

News Release

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BASF Group: Financial figures for 2025

BASF achieved important milestones in implementing its “Winning Ways” strategy

- **BASF is systematically unlocking value of standalone businesses**
- **Plants at Zhanjiang Verbund site successfully started up**
- **EBITDA before special items amounted to €6.6 billion in 2025 (2024: €7.2 billion)**
- **Free cash flow increased considerably in 2025 to €1.3 billion (2024: €0.7 billion)**
- **Proposed dividend for 2025: €2.25 per share (2024: €2.25 per share)**

Outlook 2026:

- **EBITDA before special items of between €6.2 billion and €7.0 billion (2025: €6.6 billion)**
- **Capital expenditures (incl. intangibles) to amount to €3.4 billion (2025: €4.3 billion)**
- **Free cash flow of between €1.5 billion and €2.3 billion (2025: €1.3 billion)**

In the 2025 business year, the BASF Group faced an uncertain and very volatile global market environment with considerable headwinds. “We therefore mainly focused on the things we can control within the framework of our ‘Winning Ways’ strategy,” said BASF CEO Dr. Markus Kamieth when presenting the 2025 financial figures together with Chief Financial Officer Dr. Dirk Elvermann. The company reached significant milestones in its strategy implementation: “We successfully started up the major plants at our new Verbund site in Zhanjiang. We also

accelerated our cost savings programs and significantly streamlined BASF's organization. Moreover, we progressed swiftly and successfully with the announced portfolio measures," Kamieth added. However, the year 2025 and particularly the fourth quarter did not develop as anticipated for BASF Group.

EBITDA before special items decreased by €686 million year on year to €6.6 billion. This development resulted from the significant decline in earnings in the core businesses: EBITDA before special items declined in the Chemicals, Industrial Solutions, Materials and Nutrition & Care segments, mainly due to lower contribution margins; slightly higher fixed costs also dampened earnings in the Materials segment. Higher earnings in the standalone businesses partially offset the decline in the core businesses: The Surface Technologies segment improved EBITDA before special items mainly thanks to the significant increase in earnings in the Environmental Catalyst and Metal Solutions (ECMS) division as a result of lower fixed costs. In the Agricultural Solutions segment, earnings increased mainly due to an improved contribution margin. Earnings in Other decreased slightly compared to the previous year. The EBITDA margin before special items was 11.0 percent, compared with 11.8 percent in the previous year.

Further financial figures for 2025

In the 2025 business year, **sales** stood at €59.7 billion, compared with €61.4 billion in the previous year. Negative currency effects, mainly relating to the U.S. dollar, the Chinese renminbi and the Brazilian real, had a significant impact on sales.

EBITDA amounted to €5.6 billion following €6.2 billion in the prior-year period. Special items in EBITDA amounted to minus €936 million in 2025. Special charges of €937 million for restructuring measures were incurred primarily in connection with the ongoing cost savings programs, particularly for the program focused on the Ludwigshafen site.

EBIT came in at €1.6 billion, down on the prior-year figure by €176 million. Depreciation and amortization included in EBIT amounted to €4.0 billion (2024: €4.4 billion).

Net income in 2025 rose to €1.6 billion (2024: €1.3 billion). This resulted primarily from the year-on-year increase in net income from shareholdings, which was mainly due to the improved earnings of non-integral companies accounted for using the equity method. This increase was due to net special income of €1.3 billion (2024: €0.4 billion), primarily in connection with reimbursements to Wintershall Dea GmbH arising from the federal guarantees for expropriated assets in Russia.

BASF Group's cash flows in 2025

Cash flows from operating activities amounted to €5.6 billion in the 2025 business year, €1.3 billion below the prior-year figure. The increased net income in 2025 included significantly higher noncash and reclassification items than in the previous year. Depreciation and amortization were lower than in 2024. Compared with the previous year, changes in the precious metal trading positions led to a significant tie up of funds.

Cash flows from investing activities amounted to minus €3.2 billion in 2025, after minus €5.1 billion in the previous year. The significant improvement was mainly due to lower payments made for property, plant and equipment and intangible assets, which were reduced from €6.2 billion in the previous year to €4.3 billion in 2025.

Free cash flow, which remains after deducting payments made for property, plant and equipment and intangible assets from cash flows from operating activities, improved significantly due to lower capital expenditures. In 2025, free cash flow was €1.3 billion, compared with €748 million in 2024.

Proposed dividend of €2.25 per share

From 2025 to 2028, BASF aims to distribute at least €12 billion to shareholders through a combination of dividends and share buybacks. Specifically, the company intends to pay out an annual dividend of at least €2.25 per share, or around €2 billion per year. The proposed dividend for the 2025 business year is €2.25 per share (dividend for the 2024 business year: €2.25 per share). In light of the cash proceeds already received and expected, in particular from portfolio measures, BASF decided in late October 2025 to buy back up to €1.5 billion of its own shares between November 2025 and the end of June 2026. This earlier-than-planned share buyback is part of the announced share buyback program with a total volume of at least €4 billion until the end of 2028.

Strengthening the balance sheet and accelerating the cost savings programs

According to Chief Financial Officer Dirk Elvermann, BASF will continue to strengthen its balance sheet. “By year-end 2025, we had reduced our net debt to €18.3 billion. In 2026, we will use a substantial part of the cash proceeds from our portfolio measures to further strengthen our balance sheet,” said Elvermann. The maturity profile of outstanding bonds will allow BASF to further reduce net debt considerably this year, thereby underpinning the company’s current single A rating, Elvermann explained.

BASF accelerated the implementation of its existing cost savings programs. By the end of 2025, BASF already achieved a total annual cost reduction run rate of around €1.7 billion. This represents an increase of €100 million compared to the company’s original target. By the end of 2026, BASF now expects annual cost savings of €2.3 billion instead of €2.1 billion. The company now forecasts cumulative one-time costs of €1.9 billion in total.

Between December 2023 and December 2025, BASF reduced the number of senior executives by 11 percent. The number of employees was reduced by around 4,800, excluding the approximately 1,000 employees who were recruited at the new Verbund site in China in the same period.

BASF Group outlook for 2026

The BASF Group expects EBITDA before special items of between €6.2 billion and €7.0 billion in 2026 (2025: €6.6 billion). The Nutrition & Care and Chemicals segments are likely to increase their earnings significantly, while Industrial Solutions expects a slight increase in earnings. In the Materials and Agricultural Solutions segments, BASF forecasts slightly lower earnings due to currency effects. EBITDA before special items in the Surface Technologies segment is expected to decrease significantly in 2026, mainly due to positive one-off effects in the Environmental Catalyst and Metal Solutions (ECMS) division in 2025.

BASF Group’s free cash flow is expected to be between €1.5 billion and €2.3 billion (2025: €1.3 billion). This is based on forecast cash flows from operating activities of between €4.9 billion and €5.7 billion, minus the expected payments made for property, plant and equipment and intangible assets in the amount of €3.4 billion.

CO₂ emissions are projected to be between 17.2 million metric tons and 18.2 million metric tons in 2026. BASF expects higher emissions compared to the previous year mainly due to the startup of the Verbund site in Zhanjiang, China, while production volumes at other production sites will remain almost unchanged. BASF will counteract this increase with targeted measures to reduce emissions, such as further increasing energy efficiency, optimizing processes and continuing the shift to electricity from renewable energies.

BASF's outlook is based on the following assumptions regarding the global economic environment in 2026:

- Global GDP growth: 2.7 percent
- Growth in global industrial production: 2.3 percent
- Growth in global chemical production: 2.4 percent
- Average euro/dollar exchange rate of \$1.20 per euro
- Average annual oil price (Brent crude) of \$65 per barrel

About BASF

At BASF, we create chemistry for a sustainable future. Our ambition: We want to be the preferred chemical company to enable our customers' green transformation. We combine economic success with environmental protection and social responsibility. Around 108,000 employees in the BASF Group contribute to the success of our customers in nearly all sectors and almost every country in the world. Our portfolio comprises, as core businesses, the segments Chemicals, Materials, Industrial Solutions, and Nutrition & Care; our standalone businesses are bundled in the segments Surface Technologies and Agricultural Solutions. BASF generated sales of around €60 billion in 2025. BASF shares are traded on the stock exchange in Frankfurt (BAS) and as American Depositary Receipts (BASFY) in the United States. Further information at www.basf.com.

On February 27, 2026, you can obtain further information from the internet at the following addresses:

BASF Report 2025 (from 7.00 a.m. CET)

basf.com/overview

(English)

basf.com/uebersicht

(German)

News Release (from 7.00 a.m. CET)

basf.com/pressrelease

(English)

basf.com/pressemitteilungen

(German)

Live Transmission – Conference Call for analysts and investors (from 9.00 a.m. CET)

basf.com/share/conferencecall

(English)

basf.com/aktie/telefonkonferenz

(German)

Live Webcast – Annual Press Conference (from 10.30 a.m. CET)

basf.com/pcon

(English)

basf.com/pressekonferenz

(German)

Speech (from 10.30 a.m. CET)

basf.com/pcon

(English)

basf.com/pressekonferenz

(German)

Note to Editors:

You can download press photos from the internet at the following links:

Photos

basf.com/pressphotos

(English)

basf.com/pressefotos

(German)

Current photos of the Annual Press Conference (on February 27, from 3.00 p.m. CET)

basf.com/Pressphoto-Database/pc

(English)

basf.com/Pressefoto-Datenbank/pk

(German)

Forward-looking statements and forecasts

This release 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 release above and beyond the legal requirements.