

# Covestro IR Factsheet – Q3 2022



## Financial overview

- Sales increased by 7.3% Y/Y to €4,618m with volume -5.7%, price +5.4%, FX +7.6%
- EBITDA decreased by 65.0% Y/Y to €302m driven by a pricing delta of €-626m, a volume effect of €-98m, “Other Items” of €+115m and a FX effect of €+40m
- EBIT decreased to €66m (Q3'21: €654m) with D&A of €236m (Q3'21: €208m)
- Financial result decreased to €-40m (Q3'21: €-20m)
- Net income decreased to €12m (Q3'21: €472m) / EPS decreased to €0.06 (Q3'21: €2.44)
- FOCF decreased to €33m (Q3'21: €381m), impacted by working capital valuation
- Total net debt (including pension provisions and net defined benefit asset) increased from €2,600 on December 31, 2021, to €3,152m on September 30, 2021
- Net financial debt of €2,861m (December 31, 2021: €1,405m) / net pension liability (pension provisions and net defined benefit asset) of €291m (December 31, 2021: €1,195m)

## Performance Materials

- Sales increased by 6.6% Y/Y to €2,330m with volume -6.2%, price +5.2%, FX +7.6%
- EBITDA of €53m (Q3'21: €708m), mainly driven by negative pricing delta with sales price increases more than compensated by higher raw material & energy prices

## Solutions & Specialties

- Sales increased by 6.1% Y/Y to €2,196m with volume -7.2%, price +5.7%, FX +7.6%
- EBITDA of €280m (Q3'21: €221m), mainly driven by “Other Items”

## Guidance assumptions FY 2022

- Global economic growth of ~3% Y/Y
- Full year average exchange rate in EUR/USD of ~1.00
- No severe impact from potential gas curtailment
- Energy cost around €2.1bn

## Guidance FY 2022

- EBITDA between €1,700m and €1,800m
- FOCF between €0m and €100m
- ROCE above WACC between -2pp and -1pp with WACC of 7.0%
- CO<sub>2</sub>E between 5.0Mt and 5.4Mt

## Additional financial expectations for FY 2022

- Capex: around €900m
- D&A: around €950m
- Financial result: around €-160m
- Group income tax rate: around 26%

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	Q1 2021	Q2 2021	6M 2021	Q3 2021	9M 2021	Q4 2021	FY 2021	Q1 2022	Q2 2022	6M 2022	Q3 2022	9M 2022
	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million
<b>Sales</b>	<b>3,307</b>	<b>3,956</b>	<b>7,263</b>	<b>4,302</b>	<b>11,565</b>	<b>4,338</b>	<b>15,903</b>	<b>4,683</b>	<b>4,703</b>	<b>9,386</b>	<b>4,618</b>	<b>14,004</b>
PM	1,740	1,957	3,697	2,186	5,883	2,259	8,142	2,388	2,461	4,849	2,330	7,179
S&S	1,529	1,951	3,480	2,069	5,549	2,005	7,554	2,222	2,165	4,387	2,196	6,583
Others / Consolidation	38	48	86	47	133	74	207	73	77	150	92	242
<b>EBITDA</b>	<b>743</b>	<b>817</b>	<b>1,560</b>	<b>862</b>	<b>2,422</b>	<b>663</b>	<b>3,085</b>	<b>806</b>	<b>547</b>	<b>1,353</b>	<b>302</b>	<b>1,655</b>
PM <sup>1</sup>	630	644	1,274	708	1,982	590	2,572	620	367	987	53	1,040
S&S <sup>1</sup>	181	237	418	221	639	112	751	224	213	437	280	717
Others / Consolidation <sup>1</sup>	-68	-64	-132	-67	-199	-39	-238	-38	-33	-71	-31	-102
DA	187	210	397	208	605	218	823	217	240	457	236	693
<b>EBIT</b>	<b>556</b>	<b>607</b>	<b>1,163</b>	<b>654</b>	<b>1,817</b>	<b>445</b>	<b>2,262</b>	<b>589</b>	<b>307</b>	<b>896</b>	<b>66</b>	<b>962</b>
PM <sup>1</sup>	489	502	991	567	1,558	445	2,003	475	204	679	-107	572
S&S <sup>1</sup>	138	170	308	154	462	41	503	152	139	291	207	498
Others / Consolidation <sup>1</sup>	-71	-65	-136	-67	-203	-41	-244	-38	-36	-74	-34	-108
<b>Financial result</b>	<b>-29</b>	<b>-18</b>	<b>-47</b>	<b>-20</b>	<b>-67</b>	<b>-10</b>	<b>-77</b>	<b>-28</b>	<b>-44</b>	<b>-72</b>	<b>-40</b>	<b>-112</b>
<b>EBT</b>	<b>527</b>	<b>589</b>	<b>1,116</b>	<b>634</b>	<b>1,750</b>	<b>435</b>	<b>2,185</b>	<b>561</b>	<b>263</b>	<b>824</b>	<b>26</b>	<b>850</b>
Taxes	-132	-139	-271	-161	-432	-134	-566	-144	-65	-209	-15	-224
Minorities	2	1	3	1	4	-1	3	1	-1	0	-1	-1
<b>Net income</b>	<b>393</b>	<b>449</b>	<b>842</b>	<b>472</b>	<b>1,314</b>	<b>302</b>	<b>1,616</b>	<b>416</b>	<b>199</b>	<b>615</b>	<b>12</b>	<b>627</b>
EPS in acc. to IAS 33	2.03	2.32	4.36	2.44	6.8	1.56	8.37	2.15	1.04	3.2	0.06	3.28
<b>Sales Y/Y</b>	<b>18.8%</b>	<b>83.5%</b>	<b>47.1%</b>	<b>55.9%</b>	<b>50.2%</b>	<b>44.3%</b>	<b>48.5%</b>	<b>41.6%</b>	<b>18.9%</b>	<b>29.2%</b>	<b>7.3%</b>	<b>21.1%</b>
PM <sup>2</sup>	25.8%	85.5%	51.6%	52.2%	51.9%	41.7%	48.9%	37.2%	25.8%	31.2%	6.6%	22.0%
S&S <sup>2</sup>	14.0%	84.1%	44.9%	60.6%	50.4%	46.2%	49.3%	45.3%	11.0%	26.1%	6.1%	18.6%
<b>Volume Y/Y</b>	<b>3.4%</b>	<b>29.0%</b>	<b>14.6%</b>	<b>0.0%</b>	<b>9.3%</b>	<b>-0.2%</b>	<b>6.5%</b>	<b>3.6%</b>	<b>-2.1%</b>	<b>0.5%</b>	<b>-5.7%</b>	<b>-1.8%</b>
PM <sup>2</sup>	-2.3%	19.5%	7.1%	-6.9%	2.0%	0.5%	1.6%	5.5%	1.6%	3.5%	-6.2%	-0.2%
S&S <sup>2</sup>	10.8%	39.1%	23.3%	6.9%	17.5%	-3.4%	11.8%	-0.5%	-7.3%	-4.4%	-7.2%	-5.4%
<b>Price Y/Y</b>	<b>20.2%</b>	<b>45.9%</b>	<b>31.4%</b>	<b>43.8%</b>	<b>35.8%</b>	<b>31.6%</b>	<b>34.7%</b>	<b>22.9%</b>	<b>14.5%</b>	<b>18.3%</b>	<b>5.4%</b>	<b>13.5%</b>
PM <sup>2</sup>	32.9%	71.2%	49.5%	57.6%	52.5%	37.6%	48.1%	26.4%	17.5%	21.7%	5.2%	15.6%
S&S <sup>2</sup>	8.1%	22.4%	14.4%	29.5%	19.7%	25.6%	21.3%	19.4%	11.8%	15.2%	5.7%	11.6%
<b>FX Y/Y</b>	<b>-4.8%</b>	<b>-5.4%</b>	<b>-5.0%</b>	<b>1.6%</b>	<b>-2.6%</b>	<b>3.8%</b>	<b>-0.8%</b>	<b>5.6%</b>	<b>6.5%</b>	<b>6.1%</b>	<b>7.6%</b>	<b>6.7%</b>
PM <sup>2</sup>	-4.8%	-5.2%	-5.0%	1.5%	-2.6%	3.6%	-0.8%	5.3%	6.7%	6.0%	7.6%	6.6%
S&S <sup>2</sup>	-4.9%	-5.8%	-5.3%	1.8%	-2.8%	4.1%	-0.9%	5.9%	6.5%	6.3%	7.6%	6.7%
<b>EBITDA Y/Y</b>	<b>192.5%</b>	<b>553.6%</b>	<b>311.6%</b>	<b>89.0%</b>	<b>190.1%</b>	<b>4.1%</b>	<b>109.6%</b>	<b>8.5%</b>	<b>-33.0%</b>	<b>-13.3%</b>	<b>-65.0%</b>	<b>-31.7%</b>
PM <sup>1,2</sup>	447.8%	1640.5%	738.2%	153.8%	359.9%	26.9%	187.1%	-1.6%	-43.0%	-22.5%	-92.5%	-47.5%
S&S <sup>1,2</sup>	-13.4%	92.7%	25.9%	1.8%	16.4%	-42.3%	1.1%	23.8%	-10.1%	4.5%	26.7%	12.2%
<b>EBITDA margin</b>	<b>22.5%</b>	<b>20.7%</b>	<b>21.5%</b>	<b>20.0%</b>	<b>20.9%</b>	<b>15.3%</b>	<b>19.4%</b>	<b>17.2%</b>	<b>11.6%</b>	<b>14.4%</b>	<b>6.5%</b>	<b>11.8%</b>
PM <sup>1,2</sup>	36.2%	32.9%	34.5%	32.4%	33.7%	26.1%	31.6%	26.0%	14.9%	20.4%	2.3%	14.5%
S&S <sup>1,2</sup>	11.8%	12.1%	12.0%	10.7%	11.5%	5.6%	9.9%	10.1%	9.8%	10.0%	12.8%	10.9%
<b>Tax rate</b>	<b>25.0%</b>	<b>23.6%</b>	<b>24.3%</b>	<b>25.4%</b>	<b>24.7%</b>	<b>30.8%</b>	<b>25.9%</b>	<b>25.8%</b>	<b>24.7%</b>	<b>25.4%</b>	<b>57.7%</b>	<b>26.4%</b>
EPS Y/Y	1745.5%	-928.6%	-2664.7%	149.0%	750.0%	-4.3%	237.5%	5.9%	-55.2%	-26.6%	-97.5%	-51.8%
Net financial debt	95	1,604	1,604	1,256	1,256	1,405	1,405	1,468	2,784	2,784	2,861	2,861
Provisions for pensions	1,775	1,692	1,692	1,706	1,706	1,199	1,199	835	442	442	420	420
Operating cash flows	428	553	981	564	1,545	648	2,193	157	-272	-115	246	131
<b>FOCF</b>	<b>318</b>	<b>374</b>	<b>692</b>	<b>381</b>	<b>1,073</b>	<b>356</b>	<b>1,429</b>	<b>17</b>	<b>-462</b>	<b>-445</b>	<b>33</b>	<b>-412</b>
<b>ROCE<sup>3</sup></b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>	<b>19.5%</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>
WACC	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	6.6%	n.a.	n.a.	n.a.	n.a.	n.a.
<b>ROCE above WACC<sup>3</sup></b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>	<b>12.9pp</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>	<b>n.a.</b>

<sup>1</sup> The values were determined retrospectively as of October 1, 2021 due to a change in the underlying market prices for the compensation of transactions between the Performance Materials and Solutions & Specialties segments. The comparative information was adjusted accordingly.

<sup>2</sup> Reference information based on fiscal 2019 is not presented here due to the new organizational structure.

<sup>3</sup> Beginning in fiscal 2022, the key performance indicator ROCE was replaced by ROCE above WACC for profitability measurement.