

BASF Conference Call: FY 2024

February 28, 2025

 **BASF**

We create chemistry



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. BASF does not assume any obligation to update the forward-looking statements contained in this presentation above and beyond the legal requirements.

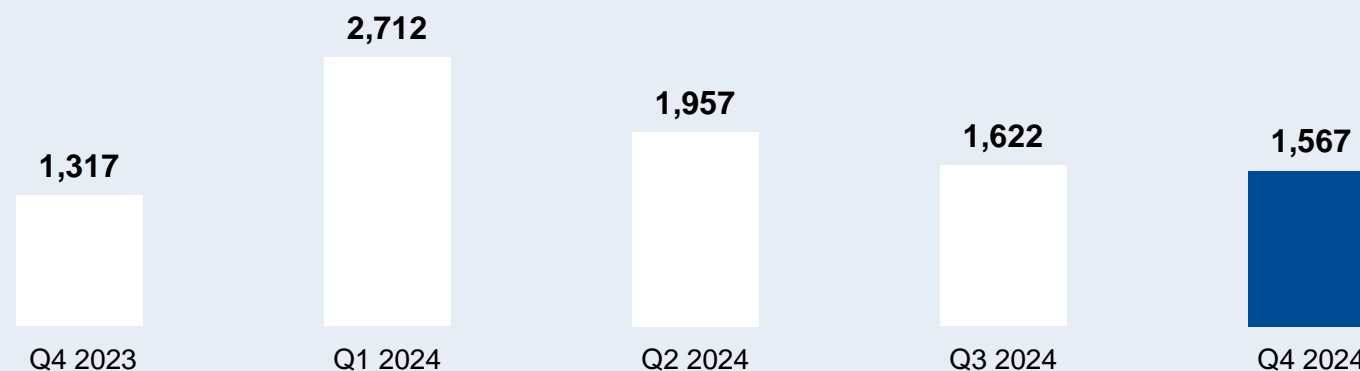
The audited BASF Report 2024 will be published on March 21, 2025. The key financial figures published on February 28, 2025, are therefore to be regarded as preliminary. From today's perspective, no adjustments are expected.

Q4 2024: EBITDA before special items above prior-year quarter, supported by strong finish in Agricultural Solutions

Sales development

Q4 2024 vs. Q4 2023	Volumes	Prices	Currency	Portfolio
BASF Group adjusted ¹	▲ 3.2%	▲ 0.5%	▼ -1.4%	▼ -0.3%
BASF Group IFRS ¹	▲ 1.6%	▼ -0.1%	▼ -1.2%	▼ -0.3%

EBITDA before special items (million €)



¹ The IFRS figures correspond to the Consolidated Financial Statements. The adjusted figures exclude sales from precious and base metal services as well as precious and base metal sales in the Catalysts business.

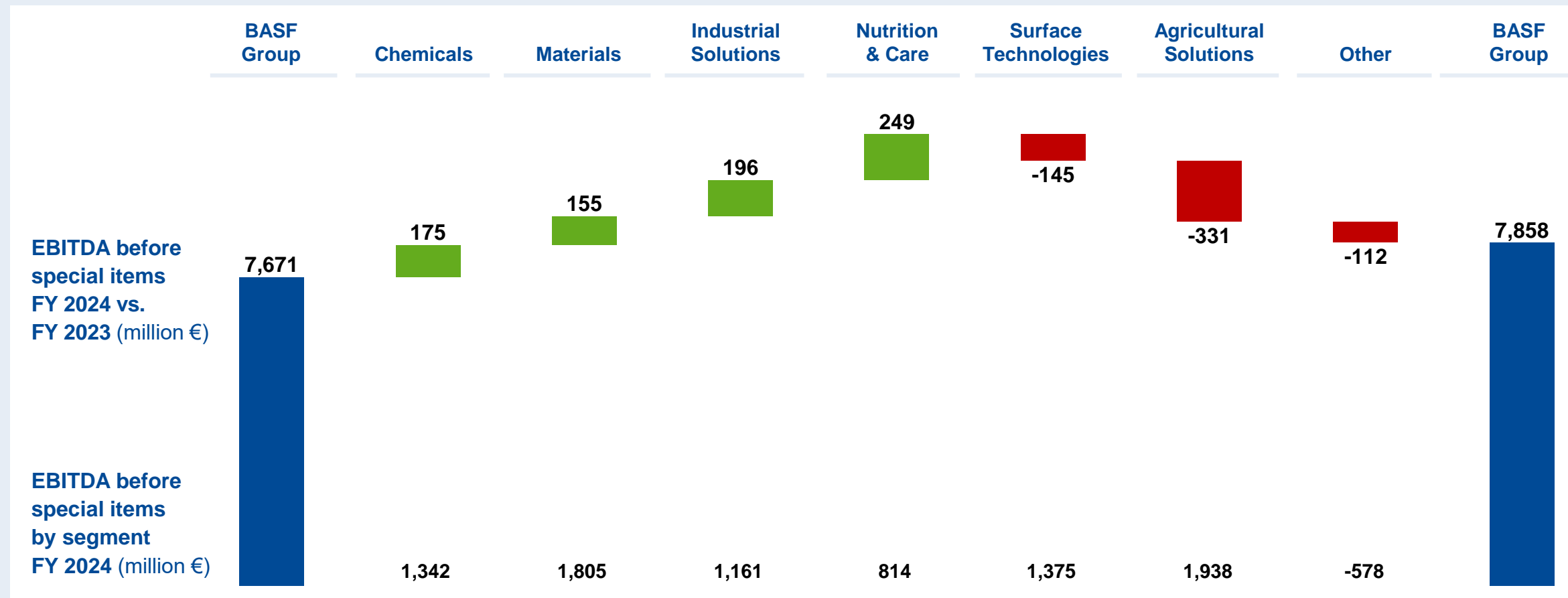
- **Sales stable at €15.9 billion**
- **Volumes** excluding precious and base metals **increased by 3.2%**
- **Prices** excluding precious and base metals **rose by 0.5%**
- **Currency headwinds** dampened sales growth by around **1%**
- **EBITDA before special items increased by 19%**

Q4 2024 snapshot: Market development and BASF's performance

		Market environment	Volume development	Specific margin
Core businesses	Chemicals	↗	↗	→
	Materials	→	→	↗
	Industrial Solutions	→	→	→
	Nutrition & Care	↗	→	↑
Standalone businesses	Surface Technologies	→	↘	↗
	Agricultural Solutions	→	↑	→

Impact on BASF's EBITDA before special items in Q4 2024 vs. Q4 2023

FY 2024: BASF's EBITDA before special items increased due to the strong performance of its core businesses¹



¹ The Chemicals, Materials, Industrial Solutions and Nutrition & Care segments are the core businesses, while the standalone businesses are bundled in the Surface Technologies and Agricultural Solutions segments.

Active portfolio management



Agreement to sell Brazilian **decorative paints business** signed in February 2025



Market approach regarding the **remaining coatings activities** planned in Q2 2025



IPO readiness of **Agricultural Solutions** division targeted by 2027

BASF Group FY 2024: Key financial figures

FY 2024 vs. FY 2023

EBITDA before special items

€7,858m

+€187m



Adjusted EBITDA margin bsi¹

13.1%

+0.5ppt



EBIT before special items

€3,911m

+€105m



Net income

€1,298m

+€1,073m



Operating cash flow

€6,946m

-€1,165m



Free cash flow

€748m

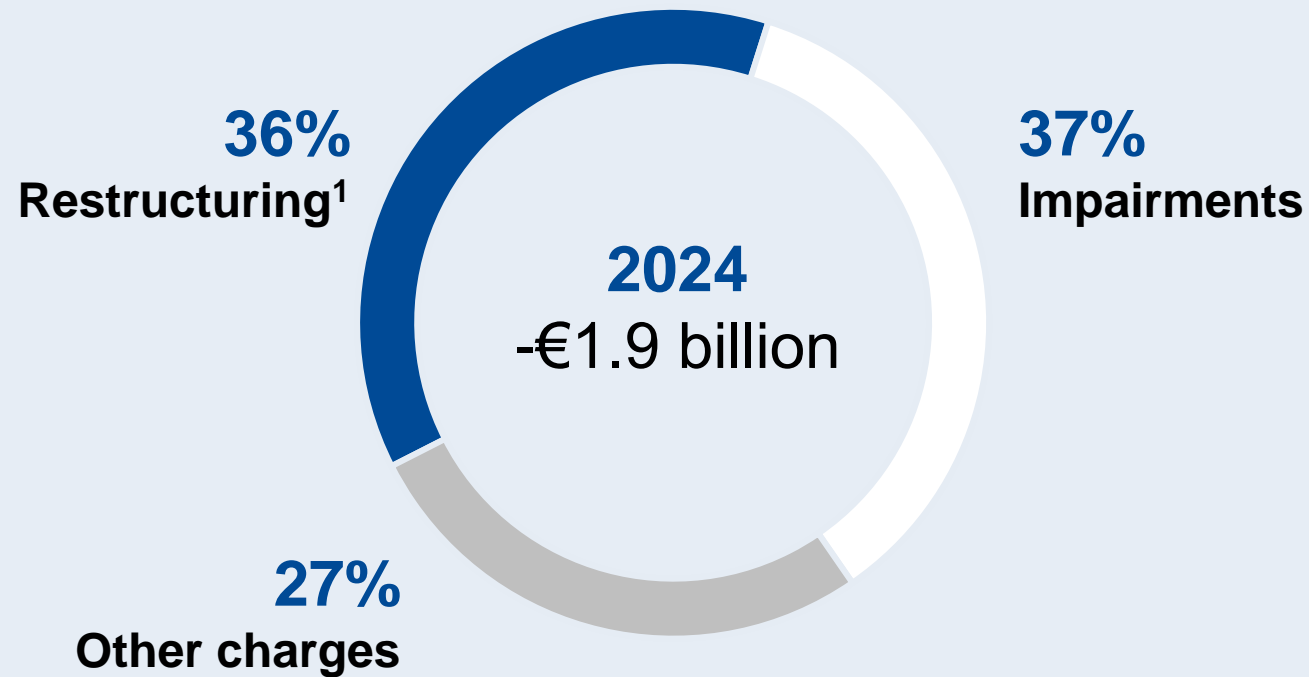
-€1,968m



¹ EBITDA before special items margin excluding sales from precious and base metal services as well as precious and base metal sales in the Catalysts business

BASF Group

FY 2024: Special items in EBIT

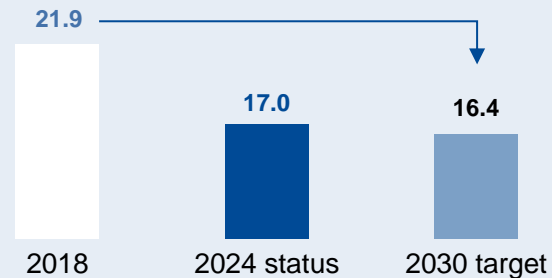


- **Restructuring** costs mainly incurred for cost savings programs and restructuring of glufosinate-ammonium production
- **Impairments** mainly on battery materials assets in the Surface Technologies segment
- **Other charges** especially due to class settlement with U.S. public water systems

¹ Excluding impairments

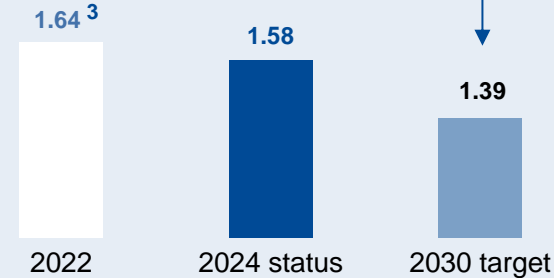
Progress toward 2030 goals for CO₂ emissions

Million metric tons



Reduce our absolute CO₂ emissions (Scope 1 and 2) by 25% by 2030 (baseline: 2018)¹

Kilograms of CO₂ per kilogram of raw materials purchased



Reduce our specific CO₂ emissions (Scope 3.1) by 15% by 2030 (baseline: 2022)²

↓ Reduction target

¹ Scope 1 and Scope 2 (excluding the sale of energy to third parties). The target includes greenhouse gases according to the Greenhouse Gas Protocol, which are converted into CO₂ equivalents (CO₂e).

² Scope 3.1, raw materials excluding battery materials, services and technical goods, excluding greenhouse gas emissions from BASF trading business. Future adjustment of the baseline in line with the TFS guideline possible depending on the availability of further primary data.

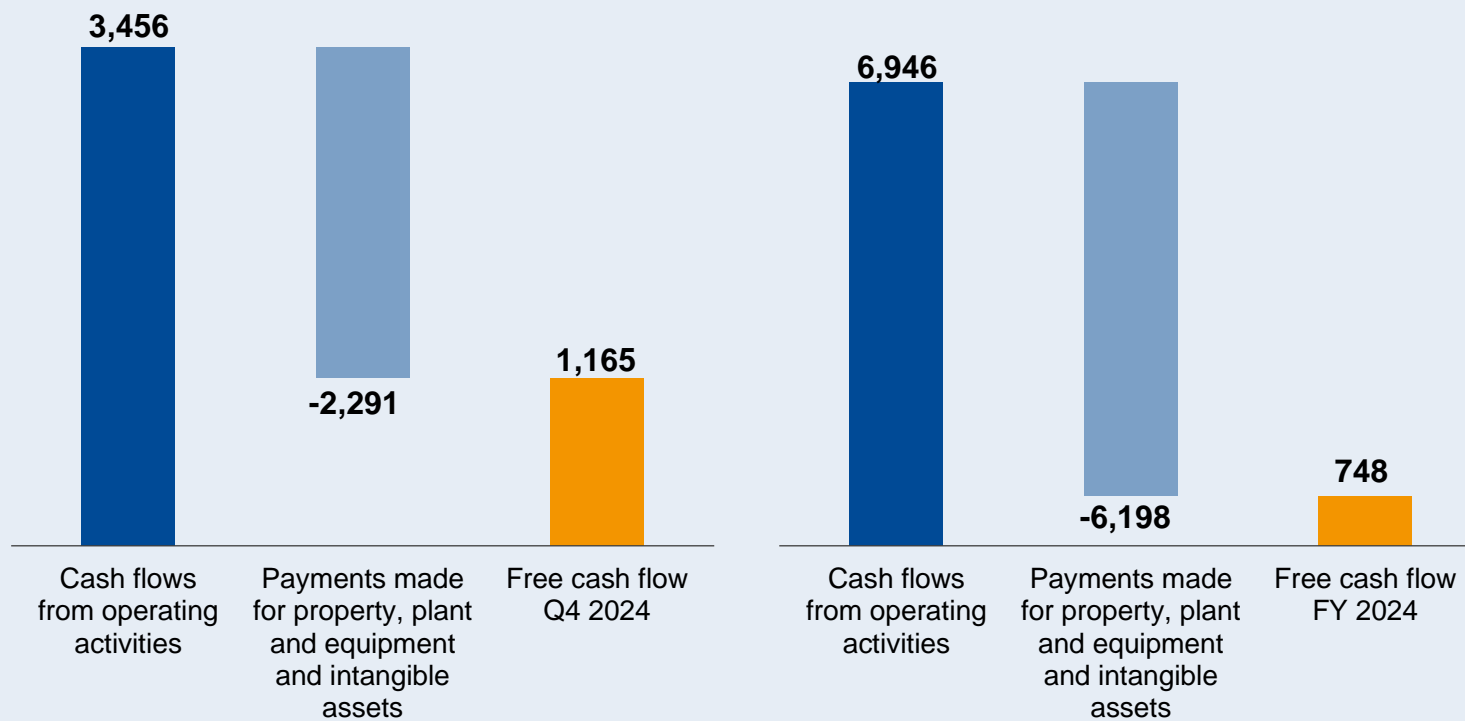
³ The figure for 2022 was adjusted due to increased data availability.

- In 2024, **Scope 1 and 2 emissions** were almost stable compared with 2023 and within the forecast range, despite volume growth
- Progress towards 2030 goal for Scope 1 and 2 driven by **higher share of electricity from renewable sources** (2024: 26%; 2023: 20%)
- **Scope 3.1 emissions** decreased in 2024, mainly due to a change in the raw materials portfolio and sourcing of **first raw materials with lower PCFs** from selected suppliers

Cash flow development in Q4 2024 supported by cash inflows from net working capital

Q4 2024 (million €)

FY 2024 (million €)



Q4 2024 vs. Q4 2023

- **Cash flows from operating activities** decreased by €806 million to €3.5 billion, mainly due to lower cash inflows from changes in net working capital
- **Payments made for property, plant and equipment and intangible assets** rose by €257 million to €2.3 billion, mainly due to the construction of the Verbund site in South China
- **Free cash flow** amounted to €1.2 billion compared with €2.2 billion in Q4 2023

Strong balance sheet

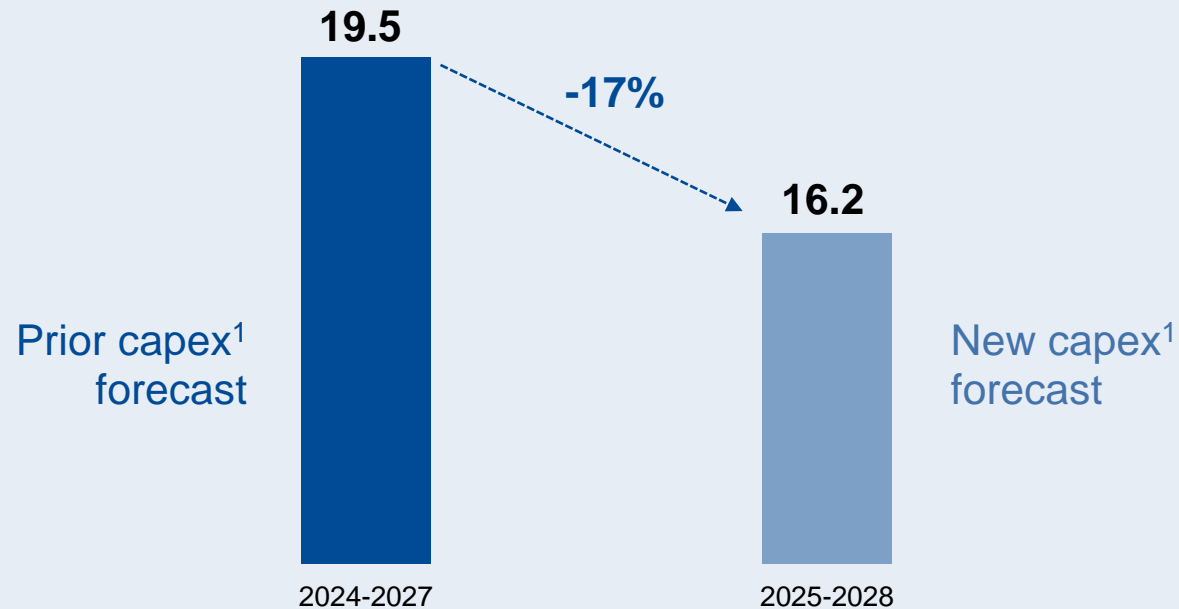
Million €	Dec. 31, 2024	Dec. 31, 2023	Change
Total assets	80,415	77,395	3,020
<i>Noncurrent assets</i>	<i>49,183</i>	<i>45,923</i>	<i>3,260</i>
<i>Current assets</i>	<i>31,232</i>	<i>31,472</i>	<i>-240</i>
Equity	36,884	36,646	238
Equity ratio	45.9%	47.3%	-1.4ppt
Financial debt	21,762	19,268	2,494
Net debt	18,781	16,590	2,191

- **Total assets increased by €3.0 billion to €80.4 billion**, mainly due to Zhanjiang-related additions to property plant and equipment
- **Equity ratio: 45.9%** (Dec. 31, 2023: 47.3%)
- **Net debt increased by €2.2 billion to €18.8 billion**, mainly on account of higher long-term debt
- BASF has **good credit ratings¹**, especially compared with competitors

¹ Current ratings: Moody's A3/P-2/outlook stable, Fitch A/F1/outlook stable, S&P A-/A-2/outlook stable

We will bring down capex after startup of the Zhanjiang Verbund site

Capex forecast (billion €)



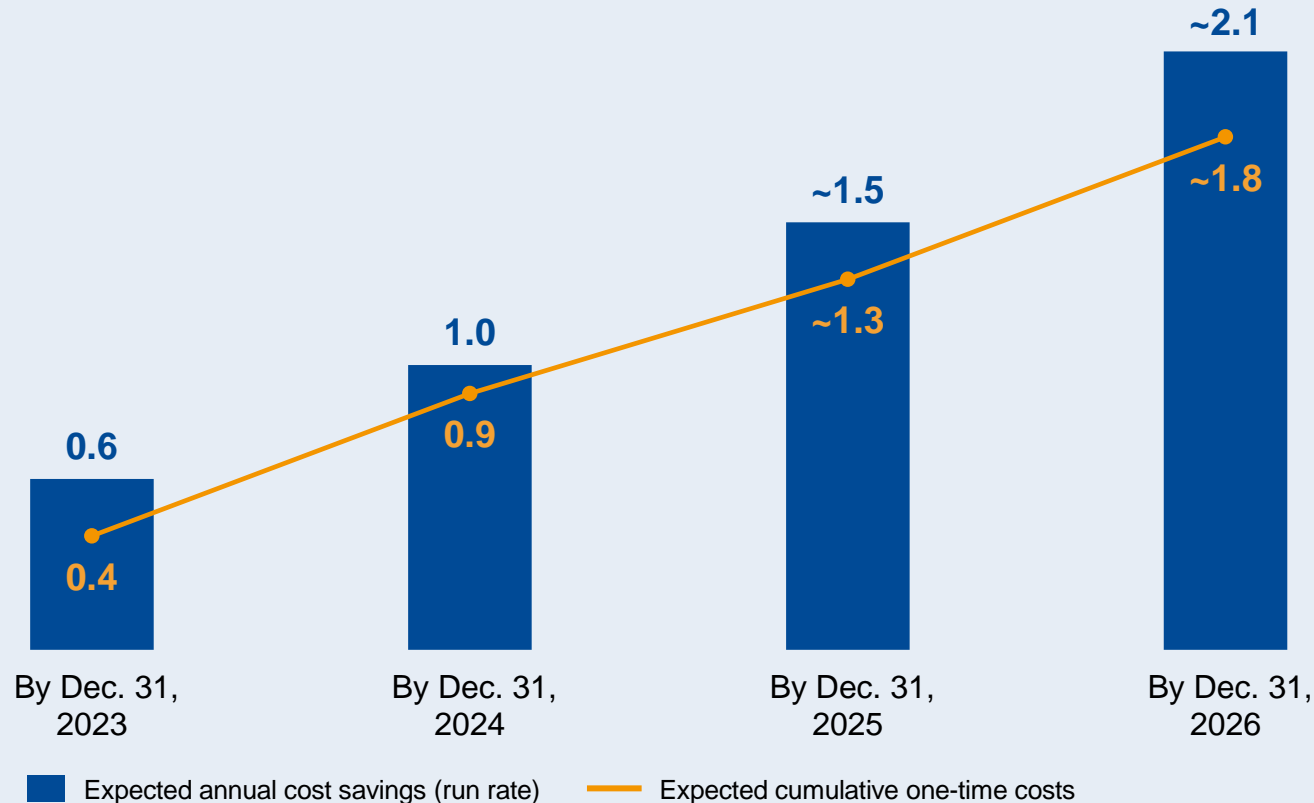
¹ Additions to property, plant and equipment excluding acquisitions, IT investments, restoration obligations and right-of-use assets arising from leases



- **€16.2 billion capex between 2025 and 2028, thereof €5.0 billion in 2025**
- **Investment for Zhanjiang Verbund site to come down from ~€3 billion in 2024 to ~€2 billion in 2025**

We are on track to deliver cost savings of ~€2.1 billion by the end of 2026

Billion €



- **Implementation** of the cost savings programs **in full swing**
- Annual cost savings of **€1 billion achieved by year-end 2024**
- Cumulative one-time costs of ~€1.8 billion expected by end of 2026, of which **€0.9 billion incurred by year-end 2024**

We are committed to attractive shareholder distributions

- **Dividend proposal for 2024** to the Annual Shareholders' Meeting of **€2.25 per share**
- In total, we will **pay out €2.0 billion¹**
- **Dividend yield of 5.3%** based on the share price of €42.46 at year-end 2024



BASF's shareholder distribution policy

Shareholder distributions via dividends and share buybacks 2025-2028:



Overall distribution on the level of the last years

¹ Based on the 892,522,164 shares outstanding as of December 31, 2024

Outlook 2025 for BASF Group

	BASF Group 2024 actual	BASF Group 2025 forecast	Zhanjiang startup impact 2025 ¹	BASF Group 2025 without Zhanjiang startup impact ¹
EBITDA before special items (billion €)	7.9	8.0 – 8.4	minus ~0.4	8.4 – 8.8
Free cash flow (billion €)	0.7	0.4 – 0.8	minus ~0.8	1.2 – 1.6
CO ₂ emissions ² (million metric tons)	17.0	16.7 – 17.7		

Underlying assumptions

Growth in gross domestic product

+2.6%

Growth in industrial production

+2.4%

Growth in chemical production

+3.0%

Average euro/dollar exchange rate

\$1.05 per euro

Average annual oil price (Brent crude)

\$75 per barrel

¹ Extraordinary impact from the startup of the Zhanjiang Verbund site, impact on EBITDA before special items and on free cash flow (incl. impact on EBITDA before special items and on net working capital)

² Scope 1 and Scope 2

Priorities for 2025

Execute on value-enhancing portfolio measures

—
Successfully start up new Verbund site in Zhanjiang

—
Reduce costs structurally and remain disciplined on capex

Winning Culture + Value Creation

 **BASF**

We create chemistry

Outlook 2025 by segment

Million €	EBITDA before special items ¹		Segment cash flow ¹	
	2024	2025 forecast	2024	2025 forecast
Chemicals	1,342	Slight decrease	-2,051	Considerable increase
Materials	1,805	Slight increase	766	At prior-year level
Industrial Solutions ²	1,437	Slight increase	1,102	Slight decrease
Nutrition & Care	814	Slight increase	-31	Considerable decrease
Surface Technologies ²	1,099	Considerable increase	691	Considerable increase
Agricultural Solutions	1,938	Slight increase	1,861	Considerable decrease

¹ For EBITDA before special items and cash flow, “slight” represents a change of 0.1%–10.0%, while “considerable” applies to changes of 10.1% and higher. “At prior-year level” indicates no change (+/-0.0%).

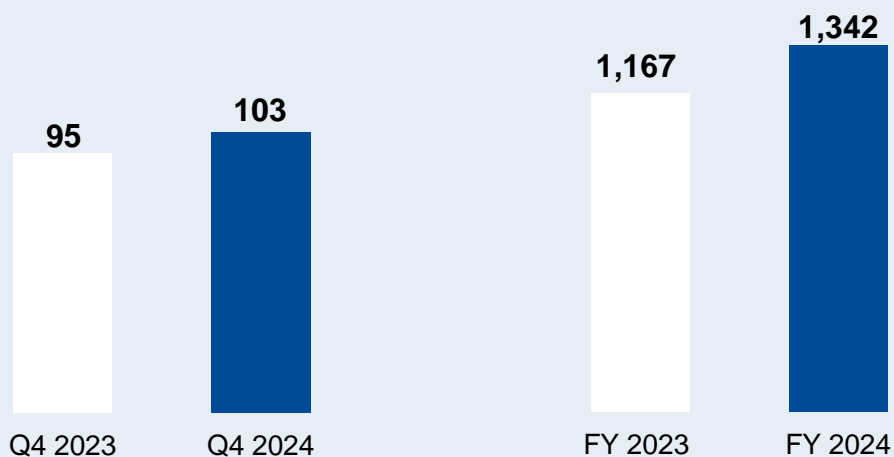
² The forecasts for the Industrial Solutions and Surface Technologies segments already take into account the reclassification of the chemical and refining catalysts business as of January 1, 2025, and are based on correspondingly adjusted figures for 2024.

BASF Group Q4 2024 and FY 2024: Financial figures

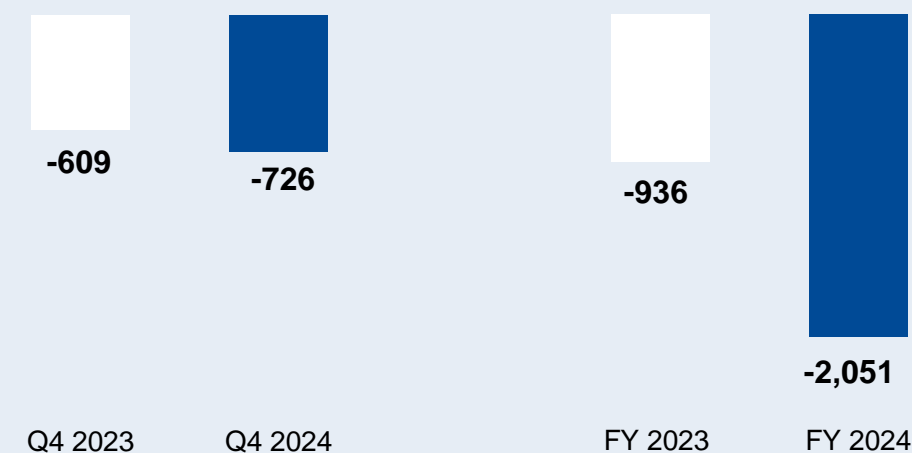
Financial figures	Q4 2024	Change	FY 2024	Change
	Million €	%	Million €	%
Sales	15,856	-0.1	65,260	-5.3
EBITDA before special items	1,567	19.0	7,858	2.4
EBITDA	1,187	8.0	6,681	-7.0
EBIT before special items	554	89.4	3,911	2.8
EBIT	-422	57.6	2,033	-9.2
Net income from shareholdings	-99	57.0	598	.
Net income	-786	50.5	1,298	475.8

Chemicals

EBITDA before special items (million €)



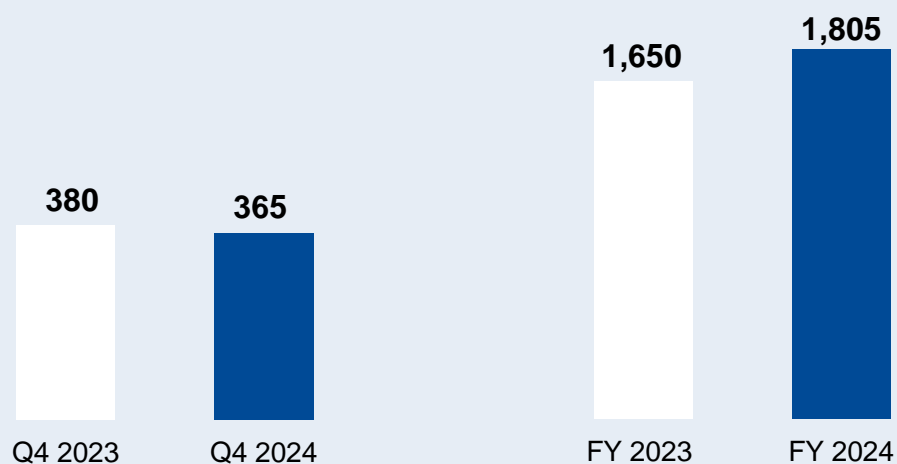
Segment cash flow (million €)



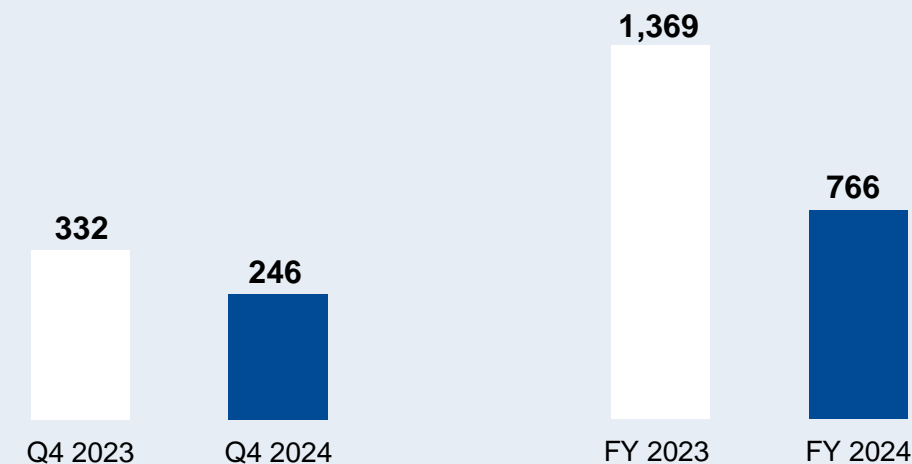
Sales development	Total	Volumes	Prices	Currencies	Portfolio
Q4 2024 vs. Q4 2023	▲ 3.9%	▲ 5.4%	▼ -1.5%	▼ -0.1%	—
FY 2024 vs. FY 2023	▲ 4.5%	▲ 8.1%	▼ -3.1%	▼ -0.5%	—

Materials

EBITDA before special items (million €)



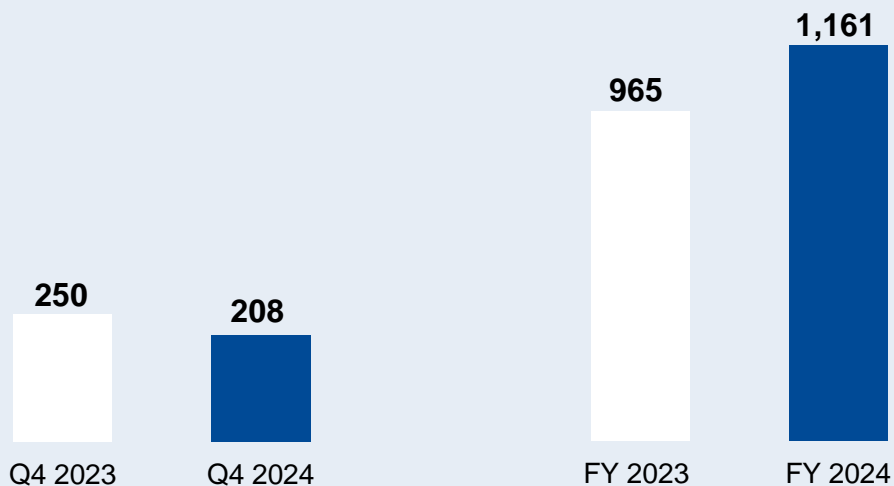
Segment cash flow (million €)



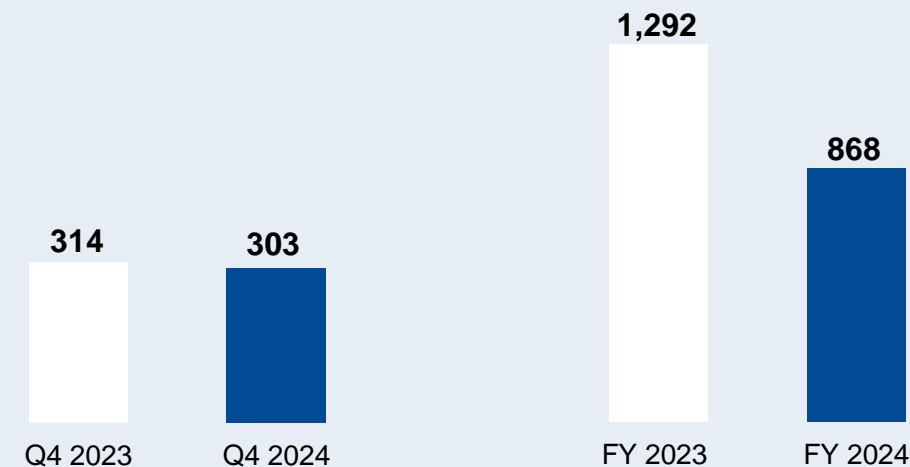
Sales development	Total	Volumes	Prices	Currencies	Portfolio
Q4 2024 vs. Q4 2023	▼ -3.2%	▼ -1.8%	▼ -1.2%	▼ -0.1%	▼ -0.1%
FY 2024 vs. FY 2023	▼ -4.5%	▲ 2.1%	▼ -5.5%	▼ -1.0%	▼ -0.1%

Industrial Solutions

EBITDA before special items (million €)



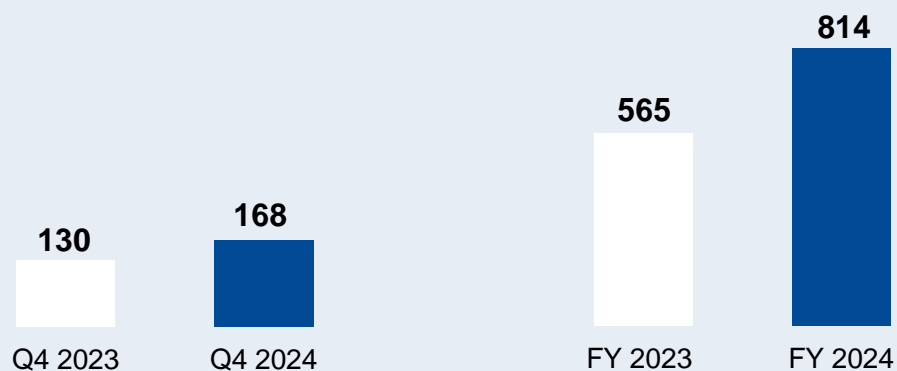
Segment cash flow (million €)



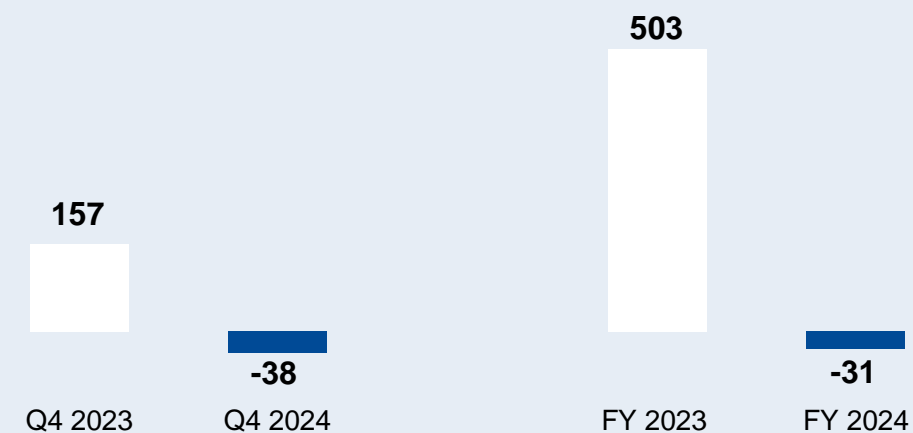
Sales development	Total	Volumes	Prices	Currencies	Portfolio
Q4 2024 vs. Q4 2023	▲ 0.5%	▲ 2.5%	▼ -0.8%	▼ -0.4%	▼ -0.8%
FY 2024 vs. FY 2023	▲ 2.1%	▲ 7.0%	▼ -3.6%	▼ -1.1%	▼ -0.2%

Nutrition & Care

EBITDA before special items (million €)



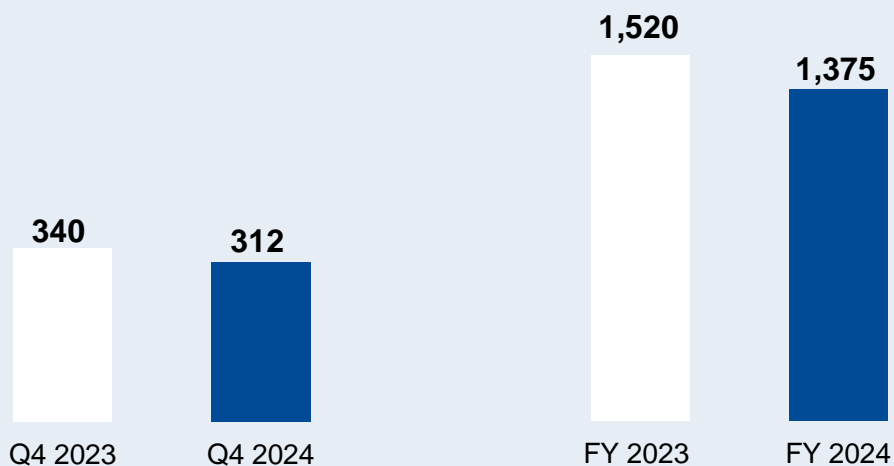
Segment cash flow (million €)



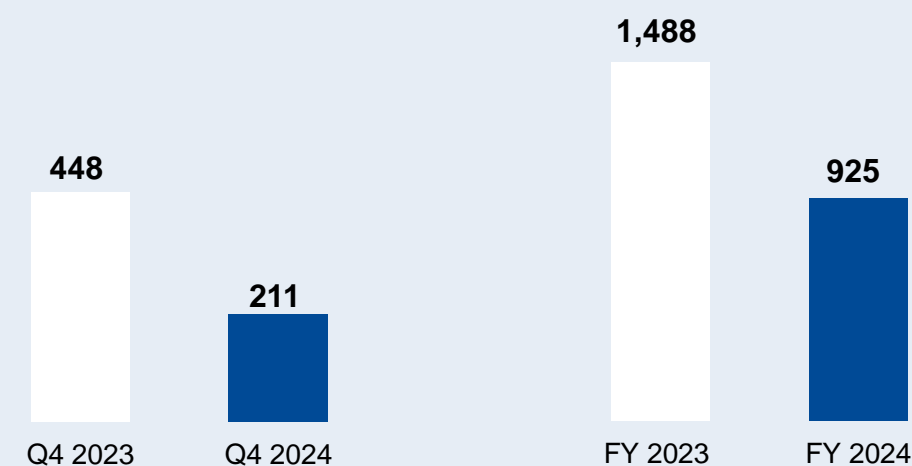
Sales development	Total	Volumes	Prices	Currencies	Portfolio
Q4 2024 vs. Q4 2023	▼ -0.5%	▼ -1.7%	▲ 2.9%	▼ -0.5%	▼ -1.3%
FY 2024 vs. FY 2023	▼ -1.9%	▲ 5.2%	▼ -5.2%	▼ -1.5%	▼ -0.4%

Surface Technologies

EBITDA before special items (million €)



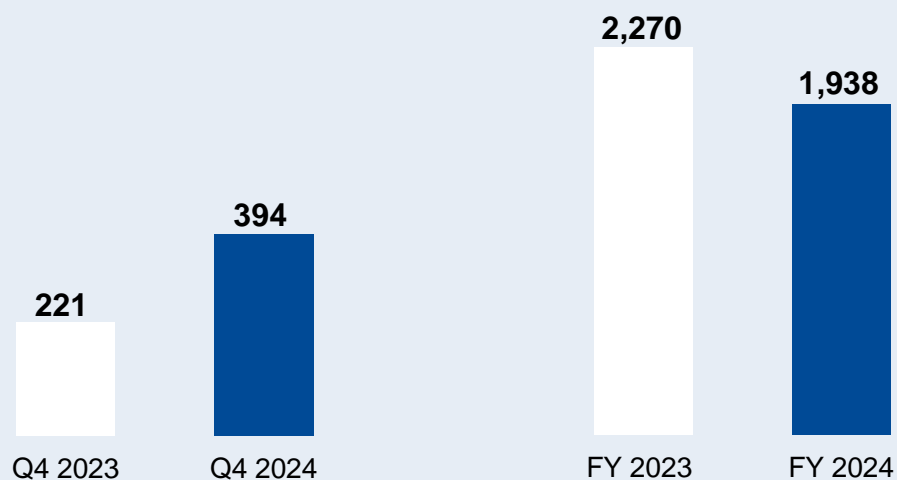
Segment cash flow (million €)



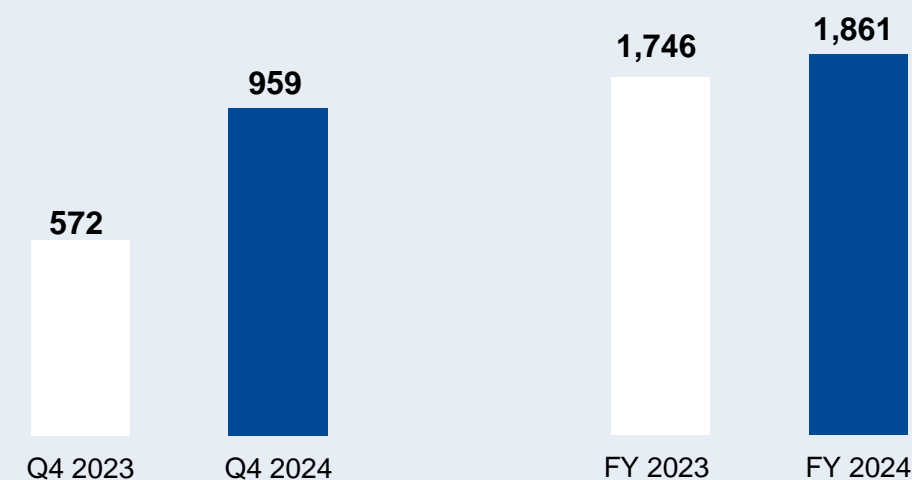
Sales development	Total	Volumes	Prices	Currencies	Portfolio
Q4 2024 vs. Q4 2023	▼ -9.4%	▼ -8.3%	0.0%	▼ -1.0%	▼ -0.1%
FY 2024 vs. FY 2023	▼ -20.4%	▼ -7.6%	▼ -11.0%	▼ -1.6%	▼ -0.2%

Agricultural Solutions

EBITDA before special items (million €)



Segment cash flow (million €)



Sales development	Total	Volumes	Prices	Currencies	Portfolio
Q4 2024 vs. Q4 2023	▲ 13.8%	▲ 18.3%	▲ 2.1%	▼ -6.6%	—
FY 2024 vs. FY 2023	▼ -2.9%	▲ 2.8%	▼ -0.3%	▼ -5.4%	—

Review of “Other”

Financial figures		Q4 2024	Q4 2023	FY 2024	FY 2023
		Million €	Million €	Million €	Million €
Sales		876	855	3,312	3,220
EBITDA before special items		16	-99	-578	-466
of which	Costs of corporate research	-54	-59	-183	-227
	Costs of corporate headquarters	-59	-49	-232	-222
	Foreign currency results, hedging and other measurement effects	5	-16	-38	-29
	Other businesses	40	98	171	200
Special items		-181	-47	-601	-159
EBITDA		-165	-146	-1,179	-626