Operating along trough levels

Roadshow presentation
Covestro investment highlights

- Group financials Q3’23
- 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

**Performance Materials**
- Sports / leisure, cosmetics, health, diverse industries: 30%
- Automotive & transportation: 17%
- Construction: 14%
- Furniture & wood: 13%
- Electrical, electronics & household appliances: 9%

**Solutions & Specialties**
- Other: 2%
- Performance Materials: 50%
- Chemicals: 17%

**Sales split by industry for your convenience only; shown numbers are approximations on full year basis.

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

**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 2022 relative to competitors

**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 accomplished

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-/energy-related activities
- Mainly upstream transportation and distribution
- Mainly use of electricity, heat and steam supplied by third parties
- Mainly purchased goods, capital goods, fuel-/energy-related activities
- Mainly upstream transportation and distribution
- Mainly use of electricity, heat and steam supplied by third parties

Direct emissions
- Emitted for example from production plants
- Mainly downstream transportation and distribution
- Mainly processing and use of products, end-of-life treatment of products

Scope 1+2
- 4.9m tons in 2022

Scope 3
- 14.4m tons in 2022

Scope 3
- 2.6m tons in 2022

EXISTING OPTIONS AND CURRENT LIMITATIONS TO REDUCE GHG EMISSIONS

Various alternative feedstock
- Limitations: available capacities

Low-emission mobility
- Limitations: available infrastructure

Low-emission technology
- 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

Notes: GHG: Greenhouse gas emissions, calculated in accordance with GHG Protocol and WBCSD recommendations
Sustainable manufacturing and renewable energy to lead path
Climate neutrality target for GHG emissions scope 1 and 2

EMISSION REDUCTION MEASURES

- Three main levers make a vital contribution to reduce GHG emissions:
  - More sustainable manufacturing (scope 1 and 2)
  - Renewable electricity (scope 2)
  - Renewable steam (scope 2)

- Net external 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

GHG emissions in million metric tons, scope 1 and 2

<table>
<thead>
<tr>
<th>Year</th>
<th>Covestro growth</th>
<th>External effects</th>
<th>Areas of activity until 2030</th>
<th>Areas of activity until 2035</th>
<th>2030</th>
<th>2035</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>5.6</td>
<td>-1</td>
<td>-1.1</td>
<td>-1.1</td>
<td>-60%</td>
<td>-100%</td>
</tr>
<tr>
<td>2030</td>
<td>2.2</td>
<td>-0.7</td>
<td>-0.8</td>
<td>-0.7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2035</td>
<td>1.1</td>
<td>-0.7</td>
<td>-0.7</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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
- EMLA(1): Wind electricity PPA’s with ENGIE for 45% of site’s power in Antwerp and with Ørsted for 10% of sites’ electricity in Germany
- NA: Virtual PPA with Ørsted for solar electricity starting late 2024 for 12% of Baytown’s electricity
- APAC: Solar&wind electricity, PPAs for ~45% of Shanghai site electricity with Datang Power & CGN New Energy

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

Notes:
- PPA: Power purchase agreement
- Datang: Datang Wuzhong New Energy Co.
- CGN: China General Nuclear New Energy
- (1) onshore wind energy PPA with ENGIE active since 2021, PPA with Ørsted for offshore wind energy from 2025
Continuously improving global renewable energy footprint

Baytown contract signed in Q2 2023

MILESTONES TO RENEWABLE ELECTRICITY SUPPLY

**EMLA**
- PPAs with Engie and Ørsted for 582 GWh solar and wind energy:
  - 45% of electricity for Antwerp site since 2022
  - 10% of German sites as of 2025

**APAC**
- PPAs with CGN and Datang for 400 GWh solar and wind energy:
  - 45% of electricity for Shanghai site since 2023

**NA**
- Virtual PPA with Ørsted for 200 GWh solar power:
  - 12% of electricity for Baytown site since 2023

Starting global coverage of renewable PPA’s

ELECTRICITY TRANSFORMATION PROGRESS

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

Timeline:

- **2019**: Technology optimization
- **2021**: Pilot Plant
- **2023**: Cooperation on innovative recycling of plastic waste
- **2025**: Lab-scale customer samples (*)
- **2030s**: Technology industrialization (*)

*Conceptual illustration*
Leading cost positions across markets and regions

Covestro cash cost positions

**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 ~20% between the best and the average 5 least competitive plants.

- **Covestro TDI** is the global cost leader with cost advantage of ~45% 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.

---

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 2021.
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.

---

Cash cost improvements based on investment projects

---

MDI (1)  
- Covestro-rayon: European leader  
- Covestro: European follower  
- North American follower  
- North American laggard

TDI (1)  
- Covestro: European leader  
- Covestro-rayon: European follower  
- North American follower  
- North American laggard

PC (2)  
- North American leader  
- Covestro-rayon: North American follower  

---

Cash cost

<table>
<thead>
<tr>
<th>NORTH AMERICA</th>
<th>EUROPE</th>
<th>ASIA</th>
<th>HIGHLIGHTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>North American leader</td>
<td>European leader</td>
<td>Covestro-rayon: Leader (landed China)</td>
<td><strong>Covestro MDI</strong> 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>Covestro-rayon: Follower</td>
<td>European follower</td>
<td>Covestro-rayon: Follower (landed China)</td>
<td></td>
</tr>
<tr>
<td>North American laggard</td>
<td>North American laggard</td>
<td>Asian laggard</td>
<td></td>
</tr>
</tbody>
</table>

---

*Cash cost improvements based on investment projects*
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>
</table>
| Wind energy           | **Electric vehicles pushing**  
• Battery Electric Vehicles to use 2 up to 5 times\(^{(1)}\) more polycarbonates than conventional vehicles  
• 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  
| Thermal Insulation    | • Polyurethane-based insulation one of the best options to reach future high energy efficiency standards  
• Demand increase of PU used in construction for future high-energy efficient buildings could increase global MDI growth rates by 1pp per year\(^{(2)}\)  
|                       | Wind energy                     | • 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  
• Our overall wind solutions for blades will result in 30% lower maintenance and 2-year life-time extension\(^{(3)}\)  

Notes:

\(^{(1)}\) Assumption: ~10kg PC in LV / ~20 kg PC in BEV, upper class BEV 45-55kg PC  
\(^{(2)}\) Covestro estimate based on GlobalData Report Q4 2022  
\(^{(3)}\) Covestro estimate
FY 2023 EBITDA expected to be around €1.1bn

EBITDA development between 2016 and 2024e

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

Mark-to-market (M2M):
- Mark-to-market (M2M) EBITDA in FY 2024 around (1) €1.4bn; theoretical calculation based on September 2023 margins flat forward and preliminary budget assumptions for 2024

Current 2023 FX assumptions
- €/USD around 1.10 level
- 1pp change equals +/- €10m for CNY/EUR
- +/- €6m for USD/EUR

P&L long-term tax rate
- Long-term tax rate estimated between 24-26%

(1) Definition: around = single-digit percentage deviation
Guidance narrowed around lower end of the range

Full year guidance 2023

<table>
<thead>
<tr>
<th></th>
<th>FY 2022</th>
<th>GUIDANCE FY 2023 (as of March 2)</th>
<th>GUIDANCE FY2023 (as of April 28)</th>
<th>CURRENT GUIDANCE FY2023 (as of Oct 27)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EBITDA</strong></td>
<td>€1,617m</td>
<td>significantly(^{(4)}) below previous year</td>
<td>€1,100m – 1,600m</td>
<td>around(^{(4)}) €1,100m</td>
</tr>
<tr>
<td><strong>FOCF</strong></td>
<td>€138m</td>
<td>significantly(^{(4)}) below previous year</td>
<td>€0 – 500m</td>
<td>€0 – 200m</td>
</tr>
<tr>
<td><strong>ROCE above WACC(^{(1)})</strong></td>
<td>-5.0 pp</td>
<td>significantly(^{(4)}) below previous year</td>
<td>-6 pp to -2 pp</td>
<td>around(^{(4)}) -6 pp</td>
</tr>
<tr>
<td><strong>GHG emissions(^{(2)})</strong></td>
<td>4.7m tons</td>
<td>around(^{(4)}) previous year</td>
<td>4.2m – 4.8m tons</td>
<td>4.2m – 4.8m tons</td>
</tr>
</tbody>
</table>

**Additional financial expectations**

<p>| | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales</strong></td>
<td>€18.0bn</td>
<td>No guidance</td>
<td>No guidance</td>
<td>€14.0bn – 14.5bn</td>
</tr>
<tr>
<td><strong>D&amp;A</strong></td>
<td>€1,350</td>
<td>~€850m</td>
<td>~€900m</td>
<td>~€900m</td>
</tr>
<tr>
<td><strong>Financial result</strong></td>
<td>€-137m</td>
<td>€-160 to -200m</td>
<td>€-130 to -170m</td>
<td>€-120m to -150m</td>
</tr>
<tr>
<td><strong>Income tax (P&amp;L)</strong></td>
<td>€411m</td>
<td>No guidance</td>
<td>€150m – 250m</td>
<td>€150m – 250m</td>
</tr>
<tr>
<td><strong>Cash tax</strong></td>
<td>€538m</td>
<td>No guidance</td>
<td>€200m – 300m</td>
<td>€300m – 400m</td>
</tr>
<tr>
<td><strong>Capex(^{(3)})</strong></td>
<td>€832m</td>
<td>~€800m</td>
<td>~€800m</td>
<td>~€800m</td>
</tr>
</tbody>
</table>

Notes:

1. Weighted average cost of capital (WACC): 7.0% in FY 2022 and 7.6% in FY 2023e
2. Scope1 and scope 2
3. Cash-relevant capex
4. Definitions: significantly = double-digit percentage / around = single-digit percentage deviation
Covestro measures to improve financial performance

Situational response to cost situation

Continuous right-sizing of labor
- Labor force reduction with differentiated hiring limited to crucial key functions after jobholder departure
- Contracting freeze of temporary workers

Improved operational savings
- Reduced FAM cost
- Savings from LEAP transformation program
- Additional long-term savings

Portfolio streamlining
- Streamlining portfolio and elimination of non-strategic, loss-making businesses (3D-Printing divested, Maezio® site closure; Swiss entity closure)
- Reduction of various negative one-time items

Other items
- Lower underutilization costs
- Various small-scale contingencies
Outlook for most of Covestro’s core industries deteriorated

Global demand development

<table>
<thead>
<tr>
<th>KEY CUSTOMER INDUSTRIES</th>
<th>2022 Y/Y&lt;sup&gt;(1)&lt;/sup&gt;</th>
<th>2023e Y/Y&lt;sup&gt;(1)&lt;/sup&gt;</th>
<th>2023e Y/Y UPDATE&lt;sup&gt;(2)&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global GDP</td>
<td>+3.1%</td>
<td>+1.5%</td>
<td>+2.5%</td>
</tr>
<tr>
<td>Automotive</td>
<td>+6.9%</td>
<td>+4.6%</td>
<td>+7.9%</td>
</tr>
<tr>
<td>EV / BEV</td>
<td>+70.1%</td>
<td>+42.5%</td>
<td>+35.3%</td>
</tr>
<tr>
<td>Construction</td>
<td>+1.2%</td>
<td>+0.8%</td>
<td>-2.2%</td>
</tr>
<tr>
<td>Residential</td>
<td>+0.8%</td>
<td>-0.2%</td>
<td>-4.3%</td>
</tr>
<tr>
<td>Furniture</td>
<td>-3.6%</td>
<td>+0.3%</td>
<td>-4.5%</td>
</tr>
<tr>
<td>Soft furniture</td>
<td>-5.2%</td>
<td>+0.2%</td>
<td>-4.5%</td>
</tr>
<tr>
<td>Electrical, electronics and household appliances</td>
<td>+4.9%</td>
<td>+2.0%</td>
<td>+0.4%</td>
</tr>
<tr>
<td>Appliances</td>
<td>+1.9%</td>
<td>+3.7%</td>
<td>+7.9%</td>
</tr>
</tbody>
</table>

Notes:

(1) as of February 2023
(2) GDP estimate by Oxford Economics as of Oct 2023; automotive estimate by LMC as of Oct 2023; construction estimate by B+L as of Aug 2023; furniture estimate by CSIL as of Aug 2023; EE&A estimate by Oxford Economics as of Oct 2023 (sub-industry ‘appliances’ mainly include refrigerators and freezers)
Historically fast market rebound after trough

MDI, TDI and polycarbonate global demand curves

Notes:
(1) COV internal estimations based on different sources

---

Covestro core products early indicator of recessions
- Core products MDI, TDI and PC are all affected in a recessionary environment

Recovery after recession
- Core products historically recovered quickly from a recession
- Rebounds also typically overshot the historical average growth path partly compensating for the negative growth of the recession

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

---

HIGHLIGHTS
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 context of RFM acquisition in 2020
- Share buyback of €0.2bn executed in 2022-2023
- Authorization for share buyback program for up to 10% of share capital in place until AGM 2024

- €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>Group capex and D&amp;A in € million</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>509</td>
</tr>
<tr>
<td>2016</td>
<td>419</td>
</tr>
<tr>
<td>2017</td>
<td>518</td>
</tr>
<tr>
<td>2018</td>
<td>627</td>
</tr>
<tr>
<td>2019</td>
<td>620</td>
</tr>
<tr>
<td>2020</td>
<td>704</td>
</tr>
<tr>
<td>2021</td>
<td>764</td>
</tr>
<tr>
<td>2022</td>
<td>832</td>
</tr>
<tr>
<td>2023e</td>
<td>~900</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 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
  - April 2023
- Dubai system house(1)
  - July 2021
- Europe Polycarbonates sheets business
  - September 2019
- Europe system houses
  - June 2019
- USA Polycarbonates sheets business
  - August 2018
- NA Polyurethanes spray foam business
  - April 2017
  - Closing

Cumulated, in € million

<table>
<thead>
<tr>
<th>Sales</th>
<th>EBITDA</th>
</tr>
</thead>
<tbody>
<tr>
<td>~650</td>
<td>~10</td>
</tr>
</tbody>
</table>

Business divested at average EV/EBITDA >20x

Portfolio analysis ongoing, further minor divestments possible

ACQUISITIONS

- DSM Resins & Functional Materials business
  - April 2021

Cumulated, in € million

<table>
<thead>
<tr>
<th>Sales</th>
<th>EBITDA</th>
</tr>
</thead>
<tbody>
<tr>
<td>932</td>
<td>270</td>
</tr>
<tr>
<td>150</td>
<td>(2)</td>
</tr>
</tbody>
</table>

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

IR Roadshow Presentation
Q3 2023
Synergies fully confirmed and ahead of plan at lower cost

RFM synergies and implementation cost

**HIGHLIGHTS**

**EBITDA IMPACT**

- **Total synergies**: Confirming identified synergies of €120m or 12% of RFM sales
- **Revenue synergies**: Positive EBITDA impact of €80m from cost and €40m from revenues
- **Cost synergies**: Initial synergy potentials successfully detailed and validated
- **Implementation cost incl inventory step-up**: Realization of synergies ahead of initial plan (initially €10m in 2021 and 55m€ in 2022)
- **Implementation cost**: Implementation cost incl inventory step-up of €85m (initially €155m, reduced from lower severance need)

**Revenues**

- 2021: 26
- 2022: 65
- 2023e: 80
- 2024e: 100
- 2025e: 120

**Costs**

- 2021: 26
- 2022: 55
- 2023e: 65
- 2024e: 70
- 2025e: 80

**Revenue synergies**

- 2021: 10
- 2022: 15
- 2023e: 30
- 2024e: 40

**Cost synergies**

- 2021: -34
- 2022: -20
- 2023e: -5
- 2024e: -5
- 2025e: -5

**Implementation cost**

- 2021: -26
- 2022: -20
- 2023e: -5
- 2024e: -5
- 2025e: -5

**Notes:**

- Acquisition of DSM Resins & Functional Material (RFM) business, closed on April 1, 2021
- Inventory step-up
- Q3 2023
- IR Roadshow Presentation

**OPERATIONS**

- RFM operational performance fully in line with expectations
- 94% of new employees feel welcome at Covestro
€200m share buyback accomplished
Two-year share buyback program ended

**ACCOMPLISHMENT**

February 28, 2022 to October 26, 2023

2023 share buyback
~€50m

2022 share buyback
€150m

**2022/2023 SHARE BUYBACK TRANCHEs**

First sub-tranche details (€75m)
- 1.606m shares purchased, average share price €46.70

Second sub-tranche details (€75m)
- 1.874m shares purchased, average share price €39.97

Third sub-tranche details (€49m)
- 1.208m shares purchased, average share price €40.81

Share buyback authorization ends in April 2024

S: ~4.7m shares purchased at an average price of 42.50€

**NEW AUTHORIZATION FOR SHARE BUYBACK TO BE PROPOSED IN AGM 2024**

Notes: Share buyback program based on five-year authorization by AGM in 2019
Operating along trough levels

Q3 2023 Highlights

1. Sales decreased to €3.6bn caused by lower prices, unfavorable FX and lower volumes

2. EBITDA of €277m in line with guidance with positive pricing delta but burdened by FX and lower volumes

3. FOCF strongly improved to €308m supported by ongoing strict working capital measures

4. FY 2023 guidance narrowed with an expected EBITDA of around €1.1bn

5. Covestro continues to invest in profitable growth despite the challenging environment
Covestro investment highlights

Group financials Q3’23

Segment overview

Background information
Price pressure burdening sales and EBITDA

Group results – Highlights Q3 2023

SALES(1)

in € million / changes Y/Y

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Sales</th>
<th>Sales growth Y/Y</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q3 2022</td>
<td>4,618</td>
<td>7.3%</td>
</tr>
<tr>
<td>Q4 2022</td>
<td>3,964</td>
<td>-8.6%</td>
</tr>
<tr>
<td>Q1 2023</td>
<td>3,743</td>
<td>-20.1%</td>
</tr>
<tr>
<td>Q2 2023</td>
<td>3,720</td>
<td>-20.9%</td>
</tr>
<tr>
<td>Q3 2023</td>
<td>3,568</td>
<td>-22.7%</td>
</tr>
</tbody>
</table>

EBITDA AND MARGIN

in € million

<table>
<thead>
<tr>
<th>Quarter</th>
<th>EBITDA</th>
<th>EBITDA Margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q3 2022</td>
<td>302</td>
<td>6.5%</td>
</tr>
<tr>
<td>Q4 2022</td>
<td>-38</td>
<td>-1.0%</td>
</tr>
<tr>
<td>Q1 2023</td>
<td>286</td>
<td>7.6%</td>
</tr>
<tr>
<td>Q2 2023</td>
<td>385</td>
<td>10.3%</td>
</tr>
<tr>
<td>Q3 2023</td>
<td>277</td>
<td>7.8%</td>
</tr>
</tbody>
</table>

HIGHLIGHTS

• Year-on-year sales decline (-22.7%) mainly attributable to negative pricing (-14.3%) as effect of globally weaker demand and resulting lower sales volumes

• Sequentially, declining sales development with positive volume development but negative effects of pricing and currency

EBITDA AND MARGIN

in € million

<table>
<thead>
<tr>
<th>Quarter</th>
<th>EBITDA</th>
<th>EBITDA Margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q3 2022</td>
<td>302</td>
<td>6.5%</td>
</tr>
<tr>
<td>Q4 2022</td>
<td>-38</td>
<td>-1.0%</td>
</tr>
<tr>
<td>Q1 2023</td>
<td>286</td>
<td>7.6%</td>
</tr>
<tr>
<td>Q2 2023</td>
<td>385</td>
<td>10.3%</td>
</tr>
<tr>
<td>Q3 2023</td>
<td>277</td>
<td>7.8%</td>
</tr>
</tbody>
</table>

HIGHLIGHTS

• Year-on-year EBITDA slightly declining despite positive pricing delta but negative FX, inventories and volume

• Sequentially, earnings declined due to negative pricing delta, inventories, maintenance and FX despite positive volumes

• EBITDA margin declined in Q3 2023 to 7.8% and but remains above Q3 2022 level.
Still recessionary trends despite slow demand recovery

Q3 2023 – Regional split

HIGHLIGHTS

- Year-over-year mixed volume development in the different industries:
  - Furniture/wood: mid-single-digit % increase
  - Auto: low single-digit % increase
  - Electro: flat
  - Construction: mid-single-digit % decline

- EMLA: Gradually improving chlorine supply leading to increased production rates in Q3 2023 with significant increase in furniture, slight increase in construction and auto while electro still with slight decline

- NA: Furniture/wood flat, electro and auto with slight increase while construction with ongoing significant decline

- APAC: Furniture and auto exhibiting slight growth, electro flat while construction still with significant decline
Sales decrease due to pricing pressure and unfavorable FX

Q3 2023 – Sales bridge

**HIGHLIGHTS**

**Volume negative**
- Volume decline of 3.8% Y/Y

**Pricing negative**
- Performance Materials strongly affected (-19.9% Y/Y) and Solutions & Specialties only with slight decline (-8.9% Y/Y)

**FX negative**
- FX affected sales by -4.6% Y/Y mainly driven by RMB, USD, INR and JPY
Positive pricing delta but lower volumes and negative FX

Q3 2023 – EBITDA bridge

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

HIGHLIGHTS

Low volume leverage\(^{(1)}\)
- Volume leverage of 12%
- Volume leverage below long-term average due to product mix effects

Slightly positive pricing delta
- Raw material and energy prices significantly down compared to “energy crisis” in Q3 2022
- Strongly declining prices due to the usual “pass through” mechanism and ongoing weak demand

Other items driven by:
- Significantly lower operational cost
- Reduction of inventories
- Higher provisions for variable compensation of €98m
Strong volume decline amidst global demand weakness

9M 2023 – Regional split

Sales Volume Y/Y

HIGHLIGHTS

• Year-over-year mixed volume development in the different industries:
  – Auto mid-single-digit % increase
  – Furniture/wood low single-digit % decline
  – Electro mid-single-digit % decline
  – Construction mid-teens % decline

• EMLA: Ongoing demand weakness with significant decline in electro, construction and furniture, decline partially caused by temporary technical limitations; auto with slight increase

• NA: Slight increase in auto, furniture and electro with slight decline but construction still showing significant decline

• APAC: Furniture and auto exhibiting slight growth, whereas electro with minor and construction even with strong decline
Sales decrease due to strong price and volume decline

9M 2023 – Sales bridge

in € million

HIGHLIGHTS

Volume negative
- Volume decline of 9.5% Y/Y

Pricing negative
- Performance Materials strongly affected (-14.1% Y/Y) and Solutions & Specialties only with slight decline (-5.3% Y/Y)

FX negative
- FX affected sales by -2.0% Y/Y mainly driven by RMB, USD, INR and JPY
Earnings burdened by lower volumes and negative pricing delta

9M 2023 – EBITDA bridge

**Notes:**
1. Method of calculation: EBITDA volume contribution / sales volume contribution

**HIGHLIGHTS**

**Negative volume leverage**
- Volume leverage of 32%
- Volume leverage below long-term average due to product mix effects

**Negative pricing delta**
- Strong decline in prices due to unfavorable supply-demand situation partially offset by positive raw material and energy price development

**Other items driven by:**
- Significantly lower operational cost
- Book gains from the divestment of the Additive Manufacturing business of €35m
- Provisions for closure of our Swiss entity of €14m
- Higher provisions for variable compensation of €107m

**9M 2023 EBITDA bridge**

<table>
<thead>
<tr>
<th></th>
<th>9M 2023</th>
<th>9M 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Volume</td>
<td>1,655</td>
<td>-436</td>
</tr>
<tr>
<td>Price</td>
<td>981</td>
<td>-377</td>
</tr>
<tr>
<td>Raw material price</td>
<td>-1,358</td>
<td></td>
</tr>
<tr>
<td>Pricing delta</td>
<td>-1,358</td>
<td></td>
</tr>
<tr>
<td>FX</td>
<td>-63</td>
<td></td>
</tr>
<tr>
<td>Other items</td>
<td>169</td>
<td></td>
</tr>
<tr>
<td></td>
<td>948</td>
<td></td>
</tr>
</tbody>
</table>

**Pricing delta**
-377

**9M 2023 – IR Roadshow Presentation**

**31 Q3 2023 | IR Roadshow Presentation**

**Notes:**
1. Method of calculation: EBITDA volume contribution / sales volume contribution
Historical FOCF development

Strongly positive FOCF development in Q3 2023

- Q3 2023 FOCF €308m significantly up vs Q3 2022 with €33m
- 9M 2023 FOCF improved to €159m, year-on-year increase driven by stringent working capital management despite declining EBITDA
- Working capital to sales ratio decreased to 18.7% (20.6% at end of 9M 2022), driven by lower inventory levels and lower accounts receivable; lower accounts payable due to lower purchase volumes
- 9M 2023 capex of €461m on budget and in line with FY 2023 guidance
- Income taxes in 9M 2023 mainly driven by payments in Germany and China. Tax payments in Germany include a settlement of German tax audit for fiscal years 2016-18
- Other effects: 9M 2022 included bonus payout of €475m for FY 2021

| 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 30 September, 2023, divided by sales of last four quarters
(4) Restated for fiscal year 2019-2020 for the change in presentation for rebates granted to customers, affecting trade and other liabilities

<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</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(1)</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>
### P&L statement 9M 2023

<table>
<thead>
<tr>
<th></th>
<th>in million €</th>
<th>9M 2022</th>
<th>9M 2023</th>
<th>% of 9M '23 sales</th>
<th>Δ Y/Y</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>14,004</td>
<td>11,031</td>
<td>100%</td>
<td>-21.2%</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td></td>
<td>1,655</td>
<td>948</td>
<td>8.6%</td>
<td>-42.7%</td>
</tr>
<tr>
<td>D&amp;A excl. impairments</td>
<td></td>
<td>-670</td>
<td>-634</td>
<td>-5.7%</td>
<td>-5.4%</td>
</tr>
<tr>
<td>Impairments</td>
<td></td>
<td>-23</td>
<td>-38</td>
<td>-0.3%</td>
<td>65.2%</td>
</tr>
<tr>
<td><strong>EBIT</strong></td>
<td></td>
<td>962</td>
<td>276</td>
<td>2.5%</td>
<td>-71.3%</td>
</tr>
<tr>
<td>Financial result</td>
<td></td>
<td>-112</td>
<td>-100</td>
<td>-0.9%</td>
<td>-10.7%</td>
</tr>
<tr>
<td><strong>EBT</strong></td>
<td></td>
<td>850</td>
<td>176</td>
<td>1.6%</td>
<td>-79.3%</td>
</tr>
<tr>
<td>Income taxes excl. DTA adjustments</td>
<td></td>
<td>-224</td>
<td>-59</td>
<td>-0.5%</td>
<td>-73.7%</td>
</tr>
<tr>
<td>DTA adjustments</td>
<td></td>
<td>0</td>
<td>-130</td>
<td>-1.2%</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net income</strong></td>
<td>(1)</td>
<td>627</td>
<td>-11</td>
<td>-0.1%</td>
<td>-101.8%</td>
</tr>
<tr>
<td>Earnings per share (in €)</td>
<td>3.28</td>
<td>-0.06</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
</tbody>
</table>

**Notes:**
1. Includes 9M 2022 €-1m and 9M 2023 €-2m attributable to noncontrolling interest
2. The earnings per share 9M 2022 are based on 191,298,857 shares, whereas the calculation of earnings per share for 9M2023 is based on 189,438,057 shares

### HIGHLIGHTS

**Impairments**
- Impairment loss of €30m due to discontinuation of Maezio® product line and related site closure in Q1 2023

**Deferred tax assets (DTA)**
- DTA adjustments of €130m in 9M 2023 due to negative earnings mainly in Germany and Switzerland
- DTA on tax loss carry-forwards cannot be recognized under IFRS any longer
- Tax loss carry-forwards in Germany do not expire, in Switzerland expiration after 7 years
Total net debt slightly decreasing

September 30, 2023 – Total net debt

HIGHLIGHTS

- Total net debt to EBITDA ratio\(^{(2)}\) of 3.0x at the end of 9M 2023 compared to 1.4x at the end of 9M 2022
- Higher net debt to EBITDA ratio reflects the cyclical nature of Covestro’s business and is expected to be only temporary
- Others mainly driven by finance lease contracts
- No financial covenants in place
- Solid investment grade rating of Baa2 with stable outlook confirmed by Moody’s in June 2023

Notes:

\(^{(1)}\) as difference of pension provisions and net defined benefit assets
\(^{(2)}\) Method of calculation: Total net debt divided by EBITDA of last four quarters
Standard products with reliable supply and lowest cost

Performance Materials

PRODUCTS

Polyurethane and polycarbonate standard products as well as basic chemicals

SALES 2022 (in € million)

<table>
<thead>
<tr>
<th>Product</th>
<th>Sales (€ million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>sMDI</td>
<td>3,284</td>
</tr>
<tr>
<td>sTDI</td>
<td>1,567</td>
</tr>
<tr>
<td>sPolyols</td>
<td>2,230</td>
</tr>
<tr>
<td>Basic Chemicals</td>
<td>846</td>
</tr>
<tr>
<td>sPoly-carbonates</td>
<td>1,168</td>
</tr>
</tbody>
</table>

SUCCESS FACTORS

- **Ensure high asset utilization**
  Integrated end-2-end planning and steering of entire supply chain and large-scale production to optimize output

- **Supply customers reliably**
  to be customers’ preferred supplier

- **Strengthen superior cost position**
  Standardized offerings and lean order management for focused customer and product portfolio

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 – operating along trough levels

Segment results – Highlights Q3 2023

**SALES**
in € million / changes Y/Y

- Q3 2022: 2,330 (6.6%)
- Q4 2022: 1,916 (-15.2%)
- Q1 2023: 1,792 (-25.0%)
- Q2 2023: 1,789 (-27.3%)
- Q3 2023: 1,707 (-26.7%)

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

- Q3 2022: 2.3%
- Q4 2022: -4.6%
- Q1 2023: 9.7%
- Q2 2023: 16.9%
- Q3 2023: 5.0%

**HIGHLIGHTS**

- Sales decreased by 26.7% Y/Y driven by price (-19.9%), FX effect (-4.4%) and to a minor extent volume (-2.4%)
- Quarter-over-quarter, strong sales decline in EMLA and slight decline in NA while APAC with slight increase; sequentially positive volume growth in all regions, most prominently in APAC, followed by NA and EMLA

**Notes:**
(1) Q2 2023 positive contribution from an internal insurance reimbursement for chlorine production in Dormagen, respective counter-effect in segment “Others/Consolidation”, neutral effect on group level
MDI market balanced

Performance Materials: MDI industry demand and supply

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

<table>
<thead>
<tr>
<th>Year</th>
<th>2017</th>
<th>2022</th>
<th>2027e</th>
</tr>
</thead>
<tbody>
<tr>
<td>Demand (kt)</td>
<td>~3-4%</td>
<td>8,100</td>
<td>~4-5%</td>
</tr>
<tr>
<td>% Growth as CAGR</td>
<td>BASE</td>
<td>5%</td>
<td>HIGH</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Year</th>
<th>2017</th>
<th>2022</th>
<th>2027e</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supply (kt)</td>
<td>~3-4%</td>
<td>9,500</td>
<td>~5%</td>
</tr>
<tr>
<td>% Growth as CAGR</td>
<td>BASE</td>
<td>5%</td>
<td>HIGH</td>
</tr>
</tbody>
</table>

**HIGHLIGHTS**

- In 2022, solid Industry Utilization Rate of 85%; industry usually fully utilized in the low nineties
- Demand CAGR of 4-5% between 2022 and 2027e includes flattish demand growth 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)

- 2017: 2,310 kt
- 2022: 2,310 kt (0% growth)
- 2027e: 3,450 kt (~5% growth)

HIGHLIGHTS

- Global demand declined by 8% in 2022, heavily influenced by destocking
- In 2022, low Industry Utilization Rate of 67%; industry usually fully utilized in the high eighties
- In 2023, Wanhua-Fujian ramp-up (+125kt) and BASF Ludwigshafen closure (-300kt).
- Based on normal demand growth capacity reductions should lead to strong increase of industry utilization rate near-term
- Favorable cash cost position puts Covestro into 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
European TDI production regained competitiveness

European TDI market

**EUROPEAN TDI PRODUCTION COSTS COMPARED TO ASIAN\(^{(1)}\)**

**HIGHLIGHTS**

**TDI imports from APAC**
- In Q3 2022, energy price hike led to increasing export activities from Asia
- Imports into Europe from Korea of 54kt and China 50kt in FY 2022; Jan-July 23 31.5kt from China and Jan-Aug 45kt from Korea\(^{(2)}\)

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

**Mid-term outlook:**
- With closure of BASF TDI 300kt unit European market demand exceeds available capacity and requires increasing imports
- With European energy prices at current levels TDI imports are since the last quarter no longer cheaper compared to European production

---

\(^{(1)}\) Covestro estimates, includes shipping delay, toluene price differences, energy price differences, freight cost & duties

\(^{(2)}\) Sources for data: OPIS import data
Execution risks may limit future capacity additions

Performance Materials: Polycarbonates (PC) industry demand and supply

PC DEMAND DEVELOPMENT (2017 - 2027e)

<table>
<thead>
<tr>
<th>Year</th>
<th>2017</th>
<th>2022</th>
<th>2027e</th>
</tr>
</thead>
<tbody>
<tr>
<td>(kt)</td>
<td>4,700</td>
<td>4,700</td>
<td>7,160</td>
</tr>
</tbody>
</table>

% growth as CAGR

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

HIGHLIGHTS

- In 2022, low Industry Utilization Rate of 66% after recent supply additions; industry usually fully utilized in the low eighties
- Sabic Cartagena closure end-2023 while no major additions expected until 2025, followed by numerous announced projects with uncertainties regarding timing and scope
- Covestro focus on differentiated business with increasing use of standard-polycarbonates as captive feedstock

PC SUPPLY DEVELOPMENT (2017 - 2027e)

<table>
<thead>
<tr>
<th>Year</th>
<th>2017</th>
<th>2022</th>
<th>2027e</th>
</tr>
</thead>
<tbody>
<tr>
<td>(kt)</td>
<td>7,160</td>
<td>7,160</td>
<td>7,160</td>
</tr>
</tbody>
</table>

% growth as CAGR

- HIGH: 6%
- BASE: 6%
- LOW: 6%

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
Differentiation based on customer proximity and innovation

Solutions & Specialties

**PRODUCTS**

Differentiated polymer products

**SALES 2022** (in € million)

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

**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

**Coatings & Adhesives**

**Thermoplastic Polyurethanes**

**Elastomers**

**Specialty Films**

**Tailored Urethanes**

**Engineering Plastics**
Solutions & Specialties – EBITDA again sequentially up

Segment results – Highlights Q3 2023

**HIGHLIGHTS**

- Sales declined by 17.6% Y/Y, mainly driven by lower prices (-8.9%), unfavorable FX (-5.0%) and lower volumes (-3.7%)
- Sequentially, sales declined strongly in EMLA while NA saw a slight decline and APAC exhibited a slight increase mainly caused by strong volume development

**EBITDA AND MARGIN(1)**

<table>
<thead>
<tr>
<th></th>
<th>Q3 2022</th>
<th>Q4 2022</th>
<th>Q1 2023</th>
<th>Q2 2023</th>
<th>Q3 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>2,196</td>
<td>1,975</td>
<td>1,883</td>
<td>1,872</td>
<td>1,809</td>
</tr>
<tr>
<td>EBITDA</td>
<td>280</td>
<td>108</td>
<td>165</td>
<td>221</td>
<td>246</td>
</tr>
</tbody>
</table>

**HIGHLIGHTS**

- Compared to prior year, EBITDA decreased from negative volume and FX despite lower fixed cost and almost neutral pricing delta but
- Quarter-over-quarter higher EBITDA due to positive pricing delta and lower fixed cost, burdened by volume decline and other items
- EBITDA margin improved to 13.6% in Q3 2023
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>61%</td>
<td>39%</td>
</tr>
<tr>
<td>2020</td>
<td>68%</td>
<td>32%</td>
</tr>
<tr>
<td>2022</td>
<td>74%</td>
<td>26%</td>
</tr>
<tr>
<td>2023e</td>
<td>78%</td>
<td>22%</td>
</tr>
<tr>
<td>2025e</td>
<td>80%</td>
<td>20%</td>
</tr>
</tbody>
</table>

Covestro compounding capacity +230kt

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

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
Doubling sales by 2025
Solutions & Specialties: high-growth contributor Specialty Films

**SPECIALTY FILMS**

**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

<table>
<thead>
<tr>
<th>Year</th>
<th>EBITDA (€ million)</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>
<tr>
<td>2022</td>
<td>825</td>
<td>9.6%</td>
</tr>
<tr>
<td>2024e</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**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 2022 level\(^{(1)}\)
- 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

\(^{(1)}\) around = single-digit % deviation
Covestro investment highlights

Group financials Q3’23

Segment overview

Background information
Led by a diverse, international management team

Covestro senior management as of October 1, 2023

### BOARD OF MANAGEMENT

<table>
<thead>
<tr>
<th>Position</th>
<th>Name</th>
<th>Nationality</th>
<th>Based</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>Christian Baier</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 Thorsten Dreier</td>
<td>German</td>
<td></td>
</tr>
</tbody>
</table>

### BUSINESS ENTITIES

<table>
<thead>
<tr>
<th>Category</th>
<th>Name</th>
<th>Nationality</th>
<th>Based</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 Thomas Römer</td>
<td>German</td>
<td>Leverkusen, Germany</td>
</tr>
<tr>
<td>Engineering Plastics</td>
<td>Lily Wang</td>
<td>Chinese</td>
<td>Shanghai, P.R. China</td>
</tr>
<tr>
<td>Thermoplastic Polyurethanes</td>
<td>Dr Andrea Maier-Richter</td>
<td>German</td>
<td>Dormagen, Germany</td>
</tr>
</tbody>
</table>
## Covestro ESG rating results and index membership

**As of October 2023**

<table>
<thead>
<tr>
<th></th>
<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>A-</td>
<td>A-</td>
<td>Exp. in Q4</td>
<td>Leadership Level (1)</td>
<td></td>
</tr>
<tr>
<td>ecoVadis</td>
<td>0 to 100</td>
<td>73</td>
<td></td>
<td>80</td>
<td></td>
<td>72</td>
<td></td>
<td>Next update in 2025</td>
<td></td>
<td></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>A</td>
<td>A</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>21.1</td>
<td>20.1</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 belongs to the Top 23% within specialty chemicals.
4. Covestro is identified as a TOP ESG performer of Sustainalytics’ ESG Risk Ratings out of more >4,000 comprehensive companies.
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\(^{(1)}\)

- Used PU raw materials for standard family house in Western Europe in kg
- 1970s standard
- 2000 standard
- Current standard
- High-energy efficiency

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\(^{(2)}\)

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

<table>
<thead>
<tr>
<th>Year</th>
<th>Total LV (in million)</th>
<th>Global BEV share of total LV</th>
</tr>
</thead>
<tbody>
<tr>
<td>2022</td>
<td>10%</td>
<td></td>
</tr>
<tr>
<td>2023e</td>
<td>13%</td>
<td></td>
</tr>
<tr>
<td>2024e</td>
<td>16%</td>
<td></td>
</tr>
<tr>
<td>2025e</td>
<td>18%</td>
<td></td>
</tr>
<tr>
<td>2026e</td>
<td>21%</td>
<td></td>
</tr>
<tr>
<td>2027e</td>
<td>25%</td>
<td></td>
</tr>
</tbody>
</table>

Total LV: +4% p.a.

Notes:
(1) Total LV without BEV
BEV: Battery Electric Vehicle; LV: Light Vehicle

Sources:
GlobalData Global Light Vehicle Engine Forecast FY 2022 – Q4

USE OF POLYCARBONATES IN BEV

- Current average conventional LV: ~10kg
- Battery housing in BEV: ~8kg
- Average BEV: 18-20kg
- Upper-class BEV: ~5x LV
- 45-55kg

-key elements:
- Rising fuel prices
- Stringent emission regulations
- Carbon neutrality targets

Q3 2023 | IR Roadshow Presentation
Notes:
(1) Total LV without BEV
BEV: Battery Electric Vehicle; LV: Light Vehicle
Sources: GlobalData Global Light Vehicle Engine Forecast FY 2022 – Q4

Rising fuel prices
Stringent emission regulations
Carbon neutrality targets
Global energy prices normalizing after tripling within two years

Energy cost development

QUARTERLY ENERGY COST DEVELOPMENT

<table>
<thead>
<tr>
<th>Quarter</th>
<th>2022</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>444</td>
<td>297</td>
</tr>
<tr>
<td>Q2</td>
<td>450</td>
<td>268</td>
</tr>
<tr>
<td>Q3</td>
<td>623</td>
<td>251</td>
</tr>
<tr>
<td>Q4</td>
<td>309</td>
<td>~200</td>
</tr>
</tbody>
</table>

GLOBAL ENERGY COST

<table>
<thead>
<tr>
<th>Year</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost</td>
<td>0.6</td>
<td>1.0</td>
<td>1.8</td>
<td>~1.0</td>
</tr>
</tbody>
</table>

ENERGY BREAKDOWN

2022 ENERGY SPENT BY REGION

<table>
<thead>
<tr>
<th>Region</th>
<th>Cost (€ million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>EMEA</td>
<td>1,417</td>
</tr>
<tr>
<td>APAC</td>
<td>241</td>
</tr>
<tr>
<td>NA</td>
<td>168</td>
</tr>
</tbody>
</table>

2022 PRIMARY ENERGY VOLUME BY REGION

<table>
<thead>
<tr>
<th>Region</th>
<th>Volume (TWh)</th>
</tr>
</thead>
<tbody>
<tr>
<td>EMEA</td>
<td>14.8</td>
</tr>
<tr>
<td>APAC</td>
<td>3.5</td>
</tr>
<tr>
<td>NA</td>
<td>4.3</td>
</tr>
</tbody>
</table>

2022 SPENT BY ENERGY TYPE

<table>
<thead>
<tr>
<th>Energy Type</th>
<th>Cost (€ million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electricity</td>
<td>903</td>
</tr>
<tr>
<td>Steam</td>
<td>439</td>
</tr>
<tr>
<td>Fuels (mainly gas)</td>
<td>356</td>
</tr>
<tr>
<td>Others</td>
<td>128</td>
</tr>
</tbody>
</table>

HIGHLIGHTS

- Global energy bill in FY 2022 of €1.8bn, energy demand reduced by ~7% vs FY2021
- Q3 2023 global energy cost of €251m, declined vs Q2 2023 from lower volumes and lower prices
- Expecting Q4 2023 global energy cost down versus Q3 2023 due to seasonally lower volumes
- Global energy bill in FY 2023 expected around €1bn

Notes:
(1) Total energy consumption
Electricity price package with marginal impact for Covestro

Electricity pricing after German government decision until 2030

HIGHLIGHTS

Electricity price package mainly prolongs existing measures for energy intensive companies like Covestro

Covestro’s German electricity consumption of ~3TWh

Covestro expects to benefit from single-digit € million cost reduction; limited effect due to existing tax exemption and only marginal extension of EPC(2)

For non energy intensive entities, net reduction of costs up to ~20%

Grid fees will be stabilized which were set to significantly increase otherwise due to modernization needs for the German energy transition

Notes:
(1) average EEX Cal 2024
(2) EPC: Energy price compensation – state aid to compensate for indirect CO2 costs
Synergies in scale, process technology and chemical know-how
One chemical backbone across all segments

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

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

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 VALUE CHAIN (simplified)

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

Simplified illustration, including acquired RFM business
Entire organization aligned for performance and sustainability

Group Profit Sharing Plan (PSP) as of 2022

**UNIFORM BONUS SYSTEM**

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

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

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

- **Absolute CO₂ emissions Scope 1&2 (mt)**
  - Value: 7.1, 6.6, 6.1, 5.6
  - Payout: 0%, 100%, 200%, 300%

**HIGHLIGHTS**

- Full alignment of all employees (including Board) along the same KPIs
- Criteria with full focus on performance, shareholder value creation and sustainability
- 100% payout, as percentage of annual base salary, linked to hierarchy level
- Total payout at Group level for 0%, 100% and 250% achievement is €0m, ~€0.2bn and ~€0.5bn
- Max. payout capped at 250%
High accumulated free operating cash flow

Development of last five years

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales (€ million)</td>
<td>14,616</td>
<td>12,412</td>
<td>10,706</td>
<td>15,903</td>
<td>17,903</td>
</tr>
<tr>
<td>• Volume y/y (%)</td>
<td>+2.3</td>
<td>+0.8</td>
<td>-5.1</td>
<td>+6.5</td>
<td>-5.0</td>
</tr>
<tr>
<td>• Price y/y (%)</td>
<td>+4.5</td>
<td>-17.3</td>
<td>-5.7</td>
<td>+34.7</td>
<td>+10.1</td>
</tr>
<tr>
<td>• FX y/y (%)</td>
<td>-3.0</td>
<td>+1.9</td>
<td>-1.6</td>
<td>-0.8</td>
<td>+5.9</td>
</tr>
<tr>
<td>• Portfolio y/y</td>
<td>-0.4</td>
<td>-0.5</td>
<td>-1.3</td>
<td>+8.1</td>
<td>+2.0</td>
</tr>
<tr>
<td>EBITDA (€ million)</td>
<td>3,200</td>
<td>1,604</td>
<td>1,472</td>
<td>3,085</td>
<td>1,617</td>
</tr>
<tr>
<td>• Performance Materials</td>
<td>2,825</td>
<td>942</td>
<td>896</td>
<td>2,572</td>
<td>951</td>
</tr>
<tr>
<td>• Solutions &amp; Specialties</td>
<td>585</td>
<td>832</td>
<td>743</td>
<td>751</td>
<td>825</td>
</tr>
<tr>
<td>Earnings per Share (€)</td>
<td>9.46</td>
<td>3.02</td>
<td>2.48</td>
<td>8.37</td>
<td>-1.42</td>
</tr>
<tr>
<td>Capex (€ million)</td>
<td>707</td>
<td>910</td>
<td>704</td>
<td>764</td>
<td>832</td>
</tr>
<tr>
<td>Free operating cash flow (FOCF) (€ million)</td>
<td>1,669</td>
<td>473</td>
<td>530</td>
<td>1,429</td>
<td>138</td>
</tr>
<tr>
<td>ROCE above WACC (%points)</td>
<td>22.8</td>
<td>1.6</td>
<td>-0.3</td>
<td>12.9</td>
<td>-5.0</td>
</tr>
<tr>
<td>Total net debt (€ million)</td>
<td>1,793</td>
<td>2,954</td>
<td>2,479</td>
<td>2,604</td>
<td>2,920</td>
</tr>
<tr>
<td>Employees (FTE)</td>
<td>16,770</td>
<td>17,201</td>
<td>16,501</td>
<td>17,909</td>
<td>17,985</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

Notes:
- XETRA closing share price
- PU: Polyurethanes
- PC: Polycarbonates

- 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
- Apr’22: COVID lockdown in Shanghai / pay out of €3.40 dividend per share
- Mar’22: Beginning of €0.5bn share buyback
- Sep’20: Announcement DSM-RFM acquisition with equity increase
- Oct’22: Energy price peak
- Feb’22: Russian invasion in Ukraine
- Jun’22: German gas supply under increased risk
- Sep’23: Entered into open-outcome talks with Adnoc
- Jun’23: Market rumors

Upcoming IR events

Find more information on covestro.com/en/investors

REPORTING DATES

- February 29, 2024: 2023 Annual Report
- April 30, 2024: Q1 2024 Quarterly Statement

ANNUAL GENERAL MEETING

- April 17, 2024: Annual General Meeting

BROKER CONFERENCES

- November 7, 2023: Societe Generale European ESG Conference, Paris
- November 16, 2023: HSBC Luxembourg Day, Luxembourg
- December 4, 2023: Berenberg European Conference 2023, Surrey
- January 9, 2024: Commerzbank & ODDO BHF German Investment Seminar 2024, New York
- January 11, 2024: Baader Helvea, German Corporate Day, Toronto
- January 16, 2024: UniCredit & Kepler Cheuvreux 23rd German Corporate Conference 2024, 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.