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Q2 2025
Earnings Conference Call

August 1, 2025

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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

Table of contents

Our new vision: Evonik is Industry’s Superforce

Our mid-term targets

OUR TARGETS

Key assumption: GDP +2.5% p.a.

Fully aligned with our compensation system[1]

UNTIL 2027	**+€1 bn** adj. EBITDA[2]	**~11%** ROCE[3]	**>40%** Cash conversion rate[4]
	Solid investment grade rating		
UNTIL 2030	**>50%** Sales share of NGS[5]		**-25%** Reduction in GHG emissions[6]

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

Mid-term targets confirmed: Opportunities to outweigh short-term risks

Q2 & FY 2025

Risks

- 2025 GDP growth now expected at 2.2%; below assumption of 2.5% p.a. needed for our mid-term targets
- … mainly due to low consumer confidence and customer cautiousness stemming from current trade war and tariff tensions
- Strong FX headwind from corresponding USD weakness

Mid-term

Opportunities

- Contribution of Evonik optimization programs largely independent of external environment
- “Return of Europe”: German stimulus package and EU Chemical Industry Action Plan
- Declining energy costs in Europe either from relaxation of Russia/Ukraine war or increased supply

Table of contents

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Q2 2025 results overview

Sales (in € m)	**Adj. EBITDA** (in € m)	**Free cash flow** (in € m)	**Adj. EPS** (in €)
3,499 (Q2 2024: 3,930)	**509** (Q2 2024: 578)	**-211** (Q2 2024: 217)	**0.34** (Q2 2024: 0.50)
Half of -11% sales decline explained by FX and Superabsorber sale; prices holding up well (-1%)	Earnings impacted by challenging macro conditions, several one-time effects and unfavorable FX	Higher bonus payout yoy and increase in NWC temporarily weigh on FCF	Financial result and tax rate in line with FY expectations

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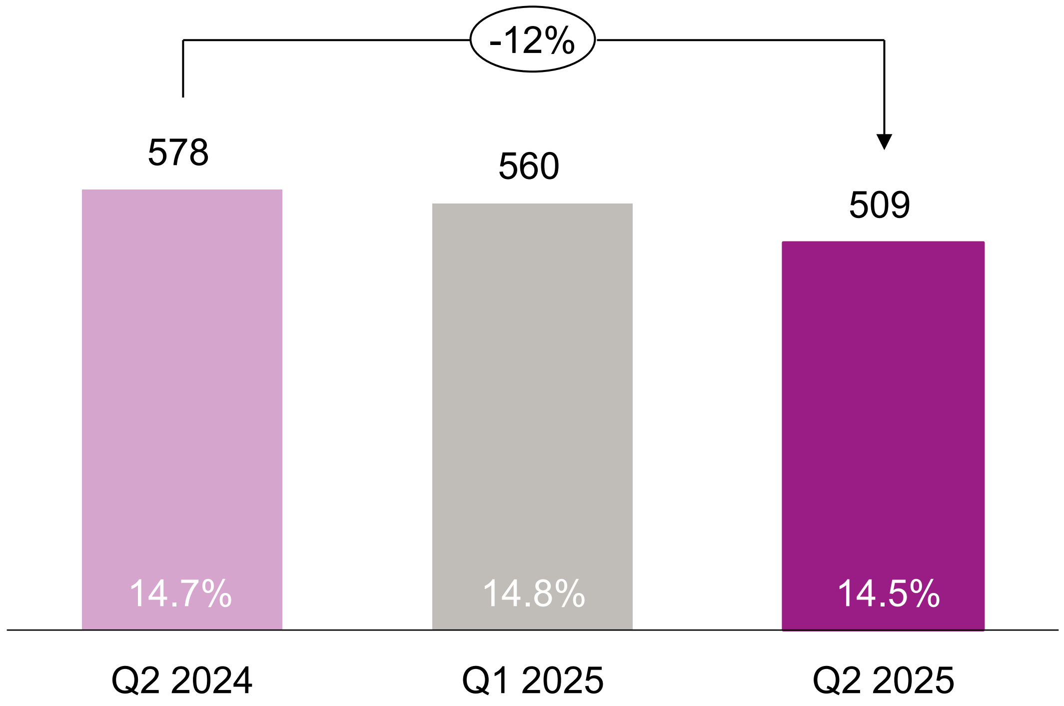
Short-term headwinds outweigh tailwinds in Q2 results

Adj. EBITDA (in € m) / **Margin** (in %)



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[1] (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

1. Acrolein cyanohdryinacetate business in Animal Nutrition

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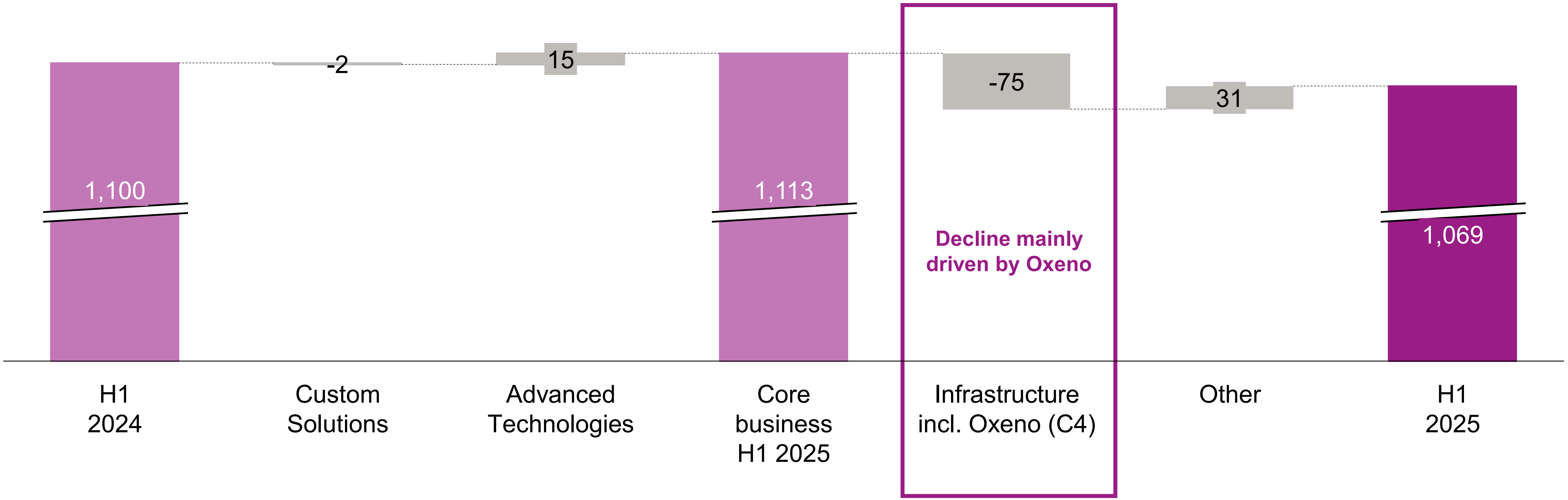
Core earnings slightly up in H1 – Oxeno mainly responsible for yoy decline

Adj. EBITDA (in € m) – **Half year bridge by segment** (yoy change)



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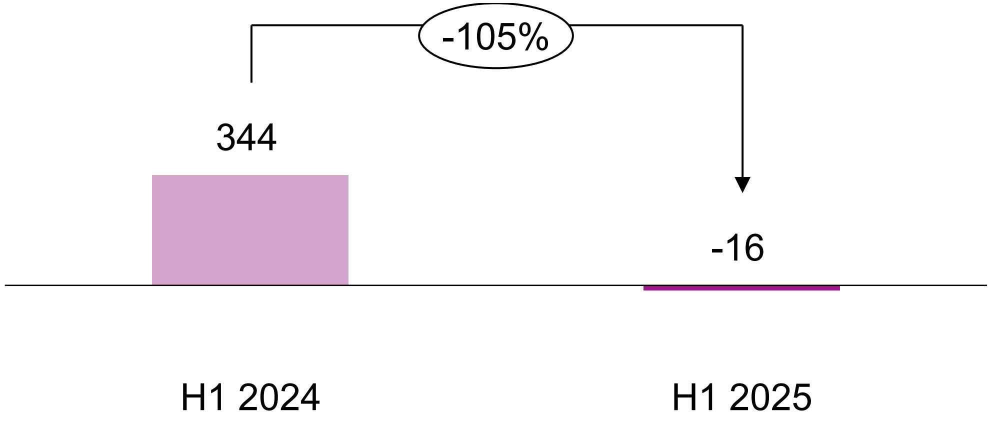
Free Cash Flow in H1 below last year's strong level

Catch-up in H2 to reach 40% conversion

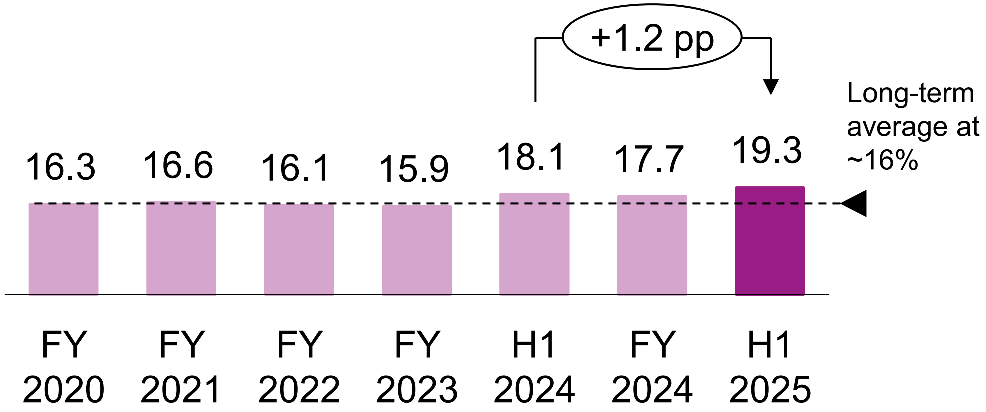
Free Cash Flow in H1

(in € m)



NWC / sales ratio

(in %)



Free Cash Flow

- Notably weaker yoy in H1 due to
  - higher bonus payout yoy
  - temporary increase in NWC

Net Working Capital

- NWC / sales ratio intentionally above long-term average end of last year
- Demand situation has not allowed for intended reduction in H1 (and esp. in Q2)
- Proven track record of NWC management stands for reduction potential in H2 (historical average of 16%)

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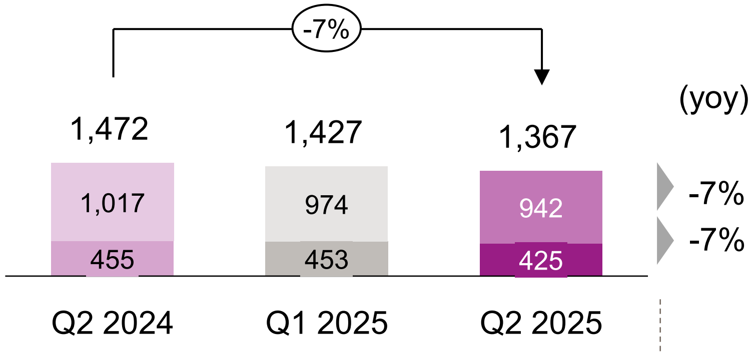
Custom Solutions

Sales
(in € m)

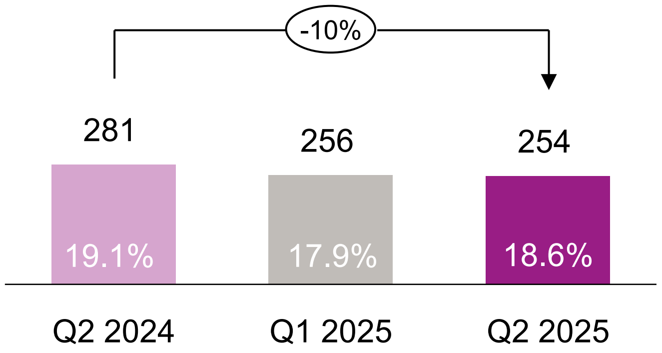
Additives

Care



Q2 25 vs. Q2 24[1]			
Volume	Price	FX	Other
-5%	+1%	-3%	+/-0%

Adj. EBITDA
(in € m)
/ margin
(in %)



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

1. Volume, Price, FX and Other development for subsegments available in "Evonik Financials" table on our website

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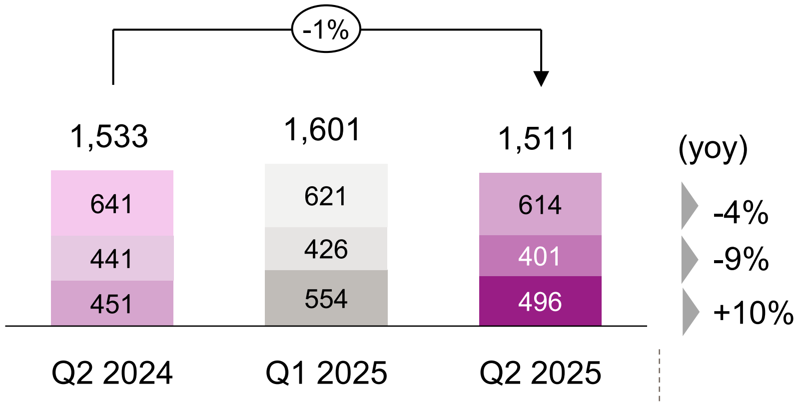
Advanced Technologies

Sales
(in € m)

Inorganics

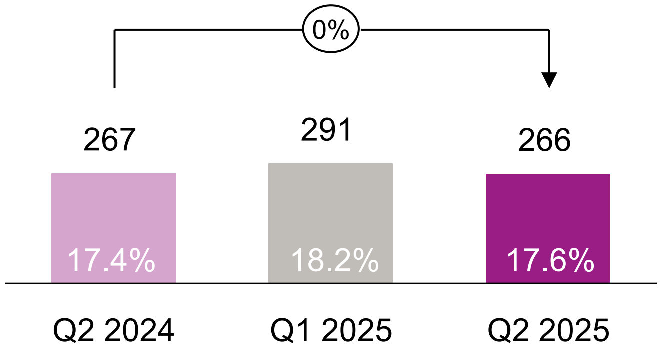
Organics

Animal Nutrition



Q2 25 vs. Q2 24[1]			
Volume	Price	FX	Other
+1%	-1%	-4%	+3%

Adj. EBITDA
(in € m)
/ margin
(in %)



Inorganics (adj. EBITDA stable yoy)

- Hydrogen Peroxide benefiting from license income
- 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 2nd ACA compensation payment in Q2 (similar to Q1)
- Lower sales sequentially due to planned maintenance shutdown in Q2

1. Volume, Price, FX and Other development for subsegments available in "Evonik Financials" table on our website

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Table of contents

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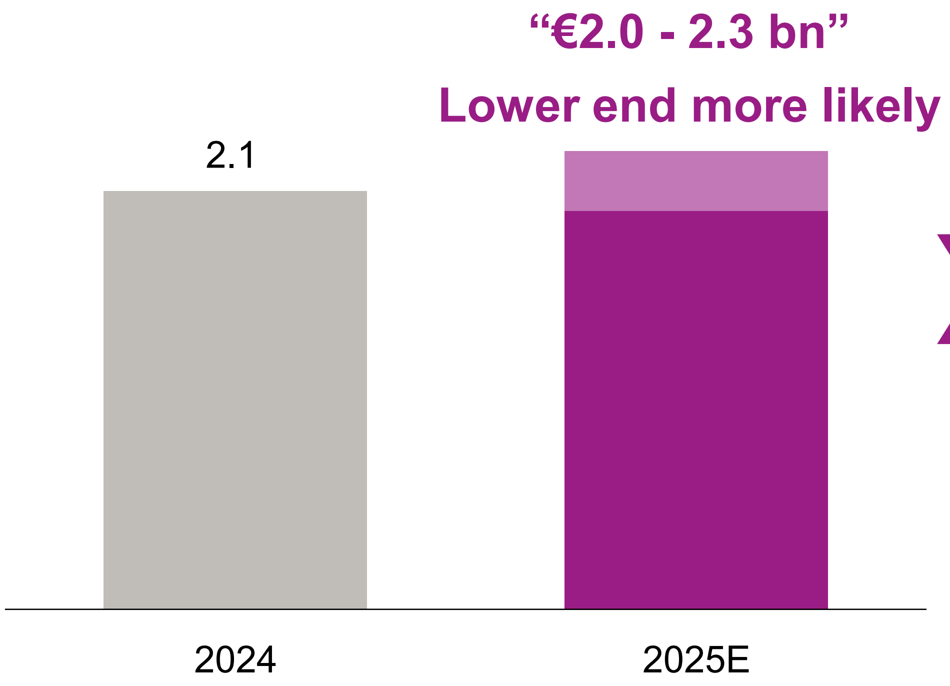
Guidance confirmed – Lower end of range more likely
Upside potential in H2 2025 while macro environment stays challenging

Adj. EBITDA (in € bn)



Factors for H2 2025

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

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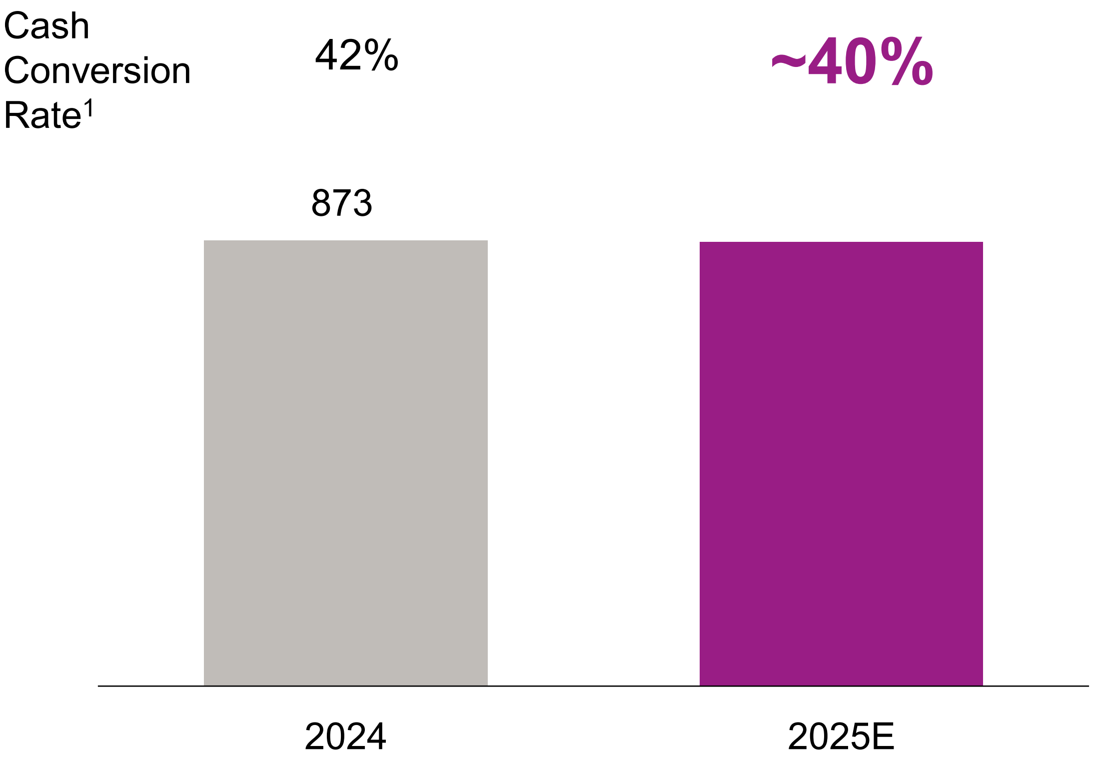
Free Cash Flow: Confidence to again deliver ~40% cash conversion

Free Cash Flow (in € m)



Expected building blocks for FCF development

NWC

Q2 level at 19.3% of sales, clearly above historic average of ~16% - i.e. strong reduction potential (proven track record of NWC normalization towards year-end)

Capex

Reduction to ~€750 m in FY 2025
from initially planned €850 m (FY 2024: €840 m)
(i.e. ~€60 m lower capex yoy in H2)

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

EU Chemical Industry Action Plan: Additional mid-term upside for Evonik

Scope EU Action Plan

Strengthening resilience and global trade	Securing affordable energy and supporting decarbonization	Support of Circular Economy and boosting innovation	Reduce administrative burden and clarify policy costs to boost future investments

Upside for Evonik

Strong chemical sites and value chains in Europe

Anti-dumping protection to ensure fair competition

Overall **lower energy costs** and **indirect cost compensation** for e.g. CO_2-certificates

Capex incentives for decarbonization projects (NGT[1])

Innovation Growth Areas benefiting from incentives for **Circular Economy** and **bio-based solutions**

Simplifications in **reporting obligations** and **approval procedures**

1) NGT = Next Generation Technology

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Adj. EBITDA outlook FY 2025 for segments

Outlook in new segment structure		
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 / Other	**"Significantly below prior-year level"** (previously: "Below prior-year level")	▪ Positive effects of cost savings measures and release of bonus provisions ▪ … overcompensated by weak demand in Oxeno (C4 business)

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Additional indications for FY 2025

Sales	**between €14 and 15 bn** (previously: between €15 and 17 bn; 2024: €15.2 bn)
ROCE	**around prior-year level** (previously: above level of 2024; 2024: 7.1%)
Capex[1]	**~€750 m** (previously: ~€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** (unchanged; 2024: €1,038 m)
Adj. net financial result	**around prior-year level** (unchanged; 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)

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

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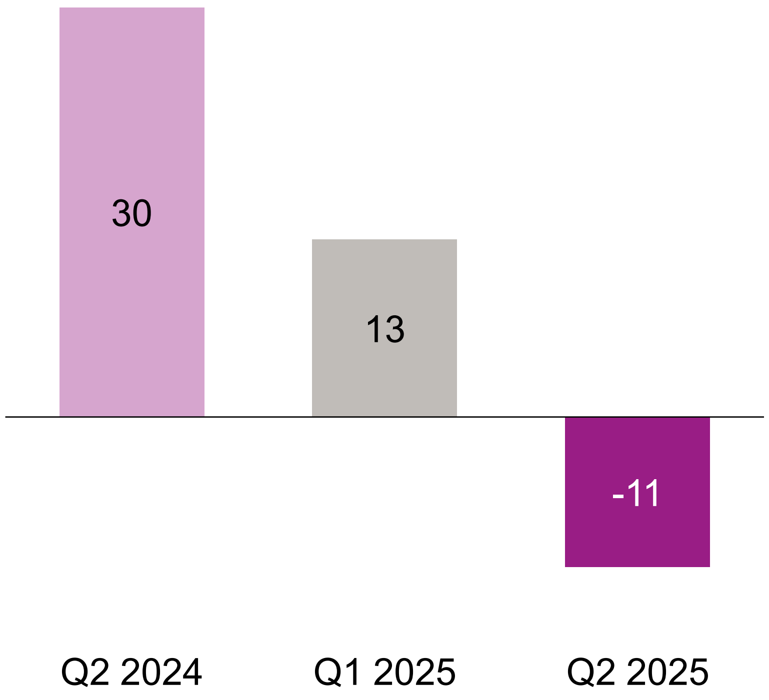
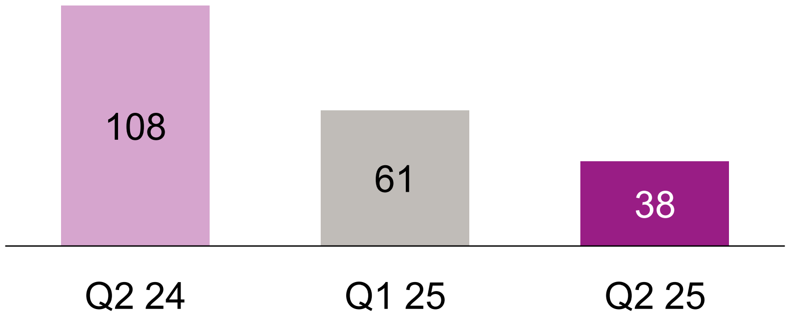
Infrastructure / Other

Adj. EBITDA (in € m)

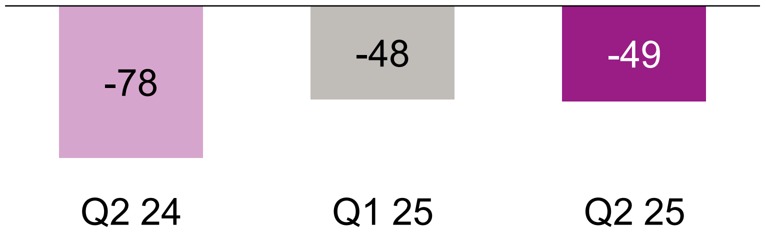


Thereof: Infrastructure



- Lower earnings yoy and qoq in Oxeno (C4 business) due to weak market conditions

Thereof: Other



- Benefit from savings and release of bonus provisions

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Adjusted income statement Q2 2025

in € m	Q2 2024	Q2 2025	Δ
Sales	**3,930**	**3,499**	-11%
Adj. EBITDA	**578**	**509**	-12%
Depreciation & amortization	-249	-259	
Adj. EBIT	**329**	**250**	-24%
Adj. net financial result	-31	-44	
D&A on intangible assets	35	32	
Adj. income before income taxes	**333**	**238**	-29%
Adj. income tax	-93	-74	
Adj. income after taxes	**240**	**164**	-32%
Adj. non-controlling interests	-6	-4	
Adj. net income	**234**	**160**	-32%
Adj. earnings per share (in €)	**0.50**	**0.34**	

Adj. net financial result (-€44 m)

- More negative yoy due to lower interest income from hyperinflation accounting (positive effect in last year's Q2 from Argentinian Peso)

Adj. income tax (-€74 m)

- Adj. tax rate of 31% in-line with FY guidance

Adjustments (-€14 m)

- Restructuring measures +€7 m
- Acquisitions & divestments +€4 m
- Other special items -€25 m

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Cash flow statement Q2 2025

in € m	Q2 2024	Q2 2025
Income before financial result and income taxes (EBIT)	93	236
Depreciation and amortization	250	260
∆ Net working capital	-80	-237
Change in provisions for pensions & other post-employment benefits	-13	-13
Change in other provisions	192	-341
Change in miscellaneous assets/liabilities	-23	78
Cash inflows/outflows from income taxes	-72	-38
Others	13	20
Cash flow from operating activities	**360**	**-35**
Cash outflows for investment in intangible assets, pp&e	-143	-176
FCF	**217**	**-211**
Cash flow from investing activities	**-119**	**36**
Cash flow from financing activities	**-510**	**-343**

CF from operating activities (-€35 m)

- Higher EBIT as starting point: last year's (reported) EBIT negatively impacted by provision for "Evonik Tailor Made" program
- This (reversal of non-cash) provision in last year also partly explains the big swing yoy in "Other provisions"; plus higher payout for bonuses
- Negative impact yoy from NWC increase; mostly decline in payables (payments in Q2 for orders done in Q1 assuming a better demand situation)

CF from financing activities (-€343 m)

- As usual, dividend paid in Q2 (-€545 m)
- Partly countered by issuance of commercial papers

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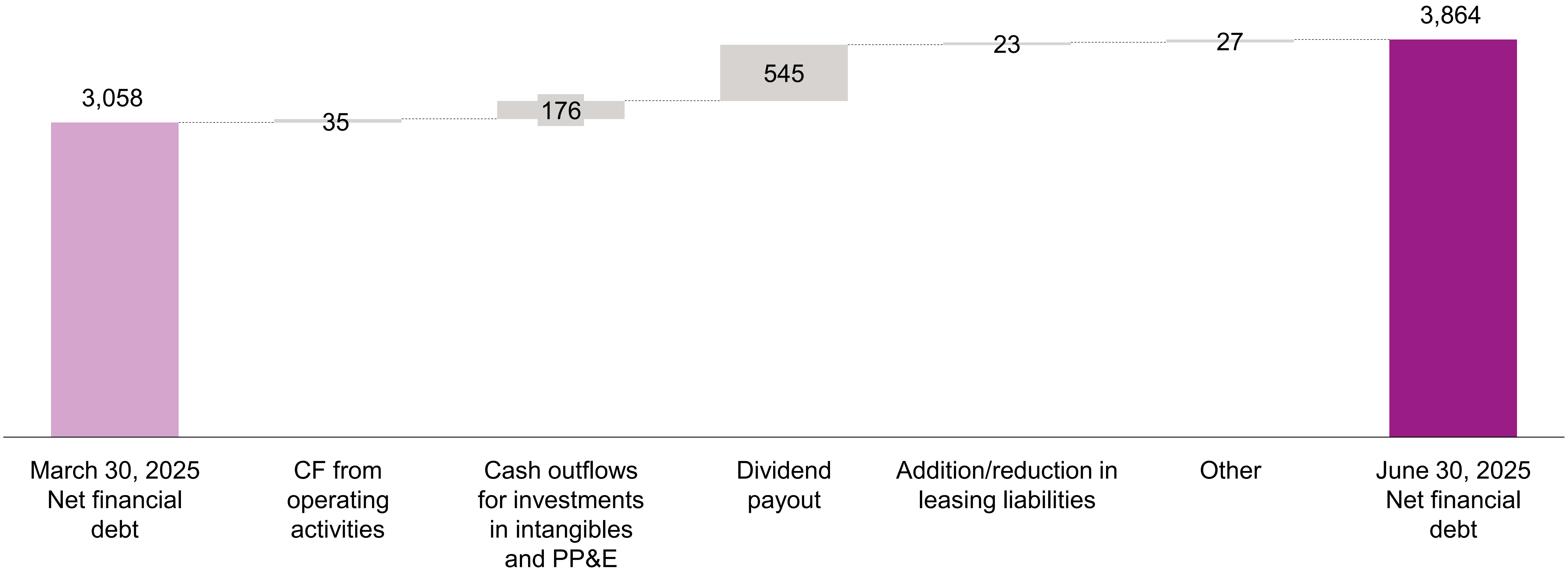
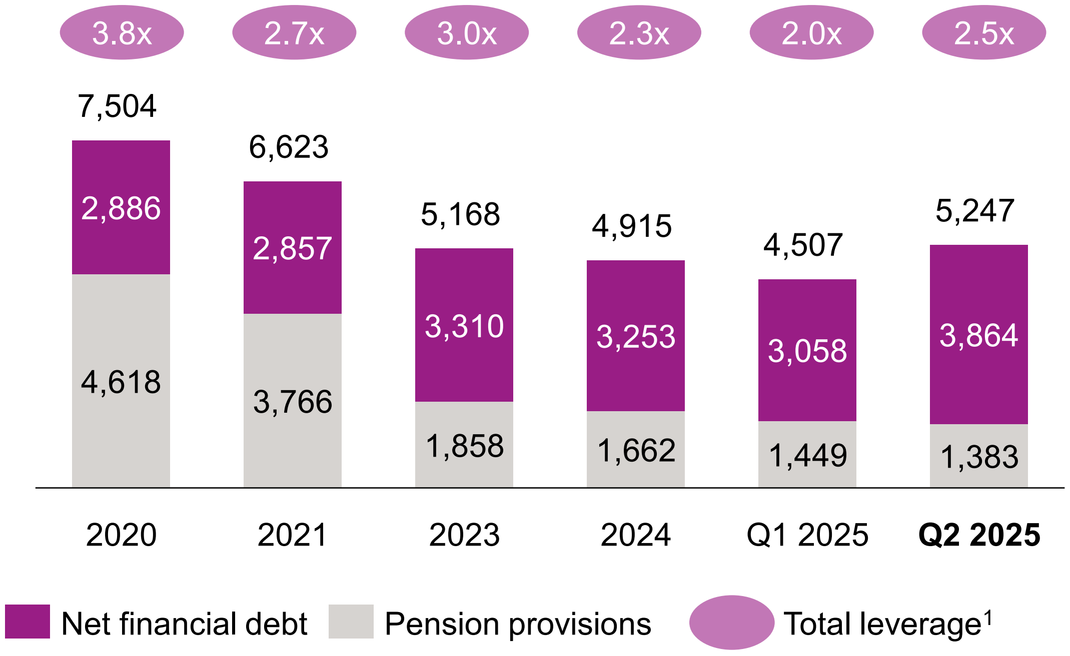
Net financial debt development Q2 2025

(in € m)



Development of debt and leverage over time

(in € m)



	2020	2021	2023	2024	Q1 2025	Q2 2025
Adj. net debt[2]	7,254	6,373	4,918	4,665	4,258	4,997
Adj. EBITDA (last 12 months)	1,906	2,383	1,656	2,065	2,103	2,034
German pension discount rate (%)	0.90	1.30	3.50	3.60	4.00	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 (€3,864 m)

- Net financial debt increase vs Q1 due to dividend payout combined with negative FCF
- Resulting in higher net financial debt leverage of 1.8x[3]

Pension provisions (€1,383 m)

- Decrease vs Q1 due to higher discount rate
- Solid funding ratio of >80%
- Long-dated pension obligations with ~13 years duration
- Pension provisions partly balanced by corresponding deferred tax assets of ~€0.2 bn

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

More detailed financials in new structure available on our website

Sales (in € m)	Q2/24	Q3/24	Q4/24	FY 2024	Q1/25	**Q2/25**
Custom Solutions	1,472	1,465	1,408	5,737	1,427	**1,367**
Advanced Technologies	1,533	1,535	1,504	6,089	1,601	**1,511**
Infrastructure / Other[1]	925	832	687	3,331	749	**621**
Evonik Group	3,930	3,832	3,599	15,157	3,777	**3,499**

Adj. EBITDA (in € m)	Q2/24	Q3/24	Q4/24	FY 2024	Q1/25	**Q2/25**
Custom Solutions	281	287	179	978	256	**254**
Advanced Technologies	267	296	185	1,023	291	**266**
Infrastructure / Other[1]	30	-6	24	64	13	**-11**
Evonik Group	578	577	388	2,065	560	**509**

1. Including former Performance Materials division

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Upcoming IR events

Conferences & roadshows

August 4, 2025	Roadshow, London (Exane)
September 3, 2025	Corporate Conference, Frankfurt (ODDO)
September 4, 2025	Industrial Conference, New York (Jefferies)
September 10, 2025	Chemicals CEO Call Series (JP Morgan)
September 10, 2025	Food Ingredients Conference, London (Berenberg)
September 23, 2025	Roadshow, Frankfurt
September 23, 2025	German Corporate Conference, München (Berenberg & Goldman Sachs)
September 24, 2025	Investment Conference, München (Baader)

Upcoming reporting dates & events

November 4, 2025	Q3 2025 Reporting
March 4, 2026	Q4/FY 2025 Reporting

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