

# Press Release



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Change in Forecast, Preliminary Results

## Raised earnings outlook for 2021

Covestro is raising its forecast for EBITDA, free operating cash flow (FOCF) and return on capital employed (ROCE) for fiscal year 2021 as a result of a better than previously expected business development. The new expectation exceeds 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, published by Vara Research on April 12, 2021.

Covestro adjusts its forecast for fiscal year 2021 as follows:

- **EBITDA** is expected to be between EUR 2,200 million and EUR 2,700 million. The previous forecast projected EBITDA between EUR 1,700 million and EUR 2,200 million. The adjustment of the forecast mainly results from a better than expected margin development in the first half of the year. The consensus expects this figure to be EUR 2,206 million.
- **Core volume growth** is expected – unchanged – to be between 10% and 15%, of which around 6 percentage points are attributable to the acquisition of the Resins & Functional Materials (RFM) business.
- **Free operating cash flow (FOCF)** is expected to be between EUR 1,300 million and EUR 1,800 million. The previous forecast projected FOCF between EUR 900 million and EUR 1,400 million. The adjustment of the forecast mainly results from the increased forecast for EBITDA. The consensus expects this figure to be EUR 1,037 million.



- **Return on capital employed (ROCE)** is expected to be between 12% and 17%. The previous forecast projected ROCE between 7% and 12%. The adjustment of the forecast mainly results from the increased forecast for EBITDA.

The increased EBITDA forecast is based on a preliminary EBITDA for Q1 2021 of EUR 743 million and an expected EBITDA for Q2 2021 between EUR 730 million and EUR 870 million.

The outlook factors in the acquisition of the Resins & Functional Materials (RFM) business of Koninklijke DSM N.V., Heerlen (Netherlands), which was closed on April 1, 2021, and the integration into the Coatings, Adhesives, Specialties segment. One-time costs that could arise in conjunction with the transformation program “LEAP” have not been considered.

The Q1 2021 interim statement will be published on April 28, 2021.

#### **About Covestro:**

With 2020 sales of EUR 10.7 billion, Covestro is among the world’s leading polymer companies. Business activities are focused on the manufacture of high-tech polymer materials and the development of innovative, sustainable solutions for products used in many areas of daily life. In doing so, Covestro is fully committed to the circular economy. The main industries served are the automotive and transportation industries, construction, furniture and wood processing, as well as electrical, electronics, and household appliances industries. Other sectors include sports and leisure, cosmetics, health and the chemical industry itself. At the end of 2020, Covestro has 33 production sites worldwide and employs approximately 16,500 people (calculated as full-time equivalents).

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

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