

Covestro IR Factsheet – Q3 2020



Financial overview

- Core volumes increased by +3.0% Y/Y to 1,373kt with APAC +7.9%; EMLA +1.6%; NAFTA -2.6%
- Sales decreased by -12.7% Y/Y to €2,760m with volume +1.0%, price -9.0%, FX -3.3% and portfolio -1.4%
- EBITDA increased by +7.3% Y/Y to €456m, impacted by negative volume effects (€-41m), negative pricing delta (€-6m), negative FX (€-12m) and other items (€+90m); cost saving measures contributed strongly
- EBIT increased by 19.9% to €265m with D&A of €191m (Q3'19: €204m)
- Financial result slightly decreased to €-22m (Q3'19: €-19m)
- Net income increased by 21.8% to €179m
- EPS increased by 22.5% to €0.98
- FOCF increased by 48.6% to €361m
- Strong liquidity position at end of quarter of €1.8bn in cash/cash equivalents/current financial assets and €2.5bn undrawn revolving credit facility
- Total net debt (incl. pension provisions) slightly increased by €26m to €3,201m (June 30, 2020: €3,175m)
- Net financial debt at €1,170m (June 30, 2020: €1,294m); pension provisions increased to €2,031m (June 30, 2020: €1,881m)

Polyurethanes

- Core volume growth (in kt) of +4.3% Y/Y, increase driven by all key industries except auto/transport
- EBITDA increased by 12.2% Y/Y to €220m, mainly due to cost savings and volume growth

Polycarbonates

- Core volume growth (in kt) of +3.6% Y/Y, increase driven by all key industries except auto/transport
- EBITDA increased by 12.1% to €148m, benefitting from cost savings and lower feedstock prices

Coatings, Adhesives, Specialties

- Core volumes (in kt) decreased by -6.9% Y/Y, decline driven by all major industries except furniture
- EBITDA declined by -10.8% Y/Y to €99m, mainly due to lower volumes and negative pricing delta, partly compensated by cost savings

Macro expectations 2020

- We assume a full year average exchange rate in EUR/USD of around 1.15
- We expect negative global economic growth of around -5% for 2020

Guidance 2020

- We expect core volume growth below 2019
- We expect FOCF between €0m and €300m
- We expect ROCE at a mid-single-digit percentage rate

Additional financial expectations for 2020

- EBITDA: around €1.2bn
- Capex: around €700m
- D&A: around €770m
- Financial result: around €-105m (previously: around €-120m)
- Group income tax rate: 24 - 26%
- Average number of shares: FY 185.0m; Q4 191.5m

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	Q1 2019	Q2 2019	Q3 2019	Q4 2019	FY 2019	Q1 2020	Q2 2020	Q3 2020	9M 2020
	€ million								
Core volumes ('000 t)²	1,251	1,300	1,333	1,249	5,134	1,200	1,005	1,373	3,577
Sales	3,175	3,211	3,162	2,864	12,412	2,783	2,156	2,760	7,699
PUR ¹	1,476	1,489	1,478	1,336	5,779	1,274	913	1,315	3,502
PCS	860	898	901	814	3,473	733	648	801	2,182
CAS ¹	627	621	588	533	2,369	572	443	495	1,510
Others / Consolidation	212	203	195	181	791	204	152	149	505
EBITDA	442	459	425	278	1,604	254	125	456	835
PUR ¹	157	172	196	123	648	50	-24	220	246
PCS	155	154	132	95	536	109	96	148	353
CAS ¹	146	150	111	62	469	130	60	99	289
Others / Consolidation	-16	-17	-14	-2	-49	-35	-7	-11	-53
DA	-178	-185	204	185	752	187	193	191	571
EBIT	264	274	221	93	852	67	-68	265	264
PUR ¹	57	72	97	24	250	-51	-130	114	-67
PCS	105	99	57	39	300	54	41	94	189
CAS ¹	118	120	82	32	352	100	28	68	196
Others / Consolidation	-16	-17	-15	-2	-50	-36	-7	-11	-54
Financial result	-23	-23	-19	-26	-91	-39	-17	-22	-78
EBT	241	251	202	67	761	28	-85	243	186
Taxes	-61	-61	-53	-29	-204	-7	32	-63	-38
Minorities	1	1	2	1	5	1	-1	1	1
Net income	179	189	147	37	552	20	-52	179	147
EPS in acc. to IAS 33	0.98	1.03	0.8	0.2	3.02	0.11	-0.28	0.98	0.8
Core volumes Y/Y²	-1.8%	1.1%	5.3%	3.8%	2.0%	-4.1%	-22.7%	3.0%	-7.9%
PUR ¹	-0.2%	0.7%	5.1%	3.6%	2.3%	-3.6%	-25.9%	4.3%	-8.4%
PCS	-6.3%	4.4%	9.3%	3.5%	2.7%	-4.9%	-14.4%	3.6%	-5.0%
CAS ¹	-0.1%	-4.7%	-4.0%	6.2%	-1.0%	-5.2%	-25.3%	-6.9%	-12.5%
Sales Y/Y	-16.0%	-16.9%	-14.6%	-12.5%	-15.1%	-12.3%	-32.9%	-12.7%	-19.4%
PUR ¹	-24.3%	-24.3%	-20.1%	-16.3%	-21.5%	-13.7%	-38.7%	-11.0%	-21.2%
PCS	-16.7%	-15.0%	-13.2%	-11.9%	-14.3%	-14.8%	-27.8%	-11.1%	-17.9%
CAS ¹	5.9%	-1.3%	-3.0%	-0.2%	0.3%	-8.8%	-28.7%	-15.8%	-17.8%
Volume Y/Y	0.9%	0.8%	2.1%	-0.7%	0.8%	-2.7%	-22.3%	1.0%	-8.1%
PUR ¹	3.0%	0.8%	2.5%	-0.2%	1.5%	-2.5%	-24.8%	5.3%	-7.4%
PCS	-2.9%	5.7%	6.8%	0.0%	2.4%	-2.6%	-16.4%	3.6%	-5.1%
CAS ¹	1.1%	-4.5%	-4.7%	0.1%	-2.1%	-7.1%	-25.8%	-8.3%	-13.9%
Price Y/Y	-18.3%	-18.7%	-18.5%	-13.3%	-17.3%	-9.1%	-9.0%	-9.0%	-9.1%
PUR ¹	-29.4%	-26.8%	-24.4%	-16.9%	-24.7%	-10.8%	-12.3%	-11.5%	-11.5%
PCS	-12.8%	-18.8%	-20.7%	-13.5%	-16.5%	-9.6%	-7.8%	-8.2%	-8.5%
CAS ¹	1.7%	-0.4%	-2.1%	-4.2%	-1.1%	-3.9%	-3.2%	-5.0%	-4.0%
FX Y/Y	2.4%	1.8%	1.9%	1.5%	1.9%	0.8%	-0.1%	-3.3%	-0.8%
PUR ¹	2.1%	1.7%	1.8%	1.5%	1.8%	0.7%	-0.4%	-3.8%	-1.2%
PCS	2.6%	1.7%	2.0%	1.6%	2.0%	1.0%	-0.1%	-3.4%	-0.9%
CAS ¹	3.1%	2.2%	2.2%	1.9%	2.3%	1.1%	0.3%	-2.5%	-0.3%
EBITDA Y/Y	-58.4%	-53.4%	-50.5%	-5.1%	-49.9%	-42.5%	-72.8%	7.3%	-37.0%
PUR ¹	-75.4%	-70.5%	-54.6%	10.8%	-63.2%	-68.2%	-114.0%	12.2%	-53.1%
PCS	-48.8%	-46.0%	-58.1%	-28.6%	-48.3%	-29.7%	-37.7%	12.1%	-20.0%
CAS ¹	7.4%	7.9%	-11.9%	-1.6%	1.1%	-11.0%	-60.0%	-10.8%	-29.0%
EBITDA margin	13.9%	14.3%	13.4%	9.7%	12.9%	9.1%	5.8%	16.5%	10.8%
PUR ¹	10.6%	11.6%	13.3%	9.2%	11.2%	3.9%	-2.6%	16.7%	7.0%
PCS	18.0%	17.1%	14.7%	11.7%	15.4%	14.9%	14.8%	18.5%	16.2%
CAS ¹	23.3%	24.2%	18.9%	11.6%	19.8%	22.7%	13.5%	20.0%	19.1%
Tax rate	25.3%	24.3%	26.2%	43.3%	26.8%	25.0%	37.6%	25.9%	20.4%
EPS Y/Y	-69.8%	-66.4%	-69.1%	-53.5%	-68.1%	-88.8%	-127.2%	22.5%	-71.6%
Net financial debt	1059	1604	1411	989	989	1291	1294	1170	1170
Provisions for pensions	1667	1704	2019	1965	1965	1435	1881	2031	2031
Operating cash flows	120	164	462	637	1383	-110	171	538	599
FOCF	-45	-55	243	330	473	-249	24	361	136
ROCE	n.a.	n.a.	n.a.	n.a.	8.4%	n.a.	n.a.	n.a.	n.a.

¹ All figures for 2017 have been adjusted to reflect the reclassification of the specialty elastomers business from the Polyurethanes segment to the Coatings, Adhesives, Specialties segment as of January 2019.

² Reference values as of 2019 recalculated effective March 31, 2020, based on the definition of core business.