



## Financial Overview

- Stable core volumes of 1,275mt with EMLA -1.1% Y/Y, APAC +2.6% Y/Y and NAFTA -1.7% Y/Y
- Sales increased by 5.4% to €3.779bn; Volume -1.7% Y/Y; Price +14.3% Y/Y and FX -7.2% Y/Y
- EBITDA increased by 25.7% Y/Y to €1,063m driven by positive pricing delta (€390m despite higher raw material prices), yet slight volume decline (€-19m), FX headwind (€-70m) and higher costs (€-84m)
- EBIT increased by 31.8% Y/Y to €907m with stable D&A (€-156m)
- Financial result improved Y/Y to €-28m mainly due to lower interest expenses
- Income tax rate of 26.5%, on level of prior-year quarter and inline with full-year guidance
- EPS increased by 40.3%, from €2.31 to €3.24 (Q1 2017 based on 202.5m shares, Q1 2018 based on 198.9m shares acc. to IFRS)
- FOCF increased by 72.5% Y/Y to €364m despite increased tax payments, higher working capital and capex
- Total net debt level stable at €1,480m; net financial debt further decreased by €96m to €187m despite cash outflow of €257m for the share buy-back

## Polyurethanes

- Core volumes (in kt) decreased by -1.0% Y/Y, still constrained by product availability
- EBITDA increased by 36.1% Y/Y to €637m driven by positive pricing delta and helped by TDI fly-up

## Polycarbonates

- Core volumes (in kt) increased by 2.7% Y/Y, on top of double-digit growth in prior-year quarter
- EBITDA increased by 30.6% Y/Y to €303m, driven by positive pricing delta and volume leverage

## Coatings, Adhesives, Specialties

- Core volumes (in kt) decreased by -1.3% Y/Y, despite encouraging start versus high prior-year basis
- EBITDA decreased by -15.0% Y/Y versus restated figures, affected by a negative pricing delta

## Macro Expectations 2018

- We assume an exchange rate of EUR/USD of around 1.20
- We assume a similar macroeconomic environment as in 2017

## Unchanged outlook 2018

- We expect core volume growth in the low- to mid-single-digit percentage range
- We anticipate FOCF significantly above the average of the last three years (€1,391m)
- We expect ROCE approaching the 2017 level (33.4%)

## Additional Financial Expectations for 2018

- EBITDA Q2 2018: above the Q2 2017 level (€848m)
- EBITDA FY 2018: around previous year's level (€3,435m)
- Capex: €600-650m
- D&A: €600-620m
- Financial results: €-100 to -120m
- Group income tax rate: 25-27%

## Covestro IR Factsheet - Q1 2018

	Q1 2017	Q2 2017	Q3 2017	Q4 2017	FY 2017	Q1 2018
	€ million	€ million	€ million	€ million	€ million	€ million
<b>Core volumes ('000 t)<sup>2</sup></b>	<b>1,275</b>	<b>1,233</b>	<b>1,265</b>	<b>1,183</b>	<b>4,956</b>	<b>1,275</b>
<b>Sales</b>	<b>3,586</b>	<b>3,498</b>	<b>3,532</b>	<b>3,522</b>	<b>14,138</b>	<b>3,779</b>
PUR <sup>1</sup>	1,821	1,818	1,871	1,876	7,386	1,950
PCS	954	911	933	939	3,737	1,033
CAS <sup>1</sup>	637	604	557	529	2,327	592
Others / Consolidation	174	165	171	178	688	204
<b>EBITDA</b>	<b>846</b>	<b>848</b>	<b>862</b>	<b>879</b>	<b>3,435</b>	<b>1,063</b>
PUR <sup>1</sup>	468	549	550	612	2,179	637
PCS	232	197	211	213	853	303
CAS <sup>1</sup>	160	121	125	80	486	136
Others / Consolidation	-14	-19	-24	-26	-83	-13
DA	-158	-161	-157	-151	-627	-156
<b>EBIT</b>	<b>688</b>	<b>687</b>	<b>705</b>	<b>728</b>	<b>2,808</b>	<b>907</b>
PUR <sup>1</sup>	383	454	460	529	1,826	547
PCS	184	152	167	169	672	260
CAS <sup>1</sup>	136	101	103	56	396	113
Others / Consolidation	-15	-20	-25	-26	-86	-13
<b>Financial result</b>	<b>-54</b>	<b>-34</b>	<b>-35</b>	<b>-27</b>	<b>-150</b>	<b>-28</b>
<b>EBT</b>	<b>634</b>	<b>653</b>	<b>670</b>	<b>701</b>	<b>2,658</b>	<b>879</b>
Taxes	-165	-167	-177	-132	-641	-233
Minorities	1	2	2	3	8	2
<b>Net income</b>	<b>468</b>	<b>484</b>	<b>491</b>	<b>566</b>	<b>2,009</b>	<b>644</b>
EPS in acc. to IAS 33	2.31	2.39	2.43	2.80	9.93	3.24
<b>Core volumes Y/Y<sup>2</sup></b>	<b>8.9%</b>	<b>-1.7%</b>	<b>2.6%</b>	<b>4.2%</b>	<b>3.4%</b>	<b>0.0%</b>
PUR <sup>1</sup>	6.3%	-2.9%	4.1%	5.3%	3.1%	-1.0%
PCS	14.7%	0.7%	1.5%	3.7%	5.0%	2.7%
CAS <sup>1</sup>	10.8%	-0.2%	-3.1%	-1.0%	1.5%	-1.3%
<b>Sales Y/Y</b>	<b>24.7%</b>	<b>17.0%</b>	<b>16.9%</b>	<b>16.7%</b>	<b>18.8%</b>	<b>5.4%</b>
PUR <sup>1</sup>	35.2%	27.8%	29.8%	27.2%	29.9%	7.1%
PCS	21.4%	9.6%	10.0%	12.7%	13.3%	8.3%
CAS <sup>1</sup>	12.1%	2.2%	-3.3%	-3.3%	2.0%	-7.1%
<b>Volume Y/Y</b>	<b>9.9%</b>	<b>0.6%</b>	<b>2.0%</b>	<b>4.6%</b>	<b>4.3%</b>	<b>-1.7%</b>
PUR <sup>1</sup>	6.6%	-1.8%	2.5%	6.8%	3.5%	-2.8%
PCS	17.2%	2.5%	4.4%	5.2%	7.1%	0.2%
CAS <sup>1</sup>	11.3%	1.3%	-3.7%	-2.2%	1.8%	-2.2%
<b>Price Y/Y</b>	<b>13.4%</b>	<b>15.3%</b>	<b>18.4%</b>	<b>17.4%</b>	<b>16.1%</b>	<b>14.3%</b>
PUR <sup>1</sup>	27.1%	28.4%	31.1%	26.2%	28.2%	17.3%
PCS	2.9%	6.1%	9.4%	13.1%	8.0%	16.3%
CAS <sup>1</sup>	-0.8%	-0.1%	3.2%	3.1%	1.3%	1.0%
<b>FX Y/Y</b>	<b>1.4%</b>	<b>1.1%</b>	<b>-3.5%</b>	<b>-5.3%</b>	<b>-1.6%</b>	<b>-7.2%</b>
PUR <sup>1</sup>	1.5%	1.2%	-3.8%	-5.8%	-1.8%	-7.4%
PCS	1.3%	1.0%	-3.8%	-5.6%	-1.8%	-8.2%
CAS <sup>1</sup>	1.6%	1.0%	-2.8%	-4.2%	-1.1%	-5.9%
<b>EBITDA Y/Y</b>	<b>66.5%</b>	<b>56.5%</b>	<b>50.2%</b>	<b>125.4%</b>	<b>70.6%</b>	<b>25.7%</b>
PUR <sup>1</sup>	118.7%	140.8%	109.1%	247.7%	147.3%	36.1%
PCS	31.1%	3.1%	8.8%	50.0%	21.2%	30.6%
CAS <sup>1</sup>	15.1%	-14.8%	-8.1%	-3.6%	-2.8%	-15.0%
<b>EBITDA margin</b>	<b>23.6%</b>	<b>24.2%</b>	<b>24.4%</b>	<b>25.0%</b>	<b>24.3%</b>	<b>28.1%</b>
PUR <sup>1</sup>	25.7%	30.2%	29.4%	32.6%	29.5%	32.7%
PCS	24.3%	21.6%	22.6%	22.7%	22.8%	29.3%
CAS <sup>1</sup>	25.1%	20.0%	22.4%	15.1%	20.9%	23.0%
<b>Tax rate</b>	<b>26.0%</b>	<b>25.6%</b>	<b>26.4%</b>	<b>18.8%</b>	<b>24.1%</b>	<b>26.5%</b>
EPS Y/Y in acc. to IAS 33	156.7%	111.5%	89.8%	351.6%	152.7%	40.3%
Net financial debt	1,340	1,186	542	283	283	187
Provisions for pensions	1,144	1,167	1,208	1,187	1,187	1,293
Operating cash flows	285	411	775	890	2,361	452
<b>FOCF</b>	<b>211</b>	<b>319</b>	<b>658</b>	<b>655</b>	<b>1,843</b>	<b>364</b>
<b>ROCE</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>	<b>33.4%</b>	<b>n.a.</b>

<sup>1</sup> All figures for 2017 restated to reflect the reclassification of the elastomers business from the Polyurethanes segment to the Coatings, Adhesives, Specialties segment as of January 1, 2018.

<sup>2</sup> Reference values as of 2017 recalculated effective March 31, 2018, based on the definition of core business.