Covestro Group Consolidated Income Statement

	1st quarter 2021	1st quarter 2022
	€ million	€ million
Sales	**3,307**	**4,683**
Cost of goods sold	(2,261)	(3,497)
Gross profit	**1,046**	**1,186**
Selling expenses	(313)	(388)
Research and development expenses	(73)	(94)
General administration expenses	(98)	(93)
Other operating income	12	18
Other operating expenses	(18)	(40)
EBIT[1]	**556**	**589**
Equity-method loss	(3)	(4)
Result from other affiliated companies	1	–
Interest income	6	15
Interest expense	(19)	(23)
Other financial result	(14)	(16)
Financial result	**(29)**	**(28)**
Income before income taxes	**527**	**561**
Income taxes	(132)	(144)
Income after income taxes	**395**	**417**
of which attributable to noncontrolling interest	2	1
of which attributable to Covestro AG shareholders (net income)	393	416
	€	€
Basic earnings per share[2]	**2.03**	**2.15**
Diluted earnings per share[2]	**2.03**	**2.15**

[1] Earnings before interest and taxes (EBIT): income after income taxes plus financial result and income taxes.
[2] Earnings per share: According to IAS 33 (Earnings per Share), earnings per share comprise net income divided by the weighted average number of outstanding no-par voting shares of Covestro AG. The calculation for the first quarter of 2022 was based on 193,143,311 no-par shares (previous year: 193,160,544 no-par shares).

Covestro Group Consolidated Statement of Comprehensive Income

	1st quarter 2021	1st quarter 2022
	€ million	€ million
Income after income taxes	**395**	**417**
Remeasurements of the net defined benefit liability for post-employment benefit plans	371	375
Income taxes	(108)	(107)
Other comprehensive income from remeasurements of the net defined benefit liability for post-employment benefit plans	**263**	**268**
Changes in fair values of equity instruments	–	(1)
Income taxes	–	–
Other comprehensive income from equity instruments	**–**	**(1)**
Other comprehensive income that will not be reclassified subsequently to profit or loss	**263**	**267**
Exchange differences of foreign operations	130	106
Reclassified to profit or loss	–	–
Other comprehensive income from exchange differences	**130**	**106**
Other comprehensive income that may be reclassified subsequently to profit or loss	**130**	**106**
Total other comprehensive income	**393**	**373**
of which attributable to noncontrolling interest	–	(1)
of which attributable to Covestro AG shareholders	393	374
Total comprehensive income	**788**	**790**
of which attributable to noncontrolling interest	2	–
of which attributable to Covestro AG shareholders	786	790

Covestro Group Consolidated Statement of Financial Position

	Mar. 31, 2021	Mar. 31, 2022	Dec. 31, 2021
	€ million	€ million	€ million
Noncurrent assets			
Goodwill	258	759	757
Other intangible assets	109	697	706
Property, plant and equipment	5,234	6,036	6,032
Investments accounted for using the equity method	173	174	172
Other financial assets	32	47	49
Other receivables	72	84	76
Deferred taxes	797	744	818
	6,675	**8,541**	**8,610**
Current assets			
Inventories	1,928	3,258	2,914
Trade accounts receivable	1,880	2,685	2,343
Other financial assets	733	469	493
Other receivables	308	412	434
Claims for income tax refunds	54	128	128
Cash and cash equivalents	2,106	623	649
Assets held for sale	42	–	–
	7,051	**7,575**	**6,961**
Total assets	**13,726**	**16,116**	**15,571**
Equity			
Capital stock of Covestro AG	193	192	193
Capital reserves of Covestro AG	3,925	3,880	3,927
Other reserves	2,275	4,372	3,576
Equity attributable to Covestro AG shareholders	**6,393**	**8,444**	**7,696**
Equity attributable to noncontrolling interest	39	55	66
	6,432	**8,499**	**7,762**
Noncurrent liabilities			
Provisions for pensions and other post-employment benefits	1,775	835	1,199
Other provisions	313	241	223
Financial liabilities	2,288	2,327	2,349
Income tax liabilities	92	98	98
Other liabilities	31	31	34
Deferred taxes	168	291	300
	4,667	**3,823**	**4,203**
Current liabilities			
Other provisions	201	713	637
Financial liabilities	638	226	192
Trade accounts payable	1,407	2,226	2,214
Income tax liabilities	146	329	239
Other liabilities	223	300	324
Liabilities directly related to assets held for sale	12	–	–
	2,627	**3,794**	**3,606**
Total equity and liabilities	**13,726**	**16,116**	**15,571**

Covestro Group Consolidated Statement of Cash Flows

	1st quarter 2021	1st quarter 2022
	€ million	€ million
Income after income taxes	395	417
Income taxes	132	144
Financial result	29	28
Income taxes paid	(50)	(98)
Depreciation, amortization and impairment losses and impairment loss reversals	187	217
Change in pension provisions	9	2
Decrease/(increase) in inventories	(230)	(310)
Decrease/(increase) in trade accounts receivable	(255)	(312)
(Decrease)/increase in trade accounts payable	139	(5)
Changes in other working capital, other noncash items	72	74
Cash flows from operating activities	**428**	**157**
Cash outflows for additions to property, plant, equipment and intangible assets	(110)	(140)
Cash inflows from sales of property, plant, equipment and other assets	–	1
Cash inflows from divestments less divested cash	–	1
Cash outflows for noncurrent financial assets	–	(2)
Cash inflows from noncurrent financial assets	–	1
Interest and dividends received	6	14
Cash inflows from other current financial assets	431	46
Cash flows from investing activities	**327**	**(79)**
Reacquisition of treasury shares	–	(48)
Issuances of debt	1	14
Retirements of debt	(35)	(38)
Interest paid	(20)	(29)
Cash outflows for the purchase of additional interests in subsidiaries	–	(4)
Cash flows from financing activities	**(54)**	**(105)**
Change in cash and cash equivalents due to business activities	**701**	**(27)**
Cash and cash equivalents at beginning of period	**1,404**	**649**
Change in cash and cash equivalents due to exchange rate movements	1	1
Cash and cash equivalents at end of period	**2,106**	**623**

Employees and Pension Obligations

As of March 31, 2022, Covestro had 18,023 employees worldwide (December 31, 2021: 17,909). Personnel expenses were up by €19 million from the prior-year quarter to €572 million in the first quarter of 2022 (previous year: €553 million). This was mainly due to the higher headcount as a result of the acquisition of the Resins & Functional Materials (RFM) business from Koninklijke DSM N.V., Heerlen (Netherlands), on April 1, 2021.

Employees by division[1]

	Dec. 31, 2021	Mar. 31, 2022
Production	11,618	11,732
Marketing and distribution	3,254	3,215
Research and development	1,477	1,543
General administration	1,560	1,533
Total	**17,909**	**18,023**

[1] The number of employees on either permanent or temporary contracts is stated in full-time equivalents (FTE). Part-time employees are included on a pro-rated basis in line with their contractual working hours. Employees in vocational training are not included.

Provisions for pensions and other post-employment benefits decreased to €835 million as of March 31, 2022 (December 31, 2021: €1,199 million). In particular, this was attributable to a higher discount rate in Germany and the United States.

Discount rate for pension obligations

	Dec. 31, 2021	Mar. 31, 2022
	%	%
Germany	1.20	1.90
United States	2.60	3.40

Exchange Rates

In the reporting period, the following exchange rates were used for the major currencies of relevance to the Covestro Group:

Closing rates for major currencies

		Closing rates		
€1/		Mar. 31, 2021	Dec. 31, 2021	Mar. 31, 2022
BRL	Brazil	6.74	6.31	5.30
CNY	China	7.69	7.20	7.05
HKD	Hong Kong[1]	9.12	8.83	8.69
INR	India	85.81	84.23	84.13
JPY	Japan	129.91	130.38	135.17
MXN	Mexico	24.05	23.14	22.09
USD	United States	1.17	1.13	1.11

Average rates for major currencies

		Average rates	
€1/		1st quarter 2021	1st quarter 2022
BRL	Brazil	6.59	5.86
CNY	China	7.81	7.13
HKD	Hong Kong[1]	9.35	8.76
INR	India	87.92	84.39
JPY	Japan	127.72	130.36
MXN	Mexico	24.52	23.00
USD	United States	1.21	1.12

[1] Special Administration Region (China)

Scope of Consolidation

Changes in the Scope of Consolidation

As of March 31, 2022, the scope of consolidation comprised Covestro AG and 66 (December 31, 2021: 66) consolidated companies and was therefore unchanged in the first quarter of 2022 compared to the end of fiscal 2021.

Acquisitions and Divestitures

Acquisitions

No reportable acquisitions were made in the first quarter of 2022.

There were no significant developments to report in the first quarter of 2022 regarding the acquisition of the Resins & Functional Materials (RFM) business from Koninklijke DSM N.V., Heerlen (Netherlands).

Divestitures

No reportable divestitures were made in the first quarter of 2022.