

Covestro Group Consolidated Income Statement

	3rd quarter 2023	3rd quarter 2024	1st nine months 2023	1st nine months 2024
	€ million	€ million	€ million	€ million
Sales	3,568	3,603	11,031	10,803
Cost of goods sold	(3,011)	(3,032)	(9,157)	(8,988)
Gross profit	557	571	1,874	1,815
Selling expenses	(366)	(368)	(1,130)	(1,144)
Research and development expenses	(86)	(85)	(284)	(274)
General administration expenses	(84)	(77)	(263)	(230)
Other operating income	80	47	228	100
Other operating expenses	(30)	(12)	(149)	(49)
EBIT¹	71	76	276	218
Equity-method loss	(5)	(2)	(17)	(2)
Result from other affiliated companies	1	2	1	2
Interest income	19	14	53	43
Interest expense	(44)	(39)	(127)	(111)
Other financial result	(6)	1	(10)	(15)
Financial result	(35)	(24)	(100)	(83)
Income before income taxes	36	52	176	135
Income taxes	(67)	(21)	(189)	(215)
Income after income taxes	(31)	31	(13)	(80)
attributable to noncontrolling interest	–	(2)	(2)	(6)
attributable to Covestro AG shareholders (net income)	(31)	33	(11)	(74)
	€	€	€	€
Basic /Diluted earnings per share²	(0.16)	0.17	(0.06)	(0.39)

¹ Earnings before interest and taxes (EBIT): income after income taxes plus financial result and income taxes.

² 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 for the third quarter of 2024 was based on 188,740,330 no-par value shares (previous year: 188,740,330 no-par value shares) and on 188,740,330 no-par value shares for the first nine months of 2024 (previous year: 189,438,057 no-par value shares).

Covestro Group Consolidated Statement of Comprehensive Income

	3rd quarter 2023	3rd quarter 2024	1st nine months 2023	1st nine months 2024
	€ million	€ million	€ million	€ million
Income after income taxes	(31)	31	(13)	(80)
Remeasurements of the net defined benefit liability for post-employment benefit plans	144	(3)	179	122
Income taxes	(1)	(1)	(1)	(3)
Other comprehensive income from remeasurements of the net defined benefit liability for post-employment benefit plans	143	(4)	178	119
Changes in fair values of equity instruments	–	(4)	1	(4)
Income taxes	–	1	–	1
Other comprehensive income from equity instruments	–	(3)	1	(3)
Other comprehensive income that will not be reclassified subsequently to profit or loss	143	(7)	179	116
Losses from derivative financial instruments (cash flow hedge reserve)	–	(2)	–	(2)
Income taxes	–	1	–	1
Other comprehensive income from derivative financial instruments	–	(1)	–	(1)
Exchange differences of foreign operations	86	(29)	(163)	15
Other comprehensive income from exchange differences	86	(29)	(163)	15
Other comprehensive income that may be reclassified subsequently to profit or loss	86	(30)	(163)	14
Total other comprehensive income	229	(37)	16	130
attributable to noncontrolling interest	–	(1)	(3)	(2)
attributable to Covestro AG shareholders	229	(36)	19	132
Total comprehensive income	198	(6)	3	50
attributable to noncontrolling interest	–	(3)	(5)	(8)
attributable to Covestro AG shareholders	198	(3)	8	58

Covestro Group Consolidated Statement of Financial Position

	Sep. 30, 2023	Sep. 30, 2024	Dec. 31, 2023
	€ million	€ million	€ million
Noncurrent assets			
Goodwill	717	707	711
Other intangible assets	537	486	519
Property, plant and equipment	5,711	5,678	5,795
Investments accounted for using the equity method	180	237	182
Other financial assets ¹	112	110	109
Other receivables ¹	186	279	114
Deferred taxes	323	275	316
	7,766	7,772	7,746
Current assets			
Inventories	2,594	2,726	2,459
Trade accounts receivable	2,029	1,954	1,898
Other financial assets ¹	168	270	311
Other receivables ¹	558	515	496
Claims for income tax refunds	81	87	102
Cash and cash equivalents	1,052	539	625
	6,482	6,091	5,891
Total assets	14,248	13,863	13,637
Equity			
Capital stock of Covestro AG	189	189	189
Capital reserves of Covestro AG	3,740	3,740	3,740
Retained earnings incl. total income	2,647	2,334	2,291
Accumulated other comprehensive income	468	386	370
Equity attributable to Covestro AG shareholders	7,044	6,649	6,590
Equity attributable to noncontrolling interest	31	19	28
	7,075	6,668	6,618
Noncurrent liabilities			
Provisions for pensions and other post-employment benefits	340	374	464
Other provisions	197	186	192
Financial liabilities	2,757	2,684	2,740
Other financial liabilities ¹	17	18	16
Income tax liabilities	26	43	29
Other nonfinancial liabilities ¹	22	24	24
Deferred taxes	223	233	256
	3,582	3,562	3,721
Current liabilities			
Other provisions	374	329	356
Financial liabilities	932	887	667
Trade accounts payable	1,744	1,975	1,895
Other financial liabilities ¹	149	146	128
Income tax liabilities	122	68	48
Other nonfinancial liabilities ¹	270	228	204
	3,591	3,633	3,298
Total equity and liabilities	14,248	13,863	13,637

¹ Prior-year figures adjusted. Explanations can be found in the relevant notes in the Annual Report 2023.

Covestro Group Consolidated Statement of Cash Flows

	3rd quarter 2023	3rd quarter 2024	1st nine months 2023	1st nine months 2024
	€ million	€ million	€ million	€ million
Income after income taxes	(31)	31	(13)	(80)
Income taxes	67	21	189	215
Financial result	35	24	100	83
Income taxes paid	(130)	(73)	(247)	(153)
Depreciation, amortization and impairment losses and impairment loss reversals	206	211	672	662
Change in pension provisions	(7)	(8)	(24)	(27)
(Gains)/losses on retirements of noncurrent assets	1	(6)	(33)	(13)
Decrease/(increase) in inventories	298	(21)	179	(272)
Decrease/(increase) in trade accounts receivable	86	77	(15)	(77)
(Decrease)/increase in trade accounts payable	(52)	29	(249)	84
Changes in other working capital, other noncash items	17	(23)	61	(164)
Cash flows from operating activities	490	262	620	258
Cash outflows for additions to property, plant, equipment and intangible assets	(182)	(150)	(461)	(422)
Cash inflows from sales of property, plant, equipment and other assets	–	7	2	22
Cash inflows from divestments less divested cash	–	–	51	–
Cash outflows for noncurrent financial assets	(7)	(18)	(15)	(62)
Cash inflows from noncurrent financial assets	–	–	41	–
Interest and dividends received	20	19	54	49
Cash inflows from/(Cash outflows for) other current financial assets	139	48	(160)	101
Cash flows from investing activities	(30)	(94)	(488)	(312)
Acquisition of treasury shares	–	–	(49)	–
Dividend payments	–	–	(2)	–
Issuances of debt	25	585	327	994
Retirements of debt	(138)	(747)	(447)	(927)
Interest paid	(37)	(30)	(105)	(90)
Cash flows from financing activities	(150)	(192)	(276)	(23)
Change in cash and cash equivalents due to business activities	310	(24)	(144)	(77)
Cash and cash equivalents at beginning of period	741	569	1,198	625
Change in cash and cash equivalents due to exchange rate movements	1	(6)	(2)	(9)
Cash and cash equivalents at end of period	1,052	539	1,052	539

Employees and Pension Obligations

As of September 30, 2024, Covestro had 17,545 employees worldwide (December 31, 2023: 17,520). In the third quarter of 2024, personnel expenses were down €35 million on the corresponding prior-year quarter, declining to €491 million (previous year: €526 million), largely due to lower expenses for short- and long-term variable compensation.

Employees by division¹

	Dec. 31, 2023	Sep. 30, 2024
Production	11,947	12,108
Marketing and distribution	2,860	2,751
Research and development	1,338	1,341
General administration	1,375	1,345
Total	17,520	17,545

¹ The number of employees on either permanent or temporary contracts is stated in full-time equivalents (FTE). Part-time employees are included on a pro-rated basis in line with their contractual working hours. Employees in vocational training are not included.

Provisions for pensions and other post-employment benefits decreased to €374 million as of September 30, 2024 (December 31, 2023: €464 million). This was mainly due to a reduction in the measurement of obligations as a result of higher discount rates in Germany.

Discount rate for pension obligations

	Dec. 31, 2023	Sep. 30, 2024
	%	%
Germany	3.30	3.50
United States	4.70	4.70

Exchange Rates

In the reporting period, the following exchange rates were used for the major currencies of relevance to the Covestro Group:

Closing rates for major currencies

€1/		Closing rates		
		Sep. 30, 2023	Dec. 31, 2023	Sep. 30, 2024
BRL	Brazil	5.31	5.36	6.05
CNY	China	7.72	7.87	7.83
HKD	Hong Kong ¹	8.30	8.63	8.69
INR	India	88.02	91.90	93.81
JPY	Japan	158.10	156.33	159.82
MXN	Mexico	18.50	18.72	21.98
USD	United States	1.06	1.11	1.12

Average rates for major currencies

€1/		Average rates	
		1st nine months 2023	1st nine months 2024
BRL	Brazil	5.42	5.67
CNY	China	7.62	7.84
HKD	Hong Kong ¹	8.49	8.49
INR	India	89.19	90.65
JPY	Japan	149.19	164.10
MXN	Mexico	19.27	19.18
USD	United States	1.08	1.09

¹ (Special Administration Region, China)

Scope of Consolidation

Changes in the Scope of Consolidation

As of September 30, 2024, the scope of consolidation comprised Covestro AG and 55 (December 31, 2023: 57) consolidated companies.

The decline in the number of consolidated companies in the third quarter of 2024 is due on the one hand to the intragroup merger of the consolidated company Covestro Resins (Germany) GmbH, Meppen (Germany), with Covestro Deutschland AG, Leverkusen (Germany), as of August 1, 2024, and on the other hand to the liquidation of the consolidated company Covestro Coating Resins China Holding B.V., Zwolle (Netherlands), on September 23, 2024.

Acquisitions and Divestitures

No reportable acquisitions or divestitures were made in the third quarter of 2024.