



Quarterly Statement

Q1 2023



Q1 | BASF Group 23 | Quarterly Statement

On the cover and this page:

BASF develops a range of certified biodegradable products. These are used in numerous applications including soil biodegradable agricultural mulch films, compostable bags and home & personal care products. There are a number of methods which BASF researchers use to measure the biodegradation of a material in different habitats. Slide frames are typically used for film products, which hold the film in a specific environment for a number of days. The extent of disintegration can then be evaluated using automated analysis algorithms. The photos show Constanze Risse, lab digitalization specialist, and Waldemar Bartuli, lab technician. Together, they analyze samples from a soil degradability experiment.

🔗 For more information on biodegradable products, see [basf.com/research-press-conference](https://www.basf.com/research-press-conference)



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At a Glance

Sales – Q1 2023

€20.0 billion

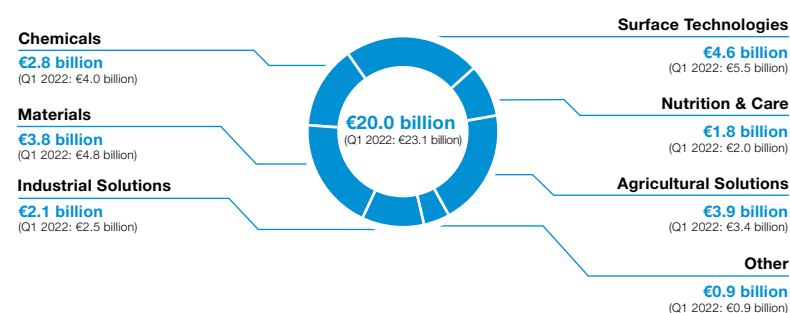
(Q1 2022: €23.1 billion)

EBIT before special items – Q1 2023

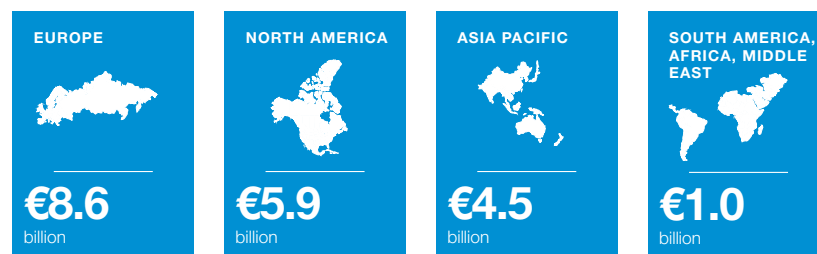
€1.9 billion

(Q1 2022: €2.8 billion)

Sales by segment and Other – Q1 2023



Sales by region – Q1 2023



Outlook

Outlook from February 24, 2023, unchanged for the 2023 business year:

- Sales: €84 billion to €87 billion
- EBIT before special items: €4.8 billion to €5.4 billion
- Return on capital employed (ROCE): 7.2% to 8.0%
- CO₂ emissions: 18.1 million metric tons to 19.1 million metric tons

Key Figures

BASF Group Q1 2023

		2023	2022	+/-
Sales	Million €	19,991	23,083	-13.4%
Income from operations before depreciation, amortization and special items	Million €	2,864	3,743	-23.5%
Income from operations before depreciation and amortization (EBITDA)	Million €	2,811	3,709	-24.2%
EBITDA margin	%	14.1	16.1	-
Depreciation and amortization ^a	Million €	944	924	2.2%
Income from operations (EBIT)	Million €	1,867	2,785	-33.0%
Special items	Million €	-65	-34	-91.7%
EBIT before special items	Million €	1,931	2,818	-31.5%
Income before income taxes	Million €	1,930	1,878	2.8%
Income after taxes	Million €	1,604	1,321	21.4%
Net income	Million €	1,562	1,221	27.9%
Earnings per share ^b	€	1.75	1.34	30.6%
Adjusted earnings per share ^b	€	1.93	2.70	-28.5%
Research and development expenses	Million €	538	569	-5.5%
Personnel expenses	Million €	2,954	3,067	-3.7%
Employees (March 31)		111,399	110,828	0.5%
Assets (March 31)	Million €	86,139	93,983	-8.3%
Investments including acquisitions ^c	Million €	999	741	34.7%
Equity ratio (March 31)	%	48.8	45.3	-
Net debt (March 31)	Million €	17,820	16,251	9.7%
Cash flows from operating activities	Million €	-1,016	-290	-250.1%
Free cash flow	Million €	-1,882	-893	-110.7%

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

^b Due to the share buyback program, which was terminated in February 2023, the weighted average number of outstanding shares in the first quarter of 2023 was 893,002,335.

^c Additions to property, plant and equipment and intangible assets

Business Review

BASF Group

Significant events

In January 2023, BASF started construction of the third and final expansion of the methylene diphenyl diisocyanate (MDI) plant at its Verbund site in Geismar, Louisiana. With this expansion, the company will increase production capacity to approximately 600,000 metric tons per year by 2026 to support the ongoing growth of its North American MDI customers. Together with the first and second phases, the investment volume totals around \$1 billion.

At its meeting on February 22, 2023, the Supervisory Board of BASF SE appointed Dr. Stephan Kothrade as a member of the Board of Executive Directors effective March 1, 2023. He succeeds Saori Dubourg, who left the company effective February 28, 2023. Stephan Kothrade has been with the company since 1995 and has led the Intermediates division since 2022.

In an ad hoc release, BASF announced on February 24, 2023, that it would terminate its share buyback program ahead of schedule. This decision was made in line with the company's priorities for the use of cash and in view of the profound changes in the global economy in the course of 2022. From January 11, 2022, until and including February 23, 2023, 25,956,530 shares were bought back, corresponding to 2.8% of the share capital on announcement of the program. The purchase price for these own shares totaled around €1.4 billion. The share buyback program was intended to reach a volume of up to €3 billion and be concluded by December 31, 2023, at the latest.

As part of a virtual conference for analysts and investors as well as the annual press conference on February 24, 2023, BASF presented concrete measures regarding the cost savings program announced in October 2022, focusing on Europe. The measures under this

program include the consistent bundling of services in hubs, simplifying structures in divisional management, the rightsizing of business services as well as increasing the efficiency of R&D activities. Globally, the measures are expected to have a net effect on around 2,600 positions; this figure includes the creation of new positions, in particular in hubs. The cost savings program will be implemented in 2023 and 2024. Upon completion, the program is expected to generate annual cost savings of more than €500 million in non-production areas.

In addition, BASF is implementing measures to adapt the production structures at the Verbund site in Ludwigshafen, Germany, making it better equipped for the intensifying competition in the long term. These include the closure of the caprolactam plant, one of the two ammonia plants and associated fertilizer facilities at the Verbund site in Ludwigshafen, as well as the closure of the TDI plant, the precursor plants for DNT and TDA, and the plants for cyclohexanol, cyclohexanone and soda ash. Furthermore, the production capacity of adipic acid will be reduced in Ludwigshafen, Germany. Plant closures and capacity adaptations will be implemented stepwise by the end of 2026. These production measures are expected to reduce fixed costs by more than €200 million per year.

Results of operations

Sales in the first quarter of 2023 amounted to €19,991 million, down by €3,092 million compared with the prior-year quarter. This was primarily the result of lower volumes in almost all segments due to weaker demand. Slightly lower prices additionally dampened sales performance. Price increases in the Agricultural Solutions, Nutrition & Care and Industrial Solutions segments were unable to fully offset the lower prices in the remaining segments. Negative portfolio effects from the sale of the kaolin minerals business effective September 30, 2022 in the Industrial Solutions segment also slightly weighed down sales. Slightly positive currency effects, mainly relating to the U.S. dollar, had an offsetting effect.

Factors influencing BASF Group sales in Q1 2023

Volumes	-12.8%	
Prices	-0.7%	
Portfolio	-0.2%	
Currencies	0.3%	
Sales	-13.4%	

Income from operations (EBIT) before special items¹ decreased to €1,931 million, corresponding to a decline of €887 million compared with the strong prior-year quarter. This earnings development of the BASF Group was mainly due to the significant decline in earnings contributions of the Chemicals and Materials segments. In the Nutrition & Care and Industrial Solutions segments, EBIT before special items also decreased considerably, while the Surface Technologies segment recorded a slight decline. The Agricultural Solutions segment significantly increased earnings. Other also significantly improved EBIT before special items.

Q1 adjusted earnings per share

Million €

	2023	2022
Income after taxes	1,604	1,321
- Special items ^a	-65	-1,136
+ Amortization, impairments and reversals of impairments on intangible assets	154	161
- Amortization, impairments and reversals of impairments on intangible assets contained in special items	0	-
- Adjustments to income taxes	57	50
- Adjustments to income after taxes from discontinued operations	-	-
Adjusted income after taxes	1,766	2,567
- Adjusted noncontrolling interests	46	103
Adjusted net income	1,720	2,464
Weighted average number of outstanding shares ^b	in thousands 893,002	912,885
Adjusted earnings per share	€ 1.93	2.70

^a Includes special items in net income from shareholdings of €1,102 million for the first quarter of 2022.

^b Due to the share buyback program, which was terminated in February 2023, the weighted average number of outstanding shares in the first quarter of 2023 was 893,002,335.

Special items in EBIT amounted to -€65 million in the first quarter of 2023, compared with -€34 million in the prior-year quarter. Special charges resulted mainly from restructuring measures, in particular the carve-out of the BASF Environmental Catalyst and Metal Solutions unit within the Catalysts division and the cost savings program, focusing on Europe.

For more information on the cost savings program, see [Significant events on page 5 of this quarterly statement](#)

EBIT² declined by €918 million compared with the first quarter of 2022 to €1,867 million. **Income from operations before depreciation, amortization and special items (EBITDA before special items)³** decreased by €878 million to €2,864 million and **EBITDA³** decreased by €898 million to €2,811 million in the same period.

Q1 EBITDA before special items

Million €

	2023	2022
EBIT	1,867	2,785
- Special items	-65	-34
EBIT before special items	1,931	2,818
+ Depreciation and amortization before special items	927	920
+ Impairments and reversals of impairments on property, plant and equipment and intangible assets before special items	6	4
Depreciation, amortization, impairments and reversals of impairments on property, plant and equipment and intangible assets before special items	933	925
EBITDA before special items	2,864	3,743

¹ For an explanation of this indicator, see [Our Steering Concept on page 41 onward of the BASF Report 2022](#).

² The calculation of income from operations (EBIT) is shown in the [Statement of Income on page 18 of this quarterly statement](#).

³ For an explanation of this indicator, see [Results of Operations on page 56 onward of the BASF Report 2022](#).

Q1 EBITDA

Million €

	2023	2022
EBIT	1,867	2,785
+ Depreciation and amortization	927	920
+ Impairments and reversals of impairments on property, plant and equipment and intangible assets	17	4
Depreciation, amortization, impairments and reversals of impairments on property, plant and equipment and intangible assets	944	924
EBITDA	2,811	3,709

At €183 million, **net income from shareholdings** improved by €979 million compared with the prior-year quarter, mainly as a result of an increase in income by €971 million from non-integral companies, accounted for using the equity method. In the prior-year quarter, impairments on the shareholding in Wintershall Dea of €1.1 billion had burdened net income from shareholdings.

The **financial result** declined to –€119 million (Q1 2022: –€110 million). This was primarily attributable to the €40 million lower interest result, mainly due to higher interest expenses for financial indebtedness resulting from increased interest rates and increased debt. An improvement in the other financial result by €31 million, in particular due to increased income from valuation of securities, and lower expenses in connection with foreign currency bonds and the corresponding hedging instruments had an offsetting effect.

Income before income taxes rose to €1,930 million, after €1,878 million in the prior-year quarter, which had been burdened by the impairments on the shareholding in Wintershall Dea mentioned above. The tax rate was 16.9% in the first quarter of 2023 (Q1 2022: 29.6%).

Income after taxes amounted to €1,604 million, €283 million above the prior-year period. Noncontrolling interests decreased by €58 million to €42 million. This was mainly attributable to lower earnings contributions from the BASF Shanshan companies and from BASF PETRONAS

Chemicals Sdn. Bhd., Kuala Lumpur, Malaysia. As a result, **net income** amounted to €1,562 million.

Earnings per share in the first quarter of the year were €1.75, compared with €1.34 in the first quarter of 2022. **Earnings per share adjusted¹** for special items and amortization of intangible assets amounted to €1.93 (Q1 2022: €2.70).

Net assets

Total assets rose by €1,667 million compared with year-end 2022 to €86,139 million.

Noncurrent assets remained almost at the level as of December 31, 2022. The carrying amounts of non-integral investments accounted for using the equity method rose by €463 million, largely due to an increase of the carrying amount of the shareholding in Wintershall Dea. This primarily resulted from the positive equity-accounted income and from higher fair values of derivatives, which are recognized directly in other comprehensive income. By contrast, intangible assets decreased by €251 million compared with the prior year-end, mainly due to currency effects and amortization. Noncurrent other receivables and miscellaneous assets decreased by €242 million, primarily due to lower defined benefit assets. The value of property, plant and equipment was slightly below prior year-end level. Negative currency effects were largely offset by additions to property, plant and equipment, which exceeded depreciation.

The €1,716 million increase in **current assets** compared with December 31, 2022, was mainly attributable to higher trade accounts receivable. These rose by €2,196 million, due in particular to seasonal effects in the Agricultural Solutions segment. Other receivables and miscellaneous assets decreased by €569 million, primarily due to lower precious metal trading positions.

Financial position

At €42,060 million, **equity** was €1,137 million above the figure as of December 31, 2022. Retained earnings rose by €1,492 million, mainly due to the positive impact from net income. A slightly offsetting effect resulted from share buybacks made in the first quarter of 2023 until the termination of the share buyback program. The €371 million decrease in **other comprehensive income** resulted mainly from negative translation effects and actuarial losses, which were partly offset by gains from hedging transactions. At 48.8%, the equity ratio was slightly above prior year-end level (48.4%).

Compared with year-end 2022, **noncurrent liabilities** rose by €1,275 million to €24,385 million, mainly due to higher financial indebtedness. This primarily resulted from the issue of three eurobonds with a nominal value of €1.5 billion and the taking up of loans in the amount of around €700 million. The reclassification of a 500 million eurobond from noncurrent to current financial indebtedness as well as exchange rates and interest had an offsetting effect. By contrast, deferred tax liabilities decreased by €236 million, and other provisions by €91 million. The latter predominantly due to lower noncurrent personnel provisions.

At €19,694 million, **current liabilities** were €746 million below the figure as of December 31, 2022. This was primarily due to the €1,191 million decrease in trade accounts payable. Other liabilities decreased by €673 million, mainly due to lower advance payments received. Current financial indebtedness decreased by €47 million: The scheduled repayment of a U.S. dollar bond with a carrying amount of around €800 million was largely offset by the reclassification of the above-mentioned bond and the increase in commercial paper at BASF SE. Current provisions were €764 million above the prior year-end figure, largely as a result of higher discount provisions. Current tax liabilities increased by €401 million.

¹ For an explanation of this indicator, see [Results of Operations on page 56 onward of the BASF Report 2022](#).

Net debt¹ rose by around €1.6 billion compared with year-end 2022.

Net debt

Million €

	March 31, 2023	March 31, 2022
Noncurrent financial indebtedness	16,809	15,171
+ Current financial indebtedness	3,797	3,844
Financial indebtedness	20,606	19,016
– Marketable securities	224	232
– Cash and cash equivalents	2,562	2,516
Net debt	17,820	16,268

Cash flows from operating activities were –€1,016 million in the first quarter of 2023, significantly below the prior-year quarter's figure of –€290 million. Net income improved by €340 million compared with the prior-year period. In the previous year, this included in particular non-cash-effective impairments on the shareholding in Wintershall Dea AG, which is accounted for using the equity method. These were adjusted in miscellaneous items and contributed significantly to the –€1,151 million change in this position. Funds tied up in net working capital decreased by €66 million, compared with the first quarter of 2022 and amounted to €3,116 million. At €2,034 million, funds tied up in receivables were €2,176 million lower than in the prior-year quarter. This was mainly due to the lower increase in trade accounts receivable in the current year as a result of the sales development and the change in the precious metals trading items, which was mainly price-related. At €190 million, funds tied up in inventories were €581 million lower than in the prior-year period. In addition, the reduction in operating liabilities and other provisions resulted in a cash outflow of €892 million in the first quarter of 2023, while the increase in liabilities had led to a cash inflow of €1,799 million in the prior-year quarter.

Cash flows from investing activities amounted to –€703 million in the first quarter, a decline of €125 million compared with the first quarter of 2022. This was due in particular to the €263 million

increase in payments made for property, plant and equipment and intangible assets. This was partly offset by a €126 million increase in net payments received for financial assets and securities and a €12 million increase in payments received for divestitures.

The **cash flows from financing activities** amounted to €1,808 million, €877 million below the prior-year figure. At €3,679 million, cash inflows from additions to financial and similar liabilities were €604 million below the first quarter of 2022. At the same time, payments made for the redemption of financial and similar liabilities increased by €1,023 million to €1,706 million. This was offset by a reduction in cash outflows from the share buyback program: In the first quarter of 2023, BASF bought back own shares for €70 million, compared with €820 million spent on share buybacks in the prior-year quarter.

Free cash flow¹ amounted to –€1,882 million in the first quarter of 2023, compared with –€893 million in the prior-year period.

Q1 free cash flow

Million €

	2023	2022
Cash flows from operating activities	–1,016	–290
– Payments made for property, plant and equipment and intangible assets	867	603
Free cash flow	–1,882	–893

BASF enjoys good **credit ratings**, especially compared with competitors in the chemical industry. Standard & Poor's confirmed its rating of A/A-1/outlook negative on March 3, 2023. Moody's most recently confirmed its rating of A3/P-2/outlook stable on January 18, 2023. Fitch maintained its rating of A/F1/outlook stable on November 30, 2022.

¹ For an explanation of this indicator, see [Financial Position on page 63 onward of the BASF Report 2022](#).

Outlook

The development of the global economy is still subject to great uncertainty. Momentum in global industrial and chemical production remained subdued.

The assumptions regarding the **global economic environment** from the BASF Report 2022 remain unchanged:

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

The **sales, earnings, ROCE, and CO₂ forecasts** as presented in the BASF Report 2022 continue to apply:

- Sales of between €84 billion and €87 billion
- EBIT before special items of between €4.8 billion and €5.4 billion
- Return on capital employed (ROCE) of between 7.2% and 8.0%
- CO₂ emissions of between 18.1 million metric tons and 19.1 million metric tons

 For more information, see the [Outlook 2023 on page 154 onward of the BASF Report 2022](#)

Forecast risks in terms of volume growth and margins for 2023 have partially materialized and led to a considerable decline in earnings in the first quarter of 2023, compared with the prior-year quarter. Opportunities that arose, particularly in the Agricultural Solutions segment due to higher prices, supported earnings. Market-related opportunities and risks continue to exist.

Likewise for the remaining **opportunity and risk factors**, the statements made in the BASF Report 2022 mainly continue to apply. According to the company's assessment, neither existing individual risks nor the sum of individual risks pose a threat to the continued existence of the BASF Group.

 For more information on opportunities and risks for 2023, see [page 157 onward of the BASF Report 2022](#)

Chemicals

Q1 2023

Sales¹ in the Chemicals segment decreased considerably in the first quarter of 2023 in both operating divisions compared with the strong prior-year quarter.

Factors influencing sales in Q1 2023 – Chemicals

	Chemicals	Petrochemicals	Intermediates
Volumes	-19.5%	-19.1%	-20.4%
Prices	-10.6%	-10.0%	-11.8%
Portfolio	-	-	-
Currencies	0.8%	1.1%	0.1%
Sales	-29.2%	-27.9%	-32.1%

Lower sales resulted mainly from a sharp decline in volumes due to lower demand. In the Petrochemicals division, volumes declined especially for styrene monomers, steam cracker products, and in the propylene value chain. In the Intermediates division, volumes declined significantly in all business areas.

Prices eased considerably in line with lower raw materials prices and higher product availability. Price levels in the Petrochemicals division decreased mainly for steam cracker products and in the propylene value chain. The Intermediates division recorded a decline in prices especially in the butanediol and derivatives business.

Slightly positive currency effects, mainly relating to the U.S. dollar, had an offsetting effect.

Q1 segment data – Chemicals

Million €

	2023	2022	+/-
Sales to third parties	2,833	4,004	-29.2%
of which Petrochemicals	1,991	2,763	-27.9%
Intermediates	842	1,241	-32.1%
Income from operations before depreciation, amortization and special items	426	1,048	-59.3%
Income from operations before depreciation and amortization (EBITDA)	425	1,046	-59.4%
Depreciation and amortization ^a	185	189	-2.0%
Income from operations (EBIT)	240	857	-72.0%
Special items	-1	-1	-21.6%
EBIT before special items	241	858	-71.9%
Assets (March 31)	10,866	11,367	-4.4%
Investments including acquisitions ^b	382	228	67.7%
Research and development expenses	24	25	-5.6%

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

^b Additions to property, plant and equipment and intangible assets

Income from operations (EBIT) before special items¹ declined considerably in both operating divisions, mainly due to significantly lower volumes and margins, as well as a lower contribution from shareholdings accounted for using the equity method.

Materials

Q1 2023

Sales in the Materials segment decreased considerably in both operating divisions compared with the prior-year quarter.

Factors influencing sales in Q1 2023 – Materials

	Materials	Performance Materials	Monomers
Volumes	-16.9%	-11.7%	-21.2%
Prices	-3.5%	1.6%	-7.7%
Portfolio	-	-	-
Currencies	0.2%	0.2%	0.2%
Sales	-20.3%	-9.9%	-28.7%

The decline in sales was largely attributable to a sharp decline in volumes due to lower demand. In both operating divisions, sales volumes decreased in all regions and value chains.

Furthermore, considerably lower prices in the Monomers division in all regions had a negative impact on sales. Higher prices in the Performance Materials division in Europe and North America could only partially offset this.

Currency effects, mainly relating to the U.S. dollar, had a slightly positive impact on sales performance.

Q1 segment data – Materials

Million €

	2023	2022	+/-
Sales to third parties	3,844	4,821	-20.3%
of which Performance Materials	1,950	2,164	-9.9%
Monomers	1,894	2,657	-28.7%
Income from operations before depreciation, amortization and special items	448	954	-53.1%
Income from operations before depreciation and amortization (EBITDA)	451	952	-52.6%
Depreciation and amortization ^a	205	203	1.1%
Income from operations (EBIT)	246	749	-67.2%
Special items	3	-2	.
EBIT before special items	243	751	-67.7%
Assets (March 31)	10,933	11,921	-8.3%
Investments including acquisitions ^b	197	142	38.5%
Research and development expenses	48	47	1.5%

^a Depreciation and amortization of property, plant and equipment and intangible assets (including impairments and reversals of impairments)
^b Additions to property, plant and equipment and intangible assets

Income from operations (EBIT) before special items in both operating divisions was considerably below the first quarter of 2022. In the Monomers division, the decline in EBIT before special items was mainly driven by lower volumes and prices. The earnings contribution by the Performance Materials division decreased mainly due to lower volumes and increased fixed costs, particularly from higher manufacturing costs.

Industrial Solutions

Q1 2023

In the Industrial Solutions segment, **sales** decreased considerably in both operating divisions in the first quarter of 2023 compared with the prior-year quarter.

Factors influencing sales in Q1 2023 – Industrial Solutions

	Industrial Solutions	Dispersions & Resins	Performance Chemicals
Volumes	-14.7%	-14.9%	-14.5%
Prices	2.3%	1.1%	4.3%
Portfolio	-2.1%	-0.2%	-5.0%
Currencies	0.4%	0.2%	0.8%
Sales	-14.0%	-13.7%	-14.5%

The segment's sales decrease was mainly driven by significantly lower volumes due to weaker demand. Sales volumes for Dispersions & Resins decreased in all regions and business areas. The Performance Chemicals division recorded lower volumes, especially in the plastic additives business.

Negative portfolio effects also dampened the sales performance, particularly in the Performance Chemicals division due to the divestiture of the kaolin minerals business as of September 30, 2022.

Slightly higher prices due to continued high energy and raw material costs were unable to compensate for this.

Currency effects, mainly relating to the U.S. dollar, also had a slightly positive impact on sales.

Q1 segment data – Industrial Solutions

Million €

	2023	2022	+/-
Sales to third parties	2,143	2,493	-14.0%
of which Dispersions & Resins	1,308	1,516	-13.7%
Performance Chemicals	835	977	-14.5%
Income from operations before depreciation, amortization and special items	300	431	-30.4%
Income from operations before depreciation and amortization (EBITDA)	292	426	-31.5%
Depreciation and amortization ^a	95	83	14.3%
Income from operations (EBIT)	197	343	-42.5%
Special items	-19	-5	-256.2%
EBIT before special items	216	348	-37.9%
Assets (March 31)	6,304	6,714	-6.1%
Investments including acquisitions ^b	53	53	0.6%
Research and development expenses	41	43	-4.9%

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

^b Additions to property, plant and equipment and intangible assets

Income from operations (EBIT) before special items decreased considerably in both operating divisions compared with the prior-year quarter. The decline in earnings for Dispersions & Resins was mainly attributable to lower sales volumes and higher fixed costs due to inflation. The main reasons for the lower EBIT before special items in the Performance Chemicals division were lower volumes and the missing earnings contributions from the divested kaolin minerals business. Slightly decreased fixed costs had an offsetting effect.

EBIT for the first quarter of 2023 included special charges, mainly for measures in the context of the announced cost savings program with focus on Europe.

Surface Technologies

Q1 2023

In the Surface Technologies segment, **sales** were considerably lower than in the prior-year quarter. Considerable sales growth in the Coatings division was unable to offset the strong decline in sales in the Catalysts division.

Factors influencing sales in Q1 2023 – Surface Technologies

	Surface Technologies	Catalysts	Coatings
Volumes	-12.9%	-16.0%	1.7%
Prices	-3.5%	-6.3%	9.7%
Portfolio	0.0%	-	-0.2%
Currencies	0.4%	0.7%	-1.1%
Sales	-16.1%	-21.6%	10.1%

The segment's sales performance was mainly attributable to a sharp decline in volumes in the Catalysts division. This related primarily to precious metal trading. Furthermore, volumes for automotive catalysts and battery materials decreased. Accordingly, sales in precious metal trading and precious metal sales in the automotive catalysts business¹ declined to €2,493 million (Q1 2022: €3,414 million). Sales volumes in the Coatings division were slightly above the prior-year quarter level, mainly attributable to a considerable increase in volumes for automotive OEM coatings. This more than compensated for lower volumes in the surface treatment and decorative paint businesses.

Sales were negatively impacted by slightly lower prices overall. This development was mainly attributable to considerable price decreases in precious metal trading in the Catalysts division. Strong price increases for battery materials and in all business areas of the Coatings division were unable to compensate for this.

Q1 segment data – Surface Technologies

Million €

	2023	2022	+/-
Sales to third parties	4,578	5,457	-16.1%
of which Catalysts	3,539	4,514	-21.6%
Coatings	1,039	943	10.1%
Income from operations before depreciation, amortization and special items	402	401	0.3%
Income from operations before depreciation and amortization (EBITDA)	369	395	-6.4%
Depreciation and amortization ^a	139	135	3.3%
Income from operations (EBIT)	230	260	-11.5%
Special items	-33	-7	-395.7%
EBIT before special items	263	267	-1.2%
Assets (March 31)	14,217	15,528	-8.4%
Investments including acquisitions ^b	103	109	-6.2%
Research and development expenses	82	95	-13.2%

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

^b Additions to property, plant and equipment and intangible assets

Currency effects, mainly relating to the U.S. dollar, had a slightly positive impact on sales.

The segment's **income from operations (EBIT) before special items** decreased slightly compared with the first quarter of 2022. This was attributable to a considerable decline in EBIT before special items in the Catalysts division, mainly due to lower earnings contributions from the precious metal trading, as well as the battery materials and chemical catalysts businesses. A considerable increase in earnings contributions from the automotive catalysts business had an offsetting effect.

By contrast, EBIT before special items rose considerably in the Coatings division, mainly due to price-driven higher margins. This

more than compensated for increased fixed costs, due to currency effects and continued high energy costs, amongst other factors.

EBIT for the first 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.

Nutrition & Care

Q1 2023

Sales in the Nutrition & Care segment were considerably lower compared with the first quarter of 2022. In the Nutrition & Health division, sales declined considerably, while sales only slightly decreased in the Care Chemicals division.

Factors influencing sales in Q1 2023 – Nutrition & Care

	Nutrition & Care	Care Chemicals	Nutrition & Health
Volumes	-12.4%	-10.8%	-16.0%
Prices	5.1%	6.1%	2.6%
Portfolio	-	-	-
Currencies	0.0%	0.1%	-0.2%
Sales	-7.4%	-4.6%	-13.6%

The sales development was attributable to considerably lower volumes due to reduced demand. In the Care Chemicals division, this was particularly noticeable in the home care, industrial and institutional cleaning, and industrial formulators, as well as in the oleo surfactants and alcohols businesses. In the Nutrition & Health division, sales volumes declined in all business areas.

Higher prices compared with the prior-year quarter were unable to compensate for the decline in volumes. The Care Chemicals division raised prices particularly in the personal care solutions as well as in the home care, industrial and institutional cleaning and industrial formulators businesses. The Nutrition & Health division increased prices, especially in the aroma ingredients and pharma solutions businesses. Sales were negatively impacted by lower prices in the nutrition ingredients business, mainly for vitamin A.

Q1 segment data – Nutrition & Care

Million €

	2023	2022	+/-
Sales to third parties	1,826	1,971	-7.4%
of which Care Chemicals	1,300	1,363	-4.6%
Nutrition & Health	525	608	-13.6%
Income from operations before depreciation, amortization and special items	192	351	-45.4%
Income from operations before depreciation and amortization (EBITDA)	190	354	-46.2%
Depreciation and amortization ^a	110	107	2.4%
Income from operations (EBIT)	80	246	-67.3%
Special items	-1	3	.
EBIT before special items	82	244	-66.4%
Assets (March 31)	8,017	7,738	3.6%
Investments including acquisitions ^b	143	107	34.2%
Research and development expenses	39	40	-2.8%

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

^b Additions to property, plant and equipment and intangible assets

Income from operations (EBIT) before special items was considerably below the strong figure of the prior-year quarter in both operating divisions. The decline in earnings in the Nutrition & Health division was mainly driven by continued high energy and raw material costs, volume development and lower prices for vitamin A. EBIT before special items in the Care Chemicals division decreased mainly as a result of volume-driven lower margins.

Agricultural Solutions

Q1 2023

Sales in the Agricultural Solutions segment rose considerably compared with the first quarter of 2022. Prices were above the prior-year quarter in all regions and indications; volumes increased in all regions except Europe. Slightly negative currency effects had an offsetting effect.

Factors influencing sales in Q1 2023 – Agricultural Solutions

Volumes	0.2%
Prices	14.6%
Portfolio	–
Currencies	–0.2%
Sales	14.5%

Sales in **Europe** rose significantly as a result of higher prices. Sales volumes declined; this was mainly attributable to extraordinarily high demand in the prior-year quarter before the start of the war in Ukraine. Negative currency effects, primarily from the Turkish lira, also lowered sales.

Sales in **North America** increased considerably due to higher prices compared with the prior-year quarter. Increased volumes, especially of herbicides, and positive currency effects, largely relating to the U.S. dollar, supported the sales development.

In **Asia**, sales rose slightly as a result of increased prices and slightly higher volumes, especially of fungicides and insecticides. Negative currency effects had an offsetting effect.

Q1 segment data – Agricultural Solutions

Million €

	2023	2022	+/-
Sales to third parties	3,891	3,397	14.5%
Income from operations before depreciation, amortization and special items	1,432	1,036	38.2%
Income from operations before depreciation and amortization (EBITDA)	1,433	1,031	39.1%
Depreciation and amortization ^a	172	168	2.7%
Income from operations (EBIT)	1,261	863	46.1%
Special items	2	–5	.
EBIT before special items	1,260	868	45.1%
Assets (March 31)	18,951	17,238	9.9%
Investments including acquisitions ^b	90	61	47.8%
Research and development expenses	225	237	–5.3%

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

^b Additions to property, plant and equipment and intangible assets

In the region **South America, Africa, Middle East**, sales rose considerably. This was mainly driven by higher price levels as well as increased volumes, especially for field crops seeds. Currency effects, mainly from the Brazilian real, also positively impacted sales.

The segment increased **income from operations (EBIT) before special items** significantly compared with the first quarter of 2022 as a result of the sales growth. This more than compensated for continued high raw material and energy costs.

Other

Q1 2023

Sales in Other decreased considerably compared with the first quarter of 2022. This was the result of a decline in sales in commodity trading, among other things.

Income from operations (EBIT) before special items in Other improved considerably compared with the prior-year quarter. This mainly resulted from lower bonus provisions in the first quarter of 2023.

Q1 financial data – Other

Million €

	2023	2022	+/-
Sales to third parties	877	940	-6.7%
Income from operations before depreciation, amortization and special items	-336	-478	29.8%
Income from operations before depreciation and amortization (EBITDA)	-350	-494	29.3%
Depreciation and amortization ^a	38	40	-4.7%
Income from operations (EBIT)	-388	-534	27.4%
Special items	-14	-16	12.5%
EBIT before special items	-373	-518	27.9%
of which costs for cross-divisional corporate research	-63	-73	13.3%
costs of corporate headquarters	-60	-64	6.6%
other businesses	-4	3	.
foreign currency results, hedging and other measurement effects	-37	32	.
miscellaneous income and expenses	-209	-416	49.8%
Assets (March 31) ^b	16,852	23,476	-28.2%
Investments including acquisitions ^c	31	41	-26.1%
Research and development expenses	79	82	-3.0%

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

^b Contains assets of businesses recognized under Other as well as reconciliation to assets of the BASF Group

^c Additions to property, plant and equipment and intangible assets

Regions

Q1 2023

Sales at companies located in **Europe** declined by 13.8% in the first quarter of 2023 to €8,600 million. This was primarily driven by considerably lower sales volumes, mainly in the Chemicals, Materials and Industrial Solutions segments. Furthermore, sales in the region were reduced by slightly negative currency effects particularly in the Agricultural Solutions segment. Added to this were negative portfolio effects in the Industrial Solutions segment. Sales were positively impacted by slightly higher prices overall, primarily driven by considerable price increases in the Agricultural Solutions segment.

Compared with the prior-year quarter, sales at companies located in **North America** declined by 9.2% to €5,933 million. In local currency terms, sales were 12.4% below the figure of the first quarter of 2022. This was primarily the result of lower volumes and prices. The Surface Technologies segment in particular recorded a significant decline in volumes and prices. In addition, prices in the Chemicals segment eased considerably. Significant price increases in the Agricultural Solutions segment were unable to compensate for this. Sales were also dampened by portfolio effects in the Industrial Solutions segment, due to the divestiture of the kaolin minerals business. Currency effects had a slightly positive impact on sales in all segments.

Sales at companies located in **Asia Pacific** declined by 19.9% in the first quarter of 2023 to €4,455 million. In local currency terms, sales declined by 18.2%. Sales development was mainly driven by lower sales in Greater China. At €2,309 million, they were 28.5% below the level of the prior-year quarter. The sales development in the region was mainly driven by significantly lower volumes, especially in the Surface Technologies, Materials and Chemicals segments. Lower prices especially in the Chemicals and Materials segments contributed to the sales decline. In addition, sales were weighed down by slightly negative currency effects in all segments and portfolio effects in the Industrial Solutions segment.

Regions Q1

Million €

	Sales by location of company			Sales by location of customer		
	2023	2022	+/-	2023	2022	+/-
Europe	8,600	9,979	-13.8%	8,201	9,581	-14.4%
of which Germany	3,372	3,931	-14.2%	2,002	2,384	-16.0%
North America	5,933	6,534	-9.2%	5,921	6,400	-7.5%
Asia Pacific	4,455	5,562	-19.9%	4,514	5,675	-20.5%
of which Greater China	2,309	3,231	-28.5%	2,275	3,174	-28.3%
South America, Africa, Middle East	1,004	1,008	-0.4%	1,355	1,427	-5.1%
BASF Group	19,991	23,083	-13.4%	19,991	23,083	-13.4%

With €1,004 million, companies located in **South America, Africa, Middle East** recorded a sales decline of 0.4%. In local currency terms, sales rose by 0.3%. The sales decline in euros was mainly attributable to decreased volumes, especially in the Chemicals and Materials segments. Sales were slightly negatively impacted by currency effects. Slightly higher prices overall mainly in the Agricultural Solutions, Surface Technologies and Nutrition & Care segments, were able to almost completely compensate for negative effects.

Selected Financial Data

Statement of Income

Statement of income Q1

Million €

	2023	2022	+/-
Sales revenue	19,991	23,083	-13.4%
Cost of sales	-14,744	-17,081	13.7%
Gross profit on sales	5,247	6,003	-12.6%
Selling expenses	-2,231	-2,220	-0.5%
General administrative expenses	-366	-366	0.2%
Research and development expenses	-538	-569	5.5%
Other operating income	310	311	-0.1%
Other operating expenses	-636	-505	-25.9%
Income from integral companies accounted for using the equity method	80	132	-39.3%
Income from operations (EBIT)	1,867	2,785	-33.0%
Income from non-integral companies accounted for using the equity method	179	-792	.
Income from other shareholdings	18	10	77.3%
Expenses from other shareholdings	-14	-15	6.3%
Net income from shareholdings	183	-797	.
Interest income	60	41	44.7%
Interest expenses	-179	-121	-48.5%
Interest result	-119	-79	-50.5%
Other financial income	33	13	149.8%
Other financial expenses	-32	-44	26.0%
Other financial result	1	-31	.
Financial result	-119	-110	-8.0%
Income before income taxes	1,930	1,878	2.8%
Income taxes	-326	-557	41.4%
Income after taxes	1,604	1,321	21.4%
of which attributable to shareholders of BASF SE (net income)	1,562	1,221	27.9%
attributable to noncontrolling interests	42	100	-57.7%
Basic earnings per share	€ 1.75	1.34	30.6%
Diluted earnings per share	€ 1.75	1.34	30.6%

Balance Sheet

Assets

Million €

	March 31, 2023	December 31, 2022	+/-	March 31, 2022	+/-
Intangible assets	13,022	13,273	-1.9%	13,536	-3.8%
Property, plant and equipment	22,887	22,967	-0.3%	21,779	5.1%
Integral investments accounted for using the equity method	2,339	2,356	-0.7%	2,669	-12.4%
Non-integral investments accounted for using the equity method	5,108	4,645	10.0%	8,292	-38.4%
Other financial assets	1,158	1,120	3.4%	576	101.1%
Deferred tax assets	919	880	4.4%	2,594	-64.6%
Other receivables and miscellaneous assets	1,568	1,810	-13.4%	1,811	-13.4%
Noncurrent assets	47,001	47,050	-0.1%	51,256	-8.3%
Inventories	16,079	16,028	0.3%	14,847	8.3%
Accounts receivable, trade	14,251	12,055	18.2%	15,348	-7.1%
Other receivables and miscellaneous assets	6,023	6,591	-8.6%	6,922	-13.0%
Marketable securities	224	232	-3.6%	209	7.3%
Cash and cash equivalents ^a	2,562	2,516	1.8%	4,494	-43.0%
Assets of disposal groups	-	-	-	906	-100.0%
Current assets	39,138	37,422	4.6%	42,726	-8.4%
Total assets	86,139	84,472	2.0%	93,983	-8.3%

^a For a reconciliation of the amounts in the statement of cash flows with the balance sheet item cash and cash equivalents, see [page 21 of this quarterly statement](#)

Equity and liabilities

Million €

	March 31, 2023	December 31, 2022	+/-	March 31, 2022	+/-
Subscribed capital	1,142	1,144	-0.1%	1,176	-2.8%
Capital reserves	3,147	3,147	0.0%	3,106	1.3%
Retained earnings	36,945	35,453	4.2%	40,767	-9.4%
Other comprehensive income	-542	-171	-216.2%	-3,908	86.1%
Equity attributable to shareholders of BASF SE	40,692	39,573	2.8%	41,140	-1.1%
Noncontrolling interests	1,367	1,350	1.3%	1,415	-3.4%
Equity	42,060	40,923	2.8%	42,555	-1.2%
Provisions for pensions and similar obligations	2,754	2,810	-2.0%	6,181	-55.4%
Deferred tax liabilities	1,307	1,543	-15.3%	1,394	-6.3%
Tax provisions	332	330	0.7%	420	-20.9%
Other provisions	1,559	1,650	-5.5%	1,748	-10.9%
Financial indebtedness	16,809	15,171	10.8%	15,015	11.9%
Other liabilities	1,625	1,606	1.2%	1,576	3.1%
Noncurrent liabilities	24,385	23,110	5.5%	26,335	-7.4%
Accounts payable, trade	7,244	8,434	-14.1%	8,987	-19.4%
Provisions	4,562	3,799	20.1%	5,060	-9.8%
Tax liabilities	1,396	995	40.3%	1,652	-15.5%
Financial indebtedness	3,797	3,844	-1.2%	5,939	-36.1%
Other liabilities	2,695	3,368	-20.0%	3,365	-19.9%
Liabilities of disposal groups	-	-	-	89	-100.0%
Current liabilities	19,694	20,440	-3.6%	25,093	-21.5%
Total equity and liabilities	86,139	84,472	2.0%	93,983	-8.3%

Statement of Cash Flows

Statement of cash flows Q1

Million €

	2023	2022
Net income	1,562	1,221
Depreciation and amortization of property, plant and equipment and intangible assets	944	924
Changes in net working capital ^a	-3,116	-3,182
Miscellaneous items	-405	746
Cash flows from operating activities	-1,016	-290
Payments made for property, plant and equipment and intangible assets	-867	-603
Acquisitions/divestitures	22	10
Changes in financial assets and miscellaneous items	141	15
Cash flows from investing activities	-703	-579
Capital increases/repayments and other equity transactions	-70	-820
Changes in financial and similar liabilities	1,878	3,504
Dividends	-	-
Cash flows from financing activities	1,808	2,685
Cash-effective changes in cash and cash equivalents	89	1,816
Cash and cash equivalents at the beginning of the period and other changes	-42	54
Cash and cash equivalents at the beginning of the period	2,516	2,624
Cash and cash equivalents at the end of the period	2,562	4,494

^a In order to optimize precious metal stocks, the Group sells precious metals and concurrently enters into agreements to repurchase them at a set price. The cash flows resulting from the sale and repurchase are reported in cash flows from operating activities. Liabilities to repurchase precious metals amounted to €312 million as of March 31, 2023.

Selected Key Figures Excluding Precious Metals

The IFRS figures correspond to the amounts presented in the Consolidated Financial Statements.
 The adjusted figures exclude sales in precious metal trading and precious metal sales in the automotive catalysts business.

BASF Group Q1

Million €

	2023		2022	
	IFRS figure	Adjusted figure	IFRS figure	Adjusted figure
Sales	19,991	17,499	23,083	19,670
Volume growth	-12.8%	-12.5%	-0.8%	4.3%
EBITDA before special items	2,864	2,864	3,743	3,743
EBITDA margin before special items	14.3%	16.4%	16.2%	19.0%

Surface Technologies Q1

Million €

	2023		2022	
	IFRS figure	Adjusted figure	IFRS figure	Adjusted figure
Sales	4,578	2,085	5,457	2,043
Volume growth	-12.9%	-9.4%	-14.3%	-2.1%
EBITDA before special items	402	402	401	401
EBITDA margin before special items	8.8%	19.3%	7.4%	19.6%

Half-Year Financial Report 2023

July 28, 2023

Quarterly Statement Q3 2023

October 31, 2023

BASF Report 2023

February 23, 2024

Quarterly Statement Q1 2024 / Annual Shareholders' Meeting 2024

April 25, 2024

Half-Year Financial Report 2024

July 26, 2024



BASF supports the chemical industry's global Responsible Care initiative.

Further information

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Forward-looking statements and forecasts

This quarterly statement 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 herein. 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](#). The BASF Report is available online at basf.com/report. We do not assume any obligation to update the forward-looking statements contained in this quarterly statement above and beyond the legal requirements.