



Positive momentum continues

Q3 2015 Results



Forward-looking statements

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Various known and unknown risks, uncertainties and other factors could lead to material differences between the actual future results, financial situation, development or performance of the company and the estimates given here. These factors include those discussed in public reports of Covestro that are available on the Covestro website at www.covestro.com.

Covestro assumes no liability whatsoever to update these forward-looking statements or to conform them to future events or developments.

Q3 2015 – Key Highlights



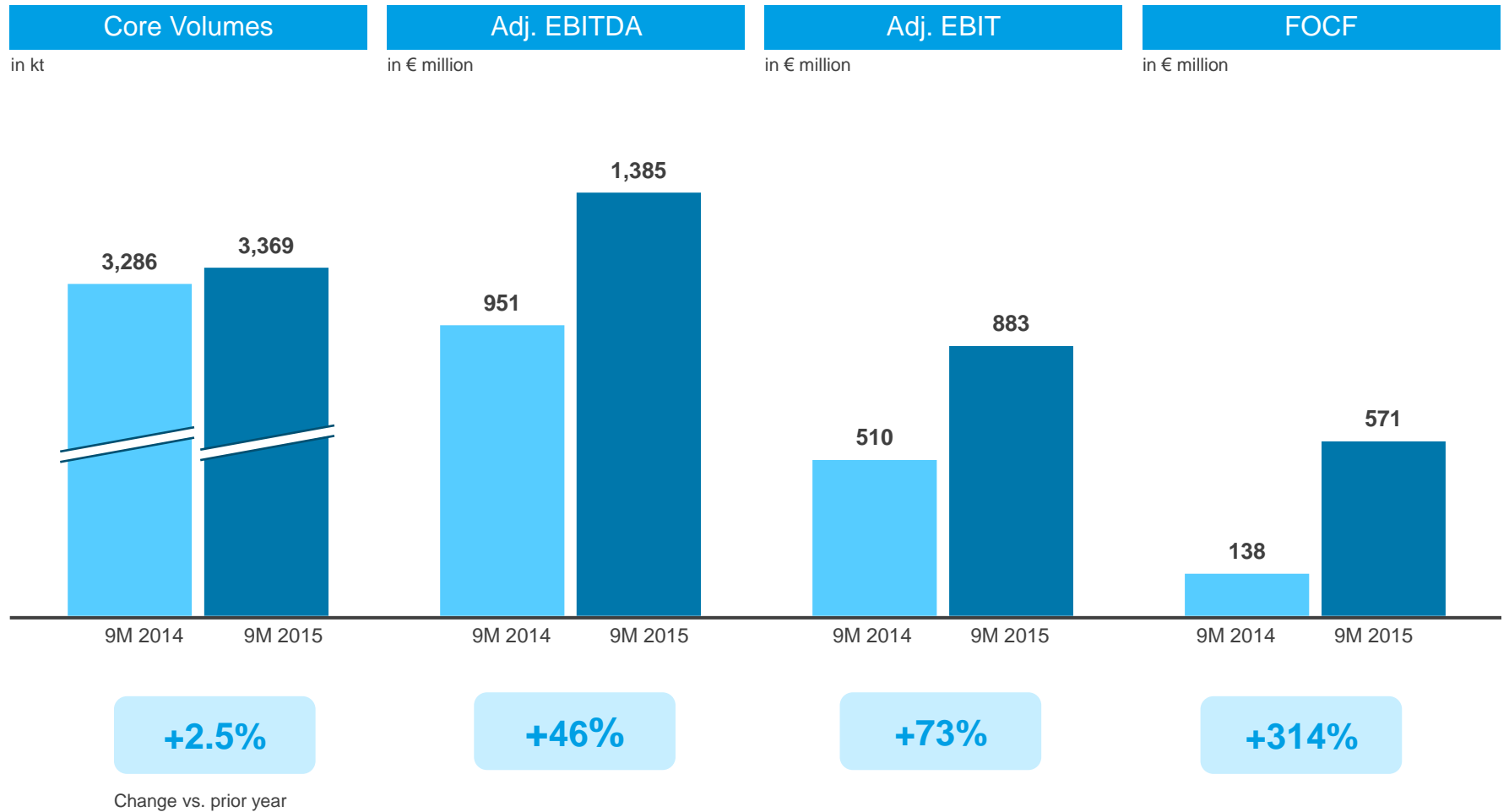
Positive momentum continues



9M 2015 Sales & Earnings



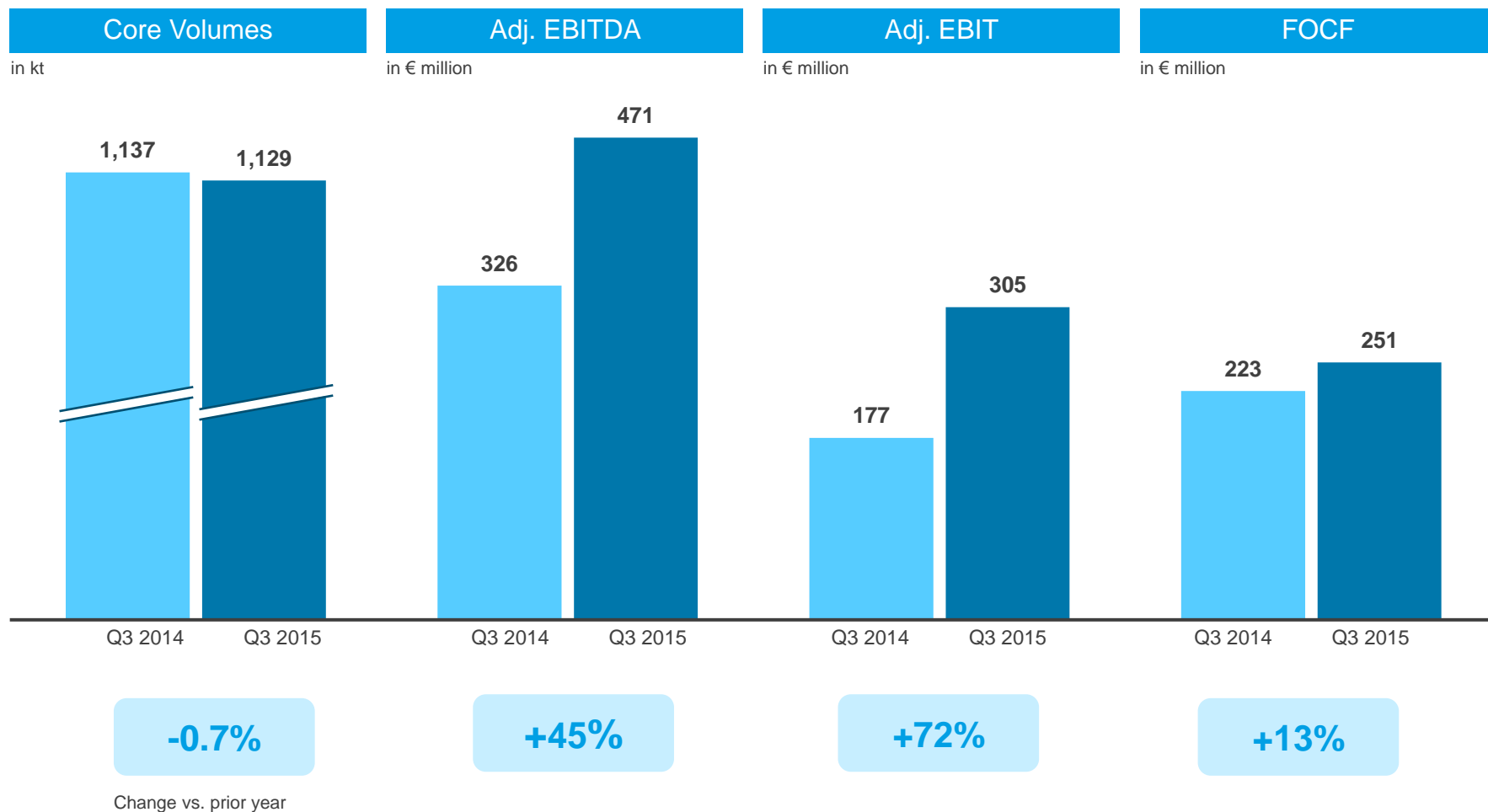
Solid volume growth and significant earnings improvement



Q3 2015 Sales & Earnings



Significant earnings improvement despite flat volumes



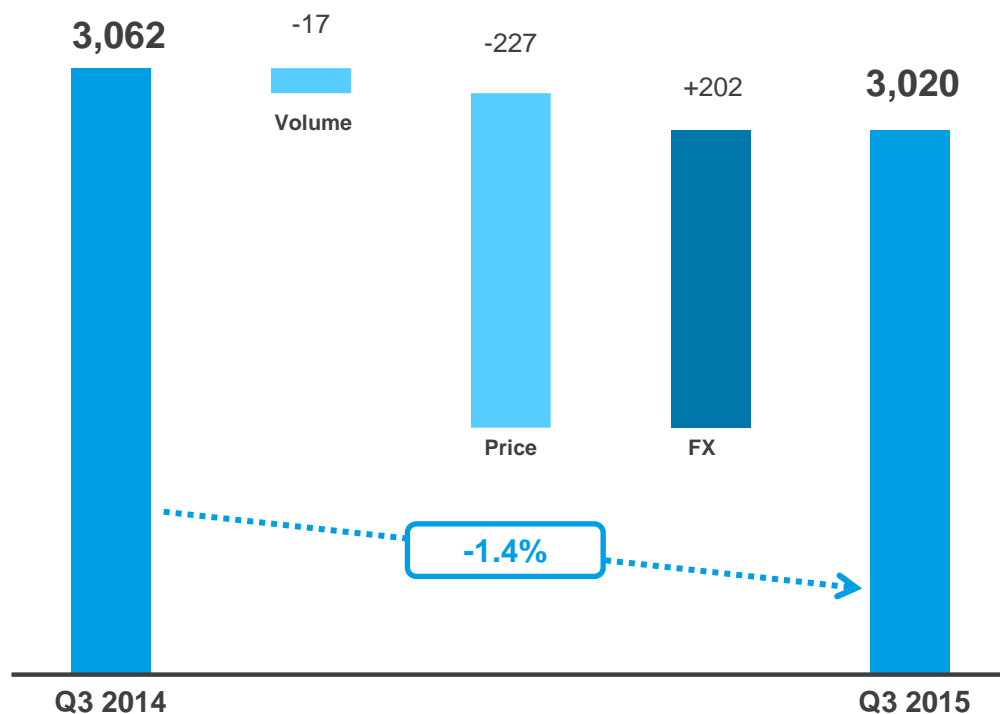
Q3 2015 – Sales Bridge



Flat volumes in a challenging environment

Sales Bridge

in € million



Highlights

Solid volume development

- In Q3 2015, slight decline mainly in the segment PUR
- In 9M 2015, growth of 3.0% Y/Y (€260m) with all three segments contributing

Positive FX effect

- In 9M 2015, FX effects contributed 8.9% Y/Y (€777m)

Price decline driven by lower raw material prices

- In Q3 2015, the index of Covestro's strategic raw materials prices decreased from 108 to 84 Y/Y (100 = Q1 2014)
- In 9M 2015, price effects burdened by 6.1% Y/Y (€535m)

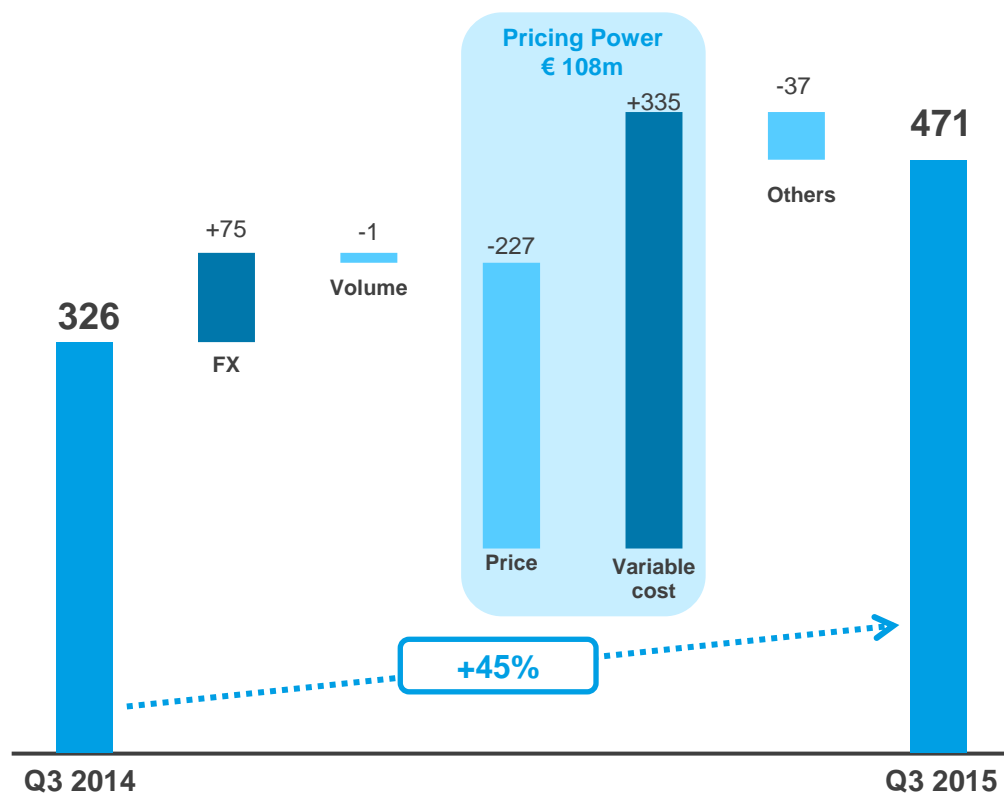
Q3 2015 – Adj. EBITDA Bridge



Strong growth driven by tight supply

Adj. EBITDA Bridge

in € million



Highlights

Stronger pricing power

- Tight supply in polycarbonates
- Polyols helped by tight styrene markets
- Limited pricing power in MDI
- Price reductions in TDI above raw material benefits

Weak € continued to support results

Limited effects from lower volumes

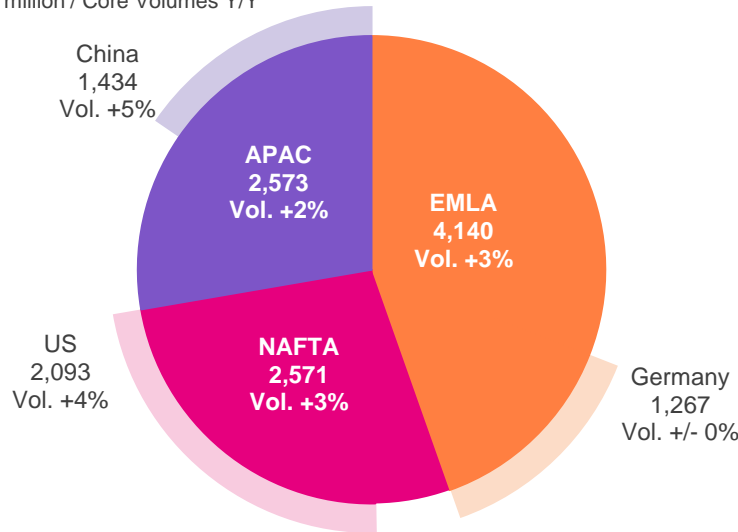
2015 – Sales per Region



China still on track and growth in mature markets accelerated

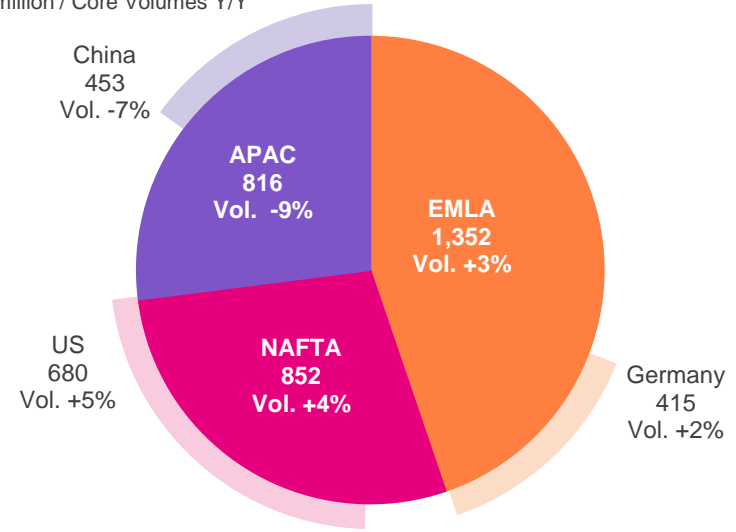
Solid growth in 9M 2015

in € million / Core Volumes Y/Y



De-stocking in Q3 2015

in € million / Core Volumes Y/Y



9M 2015 Highlights

- Core volume growth of 2.5% Y/Y
- China remains a high core volume growth market with 5% Y/Y
- Good core volume growth in the US with 4% Y/Y
- EMLA solid despite double-digit decline in South America

Q3 2015 Highlights

- Core volumes down by 0.7% Y/Y
- APAC and China significantly down as customers adjusted growth expectations
- Growth accelerated in the US and Germany

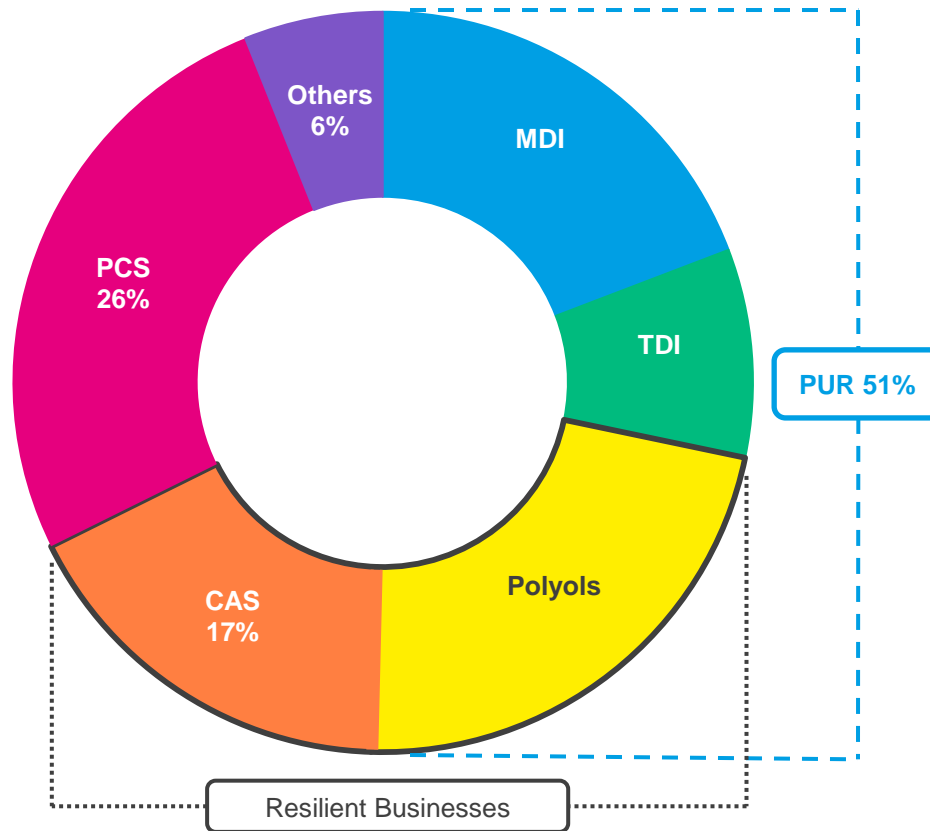
9M 2015 – Sales by Segments



Significant proportion generated with resilient businesses

Sales by Segments

% of Group Sales



Highlights

Resilient businesses

- CAS: proven low volatility
- Polyols: structurally low volatility

Above mid-cycle margins

- PCS: but still significantly below historical peak margins

Below mid-cycle margins

- MDI: challenged by new capacities in the industry

Approaching bottom of the cycle margins

- TDI: global industry overcapacities but Covestro with leading cost position

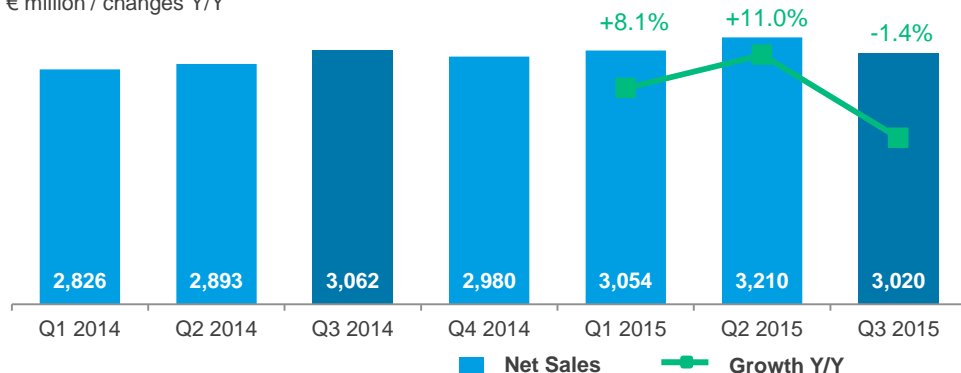
Group Results



Defending higher margin level

Net Sales and Growth

in € million / changes Y/Y

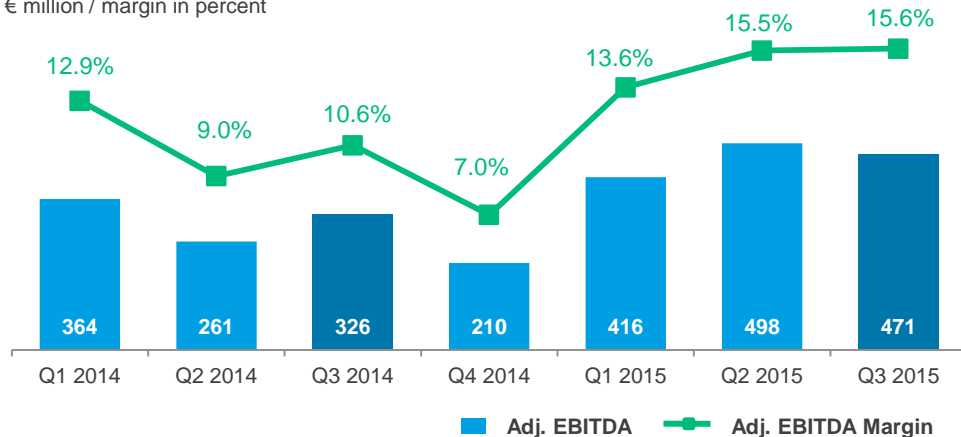


Q3 2015 Highlights

- Core volumes (kt) down 0.7% Y/Y
- Sales effects Y/Y: volumes -0.6%, prices -7.4%, FX +6.6%
- EBITDA margin stable Q/Q despite lower sales
- Polycarbonates once again the main driver for the very positive Y/Y development

Adjusted EBITDA and Margin

in € million / margin in percent



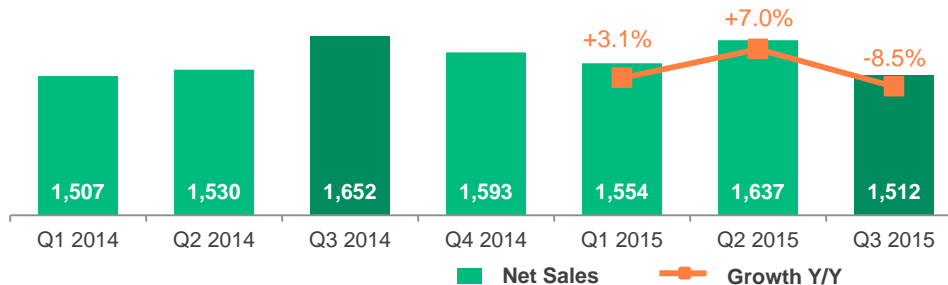
Results of PUR Segment



Polyurethanes – Volatile development

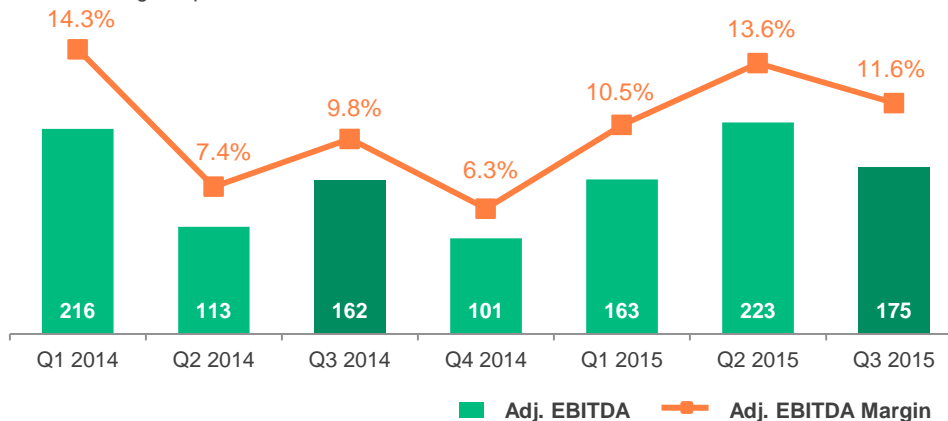
Net Sales and Growth

in € million / changes Y/Y



Adjusted EBITDA and Margin

in € million / margin in percent



Q3 2015 Highlights

- Core volumes (kt) down 2.8% Y/Y
- Sales effects Y/Y: volumes -2.2%, prices -12.1%, FX +5.8%

MDI:

- Volumes flat despite weak development in Asia
- Earnings flat Y/Y but down Q/Q

TDI:

- Volumes down driven by de-stocking in Asia
- Earnings down Y/Y and Q/Q due to global overcapacities

Polyols:

- Volumes down due to competitive pressure in Asia and Europe
- Earnings above mid-cycle levels due to strong contribution from styrene

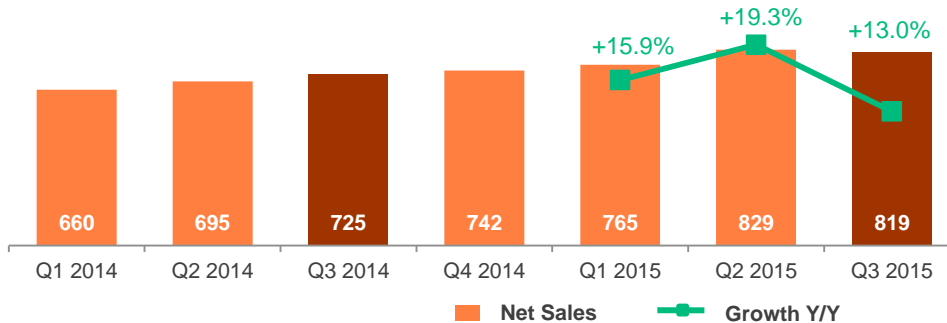
Results of PCS Segment



Polycarbonates – Positive momentum continues

Net Sales and Growth

in € million / changes Y/Y

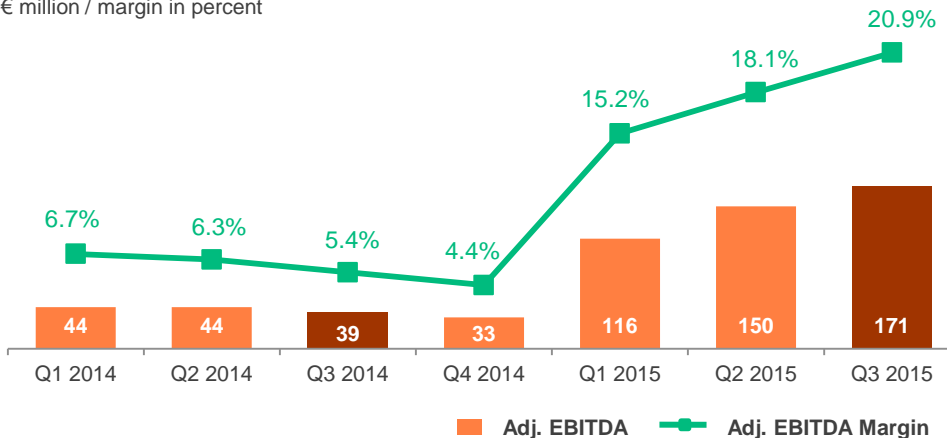


Q3 2015 Highlights

- Core volumes (kt) up 5.5% Y/Y
- Sales effects Y/Y: volumes +4.1%, prices -0.8%, FX +9.7%
- Strong volume growth in Europe and US, both regions strong in automotive and construction, APAC down due to lower optical media and BPA sales
- Significant margin increases Y/Y and Q/Q on the back of almost stable sales prices (EMLA up, NAFTA and APAC down) while raw material costs dropped significantly

Adjusted EBITDA and Margin

in € million / margin in percent



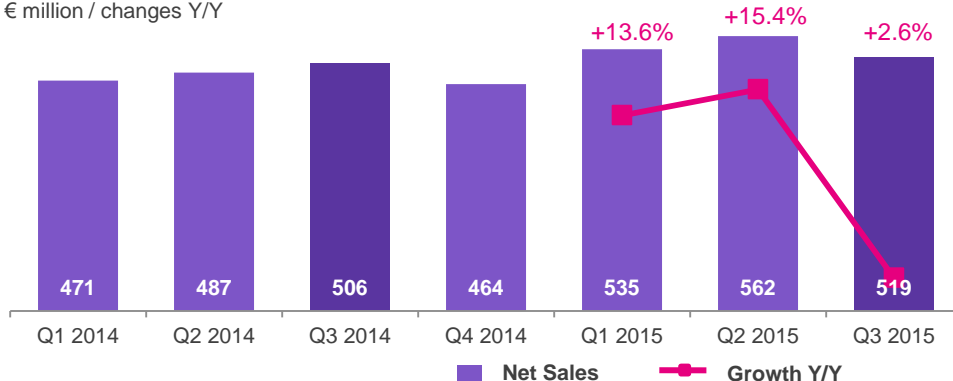
Results of CAS Segment



Coatings, Adhesives, Specialties – Record margin

Net Sales and Growth

in € million / changes Y/Y

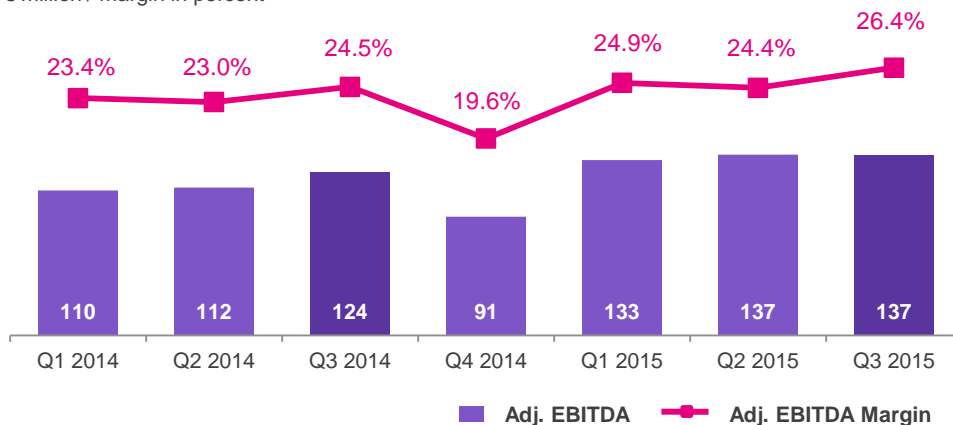


Q3 2015 Highlights

- Core volumes (kt) down 2.3% Y/Y
- Sales effects Y/Y: volumes -2.5%, prices -1.4%, FX +6.5%
- Volume decline mainly driven by de-stocking in Asia, EMLA flat and NAFTA slightly up
- Slightly lower selling prices were more than compensated by lower raw material prices
- Adj. EBITDA margin at record level of 26.4%

Adjusted EBITDA and Margin

in € million / margin in percent



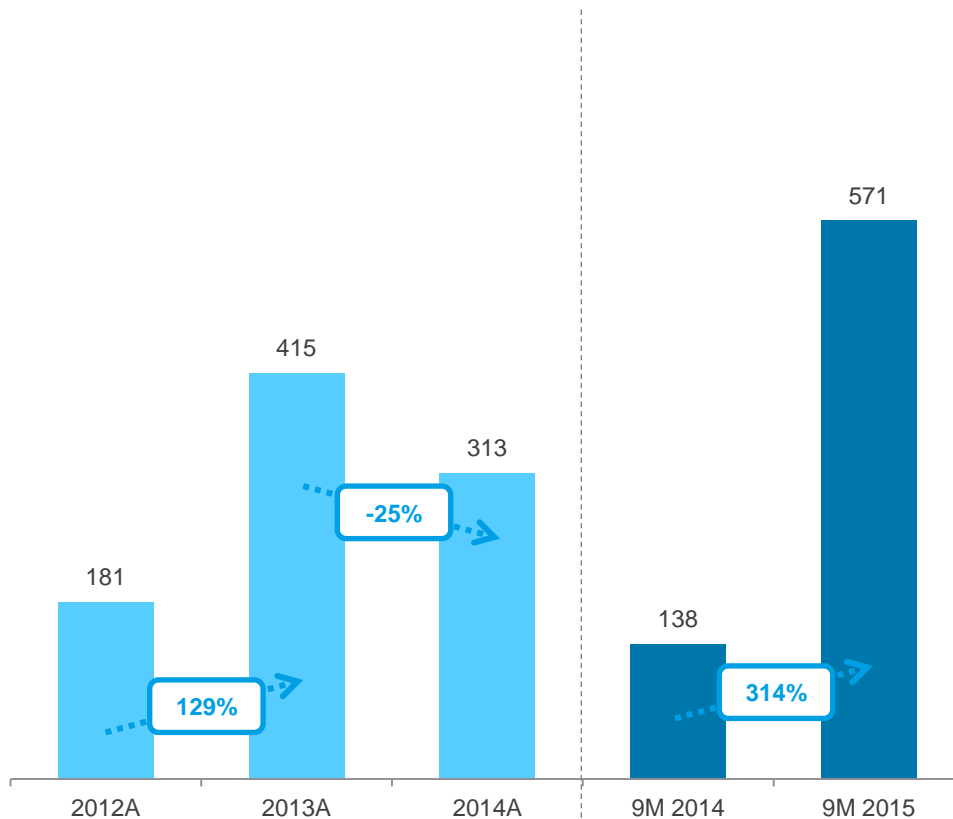
9M 2015 – Free Operating Cash Flow



On track for a record FOCF

Free Operating Cash Flow

in € million



9M 2015 Highlights

Strong performance in 9M 2015

- Driven by strong EBITDA
- Working capital increased mainly due to planned maintenance shut down in China
- Capex of €352m significantly below D&A of €527m

Outlook 2015

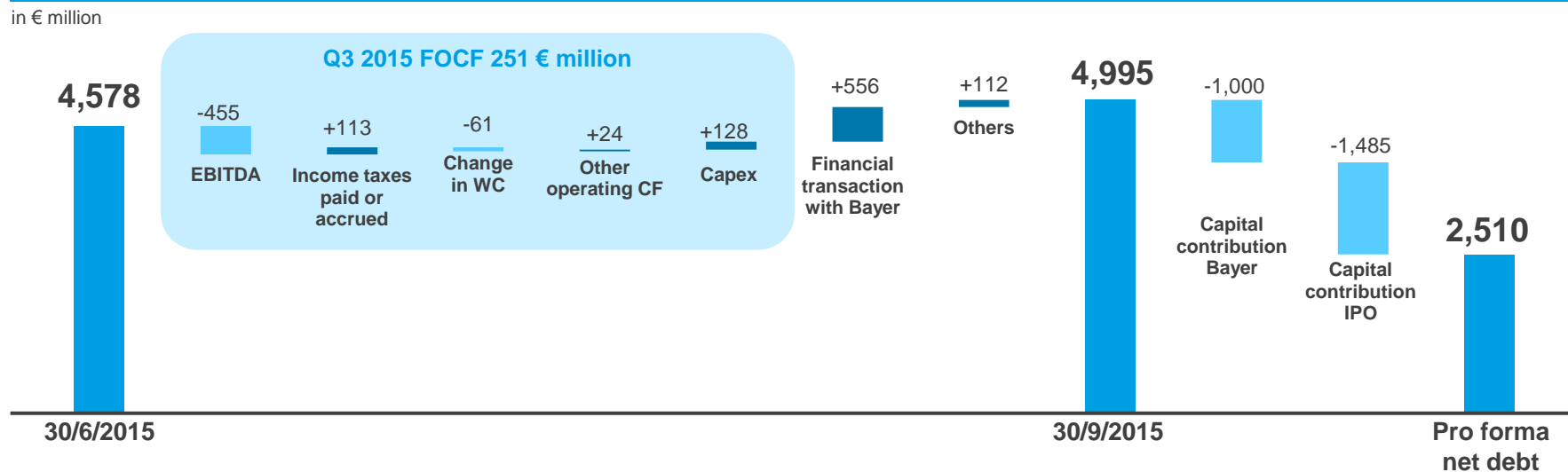
- Working capital expected to improve end of Q4 vs. end of Q3 2015
- 2015 Capex expected to peak in Q4
- Overall, strong FOCF expected to continue in Q4 2015

9M 2015 – Net Financial Debt



Baa2 rating (Moody's) with stable outlook

Net Financial Debt Development



Highlights

Pro forma net debt (incl. pension) of c. €4bn

- Pro forma net debt €2.5bn (beginning of Oct 2015) plus pension provision of €1,562m (end of Q3 2015)

Stable net debt assumed for year end 2015

- Strong FOCF assumed for Q4 2015
- One-off cash payments expected in Q4 2015

We target to end up at the lower end of the range of 2.5x-3.0x net debt to adj. EBITDA for FY 2015

Guidance

On track to deliver



	FY 2014	Guidance FY 2015 vs. FY 2014	9M 2015
Core Volume Growth*			
Group*	4.8%	Low-single-digit increase Y/Y	2.5%
PUR*	3.9%	Slight increase Y/Y	0.8%
PCS*	9.0%	Mid-single-digit increase Y/Y	6.7%
CAS*	1.3%	Low-single-digit increase Y/Y	3.5%
Adj. EBITDA			
Group FY 2015	1,161	Significant increase Y/Y	1,385
Group Q4 2015 (basis Q3 2014)	210	Increase Y/Y	n/m
PUR	592	Increase Y/Y	561
PCS	160	At least triple Y/Y	437
CAS	437	Increase Y/Y	407
Additional Indications			
Adj. D&A	600	Slightly below €700m	502
Special items in EBITDA	-39	More than €-200m	-98
Special items in D&A	-5	Around minus €20-30m	-25
Tax rate	27.3%	Around 30% (slightly higher cash tax rate)	29.8%
Capex	612	Around €550m	352

*Guidance for core volume growth compares growth expectations for 2015 vs. absolute volumes achieved in 2014

Q3 2015 - Summary



Covestro fully on track

Solid organic growth in a focused portfolio
despite a challenging market environment

Strong earnings and cash flow generation
driven by a favorable demand/supply balance and supported by focus on profitability

Robust financial profile
with an investment grade rating (Baa2 from Moody's)

Attractive dividend policy
with a planned dividend payment of around €100-150m already for the stub year 2015

Confirmed financial outlook
with Covestro performance fully on track for 2015E targets

Upcoming IR Events



Find more information on investor.covestro.com

Roadshows

- **November 18, 2015:** Dublin
- **November 19, 2015:** Edinburgh
- **November 24-25, 2015:** Frankfurt

Reporting Dates

- **February 23, 2016***: Q4 2015 Annual Report
- **April 25, 2016***: Q1 2016 Interim Report

*Dates preliminary

Broker Conferences

- **December 1-2, 2015:** BoAML European Chemical Conference, London
- **January 11-13, 2016:** Commerzbank, German Investment Seminar (GIS) 2016, New York
- **January 18-20, 2016:** Uni Credit & Kepler Cheuvreux, German Corporate Conference 2016, Frankfurt

Annual Dates

- **May 3, 2016:** Annual Stockholders' Meeting
- **May 4, 2016:** Planned Dividend Payment Day

