

Covestro IR Factsheet – Q1 2021



Financial overview

- Core volumes increased by 5.3% Y/Y to 1,263kt driven by strong demand rebound in APAC +27.3% as Q1'20 was impacted by Coronavirus pandemic; EMLA -0.4%; NA -11.9% as a result of constrained product availability after US winter storm Uri while underlying demand was solid
- Sales increased by 18.8% Y/Y to €3,307m with volume +3.4%, price +20.2%, FX -4.8%
- EBITDA almost tripled to €743m (Q1'20: €254m), driven by positive pricing delta of €560m, compensating €-105m from higher provisions for variable compensation and €-16m provisions related to LEAP transformation program
- EBIT increased to €556m (Q1'20: €67m) with D&A of €187m (same as Q1'20)
- Financial result improved to €-29m (Q1'20: €-39m)
- Net income increased to €393m (Q1'20: €20m) / EPS increased to €2.03 (Q1'20: €0.11)
- FOCF increased by €567m to €318m (Q1'20: €-249m)
- Total net debt (incl. pension provisions) decreased from €2,726m to €1,870m (Dec 31, 2020: €2,479m), including the capital increase of €447m in Q4'20 in context of the RFM acquisition closed on April 1, 2021
- Net financial debt of €95m (Dec 31, 2020: €356m) / pension provisions of €1,775m (Dec 31, 2020: €2,123m)

Polyurethanes

- Core volume growth (in kt) of +2.5% Y/Y, strong demand but constrained product availability owing to 'Uri'
- EBITDA increased to €443m (Q1'20: €50m), driven by pronounced positive pricing delta in all three product groups

Polycarbonates

- Core volume growth (in kt) of +11.6% Y/Y, driven by electro and auto/transport
- EBITDA increased to €222m (Q1'20: €109m), mainly due to positive pricing delta and higher volumes

Coatings, Adhesives, Specialties

- Core volume growth (in kt) of +7.1% Y/Y, driven by growth in all key industries
- EBITDA of €114m (Q1'20: €130m), burdened by higher provisions for variable compensation while volume growth contributed positively; includes €-2m related to RFM acquisition

Guidance assumptions 2021

- Global economic growth of around 5%; full year average exchange rate in EUR/USD of around 1.20
- Including consolidation of RFM for nine months; excluding one-time costs that could arise from transformation program "LEAP"

Guidance 2021

- We expect core volume growth between 10% and 15% with ~6pp from the RFM acquisition
- We expect FOCF between €1,300m and €1,800m
- We expect ROCE between 12% and 17%

Additional financial expectations for 2021

- FY EBITDA: between €2,200m and €2,700m
- Q2 EBITDA: between €730m and €870m
- Mark-to-Market EBITDA based on March 2021 margins: ~€3.1bn
- Capex: approx. €800m
- D&A: approx. €900m
- Financial result: around negative €100m
- Group income tax rate: 24 - 26%
- Average number of shares: FY 193.2m

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	Q1 2020	Q2 2020	6M 2020	Q3 2020	9M 2020	Q4 2020	FY 2020	Q1 2021
	€ million							
Core volumes ('000 t)	1,200	1,005	2,205	1,373	3,577	1,270	4,847	1,263
Sales	2,783	2,156	4,939	2,760	7,699	3,007	10,706	3,307
PUR	1274	913	2187	1315	3502	1519	5021	1665
PCS	733	648	1381	801	2182	803	2985	889
CAS	572	443	1015	495	1510	529	2039	595
Others / Consolidation	204	152	356	149	505	156	661	158
EBITDA	254	125	379	456	835	637	1472	743
PUR	50	-24	26	220	246	379	625	443
PCS	109	96	205	148	353	200	553	222
CAS	130	60	190	99	289	52	341	114
Others / Consolidation	-35	-7	-42	-11	-53	6	-47	-36
DA	187	193	380	191	571	205	776	187
EBIT	67	-68	-1	265	264	432	696	556
PUR	-51	-130	-181	114	-67	264	197	340
PCS	54	41	95	94	189	143	332	168
CAS	100	28	128	68	196	19	215	85
Others / Consolidation	-36	-7	-43	-11	-54	6	-48	-37
Financial result	-39	-17	-56	-22	-78	-13	-91	-29
EBT	28	-85	-57	243	186	419	605	527
Taxes	-7	32	25	-63	-38	-113	-151	-132
Minorities	1	-1	0	1	1	-6	-5	2
Net income	20	-52	-32	179	147	312	459	393
EPS in acc. to IAS 33	0.11	-0.28	-0.17	0.98	0.8	1.63	2.48	2.03
Core volumes Y/Y	-4.1%	-22.7%	-13.6%	3.0%	-7.9%	1.7%	-5.6%	5.3%
PUR	-3.6%	-25.9%	-14.9%	4.3%	-8.4%	0.8%	-6.1%	2.5%
PCS	-4.9%	-14.4%	-9.8%	3.6%	-5.0%	3.2%	-3.0%	11.6%
CAS	-5.2%	-25.3%	-15.2%	-6.9%	-12.5%	2.8%	-8.9%	7.1%
Sales Y/Y	-12.3%	-32.9%	-22.7%	-12.7%	-19.4%	5.0%	-13.7%	18.8%
PUR	-13.7%	-38.7%	-26.2%	-11.0%	-21.2%	13.7%	-13.1%	30.7%
PCS	-14.8%	-27.8%	-21.4%	-11.1%	-17.9%	-1.4%	-14.1%	21.3%
CAS	-8.8%	-28.7%	-18.7%	-15.8%	-17.8%	-0.8%	-13.9%	4.0%
Volume Y/Y	-2.7%	-22.3%	-12.5%	1.0%	-8.1%	4.7%	-5.1%	3.4%
PUR	-2.5%	-24.8%	-13.7%	5.3%	-7.4%	2.9%	-5.0%	0.2%
PCS	-2.6%	-16.4%	-9.6%	3.6%	-5.1%	7.4%	-2.3%	12.5%
CAS	-7.1%	-25.8%	-16.4%	-8.3%	-13.9%	7.5%	-9.0%	5.6%
Price Y/Y	-9.1%	-9.0%	-9.1%	-9.0%	-9.1%	5.4%	-5.7%	20.2%
PUR	-10.8%	-12.3%	-11.5%	-11.5%	-11.5%	16.2%	-5.1%	36.1%
PCS	-9.6%	-7.8%	-8.6%	-8.2%	-8.5%	-2.1%	-7.0%	13.8%
CAS	-3.9%	-3.2%	-3.5%	-5.0%	-4.0%	-4.9%	-4.2%	2.4%
FX Y/Y	0.8%	-0.1%	0.3%	-3.3%	-0.8%	-4.0%	-1.6%	-4.8%
PUR	0.7%	-0.4%	0.1%	-3.8%	-1.2%	-4.8%	-2.0%	-5.6%
PCS	1.0%	-0.1%	0.4%	-3.4%	-0.9%	-3.7%	-1.5%	-5.0%
CAS	1.1%	0.3%	0.7%	-2.5%	-0.3%	-3.4%	-1.0%	-4.0%
EBITDA Y/Y	-42.5%	-72.8%	-57.9%	7.3%	-37.0%	129.1%	-8.2%	192.5%
PUR	-68.2%	-114.0%	-92.1%	12.2%	-53.1%	208.1%	-3.5%	786.0%
PCS	-29.7%	-37.7%	-33.7%	12.1%	-20.0%	110.5%	3.2%	103.7%
CAS	-11.0%	-60.0%	-35.8%	-10.8%	-29.0%	-16.1%	-27.3%	-12.3%
EBITDA margin	9.1%	5.8%	7.7%	16.5%	10.8%	21.2%	13.7%	22.5%
PUR	3.9%	-2.6%	1.2%	16.7%	7.0%	25.0%	12.4%	26.6%
PCS	14.9%	14.8%	14.8%	18.5%	16.2%	24.9%	18.5%	25.0%
CAS	22.7%	13.5%	18.7%	20.0%	19.1%	9.8%	16.7%	19.2%
Tax rate	25.0%	37.6%	43.9%	25.9%	20.4%	27.0%	25.0%	25.0%
EPS Y/Y	-88.8%	-127.2%	-108.5%	22.5%	-71.6%	715.0%	-17.9%	1745.5%
Net financial debt	1291	1294	1294	1170	1170	356	356	95
Provisions for pensions	1435	1881	1881	2031	2031	2123	2123	1,775
Operating cash flows	-110	171	61	538	599	635	1234	428
FOCF	-249	24	-225	361	136	394	530	318
ROCE	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	7.0%	n.a.