



Leverkusen,
November 20, 2018

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Covestro AG: Guidance for FY 2018 adjusted

Leverkusen, November 20, 2018. Intense competition, increased costs and formation of provisions have resulted in the following adjustments to our guidance for 2018:

- A low-single-digit percentage increase in the core volume growth is expected for 2018. In the previous guidance, core volume growth was expected to finish the year with a low- to mid-single-digit percentage increase. In the fourth quarter, a slight core volume growth is expected despite the burden from the low water levels of the Rhine River.

- EBITDA is expected to finish the year slightly below the level of 2017 (EUR 3.44 billion in 2017). The previous guidance projected an EBITDA above last year's level. This adjustment is primarily due to (1) stronger-than-expected competition, (2) the low water level of the Rhine River, which has resulted in production losses and higher logistics costs, and therefore lower earnings, and (3) provisions for the "Perspective" efficiency program.

- Free operating cash flow (FOCF) is expected to finish the current year slightly below the previous year's level (EUR 1.84 billion in 2017). The previous forecast projected FOCF of more than EUR 2 billion. The adjustments to the guidance are the result of EBITDA levels below previous expectations, higher-than-expected funds tied up in working capital and higher investments.

- For FY 2018, return on capital employed (ROCE) is expected to be slightly below the level of the previous year (33.4% in 2017). We previously projected that ROCE would be around previous year's level.

About Covestro:

With 2017 sales of EUR 14.1 billion, Covestro is among the world's largest polymer companies. Business activities are focused on the manufacture of high-



tech polymer materials and the development of innovative solutions for products used in many areas of daily life. The main segments served are the automotive, construction, wood processing and furniture, and electrical and electronics industries. Other sectors include sports and leisure, cosmetics, health and the chemical industry itself. Covestro has 30 production sites worldwide and employs approximately 16,200 people (calculated as full-time equivalents) at the end of 2017.

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(2018-161E)

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