



 **BASF**

We create chemistry

Creditor Story

July 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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Q2 2024 reporting and financing highlights

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Measures to increase competitiveness

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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	Industry-leading innovation platform	Strong and expanding local presence in fast growing Asian market	Creating value to society and contributing to a sustainable development	Progressive dividend policy
<ul style="list-style-type: none"> ▪ 6 Verbund sites globally ▪ 234 production sites worldwide in total ▪ 5.7 million metric tons of CO₂ avoided globally in 2023 	<ul style="list-style-type: none"> ▪ €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 	<ul style="list-style-type: none"> ▪ 2 Verbund sites already; one additional Verbund site currently under construction ▪ ~70 production sites ▪ €17.5 billion¹ sales in 2023 	<ul style="list-style-type: none"> ▪ CO₂ emission targets: <ul style="list-style-type: none"> – 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 	<ul style="list-style-type: none"> ▪ 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.

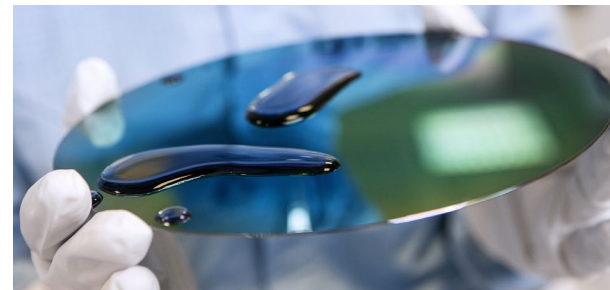
- Sales 2023: €10,369 million
- EBITDA before specials items 2023: €1,167 million



Materials

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

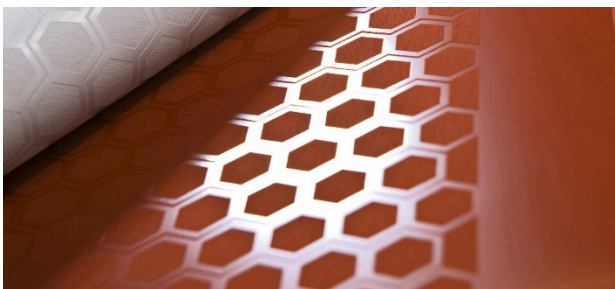
- Sales 2023: €14,149 million
- EBITDA before specials items 2023: €1,650 million



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

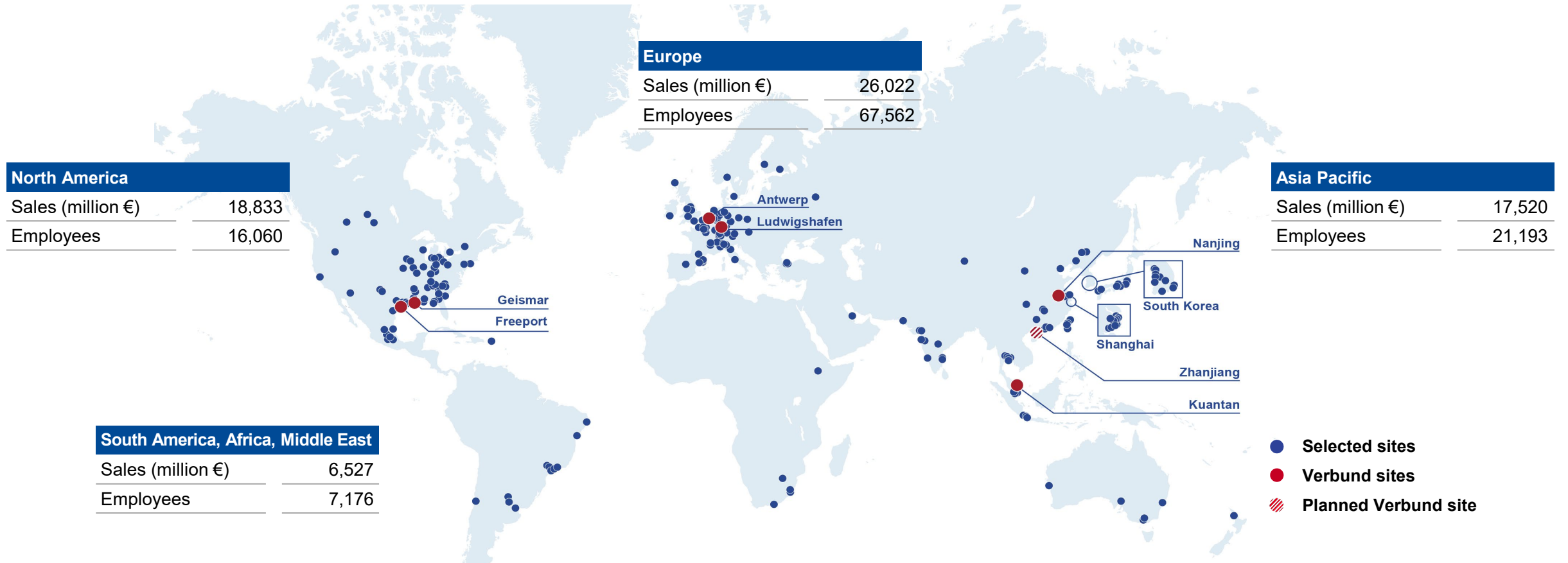


Agricultural Solutions

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

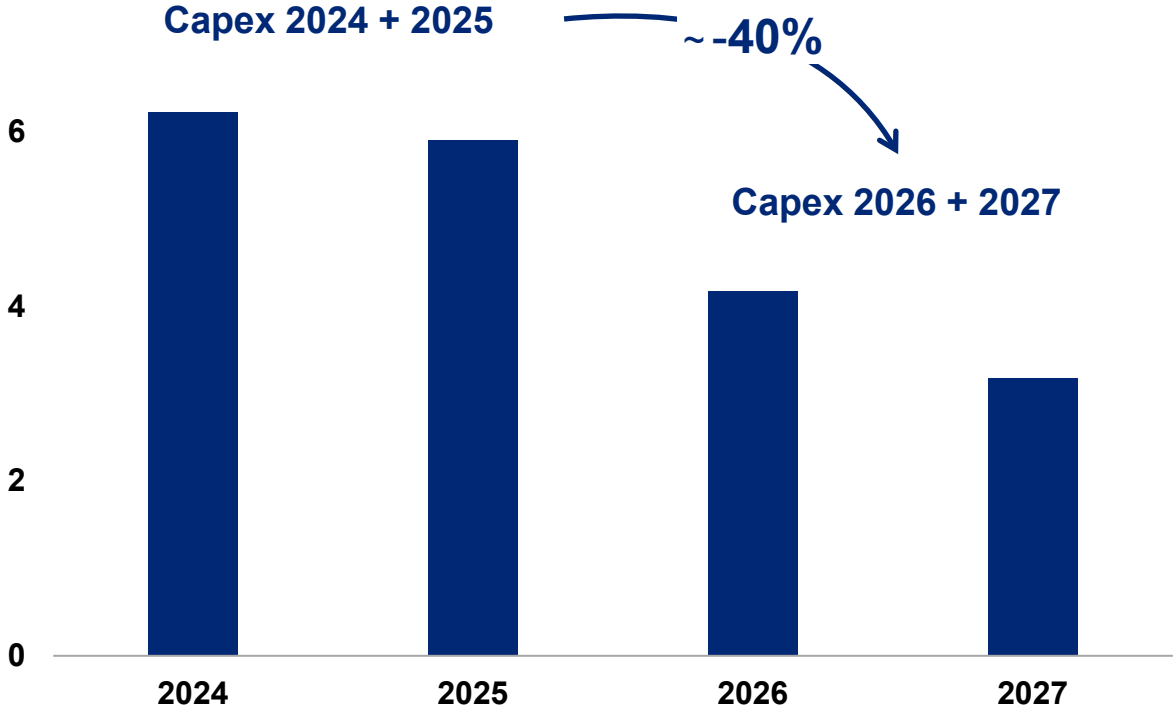


- Share buybacks are part of our toolbox but currently not being used
- Between January 2022 and February 2023 own shares were repurchased for ~€1.4 billion

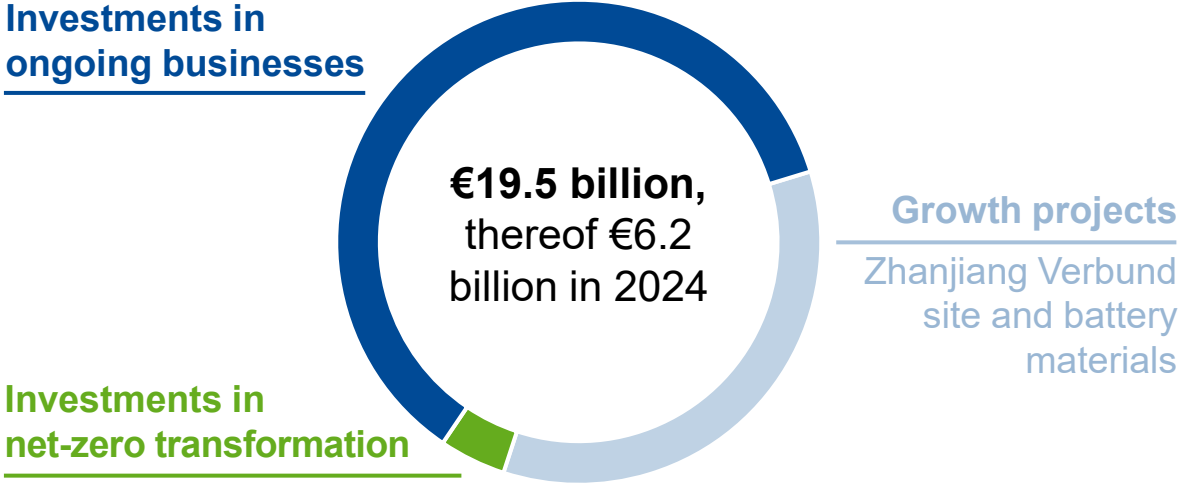
¹ As of June 30, 2024: 44.5%

Continued strict management of capital expenditures

Overall capex budget
Billion €, 2024–2027

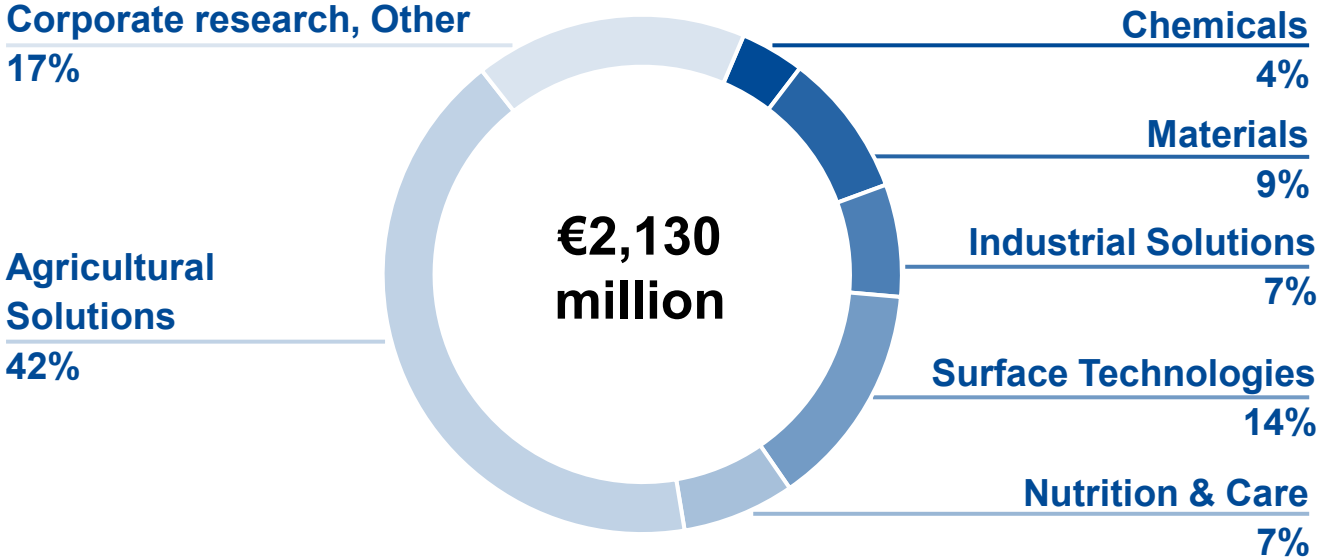


Capex budget by type of investment
Billion €, 2024–2027



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

R&D expenses 2023



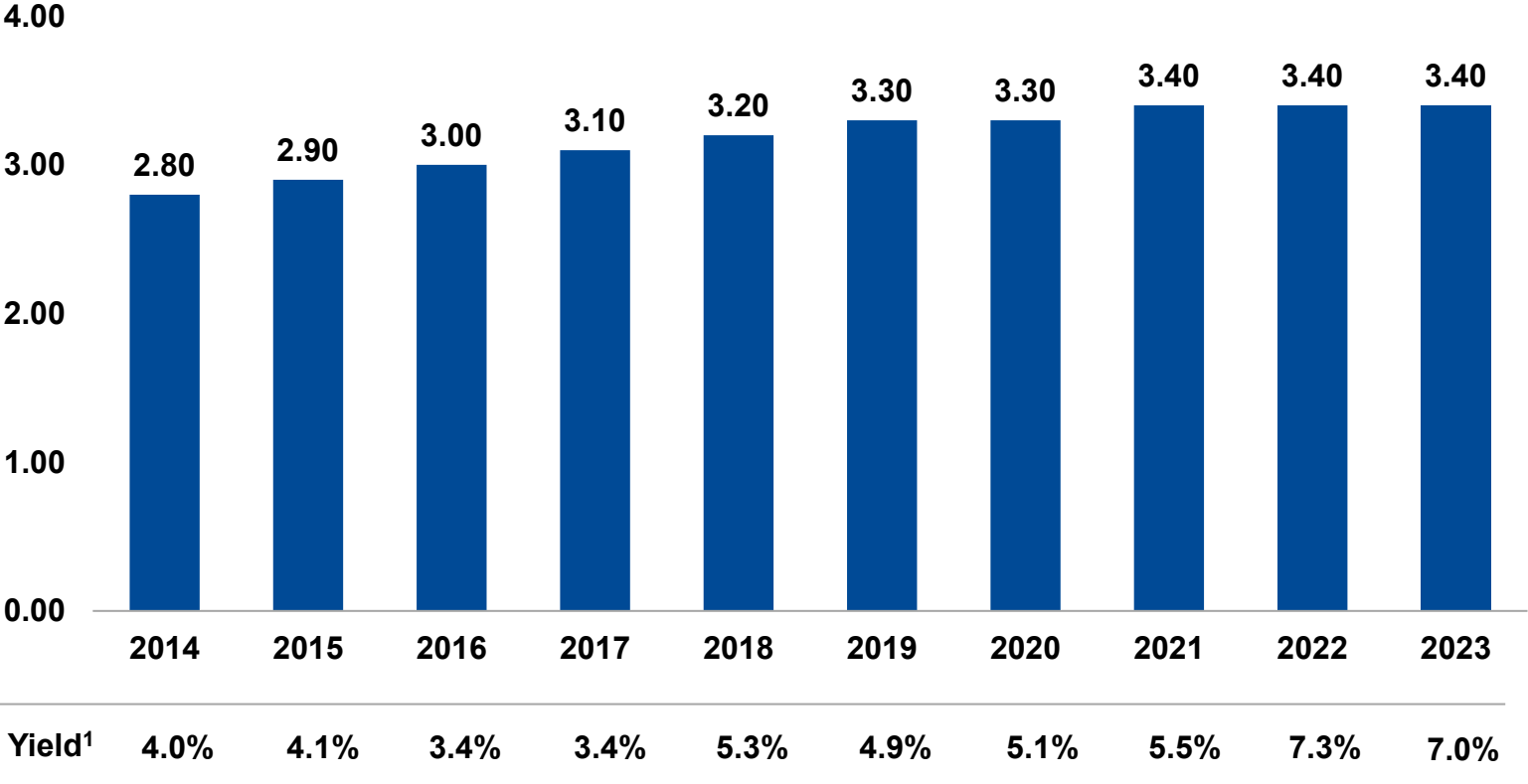
Key facts 2023

- 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

€



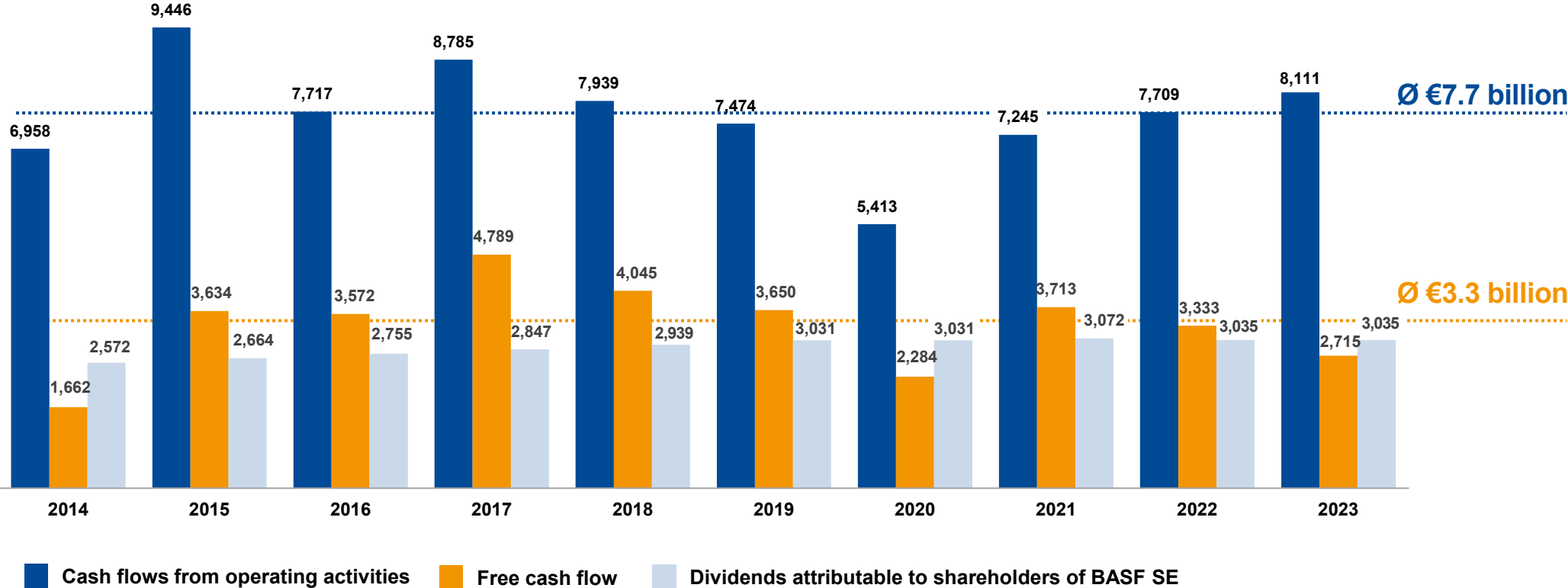
Key facts 2023

- Dividend of €3.40 per share
- Total payout of €3.0 billion², 90% of which covered by 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 €



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 unchanged

Outlook 2024

EBITDA before special items

€8.0 billion – €8.6 billion

Free cash flow

€0.1 billion – €0.6 billion

CO₂ 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



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BASF Group Q2 2024 and H1 2024: Key financial figures

Financial figures	Q2 2024	Change	H1 2024	Change
	Million €	%	Million €	%
Sales	16,111	-6.9	33,664	-9.7
EBITDA before special items	1,957	0.6	4,669	-2.9
EBITDA	1,563	-18.1	4,218	-10.6
EBIT before special items	969	-3.7	2,723	-7.3
EBIT	516	-47.0	2,205	-22.4
Net income	430	-14.0	1,797	-12.8

Q2 2024: EBITDA before special items at prior-year quarter level; outlook 2024 unchanged

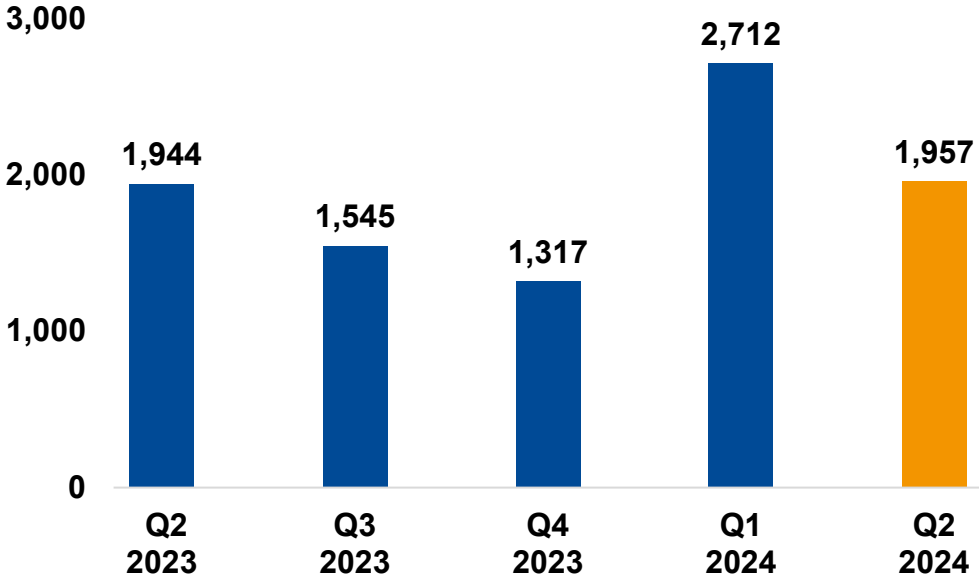
- **Sales 7% down** on Q2 2023 at €16.1 billion, **mainly due to lower prices**; however, **pressure on sales prices eased**
- **Volumes** of BASF Group, excluding precious and base metals, **increased by 2.4%**
- Q2 2024 **EBITDA before special items** of €2.0 billion **at prior-year level** (+0.6% compared with Q2 2023)
- **Overall stronger earnings in chemical businesses** offset by considerably lower earnings in Agricultural Solutions due to a difficult market environment

Sales development

Q2 2024 vs. Q2 2023	Volumes	Prices	Portfolio	Currency
BASF Group adjusted¹	↑ 2.4%	↓ -3.8%	↓ -0.1%	↓ -1.1%
BASF Group IFRS¹	↑ 0.5%	↓ -6.4%	↓ -0.1%	↓ -0.9%

EBITDA before special items

Million €



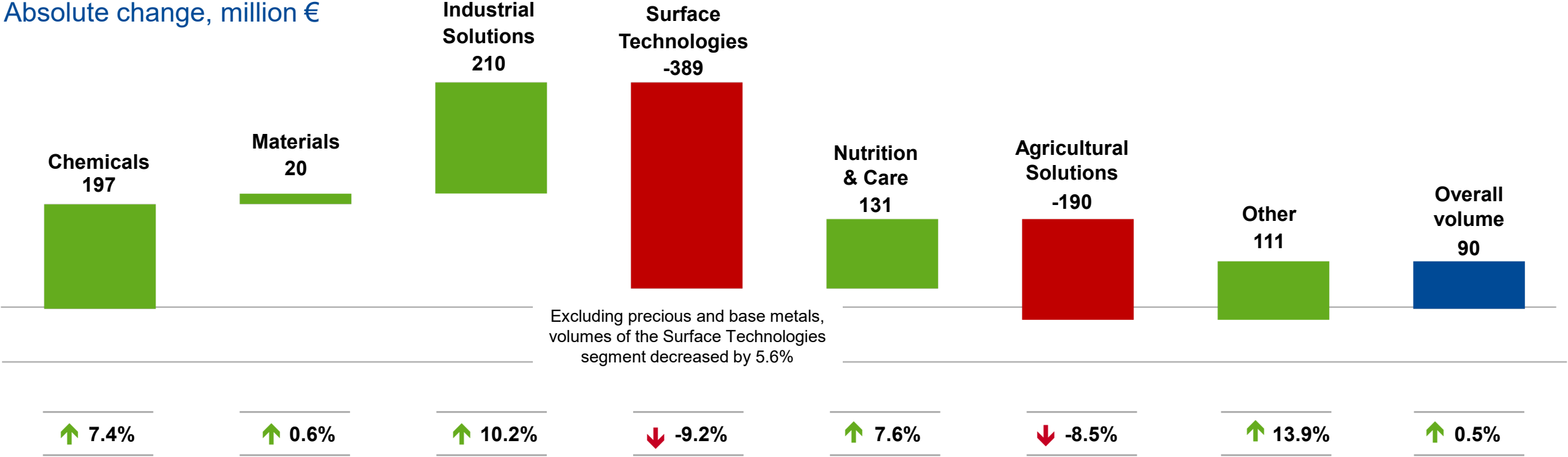
¹ The IFRS figures correspond to the Consolidated Financial Statements. The adjusted figures exclude sales in precious metal trading as well as precious and base metal sales in the catalysts business

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

Volume development by segment

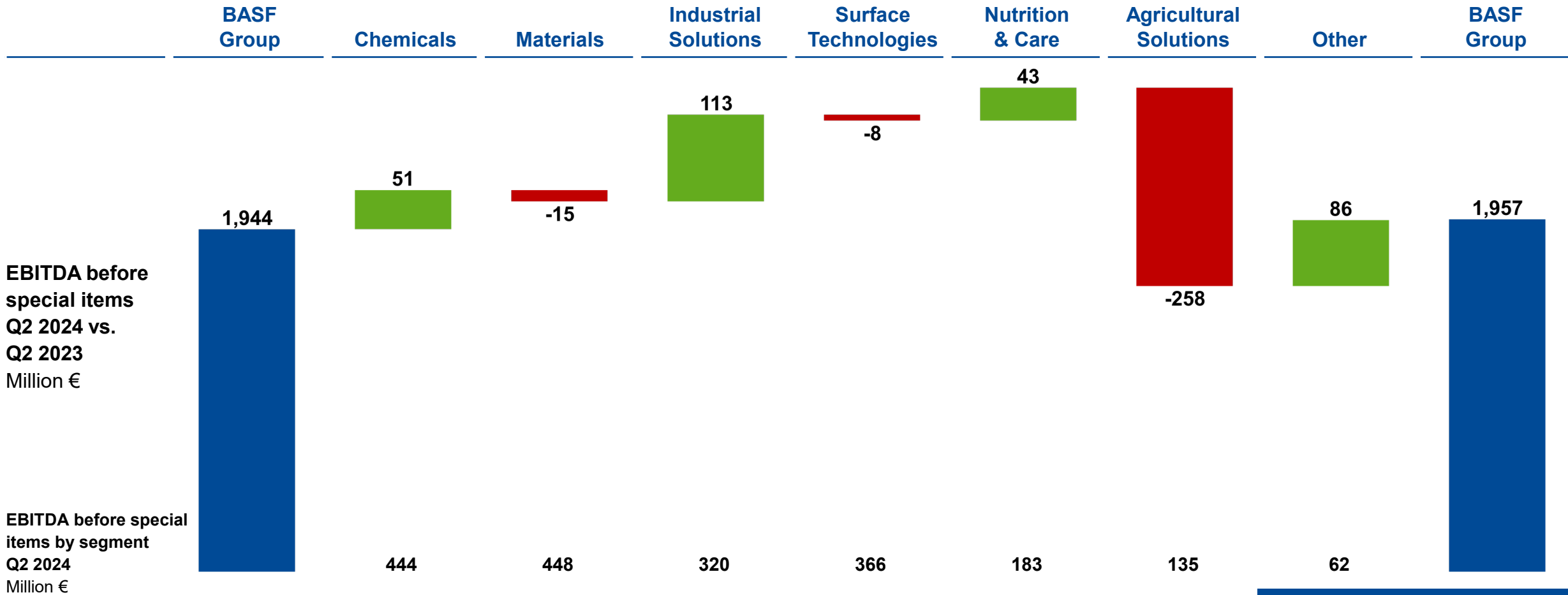
Q2 2024 vs. Q2 2023

Absolute change, million €



Relative change, %

EBITDA before special items at prior-year quarter level, despite considerably lower earnings in Agricultural Solutions



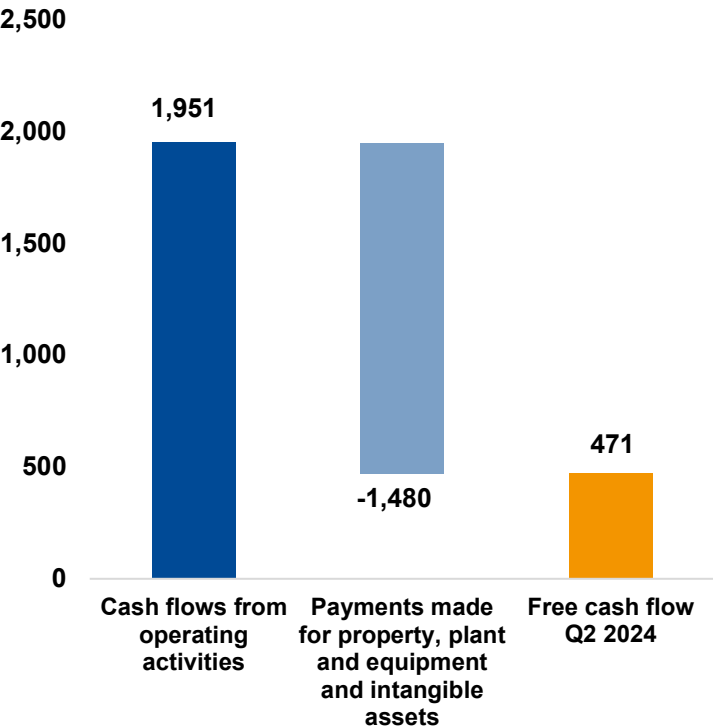
Agricultural Solutions: We are taking decisive action to secure profitability

- **Mainly driven by herbicides**, particularly **glufosinate-ammonium (GA)**, **EBITDA before special items in the first half of 2024** declined by 18% compared with the strong first half of the prior year and reached **€1,496 million**
- While cost reductions have been achieved in GA production, the **GA business has been increasingly affected by generic competition, alternative technologies** as well as high energy and raw material prices
- The announced **closure of the GA production and formulation facilities** in Knapsack and Frankfurt will result in **additional special charges in a low triple-digit million-euro range in Q3 2024**
- In future, we will source the active ingredient **GA from third-party suppliers to secure long-term competitiveness**

Cash flow development in Q2 2024 and H1 2024

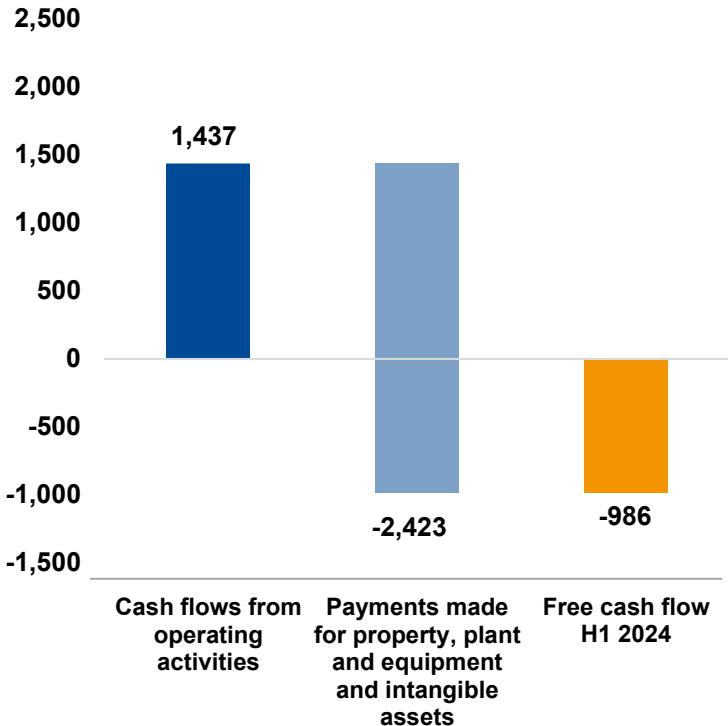
Q2 2024

Million €



H1 2024

Million €

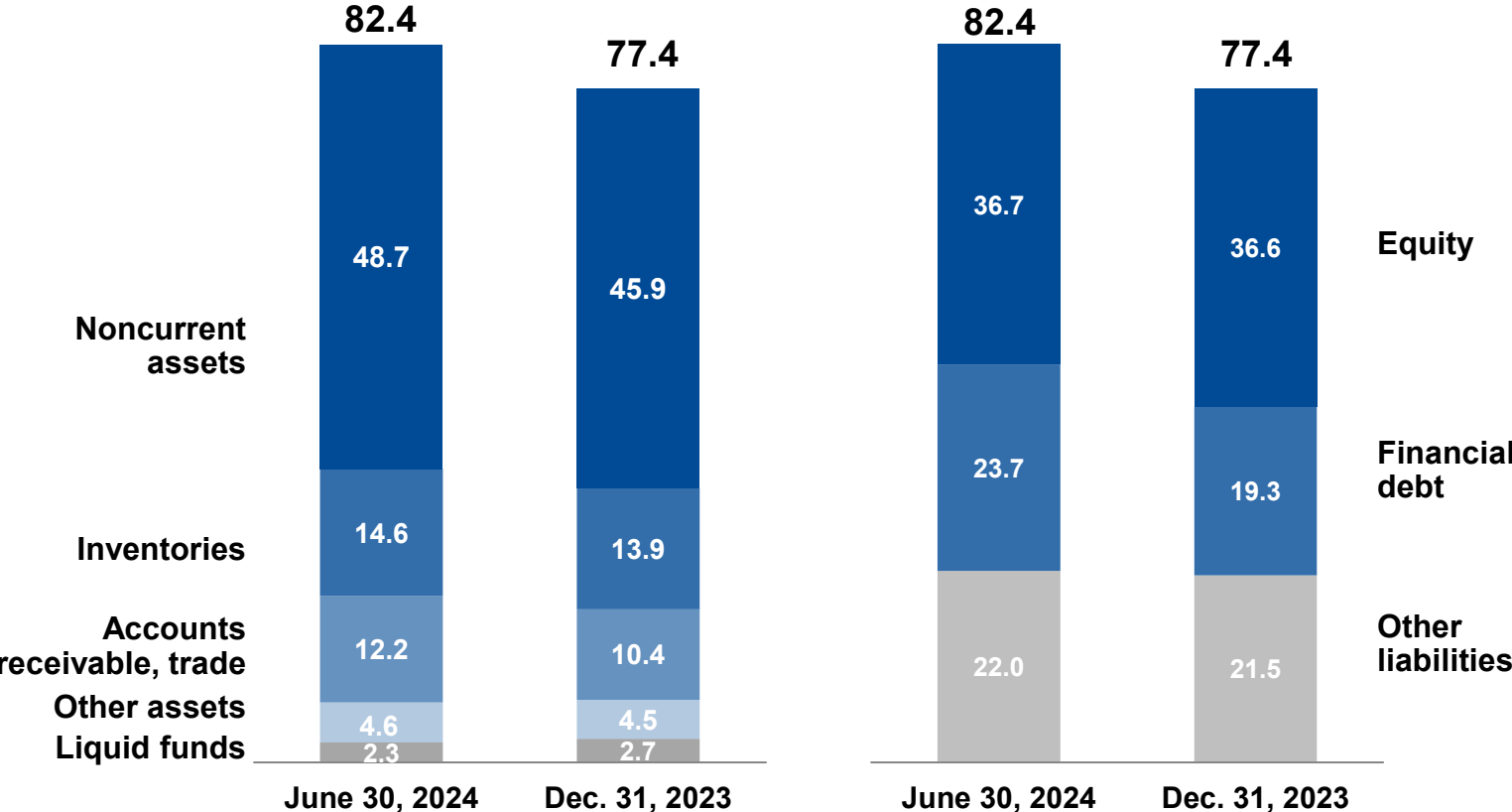


Q2 2024 vs. Q2 2023

- Cash flows from operating activities** decreased by €228 million to €2.0 billion, mainly due to lower dividend payments from equity-accounted companies and lower cash inflows from changes in net working capital
- Payments made for property, plant and equipment and intangible assets** rose by 16% to €1.5 billion, mainly due to the construction of our new Verbund site in South China, which is progressing on time and in budget
- Free cash flow** amounted to €471 million compared with €905 million in Q2 2023

Strong balance sheet

Balance sheet June 30, 2024, vs. December 31, 2023
Billion €



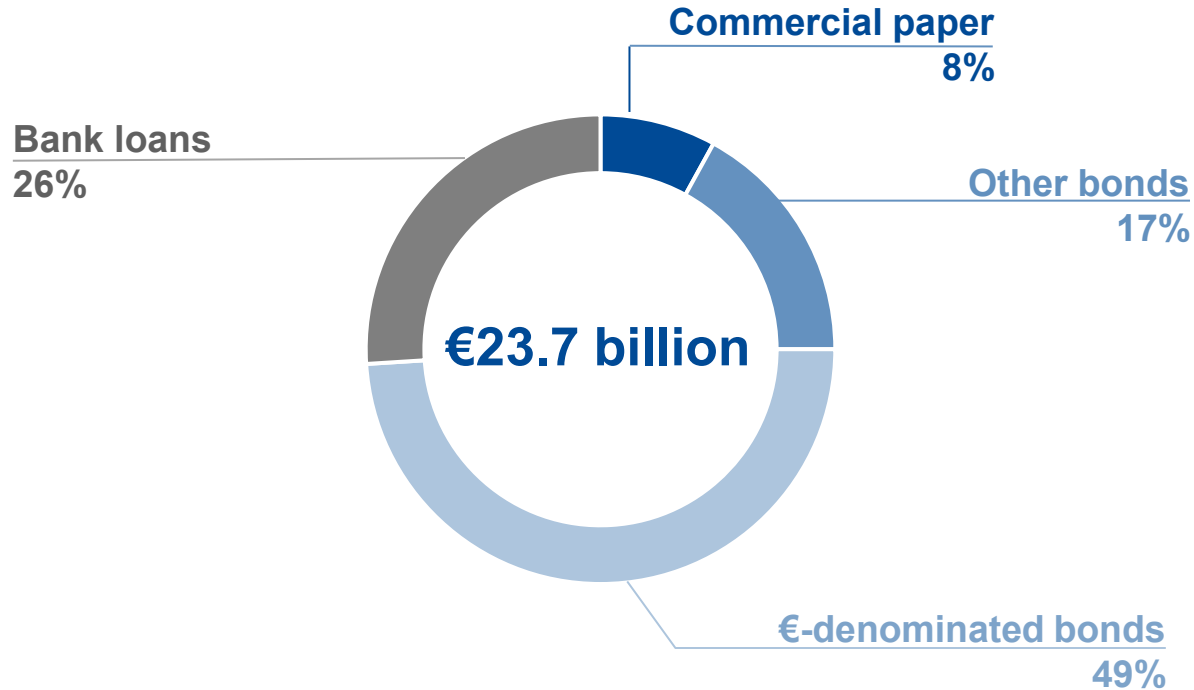
- **Total assets** increased by €5.1 billion to €82.4 billion, particularly due to higher trade accounts receivable and additions to property, plant and equipment
- **Net debt** amounted to €21.4 billion compared with €16.6 billion at the end of 2023 and €20.2 billion at the end of June 2023
- **Equity ratio: 44.5%** (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 June 30, 2024



BASF's liquidity position

- **€2.3 billion cash and cash equivalents¹**
(as of June 30, 2024)

BASF's financing facilities

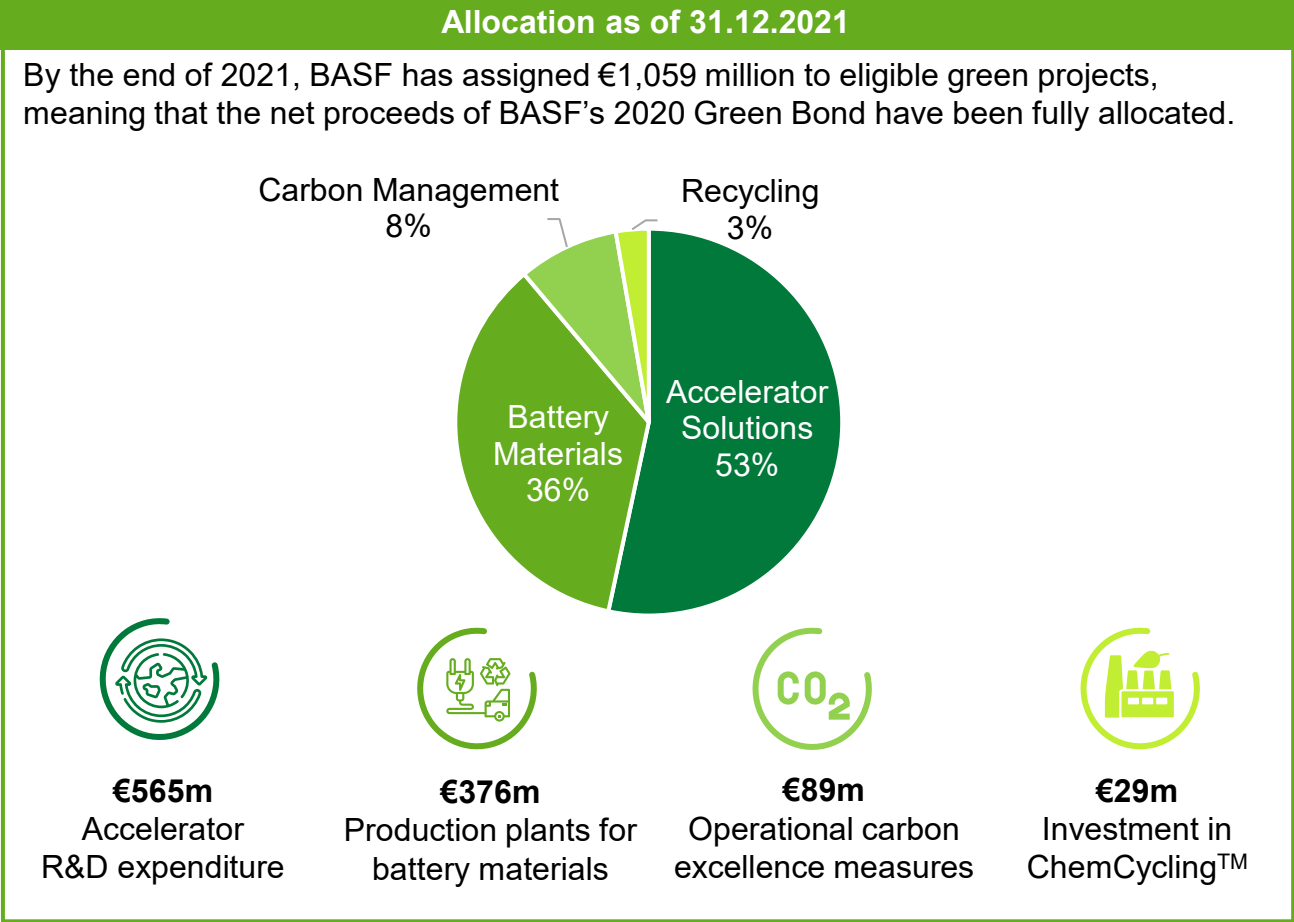
- **USD 12.5 billion commercial paper program**
(for short-term debt financing)
- **€20 billion debt issuance program**
(for long-term debt financing)
- **€6 billion broadly syndicated backup line**
(maturing in 2026)
- **CNY 40 billion syndicated bank term loan**
(maturing in 2038)

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

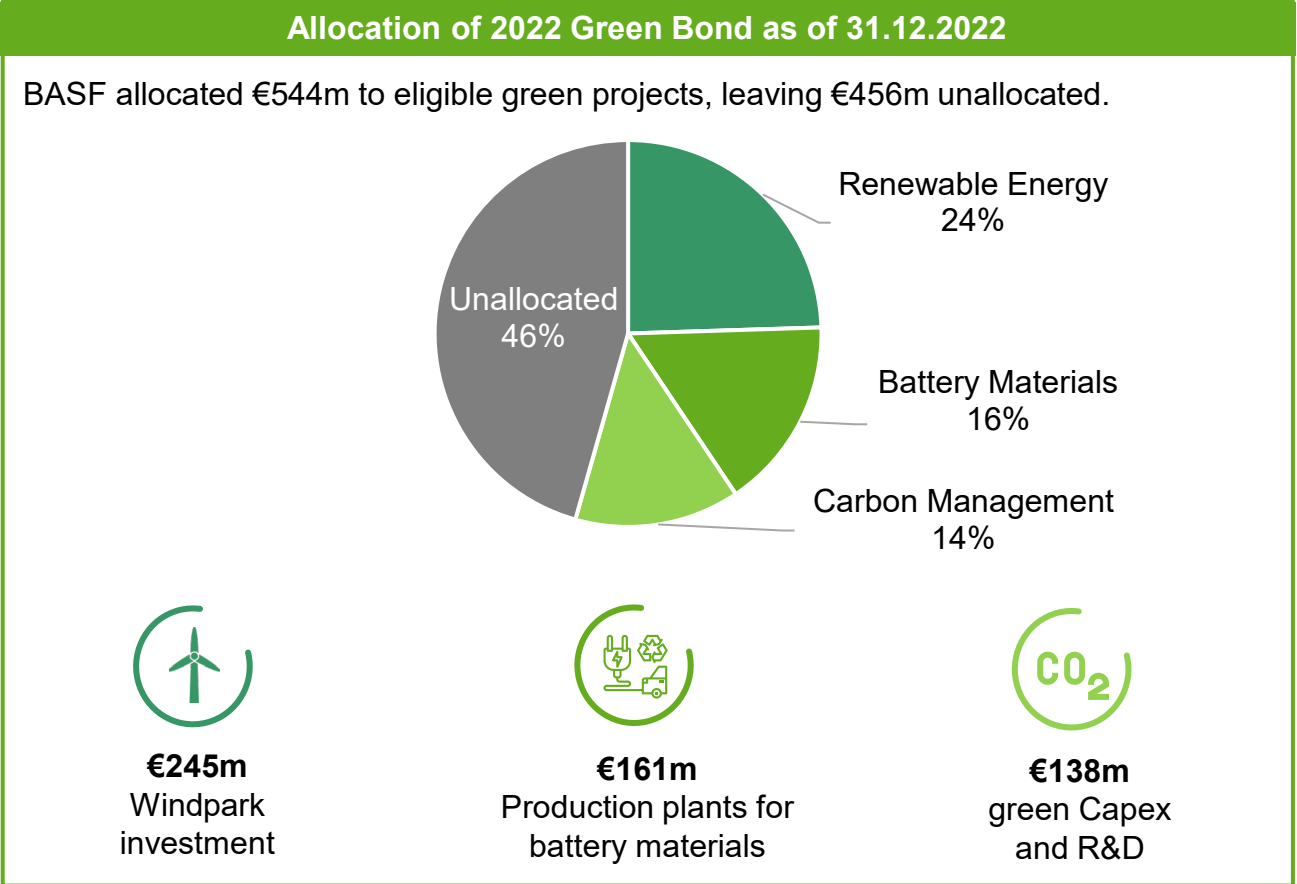
In 2020, BASF successfully issued its inaugural Green Bond as the first European chemical company

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	



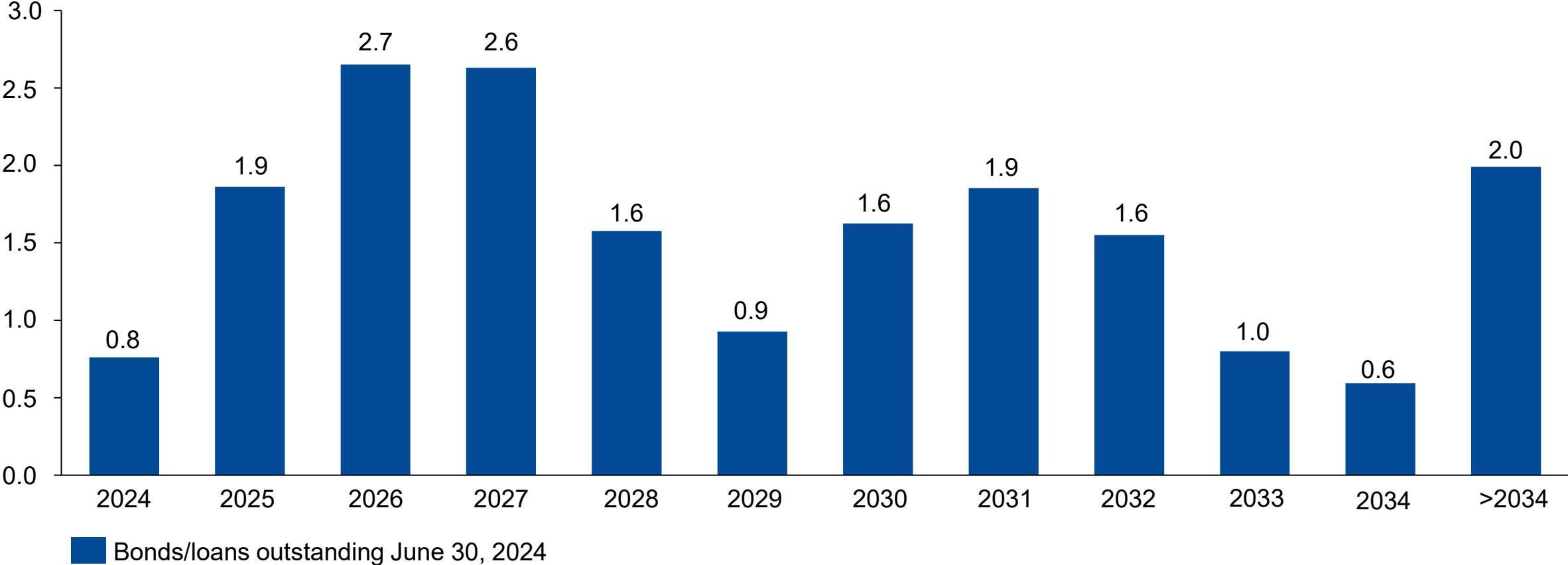
In March 2022, BASF successfully issued its second Green Bond to further finance its green projects

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

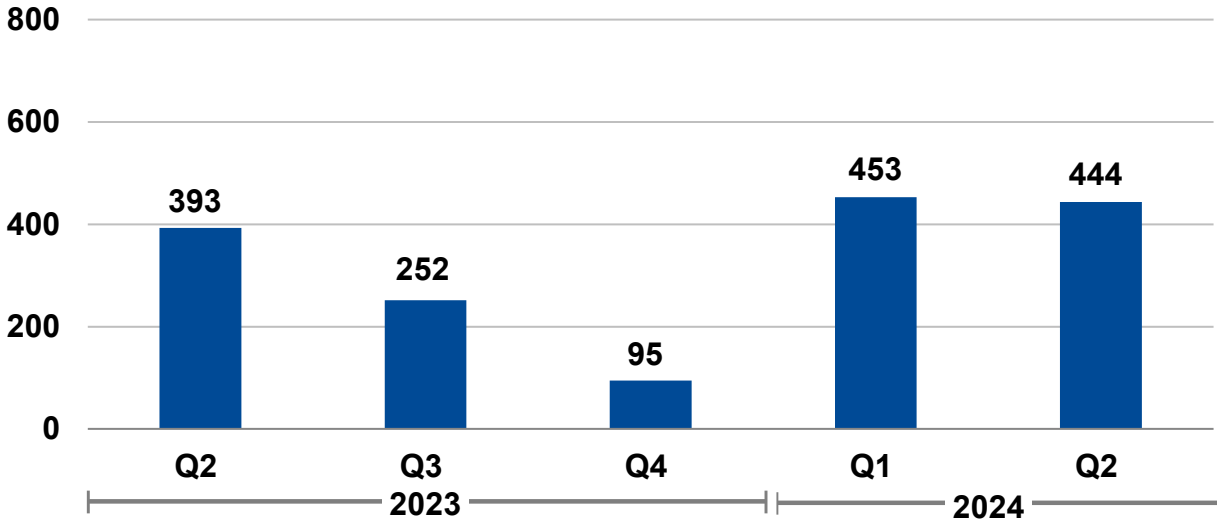
Profile as of June 30, 2024
Billion €



Chemicals

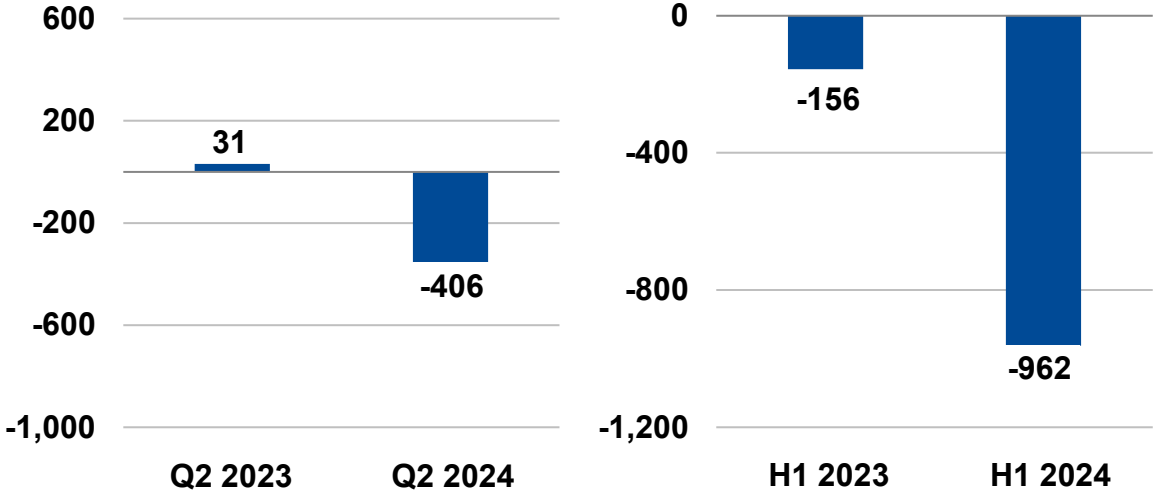
EBITDA before special items

Million €



Segment cash flow

Million €

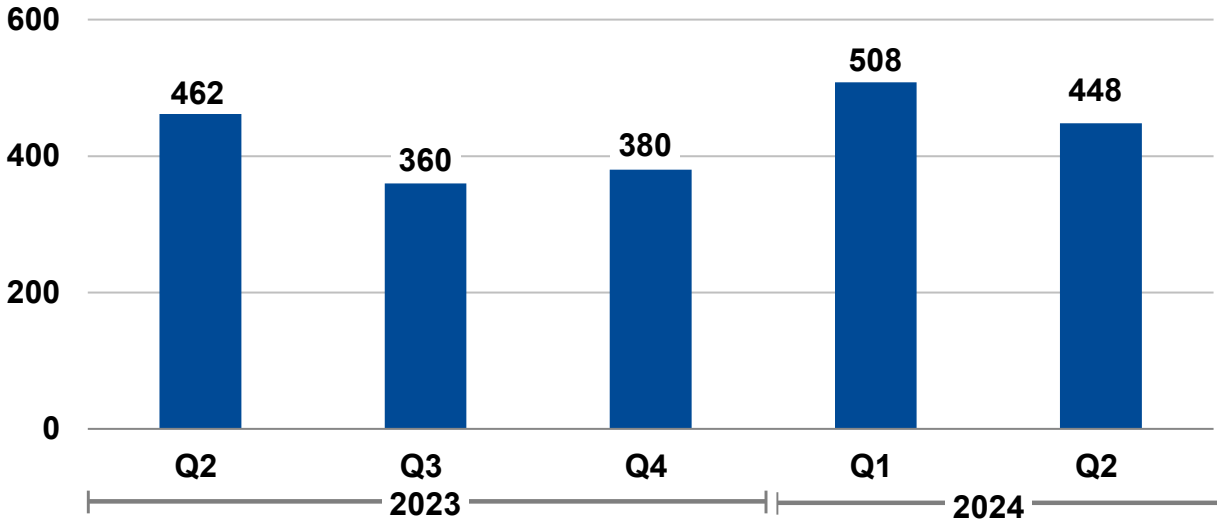


Sales development	Total	Volumes	Prices	Portfolio	Currencies
Q2 2024 vs. Q2 2023	↑ 6.0%	↑ 7.4%	↓ -1.5%	–	↑ 0.1%
H1 2024 vs. H1 2023	↑ 1.6%	↑ 8.5%	↓ -6.3%	–	↓ -0.5%

Materials

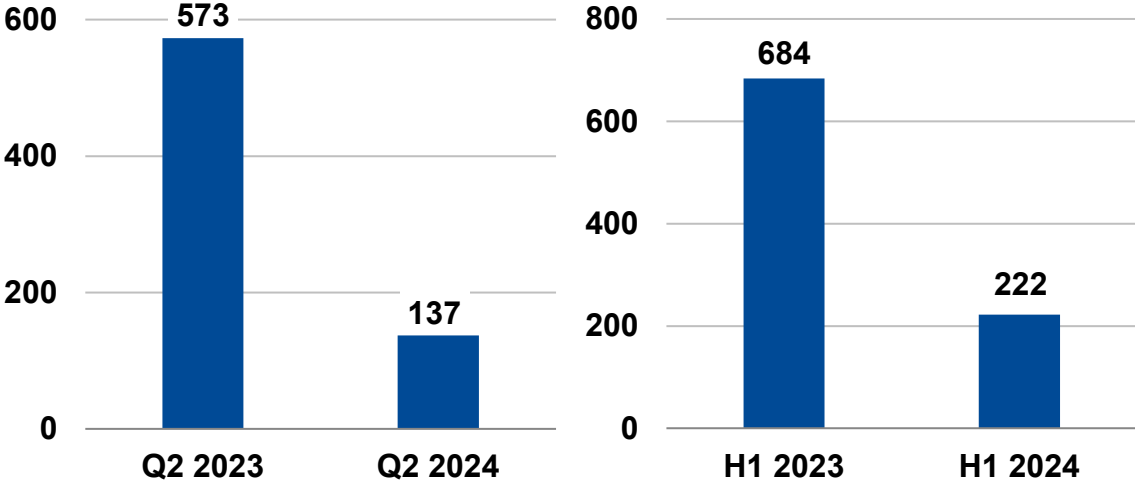
EBITDA before special items

Million €



Segment cash flow

Million €

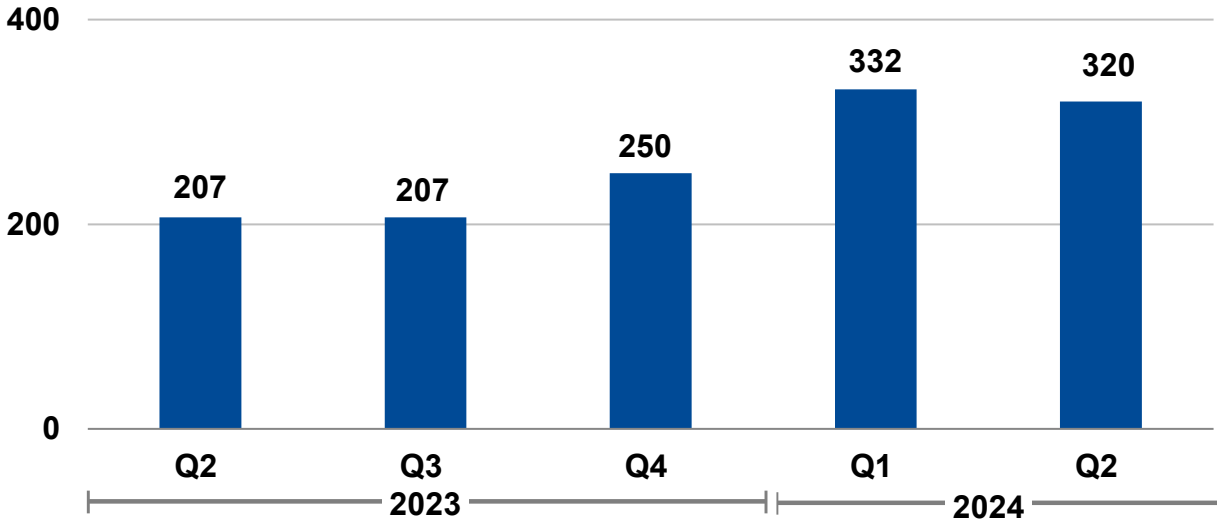


Sales development	Total	Volumes	Prices	Portfolio	Currencies
Q2 2024 vs. Q2 2023	↓ -5.3%	↑ 0.6%	↓ -5.1%	↓ -0.1%	↓ -0.6%
H1 2024 vs. H1 2023	↓ -8.0%	↑ 3.2%	↓ -9.7%	↓ -0.1%	↓ -1.4%

Industrial Solutions

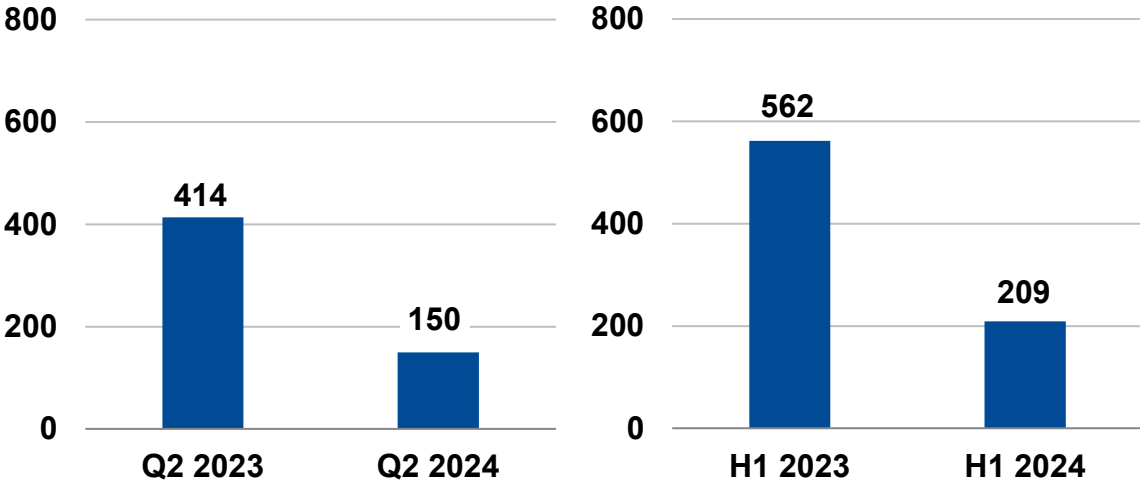
EBITDA before special items

Million €



Segment cash flow

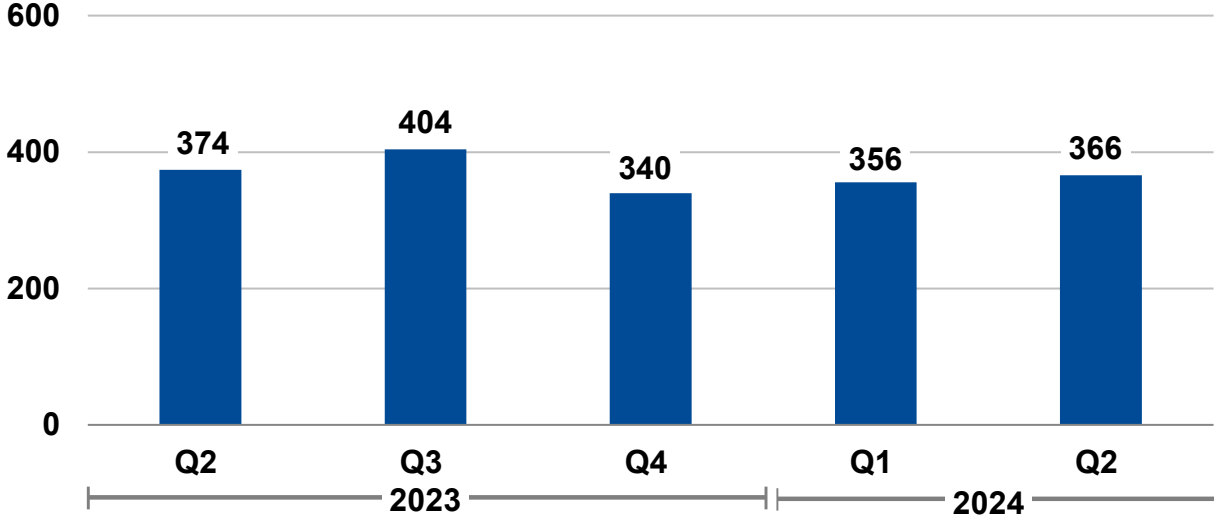
Million €



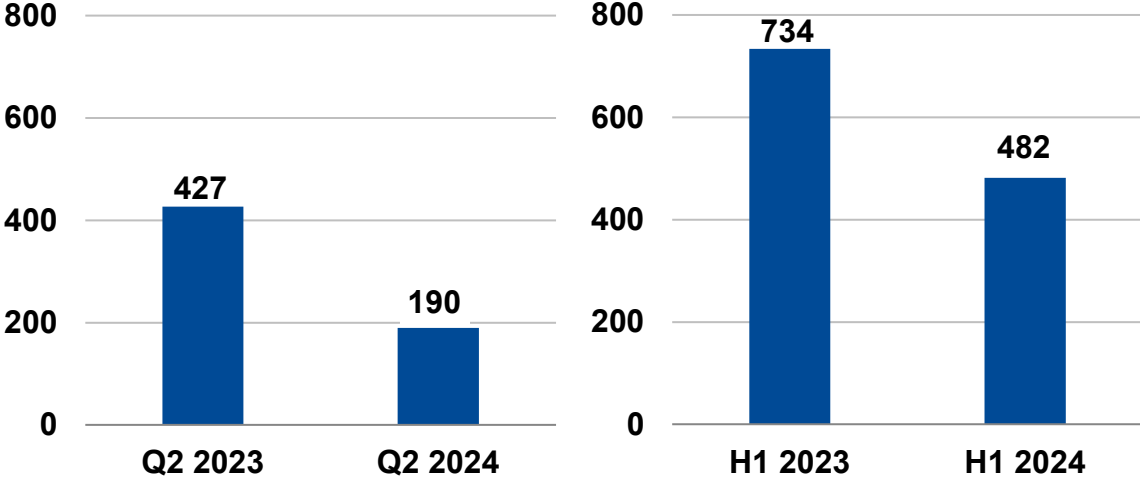
Sales development	Total	Volumes	Prices	Portfolio	Currencies
Q2 2024 vs. Q2 2023	↑ 4.8%	↑ 10.2%	↓ -4.5%	—	↓ -1.0%
H1 2024 vs. H1 2023	↑ 0.3%	↑ 8.0%	↓ -6.2%	—	↓ -1.5%

Surface Technologies

EBITDA before special items
Million €



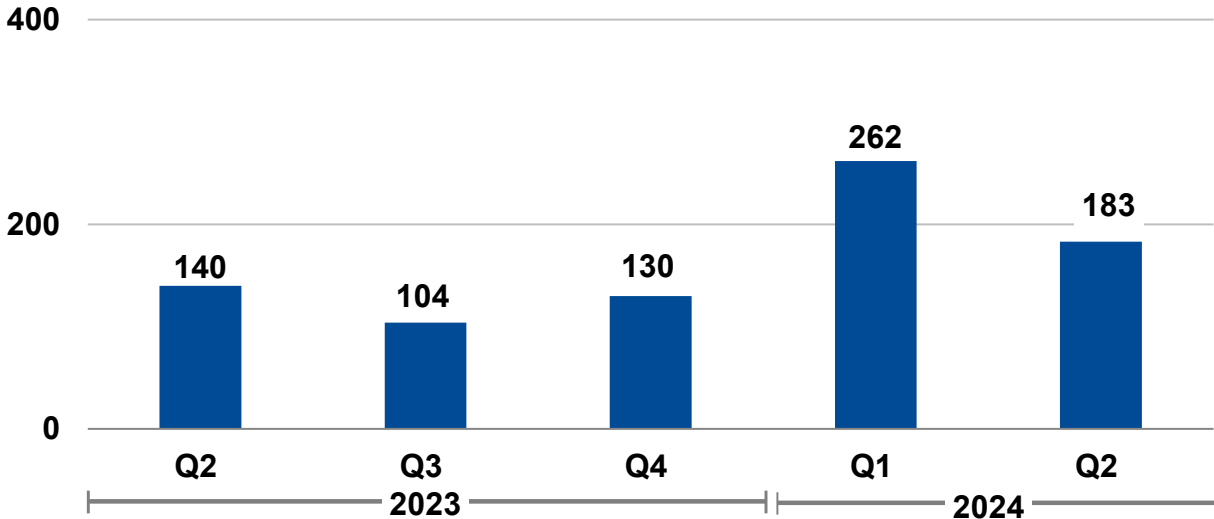
Segment cash flow
Million €



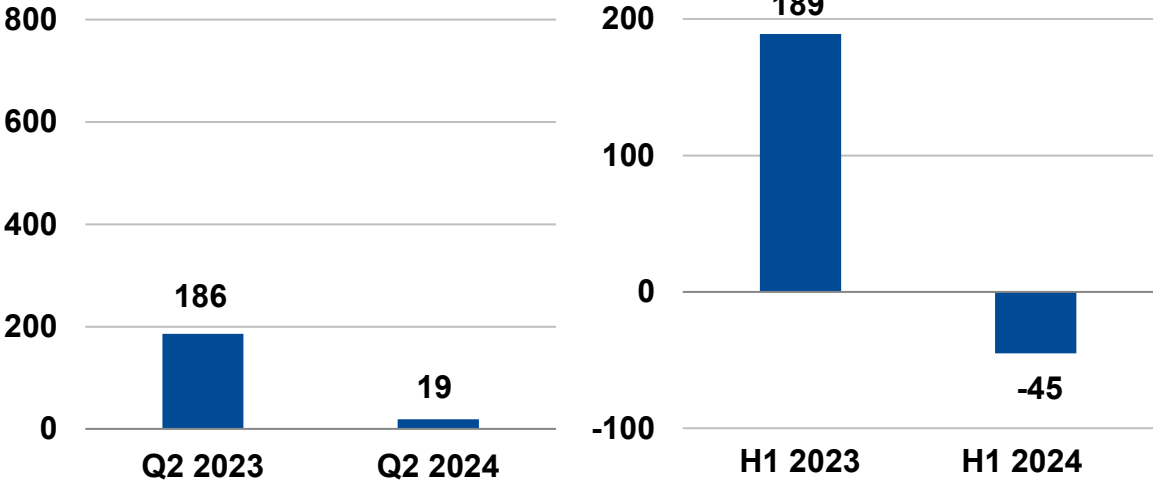
Sales development	Total	Volumes	Prices	Portfolio	Currencies
Q2 2024 vs. Q2 2023	↓ -23.4%	↓ -9.2%	↓ -13.0%	↓ -0.3%	↓ -1.0%
H1 2024 vs. H1 2023	↓ -25.2%	↓ -7.7%	↓ -15.6%	↓ -0.3%	↓ -1.7%

Nutrition & Care

EBITDA before special items
Million €



Segment cash flow
Million €

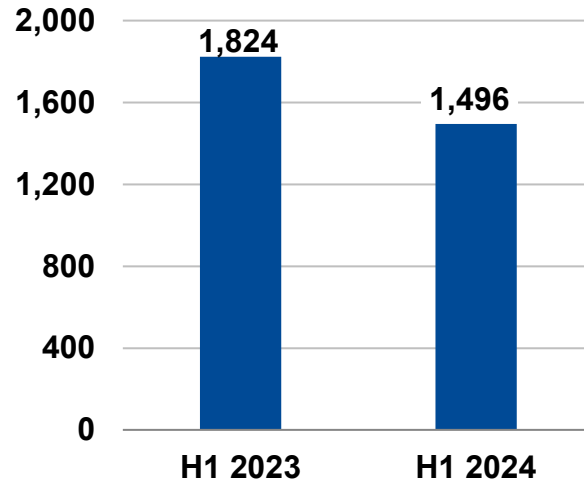
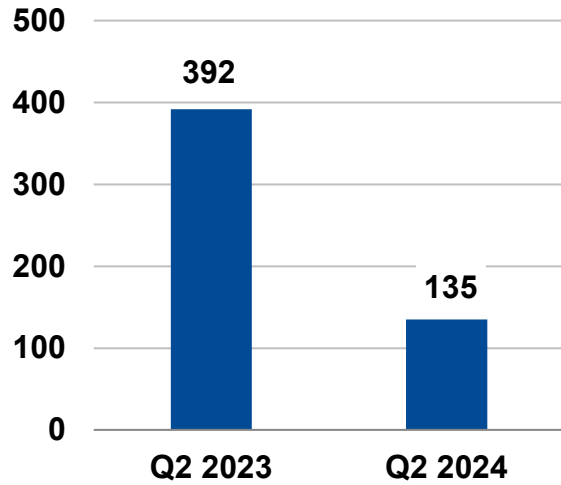


Sales development	Total	Volumes	Prices	Portfolio	Currencies
Q2 2024 vs. Q2 2023	↓ -2.7%	↑ 7.6%	↓ -9.1%	↓ -0.1%	↓ -1.1%
H1 2024 vs. H1 2023	↓ -4.0%	↑ 8.0%	↓ -10.3%	↓ -0.1%	↓ -1.7%

Agricultural Solutions

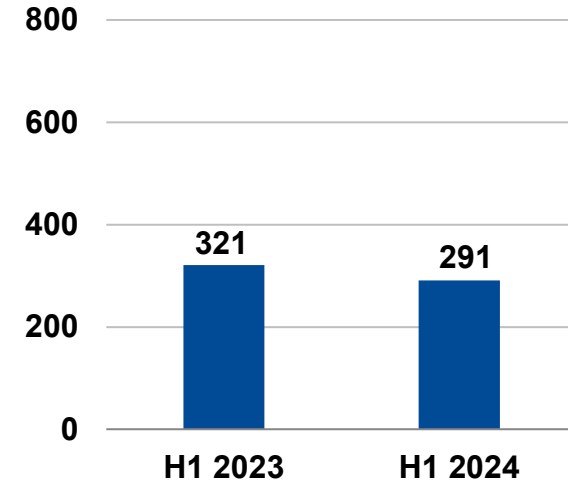
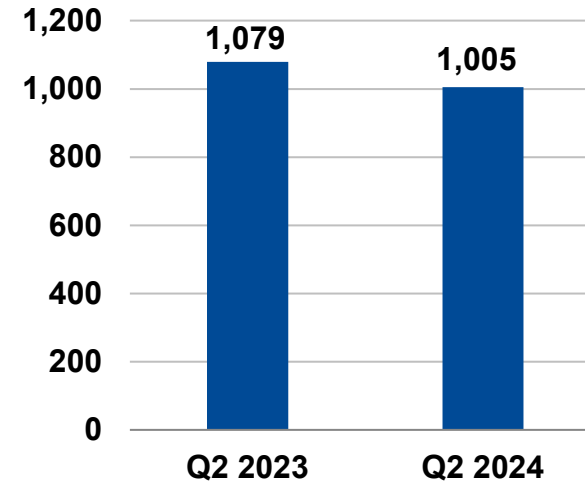
EBITDA before special items

Million €



Segment cash flow

Million €



Sales development	Total	Volumes	Prices	Portfolio	Currencies
Q2 2024 vs. Q2 2023	↓ -13.2%	↓ -8.5%	↓ -2.1%	—	↓ -2.6%
H1 2024 vs. H1 2023	↓ -11.5%	↓ -9.0%	↑ 0.5%	—	↓ -2.9%

Review of “Other”

Financial figures		Q2 2024	Q2 2023
		Million €	Million €
Sales		870	799
EBITDA before special items		62	-24
of which	Costs of corporate research	-49	-66
	Costs of corporate headquarters	-58	-60
	Foreign currency results, hedging and other measurement effects	17	12
	Other businesses	61	43
Special items		-339	-61
EBITDA		-266	-84

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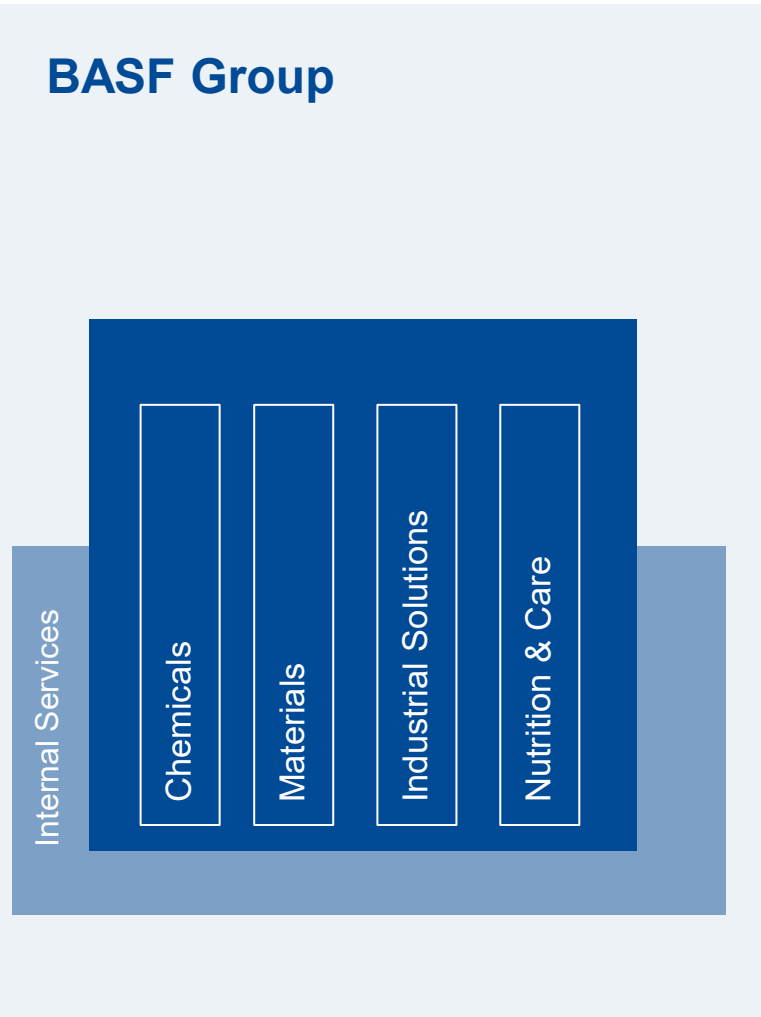
Unique position to capture growth in Asia

6

Battery materials driving electromobility and growth

Verbund businesses benefit from focused value chain steering

BASF Group



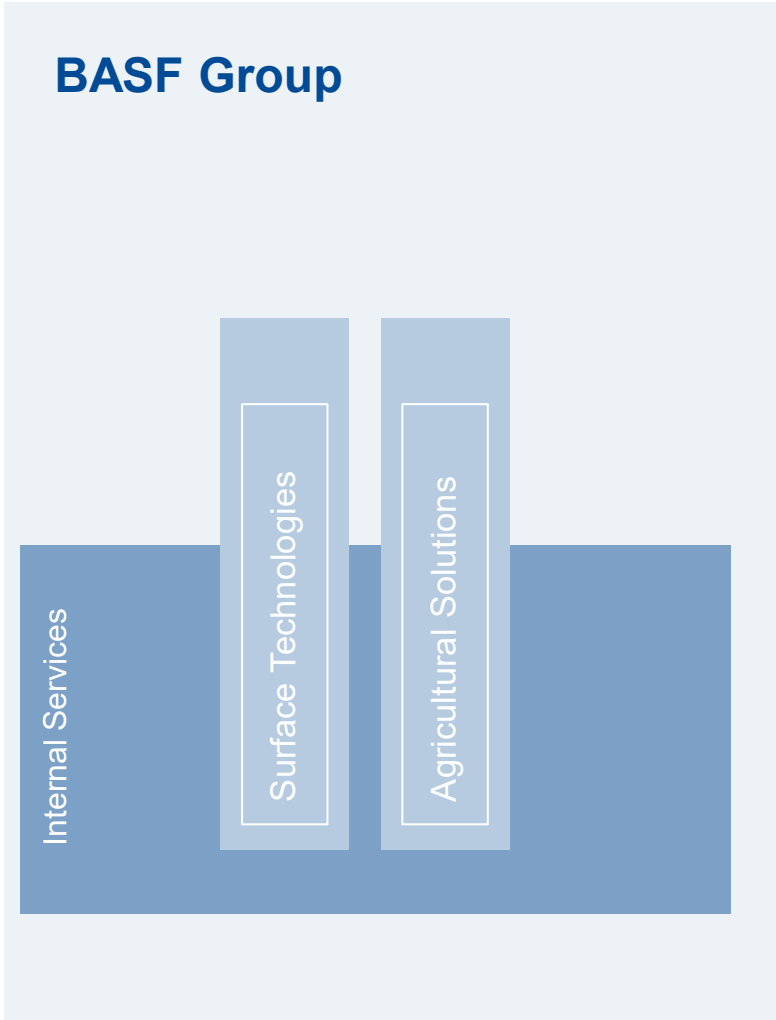
Verbund businesses

- 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)

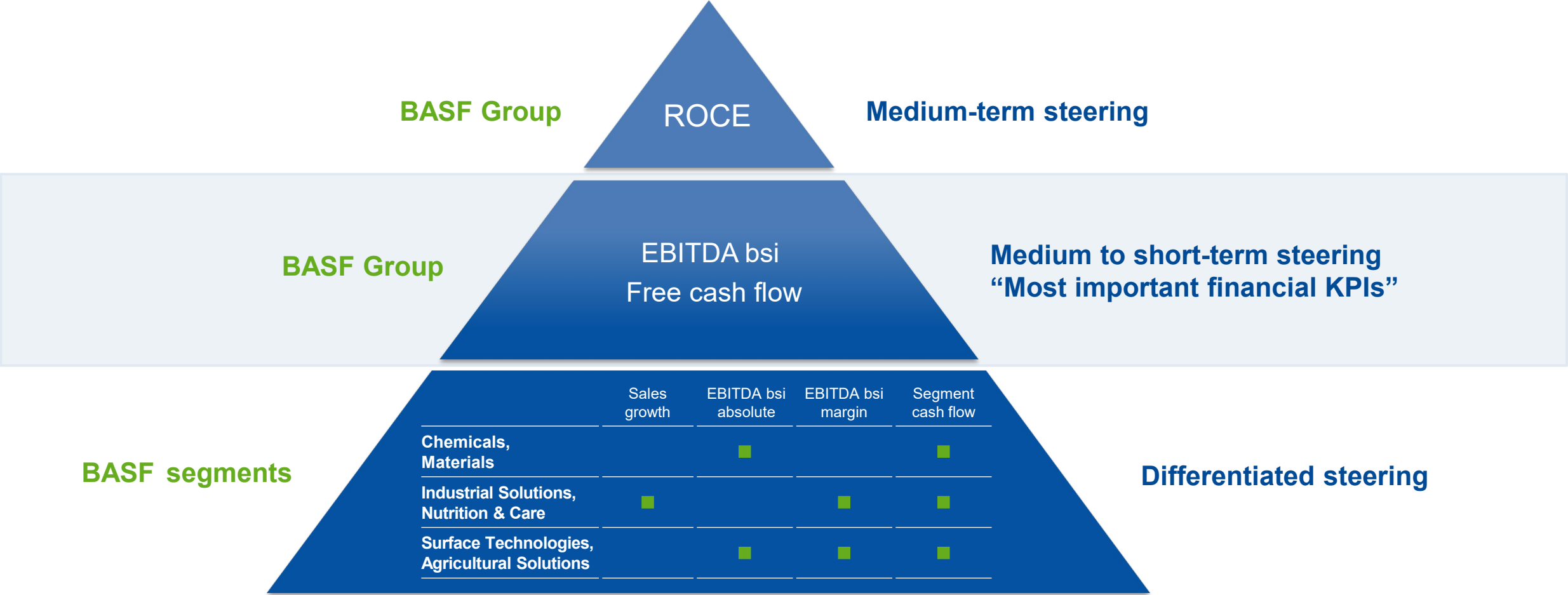
Agricultural Solutions

- 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

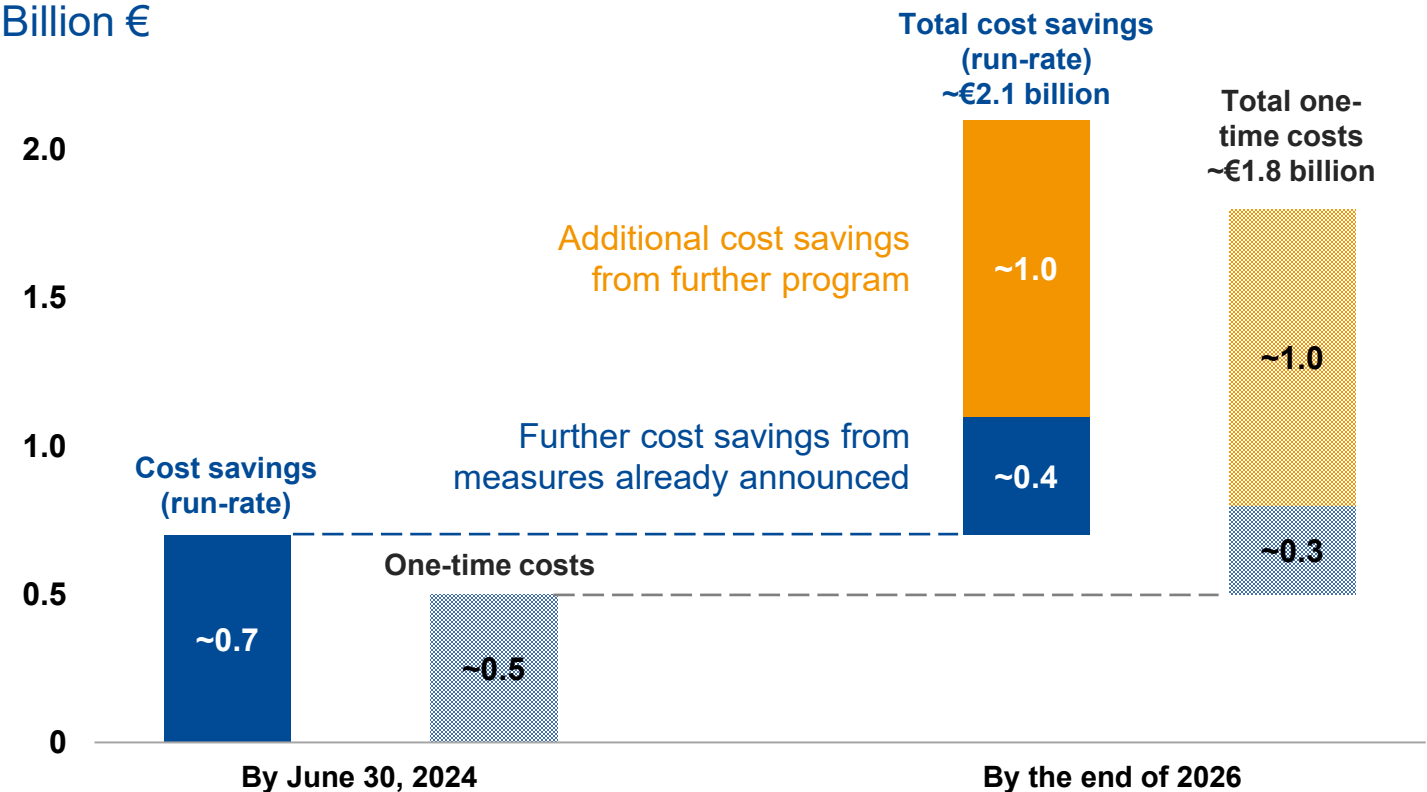


EBITDA bsi margin
≥23%
(in the midterm)

Differentiated financial steering approach of the BASF Group



Update on BASF's cost savings programs: On track to deliver targeted ~€2.1 billion total cost savings by the end of 2026



- Implementation of the cost savings programs announced in February 2023 in full swing
- Identification of cost savings measures related to the program with focus on Ludwigshafen announced in February 2024 almost completed; swift implementation in preparation
- By the end of 2024, we expect total annual cost savings of ~€800 million and one-time costs of ~€550 million

■ 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

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.



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Battery materials driving electromobility and growth

BASF targets for Scope 1 and Scope 2 emissions

2030

25%

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

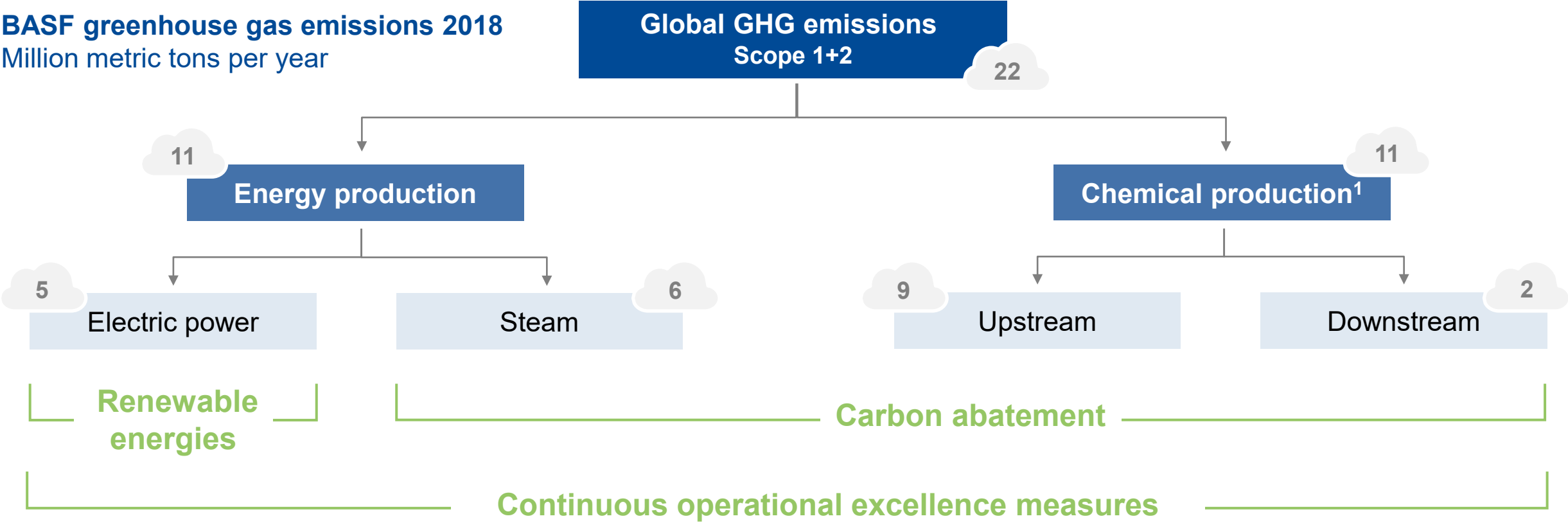
2050

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

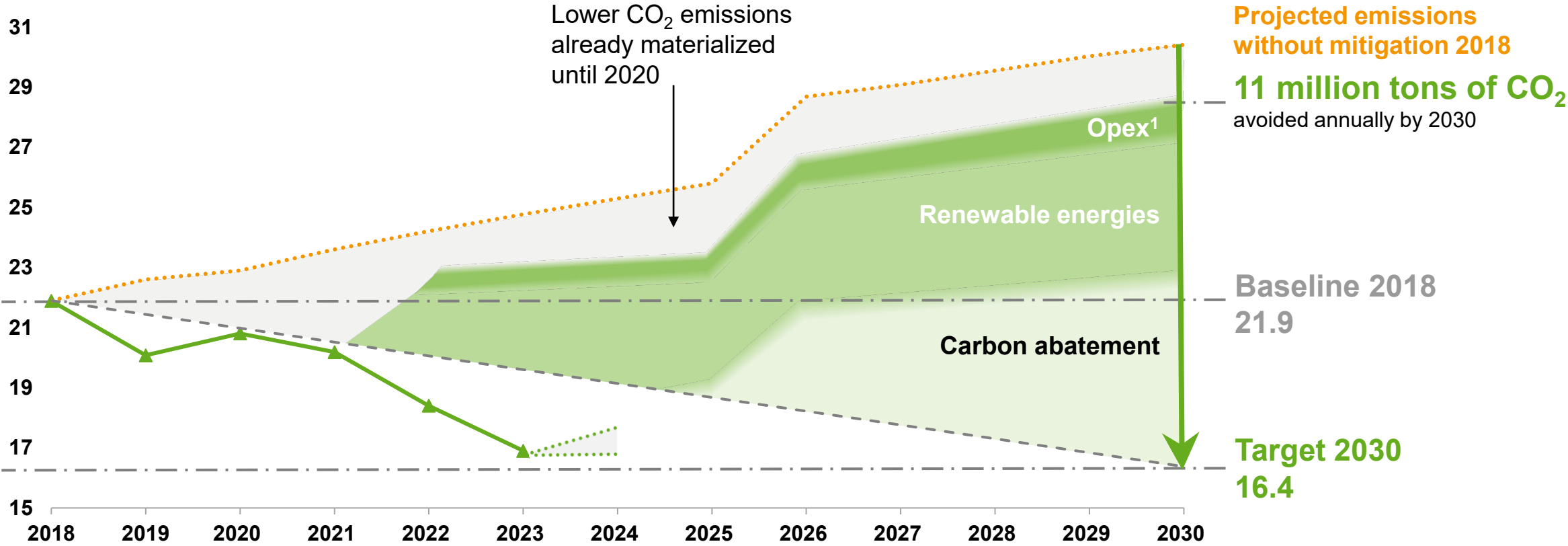


¹ Includes emissions from process energy

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

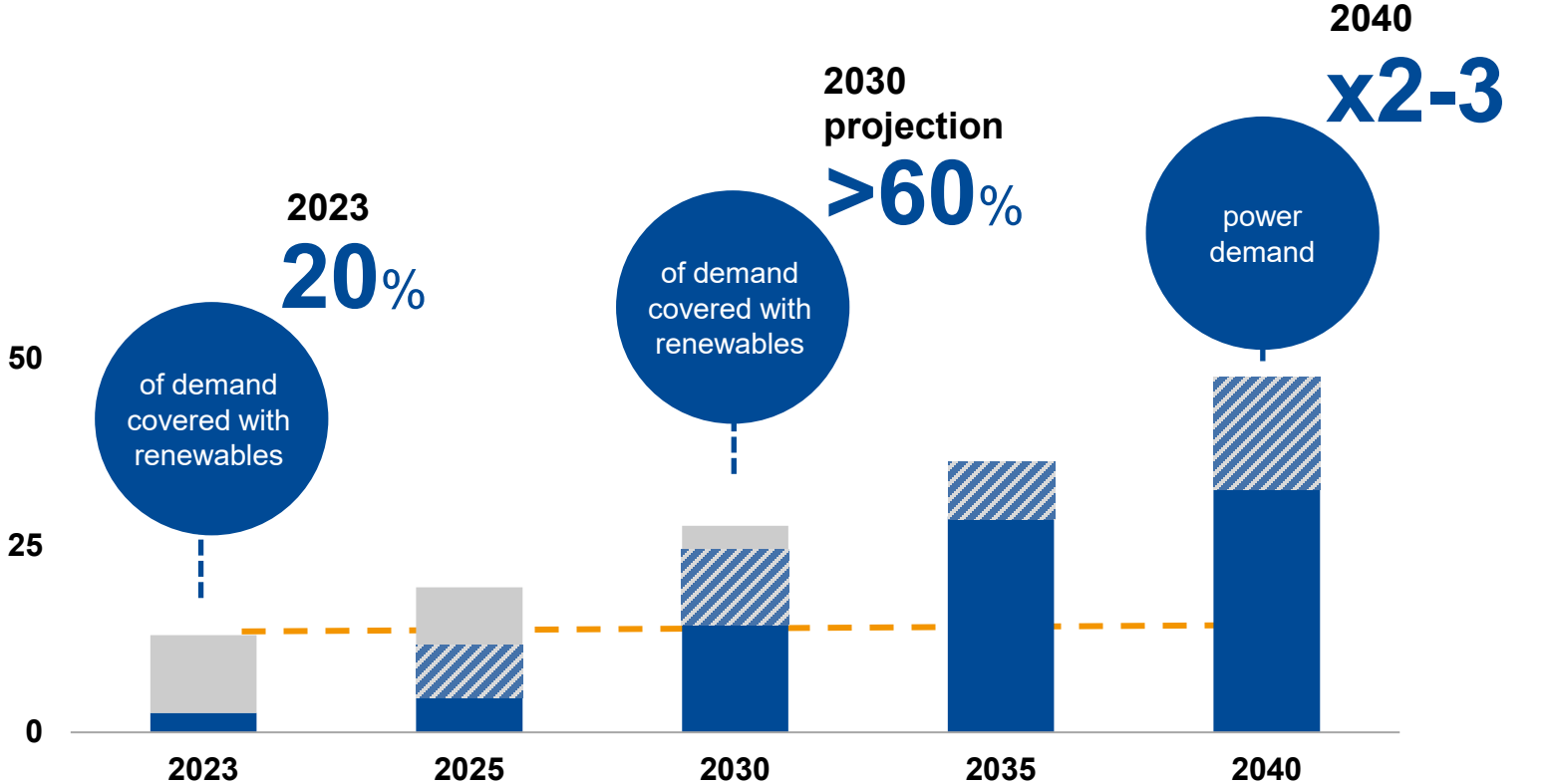


¹ Operational excellence measures that count towards either renewable energies or CO₂ abatement

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**

Grey energy Green energy Additional need for green energy for electrification, depending on availability

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:

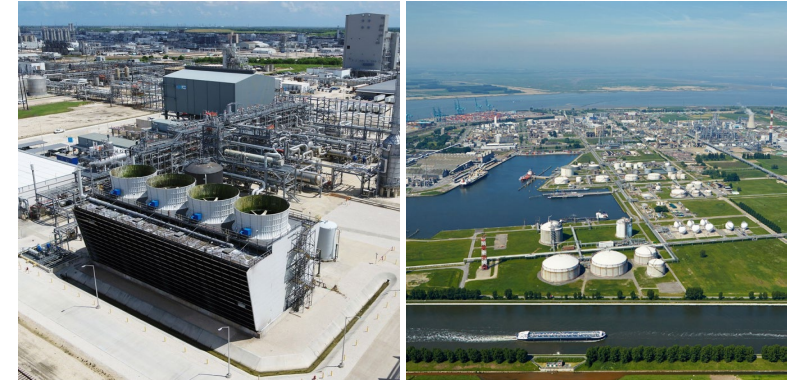


Rheinland-Pfalz

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

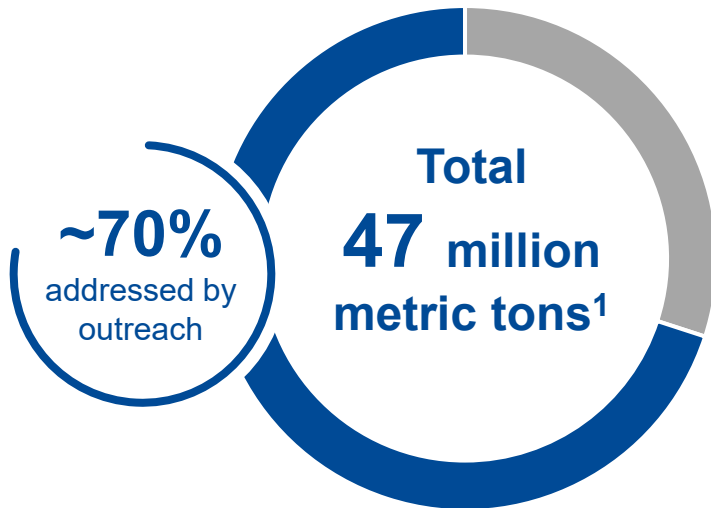
¹ Supported by the Federal Ministry for Economic Affairs and Climate Action (BMWK) and funded by the European Union

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 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

BASF targets for Scope 3.1 emissions

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.

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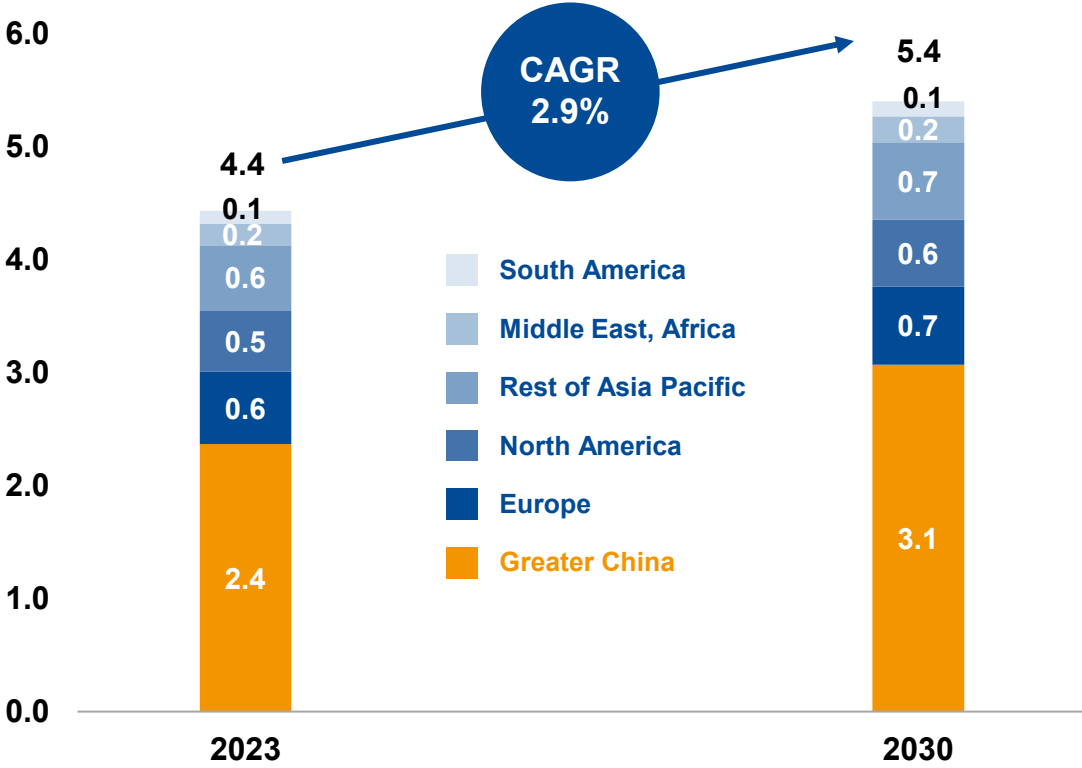
Unique position to capture growth in Asia

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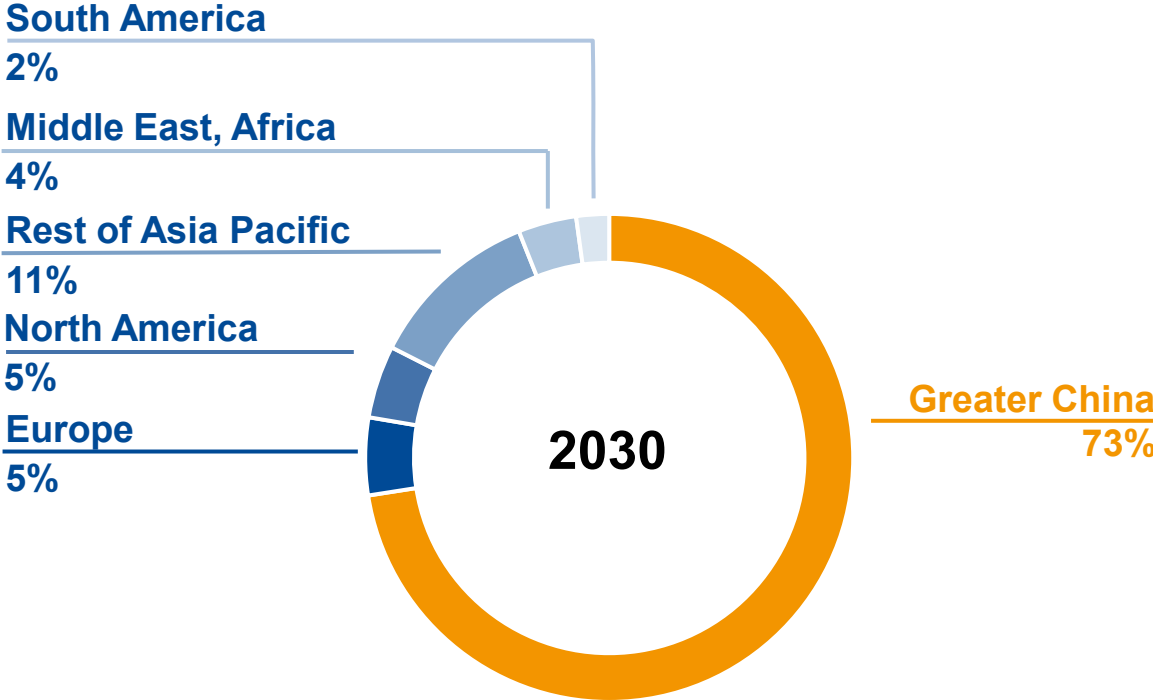
Battery materials driving electromobility and growth

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

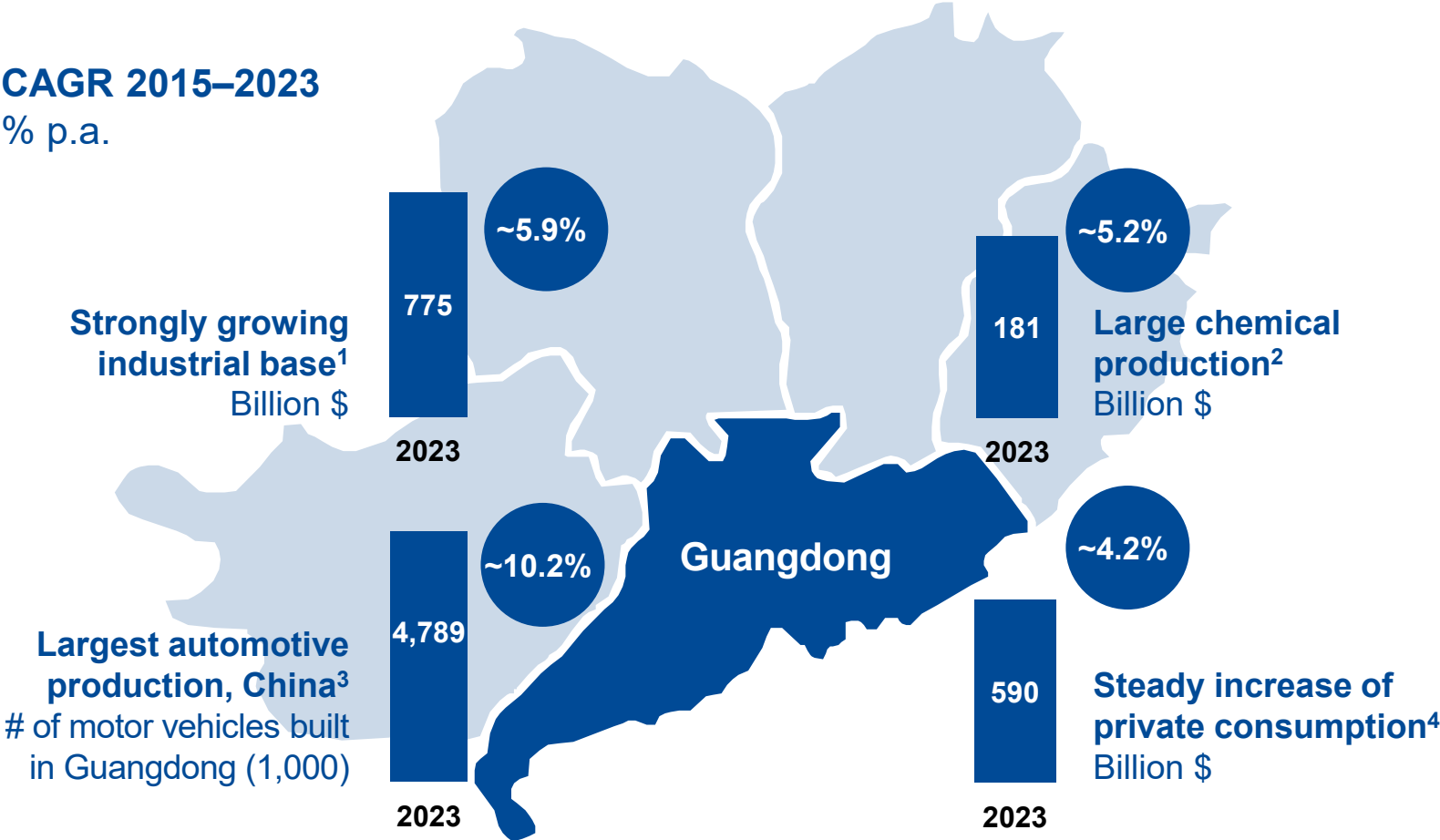


- **50:50 joint venture with Sinopec** founded in 2000, start-up in 2005, major expansions in 2011 and 2014
- Scope has **continuously expanded** over the years toward longer and more diversified value chains
- **Third-largest BASF site**, US\$6.0 billion gross investment (100%)
- Capacity: ~3 million 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 margin¹** 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



Construction of BASF's new Verbund site in Zhanjiang, China

Initial phase On stream: 2022–2023

First downstream plants:
Performance Materials for auto-
motive and consumer industries

Core of the Verbund Start-up: as of 2025

Petrochemicals plus further
downstream plants

Verbund expansion 2028 and beyond

Value chain expansion and
diversification

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 based on the Chinese capital market and local bank financing

Engineering plastics
and thermoplastic
polyurethanes

Steam
cracker

- C2 value chain
- C3 value chain
- C4 value chain

Additional
downstream plants

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

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

Around €10 billion
total capital expenditure
(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

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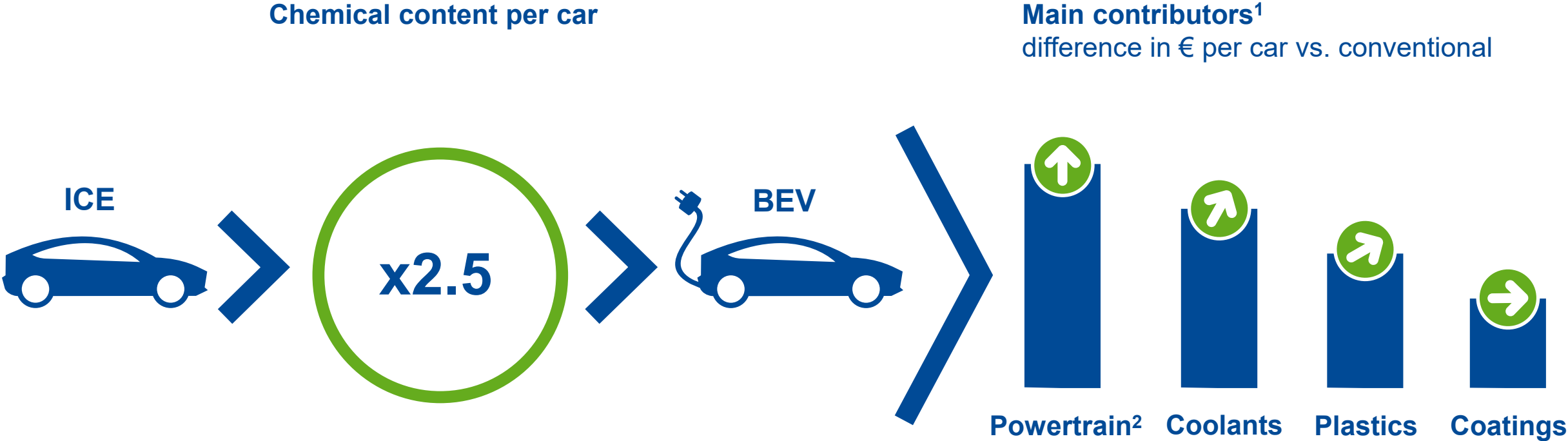
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Unique position to capture
growth in Asia

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Battery materials driving
electromobility and growth

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



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)

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

2012

First BASF CAM plant
Elyria, Ohio

2018

CAM plant
Battle Creek, Michigan

R&D center
Beachwood, Ohio

Florham Park, New Jersey

PCAM plant¹
Harjavalta, Finland

R&D center
Ludwigshafen, Germany

Zug, Switzerland

2023-2024

CAM plant
Black mass plant
Prototype recycling plant
Schwarzheide, Germany

2015

Foundation of BASF TODA Battery Materials, Japan, with R&D center

2021

BASF Shanshan Battery Materials
China, with R&D center

2023

Expansion project at BASF Shanshan Battery Materials
Ningxia and Changsha, China

2017

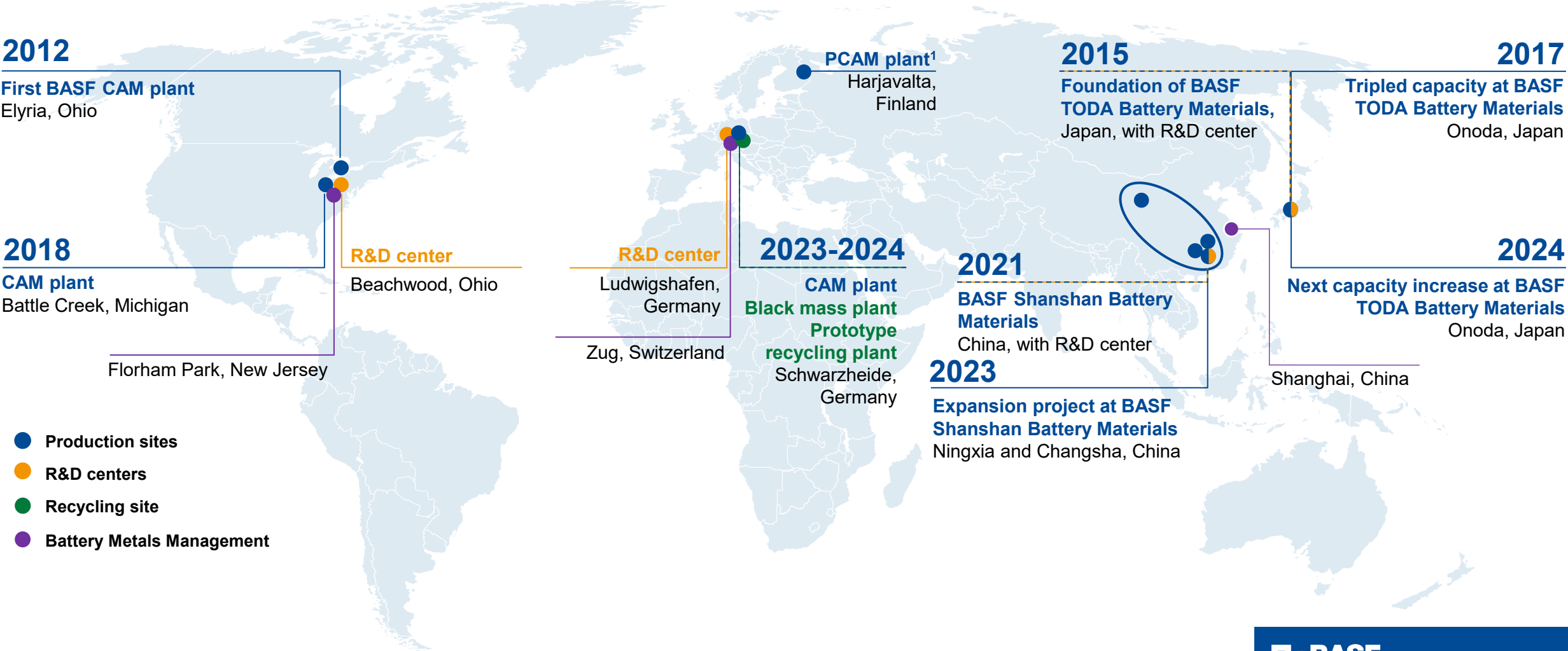
Tripled capacity at BASF TODA Battery Materials
Onoda, Japan

2024

Next capacity increase at BASF TODA Battery Materials
Onoda, Japan

Shanghai, China

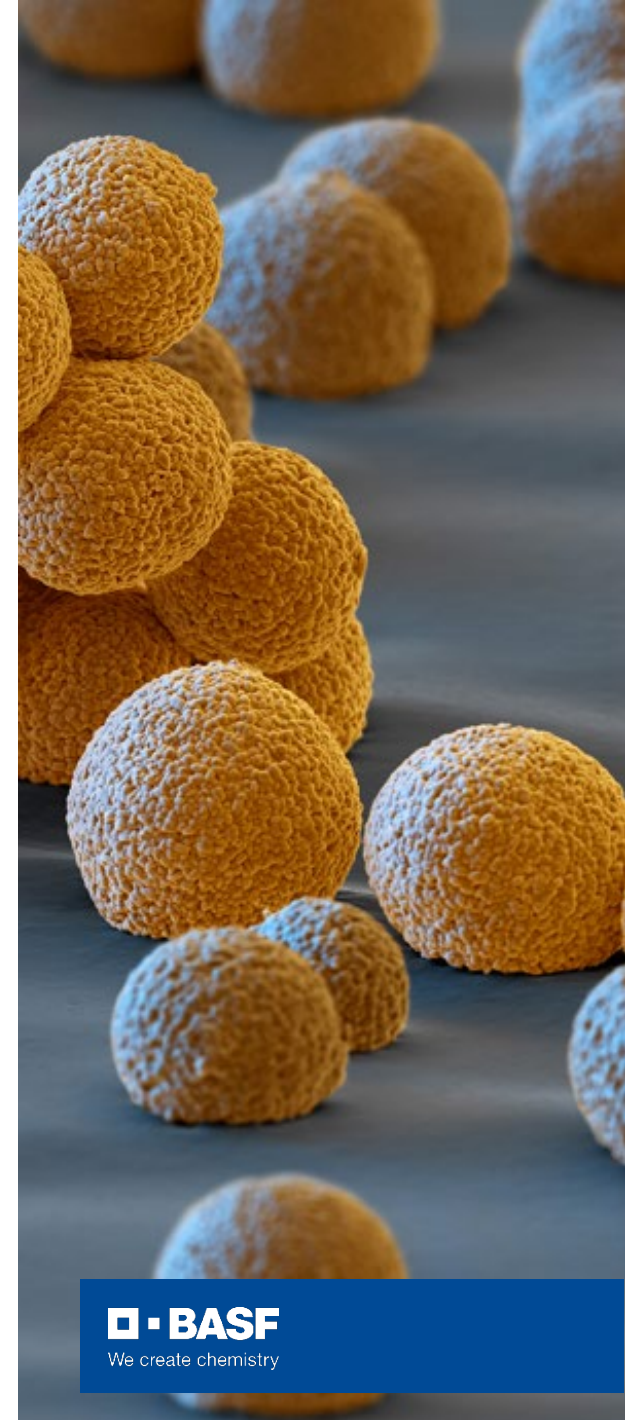
- Production sites
- R&D centers
- Recycling site
- Battery Metals Management



Map for indicative purposes only. ¹ Starting from August 1, 2024, BASF is implementing layoffs for an indefinite period of time. The decision was made because of the unpredictable timeframe for receiving a final, unappealable permit.

Battery Materials: We are adapting in line with recent market developments

- The **trend toward electric vehicles will continue** and battery materials remain a significant growth opportunity for the chemical industry
- Over the last years, BASF has **established competitive cathode active materials production capacities in all regions**; we continue to ramp up and fill existing capacities worldwide
- In the light of recent market developments, BASF is **taking action to de-risk its path forward**
- BASF's **decision against an investment in a nickel-cobalt refining complex in Indonesia** significantly lowers future capital requirements; supply options have evolved and with that BASF's access to battery grade nickel
- BASF is **pausing its large-scale refinery project for battery recycling in Tarragona** until cell capacity build-up and xEV adoption rate in Europe regain momentum





We create chemistry