

Reporting Factsheet Q2 2024

BASF Group (million €)	Q2 2024	Q2 2023	Change (%)	H1 2024	H1 2023	Change (%)
Sales	16,111	17,305	-6.9	33,664	37,297	-9.7
EBITDA	1,563	1,908	-18.1	4,218	4,718	-10.6
EBITDA before special items	1,957	1,944	0.6	4,669	4,809	-2.9
Depreciation and amortization ¹	1,047	934	12.1	2,012	1,878	7.2
EBIT	516	974	-47.0	2,205	2,841	-22.4
Special items	-453	-33	.	-517	-98	-430.6
EBIT before special items	969	1,007	-3.7	2,723	2,938	-7.3
Net income from shareholdings	40	92	-56.8	269	275	-2.1
Financial result	-158	-215	26.6	-304	-334	8.8
Income before income taxes	398	851	-53.2	2,170	2,781	-22.0
Income after taxes	470	555	-15.4	1,880	2,159	-12.9
Net income	430	499	-14.0	1,797	2,061	-12.8
Earnings per share (€) ²	0.48	0.56	-14.0	2.01	2.31	-12.8
Adjusted earnings per share (€) ²	0.93	0.72	28.2	2.60	2.65	-1.7
Research and development expenses	524	515	1.6	1,014	1,053	-3.7
Personnel expenses	2,772	2,858	-3.0	5,843	5,813	0.5
Employees (end of period)	111,422	111,315	0.1	111,422	111,315	0.1
Assets (end of period)	82,447	83,505	-1.3	82,447	83,505	-1.3
Investments including acquisitions ³	1,637	1,388	17.9	2,842	2,387	19.1
Equity ratio (end of period, %)	44.5	47.1	-	44.5	47.1	-
Net debt (end of period)	21,441	20,248	5.9	21,441	20,248	5.9
Cash flows from operating activities	1,951	2,178	-10.4	1,437	1,163	23.6
Free cash flow	471	905	-48.0	-986	-977	-0.9

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 half of 2023 was 892,760,923.

In the second quarter of 2023 as well as in the second quarter and first half of 2024 the weighted average number of outstanding shares was 892,522,164.

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 Q2 2024 vs. Q2 2023 (changes in %)	Sales	Volumes	Prices	Portfolio	Currencies
Chemicals	6.0	7.4	-1.5	-	0.1
Petrochemicals	11.1	7.0	3.8	-	0.2
Intermediates	-7.3	8.2	-15.1	-	-0.3
Materials	-5.3	0.6	-5.1	-0.1	-0.6
Performance Materials	-5.6	2.2	-6.8	-0.3	-0.7
Monomers	-5.1	-1.2	-3.4	-	-0.6
Industrial Solutions	4.8	10.2	-4.5	-	-1.0
Dispersions & Resins	6.9	10.9	-2.7	-	-1.4
Performance Chemicals	1.4	9.1	-7.3	-	-0.4
Surface Technologies	-23.4	-9.2	-13.0	-0.3	-1.0
Catalysts	-30.2	-11.5	-18.2	-0.4	-0.1
Coatings	-4.9	-2.8	1.3	-	-3.4
Nutrition & Care	-2.7	7.6	-9.1	-0.1	-1.1
Care Chemicals	-0.9	9.4	-9.2	-	-1.1
Nutrition & Health	-6.5	3.8	-8.8	-0.3	-1.2
Agricultural Solutions	-13.2	-8.5	-2.1	-	-2.6
Other	8.9	13.9	-4.7	-	-0.3
BASF Group	-6.9	0.5	-6.4	-0.1	-0.9

Segments

Q2 (million €)

	Sales			EBITDA before special items			EBITDA			Segment cash flow		
	2024	2023	+/-	2024	2023	+/-	2024	2023	+/-	2024	2023	+/-
Chemicals	2,838	2,679	6.0%	444	393	13.0%	443	399	10.9%	-406	31	.
Materials	3,416	3,609	-5.3%	448	462	-3.2%	429	425	0.9%	137	573	-76.2%
Industrial Solutions	2,147	2,050	4.8%	320	207	54.3%	320	278	15.0%	150	414	-63.8%
Surface Technologies	3,235	4,226	-23.4%	366	374	-2.1%	320	334	-4.2%	190	427	-55.4%
Nutrition & Care	1,667	1,712	-2.7%	183	140	31.1%	195	168	16.0%	19	186	-90.0%
Agricultural Solutions	1,937	2,231	-13.2%	135	392	-65.7%	123	388	-68.4%	1,005	1,079	-6.8%
Other	870	799	8.9%	62	-24	.	-266	-84	-214.8%			
BASF Group	16,111	17,305	-6.9%	1,957	1,944	0.6%	1,563	1,908	-18.1%			

H1 (million €)

	Sales			EBITDA before special items			EBITDA			Segment cash flow		
	2024	2023	+/-	2024	2023	+/-	2024	2023	+/-	2024	2023	+/-
Chemicals	5,603	5,512	1.6%	896	819	9.4%	896	825	8.7%	-962	-156	-517.5%
Materials	6,857	7,453	-8.0%	956	910	5.0%	978	876	11.7%	222	684	-67.6%
Industrial Solutions	4,204	4,193	0.3%	652	507	28.5%	650	570	14.1%	209	562	-62.8%
Surface Technologies	6,583	8,804	-25.2%	722	776	-7.0%	647	703	-8.0%	482	734	-34.3%
Nutrition & Care	3,396	3,538	-4.0%	445	331	34.4%	456	358	27.2%	-45	189	.
Agricultural Solutions	5,415	6,122	-11.5%	1,496	1,824	-18.0%	1,481	1,821	-18.7%	291	321	-9.4%
Other	1,607	1,676	-4.1%	-498	-359	-38.7%	-890	-434	-105.0%			
BASF Group	33,664	37,297	-9.7%	4,669	4,809	-2.9%	4,218	4,718	-10.6%			

Regions

Million €

Q2	Sales by location of company			Sales by location of customer		
	2024	2023	+/-	2024	2023	+/-
Europe	6,697	6,991	-4.2%	6,335	6,567	-3.5%
of which Germany	2,838	2,891	-1.8%	1,554	1,739	-10.6%
North America	4,365	4,905	-11.0%	4,291	4,890	-12.2%
Asia Pacific	4,065	4,351	-6.6%	4,182	4,427	-5.5%
of which Greater China	2,276	2,404	-5.3%	2,267	2,387	-5.1%
South America, Africa, Middle East	984	1,058	-7.0%	1,303	1,422	-8.4%
BASF Group	16,111	17,305	-6.9%	16,111	17,305	-6.9%
H1						
Europe	14,107	15,591	-9.5%	13,461	14,768	-8.8%
of which Germany	5,778	6,263	-7.7%	3,236	3,742	-13.5%
North America	9,740	10,838	-10.1%	9,523	10,811	-11.9%
Asia Pacific	7,895	8,806	-10.3%	8,106	8,941	-9.3%
of which Greater China	4,378	4,713	-7.1%	4,338	4,663	-7.0%
South America, Africa, Middle East	1,922	2,062	-6.8%	2,574	2,777	-7.3%
BASF Group	33,664	37,297	-9.7%	33,664	37,297	-9.7%

Segments Q2 2024 vs. Q2 2023¹

Chemicals

Sales in the Chemicals segment rose considerably compared with Q2 2023. This was attributable to strong sales growth in the Petrochemicals division. In contrast, sales declined in the Intermediates division. Both divisions increased volumes considerably, especially in Europe. This was mainly driven by lower imports by competitors as a result of supply chain disruptions caused by the conflict in the Red Sea. In the Petrochemicals division, volumes increased, primarily for acrylics, styrenics and superabsorbents. The Intermediates division increased sales volumes in all business areas. Overall, lower prices had a slightly offsetting effect due to the significant price decreases in all business areas of the Intermediates division as a result of competition. Slightly higher prices in the Petrochemicals division driven by higher feedstock costs, especially for steam cracker products, were able to partially compensate for this.

Compared with Q2 2023, the segment's EBITDA bsi increased considerably. The Petrochemicals division increased earnings, mostly driven by higher volumes. Higher fixed costs relating to the construction of the Verbund site in Zhanjiang, China, dampened earnings growth in the division. In the Intermediates division, EBITDA bsi declined considerably, especially as the result of a price-related lower contribution margin. Slightly reduced fixed costs had an offsetting effect.

The segment cash flow of the Chemicals segment declined considerably in both operating divisions compared with Q2 2023. This was mainly due to higher capital expenditures, especially for the construction of the Verbund site in China.

Materials

Sales in both operating divisions declined compared with Q2 2023. Sales performance was mainly due to lower prices. Prices in the Performance Materials division decreased particularly in Europe and North America. The Monomers division recorded lower prices in nearly all regions and value chains. In Asia Pacific, prices in the Monomers division were almost on a level with Q2 2023, as higher MDI prices compensated for lower TDI prices. Furthermore, negative currency effects, especially from the Chinese renminbi, contributed to the decline in sales. Slightly higher sales volumes overall, particularly in the Asia Pacific region, had a positive impact on sales performance.

The segment's EBITDA bsi was slightly below the figure of Q2 2023. This was mainly driven by the considerably lower earnings in the Monomers division, which resulted from positive one-off effects in Q2 2023. A higher contribution margin in the ammonia value chain and higher MDI prices had a positive impact on the division's EBITDA bsi. Performance Materials increased EBITDA bsi considerably, primarily due to higher volumes.

The EBITDA of the Materials segment included special charges totaling €19 million, which were primarily expenses related to adaptations to the production structure at the Verbund site in Ludwigshafen, Germany.

The segment cash flow recorded a considerable decline compared with Q2 2023. In both operating divisions, this development resulted from cash tied up in inventories and trade accounts receivable, after cash was released in Q2 2023. This could not be offset by the higher earnings of the Performance Materials division and lower capital expenditures.

Industrial Solutions

The Industrial Solutions segment increased sales compared with Q2 2023. Both operating divisions contributed to the increase. Sales growth was attributable to strongly increased volumes as a result of heightened demand. The Dispersions & Resins division increased sales volumes, especially in the dispersions, additives and electronic materials businesses. In the Performance Chemicals division, volumes increased in nearly all business areas. Sales performance in the segment was particularly dampened by the lower prices in all business areas as a result of lower raw materials prices. Negative currency effects, mainly due to the Chinese renminbi, reduced sales slightly.

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%).

The segment recorded considerable growth in EBITDA bsi, primarily due to increased volumes and lower fixed costs in both operating divisions. The EBITDA margin bsi increased to 14.9% due to the segment's earnings performance, following 10.1% in Q2 2023.

Compared with Q2 2023, the segment cash flow decreased considerably in both divisions, especially due to cash tied up in inventories and receivables. By contrast, cash was released in Q2 2023, mainly as a result of measures to reduce inventories.

Surface Technologies

Compared with Q2 2023, both divisions recorded a decline in sales in Q2 2024. The Catalysts division burdened the segment's sales performance significantly. Sales performance was mainly driven by the significantly declined precious metal prices and lower prices for mobile emissions catalysts in the Catalysts division. Sales in precious metal trading and precious metal sales in the mobile emissions catalysts business were €1,274 million, which was considerably below the level of Q2 2023 (€2,019 million). This decline could not be offset by slight price increases in the automotive OEM coatings and surface treatment business areas of the Coatings division. Furthermore, considerably lower sales volumes reduced sales. In the Catalysts division, volumes decreased in all business areas. In the Coatings division, volume growth in the surface treatment business was able to partially offset the decline in volumes in the other business areas. Negative currency effects, particularly in the Coatings division, resulted mainly from the Argentine peso and the Turkish lira. Portfolio effects resulted from the divestiture of the production site in De Meern, Netherlands, as of August 31, 2023.

The segment's EBITDA bsi declined slightly. This was due to the considerably lower precious metal prices in the Catalysts division. This decline could not be offset by the higher EBITDA bsi in the battery materials business. The Coatings division increased EBITDA bsi slightly. In this division, a higher contribution margin was able to offset the inflation-driven increase in fixed costs. The segment's EBITDA margin bsi was 11.3%, following 8.8% in Q2 2023.

Special items in the EBITDA of the Surface Technologies segment were -€46 million in Q2 2024, which mainly resulted from special charges in connection with the conversion of the ERP system for a differentiated steering of the business.

The strong decline in the segment cash flow affected both divisions. This development in the Catalysts division was primarily attributable to less cash released from working capital compared with Q2 2023. The cash flow in the Coatings division was mainly burdened by special items.

Nutrition & Care

Sales in the Nutrition & Care segment were slightly below the figure of Q2 2023. While the Care Chemicals division recorded slightly lower sales than in Q2 2023, sales in the Nutrition & Health division decreased considerably. Price decreases in all business areas as a result of highly competitive market conditions were partially offset by increased sales volumes in both operating divisions. The Care Chemicals division considerably increased volumes in the home care, industrial and institutional cleaning, and industrial formulators business areas as well as in the oleochemical surfactants and alcohols business. Sales volumes in the Nutrition & Health division grew mainly in the aroma and nutrition business areas. Currency effects had a slightly negative impact on sales.

Compared with Q2 2023, both operating divisions increased EBITDA bsi, particularly as a result of higher volumes combined with reduced raw materials costs. Higher fixed costs negatively impacted earnings performance. Fixed costs in the Nutrition & Health division rose slightly, especially due to scheduled turnarounds. In line with the earnings performance the segment's EBITDA margin bsi increased to 11.0%. It was 8.2% in Q2 2023.

The segment cash flow declined considerably. This was primarily driven by cash tied up due to an increase in inventories in preparation for scheduled turnarounds. Furthermore, the Care Chemicals division recorded less cash released from receivables compared with Q2 2023. In the Nutrition & Health division, higher capital expenditures for the aroma projects in Zhanjiang, China, and Ludwigshafen, Germany, also contributed to the lower cash flow. The cash released from receivables – cash had been tied up in Q2 2023 – and higher earnings in the division had an offsetting effect.

Agricultural Solutions

In the Agricultural Solutions segment, sales in Q2 2024 decreased considerably compared with Q2 2023, mainly due to lower sales in North America. Sales in Europe increased slightly due to higher volumes of fungicides and insecticides. Negative currency effects, primarily relating to the Turkish lira, were almost completely compensated for by higher prices. In North America, sales declined, mainly as a result of lower sales volumes of seeds and traits. In addition, lower volumes and prices for fungicides and herbicides contributed to this negative development. In Asia, sales were considerably above Q2 2023 due to higher volumes of crop protection products. Negative currency effects – primarily relating to the Japanese yen and the Chinese renminbi – and lower prices dampened performance. Sales in the region South America, Africa, Middle East fell considerably. Negative currency effects, mainly from the Argentine peso and the Brazilian real, and lower volumes could not be fully offset by price increases.

The decline in volumes and considerably lower prices for glufosinate-ammonium due to difficult market conditions were the main drivers of the considerably lower EBITDA bsi and the lower EBITDA margin bsi compared with Q2 2023.

The segment cash flow was slightly below Q2 2023. An increase in cash released from trade accounts receivable and lower cash tied up in inventories almost compensated for the lower EBITDA.

Other

Sales of Other increased in Q2 2024 mainly as a result of sales growth in commodity trading.

Compared with Q2 2023, EBITDA bsi improved considerably. This resulted in particular from the reversal of bonus provisions.

The EBITDA of Other included special items in the amount of -€328 million in Q2 2024. This included special charges in the amount of €293 million for the out-of-court settlement, which does not constitute any admission of liability, in connection with Aqueous Film Forming Foam (AFFF) multidistrict litigation in the United States.

Outlook 2024 unchanged

Underlying assumptions for 2024

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

- Growth in gross domestic product: +2.3%
- Growth in global industrial production: +2.2%
- Growth in global chemical production: +2.7%
- Average oil price (Brent crude): 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

BASF's forecast assumes a certain improvement in pricing power in the second half of 2024. From today's perspective, BASF expects market conditions in the seasonally lower Q3 to continue to develop in line with Q2 2024. In Q4 2024, BASF anticipates an uptick in earnings compared with Q4 2023.

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.