

Q3

 **BASF**

We create chemistry

Analyst Conference Call Q3 2024

October 30, 2024

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 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 presentation above and beyond the legal requirements.

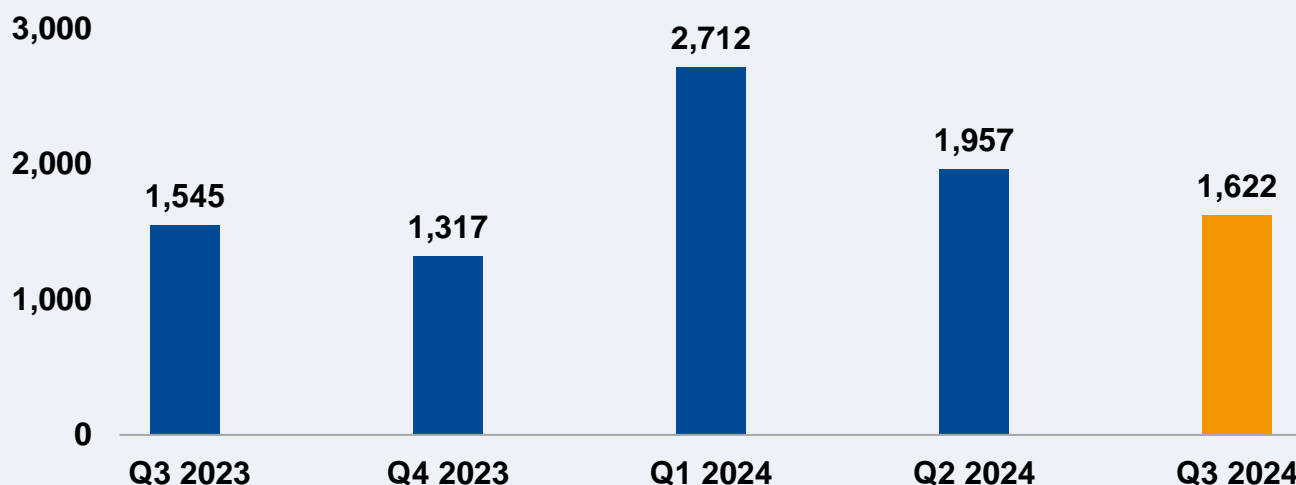
EBITDA before special items above prior-year quarter, especially driven by higher volumes

Sales development

Q3 2024 vs. Q3 2023	Volumes	Prices	Currency	Portfolio
BASF Group adjusted¹	↑ 6.8%	↑ 0.4%	↓ -2.9%	-0.1%
BASF Group IFRS¹	↑ 4.9%	↓ -2.2%	↓ -2.6%	-0.1%

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.

² 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.

- **Sales stable** on Q3 2023 level **at €15.7 billion**
- **Volumes** excluding precious and base metals **increased by 7%** (including metals, volumes rose by 5%)
- **Prices** excluding precious and base metals **were slightly positive** (including metals, prices declined by 2%)
- **Currency headwinds** dampened sales growth by 3%
- **EBITDA before special items increased by 5%** to €1.6 billion
- **Considerably higher earnings in BASF's core businesses** more than offset lower contributions from the standalone businesses²

Snapshot Q3 2024: Market development and BASF's performance

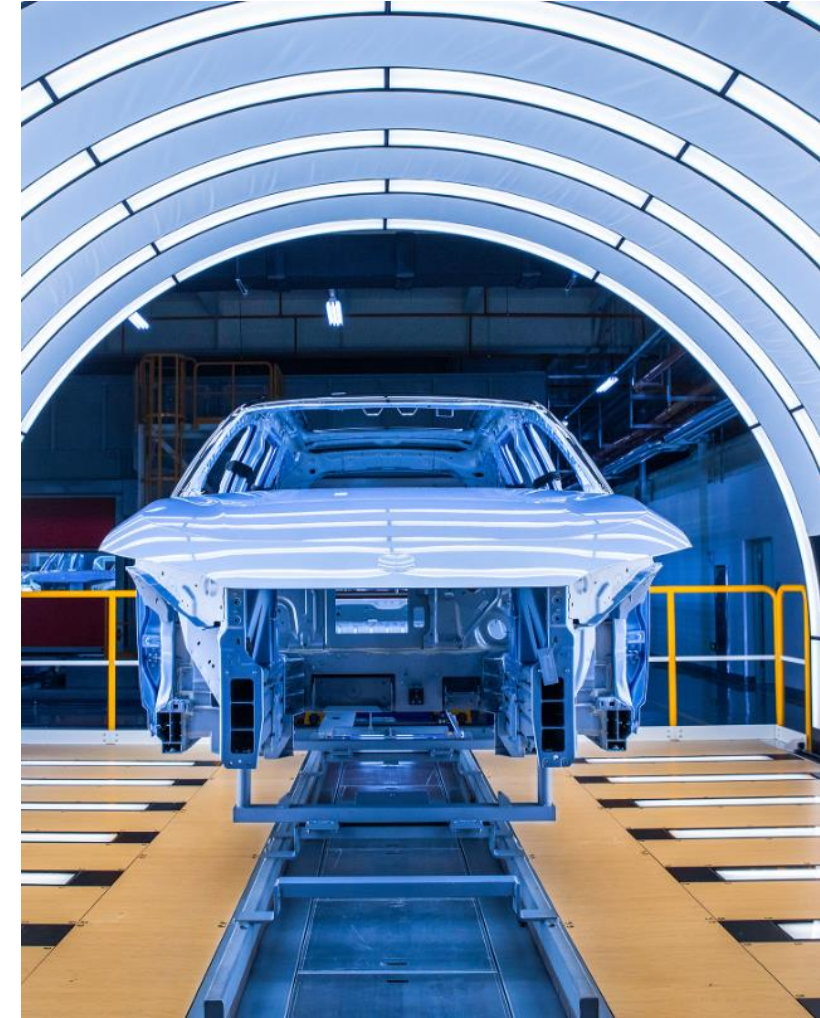
		Market environment	Volume development	Specific margin
Core businesses	Chemicals	↗	↑	↗
	Materials	→	→	↑
	Industrial Solutions	→	↗	→
	Nutrition & Care	↗	↗	↑
Standalone businesses	Surface Technologies	↘	↘ ¹	↗
	Agricultural Solutions	→	↑	↓

Impact on BASF's EBITDA before special items in Q3 2024 vs. Q3 2023

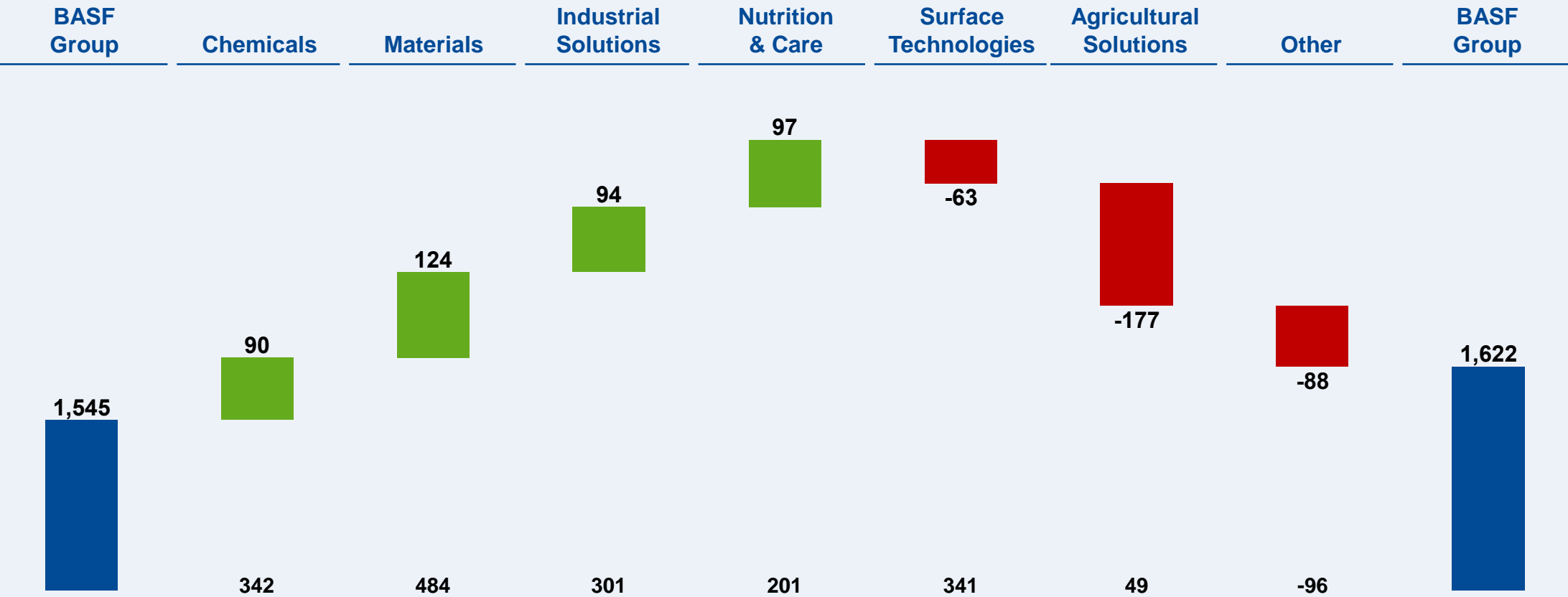
¹ Excluding sales from precious and base metal services as well as precious and base metal sales in the Catalysts business

Global light vehicle production remains under pressure

- In 2024, **global light vehicle production** is expected to decline by ~2%; at the start of the year, stable to slightly declining production was assumed
- **Western Europe**
 - In 2023, production had benefited from pent-up demand and the replenishment of inventories
 - In 2024, demand no longer stimulated by these one-off effects
- **North America**
 - Lack of demand and increasing inventories
 - Model delays and cancellations
- **China**
 - Weak domestic demand despite trade-in subsidies, sales declining in internal combustion engine segment
 - Chinese exports continue to grow



EBITDA before special items increased compared with Q3 2023 due to considerably higher earnings contributions of core businesses



EBITDA before special items Q3 2024 vs. Q3 2023
Million €

EBITDA before special items by segment Q3 2024
Million €

Swift adjustment of production structures in Ludwigshafen supported EBITDA before special items growth in Materials segment



Product group	Closure of plants in Ludwigshafen	Year
Polyamide value chain	<ul style="list-style-type: none"> Adipic acid Precursors cyclohexanol and cyclohexanone Soda ash Caprolactam 	2023-2026
Ammonia value chain	<ul style="list-style-type: none"> One of two ammonia plants Melamine Ammonium sulfate nitrate fertilizer 	2023
TDI	<ul style="list-style-type: none"> TDI complex 	2023

~€150 million run rate in fixed cost savings so far;
related one-time costs of ~€160 million as of September 30, 2024¹

¹ These fixed cost savings and one-time costs are part of the cost savings program related to the adaptation of production structures at the Ludwigshafen Verbund site announced in February 2023 and contribute to the overall cost savings of €2.1 billion targeted by the end of 2026 with overall one-time costs of €1.8 billion.

BASF Group Q3 2024: Key financial figures

EBITDA before special items
Q3 2024 vs. Q3 2023

€1,622 million
+5%

EBITDA margin before special items, Q3 2024 vs. Q3 2023

10.3%
9.8%

EBIT before special items
Q3 2024 vs. Q3 2023

€635 million
+10%

Net income
Q3 2024 vs. Q3 2023

€287 million
+€536 million

Operating cash flow
Q3 2024 vs. Q3 2023

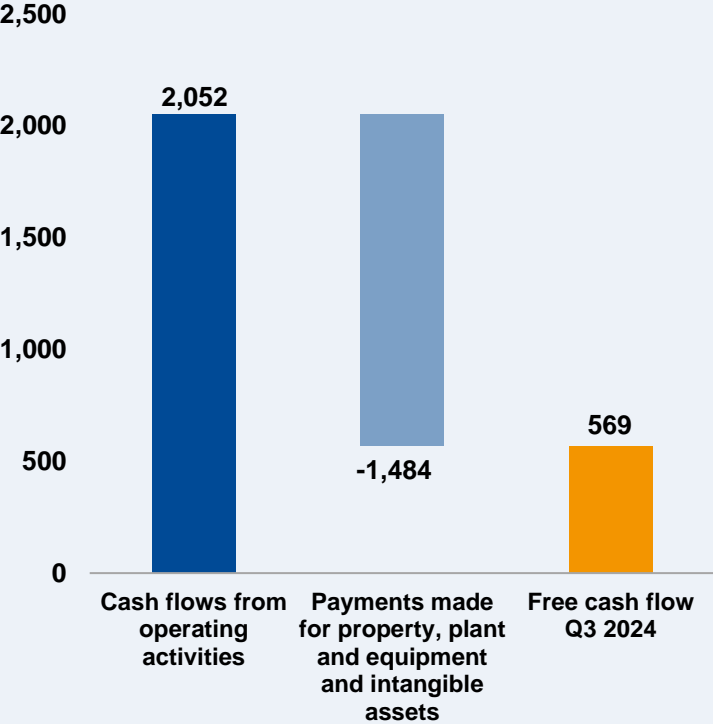
€2,052 million
-24%

Free cash flow
Q3 2024 vs. Q3 2023

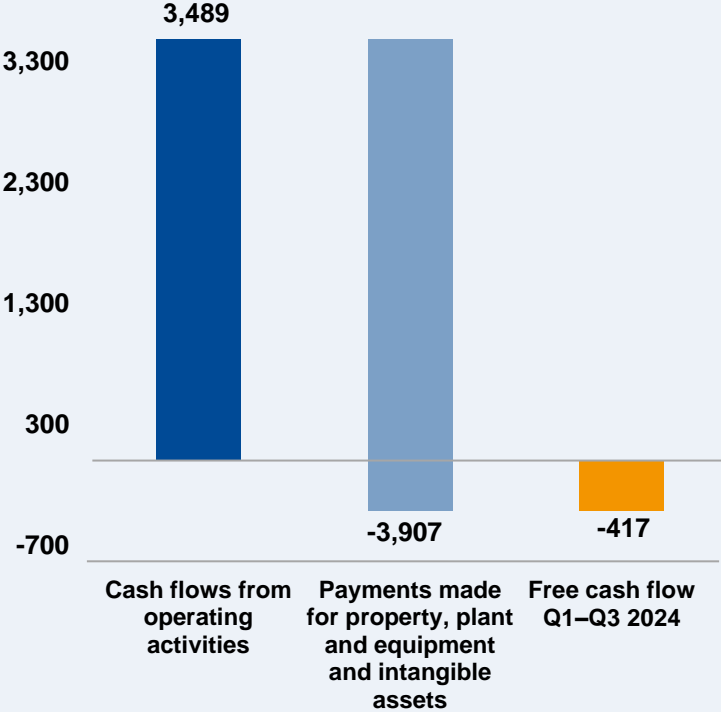
€569 million
-61%

Cash flow development in Q3 2024 and Q1–Q3 2024

Q3 2024
Million €



Q1–Q3 2024
Million €



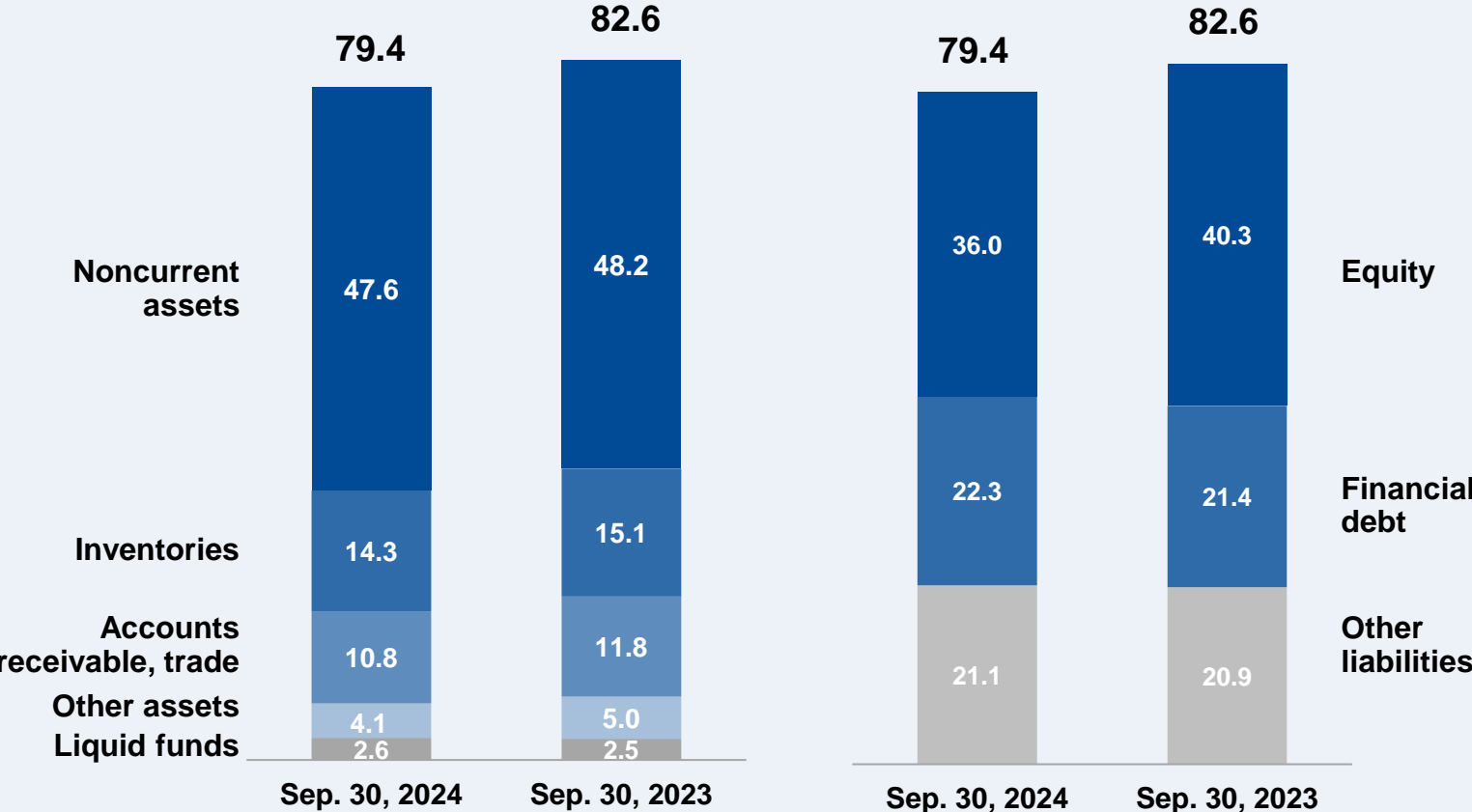
Q3 2024 vs. Q3 2023

- **Cash flows from operating activities** decreased by €0.6 billion to €2.1 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 €0.3 billion to €1.5 billion, mainly due to the construction of the Verbund site in South China
- **Free cash flow** amounted to €0.6 billion compared with €1.5 billion in Q3 2023

Strong balance sheet

Balance sheet September 30, 2024, vs. September 30, 2023

Billion €

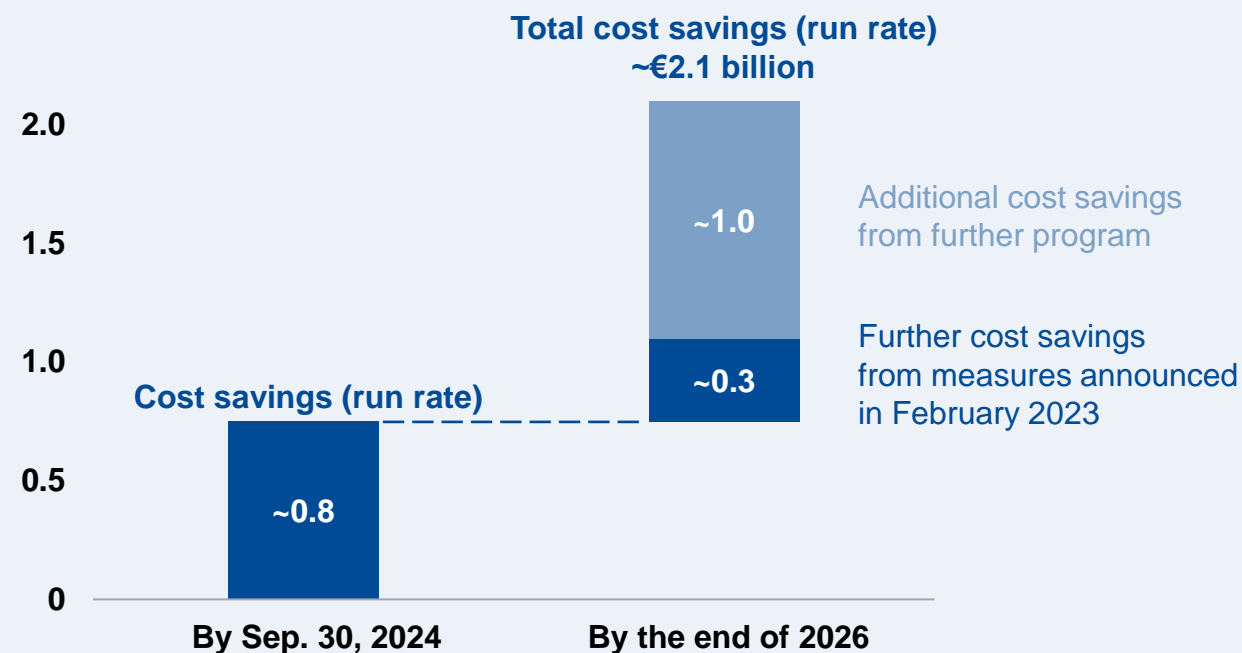


- **Total assets decreased by €3.2 billion to €79.4 billion,** mainly due to lower current assets
- **Net debt amounted to €19.7 billion** compared with €18.9 billion at the end of September 2023
- **Equity ratio: 45.4%** (Sep. 30, 2023: 48.8%)
- BASF has **good credit ratings,¹** especially compared 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 are on track to deliver targeted ~€2.1 billion total cost savings by the end of 2026

Billion €



■ Expected annual cost savings from measures announced in February 2023¹

■ Expected annual cost savings from further program in Ludwigshafen

¹ The figures include the cost savings program in non-production units with focus on Europe, measures in the Global Business Services and Global Digital Services units outside of Europe and the cost savings related to the adaptation of production structures at Ludwigshafen Verbund site.

- Implementation of the cost savings programs announced in February 2023 in full swing
- Identification of cost savings measures related to further program with focus on Ludwigshafen announced in February 2024 almost completed; swift implementation in preparation
- By the end of 2024, we now expect to achieve total annual cost savings of more than €800 million
- Total one-time costs of €1.8 billion, of which ~€0.5 billion incurred by September 30, 2024

New publication date for audited BASF Report 2024 due to extended sustainability reporting requirements¹



Full-year results 2024
February 28, 2025
(PDF, short online report)

Short unaudited online report

- Full-year results for all most important financial and non-financial KPIs
- BASF Group's Business Year 2024
- Segments
- Outlook 2025
- Statement of Income, Balance Sheet, Statement of Cash Flows



Annual Report 2024
March 21, 2025
(PDF, full online report)

Audited annual report

- Integrated report with all legally required financial and ESG information
- Published as clickable PDF and online report
- No print version

Outlook 2024 for BASF Group

Outlook 2024

EBITDA before special items

€8.0 billion – €8.6 billion¹

Free cash flow

€0.1 billion – €0.6 billion

CO₂ emissions

16.7 million – 17.7 million metric tons

¹ BASF expects to reach the low end of the EBITDA before special items forecast range for the full year 2024

Underlying assumptions

+2.3%

Growth in gross domestic product

+2.2%

Growth in industrial production

+2.7%

Growth in chemical production

\$1.10 per euro

Average euro/dollar exchange rate

\$80 per barrel

Average annual oil price (Brent crude)





We create chemistry

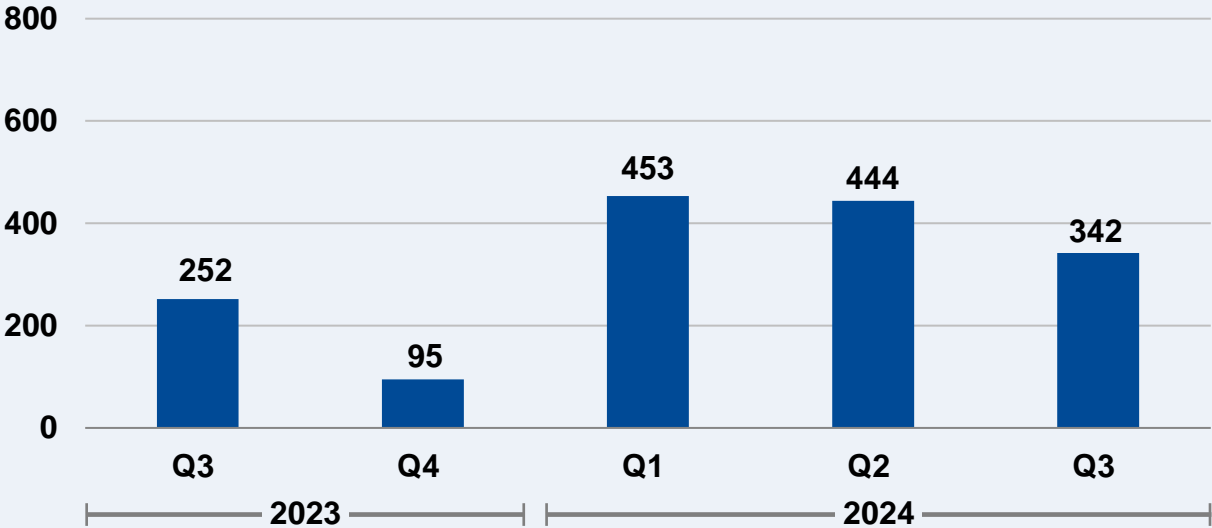
BASF Group Q3 2024 and Q1–Q3 2024: Financial figures

Financial figures	Q3 2024	Change	Q1–Q3 2024	Change
	Million €	%	Million €	%
Sales	15,739	0.0	49,403	-6.8
EBITDA before special items	1,622	5.0	6,291	-1.0
EBITDA	1,277	-6.3	5,494	-9.6
EBIT before special items	635	10.3	3,357	-4.4
EBIT	250	-36.5	2,455	-24.1
Net income from shareholdings	428	.	697	.
Net income	287	.	2,084	15.0

Chemicals

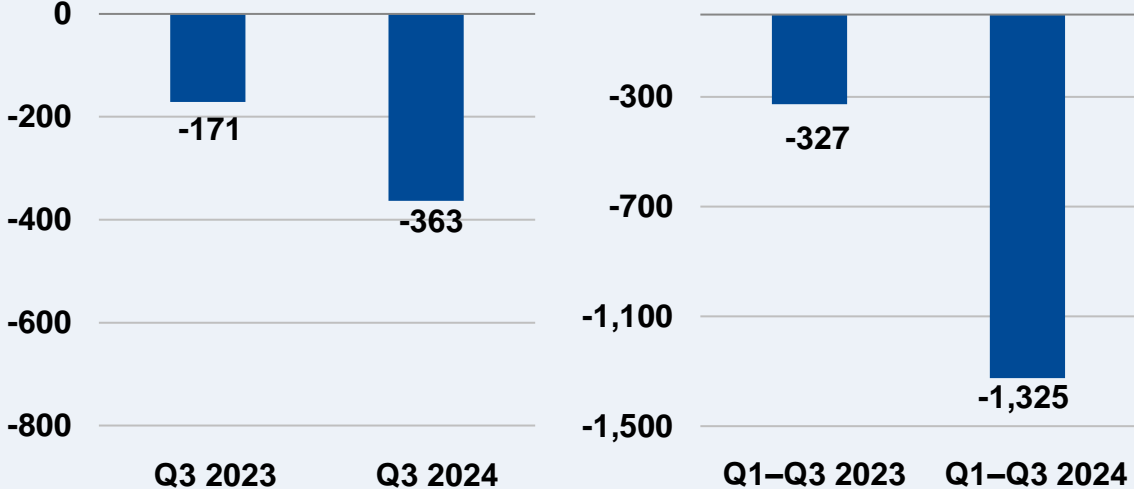
EBITDA before special items

Million €



Segment cash flow

Million €



Sales development

Q3 2024 vs. Q3 2023

Total

↑ 11.7%

Volumes

↑ 10.1%

Prices

↑ 2.5%

Currencies

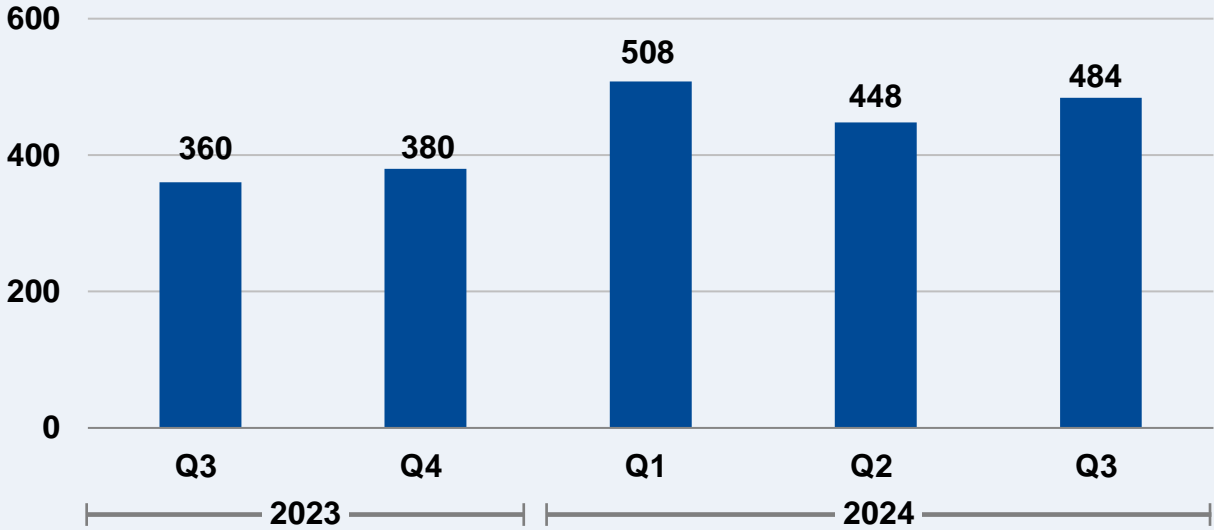
↓ -0.9%

Portfolio

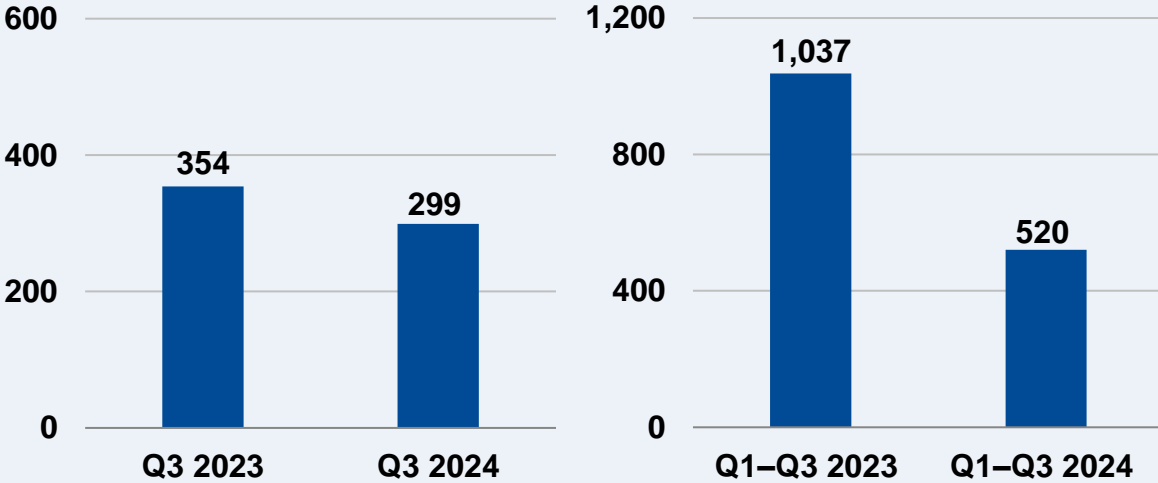
–

Materials

EBITDA before special items
Million €



Segment cash flow
Million €



Sales development

Q3 2024 vs. Q3 2023

Total

↑ 1.9%

Volumes

↑ 3.5%

Prices

↓ -0.5%

Currencies

↓ -1.0%

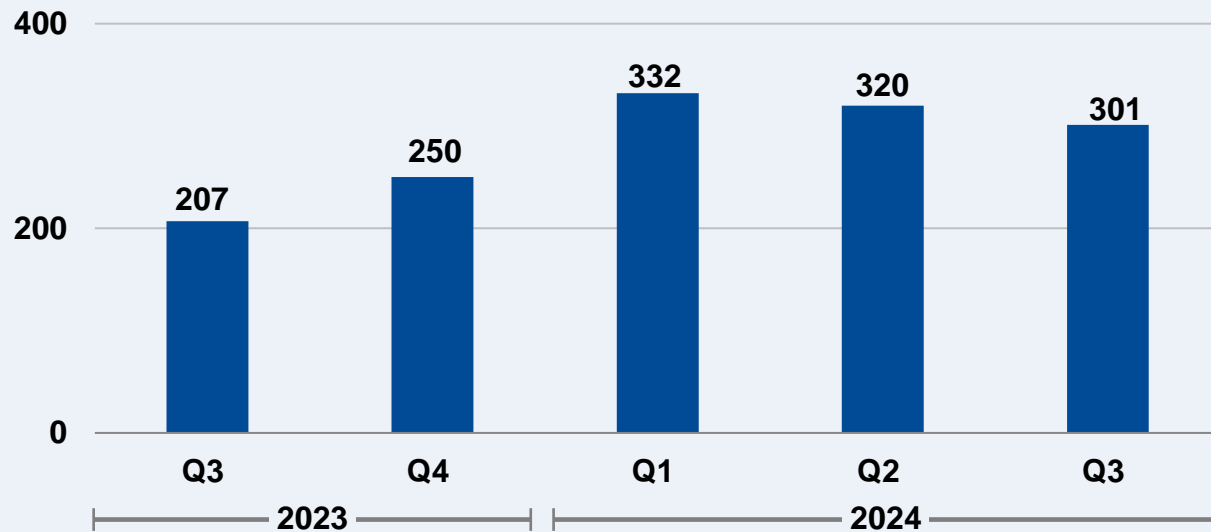
Portfolio

↓ -0.1%

Industrial Solutions

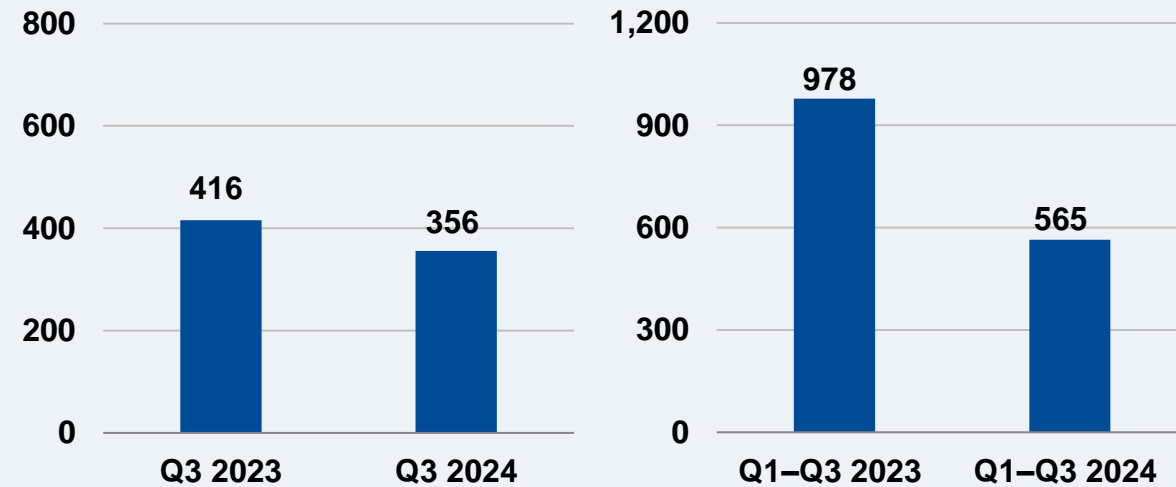
EBITDA before special items

Million €



Segment cash flow

Million €



Sales development

Q3 2024 vs. Q3 2023

Total

↑ 7.4%

Volumes

↑ 9.1%

Prices

↓ -0.9%

Currencies

↓ -0.8%

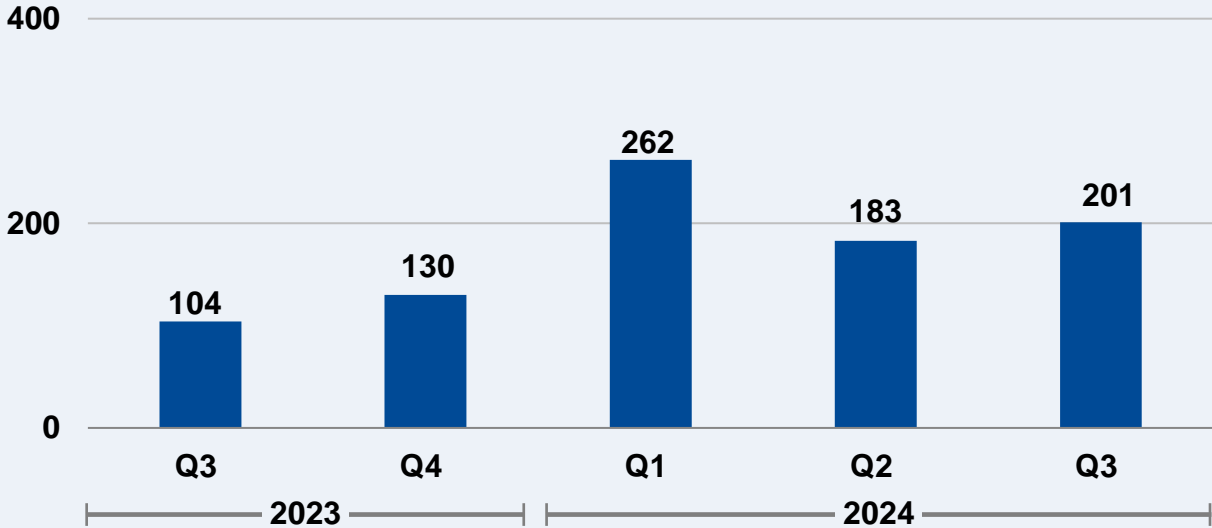
Portfolio

–

Nutrition & Care

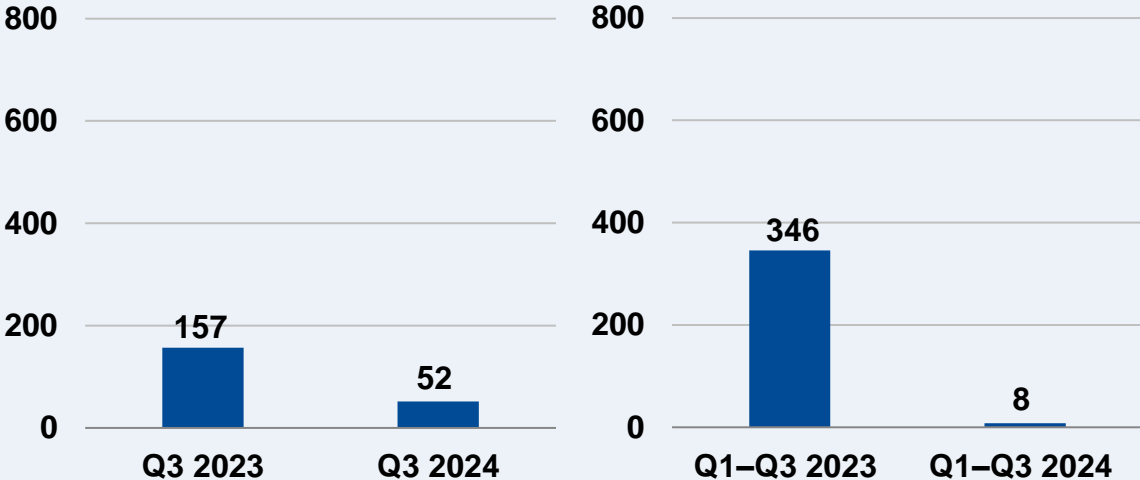
EBITDA before special items

Million €



Segment cash flow

Million €



Sales development

Q3 2024 vs. Q3 2023

Total

↑ 1.3%

Volumes

↑ 6.0%

Prices

↓ -2.3%

Currencies

↓ -2.2%

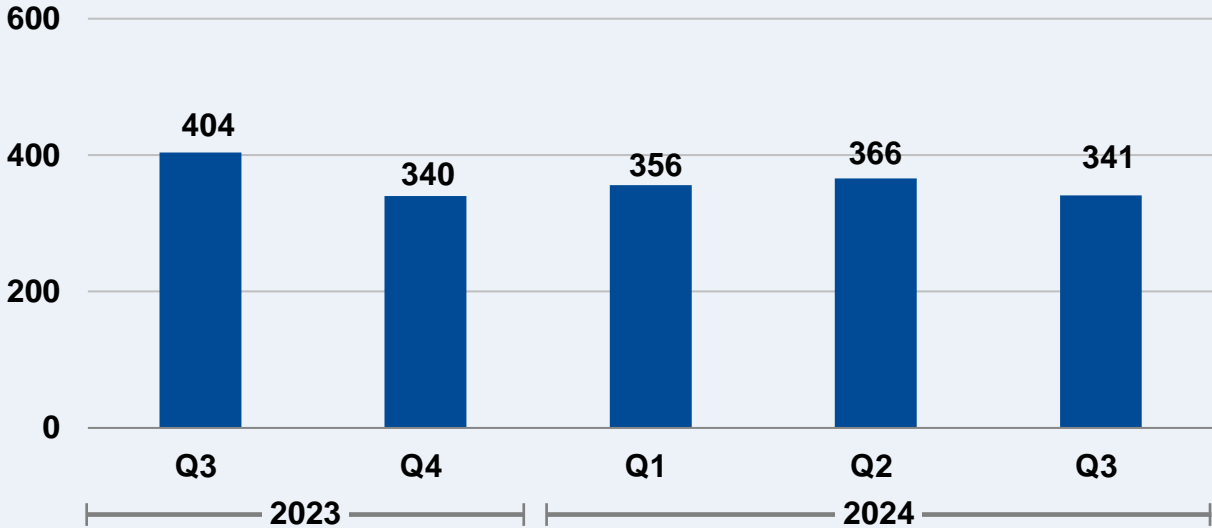
Portfolio

↓ -0.2%

Surface Technologies

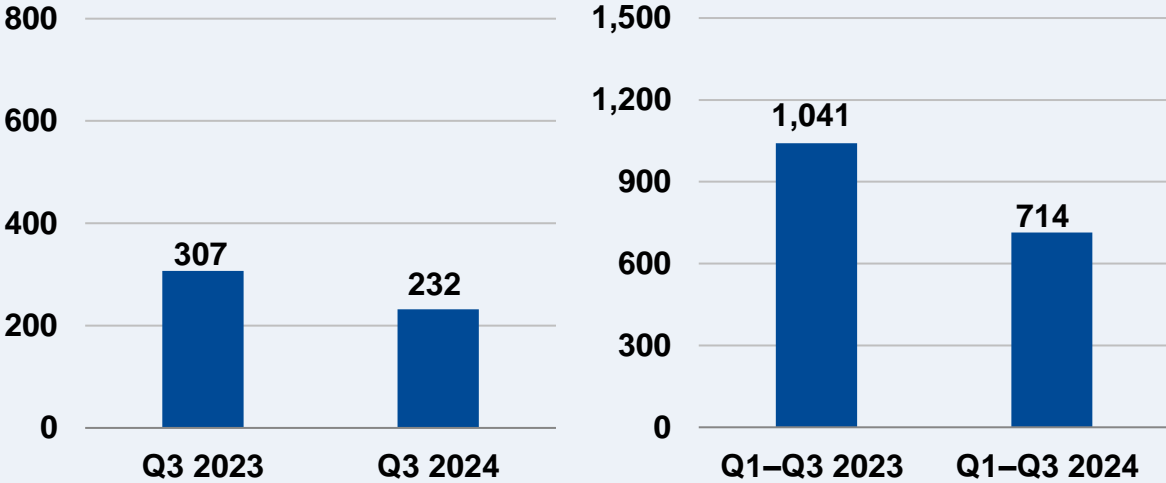
EBITDA before special items

Million €



Segment cash flow

Million €



Sales development

Q3 2024 vs. Q3 2023

Total

↓ -19.4%

Volumes

↓ -6.7%

Prices

↓ -10.6%

Currencies

↓ -2.0%

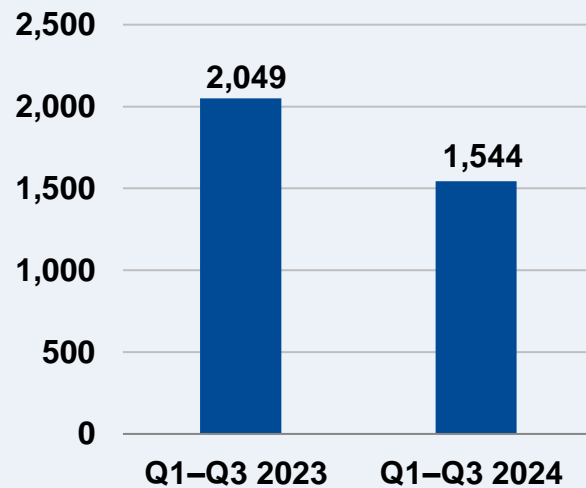
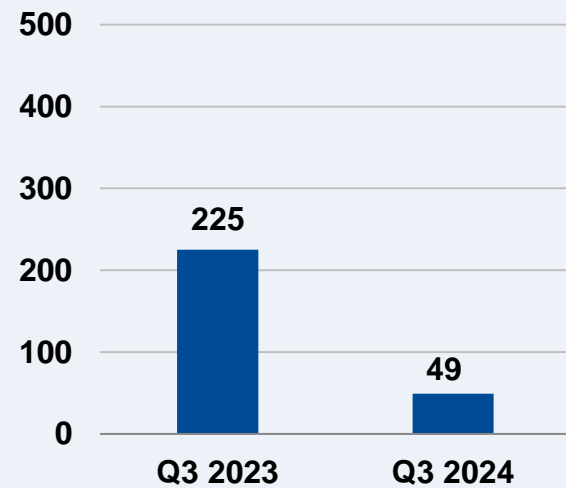
Portfolio

↓ -0.1%

Agricultural Solutions

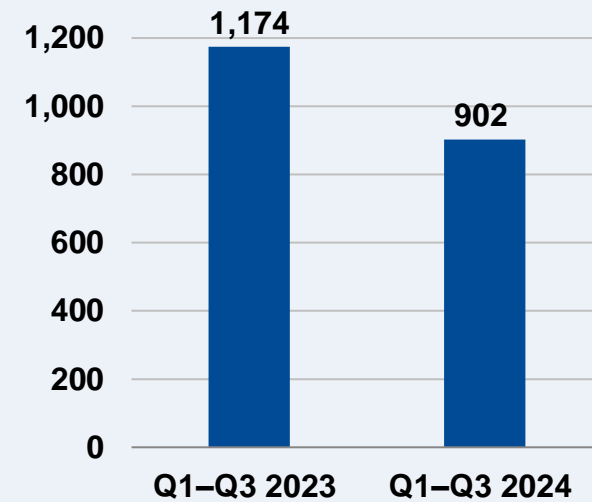
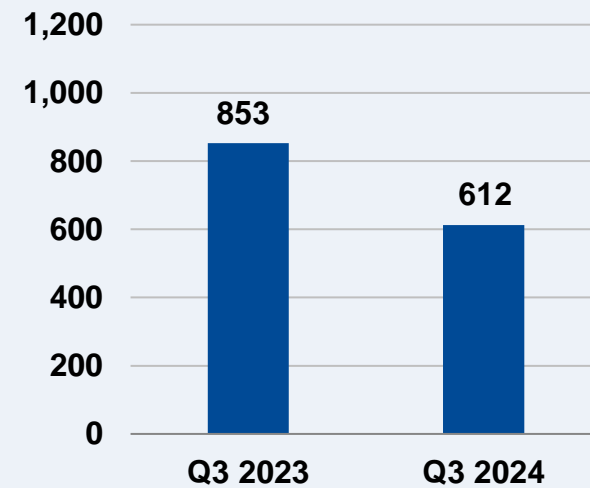
EBITDA before special items

Million €



Segment cash flow

Million €



Sales development

Q3 2024 vs. Q3 2023

Total

↑ 6.0%

Volumes

↑ 24.9%

Prices

↓ -6.2%

Currencies

↓ -12.7%

Portfolio

–

Review of “Other”

Financial figures		Q3 2024	Q3 2023
		Million €	Million €
Sales		829	689
EBITDA before special items		-96	-8
of which	Costs of corporate research	-56	-64
	Costs of corporate headquarters	-55	-54
	Foreign currency results, hedging and other measurement effects	-26	-3
	Other businesses	41	29
Special items		-27	-37
EBITDA		-124	-45