



We create chemistry

Analyst Conference Call Q1 2022

April 29, 2022



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 those discussed in Opportunities and Risks on pages 151 to 160 of the BASF Report 2021. BASF does not assume any obligation to update the forward-looking statements contained in this presentation above and beyond the legal requirements.

Snapshot of the current market environment

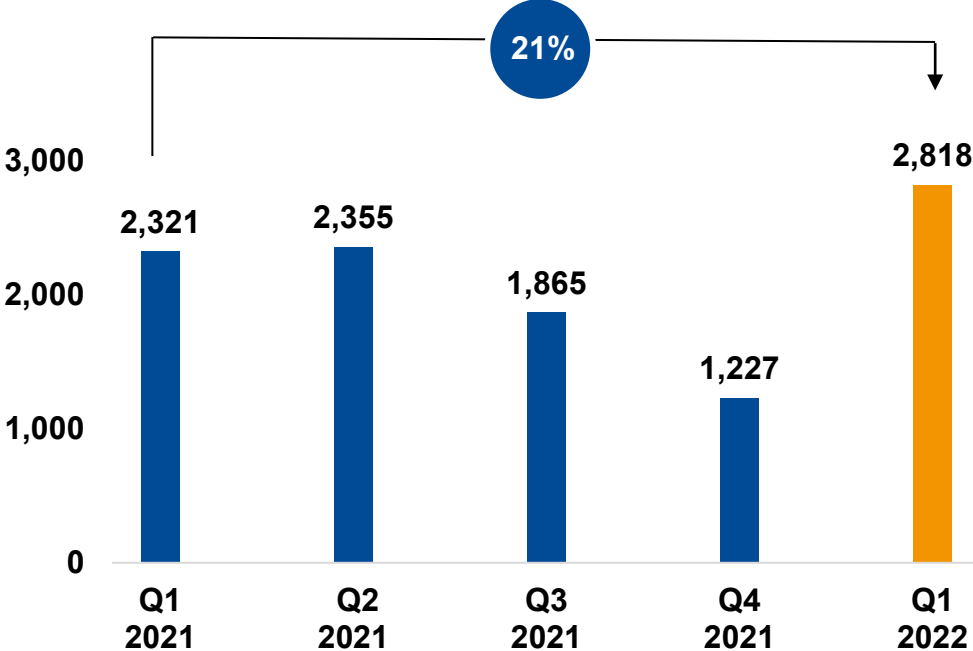
- Macroeconomic environment is characterized by a high degree of uncertainty
- Industries, customers and consumers are facing an increasingly inflationary environment:
 - Drastically higher energy, industrial raw materials and logistics costs
 - Food prices are increasing globally due to loss of agricultural exports and fertilizers from Ukraine and Russia
- China's economic growth is softening, especially due to the zero-COVID strategy
- Semiconductor shortages and now, additionally, the shortage of wire harnesses limit automotive production



Q1 2022: BASF achieves strong EBIT before special items despite significantly higher energy and raw materials prices

- In Q1 2022, EBIT before special items increased by around €500 million compared with Q1 2021 and amounted to €2.8 billion
- All segments increased earnings, except for Surface Technologies, where shortages continued to limit global automotive production
- All segments achieved price and volume growth, except for Surface Technologies
- Nutrition & Care and Agricultural Solutions considerably increased prices and volumes and thus improved earnings
- BASF's current order book looks solid, except for the automotive industry and China

EBIT before special items
Million €



Impact of the war in Ukraine on BASF's energy and raw materials supply and its participation in Wintershall Dea

Energy and raw materials supply

- The war in Ukraine has led to drastic price increases for energy and various raw materials
- So far, the supply of BASF's key raw materials is not limited
- To avoid disruptions in the supply of natural gas in Europe, BASF is coordinating closely with suppliers, network operators and government agencies

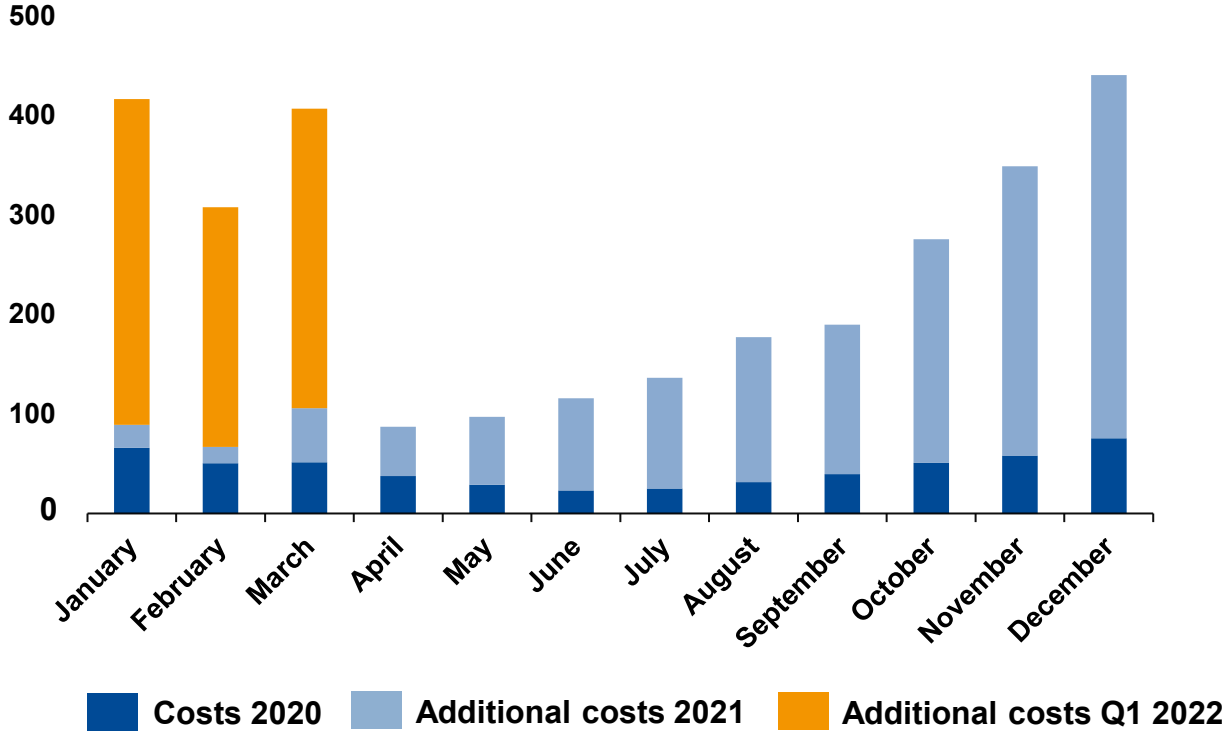
BASF's participation in Wintershall Dea

- Wintershall Dea is neither directly nor indirectly sanctioned; the company complies with all applicable laws and sanctions imposed
- On March 2, 2022, Wintershall Dea decided not to pursue any additional gas and oil production projects in Russia and to stop all planning for new projects; furthermore, the company decided to essentially stop all payments to Russia with immediate effect
- Impairments recognized by Wintershall Dea in Q1 2022 were caused by the war in Ukraine and the related political consequences and concerned, in addition to the Nord Stream 2 loan, assets in Russia and in the gas transportation business



Natural gas prices in Europe rose drastically in Q1 2022

Incremental natural gas spend in Europe
Million €

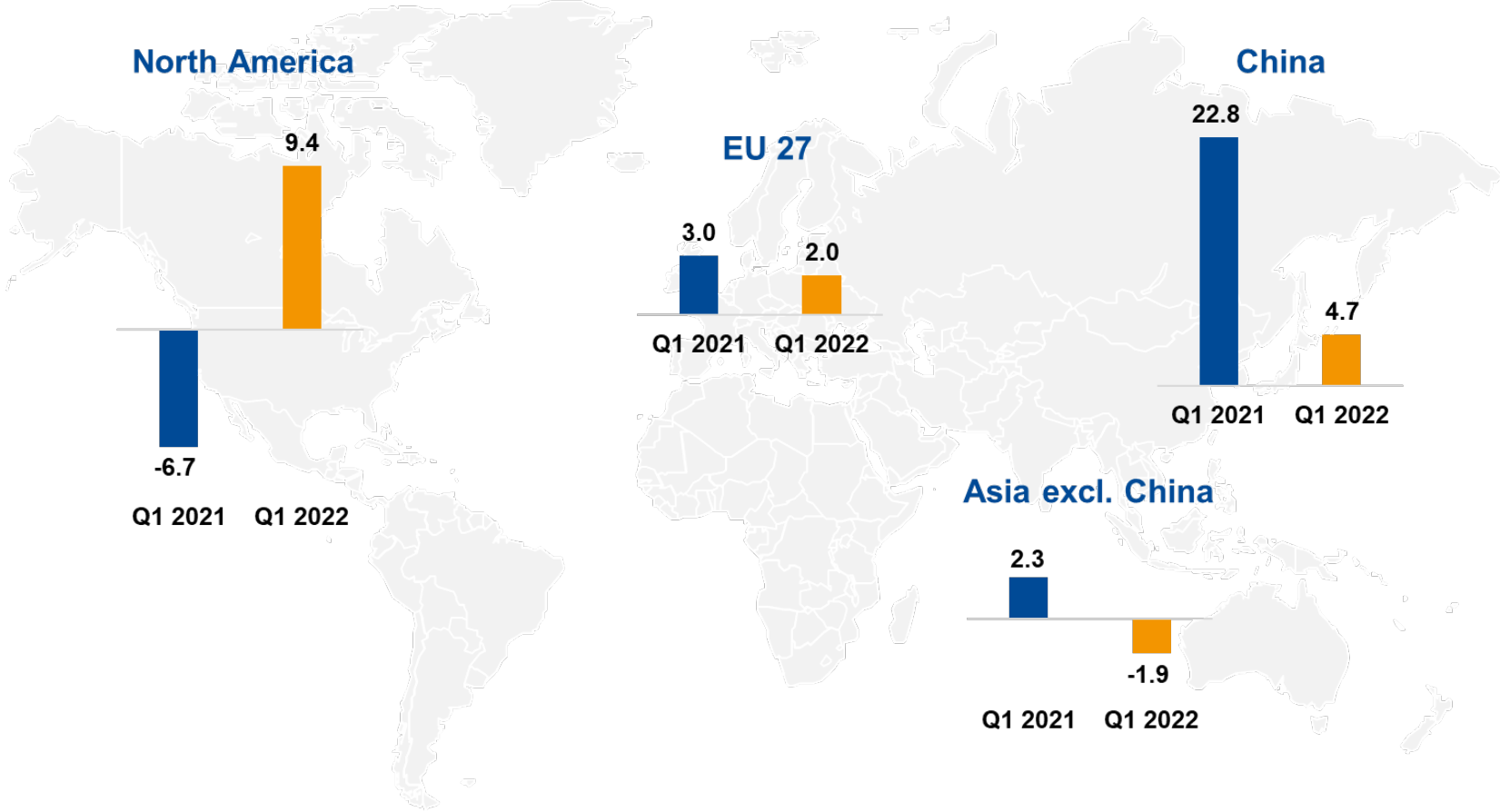


- **Natural gas price burden for European BASF sites**
 - Additional costs of ~€0.9 billion in Q1 2022 compared with Q1 2021
 - Additional costs of ~€1.1 billion in Q1 2022 compared with Q1 2020

- **Mitigation measures**
 - Implementation of considerable sales price increases to pass on higher natural gas prices
 - Where technically feasible, preparations to substitute natural gas are ongoing
 - Proactive scenario development to optimize our production at European sites in the event that Germany is forced to allocate natural gas

Global chemical production increased by 3.7% in Q1 2022

Chemical production Q1 2022 compared with prior-year quarter¹
%



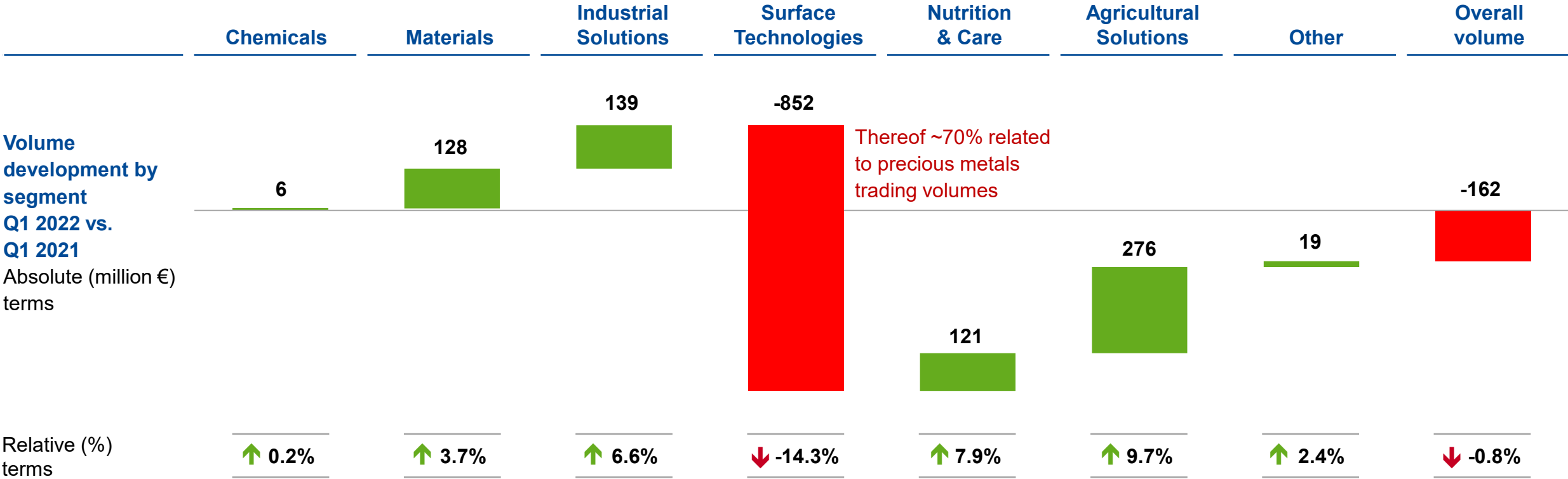
Growth rates
%

	Q1 2022	Q1 2021
Global GDP	4.0%	3.6%
Global industrial production	4.0%	5.1%
Global chemical production	3.7%	11.1%

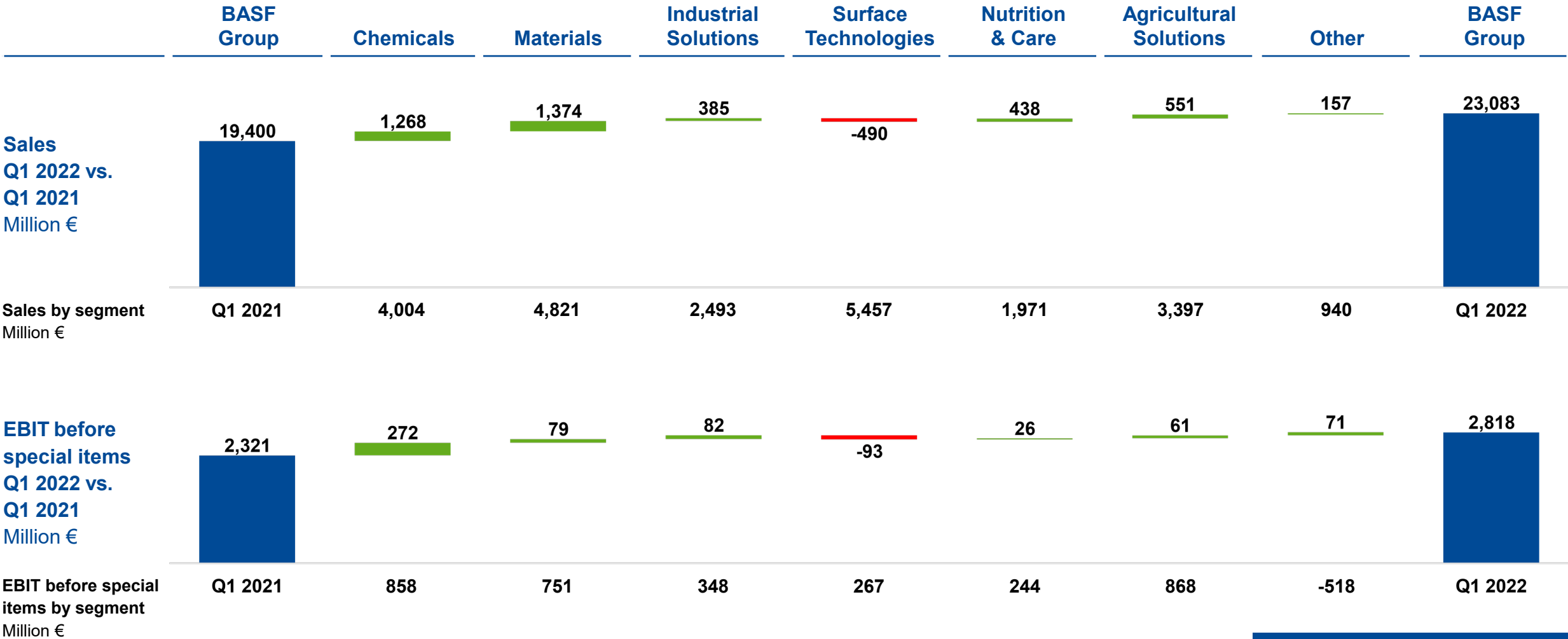
¹ Source: BASF, Q1 2022 partly based on estimates. Data sources: IHS, NBS China, Feri, Fed, Eurostat, METI, ONS. All data subject to statistical revision.



Q1 2022: Volume growth across all segments, except for Surface Technologies due to shortages in automotive industry



Q1 2022: Sales and EBIT before special items increased considerably



BASF Group Q1 2022: Financial figures

Financial figures	Q1 2022	Q1 2021	Change
	Million €	Million €	%
Sales	23,083	19,400	19.0
EBITDA before special items	3,743	3,181	17.7
EBITDA	3,709	3,176	16.8
EBIT before special items	2,818	2,321	21.4
EBIT	2,785	2,311	20.5
Net income from shareholdings	-797	68	.
Net income	1,221	1,718	-28.9
Reported EPS	1.34	1.87	-28.3
Adjusted EPS	2.70	2.00	35.0
Cash flows from operating activities	-290	-525	44.7
Free cash flow	-893	-981	8.9

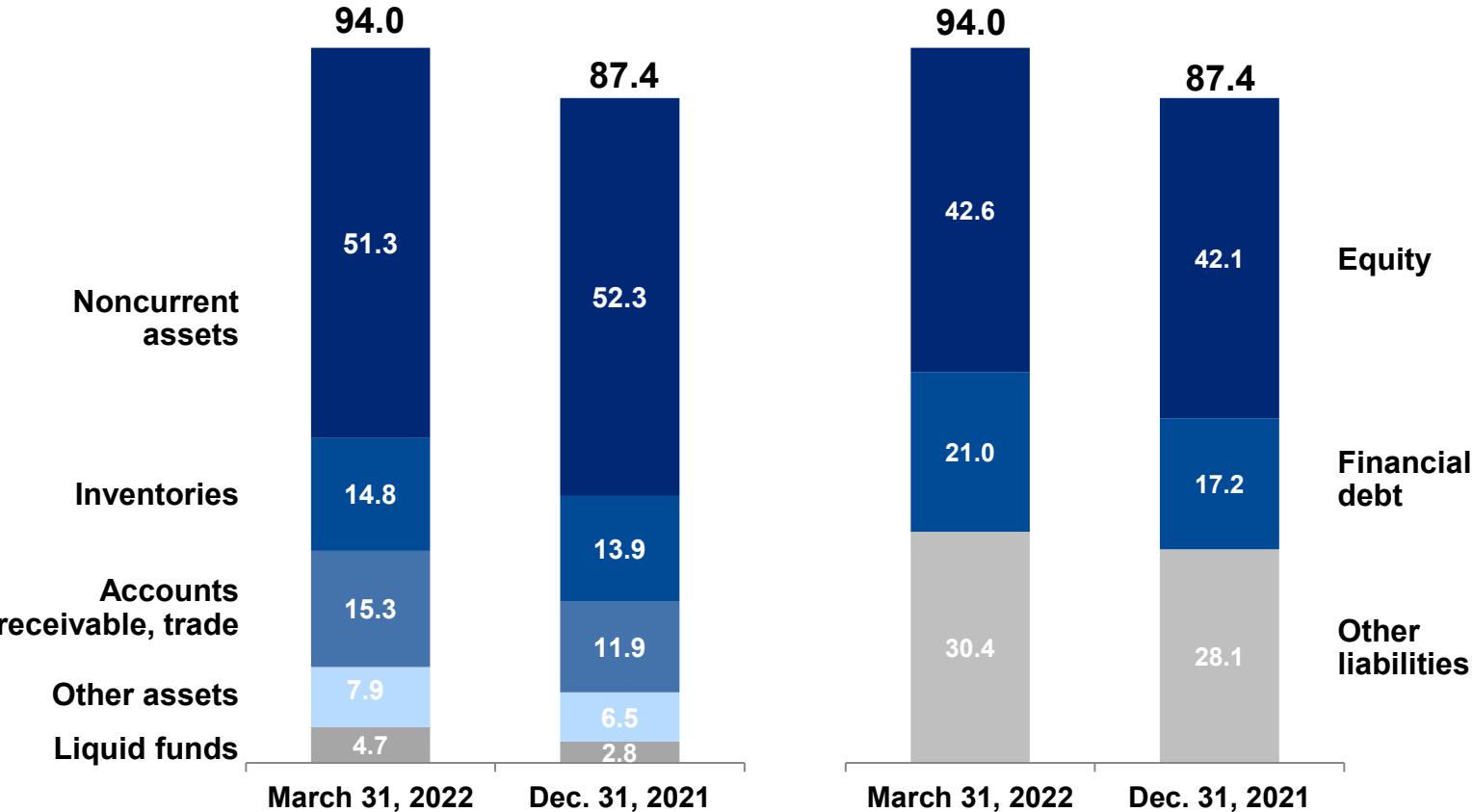
Cash flow development in Q1 2022

		Q1 2022	Q1 2021
		Million €	Million €
Cash flows from operating activities		-290	-525
Thereof	Changes in net working capital ¹	-3,182	-2,773
	Miscellaneous items	746	-335
Cash flows from investing activities		-579	-435
Thereof	Payments made for property, plant and equipment and intangible assets	-603	-456
	Acquisitions / divestitures	10	-7
Cash flows from financing activities		2,685	710
Thereof	Changes in financial and similar liabilities	3,504	717
	Dividends	-	-7
Free cash flow		-893	-981

¹ In order to optimize precious metal stocks, BASF sells precious metals and concurrently enters into agreements to repurchase them at a set price. The cash flows resulting from the sale and repurchase are reported in cash flows from operating activities. Liabilities to repurchase precious metals amounted to €780 million as of March 31, 2022.

Strong balance sheet

Balance sheet March 31, 2022, vs. Dec. 31, 2021
Billion €



- Total assets increased by €6.6 billion to €94.0 billion
- Noncurrent assets amounted to €51.3 billion, a decrease of €1.1 billion
- Current assets increased by €7.7 billion to €42.7 billion, mainly due to higher trade accounts receivable. In addition, cash and cash equivalents, other receivables and miscellaneous assets as well as inventories contributed to the increase
- Net debt increased by €1.9 billion to €16.3 billion
- Equity ratio: 45.3% (Dec. 31, 2021: 48.2%)

Outlook 2022 for BASF Group

Outlook 2022

Sales	€74 billion – €77 billion
EBIT before special items	€6.6 billion – €7.2 billion
ROCE	11.4% – 12.6%
CO ₂ emissions	19.6 – 20.6 million metric tons

Underlying assumptions

- Growth in gross domestic product: 3.8%
- Growth in industrial production: 3.8%
- Growth in chemical production: 3.5%
- Average euro/dollar exchange rate: \$1.15 per euro
- Average annual oil price (Brent crude): \$75 per barrel





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