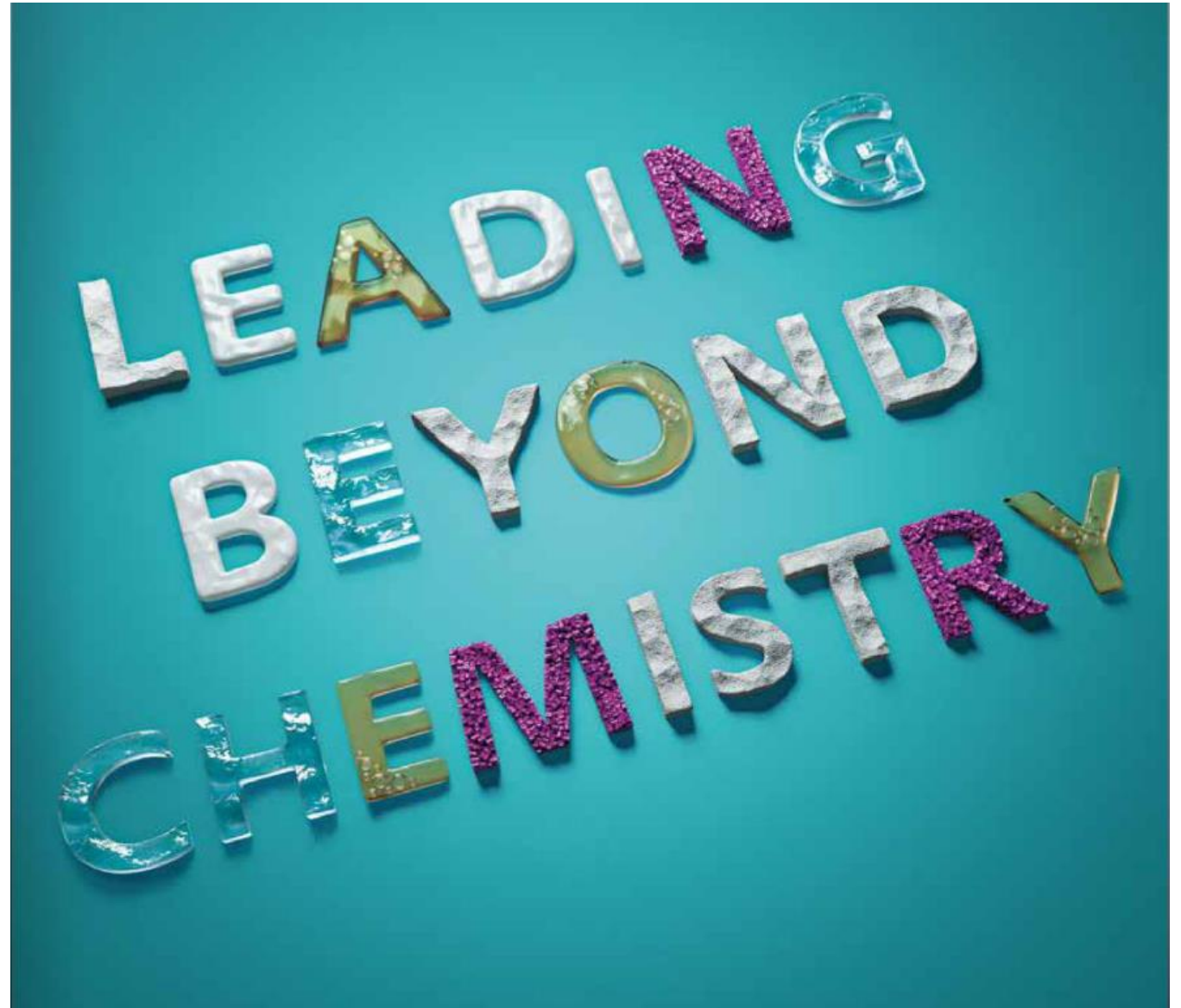


Evonik

Leading Beyond Chemistry

Company Presentation Q1 2021



Key Messages Q1 2021

Strong start into the year driven by “specialty growth”

Specialty growth

- Higher sales and adj. EBITDA in all three growth divisions – both vs. Q1 2020 and the pre-pandemic levels in Q1 2019
- **Specialty Additives** with further margin expansion on the back of strong demand across the division
- **Nutrition & Care** with clear margin improvement driven by shift to system solutions, active cost management and increasing prices
- **Smart Materials** recording strong volume growth supported by ongoing macro-economic recovery

Strong start into the year

- **Adj. EBITDA** up 15% yoy at €588 m
- Record-high **free cash flow** for a first quarter (€312 m)

Outlook range narrowed upwards

- **Adj. EBITDA** expected between €2.1 and 2.3 bn (previously: between €2.0 and 2.3 bn)
- Driven by upgraded divisional outlook for Specialty Additives and Nutrition & Care
- Targeting growth above 2019 pre-pandemic level

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LEADING BEYOND CHEMISTRY TO IMPROVE LIFE, TODAY AND TOMORROW

Leading Beyond Chemistry – Our purpose

Evonik on the way to become a best-in-class specialty chemicals company



Video “We are Evonik”

Leading ...

- Leading market positions in **80%** of our business
- Leading **key financial indicators**

... Beyond ...

- **Connecting skills** and perspectives
- Develop **solutions** together with partners
- **Sustainability** key driver of growth

... Chemistry

- Clear focus on **specialty chemicals**
- Target **100% specialty** portfolio

Leading Beyond Chemistry – Growth divisions

Specialty chemicals portfolio with strong positioning and attractive financials

Specialty Additives



Broad spectrum of additives for **maximum performance** which make the key difference

Nutrition & Care



Sustainable solutions for basic human needs in **resilient end markets** like pharma, personal care and animal nutrition

Smart Materials




Innovative materials that enable **resource-saving solutions** for environment, urbanization, mobility and health

Strong positioning ...

... and attractive financials¹

 Sales: €3,225 m


 Margin: 27%

 ROCE: 16%

 Sales: €2,992 m

 Margin: 19%

 ROCE: 8%

 Sales: €3,235 m

 Margin: 16%

 ROCE: 6%

1: FY 2020

Leading in Innovation – Growth fields and sales target

On track to achieve target of >€1 bn sales from innovation

Innovation Growth Fields



Advanced Food
Ingredients



Additive Manufacturing



Sustainable Nutrition



Cosmetic
Solutions



Membranes



Healthcare
Solutions

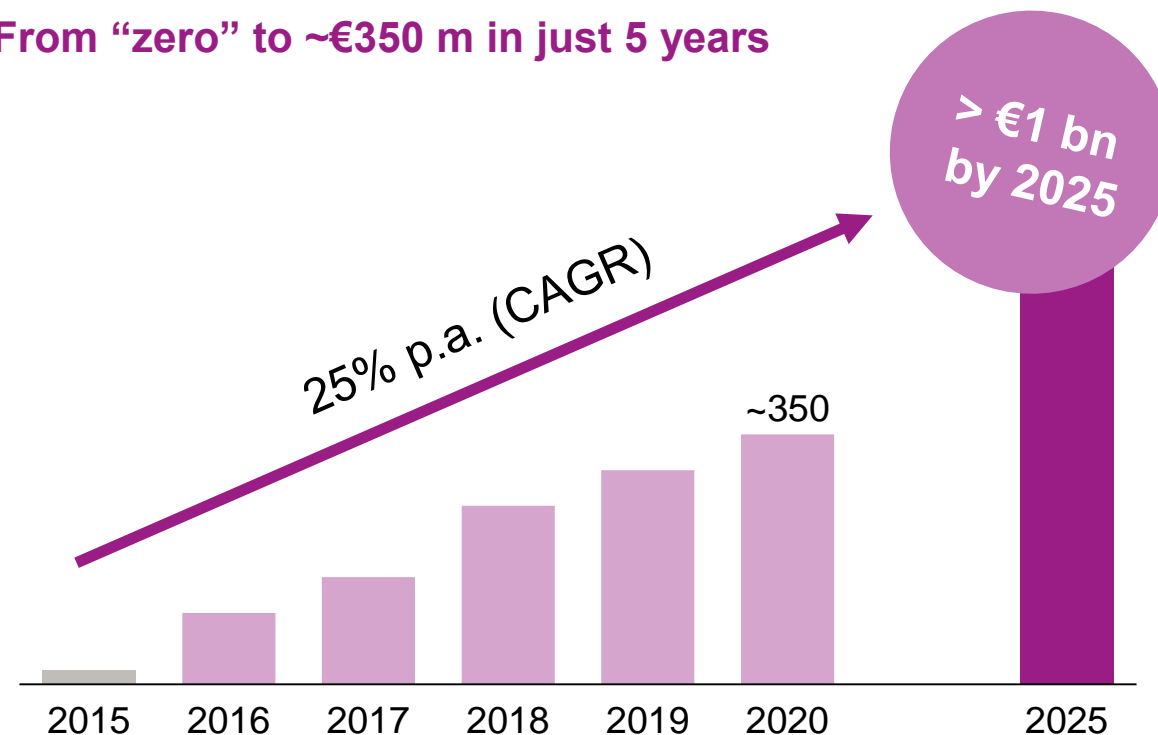


Sizeable sales base established
in all growth fields

Above-average margin contribution

Sales contribution Innovation Growth Fields

From “zero” to ~€350 m in just 5 years



Evonik aligned to sustainability

Sustainability as part of portfolio and strategic management processes

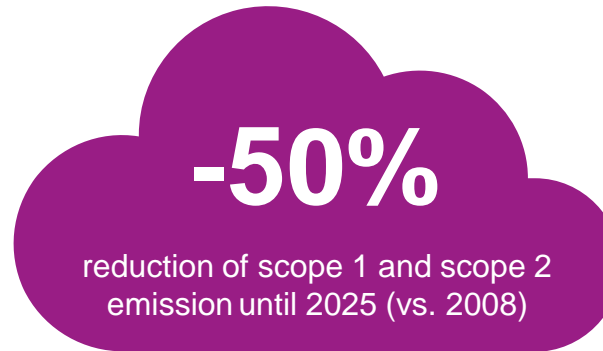
Excellent Rankings



Sector leading rankings

Evonik amongst leaders in all relevant ratings¹ –
“A” MSCI ESG rating, EcoVadis “Platin” rating,
“B-”ISS Oekom and “A-” CDP rating

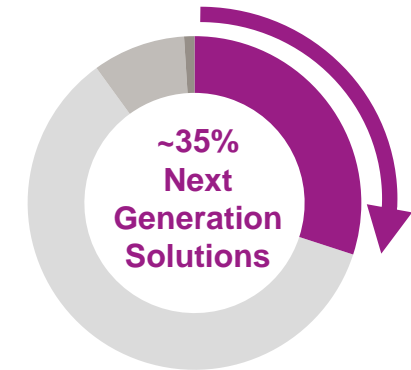
Environmental Targets



Ambitious environmental targets

Evonik’s sustainability strategy 2020+ with
ambitious climate and water targets

Portfolio Management



Portfolio aligned to sustainability

~35% of sales with superior sustainability benefits to
customers; integration of sustainability into strategic
management processes and decisions

1: See presentation back-up for rating details

Evonik – A compelling equity story today and tomorrow

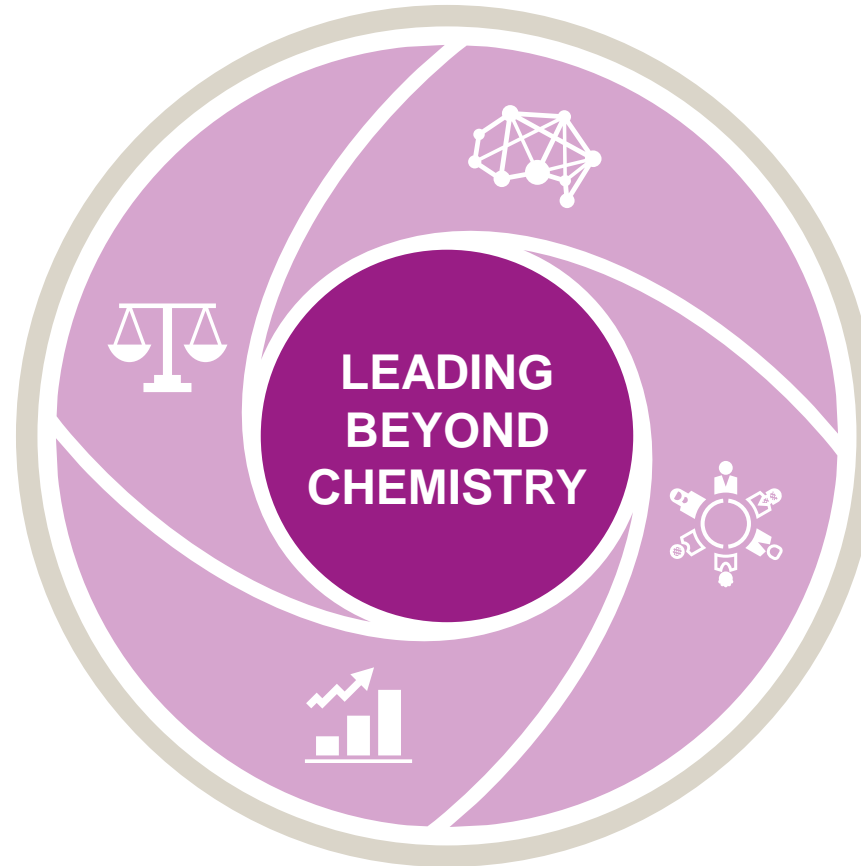
Leading beyond chemistry to drive shareholder value

Ongoing portfolio transformation

- Target: Specialty portfolio with 100% growth businesses

Ambitious financial targets

- EBITDA margin: 18-20%
- Cash conversion ratio: >40%
- ROCE: 11%



Innovation & Sustainability as growth drivers

- €1 bn additional sales from innovation growth fields by 2025
- Growing portfolio share of “Next Generation Solutions”

Performance-driven corporate culture

- Further drive gender and cultural diversity
- Deliver on efficiency programs in Administration & Operations

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Targeting excellence in three strategic focus areas

Innovation

Clearly defined growth fields
& bundling of cross-business
competencies



Portfolio

Specialty portfolio with
100% growth businesses

Culture

Open & performance-oriented culture



Performance-oriented culture

Major lever of corporate culture with increased capital market focus

Cost awareness

- Streamlined organization with high cost awareness on all levels
- Admin expenses structurally lowered by ~€200 m since 2017

Corporate Values

- Values “Performance”, “Trust”, “Openness” and “Speed” as guidelines for Evonik’s operations
- Bottom-up initiatives like internal “Speed up Conferences” support cultural change

**Performance-oriented
corporate culture
with increased
capital market focus**

Performance Management

- Group-wide incentive system strictly aligned to financial targets on all levels
- Clearer differentiation of individual performance levels (“Top”, “Good”, “Low”)

Diversity

- Living diversity is one of the keys to Evonik’s economic success
- Targets for gender diversity and intercultural mix implemented



Innovation strategy

Targeted approach for market-leading innovations



Targeted approach

- **Central steering** of innovation activities
- Focus on **innovation growth fields** with clearly assigned responsibilities
- Bundling of **cross-business competencies** in dedicated R&D hubs



Sustainability focus

- Sustainability as **key driver** for future innovation initiatives
- Sustainability criteria and KPI's **integrated** into innovation process
- Continuous **sustainability analysis** of introduced products



Process innovations

- Higher focus on **process innovations** to drive operational excellence
- Integrate process innovations into continuous improvement process
- **Lower capex and opex levels** for capacity expansions



Innovation pipeline – examples

A well-filled R&D pipeline with differentiated target horizons

Short-term



Additive Manufacturing

- Evonik's 3D printing portfolio as beneficiary from trend “prototyping only” into real series production

Mid-term



Biosurfactants

- Based on Evonik's leading biotechnology know-how
- 100% renewable natural resource & biodegradable

Long-term



Precision Livestock Farming

- Digital solutions to optimize every aspect of livestock production – in one holistic approach

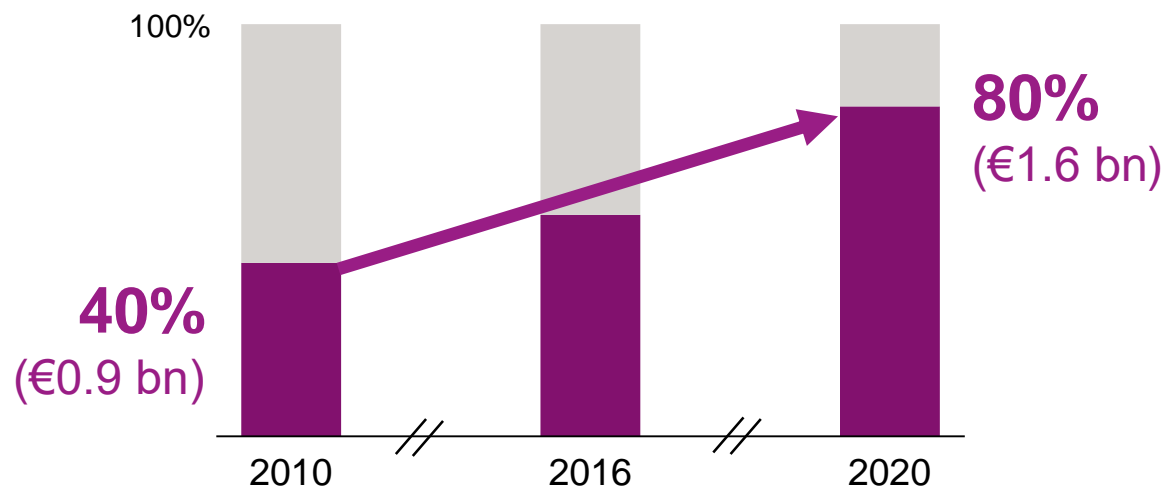




Portfolio transformation – More balanced and more specialty

Portfolio quality significantly improved – today 80% specialty businesses

Adj. EBITDA operating businesses



Portfolio characteristics

- **Specialty businesses** now represent **~80%** of EBITDA¹
- Specialty businesses with 10-year track record of **3pp higher annual organic earnings growth**²

Specialty businesses: Specialty Additives, Smart Materials, Health & Care (excl. Animal Nutrition & Performance Materials)

1: Calculation for operating businesses excluding T&I / Other | 2: organic EBITDA CAGR Specialty vs. Total Operating Businesses (excl. M&A) 2010 – 2020



Portfolio transformation – Active M&A management

Decisive and value-accretive portfolio management

Divestments

~€2 bn cyclical sales

sold at attractive valuation
(**8.5x** EV/EBITDA)

Ø EBITDA margin: ~**15%**¹



Acquisitions

>€2 bn resilient sales

Ø multiple of **9.1x** EV/EBITDA
(incl. synergies)

Ø EBITDA margin: ~**22%**

Delivery of synergies on track (€80 m by end of 2020)



Decisive and value-accretive portfolio management

- Portfolio cyclicalality & Capex intensity reduced
- More resilient EBITDA margin and improved cash profile

Divestments: Methacrylates business sold for EV of €3 bn (8.5x EV/EBITDA) in 07/2019

Acquisitions: Air Products specialty additives business for US\$3.8 bn (9.9x EV/EBITDA incl. synergies & tax benefits) in 01/2017 | Dr. Straetmans cosmetics business in 05/2017

Huber Silica business for US\$630 m (~7x EV/EBITDA incl. synergies & tax benefits) in 09/2017 | PeroxyChem for US\$640 m (7.6x EV/EBITDA incl. synergies) in 02/2020 | Porocel for US\$210 m (9.1x EV/EBITDA) in 11/2020

1: 2014-2019



Portfolio transformation – Spotlight on acquisitions

Targeted acquisitions to improve quality of growth divisions



(2017)



Specialty Additives

- Creating a **global leader** in Specialty & Coating Additives
- **High margin** and **resilient business** with low capital intensity and strong cash generation



(2017)



Nutrition & Care

- Combination of preservatives know how with emulsifier know how of Evonik
- **Expanded formulation skills** in one hand, thus enhanced capability to offer formulation packages



(2017)



(2020)

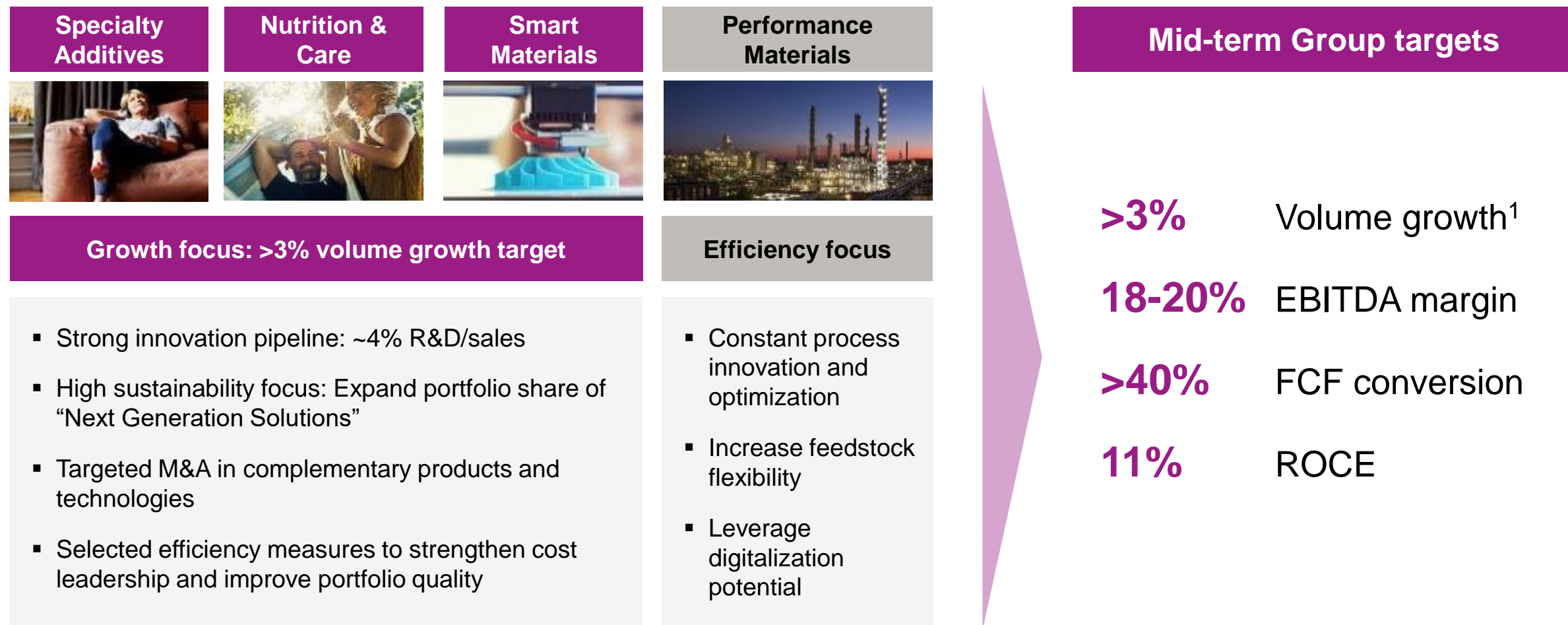


Smart Materials

- **Portfolio expansion** by sustainable specialty applications for **dental silica**, **hydrogen peroxide** and **catalysts**

Strategic agenda going forward

Clear strategic and financial targets



1: In growth divisions over the cycle

Capital allocation

Priorities for capital deployment

Our capital allocation priorities



Efficient capex allocation

- Strict **capital allocation criteria**
- Optimized Capex spending on **continuously lower level**
- Investment projects **contributing to financial targets**



Attractive dividend

- Shareholder return mainly via **attractive dividend**
- **Stable to rising** dividend going forward



Targeted M&A

- Strong **strategic fit** in our portfolio
- Contributing to **defined financial targets**
- **Strict return criteria**
- High level of **synergies**



Healthy balance sheet level

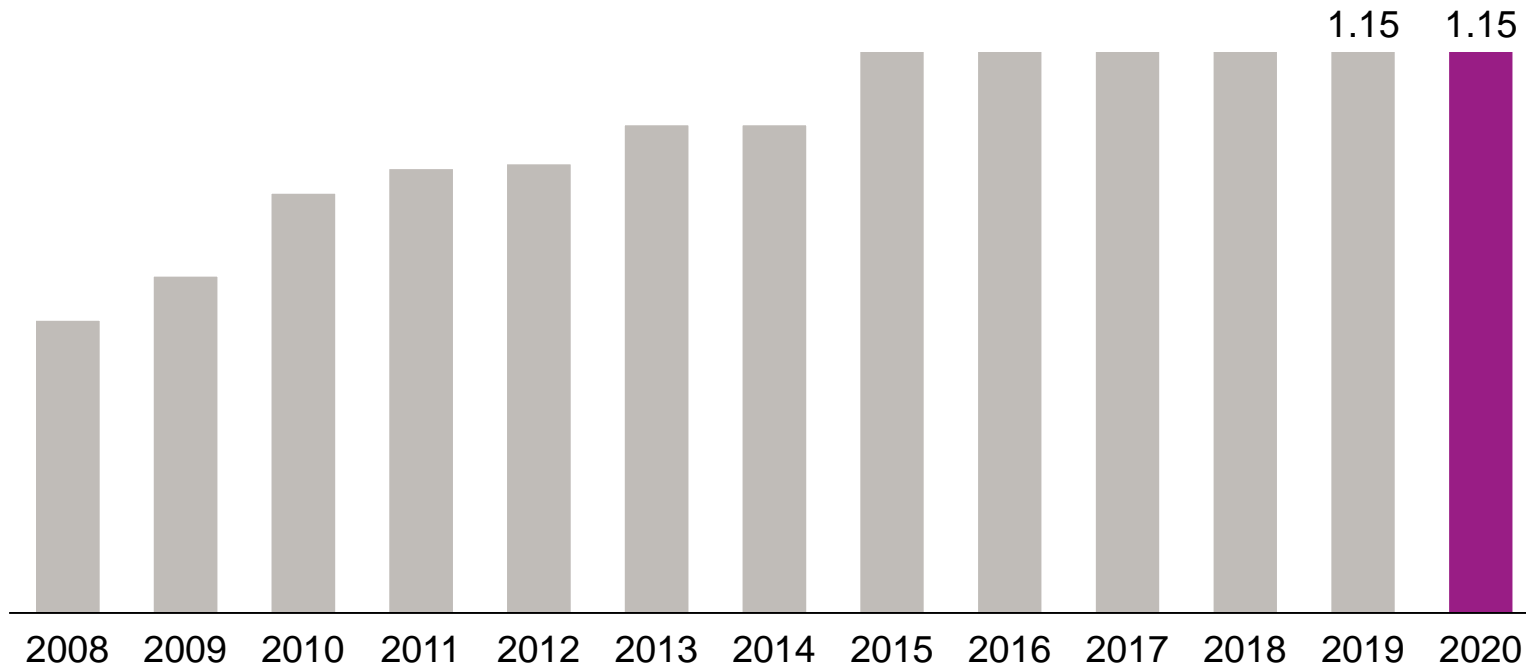
- Maintaining a **solid investment grade rating**
- Solid balance sheet leaves **sufficient room for development of the group**

Increasing shareholder value

Spotlight on shareholder returns

Reliable and attractive dividend policy

Dividend (in €) for FY



- **Attractive dividend yield of ~4%**
- Reliable dividend policy targeting:
 - **Dividend continuity**
 - **Adj. EPS and FCF growth** with potential for sustainable **dividend growth** going forward

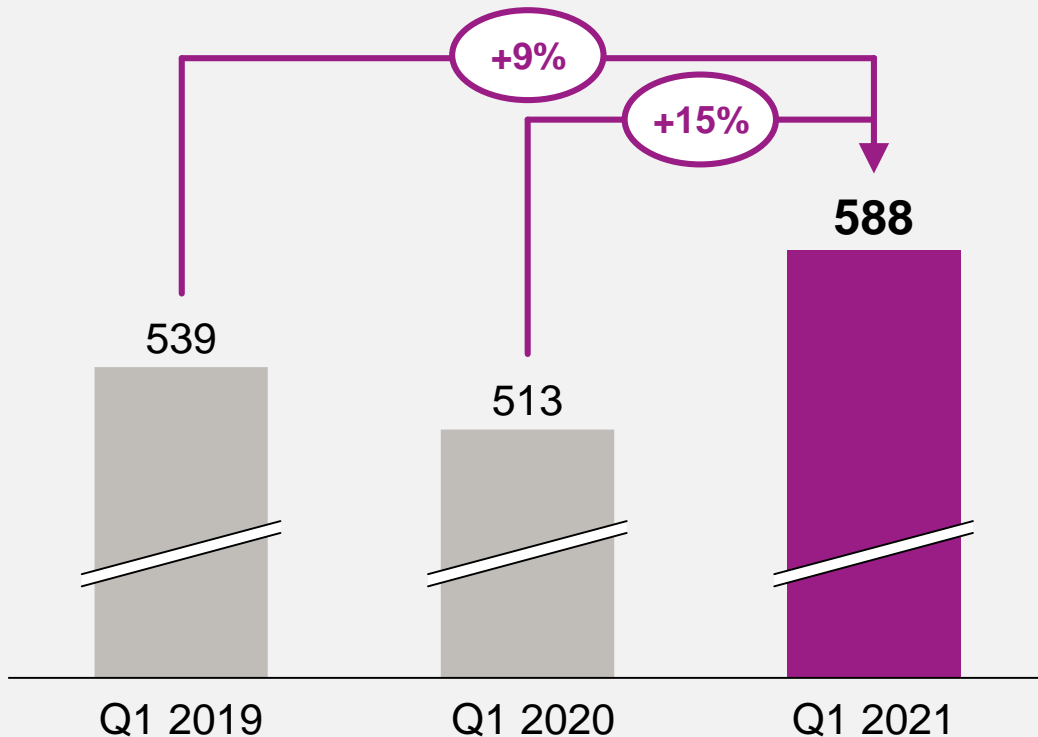
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Strong start into the year

Q1 with double-digit increase yoy, also clearly above pre-pandemic 2019 level

Adj. EBITDA Q1 2021 (in € m)

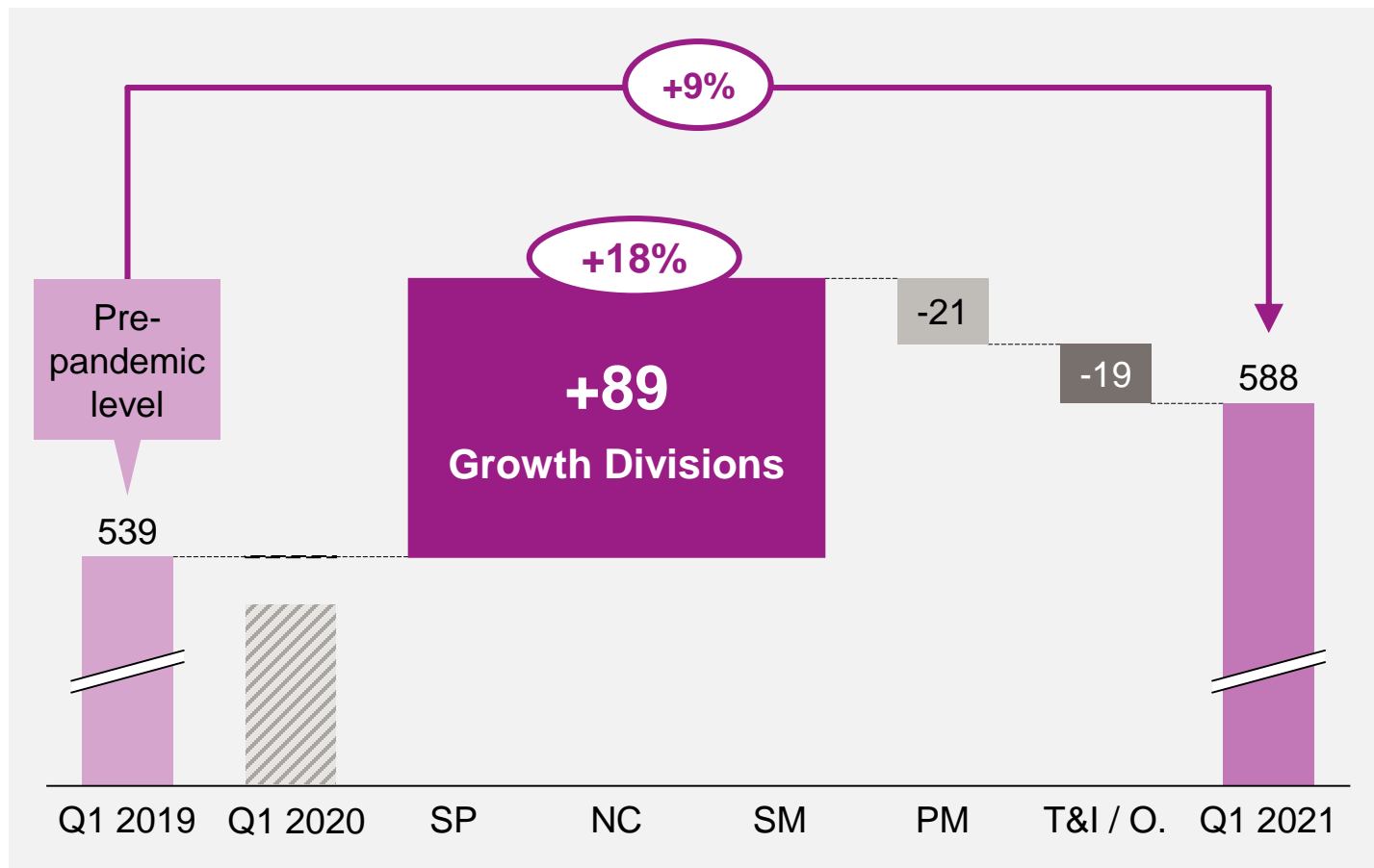


- **Strong start** into the year
- **Double-digit growth** yoy
- **Clearly above pre-pandemic Q1 2019** as well
- **Growth divisions** driving higher EBITDA
- Prior-year with first pandemic impact end of Q1; this year with ~€10 m negative impact from adverse weather conditions in February




Solid basis for **FY 2021 growth aspirations**

Q1 2021 vs Q1 2019: “Specialty growth”

All growth divisions with structural EBITDA growth to above pre-pandemic level



Growth Divisions (Q1 2021 vs Q1 2019)

Specialty Additives	+€48 m +21 %	
Nutrition & Care	+€30 m +27 %	
Smart Materials	+€11 m +7 %	

Q1 2021: Strong start into the year

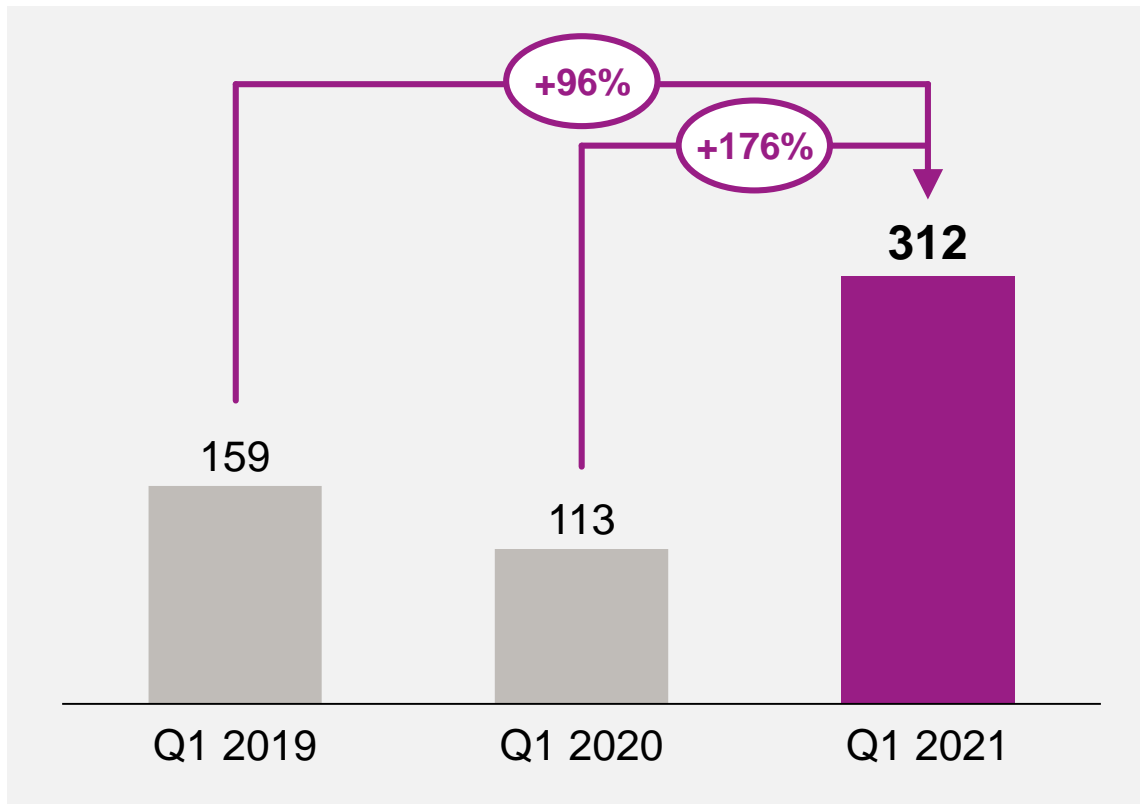
Improvement across all KPI's

Sales (in € m)	EBITDA (in € m)	Free cash flow (in € m)	Adj. EPS (in €)
3,358 (Q1 20: 3,243)	588 (Q1 20: 513)	312 (Q1 20: 113)	0.51 (Q1 20: 0.39)
Strong volume growth in Specialty Additives and Smart Materials	EBITDA margin improved by 170bp to 17.5%	Record-high FCF level for a first quarter	Increase in operational earnings, supported by better financial result

Continued FCF growth

Record-high Q1 FCF level

Free Cash Flow Q1 2021 (in € m)



FCF at record-high level

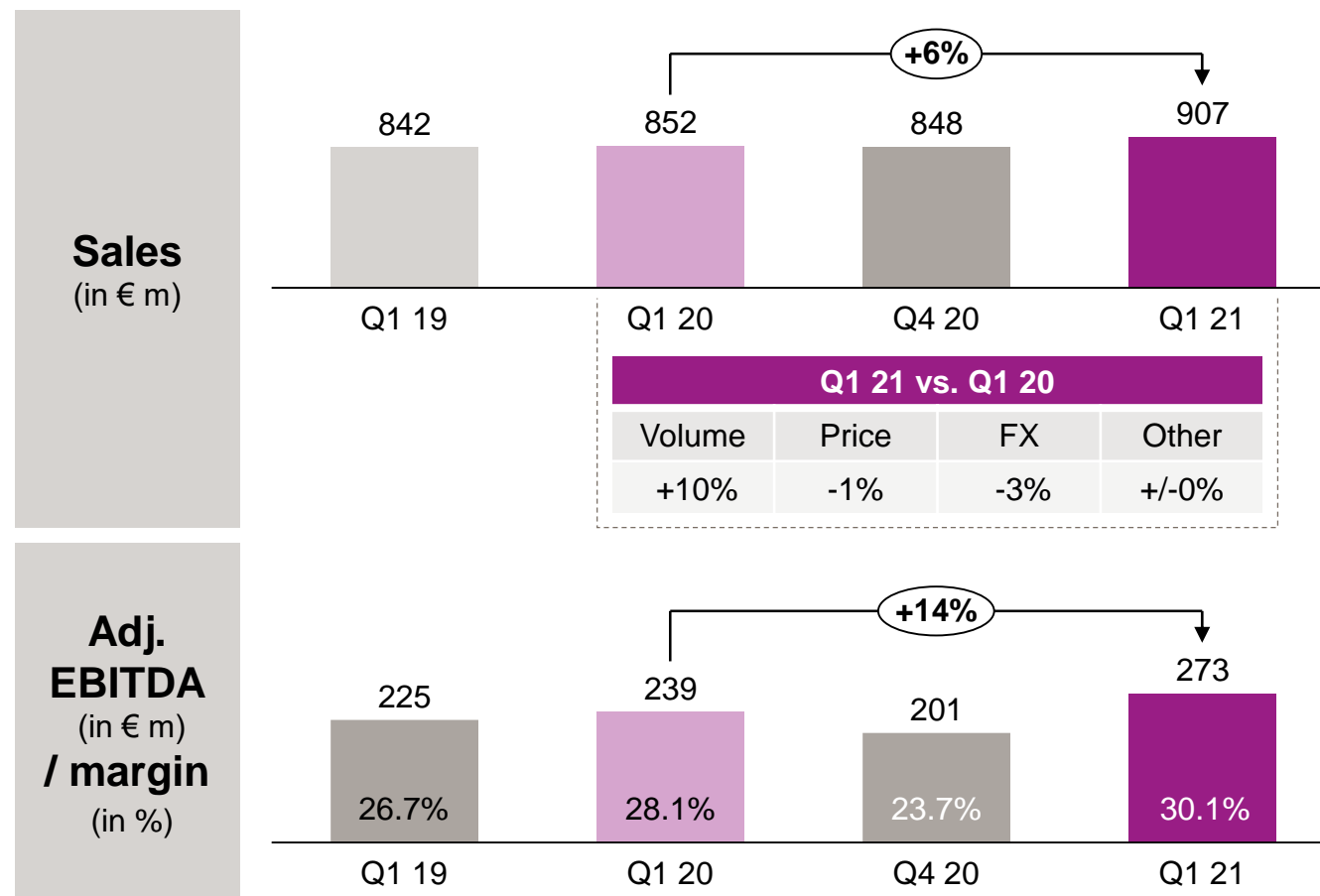
- Strongest Q1 FCF since listing in 2013 (so far Q1 2015 at €179 m)
- Well above both 2019 and 2020 level
- Strong basis for **continued track record of FCF growth** also in 2021

FCF drivers Q1 2021

- Higher adj. **EBIT(DA)**
- coupled with ongoing strict **NWC** management
- and low Q1 **tax payments** (catch-up during FY 2021 expected)

Specialty Additives

Further margin expansion on the back of strong demand across the division

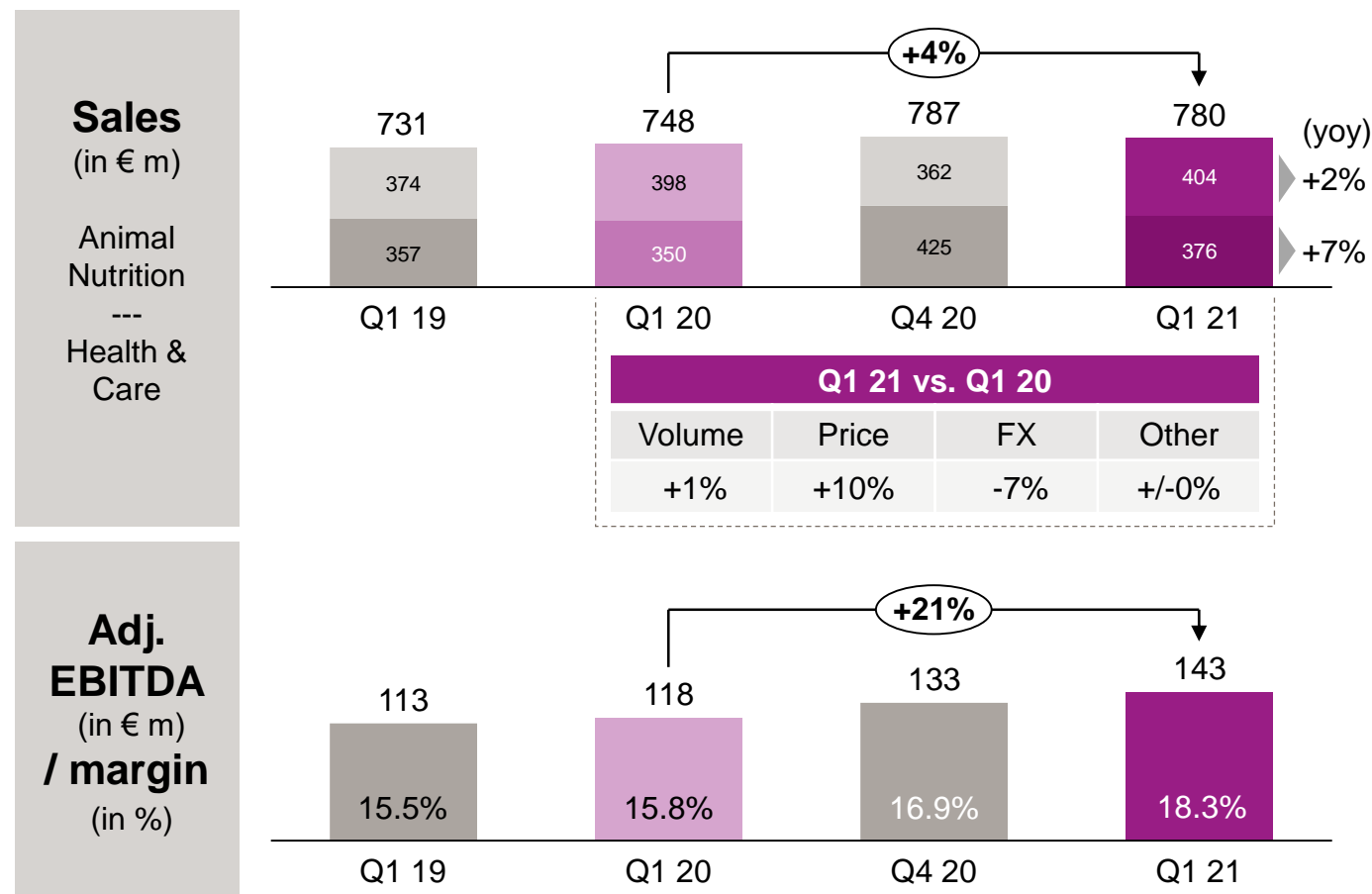


- Strong sales and EBITDA growth thanks to significantly higher volumes at virtually stable prices
- Good demand patterns for additives portfolio:
 - Strong demand from coatings and construction industries across all regions
 - Further increase in demand for durable goods (e.g. for mattresses or refrigerators)
 - Solid start into the year for Crosslinkers with no signs yet of slowing momentum in Asia
- Margin expansion to 30% driven by strong volume momentum resulting in high plant utilization and supported by strict fixed cost control



Nutrition & Care

System solutions and active cost management driving clear margin improvement

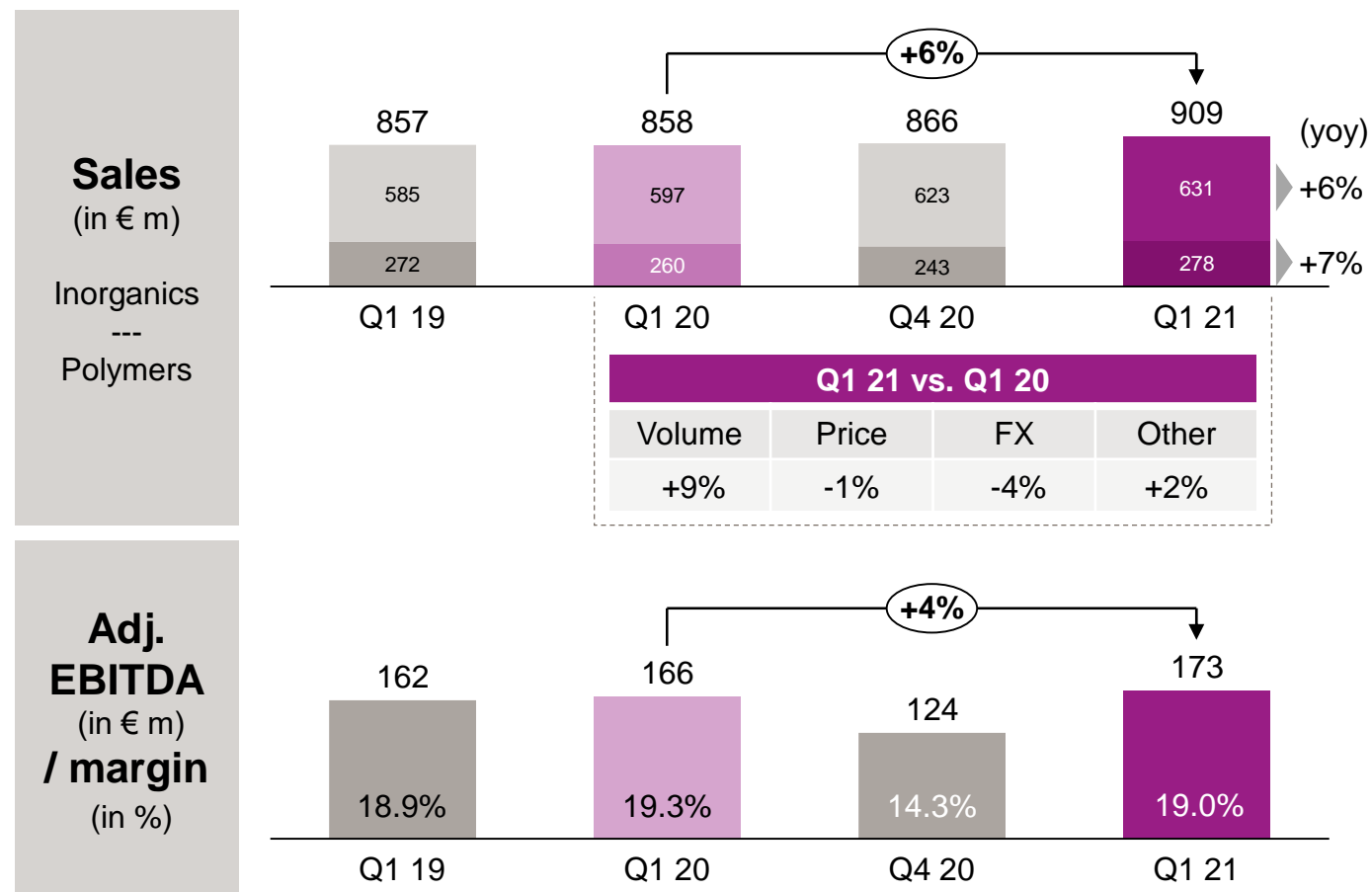


- Strong yoy earnings growth and clear margin improvement to 18.3%, driven by shift to system solutions and active cost management
- Health & Care:** Q1 with 7% sales growth due to unbowed strong demand for active cosmetic ingredients (high double-digit % growth in Q1 yoy); Health Care with slower start into the year, will be clearly offset throughout the year with additional support from LNP business with BioNTech from Q2 onwards
- Animal Nutrition:** good supply/demand globally with increasing prices despite negative FX effect; Q2 expected with further step-up in prices

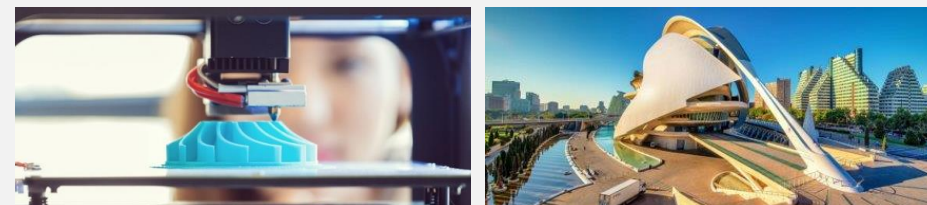


Smart Materials

Volume growth supported by ongoing macro-economic recovery



- Sales and EBITDA up driven by higher volumes and contributions from acquisitions
- EBITDA margin back to prior-year level
- Ongoing recovery in automotive industry benefitting Silica for tires and High Performance Polymers
- Continued robust demand for products in the hygiene and care sector as well as for environmental applications
- Innovations like gas filtering membranes and 3D printing powder with solid growth



Performance Materials

Further recovery coming from trough levels



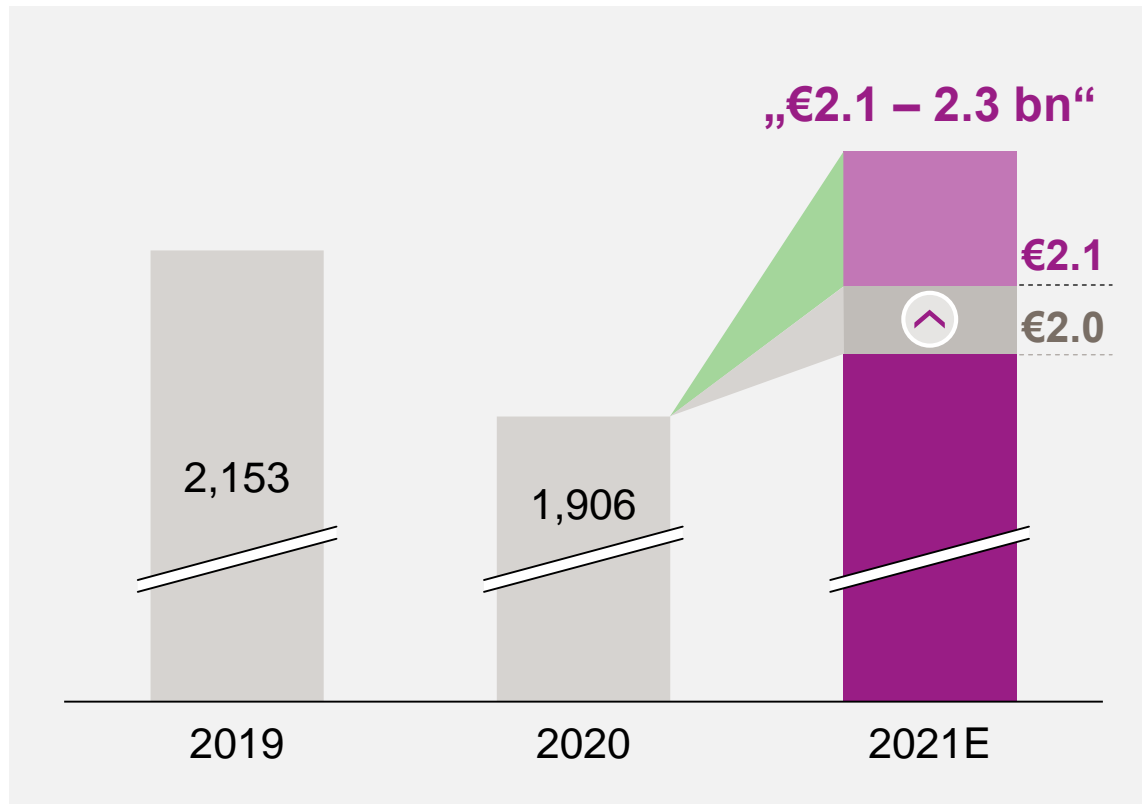
- Further recovery with improved pricing and spreads and rising Naphtha prices in the C4 chain
- Solid demand and pricing for Butadiene and Oxo products, additionally supported by supply shortage due to competitor production outages
- MTBE further recovering, supported by higher refinery and spot market demand
- Baby Care with raw material time lag effect and weather-related production downtime in the US



Outlook 2021: Adj. EBITDA outlook upgraded



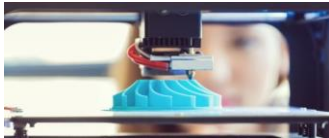


Range narrowed upwards – Q2 expected with clear sequential growth

Outlook range narrowed: “€2.1 to 2.3 bn” (previously: €2.0 to 2.3 bn; FY 2020: €1,906 m)



- Evonik with **clear growth aspiration** for 2021
 - Targeting **growth above 2019 pre-pandemic level** (€2,153 m)
 - Higher earnings driven by all three growth divisions
-
- **Adj. EBITDA for Q2** expected
 - with **clear sequential improvement** (Q1 2021: €588 m)
 - with **similar Q2 growth rate** as in Q1 2021 *vs. pre-pandemic 2019 level* (i.e. Q2 2021 ~10% higher vs Q2 2019 of €566 m)

Indications for adj. EBITDA FY 2021 on division level

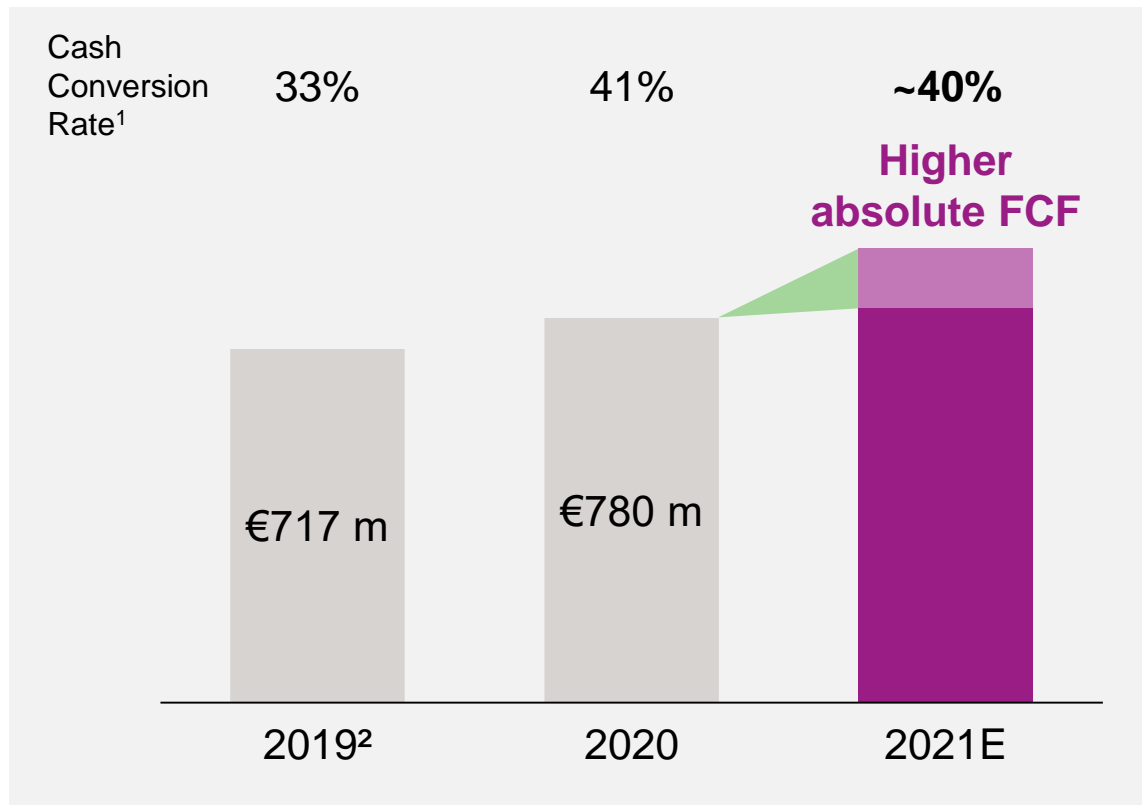
		Previous indication		Updated indication
Specialty Additives		“on very good prior year level”	⤴	“slightly above prior year level”
Nutrition & Care		“slightly above prior year level”	⤴	“well above prior year level”
Smart Materials		“significantly above prior year level”	⤵	“significantly above prior year level”
Performance Materials		“substantially above low prior year level”	⤵	“substantially above low prior year level”
T&I/Other ¹		“around the level of 2020”	⤴	“slightly more negative than prior year level”

1. Entity renamed; no changes in scope or financials

Outlook 2021: ~40% Free Cashflow conversion confirmed

Continued strong cash conversion = higher absolute FCF

“Stable FCF conversion on high prior-year level” (FY 2020: 40.9%)



Higher absolute FCF in FY 2021 driven by

- Improving **EBIT(DA)**
- Lower **capex**
- Continued benefit from **CTA pension reimbursement**
- Lower **bonus payments** (for FY 2020)

Expectations for remainder of 2021:

Based on higher sales & earnings ...

- Clear NWC outflow for FY 2021
- Higher yoy tax payments for FY 2021 (after low level in Q1)

1. Free cash flow conversion (FCF / adj. EBITDA); 2. Excl. extraordinary carve-out taxes of ~€245 m (MMA divestment)

Additional indications for 2021

Sales	between €12.0 and 14.0 bn (unchanged; 2020: €12.2 bn)
Acquisitions	Porocel (FY 2019: ~USD100 m sales, ~USD23 m adj. EBITDA) consolidated for 2 months in 2020 PeroxyChem (FY 2019: ~USD300 m sales, ~USD60 m adj. EBITDA) consolidated for 11 months in 2020
ROCE	slightly above the level of 2020 (unchanged; 2020: 6.1%)
Capex¹	around €900 m (unchanged; 2020: €956 m)
EUR/USD	1.20 EUR/USD (unchanged; 2020: 1.15 EUR/USD)
EUR/USD sensitivity²	+/-1 USD cent = -/+ ~€6 m adj. EBITDA (FY basis)
Adj. EBITDA T&I/Other	slightly more negative than prior year level (previously: around the level of 2020; 2020: -€128 m) due to negative weather impact of ~€10 m in Q1 and higher personnel-related provisions
Adj. D&A	slightly above the level of 2020 (unchanged; 2020: €1,016 m) due to start-up of new PA12 plant in H2 2021
Adj. net financial result	clearly less negative than 2020 due to lower interest expenses for financial liabilities, pensions and other provisions (previously: slightly less negative than 2020; 2020: -€146 m)
Adj. tax rate	around long-term sustainable level of 28% (unchanged; 2020: 26.8%)

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

Save-the-dates

Investor Relations Events 2021

DIVISION SPOTLIGHT

SERIES

13 April 2021	Nutrition & Care → Replay available (Link)
24 June 2021	Smart Materials
01 July 2021	Specialty Additives

CAPITAL MARKETS DAY

2021

07 October 2021	Capital Markets Day
-----------------	---------------------

Feedback on this presentation?
Are you missing anything?
Any comments?

We are always happy about feedback:
investor-relations@evonik.com





EVONIK

Leading Beyond Chemistry

Appendix

1. Strategy Details

2. Financial targets

3. Division overview

4. Sustainability

5. Financials

6. Upcoming events



Portfolio Management – Portfolio Strategy

Active portfolio management on multiple layers

Examples ...

Restructuring

- Bio-amino acids (toll manufacturing, streamlining production cost base)
- Care Solutions (adapting asset network for a higher share of specialties)

Innovation and product mix

- H₂O₂ (transform base business into specialized applications)
- Veramaris (switching of Lysin fermentation capacities)

Active M&A

- Bolt-on M&A to strengthen “growth” businesses
- Constant portfolio review and exit of commoditized businesses

Target: Portfolio with 100% growth businesses



Portfolio Management – overview acquisitions

Proof of concept for targeted and disciplined M&A approach



Air Products
Performance Materials (2017)



Huber Silica
(2017)



PeroxyChem
(2020)



Porocel
(2020)

Purchase price ~ €3.5 bn

Multiple² 15.2x / 9.9x

EBITDA margin >20%

Market growth ~4-5%

~ €600 m

10.5x / 7x

>20%

~4-6%

\$640 m

9.9x / 7.6x

~20%

~6%¹

\$210 m

9.1x

~23%

~4%

Business

Highly attractive strategic fit, seamless integration into existing businesses

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

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



Portfolio management – sustainability analysis

Sustainability Analysis integrated into strategy and portfolio decisions

Portfolio management via sustainability criteria

Method



- WBCSD¹ sector **standard approach** aligned to specific requirements of Evonik
- Approach **audited** by PWC



Analysis and results



- **100%** of sales covered by Sustainability analysis
- **Classification** of product portfolio according to its **sustainability performance** (A++ to C--)



Strategic measures



- Analysis part of **strategic portfolio management** e.g. for
 - Investments
 - Innovation
 - M&A

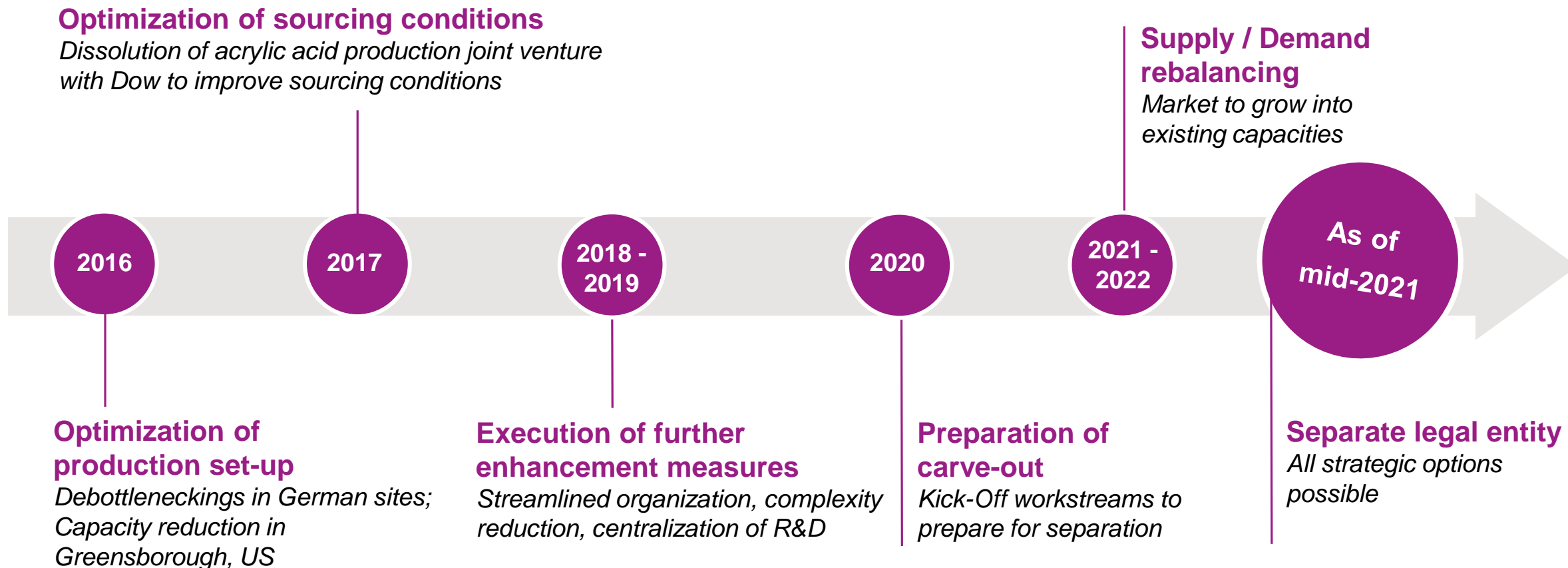


1: Portfolio Sustainability Assessments (PSA) from World Business Council for Sustainable Development



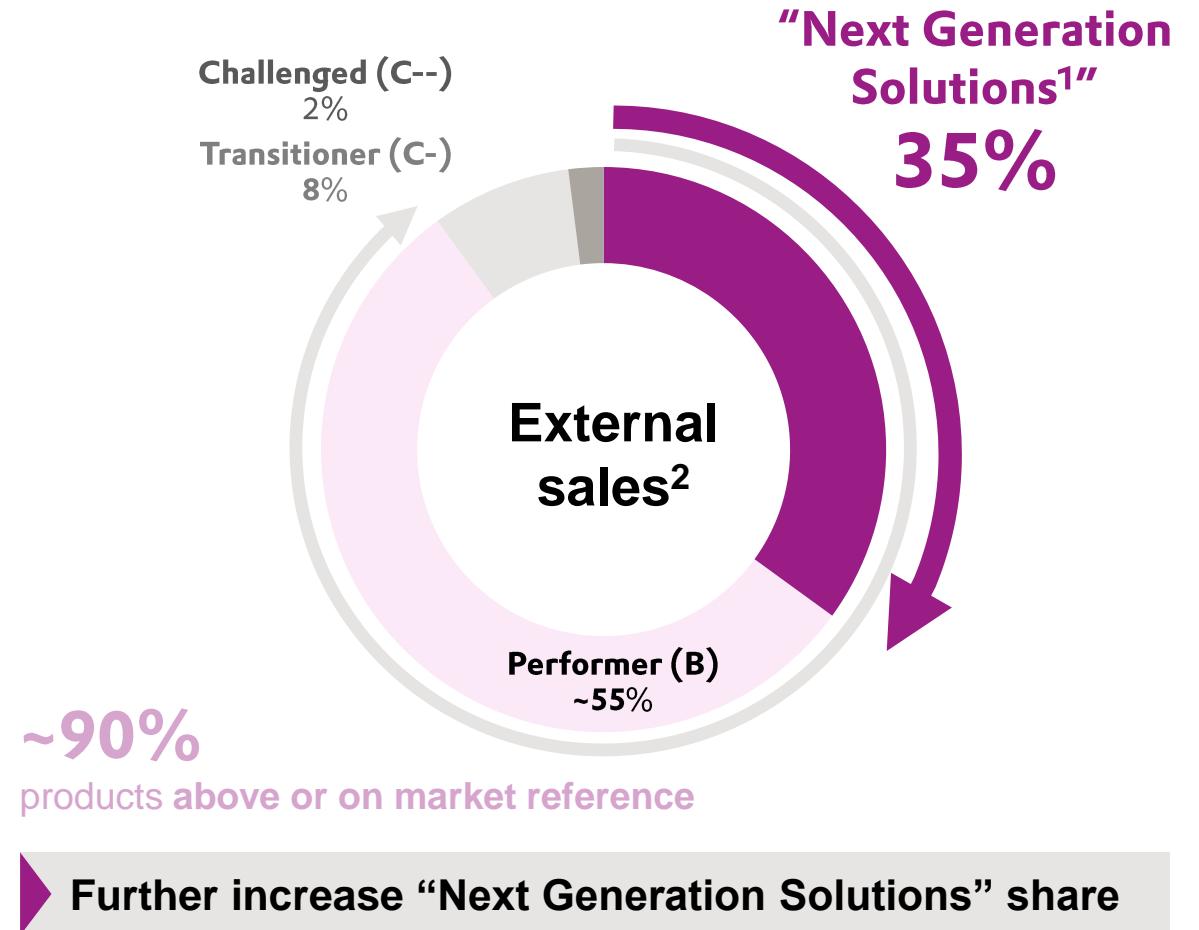
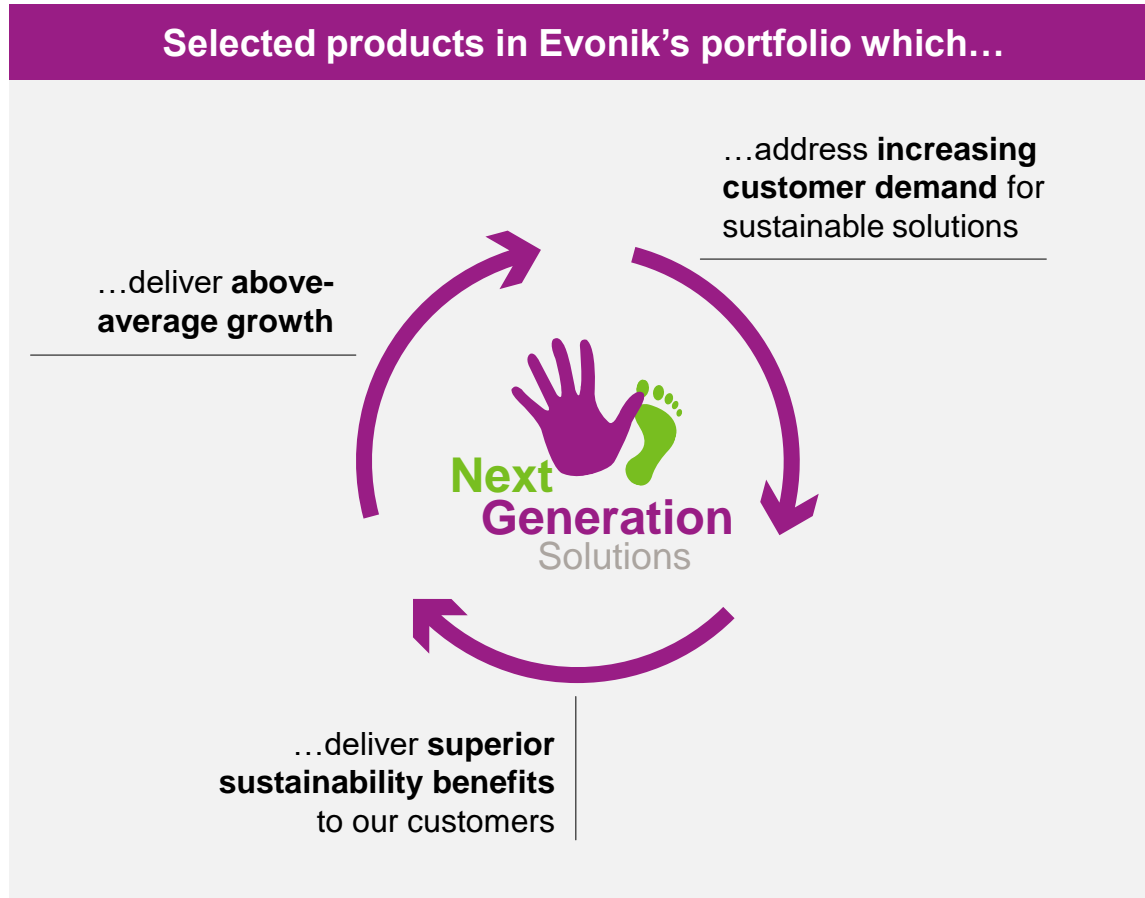
Portfolio Management - Baby Care

Evaluating all strategic options to leverage full business potential



Next Generation Solutions

35% of Evonik's portfolio with superior sustainability benefits



1: "Next Generation Solutions" include "Leader" (A++) and "Driver" (A+) products and solutions | 2: 2019 external sales excluding T&I / Other

Next Generation Solutions addressing Evonik's "Sustainability Focus Areas"

Directly linked to UN SDGs

Our four "Sustainability Focus Areas"

Fight Climate Change



Materials for Li-Ion-Batteries



- Nanostructured high quality metal oxide and silicon particles
- High voltage battery housing for lightweight e-mobility

Drive Circularity



Linerless labels



- Efficient curing through UV-radiation instead of heat
- Enables customers to reduce 40% of material consumption and conserves resources (400t CO₂)

Safeguard Ecosystems



Cleaning biosurfactants

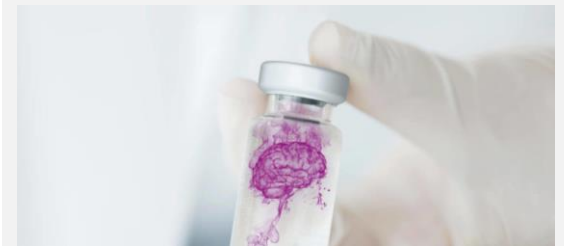


- Complex fermentation process leads to improved cleaning and reduced skin irritation
- Based on natural microorganisms

Ensure Health & Well-being



Drug Delivery Systems



- Global development partner & solutions provider for drug delivery systems
- Evonik as pioneer in LNP field for mRNA technology



Culture – self-help measures supporting margin target

Targeting cost excellence in Administration and Operations



Administration

SG&A

- Started in 2018
- Total savings of **~€200 m** achieved by **end of 2020**

Completed

New divisional structure

- Leaner organizational setup & optimization of processes (reduction of 150 FTE¹)
- Cost savings of **€25 m** by **end of 2021**

New

Factor cost compensation

- From 2021 onwards, following completion of SG&A program
- Continuous **benchmarking** in Corporate and Admin

Going forward



Operations

On Track

- Continuous factor cost compensation in Production and Procurement
- Started in 2008, **~€120 m gross savings p.a.**

Ongoing

Optimizing businesses

- Strengthening **cost position** and **optimizing portfolio** on business line level (e.g. Animal Nutrition, Care Solutions)

Ongoing

Supply Chain

- Optimized end-to-end processes
- Lower **supply chain costs** and reduced **Capital Employed**

Going forward

Appendix

1. Strategy Details
- 2. Financial targets**
3. Division overview
4. Sustainability
5. Financials
6. Upcoming events

Financial targets going forward

Mid-term Financial Targets set in 2017

Above-average volume growth (GDP+)

Structurally lift EBITDA margin into sustainably higher range of

FCF significantly above dividend level

ROCE above Cost of Capital

Reliable and sustainably growing dividend

Solid investment grade rating

Updated mid-term Financial Targets

Above-average volume growth ¹⁾

>3%

18-20%

Cash Conversion ratio of ²⁾

>40%

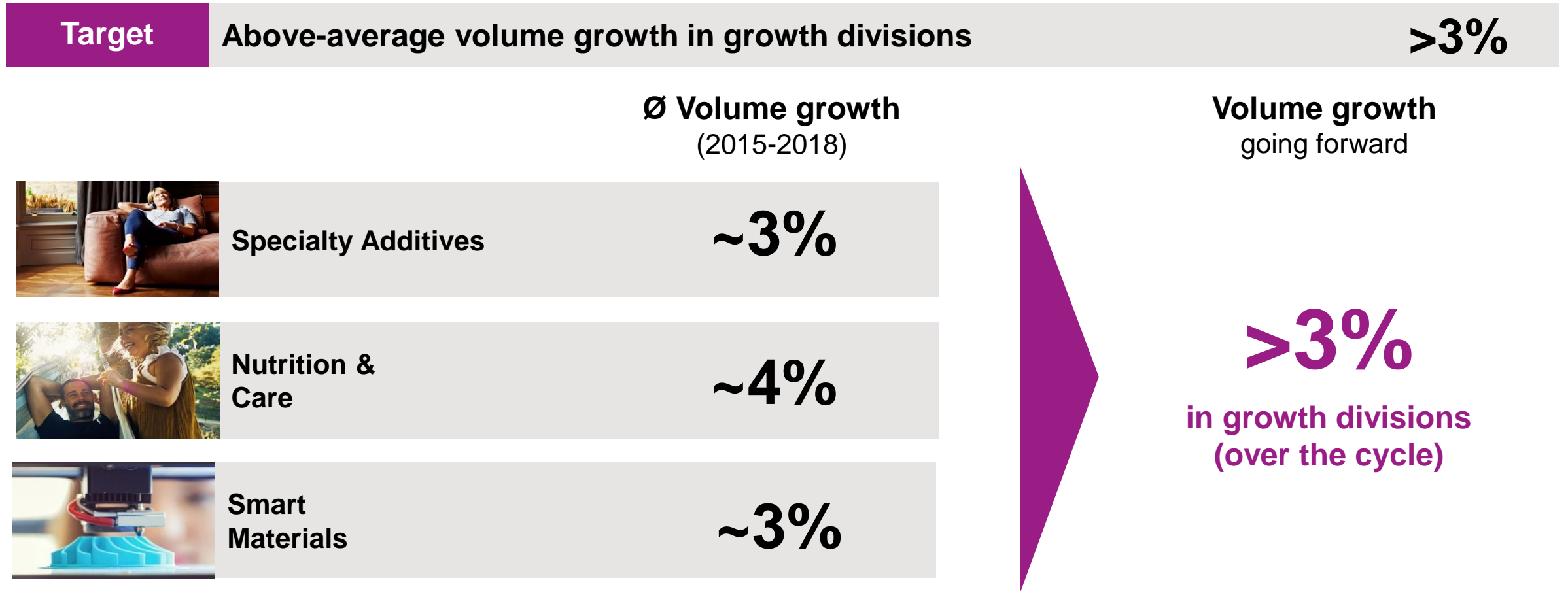
ROCE well above Cost of Capital

~11%

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

Top-line growth

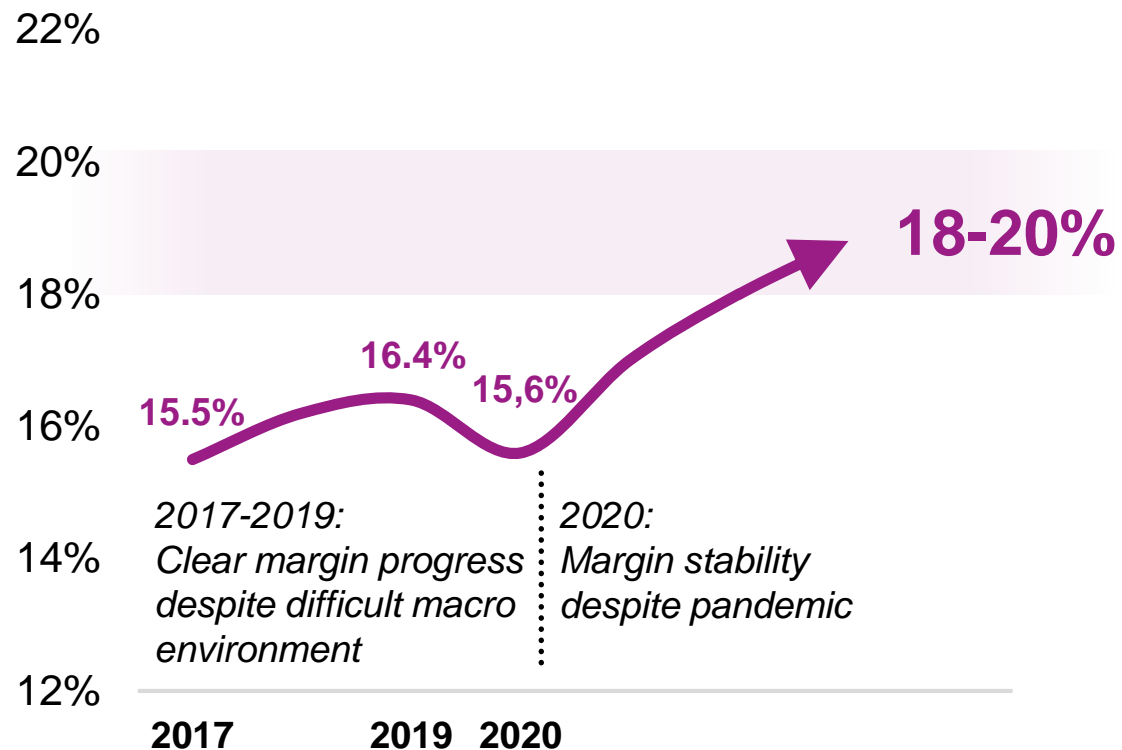
Targeting above-average volume growth in growth divisions



EBITDA margin target range of 18-20%

Three strategic focus areas driving structural margin improvement

EBITDA margin in % (Group level excl. MMA)



1: Organic growth, excl. large M&A activities

Main drivers going forward



Portfolio¹

- Organic growth projects
- Ongoing shift of product portfolio towards specialty

>100 bp¹

Culture



- Cost savings from efficiency measures in Administration and Operations

~50bp

Innovation



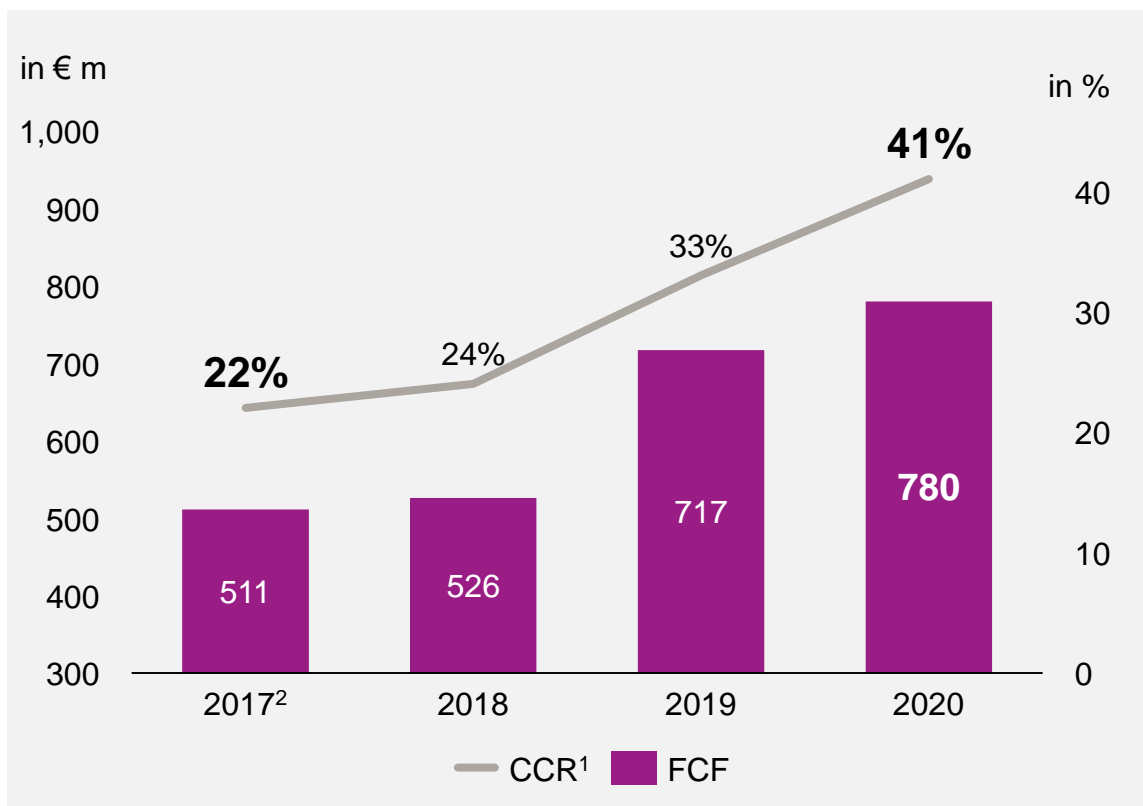
- €1 bn additional sales from Innovation Growth Fields with above-average margin

~50bp

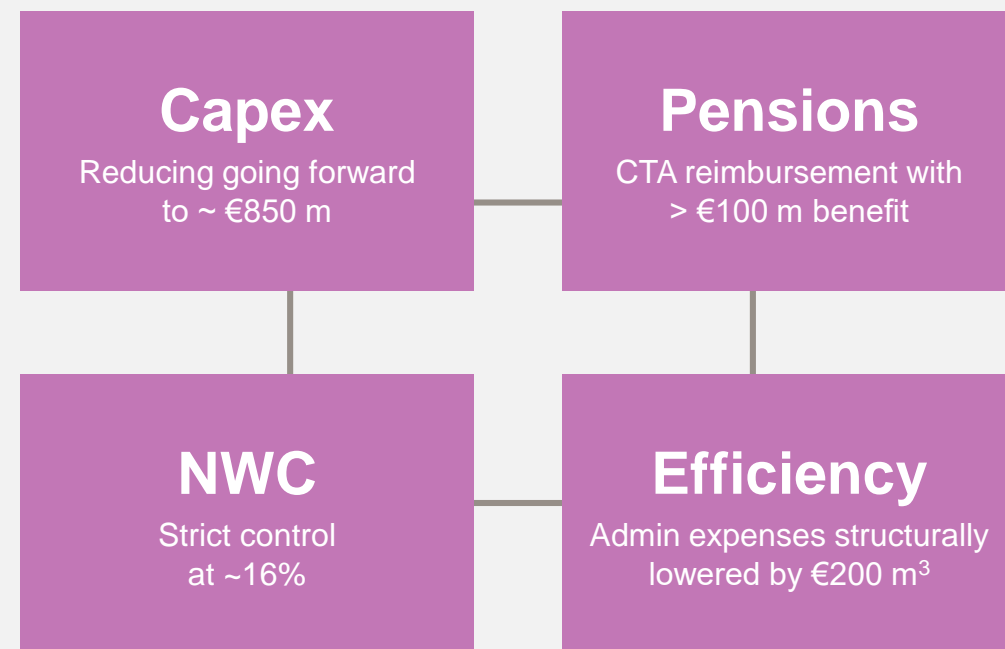
FCF: Cash conversion rate doubled within only three years

Target of >40% achieved – further gradual improvements going forward

Cash conversion doubled within only three years ...



... by structural & sustainable improvements



1: Free cash flow conversion (FCF/adj. EBITDA) | 2: Including MMA business | 3: since 2017

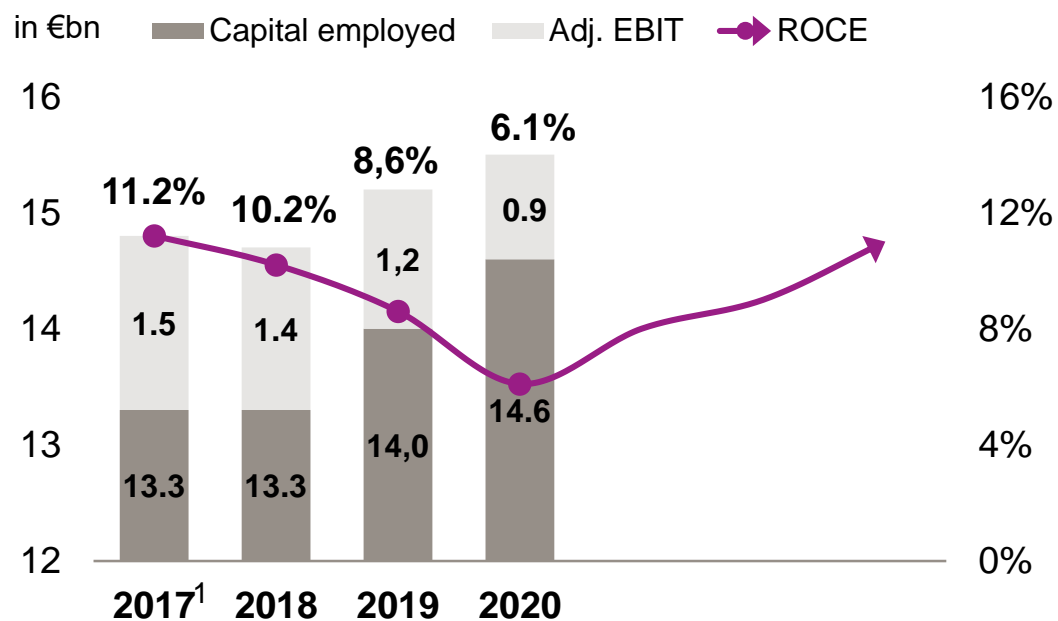
ROCE

Targeting ROCE well above Cost of Capital

Target

ROCE well above Cost of Capital

~11%



WACC² of

9%

Increase in **Capital Employed** in 2020 mainly driven by **IFRS 16**: capitalization of leases (~€0.6 bn with Q1 2020³)

Larger **growth projects** (like ME6, Precipitated silica USA, PA12):

- ~€1 bn **capitalized** on balance sheet
- **Full level of fixed costs** already since start-up

Higher EBIT contribution with

- Increasing **utilization**
- Growing **market penetration**
- Improving **process efficiency**

Three main levers identified & measures in implementation:

- Top Line (Volume + Margin Growth)
- Cost Development
- Asset Efficiency

1: Including Methacrylates business | 2: WACC reduced to 9% due to lower cost of capital and lower beta factor | 3: Annual averages





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Divisional structure – Overview

Growth divisions with strong positioning and promising drivers

DIVISION SPOTLIGHT
SERIES

Specialty Additives	Nutrition & Care	Smart Materials	Performance Materials
			
Portrait			
<p>Broad spectrum of additives solutions for maximum performance which make the key difference in industrial applications for coatings, polyurethane foam & lubricants</p>	<p>Sustainable solutions for basic human needs in resilient end markets like pharma, personal care & animal nutrition</p>	<p>Innovative materials for resource-saving solutions and substitution of conventional materials in environmental, mobility and construction end markets</p>	<p>Efficient platforms for production of high-volume intermediates for mobility, plastics & rubber as well as superabsorbent polymers for consumer applications</p>
Main Growth Drivers			
<ul style="list-style-type: none">▪ More sophisticated additive effects▪ Environmentally-friendly additives	<ul style="list-style-type: none">▪ Social trends in health, well-being and nutrition▪ Natural-based ingredients▪ Biotechnology and fermentation	<ul style="list-style-type: none">▪ Saving resources▪ Use of lightweight materials▪ Stricter regulation and safety standards	<ul style="list-style-type: none">▪ Focus on efficiency in production & procurement




Divisional structure – Overview

Technology platforms and end market exposure

Specialty Additives	Nutrition & Care	Smart Materials	Performance Materials
Technology platforms			
<ul style="list-style-type: none"> ▪ Silicone chemistry ▪ Isophorone platform ▪ Amines 	<ul style="list-style-type: none"> ▪ Biotechnology / Fermentation ▪ Methionine platform ▪ Oleo chemistry 	<ul style="list-style-type: none"> ▪ Inorganic particle design ▪ Specialty polymers ▪ Active oxygens ▪ Process catalysts 	<ul style="list-style-type: none"> ▪ C4 processing and derivatizing ▪ Polymer know-how
Key products & global market positions			
<ul style="list-style-type: none"> ▪ #1-2 in Coating additives ▪ #1 in PU additives ▪ #1 in Viscosity modifiers (for lubricants) 	<ul style="list-style-type: none"> ▪ #1 in Methionine ▪ Strong position in Active cosmetic ingredients ▪ #2 in Drug delivery systems 	<ul style="list-style-type: none"> ▪ #1 in Silica ▪ #2 in H₂O₂ ▪ Leading in Catalysts¹ ▪ #1 in PA12 	<ul style="list-style-type: none"> ▪ C4 derivatives ▪ Superabsorbers
End market split			


1. #2 in activated nickel catalysts, #3 in Oil & fat hydrogenation catalysts

Financial targets for growth divisions going forward

	Specialty Additives	Nutrition & Care	Smart Materials
Financial target			
Volume growth	>3% in all growth divisions (over the cycle)		
EBITDA margin level	Maintain very attractive margin level (2020: 27%)	Target margin level above 22% (2020: 19%)	Target margin level above 20% (2020: 16%)
Capex/Sales ratio	~4%	~5%	~6%

Divisional structure – Peers

Growth division with more homogenous trends easier-to-compare to peers

	Specialty Additives	Nutrition & Care	Smart Materials
Characteristics of divisional peers which we see as a benchmark...	Leaders in industrial additives and major players in our core customer industries such as paints & coatings	Specialists with a chemicals pedigree in the field of consumer well-being and food & feed	Companies in the sphere of inorganic specialties, incl. catalysts, as well as high-performance polymers
Examples for comparable business model or overlap in value chains...			


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Leading Beyond Chemistry

Sustainability as integral part of our strategy

Sustainability is an integral part of our “purpose”



LEADING
BEYOND CHEMISTRY
TO IMPROVE LIFE,
TODAY AND
TOMORROW

We drive profitable growth ...

Our Handprint



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

... by fully assuming our responsibility

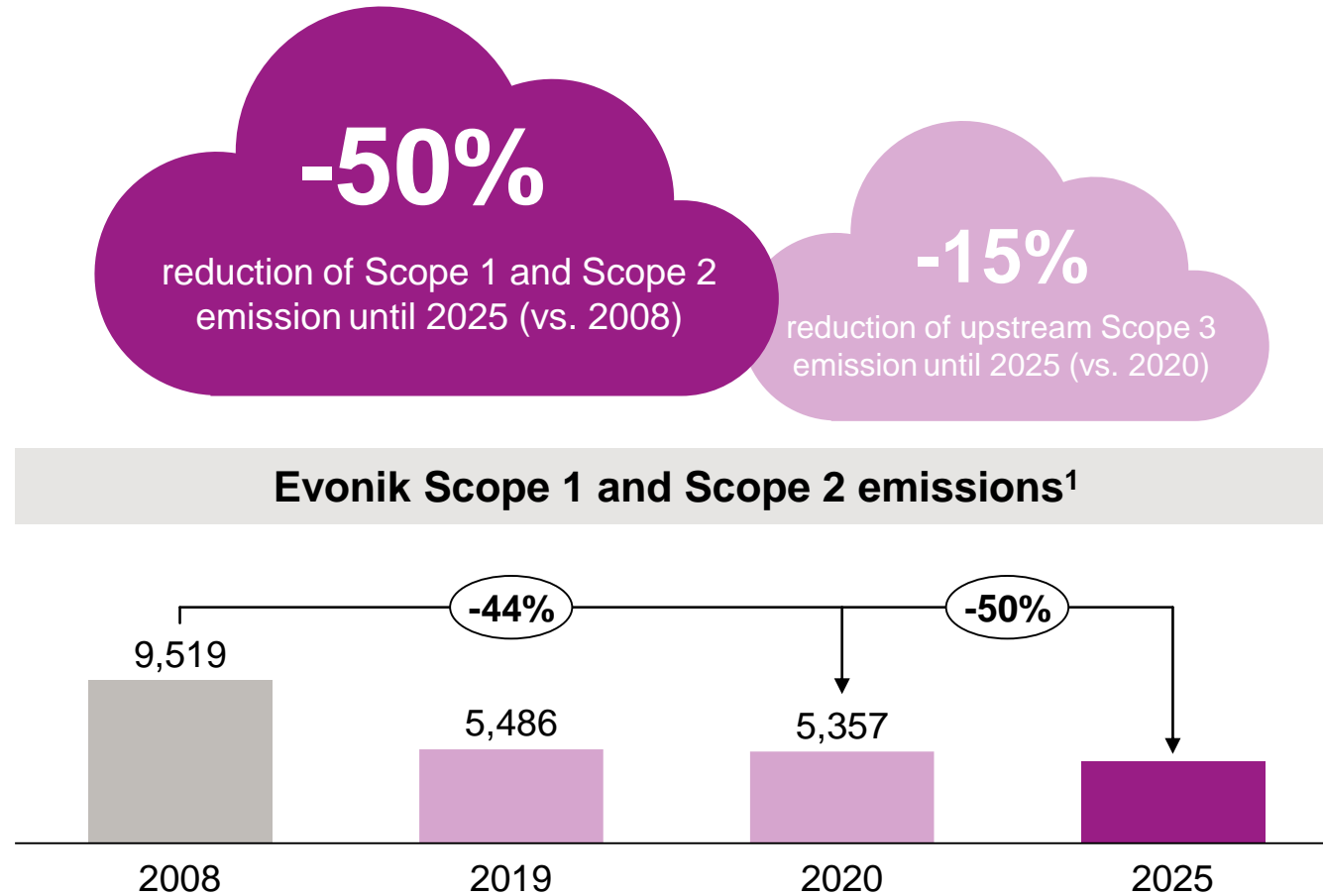
Our Footprint

“We **take responsibility**
by **caring about our resources**.
We see profitable growth and assuming
responsibility as **two sides of the same coin**.”



Sustainability – Environmental targets

Ambitious greenhouse gas emission reduction targets



1: in thousand metric tons CO₂eq

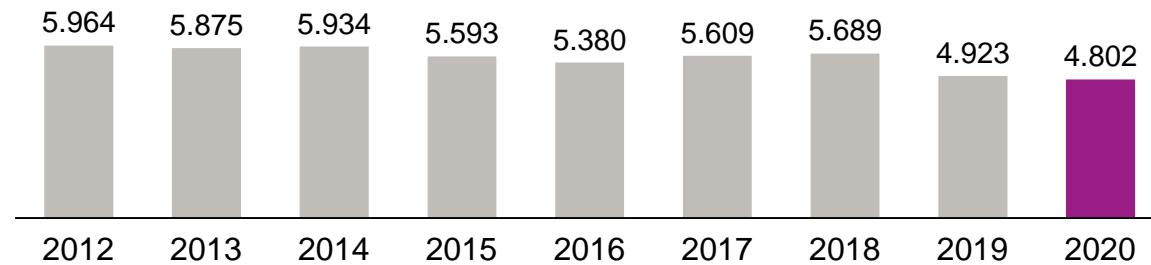
- Strong commitment to **“Paris Agreement on Climate Change”** reflected in implementation and execution on environmental targets
- **“Sustainability Strategy 2020+”** targets reduction of -50% of Scope 1 & Scope 2 emissions by 2025 (compared to base year 2008)
- Global **CO₂ pricing** used as additional parameter for investment decisions

Sustainability – Main KPIs



Greenhouse gas emissions

Scope 1 emissions in thousand metric tons CO2 equivalents



Accident frequency

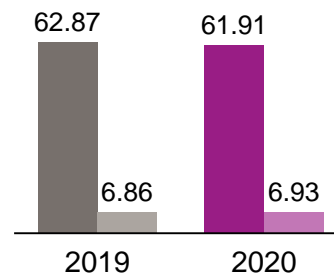
Number of accidents per 1 million working hours



Energy Consumption

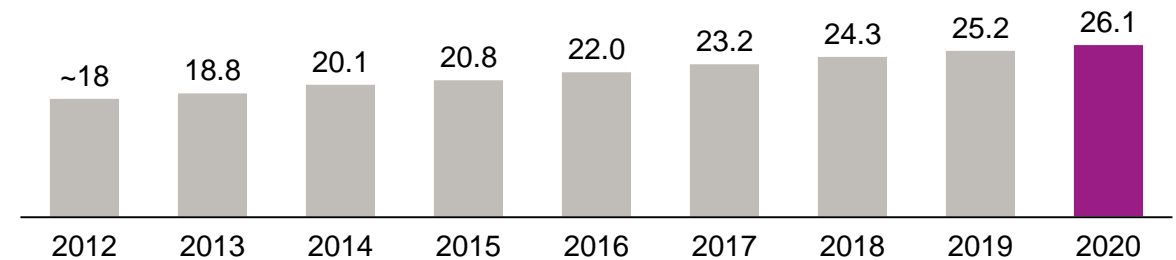
Absolute and specific consumption in Petajoule

New target: Reduce both absolute and specific energy consumption by 5% by 2025 (reference base 2020)



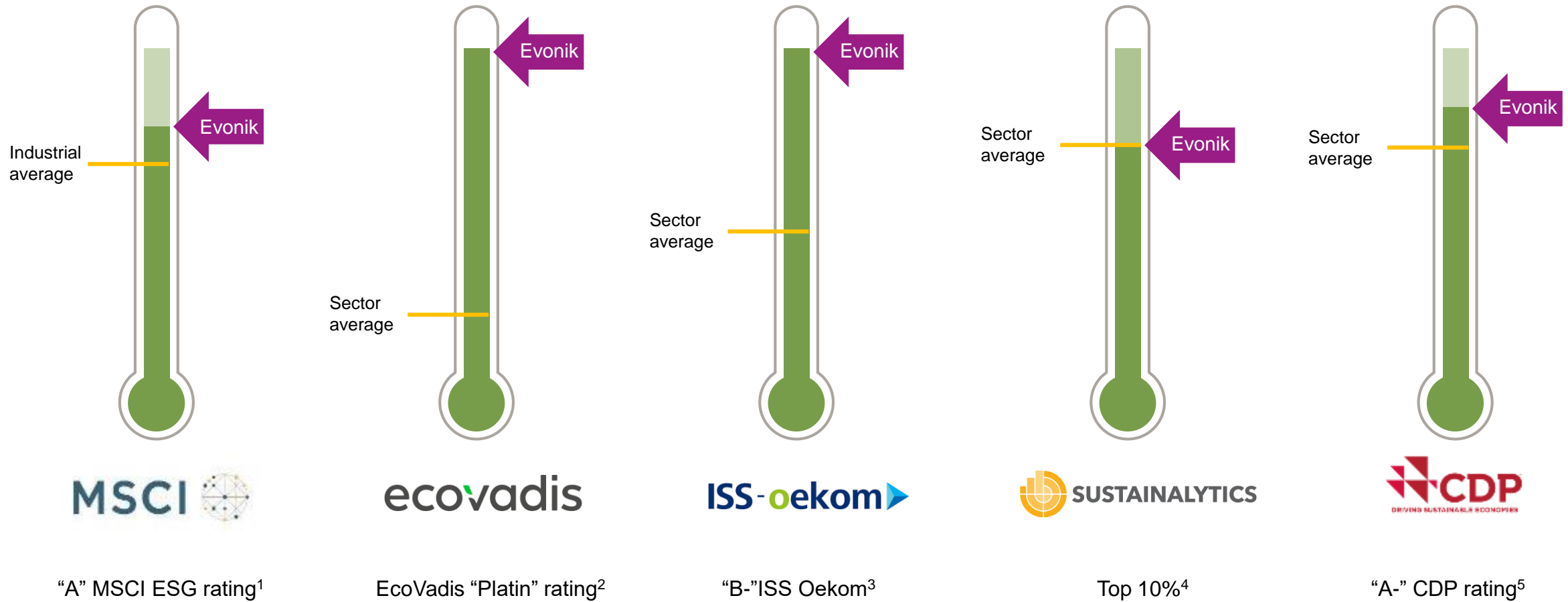
Diversity/Employees

Women in management in % (Circles 1 – 3)



Sustainability – Rankings

Evonik best-in-class within chemicals sector in terms of sustainability



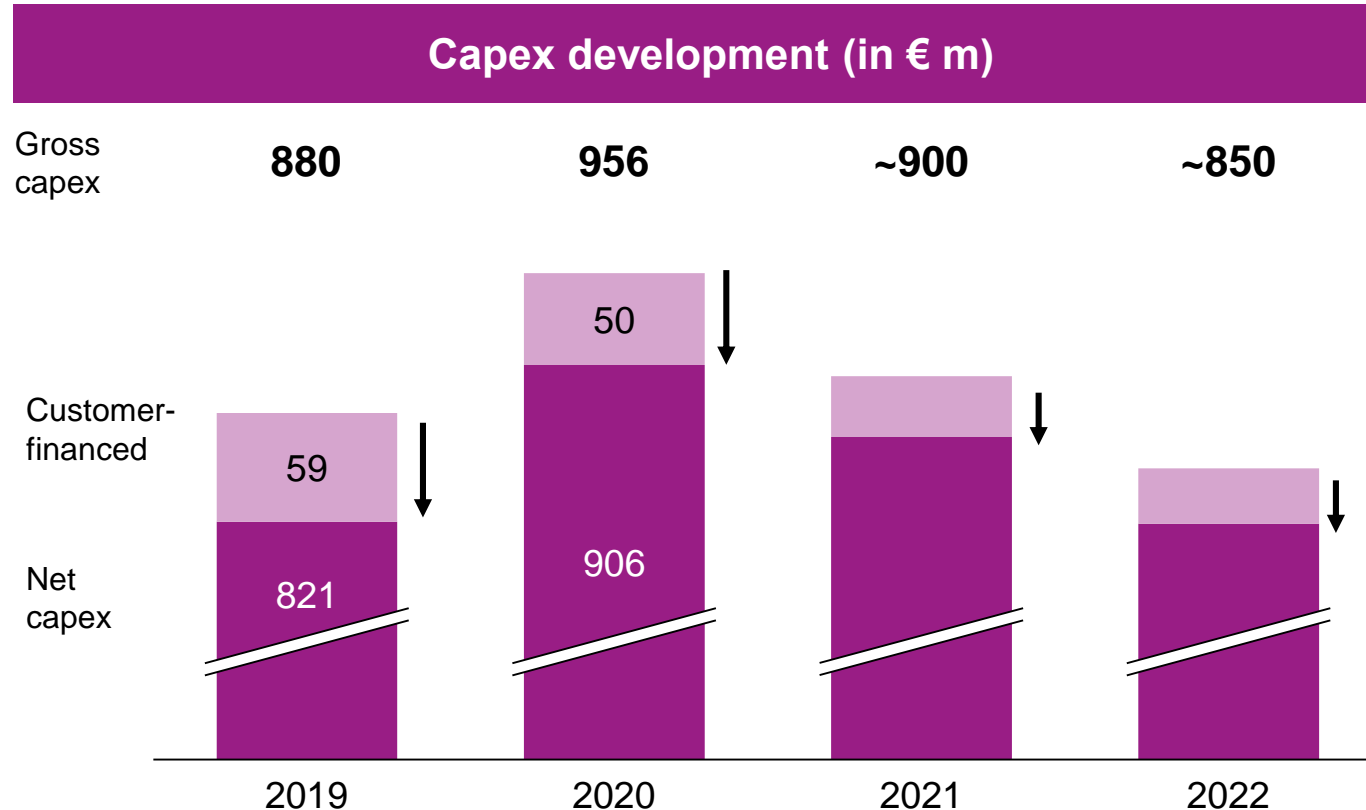
1: Rating on a scale of AAA to CCC | 2. top 1% of companies assessed | 2. Rating on a scale of A+ to D- | 3. out of ~130 companies ranked in the chemical sector | 4. Rating on a scale of A+ to D-

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Development cash-out for capex

Temporary higher capex due to PA12 & COVID-19, decreasing going forward

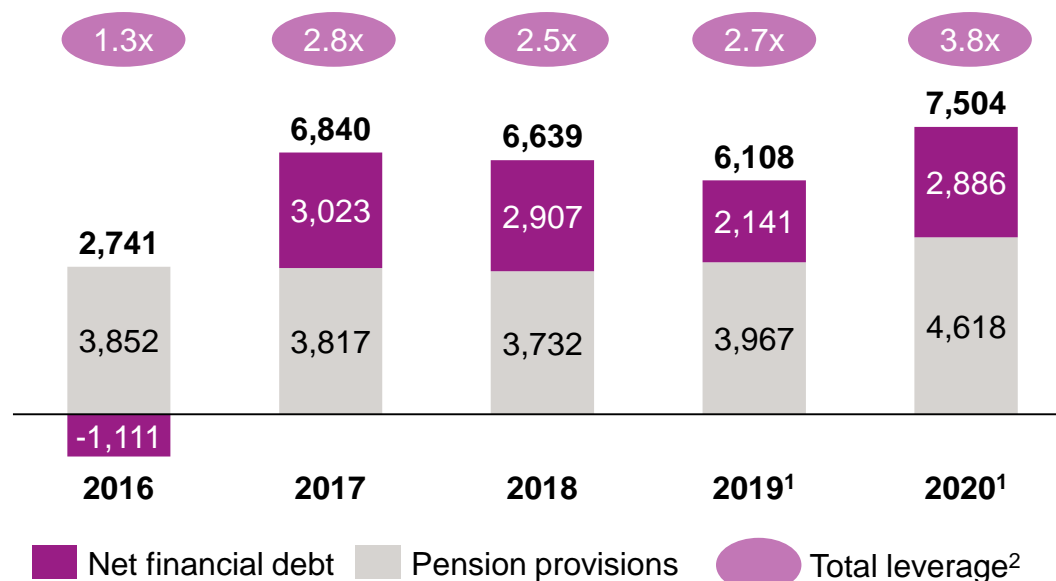


- COVID-related only minor delays but **higher capex for growth projects** in 2020 (higher hygienic standards at sites & delays in material supply)
- 2020 with peak capex for **new Polyamide 12 plant** in Germany (> €400 m from 2019 to 2021)
- **Positive cash-in** from **customer-financed projects¹** resulting in lower „net capex“ and positive for FCF
- Return to **lower capex level** in 2021 & 2022
- Ongoing benefits from **customer-financed projects¹**
- ~50% growth & ~50% maintenance capex

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

Development of debt and leverage over time

(in € m)



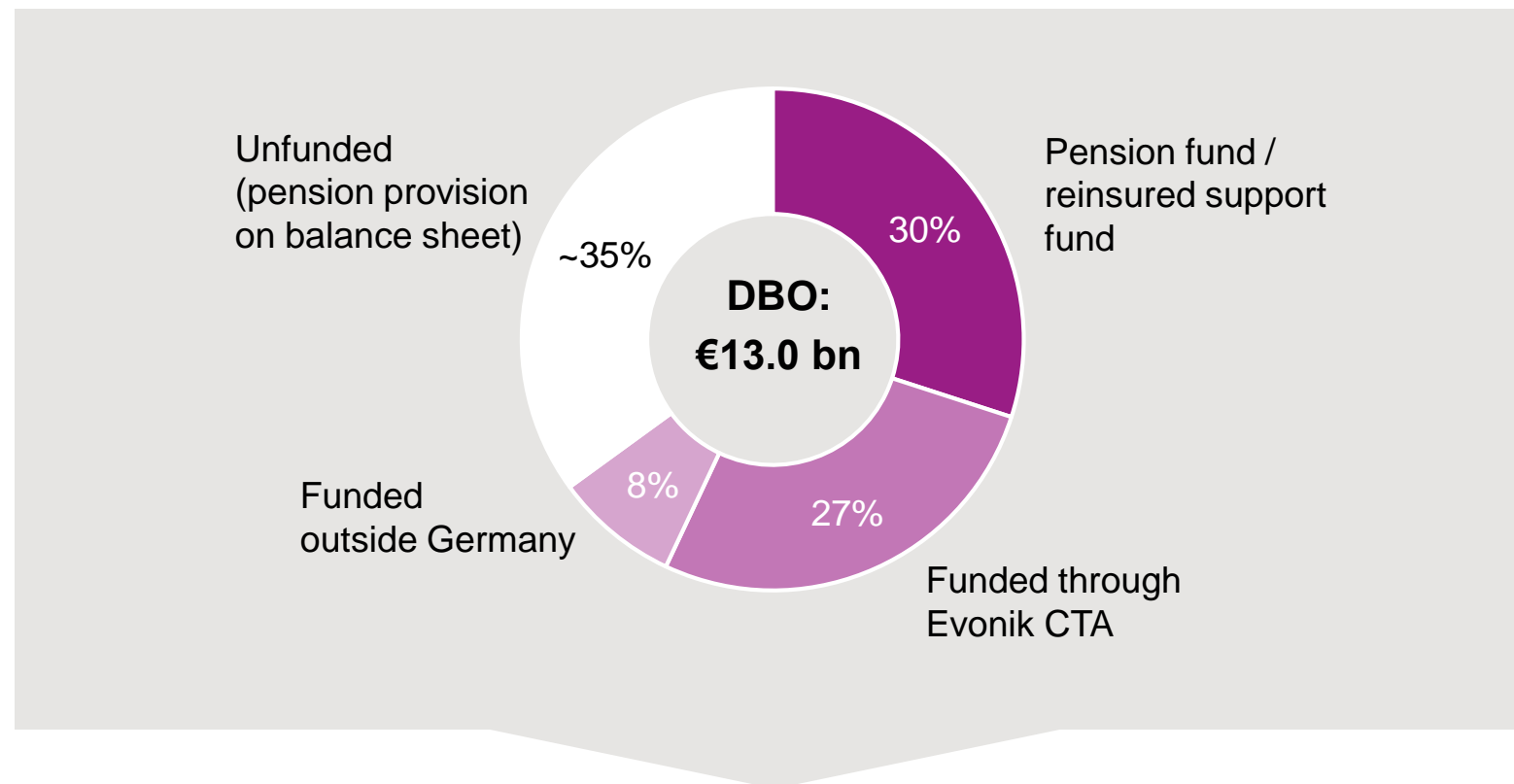
Adj. net debt ³	2,741	6,590	6,389	5,858 ¹	7,254 ¹
Adj. EBITDA	2,165	2,357	2,601	2,153 ¹	1,906 ¹
German pension discount rate (%)	2.00	2.00	2.00	1.30	0.90

- Increase of net financial debt as per year-end 2020 mainly from PeroxyChem and Porocel acquisitions
- Net financial debt leverage continues to be low at 1.4x⁴
- Majority of net debt consists of long-dated pension obligations with >18 years duration
- Higher pension provisions amid decrease of pension discount rates (German pension discount rate decline from 1.3% to 0.9% year-on-year)
- Pension provisions partly balanced by corresponding deferred tax assets of ~€1.6 bn

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

Pensions

Pension funding overview as of 31 December 2020



Funding level at ~ 65%

- Pensions very long-term, patient debt (>18 years) with no funding obligations in Germany
- DBO level of €13.0 bn
- Higher pension provisions amid decrease of pension discount rates
 - German pension discount rate decline from 1.3% to 0.9% year-on-year
- Solid funding level of ~65%

Debt structure

Well balanced maturity profile

(in € m as of December 31, 2020)

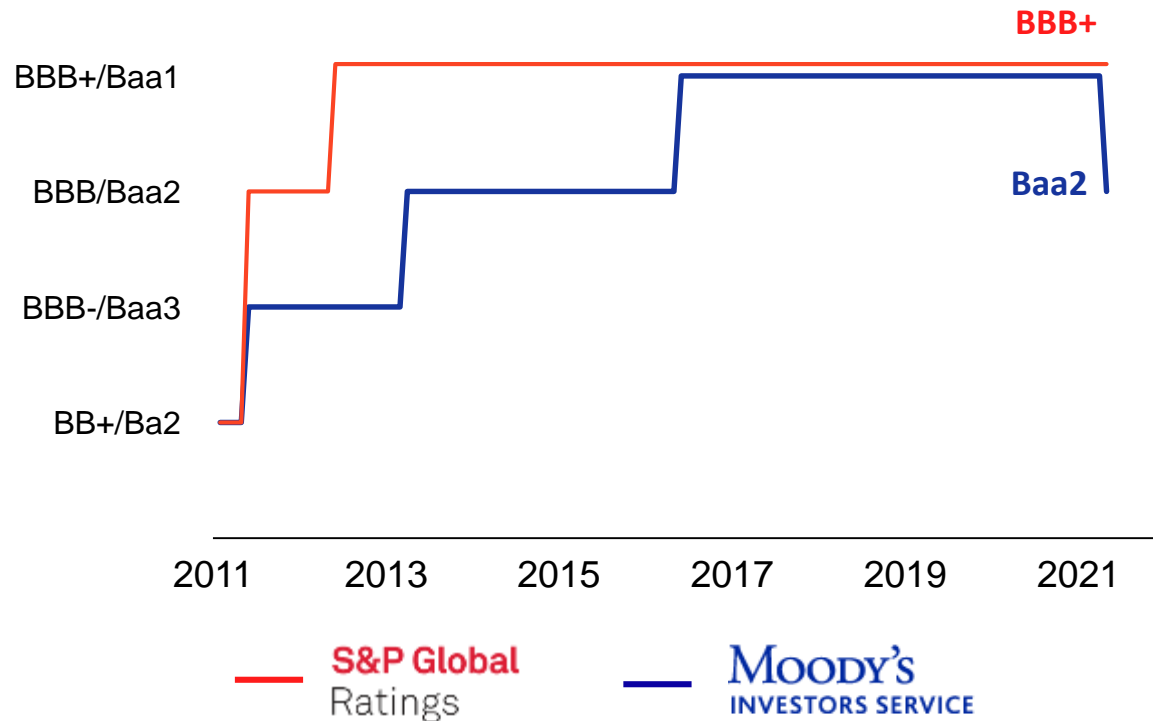


- Well balanced debt maturity profile with no single bond maturity greater than €750 m
- Long-term capital market financing secured at favorable conditions:
 - average coupon of 0.7% p.a. on €2.5 bn senior bonds
 - coupon of 2.125% p.a. on €0.5 bn hybrid bond
- Undrawn €1.75 bn syndicated revolving credit facility maturing June 2024
- The €650 m bond due 8 March 2021 was redeemed three months ahead of the final maturity date (i.e. on 8 December 2020)²

1: Formal lifetime of 60 years; first redemption right for Evonik in 2022 | 2: Early redemption right of Evonik (3 months par call)

Financial policy

Maintaining a solid investment grade rating



In April 2021, **Moody's** downgraded the rating of Evonik to **Baa2/stable** due to elevated leverage metrics

At the same time Moody's acknowledges Evonik's progress in the further development of its specialty chemicals portfolio as well as its solid liquidity profile

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

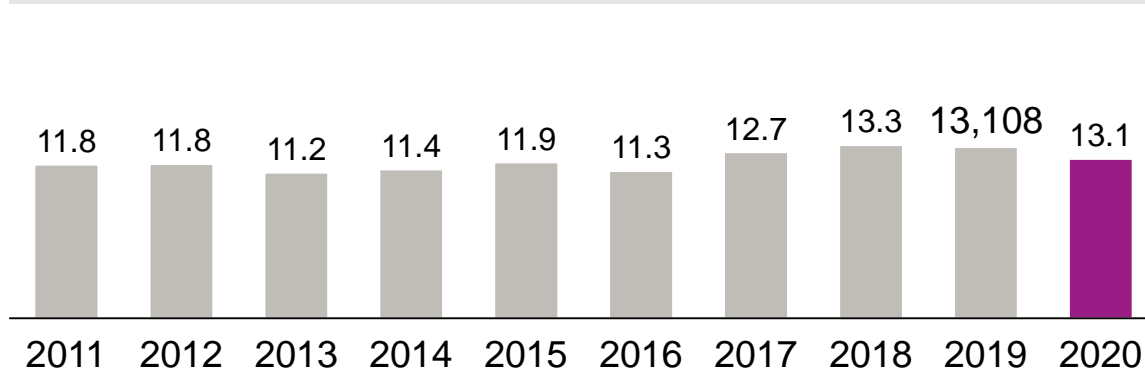
Both rating agencies acknowledge

- 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
- supportive financial policy and management commitment to a solid investment-grade rating

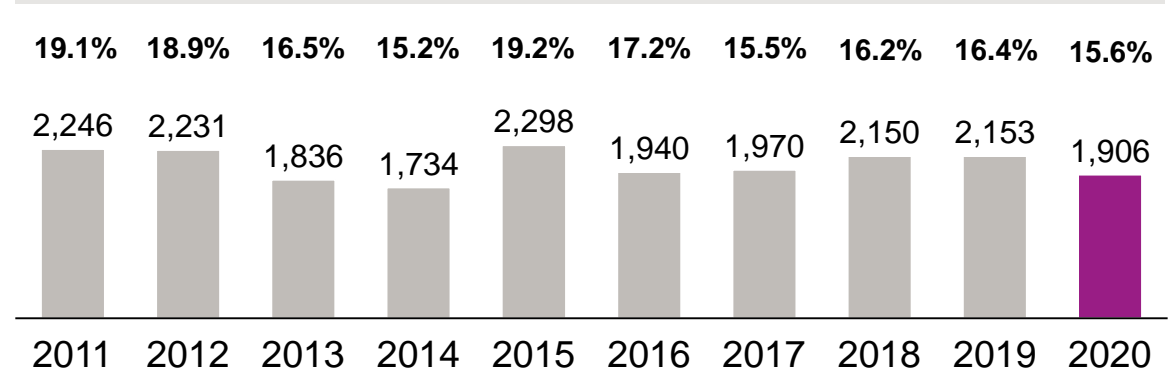
Maintaining a solid investment grade rating is a central element in our financing strategy

Financials

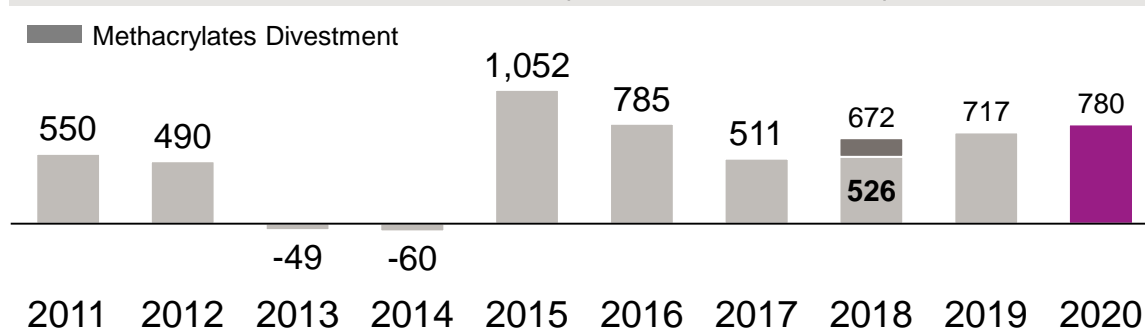
Sales¹ (in € bn)



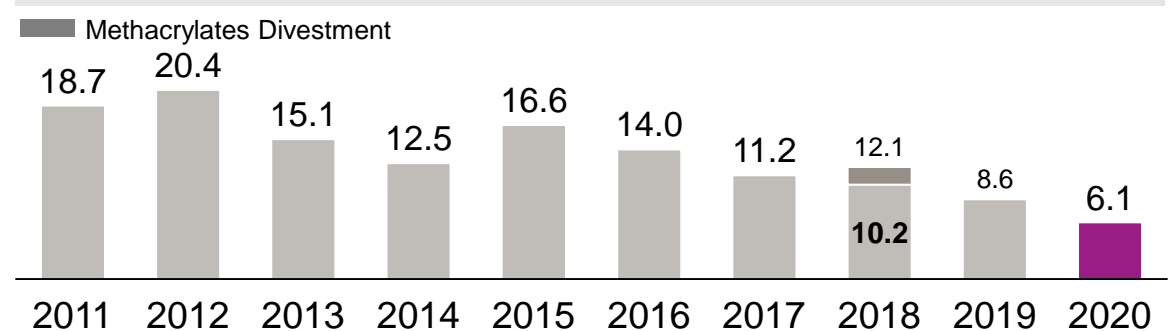
Adj. EBITDA¹ (in € m) / margin



Free Cash Flow (as reported, in € m)



ROCE (as reported, in %)



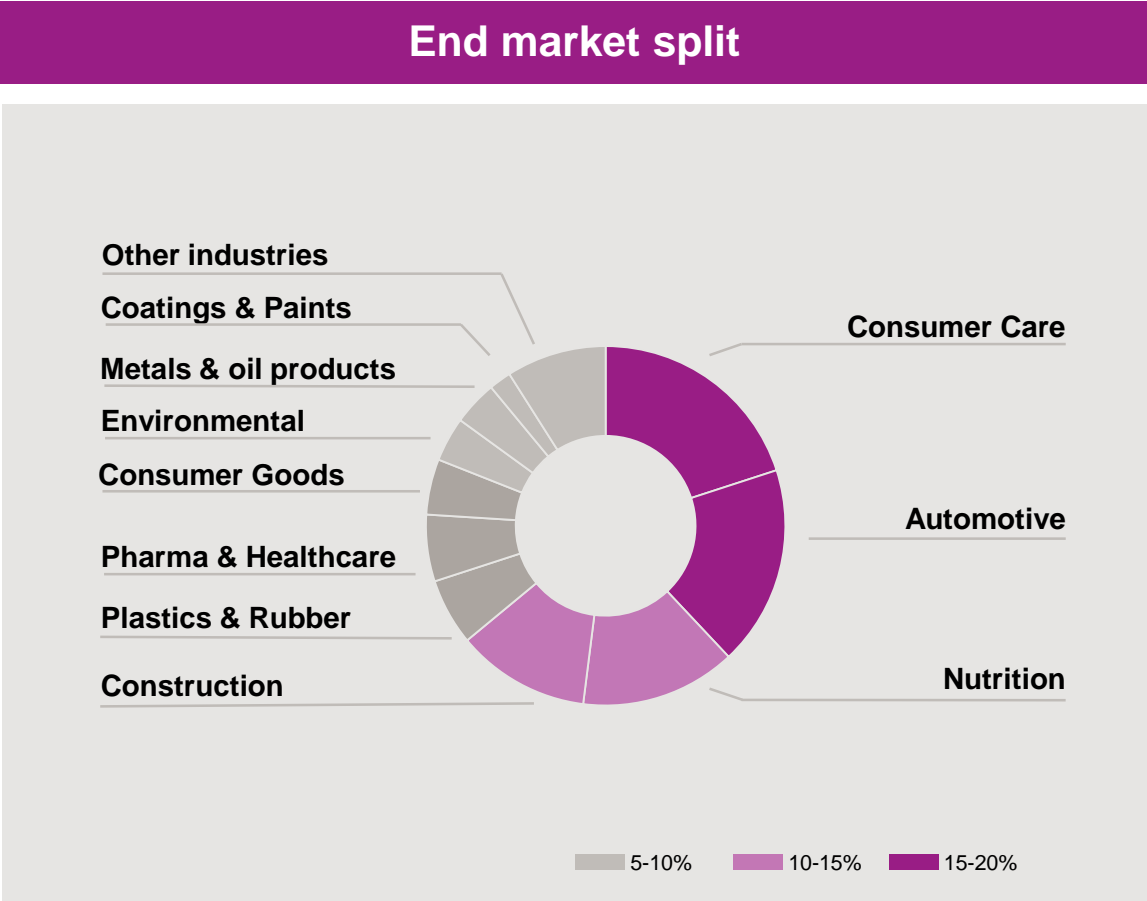
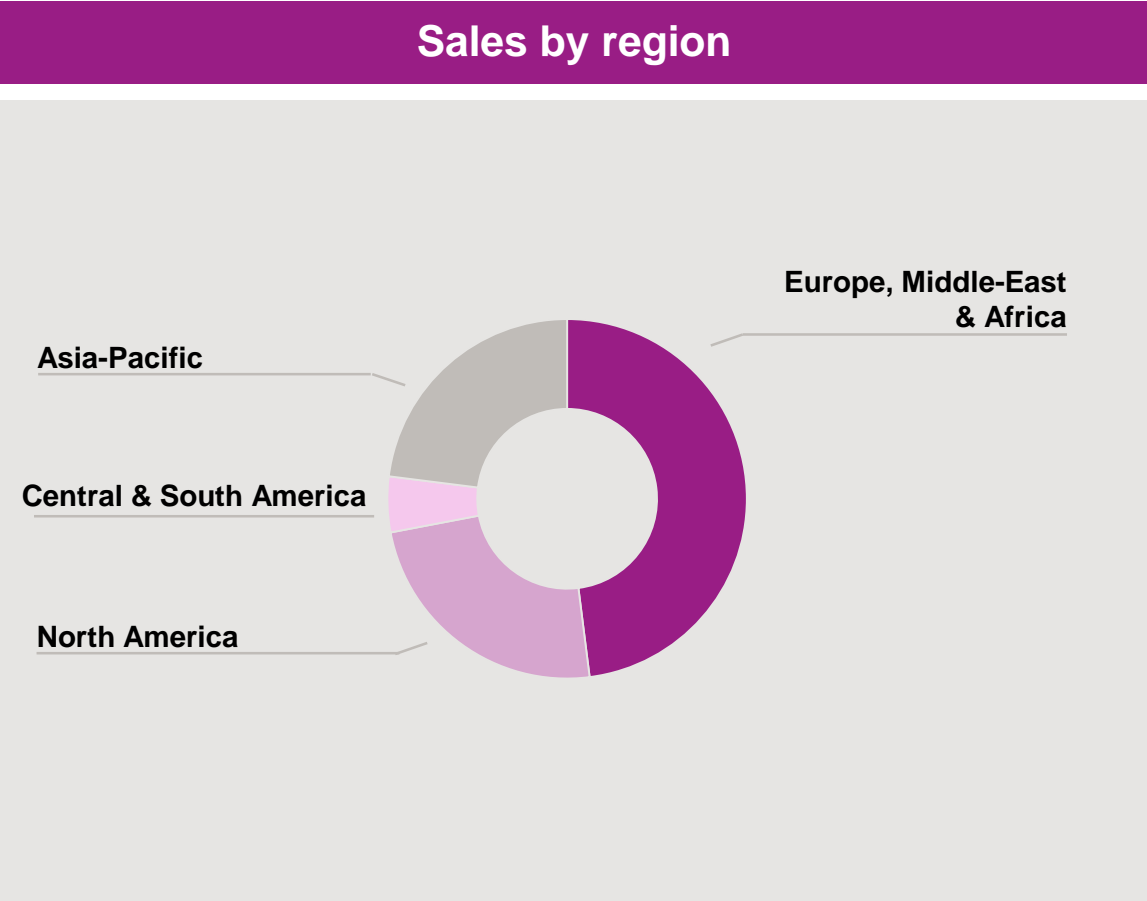
1: Continuing operations

Divisional overview by quarter

Sales (in € m)	Q1/19	Q2/19	Q3/19	Q4/19	FY 2019	Q1/20	Q2/20	Q3/20	Q4/20	FY 2020	Q1/21
Specialty Additives	842	867	861	810	3,381	852	747	777	848	3,225	907
Nutrition & Care	731	719	726	747	2,922	748	742	715	787	2,992	780
Smart Materials	857	845	833	836	3,371	858	722	790	866	3,235	909
Performance Materials	677	698	607	652	2,634	584	437	444	517	1,983	580
T&I/Other	180	177	205	239	800	201	179	191	194	764	182
Evonik Group	3,287	3,306	3,232	3,284	13,108	3,243	2,827	2,917	3,212	12,199	3,358

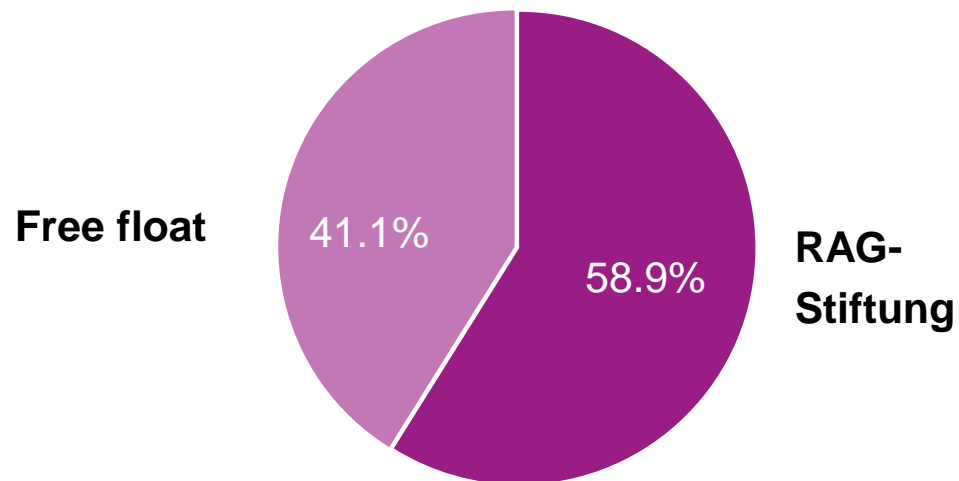
Adj. EBITDA (in € m)	Q1/19	Q2/19	Q3/19	Q4/19	FY 2019	Q1/20	Q2/20	Q3/20	Q4/20	FY 2020	Q1/21
Specialty Additives	225	226	232	203	886	239	202	214	201	857	273
Nutrition & Care	113	121	119	109	462	118	168	140	133	560	143
Smart Materials	162	164	157	168	651	166	102	137	124	529	173
Performance Materials	63	84	49	53	248	18	12	28	30	88	42
T&I/Other	-24	-29	-14	-28	-94	-28	-28	0	-70	-128	-43
Evonik Group	539	566	543	505	2,153	513	456	519	418	1,906	588

Balanced regional and end market split 2020



“RAG-Stiftung” as long-term shareholder - Focus on total shareholder return

Ownership structure



RAG Stiftung

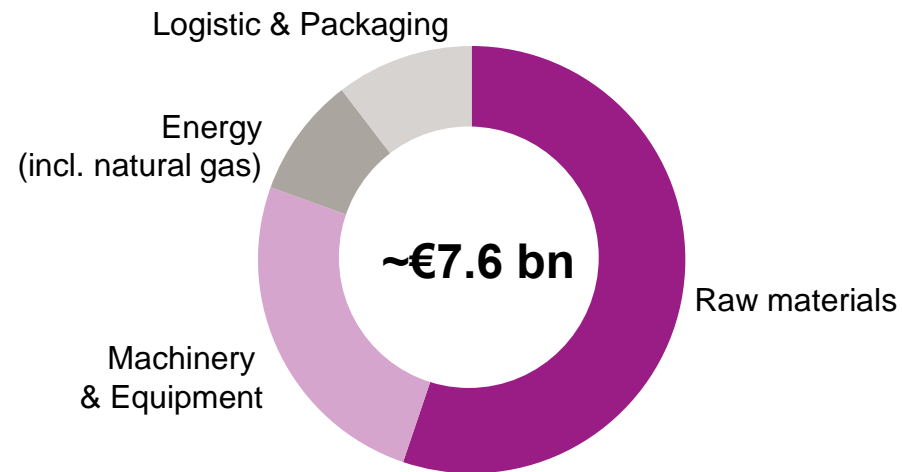
- RAG-Stiftung manages a portfolio of ~€19 bn assets under management, one of the biggest foundations in Europe
- Portfolio consists of publicly traded securities, private equity, direct holdings, real estate and bonds of various types
- RAG-Stiftung focuses on investments with high total shareholder return and strong cash/distribution profiles
- Underlying goal is to finance/cover the perpetual liabilities arising from hard-coal mining in Germany
- >60% of total portfolio invested in assets other than Evonik
- RAG-Stiftung with strong interest in Evonik's profitable growth, resulting in significant shareholder returns
- Clear intention to remain significant shareholder

Management compensation

<p>Fixed salary</p> <p>~1/3</p>	<ul style="list-style-type: none"> ▪ To be paid in cash for each financial year on a monthly basis
<p>Bonus</p> <p>~1/3</p>	<ul style="list-style-type: none"> ▪ Pay-out calculated on the basis of the achievement of focused KPIs; aligned to mid-term strategic targets: <ol style="list-style-type: none"> 1. Progression towards EBITDA margin target 2. EBITDA growth (yoy) 3. Contribution to FCF target 4. Accident performance ▪ Factor of between 0.8 and 1.2 to take into account the achievement of further individual targets ▪ Bonus capped at 200% of initial target
<p>Long-term incentive plan</p> <p>~1/3</p>	<ul style="list-style-type: none"> ▪ Granted LTI target amount is calculated in virtual shares (4-year lock-up) ▪ Value of LTI to mirror the development of Evonik's share price (incl. dividends) ▪ Amount payable is determined by two performance elements <ul style="list-style-type: none"> ▪ Absolute performance: Real price of the Evonik share ▪ Relative performance against external index benchmark (MSCI Chemicals) ▪ Bonus capped at 300% of initial amount ▪ To be paid out in cash after lock-up period

Raw material split and TOP 3 raw materials per division

Total procurement volume 2020



Breakdown of raw material spend¹ (examples)

Bio

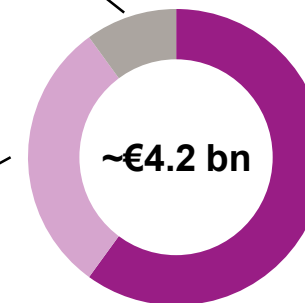
- Dextrose
- Fatty alcohols
- Tallow fatty acid
- Fatty acids
- Tallow

Inorganics & others

- Sodium silicate
- Sodium hydroxide
- Silicon metal

Fossil

- 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: Raw material spend 55% of total procurement volume in 2020

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Upcoming IR events

Conferences & Roadshows (all virtual)	
11 May 2021	Roadshow, London (Berenberg)
19 May 2021	Roadshow, Continental Europe (Stifel)
20 May 2021	Chemicals Conference, London (Citi)
20 May 2021	Basic Materials Conference, Tarrytown (Berenberg)
26 May 2021	Best of Europe Conference, New York (UBS)
2 June 2021	Global Chemicals Conference, London (Credit Suisse)
7 June 2021	European Materials Conference, London (J.P. Morgan)
8 June 2021	Innovation Conference, Zürich (Berenberg)
9 June 2021	Sustainable Future Summit, London (Morgan Stanley)
10 June 2021	CEO Conference, Paris (Exane)

Upcoming Events & Reporting Dates	
2 June 2021	Annual General Meeting
5 August 2021	Q2 2021 reporting
4 November 2021	Q3 2021 reporting
3 March 2022	Q4 2021 reporting

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EVONIK

Leading Beyond Chemistry