Managing challenging times

Roadshow presentation
Covestro investment highlights

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

Key performance indicators and sales split

- **€18bn**
  - Sales
  - 2022

- **€1.6bn**
  - EBITDA
  - 2022

- **€0.1bn**
  - FOCF
  - 2022

- **-5pp**
  - ROCE above WACC
  - 2022

**Notes:**
- Based on Covestro Annual Report 2022; 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

<table>
<thead>
<tr>
<th>Product Line</th>
<th>Top 5:</th>
<th>2027e:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>91%</td>
<td>Shares expected to remain broadly stable</td>
</tr>
<tr>
<td>MDI</td>
<td>18%</td>
<td></td>
</tr>
<tr>
<td>TDI</td>
<td>23%</td>
<td></td>
</tr>
<tr>
<td>Polyether polyols</td>
<td>58%</td>
<td></td>
</tr>
<tr>
<td>Polyurethane isocyanates</td>
<td>23%</td>
<td></td>
</tr>
<tr>
<td>Polyurethane dispersions</td>
<td>20%</td>
<td>to decrease</td>
</tr>
</tbody>
</table>

**Global #3**
- 1,770kt
- 6 sites

**Joint global #1**
- 800kt
- 3 sites

**Global #2**
- 1,420kt
- 9 sites

**Global #1**
- 1,600kt
- 5 sites

**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:
- Covestro position based on total nameplate capacity at year end 2022 relative to competitors
- Covestro estimates

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

**MILESTONE**
- LEAP transformation ongoing
- Integration of RFM accomplished
- Target climate neutrality in 2035

**ADVANCE DIGITALIZATION**
**EXPAND ‘WE ARE 1’ CULTURE**
Climate neutrality with existing technologies and assets

Covestro greenhouse gas emissions

**EXISTING OPTIONS AND CURRENT LIMITATIONS TO REDUCE GHG EMISSIONS**

- Various alternative feedstock
- Low-emission mobility
- Low-emission mobility
- Renewable energies
- Low-emission technologies
- Low-emission mobility
- Circular end-of-life solutions

**Notes:** GHG: Greenhouse gas emissions, calculated in accordance with GHG Protocol and WBCSD recommendations

**FY 2022 | IR Roadshow Presentation**
Sustainable manufacturing and renewable energy to lead path

Climate neutrality target for GHG emissions scope 1 and 2

**GHG emissions in million metric tons, scope 1 and 2**

- 2020: 5.6
- 2020 Covestro growth: 1
- 2020 external effects: -0.7
- Areas of activity until 2030:
  - -1.1
  - -1.5
- Areas of activity until 2035:
  - 2.2
  - -0.7
- Areas of activity until 2035:
  - 2.2
  - -0.8
  - -0.7
- 2030: 0 (60% reduction)
- 2035: 0 (100% reduction)

**EMISSION REDUCTION MEASURES**

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

**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
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, PPA with ENGIE since 2021 for 45% of site’s electricity in Antwerp
- Offshore wind energy, PPA with Ørsted starting 2025 for 10% of sites’ electricity in Germany
- Solar & wind energy, PPAs for ~45% of Shanghai site electricity with Datang Power & CGN New Energy

RENEWABLE STEAM
- Converting steam generation from fossil to renewable energy sources
- Develop options to electrify steam generation based on renewable energies
- Develop options to use e.g. biogas or green hydrogen as energy source to generate steam

Notes:
PPA: Power purchase agreement
Datang: Datang Wuzhong New Energy Co.
CGN: China General Nuclear New Energy
Re-shaping the PU value chain for soft foams into a closed loop

Innovative recycling / joint solutions

**COVESTRO TECHNOLOGY**

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

**FUTURE PU SOFT FOAM LOOP**

Conceptual illustration

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

Timeline:

- 2019: Technology optimization
- 2021: Pilot Plant
- 2022: Cooperation on innovative recycling of plastic waste
- 2023: Lab-scale customer samples(*)
- 2025: Technology industrialization(*)
- 2030s
Leading cost positions across markets and regions

Covestro cash cost positions

<table>
<thead>
<tr>
<th></th>
<th>NORTH AMERICA</th>
<th>EUROPE</th>
<th>ASIA</th>
<th>HIGHLIGHTS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Cash cost</td>
<td>Cash cost</td>
<td>Cash cost</td>
<td>• 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 ~20% between the best and the average 5 least competitive plants</td>
</tr>
<tr>
<td>MD(1)</td>
<td></td>
<td></td>
<td></td>
<td>• Covestro TDI is the global cost leader with cost advantage of ~45% versus the average of 5 least competitive plants</td>
</tr>
<tr>
<td>TDI(1)</td>
<td></td>
<td></td>
<td></td>
<td>• Covestro Polycarbonates is one of the joint cost leaders with cost advantage of ~60% versus the average of 5 least competitive plants</td>
</tr>
<tr>
<td>PC(2)</td>
<td></td>
<td></td>
<td></td>
<td>(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 2021</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(2) FY 2021 Cash cost ex gate, 70% utilization rate for all plants based on nameplate capacity; integrated players are shown without contribution margins for BPA, phenol, acetone etc.</td>
</tr>
</tbody>
</table>

Notes:

- Cash cost improvements based on investment projects

Legend:

- Covestro MDI
- Covestro TDI
- Covestro Polycarbonates
- ME player (landed WE)
- ME player (landed China)
- Chinese leader
- Chinese follower
- European leader
- European follower
- Asian leader
- Asian follower
- ME player (landed China)
**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></td>
<td></td>
</tr>
<tr>
<td>• Battery Electric Vehicles to use 2 up to 5 times(^{(1)}) more polycarbonates than conventional vehicles</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Trend to continue or accelerate for future BEV generations and increase in demand up to 1 Mio to(^{(1)}) in PC grades from 2022-2026</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Thermal Insulation</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Polyurethane-based insulation one of the best options to reach future high energy efficiency standards</td>
<td></td>
<td></td>
</tr>
<tr>
<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>
<td></td>
</tr>
<tr>
<td><strong>Wind energy</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<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>
<td></td>
</tr>
<tr>
<td>• Our overall wind solutions for blades will result in 30% lower maintenance and 2-year life-time extension(^{(3)})</td>
<td></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 2022
\(^{(3)}\) Covestro estimate
HIGHLIGHTS

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 realized from EBITDA impact of RFM acquisition
- Confirming mid-cycle EBITDA of €2.8bn in 2024

EBITDA in FY 2023e:
- Covestro EBITDA expected significantly below FY 2022
- Performance Materials EBITDA expected significantly below FY 2022
- Solutions & Specialties EBITDA expected around FY 2022

Mark-to-market (M2M):
- Mark-to-market (M2M) EBITDA in FY 2023 of ~€1.0bn based on January 2023 margins
Outlook reflecting current economic climate

Full year guidance 2023

<table>
<thead>
<tr>
<th></th>
<th>FY 2022</th>
<th>Guidance FY 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA of Solutions &amp; Specialties</td>
<td>€1,617m/€825m</td>
<td>significantly below previous year/around previous year</td>
</tr>
<tr>
<td>FOCF of Solutions &amp; Specialties</td>
<td>€138m/€195m</td>
<td>significantly below previous year/significantly above previous year</td>
</tr>
<tr>
<td>ROCE above WACC(^{(1)})</td>
<td>-5.0 pp</td>
<td>significantly below previous year</td>
</tr>
<tr>
<td>GHG emissions (scope 1 and 2)</td>
<td>4.7m tons</td>
<td>around previous year</td>
</tr>
</tbody>
</table>

**Additional financial expectations**

<table>
<thead>
<tr>
<th></th>
<th>FY 2022</th>
<th>Financial result</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA Q1</td>
<td>€806m</td>
<td>€100 to 150m</td>
</tr>
<tr>
<td>D&amp;A</td>
<td>€1,350</td>
<td>~€850m</td>
</tr>
<tr>
<td>Financial result</td>
<td>€-137m</td>
<td>€-160 to -200m</td>
</tr>
<tr>
<td>Capex(^{(2)})</td>
<td>€832m</td>
<td>~€800m</td>
</tr>
</tbody>
</table>

**HIGHLIGHTS**

2023 FX assumptions
- €/USD around 1.05 level
- 1pp change equals +/- €8m for CNY/EUR
  +/- €4m for USD/EUR

Mark-to-market
- Mark-to-market (M2M) EBITDA in FY 2023 of €1.0bn based on January 2023 margins flat forward

GHG emissions
- 0.4m tons increase in GHG emission by external factors neutralized by 0.4m tons savings through our CO\(_2\) reductions measures

P&L tax rate
- Long-term tax rate estimated between 24-26%\(^{(3)}\)

\(^{(1)}\) Weighted average cost of capital (WACC): 7.0% in FY 2022 and 7.6% in FY 2023e
\(^{(2)}\) Cash-relevant capex
\(^{(3)}\) Covestro estimate
\(^{(4)}\) Definitions: significantly = double-digit percentage / around = single-digit percentage deviation
Global demand outlook remains weak

Global demand development

<table>
<thead>
<tr>
<th>KEY CUSTOMER INDUSTRIES</th>
<th>2020 Y/Y</th>
<th>2021 Y/Y</th>
<th>2022 Y/Y(1)</th>
<th>2023e Y/Y(2)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Global GDP</strong></td>
<td>-3.5%</td>
<td>+6.1%</td>
<td>+3.1%</td>
<td>+1.5%</td>
</tr>
<tr>
<td><strong>Automotive</strong></td>
<td>-15.9%</td>
<td>+3.0%</td>
<td>+6.9%</td>
<td>+4.6%</td>
</tr>
<tr>
<td>EV / BEV</td>
<td>+29.2%</td>
<td>+105.9%</td>
<td>+69.8%</td>
<td>+42.5%</td>
</tr>
<tr>
<td><strong>Construction</strong></td>
<td>-1.8%</td>
<td>+3.5%</td>
<td>+1.2%</td>
<td>+0.8%</td>
</tr>
<tr>
<td>Residential</td>
<td>-1.0%</td>
<td>+4.5%</td>
<td>+0.8%</td>
<td>-0.2%</td>
</tr>
<tr>
<td><strong>Furniture</strong></td>
<td>-4.8%</td>
<td>+8.8%</td>
<td>-3.6%</td>
<td>+0.3%</td>
</tr>
<tr>
<td>Soft furniture</td>
<td>-4.4%</td>
<td>+8.2%</td>
<td>-5.2%</td>
<td>+0.2%</td>
</tr>
<tr>
<td><strong>Electrical, electronics and household appliances</strong></td>
<td><strong>Appliances</strong></td>
<td>+4.5%</td>
<td>+16.6%</td>
<td>+4.9%</td>
</tr>
<tr>
<td></td>
<td>+2.4%</td>
<td>+9.2%</td>
<td>-1.9%</td>
<td>+3.7%</td>
</tr>
</tbody>
</table>

**Notes:**
(1) as of February 2023
(2) GDP estimate by IHS as of February 2023; automotive estimate by LMC as of February 2023; construction estimate by B+L as of February 2023; furniture estimate by CSIL as of February 2023; EE&A estimate by Oxford Economics as of December 2022 (sub-industry ‘appliances’ mainly include refrigerators and freezers)
Global energy prices normalizing after tripling within two years

Energy cost development

**Energy cost development**

<table>
<thead>
<tr>
<th>QUARTERLY ENERGY COST DEVELOPMENT</th>
<th>GLOBAL ENERGY COST</th>
</tr>
</thead>
<tbody>
<tr>
<td>in € million</td>
<td>in € billion</td>
</tr>
<tr>
<td>Q1 22</td>
<td>0.6</td>
</tr>
<tr>
<td>Q2 22</td>
<td>1.0</td>
</tr>
<tr>
<td>Q3 22</td>
<td>1.8</td>
</tr>
<tr>
<td>Q4 22</td>
<td>280-360</td>
</tr>
<tr>
<td>Q1 23e</td>
<td>1,826</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>HIGHLIGHTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Global energy bill in 2022 of €1.8bn</td>
</tr>
<tr>
<td>• Q4 2022 with reduced cost mainly attributable to lower production volumes in Europe</td>
</tr>
<tr>
<td>• Q1 2023 outlook with slight increase vs Q4 due to higher volumes and start up of Tarragona chlorine plant</td>
</tr>
<tr>
<td>• In general, Covestro does not hedge its energy purchases</td>
</tr>
<tr>
<td>• Energy demand FY2022 reduced by ~7% vs FY2021</td>
</tr>
</tbody>
</table>

**ENERGY BREAKDOWN**

<table>
<thead>
<tr>
<th>2022 ENERGY SPENT BY REGION</th>
<th>2022 PRIMARY ENERGY VOLUME BY REGION(1)</th>
<th>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 1,417</td>
<td>EMEA 7.0</td>
<td>Electricity 903</td>
</tr>
<tr>
<td>APAC 241</td>
<td>APAC 3.5</td>
<td>Steam 439</td>
</tr>
<tr>
<td>NA 168</td>
<td></td>
<td>others 128</td>
</tr>
</tbody>
</table>

**Notes:**

(1) Total energy consumption
Covestro runs multiple large production sites for its core products in Europe.

Covestro sites in Germany represent ~25% of global Covestro production capacity in Covestro core products.

Covestro plants have at all times been fully supplied with natural gas.
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

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

€4.9bn invested in capex
€2.3bn dividends
€1.5bn net investments
€1.2bn share capital reduced

Sum of FY 2016 to FY 2022
Significant investments into growth

Group capex and D&A

**HISTORIC AND PROJECTION**

<table>
<thead>
<tr>
<th>Year</th>
<th>Capex (€ million)</th>
<th>D&amp;A (€ million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>509</td>
<td>419</td>
</tr>
<tr>
<td>2016</td>
<td>683</td>
<td>518</td>
</tr>
<tr>
<td>2017</td>
<td>627</td>
<td>518</td>
</tr>
<tr>
<td>2018</td>
<td>707</td>
<td>620</td>
</tr>
<tr>
<td>2019</td>
<td>910</td>
<td>752</td>
</tr>
<tr>
<td>2020</td>
<td>704</td>
<td>776</td>
</tr>
<tr>
<td>2021</td>
<td>764</td>
<td>823</td>
</tr>
<tr>
<td>2022</td>
<td>832</td>
<td>1350</td>
</tr>
<tr>
<td>2023e</td>
<td>~850</td>
<td>~850</td>
</tr>
</tbody>
</table>

**HIGHLIGHTS**

- Growth capex of around €2.8bn from 2015 to 2023e
- D&A 2022 included impairment write-off of €463m
- Maintenance capex around €450m in FY’23e
- Planned investments in Circular Economy projects of almost €1bn between 2021 and 2030
Dividend based on net income payout ratio

Dividend development

HIGHLIGHTS

- Net income determining factor for the dividend
- Committed to a payout ratio of 35% to 55%, related to dividend over net income
  - Higher payout intended in years with peak earnings, while ratio towards lower end
  - Lower payout intended in years with trough earnings, while ratio towards upper end
- For FY 2022, dividend suspension proposed in line with negative net income (€-272m) burdened by extraordinary depreciation and by adjustments of deferred tax assets
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

Business divested at average EV/EBITDA >20x

Portfolio analysis ongoing, further minor divestments possible

ACQUISITIONS

DSM Resins & Functional Materials business
- April 2021

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

### 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>-34</td>
<td>-26</td>
<td>26</td>
<td>-20</td>
<td>-34</td>
</tr>
<tr>
<td>2022</td>
<td>10</td>
<td>50</td>
<td>65</td>
<td>-20</td>
<td>-20</td>
</tr>
<tr>
<td>2023e</td>
<td>15</td>
<td>65</td>
<td>70</td>
<td>-5</td>
<td>-5</td>
</tr>
<tr>
<td>2024e</td>
<td>30</td>
<td>70</td>
<td>80</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2025e</td>
<td>40</td>
<td>80</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### HIGHLIGHTS

#### SYNERGIES
- Confirming identified synergies of €120m or 12% of RFM sales
- Positive EBITDA impact of €80m from cost and €40m from revenues
- Initial synergy potentials successfully detailed and validated
- Realization of synergies ahead of initial plan (initially €10m in 2021 and 50m€ in 2022)
- Implementation cost incl inventory step-up of €85m (initially €155m, reduced from 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
### Program

- **Total volume**: €0.5bn
- **Two-year timeframe**: February 28, 2022

### Share Buyback Tranches

<table>
<thead>
<tr>
<th>Program Date</th>
<th>First Tranche Details</th>
<th>Second Tranche Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>March 21 – April 6, 2022</td>
<td>1.606m shares purchased, Average share price €46.70, ~15% of share buyback completed</td>
<td>1.874m shares purchased, Average share price €39.97, ~30% of share buyback completed</td>
</tr>
<tr>
<td>May 10 – July 23, 2022</td>
<td>75, 75 (€ million)</td>
<td>75 (€ million)</td>
</tr>
</tbody>
</table>

**Notes:** Share buyback program based on five-year authorization by AGM in 2019
Managing challenging times

Highlights

1. Record sales of €18.0bn in FY 2022
driven by price increases despite significant weaker demand and lower volumes

2. EBITDA slightly below guidance range for FY 2022
despite recessionary environment and high energy & raw material prices

3. FOCF of €138m exceeding guidance of €0-100m
resulting from €550m improved FOCF in Q4

4. €801m return to shareholders
comprising dividend payout of €651m and share buyback of €150m

5. Increasing share of renewable energy
with 12% of renewable energy in 2022, expected to increase to 16-18% in 2023
EBITDA decrease Q/Q resulting from demand weakness

Group results – Highlights Q4 2022

**SALES(1)**

<table>
<thead>
<tr>
<th></th>
<th>Q1 2021</th>
<th>Q2 2021</th>
<th>Q3 2021</th>
<th>Q4 2021</th>
<th>Q1 2022</th>
<th>Q2 2022</th>
<th>Q3 2022</th>
<th>Q4 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>3,307</td>
<td>3,956</td>
<td>4,302</td>
<td>4,338</td>
<td>4,683</td>
<td>4,703</td>
<td>4,618</td>
<td>3,964</td>
</tr>
</tbody>
</table>

**EBITDA AND MARGIN(1)**

<table>
<thead>
<tr>
<th></th>
<th>Q1 2021</th>
<th>Q2 2021</th>
<th>Q3 2021</th>
<th>Q4 2021</th>
<th>Q1 2022</th>
<th>Q2 2022</th>
<th>Q3 2022</th>
<th>Q4 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>743</td>
<td>817</td>
<td>862</td>
<td>806</td>
<td>547</td>
<td>302</td>
<td>-38</td>
<td></td>
</tr>
</tbody>
</table>

**HIGHLIGHTS**

- Year-on-year sales decline mainly attributable to weak demand and resulting lower sales volume
- Sequentially, negative sales development due to slight reductions in price & currency and strong decline in volume

**Notes:**

(1) Full consolidation of acquired RFM business as of April 1, 2021

**SALES(1)**

<table>
<thead>
<tr>
<th></th>
<th>Q1 2021</th>
<th>Q2 2021</th>
<th>Q3 2021</th>
<th>Q4 2021</th>
<th>Q1 2022</th>
<th>Q2 2022</th>
<th>Q3 2022</th>
<th>Q4 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>3,307</td>
<td>3,956</td>
<td>4,302</td>
<td>4,338</td>
<td>4,683</td>
<td>4,703</td>
<td>4,618</td>
<td>3,964</td>
</tr>
</tbody>
</table>

**EBITDA AND MARGIN(1)**

<table>
<thead>
<tr>
<th></th>
<th>Q1 2021</th>
<th>Q2 2021</th>
<th>Q3 2021</th>
<th>Q4 2021</th>
<th>Q1 2022</th>
<th>Q2 2022</th>
<th>Q3 2022</th>
<th>Q4 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>743</td>
<td>817</td>
<td>862</td>
<td>806</td>
<td>547</td>
<td>302</td>
<td>-38</td>
<td></td>
</tr>
</tbody>
</table>
Volume decline due to demand weakness in Europe

FY 2022 – Regional split

HIGHLIGHTS

- Volume decline year-over-year driven by a globally weakening economic climate and destocking:
  - Electro: low double-digit % decline
  - Furniture/wood: high single-digit % decline
  - Auto/transport: low single-digit % decline
  - Construction: low single-digit % increase

- EMLA: Within increasingly weakening economic environment significant decline in electro, furniture and construction; auto/transport only with slight decline due to improving chip supply in 2H 2022

- NA: Strong volume growth in construction, slight growth in auto/transport, flat development in electro, slight decline in furniture/wood

- APAC: Significant growth in construction; auto/transport slightly positive benefitting from stimulus program despite Covid impact, furniture with slight and electro with significant decline
Volume decline mainly in Europe

Q4 2022 – Regional split

Sales in € million
Volume Y/Y

GLOBAL
3,964
Volume -13.3%

EMLA
1,518
Volume -27.3%

APAC
1,384
Volume 0.9%

U.S.
878

Germany
425

China
908

NA
1,062
Volume -8.7%

HIGHLIGHTS

• Volume decline quarter-over-quarter driven by European recessionary environment and customer destocking initiatives:
  – Auto/transport: low double-digit % increase
  – Furniture/wood: low double-digit % decline
  – Electro: low double-digit % decline
  – Construction: low double-digit % decline

• EMLA: With significant demand weakness also strong decline in electro, construction and furniture; auto/transport with slight increase caused by improved chip supply and orderbook backlogs

• NA: Slight volume growth in auto/transport while construction, furniture with significant decline and electro with slight volume drop

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

FY 2022 – Sales bridge

HIGHLIGHTS

Volume negative
- Volume contribution of -5.0% Y/Y

Pricing positive
- Higher selling prices that partially compensated higher energy and raw material costs pushed sales up +10.1% Y/Y
- Price increases enforced by both Performance Materials (+10.9% Y/Y) and Solutions & Specialties (+9.4% Y/Y)

FX positive
- FX affected sales by +5.9% Y/Y mainly driven by stronger USD and RMB

Portfolio positive
- RFM(1) increased sales by +2.0% Y/Y

Notes:
(1) Full consolidation of acquired RFM business as of April 1, 2021
Sales decrease driven by significant volume decline

Q4 2022 – Sales bridge

HIGHLIGHTS

Volume negative
- Volume decline of -13.3% Y/Y

Pricing positive
- Price increases enforced by Solutions & Specialties (+3.3% Y/Y) whereas Performance Materials with negative price effect (-1.3% Y/Y)

FX positive
- FX affected sales by +3.8% Y/Y mainly driven by stronger USD and RMB
Earnings hit by significantly negative pricing delta

FY 2022 – EBITDA bridge

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

**HIGHLIGHTS**

Negative volume leverage\(^{(1)}\)
- Negative volume leverage of 40%

Negative pricing delta
- Raw material and energy cost pass-through ability declined during course of the year, leading to only 54% compensation of cost increases

Other items:
- Lower provisions for variable compensation of €481m
- €86m from lower cost from RFM integration and LEAP restructuring
- Significant increase of fixed costs among others due to freight, logistic and salary increases
Lower earnings due to negative pricing delta and lower volumes

Q4 2022 – EBITDA bridge

**HIGHLIGHTS**

- **Negative volume leverage**
  - Negative volume leverage of 35%

- **Negative pricing delta widened**
  - Raw material and energy cost increases could not be compensated by sales price increases

- **Other items driven by**:
  - Lower provisions for variable compensation of €155m
  - Downsizing of inventory levels caused idle costs of ~€140m
  - Increase of fixed costs among others due to higher maintenance expenditures, R&D and freight costs

Notes:

(1) Method of calculation: EBITDA volume contribution / sales volume contribution
Positive FOCF in a challenging year

Historical FOCF development

HIGHLIGHTS

• In Q4, FOCF of €550m, significantly improved vs 9M 2022 after working capital initiative
• Resulting FY 2022 FOCF €138m
• Other effects include €475m bonus payout for successful FY 2021
• Working capital to sales ratio (3) decreased to 15.1% mainly due to working capital initiative reducing inventories along with destocking trend of our customers
• Capex of €832m on lower end of the FY 2022 guidance resulting from capex agility program
• Income tax paid of €538m reflects unfavorable geographical mix

<table>
<thead>
<tr>
<th></th>
<th>FY 2018</th>
<th>FY 2019</th>
<th>FY 2020</th>
<th>FY 2021</th>
<th>FY 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EBITDA</strong></td>
<td>+3,200</td>
<td>+1,604</td>
<td>+1,472</td>
<td>+3,085</td>
<td>+1,617</td>
</tr>
<tr>
<td><strong>Changes in working capital</strong>&lt;sup&gt;(1,4)&lt;/sup&gt;</td>
<td>-167</td>
<td>+437&lt;sup&gt;(4)&lt;/sup&gt;</td>
<td>-100&lt;sup&gt;(4)&lt;/sup&gt;</td>
<td>-727</td>
<td>+312</td>
</tr>
<tr>
<td><strong>Capex</strong>&lt;sup&gt;(2)&lt;/sup&gt;</td>
<td>-707</td>
<td>-910</td>
<td>-704</td>
<td>-764</td>
<td>-832</td>
</tr>
<tr>
<td><strong>Income tax paid</strong></td>
<td>-574</td>
<td>-296</td>
<td>-155</td>
<td>-546</td>
<td>-538</td>
</tr>
<tr>
<td><strong>Other effects</strong>&lt;sup&gt;(4)&lt;/sup&gt;</td>
<td>-83</td>
<td>-362&lt;sup&gt;(4)&lt;/sup&gt;</td>
<td>+17&lt;sup&gt;(4)&lt;/sup&gt;</td>
<td>+381</td>
<td>-421</td>
</tr>
</tbody>
</table>

Notes:
(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 Dec 31, 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
Net debt burdened by dividend and bonus payout

FY 2022 – Total net debt

Notes:

(1) as difference of pension provisions and net defined benefit assets

(2) Method of calculation: Total net debt on Dec. 31 divided by EBITDA of last four quarters

HIGHLIGHTS

• Net pension liability decreased by €765m\(^{(1)}\), mainly due to higher interest rates
• “Other” driven by the renewal of finance lease, cash outflows for noncurrent financial assets and change in derivative FX instruments
• Payout of €651m dividend to Covestro shareholders following the AGM resolution for FY 2021
• FOCF includes €475m bonus payout for successful FY 2021
• €150m share buyback executed part of the two year €500m program until February 2024
• Total net debt to EBITDA ratio\(^{(2)}\) of 1.8x at the end of FY 2022 compared to 0.8x at the end of FY 2021.
• Committed to a solid investment grade rating
Standard products with reliable supply and lowest cost
Performance Materials

**PRODUCTS**
Polyurethane and polycarbonate standard products as well as basic chemicals

**SALES 2022** (in € thousand)
- Basic Chemicals: 846
- sPoly-carbonates: 1,168
- sMDI: 3,284
- sPolyols: 2,230
- sTDI: 1,567

**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
Performance Materials – strongly declining EBITDA

Segment results – Highlights Q4 2022

**SALES**

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Sales in € million</th>
<th>Sales growth Y/Y</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 2021</td>
<td>1,740</td>
<td>25.8%</td>
</tr>
<tr>
<td>Q2 2021</td>
<td>1,957</td>
<td>85.5%</td>
</tr>
<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>
<tr>
<td>Q4 2022</td>
<td>1,916</td>
<td>-15.2%</td>
</tr>
</tbody>
</table>

HIGHLIGHTS

- Sales decreased by -15.2% Y/Y driven by volume (-17.5%) and price (-1.3%), marginally counterbalanced by FX (+3.6%)
- Sales decline across all regions with strongest decline in EMLA, followed by NA and a small reduction in APAC.

**EBITDA AND MARGIN**

<table>
<thead>
<tr>
<th>Quarter</th>
<th>EBITDA in € million</th>
<th>EBITDA Margin in %</th>
</tr>
</thead>
<tbody>
<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>
<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>
<tr>
<td>Q4 2022</td>
<td>-89</td>
<td>-4.6%</td>
</tr>
</tbody>
</table>

HIGHLIGHTS

- Compared to prior year, EBITDA decrease mainly driven by significantly negative pricing delta
- Quarter-over-quarter, EBITDA decrease was driven by lower volumes, idle costs and a negative pricing delta
- In 2H 2022, EBITDA suffered from weak demand and additional destocking along the value chain.
MDI market balanced

Performance Materials: MDI industry demand and supply

**MDI DEMAND DEVELOPMENT (2017 - 2027e)**

- **BASE**: ~4%
- **HIGH**: 5%
- **LOW**: 3%

**MDI SUPPLY DEVELOPMENT (2017 - 2027e)**

- **BASE**: ~4%
- **HIGH**: 5%
- **LOW**: 3%

**HIGHLIGHTS**

- In 2022, solid Industry Utilization Rate of 87%; industry usually fully utilized in the low nineties
- Demand CAGR of ~4% between 2022 and 2027e includes flattish development in 2023e and an acceleration of growth toward 2027e; long-term, demand growth CAGR of ~6% expected, leading to increasing industry utilization rate
- Covestro with further debottleneckings after 2027e

Notes:

(1) Assumes global GDP CAGR 2022 - 2027e of 2-3%
(2) Based on historical and announced future nameplate capacities
Source: Covestro estimates
TDI market moving towards balance

Performance Materials: TDI industry demand and supply

TDI DEMAND DEVELOPMENT (2017 - 2027e)

<table>
<thead>
<tr>
<th>Year</th>
<th>Base</th>
<th>HIGH</th>
<th>LOW</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>2,350</td>
<td>2,350</td>
<td>2,350</td>
</tr>
<tr>
<td>2022</td>
<td>2,350</td>
<td>2,350</td>
<td>2,350</td>
</tr>
<tr>
<td>2027e</td>
<td>3,450</td>
<td>3,450</td>
<td>3,450</td>
</tr>
</tbody>
</table>

% growth as CAGR

- ~1%
- ~4%
- 5%
- 3%

TDI SUPPLY DEVELOPMENT (2017 - 2027e)

<table>
<thead>
<tr>
<th>Year</th>
<th>Base</th>
<th>HIGH</th>
<th>LOW</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>2,350</td>
<td>2,350</td>
<td>2,350</td>
</tr>
<tr>
<td>2022</td>
<td>2,350</td>
<td>2,350</td>
<td>2,350</td>
</tr>
<tr>
<td>2027e</td>
<td>3,450</td>
<td>3,450</td>
<td>3,450</td>
</tr>
</tbody>
</table>

% growth as CAGR

- ~6%
- ~0.1%
- +1%

HIGHLIGHTS

- Global demand declined by estimated 7% in 2022 heavily influenced by destocking
- In 2022, low Industry Utilization Rate of 68%; industry usually fully utilized in the high eighties
- Inventory refilling offering additional rebound potential; long-term, expecting demand-growth CAGR of 3-4%
- In 2023, Wanhua-Fujian ramp-up (+125kt) and BASF Ludwigshafen closure (-300kt) expected
- Favorable cash cost position puts Covestro in strong competitive position even under low cycle conditions

Notes:
(1) Assumes global GDP CAGR 2022 - 2027e of 2-3%
(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

HIGHLIGHTS

- In 2022, low Industry Utilization Rate of 63%, after recent supply additions; industry usually fully utilized in the low eighties
- Inventory refilling offering additional rebound potential; long-term, expecting demand-growth CAGR of 4%
- No major additions\(^{(3)}\) expected until 2025, followed by numerous announced projects with high uncertainties regarding timing and scope
- Covestro focus on differentiated business with increasing use of standard-polycarbonates as captive feedstock

Notes:
1. Assumes global GDP CAGR 2022 - 2027e of 2-3%
2. Based on historical and announced future nameplate capacities
3. Based on corporate announcements
Source: Covestro estimates
**Chlorine supply key element to cost position of Covestro**

**Performance Materials chlorine supply**

- New world-scale chlorine plant in Tarragona
  - Successful start up of the first world scale chlorine plant using Covestro’s patented energy efficient oxygen depolarized cathode (ODC) technology\(^{(1)}\)
  - Proprietary chlorine production replaces third party supplies employing conventional chlor-alkali electrolysis
  - Significant increase of independence and efficiency of MDI production
  - Investment of ~€200m and creation of 50 new jobs
  - European chlorine capacity increasing by 125kt to 1.4m tons\(^{(2)}\) (1.1m tons based on salt and 0.3m tons based on hydrochloric acid)
  - Covestro global chlorine capacity rising to 2.3m tons\(^{(2)}\) (1.4m tons based on salt and 0.9m tons based on hydrochloric acid)
  - Mid-double-digit € million EBITDA contribution from reduced cost for chlorine and additional sales of caustic soda and hydrochloric acid
  - Significant progress on Covestro’s goal of energy savings of 25% and avoidance of 22,000 tons of CO\(_2\) emissions compared to the conventional process\(^{(2)}\)

---

**Notes:**

\(^{(1)}\) Technology developed by Covestro in collaboration with thyssenkrupp nucera

\(^{(2)}\) dry-metric tons, concentrated substance with no dilution
Differentiation based on customer proximity and innovation

Solutions & Specialties

**PRODUCTS**

- Differentiated polymer products

**SALES 2022** (in € thousand)

- Coatings & Adhesives: 3,088
- Engineering Plastics: 3,385
- Tailored Urethanes: 1,035
- Thermoplastic Polyurethanes: 459
- Specialty Films: 373
- Elastomers: 220

**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
Sales declined by -1.5% Y/Y, mainly driven by volume (-8.9%), almost counterbalanced by FX (+4.1%) and price (+3.3%).

Sales decline most prominent in APAC and EMLA, whereas NA exhibited positive sales development based on strong pricing and FX.

EBITDA seasonally lower and almost on previous year level.

Price increases could almost compensate higher raw material and energy costs.

RFM one-time effects €20m in FY 2022.
Shifting from standard to differentiated polycarbonate

Solutions & Specialties: high-growth contributor Engineering Plastics

POLYCARBONATE 2022 SALES €4.6bn
Covestro polycarbonate volume split by segment

<table>
<thead>
<tr>
<th>Year</th>
<th>Differentiated PC, within Solutions &amp; Specialties segment</th>
<th>Standard polycarbonate (PC), within Performance Materials segment</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>35%</td>
<td>65%</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>2022</td>
<td>26%</td>
<td>74%</td>
</tr>
<tr>
<td>2023e</td>
<td>22%</td>
<td>78%</td>
</tr>
<tr>
<td>2025e</td>
<td>20%</td>
<td>80%</td>
</tr>
</tbody>
</table>

+230kt Covestro compounding capacity

ENGINEERING PLASTICS (EP) INDUSTRY +8% CAGR 2022-2027e

CUSTOMER INDUSTRIES

- **Auto & transport**
  - EP sales share 2022: 45%
  - CAGR 2022-2027e: 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 2022: 40%
  - CAGR 2022-2027e: 7%
  - Strong demand in communication infrastructure, audio, LED, power supply and small appliances
  - New opportunities from 5G, intelligent connectivity and electrical integration

- **Healthcare**
  - EP sales share 2022: 11%
  - CAGR 2022-2027e: 8%
  - Aging population with increasing healthcare access in emerging markets
  - Trend towards home healthcare devices and wearable monitor devices

GROWTH DRIVERS

- Strong demand for differentiated polycarbonate grades across several customer industries

Refining standard polycarbonate from Performance Materials into differentiated grades in Solutions & Specialties
Doubling sales by 2025

Solutions & Specialties: high-growth contributor Specialty Films

**SPECIALTY FILMS**

- **Total Sales 2022**
  - €373m
  
- **CAGR 2022-2027e**
  - ~12%

**TARGET**

- Doubling sales by 2025e versus Sales 2020 of €240m

**APPROACH**

- Elevating market share from differentiation via quality and service with customer-tailored applications
- Strong competitive advantage from technical expertise and filled innovation pipeline
- Excellent customer relationships promoting joint developments with long-term contracts

**INVESTMENT**

- Enabling growth with investment of almost €100m from 2023e till 2025e

**BUILD AGGRESSIVELY MEDICAL BUSINESS**

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

**DEVELOP AUGMENTED REALITY BUSINESS**

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

**Notes:** CAGR Covestro estimates
EBITDA margin to grow

Solutions & Specialties segment target

EBITDA AND MARGIN – SOLUTIONS & SPECIALTIES

TARGET MARGIN

- EBITDA margin 2022 burdened by inflated sales but benefited from significantly higher EBITDA Y/Y
- In 2023, expecting EBITDA around (1) 2022 level
- EBITDA margin growth 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-indicated sales inflation

Notes:
(1) around = single-digit % deviation
Covestro investment highlights

Group financials FY’22

Segment overview

Background information
Led by a diverse, international management team

Covestro senior management since July 1, 2021

<table>
<thead>
<tr>
<th>BOARD OF MANAGEMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Chief Executive Officer</strong></td>
</tr>
<tr>
<td>Dr Markus Steilemann</td>
</tr>
<tr>
<td>Nationality: German</td>
</tr>
<tr>
<td><strong>Chief Financial Officer</strong></td>
</tr>
<tr>
<td>Dr Thomas Toepfer</td>
</tr>
<tr>
<td>Nationality: German</td>
</tr>
<tr>
<td><strong>Chief Commercial Officer</strong></td>
</tr>
<tr>
<td>Sucheta Govil</td>
</tr>
<tr>
<td>Nationality: British with Indian origin</td>
</tr>
<tr>
<td><strong>Chief Technology Officer</strong></td>
</tr>
<tr>
<td>Dr Klaus Schäfer(1)</td>
</tr>
<tr>
<td>Nationality: German</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>BUSINESS ENTITIES</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Performance Materials</strong></td>
</tr>
<tr>
<td>Hermann-Josef Dörholt</td>
</tr>
<tr>
<td>Nationality: German</td>
</tr>
<tr>
<td>Based in Leverkusen, Germany</td>
</tr>
<tr>
<td><strong>Tailored Urethanes</strong></td>
</tr>
<tr>
<td>Christine Bryant(3)</td>
</tr>
<tr>
<td>Nationality: US-American</td>
</tr>
<tr>
<td>Based in Pittsburgh, USA</td>
</tr>
<tr>
<td><strong>Coatings and Adhesives</strong></td>
</tr>
<tr>
<td>Dr Thorsten Dreier(2)</td>
</tr>
<tr>
<td>Nationality: German</td>
</tr>
<tr>
<td>Based in Leverkusen, Germany</td>
</tr>
<tr>
<td><strong>Engineering Plastics</strong></td>
</tr>
<tr>
<td>Lily Wang</td>
</tr>
<tr>
<td>Nationality: Chinese</td>
</tr>
<tr>
<td>Based in Shanghai, P.R. China</td>
</tr>
<tr>
<td><strong>Specialty Films</strong></td>
</tr>
<tr>
<td>Dr Aleta Richards</td>
</tr>
<tr>
<td>Nationality: US-American</td>
</tr>
<tr>
<td>Based in Dormagen, Germany</td>
</tr>
<tr>
<td><strong>Elastomers</strong></td>
</tr>
<tr>
<td>Dr Thomas Braig</td>
</tr>
<tr>
<td>Nationality: German</td>
</tr>
<tr>
<td>Based in Romans-sur-Isère, France</td>
</tr>
<tr>
<td><strong>Thermoplastic Polyurethanes</strong></td>
</tr>
<tr>
<td>Dr Andrea Maier-Richter</td>
</tr>
<tr>
<td>Nationality: German</td>
</tr>
<tr>
<td>Based in Dormagen, Germany</td>
</tr>
</tbody>
</table>

Notes:
(1) Retiring effective June 30, 2023
(2) Appointed Chief Technology Officer as of July 1, 2023
(3) Appointed Business Entity Head Coatings and Adhesives as of July 1, 2023
**Covestro ESG rating results and index membership**

**As of February 2023**

<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>A-</td>
<td>A-</td>
<td>2016-2021</td>
</tr>
<tr>
<td>EcoVadis</td>
<td>0 to 100</td>
<td>73</td>
<td>80</td>
<td>72</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2016-2021</td>
</tr>
<tr>
<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>2016-2021</td>
</tr>
<tr>
<td>Sustainalytics</td>
<td>100 to 0</td>
<td>74</td>
<td>75</td>
<td>80</td>
<td>20.0</td>
<td>18.3</td>
<td>20.9</td>
<td></td>
<td>2016-2021</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>FTSE4Good</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 >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.
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>Year/Standard</th>
<th>Used PU raw materials in kg</th>
</tr>
</thead>
<tbody>
<tr>
<td>1970s standard</td>
<td>~40%</td>
</tr>
<tr>
<td>2000 standard</td>
<td>~30%</td>
</tr>
<tr>
<td>Current standard</td>
<td>~40%</td>
</tr>
<tr>
<td>High-energy efficiency</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

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

FY 2022 | IR Roadshow Presentation
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
Increasing BEV share boosts demand

Global electric vehicle market outlook

KEY DRIVERS

- Carbon neutrality targets
- Rising fuel prices
- Stringent emission regulations

DEVELOPMENT OF AUTOMOTIVE INDUSTRY

- Total LV +4% p.a.
- BEV share of total LV:
  - 2022: 10%
  - 2023e: 13%
  - 2024e: 16%
  - 2025e: 18%
  - 2026e: 21%
  - 2027e: 25%

USE OF POLYCARBONATES IN BEV

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

Notes:
(1) Total LV without BEV
BEV: Battery Electric Vehicle; LV: Light Vehicle
Sources: LMC Global Light Vehicle Engine Forecast FY 2022 – Q4
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
- Hydrogen (H₂)
- Carbon Monoxide (CO)

CORE UNITS / TECHNOLOGY

- DNT: Dinitrotoluene
- TDA: Diaminotoluene
- MNB: Mono-Nitrobenzene
- Aniline
- MDA: Methylene Dianiline
- BPA: Bisphenol A

FINAL PRODUCT

- TDI
- MDI
- Polyether Polyols
- DPC: Diphenylcarbonate
- LPC: Diphenylcarbonate
- SPC: Polycarbonates

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

Purchased raw materials
Covestro activities
Synergies from chemical backbone and complementary technologies

Solutions & Specialties backward integration and value chain

**Solutions & Specialties backward integration and value chain**

**Notes:**
- Simplified illustration, including acquired RFM business
- (1) via Deacon or HCl-ODC technology and/or Chlorine-Alkali electrolysis
- (2) produced from CO and Cl₂

**COVESTRO VALUE CHAIN (simplified)***

**MAIN RAW MATERIALS**

- Toluene / Benzene
- Nitric acid (HNO₃)
- Phenol
- Acetone
- HMDA
- IPDA
- PACM
- AA / TPA / PIA
- HDO / BDO / NPG / TMP
- MMA / BA
- PO
- EO
- COVESTRO activities
- Purchased raw materials

**INFRASTRUCTURE**

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

**KEY RAW MATERIALS**

- Elastomers
- Specialty Films
- sPC

**Chlorine(1)**

- HDI
- IPDI
- H₂MDI
- Aliphatic isocyanates
- PU Dispersions
- Aromatic derivatives
- Elastomers
- TPU
- Tailored Uretaners
- Speciality Films
- Engineering Plastics
- Polyester polyols
- Polyether polyols
- Powder Polymers
- Acrylic Dispersions
- Alkyd Dispersions
- Hybrid Dispersions
- Fiber Optical Materials

**FY 2022 | IR Roadshow Presentation**
Entire organization aligned for performance and sustainability

Group Profit Sharing Plan (PSP) as of 2022

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
High accumulated free operating cash flow

Development of last five years

<table>
<thead>
<tr>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>(€ million)</td>
<td>14,616</td>
<td>12,412</td>
<td>10,706</td>
</tr>
<tr>
<td>• Volume y/y</td>
<td>(%)</td>
<td>+2.3</td>
<td>+0.8</td>
<td>-5.1</td>
</tr>
<tr>
<td>• Price y/y</td>
<td>(%)</td>
<td>+4.5</td>
<td>-17.3</td>
<td>-5.7</td>
</tr>
<tr>
<td>• FX y/y</td>
<td>(%)</td>
<td>-3.0</td>
<td>+1.9</td>
<td>-1.6</td>
</tr>
<tr>
<td>• Portfolio y/y</td>
<td>(%)</td>
<td>-0.4</td>
<td>-0.5</td>
<td>-1.3</td>
</tr>
<tr>
<td>EBITDA</td>
<td>(€ million)</td>
<td>3,200</td>
<td>1,604</td>
<td>1,472</td>
</tr>
<tr>
<td>• Performance Materials</td>
<td></td>
<td>2,825</td>
<td>942</td>
<td>896</td>
</tr>
<tr>
<td>• Solutions &amp; Specialties</td>
<td></td>
<td>585</td>
<td>832</td>
<td>743</td>
</tr>
<tr>
<td>Earnings per Share</td>
<td>(€)</td>
<td>9.46</td>
<td>3.02</td>
<td>2.48</td>
</tr>
<tr>
<td>Capex</td>
<td>(€ million)</td>
<td>707</td>
<td>910</td>
<td>704</td>
</tr>
<tr>
<td>Free operating cash flow (FOCF)</td>
<td>(€ million)</td>
<td>1,669</td>
<td>473</td>
<td>530</td>
</tr>
<tr>
<td>ROCE above WACC</td>
<td>(%points)</td>
<td>22.8</td>
<td>1.6</td>
<td>-0.3</td>
</tr>
<tr>
<td>Total net debt (1)</td>
<td>(€ million)</td>
<td>1,793</td>
<td>2,954</td>
<td>2,479</td>
</tr>
<tr>
<td>Employees (2)</td>
<td>(FTE)</td>
<td>16,770</td>
<td>17,201</td>
<td>16,501</td>
</tr>
</tbody>
</table>

Notes:
(1) including pension provisions
(2) status at year-end
y/y year-over-year
Historical share price performance

Covestro € share price since IPO

Oct’17
Announced €1.5bn share-buyback

Mid’18
Ramp-up of new PU and PC market capacities

Mar’18
DAX-listing

Aug’20
Post-COVID rebound starting

Sep’20
Announcement DSM-RFM acquisition with equity release

Mar’20
Begin of COVID lockdowns

Mar’22
Begin of €0.5bn share buyback

Feb’22
Russian invasion in Ukraine

Apr’22
COVID lockdown in Shanghai / pay out of €3.40 dividend per share

Jun’22
German gas supply under increased risk

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 10% p.a.
- based on the CAGR between 2016 and 2022

ROE of 14%
- on average between 2016 and 2022

Cumulated dividend of €11.85 per share
- based on the dividends for fiscal years 2016 to 2022

Notes:
YE = 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
(2) Including proposed dividend suspension for 2022, subject to AGM approval
Upcoming IR events

Find more information on covestro.com/en/investors

<table>
<thead>
<tr>
<th>REPORTING DATES</th>
</tr>
</thead>
<tbody>
<tr>
<td>• April 28, 2023</td>
</tr>
<tr>
<td>Q1 2023 Quarterly Statement</td>
</tr>
<tr>
<td>• August 1, 2023</td>
</tr>
<tr>
<td>2023 Half-Year Financial Report</td>
</tr>
<tr>
<td>• October 27, 2023</td>
</tr>
<tr>
<td>Q3 2023 Quarterly Statement</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ANNUAL GENERAL MEETING</th>
</tr>
</thead>
<tbody>
<tr>
<td>• April 19, 2023</td>
</tr>
<tr>
<td>Annual General Meeting</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>BROKER CONFERENCES</th>
</tr>
</thead>
<tbody>
<tr>
<td>• March 9, 2023</td>
</tr>
<tr>
<td>• March 10, 2023</td>
</tr>
<tr>
<td>Morgan Stanley China Insight Webinar, virtual</td>
</tr>
</tbody>
</table>
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.