

Key Financial Data: January 1 to March 31, 2024

May 8, 2024

## First quarter at Evonik better than expected – outlook confirmed

- Preliminary figures verified: Adjusted EBITDA rises 28 percent to €522 million in first quarter
- Free cash flow at a strong €127 million
- Sales volumes up by 4 percent

**Essen, Germany.** Evonik had a much better start into 2024 than the capital market had expected. The final results for the first quarter 2024 from the specialty chemicals company now available confirmed the preliminary data published April 16. Adjusted EBITDA increased by 28 percent higher to €522 million compared to the same quarter of the previous year. Free cash flow also grew significantly: at €127 million, it was well above the first quarter of 2023 (€21 million).

“Many of our customers are buying again,” says Evonik Chief Executive Officer Christian Kullmann. “However, there is still restraint in some industries and markets, so we are not seeing a broad-based upturn yet.”

Sales volumes increased its by 4 percent in the first quarter. Prices, on the other hand, fell by 5 percent, partly due to the passing-on of lower raw material prices. Revenues, therefore, decreased by 5 percent to €3.80 billion, while consolidated net income amounted to €156 million, compared to €47 million in the first quarter of 2023. The adjusted EBITDA margin rose by 3.6 percentage points to 13.8 percent.

“The margin improvement shows we are on the right track,” says Chief Financial Officer Maike Schuh. “Our cost-cutting measures are increasingly taking effect, which is particularly important as prices declined once again. There is still a long way to go until we reach our financial targets. We have to work for every small improvement.”

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Evonik confirms its targets for the full year and continues to expect adjusted EBITDA of between €1.7 billion and €2.0 billion. Sales should remain between €15 billion and €17 billion. Evonik anticipates a cash conversion rate of around 40 percent and a significantly higher ROCE compared to the previous year. For the second quarter of 2024, Evonik expects adjusted EBITDA roughly on par with the first quarter.

The efficiency program Evonik Tailor Made will contribute initial savings towards the end of the year. Negotiations on key points relating to socially responsible job cuts have been concluded. Implementation is now underway in close consultation with employee representatives. By the third quarter, details will be finalized on how exactly Evonik will be reorganized. Implementation will follow, taking into account the relevant participation rights of employee representatives. The announced split of the Technology & Infrastructure division into two units is also well underway.

### Development of the chemical divisions

**Specialty Additives:** Specialty Additives recorded higher sales volumes, helped by customers replenishing their low inventories. However, at € 908 million, sales in the first quarter of 2024 fell just short of the previous year due to falling sales prices, primarily as a result of passing on lower raw material costs and slightly negative currency effects. Products for the construction and coating industries generated noticeably higher sales on increased volumes. Sales of additives for polyurethane foams and consumer durables were virtually unchanged, as volumes increased and selling prices fell. Additives for the automotive sector experienced higher demand, leading to sales around the previous year's level. Adjusted EBITDA rose by 10 percent to €185 million thanks to higher plant utilization. The adjusted EBITDA margin improved from 18.2 percent to 20.4 percent.

**Nutrition & Care:** First quarter sales increased by 2 percent to €900 million due to rising demand and slightly higher sales prices. Currency effects dampened this positive trend. The essential amino acids business (Animal Nutrition) benefited from

increased sales volumes and slightly higher prices. Sales rose noticeably. In Health & Care, Care Solutions products showed a positive volume trend. Overall, however, Health & Care sales remained below the previous year's level due to slightly lower sales prices. Adjusted EBITDA for the division increased by 84 percent to €140 million thanks to higher volumes, lower variable costs and savings from the optimization of the Animal Nutrition business model. The adjusted EBITDA margin rose from 8.6 percent to 15.6 percent.

**Smart Materials:** Sales in the Smart Materials division fell by 8 percent to €1.09 billion in the first quarter of 2024. Volumes remained almost stable, but lower raw material and energy costs were passed on. Demand for inorganic products continued to decline. Sales of polymers decreased due to price and currency effects. Still, at €159 million, adjusted EBITDA was only slightly lower compared to the previous year. The sale of a license for the hydrogen peroxide production process contributed positively. The adjusted EBITDA margin increased from 13.8 percent to 14.5 percent.

**Performance Materials:** In the Performance Materials division, sales decreased by 9 percent to €646 million. Positive volume effects were more than offset by lower prices and negative currency effects. The previous year's figure also included sales from the Luelsdorf site, which was sold on June 30, 2023. Despite lower prices, products of the C<sub>4</sub> chain (Performance Intermediates) generated higher sales due to higher volume demand. Superabsorbents benefitted from higher sales volumes. Adjusted EBITDA improved by 16 percent to €43 million, primarily because of higher volumes. The adjusted EBITDA margin increased from 5.2 percent to 6.7 percent.

### Excerpt from the income statement

in € million	1st quarter		
	2023	2024	Change in %
<b>Sales</b>	<b>4,005</b>	<b>3,796</b>	<b>-5</b>
<b>Adjusted EBITDA</b>	<b>409</b>	<b>522</b>	<b>28</b>
<b>Adjusted EBIT</b>	<b>130</b>	<b>266</b>	<b>105</b>
Adjustments	-47	-14	
Financial result	-14	-33	
<b>Income before income taxes, continuing operations</b>	<b>69</b>	<b>219</b>	<b>217</b>
Income taxes	-20	-59	
<b>Income after taxes</b>	<b>49</b>	<b>160</b>	<b>227</b>
thereof attributable to non-controlling interests	2	4	
<b>Net Income</b>	<b>47</b>	<b>156</b>	<b>232</b>
<b>Adjusted net income</b>	<b>115</b>	<b>197</b>	<b>71</b>

### Division performance – 1st quarter

in € million	Sales			Adjusted EBITDA		
	2023	2024	Change in %	2023	2024	Change in %
Specialty Additives	921	908	-1	168	185	10
Nutrition & Care	886	900	2	76	140	84
Smart Materials	1,188	1,093	-8	164	159	-3
Performance Materials	707	646	-9	37	43	16
Technology & Infrastructure	292	238	-18	34	73	115
Enabling Functions, Other Activities, Consolidation	11	11	-	-70	-78	-11
<b>Evonik Group</b>	<b>4,005</b>	<b>3,796</b>	<b>-5</b>	<b>409</b>	<b>522</b>	<b>28</b>

### Employees by division

	Dec. 31, 2023	Mar. 31, 2024
Specialty Additives	3,492	3,451
Nutrition & Care	5,630	5,560
Smart Materials	8,103	8,126
Performance Materials	1,738	1,739
Technology & Infrastructure	8,197	8,013
Enabling Functions, Other Activities, Consolidation	6,249	6,201
<b>Evonik Group</b>	<b>33,409</b>	<b>33,090</b>

**About Evonik**

Evonik is one of the world leaders in specialty chemicals. The company is active in more than 100 countries around the world and generated sales of €15.3 billion and an operating profit (adjusted EBITDA) of €1.66 billion in 2023. Evonik goes far beyond chemistry to create innovative, profitable, and sustainable solutions for customers. More than 33,000 employees work together for a common purpose: We want to improve life today and tomorrow.

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