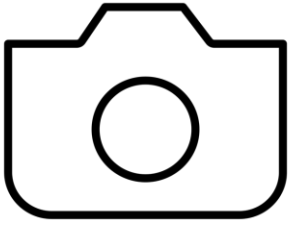




Covestro: Focusing on our Strengths

Annual Press Conference 2025

February 26, 2025



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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.

Your hosts today

Welcome



Dr. Markus Steilemann
Chief Executive Officer



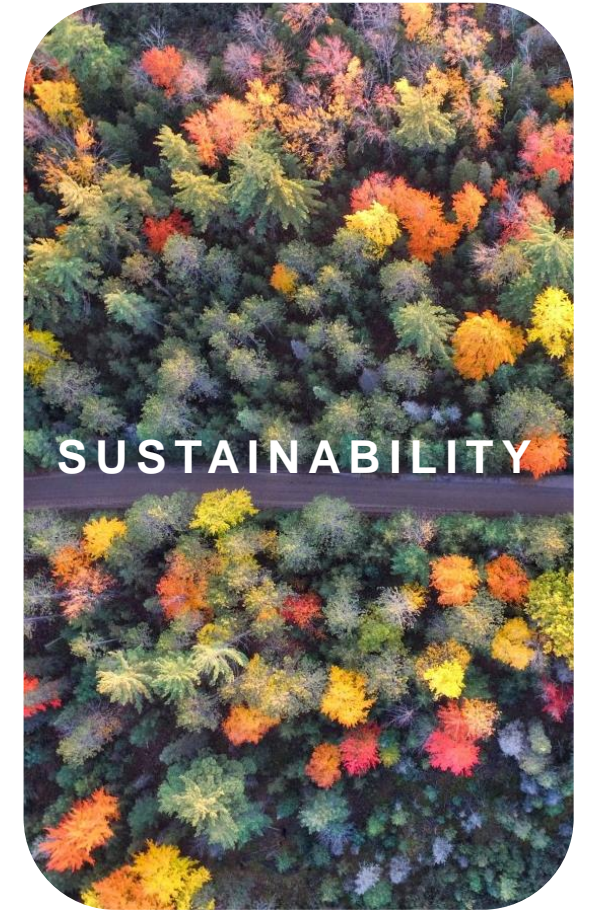
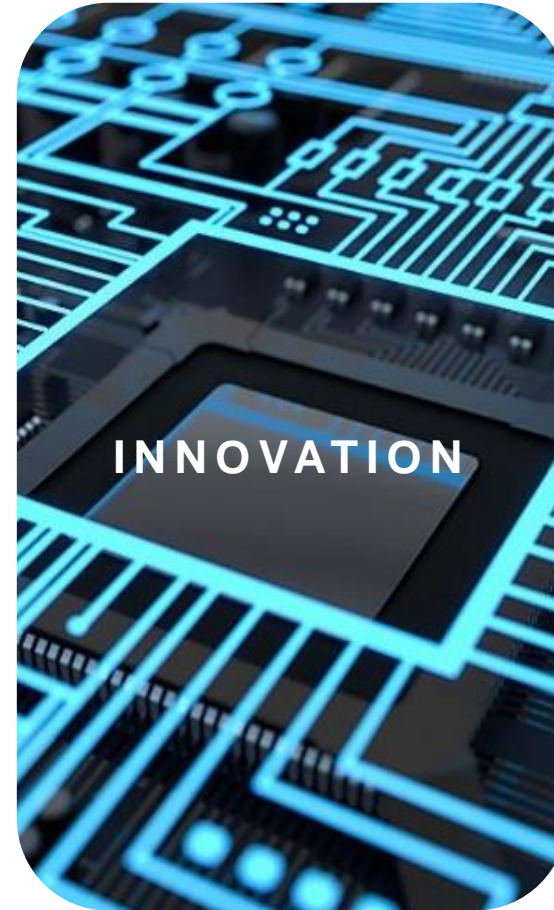
Christian Baier
Chief Financial Officer

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Focusing on our Strengths

Building the chemical company of the future

Determined towards a sustainable, innovative and profitable future



Consistently driving transformation

Clear focus on profitability, digitalization and efficiency gains



Sharpen strategy

Even stronger customer focus

Unchanged commitment to climate neutrality

Focus on artificial intelligence

Optimize structures

More efficient structures and processes

Faster digitalization

STRONG: Savings of € 400m p.a. by 2028

Increase performance

Realizing untapped potential

Identifying additional growth opportunities

Institutionalizing new ways of working

Focus on future growth and profitability



Progress in production efficiency and plant availability



Consistent and growth-oriented investments

300+

million euros in investments worldwide

Sales volume significantly increased

+7.4%

compared to the previous year

Continuous expansion of production capacities



Innovations for a sustainable future

Progress in recycling, AI and digital technologies



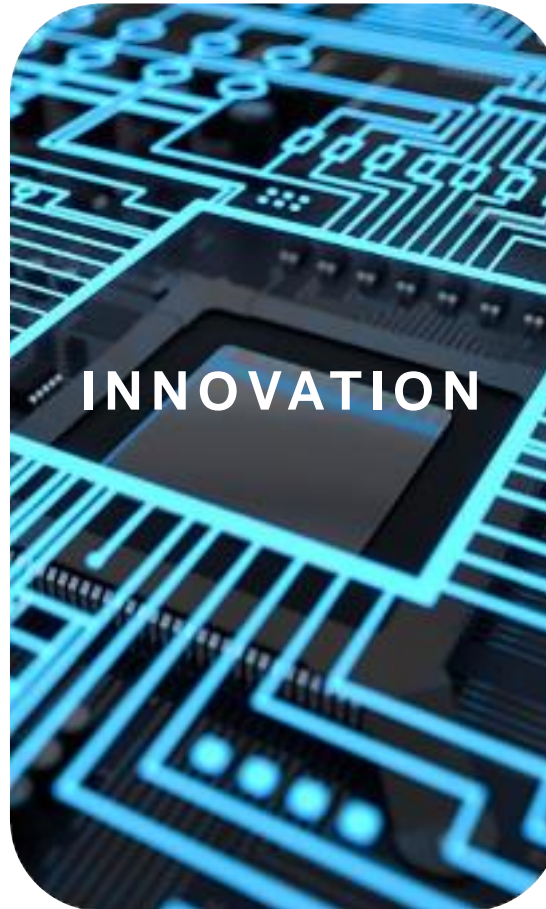
Plastic recycling for the automotive industry

Cooperation with the automotive industry to develop a program for efficient and sustainable plastics recycling

Artificial Intelligence

Development of an autonomous forecasting model for liquidity management

AI-based production plant to increase capacity by over 350 tons per year



New recycling technologies

Investment in BioBTX ICCP-Technology for the recovery of raw materials from plastic and organic waste

Digital life cycle assessments for products

Development of a digital platform for carbon footprint accounting of products from cradle to gate

Sustainability firmly in focus

Continuous progress towards circularity and climate neutrality



11 power purchase agreements

signed globally as of the end of 2024



16 percent

of electricity consumption met by renewable energies despite 10% increase in energy demand

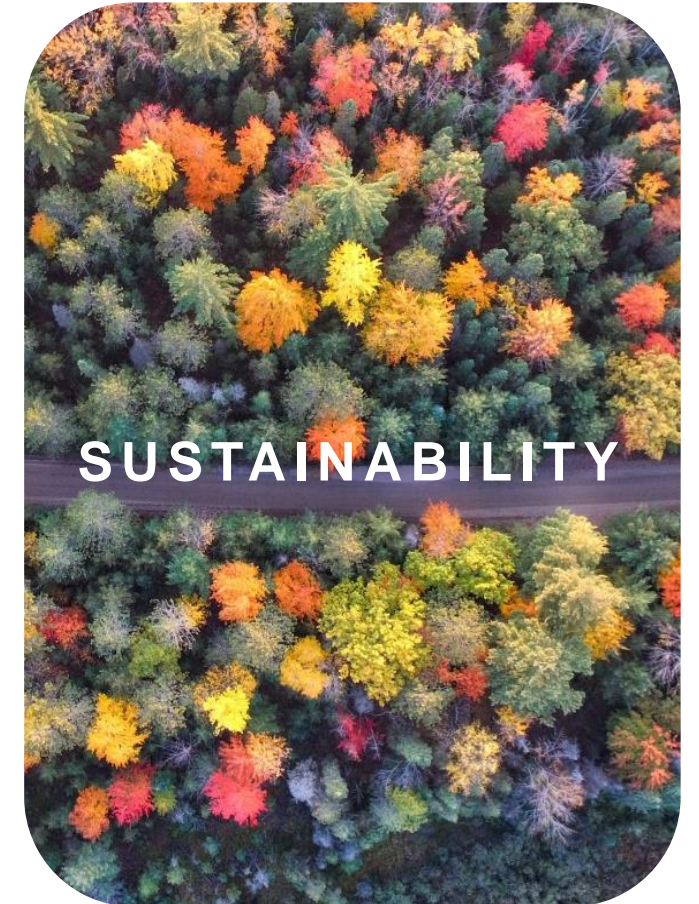


4 sites in the USA

fully powered by renewable energy sources since 2025

Access to alternative raw materials

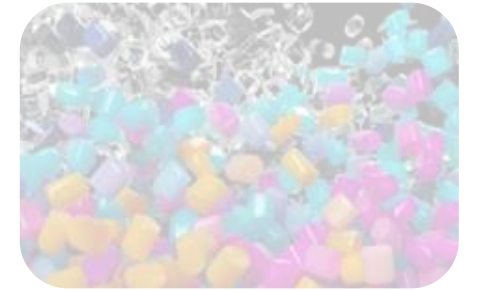
purchase and recycling of plastic waste



Most advanced platform for sustainable chemicals



A strong foundation provides the ideal basis for realizing a circular economy



XRG partnership: The right step at the right time



Central platform for XRG to become a world-leading chemical company*

XRG: strong & long-term oriented partner



German corporate governance and retention of co-determined supervisory board

Full support of the “Sustainable Future” strategy and vision of a circular economy



Stronger foundation for sustainable growth: €1.17 billion for further implementation of the strategy



Stock corporation under German law with headquarters in Leverkusen



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Stable in a Challenging Market Environment

2024: Specified EBITDA target achieved



Key figures for fiscal year 2024

EBITDA

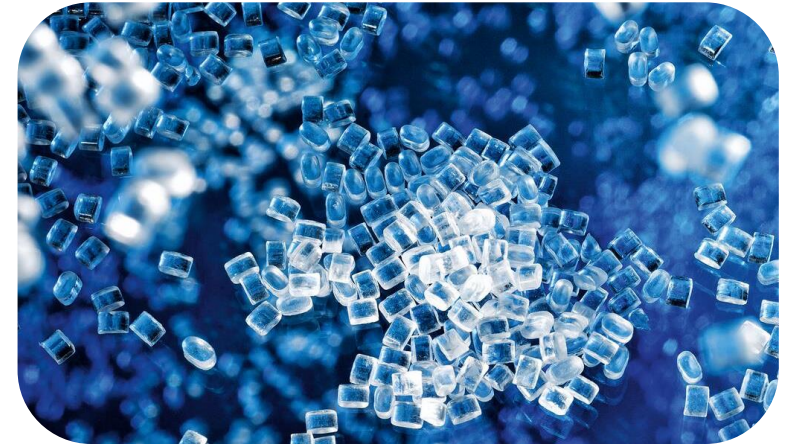
€ 1.1bn

2023: € 1.1bn

FOCF

€ 89m

2023: € 232m



Group sales

€ 14.2bn

2023: € 14.4bn

ROCE above WACC

−7.4 PP

2023: −6.1 PP

Greenhouse gas emissions

4.7m tons*

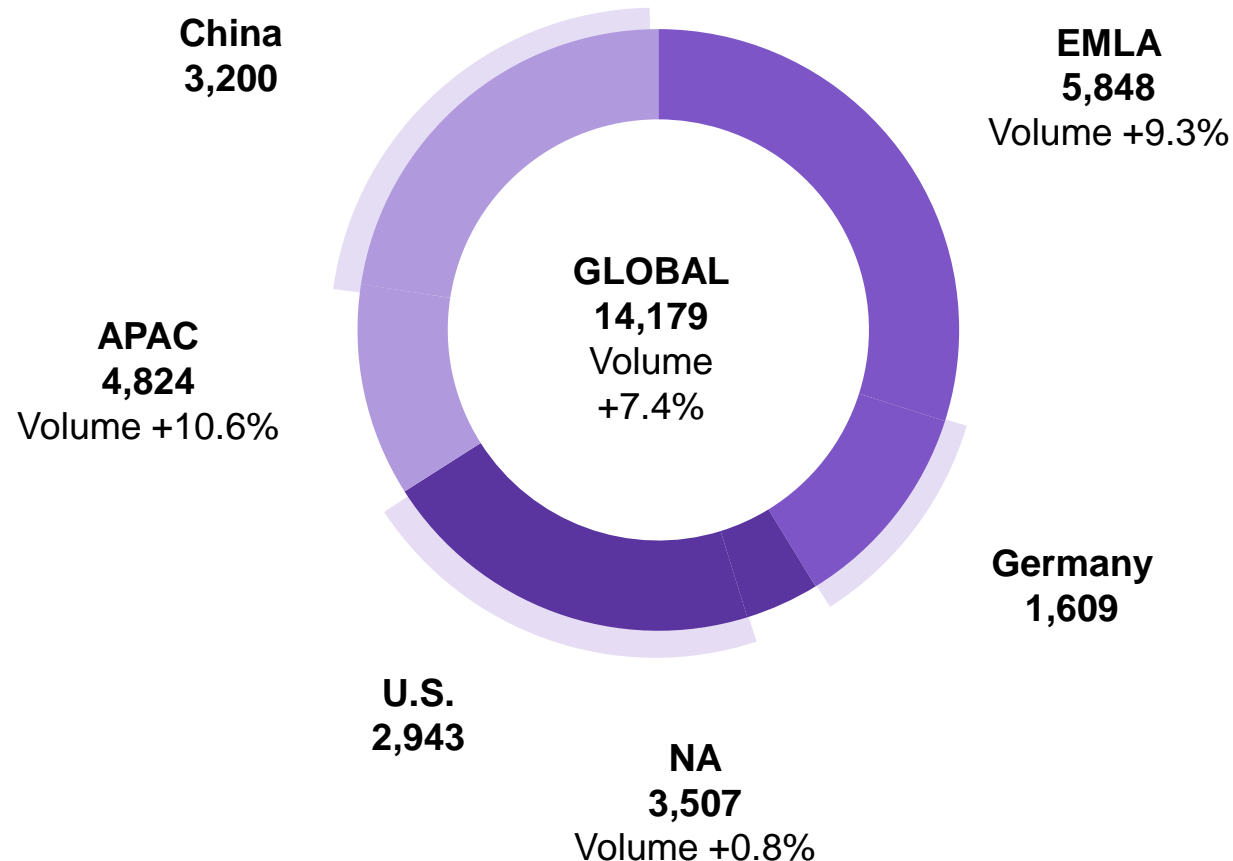
2023: 4.9m tons*

Global sales volumes significantly increased



FY 2024 – Group sales

Sales in € million
Sales volume Y/Y in %



Over 7% volume increase

Significantly improved asset availability

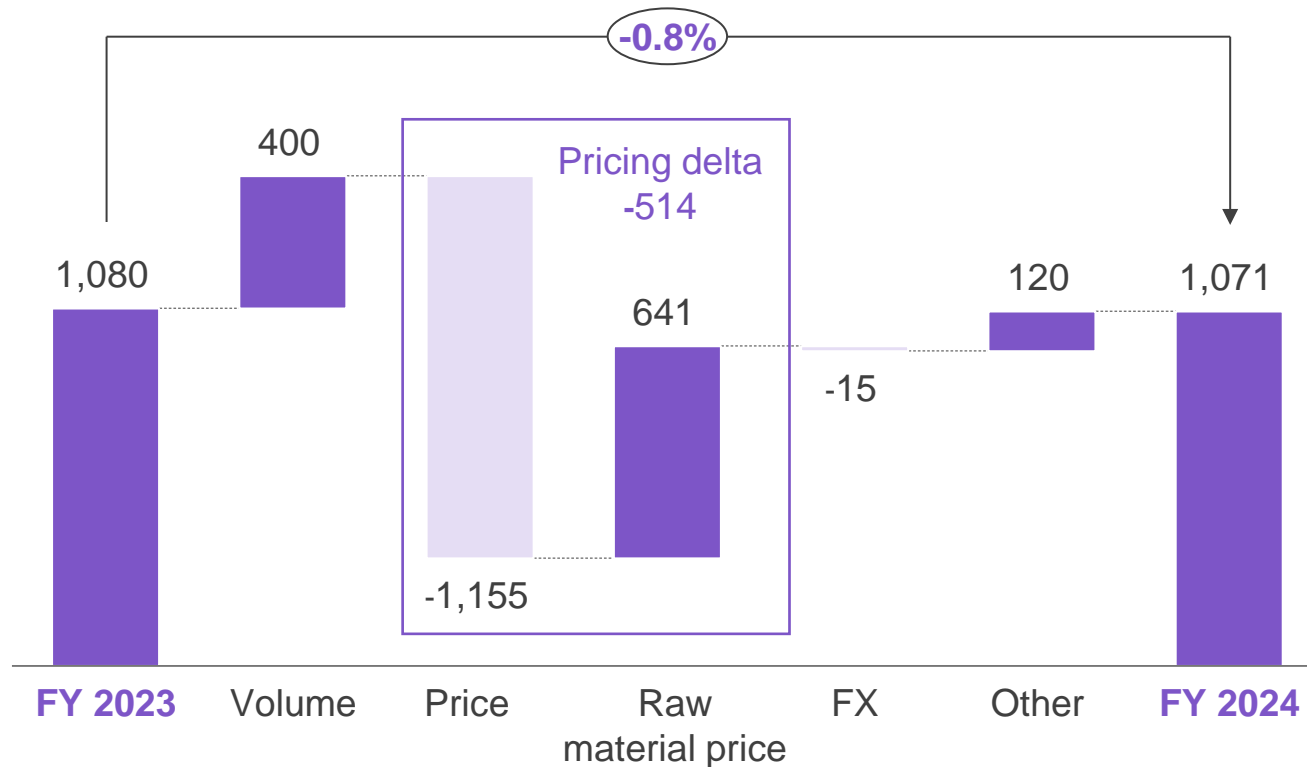
Strong growth in the construction industry

Stable earnings in a challenging market environment



FY 2024 – EBITDA bridge

in € million



Increased sales volumes with a positive effect of € 400m

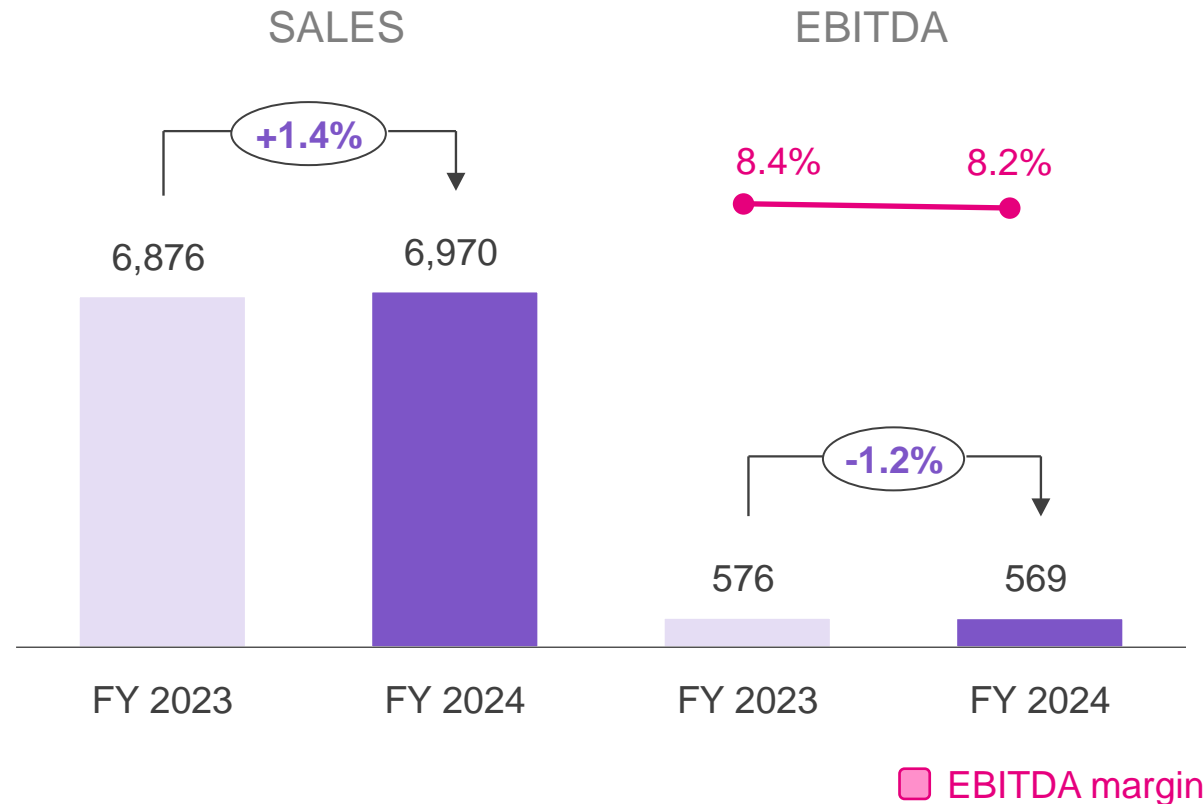
Negative pricing delta due to subdued global demand

Other effects positive overall despite restructuring costs

Significant increase in sales volumes

Performance Materials segment

In € million



Sales volume growth of around 12%

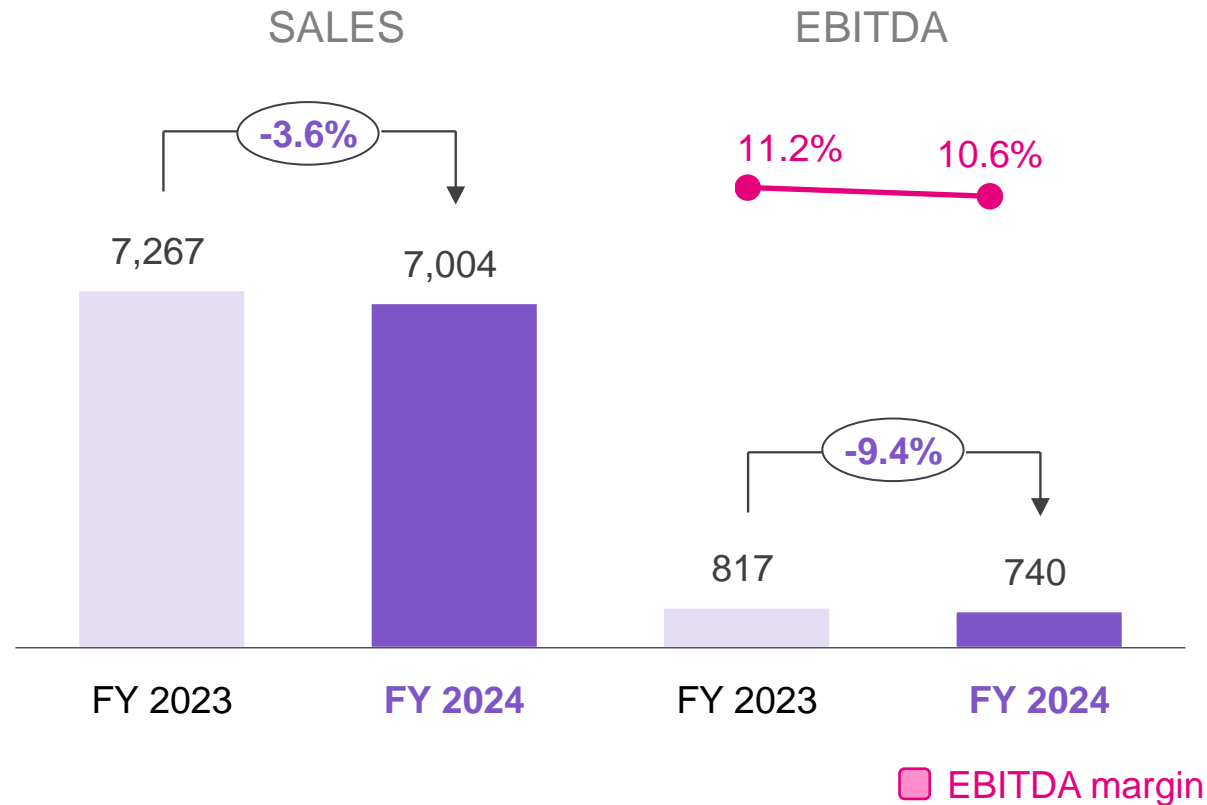
Declining sales price level

Success factors: cost leadership and asset availability

Slightly lower EBITDA due to one-off effects

Solutions & Specialties segment

In € million



Increased sales volumes

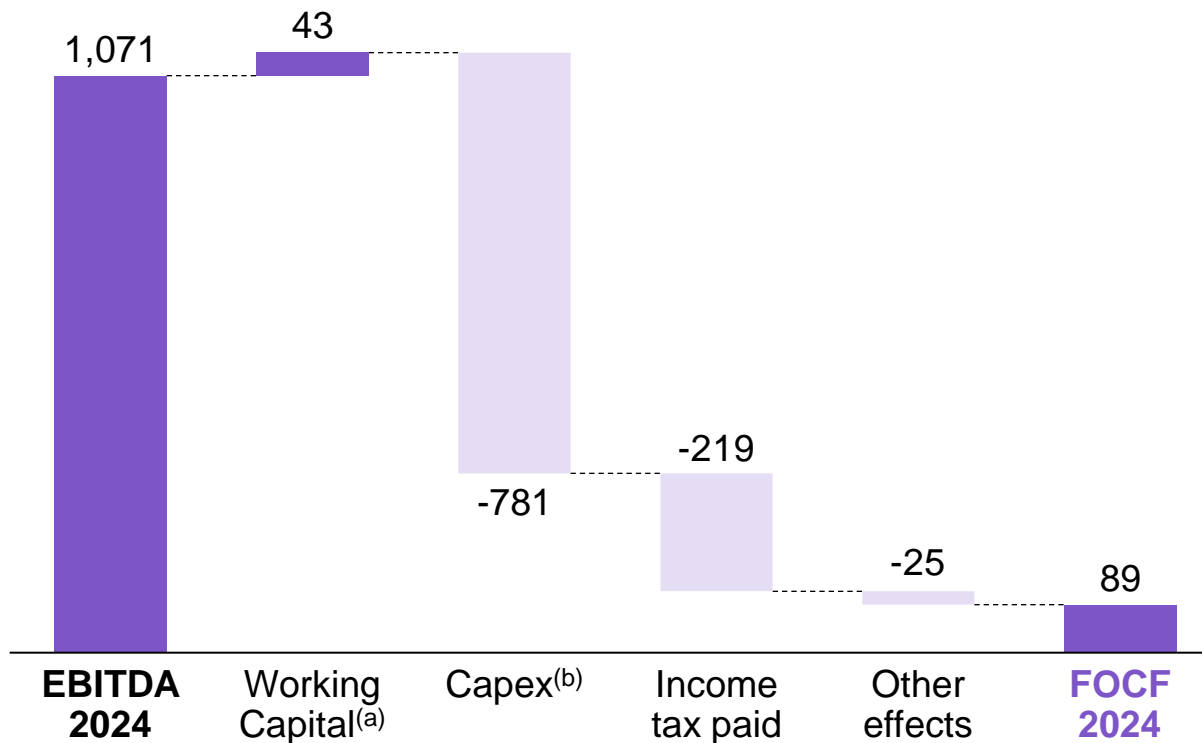
Decline in revenue due to declining price levels

One-off effects reduce EBITDA

Positive cash flow in a challenging fiscal year

FY 2024 – FOCF bridge

In € million



FOCF in Q4 2024:
€ 253m

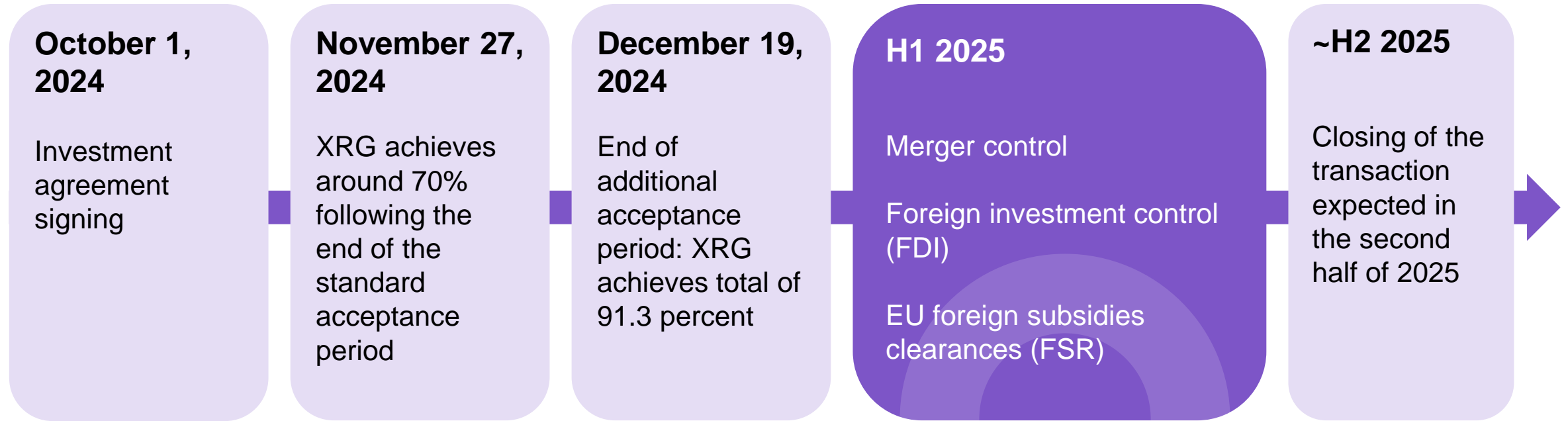
Lowered release of funds in working capital due to inventory development

Consistent efficiency initiatives

XRG takeover offer for Covestro successful



Closing of transaction is subject to regulatory approvals



As per investment agreement, dividend payments will be suspended until the takeover offer has been completed, the period for obtaining regulatory approvals has expired or the investment agreement has been terminated

Outlook: Expected EBITDA between € 1.0bn and € 1.6bn



Forecast reflects continued tepid demand environment

EBITDA

€ 1.0 – 1.6bn

FOCF

€ 0 – 300m



**ROCE above
WACC**

–6 PP to –2 PP

**Greenhouse gas
emissions**

4.2m – 4.8m tons*

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**Economic Turnaround:
Chemical Industry is
set to soar!**

EU & Germany: Economic policy needs a fresh start



Challenging political environment

A vertical rectangular graphic with rounded corners. The background is a landscape at sunrise or sunset, with a bright sun low on the horizon over rolling hills. The text "NEW START" is overlaid in white, bold, sans-serif capital letters.

NEW START

Competitive energy prices

Secured generation capacities and demand-oriented electricity grids

More pragmatism in the ramp-up of hydrogen

More cost-efficient integration of renewable energies

Bureaucracy reduction

Refocusing reporting requirements

Streamlining processes

Accelerating and simplifying approval procedures

Corporate tax reform

Significant reduction of the tax burden

Revision of the EU directives on global minimum taxation

Reduction of energy and electricity taxes to the European minimum

A clear plan for the future



Covestro is driving the green transformation of the chemical industry

Circular economy

Customer centricity

Climate neutrality

A central image showing a vast green forest under a hazy sky, with the word "FUTURE" overlaid in large white capital letters.

FUTURE

Technology & AI

Cost leadership

Efficiency

Innovation

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Time for your Questions!