

Covestro Group Consolidated Income Statement

	1st quarter 2023	1st quarter 2024
	€ million	€ million
Sales	3,743	3,510
Cost of goods sold	(3,124)	(2,906)
Gross profit	619	604
Selling expenses	(379)	(382)
Research and development expenses	(105)	(91)
General administration expenses	(87)	(73)
Other operating income	15	21
Other operating expenses	(24)	(18)
EBIT¹	39	61
Equity-method loss	(7)	(1)
Interest income	17	16
Interest expense	(41)	(39)
Other financial result	2	(6)
Financial result	(29)	(30)
Income before income taxes	10	31
Income taxes	(37)	(68)
Income after income taxes	(27)	(37)
attributable to noncontrolling interest	(1)	(2)
attributable to Covestro AG shareholders (net income)	(26)	(35)
	€	€
Basic / Diluted earnings per share²	(0.14)	(0.19)

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 first quarter of 2024 was based on 188,740,330 no-par value shares (previous year: 189,948,365 no-par value shares).

Covestro Group Consolidated Statement of Comprehensive Income

	1st quarter 2023	1st quarter 2024
	€ million	€ million
Income after income taxes	(27)	(37)
Remeasurements of the net defined benefit liability for post-employment benefit plans	17	45
Income taxes	2	(2)
Other comprehensive income from remeasurements of the net defined benefit liability for post-employment benefit plans	19	43
Other comprehensive income that will not be reclassified subsequently to profit or loss	19	43
Exchange differences of foreign operations	(81)	20
Other comprehensive income from exchange differences	(81)	20
Other comprehensive income that may be reclassified subsequently to profit or loss	(81)	20
Total other comprehensive income	(62)	63
attributable to noncontrolling interest	(1)	-
attributable to Covestro AG shareholders	(61)	63
Total comprehensive income	(89)	26
attributable to noncontrolling interest	(2)	(2)
attributable to Covestro AG shareholders	(87)	28

Covestro Group Consolidated Statement of Financial Position

	Mar. 31, 2023	Mar. 31, 2024	Dec. 31, 2023
	€ million	€ million	€ million
Noncurrent assets			
Goodwill	717	712	711
Other intangible assets	572	505	519
Property, plant and equipment	5,739	5,787	5,795
Investments accounted for using the equity method	177	188	182
Other financial assets ¹	150	108	109
Other receivables ¹	120	149	114
Deferred taxes	372	311	316
	7,847	7,760	7,746
Current assets			
Inventories	2,866	2,650	2,459
Trade accounts receivable	2,144	2,000	1,898
Other financial assets ¹	241	61	311
Other receivables ¹	438	468	496
Claims for income tax refunds	78	97	102
Cash and cash equivalents	949	684	625
Assets held for sale	26	9	–
	6,742	5,969	5,891
Total assets	14,589	13,729	13,637
Equity			
Capital stock of Covestro AG	190	189	189
Capital reserves of Covestro AG	3,788	3,740	3,740
Retained earnings incl. total income	2,473	2,300	2,291
Accumulated other comprehensive income	548	390	370
Equity attributable to Covestro AG shareholders	6,999	6,619	6,590
Equity attributable to noncontrolling interest	34	26	28
	7,033	6,645	6,618
Noncurrent liabilities			
Provisions for pensions and other post-employment benefits	462	421	464
Other provisions	178	235	192
Financial liabilities	3,513	2,753	2,740
Other financial liabilities ¹	13	19	16
Income tax liabilities	29	36	29
Other nonfinancial liabilities ¹	25	22	24
Deferred taxes	278	253	256
	4,498	3,739	3,721
Current liabilities			
Other provisions	238	353	356
Financial liabilities	326	686	667
Trade accounts payable	1,972	1,942	1,895
Other financial liabilities ¹	123	104	128
Income tax liabilities	182	63	48
Other nonfinancial liabilities ¹	208	197	204
Liabilities directly related to assets held for sale	9	–	–
	3,058	3,345	3,298
Total equity and liabilities	14,589	13,729	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

	1st quarter 2023	1st quarter 2024
	€ million	€ million
Income after income taxes	(27)	(37)
Income taxes	37	68
Financial result	29	30
Income taxes paid	(22)	(38)
Depreciation, amortization and impairment losses and impairment loss reversals	247	212
Change in pension provisions	(10)	(11)
(Gains)/losses on retirements of noncurrent assets	–	(3)
Decrease/(increase) in inventories	(81)	(184)
Decrease/(increase) in trade accounts receivable	(148)	(85)
(Decrease)/increase in trade accounts payable	(28)	40
Changes in other working capital, other noncash items	(16)	(15)
Cash flows from operating activities	(19)	(23)
Cash outflows for additions to property, plant, equipment and intangible assets	(120)	(106)
Cash inflows from sales of property, plant, equipment and other assets	1	4
Cash outflows for noncurrent financial assets	(2)	(4)
Interest and dividends received	18	17
Cash inflows from/(Cash outflows for) other current financial assets	(176)	246
Cash flows from investing activities	(279)	157
Dividend payments	(2)	–
Issuances of debt	271	28
Retirements of debt	(188)	(77)
Interest paid	(34)	(26)
Cash flows from financing activities	47	(75)
Change in cash and cash equivalents due to business activities	(251)	59
Cash and cash equivalents at beginning of period	1,198	625
Change in cash and cash equivalents due to exchange rate movements	2	–
Cash and cash equivalents at end of period	949	684

Employees and Pension Obligations

As of March 31, 2024, Covestro had 17,543 employees worldwide (December 31, 2023: 17,520). Personnel expenses were down slightly, by €8 million, from the prior-year quarter to €557 million in the first quarter of 2024 (previous year: €565 million).

Employees by division¹

	Dec. 31, 2023	Mar. 31, 2024
Production	11,947	11,991
Marketing and distribution	2,860	2,853
Research and development	1,338	1,341
General administration	1,375	1,358
Total	17,520	17,543

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 €421 million as of March 31, 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.

Discount rate for pension obligations

	Dec. 31, 2023	Mar. 31, 2024
	%	%
Germany	3.30	3.40
United States	4.70	5.00

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		
		Mar. 31, 2023	Dec. 31, 2023	Mar. 31, 2024
BRL	Brazil	5.52	5.36	5.40
CNY	China	7.48	7.87	7.84
HKD	Hong Kong ¹	8.54	8.63	8.46
INR	India	89.40	91.90	90.14
JPY	Japan	144.83	156.33	163.45
MXN	Mexico	19.64	18.72	17.92
USD	United States	1.09	1.11	1.08

Average rates for major currencies

€1/		Average rates	
		1st quarter 2023	1st quarter 2024
BRL	Brazil	5.58	5.37
CNY	China	7.35	7.82
HKD	Hong Kong ¹	8.41	8.49
INR	India	88.22	90.20
JPY	Japan	141.89	160.97
MXN	Mexico	20.05	18.46
USD	United States	1.07	1.09

¹ Special Administration Region (China)

Scope of Consolidation

Changes in the Scope of Consolidation

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

Acquisitions and Divestitures

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

Significant Events after the End of the Reporting Period

No events have occurred since March 31, 2024, that have a material impact on the net assets, financial position and results of operations of the Covestro Group.