



Increasing profits in a challenging environment

Financial Highlights
Q3 2024



Forward-looking statements

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.

Financial highlights Q3 2024



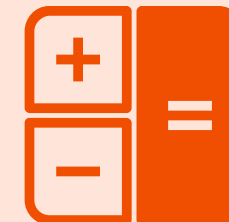
6.1%
Y/Y volume
growth



€3.6bn
Sales



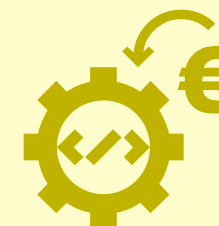
€287m
EBITDA



€112m
FOCF



FY 2024
Guidance narrowed



Progressing on Scope 1 and 2 GHG emission reduction

GHG reduction to net-zero by 2035



Scope 1



Scope 2

SUSTAINABLE MANUFACTURING

Nitric Acid Unit Climate Initiative (NAUCI)

- Reduction of nitrous oxide emissions in Caojing (China) by installation of highly efficient catalysts in nitric acid plant
- New catalyst reduces N_2O and NO_x to nitrogen, oxygen and water
- Reduction of ~60kt CO_2 equivalents upon project completion by end 2024

RENEWABLE ENERGY

Long-term supply of solar energy in Spain

- 10-year PPA with bp® for renewable energy from existing solar power plant in Teruel, Spain
- Increases Covestro's renewable electricity use in Spain from 10% to 30%
- Boosts renewable energy share from 16% in 2023 to ~18% in 2024e

RENEWABLE STEAM

Innovative heat battery from Rondo Energy

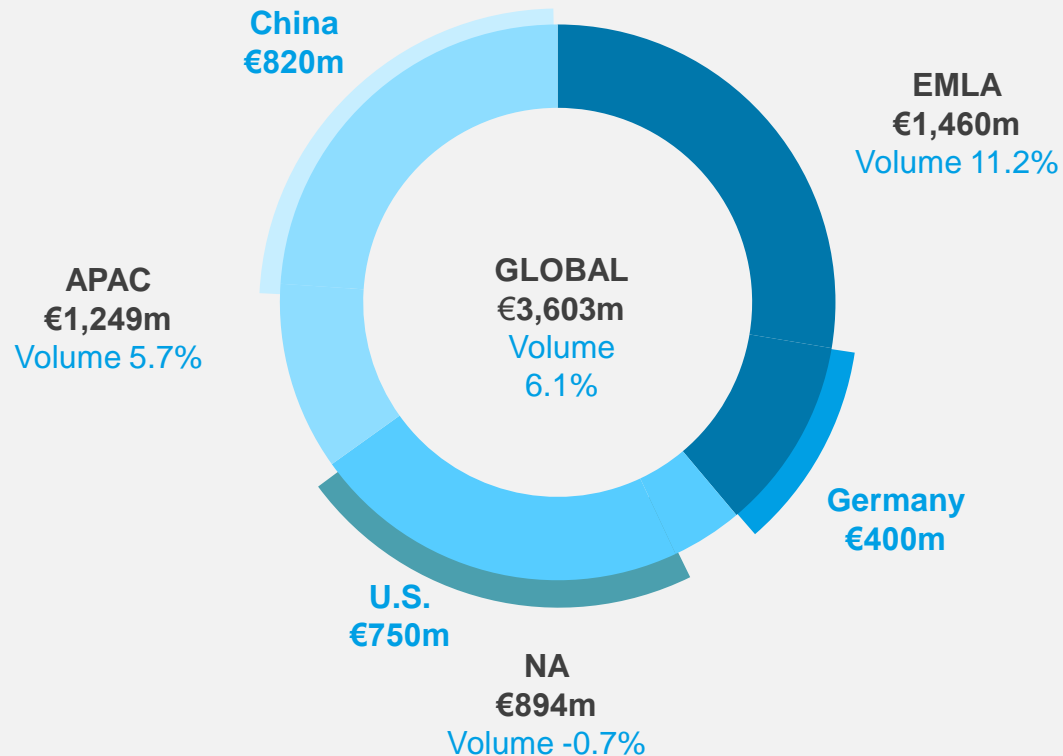
- Innovative heat battery stores renewable electricity
- Generation of continuous high-temperature steam for industrial use
- Heat battery covers 10% of steam needed at Covestro site in Brunsbüttel
- Reduction of 13kt CO_2 after start in 2026
- Funding from Breakthrough Energy Catalyst Foundation and EIB

Significant volume growth above industry development



Q3 2024 – Regional split

Sales volume Y/Y



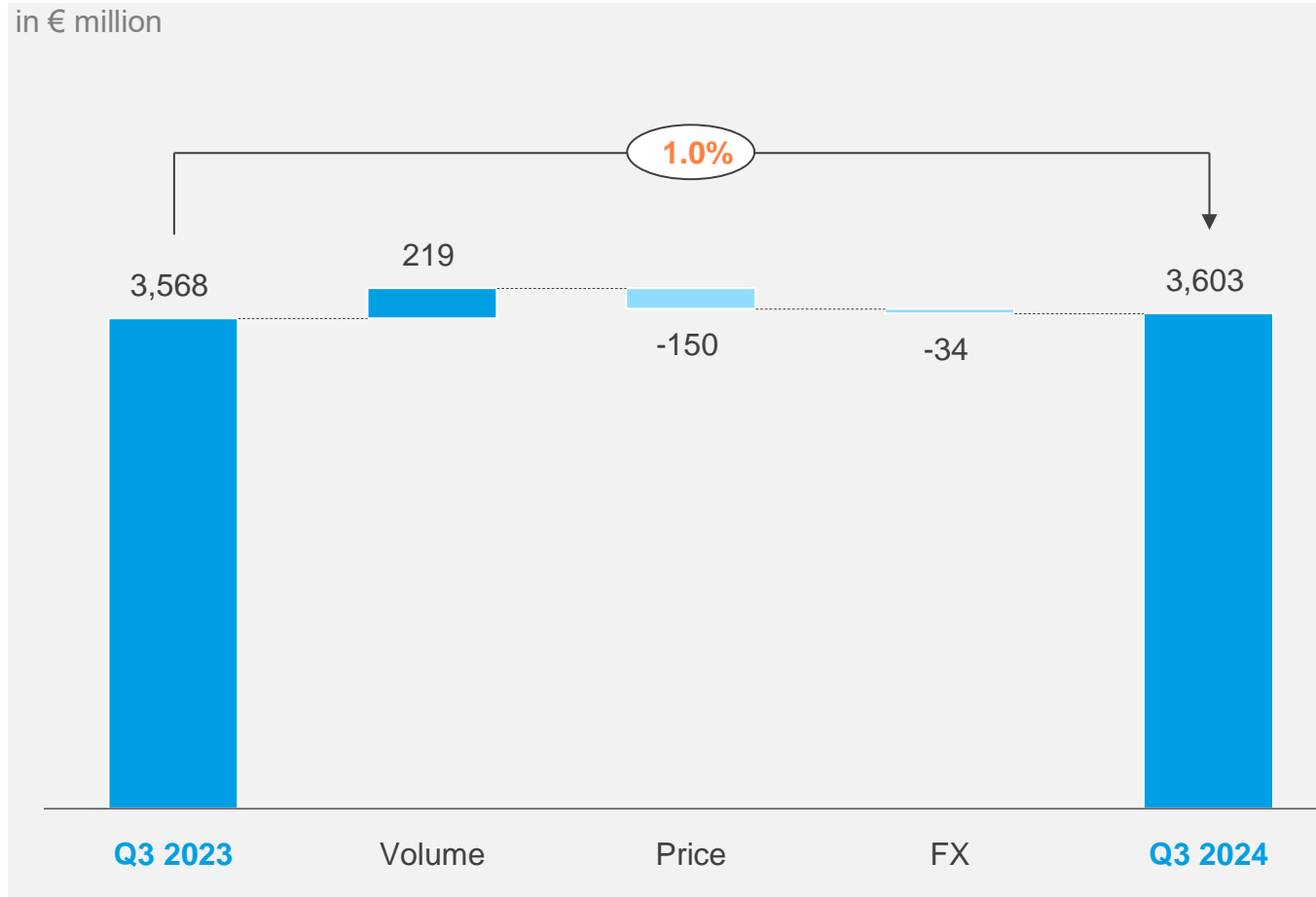
HIGHLIGHTS

- Year-over-year, mixed volume development in the different industries:
 - **Construction** low teens-digit % increase
 - **Furniture/wood** mid-single-digit % increase
 - **Electro** flat
 - **Auto** low single-digit % decrease
- **EMLA:** Improved chlorine supply leading to increased production rates with significant increase in construction and furniture, while auto with slight decline and electro with significant decline
- **NA:** Construction with significant increase, furniture/wood flat, electro and auto with slight decline
- **APAC:** Construction significantly increasing, furniture and electro with slight increase and auto flat

Sales slightly up with positive volumes while negative pricing and FX



Q3 2024 – Sales bridge



HIGHLIGHTS

Volume positive

- Volume increase of 6.1% Y/Y
- Performance Materials growth of 8.6% Y/Y while Solutions & Specialties plus 3.9% Y/Y

Pricing negative

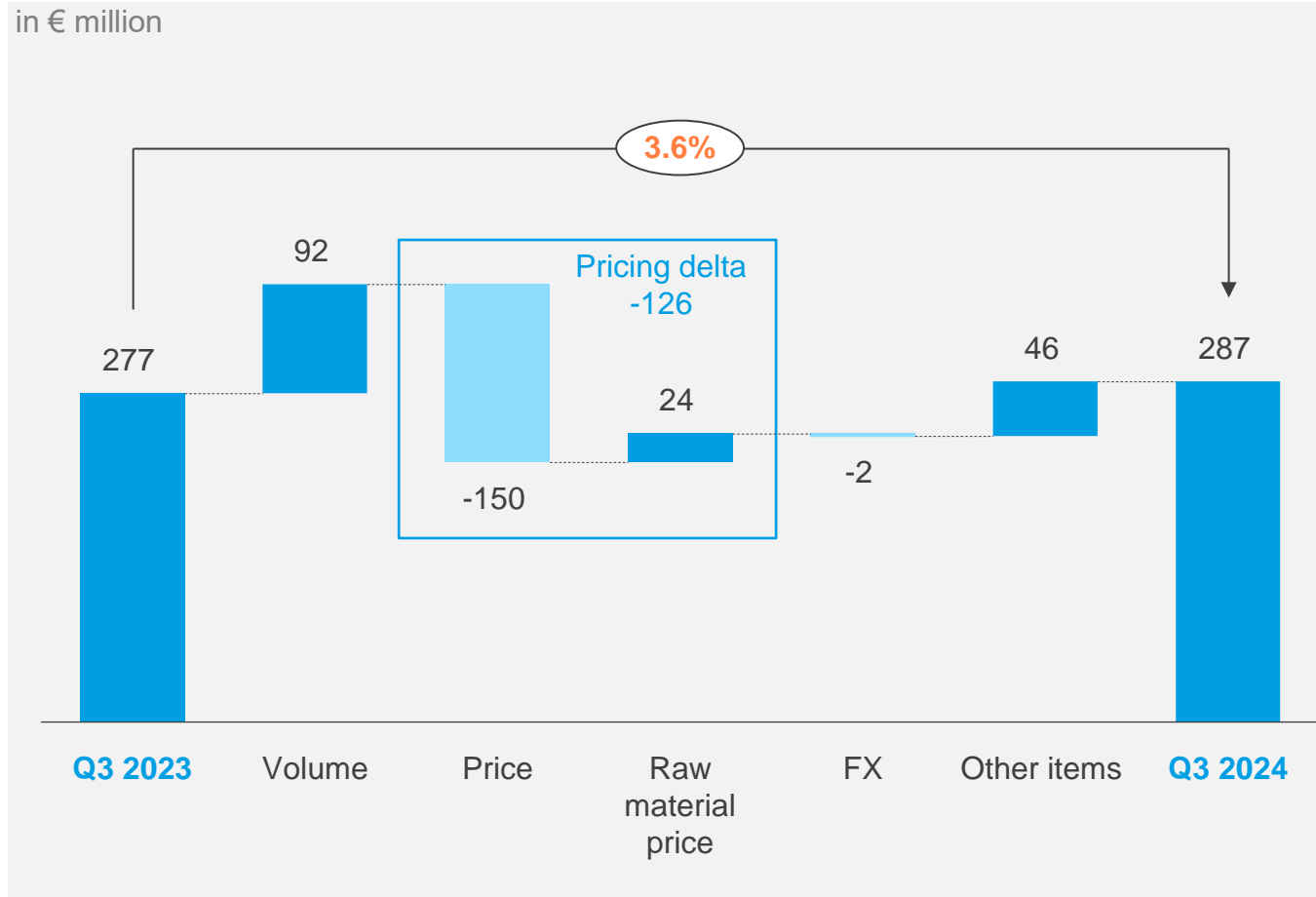
- Pricing affected sales by -4.2%
- Performance Materials minus 3.6% Y/Y whereas Solutions & Specialties minus 4.9% Y/Y

FX negative

- FX affected sales by -0.9% Y/Y mainly driven by weaker Mexican Peso, Brazilian Real and US Dollar

EBITDA improvement despite negative pricing delta

Q3 2024 – EBITDA bridge



HIGHLIGHTS

Positive volume

- Volume leverage⁽¹⁾ of 42%
- Volume leverage below long-term average due to low margins per ton reflecting the stage of the cycle

Negative pricing delta

- Negative pricing delta due to ongoing unfavorable supply-demand balance

Other items

- Pushed by lower LTI/STI provisions of €46m
- Q3 2024 including €6m restructuring cost mainly in Solutions & Specialties

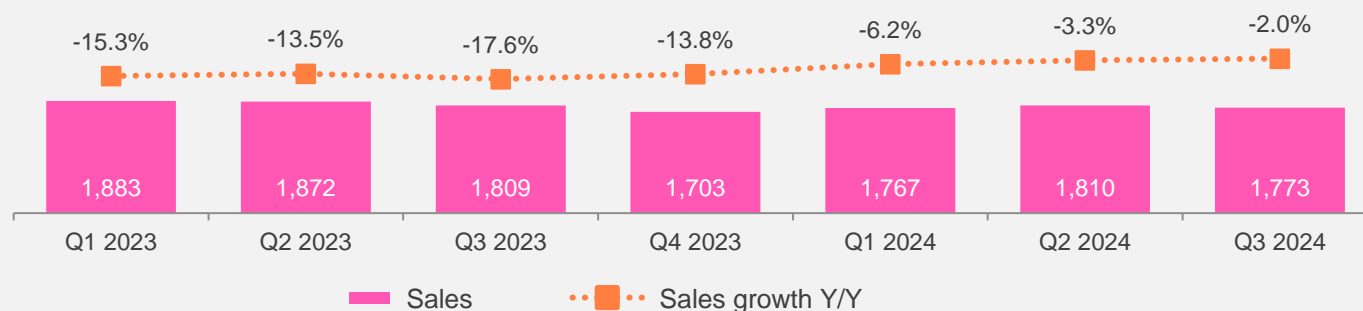
Solutions & Specialties – sales affected by lower prices and FX



Segment results – Highlights Q3 2024

SALES

in € million / changes Y/Y

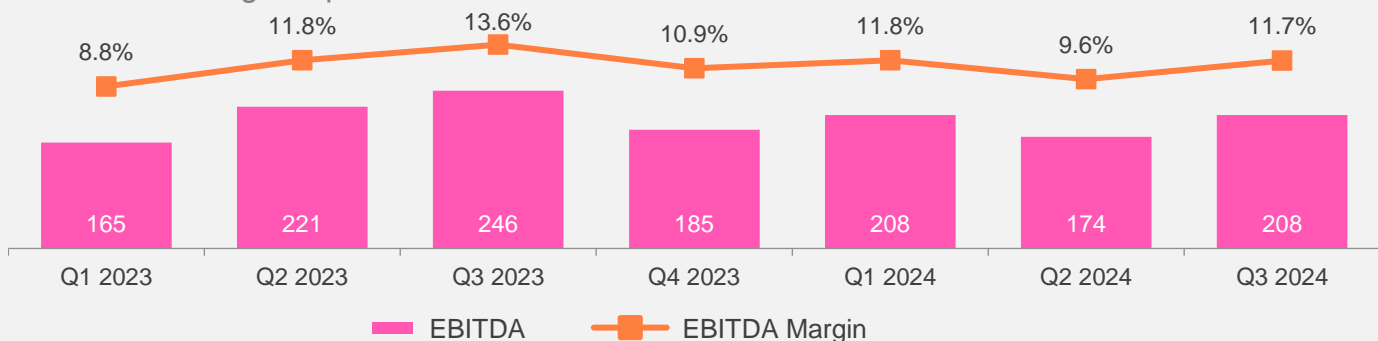


HIGHLIGHTS Q3 2024

- Sales declined by 2.0% Y/Y, driven by lower prices (-4.9%), unfavorable FX (-1.0%) despite increasing volumes (3.9%)
- Quarter-over-quarter, sales increase in APAC driven by volumes, decline in NA and EMLA due to lower volumes and negative FX in NA

EBITDA AND MARGIN

in € million / margin in percent



HIGHLIGHTS Q3 2024

- Compared to prior year, EBITDA decline due to negative pricing delta & others despite positive volumes
- Quarter-over-quarter, higher EBITDA due to positive others despite negative pricing delta and lower volumes
- EBITDA margin increased to 11.7% in Q3 2024

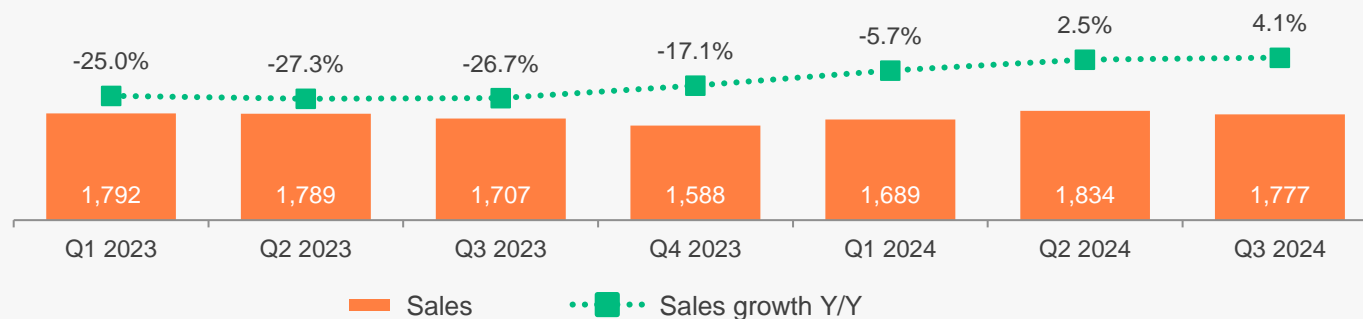
Performance Materials – continuous strong volume rebound



Segment results – Highlights Q3 2024

SALES

in € million / changes Y/Y

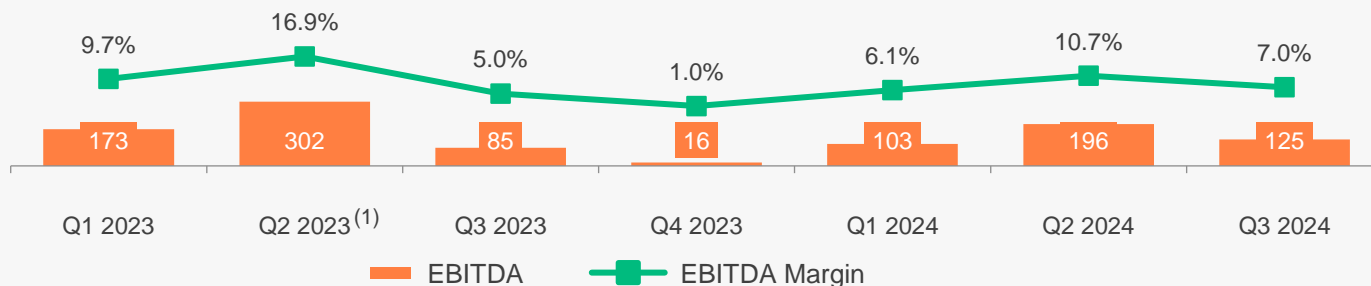


HIGHLIGHTS Q3 2024

- Sales increased by 4.1% Y/Y driven by positive volume (+8.6%) while negative pricing (-3.6%) and FX (-0.9%)
- Quarter-over-quarter, flattish development in NA while sales declined in APAC and EMLA

EBITDA AND MARGIN

in € million / margin in percent

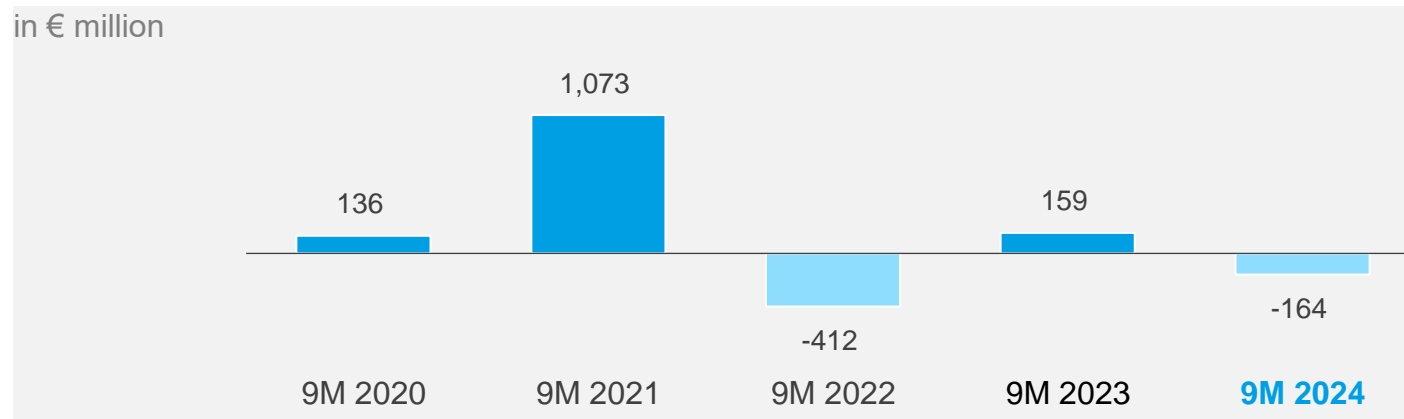


HIGHLIGHTS Q3 2024

- Compared to prior year, EBITDA increased based on higher volumes and positive others while negative pricing delta
- Quarter-over-quarter, lower EBITDA driven by negative pricing delta and others despite positive volumes

Positive FOCF achieved in Q3

Historical FOCF development



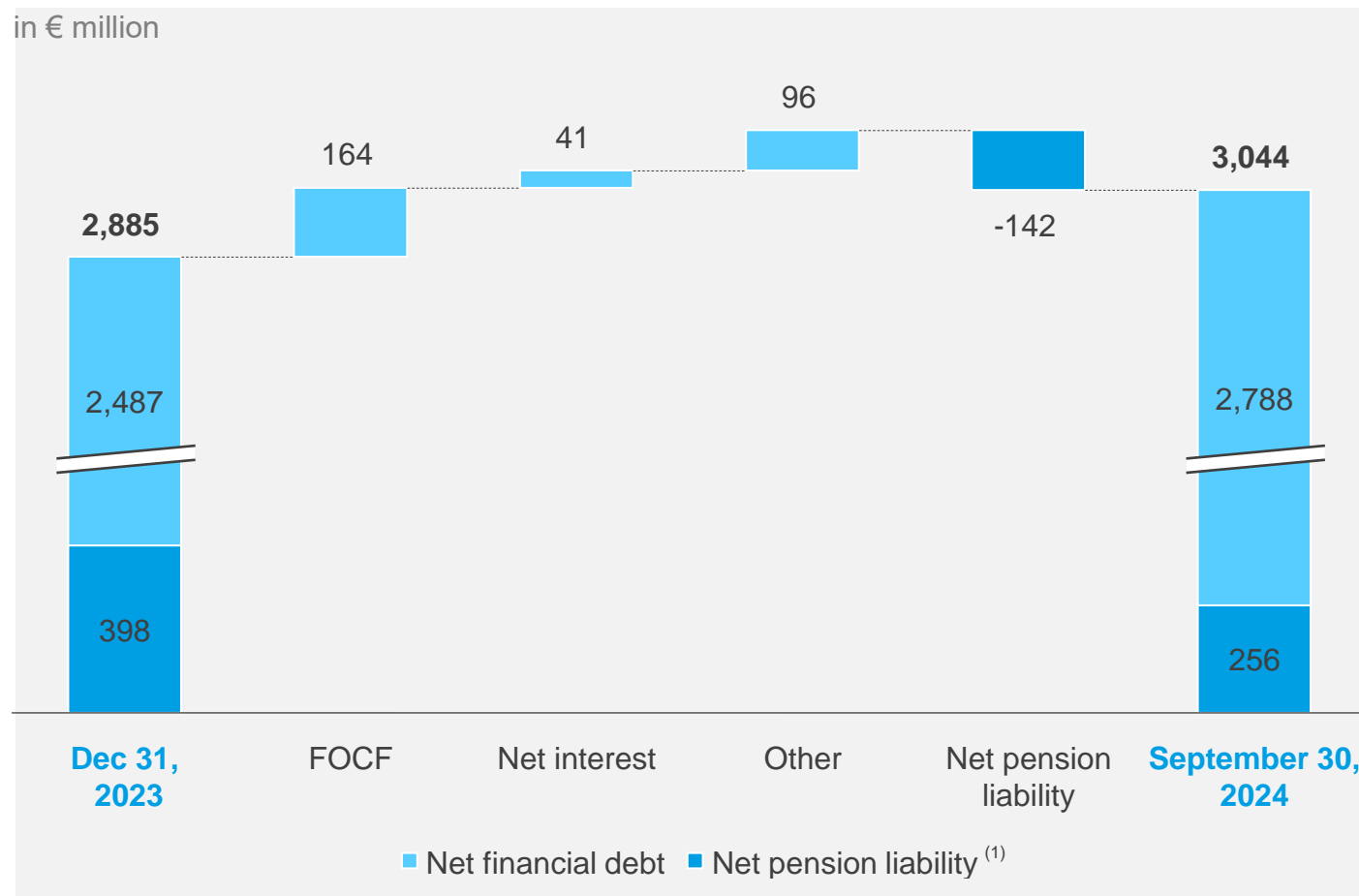
EBITDA	+835	+2,422	+1,655	+948	+880
Changes in working capital⁽¹⁾	-119	-936	-571	-85	-265
Capex⁽²⁾	-463	-472	-543	-461	-422
Income tax paid	-115	-309	-446	-247	-153
Other effects⁽³⁾	-2	+368	-507	+4	-204

HIGHLIGHTS

- Q3 2024, FOCF of €112m
- 9M 2024, FOCF was negative with €164m
- Working capital to sales ratio⁽⁴⁾ 9M 2024 stable at 18.6% (9M 2023: 18.7%)
- Reduced capex (Y/Y) with focus on maintenance and lower investment in growth projects; FY 2024 capex budget unchanged around €800m
- Income tax paid down due to lower earnings outside of Germany; FY 2024 cash tax guidance reduced to €150-200m compared to €250-350m
- “Other effects” burdened by bonus pay out for FY 2023 in Q2 2024

Total net debt burdened by negative FOCF

September 30, 2024 – Total net debt



HIGHLIGHTS

- Total net debt to EBITDA ratio⁽²⁾ of 3.0x at the end of 9M 2024 compared to 2.7x at the end of Q4 2023
- Increased net debt to EBITDA ratio reflects the cyclical nature of Covestro's business and is expected to be only temporary
- Net pension liability decreased due to an increase in pension discount rate in Germany and return on plan assets
- Others mainly driven by lease contracts
- No financial covenants in place
- Committed to a solid investment grade rating; Baa2 with stable outlook confirmed by Moody's in May 2024

Weak industry development continues in 2024

Global demand development



KEY CUSTOMER INDUSTRIES		2023 Y/Y	2024 Y/Y ⁽¹⁾	Update 2024e ⁽²⁾
Global GDP		+2.8%	+2.4%	+2.7%
Automotive EV / BEV		+10.4% +29.5%	+0.8% +28.9%	 -0.5% +11.9%
Construction Residential		-2.1% -4.1%	-2.5% -5.8%	 -2.5% -5.8%
Furniture Soft furniture		-4.7% -3.8%	-0.1% +0.5%	 -0.2% +0.2%
Electrical, electronics and household appliances Appliances		-1.7% +5.9%	+1.5% +1.4%	 +4.2% +4.8%

(1) As of Feb. 2024

(2) GDP estimate by Oxford Economics as of Oct. 2024; automotive estimate by GD as of Oct. 2024; Construction estimate by B+L as of Aug. 2024; Furniture estimate by CSIL as of Aug. 2024; EE&A estimate by Oxford Economics as of Sep. 2024 (sub-industry 'appliances' mainly include refrigerators and freezers)

Guidance narrowed

Full year guidance 2024



	FY 2023	Guidance FY 2024		
		as of Feb. 29	as of June 30	as of Oct. 29
EBITDA	€1,080m	€1,000 to 1,600m	€1,000 to 1,400m	€1,000 to 1,250m
FOCF	€232m	€0 to 300m	€-100 to 100m	€-100 to 100m
ROCE above WACC ⁽¹⁾	-6.1pp	-7 to -2pp	-7 to -4pp	-7 to -5pp
GHG emissions ⁽²⁾	4.9m tons	4.4 to 5.0m tons	4.4 to 5.0m tons	4.4 to 5.0m tons

Additional financial expectations

Sales	€14.4bn	€14.0 to 15.0bn	€14.0 to 15.0bn	€14.0 to 14.5bn
D&A	€894m	~€850m	~€850m	~€850m
Financial result	€-113m	€-120 to -160m	€-120 to -160m	€-100 to -130m
Income tax	€275m	€250 to 350m	€250 to 350m	€250 to 300m
Capex ⁽²⁾	€765m	~€800m	~€800m	~€800m

HIGHLIGHTS

Mark-to-market (M2M):

- Mark-to-market (M2M) EBITDA for FY 2024 around €1.1bn; theoretical calculation based on September 2024 margins flat forward and forecast assumptions for 2024

2024 FX sensitivity

- 1pp change equals
+/- €10m for CNY/EUR (basis 7.85)
+/- €6m for USD/EUR (basis 1.10)

Income tax

- Income tax driven by unfavorable geographical earnings mix (non-deductible losses in Germany)

Increasing profits in a challenging environment



Q3 2024 Highlights

1

Continued strong volume growth of 6.1%
driven by higher demand and improved internal availability

2

Sales slightly up at €3.6bn
caused by continued strong volume increase while lower prices and unfavorable FX

3

EBITDA of €287m in the guidance range of €250m to €350m
burdened by negative pricing delta

4

FY 2024 guidance narrowed
with an expected EBITDA of €1.00 to 1.25bn

5

Strong progress on path to climate neutrality
with significant projects underway for scope 1 and 2 emissions

Questions & Answers

Q3 2024 Earnings Call

Remarks:

- Please use hand raise function to verbally ask questions
- For posted questions, please use the „Q&A“ / „F&A“ tab



Appendix

Upcoming IR events



Find more information on covestro.com/en/investors

REPORTING DATES

- February 26, 2025 2024 Annual Report
- May 6, 2025 Q1 2025 Quarterly Statement
- July 31, 2025 2025 Half-Year Financial Report

ANNUAL GENERAL MEETING

- April 17, 2025 Annual General Meeting

BROKER CONFERENCES

- November 6, 2024 J.P. Morgan's ESG Connect Series, virtual
- November 13, 2024 UBS European Conference 2024, London
- December 4, 2024 Bank of America European Materials Conference 2024, London
- January 14-15, 2025 Commerzbank & ODDO BHF German Investment Seminar 2025, New York
- January 16, 2025 Baader Helvea, German Corporate Day, Toronto
- January 23, 2025 Kepler Cheuvreux, 24th German Corporate Conference, Frankfurt