

# Covestro IR Factsheet – Q2 2023



## Financial overview

- Sales decreased by 20.9% Y/Y to €3,720m with volume -8.0%, price -11.0%, FX -1.9%
- EBITDA decreased to €385m (Q2'22: €547m) driven by volume effect of €-123m, pricing delta of €-170m, FX of €-17m and others of €+148m
- EBIT decreased to €166m (Q2'22: €307m) with D&A of €219m (Q2'22: €240m)
- Financial result of €-36m (Q2'22: €-44m)
- Net income decreased to €46m (Q2'22: €199m) including €48m adjustments of Deferred Tax Assets along with announced closure of Covestro International SA, Switzerland
- EPS decreased to €0.24 (Q2'22: €1.04)
- FOCF increased to €-10m (Q2'22: €-462m)
- Total net debt (including pension provisions and net defined benefit asset) increased from €3.079m on March 31, 2023 to €3,145m on June 30, 2023
- Net financial debt of €2,762m (March 31, 2023: €2,675m) / net pension liability (pension provisions and net defined benefit asset) of €383m

## Performance Materials

- Sales decreased by 27.3% Y/Y to €1,789m with volume -10.3%, price -15.3%, FX -1.7%
- EBITDA of €302m (Q2'22: €367m), driven by negative pricing delta and negative volume effect partially offset by others including a group-neutral €75m internal insurance reimbursement

## Solutions & Specialties

- Sales decreased by 13.5% Y/Y to €1,872m with volume -4.7%, price -6.6%, FX -2.2%
- EBITDA of €221m (Q2'22: €213m), with negative volume effect offset by others

## Others/Consolidation

- EBITDA of €-139m (Q2'22: €-33m) including a €75m internal insurance reimbursement to segment PM for Dormagen Chlorine plant damage and €16m higher long-term bonus provisions

## Guidance assumptions FY 2023

- Global economic growth of 2.4% Y/Y
- Full year average exchange rate in EUR/USD of ~1.10
- Mark-to-market EBITDA based on July 2023 margins flat-forward of ~€1.2bn

## 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%
- CO<sub>2</sub>E between 4.2MT and 4.8MT
- All KPIs are rather expected in the lower half of the guidance ranges

## Additional financial expectations for FY 2023

- EBITDA Q3: between €240m and €340m
- 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

