Profitable growth into a climate neutral future

Financial Highlights
Q4/FY 2021
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

+10.0% Core volume growth

€3.1bn EBITDA

€1.4bn FOCF

€0.5bn Share buyback

€3.40 Proposed dividend per share

Note: All figures except share buyback refer to FY 2021
Financial targets achieved

FY 2021

<table>
<thead>
<tr>
<th></th>
<th>INITIAL GUIDANCE FY 2021&lt;sup&gt;(a)&lt;/sup&gt;</th>
<th>UPDATED GUIDANCE FY 2021&lt;sup&gt;(b)&lt;/sup&gt;</th>
<th>FY 2021</th>
<th>ACHIEVEMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Core Volume Growth</td>
<td>Between 10% and 15% (t/o ~6%p RFM)</td>
<td>Between 10% and 12% (t/o ~6%p RFM)</td>
<td>+10.0%</td>
<td>✔</td>
</tr>
<tr>
<td>FOCF</td>
<td>€900m – 1,400m</td>
<td>€1,400m – 1,700m</td>
<td>€1,429m</td>
<td>✔</td>
</tr>
<tr>
<td>ROCE</td>
<td>7% – 12%</td>
<td>19% – 21%</td>
<td>19.5%</td>
<td>✔</td>
</tr>
<tr>
<td>EBITDA</td>
<td>€1,700m – 2,200m</td>
<td>€3,000m – 3,200m</td>
<td>€3,085m</td>
<td>✔</td>
</tr>
</tbody>
</table>
### Pioneering a sustainable future: climate neutral in 2035

New climate neutrality target for GHG emissions scope 1 and 2

<table>
<thead>
<tr>
<th>OUR PURPOSE</th>
<th>OUR VISION</th>
</tr>
</thead>
<tbody>
<tr>
<td>To make the world a brighter place</td>
<td>We will be fully circular</td>
</tr>
</tbody>
</table>

#### CLIMATE NEUTRALITY IN 2035
- Covestro target relates to absolute GHG emissions
- Comprises direct (scope 1) and indirect (scope 2) GHG emissions

#### 60% REDUCTION IN 2030
- Interim target of 2.2 million tons GHG emissions in 2030
- Base year 2020 with 5.6 million tons GHG emissions

#### ALIGNED WITH GLOBAL 1.5°C-GOAL
- Covestro target aligned with 1.5°C goal of the Paris Climate agreement

#### CLIMATE NEUTRAL GROWTH SINCE 2005
- Previous specific GHG emission reduction target for 2025 achieved ahead of time
- Specific reduction of -54% in 2021 vs. base year 2005
- Scope 3 GHG emission reduction target to follow by 2023
- Roadmap and measures largely linked to transition to a circular economy

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**Note:**
GHG emissions = Greenhouse gas emissions, calculated in accordance with GHG Protocol and WBCSD recommendations.
Climate neutrality currently includes residual GHG emissions (scope 1 and 2) of c. 0.2-0.3mt per year; we are planning to offset these unavoidable, remaining GHG emissions through adequate compensation measures.
Transition opportunities expected to outweigh costs

New climate neutrality target for GHG emissions scope 1 and 2

TRANSITION OPPORTUNITIES

• Covestro will offer all products in a climate neutral version
• Customers demand sustainable product and appreciate the added value, leading to profitable growth
• Political and societal ambitions, regulatory changes, changing consumer awareness and behavior provide growth opportunities for fast responders

TRANSITION COSTS

• Expected €250-600m accumulated capex in 2021-2030e related to emission reduction measures, resulting in expected €50-100m p.a. lower operating expenses due to growing energy efficiency
• Expected low three-digit € million additional operating expenses p.a. based on historic circumstance that prices for fossil-based energies are lower than prices for renewable energies
Sustainable manufacturing and renewable energy to lead path
New climate neutrality target for GHG emissions 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 factors 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

Note:
GHG emissions = Greenhouse gas emissions, calculated in accordance with GHG Protocol and WBCSD recommendations. Climate neutrality currently includes residual GHG emissions (scope 1 and 2) of c. 0.2-0.3 mt per year; we are planning to offset these unavoidable, remaining GHG emissions through adequate compensation measures.
Numerous measures effectively reduce GHG emissions

New 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

- Onshore wind energy, e.g. PPA with ENGIE since 2021 for 45% of site’s electricity in Antwerp
- Offshore wind energy, e.g. PPA with Ørsted starting 2025 for 10% of sites’ electricity in Germany
- Solar energy, e.g. PPA with Datang since 2021 for 10% of site’s electricity in Shanghai

### 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

Notes:
- PPA: Power purchase agreement
- Datang: Datang Wuzhong New Energy Co.
Organic volume rebound constrained by product availability

FY 2021 – Regional split

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

<table>
<thead>
<tr>
<th>Region</th>
<th>Sales</th>
<th>Core Vol. Growth Y/Y</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>3,544</td>
<td>+14.3%</td>
</tr>
<tr>
<td>U.S.</td>
<td>2,962</td>
<td>+6.2%</td>
</tr>
<tr>
<td>Germany</td>
<td>1,918</td>
<td>+19.5%</td>
</tr>
<tr>
<td>APAC</td>
<td>5,474</td>
<td>+12.1%</td>
</tr>
<tr>
<td>NA</td>
<td>3,553</td>
<td>+5.8%</td>
</tr>
<tr>
<td>EMLA</td>
<td>6,876</td>
<td>+10.5%</td>
</tr>
<tr>
<td>GLOBAL</td>
<td>15,903</td>
<td>+10.0%</td>
</tr>
</tbody>
</table>

CORE VOLUME GROWTH Y/Y

- Globally strong demand rebound compared to weak prior year marked by coronavirus pandemic, yet growth constrained by product availability; consolidation of acquired RFM(a) business contributed ~6pp:
  - Furniture/wood c. -4%, declines in all regions
  - Construction c. +1%, driven by APAC and EMLA
  - Auto/transport c. +10%, strong growth globally
  - Electro c. +9%, with growth in all regions
  - Divers c. +33%, including total RFM volumes
- EMLA: volume growth in all key industries except single-digit decline in furniture/wood
- APAC: volume growth in all key industries except single-digit decline in furniture/wood
- NA: volume growth in auto and electro while declining volumes in construction and furniture/wood

Notes:
Core volume growth not adjusted for portfolio changes
(a) Full consolidation of acquired RFM business as of April 1, 2021
Strong sales growth driven by higher prices
FY 2021 – Sales bridge

**HIGHLIGHTS**

**Volume positive**
- Volume increased by +6.5% Y/Y (in €) – excluding RFM\(^{(a)}\) – mainly driven by S&S, compared to weak prior year
- Volume growth limited by constrained product availability, mainly in U.S. and Europe

**Pricing highly positive**
- Higher selling prices, mainly driven by PM, pushed sales up +34.7% Y/Y
- Absolute price increase of +€3.7bn compares to historic high of +€1.9bn in FY 2017

**FX slightly negative**
- FX affected sales by -0.8% Y/Y mainly driven by weaker USD, JPY, BRL and INR

**Portfolio positive**
- RFM\(^{(a)}\) increased sales by +8.1% Y/Y

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**Notes:**
(a) Full consolidation of acquired RFM business as of April 1, 2021
Earnings doubled due to highly positive pricing delta

FY 2021 – EBITDA bridge

**HIGHLIGHTS**

Positive volume leverage\(^{(a)}\)
- Attractive volume leverage of 49.0%
- Prior year burdened by coronavirus pandemic

Highly positive pricing delta
- Vast majority contributed by PM

Slightly negative FX
- Translational effects

‘Other items’ driven by:
- €-443m linked to higher provisions for variable compensation
- €-60m negative one-time effects related to the acquired RFM business\(^{(b)}\) (vs. €-33m in FY’20)
- €-39m negative one-time effects related to LEAP transformation program (vs. €0m in FY’20)

\(^{(a)}\) Method of calculation: EBITDA volume contribution / sales volume contribution

\(^{(b)}\) Full consolidation of acquired RFM business as of April 1, 2021
Strong free operating cash flow despite higher working capital

Historical FOCF development

<table>
<thead>
<tr>
<th></th>
<th>FY 2018</th>
<th>FY 2019</th>
<th>FY 2020</th>
<th>FY 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA</td>
<td>3,200</td>
<td>1,604</td>
<td>1,472</td>
<td>3,085</td>
</tr>
<tr>
<td>Changes in working capital&lt;sup&gt;(a)&lt;/sup&gt;</td>
<td>-167</td>
<td>+437</td>
<td>-100</td>
<td>-727</td>
</tr>
<tr>
<td>Capex&lt;sup&gt;(b)&lt;/sup&gt;</td>
<td>-707</td>
<td>-910</td>
<td>-704</td>
<td>-764</td>
</tr>
<tr>
<td>Income tax paid</td>
<td>-574</td>
<td>-296</td>
<td>-155</td>
<td>-546</td>
</tr>
<tr>
<td>Other effects</td>
<td>-83</td>
<td>-362</td>
<td>+17</td>
<td>+381</td>
</tr>
</tbody>
</table>

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 December 31, 2021, divided by sales of last four quarters

HIGHLIGHTS
- In Q4 2021, FOCF of €356m below previous year (€394m in Q4 2020) as positive contributions from working capital<sup>(a)</sup> and higher earnings were eaten up by significantly higher income tax paid and higher capex.
- In FY 2021, the EBITDA increase boosted FOCF development despite negative contribution from working capital<sup>(a)</sup>.
- Working capital to sales ratio<sup>(c)</sup> at 18.6%.
- Capex of €764m ended up slightly below budget.
- Higher income tax paid in line with higher pre-tax income level.
- ‘Other effects’ reflect provisions for variable compensation, cash-effective only in 2022.
Strong balance sheet after RFM closing

December 31, 2021 – Total net debt

**HIGHLIGHTS**

- Pension provisions decreased by €924m mainly resulting from €500m fund transfer to one pension trust and higher discount rates in Germany
- Total net debt to EBITDA ratio\(^{(a)}\) of 0.8x at end of 2021 vs. 1.7x at end of 2020
- Equity ratio of 50% at end of 2021 vs. 44% at end of 2020
- Committed to a solid investment grade rating

**Liquidity at attractive rates**

- Cash outflow for acquisition of RFM (less acquired cash) of €1.5bn on April 1, 2021
- €500m Eurobond (placed in 2016, maturing in October 2021) repaid early on July 7, 2021
- Balance sheet with €1.1bn in cash, cash equivalents and current financial assets
- Undrawn syndicated revolving credit facility (RCF) of €2.5bn in place with ESG element

\(^{(a)}\) Method of calculation: Total net debt on December 31, 2021, divided by EBITDA of last four quarters
Highly positive pricing delta delivered in 2021
Performance Materials segment

**HIGHLIGHTS**

2021
- Solid underlying demand while sales volume growth limited by constrained product availability
- Highly positive pricing delta

Outlook 2022
- Sales volumes expected to grow strongly based on higher product availability
- EBITDA expected to significantly decrease Y/Y mainly due to intensified competition in polycarbonates
- Supply-demand balance for MDI/TDI expected to further improve

**SEGMENT PROFILE**

- **Success factors** – Ensure high asset utilization and strengthen superior cost position
- **Products** – Standard MDI, TDI and long chain polyols, standard PC resins, basic chemicals

<table>
<thead>
<tr>
<th></th>
<th>FY 2020</th>
<th>FY 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>SALES</td>
<td>5,468</td>
<td>8,142</td>
</tr>
<tr>
<td>EBITDA</td>
<td>896</td>
<td>2,572</td>
</tr>
</tbody>
</table>

EBITDA margin: 16.4% (FY 2020) | 31.6% (FY 2021)
Stable EBITDA despite higher feedstock prices in 2021

Solutions & Specialties segment

HIGHLIGHTS

2021
• Strong sales volume growth
• RFM contribution and integration ahead of plan
• Margin significantly burdened by higher feedstock prices, longer term sales contracts yet prevented to fully pass-through prices

Outlook 2022
• Sales volumes expected to continue strong growth
• EBITDA expected to significantly increase Y/Y
• Margin expected to steadily improve towards 17% target in 2024

SEGMENT PROFILE
• Success factors – Continuously innovate products and manage complexity
• Products – Coatings and adhesives raw materials, PC compounds, Specialty MDI and polyols, specialty films, elastomers and thermoplastic polyurethanes

Notes:
(a) Full consolidation of acquired RFM business as of April 1, 2021
EBITDA margin to grow to 17% in 2024

Solutions & Specialties segment target

**EBITDA AND MARGIN – SOLUTIONS & SPECIALTIES**

- In 2021, margin negatively impacted by above-average Performance Materials market prices as basis for inter-segment charges
- In 2022, significant EBITDA increase expected
- In 2024, EBITDA margin target of 17% driven by:
  - Fixed cost dilution due to strong growth, LEAP transformation
  - RFM integration and synergies
  - Focus on value-based pricing

Based on mid-cycle inter-segment charges
Synergies fully confirmed and ahead of plan

RFM synergies and implementation cost

**EBITDA IMPACT**

<table>
<thead>
<tr>
<th>Year</th>
<th>Total synergies</th>
<th>Revenue synergies</th>
<th>Cost synergies</th>
<th>Implementation cost</th>
<th>Inventory step-up</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>26</td>
<td>-34</td>
<td>26</td>
<td>-26</td>
<td>-26</td>
</tr>
<tr>
<td>2022e</td>
<td>50</td>
<td>10</td>
<td>40</td>
<td>-50</td>
<td>-50</td>
</tr>
<tr>
<td>2023e</td>
<td>80</td>
<td>15</td>
<td>65</td>
<td>-5</td>
<td>-5</td>
</tr>
<tr>
<td>2024e</td>
<td>100</td>
<td>30</td>
<td>70</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2025e</td>
<td>120</td>
<td>40</td>
<td>80</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**HIGHLIGHTS**

**SYNERGIES**

- Confirming identified synergies of €120m or 12% of RFM sales (2019)
- 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)
- Implementation cost incl. inventory step-up of €115m (initially €155m, reduced due to lower severance need)

**OPERATIONS**

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

Notes: Acquisition of DSM Resins & Functional Material (RFM) business, closed on April 1, 2021
Shifting from standard to differentiated polycarbonate

Engineering Plastics within Solutions & Specialties segment

POLYCARBONATE 2021 SALES €4.3bn

Covestro polycarbonate volume split by segment

<table>
<thead>
<tr>
<th>Year</th>
<th>Standard pc (PC), Performance Materials</th>
<th>Differentiated PC, Engineering Plastics, Solutions &amp; Specialties</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>65%</td>
<td>35%</td>
</tr>
<tr>
<td>2017</td>
<td>39%</td>
<td>61%</td>
</tr>
<tr>
<td>2020</td>
<td>32%</td>
<td>68%</td>
</tr>
<tr>
<td>2021</td>
<td>27%</td>
<td>73%</td>
</tr>
<tr>
<td>2022e</td>
<td>25%</td>
<td>75%</td>
</tr>
<tr>
<td>2025e</td>
<td>20%</td>
<td>80%</td>
</tr>
</tbody>
</table>

+230kt Covestro compounding capacity

Enacting Plastics (EP) Industry +7% CAGR 2021-2026

CUSTOMER INDUSTRIES

Electro
EP sales share 2021: 46%
CAGR 2021-2026e: 6%
- Strong demand in communication infrastructure, audio, LED, power supply and small appliances
- New opportunities from 5G, intelligent connectivity and electrical integration

Auto & transport
EP sales share 2021: 41%
CAGR 2021-2026e: 9%
- 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

Healthcare
EP sales share 2021: 10%
CAGR 2021-2026e: 5%
- Aging population with increasing healthcare access in emerging markets
- Trend towards home healthcare devices and wearable monitor devices

GROWTH DRIVERS

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

Strong demand for differentiated polycarbonate grades across several customer industries

March 1, 2022 | Q4/FY 2021 Earnings Call
Solid demand recovery continues globally

Global demand development

<table>
<thead>
<tr>
<th>Key customer industries</th>
<th>2020 Y/Y</th>
<th>2021 Y/Y</th>
<th>2022e Y/Y</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global GDP</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Industrial production</td>
<td>-3.5%</td>
<td>+5.6%</td>
<td>+4.1%</td>
</tr>
<tr>
<td></td>
<td>-5.2%</td>
<td>+7.3%</td>
<td>+4.5%</td>
</tr>
<tr>
<td>Automotive</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EV / BEV</td>
<td>-15.9%</td>
<td>+2.9%</td>
<td>+11.7%</td>
</tr>
<tr>
<td></td>
<td>+29.2%</td>
<td>+104.9%</td>
<td>+55.3%</td>
</tr>
<tr>
<td>Construction</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Residential</td>
<td>-1.8%</td>
<td>+2.9%</td>
<td>+3.7%</td>
</tr>
<tr>
<td></td>
<td>-1.0%</td>
<td>+4.4%</td>
<td>+4.0%</td>
</tr>
<tr>
<td>Furniture</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Soft furniture</td>
<td>-4.8%</td>
<td>+8.0%</td>
<td>+3.4%</td>
</tr>
<tr>
<td></td>
<td>-4.4%</td>
<td>+8.2%</td>
<td>+3.4%</td>
</tr>
<tr>
<td>Electrical, electronics and household appliances</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Appliances</td>
<td>+4.5%</td>
<td>+13.9%</td>
<td>+4.5%</td>
</tr>
<tr>
<td></td>
<td>+2.4%</td>
<td>+9.6%</td>
<td>-0.5%</td>
</tr>
</tbody>
</table>

Notes: GDP estimate by IHS as of February 2022; automotive estimate by LMC as of February 2022; construction estimate by B+L as of February 2022; furniture estimate by CSIL as of February 2022; EE&A estimate by Oxford Economics as of December 2021 (sub-industry 'appliances' mainly include refrigerators and freezers)
Manage fixed costs despite high inflation and investments
Transformation program LEAP in 2021-2023

HIGHLIGHTS

- In 2021, cost development on expectation; mainly driven by higher maintenance costs, salary increase, investments in digitalization and circularity
- In 2022 and 2023, expected net cost increase resulting from
  - High inflation (e.g. logistic, labor costs, etc.) as well as growth (e.g. MDI project) and climate-related investments
  - Partly counterbalanced by planned cost reductions of €50m to €100m p.a. through LEAP execution

FIXED COST DEVELOPMENT Y/Y EXCLUDING INCENTIVE SCHEMES

<table>
<thead>
<tr>
<th>Year</th>
<th>Fixed Cost Development (€ million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>-150</td>
</tr>
<tr>
<td>2021</td>
<td>+159</td>
</tr>
<tr>
<td>2022e</td>
<td>-50 to -100 excluding inflation and investments</td>
</tr>
<tr>
<td>2023e</td>
<td>-50 to -100 excluding inflation and investments</td>
</tr>
</tbody>
</table>

Note: Fixed cost development calculated as ‘Other items’ (Y/Y) from FY EBITDA bridge, corrected by Y/Y changes in STI & LTI
STI = Short-term incentive; LTI = Long-term incentive
Global energy cost more than double within two years

Energy cost development

HIGHLIGHTS

• Global energy cost significantly increased in 2021 mainly driven by European energy prices
• Global energy cost in 2021 were €1.0bn, thereof €0.6bn driven by electricity and €0.4bn driven by natural gas
• Regional breakdown of energy cost in 2021: EU ~70%, Asia ~20% and US ~10%
• Global energy bill in 2022 expected at €1.5bn
2022 earnings to continue above mid-cycle level

EBITDA development between 2014 and 2022e

**HIGHLIGHTS**

- **EBITDA guidance of €2,500m - 3,000m in FY 2022**
  - Earnings guidance reflects expected increased competitive pressure
  - Mark-to-market (M2M) EBITDA in FY 2022 of ~€3.3bn as of January 2022

- **EBITDA sensitivities for FY 2022**
  - Volume sensitivity: 1pp change in volume (in €) equals around +/- €80m
  - FX sensitivity: 1pp change equals +/- €9m for CNY/EUR and +/- €4m for USD/EUR

- **Future mid-cycle EBITDA**
  - In 2022, step-up from acquired RFM business, followed by realization of RFM synergies
  - Until 2023, execution of LEAP transformation program
  - In 2024, mid-cycle level raised to €2.8bn

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Note: (a) EBITDA before one-time items in 2014 and 2015
Basic assumptions FY 2022: Exchange rate of EUR/USD ~1.15 and a global GDP growth of ~4% Y/Y
2022 outlook based on new core KPIs

Full year guidance

<table>
<thead>
<tr>
<th></th>
<th>FY 2021</th>
<th>Guidance FY 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA</td>
<td>€3,085m</td>
<td>€2,500m – 3,000m</td>
</tr>
<tr>
<td>FOCF</td>
<td>€1,429m</td>
<td>€1,000m – 1,500m</td>
</tr>
<tr>
<td>ROCE above WACC(^{(a)})</td>
<td>12.9pp</td>
<td>5 – 9pp</td>
</tr>
<tr>
<td>GHG emissions (scope 1 and 2)</td>
<td>5.2m tons</td>
<td>5.6m – 6.1m tons</td>
</tr>
</tbody>
</table>

**Additional financial expectations**

<p>| | | |</p>
<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>EBITDA Q1</td>
<td>€743m</td>
<td>€750m – 850m</td>
</tr>
<tr>
<td>D&amp;A</td>
<td>€823m</td>
<td>~€950m</td>
</tr>
<tr>
<td>Financial result</td>
<td>€-77m</td>
<td>~€-70m</td>
</tr>
<tr>
<td>P&amp;L (effective) tax rate</td>
<td>25.9%</td>
<td>24 – 26%</td>
</tr>
<tr>
<td>Capex(^{(b)})</td>
<td>€764m</td>
<td>~€1,000m</td>
</tr>
</tbody>
</table>

Note:  
(a) Weighted average cost of capital (WACC): 6.6% in FY 2021 and 7.0% in FY 2022  
(b) Cash-relevant capex  
Basic assumptions FY 2022: Exchange rate of EUR/USD ~1.15 and a global GDP growth of ~4% Y/Y
Investment into organic growth to deliver attractive returns

Covestro capex development

HIGHLIGHTS

Expansion capex
- In FY 2022, total planned capex of ~€1,000m includes ~€600m for expansion projects
- Planned Y/Y increase includes single largest capex project, i.e. aniline expansion in Antwerp, Belgium (total capex of ~€0.4bn in 2020-2024)
- Chlorine expansion in Tarragona, Spain, to start-up in 2022 (total capex of ~€0.2bn in 2018-2022)
- Almost 70 projects with capex of more than €10m, with spending spread over several years

Maintenance capex
- In FY 2022, total planned capex of ~€1,000m includes ~€400m for maintenance work
- Securing safe, reliable and efficient operations

Note:
(a) Cash-relevant CapEx; reference information for fiscal years 2015 to 2018 have not been restated after the implementation of the Accounting Standard IFRS 16 Leases effective January 1, 2019
Record dividend and 41% payout ratio proposed

Dividend development

HIGHLIGHTS

- 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 2021, dividend of €3.40 per share to be proposed to AGM on April 21, 2022
New share buyback program announced

Cash return to shareholders

€0.5bn

total volume of 2-year program

5%

of current market capitalization

USE OF CASH

- Share buyback as additional option to create value for our shareholders
  - Company’s capital structure to be optimized
  - Earnings and dividend per share to be increased
  - Repurchased shares to be cancelled, reducing the share capital accordingly

- Covestro use of cash
  - Profitable growth through capital expenditures
  - Attractive dividend payouts
  - Large acquisitions currently not in focus
  - Share buybacks

- Committed to a solid investment grade rating

Notes: New share buyback program based on 5-year authorization by AGM in 2019
Profitable growth into a climate neutral future

Highlights

1. EBITDA increase in FY 2021 driven by positive pricing delta passing through unprecedented raw material inflation

2. Record dividend of €3.40 per share for FY 2021 with dividend yield of 6.3% based on year-end share price

3. Share buyback program of €0.5bn launched using the opportunity to create value for shareholders

4. FY 2022 earnings outlook again above mid-cycle level based on solid sales growth and a strong start into Q1 2022

5. Climate neutrality in 2035 after 60% reduction of GHG emissions (scope 1 and 2) in 2030
Appendix
# Upcoming IR events

Find more information on covestro.com/en/investors

## REPORTING DATES

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>May 3, 2022</td>
<td>Q1 2022 Quarterly Statement</td>
</tr>
<tr>
<td>August 2, 2022</td>
<td>2022 Half-Year Financial Report</td>
</tr>
</tbody>
</table>

## ANNUAL GENERAL MEETING

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>April 21, 2022</td>
<td>Annual General Meeting</td>
</tr>
</tbody>
</table>

## BROKER CONFERENCES

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>March 10, 2022</td>
<td>Goldman Sachs Eleventh Annual European Chemicals and Consumer Ingredients Conference (virtual)</td>
</tr>
<tr>
<td>March 31, 2022</td>
<td>Stifel German Corporate Conference, Copenhagen</td>
</tr>
</tbody>
</table>
Q4 2021 – Regional split

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

- China
  - Sales: 961
  - Vol.: +11.8%
- U.S.
  - Sales: 879
  - Vol.: +8.7%
- Germany
  - Sales: 494
  - Vol.: +4.5%
- EMLA
  - Sales: 1,822
  - Vol.: +2.2%
- APAC
  - Sales: 1,467
  - Vol.: +7.3%
- NA
  - Sales: 1,049
  - Vol.: +4.3%
- GLOBAL
  - Sales: 4,338
  - Vol.: +4.6%
  - t/o RFM ~7pp

CORE VOLUME GROWTH Y/Y

- Globally constrained product availability limits growth potential despite solid demand; consolidation of acquired RFM business (contributing ~7pp) drives Y/Y growth:
  - Furniture/wood c. -7%, driven by all regions
  - Construction c. +1%, driven by NA and APAC
  - Auto/transport c. -18%, double digit decline in all regions
  - Electro c. +2%, driven by EMLA and APAC
  - Divers c. +42%, including total RFM volumes
- APAC: single-digit growth rates in construction and electro, auto and furniture below previous year
- EMLA: double-digit growth rate in electro, all other key industries with negative growth rates
- NA: double-digit growth rate in construction, all other key industries with negative growth rates

Notes:
Core volume growth not adjusted for portfolio changes
Unprecedented raw material inflation passed through

Q4 2021 – Sales bridge

HIGHLIGHTS

Volume flat
- Volume virtually unchanged at -0.2% Y/Y (in €) – excluding RFM\(^{(a)}\) – growth in PM while decline in S&S
- Volume growth limited by constrained product availability, mainly in Europe and U.S.

Pricing highly positive
- Higher selling prices in PM and S&S drove up sales by +31.6% Y/Y

FX positive
- FX affected sales by +3.8% Y/Y mainly driven by stronger CNY and USD

Portfolio positive
- RFM\(^{(a)}\) increased sales by +9.1% Y/Y

Notes:
\(^{(a)}\) Full consolidation of acquired RFM business as of April 1, 2021
Earnings increased due to positive pricing delta

Q4 2021 – EBITDA bridge

<table>
<thead>
<tr>
<th>HIGHLIGHTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Positive volume</td>
</tr>
<tr>
<td>• Contribution margin of S&amp;S volume growth exceeded contribution margin of PM volume decline</td>
</tr>
<tr>
<td>Positive pricing delta</td>
</tr>
<tr>
<td>• Driven by PM, negative pricing delta in S&amp;S</td>
</tr>
<tr>
<td>Slightly positive FX</td>
</tr>
<tr>
<td>• Translational effects</td>
</tr>
</tbody>
</table>

‘Other items’ driven by:

• €-70m linked to higher provisions for variable compensation
• €-15m one-time effects related to the acquired RFM business⁽ᵇ⁾ (€-33m in Q4 2020)
• €-8m one-time effects related to LEAP transformation program (€0m in Q4 2020)

<table>
<thead>
<tr>
<th>in € million</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q4 2020</td>
</tr>
<tr>
<td>---</td>
</tr>
<tr>
<td>Price</td>
</tr>
<tr>
<td>Raw material price</td>
</tr>
<tr>
<td>Pricing delta</td>
</tr>
<tr>
<td>Q4 2021</td>
</tr>
</tbody>
</table>

Notes:
(a) Method of calculation: EBITDA volume contribution / sales volume contribution
(b) Full consolidation of acquired RFM business as of April 1, 2021
EBITDA increase Y/Y despite higher input costs

Group results – Highlights Q4 2021

**SALES AND CORE VOLUME GROWTH**

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Sales (€ million)</th>
<th>Core volume growth Y/Y</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 2020</td>
<td>2,783</td>
<td>-4.1%</td>
</tr>
<tr>
<td>Q2 2020</td>
<td>2,156</td>
<td>-22.7%</td>
</tr>
<tr>
<td>Q3 2020</td>
<td>2,760</td>
<td>2.9%</td>
</tr>
<tr>
<td>Q4 2020</td>
<td>3,007</td>
<td>1.7%</td>
</tr>
<tr>
<td>Q1 2021</td>
<td>3,307</td>
<td>5.3%</td>
</tr>
<tr>
<td>Q2 2021</td>
<td>3,956</td>
<td>35.0%</td>
</tr>
<tr>
<td>Q3 2021</td>
<td>4,302</td>
<td>0.8%</td>
</tr>
<tr>
<td>Q4 2021</td>
<td>4,338</td>
<td>4.6%</td>
</tr>
</tbody>
</table>

**HIGHLIGHTS**

- In Q4 2021, Covestro posted highest quarterly sales in its history.
- Year-on-year increase mainly attributable to higher prices of €1.0bn and RFM\(^{(b)}\) sales of €0.3bn.
- Sequentially, sales virtually unchanged as positive effects from price and currency compensate negative effects from volume.

**EBITDA AND MARGIN**

<table>
<thead>
<tr>
<th>Quarter</th>
<th>EBITDA (€ million)</th>
<th>EBITDA Margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 2020</td>
<td>254</td>
<td>9.1%</td>
</tr>
<tr>
<td>Q2 2020</td>
<td>125</td>
<td>5.8%</td>
</tr>
<tr>
<td>Q3 2020</td>
<td>456</td>
<td>16.5%</td>
</tr>
<tr>
<td>Q4 2020</td>
<td>637</td>
<td>21.2%</td>
</tr>
<tr>
<td>Q1 2021</td>
<td>743</td>
<td>22.5%</td>
</tr>
<tr>
<td>Q2 2021</td>
<td>817</td>
<td>20.7%</td>
</tr>
<tr>
<td>Q3 2021</td>
<td>862</td>
<td>20.0%</td>
</tr>
<tr>
<td>Q4 2021</td>
<td>663</td>
<td>15.3%</td>
</tr>
</tbody>
</table>

**HIGHLIGHTS**

- Sequentially, earnings decreased due to negative pricing delta and seasonally lower volumes.
- Consequently, EBITDA margin decreased to 15.3% in Q4 2021.
- EBITDA margin of 22.5% in Q1 2021 well below historic peak of 28.1% in Q1 2018.

Notes:

- \(^{(a)}\) Reference values calculated on the basis of the definition of the core business effective March 31, 2021.
- \(^{(b)}\) Full consolidation of acquired RFM business as of April 1, 2021.
Performance Materials – positive pricing delta

Segment results – Highlights Q4 2021

**SALES AND CORE VOLUME GROWTH**

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Sales (€ million)</th>
<th>Core volume growth Y/Y</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 2020</td>
<td>1,383</td>
<td>-1.4%</td>
</tr>
<tr>
<td>Q2 2020</td>
<td>1,055</td>
<td>-20.8%</td>
</tr>
<tr>
<td>Q3 2020</td>
<td>1,436</td>
<td>6.4%</td>
</tr>
<tr>
<td>Q4 2020</td>
<td>1,594</td>
<td>0.0%</td>
</tr>
<tr>
<td>Q1 2021</td>
<td>1,740</td>
<td>0.6%</td>
</tr>
<tr>
<td>Q2 2021</td>
<td>1,957</td>
<td>18.0%</td>
</tr>
<tr>
<td>Q3 2021</td>
<td>2,186</td>
<td>-11.6%</td>
</tr>
<tr>
<td>Q4 2021</td>
<td>2,259</td>
<td>-0.8%</td>
</tr>
</tbody>
</table>

**EBITDA AND MARGIN**

<table>
<thead>
<tr>
<th>Quarter</th>
<th>EBITDA (€ million)</th>
<th>EBITDA Margin in percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 2020</td>
<td>115</td>
<td>8.3%</td>
</tr>
<tr>
<td>Q2 2020</td>
<td>37</td>
<td>3.5%</td>
</tr>
<tr>
<td>Q3 2020</td>
<td>279</td>
<td>19.4%</td>
</tr>
<tr>
<td>Q4 2020</td>
<td>465</td>
<td>29.2%</td>
</tr>
<tr>
<td>Q1 2021</td>
<td>630</td>
<td>36.2%</td>
</tr>
<tr>
<td>Q2 2021</td>
<td>644</td>
<td>32.9%</td>
</tr>
<tr>
<td>Q3 2021</td>
<td>708</td>
<td>32.4%</td>
</tr>
<tr>
<td>Q4 2021</td>
<td>590</td>
<td>26.1%</td>
</tr>
</tbody>
</table>

**HIGHLIGHTS**

- Core volume growth (in kt) of -0.8% Y/Y impacted by continued constrained product availability, while underlying demand globally remained solid
- Sales increased by +41.7% Y/Y driven by price (+37.6%), FX (+3.6%) and volume (+0.5%)
- Compared to prior year, EBITDA increase driven by positive pricing delta, compensating higher provisions for variable compensation
- Sequentially, earnings decline due to negative pricing delta and lower volume
- EBITDA margin of 20.7% in Q4 2021 (24.9% in FY 2021) if adjusted for intersegment sales of €596m (€2,195m)

Notes:

(a) Reference values calculated on the basis of the definition of the core business effective March 31, 2021. Prior year figures referring to fiscal 2019 are based on unaudited figures due to the realignment of the organizational structure in fiscal 2021. The values were determined retrospectively as of October 1, 2021 due to a change in the underlying market prices for the compensation of transactions between the Performance Materials and Solutions & Specialties segments; the comparative information was adjusted accordingly.
Solutions & Specialties – burdened by higher feedstock prices

Segment results – Highlights Q4 2021

**SALES AND CORE VOLUME GROWTH**(a)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Sales (€ million)</th>
<th>Core volume growth Y/Y</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 2020</td>
<td>1,341</td>
<td>-8.3%</td>
</tr>
<tr>
<td>Q2 2020</td>
<td>1,060</td>
<td>-25.8%</td>
</tr>
<tr>
<td>Q3 2020</td>
<td>1,288</td>
<td>-2.7%</td>
</tr>
<tr>
<td>Q4 2020</td>
<td>1,371</td>
<td>4.2%</td>
</tr>
<tr>
<td>Q1 2021</td>
<td>1,529</td>
<td>13.1%</td>
</tr>
<tr>
<td>Q2 2021</td>
<td>1,951</td>
<td>63.7%</td>
</tr>
<tr>
<td>Q3 2021</td>
<td>2,069</td>
<td>22.7%</td>
</tr>
<tr>
<td>Q4 2021</td>
<td>2,005</td>
<td>13.0%</td>
</tr>
</tbody>
</table>

**EBITDA AND MARGIN**

<table>
<thead>
<tr>
<th>Quarter</th>
<th>EBITDA (€ million)</th>
<th>EBITDA Margin (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 2020</td>
<td>209</td>
<td>15.6%</td>
</tr>
<tr>
<td>Q2 2020</td>
<td>123</td>
<td>11.6%</td>
</tr>
<tr>
<td>Q3 2020</td>
<td>217</td>
<td>16.8%</td>
</tr>
<tr>
<td>Q4 2020</td>
<td>194</td>
<td>14.2%</td>
</tr>
<tr>
<td>Q1 2021</td>
<td>181</td>
<td>11.8%</td>
</tr>
<tr>
<td>Q2 2021</td>
<td>237</td>
<td>12.1%</td>
</tr>
<tr>
<td>Q3 2021</td>
<td>221</td>
<td>10.7%</td>
</tr>
<tr>
<td>Q4 2021</td>
<td>112</td>
<td>5.6%</td>
</tr>
</tbody>
</table>

**HIGHLIGHTS**

- Core volume growth (in kt) of 13.0% Y/Y, including ~18pp from RFM(b)
- Sales grew by +46.2% Y/Y, driven by price (+25.6%), portfolio (+19.9%, RFM(b)) and FX (+4.1%), while volume (-3.4%) negative
- Q4 2021 EBITDA includes €-15m one-time effects related to RFM(b) (€-60m in FY 2021)
- Compared to prior year, EBITDA decrease mainly due to negative pricing delta and higher provisions for variable compensation
- Sequentially, EBITDA decrease driven by lower volume and negative pricing delta

Notes:
- (a) Reference values calculated on the basis of the definition of the core business effective March 31, 2021. Prior year figures referring to fiscal 2019 are based on unaudited figures due to the realignment of the organizational structure in fiscal 2021.
- (b) Full consolidation of acquired RFM business as of April 1, 2021. The values were determined retrospectively as of October 1, 2021 due to a change in the underlying market prices for the compensation of transactions between the Performance Materials and Solutions & Specialties segments; the comparative information was adjusted accordingly.