Guidance confirmed despite low visibility

Roadshow presentation
Covestro investment highlights

- Group financials Q2 2020
- Segments overview
- Background information
Covestro is diversified across geographies and end-markets

Key performance indicators and sales split

- **€12bn**
  - Sales
  - 2019

- **4%**
  - Core volume growth
  - CAGR 2015 - 2019

- **€0.5bn**
  - FOCF
  - 2019

- **8.4%**
  - ROCE
  - 2019

- **€1.6bn**
  - EBITDA
  - 2019

Notes:
- Based on Covestro Annual Report 2019; EMLA = Europe, Middle East Africa, Latin America; NAFTA = USA, Canada, Mexico; APAC = Asia-Pacific
- Numbers rounded
- 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

---

### Capacity share in 2019

<table>
<thead>
<tr>
<th>Product</th>
<th>MDI</th>
<th>TDI</th>
<th>Polyether polyols</th>
<th>PC</th>
<th>Aliphatic isocyanates</th>
<th>Polyurethane dispersions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Others</td>
<td>9%</td>
<td>25%</td>
<td>50%</td>
<td>Others</td>
<td>6%</td>
<td>Others 17%</td>
</tr>
<tr>
<td>Others</td>
<td>18%</td>
<td>25%</td>
<td>12%</td>
<td>Others</td>
<td>49%</td>
<td>Others 61%</td>
</tr>
</tbody>
</table>

| Top 5: | 91% | 75% | 50% | 74% | 94% | 39% |

#### Covestro

- **Global #3**: 1,470kt, 6 sites
- **Joint global #1**: 785kt, 3 sites
- **Global #2**: 1,350kt, 9 sites
- **Global #1**: 1,500kt, 5 sites

#### Entry requirements

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

#### Notes:

- (a) Covestro position based on total nameplate capacity at year end 2019 relative to competitors
- Source: Covestro estimates

---

2024e: Industry structures expected to remain broadly stable

2024e: Top 5 shares expected to remain broadly stable

2024e: Top 5 shares expected at ~60%

2024e: Top 5 shares expected to decrease
We will be fully circular
The new vision of Covestro

<table>
<thead>
<tr>
<th>Alternative raw materials</th>
<th>Innovative recycling</th>
<th>Renewable energy</th>
<th>Joint solutions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Biomass, CO₂, used materials and waste can replace fossil resources</td>
<td>Energy-efficient technologies allow more used products and waste to be recycled</td>
<td>Wind and sun: clean energy must power the circular economy</td>
<td>Cross-industry collaboration is needed to bring the circular economy forward</td>
</tr>
</tbody>
</table>
### We will be fully circular

Examples of various Covestro initiatives

<table>
<thead>
<tr>
<th>Alternative raw materials</th>
<th>Innovative recycling</th>
<th>Renewable energy</th>
<th>Joint solutions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Replacing fossil resources</strong></td>
<td><strong>Energy-efficient technologies</strong></td>
<td><strong>Wind energy</strong></td>
<td><strong>Cross-industry collaboration</strong></td>
</tr>
<tr>
<td>Example Bio-based car top coat</td>
<td>Example Recycled polycarbonates</td>
<td>Example Ørsted wind energy supply</td>
<td>Example PUReSmart consortium</td>
</tr>
</tbody>
</table>

- Enabling customers to optimize the CO₂ 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

- New polycarbonate grades from post-consumer recycled (PCR) content, e.g. water bottles, CDs and automotive lighting
- Closed loop recycling system to collect, sort, shred and clean material
- Recycled granules are finally compounded with virgin resins
- PCR grades are used in various electr. applications for a second life

- World’s largest corporate supply contract for offshore wind energy entered with Ørsted in Dec. 2019
- Starting in 2025, Ørsted to provide 100 MW of electricity for 10 years
- Newly built wind farm in North Sea, implemented without public funding
- Supply to cover c. 10% of electricity consumed by Covestro in Germany

- PUReSmart to seek ways of transition from current linear lifecycle of polyurethane (PU) products to a circular economy model
- Consortium as an end-to-end collaboration spanning the entire PU reprocessing value chain
- Nine partners from six different countries, coordinated by the Belgian company Recticel
ESG ambitions support growth strategy

Covestro non-financial targets for 2025

1. R&D project portfolio to be aligned with UN Sustainable Development Goals
2. 100% of suppliers to be compliant with our sustainability requirements
3. Reduce specific greenhouse gas emissions by 50%
4. Help ten million people in underserved markets with sustainable solutions
5. Getting the most out of carbon by increasing its productivity
Covestro industries grow above global GDP

Growth drivers and industry demand outlook

UN SDGs\(^{(a)}\)

<table>
<thead>
<tr>
<th>Needs to be served</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Zero emission concepts</td>
</tr>
<tr>
<td>• Low-energy buildings</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Industry demand outlook(^{(b)}) 2019 - 2024e</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Coatings, Adhesives, Specialties(^{(d)})</strong></td>
</tr>
<tr>
<td>CAGR (~4%) &amp; 2024e</td>
</tr>
<tr>
<td>2019 &amp; 2024e</td>
</tr>
<tr>
<td>3.5 &amp; ~4.3</td>
</tr>
<tr>
<td><strong>Polyurethanes(^{(c)})</strong></td>
</tr>
<tr>
<td>CAGR (~4%) &amp; 2024e</td>
</tr>
<tr>
<td>2019 &amp; 2024e</td>
</tr>
<tr>
<td>18.4 &amp; ~22.5</td>
</tr>
<tr>
<td><strong>Polycarbonates</strong></td>
</tr>
<tr>
<td>CAGR (~4%) &amp; 2024e</td>
</tr>
<tr>
<td>2019 &amp; 2024e</td>
</tr>
<tr>
<td>4.6 &amp; ~5.5</td>
</tr>
</tbody>
</table>

Notes:
(a) Most impacted goals out of 17 Sustainable Development Goals, set by the United Nations’ “2030 Agenda for Sustainable Development”
(b) Assumes global GDP CAGR 2019 - 2024e of 2 – 3%, this value may be negatively impacted by the coronavirus pandemic
(c) Comprises MDI, TDI and polyether polyols; (d) Shows PU raw materials industry demand in coatings, adhesives and sealants (excl. architectural/textile coatings and solvent-borne polyacrylates); additionally TPU, elastomers and PC/TPU films

Related to climate change:
- Zero emission concepts
- Low-energy buildings

Related to increasing mobility:
- Energy-efficient mobility
- Lightweight transportation
- E-mobility, autonomous driving

Related to growing population:
- Food preservation
- Low-cost durable goods
- Medical applications

Related to increasing urbanization:
- Affordable housing
- Living comfort
- Public infrastructure

Notes:
(a) Most impacted goals out of 17 Sustainable Development Goals, set by the United Nations’ “2030 Agenda for Sustainable Development”
(b) Assumes global GDP CAGR 2019 - 2024e of 2 – 3%, this value may be negatively impacted by the coronavirus pandemic
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Leading cost positions across business segments and regions

Covestro cash cost positions

<table>
<thead>
<tr>
<th>North America</th>
<th>Europe</th>
<th>Asia</th>
<th>Highlights</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash cost</td>
<td>Cash cost</td>
<td>Cash cost</td>
<td>• Covestro Polycarbonates is one of the two joint cost leaders with cost advantage of ~30% versus the average of 5 least competitive plants</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Covestro MDI is one of the low-cost producers. Investment in Tarragona plant will significantly further improve cost position. MDI industry with cost advantage of ~35% between the best and the average 5 least competitive plants</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Covestro TDI is the global cost leader with cost advantage of ~55% versus the average of 5 least competitive plants</td>
</tr>
</tbody>
</table>

- **MDI**
  - Covestro Baytown: North American leader
  - Covestro Uerdingen: European leader
  - Covestro Tarragona: European follower
  - Covestro Brunsbuettel: European laggard
  - Covestro ME player (landed WE): European leader
  - Chinese laggard: ME player (landed China)
  - Asian laggard: ME player (landed China)

- **TDI**
  - Covestro Baytown: North American leader
  - Covestro Uerdingen: European leader
  - Covestro Tarragona: European follower
  - Covestro Brunsbuettel: European laggard
  - Covestro ME player (landed WE): European leader
  - Chinese laggard: ME player (landed China)
  - Asian laggard: ME player (landed China)

- **PC**
  - North American leader
  - Covestro Baytown: North American leader
  - Covestro Caojing: Chinese leader
  - Covestro Dormagen: European leader
  - Covestro Antwerpen: European laggard
  - Covestro Map Ta Phut: Asian laggard
  - Covestro Caojing: ME player (landed China)
  - Asian laggard: ME player (landed China)

Notes:
- (a) 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 2018
- (b) FY 2018 Cash cost ex gate, 87% utilization rate for all plants based on nameplate capacity; integrated players are shown without contribution margins for BPA, phenol, acetone etc.
Execute cost-cutting, reduce headcount in non-production areas

Expected cumulative savings and restructuring costs

Progress on “Perspective” program
Approximations, in € million

<table>
<thead>
<tr>
<th>Year</th>
<th>Restructuring costs per annum (EBIT)</th>
<th>Cost savings per annum</th>
<th>Cumulative cost savings</th>
<th>Notes:</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>-48</td>
<td>48</td>
<td>48</td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td>-45</td>
<td>150</td>
<td>102</td>
<td></td>
</tr>
<tr>
<td>2020e</td>
<td>-45</td>
<td>150</td>
<td>280</td>
<td></td>
</tr>
<tr>
<td>2021e</td>
<td>350</td>
<td>70</td>
<td>350</td>
<td></td>
</tr>
</tbody>
</table>

Highlights

- Accelerated delivery in 2019 (+€10m) and higher planned savings in 2020e (+€50m)
- Cumulative savings of around €350m planned until end of 2021e
- Reduction of ~900 FTE(a) globally in non-production areas, to be carried out by way of socially acceptable solutions
- Functional areas: E2E supply chain, procurement, commercial, general and administration
- Driving efficiency by adapting business unit and corporate level structure to market needs: streamline standard businesses, extend differentiation and maximize portfolio synergies

Notes:
(a) FTE = Full-time equivalents
Earnings approaching trough levels

EBITDA development between 2014 and 2020e

in € billion

- 2014 below mid-cycle levels due to excess industry supply
- 2017 and parts of 2018 with strong demand growth and favorable industry supply / demand balance
- 2019 below mid-cycle levels as an unfavorable industry supply / demand balance led to significant margin pressure
- EBITDA guidance 2020e of €0.7bn - €1.2bn
  - High-end scenario: Core volumes decline mid-single-digit Y/Y and margin slightly up(b)
  - Low-end scenario: Core volumes decline low-double-digit Y/Y and margin slightly down(b)
- EBITDA bridge from 2019 to 2020e
  - Pricing delta: minus ~€0.35bn(b)
  - Others: plus ~€0.1bn
- EBITDA 2020e based on stable volumes Y/Y: ~€1.35bn
  - Volume leverage: 1pp change in core volumes equals around +/- €50m

Notes:
(a) EBITDA before one-time items in 2014 and 2015
(b) based on margin levels in June 2020
Basic assumptions FY 2020: Exchange rate of EUR/USD ~1.10, EUR/RMB ~7.7 and a global GDP decline of ~6% Y/Y
## Guidance confirmed despite low visibility

**FY 2020 guidance**

<table>
<thead>
<tr>
<th>Additional financial expectations</th>
<th>FY 2019</th>
<th>Guidance FY 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Core volume growth</td>
<td>+2.0%</td>
<td>Below previous year</td>
</tr>
<tr>
<td>FOCF</td>
<td>€473m</td>
<td>€-200 to +300m</td>
</tr>
<tr>
<td>ROCE</td>
<td>8.4%</td>
<td>-1% to +4%</td>
</tr>
<tr>
<td>EBITDA FY</td>
<td>€1,604m</td>
<td>€700 – 1,200m</td>
</tr>
<tr>
<td>D&amp;A</td>
<td>€752m</td>
<td>~€770m</td>
</tr>
<tr>
<td>Financial result</td>
<td>€-91m</td>
<td>~€-120m</td>
</tr>
<tr>
<td>P&amp;L (effective) tax rate</td>
<td>26.8%</td>
<td>24 – 26%</td>
</tr>
<tr>
<td>Capex(^{(a)})</td>
<td>€910m</td>
<td>~€700m</td>
</tr>
</tbody>
</table>

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

Basic assumptions FY 2020: Exchange rate of EUR/USD ~1.10, EUR/RMB ~7.7 and a global GDP decrease of ~6% Y/Y
Almost €6bn cash allocated to dividend, capex and share buy-back

Balanced use of cash

**Dividend**
- 2019 dividend of €1.20 per share
- Dividend yield 2019 of 3.5%\(^{(a)}\)

**Capex**
- Covestro’s industry and cost leadership make growth investment the most value-creating use of cash
- Growth capex focuses mainly on CAS, MDI and PCS
- Maintenance capex to secure safe, reliable and efficient operations

**Portfolio**
- Disciplined and focused approach
- Targeting value-enhancing acquisitions with attractive IRR
- Ongoing portfolio optimization, including successful execution of disposals

**Share buy-back**
- Return excess cash to shareholders
- Authorization for share buy-back program for up to 10% of share capital in place

€1.5bn paid in dividends\(^{(b)}\)
€2.6bn invested in capex
€0.6bn of sales divested
€1.5bn of shares bought back

Notes:
(a) based on share price of €34
(b) including dividend for FY 2015 and proposed dividend for FY 2019

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Solid balance sheet and strong liquidity position

June 30, 2020 – Total net debt

in € million

Dec. 31, 2019: 2,954
  - FOCF: 1,965
  - Interest: 225
  - Others: 21
  - Changes in pension provisions: 59
  - June 30, 2020: 3,175
  - Net financial debt: 1,294
  - Pension provisions: 1,881

Highlights
- Total net debt to EBITDA ratio\(^{(a)}\) of 2.9x end of Q2 2020 vs. 1.8x end of 2019
- Equity ratio of 42% end of Q2 2020 vs. 46% end of 2019
- Committed to a solid investment grade rating

Liquidity at attractive rates
- Balance sheet with ~€2.0bn in cash, cash equivalents and current financial assets, partially funded through:
  - Short-term working capital lines of €0.4bn
  - European investment bank (EIB) loan of €0.2bn for R&D activities
  - Two Eurobonds issued, total amount of €1.0bn
- Undrawn syndicated revolving credit facility (RCF) of €2.5bn in place with ESG element

\(^{(a)}\) Method of calculation: Total net debt on June 30, 2020, divided by EBITDA of last four quarters
Investment into organic growth to deliver attractive returns

Covestro capex\(^{(a)}\) development 2015 - 2021e

<table>
<thead>
<tr>
<th>Year</th>
<th>Reported capex(^{(a)}) (€ million)</th>
<th>Capex(^{(a)}) indication</th>
<th>Highlights</th>
</tr>
</thead>
</table>
| 2015 | 509                              | ~700 (~1.1bn)             | Reduction of capex budget  
  • Reduced 2020 capex budget by ~€0.4bn versus initial guidance  
  • Delayed MDI expansion in Baytown and Aniline construction in Antwerp  
  • For 2021 capex, there would be flexibility to further reduce towards D&A level |
| 2016 | 419                              | ~700 (~1.2bn)             | Future growth capex  
  • Around half of capex budget in 2020e invested into growth projects  
  • Single largest project Tarragona Chlorine (~€0.2bn)  
  • Almost 100 projects with capex of more than €10m, with spending spread over several years |
| 2017 | 518                              |                           | Maintenance capex at ~€350m p.a.  
  • Securing safe, reliable and efficient operations |
| 2018 | 707                              |                           |           |
| 2019 | 910                              |                           |           |
| 2020e|                                  | ~700 (~1.2bn)             |           |
| 2021e|                                  |                           |           |

Notes: (a) Cash-relevant capex, prior to initial application of new accounting standard IFRS 16 Leases, effective January 1, 2019
Securing profitable growth in more challenging times

Why invest in Covestro

1. Above GDP volume growth
   driven by innovation and sustainability trends

2. Leading and defendable global industry positions
   as innovation and cost leader

3. Management executing efficiency measures
   streamlining structures, reducing operational costs and global headcount while strict incentive targets in place

4. Capital allocation focused on value creation
   with commitment to profitable growth

5. Full alignment of strategy with ESG criteria
   embodied by non-financial targets
Covestro investment highlights

Group financials Q2 2020

Segments overview

Background information
Q2 massively impacted by coronavirus pandemic

Group results

Sales and core volume growth\(^{(a)}\)

<table>
<thead>
<tr>
<th></th>
<th>Q1 2019</th>
<th>Q2 2019</th>
<th>Q3 2019</th>
<th>Q4 2019</th>
<th>Q1 2020</th>
<th>Q2 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>3,175</td>
<td>3,211</td>
<td>3,162</td>
<td>2,864</td>
<td>2,783</td>
<td>2,156</td>
</tr>
<tr>
<td>Core volume growth Y/Y</td>
<td>-1.8%</td>
<td>1.1%</td>
<td>5.3%</td>
<td>3.8%</td>
<td>-4.1%</td>
<td>-22.7%</td>
</tr>
</tbody>
</table>

EBITDA and Margin

<table>
<thead>
<tr>
<th></th>
<th>Q1 2019</th>
<th>Q2 2019</th>
<th>Q3 2019</th>
<th>Q4 2019</th>
<th>Q1 2020</th>
<th>Q2 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA</td>
<td>442</td>
<td>459</td>
<td>425</td>
<td>278</td>
<td>254</td>
<td>125</td>
</tr>
<tr>
<td>EBITDA Margin</td>
<td>13.9%</td>
<td>14.3%</td>
<td>13.4%</td>
<td>9.7%</td>
<td>9.1%</td>
<td>5.8%</td>
</tr>
</tbody>
</table>

Notes:
(a) Reference values as of 2018 recalculated on the basis of the definition of the core business effective March 31, 2019

Highlights

- Solid core volume growth in FY 2019 of +2.0% Y/Y, solid growth in PUR and PCS while CAS volumes declined slightly

- Q4 2019 declined vs. Q3 2019 due to normal seasonality, coupled with ongoing margin pressure in a continuing, challenging industry environment
- In Q1 2020, EBITDA declined to €254m including an €80m burden by the coronavirus pandemic
- In Q2 2020, EBITDA decline to €125m determined by severe volume loss in the course of the coronavirus pandemic
Lower volumes due to global coronavirus pandemic

Q2 2020 – Regional split

Sales and core volume growth\(^{(a)}\)

in € million / changes Y/Y

<table>
<thead>
<tr>
<th>Region</th>
<th>Core Volume</th>
<th>Change Y/Y</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>544</td>
<td>+5.5%</td>
</tr>
<tr>
<td>U.S.</td>
<td>445</td>
<td>-28.3%</td>
</tr>
<tr>
<td>Germany</td>
<td>273</td>
<td>-25.3%</td>
</tr>
<tr>
<td>NAFTA</td>
<td>508</td>
<td>-32.8%</td>
</tr>
<tr>
<td>APAC</td>
<td>774</td>
<td>-8.4%</td>
</tr>
<tr>
<td>GLOBAL</td>
<td>2,156</td>
<td>-22.7%</td>
</tr>
</tbody>
</table>

Core volume growth Y/Y

- **Globally** double-digit declines of all key industries
  - Auto/transport c. -50% while China flat
  - Furniture/wood c. -30% while China up double-digit
  - Construction c. -15%
  - Electro c. -15% while China up single-digit
  - Divers c. -10% including medical +25%
- **APAC**: low double-digit declines in auto and electro, single-digit declines in furniture and construction, recovering from peak of coronavirus pandemic in China in February
- **EMLA**: pronounced weakness in auto and furniture, low double-digit declines in electro and construction
- **NAFTA**: pronounced weakness in auto, double-digit declines in all other key industries

\(^{(a)}\) Core volume growth not adjusted for portfolio changes
Significant sales decline mainly driven by volume

Q2 2020 – Sales bridge

in € million

Q2 2019  │  Q2 2020
---  │  ---
Volume  │  3,211  │  2,156
Price  │  -712  │  2,156
FX  │  -290  │  2,156
Portfolio  │  -4  │  2,156

Highlights

Significant volume decrease
• Negative volume impact of coronavirus pandemic led to 22.3% Y/Y sales volume decrease (in €)

Negative pricing
• Lower selling prices, mainly in PUR and PCS, negatively impacted sales by -9.0% Y/Y

Positive FX
• FX virtually unchanged at -0.1% Y/Y driven by EM currencies’ weakness, helped by a stronger USD

Portfolio changes
• Slight negative impact of -1.5% Y/Y
• PUR: European system houses divested as of 1st November 2019 (Q2 2020: €-18m)
• PCS: European sheets divested as of 2nd January 2020 (Q2 2020: €-31m)
EBITDA strongly burdened by lower volumes

Q2 2020 – EBITDA bridge

Note:
(a) Method of calculation: EBITDA volume contribution / sales volume contribution
(b) Positive effect from stake increase in DIC Covestro Polymer Ltd. (DCP), a thermoplastic PU business (CAS) in Japan, as of 1st April 2019

Highlights

Negative volume leverage\(^{(a)}\)
- Relatively high negative volume leverage of 47% due to unfavorable product mix effect

Decline in contribution margin
- Negative pricing delta, mainly in PUR due to competitive pressure

Positive FX
- Positive effect of +1.6% Y/Y, mainly driven by transactional effects

Other items
- Short-term cost savings contributed positively
- Provisions for 2020 short-term bonuses at zero
- “Other items” at €+110m excluding prior year one-time gain of €19m in CAS\(^{(b)}\)
Covestro investment highlights

Group financials Q2 2020

Segments overview

Background information
Number one producer globally and inventor of PU\(^{(a)}\)

Polyurethanes (PUR) at a glance

**Products**
Polyurethane rigid foam is an excellent insulation material and adds to high energy efficiency in cooling units and buildings.

As soft foam polyurethane provides comfort, for example in mattresses, car seats and upholstery.

Covestro develops and produces the components of this versatile material.

**Key customer industries:**

- For comfortable cars
- For sustainable houses
- For cozy furniture
- For robust sports equipment

---

**Sample applications**

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**Notes:**
(a) Based on total combined nameplate capacity for MDI, TDI and polyether polyols at year end 2019 as per Covestro estimates
(b) Adjusted 2017 figures to reflect the transfer of the specialty elastomers business from the Polyurethanes segment to the CAS segment as of January 1, 2018
Polyurethanes – Polyols pushes segment into loss

Segment results – Highlights Q2 2020

Sales and core volume growth in € million / changes Y/Y

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Sales</th>
<th>Core volume growth Y/Y</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 2019</td>
<td>1,476</td>
<td>-0.2%</td>
</tr>
<tr>
<td>Q2 2019</td>
<td>1,498</td>
<td>0.7%</td>
</tr>
<tr>
<td>Q3 2019</td>
<td>1,478</td>
<td>5.1%</td>
</tr>
<tr>
<td>Q4 2019</td>
<td>1,336</td>
<td>3.6%</td>
</tr>
<tr>
<td>Q1 2020</td>
<td>1,274</td>
<td>-3.6%</td>
</tr>
<tr>
<td>Q2 2020</td>
<td>913</td>
<td>-25.9%</td>
</tr>
</tbody>
</table>

EBITDA and Margin in € million / margin in percent

<table>
<thead>
<tr>
<th>Quarter</th>
<th>EBITDA</th>
<th>EBITDA Margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 2019</td>
<td>157</td>
<td>10.6%</td>
</tr>
<tr>
<td>Q2 2019</td>
<td>172</td>
<td>11.6%</td>
</tr>
<tr>
<td>Q3 2019</td>
<td>196</td>
<td>13.3%</td>
</tr>
<tr>
<td>Q4 2019</td>
<td>123</td>
<td>9.2%</td>
</tr>
<tr>
<td>Q1 2020</td>
<td>50</td>
<td>3.3%</td>
</tr>
<tr>
<td>Q2 2020</td>
<td></td>
<td>-2.6%</td>
</tr>
</tbody>
</table>

Highlights

- Core volume decline (in kt) of -25.9% Y/Y, driven by polyols, TDI and MDI
- Double-digit Y/Y core volume declines in all key industries as consequence of global coronavirus pandemic
- Sales decreased by -38.7% Y/Y, driven by volume (-24.8%) and price (-12.3%)

EBITDA turned negative, reflecting a pronounced volume decline and negative pricing delta compared to prior year
- Polyols earnings burdened by lower volumes, take-or-pay supply contracts and competitive pressure
Polyurethanes broadly positioned for growth
Sales by business, end-markets and regions

**PUR sales split by business**

- MDI: ~40% of 2019 sales
- TDI: ~20%
- Polyether Polyols: ~40%

**PUR sales split by end-markets**

- Diverse industries (incl. Chemicals): 28%
- Comfort / Furniture: 31%
- Construction: 22%
- Appliances: 11%
- Auto & Transport: 8%
- Construction: 28%

**PUR sales split by regions**

- APAC: 28% of 2019 sales
- NAFTA: 29%
- EMLA: 43%

**Notes:**
Based on Covestro Annual Report 2019; EMLA = Europe, Middle East Africa, Latin America; NAFTA = USA, Canada, Mexico; APAC = Asia, Pacific
Sales split by industry for your convenience only; shown numbers are approximations on full year basis.
MDI industry supply and demand to remain balanced

Historical industry development and outlook

### MDI demand development (2014 - 2024e)

- **(kt)**
- % growth as CAGR

<table>
<thead>
<tr>
<th>Year</th>
<th>2014</th>
<th>2019</th>
<th>2024e</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>7,460</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### MDI supply development (2014 - 2024e)

- **(kt)**
- % growth as CAGR

<table>
<thead>
<tr>
<th>Year</th>
<th>2014</th>
<th>2019</th>
<th>2024e</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>8,540</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Industry highlights

- Structurally sound demand of 4% – 5% based on global GDP growth and substitution trends
- Major additions(c) expected until 2024e: Wanhua (800kt in China), BASF (300kt in USA) and Juli Heshan (400kt in China)
- Covestro additions: Brunsbüttel, Germany (200kt, 2020), Caojing, PRC (100kt, 2021e) and Tarragona, Spain (50kt, 2023e)

---

Notes:
(a) Assumes global GDP CAGR 2019 - 2024e of 2 - 3%
(b) Based on historical and announced future nameplate capacities
(c) Based on corporate announcements
Source: Covestro estimates
TDI industry supply and demand getting back in balance

Historical industry development and outlook

TDI demand development (2014 - 2024e)

(kt)\(^{(a)}\)

\% growth as CAGR

<table>
<thead>
<tr>
<th>Year</th>
<th>Demand (kt)</th>
<th>CAGR %</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>2,570</td>
<td>3.7%</td>
</tr>
<tr>
<td>2019</td>
<td>3,150</td>
<td>4.5%</td>
</tr>
<tr>
<td>2024e</td>
<td>3,800</td>
<td>5.2%</td>
</tr>
</tbody>
</table>

TDI supply development (2014 - 2024e)

(kt)\(^{(b)}\)

\% growth as CAGR

<table>
<thead>
<tr>
<th>Year</th>
<th>Supply (kt)</th>
<th>CAGR %</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>2,570</td>
<td>3.7%</td>
</tr>
<tr>
<td>2019</td>
<td>3,150</td>
<td>5.2%</td>
</tr>
<tr>
<td>2024e</td>
<td>3,800</td>
<td>4.5%</td>
</tr>
</tbody>
</table>

Industry highlights

- Major additions\(^{(c)}\) expected until 2024e: Juli Heshan (150kt in China), Fujian SEEC (150kt in China)
- BASF (80kt, Schwarzheide) closed in March 2020
- Potential industry consolidation in APAC

Notes:

(a) Assumes global GDP CAGR 2019 - 2024e of 2 - 3%, this value may be negatively impacted by the coronavirus pandemic
(b) Based on historical and announced future nameplate capacities
(c) Based on corporate announcements
Source: Covestro estimates
Number one producer globally and inventor of PC\(^{(a)}\)

Polycarbonates (PCS) at a glance

**Products**

As a true high-tech material, polycarbonate is not only very robust, break-proof and light-weight, but also offers a high degree of design flexibility.

Polycarbonate is available in all colors ranging from crystal clear to deep black. It is an excellent substitute for traditional material such as glass or metal.

This allows for a wide variety of application possibilities ranging from vehicles to smartphones and laptops as well as lenses or large roofs.

**Key customer industries:**

- For light-weight cars
- For bright buildings
- For trendy smartphones
- For safe medical products

**Sample applications**

**Notes:**

(a) Based on nameplate capacity at year end 2019 as per Covestro estimates
Polycarbonates – double-digit margin maintained

Segment results – Highlights Q2 2020

Sales and core volume growth
in € million / changes Y/Y

-6.3%  4.4%  9.3%  3.5%  -4.9%  -14.4%

Q1 2019 Q2 2019 Q3 2019 Q4 2019 Q1 2020 Q2 2020

Core volume decline (in kt) of -14.4% Y/Y driven by all key industries except construction, supported by new customer wins.

China posted double-digit volume growth Y/Y while coronavirus pandemic heavily burdened EMLA and NAFTA volumes, both double-digit declines Y/Y.

Sales decreased by -27.8% Y/Y, driven by volume (-16.4%) and price (-7.8%)

Compared to prior year, EBITDA decreased Y/Y due to lower volumes and negative pricing delta.

Sequentially, EBITDA margin was maintained virtually unchanged at 14.8%
Resilient business to grow to two thirds of portfolio

PCS portfolio management

Development of resilient portion of PCS volumes

Covestro sales volumes in kt

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2019</th>
<th>mid-term</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;50% CAGR</td>
<td>1,280kt</td>
<td>1,500kt</td>
<td>&gt;1,700kt</td>
</tr>
<tr>
<td>6% CAGR above GDP</td>
<td>5</td>
<td>5</td>
<td>5</td>
</tr>
</tbody>
</table>

Covestro highlights

Product portfolio improvement
- Short-term, product mix deterioration expected due to automotive weakness
- Long-term, goal to increase resilient portion of PC volumes to 65% with structural improvement of average contribution margin

Higher asset utilization
- Volume leverage through significant improvement of capacity utilization by ~15 percentage points
- Significantly higher output from unchanged number of primary production sites

Notes:
(a) Nameplate capacity for PC resins at year end
Resilience measured as standard deviation of contribution margin per kg versus average portfolio
Execution risks may limit future capacity additions

Historical industry development and outlook

PC demand development (2014 - 2024e)

\[\text{(kt)}^{(a)}\]
% growth as CAGR

<table>
<thead>
<tr>
<th>Year</th>
<th>2014</th>
<th>2019</th>
<th>2024e</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supply</td>
<td>3.3%</td>
<td>4,560</td>
<td>~4%</td>
</tr>
<tr>
<td>Demand</td>
<td>3%</td>
<td>4,560</td>
<td>5%</td>
</tr>
<tr>
<td>2014</td>
<td>5%</td>
<td>5,510</td>
<td>6 - 7%</td>
</tr>
<tr>
<td>2019</td>
<td>6 - 7%</td>
<td>5,510</td>
<td>9%</td>
</tr>
<tr>
<td>2024e</td>
<td>9%</td>
<td>5,510</td>
<td>5%</td>
</tr>
</tbody>
</table>

Notes:
(a) Assumes global GDP CAGR 2019 - 2024e of 2 - 3%, this value may be negatively impacted by the coronavirus pandemic
(b) Based on historical and announced future nameplate capacities
(c) Based on corporate announcements

Source: Covestro estimates

Industry highlights

- Major additions\(^{(c)}\) expected until 2024e: Cangzhou Dahua, Hainan Huasheng, Heng Yuan, Lotte, Luxi, Puyang, SABIC-Sinopec, Shenma, Wanhua, ZPC, Xingyun
- Numerous announced projects with high uncertainties regarding actual timing and scope
- Covestro additions: Caojing, PRC (+150kt in multiple steps until 2024e, optional +50kt thereafter)
Performance materials for coatings, adhesives and specialties

Coating, Adhesives, Specialties (CAS) at a glance

**Products**

There is a vast application range of coatings and finishes made of Covestro polyurethane raw materials. They are used for protection and decoration.

In addition, the company produces pre-products for adhesives and sealants as well as for specialty films and elastomers.

Coating, Adhesives, Specialties (CAS) also supplies materials for cosmetics, textiles and medical goods.

**Key customer industries:**

- For long-lasting cosmetics
- For robust floors
- For fancy cars
- For functional textiles

**Sample applications**

- For robust floors
- For functional textiles
- For fancy cars
- For long-lasting cosmetics

**Notes:**

(a) Based on nameplate capacity at year end 2019 as per Covestro estimates
(b) All figures adjusted to reflect the transfer of the specialty elastomers business from the Polyurethanes segment to Coatings, Adhesives, Specialties segment as of January 1, 2018 as well as the termination of trading activities and reduced contract manufacturing

2.1% Core volume CAGR in 2015 - 2019

€2.4bn Sales 2019

€469m EBITDA 2019
Coatings, Adhesives, Specialties – high negative volume effect

Segment results – Highlights Q2 2020

Sales and core volume growth
in € million / changes Y/Y

<table>
<thead>
<tr>
<th>Period</th>
<th>Sales</th>
<th>Core volume growth Y/Y</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 2019</td>
<td>627</td>
<td>-0.1%</td>
</tr>
<tr>
<td>Q2 2019</td>
<td>621</td>
<td>-4.7%</td>
</tr>
<tr>
<td>Q3 2019</td>
<td>588</td>
<td>-4.0%</td>
</tr>
<tr>
<td>Q4 2019</td>
<td>533</td>
<td>6.2%</td>
</tr>
<tr>
<td>Q1 2020</td>
<td>572</td>
<td>-5.2%</td>
</tr>
<tr>
<td>Q2 2020</td>
<td>443</td>
<td>-25.3%</td>
</tr>
</tbody>
</table>

EBITDA and Margin
in € million / margin in percent

<table>
<thead>
<tr>
<th>Period</th>
<th>EBITDA</th>
<th>EBITDA Margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 2019</td>
<td>146</td>
<td>23.3%</td>
</tr>
<tr>
<td>Q2 2019</td>
<td>150</td>
<td>24.2%</td>
</tr>
<tr>
<td>Q3 2019</td>
<td>111</td>
<td>18.9%</td>
</tr>
<tr>
<td>Q4 2019</td>
<td>62</td>
<td>11.6%</td>
</tr>
<tr>
<td>Q1 2020</td>
<td>130</td>
<td>22.7%</td>
</tr>
<tr>
<td>Q2 2020</td>
<td>60</td>
<td>13.5%</td>
</tr>
</tbody>
</table>

Highlights

- Demand affected by coronavirus pandemic and continued automotive weakness led to negative core volume growth of -25.3% Y/Y
- Sales decreased by -28.7% Y/Y, largely driven by volume (-25.8%) and price (-3.2%)

Note:
(a) Positive effect from stake increase in DIC Covestro Polymer Ltd. (DCP), a thermoplastic PU business (CAS) in Japan, as of 1st April 2019
Solid underlying growth despite challenging environment
Outperformance of High Growth Specialties businesses

CAS sales split by businesses

Highlight:

- Adjusted core volume growth of 2.1% CAGR in 2015 - 2019\(^{(a)}\)
- Growth driven by all businesses except coatings raw materials
- High Growth Specialties businesses generate ~38% of sales: Thermoplastic Polyurethanes (TPU), Specialty Films and Elastomers
- Coatings raw materials businesses burdened by weak end markets like automotive

Notes:
(a) All figures adjusted to reflect the transfer of the specialty elastomers business from the Polyurethanes segment to Coatings, Adhesives, Specialities segment as of January 1, 2018 as well as planned termination of trading activities and reduced contract manufacturing.
Exceptionally high volatility and low visibility

Covestro core volume development versus prior year

- Strongest Y/Y decline in April
- Sequential improvement since mid-May
- Earliest volume impact and recovery globally
- High volatility around pre-pandemic levels
- Strongest decline Y/Y in mid-April
- Relatively stable upward trend since May
- Latest volume impact and recovery globally
- Volatile upward trend since May

Changes Y/Y, 7-day averages

-90%  -60%  -30%  0%  +30%  +60%

Jan  Feb  Mar  Apr  May  Jun

Impact of Chinese New Year date differences in 2019 and 2020

Global

China

Europe

U.S.
Managing the crisis: cost savings, solidarity pact, strong liquidity

Coronavirus pandemic impact on Covestro

### Financial impact in Q2 2020
- Globally, core volumes declined by c. 30% Y/Y in April/May
- Globally, core volumes declines sequentially improved to c. -8% Y/Y in June
- Estimated impact on global core volumes of c. -27% Y/Y in Q2’20, after c. -8% Y/Y in Q1’20

### Current asset utilization
- EMLA: PUR back to high rate, PCS and CAS at reduced rates
- NAFTA: MDI back to high rate, all other products at reduced rates
- APAC: PUR and PCS back to high rates
- Generally, utilization rates adjusted in line with demand

### Solidarity pact 2020 (b)
- Temporary salary reduction between 6.7% for non-managerial staff and 15% for board members
- Voluntary for managerial employees with very high acceptance of almost 100%
- Pact in place from June until November
- Provisions for 2020 short-term bonuses at zero

### Management measures in 2020
- Cost savings: short-term savings of >€300m in 2020
- FY headcount target of 16,800 FTE (a) already achieved (~400 FTE vs. year end 2019), aiming to further reduce until year-end 2020
- Capex: reduced by €400m to around €700m in 2020
- Strong liquidity of ~€4.5bn secured, including undrawn €2.5bn RCF

---

Note:
(a) FTE = Full Time Equivalent
(b) Quoted numbers apply for Germany, subsidiaries outside of Germany are implementing comparable country-specific measures
Early and decisive measures taken to manage the crisis
Short- and long-term cost improvements

<table>
<thead>
<tr>
<th>Short-term measures</th>
<th>Long-term measures</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Additional savings</strong></td>
<td><strong>Efficiency program “Perspective”</strong></td>
</tr>
<tr>
<td>Initial target of €200m cost savings in 2020, published in February</td>
<td>✓ Streamline standard business</td>
</tr>
<tr>
<td>Half contributed by cost avoidance vs. budget, half contributed by various cost reductions</td>
<td>✓ Extend differentiation</td>
</tr>
<tr>
<td><strong>In response to coronavirus pandemic</strong></td>
<td>✓ Target areas: E2E supply chain, procurement, commercial, general and administration</td>
</tr>
<tr>
<td>Target increased to more than €300m(^{(a)}) in 2020, published in April</td>
<td>✓ Reduce ~900 FTE globally in non-production areas on track, reduce to below 16,800 FTE by year end 2020</td>
</tr>
<tr>
<td>Lower Opex in line with reduced Capex budget, lower travel and supply chain costs, various contingency measures</td>
<td>✓ Achieve cumulative savings of €350m until end of 2021(e) on track</td>
</tr>
</tbody>
</table>

\(> €300m\) in 2020\(^{(a)}\)  

\(> €100m\) Y/Y in 2020  

Notes: (a) Total sum, in a Y/Y comparison short-term cost savings of more than €200m
Target to reduce headcount below 2018 level

Development of full-time equivalent (FTE)

<table>
<thead>
<tr>
<th></th>
<th>SG&amp;A (a)</th>
<th>Production</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>5,168</td>
<td>10,479</td>
<td>16,770</td>
</tr>
<tr>
<td>2019</td>
<td>4,822</td>
<td>11,162</td>
<td>17,201</td>
</tr>
<tr>
<td>2020e</td>
<td></td>
<td></td>
<td>&lt;16,800</td>
</tr>
</tbody>
</table>

Notes:
(a) SG&A = Sales, General and Administration
(b) Total = SG&A + Production + R&D

Highlights
- Marketing and general administration FTE reduced in 2019 as a result of “Perspective” restructuring
- Production personnel increased in 2019 to equip extended production facilities and to enable growth projects as well as to compensate for upcoming retirements
- Plan to reduce year end 2020 FTE to ~16,800 achieved by June 2020 already
- Aiming to further reduce the global headcount until year-end 2020
Covestro’s rating results and index memberships as of June 2020

<table>
<thead>
<tr>
<th>Rating / Index</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>Scoring</th>
<th>Benchmark</th>
</tr>
</thead>
<tbody>
<tr>
<td>MSCI</td>
<td>BBB</td>
<td>BBB</td>
<td>A</td>
<td>A</td>
<td>A</td>
<td>AAA - CCC</td>
<td>in Specialty Chemicals</td>
</tr>
<tr>
<td>Corporate ESG Performance</td>
<td>B-</td>
<td>B-</td>
<td>B-</td>
<td>A+</td>
<td>D-</td>
<td>Prime Status</td>
<td></td>
</tr>
<tr>
<td>SUSTAINALYTICS</td>
<td>74</td>
<td>75</td>
<td>80</td>
<td>23.3</td>
<td>20.0</td>
<td>max. 100 Points</td>
<td>in Specialty Chemicals</td>
</tr>
<tr>
<td>ecoVadis</td>
<td>73</td>
<td>80</td>
<td></td>
<td></td>
<td></td>
<td>max. 100 Points</td>
<td>Gold Ranking</td>
</tr>
<tr>
<td>FTSE Russell</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>vigeoEiris</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Not included in Vigeo Eiris</td>
</tr>
</tbody>
</table>

- (a) Methodology reversed - the lower the score the better
- (b) Since December 2016, reviewed in June 2020
- (c) Covestro currently ranked in 121st position
Synergies in scale, process technology and chemical know-how
One chemical backbone across all segments

<table>
<thead>
<tr>
<th>Infrastructure</th>
<th>Raw Materials</th>
<th>Core Units / Technology</th>
<th>Final product</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Premises</td>
<td>Toluene</td>
<td>DNT Dinitrotoluene</td>
<td>Phosgene(^{(d)})</td>
</tr>
<tr>
<td>• Site</td>
<td>Nitric Acid (HNO(_3))</td>
<td>TDI TDI</td>
<td></td>
</tr>
<tr>
<td>development</td>
<td>Benzene</td>
<td>MNB Mono-Nitrobenzene</td>
<td>MDI</td>
</tr>
<tr>
<td>• Streets</td>
<td>Propylene</td>
<td>Aniline</td>
<td>Polyether</td>
</tr>
<tr>
<td>• Pipeline</td>
<td>Propylene Oxide</td>
<td>MDA Methylene Dianline</td>
<td>Polyols</td>
</tr>
<tr>
<td>bridges</td>
<td>e.g. via</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>reformer</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Storage</td>
<td>Chlorine(^{(a)})</td>
<td></td>
<td></td>
</tr>
<tr>
<td>tanks</td>
<td>f. o. H(_2)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Jetties</td>
<td>Cl(_2)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Power supply &amp; distribution</td>
<td>NaOH</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Waste management</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Safety</td>
<td>Phenol</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Acetone</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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

**Sales volumes 2019**
- Core: ~5,100kt
- Non-core: ~6,800kt

**Purchased raw materials**
- Toluene
- Nitric Acid (HNO\(_3\))
- Benzene
- Propylene
- Propylene Oxide
- Chlorine\(^{(a)}\)
- Phenol
- Acetone

**Covestro activities**
- Toluene
- Nitric Acid (HNO\(_3\))
- Benzene
- Propylene
- Propylene Oxide
- Chlorine\(^{(a)}\)
- Phenol
- Acetone
- Hydrogen (H\(_2\))
- Carbon Monoxide (CO)
- DNT Dinitrotoluene
- TDI
- TDA Diaminotoluene
- MNB Mono-Nitrobenzene
- Aniline
- MDA Methylene Dianline
- MDI
- Polyether Polyols
- BPA Bisphenol A
- DPC DiphenylCarbonate
- Phosgene\(^{(d)}\)
- LPC\(^{(b)}\)
- SPC\(^{(c)}\)
- Phosgene\(^{(d)}\)
- Phosgene\(^{(d)}\)
- Phosgene\(^{(d)}\)
- Phosgene\(^{(d)}\)
- Phosgene\(^{(d)}\)
- Phosgene\(^{(d)}\)
- Dinitrotoluene
- Diaminotoluene
- Mono-Nitrobenzene
- Methylene Dianline
- Polyether Polyols
- Polyesters
- Polyol
- Bisphenol A
- DiphenylCarbonate
- Polycarbonates
- SPC

**Notes:**
- Chart contains key feedstock only; simplified illustration
- (a) via Deacon or HCl-ODC technology and / or chloralkali electrolysis, (b) Interface process, (c) melt process (d) produced from CO and Cl\(_2\)
Significant synergies from Covestro chemical backbone

CAS backward integration

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

**Raw Materials**
- Toluene
- Nitric acid (HNO₃)
- Benzene
- Phenol
- Acetone
- HMDA
- IPDA
- PACM
- Adipic acid
- HDO/BDO
- Propylene oxide
- Ethylene oxide

**Core Units / Technology**

Notes:
- Chart contains key feedstock only; simplified illustration
- (a) via Deacon or HCl-ODC technology and / or chloralkali electrolysis
- (b) produced from CO and Cl₂

**Notes:**
- Purchased raw materials
- Covestro activities

**Infrastructure**
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**Core Units / Technology**

Notes:
- Chart contains key feedstock only; simplified illustration
- (a) via Deacon or HCl-ODC technology and / or chloralkali electrolysis
- (b) produced from CO and Cl₂

**Notes:**
- Purchased raw materials
- Covestro activities
Entire organization aligned for performance
Full STI annual target achievement requires EBITDA above €2bn

<table>
<thead>
<tr>
<th>Uniform bonus system</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Full alignment of all employees (including board) along the same KPIs</td>
</tr>
<tr>
<td>• Criteria with full focus on performance and shareholder value creation</td>
</tr>
<tr>
<td>• 100% payout, as percentage of annual base salary, linked to hierarchy level</td>
</tr>
<tr>
<td>• Total payout at Group level for 0%, 100% and 250% achievement is €0m, ~€180m and</td>
</tr>
<tr>
<td>~€450m, respectively</td>
</tr>
<tr>
<td>• Fixed hurdle rates for 2019 - 2021 reflect KPI values in mid-cycle conditions,</td>
</tr>
<tr>
<td>based on historical review and expected future development</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Three equally weighted Group metrics</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Targets for 100% achievement:</td>
</tr>
<tr>
<td>- Core Volume Growth +4.0%</td>
</tr>
<tr>
<td>- FOCF €800m</td>
</tr>
<tr>
<td>- ROCE above WACC⁽ᵃ⁾ 8pp</td>
</tr>
<tr>
<td>• For each metric, payout can range from 0% to 300%</td>
</tr>
<tr>
<td>• Max. payout capped at 250%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Transparent ambition</th>
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</thead>
<tbody>
<tr>
<td>• Future core volume growth goal of 4% requires growth capex</td>
</tr>
<tr>
<td>• 100% target achievement for ROCE and FOCF implies mid-cycle EBITDA above €2bn for</td>
</tr>
<tr>
<td>2019 - 2021e</td>
</tr>
</tbody>
</table>

Notes: (a) WACC = Weighted Average Cost of Capital
## Significant value creation since IPO

**Development of last five years**

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Core Volume Growth (%)</strong></td>
<td>2.7</td>
<td>7.5</td>
<td>3.4</td>
<td>1.5</td>
<td>2.0</td>
</tr>
<tr>
<td><strong>Sales (€ million)</strong></td>
<td>12,082</td>
<td>11,904</td>
<td>14,138</td>
<td>14,616</td>
<td>12,412</td>
</tr>
<tr>
<td><strong>EBITDA (€ million)</strong></td>
<td>1,419</td>
<td>2,014</td>
<td>3,435</td>
<td>3,200</td>
<td>1,604</td>
</tr>
<tr>
<td>• <strong>Polyurethanes</strong></td>
<td>487</td>
<td>881</td>
<td>2,179</td>
<td>1,763</td>
<td>648</td>
</tr>
<tr>
<td>• <strong>Polycarbonates</strong></td>
<td>558</td>
<td>704</td>
<td>854</td>
<td>1,036</td>
<td>536</td>
</tr>
<tr>
<td>• <strong>Coatings Adhesives specialties</strong></td>
<td>484</td>
<td>500</td>
<td>486</td>
<td>464</td>
<td>469</td>
</tr>
<tr>
<td><strong>Earnings per Share (€)</strong></td>
<td>2.21</td>
<td>3.93</td>
<td>9.93</td>
<td>9.46</td>
<td>3.02</td>
</tr>
<tr>
<td><strong>Capex (€ million)</strong></td>
<td>509</td>
<td>419</td>
<td>518</td>
<td>707</td>
<td>910</td>
</tr>
<tr>
<td><strong>Free operating cash flow (FOCF) (€ million)</strong></td>
<td>964</td>
<td>1,367</td>
<td>1,843</td>
<td>1,669</td>
<td>473</td>
</tr>
<tr>
<td><strong>ROCE (%)</strong></td>
<td>9.5</td>
<td>14.2</td>
<td>33.4</td>
<td>29.5</td>
<td>8.4</td>
</tr>
<tr>
<td><strong>Net financial debt (€ million)</strong></td>
<td>2,211</td>
<td>1,499</td>
<td>283</td>
<td>348</td>
<td>989</td>
</tr>
<tr>
<td><strong>Employees (a) (FTE)</strong></td>
<td>15,761</td>
<td>15,579</td>
<td>16,176</td>
<td>16,770</td>
<td>17,201</td>
</tr>
</tbody>
</table>
Upcoming IR events

Find more information on covestro.com/en/investors

<table>
<thead>
<tr>
<th>Reporting dates</th>
<th>Q3 2020 Interim Statement</th>
<th>2020 Annual Report</th>
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<tbody>
<tr>
<td>October 27, 2020</td>
<td></td>
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<tr>
<td>February 23, 2021</td>
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<tr>
<th>Annual General Meeting</th>
<th>Annual General Meeting (virtual)</th>
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<tr>
<td>July 30, 2020</td>
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<tr>
<th>Broker Conferences</th>
<th>Jefferies Industrials Conference (virtual)</th>
<th>Commerzbank Sector Conference, Frankfurt</th>
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<tbody>
<tr>
<td>August 5, 2020</td>
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<tr>
<td>September 1, 2020</td>
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<td>September 15, 2020</td>
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<td>September 21 &amp; 24, 2020</td>
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Baader Investment Conference, Munich
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