



# Transformation in progress

Roadshow presentation

A large, stylized graphic on the left side of the slide. It features a cityscape at the base, with various white icons (gears, trees, sun, wind turbines, etc.) floating above it, all connected by a network of glowing blue lines. A large, solid green curved shape overlaps the right side of this graphic.

## ■ Covestro investment highlights

■ Group financials Q1'25

■ Segment overview

■ Background information

# Covestro is diversified across geographies and end-markets



## Key performance indicators and sales split



Sales  
2024



EBITDA  
2024

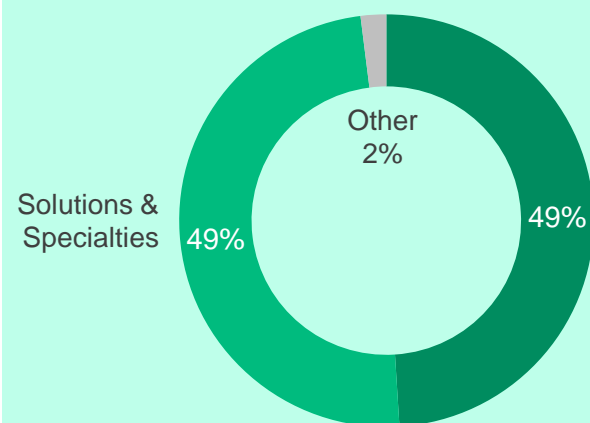


FOCF  
2024



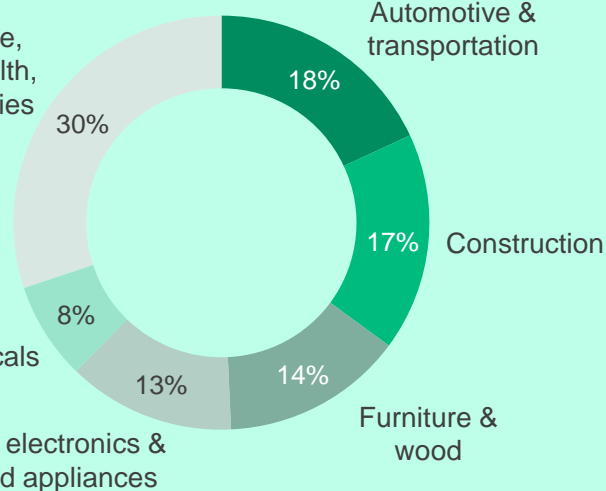
ROCE above WACC  
2024

2024 sales



Performance  
Materials

Sports / leisure,  
cosmetics, health,  
diverse industries



Automotive &  
transportation

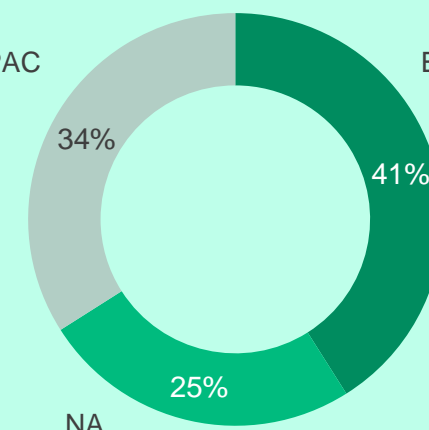
Construction

Furniture &  
wood

Electrical, electronics &  
household appliances

Chemicals

APAC

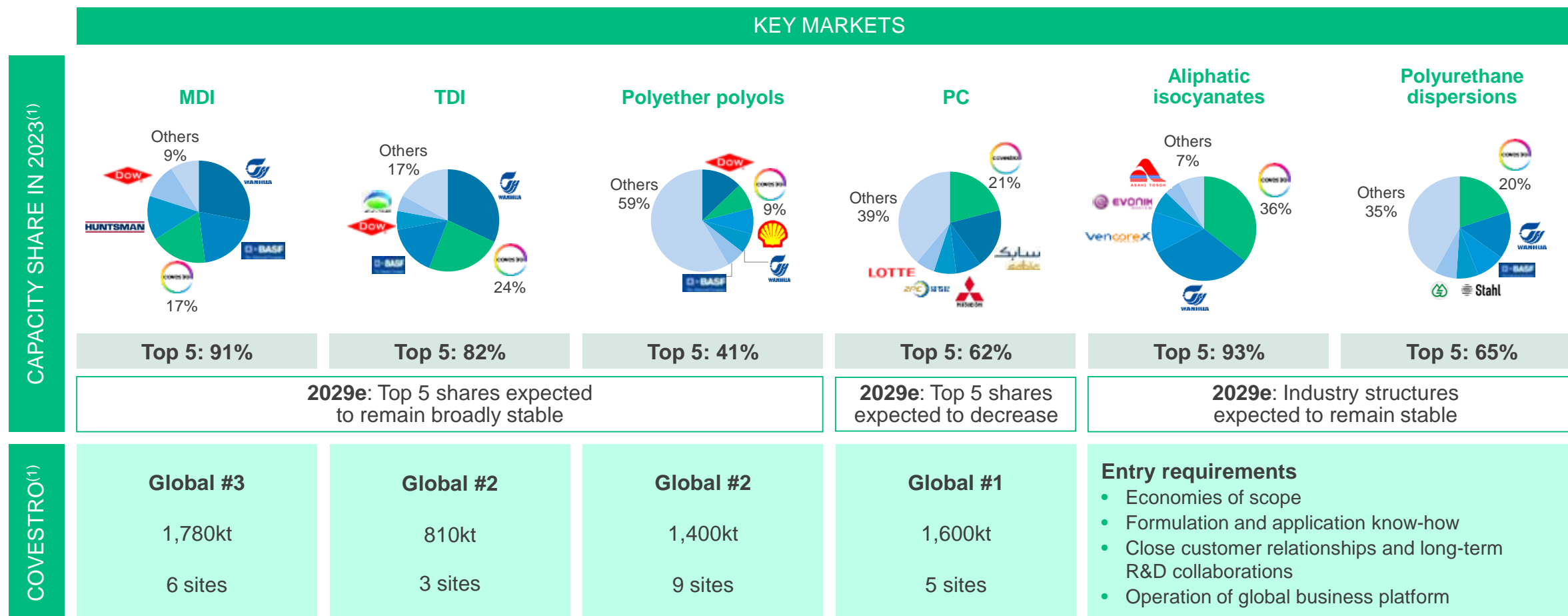


EMLA

NA

# Covestro is a global leader across its entire portfolio

## World-wide industry positions and production capacities



# A clear connection to customers and our ambitions

Our strategy – setting the path for tomorrow



Strategy Updated



Customer perspective anchored in strategy:  
You are never more than 10 meters away from a Covestro product



Be a reliable partner for our customers

**BECOME THE BEST OF WHO WE ARE**



We OPERATE competitively



Grow our product portfolio based on customers needs

**DRIVE GROWTH SUSTAINABLY**



We GROW our attractive, sustainable portfolio organically, inorganically and through innovation



Develop sustainable solutions for and with our customers

**BECOME CLIMATE NEUTRAL AND FULLY CIRCULAR**



We REALIZE our climate targets and our vision to become fully circular



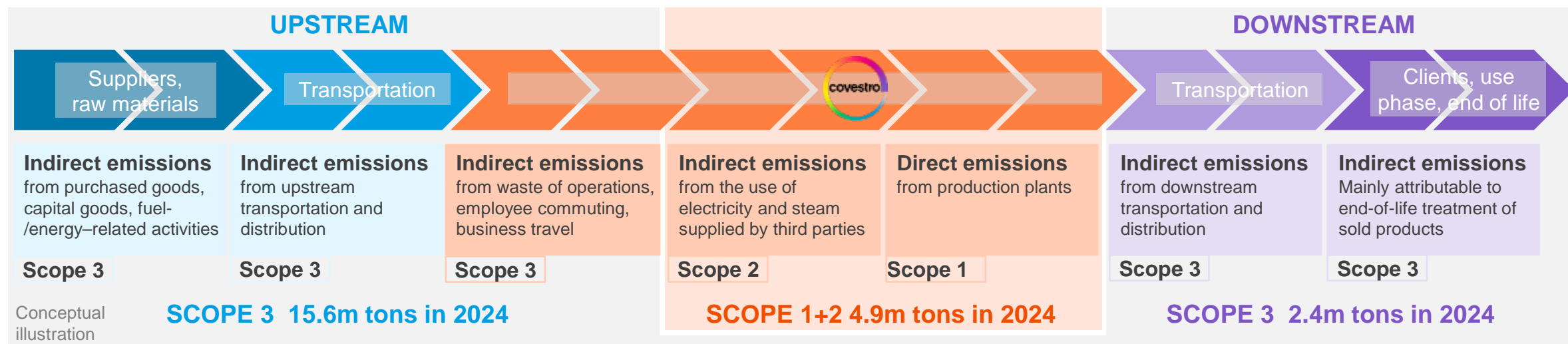
Financial and non-financial ambitions

ADVANCE AI & DIGITAL TRANSFORMATION

STRENGTHEN CULTURE AND BUILD WORKFORCE OF THE FUTURE

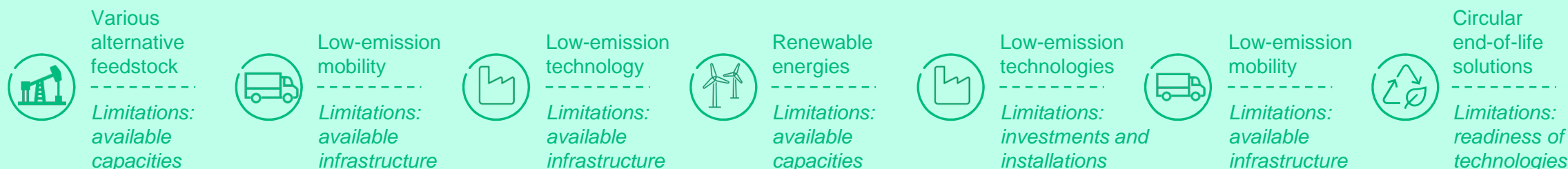
# Climate neutrality with existing technologies and assets

## Covestro greenhouse gas emissions



## EXISTING OPTIONS AND CURRENT LIMITATIONS TO REDUCE GHG EMISSIONS

Selective examples only



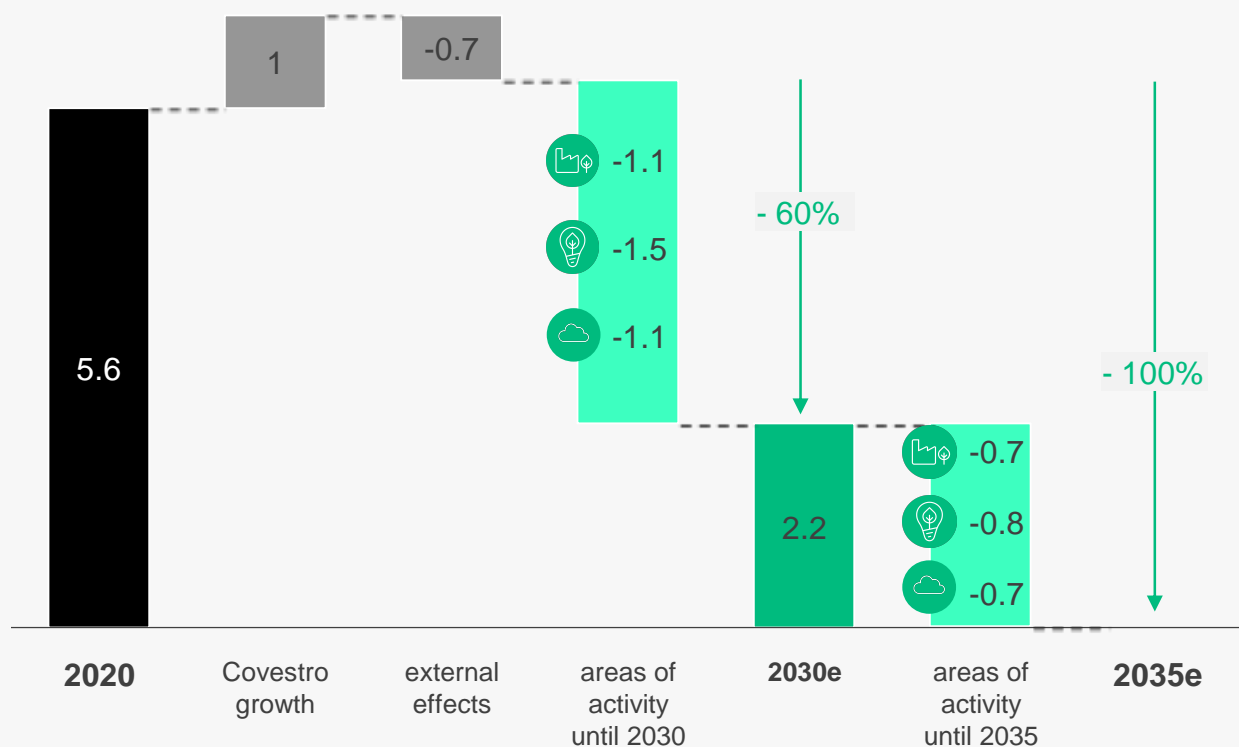


# Sustainable manufacturing and renewable energy to lead path



## Climate neutrality target for GHG emissions scope 1 and 2

GHG emissions in million metric tons, scope 1 and 2



### EMISSION REDUCTION MEASURES

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

# Numerous measures effectively reduce GHG emissions

## Climate neutrality target for GHG emissions scope 1 and 2



### MORE SUSTAINABLE MANUFACTURING



Reducing nitrous oxide emissions by installation of highly efficient catalysts



Optimizing production processes to increase energy efficiency



Employing digital technologies for efficient production control



### RENEWABLE ELECTRICITY



EMLA<sup>(1)</sup>: Solar&wind electricity PPA's with ENGIE for 60% of site's power in Antwerp, with Ørsted for 10% of sites' electricity in Germany and with BP for 30% of Spanish operations



NA: Virtual PPA with Ørsted for solar electricity starting late 2024 for 12% of Baytown's electricity



APAC: Solar&wind electricity, PPAs for ~45% of Shanghai site electricity with Datang Power & CGN New Energy



### RENEWABLE STEAM



Converting steam generation from fossil to renewable energy sources



Develop options to electrify steam generation based on renewable energies



Develop options to use e.g. biogas or green hydrogen as energy source to generate steam



# Continuously improving global renewable electricity footprint

Additional PPAs became active end 2024



## MILESTONES TO RENEWABLE ELECTRICITY SUPPLY

### EMLA

PPAs with BP, Engie and Ørsted for 650 GWh solar and wind energy:

- 45% of electricity for Antwerp site since 2022 increasing to 60% as of 2026<sup>(1)</sup>
- 10% of German sites as of 2026<sup>(2)</sup>
- 30% of Spanish sites as of end 2024

### APAC

PPAs with CGN and Datang for 400 GWh solar and wind energy:

- 45% of electricity for Shanghai site since 2023

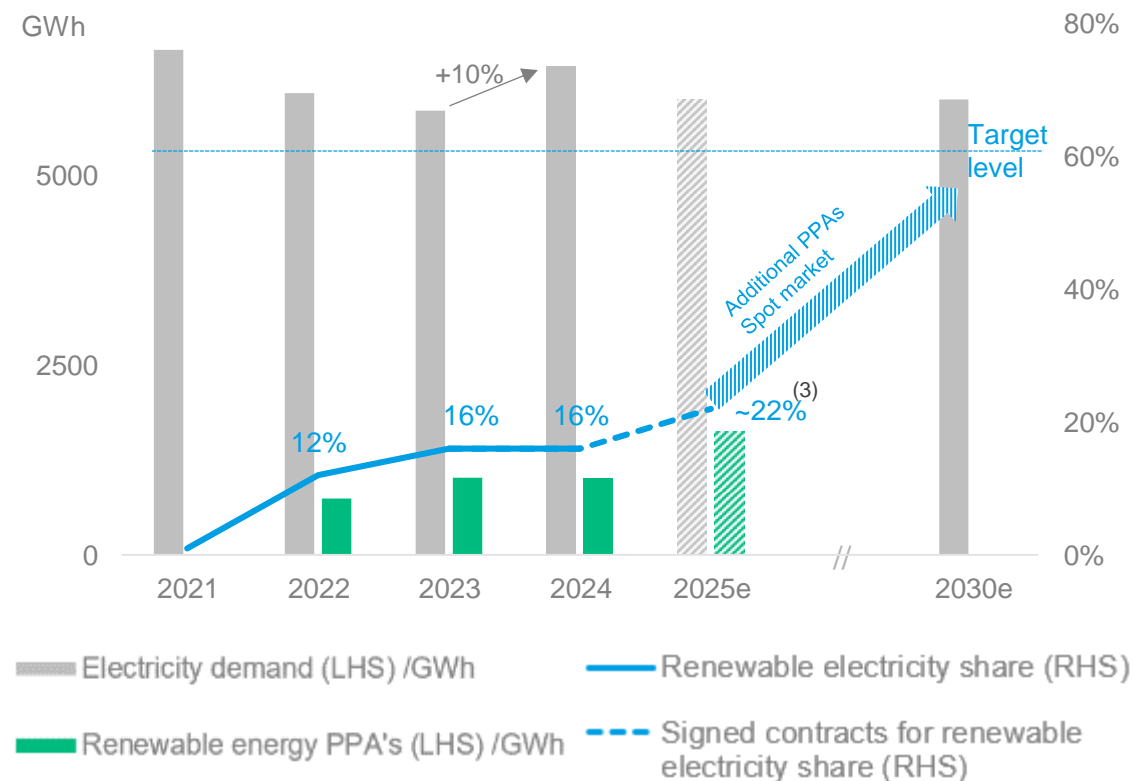
### NA

Virtual PPA with Ørsted for 200 GWh solar power:

- 12% of electricity for US sites as of end 2024

Starting global coverage of renewable PPA's

## ELECTRICITY TRANSFORMATION PROGRESS



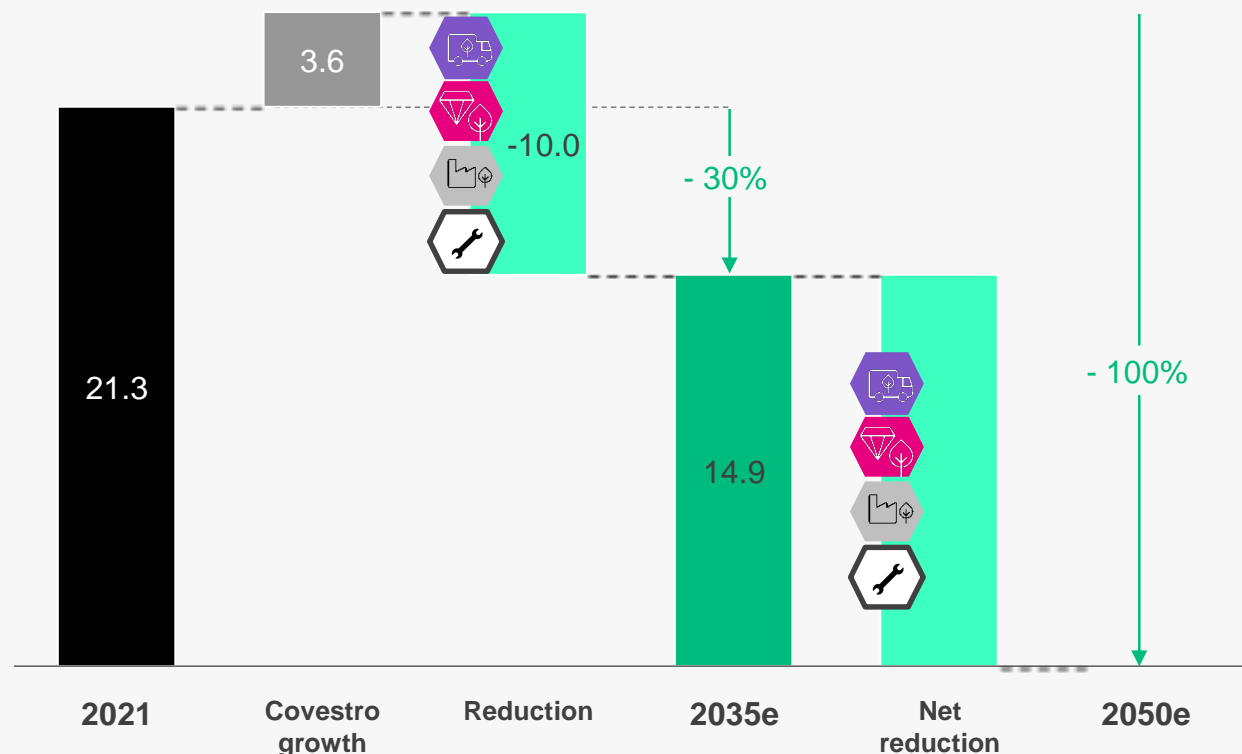
Well on track to our intermediate target of 60% GHG reduction until 2030

# Target reduction of 10m tons GHG until 2035 and net-zero until 2050

## Climate neutrality target for GHG emissions scope 3



GHG emissions in million metric tons, scope 3 - categories 1, 3, 4, 12<sup>(1)</sup>



### EMISSION REDUCTION MEASURES

- Four main levers make a vital contribution to reduce scope 3 GHG emissions:
  - Supplier scope 1&2 reduction
  - Advancing MAKE projects
  - Profitable sales of products based on alternative raw materials
  - Other measures
- Contribution of different levers can vary depending on technical realization of MAKE projects
- Scope 3 emissions represent ~80% of Covestro's 2023 greenhouse gas emissions
- Strict commitment to net-zero underlines consistent implementation of the green transformation
- Net-zero 2050 target in line with SBTi and 1.5° goal

# Strategic levers supporting transformation towards climate neutrality



## Target for GHG emissions scope 3



### FOCUS ON SUPPLIERS



Broaden engagement with suppliers that achieve scope 1&2 reductions



Identify first mover supplier



Develop strategy on CO<sub>2</sub> reduced top raw materials

### ADVANCING MAKE PROJECTS



Continue innovation & digital R&D in renewable technologies



Prove technical feasibility of own technologies



Execute investments according to strategy-based asset planning

### FOCUS ON CUSTOMERS



Identify first mover customers to deliver climate neutral products



Enhance value proposition & active customer engagement



Secure access to strategic waste feedstock

### OTHER MEASURES



Green logistics initiatives



Primary energy generation



Increased recycling quota

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

## Innovative recycling / joint solutions



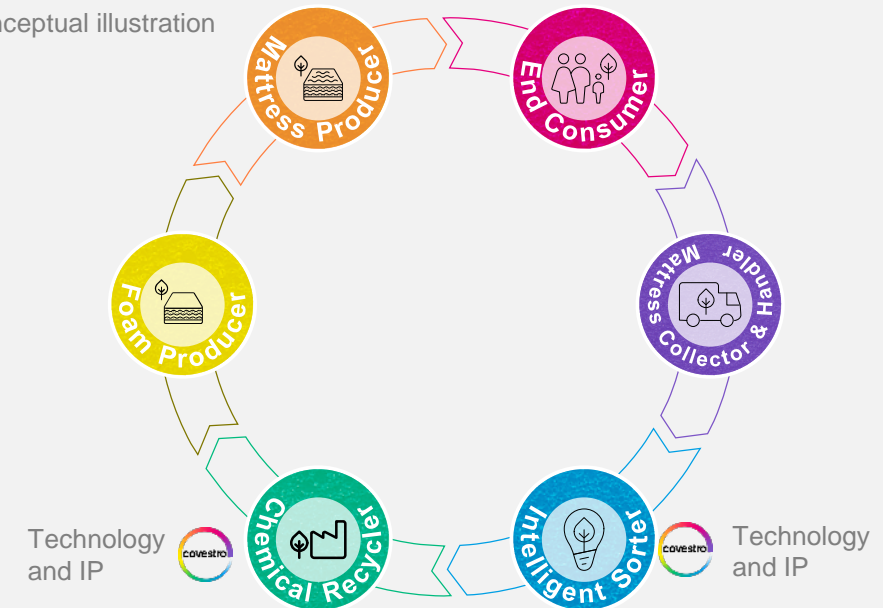
### COVESTRO TECHNOLOGY

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



### FUTURE PU SOFT FOAM LOOP

Conceptual illustration

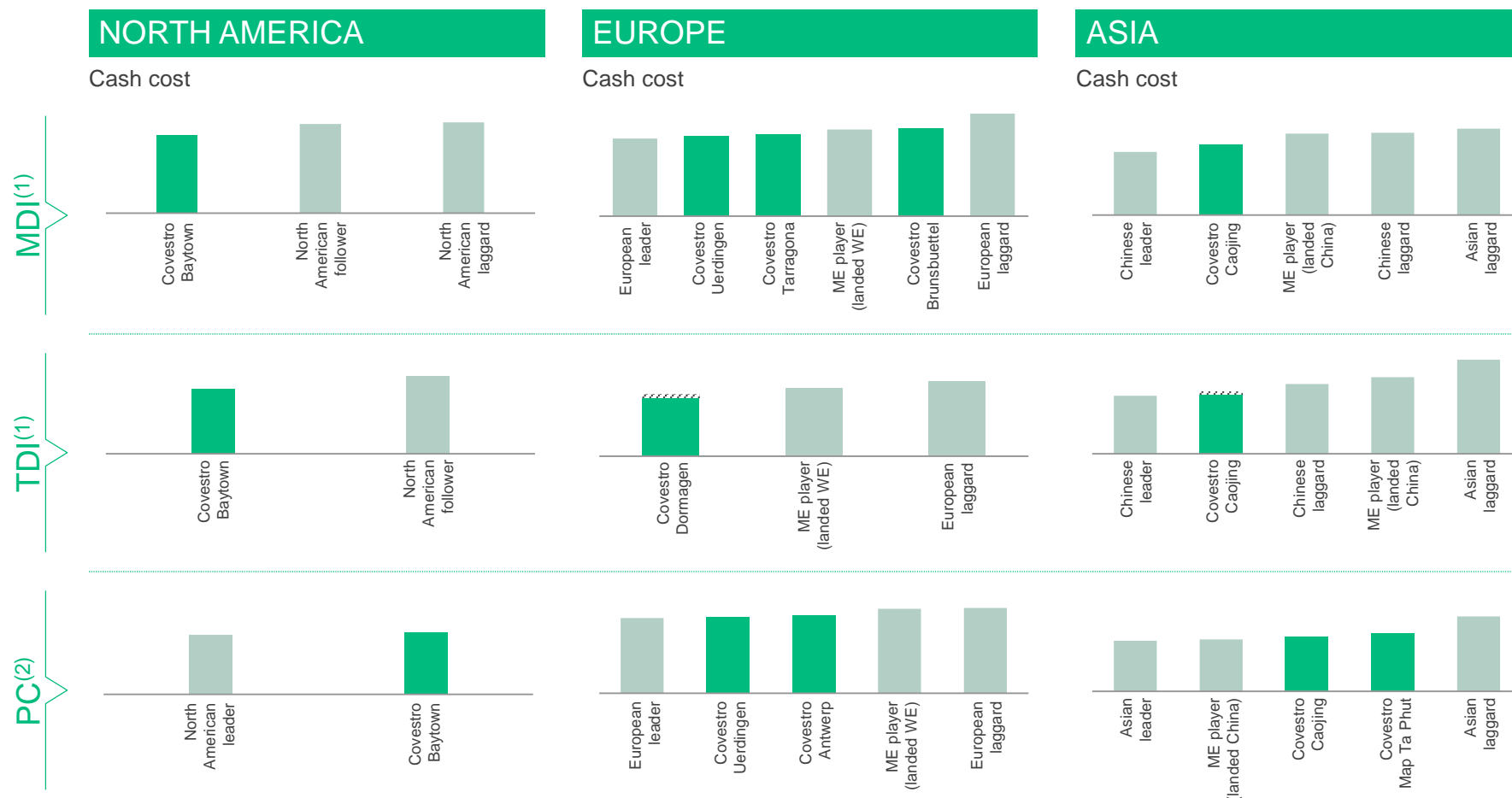


### Timeline:



# Leading cost positions across markets and regions

## Covestro cash cost positions



/// Cash cost improvements based on investment projects

### HIGHLIGHTS

- **Covestro MDI** is one of the low-cost producers with cost advantage of ~20% versus the average of 5 least competitive plants. Investment in Tarragona plant significantly improved cost position.
- **Covestro TDI** is one of the low-cost producers with cost advantage of ~30% versus the average of 5 least competitive plants
- **Covestro Polycarbonates** is one of the cost leaders with cost advantage of ~20% versus the average of 5 least competitive plants



# US tariffs with unclear consequences

No conclusive evaluation possible given the ongoing movements and several dimensions



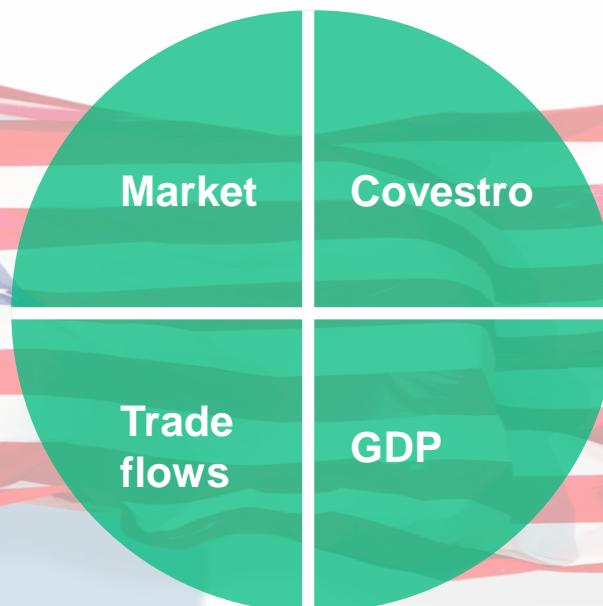
## Highly volatile and fragile tariff situation

### US MARKET SITUATION

- NA market is a net import<sup>(1)</sup> market for MDI, TDI and PET
- MDI imports of ~500kt per year, TDI and PET to smaller extent
- Tariffs China to US: ~177%<sup>(2)</sup> for MDI/TDI and ~52% for polyols<sup>(3)</sup>

### ALTERATION OF TRADE FLOWS

- Major capacities for core products in China
- China global production hub for various labor-intensive products
- Tariffs leading to trade flows remaining in APAC and/or coming to Europe causing price & margin erosion



### COVESTRO IMPACT

- US with a production of €3.8bn (9 sites, major hub in Texas), US sales €3.1bn
- Production strategy "local for local"
- Covestro imports €0.5bn to the US, mainly from Europe
- Higher import prices leading to higher market prices in the US

### INDIRECT GDP RISK

- Major impact on global and regional GDPs
- Covestro core industries automotive, construction and electro with expected dampening
- Furniture already impacted by anti-dumping, risk of further slow down

# GDP outlook for 2025 with high uncertainties

## Global demand development



KEY CUSTOMER INDUSTRIES		2024 Y/Y <sup>(1)</sup>	2025 Y/Y <sup>(2)</sup>	2025e <sup>(3)</sup> UPDATE
Global GDP		+2.8%	+2.8%	+2.6%
Automotive EV / BEV		-0.7% +9.4%	+2.7% +22.4%	 +2.4% +22.4%
Construction Residential		-2.5% -5.7%	+0.2% -1.5%	 +0.5% -2.0%
Furniture Soft furniture		-0.5% -0.2%	+1.5% +2.4%	 +1.0% +1.3%
Electrical, electronics and household appliances Appliances		+4.1% +5.4%	+5.2% +1.2%	 +2.4% +4.9%

# FY 2025 guidance narrowed

## Full year guidance 2025



	FY 2024	GUIDANCE FY 2025 <i>as of February 26</i>	GUIDANCE FY 2025 <i>as of May 6</i>
EBITDA	€1,071m	€1,000 to 1,600m	€1,000 to 1,400m
FOCF	€89m	€0 to 300m	€0 to 300m
ROCE above WACC <sup>(1)</sup>	-7.4pp	-6 to -2pp	-6 to -3pp
GHG emissions (scope 1&2)	4.9m tons	4.2 to 4.8m tons	4.2 to 4.8m tons
<b>Additional financial expectations</b>			
Sales	€14.2bn	€14.5 to 15.5bn	€14.2 to 15.2bn
EBITDA Q2	€320m	-	€200 to 300m
D&A	€984m	~€850m	~€900m
Financial result	€-114m	€-120 to -160m	€-120 to -160m
Income tax	€245m	€150 to 250m	€150 to 250m
Capex <sup>(2)</sup>	€781m	€700 to 800m	€700 to 800m

### HIGHLIGHTS

#### 2025 FX sensitivity

- 1pp change equals  
+/- €10m for CNY/EUR (basis 7.60)  
+/- €6m for USD/EUR (basis 1.05)

#### FOCF range

- Smaller range compared to EBITDA due to counterbalancing working capital effects

#### Mark-to-market (M2M) EBITDA

- M2M for FY 2025 around €1.0bn; theoretical calculation based on April 2025 margins flat forward & FY'25 forecast assumptions

#### Income tax

- Income tax driven by unfavorable geographical earnings mix (non-deductible losses in Germany)
- Long-term tax rate estimated between 24-26%<sup>(3)</sup>

# STRONG transformation in progress

## Transformation program STRONG

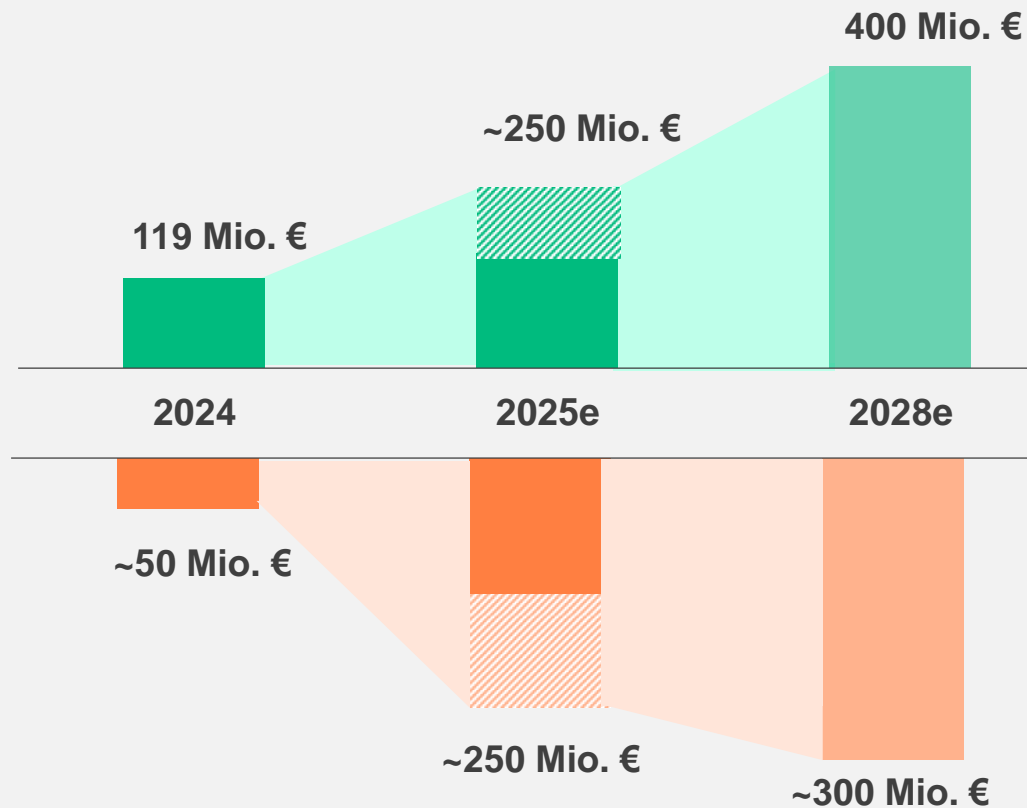


### TARGETS FOR COST MEASURES 2024-2028E

- target delivered
- ▨ target pending
- target ambition

Cost Savings  
p.a. in €  
millions

Cumulative  
costs in €  
millions



### HIGHLIGHTS

- STRONG was launched in June 2024 to shape Covestro for sustainable competitiveness
  - Effective structures and efficient processes with a strong customer focus
  - Broad implementation of AI solutions
- STRONG to achieve €400 million annual savings by 2028 (slightly below 10% of fixed costs); achieved 2024 and 2025 YTD ~€150m
- Benefits from propylene oxide site closure expected to contribute from 2026 onwards
- STRONG requires cumulative restructuring and implementation costs of around €300 million; 2024 and 2025 YTD ~€150 have been spent so far; expecting another ~€100m in 2025e and additional ~€50m until 2028e

# 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

€6.4bn invested in capex

### DIVIDEND



- Policy: 35-55% payout of net income
- Dividend policy and payment suspended during XRG transaction

€2.3bn dividends

### PORTFOLIO



- Acquisition of DSM's Resins and Functional Material (RFM) business for EV €1.55bn with attractive high margins (~€0.9bn sales)
- Less attractive low-margin businesses divested (~€0.6bn sales)
- Further pursue options of value enhancing bolt-on acquisition for Solutions & Specialties segment

€1.5bn net investments

### SHARE CAPITAL



- Share buyback of €1.5bn executed in 2017-2018
- Capital increase of €447m executed in context of RFM acquisition in 2020
- Share buyback of €0.2bn executed in 2022-2023
- Authorization for share buy-back program for up to 10% of share capital valid until 2029, suspended during XRG transaction

€1.3bn share capital reduced



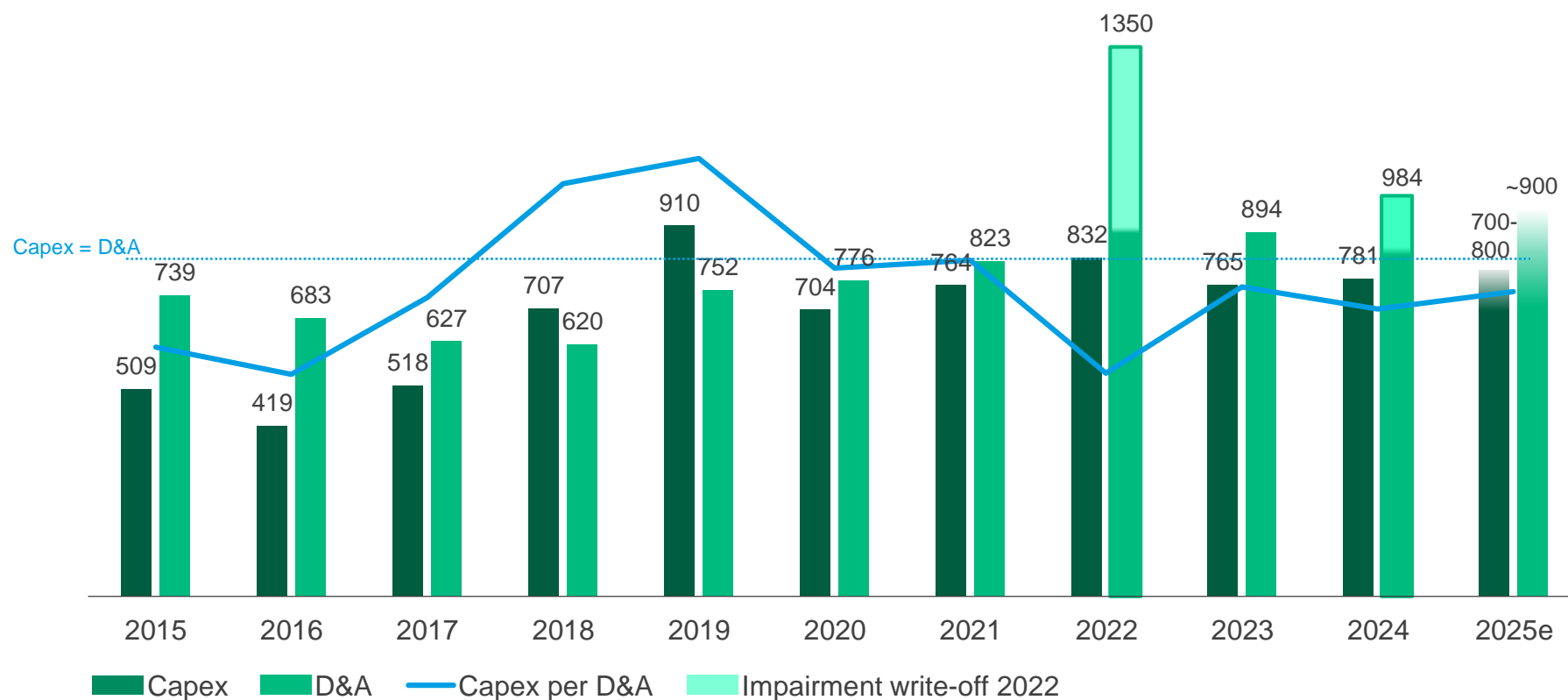
# Significant investments into growth

## Group capex and D&A



### HISTORIC AND PROJECTION

in € million

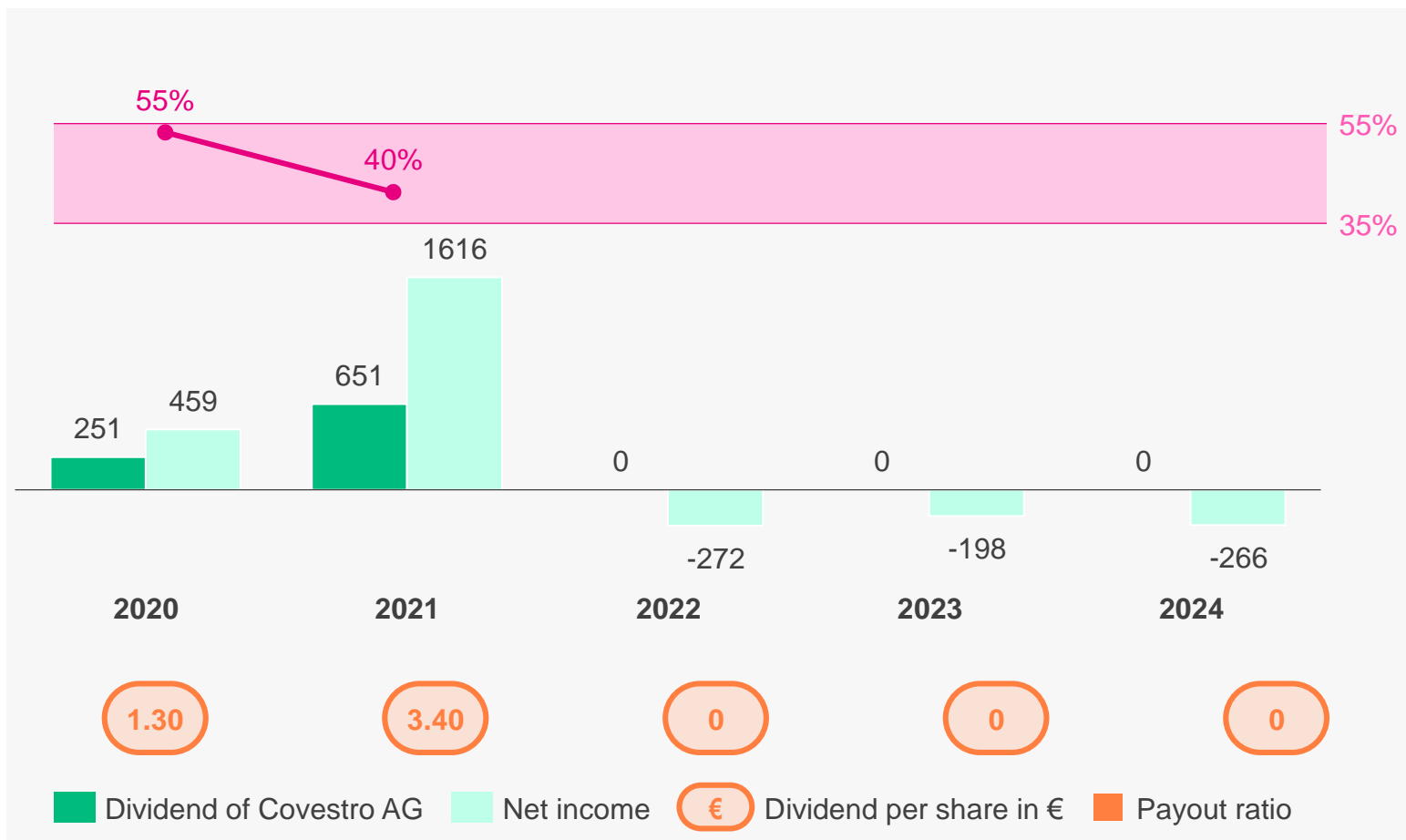


### HIGHLIGHTS

- Growth capex of around €3.3bn from 2015 to 2024
- D&A 2024 included impairment write-off of €142m
- Planned investments in Circular Economy projects of almost €1bn between 2021 and 2030

# Dividend based on net income payout ratio

## Dividend development



### HIGHLIGHTS

- Net income determining factor for the dividend
- Committed to a payout ratio of 35% to 55%, related to dividend over net income
  - Higher payout intended in years with peak earnings, while ratio towards lower end
  - Lower payout intended in years with trough earnings, while ratio towards upper end
- For FY 2022-2024, dividend suspension, in line with policy due to negative net income

# Ongoing shift to high-margin business

## Portfolio management



### DIVESTMENTS

Additive Manufacturing business

✓ April 2023

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

✓ July 2021

Europe Polycarbonates sheets business

✓ September 2019

Europe system houses

✓ June 2019

USA Polycarbonates sheets business

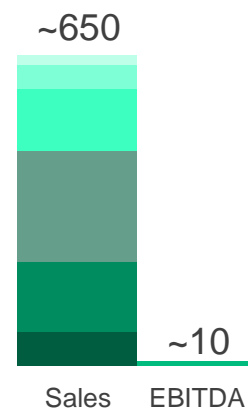
✓ August 2018

NA Polyurethanes spray foam business

✓ April 2017

✓ Closing

Cumulated, in € million



Business divested at average EV/EBITDA >20x

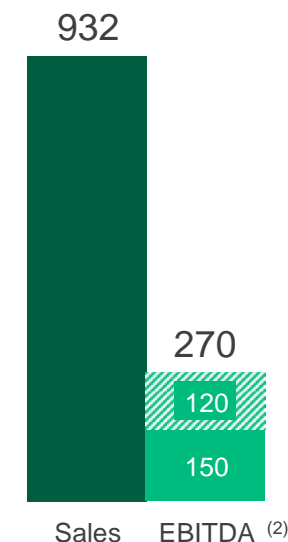
Portfolio analysis ongoing, further minor divestments possible

### ACQUISITIONS

DSM Resins & Functional Materials business

✓ April 2021

in € million



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

# Transformation in progress

## Q1 2025 Highlights



1

Sales stable at €3.5bn

with stable volumes due to reduced low-margin business

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2

EBITDA of €137m approaching upper end of guidance range

burdened by negative pricing delta and one-time-costs related to STRONG

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3

Negative FOCF of €-253m

in-line with expectations

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4

FY 2025 EBITDA guidance narrowed

with the lower end of €1.0bn re-iterated and the upper end reduced by €200m to €1.4bn


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5

XRG transaction on track

with additional approvals achieved

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- Covestro investment highlights
  - **Group financials Q1'25**
  - Segment overview
  - Background information

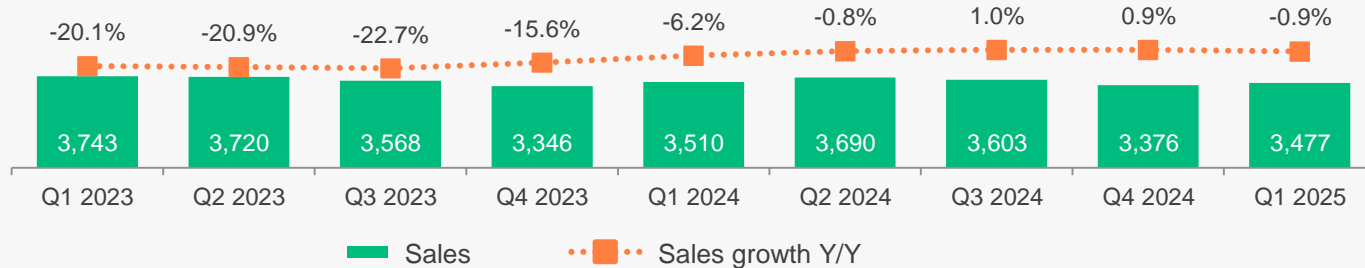


# Lower EBITDA due to negative one-time-effects and pricing delta

## Group results – Highlights Q1 2025

### SALES

in € million / changes Y/Y

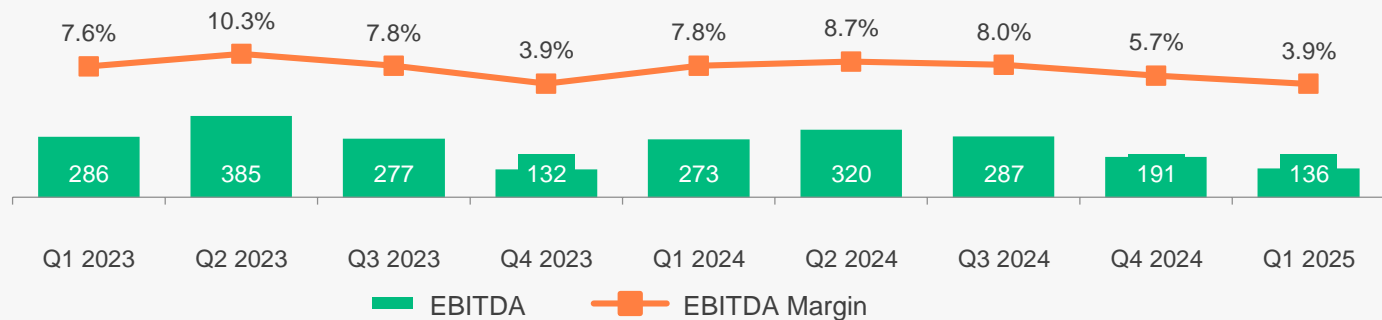


### HIGHLIGHTS Q1 2025

- Year-over-year, stable sales (-0.9%) with slightly negative pricing (-1.1%) while flattish volumes (-0.4%) and positive FX (0.6%)
- Quarter-over-quarter, sales globally increased driven by higher volumes in EMLA and NA while APAC with lower volumes; pricing declined NA and EMLA, APAC remaining flat, FX stable in EMLA and APAC while positive in NA

### EBITDA AND MARGIN

in € million



### HIGHLIGHTS Q1 2025

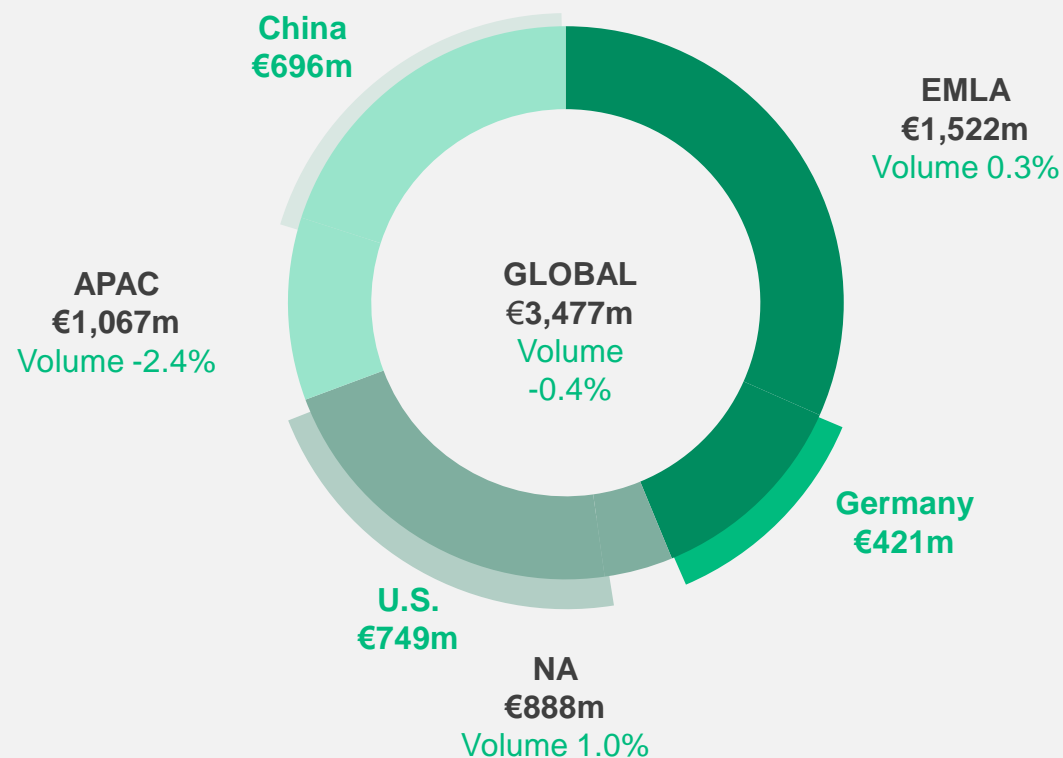
- Year-over-year, EBITDA decreased due to positive volumes while negative pricing delta and negative special items
- Sequentially, earnings decreased driven by negative others and pricing delta while positive volumes and FX
- EBITDA margin decreased to 3.9% in Q1 2025

# Weaker volumes in Asia due to reduced low-margin business



## Q1 2025 – Regional split

Sales volume Y/Y



### HIGHLIGHTS

- Year-over-year flat to slightly negative volume development across all industries:
  - **Construction** flattish development
  - **Furniture/wood** flattish development
  - **Auto** low-single-digit % decline
  - **Electro** mid-single-digit % decline
- **EMLA:** Continued significantly positive development in furniture/wood, slight growth in construction while auto and electro with slight decline
- **NA:** Furniture/wood, electro and construction with significant growth while auto with significant decline
- **APAC:** Auto with slight growth while industries construction, electro and furniture/wood with decline mainly due to reduced low-margin business

# Sales flat

## Q1 2025 – Sales bridge



in € million



### HIGHLIGHTS

#### Volume flat

- Volume flattish with -0.4% Y/Y due to reduced low-margin business
- Performance Materials with 2.0% Y/Y decline while Solutions & Specialties with 1.2% Y/Y increase

#### Pricing negative

- Pricing affected sales by -1.1%
- Performance Materials with +0.7% Y/Y whereas Solutions & Specialties with -3.0% Y/Y development

#### FX positive

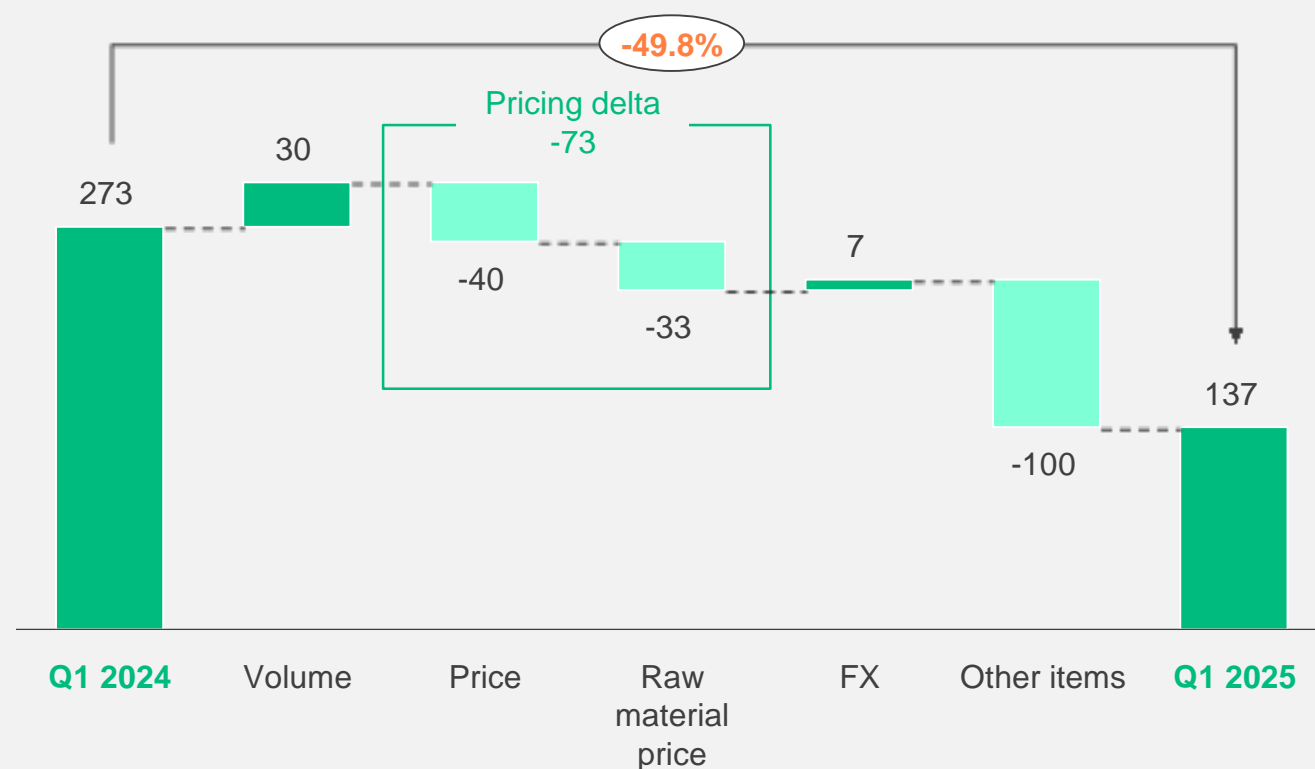
- FX affected sales by +0.6% Y/Y mainly driven by the stronger US Dollar and Chinese Renminbi

# EBITDA burdened by STRONG restructuring cost



## Q1 2025 – EBITDA bridge

in € million



### HIGHLIGHTS

#### Positive volume

- Focus on profitable business with above average growth whereas loss making business was reduced

#### Negative pricing delta

- Negative pricing delta due to unfavorable supply-demand balance and higher energy cost mainly in EMEA

#### Other items

- Restructuring cost related to transformation program STRONG of €108m in Q1
- Benefitted from slightly lower LTI/STI provisions of €14m

# Negative FOCF due to lower EBITDA and higher Capex



## Historical FOCF development

in € million

	FY 2020	FY 2021	FY 2022	FY 2023	FY2024	Q1 2025
	530	1,429	138	232	89	-253
<b>EBITDA</b>	+1,472	+3,085	+1,617	+1,080	+1,071	<b>+137</b>
<b>Changes in working capital<sup>(1)</sup></b>	-100 <sup>(3)</sup>	-727	+312	+250	+43	<b>-172</b>
<b>Capex<sup>(2)</sup></b>	-704	-764	-832	-765	-781	<b>-180</b>
<b>Income tax paid</b>	-155	-546	-538	-383	-219	<b>-34</b>
<b>Other effects<sup>(3)</sup></b>	+17 <sup>(3)</sup>	+381	-421	+50	-25	<b>-4</b>

### HIGHLIGHTS

- FOCF Q1 2025 increased Y/Y to €-253m (Q1 2024: €-129m)
- Working capital to sales ratio<sup>(4)</sup> relatively stable year-over-year at 18.4% (Q1 2024: 18.8%), driven by stable sales and only slightly lower absolute working capital
- Year-over-year capex higher, mainly driven by Performance Materials
- Other effects: FY 2024 included STI bonus payout of €106m for FY2023; no bonus payout in FY 2023
- FY 2024 capex of €781m broadly in-line with the guidance of €800m
- Income taxes impacted by geographical earnings mix



# Negative net income mainly due to lower EBITDA

## P&L statement Q1 2025

In € million	Q1 2024	Q1 2025	% of Q1'25 SALES	Δ Y/Y
Sales	3,510	3,477	100%	-0.9%
<b>EBITDA</b>	<b>273</b>	<b>137</b>	<b>3.9%</b>	<b>-49.8%</b>
D&A excl. impairments	-210	-218	-6.3%	3.8%
Impairments	-2	-16	-0.5%	700.0%
<b>EBIT</b>	<b>61</b>	<b>-97</b>	<b>-2.8%</b>	<b>-259.0%</b>
Financial result	-30	-44	-1.3%	46.7%
<b>EBT</b>	<b>31</b>	<b>-141</b>	<b>-4.1%</b>	<b>-554.8%</b>
Income taxes excl. DTA adjustments	8	38	1.1%	375.0%
DTA adjustments	-76	-58	-1.7%	-23.7%
<b>Net income<sup>(1)</sup></b>	<b>-37</b>	<b>-161</b>	<b>-4.6%</b>	<b>335.1%</b>
<b>Earnings per share (in €)<sup>(2)</sup></b>	<b>-0.19</b>	<b>-0.85</b>	<b>0.0%</b>	<b>347.4%</b>

### HIGHLIGHTS

#### Impairments

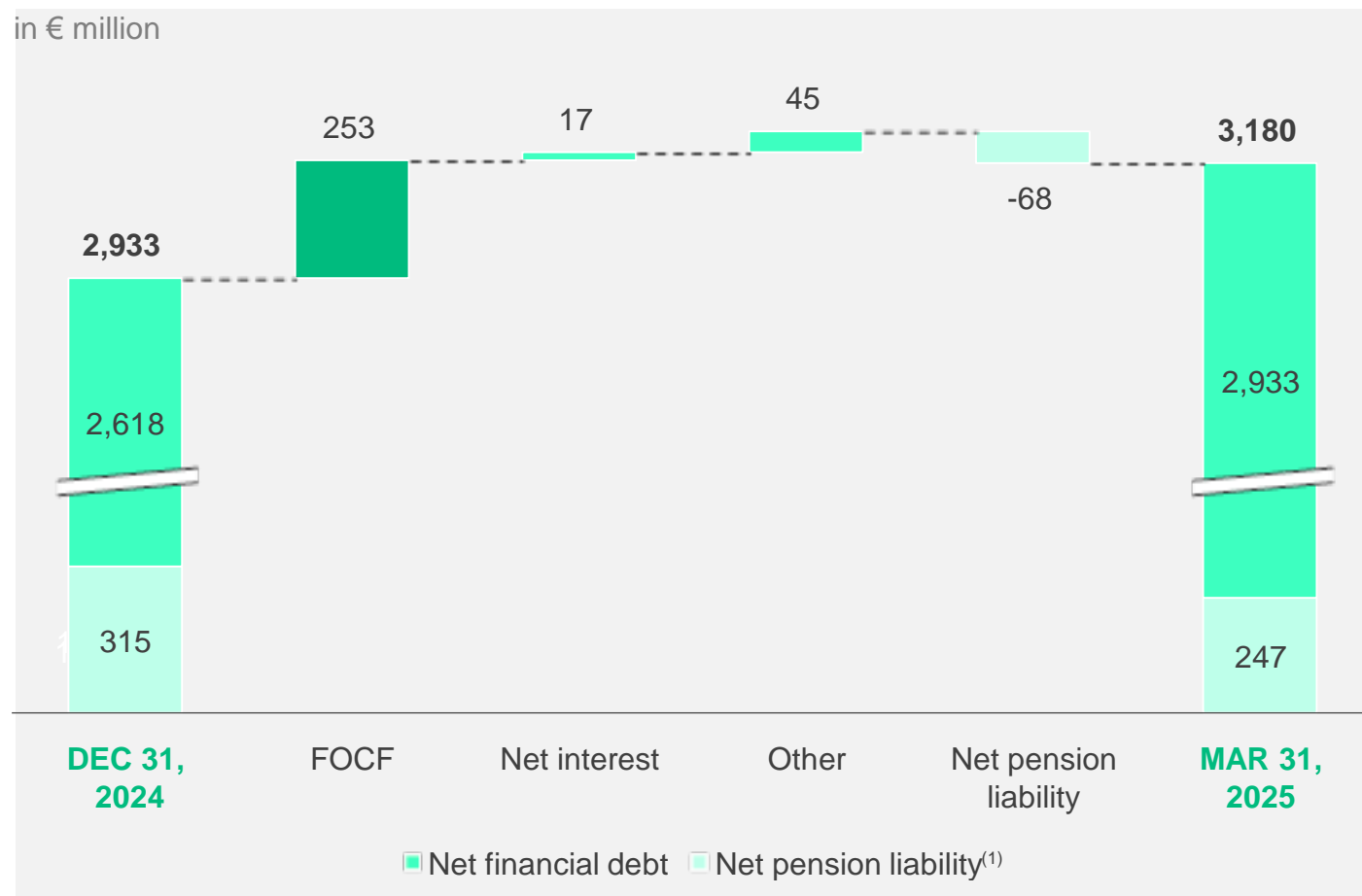
- Impairment of €16m driven by announced closure of PO production site in Maasvlakte, Netherlands

#### Deferred tax assets (DTA)

- Not recognized deferred tax assets on tax loss carryforwards and temporary differences
- DTA adjustments of €58m in Q1 2025 due to negative earnings mainly in Germany


# Total net debt burdened by negative FOCF

March 31, 2025 – Total net debt



## HIGHLIGHTS

- Total net debt to EBITDA ratio<sup>(2)</sup> of 3.4x at the end of Q1 2025 compared to 2.7x at the end of FY 2024
- Increased net debt to EBITDA ratio reflects the cyclical nature of Covestro's business and is expected to be only temporary
- Others mainly driven by lease contracts
- No financial covenants in place
- Committed to a solid investment grade rating; Baa2 with stable outlook confirmed by Moody's on April 28, 2025

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  - Background information

# Differentiation based on customer proximity and innovation

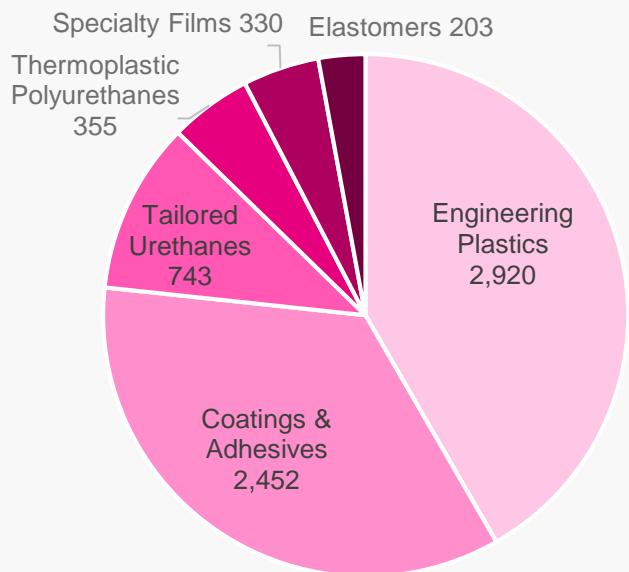


## Solutions & Specialties

### PRODUCTS

Differentiated polymer products

**SALES 2024** (in € million)



### SUCCESS FACTORS

#### Implement a pull supply chain

Use deep customer understanding to deliver unique value to customers



#### Lead in innovation

Continuously innovate products and applications in order to maximize value proposition to customers



#### Manage complexity

Efficiently steer customers and products at a small scale and balance cost of each solution against value for the customer



**Customer centricity**  
for  
solutions  
and  
specialty  
products

### BENEFITS FOR GROUP

- Maintain leadership in differentiated niche applications
- Implement growth strategy while building on vision of full circularity
- Improve earnings margin

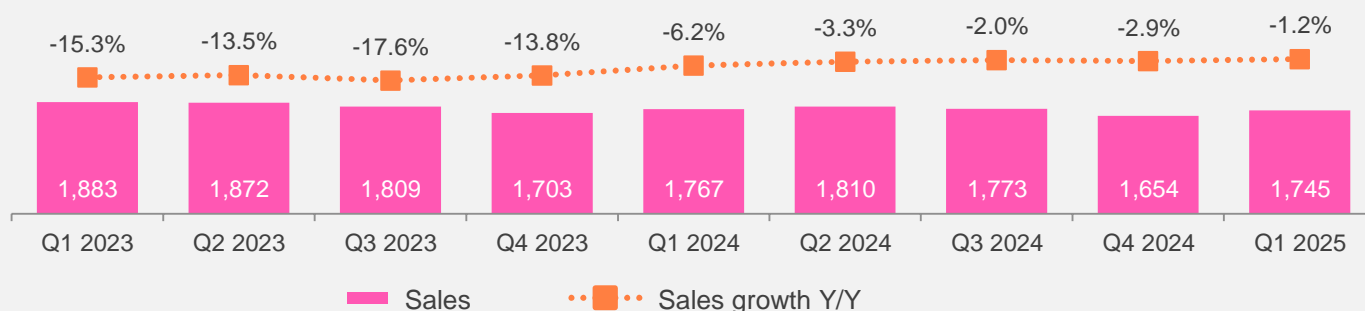
# Solutions & Specialties – Sales & EBITDA affected by lower prices



## Segment results – Highlights Q1 2025

### SALES

in € million / changes Y/Y

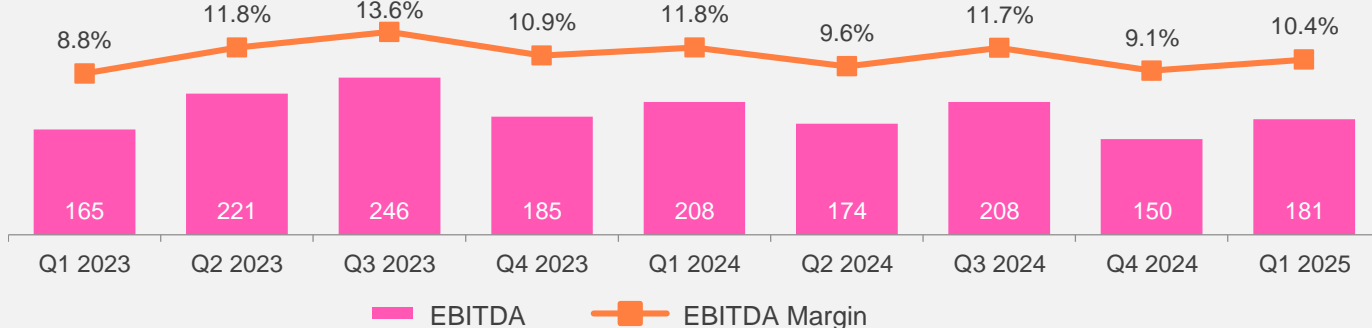


### HIGHLIGHTS Q1 2025

- Sales decreased by 1.2% Y/Y, driven by lower prices (-3.0%) while flat FX (0.6%) and positive volumes (1.2%)
- Quarter-over-quarter, sales globally increased driven by higher volumes in EMLA and NA while APAC with lower volumes; pricing declined in NA and EMLA, APAC remaining flat

### EBITDA AND MARGIN

in € million / margin in percent



### HIGHLIGHTS Q1 2025

- Compared to prior year, EBITDA decline due to negative pricing delta while positive volumes and others
- Quarter-over-quarter, higher EBITDA due to positive volumes while negative pricing delta and others
- EBITDA margin increased to 10.4% in Q1 2025

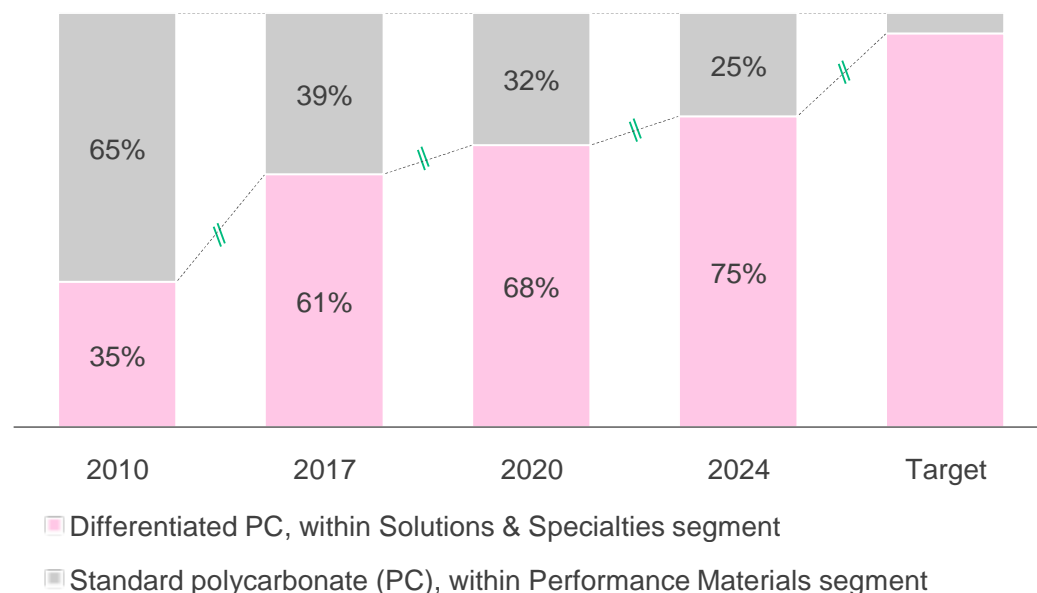
# Continuing shift to differentiated polycarbonate

## Solutions & Specialties: high-growth contributor Engineering Plastics



### POLYCARBONATE 2024 SALES €2.9bn

Covestro polycarbonate volume split by segment



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

### ENGINEERING PLASTICS (EP) INDUSTRY +4% CAGR 2024-2029e

#### CUSTOMER INDUSTRIES



##### Auto & transport

EP sales share 2024: 44%  
CAGR 2024-2029e: 4%



##### Electro

EP sales share 2024: 44%  
CAGR 2024-2029e: 4%



##### Healthcare

EP sales share 2024: 9%  
CAGR 2024-2029e: 9%

#### GROWTH DRIVERS

- Global trends towards BEV boost total LV production
- Number of produced BEV expected to grow strongly, with higher PC content per unit compared to conventional LV
- Strong demand in communication infrastructure, audio, LED, power supply and small appliances
- New opportunities from 5G, intelligent connectivity and electrical integration
- Aging population with increasing healthcare access in emerging markets
- Trend towards home healthcare devices and wearable monitor devices

Continuously strong demand for differentiated polycarbonate grades across several customer industries



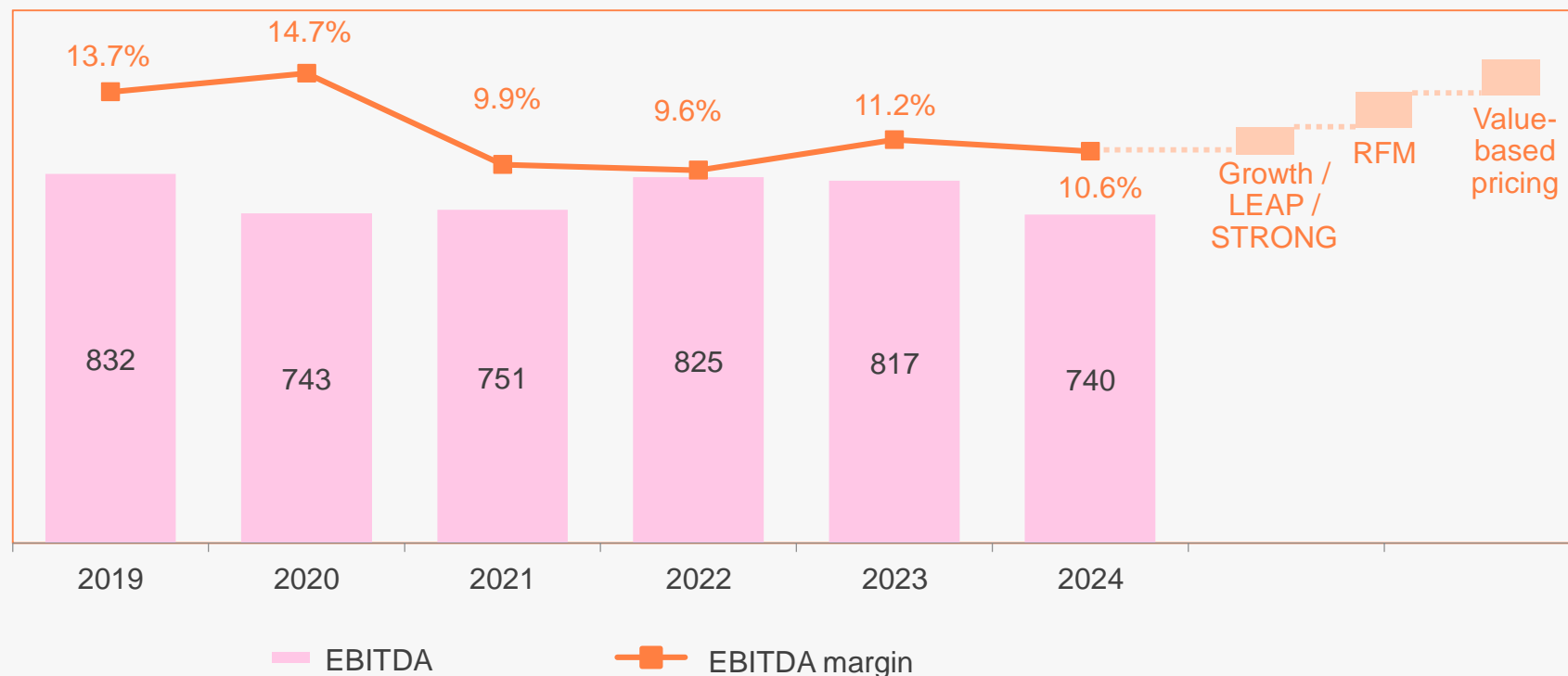
# EBITDA margin to grow

## Solutions & Specialties segment target



### EBITDA AND MARGIN – SOLUTIONS & SPECIALTIES

in € million



### TARGET MARGIN

- EBITDA margin 2024 decreased Y/Y due to restructuring efforts and cyclical demand weakness
- EBITDA margin growth driven by:
  - fixed cost dilution due to strong sales growth and limited cost increases
  - RFM synergies
  - Focus on value-based pricing
  - Transformation program STRONG

# Standard products with reliable supply and lowest cost

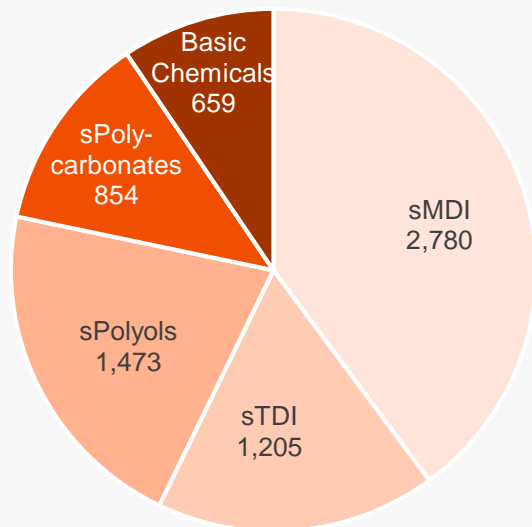
## Performance Materials



### PRODUCTS

Polyurethane and polycarbonate standard products as well as basic chemicals

**SALES 2024** (in € million)



### 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

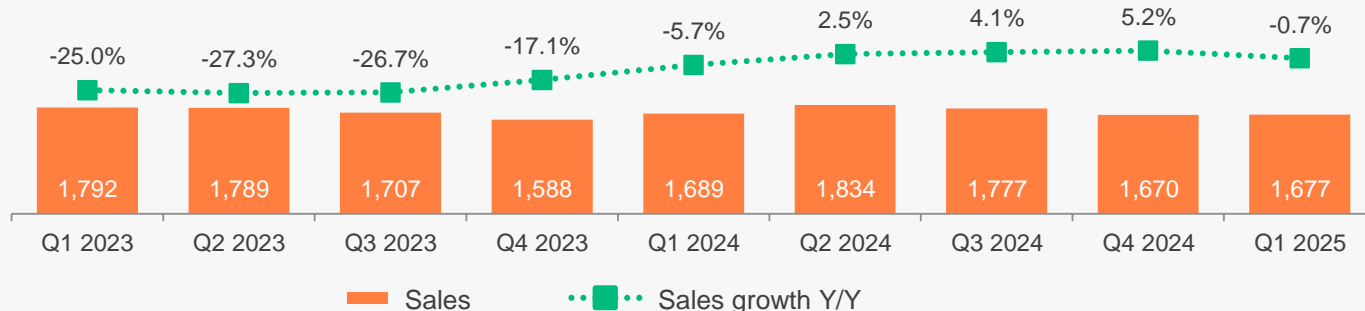
# Performance Materials – EBITDA down due to one-time-effects



## Segment results – Highlights Q1 2025

### SALES

in € million / changes Y/Y

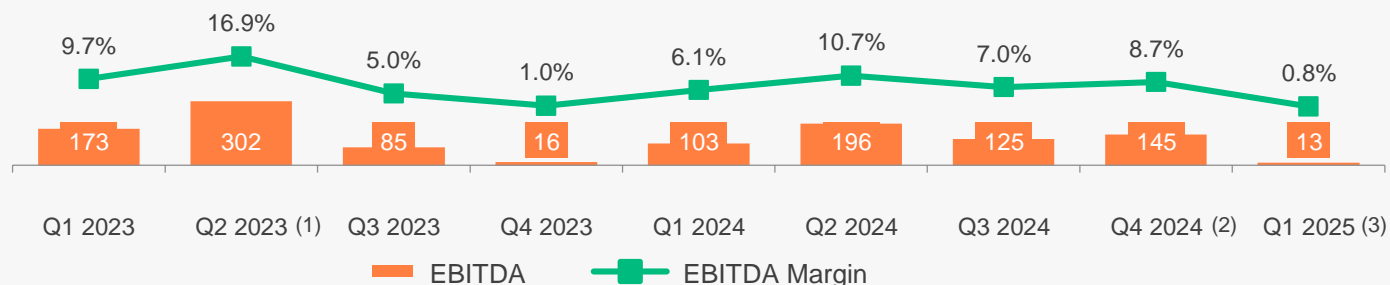


### HIGHLIGHTS Q1 2025

- Sales stable (-0.7%) Y/Y, driven by lower volumes (-2.0%) while flat prices (0.7%) and FX (0.6%)
- Sequentially, sales globally stable, higher volumes in NA and EMLA while APAC with lower volumes; pricing stable in EMLA and APAC while declining in NA

### EBITDA AND MARGIN

in € million / margin in percent



### HIGHLIGHTS Q1 2025

- Compared to prior year, EBITDA decreased due to negative one-time-effects related to the closure of the joint propylene oxide (PO) site with LYB and negative pricing delta while higher volumes
- Quarter-over-quarter, lower EBITDA driven by negative others and pricing delta while positive volumes
- EBITDA margin decreased to 0.8% in Q1 2025

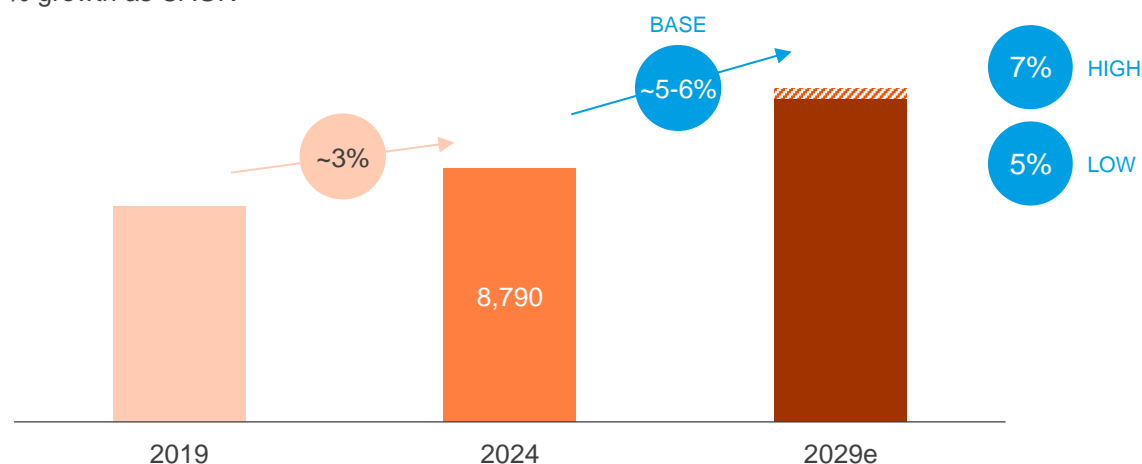
# MDI market moving to balance

## Performance Materials: MDI industry demand and supply



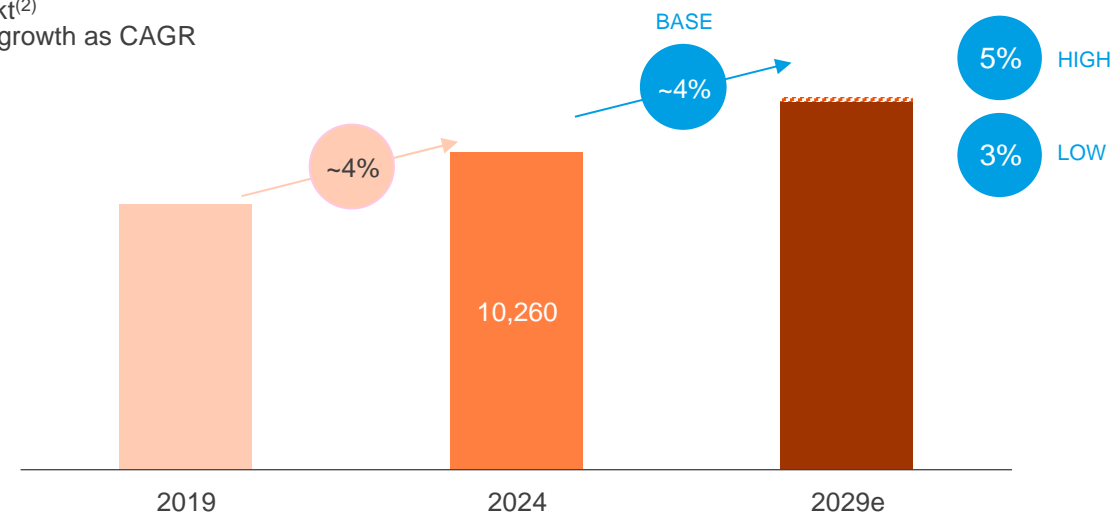
### MDI DEMAND DEVELOPMENT (2019 - 2029e)

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



### MDI SUPPLY DEVELOPMENT (2019 - 2029e)

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



### HIGHLIGHTS

- In 2024, Industry Utilization Rate of 86%, burdened by weak Construction demand; industry usually fully utilized in the low nineties
- Demand CAGR of 5-6% between 2024 and 2029e along with construction recovery path
- Long-term, demand growth CAGR of ~6% expected

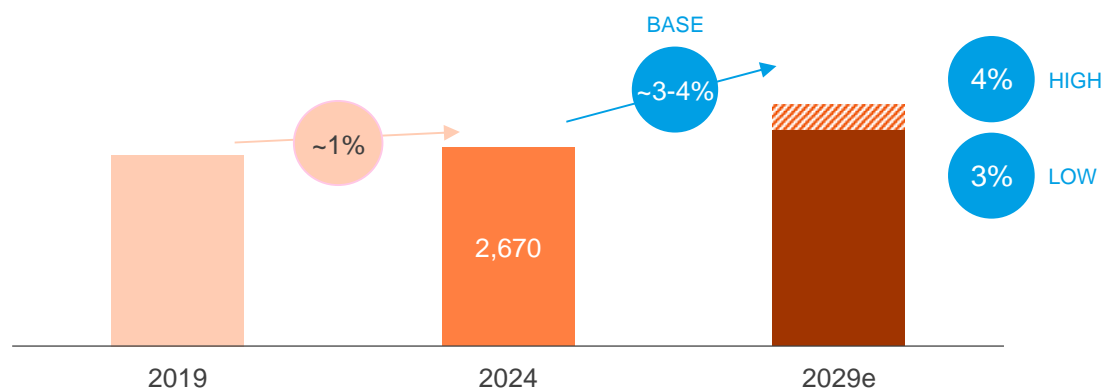
# TDI market moving toward balance



## Performance Materials: TDI industry demand and supply

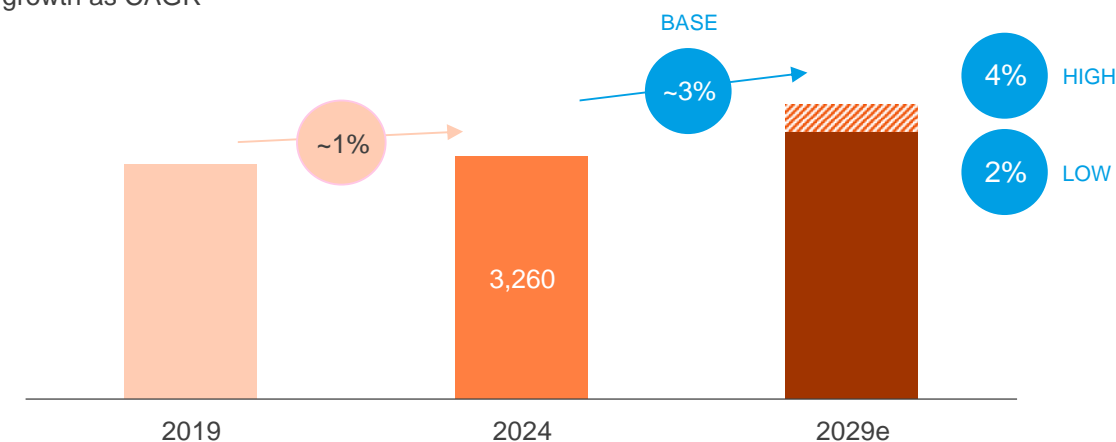
### TDI DEMAND DEVELOPMENT (2019 - 2029e)

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



### TDI SUPPLY DEVELOPMENT (2019 - 2029e)

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



### HIGHLIGHTS

- In 2024, industry utilization benefitted from 6% market growth while capacities flatish
- Leading to an increased industry utilization rate of 82% (2023: 77%)
- Industry usually fully utilized in the high eighties percent
- Favorable cash cost position puts Covestro into strong competitive position even under low cycle conditions

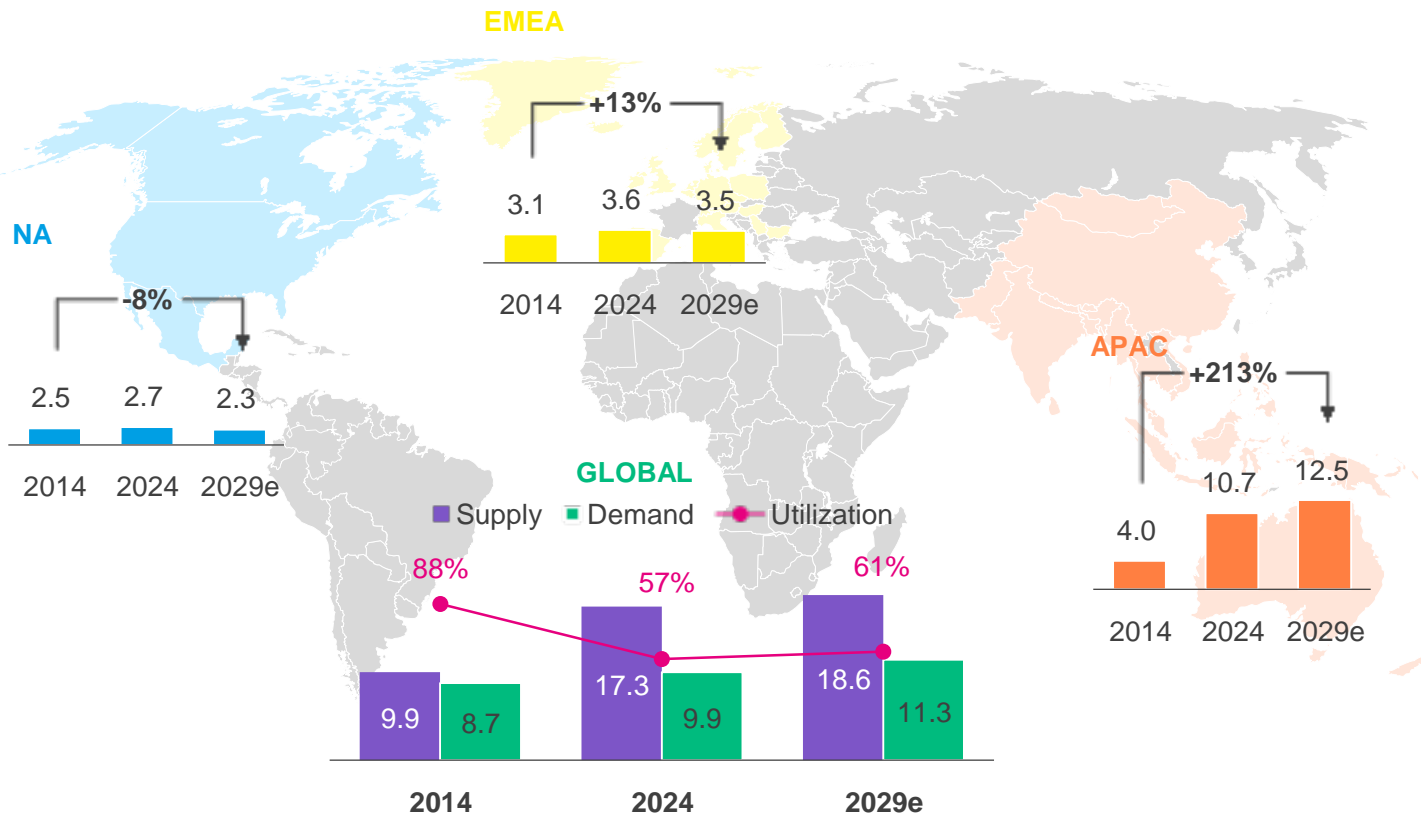
# Covestro closes loss making propylene oxide production



## Propylene oxide (PO) demand and supply situation

### GLOBAL PO PRODUCTION LANDSCAPE

in million tons



### COVESTRO PO CAPACITY ADJUSTMENT


#### Economic situation

- Increased investment into petrochemical sites in China led to lower propylene feedstock cost supporting propylene oxide capacity additions
- Plant additions in China led to utilization rates below 60%

#### Covestro mitigation measures

- Covestro's PO Joint Operation with Lyondell at Maasvlakte (Netherlands) is permanently shut down and will be decommissioned in 2025
- JV capacity of ~300kt PO and ~650kt styrene
- Closure part of STRONG transformation plan
- Negative one-time EBITDA effect of €88m million with a positive EBITDA and FOCF effect<sup>(1)</sup> of low-to-mid-double-digit € million amount from 2026 onwards
- The sales impact is expected in the mid-triple-digit € million range, mainly due to styrene
- Associated restructuring cost incorporated in FY 2025 guidance



- 
- A large, stylized graphic on the left side of the slide. It features a cityscape at the bottom, overlaid with a complex network of glowing white lines and various icons representing sustainability and technology, such as gears, leaves, a globe, and a leaf. The background is a gradient of blue and green.
- Covestro investment highlights
  - Group financials Q1'25
  - Segment overview
  - **Background information**

# Led by a diverse, international management team

## Covestro senior management



### BOARD OF MANAGEMENT



#### **Chief Executive Officer**

Dr Markus Steilemann  
Nationality: German



#### **Chief Financial Officer**

Christian Baier  
Nationality: German



#### **Chief Commercial Officer**

Sucheta Govil  
Nationality: British  
with Indian origin



#### **Chief Technology Officer**

Dr Thorsten Dreier  
Nationality: German

### BUSINESS ENTITIES



#### **Performance Materials**

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



#### **Tailored Urethanes**

Julia Rubino  
Nationality: US-American  
Based in Pittsburgh,  
USA



#### **Coatings and Adhesives**

Dr Thomas Römer  
Nationality: German  
Based in Leverkusen,  
Germany



#### **Engineering Plastics**

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



#### **Specialty Films**

Aukje Doornbos  
Nationality: Dutch  
Based in Dormagen,  
Germany



#### **Elastomers**

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

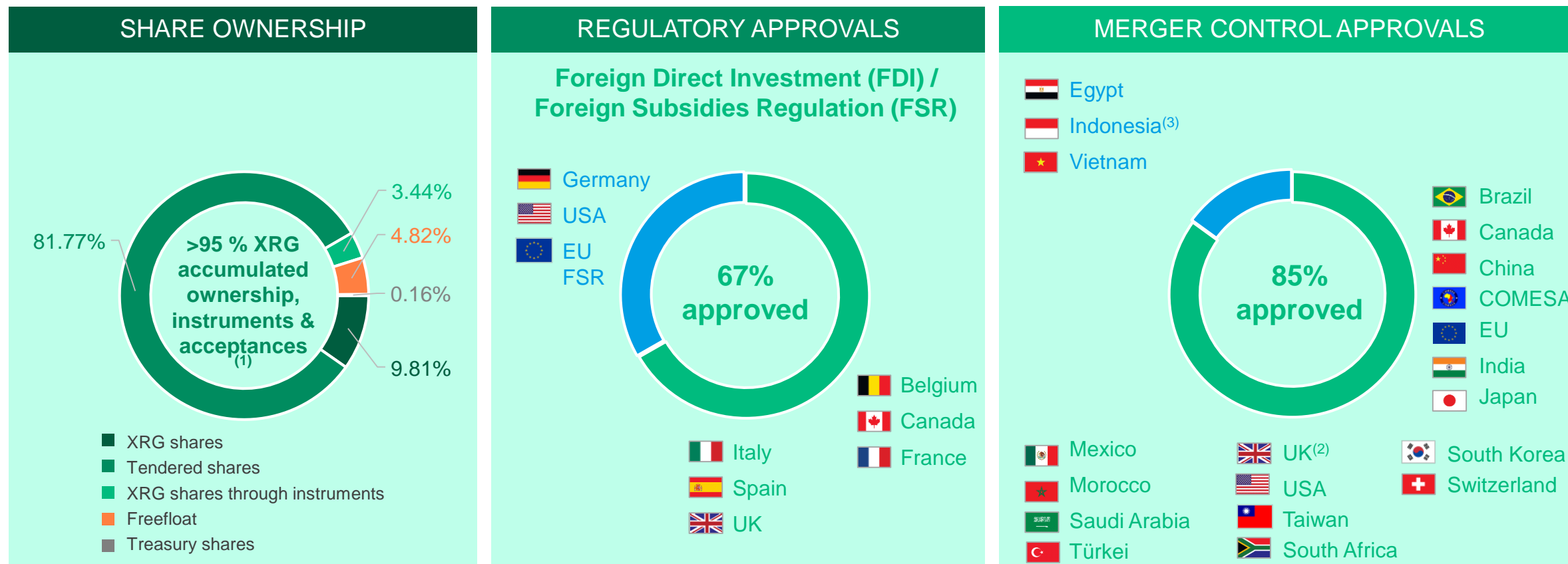


#### **Thermoplastic Polyurethanes**

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

# Regulatory approvals progressing as expected

Progress on XRG transaction as of May 13, 2025












On track for closing in H2 2025

# Covestro ESG rating results and index membership

As of April 2025



ESG Ratings & Indices	Scoring Range (Worst → Best)	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Distinction
	D- to A	-	-	-	-	-	A-	A-	A-	Update pending		(1) Leadership Level
	0 to 100	73			80			72			71	(2) 
	CCC to AAA	BBB	BBB	A	A	A	A	AA	A		AA	(3) 
	100 to 0	74	75		80	23.3	20.0	18.3	20.9	20.1	21.4	(4) 
	Excluded / Listed	Listed	Listed	Listed	Listed	Listed	Listed	Listed	Listed	Listed		 FTSE4Good

Notes:

- (1) Leading within the chemical industry in managing the most significant climate related questions.
- (2) Covestro belongs to the Top 10% within the chemical industry.
- (3) Covestro belongs to the Top 20% within specialty chemicals.
- (4) Covestro is identified as a TOP ESG performer of Sustainalytics' ESG Risk Ratings out of more >4,000 comprehensive companies. Covestro belongs to the Top 11% within the chemical industry.

# Global energy prices rise following gas price development

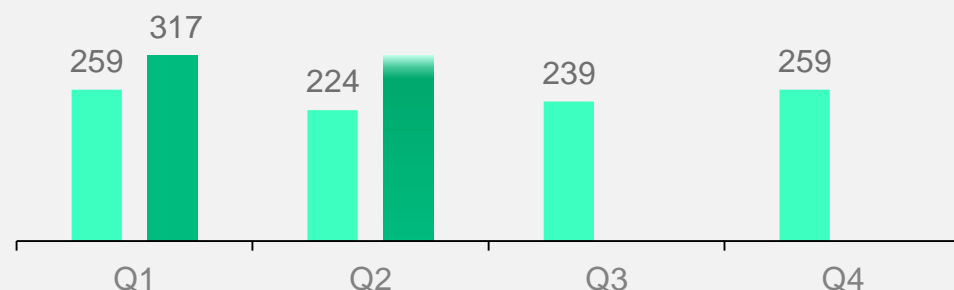
## Energy cost development



### QUARTERLY ENERGY COST DEVELOPMENT

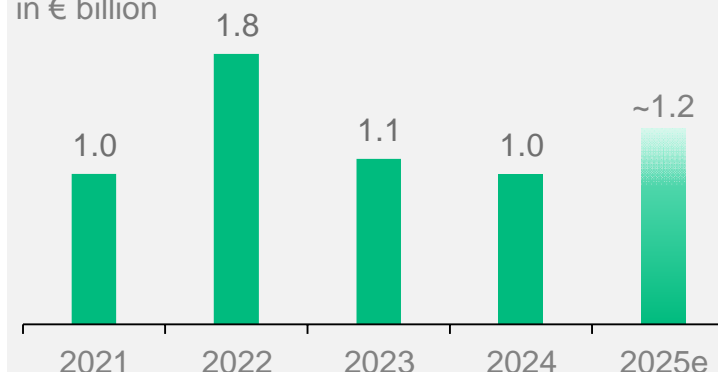
in € million

2024 2025



### GLOBAL ENERGY COST

in € billion



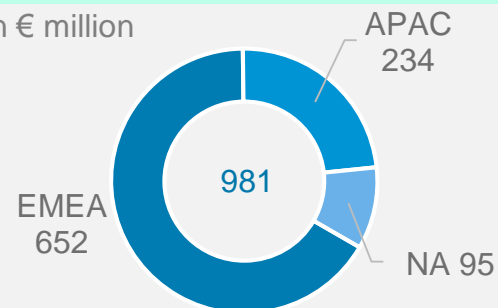
### HIGHLIGHTS

- Global energy bill in FY 2024 of €1.1bn, energy demand increased by ~7% vs FY 2023
- Q2 2025 global energy bill expected slightly below Q1 2025 from lower prices
- Global energy bill in FY 2025 expected around €1.2bn, driven by higher prices and production volumes

### ENERGY BREAKDOWN

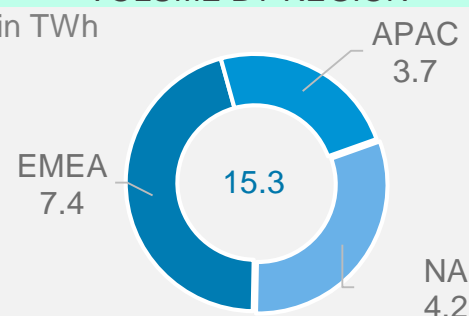
#### 2024 ENERGY SPENT BY REGION

in € million



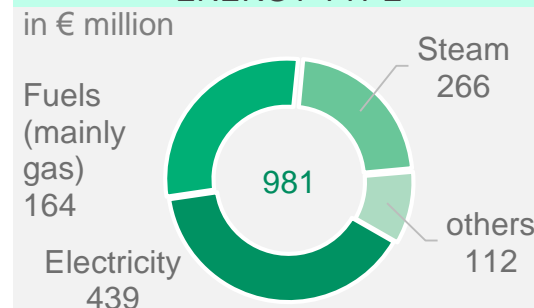
#### 2024 PRIMARY ENERGY VOLUME BY REGION<sup>(1)</sup>

in TWh



#### 2024 SPENT BY ENERGY TYPE

in € million

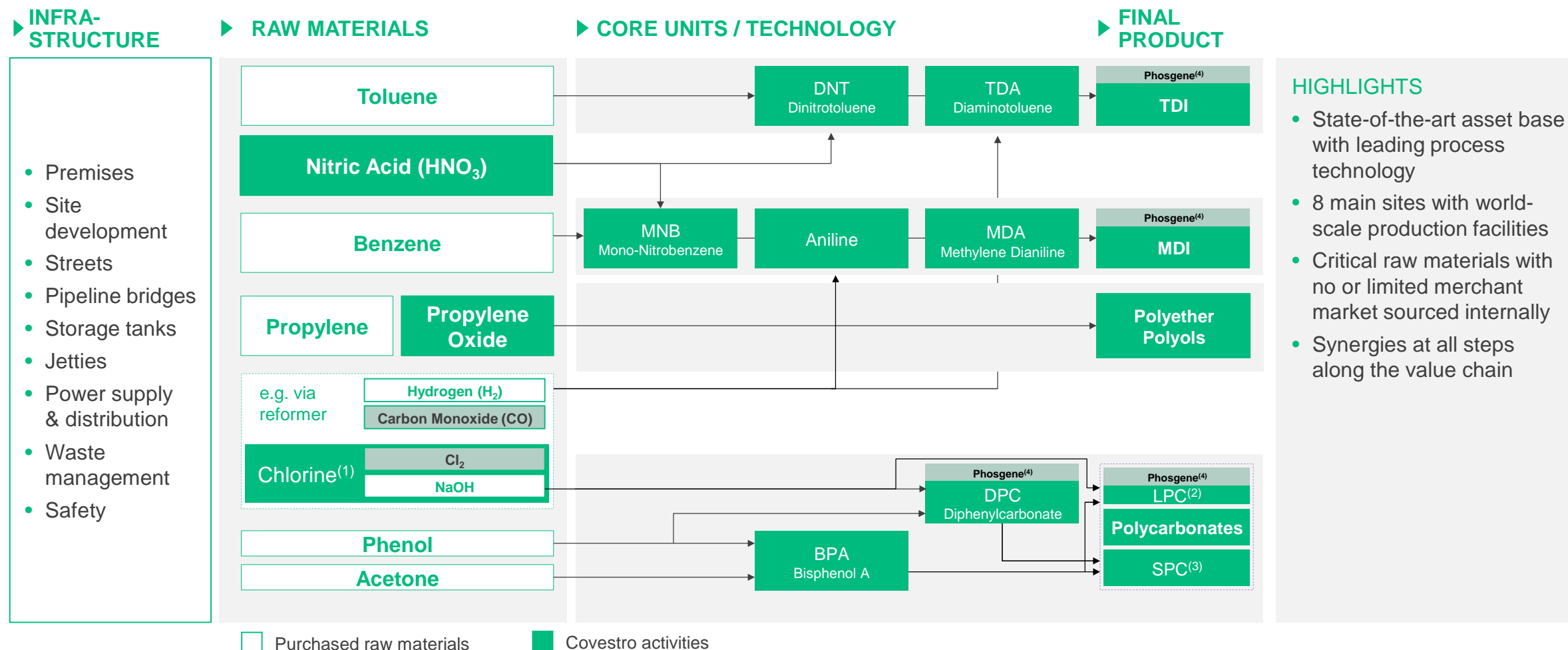




# Synergies in scale, process technology and chemical know-how



## One chemical backbone across all segments

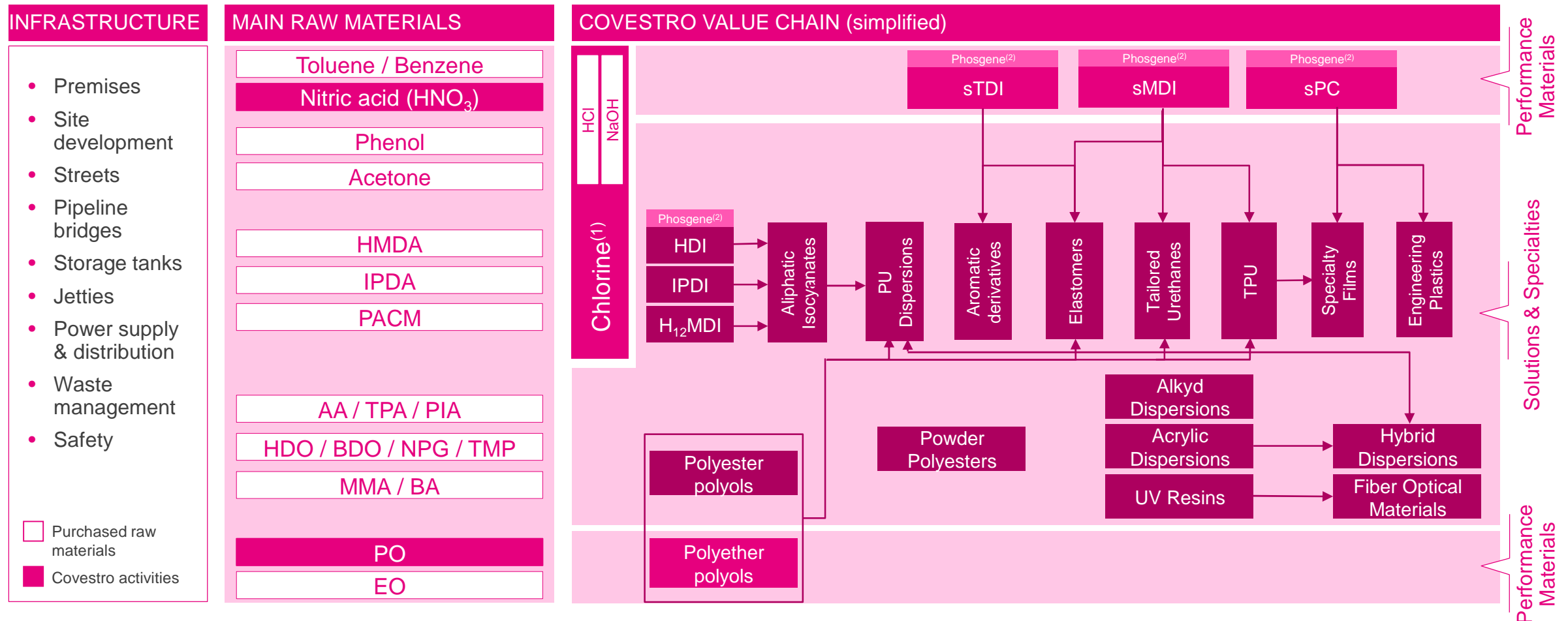




# Synergies from chemical backbone and complementary technologies



## Solutions & Specialties backward integration and value chain



# Entire organization aligned for performance and sustainability

## Group Profit Sharing Plan (PSP) proposed for 2025-2027



### BOARD OF MANAGEMENT STI PROPOSAL

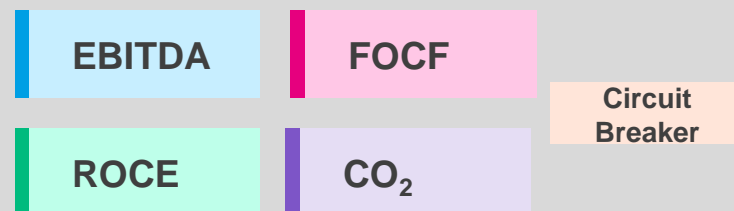
Old PSP system  
2022-2024



Based on three-year business plan

Proposed PSP adjustment  
2025-2027<sup>1</sup>

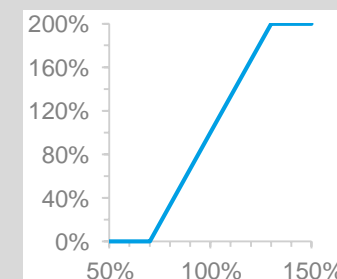
Mid-term component – 50% 1



Circuit Breaker

→ GRID: 100% on three-year Business Plan

One-year component – 50% 2



→ GRID: 100% on one-year target as approved by BoM and Supervisory Board

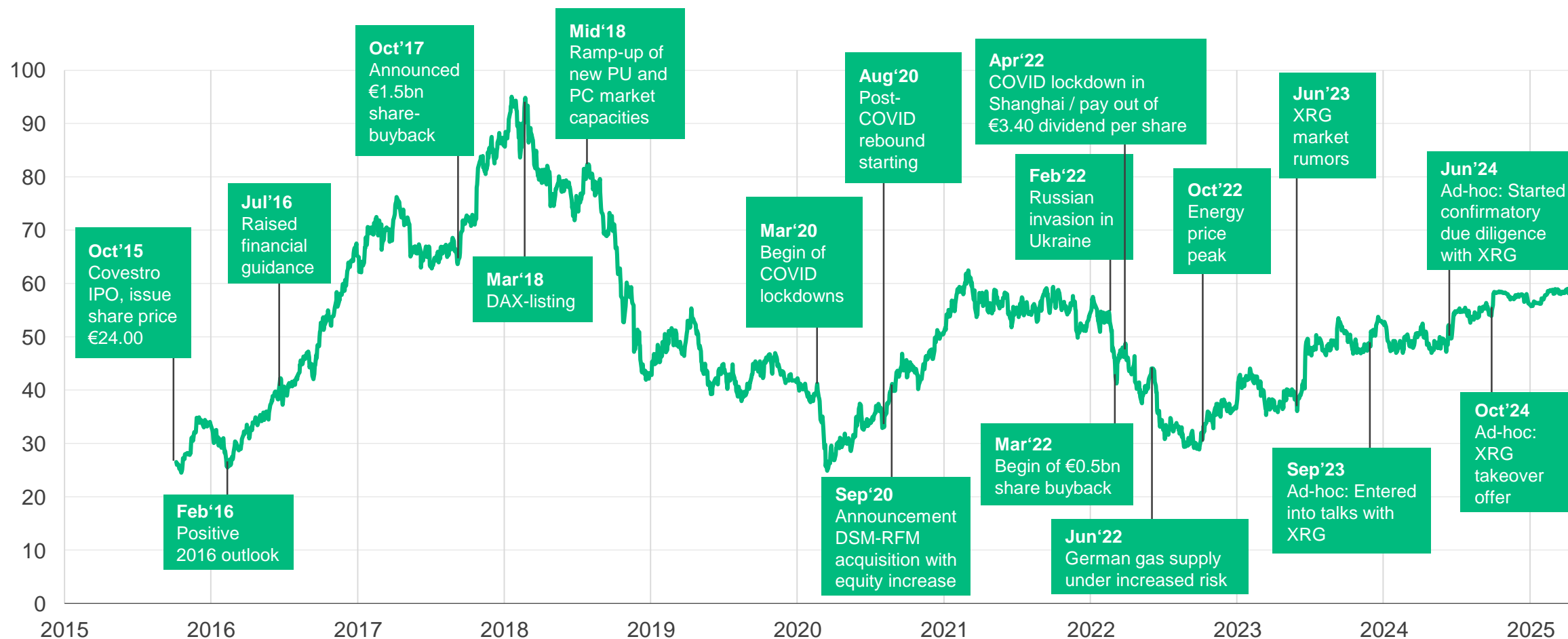
# High accumulated free operating cash flow

## Development of last five years

		2020	2021	2022	2023	2024
<b>Sales</b>	(€ million)	10,706	15,903	17,903	14,377	14,179
• Volume y/y	(%)	-5.1	+6.5	-5.0	-6.8	+7.4
• Price y/y	(%)	-5.7	+34.7	+10.1	-11.0	-8.0
• FX y/y	(%)	-1.6	-0.8	+5.9	-2.2	-0.8
• Portfolio y/y	(%)	-1.3	+8.1	+2.0	-	-
<b>EBITDA</b>	(€ million)	1,472	3,085	1,617	1,080	1,071
• Performance Materials		896	2,572	951	576	569
• Solutions & Specialties		743	751	825	817	740
<b>Earnings per Share</b>	(€)	2.48	8.37	-1.42	-1.05	-1.41
<b>Capex</b>	(€ million)	704	764	832	765	781
<b>Free operating cash flow (FOCF)</b>	(€ million)	530	1,429	138	232	89
<b>ROCE above WACC</b>	(%points)	-0.3	12.9	-5.0	-6.1	-7.4
<b>Total net debt <sup>(1)</sup></b>	(€ million)	2,479	2,604	2,920	2,885	2,933
<b>Employees <sup>(2)</sup></b>	(FTE)	16,501	17,909	17,985	17,520	17,503

# Historical share price performance

## Covestro € share price since IPO



# Upcoming IR events

Find more information on [covestro.com/en/investors](https://covestro.com/en/investors)



## REPORTING DATES

- |                     |                                 |
|---------------------|---------------------------------|
| • July 31, 2025     | 2025 Half-Year Financial Report |
| • October 30, 2025  | Q3 2025 Quarterly Statement     |
| • February 26, 2026 | 2025 Annual Report              |

## ANNUAL GENERAL MEETING

- |                  |                        |
|------------------|------------------------|
| • April 15, 2026 | Annual General Meeting |
|------------------|------------------------|

## BROKER CONFERENCES

- |                |  |
|----------------|--|
| • May 13, 2025 | Citi, European Chemicals Conference, London                      |
| • May 14, 2025 | UBS, Best of Europe Conference, virtual                          |
| • May 27, 2025 | Deutsche Bank, dbAccess European Champions Conference, Frankfurt |
| • June 3, 2025 | Exane, BNP Paribas Exane CEO Conference, Paris                   |

# Disclaimer

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

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