








Strong earnings momentum continues

Roadshow presentation



-  **Covestro investment highlights**
-  Group financials Q2'21
-  Segment overview
-  Business Entity Profiles
-  Background information

Covestro is diversified across geographies and end-markets



Key performance indicators and sales split



Sales
2020



Core volume growth
CAGR 2015 - 2020



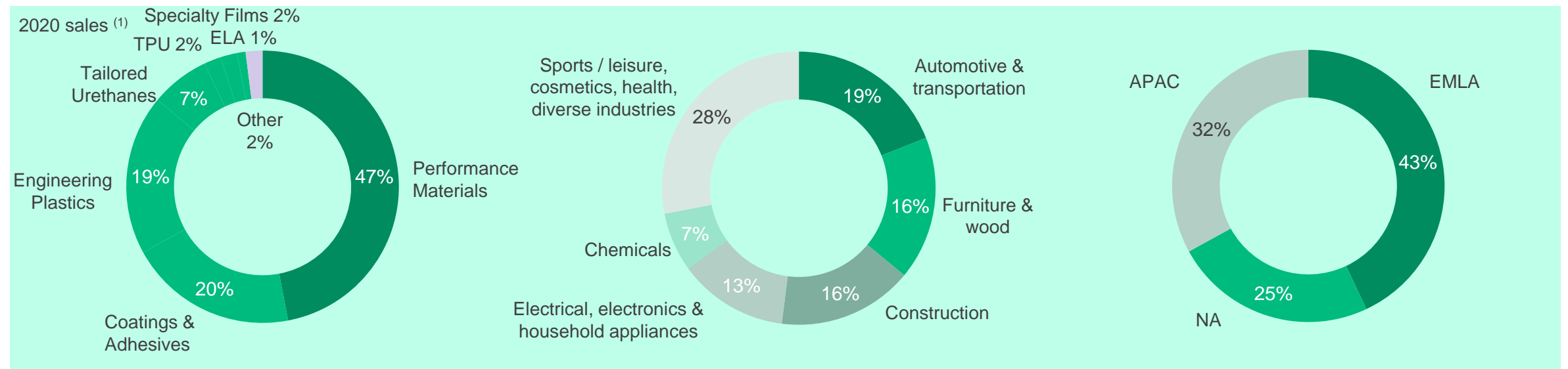
FOCF
2020



ROCE
2020



EBITDA
2020

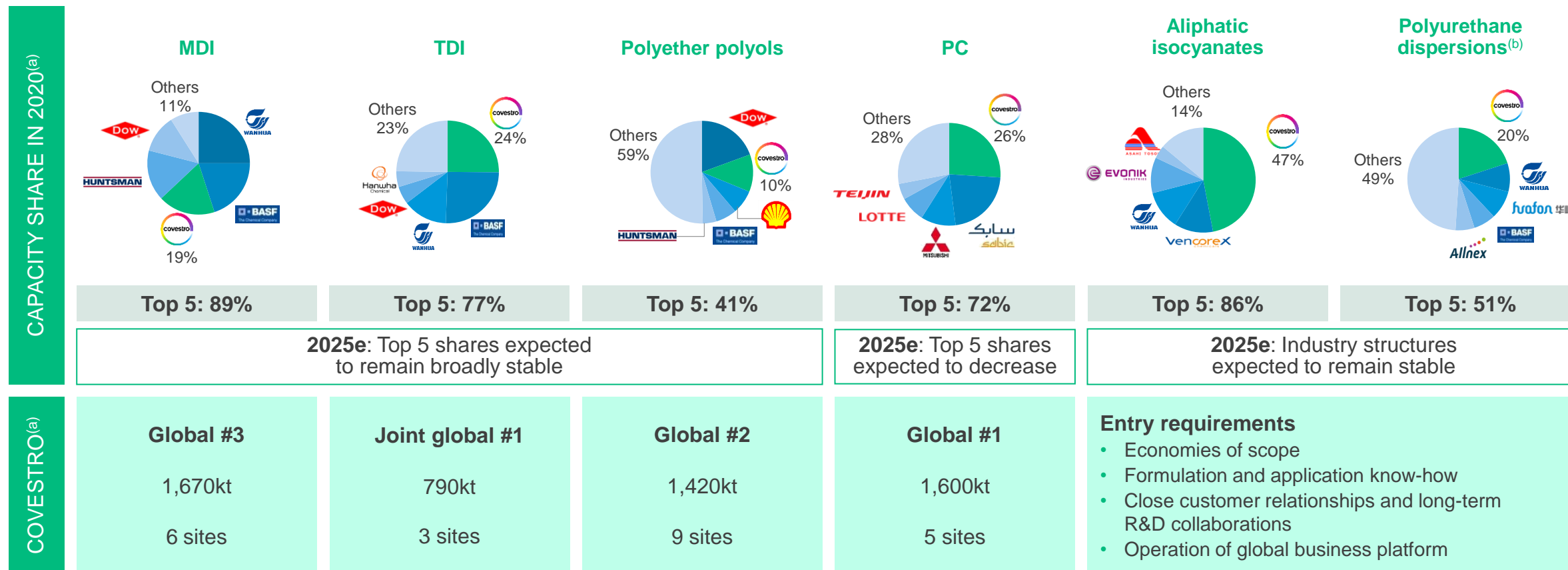


Covestro is a global leader across its entire portfolio

World-wide industry positions and production capacities



#1 IN KEY MARKETS



Our new strategy – setting the path for tomorrow



BECOME THE BEST OF WHO WE ARE



Transform the company to exploit its full potential



DRIVE SUSTAINABLE GROWTH



Address sustainability in a profitable way



BECOME FULLY CIRCULAR



Accelerate the transition to a fossil-free economy

ADVANCE DIGITALIZATION

EXPAND 'WE ARE 1' CULTURE

! MILESTONE 2020
LEAP transformation initiated

! MILESTONE 2020
Acquisition of RFM

! MILESTONE 2020
First certified renewable phenol sourced

Pursuing long-term goals that transform the company

Covestro strategic objectives



BECOME THE BEST OF WHO WE ARE



Raise mid-cycle EBITDA from ~€2.2bn to ~€2.8bn in 2024



Maintain fixed costs unchanged until 2023, based on 2020



Improve EBITDA margin of S & S segment to 17% in 2024

DRIVE SUSTAINABLE GROWTH



Grow by long-term average capex slightly above D&A



Complete MDI world-scale expansion by 2026



Pursue options for bolt-on acquisitions in S & S segment

BECOME FULLY CIRCULAR



Invest in CE projects almost €1bn of capex over 10 years



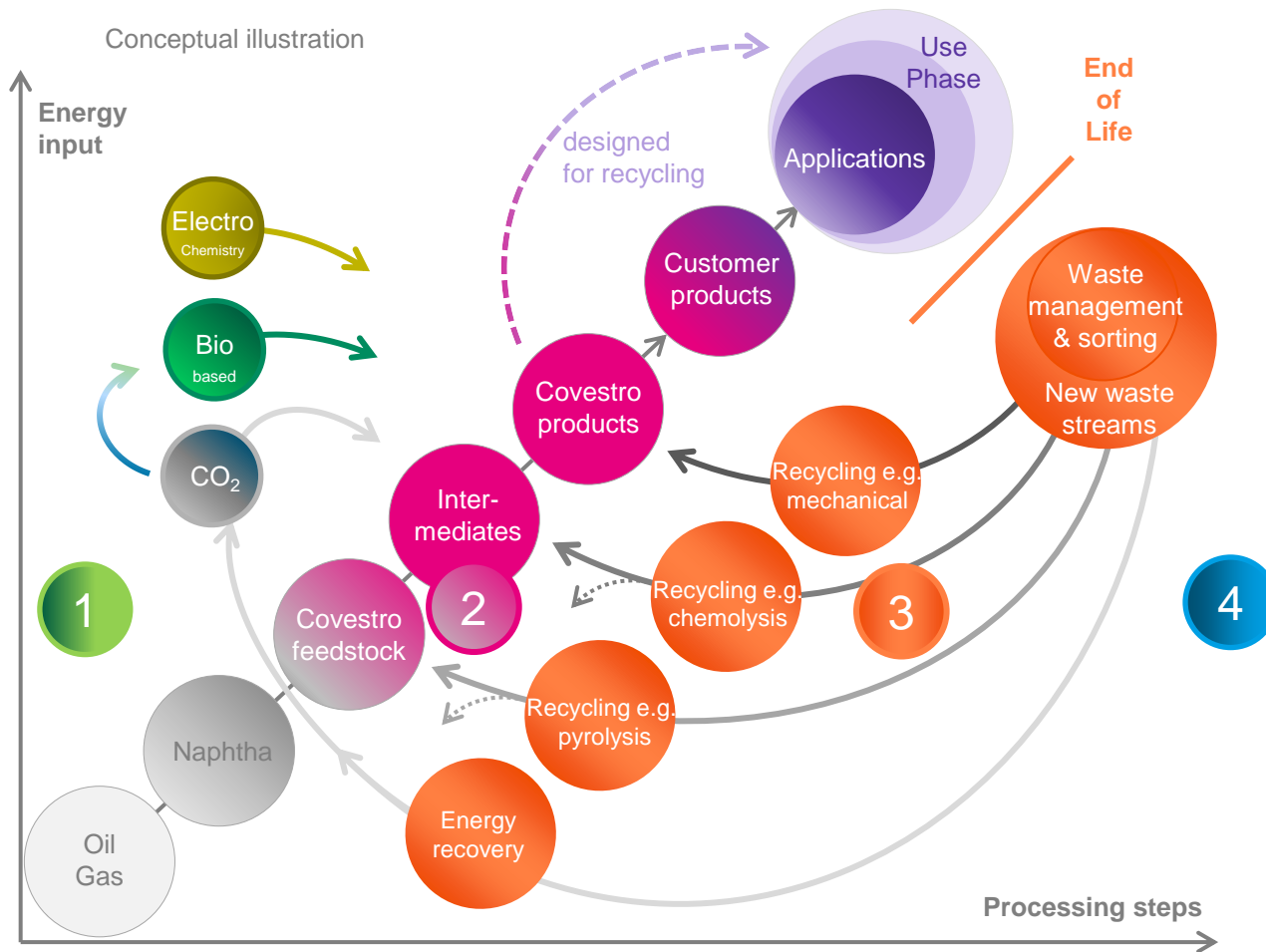
Produce 100% of our products from alternative raw materials long-term



Transform polymer research through increasing investments in digital R&D

Closing material and carbon loops

Circular and climate neutral economy



COVESTRO APPROACH TO CIRCULARITY

- 1 Renewable energy
- 2 Alternative raw materials
- 3 Innovative recycling for end-of-life solutions
- 4 Cross-industry collaborations



Obtain 100% of our electricity from renewable sources long-term



Renewable energy

ONSHORE WIND



- PPA with ENGIE signed in 2021, covering a capacity of 39 MW from 15 newly constructed wind turbines since April 2021
- About 45% of our site's electricity demand in Antwerp, Belgium, covered by renewable energy, saving about 39kt of CO₂e emissions annually

OFFSHORE WIND



- PPA with Ørsted signed in 2019 for offshore wind energy, to be newly built in the North Sea
- Starting in 2025, Ørsted to provide 100 MW of electricity for 10 years, covering c. 10% of electricity consumed by Covestro in Germany

SOLAR



- PPA with Datang Wuzhong New Energy Co. signed in 2021 for power from solar farms in China's northwest region Ningxia
- Agreement covers 100 MW capacity, equivalent to c. 10% of our site's annual electricity demand in Shanghai, PRC

100% of products from alternative raw materials long-term



Alternative raw materials

CO₂-BASED

- 11 products commercialized
- 14 running R&D projects



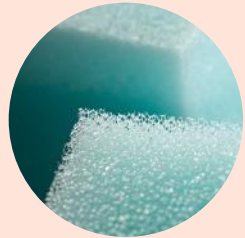
WASTE-BASED

- 21 products commercialized
- 46 running R&D projects



BIO-BASED

- 13 products commercialized
- 28 running R&D projects



Example Performance Materials CO₂ as raw material

- CO₂ replaces up to 20% of crude oil-based feedstock of polyols
- Demo plant of 5kt p.a. at Dormagen site and product brand cardyon® launched in 2016
- Recticel promotes foam mattresses with portions of oil content replaced by CO₂-based chemicals
- Sports flooring producer Polytan installed first elastic subfloor using cardyon® as binder



Example Engineering Plastics Recycled polycarbonates

- New polycarbonate grades from post-consumer recycled (PCR) content, e.g. water bottles or auto-motive lighting
- Open loop recycling system to collect, sort, shred and clean material
- PCR grades contain up to 75% of recycled content with up to 50% reduced carbon footprint
- PCR grades are used in various consumer electronics applications for a second life



Example Coatings and Adhesives Bio-based car top coat

- Enabling customers to optimize the CO₂ footprint of their products
- New hardener for automotive coatings with carbon basis up to 70% from renewable raw materials
- No compromises with regards to protective functions and appearance
- Collaboration with automotive group Audi and the coating experts at BASF Coatings

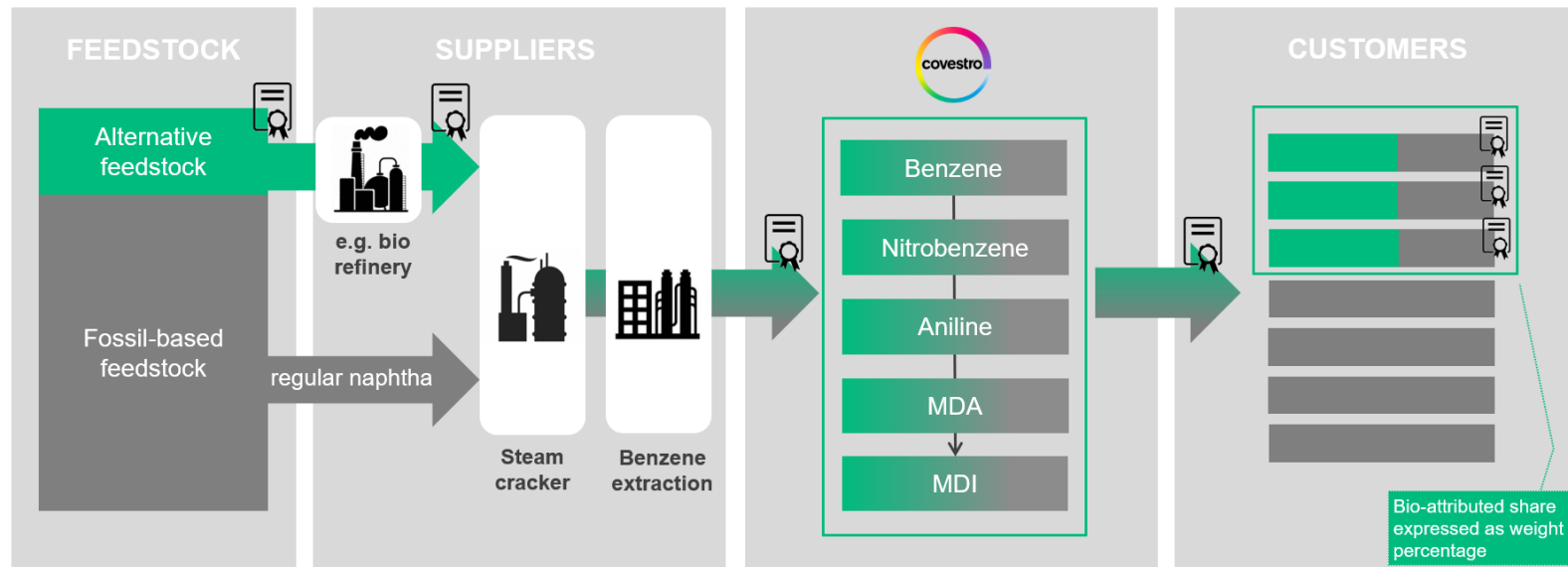
Certified alternative feedstock lower attributed CO₂ footprint



Mass balance approach

EXAMPLE MDI

Conceptual illustration



ISCC Plus certification

MASS BALANCE APPROACH

Principle

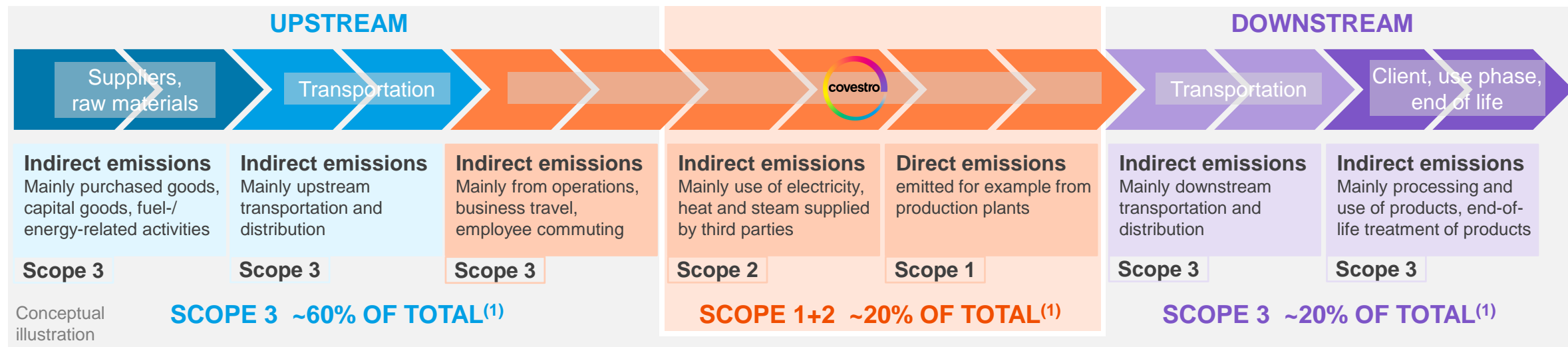
- Mass balance is a chain of custody method
- Fossil and alternative feedstock mixed in production but separated in bookkeeping
- Tracks materials through the value chains and allows attribution of alternative feedstock to selected end products
- ISCC standard applies to all stages of the value chain and is recognized worldwide

Advantages

- Alternative raw materials are introduced into the value chain as drop-in solution
- Taking advantage of existing chemical infrastructure with its high efficiency and economies of scale
- Product quality and properties remain the same

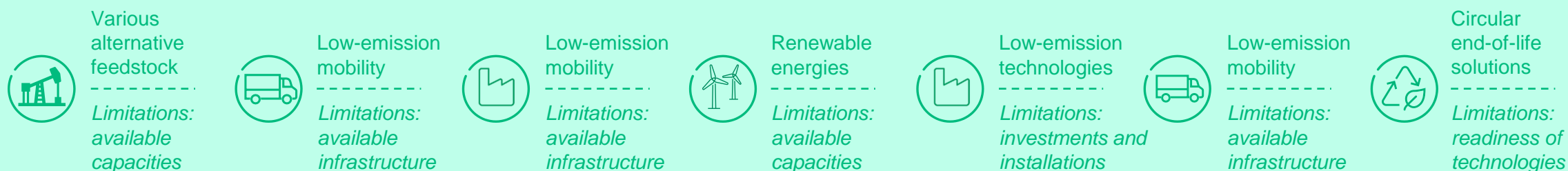
Climate neutrality with existing technologies and assets

Covestro greenhouse gas emissions



EXISTING OPTIONS AND CURRENT LIMITATIONS TO REDUCE GHG EMISSIONS

Selective examples only



Become the best of who we are

Key principles of LEAP transformation program

REGROUP OUR BUSINESS

BEFORE
Operating models not optimized according to value creation



Regroup business in line with business success factors and customer requirements

EMPOWER BUSINESS ENTITIES

BEFORE
Missing end-2-end resource responsibility did not foster entrepreneurship



Make each Business Entity accountable for all business-specific and success-critical resources – manage “run activities”

BUNDLE STRATEGIC LONG-TERM COMPETENCIES

BEFORE
Strategic, long-term competencies not centrally bundled



Realign strategic cross-functional competencies in group functions to foster the long-term development of Covestro – manage “build activities”

SECURE COMPETITIVE COST STRUCTURES

BEFORE
Cost structure not reflecting distinct operating models



Develop a future-proof and competitive cost structure

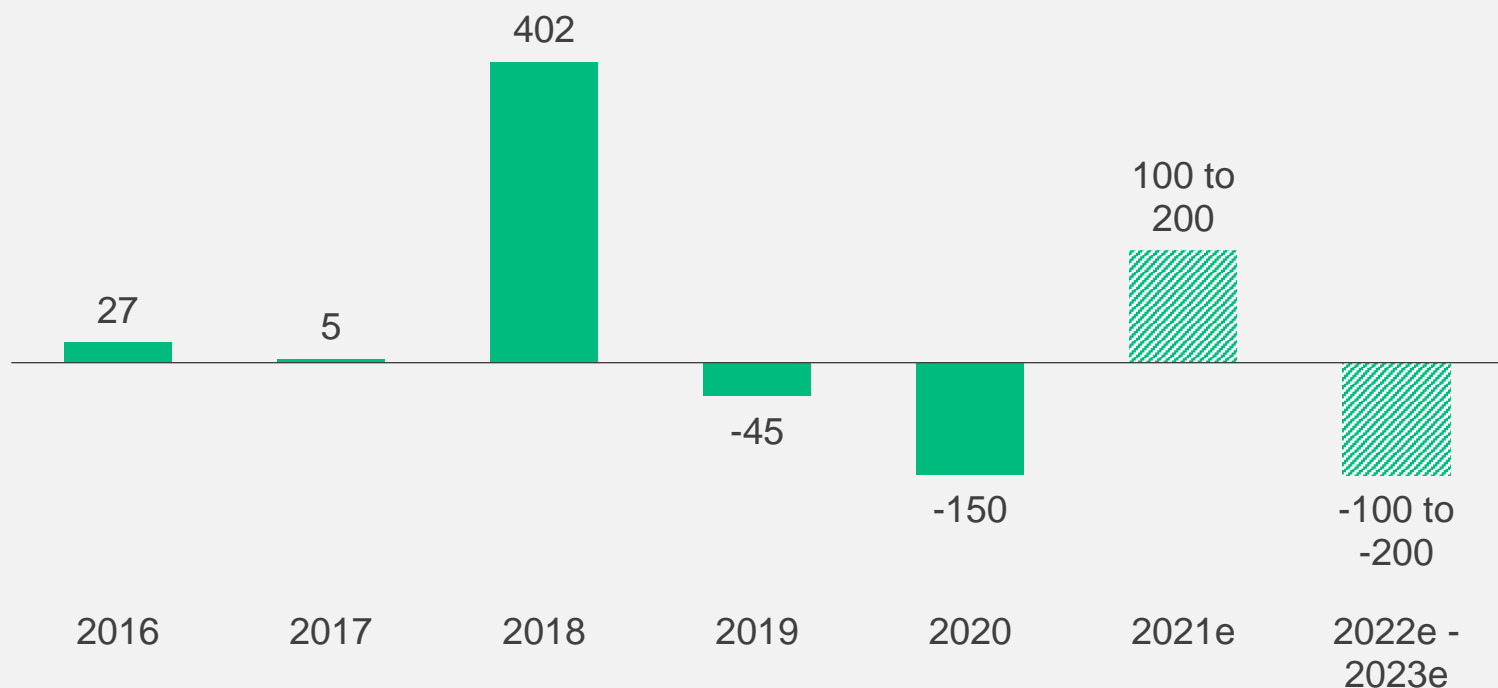
Develop a future-proof and competitive cost structure



LEAP financial impact

FIXED COST DEVELOPMENT Y/Y EXCLUDING INCENTIVE SCHEMES

in € million



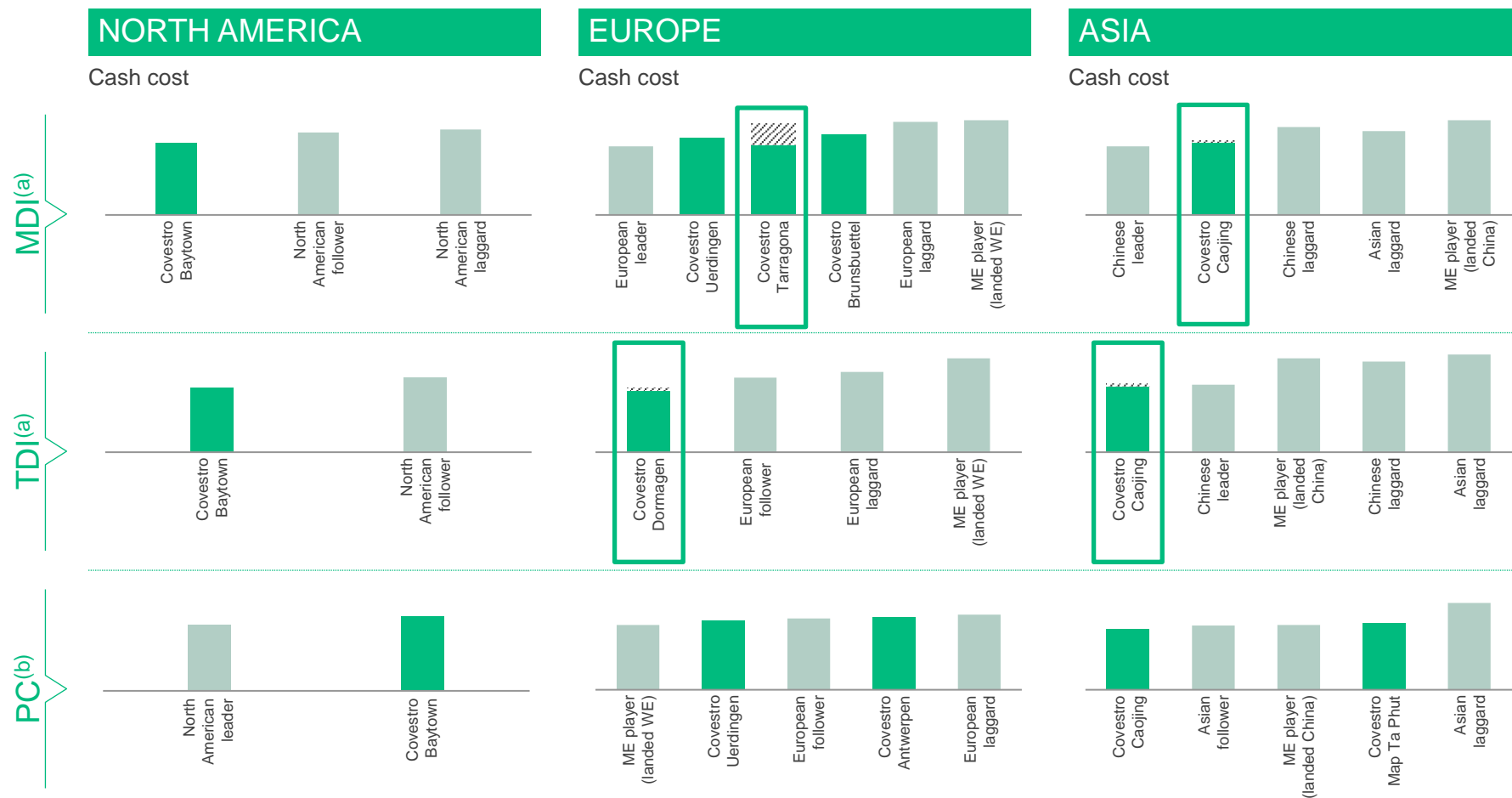
HIGHLIGHTS

- Becoming significantly more efficient and effective
- Savings target: maintain fixed costs unchanged until 2023, based on FY 2020, excluding STI and LTI schemes
- In 2021e, costs mainly driven by higher maintenance costs, salary increase, investments in digitalization and circularity
- In 2022e and 2023e, cost savings to be realized to counterbalance annual fixed cost inflation, like salary increases (~€100m p.a.)

Leading cost positions across markets and regions



Covestro cash cost positions



▨ Cash cost improvements based on investment projects

HIGHLIGHTS

- **Covestro MDI** is one of the low-cost producers. Investment in Tarragona plant will significantly further improve cost position. MDI industry with cost advantage of ~35% between the best and the average 5 least competitive plants
- **Covestro TDI** is the global cost leader with cost advantage of ~55% versus the average of 5 least competitive plants
- **Covestro Polycarbonates** is one of the two joint cost leaders with cost advantage of ~25% versus the average of 5 least competitive plants

Raised 2021 earnings outlook confirmed

Updated FY 2021 guidance, as of July 12, 2021



	FY 2020	Previous guidance FY 2021 (as of April 13, 2021)	Updated guidance FY 2021 (as of July 12, 2021)
Core volume growth	-5.6%	10 – 15% (t/o ~6%p RFM)	10 – 15% (t/o ~6%p RFM)
FOCF	€530m	€1,300m – 1,800m	€1,600m – 2,000m
ROCE	7.0%	12 – 17%	16 – 20%

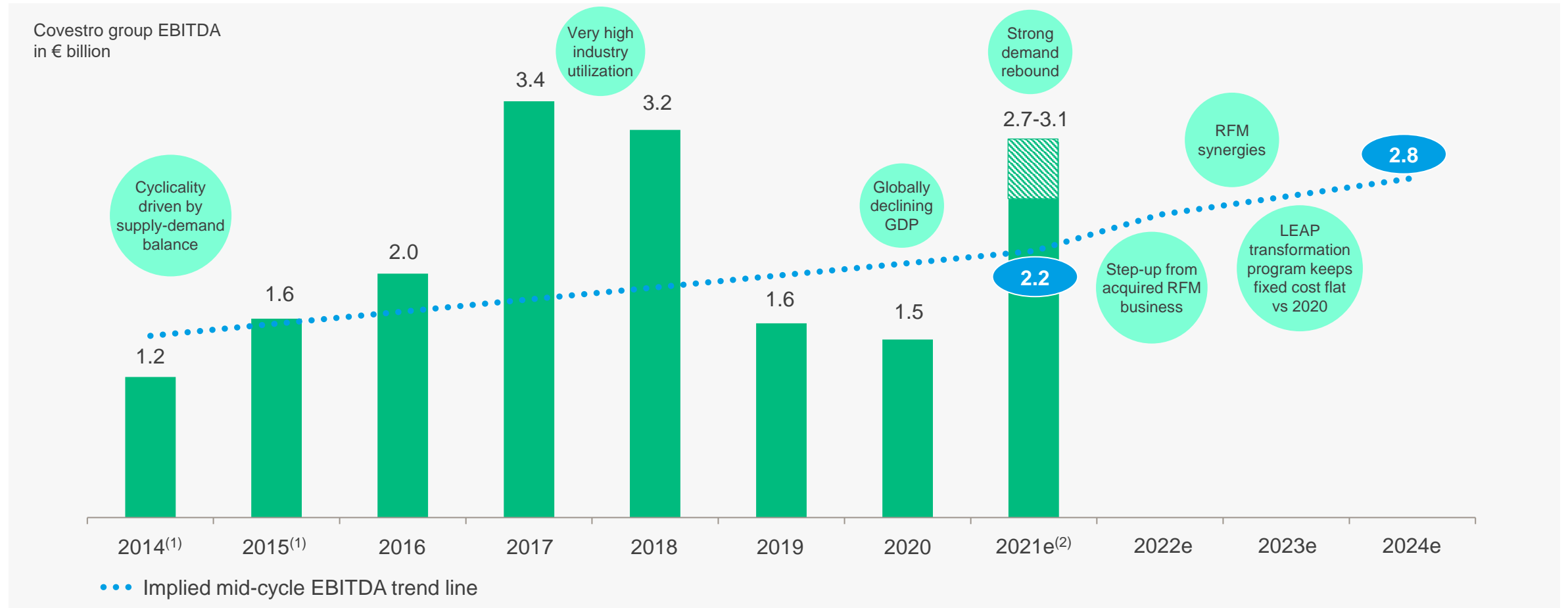
Additional financial expectations

EBITDA FY	€1,472m	€2,200m – 2,700m	€2,700m – 3,100m
EBITDA Q3	€456m	n.a.	€760m – 860m
D&A	€776m	~€900m	~€900m
Financial result	€-91m	~€-100m	~€-100m
P&L (effective) tax rate	25.0%	24 – 26%	24 – 26%
Capex ^(a)	€704m	~€800m	~€800m
Average number of outstanding shares (in million)	184.9	193.2	193.2

Raising mid-cycle EBITDA from €2.2bn to €2.8bn in 2024







Mid-cycle EBITDA



Majority of cash allocated to growth

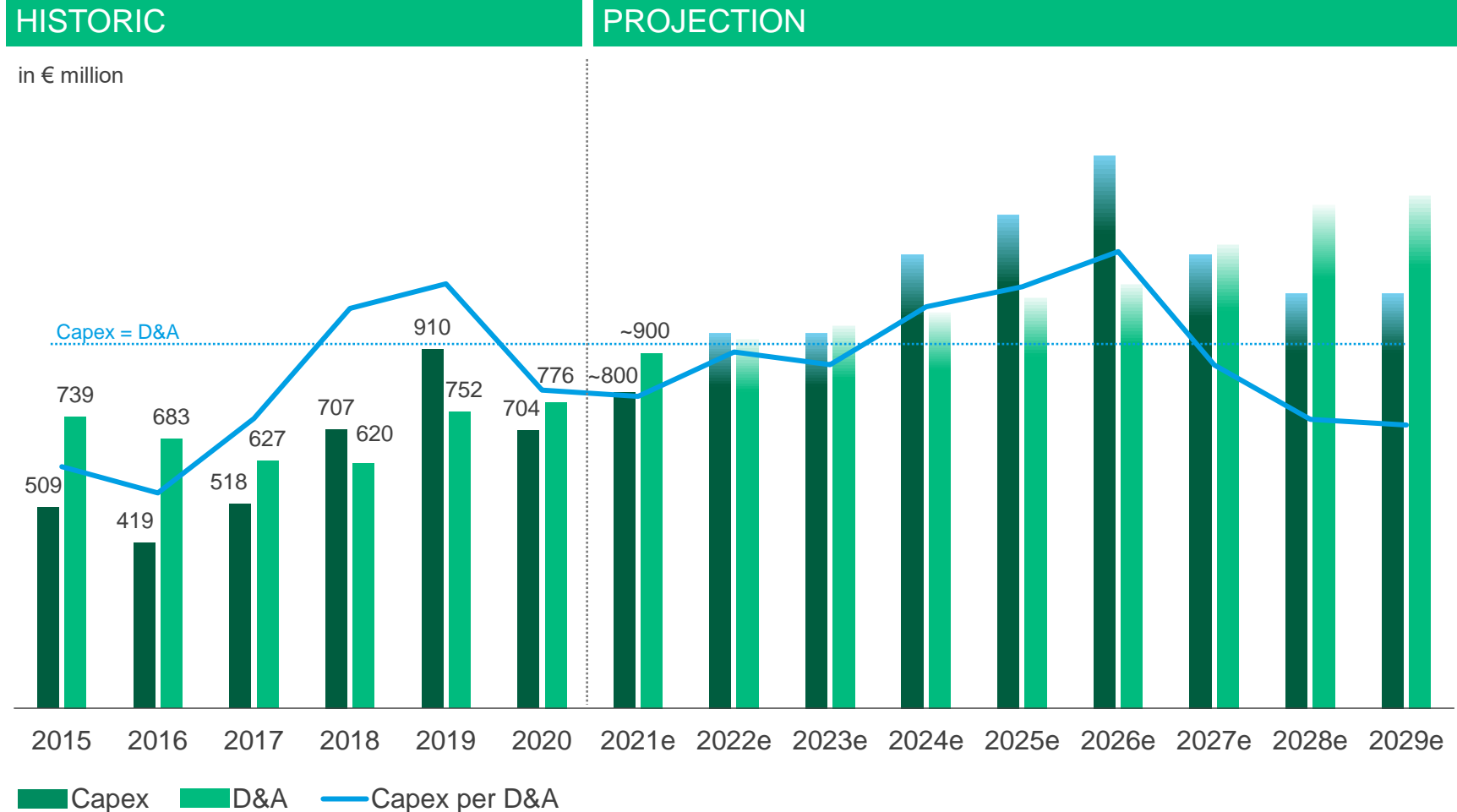
Balanced use of cash



<h3>CAPEX</h3> 	<h3>DIVIDEND</h3> 	<h3>PORTFOLIO</h3> 	<h3>SHARE CAPITAL</h3> 
<ul style="list-style-type: none">• Covestro's industry and cost leadership make growth investment the most value-creating use of cash• Maintenance capex to secure safe, reliable and efficient operations	<ul style="list-style-type: none">• Policy: 35-55% payout of net income• 2020 dividend of €1.30 per share• Dividend yield 2020 of 2.6%^(a)	<ul style="list-style-type: none">• Acquisition of DSM's Resins and Functional Material (RFM) business for EV €1.55bn with attractive high margins (~€0.9bn sales)• Less attractive low-margin businesses divested (~€0.6bn sales)• Further pursue options of value enhancing bolt-on acquisition for Solutions & Specialties segment	<ul style="list-style-type: none">• Capital increase of €447m executed in 2020 in context of RFM acquisition• Share buy-back of €1.5bn executed in 2017-2018• Authorization for share buy-back program for up to 10% of share capital in place, to be used in an opportunistic and anti-cyclical way
€3.2bn invested in capex	€1.5bn dividends	€1.5bn net investments	€1.1bn share capital reduced

Average capex at or slightly above D&A

Group capex and D&A outlook

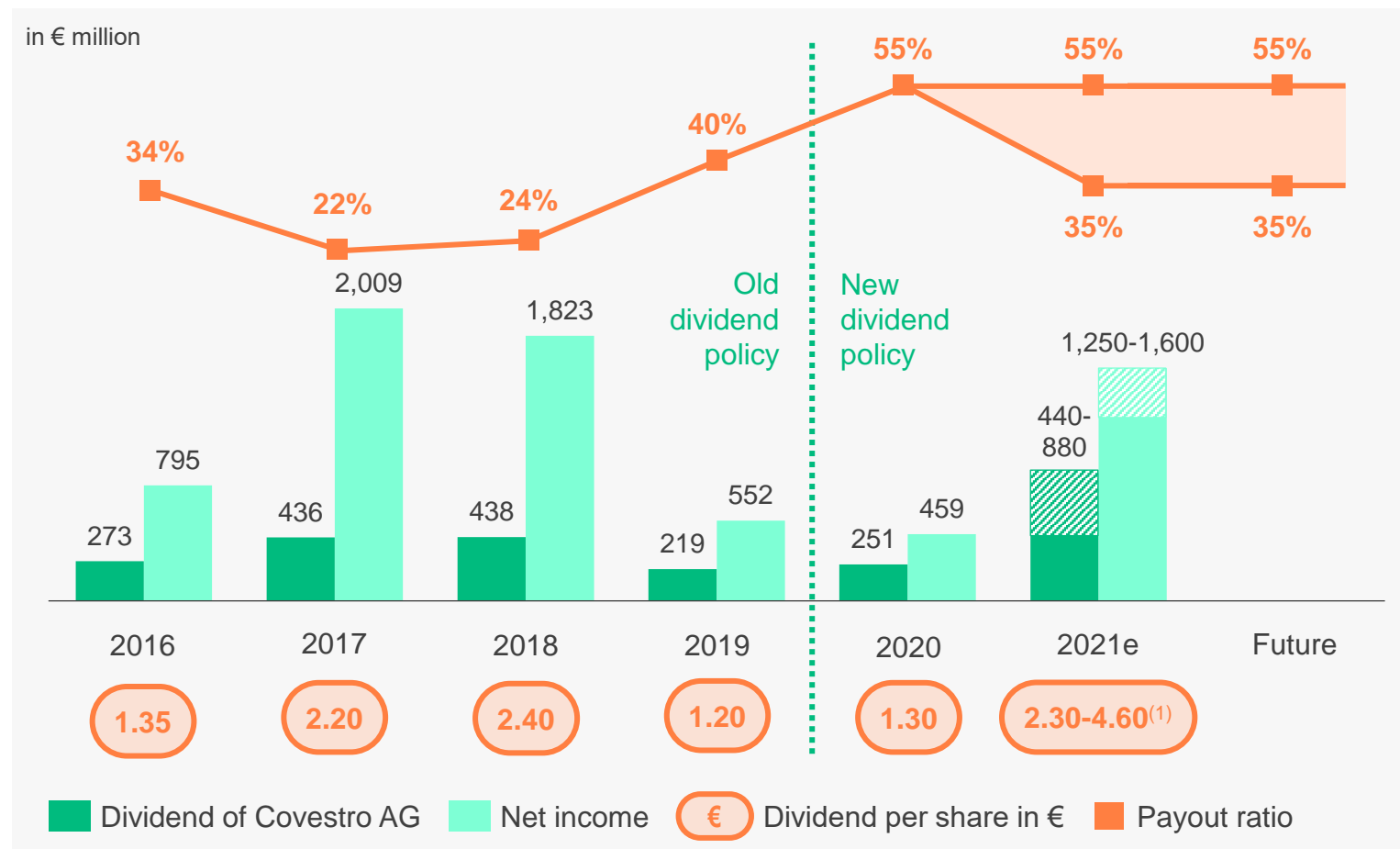


- ### HIGHLIGHTS
- 2021e: capex around €800m
 - 2022e-2023e: capex around D&A level
 - 2024e-2026e: supporting growth investment into MDI world-scale asset with capex above D&A
 - Outer years: capex again below D&A-level
 - Invest in Circular Economy projects almost €1bn over ten years
 - Maintenance capex at ~€350-400m p.a. in 2021e, slightly increasing over time

Shareholders to benefit from 35-55% payout ratio of net income



Dividend development



HIGHLIGHTS

- Unchanged commitment to a payout ratio of 35% to 55%, related to dividend over net income
 - Higher payout intended in years with peak earnings, while ratio towards lower end
 - Lower payout intended in years with trough earnings, while ratio towards upper end
- For FY 2020, paid dividend of €1.30 per share
- For FY 2021e, EBITDA guidance and payout ratio translate into calculated dividend between €2.30 and €4.60 per share⁽²⁾

Ongoing shift to high-margin business

Portfolio management



DIVESTMENTS

Cumulated, in € million

Dubai system house⁽¹⁾

✓ July 2021

Europe Polycarbonates sheets business

✓ September 2019

Europe system houses

✓ June 2019

USA Polycarbonates sheets business

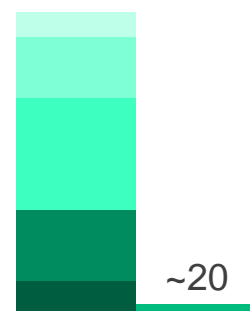
✓ August 2018

NA Polyurethanes spray foam business

✓ April 2017

✓ Closing

~600



Sales EBITDA

Business divested at average EV/EBITDA >10x

Portfolio analysis ongoing, further minor divestments possible

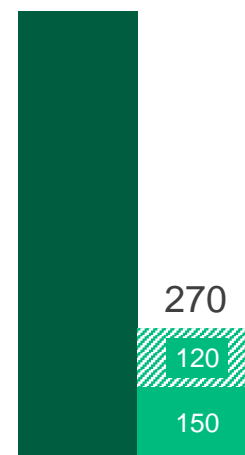
ACQUISITIONS

in € million

DSM Resins & Functional Materials business

✓ April 2021

932



Sales EBITDA ⁽²⁾

Highly complementary business acquired at EV/EBITDA⁽²⁾ of 6x

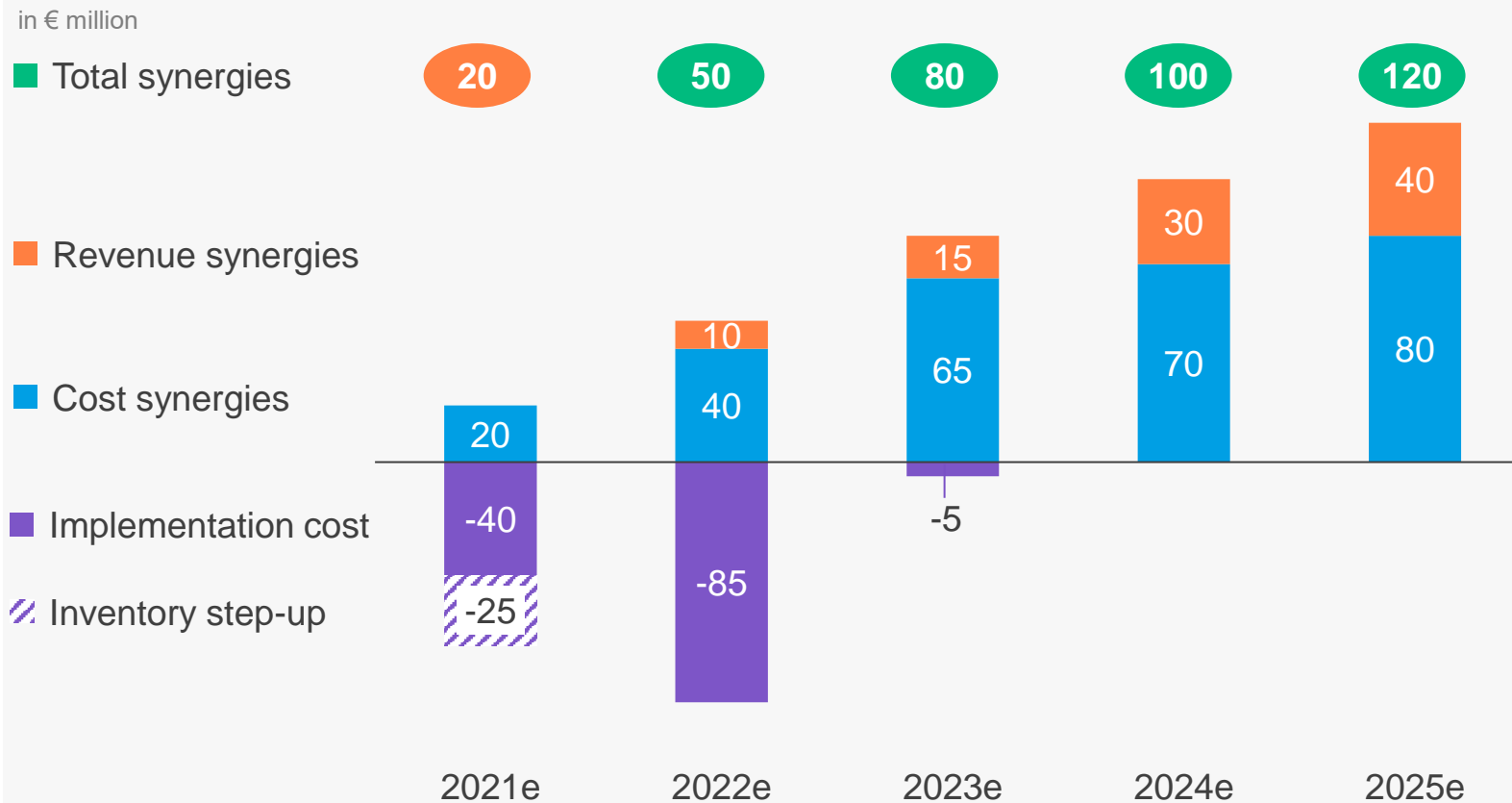
Further pursue value-enhancing bolt-on acquisition options with attractive IRR for Solutions & Specialties segment

Synergies fully confirmed and slightly ahead of plan

RFM synergies and implementation cost



EBITDA IMPACT



HIGHLIGHTS

SYNERGIES

- Confirming identified synergies of €120m or 12% of RFM sales
- Positive EBITDA impact of €80m from cost and €40m from revenues
- Initial synergy potentials successfully detailed and validated
- Realization of synergies slightly ahead of plan

OPERATIONS

- RFM operational performance fully in line with expectations
- 94% of new employees feel welcome at Covestro

Covestro transforming toward a successful future



Investment highlights

- 1 Covestro to become fully circular with attractive business cases**
building on mass balance as drop-in, alternative raw materials/energy and innovative end-of-life solutions
- 2 Future demand growth of Covestro products boosted**
by political initiatives around the globe enforcing climate protection and sustainability
- 3 Organic and inorganic Covestro growth progressing**
with MDI world-scale project resumed and strengthening Solutions & Specialties business
- 4 Transformation exploits full Covestro potential**
supported by customer-centric organization, fostered entrepreneurship and future-proof cost structure
- 5 Shareholders participate in Covestro growth path**
through attractive dividend policy based on net income payout ratio



- Covestro investment highlights
- **Group financials Q2'21**
- Segment overview
- Business Entity Profiles
- Background information

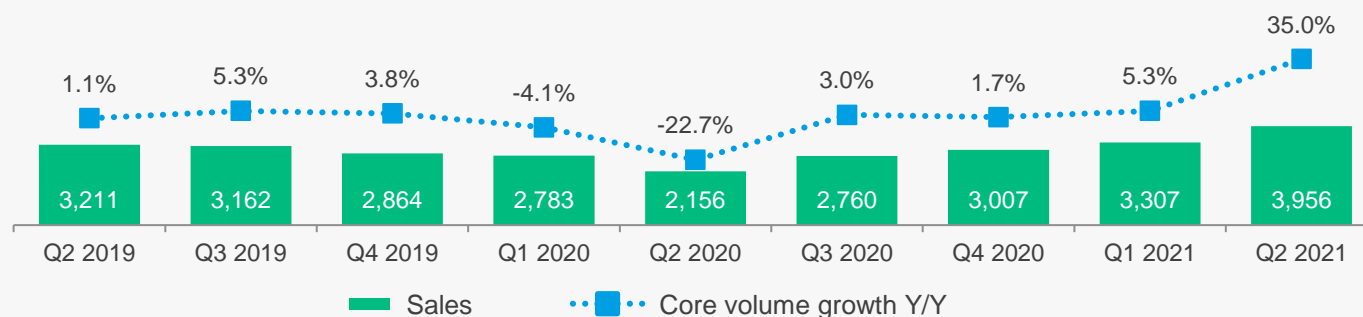
EBITDA continues on high level

Group results – Highlights Q2 2021



SALES AND CORE VOLUME GROWTH^(a)

in € million / changes Y/Y

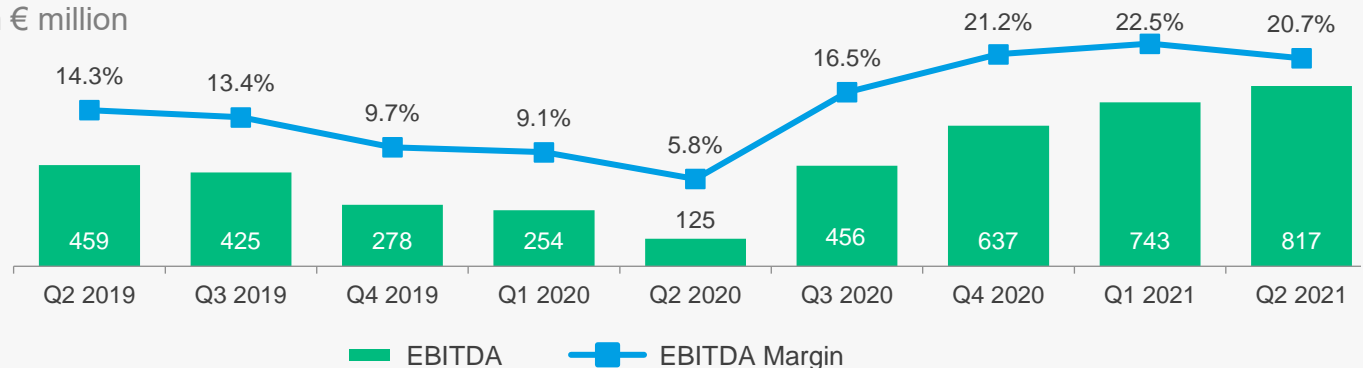


HIGHLIGHTS

- In Q2'21, Covestro posted highest quarterly sales in its history
- Sequentially, the increase is mainly attributable to higher prices of €0.4bn and RFM^(b) sales of €0.3bn
- Prior year heavily burdened by impact of coronavirus pandemic globally

EBITDA AND MARGIN

in € million



HIGHLIGHTS

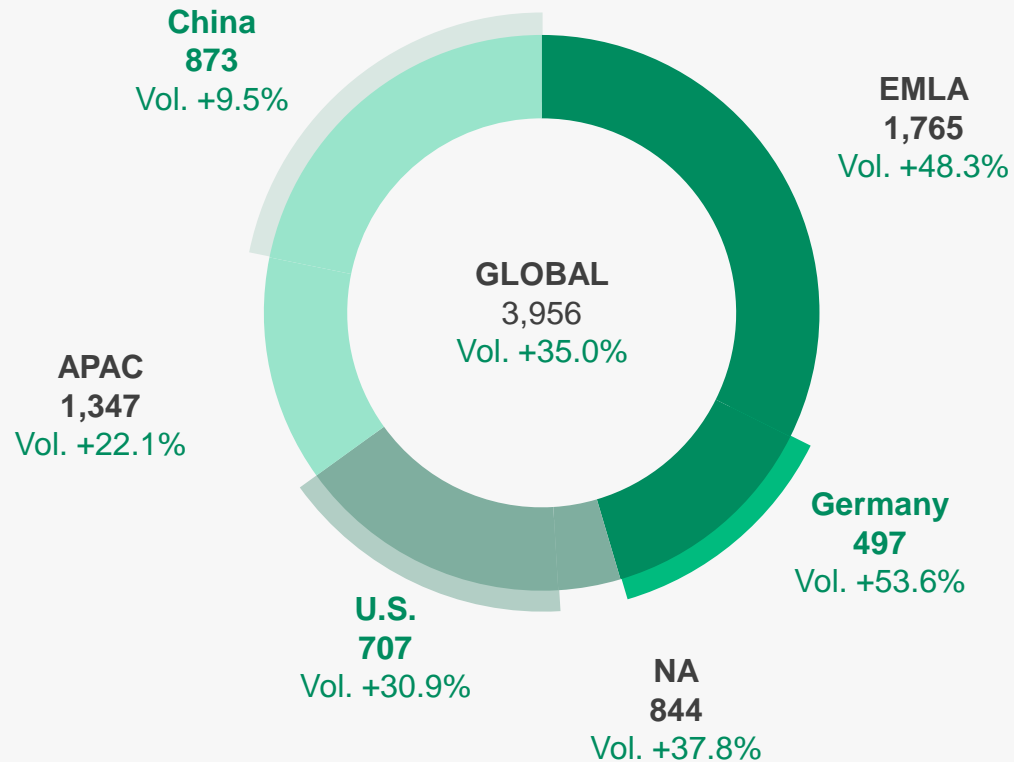
- Sequentially, EBITDA margin declined mainly due to effects from first-time consolidation of acquired RFM business
- EBITDA margin of 20.7% in Q2 2021 still well below historic peak of 28.1% in Q1 2018

Continued rebound limited by availability

Q2 2021 – Regional split



Sales in € million
Core volume growth Y/Y in %



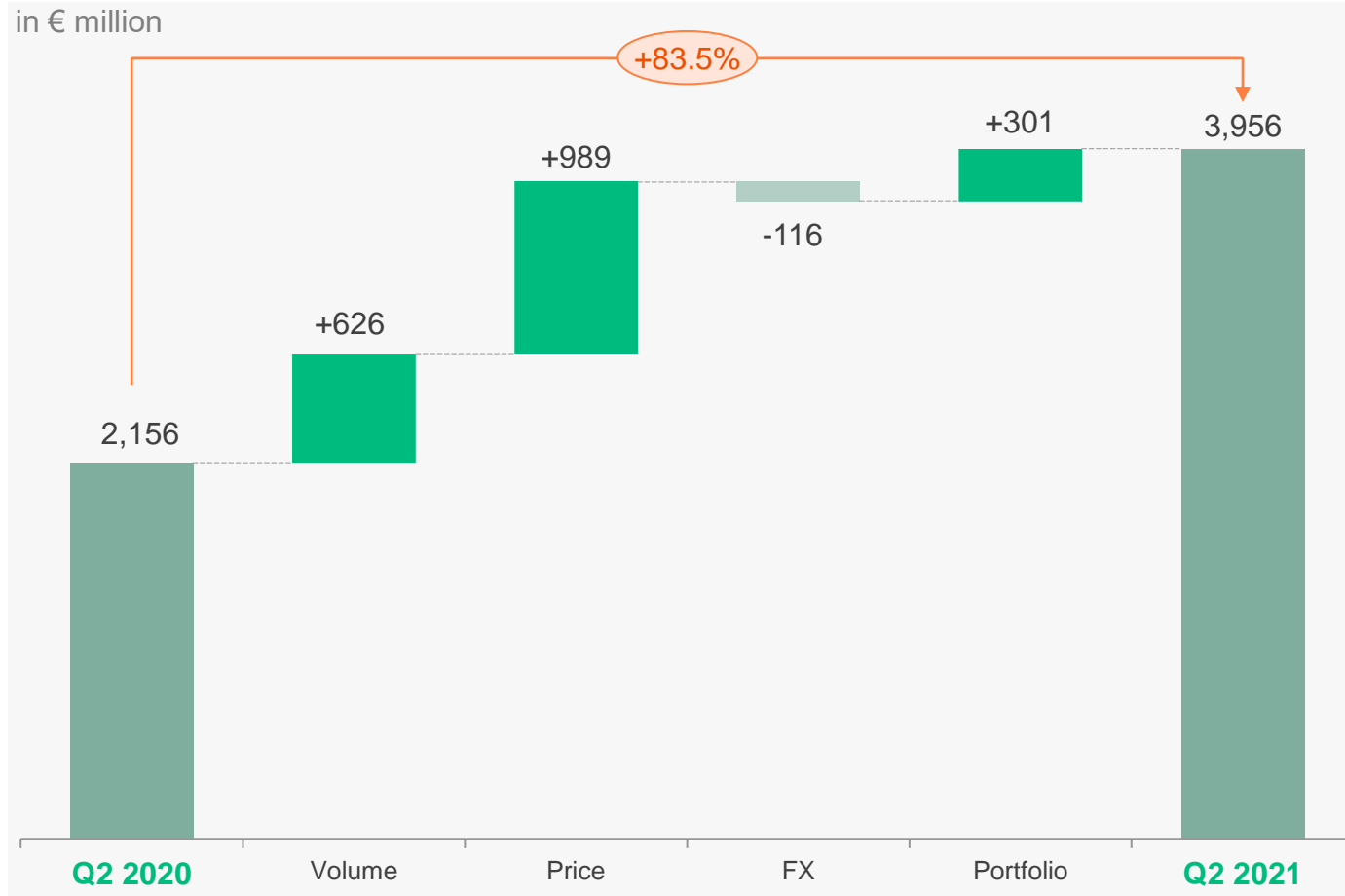
CORE VOLUME GROWTH Y/Y

- Globally strong rebound compared to exceptionally weak prior year as well as first-time consolidation of acquired RFM business (contributing ~10pp), yet core volumes constrained by product availability:
 - Furniture/wood c. +20%, driven by EMLA and NA
 - Construction c. +13%, driven by EMLA and APAC
 - Auto/transport c. +88%, strong growth globally
 - Electro c. +18%, driven by EMLA and APAC
 - Divers c. +55%, including total RFM volumes
- APAC: high growth rates in all key industries – except single-digit growth in furniture/wood – driven by strong demand rebound outside of China
- EMLA: high growth rates in all key industries, even triple-digit growth rate in auto/transport
- NA: high growth rates in all key industries except single-digit growth in construction, limited by constrained product availability

Higher prices and volumes drive sales growth



Q2 2021 – Sales bridge



HIGHLIGHTS

Volumes highly positive

- Volume increased by +29.0% Y/Y (in €) driven by all three segments, compared to weak prior year
- Core volume growth adjusted for RFM of c. 25% Y/Y (in kt); difference to sales volume effect due to favorable product and regional mix
- Volume growth limited by constrained product availability, mainly in U.S. and Europe

Pricing highly positive

- Higher selling prices, mainly in PM, drove sales by +45.9% Y/Y

FX negative

- FX affected sales by -5.4% Y/Y mainly driven by weaker USD, JPY, CNY, and INR

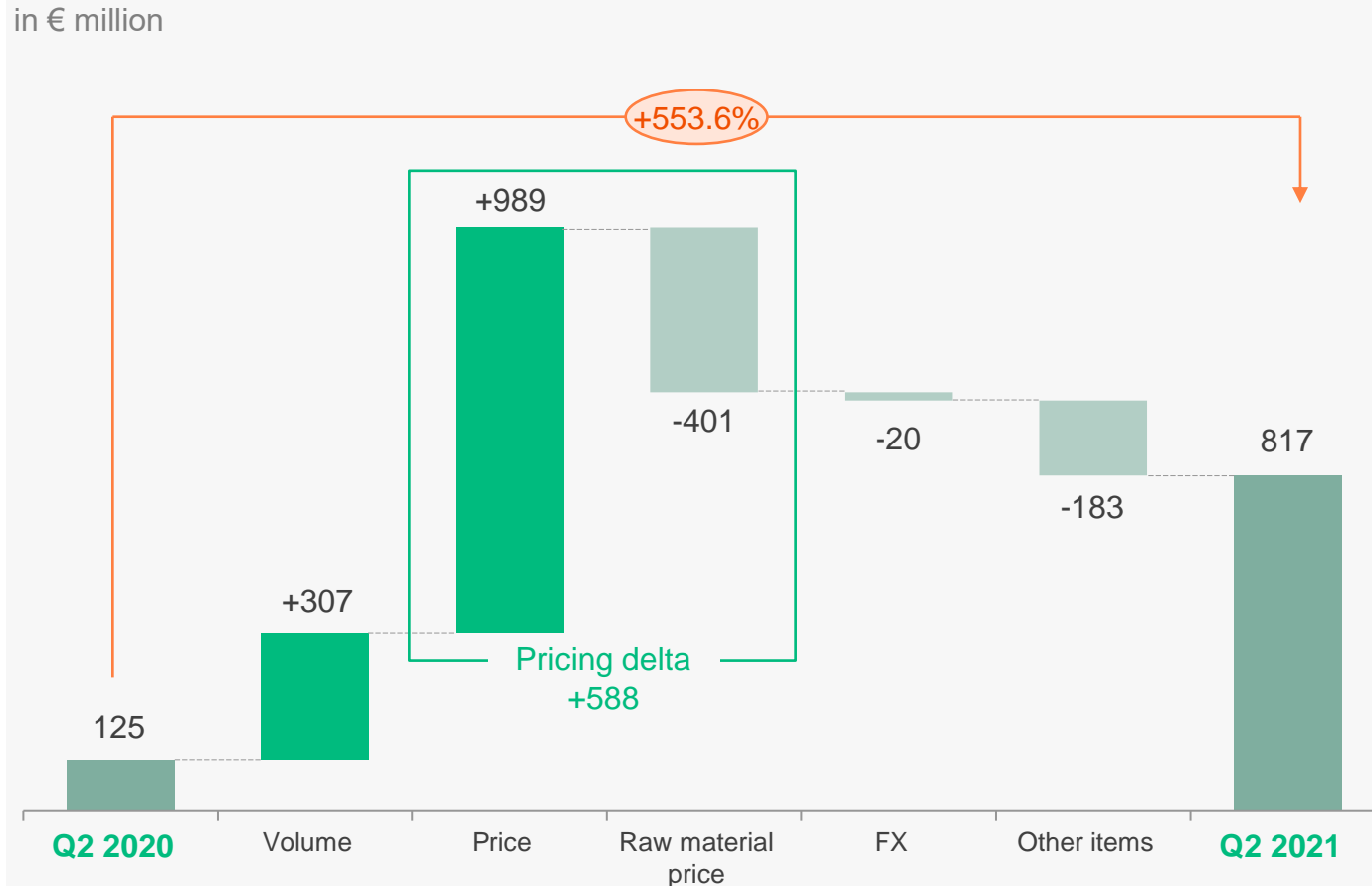
Portfolio positive

- RFM^(a) increased sales by +14.0% Y/Y

Soaring earnings due to positive pricing delta and volume growth



Q2 2021 – EBITDA bridge



HIGHLIGHTS

Positive volume leverage^(a)

- Attractive volume leverage of 49%
- Prior year basis heavily burdened by global coronavirus pandemic

Highly positive pricing delta

- Vast majority contributed by PM

Slightly negative FX

- Mainly translational effects

'Other items' include:

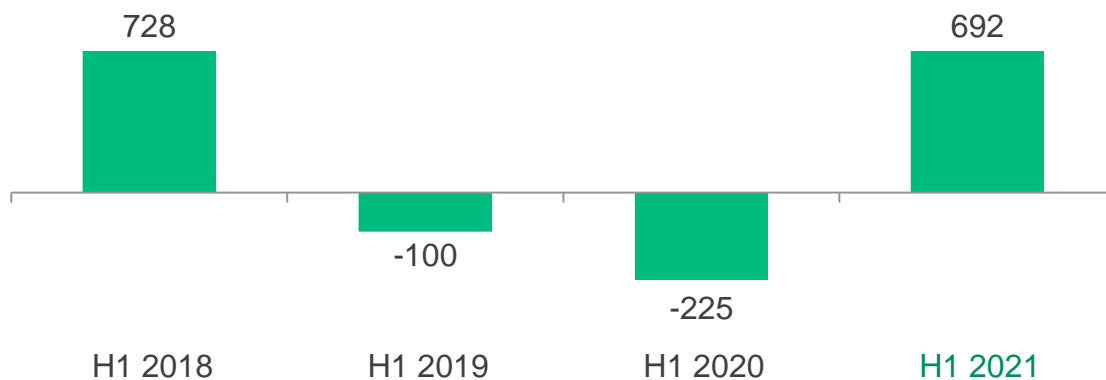
- €-122m linked to higher provisions for variable compensation
- €-35m negative one-time effects related to first-time consolidation of acquired RFM business
- €-10m negative one-time effects related to LEAP transformation program

€0.7bn free operating cash flow in first half-year

Historical FOCF development



in € million



EBITDA	+2,048	+901	+379	+1,560
Changes in working capital^(a)	-625	-30 ^(d)	-187 ^(d)	-580
Capex^(b)	-241	-384	-286	-289
Income tax paid	-335	-223	-102	-176
Other effects	-119	-364 ^(d)	-29 ^(d)	+177

HIGHLIGHTS

- In Q2'21, FOCF increased to €374m (€24m in Q2'20) driven by significantly higher earnings
- In H1'21, EBITDA increase boosted FOCF development despite negative contribution from working capital
- Working capital to sales ratio^(c) at 20.9%
- Capex of €289m on budget and in line with FY 2021 guidance
- Income tax paid of €176m reflect lower income level in previous quarters
- 'Other effects' reflect provisions for variable compensation, cash-effective only in 2022

Note:

(a) Working capital includes changes in inventories, trade accounts receivable and trade accounts payable

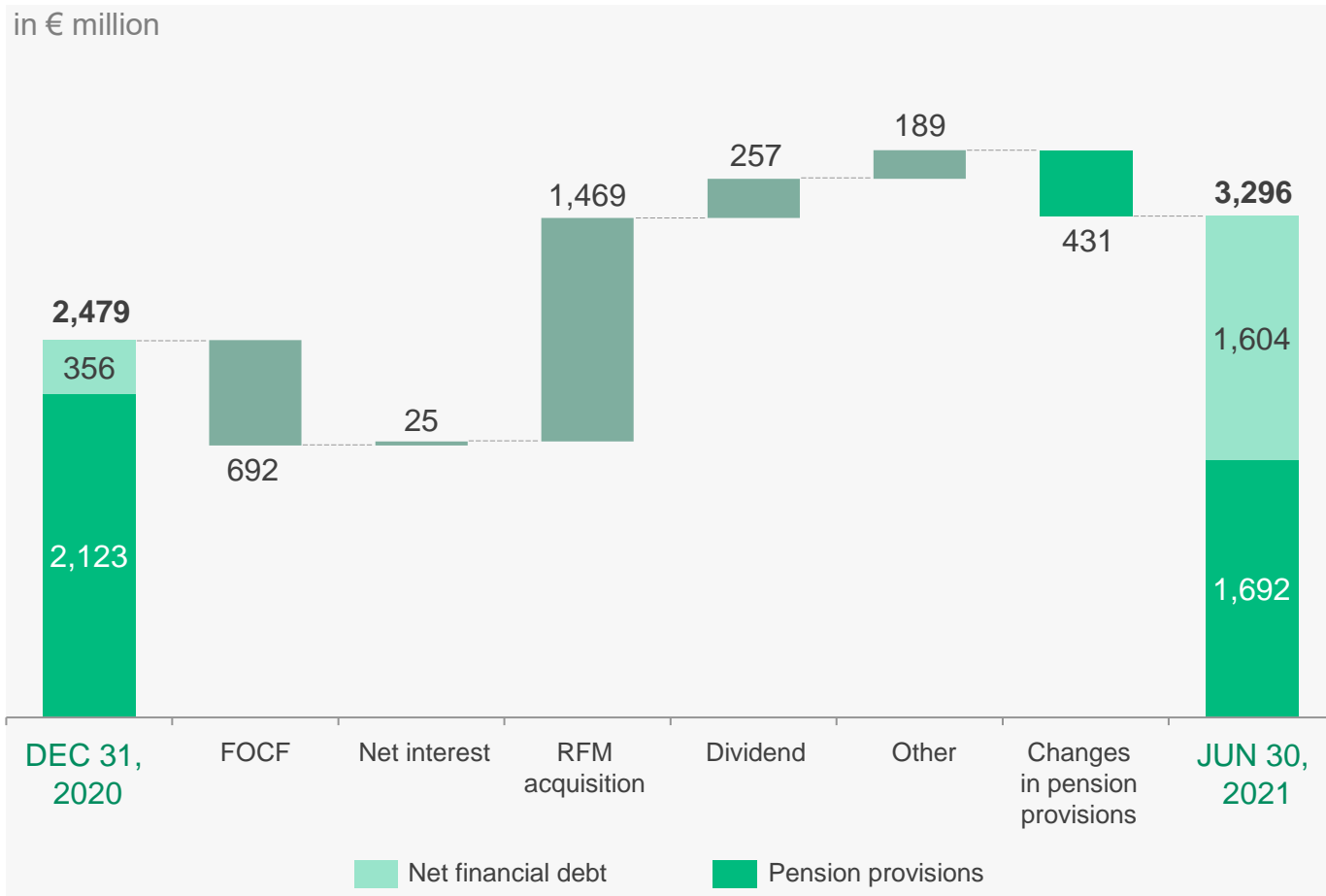
(b) Cash-relevant capex

(c) Method of calculation: Working Capital on June 30, 2021, divided by sales of last four quarters

(d) Prior year figures restated following change in presentation for rebates granted to customers, affecting trade accounts payable

Solid balance sheet after RFM closing

June 30, 2021 – Total net debt



HIGHLIGHTS

- Pension provisions decreased by €431m mainly resulting from higher discount rates in Germany
- Total net debt to EBITDA ratio^(a) of 1.2x at end of Q2 2021 vs. 2.9x at end of Q2 2020
- Equity ratio of 45% at end of Q2 2021 vs. 44% at end of FY 2020
- Committed to a solid investment grade rating

Liquidity at attractive rates

- Cash outflow for acquisition of RFM (less acquired cash) of €1.5bn as planned on April 1, 2021
- Balance sheet with €1.4bn in cash, cash equivalents and current financial assets
- Undrawn syndicated revolving credit facility (RCF) of €2.5bn in place with ESG element



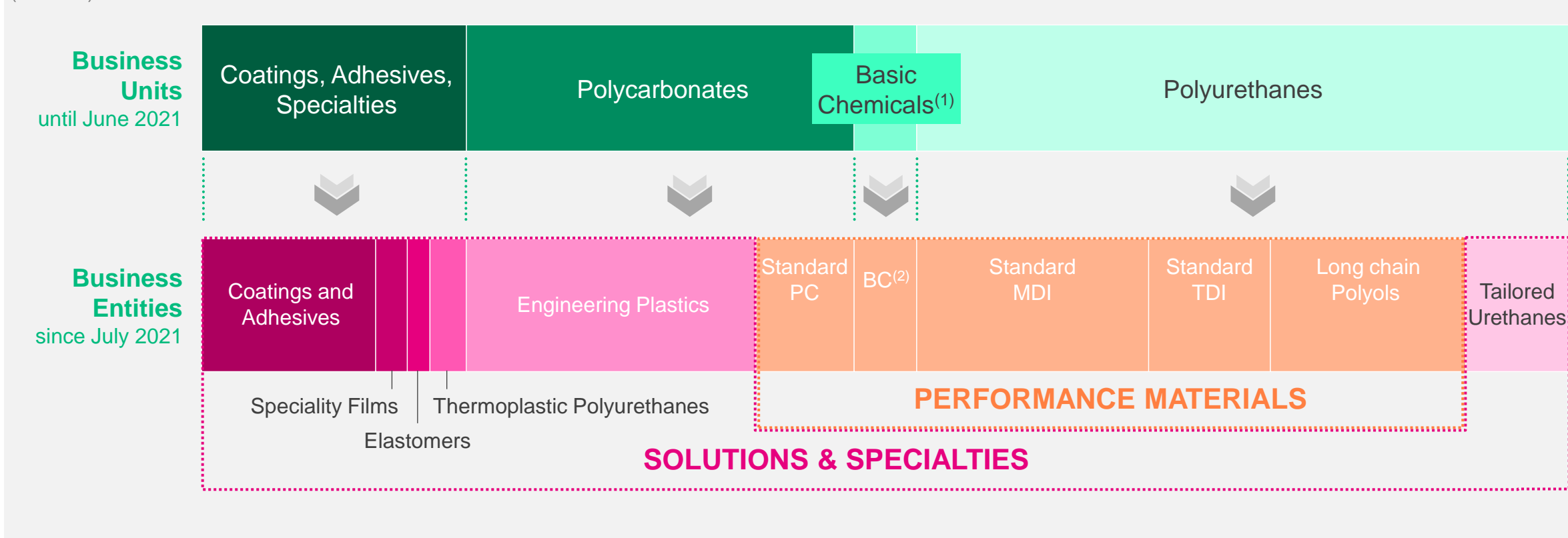
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Consistently distinguish standard from differentiated business



Reconciliation from former Business Units to new Business Entities

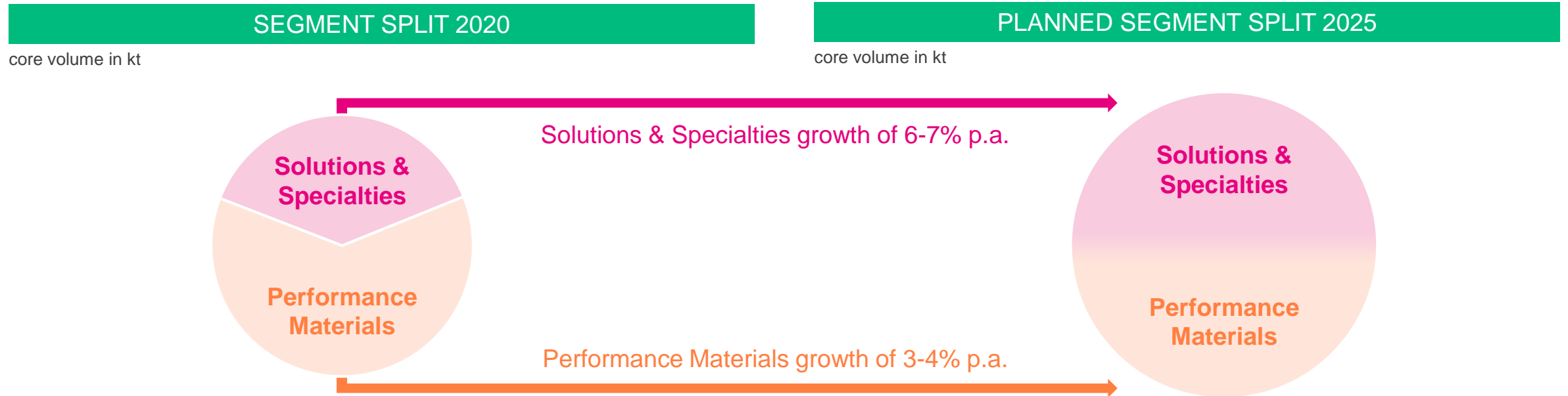
Size of businesses based on
(restated) FY 2020 sales



Growing share of differentiated business



Volume split by segments



HIGHLIGHTS

- Strong growth of Solutions & Specialties segment, mainly driven by Engineering Plastics and Specialty Films while other Business Entities growing with markets
- Further growth of Performance Materials segment limited by product availability until ramp-up of new MDI world-scale plant
- Covestro group aiming to grow in line with market development

Standard products with reliable supply and lowest cost

Performance Materials



PRODUCTS

PERFORMANCE MATERIALS

Polyurethane and polycarbonate standard products as well as basic chemicals:

- Standard MDI
- Standard TDI
- Long chain polyols
- Standard PC resins
- Basic chemicals

SUCCESS FACTORS

Ensure high asset utilization

Integrated end-2-end planning and steering of entire supply chain and large-scale production to optimize output



Supply customers reliably

to be customers' preferred supplier



Strengthen superior cost position

Standardized offerings and lean order management for focused customer and product portfolio



Customer
centricity
for
standard
products

BENEFITS FOR GROUP

- Maintain leadership in Covestro core industries
- Implement growth strategy while building on vision of full circularity
- Create critical mass for Covestro in standard product offerings
- Supply downstream Business Entities at market-based prices

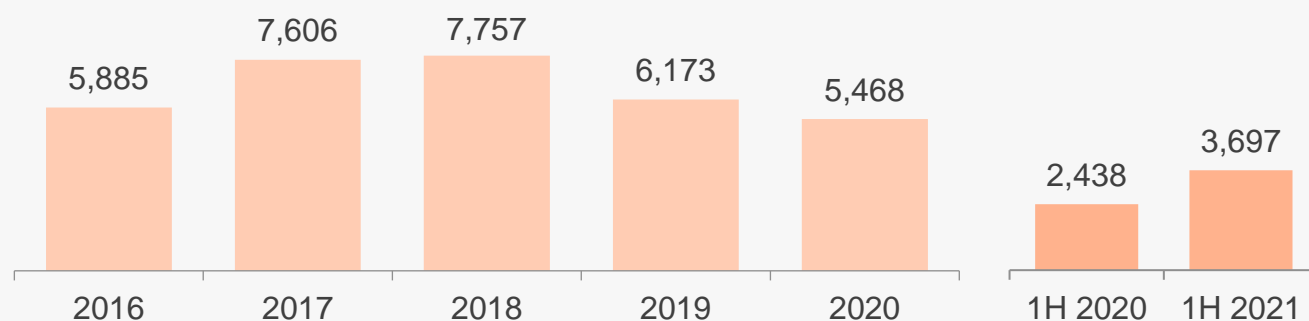
Strong recovery after coronavirus pandemic



Financial development – Performance Materials

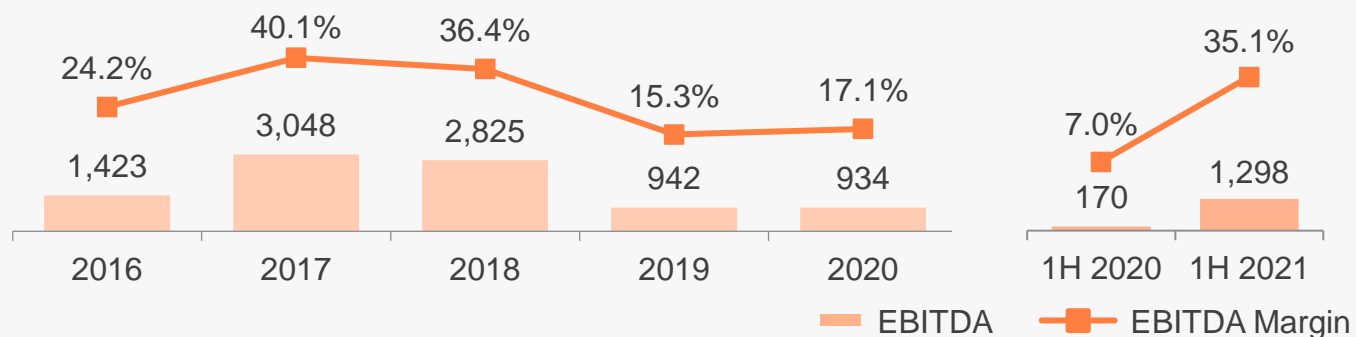
SALES

in € million



EBITDA / MARGIN

in € million



HIGHLIGHTS

SET-UP

- Sales and earnings impacted by industry supply and demand balances
- Inter-segment supply charged at market prices, recorded in EBITDA without corresponding sales

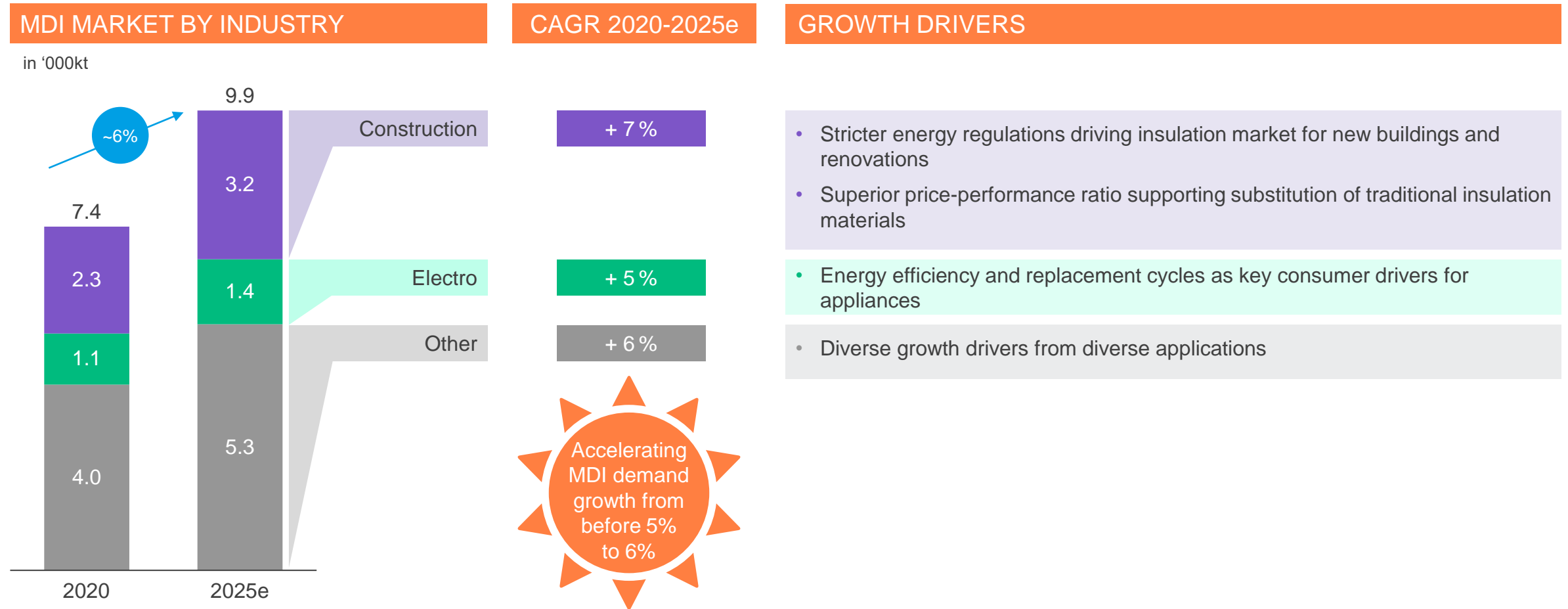
HISTORY

- Sales and EBITDA contribution from fly-up TDI margins in 2017 and 2018
- Increasingly challenging competitive environment beginning in Q4 2018
- 1H 2020 burdened by impact from coronavirus pandemic followed by broad-based recovery
- Generally sold out since Q4 2020 with strong margin development favored by, inter alia, various unexpected supply chain disruptions

Accelerating MDI demand growth from 5% to 6% per year



Performance Materials: MDI demand development



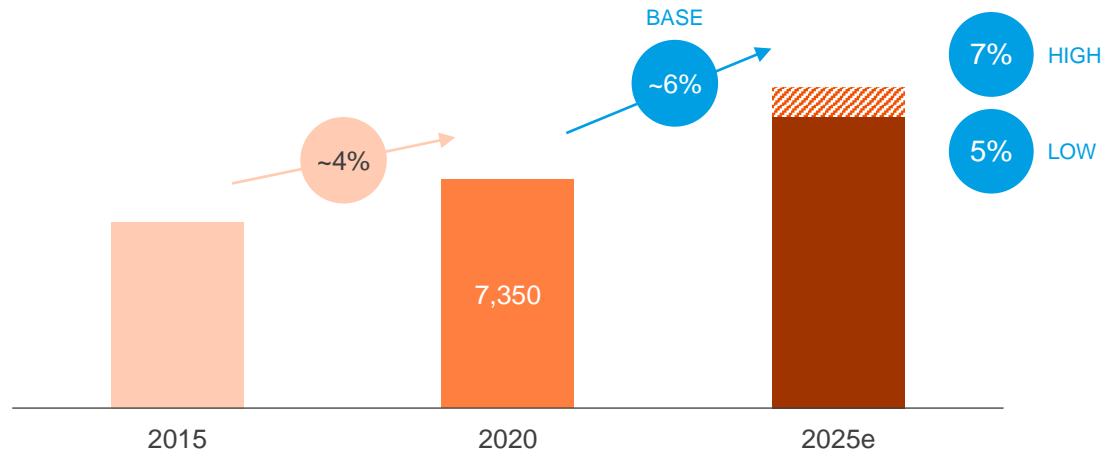
MDI demand growth to exceed supply growth



Performance Materials: MDI industry demand and supply

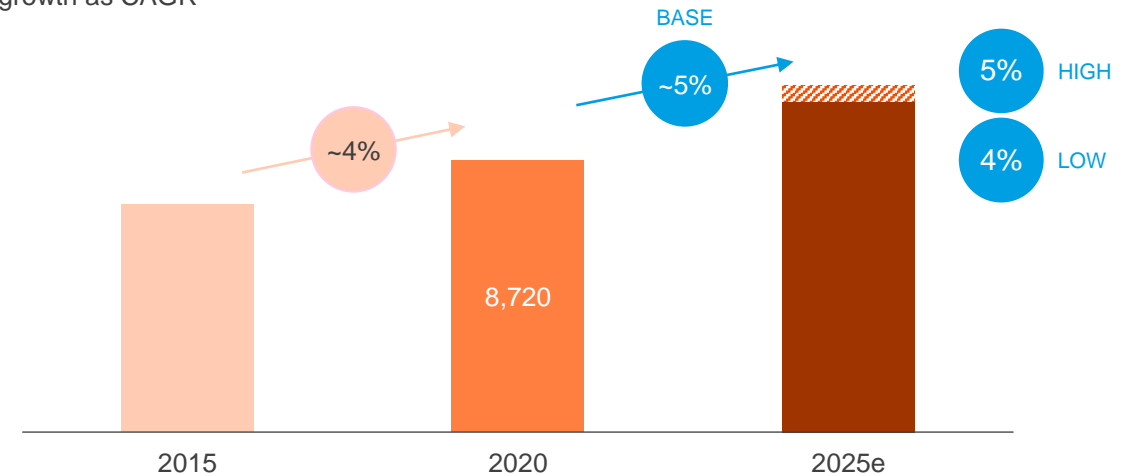
MDI DEMAND DEVELOPMENT (2015 - 2025e)

in kt⁽¹⁾
% growth as CAGR



MDI SUPPLY DEVELOPMENT (2015 - 2025e)

in kt⁽²⁾
% growth as CAGR



HIGHLIGHTS

- Further customer industry growth makes structurally sound demand further increase to ~6%, outgrowing supply growth
- Covestro additions until 2025e: Caojing, PRC (100kt, 2021) and Tarragona, Spain (50kt, 2023e)
- Covestro MDI volumes expected to grow slightly below market trend until new world-scale capacity comes on stream

Investment into world-scale asset enables further growth



Performance Materials: MDI investment

Recap

- In October 2018, initial plans of MDI investment published
- In January 2020, project evaluation in Baytown, USA put on hold

Market environment

- Projected MDI demand growth outstripping supply growth, leading to global capacity utilization above 90 percent
- Covestro with fully utilized MDI world-scale assets in all regions
- Production technology as distinct industry entry hurdle

Update and next steps

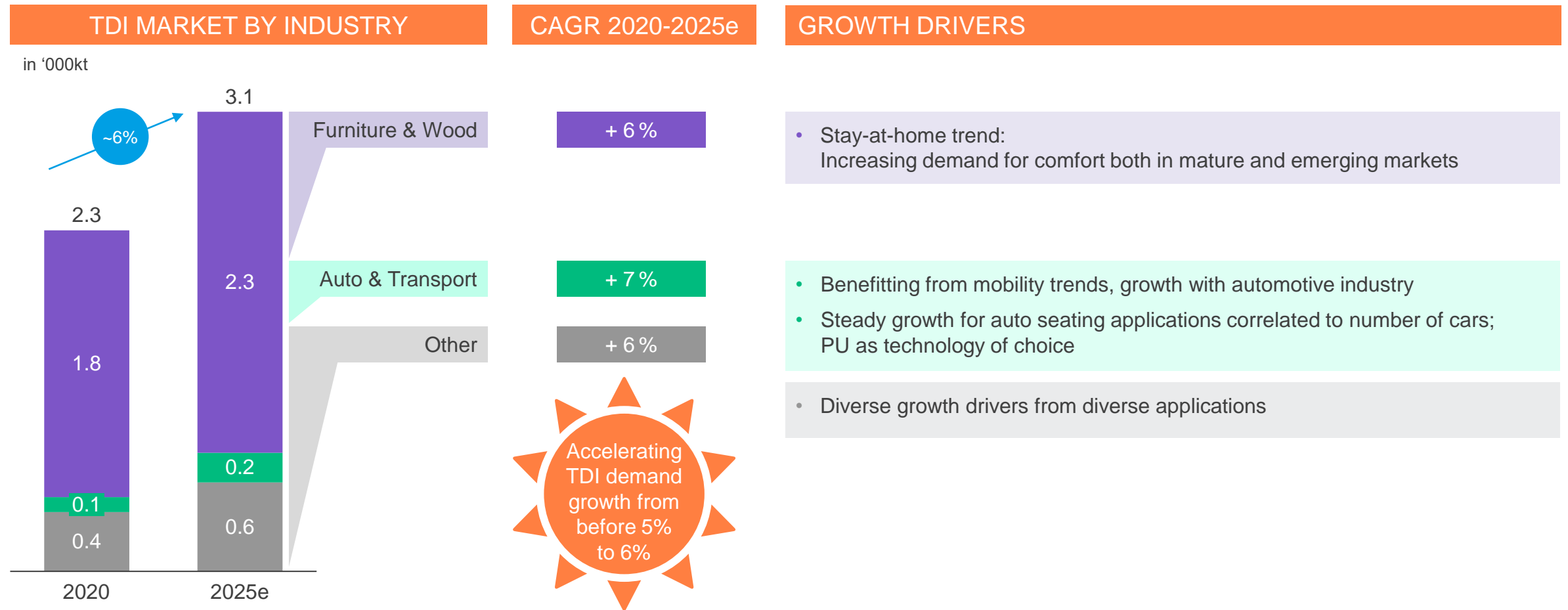
- Covestro resumes investment into MDI world-scale asset
- Installing highly energy-efficient AdiP technology(1) reduces energy-related CO2 emissions by up to 35 percent(2)
- Location either USA or China, further decision after finalization of current project stage
- Planned ramp-up by 2026



Accelerating TDI demand growth from 5% to 6% per year



Performance Materials: TDI demand development



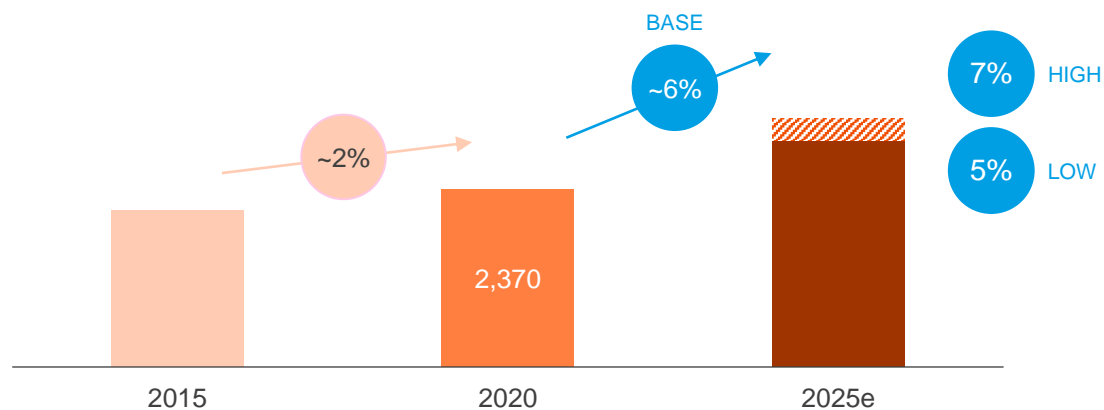
TDI market moving into balance, Covestro growing with market



Performance Materials: TDI industry demand and supply

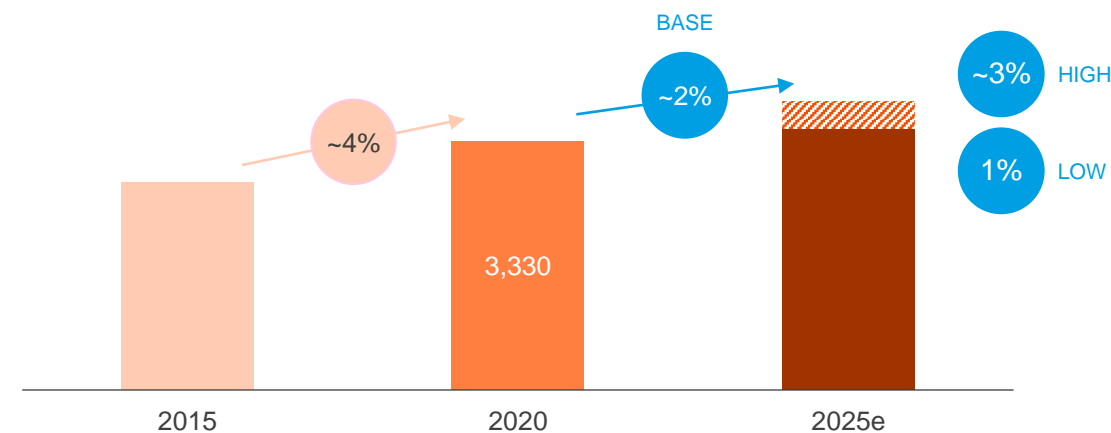
TDI DEMAND DEVELOPMENT (2015 - 2025e)

in kt⁽¹⁾
% growth as CAGR



TDI SUPPLY DEVELOPMENT (2015 - 2025e)

in kt⁽²⁾
% growth as CAGR



INDUSTRY HIGHLIGHTS

- Due to delays now only major addition⁽³⁾ expected until 2025e: Wanhua-Fujian (150kt in China)
- Assumed annual supply growth until 2025 declining from 3% to 2%
- With that, demand growth outstripping supply growth, bringing demand and supply back into balance

COVESTRO GROWTH

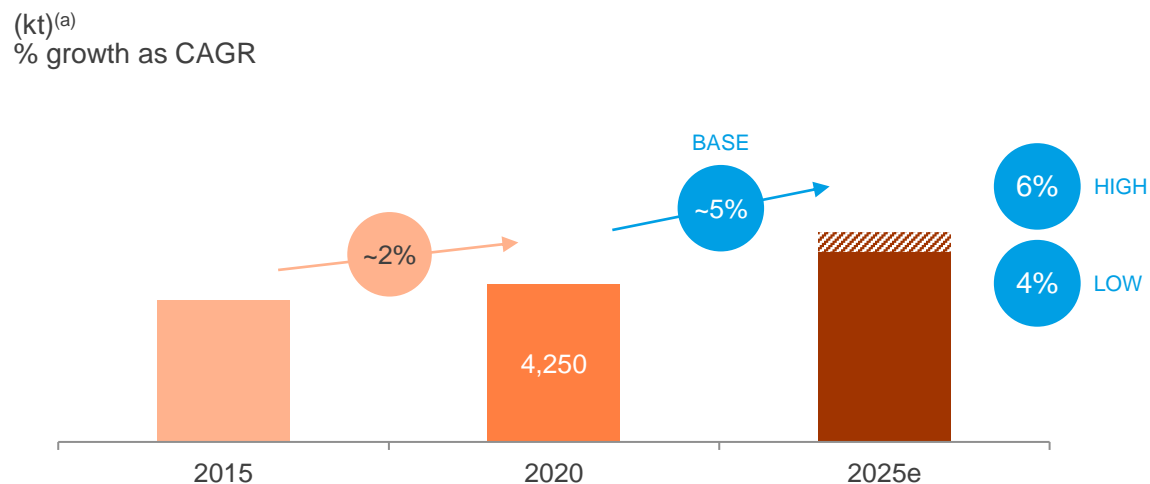
- Aiming to grow TDI volume with industry demand
- Debottlenecking investments supporting growth: Dormagen, Germany (50kt, 2023e); further debottleneckings after 2025e
- Favorable cash cost position puts Covestro in strong competitive position even in low cycles

Execution risks may limit future capacity additions

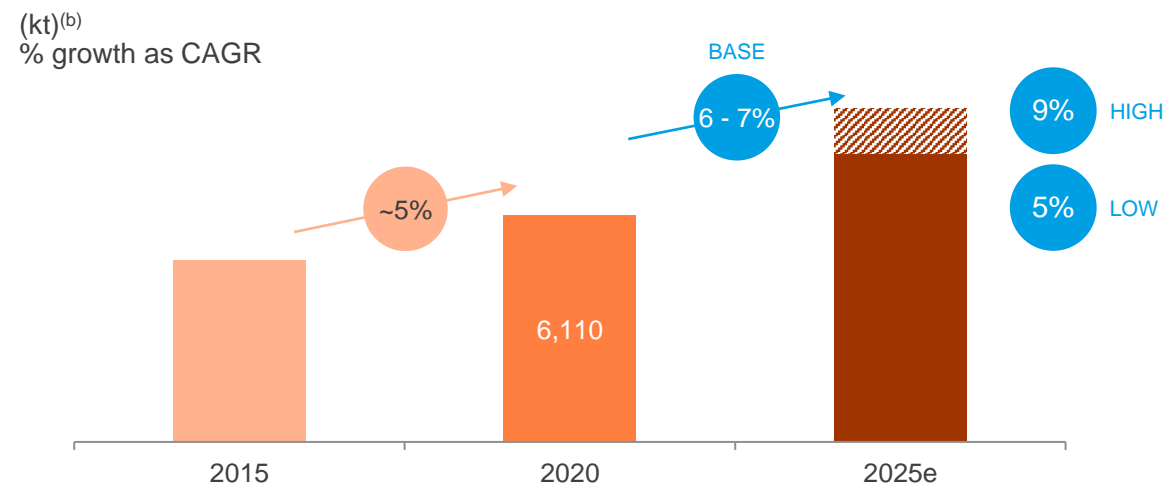


Performance Materials: Polycarbonates (PC) industry demand and supply

PC DEMAND DEVELOPMENT (2015 - 2025e)



PC SUPPLY DEVELOPMENT (2015 - 2025e)



INDUSTRY HIGHLIGHTS

- Structurally sound demand growth of ~5% based on global GDP growth supported by low basis due to Coronavirus pandemic in 2020
- Major additions^(c) expected until 2025e: Hainan Huasheng, ZPC, SABIC-Sinopec, Wanhua, Shemna
- Numerous announced projects with high uncertainties regarding actual timing and scope
- Covestro additions: Mid-term expansion plans generally accomplished, current focus on strengthening differentiated business

Differentiation based on customer proximity and innovation



Solutions & Specialties

PRODUCTS

SOLUTIONS & SPECIALTIES

Differentiated polymer products:

- Coatings and adhesives raw materials
- PC compounds
- Specialty MDI and polyols
- Specialty films
- Elastomers
- Thermoplastic polyurethanes

SUCCESS FACTORS

Implement a pull supply chain

Use deep customer understanding to deliver unique value to customers



Lead in innovation

Continuously innovate products and applications in order to maximize value proposition to customers



Manage complexity

Efficiently steer customers and products at a small scale and balance cost of each solution against value for the customer



Customer centricity
for
solutions
and
specialty
products

BENEFITS FOR GROUP

- Maintain leadership in differentiated niche applications
- Implement growth strategy while building on vision of full circularity
- Improve earnings margin from relatively low starting point

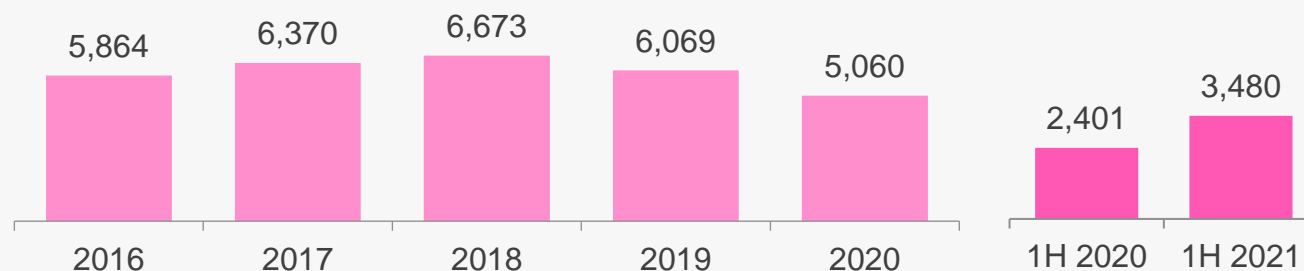
Relatively stable differentiated business

Financial development – Solutions & Specialties



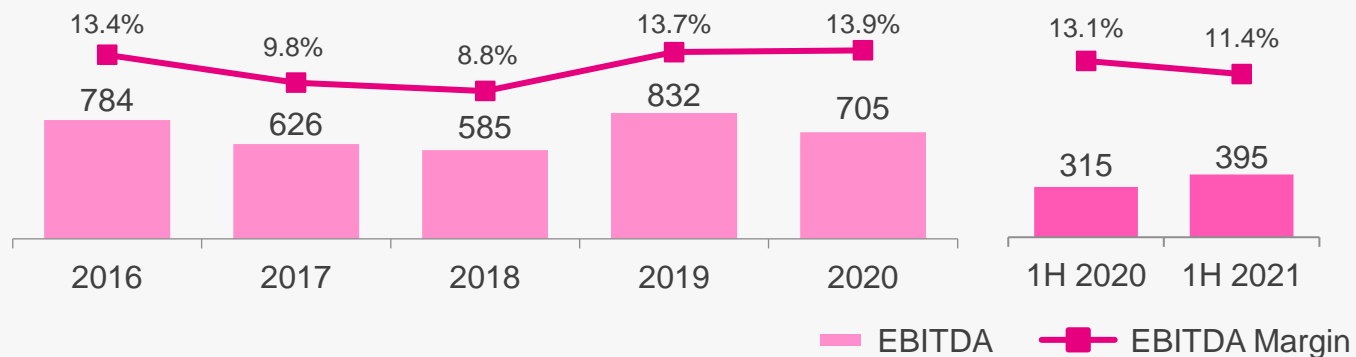
SALES

in € million



EBITDA / MARGIN

in € million



HIGHLIGHTS

SALES

- Between 2016 and 2018, continuous sales growth due to volume growth and price increases
- In 2019, sales decline due to pass-through of lower raw material prices
- In 2020, significant volume reduction mainly due to pronounced weakness of automotive industry
- In 1H 2021, strong sales rebound driven by volume growth, price increases and first-time RFM consolidation

EBITDA

- EBITDA margin troughs in 2017/2018 and 1H 2021 influenced by market-price based inter-segment supply from Performance Materials

Shifting polycarbonates to high-growth differentiated business



Solutions & Specialties: high-growth contributor Engineering Plastics

ENGINEERING PLASTICS

Total Sales 2020
€2,230m

CAGR
2020-2025e ~8%

CUSTOMER INDUSTRIES

INDUSTRY GROWTH DRIVERS



Auto & Transport

EP sales share 2020: 44%

CAGR
2020-2025e

~9%

- Global trends to BEV boosting total LV production
- Number of produced BEVs estimated to multiply with significantly higher PC need



Electro

EP sales share 2020: 40%

CAGR
2020-2025e

~6%

- Strong demand in network, audio, LED, power supply and small appliances
- New opportunities from 5G, intelligent connectivity and electrical integration



Healthcare

EP sales share 2020: 12%

CAGR
2020-2025e

~5%

- Aging populations with increasing access in emerging markets
- Trend towards home healthcare and wearable monitor devices

HIGHLIGHTS

- Growing above market
- Expanding compounding capacities around the world for production of highly differentiated polycarbonates
- Supply with standard-PC feedstock from Business Entity Performance Materials
- Shift from standard to differentiated: Covestro merchant sales of standard-PC will be fully internalized and substituted by EP sale of differentiated PC
- Additionally, debottlenecking investments into standard-PC assets to maintain sufficient EP feedstock

Doubling sales by 2025

Solutions & Specialties: high-growth contributor Specialty Films



SPECIALTY FILMS		
	Total Sales 2020 240m	CAGR 2020-2025e ~14%
TARGET	<ul style="list-style-type: none">• Doubling sales by 2025e	
APPROACH	<ul style="list-style-type: none">• Elevating market share from differentiation via quality and service with customer-tailored applications• Strong competitive advantage from technical expertise and filled innovation pipeline• Excellent customer relationships promoting joint developments with long-term contracts	
INVESTMENT	<ul style="list-style-type: none">• Enabling growth with investment of almost €200m between 2020 and 2025e	

BUILD AGGRESSIVELY MEDICAL BUSINESS



Making use of IP portfolio to outgrow the industry with more than 20% sales growth per year

DEVELOP AUGMENTED REALITY BUSINESS



Growing within emerging market of holographic light guiding: accelerating markets of virtual displays in glasses and head-up displays in vehicles

Growing with market



Solutions & Specialties: growth contributor Coatings and Adhesives

COATINGS AND ADHESIVES

Total Sales 2020
€2,270m⁽¹⁾

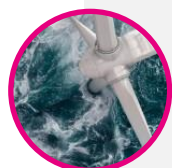
CAGR
2020-2025e ~5%

HIGHLIGHTS

- Period of flat sales volume development (CAGR 2015-2020 of 1%) in highly competitive environment

TOP 3 CUSTOMER INDUSTRIES

INDUSTRY GROWTH DRIVERS



Construction & Engineering

CA sales share 2020: 18%

Market CAGR
2020-2025e

~5%

- Increase in energy industry applications like wind blades, solar panels, energy storage
- Residential building growth and governmental infrastructure projects



Auto & Transport

CA sales share 2020: 14%

Market CAGR
2020-2025e

~6%

- Industry trend to lightweight and battery/plug-in hybrid electric vehicles



Industrial & Electronics

CA sales share 2020: 14%

Market CAGR
2020-2025e

~5%

- Transformation to more sustainable, waterborne and bio-based/recycled solutions

- Currently, several product lines already limited by availability
- Investing up to €300m until 2025 into additional capacities around the world for production “in the region for the region”

- Growing with market demand (CAGR 2020-2025e of ~5%)
- More sustainable and circular product offerings with innovative recycling and alternative raw materials
- Additionally, topline synergies of RFM acquisition: around €100m additional sales until 2025e from cross-selling, upgrade of portfolio and digital sales

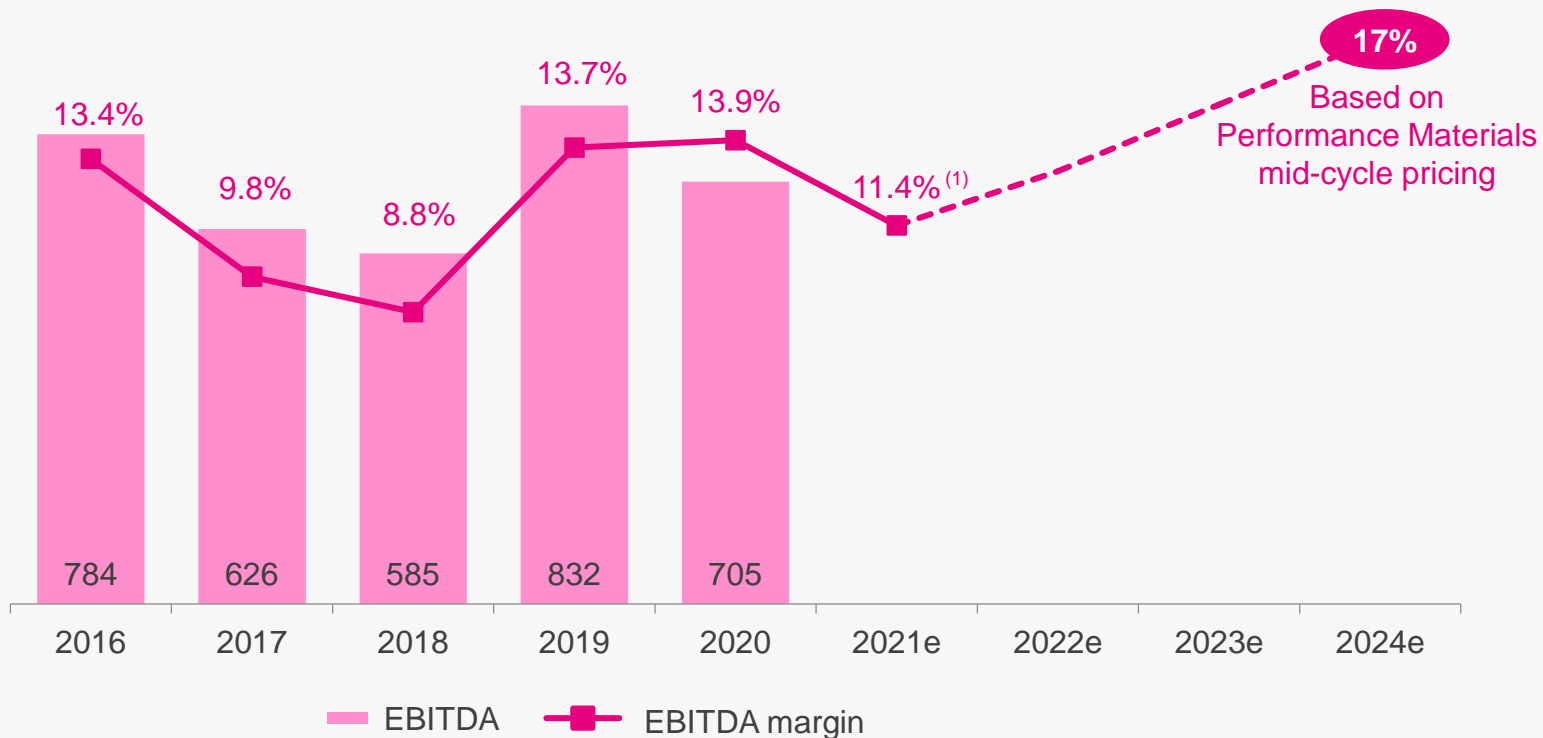


EBITDA margin to grow to 17% in 2024

Solutions & Specialties segment target

EBITDA AND MARGIN

in € million



TARGET MARGIN

EBITDA margin of 17% in 2024, based on Performance Materials mid-cycle pricing

Measures to raise margin:

- Focus on value-based pricing
- Fixed cost dilution due to strong growth
- RFM integration and synergies
- LEAP transformation

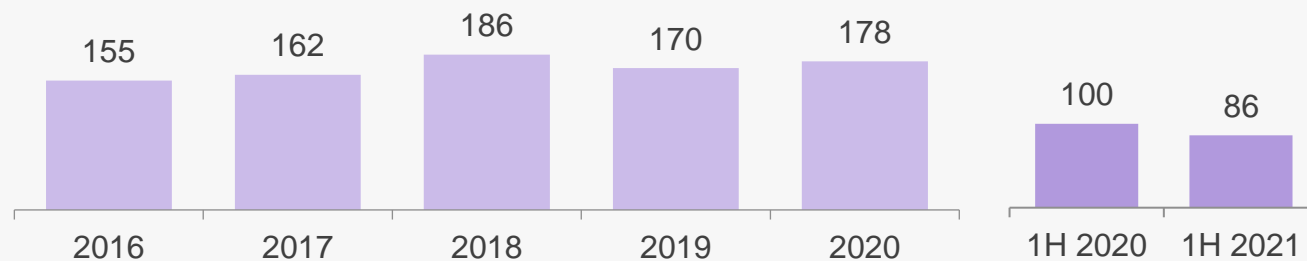
Others bundles all items beyond control of operational segments



Financial development – Other/consolidation

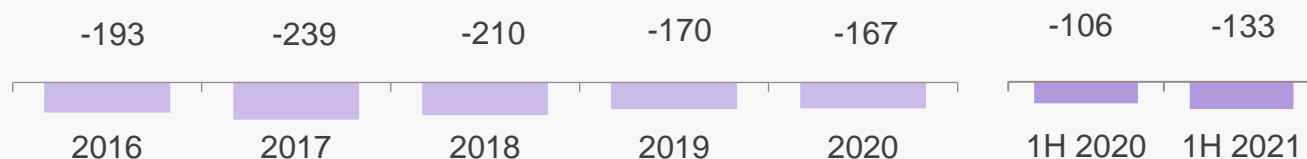
SALES

in € million



EBITDA

in € million



HIGHLIGHTS

- Sales includes side-business activities like infrastructure services, real-estate management, sale of used assets as well as services to third parties
- Bundles Board of Management and other Group functions as well as central group projects
- Compared to previous reporting, Other/consolidation now contains all cost of group functions beyond control of operational businesses
- In 1H 2021, Y/Y increase is driven by centrally recorded LEAP restructuring cost and higher bonus provisions



- Covestro investment highlights
- Group financials Q2'21
- Segment overview
- Business Entity Profiles**
- Background information

Leading global producer of standard PU and PC

Performance Materials



PRODUCTS

Polyurethane and Polycarbonate standard products adding to high energy efficiency, comfort and light-weight properties in many aspects of modern life

COMPETITIVE ADVANTAGE

Global integrated production network with leading technology and cost position enabling to establish and maintain sustainable customer relationships

STRATEGY

Focus on maximizing asset availability and supply chain reliability for standard products at competitive market prices and lowest cost

KEY APPLICATION



For comfortable cars



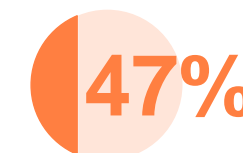
For sustainable houses



For cozy furniture



For highly functional apparel



Sales share
Covestro 2020 ⁽¹⁾

SOLUTIONS AND SPECIALTIES

Engineering
Plastics

Coatings and
Adhesives

Thermoplastic
Polyurethanes

Tailored
Urethanes

Specialty
Films

Elastomers

PERFORMANCE MATERIALS

Performance Materials

Becoming the leading provider for sustainable solutions

Solutions & Specialties: Coatings and Adhesives



PRODUCTS

Basing on polyurethane and acrylate components
Wide range of advanced waterborne, UV-curable and powder coatings technologies for a variety of industries

COMPETITIVE ADVANTAGE

Reliable and stable supply from global production network
Broad technology platform enabling to manage complexity
Innovation-driven specialty portfolio with focused investments

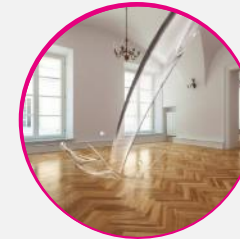
STRATEGY

Differentiating through development of materials with unique performance which serve to protect, bond, seal or functionalize a wide variety of surfaces

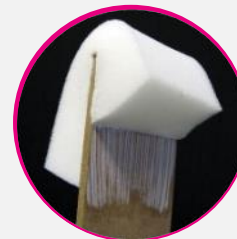
KEY APPLICATIONS



For shiny cars



For robust floors



For durable bonding



For high-speed data transmission



Sales share
Covestro 2020 ⁽¹⁾

SOLUTIONS AND SPECIALTIES

Engineering
Plastics

**Coatings and
Adhesives**

Thermoplastic
Polyurethanes

Tailored
Urethanes

Specialty
Films

Elastomers

PERFORMANCE MATERIALS

Performance Materials

Leading supplier of application solutions

Solutions & Specialties: Engineering Plastics



PRODUCTS

Tailor-made application solutions based on Polycarbonate compounds, blends, co-polymers and optical grades with high degree of differentiation

COMPETITIVE ADVANTAGE

Leading application development and innovation capabilities, leading manufacturing costs as well as integrated value chain. Global footprint with sites in all key markets

STRATEGY

Expanding the leading position in key applications. Being the driving force of growing innovative solutions (EV battery Packaging, 5G). Being a key driver of the Circular Economy

KEY APPLICATION



For Mobility



For Electronics & Electrical



For Healthcare



Sales share
Covestro 2020 ⁽¹⁾

SOLUTIONS AND SPECIALTIES

Engineering Plastics	Coatings and Adhesives
Thermoplastic Polyurethanes	Tailored Urethanes
Specialty Films	Elastomers

PERFORMANCE MATERIALS

Performance Materials

Serving the solution-oriented Polyurethanes market

Solutions & Specialties: Tailored Urethanes



PRODUCTS

Solutions and customized products based on formulated polyol components, prepolymers and MDI blends

COMPETITIVE ADVANTAGE

Global Player with market leading technical know-how addressing customer needs. PUR backward integration allowing access to critical raw materials

STRATEGY

Tailoring the approach to deliver value by becoming the trusted partner of key customers in targeted segments

KEY APPLICATION



For lightweight cars



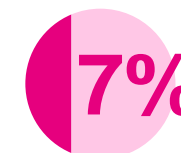
For sustainable wind energy



For efficient buildings



For efficient appliances



Sales share
Covestro 2020 ⁽¹⁾

SOLUTIONS AND SPECIALTIES

Engineering Plastics

Coatings and Adhesives

Thermoplastic Polyurethanes

Tailored Urethanes

Specialty Films

Elastomers

PERFORMANCE MATERIALS

Performance Materials

Specialist for high-value applications

Solutions & Specialties: Thermoplastic Polyurethanes



PRODUCTS

Melt-processable thermoplastic elastomer with high durability and flexibility, ideal for exceptional range of applications

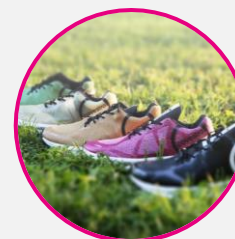
COMPETITIVE ADVANTAGE

Leveraging global reach and strong local presence. Strong heritage in providing superior customer solutions based on innovation and processing know-how

STRATEGY

Further increasing specialty business, focus on innovative solutions for higher value markets and segments, enabling customers to transform their business to sustainability

KEY APPLICATION



Sports & Leisure



Electronics & Electronic Accessories



Industrial & Agriculture



Film & Sheets



Sales share
Covestro 2020 ⁽¹⁾

SOLUTIONS AND SPECIALTIES

Engineering Plastics

Coatings and Adhesives

Thermoplastic Polyurethanes

Tailored Urethanes

Specialty Films

Elastomers

PERFORMANCE MATERIALS

Performance Materials

Making films special

Solutions & Specialties: Specialty Films



PRODUCTS

Coated and uncoated polycarbonate films, polycarbonate blend films, photopolymer coated films, polyether and polyester thermoplastic polyurethane films

COMPETITIVE ADVANTAGE

Wide product portfolio with customer-specific solutions and individual service offerings. Global market coverage together with high innovation capabilities

STRATEGY

Developing new commercial applications. Fostering service and innovation excellence. Expanding bio-based, waste-based & mass-balanced film solutions

KEY APPLICATION



For digitalization in the automotive interior



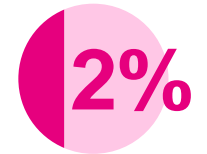
For smart identity cards



For advanced wound care



For more comfortable leisure products



Sales share
Covestro 2020 ⁽¹⁾

SOLUTIONS AND SPECIALTIES

Engineering
Plastics

Coatings and
Adhesives

Thermoplastic
Polyurethanes

Tailored
Urethanes

Specialty
Films

Elastomers

PERFORMANCE MATERIALS

Performance Materials

Global leading producer of high-value elastomers

Solutions & Specialties: Elastomers



PRODUCTS

Cast polyurethane elastomers systems & processing equipment for high-end applications with a broad range of solutions

COMPETITIVE ADVANTAGE

High level of technical, processing & application expertise. Additionally, machine & systems cross-selling & supportive services resulting in leading market position

STRATEGY

Focus on high-end applications in growing markets through innovations with partnerships for key developments. Pushing circular solutions to drive the industry transformation

KEY APPLICATION



High performance wheels for warehousing



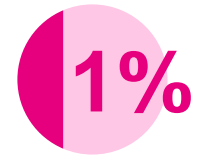
Cable protection



Packaging manufacturing



Durable shock-absorbers in cars



Sales share
Covestro 2020 ⁽¹⁾

SOLUTIONS AND SPECIALTIES

Engineering
Plastics

Coatings and
Adhesives

Thermoplastic
Polyurethanes

Tailored
Urethanes






Specialty
Films

Elastomers

PERFORMANCE MATERIALS

Performance Materials



-  Covestro investment highlights
-  Group financials Q2'21
-  Segment overview
-  Business Entity Profiles
-  **Background information**

Led by a diverse, international management team

Covestro senior management since July 1, 2021



BOARD OF MANAGEMENT



Chief Executive Officer

Dr Markus Steilemann
Nationality: German



Chief Financial Officer

Dr Thomas Toepfer
Nationality: German



Chief Commercial Officer

Sucheta Govil
Nationality: British
with Indian origin



Chief Technology Officer

Dr Klaus Schäfer
Nationality: German

BUSINESS ENTITIES



Performance Materials

Hermann-Josef Dörholt
Nationality: German
Based in Leverkusen,
Germany



Tailored Urethanes

Christine Bryant
Nationality: US-American
Based in Pittsburgh,
USA



Coatings and Adhesives

Dr Thorsten Dreier
Nationality: German
Based in Leverkusen,
Germany



Engineering Plastics

Lily Wang
Nationality: Chinese
Based in Shanghai,
P.R. China



Specialty Films

Dr Aleta Richards
Nationality: US-American
Based in Dormagen,
Germany



Elastomers

Dr Thomas Braig
Nationality: German
Based in Romans-sur-Isère,
France



Thermoplastic Polyurethanes

Dr Andrea Maier-Richter
Nationality: German
Based in Dormagen, Germany

ESG ambitions support growth strategy

Covestro non-financial targets for 2025



1

80% of project expenditures for R&D go toward areas that contribute to UN SDGs

Achievement: 51% of R&D project expenditures in 2020



2

100% of our suppliers comply with our sustainability requirements

Achievement: 79% by end of 2020



3

Reduce specific greenhouse gas emissions by 50% from the benchmark in 2005

Achievement: -46.2% by end of 2020



4

Ten million people in underserved markets benefit from our solutions

Achievement: 1.1 million people by end of 2020



5

Extract the maximum benefit from carbon and increase carbon productivity

Achievement: Company vision to become fully circular announced in 2020, corporate goal setting under way

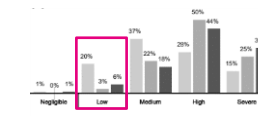
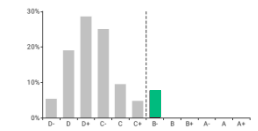
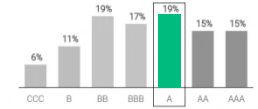


Covestro rating results and index membership

as of August 2021



Rating / Index	2016	2017	2018	2019	2020	2021	Scoring	Benchmark
	BBB	BBB	A	A	A		AAA - CCC	in Specialty Chemicals
	B-		B-		B-		A+ - D-	Prime Status
 New methodology ^(a)	74	75	80	23.3	20.0	18.3	max. 100 Points 0 - 100 Points (the lower the better)	Low Risk
 SUPPLIER SUSTAINABILITY RATINGS	73		80				max. 100 Points	Gold Ranking
								Inclusion in FTSE4Good Index ^(b)

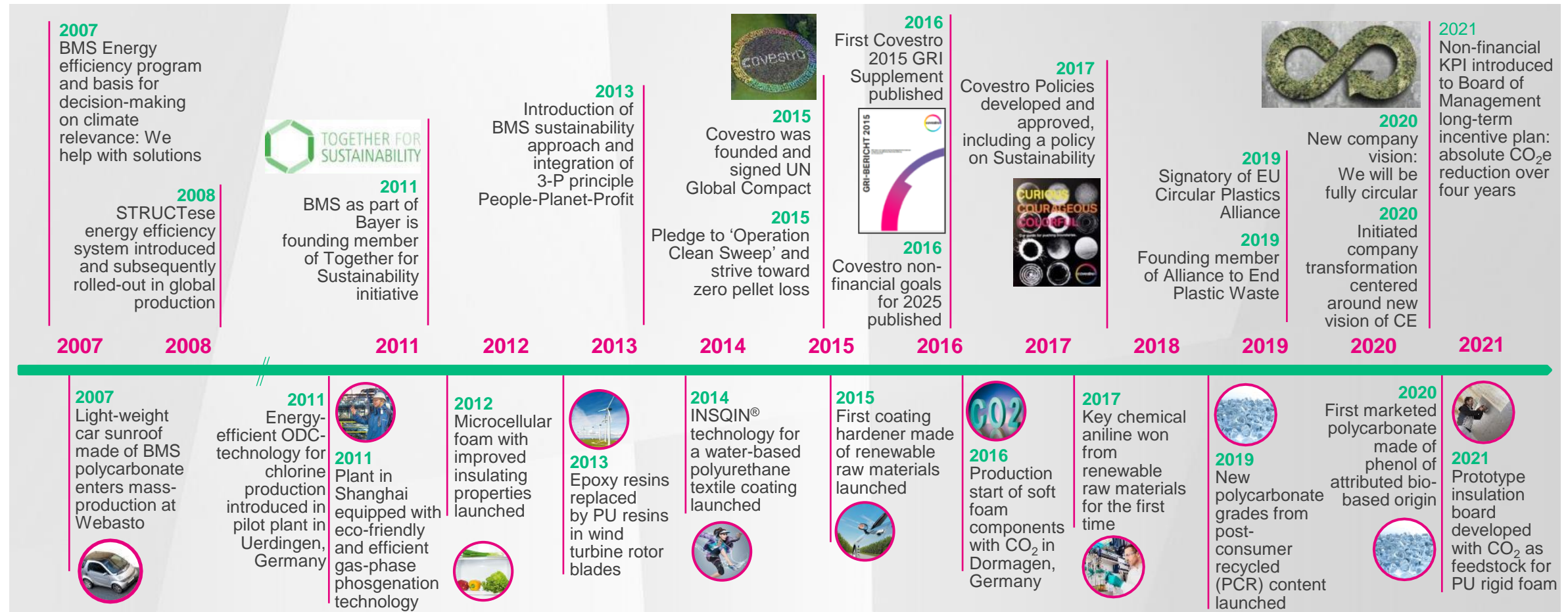


(a) Methodology reversed - the lower the score the better
 (b) Since December 2016, reviewed in June 2021

Long history of innovations inspired by sustainability



Covestro milestones in sustainability



Certified alternative feedstock serve as drop-in solutions



Alternative raw materials

ALTERNATIVE PHENOL

- ISCC Plus-certified raw material
- Drop-in precursor for PC



- First delivery of 1,000 tons of ISCC Plus-certified mass balanced phenol received in Q4 2020, another 2,000 tons received in Q1 2021
- Neste produced ISCC Plus-certified 100 percent bio-based hydrocarbons from renewable raw materials, such as waste and residual oils / fats
- Borealis converts hydrocarbons from Neste into ISCC Plus-certified phenol and acetone

ALTERNATIVE BENZENE

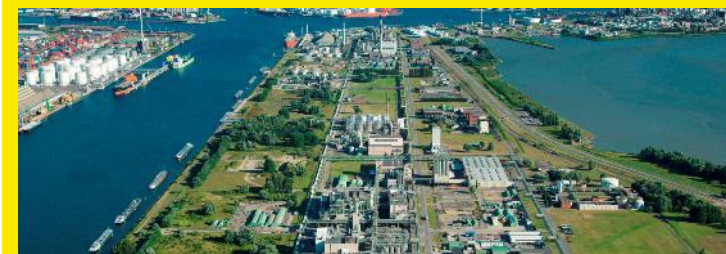
- ISCC Plus-certified raw material
- Drop-in precursor for MDI



- First delivery of 2,000 tons of ISCC Plus-certified mass balanced benzene received in Q1 2021
- Resulting product quality on par with petrochemical-based MDI
- Drop-in solution with alternative raw material helps clients to reduce carbon footprint

PRODUCTION SITES

- ISCC Plus-certification for Covestro production sites



- ISCC Plus-certification for Covestro sites received
 - for PC made in Antwerp, Belgium, Uerdingen, Germany, and Shanghai, PRC
 - for MDI made in Uerdingen, Germany, and Shanghai, PRC
- Drop-in solutions for customers with constant product quality compared to fossil-based product

Attractive terms for certified alternative MDI as raw material

Case study for adhesive raw materials



- **Covestro and leading adhesives provider H. B. Fuller announced supply agreement in July 2021**
- **H.B. Fuller to become first customer for adhesive applications with a mass-balanced product**
- **New, strategic product development as commitment to jointly work towards a more sustainable world**

Mission

- Replace c. 60% of fossil raw materials in MDI by certified alternative precursors
- Significantly improve carbon footprint of product
- Multi-year supply agreement with attractive terms for both parties

Challenge

- Use new solution in existing manufacturing processes without technical conversions
- No inferior product quality compared to conventional alternative

Solution

- Covestro to supply MDI as adhesive raw material with attributed share of renewable feedstock via ISCC-Plus certified mass-balance
- Alternative raw materials used as a basis at the very beginning of the value chain and processed together with fossil ingredients

Target applications

- Drop-in solution for H.B. Fuller's reactive hot-melt adhesive
- Adhesive mainly used in automotive, wood, composite and textile industries
- Likely extension of new adhesive solution into other products and areas of production

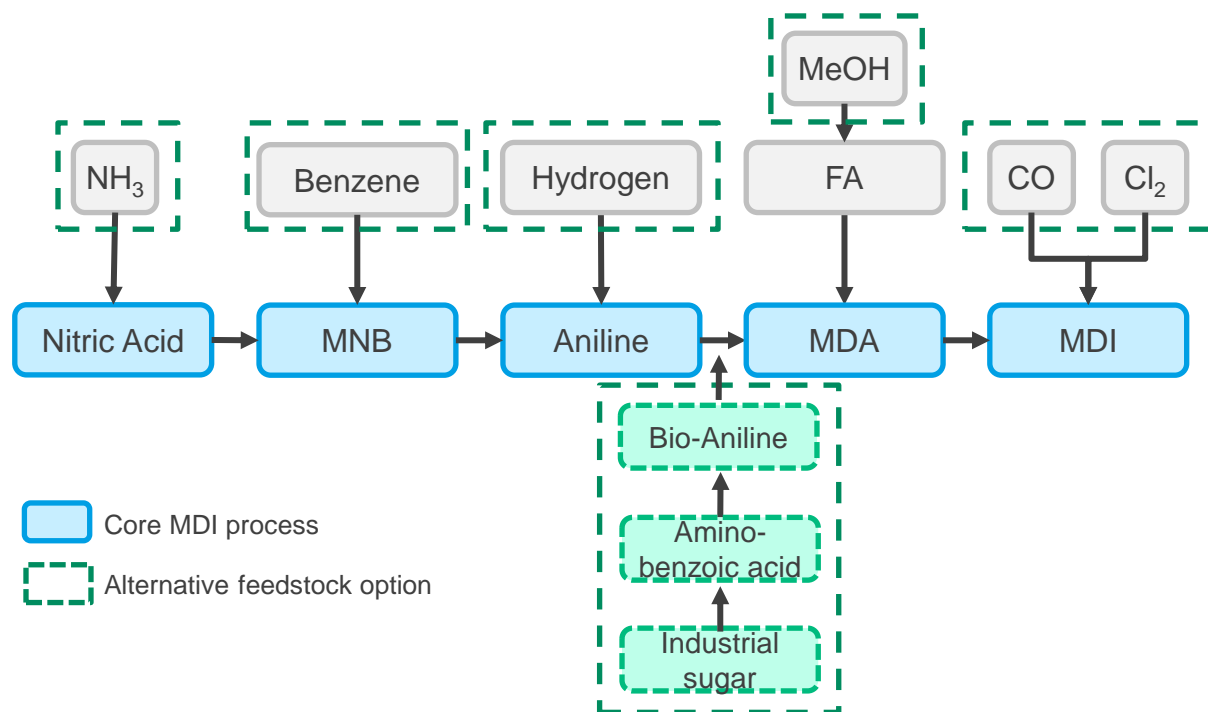
Certified alternative MDI with current technology and assets



Potential drop-in solutions to MDI production

MDI PRODUCTION PROCESS

Conceptual illustration



OPTIONS TO PRODUCE ALTERNATIVE MDI

Alternative raw materials as potential drop-in solutions

- Certified alternative benzene via mass balance
- Hydrogen (H₂) from chlor-alkali electrolysis or water electrolysis based on renewable energy (green H₂)
- Ammonia (NH₃) from conventional process based on green H₂
- Methanol (MeOH) from industrial waste CO₂ plus green H₂ with mass balance approach
- CO from waste or biogas-fed steam-methane-reformer incl. CO₂ recycling

Commercial

Commercial

Commercial

Pre-Commercial

Commercial

Alternative energy

- Energy from renewable sources, e.g. wind

Commercial

Alternative precursor

- Bio-aniline based on industrial sugar in development, using proprietary technology

Early R&D

Global availability of drop-in solutions for alternative MDI raw materials results in low risk for future stranded assets

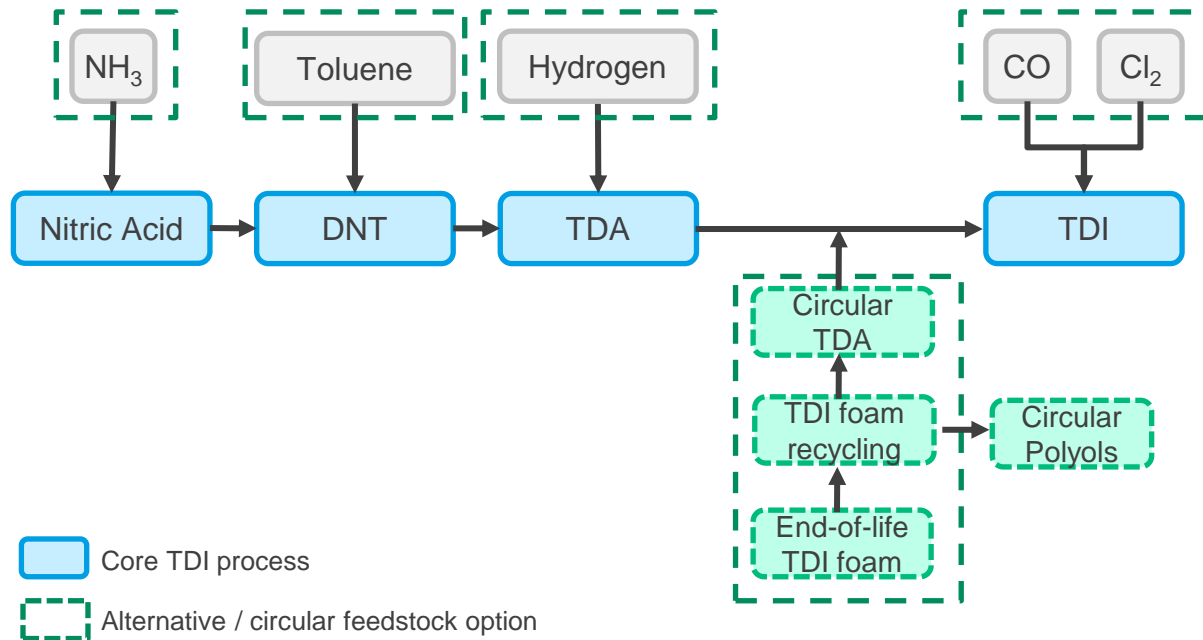
Certified alternative TDI with current technology and assets



Potential drop-in solutions to TDI production

TDI PRODUCTION PROCESS

Conceptual illustration



OPTIONS TO PRODUCE ALTERNATIVE TDI

Alternative raw materials as potential drop-in solutions

- Certified alternative toluene via mass balance
- Hydrogen (H₂) from chlor-alkali electrolysis or water electrolysis based on renewable energy (green H₂)
- Ammonia (NH₃) from conventional process based on green H₂
- CO from waste or biogas-fed steam-methane-reformer incl. CO₂ recycling

Commercial

Commercial

Commercial

Commercial

Alternative energy

- Energy from renewable sources, e.g. wind

Commercial

Alternative precursor

- Circular TDA based on recycled TDI-foam, e.g. recycling of mattresses, as supplementing TDA source possible, using proprietary technology

Pre-Commercial

Global availability of drop-in solutions for alternative TDI raw materials results in low risk for future stranded assets

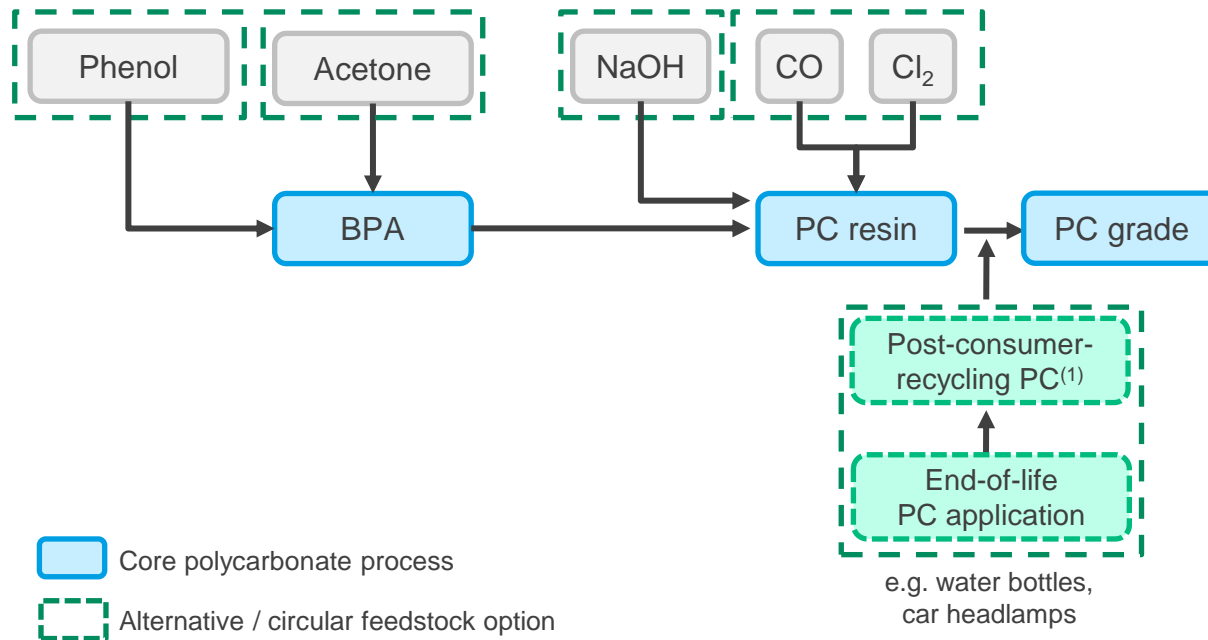
Certified alternative PC with current technology and assets



Potential drop-in solutions to polycarbonate (PC) production

PC PRODUCTION PROCESS

Conceptual illustration



OPTIONS TO PRODUCE ALTERNATIVE PC

Alternative raw materials as potential drop-in solutions

- Certified alternative phenol via mass balance
- Certified alternative acetone via mass balance
- Chlorine (Cl₂) and caustic soda (NaOH) from chlor-alkali electrolysis based on renewable energy
- CO from waste or biogas-fed steam-methane-reformer incl. CO₂ recycling

Commercial
Commercial
Commercial

Alternative energy

- Energy from renewable sources, e.g. wind

Commercial

Alternative precursor

- Polycarbonate based on post-consumer recycling (PCR) grades from e.g. water bottles, car headlamps; also pre-consumer recycling (PIR)
- Circular feedstock likely as supplement and mixed with virgin resins to achieve desired material properties⁽¹⁾

Commercial

Global availability of drop-in solutions for alternative PC raw materials results in low risk for future stranded assets

Re-shaping the PU value chain for soft foams into a closed loop



End-of-life solutions in cross-industry collaborations

COVESTRO TECHNOLOGY

- Chemical recycling of polyurethane (PU) mattress foams
- Proprietary process for recovering *both* PU components polyol and TDA
 - rPolyol in high purity and quality enables high content of recycled raw material in existing plants
 - rTDA fulfills specifications for conversion into TDI in existing plants
- Preliminary LCA with significant improvement of the CO₂ footprint compared to fossil route, meeting high customer and consumer demand
- Shared IP on high accuracy, high yield foam sorting – process to be covered by industrial partner

FUTURE PU SOFT FOAM LOOP

Conceptual illustration



INDUSTRIAL SCALE-UP

- Q1 2021 **Pilot plant** started up
- mid 2020s **Commercial plant** in early planning
- early 2030s **Further scale-up** subject to demand and technology

Comprehensive set of KPIs and goals underway

Covestro non-financial disclosure



CO₂e reduction KPI introduced for top management since Jan. 2021

LTI remuneration

STI remuneration

Addition of non-financial KPI in preparation for 2022

Data submitted, first rating pending and to be published soon

CDP Climate 2021

Scope 3 GHG emissions

In preparation for FY 2021 reporting, data to be audited by KPMG

According to TCFD standard in preparation for FY 2021 reporting

Climate-related disclosure

EU Taxonomy

Disclosure according to Non-Financial Reporting Directive (NFRD) in preparation for FY 2021 reporting

Inclusion of non-financial KPI in preparation for 2022

Core KPIs

Climate neutrality target

Absolute CO₂e reduction target for scope 1 and 2 emissions, in preparation for 2022

Global political trends boost demand for Covestro products



Global political climate initiatives



April 2021

USA 2030 greenhouse gas target

- Reduction of greenhouse gas emissions by at least 50% in 2030 compared to 2005
- US net-zero emission target by 2050



- Reducing emissions from buildings by 50% until 2035, new building-efficiency standards, pushing for refurbishments of older buildings
- Reducing carbon pollution from transportation (vehicles and infrastructure), growing incentives for electric vehicles



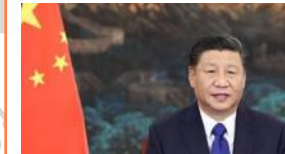
December 2019

European Union Green Deal

- Making Europe climate neutral in 2050
- Reduction of greenhouse gas emissions by 55% in 2030 compared to 1990



- Pushing for efficient building methods to double energy renovation rates in the next 10 years
- Cutting greenhouse gas emissions from the transport sector by 90% by 2050; phasing out passenger cars with fossil fuels by 2035



September 2020

China 2060 climate pledge

- Carbon peak prior to 2030, carbon neutrality by 2060 / for Shanghai, carbon peak prior to 2025



- Raising building energy efficiency with higher energy-efficiency standards
- Driving a development plan for new energy vehicles, focused on fuel cell and fully electric vehicles

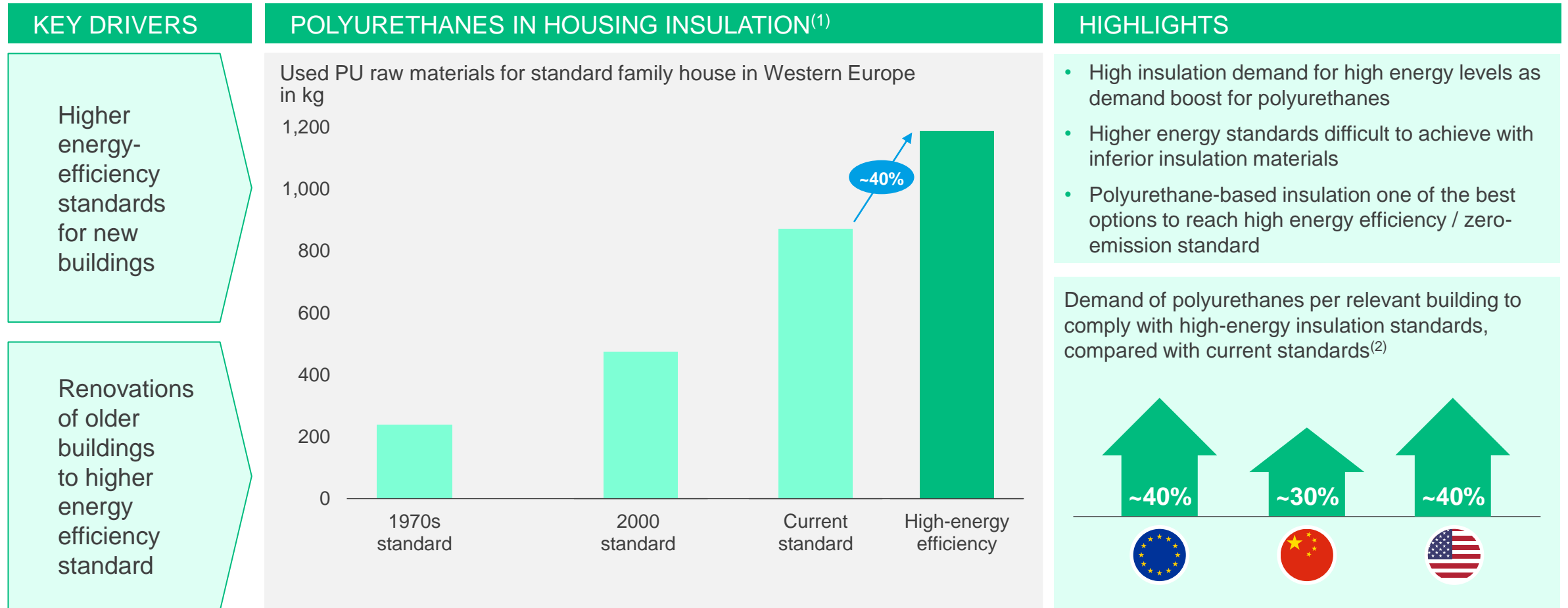


Boosting demand of Covestro products particularly in auto & transport and construction

Higher insulation standards increase demand for polyurethanes



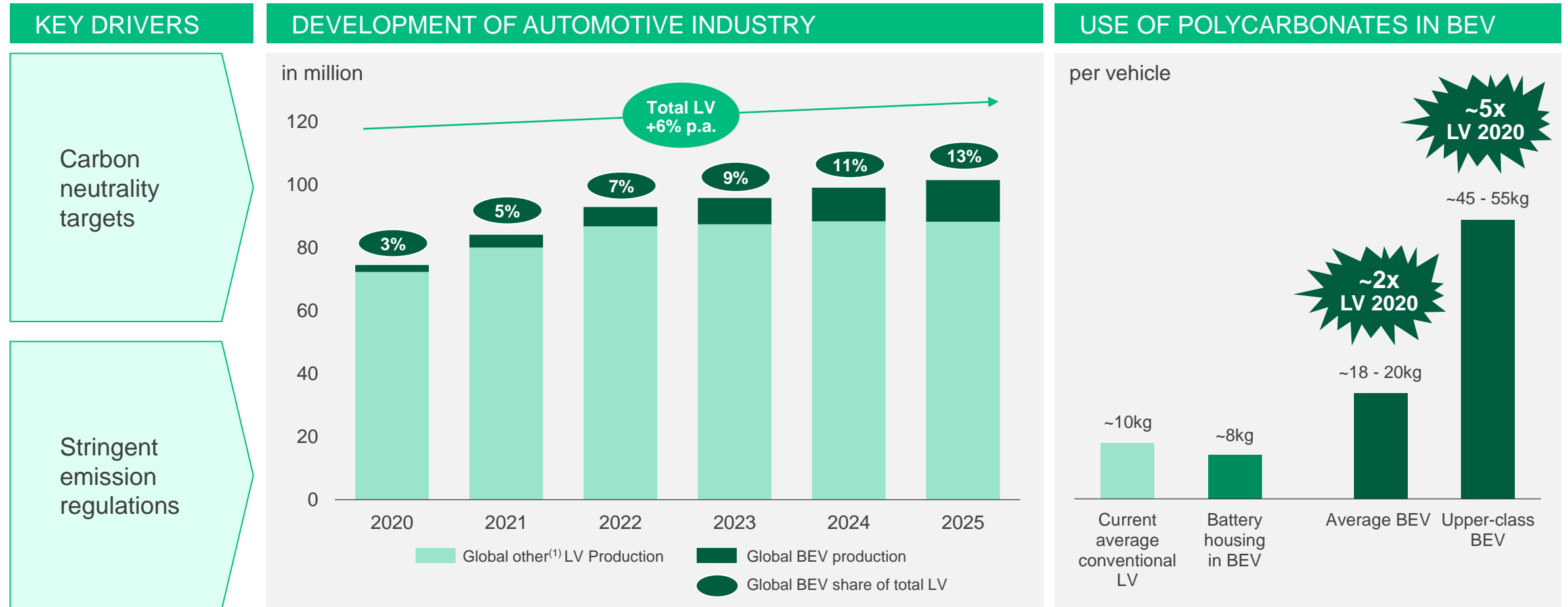
Building insulation market outlook



Auto production growth and increasing BEV share boost demand



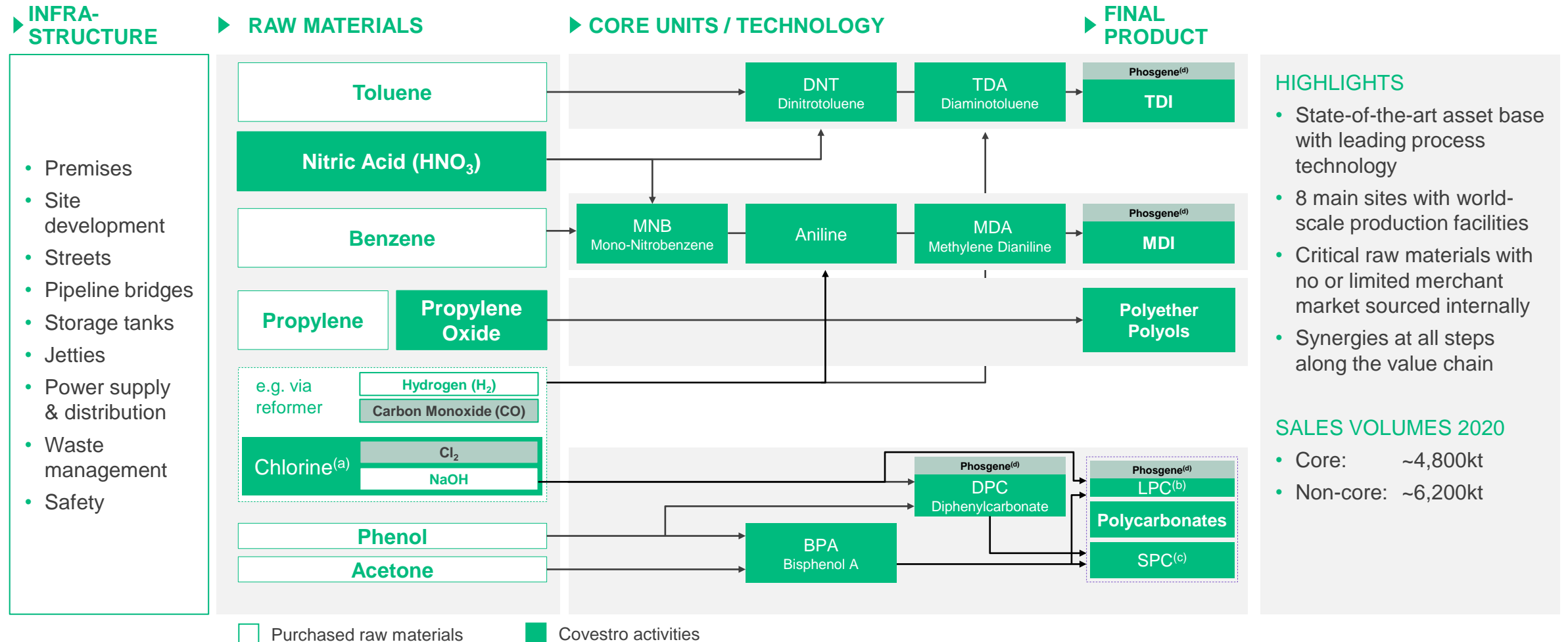
Global electric vehicle market outlook



Synergies in scale, process technology and chemical know-how



One chemical backbone across all segments



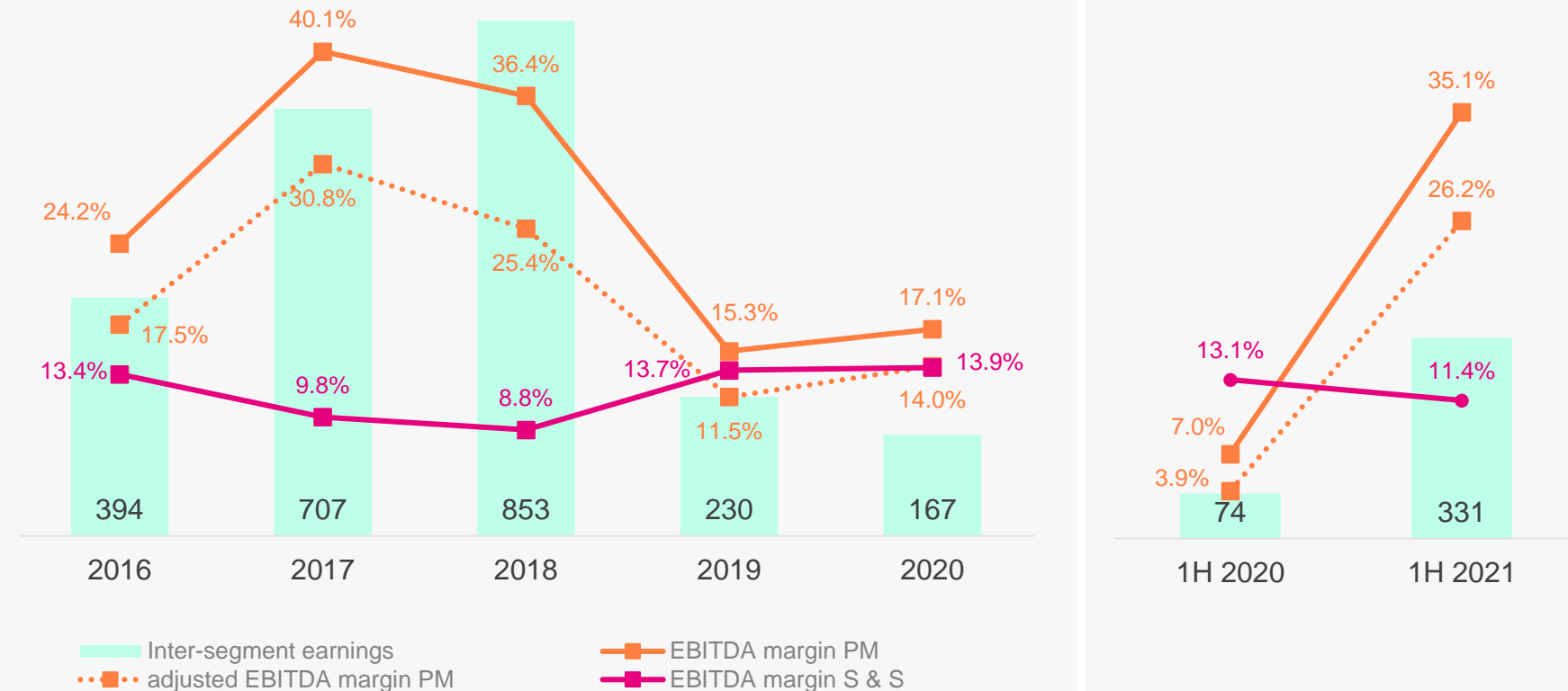
Standard product market prices impact Solutions & Specialties



Inter-segment earnings

EARNINGS IMPACT

in € million



HIGHLIGHTS

- Performance Materials charges captive supply at market prices, recording inter-segment earnings
- Inter-segment earnings have anticyclical impact on Solutions & Specialties earnings
- Adjusted EBITDA margin of Performance Materials excludes inter-segment earnings

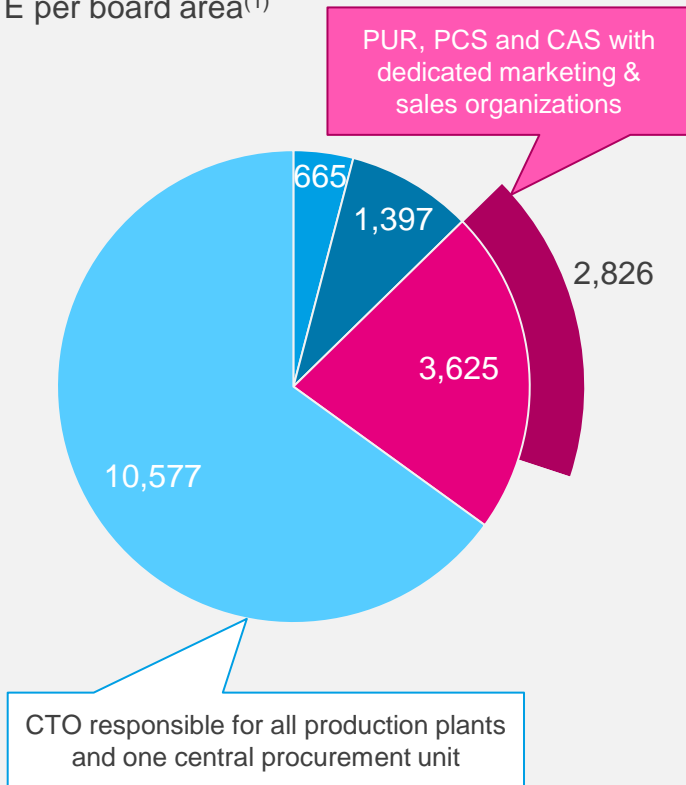
LEAP truly transforms Covestro

Impact of transformation program



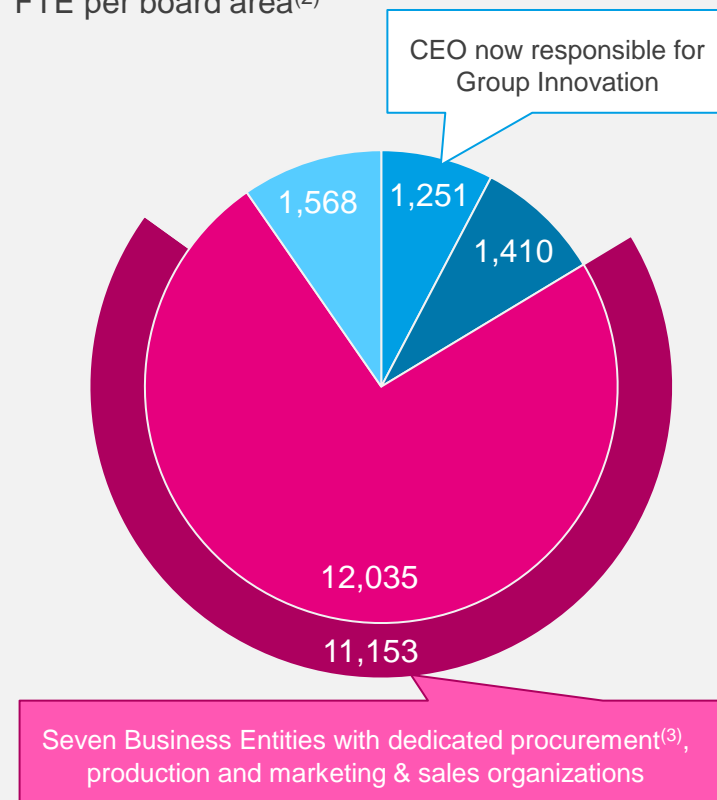
SPLIT BEFORE TRANSFORMATION

FTE per board area⁽¹⁾



SPLIT AFTER TRANSFORMATION

FTE per board area⁽²⁾



HIGHLIGHTS

- Transformation fosters entrepreneurship and exploits full potential of Covestro business
- Vast majority of FTE now part of operational Business Entities
- New Business Entities within CCO area fully accountable for profit and loss
- Group functions within CEO, CFO and CTO areas bundle strategic activities crucial to the long-term development of Covestro

■ Chief Executive Officer area ■ Chief Financial Officer area ■ Chief Commercial Officer area ■ Chief Technology Officer area

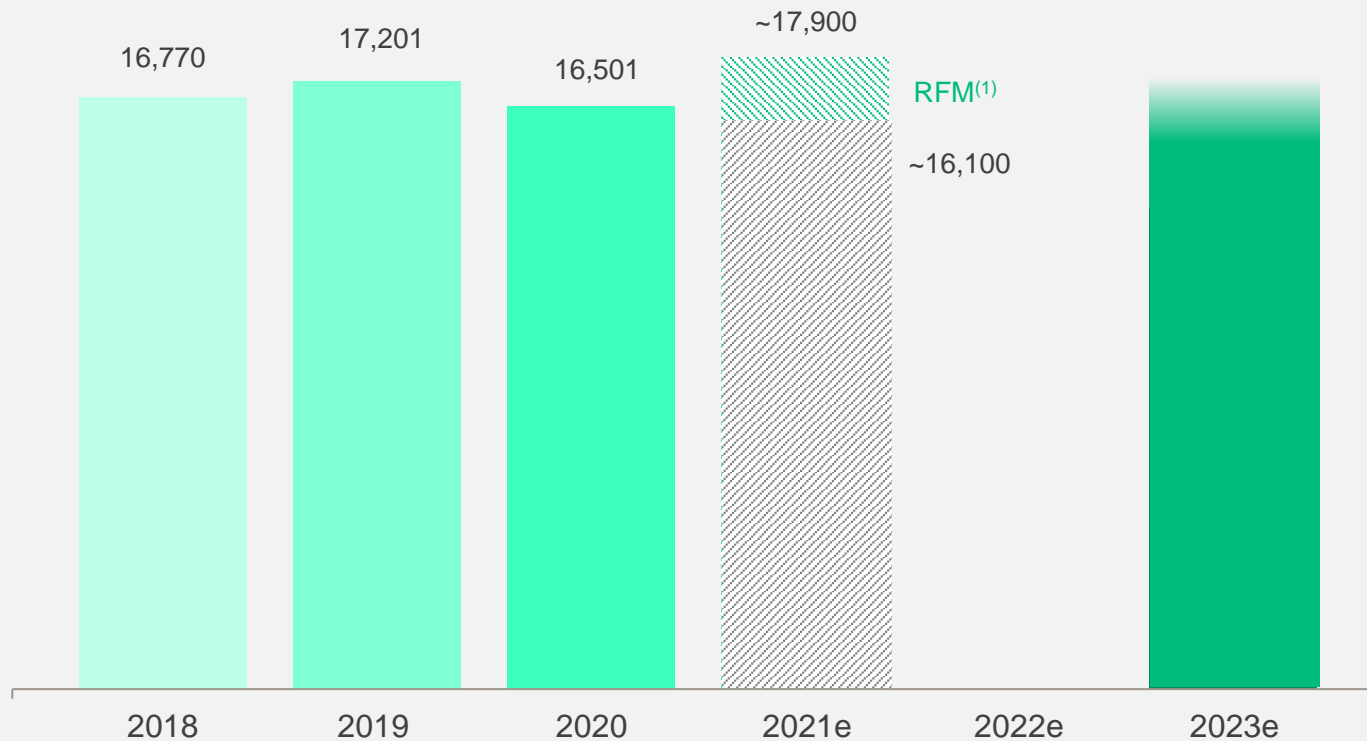
Notes: (1) Full-time equivalents (FTE) as per June 30, 2021
 (2) FTE as per June 30, 2021, assuming new set-up
 (3) Procurement of specific raw materials
 Personnel of acquired RFM business not included (1,740 FTE); excluding 31 FTE not assigned to Board areas

Headcount reduced in 2020, further efficiencies underway



Development of full-time equivalent (FTE)

Covestro workforce in FTE at year-end



HIGHLIGHTS

- In 2020, headcount reduced by 700 to ~16,500 FTE through execution of Perspective program
- Ambition to further reduce by ~400 to ~16,100 FTE until year end 2021, this equals ~17,900 FTE incl. acquired RFM business
- 18,039 FTE as per June 30, 2021

Entire organization aligned for performance

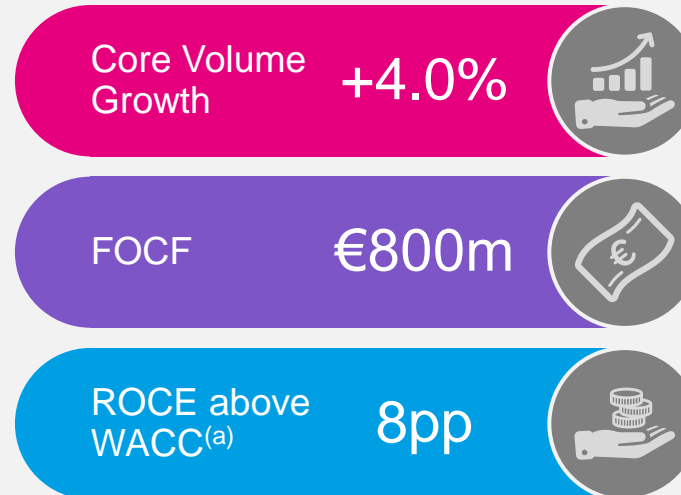
Full STI annual target achievement requires EBITDA above €2bn

UNIFORM BONUS SYSTEM

- Full alignment of all employees (including board) along the same KPIs
- Criteria with full focus on performance and shareholder value creation
- 100% payout, as percentage of annual base salary, linked to hierarchy level
- Total payout at Group level for 0%, 100% and 250% achievement is €0m, ~€0.2bn and ~€0.5bn, respectively, including personnel from acquired RFM business as of April 1, 2021
- Fixed hurdle rates for 2019 - 2021 reflect KPI values in mid-cycle conditions, based on historical review and expected future development

EQUALLY WEIGHTED GROUP METRICS

- Targets for 100% achievement:



- For each metric, payout can range from 0% to 300% relating to Core Volume Growth between 1.5% and 9.0% / FOCF between €400m and €1,600m / ROCE above WACC between 0pp and 24pp
- Max. payout capped at 250%

TRANSPARENT AMBITION

- Future core volume growth goal of 4% requires growth capex
- 100% target achievement for ROCE and FOCF implies mid-cycle EBITDA above €2bn for 2019 - 2021e

Significant value creation since IPO

Development of last five years



		2016	2017	2018	2019	2020
Core Volume Growth	(%)	7.5	3.4	1.5	2.0	-5.6
Sales	(€ million)	11,904	14,138	14,616	12,412	10,706
EBITDA	(€ million)	2,014	3,435	3,200	1,604	1,472
• <i>Performance Materials</i>		1,423	3,048	2,825	942	934
• <i>Solutions & Specialties</i>		784	626	585	832	705
Earnings per Share	(€)	3.93	9.93	9.46	3.02	2.48
Capex	(€ million)	419	518	707	910	704
Free operating cash flow (FOCF)	(€ million)	1,367	1,843	1,669	473	530
ROCE	(%)	14.2	33.4	29.5	8.4	7.0
Net financial debt	(€ million)	1,499	283	348	989	366
Employees ^(a)	(FTE)	15,579	16,176	16,770	17,201	16,501

Upcoming IR events



Find more information on covestro.com/en/investors

REPORTING DATES

- | | |
|--------------------|-----------------------------|
| • November 8, 2021 | Q3 2021 Quarterly Statement |
| • March 1, 2022 | 2021 Annual Report |

ANNUAL GENERAL MEETING

- | | |
|------------------|------------------------|
| • April 21, 2022 | Annual General Meeting |
|------------------|------------------------|

BROKER CONFERENCES

- | | |
|----------------------|--|
| • August 31, 2021 | Commerzbank Annual Corporate Conference (virtual) |
| • September 22, 2021 | Baader Investment Conference 2021 (Munich/virtual) |

Virtual Investor Conference

- | | |
|----------------------|-----------------------------|
| • September 28, 2021 | Virtual Investor Conference |
|----------------------|-----------------------------|

Disclaimer

This presentation may contain forward-looking statements based on current assumptions and forecasts made by Covestro AG.

Various known and unknown risks, uncertainties and other factors could lead to material differences between the actual future results, financial situation, development or performance of the company and the estimates given here. These factors include those discussed in Covestro's public reports, which are available on the Covestro website at www.covestro.com.

The company assumes no liability whatsoever to update these forward-looking statements or to adjust them to future events or developments.