

# News Release

P287/24e  
September 26, 2024

## **BASF sets new direction with corporate strategy and maintains high level of shareholder distributions**

- **Total shareholder distributions via dividends and share buybacks to amount to at least €12 billion between 2025 and 2028 with annual dividend of at least €2.25 per share**
- **New financial targets for EBITDA before special items (€10 billion to €12 billion in 2028) and cumulative free cash flow (more than €12 billion for 2025 to 2028)**
- **Unlocking value through active portfolio management**

Ludwigshafen – September 26, 2024 – BASF is setting a new direction with its corporate strategy and has defined financial targets for 2025 to 2028 and updated its dividend policy accordingly.

In the mid-term, BASF is committed to keeping the overall distribution to shareholders on the level of the last years through a combination of dividends and share buybacks. In this way, BASF aims to distribute at least €12 billion to shareholders from 2025 to 2028. Specifically, the company will pay a dividend of at least €2.25 per share (2023: €3.40) or around €2 billion each year. This will already apply to the dividend for the 2024 business year to be paid out in 2025. The aggregate dividend payment of around €8 billion in the four-year period will be complemented by share buybacks, which are targeted from 2027 onward at the latest and are expected to amount to around €4 billion.

BASF's strong balance sheet and cash flows will support the payment of dividends and the execution of share buybacks. Furthermore, the company will bring down capital expenditures well below depreciation from 2026 onward, i.e., after the startup of the Zhanjiang Verbund site in China as of 2025.

The updated dividend policy is underpinned by the following new financial targets of BASF. EBITDA before special items is expected to be €10 billion to €12 billion in 2028 in mid to upcycle conditions. The cumulative free cash flow for 2025 to 2028 is expected to be more than €12 billion. The targeted return on capital employed (ROCE) for 2028 is around 10%.

As part of its new corporate strategy, BASF has also defined clear portfolio roles for its businesses and distinguishes between core and standalone businesses. The Chemicals, Materials, Industrial Solutions and Nutrition & Care segments are the core businesses, while Environmental Catalyst and Metal Solutions, Battery Materials, Coatings and Agricultural Solutions are the standalone businesses. In the coming years, BASF will focus on strengthening and profitably growing its core businesses. For the standalone businesses, BASF will pursue active portfolio options where this adds value for BASF and its shareholders. As a next step, BASF is preparing a divestment process for its decorative paints business in Brazil. In 2024, BASF expects to receive a total cash inflow of approximately €2 billion from its exit from the oil and gas business as a result of earlier portfolio management measures.

### **Further information**

BASF will publish a news release with further details about its corporate strategy at 9:00 CEST today. A live webcast of the keynote and the subsequent Q&A session will be offered from 12:30 CEST onward at [www.basf.com/CMD2024](http://www.basf.com/CMD2024).

### **About BASF**

At BASF, we create chemistry for a sustainable future. We combine economic success with environmental protection and social responsibility. Around 112,000 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 six segments: Chemicals, Materials, Industrial Solutions, Surface Technologies, Nutrition & Care and Agricultural Solutions. BASF generated sales of €68.9 billion in 2023. 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](http://www.basf.com).

### **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.