



## Financial overview

- Core volumes decreased by -22.7% to 1,005kt with NAFTA -32.8%, EMLA -29.1% and APAC -8.4%; estimated impact of the coronavirus pandemic approx. -27% (all Y/Y)
- Sales decreased by -32.9% to €2,156m, driven by volume -22.3%, price -9.0%, FX -0.1% and Portfolio -1.5% (all Y/Y)
- EBITDA decreased by -72.8% Y/Y to €125m, driven by lower volumes (€-332m), negative pricing delta (€-100m), positive FX (€+7m) and other items (€+91m)
- EBIT turned negative to €-68m (Q2'19: €274m) with D&A of €193m (Q2'19: €185m)
- Financial result slightly improved to €-17m (Q2'19: €-23m)
- Negative net income of €-52m (Q2'19: €189m) above preliminary net income of around €-60m due to higher tax benefits (tax income of €32m)
- EPS decreased to €-0.28 (Q2'19: €1.03)
- FOCF increased to €+24m (Q2'19: €-55m)
- Strong liquidity position at end of quarter of €2.0bn in cash/cash equivalents/current financial assets and €2.5bn undrawn revolving credit facility
- Total net debt (incl. pension provisions) increased by €449m to €3,175m (Mar 31, 2020: €2,726m)
- Net financial debt remained stable at €1,294m (Mar 31, 2019: €1,291m); pension provisions increased to €1,881m (Mar 31, 2020: €1,435m) due to decreasing interest rates

## Polyurethanes

- Core volume growth (in kt) of -25.6% Y/Y, decline driven by all key industries
- Negative EBITDA of €-24m (Q2'19: €172m) due to pronounced volume decline and negative pricing delta

## Polycarbonates

- Core volume growth (in kt) of -14.4% Y/Y, decline driven by all key industries except construction
- EBITDA declined by -37.7% Y/Y to €96m due to lower volumes and slightly negative pricing delta, double-digit margin maintained around Q1'20 level

## Coatings, Adhesives, Specialties

- Core volumes (in kt) decreased by -25.3% Y/Y, decline driven by all key industries
- EBITDA decreased by -60.0% to €60m due to lower volumes; previous year included one-time gain of €19m

## Macro expectations 2020

- We assume a full year average exchange rate in EUR/USD of around 1.10
- We expect negative global economic growth of around -6% for 2020, in a year marked by uncertainty

## Guidance 2020

- We expect core volume growth below 2019
- We expect FOCF between €-200m and €+300m
- We expect ROCE between -1% and +4%

## Additional financial expectations for 2020

- EBITDA of between €700m and €1,200m
- Capex: ~€700m
- D&A: ~€770m
- Financial result: ~€-120m (previously: ~€-105m)
- Group income tax rate: 24 - 26%

## Covestro IR Factsheet - Q2 2020

	Q2 2019	Q3 2019	Q4 2019	FY 2019	Q1 2020	Q2 2020
	€ million	€ million	€ million	€ million	€ million	€ million
<b>Core volumes ('000 t)<sup>1</sup></b>	<b>1,300</b>	<b>1,333</b>	<b>1,249</b>	<b>5,134</b>	<b>1,200</b>	<b>1,005</b>
<b>Sales</b>	<b>3,211</b>	<b>3,162</b>	<b>2,864</b>	<b>12,412</b>	<b>2,783</b>	<b>2,156</b>
PUR	1,489	1,478	1,336	5,779	1,274	913
PCS	898	901	814	3,473	733	648
CAS	621	588	533	2,369	572	443
Others / Consolidation	203	195	181	791	204	152
<b>EBITDA</b>	<b>459</b>	<b>425</b>	<b>278</b>	<b>1,604</b>	<b>254</b>	<b>125</b>
PUR	172	196	123	648	50	-24
PCS	154	132	95	536	109	96
CAS	150	111	62	469	130	60
Others / Consolidation	-17	-14	-2	-49	-35	-7
DA	-185	204	185	752	187	193
<b>EBIT</b>	<b>274</b>	<b>221</b>	<b>93</b>	<b>852</b>	<b>67</b>	<b>-68</b>
PUR	72	97	24	250	-51	-130
PCS	99	57	39	300	54	41
CAS	120	82	32	352	100	28
Others / Consolidation	-17	-15	-2	-50	-36	-7
<b>Financial result</b>	<b>-23</b>	<b>-19</b>	<b>-26</b>	<b>-91</b>	<b>-39</b>	<b>-17</b>
<b>EBT</b>	<b>251</b>	<b>202</b>	<b>67</b>	<b>761</b>	<b>28</b>	<b>-85</b>
Taxes	-61	-53	-29	-204	-7	32
Minorities	1	2	1	5	1	-1
<b>Net income</b>	<b>189</b>	<b>147</b>	<b>37</b>	<b>552</b>	<b>20</b>	<b>-52</b>
EPS in acc. to IAS 33	1.03	0.80	0.20	3.02	0.11	-0.28
<b>Core volumes Y/Y<sup>1</sup></b>	<b>1.1%</b>	<b>5.3%</b>	<b>3.8%</b>	<b>2.0%</b>	<b>-4.1%</b>	<b>-22.7%</b>
PUR	0.7%	5.1%	3.6%	2.3%	-3.6%	-25.9%
PCS	4.4%	9.3%	3.5%	2.7%	-4.9%	-14.4%
CAS	-4.7%	-4.0%	6.2%	-1.0%	-5.2%	-25.3%
<b>Sales Y/Y</b>	<b>-16.9%</b>	<b>-14.6%</b>	<b>-12.5%</b>	<b>-15.1%</b>	<b>-12.3%</b>	<b>-32.9%</b>
PUR	-24.3%	-20.1%	-16.3%	-21.5%	-13.7%	-38.7%
PCS	-15.0%	-13.2%	-11.9%	-14.3%	-14.8%	-27.8%
CAS	-1.3%	-3.0%	-0.2%	0.3%	-8.8%	-28.7%
<b>Volume Y/Y</b>	<b>0.8%</b>	<b>2.1%</b>	<b>-0.7%</b>	<b>0.8%</b>	<b>-2.7%</b>	<b>-22.3%</b>
PUR	0.8%	2.5%	-0.2%	1.5%	-2.5%	-24.8%
PCS	5.7%	6.8%	0.0%	2.4%	-2.6%	-16.4%
CAS	-4.5%	-4.7%	0.1%	-2.1%	-7.1%	-25.8%
<b>Price Y/Y</b>	<b>-18.7%</b>	<b>-18.5%</b>	<b>-13.3%</b>	<b>-17.3%</b>	<b>-9.1%</b>	<b>-9.0%</b>
PUR	-26.8%	-24.4%	-16.9%	-24.7%	-10.8%	-12.3%
PCS	-18.8%	-20.7%	-13.5%	-16.5%	-9.6%	-7.8%
CAS	-0.4%	-2.1%	-4.2%	-1.1%	-3.9%	-3.2%
<b>FX Y/Y</b>	<b>1.8%</b>	<b>1.9%</b>	<b>1.5%</b>	<b>1.9%</b>	<b>0.8%</b>	<b>-0.1%</b>
PUR	1.7%	1.8%	1.5%	1.8%	0.7%	-0.4%
PCS	1.7%	2.0%	1.6%	2.0%	1.0%	-0.1%
CAS	2.2%	2.2%	1.9%	2.3%	1.1%	0.3%
<b>EBITDA Y/Y</b>	<b>-53.4%</b>	<b>-50.5%</b>	<b>-5.1%</b>	<b>-49.9%</b>	<b>-42.5%</b>	<b>-72.8%</b>
PUR	-70.5%	-54.6%	10.8%	-63.2%	-68.2%	-114.0%
PCS	-46.0%	-58.1%	-28.6%	-48.3%	-29.7%	-37.7%
CAS	7.9%	-11.9%	-1.6%	1.1%	-11.0%	-60.0%
<b>EBITDA margin</b>	<b>14.3%</b>	<b>13.4%</b>	<b>9.7%</b>	<b>12.9%</b>	<b>9.1%</b>	<b>5.8%</b>
PUR	11.6%	13.3%	9.2%	11.2%	3.9%	-2.6%
PCS	17.1%	14.7%	11.7%	15.4%	14.9%	14.8%
CAS	24.2%	18.9%	11.6%	19.8%	22.7%	13.5%
<b>Tax rate</b>	<b>24.3%</b>	<b>26.2%</b>	<b>43.3%</b>	<b>26.8%</b>	<b>25.0%</b>	<b>37.6%</b>
EPS Y/Y	-66.4%	-69.1%	-53.5%	-68.1%	-88.8%	-127.2%
Net financial debt	1,604	1,411	989	989	1,291	1,294
Provisions for pensions	1,704	2,019	1,965	1,965	1,435	1,881
Operating cash flows	164	462	637	1,383	-110	171
<b>FOCF</b>	<b>-55</b>	<b>243</b>	<b>330</b>	<b>473</b>	<b>-249</b>	<b>24</b>
<b>ROCE</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>	<b>8.4%</b>	<b>n.a.</b>	<b>n.a.</b>

<sup>1</sup> Reference values as of 2019 recalculated effective March 31, 2020, based on the definition of core business.