

EVONIK GROUP DEVELOPMENT

FY 2024 targets achieved – Good start into FY 2025 supports optimism for further growth

- +25% adj. EBITDA in FY 2024 – with broad-based growth across all divisions; Q4 impacted by several positive & negative one-time effects (net ~€20 m negative)
- FCF further increased yoy to €873 m – 42% cash conversion rate; Attractive dividend of €1.17 fully covered by strong Free Cash Flow
- Reorganization of Group on track: New segment structure, Evonik Tailor Made and reorganization of Technology & Infrastructure with good progress
- Further earnings growth expected for FY 2025: Adj. EBITDA outlook of €2.0 to 2.3 bn; FCF conversion continues around 40%
- Good start into the year: Q1 2025 adj. EBITDA expected above prior-year level

Income Statement (Q4 2024)

- **Sales** stable at €3,599 m (Q4 2023: €3,604 m)
 - Positive volume growth continuing (+4% yoy); all divisions with positive volumes yoy despite some customer destocking in Specialty Additives and Nutrition & Care
 - Price -2%; FX +/-0%; negative “Other” (-2%) due to sale of Superabsorber business
- **Adj. EBITDA** up by +24% yoy to €388 m (Q4 2023: €312 m)
 - qoq down by 33% due to more pronounced seasonality (destocking; lower C4 earnings) and several positive and negative one-time effects (net ~€20 m negative)
- (**FY 2024 adj. EBITDA** of €2,065 m, i.e. hitting mid-point of €1.9 to 2.2 bn outlook range)
- **Adj. EBITDA margin** increased yoy by 210bp to 10.8% (Q4 2023: 8.7%)
- **Adj. EBIT** of €111 m (Q4 2023: €32 m)
- **Adj. EPS** of €0.16 (Q4 2023: -€0.12; one-time tax effect due to revaluation of deferred tax assets)
- **Dividend proposal** stable at €1.17

Cash Flow Statement

- **Q4 2024 FCF** of €172 m (Q4 2023: €515 m)
 - Last year with high inflow from NWC optimization in weak environment; this year targeted build-up at year-end
- **FY 2024 FCF** strong at €873 m (above prior-year of €801 m); 42% **cash conversion rate**
 - Targeted build-up of NWC at year-end
 - Strong FCF allowed for higher capex at year-end (€840 m in FY 2024 vs. €793 m in FY 2023)
 - Both provides flexibility for FY 2025

Balance Sheet

- **Net financial debt** (€3,253 m) slightly decreased both vs. end of Q3 (€3,286 m) and end of last year (€3,310 m), mainly driven by strong FCF
- **Pension provisions** of €1,662 m increased compared to Q3 due to slightly weaker performance of plan assets (Q3 2024: €1,564 m); decrease vs. end of last year mainly due to slightly higher discount rate of 3.6% (FY 2023: €1,858 m with 3.5% discount rate)
- **Leverage** of 2.3x at year end 2024, driven lower yoy by higher earnings (end of last year: 3.0x); net financial debt leverage of 1.5x

Q4 2024 DIVISIONAL BUSINESS DEVELOPMENT

Specialty Additives (SP)

- Strong first nine months of the year
- Q4 2024 mainly impacted by customer destocking into year-end and higher fixed costs (e.g. more maintenance)

Nutrition & Care (NC)

- Health & Care:
 - Care Solutions with strong first nine months and some destocking in Q4 2024
 - Health Care: Inventory devaluations impacted earnings in Q4
- Animal Nutrition:
 - Continued strong demand and only slightly lower Methionine prices in Q4

Smart Materials (SM)

- Q4 sales increase both yoy and qoq driven by Silica, Catalysts and High Performance Polymers
- Continued positive contributions from biodiesel catalysts in Latin America
- Q4 EBITDA (-11% yoy) mainly impacted by higher fixed production costs (e.g. for maintenance) and smaller other provisions

Technology & Infrastructure / Other

- From Q4 2024 onwards, including last remaining BL of former Performance Materials division (Performance Intermediates / C4 business)
- Q4 adj. EBITDA improvement of €80 m yoy driven by
 - This year: Positive effect from CO₂ certificates
 - Prior-year: negative effect from Argentinian Peso devaluation and hyperinflation accounting as well as one-time payment to employees (inflation compensation)
- C4 business with year-end seasonality and ongoing weak end market demand

OUTLOOK FY 2025

Basis for outlook

- **Supporting factors:**

- Continued growth in attractive niches and innovation (e.g. Biosurfactants, Coating Additives)
- High double-digit million € net savings from “Evonik Tailor Made” and business optimization programs
- Lower energy costs based on hedging policy
- Favourable FX effects (~€7-8 m per USD cent)

- **Factors to consider:**

- Conservative macro assumptions: Geo-political uncertainties to persist and no pronounced demand recovery in end markets
- Assumption of slight normalization in Methionine prices (on FY basis) – however already better-than-expected Q1 with strong market demand and tighter supply
- Slow start for Performance Intermediates (C4)

Group outlook

- **Adj. EBITDA:** between €2.0 and 2.3 bn (FY 2024: €2.1 bn)
- **Q1:** “above prior-year level” (Q1 2024: €522 m)
- **ROCE:** above level of 2024 (FY 2024: 7.1%)
- **FCF:** again targeting ~40% conversion (FY 2024 cash conversion: 42%; FCF €873 m)
- **Capex:** ~€850 m (FY 2024: €840 m)

Divisional indications for adj. EBITDA

(2024 divisional figures restated to reflect changes in reporting structure; see next page)

- **Specialty Additives:** “Slightly above prior-year level” (FY 2024: €779 m)
 - Positioning in right pockets of growth with customer-specific solutions
 - Volume growth likely to be less pronounced than strong prior year
- **Nutrition & Care:** “Slightly below prior-year level” (FY 2024: €616 m)
 - Animal Nutrition with higher volumes and assumed slight normalization of prices (dependent on start-up of new production capacities in the market); further cost savings
 - Active cosmetic ingredients expected to grow at an above-average rate and profitability
- **Smart Materials:** “Considerably above prior-year level” (FY 2024: €607 m)
 - Stimulus from eco-friendly applications, e.g. in hydrogen peroxide and catalysts
 - Polymers will benefit from further ramp-up of new capacities in growing market
 - Optimization of cost positions in several businesses
- **Infrastructure (incl. C4) / Other:** “On prior-year level” (FY 2024: €63 m)
 - Cost-saving measures with positive effect
 - Offset by weak start in Performance Intermediates (C4)

Additional indications for FY 2025

- **Sales:** between €15 and 17 bn (FY 2024: €15.2 bn)
- **EUR/USD sensitivity:** +/- 1 USD cent = +/- ~€7-8 m adj. EBITDA (FY basis)
- **Adj. D&A:** around prior-year level (FY 2024: €1,038 m)
- **Adj. net financial result:** around prior-year level (FY 2024: -€143 m)
- **Adj. tax rate:** around long-term sustainable level of ~30% (2024: 23% due to treatment of deferred tax assets in Germany in 2024)

Reorganization of reporting structure in 2024 and 2025

(see also slides 30 and 31 in Q4 presentation)

Q4 and FY 2024 reporting: Performance Materials

- From October 1, 2024, Evonik integrated the last remaining business line in the Performance Materials division, Performance Intermediates (~€1.8 bn sales on FY level), into the Technology & Infrastructure division and dissolved the Performance Materials division accordingly. This is the consequence of the sale of large parts of the operating businesses in this division in 2023 (Lülsdorf site) and 2024 (Superabsorbents). The intention to divest the Performance Intermediates business remains unchanged.
- The restated financials are available in our “Evonik Financials” tables (see 250305_Evonik – Financials Q4 FY 2024).

Q1 2025 reporting: New T&I structure from Q1

- As of January 1, 2025, Evonik divided the Technology & Infrastructure division into technology and infrastructure activities.
- The technology (engineering) activities will be managed in a newly established functional area within the Corporate Center and will be reported in “Other”.
- In terms of infrastructure activities, the major sites in Marl and Wesseling were each set up as individual Business Lines and now form the “Infrastructure” division. As described above, the Performance Intermediates business is also assigned to this division until the planned sale. Other, smaller sites, which often serve only a single business unit, were assigned directly to the businesses and thus to the chemical divisions with their sales and earnings (i.e. higher sales and EBITDA in the chemical divisions; lower in “Infrastructure / Other”).
- The restated financials for 2024 are available in our “Evonik Financials” tables (see 250305_Evonik – Financials – Restatement T&I).
- Division structure:
 - Specialty Additives (incl. selected sites and activities formerly in T&I)
 - Nutrition & Care (ditto)
 - Smart Materials (ditto)
 - Infrastructure / Other
 - Infrastructure: Marl and Wesseling sites as well as C4 business
 - Other: Corporate functions incl. Technology

From Q2 2025 onwards: New segment structure

- Evonik announced a complete realignment of its chemical operations in December 2024. Divided into the two segments Custom Solutions and Advanced Technologies, these will be managed in a much more differentiated way in the future. The implementation of this new structure will take place on April 1, 2025.
- The restated financials will be available ahead of Q2 reporting.
- Segment structure:
 - Custom Solutions
 - Advanced Technologies
 - Infrastructure / Other (same as at Q1 2025 reporting)

Key Financials Q4 / FY 2024

Evonik Group

in € million	Q4 2023		Q4 2024		Q4 2024		FY 2023		FY 2024		FY 2024	
					Consensus*						Consensus*	
External sales	3,604	3,599	0%	3,564	15,267	15,157	-1%	15,122				
Volumes (%)			4%	3%			4%	4%				
Prices (%)			-2%	0%			-2%	-2%				
Exchange Rates (%)			0%	-2%			-1%	-1%				
Other (incl. M&A; %)			-2%	-1%			-2%	-2%				
Adjusted EBITDA	312	388	24%	408	1,656	2,065	25%	2,083				
Adjusted EBITDA Margin (%)	8.7%	10.8%	2.1 pp	11.4%	10.8%	13.6%	2.8 pp	13.8%				
Adjusted EBIT	32	111	247%	140	521	1,027	97%	1,057				
Adjustments	-2	-202			-764	-450						
EBIT	30	-91			-243	577	-337%					
Adjusted net income	-56	74	-232%	72	370	777	110%	770				
Adjusted earnings per share in €	-0.12	0.16	-233%	0.15	0.79	1.67	111%	1.65				
Capex (cash-out)	188	266	41%		793	840	6%	-750				
Net financial position (as of December 31)	-3,310	-3,253			-3,310	-3,253						
Cash flow from operating activities, cont. ops.	703	438	-38%		1,594	1,713	7%	1,576				
Free cash flow, cont. ops.	515	172	-67%		801	873	9%	822				

Specialty Additives

External sales	811	828	2%	830	3,520	3,578	2%	3,579
Volumes (%)			5%				7%	
Prices (%)			-3%				-5%	
Exchange Rates (%)			0%				0%	
Other (incl. M&A; %)			0%				0%	
Adjusted EBITDA	134	131	-2%	147	673	744	11%	759
Adjusted EBITDA Margin (%)	16.5%	15.8%	-0.7 pp	17.8%	19.1%	20.8%	1.7 pp	21.3%

Nutrition & Care

External sales	908	962	6%	955	3,611	3,764	4%	3,750
Volumes (%)			3%				1%	
Prices (%)			3%				4%	
Exchange Rates (%)			0%				-1%	
Other (incl. M&A; %)			0%				0%	
Sales Animal Nutrition	425	489	15%	466	1,750	1,934	11%	1,911
Sales Health & Care	483	473	-2%	487	1,861	1,829	-2%	1,848
Adjusted EBITDA	115	126	10%	151	389	601	54%	627
Adjusted EBITDA Margin (%)	12.7%	13.1%	0.4 pp	16.0%	10.8%	16.0%	5.2 pp	16.7%

Smart Materials

External sales	1,054	1,112	6%	1,062	4,461	4,450	0%	4,393
Volumes (%)			5%				3%	
Prices (%)			-1%				-3%	
Exchange Rates (%)			0%				-1%	
Other (incl. M&A; %)			2%				1%	
Sales Inorganics	765	806	5%	762	3,238	3,218	-1%	3,174
Sales Polymers	290	307	6%	289	1,224	1,232	1%	1,212
Adjusted EBITDA	119	106	-11%	123	540	601	11%	616
Adjusted EBITDA Margin (%)	11.3%	9.5%	-1.8 pp	11.5%	12.1%	13.5%	1.4 pp	14.0%

Technology & Infrastructure / Other (incl. Performance Materials)

External sales	832	695	-16%	-	3,675	3,365	-8%	-
Adjusted EBITDA	-54	23	143%	-	54	119	-120%	-

* Vara Consensus January 21, 2025