



NovaFlex SharkSkin
by BASF

BASF

We create chemistry

Creditor Story

May 2024

Cautionary note regarding forward-looking statements

This presentation contains forward-looking statements. These statements are based on current estimates and projections of the Board of Executive Directors and currently available information. Forward-looking statements are not guarantees of the future developments and results outlined therein. These are dependent on a number of factors; they involve various risks and uncertainties; and they are based on assumptions that may not prove to be accurate. Such risk factors include in particular those discussed in Opportunities and Risks on pages 173 to 183 of the BASF Report 2023. BASF does not assume any obligation to update the forward-looking statements contained in this presentation above and beyond the legal requirements.

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Pushing the transition to a sustainable economy

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Unique position to capture growth in Asia

6

Battery materials driving electromobility and growth

Unique position to deliver long-term value

Unique Verbund concept

- **6** Verbund sites globally
- **234** production sites worldwide in total
- **5.7 million metric tons** of CO₂ avoided globally in 2023

Industry-leading innovation platform

- **€2.1 billion** R&D expenses in 2023
- **~10,000** employees in R&D
- Sales of **>€10 billion** in 2023 with products launched during last 5 years

Strong and expanding local presence in fast growing Asian market

- **2** Verbund sites already; one additional Verbund site currently under construction
- **~70** production sites
- **€17.5 billion¹** sales in 2023

Creating value to society and contributing to a sustainable development

- CO₂ emission targets:
 - **25% reduction** of absolute **Scope 1 and 2 emissions** by 2030 (compared with 2018)
 - **15% reduction** of specific **Scope 3.1 emissions** by 2030 (compared with 2022)
- We aim to achieve **net zero CO₂ emissions²** by 2050

Progressive dividend policy

- Practice to **increase the dividend per share each year, or at least maintain it** at the previous year's level
- Dividend of **€3.40** per share for 2023

¹ Sales in Asia Pacific by location of customer. Only includes sales from BASF entities fully consolidated according to IFRS 10/11

² Scope 1, Scope 2 and Scope 3.1

The BASF Group's segments



Chemicals

The Chemicals segment supplies BASF's other segments and customers with basic chemicals and intermediates.

- Sales 2023: €10,369 million
- EBITDA before specials items 2023: €1,167 million



Materials

In the Materials segment, we produce advanced materials and their precursors for the plastics and plastics processing industries.

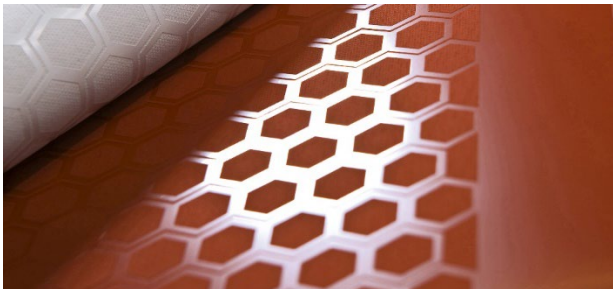
- Sales 2023: €14,149 million
- EBITDA before specials items 2023: €1,650 million



Industrial Solutions

The Industrial Solutions segment develops and markets ingredients and additives for industrial applications.

- Sales 2023: €8,010 million
- EBITDA before specials items 2023: €965 million



Surface Technologies

The Surface Technologies segment provides chemical solutions for surfaces and automotive OEM coatings, as well as battery materials and catalysts.

- Sales 2023: €16,204 million
- EBITDA before specials items 2023: €1,520 million



Nutrition & Care

The Nutrition & Care segment produces ingredients and solutions for consumer applications such as human and animal nutrition, and home and personal care.

- Sales 2023: €6,858 million
- EBITDA before specials items 2023: €565 million

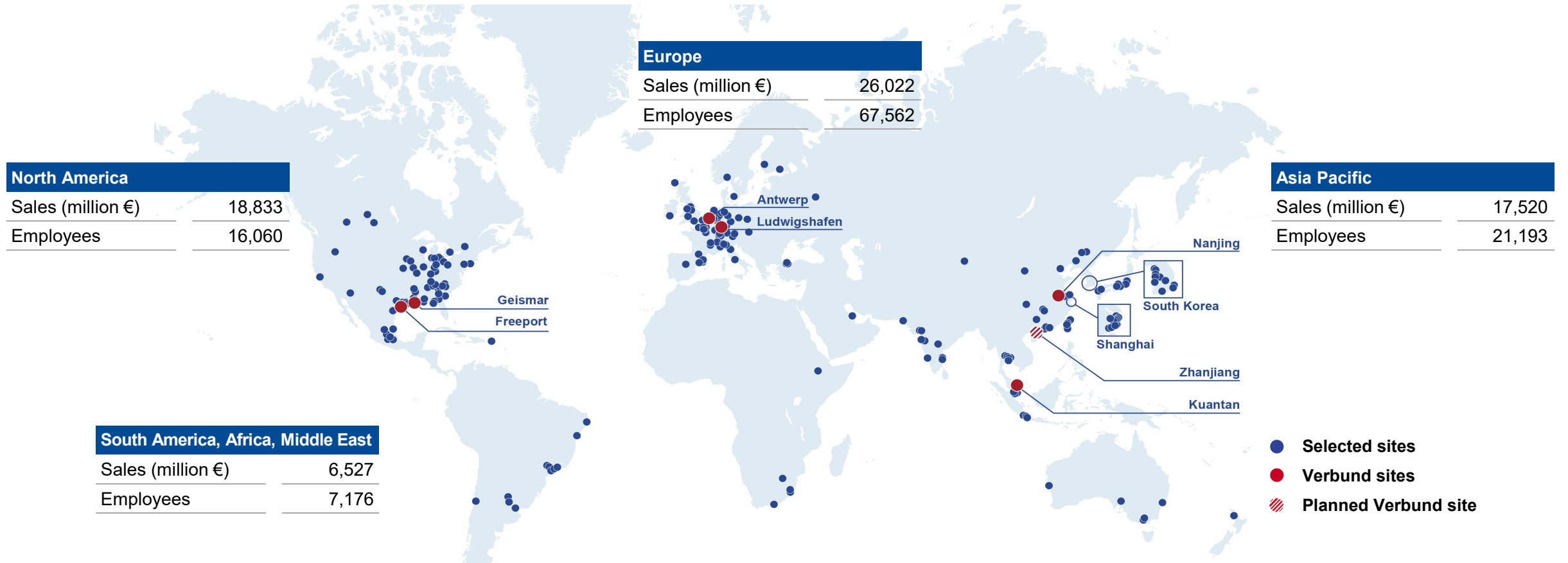


Agricultural Solutions

The Agricultural Solutions segment is an integrated provider of seeds, crop protection and digital solutions for the agricultural sector.

- Sales 2023: €10,092 million
- EBITDA before specials items 2023: €2,270 million

We operate close to our customers in all regions worldwide



BASF sales by industry 2023

Direct customers	> 20%	Chemicals and plastics Transportation (respectively)
	10–20%	Agriculture Consumer goods (respectively)
	< 10%	Construction Electronics Energy and resources Health and nutrition (respectively)



Priorities for the use of cash



- Capex budget of €6.2 billion for 2024
- Around €2 billion in R&D expenses per year



- Practice to increase the dividend per share each year, or at least maintain it at the previous year's level
- Strong balance sheet and high equity ratio¹ support dividend policy



- Strengthen portfolio through selective M&A opportunities while maintaining price discipline
- Focus the portfolio with continued pruning measures

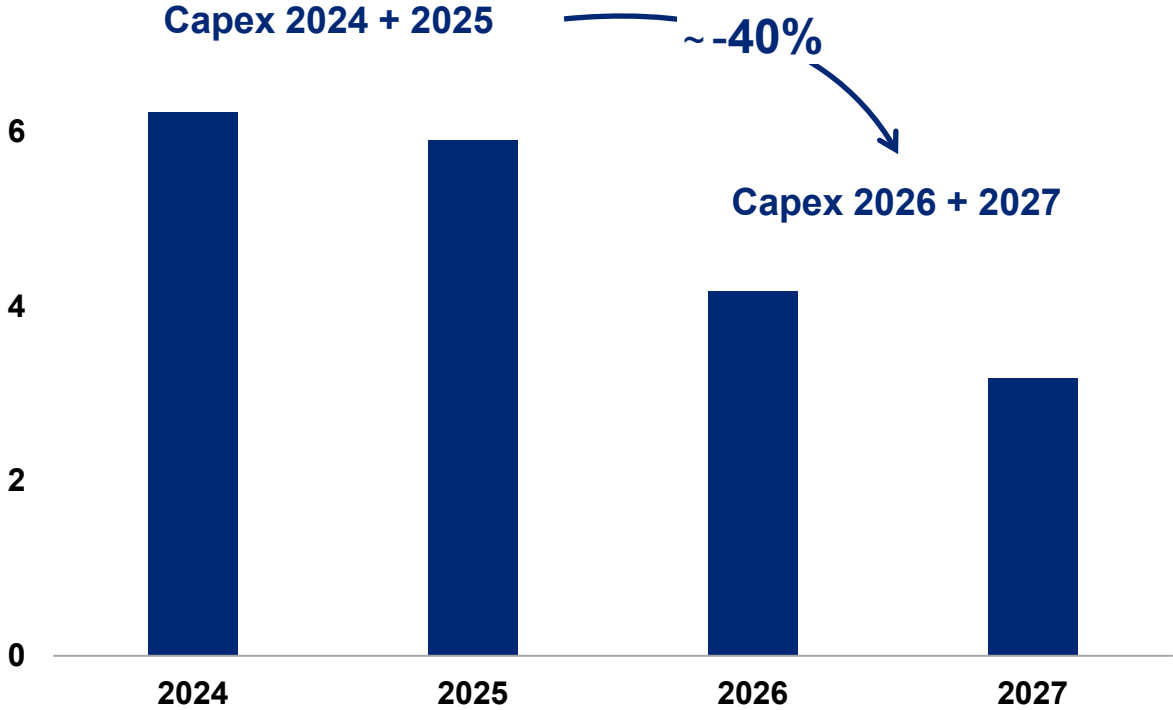


- Share buybacks are part of our toolbox but currently not being used
- Between January 2022 and February 2023 own shares were repurchased for ~€1.4 billion

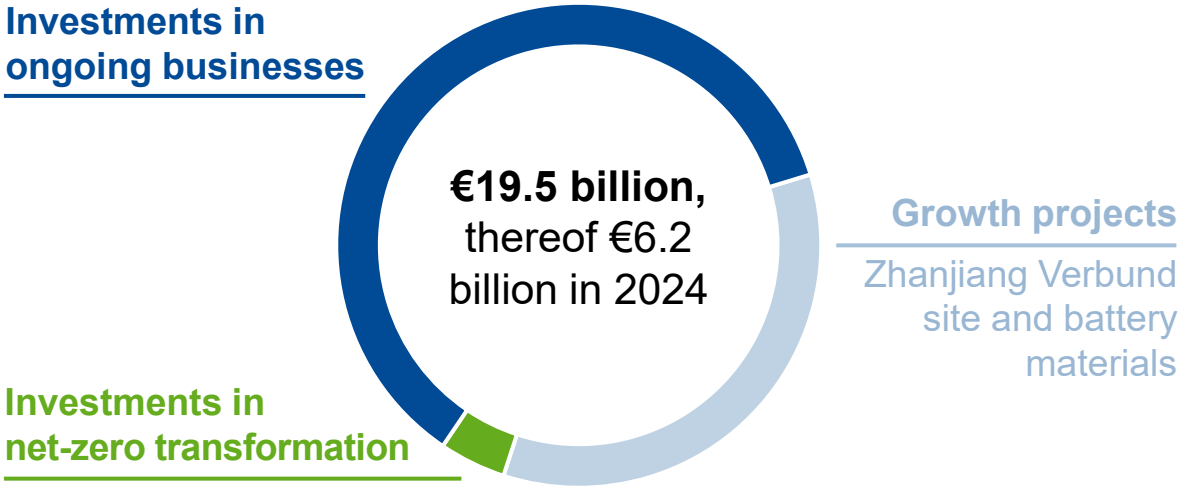
¹ As of March 31, 2024: 47.2%

Continued strict management of capital expenditures

Overall capex budget
Billion €, 2024–2027

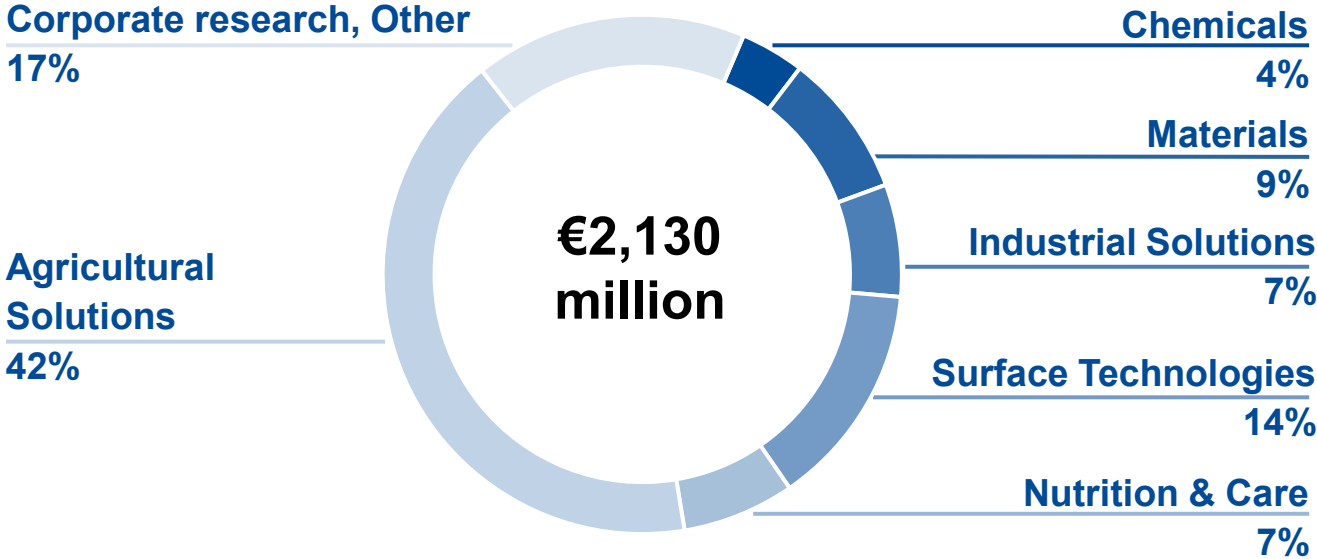


Capex budget by type of investment
Billion €, 2024–2027



BASF's industry-leading innovation platform ensures long-term organic growth

R&D expenses 2023



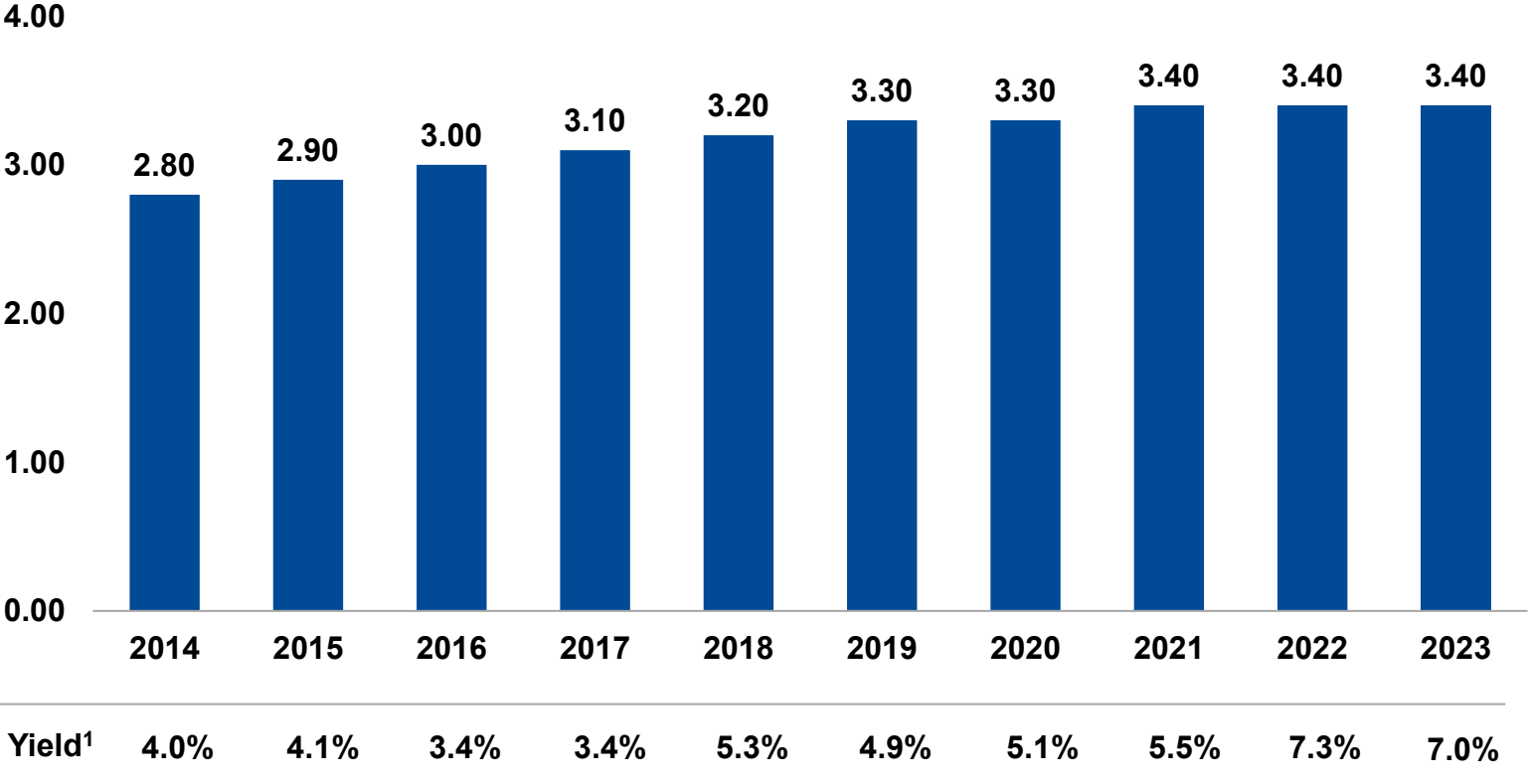
Key facts 2023

- R&D expenses to sales ratio 3.1%
- Commitment to R&D with annual spending of ~€2 billion
- ~10,000 employees in R&D
- ~1,000 new patents filed in 2023
- Research Verbund: Academic Research Alliances are complemented by cooperations with ~280 universities and research institutes
- >€10 billion sales generated from R&D activities with products launched during last 5 years
- Peak sales potential of BASF's Agricultural Solutions innovation pipeline of >€7.5 billion between 2023 and 2033

Attractive shareholder return – also in challenging times

Dividend per share

€



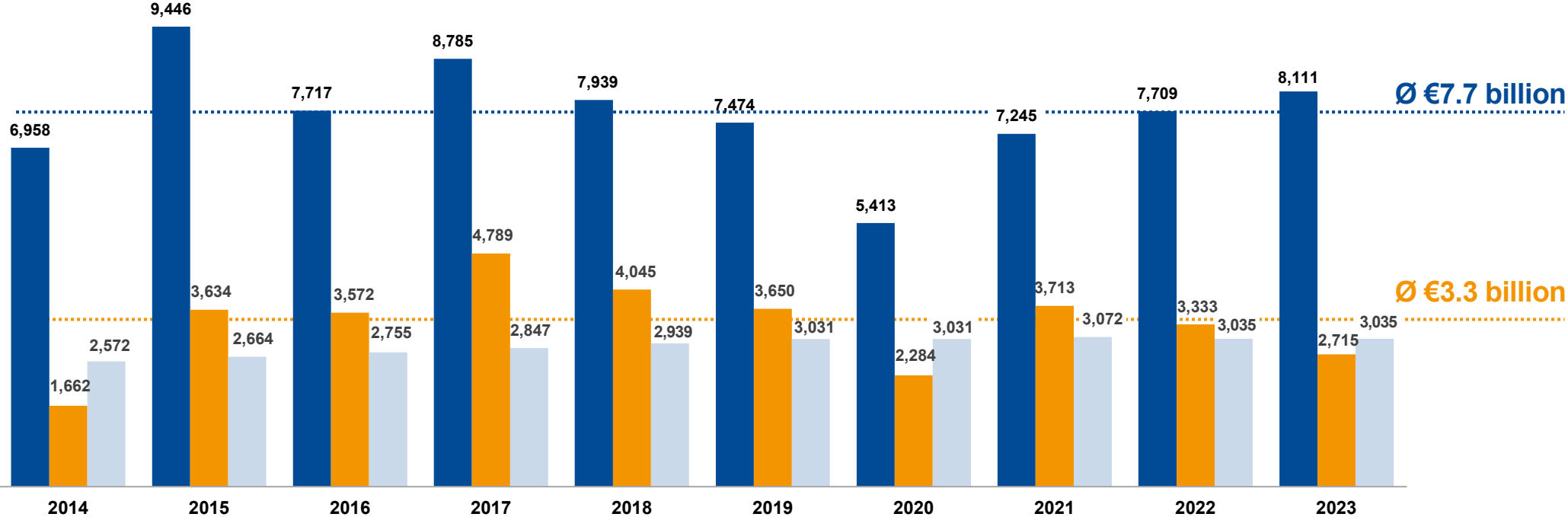
Key facts 2023

- Dividend of €3.40 per share
- Total payout of €3.0 billion², 90% of which is covered by our free cash flow in 2023
- Dividend yield of 7.0% based on the share price of €48.78 at year end 2023

¹ Dividend yield based on share price at year end
² Based on the 892,522,164 shares outstanding as of December 31, 2023

Dividend payments supported by strong cash flow generation

Cash flows from operating activities, free cash flow and dividends
Million €



■ Cash flows from operating activities
 ■ Free cash flow
 ■ Dividends attributable to shareholders of BASF SE

Key elements of the agreement signed by Harbour Energy and the shareholders of Wintershall Dea in December 2023

- **E&P business¹ of Wintershall Dea**, excluding Russia-related activities, **to be acquired by Harbour Energy plc** (Harbour); closing targeted for Q4 2024
- In exchange, at closing, **BASF will hold a share of 39.6% in Harbour** and will **receive cash consideration of \$1.56 billion**
- With this transaction, **BASF takes a major step** towards achieving its announced strategic goal **to exit the oil and gas business**
- In parallel to the transaction with Harbour, the **legal separation of Wintershall Dea's Russia-related business**, which is not part of the transaction, **is progressing as planned**; significant federal German investment guarantees are in place
- **WIGA Transport Beteiligungs-GmbH & Co. KG** (WIGA) is not part of the Harbour transaction. In March 2024, Wintershall Dea AG entered into an agreement for the sale of its 50.02% stake in WIGA to SEFE



¹ Consisting of its producing and development assets as well as exploration rights in Norway, Argentina, Germany, Mexico, Algeria, Libya (excluding Wintershall AG), Egypt and Denmark (excluding Ravn) as well as Wintershall Dea's carbon storage licenses.

Outlook 2024 for BASF Group

Outlook 2024

EBITDA before special items	€8.0 billion – €8.6 billion
Free cash flow	€0.1 billion – €0.6 billion
CO ₂ emissions	16.7 million – 17.7 million metric tons

Underlying assumptions

- Growth in gross domestic product: 2.3%
- Growth in industrial production: 2.2%
- Growth in chemical production: 2.7%
- Average euro/dollar exchange rate: \$1.10 per euro
- Average annual oil price (Brent crude): \$80 per barrel



What BASF stands for

- Competitive advantages through **flexible Verbund concept** for integrated production
- Strategic focus on **local production for local markets** and on **high-growth market segments**, e.g., battery materials
- Industry leader in **shaping the transformation to net zero CO₂ emissions** with an ambitious carbon management program
- **Powerful innovation** across a broad range of technologies to provide solutions for various customer industries and to increase our productivity
- Diverse team of **committed, capable and creative employees**
- Long-term shareholder **value creation** and **attractive dividend**



**We create
chemistry
for a
sustainable
future**

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BASF Group Q1 2024: Financial figures

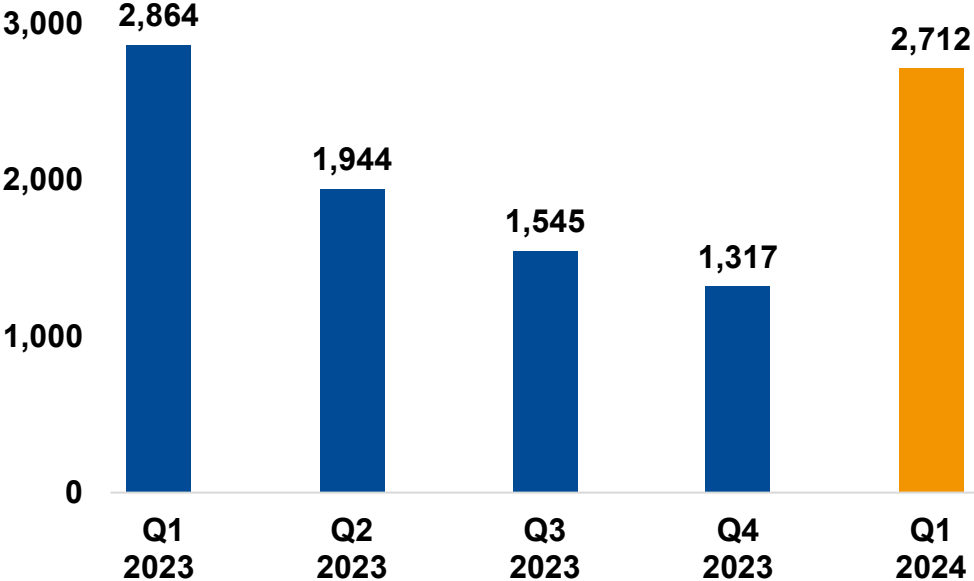
Financial figures	Q1 2024	Q1 2023	Change
	Million €	Million €	%
Sales	17,553	19,991	-12.2
EBITDA before special items	2,712	2,864	-5.3
EBITDA	2,655	2,811	-5.6
EBIT before special items	1,754	1,931	-9.2
EBIT	1,689	1,867	-9.5
Net income from shareholdings	229	183	25.6
Net income	1,368	1,562	-12.4

BASF with solid start to the year: Q1 2024 EBITDA before special items slightly ahead of analyst consensus

- In Q1 2024, **sales declined by 12% to €17.6 billion**, mainly due to lower prices and negative currency effects
- **Volumes of BASF Group increased by 0.5%** compared with Q1 2023; **excluding precious and base metals, volumes increased by 2.1%**
- In Q1 2024, **EBITDA before special items reached €2.7 billion**, 5% below the figure of the prior-year quarter and 6% ahead of average analysts estimates¹
- **EBITDA before special items in the Nutrition & Care, Materials, Industrial Solutions and Chemicals segments improved**, while Other, Agricultural Solutions and Surface Technologies recorded a decline compared with Q1 2023

Sales development	Volumes	Prices	Portfolio	Currency
Q1 2024 vs. Q1 2023	↑ 0.5%	↓ -10.4%	↓ -0.1%	↓ -2.2%

EBITDA before special items
Million €



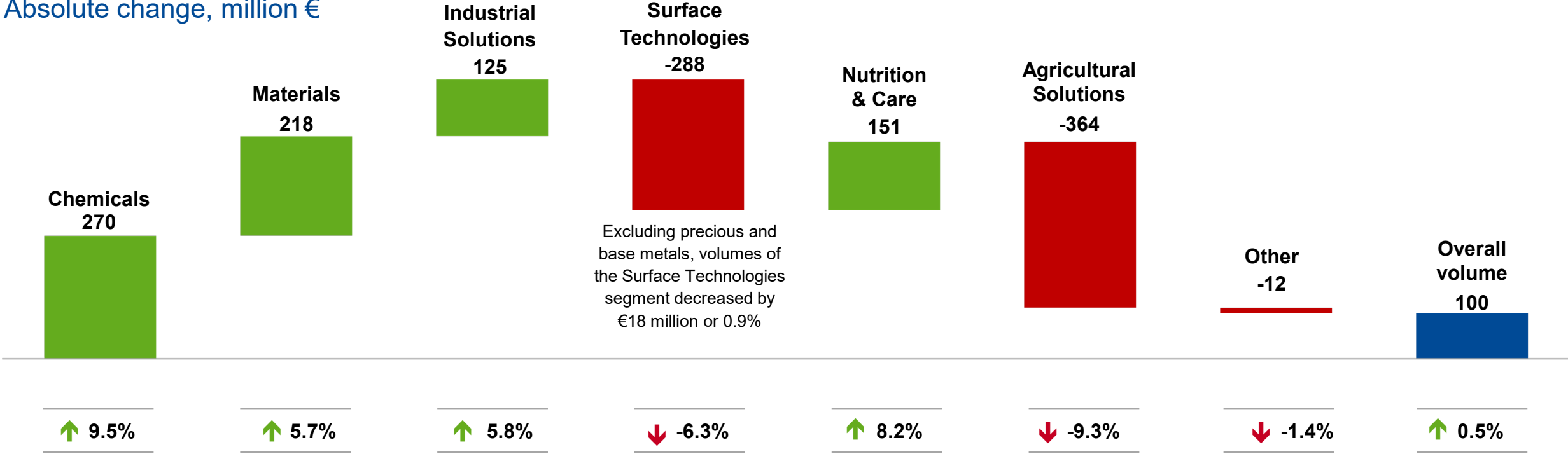
¹ Average analysts estimates compiled by Vara on behalf of BASF on April 8, 2024: €2,565 million

BASF achieved volume growth in the Chemicals, Materials, Nutrition & Care and Industrial Solutions segments

Volume development by segment

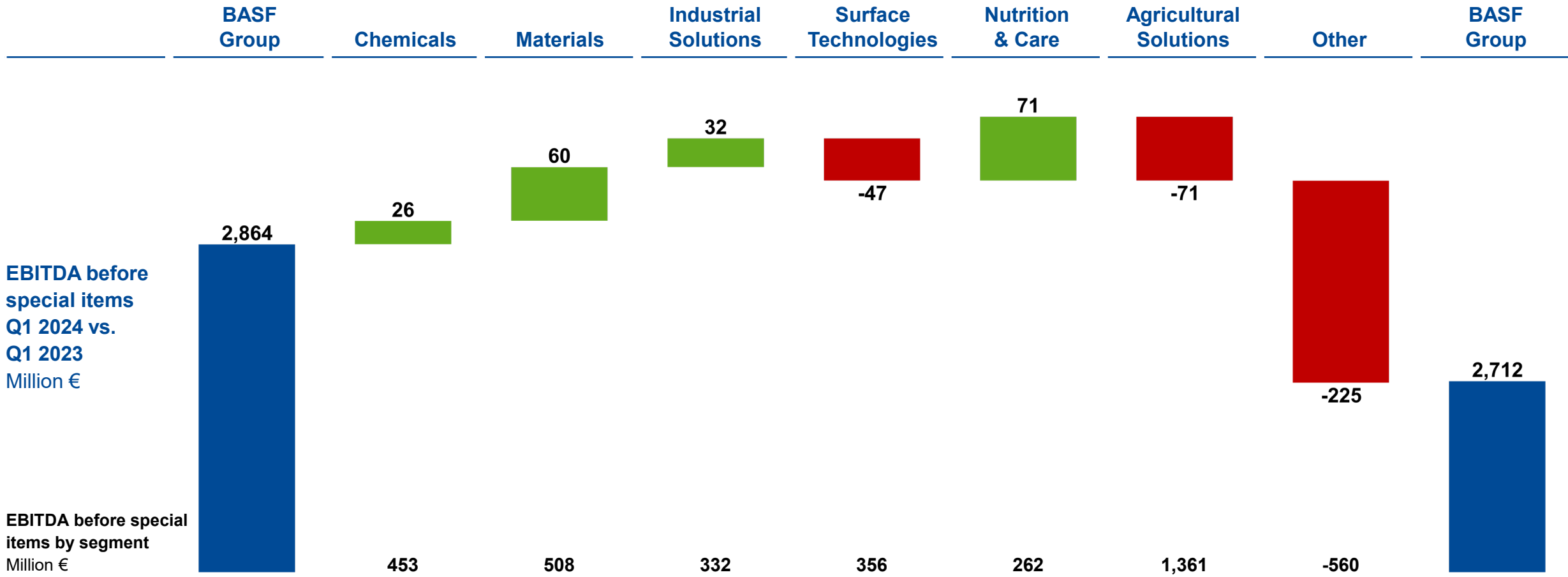
Q1 2024 vs. Q1 2023

Absolute change, million €



Relative change, %

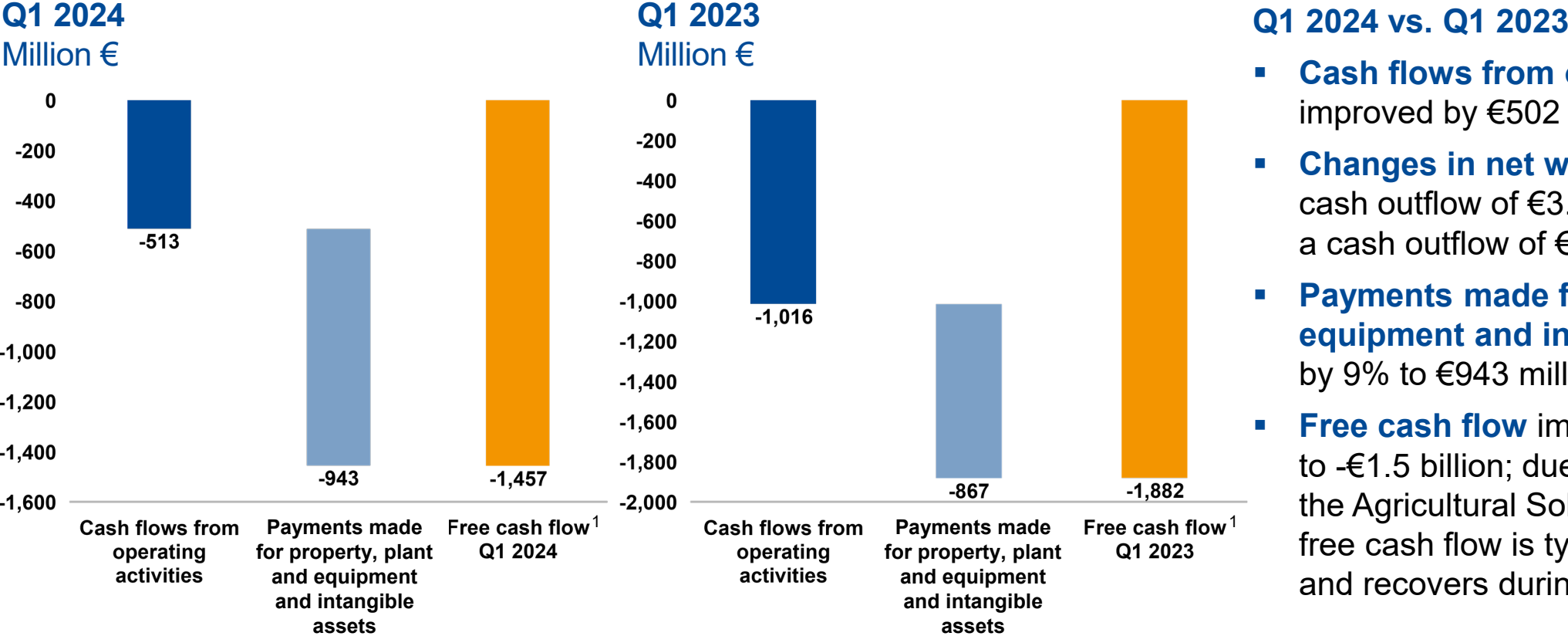
EBITDA before special items increased in the Nutrition & Care, Materials, Industrial Solutions and Chemicals segments



EBITDA before special items Q1 2024 vs. Q1 2023
Million €

EBITDA before special items by segment
Million €

Cash flow generation in Q1 2024 improved strongly compared with prior-year quarter due to less cash tied up in net working capital



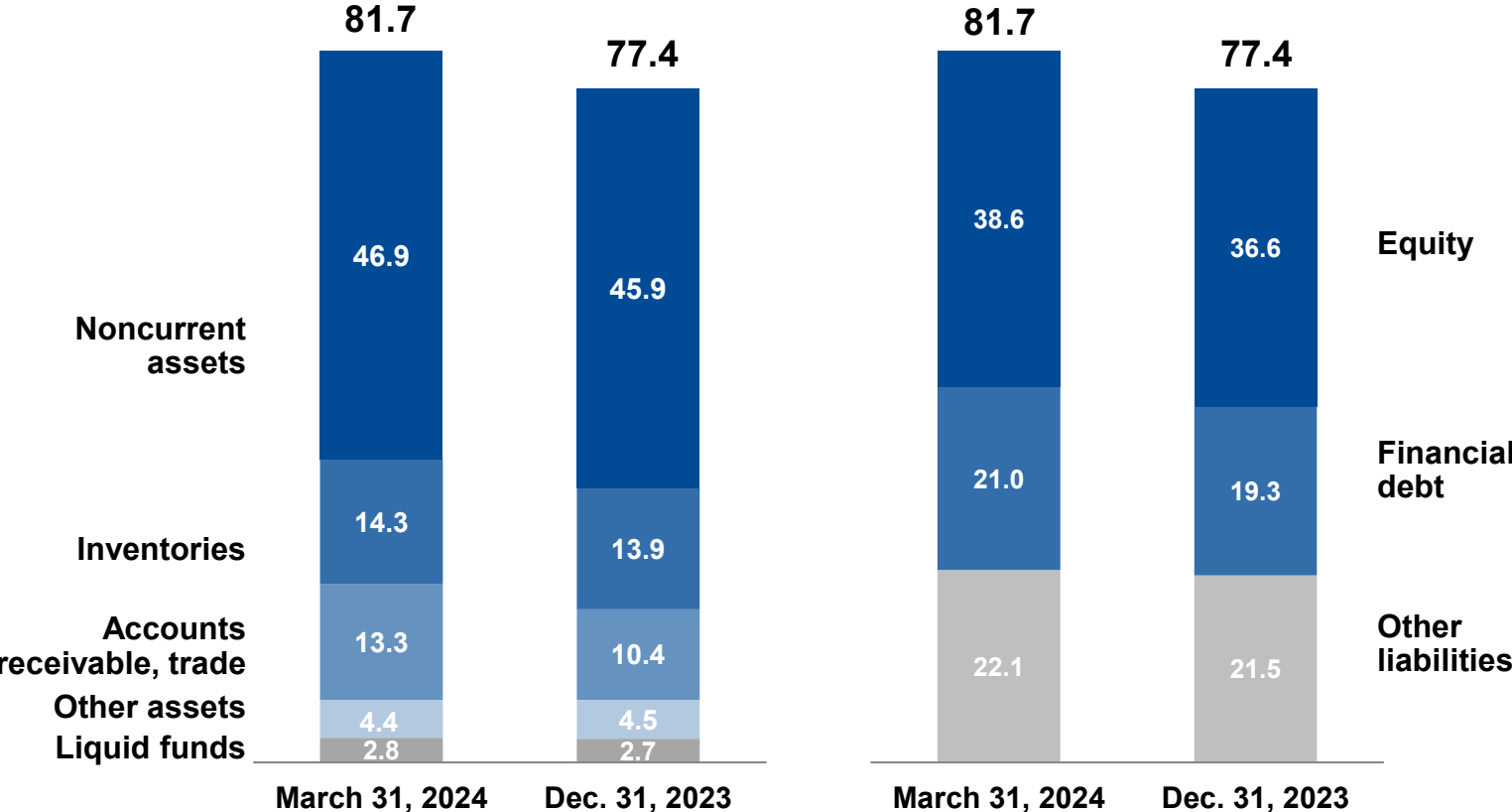
- Q1 2024 vs. Q1 2023**
- **Cash flows from operating activities** improved by €502 million to -€513 million
 - **Changes in net working capital** led to a cash outflow of €3.2 billion compared with a cash outflow of €3.6 billion in Q1 2023
 - **Payments made for property, plant and equipment and intangible assets** rose by 9% to €943 million
 - **Free cash flow** improved by €426 million to -€1.5 billion; due to the seasonality of the Agricultural Solutions business, free cash flow is typically negative in Q1 and recovers during the year

¹ Free cash flow: cash flows from operating activities minus payments made for property, plant and equipment and intangible assets

Strong balance sheet

Balance sheet March 31, 2024, vs. December 31, 2023

Billion €



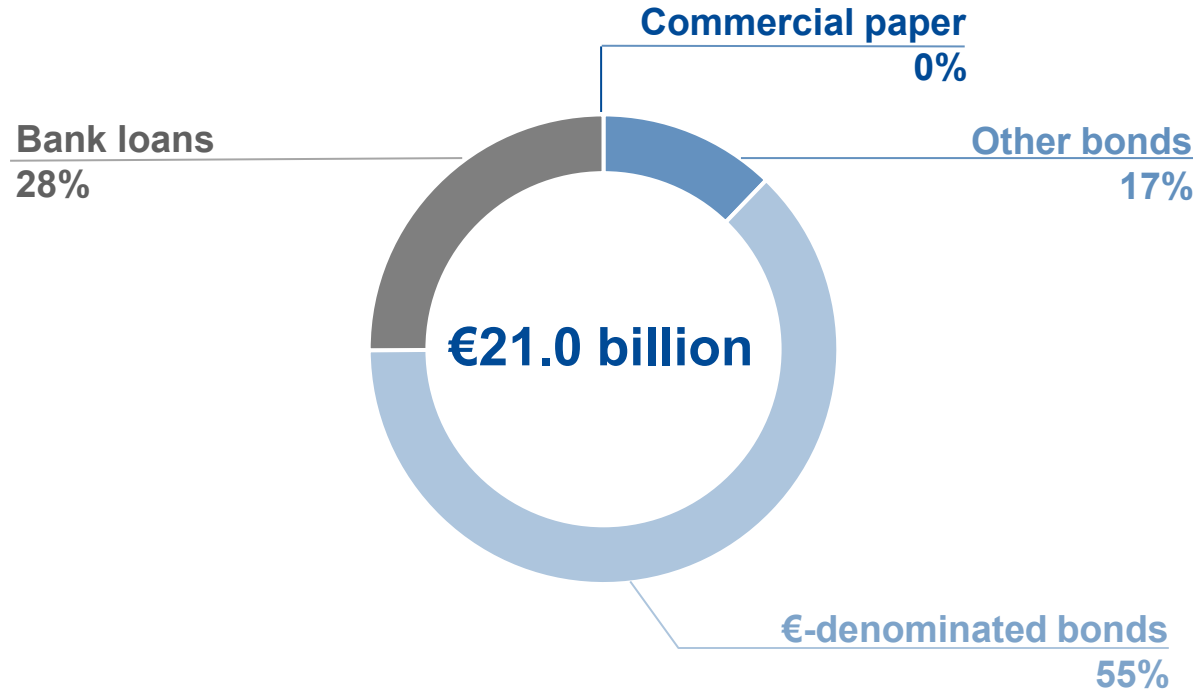
- **Total assets** increased by €4.3 billion to €81.7 billion, mainly due to higher current assets; the seasonality of the Agricultural Solutions business led to particularly higher trade accounts receivable
- **Net debt** amounted to €18.2 billion compared with €16.6 billion at the end of 2023
- **Equity ratio: 47.2%** (Dec. 31, 2023: 47.3%)
- BASF has **good credit ratings**¹, especially compared with competitors

¹ Current ratings: Moody's A3/P-2/outlook stable, Fitch A/F1/outlook stable, S&P A-/A-2/outlook stable



Well-balanced financing instruments

as of March 31, 2024



BASF's liquidity position

- **€2.8 billion cash and cash equivalents¹**
(as of March 31, 2024)

BASF's financing facilities

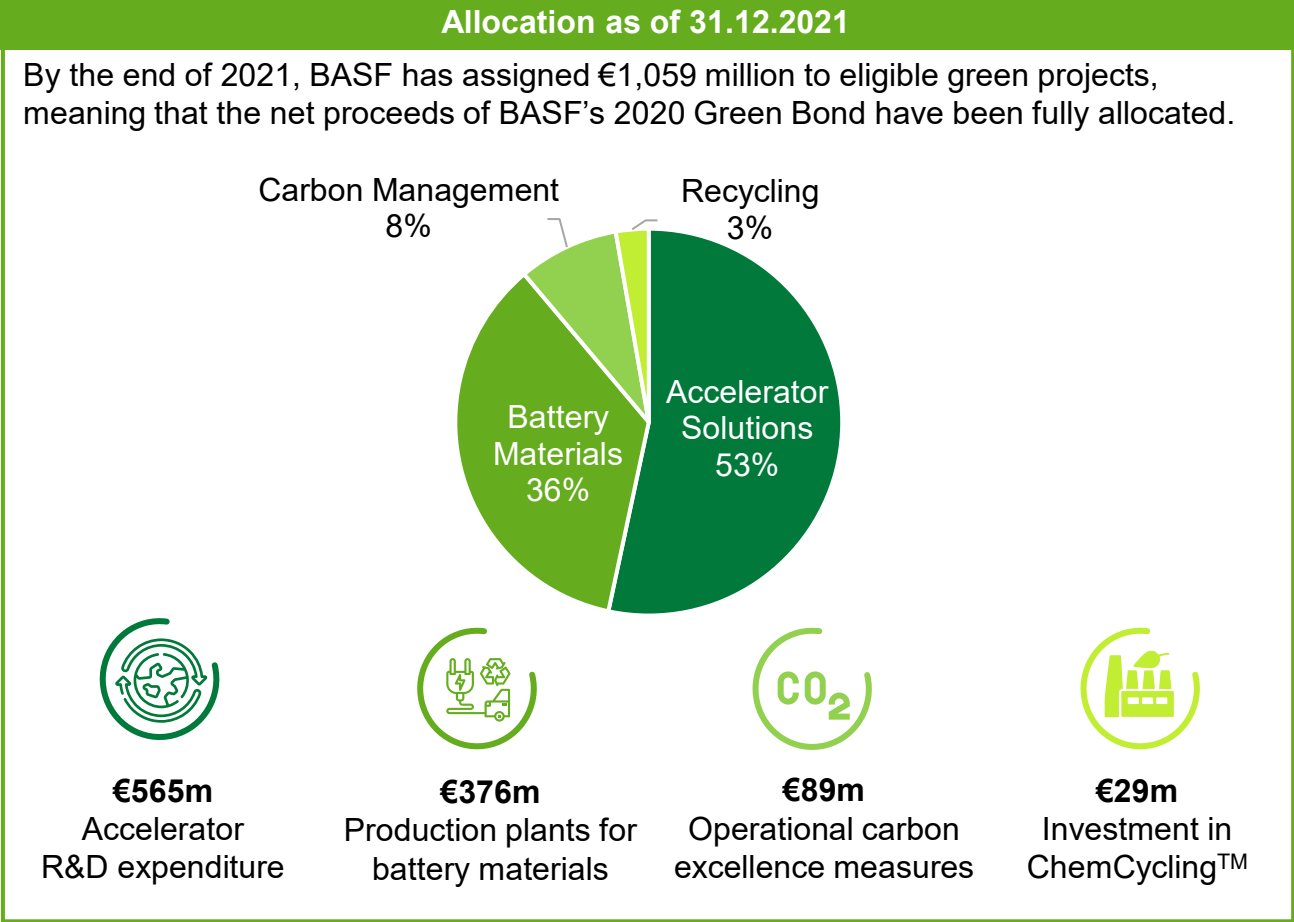
- **USD 12.5 billion commercial paper program**
(for short-term debt financing)
- **€20 billion debt issuance program**
(for long-term debt financing)
- **€6 billion broadly syndicated backup line**
(maturing in 2026)
- **CNY 40 billion syndicated bank term loan**
(maturing in 2038)

BASF's rating target: solid A rating

Current ratings²: S&P A-/A-2/outlook stable, Moody's A3/P-2/outlook stable, Fitch A/F1/outlook stable

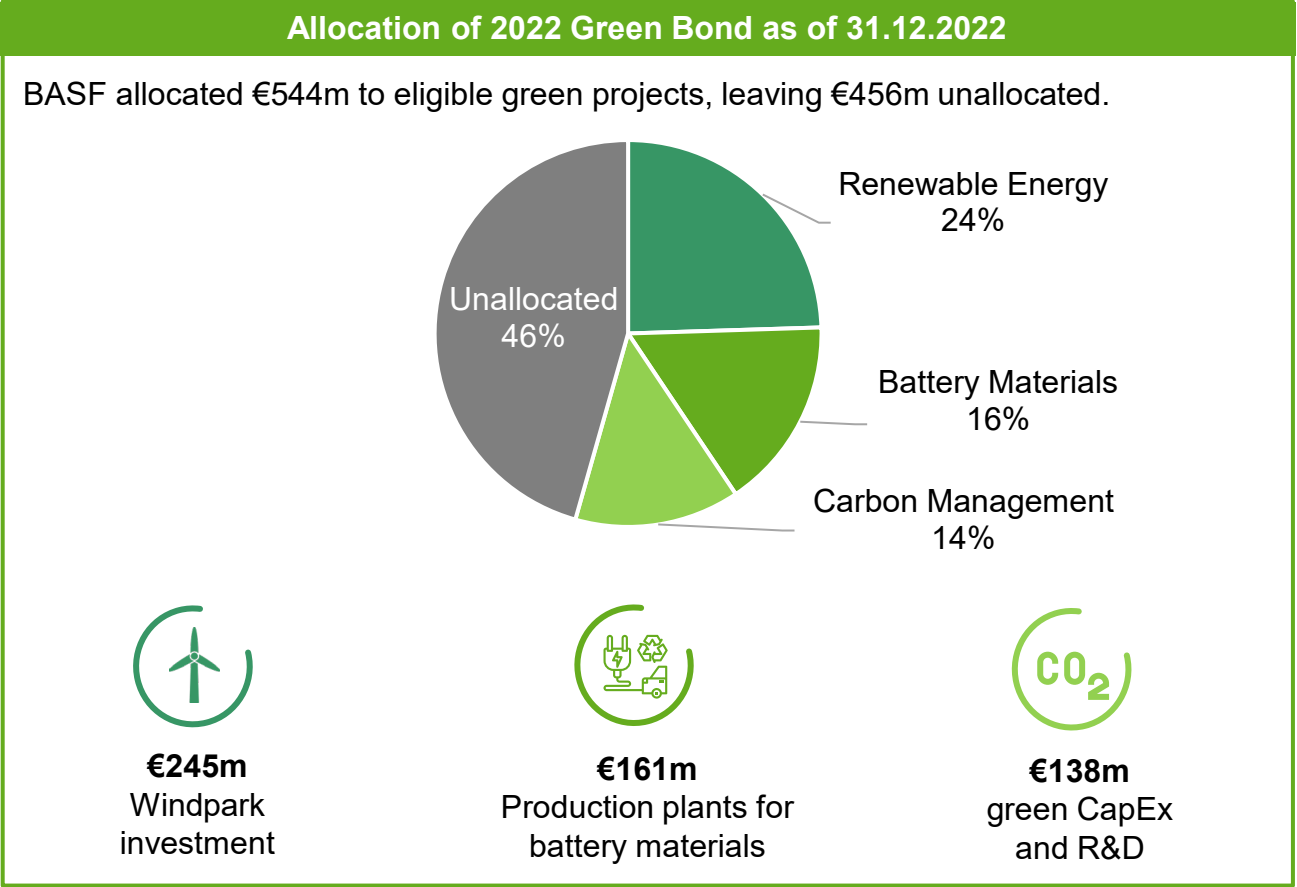
In 2020, BASF successfully issued its inaugural Green Bond as the first European chemical company

Issuer	BASF SE	
Issuance date	June 5, 2020	
Tenors	3 years	7 years (Green)
Volume	€1,000 million	€1,000 million
Coupon	0.101%	0.25%
Maturity date	June 5, 2023	June 5, 2027
ISIN	DE000A289DB1	DE000A289DC9
Interest Payment Dates	Annually	
Denominations	€100,000	
Bookrunners	Barclays, BNP Paribas, Deutsche Bank, ING, Société Générale, SMBC	
Listing	Luxembourg	



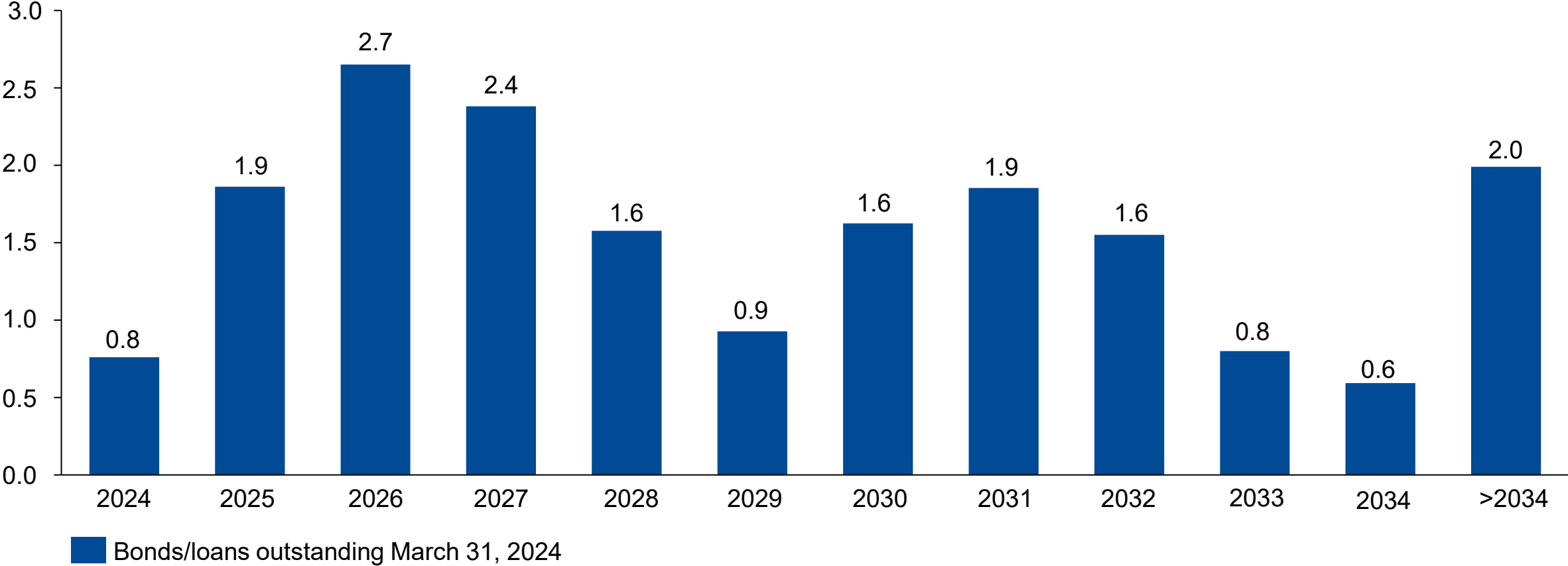
In March 2022, BASF successfully issued its second Green Bond to further finance its green projects

Issuer	BASF SE	
Issuance date	March 17, 2022	
Tenors	4 years	9 years (Green)
Volume	€1,000 million	€1,000 million
Coupon	0.750%	1.500%
Maturity date	March 17, 2026	March 17, 2031
ISIN	XS2456247605	XS2456247787
Interest Payment Dates	Annually	
Denominations	€100,000	
Bookrunners	BofA Securities, Crédit Agricole CIB, HSBC, Mizuho	
Listing	Luxembourg	



Well-balanced bond and corporate loan maturity profile

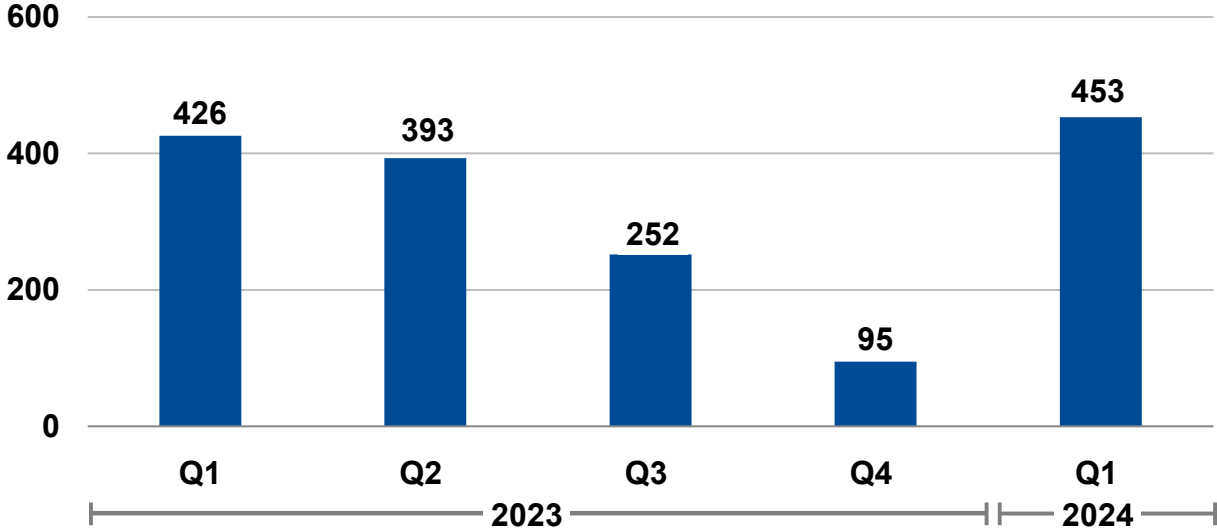
Profile as of March 31, 2024
Billion €



Chemicals

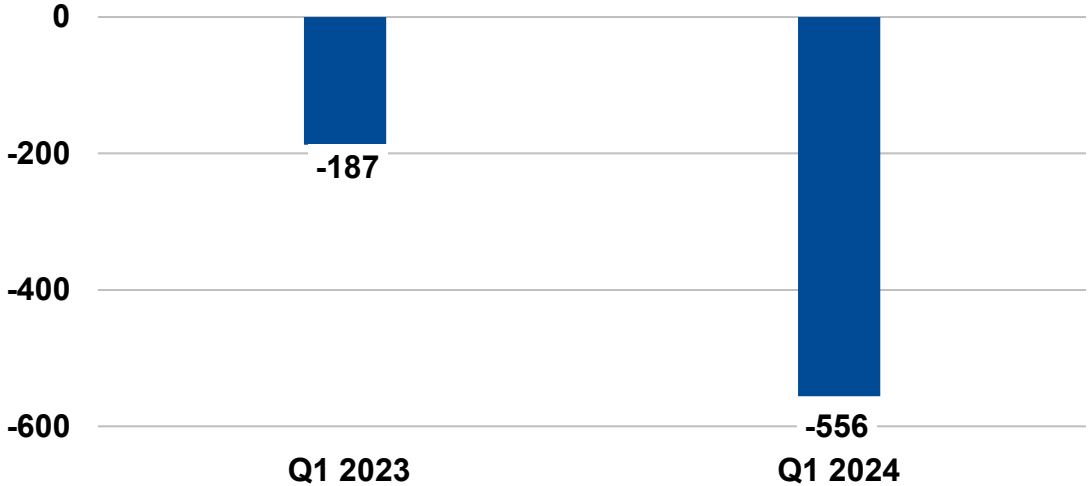
EBITDA before special items

Million €



Segment cash flow

Million €

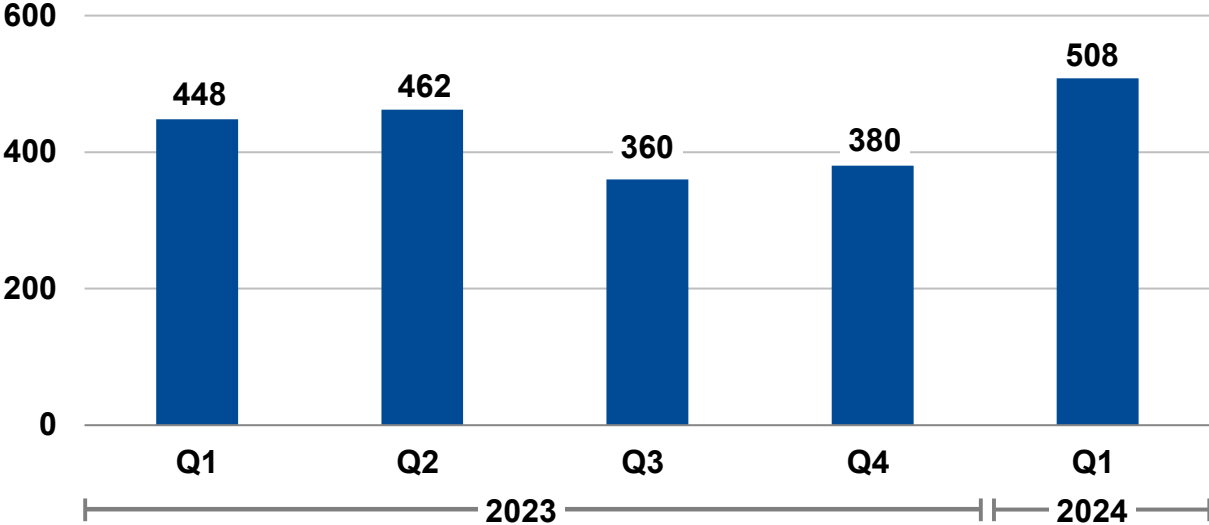


Sales development	Total	Volumes	Prices	Portfolio	Currencies
Q1 2024 vs. Q1 2023	↓ -2.4%	↑ 9.5%	↓ -10.9%	—	↓ -1.1%

Materials

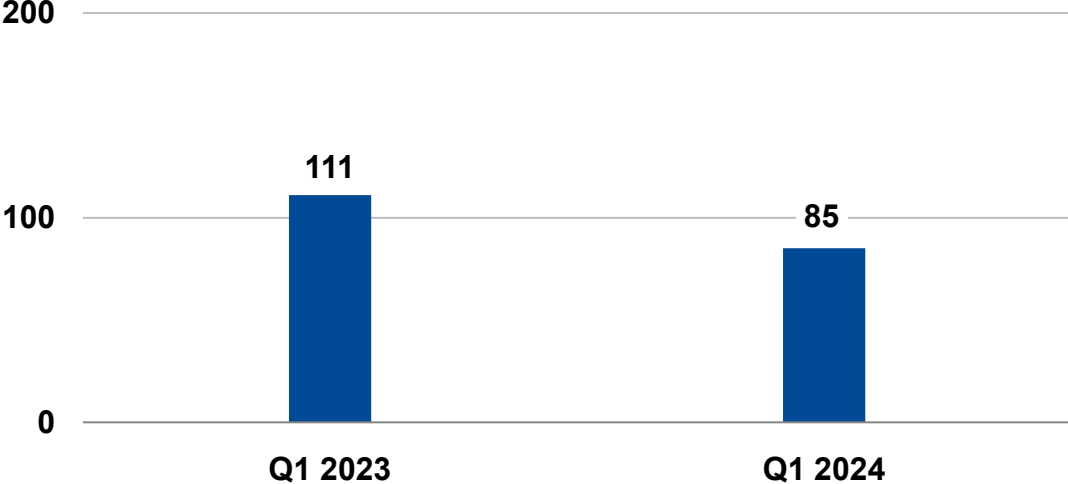
EBITDA before special items

Million €



Segment cash flow

Million €

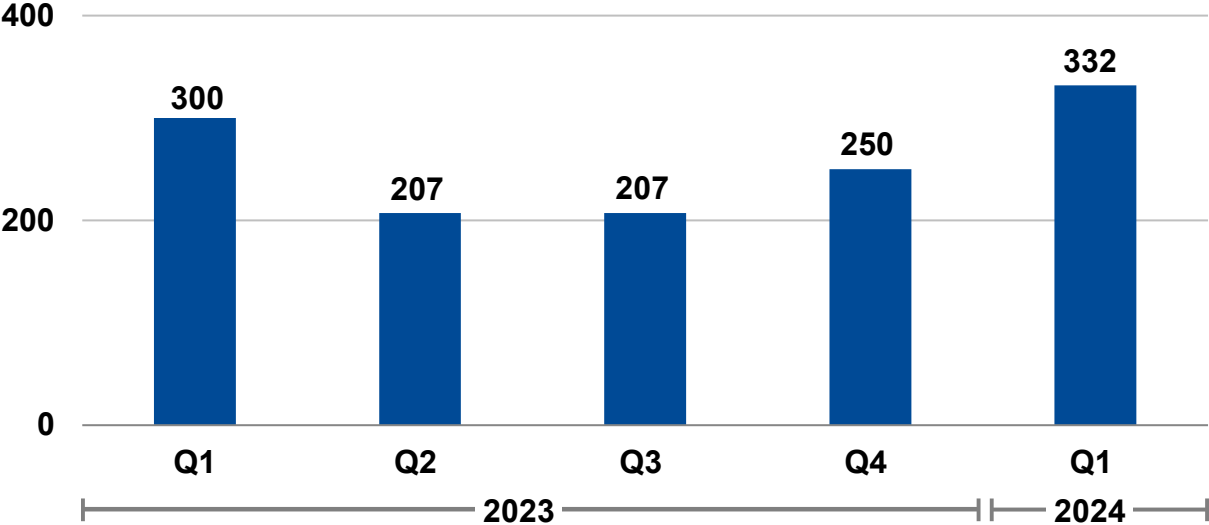


Sales development	Total	Volumes	Prices	Portfolio	Currencies
Q1 2024 vs. Q1 2023	↓ -10.5%	↑ 5.7%	↓ -14.1%	—	↓ -2.1%

Industrial Solutions

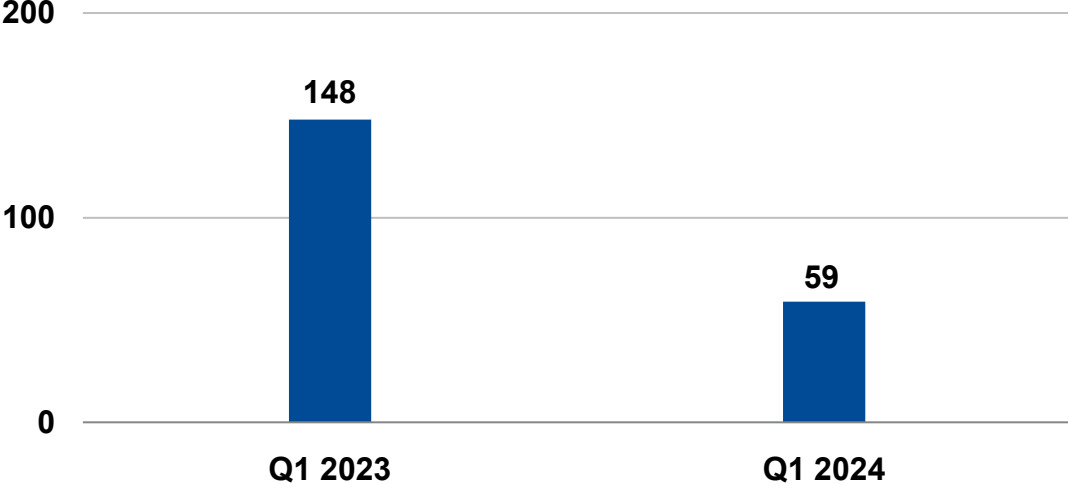
EBITDA before special items

Million €



Segment cash flow

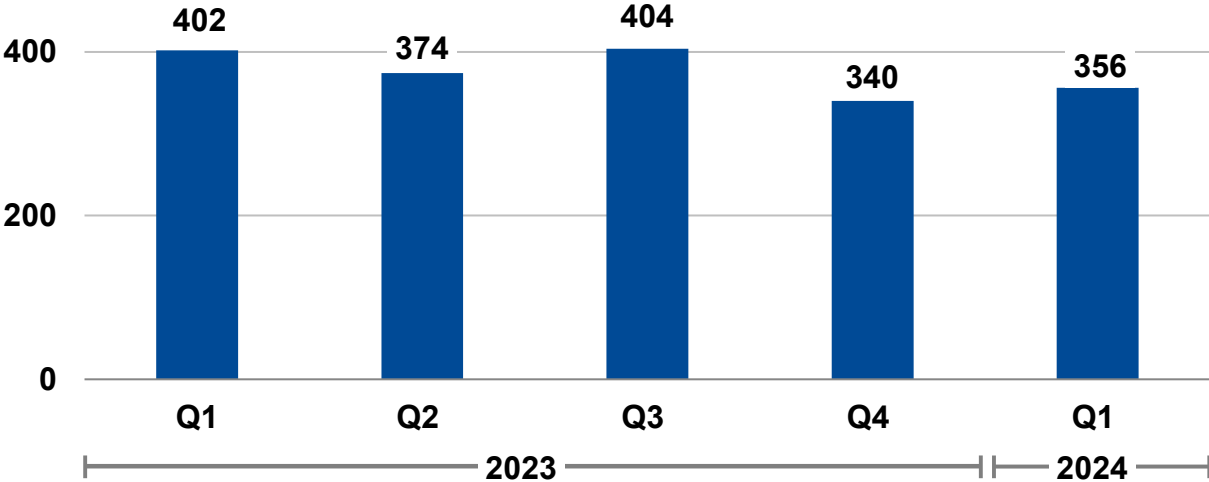
Million €



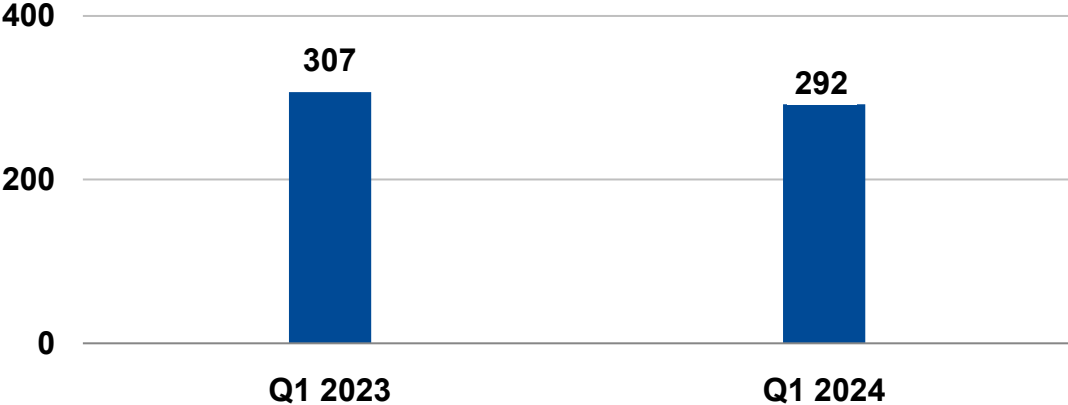
Sales development	Total	Volumes	Prices	Portfolio	Currencies
Q1 2024 vs. Q1 2023	↓ -4.0%	↑ 5.8%	↓ -7.8%	—	↓ -2.0%

Surface Technologies

EBITDA before special items
Million €



Segment cash flow
Million €

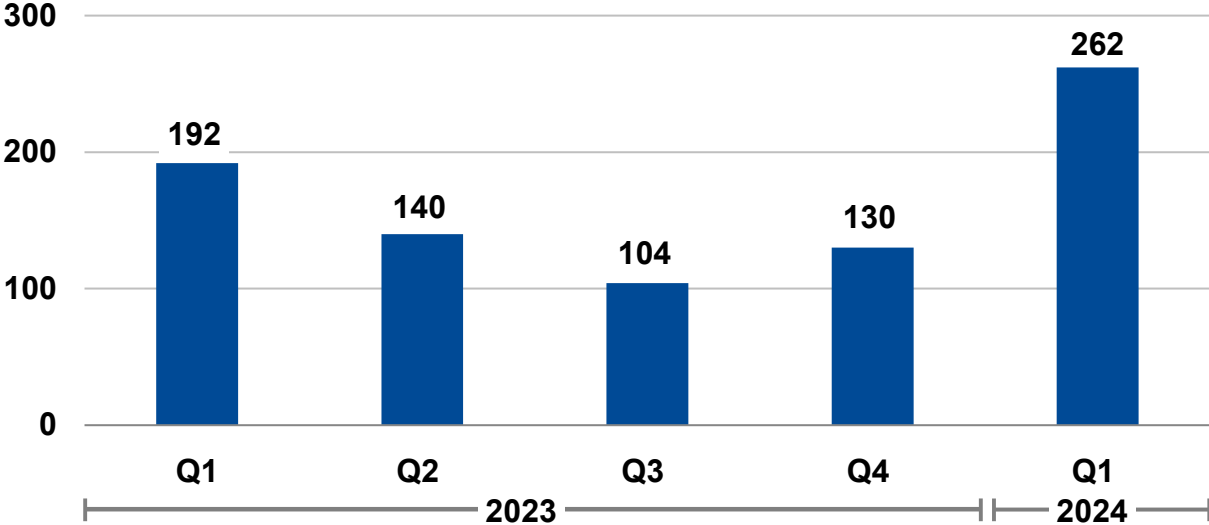


Sales development	Total	Volumes	Prices	Portfolio	Currencies
Q1 2024 vs. Q1 2023	↓ -26.9%	↓ -6.3%	↓ -17.9%	↓ -0.3%	↓ -2.3%

Nutrition & Care

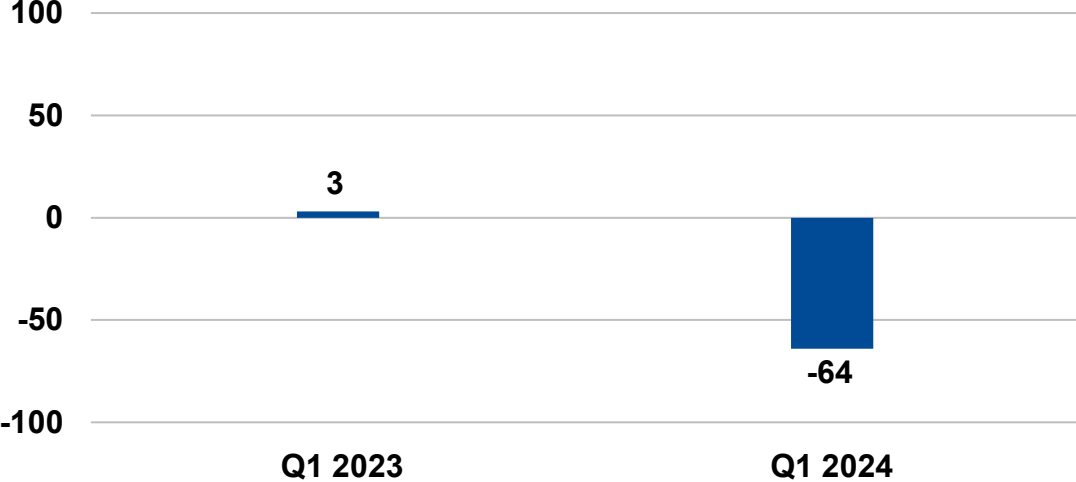
EBITDA before special items

Million €



Segment cash flow

Million €

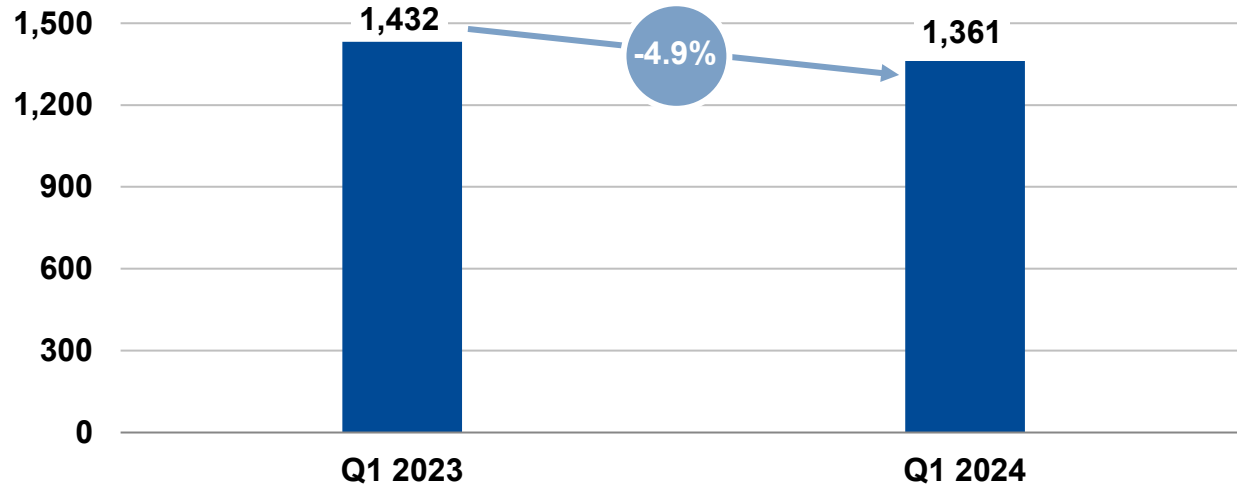


Sales development	Total	Volumes	Prices	Portfolio	Currencies
Q1 2024 vs. Q1 2023	↓ -5.3%	↑ 8.2%	↓ -11.4%	—	↓ -2.2%

Agricultural Solutions

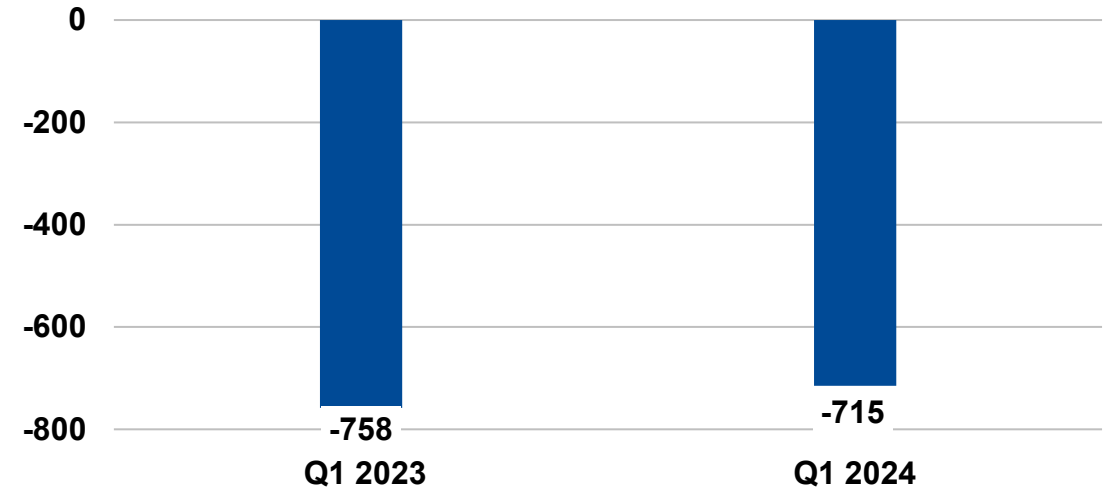
EBITDA before special items

Million €



Segment cash flow

Million €



Sales development	Total	Volumes	Prices	Portfolio	Currencies
Q1 2024 vs. Q1 2023	↓ -10.6%	↓ -9.3%	↑ 1.9%	—	↓ -3.2%

Review of “Other”

Financial figures		Q1 2024	Q1 2023
		Million €	Million €
Sales		736	877
EBITDA before special items		-560	-336
of which	Costs of corporate research	-53	-59
	Costs of corporate headquarters	-60	-60
	Foreign currency results, hedging and other measurement effects	-53	-37
	Other businesses	10	17
Special items		-64	-14
EBITDA		-624	-350

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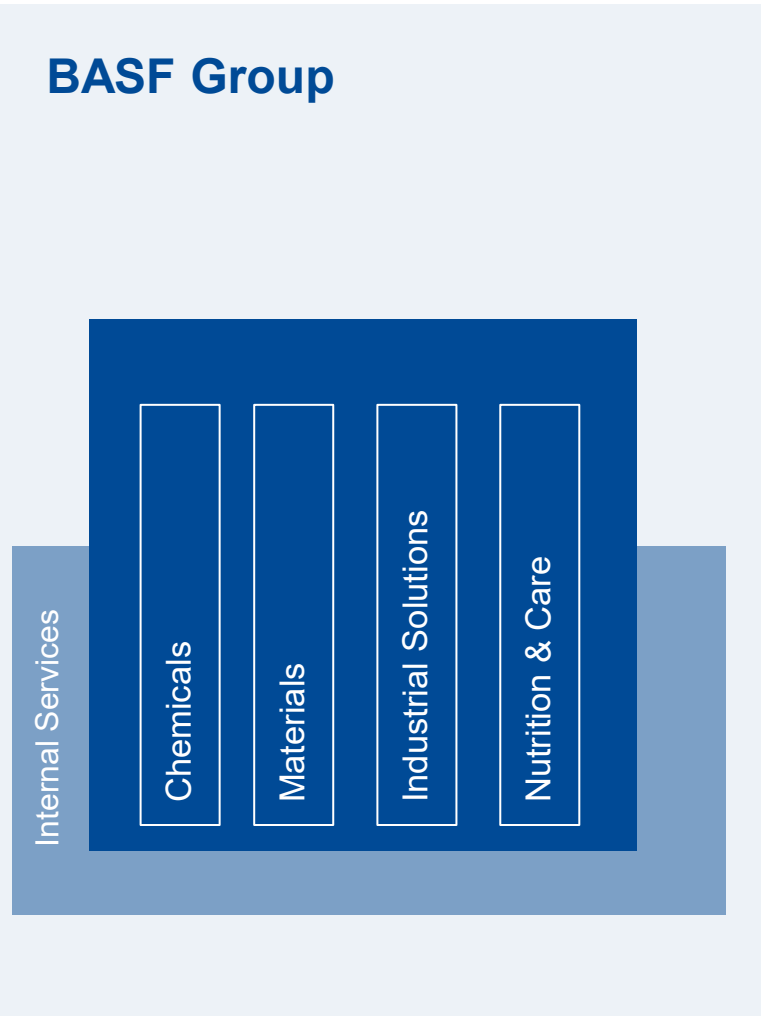
We are delivering on the strategic transformation of our organization and businesses

- We have **embedded all business-critical services** in the operating divisions
- We have **embedded customer-focused R&D** in the operating divisions
- We have **streamlined business services, digitalization and R&D** at the company level
- We are now ready to go a step further and **manage our businesses in a more differentiated manner** that also reflects changes in the global chemical market



Verbund businesses will benefit from focused value chain steering

BASF Group



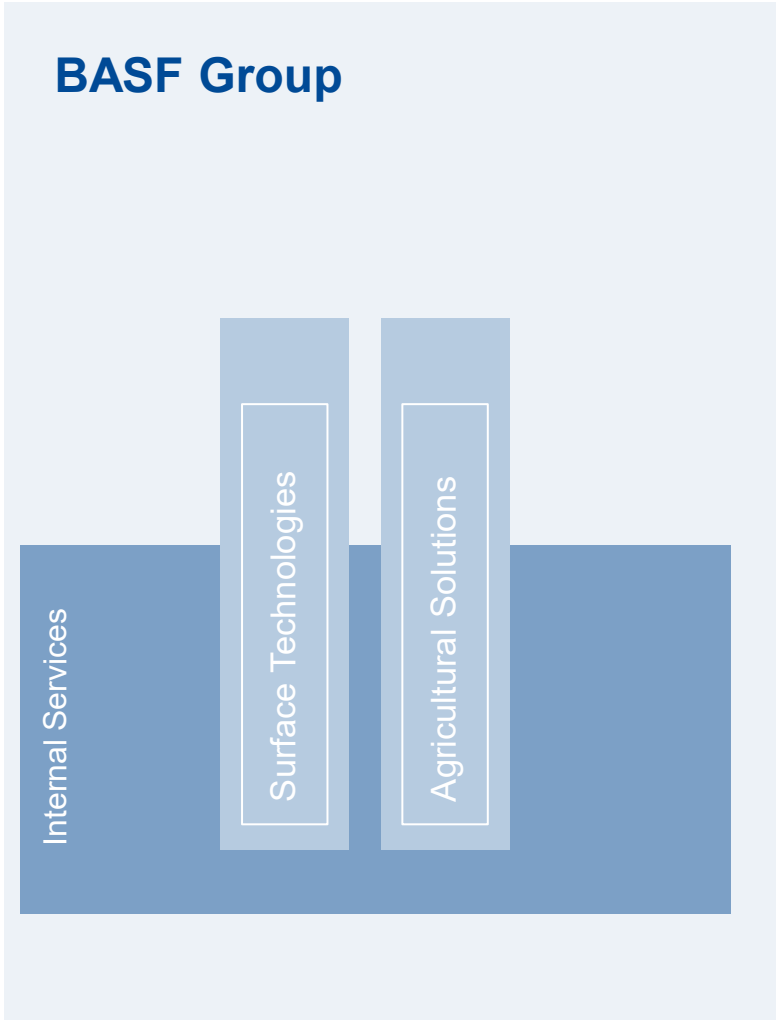
Verbund businesses

- Management along value chains
- Value generation through efficient use of resources, bundling of demand and synchronized, deeply integrated production
- Major advantages in terms of products that enable customers to achieve their net zero and circularity targets



EBITDA bsi margin
17%
over the cycle

Steering of businesses less integrated into Verbund value chains tailored to industry-specific needs



Battery Materials

- Set to become a growth driver in BASF's portfolio
- Business requires a high level of agility to respond to rapidly evolving market developments, for example by forming collaborations and partnerships



EBITDA bsi margin
≥30%
excluding metals
(by 2030)

Coatings

- Requires a high degree of flexibility and customization
- Managing complexity is crucial due to the large number of customers and formulations



EBITDA bsi margin
≥15%
(in the midterm)

Agricultural Solutions

- Moved from producing crop protection products to providing farmers with agricultural solutions that connect crop protection, seeds and traits as well as digital solutions
- Generates new business models by leveraging digital solutions and increasingly integrating data and mechanical hardware



EBITDA bsi margin
≥23%
(in the midterm)

Leveraging the benefits of Verbund, differentiation and an integrated company setup

Benefits of Verbund

- Interconnected value chains
- Synergies through scale
- Efficient transformation toward net zero



Benefits of differentiation

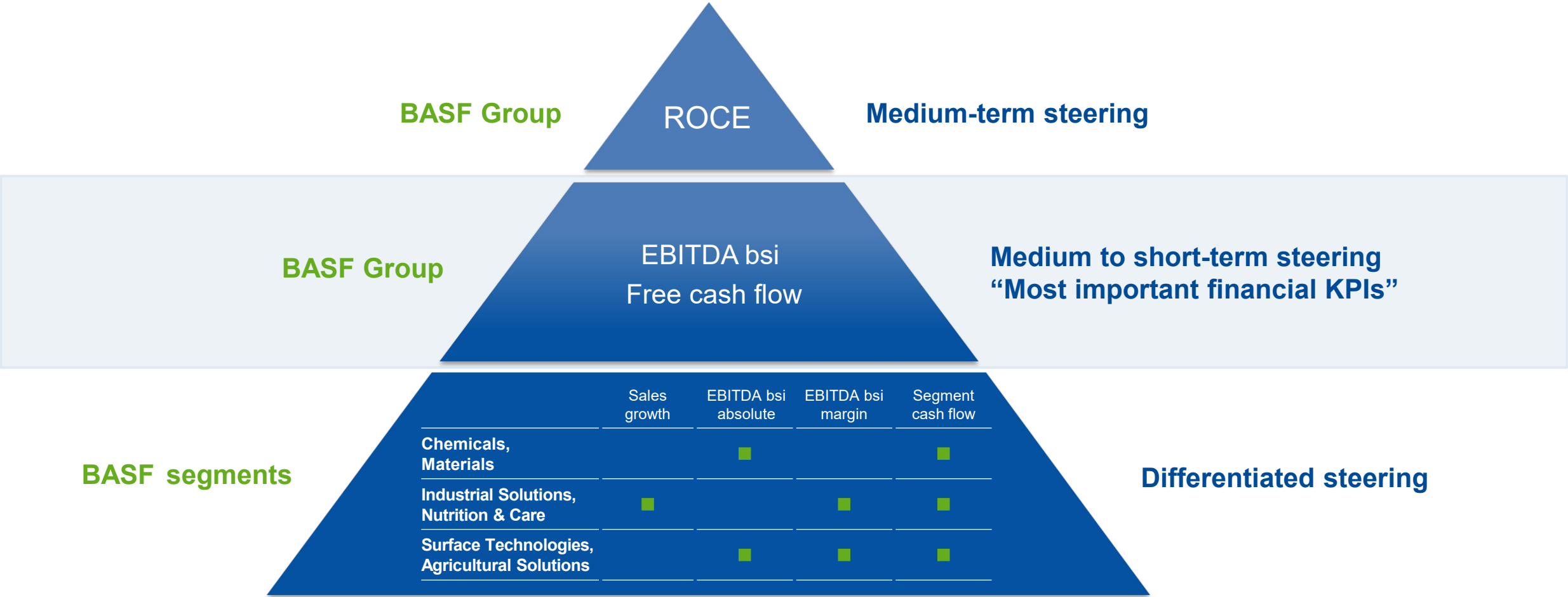
- Business models tailored to industry-specific needs
- Sharpened focus on value creation along Verbund value chains
- Leaner, simpler and more tailored processes



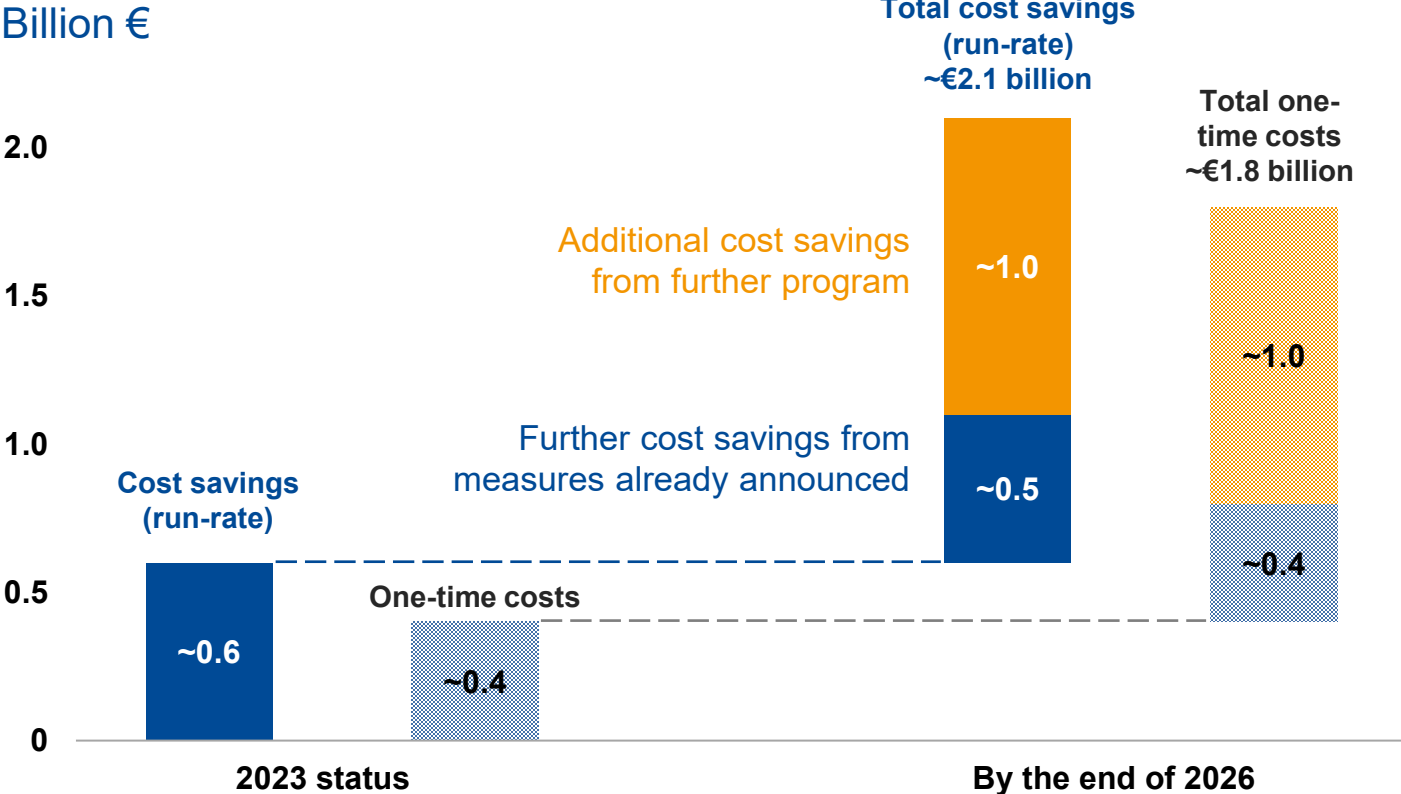
Benefits of integrated company

- Bundled service units and Group Research
- Better customer engagement
- Better financing conditions

Differentiated financial steering approach of the BASF Group as of 2024



Further program with additional annual cost savings of €1 billion in Ludwigshafen by the end of 2026 announced in February 2024



- Further program will include cost savings in both production as well as non-production areas in Ludwigshafen
- Employee representatives will be involved regarding the different measures that will be further detailed in the coming months

¹ Run-rate by year end
² The figures include the cost savings program in non-production units with focus on Europe, measures in the Global Business Services and Global Digital Services units outside of Europe and the cost savings related to the adaptation of production structures at Ludwigshafen Verbund site.

■ Expected annual cost savings¹ from further program in Ludwigshafen
 ■ Expected one-time costs for further program in Ludwigshafen
■ Expected annual cost savings¹ from measures already announced²
 ■ Expected one-time costs for measures already announced

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BASF targets for Scope 1 and Scope 2 emissions

2030

25%

Scope 1 and Scope 2
CO₂ emission reduction
(compared with 2018)

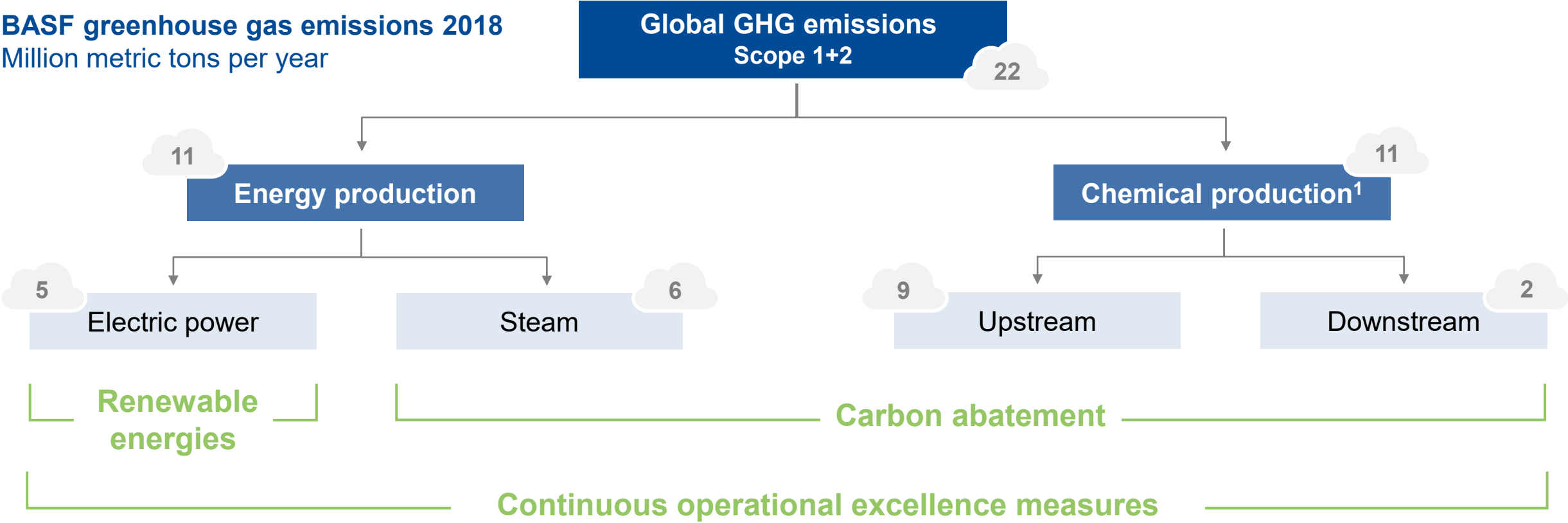
2050

net zero

Scope 1 and Scope 2
CO₂ emissions

No downstream decarbonization without upstream decarbonization

BASF greenhouse gas emissions 2018
 Million metric tons per year

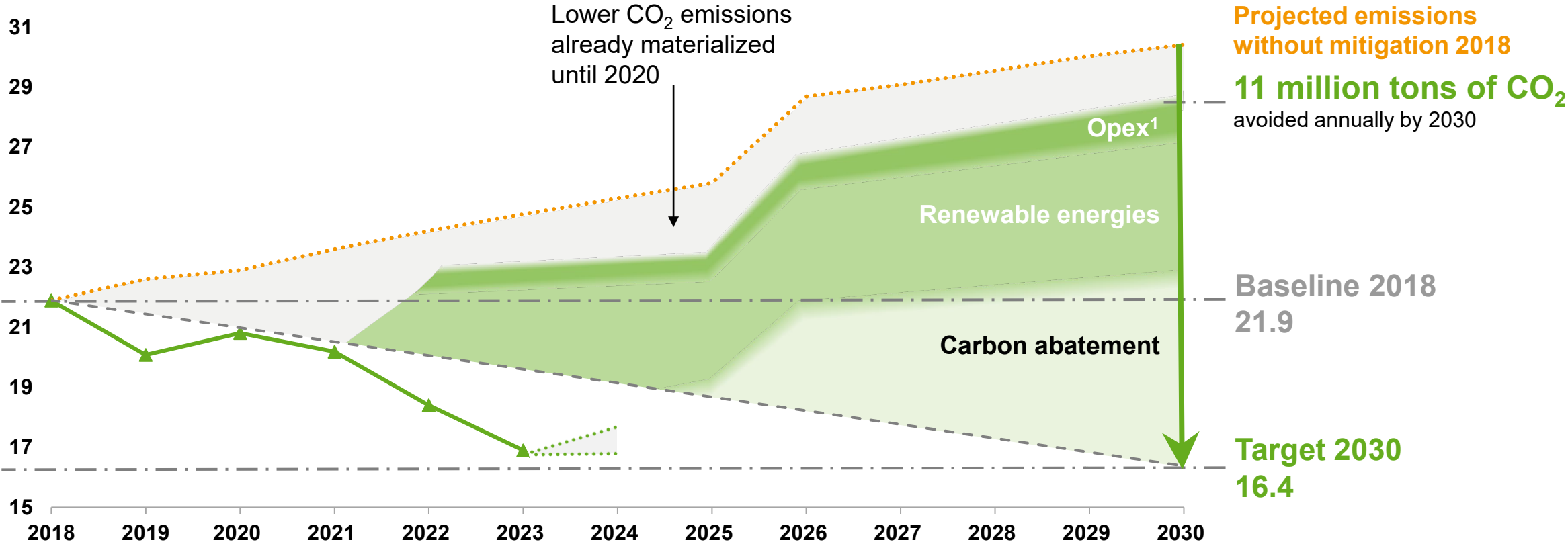


¹ Includes emissions from process energy

We have a well-filled portfolio of projects to reach our 2030 target

Projected BASF greenhouse gas emissions (Scope 1 and 2)

Million metric tons CO₂ equivalents

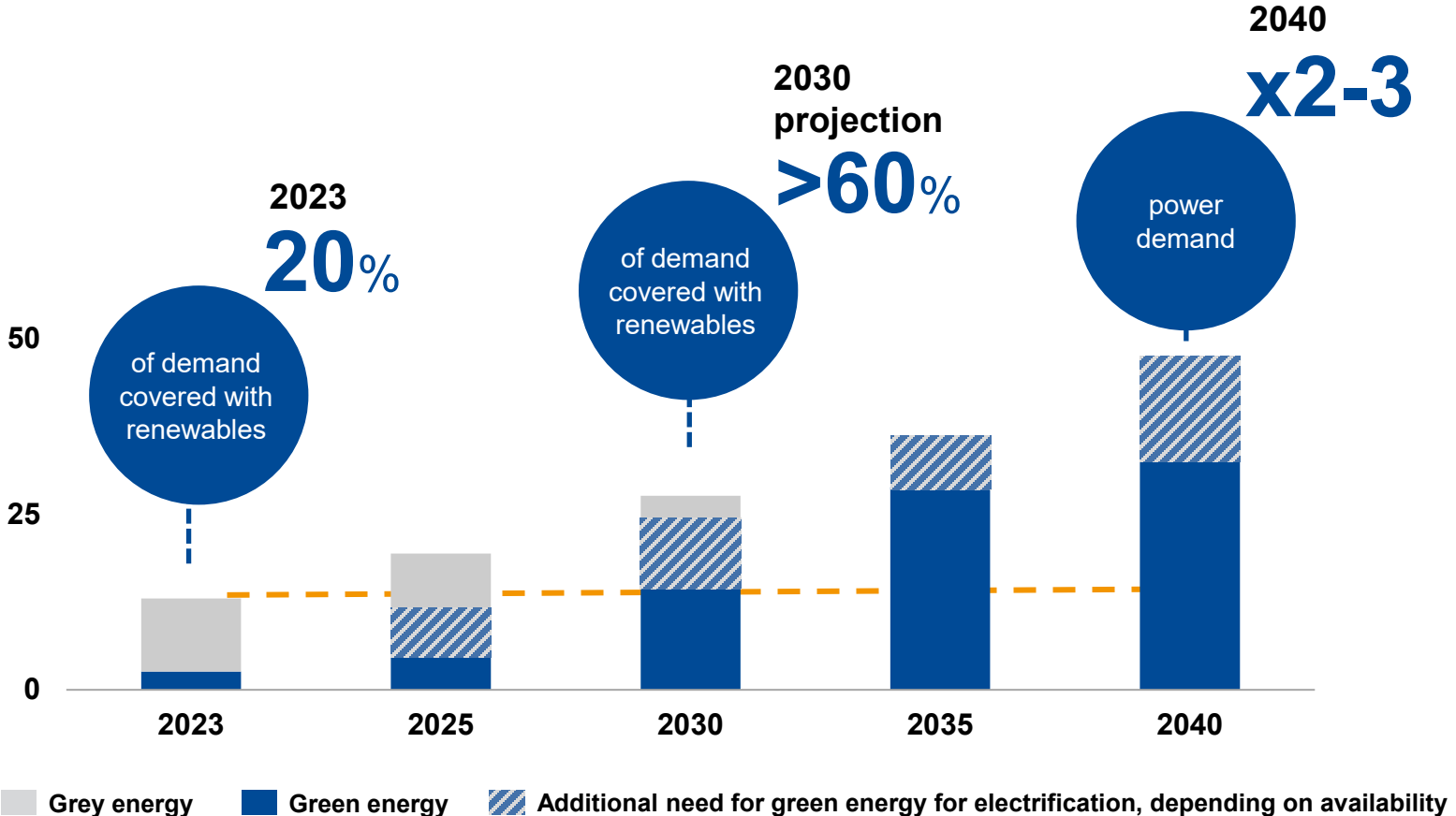


¹ Operational excellence measures that count towards either renewable energies or CO₂ abatement

Switching our power to renewable energy will be the main driver of emission reduction until 2025

BASF global power demand and renewable supply projection

Terawatt hours



- BASF aims to source **at least 60% of its power needs from renewable sources by 2030**
- BASF **power consumption** expected to **increase strongly** due to electrification on our journey to net zero
- BASF pursues a **make-and-buy strategy** to secure access to renewable power
- Early investments in renewable power assets expected to offer **advantageous economics in the future**

We are making progress on technologies for carbon abatement

eFurnace



eFurnace¹ demonstration plant built in Ludwigshafen with SABIC and Linde; testing of heating concepts to start in Q2 2024

Supported by:



on the basis of a decision by the German Bundestag

Funded by the European Union NextGenerationEU

Water electrolysis



Positive funding decision for 54 MW **water electrolysis**² plant in Ludwigshafen (Hy4Chem-EI) granted in November 2023; startup planned in 2025

Supported by:

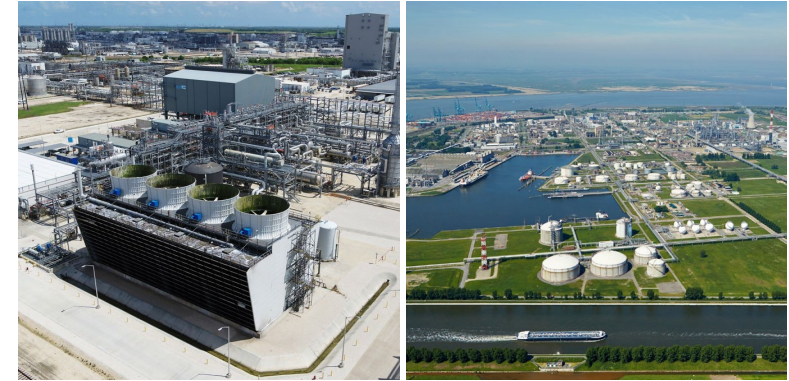


Rheinland-Pfalz

MINISTERIUM FÜR KLIMASCHUTZ, UMWELT, ENERGIE UND MOBILITÄT

on the basis of a decision by the German Bundestag

CCS projects



BASF and Yara evaluating world-scale **blue ammonia** project using **CCS** in the United States³

CCS project to reduce BASF's CO₂ emissions in Antwerp by 1 million tons per year slated for startup in 2027



Co-funded by the European Union

¹ Supported by the Federal Ministry for Economic Affairs and Climate Action (BMWK) and funded by the European Union

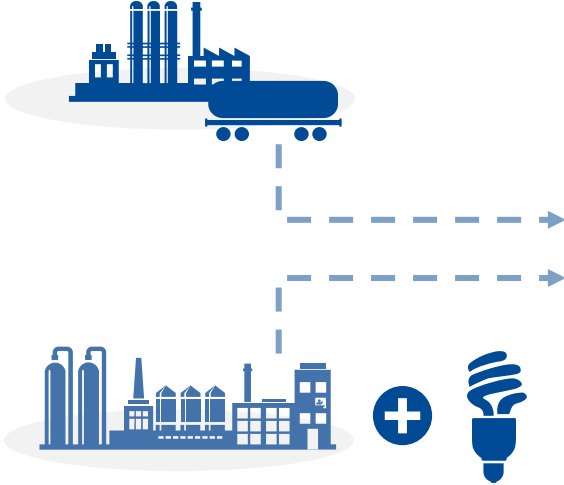
² Supported by the Federal Ministry for Economic Affairs and Climate Action (BMWK) and the State of Rhineland-Palatinate

³ Total capacity 1.2 to 1.4 million tons p.a.

We have built an industry-leading system enabling us to provide product carbon footprints calculated with a certified digital solution

Scope 3

Emissions caused by suppliers and generation of raw materials



CO₂



Product carbon footprints of sales products

Customer benefits

- Transparency on CO₂ emissions
- Identification of main reduction levers
- Certified software
- Transparent documentation

Scope 1 + 2

Emissions caused by own operations¹

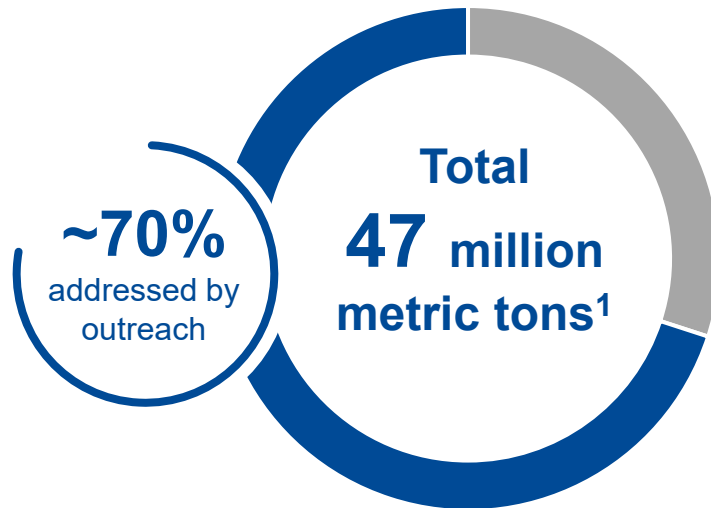


- TÜV-certified²
- Meets ISO standards³
- Calculates product carbon footprints cradle-to-gate

¹ Energy generation and chemical processes
² ISO 14067:2018
³ ISO 14040:2006, 14044:2006, 14067:2018, GHG Protocol Product Standard

We have a solid foundation for primary Scope 3.1 emission data

BASF's CO₂e emissions from raw material purchase 2023



- **Supplier CO₂ Management Program started in 2021** to collect primary emission data for purchased raw materials
- Collaboration through **knowledge sharing on PCF calculation methodology** ongoing to ensure engagement and quality of data
- More than **1,600 suppliers** have been approached, accounting for **~70% of our raw-materials related Scope 3.1 emissions¹**
- We now have more than **1,000 validated product carbon footprints** for our raw materials
- **We make product carbon footprints (PCFs) a buying criterion** to reduce our Scope 3.1 emissions and thus the PCFs of our sales products

¹ Greenhouse Gas Protocol Scope 3.1: Purchased goods and services: 47 million metric tons CO₂e, thereof 4 million metric tons not in scope of our Scope 3.1 target from battery materials, services and technical goods; excluding greenhouse gas emissions from BASF trading business

Our new targets: Reduce specific Scope 3.1 emissions by 15% by 2030 and achieve net-zero Scope 3.1 emissions by 2050

2030

15%

specific Scope 3.1
CO₂ emission reduction
(compared with 2022)¹

2050

net zero

Scope 3.1
CO₂ emissions

TripleS method increases measurability and transparency on sustainability – developed by BASF, adopted by the industry



- Methodology refined after **achieving 2025 Accelerator target ahead of schedule** in 2021
- Approximately **45,000 products** are analyzed and classified worldwide
- Each product in its application is assigned to one of **five TripleS segments**
- Portfolio steered toward **climate protection, resource efficiency and circular economy** with Pioneer and Contributor products
- The World Business Council for Sustainable Development **adopted BASF's TripleS logic** for its Portfolio Sustainability Assessment (PSA)

We aim to increase the sales share of Sustainable-Future Solutions from 41% to more than 50% by 2030

TripleS sales in 2023¹

Billion €

Not assessed

~€2.7bn

Challenged

~€1.2bn

Monitored

~€4.4bn

Standard

~€24.2bn

~€55.5 billion
(~80% of
2023 sales)¹

Pioneer

~€13.4bn

Contributor

~€9.6bn

Sustainable-Future Solutions

Resource Efficiency
Climate Change & Energy
Circularity
Other²

41%
2023

>50%
2030

¹ Sales shares based on the analysis of the relevant portfolio carried out by the end of 2023; not included: platinum group metals within ECMS, strategically non-relevant businesses such as IT services, licenses, etc. The provisional segmentation has not been audited by KPMG. The allocation to the TripleS segments is provisional, as the reassessment of our portfolio has not yet been completed.

² "Other" comprises Health & Safety, Pollution Reduction, Biodiversity, Water Protection and Zero Hunger.

BASF in sustainability ratings and rankings

MSCI ESG Research

In 2023, BASF was rated A. The analysts highlighted that BASF is present in clean tech markets and has a robust carbon mitigation and water reduction strategy.



CDP Disclosure Leadership

In February 2024, CDP once again awarded BASF Leadership status (A-) in the categories of climate protection, water management and forest protection..



Morningstar Sustainalytics

BASF belongs to the best category for “diversified chemicals” with a medium ESG risk and was recognized for its strong risk management, e.g., in the areas of CO₂, emissions, wastewater and waste as well as occupational health and safety.



FTSE4Good Global Index

BASF was again included in the FTSE4Good Global Index in 2023.



FTSE4Good

ISS ESG

In 2023, BASF held its Prime Status (B-), being among the top decile rank of the companies assessed.



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Measures to increase
competitiveness

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Pushing the transition to a
sustainable economy

5

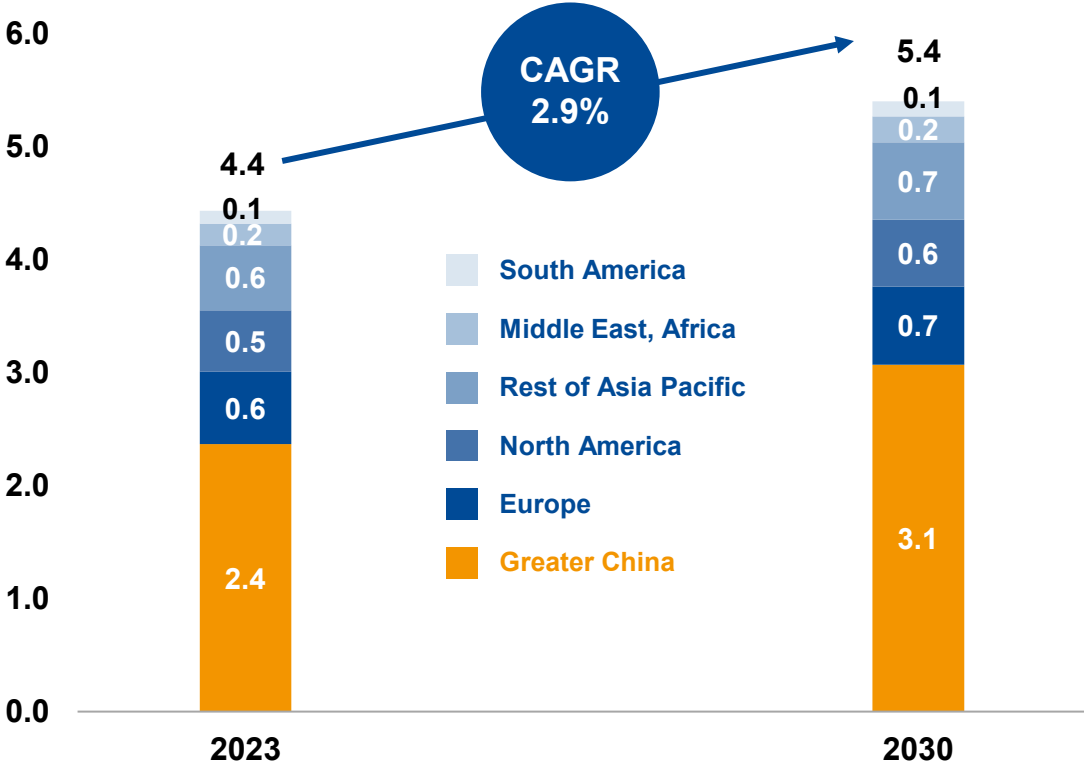
Unique position to capture
growth in Asia

6

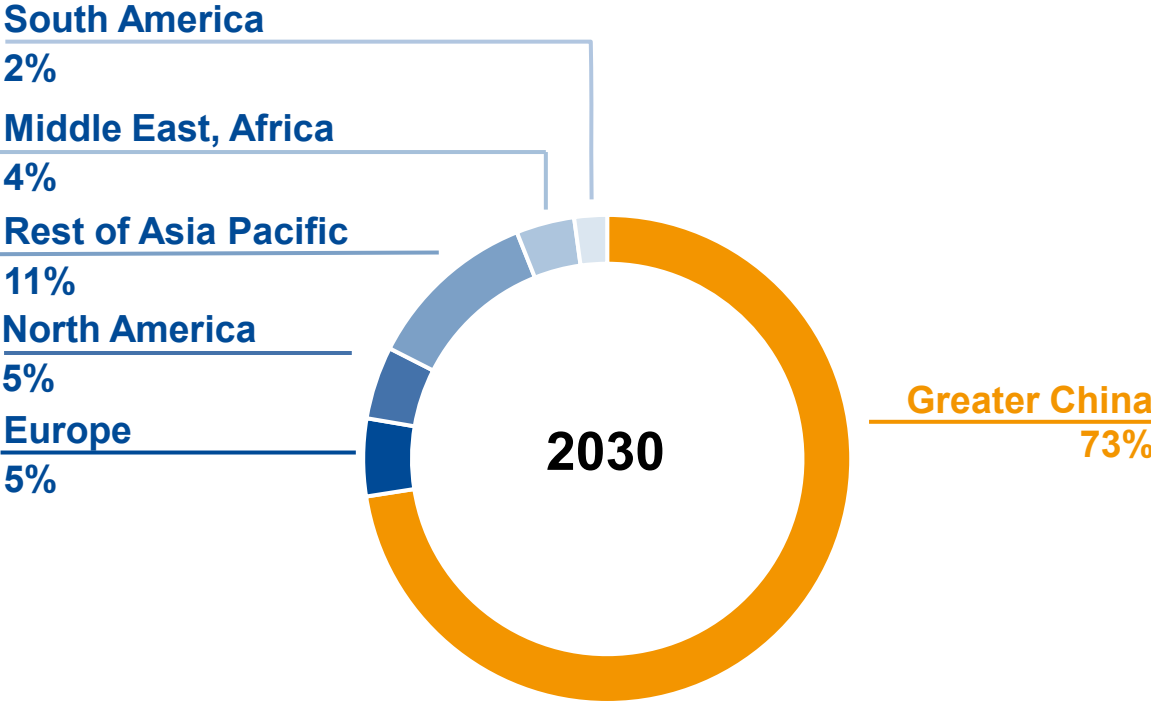
Battery materials driving
electromobility and growth

China is the major growth driver for global chemical production: ~75% of growth will come from Greater China by 2030

Real chemical production¹
trillion US\$



Share of absolute chemical production growth by region
%



Source: BASF ¹ Real chemical production excluding pharmaceuticals, US\$ base year 2015
Figures may not add up due to rounding effects.

BASF's Verbund site in Nanjing is a prime example of our success in China

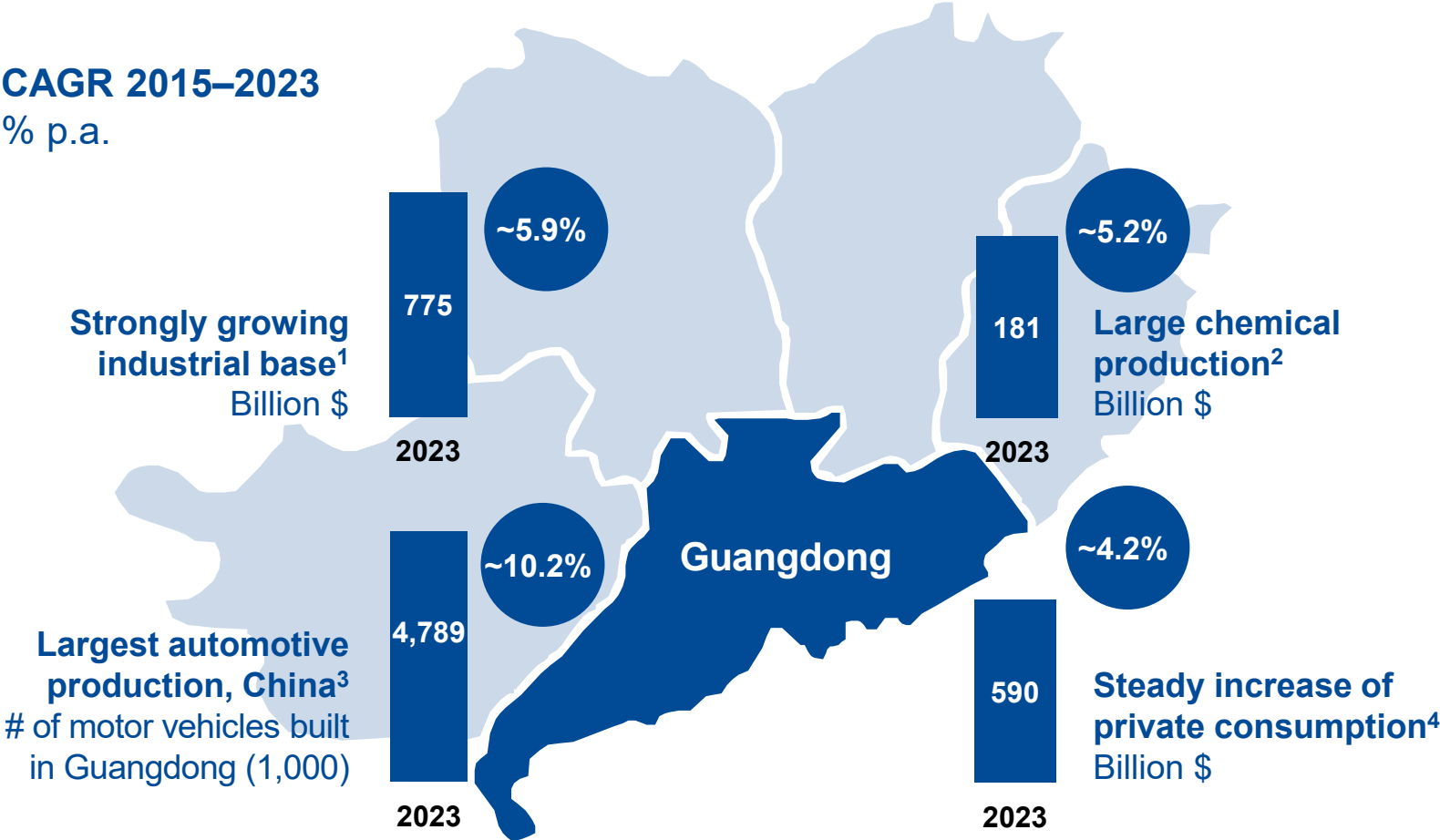


- **50:50 joint venture with Sinopec** founded in 2000, start-up in 2005, major expansions in 2011 and 2014
- Scope has **continuously expanded** over the years toward longer and more diversified value chains
- **Third-largest BASF site**, US\$5.8 billion gross investment (100%)
- Capacity: ~3 million metric tons per year; **33 production plants** including steam cracker
- Strong focus on operational excellence and consistent plant maintenance resulted in **best-in-class asset effectiveness**
- With **21% EBITDA margin**¹ BASF-YPC is one of the most profitable BASF sites

Guangdong is home to key customers from fast-growing industries

CAGR 2015–2023

% p.a.



Market characteristics⁵

- Nearly 127 million residents in Guangdong province (2022)
- GDP Guangdong (2023): >\$1.92 trillion (approaching Brazil)
- GDP CAGR 2023–2038: ~4.7% p.a.
- Key customer industries: transportation, consumer goods, home and personal care, electronics
- Chemical products are generally undersupplied from local production

¹ Industry real output, 2015-based. Guangdong Bureau of Statistics
² Real chemical gross output, 2015-based, inferred by gross output/value added ratio for China, Guangdong Bureau of Statistics
³ Guangdong Bureau of Statistics
⁴ Real private consumption, 2015-based. National Bureau of Statistics with S&P Global forecast, subject to retrospective revision
⁵ Guangdong Bureau of Statistics, S&P Global



Main construction phases of the new Verbund site in Zhanjiang, China – stepwise approach

Initial phase
on stream: 2022–2023

First downstream plants:
Performance Materials for automotive and consumer industries

Engineering plastics and thermoplastic polyurethanes

Phase 1
start-up: as of 2025

Heart of the Verbund:
Petrochemicals plus further downstream plants

Steam cracker

C2 value chain

C3 value chain

C4 value chain

Phase 2
start-up: as of 2028

Verbund expansion
and diversification

Additional downstream plants

Backward integrated into world-scale upstream plants to achieve Verbund synergies in downstream value chains

Attractive financing conditions in China

- We are financing the Zhanjiang Verbund site with a combination of equity (20%) and debt (80%)
- Equity funded by dividends from existing BASF Group companies in China
- Debt financing will be based on the Chinese capital market and local bank financing

Key financials of BASF's new Verbund site in Zhanjiang

€4.0–5.0 billion

Sales
by 2030

€1.0–1.2 billion

EBITDA
by 2030

Up to €10 billion

total capital expenditure
until 2030
(peak: 2023–2025)

- The **greenfield character** of the new Verbund site results in a higher share of infrastructure investments compared with a brownfield project
- Infrastructure investments will be **diluted with future investments/expansions**
- The new Verbund site will be BASF's **key platform for long-term profitable and sustainable growth** in China even beyond phase 1 and phase 2

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Unique position to capture growth in Asia

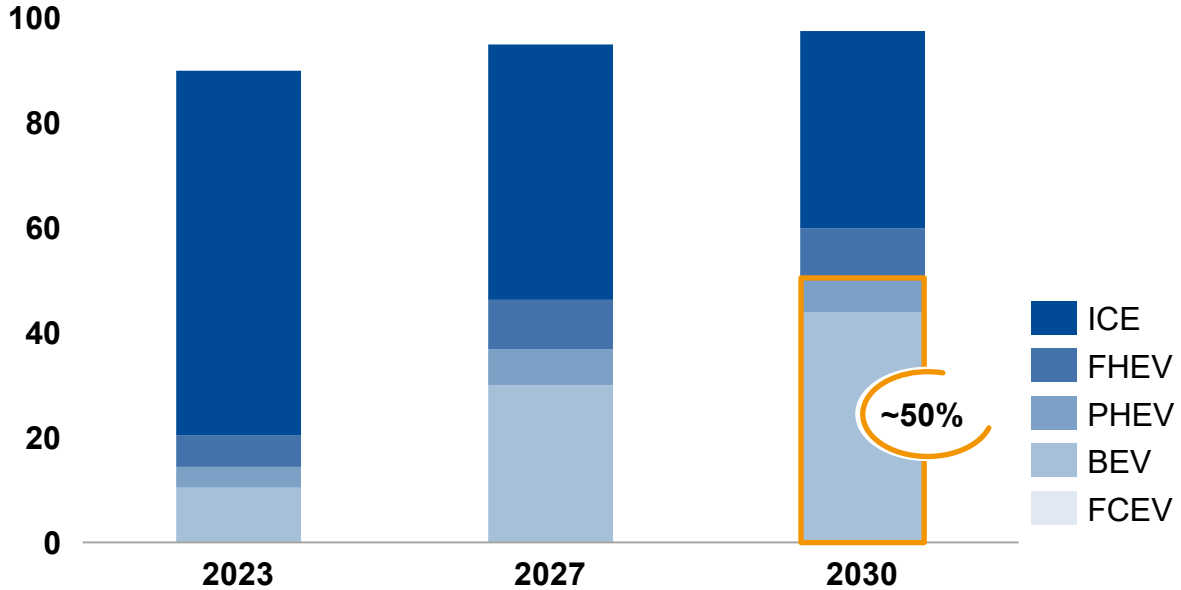
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Battery materials driving electromobility and growth

The automotive industry is in the middle of a major transformation toward electromobility

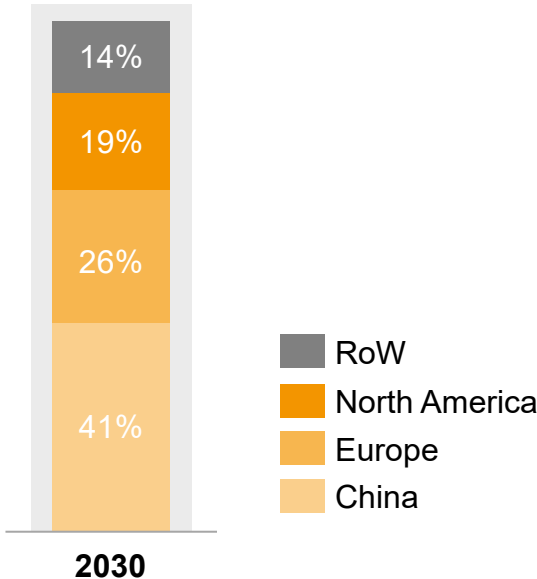
Powertrain development

Light-duty vehicle production volume
Million units



Regional BEV split

%



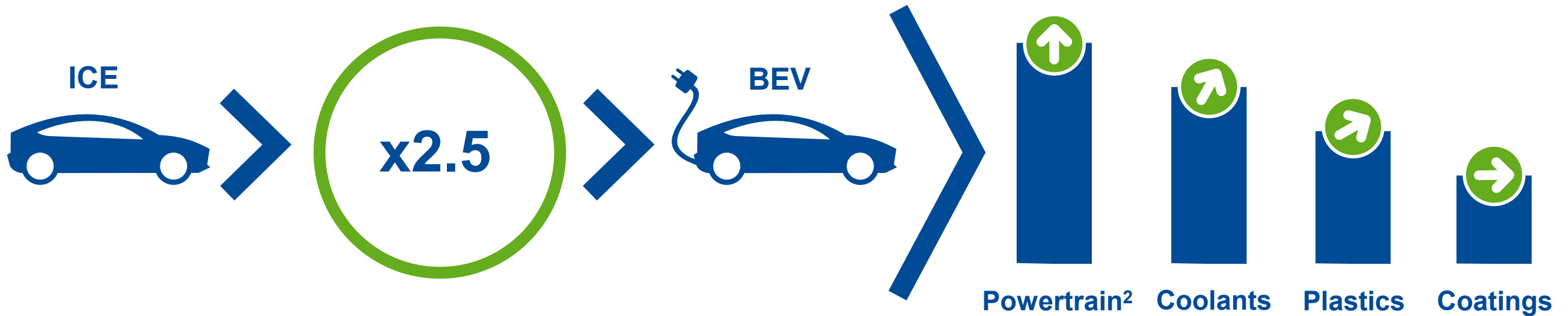
By 2030, we expect that ~50% of all new cars will be BEVs and PHEVs

The chemical content per car is higher in a BEV compared to ICE, with CAM as the single largest growth opportunity

Chemical content per car

Main contributors¹

difference in € per car vs. conventional



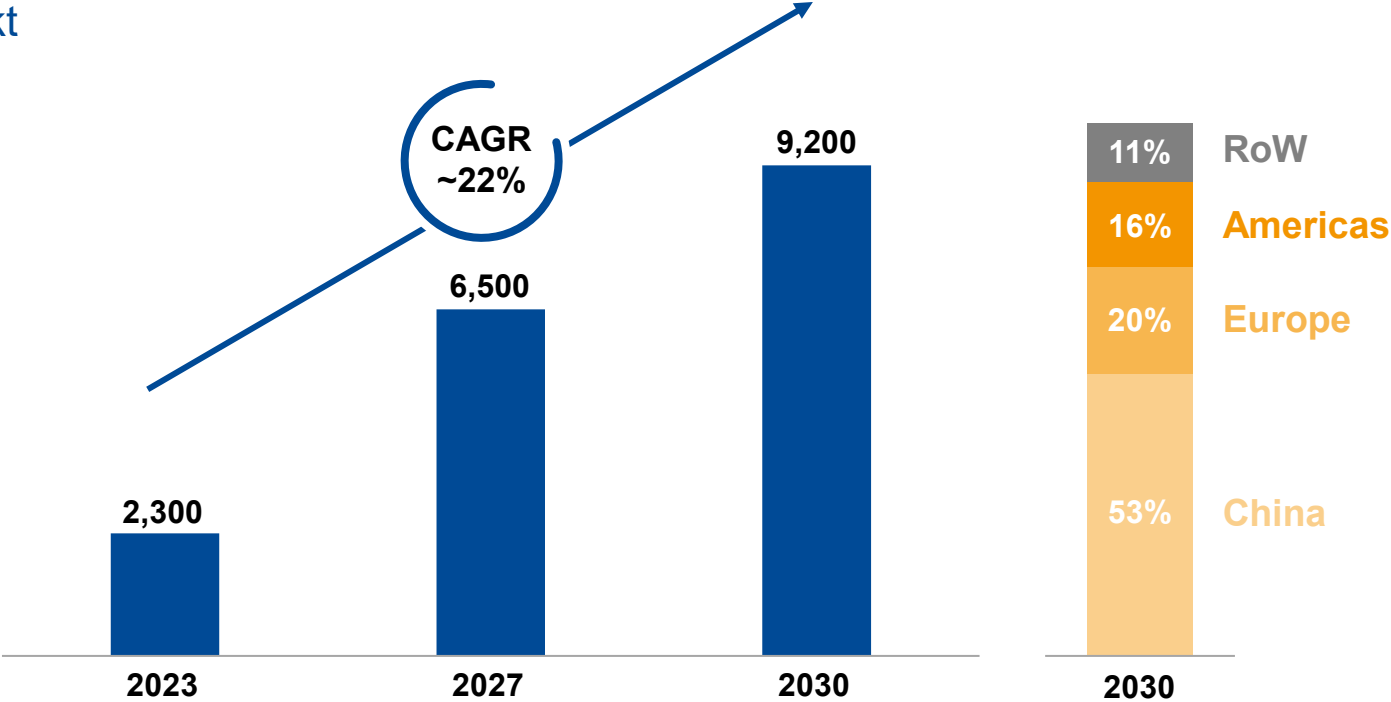
The cathode active material (CAM) as key component of any battery cell more than doubles the chemical content which can be found in today's average ICE vehicle

¹ Only representative for relative change in projected sales

² Emission catalyst vs. cathode active material (both incl. metals)

The CAM market will grow by ~22% per year and reach a total size of 9,200 kt by 2030

Global CAM market forecast¹
kt



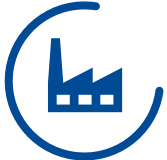
Continuous growth of global EV demand, ...



... incentives and regulatory push for local supply chains ...



... accelerate the need for CAM capacity investments especially in western countries...



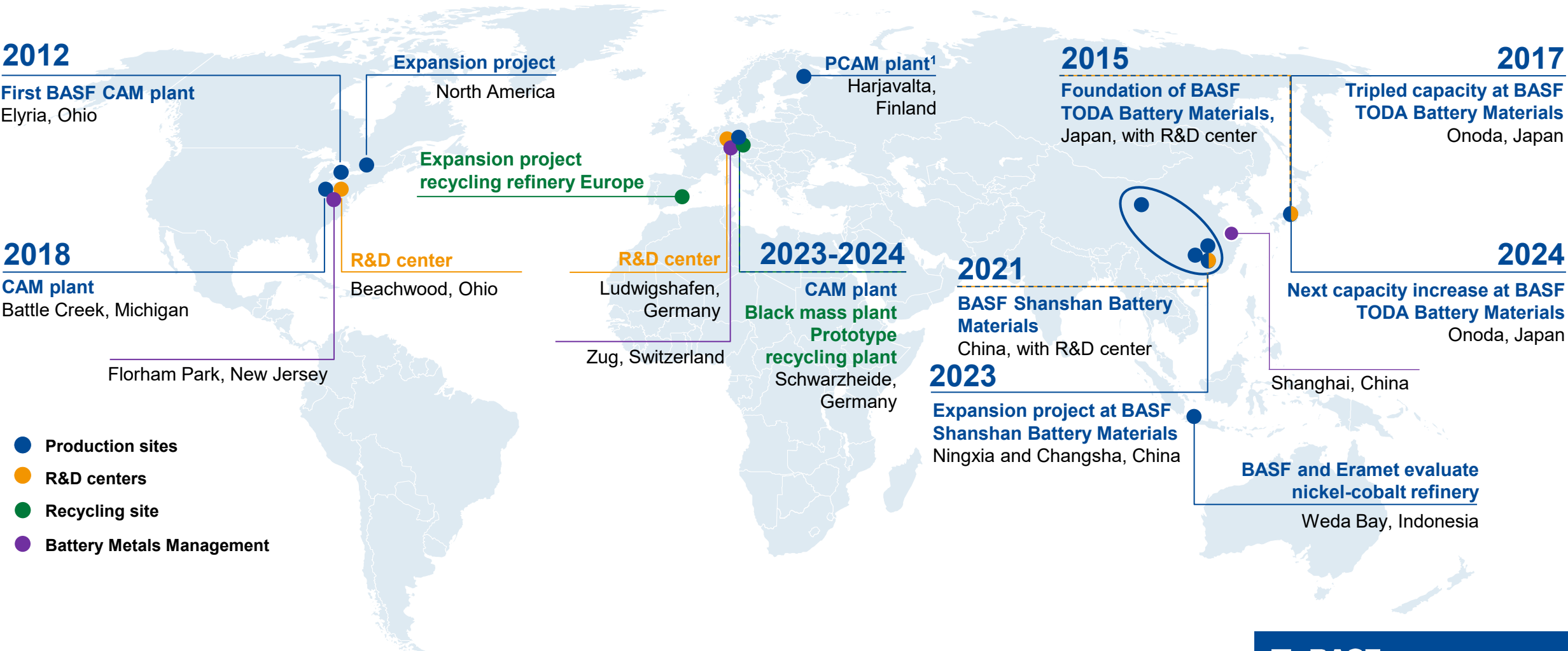
... drives demand for base metals (i.e., Ni, Co, Li)



CAM market is driven by battery performance, safety and cost, which are all key parameters for BEVs

¹ All applications (e-mobility, energy storage systems, consumer electronics) and all cathode chemistries; market size can vary significantly due to volatility in metal prices; status as of January 2024

BASF has production assets and R&D hubs in close proximity to the most important BEV markets in every region



Map for indicative purposes only. ¹The required approval from the relevant authorities has been granted. Start-up of the plant is scheduled following the legally binding conclusion of the opposition proceedings.

The Battery Materials business will become a significant earnings contributor to the BASF Group

>€7 billion sales
by 2030

~10%
market share
targeted

≥30%
EBITDA bsi margin
(excl. metals)

~€3.5–4.5 billion
capital expenditure
2022–2030

- Continue to ramp up existing sales of the **CAM portfolio** and **secure further commercial outlets**
- Build on **customer proximity** with our **domestic production footprint** to meet customer needs
- Realize new business opportunities and further cost reductions with **continued product development**
- Utilize our broad knowledge of the industry to **support the ongoing transformation** of the sector



We create chemistry