

## Evonik strengthens competitiveness of its Animal Nutrition business

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At Evonik we are transforming the operating model of its Animal Nutrition business to further increase its customer focus, ensure competitiveness and enable further profitable growth. Moving forward, the amino acids business and the specialty nutrition business will operate separately and according to different models - in line with their respective requirements and market conditions. Additionally, Evonik is optimizing the production setup for the manufacture of MetAMINOÂ® (DL-methionine) at its three world-scale production hubs and improving the ecological footprint.

These measures to adjust operating models and optimize production will result in an annual cost savings of â?~200 million with initial savings being realized in the current fiscal year. The full amount will be reached in the 2025 fiscal year. This will also include a reduction of around 200 jobs worldwide. The exact details are still being determined.

We are systematically implementing a plan that will develop our Animal Nutrition business, so it continues to grow and succeed in our markets. The strengthened competitiveness of Animal Nutrition will secure its role as strong and important cash generator for Evonik.

Animal Nutrition will be run in two distinct operating models: one for its amino acids and one for its specialty nutrition business. The market environment for amino acids is characterized by unchanged strong growth and an attractive sustainability profile

but it is also challenged by rising raw material and energy costs. By streamlining the amino acids business organization, Evonik is targeting a streamlined operating model focused on efficiency and cost-leadership. This go-to-market approach will be characterized by a lean sales organization with strong digital competence and processes to benefit the customer.

The specialty nutrition business with functional feed additives and digital tools will be developed into a business with system solutions and specialties for poultry, swine and ruminants.

By transforming our operating models and by executing our global asset strategy at our three world-scale MetAMINO<sup>®</sup> production hubs, we will secure our competitiveness in the short term and our leading position in animal nutrition and animal health solutions in the long term.

In the amino acids business, Evonik's investments are focused on optimizing the production setup for the manufacture of MetAMINO<sup>®</sup> and improving the ecological footprint at its three production hubs on three continents.

In the United States, a new plant for the production of MetAMINO<sup>®</sup> precursor, methyl mercaptan, is currently being built at the methionine hub in Mobile, Alabama. This will further strengthen Evonik's ability to offer reliable and cost-optimized supply. Additionally, it will reduce the carbon footprint of MetAMINO<sup>®</sup> from the site by approximately seven percent.

In Singapore, Evonik is investing in process optimization. This will result in an improved cost position and an annual capacity expansion of 40,000 metric tons <sup>â??</sup> leading to a total of close to 340,000 metric tons per year. It will also lead to a six-percent reduction of the site's methionine production carbon footprint.

Additionally, in 2022, Evonik further developed and expanded the production facility for MMP (methylmercapto-propionaldehyde) in Wesseling, Germany, reinforcing the European methionine hub in Antwerp, Belgium