



Evonik Capital Markets Day 2025

Lauren Kjeldsen, COO

Segment Custom Solutions



Custom Solutions: Innovation-driven businesses with tailored and science-based solutions

FY 2024
financials



Sales
€5.7 bn



EBITDA
€978 m



EBITDA Margin
17%

Industrial Applications

Additives



Sales:
€3.9 bn

- Coating Additives
- Polyurethane Additives
- Lubricant Additives
- Other Industrial Additives
- Catalysts

Care



Sales:
€1.8 bn

Life Science Applications

- Home, Lifestyle, Personal Care
- Health Care

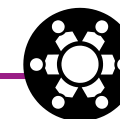
Common main characteristics across the whole segment



**Diverse and
attractive markets**



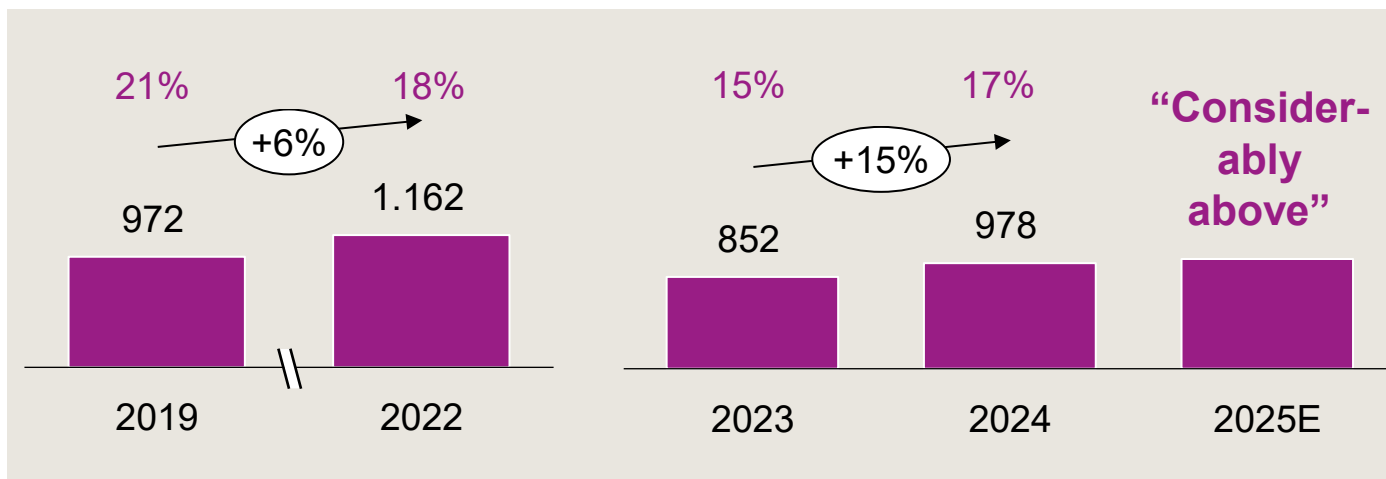
**Product- and solution-
driven innovation**



**Customer-centric
business models**

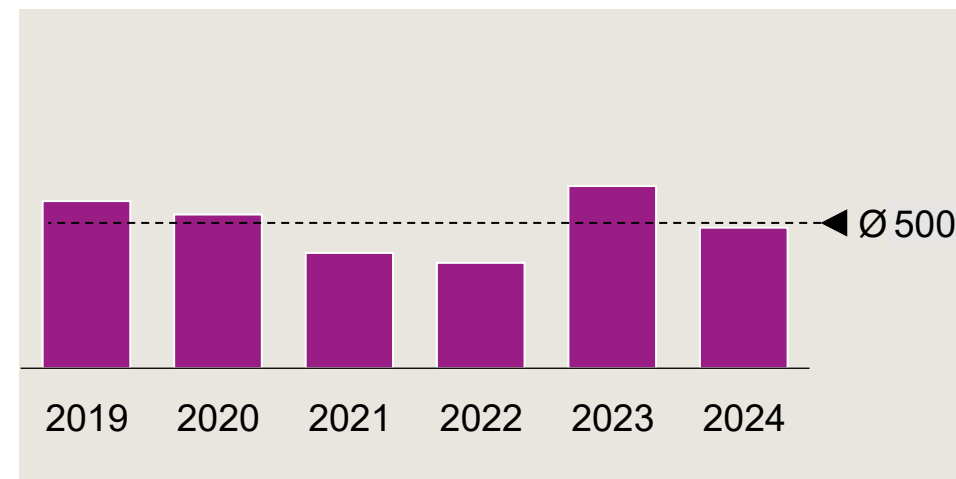
Steady earnings growth and FCF generation after dip in 2023: Custom Solutions is on a good way to contribute to Group targets 2027

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



- Strong EBITDA growth from 2019 to 2022 despite major headwinds
- After a tough year 2023, performance recovered in 2024
- Guidance for FY 2025 (“considerably above prior-year level”) driven by above-average growth in Care Solutions, solid Additives business and recovery in Health Care coming from low levels

bFCF¹ development (in €m)



- Resilient FCF generation throughout all market conditions of the last years

1. Business Free Cash Flow (adj. EBITDA +/- changes in NWC, minus Capex, +/- tax and provision estimates)
Reorganized numbers in new segment structure not audited before FY 2024

Common characteristics of Custom Solutions directly translate into strategic management agenda and individual set of KPIs



Diverse and attractive markets

Leading in attractive markets

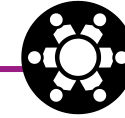
Holding leading positions in **attractive and diverse markets** with high entry barriers



Product- and solution-driven innovation

Growth & Innovation

Accelerating growth by ramping-up **recent investments** and focusing on **innovation** to capture value



Customer-centric business models

Customer focus

Customer proximity and **co-creation** as core element of our business model

Financial KPIs:

- EBITDA growth
- bFCF
- ROCE

Innovation-centric KPIs:

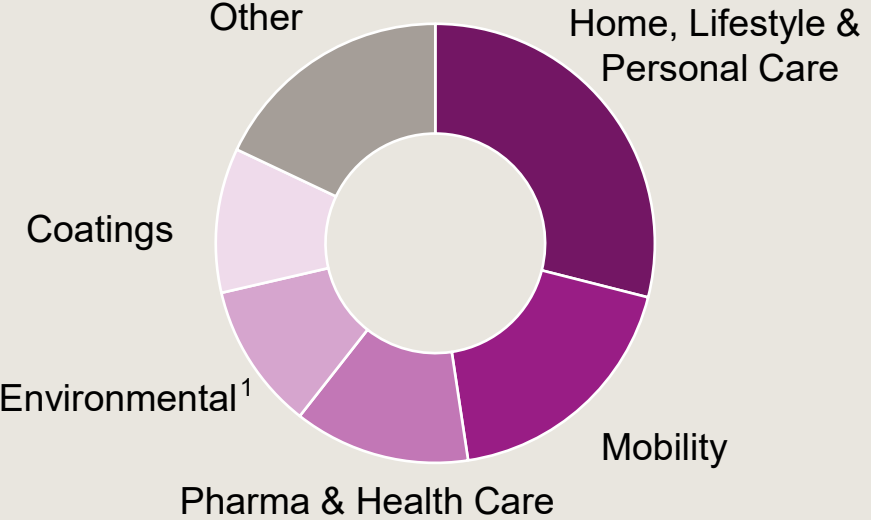
- Share of new product sales
- Share of “Next Generation Solutions”
- Speed of idea to market

Customer-centric KPIs:

- Customer / Service satisfaction
- Order fulfilment / reliability
- Opportunity management
- Share of customized products

Leading in attractive markets

Basis for resilient EBITDA growth in the coming years

End market split (in % of sales)	Sub-Segment	Selected relevant markets for Evonik	Market growth
	<p>Additives</p>	<p>Additives for CASE² ~4%</p> <p>Additives for agricultural industry ~6%</p> <p>PU foams for next generation insulation materials in construction ~5%</p> <ul style="list-style-type: none"> ▪ #1 in Lubricant Additives ▪ #1 in Polyurethane Additives ▪ #2 in Coating Additives 	
	<p>Care</p>	<p>Active ingredients for the cosmetics industry ~5%</p> <p>Advanced delivery systems for the pharmaceutical industry ~6%</p> <ul style="list-style-type: none"> ▪ #2 in Active Ingredients ▪ #2 in Oral Drug Delivery Systems 	

1. Pulp Paper & Packaging | 2. Coatings, Adhesives, Sealants, Elastomers (CASE)

Growth accelerated by portfolio optimization and operational excellence



Topline growth

- 1 Ramping-up recent investments
- 2 Longer-term topline growth through **Innovation**: expanding a differentiated portfolio
 - Leveraging diverse **technology platforms** to build-up unique competencies



Portfolio optimization

- **Care Solutions**: Transformation of portfolio into a “sustainable specialty partner”
- **Health Care**: extensive reorganization to focus on growth areas
- **Coatings & Adhesive Resins**: Divestiture of polyester business ongoing



Operational excellence

- 3 Leverage **digitalization** (e.g. AI, IoT)
 - to improve operational efficiency and supply chain excellence
 - to drive innovation in production processes
 - to enhance customer proximity
 - to excel in value capture

Accelerator of earnings growth to support target achievement

1 Topline growth enabled by recent investments in attractive areas

Biosurfactants

First world-scale plant for Rhamnolipids (biosurfactants)

Slovenská Ľupča, Slovakia



- Serving increasing demand of FMCG companies for renewable surfactants at superior performance
- Exploring further applications, e.g. industrial cleaning solutions and Coating Additives

Amines

Technology & capacity expansion for Amines

Nanjing, China



- Enhancing regional amine portfolio by accessing cost-effective raw materials
- Further differentiation of product offerings

Alkoxides

New plant for Catalyst platform








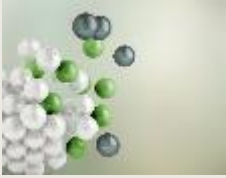




Singapore



- Capacity expansion to supply growing demand for alkoxides used for e.g. biodiesel production and synthesis for pharmaceutical industry
- Future-ready: Alkoxides are needed for chemical recycling of plastics

2 Innovation – enabling longer-term topline growth

Custom Solutions positioned in each of three Innovation Growth Area

Innovation Growth Area	Examples of selected projects			
 <p>Advance Precision Biosolutions</p>		<p>Drug Delivery Systems</p>	 <p>Cosmetic Actives</p>	 <p>Biosurfactants & Biofunctional Ingredients</p>
 <p>Enable Circular Economy</p>		<p>Plastic Recycling (Process Additives)</p>	 <p>PU recycling</p>	 <p>Catalyst Recycling</p>
 <p>Accelerate Energy Transition</p>		<p>Next Generation Additives for PU insulation materials</p>	 <p>Carbon Capture and Storage</p>	 <p>High viscosity base stocks for wind turbines</p>

3 Leveraging digitalization to enhance production processes, improve customer proximity and drive innovation

Customer proximity

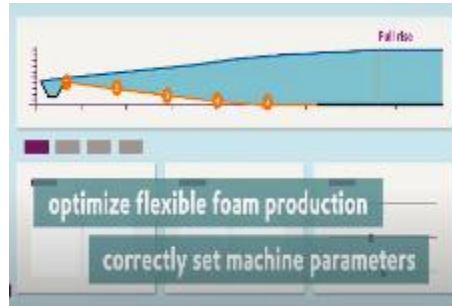
Innovation

Coatino®



- Platform for Coatings Industry: find the right coating product for a formulation
- TEGO® Rise: software platform that allows flexible foamers to enable foam quality and reduce scrap rates by over 4%. consistent quality and production efficiency.

TEGO® Rise



Digital Customer Experience



- Digital customer journey supporting customer intimacy
- Opportunity management

Patent screening



- Keeping up to date with new patents for new markets, products or applications

High Throughput Experimentation



- Faster testing of additives combinations to improve formulations
- Reduction of experiments

Customer focus and co-creation as core elements of our business model

R&D and Application Technology close to key customers and markets

Customer
focus

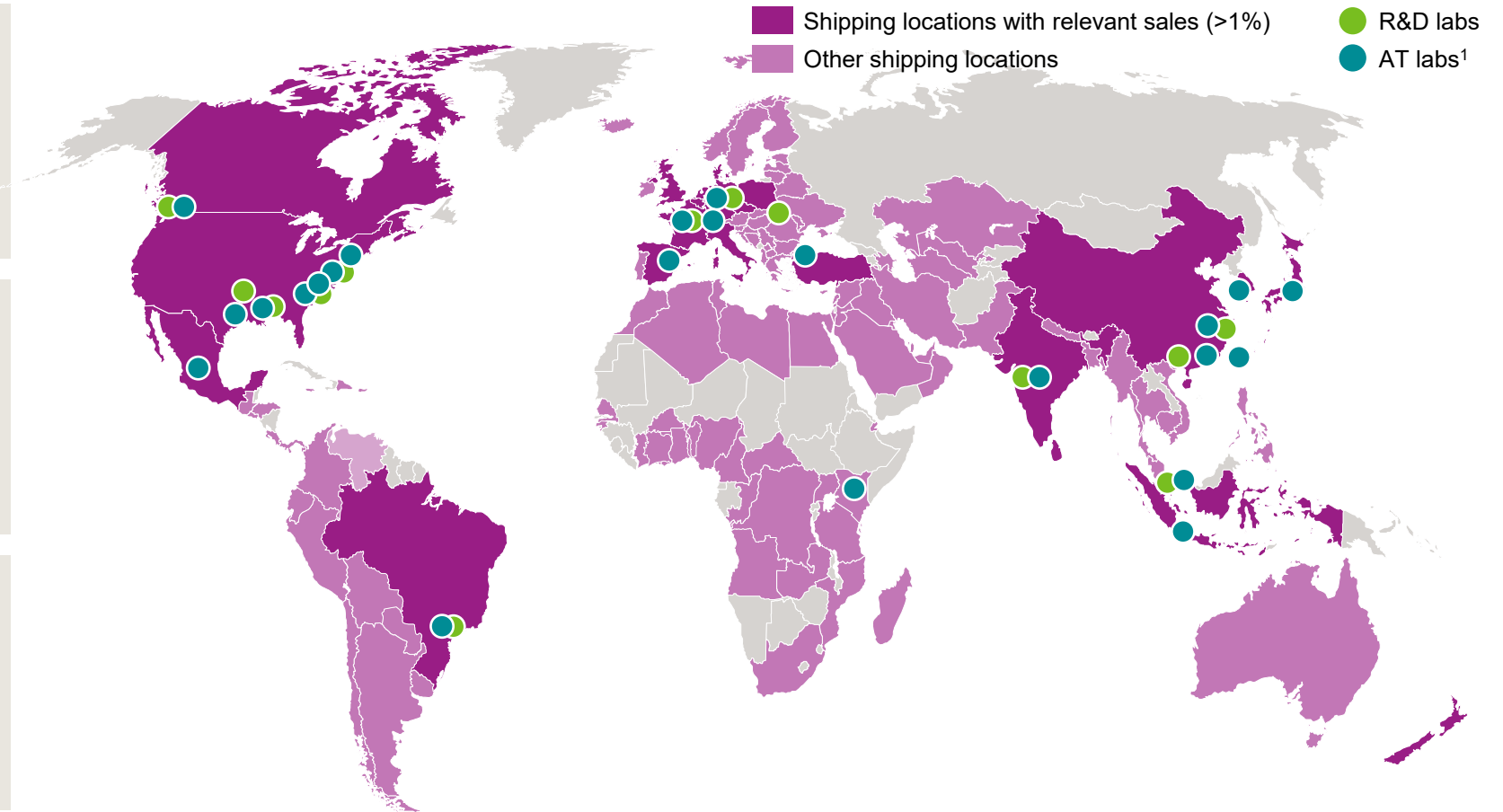
130
countries

Innovation-
driven

>60
R&D and AT labs¹

International

22
nationalities²



1. AT – Application Technology [Some locations are shown as one dot in the map; not exact number of locations shown] | 2. R&D and Application Technology experts located in 22 countries

Custom Solutions delivering both on “Growth” and “Optimization”

Breakdown of Custom Solutions EBITDA growth until 2027

2/3

Growth & Innovation

- **Organic growth** by...
 - Capturing value in attractive markets
 - Leveraging technology platforms and value chains
 - Ramping up recent investments
 - Customer proximity, co-creation and digitalization
- **Innovation** is key to maintain a differentiated portfolio

1/3

Optimization

- **Structural and efficiency improvements** of our portfolio and core businesses
- **Evonik Tailor Made**
- **Business optimization programs**
(e.g. Health Care; Coating Adhesive Resins)

The Custom Solutions Segment – A strong growth driver for Evonik





EVONIK

Leading Beyond Chemistry