

Reporting Factsheet Q1 2024

BASF Group (million €)	Q1 2024	Q1 2023	Change (%)	Q1 2024	Q4 2023	Change (%)
Sales	17,553	19,991	-12.2	17,553	15,871	10.6
EBITDA	2,655	2,811	-5.6	2,655	1,099	141.5
EBITDA before special items	2,712	2,864	-5.3	2,712	1,317	105.9
Depreciation and amortization ¹	965	944	2.3	965	2,094	-53.9
EBIT	1,689	1,867	-9.5	1,689	-995	.
Special items	-64	-65	0.4	-64	-1,287	95.0
EBIT before special items	1,754	1,931	-9.2	1,754	292	499.7
Net income from shareholdings	229	183	25.6	229	-230	.
Financial result	-146	-119	-23.3	-146	-99	-48.1
Income before income taxes	1,772	1,930	-8.2	1,772	-1,323	.
Income after taxes	1,411	1,604	-12.1	1,411	-1,571	.
Net income	1,368	1,562	-12.4	1,368	-1,587	.
Earnings per share (€) ²	1.53	1.75	-12.4	1.53	-1.78	.
Adjusted earnings per share (€) ²	1.68	1.93	-12.9	1.68	-0.18	.
Research and development expenses	490	538	-8.8	490	595	-17.6
Personnel expenses	3,070	2,954	3.9	3,070	2,546	20.6
Employees (end of period)	111,855	111,399	0.4	111,855	111,991	-0.1
Assets (end of period)	81,740	86,139	-5.1	81,740	77,395	5.6
Investments including acquisitions ³	1,205	999	20.7	1,205	2,303	-47.7
Equity ratio (end of period, %)	47.2	48.8	-	47.2	47.3	-
Net debt (end of period)	18,175	17,820	2.0	18,175	16,590	9.6
Cash flows from operating activities	-513	-1,016	49.4	-513	4,262	.
Free cash flow	-1,457	-1,882	22.6	-1,457	2,228	.

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 first quarter of 2024 and in the fourth quarter of 2023 was 892,522,164 and 893,002,335 in the first quarter 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 Q1 2024 vs. Q1 2023 (changes in %)	Sales	Volumes	Prices	Portfolio	Currencies
Chemicals	-2.4	9.5	-10.9	-	-1.1
Petrochemicals	0.8	8.5	-7.0	-	-0.7
Intermediates	-10.0	12.1	-20.1	-	-1.9
Materials	-10.5	5.7	-14.1	-	-2.1
Performance Materials	-9.8	1.8	-9.3	-	-2.3
Monomers	-11.2	9.7	-18.9	-	-1.9
Industrial Solutions	-4.0	5.8	-7.8	-	-2.0
Dispersions & Resins	-2.5	5.9	-6.3	-	-2.1
Performance Chemicals	-6.4	5.6	-10.2	-	-1.9
Surface Technologies	-26.9	-6.3	-17.9	-0.3	-2.3
Catalysts	-34.6	-8.8	-24.1	-0.4	-1.3
Coatings	-0.6	2.2	3.2	-	-6.0
Nutrition & Care	-5.3	8.2	-11.4	-	-2.2
Care Chemicals	-6.4	7.0	-11.1	-	-2.2
Nutrition & Health	-2.6	11.4	-11.9	-	-2.1
Agricultural Solutions	-10.6	-9.3	1.9	-	-3.2
Other	-16.0	-1.4	-13.1	-	-1.5
BASF Group	-12.2	0.5	-10.4	-0.1	-2.2

Segments

Q1 (million €)

	Sales			EBITDA before special items			EBITDA			Segment cash flow		
	2024	2023	+/-	2024	2023	+/-	2024	2023	+/-	2024	2023	+/-
Chemicals	2,764	2,833	-2.4%	453	426	6.2%	453	425	6.6%	-556	-187	-197.8%
Materials	3,441	3,844	-10.5%	508	448	13.5%	549	451	21.8%	85	111	-23.0%
Industrial Solutions	2,057	2,143	-4.0%	332	300	10.6%	330	292	13.3%	59	148	-60.2%
Surface Technologies	3,347	4,578	-26.9%	356	402	-11.6%	327	369	-11.5%	292	307	-5.0%
Nutrition & Care	1,729	1,826	-5.3%	262	192	36.8%	261	190	37.0%	-64	3	.
Agricultural Solutions	3,478	3,891	-10.6%	1,361	1,432	-4.9%	1,359	1,433	-5.2%	-715	-758	5.7%
Other	736	877	-16.0%	-560	-336	-66.9%	-624	-350	-78.5%			
BASF Group	17,553	19,991	-12.2%	2,712	2,864	-5.3%	2,655	2,811	-5.6%			

Regions

Q1 (million €)

	Sales by location of company			Sales by location of customer		
	2024	2023	+/-	2024	2023	+/-
Europe	7,410	8,600	-13.8%	7,126	8,201	-13.1%
of which Germany	2,940	3,372	-12.8%	1,682	2,002	-16.0%
North America	5,375	5,933	-9.4%	5,232	5,921	-11.7%
Asia Pacific	3,830	4,455	-14.0%	3,924	4,514	-13.1%
of which Greater China	2,102	2,309	-9.0%	2,072	2,275	-8.9%
South America, Africa, Middle East	938	1,004	-6.6%	1,271	1,355	-6.2%
BASF Group	17,553	19,991	-12.2%	17,553	19,991	-12.2%

Segments Q1 2024 vs. Q1 2023¹

Chemicals

In Q1 2024, sales in the Chemicals segment were slightly below the figure of Q1 2023 due to a considerable decline in sales in the Intermediates division. In the Petrochemicals division, sales were slightly above the level of Q1 2023. Lower prices in all business areas as a result of decreased raw materials and energy prices were the main driver of the decline in sales performance. Negative currency effects, largely relating to the Chinese renminbi and the U.S. dollar, dampened sales performance. A considerable increase in sales volumes had an offsetting effect. This was due in particular to our customers increasing their inventories and lower imports by competitors to Europe as a result of the conflict in the Red Sea. In this context, the Petrochemicals division increased volumes in almost all business areas. The Intermediates division increased sales volumes in all business areas, but mainly in the amines as well as the acids and polyalcohols business.

EBITDA bsi was slightly above the figure of Q1 2023. The Petrochemicals division considerably increased its earnings, primarily as a result of higher volumes and lower raw materials and energy prices. Fixed costs were slightly below Q1 2023, despite higher expenditure on the construction of the new Verbund site in Zhanjiang, China. In the Intermediates division, however, EBITDA bsi decreased considerably. A slight reduction in fixed costs was unable to offset a decline in the contribution margin and a lower contribution from shareholdings accounted for using the equity method.

Segment cash flow decreased considerably compared with Q1 2023. This was mainly due to a higher amount of cash tied up in working capital as well as increased investments in the construction of the Verbund site in China.

Materials

Sales in both operating divisions of the Materials segment decreased considerably in Q1 2024 compared with Q1 2023. This decline was mainly driven by lower prices in all business areas and regions due to a decrease in energy and raw materials prices compared with Q1 2023. Negative currency effects, mainly relating to the Chinese renminbi, had a negative impact on sales. This was offset by a considerable increase in volumes due to higher demand. Monomers increased sales volumes in almost all business areas and regions, but particularly for MDI globally and ammonia in Europe due to a strong recovery in demand compared with the weak Q1 2023. The Performance Materials division increased volumes, particularly as a result of increased demand in Asia Pacific.

Compared with Q1 2023, the segment considerably improved EBITDA bsi, primarily as a result of strong earnings growth in the Performance Materials division. An increased contribution margin and reduced fixed costs due to positive currency effects and lower production costs, and as a consequence of cost-saving measures, contributed to the earnings growth of the Performance Materials division. Earnings in the Monomers division were slightly above the level of Q1 2023. Positive effects resulting from lower raw materials costs, higher volumes and cost-saving measures were partially offset by a decline in prices.

EBITDA in the Materials segment included special income totaling €41 million, mainly due to a contractual one-time payment. This was partially offset by special charges, primarily for costs in connection with adjustments to the production structure at the Verbund site in Ludwigshafen, Germany.

Segment cash flow was considerably below the figure of Q1 2023. This was due to the significantly lower cash flow from the Monomers division as a result of a higher amount of cash tied up in receivables. The considerable increase in earnings and lower capital expenditures by the Performance Materials division were unable to compensate for the decline.

Industrial Solutions

Sales in the Industrial Solutions segment decreased slightly compared with Q1 2023. While Dispersions & Resins recorded a slight decline in sales, sales in the Performance Chemicals division decreased considerably. Lower prices due to lower raw materials prices in almost all business areas in both divisions were the main driver of the segment's sales performance.

¹ For EBITDA before special items and segment cash flow, "slight" means a change of 0.1%–10.0%, while "considerable" and its synonyms is used for changes of 10.1% and higher. "At prior-year level" indicates no change (+/-0.0%).

Negative currency effects also contributed to the decline in sales. These largely related to the Chinese renminbi. The positive effect of significant volume increases in both divisions was unable to compensate for price and currency developments. In the Dispersions & Resins division, sales volumes rose in all business areas. The Performance Chemicals division increased sales volumes, especially for plastic additives.

Compared with Q1 2023, the segment increased EBITDA bsi considerably. This was attributable to considerable earnings growth in the Dispersions & Resins division due to a volume-related higher contribution margin and lower fixed costs. In contrast, there was slightly reduced EBITDA bsi in the Performance Chemicals division, primarily due to a lower contribution margin for plastic additives and negative currency effects. The EBITDA margin bsi rose to 16.1% as a result of the segment's earnings performance, compared with 14.0% in Q1 2023.

A higher amount of cash tied up in trade accounts receivable in both divisions was the main reason for a considerable decline in segment cash flow in Q1 2024.

Surface Technologies

Sales declined considerably in the Surface Technologies segment in Q1 2024 compared with Q1 2023. This was mainly due to the decline in sales in the Catalysts division. Sales declined slightly in the Coatings division. Lower sales were mainly driven by lower prices and volumes in precious metal trading and mobile emissions catalysts in the Catalysts division. Sales in precious metal trading and precious metal sales in the mobile emissions catalysts business decreased to €1,400 million (Q1 2023: €2,504 million). A considerable increase in sales volumes in battery materials had an offsetting effect in the Catalysts division. The Coatings division raised prices slightly, mainly in the automotive OEM coatings and surface treatment businesses. In addition, the division increased volumes in the surface treatment and automotive refinish coatings businesses considerably. Negative currency effects, largely relating to the Argentine peso and the Chinese renminbi, contributed to the decline in sales. Portfolio effects resulted from the divestiture of the production site in De Meern, Netherlands, as of August 31, 2023.

EBITDA bsi was considerably below the figure of Q1 2023, mainly due to lower precious metal prices and one-time effects in the Catalysts division in Q1 2023. In the Coatings division, however, EBITDA bsi increased considerably. Here, a higher contribution margin more than compensated for the inflation-driven increase in fixed costs. The EBITDA margin bsi rose from 8.8% to 10.6% in Q1 2024.

Special items in the EBITDA of the Surface Technologies segment were -€29 million in Q1 2024, primarily due to special charges arising from measures to increase efficiency.

Segment cash flow decreased slightly compared with Q1 2023, mainly attributable to a higher amount of cash tied up in working capital in the Coatings division. In the Catalysts division, a higher amount of cash tied up in inventories as well as earnings development were not fully offset by a significant amount of released cash from receivables and lower investment expenditure, resulting in a slight decline in cash flow.

Nutrition & Care

Sales in the Nutrition & Care segment were considerably lower in Q1 2024 compared with Q1 2023, mainly due to the negative sales performance of the Care Chemicals division. Nutrition & Health recorded a slight decline in sales. The decline in sales resulted in particular from lower prices. In the Care Chemicals division, this particularly affected the home care, institutional and industrial cleaning and industrial formulators business area as well as the oleo surfactants and alcohols business. Prices decreased in all business areas in the Nutrition & Health division. Currency effects also dampened sales performance. Both operating divisions increased volumes in all business areas. The Care Chemicals division increased sales volumes mainly in the home care, institutional and industrial cleaning and industrial formulators business. Volume growth in the Nutrition & Health division was mainly driven by the aroma business. However, higher volumes overall were unable to compensate for the lower prices and currency effects.

EBITDA bsi rose considerably compared with Q1 2023 and was primarily attributable to a volume-related higher contribution margin in both operating divisions. Lower fixed costs in the Nutrition & Health division supported earnings performance. The EBITDA margin bsi increased to 15.2% as a result of the segment's earnings performance, compared with 10.5% in Q1 2023.

Segment cash flow decreased compared with the figure of Q1 2023, primarily due to a higher amount of cash tied up in receivables in the Care Chemicals division. An increase in earnings in the division was unable to compensate for this. In contrast, the Nutrition & Health division improved cash flow considerably. This was primarily the result of earnings growth as well as a lower amount of cash tied up in inventories. A higher amount of cash tied up in receivables in the division had an offsetting effect.

Agricultural Solutions

In the Agricultural Solutions segment, sales in Q1 2024 fell considerably compared with Q1 2023. This was in line with our expectations due to the above-average strength of Q1 2023, as well as the persistently cautious purchasing behavior of distributors and the high channel inventories. Lower volumes of crop protection products and negative currency effects were the main reasons for the decline in sales. In contrast, prices increased slightly. Sales in Europe declined considerably due to lower volumes of crop protection products and negative currency effects, particularly from the Turkish lira. Higher prices had a positive effect. In North America, sales decreased considerably due to lower volumes of herbicides, negative currency effects, mainly from the U.S. dollar, and lower prices. In Asia, a considerable decline in sales was recorded due to negative currency effects, particularly from the Chinese renminbi, as well as lower sales volumes, predominantly in herbicides. Prices increased. Sales in the region South America, Africa, Middle East fell considerably. Reduced volumes in fungicides, seed treatment and herbicides, negative currency effects, mainly from the Argentine peso, and lower prices were the main drivers of this development.

EBITDA bsi decreased slightly compared with Q1 2023 due to lower volumes. The segment's EBITDA margin bsi rose to 39.1% as a result of the product mix, compared with 36.8% in Q1 2023.

Season-related negative segment cash flow improved slightly compared with Q1 2023. This was mainly due to lower receivables buildup as a result of lower sales.

Other

Lower sales in commodity and energy trading led to a considerable decline in sales in Other in Q1 2024.

Compared with Q1 2023, EBITDA bsi in Other decreased significantly, in particular due to increased bonus provisions and higher expenses from the long-term incentive program and lower contributions from BASF's internal insurance companies.

Outlook 2024 unchanged

Underlying assumptions for 2024

The assumptions regarding the global economic environment in 2024 from the BASF Report 2023 remain unchanged:

- GDP growth: +2.3%
- Growth in global industrial production: +2.2%
- Growth in global chemical production: +2.7%
- Average oil price (Brent): US\$80 per barrel
- Average exchange rate: US\$1.10 per €
- Annual impact of US\$ change (€ depreciation) -1 US\$-Cent per €:
Sales: +€230 million; EBITDA: +€40 million

Outlook 2024 for BASF Group

The BASF Group's forecast for the 2024 business year published in the BASF Report 2023 also remains unchanged:

- EBITDA before special items: €8.0 billion – €8.6 billion
- Free cash flow: €0.1 billion – €0.6 billion
- CO₂ emissions: 16.7 million metric tons – 17.7 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 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 factsheet above and beyond the legal requirements.