



Covestro IR Factsheet – Q3 2019

Financial overview

- Core volumes increased by +5.3% to 1,333kt with all regions contributing: APAC +9.4%, EMLA +3.8% and NAFTA +1.5% (all Y/Y)
- Sales decreased by -14.6% to €3,162m, driven by volume +2.1%, price -18.5%, FX +1.9% and portfolio -0.1% (all Y/Y)
- EBITDA decreased by -50.5% Y/Y to €425m, driven by pronounced negative pricing delta (€-537m), volumes (€+42m), positive FX (€+9m) and other items (€+52m)
- EBIT decreased by -68.7% Y/Y to €221m with D&A of €-204m (including €21m impairment loss related to European PC sheets divestment)
- Financial result improved Y/Y to €-19m mainly due to higher interest income
- Income tax rate of 26.2% (Q3 2018: 27.1%), on previous year's level
- EPS decreased by -69.1% Y/Y, from €2.59 (on 191.1m shares) to €0.80 (on 182.7m shares)
- FOCF increased to €243m despite lower earnings and higher capex of €219m
- Total net debt (incl. pension provisions) increased by €122m to €3,430m (30.06.2019: €3,308m) mainly due to lower discount rates in Germany affecting pension provisions
- Net financial debt decreased by €193m to €1,411m (30.06.2019: €1,604m) driven by positive FOCF

Polyurethanes

- Strong core volume growth (in kt) of +5.1% Y/Y, with all product groups contributing
- Sharp EBITDA decline of -54.6% Y/Y to €196m due to pronounced negative pricing delta

Polycarbonates

- Strong core volume growth (in kt) of +9.3% Y/Y driven by most industries compensating auto weakness
- EBITDA declined by -58.1% Y/Y to €132m, driven by negative pricing delta and product mix effects

Coatings, Adhesives, Specialties

- Core volumes (in kt) decreased by -4.0% Y/Y, due to weak demand from all key customer industries
- EBITDA decreased by -11.9% Y/Y to €111m, burdened by negative volume leverage

Macro expectations 2019

- We assume an average exchange rate in EUR/USD of around 1.15
- We expect global economic growth of 2.5% for 2019, slightly less positive than our outlook in the 2018 Annual Report (+2.8%)

Guidance 2019

- We expect core volumes growth in the low-single-digit-percentage range (previously: low- to mid)
- We expect FOCF between €300m and €500m (previously: €300 - 700m)
- We expect ROCE between 8% and 10% (previously: 8% - 13%)

Additional financial expectations for 2019

- EBITDA FY 2019: between €1,570 - 1,650m (previously: €1,500 - 2,000m)
- Capex: ~€900m (previously: ≥€900m)
- D&A: ~€770m (previously: ~€750m)
- Financial result: between €-80m and -€100m (previously: €-100 to -120m)
- Group income tax rate: 26 - 28% (previously: 24 - 26%)

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	Q1 2018	Q2 2018	Q3 2018	Q4 2018	FY 2018	Q1 2019	Q2 2019	6M 2019	Q3 2019	9M 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	2,552	1,333	3,885
Sales	3,779	3,863	3,702	3,272	14,616	3,175	3,211	6,386	3,162	9,548
PUR ¹	1,950	1,966	1,849	1,597	7,362	1,476	1,489	2,965	1,478	4,443
PCS	1,033	1,056	1,038	924	4,051	860	898	1,758	901	2,659
CAS ¹	592	629	606	534	2,361	627	621	1,248	588	1,836
Others / Consolidation	204	212	209	217	842	212	203	415	195	610
EBITDA	1,063	985	859	293	3,200	442	459	901	425	1,326
PUR ¹	637	583	432	111	1,763	157	172	329	196	525
PCS	303	285	315	133	1,036	155	154	309	132	441
CAS ¹	136	139	126	63	464	146	150	296	111	407
Others / Consolidation	-13	-22	-14	-14	-63	-16	-17	-33	-14	-47
DA	-156	-159	-152	-153	-620	-178	-185	-363	204	567
EBIT	907	826	707	140	2,580	264	274	538	221	759
PUR ¹	547	492	346	27	1,412	57	72	129	97	226
PCS	260	241	272	88	861	105	99	204	57	261
CAS ¹	113	116	103	39	371	118	120	238	82	320
Others / Consolidation	-13	-23	-14	-14	-64	-16	-17	-33	-15	-48
Financial result	-28	-27	-25	-24	-104	-23	-23	-46	-19	-65
EBT	879	799	682	116	2,476	241	251	492	202	694
Taxes	-233	-193	-185	-36	-647	-61	-61	-122	-53	-175
Minorities	2	2	1	1	6	1	1	2	2	4
Net income	644	604	496	79	1,823	179	189	368	147	515
EPS in acc. to IAS 33	3.24	3.07	2.59	0.43	9.46	0.98	1.03	2.01	0.80	2.82
Core volumes Y/Y²	0.0%	4.4%	0.2%	1.7%	1.6%	-1.8%	1.1%	-0.4%	5.3%	1.5%
PUR ¹	-1.0%	3.9%	-2.0%	2.3%	0.8%	-0.2%	0.7%	0.3%	5.1%	1.9%
PCS	2.7%	5.3%	2.6%	1.6%	3.0%	-6.3%	4.4%	-1.0%	9.3%	2.4%
CAS ¹	-1.3%	5.8%	7.2%	-1.8%	2.5%	-0.1%	-4.7%	-2.4%	-4.0%	-3.0%
Sales Y/Y	5.4%	10.4%	4.8%	-7.1%	3.4%	-16.0%	-16.9%	-16.4%	-14.6%	-15.8%
PUR ¹	7.1%	8.1%	-1.2%	-14.9%	-0.3%	-24.3%	-24.3%	-24.3%	-20.1%	-22.9%
PCS	8.3%	15.9%	11.3%	-1.6%	8.4%	-16.7%	-15.0%	-15.8%	-13.2%	-15.0%
CAS ¹	-7.1%	4.1%	8.8%	0.9%	1.5%	5.9%	-1.3%	2.2%	-3.0%	0.5%
Volume Y/Y	-1.7%	4.9%	3.0%	2.9%	2.3%	0.9%	0.8%	0.9%	2.1%	1.3%
PUR ¹	-2.8%	3.3%	0.1%	2.5%	0.9%	3.0%	0.8%	1.9%	2.5%	2.1%
PCS	0.2%	5.6%	5.1%	4.2%	3.8%	-2.9%	5.7%	1.5%	6.8%	3.1%
CAS ¹	-2.2%	6.3%	9.7%	0.3%	3.5%	1.1%	-4.5%	-1.7%	-4.7%	-2.7%
Price Y/Y	14.3%	9.9%	3.1%	-9.3%	4.5%	-18.3%	-18.7%	-18.5%	-18.5%	-18.5%
PUR ¹	17.3%	9.2%	-0.5%	-17.6%	1.9%	-29.4%	-26.8%	-28.1%	-24.4%	-26.9%
PCS	16.3%	15.2%	9.6%	-2.3%	9.7%	-12.8%	-18.8%	-15.8%	-20.7%	-17.4%
CAS ¹	1.0%	1.7%	-0.5%	0.0%	0.6%	1.7%	-0.4%	0.6%	-2.1%	-0.3%
FX Y/Y	-7.2%	-4.4%	-0.6%	0.3%	-3.0%	2.4%	1.8%	2.1%	1.9%	2.0%
PUR ¹	-7.4%	-4.4%	-0.8%	0.2%	-3.1%	2.1%	1.7%	1.9%	1.8%	1.9%
PCS	-8.2%	-4.9%	-0.6%	0.3%	-3.4%	2.6%	1.7%	2.1%	2.0%	2.1%
CAS ¹	-5.9%	-3.9%	-0.4%	0.6%	-2.6%	3.1%	2.2%	2.6%	2.2%	2.5%
EBITDA Y/Y	25.7%	16.2%	-0.3%	-66.7%	-6.8%	-58.4%	-53.4%	-56.0%	-50.5%	-54.4%
PUR ¹	36.1%	6.2%	-21.5%	-81.9%	-19.1%	-75.4%	-70.5%	-73.0%	-54.6%	-68.2%
PCS	30.6%	44.7%	49.3%	-37.6%	21.5%	-48.8%	-46.0%	-47.4%	-58.1%	-51.2%
CAS ¹	-15.0%	14.9%	0.8%	-21.3%	-4.5%	7.4%	7.9%	7.6%	-11.9%	1.5%
EBITDA margin	28.1%	25.5%	23.2%	9.0%	21.9%	13.9%	14.3%	14.1%	13.4%	13.9%
PUR ¹	32.7%	29.7%	23.4%	7.0%	23.9%	10.6%	11.6%	11.1%	13.3%	11.8%
PCS	29.3%	27.0%	30.3%	14.4%	25.6%	18.0%	17.2%	17.6%	14.7%	16.6%
CAS ¹	23.0%	22.1%	20.8%	11.8%	19.7%	23.3%	24.2%	23.7%	18.9%	22.2%
Tax rate	26.5%	24.2%	27.1%	31.0%	26.1%	25.3%	24.3%	24.8%	26.2%	25.2%
EPS Y/Y	40.3%	28.5%	6.6%	-84.6%	-4.7%	-69.8%	-66.4%	-68.1%	-69.1%	-68.4%
Net financial debt	187	706	391	348	348	1,059	1,604	1,604	1,411	1,411
Provisions for pensions	1,293	1,305	1,264	1,445	1,445	1,667	1,704	1,704	2,019	2,019
Operating cash flows	452	517	766	641	2,376	120	164	284	462	746
FOCF	364	364	578	363	1,669	-45	-55	-100	243	143
ROCE	n.a.	n.a.	n.a.	n.a.	29.5%	n.a.	n.a.	n.a.	n.a.	n.a.

¹ All figures for 2017 have been adjusted to reflect the reclassification of the specialty elastomers business from the Polyurethanes 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.