

Preliminary Financial Data: April 1 to June 30, 2024

July 15, 2024

Evonik materially lifts outlook for 2024

- Adjusted EBITDA in second quarter well above prior year
- Further improvement also compared to already good first quarter
- Outlook for full year: Adjusted EBITDA expected between €1.9 billion and €2.2 billion

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Essen. In a difficult environment, Evonik has delivered another strong quarter, exceeding analysts' expectations. The company is therefore publishing preliminary key figures for the second quarter in advance and is materially raising its outlook for the fiscal year 2024.

Based on preliminary and unaudited figures, Evonik achieved an adjusted EBITDA of €578 million in the second quarter, 29 percent above the prior-year figure (Q2 2023: €450 million). Analysts had expected €531 million (Vara consensus as of May 29, 2024). At the same time, the result is another 11 percent higher than the already good first quarter.

As there was still no broad-based macroeconomic recovery, company-specific factors in particular led to this positive development: In addition to continued strict cost discipline, good volume development in Specialty Additives as well as a price recovery in Animal Nutrition and lower production costs were drivers of the sequential increase.

Based on this development, Evonik is raising its outlook for adjusted EBITDA, lifting the range for the full year 2024 by €200 million. Earnings are now expected to be between €1.9 billion and €2.2 billion (previously: €1.7 billion to €2.0 billion).

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Following a slight decline in the first quarter, sales in the second quarter were, based on preliminary figures, at just above €3.9 billion and thus around the level of the previous year (Q2 2023: €3.9 billion).

The strict contingency measures led to lower costs across the Group. This had a positive impact on the adjusted EBITDA margin, which improved by 3.1 percentage points year-on-year to 14.7 percent (Q2 2023: 11.6 percent).

Evonik will publish final figures for the second quarter of 2024 as planned on August 1, 2024.

Development of the divisions

With adjusted EBITDA of €220 million, Specialty Additives was able to increase its already good result from the first quarter by a further 19 percent. Compared to the previous year, earnings were 10 percent higher (Q2 2023: €199 million). The adjusted EBITDA margin climbed to around 23 percent. Compared to the first quarter, sales volumes and thus capacity utilization increased further. Falling raw material prices had a supporting effect.

With adjusted EBITDA of €140 million, Nutrition & Care doubled earnings compared to the weak previous year (Q2 2023: €71 million). The figure was on the level achieved in the first quarter. This development was primarily due to Animal Nutrition, where further price increases compensated for lower volumes resulting from the shutdown for capacity expansion in Singapore. The shutdown ended as planned at the end of the quarter. Care Solutions continued the positive trend, particularly in the Active Ingredients business. The entire division benefited from lower variable costs.

Smart Materials continued to recover in the second quarter. Compared to the previous year, adjusted EBITDA increased by 41 percent to €171 million (Q2 2023: €122 million). The figure also rose by 8 percent compared to the previous quarter. The operating improvement was even greater because the first quarter had benefited from the sale of a license. The improvement was driven by a slight recovery particularly in inorganic products, as well as lower raw material costs. In the previous year, a planned shutdown of the PA12 plant in Marl, Germany, had had a significant negative impact on earnings.

With adjusted EBITDA of €52 million, Performance Materials was 17 percent above the previous year's level (Q2 2023: €45 million) and 22 percent above the first quarter. At the beginning of the quarter, disrupted supply chains had a positive impact, particularly in the oxo alcohol and plasticizer businesses.

As in previous quarters, Technology & Infrastructure / Other positively reflected the Group's contingency measures. However, this was offset by higher provisions totaling around –€30 million, amongst others for variable compensation. Adjusted EBITDA therefore amounted to minus €5 million, compared to a plus of €13 million in the same quarter of the previous year.

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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