



**Evonik**

# **Company Presentation 2025**



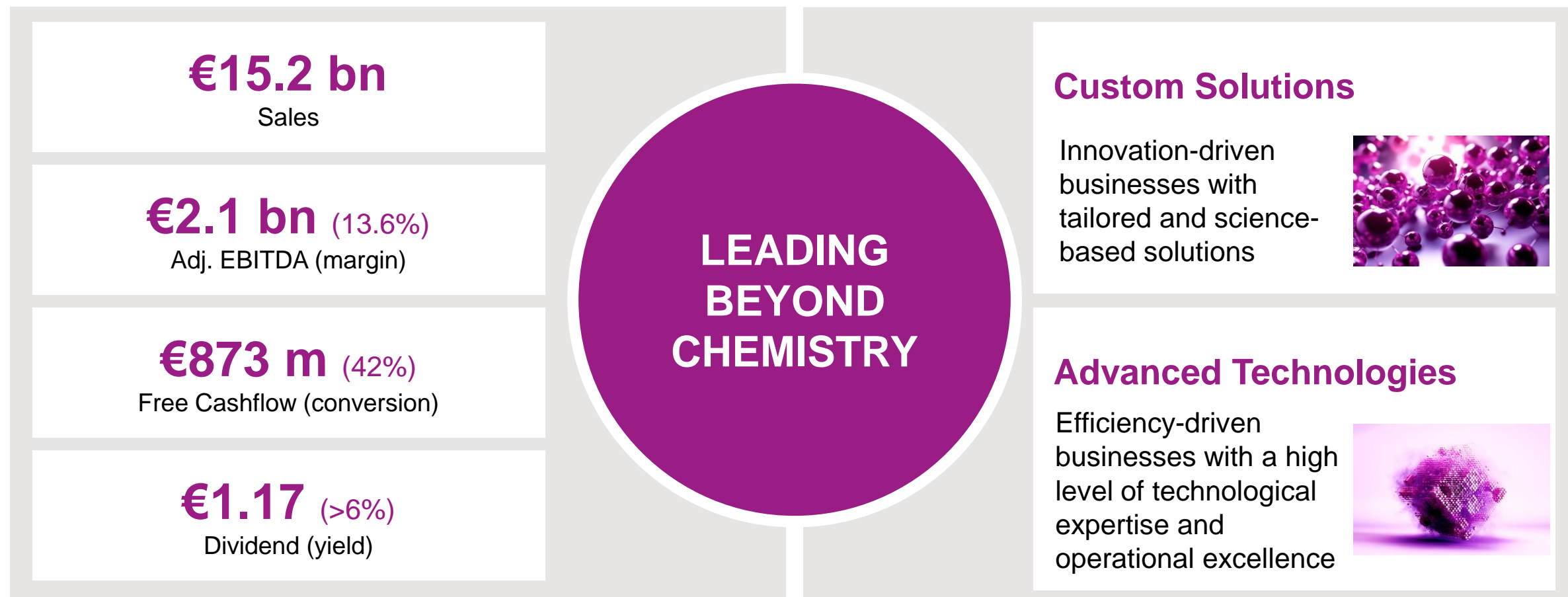
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- 1. Our new vision: Evonik is Industry's Superforce**
2. Major milestone: Our 2027 targets
3. Financials Q1 2025 and outlook
4. IR Team and further presentations

# Evonik at a glance

With new segment structure since April 2025



FY 2024



# Our product portfolio: We enable high-performing and sustainable solutions for our customers; circled around our three innovation growth areas

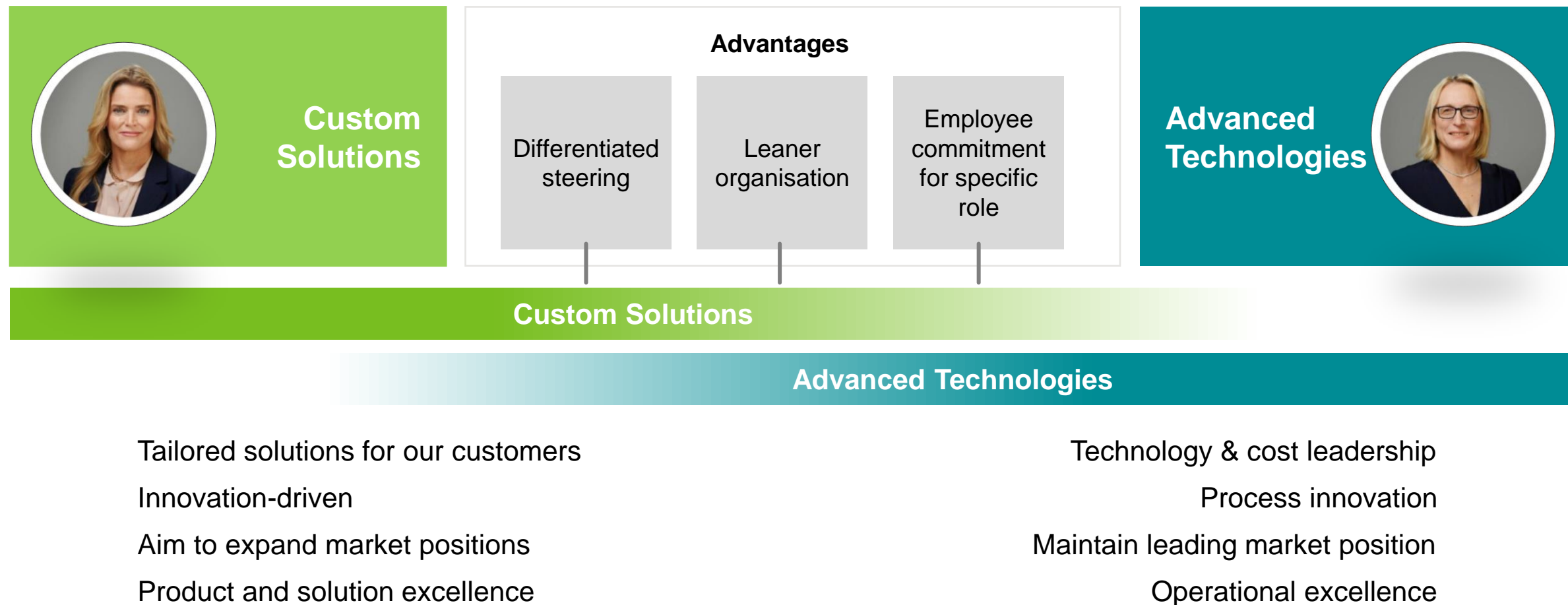


# Our new vision: Evonik is Industry's Superforce



# ① Leading Portfolio:

## New segment structure with tangible benefits





# ① Leading Portfolio:

## Having both segments under one roof creates value

	Custom Solutions (CU)	Examples	Advanced Technologies (AT)
Secured independent financing of growth	Strong cash generation in AT finances innovation and growth		
Innovation synergies and know-how sharing	Innovation Growth Areas spread across both segments Process optimization know-how of high relevance in AT and CU – and product innovation in CU also of use for AT		
Complementary people skills	Different focus areas in each segment allow for better division of labor and creation of complementary competencies		
Scale benefits	Shared production & innovation hubs Raw materials procured in large volumes for AT also used in CU		

# ① Leading Portfolio: Custom Solution and Advanced Technologies – Overview and KPIs

## Custom Solutions

- **Sales: €5.737 m | Adj. EBITDA: €978 m**
- Innovation-driven businesses with tailored solutions for customers
- Stronger role as growth driver with superior EBITDA growth
- Subsegments: Additives  
Care

### Innovation-centric KPIs

- Share of new product sales
- Share of “Next Generation Solutions”
- Speed of idea to market

### Customer-centric KPIs

- Customer / Service satisfaction
- Order fulfilment / reliability
- Opportunity management
- Share of customized products

## Advanced Technologies

- **Sales: €6.089 m | Adj. EBITDA: €1.023 m**
- Efficiency-driven businesses with leading technology & cost position
- Stronger financing role with superior cash flow generation
- Subsegments: Organics  
Inorganics  
Animal Nutrition

### Technological KPIs

- Off-spec ratio
- Cost to build
- Net overall equipment effectiveness

### Operating KPIs

- Range-of-coverage (inventories)
- Opportunity management
- Forecast accuracy
- Pricing excellence



# ① Leading Portfolio:

## We continue to transform the portfolio

— **Today** ————— **2027** ————— **Long-term** —→

### New segments & differentiated business steering

Divestment of **Performance Intermediates (C4)**

*(sales ~€1.9 bn)*

Decision and execution on future of **Marl**  
**and Wesseling** *(sales >€1 bn)*

Portfolio finetuning in **Health Care and**  
**Coatings & Adhesive Resins** *(total sales >€350 m)*

Further portfolio finetuning

### Ongoing portfolio management

- Focus within existing segment structure
- Strengthening innovation growth areas
- Aiming for a balanced regional split
- Continuous review of competitiveness of our assets

## ② Sustainable Innovation: Main growth driver for the long-run

### Product innovation



€1.5 bn additional sales  
by 2032 at >20% margin

**Next Generation Solutions<sup>1</sup> with  
superior sustainability profile**


**NEXTGEN**   
Solutions

**Advance  
Precision  
Biosolutions**

**Enable  
Circular  
Economy**


**Accelerate  
Energy  
Transition**

### Process innovation



Drive cost leadership and  
reduce GHG<sup>2</sup> emissions

**Next Generation Technology  
projects with avg. >25% IRR**

**NEXTGEN**   
Technologies

**Advanced  
Process Control**

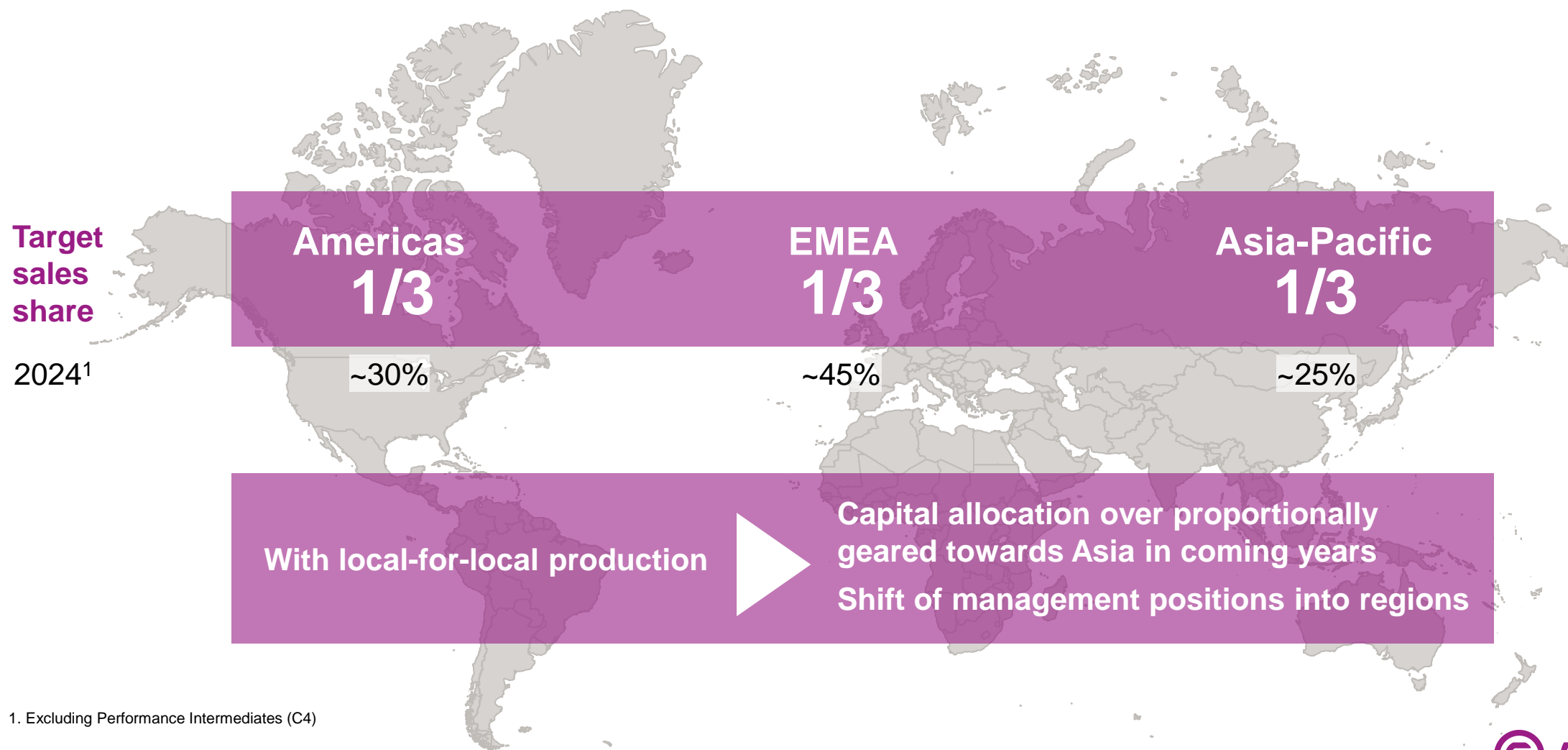
**Innovative  
waste heat  
up-cycling**

**Process  
redesign**

1. Next Generation Solutions; products with superior sustainability profile according to our PSA analysis | 2. Green house gas emissions

### 3 Regional Balance:

Aiming for 1/3 of sales in each region to be close to our customers



1. Excluding Performance Intermediates (C4)



## ④ We are “Team Excellence”: Derived from our core values – deeply rooted within Evonik

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### Excellence

- We strive for excellence in everything we do – across businesses and functions
- We set ourselves ambitious targets
- We hold ourselves accountable to reach these targets (e.g. in compensation)

### Team

- We value all employees
- We foster collaboration and employee involvement through innovative approaches such as our “Open source change” program and an impactful feedback landscape

**Our mid-term targets:** Profitable growth and returns, while keeping cash generation high and full commitment to our ESG targets

## OUR TARGETS

Fully aligned with our compensation system<sup>1</sup>

UNTIL  
2027

**+€1 bn**

adj. EBITDA<sup>2</sup>

**~11%**

ROCE<sup>3</sup>

**>40%**

Cash conversion rate<sup>4</sup>

Solid investment grade rating

UNTIL  
2030

**>50%**

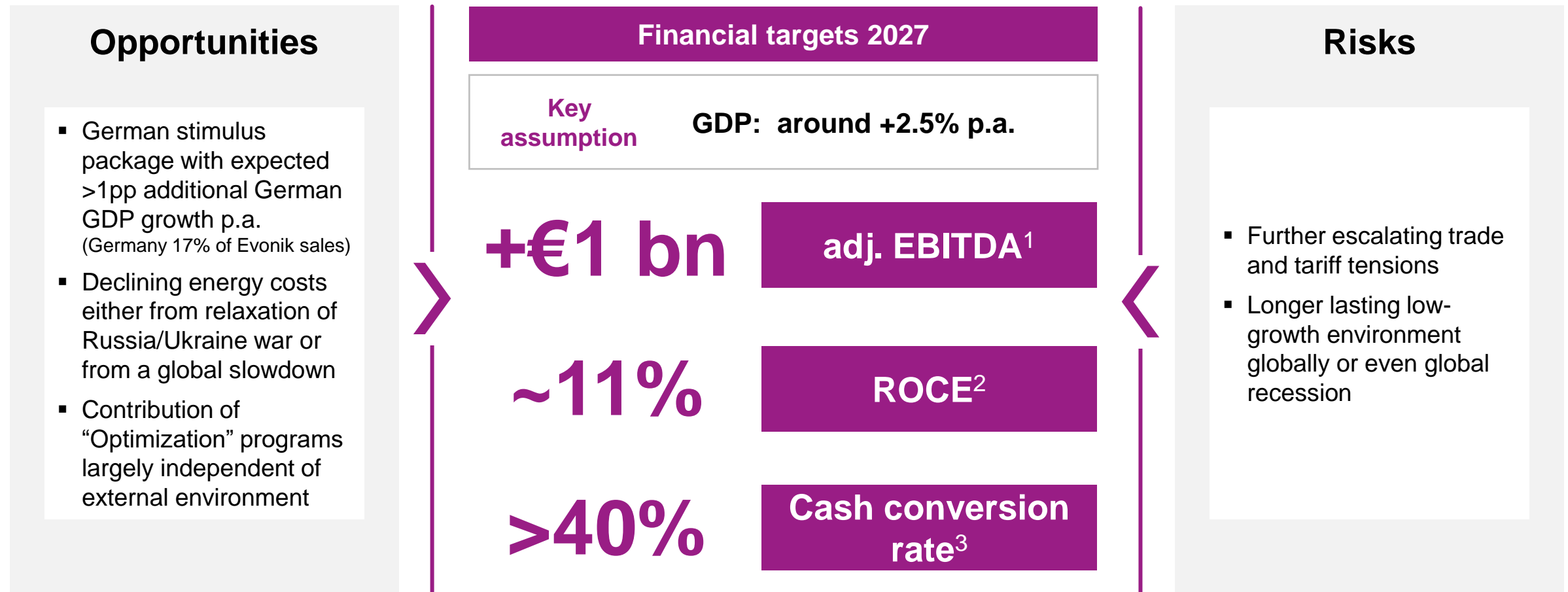
Sales share of NGS<sup>5</sup>

**-25%**

Reduction in GHG emissions<sup>6</sup>

1. KPIs part of annual short-term incentive system; ROCE to be decided on by 2026 AGM | 2. FY 2027 vs. FY 2023 | 3. Adj. EBIT / Capital Employed | 4. Free Cash Flow / Adj. EBITDA  
5. Next Generation Solutions | 6. Green house gas emissions; scope 1 & 2 vs. base year 2021

## Our mid-term targets: Factoring in both opportunities and risks



1. FY 2027 vs. FY 2023 | 2. Adj. EBIT / Capital Employed | 3. Free Cash Flow / Adj. EBITDA



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## In 2027 we reach a major milestone: €1bn additional adj. EBITDA



Starting point 2023	... four years ...	Milestone 2027
Base to be restated by planned divestments until 2027	Additional EBITDA is irrespective of planned divestments, i.e. targeted adj. EBITDA in 2027 will still be €1 bn higher vs (then lower) 2023 base	Final value determined by planned divestments until 2027

# We harvest our growth investments and leverage market growth and innovation

## Growth investments



PA12 | Germany



Silica | United States



Alkoxides | Singapore



Metal Oxides | Japan

## Market growth

Additives for coatings  
Components for lithium batteries  
PU foam for insulation  
Active cosmetic ingredients  
Gas separation membranes

**3-4%** relevant market growth p.a.

## Innovation



Biosurfactants | Slovakia



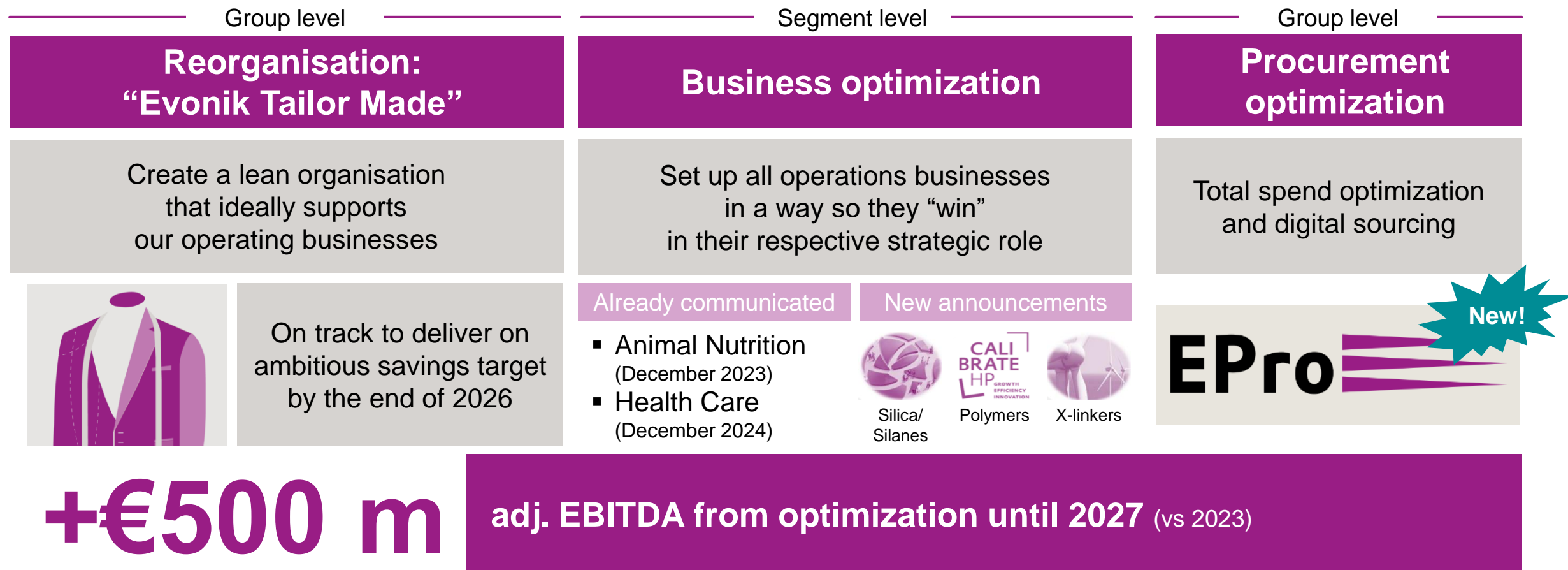
Membranes | Austria

**+€500 m**

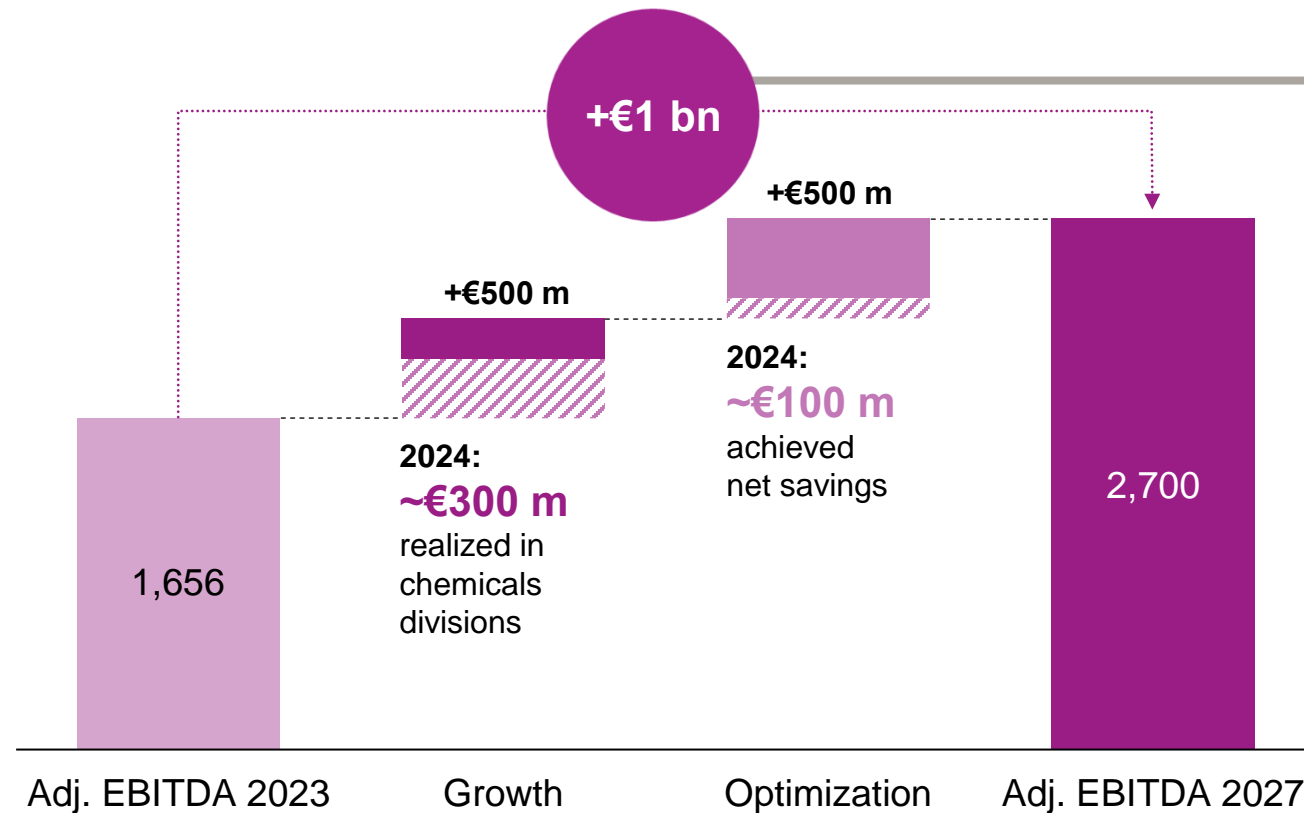
adj. EBITDA from growth until 2027 (vs 2023)



# We set our organization and businesses up for long-term success



# Status 2025 for our commitment 2027: +€1 bn adj. EBITDA



/// Realized in 2024



## +€500 m: Growth

(including usual erosion in existing businesses)

To go (2025-2027): €200 m from

- Growing into new capacities
- New products from innovation pipeline
- Market growth



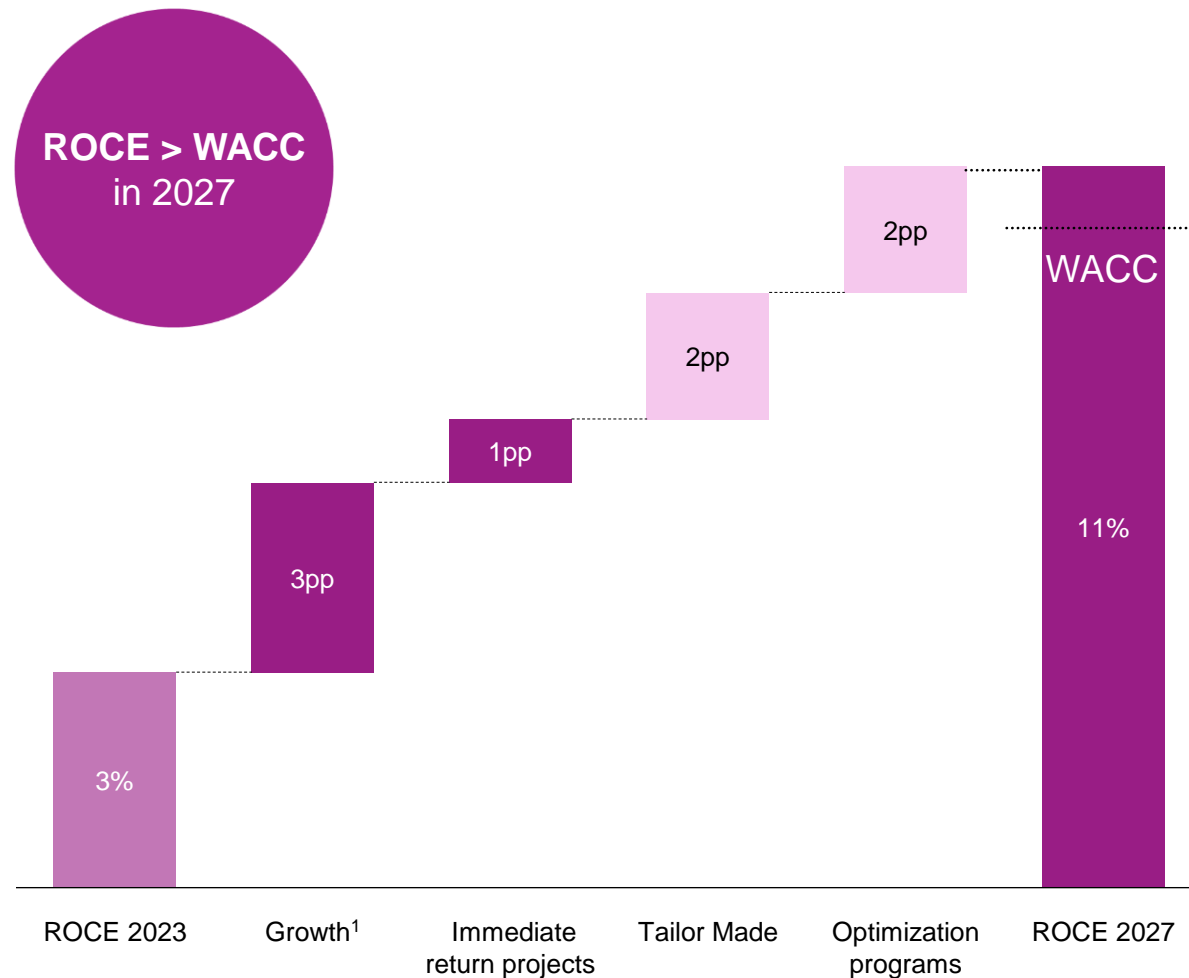
## +€500 m: Net savings from optimization

(including cost inflation)

To go (2025-2027): €400 m from

- Evonik Tailor Made
- Business optimization programs
- Procurement optimization

# Commitment 2027: Improvement of ROCE to ~11 %



1. Increase based on growth investments, market growth & innovation net by erosion

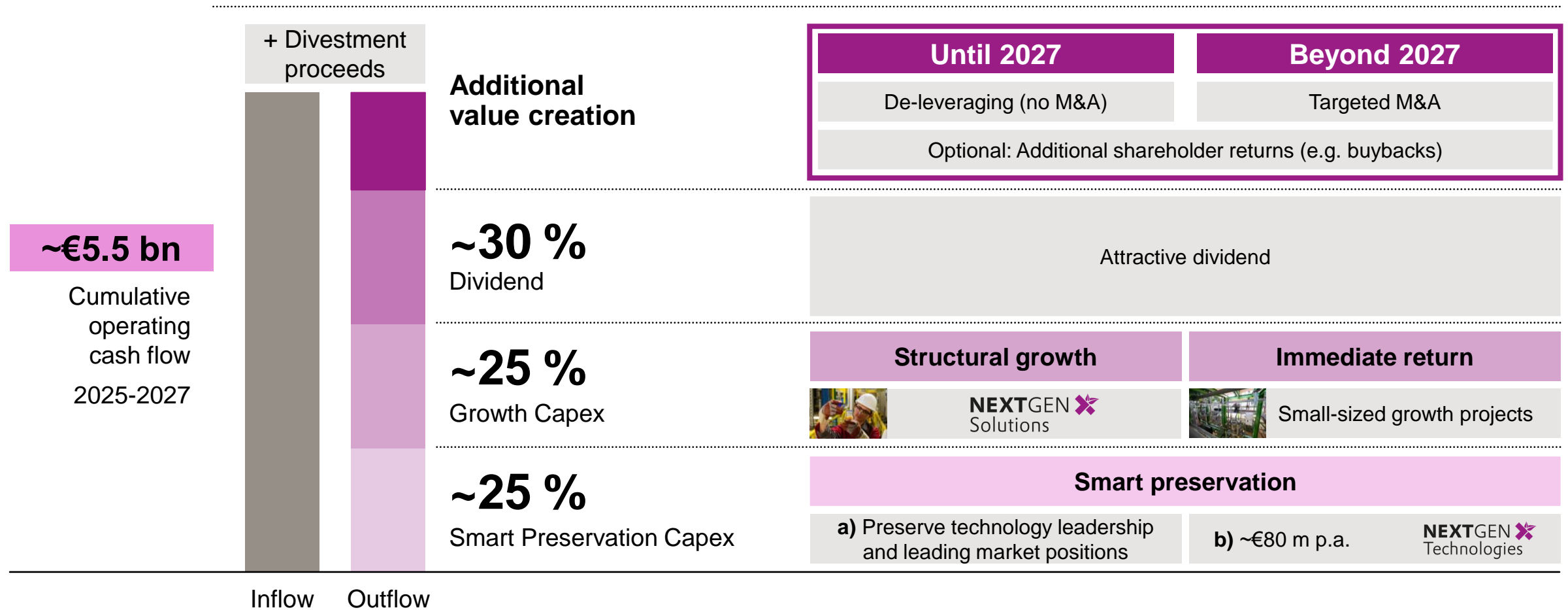
## Path towards ROCE Improvement until 2027

- +3pp** Grow into existing capacities  
Innovation with short-term ROCE increase
- +1pp** Prioritizing small CAPEX projects  
with quick payback time
- +4pp** Evonik Tailor Made  
and business optimization programs

Planned portfolio adjustments have no material negative effect on ROCE



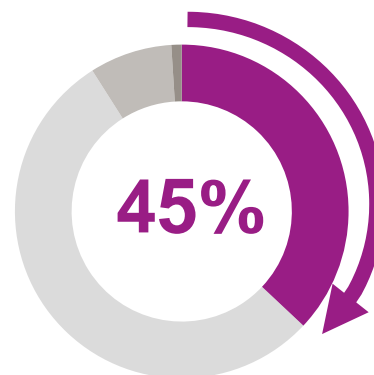
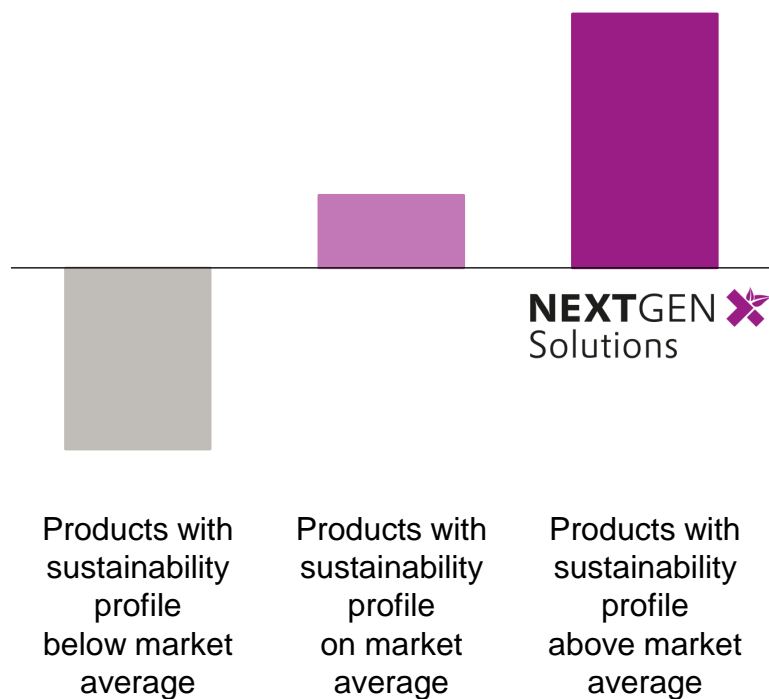
# Capital allocation priorities: Balancing growth and shareholder return



# Evonik product portfolio is geared towards Next Generation Solutions (NGS) with a superior sustainability profile and above-average growth

## Sales growth 2024-2030E (in %)

## NGS sales share in 2024 (in %)



+2pp

## Next Generation Solutions

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

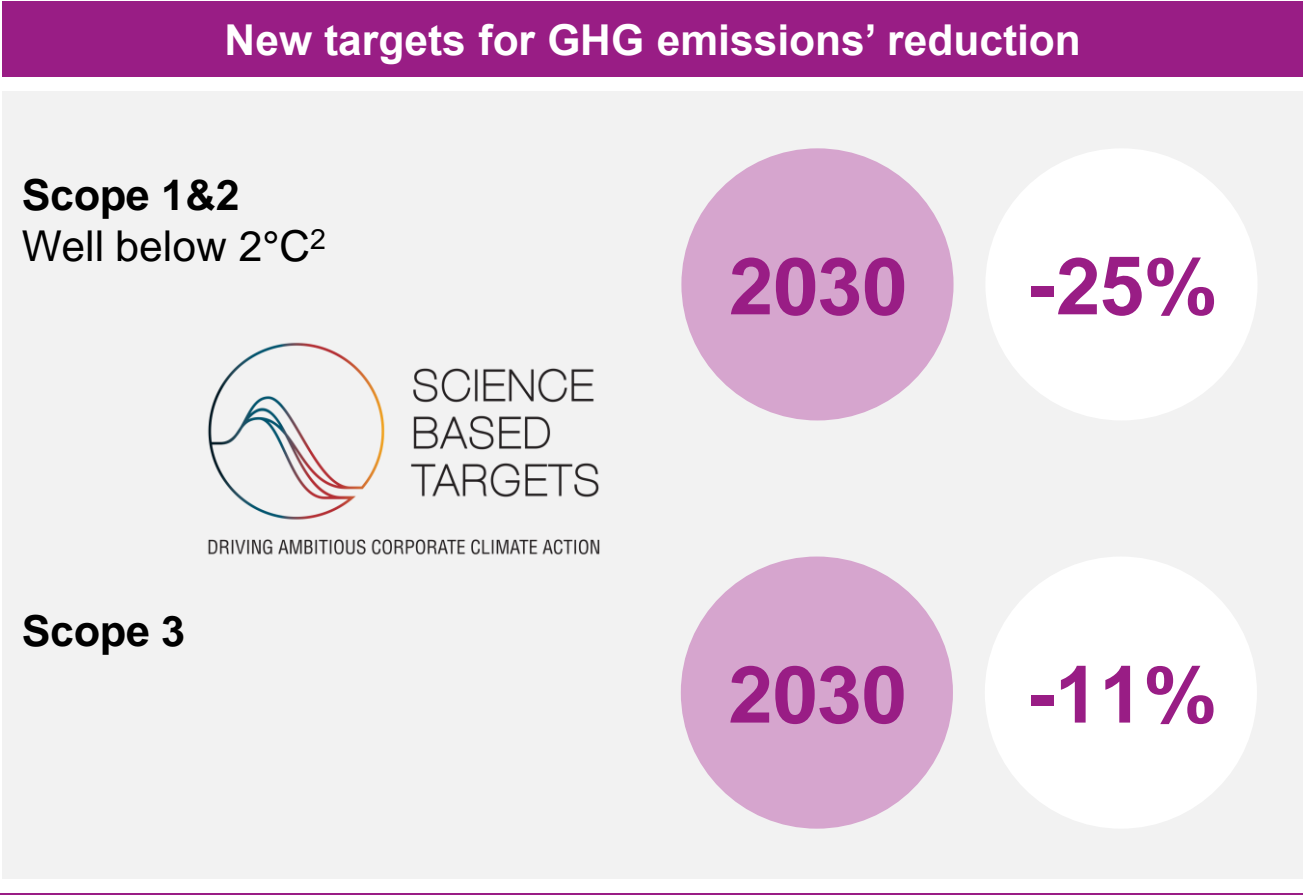
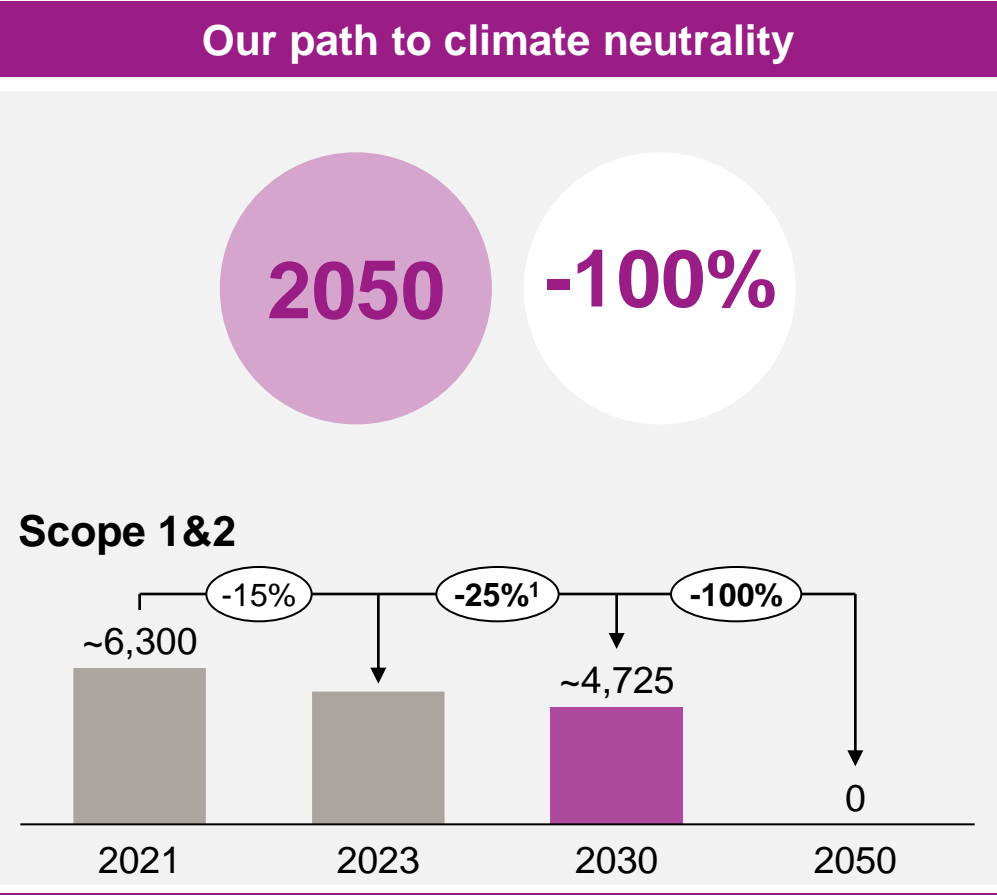
## NEXTGEN Solutions

- Deliver superior sustainability benefits to our customers
- Address increasing customer demand for sustainable solutions
- Substitute less sustainable solutions in the market
- Deliver above-average growth

Next Generation Solutions (NGS) = products with superior sustainability profile according to our Portfolio Sustainability Assessment (PSA) according to the World Council for Sustainable Development (WBCSD)

# Evonik will be climate neutral by 2050 – Committed to SBTi

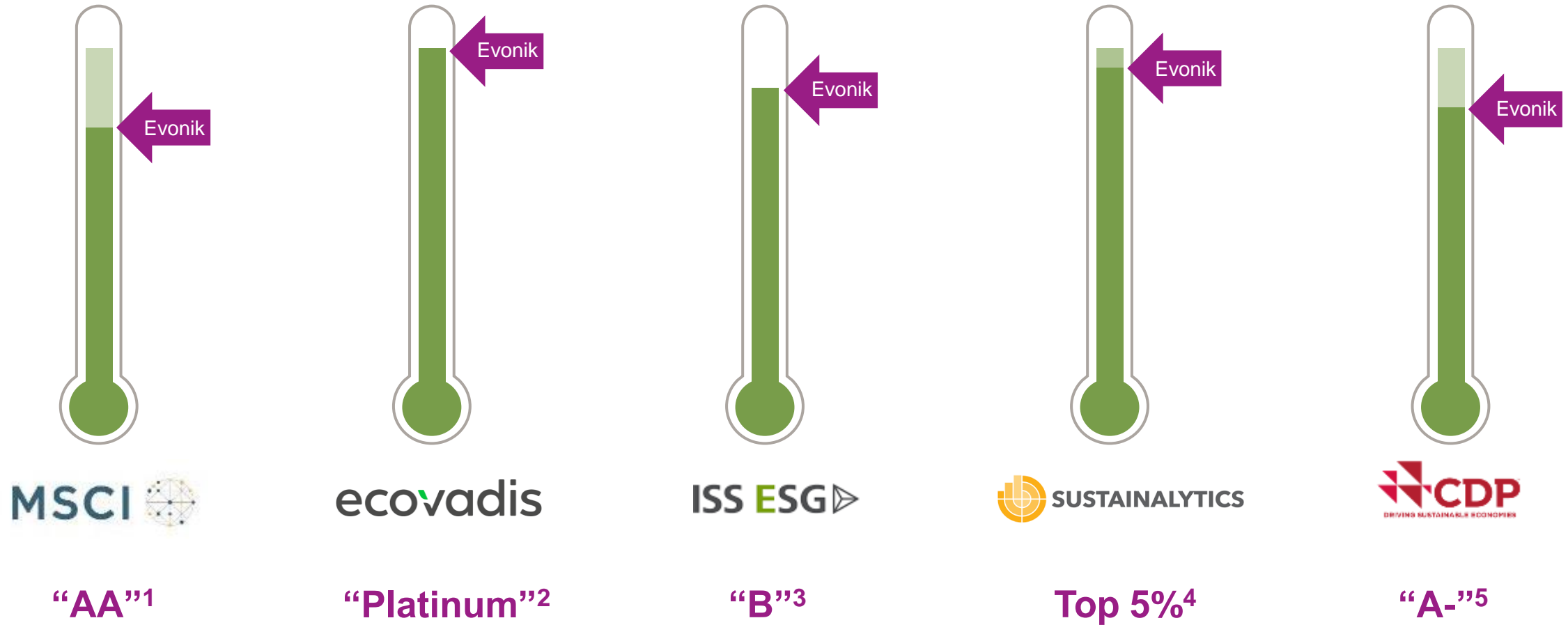
Focus on Scope 1&2, intensifying efforts on Scope 3



1. Gross emissions; reference year 2021, target year 2030. <sup>2</sup> Scope 3 figures according to fast close estimate

# Our activities receive successful recognition from external ESG ratings

## Evonik best-in-class within chemicals sector



1: Rating on a scale of AAA to CCC | 2: Top 1% of companies assessed | 3: Rating on a scale of A+ to D- | 4: out of ~600 companies ranked in the chemical sector | 5: Rating on a scale of A+ to D-

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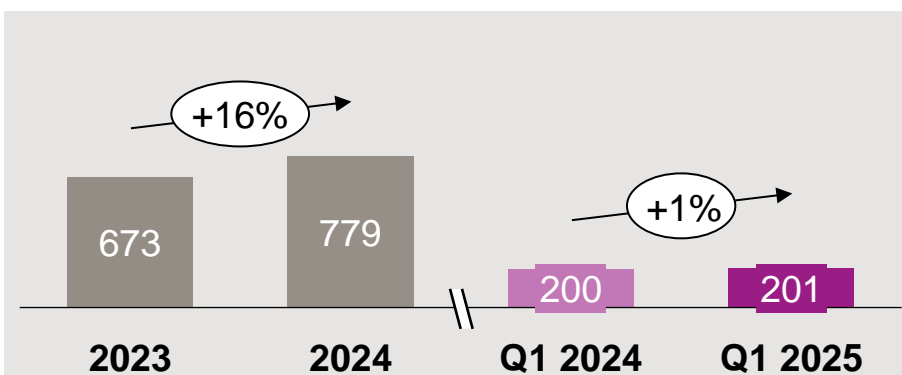
## Q1 2025 results overview

Sales (in € m)	Adj. EBITDA (in € m)	Free cash flow (in € m)	Adj. EPS (in €)
<b>3,777</b> (Q1 2024: 3,796)	<b>560</b> (Q1 2024: 522)	<b>195</b> (Q1 2024: 127)	<b>0.59</b> (Q1 2024: 0.42)
Positive volumes (+2%); lower prices (-2%)	Positive yoy performance mainly driven by Nutrition & Care and cost discipline	Another strong quarter of cash generation	Supported by low adj. tax rate (~11%)

# Strong and differentiating performance in SP and NC – and several factors already supporting solid perspective into Q2

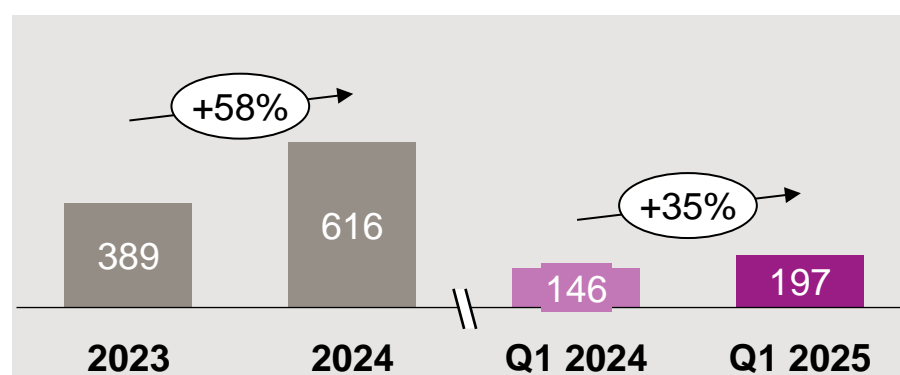
## Drivers of positive performance in Q1 (adj. EBITDA in € m)

### Specialty Additives



- Solid volume development in most businesses (esp. Coating Additives & Crosslinkers)

### Nutrition & Care



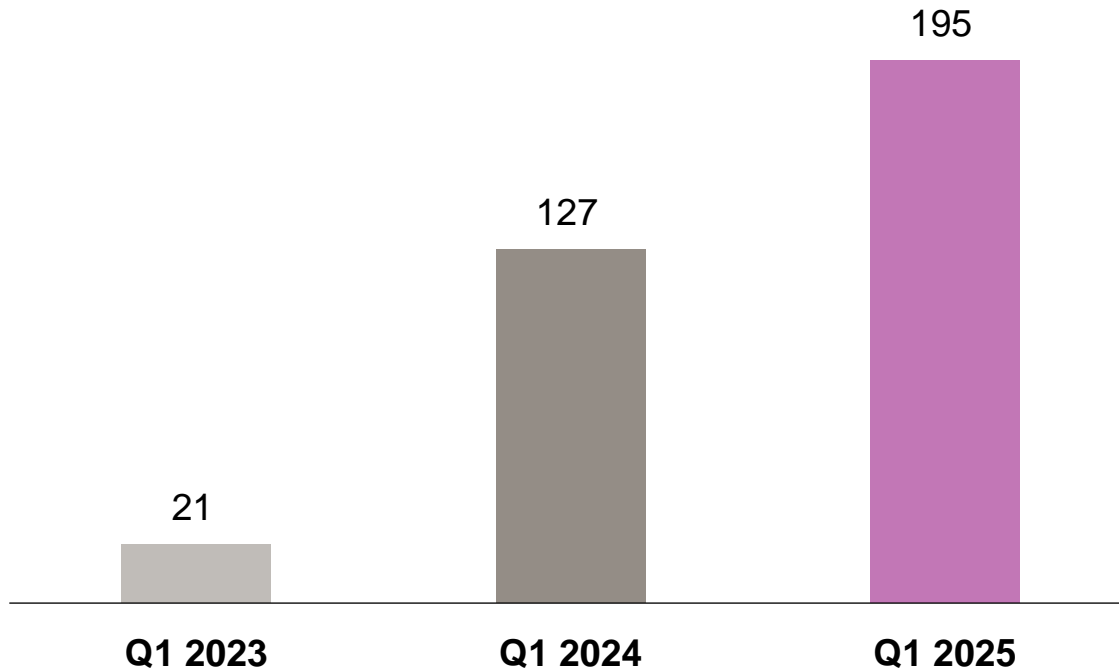
- Solid volumes & pricing in Animal Nutrition
- Recovery of Health Care from lower level (yoy)
- Supported by low double-digit m € one-time effect in Q1 2025

## Factors for Q2

- ~€20 m EBITDA support from license payment in Hydrogen Peroxide
- Ongoing solid and resilient performance in Animal Nutrition
- Further ramp-up of cost savings measures
- Negative impact from larger maintenance shutdown in PA12

# Free Cash Flow in Q1 clearly ahead of last year's level

Free Cash Flow (in € m)



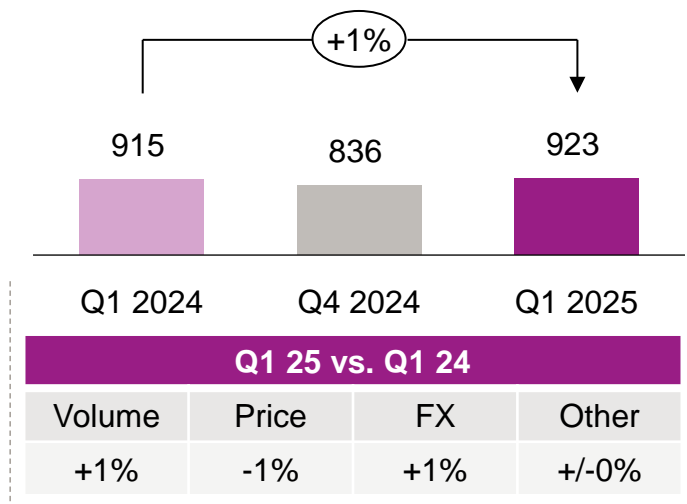
- FCF ~€70 m ahead of last year

## Positive factors in Q1:

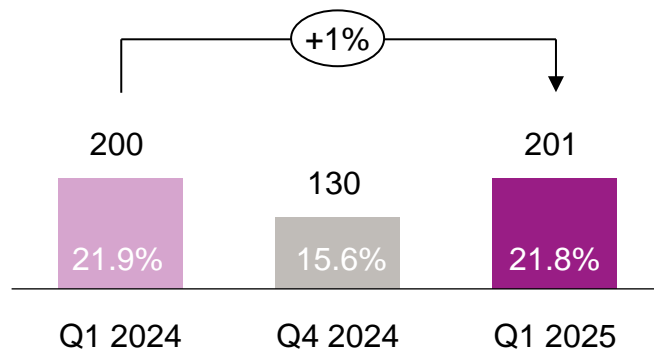
- Higher EBIT
- Lower cash outflow for NWC yoy (including positive cash effect from CO<sub>2</sub> certificates)
- Lower capex

# Specialty Additives

## Sales (in € m)



## Adj. EBITDA (in € m) / margin (in %)



- Sales, earnings and margin solid on good prior year level
- Volumes robust, esp. in coating additives and crosslinkers
- No noticeable pre-buying ahead of tariffs, but visibility remains low with order frequency higher at smaller amounts
- US stable yoy in Q1; cautiously monitoring the situation
- EU stable, APAC improving yoy

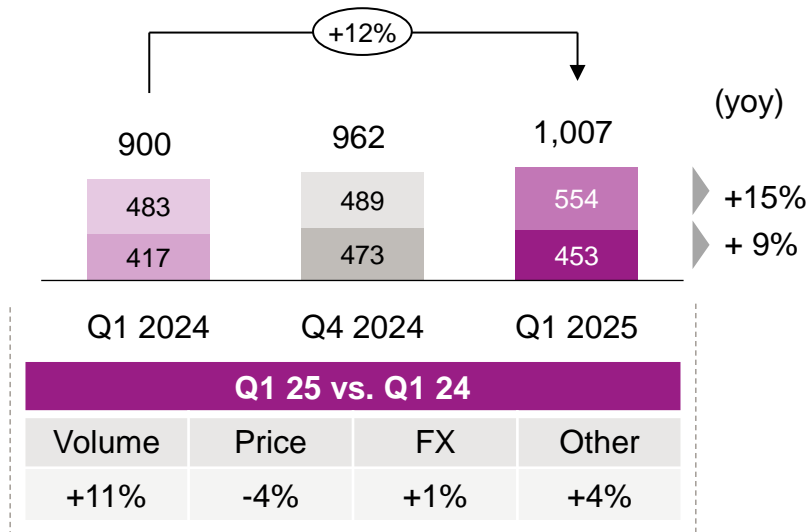




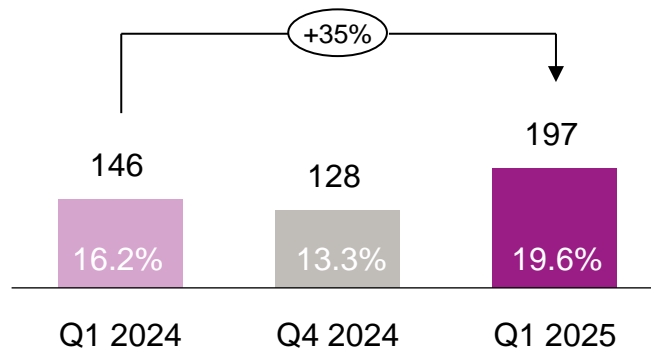
# Nutrition & Care

## Sales (in € m)

Animal  
Nutrition  
---  
Health &  
Care



## Adj. EBITDA (in € m) / margin (in %)



## Health & Care

- Recovery of Health Care from lower level in Q1 2024
- Care Solutions with slightly lower volumes yoy

## Animal Nutrition

- Strong volumes & solid pricing in Animal Nutrition
- Veramaris continues on a strong and profitable growth path at improved cost position
- Supported by low double-digit m € one-time effect in acrolein cyanohdryinacetate (ACA) business (agreement with customer to terminate take-or-pay-contract)



# Smart Materials

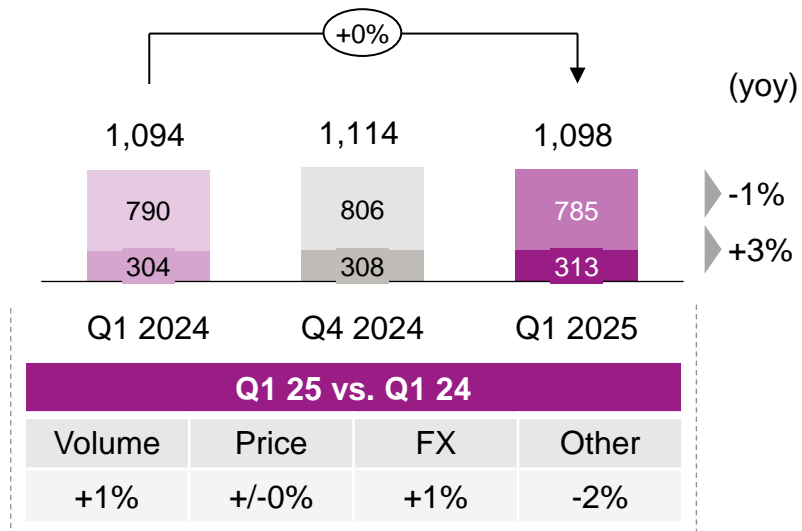
## Sales

(in € m)

Inorganics

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Polymers

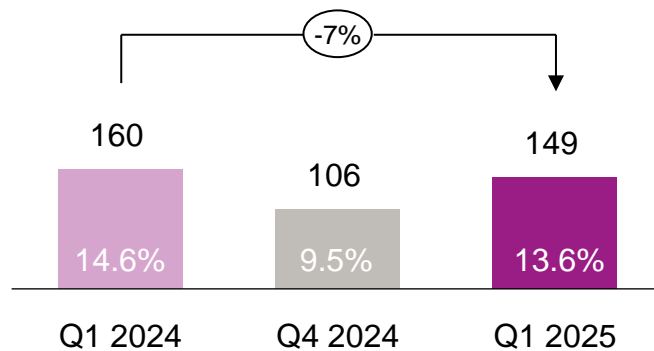


## Adj. EBITDA

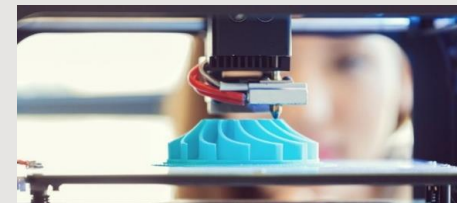
(in € m)

/ margin

(in %)

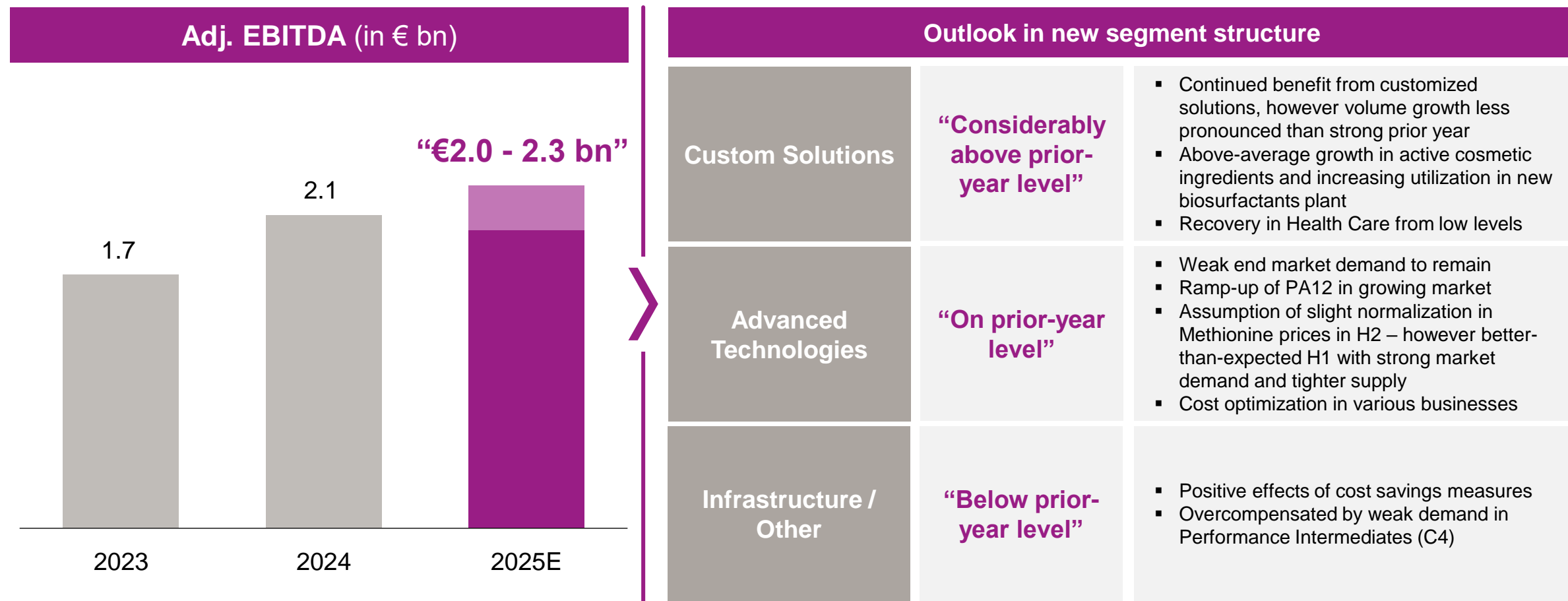


- Moderate start into the year
  - Stable sales yoy (volumes and prices stagnating on prior year level)
  - High Performance Polymers with solid volume growth
  - Solid demand for Precipitated Silica
- Adj. EBITDA lower yoy
  - Fully explained by license income in H<sub>2</sub>O<sub>2</sub> in Q1 last year

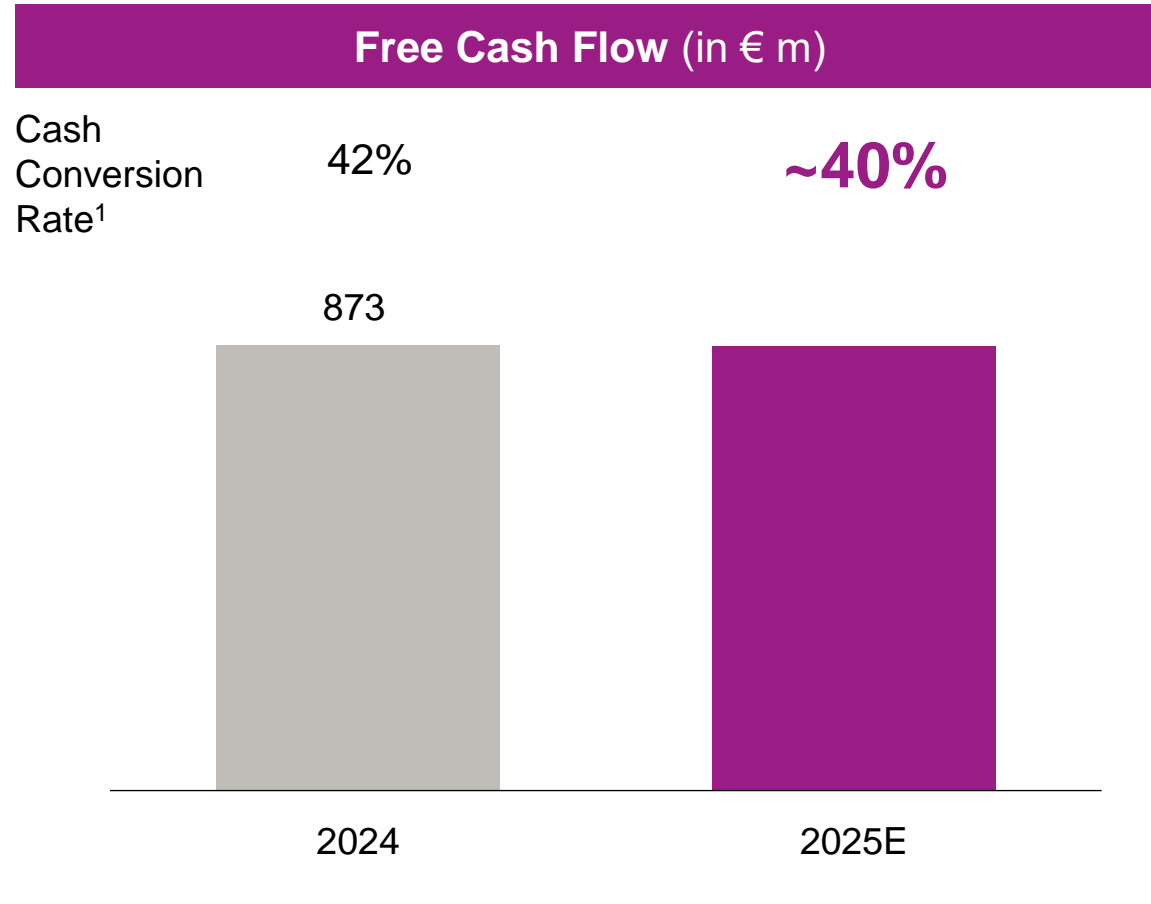


# FY 2025 outlook confirmed

## Adj. EBITDA: Growth driven by strong positioning in Custom Solutions



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

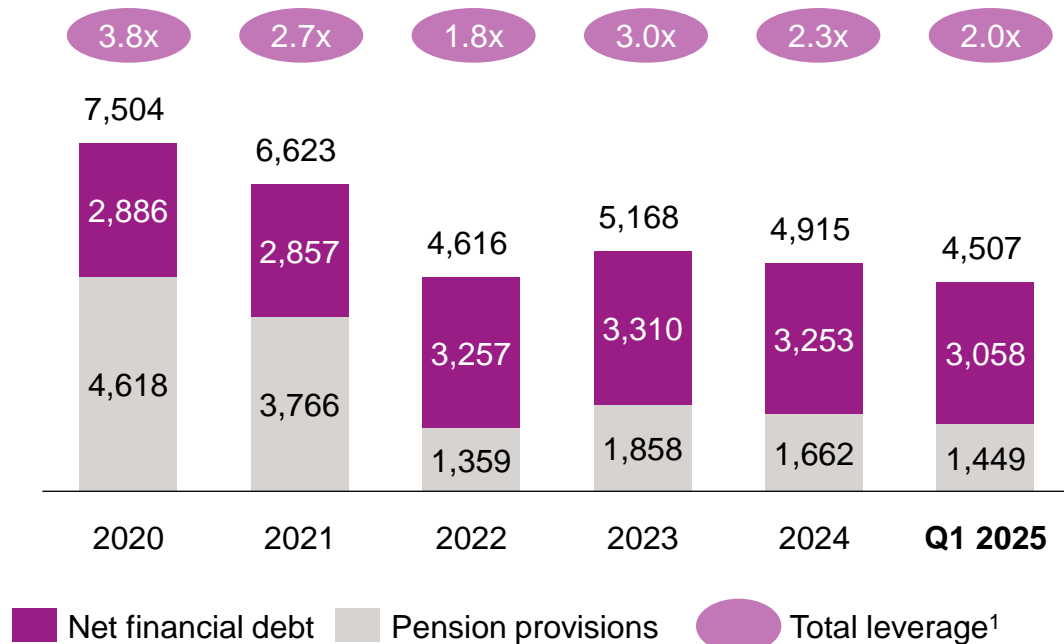


Expected building blocks for FCF development
Capex of ~€850 m stable yoy
Higher bonus payments in FY 2025 (for 2024)
NWC with positive effect yoy (high level of 18% NWC/sales at year-end provides flexibility for FY 2025)
Positive cash effect from CO <sub>2</sub> certificates (realized already in Q1)

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

# Development of debt and leverage over time

(in € m)



Adj. net debt <sup>2</sup>	7,254	6,373	4,366	4,918	4,665	4,258
Adj. EBITDA (last 12 months)	1,906	2,383	2,490	1,656	2,065	2,103
German pension discount rate (%)	0.90	1.30	4.10	3.50	3.60	4.00

1. Adj. net debt / adj. EBITDA | 2. Net financial debt – 50% hybrid bond + pension provisions  
3. (Net financial debt – 50% hybrid bond) / adj. EBITDA

## Net financial debt (€3,058 m)

- Net financial debt decreased vs year-end thanks to positive FCF in Q1
- Higher adj. EBITDA leading to decrease of net financial debt leverage to 1.3x<sup>3</sup>

## Pension provisions (€1,449 m)

- Decreased vs year-end due to higher discount rate
- Solid funding level of >80%
- Long-dated pension obligations with ~14 years duration
- Pension provisions partly balanced by corresponding deferred tax assets of ~€0.2 bn



## Segment overview by quarter (new structure from April 1, 2025)

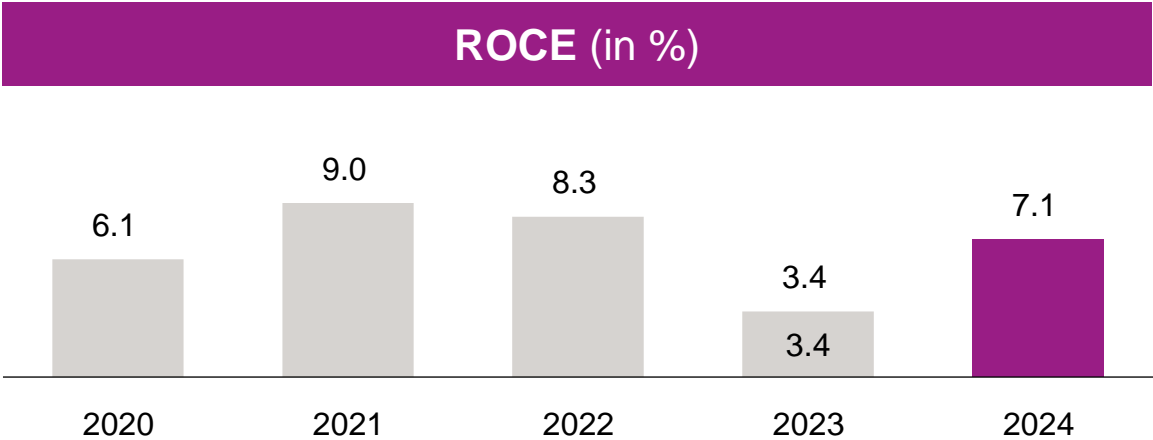
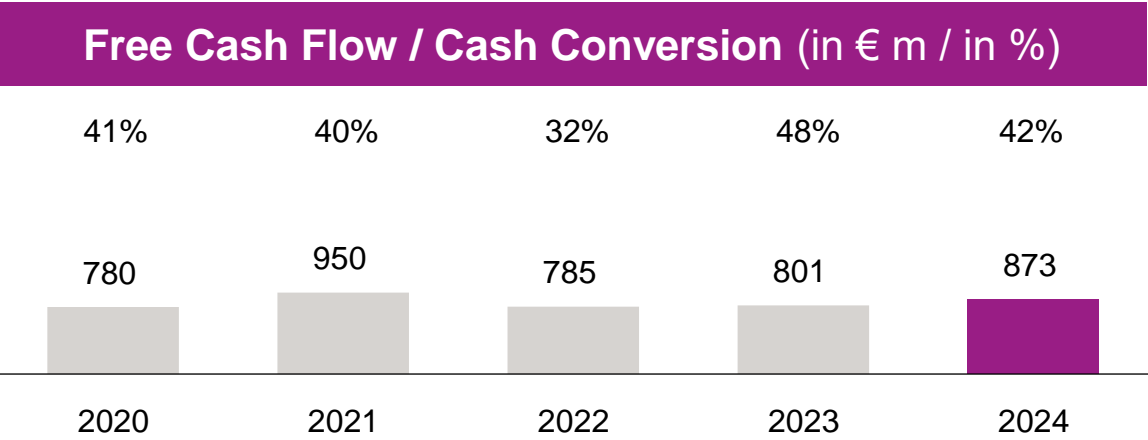
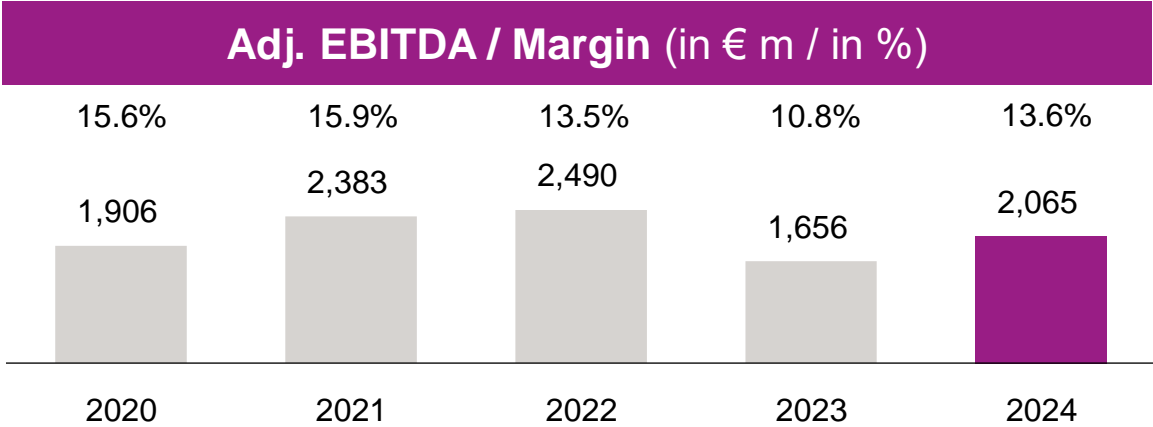
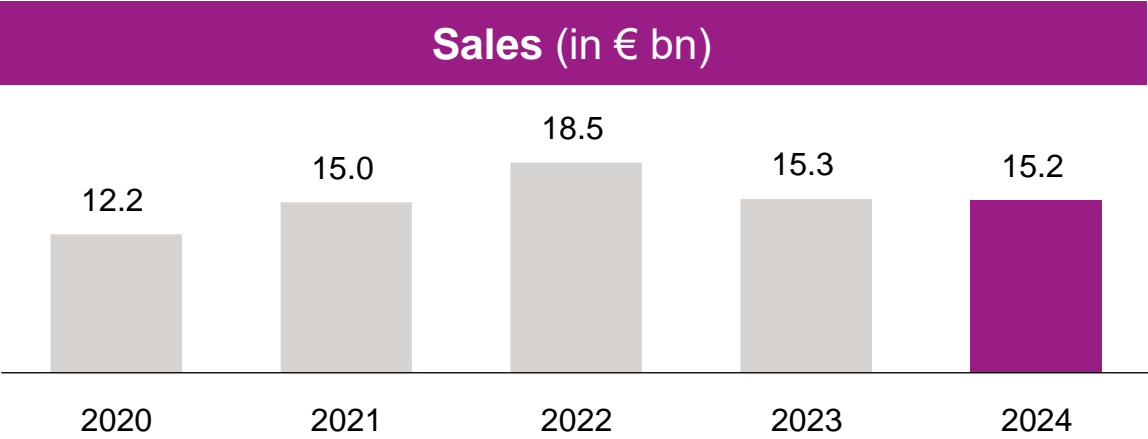
More detailed  
financials in new  
structure available on  
our website

Sales (in € m)	Q1/24	Q2/24	Q3/24	Q4/24	FY 2024	Q1/25 <sup>2</sup>
Custom Solutions	1,392	1,472	1,465	1,408	5,737	1,426
Advanced Technologies	1,517	1,533	1,535	1,504	6,089	1,604
Infrastructure / Other <sup>1</sup>	887	925	833	687	3,331	749
<b>Evonik Group</b>	<b>3,796</b>	<b>3,930</b>	<b>3,832</b>	<b>3,599</b>	<b>15,157</b>	<b>3,777</b>

Adj. EBITDA (in € m)	Q1/24	Q2/24	Q3/24	Q4/24	FY 2024	Q1/25 <sup>2</sup>
Custom Solutions	231	281	287	179	978	256
Advanced Technologies	275	267	296	185	1,023	291
Infrastructure / Other <sup>1</sup>	16	31	-6	24	64	13
<b>Evonik Group</b>	<b>522</b>	<b>578</b>	<b>577</b>	<b>388</b>	<b>2,065</b>	<b>560</b>

1. Including former Performance Materials division | 2. Not yet audited

# Five-year financial review



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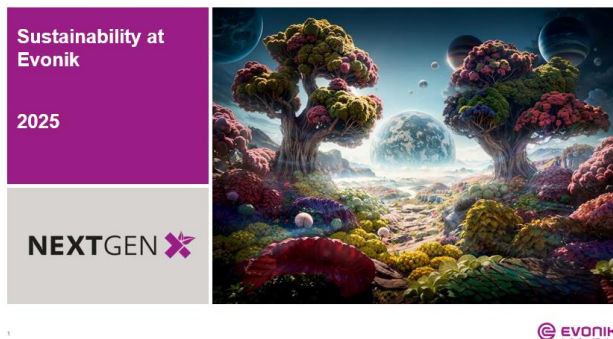
# Discover more in our presentations and factbooks



## Capital Markets Day 2025 Presentation



## Evonik Company Factbook



## Sustainability Factbook



## Innovation Factbook

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**EVONIK**

**Leading Beyond Chemistry**