

## EVONIK GROUP DEVELOPMENT

### While macro environment gets tougher:

#### FY guidance confirmed – Outcome at lower end of range more likely

- Tougher macro environment in May and June as well as unfavorable USD take their toll: Q2 adj. EBITDA of €509 m (-12% yoy)
- H1 earnings decline on Group level mainly driven by weakness in Oxeno (C4 business); Custom Solutions and Advanced Technologies combined with slightly higher earnings yoy in H1
- Free cash flow in Q2 of -€211 m burdened by higher bonus payout and temporary NWC build-up; capex reduction and NWC management in H2 to support another year of ~40% cash conversion
- Guidance range for FY 2025 adj. EBITDA confirmed at €2.0 to 2.3 bn; outcome at lower end of range more likely

### Income Statement

- **Sales** down 11% to €3,499 m (Q2 2024: €3,930 m)
  - Half of decline explained by FX (-3%; weak USD) and Other (-3%; mainly Superabsorber sale)
  - Prices holding up well (-1%); volumes down (-4%) mainly in Custom Solutions (against a tough base) and in Oxeno / C4 (weak demand and also strong prior-year quarter)
- **Adj. EBITDA** down 12% yoy to €509 m (Q2 2024: €578 m)
  - Factors impacting Q2
    - + Group pricing holding up well (-1%)
    - + Greater China sales +5% yoy
    - + Continued strength in Animal Nutrition
    - Low consumer confidence and customer cautiousness
    - Weaker USD
    - Weak Oxeno (C4 business)
  - Extraordinary effects in Q2 (in total: +€20 m)
    - + One-time effect related to ACA (similar as in Q1, termination of take-or-pay contract)
    - + License income in Hydrogen Peroxide
    - + Release of bonus provisions
    - Crosslinkers with unplanned production outages; planned maintenance shutdowns in PA12 and Animal Nutrition
- **Adj. EBITDA margin** almost flat yoy at 14.5% (Q2 2024: 14.7%) despite challenging environment
- **Adj. EBIT** of €250 m (Q2 2024: €329 m)
- **Adj. EPS** of €0.34 (Q2 2024: €0.50) with more negative financial result yoy due to lower interest income from hyperinflation accounting (positive effect in last year's Q2 from Argentinian Peso)

### Cash Flow Statement

- **H1 2025 FCF** of -€16 m; below last year's strong level of €344 m
  - due to higher bonus payout yoy and temporary increase in NWC
  - NWC / sales ratio now at 19.3% (vs. 18.1% last year and 16% year-end historical average)
    - NWC intentionally above long-term average end of last year, but demand situation has not allowed for intended reduction in H1 (and esp. in Q2), i.e. reduction potential in H2

### Balance Sheet

- **Net financial debt** (€3,864 m) increased vs. end of Q1 (€3,058 m) due to dividend payout combined with negative FCF
- **Pension provisions** of €1,383 m largely unchanged vs. end of Q1 (€1,449 m)
- **Leverage** of 2.5x at end of Q2 2025 (end of Q1: 2.0x)

## DEVELOPMENT IN THE SEGMENTS

### Custom Solutions (CU)

- Additives (adj. EBITDA down yoy)
  - Earnings yoy impacted by lower volumes in all businesses, after strong demand in prior year (partly based on restocking)
  - Catalysts (alkoxides) weaker due to soft market environment in EMEA and US
  - Sequentially stable earnings overall, positive in coatings
- Care (adj. EBITDA down yoy)
  - Health Care with higher earnings yoy as expected, with better utilization and further improvement expected in H2
  - Care Solutions facing softer demand, especially in base business and US

### Advanced Technologies (AT)

- Inorganics (adj. EBITDA stable yoy)
  - Hydrogen Peroxide benefiting from license income (+€20 m)
  - yoy development mainly explained by strong PY volumes in Silica (mainly tires)
- Organics (adj. EBITDA down yoy)
  - High Performance Polymers burdened by maintenance shutdown in PA12
  - Crosslinkers with unplanned production outages and ongoing margin pressure mainly in EMEA and Asia
- Animal Nutrition (adj. EBITDA up yoy)
  - yoy EBITDA increase: higher volumes (good market demand and last year's expansion shutdown Singapore) as well as 2<sup>nd</sup> ACA (Acrolein cyanohydrinacetate) compensation payment in Q2 (similar to Q1; +€20 m)
  - Lower sales sequentially due to planned maintenance shutdown in Q2

### Infrastructure / Other

- Infrastructure
  - Lower earnings yoy and qoq in Oxeno (C4 business) due to weak market conditions
- Other
  - Benefit from savings and release of bonus provisions

### Additional disclosure for segments → [see "Key Financial Data" on website \(Link\)](#)

- On segment level:
  - New KPI "Approximative operating FCF (aoFCF)" defined as adj. EBITDA, plus/minus NWC change, minus capex
  - Not including taxes, provisions and other items, thus segments will not add up to Group FCF
- On sub-segment level:
  - For sales: volume and price trends yoy ("+" or "-" in case of >2% deviation; otherwise "=")
  - For adj. EBITDA: yoy development ("+" or "-" in case of >2% deviation; otherwise "=")

## OUTLOOK FY 2025

### Basis for outlook

- Global GDP growth: +2.2% (last year: 2.7%)
- Slightly falling energy costs
- EUR/USD: 1.10

### Group outlook

- **Adj. EBITDA:** between €2.0 and 2.3 bn (FY 2024: €2.1 bn); outcome at lower end of range more likely
- **ROCE:** around prior-year level (previously: above level of 2024; FY 2024: 7.1%)
- **FCF:** again targeting ~40% conversion (FY 2024 cash conversion: 42%; FCF €873 m)
- **Capex:** ~€750 m (previously: ~€850 m; FY 2024: €840 m)

### Upside potential in H2 2025 while macro environment stays challenging

- Contribution from cost savings and optimization programs
- Custom Solutions:
  - New capacities ramping up (e.g. biodiesel catalysts, Biosurfactants)
  - Care Solutions: Volume pick-up after weak H1
  - Health Care: Typical year-end recognition of sales & earnings
  - Lubricant Additives: Pass-on of higher raw material costs
- Advanced Technologies:
  - Improved availability of capacities after maintenance shutdowns and unplanned outages in Q2
  - Hydrogen Peroxide: Volume pick-up after weak H1
  - Silica: Savings from site closures with effect in H2

### Segment outlook (for adj. EBITDA)

- **Custom Solutions:** “Slightly above prior-year level” (previously: considerably above prior-year level)
  - Continued benefit from our customized solutions, however less dynamic development compared to strong prior year, esp. in
    - Selected parts of Additives (Insulation, Coating Additives)
    - Base business of Care Solutions, esp. in the US
  - Above-average growth in active cosmetic ingredients and increasing utilization in new biosurfactants plant
- **Advanced Technologies:** “Slightly below prior-year level” (previously: on prior-year level)
  - Weak end market demand to remain
  - H1 characterized by major maintenance shutdowns for PA12, Methionine and unplanned production outages for Crosslinkers, partly balanced through positive one-time-effects
  - Continued high competitive intensity in Crosslinkers
  - Animal Nutrition holding up better than expected, normalization in Methionine prices less pronounced than initially expected
  - Cost optimization in various businesses
- **Infrastructure (incl. C4) / Other:** “Significantly below prior-year level” (previously: below prior-year)
  - Positive effects of cost savings measures and release of bonus provisions
  - ... overcompensated by weak demand in Oxeno (C4 business)

### Additional indications for FY 2025

- **Sales:** between €14 and 15 bn (previously: 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 (unchanged; FY 2024: €1,038 m)
- **Adj. net financial result:** around prior-year level (unchanged; FY 2024: -€143 m)
- **Adj. tax rate:** around long-term sustainable level of ~**30%** (unchanged; 2024: 23% due to treatment of deferred tax assets in Germany in 2024)

Please see [“Key Financial Data” on our website \(“Reporting”\)](#) for further detailed KPI's and indications, including on sub-segment level

## Key Financials Q2 2025

Evonik Group							
in € million	Q2 2024	Q2 2025	yoy Δ%	Q1 2025	Q2 2025	qoq Δ%	Q2 2025 Consensus*
External sales	3,930	3,499	-11%	3,777	3,499	-7%	3,732
Volumes (%)			-4%				0%
Prices (%)			-1%				-1%
Exchange Rates (%)			-3%				-2%
Other (incl. M&A; %)			-3%				-1%
Adjusted EBITDA	578	509	-12%	560	509	-9%	511
Adjusted EBITDA Margin (%)	14.7%	14.5%	-0.2 pp	14.8%	14.5%	-0.3 pp	13.8%
Adjusted EBIT	329	250	-24%	309	250	-19%	261
Adjustments	-236	-14		-10	-14		-15
EBIT	93	236	154%	299	236	-21%	248
Adjusted net income	234	160	-32%	275	160	-42%	181
Adjusted earnings per share in €	0.50	0.34		0.59	0.34		0.39
Capex (cash-out)	143	176	23%	190	176	-7%	
Net financial position	-3,611	-3,864		-3,053	-3,864		
Cash flow from operating activities, cont. ops.	360	-35	-110%	385	-35	-109%	
Free cash flow, cont. ops.	217	-211	-197%	195	-211	-208%	

  

Custom Solutions							
External sales	1,472	1,367	-7%	1,427	1,367	-4%	1,403
Volumes (%)			-5%				
Prices (%)			1%				
Exchange Rates (%)			-3%				
Other (incl. M&A; %)			0%				
Sales Additives	1,017	942	-7%	974	942	-3%	
Sales Care	455	425	-7%	453	425	-6%	
Adjusted EBITDA	281	254	-10%	256	254	-1%	255
Adjusted EBITDA Margin (%)	19.1%	18.6%	-0.5 pp	17.9%	18.6%	0.7 pp	18.0%

  

Advanced Technologies							
External sales	1,533	1,511	-1%	1,601	1,511	-6%	1,501
Volumes (%)			1%				
Prices (%)			-1%				
Exchange Rates (%)			-4%				
Other (incl. M&A; %)			3%				
Sales Organics	441	401	-9%	426	401	-6%	
Sales Inorganics	641	614	-4%	621	614	-1%	
Sales Animal Nutrition	451	496	10%	554	496	-10%	
Adjusted EBITDA	267	266	0%	291	266	-9%	255
Adjusted EBITDA Margin (%)	17.4%	17.6%	0.2 pp	18.2%	17.6%	-0.6 pp	17.1%

  

Infrastructure / Other (incl. Oxeno / C4 business)							
External sales	925	621	-33%	749	621	-17%	833
Adjusted EBITDA	30	-11	-137%	13	-11	-185%	5

\* Vara Consensus July 14, 2025