



 **BASF**

We create chemistry

Media Phone Conference Q2 2024

Ludwigshafen, July 26, 2024

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

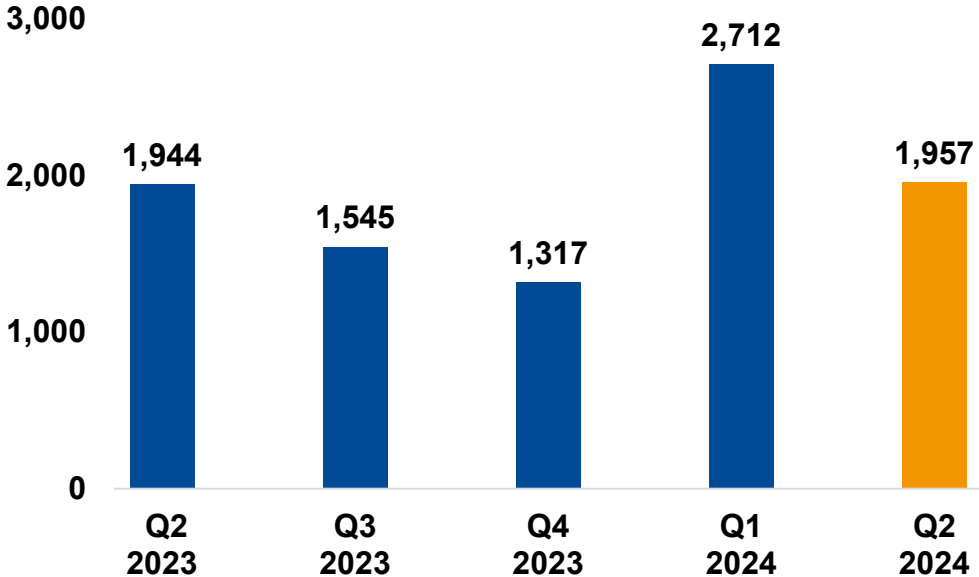
- **Sales 7% down** on Q2 2023 at €16.1 billion, **mainly due to lower prices**; however, **pressure on sales prices eased**
- **Volumes** of BASF Group, excluding precious and base metals, **increased by 2.4%**
- Q2 2024 **EBITDA before special items** of €2.0 billion **at prior-year level** (+0.6% 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 €



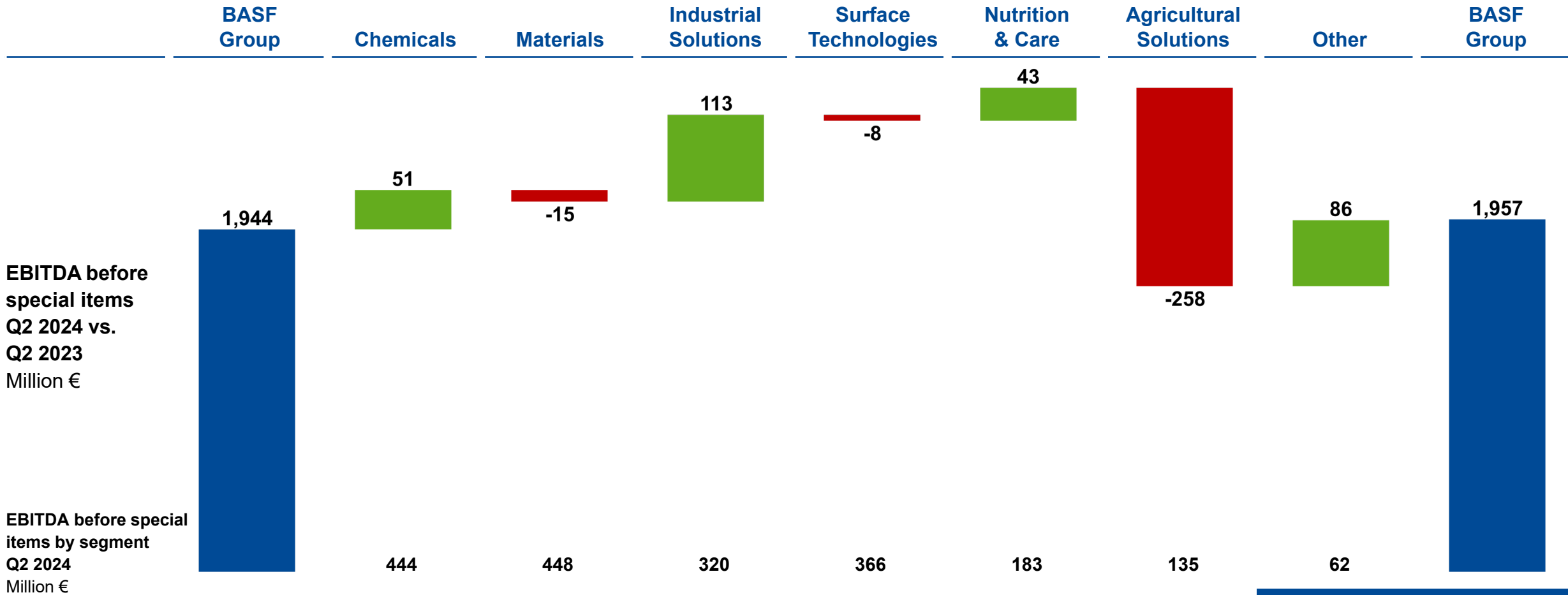
¹ The IFRS figures correspond to the Consolidated Financial Statements. The adjusted figures exclude sales in precious metal trading as well as precious and base metal sales in the catalysts business

Snapshot Q2 2024: Market development and BASF's performance

	Market environment	Volume development	Specific margin
Chemicals			
Materials			
Industrial Solutions			
Surface Technologies ¹			
Nutrition & Care			
Agricultural Solutions			

Impact on BASF's EBITDA before special items in Q2 2024 vs. Q2 2023

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**

BASF Group Q2 2024: Key financial figures

EBITDA before special items Q2 2024 vs. Q2 2023

€1,957 million
+0.6%

EBIT before special items Q2 2024 vs. Q2 2023

€969 million
-3.7%

Net income Q2 2024 vs. Q2 2023

€430 million
-14.0%

Operating cash flow Q2 2024 vs. Q2 2023

€1,951 million
-10.4%

Free cash flow Q2 2024 vs. Q2 2023

€471 million
-48.0%

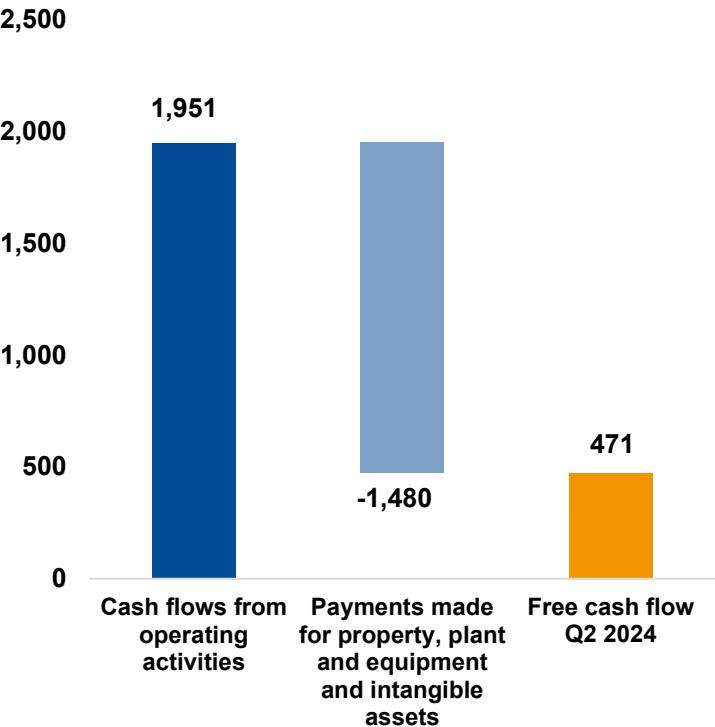
Equity ratio June 30, 2024 / Dec. 31, 2023

44.5%
47.3%

Cash flow development in Q2 2024 and H1 2024

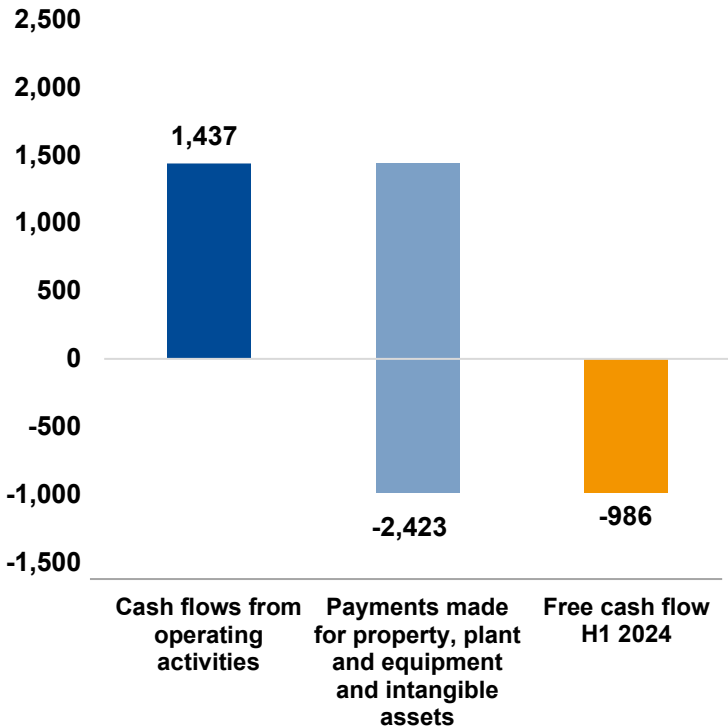
Q2 2024

Million €



H1 2024

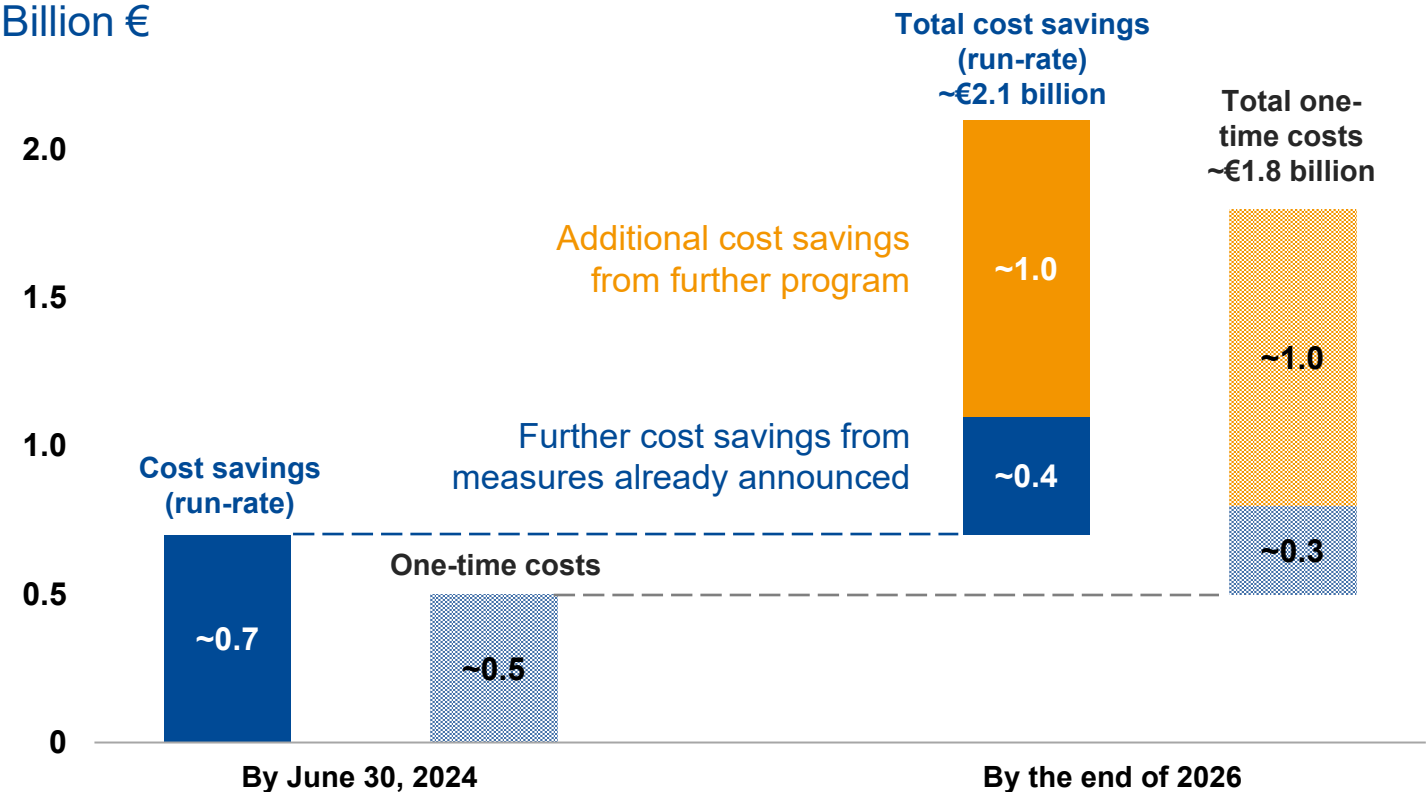
Million €



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

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



■ 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

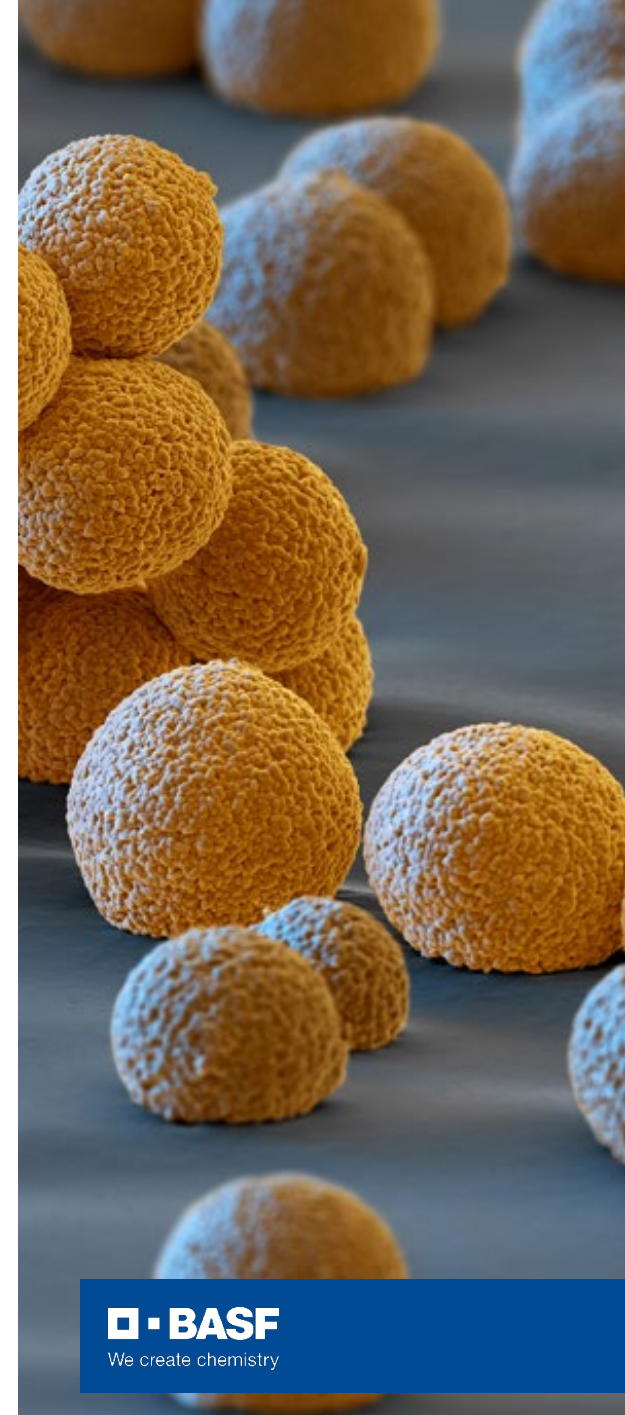
- Implementation of the cost savings programs announced in February 2023 in full swing
- Identification of cost savings measures related to the program with focus on Ludwigshafen announced in February 2024 almost completed; swift implementation in preparation
- By the end of 2024, we expect total annual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

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.



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



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
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





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