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Reporting Principles

This Covestro AG Quarterly Statement was prepared in accordance with Section 53 of the Stock Exchange Rules and Regulations (Börsenordnung) of the Frankfurt Stock Exchange. This Statement is not 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 should be read alongside the Annual Report 2020 and the additional information about the company contained therein, as well as the Half-Year Financial Report 2021. The Annual Report 2020 and the Half-Year Financial Report 2021 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. Various known and unknown risks, uncertainties, and other factors could lead to material differences between the actual future results, financial situation, development, or performance of the Group and the estimates given here. These factors include those discussed in Covestro's public reports, which are available at our website **www.covestro.com**. The Group assumes no liability whatsoever to update such 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 2020 Annual Report.

Inclusive Language

Diversity, equal opportunity, and inclusion are important to Covestro. 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.

Percentage deviations are only calculated and reported if they are no more than 100%. Larger deviations are reported as >100%, >200%, etc. 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 November 8, 2021. The German version is binding.

Covestro Group in Figures

Covestro Group key data

	3rd quarter 2020	3rd quarter 2021	Change	1st nine months 2020	1st nine months 2021	Change
	€ million	€ million	%	€ million	€ million	%
Core volume growth[1, 2]	**+2.9%**	**+0.8%**		**–7.9%**	**+11.9%**	
Sales	2,760	4,302	+55.9	7,699	11,565	+50.2
Change in sales						
Volume	+1.0%	0.0%		–8.1%	+9.3%	
Price	–9.0%	+43.8%		–9.1%	+35.8%	
Currency	–3.3%	+1.6%		–0.8%	–2.6%	
Portfolio	–1.4%	+10.5%		–1.4%	+7.7%	
Sales by region						
EMLA[3]	1,138	1,787	+57.0	3,312	5,054	+52.6
NA[4]	648	1,011	+56.0	1,900	2,504	+31.8
APAC[5]	974	1,504	+54.4	2,487	4,007	+61.1
EBITDA[6]	**456**	**862**	**+89.0**	**835**	**2,422**	**>100**
Changes in EBITDA						
Volume	–9.6%	+5.3%		–32.2%	+44.1%	
Price	–67.1%	+264.9%		–65.2%	+330.5%	
Raw material price	+65.6%	–138.6%		+45.9%	–124.1%	
Currency	–2.8%	+3.5%		–0.1%	–3.2%	
Other	+21.2%	–46.1%		+14.6%	–57.2%	
EBIT[7]	265	654	>100	264	1,817	>500
Financial result	(22)	(20)	–9.1	(78)	(67)	–14.1
Net income[8]	179	472	>100	147	1,314	>700
Earnings per share (€)[9]	0.98	2.44	>100	0.80	6.80	>700
Cash flows from operating activities[10]	538	564	+4.8	599	1,545	>100
Cash outflows for additions to property, plant, equipment and intangible assets	177	183	+3.4	463	472	+1.9
Free operating cash flow[11]	**361**	**381**	**+5.5**	**136**	**1,073**	**>600**

1 Core volume growth refers to the core products in the Performance Materials and Solutions & Specialties segments. It is calculated as the percentage change in externally sold volumes compared with the prior year. Covestro also takes advantage of business opportunities outside its core business, for example the sale of precursors and by-products such as hydrochloric acid, sodium hydroxide solution, and styrene. These transactions are not included in core volume growth.
2 Calculated on the basis of the definition of the core business effective March 31, 2021.
3 EMLA: Europe, Middle East, Latin America (excluding Mexico), Africa region.
4 NA: North America region (Canada, Mexico, United States).
5 APAC: Asia and Pacific region.
6 EBITDA: EBIT plus depreciation, amortization, and impairment losses; less impairment loss reversals on intangible assets and property, plant and equipment.
7 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), earnings per share comprise net income divided by the weighted average number of outstanding no-par voting shares of Covestro AG. The calculation was based on 193,160,544 no-par shares for the third quarter of 2021 (previous year: 182,864,685 no-par shares) and on 193,160,544 no-par shares for the first nine months of 2021 (previous year: 182,864,685 no-par shares).
10 Cash flows from operating activities according to IAS 7 (Statement of Cash Flows).
11 Free operating cash flow: cash flows from operating activities less cash outflows for additions to property, plant, equipment and intangible assets.

Covestro share at a glance

		3rd quarter 2020	3rd quarter 2021	1st nine months 2020	1st nine months 2021
High	€	46.83	59.34	46.83	62.48
Low	€	32.86	52.80	24.90	51.28
Closing date (Sep. 30)	€	42.35	59.34	42.35	59.34

Covestro closing prices Xetra; source: Deutsche Börse

Segment Information

Segment information 3rd quarter

	Performance Materials		Solutions & Specialties		Others/consolidation		Covestro Group	
	3rd quarter 2020[1]	3rd quarter 2021	3rd quarter 2020[1]	3rd quarter 2021	3rd quarter 2020[1]	3rd quarter 2021	3rd quarter 2020	3rd quarter 2021
	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million
Sales (external)	1,436	2,186	1,288	2,069	36	47	2,760	4,302
Intersegment sales	334	768	7	8	(341)	(776)	–	–
Sales (total)	1,770	2,954	1,295	2,077	(305)	(729)	2,760	4,302
Change in sales								
Volume		–6.9%		+6.9%		+30.9%	+1.0%	0.0%
Price		+57.6%		+29.5%		0.0%	–9.0%	+43.8%
Currency		+1.5%		+1.8%		–0.3%	–3.3%	+1.6%
Portfolio		0.0%		+22.4%		0.0%	–1.4%	+10.5%
Core volume growth[2]		**–11.6%**		**+22.7%**			**+2.9%**	**+0.8%**
Sales by region								
EMLA	655	994	457	758	26	35	1,138	1,787
NA	344	565	297	437	7	9	648	1,011
APAC	437	627	534	874	3	3	974	1,504
EBITDA[3]	**288**	**755**	**207**	**173**	**(39)**	**(66)**	**456**	**862**
EBIT[3]	145	614	161	106	(41)	(66)	265	654
Depreciation, amortization, impairment losses and impairment loss reversals	143	141	46	67	2	–	191	208
Cash flows from operating activities	372	410	136	82	30	72	538	564
Cash outflows for additions to property, plant, equipment and intangible assets	126	116	51	66	–	1	177	183
Free operating cash flow	**246**	**294**	**85**	**16**	**30**	**71**	**361**	**381**
Trade working capital[4]	935	1,523	1,104	1,608	2	(24)	2,041	3,107

[1] Reference information based on fiscal 2019 is not presented here due to the new organizational structure.
[2] Calculated on the basis of the definition of the core business effective March 31, 2021.
[3] The Performance Materials and Solutions & Specialties reporting segments include the effect on earnings of intersegment sales.
[4] 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, 2020/2021. Reference information was restated accordingly, see note 4 "Change in presentation for rebates granted to customers and trade working capital" in the Annual Report 2020.

Segment information first nine months

	Performance Materials		Solutions & Specialties		Others/consolidation		Covestro Group	
	1st nine months 2020[1]	1st nine months 2021	1st nine months 2020[1]	1st nine months 2021	1st nine months 2020[1]	1st nine months 2021	1st nine months 2020	1st nine months 2021
	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million
Sales (external)	3,874	5,883	3,689	5,549	136	133	7,699	11,565
Intersegment sales	882	1,954	18	19	(900)	(1,973)	–	–
Sales (total)	4,756	7,837	3,707	5,568	(764)	(1,840)	7,699	11,565
Change in sales								
Volume		+2.0%		+17.5%		–1.1%	–8.1%	+9.3%
Price		+52.5%		+19.7%		0.0%	–9.1%	+35.8%
Currency		–2.6%		–2.8%		–1.1%	–0.8%	–2.6%
Portfolio		0.0%		+16.0%		0.0%	–1.4%	+7.7%
Core volume growth[2]		**+0.7%**		**+31.0%**			**–7.9%**	**+11.9%**
Sales by region								
EMLA	1,813	2,839	1,395	2,113	104	102	3,312	5,054
NA	1,007	1,344	870	1,137	23	23	1,900	2,504
APAC	1,054	1,700	1,424	2,299	9	8	2,487	4,007
EBITDA[3]	**458**	**2,053**	**522**	**568**	**(145)**	**(199)**	**835**	**2,422**
EBIT[3]	29	1,629	385	391	(150)	(203)	264	1,817
Depreciation, amortization, impairment losses and impairment loss reversals	429	424	137	177	5	4	571	605
Cash flows from operating activities	367	1,263	345	189	(113)	93	599	1,545
Cash outflows for additions to property, plant, equipment and intangible assets	329	319	133	151	1	2	463	472
Free operating cash flow	**38**	**944**	**212**	**38**	**(114)**	**91**	**136**	**1,073**
Trade working capital[4]	935	1,523	1,104	1,608	2	(24)	2,041	3,107

[1] Reference information based on fiscal 2019 is not presented here due to the new organizational structure.
[2] Calculated on the basis of the definition of the core business effective March 31, 2021.
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