

# Annual Press Conference 2024

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Ludwigshafen, February 28, 2025

 **BASF**

We create chemistry

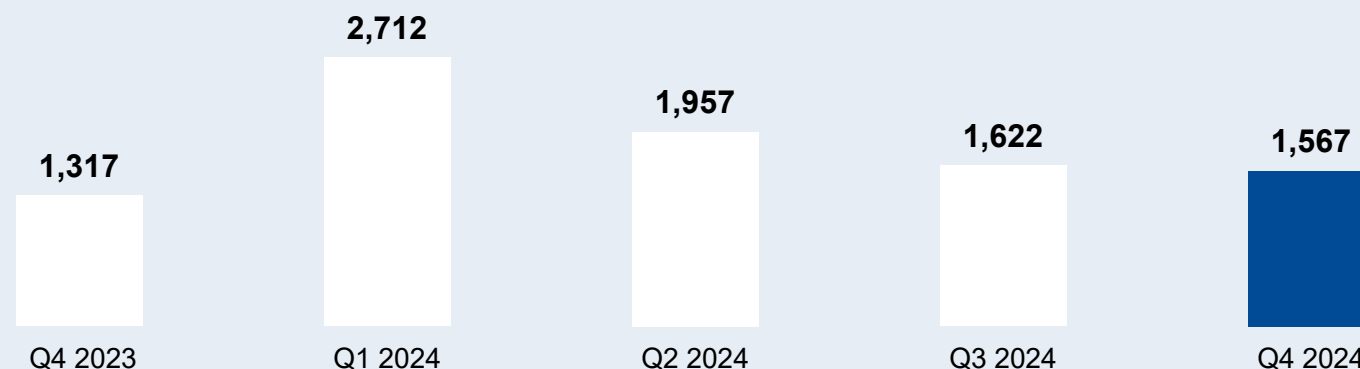


# Q4 2024: EBITDA before special items above prior-year quarter, supported by strong finish in Agricultural Solutions

## Sales development

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

## EBITDA before special items (million €)



<sup>1</sup> 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.

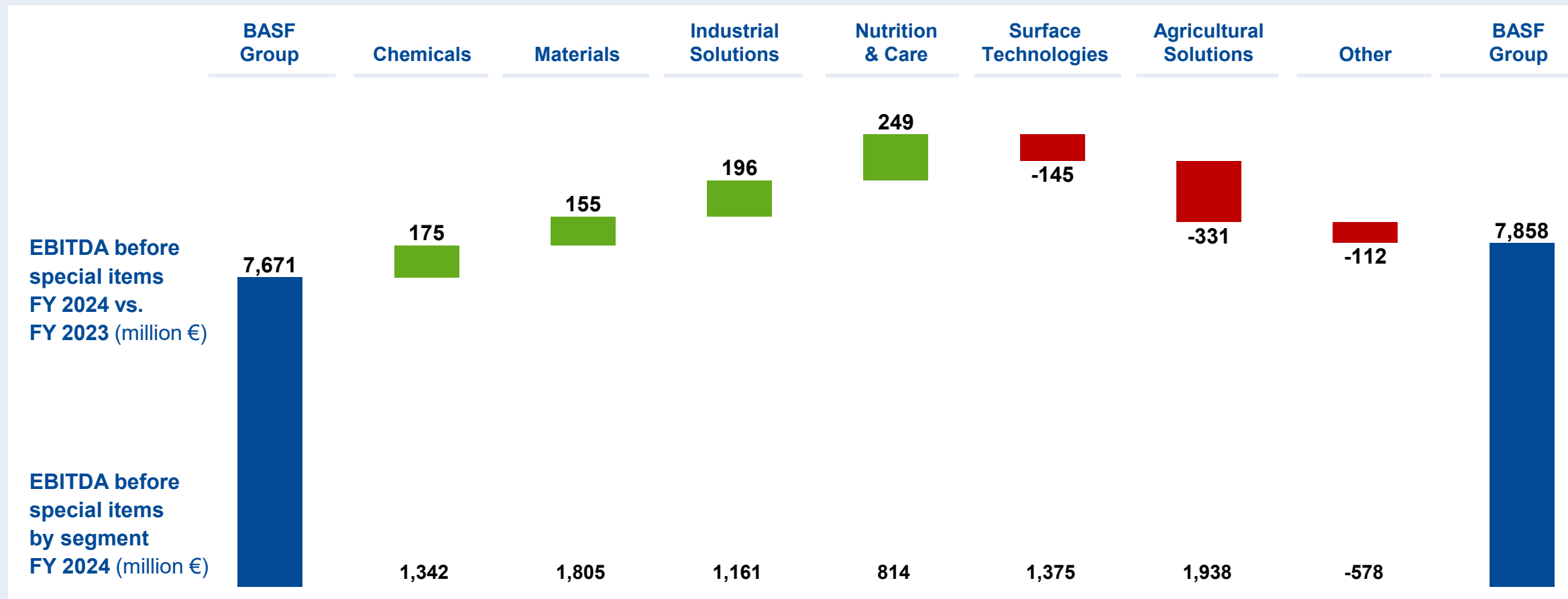
- **Sales stable at €15.9 billion**
- **Volumes** excluding precious and base metals **increased by 3.2%**
- **Prices** excluding precious and base metals **rose by 0.5%**
- **Currency headwinds** dampened sales growth by around **1%**
- **EBITDA before special items increased by 19%**

# Q4 2024 snapshot: Market development and BASF's performance

		Market environment	Volume development	Specific margin
<b>Core businesses</b>	Chemicals	↗	↗	→
	Materials	→	→	↗
	Industrial Solutions	→	→	→
	Nutrition & Care	↗	→	↑
<b>Standalone businesses</b>	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 businesses<sup>1</sup>



<sup>1</sup> 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

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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 bsi<sup>1</sup>

**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**

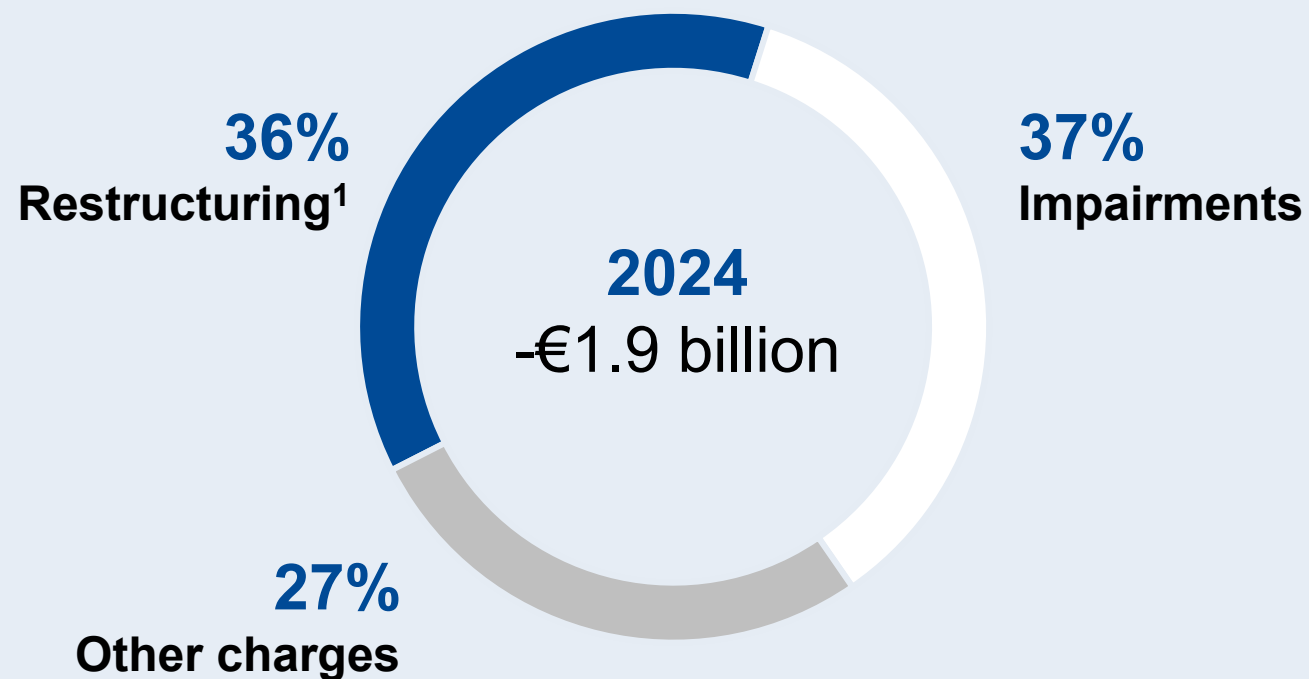
-€1,968m



<sup>1</sup> 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



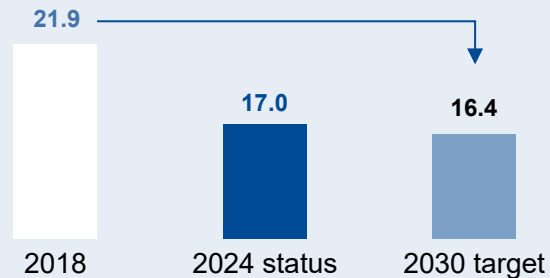
- **Restructuring** costs mainly incurred for cost savings programs and restructuring of glufosinate-ammonium production
- **Impairments** mainly on battery materials assets in the Surface Technologies segment
- **Other charges** especially due to class settlement with U.S. public water systems

<sup>1</sup>Excluding impairments



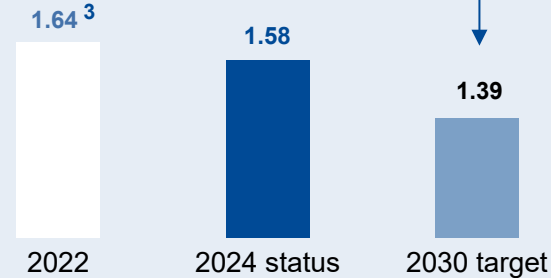
# Progress toward 2030 goals for CO<sub>2</sub> emissions

Million metric tons



Reduce our absolute CO<sub>2</sub> emissions (Scope 1 and 2) by 25% by 2030 (baseline: 2018)<sup>1</sup>

Kilograms of CO<sub>2</sub> per kilogram of raw materials purchased



Reduce our specific CO<sub>2</sub> emissions (Scope 3.1) by 15% by 2030 (baseline: 2022)<sup>2</sup>

↓ Reduction target

<sup>1</sup> 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 CO<sub>2</sub> equivalents (CO<sub>2</sub>e).

<sup>2</sup> 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.

<sup>3</sup> The figure for 2022 was adjusted due to increased data availability.

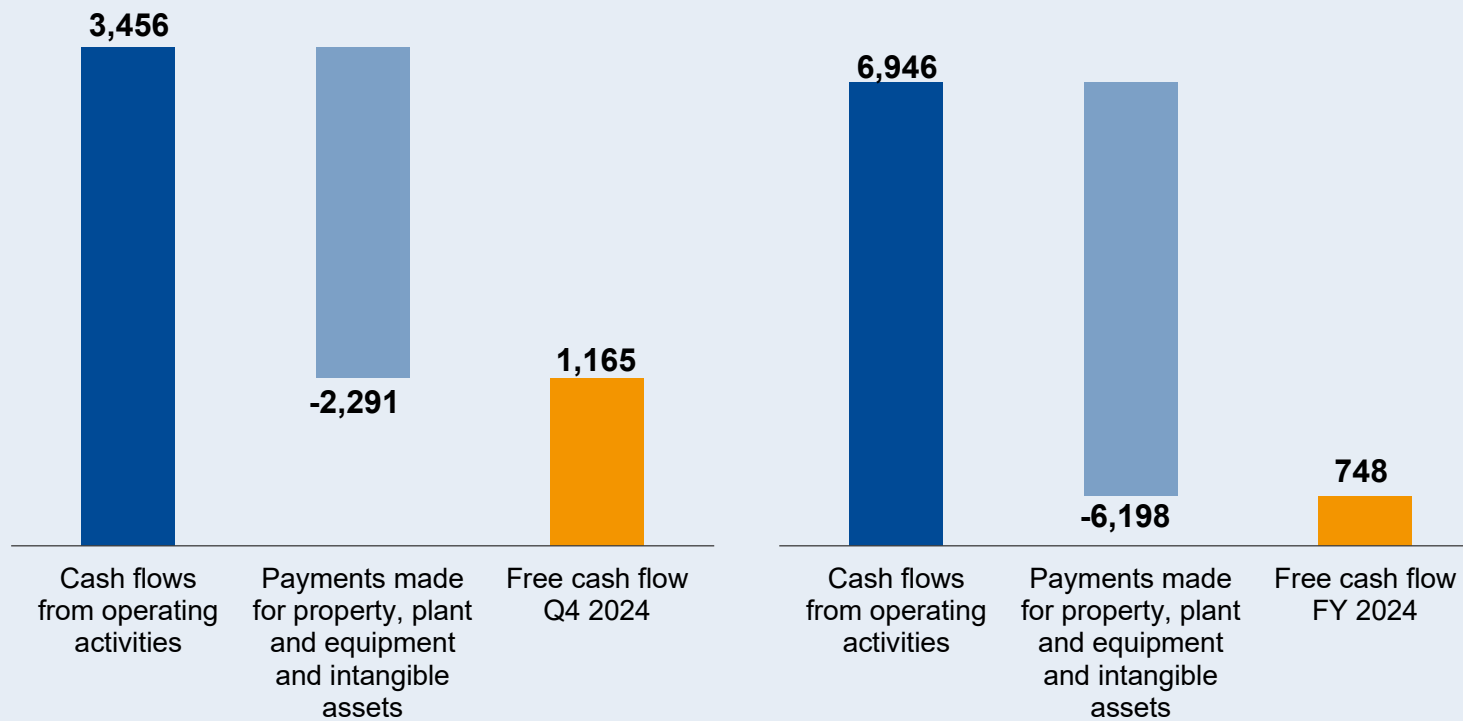
- In 2024, **Scope 1 and 2 emissions** were almost stable compared with 2023 and within the forecast range, despite volume growth
- Progress towards 2030 goal for Scope 1 and 2 driven by **higher share of electricity from renewable sources** (2024: 26%; 2023: 20%)
- **Scope 3.1 emissions** decreased 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

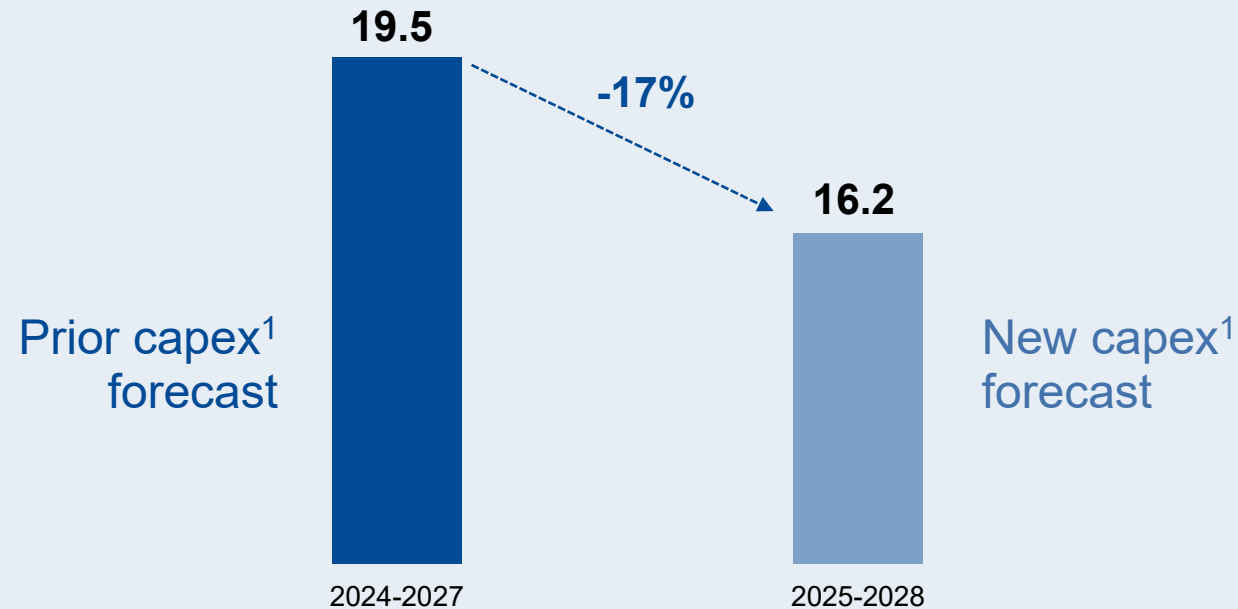
Million €	Dec. 31, 2024	Dec. 31, 2023	Change
<b>Total assets</b>	<b>80,415</b>	<b>77,395</b>	<b>3,020</b>
<i>Noncurrent assets</i>	<i>49,183</i>	<i>45,923</i>	<i>3,260</i>
<i>Current assets</i>	<i>31,232</i>	<i>31,472</i>	<i>-240</i>
<b>Equity</b>	<b>36,884</b>	<b>36,646</b>	<b>238</b>
<b>Equity ratio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

- **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 ratings<sup>1</sup>**, especially compared with competitors

<sup>1</sup> 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 €)



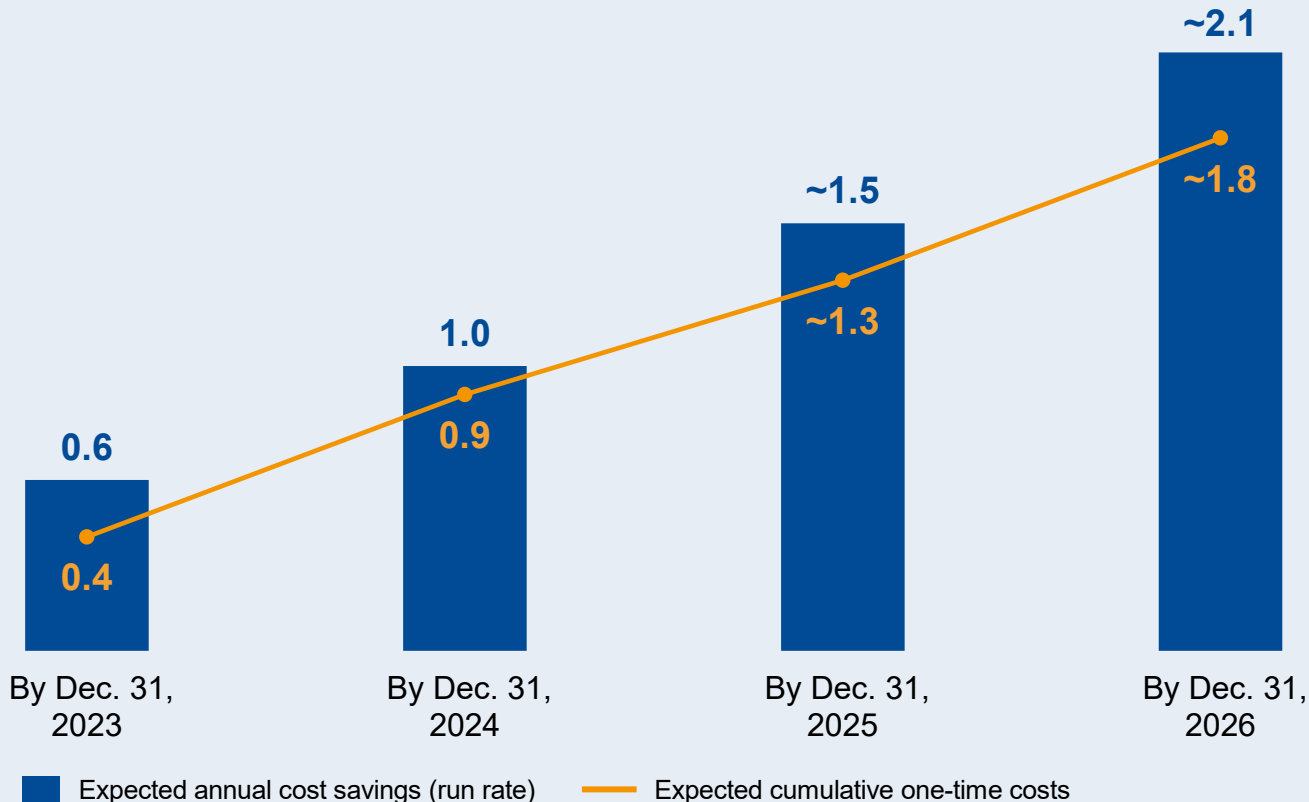
<sup>1</sup> Additions to property, plant and equipment excluding acquisitions, IT investments, restoration obligations and right-of-use assets arising from leases



- **€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 billion<sup>1</sup>**
- **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**

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

## 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**

<sup>1</sup> 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)

<sup>2</sup> 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