Evonik Leading Beyond Chemistry

Q4 / FY 2024 Earnings Conference Call

March 5, 2025

Christian Kullmann, Chief Executive Officer Maike Schuh, Chief Financial Officer



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 adj. EBITDA expected above prior-year level



Table of contents

1. Recap FY 2024

- 2. Financial performance Q4 / FY 2024
- 3. Strategic progress
- 4. Outlook FY 2025



Progress in key strategic pillars supporting superior financial performance







Superior financial performance in 2024

+25% adj. EBITDA growth yoy | 42% FCF conversion

1. Scope 1 and 2 CO₂e emissions; vs base year 2021 | 2 NGS: "Next Generation Solutions" include "Leader" (A++) and "Driver" (A+) products and solutions (conducted via PSA analysis)



New Innovation Growth Areas already delivering good growth

New Innovation Growth Areas



Advance Precision Biosolutions

Examples of selected success stories (sales growth FY 2024 yoy)



Biosurfactants & Biofunctional Ingredients

- Biosurfactants from new production facility introduced to the market and expanding into new application areas
- Sustainable Skin Care delivering consistent growth



Enable Circular Economy

+21%

Renewable or Recycled Raw Materials

- First sales of circular silica from rice husk ash,
 ULTRASIL® eCO, which received ISCC+2 certification
- Low CO₂ footprint viscosity modifiers reached key milestone for recycled polymer content





Accelerate Energy Transition +11%

Future Mobility and Battery Solutions

- Substantial growth of performance foams ROHACELL® in urban air mobility applications
- High performance polymers for e-mobility solutions show strong growth especially in Asia



^{1.} Vs base year 2023 | 2 International Sustainability and Carbon Certification

Tangible progress on all levels of sustainability strategy

Environmental Targets



-20% reduction of GHG emissions¹

Well on track for -25% target by 2030

Portfolio Management



+2pp Next Generation Solutions

Increased from 43 to ~45%; well on track for target of >50% by 2030

ESG Ratings

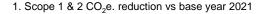


3 key ratings further improved

ISS to B (from B-)

Ecovadis to Platinum (from Gold)

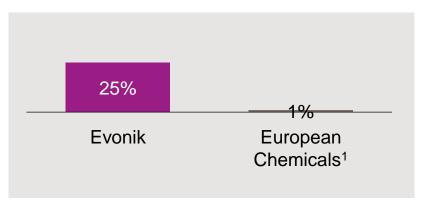
"Low risk" by Sustainalytics (Top 5% of chemical industry worldwide)



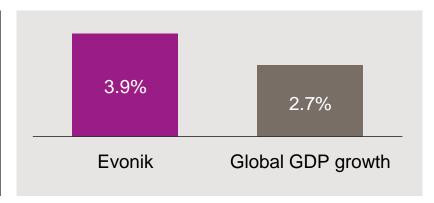


Evonik outperformance – with broad-based growth across all divisions

Evonik vs. Peers Adj. EBITDA growth (FY 2024 yoy)











1. Median earnings growth of peers (Arkema, BASF, Clariant, Covestro, Lanxess, Solvay, Syensqo, Wacker)



Table of contents

- 1. Recap FY 2024
- 2. Financial performance Q4 / FY 2024
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Q4 2024 results overview

Sales (in € m)	Adj. EBITDA (in € m)	Free Cash Flow (in € m)	Dividend FY 2024 (in €)
3,599 (Q4 2023: 3,604)	388 (Q4 2023: 312)	172 (Q4 2023: 515)	1.17 (FY 2023: 1.17)
Sales stable; volumes +4% yoy	Impacted by more pronounced seasonality and one-time effects	Targeted build-up of NWC at year-end provides flexibility for FY 2025	Stable and attractive dividend – fully covered by strong Free Cash Flow



Q4 impacted by more pronounced seasonality and one-time effects

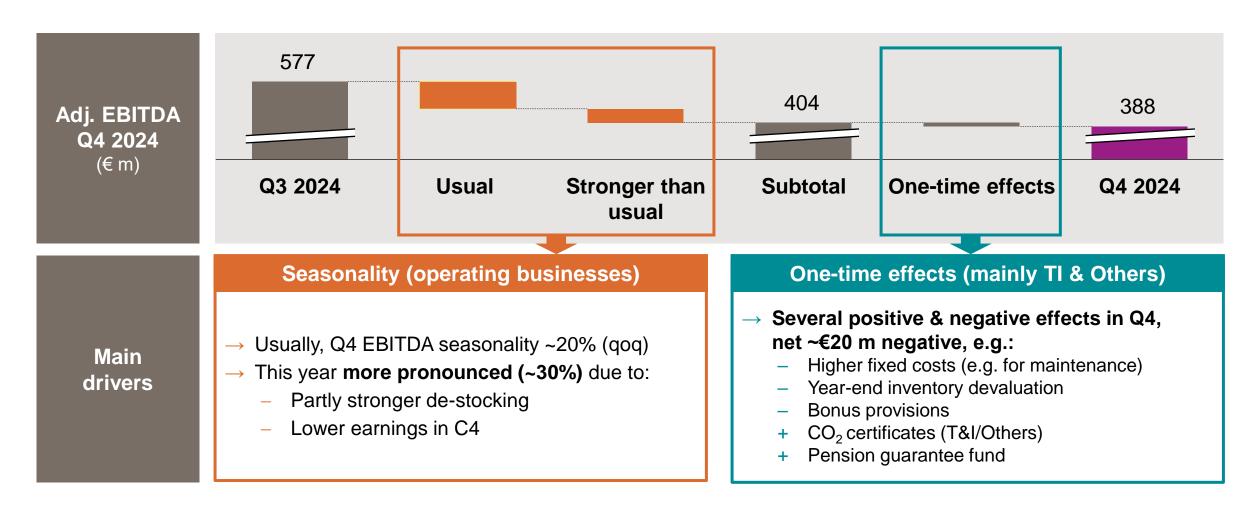




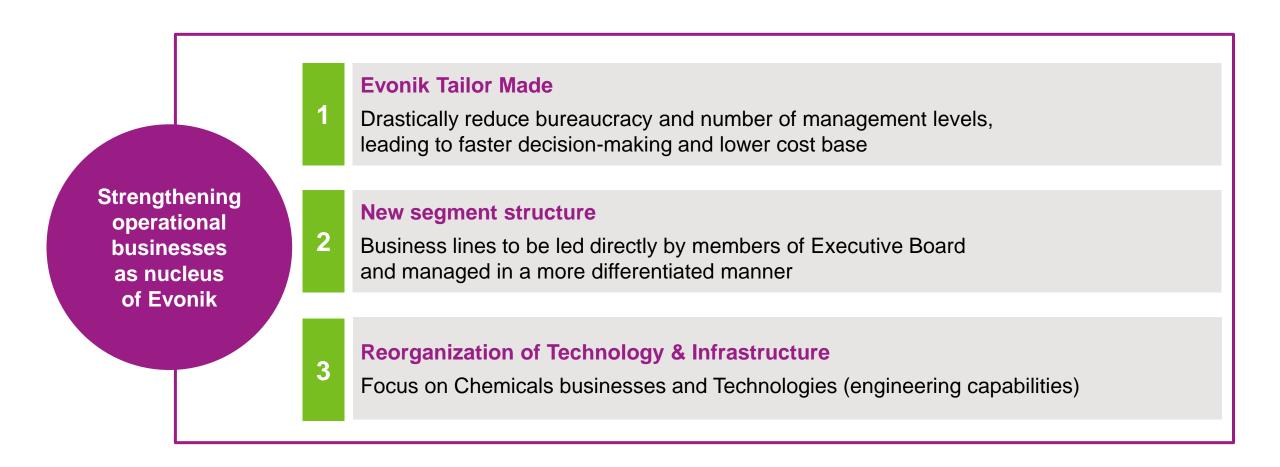
Table of contents

- 1. Recap FY 2024
- 2. Financial performance Q4 / FY 2024
- 3. Strategic progress
- 4. Outlook FY 2025



Focusing on the nucleus of our company

Strengthening operational businesses as common goal of all programs

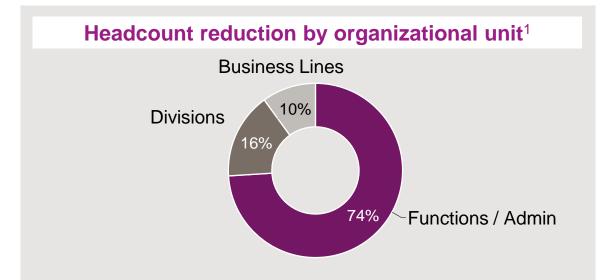




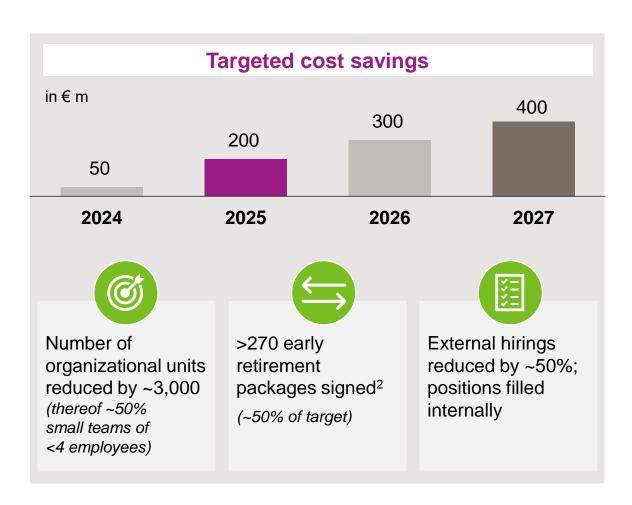
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Evonik Tailor Made

Targeted reduction of management levels and complexity on track



- Tailor Made aimed to empower businesses and speed-up decision-making
- Target number of six management levels across the group (from max. ten previously) already achieved
- New segment structure with elimination of one full management level (no division level anymore)







New segment structure Leaner and more differentiated management of operating businesses

Custom Solutions

Advanced Technologies

New set-up with clear advantages



Judge and steer businesses more transparently and strictly



+ Clear set of KPI's, differentiated for each business archetype



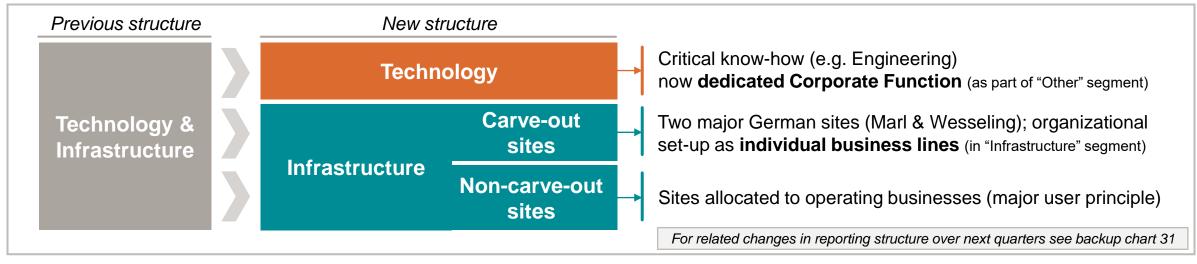
Consequent allocation of resources (capex, innovation, M&A) according to archetype

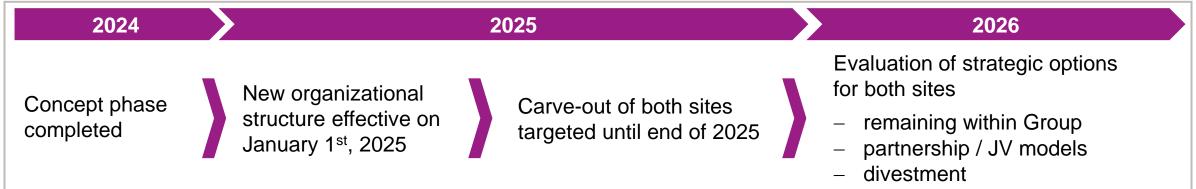


+ Simplifying structures and strengthening of Business Lines (direct reporting to board members)



Reorganization of Technology & Infrastructure New structure implemented as of January 2025; carve-out ongoing

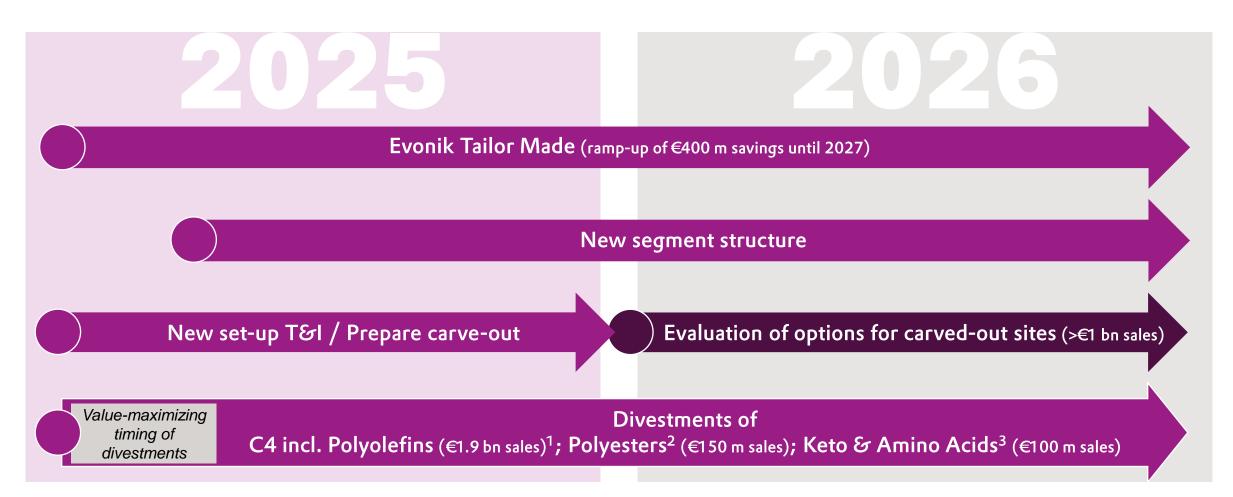






Timeline for reorganization steps

Major milestones to be achieved during next two years



^{1. €1.9} bn sales combined for C4 (€1.8 bn) and Polyolefins (€100 m sales) businesses



^{2.} Part of Business Line Coating & Adhesive Resins | 3. Part of Business Line Health Care; partnerships or divestments for sites in Ham (FR) and Wuming (CN); shut-down of production plant in Hanau (D)

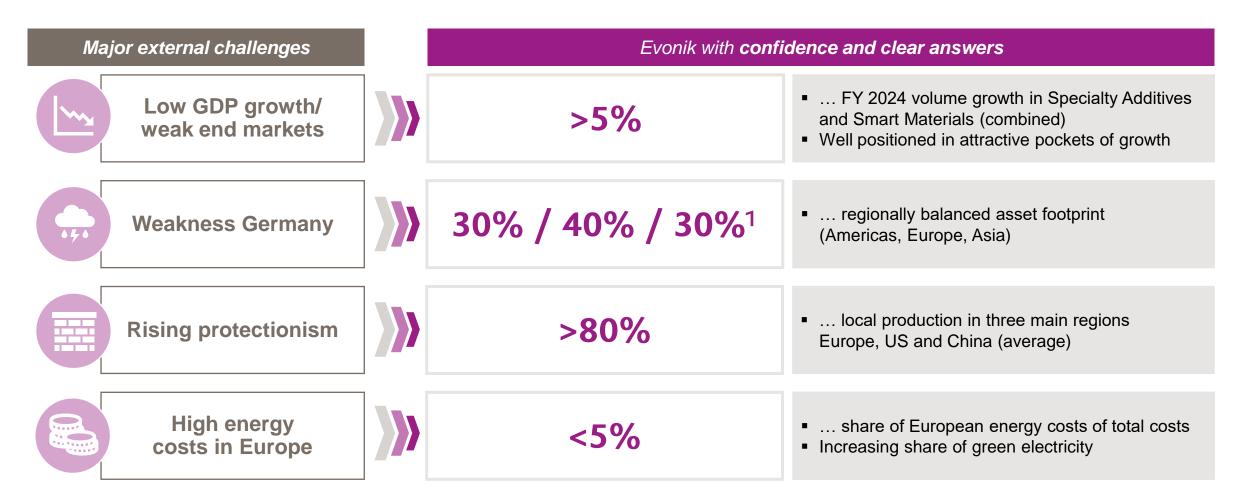
Table of contents

- 1. Recap FY 2024
- 2. Financial performance Q4 / FY 2024
- 3. Strategic progress
- 4. Outlook FY 2025



Outlook with confidence

Evonik well positioned for external challenges



^{1.} Excluding C4 business



Assumptions for FY 2025 outlook

Supporting factors

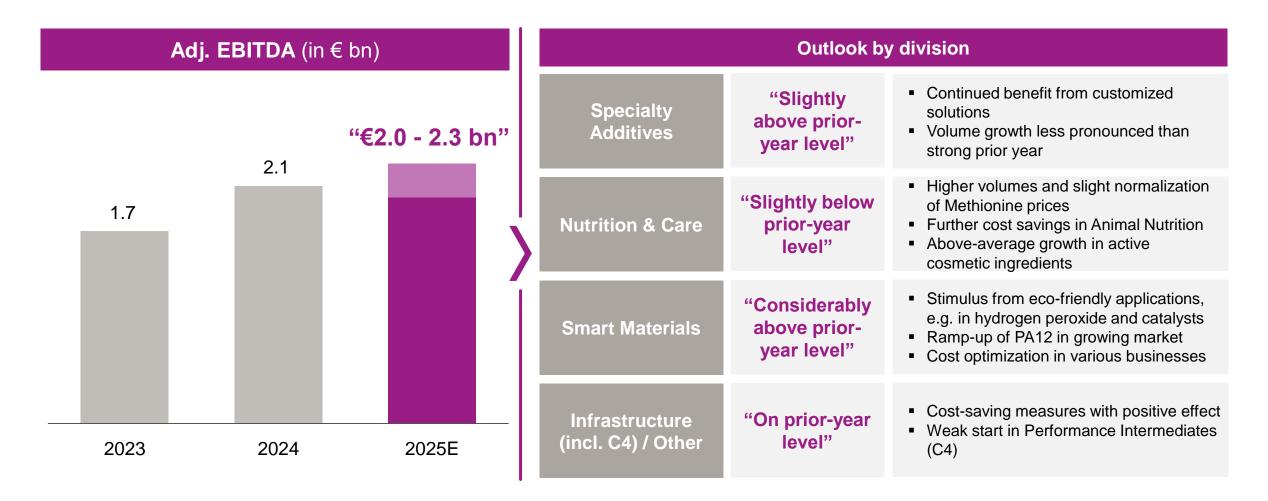
- Continued growth in attractive niches and innovation (e.g. Biosurfactants, Coating Additives)
- High double-digit million € net savings from "Evonik Tailor Made" and business optimization programs
- Lower energy costs based on hedging policy
- Favorable FX effects (~€7-8 m per USD cent)

Factors to consider

- Conservative macro assumptions:
 Geo-political uncertainties to persist,
 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)

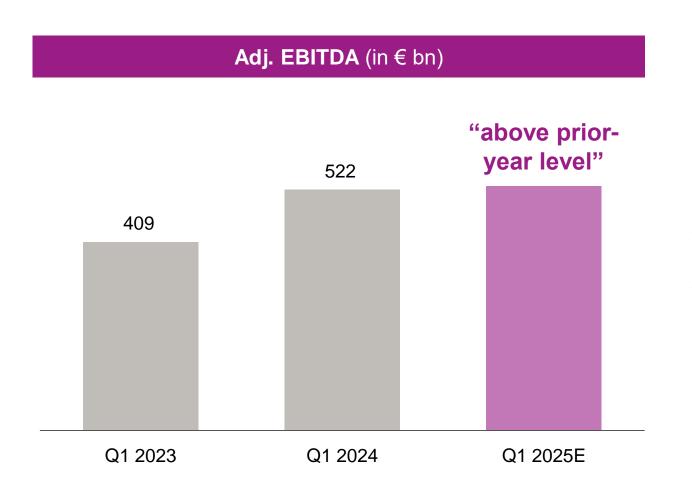


Adj. EBITDA: Growth despite conservative macro assumptions





Confident Q1 outlook: Adj. EBITDA above prior-year level



Comments

Specialty Additives

 Good volume growth; additives for coatings and PU foam continue good performance

Nutrition & Care

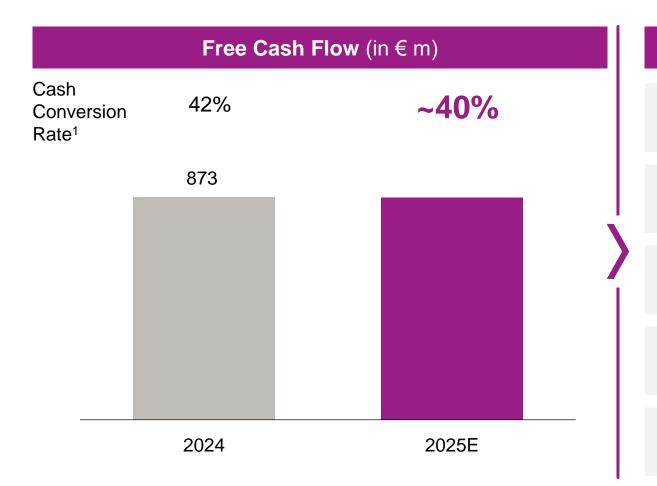
- Better-than-expected Q1 for Animal Nutrition;
 strong market demand and tighter supply
- Health Care above low prior-year level

Smart Materials

 Good volume growth; positive start for Catalysts and Silica



Free Cash Flow: Confidence to again deliver ~40% cash conversion



Expected building blocks for FCF development

Better operating result yoy as starting point

Capex of ~€850 m stable yoy

Higher bonus payments in FY 2025 (for 2024)

NWC with positive effect yoy (high level of 18% NWC/sales at year-end provides flexibility for FY 2025)

Positive cash effect from CO₂ certificates



^{1.} Free Cash Flow conversion (FCF / adj. EBITDA)



May 22nd, 2025

Hybrid event (in Essen & virtually)

11.45 am Welcome & Registration12.30 am Presentations of four board members, followed by Q&A

- Strategy update
- Financial perspective
- Overview new segments:Custom Solutions &Advanced Technologies

03.00 pm Informal lunch

with Evonik board and IR team

04.00 pm End of event

Meet our mgmt board members





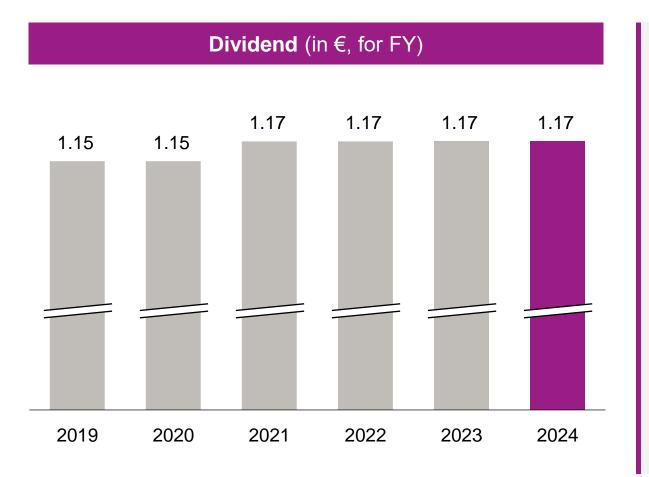








Stable dividend covered by strong Free Cash Flow



- Long-term dividend policy based on continuity and reliability
- Stable dividend proposal of €1.17 for FY 2024
- Attractive dividend yield of ~6%¹
- Dividend (total payout €545 m) covered by strong Free Cash Flow generation (€873 m in FY 2024)

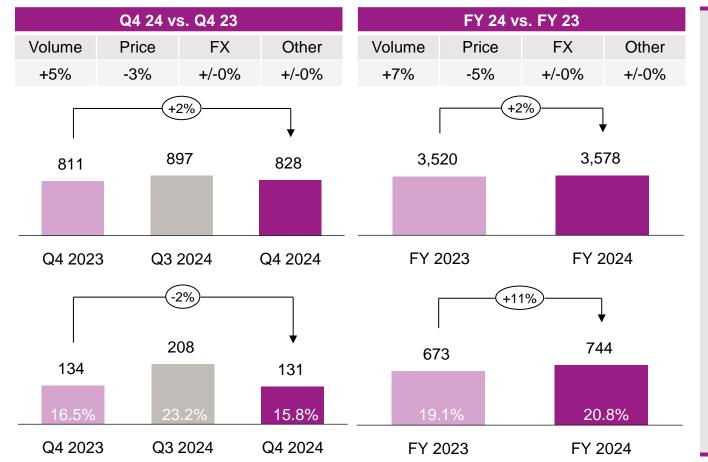


^{1.} Based on closing share price on February 26, 2025 of €19.62

Specialty Additives







Q4 2024:

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

FY 2024:

- Very strong volume and earnings recovery
- All business lines (except Crosslinkers) with higher earnings contributions in 2024
- Good positioning in attractive application fields with attractive margins





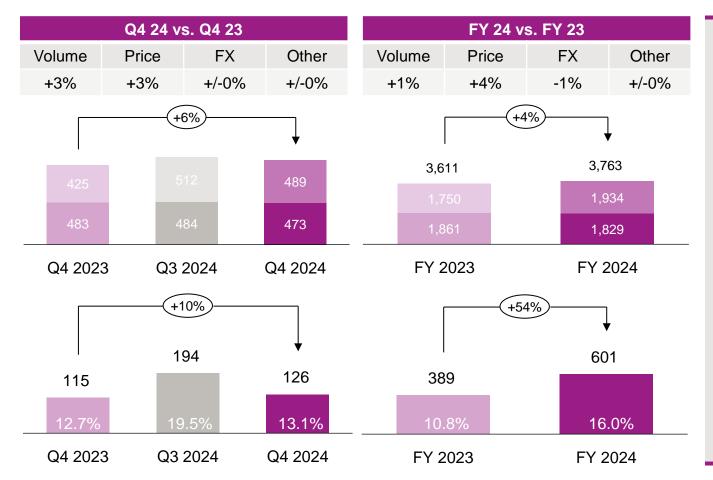


Nutrition & Care

Sales (in € m)

Animal Nutrition ---Health & Care

Adj.
EBITDA
(in € m)
/ margin
(in %)



Q4 2024:

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

FY 2024:

- Division's earnings improvement driven by Animal Nutrition and Care Solutions
- Health Care with transition phase during renewal and progression of project pipeline



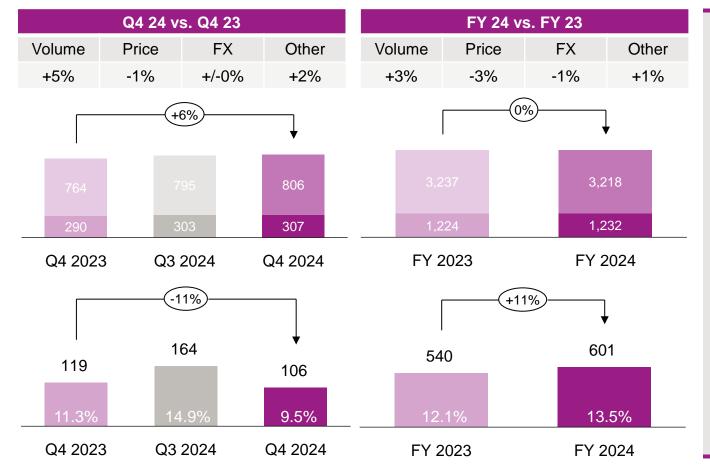




Smart Materials







Q4 2024:

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

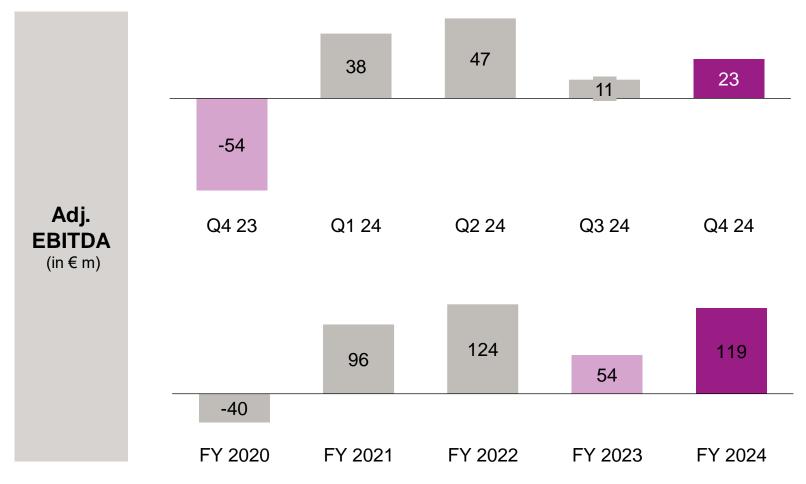
FY 2024

- Earnings improvement driven by Silica,
 High Performance Polymers and Catalysts
- Positive volume leverage and cost control driving higher margin (+1.4pp)





Technology & Infrastructure / Other¹



Q4 2024

- €80 m improvement 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

FY 2024

- Stronger Performance Intermediates (esp. H1); lower Superabsorber business
- Higher yoy bonus provisions
- €80 m yoy swing in Q4 (see above)



^{1.} All numbers restated and now including Performance Materials division (from Q4 2024 onwards only Performance Intermediates (C4 business))

Reorganization of reporting structure in three steps

New T&I structure from Q1 – New segment structure from Q2

With Q4 reporting

- From October 1, 2024, Evonik integrated the last remaining business line in the Performance Materials division, Performance Intermediates, 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).

For Q1 reporting

- 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).

From Q2 onwards

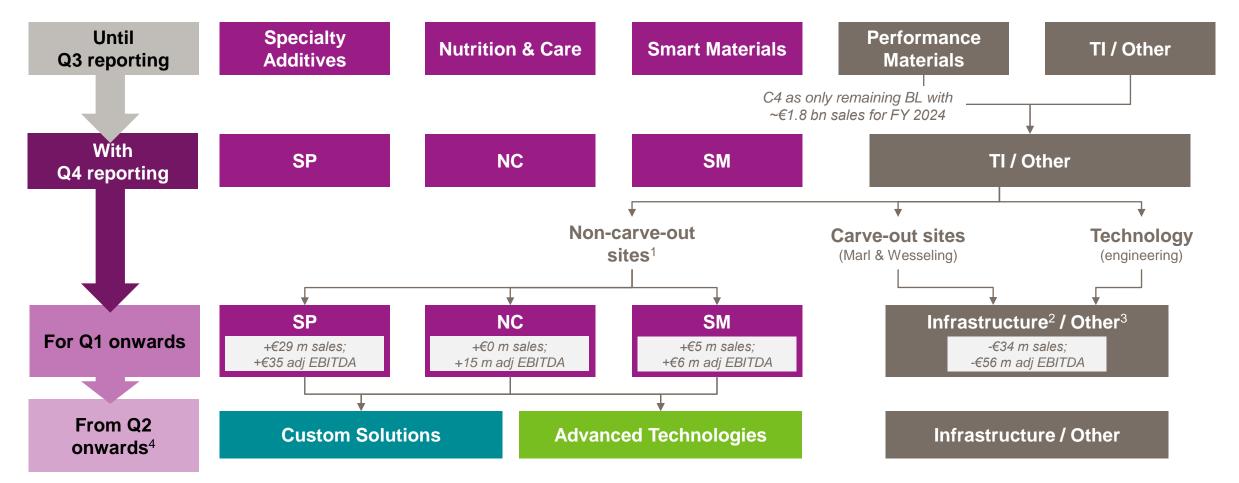
- Evonik announced a complete realignment of its chemical operations in December 2024. Divided into the two segments Custom Solutions and Advanced Technologies, these will be managed in a much more differentiated way in the future. The implementation of this new structure will be effective as of April 1, 2025.
- The restated financials will be available ahead of Q2 reporting.



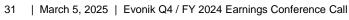
Reorganization of reporting structure in three steps

New T&I structure in Q1 – New segment structure in Q2

+€x m sales; +€x m adj EBITDA Change of FY2024 financials due to restatement



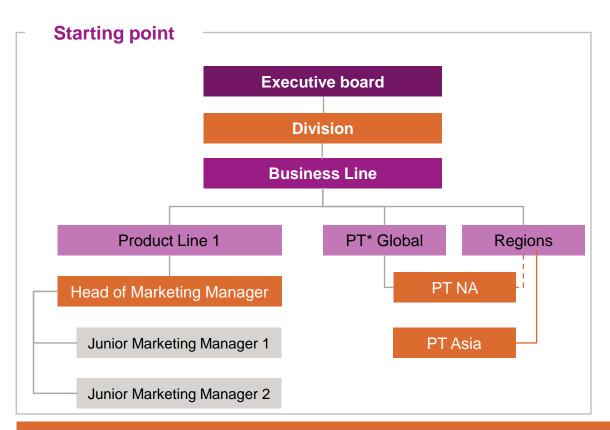
- 1. Smaller sites, which often serve only a single business unit, assigned directly to chemical divisions with their sales and earnings (i.e. higher sales and EBITDA in the chemical divisions; lower in "Infrastructure / Other")
- 2. Marl & Wesseling sites; C4 business | 3. Corporate Functions incl. Technology (engineering)
- 4. Restated historical financials for new segments to be provided ahead of Q2 reporting

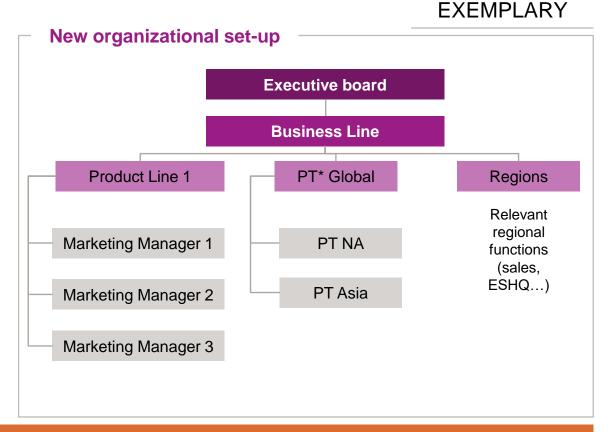




Evonik Tailor Made

Simplified example of reduction of management levels and complexity





Reduction of hierarchy levels (e.g. divisional level)

• Matrix structures (e.g. for Production Technology in regions) harmonized and reduced / direct reporting lines established



[•] Reduction of organizational units (small teams with <4 employees) and respective unit heads

^{*} Production Technology

Additional indications for FY 2025

Sales	between €15 and 17 bn (2024: €15.2 bn)
ROCE	above level of 2024 (2024: 7.1%)
Capex ¹	~€850 m (2024: €840 m)
EUR/USD sensitivity ²	+/-1 USD cent = -/+ ~€7-8 m adj. EBITDA (FY basis)
Adj. D&A	around prior-year level (2024: €1,038 m)
Adj. net financial result	around prior-year level (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)

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



Adjusted income statement Q4 2024

in € m	Q4 2023	Q4 2024	Δ
Sales	3,604	3,599	-5
Adj. EBITDA	312	388	+76
Depreciation & amortization	-280	-277	
Adj. EBIT	32	111	+79
Adj. net financial result	-50	-30	
D&A on intangible assets	35	38	
Adj. income before income taxes	17	119	+102
Adj. income tax	-71	-41	
Adj. income after taxes	-54	78	+132
Adj. non-controlling interests	-2	-4	
Adj. net income	-56	74	+130
Adj. earnings per share (in €)	-0.12	0.16	
Adjustments	-2	-202	

Adj. net financial result (-€30 m)

 Less negative than prior-year mainly due to lower interest expenses (on lower net financial debt)

Adj. tax rate (34%)

- Broadly in-line with long-term sustainable tax rate of ~30%
- Last year with one-time effect due to revaluation of deferred tax assets (DTA)

Adjustments (-€202 m)

 Mainly driven by provisions for selected projects to optimize production in Nutrition
 & Care and Smart Materials divisions



Adjusted income statement FY 2024

in € m	FY 2023	FY 2024	Δ
Sales	15,267	15,157	-1%
Adj. EBITDA	1,656	2,065	+25%
Depreciation & amortization	-1,135	-1,038	
Adj. EBIT	521	1,027	+97%
Adj. net financial result	-103	-143	
D&A on intangible assets	153	144	
Adj. income before income taxes	571	1,028	+80%
Adj. income tax	-188	-233	
Adj. income after taxes	383	795	+108%
Adj. non-controlling interests	-13	-18	
Adj. net income	370	777	+110%
Adj. earnings per share (in €)	0.79	1.67	
Adjustments	-764	-450	

Adj. net financial result (-€143 m)

 More negative than prior-year mainly due to lower interest income

Adj. tax rate (23%)

- Lower due to treatment of deferred tax assets in Germany
- Expected to be back to ~30% in 2025

Adjustments (-€450 m)

 Mainly driven by provisions for Evonik Tailor Made and selected projects to optimize production in NC and SM



Cash flow statement Q4 2024

in € m	Q4 2023	Q4 2024
Income before financial result and income taxes (EBIT)	30	-90
Depreciation and amortization	281	368
Δ Net working capital	427	176
Change in provisions for pensions & other post-employment benefits	-4	-4
Change in other provisions	-1	141
Change in miscellaneous assets/liabilities	38	-45
Cash inflows/outflows from income taxes	-61	-109
Others	-4	+1
Cash flow from operating activities	703	438
Cash outflows for investment in intangible assets, pp&e	-188	-266
FCF	515	172
Cash flow from investing activities	-328	-205
Cash flow from financing activities	-217	-230

CF from operating activities

- Unadjusted EBIT impacted by (non-cash) asset impairments, reverted in D&A line
- Last year with high inflow from change in NWC; this year targeted build-up at yearend (provides flexibility for FY 2025)
- Higher "other provisions", e.g. for business optimization and bonus

Cash outflow for investment

 Strong FCF enabled higher capex at year-end (= flexibility for FY 2025)

CF from investing activities

 Higher payouts from short-term investing vehicles in prior year



Cash flow statement FY 2024

in € m	FY 2023	FY 2024
Income before financial result and income taxes (EBIT)	-243	577
Depreciation and amortization	1,841	1,117
Δ Net working capital	258	-202
Change in provisions for pensions & other post-employment benefits	-55	-48
Change in other provisions	-141	535
Change in miscellaneous assets/liabilities	152	-81
Cash inflows/outflows from income taxes	-232	-213
Others	14	28
Cash flow from operating activities	1,594	1,713
Cash outflows for investment in intangible assets, pp&e	-793	-840
FCF	801	873
Cash flow from investing activities	-653	-663
Cash flow from financing activities	-823	-1,330

CF from operating activities

- Lower D&A (high impairments for Superabsorber divestment in 2023)
- Last year with NWC optimization in weak environment; this year targeted build-up at year-end
- Other provisions: Evonik Tailor Made, business optimization measures and bonus

Cash outflows for investment

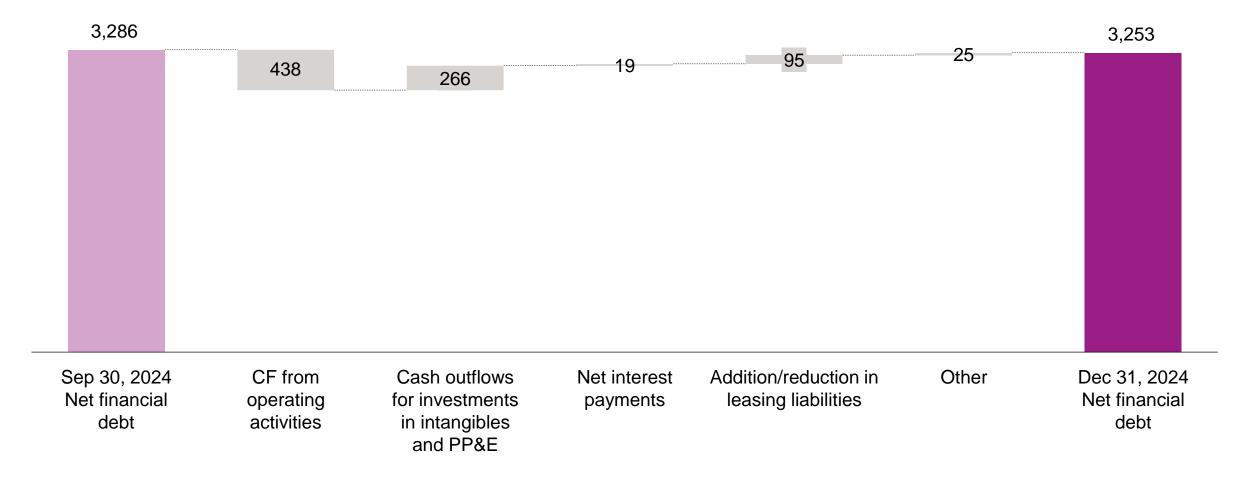
 Strong FCF allowed for higher capex at year-end (= flexibility for FY 2025)

CF from financing activities

 Repayment of financial debts (€750 m), partially with EIB loan (€250 m)

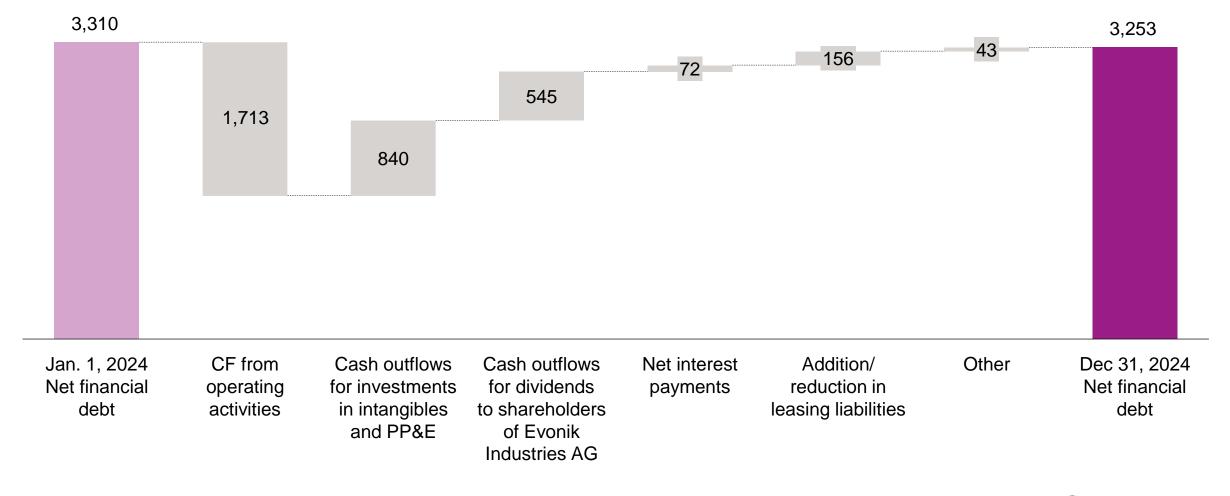


Net financial debt development Q4 2024



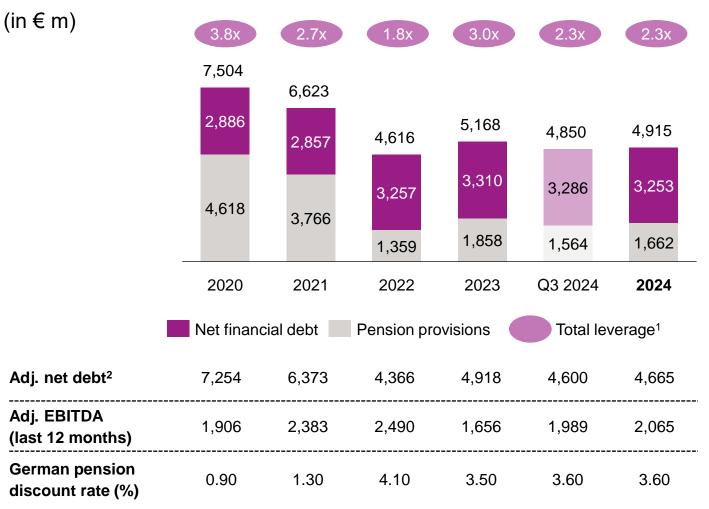


Net financial debt development FY 2024





Development of debt and leverage over time



^{1.} Adj. net debt / adj. EBITDA $\,\mid\,\,$ 2. Net financial debt – 50% hybrid bond + pension provisions

Net financial debt (€3,253 m)

- Net financial debt decreased both vs end of Q3 and end of last year, mainly driven by strong FCF
- Higher adj. EBITDA leading to decrease of net financial debt leverage to 1.5x³

Pension provisions (€1,662 m)

- Increased vs Q3 due to slightly weaker performance of plan assets; decreased yoy mainly due to slightly higher discount rate
- Solid funding level of >80%
- Long-dated pension obligations with ~13 years duration
- Pension provisions partly balanced by corresponding deferred tax assets of ~€0.6 bn⁴



^{3. (}Net financial debt – 50% hybrid bond) / adj. EBITDA | 4. Before impairment

Divisional overview by quarter

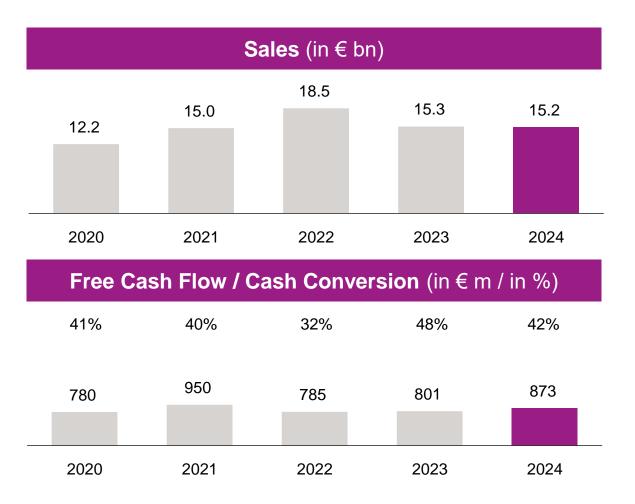
Sales (in € m)	Q1/23	Q2/23	Q3/23	Q4/23	FY 2023	Q1/24	Q2/24	Q3/24	Q4/24	FY 2024
Specialty Additives	921	906	882	811	3,520	908	944	897	828	3,578
Nutrition & Care	886	893	924	908	3,611	900	905	996	962	3,764
Smart Materials	1,188	1,119	1,100	1,054	4,461	1,093	1,147	1,098	1,112	4,450
T&I / Other ¹	1,010	968	865	832	3,675	895	934	841	695	3,365
Evonik Group	4,005	3,886	3,771	3,604	15,267	3,796	3,930	3,832	3,599	15,157

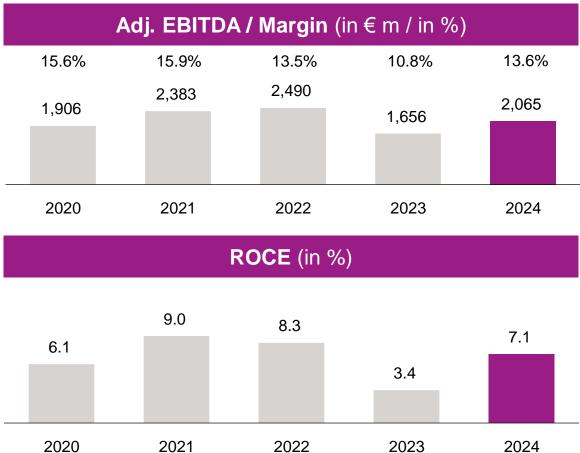
Adj. EBITDA (in € m)	Q1/23	Q2/23	Q3/23	Q4/23	FY 2023	Q1/24	Q2/24	Q3/24	Q4/24	FY 2024
Specialty Additives	168	199	173	134	673	185	220	208	131	744
Nutrition & Care	76	71	127	115	389	140	140	194	126	601
Smart Materials	164	122	135	119	540	159	171	164	106	601
T&I / Other ¹	1	58	50	-54	54	38	47	11	23	119
Evonik Group	409	450	485	312	1,656	522	578	577	388	2,065

^{1.} Including PM division



Five-year financial review







Upcoming IR events

Conferences & roadshows					
March 12, 2025	Consumer Ingredients & Chemicals Conference, London (Exane)				
March 12, 2025	Virtual Group C-Suite Meeting (Stifel)				
March 12, 2025	Roadshow, London (Jefferies)				
March 13, 2025	Roadshow, Frankfurt (HSBC)				
March 13, 2025	Chemicals & Consumer Ingredients Forum, London (Goldman Sachs)				
March 18, 2025	Roadshow, Nordics (Bank of America)				
March 19, 2025	Virtual European Sustainability Conference (Bernstein SG Group)				
March 19, 2025	Roadshow, Paris (Stifel)				
March 25, 2025	European Chemicals Forum, London (JP Morgan)				

Upcoming reporting dates & events					
May 12, 2025	Q1 2025 Reporting				
May 28, 2025	Evonik Annual General Meeting				
August 1, 2025	Q2 2025 Reporting				
November 4, 2025	Q3 2025 Reporting				



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