

Financial overview

- Sales increased by 41.6% Y/Y to €4,683m with volume +3.6%, price +22.9%, FX +5.6%, portfolio +9.5%
- EBITDA increased by 8.5% Y/Y to €806m, impacted by negative pricing delta of €-63m (increased sales prices almost offsetting higher raw material (energy) prices), outweighed by FX effect of €+51m, volume effect of €+39m and Other Items of €+36m (including €+38m from lower provisions for variable compensation and €-4m from higher RFM integration cost)
- EBIT increased to €589m (Q1'21: €556m) with D&A of €217m (Q1'21: €187m)
- Financial result almost unchanged of €-28m (Q1'21: €-29m)
- Net income increased to €416m (Q1'21: €393m) / EPS increased to €2.15 (Q1'21: €2.03)
- FOCF decreased to €17m (Q1'21: €318m), impacted by working capital valuation
- Total net debt (including pension provisions) decreased from €2,604m on December 31, 2021, to €2,303m on March 31, 2021
- Net financial debt of €1,468m (December 31, 2021: €1,405m) / pension provisions of €835m (December 31, 2021: €1,199m)
- Share buyback program with total amount of €500m started in March, €48m share repurchase in Q1'22

Performance Materials

- Sales increased by 37.2% Y/Y to €2,388m with volume +5.5%, price +26.4%, FX +5.3%
- EBITDA of €620m (Q1'21: €630m), driven by negative pricing delta (sales price increases almost offset higher raw material (energy) prices) as well as positive volume and currency effects

Solutions & Specialties

- Sales increased by 45.3% Y/Y to €2,222m with volume -0.5%, price +19.4%, FX +5.9%, portfolio +20.5%
- EBITDA of €224m (Q1'21: €181m), increase mainly due to the acquired RFM business

Guidance assumptions FY 2022

- Global economic growth of ~3% Y/Y
- Full year average exchange rate in EUR/USD of ~1.10
- Including impact from supply chain limitations, energy price increases and COVID measures
- Excluding gas embargo and stagflation scenario

Guidance FY 2022

- We expect EBITDA between €2,000m and €2,500m
- We expect FOCF between €400m and €900m
- We expect ROCE above WACC between 1pp and 5pp with WACC of 7.0%
- We expect CO₂E between 5.5Mt and 6.0Mt

Additional financial expectations for FY 2022

- EBITDA Q2: €430m-530m
- Mark-to-Market EBITDA based on April 2022 margins: ~€2.8bn
- Capex: around €1.0bn
- D&A: around €950m
- Financial result: around €-90m
- Group income tax rate: 24 - 26%

Covestro IR Factsheet - Q1 2022

| | Q1 2020 | Q2 2020 | Q3 2020 | Q4 2020 | FY 2020 | Q1 2021 | Q2 2021 | Q3 2021 | Q4 2021 | FY 2021 | Q1 2022 |
|-------------------------------------|---------------|---------------|---------------|---------------|---------------------|---------------|---------------|--------------|--------------|---------------------|--------------|
| | € million | € million | € million | € million | € million | € million | € million | € million | € million | € million | € million |
| Sales | 2,783 | 2,156 | 2,760 | 3,007 | 10,706 | 3,307 | 3,956 | 4,302 | 4,338 | 15,903 | 4,683 |
| PM | 1,383 | 1,055 | 1,436 | 1,594 | 5,468 | 1,740 | 1,957 | 2,186 | 2,259 | 8,142 | 2,388 |
| S&S | 1,341 | 1,060 | 1,288 | 1,371 | 5,060 | 1,529 | 1,951 | 2,069 | 2,005 | 7,554 | 2,222 |
| Others / Consolidation | 59 | 41 | 36 | 42 | 178 | 38 | 48 | 47 | 74 | 207 | 73 |
| EBITDA | 254 | 125 | 456 | 637 | 1,472 | 743 | 817 | 862 | 663 | 3,085 | 806 |
| PM ¹ | 115 | 37 | 279 | 465 | 896 | 630 | 644 | 708 | 590 | 2,572 | 620 |
| S&S ¹ | 209 | 123 | 217 | 194 | 743 | 181 | 237 | 221 | 112 | 751 | 224 |
| Others / Consolidation ¹ | -70 | -35 | -40 | -22 | -167 | -68 | -64 | -57 | -39 | -238 | -38 |
| DA | 187 | 193 | 191 | 205 | 776 | 187 | 210 | 209 | 210 | 823 | 217 |
| EBT | 67 | -68 | 265 | 432 | 696 | 556 | 607 | 654 | 445 | 2,262 | 589 |
| PM ¹ | -26 | -107 | 135 | 321 | 323 | 489 | 502 | 567 | 445 | 2,003 | 475 |
| S&S ¹ | 165 | 75 | 172 | 133 | 645 | 138 | 170 | 154 | 41 | 503 | 152 |
| Others / Consolidation ¹ | -72 | -36 | -42 | -22 | -172 | -71 | -65 | -67 | -41 | -244 | -38 |
| Financial result | -39 | -17 | -22 | -13 | -91 | -29 | -18 | -20 | -10 | -77 | -28 |
| EBT | 28 | -85 | 243 | 419 | 605 | 527 | 589 | 634 | 435 | 2,185 | 561 |
| Taxes | -7 | 32 | -63 | -113 | -151 | -132 | -139 | -161 | -134 | -566 | -144 |
| Minorities | 1 | -1 | 1 | -6 | -5 | 2 | 1 | 1 | -1 | 3 | 1 |
| Net income | 20 | -52 | 179 | 312 | 459 | 393 | 449 | 472 | 302 | 1,616 | 416 |
| EPS in acc. to IAS 33 | 0.11 | -0.28 | 0.98 | 1.63 | 2.48 | 2.03 | 2.32 | 2.44 | 1.56 | 8.37 | 2.15 |
| Sales Y/Y | -12.3% | -32.9% | -12.7% | 5.0% | -13.7% | 18.8% | 83.5% | 55.9% | 44.3% | 48.5% | 41.6% |
| PM ² | | | | | | 25.8% | 85.5% | 52.2% | 41.7% | 48.9% | 37.2% |
| S&S ² | | | | | | 14.0% | 84.1% | 60.6% | 46.2% | 49.3% | 45.3% |
| Volume Y/Y | -2.7% | -22.3% | 1.0% | 4.7% | -5.1% | 3.4% | 29.0% | 0.0% | -0.2% | 6.5% | 3.6% |
| PM ² | | | | | | -2.3% | 19.5% | -6.9% | 0.5% | 1.6% | 5.5% |
| S&S ² | | | | | | 10.8% | 39.1% | 6.9% | -3.4% | 11.8% | -0.5% |
| Price Y/Y | -9.1% | -9.0% | -9.0% | 5.4% | -5.7% | 20.2% | 45.9% | 43.8% | 31.6% | 34.7% | 22.9% |
| PM ² | | | | | | 32.9% | 71.2% | 57.6% | 37.6% | 48.1% | 26.4% |
| S&S ² | | | | | | 8.1% | 22.4% | 29.5% | 25.6% | 21.3% | 19.4% |
| FX Y/Y | 0.8% | -0.1% | -3.3% | -4.0% | -1.6% | -4.8% | -5.4% | 1.6% | 3.8% | -0.8% | 5.6% |
| PM ² | | | | | | -4.8% | -5.2% | 1.5% | 3.6% | -0.8% | 5.3% |
| S&S ² | | | | | | -4.9% | -5.8% | 1.8% | 4.1% | -0.9% | 5.9% |
| EBITDA Y/Y | -42.5% | -72.8% | 7.3% | 128.1% | -8.2% | 192.5% | 553.6% | 89.0% | 4.1% | 109.6% | 8.5% |
| PM ² | | | | | | 447.8% | 1640.5% | 153.8% | 26.9% | 187.1% | -1.6% |
| S&S ² | | | | | | -13.4% | 92.7% | 1.8% | -42.3% | 1.1% | 23.8% |
| EBITDA margin | 9.1% | 5.8% | 16.5% | 21.2% | 13.7% | 22.5% | 20.7% | 20.0% | 15.3% | 19.4% | 17.2% |
| PM ² | | | | | | 36.2% | 32.9% | 32.4% | 26.1% | 31.6% | 26.0% |
| S&S ² | | | | | | 11.8% | 12.1% | 10.7% | 5.6% | 9.9% | 10.1% |
| Tax rate | 25.0% | 37.6% | 25.9% | 27.0% | 25.0% | 25.0% | 23.6% | 25.4% | 30.8% | 25.9% | 25.8% |
| EPS Y/Y | -88.8% | -127.2% | 22.5% | 715.0% | -17.9% | 1745.5% | -928.6% | 149.0% | -4.3% | 237.5% | 5.9% |
| Net financial debt | 1,291 | 1,294 | 1,170 | 356 | 356 | 95 | 1,604 | 1,256 | 1,405 | 1,405 | 1,468 |
| Provisions for pensions | 1,435 | 1,881 | 2,031 | 2,123 | 2,123 | 1,775 | 1,692 | 1,706 | 1,199 | 1,199 | 835 |
| Operating cash flows | -110 | 171 | 538 | 635 | 1,234 | 428 | 553 | 564 | 648 | 2,193 | 157 |
| FOCF | -249 | 24 | 361 | 394 | 530 | 318 | 374 | 381 | 356 | 1,429 | 17 |
| ROCE ² | n.a. | n.a. | n.a. | n.a. | 7.0% | n.a. | n.a. | n.a. | n.a. | 19.5% | n.a. |
| WACC | n.a. | n.a. | n.a. | n.a. | 7.3% | n.a. | n.a. | n.a. | n.a. | 6.6% | n.a. |
| ROCE above WACC³ | n.a. | n.a. | n.a. | n.a. | -0.3% points | n.a. | n.a. | n.a. | n.a. | 12.9% 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 Beginning in fiscal 2022, the key performance indicator ROCE was replaced by ROCE above WACC for profitability measurement.