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THE SPOKEN WORD HAS PRECEDENCE.

Christian Kullmann—Chairman of the Executive Board, Evonik Industries AG

Statement at the Annual Shareholders' Meeting on May 28, 2025 in Essen (Germany)

Welcome

Ladies and gentlemen,

I would like to welcome you most warmly to this year's annual shareholders' meeting.

Mr. Tönjes has already drawn your attention to the changes on our executive board. I would like to take this opportunity to express my personal thanks to Harald Schwager. For eight years, we worked together to steer Evonik through eventful times and drive forward the development of the Group.

His contribution to securing Evonik's future cannot be praised highly enough. On behalf of the executive board, I wish him all the best for the future.

I am very happy about the new appointments and working with Lauren Kjeldsen and Dr. Claudine Mollenkopf. Today, I would like to welcome them both officially to the executive board. And now to our business.

Allow me take you back two years, to show you how we have progressed. 2023 was a difficult year for Evonik. Some people even called it "a perfect storm": persistent inflation, the ongoing war in Ukraine, and the energy crisis were compounded by a global recession, the weakness of the Chinese economy, and the flare-up of the Middle East conflict.

We got off relatively lightly back then, but some of our financial indicators were alarmingly poor. For the first time in Evonik's history, we had to issue a profit warning. The return on capital employed dropped to a low of 3.4 percent and net income was negative.

Much was expected to improve in 2024, ladies and gentlemen.

We rolled up our sleeves and consistently adopted a range of restructuring measures: a leaner administration, splitting the Technology & Infrastructure division, and reorganizing several businesses. We continued our strict cost discipline across the board.

That paid off: Our business figures for the first three quarters were extremely gratifying. Twice we issued ad-hoc statements with our preliminary figures because they were above capital market expectations, and once we upgraded our profit forecast for the full year.

The recovery was also reflected in our share price, which was €18.50 at the end of 2023. In October 2024 it rose to a high for the year of €21.20, an increase of 15 percent.

That was followed by a phase of global uncertainty in early November. The United States elected a new president and the coalition government in Germany collapsed. The equity markets shifted their attention to 2025 and how global trade would develop. The war in Ukraine continued and the conflicts in the Middle East escalated. None of that was good for our share price. In mid-December, shares in Evonik dropped to a low for the year of €16.39 and closed the year on December 30, 2024 at €16.73. That was 10 percent lower than at the end of the previous year.

Ultimately, 2024 was a respectable year for Evonik. Our volume growth was 3.9 percent, which was above the global GDP growth rate of 2.7 percent. Our adjusted EBITDA rose by 25 percent to €2.1 billion and was therefore 24 percentage points above the average earnings growth of our European competitors in the European chemical industry.

At the bottom line, Evonik made money: Net income swung to a clearly positive €222 million.

On an adjusted basis, Evonik's earnings per share were positive at €1.67 in 2024. The free cash flow of €873 million was especially pleasing: It was 9 percent higher than in the previous year. That is a sound basis for our dividend. Therefore, we are proposing to you today that we should pay a stable dividend of €1.17 per share for 2024.

I would like to take this opportunity to thank all our employees for what we achieved—and especially for their tremendous effort and discipline.

Although 2024 seemed more normal than 2023, we will continue to be confronted by global crises in the future. Above all, we have to overcome three challenges: rising protectionism, accelerating climate change, and intensifying competition.

To do that, we need to successfully implement Evonik's long-term transformation. That will not happen overnight. But we are making good progress. We have systematically implemented our strategy, added a long-term vision, and set ourselves ambitious mid-term financial targets. I am sure that we will meet these financial targets by 2027.

We reported on them at a capital markets day last week, and I would like to inform you about them today.

To put our long-term aspiration in a single sentence: **“Evonik is Industry's Superforce.”** We are the superforce for our customers and partner sectors. Our products and solutions offer them the key competitive advantage in their highly competitive markets.

Our teams are among the best in the world and offer customized innovations that are precisely tailored to our customers' needs. Thanks to our leading technological edge and high-performance facilities, in Europe, Asia and the Americas, we set standards for efficiency, scalability, and reliability.

This unique blend of innovative capability and industrial excellence makes us a strong partner for all customer industries. That results in products and solutions that improve the lives of millions of people and also save natural resources.

That sounds like a big promise—and at present we do not fulfill all the criteria. But long-term success requires a clear vision, a clear image of the goal that we are all working towards together.

Allow me to be more specific, ladies and gentlemen: To achieve our aspiration, we are building Evonik's long-term success on four strategic cornerstones.

First, we will adapt Evonik's structure and our **portfolio** optimally to market requirements. That means concentrating on essentials, on what makes Evonik permanently strong and sets us apart in competition. **We have to have a leading portfolio.**

Therefore, we embarked on the reorganization of the Group several years ago. In 2024, we split the Technology & Infrastructure division into infrastructure services and technology competence. We are open to new directions for the infrastructure activities. Therefore, we have set up two of our German sites in Marl and Wesseling as independent business units. The carve-out will be completed by the end of 2025. We will then examine all options, from partnerships and joint venture models to divestment.

Our engineering services with their technology competence remain decisive for our future development, so they are remaining with us. In our chemicals divisions, we have divested businesses that do not fit in with us. From the Performance Materials division, the Lüssdorf site was disposed in 2023. In 2024, we sold the Superabsorbents business. Only Performance Intermediates, our C4 chemicals business, is still on our divestment list. We are waiting for the right time to put it on the market.

But even with our established portfolio, it is no longer sufficient to concentrate solely on the criterion specialty chemicals. Greater differentiation is necessary for the future. As announced at the end of 2024, our businesses are therefore being reorganized and will be managed in a more differentiated manner in the future. Our thirteen business lines—the nucleus of Evonik—are bundled in two thematic segments, which are managed directly by the executive board. In our operating business, we are completely eliminating the first management level below the executive board. Our four previous divisions have now been reorganized into two segments. That makes Evonik faster and more efficient and allows the custom-tailored management of our businesses—with more responsibility and greater independence.

Lauren Kjeldsen is responsible for the Custom Solutions segment, which brings together business models in specific, attractive markets with particularly high customer proximity. The role of these businesses is to help Evonik continuously grow its profits.

The Advanced Technologies segment combines business lines which have, by international standards, high technological competence, operational excellence, and leading cost positions. They provide indispensable financing for the entire Group in the form of free cash flow. This segment is managed by Dr. Claudine Mollenkopf.

It is not by chance that these two segments are roughly equal in terms of sales and employees. Their strategic significance is equal. This new structure allows management of the operating businesses on the basis of their respective role in the portfolio: growth or financing. We will systematically steer those businesses that do not fulfill either of these functions in the long term towards this goal—or reconsider them if necessary.

The **second** strategic cornerstone is **“sustainable innovation”**. To secure our long-term success, Evonik needs to focus on the most attractive growth businesses, combined with the most efficient processes.

These are derived from our innovation strategy, which is aligned with sustainability.

Our product development is focused on our three new innovation growth areas: Enable Circular Economy, Advance Precision Biosolutions, and Accelerate Energy Transition. By 2032, they should generate additional sales of €1.5 billion by 2032, with an adjusted EBITDA margin of over 20 percent. Innovative products in the category Next Generation Solutions do not simply raise sales and returns; at the same time, they meet the high demands made on sustainability and reducing damaging emissions. They therefore offer our customers a demonstrably superior sustainability benefit. In 2024, we grew the proportion of total sales generated with these products to 45 percent. We want to increase that to over 50 percent by 2030.

Our process innovations are geared to improving product efficiency to reduce emissions and, at the same time, operating costs. Process innovations play a central role in achieving our ambitious climate targets: By 2030, we want to reduce our CO₂ emissions by 25 percent compared with the reference base—2021. Our goal is to be climate-neutral by 2050. We were able to make further progress in 2024. In our drive to achieve our 25 percent target by 2030, we have already reduced emissions by 20 percent. A key factor here was the decommissioning of the coal-fired power plant in Marl, which has been replaced by highly efficient gas-fired power plants.

The reduction in emissions is not driven by dogmatic motives. Optimizing our processes has a strictly business base: Every process innovation that reduces emissions also makes our production even more efficient and therefore cuts costs.

To counter rising protectionism and simultaneously enable us to utilize growth opportunities around the world, we are building on a better and more balanced presence in our core markets. Therefore, the **third** cornerstone of our strategy is an **“optimal regional balance”**.

In the USA, we acquired Air Products’ specialty additives business as well as Huber, PeroxyChem, and Porocel, while in Europe, we have reduced our presence by divesting Röhm, Stockhausen, and the Lülldorf site. Last year confirmed the benefits of this: Those that have a broad basis and take prudent steps, operate stably. North America is a case in point. Around 80 percent of our production in this region is for this region.

We will continue to invest selectively in Europe, Asia, and the Americas. Going forward, each of these three regions should account for about one-third of sales. That will allow economic fluctuations to be balanced out better. With research centers and production facilities in all three regions, we do not simply benefit from being close to our customers, we are also preparing ourselves to counter market isolationism and hindrances to free trade.

The **fourth** cornerstone and the guarantor of our success are our approximately 32,000 **employees**. Thanks to their focus on systematic cost control, in the right structures they work with tremendous commitment to mitigate the increasingly tough competition. That is what we call **“team excellence”**.

The expertise, motivation, and enthusiasm of our employees shape the performance culture that characterizes our company apart worldwide. Our 4,000 research and development staff work closely with our customers in Europe, Asia and the Americas to continuously improve their products. Every year, we invest around €500 million in research, development, and innovation, which goes far beyond chemicals.

You are already familiar with our most important efficiency-enhancing project: Evonik Tailor Made is making our administration leaner, ensuring faster processes, and reducing hierarchies.

The realignment of our operating businesses is also making progress. Since 2023, we have reorganized our Animal Nutrition business, and since 2024 we have also been optimizing our Health Care business. This year, that will be followed by programs for the High-Performance Polymers, Silicas, and Crosslinkers businesses.

Ultimately, we will be leaner, faster, and more powerful, with a significantly lower cost base. That pays off: Wherever our products face competition, we defend our market positions or hold market-leading positions.

Long-term strategies sound promising, ladies and gentlemen, and that is what they should be. However, that is far too rarely reflected in our annual financial figures. Therefore, our new strategy is accompanied by clear financial targets, which we aim to achieve by 2027. 2027 is the first key milestone, because by then, at the latest, we want to earn our cost of capital on a sustained basis.

The reference base for all our key performance indicators is 2023, the crisis year in which we presented the worst financial KPIs to date. That is the starting point for our financial targets.

The first KPI, which we want to achieve by 2027, is €1 billion additional adjusted EBITDA. We will generate that in equal measure by growing our businesses and optimization.

EBITDA of €500 million will come from additional sales from our businesses. Around 40 percent produced at the facilities we have invested in in recent years, for example, for high-performance polymers in Marl, membranes in Austria, and many more. Further growth contributions will come from market growth in some areas—such as cosmetic additives—and many smaller growth projects.

Additional EBITDA of €500 million will come from our optimization programs. On the one hand, from the broadly based Evonik Tailor Made program to optimize our administration, and on the other, from our business optimization programs. The principal contributions will come from the optimization of our business models for Animal Nutrition and cost-cutting measures in the High-Performance Polymers and Silicas business lines. Optimization of the Procurement function will also play a part.

The second KPI, which also forms the heart of our strategy, is the return on capital employed. Evonik should earn its cost of capital employed by 2027 at the latest. From then on, we aim to report an ROCE of 11 percent.

An improvement of 4 percentage points will come from the optimization programs I have just outlined, and 3 percentage points will come from the growth initiatives. A further percentage point should come from a range of small investment projects with a short pay-back period. In the future, we will be investing at least €50 million a year in smaller projects for rapid efficiency enhancements.

The third KPI is cash generation. We still aim for a cash conversion rate of around 40 percent of adjusted EBITDA.

As you are aware, ladies and gentlemen, our priorities for capital allocation are focused on profitable, long-term growth for Evonik and enabling you, our shareholders, to participate strongly in the results.

Expressed in numbers, that means that in the next three years we intend to invest about 50 percent of our free cash flow in our ongoing business. In the years up to 2027, that equates to around €850 million to €900 million a year, which is similar to last year's level (2024: €840 million).

We aim to return about 30 percent of our cash to you, our shareholders, in the form of dividend payments. Therefore, Evonik remains an attractive share that you can rely on and that also promises a high dividend yield compared with our competitors.

And now let us return from the mid- to long-term outlook to the present.

At the beginning, I told you how difficult conditions are for Evonik and the chemicals sector. There is plenty of gray and black in the sky, with only a few bright spots. However, you have also heard about the reorganization we embarked on last year and our plans for 2027 and beyond. That makes us optimistic for 2025. We are not just stable, we are clearly moving in the right direction: forwards. With a clear vision.

In the first quarter, adjusted EBITDA was €560 million, which was 7 percent higher than a year ago. The second quarter has also got off to a solid start. And our restructuring programs will increasingly pay off during the year. Therefore, we anticipate further EBITDA growth this year.

You know us: We never promise blue skies—especially not when everything around us is relatively gloomy. Nevertheless, we remain optimistic that we can achieve a good adjusted EBITDA level of between €2.0 million and €2.3 million this year.

There is another reason for our confidence. Germany has held elections and the outcome is a relatively clear situation. Instead of the wild, simultaneous flashing of the three traffic light colors representing the parties in previous coalition government, we have a clear mandate for the CDU to govern. The new coalition was set up in record time. The urgently needed steps for additional growth at German and European level were taken even faster, with adoption of the new infrastructure program, which will also benefit Evonik.

Nevertheless, we need to be clear about one thing: Although we are strategically well-positioned to overcome many challenges, even we cannot influence a sharp slowdown in global GDP growth. Protectionism is currently on the rise. That should worry us all.

Even though we operate locally, lasting and severe restrictions on global trade would indirectly expose us to a drop in demand through our customers and therefore hit us hard.

Yet, as you can see, Evonik remains active and does not allow itself to be swayed by external adversities. Because we take action!

And now, ladies and gentlemen,

I would like to thank you, our shareholders, the Supervisory Board, and naturally all Evonik employees for your ongoing support and trust.

I would be delighted if you continue to place your trust in Evonik in the future and, together with my colleagues on the executive board, I would like to thank you for your interest and your attention.

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