



Covestro IR Factsheet – Q4 2023

Financial overview

- Sales decreased by 15.6% Y/Y to €3,346m with volume +3.1%, price -15.7%, FX -3.0%
- EBITDA increased to €132m (Q4'22: €-38m) driven by volume effect of €+52m, pricing delta of €-38m, FX of €-14m and others of €+170m
- EBIT of €-90m (Q4'22: €-695m) with D&A of €222m (Q4'22: €657m including impairments)
- Financial result of €-13m (Q4'22: €-25m)
- Net income of €-187m (Q4'22: €-899m)
- EPS of €-0.99 (Q4'22: €-4.74)
- FOCF decreased to €73m (Q4'22: €550m) due to lower working capital releases
- Total net debt (including pension provisions and net defined benefit asset) increased from €2,741m on September 30, 2023 to €2,885m on December 31, 2023
- Net financial debt of €2,487m (€ 2,500m on September 30, 2023) / net pension liability (pension provisions and net defined benefit asset) of €398m (€ €241m on September 30, 2023)

Performance Materials

- Sales decreased by 17.1% Y/Y to €1,588m with volume +7.7%, price -22.0%, FX -2.8%
- EBITDA of €16m (Q4'22: €-89m), driven by increasing volumes and lower idle costs while negative pricing delta and FX

Solutions & Specialties

- Sales decreased by 13.8% Y/Y to €1,703m with volume -0.3%, price -10.2%, FX -3.3%
- EBITDA of €185m (Q4'22: €108m), driven by positive pricing delta while negative volume and FX

Others/Consolidation

- EBITDA of €-69m (Q4'22: €-57m) including provisions for advisory costs

Guidance assumptions FY 2024

- Global economic growth of 2.4% Y/Y
- Full year average exchange rate in EUR/USD of ~1.10

Guidance FY 2024

- EBITDA between €1,000m and €1,600m (mark-to-market January 2024 margins flat forward: €1.1bn); with Performance Materials EBITDA between €400m and €800m and Solutions & Specialties EBITDA significantly² above previous year
- FOCF between €0 and €300m; with Performance Materials and Solutions & Specialties FOCF both significantly² below previous year
- ROCE above WACC between -7pp and -2pp with WACC of 8.1%
- CO₂E between 4.4MT and 5.0MT

Additional financial expectations for FY 2024

- EBITDA Q1: Between €180m and €280m
- Sales: €14.0 – 15.0bn
- Capex: around¹ €800m
- D&A: around¹ €850m
- Financial result: between €-120m and €-160m
- P&L tax: between €250m and €350m / cash tax: between €250m and €350m

¹ Around = single-digit percentage deviation / ² Significantly = double-digit percentage

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	Q1 2022	Q2 2022	Q3 2022	Q4 2022	FY 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	FY 2023
	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million
Core volumes ('000 t)¹	1,356.0	1,267.1	1,302.4	1,162.5	5,088.0	1,143.6	1,218.7	1,279.4	1,227.8	4,869.5
Sales	4,683	4,703	4,618	3,964	17,968	3,743	3,720	3,568	3,346	14,377
PM	2,388	2,461	2,330	1,916	9,095	1,792	1,789	1,707	1,588	6,876
S&S	2,222	2,165	2,196	1,975	8,558	1,883	1,872	1,809	1,703	7,267
Others / Consolidation	73	77	92	73	315	68	59	52	55	234
EBITDA	806	547	302	-38	1,617	286	385	277	132	1,080
PM ²	620	367	53	-89	951	173	302	85	16	576
S&S ²	224	213	280	108	825	165	221	246	185	817
Others / Consolidation ²	-38	-33	-31	-57	-159	-52	-138	-54	-69	-313
DA	217	240	236	657	1,350	247	219	206	222	894
EBIT	589	307	66	-695	267	39	166	71	-90	186
PM ²	475	204	-107	-600	-28	29	158	-52	-126	9
S&S ²	152	139	207	-37	461	63	149	178	107	497
Others / Consolidation ²	-38	-36	-34	-58	-166	-53	-141	-55	-71	-320
Financial result	-28	-44	-40	-25	-137	-29	-36	-35	-13	-113
EBT	561	263	26	-720	130	10	130	36	-103	73
Taxes	-144	-65	-15	-187	-411	-37	-85	-67	-86	-275
Minorities	1	-1	-1	-8	-9	-1	-1	0	-2	-4
Net income	416	199	12	-899	-272	-26	46	-31	-187	-198
EPS in acc. to IAS 33	2.15	1.04	0.06	-4.74	-1.42	-0.14	0.24	-0.16	-0.99	-1.05
Core volumes Y/Y¹	9.0%	-5.2%	-4.2%	-11.2%	-3.1%	-15.7%	-3.8%	-1.8%	5.6%	-4.3%
PM ^{1,3}	3.8%	1.3%	-0.7%	-11.2%	-1.7%	-16.0%	-5.6%	-0.4%	8.3%	-3.8%
S&S ^{1,3}	16.5%	-13.0%	-8.5%	-11.3%	-4.8%	-15.3%	-1.3%	-3.6%	2.1%	-4.9%
Sales Y/Y	41.6%	18.9%	7.3%	-8.6%	13.0%	-20.1%	-20.9%	-22.7%	-15.6%	-20.0%
PM ³	37.2%	25.8%	6.6%	-15.2%	11.7%	-25.0%	-27.3%	-26.7%	-17.1%	-24.4%
S&S ³	45.3%	11.0%	6.1%	-1.5%	13.3%	-15.3%	-13.5%	-17.6%	-13.8%	-15.1%
Volume Y/Y	3.6%	-2.1%	-5.7%	-13.2%	-5.0%	-16.8%	-8.0%	-3.8%	3.1%	-6.8%
PM ³	5.5%	1.6%	-6.2%	-17.5%	-5.0%	-18.6%	-10.3%	-2.4%	7.7%	-6.7%
S&S ³	-0.5%	-7.3%	-7.2%	-8.9%	-6.3%	-15.4%	-4.7%	-3.7%	-0.3%	-6.2%
Price Y/Y	22.9%	14.5%	5.4%	0.8%	10.1%	-3.9%	-11.0%	-14.3%	-15.7%	-11.0%
PM ³	26.4%	17.5%	5.2%	-1.3%	10.9%	-7.1%	-15.3%	-19.9%	-22.0%	-15.7%
S&S ³	19.4%	11.8%	5.7%	3.3%	9.4%	-0.5%	-6.6%	-8.9%	-10.2%	-6.4%
FX Y/Y	5.6%	6.5%	7.6%	3.8%	5.9%	0.6%	-1.9%	-4.6%	-3.0%	-2.2%
PM ³	5.3%	6.7%	7.6%	3.6%	5.8%	0.7%	-1.7%	-4.4%	-2.8%	-2.0%
S&S ³	5.9%	6.5%	7.6%	4.1%	6.0%	0.6%	-2.2%	-5.0%	-3.3%	-2.5%
EBITDA Y/Y	8.5%	-33.0%	-65.0%	-105.7%	-47.6%	-64.5%	-29.6%	-8.3%	-44.4%	-33.2%
PM ^{2,3}	-1.6%	-43.0%	-92.5%	-115.1%	-63.0%	-72.1%	-17.7%	60.4%	-118.0%	-39.4%
S&S ^{2,3}	23.8%	-10.1%	26.7%	-3.6%	9.9%	-26.3%	3.8%	-12.1%	71.3%	-1.0%
EBITDA margin	17.2%	11.6%	6.5%	-1.0%	9.0%	7.6%	10.3%	7.8%	3.9%	7.5%
PM ^{2,3}	26.0%	14.9%	2.3%	-4.6%	10.5%	9.7%	16.9%	5.0%	1.0%	8.4%
S&S ^{2,3}	10.1%	9.8%	12.8%	5.5%	9.6%	8.8%	11.8%	13.6%	10.9%	11.2%
Tax rate	25.8%	24.7%	57.7%	-26.0%	316.2%	370.0%				
EPS Y/Y	5.9%	-55.2%	-97.5%	-403.8%	-117.0%	-106.5%	-76.9%	-366.7%	-79.1%	-26.1%
Net financial debt	1,468	2,784	2,861	2,434	2,434	2,675	2,762	2,500	2,487	2,487
Net pension liability	831	309	291	430	430	404	383	241	398	398
Operating cash flows ⁴	157	-272	246	839	970	-19	149	490	377	997
FOCF⁴	17	-462	33	550	138	-139	-10	308	73	232
ROCE^{4,5}	n.a.	n.a.	n.a.	n.a.	2.0%	n.a.	n.a.	n.a.	n.a.	1.5%
WACC	n.a.	n.a.	n.a.	n.a.	7.0%	n.a.	n.a.	n.a.	n.a.	7.6%
ROCE above WACC⁵	n.a.	n.a.	n.a.	n.a.	-5% points	n.a.	n.a.	n.a.	n.a.	-6.1% points

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.