

Reporting Factsheet Q3 2021

BASF Group (million €)	Q3 2021	Q3 2020	+/-	Q1-Q3 2021	Q1-Q3 2020	+/-
Sales	19,669	13,811	42%	58,822	43,244	36%
EBITDA	2,729	1,044	161%	9,104	4,542	100%
EBITDA before special items	2,771	1,542	80%	9,169	5,350	71%
Depreciation and amortization ¹	907	3,682	-75%	2,655	5,665	-53%
EBIT	1,822	-2,638	.	6,449	-1,123	.
Special items	-43	-3,219	99%	-92	-3,570	97%
EBIT before special items	1,865	581	221%	6,541	2,447	167%
Net income from shareholdings	86	-47	.	110	-1,003	.
Financial result	-131	-101	-30%	-346	-383	10%
Income before income taxes	1,777	-2,786	.	6,213	-2,509	.
Income after taxes from continuing operations	1,424	-2,177	.	5,028	-2,184	.
Income after taxes from discontinued operations	-43	13	.	-43	49	.
Net income	1,253	-2,122	.	4,625	-2,115	.
Earnings per share (€)	1.36	-2.31	.	5.03	-2.30	.
Adjusted earnings per share (€)	1.56	0.60	160%	5.59	2.11	165%
Research and development expenses	523	518	1%	1,579	1,492	6%
Personnel expenses	2,654	2,590	2%	8,525	8,095	5%
Number of employees (end of period)	110,672	117,922	-6%	110,672	117,922	-6%
Total assets (end of period)	86,102	86,973	-1%	86,102	86,973	-1%
Investments including acquisitions ²	1,792	811	121%	3,168	3,601	-12%
Equity ratio (end of period, %)	47.2	39.8	-	47.2	39.8	-
Net debt (end of period)	16,680	15,702	6%	16,680	15,702	6%
Cash flows from operating activities	1,896	2,100	-10%	3,908	3,312	18%
Free cash flow	1,077	1,364	-21%	1,866	1,281	46%

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

² Additions to property, plant and equipment and intangible assets

Factors influencing sales in Q3 2021	Sales	Volumes	Prices	Portfolio	Currencies
Chemicals	107%	12%	95%	0%	0%
Petrochemicals	127%	15%	114%	-1%	-1%
Intermediates	70%	8%	60%	0%	2%
Materials	50%	7%	41%	0%	2%
Performance Materials	33%	10%	22%	0%	1%
Monomers	68%	3%	63%	0%	2%
Industrial Solutions	20%	11%	18%	-10%	1%
Dispersions & Resins	17%	10%	22%	-16%	1%
Performance Chemicals	25%	14%	11%	0%	0%
Surface Technologies	36%	-3%	37%	1%	1%
Catalysts	45%	-3%	45%	2%	1%
Coatings	1%	-3%	3%	0%	1%
Nutrition & Care	12%	7%	7%	-2%	0%
Care Chemicals	18%	10%	10%	-2%	0%
Nutrition & Health	0%	2%	0%	-2%	0%
Agricultural Solutions	8%	7%	1%	0%	0%
Other	102%	39%	59%	2%	2%
BASF Group	42%	6%	36%	-1%	1%

Segments

Million €

	Sales			EBITDA before special items			EBIT before special items			Income from operations (EBIT)		
	2021	2020	+/-	2021	2020	+/-	2021	2020	+/-	2021	2020	+/-
Q3												
Chemicals	3,693	1,783	107%	1,042	258	304%	850	46	.	850	-504	.
Materials	3,973	2,657	50%	832	439	90%	631	217	191%	620	-546	.
Industrial Solutions	2,205	1,844	20%	347	274	27%	262	186	41%	229	78	194%
Surface Technologies	5,631	4,142	36%	245	322	-24%	119	200	-41%	104	-803	.
Nutrition & Care	1,598	1,427	12%	206	247	-17%	104	143	-27%	105	86	22%
Agricultural Solutions	1,593	1,474	8%	74	201	-63%	-90	26	.	-44	-304	86%
Other	976	484	102%	25	-199	.	-11	-237	95%	-42	-645	93%
BASF Group	19,669	13,811	42%	2,771	1,542	80%	1,865	581	221%	1,822	-2,638	.
January – September												
Chemicals	9,848	5,924	66%	2,947	865	241%	2,398	218	.	2,436	-352	.
Materials	11,163	7,674	45%	2,680	1,001	168%	2,095	346	.	2,030	-529	.
Industrial Solutions	6,672	5,761	16%	1,085	897	21%	835	622	34%	828	451	84%
Surface Technologies	17,470	11,569	51%	1,114	626	78%	768	269	186%	749	-762	.
Nutrition & Care	4,715	4,564	3%	761	966	-21%	460	653	-30%	514	585	-12%
Agricultural Solutions	6,402	6,059	6%	1,284	1,489	-14%	792	955	-17%	795	578	38%
Other	2,552	1,693	51%	-702	-494	-42%	-807	-616	-31%	-903	-1,094	17%
BASF Group	58,822	43,244	36%	9,169	5,350	71%	6,541	2,447	167%	6,449	-1,123	.

Regions

Million €

	Sales by location of company			Sales by location of customer			Income from operations by location of company		
	2021	2020	+/-	2021	2020	+/-	2021	2020	+/-
Q3									
Europe	7,651	5,458	40%	7,343	5,313	38%	543	-1,557	.
of which Germany	3,159	2,368	33%	1,677	1,285	31%	43	-1,341	.
North America	5,313	3,474	53%	5,127	3,245	58%	262	-1,046	.
Asia Pacific	5,238	3,731	40%	5,412	3,804	42%	839	-177	.
South America, Africa, Middle East	1,467	1,148	28%	1,787	1,449	23%	178	142	25%
BASF Group	19,669	13,811	42%	19,669	13,811	42%	1,822	-2,638	.
January – September									
Europe	23,853	18,059	32%	22,905	17,213	33%	2,265	-852	.
of which Germany	9,545	7,790	23%	5,394	4,035	34%	688	-1,325	.
North America	16,842	12,253	37%	16,196	11,707	38%	1,415	-735	.
Asia Pacific	14,980	10,469	43%	15,450	10,866	42%	2,368	289	.
South America, Africa, Middle East	3,147	2,463	28%	4,271	3,458	24%	401	175	129%
BASF Group	58,822	43,244	36%	58,822	43,244	36%	6,449	-1,123	.

Segments Q3 2021 vs. Q3 2020

Chemicals

Sales in Chemicals increased considerably compared with Q3 2020. Both divisions recorded significant sales growth, especially Petrochemicals. Considerably higher price levels were a primary driver of sales performance. The rise in prices was largely due to strong demand alongside low product availability and higher raw materials prices. Prices rose in all business areas of both divisions. The Petrochemicals division raised them particularly for steam cracker products, styrene monomers and acrylic monomers. Prices in the Intermediates division were raised considerably, especially in the butanediol and derivatives business and in the acids and polyalcohols business. Sales growth was supported by a considerable increase in volumes due to strong demand. Volumes in the Petrochemicals division grew mainly in steam cracker products and styrene monomers, while Intermediates increased volumes primarily in the acids and polyalcohols business and in the butanediol and derivatives business. The segment's sales volume development in Q3 2020 had been significantly weighed down by the impact of the coronavirus pandemic and the unplanned outage at the steam cracker in Port Arthur, Texas.

EBIT bsi was considerably above the level of Q3 2020. This was mainly due to the significantly higher earnings contribution from Petrochemicals, resulting primarily from increased margins, higher volumes and improved income from shareholdings accounted for using the equity method. The Intermediates division also significantly increased EBIT bsi. The primary growth drivers were improved margins in the butanediol and derivatives business and increased income from shareholdings accounted for using the equity method.

Materials

In Materials, sales in both divisions increased considerably compared with Q3 2020. Sales growth was due mainly to significantly higher prices resulting from strong demand alongside low product availability and increased prices for raw materials. Production and supply chain disruptions associated with hurricanes in the United States and raw material shortages negatively impacted product market availability. The Monomers division achieved higher prices primarily in isocyanates and polyamides, while Performance Materials raised price levels mainly in polyurethane systems and engineering plastics. A considerable increase in volumes due largely to strong demand contributed to sales growth. A primary driver was the higher volumes in the Performance Materials division, due mainly to increased sales volumes in the transportation and consumer goods industries. Monomers recorded volumes growth particularly in the isocyanates business. Positive FX effects, especially in Asia Pacific, supported sales slightly.

EBIT bsi rose considerably compared with Q3 2020. This was driven largely by significantly higher EBIT bsi in Monomers. Earnings growth was primarily due to higher margins in isocyanates and polyamides. The Performance Materials division also significantly increased EBIT bsi. This was mainly driven by positive volume development.

Industrial Solutions

Sales in Industrial Solutions were considerably above the level of Q3 2020. Both divisions contributed to this growth. Sales growth was driven by higher price levels in both divisions resulting largely from increased prices for raw materials. Particularly Dispersions & Resins raised prices significantly. Higher volumes in almost all business areas of both divisions supported sales performance. In Q3 2020, the segment's sales volume development had been negatively impacted by the effects of the coronavirus pandemic. FX effects, especially in Asia Pacific, had a slightly positive impact on sales. Negative portfolio effects in Dispersions & Resins associated with the divestiture of the global pigments business had an offsetting impact.

EBIT bsi grew considerably, mainly a result of the significant earnings increase in Dispersions & Resins. The division's higher EBIT bsi was primarily due to higher volumes. The Performance Chemicals division slightly increased EBIT bsi, largely because of the positive volume development.

Surface Technologies

Sales in Surface Technologies rose considerably compared with Q3 2020. This was due primarily to a significant sales increase in the Catalysts division. Slight sales growth was recorded in the Coatings division. The sales performance was primarily attributable to significantly higher precious metal prices in the Catalysts division. This also led to a considerable increase in sales in precious metal trading to €2,569 million (Q3 2020: €1,709 million). Prices could be raised in nearly all business areas of the Coatings division. Portfolio effects in the Catalysts division following the formation of the BASF Shanshan Battery Materials Co., Ltd. joint venture had a positive impact on sales. Slightly positive FX effects, especially in Asia Pacific, also contributed to sales. Sales volumes decreased primarily as a result of the ongoing shortage of semiconductors in the automotive market. This led to a decrease in volumes in both divisions, mainly in emission catalysts and automotive OEM coatings. Sales volumes in precious metal trading also declined. Improved volumes in the remaining business areas of both divisions only partially compensated for this.

EBIT bsi decreased considerably compared with Q3 2020. The key factor for this was the significantly lower EBIT bsi in the Coatings division due especially to higher fixed costs and lower margins because of increased raw materials prices. By contrast, EBIT bsi rose slightly in the Catalysts division due mainly to higher margins. Among other things, these resulted from a favorable product mix.

Nutrition & Care

Sales in Nutrition & Care rose considerably compared with Q3 2020. This was due to considerable sales growth in the Care Chemicals division. Sales in the Nutrition & Health division matched the level of Q3 2020. The sales performance was mainly attributable to higher volumes in both divisions. Sales volumes in the Care Chemicals division increased especially in the personal care solutions business and in the home care, industrial and institutional cleaning and industrial formulators business. Volumes in the Nutrition & Health division grew primarily in the pharmaceutical business. Overall higher price levels contributed to sales growth. Prices rose in the Care Chemicals division, particularly in the oleo surfactants and fatty alcohols business, as well as in the home care, industrial and institutional cleaning and industrial formulators business. Prices in the Nutrition & Health division matched the level of Q3 2020. Portfolio effects from the sale of the production site in Kankakee, Illinois, had a negative impact on sales.

EBIT bsi was considerably below Q3 2020. This was largely due to the significantly lower EBIT bsi in the Nutrition & Health division resulting primarily from lower margins associated with higher raw material and energy prices, which could only be passed on partially. EBIT bsi in the Care Chemicals division decreased slightly due mainly to higher fixed costs.

Agricultural Solutions

Compared with Q3 2020, sales in Agricultural Solutions rose considerably due to strong volume growth and higher prices. In Europe, sales increased considerably compared with Q3 2020. Higher volumes, particularly in fungicides, more than offset slightly negative FX effects, especially in Turkey and eastern Europe. Price increases contributed to the positive sales performance. Sales were considerably lower in North America. This was due primarily to lower volumes, mainly the result of premature demand caused by the early start to the season and the drought in Canada and the midwestern United States. Prices decreased slightly. In Asia, sales increased slightly, primarily resulting from higher prices and positive FX effects. Overall, volumes were slightly below the level of Q3 2020. Sales rose considerably in the South America, Africa, Middle East region. This was largely attributable to considerable volume growth particularly in seeds and traits. A rise in price levels also contributed to this development. This more than offset negative FX effects, especially in Argentina.

EBIT bsi was considerably below the level of Q3 2020 due to significantly higher fixed costs, increased raw materials prices and logistics costs, which could only be passed on partially, as well as an unfavorable product mix. EBIT for Q3 2021 included special income from the sale of non-capitalized know-how. Special charges for impairments and provisions had been recognized in Q3 2020.

Other

Sales in Other rose considerably compared with Q3 2020. This was due primarily to sales growth in commodity trading. EBIT bsi was considerably above Q3 2020. This was mainly attributable to adjustments to provisions for variable compensation components (bonus) due to their divisional allocation in Q3 2021.

Outlook and Economic Environment

Based on the BASF Group's sustained good business performance and the anticipated continuation of solid demand, especially in the Chemicals and Materials segments, the forecast for the 2021 business year was raised in accordance with market expectations.

Outlook 2021 BASF Group (previous forecast in parentheses)

▪ Sales:	€76 billion – €78 billion	(€74 billion – €77 billion)
▪ EBIT before special items:	€7.5 billion – €8.0 billion	(€7.0 billion – €7.5 billion)
▪ ROCE:	13.2% – 14.1%	(12.1% – 12.9%)
▪ Accelerator sales:	€21.5 billion – €22.5 billion	(€21 billion – €22 billion)
▪ CO ₂ emissions:	20.5 – 21.5 million metric tons	(unchanged)

BASF assumes that supply bottlenecks will continue to negatively impact global economic recovery in Q4 2021. The assessment of the global economic environment in 2021 has therefore been slightly adjusted.

Underlying assumptions for 2021 (previous assumptions in parentheses)

▪ Growth in gross domestic product:	+5.3% (+5.5%)
▪ Growth in industrial production:	+6.0% (+6.5%)
▪ Growth in chemical production:	+6.0% (+6.5%)
▪ Average exchange rate:	US\$1.20 per € (unchanged)
▪ Average annual oil price (Brent):	US\$70 per barrel (US\$65 per barrel)

Our forecast assumes that severe restrictions on economic activity to contain the coronavirus pandemic, such as lockdowns, will not be reintroduced.

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 158 to 166 of the BASF Report 2020. BASF does not assume any obligation to update the forward-looking statements contained in this factsheet above and beyond the legal requirements.