

Press Release



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Change in Forecast

Covestro AG
Communications
51365 Leverkusen
Germany

Contact
Lars Boelke
Telephone
+49 152 28860494
Email
Lars Boelke
@covestro.com

Contact
Svenja Paul
Telephone
+49 173 3056862
Email
Svenja Paul
@covestro.com

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 further improved business outlook for the second half-year. The new expectation exceeds the previously provided forecast as well as current capital market expectations.

The outlook factors in – unchanged – the acquisition of the Resins & Functional Materials (RFM) business of Koninklijke DSM N.V., Heerlen (Netherlands), which was closed on April 1, 2021.

Capital market expectations are based on the average values of the latest consensus estimates of financial analysts, published by Vara Research on July 7, 2021.

Covestro adjusts its forecast for fiscal year 2021 as follows:

- **EBITDA** is expected to be between EUR 2,700 million and EUR 3,100 million. The previous forecast projected EBITDA between EUR 2,200 million and EUR 2,700 million. The adjustment of the forecast mainly results from a further improved margin outlook for the second half of the year. The consensus expects this figure to be EUR 2,611 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 1,600 million and EUR 2,000 million. The previous forecast projected FOCF between EUR 1,300 million and EUR 1,800 million. The adjustment of the forecast mainly results from the increased forecast for



EBITDA while the development of working capital has a negative effect. The consensus expects this figure to be EUR 1,362 million.

- **Return on capital employed (ROCE)** is expected to be between 16% and 20%. The previous forecast projected ROCE between 12% and 17%. The adjustment of the forecast mainly results from the increased forecast for EBITDA.

The increased EBITDA forecast is based on a preliminary EBITDA for Q2 2021 of around EUR 815 million, that meets the current forecast of between EUR 730 million and EUR 870 million. The consensus expects this figure to be EUR 828 million.

The half-year financial report 2021 will be published on August 6, 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).

Find more information at www.covestro.com

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Forward-looking statements

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