S&P Global Ratings

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Evonik Industries AG

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This report does not constitute a rating action.

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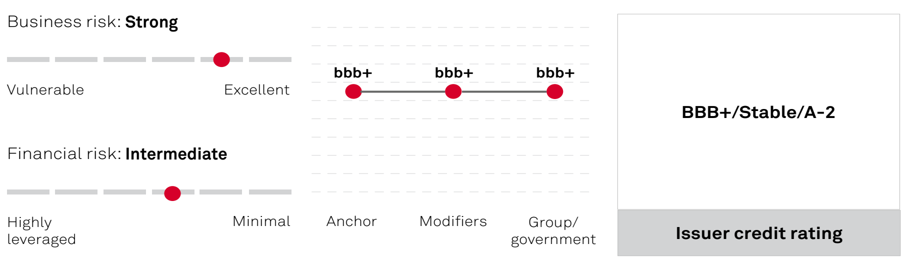
Ratings Score Snapshot



Credit Highlights

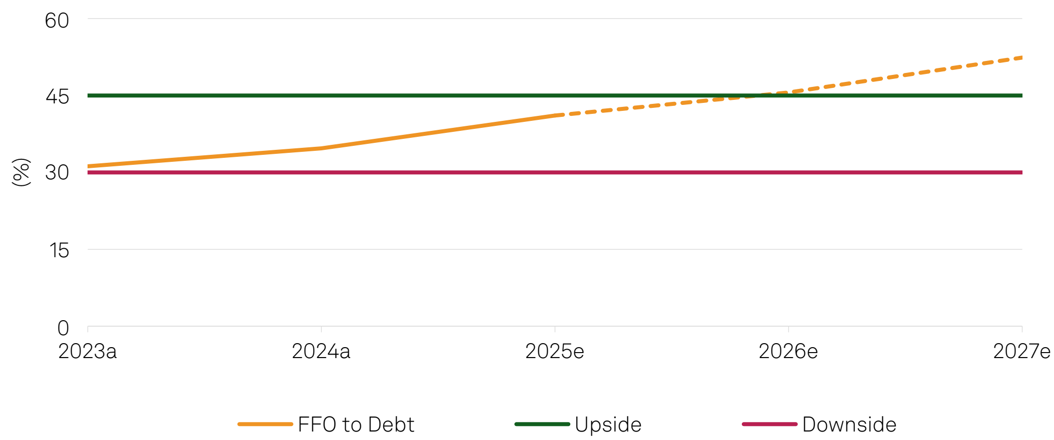
Overview

Key strengths	Key risks
Leading specialty-chemicals manufacturer globally with top market position in several business subsegments.	High concentration of revenue from Europe, the Middle East, and North Africa and North America (together accounting for about 72% of 2024 revenue), though plans to expand in Asia-Pacific (APAC).
Limited direct exposure to current trade tensions, given the local-for-local production business model.	Exposure to some cyclical end-markets and volatile raw material prices--especially in commoditized products--pressuring overall operating performance.
Potential for improved profitability in the next few years due to growth investments, cost-saving initiatives, innovation, and portfolio optimization.	Exposure to relatively high energy prices for production assets in Europe, especially Germany.
Supportive financial policy and management's commitment to a solid investment-grade rating.	

S&P Global Ratings expects Evonik's rating headroom to strengthen in 2025-2026 on the back of growth investments and optimization of the group structure. We expect S&P Global Ratings-adjusted funds from operations (FFO) to debt to strengthen to slightly above 40% by the end of 2025 and to above 45% in 2026, from 34.7% in 2024. This indicates a buildup of very comfortable headroom compared with the 30%-45% range commensurate with our 'BBB+' rating. We view Evonik's strong commitment to a solid investment-grade rating and its track record of cautious financial policy as supportive for the rating.

Chart 1

Evonik's rating headroom should strengthen in 2025-2026



a--Actual. e--Estimate. *S&P Global Ratings adjusted. Source: S&P Global Ratings.

We expect a progressive increase in adjusted EBITDA in 2025-2026, supported by cost saving initiatives and expansion into new markets. In May 2025, Evonik confirmed its 2025 guidance for EBITDA of €2.0 billion-€2.3 billion (adjusted by the company before one-off costs), supported by strong first-quarter results driven by cost optimization, growth in subsegments such as biosurfactants and coating additives, lower energy costs, and continued strength in the methionine market. We anticipate that S&P Global Ratings-adjusted EBITDA will rise to €2.1 billion in 2025 and €2.4 billion in 2026, compared to €1.8 billion in 2024. This reflects lower restructuring costs (that had depressed 2024 EBITDA), benefits from growth investments, and optimization programs including the Evonik Tailor Made cost-saving program, which will account for about 50% of the company's €500 million planned net savings by 2027. Evonik posted resilient performance in 2024, driven by higher volumes, price recovery in the animal nutrition business, lower raw materials costs, and cost-savings. However, revenue declined by 1% to €15.2 billion, primarily due to lower product prices and the divestiture of its Luelsdorf site and superabsorbent business.

We anticipate that Evonik will continue generating strong free operating cash flow (FOCF). We forecast FOCF of €650 million-€750 million in 2025, slightly lower than 2024 due to higher capital expenditure (capex) totaling about €850 million. Capex includes investments in next-generation technologies and immediate-return projects with paybacks of less than two years. We anticipate working capital cash outflows of about €100 million in 2025. Evonik is targeting a cash conversion rate of about 40% in 2025, with a focus on working capital efficiency. For 2025-2027, the company is aiming for a cumulative operating cash flow of about €5.5 billion--about half of which would be absorbed by growth and maintenance capex, 30% by dividends, and the remainder by deleveraging and optional additional shareholder returns. Evonik does not have any mergers and acquisitions (M&A) planned until at least 2027.

Evonik's new segment reporting aligns with a shift toward more resilient specialty chemicals. Effective April 1, 2025, Evonik's business segment reporting comprises custom solutions and advanced technologies segments. The custom solutions segment prioritizes innovation-driven, tailor-made solutions for customers in specific growth markets, while the advanced technologies segment focuses on technology and efficiency-driven businesses. The restructuring eliminates a former divisional administrative tier, creating a leaner organization where businesses report directly to the board and contributing to a balanced sales footprint across Europe, Asia, and the Americas in the next few years, with organic investments in Asia enhancing regional diversification. Evonik also remains committed to divesting its performance intermediate (C4) chain assets and is exploring several strategic options, including sales or joint ventures (JVs), for its infrastructure units in Marl and Wesseling, Germany. The company is also refining its health care and coating and adhesive resins portfolios by divesting less strategic assets, including keto acid and amino acid production facilities in Germany, France, and China. We have not incorporated any potential proceeds from this divestiture into our forecasts because the timing, amount, and use of such proceeds remain uncertain. The disposal of the cyclical, commoditized, low-margin performance intermediate business line would result in a higher EBITDA margin and more resilient cash flow generation once completed.

Outlook

Our outlook on the long-term rating is stable because we expect Evonik to maintain adjusted FFO to debt comfortably above 30% in the next 12-18 months, supported by lower restructuring costs, a gradual improvement in demand, and benefits from cost-saving measures.

Downside scenario

We could lower the rating if we anticipated that Evonik's adjusted FFO to debt would decline below 30% without near-term prospects of recovery. This could be caused by a significant drop in profit, due to a weaker market environment, or significant debt-funded acquisitions. We see this scenario as unlikely given the company's commitment to preserving a solid investment grade rating.

Upside scenario

We could take a positive rating action if Evonik maintained resilient performance via a higher share of specialty chemicals in its product portfolio, visible EBITDA contributions from expansion projects, and adjusted FFO to debt of at least 45% sustainably, as well as a rise in FOCF. A financial policy commitment to a higher rating would be important for any upgrade considerations.

Our Base-Case Scenario

Assumptions
• Global GDP growth of 2.7% in 2025, 2.6% in 2026, and 3.3% in 2027-2028. GDP growth in North America of 1.5% in 2025 and 1.7% in 2026. GDP growth in Europe of 0.8% in 2025, 1.2% in 2026, and 1.4% in 2027. • 2%-4% sales growth in 2025-2026, assuming modest recovery in demand across end markets amid persistent geopolitical uncertainties and global trade tensions. This follows a slight revenue decline of 1% in 2024.

- An improved adjusted EBITDA margin in 2025-2026, driven by cost savings, growth in niche markets like biosurfactants and coating additives, reduced one-off costs, a gradual recovery in volumes, and asset utilization.
- Modest working capital cash absorption.
- Capex of about €850 million in 2025, in line with company guidance.
- Stable dividends of about €570 million including minorities in 2025, and slightly higher in 2026.

Key metrics

Evonik Industries AG--Forecast summary

Period ending	Dec-31-2021	Dec-31-2022	Dec-31-2023	Dec-31-2024	Dec-31-2025	Dec-31-2026	Dec-31-2027	Dec-31-2028
(Mil. EUR)	2021a	2022a	2023a	2024a	2025e	2026f	2027f	2028f
Revenue	14,955	18,488	15,267	15,157	15,488	16,001	16,726	17,228
EBITDA	2,317	2,502	1,703	1,769	2,123	2,348	2,596	2,673
Funds from operations (FFO)	1,909	2,248	1,368	1,440	1,739	1,916	2,118	2,180
Cash flow from operations (CFO)	1,727	1,586	1,523	1,634	1,540	1,667	1,869	1,929
Capital expenditure (capex)	856	855	786	830	840	840	890	890
Free operating cash flow (FOCF)	871	731	737	804	700	827	979	1,039
Dividends	560	561	558	568	573	593	613	633
Discretionary cash flow (DCF)	296	154	163	224	115	222	353	394
Debt	5,092	3,985	4,393	4,157	4,232	4,201	4,038	3,834
Adjusted ratios								
Debt/EBITDA (x)	2.2	1.6	2.6	2.3	2.0	1.8	1.6	1.4
FFO/debt (%)	37.5	56.4	31.2	34.7	41.1	45.6	52.4	56.8
CFO/debt (%)	33.9	39.8	34.7	39.3	36.4	39.7	46.3	50.3
FOCF/debt (%)	17.1	18.4	16.8	19.4	16.5	19.7	24.2	27.1
DCF/debt (%)	5.8	3.9	3.7	5.4	2.7	5.3	8.8	10.3
Annual revenue growth (%)	22.6	23.6	(17.4)	(0.7)	2.2	3.3	4.5	3.0
EBITDA margin (%)	15.5	13.5	11.2	11.7	13.7	14.7	15.5	15.5

All figures are adjusted by S&P Global Ratings, unless stated as reported. a--Actual. e--Estimate. f--Forecast. EUR--euro.

Company Description

Evonik is one of the leading specialty chemical companies globally, with about €15.2 billion of reported revenue in 2024. The company has a global production footprint with its largest sites located in Germany, Belgium, the U.S., China, and Singapore. Until 2024, the company operated through four segments: specialty additives (24% of 2024 sales), nutrition & care (25%), smart materials (29%), and technology and infrastructure (22%). In April 2025, the company reorganized its operating business into 13 business lines, structured into two core segments:

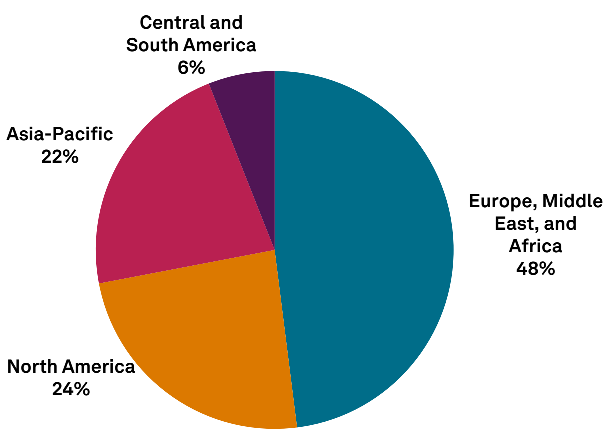
- Custom Solutions: Additives for coatings, adhesives and sealants, polyurethane foams and lubricants, catalysts and ingredients for cosmetics, cleaning and pharmaceutical industries. This segment reported €5.7 billion in sales and €1 billion of EBITDA in 2024.
- Advanced Technologies: High-performance polymers, crosslinkers, hydrogen peroxide and silica, and amino acids. This segment reported €6.1 billion in sales and €1 billion of EBITDA in 2024.

Evonik plans to significantly scale down its technology and infrastructure segment by divesting its C4 business, which recorded sales of about €1.9 billion in 2024, and by carving-out its German sites in Marl and Wesseling by the end of 2025. Strategic options for the carved-out sites include remaining within the group, a partnership or JV, or divestments.

A high concentration of Evonik's revenue comes from the Europe, Middle East, and Africa (EMEA) region (48% of sales in 2024) and North America (24%). However, it is aiming for a more balanced geographic exposure by 2027, with sales split roughly evenly between Americas, EMEA, and APAC, through a mix of organic growth and divestments.

Chart 2

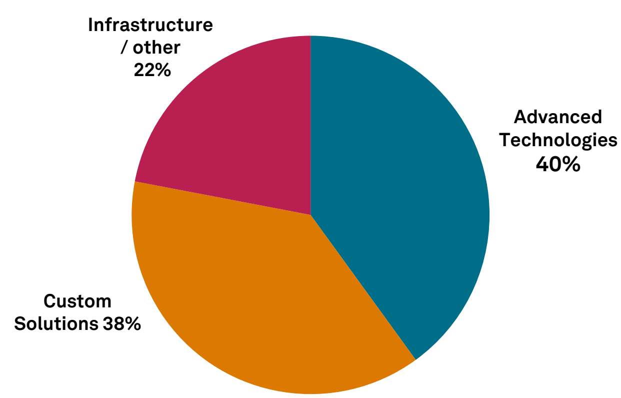
Evonik's 2024 sales by region



Source: Evonik 2024 Annual Report.

Chart 3

Evonik's 2024 sales by new segment



Source: Evonik Q1 2025 Report.

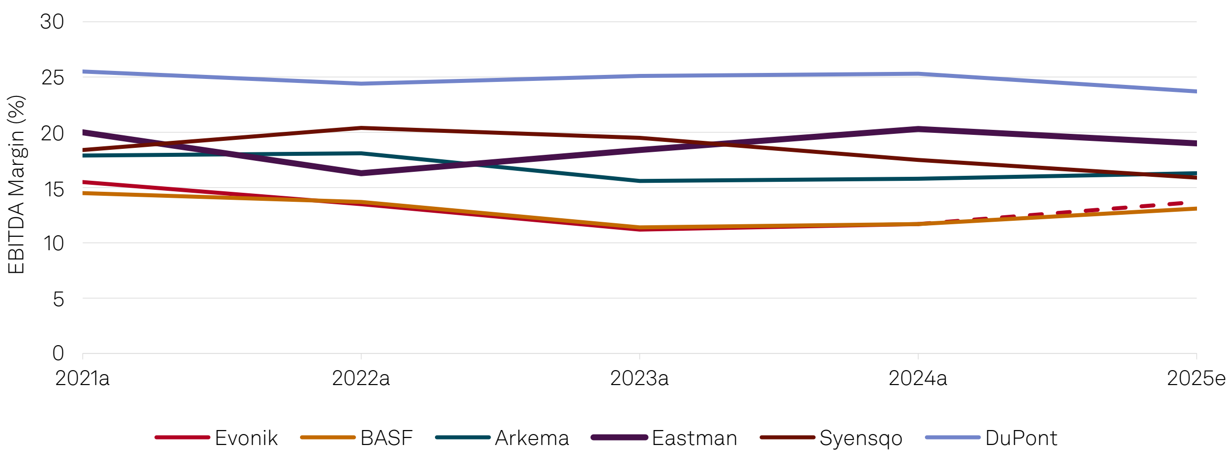
Evonik was publicly listed in 2013 by its majority owner, RAG-Stiftung, which still holds 46% of the company's shares, including €1.4 billion of exchangeable bonds. RAG-Stiftung has a long-term target of retaining a 25.1% stake in Evonik. As of May 30, Evonik's market capitalization was €8.9 billion.

Peer Comparison

We compare Evonik with other European and US chemical companies that largely operate in the specialty chemicals business. Evonik has a wider scope of activities than most of its peers, except for BASF. It also accesses a wide range of end markets, including personal care, nutrition, mobility, coatings, pharma, construction, and environmental. However, Evonik's EBITDA margin lags that of industry peers in the U.S., primarily due to higher energy and feedstock costs in Europe. Its higher exposure to production assets in Europe and larger share of commodity-like businesses, including performance materials and methionine in the animal nutrition segment--affected by global oversupply in recent years--has led to a lower margin than for European specialty producers like Arkema and Syensqo. We see a potential for Evonik to improve its profitability and reduce the margin gap with global industry peers over the medium term, due to cost-saving initiatives and the ongoing portfolio adjustment to focus on high-growth, high-margin specialty products with sustainability benefits.

Chart 4

Evonik's S&P Global Ratings-adjusted EBITDA margin lags that of industry peers



a--Actual. e--Estimate. *S&P Global Ratings adjusted. Source: S&P Global Ratings.

Evonik Industries AG--Peer Comparisons

	Evonik Industries	BASF SE	Arkema S.A.	Eastman Chemical Co.	DuPont de Nemours Inc.
Foreign currency issuer credit rating	BBB+/Stable/A-2	A-/Stable/A-2	BBB+/Positive/A-2	BBB/Stable/A-2	BBB+/Watch Neg/A-2
Local currency issuer credit rating	BBB+/Stable/A-2	A-/Stable/A-2	BBB+/Positive/A-2	BBB/Stable/A-2	BBB+/Watch Neg/A-2
Period	Annual	Annual	Annual	Annual	Annual
Period ending	2024-12-31	2024-12-31	2024-12-31	2024-12-31	2024-12-31
Mil.	EUR	EUR	EUR	EUR	EUR

Evonik Industries AG--Peer Comparisons

Revenue	15,157	65,260	9,544	9,062	11,964
EBITDA	1,769	7,618	1,509	1,840	3,023
Funds from operations (FFO)	1,440	6,051	1,288	1,516	2,321
Interest	149	1,032	59	230	370
Cash interest paid	116	601	88	217	397
Operating cash flow (OCF)	1,634	6,980	1,104	1,314	2,345
Capital expenditure	830	6,051	752	562	559
Free operating cash flow (FOCF)	804	929	352	752	1,786
Discretionary cash flow (DCF)	224	(2,401)	46	96	618
Cash and short-term investments	589	2,981	2,013	808	1,787
Gross available cash	589	2,981	2,013	808	1,787
Debt	4,157	21,940	3,207	5,178	6,143
Equity	9,350	36,883	7,411	5,652	22,981
EBITDA margin (%)	11.7	11.7	15.8	20.3	25.3
Return on capital (%)	5.7	6.0	6.4	11.1	5.7
EBITDA interest coverage (x)	11.9	7.4	25.6	8.0	8.2
FFO cash interest coverage (x)	13.5	11.1	15.6	8.0	6.8
Debt/EBITDA (x)	2.3	2.9	2.1	2.8	2.0
FFO/debt (%)	34.7	27.6	40.2	29.3	37.8
OCF/debt (%)	39.3	31.8	34.4	25.4	38.2
FOCF/debt (%)	19.4	4.2	11.0	14.5	29.1
DCF/debt (%)	5.4	(10.9)	1.4	1.9	10.1

Business Risk

Evonik's business risk profile is underpinned by its large size, strong market positions, and its global market reach and production footprint. Evonik holds leading market positions in several of its subsegment businesses, such as additives, care, organic and inorganic products, and animal nutrition. The company benefits from greater end-market and product diversity than most of its peers, while there are limited synergies between its business lines. About 25% of its sales come from nutrition and care products and about 15%-20% from the more cyclical auto industry. It has well-diversified exposure to other end markets, with none of them accounting for more than 20% of total sales. The company has a solid track record of research and development, which accounts for 3.0%-3.5% of its annual sales.

We view Evonik’s ongoing portfolio transformation toward more resilient, high-margin specialty chemicals as credit positive. The acquisitions of PeroxyChem, Porocel, and Infinitec Activos in the last few years have broadened Evonik’s offering in specialty products. It has also taken meaningful steps to divest the commoditized performance materials division (including functional solutions, superabsorbent, and C4). In 2023, Evonik sold its Luelsdorf site, including the low-margin functional solutions business, where it produces basic chemicals like potassium derivatives. In 2024, the company divested its highly volatile superabsorbent products business. We view these divestments and the contemplated divestiture of the C4 base chemicals business as positive for Evonik's business profile, since they will lead to an improved EBITDA margin and more resilient cash flow generation. This is due to the higher volatility of commoditized products compared to the rest of Evonik’s offerings and the businesses' sensitivity to economic cycles and global supply-and-demand dynamics.

Evonik's strategic focus on sustainable innovation and portfolio optimization positions it well for long-term success. The company has taken efforts to expand its sustainable product offering next generation solutions, which have above-average market growth potential. The company has identified three innovation growth areas: advance precision biosolutions, enable circular economy, and accelerate energy transition. Evonik aims to generate additional sales of €1.5 billion by 2032, with an EBITDA margin of above 20%. This will be supported by investments in growth projects such as the first industrial-scale rhamnolipid biosurfactant plant for household and personal care, a lipid production facility for mRNA-based therapies in the U.S., and the expansion of precipitated silica capacity for sustainable tire applications in the U.S.

Evonik aims to increase its EBITDA by €1 billion from 2023 levels by the end of 2027, bringing it to €2.7 billion. About €500 million would come from growth investments and from innovation, particularly in additives, membranes, cosmetic ingredients, and biosurfactants. The remaining 50% would come from optimization of its cost structure, including from its Evonik Tailor Made cost-saving program, which represents 50% of the group’s €500 million targeted net savings by 2027.

Despite having a global presence, about 40% of Evonik's volumes are produced in Europe. Europe has higher energy and feedstock prices than other regions like North America and the Middle East. These higher costs, alongside low growth potential and additional costs related to the EU’s labor and environmental regulations, results in competitive disadvantages for Evonik’s European assets.

Financial Risk

Evonik's financial risk profile benefits from healthy and consistent cash flow generation through the business cycle and limited tolerance for debt. It also reflects the company commitment to a solid investment grade rating. We anticipate that adjusted FFO to debt will improve to about 41% in 2025 and 45% in 2026, up from 35% in 2024. This indicates comfortable rating headroom.

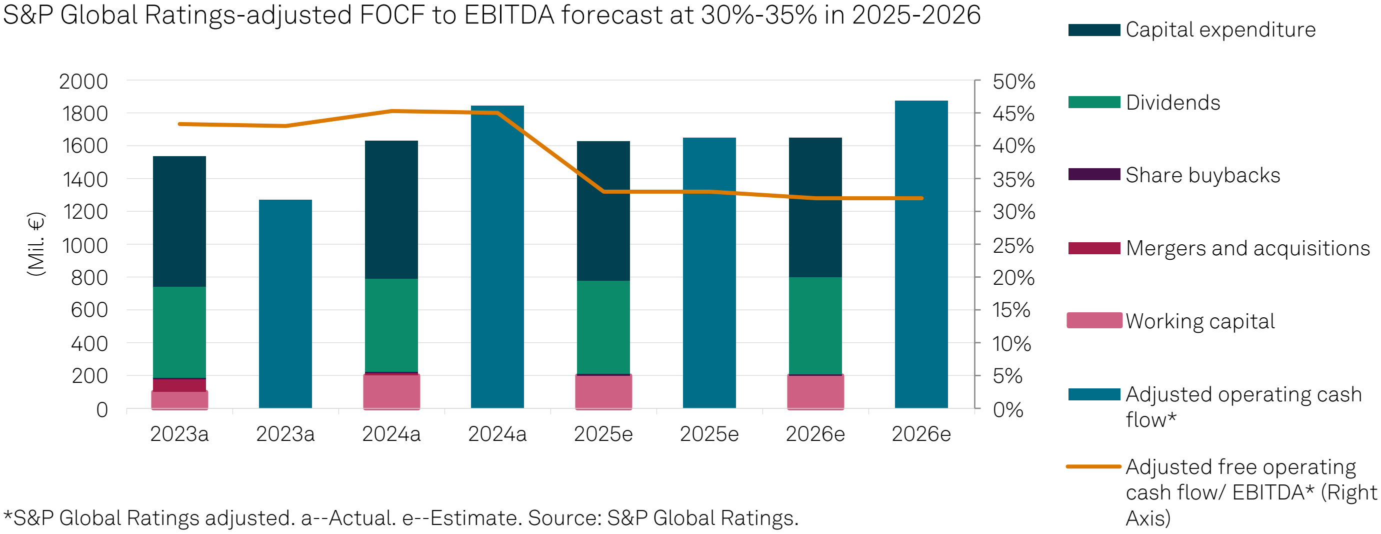
Evonik has a solid track record of conservative financial policy regarding investments, M&A, financing, and shareholder distributions, which is a key support to the ratings. For the period 2025-2027, Evonik aims to generate a cumulative operating cash flow of about €5.5 billion: about half of which would be absorbed by growth and maintenance capex, 30% by dividends, and the remainder by deleveraging and optionally additional shareholder returns. Evonik is not targeting M&A until 2027, given its current focus on portfolio optimization and growth investments. The company has a target cash conversion rate (free cash flow to EBITDA) of at least 40%.

Our debt adjustments for 2024 include a pension deficit of about €1 billion and €918 million in lease liabilities. The surplus cash adjustment weighs on our estimate of a haircut of about €100 million, which is not immediately accessible for debt repayment.

Chart 5

Evonik displays a strong commitment to cash conversion

S&P Global Ratings-adjusted FOCF to EBITDA forecast at 30%-35% in 2025-2026



*S&P Global Ratings adjusted. a--Actual. e--Estimate. Source: S&P Global Ratings.

Evonik Industries AG--Financial Summary

Period ending	**Dec-31-2019**	**Dec-31-2020**	**Dec-31-2021**	**Dec-31-2022**	**Dec-31-2023**	**Dec-31-2024**
Reporting period	2019a	2020a	2021a	2022a	2023a	2024a
Display currency (mil.)	EUR	EUR	EUR	EUR	EUR	EUR
Revenues	13,108	12,199	14,955	18,488	15,267	15,157
EBITDA	2,126	1,884	2,317	2,502	1,703	1,769
Funds from operations (FFO)	1,802	1,723	1,909	2,248	1,368	1,440
Interest expense	132	108	108	115	150	149
Cash interest paid	115	78	100	80	103	116
Operating cash flow (OCF)	1,287	1,688	1,727	1,586	1,523	1,634
Capital expenditure	872	950	856	855	786	830
Free operating cash flow (FOCF)	415	738	871	731	737	804
Discretionary cash flow (DCF)	(155)	165	296	154	163	224
Cash and short-term investments	2,368	1,028	902	1,058	1,010	589
Gross available cash	2,368	1,028	902	1,058	1,010	589
Debt	4,472	5,706	5,092	3,985	4,393	4,157
Common equity	9,309	8,348	9,620	11,304	9,235	9,350
Adjusted ratios						
EBITDA margin (%)	16.2	15.4	15.5	13.5	11.2	11.7
Return on capital (%)	8.3	6.2	8.6	8.6	4.3	5.7
EBITDA interest coverage (x)	16.1	17.5	21.5	21.8	11.4	11.9
FFO cash interest coverage (x)	16.7	23.2	20.2	29.2	14.3	13.5
Debt/EBITDA (x)	2.1	3.0	2.2	1.6	2.6	2.3
FFO/debt (%)	40.3	30.2	37.5	56.4	31.2	34.7

Evonik Industries AG--Financial Summary

OCF/debt (%)	28.8	29.6	33.9	39.8	34.7	39.3
FOCF/debt (%)	9.3	12.9	17.1	18.4	16.8	19.4
DCF/debt (%)	(3.5)	2.9	5.8	3.9	3.7	5.4

Reconciliation Of Evonik Industries AG Reported Amounts With S&P Global Adjusted Amounts (Mil. EUR)

	Debt	Shareholder Equity	Revenue	EBITDA	Operating income	Interest expense	S&PGR adjusted EBITDA	Operating cash flow	Dividends	Capital expenditure
Financial year	Dec-31-2024									
Company reported amounts	2,926	9,020	15,157	1,673	556	78	1,769	1,713	565	840
Cash taxes paid	-	-	-	-	-	-	(213)	-	-	-
Cash interest paid	-	-	-	-	-	-	(109)	-	-	-
Lease liabilities	918	-	-	-	-	-	-	-	-	-
Intermediate hybrids (debt)	(250)	250	-	-	-	(3)	3	3	3	-
Postretirement benefit obligations/ deferred compensation	1,051	-	-	4	4	64	-	-	-	-
Accessible cash and liquid investments	(489)	-	-	-	-	-	-	-	-	-
Capitalized interest	-	-	-	-	-	10	(10)	(10)	-	(10)
Capitalized development costs	-	-	-	-	2	-	-	-	-	-
Dividends from equity investments	-	-	-	27	-	-	-	-	-	-
Nonoperating income (expense)	-	-	-	-	52	-	-	-	-	-
Reclassification of interest and dividend cash flows	-	-	-	-	-	-	-	(72)	-	-
Noncontrolling/ minority interest	-	80	-	-	-	-	-	-	-	-
EBITDA - Gain/(loss) on disposals of PP&E	-	-	-	39	39	-	-	-	-	-
EBITDA: Foreign exchange gain/(loss)	-	-	-	26	26	-	-	-	-	-
D&A: Impairment	-	-	-	-	88	-	-	-	-	-

Reconciliation Of Evonik Industries AG Reported Amounts With S&P Global Adjusted Amounts (Mil. EUR)

	Debt	Shareholder Equity	Revenue	EBITDA	Operating income	Interest expense	S&PGR adjusted EBITDA	Operating cash flow	Dividends	Capital expenditure
charges/ (reversals)										
Total adjustments	1,231	330	-	96	211	71	(329)	(79)	3	(10)
S&P Global Ratings adjusted	**Debt**	**Equity**	**Revenue**	**EBITDA**	**EBIT**	**Interest expense**	**Funds from Operations**	**Operating cash flow**	**Dividends**	**Capital expenditure**
	4,157	9,350	15,157	1,769	767	149	1,440	1,634	568	830

Liquidity

Our short-term issuer credit rating on Evonik is ‘A-2’. We view the company’s liquidity as strong, based on our estimate that liquidity sources will exceed uses by about 2.1x over the 12 months from March 31, 2025, and by 1.7x over the subsequent 12 months. Evonik's debt documentation does not include any covenants, and the group has a track record of addressing its maturities well ahead of time.

Principal liquidity sources

- About €1.21 billion of cash and cash equivalents as of March 31, 2025.
- An undrawn revolving credit facility worth €1.75 billion maturing in November 2029. The facility is not subject to any financial covenants.
- €800 million in unused bilateral credit lines, of which €350 million mature in less than 12 months.
- FFO of €1.4 billion-€1.5 billion over the next 12 months, according to our base-case scenario.
- €250 million available under a €500 million long-term bank loan facility from the European Investment Bank (EIB).

Principal liquidity uses

- Short-term debt of about €730.5 million.
- Working capital outflows of €100 million in the next 12 months, in addition to a seasonal working capital swing of about €100 million.
- Capex of about €800 million-€900 million.
- Dividends of €550 million-€600 million.

Environmental, Social, And Governance

Environmental and social factors are an overall neutral consideration in our credit rating analysis of Evonik because the company has shifted its product mix toward sustainability, through the sale of its resource-intensive methacrylate business in 2019 and several targeted acquisitions. It has also taken meaningful steps to divest the commoditized performance intermediate business line.

The company has embedded sustainability as a growth driver and generated about 45% of group sales from products and solutions with a clear sustainability benefit in 2024. Evonik wants next generation solutions products to account for over 50% of total sales by 2030. The company has also announced three new innovation growth areas--biosolutions, circular economy, and energy transition--from which it aims to generate €1.5 billion in additional annual sales by 2032.

Evonik aims to reduce its scope 1 and 2 emissions by 25% by 2030 compared with 2021, and its scope 3 emissions by 11%, as part of its longer-term goal of achieving net zero emissions by 2050. Key measures aimed at reaching interim targets include the commissioning of new gas and steam turbine power plants to replace coal-fired power generation at the Marl site in Germany; initiatives to increase energy efficiency in production and processing operations; and a switch to green electricity, including through a long-term power purchase agreements for offshore wind power parks with EnBW starting 2026 and with RWE starting 2028, and for a solar power park with Vattenfall starting 2025. The company plans to cover 100% of its electricity needs with renewable energy by 2030, up from 45% in 2024.

Governance factors are a positive consideration in our credit rating analysis because the group’s risk management systems are in line with best corporate practices and we view as positive its strategy of refocusing the business mix toward specialty chemicals.

Issue Ratings--Subordination Risk Analysis

Capital structure

Evonik Industries AG is the reporting entity and the ultimate parent company of Evonik Group. On Dec. 31, 2024, Evonik’s capital structure comprised four outstanding corporate bonds totaling about €2.25 billion, which accounted for nearly 58% of the group’s reported debt. All outstanding bonds are issued by the parent company. The €750 million bond that matured in September 2024 was repaid with a new €250 million loan from the EIB and a reduction of €500 million in cash and cash equivalents, allowing a reduction of gross financial debt. In January 2025 Evonik issued a €500 million green bond to refinance upcoming 2025 debt maturities, including a €500 million senior bond maturing in September 2025.

Analytical conclusions

With no material priority obligations ranking ahead of the senior unsecured obligations, we rate the company's senior unsecured debt 'BBB+', the same as the issuer credit ratings.

The €500 million hybrid bond has a coupon of 1.375% and matures in 2081 with a first call right for Evonik in 2026, which we assess as having intermediate equity content. The hybrid is rated 'BBB-', two notches below the issuer credit rating on Evonik.

Rating Component Scores	
Foreign currency issuer credit rating	**BBB+/Stable/A-2**
Local currency issuer credit rating	**BBB+/Stable/A-2**
Business risk	**Strong**
Country risk	Low
Industry risk	Intermediate
Competitive position	Strong
Financial risk	**Intermediate**
Cash flow/leverage	Intermediate
Anchor	**bbb+**
Diversification/portfolio effect	Neutral (no impact)
Capital structure	Neutral (no impact)
Financial policy	Neutral (no impact)
Liquidity	Strong (no impact)
Management and governance	Positive (no impact)
Comparable rating analysis	Neutral (no impact)
Stand-alone credit profile	**bbb+**

Related Criteria

- Criteria | Corporates | General: Sector-Specific Corporate Methodology, April 4, 2024
- Criteria | Corporates | General: Methodology: Management And Governance Credit Factors For Corporate Entities, Jan. 7, 2024
- Criteria | Corporates | General: Corporate Methodology, Jan. 7, 2024
- General Criteria: Hybrid Capital: Methodology And Assumptions, Feb. 10, 2025
- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings, Oct. 10, 2021
- General Criteria: Group Rating Methodology, July 1, 2019
- Criteria | Corporates | General: Corporate Methodology: Ratios And Adjustments, April 1, 2019
- Criteria | Corporates | General: Reflecting Subordination Risk In Corporate Issue Ratings, March 28, 2018
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings, April 7, 2017
- Criteria | Corporates | General: Methodology And Assumptions: Liquidity Descriptors For Global Corporate Issuers, Dec. 16, 2014
- General Criteria: Methodology: Industry Risk, Nov. 19, 2013
- General Criteria: Country Risk Assessment Methodology And Assumptions, Nov. 19, 2013
- General Criteria: Principles Of Credit Ratings, Feb. 16, 2011

Related Research

- U.S. Tariffs Aren't The Main Problem For European Chemical Companies, March 6, 2025
- Industry Credit Outlook 2025: Chemicals, Jan. 17, 2025

Ratings Detail (as of June 11, 2025)*

Evonik Industries	
Issuer Credit Rating	BBB+/Stable/A-2
Senior Unsecured	BBB+
Short-Term Debt	A-2
Subordinated	BBB-
Issuer Credit Ratings History	
09-May-2012	BBB+/Stable/A-2
06-May-2011	BBB/Stable/A-2
21-Sep-2010	BB+/Positive/B

*Unless otherwise noted, all ratings in this report are global scale ratings. S&P Global Ratings' credit ratings on the global scale are comparable across countries. S&P Global Ratings' credit ratings on a national scale are relative to obligors or obligations within that specific country. Issue and debt ratings could include debt guaranteed by another entity, and rated debt that an entity guarantees.