Q3 target achieved in recessionary environment

Roadshow presentation
Covestro investment highlights

- Group financials Q3’22
- Segment overview
- Background information
Covestro is diversified across geographies and end-markets

Key performance indicators and sales split

€16bn
Sales
2021

€3.1bn
EBITDA
2021

€1.4bn
FOCF
2021

13pp
ROCE above WACC
2021

2021 sales

- Solutions & Specialties: 47%
- Performance Materials: 51%
- Other: 2%
- Sports / leisure, cosmetics, health, diverse industries: 30%
- Automotive & transportation: 17%
- Chemicals: 7%
- Electrical, electronics & household appliances: 15%
- Furniture & wood: 16%
- Construction: 15%
- APAC: 34%
- EMLA: 43%
- NA: 22%

Notes:
Based on Covestro Annual Report 2021; EMLA = Europe, Middle East Africa, Latin America; NA = USA, Canada, Mexico; APAC = Asia-Pacific
TPU: Thermoplastic Polyurethanes; ELA: Elastomers
Sales split by industry for your convenience only; shown numbers are approximations on full year basis.
Covestro is a global leader across its entire portfolio

World-wide industry positions and production capacities

#1 IN KEY MARKETS

## CAPACITY SHARE IN 2021(1)

<table>
<thead>
<tr>
<th>Product Type</th>
<th>Top 5 Share</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>MDI</td>
<td>92%</td>
<td></td>
</tr>
<tr>
<td>TDI</td>
<td>74%</td>
<td></td>
</tr>
<tr>
<td>Polyether polyols</td>
<td>41%</td>
<td></td>
</tr>
<tr>
<td>PC</td>
<td>72%</td>
<td></td>
</tr>
<tr>
<td>Aliphatic isocyanates</td>
<td>87%</td>
<td></td>
</tr>
<tr>
<td>Polyurethane dispersions(2)</td>
<td>51%</td>
<td></td>
</tr>
</tbody>
</table>

### Top 5: 92%

- **MDI**: 8%
- **Others**: 19%

- **Top 5: 74%**
- **TDI**: 26%
- **Others**: 23%

- **Top 5: 41%**
- **Polyether polyols**: 58%
- **Others**: 9%

- **Top 5: 72%**
- **PC**: 33%
- **Others**: 25%

- **Top 5: 87%**
- **Aliphatic isocyanates**: 13%
- **Others**: 42%

- **Top 5: 51%**
- **Polyurethane dispersions**: 20%

### COVESTRO(1)

<table>
<thead>
<tr>
<th>Rank</th>
<th>Capacity (kt)</th>
<th>Sites</th>
</tr>
</thead>
<tbody>
<tr>
<td>#3</td>
<td>1,770</td>
<td>6</td>
</tr>
<tr>
<td>#1</td>
<td>1,600</td>
<td>5</td>
</tr>
<tr>
<td>#2</td>
<td>1,420</td>
<td>9</td>
</tr>
<tr>
<td>#1</td>
<td>800</td>
<td>3</td>
</tr>
</tbody>
</table>

### Entry requirements

- Economies of scope
- Formulation and application know-how
- Close customer relationships and long-term R&D collaborations
- Operation of global business platform

Notes:
1. Covestro position based on total nameplate capacity at year end 2021 relative to competitors
2. Covestro including acquired RFM business closed on April 1, 2021

Source: Covestro estimates
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**
- LEAP transformation ongoing

**MILESTONE**
- Integration of RFM

**MILESTONE**
- Target climate neutrality in 2035
Climate neutrality with existing technologies and assets

Covestro greenhouse gas emissions

Indirect emissions
- Mainly purchased goods, capital goods, fuel- and energy-related activities
- Mainly upstream transportation and distribution
- Mainly from operations, business travel, employee commuting
- Mainly used electricity, heat and steam supplied by third parties
- Mainly purchased goods, capital goods, fuel-related activities
- Mainly from operations, business travel, employee commuting
- Mainly used electricity, heat and steam supplied by third parties
- Mainly purchased goods, capital goods, fuel-related activities
- Mainly from operations, business travel, employee commuting
- Mainly used electricity, heat and steam supplied by third parties

Scope 1+2 5.4m tons in 2021

Scope 3 18.5m tons in 2021

Scope 3 3.4m tons in 2021

EXISTING OPTIONS AND CURRENT LIMITATIONS TO REDUCE GHG EMISSIONS

- Various alternative feedstock
  - Limitations: available capacities
- Low-emission mobility
  - Limitations: available infrastructure
- Low-emission mobility
  - Limitations: available infrastructure
- Renewable energies
  - Limitations: available capacities
- Low-emission technologies
  - Limitations: investments and installations
- Low-emission mobility
  - Limitations: available infrastructure
- Circular end-of-life solutions
  - Limitations: readiness of technologies

Selective examples only

Notes: GHG: Greenhouse gas emissions, calculated in accordance with GHG Protocol and WBCSD recommendations
Sustainable manufacturing and renewable energy to lead path

New climate neutrality target for GHG emissions scope 1 and 2

- 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

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

End-of-life solutions in cross-industry collaborations

**COVESTRO TECHNOLOGY**

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

**FUTURE PU SOFT FOAM LOOP**

- Conceptual illustration
- Chemical recycling
- Intelligent sorting
- Mattress collection & handling
- Foamer & mattress producer
- End consumer

**INDUSTRIAL SCALE-UP**

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

**Notes:**
- rPolyol: recycled polyol; rTDA: recycled TDA
- LCA: Life cycle assessment
Leading cost positions across markets and regions

Covestro cash cost positions

**NORTH AMERICA**

<table>
<thead>
<tr>
<th>MD</th>
<th>TDI</th>
<th>PC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash cost</td>
<td>Cash cost</td>
<td>Cash cost</td>
</tr>
</tbody>
</table>

**EUROPE**

<table>
<thead>
<tr>
<th>MD</th>
<th>TDI</th>
<th>PC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash cost</td>
<td>Cash cost</td>
<td>Cash cost</td>
</tr>
</tbody>
</table>

**ASIA**

<table>
<thead>
<tr>
<th>MD</th>
<th>TDI</th>
<th>PC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash cost</td>
<td>Cash cost</td>
<td>Cash cost</td>
</tr>
</tbody>
</table>

**HIGHLIGHTS**

- **Covestro MDI** is one of the low-cost producers. Investment in Tarragona plant will significantly further improve cost position. MDI industry with cost advantage of ~35% between the best and the average 5 least competitive plants.

- **Covestro TDI** is the global cost leader with cost advantage of ~50% versus the average of 5 least competitive plants.

- **Covestro Polycarbonates** is one of the joint cost leaders with cost advantage of ~60% versus the average of 5 least competitive plants.

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**Notes:**

1. Cost of production based on total raw material costs less co-product credits, variable and fixed conversion costs at 100% utilization based on nameplate capacity for FY 2020.
2. FY 2020 Cash cost ex gate, 82% utilization rate for all plants based on nameplate capacity; integrated players are shown without contribution margins for BPA, phenol, acetone etc.
Covestro supports future sustainable growth

Long term product trends

<table>
<thead>
<tr>
<th>APPLICATIONS</th>
<th>INDUSTRY TRENDS</th>
<th>COVESTRO BENEFIT</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Electric vehicles pushing</strong></td>
<td>Battery Electric Vehicles to use 2 up to 5 times(^{(1)}) more polycarbonates than conventional vehicles</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Trend to continue or accelerate for future BEV generations and increase in demand up to 1 Mio to(^{(2)}) in PC grades from 2022-2026</td>
<td></td>
</tr>
<tr>
<td><strong>Thermal Insulation</strong></td>
<td>Polyurethane-based insulation one of the best options to reach future high energy efficiency standards</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Demand increase of PU used in construction for future high-energy efficient buildings could increase global MDI growth rates by 1pp per year(^{(2)})</td>
<td></td>
</tr>
<tr>
<td><strong>Wind energy</strong></td>
<td>Covestro polyurethane infusion resin contributes to 8% reduction(^{(3)}) in wind blade manufacturing cost and is expected to take ~10% market share of the wind resin market dominated by epoxy resins until 2032</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Our overall wind solutions for blades will result in 30% lower maintenance and 2-year life-time extension(^{(3)})</td>
<td></td>
</tr>
</tbody>
</table>

Notes:

(1) Assumption: ~10kg PC in LV / ~20 kg PC in BEV, upper class BEV 45-55kg PC
(2) Covestro estimate based on LMC Report Q4 2021
(3) Covestro estimate
EBITDA guidance for FY 2022 narrowed

EBITDA development between 2016 and 2024e

HIGHLIGHTS

M2M 2023:
• Mark-to-market (M2M) EBITDA in FY 2023 of ~€0.9bn based on September 2022 margins reflecting current recessionary environment and high energy costs

Mid-cycle EBITDA:
• Mid-cycle definition: Respective year’s EBITDA performance under average market conditions
• Strong increase from €2.2bn to €2.5bn in 2022 from EBITDA impact of RFM acquisition
• Increase driven by LEAP transformation and growth of Covestro core products (1pp change in sales volume equals around +/- €70m)

EBITDA Solutions & Specialties in FY 2022
• FY 2022 EBITDA expected to improve compared to 2021
EBITDA guidance narrowed in recessionary environment

**Revised FY 2022 guidance**

<table>
<thead>
<tr>
<th></th>
<th>FY 2021</th>
<th>Recent guidance FY 2022 (as of July 29, 2022)</th>
<th>Updated guidance FY 2022 (as of Oct 25, 2022)</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA</td>
<td>€3,085m</td>
<td>€1,700m – 2,200m</td>
<td>€1,700m – 1,800m</td>
</tr>
<tr>
<td>FOCF</td>
<td>€1,429m</td>
<td>€0 – 500m</td>
<td>€0 – 100m</td>
</tr>
<tr>
<td>ROCE above WACC(1)</td>
<td>12.9pp</td>
<td>-2 – +2pp</td>
<td>-2 – -1pp</td>
</tr>
<tr>
<td>GHG emissions (scope 1 and 2)</td>
<td>5.2m tons</td>
<td>5.3m – 5.8m tons</td>
<td>5.0m – 5.4m tons</td>
</tr>
</tbody>
</table>

**Additional financial expectations**

<p>| | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>D&amp;A</td>
<td>€823m</td>
<td>~€950m</td>
<td>~€950m</td>
</tr>
<tr>
<td>Financial result</td>
<td>€-77m</td>
<td>~€-140m</td>
<td>~€-160m</td>
</tr>
<tr>
<td>P&amp;L (effective) tax rate</td>
<td>25.9%</td>
<td>24 – 26%</td>
<td>~26%(4)</td>
</tr>
<tr>
<td>Capex(2)</td>
<td>€764m</td>
<td>~€1,000m</td>
<td>~€900m</td>
</tr>
</tbody>
</table>

**HIGHLIGHTS**

Assumptions for FY 2022 guidance:
- Global GDP growth of ~3%(3)
- €/USD around 1.0 level
- Energy cost around ~€2.1bn
- No severe impact from a potential gas curtailment

2022 FX sensitivities
- 1pp change equals +/- €9m for CNY/EUR
- +/- €4m for USD/EUR

Notes:
(1) Weighted average cost of capital (WACC): 6.6% in FY 2021 and 7.0% in FY 2022
(2) Cash-relevant capex
(3) Covestro estimate
(4) Long term, tax rate estimated between 24-26%
Global energy cost more than tripled within two years

Energy cost development

<table>
<thead>
<tr>
<th>INCREMENTAL ENERGY COST DEVELOPMENT</th>
<th>GLOBAL ENERGY COST</th>
<th>HIGHLIGHTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>in € million</td>
<td>in € billion</td>
<td>• Global energy bill in 2022 initially estimated at €1.5bn, revised forecast in May included up to €2.0bn, as of July 2022 a further increase to around €2.2bn was embedded</td>
</tr>
<tr>
<td>Q1</td>
<td>2020</td>
<td>• Total energy cost of €~2.1bn based on the average prices of October 1-18, 2022 also influenced by lower volumes</td>
</tr>
<tr>
<td>444</td>
<td>0.6</td>
<td>• Situation in EU remains extremely volatile</td>
</tr>
<tr>
<td>257</td>
<td>1.0</td>
<td>• Covestro purchases energy under spot market conditions with no hedges</td>
</tr>
<tr>
<td>167</td>
<td>1.5</td>
<td></td>
</tr>
<tr>
<td>Q2</td>
<td>2021</td>
<td></td>
</tr>
<tr>
<td>450</td>
<td>132</td>
<td></td>
</tr>
<tr>
<td>249</td>
<td>261</td>
<td></td>
</tr>
<tr>
<td>86</td>
<td>132</td>
<td></td>
</tr>
<tr>
<td>Q3</td>
<td>2022e</td>
<td></td>
</tr>
<tr>
<td>369</td>
<td>150-250</td>
<td></td>
</tr>
<tr>
<td>122</td>
<td>261</td>
<td></td>
</tr>
<tr>
<td>115</td>
<td>261</td>
<td></td>
</tr>
<tr>
<td>2022e</td>
<td>2.1</td>
<td></td>
</tr>
<tr>
<td>623</td>
<td>150-250</td>
<td></td>
</tr>
<tr>
<td>132</td>
<td>261</td>
<td></td>
</tr>
<tr>
<td>Q4</td>
<td>2.2</td>
<td></td>
</tr>
<tr>
<td>143</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

ENERGY BREAKDOWN

<table>
<thead>
<tr>
<th>9M 2022 ENERGY SPENT BY REGION</th>
<th>2021 PRIMARY ENERGY VOLUME BY REGION(1)</th>
<th>9M 2022 SPENT BY ENERGY TYPE</th>
</tr>
</thead>
<tbody>
<tr>
<td>in € million</td>
<td>in TWh</td>
<td>in € million</td>
</tr>
<tr>
<td>EMEA 1,211</td>
<td>APAC 170</td>
<td>Electricity 773</td>
</tr>
<tr>
<td>135</td>
<td>EMEA 10.9</td>
<td>Steam 280</td>
</tr>
<tr>
<td>NA</td>
<td>Steam</td>
<td>others 99</td>
</tr>
<tr>
<td>APAC</td>
<td>APAC 4.3</td>
<td></td>
</tr>
<tr>
<td>Q3</td>
<td>NA 5.3</td>
<td></td>
</tr>
</tbody>
</table>

Notes:
1. Primary energy consumption of Covestro 16 major sites consuming 95% of the total energy demand (e.g. 1 TWh electricity requires 1.67 TWh primary energy)
2. BMWK - Expertinnen-Kommission Gas Wärme Zwischenbericht
Potential impact of gas supply curtailment on German sites

European major sites locations

- Covestro runs multiple large production sites for its core products in Europe
- A potential gas shortage situation will predominantly affect the German sites\(^{(1)}\)
- Gas distribution would be allocated by the Federal Network Agency – no curtailment has been introduced yet
- Covestro sites in Germany represent ~25% of global Covestro production capacity in Covestro core products
- Covestro plants in Belgium, France and Spain expected to be affected at limited extend only\(^{(1)}\)

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**HIGHLIGHTS**

**EUROPE/GERMAN PLANT SHARE**

<table>
<thead>
<tr>
<th></th>
<th>Polyol</th>
<th>MDI</th>
<th>TDI</th>
<th>PC</th>
</tr>
</thead>
<tbody>
<tr>
<td>% of capacity</td>
<td>31%</td>
<td>10%</td>
<td>67%</td>
<td>15%</td>
</tr>
</tbody>
</table>

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Q3 2022 | IR Roadshow Presentation

Notes: \(^{(1)}\) Covestro estimate
Production sites of Covestro located in favorable position

Gas supply infrastructure and location of German sites

New gas supply situation shows increased imports from Benelux and Nordic countries to cover for reduced imports from Russia

Gas grid setup is based on the old flow pattern (East to West), an inverted flow direction with own LNG terminals and increased imports from N/NL/B needs to be simulated/tested and might result in necessary infrastructure adjustments first

Covestro sites in Germany are in a favorable location in North Rhine Westfalia (West) and Schleswig Holstein (North) compared to the average industrial consumer

Notes: (1) Source: Federal Network Agency
LNG balancing should re-establish European competitiveness

LNG capacities & shipping costs

**TOP LNG EXPORT COUNTRIES**

<table>
<thead>
<tr>
<th>Country</th>
<th>Operating 2022</th>
<th>Under construction</th>
<th>Proposed</th>
<th>TWh per year</th>
</tr>
</thead>
<tbody>
<tr>
<td>US</td>
<td>1,068</td>
<td>4,291</td>
<td></td>
<td>5,678</td>
</tr>
<tr>
<td>QTR</td>
<td>1,118</td>
<td>708</td>
<td>1,826</td>
<td></td>
</tr>
<tr>
<td>AUS</td>
<td>1,266</td>
<td>1,556</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ROW</td>
<td>1,806</td>
<td>706</td>
<td>3,262</td>
<td>5,774</td>
</tr>
</tbody>
</table>

**LNG TRANSPORTATION**

- Transport capacity ~1,100 TWh
- @ av. sailing time of 25d total capacity ~16,000TWh/a

**GERMAN LNG IMPORT OPTIONS**

- German import capacity by 2024: 300TWh
- EU import capacity 2022: 1,600 TWh

**Notes:**

1. Source: Global Energy Monitor - Global Gas Infrastructure Tracker
2. Source: Econnect Energy - economics-of-the-lng-value-chain
3. Source: Statista/Globallinhub
4. Source: cleanenergiewire.org

Pricing methodologies:
- Henry Hub US
- Bilateral agreements on government or company level

Pricing elements for LNG transportation:
- Liquefaction: ~50%
- Shipping: ~25%
- Regasification/Distribution: ~25%

Delivered cost: x1.8-2

Covestro estimates long-term LNG price clearly below €100 per MWh

European assets remain competitive & global LNG balancing is faster than production relocation
Majority of cash allocated to growth
Balanced use of cash

**CAPEX**
- 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

**DIVIDEND**
- Policy: 35-55% payout of net income
- 2021 dividend of €3.40 per share, dividend yield 2021 of 6.3%(1)

**PORTFOLIO**
- 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

**SHARE CAPITAL**
- Share buyback of €1.5bn executed in 2017-2018
- Capital increase of €447m executed in 2020 in context of RFM acquisition
- Authorization for share buyback program for up to 10% of share capital in place
- Share buyback of €0.5bn announced on February 28, 2022, under execution since March 2022

Notes:
- (1) Based on share price of €54.20 on December 31, 2021

- €4.0bn invested in capex
- €2.3bn dividends
- €1.5bn net investments
- €1.1bn share capital reduced

Sum of FY 2016 to FY 2021
Significant investments into growth

Group capex and D&A

HISTORIC AND PROJECTION
in € million

HIGHLIGHTS

- Growth capex of around €2.5bn from 2015 to 2022
- Maintenance capex around €400m p.a.
- Planned investments in Circular Economy projects of almost €1bn between 2021 and 2030
Record dividend and 40% payout ratio

Dividend development

• Committed to a payout ratio of 35% to 55%, related to dividend over net income
  o Higher payout intended in years with peak earnings, while ratio towards lower end
  o Lower payout intended in years with trough earnings, while ratio towards upper end

• For FY 2021, dividend of €3.40 per share
Ongoing shift to high-margin business

Portfolio management

DIVESTMENTS

- Additive Manufacturing business
  - Q1 2023 expected
- 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

Sales

Cumulated, in € million

~650

~10

Business divested at average EV/EBITDA >20x

Portfolio analysis ongoing, further minor divestments possible

ACQUISITIONS

- DSM Resins & Functional Materials business
  - April 2021

Sales

in € million

~10

932

270

120

150

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

Notes:

(1) Covestro with 51% joint venture share
(2) Based on 2020 sales / approximate stand-alone EBITDA in 2021 (€150m) and full synergies (€120m)
Listed transactions with materiality; All sales and EBITDA refer to the last fiscal year prior to closing
IRR: Internal rate of return
Synergies fully confirmed and ahead of plan at lower cost

RFM synergies and implementation cost

<table>
<thead>
<tr>
<th>EBITDA IMPACT</th>
<th>HIGHLIGHTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>in € million</td>
<td>SYNERGIES</td>
</tr>
<tr>
<td></td>
<td>• Confirming identified synergies of €120m or 12% of RFM sales</td>
</tr>
<tr>
<td></td>
<td>• Positive EBITDA impact of €80m from cost and €40m from revenues</td>
</tr>
<tr>
<td></td>
<td>• Initial synergy potentials successfully detailed and validated</td>
</tr>
<tr>
<td></td>
<td>• Realization of synergies ahead of initial plan (initially €10m in 2021 and 50m€ in 2022)</td>
</tr>
<tr>
<td></td>
<td>• Implementation cost incl inventory step-up of €85m (initially €155m, reduced from lower severance need)</td>
</tr>
<tr>
<td></td>
<td>OPERATIONS</td>
</tr>
<tr>
<td></td>
<td>• RFM operational performance fully in line with expectations</td>
</tr>
<tr>
<td></td>
<td>• 94% of new employees feel welcome at Covestro</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2022e</th>
<th>2023e</th>
<th>2024e</th>
<th>2025e</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total synergies</td>
<td>26</td>
<td>60</td>
<td>80</td>
<td>100</td>
<td>120</td>
</tr>
<tr>
<td>Revenue synergies</td>
<td>26</td>
<td>50</td>
<td>65</td>
<td>70</td>
<td>80</td>
</tr>
<tr>
<td>Cost synergies</td>
<td>-34</td>
<td>-20</td>
<td>-5</td>
<td>30</td>
<td>40</td>
</tr>
<tr>
<td>Implementation cost</td>
<td>-26</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inventory step-up</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Notes: Acquisition of DSM Resins & Functional Material (RFM) business, closed on April 1, 2021
So far, 30% of share buyback program accomplished, 70% to go

Execution of share buyback

PROGRAM
February 28, 2022

SHARE BUYBACK TRANCHE

March 21 – April 6, 2022
May 10 – July 23, 2022

Total volume
€0.5bn

Two-year timeframe

Notes:
Share buyback program based on five-year authorization by AGM in 2019
Q3 target achieved in recessionary environment

Highlights

1. Continuously high sales of €4.6bn in Q3 2022 driven by price increases despite lower volumes

2. EBITDA within guidance range in Q3 2022 despite recessionary environment and high energy & raw material prices

3. Positive FOCF of €33m in Q3 2022 improving 9M FOCF to €-412m

4. FY guidance narrowed EBITDA guidance within the range of €1.70 – 1.80bn

5. Ambitious sustainability & circularity vision presented on world leading plastics fair K 2022
Continuously high sales

Group results – Highlights Q3 2022

SALES
in € million / changes Y/Y

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Sales (€ million)</th>
<th>Sales Volume Growth Y/Y</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q3 2021</td>
<td>4,302</td>
<td></td>
</tr>
<tr>
<td>Q4 2021</td>
<td>4,338</td>
<td></td>
</tr>
<tr>
<td>Q1 2022</td>
<td>4,683</td>
<td></td>
</tr>
<tr>
<td>Q2 2022</td>
<td>4,703</td>
<td></td>
</tr>
<tr>
<td>Q3 2022</td>
<td>4,618</td>
<td></td>
</tr>
</tbody>
</table>

HIGHLIGHTS
• In Q3 2022, Covestro achieved third highest quarterly sales in its history
• Year-over-year volume decline compensated by price increase

EBITDA AND MARGIN
in € million / margin in percent

<table>
<thead>
<tr>
<th>Quarter</th>
<th>EBITDA (€ million)</th>
<th>EBITDA Margin</th>
</tr>
</thead>
<tbody>
<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>
<tr>
<td>Q1 2022</td>
<td>806</td>
<td>17.2%</td>
</tr>
<tr>
<td>Q2 2022</td>
<td>547</td>
<td>11.6%</td>
</tr>
<tr>
<td>Q3 2022</td>
<td>302</td>
<td>6.5%</td>
</tr>
</tbody>
</table>

HIGHLIGHTS
• Q3 2022 impacted by high raw material and energy prices as well as by lower volumes driven by weakening demand
• Higher prices year-over-year partially offset EBITDA reduction
Volume decline due to demand weakness in Europe

Q3 2022 – Regional split

HIGHLIGHTS

- Sales volume decline year-over-year driven by European recessionary environment:
  - Auto/transport: high single-digit % increase
  - Furniture/wood: low double-digit % decline
  - Electro: low double-digit % decline
  - Construction: flat

- EMLA: Within recessionary environment significant decline in electro, furniture and construction; auto/transport with significant increase

- NA: Significant sales volume growth in construction, slight growth in auto/transport while significant decline in furniture/wood and electro

- APAC: Significant growth in construction, furniture and auto/transport with auto/transport benefitting from stimulus program and easing chip shortage; electro with significant decline
Sales increase driven by price and FX

Q3 2022 – Sales bridge

**Volume negative**
- Volume contribution of -5.7% Y/Y

**Pricing positive**
- Higher selling prices that partially compensated higher energy and raw material costs pushed sales up +5.4% Y/Y
- Price increases enforced by both PM (+5.2% Y/Y) and S&S (+5.7% Y/Y)

**FX positive**
- FX affected sales by +7.6% Y/Y mainly driven by stronger USD and RMB

| in € million |
|---|---|---|---|---|
| Q3 2021 | Volume | Price | FX | Q3 2022 |
| 4,302 | -241 | 231 | 326 | 4,618 |
Sales increase mainly driven by price and FX

9M 2022 – Sales bridge

Volume negative
- Volume contribution of -1.8% Y/Y

Pricing positive
- Higher selling prices that partially compensated higher energy and raw material costs pushed sales up +13.5% Y/Y
- Price increases enforced by both PM (+15.6% Y/Y) and S&S (+11.6% Y/Y)

FX positive
- FX affected sales by +6.7% Y/Y mainly driven by stronger USD and RMB

Portfolio positive
- RFM(1) increased sales by +2.7% Y/Y

HIGHLIGHTS

in € million

9M 2022

Volume 11,565

-206

Price 1,562

769

FX 314

14,004

Notes:
(1) Full consolidation of acquired RFM business as of April 1, 2021
Earnings decreased mainly due to negative pricing delta

Q3 2022 – EBITDA bridge

Notes:
(1) Method of calculation: EBITDA volume contribution / sales volume contribution

HIGHLIGHTS

Negative volume leverage
- Negative volume leverage of 41%

Negative pricing delta widened
- Raw material and energy cost increases could only be compensated partially by sales price increases

Other items driven by:
- Lower provisions for variable compensation of €202m
- Significant increase of fixed costs among other things due to freight, logistic and wage increases
Earnings hit by rising negative pricing delta

9M 2022 – EBITDA bridge

Notes:
(1) Method of calculation: EBITDA volume contribution / sales volume contribution

HIGHLIGHTS

Negative volume leverage
• Negative volume leverage of 51%

Negative pricing delta
• Raw material and energy cost increase pass-on reduced quarter by quarter leading to only partial compensation of cost increases by sales price increases

Other items driven by:
• Lower provisions for variable compensation of €329m
• Positive effect of €70m from RFM integration and LEAP restructuring
• Significant increase of fixed costs among other things due to freight, logistic and wage increases
**Continuously high working capital valuation level**

**Historical FOCF development**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA</td>
<td>+2,907</td>
<td>+1,326</td>
<td>+835</td>
<td>+2,422</td>
<td>+1,655</td>
</tr>
<tr>
<td>Changes in working capital(^{(1,4)})</td>
<td>-568</td>
<td>+11(^{(4)})</td>
<td>-119(^{(4)})</td>
<td>-936</td>
<td>-571</td>
</tr>
<tr>
<td>Capex(^{(2)})</td>
<td>-429</td>
<td>-603</td>
<td>-463</td>
<td>-472</td>
<td>-543</td>
</tr>
<tr>
<td>Income tax paid</td>
<td>-505</td>
<td>-265</td>
<td>-115</td>
<td>-309</td>
<td>-446</td>
</tr>
<tr>
<td>Other effects(^{(4)})</td>
<td>-99</td>
<td>-326(^{(4)})</td>
<td>-2(^{(4)})</td>
<td>+368</td>
<td>-507</td>
</tr>
</tbody>
</table>

**HIGHLIGHTS**

- Positive Q3 FOCF of €33m, slightly improved 9M FOCF to €-412m including €475m bonus payout for successful FY 2021
- Working capital to sales ratio\(^{(3)}\) slightly decreased to 20.6%, still impacted by higher sales and raw material prices impacting receivables and inventories while last twelve months’ sales based on lower average prices
- Capex of €543m on budget and in line with FY 2022 guidance
- Income tax paid of €446m reflects unfavorable geographical mix

---

\(^{(1)}\) Working capital includes changes in inventories, trade accounts receivable and trade accounts payable

\(^{(2)}\) Cash-relevant capex

\(^{(3)}\) Method of calculation: Working Capital on June 30, 2022, divided by sales of last four quarters

\(^{(4)}\) Information was restated for fiscal year 2019-2020 for the change in presentation for rebates granted to customers, affecting trade and other liabilities
Strong free operating cash flow despite higher working capital

Historical FOCF development full-year

in € million

<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(^{(1)})</td>
<td>-167</td>
<td>+437</td>
<td>-100</td>
<td>-727</td>
</tr>
<tr>
<td>Capex(^{(2)})</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:
(1) Working capital includes changes in inventories, trade accounts receivable and trade accounts payable
(2) Cash-relevant capex
(3) 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\(^{(1)}\) 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\(^{(1)}\)
- Working capital to sales ratio\(^{(3)}\) 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
Net debt burdened by dividend payout and negative FOCF

September 30, 2022 – Total net debt

HIGHLIGHTS

- Net pension liability as difference of pension provisions of €420m and net defined benefit assets of €129 decreased by €904m, mainly due to higher interest rates.
- Total net debt to EBITDA ratio\(^{(1)}\) of 1.4x at the end of Q3 2022 compared to 1.0x at the end of Q3 2021.
- Other driven by the renewal of finance lease and change in derivative FX instruments.
- Payout of €651m dividend to Covestro shareholders following the AGM resolution.
- €150m share buyback of announced 2-years €500m program completed.
- Committed to a solid investment grade rating.

Notes:
\(^{(1)}\) Method of calculation: Total net debt on Sept. 30, 2022, divided by EBITDA of last four quarters.
Covestro investment highlights

Group financials Q3’22

Segment overview

Background information
Standard products with reliable supply and lowest cost

Performance Materials

PRODUCTS
Polyurethane and polycarbonate standard products as well as basic chemicals

SALES 2021 (in € thousand)

<table>
<thead>
<tr>
<th>Product Type</th>
<th>Sales (in € thousand)</th>
</tr>
</thead>
<tbody>
<tr>
<td>sMDI</td>
<td>2,793</td>
</tr>
<tr>
<td>sPolyols</td>
<td>2,361</td>
</tr>
<tr>
<td>sTDI</td>
<td>1,332</td>
</tr>
<tr>
<td>sPolycarbonates</td>
<td>1,091</td>
</tr>
<tr>
<td>Basic Chemicals</td>
<td>565</td>
</tr>
</tbody>
</table>

SUCCESS FACTORS

Ensure high asset utilization
Integrated end-to-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

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

Customer centricity for standard products
Performance Materials – significantly declining EBITDA

Segment results – Highlights Q3 2022

**HIGHLIGHTS**

- Sales increased by +6.6% Y/Y driven by FX (+7.6%), price (+5.2%), counterbalanced by volume (-6.2%)
- Sales growth significantly supported by growth in NA, APAC contributed positively and burdened by slight decline in EMLA due to the energy crisis situation

**SALES**

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Sales (€ million)</th>
<th>Sales growth Y/Y</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q3 2021</td>
<td>2,186</td>
<td>52.2%</td>
</tr>
<tr>
<td>Q4 2021</td>
<td>2,259</td>
<td>41.7%</td>
</tr>
<tr>
<td>Q1 2022</td>
<td>2,388</td>
<td>37.2%</td>
</tr>
<tr>
<td>Q2 2022</td>
<td>2,461</td>
<td>25.8%</td>
</tr>
<tr>
<td>Q3 2022</td>
<td>2,330</td>
<td>6.6%</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>Q3 2021</td>
<td>708</td>
<td>32.4%</td>
</tr>
<tr>
<td>Q4 2021</td>
<td>590</td>
<td>26.1%</td>
</tr>
<tr>
<td>Q1 2022</td>
<td>620</td>
<td>26.0%</td>
</tr>
<tr>
<td>Q2 2022</td>
<td>367</td>
<td>14.9%</td>
</tr>
<tr>
<td>Q3 2022</td>
<td>53</td>
<td>2.3%</td>
</tr>
</tbody>
</table>

**HIGHLIGHTS**

- Compared to prior year, EBITDA decrease mainly driven by significant negative pricing delta
- Unprecedented energy & raw material prices in Europe main driver for drop in EBITDA quarter-over-quarter
MDI demand growth to exceed supply growth

Performance Materials: MDI industry demand and supply

**MDI DEMAND DEVELOPMENT (2016 - 2026e)**

<table>
<thead>
<tr>
<th>Year</th>
<th>2016</th>
<th>2021</th>
<th>2026e</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>8,270</td>
<td>7%</td>
<td>~6%</td>
</tr>
</tbody>
</table>

**MDI SUPPLY DEVELOPMENT (2016 - 2026e)**

<table>
<thead>
<tr>
<th>Year</th>
<th>2016</th>
<th>2021</th>
<th>2026e</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>9,200</td>
<td>5%</td>
<td>~4%</td>
</tr>
</tbody>
</table>

**HIGHLIGHTS**

- Further customer industry growth makes structurally sound demand remain at ~6%, outgrowing supply growth
- Covestro with further debottleneckings after 2026e

**Notes:**

(1) Assumes global GDP CAGR 2021 - 2026e of 3 - 4%
(2) Based on historical and announced future nameplate capacities
Source: Covestro estimates
TDI market moving into balance

Performance Materials: TDI industry demand and supply

TDI DEMAND DEVELOPMENT (2016 - 2026e)

<table>
<thead>
<tr>
<th>Year</th>
<th>Demand (kt)</th>
<th>% Growth (CAGR)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>2,520</td>
<td>~3%</td>
</tr>
<tr>
<td>2021</td>
<td>3,420</td>
<td>~7%</td>
</tr>
<tr>
<td>2026e</td>
<td>~4%</td>
<td></td>
</tr>
</tbody>
</table>

TDI SUPPLY DEVELOPMENT (2016 - 2026e)

<table>
<thead>
<tr>
<th>Year</th>
<th>Supply (kt)</th>
<th>% Growth (CAGR)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>2,520</td>
<td>~5%</td>
</tr>
<tr>
<td>2021</td>
<td>3,420</td>
<td>~2%</td>
</tr>
<tr>
<td>2026e</td>
<td>~3%</td>
<td></td>
</tr>
</tbody>
</table>

HIGHLIGHTS

• Only major addition expected until 2025 Wanhua-Fujian (250kt, not before end-2023e), new Cangzhou Dahua plant not before 2026e
• With that, demand growth outstripping supply growth, bringing demand and supply back into balance
• Covestro with further debottleneckings after 2026e, allowing Covestro TDI volumes to grow with market trend
• Favorable cash cost position puts Covestro in strong competitive position even in low cycles

Notes:
(1) Assumes global GDP CAGR 2021 - 2026e of 3 - 4%
(2) Based on historical and announced future nameplate capacities
Source:
Covestro estimates
Execution risks may limit future capacity additions

Performance Materials: Polycarbonates (PC) industry demand and supply

PC DEMAND DEVELOPMENT (2016 - 2026e)

<table>
<thead>
<tr>
<th>Year</th>
<th>Demand (kt)</th>
<th>% Growth as CAGR</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>4,510</td>
<td>~3%</td>
</tr>
<tr>
<td>2021</td>
<td></td>
<td>~4%</td>
</tr>
<tr>
<td>2026e</td>
<td></td>
<td>5%</td>
</tr>
</tbody>
</table>

PC SUPPLY DEVELOPMENT (2016 - 2026e)

<table>
<thead>
<tr>
<th>Year</th>
<th>Supply (kt)</th>
<th>% Growth as CAGR</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>6,520</td>
<td>~4%</td>
</tr>
<tr>
<td>2021</td>
<td></td>
<td>~5%</td>
</tr>
<tr>
<td>2026e</td>
<td></td>
<td>7%</td>
</tr>
</tbody>
</table>

INDUSTRY HIGHLIGHTS

- Structurally sound demand growth of ~4% based on global GDP growth
- Major additions (3) expected until 2025e: Hainan Huasheng, ZPC, SABIC-Sinopec, Wanhua, Shemna
- Numerous announced projects with high uncertainties regarding actual timing and scope
- Covestro additions: Focus on strengthening differentiated business with shift of merchant standard-polyesterates to feedstock of differentiated polyesters

Notes:
(1) Assumes global GDP CAGR 2021 - 2026e of 3 - 4%
(2) Based on historical and announced future nameplate capacities
(3) Based on corporate announcements
Source: Covestro estimates
Polyol market and margin development

Performance Materials: Polyol margins started to normalize

**HIGHLIGHTS**

- Covestro has secured access to the strategic raw material propylene oxide (PO) at costs (propylene + fixed costs) until 2050 and owns 50% of the European JV (140kt PO + 350kt styrene) in Maasvlakte
- Global polyol capacity of Covestro 1.4m tons/year mainly geared towards US and Europe
- Polyol production usually follows batch process exhibiting utilization rates of 70-90%
- Competitive advantage for Covestro through patented proprietary technology for long-chain polyols

**POLYOL SPREADS OVER PROPYLENE (2015 - 2022)**

- Propylene (1)
- Polyol flex (2)
- Indicative spread (3)

Notes:
1. IHS/ICIS data
2. IHS/ICIS data using Covestro regional volume split
3. Covestro calculation
4. Based on Covestro-relevant mix
Differentiation based on customer proximity and innovation

Solutions & Specialties

**PRODUCTS**

Differentiated polymer products

**SALES 2021** (in € thousand)

- Coatings & Adhesives: 2,544
- Tailored Urethanes: 956
- Engineering Plastics: 3,211
- Elastomers: 197
- Specialty Films: 292
- Thermoplastic Polyurethanes: 354

**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

**BENEFITS FOR GROUP**

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

**CUSTOMER CENTRICITY**

for solutions and specialty products
Solutions & Specialties – improved earnings development

Segment results – Highlights Q3 2022

**SALES**
in € million / changes Y/Y

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Sales in € million</th>
<th>Sales growth Y/Y</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q3 2021</td>
<td>2,069</td>
<td>60.6%</td>
</tr>
<tr>
<td>Q4 2021</td>
<td>2,005</td>
<td>46.2%</td>
</tr>
<tr>
<td>Q1 2022</td>
<td>2,222</td>
<td>45.3%</td>
</tr>
<tr>
<td>Q2 2022</td>
<td>2,165</td>
<td>11.0%</td>
</tr>
<tr>
<td>Q3 2022</td>
<td>2,196</td>
<td>6.1%</td>
</tr>
</tbody>
</table>

**EBITDA AND MARGIN**
in € million / margin in percent

<table>
<thead>
<tr>
<th>Quarter</th>
<th>EBITDA in € million</th>
<th>EBITDA Margin</th>
<th>RFM-related one-time effect (1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q3 2021</td>
<td>221</td>
<td>10.7%</td>
<td></td>
</tr>
<tr>
<td>Q4 2021</td>
<td>112</td>
<td>5.6%</td>
<td></td>
</tr>
<tr>
<td>Q1 2022</td>
<td>224</td>
<td>10.1%</td>
<td></td>
</tr>
<tr>
<td>Q2 2022</td>
<td>213</td>
<td>9.8%</td>
<td></td>
</tr>
<tr>
<td>Q3 2022</td>
<td>280</td>
<td>12.8%</td>
<td></td>
</tr>
</tbody>
</table>

**HIGHLIGHTS**

- Sales grew by +6.1% Y/Y, FX (+7.6%), price (+5.7%) counterbalanced by volume (-7.2%)
- Sales increase due to resilient pricing and FX compensating lower volumes

**HIGHLIGHTS**

- Positive EBITDA effect due to lower inter-segment transfer prices mainly in Engineering Plastics
- Compared to prior year EBITDA increased significantly due to lower bonus provisions and positive FX

---

Notes:
(1) Full consolidation of acquired RFM business as of April 1, 2021, Q3 2022 EBITDA includes €-3m one-time effects related to RFM
Shifting from standard to differentiated polycarbonate

Solutions & Specialties: high-growth contributor Engineering Plastics

POLYCARBONATE 2021 SALES €4.3bn

Covestro polycarbonate volume split by segment

<table>
<thead>
<tr>
<th>2010</th>
<th>2017</th>
<th>2020</th>
<th>2021</th>
<th>2022e</th>
<th>2025e</th>
</tr>
</thead>
<tbody>
<tr>
<td>35%</td>
<td>61%</td>
<td>68%</td>
<td>73%</td>
<td>75%</td>
<td>80%</td>
</tr>
<tr>
<td>65%</td>
<td>39%</td>
<td>32%</td>
<td>27%</td>
<td>25%</td>
<td>20%</td>
</tr>
</tbody>
</table>

- Standard polycarbonate (PC), within Performance Materials segment
- Differentiated PC, within Engineering Plastics, Solutions & Specialties segment

+230kt

Strong demand for differentiated polycarbonate grades across several customer industries

CUSTOMER INDUSTRIES

- 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

- 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

- 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

GROWTH DRIVERS

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

ENGINEERING PLASTICS (EP) INDUSTRY +7% CAGR 2021-2026

Covestro compounding capacity
Doubling sales by 2025

Solutions & Specialties: high-growth contributor Specialty Films

**SPECIALTY FILMS**

<table>
<thead>
<tr>
<th>Target</th>
<th>INVESTMENT</th>
<th>APPROACH</th>
<th>BUILD AGGRESSIVELY MEDICAL BUSINESS</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Doubling sales by 2025e versus Sales 2020 of €240m</td>
<td>• Enabling growth with investment of almost €200m between 2020 and 2025e</td>
<td>• Elevating market share from differentiation via quality and service with customer-tailored applications</td>
<td>Making use of IP portfolio to outgrow the industry with more than 20% sales growth per year</td>
</tr>
</tbody>
</table>

**CAGR 2021-2026e ~16%**

**Total Sales 2021 292m**

Notes:

CAGR Covestro estimates

APPROACH

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

INVESTMENT

- Enabling growth with investment of almost €200m between 2020 and 2025e
EBITDA margin to grow to 17% in 2024

Solutions & Specialties segment target

**TARGET MARGIN**

- In 2021, margin 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 and excluding raw material price-induced sales inflation

**EBITDA AND MARGIN – SOLUTIONS & SPECIALTIES**

<table>
<thead>
<tr>
<th>Year</th>
<th>EBITDA</th>
<th>EBITDA Margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>832</td>
<td>13.7%</td>
</tr>
<tr>
<td>2020</td>
<td>743</td>
<td>14.7%</td>
</tr>
<tr>
<td>2021</td>
<td>751</td>
<td>9.9%</td>
</tr>
</tbody>
</table>

- In 2024, EBITDA margin target of 17% driven by:
  - Growth / LEAP
  - Value-based pricing
  - Mid-cycle pricing
  - Margin target
Led by a diverse, international management team

Covestro senior management since July 1, 2021

### BOARD OF MANAGEMENT

<table>
<thead>
<tr>
<th>Role</th>
<th>Name</th>
<th>Nationality</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chief Executive Officer</td>
<td>Dr Markus Steilemann</td>
<td>German</td>
<td>Leverkusen, Germany</td>
</tr>
<tr>
<td>Chief Financial Officer</td>
<td>Dr Thomas Toepfer</td>
<td>German</td>
<td></td>
</tr>
<tr>
<td>Chief Commercial Officer</td>
<td>Sucheta Govil</td>
<td>British with Indian origin</td>
<td></td>
</tr>
<tr>
<td>Chief Technology Officer</td>
<td>Dr Klaus Schäfer</td>
<td>German</td>
<td></td>
</tr>
</tbody>
</table>

### BUSINESS ENTITIES

<table>
<thead>
<tr>
<th>Business Line</th>
<th>Leader</th>
<th>Nationality</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>Performance Materials</td>
<td>Hermann-Josef Dörholt</td>
<td>German</td>
<td>Leverkusen, Germany</td>
</tr>
<tr>
<td>Specialty Films</td>
<td>Dr Aleta Richards</td>
<td>US-American</td>
<td>Dormagen, Germany</td>
</tr>
<tr>
<td>Tailored Urethanes</td>
<td>Christine Bryant</td>
<td>US-American</td>
<td>Pittsburgh, USA</td>
</tr>
<tr>
<td>Elastomers</td>
<td>Dr Thomas Braig</td>
<td>German</td>
<td>Romans-sur-Isère, France</td>
</tr>
<tr>
<td>Coatings and Adhesives</td>
<td>Dr Thorsten Dreier</td>
<td>German</td>
<td>Leverkusen, Germany</td>
</tr>
<tr>
<td>Thermoplastic Polyurethanes</td>
<td>Dr Andrea Maier-Richter</td>
<td>German</td>
<td>Dormagen, Germany</td>
</tr>
<tr>
<td>Engineering Plastics</td>
<td>Lily Wang</td>
<td>Chinese</td>
<td>Shanghai, P.R. China</td>
</tr>
</tbody>
</table>
# Covestro ESG rating results and index membership

**As of October 2022**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>CDP</td>
<td>D- to A</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>A-</td>
<td>Leadership</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Level</td>
</tr>
<tr>
<td>ecoVadis</td>
<td>0 to 100</td>
<td>73</td>
<td></td>
<td>80</td>
<td></td>
<td></td>
<td>72</td>
<td></td>
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<td>MSCI ESG</td>
<td>CCC to AAA</td>
<td>BBB</td>
<td>BBB</td>
<td>A</td>
<td>A</td>
<td>A</td>
<td>A</td>
<td>AA</td>
<td></td>
</tr>
<tr>
<td>SUSTAINALYTICS</td>
<td>100 to 0</td>
<td>74</td>
<td>75</td>
<td>80</td>
<td>23.3</td>
<td>20.0</td>
<td>18.3</td>
<td>20.9</td>
<td></td>
</tr>
<tr>
<td>FTSE Russell</td>
<td>Excluded / Listed</td>
<td>Listed</td>
<td>Listed</td>
<td>Listed</td>
<td>Listed</td>
<td>Listed</td>
<td>Listed</td>
<td>Listed</td>
<td></td>
</tr>
</tbody>
</table>

**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 is identified as a TOP ESG performer of Sustainalytics' ESG Risk Ratings out of more than 4,000 comprehensive companies. Covestro belongs to the Top 5% within the chemical industry although Sustainalytics identifies a higher ESG risk for the chemical industry.
Closing material and carbon loops
Circular and climate neutral economy

COVESTRO APPROACH TO CIRCULARITY

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

Notes: Shown recycling technologies and energy recovery are illustrative examples only
Progress on vision of full circularity

Broadened portfolio of sustainable products along the value chain of Covestro

- MoU with Fortescue Future Industries for supply of equivalents of 100,000 to/a of Hydrogen and – derivatives esp. Ammonia to APAC and NA
- Green hydrogen is made from renewable energy and a key resource to decarbonize energy intensive industries
- Start of broader strategic partnership to accelerate the green energy transition

**SUSTAINABLE RAW MATERIALS**

**BIOBASED COATING INTERMEDIATE**

- Joint development of a commercial process technology for plant-based version of the chemical intermediate hexamethylen-diamine (HMDA) between Covestro and Genomatica
- Advancement to full commercial scale production planned
- HMDA is a key intermediate raw material for high performance coatings

**RENEWABLE PRODUCTS**

- Supply of certified renewable basic raw materials for core products PC, MDI & TDI
- ISCC+ certification successfully extended to 5 of 16 major sites in EMEA and APAC
- Renewable product portfolio with strongly reduced CO2 footprint\(^{(1)}\) for TDI and climate neutral\(^{(1)}\) versions of MDI and PC
- Renewable products are identical to their fossil-based grades

Notes: (1) Covestro cradle to gate assessment based on ISO14040 and 14044
Certified alternative feedstock lower attributed CO₂ footprint

Mass balance approach

**EXAMPLE MDI**

**Conceptual illustration**

![Diagram](image)

**MASS BALANCE APPROACH**

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

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

---

**Notes:**
- ISCC: International Sustainability and Carbon Certification, internationally recognized system for sustainability certification of biomass and bioenergy
Green Hydrogen as enabler for reduced GHG emissions
Covestro with strong focus on securing important volumes of green hydrogen/-derivatives

GREEN HYDROGEN/-DERIVATIVE PRODUCTION

Renewable Energy

<table>
<thead>
<tr>
<th>Air</th>
<th>Separation</th>
<th>Green Nitrogen (GN₂)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Electrolysis</td>
<td>Green Hydrogen (GH₂)</td>
</tr>
<tr>
<td>H₂O</td>
<td>Green Ammonia (GNH₃)</td>
<td>Direct usage (MDI&amp;TDI)</td>
</tr>
</tbody>
</table>

EXPOSURE OF COVESTRO TO HYDROGEN/-DERIVATIVES

Importance of hydrogen/-derivatives for Covestro
- Ammonia and hydrogen are key basic raw materials for production of Covestro core products MDI and TDI

Activities of Covestro on Hydrogen
- CTO is a member of the German Hydrogen Council since 2020
- Venture capital engagement in Hydrogenious LOHC Technologies

COVESTRO ACTIVITIES FOCUSED ON GH2/GNH3 SOURCING

- Efficient way of reducing emissions to comply with our target of net-zero by 2035
- MoU with Fortescue Future Industries for supply of equivalents of 100,000 to/a of hydrogen derivative ammonia, esp. to APAC and NA
- Membership in H2Global Foundation to further fostering the production and use of green hydrogen nationally and internationally

GREEN HYDROGEN/-DERIVATIVE USAGE IN COVESTRO

Nitric Acid

<table>
<thead>
<tr>
<th>Nitro-benzene</th>
<th>Aniline</th>
</tr>
</thead>
<tbody>
<tr>
<td>Green Hydrogen (GH₂)</td>
<td>MDI</td>
</tr>
<tr>
<td>Dinitro-toluene</td>
<td>Toluene-diamine</td>
</tr>
<tr>
<td>Green Ammonia (GNH₃)</td>
<td>TDI</td>
</tr>
</tbody>
</table>
Higher insulation standards increase demand for polyurethanes

Building insulation market outlook

**KEY DRIVERS**

- Higher energy-efficiency standards for new buildings
- Renovations of older buildings to higher energy efficiency standard

**POLYURETHANES IN HOUSING INSULATION**

<table>
<thead>
<tr>
<th></th>
<th>1970s standard</th>
<th>2000 standard</th>
<th>Current standard</th>
<th>High-energy efficiency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Used PU raw materials for standard family house in Western Europe in kg</td>
<td>0</td>
<td>200</td>
<td>800</td>
<td>~40%</td>
</tr>
</tbody>
</table>

**HIGHLIGHTS**

- High insulation demand for high energy levels as demand boost for polyurethanes
- Higher energy standards difficult to achieve with inferior insulation materials
- Polyurethane-based insulation one of the best options to reach high energy efficiency / zero-emission standard

Demand of polyurethanes per relevant building to comply with high-energy insulation standards, compared with current standards:

- ~40%
- ~30%
- ~40%

Notes:

(1) 120 sqm, 2 floors / cellar; Covestro-estimate based on average required thermal performance from German standards related to PU thickness

(2) Covestro-estimate

PU: Polyurethane
Auto production growth and increasing BEV share boost demand

Global electric vehicle market outlook

KEY DRIVERS

Carbon neutrality targets

Stringent emission regulations

DEVELOPMENT OF AUTOMOTIVE INDUSTRY

<table>
<thead>
<tr>
<th>Year</th>
<th>Global other LV Production</th>
<th>Global BEV production</th>
<th>Global BEV share of total LV</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>6%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2022</td>
<td>8%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2023</td>
<td>11%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2024</td>
<td>13%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2025</td>
<td>16%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2026</td>
<td>19%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Total LV +6% p.a.

Total LV in million

Source: LMC Global Light Vehicle Engine Forecast FY 2022 – Q1, COV estimate

USE OF POLYCARBONATES IN BEV

- ~10kg: Current average conventional LV
- ~8kg: Battery housing in BEV
- ~18 - 20kg: Average BEV
- ~45 - 55kg: Upper-class BEV

Notes:
(1) Total LV without BEV
BEV: Battery Electric Vehicle; LV: Light Vehicle
Sources: LMC Global Light Vehicle Engine Forecast FY 2022 – Q1, COV estimate
Synergies in scale, process technology and chemical know-how

One chemical backbone across all segments

**INFRA-STRUCTURE**

- Premises
- Site development
- Streets
- Pipeline bridges
- Storage tanks
- Jetties
- Power supply & distribution
- Waste management
- Safety

**RAW MATERIALS**

- Toluene
- Nitric Acid (HNO₃)
- Benzene
- Propylene
- Propylene Oxide
- Chlorine
- Phenol
- Acetone

**CORE UNITS / TECHNOLOGY**

- DNT Dinitrotoluene
- TDA Diaminotoluene
- MNB Mono-Nitrobenezene
- Aniline
- MDA Methylene Dianline
- BPA Bisphenol A

**FINAL PRODUCT**

- TDI
- MDI
- Diphenylcarbonate
- Polycarbonates
- Polyether Polyols

**HIGHLIGHTS**

- State-of-the-art asset base with leading process technology
- 8 main sites with world-scale production facilities
- Critical raw materials with no or limited merchant market sourced internally
- Synergies at all steps along the value chain

**NOTES:**

Chart contains key feedstock only; simplified illustration

(1) via Deacon or HCl-ODC technology and/or chloralkali electrolysis, (2) Interface process, (3) Melt process, (4) produced from CO and Cl₂

---

Covestro activities

Purchased raw materials
Synergies from chemical backbone and complementary technologies
Solutions & Specialties backward integration and value chain

Notes:
(1) via Deacon or HCl-ODC technology and/or Chlorine-Alkali electrolysis
(2) produced from CO and Cl₂
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 in € 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>

Notes: 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
Entire organization aligned for performance and sustainability

Group Profit Sharing Plan (PSP) as of 2022

UNIFORM BONUS SYSTEM

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%

Notes:

WACC = Weighted Average Cost of Capital
# Significant value creation since IPO

**Development of last five years**

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales</strong> (€ million)</td>
<td>14,138</td>
<td>14,616</td>
<td>12,412</td>
<td>10,706</td>
<td>15,903</td>
</tr>
<tr>
<td>• Volume y/y (%)</td>
<td>+4.3</td>
<td>+2.3</td>
<td>+0.8</td>
<td>-5.1</td>
<td>+6.5</td>
</tr>
<tr>
<td>• Price y/y (%)</td>
<td>+16.1</td>
<td>+4.5</td>
<td>-17.3</td>
<td>-5.7</td>
<td>+34.7</td>
</tr>
<tr>
<td>• FX y/y (%)</td>
<td>-1.6</td>
<td>-3.0</td>
<td>+1.9</td>
<td>-1.6</td>
<td>-0.8</td>
</tr>
<tr>
<td>• Portfolio y/y (%)</td>
<td>0.0</td>
<td>-0.4</td>
<td>-0.5</td>
<td>-1.3</td>
<td>+8.1</td>
</tr>
<tr>
<td><strong>EBITDA</strong> (€ million)</td>
<td>3,435</td>
<td>3,200</td>
<td>1,604</td>
<td>1,472</td>
<td>3,085</td>
</tr>
<tr>
<td>• Performance Materials</td>
<td>3,048</td>
<td>2,825</td>
<td>942</td>
<td>896</td>
<td>2,572</td>
</tr>
<tr>
<td>• Solutions &amp; Specialties</td>
<td>626</td>
<td>585</td>
<td>832</td>
<td>743</td>
<td>751</td>
</tr>
<tr>
<td><strong>Earnings per Share</strong> (€)</td>
<td>9.93</td>
<td>9.46</td>
<td>3.02</td>
<td>2.48</td>
<td>8.37</td>
</tr>
<tr>
<td><strong>Capex</strong> (€ million)</td>
<td>518</td>
<td>707</td>
<td>910</td>
<td>704</td>
<td>764</td>
</tr>
<tr>
<td><strong>Free operating cash flow (FOCF)</strong> (€ million)</td>
<td>1,843</td>
<td>1,669</td>
<td>473</td>
<td>530</td>
<td>1,429</td>
</tr>
<tr>
<td><strong>ROCE</strong> (%)</td>
<td>33.4</td>
<td>29.5</td>
<td>8.4</td>
<td>7.0</td>
<td>19.5</td>
</tr>
<tr>
<td><strong>Net financial debt</strong> (€ million)</td>
<td>283</td>
<td>348</td>
<td>989</td>
<td>366</td>
<td>1,404</td>
</tr>
<tr>
<td><strong>Employees (1)</strong> (FTE)</td>
<td>16,176</td>
<td>16,770</td>
<td>17,201</td>
<td>16,501</td>
<td>17,909</td>
</tr>
</tbody>
</table>

**Notes:**

(1) status at year-end

Q3 2022 | IR Roadshow Presentation

**y/y year-over-year**
Historical share price performance

Covestro € share price since IPO

Notes:
- XETRA closing share price
- PU: Polyurethanes
- PC: Polycarbonates
Historically low price to book value

Book-value per share and price to book development

HIGHLIGHTS

Book value per share increased by 14% p.a.
- based on the CAGR between 2016 and September 30, 2022

ROE of 16%
- on average between 2016 and 2021

Cumulated dividend of €11.85 per share
- based on the dividends for fiscal years 2016 to 2021

Notes:
Y.E. – year end
(1) Book value per share is the equity attributable to Covestro AG stockholders/Weighted average number of outstanding no-par voting shares of Covestro AG
Upcoming IR events

Find more information on covestro.com/en/investors

**REPORTING DATES**

- March 2, 2023: 2022 Annual Report
- April 28, 2023: Q1 2023 Quarterly Statement

**ANNUAL GENERAL MEETING**

- April 19, 2023: Annual General Meeting

**BROKER CONFERENCES**

- November 17, 2022: HSBC Luxembourg Day, Luxembourg
- November 21, 2022: DZ Bank Equity Conference, Frankfurt
- December 5, 2022: Berenberg European Conference 2022, London
- January 10-11, 2023: Commerzbank & ODDO BHF German Investment Seminar 2023, New York
- January 17, 2023: UniCredit & Kepler Cheuvreux, 22nd German Corporate Conference, Frankfurt
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.