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Reduced earnings outlook for 2022

Covestro reduces its forecast for EBITDA, free operating cash flow (FOCF), return on capital employed over weighted average cost of capital (ROCE over WACC) and greenhouse gas emissions, measured via CO₂ equivalents, for fiscal year 2022. This is a consequence of a recent significant further increase in energy costs and a further weakening global economy.

Covestro adjusts its forecast for fiscal year 2022 as follows:

- EBITDA is expected to be between EUR 1,700 million and EUR 2,200 million. The previous forecast projected EBITDA between EUR 2,000 million and EUR 2,500 million. The consensus expected this figure to be EUR 2,342 million.
- Free operating cash flow (FOCF) is expected to be between EUR 0 million and EUR 500 million. The previous forecast projected FOCF between EUR 400 million and EUR 900 million. The consensus expected this figure to be EUR 598 million.
- Return on capital employed over weighted average cost of capital (ROCE over WACC) is expected to be between -2 and +2 percentage points. The previous forecast projected ROCE over WACC between +1 and +5 percentage points.
- Greenhouse gas emissions, measured via CO₂ equivalents, are expected to be between 5.3 million tons and 5.8 million tons. The previous forecast projected greenhouse gas emissions between 5.5 million tons and 6.0 million tons.



In the second quarter 2022, Covestro EBITDA was EUR 547 million, which is slightly above the previous forecast between EUR 430 million and EUR 530 million. This was supported by a faster than expected normalization of the lockdown-burdened supply chain situation in China. The consensus expected this figure to be EUR 509 million. Second quarter 2022 FOCF was EUR -462 million. This included the bonus pay-out for the fiscal year 2021 of EUR 475 million.

Third quarter 2022 EBITDA is expected to be between EUR 300 million and EUR 400 million.

The financial report for the second quarter 2022 will be published on August 2, 2022.

Capital market expectations are based on the average values of the latest consensus estimates of financial analysts, recently published by Vara Research on July 12, 2022.

About Covestro:

Covestro is one of the world's leading manufacturers of high-quality polymer materials and their components. With its innovative products, processes and methods, the company helps enhance sustainability and the quality of life in many areas. Covestro supplies customers around the world in key industries such as mobility, building and living, as well as the electrical and electronics sector. In addition, polymers from Covestro are also used in sectors such as sports and leisure, cosmetics and health, as well as in the chemical industry itself.

The company is committed to becoming fully circular and is striving to become climate neutral by 2035 (scope 1 and 2). Covestro generated sales of EUR 15.9 billion in fiscal 2021. At the end of 2021, the company had 50 production sites worldwide and employed approximately 17,900 people (calculated as full-time equivalents).

Find more information at covestro.com/investors.

Forward-looking statements

This investor news may contain forward-looking statements based on current assumptions and forecasts made by the management of Covestro AG. Various known and unknown risks, uncertainties and other factors could lead to material differences between the actual future results, financial situation, development or performance of the company and the estimates given here. These factors include those



discussed in Covestro's public reports, which are available at www.covestro.com. The company assumes no liability whatsoever to update these forward-looking statements or to conform them to future events or developments.