Navigating volatile market environment

Financial Reporting
Q2 2025

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.

Monique Buch joins Covestro as CCO

Changes in the Board of Management

MONIQUE BUCH

"Jointly with our customers we want to solve the challenges ahead"

CV

Nationality: Dutch

Education: Master Industrial Engineering & Management

Previous positions:

- EVP Nonwoven, Lenzing
- SVP, Freudenberg Performance Materials
- Director Operations Europe, Dow Corning
- Plant Manager, Kendrion

AREAS OF RESPONSIBILITY

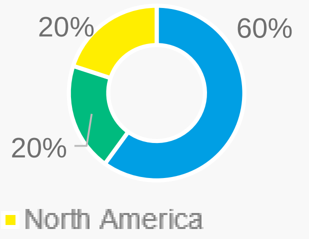
- Segment Solutions & Specialties
  - Tailored Urethanes
  - Coatings & Adhesives
  - Engineering Plastics
  - Specialty Films
  - Elastomers
  - Thermoplastic Polyurethanes
- Supply Chain & Logistics

Covestro acquires Pontacol as expansion of Specialty Films

M&A activities

PONTACOL FACTS

- Pontacol headquartered in Schmitten, Switzerland with two fully owned subsidiaries in Germany and the US
- Manufacturing of thermoplastic adhesive films
- Two production sites:
  - Schmitten, CH (blown film, 67% of sales)
  - Buxtehude, DE (flat die film, 33% of sales)
- Sales distribution:



STRATEGIC SUCCESS FACTORS

Product expansion
to multi-layer TPU flat die films and best-in-class technology and production processes in EMEA

Product & application innovation
through technology competencies for the entire range of TPU films

Revenue effects
by leveraging joint product portfolios and offering products to customers across all regions

BE Specialty Films to become a leader on films

BENEFITS FOR COVESTRO

- Leadership in differentiated niche applications
- Addition of low double-digit million € sales
- Stand alone EBITDA contribution of mid-single-digit € million
- Synergies of high single-digit € million within next 3 years
- Growth in high-margin application

Notes: Closing expected in H2 2025

Key financials Q2 2025

-0.4%
Y/Y volume growth

€3.4bn
Sales

€270m
EBITDA

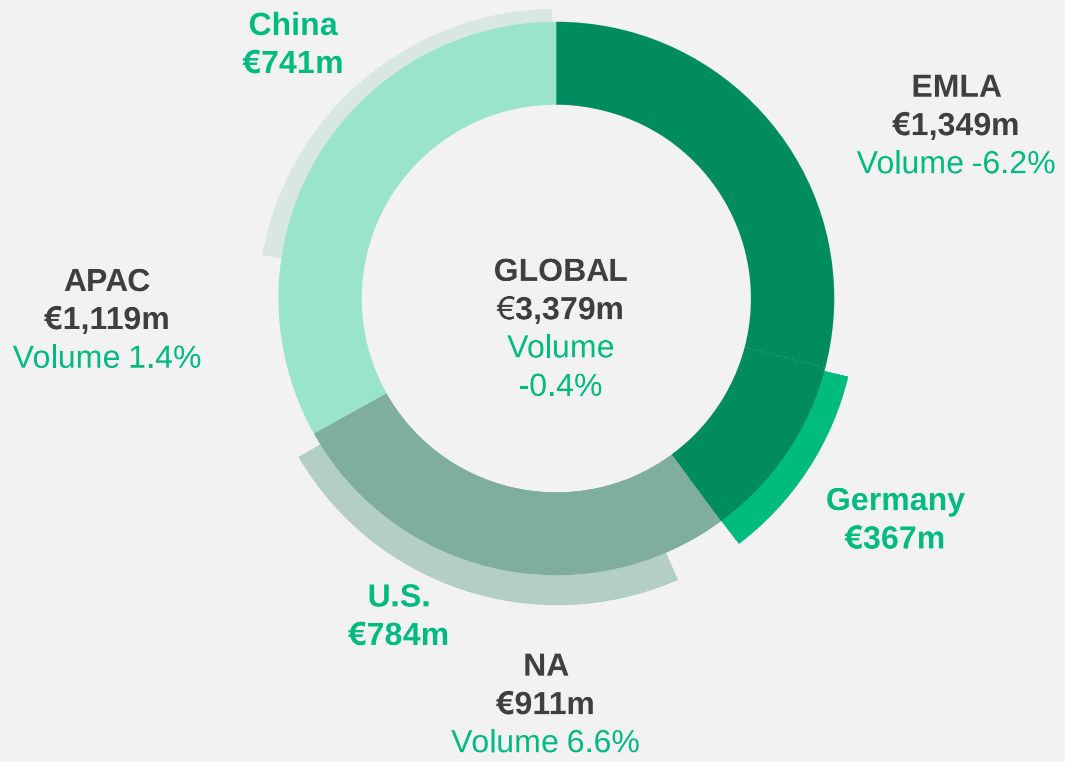
€-228m
FOCF

FY 2025
Guidance adjusted

Volumes burdened by tariffs announcements

Q2 2025 – Regional split

Sales volume Y/Y

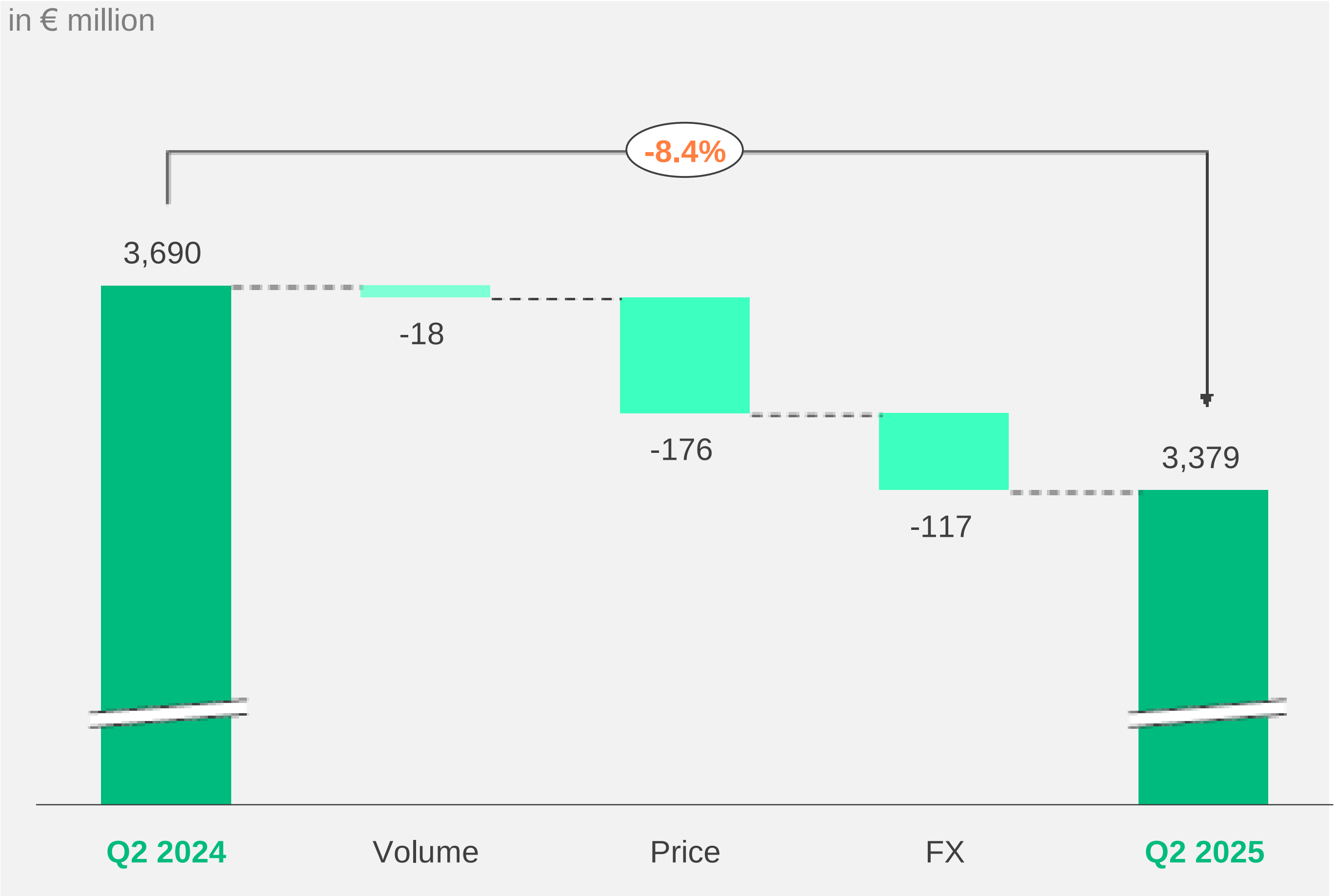


HIGHLIGHTS

- Mostly declining volume development across the industries:
  - Electro — high single-digit % decline
  - Furniture/wood — mid-single-digit % decline
  - Auto — low single-digit % decline
  - Construction — mid-single-digit % increase
- EMLA: Slight increase in furniture/wood, auto flattish while construction with slight and electro with significant decline
- NA: Construction with significant growth, furniture with slight increase while electro flattish and auto with significant decline
- APAC: Construction with significant growth, auto with slight growth while electro and furniture/wood with significant decline

Sales declining mainly due to negative pricing and FX

Q2 2025 – Sales bridge



HIGHLIGHTS

Volume flat

- Volume flattish at -0.4% Y/Y
- Performance Materials with 2.2% Y/Y decline and Solutions & Specialties with 1.0% Y/Y gain in volumes

Pricing negative

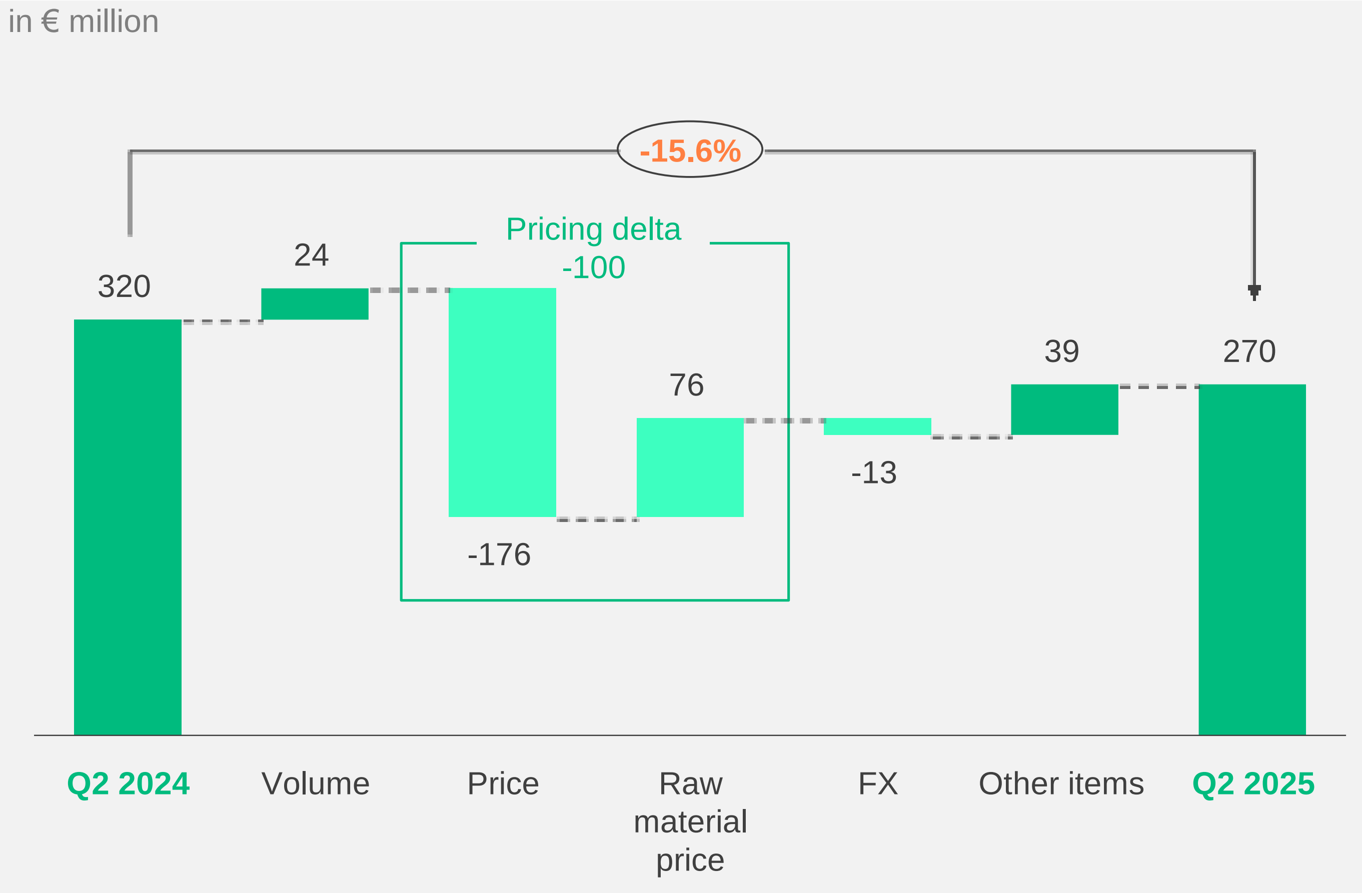
- Pricing affected sales by -4.8%
- Performance Materials with -6.6% Y/Y whereas Solutions & Specialties with -3.0% Y/Y development

FX negative

- FX affected sales by -3.2% Y/Y mainly driven by weaker US Dollar, Chinese Renminbi and Mexican Peso

EBITDA burdened by negative pricing delta

Q2 2025 – EBITDA bridge



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 overall unfavorable supply-demand balance, esp. in APAC and EMLA

Other items

- Benefitted from Y/Y release of €44m STI provisions
- Q2 2025 restructuring cost related to STRONG of €36m

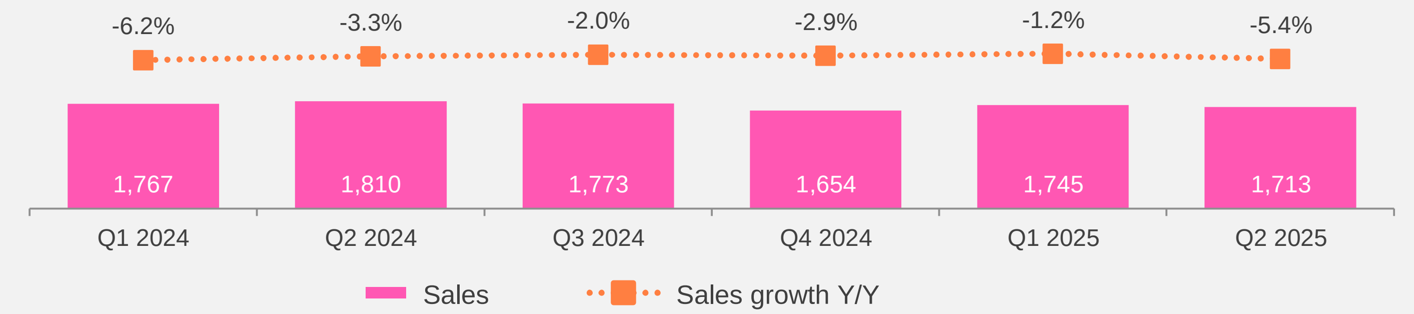
Notes: (1) Method of calculation: EBITDA volume contribution / sales volume contribution

Solutions & Specialties – Sales affected by FX and lower prices

Segment results – Highlights Q2 2025

SALES

in € million / changes Y/Y

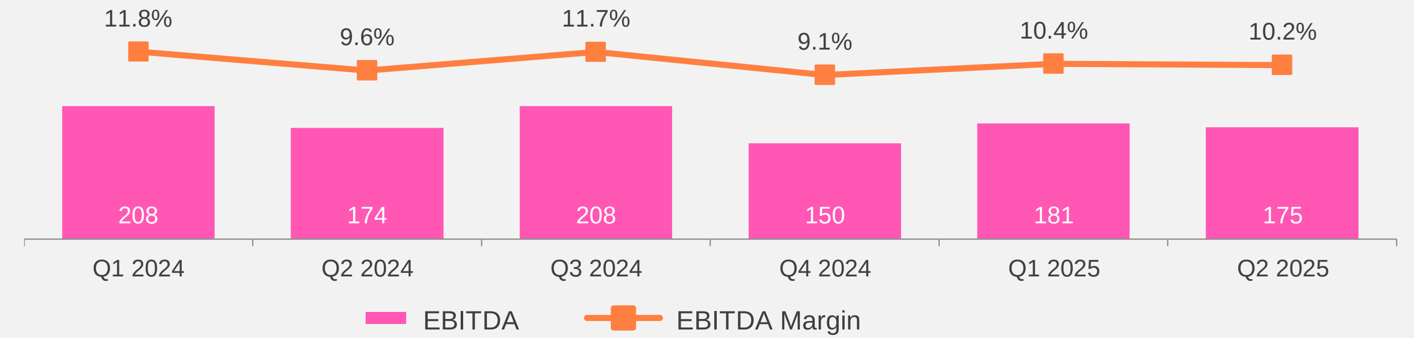


HIGHLIGHTS Q2 2025

- Sales decreased by 5.4% Y/Y, driven by FX (-3.4%), lower prices (-3.0%) while positive volumes (1.0%)
- Quarter-over-quarter, sales globally declined, volumes in EMLA declined and increased in APAC and NA; pricing was stable in NA and EMLA and negative in APAC

EBITDA AND MARGIN

in € million / margin in percent



HIGHLIGHTS Q2 2025

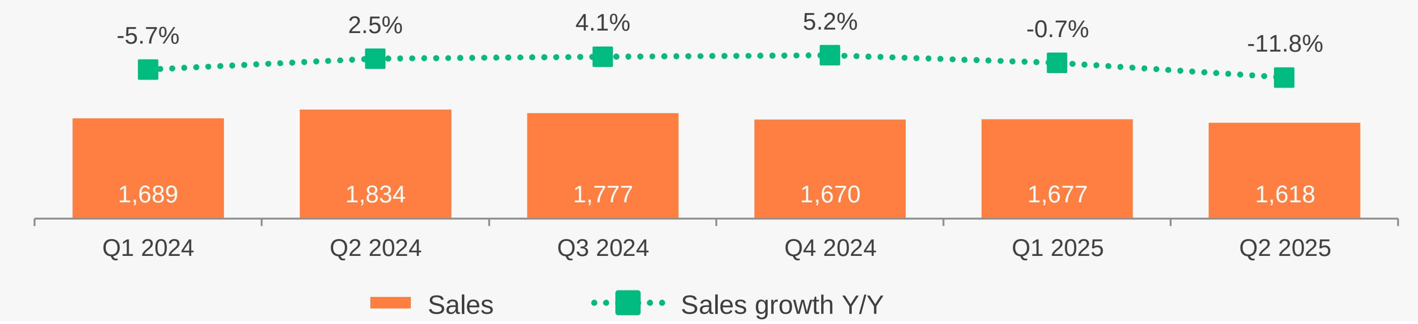
- Compared to prior year, EBITDA stable with negative pricing delta and FX offset by positive volumes and others
- Quarter-over-quarter, lower EBITDA due to negative pricing delta and FX while volumes and others contributed positively
- EBITDA margin was stable at 10.2% in Q2 2025

Performance Materials – EBITDA decline due negative pricing delta

Segment results – Highlights Q2 2025

SALES

in € million / changes Y/Y

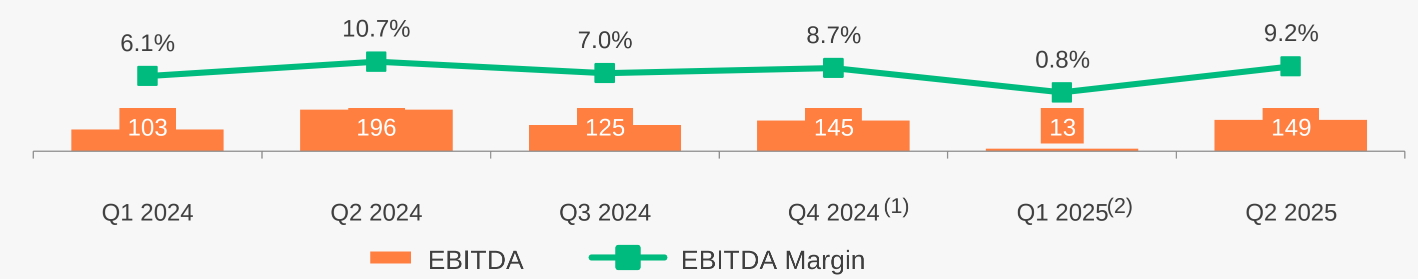


HIGHLIGHTS Q2 2025

- Sales declining (-11.8%) Y/Y, driven by lower prices (-6.6%), FX (-3.0%) and volumes (-2.2%)
- Sequentially, sales globally slightly declining, higher volumes in APAC and NA while EMLA with lower volumes; pricing declining globally, most pronounced in APAC

EBITDA AND MARGIN

in € million / margin in percent



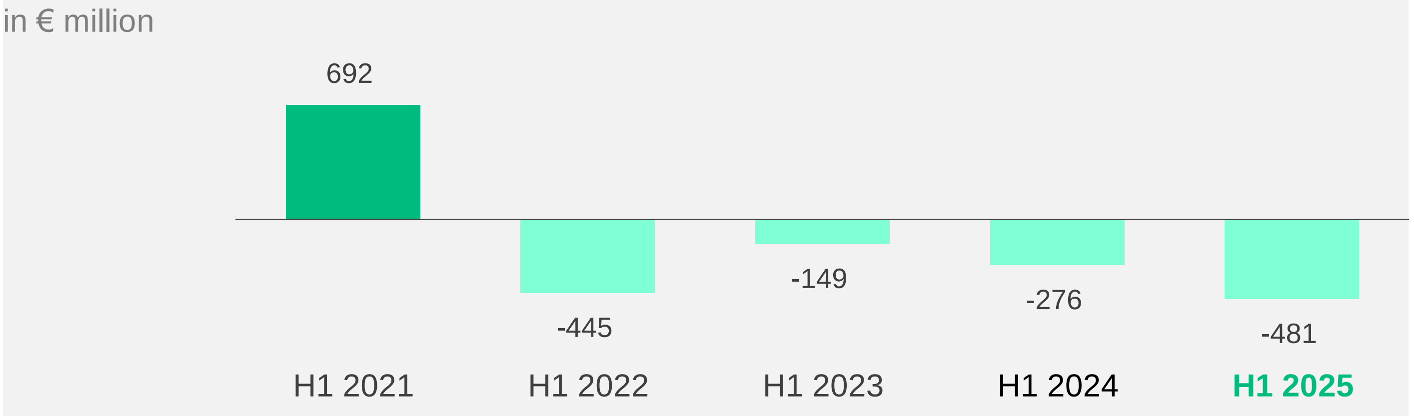
HIGHLIGHTS Q2 2025

- Compared to prior year, EBITDA decreased due to negative pricing delta while positive volume effects from reducing low-margin business
- Sequentially, higher EBITDA driven by positive impact of others, volumes and pricing delta
- EBITDA margin increased to 9.2% in Q2 2025 after Q1 2025 had been burdened by €88m OTE due to planned closure of PO11 JV with LYB

Notes: (1) Q4 2024 positive contribution of €55m from insurance reimbursement for the chlorine production event in Dormagen
(2) Q1 2025 negative contribution of €88m from closure of PO JV with LYB (LyondellBasell)

Negative FOCF due to higher capex and lower EBITDA

Historical FOCF development



	H1 2021	H1 2022	H1 2023	H1 2024	H1 2025
EBITDA	+1,560	+1,353	+671	+593	**+407**
Changes in working capital(1)	-580	-695	-417	-350	**-314**
Capex(2)	-289	-330	-279	-272	**-365**
Income tax paid	-176	-360	-117	-80	**-85**
Other effects	+177	-413	-7	-167	**-124**

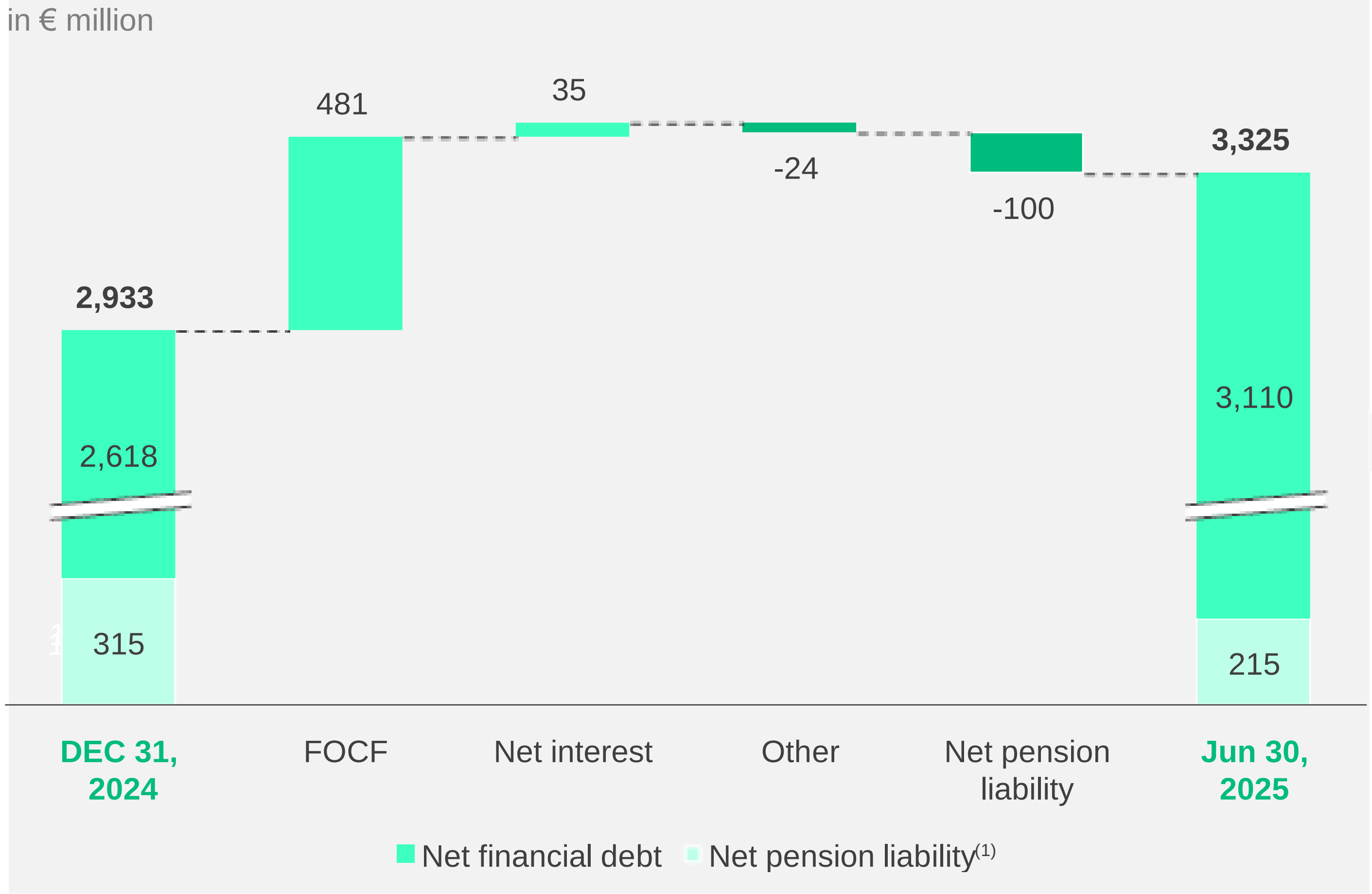
HIGHLIGHTS

- H1 2025, FOCF was negative €481m with Q2 contributing minus €228m
- Working capital to sales ratio(3) decreased to 19.0% (H1 2024: 19.8%), driven by lower absolute working capital despite declining sales
- Capex (Y/Y) increased due to higher expenditures for investment projects in PM in line with expectations
- “Other effects” included bonus pay out in Q2 2025 for FY 2024

Notes: (1) Working capital includes changes in inventories, trade accounts receivable and trade accounts payable
(2) Cash-relevant capex
(3) Method of calculation: Working Capital on June 30, 2025, divided by sales of last four quarters

Total net debt increase caused by negative FOCF

June 30, 2025 – Total net debt



HIGHLIGHTS

- Total net debt to EBITDA ratio[2] of 3.8x at the end of H1 2025 compared to 3.2x at the end of H1 2024
- Increased net debt to EBITDA ratio reflects the cyclical nature of Covestro's business and is expected to be only temporary
- No financial covenants in place
- Committed to a solid investment grade rating; Baa2 with stable outlook confirmed by Moody's on April 28, 2025

Notes: (1) As difference of pension provisions and net defined benefit assets
(2) Method of calculation: Total net debt divided by EBITDA of last four quarters

GDP outlook for 2025 with mostly reduced growth

Global demand development

KEY CUSTOMER INDUSTRIES	2024 Y/Y(1)	2025 Y/Y(2)	2025e(3) UPDATE
Global GDP	+2.8%	+2.8%	+2.5%
Automotive	-0.6%	+2.7%	+0.6%
EV / BEV	+8.3%	+22.4%	+24.0%
Construction	-2.4%	+0.2%	+0.6%
Residential	-5.5%	-1.5%	-1.7%
Furniture	-0.5%	+1.5%	+0.5%
Soft furniture	-0.2%	+2.4%	+1.3%
Electrical, electronics and household appliances	+3.8%	+5.2%	+3.7%
Appliances	+5.3%	+1.2%	+2.4%

Notes: (1) As of July 2025 (2) As of February 2025
(3) GDP estimate by Oxford Economics as of Jul. 2025; automotive estimate by GD as of Jul. 2025; Construction estimate by B+L as of May. 2025; Furniture estimate by CSIL as of May. 2025; EE&A estimate by Oxford Economics as of Jun. 2025 (sub-industry 'appliances' mainly include refrigerators and freezers)

FY 2025 guidance adjusted

Full year guidance 2025

	FY 2024	Guidance FY 2025 as of Feb. 26	as of May 6	as of July 11
EBITDA	€1,071m	€1,000 to 1,600m	€1,000 to 1,400m	€700 to 1,100m
FOCF	€89m	€0 to 300m	€0 to 300m	€-400 to +100m
ROCE above WACC(1)	-7.4pp	-6 to -2pp	-6 to -3pp	-9 to -5pp
GHG emissions(2)	4.9m tons	4.2 to 4.8m tons	4.2 to 4.8m tons	4.2 to 4.8m tons
Additional financial expectations				
Sales	€14.2bn	€14.5 to 15.5bn	€14.2 to 15.2bn	€13.0 to 14.0bn
EBITDA Q3	€287m	-	-	€150 to 250m
D&A	€984m	~€850m	~€900m	~€900m
Financial result	€-114m	€-120 to -160m	€-120 to -160m	€-140 to -180m
Income tax	€245m	€150 to 250m	€150 to 250m	€150 to 250m
Capex(2)	€781m	€700 to 800m	€700 to 800m	€700 to 800m

HIGHLIGHTS

Mark-to-market (M2M):

- Mark-to-market (M2M) EBITDA for FY 2025 around €0.9bn; theoretical calculation based on July 2025 expected margins flat forward and forecast assumptions for 2025

2025 FX sensitivity

- 1pp change equals
  +/- €6m for CNY/EUR (basis 8.17)
  +/- €2m for USD/EUR (basis 1.13)

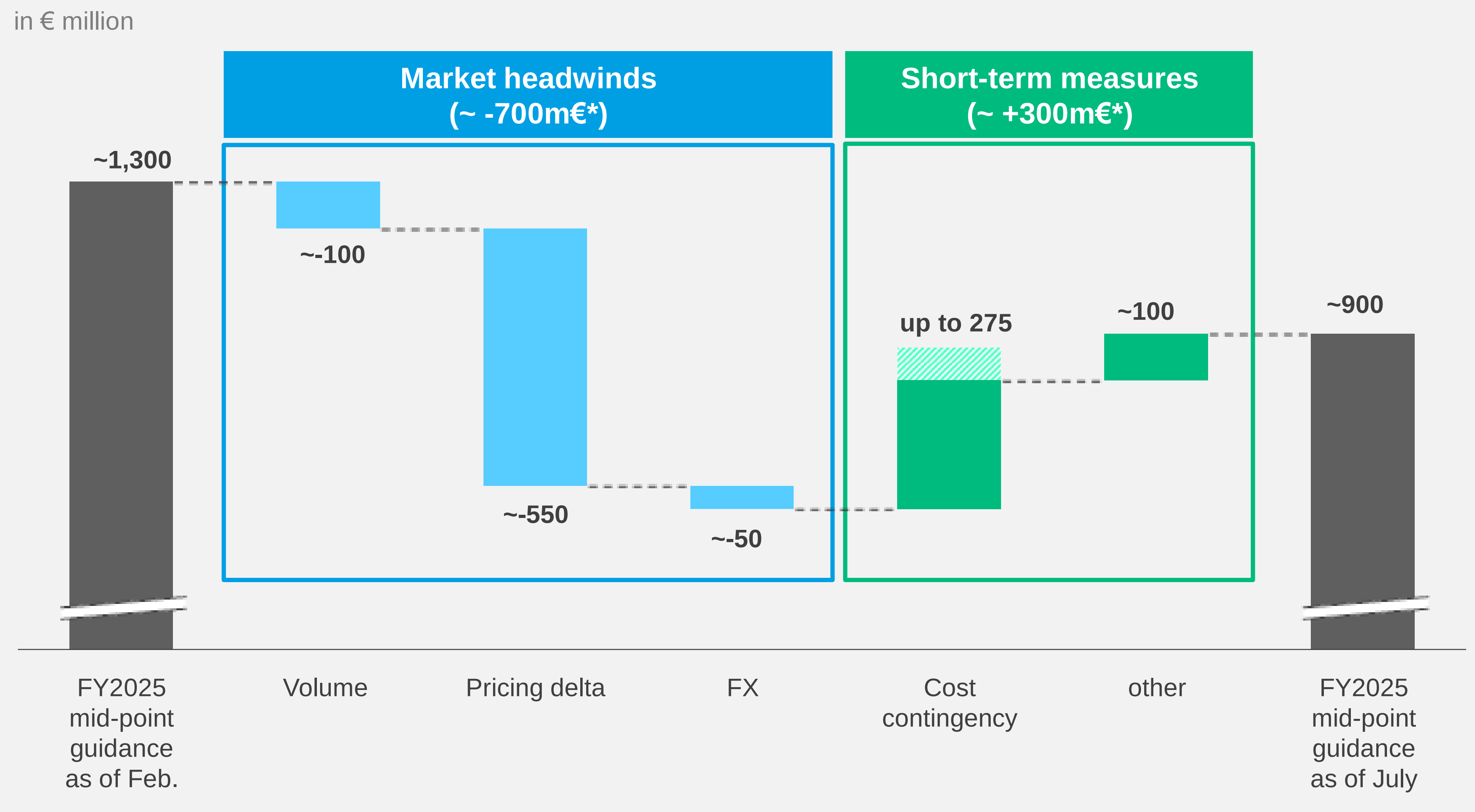
Income tax

- Income tax driven by unfavorable geographical earnings mix (non-deductible losses in Germany)

Notes: (1) Weighted average cost of capital (WACC): 7.6% in FY 2023, 8.1% in FY2024e
(2) Cash-relevant capex

Short-term measures mobilized to counter market headwinds

Break-down of FY 2025 EBITDA guidance adjustment



HIGHLIGHTS

Decisive action to counter current market headwinds

STRONG in FY2025 with ~€250m cumulated EBITDA savings already incorporated in February guidance

+

Mobilization of additional short-term cost contingency with up to €275m EBITDA savings

+

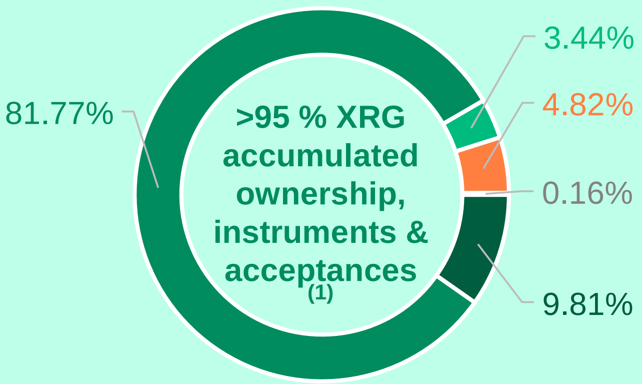
Other measures (including reduced bonus provision of ~€88m EBITDA) with ~€100m EBITDA savings

Notes: * Covestro estimates

Regulatory approvals progressing as expected

Progress on XRG transaction as of July 31, 2025

SHARE OWNERSHIP

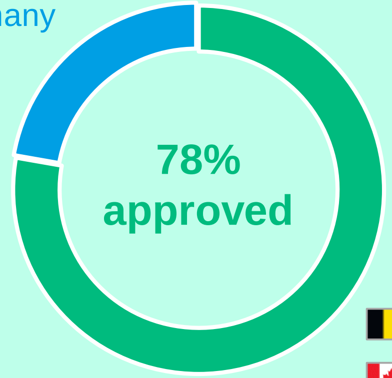


- XRG shares
- Tendered shares
- XRG shares through instruments
- Freefloat
- Treasury shares

REGULATORY APPROVALS

Foreign Direct Investment (FDI) / Foreign Subsidies Regulation (FSR)

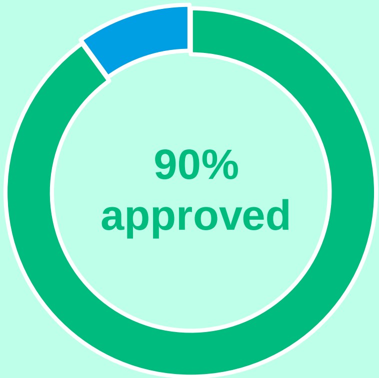
Germany
EU FSR



Belgium
Canada
France
Italy
Spain
UK
US

MERGER CONTROL APPROVALS

Indonesia (post closing only)
Vietnam



Brazil
Canada
China
COMESA
Egypt
EU
India

Japan
Mexico
Morocco
Saudi Arabia
Turkey
UK(2)
USA
Taiwan
South Africa
South Korea
Switzerland

On track for closing in H2 2025

Notes: (1) XRG represents the chemicals investments company of ADNOC; Notification of Jan, 29, 2025 by XRG (see Voting Rights Notification XRG); XRG ownership of tendered shares is subject to regulatory approvals
(2) Waiting period of 4 months

Navigating volatile market environment

Q2 2025 Highlights

1. **Flat volume development**
   burdened by economic and geopolitical uncertainties
2. **Sales lower at €3.4bn**
   caused by lower prices and unfavorable FX
3. **EBITDA Q2 2025 of €270m above mid-point of guidance range**
   helped by internal measures
4. **FY 2025 guidance adjusted**
   with an expected EBITDA of €0.7 to 1.1bn
5. **XRG transaction**
   on track with expected closing in H2 2025

Questions & Answers

Q2 2025 Earnings Call

Remarks:

- Please use hand raise function to verbally ask questions
- For posted questions, please use the „Q&A“ / „F&A“ tab

Appendix

Upcoming IR events

Find more information on covestro.com/en/investors

REPORTING DATES

• October 30, 2025	Q3 2025 Quarterly Statement
• February 26, 2026	2025 Annual Report
• May 5, 2026	Q1 2026 Quarterly Statement

ANNUAL GENERAL MEETING

• April 15, 2026	Annual General Meeting

BROKER CONFERENCES

• September 22, 2025	Berenberg & Goldman German Corporate Conference, Munich