



Rebounding volumes in a challenging environment

Roadshow presentation



■ Covestro investment highlights

■ Group financials Q2'24

■ Segment overview

■ Background information

Covestro is diversified across geographies and end-markets



Key performance indicators and sales split



Sales
2023



EBITDA
2023

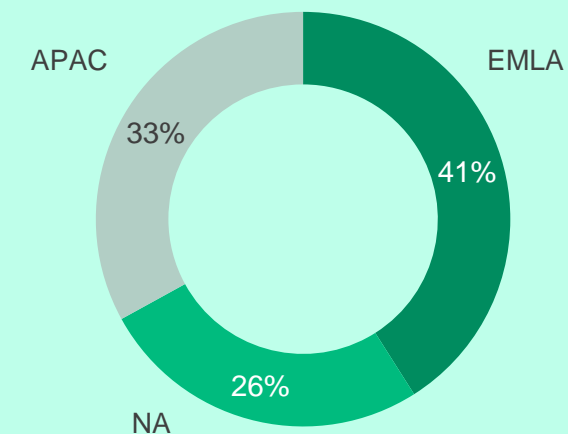
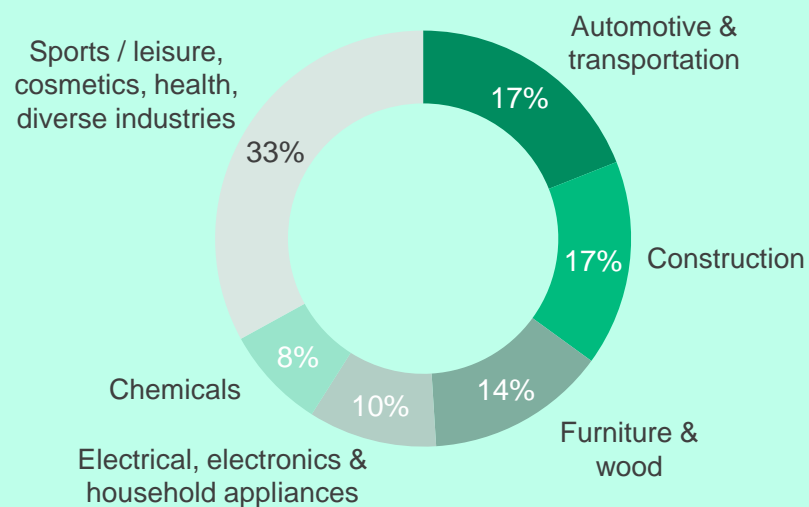
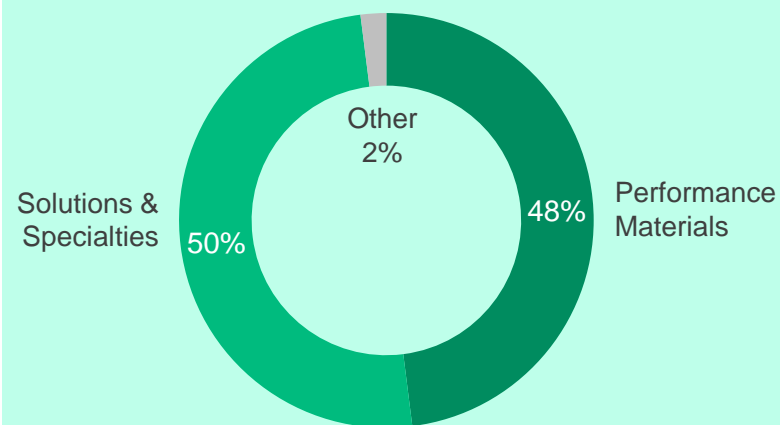


FOCF
2023



ROCE above WACC
2023

2023 sales



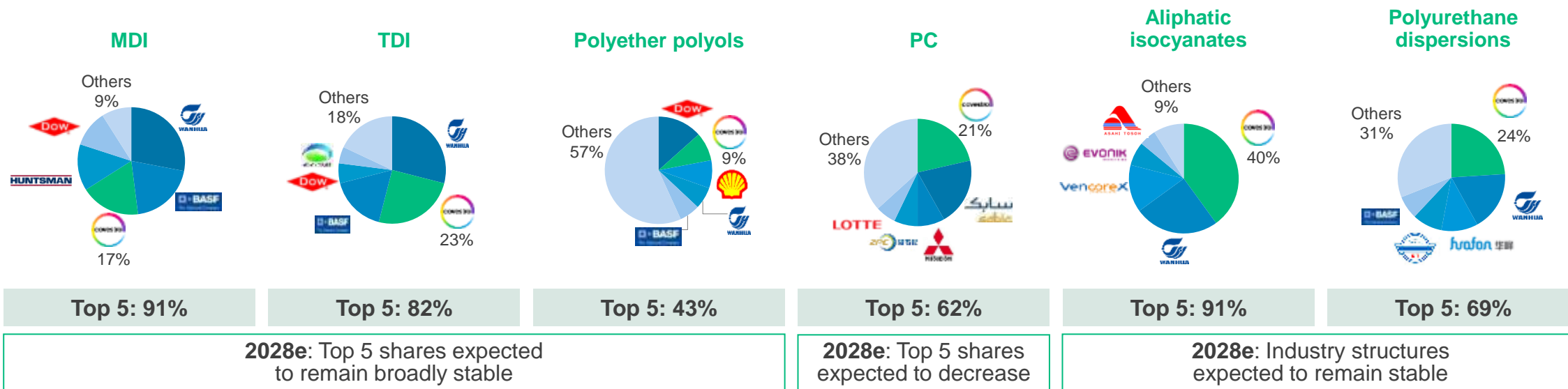
Covestro is a global leader across its entire portfolio



World-wide industry positions and production capacities

#1 IN KEY MARKETS

CAPACITY SHARE IN 2023⁽¹⁾



COVESTRO⁽¹⁾

Global #3	Global #2	Global #2	Global #1	Entry requirements <ul style="list-style-type: none"> Economies of scope Formulation and application know-how Close customer relationships and long-term R&D collaborations Operation of global business platform
1,780kt	810kt	1,400kt	1,600kt	
6 sites	3 sites	9 sites	5 sites	

Our 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

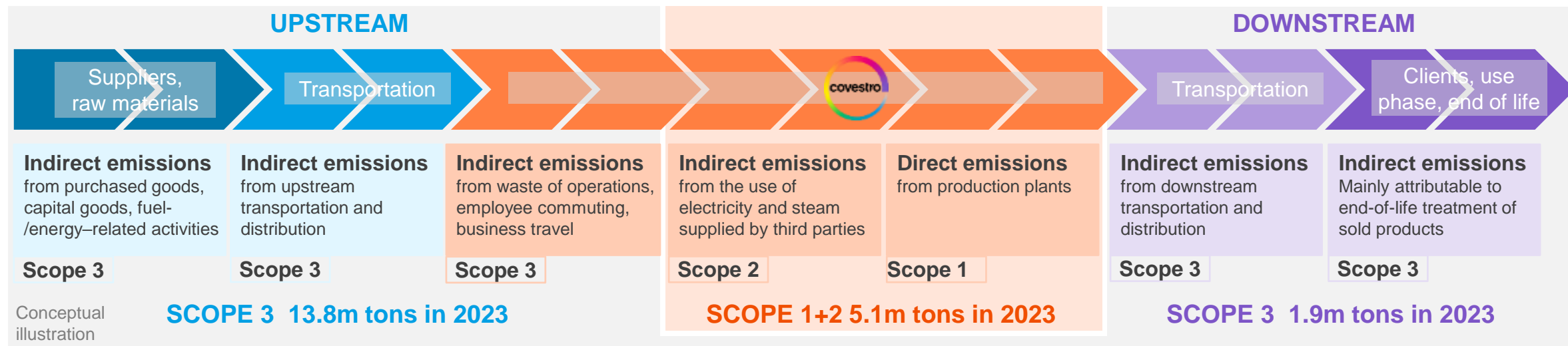
! MILESTONE
STRONG transformation launched

! MILESTONE
Integration of RFM accomplished

! MILESTONE
Target climate neutrality in 2035 for Scope 1 & 2 / in 2050 for scope 3

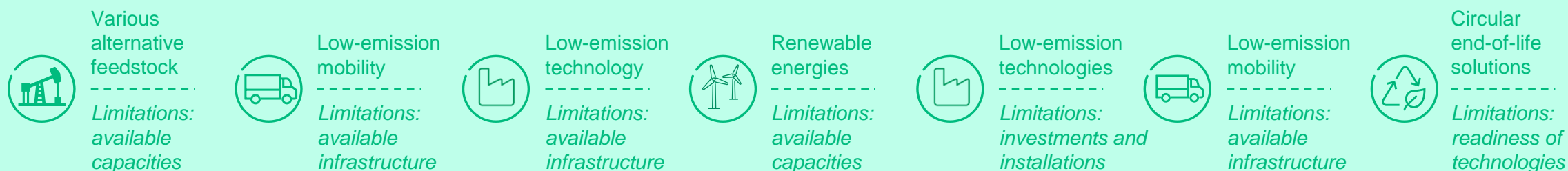
Climate neutrality with existing technologies and assets

Covestro greenhouse gas emissions



EXISTING OPTIONS AND CURRENT LIMITATIONS TO REDUCE GHG EMISSIONS

Selective examples only

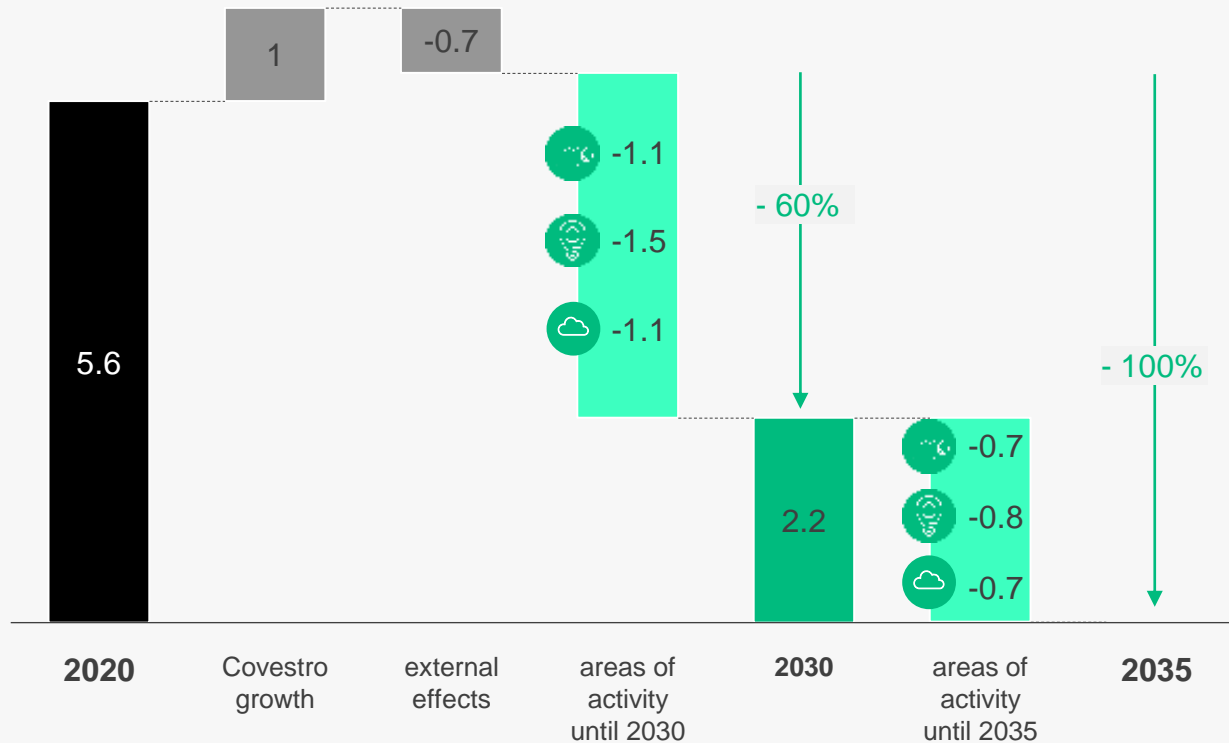


Sustainable manufacturing and renewable energy to lead path



Climate neutrality target for GHG emissions scope 1 and 2

GHG emissions in million metric tons, scope 1 and 2



EMISSION REDUCTION MEASURES

- Three main levers make a vital contribution to reduce GHG emissions:
 - More sustainable manufacturing (scope 1 and 2)
 - Renewable electricity (scope 2)
 - Renewable steam (scope 2)
- Net external effects comprise known future changes in the energy mix of public grids (e.g. nuclear exit in Germany and Belgium) and in public energy allocation schemes (e.g. EEG in Germany)
- Roadmap for 2030 interim target based on identified 'lighthouse projects'
- Further roadmap until 2035 climate neutrality target in preparation based on similar key measures; no negative impact from business growth as future growth investment are required to support climate neutral growth latest by 2030

Numerous measures effectively reduce GHG emissions

Climate neutrality target for GHG emissions scope 1 and 2



MORE SUSTAINABLE MANUFACTURING



Reducing nitrous oxide emissions by installation of highly efficient catalysts



Optimizing production processes to increase energy efficiency



Employing digital technologies for efficient production control



RENEWABLE ELECTRICITY



EMLA⁽¹⁾: Solar&wind electricity PPA's with ENGIE for 60% of site's power in Antwerp, with Ørsted for 10% of sites' electricity in Germany and with BP for 30% of Spanish operations



NA: Virtual PPA with Ørsted for solar electricity starting late 2024 for 12% of Baytown's electricity



APAC: Solar&wind electricity, PPAs for ~45% of Shanghai site electricity with Datang Power & CGN New Energy



RENEWABLE STEAM



Converting steam generation from fossil to renewable energy sources



Develop options to electrify steam generation based on renewable energies



Develop options to use e.g. biogas or green hydrogen as energy source to generate steam

Continuously improving global renewable electricity footprint



Additional PPAs becoming active towards end 2024

MILESTONES TO RENEWABLE ELECTRICITY SUPPLY

EMLA

PPAs with BP, Engie and Ørsted for 650 GWh solar and wind energy:

- 45% of electricity for Antwerp site since 2022 increasing to 60% as of 2026⁽¹⁾
- 10% of German sites as of 2025
- 30% of Spanish sites as of 2024

APAC

PPAs with CGN and Datang for 400 GWh solar and wind energy:

- 45% of electricity for Shanghai site since 2023

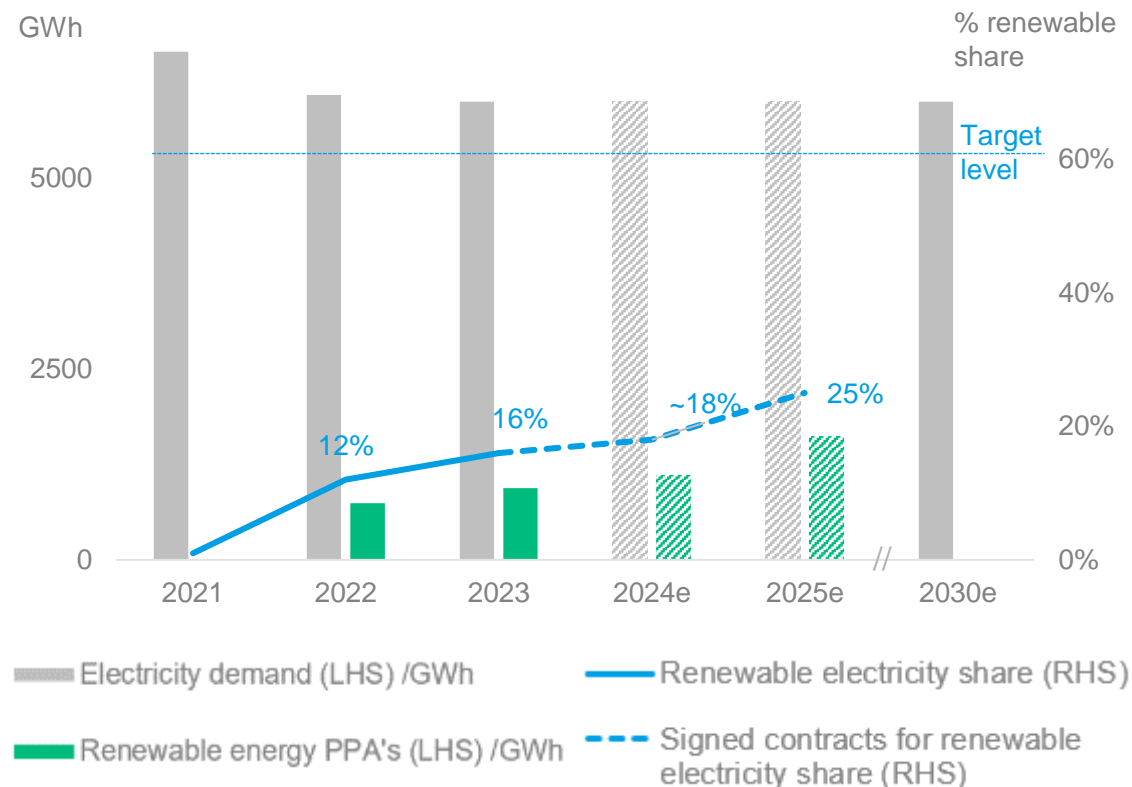
NA

Virtual PPA with Ørsted for 200 GWh solar power:

- 12% of electricity for Baytown site since 2023

Starting global coverage of renewable PPA's

ELECTRICITY TRANSFORMATION PROGRESS

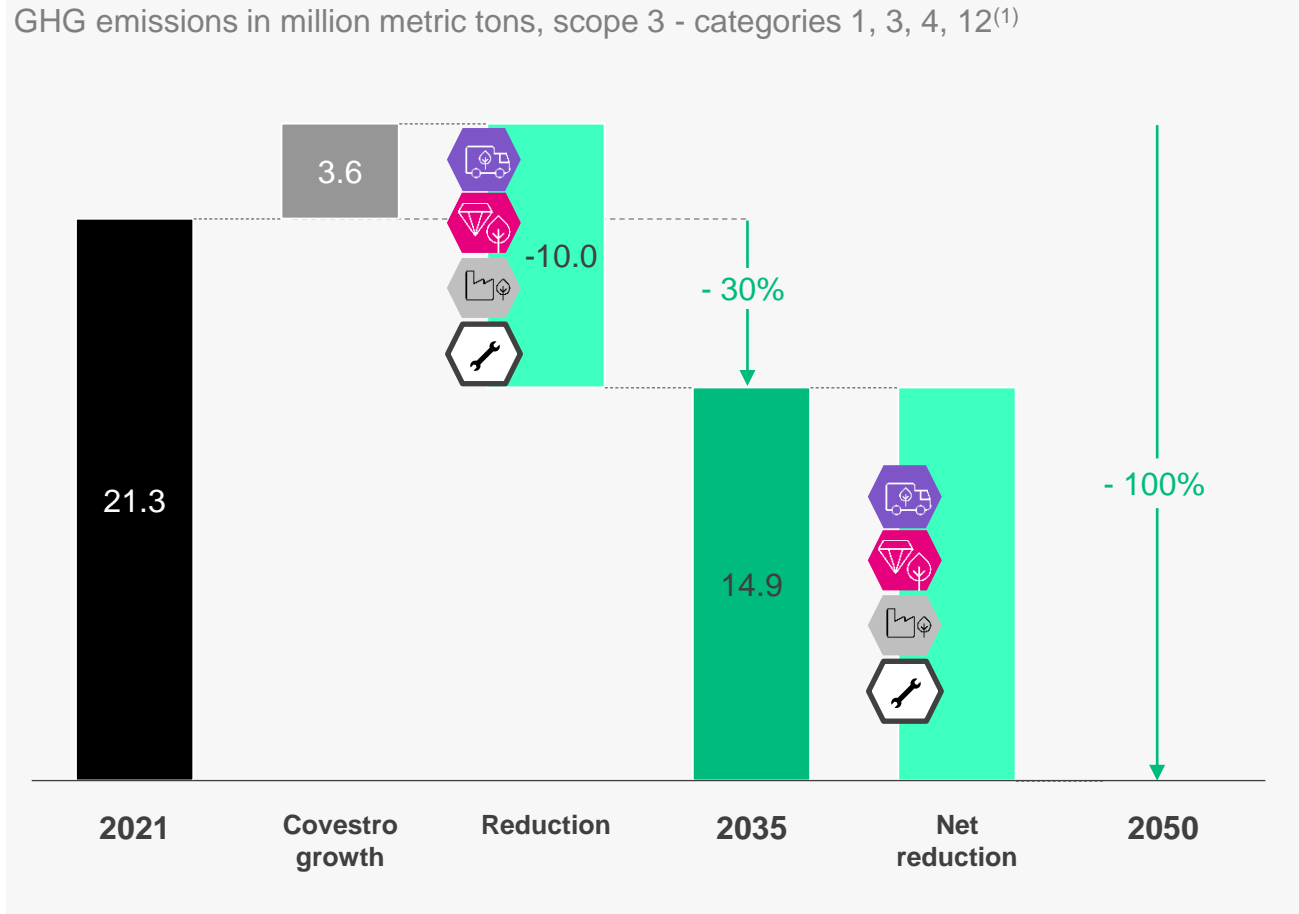


Significant progress to our intermediate target of 60% GHG reduction until 2030

Target reduction of 10m tons GHG until 2035 and net-zero until 2050



Climate neutrality target for GHG emissions scope 3



EMISSION REDUCTION MEASURES

- Four main levers make a vital contribution to reduce scope 3 GHG emissions:
 - Supplier scope 1&2 reduction
 - Advancing MAKE projects
 - Profitable sales of products based on alternative raw materials
 - Other measures
- Contribution of different levers can vary depending on technical realization of MAKE projects
- Scope 3 emissions represent ~80% of Covestro's 2023 greenhouse gas emissions
- Strict commitment to net-zero underlines consistent implementation of the green transformation
- Net-zero 2050 target in line with SBTi and 1.5° goal

Strategic levers supporting transformation towards climate neutrality



Target for GHG emissions scope 3



FOCUS ON SUPPLIERS



Broaden engagement with suppliers that achieve scope 1&2 reductions



Identify first mover supplier



Develop strategy on CO₂ reduced top raw materials

ADVANCING MAKE PROJECTS



Continue innovation & digital R&D in renewable technologies



Prove technical feasibility of own technologies



Execute investments according to strategy-based asset planning

FOCUS ON CUSTOMERS



Identify first mover customers to deliver climate neutral products



Enhance value proposition & active customer engagement



Secure access to strategic waste feedstock

OTHER MEASURES



Green logistics initiatives



Primary energy generation



Increased recycling quota

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



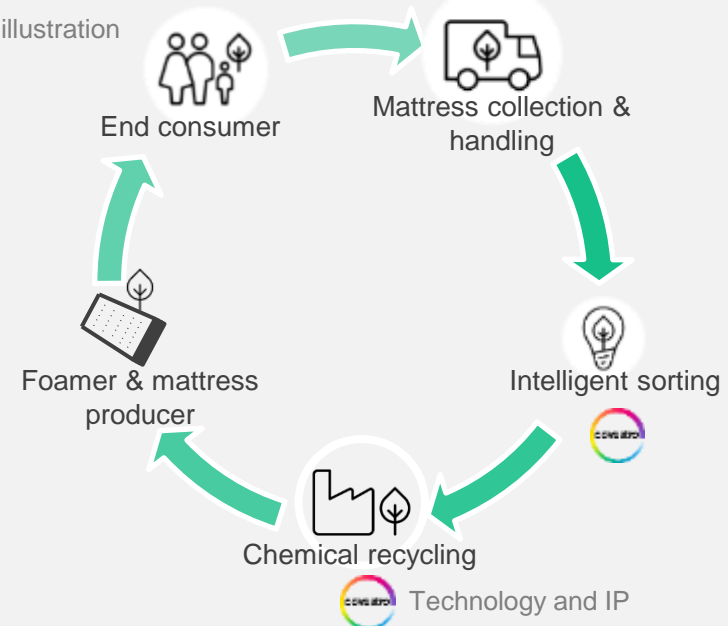
Innovative recycling / joint solutions

COVESTRO TECHNOLOGY

- Chemical recycling of polyurethane (PU) mattress foams
- Proprietary process for recycling *both* PU components polyol and TDA, enabling 100% recycling of these components for soft foam
- New brand label to support our customers to quickly identify circular solutions - **Evocycle® CQ Mattress** (circular intelligence)
- Significant improvement of CO2 footprint compared to fossil route (lifecycle assessment), meeting high customer and consumer demand
- Intelligent sorting solution to efficiently separate different PU foams from post-consumer mattresses

FUTURE PU SOFT FOAM LOOP

Conceptual illustration



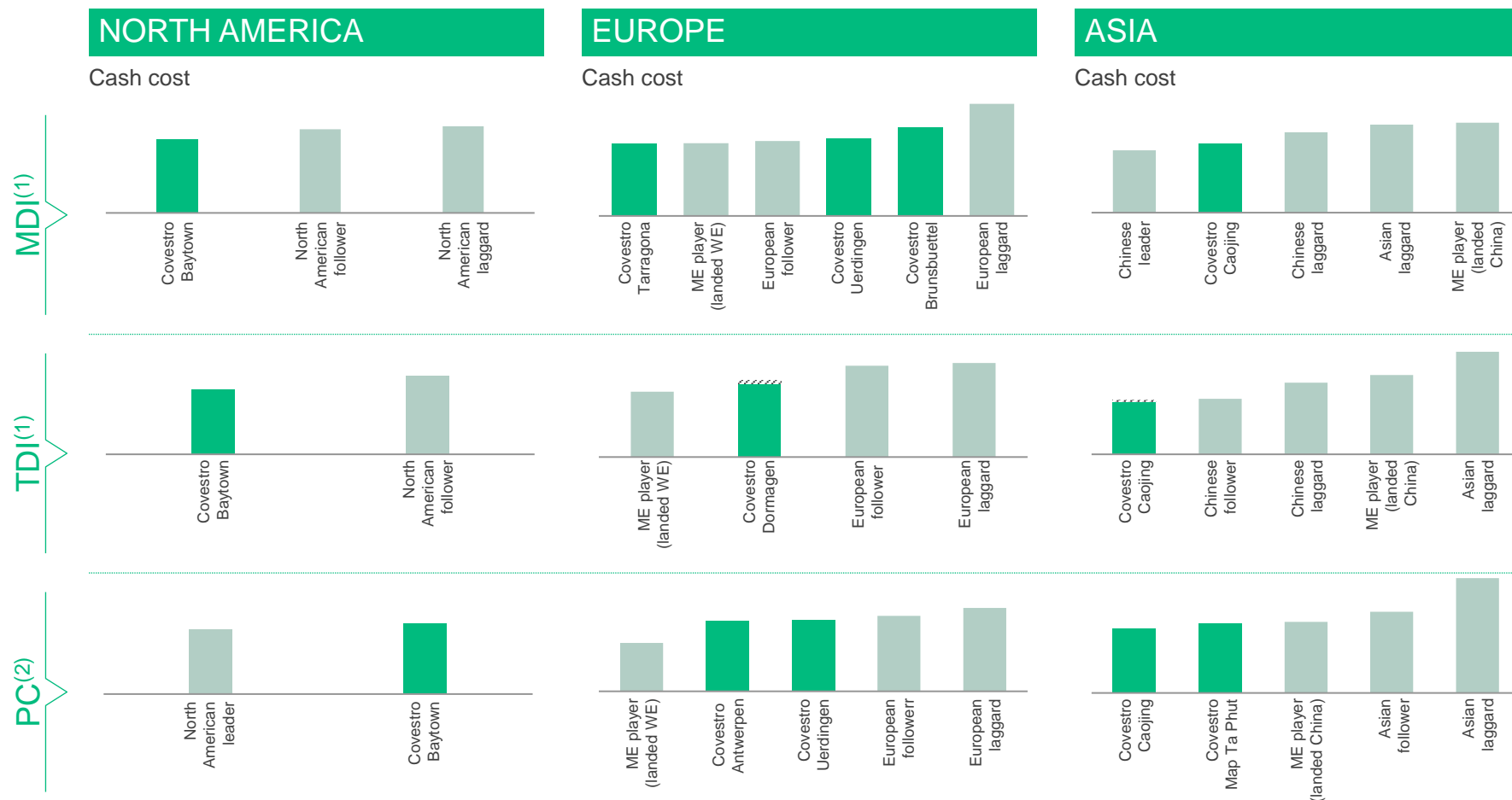
Timeline:



Leading cost positions across markets and regions



Covestro cash cost positions



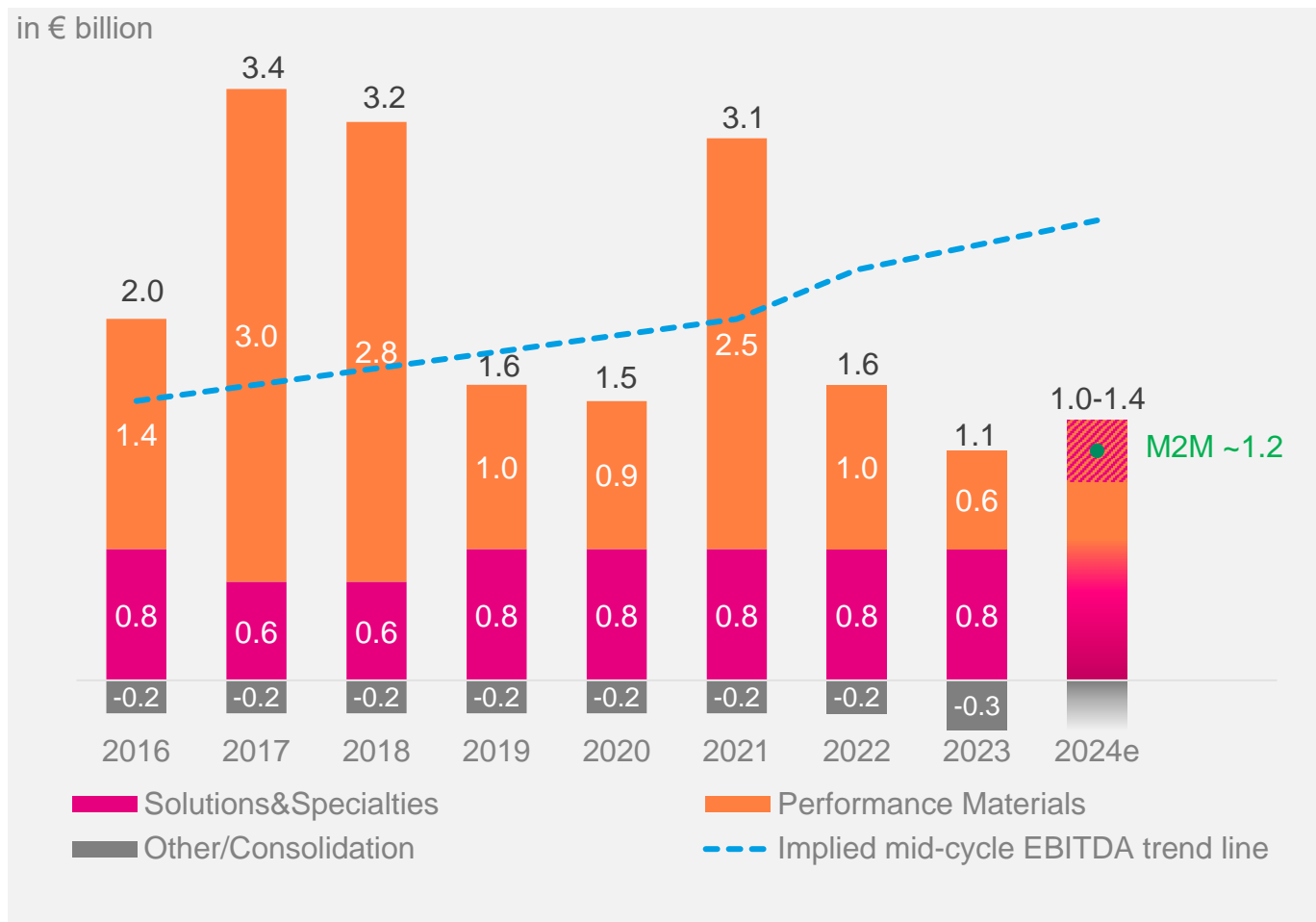
/// Cash cost improvements based on investment projects

HIGHLIGHTS

- **Covestro MDI** is one of the low-cost producers with cost advantage of ~30% versus the average of 5 least competitive plants. Investment in Tarragona plant significantly improved cost position.
- **Covestro TDI** is the global cost leader with cost advantage of ~35% versus the average of 5 least competitive plants
- **Covestro Polycarbonates** is one of the cost leaders with cost advantage of ~30% versus the average of 5 least competitive plants

FY 2024 EBITDA guidance narrowed

EBITDA development between 2016 and 2024e



HIGHLIGHTS

EBITDA guidance FY 2024:

- Narrowed between €1.0 and 1.4bn

Mark-to-market (M2M):

- Mark-to-market (M2M) EBITDA for FY 2024 around €1.2bn; theoretical calculation based on June 2024 margins flat forward and forecast assumptions for 2024

Mid-cycle EBITDA:

- Mid-cycle definition: Respective year's EBITDA performance under average market conditions
- Mid-cycle EBITDA expected to yearly increase based on capacity additions

Global demand outlook 2024:

- Unchanged outlook for global GDP and most of Covestro's key customer industries
- Stronger outlook for electro and appliances

FY 2024 guidance narrowed

Full year guidance 2024



	FY 2023	GUIDANCE FY 2024 <i>as of February 29</i>	GUIDANCE FY 2024 <i>as of July 30</i>
EBITDA	€1,080m	€1,000 to 1,600m	€1,000 to 1,400m
FOCF	€232m	€0 to 300m	€-100 to 100m
ROCE above WACC ⁽¹⁾	-6.1pp	-7 to -2pp	-7 to -4pp
GHG emissions (scope 1&2)	4.9m 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
EBITDA Q3	€277m	-	€250 to 350m
D&A	€894m	~€850m	~€850m
Financial result	€-113m	€-120 to -160m	€-120 to -160m
Income tax	€275m	€250 to 350m	€250 to 350m
Capex ⁽²⁾	€765m	~€800m	~€800m

HIGHLIGHTS

2024 FX sensitivity

- 1pp change equals
+/- €10m for CNY/EUR (basis 7.85)
+/- €5m for USD/EUR (basis 1.10)

FOCF range

- Smaller range compared to EBITDA due to counterbalancing working capital effects

GHG emissions

- GHG range mainly driven by expected increase in production volumes offset by EEG exit in Germany

Income tax

- Income tax driven by unfavorable geographical earnings mix (non-deductible losses in Germany)
- Long-term tax rate estimated between 24-26%⁽³⁾

Relevant improvement of demand from electro industry

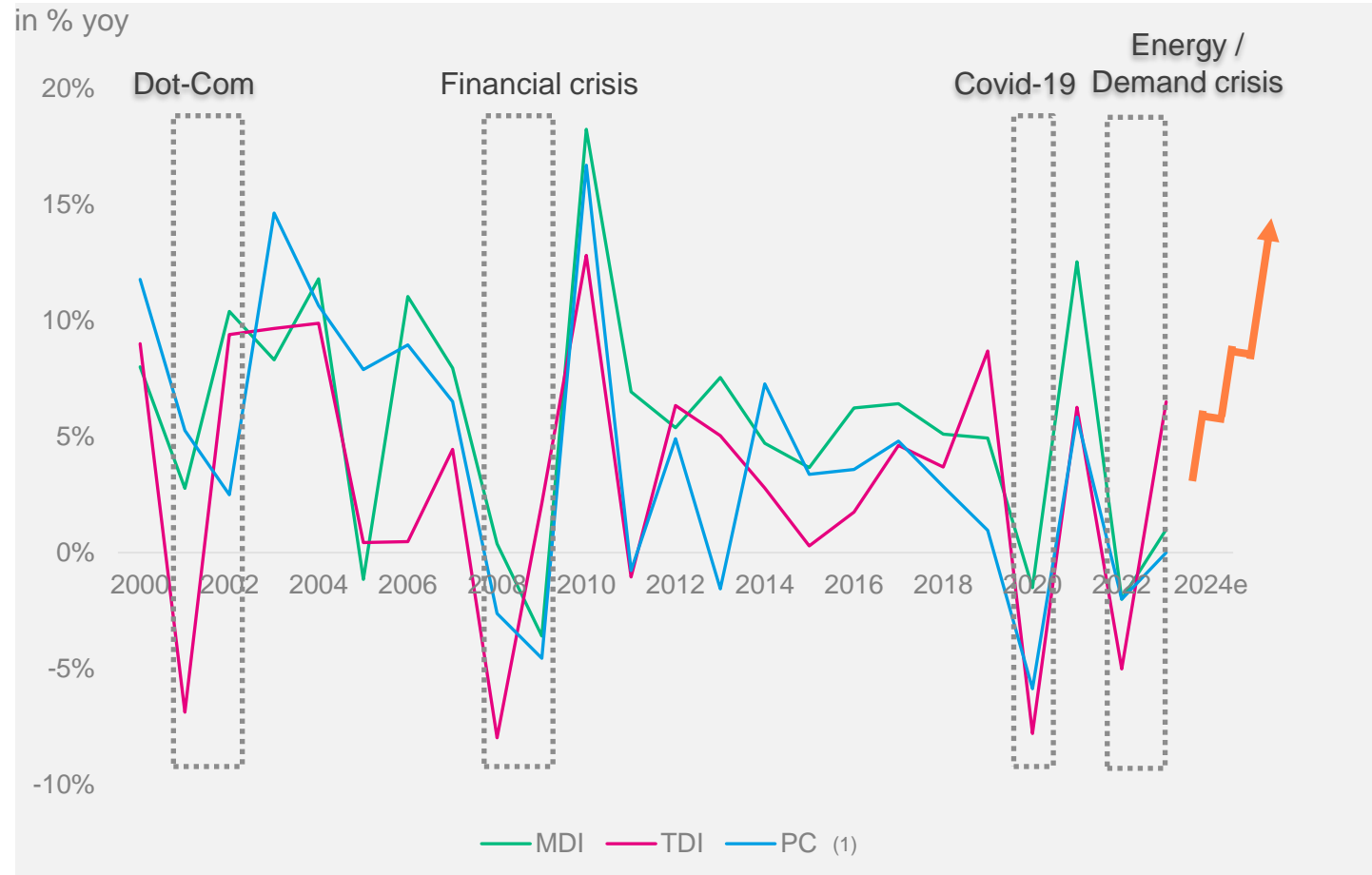
Global demand development



KEY CUSTOMER INDUSTRIES		2023 Y/Y	2024 Y/Y ⁽¹⁾	Update 2024e ⁽²⁾
Global GDP		+2.7%	+2.4%	+2.6%
Automotive EV / BEV		+10.3% +29.5%	+0.8% +28.9%	+0.3% +22.6%
Construction Residential		-2.3% -4.1%	-2.5% -5.8%	-2.2% -5.2%
Furniture Soft furniture		-3.7% -3.8%	-0.1% +0.5%	+0.1% +0.5%
Electrical, electronics and household appliances Appliances		-1.8% +5.9%	+1.5% +1.4%	+3.4% +4.1%

Historically, fast market rebound after trough

MDI, TDI and polycarbonate global demand curves



HIGHLIGHTS

Recovery after recession

- Core products historically recovered quickly from a recession
- Typically, rebounds also partly for the negative growth of the recession
- In 2023, TDI market strongly rebounded despite a continuing weak furniture market due to restocking

Longer term outlook:

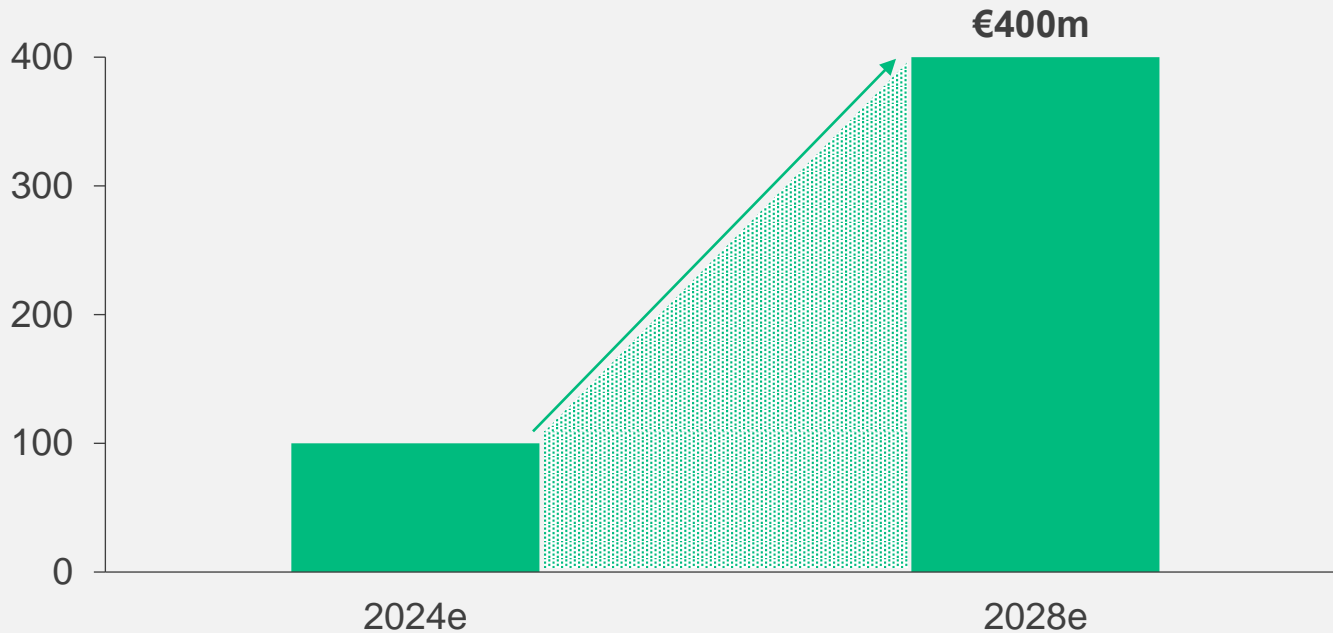
- Over the cycle core products follow individual economic trends of their respective industries
- Expected long term average growth rates are 6% for MDI, 3-4% for TDI and 4% for PC
- Growth scenarios remain unchanged for all Covestro core products
- MDI and PC benefit from trend towards more insulation and EV/BEV

Launched program STRONG to contribute €400m annual savings



Transformation program STRONG

EBITDA RELEVANT SAVINGS 2024E-2028E







HIGHLIGHTS

- Launched program STRONG to shape Covestro for sustained competitiveness
 - Effective structures and efficient processes with strong customer focus
 - Broad introduction of AI solutions
- STRONG to contribute €400m annual savings by 2028 (slightly below 10% of total fixed costs)
- Requires cumulated ~€300m restructuring costs, thereof €23m in H1 2024
- In 2024, EBITDA impact of STRONG assumed slightly positive with savings partially offset by restructuring costs

Majority of cash allocated to growth

Balanced use of cash

<p>CAPEX</p> 	<p>DIVIDEND</p> 	<p>PORTFOLIO</p> 	<p>SHARE CAPITAL</p> 
<ul style="list-style-type: none"> • Covestro's industry and cost leadership make growth investment the most value-creating use of cash • Capex above D&A during the next five years • Maintenance capex to secure safe, reliable and efficient operations 	<ul style="list-style-type: none"> • Policy: 35-55% payout of net income 	<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"> • Share buyback of €1.5bn executed in 2017-2018 • Capital increase of €447m executed in context of RFM acquisition in 2020 • Share buyback of €0.2bn executed in 2022-2023 • Authorization for share buyback program for up to 10% of share capital valid until 2029
<p>€5.6bn invested in capex</p>	<p>€2.3bn dividends</p>	<p>€1.5bn net investments</p>	<p>€1.3bn share capital reduced</p>

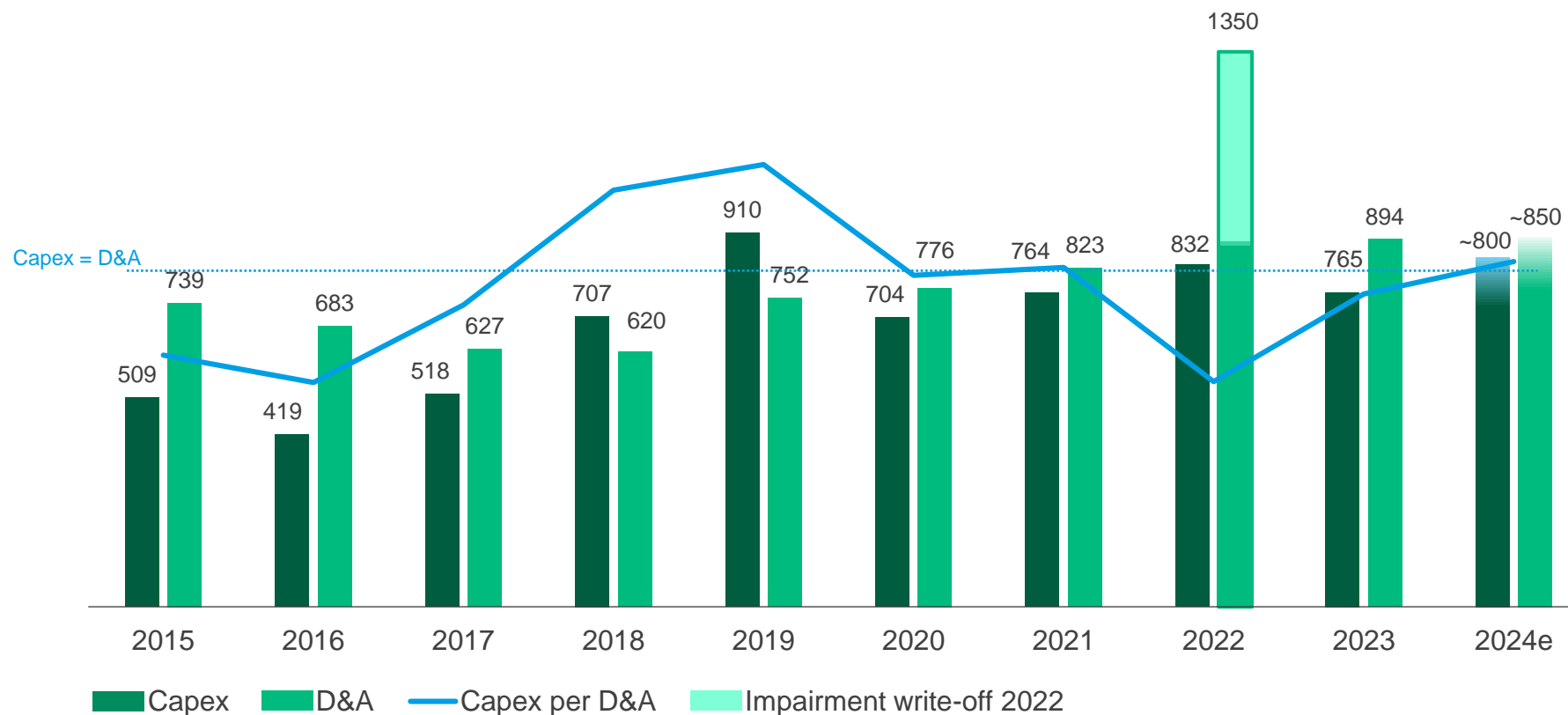
Significant investments into growth

Group capex and D&A



HISTORIC AND PROJECTION

in € million

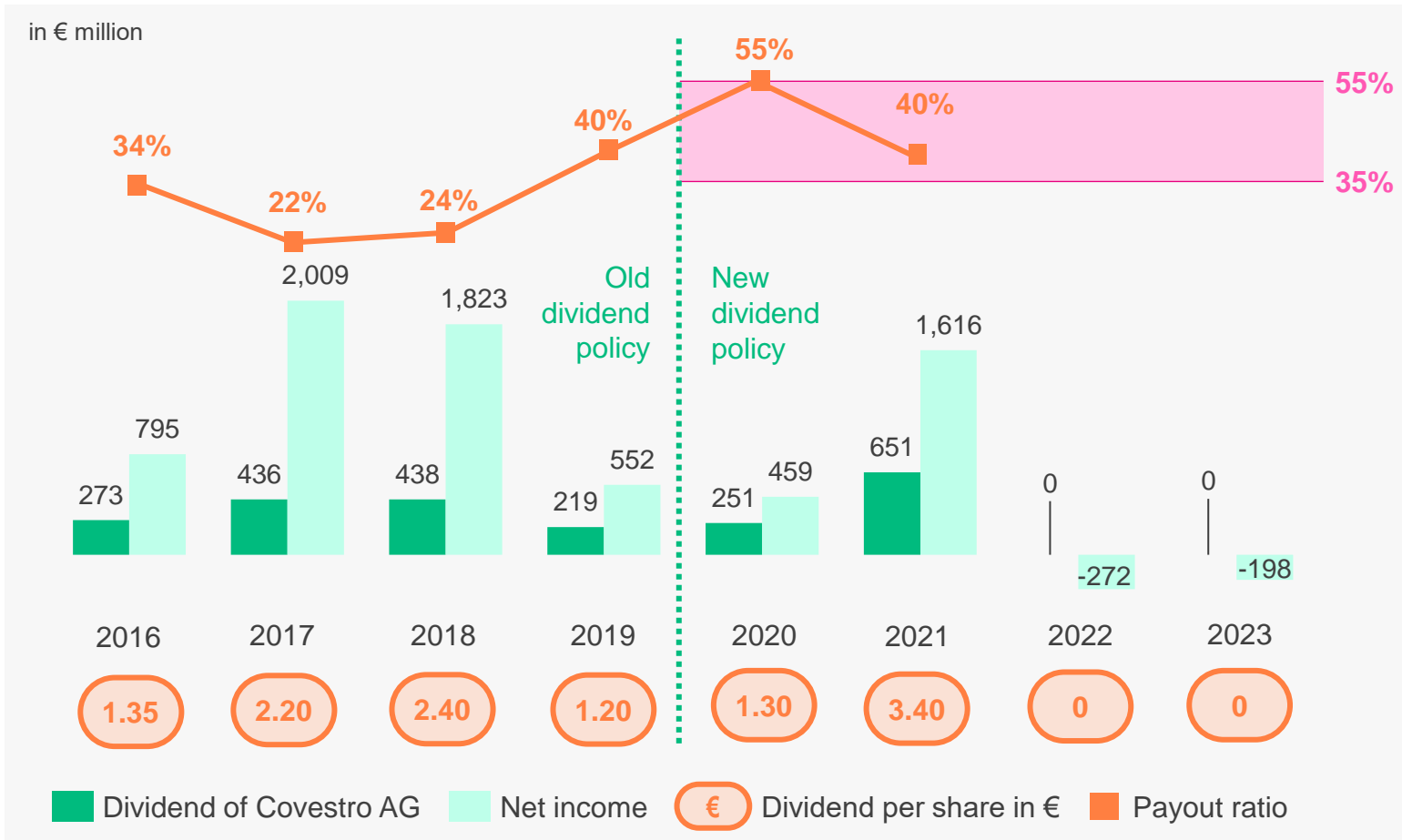


HIGHLIGHTS

- Growth capex of around €3.0bn from 2015 to 2024e
- D&A 2022 included impairment write-off of €463m
- Maintenance capex around €500m in FY'24e
- Planned investments in Circular Economy projects of almost €1bn between 2021 and 2030

Dividend based on net income payout ratio

Dividend development



HIGHLIGHTS

- Net income determining factor for the dividend
- Committed 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 2022 and FY 2023, dividend suspension, in line with policy

Ongoing shift to high-margin business

Portfolio management



DIVESTMENTS

Additive Manufacturing business

April 2023

Dubai system house⁽¹⁾

July 2021

Europe Polycarbonates sheets business

September 2019

Europe system houses

June 2019

USA Polycarbonates sheets business

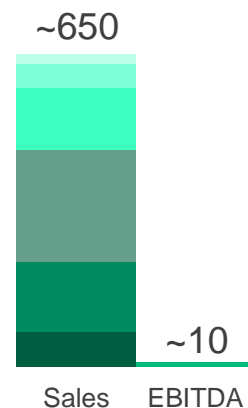
August 2018

NA Polyurethanes spray foam business

April 2017

Closing

Cumulated, in € million



Business divested at average EV/EBITDA >20x

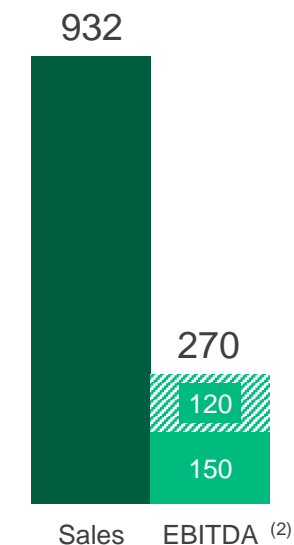
Portfolio analysis ongoing, further minor divestments possible

ACQUISITIONS

DSM Resins & Functional Materials business

April 2021

in € million



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

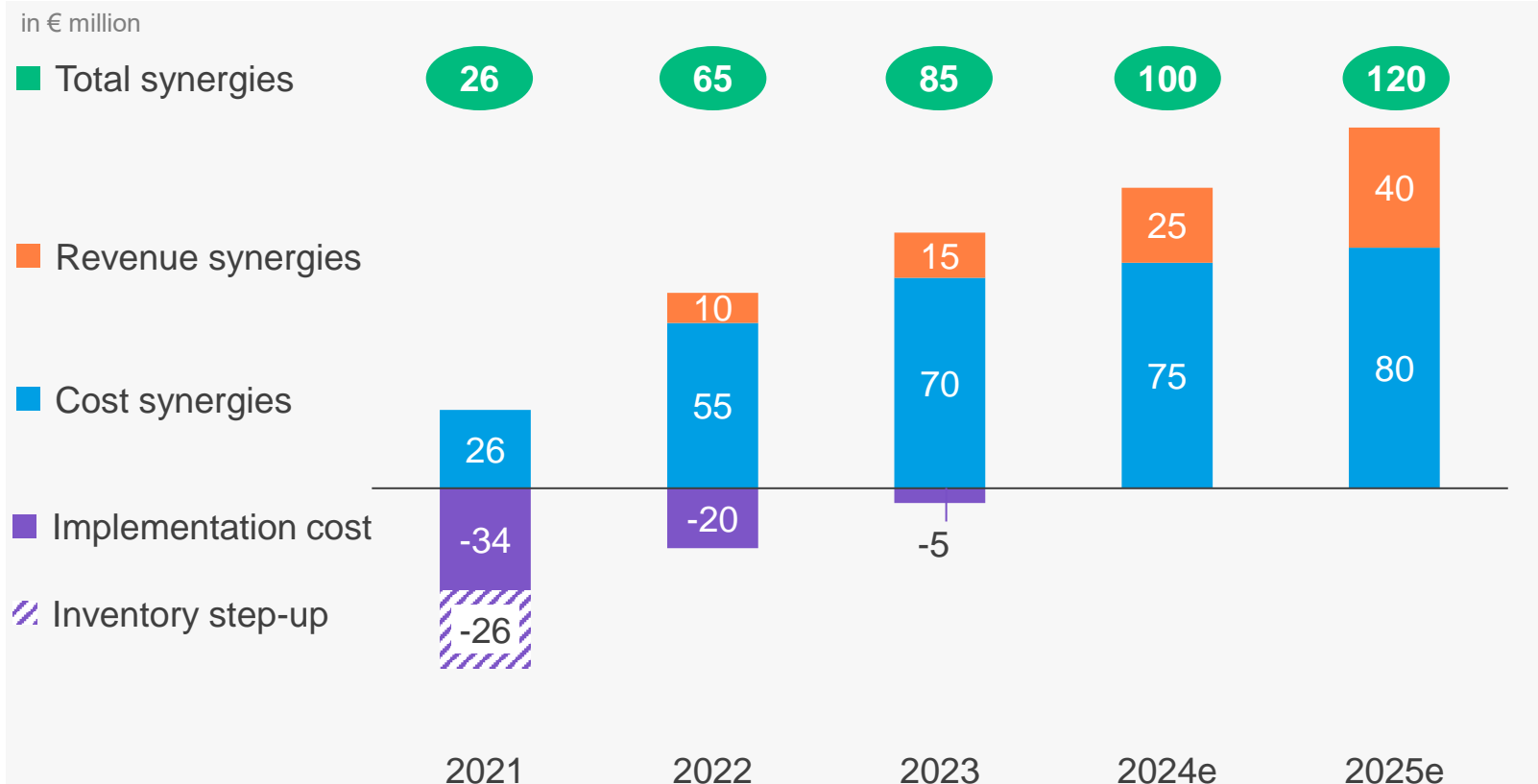
Further pursue value-enhancing bolt-on acquisition options with attractive IRR for Solutions & Specialties segment

Synergies fully confirmed and ahead of plan at lower cost



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 ahead of initial plan (initially €10m in 2021, 50m€ in 2022, €80m in 2023)
- Implementation cost incl inventory step-up of €85m (initially €140m, reduced from lower severance need)

OPERATIONS

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

Rebounding volumes in a challenging environment



Q2 2024 Highlights

1

Continued strong volume growth of 9.3%
driven by globally higher demand and improved internal availability

2

Sales stable at €3.7bn
caused by continued strong volumes increase while lower prices and unfavorable FX

3

EBITDA Q2 2024 of €320m at mid-point of guidance range
burdened by negative pricing delta

4

FY 2024 guidance narrowed
with an expected EBITDA of €1.0 to 1.4bn

5

Transformation program **STRONG** launched
saving annually €400m by 2028



- Covestro investment highlights
- **Group financials Q2'24**
- Segment overview
- Background information

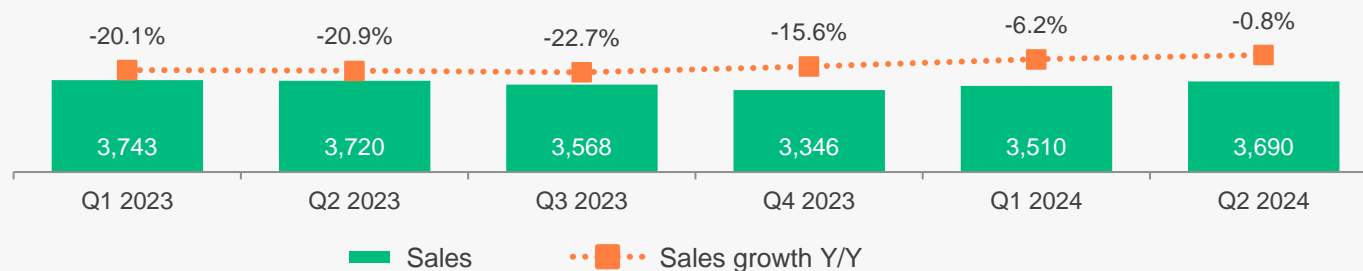
EBITDA down due to negative pricing despite stable sales



Group results – Highlights Q2 2024

SALES

in € million / changes Y/Y

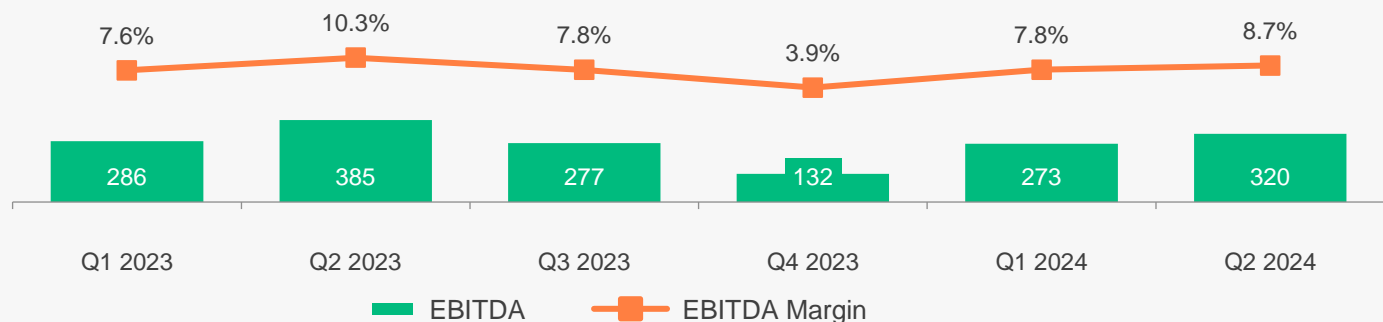


HIGHLIGHTS Q2 2024

- Year-over-year sales flattish (-0.8%) with negative pricing (-9.7%) compensated by positive volume (+9.3%) while negative FX (-0.4%)
- Sequentially, increasing sales development with positive volume and price development; FX also positive

EBITDA AND MARGIN

in € million



HIGHLIGHTS Q2 2024

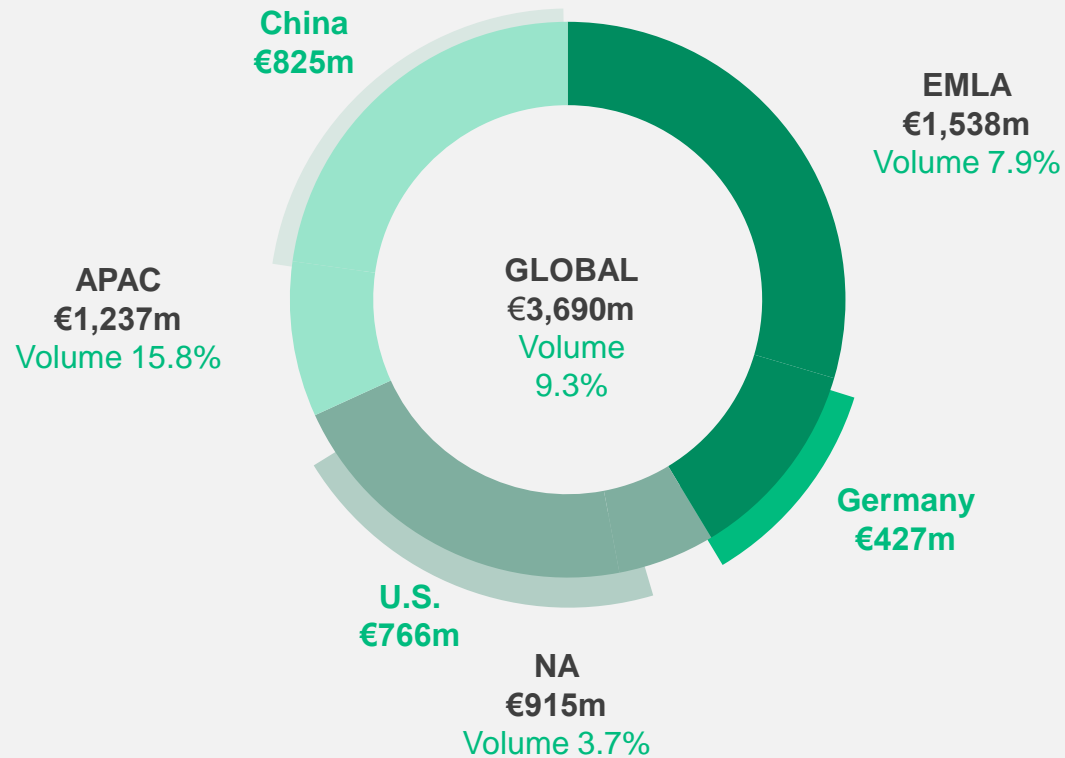
- Year-over-year, EBITDA declined from negative pricing delta and FX despite positive volume
- Sequentially, earnings increased due to higher volumes and positive pricing delta
- EBITDA margin improved to 8.7% in Q2 2024

Volumes are rebounding

Q2 2024 – Regional split



Sales volume Y/Y



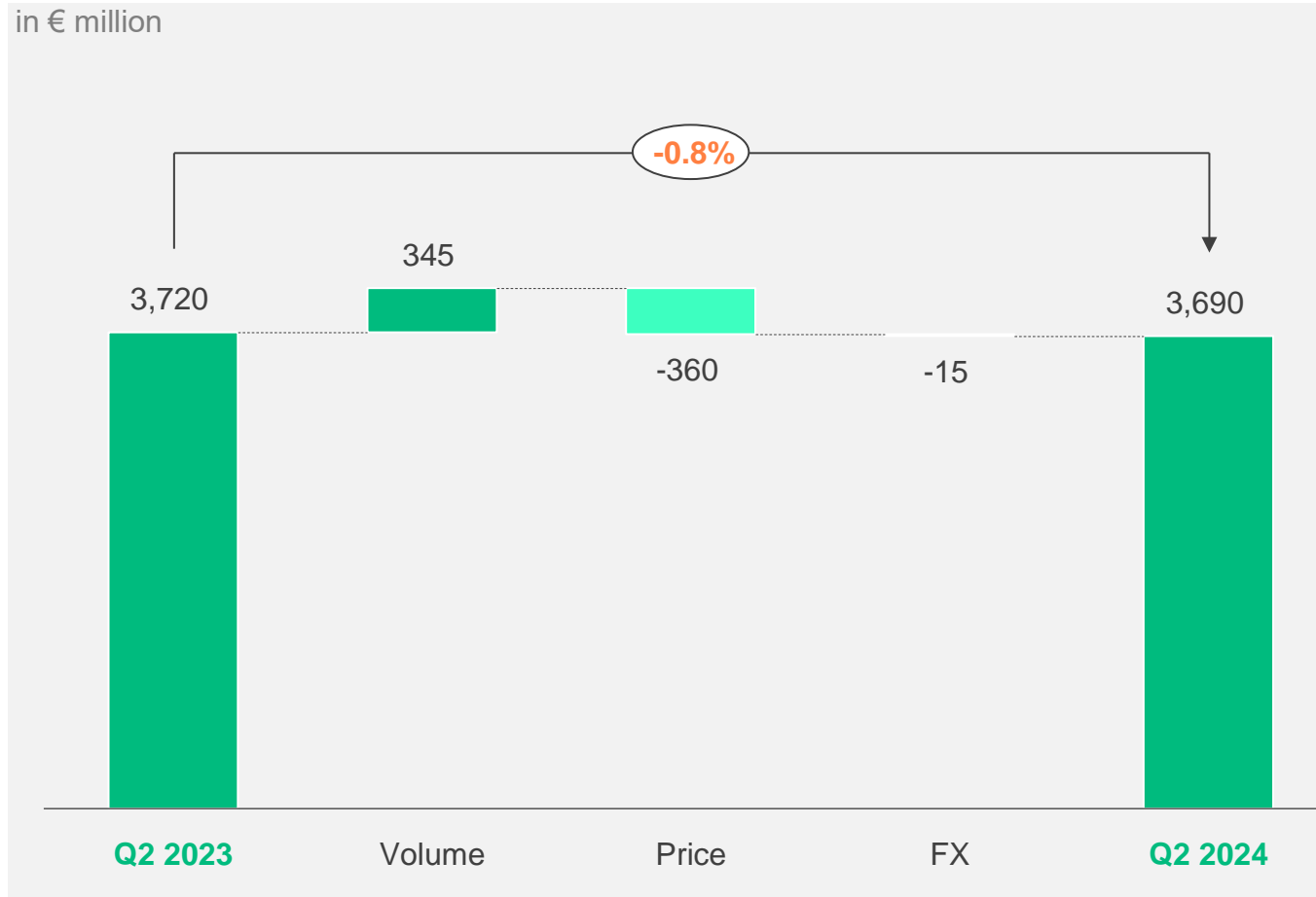
HIGHLIGHTS

- Solid year-over-year volume development across the industries:
 - **Construction** low teens % increase
 - **Furniture/wood** high single-digit % increase
 - **Electro** high single-digit % increase
 - **Auto** flattish
- **EMLA:** Significant increases in construction and furniture/wood while electro and auto with significant decline
- **NA:** Furniture/wood with significant growth, construction with slight increase while electro flattish and auto with significant decline
- **APAC:** Electro, construction, auto and furniture/wood all exhibiting significant growth

Stable sales as volume growth compensates price decline



Q2 2024 – Sales bridge



HIGHLIGHTS

Volume positive

- Volume increase of 9.3% Y/Y
- Performance Materials with 15.0% Y/Y growth while Solutions & Specialties with 4.8% Y/Y increase

Pricing negative

- Pricing affected sales by -9.7%
- Performance Materials with -12.0% Y/Y whereas Solutions & Specialties with -7.7% Y/Y development

FX negative

- FX affected sales by -0.4% Y/Y mainly driven by weaker Chinese Renminbi and Japanese Yen

EBITDA with positive volume and negative pricing delta



Q2 2024 – EBITDA bridge



HIGHLIGHTS

Positive volume

- Volume leverage⁽¹⁾ of 39%
- 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 unfavorable supply-demand balance

Other items

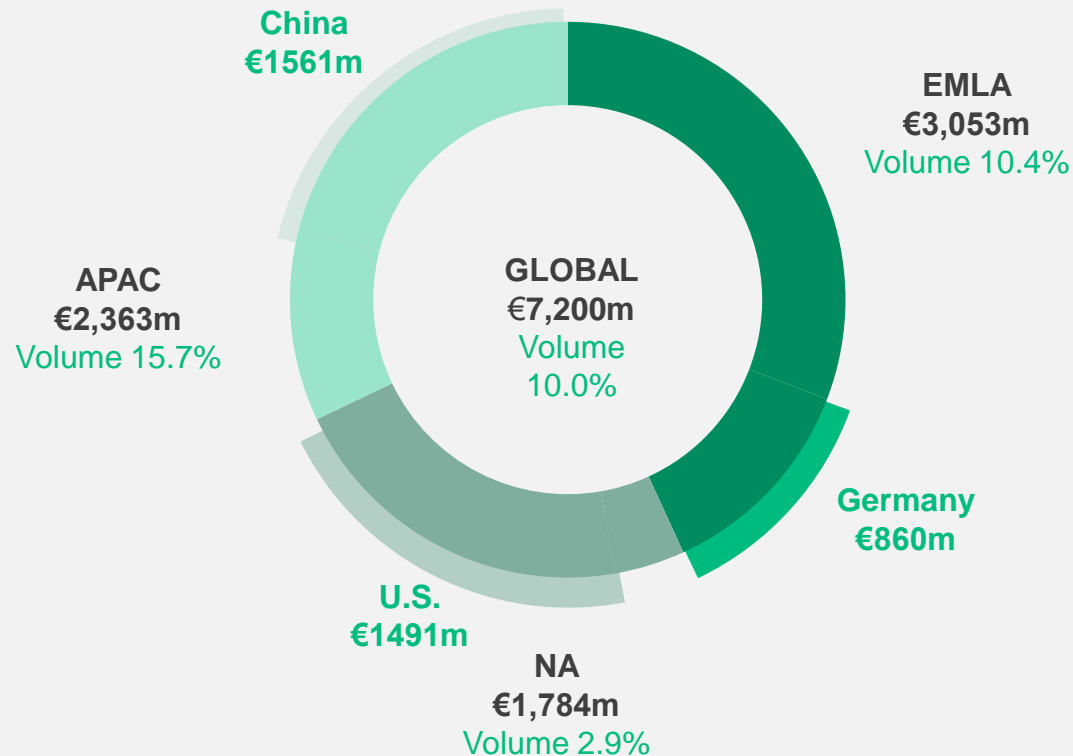
- Benefitted from lower LTI/STI provisions of €26m
- Q2 2024 restructuring cost related to STRONG of €23m in Solutions & Specialties

Volume recovery primarily in APAC and EMLA

H1 2024 – Regional split



Sales volume Y/Y



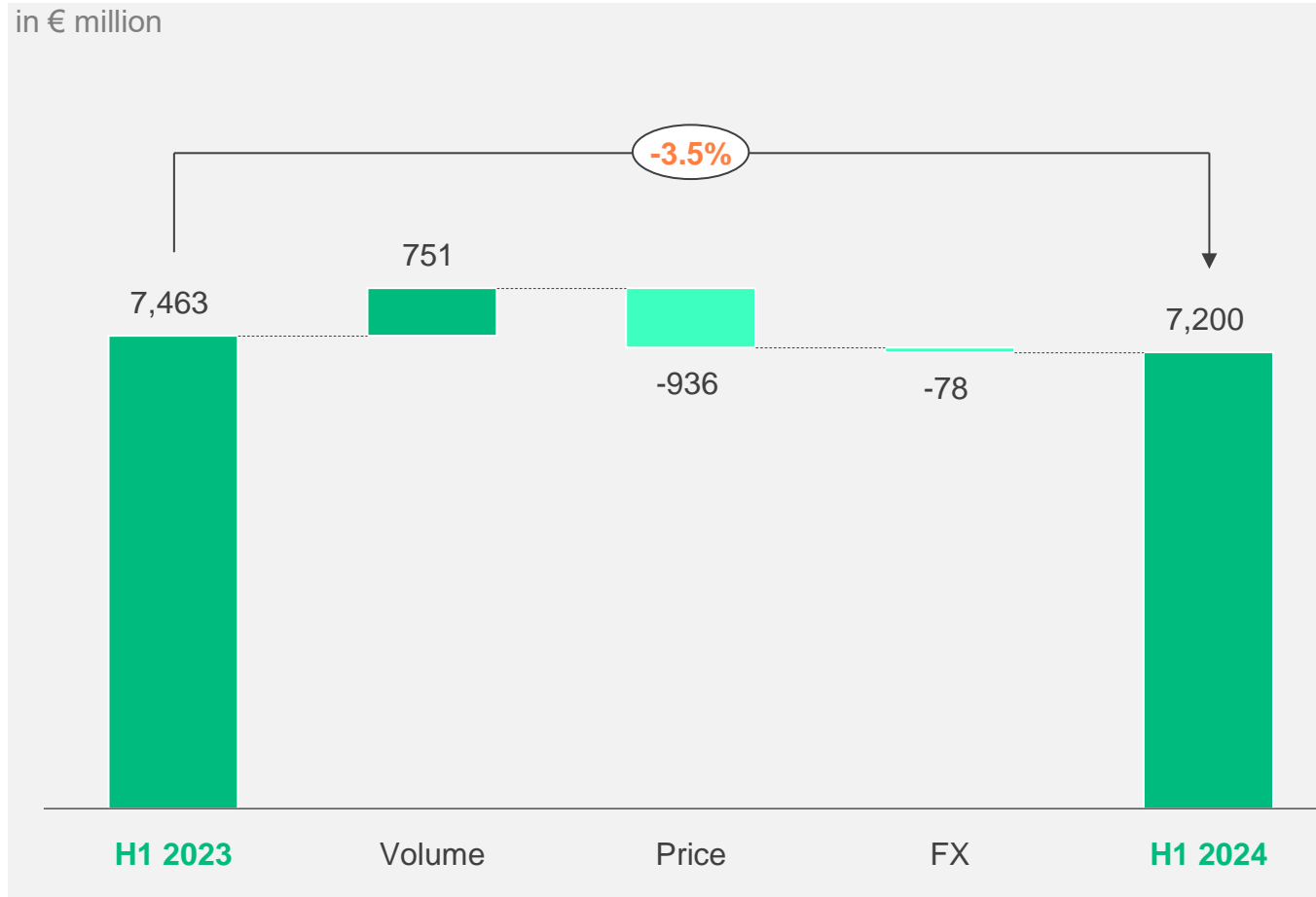
HIGHLIGHTS

- Year-over-year, positive volume development across all industries:
 - **Construction** mid-teens % increase
 - **Furniture/wood** high single-digit % increase
 - **Electro** high single-digit % increase
 - **Auto** low single-digit % increase
- **EMLA:** Construction and furniture/wood with significant increases, while electro flattish and auto with slight decline
- **NA:** Furniture/wood with significant growth, construction with slight increase while electro flattish and auto with slight decline
- **APAC:** Construction, electro, auto and furniture/wood all exhibiting significant growth

Sales down due to lower prices despite strong volume growth



H1 2024 – Sales bridge



HIGHLIGHTS

Volume positive

- Volume increase of 10.0% Y/Y
- Performance Materials with 16.2% Y/Y growth while Solutions & Specialties with 5.3% Y/Y increase

Pricing negative

- Pricing affected sales by -12.5%
- Performance Materials with -16.7% Y/Y whereas Solutions & Specialties with -9.0% Y/Y

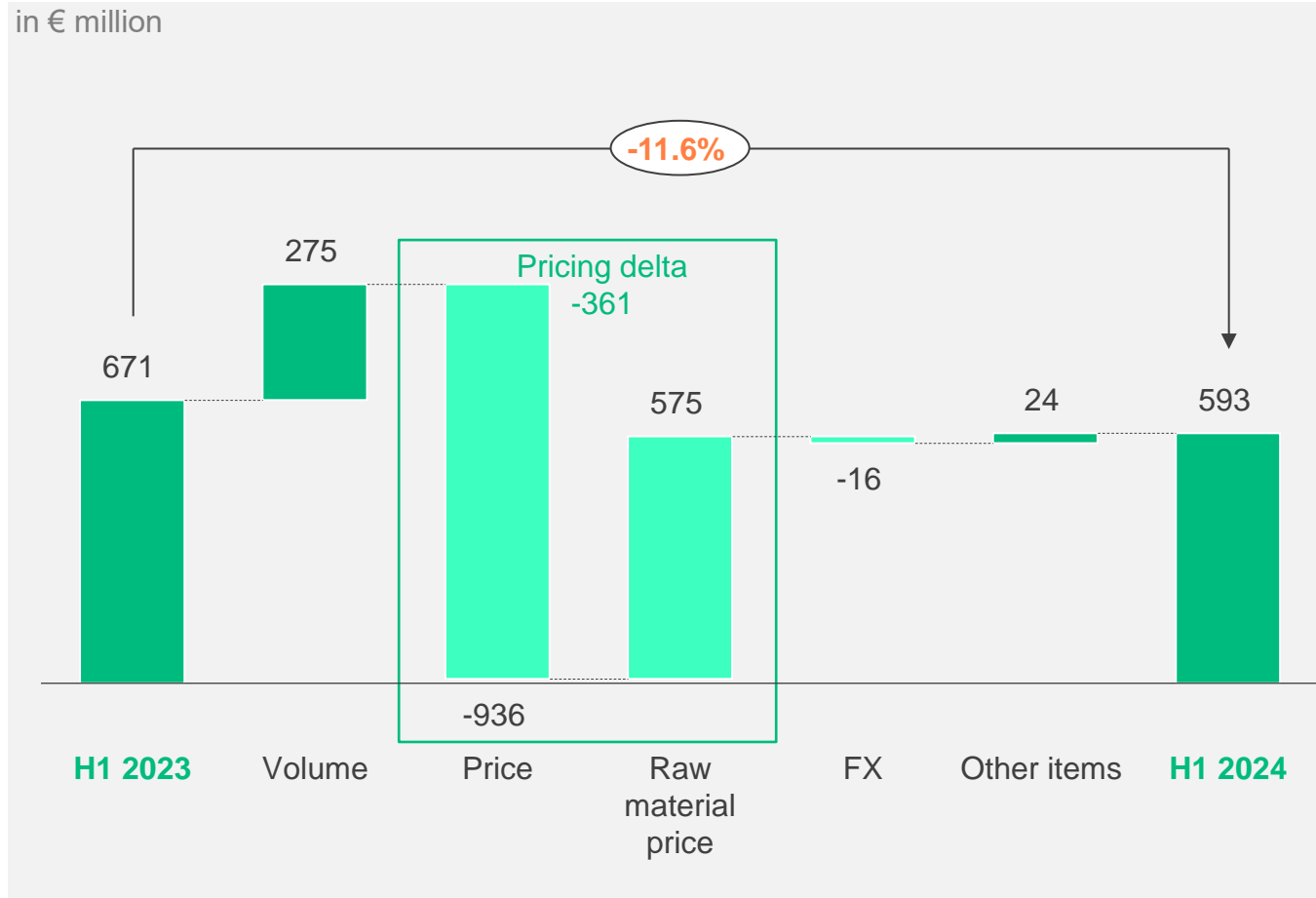
FX negative

- FX affected sales by -1.0% Y/Y mainly driven by the weaker Chinese Renminbi and Japanese Yen

EBITDA declined with negative pricing delta while positive volumes



H1 2024 – EBITDA bridge



HIGHLIGHTS

Positive volume

- Volume leverage⁽¹⁾ of 37%
- 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 unfavorable supply-demand balance

Other items

- Benefitted from lower LTI/STI provisions of €31m
- Restructuring cost related to STRONG of €23m in H1 2024

Seasonally negative FOCF due to bonus payout and lower EBITDA



Historical FOCF development

in € million

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	H1 2024
	473	530	1,429	138	232	-276
EBITDA	+1,604	+1,472	+3,085	+1,617	+1,080	+593
Changes in working capital⁽¹⁾	+437 ⁽³⁾	-100 ⁽³⁾	-727	+312	+250	-350
Capex⁽²⁾	-910	-704	-764	-832	-765	-272
Income tax paid	-296	-155	-546	-538	-383	-80
Other effects⁽³⁾	-362 ⁽³⁾	+17 ⁽³⁾	+381	-421	+50	-167

HIGHLIGHTS

- FOCF H1 2024 slightly decreased Y/Y to €-276m (H1 2023: €-149m)
 - H1 2024 working capital to sales ratio⁽⁴⁾ increased to 19.8% (H1 2023: 19.4%), driven by steadily declining sales and higher inventories
 - H1 2024 Y/Y capex stable underlining discipline in expenses for investment projects
-
- Other effects: FY 2023 without any bonus pay out; 50% target achievement in FY 2023 paid out in Q2 2024
 - FY 2023 FOCF increase driven by continuous working capital management throughout the year despite declining EBITDA
 - Income taxes impacted by geographical earnings mix

Negative net income due to unfavorable geographical earnings distribution



P&L statement H1 2024

In € million	H1 2023	H1 2024	% of H1'23 SALES	Δ Y/Y
Sales	7,463	7,200	100%	-3.5%
EBITDA	671	593	16.9%	-11.6%
D&A excl. impairments	-429	-421	-12.0%	-1.9%
Impairments	-37	-30	-0.9%	-18.9%
EBIT	205	142	4.0%	-30.7%
Financial result	-65	-59	-1.7%	-9.2%
EBT	140	83	2.4%	-40.7%
Income taxes excl. DTA adjustments	-12	-37	-1.1%	208.3%
DTA adjustments	-110	-157	-4.5%	42.7%
Net income⁽¹⁾	20	-107	-3.0%	-635.0%
Earnings per share (in €) ⁽²⁾	0.11	-0.19		-272.7%

HIGHLIGHTS

Impairments

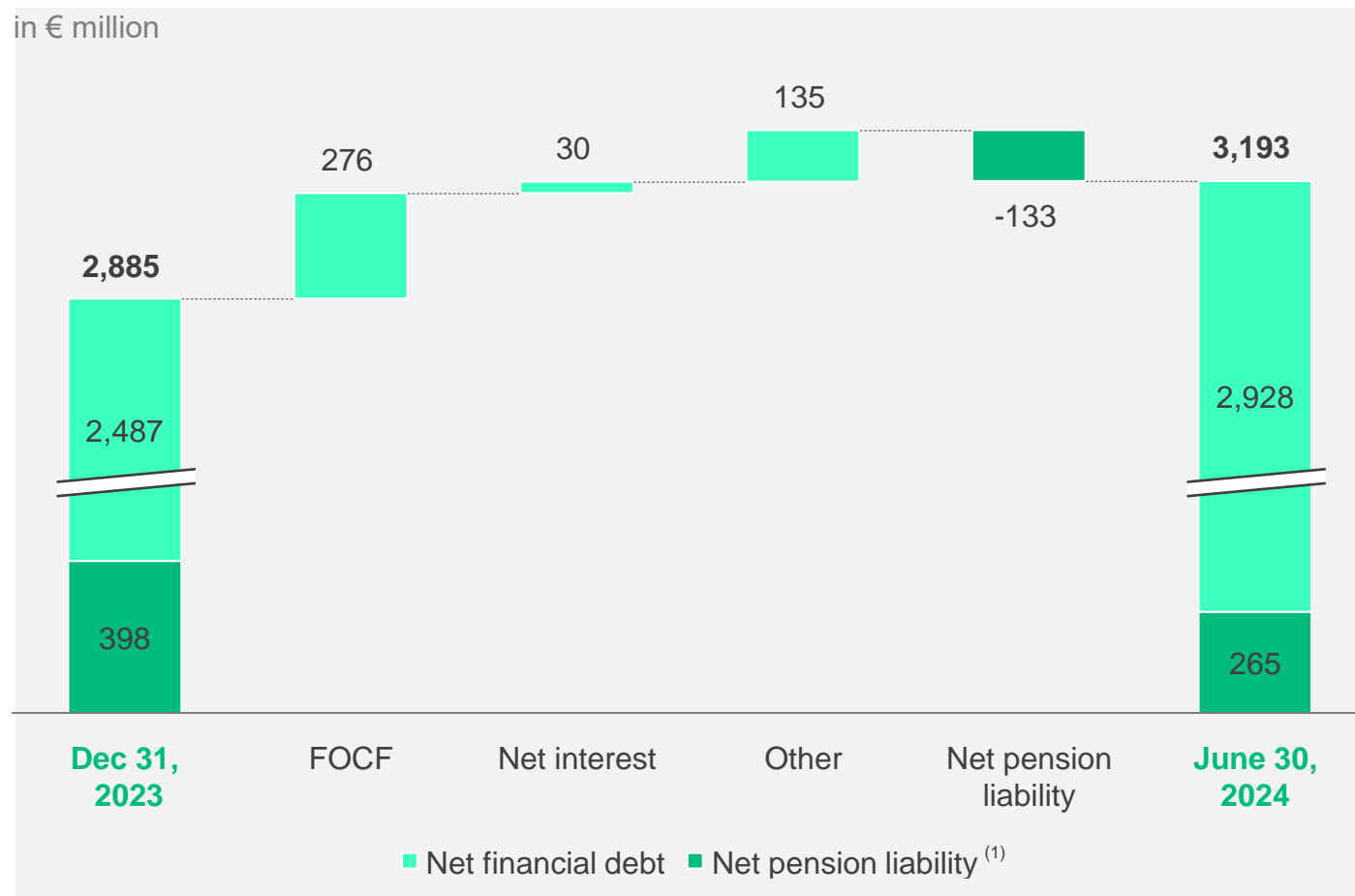
- Q2 2024 impairment loss of €21m due to closure of a production site in Augusta, Georgia (USA)

Deferred tax assets (DTA)

- Not recognized deferred tax assets on tax loss carryforwards and temporary differences
- DTA adjustments of €157m in H1 2024 mainly due to negative earnings mainly in Germany

Total net debt seasonally burdened by negative FOCF

June 30, 2024 – Total net debt



HIGHLIGHTS

- Total net debt to EBITDA ratio⁽²⁾ of 3.2x at the end of H1 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
- 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



- Covestro investment highlights
- Group financials Q2'24
- **Segment overview**
- Background information

Differentiation based on customer proximity and innovation

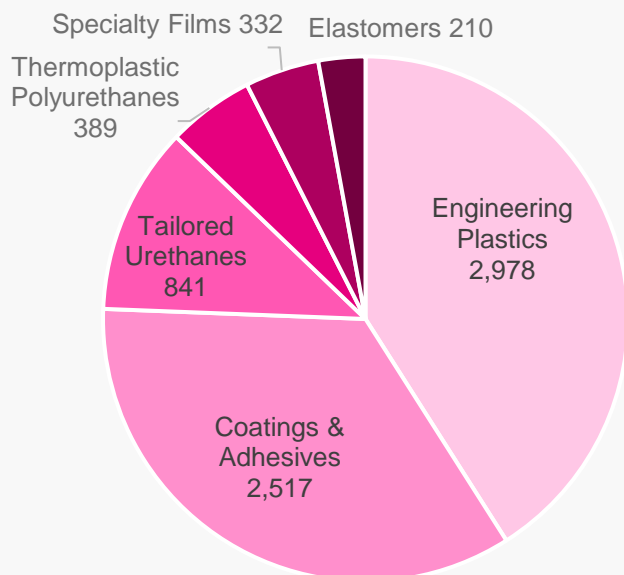


Solutions & Specialties

PRODUCTS

Differentiated polymer products

SALES 2023 (in € million)



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

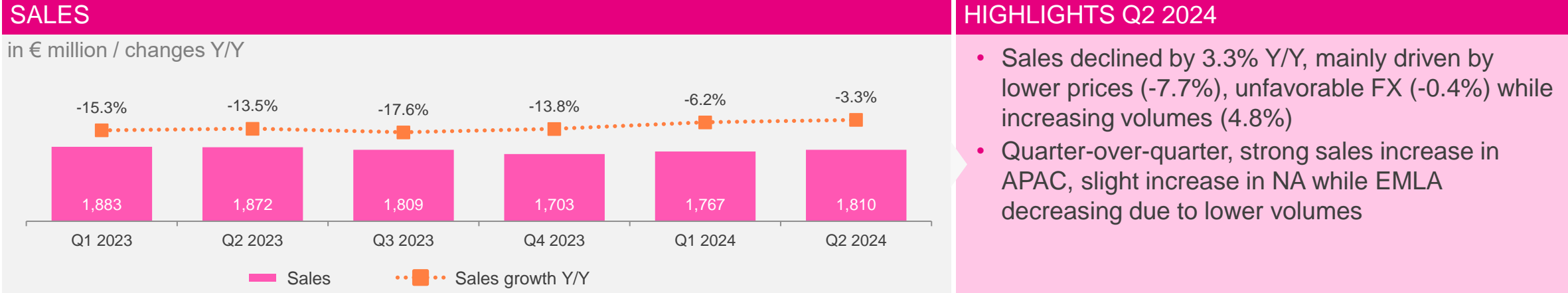
BENEFITS FOR GROUP

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

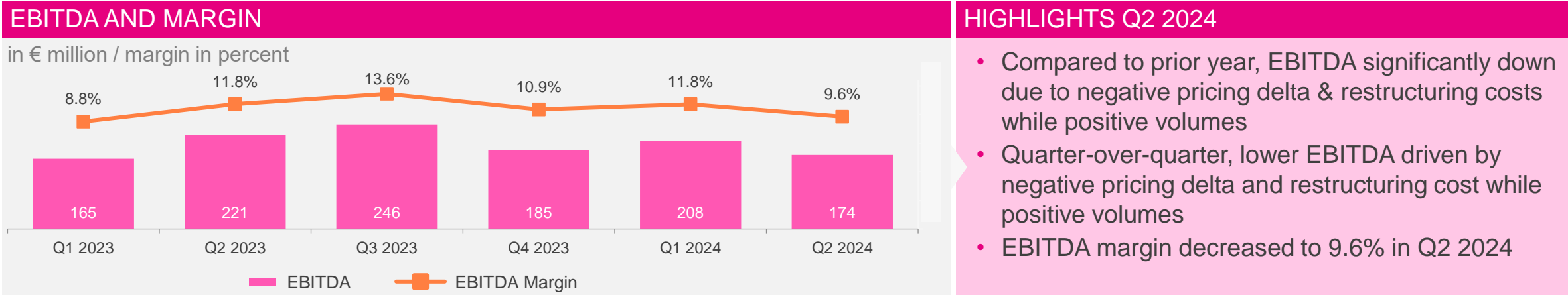
Solutions & Specialties – lower EBITDA due to restructuring costs



Segment results – Highlights Q2 2024



- ### HIGHLIGHTS Q2 2024
- Sales declined by 3.3% Y/Y, mainly driven by lower prices (-7.7%), unfavorable FX (-0.4%) while increasing volumes (4.8%)
 - Quarter-over-quarter, strong sales increase in APAC, slight increase in NA while EMLA decreasing due to lower volumes



- ### HIGHLIGHTS Q2 2024
- Compared to prior year, EBITDA significantly down due to negative pricing delta & restructuring costs while positive volumes
 - Quarter-over-quarter, lower EBITDA driven by negative pricing delta and restructuring cost while positive volumes
 - EBITDA margin decreased to 9.6% in Q2 2024

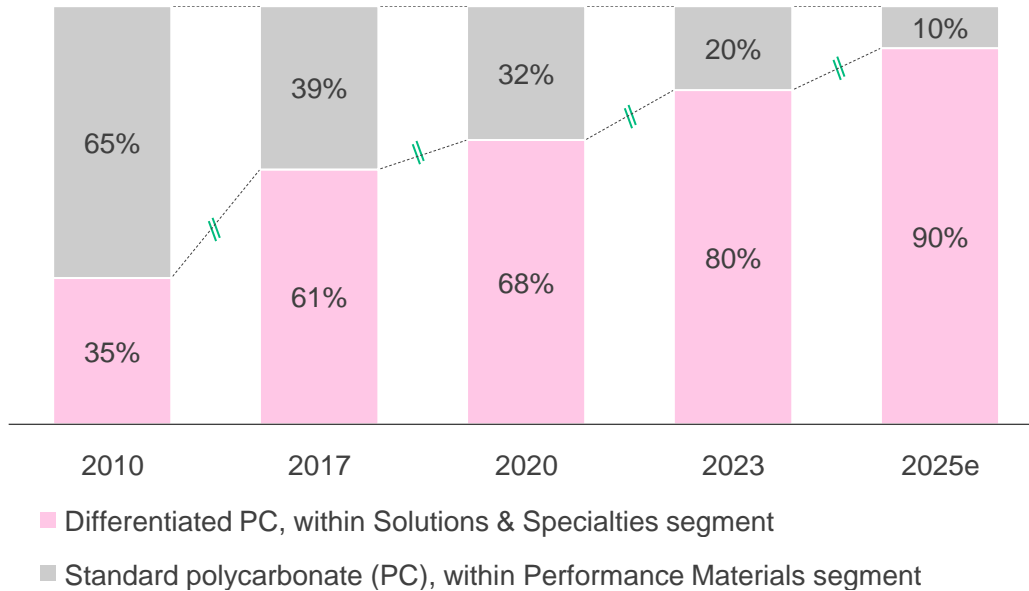


Continuing shift to differentiated polycarbonate

Solutions & Specialties: high-growth contributor Engineering Plastics

POLYCARBONATE 2023 SALES €3.0bn

Covestro polycarbonate volume split by segment



Refining standard polycarbonate from Performance Materials into differentiated grades in Solutions & Specialties

ENGINEERING PLASTICS (EP) INDUSTRY +5% CAGR 2023-2028e

CUSTOMER INDUSTRIES



Auto & transport

EP sales share 2023: 46%
CAGR 2023-2028e: 6%



Electro

EP sales share 2023: 42%
CAGR 2023-2028e: 4%



Healthcare

EP sales share 2023: 9%
CAGR 2023-2028e: 8%

GROWTH DRIVERS

- Global trends towards BEV boost total LV production
- Number of produced BEV expected to grow strongly, with higher PC content per unit compared to conventional LV
- Strong demand in communication infrastructure, audio, LED, power supply and small appliances
- New opportunities from 5G, intelligent connectivity and electrical integration
- Aging population with increasing healthcare access in emerging markets
- Trend towards home healthcare devices and wearable monitor devices

Continuously strong demand for differentiated polycarbonate grades across several customer industries

Doubling sales by 2025

Solutions & Specialties: high-growth contributor Specialty Films



SPECIALTY FILMS		
	Total Sales 2023 €332m	CAGR 2023-2028e ~13%
TARGET	<ul style="list-style-type: none">• Doubling sales by 2025e versus Sales 2020 of €240m	
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 €100m between 2023 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

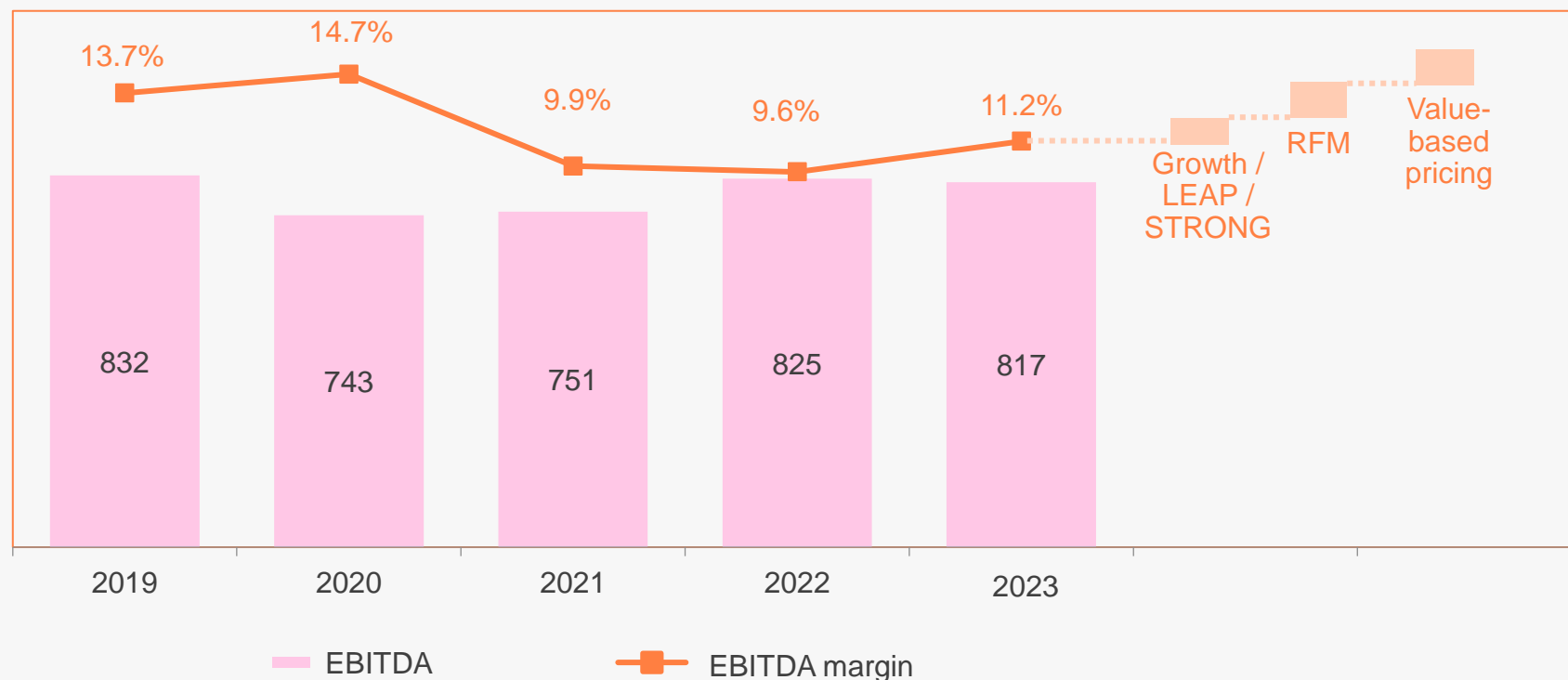
EBITDA margin to grow

Solutions & Specialties segment target



EBITDA AND MARGIN – SOLUTIONS & SPECIALTIES

in € million



TARGET MARGIN

- EBITDA margin 2023 increased Y/Y benefitting from lower sales
- In 2024, expecting EBITDA significantly above 2023 level⁽¹⁾
- EBITDA margin growth driven by:
 - fixed cost dilution due to strong sales growth and limited cost increases
 - RFM synergies
 - Focus on value-based pricing

Standard products with reliable supply and lowest cost

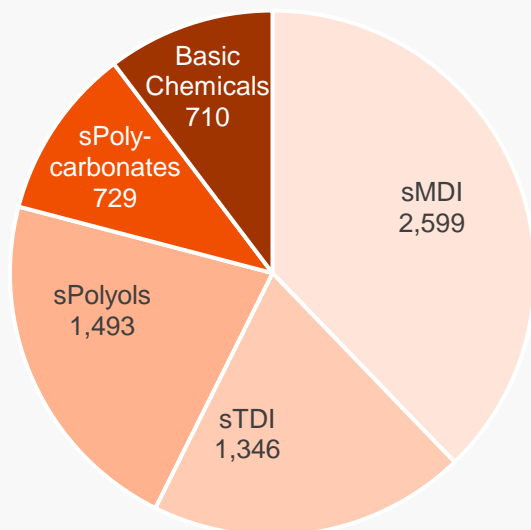
Performance Materials



PRODUCTS

Polyurethane and polycarbonate standard products as well as basic chemicals

SALES 2023 (in € million)



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

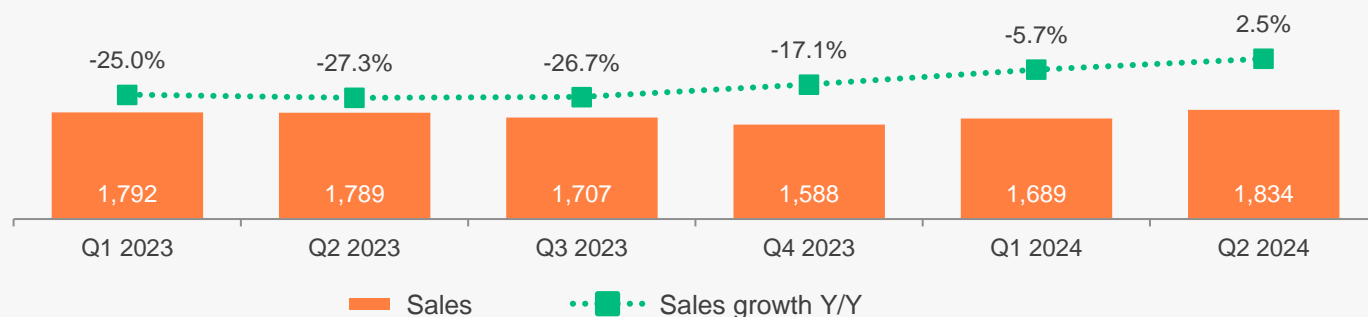
Performance Materials – continued strong volume rebound



Segment results – Highlights Q2 2024

SALES

in € million / changes Y/Y

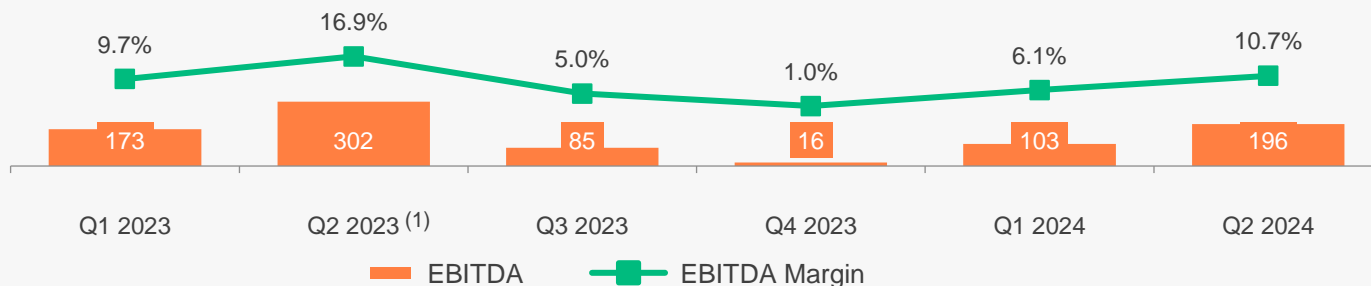


HIGHLIGHTS Q2 2024

- Sales increased by 2.5% Y/Y driven by positive volume (+15.0%) while negative pricing (-12.0%) and FX (-0.5%)
- Quarter-over-quarter, strong sales increase in all regions; sequentially positive volume growth in APAC and NA

EBITDA AND MARGIN

in € million / margin in percent



HIGHLIGHTS Q2 2024

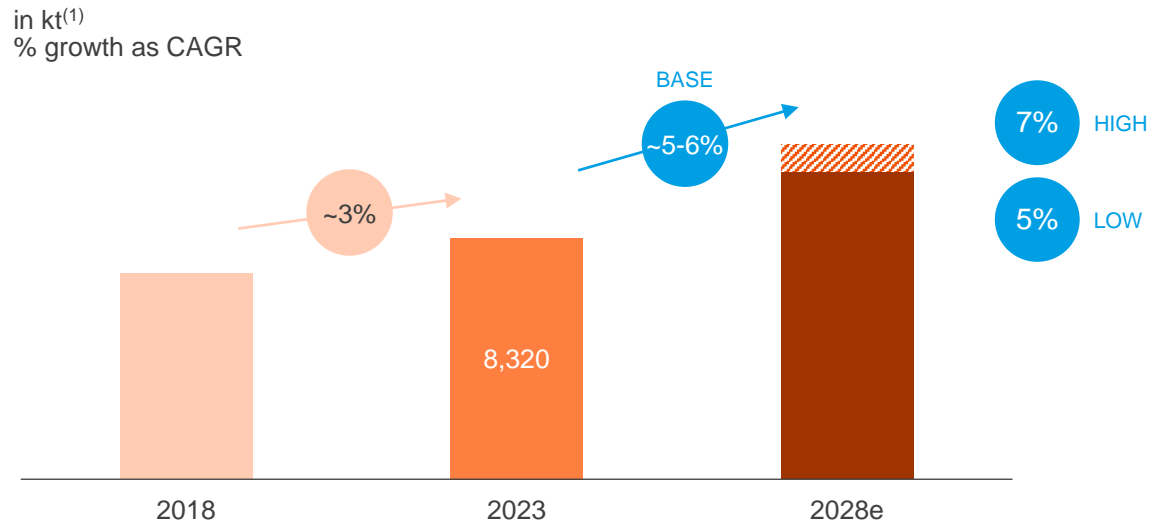
- Compared to prior year, EBITDA declined due to negative pricing delta and higher fixed cost, partly compensated by increasing volumes
- Q2 '23 included €75m insurance reimbursement
- Quarter-over-quarter, significantly higher EBITDA driven by positive pricing delta and positive volumes

MDI market turning fully utilized

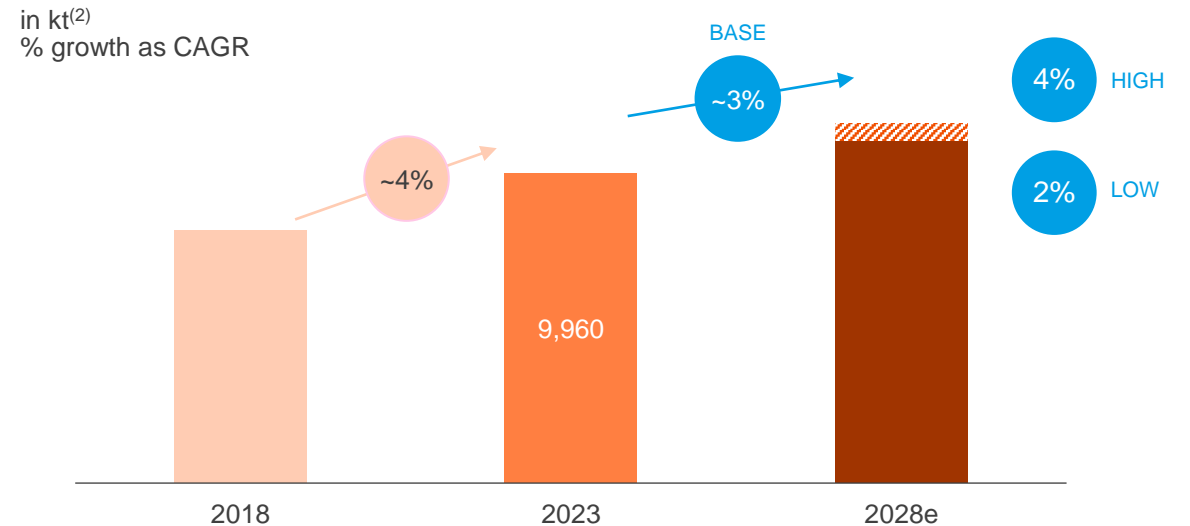


Performance Materials: MDI industry demand and supply

MDI DEMAND DEVELOPMENT (2018 - 2028e)



MDI SUPPLY DEVELOPMENT (2018 - 2028e)



HIGHLIGHTS

- In 2023, Industry Utilization Rate of 84%, burdened by weak Construction demand; industry usually fully utilized in the low nineties
- Demand CAGR of 5-6% between 2023 and 2028e along with construction recovery path; long-term, demand growth CAGR of ~6% expected
- Expecting fully utilized MDI industry by 2028

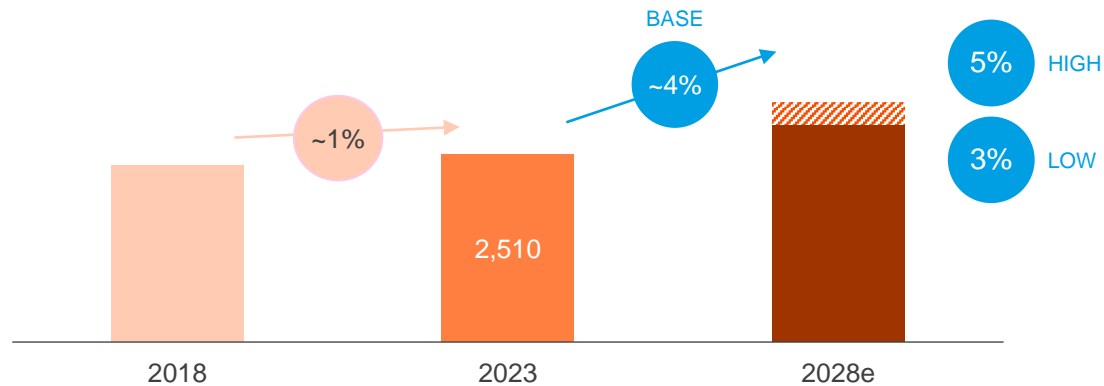


TDI market moving to balance

Performance Materials: TDI industry demand and supply

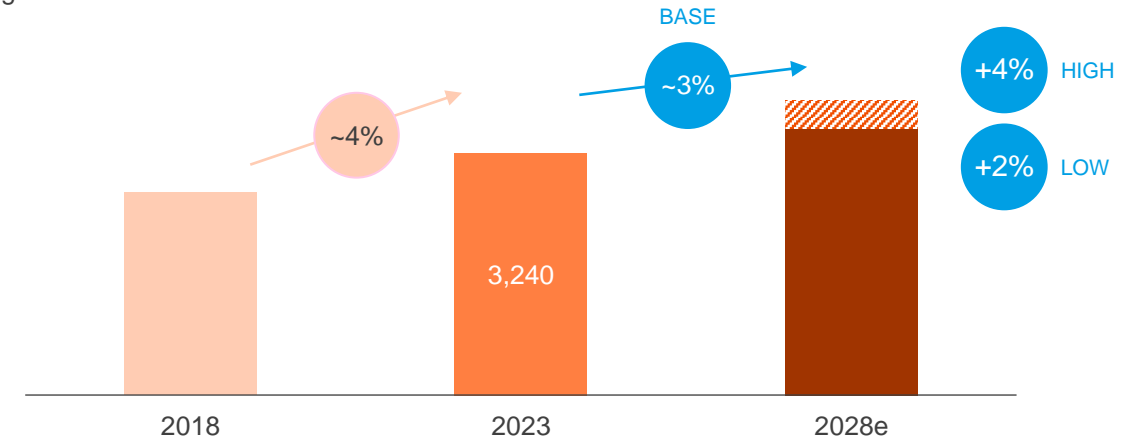
TDI DEMAND DEVELOPMENT (2018 - 2028e)

in kt⁽¹⁾
% growth as CAGR



TDI SUPPLY DEVELOPMENT (2018 - 2028e)

in kt⁽²⁾
% growth as CAGR



HIGHLIGHTS

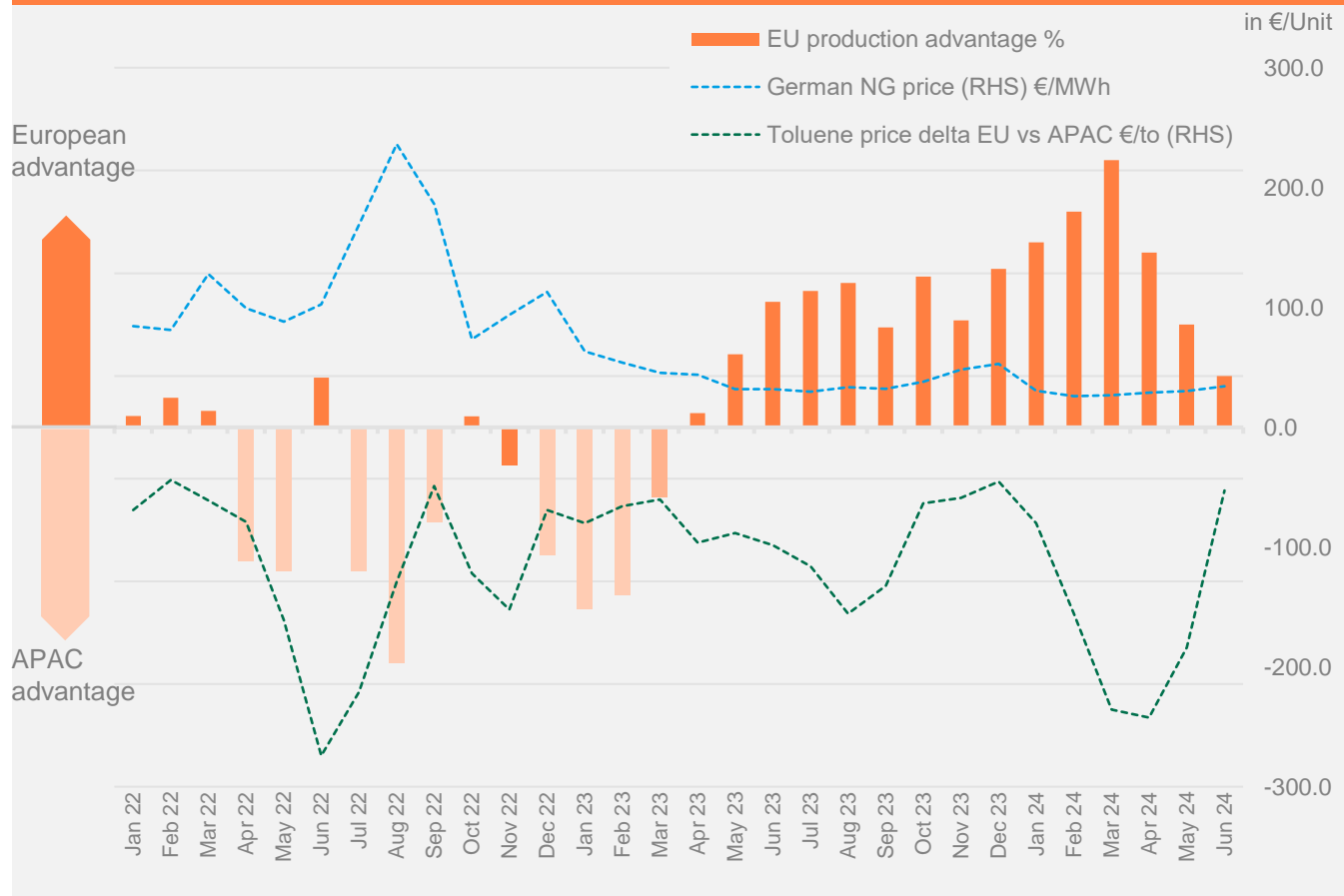
- In 2023, industry utilization benefitted from 8% market growth and the closure of BASF Ludwigshafen (-300kt)
- Leading to an increased industry utilization rate of 77% (2022: 67%)
- Industry usually fully utilized in the high eighties
- Favorable cash cost position puts Covestro into strong competitive position even under low cycle conditions

European TDI production regained competitiveness



European TDI market

EUROPEAN TDI PRODUCTION COSTS COMPARED TO ASIAN⁽¹⁾



HIGHLIGHTS

TDI imports from APAC

- In Q3 2022, energy price hike led to increasing export activities from Asia
- In Jan – May 2024, imports into Europe from Korea of 17kt (FY 2023: 59kt) and 19kt from China of (FY 2023: 46kt)⁽²⁾

Logistic cost & duties

- Logistic cost are between €350-600/t
- Duties are 6.5% from China; no duties from Korea

Mid-term outlook:

- With closure of BASF TDI 300kt unit European market demand exceeds available capacity and requires increasing imports
- With European energy prices at current levels TDI imports are since the Q2 2023 no longer cheaper compared to European production



- Covestro investment highlights
- Group financials Q2'24
- Segment overview
- **Background information**

Led by a diverse, international management team

Covestro senior management



BOARD OF MANAGEMENT



Chief Executive Officer

Dr Markus Steilemann
Nationality: German



Chief Financial Officer

Christian Baier
Nationality: German



Chief Commercial Officer

Sucheta Govil
Nationality: British
with Indian origin



Chief Technology Officer

Dr Thorsten Dreier
Nationality: German

BUSINESS ENTITIES



Performance Materials

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



Tailored Urethanes

Julia Rubino (as of Sept 1st 2024)
Nationality: US-American
Based in Pittsburgh,
USA



Coatings and Adhesives

Dr Thomas Römer
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

Covestro ESG rating results and index membership

As of July 2024



ESG Ratings & Indices	Scoring Range (Worst → Best)	2016	2017	2018	2019	2020	2021	2022	2023	2024	Distinction		
CDP CLIMATE	D- to A	-	-	-	-	-	A-	A-	A-	A-	Leadership Level ⁽¹⁾		
ecoVadis SUPPLIER SUSTAINABILITY RATINGS	0 to 100	73				80			72	Next update in 2025	⁽²⁾		
MSCI ESG	CCC to AAA	BBB	BBB	A	A	A	A	AA	A	AA	⁽³⁾		
SUSTAINALYTICS	100 to 0	74	75			80	23.3	20.0	18.3	21.1	20.1	21.4	⁽⁴⁾
FTSE Russell	Excluded / Listed	Listed	Listed	Listed	Listed	Listed	Listed	Listed	Listed	Listed			

Notes:

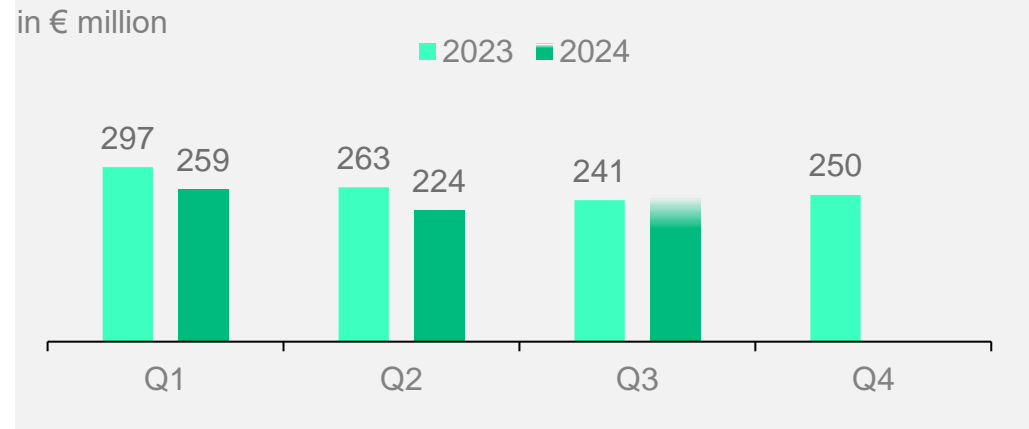
- (1) Leading within the chemical industry in managing the most significant climate related questions.
- (2) Covestro belongs to the Top 5% within the chemical industry.
- (3) Covestro belongs to the Top 30% within specialty chemicals.
- (4) Covestro is identified as a TOP ESG performer of Sustainalytics' ESG Risk Ratings out of more >4,000 comprehensive companies. Covestro belongs to the Top 11% within the chemical industry.

Global energy prices normalizing after tripling within two years

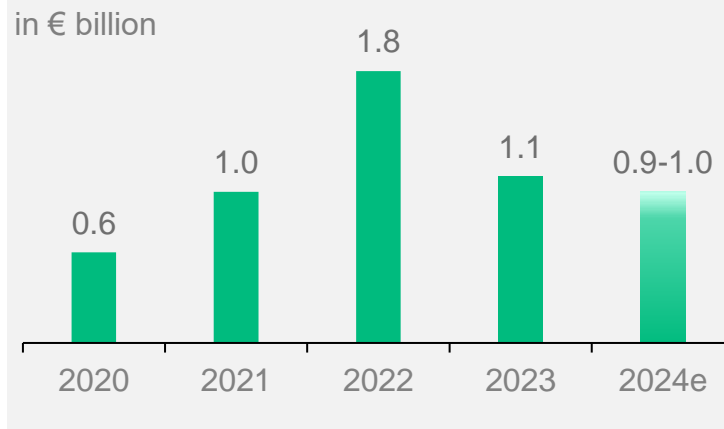


Energy cost development

QUARTERLY ENERGY COST DEVELOPMENT



GLOBAL ENERGY COST

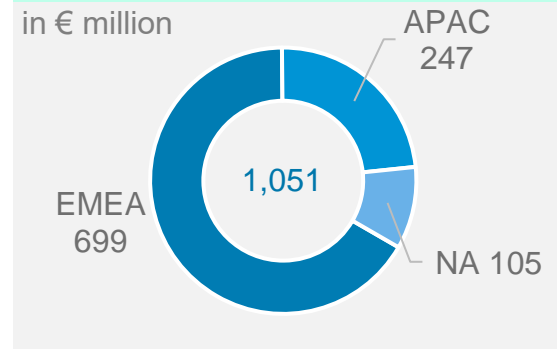


HIGHLIGHTS

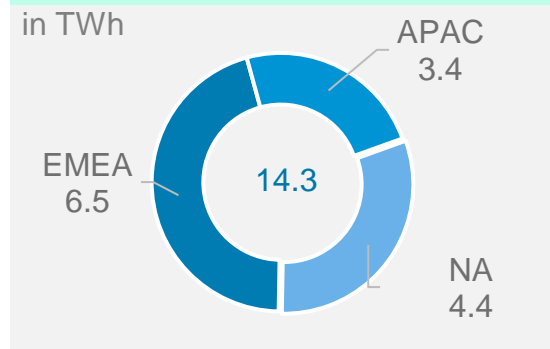
- Q3 2024e global energy cost expected around Q2 2023
- Global energy bill in FY 2024 expected between €0.9bn and €1.0bn; below FY 2023 with lower prices partially offset by increased production volume
- Energy demand in FY 2024 to increase by ~15% based on higher volumes and new asset start-ups

ENERGY BREAKDOWN

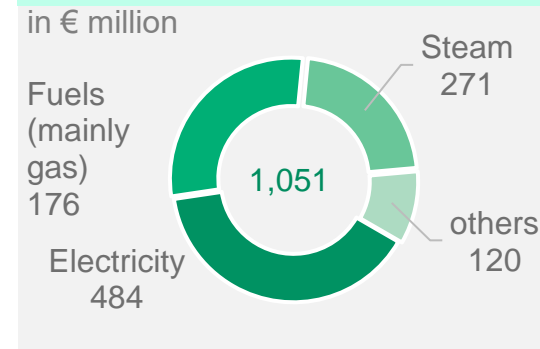
2023 ENERGY SPENT BY REGION



2023 PRIMARY ENERGY VOLUME BY REGION⁽¹⁾



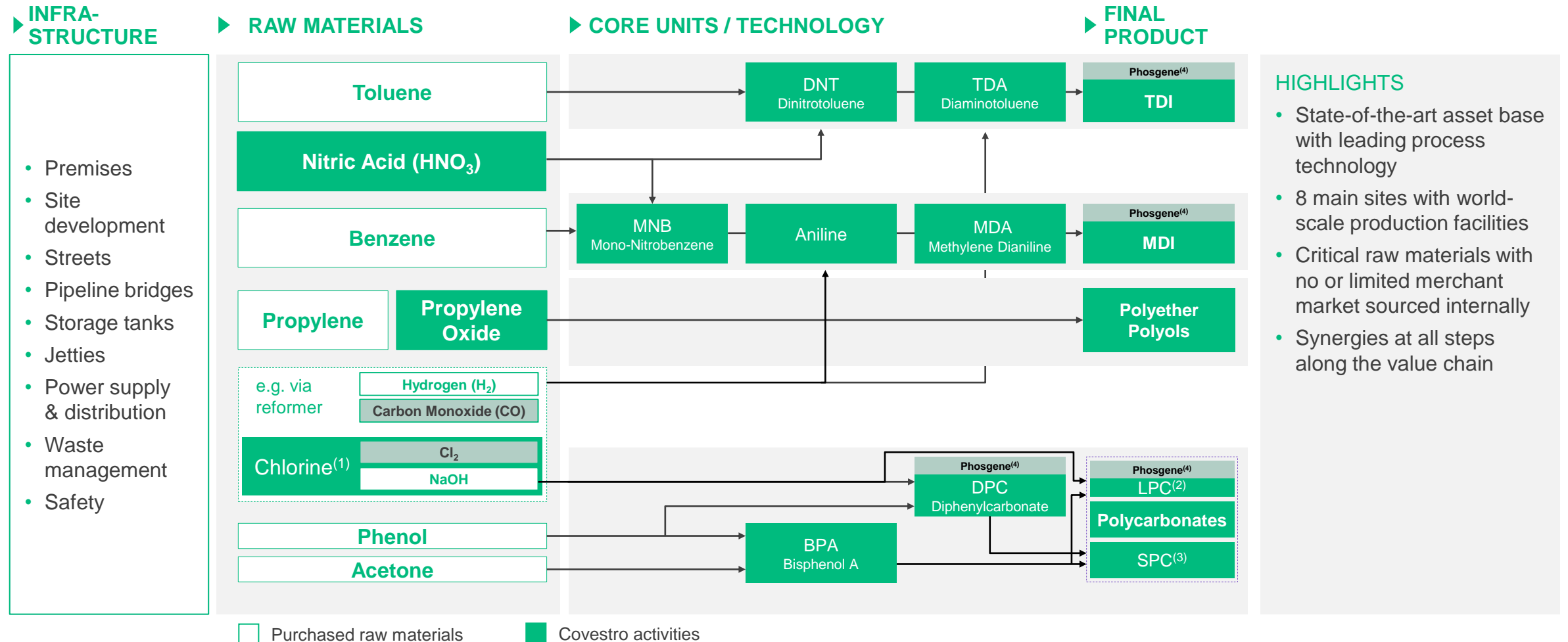
2023 SPENT BY ENERGY TYPE



Synergies in scale, process technology and chemical know-how



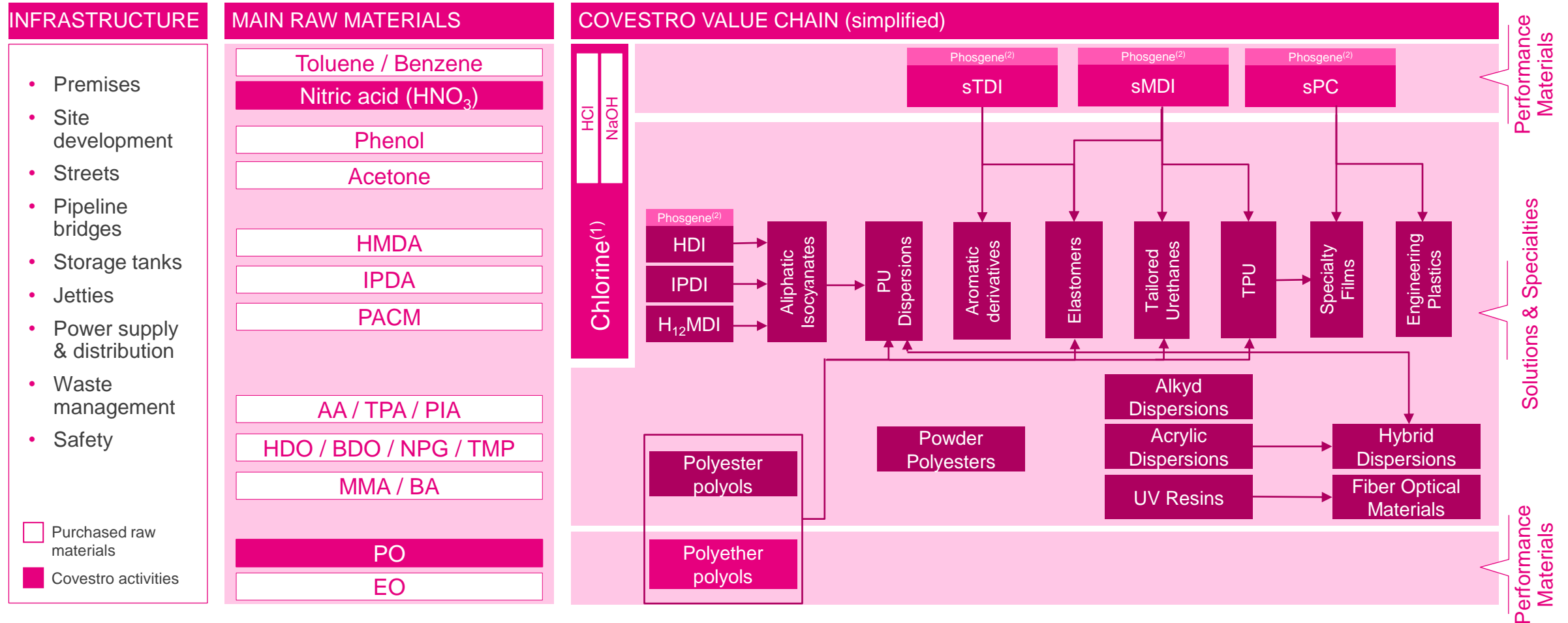
One chemical backbone across all segments



Synergies from chemical backbone and complementary technologies



Solutions & Specialties backward integration and value chain

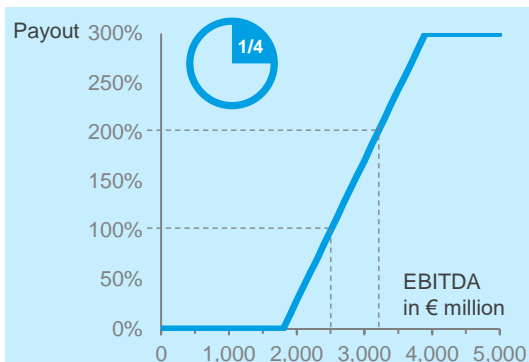


Entire organization aligned for performance and sustainability

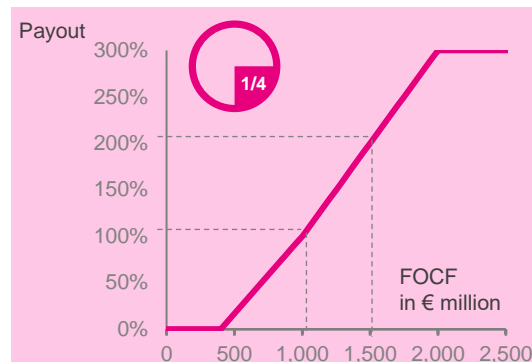


Group Profit Sharing Plan (PSP) as of 2022

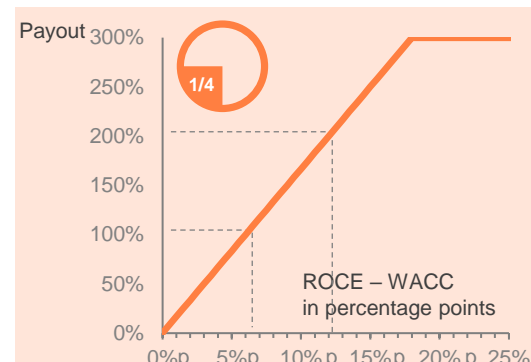
UNIFORM BONUS SYSTEM



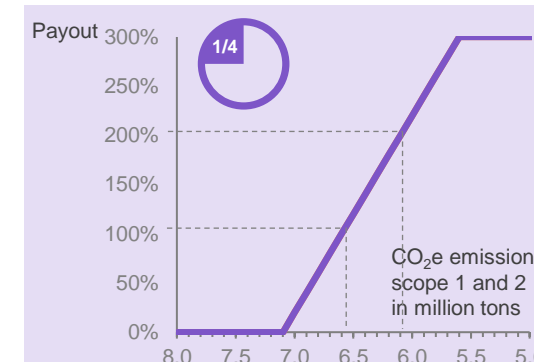
EBITDA (€ mio)				
Value	1,800	2,500	3,200	3,900
Payout	0%	100%	200%	300%



FOCF (€ mio)				
Value	400	1,000	1,500	2,000
Payout	0%	100%	200%	300%



ROCE above WACC (pp.)				
Value	0	6	12	18
Payout	0%	100%	200%	300%



Absolute CO ₂ e emissions Scope 1&2 (mt)				
Value	7.1	6.6	6.1	5.6
Payout	0%	100%	200%	300%

HIGHLIGHTS

- Full alignment of all employees (including Board) along the same KPIs
- Criteria with full focus on performance, shareholder value creation and sustainability
- 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
- Max. payout capped at 250%

High accumulated free operating cash flow

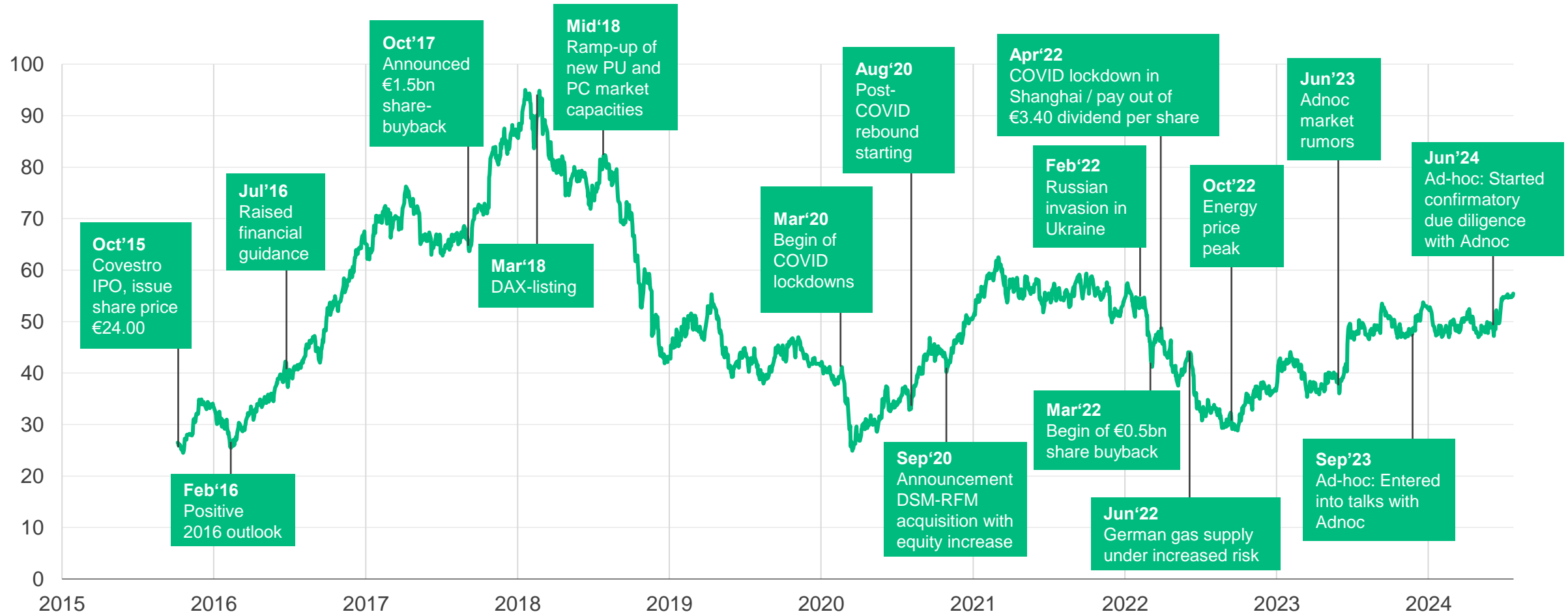
Development of last five years



		2019	2020	2021	2022	2023
Sales	(€ million)	12,412	10,706	15,903	17,903	14,377
• <i>Volume y/y</i>	(%)	+0.8	-5.1	+6.5	-5.0	-6.8
• <i>Price y/y</i>	(%)	-17.3	-5.7	+34.7	+10.1	-11.0
• <i>FX y/y</i>	(%)	+1.9	-1.6	-0.8	+5.9	-2.2
• <i>Portfolio y/y</i>	(%)	-0.5	-1.3	+8.1	+2.0	-
EBITDA	(€ million)	1,604	1,472	3,085	1,617	1,080
• <i>Performance Materials</i>		942	896	2,572	951	576
• <i>Solutions & Specialties</i>		832	743	751	825	817
Earnings per Share	(€)	3.02	2.48	8.37	-1.42	-1.05
Capex	(€ million)	910	704	764	832	765
Free operating cash flow (FOCF)	(€ million)	473	530	1,429	138	232
ROCE above WACC	(%points)	1.6	-0.3	12.9	-5.0	-6.1
Total net debt ⁽¹⁾	(€ million)	2,954	2,479	2,604	2,920	2,885
Employees ⁽²⁾	(FTE)	17,201	16,501	17,909	17,985	17,520

Historical share price performance

Covestro € share price since IPO



Upcoming IR events



Find more information on covestro.com/en/investors

REPORTING DATES

- | | |
|---------------------|-----------------------------|
| • October 29, 2024 | Q3 2024 Quarterly Statement |
| • February 26, 2025 | 2024 Annual Report |
| • May 6, 2025 | Q1 2025 Quarterly Statement |

ANNUAL GENERAL MEETING

- | | |
|------------------|------------------------|
| • April 17, 2025 | Annual General Meeting |
|------------------|------------------------|

BROKER CONFERENCES

- | | |
|----------------------|---|
| • September 3, 2024 | Commerzbank & ODDO BHF Corporate Conference, Frankfurt |
| • September 4, 2024 | UBS Global Materials Conference, New York City |
| • September 5, 2024 | Jefferies Industrials Conference, New York City |
| • September 10, 2024 | Berenberg Food Ingredients & Chemicals Conference, London |
| • September 11, 2024 | Kepler Cheuvreux Autumn Conference 2024, Paris |
| • September 23, 2024 | Baader Investment Conference 2024, Munich |
| • September 24, 2024 | Berenberg & Goldman German Corporate Conference, Munich |
| • October 10, 2024 | JP. Morgan CEO Series Call, virtual |



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.