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Covestro AG: Preliminary EBITDA of EUR 456 million in Q3 2020 above market expectation; FY 2020 outlook updated

In the course of preparing the Q3 2020 interim statement for Covestro Group, preliminary Q3 key financial data deviate from capital market expectations, based on the average values of latest consensus estimates of financial analysts, published by Vara Research on October 7, 2020.

Therefore, Covestro provides already today the following preliminary key financial data from the Q3 2020 interim statement:

- Preliminary **EBITDA** amounts to EUR 456 million. Consensus expects this number to be EUR 373 million. The difference is mainly driven by higher cost containments as well as a stronger volume growth and a better margin development.

Preliminary EBITDA for the Polyurethanes segment amounts to EUR 220 million, for the Polycarbonates segment to EUR 148 million and for the Coatings, Adhesives, Specialties segment to EUR 99 million.

- Preliminary **core volume growth** compared to prior year amounts to +3.0%. The recovery from the effects of the coronavirus pandemic has developed more dynamically than so far anticipated.
- Preliminary **sales** amount to EUR 2,760 million. Consensus expects this number to be EUR 2,847 million.



Preliminary effects on sales amount to +0.9% by volume, -9,0% by price, -3.3% by exchange rates and -1.4% by portfolio.

Preliminary sales for the Polyurethanes segment amount to EUR 1,315 million, for the Polycarbonates segment to EUR 801 million and for the Coatings, Adhesives, Specialties segment to EUR 495 million.

The Q3 2020 interim statement will be published on October 27, 2020.

As a consequence of the better than expected Q3 2020 results and a better than expected operational start into Q4 2020 Covestro adjusts its guidance for full year 2020 as follows:

- **EBITDA** is expected at around EUR 1.2 billion. The previous guidance projected an EBITDA between EUR 700 million and EUR 1,200 million. The adjustment of the guidance is primarily due to higher cost containments, a stronger volume growth and a better margin development for the full year. Consensus expects this number to be EUR 1,005 million.
- **Core volume growth** is expected – unchanged – to be below previous year (in 2019: +2.0%).
- **Free operating cash flow (FOCF)** is expected between EUR 0 million and EUR 300 million. The previous forecast projected FOCF between EUR -200 million and EUR 300 million. The adjustment of the guidance is mainly the result of an increased forecast for EBITDA as well as partly compensating effects from working capital. Consensus expects this number to be EUR 185 million.
- **Return on capital employed (ROCE)** is expected in the mid-single-digit percent range. The previous forecast projected ROCE between -1% and 4%. The adjustment of the guidance is mainly the result of the increased forecast for EBITDA.

The 2020 annual report will be published on February 23, 2021.



About Covestro:

With 2019 sales of EUR 12.4 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 17,200 people (calculated as full-time equivalents) at the end of 2019.

Find more information at [covestro.investors.com](https://www.covestro.com/investors).

Forward-looking statements

This investor news may contain forward-looking statements based on current assumptions and forecasts made by 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.