



We create chemistry

Capital Market Story

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HSBC Chemicals Field Trip

Ludwigshafen, September 7, 2022



Cautionary note regarding forward-looking statements

This presentation 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 151 to 160 of the BASF Report 2021. BASF does not assume any obligation to update the forward-looking statements contained in this presentation above and beyond the legal requirements.

Snapshot of the current market environment

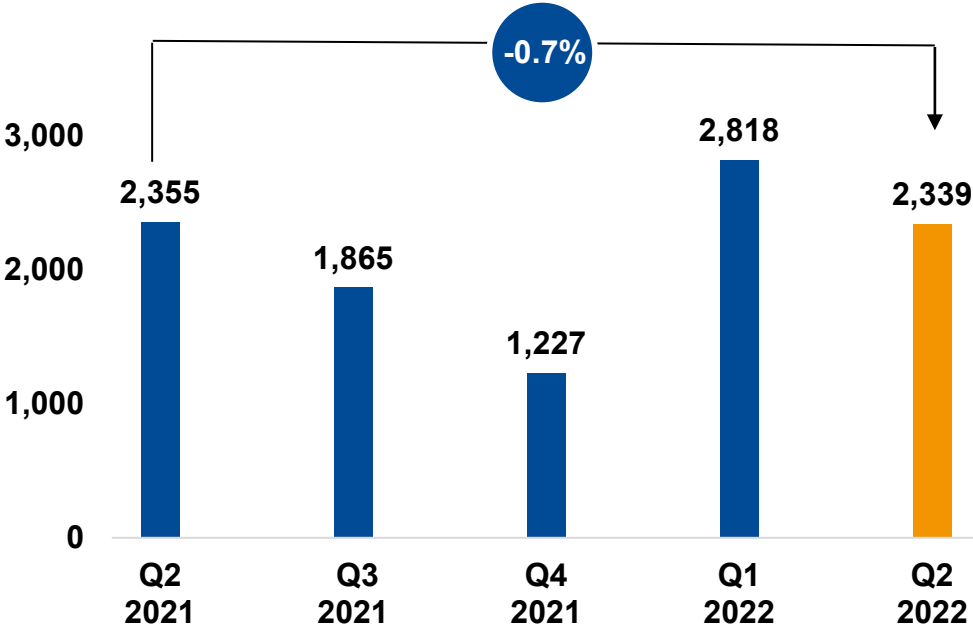
- The macroeconomic environment is characterized by a high degree of uncertainty regarding the short- and mid-term economic development
- In Q2 2022, demand from customer industries remained generally solid, except for automotive
- Supply shortages continue to limit automotive production; in Q2 2022, global automotive production remained on the level of Q2 2021 and declined by 6.0% compared with Q1 2022
- China's economic growth was negatively impacted by the zero-COVID strategy and the related lockdowns in the second quarter of 2022
- Given the inflationary environment, central banks started to raise interest rates, which in turn will dampen consumer spending



Q2 2022: BASF again with strong earnings despite continued high prices for raw materials and energy

- BASF's upstream and downstream businesses implemented further price increases to pass on higher prices for raw materials and energy
- Due to the corona-related lockdowns in China, sales volumes in the country declined in Q2 2022, mainly driven by lower volumes in April
- In Q2 2022, EBIT before special items reached the level of the prior-year quarter and amounted to €2.3 billion
- The strong earnings performance in Q2 2022 was driven by the Agricultural Solutions, Nutrition & Care and Industrial Solutions segments; Other also contributed

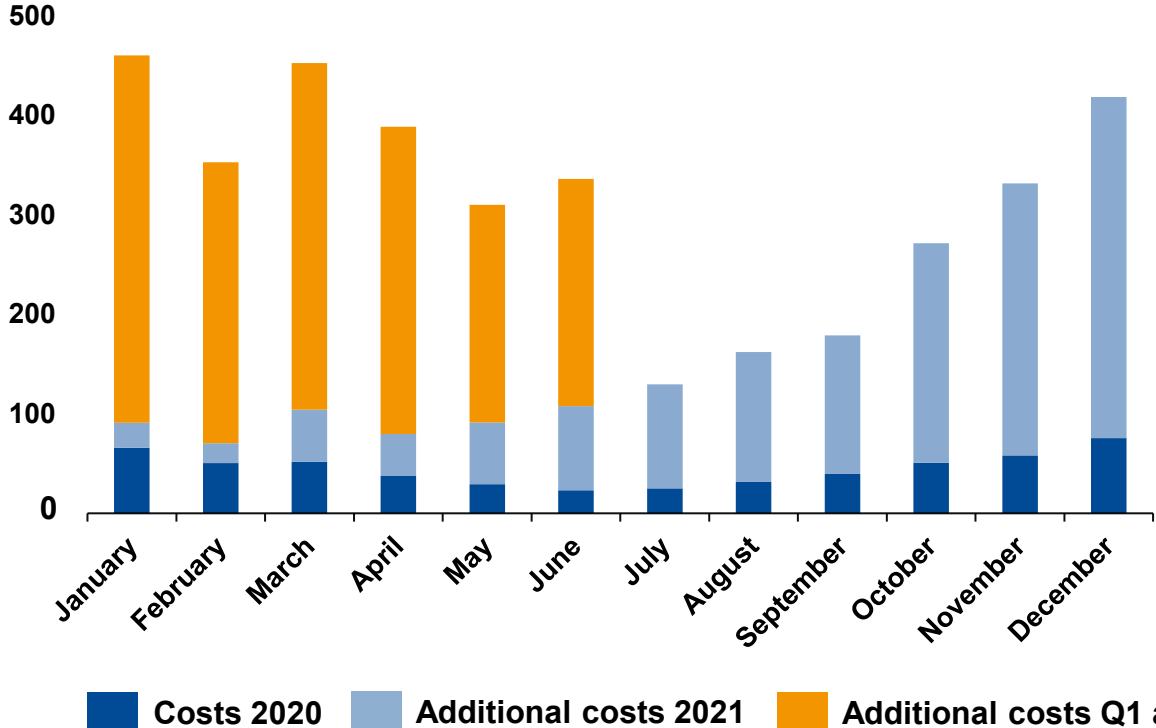
EBIT before special items
Million €



Natural gas prices in Europe remained at a very high level

Incremental natural gas spend in Europe

Million €

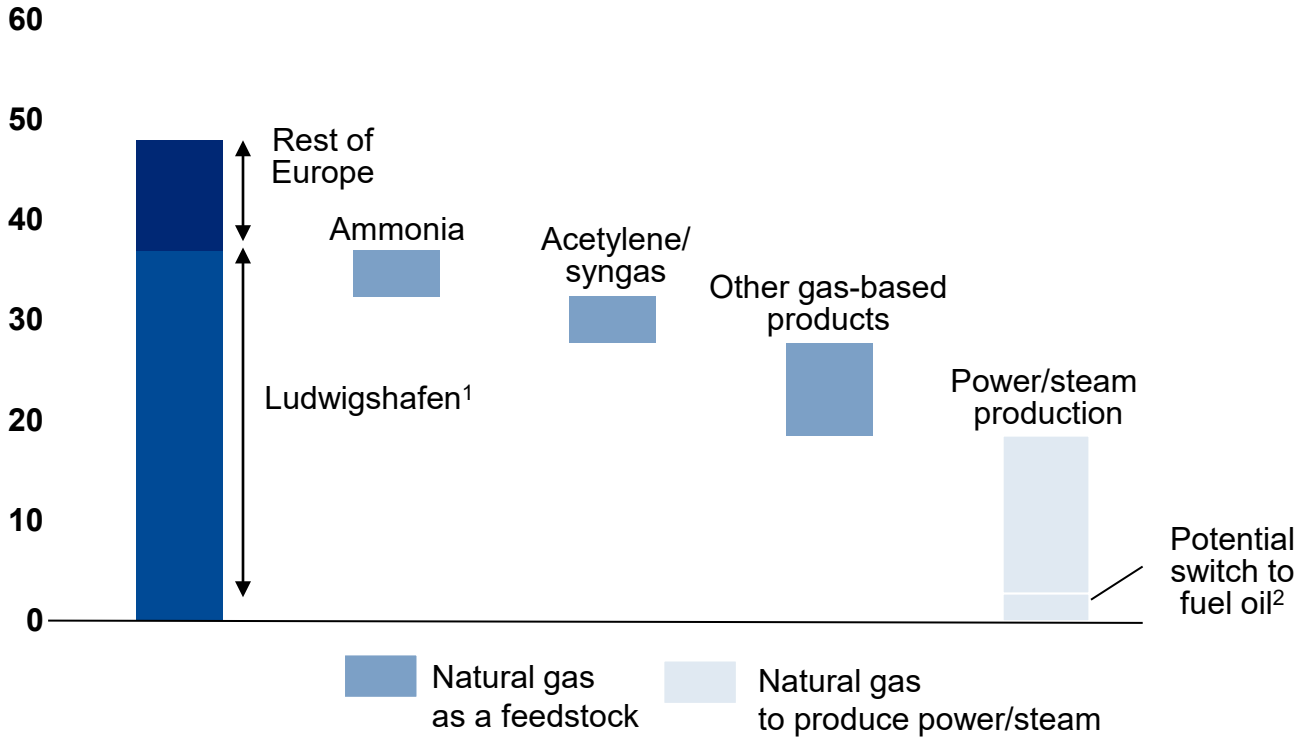


- Compared with Q1 2022, natural gas prices declined slightly in Q2 2022 but remained at a very high level
- Natural gas price burden for European BASF sites
 - Additional costs of ~€0.8 billion in Q2 2022 compared with Q2 2021
 - Additional costs of ~€1.0 billion in Q2 2022 compared with Q2 2020

Update on mitigation measures to reduce natural gas demand

BASF's natural gas demand in Ludwigshafen 2021

TWh



- **BASF's natural gas demand in Europe 2021**
 - ~48 TWh, thereof Ludwigshafen ~37 TWh
 - ~60% used for power/steam production and ~40% as feedstock

- **Mitigation measures**
 - Where technically feasible, preparations to substitute natural gas (e.g., by fuel oil) are progressing well and technical optimizations are in place
 - Proactive scenario development to optimize our production at European sites (utilization rate reduction of specific plants) as needed
 - Continued operation at the Ludwigshafen site is ensured down to 50% of BASF's maximum natural gas demand²

¹ Verbund site Ludwigshafen: 50% of natural gas used for power/steam production; 50% as feedstock
 ² Precondition is the sufficient availability of fuel oil

BASF Group Q2 2022 and H1 2022: Financial figures

Financial figures	Q2 2022	Change	H1 2022	Change
	Million €	%	Million €	%
Sales	22,974	16.3	46,058	17.6
EBITDA before special items	3,293	2.4	7,036	10.0
EBITDA	3,396	6.2	7,105	11.4
EBIT before special items	2,339	-0.7	5,157	10.3
EBIT	2,350	1.5	5,135	11.0
Net income from shareholdings	443	.	-364	.
Net income	2,090	26.3	3,311	-1.8
Reported EPS	2.31	28.3	3.65	-0.5
Adjusted EPS	2.37	16.7	5.07	25.8
Cash flows from operating activities	1,228	-51.6	938	-53.4
Free cash flow	336	-81.0	-557	.

Outlook 2022 for BASF Group

Outlook 2022	Revised forecast	Previous forecast
Sales	€86 billion – €89 billion	€74 billion – €77 billion
EBIT before special items	€6.8 billion – €7.2 billion	€6.6 billion – €7.2 billion
ROCE	10.5% – 11.0%	11.4% – 12.6%
CO ₂ emissions	18.4 – 19.4 million metric tons	19.6 – 20.6 million metric tons

Underlying assumptions (previous assumptions in parentheses)

- Growth in gross domestic product: 2.5% (3.8%)
- Growth in industrial production: 3.0% (3.8%)
- Growth in chemical production: 2.5% (3.5%)
- Average euro/dollar exchange rate: \$1.07 per euro (\$1.15 per euro)
- Average annual oil price (Brent crude): \$110 per barrel (\$75 per barrel)





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