



Covestro IR Factsheet – Q4 2019

Financial overview

- Core volumes increased by +3.8% to 1,249kt with APAC +13.9%, EMLA +1.6% and NAFTA -7.1% (all Y/Y)
- Sales decreased by -12.5% to €2,864m, driven by volume -0.7%, price -13.3% and FX +1.5% (all Y/Y)
- EBITDA decreased by -5.1% Y/Y to €278m, driven by pronounced negative pricing delta (€-221m), volumes (€-7m), positive FX (€+10m) and other items (€+203m), including €+40m from IFRS16 accounting changes and €+34m book gain from European PU system houses divestment
- EBIT decreased by -33.6% Y/Y to €93m with D&A of €-185m
- Financial result slightly higher Y/Y at €-26m
- Income tax rate of 43.3% (FY 2019: 26.8%), above previous year but in line with full year guidance
- EPS decreased by -53.5% Y/Y, from €0.43 (on 184.7m shares) to €0.20 (on 182.8m shares)
- FOCF decreased by -9.1% to €330m due to lower earnings, enhanced by active working capital measures
- Total net debt (incl. pension provisions) decreased by €476m to €2,954m (30.09.2019: €3,430m)
- Net financial debt decreased by €422m to €989m (30.09.2019: €1,411m) driven by positive FOCF

Polyurethanes

- Solid core volume growth (in kt) of +3.6% Y/Y, with all product groups contributing
- EBITDA increased by +10.8% Y/Y to €123m helped by €+34m book gain from European PU system houses divestment

Polycarbonates

- Solid core volume growth (in kt) of +3.5% Y/Y, driven by APAC
- EBITDA declined by -28.6% Y/Y to €95m, driven by negative pricing delta and product mix effects

Coatings, Adhesives, Specialties

- Core volumes (in kt) increased by +6.2% Y/Y, helped by full consolidation of DCP and weak comparable
- EBITDA stable at €62m

Macro expectations 2020

- We assume an average exchange rate in EUR/USD of around 1.10
- We expect global economic growth of 2.5% for 2020, in a year marked by uncertainty
- The forecast takes account of the negative impact of the coronavirus on business in China in the first quarter of 2020 that is foreseeable at the time of preparation (February 14, 2020).

Guidance 2020

- We expect core volumes growth in the low-single-digit-percentage range (2019: +2.0%)
- We expect FOCF between €0m and €400m (2019: €473m)
- We expect ROCE between 2% and 7% (2019: +8.4%)

Additional financial expectations for 2020

- EBITDA FY 2020 of €1,000 - 1,500m (2019: €1,604m)
- EBITDA Q1 2020 of €200 - 280m, including expected €60m burden by coronavirus (Q1 2019: €442m)
- Capex: ~€900m (2019: €910m)
- D&A: ~€770m (2019: ~€752m)
- Financial result: between ~€-105m (2019: €-91m)
- Group income tax rate: 24 - 26% (2019: 26.8%)

Covestro IR Factsheet - FY 2019

	Q1 2018	Q2 2018	Q3 2018	Q4 2018	FY 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	FY 2019
	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million
Core volumes ('000 t)²	1,275	1,287	1,267	1,204	5,033	1,251	1,300	1,333	1,249	5,134
Sales	3,779	3,863	3,702	3,272	14,616	3,175	3,211	3,162	2,864	12,412
PUR ¹	1,950	1,966	1,849	1,597	7,362	1,476	1,489	1,478	1,336	5,779
PCS	1,033	1,056	1,038	924	4,051	860	898	901	814	3,473
CAS ¹	592	629	606	534	2,361	627	621	588	533	2,369
Others / Consolidation	204	212	209	217	842	212	203	195	181	791
EBITDA	1,063	985	859	293	3,200	442	459	425	278	1,604
PUR ¹	637	583	432	111	1,763	157	172	196	123	648
PCS	303	285	315	133	1,036	155	154	132	95	536
CAS ¹	136	139	126	63	464	146	150	111	62	469
Others / Consolidation	-13	-22	-14	-14	-63	-16	-17	-14	-2	-49
DA	-156	-159	-152	-153	-620	-178	-185	204	185	752
EBIT	907	826	707	140	2,580	264	274	221	93	852
PUR ¹	547	492	346	27	1,412	57	72	97	24	250
PCS	260	241	272	88	861	105	99	57	39	300
CAS ¹	113	116	103	39	371	118	120	82	32	352
Others / Consolidation	-13	-23	-14	-14	-64	-16	-17	-15	-2	-50
Financial result	-28	-27	-25	-24	-104	-23	-23	-19	-26	-91
EBT	879	799	682	116	2,476	241	251	202	67	761
Taxes	-233	-193	-185	-36	-647	-61	-61	-53	-29	-204
Minorities	2	2	1	1	6	1	1	2	1	5
Net income	644	604	496	79	1,823	179	189	147	37	552
EPS in acc. to IAS 33	3.24	3.07	2.59	0.43	9.46	0.98	1.03	0.80	0.20	3.02
Core volumes Y/Y²	0.0%	4.4%	0.2%	1.7%	1.6%	-1.8%	1.1%	5.3%	3.8%	2.0%
PUR ¹	-1.0%	3.9%	-2.0%	2.3%	0.8%	-0.2%	0.7%	5.1%	3.6%	2.3%
PCS	2.7%	5.3%	2.6%	1.6%	3.0%	-6.3%	4.4%	9.3%	3.5%	2.7%
CAS ¹	-1.3%	5.8%	7.2%	-1.8%	2.5%	-0.1%	-4.7%	-4.0%	6.2%	-1.0%
Sales Y/Y	5.4%	10.4%	4.8%	-7.1%	3.4%	-16.0%	-16.9%	-14.6%	-12.5%	-15.1%
PUR ¹	7.1%	8.1%	-1.2%	-14.9%	-0.3%	-24.3%	-24.3%	-20.1%	-16.3%	-21.5%
PCS	8.3%	15.9%	11.3%	-1.6%	8.4%	-16.7%	-15.0%	-13.2%	-11.9%	-14.3%
CAS ¹	-7.1%	4.1%	8.8%	0.9%	1.5%	5.9%	-1.3%	-3.0%	-0.2%	0.3%
Volume Y/Y	-1.7%	4.9%	3.0%	2.9%	2.3%	0.9%	0.8%	2.1%	-0.7%	0.8%
PUR ¹	-2.8%	3.3%	0.1%	2.5%	0.9%	3.0%	0.8%	2.5%	-0.2%	1.5%
PCS	0.2%	5.6%	5.1%	4.2%	3.8%	-2.9%	5.7%	6.8%	0.0%	2.4%
CAS ¹	-2.2%	6.3%	9.7%	0.3%	3.5%	1.1%	-4.5%	-4.7%	0.1%	-2.1%
Price Y/Y	14.3%	9.9%	3.1%	-9.3%	4.5%	-18.3%	-18.7%	-18.5%	-13.3%	-17.3%
PUR ¹	17.3%	9.2%	-0.5%	-17.6%	1.9%	-29.4%	-26.8%	-24.4%	-16.9%	-24.7%
PCS	16.3%	15.2%	9.6%	-2.3%	9.7%	-12.8%	-18.8%	-20.7%	-13.5%	-16.5%
CAS ¹	1.0%	1.7%	-0.5%	0.0%	0.6%	1.7%	-0.4%	-2.1%	-4.2%	-1.1%
FX Y/Y	-7.2%	-4.4%	-0.6%	0.3%	-3.0%	2.4%	1.8%	1.9%	1.5%	1.9%
PUR ¹	-7.4%	-4.4%	-0.8%	0.2%	-3.1%	2.1%	1.7%	1.8%	1.5%	1.8%
PCS	-8.2%	-4.9%	-0.6%	0.3%	-3.4%	2.6%	1.7%	2.0%	1.6%	2.0%
CAS ¹	-5.9%	-3.9%	-0.4%	0.6%	-2.6%	3.1%	2.2%	2.2%	1.9%	2.3%
EBITDA Y/Y	25.7%	16.2%	-0.3%	-66.7%	-6.8%	-58.4%	-53.4%	-50.5%	-5.1%	-49.9%
PUR ¹	36.1%	6.2%	-21.5%	-81.9%	-19.1%	-75.4%	-70.5%	-54.6%	10.8%	-63.2%
PCS	30.6%	44.7%	49.3%	-37.6%	21.5%	-48.8%	-46.0%	-58.1%	-28.6%	-48.3%
CAS ¹	-15.0%	14.9%	0.8%	-21.3%	-4.5%	7.4%	7.9%	-11.9%	-1.6%	1.1%
EBITDA margin	28.1%	25.5%	23.2%	9.0%	21.9%	13.9%	14.3%	13.4%	9.7%	12.9%
PUR ¹	32.7%	29.7%	23.4%	7.0%	23.9%	10.6%	11.6%	13.3%	9.2%	11.2%
PCS	29.3%	27.0%	30.3%	14.4%	25.6%	18.0%	17.1%	14.7%	11.7%	15.4%
CAS ¹	23.0%	22.1%	20.8%	11.8%	19.7%	23.3%	24.2%	18.9%	11.6%	19.8%
Tax rate	26.5%	24.2%	27.1%	31.0%	26.1%	25.3%	24.3%	26.2%	43.3%	26.8%
EPS Y/Y	40.3%	28.5%	6.6%	-84.6%	-4.7%	-69.8%	-66.4%	-69.1%	-53.5%	-68.1%
Net financial debt	187	706	391	348	348	1,059	1,604	1,411	989	989
Provisions for pensions	1,293	1,305	1,264	1,445	1,445	1,667	1,704	2,019	1,965	1,965
Operating cash flows	452	517	766	641	2,376	120	164	462	637	1,383
FOCF	364	364	578	363	1,669	-45	-55	243	330	473
ROCE	n.a.	n.a.	n.a.	n.a.	29.5%	n.a.	n.a.	n.a.	n.a.	8.4%

¹ All figures for 2017 have been adjusted to reflect the reclassification of the specialty elastomers business from the Polurethanes segment to the Coatings, Adhesives, Specialties segment as of January 1, 2018.

² Reference values as of 2018 recalculated effective March 31, 2019, based on the definition of core business.