

## Evonik strengthens competitiveness of its Animal Nutrition business

- Transformation of amino acids and specialties operating models to adapt to market dynamics
- Investment in global hubs to improve supply security, cost position and sustainability profile
- Annual cost savings of €200 million from 2025 onwards

**Essen, Germany.** Evonik is 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 MetAMINO® (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 €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," says Johann-Caspar Gammelin, President of Evonik's Nutrition & Care division.

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.

3 April 2023

**Main press contact**

**Yama Olumi**  
Head of Market Communications  
Animal Nutrition  
Phone + 49 6181 59-12437  
yama.olumi@evonik.com

**Alternative press contact**

**Dr. Jürgen Krauter**  
Head of Market Communications  
Evonik  
Phone +49 6181 59-6847  
juergen.krauter@evonik.com

**Evonik Industries AG**

Rellinghauser Straße 1-11  
45128 Essen  
Germany  
Phone +49 201 177-01  
www.evonik.com

Supervisory Board  
Bernd Tönjes, Chairman  
Executive Board  
Christian Kullmann, Chairman  
Dr. Harald Schwager, Deputy  
Chairman  
Thomas Wessel, Ute Wolf

Registered Office is Essen  
Register Court Essen Local Court  
Commercial Registry B 19474

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® 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," says Dr. Gaetano Blanda, head of the Animal Nutrition business line.

In the amino acids business, Evonik's investments are focused on optimizing the production setup for the manufacture of MetAMINO® 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® 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® 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 – 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.

**Company information**

Evonik is one of the world leaders in specialty chemicals. The company is active in more than 100 countries around the world and generated sales of €18.5 billion and an operating profit (adjusted EBITDA) of €2.49 billion in 2022. Evonik goes far beyond chemistry to create innovative, profitable and sustainable solutions for customers. About 34,000 employees work together for a common purpose: We want to improve life today and tomorrow.

**About Nutrition & Care**

The focus of the business of the Nutrition & Care division is on health and quality of life. It develops differentiated solutions for active pharmaceutical ingredients, medical devices, nutrition for humans and animals, personal care, cosmetics, and household cleaning. In these resilient end markets, the division generated sales of €4.24 billion in 2022 with about 5,700 employees.

**Disclaimer**

In so far as forecasts or expectations are expressed in this press release or where our statements concern the future, these forecasts, expectations or statements may involve known or unknown risks and uncertainties. Actual results or developments may vary, depending on changes in the operating environment. Neither Evonik Industries AG nor its group companies assume an obligation to update the forecasts, expectations or statements contained in this release.