

Covestro IR Factsheet – Q3 2023



Financial overview

- Sales decreased by 22.7% Y/Y to €3,568m with volume -3.8%, price -14.3%, FX -4.6%
- EBITDA decreased to €277m (Q3'22: €302m) driven by volume effect of €-21m, pricing delta of €+69m, FX of €-46m and others of €-27m
- EBIT increased to €71m (Q3'22: €66m) with D&A of €206m (Q3'22: €236m)
- Financial result of €-35m (Q3'22: €-40m)
- Net income decreased to €-31m (Q3'22: €12m), burdened by €67m taxes
- EPS decreased to €-0.16 (Q3'22: €0.06)
- FOCF increased to €308m (Q3'22: €33m)
- Total net debt (including pension provisions and net defined benefit asset) decreased from €3,145m on June 30, 2023 to €2,741m on September 30, 2023
- Net financial debt of €2,500m (€2,762m on June 30, 2023) / net pension liability (pension provisions and net defined benefit asset) of €241m (€383m on June 30, 2023)

Performance Materials

- Sales decreased by 26.7% Y/Y to €1,707m with volume -2.4%, price -19.9%, FX -4.4%
- EBITDA of €85m (Q3'22: €53m), driven by positive pricing delta partially offset by negative FX and negative volume effect

Solutions & Specialties

- Sales decreased by 17.6% Y/Y to €1,809m with volume -3.7%, price -8.9%, FX -5.0%
- EBITDA of €246m (Q3'22: €280m), driven by negative FX and negative volume effect

Others/Consolidation

- EBITDA of €-54m (Q3'22: €-31m) including €19m higher long-term bonus provisions

Guidance assumptions FY 2023

- Global economic growth of 2.5% Y/Y
- Full year average exchange rate in EUR/USD of ~1.10

Guidance FY 2023

- EBITDA around¹ €1.1bn; with Performance Materials EBITDA significantly below previous year and Solutions & Specialties EBITDA around previous year
- FOCF between €0 and €200m; with Performance Materials FOCF significantly below previous year and Solutions & Specialties FOCF significantly above previous year
- ROCE above WACC around¹ -6pp with WACC of 7.6%
- CO₂E between 4.2MT and 4.8MT

Additional financial expectations for FY 2023

- Sales: €14.0 – 14.5bn
- Capex: around¹ €800m
- D&A: around¹ €900m
- Financial result: between €-120m and €-150m
- P&L tax: between €150m and €250m / cash tax: between €300m and €400m

¹ Around = single-digit percentage deviation

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	Q1 2022	Q2 2022	Q3 2022	9M 2022	Q4 2022	FY 2022	Q1 2023	Q2 2023	Q3 2023	9M 2023
	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million
Core volumes ('000 t)¹										
Sales	1,356.0	1,267.1	1,302.4	3,925.5	1,162.5	5,088.0	1,143.6	1,218.7	1,279.4	3,641.7
PM	4,683	4,703	4,618	14,004	3,964	17,968	3,743	3,720	3,568	11,031
S&S	2,388	2,461	2,330	7,179	1,916	9,095	1,792	1,789	1,707	5,288
S&S	2,222	2,165	2,196	6,583	1,975	8,558	1,883	1,872	1,809	5,564
Others / Consolidation	73	77	92	242	73	315	68	59	52	179
EBITDA	806	547	302	1,655	-38	1,617	286	385	277	948
PM ²	620	367	53	1,040	-89	951	173	302	85	560
S&S ²	224	213	280	717	108	825	165	221	246	632
Others / Consolidation ²	-38	-33	-31	-102	-57	-159	-52	-138	-54	-244
DA	217	240	236	693	657	1,350	247	219	206	672
EBIT	589	307	66	962	-695	267	39	166	71	276
PM ²	475	204	-107	572	-600	-28	29	158	-52	135
S&S ²	152	139	207	498	-37	461	63	149	178	390
Others / Consolidation ²	-38	-36	-34	-108	-58	-166	-53	-141	-55	-249
Financial result	-28	-44	-40	-112	-25	-137	-29	-36	-35	-100
EBT	561	263	26	850	-720	130	10	130	36	176
Taxes	-144	-65	-15	-224	-187	-411	-37	-85	-67	-189
Minorities	1	-1	-1	-1	-8	-9	-1	-1	0	-2
Net income	416	199	12	627	-899	-272	-26	46	-31	-11
EPS in acc. to IAS 33	2.15	1.04	0.06	3.28	-4.74	-1.42	-0.14	0.24	-0.16	-0.06
Core volumes Y/Y¹	9.0%	-5.2%	-4.2%	-0.4%	-11.2%	-3.1%	-15.7%	-3.8%	-1.8%	-7.2%
PM ^{1,3}	3.8%	1.3%	-0.7%	1.5%	-11.2%	-1.7%	-16.0%	-5.6%	-0.4%	-7.4%
S&S ^{1,3}	16.5%	-13.0%	-8.5%	-2.7%	-11.3%	-4.8%	-15.3%	-1.3%	-3.6%	-7.0%
Sales Y/Y	41.6%	18.9%	7.3%	21.1%	-8.6%	13.0%	-20.1%	-20.9%	-22.7%	-21.2%
PM ¹	37.2%	25.8%	6.6%	22.0%	-15.2%	11.7%	-25.0%	-27.3%	-26.7%	-26.3%
S&S ¹	45.3%	11.0%	6.1%	18.6%	-1.5%	13.3%	-15.3%	-13.5%	-17.6%	-15.5%
Volume Y/Y	3.6%	-2.1%	-5.7%	-1.8%	-13.2%	-5.0%	-16.8%	-8.0%	-3.8%	-9.5%
PM ¹	5.5%	1.6%	-6.2%	-0.2%	-17.5%	-5.0%	-18.6%	-10.3%	-2.4%	-10.4%
S&S ¹	-0.5%	-7.3%	-7.2%	-5.4%	-8.9%	-6.3%	-15.4%	-4.7%	-3.7%	-8.0%
Price Y/Y	22.9%	14.5%	5.4%	13.5%	0.8%	10.1%	-3.9%	-11.0%	-14.3%	-9.7%
PM ¹	26.4%	17.5%	5.2%	15.6%	-1.3%	10.9%	-7.1%	-15.3%	-19.9%	-14.1%
S&S ¹	19.4%	11.8%	5.7%	11.6%	3.3%	9.4%	-0.5%	-6.6%	-8.9%	-5.3%
FX Y/Y	5.6%	6.5%	7.6%	6.7%	3.8%	5.9%	0.6%	-1.9%	-4.6%	-2.0%
PM ¹	5.3%	6.7%	7.6%	6.6%	3.6%	5.8%	0.7%	-1.7%	-4.4%	-1.8%
S&S ¹	5.9%	6.5%	7.6%	6.7%	4.1%	6.0%	0.6%	-2.2%	-5.0%	-2.2%
EBITDA Y/Y	8.5%	-33.0%	-65.0%	-31.7%	-105.7%	-47.6%	-64.5%	-29.6%	-8.3%	-42.7%
PM ^{2,3}	-1.6%	-43.0%	-92.5%	-47.5%	-115.1%	-63.0%	-72.1%	-17.7%	60.4%	-46.2%
S&S ^{2,3}	23.8%	-10.1%	26.7%	12.2%	-3.6%	9.9%	-26.3%	3.8%	-12.1%	-11.9%
EBITDA margin	17.2%	11.6%	6.5%	11.8%	-1.0%	9.0%	7.6%	10.3%	7.8%	8.6%
PM ^{2,3}	26.0%	14.9%	2.3%	14.5%	-4.6%	10.5%	9.7%	16.9%	5.0%	10.6%
S&S ^{2,3}	10.1%	9.8%	12.8%	10.9%	5.5%	9.6%	8.8%	11.8%	13.6%	11.4%
Tax rate	25.8%	24.7%	57.7%	26.4%	-26.0%	316.2%	370.0%			
EPS Y/Y	5.9%	-55.2%	-97.5%	-51.8%	-403.8%	-117.0%	-106.5%	-76.9%	-366.7%	-101.8%
Net financial debt	1,468	2,784	2,861	2,861	2,434	2,434	2,675	2,762	2,500	2,500
Net pension liability	831	309	291	291	430	430	404	383	241	241
Operating cash flows ⁴	157	-272	246	131	839	970	-19	149	490	620
FOCF¹	17	-462	33	-412	550	138	-139	-10	308	159
ROCE⁵	n.a.	n.a.	n.a.	n.a.	n.a.	2.0%	n.a.	n.a.	n.a.	n.a.
WACC	n.a.	n.a.	n.a.	n.a.	n.a.	7.0%	n.a.	n.a.	n.a.	n.a.
ROCE above WACC⁵	n.a.	n.a.	n.a.	n.a.	n.a.	-5% points	n.a.	n.a.	n.a.	n.a.

¹ Reference values as of 2022 recalculated effective March 31, 2023, based on the definition of core business.

² 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.

³ Reference information based on fiscal 2019 is not presented here due to the new organizational structure.

⁴ Since 2022, an imputed tax rate of 25% has been used for calculation purposes (previous years: effective tax rate).

⁵ Beginning in fiscal 2022, the key performance indicator ROCE was replaced by ROCE above WACC for profitability measurement.