

KEY DATA

COVESTRO GROUP

	2018 ¹	2019	Change
	€ million	€ million	%
Core volume growth^{2, 3}	+1.5%	+2.0%	
Sales	14,616	12,412	-15.1
Change in sales			
Volume	+2.3%	+0.8%	
Price	+4.5%	-17.3%	
Currency	-3.0%	+1.9%	
Portfolio	-0.4%	-0.5%	
Sales by region			
EMLA ⁴	6,284	5,289	-15.8
NAFTA ⁵	3,469	3,141	-9.5
APAC ⁶	4,863	3,982	-18.1
EBITDA⁷	3,200	1,604	-49.9
Changes in EBITDA			
of which volume	+6.3%	+2.3%	
of which price	+18.7%	-79.2%	
of which raw material price effect	-16.8%	+15.1%	
of which currency	-2.9%	+1.3%	
EBIT ⁸	2,580	852	-67.0
Financial result	(104)	(91)	-12.5
Net income ⁹	1,823	552	-69.7
Earnings per share (€) ¹⁰	9.46	3.02	-68.1
Operating cash flows ¹¹	2,376	1,383	-41.8
Cash outflows for additions to property, plant, equipment and intangible assets	707	910	+28.7
Free operating cash flow¹²	1,669	473	-71.7
Net financial debt ^{13, 14}	348	989	>100
ROCE¹⁵	+29.5%	+8.4%	
Employees (in FTE) ^{14, 16}	16,770	17,201	+2.6

¹ Reference information was not restated, see Note 2.1 "Financial Reporting Standards Applied for the First Time in the Reporting Period."

² Core volume growth refers to the core products in the Polyurethanes, Polycarbonates and Coatings, Adhesives, Specialties segments. It is calculated as the percentage change in externally sold volumes in thousand tons compared with the prior year. Covestro also takes advantage of business opportunities outside its core business, for example the sale of precursors and by-products such as hydrochloric acid, sodium hydroxide solution and styrene. These transactions are not included in core volume growth.

³ Reference values calculated based on the definition of the core business effective March 31, 2019

⁴ EMLA: Europe, Middle East, Africa and Latin America (excl. Mexico) region

⁵ NAFTA: United States, Canada and Mexico region

⁶ APAC: Asia and Pacific region

⁷ EBITDA: EBIT plus depreciation and amortization

⁸ EBIT: income after income taxes plus financial result and income taxes

⁹ Net income: income after income taxes attributable to the stockholders of Covestro AG

¹⁰ Earnings per share: according to IAS 33, earnings per share comprise net income divided by the weighted average number of outstanding no-par voting shares of Covestro AG. The calculation was based on 182,728,724 no-par shares (previous year: 192,768,826 no-par shares).

¹¹ Operating cash flows: cash flows from operating activities according to IAS 7

¹² Free operating cash flow: operating cash flows less cash outflows for additions to property, plant, equipment and intangible assets

¹³ Excluding obligations for pensions and other post-employment benefits

¹⁴ As of December 31, 2019 compared with December 31, 2018

¹⁵ ROCE: The return on capital employed is calculated as the ratio of adjusted operating result (EBIT) after imputed income taxes to capital employed. The capital employed is the capital used by the company. It is the sum of noncurrent and current assets less noninterest-bearing liabilities such as trade accounts payable.

¹⁶ Employees calculated as full-time equivalents (FTE)

Segment and Quarterly Overview

Segment information 4th quarter¹

	Polyurethanes		Polycarbonates		Coatings, Adhesives, Specialties		Others/consolidation		Covestro Group	
	4th quarter 2018	4th quarter 2019	4th quarter 2018	4th quarter 2019	4th quarter 2018	4th quarter 2019	4th quarter 2018	4th quarter 2019	4th quarter 2018	4th quarter 2019
	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million
Sales	1,597	1,336	924	814	534	533	217	181	3,272	2,864
Change in sales										
Volume	+2.5%	-0.2%	+4.2%	0.0%	+0.3%	+0.1%	+7.1%	-9.4%	+2.9%	-0.7%
Price	-17.6%	-16.9%	-2.3%	-13.5%	0.0%	-4.2%	+14.0%	-7.9%	-9.3%	-13.3%
Currency	+0.2%	+1.5%	+0.3%	+1.6%	+0.6%	+1.9%	+0.8%	+0.7%	+0.3%	+1.5%
Portfolio	0.0%	-0.7%	-3.8%	0.0%	0.0%	+2.0%	0.0%	0.0%	-1.0%	0.0%
Core volume growth²	+2.4%	+3.6%	+1.6%	+3.5%	-2.2%	+6.2%			+1.7%	+3.8%
Sales by region										
EMLA	678	546	301	270	240	224	168	139	1,387	1,179
NAFTA	474	394	200	160	129	129	45	36	848	719
APAC	445	396	423	384	165	180	4	6	1,037	966
EBITDA	111	123	133	95	63	62	(14)	(2)	293	278
EBIT	27	24	88	39	39	32	(14)	(2)	140	93
Depreciation, amortization, impairment losses and impairment loss reversals	84	99	45	56	24	30	-	-	153	185
Operating cash flows	393	282	235	204	107	170	(94)	(19)	641	637
Cash outflows for additions to property, plant, equipment and intangible assets	171	168	70	84	36	55	1	-	278	307
Free operating cash flow	222	114	165	120	71	115	(95)	(19)	363	330
Working capital ³	1,018	860	769	562	500	485	75	63	2,362	1,970

¹ Reference information was not restated, see note 2.1 "Financial reporting standards applied for the first time in the reporting period."

² Reference values calculated based on the definition of the core business effective March 31, 2019

³ Working capital includes inventories plus trade receivables less trade payables as of December 31 of the year concerned.

Segment information full year¹

	Polyurethanes		Polycarbonates		Coatings, Adhesives, Specialties		Others/consolidation		Covestro Group	
	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019
	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million
Sales	7,362	5,779	4,051	3,473	2,361	2,369	842	791	14,616	12,412
Change in sales										
Volume	+0.9%	+1.5%	+3.8%	+2.4%	+3.5%	-2.1%	+5.6%	-5.4%	+2.3%	+0.8%
Price	+1.9%	-24.7%	+9.7%	-16.5%	+0.6%	-1.1%	+18.1%	-1.9%	+4.5%	-17.3%
Currency	-3.1%	+1.8%	-3.4%	+2.0%	-2.6%	+2.3%	-1.3%	+1.2%	-3.0%	+1.9%
Portfolio	0.0%	-0.1%	-1.7%	-2.2%	0.0%	+1.2%	0.0%	0.0%	-0.4%	-0.5%
Core volume growth²	+0.8%	+2.3%	+3.0%	+2.7%	+2.3%	-1.0%			+1.5%	+2.0%
Sales by region										
EMLA	3,182	2,487	1,347	1,146	1,117	1,052	638	604	6,284	5,289
NAFTA	1,947	1,680	817	734	519	562	186	165	3,469	3,141
APAC	2,233	1,612	1,887	1,593	725	755	18	22	4,863	3,982
EBITDA	1,763	648	1,036	536	464	469	(63)	(49)	3,200	1,604
EBIT	1,412	250	861	300	371	352	(64)	(50)	2,580	852
Depreciation, amortization, impairment losses and impairment loss reversals	351	398	175	236	93	117	1	1	620	752
Operating cash flows	1,386	575	654	613	309	349	27	(154)	2,376	1,383
Cash outflows for additions to property, plant, equipment and intangible assets	414	543	186	209	106	158	1	-	707	910
Free operating cash flow	972	32	468	404	203	191	26	(154)	1,669	473
Working capital ³	1,018	860	769	562	500	485	75	63	2,362	1,970

¹ Reference information was not restated, see note 2.1 "Financial reporting standards applied for the first time in the reporting period."

² Reference values calculated based on the definition of the core business effective March 31, 2019

³ Working capital includes inventories plus trade receivables less trade payables as of December 31 of the year concerned.

Quarterly overview¹

	1st quarter 2018	2nd quarter 2018	3rd quarter 2018	4th quarter 2018	1st quarter 2019	2nd quarter 2019	3rd quarter 2019	4th quarter 2019
	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million
Sales	3,779	3,863	3,702	3,272	3,175	3,211	3,162	2,864
Polyurethanes	1,950	1,966	1,849	1,597	1,476	1,489	1,478	1,336
Polycarbonates	1,033	1,056	1,038	924	860	898	901	814
Coatings, Adhesives, Specialties	592	629	606	534	627	621	588	533
Core volume growth²	0.0%	+4.4%	+0.2%	+1.7%	-1.8%	+1.1%	+5.3%	+3.8%
EBITDA	1,063	985	859	293	442	459	425	278
Polyurethanes	637	583	432	111	157	172	196	123
Polycarbonates	303	285	315	133	155	154	132	95
Coatings, Adhesives, Specialties	136	139	126	63	146	150	111	62
EBIT	907	826	707	140	264	274	221	93
Polyurethanes	547	492	346	27	57	72	97	24
Polycarbonates	260	241	272	88	105	99	57	39
Coatings, Adhesives, Specialties	113	116	103	39	118	120	82	32
Financial result	(28)	(27)	(25)	(24)	(23)	(23)	(19)	(26)
Income before income taxes	879	799	682	116	241	251	202	67
Income after taxes	646	606	497	80	180	190	149	38
Net income	644	604	496	79	179	189	147	37
Operating cash flows	452	517	766	641	120	164	462	637
Cash outflows for additions to property, plant, equipment and intangible assets	88	153	188	278	165	219	219	307
Free operating cash flow	364	364	578	363	(45)	(55)	243	330

¹ Reference information was not restated, see note 2.1 "Financial reporting standards applied for the first time in the reporting period."

² Reference values calculated based on the definition of the core business effective March 31, 2019

Five-Year Summary

Five-Year summary

	2015	2016	2017	2018	2019
	€ million	€ million	€ million	€ million	€ million
Core volume growth¹	+2.7%	+7.5%	+3.4%	+1.5%	+2.0%
Sales	12,082	11,904	14,138	14,616	12,412
Polyurethanes	6,088	5,927	7,660	7,362	5,779
Polycarbonates	3,172	3,298	3,737	4,051	3,473
Coatings, Adhesives, Specialties	2,093	2,040	2,053	2,361	2,369
EBITDA	1,419	2,014	3,435	3,200	1,604
EBIT	680	1,331	2,808	2,580	852
Financial result	(175)	(196)	(150)	(104)	(91)
Net income	343	795	2,009	1,823	552
Earnings per share (€) ²	2.21	3.93	9.93	9.46	3.02
Operating cash flows	1,473	1,786	2,361	2,376	1,383
Cash outflows for additions to property, plant, equipment and intangible assets	509	419	518	707	910
Free operating cash flow	964	1,367	1,843	1,669	473
Working capital ³	1,866	1,859	2,177	2,362	1,970
Net financial debt	2,211	1,499	283	348	989
ROCE	+9.5%	+14.2%	+33.4%	+29.5%	+8.4%
Employees (in FTE)	15,761	15,579	16,176	16,770	17,201

¹ Values calculated based on the definition of the core business effective March 31 of the respective subsequent year.

² Figures based on weighted average number of voting shares outstanding that were subject to relevant changes resulting from, among other factors, the IPO on October 6, 2015 and the share buyback program of November 21, 2017, through December 4, 2018.

³ Working capital includes inventories plus trade receivables less trade payables as of December 31 of the year concerned.