

Covestro IR Factsheet



Financial Overview

- Dynamic core volume growth of 8.5% Y/Y to 1.171mt mainly driven by MDI, TDI and PC, with APAC +11% Y/Y, NAFTA +10% Y/Y and EMLA +6% Y/Y
- Sales declined by 5.9% Y/Y to €2.875bn; Volume +5.3% Y/Y; Price -10.5% Y/Y and FX -0.7% Y/Y
- Adj. EBITDA increased by 22% Y/Y to €508m mainly due to positive operational leverage
- Adj. EBIT increased by 35% Y/Y to €340m helped by lower D&A
- EBIT increased by 65% Y/Y to €340m given the absence of any special items in Q1 2016
- Higher negative financial results of €-78m driven by FX hedging losses
- Income tax rate of 29.8%, in-line with guidance of c.30%
- EPS (based on 202.5m shares) increased by 58% Y/Y to €0.90
- FOCF decreased by 14.4% to €90m in a seasonal low quarter due to higher tax payments

Polyurethane

- Core volumes (in kt) increased by 10.4% Y/Y mainly driven by MDI and TDI
- Adj. EBITDA increased by 31% Y/Y to €214m helped by an insurance reimbursement of €30m

Polycarbonate

- Core volumes (in kt) increased by 8.5% Y/Y mainly driven by NAFTA and APAC
- Adj. EBITDA increased by 53% Y/Y to €177m driven by strong pricing power and positive volume leverage

Coatings, Adhesives, Specialties

- Core volumes (in kt) decreased by -2.8% Y/Y mainly due to the phase out of a trading product; positive volume growth excluding this effect
- Adj. EBITDA increased by 5% Y/Y to €139m due to raw material and mix benefits

Macro Expectations 2016

- We assume an exchange rate of USD/EUR of 1.13
- We assume a similar macroeconomic environment as in 2015

Outlook 2016

- We expect core volume growth in the mid-single-digit-percentage range
- We anticipate FOCF again at a high level and above the average seen in past years
- We again expect ROCE to exceed our capital costs

Additional Financial Expectations for 2016

- Capex: ~€500-550m
- D&A: ~€650-700m
- Exceptional items: ~€0m
- Financial results: ~€-210m
- Effective tax rate: ~30%

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	Q1 2015	Q2 2015	Q3 2015	Q4 2015	FY 2015	Q1 2016
	€ million					
Core volumes ('000 t)	1,080	1,164	1,130	1,084	4,458	1,171
Sales	3,054	3,210	3,020	2,798	12,082	2,875
PUR	1,554	1,637	1,512	1,385	6,088	1,403
PCS	765	829	819	759	3,172	786
CAS	535	562	519	477	2,093	512
Others / Consolidation	200	182	170	177	729	174
Adjusted EBITDA	416	498	471	256	1,641	508
PUR	163	223	175	63	624	214
PCS	116	150	171	123	560	177
CAS	133	137	137	84	491	139
Others / Consolidation	4	-12	-12	-14	-34	-22
Special items (EBITDA)	-23	-59	-16	-124	-222	-
EBITDA	393	439	455	132	1,419	508
DA	187	172	168	212	739	168
EBIT	206	267	287	-80	680	340
PUR	31	92	60	-157	26	117
PCS	73	104	127	70	374	127
CAS	111	113	113	60	397	119
Others / Consolidation	-9	-42	-13	-53	-117	-23
Financial results	-41	-46	-56	-32	-175	-78
EBT	165	221	231	-112	505	262
Taxes	-47	-67	-70	31	-153	-78
Minorities	3	2	1	3	9	2
Net income	115	152	160	-84	343	182
EPS (€, 202.5m shares)	0.57	0.75	0.79	-0.41	1.69	0.90
Core volumes Y/Y	1.7%	6.7%	-0.6%	3.0%	2.7%	8.5%
PUR	-0.4%	5.8%	-2.7%	4.6%	1.8%	10.4%
PCS	5.4%	9.1%	5.4%	0.5%	5.1%	8.5%
CAS	6.3%	6.5%	-2.4%	-0.2%	2.6%	-2.8%
Sales Y/Y	8.1%	11.0%	-1.4%	-6.1%	2.7%	-5.9%
PUR	3.1%	7.0%	-8.5%	-13.1%	-3.1%	-9.7%
PCS	15.9%	19.3%	13.0%	2.3%	12.4%	2.7%
CAS	13.6%	15.4%	2.6%	2.8%	8.6%	-4.3%
Volume Y/Y	2.3%	7.4%	-0.6%	1.5%	2.6%	5.3%
PUR	0.6%	7.7%	-2.2%	2.7%	2.1%	6.9%
PCS	5.4%	9.6%	4.1%	-0.3%	4.6%	8.7%
CAS	4.1%	6.9%	-2.5%	0.0%	2.1%	-1.6%
Price Y/Y	-4.4%	-6.4%	-7.4%	-12.4%	-7.7%	-10.5%
PUR	-7.4%	-9.9%	-12.1%	-20.0%	-12.4%	-15.7%
PCS	-2.1%	-3.6%	-0.8%	-3.9%	-2.6%	-5.4%
CAS	-0.1%	-1.0%	-1.4%	-2.2%	-1.1%	-2.4%
FX Y/Y	10.2%	10.0%	6.6%	4.8%	7.8%	-0.7%
PUR	9.9%	9.2%	5.8%	4.2%	7.2%	-0.9%
PCS	12.6%	13.3%	9.7%	6.5%	10.4%	-0.6%
CAS	9.6%	9.5%	6.5%	5.0%	7.6%	-0.3%
Adj. EBITDA Y/Y	14.3%	90.8%	44.5%	21.9%	41.3%	22.1%
PUR	-24.5%	97.3%	8.0%	-37.6%	5.4%	31.3%
PCS	163.6%	240.9%	338.5%	272.7%	250.0%	52.6%
CAS	20.9%	22.3%	10.5%	-7.7%	12.4%	4.5%
Adj. EBITDA margin	13.6%	15.5%	15.6%	9.1%	13.6%	17.7%
PUR	10.5%	13.6%	11.6%	4.5%	10.2%	15.3%
PCS	15.2%	18.1%	20.9%	16.2%	17.7%	22.5%
CAS	24.9%	24.4%	26.4%	17.6%	23.5%	27.1%
Tax rate	-28.5%	-30.3%	-30.3%	n. m.	-30.3%	-29.8%
EPS Y/Y	-7.3%	181.5%	61.6%	n. m.	26.1%	57.9%
Net debt	5,022	4,578	4,995	2,211	2,211	2,087
Pension provision	1,764	1,409	1,564	1,462	1,462	1,876
GCF	339	387	313	116	1,155	n/a
NCF	184	360	379	550	1,473	124
FOCF	90	230	251	393	964	77