

# Reporting Profile

## Reporting Principles

The Half-Year Financial Report of Covestro AG, Leverkusen (Germany), meets the requirements of the German Securities Trading Act (WpHG) and, in accordance with Section 115 (2) through (4) of the WpHG (half-year financial report; power to issue statutory instruments), comprises Condensed Consolidated Interim Financial Statements, an Interim Group Management Report, and a Responsibility Statement by Management. This report covers the period from January 1 to June 30, 2024. The Consolidated Interim Financial Statements have been prepared in accordance with IAS 34 (Interim Financial Reporting) under the International Financial Reporting Standards (IFRSs) of the International Accounting Standards Board (IASB) and their Interpretations, as adopted by the European Union (EU) and applicable as of the reporting date. The Half-Year Financial Report should be read alongside the Annual Report for fiscal 2023 and the additional information about the company contained therein, as well as the Quarterly Statement as of March 31, 2024.

## Forward-Looking Statements

This Report may contain forward-looking statements based on current assumptions and forecasts made by the management of Covestro AG. Various known and unknown risks, uncertainties, and other factors could lead to material differences between the actual results, financial situation, development, or performance of the Covestro Group and the estimates given here. The various factors include those discussed in Covestro AG's public reports, which are available at [www.covestro.com](http://www.covestro.com). Covestro AG assumes no liability whatsoever to update these forward-looking statements or to conform them to future events or developments.

## Alternative Performance Measures

In its financial reporting, Covestro uses alternative performance measures (APMs) to assess the business performance of the Group. These are not defined in the International Financial Reporting Standards (IFRSs) adopted by the European Union (EU). The alternative performance measures of relevance to the Covestro Group include earnings before interest, taxes, depreciation, and amortization (EBITDA), return on capital employed (ROCE), free operating cash flow (FOCF), and net financial debt. The calculation methods for the APMs may vary from those of other companies, thus limiting the extent of the overall comparability. These alternative performance measures should not be viewed in isolation or employed as an alternative to the financial indicators determined in accordance with IFRSs and presented in the consolidated financial statements for purposes of assessing Covestro Group's net assets, financial position, and results of operations.

→ Explanations of the definition and calculation of these alternative performance measures can be found in the "Management" section of the Combined Management Report in the Annual Report 2023.

## Acronyms and Abbreviations

Acronyms and abbreviations used in this Report are explained in this Report or in the Glossary provided in the Annual Report 2023.

## Rounding and Percentage Deviations

As the indicators in this Report are stated in accordance with commercial rounding principles, totals and percentages may not always be exact.

If a deviation changes from positive to negative or vice versa, or if it is greater than 1,000%, this is shown by a period.

**Inclusive Language**

Diversity, equity, and inclusion are important to Covestro. To ensure better readability, we therefore strive to use gender-neutral language and avoid gender-specific terms in this Report. All terms should be taken to apply equally to all genders.

**Publication**

This Report was published on July 30, 2024. It is available in German and English. The German version is binding.

## Covestro Group Key Data

	2nd quarter 2023	2nd quarter 2024	Change	1st half 2023	1st half 2024	Change
<b>Sales</b>	<b>€3,720 million</b>	<b>€3,690 million</b>	<b>-0.8%</b>	<b>€7,463 million</b>	<b>€7,200 million</b>	<b>-3.5%</b>
Change in sales						
Volume	-8.0%	9.3%		-12.5%	10.0%	
Price	-11.0%	-9.7%		-7.4%	-12.5%	
Currency	-1.9%	-0.4%		-0.6%	-1.0%	
Sales by region						
EMLA <sup>1</sup>	€1,597 million	€1,538 million	-3.7%	€3,247 million	€3,053 million	-6.0%
NA <sup>2</sup>	€971 million	€915 million	-5.8%	€1,953 million	€1,784 million	-8.7%
APAC <sup>3</sup>	€1,152 million	€1,237 million	7.4%	€2,263 million	€2,363 million	4.4%
<b>EBITDA<sup>4</sup></b>	<b>€385 million</b>	<b>€320 million</b>	<b>-16.9%</b>	<b>€671 million</b>	<b>€593 million</b>	<b>-11.6%</b>
Changes in EBITDA						
Volume	-22.5%	35.6%		-30.7%	41.4%	
Price	-94.5%	-92.7%		-51.6%	-139.0%	
Raw material price	63.4%	47.8%		18.6%	87.2%	
Currency	-3.1%	-0.8%		-1.3%	-2.4%	
Other <sup>5</sup>	27.1%	-6.8%		14.6%	1.5%	
EBIT <sup>6</sup>	€166 million	€81 million	-51.2%	€205 million	€142 million	-30.7%
Financial result	(€36 million)	(€29 million)	-19.4%	(€65 million)	(€59 million)	-9.2%
<b>Net income<sup>7</sup></b>	<b>€46 million</b>	<b>(€72 million)</b>	<b>.</b>	<b>€20 million</b>	<b>(€107 million)</b>	<b>.</b>
Earnings per share <sup>8</sup>	€0.24	(€0.38)	.	€0.11	(€0.57)	.
Cash flows from operating activities <sup>9</sup>	€149 million	€19 million	-87.2%	€130 million	(€4 million)	.
Cash outflows for additions to property, plant, equipment and intangible assets	€159 million	€166 million	4.4%	€279 million	€272 million	-2.5%
<b>Free operating cash flow<sup>10</sup></b>	<b>(€10 million)</b>	<b>(€147 million)</b>	<b>.</b>	<b>(€149 million)</b>	<b>(€276 million)</b>	<b>85.2%</b>

<sup>1</sup> EMLA: Europe, Middle East, Latin America (excluding Mexico), Africa region.

<sup>2</sup> NA: North America region (Canada, Mexico, United States).

<sup>3</sup> APAC: Asia and Pacific region.

<sup>4</sup> Earnings before interest, taxes, depreciation and amortization (EBITDA): EBIT plus depreciation, amortization, and impairment losses; less impairment loss reversals on property, plant and equipment and intangible assets.

<sup>5</sup> Other changes in EBITDA such as changes in provisions for variable compensation.

<sup>6</sup> Earnings before interest and taxes (EBIT): income after income taxes plus financial result and income taxes.

<sup>7</sup> Net income: income after income taxes attributable to the shareholders of Covestro AG.

<sup>8</sup> Earnings per share: according to IAS 33 (Earnings per Share), net income divided by the weighted average number of outstanding no-par value voting shares of Covestro AG. The calculation was based on 188,740,330 no-par shares for the second quarter of 2024 (previous year: 189,638,752 no-par shares) and on 188,740,330 no-par shares for the first half of 2024 (previous year: 189,792,703 no-par shares).

<sup>9</sup> Cash flows from operating activities according to IAS 7 (Statement of Cash Flows).

<sup>10</sup> Free operating cash flow (FOCF): cash flows from operating activities less cash outflows for additions to property, plant, equipment and intangible assets.