

Reporting Factsheet Q2 2023

| BASF Group (million €) | Q2 2023 | Q2 2022 | Change (%) | H1 2023 | H1 2022 | Change (%) |
|---|------------|------------|---------------|------------|------------|---------------|
| Sales | 17,305 | 22,974 | -24.7 | 37,297 | 46,058 | -19.0 |
| EBITDA | 1,908 | 3,396 | -43.8 | 4,718 | 7,105 | -33.6 |
| EBITDA before special items | 1,944 | 3,293 | -41.0 | 4,809 | 7,036 | -31.7 |
| Depreciation and amortization ¹ | 934 | 1,046 | -10.7 | 1,878 | 1,970 | -4.7 |
| EBIT | 974 | 2,350 | -58.6 | 2,841 | 5,135 | -44.7 |
| Special items | -33 | 11 | . | -98 | -22 | -334.3 |
| EBIT before special items | 1,007 | 2,339 | -57.0 | 2,938 | 5,157 | -43.0 |
| Net income from shareholdings | 92 | 433 | -78.7 | 275 | -364 | . |
| Financial result | -215 | -125 | -72.5 | -334 | -235 | -42.3 |
| Income before income taxes | 851 | 2,658 | -68.0 | 2,781 | 4,536 | -38.7 |
| Income after taxes | 555 | 2,179 | -74.5 | 2,159 | 3,500 | -38.3 |
| Net income | 499 | 2,090 | -76.1 | 2,061 | 3,311 | -37.7 |
| Earnings per share (€) ² | 0.56 | 2.31 | -75.8 | 2.31 | 3.65 | -36.7 |
| Adjusted earnings per share (€) ² | 0.72 | 2.37 | -69.6 | 2.65 | 5.07 | -47.7 |
| Research and development expenses | 515 | 567 | -9.0 | 1,053 | 1,136 | -7.3 |
| Personnel expenses | 2,858 | 2,964 | -3.6 | 5,813 | 6,031 | -3.6 |
| Employees (end of period) | 111,315 | 110,725 | 0.5 | 111,315 | 110,725 | 0.5 |
| Assets (end of period) | 83,505 | 96,972 | -13.9 | 83,505 | 96,972 | -13.9 |
| Investments including acquisitions ³ | 1,388 | 970 | 43.2 | 2,387 | 1,711 | 39.5 |
| Equity ratio (end of period, %) | 47.1 | 47.8 | - | 47.1 | 47.8 | - |
| Net debt (end of period) | 20,248 | 19,546 | 3.6 | 20,248 | 19,546 | 3.6 |
| Cash flows from operating activities | 2,178 | 1,228 | 77.4 | 1,163 | 938 | 24.0 |
| Free cash flow | 905 | 336 | 169.4 | -977 | -557 | -75.3 |

¹ Depreciation and amortization of property, plant and equipment and intangible assets (including impairments and reversals of impairments)

² Due to the share buyback program terminated in February 2023, the weighted average number of outstanding shares in the second quarter of 2023 was 892,522,164 and 892,760,923 in the first half of 2023.

³ Additions to property, plant and equipment and intangible assets

Due to rounding, individual figures in this factsheet may not add up to the totals shown and percentages may not correspond exactly to the figures shown.

| Factors influencing sales Q2 2023 vs. Q2 2022 (changes in %) | Sales | Volumes | Prices | Portfolio | Currencies |
|---|--------------|--------------|--------------|-------------|-------------|
| Chemicals | -38.4 | -15.5 | -21.8 | - | -1.2 |
| Petrochemicals | -38.6 | -14.6 | -23.1 | - | -0.9 |
| Intermediates | -37.8 | -17.6 | -18.4 | - | -1.9 |
| Materials | -25.8 | -8.5 | -15.0 | - | -2.3 |
| Performance Materials | -15.4 | -6.1 | -6.6 | - | -2.7 |
| Monomers | -34.2 | -10.4 | -21.8 | - | -2.0 |
| Industrial Solutions | -22.5 | -13.0 | -4.9 | -2.3 | -2.2 |
| Dispersions & Resins | -21.9 | -12.7 | -6.5 | -0.4 | -2.3 |
| Performance Chemicals | -23.3 | -13.6 | -2.3 | -5.5 | -2.0 |
| Surface Technologies | -22.4 | -5.1 | -14.1 | 0.0 | -3.2 |
| Catalysts | -29.9 | -8.0 | -19.3 | - | -2.6 |
| Coatings | 10.1 | 7.4 | 8.8 | -0.2 | -5.9 |
| Nutrition & Care | -17.4 | -10.8 | -4.4 | - | -2.2 |
| Care Chemicals | -19.6 | -12.9 | -4.7 | - | -2.0 |
| Nutrition & Health | -12.3 | -5.7 | -3.8 | - | -2.7 |
| Agricultural Solutions | -9.3 | -16.7 | 13.6 | - | -6.2 |
| Other | -30.0 | 5.7 | -34.1 | - | -1.6 |
| BASF Group | -24.7 | -9.9 | -11.8 | -0.3 | -2.7 |

Segments

Q2 (million €)

| | Sales | | | EBITDA before special items | | | Income from operations (EBIT) before special items | | | Income from operations (EBIT) | | |
|------------------------|---------------|---------------|---------------|--------------------------------|--------------|---------------|--|--------------|---------------|----------------------------------|--------------|---------------|
| | 2023 | 2022 | +/- | 2023 | 2022 | +/- | 2023 | 2022 | +/- | 2023 | 2022 | +/- |
| | Chemicals | 2,679 | 4,349 | -38.4% | 393 | 1,050 | -62.6% | 202 | 853 | -76.3% | 213 | 851 |
| Materials | 3,609 | 4,862 | -25.8% | 462 | 874 | -47.1% | 265 | 668 | -60.4% | 228 | 650 | -64.8% |
| Industrial Solutions | 2,050 | 2,643 | -22.5% | 207 | 409 | -49.3% | 124 | 323 | -61.6% | 195 | 310 | -37.1% |
| Surface Technologies | 4,226 | 5,446 | -22.4% | 374 | 365 | 2.5% | 230 | 227 | 1.5% | 190 | 81 | 133.7% |
| Nutrition & Care | 1,712 | 2,074 | -17.4% | 140 | 325 | -57.1% | 33 | 213 | -84.8% | 61 | 209 | -70.8% |
| Agricultural Solutions | 2,231 | 2,459 | -9.3% | 392 | 401 | -2.3% | 213 | 223 | -4.3% | 208 | 210 | -0.7% |
| Other | 799 | 1,142 | -30.0% | -24 | -132 | 82.2% | -60 | -168 | 64.1% | -121 | 40 | . |
| BASF Group | 17,305 | 22,974 | -24.7% | 1,944 | 3,293 | -41.0% | 1,007 | 2,339 | -57.0% | 974 | 2,350 | -58.6% |

H1 (million €)

| | Sales | | | EBITDA before special items | | | Income from operations (EBIT) before special items | | | Income from operations (EBIT) | | |
|------------------------|---------------|---------------|---------------|--------------------------------|--------------|---------------|--|--------------|---------------|----------------------------------|--------------|---------------|
| | 2023 | 2022 | +/- | 2023 | 2022 | +/- | 2023 | 2022 | +/- | 2023 | 2022 | +/- |
| | Chemicals | 5,512 | 8,353 | -34.0% | 819 | 2,098 | -61.0% | 443 | 1,712 | -74.1% | 453 | 1,708 |
| Materials | 7,453 | 9,683 | -23.0% | 910 | 1,829 | -50.2% | 507 | 1,419 | -64.2% | 474 | 1,399 | -66.1% |
| Industrial Solutions | 4,193 | 5,136 | -18.4% | 507 | 840 | -39.6% | 340 | 671 | -49.3% | 392 | 653 | -40.0% |
| Surface Technologies | 8,804 | 10,903 | -19.3% | 776 | 766 | 1.3% | 494 | 493 | 0.1% | 420 | 341 | 23.1% |
| Nutrition & Care | 3,538 | 4,045 | -12.5% | 331 | 676 | -51.0% | 114 | 457 | -75.0% | 141 | 455 | -68.9% |
| Agricultural Solutions | 6,122 | 5,856 | 4.5% | 1,824 | 1,437 | 26.9% | 1,473 | 1,091 | 35.0% | 1,469 | 1,073 | 37.0% |
| Other | 1,676 | 2,082 | -19.5% | -359 | -610 | 41.2% | -434 | -686 | 36.8% | -509 | -494 | -3.0% |
| BASF Group | 37,297 | 46,058 | -19.0% | 4,809 | 7,036 | -31.7% | 2,938 | 5,157 | -43.0% | 2,841 | 5,135 | -44.7% |

Regions

Million €

| Q2 | Sales Location of company | | | Sales Location of customer | | |
|------------------------------------|------------------------------|---------------|---------------|-------------------------------|---------------|---------------|
| | 2023 | 2022 | +/- | 2023 | 2022 | +/- |
| | Europe | 6,991 | 9,622 | -27.3% | 6,567 | 9,045 |
| of which Germany | 2,891 | 4,090 | -29.3% | 1,739 | 1,956 | -11.1% |
| North America | 4,905 | 6,667 | -26.4% | 4,890 | 6,595 | -25.9% |
| Asia Pacific | 4,351 | 5,432 | -19.9% | 4,427 | 5,569 | -20.5% |
| of which Greater China | 2,404 | 2,939 | -18.2% | 2,387 | 2,872 | -16.9% |
| South America, Africa, Middle East | 1,058 | 1,253 | -15.6% | 1,422 | 1,764 | -19.4% |
| BASF Group | 17,305 | 22,974 | -24.7% | 17,305 | 22,974 | -24.7% |
| H1 | | | | | | |
| Europe | 15,591 | 19,600 | -20.5% | 14,768 | 18,626 | -20.7% |
| of which Germany | 6,263 | 8,021 | -21.9% | 3,742 | 4,339 | -13.8% |
| North America | 10,838 | 13,201 | -17.9% | 10,811 | 12,995 | -16.8% |
| Asia Pacific | 8,806 | 10,995 | -19.9% | 8,941 | 11,244 | -20.5% |
| of which Greater China | 4,713 | 6,170 | -23.6% | 4,663 | 6,046 | -22.9% |
| South America, Africa, Middle East | 2,062 | 2,262 | -8.8% | 2,777 | 3,192 | -13.0% |
| BASF Group | 37,297 | 46,058 | -19.0% | 37,297 | 46,058 | -19.0% |

Segments Q2 2023 vs. Q2 2022¹

Chemicals

Sales in the Chemicals segment decreased considerably in Q2 2023 in both operating divisions compared with Q2 2022. Lower raw materials prices, combined with a massive excess of supply and weaker demand, led to lower prices in both operating divisions. In the Petrochemicals division, prices decreased in all regions and business areas. In the Intermediates division, prices decreased in the butanediol and derivatives business in particular. As a result of the weaker demand, volumes in all business areas were significantly lower than in Q2 2022. Slightly negative currency effects, largely relating to the U.S. dollar and the Chinese renminbi, also had a negative impact on sales.

EBIT bsi declined significantly compared with Q2 2022. EBIT bsi decreased in both operating divisions, primarily due to lower margins and volumes, as well as lower contributions from shareholdings accounted for using the equity method. In the Petrochemicals division, volumes and margins decreased in particular for steam cracker products, styrene and acrylic monomers in Europe. In the Intermediates division, EBIT bsi declined mainly in Asia Pacific and North America, in each case, particularly in the butanediol and derivatives business.

Materials

Sales in the Materials segment were considerably lower than in the strong prior-year quarter in both operating divisions. The decline in sales resulted mainly from significantly lower prices in all regions due to decreased raw materials prices. Sales performance was additionally weighed down in Q2 2023 by a further deterioration in demand. The decline in volumes experienced in Monomers was mainly attributable to weaker demand in Europe and North America. Sales volumes in Asia Pacific increased slightly. Performance Materials recorded lower volumes globally, particularly in Europe. Currency effects, mainly relating to the Chinese renminbi, had a slightly negative impact on sales.

The segment's EBIT bsi declined considerably compared with Q2 2022. Monomers in particular recorded a sharp decrease in earnings, primarily resulting from lower volumes and prices. Considerably decreased fixed costs, attributable in part to lower production costs, were unable to offset this. EBIT bsi declined significantly in the Performance Materials division, mainly driven by lower volumes.

EBIT for the second quarter of 2023 included special charges, mainly for adaptations to the production structures at the Verbund site in Ludwigshafen, Germany, and for measures in the context of the cost savings program focusing on Europe.

Industrial Solutions

Sales in the Industrial Solutions segment declined considerably in both divisions compared with the prior-year quarter. In the Industrial Solutions segment, sales performance was mainly attributable to a sharp decline in volumes resulting from weaker demand. In the Dispersions & Resins division, volumes decreased in all business areas. For Performance Chemicals, sales volumes declined, especially in the plastic additives business. Slightly lower prices overall due to lower raw materials prices had a negative impact on sales. Negative portfolio effects also burdened sales performance, primarily in the Performance Chemicals division due to the divestiture of the kaolin minerals business as of September 30, 2022. Negative currency effects, largely relating to the Chinese renminbi, the U.S. dollar and the Indian rupee, also had a negative impact on sales.

EBIT bsi was considerably below the figure of the prior-year quarter in both operating divisions. The decline in earnings for Dispersions & Resins was mainly driven by volume-related lower margins. The main reasons for the lower EBIT bsi in the Performance Chemicals division were lower volumes and margins and the missing earnings contributions from the divested kaolin minerals business. Lower fixed costs were unable to compensate for this.

EBIT for the second quarter of 2023 included special income, mainly due to a payment in connection with a plant closure in China in 2019.

Surface Technologies

Sales in the Surface Technologies segment were considerably lower compared with Q2 2022. Strong sales growth in the Coatings division was unable to offset the significant decline in sales in the Catalysts division. The sales performance of the segment was primarily attributable to significantly lower precious metal prices in the Catalysts division. Accordingly, at €2,016 million, sales in precious metal trading and precious metal sales in the mobile emissions catalysts business were below Q2 2022 (€3,269 million). The price increases of Coatings in all business areas were unable to compensate for this. Considerably lower volumes in the Catalysts division further dampened the sales performance. Coatings, on the other hand, increased volumes considerably, particularly in the automotive OEM coatings business. However, this only partially compensated for the volumes decline in the Catalysts division. Negative currency effects, mainly relating to the Chinese renminbi, had a slightly dampening impact on sales.

The segment slightly increased EBIT bsi compared with Q2 2022. A considerable earnings growth in the Coatings division more than compensated for the decline in EBIT bsi in the Catalysts division. Coatings increased EBIT bsi, particularly due to price- and volume-related margin increases. The lower EBIT bsi in the Catalysts division was attributable to the significantly lower earnings contribution from its battery materials business. Considerable increases in contributions in the automotive, chemical and refining catalysts businesses could only partially offset this.

EBIT for the second quarter of 2023 included special charges, mainly related to the carve-out of the BASF Environmental Catalyst and Metal Solutions unit within the Catalysts division.

¹ For sales, "slight" represents a change of 0.1%–5.0%, while "considerable" applies to changes of 5.1% and higher. For earnings, "slight" means a change of 0.1%–10.0%, while "considerable" is used for changes of 10.1% and higher. "At prior-year level" indicates no change (+/-0.0%).

Nutrition & Care

Sales in the Nutrition & Care segment decreased considerably in both operating divisions compared with Q2 2022. Sales performance was attributable to a sharp decline in volumes in all business areas as a result of lower demand. Slightly lower prices contributed to the decline in sales. For Care Chemicals, this mainly concerned the oleo surfactants and alcohols business area. In the Nutrition & Health division, prices decreased mainly for vitamins and for vitamin A in particular. Negative currency effects, mainly relating to the Turkish lira and the Indian rupee, had a slightly dampening effect on sales.

The segment's EBIT bsi was considerably below the figure of Q2 2022. In the Care Chemicals division, earnings decreased significantly, particularly as a result of lower margins related to lower volumes. The considerable decrease in EBIT bsi of Nutrition & Health was mainly due to lower margins in the vitamins business, in particular for vitamin A, and the decline in volumes. Lower fixed costs had an offsetting effect.

EBIT for the second quarter of 2023 included special income from the sale of an office building in Europe.

Agricultural Solutions

In the Agricultural Solutions segment, sales were considerably below Q2 2022. The main reason for this was the decline in volumes due to higher channel inventories in individual core markets as well as lower agricultural commodity prices. Sales performance was also weighed down by currency effects. Significant increases in prices in all regions and indications had a positive effect. A slight sales increase in Europe was mainly driven by considerably higher prices compared with Q2 2022. This more than compensated for lower volumes, primarily in fungicides, and negative currency effects, in particular in Turkey, Russia and Ukraine. In North America, sales were considerably below the level of Q2 2022 due to lower volumes, especially of herbicides, and negative currency effects, mainly from the Canadian dollar. Significantly higher prices had a positive impact. Sales in Asia declined considerably, primarily due to lower volumes of herbicides and fungicides. Currency effects, particularly in China and India, also had a negative impact on sales performance. Prices, on the other hand, were increased considerably. Sales declined significantly in the region South America, Africa, Middle East. This was mainly driven by lower volumes, particularly in fungicides in Brazil, as well as negative currency effects, especially in Argentina. This could only be partially offset by considerably higher prices.

EBIT bsi was slightly below the prior-year quarter especially due to lower volumes. Negative currency effects and slightly higher fixed costs also reduced earnings.

Other

Sales in Other declined considerably compared with Q2 2022. This was primarily due to lower sales in commodity trading.

Compared with Q2 2022, Other considerably improved EBIT bsi. This was mainly attributable to an improved contribution from the insurance companies.

Outlook 2023

Underlying assumptions for 2023

(previous assumptions from the BASF Report 2022 in parentheses; current growth assumptions are rounded)

- Growth in gross domestic product: 2.0% (1.6%)
- Growth in industrial production: 1.0% (1.8%)
- Growth in chemical production: 0.0% (2.0%)
- Average euro/dollar exchange rate: \$1.10 per euro (\$1.05 per euro)
- Average annual oil price (Brent crude): \$80 per barrel (\$90 per barrel)

For the second half of 2023, BASF does not expect a further weakening in demand at the global level, as inventories of chemical raw materials in customer industries have already been greatly reduced. However, BASF is assuming only a tentative recovery because global demand for consumer goods will grow slower than previously assumed. Margins are therefore expected to remain under pressure.

Outlook 2023 for BASF Group

Based on the adjusted expectations for further development in the second half of the year, the forecast for the BASF Group for the 2023 business year was adjusted as follows (previous forecast from the BASF Report 2022 in parentheses):

- Sales: €73 billion – €76 billion (€84 billion – €87 billion)
- EBIT before special items: €4.0 billion – €4.4 billion (€4.8 billion – €5.4 billion)
- ROCE: 6.5% – 7.1% (7.2% – 8.0%)
- CO₂ emissions: 17.0 million metric tons – 17.6 million metric tons
(18.1 million metric tons – 19.1 million metric tons)

Forward-looking statements

This factsheet 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 those discussed in Opportunities and Risks on pages 157 to 167 of the BASF Report 2022. BASF does not assume any obligation to update the forward-looking statements contained in this factsheet above and beyond the legal requirements.