

Key Financial Data: July 1 to September 30, 2024

November 6, 2024

Successful third quarter during economic crisis

- Adjusted EBITDA rises 19 percent to €577 million in the third quarter
- Free cash flow in the first nine months more than doubles
- Outlook for the year confirmed: adjusted EBITDA between €1.9 and €2.2 billion

Essen, Germany. In the third quarter, Evonik again earned significantly more than in the same period of the previous year. Between July and September, adjusted EBITDA rose 19 percent to €577 million. As a result, the specialty chemicals company – as forecast – reached the earnings level of the second quarter (€578 million). In the first nine months of the current year, Evonik has already achieved an adjusted EBITDA of €1.68 billion, more than in the entire fiscal year 2023.

“We have delivered the third positive quarterly result in a row,” says Christian Kullmann, Chairman of the Executive Board. “This is all the more remarkable given that the economic crisis is blowing a cold headwind in our faces. Nevertheless, we will achieve our financial targets for the current year. We are on the right track, and our team performance is strong.”

Group sales rose by 2 percent to €3.83 billion in the third quarter. Prices remained broadly unchanged, while volumes increased by a gratifying 5 percent. Thanks to the sustained strict cost discipline, the adjusted EBITDA margin rose by 2.2 percentage points to 15.1 percent (2023: 12.9 percent). Free cash flow decreased from €469 million to €357 million in the third quarter. However, this was due to a more even distribution of cash inflows during the first three quarters. At €701 million, the total free cash flow as of September 30, 2024, was €415 million higher than in the first nine months of the previous year.

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“Our adjusted EBITDA and free cash flow trends are clearly pointing in the right direction – upward,” says Maïke Schuh, Chief Financial Officer. “This success is based on our increased focus on the right, less cyclical markets, our restructuring programs and our cost discipline. We are continuously working our way out of the trough of 2023.”

The various initiatives to reduce costs and build a lean organization are paying off. In the current year, Evonik expects total savings from these of about €400 million. On the other hand, the company anticipates some cost increases, like higher wages.

At the same time, the company is setting the course for future growth. The new innovation strategy presented in the third quarter focuses research and development on three clearly defined growth areas: bio-based solutions, the energy transition, and the circular economy. By 2032, Evonik plans to generate additional sales of €1.5 billion with products and solutions for these globally relevant sustainability trends.

Meanwhile, the portfolio's shift towards high-margin growth businesses continues as planned. On August 31, the superabsorber business was handed over to its new owner ICIG. Evonik has also announced that it will focus two business lines, Health Care and Coating & Adhesive Resins, on their growth businesses. In total, Evonik will part with businesses with about €350 million in revenue.

Evonik confirms the recently raised financial outlook for 2024. The company continues to expect adjusted EBITDA of between €1.9 and €2.2 billion. Sales should be between €15 and €17 billion, the cash conversion rate around 40 percent. ROCE should be significantly higher than in 2023.

Development of the chemical divisions

Specialty Additives: Sales rose by 2 percent to €897 million due to significantly higher volumes. Declining selling prices, primarily due to lower raw material costs being passed on, and slightly negative currency trends had an adverse effect. Products for the paints and coatings industry saw significantly higher demand, with selling prices declining slightly. Sales of oil additives also increased globally on higher volumes. Sales of additives for polyurethane foams and consumer durables were slightly below the prior-year level, because of lower selling prices and negative currency effects. Adjusted EBITDA improved by 20 percent to €208 million, due to higher volumes and a resulting increase in capacity utilization. The adjusted EBITDA margin rose from 19.6 percent to 23.2 percent.

Nutrition & Care: Sales increased by 8 percent to €996 million due to higher sales volumes and prices, offset by negative currency effects. The essential amino acids business (Animal Nutrition) benefited from a year-on-year increase in selling prices and generated noticeably higher sales with slightly higher volumes. Sales in the Health & Care business increased because of higher demand. Adjusted EBITDA improved by 53 percent to €194 million. This was mainly due to higher selling prices for essential amino acids and cost savings resulting from the optimization of the Animal Nutrition business model. The adjusted EBITDA margin rose significantly from 13.7 percent in the prior-year quarter to 19.5 percent.

Smart Materials: Sales were almost at the previous year's level at €1,098 million. Slightly higher volumes were offset by negative currency effects. Inorganic products benefited from higher volume demand, particularly for silicas. Sales in the polymers segment declined slightly due to falling prices. Adjusted EBITDA improved by 21 percent to €164 million, primarily due to higher demand and lower variable costs. The adjusted EBITDA margin increased from 12.3 percent in the prior-year quarter to 14.9 percent.

Performance Materials: The division's sales fell by 10 percent to €557 million because of the divestment of the superabsorber business on August 31, 2024. Excluding this effect, sales rose. The business with products from the C₄ chain (Performance Intermediates) generated higher sales than in the previous year. Volume demand was higher, but selling prices decreased slightly. Adjusted EBITDA at €19 million remained below the prior-year results, mainly due to a lower contribution from superabsorbers. The adjusted EBITDA margin fell from 5.5 percent to 3.4 percent.

Excerpt from the income statement

in € million	3rd quarter			First nine months		
	2023	2024	Change in %	2023	2024	Change in %
Sales	3,771	3,832	2	11,662	11,558	-1
Adjusted EBITDA	485	577	19	1,344	1,677	25
Adjusted EBIT	202	322	59	489	916	87
Adjustments	-303	-		-762	-249	
Financial result	-13	-48		-58	-112	
Income before income taxes, continuing operations	-114	274		-331	555	
Income taxes	23	-47		23	-166	
Income after income taxes, continuing operations	-91	227		-308	389	
Income after taxes, discontinued operations	-	-		-	-1	
Income after taxes	-91	227		-308	388	
thereof attributable to non-controlling interests	5	4		11	14	
Net Income	-96	223		-319	374	
Adjusted net income	189	271	43	427	702	64

Division performance – 3rd quarter

in € million	Sales			Adjusted EBITDA		
	2023	2024	Change in %	2023	2024	Change in %
Specialty Additives	882	897	2	173	208	20
Nutrition & Care	924	996	8	127	194	53
Smart Materials	1,100	1,098	-	135	164	21
Performance Materials	616	557	-10	34	19	-44
Technology & Infrastructure	236	270	14	77	76	-1
Enabling Functions, Other Activities, Consolidation	13	14	8	-61	-84	-38
Evonik Group	3,771	3,832	2	485	577	19

Division performance – First nine months

in € million	Sales			Adjusted EBITDA		
	2023	2024	Change in %	2023	2024	Change in %
Specialty Additives	2,709	2,750	2	540	613	14
Nutrition & Care	2,703	2,802	4	273	475	74
Smart Materials	3,407	3,338	-2	421	494	17
Performance Materials	2,017	1,851	-8	115	114	-1
Technology & Infrastructure	788	780	-1	175	224	28
Enabling Functions, Other Activities, Consolidation	38	37	-3	-180	-243	-35
Evonik Group	11,662	11,558	-1	1,344	1,677	25

Employees by division

	Dec. 31, 2023	Sept. 30, 2024
Specialty Additives	3,492	3,411
Nutrition & Care	5,630	5,542
Smart Materials	8,103	8,023
Performance Materials	1,738	795
Technology & Infrastructure	8,197	8,114
Enabling Functions, Other Activities, Consolidation	6,249	6,155
Evonik Group	33,409	32,040

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. About 32,000 employees work together for a common purpose: We want to improve life today and tomorrow.

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