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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). It was not subjected to a review by an auditor. This Quarterly Statement contains information on the period from January 1 to March 31, 2024 and should be read alongside the Annual Report 2023 and the additional information about the Covestro Group contained therein. The Annual Report 2023 is 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

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

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 Quarterly Statement. All terms should be taken to apply equally to all genders.

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.

Publication

This Quarterly Statement was published in German and English on April 30, 2024. The German version is binding.

Covestro Group Key Data

	1st quarter 2023	1st quarter 2024	Change
Sales	€3,743 million	€3,510 million	-6.2%
Change in sales			
Volume	-16.8%	10.9%	
Price	-3.9%	-15.4%	
Currency	0.6%	-1.7%	
Sales by region			
EMLA ¹	€1,650 million	€1,515 million	-8.2%
NA ²	€982 million	€869 million	-11.5%
APAC ³	€1,111 million	€1,126 million	1.4%
EBITDA⁴	€286 million	€273 million	-4.5%
Changes in EBITDA			
Volume	-36.2%	48.6%	
Price	-22.5%	-201.4%	
Raw material price	-11.8%	140.2%	
Currency	0.0%	-4.5%	
Other ⁵	6.0%	12.6%	
EBIT ⁶	€39 million	€61 million	56.4%
Financial result	(€29 million)	(€30 million)	3.4%
Net income⁷	(€26 million)	(€35 million)	34.6%
Earnings per share ⁸	(€0.14)	(€0.19)	35.7%
Cash flows from operating activities ⁹	(€19 million)	(€23 million)	21.1%
Cash outflows for additions to property, plant, equipment and intangible assets	€120 million	€106 million	-11.7%
Free operating cash flow¹⁰	(€139 million)	(€129 million)	-7.2%

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 property, plant and equipment and intangible assets.

⁵ Other changes in EBITDA such as changes in provisions for variable compensation.

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

⁷ Net income: income after income taxes attributable to the shareholders of Covestro AG.

⁸ 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).

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

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

Segment Information

Segment information 1st quarter

	Performance Materials		Solutions & Specialties		Others / Reconciliation		Covestro Group	
	1st quarter 2023	1st quarter 2024	1st quarter 2023	1st quarter 2024	1st quarter 2023	1st quarter 2024	1st quarter 2023	1st quarter 2024
	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million
Sales (external)	1,792	1,689	1,883	1,767	68	54	3,743	3,510
Intersegment sales	607	556	8	7	(615)	(563)	–	–
Sales (total)	2,399	2,245	1,891	1,774	(547)	(509)	3,743	3,510
Change in sales								
Volume	–18.6%	17.3%	–15.4%	5.9%	–	–	–16.8%	10.9%
Price	–7.1%	–21.3%	–0.5%	–10.4%	–	–	–3.9%	–15.4%
Currency	0.7%	–1.7%	0.6%	–1.7%	–	–	0.6%	–1.7%
Sales by region								
EMLA	839	762	755	710	56	43	1,650	1,515
NA	489	417	485	444	8	8	982	869
APAC	464	510	643	613	4	3	1,111	1,126
EBITDA¹	173	103	165	208	(52)	(38)	286	273
EBIT ¹	29	(35)	63	135	(53)	(39)	39	61
Depreciation, amortization, impairment losses and impairment loss reversals	144	138	102	73	1	1	247	212
Cash flows from operating activities	19	1	(5)	53	(33)	(77)	(19)	(23)
Cash outflows for additions to property, plant, equipment and intangible assets	76	74	43	31	1	1	120	106
Free operating cash flow	(57)	(73)	(48)	22	(34)	(78)	(139)	(129)
Trade working capital ²	1,291	1,101	1,712	1,575	(27)	(18)	2,976	2,658

¹ EBITDA and EBIT 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 March 31, 2023/2024.