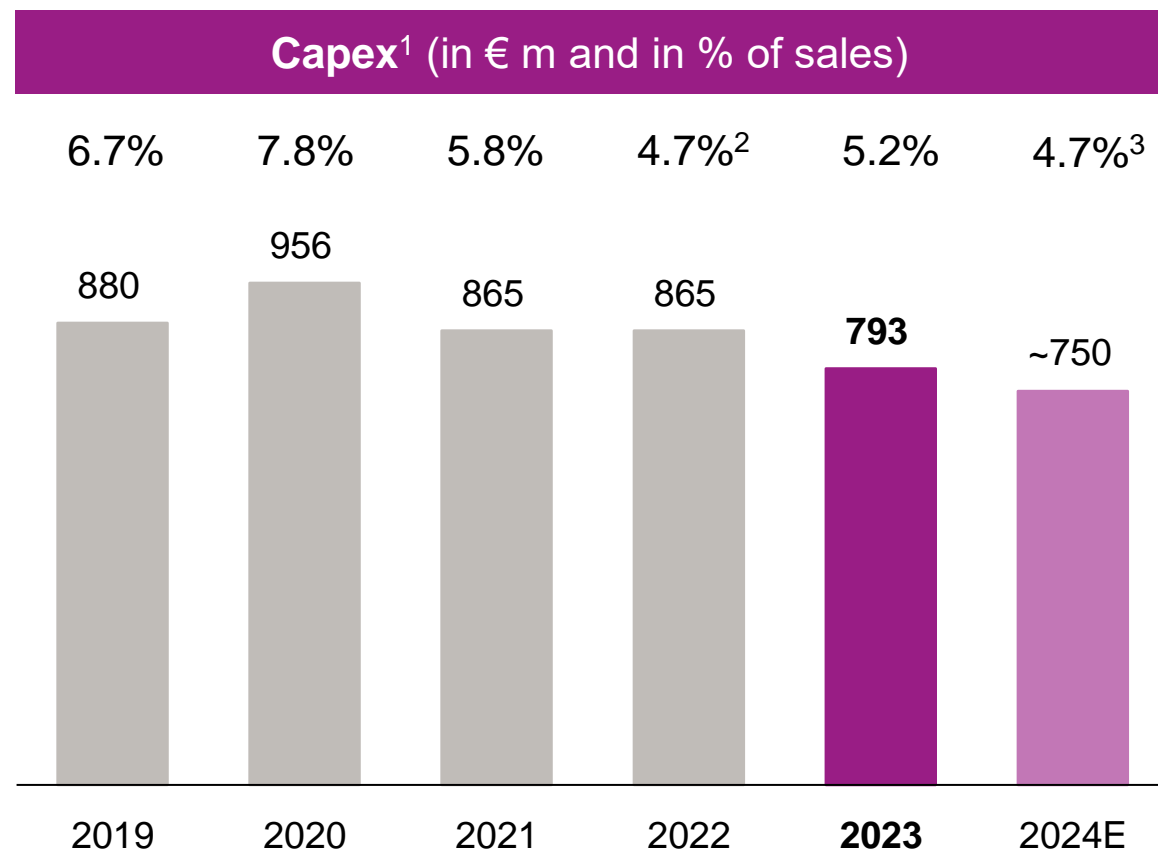
## Track record of strong and stable cash generation

- >€700 m FCF and >30% CCR in each of last five years
- Average cash conversion rate of 39%

## FY 2023

- Stable FCF despite >€800 m lower adj. EBITDA
- >€700 m positive cash impact yoy from stringent NWC management

# Strong capex discipline supporting cash track record



## Capex constantly lowered over recent years

- Larger capex projects (e.g. PA12 or Methionine) completed
- Current low utilization rates enable growth without larger new investments

## More targeted investment approach

- Leveraging government support where possible (e.g. lipids in the US, aluminum oxide in Japan)
- Focusing capex on attractive growth areas (e.g. biosurfactants, lipids, battery materials)

## About half maintenance, half growth capex

- Improved handprint: Majority of growth capex for “Next Generation Solutions”
- Improved footprint: Capex for “Next Generation Technologies” largely part of maintenance spend



1. Cash outflow for investment in intangible assets, pp&e | 2. Sales inflated by prices | 3. At mid-point of sales guidance range of €15-17 bn in FY 2024

# Clear value generation with investments into “Next Generation Solutions” and “Next Generation Technologies”

## Target & benefit

### NEXTGEN Solutions

NEXTGEN Solutions 

**>50%**  
sales share

Products with superior sustainability<sup>1</sup> and financial performance

## 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%)
- CO<sub>2</sub> pricing implemented

### NEXTGEN Technologies



**2030**

**-25%<sup>2</sup>**

Scope 1+2

Projects to lower CO<sub>2</sub> emissions with value-enhancing, positive NPVs

**€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.)**

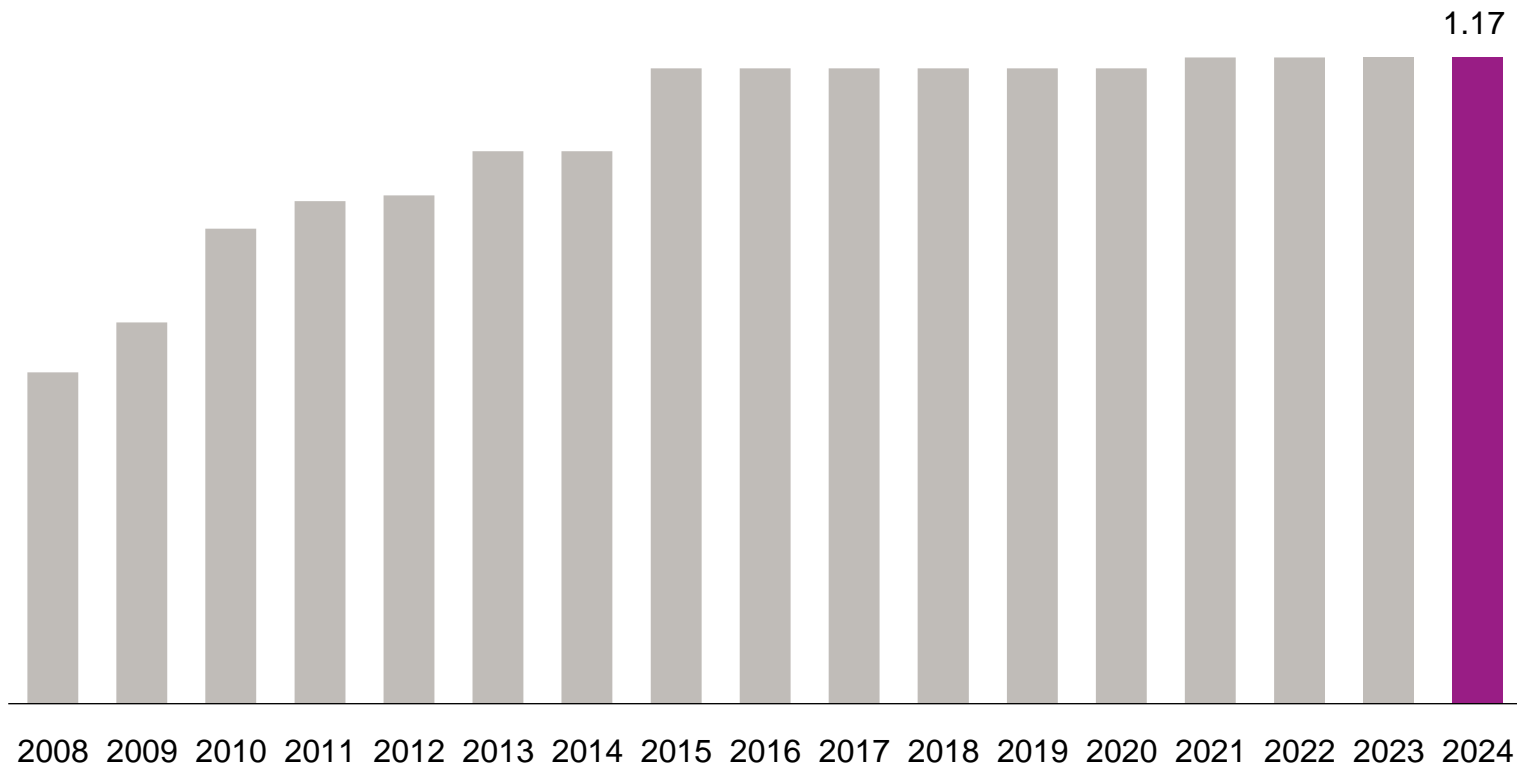
1. “Next Generation Solutions” include “Leader” (A++) and “Driver” (A+) products and solutions

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

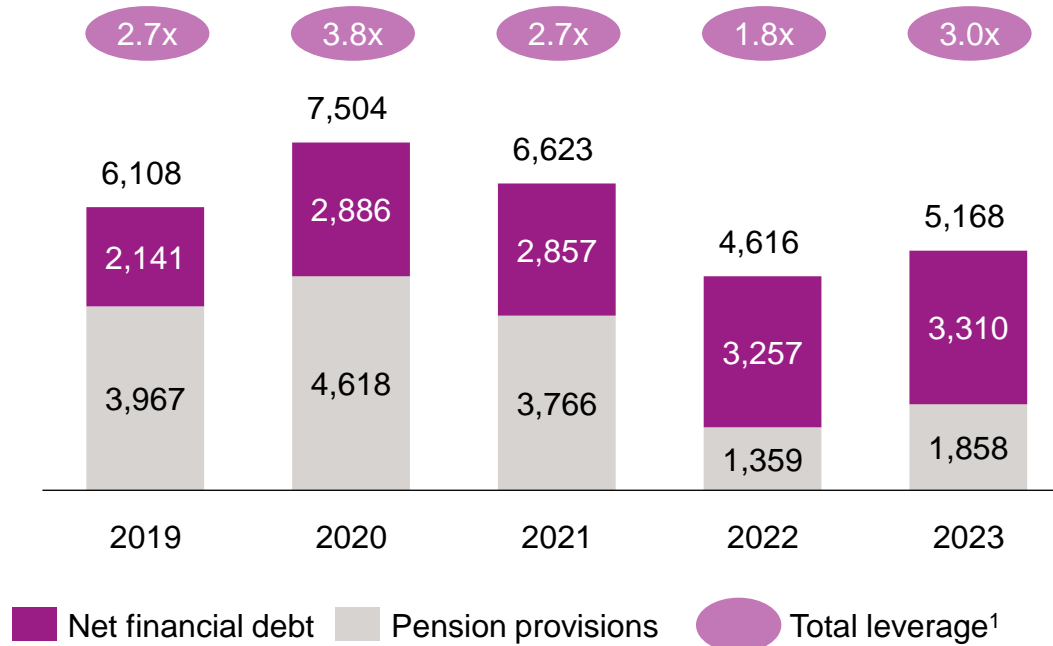
Dividend (in €) for FY



- **Stable with €1.17 in FY 2024**
- **Attractive dividend yield of ~6%**
- **Reliable dividend policy targeting:**
  - **Dividend continuity**
  - **Adj. EPS and FCF growth** with potential for sustainable **dividend growth** going forward

# Development of debt and leverage over time

(in € m)



<b>Adj. net debt<sup>2</sup></b>	5,858	7,254	6,373	4,366	4,918
<b>Adj. EBITDA (last 12 months)</b>	2,153	1,906	2,383	2,490	1,656
<b>German pension discount rate (%)</b>	1.30	0.90	1.30	4.10	3.50

## Net financial debt (€3,310 m)

- Net financial debt yoy broadly stable
- Lower adj. EBITDA leading to increase of net financial debt leverage to 1.8x<sup>3</sup>

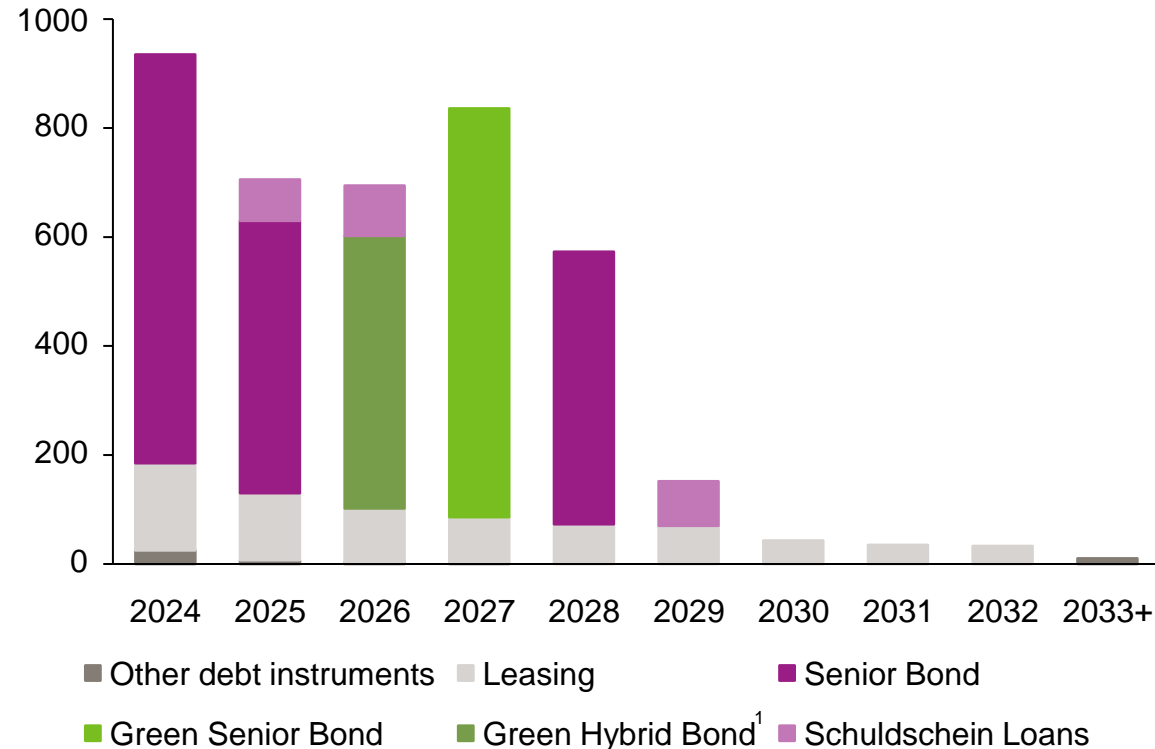
## Pension provisions (€1,858 m)

- Long-dated pension obligations with ~14 years duration
- ~€500 m / ~€700 m higher pension provisions yoy / qoq due to decrease of pension discount rates (in Germany from 4.1% / 4.4% to 3.5%)
- Pension provisions partly balanced by corresponding deferred tax assets of ~€0.6 bn<sup>4</sup>

1. Adj. net debt / adj. EBITDA | 2. Net financial debt – 50% hybrid bond + pension provisions  
3. (Net financial debt – 50% hybrid bond) / adj. EBITDA | 4. Before impairment

# Debt structure: Well balanced maturity profile

(in € m as of December 31, 2023)

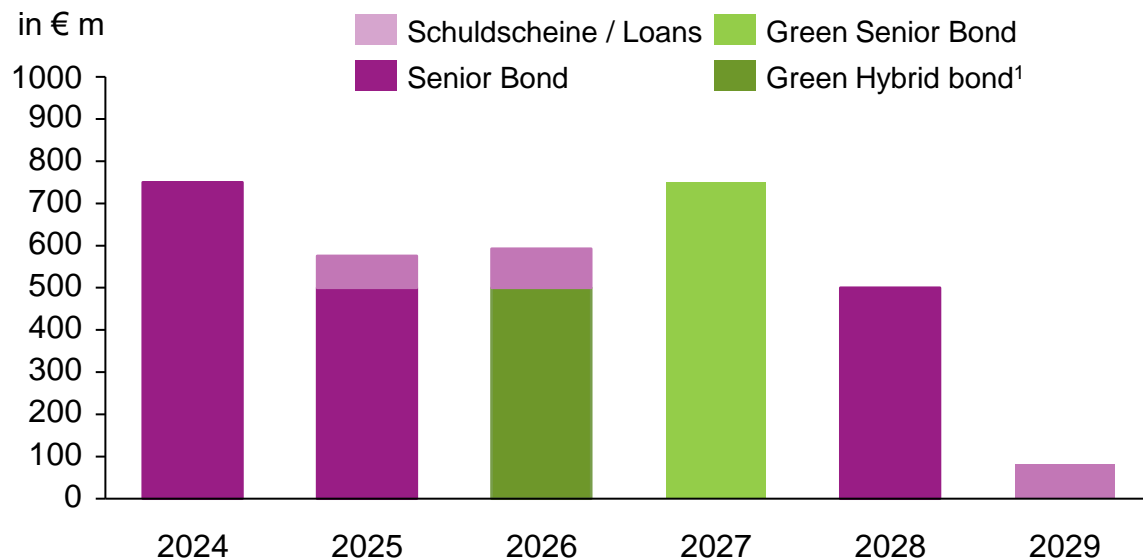


- **€500 m loan agreement** with **European Investment Bank (EIB)** signed in March 2024
- **Utilization period of EIB Loan** (18 months) allows flexible timing and sizing of drawdowns
- **Repayment of senior bond (€750 m)** in September 2024, **partially refinanced** through drawdown of first tranche of **EIB loan (€250 m)**
- Long-term capital market financing secured at favorable conditions:
  - average coupon of 1.1% p.a. on €2.5 bn senior bonds
  - coupon of 1.375% p.a. on €0.5 bn hybrid bond
- **€1.75 bn syndicated credit facility** refinanced in November 2022 with an initial tenor of 5 years (plus two extension options for one year each)
- First extension option exercised in 2023, i.e. **maturity extended to November 2028**

1. Formal lifetime of 60 years; first redemption right for Evonik in 2026

# Green bonds firmly established as financial instrument – supporting Evonik’s sustainability strategy

## Well-balanced bond maturity profile



## Green Bond Issuance

### Hybrid Bond

€500 m  
August 2021

### Senior Bond

€750 m  
May 2022

## Use of proceeds...

- ...according to **Green Finance Framework**, mainly allocated to **NextGen Solutions and NextGen Technologies** capex
- In addition, **green RD&I opex** for NextGen Solutions and expenses for **energy efficiency** and **renewable energy** (e.g. Green PPA)

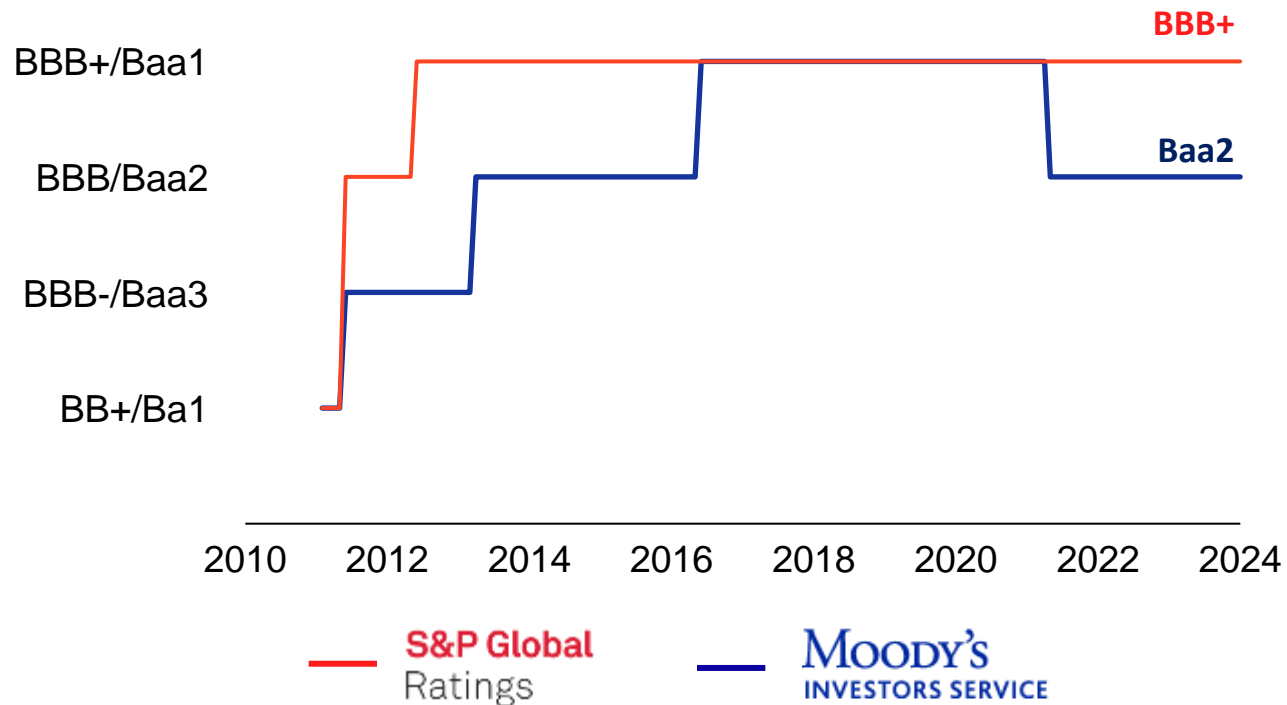
## Green Finance firmly established

- **Sustainability strategy** well **accepted** by reputable ESG-investors
- Green Finance can be an important **differentiating factor**, especially in **difficult market situations**
- **Contribution** to achieving **sustainability targets**, e.g. increase sales share of **Next Generation Solutions to >50%**

1. Formal lifetime of 60 years; first redemption right for Evonik in 2026



# Evonik has a strong rating track record: BBB+ by S&P and Baa2 by Moody's – both with stable outlook



S&P rating remains unchanged at **BBB+/stable** since 2012

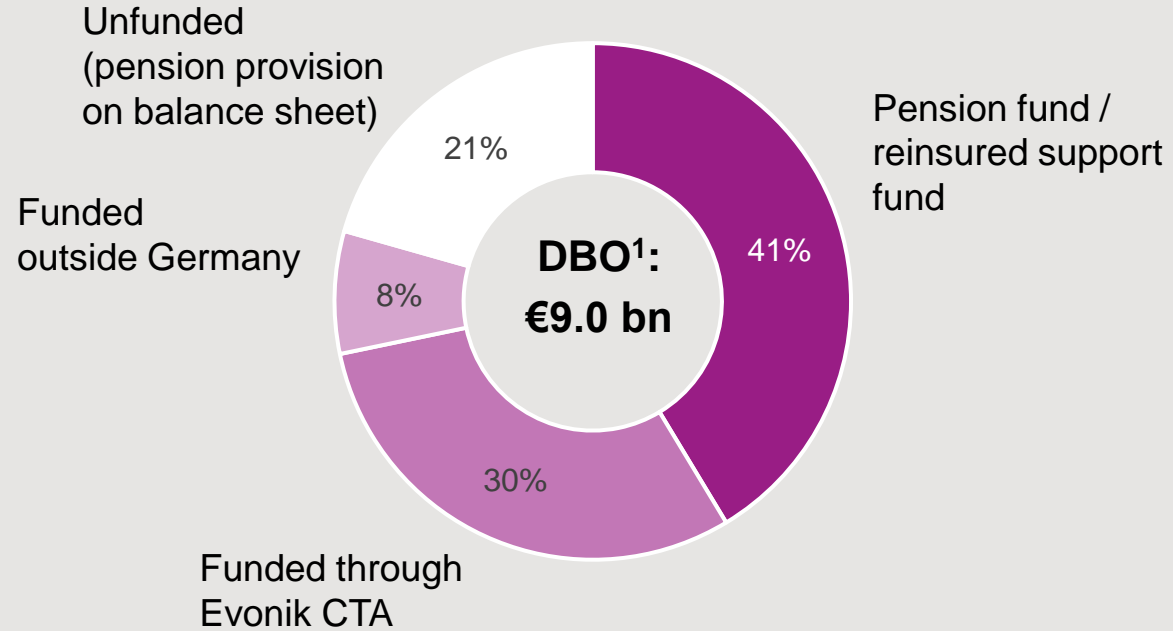
Moody's rating at **Baa2/stable** since 2021

Both rating agencies acknowledge

- a strong business profile of Evonik underpinned by significant size and leading global market positions
- greater-than-peer diversity in terms of end-markets and product range
- Strong commitment to a solid investment grade rating

Maintaining a solid investment grade rating is the central element in our financing strategy

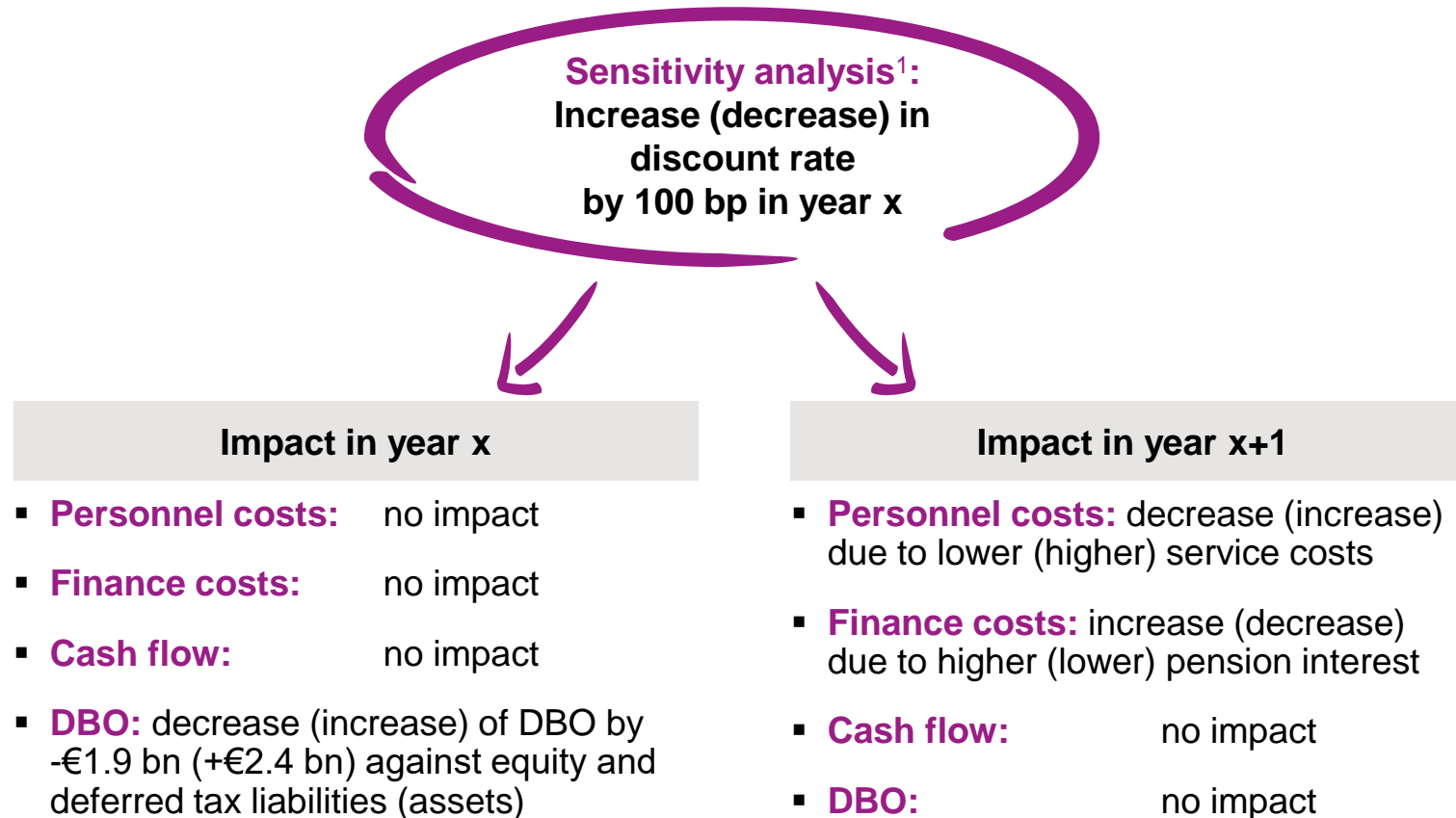
# Pension funding overview as of December 31, 2023



Funding level at ~80%

1. Defined benefit obligations

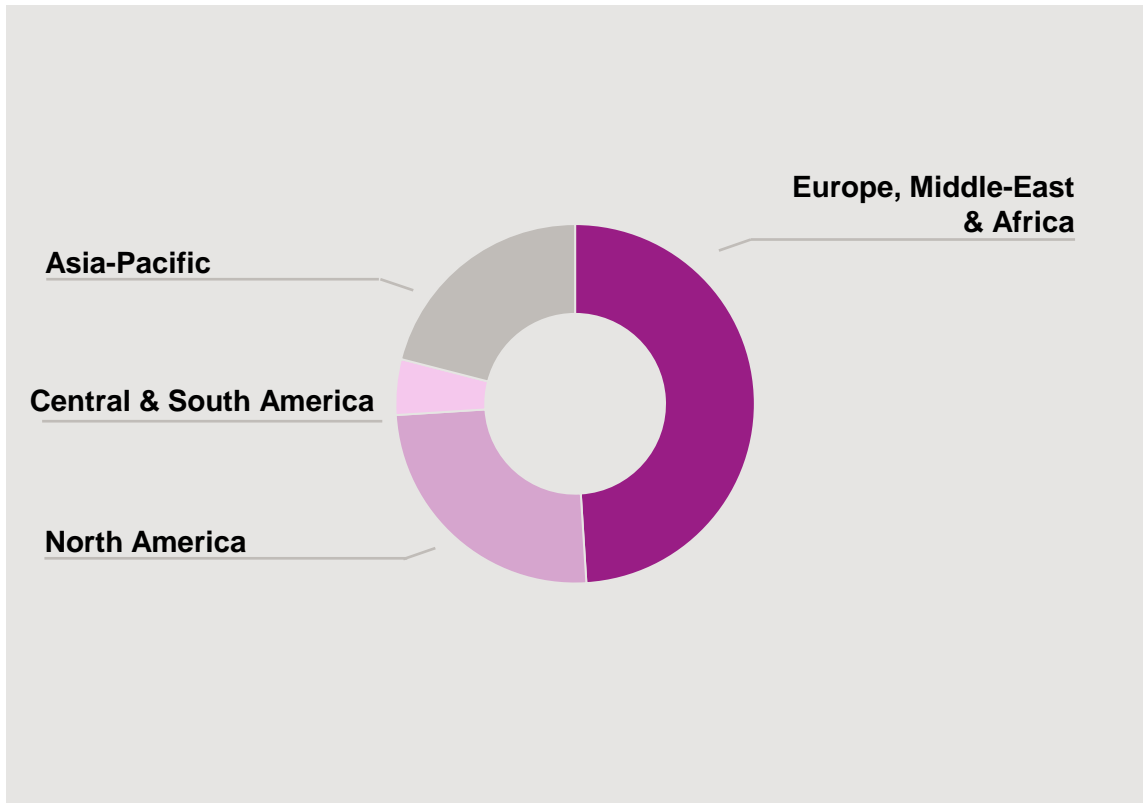
# Pensions: Sensitivity to discount rate changes



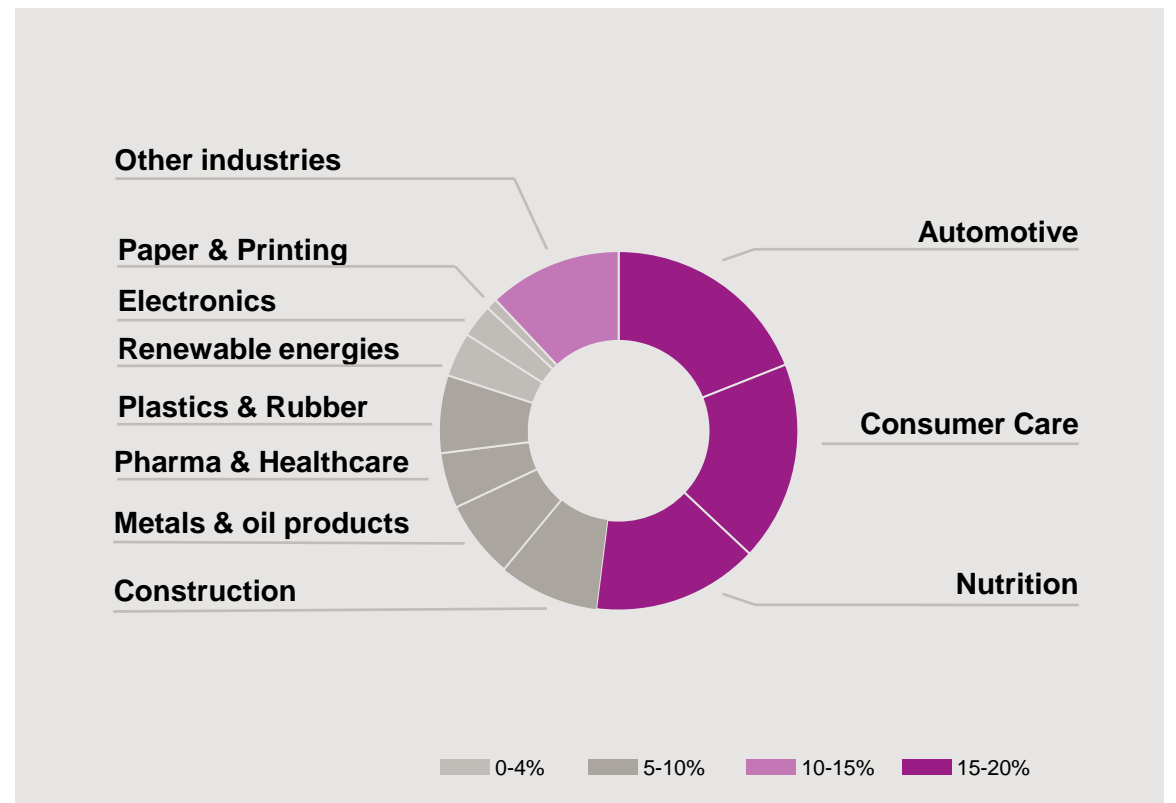
1: Excluding any effects from potential actuarial changes and changes in the valuation of plan assets

# Balanced regional and end market split

## Sales by region

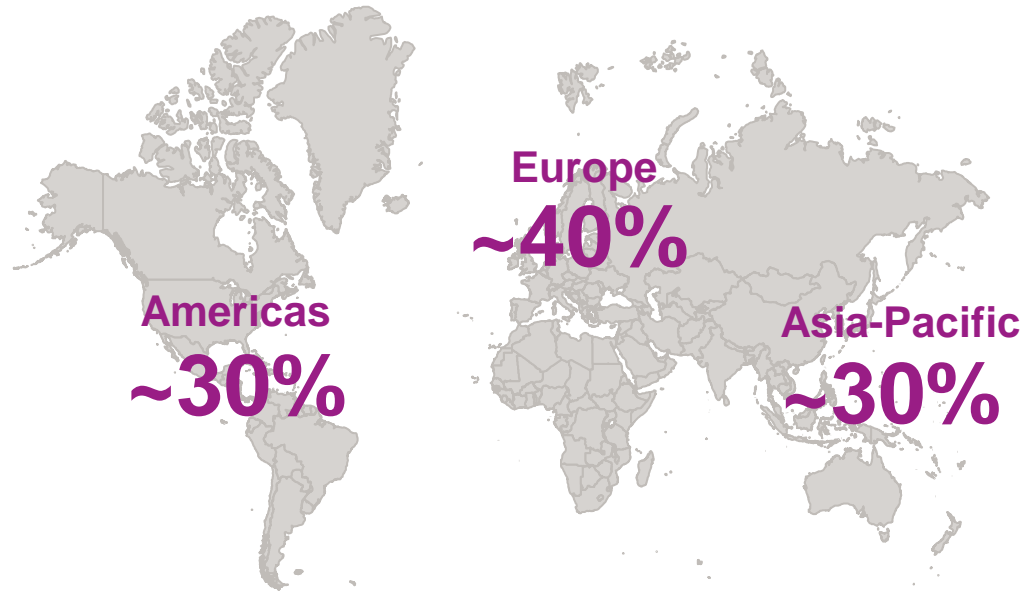


## End market split



# Balanced global production footprint

## Share of production volumes (in kt, FY 2021)<sup>1</sup>



All major value chains with production hubs in all three key regions

## European business with high competitiveness



### Portfolio

- Focus on less energy-intensive businesses
- Frontrunner in sustainability



### Innovation

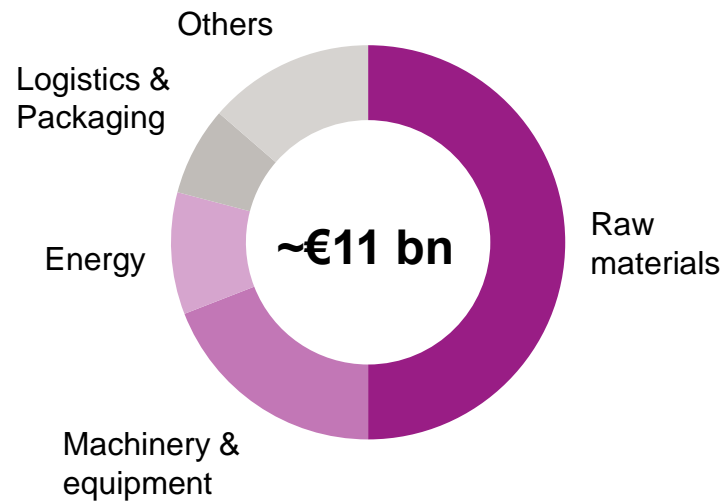
- Innovation-driven, customer-centric solutions
- Value-based pricing

Clearly profitable across all value chains in Europe – now and in the future

1. Excl. Performance Materials

# Procurement volume split & breakdown of raw material spend

## Total procurement volume 2023



## Breakdown of raw material spend (examples)

### Bio

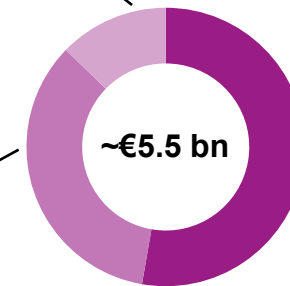
- Dextrose
- Fatty alcohols
- Tallow fatty acid
- Fatty acids
- Tallow

### Inorganics & others

- Sodium silicate
- Sodium hydroxide
- Silicon metal

### Fossil<sup>2</sup>

- Crack C4
- Propylene
- Acrylic acid
- Acetone
- Methanol



### Specialty Additives

Acetone  
Ammonia  
Fatty Alcohol

### Nutrition & Care

Propylene  
Methanol  
Dextrose

### Smart Materials

Sodium Silicate  
Silicone Metal  
Sodium Hydroxide

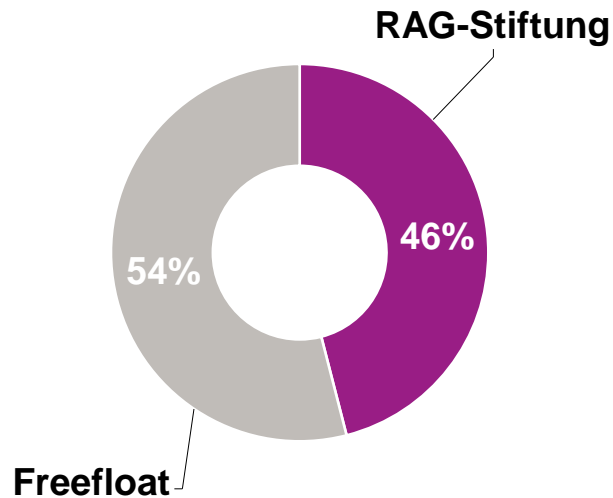
### Performance Materials

Crack C4  
Propylene  
Acrylic Acid

1: Gross energy bill, not considering the selling to external parties | 2: Fossil raws from base petrochemicals and synthetic organic markets

# Ownership structure: RAG-Stiftung as long-term shareholder

## Ownership structure



## RAG-Stiftung

- RAG-Stiftung (foundation) manages a portfolio of ~€18 bn assets, one of the biggest foundations in Europe
- Portfolio consists of publicly traded securities, private equity, direct holdings, real estate and bonds of various types
- RAG-Stiftung focuses on investments with high total shareholder return and strong cash/distribution profiles
- Underlying goal is to finance/cover the perpetual obligations arising from hard-coal mining in Germany
- About 75% of total portfolio invested in assets other than Evonik

### Bernd Tönjes, chairman of the RAG-Stiftung (June 11, 2024):

"The long-term goal was and is to hold 25.1% in Evonik ... We currently still have exchangeable bonds corresponding to almost 20% of Evonik shares that we hold for a possible exchange at maturity. If you have now done the math, you will find that there is not much missing from the aforementioned 25.1% and **thus the much-cited "overhang" no longer exists.**"

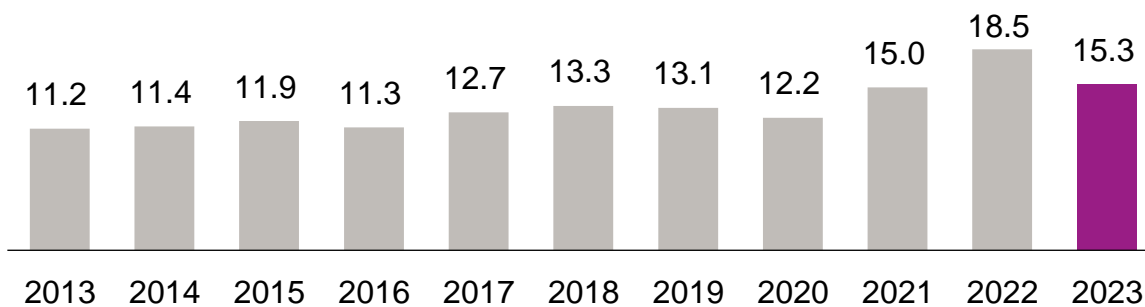
# Management compensation

<p>Fixed salary ~1/3</p>	<p>To be paid in cash for each financial year</p>	
<p>Bonus ~1/3</p>	<p><b>KPIs aligned to mid-term strategic targets</b> ... <b>and integrating Safety First mindset</b></p> <ol style="list-style-type: none"> <li>1. Progression towards EBITDA margin target</li> <li>2. EBITDA growth (yoy)</li> <li>3. Contribution to FCF target</li> <li>4. <b>Accident performance</b></li> </ol>	
<p>Long-term incentive plan ~1/3</p>	<p><b>80%</b> share price</p> <ul style="list-style-type: none"> <li>▪ Granted LTI target amount calculated in virtual shares (4-year lock-up)</li> <li>▪ Absolute performance: Real price of the Evonik share</li> <li>▪ Relative performance against external index benchmark (MSCI Chemicals)</li> </ul>	<p><b>20%</b> ESG</p> <p>LTI based on strategic ESG KPI's, e.g.:</p> <ul style="list-style-type: none"> <li>▪ <b>Sales share of "Next Generation Solutions"</b></li> <li>▪ <b>CO<sub>2</sub> emission reduction</b></li> <li>▪ <b>Employee commitment</b></li> </ul>

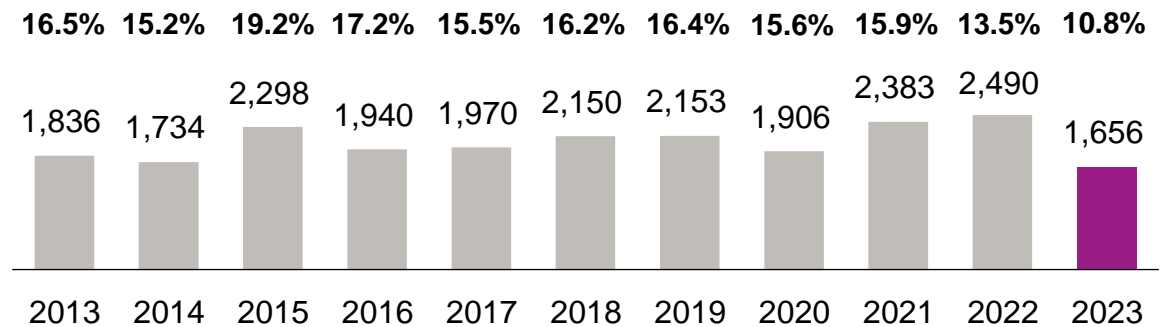


# Financials: Ten-year overview

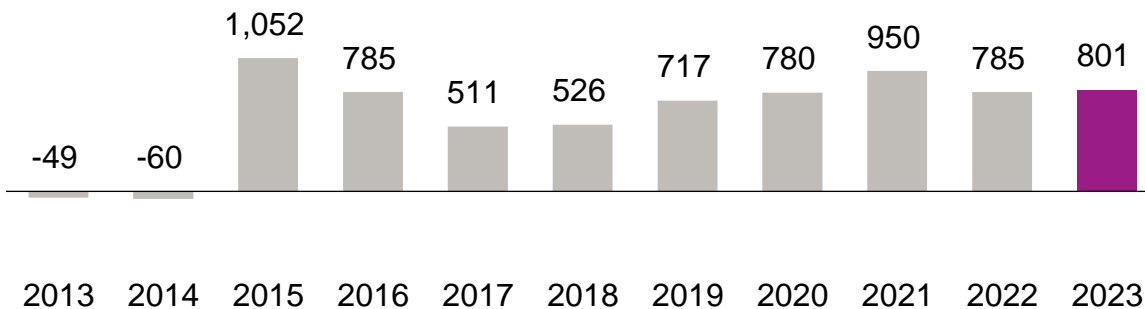
**Sales<sup>1</sup>** (in € bn)



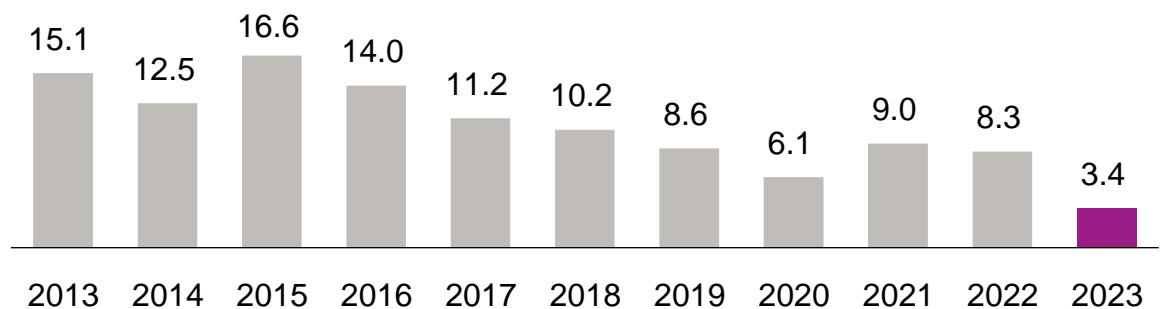
**Adj. EBITDA<sup>1</sup>** (in € m) / **margin** (in %)



**Free Cash Flow** (in € m)



**ROCE** (in %)



1: Continuing operations

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**Leading Beyond Chemistry**