

Covestro IR Factsheet – Q1 2023



Financial overview

- Sales decreased by 20.1% Y/Y to €3,743m with volume -16.8%, price -3.9%, FX +0.6%
- EBITDA decreased to €286m (Q1'22: €806m) driven by volume effect of €-292m and pricing delta of €-276m
- EBIT decreased to €39m (Q1'22: €589m) with D&A of €247m (Q1'22: €217m); DA includes €33m impairment write-off, mainly from discontinuation of Maezio® product line and related site closure
- Financial result of €-29m (Q1'22: €-28m)
- Income tax of €-37m (Q1'22: €-144m) including €-41m adjustments of deferred tax assets
- Net income decreased to €-26m (Q1'22: €416m); EPS decreased to €-0.14 (Q1'22: €2.15)
- FOCF decreased to €-139m (Q1'22: €17m) including €-257m from changes in working capital
- Total net debt (including pension provisions and net defined benefit asset) increased from €2,864 on December 31, 2022, to €3,079m on March 31, 2023
- Net financial debt of €2,675m (December 31, 2022: €2,434m) / net pension liability (pension provisions and net defined benefit asset) of €404m

Performance Materials

- Sales decreased by 25.0% Y/Y to €1,792m with volume -18.6%, price -7.1%, FX +0.7%
- EBITDA of €173m (Q1'22: €620m), driven by negative pricing delta and negative volume effect

Solutions & Specialties

- Sales decreased by 15.3% Y/Y to €1,883m with volume -15.4%, price -0.5%, FX +0.6%
- EBITDA of €165m (Q1'22: €224m), with negative volume effect partially offset by positive pricing delta

Guidance assumptions FY 2023

- Global economic growth of 1.9% Y/Y
- Full year average exchange rate in EUR/USD of ~1.10
- Mark-to-market EBITDA based on March 2023 margins flat-forward of ~€1.4bn

Guidance FY 2023

- EBITDA between €1.1bn and €1.6bn; with Performance Materials EBITDA significantly below previous year and Solutions & Specialties EBITDA around previous year
- FOCF between €0 and €500m; with Performance Materials FOCF significantly below previous year and Solutions & Specialties FOCF significantly above previous year
- ROCE above WACC between -6pp and -2pp; with WACC of 7.6%
- CO₂E between 4.2MT and 4.8MT

Additional financial expectations for FY 2023

- Share buyback program resumed with next sub-tranche of up to €75m to start in May
- EBITDA Q2: between €330m and €430m
- Capex: around €800m
- D&A: around €900m
- Financial result: between €-130m and €-170m
- P&L tax: between €150m and €250m; cash tax: between €200m and €300m

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	Q1 2021	Q2 2021	Q3 2021	Q4 2021	FY 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	FY 2022	Q1 2023
	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million
Sales	3,307	3,956	4,302	4,338	15,903	4,683	4,703	4,618	3,964	17,968	3,743
PM	1,740	1,957	2,186	2,259	8,142	2,388	2,461	2,330	1,916	9,095	1,792
S&S	1,529	1,951	2,069	2,005	7,554	2,222	2,165	2,196	1,975	8,558	1,883
Others / Consolidation	38	48	47	74	207	73	77	92	73	315	68
EBITDA	743	817	862	663	3,085	806	547	302	-38	1,617	286
PM ¹	630	644	708	590	2,572	620	367	53	-89	951	173
S&S ¹	181	237	221	112	751	224	213	280	108	825	165
Others / Consolidation ¹	-68	-64	-67	-39	-238	-38	-33	-31	-57	-159	-52
DA	187	210	208	218	823	217	240	236	657	1,350	247
EBIT	556	607	654	445	2,262	589	307	66	-695	267	39
PM ¹	489	502	567	445	2,003	475	204	-107	-600	-28	29
S&S ¹	138	170	154	41	503	152	139	207	-37	461	63
Others / Consolidation ¹	-71	-65	-67	-41	-244	-38	-36	-34	-58	-166	-53
Financial result	-29	-18	-20	-10	-77	-28	-44	-40	-25	-137	-29
EBT	527	589	634	435	2,185	561	263	26	-720	130	10
Taxes	-132	-139	-161	-134	-566	-144	-65	-15	-187	-411	-37
Minorities	2	1	1	-1	3	1	-1	-1	-8	-9	-1
Net income	393	449	472	302	1,616	416	199	12	-899	-272	-26
EPS in acc. to IAS 33	2.03	2.32	2.44	1.56	8.37	2.15	1.04	0.06	-4.74	-1.42	-0.14
Sales Y/Y	18.8%	83.5%	55.9%	44.3%	48.5%	41.6%	18.9%	7.3%	-8.6%	13.0%	-20.1%
PM ²	25.8%	85.5%	52.2%	41.7%	48.9%	37.2%	25.8%	6.6%	-15.2%	11.7%	-25.0%
S&S ²	14.0%	84.1%	60.6%	46.2%	49.3%	45.3%	11.0%	6.1%	-1.6%	13.3%	-15.3%
Volume Y/Y	3.4%	29.0%	0.0%	-0.2%	6.5%	3.6%	-2.1%	-5.7%	-13.2%	-5.0%	-16.8%
PM ²	-2.3%	19.5%	-6.9%	0.5%	1.6%	5.5%	1.6%	-6.2%	-17.5%	-5.0%	-18.6%
S&S ²	10.8%	39.1%	6.9%	-3.4%	11.8%	-0.5%	-7.3%	-7.2%	-8.9%	-6.3%	-15.4%
Price Y/Y	20.2%	45.9%	43.8%	31.6%	34.7%	22.9%	14.5%	5.4%	0.8%	10.1%	-3.9%
PM ²	32.9%	71.2%	57.6%	37.6%	48.1%	26.4%	17.5%	5.2%	-1.3%	10.9%	-7.1%
S&S ²	8.1%	22.4%	29.5%	25.6%	21.3%	19.4%	11.8%	5.7%	3.3%	9.4%	-0.5%
FX Y/Y	-4.8%	-5.4%	1.6%	3.8%	-0.8%	5.6%	6.5%	7.6%	3.8%	5.9%	0.6%
PM ²	-4.8%	-5.2%	1.5%	3.6%	-0.8%	5.3%	6.7%	7.6%	3.6%	5.8%	0.7%
S&S ²	-4.9%	-5.8%	1.8%	4.1%	-0.9%	5.9%	6.5%	7.6%	4.1%	6.0%	0.6%
EBITDA Y/Y	192.5%	553.6%	89.0%	4.1%	109.6%	8.5%	-33.0%	-65.0%	-105.7%	-47.6%	-64.5%
PM ^{1,2}	447.8%	1640.5%	153.8%	26.9%	187.1%	-1.6%	-43.0%	-92.5%	-115.1%	-63.0%	-72.1%
S&S ^{1,2}	-13.4%	92.7%	1.8%	-42.3%	1.1%	23.8%	-10.1%	26.7%	-3.6%	9.9%	-26.3%
EBITDA margin	22.5%	20.7%	20.0%	15.3%	19.4%	17.2%	11.6%	6.5%	-1.0%	9.0%	7.6%
PM ^{1,2}	36.2%	32.9%	32.4%	26.1%	31.6%	26.0%	14.9%	2.3%	-4.6%	10.5%	9.7%
S&S ^{1,2}	11.8%	12.1%	10.7%	5.6%	9.9%	10.1%	9.8%	12.8%	5.5%	9.6%	8.8%
Tax rate	25.0%	23.6%	25.4%	30.8%	25.9%	25.8%	24.7%	57.7%	-26.0%	316.2%	370.0%
EPS Y/Y	1745.5%	-928.6%	149.0%	-4.3%	237.5%	5.9%	-55.2%	-97.5%	-403.8%	-117.0%	-106.5%
Net financial debt	95	1,604	1,256	1,405	1,405	1,468	2,784	2,861	2,434	2,434	2,675
Provisions for pensions	1,775	1,692	1,706	1,199	1,199	835	442	420	486	486	462
Operating cash flows ³	428	553	564	648	2,193	157	-272	246	839	970	-19
FOCF³	318	374	381	356	1,429	17	-462	33	550	138	-139
ROCE^{3,4}	n.a.	n.a.	n.a.	n.a.	19.5%	n.a.	n.a.	n.a.	n.a.	2.0%	n.a.
WACC	n.a.	n.a.	n.a.	n.a.	6.6%	n.a.	n.a.	n.a.	n.a.	7.0%	n.a.
ROCE above WACC⁴	n.a.	n.a.	n.a.	n.a.	12.9% points	n.a.	n.a.	n.a.	n.a.	-5% points	n.a.

¹ The values were determined retrospectively as of October 1, 2021 due to a change in the underlying market prices for the compensation of transactions between the Performance Materials and Solutions & Specialties segments. The comparative information was adjusted accordingly.

² Reference information based on fiscal 2019 is not presented here due to the new organizational structure.

³ Since 2022, an imputed tax rate of 25% has been used for calculation purposes (previous years: effective tax rate).

⁴ Beginning in fiscal 2022, the key performance indicator ROCE was replaced by ROCE above WACC for profitability measurement.