A challenging year successfully managed

Financial Highlights
Q4/FY 2020
Forward-looking statements

This presentation may contain forward-looking statements based on current assumptions and forecasts made by Covestro AG.

Various known and unknown risks, uncertainties and other factors could lead to material differences between the actual future results, financial situation, development or performance of the company and the estimates given here. These factors include those discussed in Covestro’s public reports, which are available on the Covestro website at www.covestro.com.

The company assumes no liability whatsoever to update these forward-looking statements or to adjust them to future events or developments.
Financial highlights FY 2020

-5.6% Core volume growth

€1.5bn EBITDA

€530m FOCF

€2.48 EPS

€1.30 Proposed dividend per share
Earnings guidance achieved in a challenging year

**FY 2020 guidance**

<table>
<thead>
<tr>
<th></th>
<th>FY 2020</th>
<th>INITIAL GUIDANCE FY 2020&lt;sup&gt;(a)&lt;/sup&gt;</th>
<th>ACHIEVEMENT</th>
<th>UPDATED GUIDANCE FY 2020&lt;sup&gt;(b)&lt;/sup&gt;</th>
<th>ACHIEVEMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Core Volume Growth</td>
<td>-5.6%</td>
<td>Low-single-digit percentage range increase Y/Y</td>
<td>X</td>
<td>between -5% and -6%</td>
<td>✔</td>
</tr>
<tr>
<td>FOCF</td>
<td>€530m</td>
<td>€0 – 400m</td>
<td>✔</td>
<td>€400m – 550m</td>
<td>✔</td>
</tr>
<tr>
<td>ROCE</td>
<td>7.0%</td>
<td>2% – 7%</td>
<td>✔</td>
<td>Positive mid-single digit %</td>
<td>✔</td>
</tr>
<tr>
<td>EBITDA</td>
<td>€1,472m</td>
<td>€1,000m – 1,500m</td>
<td>✔</td>
<td>€1,440m - 1,500m</td>
<td>✔</td>
</tr>
</tbody>
</table>

<sup>(a)</sup> as published on February 19, 2020

<sup>(b)</sup> as published on October 9, 2020, and on December 8, 2020
Volumes burdened by impact from coronavirus pandemic

FY 2020 – Regional split

Globally broad-based recovery in H2 after severe negative impact from coronavirus pandemic in Q2:
- Furniture/wood c. -6%, while NAFTA up 2%
- Construction c. -2%, while APAC up 2%
- Auto/transport c. -14%, while China virtually flat
- Electro c. -3%, while EMLA up 3%
- Divers c. -3% including medical c. +13%

APAC: low to mid-single digit declines in all key industries, except growth in construction

EMLA: mixed dynamics, with double-digit declines in auto and furniture/wood, while electro grew; volumes in Germany driven by double-digit declines in auto and construction

NAFTA: double-digit decline in auto, while furniture/wood grew

Note: Core volume growth not adjusted for portfolio changes
Significantly increasing margins towards year end

Group results

SALES AND CORE VOLUME GROWTH\(^{(a)}\)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Sales (€ million)</th>
<th>Core Volume Growth Y/Y</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 2019</td>
<td>3,175</td>
<td>-1.8%</td>
</tr>
<tr>
<td>Q2 2019</td>
<td>3,211</td>
<td>1.1%</td>
</tr>
<tr>
<td>Q3 2019</td>
<td>3,162</td>
<td>5.3%</td>
</tr>
<tr>
<td>Q4 2019</td>
<td>2,864</td>
<td>3.8%</td>
</tr>
<tr>
<td>Q1 2020</td>
<td>2,783</td>
<td>-4.1%</td>
</tr>
<tr>
<td>Q2 2020</td>
<td>2,156</td>
<td>-22.7%</td>
</tr>
<tr>
<td>Q3 2020</td>
<td>2,760</td>
<td>3.0%</td>
</tr>
<tr>
<td>Q4 2020</td>
<td>3,007</td>
<td>1.7%</td>
</tr>
</tbody>
</table>

EBITDA AND MARGIN

<table>
<thead>
<tr>
<th>Quarter</th>
<th>EBITDA (€ million)</th>
<th>EBITDA Margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 2019</td>
<td>442</td>
<td>13.9%</td>
</tr>
<tr>
<td>Q2 2019</td>
<td>459</td>
<td>14.3%</td>
</tr>
<tr>
<td>Q3 2019</td>
<td>425</td>
<td>13.4%</td>
</tr>
<tr>
<td>Q4 2019</td>
<td>278</td>
<td>9.7%</td>
</tr>
<tr>
<td>Q1 2020</td>
<td>254</td>
<td>9.1%</td>
</tr>
<tr>
<td>Q2 2020</td>
<td>125</td>
<td>5.8%</td>
</tr>
<tr>
<td>Q3 2020</td>
<td>456</td>
<td>16.5%</td>
</tr>
<tr>
<td>Q4 2020</td>
<td>637</td>
<td>21.2%</td>
</tr>
</tbody>
</table>

HIGHLIGHTS

- Severe negative impact from coronavirus pandemic particularly in Q2 2020, core volumes again above previous year in H2 2020
- Q4 2020 core volume growth reflects solid underlying demand globally, hampered by constrained availability of products in PUR and PCS
- Q1 2020 and particularly Q2 2020 burdened by the effects of the coronavirus pandemic
- In Q3 2020, EBITDA of €456m again above prior year, strongly benefitting from saving measures
- Q4 2020 EBITDA driven by €388m positive pricing delta Y/Y, mainly in PUR

Notes: (a) Reference values calculated on the basis of the definition of the core business effective March 31, 2020
Sales burdened by lower prices and volumes

FY 2020 – Sales bridge

in € million

<table>
<thead>
<tr>
<th>Portfolio</th>
<th>FY 2019</th>
<th>Volume</th>
<th>Price</th>
<th>FX</th>
<th>Portfolio</th>
<th>FY 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2019</td>
<td>12,412</td>
<td>-637</td>
<td>-709</td>
<td>-195</td>
<td>-165</td>
<td>10,706</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>-13.7%</td>
<td></td>
</tr>
</tbody>
</table>

HIGHLIGHTS

Volume negative
- Volume decline of -5.1% Y/Y (in €) driven by PUR and CAS

Negative pricing
- Lower selling prices, mainly in PUR and PCS, negatively impacted sales by -5.7% Y/Y

Negative FX
- FX affected sales by -1.6% Y/Y mainly driven by weaker BRL, USD, CNY and MXN

Portfolio changes
- Negative impact of -1.3% Y/Y
- PCS: European sheets divested as of 2nd January 2020 (FY 2020: €-115m)
- PUR: European systems houses divested as of 1st November 2019 (FY 2020: €-56m)
- CAS: Thermoplastic PU business DCP fully consolidated as of 1st April 2019 (FY 2020: €+7m)
Cost saving measures as largest positive EBITDA contributor

FY 2020 – EBITDA bridge

Note:
(a) Method of calculation: EBITDA volume contribution / sales volume contribution
(b) Announced acquisition of DSM’s Resins and Functional Material (RFM) business subject to regulatory approval

HIGHLIGHTS

Negative volume leverage\(^{(a)}\)
- Negative volume leverage of 63% due to unfavorable product mix effect

Positive pricing delta
- Main contribution from PUR, PCS slightly positive whereas CAS slightly negative

Slightly negative FX
- Mainly translational effects

Other items
- €+350m net contribution of short-term savings and Perspective efficiency program
- €-128m net impact of one-time effects: 2020 €-12m (€-33m RFM acquisition\(^{(b)}\), €+21m insurance reimbursements) vs. 2019 €+116m
- €-60m various items including merit increase

<table>
<thead>
<tr>
<th>FY 2019</th>
<th>Volume</th>
<th>Price</th>
<th>Raw material price</th>
<th>FX</th>
<th>Other items</th>
<th>FY 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>-400</td>
<td>-709</td>
<td>+132</td>
<td>-26</td>
<td>+162</td>
<td>1,472</td>
</tr>
</tbody>
</table>

\(^{(a)}\) Method of calculation: EBITDA volume contribution / sales volume contribution
\(^{(b)}\) Announced acquisition of DSM’s Resins and Functional Material (RFM) business subject to regulatory approval
Significant savings and efficiency gains delivered in 2020

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>Savings delivered</strong></td>
<td><strong>Efficiency program “Perspective” successfully closed</strong></td>
</tr>
<tr>
<td>Initial 2020 target of €200m cost savings, published in February 2020</td>
<td>✓ Streamlined standard business, extended differentiation</td>
</tr>
<tr>
<td>~€100m contributed by cost avoidance vs. budget, ~€100m contributed by various cost reductions</td>
<td>✓ Original goals: €350m cumulative savings by YE 2021</td>
</tr>
<tr>
<td>In response to Coronavirus pandemic, increased 2020 target to more than €300m, published in April 2020</td>
<td>✓ Accelerated deliveries in 2019 (+€10m) and again in 2020 (+€30m) compared to original plan</td>
</tr>
<tr>
<td>Lower Opex in line with reduced Capex budget, lower travel and supply chain costs, various contingency measures</td>
<td>✓ Cumulative savings of €280m achieved by YE 2020: €48m in 2018, €102m in 2019, €130m in 2020</td>
</tr>
<tr>
<td></td>
<td>✓ Remaining €70m included in short-term measures</td>
</tr>
</tbody>
</table>

€360m delivered in 2020\(^{(a)}\)

€130m and -700 FTE delivered in 2020

Note: (a) Total sum, thereof €220m short-term cost savings Y/Y and €140m cost avoidance vs. 2020 budget
Strong cash performance in a tough environment

Historical FOCF development

HIGHLIGHTS

- In FY’20, FOCF increased by 12.1% to €530m despite lower earnings, supported by €206m lower Capex
- In Q4’20, FOCF up by 19.4% to €394m (€330m in Q4’19) driven by significantly higher earnings, while positive effects from trade working capital were significantly lower than previous year
- Working capital to sales ratio (b) at 18.2%, temporarily above 15-17% target corridor
- Compared to previous full year, trade accounts receivable tied up €344m more cash, cash released from inventories was €162m lower
- Capex of €704m in line with FY 2020 guidance
- Income tax paid of €155m in line with P&L income taxes of €151m

Note:
- Working capital includes changes in inventories, trade accounts receivable and trade accounts payable
- (a) Cash-relevant capex
- (b) Method of calculation: Working Capital on December 31, 2020, divided by sales of last four quarters
- (c) Prior year figure restated following change in presentation for rebates granted to customers, affecting trade accounts payable
Strong liquidity position in preparation for RFM closing

December 31, 2020 – Total net debt

HIGHLIGHTS

- Total net debt to EBITDA ratio\(^{(a)}\) of 1.7x end of 2020 vs. 1.8x end of 2019
- Equity ratio of 44% end of 2020 vs. 46% end of 2019
- Committed to a solid investment grade rating
- 2019 dividend of €219m paid out in Aug. 2020
- Capital increase of €447m executed in Oct. 2020 in context of announced RFM acquisition

Liquidity at attractive rates

- Balance sheet with ~€2.5bn in cash, cash equivalents and current financial assets
- Strong liquidity position in preparation for closing of announced RFM acquisition
- Undrawn syndicated revolving credit facility (RCF) of €2.5bn in place with ESG element

Note: (a) Method of calculation: Total net debt on December 31, 2020, divided by EBITDA of last four quarters
Our new strategy – setting the path for tomorrow

BECOME THE BEST OF WHO WE ARE
Transform the company to exploit its full potential

DRIVE SUSTAINABLE GROWTH
Address sustainability in a profitable way

BECOME FULLY CIRCULAR
Accelerate the transition to a fossil-free economy

ADVANCE DIGITALIZATION

EXPAND ‘WE ARE 1’ CULTURE

MILESTONE 2020
LEAP transformation initiated

MILESTONE 2020
Acquisition of RFM announced

MILESTONE 2020
First alternative feedstock sourced
Becoming more customer-centric
Transformation program LEAP in 2021-2023

LEAP

“Become the best of who we are”

HIGHLIGHTS

• Comprehensive redesign of structures and processes as well as management and governance mechanisms
• By July 2021, new organizational set-up to be implemented
• Bundle entities based on business specifics and customer needs while fostering entrepreneurship:
  – Solutions and specialties differentiated chemical products and application technology services, with focus on innovation and customer interaction
  – Performance materials focus on reliable supply of standard products at competitive market prices with lowest internal costs
Keeping fixed costs flat
Transformation program LEAP in 2021-2023

HIGHLIGHTS

• Savings target: maintain fixed costs unchanged until 2023, excluding STI and LTI schemes, based on FY 2020
• Historical savings initiatives
  – ‘PEP’ initiated during IPO in 2015
  – ‘Perspective’ initiated end of 2018
  – ‘Short-term savings’ in 2020
• Investments into growth in 2018
• Cost in 2021e mainly driven by higher maintenance costs, merit increase, investments in digitalization and circularity
• LEAP cost savings to be realized in 2022e and 2023e
• Counterbailing cost inflation, like merit increases, until 2024

FIXED COST DEVELOPMENT Y/Y EXCLUDING INCENTIVE SCHEMES

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed Cost (€ million)</td>
<td>27</td>
<td>5</td>
<td>402</td>
<td>-45</td>
<td>-150</td>
<td>100 to 200</td>
<td></td>
</tr>
</tbody>
</table>

Note: Fixed cost development calculated as ‘Other items’ (Y/Y) from EBITDA bridge (page 7), corrected by Y/Y changes in STI & LTI.
STI = Short-term incentive; LTI = Long-term incentive.
Headcount reduced by 700 FTE, further reductions planned

Development of full-time equivalent (FTE)

<table>
<thead>
<tr>
<th>Year</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>2020</td>
<td>4,543</td>
<td>10,753</td>
<td>16,501</td>
</tr>
<tr>
<td>2021e</td>
<td></td>
<td></td>
<td>16,100</td>
</tr>
</tbody>
</table>

HIGHLIGHTS

- Year end 2020 FTE reduced by 700 to ~16,500 beyond original target of 16,800 through execution of Perspective program.
- Plan to further reduce by ~400 to ~16,100 FTE until year end 2021.
- Announced RFM acquisition to add ~1,800 FTE to total headcount in 2021e.

Note:
(a) SG&A = Marketing and general administration
(b) Total = SG&A + Production + R&D
(c) Indicative illustration only
Approaching mid-cycle level in 2021

EBITDA development between 2014 and 2021e

- **Historic development**
  - Cyclicality driven by supply-demand balance
  - 2017 peak due to very high industry utilization
  - 2020 burdened by globally declining GDP

- **EBITDA guidance of €1,700m – 2,200m in FY 2021**
  - Includes announced RFM acquisition
  - Mark-to-market (M2M) EBITDA in FY 2021 of ~€2.7bn based on January 2021

- **EBITDA sensitivities for FY 2021**
  - Volume sensitivity: 1pp change in core volumes equals around +/- €60m, excluding RFM
  - FX sensitivity: 1pp change equals +/- €6m for CNY/EUR and +/- €4m for USD/EUR

**Note:**
- EBITDA before one-time items in 2014 and 2015
- Basic assumptions FY 2021: Exchange rate of EUR/USD ~1.20 and a global GDP growth of 4-5% Y/Y
2021 expected above pre-pandemic level of 2019

FY 2021 guidance including announced RFM acquisition

<table>
<thead>
<tr>
<th></th>
<th>FY 2019</th>
<th>FY 2020</th>
<th>Guidance FY 2021e</th>
</tr>
</thead>
<tbody>
<tr>
<td>Core volume growth</td>
<td>+2.0%</td>
<td>-5.6%</td>
<td>10 – 15% (t/o ~6% RFM)</td>
</tr>
<tr>
<td>FOCF</td>
<td>€473m</td>
<td>€530m</td>
<td>€900m – 1,400m</td>
</tr>
<tr>
<td>ROCE</td>
<td>8.4%</td>
<td>7.0%</td>
<td>7 – 12%</td>
</tr>
</tbody>
</table>

Additional financial expectations

<table>
<thead>
<tr>
<th></th>
<th>FY 2019</th>
<th>FY 2020</th>
<th>Guidance FY 2021e</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA FY</td>
<td>€1,604</td>
<td>€1,472m</td>
<td>€1,700m – 2,200m</td>
</tr>
<tr>
<td>EBITDA Q1</td>
<td>€442m</td>
<td>€254m</td>
<td>€700m – 780m</td>
</tr>
<tr>
<td>D&amp;A</td>
<td>€752m</td>
<td>€776m</td>
<td>~€900m</td>
</tr>
<tr>
<td>Financial result</td>
<td>€-91m</td>
<td>€-91m</td>
<td>~€-100m</td>
</tr>
<tr>
<td>P&amp;L (effective) tax rate</td>
<td>26.8%</td>
<td>25.0%</td>
<td>24 – 26%</td>
</tr>
<tr>
<td>Capex(a)</td>
<td>€910m</td>
<td>€704m</td>
<td>~€800m</td>
</tr>
<tr>
<td>Average number of outstanding shares (in million)</td>
<td>182.7</td>
<td>184.9</td>
<td>193.2</td>
</tr>
</tbody>
</table>

Note:

(a) Cash-relevant capex
Basic assumptions FY 2021: Exchange rate of EUR/USD ~1.20 and a global GDP growth of 4-5% Y/Y
One-time costs that could arise in conjunction with the LEAP transformation program have not been considered
Majority of cash allocated to growth

Balanced use of cash

**CAPEX**
- Covestro’s industry and cost leadership make growth investment the most value-creating use of cash
- Maintenance capex to secure safe, reliable and efficient operations

**DIVIDEND**
- New policy: 35-55% payout of net income
- 2020 dividend of €1.30 per share proposed to upcoming AGM
- Dividend yield 2020 of 2.6%\(^{(a)}\)

**PORTFOLIO**
- Targeting value-enhancing acquisitions with attractive IRR
- Announced acquisition of DSM’s Resins and Functional Material (RFM) business for EV €1.55bn with attractive high margins (~€1.0bn sales)
- Less attractive low-margin businesses divested (~€0.6bn sales)

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

- €3.2bn invested in capex
- €1.5bn dividends
- €1.5bn net investments
- €1.1bn share capital reduced

---

Note: (a) Based on share price of €50.48 at year end 2020

[Sum of FY 2016 to FY 2020]
Investment into organic growth to deliver attractive returns

Covestro capex development

<table>
<thead>
<tr>
<th>CAPEX(^{(a)}) (€ million)</th>
<th>HIGHLIGHTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maintenance capex</td>
<td>Future capex</td>
</tr>
<tr>
<td>Growth capex</td>
<td>• FY 2021(e) includes announced RFM acquisition</td>
</tr>
<tr>
<td>2015</td>
<td>• Single largest capex project Tarragona Chlorine (~€0.2bn)</td>
</tr>
<tr>
<td>509</td>
<td>• Almost 100 projects with capex of more than €10m, with spending spread over several years</td>
</tr>
<tr>
<td>2016</td>
<td>Maintenance capex at ~€350-400m p.a.</td>
</tr>
<tr>
<td>419</td>
<td>• Securing safe, reliable and efficient operations</td>
</tr>
<tr>
<td>2017</td>
<td>• Including announced RFM acquisition</td>
</tr>
<tr>
<td>518</td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td></td>
</tr>
<tr>
<td>707</td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td></td>
</tr>
<tr>
<td>910</td>
<td></td>
</tr>
<tr>
<td>2020</td>
<td></td>
</tr>
<tr>
<td>704</td>
<td></td>
</tr>
<tr>
<td>2021(e)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: (a) Cash-relevant capex, prior to initial application of updated accounting standard IFRS 16 Leases, effective January 1, 2019
New dividend policy: 35-55% payout ratio of net income

HISTORY DIVIDEND DEVELOPMENT

### HIGHLIGHTS
- Commitment to a payout ratio of 35% to 55%, related to dividend over net income
  - Higher payout in years with peak earnings, while ratio towards lower end
  - Lower payout in years with trough earnings, while ratio towards upper end
- For FY 2020 dividend, proposal of €1.30 per share to the upcoming AGM on April 16, 2021
- Corresponding FOCF of €530m in FY 2020 fully covers dividend payout of €251m

<table>
<thead>
<tr>
<th>Year</th>
<th>Dividend of Covestro AG</th>
<th>Net income</th>
<th>Dividend per share in €</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>273</td>
<td>795</td>
<td>1.35</td>
</tr>
<tr>
<td>2017</td>
<td>436</td>
<td>2,009</td>
<td>2.20</td>
</tr>
<tr>
<td>2018</td>
<td>438</td>
<td>1,823</td>
<td>2.40</td>
</tr>
<tr>
<td>2019</td>
<td>219</td>
<td>552</td>
<td>1.20</td>
</tr>
<tr>
<td>2020</td>
<td>251</td>
<td>459</td>
<td>1.30</td>
</tr>
<tr>
<td>Future</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note:
- (a) Proposed dividend for FY 2020
A challenging year successfully managed

Highlights FY 2020

1. Volumes above pre-pandemic levels in H2 2020
despite constrained product availability

2. Earnings delivered in line with guidance
with significant upside momentum towards year end

3. Cost savings significantly supported earnings,
delivering short-term savings and successfully completing ‘Perspective’ program

4. 2021 earnings expected above pre-pandemic level of 2019
assuming a strong rebound from depressed 2020 level

5. New strategy introduced
with focus on transforming the company, sustainable growth and circularity
Appendix
Volume growth despite constrained supply

Q4 2020 – Regional split

Sales in € million
Core volume growth Y/Y in %

- **China**: 680 Vol. -1.2%
- **EMLA**: 1,288 Vol. +2.5%
- **APAC**: 1,065 Vol. +1.7%
- **U.S.**: 535 Vol. +6.9%
- **Germany**: 353 Vol. +3.2%
- **NAFTA**: 654 Vol. +7.1%
- **GLOBAL**: 3,007 Vol. +1.7%

**CORE VOLUME GROWTH Y/Y**

- While demand in Q4 was robust **globally**, supply was constrained and limited volume growth:
  - Furniture/wood c. -1%, while NAFTA up double-digit
  - Construction c. +2%, driven by EMLA
  - Auto/transport c. +6%, growth in all regions
  - Electro c. +8%, growth in all regions
  - Divers c. -3% including medical c. +11%

- **APAC**: declining volumes in furniture/wood and diverse industries, while volumes in auto and electro grew

- **EMLA**: all key industries grew, except furniture/wood

- **NAFTA**: highest growth of all regions, with positive contributions from all key industries; double-digit growth rates in furniture/wood and electro

Note: Core volume growth not adjusted for portfolio changes
in € million

Portfolio

Q4 2019

Volume

Price

FX

Portfolio

Q4 2020

+5.0%

+156

-115

-32

2,864

+134

Q4 2020

HIGHLIGHTS

Volume positive
- Growth of +4.7% Y/Y (in €) driven by all three segments, with largest contribution from PCS

Positive pricing
- Higher selling prices in PUR were partly compensated by lower prices in PCS and CAS, positively impacted sales by +5.4% Y/Y

Negative FX
- FX affected sales by -4.0% Y/Y mainly driven by a weaker USD

Portfolio changes
- Slightly negative impact of -1.1% Y/Y
- PUR: European systems houses divested as of 1st November 2019 (Q4 2020: €-8m)
- PCS: European sheets divested as of 2nd January 2020 (Q4 2020: €-24m)

February 23, 2021 | Q4/FY 2020 Earnings Call
Strong positive pricing delta drives EBITDA growth

Q4 2020 – EBITDA bridge

HIGHLIGHTS

Positive volume leverage\(^{(a)}\)
- Relatively low volume leverage of 20% due to unfavorable product mix effect

Contribution margin largely increased
- Strong positive pricing delta as a result of lower raw material prices and higher selling prices, with majority contribution from PUR

Slightly negative FX
- Mainly translational effects

Other items
- Cost saving measures contributed positively
- Negative one-time effect of €-33m related to announced RFM acquisition
- Previous year included positive one-time effect of book gain from PUR divestment (€+34m)

Note: (a) Method of calculation: EBITDA volume contribution / sales volume contribution
Polyurethanes – earnings strongly up on higher margin

Segment results – Highlights Q4 2020

SALES AND CORE VOLUME GROWTH

in € million / changes Y/Y

-0.2% 0.7% 5.1% 3.6% -3.6% -25.9% 4.3% 0.8%
1,476 1,489 1,478 1,336 1,274 913 1,315 1,519
Q1 2019 Q2 2019 Q3 2019 Q4 2019 Q1 2020 Q2 2020 Q3 2020 Q4 2020

HIGHLIGHTS

- Core volume growth (in kt) of +0.8% Y/Y, driven by polyols while MDI and TDI supply was constrained
- Core volume growth in auto and appliances, while furniture/wood and construction declined slightly
- Sales increased by 13.7% Y/Y as price (+16.2%) and volume (+2.9%) contributed positively, while FX (-4.8%) and portfolio (-0.6%) were negative

EBITDA AND MARGIN

in € million / margin in percent

10.6% 11.6% 13.3% 9.2% 3.9% -2.6% 16.7% 25.0%
157 172 196 123 50 -24 220 379
Q1 2019 Q2 2019 Q3 2019 Q4 2019 Q1 2020 Q2 2020 Q3 2020 Q4 2020

HIGHLIGHTS

- Strong sequential EBITDA and margin development
- Compared to prior year, EBITDA increased mainly due to a strong positive pricing delta in all three product groups MDI, TDI and polyols
- Effects from FX slightly negative (Y/Y)
Polycarbonates – margin driven by improving product mix

Segment results – Highlights Q4 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>860</td>
<td>-6.3%</td>
</tr>
<tr>
<td>Q2 2019</td>
<td>898</td>
<td>4.4%</td>
</tr>
<tr>
<td>Q3 2019</td>
<td>901</td>
<td>9.3%</td>
</tr>
<tr>
<td>Q4 2019</td>
<td>814</td>
<td>3.5%</td>
</tr>
<tr>
<td>Q1 2020</td>
<td>733</td>
<td>-4.9%</td>
</tr>
<tr>
<td>Q2 2020</td>
<td>648</td>
<td>-14.4%</td>
</tr>
<tr>
<td>Q3 2020</td>
<td>801</td>
<td>3.6%</td>
</tr>
<tr>
<td>Q4 2020</td>
<td>803</td>
<td>3.2%</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>155</td>
<td>18.0%</td>
</tr>
<tr>
<td>Q2 2019</td>
<td>154</td>
<td>17.1%</td>
</tr>
<tr>
<td>Q3 2019</td>
<td>132</td>
<td>14.7%</td>
</tr>
<tr>
<td>Q4 2019</td>
<td>95</td>
<td>11.7%</td>
</tr>
<tr>
<td>Q1 2020</td>
<td>109</td>
<td>14.9%</td>
</tr>
<tr>
<td>Q2 2020</td>
<td>96</td>
<td>14.8%</td>
</tr>
<tr>
<td>Q3 2020</td>
<td>148</td>
<td>18.5%</td>
</tr>
<tr>
<td>Q4 2020</td>
<td>200</td>
<td>24.9%</td>
</tr>
</tbody>
</table>

**HIGHLIGHTS**

- Core volume growth (in kt) of 3.2% Y/Y driven by all key industries; double-digit growth in construction including protective gear.
- Sales decreased by -1.4% Y/Y as positive volume effect (+7.4%) was compensated by FX (-3.7%), portfolio (-3.0%) and price (-2.1%).
- Difference of core volume growth and volume effect in sales due to favorable product mix.

- Strong sequential EBITDA growth, margin further improved driven by improving product mix.
- Compared to prior year, EBITDA increased Y/Y mainly as a result of (i) positive pricing delta due to lower feedstock prices and (ii) higher volumes.
Core volume growth (in kt) of 2.8% Y/Y driven by growth in all key industries except construction

Sales decreased by -0.8% Y/Y, as positive volume effect (+7.5%) was compensated by price (-4.9%) and FX (-3.4%)

Difference of core volume growth and volume effect in sales due to favorable product mix

Q4’20 EBITDA includes negative one-time effect of €-33m related to announced RFM acquisition

Q4’20 EBITDA of €85m and margin at 16.1% excluding RFM-related one-time effects

Compared to prior year, volume growth contributed positively to EBITDA while pricing delta was negative
Upcoming IR events

Find more information on covestro.com/en/investors

<table>
<thead>
<tr>
<th>REPORTING DATES</th>
</tr>
</thead>
<tbody>
<tr>
<td>April 28, 2021</td>
</tr>
<tr>
<td>July 27, 2021</td>
</tr>
<tr>
<td>October 26, 2021</td>
</tr>
<tr>
<td>Q1 2021 Quarterly Statement</td>
</tr>
<tr>
<td>2021 Half-Year Financial Report</td>
</tr>
<tr>
<td>Q3 2021 Quarterly Statement</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ANNUAL GENERAL MEETING</th>
</tr>
</thead>
<tbody>
<tr>
<td>April 16, 2021</td>
</tr>
<tr>
<td>Annual General Meeting (virtual)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>BROKER CONFERENCES</th>
</tr>
</thead>
<tbody>
<tr>
<td>March 11, 2021</td>
</tr>
<tr>
<td>March 23, 2021</td>
</tr>
<tr>
<td>March 25, 2021</td>
</tr>
<tr>
<td>March 25, 2021</td>
</tr>
<tr>
<td>Goldman Sachs Annual European Chemicals Conference (virtual)</td>
</tr>
<tr>
<td>Morgan Stanley Madrid Corporate Day (virtual)</td>
</tr>
<tr>
<td>Stifel German Corporate Conference Copenhagen (virtual)</td>
</tr>
<tr>
<td>Société Générale Energy Transition &amp; Renewable Energy Conference (virtual)</td>
</tr>
</tbody>
</table>