

# Press Release



Leverkusen,  
May 02, 2022

Change in forecast

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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 the ongoing COVID-lockdown in China, particularly around the Shanghai region, further significantly increasing energy and raw material costs and an assumed lower than expected global economic growth. The new expectation falls short of the previously provided forecast as well as current capital market expectations.

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

Covestro adjusts its forecast for fiscal year 2022 as follows:

- EBITDA is expected to be between EUR 2,000 million and EUR 2,500 million. The previous forecast projected EBITDA between EUR 2,500 million and EUR 3,000 million. The consensus expected this figure to be EUR 2,703 million.
- Free operating cash flow (FOCF) is expected to be between EUR 400 million and EUR 900 million. The previous forecast projected FOCF between EUR 1,000 million and EUR 1,500 million. The consensus expected this figure to be EUR 1,176 million.
- Return on capital employed over weighted average cost of capital (ROCE over WACC) is expected to be between one percentage point



and five percentage points. The previous forecast projected ROCE over WACC between five percentage points and nine percentage points.

- Greenhouse gas emissions, measured via CO<sub>2</sub> equivalents, are expected to be between 5.5 million tons and 6.0 million tons. The previous forecast projected greenhouse gas emissions between 5.6 million tons and 6.1 million tons.

In the first quarter 2022, Covestro EBITDA was EUR 806 million, which is in line with the previous forecast between EUR 750 million and EUR 850 million. The consensus expected this figure to be EUR 774 million. First quarter 2022 FOCF was EUR 17 million.

Second quarter 2022 EBITDA is expected to be between EUR 430 million and EUR 530 million.

The financial report for the first quarter 2022 will be published on May 3, 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).

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Also read our blog at [www.covestro.com/blog](http://www.covestro.com/blog)

#### **Forward-looking statements**

This news release 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](http://www.covestro.com). The company assumes no liability whatsoever to update these forward-looking statements or to conform them to future events or developments.