

Key Data Covestro Group

	2017	2018	Change
	in Mio. €	in Mio. €	in %
Core volume growth^{1, 2}	+3.4%	+1.6%	
Sales	14,138	14,616	+3.4
Change in sales			
Volume	+4.3%	+2.3%	
Price	+16.1%	+4.5%	
Currency	-1.6%	-3.0%	
Portfolio	0.0%	-0.4%	
Sales by region			
EMLA ³	5,997	6,284	+4.8
NAFTA ⁴	3,398	3,469	+2.1
APAC ⁵	4,743	4,863	+2.5
EBITDA^{6, 7}	3,435	3,200	-6.8
Changes in EBITDA			
of which volume	+11.5%	+6.3%	
of which price	+95.4%	+18.7%	
of which raw material costs	-33.6%	-16.8%	
of which currency	-3.0%	-2.9%	
EBIT^{8, 9}	2,808	2,580	-8.1
Financial result	(150)	(104)	-30.7
Net income¹⁰	2,009	1,823	-9.3
Operating cash flows¹¹	2,361	2,376	+0.6
Cash outflows for additions to property, plant, equipment and intangible assets	518	707	+36.5
Free operating cash flow¹²	1,843	1,669	-9.4
Net financial debt^{13, 14}	283	348	+23.0
ROCE¹⁵	+33.4%	+29.5%	
Employees (in FTE)^{14, 16}	16,176	16,770	+3.7

¹ 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.

² Reference values calculated based on the definition of the core business effective March 31, 2018

³ EMLA: Europe, Middle East, Africa and Latin America (excl. Mexico) region

⁴ NAFTA: United States, Canada and Mexico region

⁵ APAC: Asia and Pacific region

⁶ EBITDA: EBIT plus depreciation and amortization

⁷ Adjusted EBITDA is not reported because no income or expense items were recognized as special items either in the reporting period or in the corresponding prior-year period.

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

⁹ Adjusted EBIT is not reported because no income or expense items were recognized as special items either in the reporting period or in the corresponding prior-year period.

¹⁰ Net income: income after income taxes attributable to the stockholders of Covestro AG

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, 2018 compared with December 31, 2017

¹⁵ ROCE: The return on capital employed is calculated as the ratio of adjusted operating result after 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 Quarter

	Polyurethanes ¹		Polycarbonates		Coatings, Adhesives, Specialties ¹		Others/Consolidation		Covestro Group	
	4th quarter 2017	4th quarter 2018	4th quarter 2017	4th quarter 2018	4th quarter 2017	4th quarter 2018	4th quarter 2017	4th quarter 2018	4th quarter 2017	4th quarter 2018
	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million
Sales	1,876	1,597	939	924	529	534	178	217	3,522	3,272
Change in sales										
Volume	+6.9%	+2.5%	+5.2%	+4.2%	-2.1%	+0.3%	+3.8%	+7.1%	+4.6%	+2.9%
Price	+26.2%	-17.6%	+13.1%	-2.3%	+3.1%	0.0%	+7.6%	+14.0%	+17.4%	-9.3%
Currency	-5.8%	+0.2%	-5.6%	+0.3%	-4.3%	+0.6%	-2.2%	+0.8%	-5.3%	+0.3%
Portfolio	0.0%	0.0%	0.0%	-3.8%	0.0%	0.0%	0.0%	0.0%	0.0%	-1.0%
Core volume growth²	+5.3%	+2.3%	+3.7%	+1.6%	-1.0%	-1.8%			+4.2%	+1.7%
Sales by region										
EMLA	787	678	315	301	241	240	132	168	1,475	1,387
NAFTA	442	474	206	200	111	129	42	45	801	848
APAC	647	445	418	423	177	165	4	4	1,246	1,037
EBITDA	612	111	213	133	80	63	(26)	(14)	879	293
EBIT	529	27	169	88	56	39	(26)	(14)	728	140
Depreciation, amortization, impairment losses and impairment loss reversals	83	84	44	45	24	24	-	-	151	153
Operating cash flows	595	393	245	235	142	107	(92)	(94)	890	641
Cash outflows for additions to property, plant, equipment and intangible assets	126	171	74	70	37	36	(2)	1	235	278
Free operating cash flow	469	222	171	165	105	71	(90)	(95)	655	363

¹ All prior-year figures have been adjusted to reflect the transfer of the specialty elastomers business from the Polyurethanes segment to the Coatings, Adhesives, Specialties segment as of January 1, 2018.

² Reference values calculated based on the definition of the core business effective March 31, 2018

Segment Information Full Year

	Polyurethanes ¹		Polycarbonates		Coatings, Adhesives, Specialties ¹		Others/Consolidation		Covestro Group	
	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018
	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million
Sales	7,386	7,362	3,737	4,051	2,327	2,361	688	842	14,138	14,616
Change in sales										
Volume	+3.5%	+0.9%	+7.1%	+3.8%	+1.8%	+3.5%	+4.1%	+5.6%	+4.3%	+2.3%
Price	+28.2%	+1.9%	+8.0%	+9.7%	+1.3%	+0.6%	+4.2%	+18.1%	+16.1%	+4.5%
Currency	-1.8%	-3.1%	-1.8%	-3.4%	-1.1%	-2.6%	-0.6%	-1.3%	-1.6%	-3.0%
Portfolio	0.0%	0.0%	0.0%	-1.7%	0.0%	0.0%	0.0%	0.0%	0.0%	-0.4%
Core volume growth²	+3.1%	+0.8%	+5.0%	+3.0%	+1.5%	+2.5%			+3.4%	+1.6%
Sales by region										
EMLA	3,147	3,182	1,241	1,347	1,085	1,117	524	638	5,997	6,284
NAFTA	1,868	1,947	874	817	510	519	146	186	3,398	3,469
APAC	2,371	2,233	1,622	1,887	732	725	18	18	4,743	4,863
EBITDA	2,179	1,763	853	1,036	486	464	(83)	(63)	3,435	3,200
EBIT	1,826	1,412	672	861	396	371	(86)	(64)	2,808	2,580
Depreciation, amortization, impairment losses and impairment loss reversals										
	353	351	181	175	90	93	3	1	627	620
Operating cash flows	1,352	1,386	476	654	336	309	197	27	2,361	2,376
Cash outflows for additions to property, plant, equipment and intangible assets										
	276	414	155	186	87	106	–	1	518	707
Free operating cash flow	1,076	972	321	468	249	203	197	26	1,843	1,669

¹ All prior-year figures have been adjusted to reflect the transfer of the specialty elastomers business from the Polyurethanes segment to the Coatings, Adhesives, Specialties segment as of January 1, 2018.

² Reference values calculated based on the definition of the core business effective March 31, 2018

Quarterly Overview

	1st quarter 2017	2nd quarter 2017	3rd quarter 2017	4th quarter 2017	1st quarter 2018	2nd quarter 2018	3rd quarter 2018	4th quarter 2018
	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million
Sales	3,586	3,498	3,532	3,522	3,779	3,863	3,702	3,272
Polyurethanes ¹	1,821	1,818	1,871	1,876	1,950	1,966	1,849	1,597
Polycarbonates	954	911	933	939	1,033	1,056	1,038	924
Coatings, Adhesives, Specialties ¹	637	604	557	529	592	629	606	534
Core volume growth²	+8.9%	-1.7%	+2.6%	+4.2%	0.0%	+4.4%	+0.2%	+1.7%
EBITDA	846	848	862	879	1,063	985	859	293
Polyurethanes ¹	468	549	550	612	637	583	432	111
Polycarbonates	232	197	211	213	303	285	315	133
Coatings, Adhesives, Specialties ¹	160	121	125	80	136	139	126	63
EBIT	688	687	705	728	907	826	707	140
Polyurethanes ¹	383	454	460	529	547	492	346	27
Polycarbonates	184	152	167	169	260	241	272	88
Coatings, Adhesives, Specialties ¹	136	101	103	56	113	116	103	39
Financial result	(54)	(34)	(35)	(27)	(28)	(27)	(25)	(24)
Income before income taxes	634	653	670	701	879	799	682	116
Income after taxes	469	486	493	569	646	606	497	80
Net income	468	484	491	566	644	604	496	79
Operating cash flows	285	411	775	890	452	517	766	641
Cash outflows for additions to property, plant, equipment and intangible assets	74	92	117	235	88	153	188	278
Free operating cash flow	211	319	658	655	364	364	578	363

¹ All prior-year figures have been adjusted to reflect the transfer of the specialty elastomers business from the Polyurethanes segment to the Coatings, Adhesives, Specialties segment as of January 1, 2018.

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