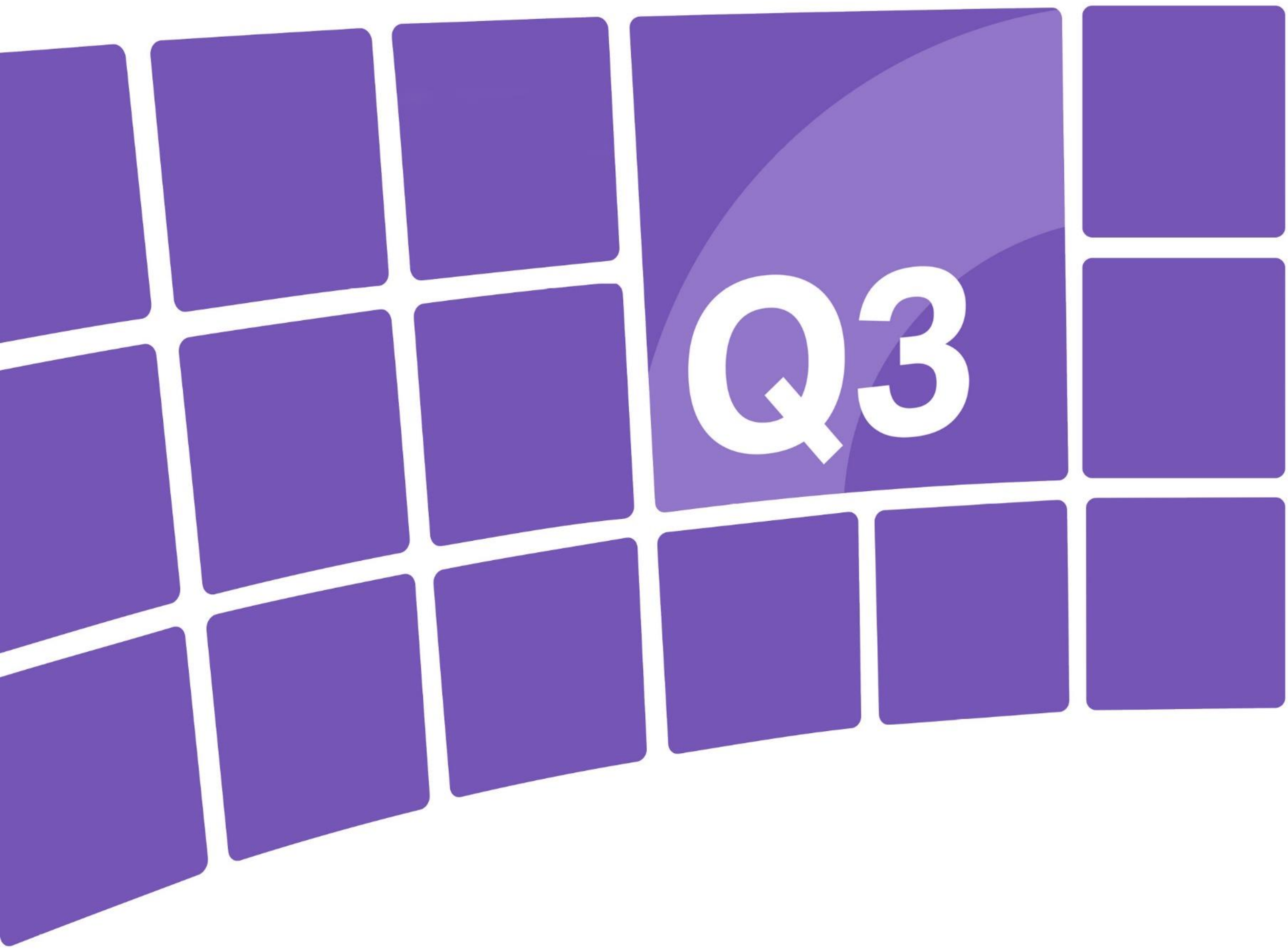
QUARTERLY STATEMENT
2025

Third Quarter



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Reporting principles

This Quarterly Statement of Covestro AG, Leverkusen (Germany), was prepared in accordance with Section 53 of the Stock Exchange Rules and Regulations (Börsenordnung) of the Frankfurt Stock Exchange. It does not comprise an interim report within the meaning of IAS 34 (Interim Financial Reporting) or a set of financial statements within the meaning of IAS 1 (Presentation of Financial Statements). The Quarterly Statement was not subjected to a review by an auditor. It contains information on the period from July 1 to September 30, 2025 and should be read alongside the Annual Report 2024 and the additional information contained therein, as well as the Half-Year Financial Report 2025. The Annual Report 2024 and the Half-Year Financial Report 2025 are available on our website at www.covestro.com.

Forward-looking statements

This Quarterly Statement may contain forward-looking statements based on current assumptions and forecasts made by the management of Covestro AG, Leverkusen (Germany). 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. Covestro AG assumes no liability whatsoever to update these forward-looking statements or to conform them to future events or developments.

Acronyms and Abbreviations

The abbreviations used in this Quarterly Statement are explained in this Quarterly Statement.

Rounding and Percentage Deviations

As the indicators in this Quarterly Statement 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 rather than the percentage change.

Inclusive Language

Inclusion and belonging are important to us. To ensure better readability, we therefore strive to use gender-neutral language and avoid gender-specific terms in this Quarterly Statement. All terms should be taken to apply equally to all genders.

Publication

This Quarterly Statement was published in German and English on October 30, 2025. The German version is binding.

Covestro Group Key Data

	3rd quarter 2024	3rd quarter 2025	Change	1st nine months 2024	1st nine months 2025	Change
Sales	**€3,603 million**	**€3,171 million**	**–12.0%**	**€10,803 million**	**€10,027 million**	**–7.2%**
Change in sales						
Volume	6.1%	–1.5%		8.7%	–0.8%	
Price	–4.2%	–7.0%		–9.8%	–4.3%	
Currency	–0.9%	–3.5%		–1.0%	–2.1%	
Sales by region						
EMLA[1]	€1,460 million	€1,217 million	–16.6%	€4,513 million	€4,088 million	–9.4%
NA[2]	€894 million	€829 million	–7.3%	€2,678 million	€2,628 million	–1.9%
APAC[3]	€1,249 million	€1,125 million	–9.9%	€3,612 million	€3,311 million	–8.3%
EBITDA[4]	**€287 million**	**€242 million**	**–15.7%**	**€880 million**	**€649 million**	**–26.3%**
Changes in EBITDA[5]						
Volume	33.2%	–5.9%		38.7%	4.2%	
Price	–54.2%	–88.2%		–114.6%	–53.3%	
Raw material price	8.7%	52.6%		63.2%	22.0%	
Currency	–0.7%	–4.9%		–1.9%	–2.3%	
Other[6]	16.6%	30.7%		7.4%	3.1%	
EBIT[7]	€76 million	€25 million	–67.1%	€218 million	(€23 million)	.
Financial result	(€24 million)	(€34 million)	41.7%	(€83 million)	(€116 million)	39.8%
Net income[8]	**€33 million**	**(€47 million)**	**.**	**(€74 million)**	**(€266 million)**	**259.5%**
Earnings per share[9]	€0.17	(€0.25)	.	(€0.39)	(€1.41)	261.5%
Cash flows from operating activities[10]	€262 million	€302 million	15.3%	€258 million	€186 million	–27.9%
Cash outflows for additions to property, plant, equipment and intangible assets	€150 million	€191 million	27.3%	€422 million	€556 million	31.8%
Free operating cash flow[11]	**€112 million**	**€111 million**	**–0.9%**	**(€164 million)**	**(€370 million)**	**125.6%**

1 EMLA: Europe, Middle East, Latin America (excluding Mexico), Africa region.
2 NA: North America region (Canada, Mexico, United States).
3 APAC: Asia and Pacific region.
4 Earnings before interest, taxes, depreciation and amortization (EBITDA): EBIT plus depreciation, amortization, and impairment losses; less impairment loss reversals on intangible assets and property, plant and equipment.
5 Since January 1, 2025, certain distribution expenses have been shown in the "Raw material price" item and no longer in the "Other" item. The prior-year figure has not been adjusted.
6 Other changes in EBITDA.
7 Earnings before interest and taxes (EBIT): income after income taxes plus financial result and income taxes.
8 Net income: income after income taxes attributable to the shareholders of Covestro AG.
9 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 third quarter of 2025 (previous year: 188,740,330 no-par shares) and on 188,740,330 no-par shares for the first nine months of 2025 (previous year: 188,740,330 no-par shares).
10 Operating cash flows: cash flows from operating activities according to IAS 7 (Statement of Cash Flows).
11 Free operating cash flow (FOCF): cash flows from operating activities less cash outflows for additions to property, plant, equipment and intangible assets.

Significant Events

Force majeure after fire in Dormagen (Germany)

On July 12, 2025, there was a fire in an external substation at Chempark Dormagen, which is operated by the chemical site operator Currenta. The fire caused a power failure in parts of the Chempark, which affected, among others, polyurethane dispersion (PUD) and polyether polyol (PET) operations, the chlorine plant, as well as the toluene diisocyanates (TDI) production of Covestro as a downstream customer. Force majeure was declared for deliveries of all relevant product groups from Dormagen. With the exception of PUD and PET, Covestro had not yet canceled the force majeure declarations issued to affected customers as of September 30, 2025. We expect a negative impact on EBITDA in the low triple-digit million euro range for the Covestro Group in fiscal 2025. Of this, an amount in the mid-double-digit million euro range was attributable to the third quarter of 2025.

New Chief Commercial Officer

Monique Buch, who had already been appointed as a new Board of Management member as of June 1, 2025 succeeded Sucheta Govil as Chief Commercial Officer (CCO) as of August 1, 2025. Sucheta Govil had been the company’s CCO since the year 2019. Her two consecutive terms of office at Covestro ended on July 31, 2025.

As CCO, Monique Buch is responsible for the Solutions & Specialties segment, heading six business units in this capacity, including the Supply Chain & Logistics centers in the three regions.

Takeover of Vencorex sites in the United States and Thailand

On August 13, 2025, Covestro signed an agreement with Vencorex Holding SAS, Lyon (France), a subsidiary of the Thailand-based chemical company PTT Global Chemical Public Company Limited, to acquire two companies with standalone production sites for hexamethylene-diisocyanate (HDI) derivatives in Rayong (Thailand) and Freeport, Texas (United States). The companies and production sites had in the past been part of the French aliphatics specialist Vencorex.

This acquisition will strategically expand and improve Covestro’s production network for aliphatic isocyanates in the United States and the APAC region. It signals that the company continues to aim for growth in profitable and innovative business segments such as Coatings & Adhesives, thus pursuing its Sustainable Future corporate strategy. The transaction is expected to be completed no later than the first quarter of 2026.

Takeover of Pontacol AG, Schmitten FR (Switzerland)

Covestro successfully completed the takeover of Pontacol, a Swiss manufacturer of multilayer adhesive films, as of August 28, 2025. The Group had already signed an agreement to this effect on June 23, 2025.

With this acquisition, Covestro expands its films business by adding highly specialized flat and blown films. They will strategically complement the existing business and unlock new growth opportunities – especially in important future markets such as medical technology, mobility, and the textile industry, where global demand for functional films is rising continuously.

Covestro will take over two specialized production sites focusing on different film technologies in Switzerland and Germany with around 100 employees. In doing so, the company will not only strengthen its global production network, but also improve the regional availability of adhesive films. The acquisition will furthermore unlock further potential for Covestro to add value through supplementary technologies, an expanded customer and product portfolio, as well as synergies in central functions and procurement.
→ See “Acquisitions and Divestitures.”

Results of Operations and Financial Position of the Covestro Group

Results of Operations

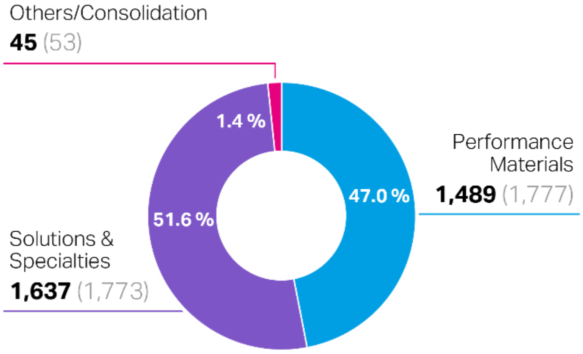
Group sales declined by 12.0% in the third quarter of 2025, to €3,171 million (previous year: €3,603 million), driven mainly by a lower selling price level, which had a negative effect of 7.0% on sales. In addition, exchange rate movements had a sales-reducing effect of 3.5%. A decrease in volumes sold for reasons that included the production stoppage in Dormagen (Germany) had a decreasing impact on sales of 1.5%.

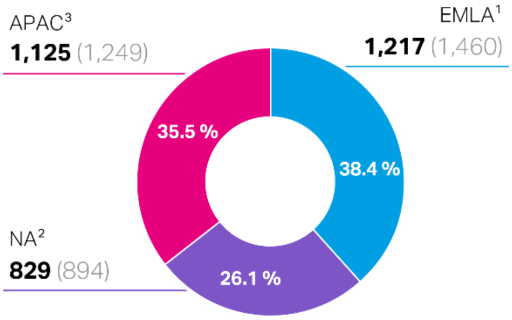
Sales were 16.6% lower, at €1,217 million (previous year: €1,460 million), in the EMLA region and declined by 7.3% to €829 million (previous year: €894 million) in the NA region in the third quarter of 2025. In the APAC region, sales dropped by 9.9% to €1,125 million (previous year: €1,249 million).

In the third quarter of 2025, sales decreased by 16.2% to €1,489 million (previous year: €1,777 million) in the Performance Materials segment and by 7.7% to €1,637 million (previous year: €1,773 million) in the Solutions & Specialties segment.

Sales by segment and region

€ million, prior-year figures in brackets





[1] EMLA: Europe, Middle East, Latin America (excluding Mexico), Africa region.
[2] NA: North America region (Canada, Mexico, United States).
[3] APAC: Asia and Pacific region.

The Group's EBITDA was down 15.7% to €242 million in the third quarter of 2025 (previous year: €287 million). The decline in the selling price level was only partially offset by lower raw material prices. The resulting drop in margins had a negative impact on earnings. Furthermore, the trend in volumes sold and exchange rate movements also had an adverse effect on earnings.

The expenses incurred to implement the transformation program STRONG had a negative impact on EBITDA in the low double-digit million euro range. Furthermore, a smaller amount of business development subsidies received in China than in the previous year had a negative effect on EBITDA.

Conversely, a gain on the sale of intangible assets of €20 million and the effect of an account entry of €11 million, which was recognized in income, in connection with the takeover of Pontacol AG, Schmitten FR (Switzerland), had a favorable impact on EBITDA.
→ See "Acquisitions and Divestitures."

The Performance Materials segment's EBITDA rose by 39.2% to €174 million (previous year: €125 million). In the Solutions & Specialties segment, by contrast, EBITDA dropped by 5.8% to €196 million (previous year: €208 million).

The Covestro Group's EBIT went down by 67.1% to €25 million in the third quarter of 2025 (previous year: €76 million).

Financial Position

In the third quarter of 2025, cash inflows from operating activities amounted to €302 million (previous year: €262 million). The rise in cash inflows was mainly attributable to higher funds freed up from working capital. In contrast, lower EBITDA had an adverse effect on cash flows from operating activities.

Free operating cash flow was largely stable in the third quarter of 2025, at €111 million (previous year: €112 million), with higher cash flows from operating activities almost fully offsetting the rise in cash outflows for additions to property, plant, equipment and intangible assets.

Net financial debt

	Dec. 31, 2024	Sep. 30, 2025
	€ million	€ million
Bonds	1,492	1,494
Liabilities to banks	870	1,284
Lease liabilities	736	674
Liabilities from forward exchange contracts	17	17
Other financial debt	41	181
Receivables from forward exchange contracts	(6)	(18)
Gross financial debt	**3,150**	**3,632**
Cash and cash equivalents	(509)	(604)
Current financial assets	(23)	(17)
Net financial debt	**2,618**	**3,011**

In comparison with December 31, 2024, the Covestro Group's gross financial debt rose by €482 million to €3,632 million as of September 30, 2025. This was primarily attributable to an increase in liabilities to banks by €414 million, which resulted mostly from net borrowings of €448 million in China. Other financial debt rose at the same time, driven by the issuance of commercial paper of €404 million under the European Commercial Paper Program (ECPP); this was offset by a repayment of commercial paper of €264 million.

Cash and cash equivalents were up €95 million in comparison with the figure on December 31, 2024, to €604 million. This was mainly due to cash inflows from financing activities of €396 million and cash inflows from operating activities of €186 million. This was offset in particular by cash outflows for additions to property, plant, equipment and intangible assets of €556 million, which affected cash and cash equivalents.

The net cash inflows from short-term bank deposits drove down current financial assets by €6 million to €17 million.

Net financial debt therefore grew by €393 million compared with the figure on December 31, 2024, to €3,011 million as of September 30, 2025.

Performance of the Segments

Performance Materials

Performance Materials key data

	3rd quarter 2024	3rd quarter 2025	Change	1st nine months 2024	1st nine months 2025	Change
Sales (external)	**€1,777 million**	**€1,489 million**	**–16.2%**	**€5,300 million**	**€4,784 million**	**–9.7%**
Intersegment sales	€591 million	€489 million	–17.3%	€1,718 million	€1,555 million	–9.5%
Sales (total)	**€2,368 million**	**€1,978 million**	**–16.5%**	**€7,018 million**	**€6,339 million**	**–9.7%**
Change in sales (external)						
Volume	8.6%	–3.1%		13.6%	–2.3%	
Price	–3.6%	–9.8%		–12.4%	–5.4%	
Currency	–0.9%	–3.3%		–1.0%	–2.0%	
Sales by region (external)						
EMLA	€779 million	€572 million	–26.6%	€2,363 million	€2,047 million	–13.4%
NA	€452 million	€425 million	–6.0%	€1,320 million	€1,319 million	–0.1%
APAC	€546 million	€492 million	–9.9%	€1,617 million	€1,418 million	–12.3%
EBITDA[1]	**€125 million**	**€174 million**	**39.2%**	**€424 million**	**€336 million**	**–20.8%**
EBIT[1]	(€11 million)	€28 million	.	€13 million	(€115 million)	.
Cash flows from operating activities	€199 million	€194 million	–2.5%	€219 million	€132 million	–39.7%
Cash outflows for additions to property, plant, equipment and intangible assets	€88 million	€126 million	43.2%	€270 million	€360 million	33.3%
Free operating cash flow	**€111 million**	**€68 million**	**–38.7%**	**(€51 million)**	**(€228 million)**	**347.1%**

[1] EBIT and EBITDA include the effect on earnings of intersegment sales.

In the Performance Materials segment, third-quarter sales in 2025 were down 16.2% to €1,489 million (previous year: €1,777 million). The main drivers here were a decline in average selling prices in a difficult market environment, which had a reducing effect on sales of 9.8%, as well as exchange rate movements, which had an averse effect on sales of 3.3%. A drop in volumes sold had a decreasing effect on sales amounting to 3.1%. This was caused by among other factors, lower availabilities due to the production stoppage in Dormagen (Germany).

Sales in the EMLA region were down by 26.6% from the corresponding prior-year quarter to €572 million (previous year: €779 million), driven primarily by lower average selling prices and a contraction in sales volumes. Both had a decreasing impact on sales. Exchange rate movements, on the other hand, had a significant positive effect on sales. The NA region's sales decreased by 6.0% to €425 million (previous year: €452 million), principally because of exchange rate movements, which had the effect of significantly reducing sales. In addition, a drop in the average selling price level had a slightly negative effect on sales. Conversely, the expansion of volumes sold had a significant positive impact on sales. The APAC region's sales went down by 9.9% to €492 million (previous year: €546 million), mainly because of exchange rate movements, which had the effect of significantly reducing sales. The average selling price level additionally caused sales to decline slightly. In contrast, higher volumes sold had the effect of increasing sales slightly.

In the third quarter of 2025, EBITDA in the Performance Materials segment was up 39.2% on the corresponding prior-year quarter, rising to €174 million (previous year: €125 million). This was mainly due to insurance compensation of €75 million due to the production stoppage in Dormagen (Germany) its recognition which had a neutral effect on earnings at the Group level. In addition, a gain on the sale of intangible assets in an amount of €20 million benefited EBITDA. In contrast, lower margins had a reducing effect on earnings, since the decline in the selling price level could only partially be compensated for by lower raw material prices. At the same time, the negative trend in volumes sold – in part as a consequence of the production stoppage in Dormagen (Germany) – and exchange rate movements weighed on EBITDA.

In the third quarter of 2025, EBIT amounted to €28 million (previous year: €–11 million).

Free operating cash flow declined to €68 million in the third quarter of 2025 (previous year: €111 million), largely due to an increase in funds tied up in working capital as well as higher cash outflows for additions to property, plant, equipment and intangible assets. Conversely, higher EBITDA had a positive effect on free operating cash flow.

Solutions & Specialties

Solutions & Specialties key data

	3rd quarter 2024	3rd quarter 2025	Change	1st nine months 2024	1st nine months 2025	Change
Sales (external)	**€1,773 million**	**€1,637 million**	**–7.7%**	**€5,350 million**	**€5,095 million**	**–4.8%**
Intersegment sales	€7 million	€8 million	14.3%	€20 million	€21 million	5.0%
Sales (total)	**€1,780 million**	**€1,645 million**	**–7.6%**	**€5,370 million**	**€5,116 million**	**–4.7%**
Change in sales (external)						
Volume	3.9%	0.4%		4.9%	0.8%	
Price	–4.9%	–4.3%		–7.7%	–3.4%	
Currency	–1.0%	–3.8%		–1.0%	–2.2%	
Sales by region (external)						
EMLA	€640 million	€611 million	–4.5%	€2,029 million	€1,928 million	–5.0%
NA	€434 million	€397 million	–8.5%	€1,335 million	€1,283 million	–3.9%
APAC	€699 million	€629 million	–10.0%	€1,986 million	€1,884 million	–5.1%
EBITDA[1]	**€208 million**	**€196 million**	**–5.8%**	**€590 million**	**€552 million**	**–6.4%**
EBIT[1]	€134 million	€126 million	–6.0%	€344 million	€336 million	–2.3%
Cash flows from operating activities	€162 million	€173 million	6.8%	€303 million	€331 million	9.2%
Cash outflows for additions to property, plant, equipment and intangible assets	€61 million	€57 million	–6.6%	€144 million	€170 million	18.1%
Free operating cash flow	**€101 million**	**€116 million**	**14.9%**	**€159 million**	**€161 million**	**1.3%**

[1] EBIT and EBITDA include the effect on earnings of intersegment sales.

In the Solutions & Specialties segment, third-quarter sales in 2025 were down 7.7% to €1,637 million (previous year: €1,773 million). The main driver here was a decline in average selling prices, which had a reducing effect on sales of 4.3%. In addition, exchange rate movements had an unfavorable impact of 3.8% on sales. A rise in volumes sold, on the other hand, pushed up sales by 0.4%.

The EMLA region's sales decreased 4.5% to €611 million (previous year: €640 million), due mainly to lower average selling prices, which had the effect of significantly reducing sales. Conversely, exchange rate movements had a considerable positive impact on sales. Changes in sales volumes had no notable effect on sales. The NA region's sales decreased 8.5% to €397 million (previous year: €434 million), due especially to exchange rate movements, which had the effect of significantly reducing sales. By comparison, a higher selling price level drove up sales slightly. Changes in volumes sold had a neutral overall impact on sales. Sales in the APAC region dropped by 10.0% to €629 million (previous year: €699 million), driven primarily by exchange rate movements, which had the effect of significantly reducing sales. Conversely, a rise in volumes sold and in average selling prices both boosted sales slightly.

In the third quarter of 2025, EBITDA in the Solutions & Specialties segment was down 5.8% on the corresponding prior-year quarter, declining to €196 million (previous year: €208 million); this was predominantly due to lower margins, since the decline in the average selling price level was only partially compensated for by lower raw material prices. Another factor contributing to lower earnings than in the corresponding prior-year quarter was a reduced amount of business development subsidies received in China attributable to the segment. In addition, exchange rate movements had a negative effect on EBITDA. In contrast, the effect of an account entry of €11 million, which was recognized in income, in connection with the takeover of Pontacol AG, Schmitten FR (Switzerland), and higher sales volumes boosted earnings.
→ See "Acquisitions and Divestitures."

In the third quarter of 2025, EBIT decreased by 6.0% to €126 million (previous year: €134 million).

Free operating cash flow was up, amounting to €116 million in the third quarter of 2025 (previous year: €101 million), mainly driven by a lower amount of cash tied up in working capital than in the prior-year quarter. Conversely, lower EBITDA had a negative effect on free operating cash flow.

Forecast, Opportunities, and Risks

Economic Outlook

Global Economy

The economic growth outlook is subject to continuing uncertainties. We anticipate that economic performance will be weaker than forecast in the Annual Report 2024 and expect global economic growth of 2.7% in fiscal 2025. The global economy is progressively facing the effects of higher U.S. tariffs and weaker global trade. The rise in uncertainty is, moreover, increasingly weighing on investing activities.

For the EMLA region, we anticipate the economy to grow by 1.8%, and therefore more slowly than the global economy, in the year 2025. The forecast is unchanged when compared to the Annual Report 2024. Continuing high uncertainty in the global trading environment and the effects of U.S. tariffs continue to weigh on the volume of exports and companies' capital expenditure in the region. Economic growth is expected to be underpinned primarily by private consumption, while capital expenditure will remain subdued because of the uncertain business outlook.

For the NA region, we project growth of 1.8%, which is below the level of the global growth outlook. Despite investments in artificial intelligence and the approved fiscal stimulus package, economic growth is under great pressure as a result of the cooling labor market and the continuing effects of tariffs. For this reason, the growth expected for the year 2025 is slower than forecast in the Annual Report 2024.

For the APAC region, we expect growth of 4.1% for the year 2025, still ahead of global economic expansion. Compared to the outlook published in the Annual Report 2024, the forecast for the region has remained virtually stable. The region benefits from robust exports, especially of high-quality industrial products and semiconductors, further boosted by the global boom in AI. Fiscal measures stabilizing growth are further underpinning economic development in the region.

Economic growth[1]

	Growth 2024	Growth forecast 2025 (Annual Report 2024)	Growth forecast 2025
	%	%	%
World	**2.9**	**2.8**	**2.7**
Europe, Middle East, Latin America[2], Africa (EMLA)	**1.7**	**1.8**	**1.8**
of which Europe	1.4	1.4	1.4
of which Germany	–0.5	0.4	0.2
of which Middle East	1.9	3.2	2.9
of which Latin America[2]	2.0	2.3	2.3
of which Africa	3.4	3.9	3.7
North America[3] (NA)	**2.6**	**2.5**	**1.8**
of which United States	2.8	2.6	1.9
Asia-Pacific (APAC)	**4.1**	**3.9**	**4.1**
of which China	5.0	4.4	4.8

1 Real growth of gross domestic product; source: Oxford Economics, "Growth 2024" and "Growth forecast 2025" as of October 2025.
2 Latin America (excluding Mexico).
3 North America (Canada, Mexico, United States).

Main Customer Industries

The growth forecasts for global economic output, which are slightly weaker than those provided in the Annual Report 2024, are reflected in almost all of Covestro's relevant main customer industries.

We now anticipate growth of 1.9% in the global automotive industry for the year 2025. The reason for the decline compared to the outlook in the Annual Report 2024 is rising uncertainty, driven by the continuing trade conflicts. In addition, tariff-induced disruption and weakness due to subdued demand are weighing on the industry. An extension of the Chinese subsidy program as well as strong production volumes and local measures to contain price wars are, however, already having a beneficial effect on growth.

For the global construction industry, we are currently anticipating growth of 0.6% for the year 2025 – which therefore exceeds the forecast in the Annual Report 2024. One reason is continuing positive performance in China. On the other hand, uncertainties in connection with the trade conflict are causing investment restraint, especially in Western and Eastern Europe, further dampening growth expectations.

For the electrical, electronics, and household appliances industry, we are anticipating growth of 2.9%, which is below the outlook published in the Annual Report 2024. Consumer spending by private households – a key component of demand in this industry – is sensitive to economic fluctuations. Current uncertainty caused by trade conflicts is consequently having a direct impact on the sales market.

For the year 2025, we now anticipate growth of 0.2% for the global furniture industry, which is below the forecast in the Annual Report 2024. This is mainly the result of persistent uncertainties in the trading environment as well as weaker production output in the APAC and NA regions, which are exposed to high tariffs as a result of the new U.S. trade policy. A gradual recovery and a return to the growth patterns of pre-crisis years are only expected in the medium term.

Growth in main customer industries[1]

	Growth 2024	Growth forecast 2025 (Annual Report 2024)	Growth forecast 2025
	%	%	%
Automotive	–0.6	2.7	1.9
Construction	–2.4	0.2	0.6
Electrical, electronics and household appliances	3.7	5.2	2.9
Furniture	–0.5	1.5	0.2

[1] Covestro's estimate, based on the following sources: GlobalData Plc, B+L, CSIL (Centre for Industrial Studies), Oxford Economics. We limited the economic data of our "automotive and transportation" and "furniture and wood processing" main customer industries to the automotive and furniture segments (excluding the transportation or wood processing segments). As of: October 2025.

Forecast for the Covestro Group

The analysis of the development of our key management indicators is based on the business performance described in this Quarterly Statement, the economic outlook outlined above, and consideration of our potential risks and opportunities.

Compared with the estimates presented in the Annual Report 2024, we expect our financial situation to become significantly more challenging in fiscal 2025, especially because of the weak macroeconomic situation, which shows no signs of recovery in the short term. We have therefore narrowed the guidance. We now expect the key management indicators to develop as follows:

Forecast key management indicators

	2024	Forecast 2025 (Annual Report 2024)	Forecast 2025 (July 31, 2025)	Forecast 2025 (October 30, 2025)
EBITDA[1]	€1,071 million	Between €1,000 million and €1,600 million	Between €700 million and €1,100 million	Between €700 million and €800 million
Free operating cash flow[2]	€89 million	Between 0 million and €300 million	Between €–400 million and €100 million	Between €–400 million and €–200 million
ROCE above WACC[3, 4]	–7% points	Between –6% points and –2% points	Between –9% points and –5% points	Between –9% points and –8% points
Greenhouse gas emissions[5] (CO_2 equivalents)	4.9 million metric tons	Between 4.2 million metric tons and 4.8 million metric tons	Between 4.2 million metric tons and 4.8 million metric tons	Between 4.2 million metric tons and 4.4 million metric tons

1 EBITDA: EBIT plus depreciation, amortization, and impairment losses; less impairment loss reversals on intangible assets and property, plant and equipment.
2 Free operating cash flow (FOCF): cash flows from operating activities less cash outflows for additions to property, plant, equipment and intangible assets.
3 ROCE: ratio of EBIT after imputed income taxes to capital employed. Imputed income taxes are calculated by multiplying an imputed tax rate of 25% by EBIT.
4 WACC: weighted average cost of capital reflecting the expected return on the company's equity and debt capital. A figure of 7.3% has been taken into account for the year 2025 (2024: 8.1%).
5 Greenhouse gas (GHG) emissions (Scope 1 and Scope 2, GHG Protocol) of all Covestro's environmentally relevant sites.

For the Covestro Group's EBITDA, we forecast a figure between €700 million and €800 million (previously: between €700 million and €1,100 million). Covestro anticipates that the Performance Materials segment's EBITDA will be €300 million to €400 million (previously: between €200 million and €500 million). For the Solutions & Specialties segment, we now expect EBITDA of between €650 million and €750 million (previously: between €650 million and €850 million).

The Covestro Group's FOCF is forecast between €–400 million and €–200 million (previously: between €–400 million and €100 million).

We are projecting ROCE above WACC in a range between –9% points and –8% points (previously: between –9% points and –5% points).

The projection for GHG emissions of all the Covestro Group's environmentally relevant sites, measured as CO_2 equivalents, is forecast between 4.2 million metric tons and 4.4 million metric tons of CO_2 equivalents (previously: between 4.2 million metric tons and 4.8 million metric tons of CO_2 equivalents).

Opportunities and Risks

Covestro comprehensively monitors all relevant risk factors. Despite the volatile global business environment, including the raising of trade barriers, there have been no fundamental changes compared to the presentation of risk categories for the Covestro Group in the Annual Report 2024. At the time this Quarterly Statement was prepared, there were no risks that could endanger the Group's continued existence.

Covestro Group Consolidated Income Statement

	3rd quarter 2024	3rd quarter 2025	1st nine months 2024	1st nine months 2025
	€ million	€ million	€ million	€ million
Sales	**3,603**	**3,171**	**10,803**	**10,027**
Cost of goods sold	(3,032)	(2,683)	(8,988)	(8,522)
Gross profit	**571**	**488**	**1,815**	**1,505**
Selling expenses	(368)	(353)	(1,144)	(1,103)
Research and development expenses	(85)	(81)	(274)	(255)
General administration expenses	(77)	(84)	(230)	(260)
Other operating income	47	142	100	209
Other operating expenses	(12)	(87)	(49)	(119)
EBIT[1]	**76**	**25**	**218**	**(23)**
Equity-method loss	(2)	(5)	(2)	(13)
Result from interests in non-consolidated affiliated subsidiaries and other investments	2	–	2	1
Interest income	14	9	43	26
Interest expense	(39)	(33)	(111)	(102)
Other financial result	1	(5)	(15)	(28)
Financial result	**(24)**	**(34)**	**(83)**	**(116)**
Income before income taxes	**52**	**(9)**	**135**	**(139)**
Income taxes	(21)	(37)	(215)	(127)
Income after income taxes	**31**	**(46)**	**(80)**	**(266)**
attributable to noncontrolling interest	(2)	1	(6)	–
attributable to Covestro AG shareholders (net income)	33	(47)	(74)	(266)
	€	€	€	€
Basic /Diluted earnings per share[2]	**0.17**	**(0.25)**	**(0.39)**	**(1.41)**

[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 2025 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 2025 (previous year: 188,740,330 no-par value shares).

Covestro Group Consolidated Statement of Comprehensive Income

	3rd quarter 2024	3rd quarter 2025	1st nine months 2024	1st nine months 2025
	€ million	€ million	€ million	€ million
Income after income taxes	**31**	**(46)**	**(80)**	**(266)**
Remeasurements of the net defined benefit liability for post-employment benefit plans	(3)	(6)	122	75
Income taxes	(1)	–	(3)	(4)
Other comprehensive income from remeasurements of the net defined benefit liability for post-employment benefit plans	**(4)**	**(6)**	**119**	**71**
Changes in fair values of equity instruments	(4)	–	(4)	(1)
Income taxes	1	–	1	(1)
Other comprehensive income from equity instruments	**(3)**	**–**	**(3)**	**(2)**
Other comprehensive income that will not be reclassified subsequently to profit or loss	**(7)**	**(6)**	**116**	**69**
Losses from derivative financial instruments (cash flow hedge reserve)	(2)	2	(2)	(7)
Reclassified to profit or loss	–	(7)	–	(9)
Income taxes	1	(3)	1	3
Other comprehensive income from derivative financial instruments	**(1)**	**(8)**	**(1)**	**(13)**
Exchange differences of foreign operations	(29)	(9)	15	(368)
Other comprehensive income from exchange differences	**(29)**	**(9)**	**15**	**(368)**
Other comprehensive income that may be reclassified subsequently to profit or loss	**(30)**	**(17)**	**14**	**(381)**
Total other comprehensive income	**(37)**	**(23)**	**130**	**(312)**
attributable to noncontrolling interest	(1)	(1)	(2)	(3)
attributable to Covestro AG shareholders	(36)	(22)	132	(309)
Total comprehensive income	**(6)**	**(69)**	**50**	**(578)**
attributable to noncontrolling interest	(3)	–	(8)	(3)
attributable to Covestro AG shareholders	(3)	(69)	58	(575)

Covestro Group Consolidated Statement of Financial Position

	Sep. 30, 2024	Sep. 30, 2025	Dec. 31, 2024
	€ million	€ million	€ million
Noncurrent assets			
Goodwill	707	697	719
Other intangible assets	486	434	471
Property, plant and equipment	5,678	5,609	5,898
Investments accounted for using the equity method	237	240	269
Other financial assets	110	107	107
Other receivables	279	189	125
Deferred taxes	275	298	276
	7,772	**7,574**	**7,865**
Current assets			
Inventories	2,726	2,608	2,851
Trade accounts receivable	1,954	1,723	1,749
Other financial assets	270	52	48
Other receivables	515	598	517
Claims for income tax refunds	87	63	92
Cash and cash equivalents	539	604	509
	6,091	**5,648**	**5,766**
Total assets	**13,863**	**13,222**	**13,631**
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	2,334	1,974	2,171
Accumulated other comprehensive income	386	187	558
Equity attributable to Covestro AG shareholders	**6,649**	**6,090**	**6,658**
Equity attributable to noncontrolling interest	19	18	21
	6,668	**6,108**	**6,679**
Noncurrent liabilities			
Provisions for pensions and other post-employment benefits	374	284	387
Other provisions	186	315	253
Financial liabilities	2,684	2,076	2,444
Other financial liabilities	18	11	12
Income tax liabilities	43	38	49
Other nonfinancial liabilities	24	27	27
Deferred taxes	233	197	204
	3,562	**2,948**	**3,376**
Current liabilities			
Other provisions	329	387	348
Financial liabilities	887	1,574	712
Trade accounts payable	1,975	1,773	2,101
Other financial liabilities	146	146	133
Income tax liabilities	68	62	61
Other nonfinancial liabilities	228	224	221
	3,633	**4,166**	**3,576**
Total equity and liabilities	**13,863**	**13,222**	**13,631**

Covestro Group Consolidated Statement of Cash Flows

	3rd quarter 2024	3rd quarter 2025	1st nine months 2024	1st nine months 2025
	€ million	€ million	€ million	€ million
Income after income taxes	31	(46)	(80)	(266)
Income taxes	21	37	215	127
Financial result	24	34	83	116
Income taxes paid	(73)	(60)	(153)	(145)
Depreciation, amortization and impairment losses and impairment loss reversals	211	217	662	672
Change in pension provisions	(8)	(10)	(27)	(12)
(Gains)/losses on retirements of noncurrent assets	(6)	(25)	(13)	(46)
Gain on bargain purchase acquisition	–	(11)	–	(11)
Decrease/(increase) in inventories	(21)	43	(272)	84
Decrease/(increase) in trade accounts receivable	77	151	(77)	(86)
(Decrease)/increase in trade accounts payable	29	(46)	84	(164)
Changes in other working capital, other noncash items	(23)	18	(164)	(83)
Cash flows from operating activities	**262**	**302**	**258**	**186**
Cash outflows for additions to property, plant, equipment and intangible assets	(150)	(191)	(422)	(556)
Cash inflows from sales of property, plant, equipment and other assets	7	28	22	49
Cash inflows from divestments less divested cash	–	2	–	8
Cash outflows for noncurrent financial assets	(18)	(3)	(62)	(13)
Cash outflows for acquisitions less acquired cash	–	(27)	–	(27)
Interest and dividends received	19	9	49	32
Cash inflows from other current financial assets	48	18	101	37
Cash flows from investing activities	**(94)**	**(164)**	**(312)**	**(470)**
Issuances of debt	585	492	994	1,546
Retirements of debt	(747)	(492)	(927)	(1,072)
Interest paid	(30)	(20)	(90)	(78)
Cash flows from financing activities	**(192)**	**(20)**	**(23)**	**396**
Change in cash and cash equivalents due to business activities	**(24)**	**118**	**(77)**	**112**
Cash and cash equivalents at beginning of period	**569**	**489**	**625**	**509**
Change in cash and cash equivalents due to exchange rate movements	(6)	(3)	(9)	(17)
Cash and cash equivalents at end of period	**539**	**604**	**539**	**604**

Employees and Pension Obligations

As of September 30, 2025, Covestro had 17,660 employees worldwide (December 31, 2024: 17,503). Personnel expenses in the third quarter of 2025 amounted to €491 million, unchanged from the prior-year quarter.

Employees by division[1]

	Dec. 31, 2024	Sep. 30, 2025
Production	12,092	12,304
Marketing and distribution	2,731	2,740
Research and development	1,336	1,314
General administration	1,344	1,302
Total	**17,503**	**17,660**

[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. Board of Management members and employees in vocational training are not included.

Provisions for pensions and other post-employment benefits decreased to €284 million as of September 30, 2025 (December 31, 2024: €387 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, 2024	Sep. 30, 2025
	%	%
Germany	3.50	4.00
United States	5.40	5.10

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

		Closing rates		
€1/		Sep. 30, 2024	Dec. 31, 2024	Sep. 30, 2025
BRL	Brazil	6.05	6.43	6.24
CNY	China	7.83	7.63	8.37
HKD	Hong Kong[1]	8.69	8.07	9.14
INR	India	93.81	88.93	104.25
JPY	Japan	159.82	163.06	173.76
MXN	Mexico	21.98	21.55	21.53
USD	United States	1.12	1.04	1.17

Average rates for major currencies

		Average rates	
€1/		1st nine months 2024	1st nine months 2025
BRL	Brazil	5.67	6.32
CNY	China	7.84	8.06
HKD	Hong Kong[1]	8.49	8.70
INR	India	90.65	96.45
JPY	Japan	164.10	165.35
MXN	Mexico	19.18	21.80
USD	United States	1.09	1.12

[1] (Special Administration Region, China)

Scope of Consolidation

Changes in the Scope of Consolidation

As of September 30, 2025, the scope of consolidation comprised Covestro AG and 57 (December 31, 2024: 55) consolidated companies.

The number of consolidated companies increased in the third quarter of 2025 as a result of the acquisition of Pontacol AG, Schmitten FR (Switzerland). Pontacol AG as well as its subsidiaries Pontacol GmbH, Buxtehude (Germany), and Pontacol Inc., Dover, Delaware (United States), were included in the Covestro Group's consolidated financial statements for the first time effective August 28, 2025.

Acquisitions and Divestitures

In the third quarter of 2025, effective August 28, 2025, Covestro successfully completed the acquisition of Pontacol AG, Schmitten FR (Switzerland), a manufacturer of multilayer thermoplastic adhesive films, from LAS Holding AG, Sempach Station (Switzerland). The acquisition was structured as a share deal, which involved the purchase of 100% of the shares. This acquisition strengthens Covestro's Solutions & Specialties segment by adding complementary technologies, production capacities, and long-standing customer relationships. Through the acquisition of Pontacol, Covestro expands its portfolio in the field of thermoplastic adhesive films, thereby enhancing its ability to deliver higher added value across various industrial applications – in particular in the automotive, textile, electronics, and medical technologies. Pontacol has two operating companies – Pontacol AG and Pontacol GmbH, Buxtehude (Germany), each with its own production site – as well as the sales company Pontacol Inc., Dover, Delaware (United States).

The acquisition was accounted for in accordance with IFRS 3 (Business Combinations), which requires the identifiable assets acquired, liabilities assumed, as well as any contingent consideration to be recognized at their fair values as of the acquisition date.

Covestro and LAS Holding AG had agreed on transferred consideration of €28 million, which was paid in cash. In addition, earn-out payments of up to €5 million have been agreed, contingent on the achievement of various success parameters.

As part of the business combination, assets with a total fair value of around €45 million were recognized as of the acquisition date. They mainly consisted of property, plant and equipment of €22 million, intangible assets of €8 million, inventories of €6 million, receivables of €5 million, cash and cash equivalents of €2 million, and deferred tax assets of €2 million. The liabilities assumed totaled around €5 million and included payables of €2 million, deferred tax liabilities of €2 million, and provisions of €1 million.

Based on the difference between the consideration transferred and the fair value of the net assets acquired, the purchase price allocation revealed a negative difference (bargain purchase) of €11 million, meaning the acquisition was made below market value. After reviewing the valuation parameters and confirming the fair value measurement of the identified assets and liabilities, this negative difference was recognized as a bargain purchase in accordance with IFRS 3. The bargain purchase resulted from the currently challenging market conditions, especially in the automotive and textile customer industries, which led to low capacity utilization. Based on the expected earnings potential, the transferred consideration represents a favorable valuation for Covestro. In combination with the recently completed capacity expansions, this led to comparatively low consideration in relation to the net assets acquired.

In accordance with IFRS 3, the purchase price allocation may remain provisional for a period of up to 12 months after the acquisition date. For this reason, there may be adjustments to the allocation of the purchase price to individual assets and liabilities.

Significant Events after the End of the Reporting Period

No events have occurred since September 30, 2025, that have a material impact on the net assets, financial position, and results of operations of the Covestro Group.

Segment Information

Segment information 3rd quarter

	Performance Materials		Solutions & Specialties		Others /Reconciliation		Covestro Group	
	3rd quarter 2024	3rd quarter 2025	3rd quarter 2024	3rd quarter 2025	3rd quarter 2024	3rd quarter 2025	3rd quarter 2024	3rd quarter 2025
	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million
Sales (external)	**1,777**	**1,489**	**1,773**	**1,637**	**53**	**45**	**3,603**	**3,171**
Intersegment sales	591	489	7	8	(598)	(497)	–	–
Sales (total)	**2,368**	**1,978**	**1,780**	**1,645**	**(545)**	**(452)**	**3,603**	**3,171**
Change in sales								
Volume	8.6%	–3.1%	3.9%	0.4%	–	–	6.1%	–1.5%
Price	–3.6%	–9.8%	–4.9%	–4.3%	–	–	–4.2%	–7.0%
Currency	–0.9%	–3.3%	–1.0%	–3.8%	–	–	–0.9%	–3.5%
Sales by region								
EMLA	779	572	640	611	41	34	1,460	1,217
NA	452	425	434	397	8	7	894	829
APAC	546	492	699	629	4	4	1,249	1,125
EBITDA[1]	**125**	**174**	**208**	**196**	**(46)**	**(128)**	**287**	**242**
EBIT[1]	(11)	28	134	126	(47)	(129)	76	25
Depreciation, amortization, impairment losses and impairment loss reversals	136	146	74	70	1	1	211	217
Cash flows from operating activities	199	194	162	173	(99)	(65)	262	302
Cash outflows for additions to property, plant, equipment and intangible assets	88	126	61	57	1	8	150	191
Free operating cash flow	**111**	**68**	**101**	**116**	**(100)**	**(73)**	**112**	**111**
Trade working capital[2]	1,055	1,008	1,594	1,482	(19)	(12)	2,630	2,478

[1] EBIT and EBITDA include the effect on earnings of intersegment sales.
[2] Trade working capital includes inventories plus trade accounts receivable and contract assets, less trade accounts payable, contract liabilities, and refund liabilities as of September 30, 2025 and September 30, 2024.

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Segment information first nine months

	Performance Materials		Solutions & Specialties		Others /Reconciliation		Covestro Group	
	1st nine months 2024	1st nine months 2025	1st nine months 2024	1st nine months 2025	1st nine months 2024	1st nine months 2025	1st nine months 2024	1st nine months 2025
	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million
Sales (external)	**5,300**	**4,784**	**5,350**	**5,095**	**153**	**148**	**10,803**	**10,027**
Intersegment sales	1,718	1,555	20	21	(1,738)	(1,576)	–	–
Sales (total)	**7,018**	**6,339**	**5,370**	**5,116**	**(1,585)**	**(1,428)**	**10,803**	**10,027**
Change in sales								
Volume	13.6%	–2.3%	4.9%	0.8%	–	–	8.7%	–0.8%
Price	–12.4%	–5.4%	–7.7%	–3.4%	–	–	–9.8%	–4.3%
Currency	–1.0%	–2.0%	–1.0%	–2.2%	–	–	–1.0%	–2.1%
Sales by region								
EMLA	2,363	2,047	2,029	1,928	121	113	4,513	4,088
NA	1,320	1,319	1,335	1,283	23	26	2,678	2,628
APAC	1,617	1,418	1,986	1,884	9	9	3,612	3,311
EBITDA[1]	**424**	**336**	**590**	**552**	**(134)**	**(239)**	**880**	**649**
EBIT[1]	13	(115)	344	336	(139)	(244)	218	(23)
Depreciation, amortization, impairment losses and impairment loss reversals	411	451	246	216	5	5	662	672
Cash flows from operating activities	219	132	303	331	(264)	(277)	258	186
Cash outflows for additions to property, plant, equipment and intangible assets	270	360	144	170	8	26	422	556
Free operating cash flow	**(51)**	**(228)**	**159**	**161**	**(272)**	**(303)**	**(164)**	**(370)**
Trade working capital[2]	1,055	1,008	1,594	1,482	(19)	(12)	2,630	2,478

[1] EBIT and EBITDA include the effect on earnings of intersegment sales.
[2] Trade working capital includes inventories plus trade accounts receivable and contract assets, less trade accounts payable, contract liabilities, and refund liabilities as of September 30, 2025 and September 30, 2024.

Financial Calendar

Annual Report 2025	February 26, 2026
Annual General Meeting 2026	April 15, 2026
Quarterly Statement First Quarter 2026	May 5, 2026
Half-Year Financial Report 2026	July 31, 2026

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