

# Transformation toward a successful future

Virtual Investor Conference  
September 28, 2021

## Disclaimer

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These factors include those discussed in Covestro's public reports, which are available on the Covestro website at [www.covestro.com](http://www.covestro.com). The company assumes no liability whatsoever to update these forward-looking statements or to adjust them to future events or developments.

# Addressing the world's key challenges

## WHY? Covestro purpose and vision



### OUR PURPOSE



**To make the world a brighter place**

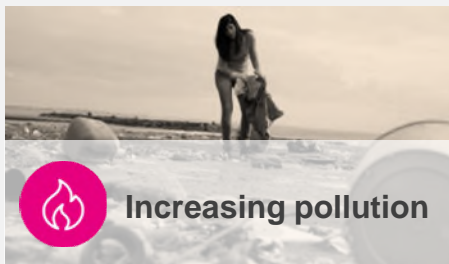
### OUR VISION



**We will be fully circular**



**Scarce resources for growing population**



**Increasing pollution**



**Climate change, disturbed ecosystems**



**Economic crisis, Corona virus impact**



**Deglobalization**

# Setting the path for tomorrow

## HOW? Covestro strategy “Sustainable Future”



### BECOME FULLY CIRCULAR



Accelerate the transition to a fossil-free economy



### DRIVE SUSTAINABLE GROWTH



Address sustainability in a profitable way



### BECOME THE BEST OF WHO WE ARE



Transform the company to exploit its full potential

ADVANCE DIGITALIZATION

EXPAND 'WE ARE 1' CULTURE

# Culture as an enabler to implement our new strategy

## HOW? Covestro “We are 1” culture



### WHAT MAKES US COVESTRO

ACTING RESPONSIBLY	WANTING BETTER	WINNING TOGETHER	LEADING FORWARD
We think and act like owners.	We innovate and transform.	We are passionate about our customers.	We help each other grow.
We solve problems and get the right things done.	We stay curious and learn.	We connect and collaborate.	We motivate and empower.
We take care of ourselves and others.	We are open-minded and inclusive.	We have courage.	We set a future direction.

# Pursuing long-term goals that transform the company

## WHAT? Covestro strategic objectives



### BECOME FULLY CIRCULAR



Invest in CE projects almost €1bn of capex over 10 years



Produce 100% of our products from alternative raw materials long-term



Transform polymer research through increasing investments in digital R&D

### DRIVE SUSTAINABLE GROWTH



Grow by long-term average capex slightly above D&A



Complete MDI world-scale expansion by 2026



Pursue options for bolt-on acquisitions in S & S segment

### BECOME THE BEST OF WHO WE ARE



Raise mid-cycle EBITDA from ~€2.2bn to ~€2.8bn in 2024



Maintain fixed costs unchanged until 2023, based on 2020



Improve EBITDA margin of S & S segment to 17% in 2024



## Covestro Sustainable Future

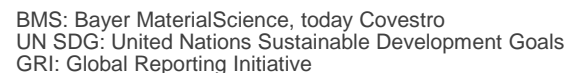
BECOME FULLY  
CIRCULAR

DRIVE SUSTAINABLE  
GROWTH

BECOME THE BEST  
OF WHO WE ARE

## Covestro Financials

## Conclusion



# Our products positively impact sustainability in our daily lives

## Covestro product applications



### PU RAW MATERIALS



Increasing energy efficiency of buildings through materials and technologies for insulation



CO<sub>2</sub>-based polymers used in mattresses saving crude oil, e.g. cardyon®



Food preservation along the cool chain



### ENGINEERING PLASTICS



Enabling electro-mobility with materials for battery housings, housings for charging stations



Recycled content grades on a virgin performance level



Use in protective gear and medical applications, e.g. drug delivery devices



### SOLUTIONS & SPECIALTIES



Waterborne coatings and adhesives, replacing solvent



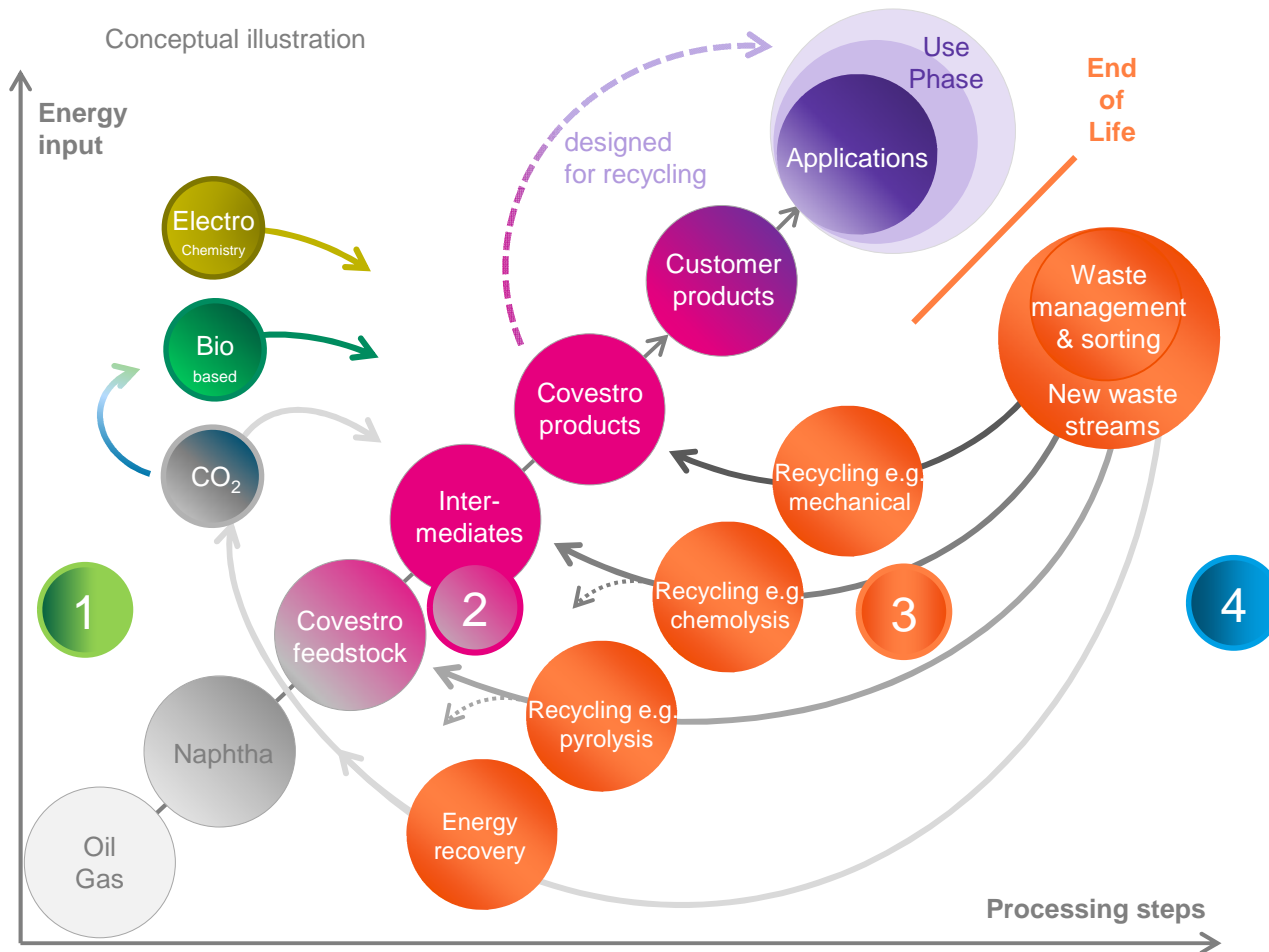
Bio-based raw materials to improve CO<sub>2</sub> footprint, e.g. Baycusan® eco



Fully recyclable shoes made from thermoplastic PU powder and filament

# Closing material and carbon loops

## Circular and climate neutral economy



## COVESTRO APPROACH TO CIRCULARITY

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



# Goal to obtain 100% of our electricity from renewable sources long-term

## Renewable energy



### ONSHORE WIND



- PPA with ENGIE signed in 2021, covering a capacity of 39 MW from 15 newly constructed wind turbines since April 2021
- About 45% of our site's electricity demand in Antwerp, Belgium, covered by renewable energy, saving about 39kt of CO<sub>2</sub>e emissions annually

### OFFSHORE WIND



- PPA with Ørsted signed in 2019 for offshore wind energy, to be newly built in the North Sea
- Starting in 2025, Ørsted to provide 100 MW of electricity for 10 years, covering c. 10% of electricity consumed by Covestro in Germany

### SOLAR



- PPA with Datang Wuzhong New Energy Co. signed in 2021 for power from solar farms in China's northwest region Ningxia
- Agreement covers 100 MW capacity, equivalent to c. 10% of our site's annual electricity demand in Shanghai, PRC

# Goal to produce 100% of products from alternative raw materials long-term

## Alternative raw materials



### CO<sub>2</sub>-BASED

- 11 products commercialized
- 14 running R&D projects



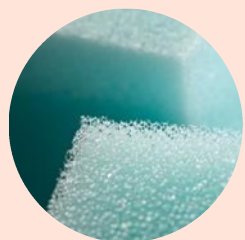
### WASTE-BASED

- 21 products commercialized
- 46 running R&D projects



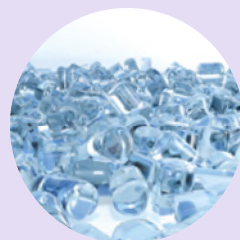
### BIO-BASED

- 13 products commercialized
- 28 running R&D projects



#### Example Performance Materials CO<sub>2</sub> as raw material

- CO<sub>2</sub> replaces up to 20% of crude oil-based feedstock of polyols
- Demo plant of 5kt p.a. at Dormagen site and product brand cardyon® launched in 2016
- Recticel promotes foam mattresses with portions of oil content replaced by CO<sub>2</sub>-based chemicals
- Sports flooring producer Polytan installed first elastic subfloor using cardyon® as binder



#### Example Engineering Plastics Recycled polycarbonates

- New polycarbonate grades from post-consumer recycled (PCR) content, e.g. water bottles or auto-motive lighting
- Open loop recycling system to collect, sort, shred and clean material
- PCR grades contain up to 75% of recycled content with up to 50% reduced carbon footprint
- PCR grades are used in various consumer electronics applications for a second life



#### Example Coatings and Adhesives Bio-based car top coat

- Enabling customers to optimize the CO<sub>2</sub> footprint of their products
- New hardener for automotive coatings with carbon basis up to 70% from renewable raw materials
- No compromises with regards to protective functions and appearance
- Collaboration with automotive group Audi and the coating experts at BASF Coatings

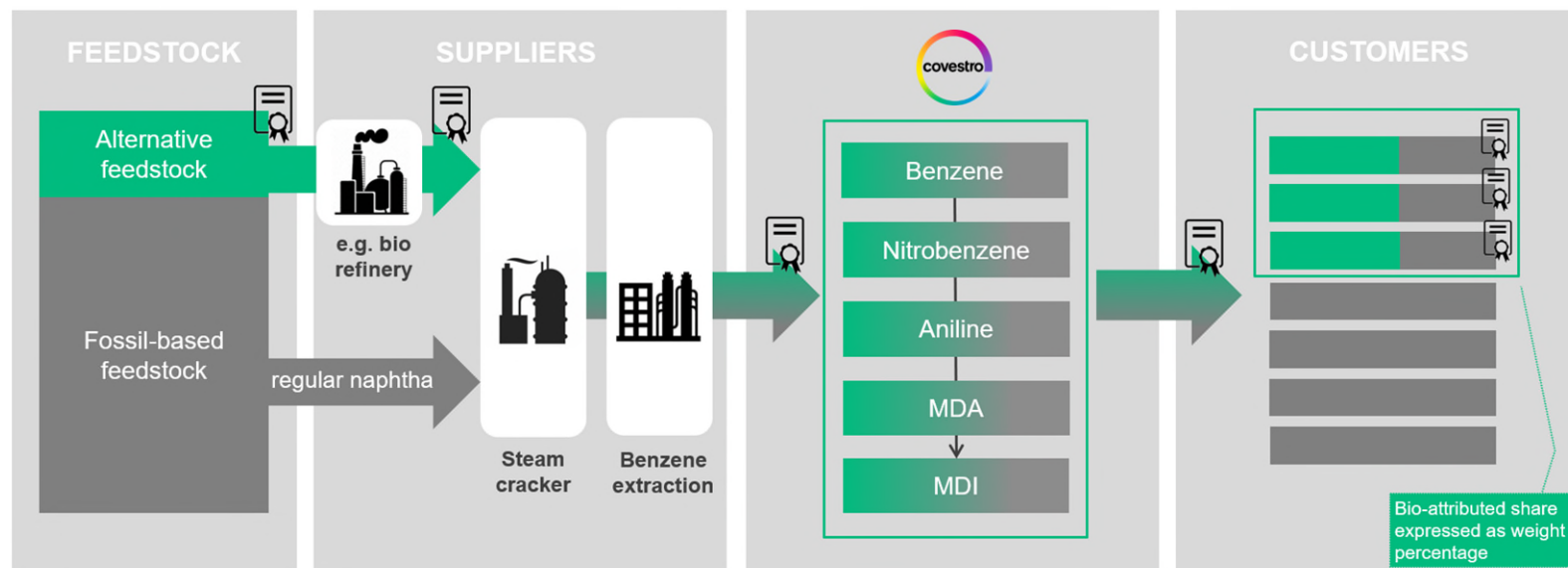
# Certified alternative feedstock lower attributed CO<sub>2</sub> footprint of products



## Mass balance approach

### EXAMPLE MDI

Conceptual illustration



ISCC Plus certification

### MASS BALANCE APPROACH

#### Principle

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

#### Advantages

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

# Certified alternative feedstock serve as drop-in solutions

## Alternative raw materials



### ALTERNATIVE PHENOL

- ISCC Plus-certified raw material
- Drop-in precursor for PC



- First delivery of 1,000 tons of ISCC Plus-certified mass balanced phenol received in Q4 2020, another 2,000 tons received in Q1 2021
- Neste produced ISCC Plus-certified 100 percent bio-based hydrocarbons from renewable raw materials, such as waste and residual oils / fats
- Borealis converts hydrocarbons from Neste into ISCC Plus-certified phenol and acetone

### ALTERNATIVE BENZENE

- ISCC Plus-certified raw material
- Drop-in precursor for MDI



- First delivery of 2,000 tons of ISCC Plus-certified mass balanced benzene received in Q1 2021
- Resulting product quality on par with petrochemical-based MDI
- Drop-in solution with alternative raw material helps clients to reduce carbon footprint

### PRODUCTION SITES

- ISCC Plus-certification for Covestro production sites



- ISCC Plus-certification for Covestro sites received
  - for PC made in Antwerp, Belgium, Uerdingen, Germany, and Shanghai, PRC
  - for MDI made in Uerdingen, Germany, and Shanghai, PRC
- Drop-in solutions for customers with constant product quality compared to fossil-based product

# Attractive terms for certified alternative MDI as adhesive raw material

## Case study for adhesive raw materials



- **Covestro and leading adhesives provider H. B. Fuller announced supply agreement in July 2021**
- **H.B. Fuller to become first customer for adhesive applications with a mass-balanced product**
- **New, strategic product development as commitment to jointly work towards a more sustainable world**

### Mission

- Replace c. 60% of fossil raw materials in MDI by certified alternative precursors
- Significantly improve carbon footprint of product
- Multi-year supply agreement with attractive terms for both parties

### Challenge

- Use new solution in existing manufacturing processes without technical conversions
- No inferior product quality compared to conventional alternative

### Solution

- Covestro to supply MDI as adhesive raw material with attributed share of renewable feedstock via ISCC-Plus certified mass-balance
- Alternative raw materials used as a basis at the very beginning of the value chain and processed together with fossil ingredients

### Target applications

- Drop-in solution for H.B. Fuller's reactive hot-melt adhesive
- Adhesive mainly used in automotive, wood, composite and textile industries
- Likely extension of new adhesive solution into other products and areas of production

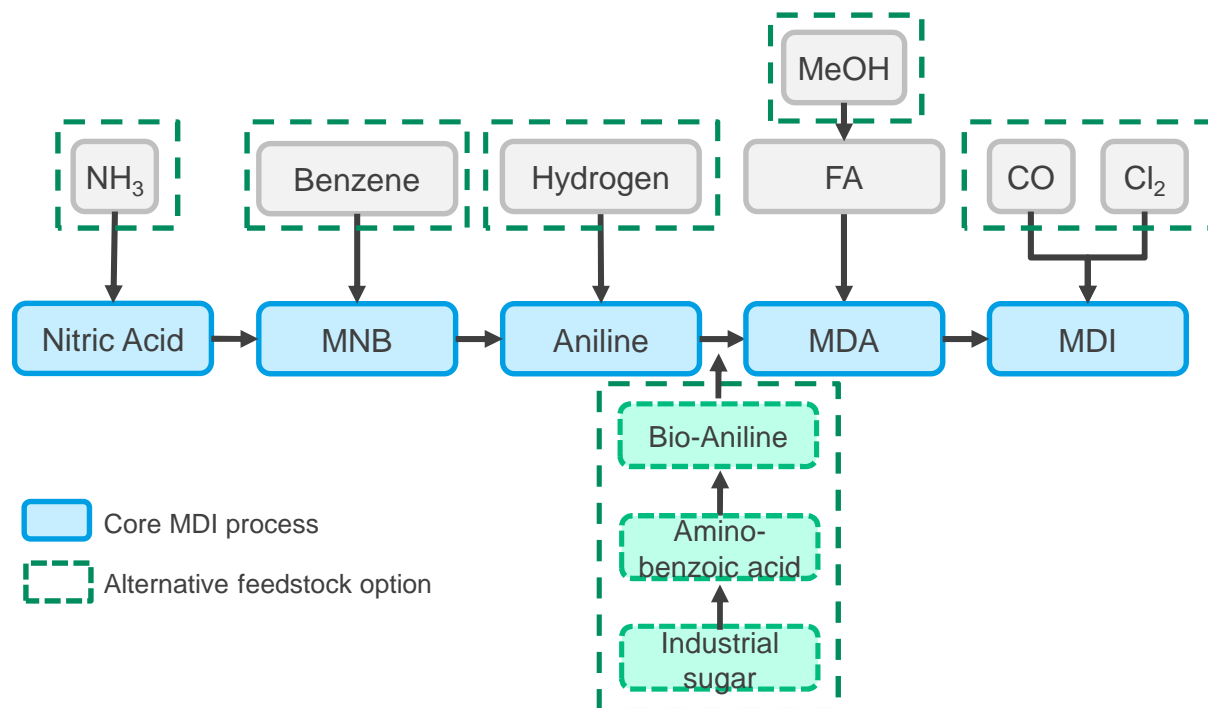
# Certified alternative MDI possible with current technology and assets

## Potential drop-in solutions to MDI production



### MDI PRODUCTION PROCESS

Conceptual illustration



### OPTIONS TO PRODUCE ALTERNATIVE MDI

#### Alternative raw materials as potential drop-in solutions

- Certified alternative benzene via mass balance
- Hydrogen (H<sub>2</sub>) from chlor-alkali electrolysis or water electrolysis based on renewable energy (green H<sub>2</sub>)
- Ammonia (NH<sub>3</sub>) from conventional process based on green H<sub>2</sub>
- Methanol (MeOH) from industrial waste CO<sub>2</sub> plus green H<sub>2</sub> with mass balance approach
- CO from waste or biogas-fed steam-methane-reformer incl. CO<sub>2</sub> recycling

Commercial

Commercial

Commercial

Pre-Commercial

Commercial

#### Alternative energy

- Energy from renewable sources, e.g. wind

Commercial

#### Alternative precursor

- Bio-aniline based on industrial sugar in development, using proprietary technology

Early R&D

**Global availability of drop-in solutions for alternative MDI raw materials results in low risk for future stranded assets**

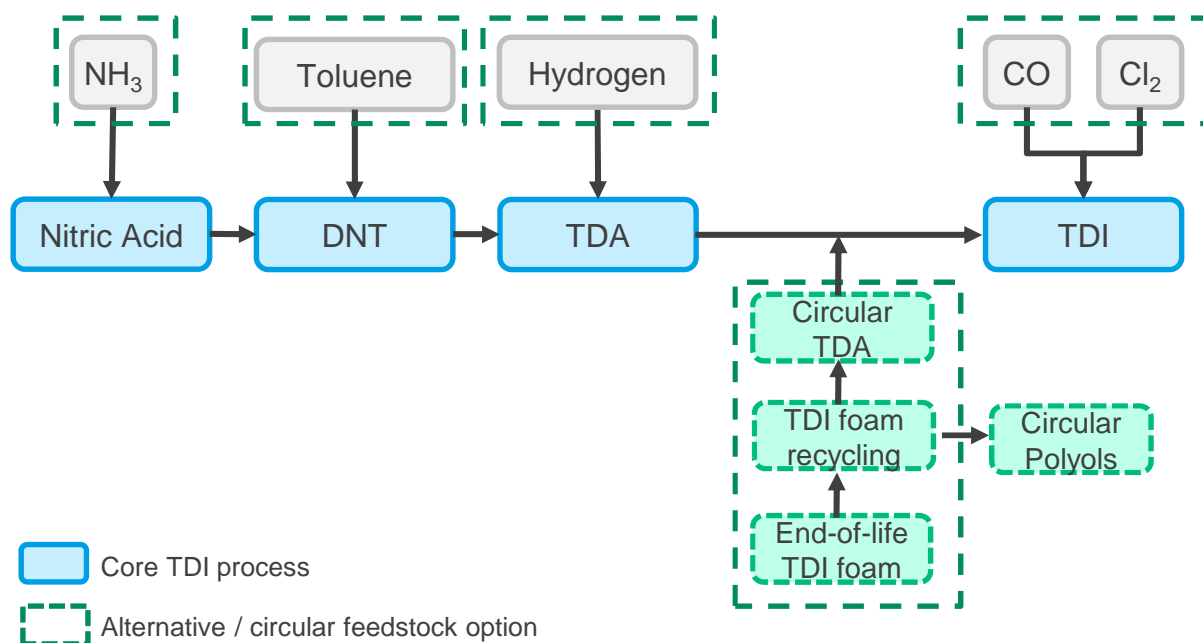
# Certified alternative TDI possible with current technology and assets

## Potential drop-in solutions to TDI production



### TDI PRODUCTION PROCESS

Conceptual illustration



### OPTIONS TO PRODUCE ALTERNATIVE TDI

#### Alternative raw materials as potential drop-in solutions

- Certified alternative toluene via mass balance
- Hydrogen (H<sub>2</sub>) from chlor-alkali electrolysis or water electrolysis based on renewable energy (green H<sub>2</sub>)
- Ammonia (NH<sub>3</sub>) from conventional process based on green H<sub>2</sub>
- CO from waste or biogas-fed steam-methane-reformer incl. CO<sub>2</sub> recycling

Commercial

Commercial

Commercial

Commercial

#### Alternative energy

- Energy from renewable sources, e.g. wind

Commercial

#### Alternative precursor

- Circular TDA based on recycled TDI-foam, e.g. recycling of mattresses, as supplementing TDA source possible, using proprietary technology

Pre-Commercial

**Global availability of drop-in solutions for alternative TDI raw materials results in low risk for future stranded assets**

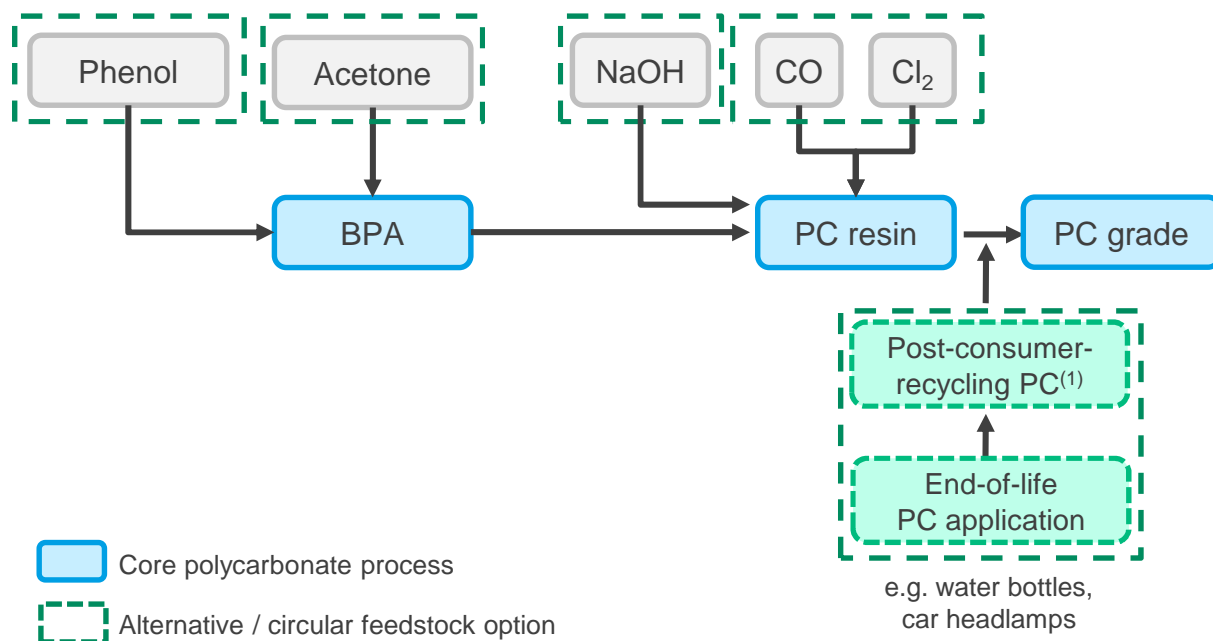
# Certified alternative PC possible with current technology and assets

## Potential drop-in solutions to polycarbonate (PC) production



### PC PRODUCTION PROCESS

Conceptual illustration



### OPTIONS TO PRODUCE ALTERNATIVE PC

#### Alternative raw materials as potential drop-in solutions

- Certified alternative phenol via mass balance
- Certified alternative acetone via mass balance
- Chlorine ( $\text{Cl}_2$ ) and caustic soda ( $\text{NaOH}$ ) from chlor-alkali electrolysis based on renewable energy
- CO from waste or biogas-fed steam-methane-reformer incl.  $\text{CO}_2$  recycling

Commercial

Commercial

Commercial

Commercial

#### Alternative energy

- Energy from renewable sources, e.g. wind

Commercial

#### Alternative precursor

- Polycarbonate based on post-consumer recycling (PCR) grades from e.g. water bottles, car headlamps; also pre-consumer recycling (PIR)
- Circular feedstock likely as supplement and mixed with virgin resins to achieve desired material properties<sup>(1)</sup>

Commercial

**Global availability of drop-in solutions for alternative PC raw materials results in low risk for future stranded assets**

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

## End-of-life solutions in cross-industry collaborations

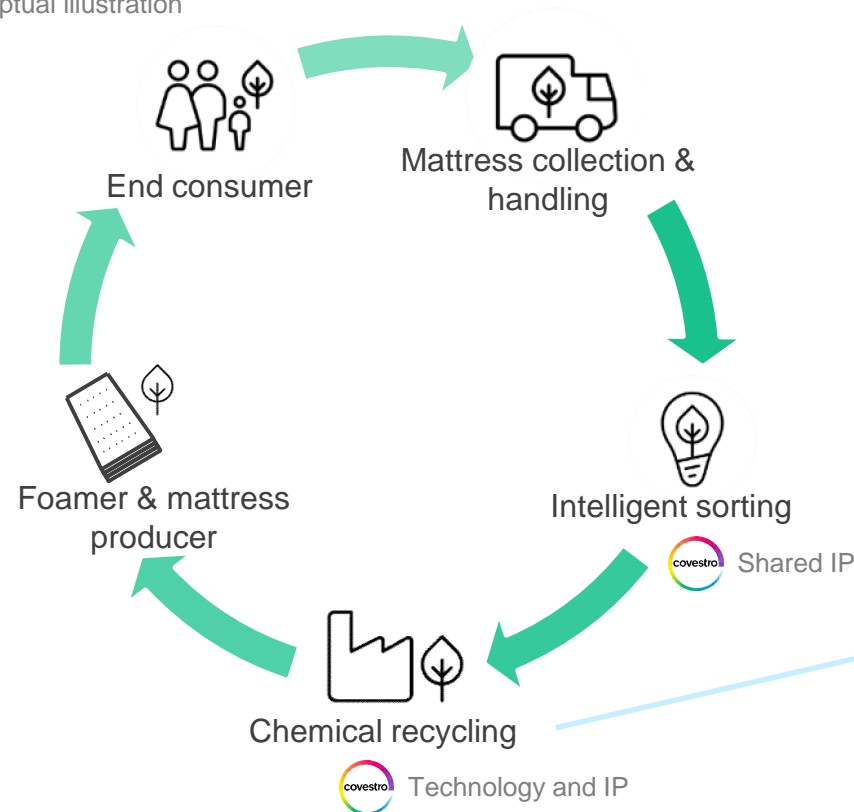


### COVESTRO TECHNOLOGY




- Chemical recycling of polyurethane (PU) mattress foams
- Proprietary process for recovering *both* PU components polyol and TDA
  - rPolyol in high purity and quality enables high content of recycled raw material in existing plants
  - rTDA fulfills specifications for conversion into TDI in existing plants
- Preliminary LCA with significant improvement of the CO<sub>2</sub> footprint compared to fossil route, meeting high customer and consumer demand
- Shared IP on high accuracy, high yield foam sorting – process to be covered by industrial partner

### FUTURE PU SOFT FOAM LOOP

Conceptual illustration

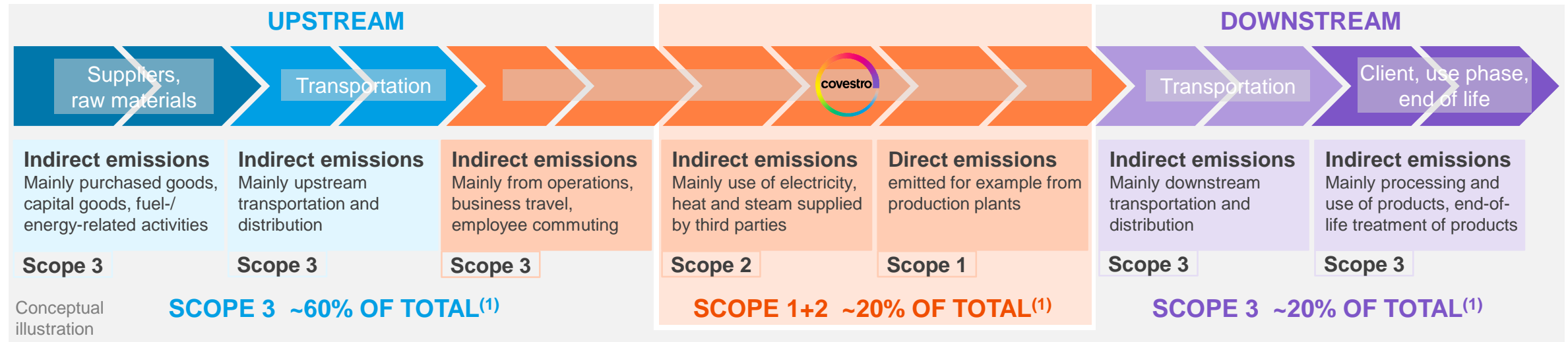


### INDUSTRIAL SCALE-UP

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

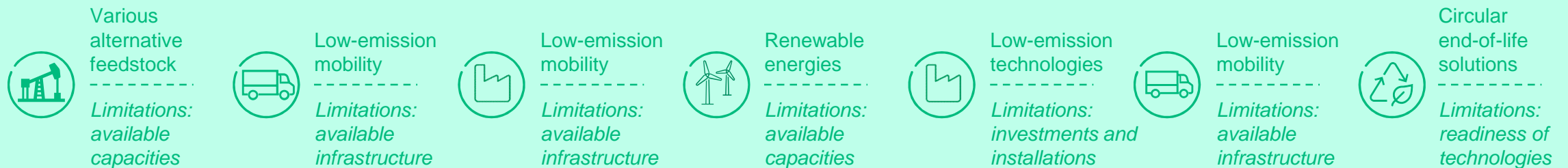
# Progress toward climate neutrality with existing technologies and assets

## Covestro greenhouse gas emissions



## EXISTING OPTIONS AND CURRENT LIMITATIONS TO REDUCE GHG EMISSIONS

Selective examples only



# Comprehensive set of KPIs and goals underway

## Covestro non-financial disclosure



CO<sub>2</sub>e reduction KPI introduced for top management since Jan. 2021

LTI remuneration

STI remuneration

Addition of non-financial KPI in preparation for 2022

Data submitted, first rating pending and to be published soon

CDP Climate 2021

Scope 3 GHG emissions

In preparation for FY 2021 reporting, data to be audited by KPMG

According to TCFD standard in preparation for FY 2021 reporting

Climate-related disclosure

EU Taxonomy

Disclosure according to Non-Financial Reporting Directive (NFRD) in preparation for FY 2021 reporting

Inclusion of non-financial KPI in preparation for 2022

Core KPIs

Climate neutrality target

Absolute CO<sub>2</sub>e reduction target for scope 1 and 2 emissions, in preparation for 2022



## Covestro Sustainable Future

BECOME FULLY  
CIRCULAR

DRIVE SUSTAINABLE  
GROWTH

BECOME THE BEST  
OF WHO WE ARE

 Covestro Financials

 Conclusion

# Global political trends boost demand for Covestro products



## Global political climate initiatives



April 2021

### USA 2030 greenhouse gas target

- Reduction of greenhouse gas emissions by at least 50% in 2030 compared to 2005
- US net-zero emission target by 2050



- Reducing emissions from buildings by 50% until 2035, new building-efficiency standards, pushing for refurbishments of older buildings
- Reducing carbon pollution from transportation (vehicles and infrastructure), growing incentives for electric vehicles



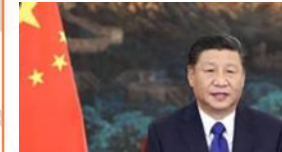
December 2019

### European Union Green Deal

- Making Europe climate neutral in 2050
- Reduction of greenhouse gas emissions by 55% in 2030 compared to 1990



- Pushing for efficient building methods to double energy renovation rates in the next 10 years
- Cutting greenhouse gas emissions from the transport sector by 90% by 2050; phasing out passenger cars with fossil fuels by 2035



September 2020

### China 2060 climate pledge

- Carbon peak prior to 2030, carbon neutrality by 2060 / for Shanghai, carbon peak prior to 2025



- Raising building energy efficiency with higher energy-efficiency standards
- Driving a development plan for new energy vehicles, focused on fuel cell and fully electric vehicles



Boosting demand of Covestro products particularly in auto & transport and construction

# Higher insulation standards increase demand for polyurethanes



## Building insulation market outlook

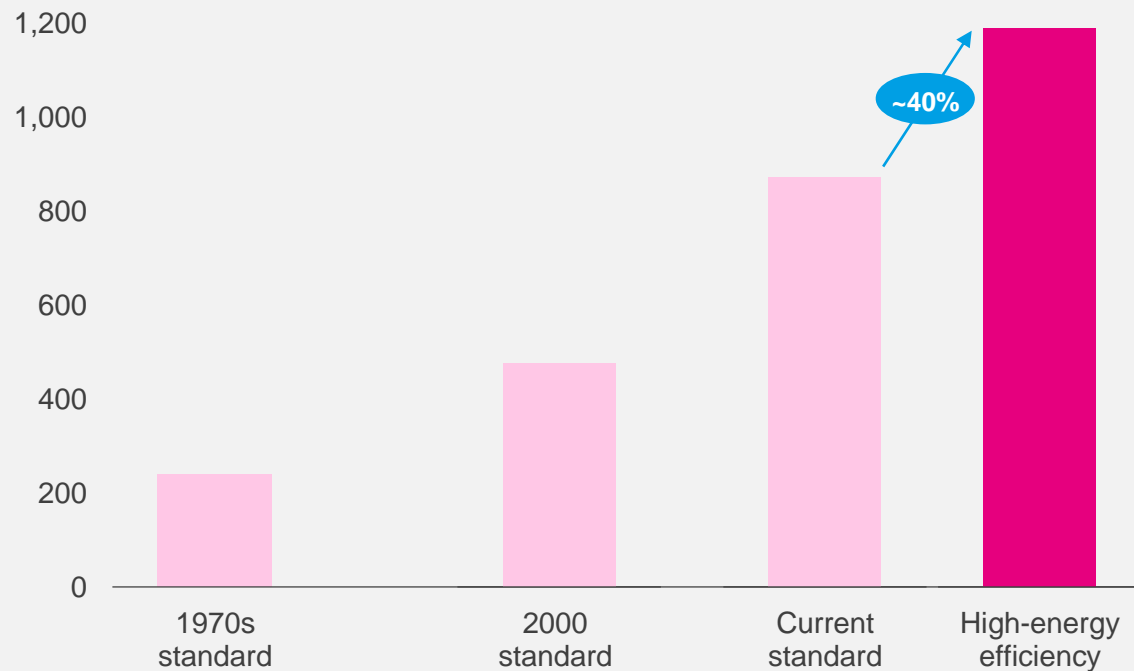
### KEY DRIVERS

Higher energy-efficiency standards for new buildings

Renovations of older buildings to higher energy efficiency standard

### POLYURETHANES IN HOUSING INSULATION<sup>(1)</sup>

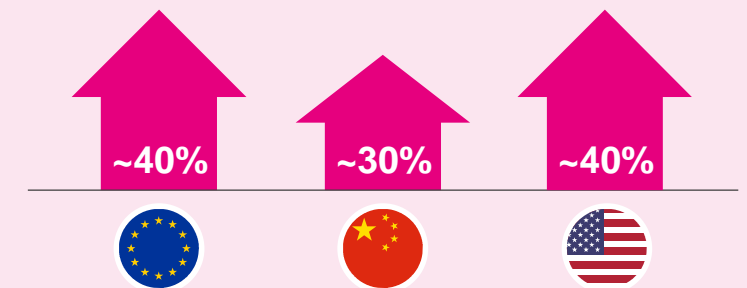
Used PU raw materials for standard family house in Western Europe in kg



### 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<sup>(2)</sup>



# Auto production growth and increasing BEV share boost demand

## Global electric vehicle market outlook

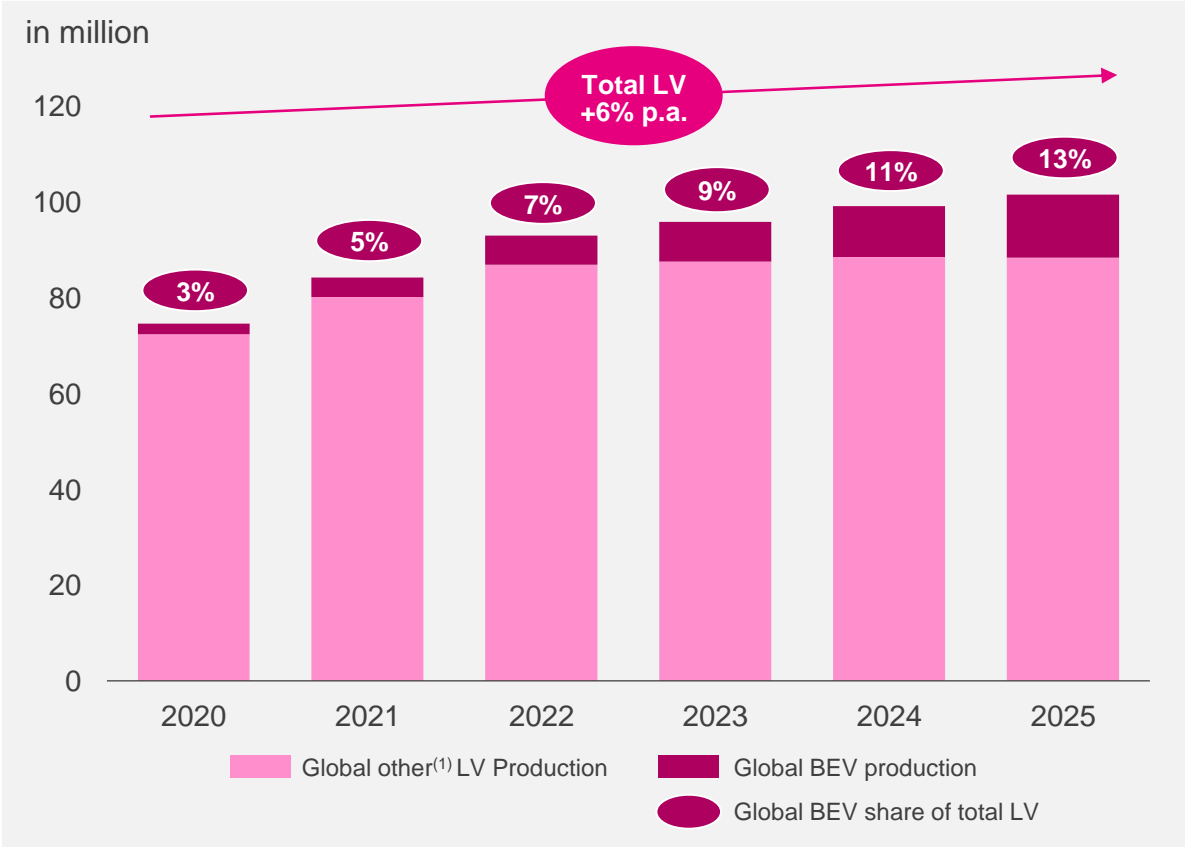


### KEY DRIVERS

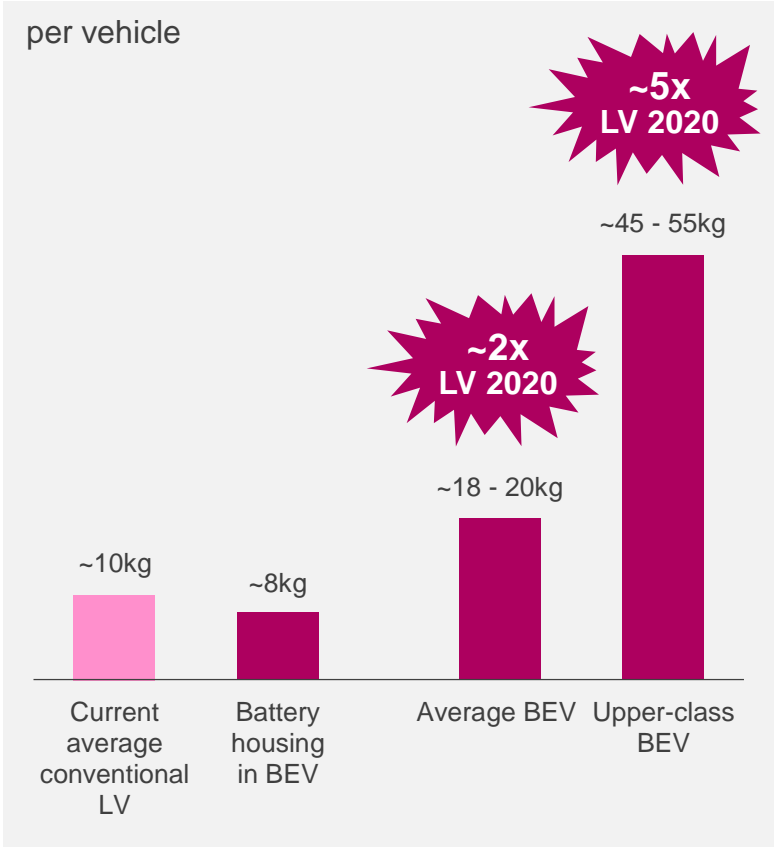
Carbon neutrality targets

Stringent emission regulations

### DEVELOPMENT OF AUTOMOTIVE INDUSTRY



### USE OF POLYCARBONATES IN BEV

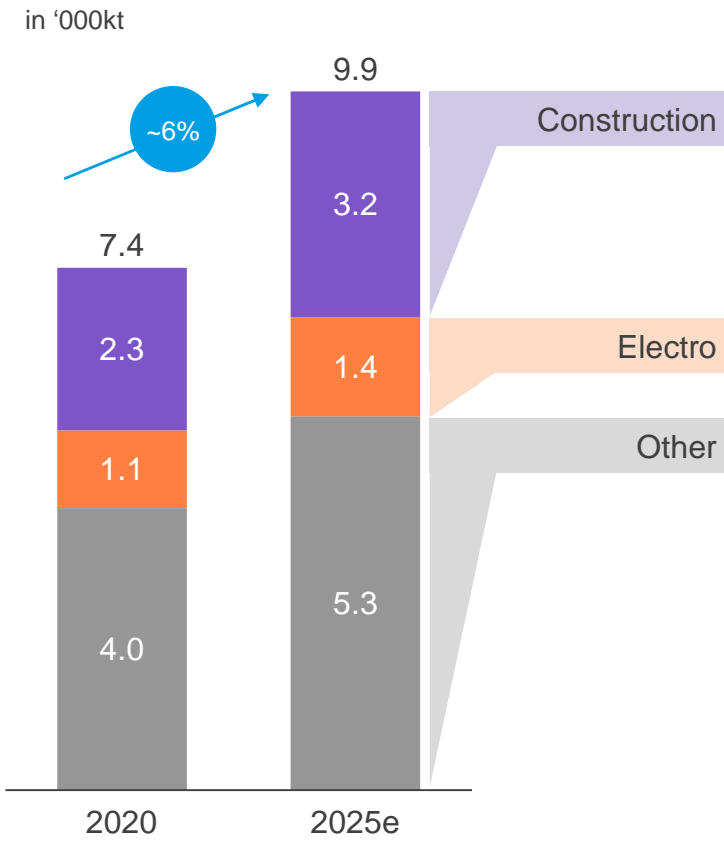


# Accelerating MDI demand growth from 5% to 6% per year

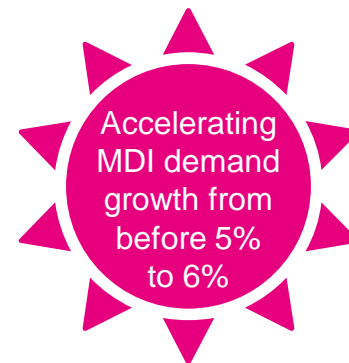
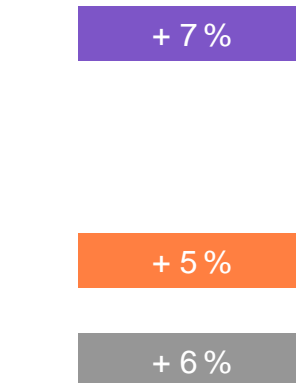
## MDI demand development



### MDI MARKET BY INDUSTRY



### CAGR 2020-2025E



### GROWTH DRIVERS

- Stricter energy regulations driving insulation market for new buildings and renovations
- Superior price-performance ratio supporting substitution of traditional insulation materials
- Energy efficiency and replacement cycles as key consumer drivers for appliances
- Diverse growth drivers from diverse applications

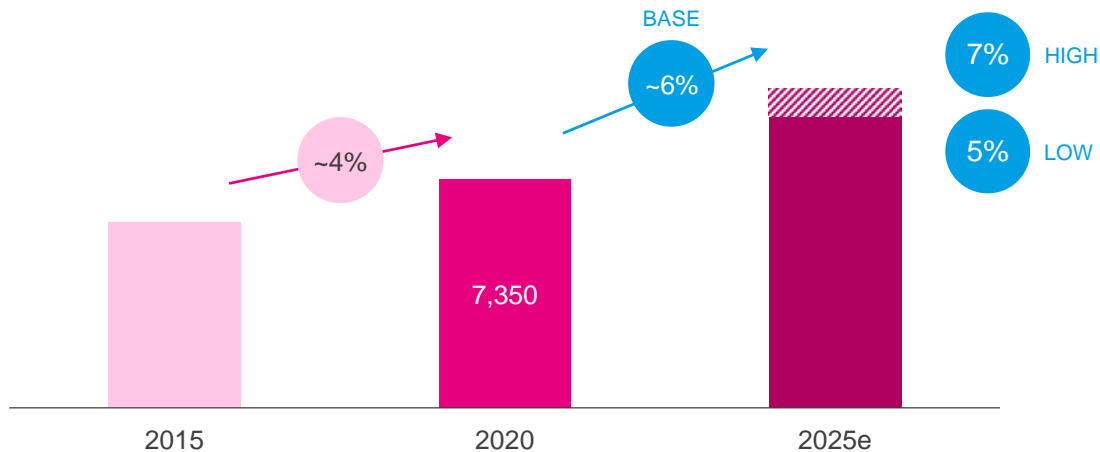
# MDI demand growth to exceed supply growth

## MDI industry demand and supply



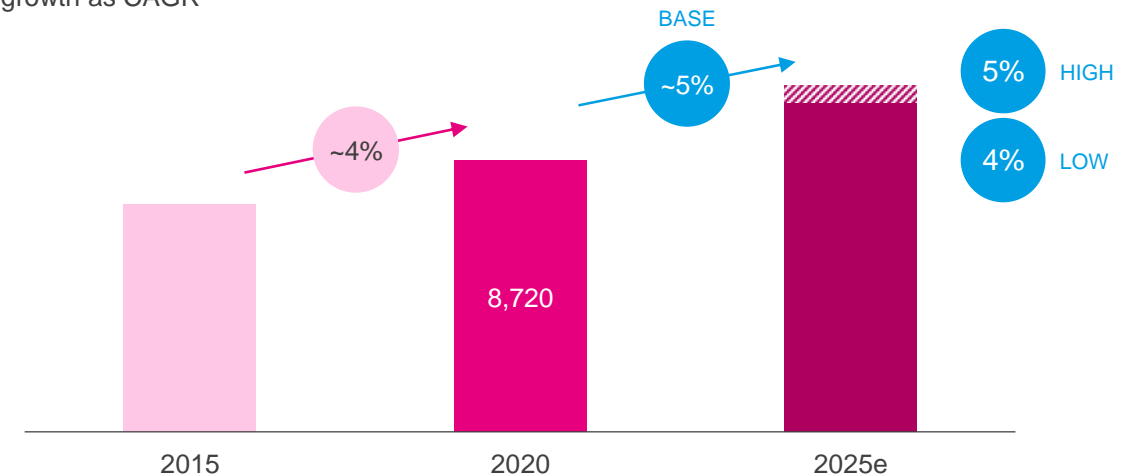
### MDI DEMAND DEVELOPMENT (2015 - 2025e)

in kt<sup>(1)</sup>  
% growth as CAGR



### MDI SUPPLY DEVELOPMENT (2015 - 2025e)

in kt<sup>(2)</sup>  
% growth as CAGR



### HIGHLIGHTS

- Further customer industry growth makes structurally sound demand further increase to ~6%, outgrowing supply growth
- Covestro additions until 2025e: Caojing, PRC (100kt, 2021) and Tarragona, Spain (50kt, 2023e)
- Covestro MDI volumes expected to grow slightly below market trend until new world-scale capacity comes on stream

# Investment into world-scale asset enables further growth

## Covestro MDI investment



### Recap

- In October 2018, initial plans of MDI investment published
- In January 2020, project evaluation in Baytown, USA put on hold

### Market environment

- Projected MDI demand growth outstripping supply growth, leading to global capacity utilization above 90 percent
- Covestro with fully utilized MDI world-scale assets in all regions
- Production technology as distinct industry entry hurdle

### Update and next steps

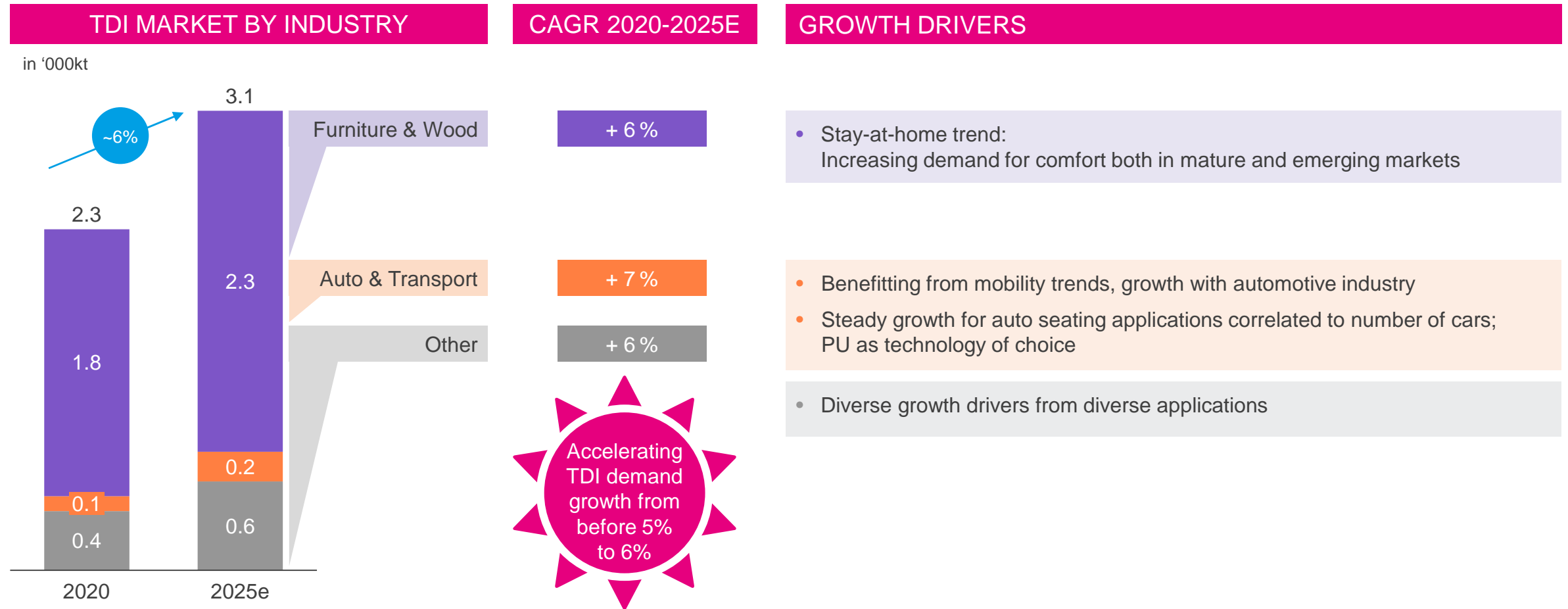
- Covestro resumes investment into MDI world-scale asset
- Installing highly energy-efficient AdiP technology<sup>(1)</sup> reduces energy-related CO<sub>2</sub> emissions by up to 35 percent<sup>(2)</sup>
- Location either USA or China, further decision after finalization of current project stage
- Planned ramp-up by 2026



# Accelerating TDI demand growth from 5% to 6% per year



## TDI demand development



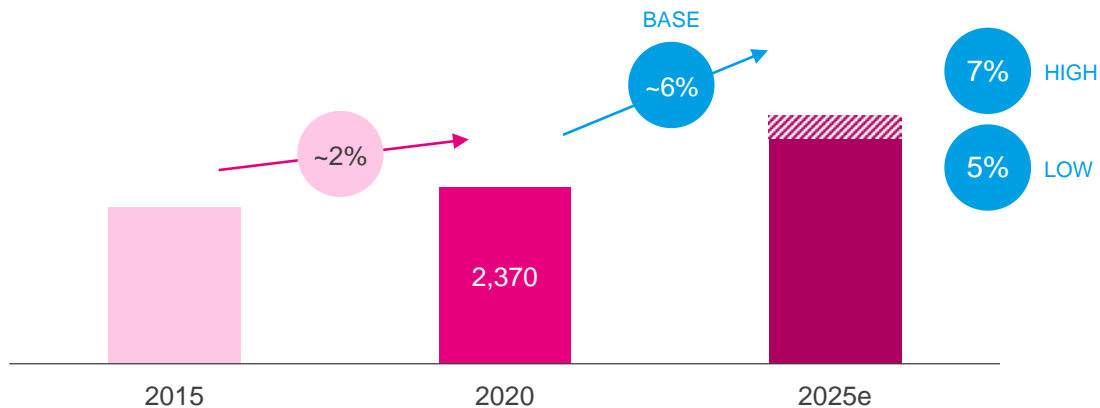
# TDI market moving into balance, Covestro growing with market



## TDI industry demand and supply

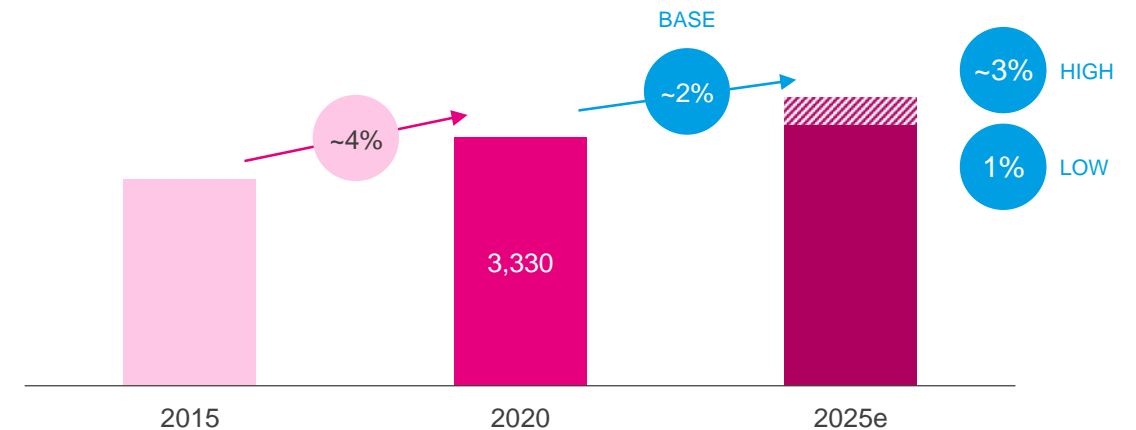
### TDI DEMAND DEVELOPMENT (2015 - 2025e)

in kt<sup>(1)</sup>  
% growth as CAGR



### TDI SUPPLY DEVELOPMENT (2015 - 2025e)

in kt<sup>(2)</sup>  
% growth as CAGR



### INDUSTRY HIGHLIGHTS

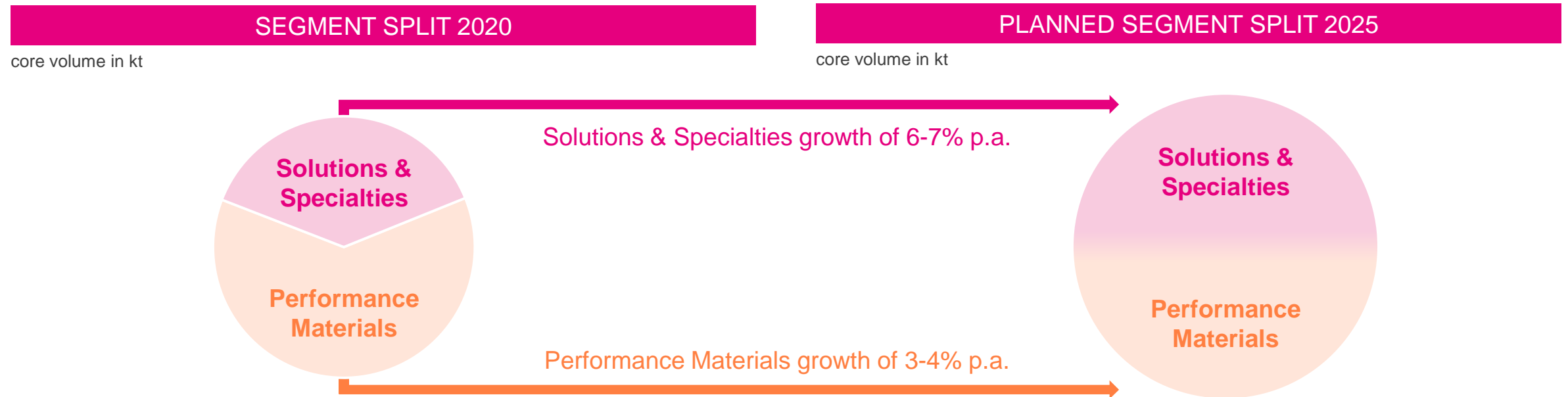
- Due to delays now only major addition<sup>(3)</sup> expected until 2025e: Wanhua-Fujian (150kt in China)
- Assumed annual supply growth until 2025 declining from 3% to 2%
- With that, demand growth outstripping supply growth, bringing demand and supply back into balance

### COVESTRO GROWTH

- Aiming to grow TDI volume with industry demand
- Debottlenecking investments supporting growth: Dormagen, Germany (50kt, 2023e); further debottleneckings after 2025e
- Favorable cash cost position puts Covestro in strong competitive position even in low cycles

# Growing share of differentiated business

## Volume split by segments



### HIGHLIGHTS

- Strong growth of Solutions & Specialties segment, mainly driven by Engineering Plastics and Specialty Films while other Business Entities growing with markets
- Further growth of Performance Materials segment limited by product availability until ramp-up of new MDI world-scale plant
- Covestro group aiming to grow in line with market development

# Shifting polycarbonates to high-growth differentiated business

## High-growth contributor Engineering Plastics



### ENGINEERING PLASTICS

Total Sales 2020  
€2,230m

CAGR  
2020-2025e ~8%

### CUSTOMER INDUSTRIES

### INDUSTRY GROWTH DRIVERS



#### Auto & Transport

EP sales share 2020: 44%

CAGR  
2020-2025e

~9%

- Global trends to BEV boosting total LV production
- Number of produced BEVs estimated to multiply with significantly higher PC need



#### Electro

EP sales share 2020: 40%

CAGR  
2020-2025e

~6%

- Strong demand in network, audio, LED, power supply and small appliances
- New opportunities from 5G, intelligent connectivity and electrical integration



#### Healthcare

EP sales share 2020: 12%

CAGR  
2020-2025e

~5%

- Aging populations with increasing access in emerging markets
- Trend towards home healthcare and wearable monitor devices

### HIGHLIGHTS

- Growing above market
- Expanding compounding capacities around the world for production of highly differentiated polycarbonates
- Supply with standard-PC feedstock from Business Entity Performance Materials
- Shift from standard to differentiated: Covestro merchant sales of standard-PC will be fully internalized and substituted by EP sale of differentiated PC
- Additionally, debottlenecking investments into standard-PC assets to maintain sufficient EP feedstock

# Doubling sales by 2025

## High-growth contributor Specialty Films



### SPECIALTY FILMS

Total Sales 2020  
240m

CAGR  
2020-2025e ~14%



#### TARGET

- Doubling sales by 2025e



#### 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 €200m between 2020 and 2025e

### BUILD AGGRESSIVELY MEDICAL BUSINESS



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

### DEVELOP AUGMENTED REALITY BUSINESS



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

# Growing with market

## Growth contributor Coatings and Adhesives



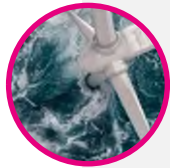
### COATINGS AND ADHESIVES

Total Sales 2020  
€2,270m<sup>(1)</sup>

CAGR  
2020-2025e ~5%

### TOP 3 CUSTOMER INDUSTRIES

### INDUSTRY GROWTH DRIVERS



#### Construction & Engineering

CA sales share 2020: 18%

Market CAGR  
2020-2025e

~5%

- Increase in energy industry applications like wind blades, solar panels, energy storage
- Residential building growth and governmental infrastructure projects



#### Auto & Transport

CA sales share 2020: 14%

Market CAGR  
2020-2025e

~6%

- Industry trend to lightweight and battery/plug-in hybrid electric vehicles



#### Industrial & Electronics

CA sales share 2020: 14%

Market CAGR  
2020-2025e

~5%

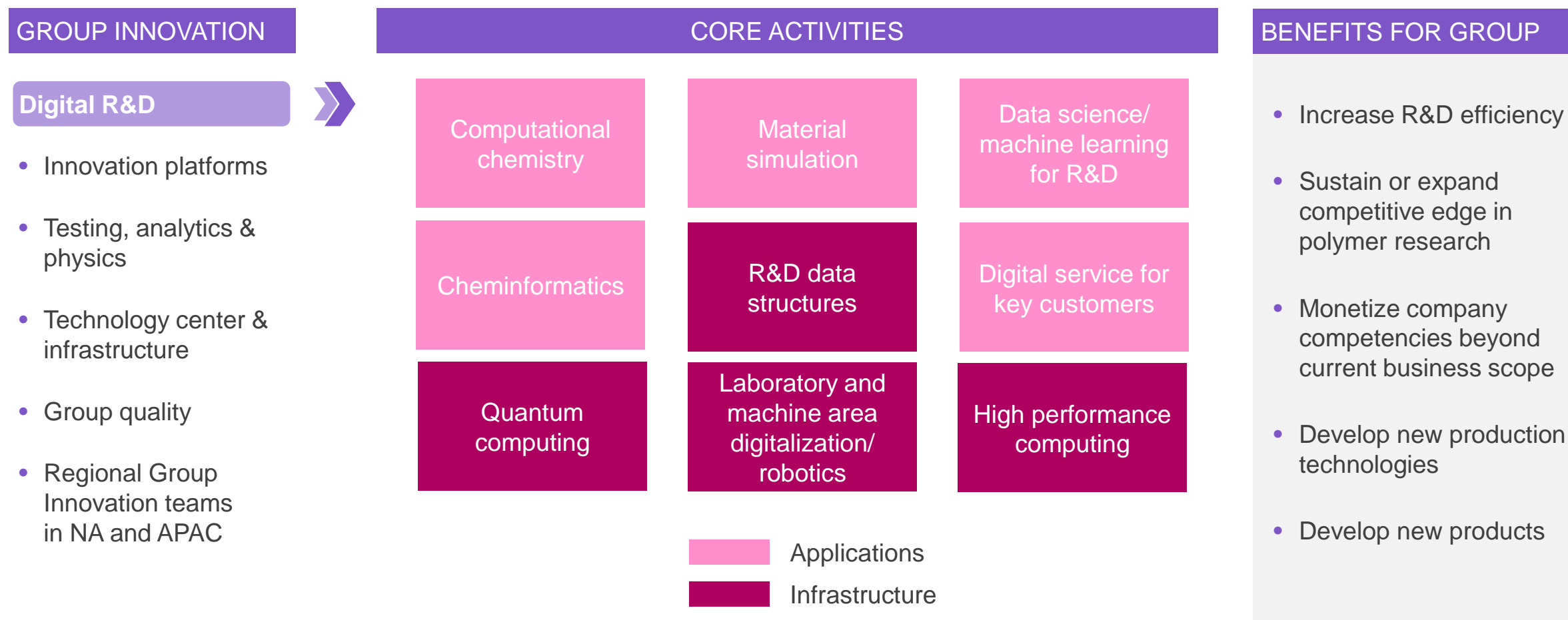
- Transformation to more sustainable, waterborne and bio-based/recycled solutions

### HIGHLIGHTS

- Period of flat sales volume development (CAGR 2015-2020 of 1%) in highly competitive environment
- Currently, several product lines already limited by availability
- Investing up to €300m until 2025 into additional capacities around the world for production “in the region for the region”
- Growing with market demand (CAGR 2020-2025e of ~5%)
- More sustainable and circular product offerings with innovative recycling and alternative raw materials
- Additionally, topline synergies of RFM acquisition: around €100m additional sales until 2025e from cross-selling, upgrade of portfolio and digital sales

# Digitalization of R&D has transformational potential to chemistry

## Covestro Digital R&D

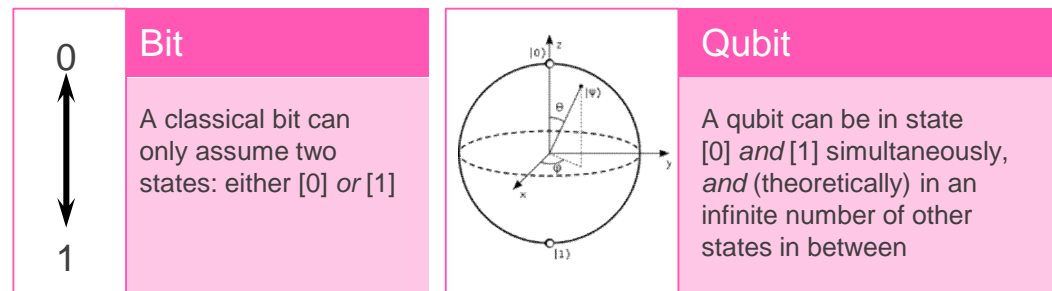


# Drive quantum computing with network of selected partners

## Quantum Computing (QC) at Covestro

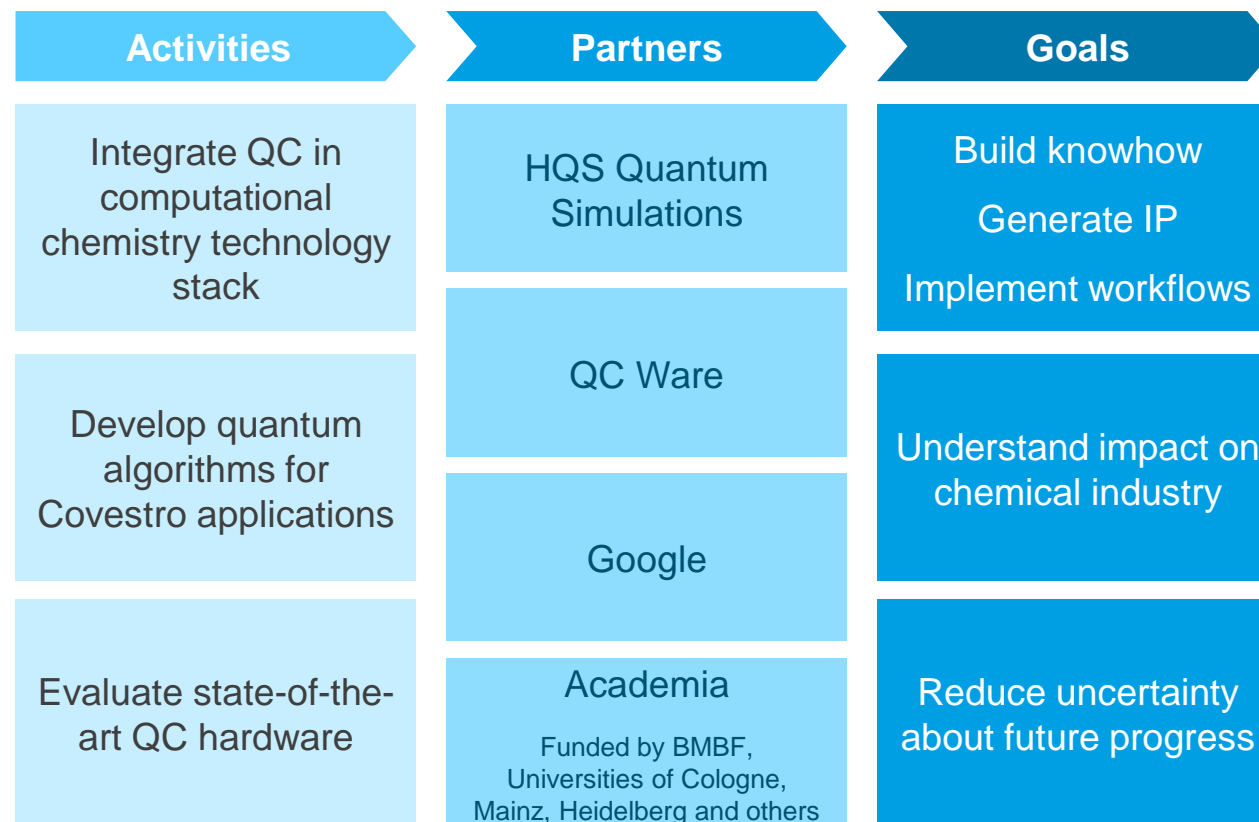


### HOW QC WORKS



- ❖ QC is a computing technology using above illustrated quantum mechanical states
- ❖ Computational advantage of qubits grows exponentially, while bits grow linearly
- ❖ QC has the potential to solve highly complex mathematical tasks more efficiently than conventional computers

### COVESTRO APPROACH TO QC



A photograph of several hands of different skin tones stacked in a circle, symbolizing unity and teamwork. A large purple curved shape is overlaid on the right side of the image.

## Covestro Sustainable Future

BECOME FULLY  
CIRCULAR

DRIVE SUSTAINABLE  
GROWTH

BECOME THE BEST  
OF WHO WE ARE

## Covestro Financials

## Conclusion

# Become the best of who we are

## Key principles of LEAP transformation program



### REGROUP OUR BUSINESS

**BEFORE**  
Operating models not optimized according to value creation



Regroup business in line with business success factors and customer requirements

### BUNDLE STRATEGIC LONG-TERM COMPETENCIES

**BEFORE**  
Strategic, long-term competencies not centrally bundled



Realign strategic cross-functional competencies in group functions to foster the long-term development of Covestro – manage “build activities”

### EMPOWER BUSINESS ENTITIES

**BEFORE**  
Missing end-2-end resource responsibility did not foster entrepreneurship



Make each Business Entity accountable for all business-specific and success-critical resources – manage “run activities”

### SECURE COMPETITIVE COST STRUCTURES

**BEFORE**  
Cost structure not reflecting distinct operating models



Develop a future-proof and competitive cost structure

# Led by a diverse, international management team

Covestro senior management since July 1, 2021



## BOARD OF MANAGEMENT



### Chief Executive Officer

Dr Markus Steilemann  
Nationality: German



### Chief Financial Officer

Dr Thomas Toepfer  
Nationality: German



### Chief Commercial Officer

Sucheta Govil  
Nationality: British  
with Indian origin



### Chief Technology Officer

Dr Klaus Schäfer  
Nationality: German

## BUSINESS ENTITIES



### Performance Materials

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



### Tailored Urethanes

Christine Bryant  
Nationality: US-American  
Based in Pittsburgh,  
USA



### Coatings and Adhesives

Dr Thorsten Dreier  
Nationality: German  
Based in Leverkusen,  
Germany



### Engineering Plastics

Lily Wang  
Nationality: Chinese  
Based in Shanghai,  
P.R. China



### Specialty Films

Dr Aleta Richards  
Nationality: US-American  
Based in Dormagen,  
Germany



### Elastomers

Dr Thomas Braig  
Nationality: German  
Based in Romans-sur-Isère,  
France



### Thermoplastic Polyurethanes

Dr Andrea Maier-Richter  
Nationality: German  
Based in Dormagen, Germany

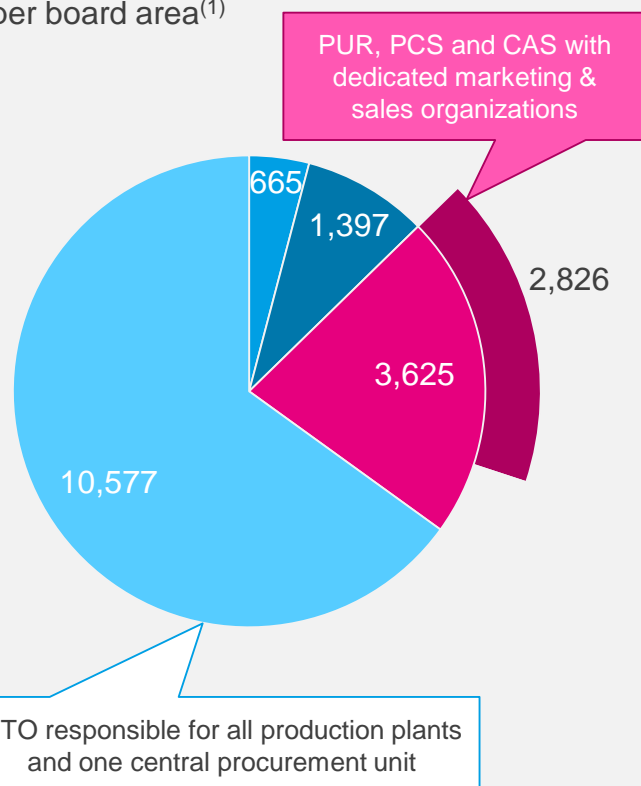
# LEAP truly transforms Covestro

## Impact of transformation program



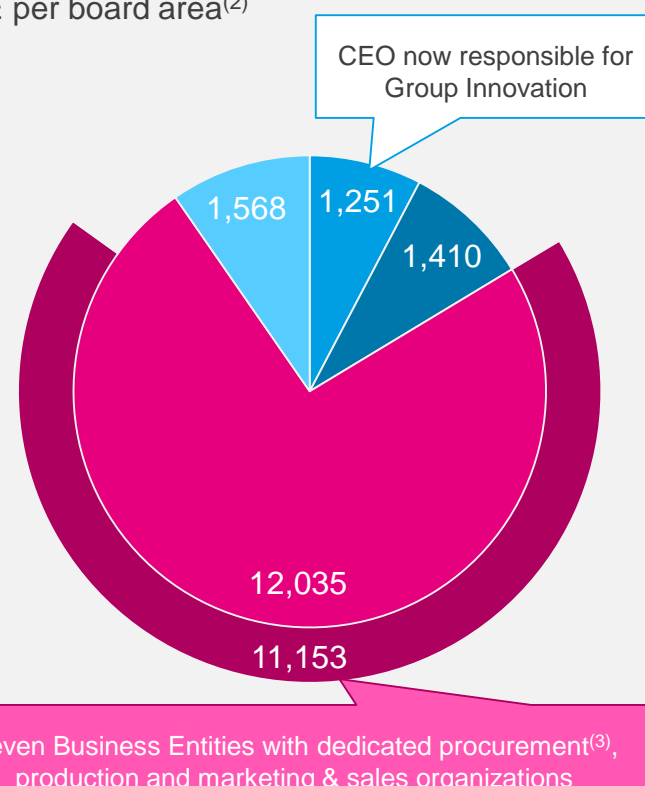
### SPLIT BEFORE TRANSFORMATION

FTE per board area<sup>(1)</sup>



### SPLIT AFTER TRANSFORMATION

FTE per board area<sup>(2)</sup>



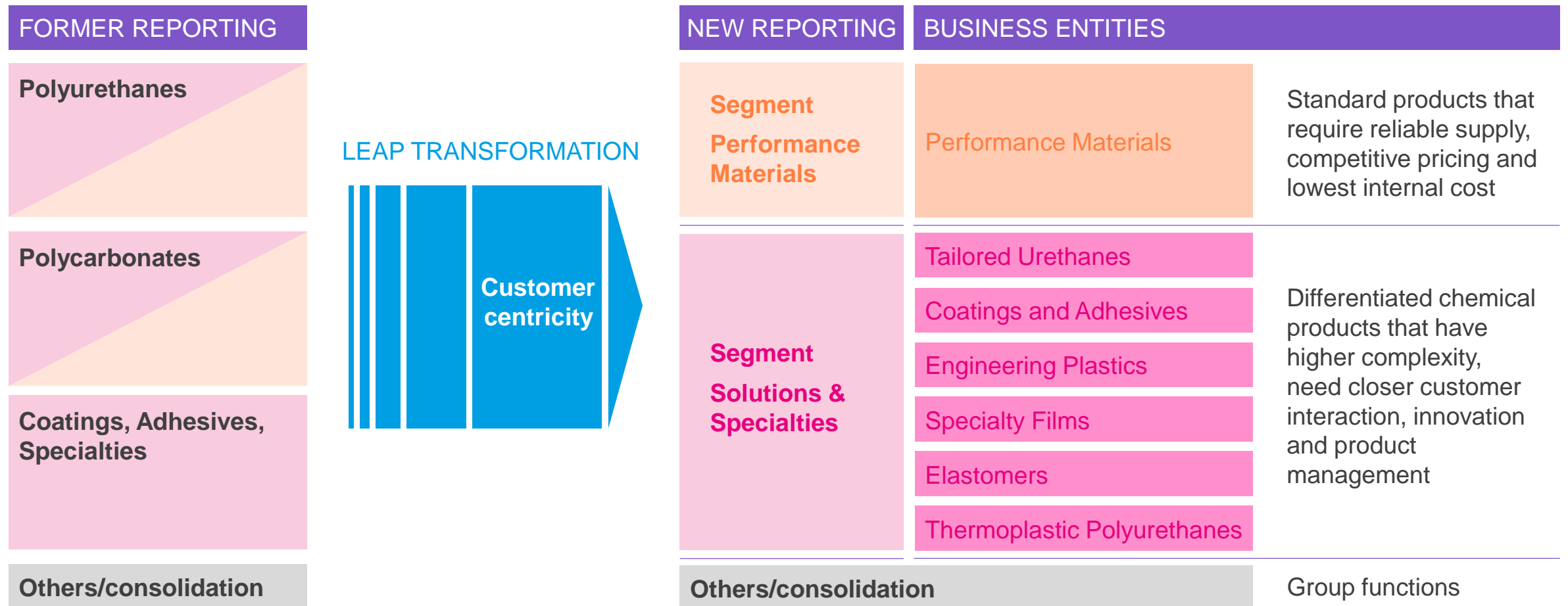
### HIGHLIGHTS

- Transformation fosters entrepreneurship and exploits full potential of Covestro business
- Vast majority of FTE now part of operational Business Entities
- New Business Entities within CCO area fully accountable for profit and loss
- Group functions within CEO, CFO and CTO areas bundle strategic activities crucial to the long-term development of Covestro

■ Chief Executive Officer area ■ Chief Financial Officer area ■ Chief Commercial Officer area ■ Chief Technology Officer area

# Managing “run activities” with two distinct operating models

## New set-up of Business Entities



# Accountable for all business-specific, success-critical resources

## New set-up of Business Entities



### FORMER BUSINESS UNITS (BUs)



**Sales and marketing**



Sales, marketing and R&D already part of former BUs



**Research & development**



**Integrated planning**



Integrated planning, raw material purchasing and production not responsibilities of former BUs



**Raw material purchasing**



**Production**



### NEW BUSINESS ENTITIES (BEs)



Sales and marketing remain within the BEs



BE-specific research and development included, cross-BE areas centralized



Integrated planning part of the BEs, supply chain and logistics remain centralized



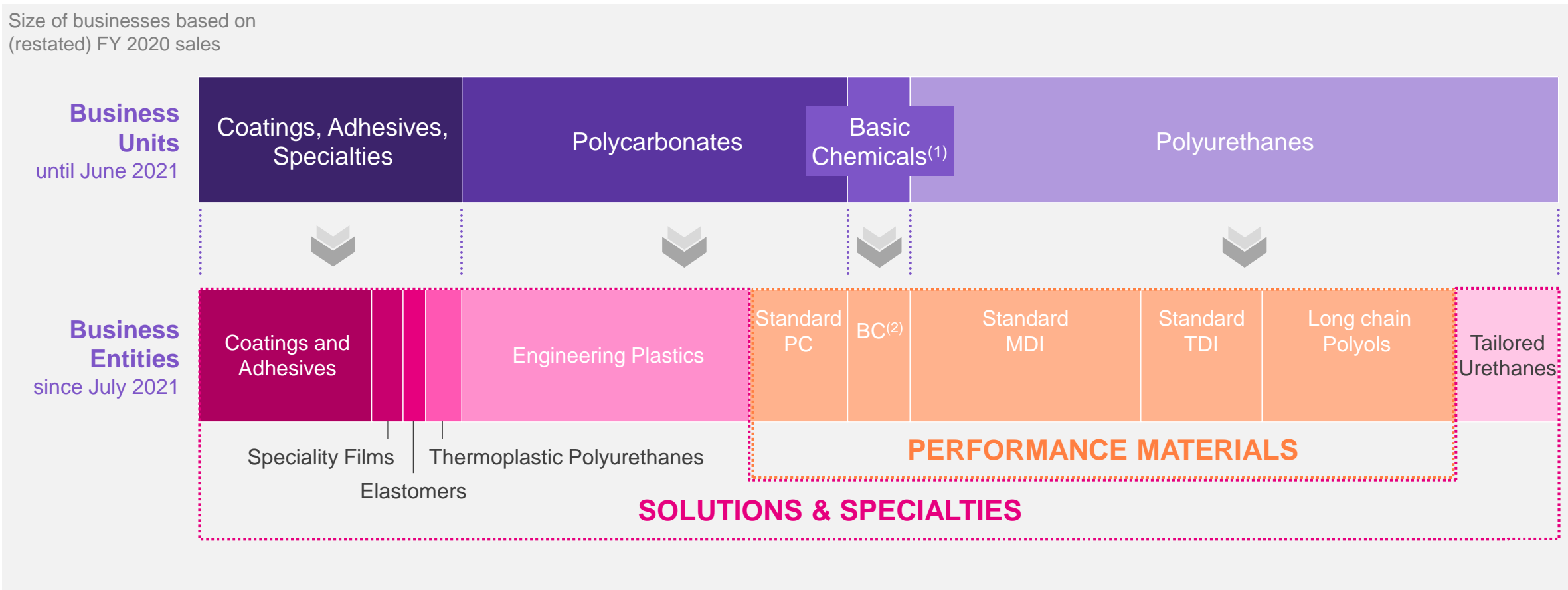
Purchasing of BE-specific raw materials, remaining purchasing activities as central function



Production facilities of respective product groups embedded within the BEs

# Consistently distinguish standard from differentiated business

## Reconciliation from former Business Units to new Business Entities



# Standard products with reliable supply and lowest cost

## New segment Performance Materials



### PRODUCTS

#### PERFORMANCE MATERIALS

Polyurethane and polycarbonate standard products as well as basic chemicals:

- Standard MDI
- Standard TDI
- Long chain polyols
- Standard PC resins
- Basic chemicals

### SUCCESS FACTORS

#### Ensure high asset utilization

Integrated end-2-end planning and steering of entire supply chain and large-scale production to optimize output



#### Supply customers reliably

to be customers' preferred supplier



#### Strengthen superior cost position

Standardized offerings and lean order management for focused customer and product portfolio



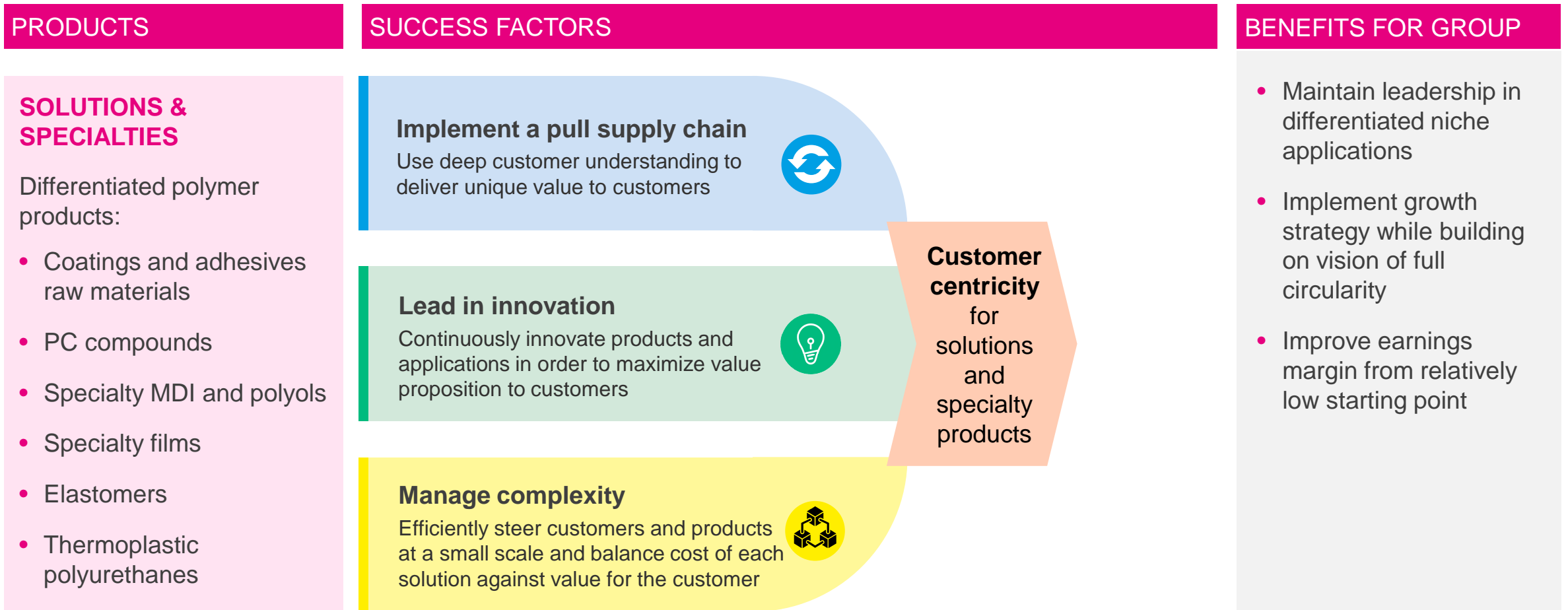
**Customer  
centricity  
for  
standard  
products**

### BENEFITS FOR GROUP

- Maintain leadership in Covestro core industries
- Implement growth strategy while building on vision of full circularity
- Create critical mass for Covestro in standard product offerings
- Supply downstream Business Entities at market-based prices

# Differentiation based on customer proximity and innovation

## New segment Solutions & Specialties



# Group functions bundle strategic, scale-critical „build activities”

## New set-up of group functions



### GROUP FUNCTIONS ENSURE LONG-TERM COMPETITIVENESS



**Group  
Innovation**



**Sustainability**



**Process  
Technology**



**Engineering**



**Digital / IT**



**Strategy  
and M&A**



**HR**

### OTHER CENTRAL FUNTIONS SUPPORT EFFICIENT MANAGEMENT

**Group  
Procurement**

**Supply Chain  
& Logistics**

**Group  
Marketing**

**Group  
HSE**

**Administrative  
functions e.g.**

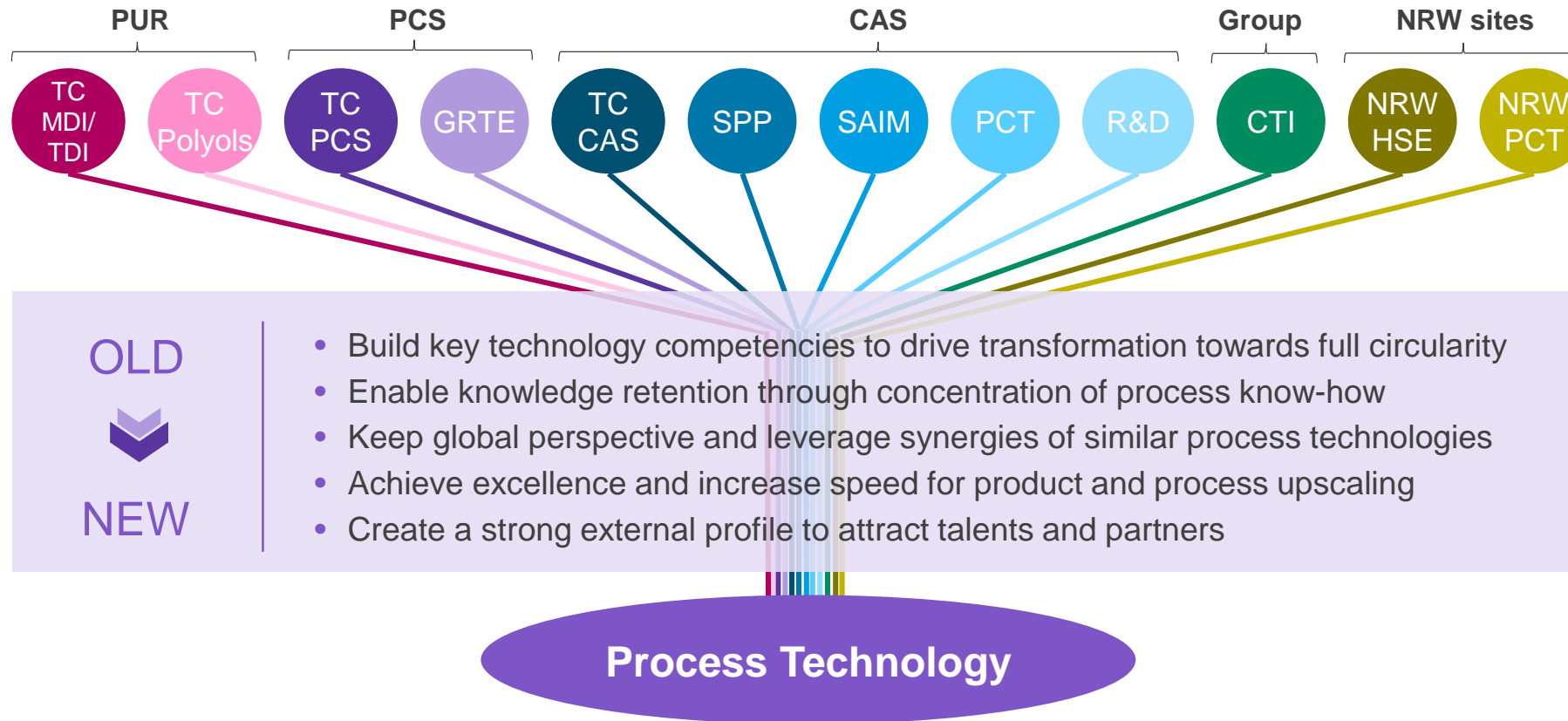
Finance, Accounting,  
Controlling, Taxes, Audit,  
Legal, Communications, IR

### BENEFITS FOR GROUP

- Ensure functional scale-advantage of Covestro
- Drive transformational solutions beyond current businesses
- Anchoring sustainability and circularity as driving forces
- Systematically embed and align measures for innovation and digitalization

# From a decentralized community to a central technology enabler

## Example: group function Process Technology



### BENEFITS FOR GROUP

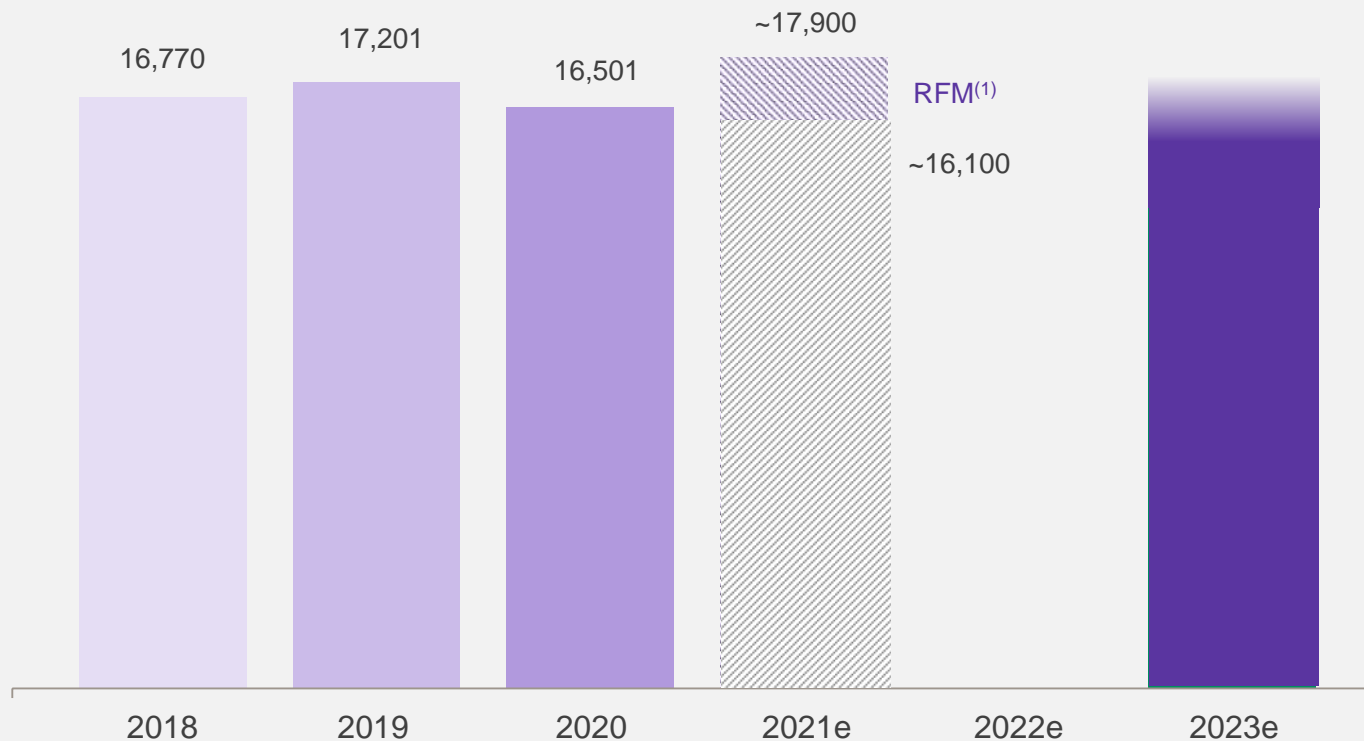
- Nurture key technology competencies and build digital capabilities for core manufacturing processes
- Scale up new products rapidly and implement leading process technologies in growth investments
- Develop new process technologies based on renewable raw materials

# Headcount reduced in 2020, further efficiencies underway

## Development of full-time equivalent (FTE)



Covestro workforce in FTE at year-end



### HIGHLIGHTS

- In 2020, headcount reduced by 700 to ~16,500 FTE through execution of Perspective program
- Ambition to further reduce by ~400 to ~16,100 FTE until year end 2021, this equals ~17,900 FTE incl. acquired RFM business
- 18,039 FTE as per June 30, 2021

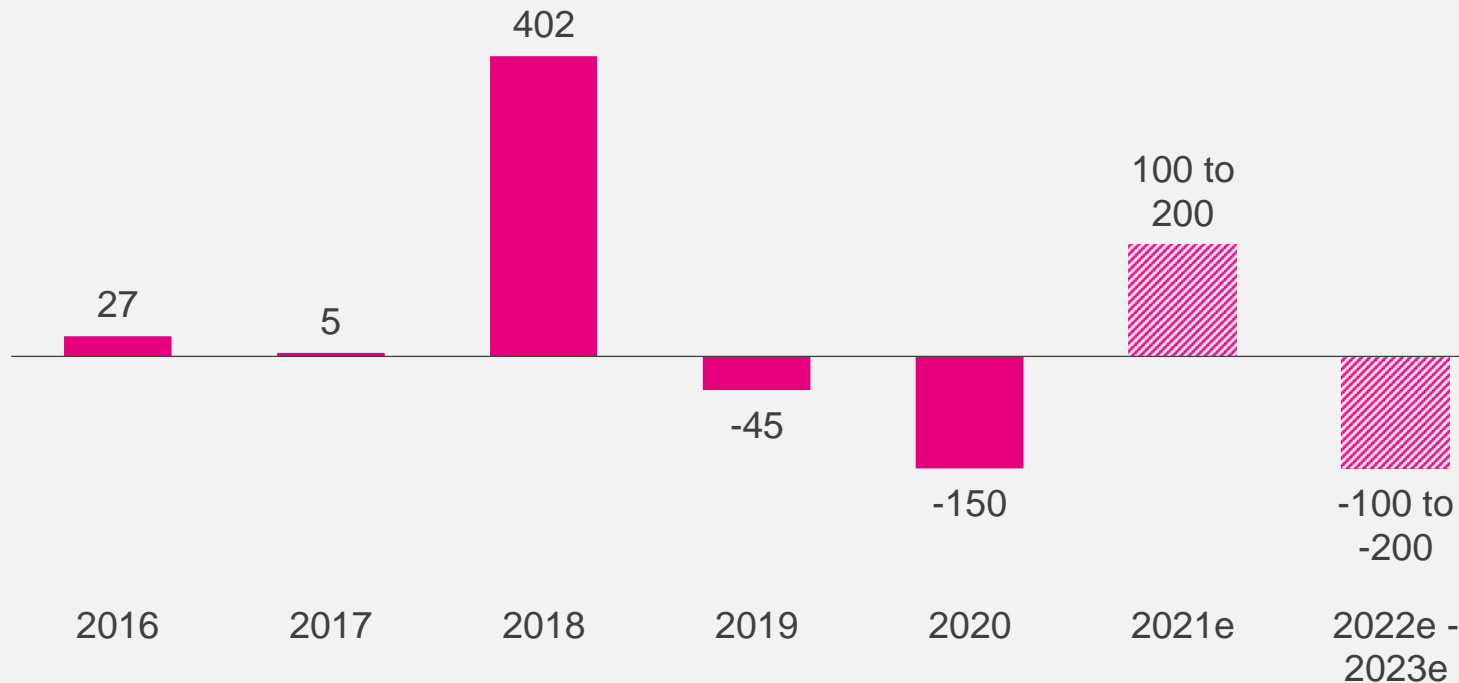
# Develop a future-proof and competitive cost structure

## LEAP financial impact



### FIXED COST DEVELOPMENT Y/Y EXCLUDING INCENTIVE SCHEMES

in € million



### HIGHLIGHTS

- Becoming significantly more efficient and effective
- Savings target: maintain fixed costs unchanged until 2023, based on FY 2020, excluding STI and LTI schemes
- In 2021e, costs mainly driven by higher maintenance costs, salary increase, investments in digitalization and circularity
- In 2022e and 2023e, cost savings to be realized to counterbalance annual fixed cost inflation, like salary increases (~€100m p.a.)

A large background image on the left side of the slide. It shows a hand holding a black pen, pointing at a tablet screen. The tablet displays a line graph with a blue area under the curve. In the background, there is a blurred image of a stock market ticker board with various colored numbers (green, yellow, red, blue).

## ■ Covestro Sustainable Future

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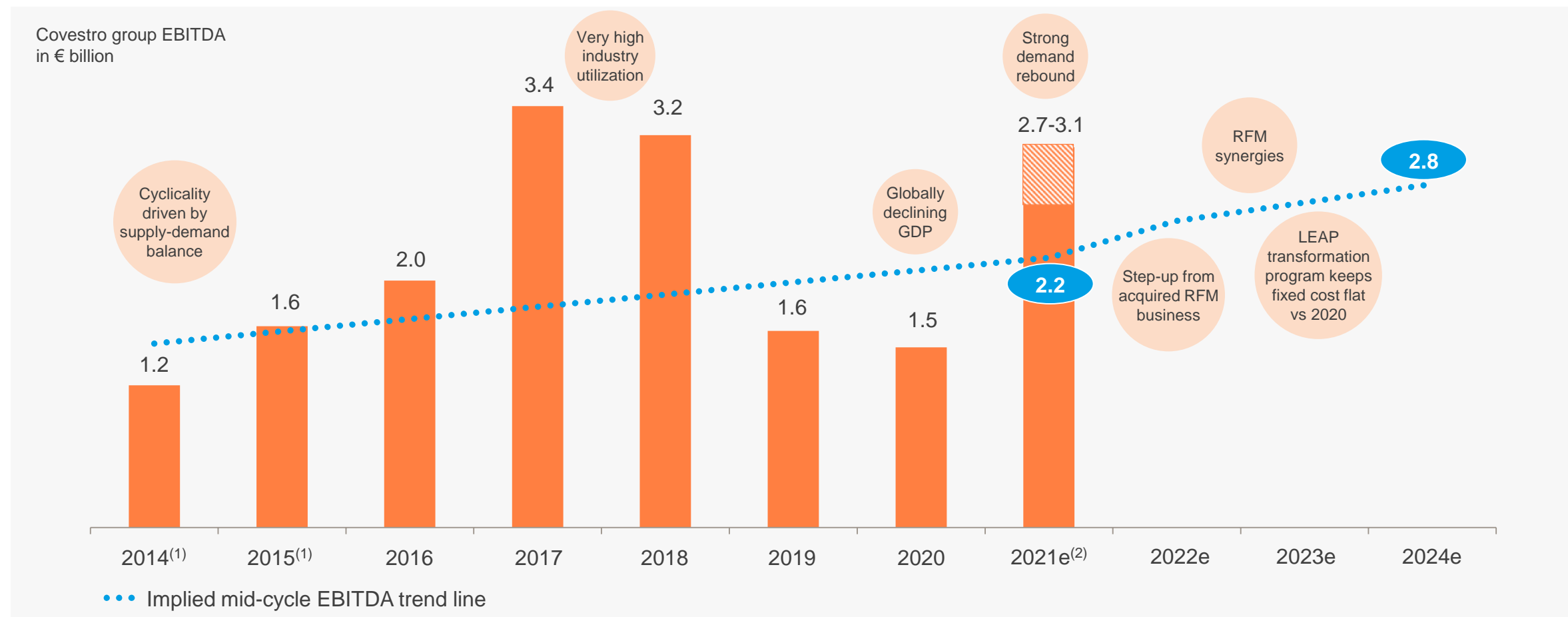
## ■ Covestro Financials

## ■ Conclusion

# Raising mid-cycle EBITDA from €2.2bn to €2.8bn in 2024



## Mid-cycle EBITDA

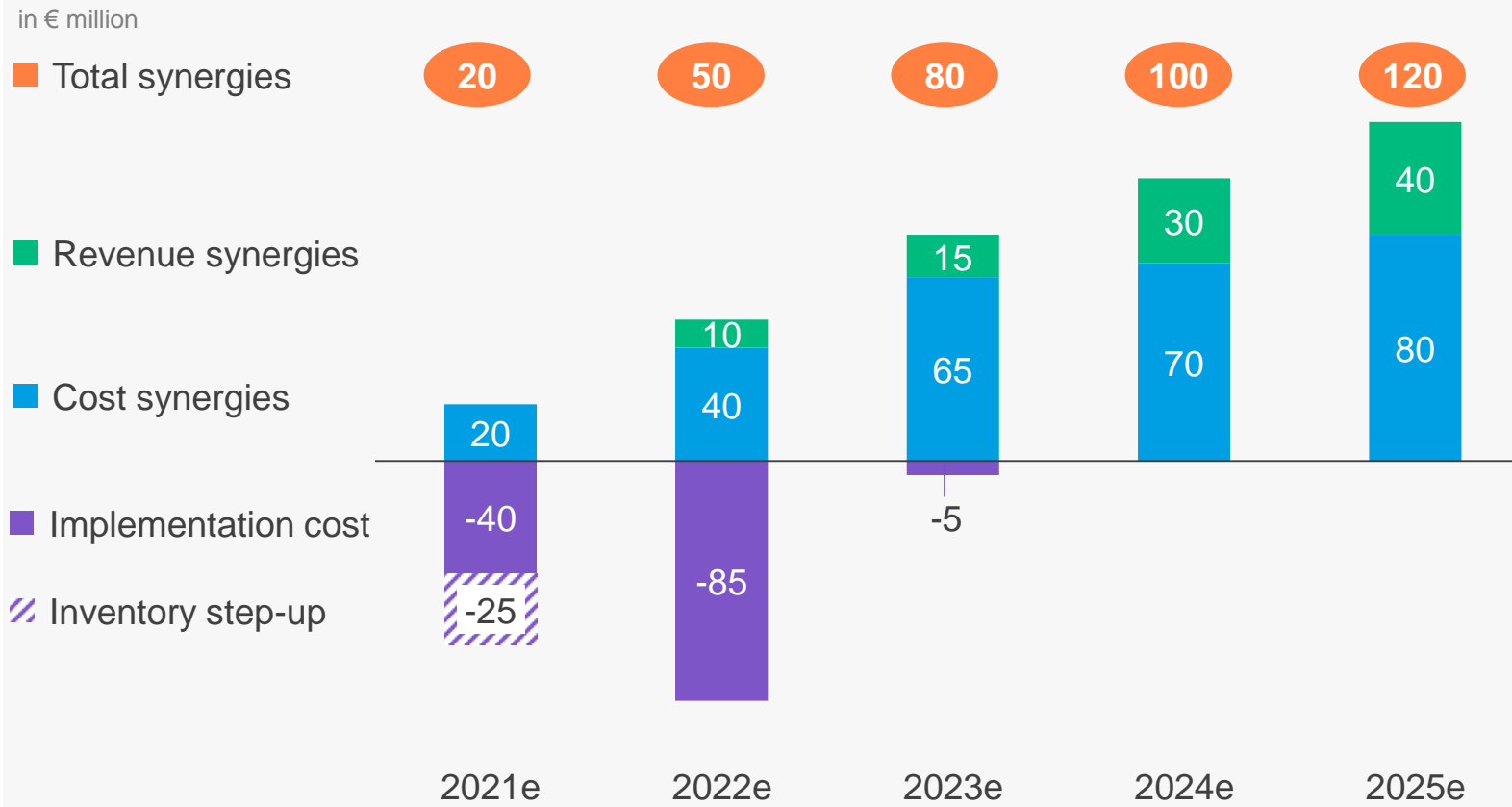


# Synergies fully confirmed and slightly ahead of plan

## RFM synergies and implementation cost



### EBITDA IMPACT



### HIGHLIGHTS

#### SYNERGIES

- Confirming identified synergies of €120m or 12% of RFM sales
- Positive EBITDA impact of €80m from cost and €40m from revenues
- Initial synergy potentials successfully detailed and validated
- Realization of synergies slightly ahead of plan

#### OPERATIONS

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

# Majority of cash allocated to growth

## Use of cash



### CAPEX



- Covestro's industry and cost leadership have made growth investment the most value-creating use of cash
- Maintenance capex to secure safe, reliable and efficient operations

€3.2bn invested in capex

### DIVIDEND



- Policy: 35-55% payout of net income
- 2020 dividend of €1.30 per share
- Dividend yield 2020 of 2.6%<sup>(1)</sup>

€1.5bn dividends

### PORTFOLIO



- Acquisition of DSM's Resins and Functional Materials (RFM) business for EV €1.55bn with attractive high margins (~€0.9bn sales)
- Less attractive low-margin businesses divested (~€0.6bn sales)

€1.5bn net investments

### SHARE CAPITAL

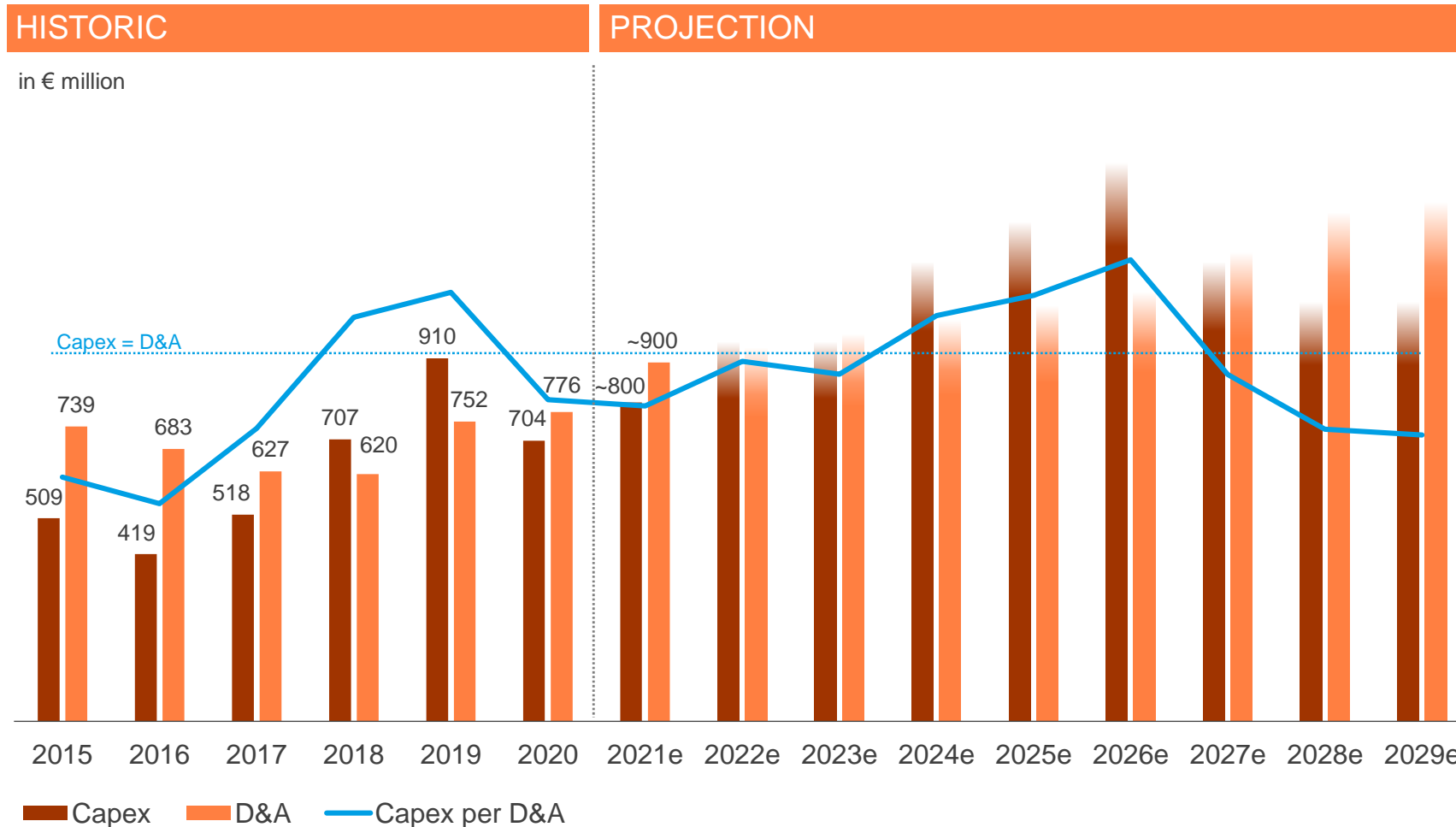


- Capital increase of €447m executed in 2020 in context of RFM acquisition
- Share buyback of €1.5bn executed in 2017-2018
- Authorization for share buyback program for up to 10% of share capital in place, to be used in an opportunistic and anti-cyclical way

€1.1bn share capital reduced

# Average capex at or slightly above D&A

## Group capex and D&A outlook

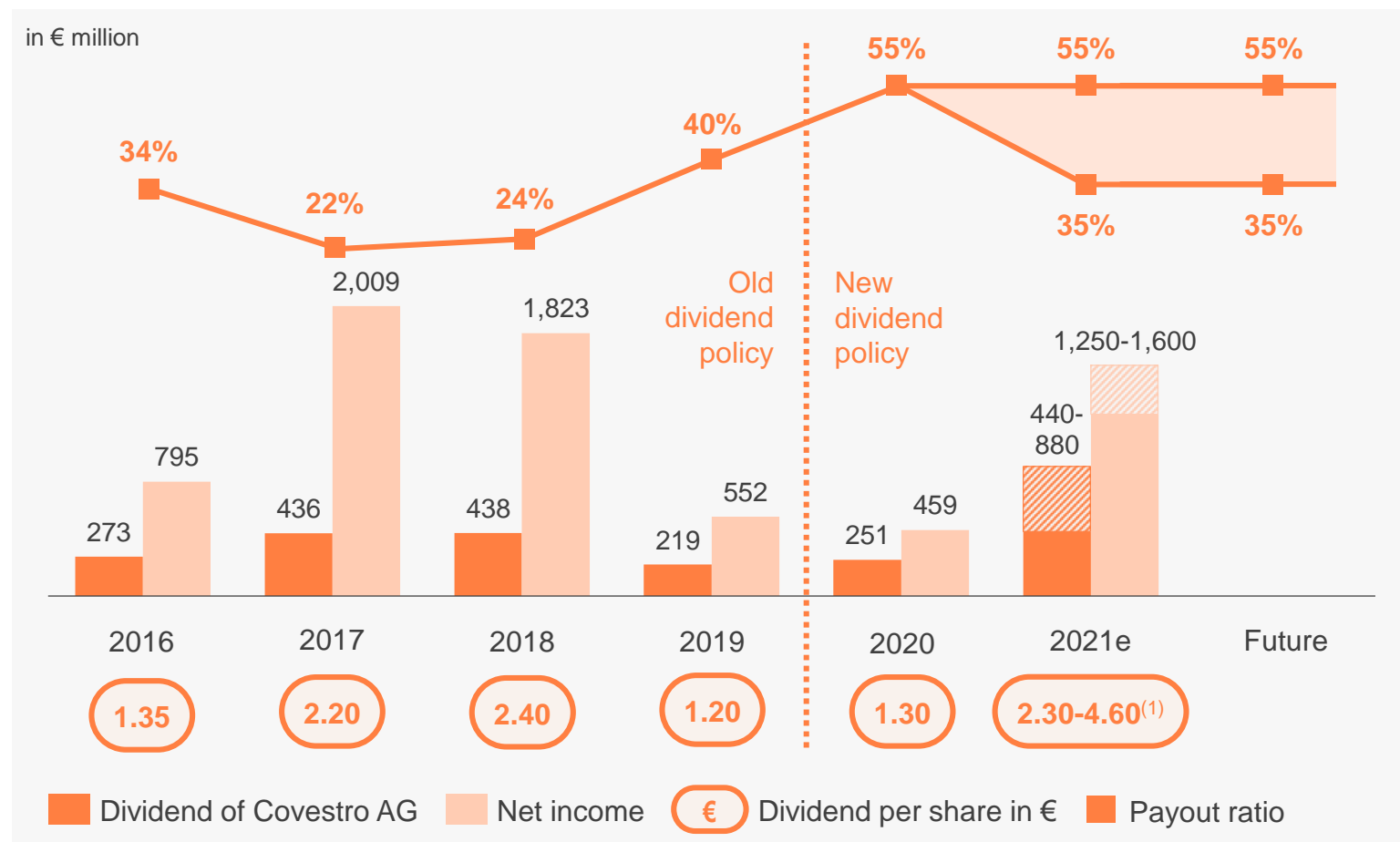


### HIGHLIGHTS

- 2021e: capex around €800m
- 2022e-2023e: capex around D&A level
- 2024e-2026e: supporting growth investment into MDI world-scale asset with capex above D&A
- Outer years: capex again below D&A-level
- Invest in Circular Economy projects almost €1bn over ten years
- Maintenance capex at ~€350-400m p.a. in 2021e, slightly increasing over time

# Shareholders to benefit from 35-55% payout ratio of net income

## Dividend development



### HIGHLIGHTS

- Unchanged commitment 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 2020, paid dividend of €1.30 per share
- For FY 2021e, EBITDA guidance and payout ratio translate into calculated dividend between €2.30 and €4.60 per share<sup>(2)</sup>

# Ongoing shift to high-margin business

## Portfolio management



### DIVESTMENTS

Cumulated, in € million

Dubai system house<sup>(1)</sup>

📅 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

~600



~20

Sales

EBITDA

Business divested at average EV/EBITDA >10x

Portfolio analysis ongoing, further minor divestments possible

### ACQUISITIONS

in € million

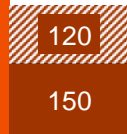
DSM Resins & Functional Materials business

📅 April 2021

932



270



Sales

EBITDA <sup>(2)</sup>

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

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

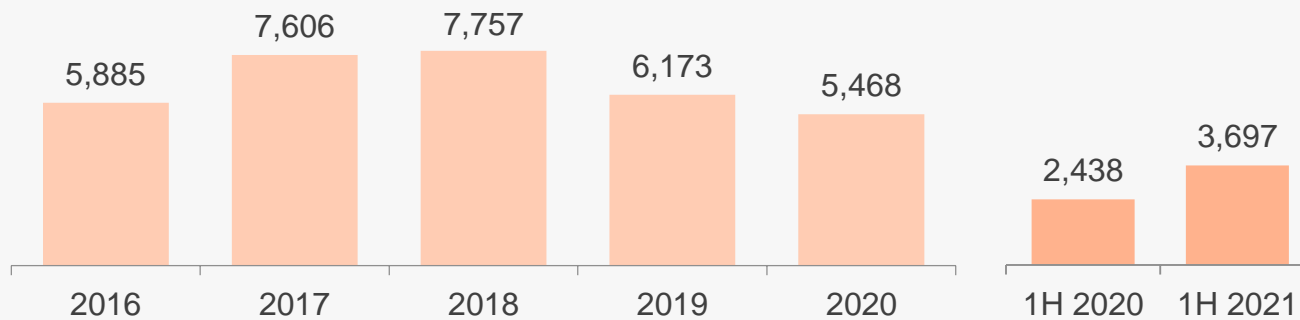
# Strong recovery after coronavirus pandemic

## Financial development – Performance Materials



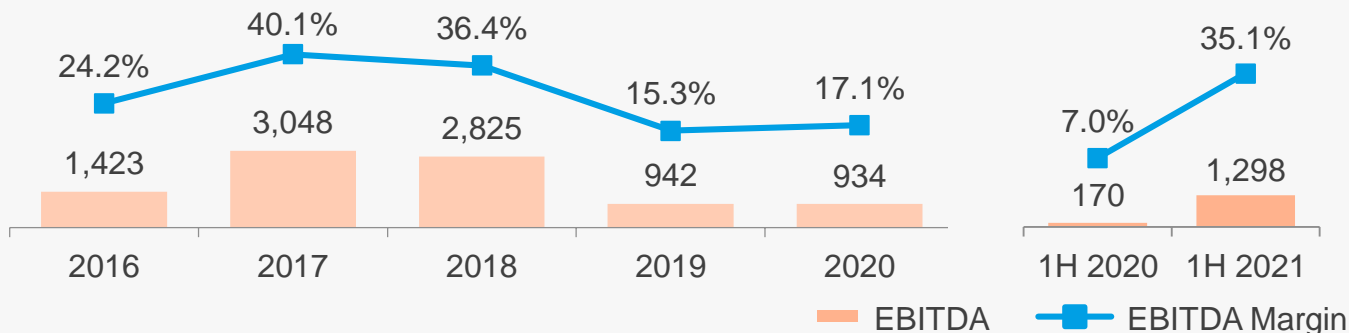
### SALES

in € million



### EBITDA / MARGIN

in € million



### HIGHLIGHTS

#### SET-UP

- Sales and earnings impacted by industry supply and demand balances
- Inter-segment supply charged at market prices, recorded in EBITDA without corresponding sales

#### HISTORY

- Sales and EBITDA contribution from fly-up TDI margins in 2017 and 2018
- Increasingly challenging competitive environment beginning in Q4 2018
- 1H 2020 burdened by impact from coronavirus pandemic followed by broad-based recovery
- Generally sold out since Q4 2020 with strong margin development favored by, inter alia, various unexpected supply chain disruptions

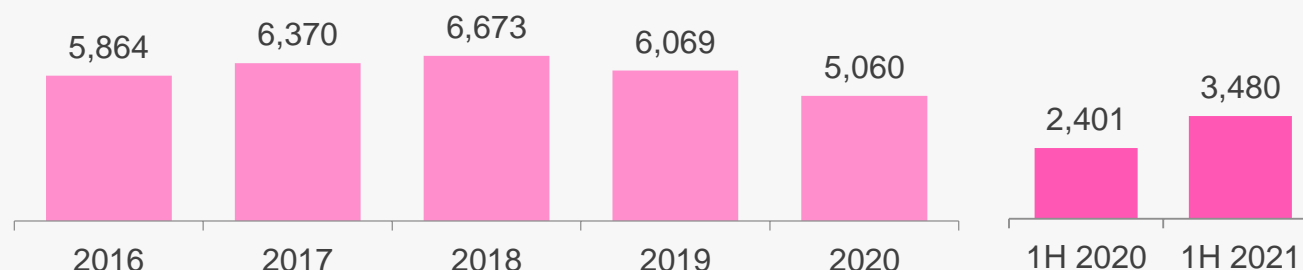
# Relatively stable differentiated business

## Financial development – Solutions & Specialties



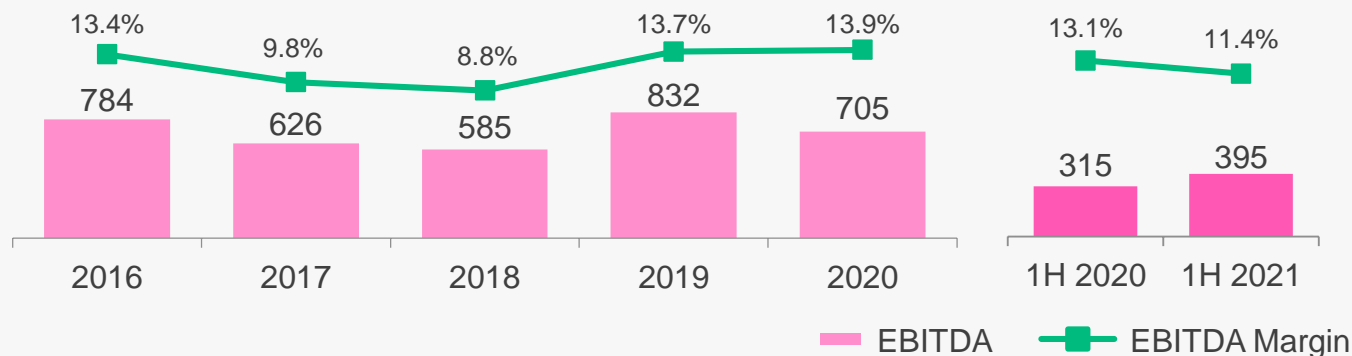
### SALES

in € million



### EBITDA / MARGIN

in € million



### HIGHLIGHTS

#### SALES

- Between 2016 and 2018, continuous sales growth due to volume growth and price increases
- In 2019, sales decline due to pass-through of lower raw material prices
- In 2020, significant volume reduction mainly due to pronounced weakness of automotive industry
- In 1H 2021, strong sales rebound driven by volume growth, price increases and first-time RFM consolidation

#### EBITDA

- EBITDA margin troughs in 2017/2018 and 1H 2021 influenced by market-price based inter-segment supply from Performance Materials

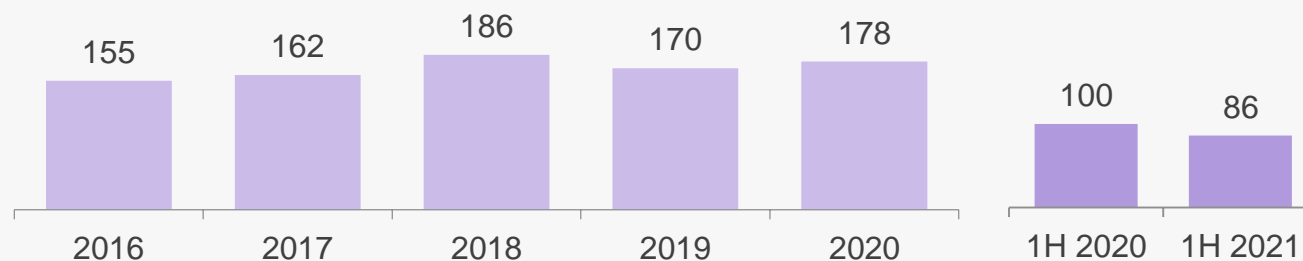
# Others bundles all items beyond control of operational segments



## Financial development – Other/consolidation

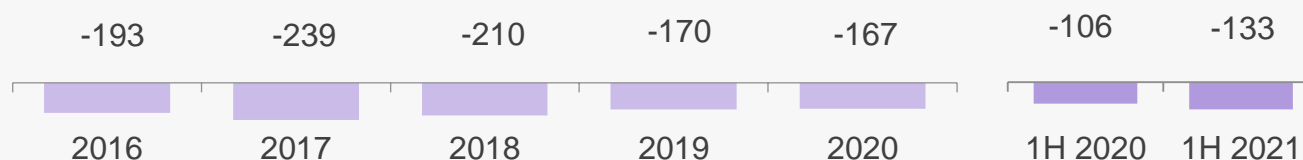
### SALES

in € million



### EBITDA

in € million



### HIGHLIGHTS

- Sales includes side-business activities like infrastructure services, real-estate management, sale of used assets as well as services to third parties
- Bundles Board of Management and other Group functions as well as central group projects
- Compared to previous reporting, Other/consolidation now contains all cost of group functions beyond control of operational businesses
- In 1H 2021, Y/Y increase is driven by centrally recorded LEAP restructuring cost and higher bonus provisions

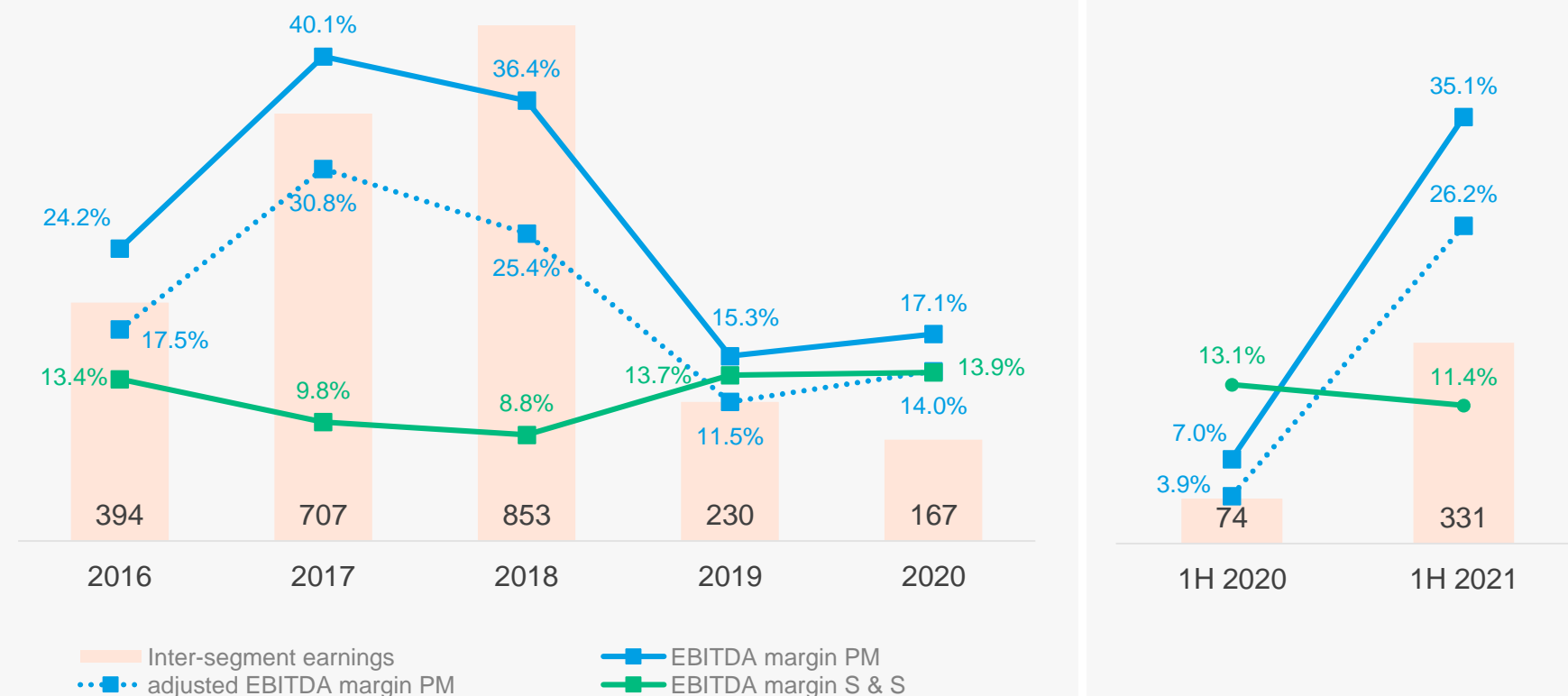
# Standard product market prices impact Solutions & Specialties

## Inter-segment earnings



### EARNINGS IMPACT

in € million



### HIGHLIGHTS

- Performance Materials charges captive supply at market prices, recording inter-segment earnings
- Inter-segment earnings have anticyclical impact on Solutions & Specialties earnings
- Adjusted EBITDA margin of Performance Materials excludes inter-segment earnings

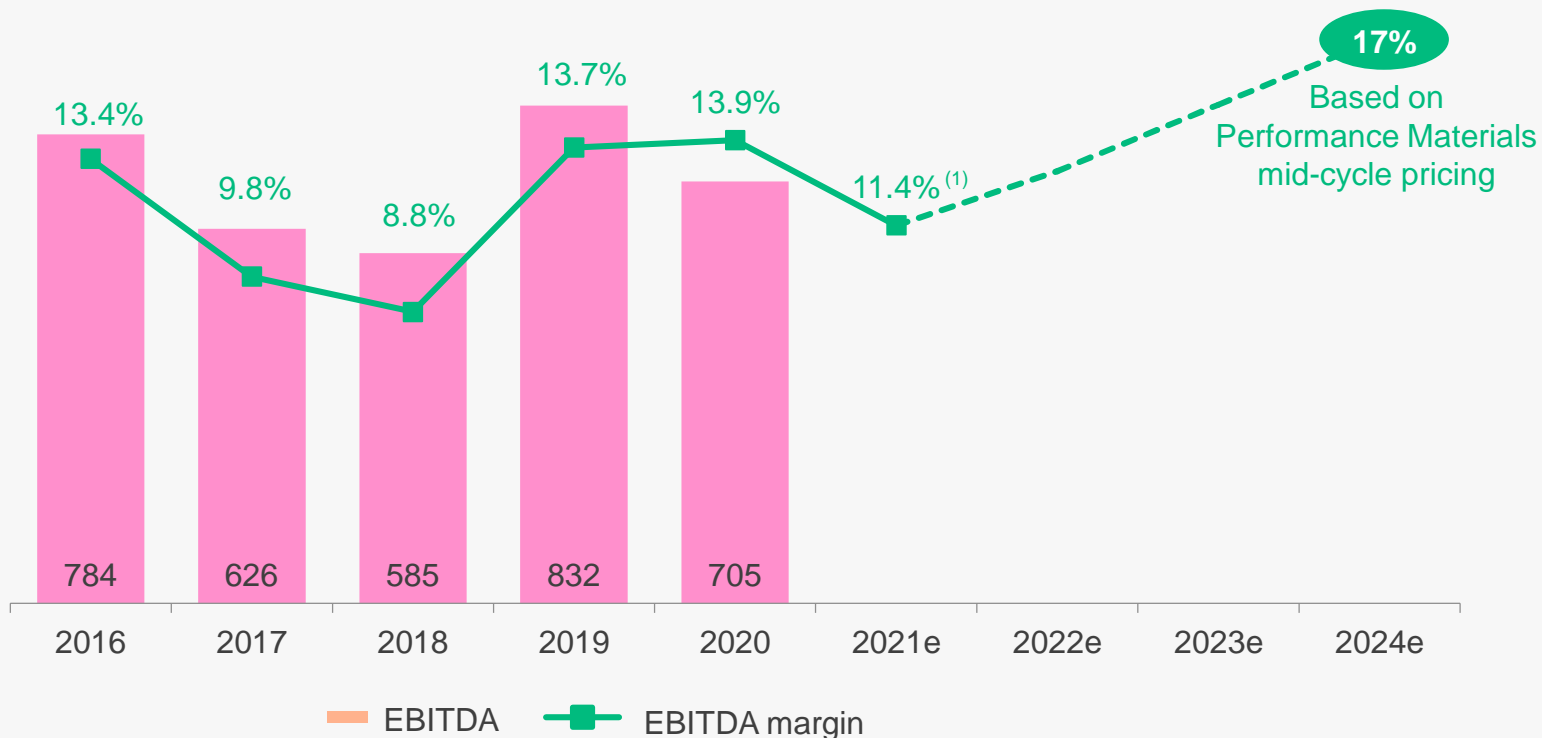
# EBITDA margin to grow to 17% in 2024

## Solutions & Specialties segment target



### EBITDA AND MARGIN

in € million



### TARGET MARGIN

EBITDA margin of 17% in 2024, based on Performance Materials mid-cycle pricing

Measures to raise margin:

- Focus on value-based pricing
- Fixed cost dilution due to strong growth
- RFM integration and synergies
- LEAP transformation

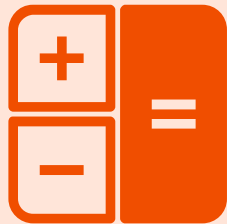
# Covestro on growth path

## Financial highlights



€2.8bn

Mid-cycle  
EBITDA in  
2024



Capex

Average at or  
slightly above  
D&A



35-55%

Dividend  
payout ratio



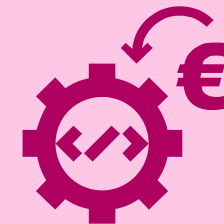
€120m

RFM synergies fully  
confirmed



17%

Solutions &  
Specialties EBITDA  
margin in 2024



A decorative background on the left side of the slide. It features a large, semi-circular blue shape. Inside this shape, there is a close-up image of a hand holding several interlocking puzzle pieces. The puzzle pieces are a warm, golden-brown color, and the background behind them is a bright, hazy sun with rays of light.

## ■ Covestro Sustainable Future

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CIRCULAR

DRIVE SUSTAINABLE  
GROWTH

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OF WHO WE ARE

## ■ Covestro Financials

## ■ Conclusion

# Covestro transforming toward a successful future



## Investment highlights

- 1 Covestro to become fully circular with attractive business cases**  
building on mass balance as drop-in, alternative raw materials/energy and innovative end-of-life solutions
- 2 Future demand growth of Covestro products boosted**  
by political initiatives around the globe enforcing climate protection and sustainability
- 3 Organic and inorganic Covestro growth progressing**  
with MDI world-scale project resumed and strengthening Solutions & Specialties business
- 4 Transformation exploits full Covestro potential**  
supported by customer-centric organization, fostered entrepreneurship and future-proof cost structure
- 5 Shareholders participate in Covestro growth path**  
through attractive dividend policy based on net income payout ratio

A blue square icon followed by the text "Business Entity profiles" in white.

## ■ Business Entity profiles

# Leading global producer of standard PU and PC

## Performance Materials at a glance



### PRODUCTS

Polyurethane and Polycarbonate standard products adding to high energy efficiency, comfort and light-weight properties in many aspects of modern life

### COMPETITIVE ADVANTAGE

Global integrated production network with leading technology and cost position enabling to establish and maintain sustainable customer relationships

### STRATEGY

Focus on maximizing asset availability and supply chain reliability for standard products at competitive market prices and lowest cost

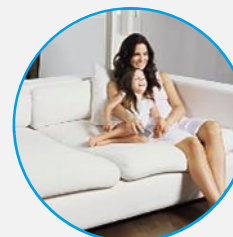
### KEY APPLICATION



For comfortable cars



For sustainable houses



For cozy furniture



For highly functional apparel

47%

Sales share  
Covestro 2020 <sup>(1)</sup>

### SOLUTIONS AND SPECIALTIES

Engineering  
Plastics

Coatings and  
Adhesives

Thermoplastic  
Polyurethanes

Tailored  
Urethanes

Specialty  
Films

Elastomers

### PERFORMANCE MATERIALS

Performance Materials

# Leading global producer of standard PU and PC

## Performance Materials in detail



### 2020

€ Sales in € million 5,470

Sales Volume Growth<sup>(2)</sup> (CAGR 2015 - 2020) 2%

Customers 1,500

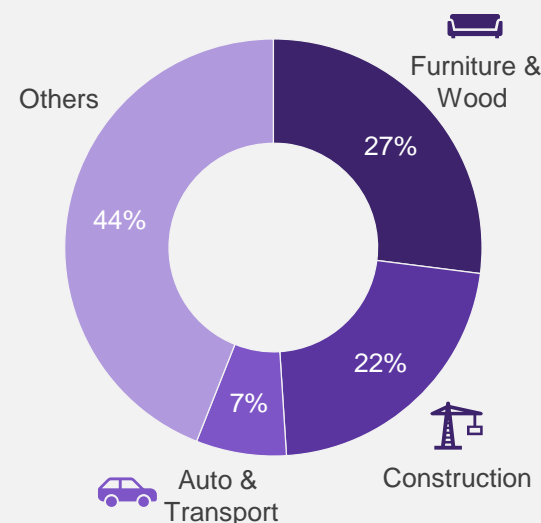
Products 400

Employees<sup>(3)</sup> ~6,000

Demand growth (CAGR 2020 - 2025) ~6%

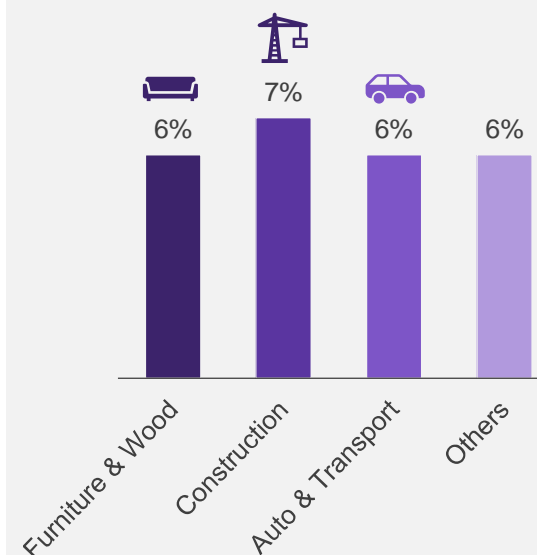
### SALES BY INDUSTRY

PM sales, 2020



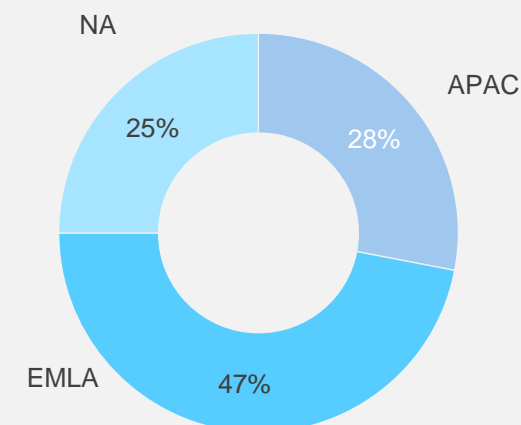
### INDUSTRY GROWTH<sup>(1)</sup>

CAGR 2020 - 2025



### SALES BY REGION

PM sales, 2020

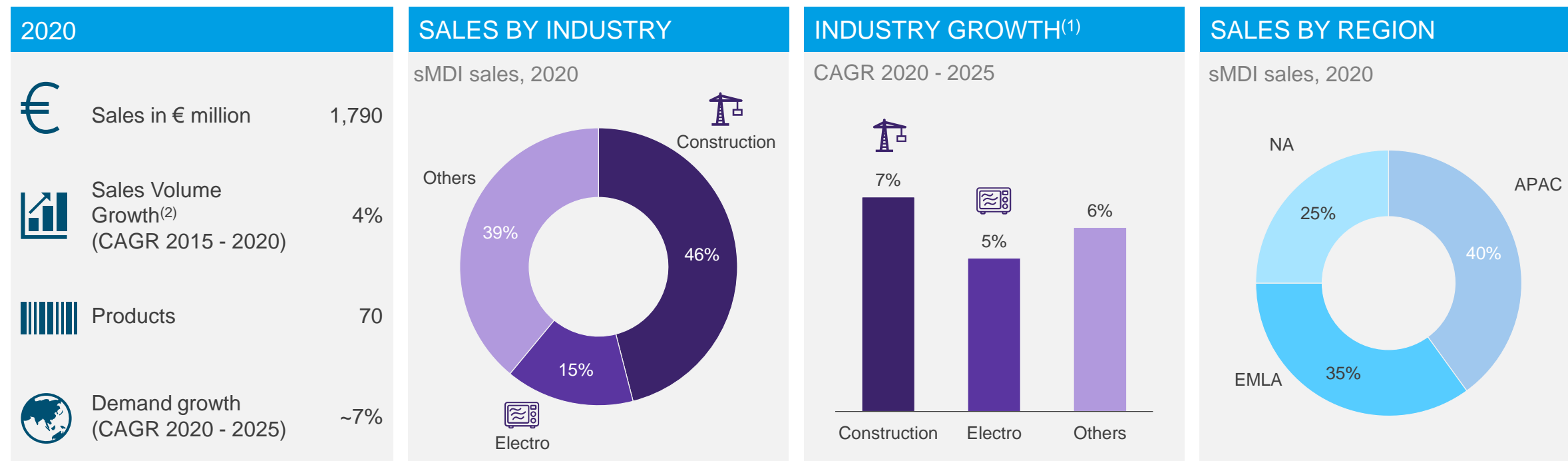


### MAIN COMPETITORS



# Sustainability targets driving construction demand

## Performance Materials: product group standard-MDI in detail

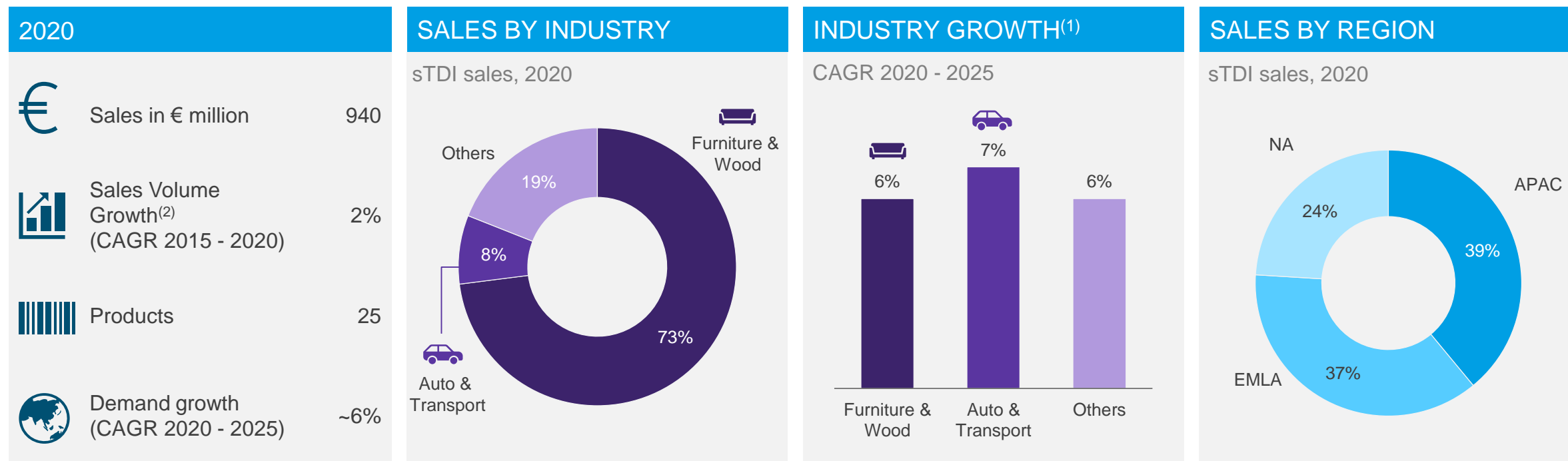


### MAIN COMPETITORS



# Soft furniture and auto seating major pillars of further growth

## Performance Materials: product group standard-TDI in detail

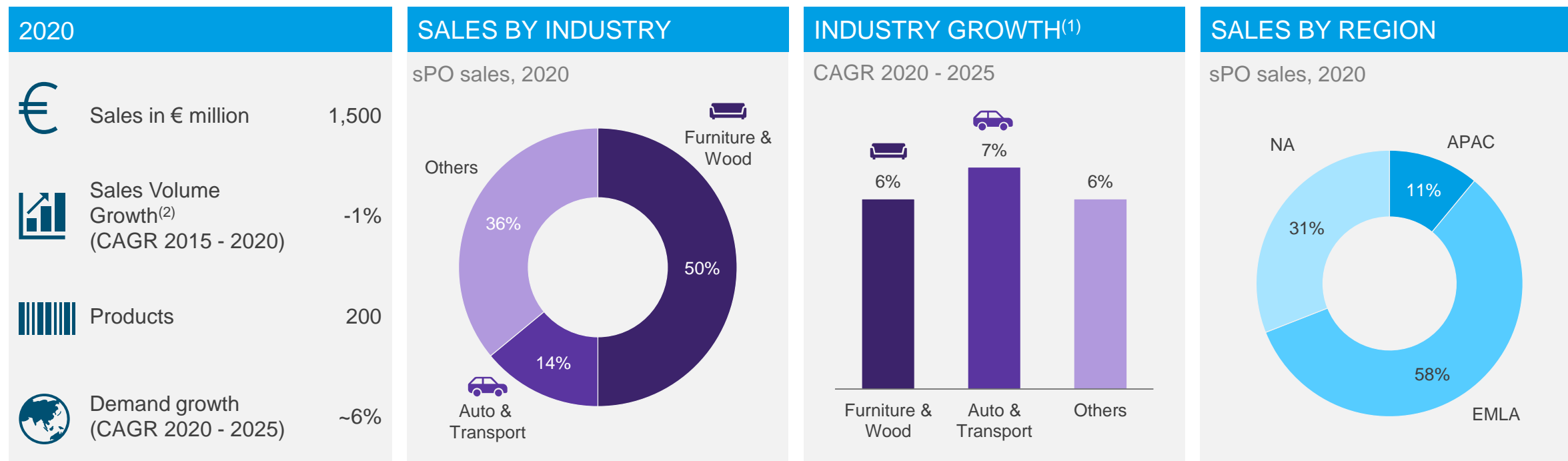


### MAIN COMPETITORS



# Broad portfolio supporting isocyanate growth

## Performance Materials: product group standard-polyols in detail

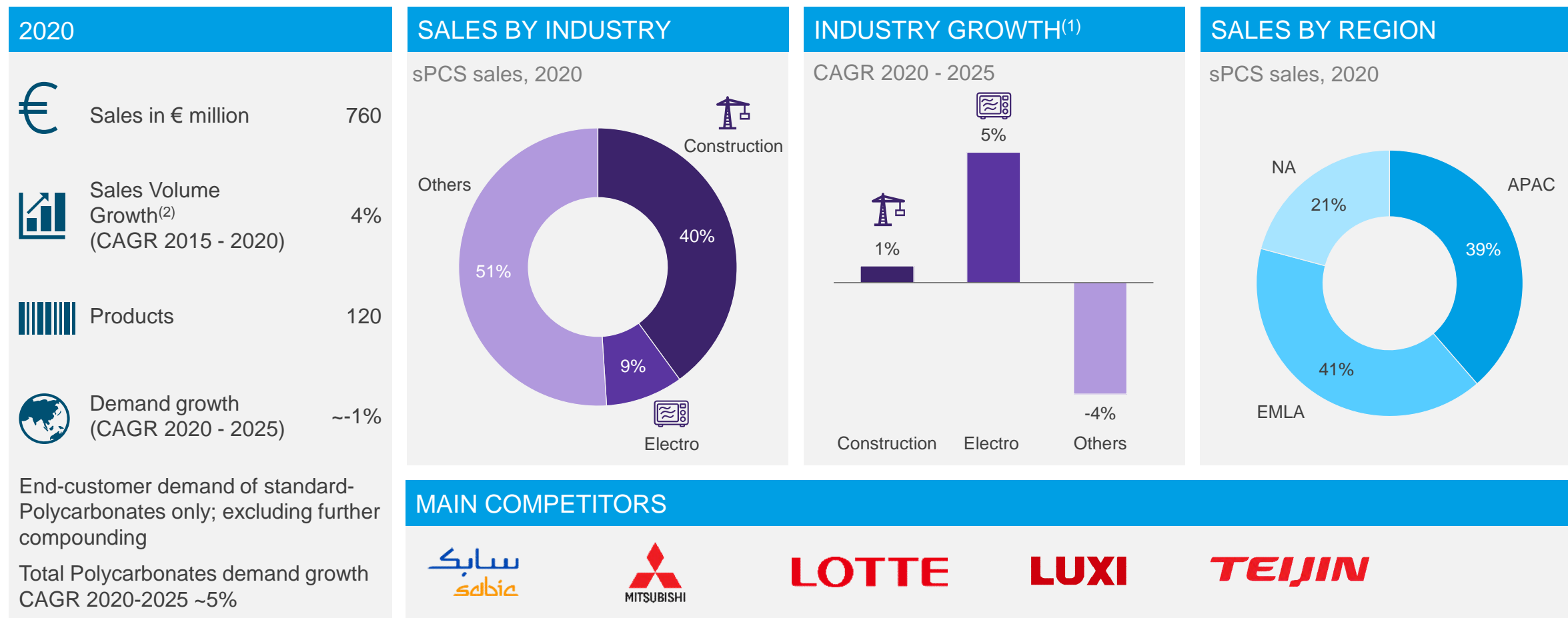


### MAIN COMPETITORS



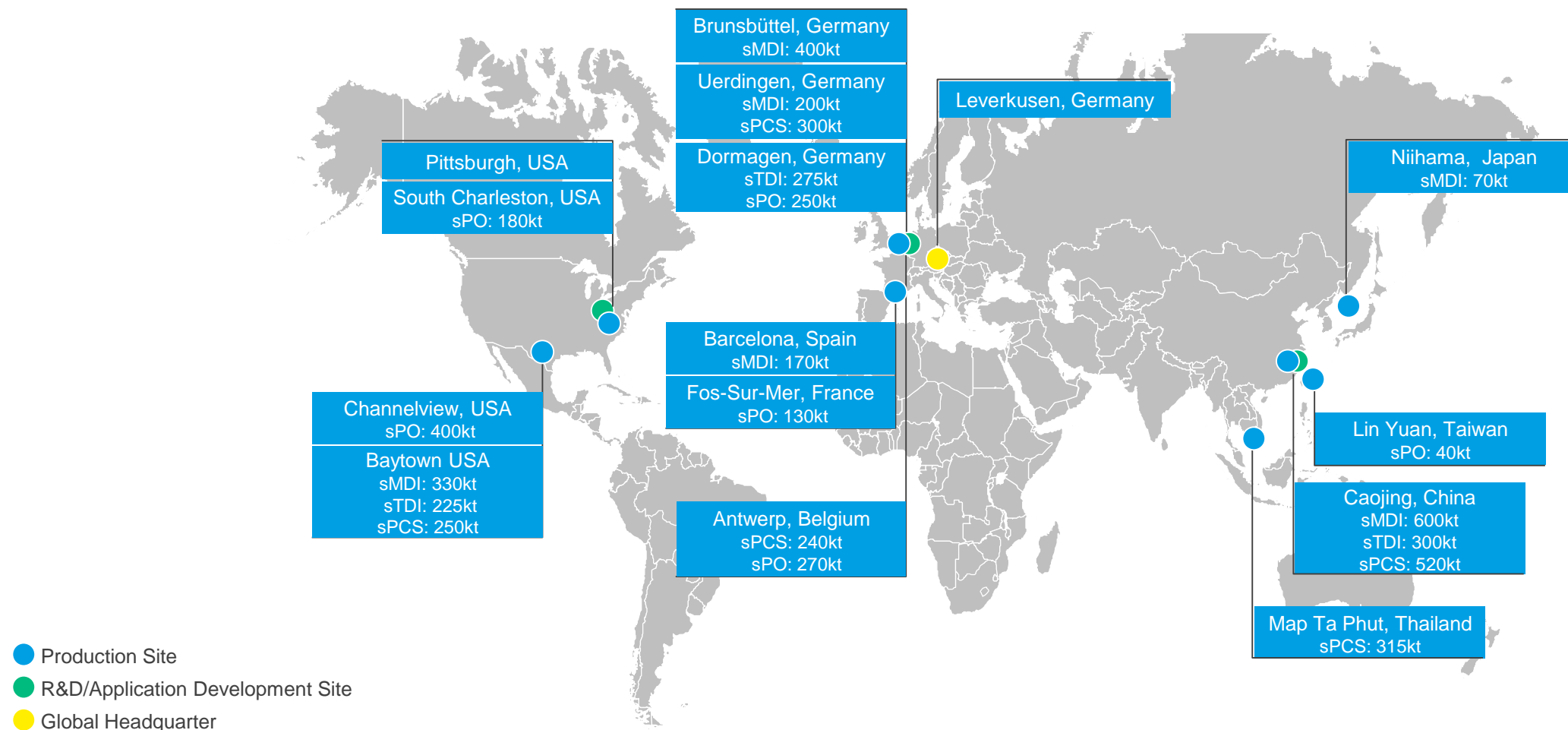
# Shifting commodity sales to downstream Engineering Plastics

## Performance Materials: product group standard-Polycarbonates in detail



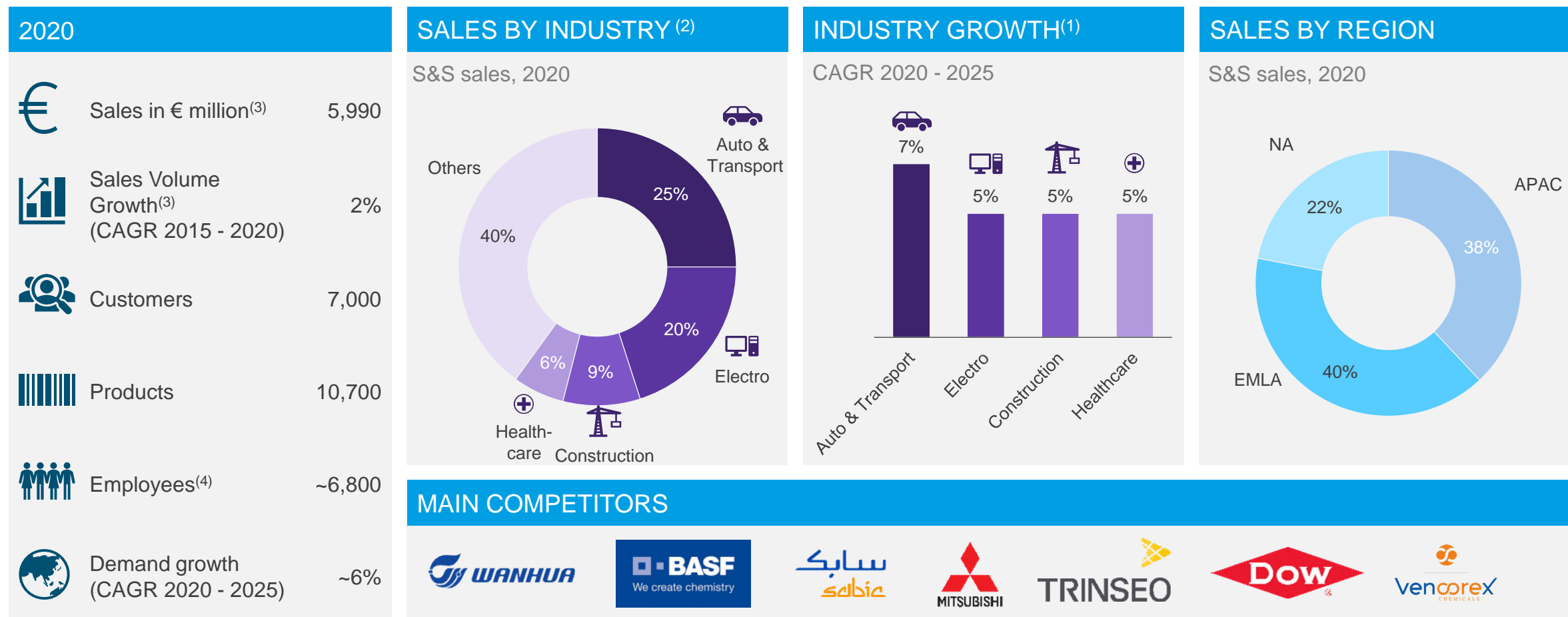
# Performance Materials with global footprint

## Performance Materials global presence and capacities



# High-growth downstream business

## Solutions & Specialties in detail



# Becoming the leading provider for sustainable solutions

## Coatings and Adhesives at a glance



### PRODUCTS

Basing on polyurethane and acrylate components  
Wide range of advanced waterborne, UV-curable and powder coatings technologies for a variety of industries

### COMPETITIVE ADVANTAGE

Reliable and stable supply from global production network  
Broad technology platform enabling to manage complexity  
Innovation-driven specialty portfolio with focused investments

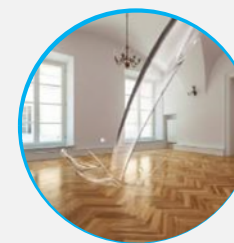
### STRATEGY

Differentiating through development of materials with unique performance which serve to protect, bond, seal or functionalize a wide variety of surfaces

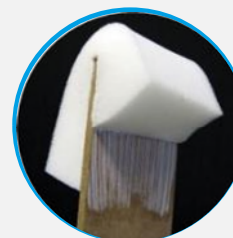
### KEY APPLICATIONS



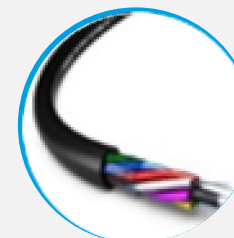
For shiny cars



For robust floors



For durable bonding



For high-speed data transmission

20%

Sales share  
Covestro 2020 <sup>(1)</sup>

### SOLUTIONS AND SPECIALTIES

Engineering  
Plastics

Coatings and  
Adhesives

Thermoplastic  
Polyurethanes

Tailored  
Urethanes

Specialty  
Films

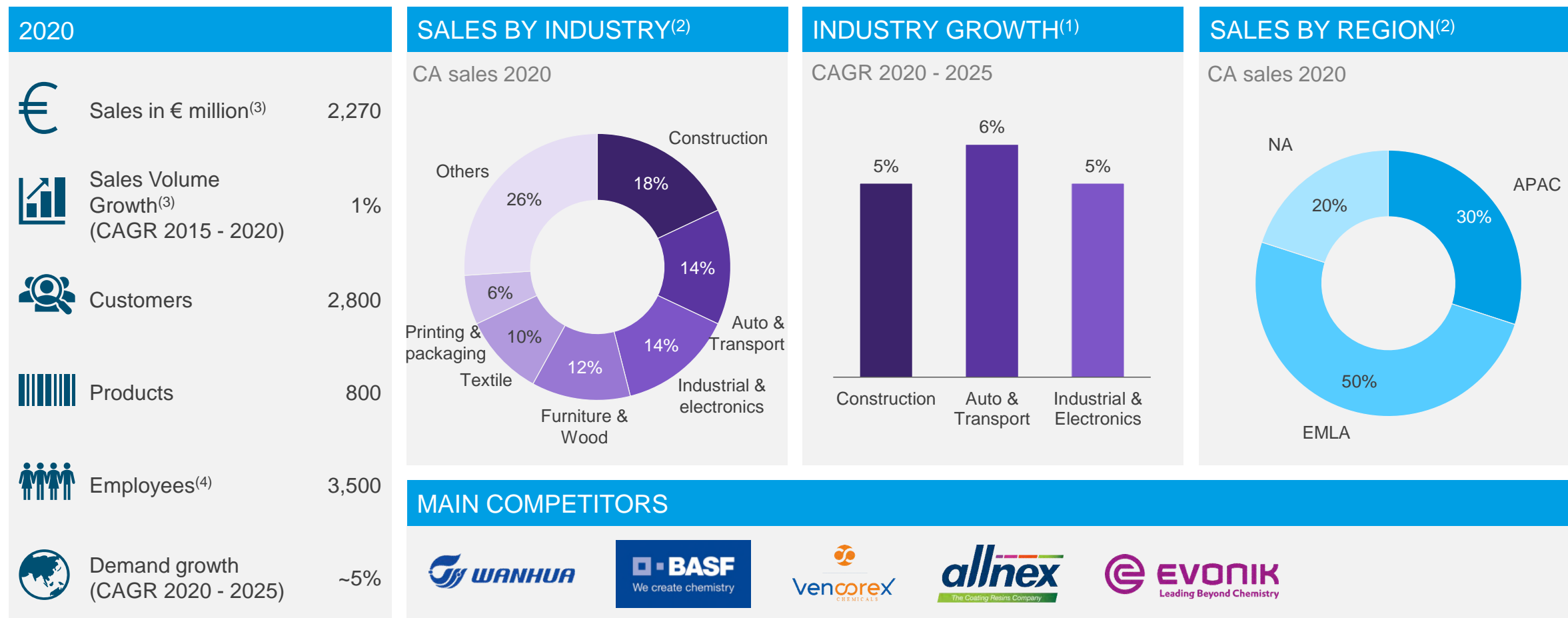
Elastomers

### PERFORMANCE MATERIALS

Performance Materials

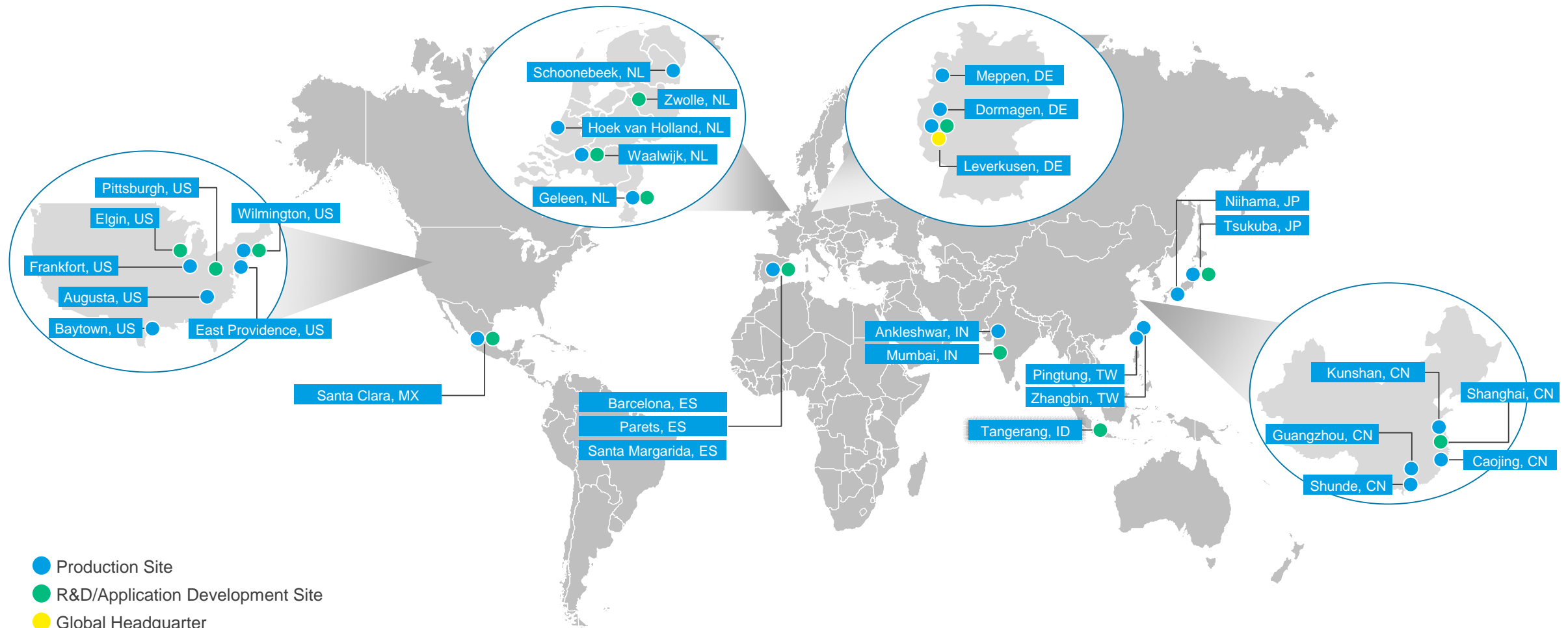
# Products with higher sustainability, safety and performance

## Coatings and Adhesives in detail



# Reliable supply from global production and logistics network

## Coatings and Adhesives global presence



# Leading supplier of application solutions

## Engineering Plastics at a glance



### PRODUCTS

Tailor-made application solutions based on Polycarbonate compounds, blends, co-polymers and optical grades with high degree of differentiation

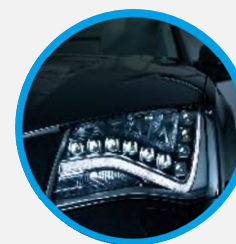
### COMPETITIVE ADVANTAGE

Leading application development and innovation capabilities, leading manufacturing costs as well as integrated value chain. Global footprint with sites in all key markets

### STRATEGY

Expanding the leading position in key applications. Being the driving force of growing innovative solutions (EV battery Packaging, 5G). Being a key driver of the Circular Economy

### KEY APPLICATION



For Mobility



For Electronics & Electrical



For Healthcare

19%

Sales share  
Covestro 2020 <sup>(1)</sup>

### SOLUTIONS AND SPECIALTIES

Engineering Plastics

Coatings and Adhesives

Thermoplastic Polyurethanes

Tailored Urethanes

Specialty Films

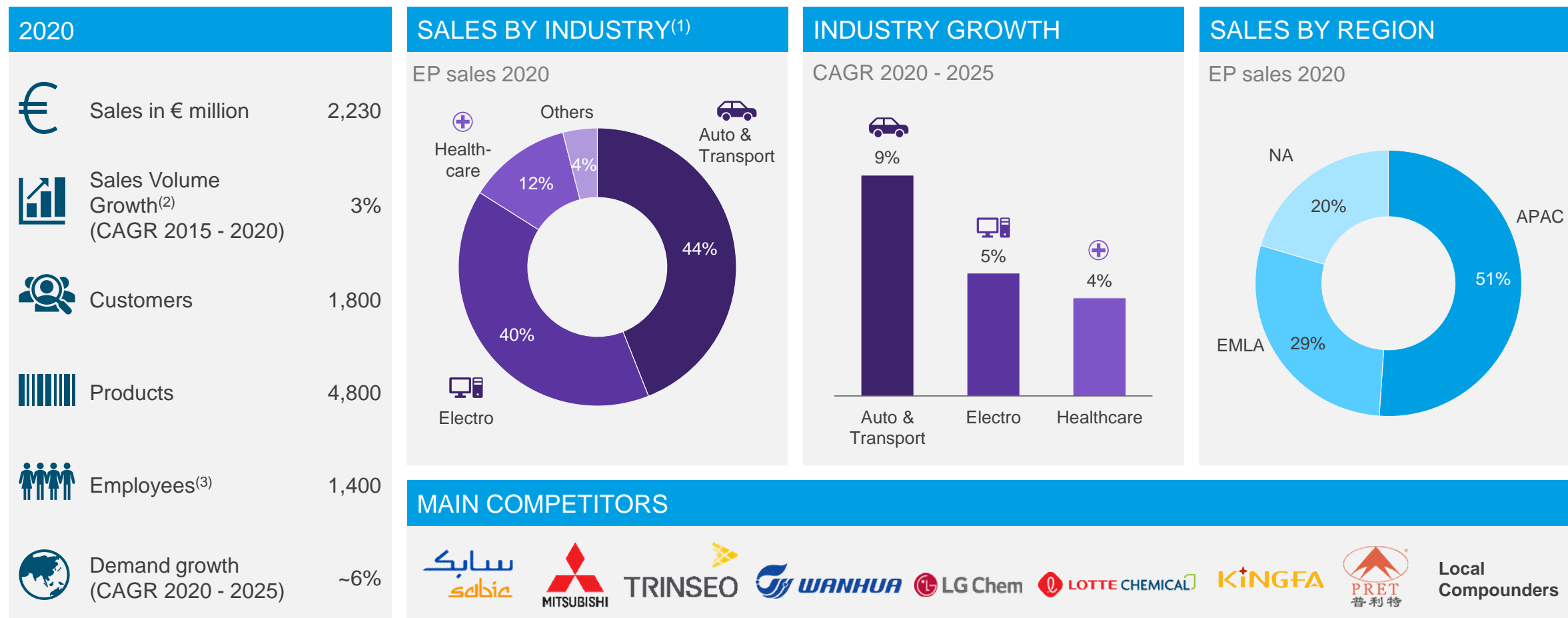
Elastomers

### PERFORMANCE MATERIALS

Performance Materials

# Focusing on differentiated, high-growth markets

## Engineering Plastics in detail



# Increased focus on growing the resilient business

## Engineering Plastics industry strategies



### AUTO & TRANSPORT



- Sustain industry leading position
- Expand and continue to grow with adjacent applications, e.g. battery packaging and e-powertrains
- Lead with technology and sustainability driven commercial solutions and best-in-class production capabilities

### ELECTRO



- Continue as no. 1 specifier with colour and functionality solutions
- Provide cutting edge solutions for diverse applications
- Become market leader in Circular Economy in line with emerging applications and sustainability

### HEALTHCARE



- Secure continued growth in line with changing demographics and increased need for better healthcare
- Expand into adjacent segments - wellness, animal and dental health
- Capture opportunities related to digitally enabled devices for home use

# Global compounding network in key markets close to customers



## Engineering Plastics global presence



# Serving the solution-oriented Polyurethanes market

## Tailored Urethanes at a glance



### PRODUCTS

Solutions and customized products based on formulated polyol components, prepolymers and MDI blends

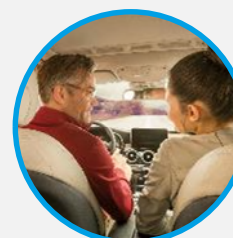
### COMPETITIVE ADVANTAGE

Global Player with market leading technical know-how addressing customer needs. PUR backward integration allowing access to critical raw materials

### STRATEGY

Tailoring the approach to deliver value by becoming the trusted partner of key customers in targeted segments

### KEY APPLICATION



For lightweight cars



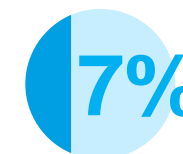
For sustainable wind energy



For efficient buildings



For efficient appliances



Sales share  
Covestro 2020 <sup>(1)</sup>

### SOLUTIONS AND SPECIALTIES

Engineering Plastics

Coatings and Adhesives

Thermoplastic Polyurethanes

Tailored Urethanes

Specialty Films

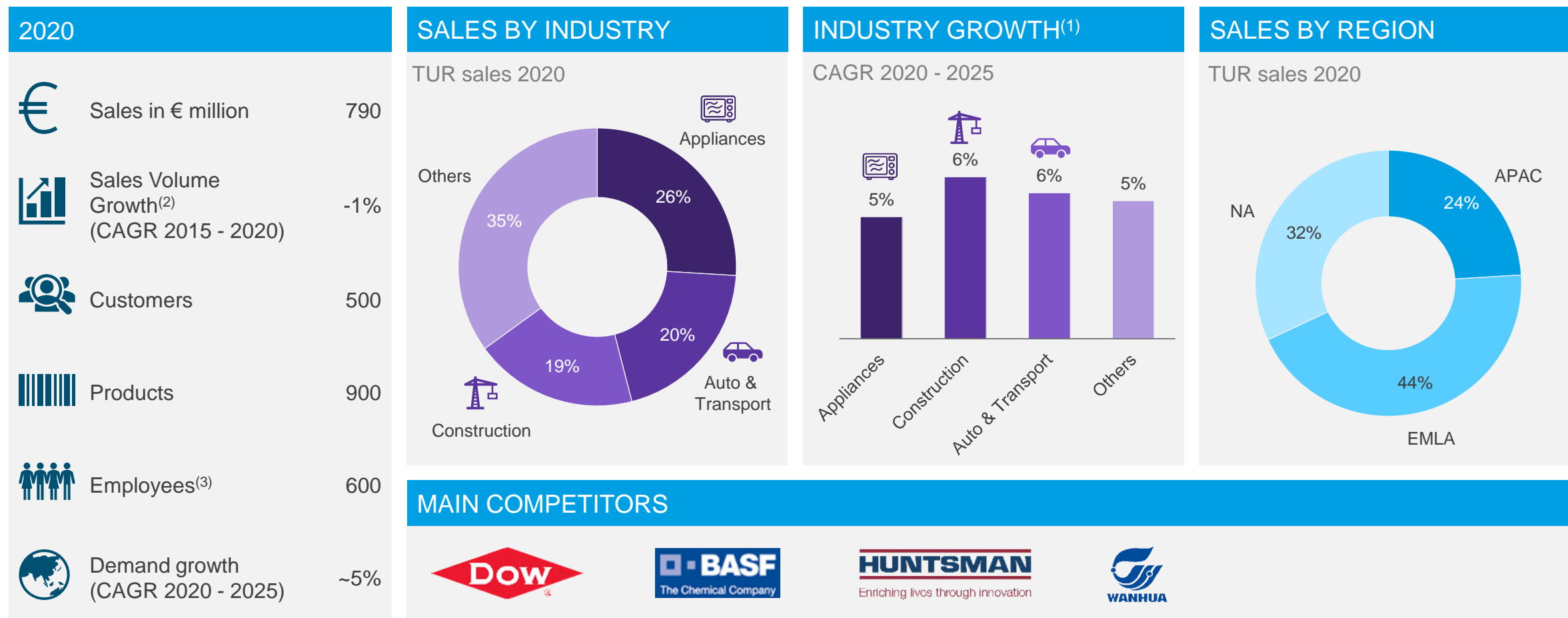
Elastomers

### PERFORMANCE MATERIALS

Performance Materials

# Differentiated products addressing different customer needs

## Tailored Urethanes in detail



# Global footprint with production sites in each region

## Tailored Urethanes global presence



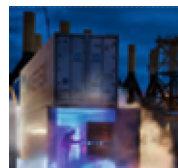
# Focus on dedicated growth areas

## Tailored Urethanes target segments



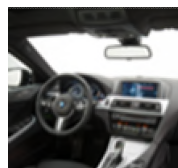
### APPLIANCE

- Large volume PU segment
- Top-customers with global footprint (purchasing, technology, supply chain)
- Requires high tech service and ongoing incremental technical innovation



### RIGID SYSTEMS

- Large systems segment spanning a diverse range of applications
- Covestro participation differs by region (i.e. water heater in NA, metal panel in EMLA, container in APAC)



### AUTO SYSTEMS

- Global industry with established PU systems applications
- Existing and new applications require intensive development & specification work at OEM/tier headquarters
- Automotive industry transformation requires scouting of new trends



### DIVERSIFIED INDUSTRIES

- Diverse, high-margin, lower-volume applications in all regions
- Project-based approach to identify and execute opportunities and extract value



### WIND

- Wind is a sustainable and renewable energy
- PU system with attractive value proposition to replace epoxy systems
- Wind industry urgently looking for recycling solutions of wind blades

# Specialist for high-value applications

## Thermoplastic Polyurethanes at a glance



### PRODUCTS

Melt-processable thermoplastic elastomer with high durability and flexibility, ideal for exceptional range of applications

### COMPETITIVE ADVANTAGE

Leveraging global reach and strong local presence. Strong heritage in providing superior customer solutions based on innovation and processing know-how

### STRATEGY

Further increasing specialty business, focus on innovative solutions for higher value markets and segments, enabling customers to transform their business to sustainability

### KEY APPLICATION



Sports & Leisure



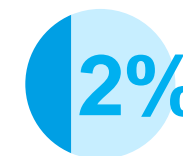
Electronics & Electronic Accessories



Industrial & Agriculture



Film & Sheets



Sales share  
Covestro 2020 <sup>(1)</sup>

### SOLUTIONS AND SPECIALTIES

Engineering Plastics

Coatings and Adhesives

**Thermoplastic Polyurethanes**

Tailored Urethanes

Specialty Films

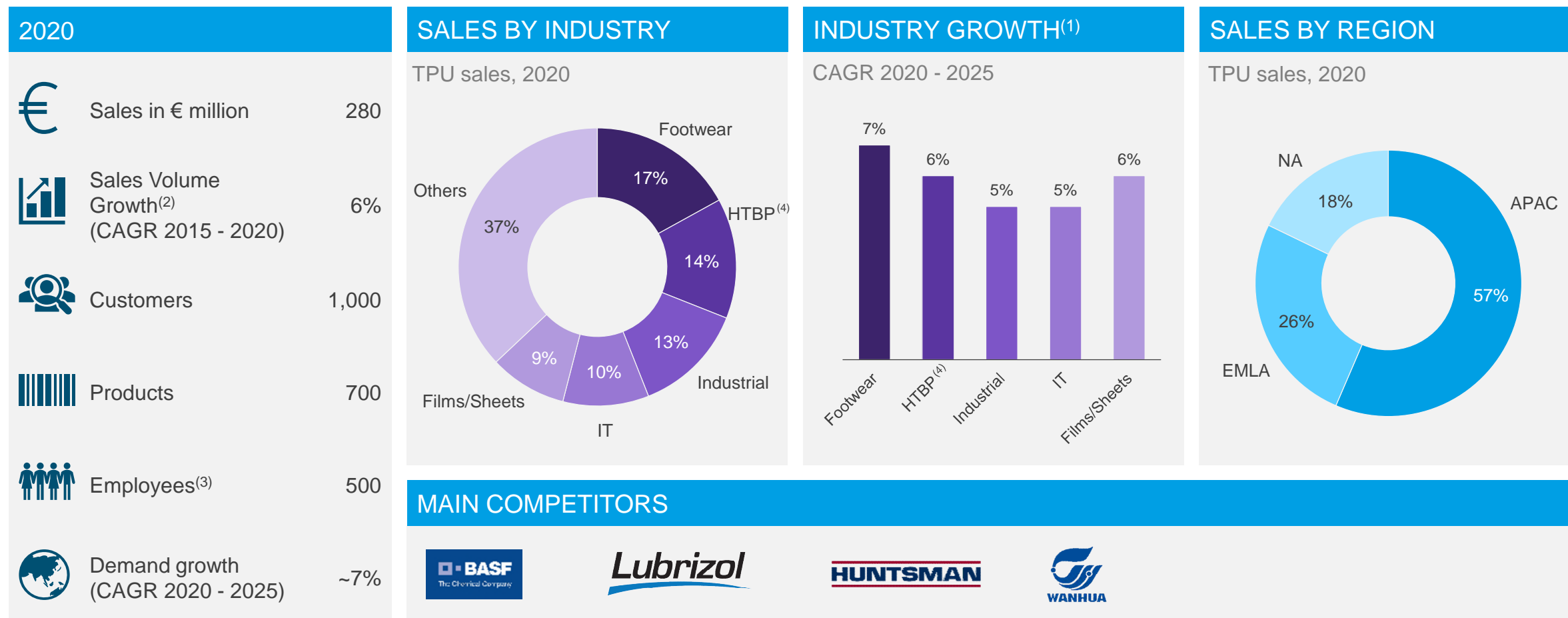
Elastomers

### PERFORMANCE MATERIALS

Performance Materials

# Focus on differentiated, high-growth markets

## Thermoplastic Polyurethanes in detail



# Thermoplastic Polyurethanes with global footprint

## Thermoplastic Polyurethanes global presence



# Making films special

## Specialty Films at a glance



### PRODUCTS

Coated and uncoated polycarbonate films, polycarbonate blend films, photopolymer coated films, polyether and polyester thermoplastic polyurethane films

### COMPETITIVE ADVANTAGE

Wide product portfolio with customer-specific solutions and individual service offerings. Global market coverage together with high innovation capabilities

### STRATEGY

Developing new commercial applications. Fostering service and innovation excellence. Expanding bio-based, waste-based & mass-balanced film solutions

### KEY APPLICATION



For digitalization in the automotive interior



For smart identity cards



For advanced wound care



For more comfortable leisure products



Sales share  
Covestro 2020 <sup>(1)</sup>

### SOLUTIONS AND SPECIALTIES

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Films

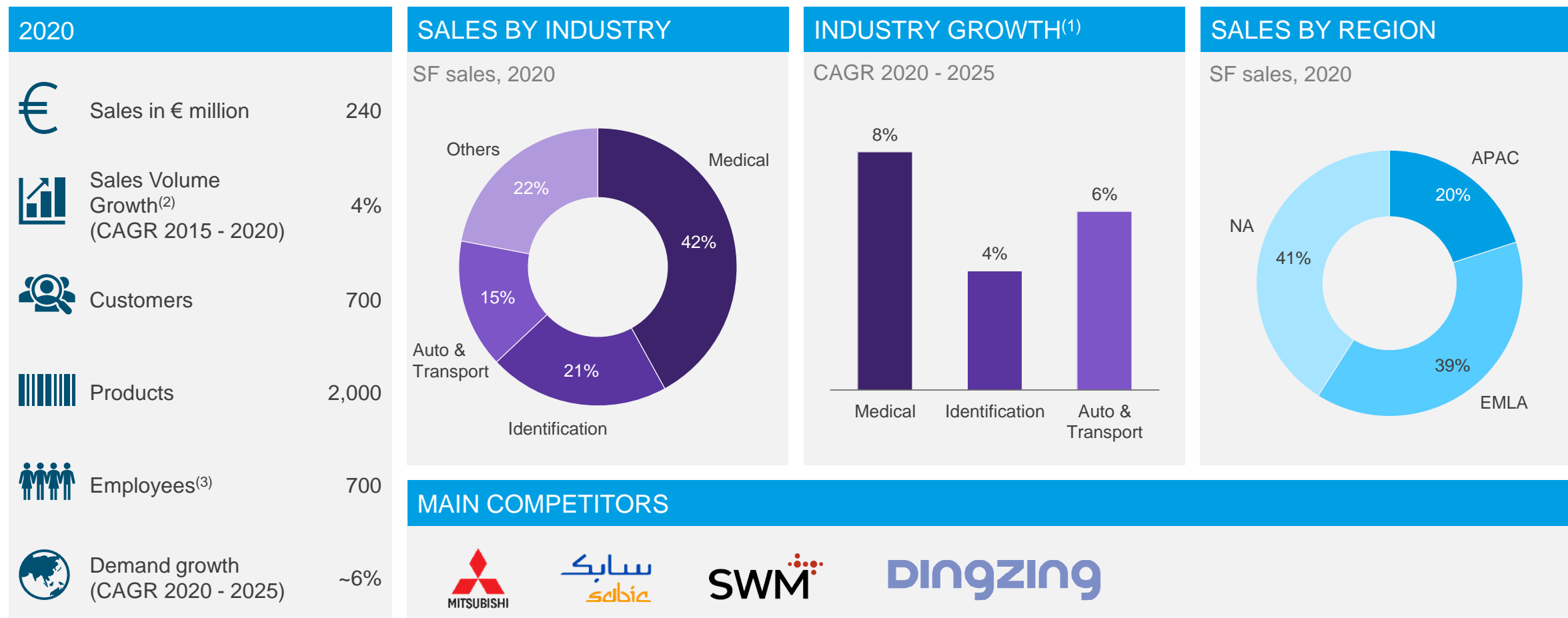
Elastomers

### PERFORMANCE MATERIALS

Performance Materials

# Focus on differentiation in high-growth markets

## Specialty Films in detail



# Specialty Films with global footprint

## Specialty Films global presence



- Production Site
- R&D/Application Development Site
- Global Headquarter

# Global leading producer of high-value elastomers

## Elastomers at a glance



### PRODUCTS

Cast polyurethane elastomers systems & processing equipment for high-end applications with a broad range of solutions

### COMPETITIVE ADVANTAGE

High level of technical, processing & application expertise. Additionally, machine & systems cross-selling & supportive services resulting in leading market position

### STRATEGY

Focus on high-end applications in growing markets through innovations with partnerships for key developments. Pushing circular solutions to drive the industry transformation

### KEY APPLICATION



High performance wheels for warehousing



Cable protection



Packaging manufacturing



Durable shock-absorbers in cars



Sales share  
Covestro 2020 <sup>(1)</sup>

### SOLUTIONS AND SPECIALTIES

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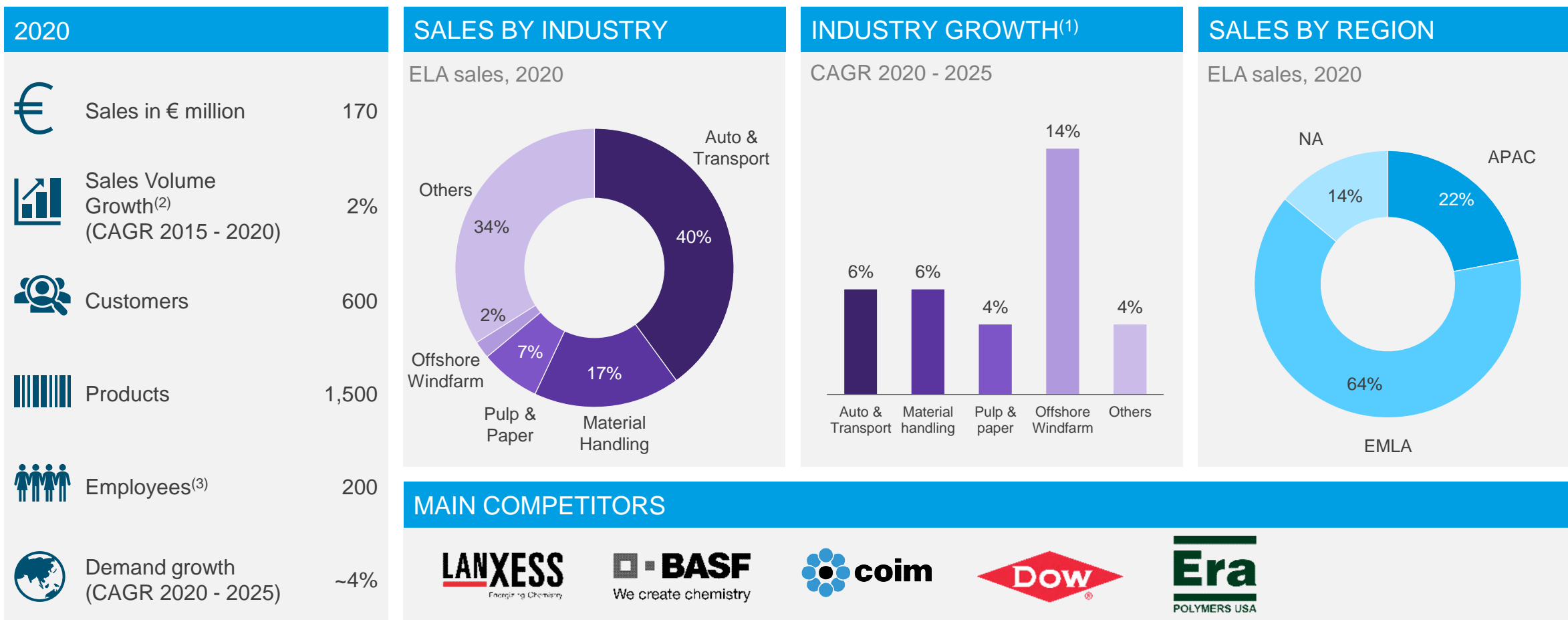
**Elastomers**

### PERFORMANCE MATERIALS

Performance Materials

# Focus on differentiated, high-growth markets

## Elastomers in detail



# Global footprint with production sites in each region



## Elastomers (ELA): Global presence

