

Winning Ways strategy

Capital Market Story

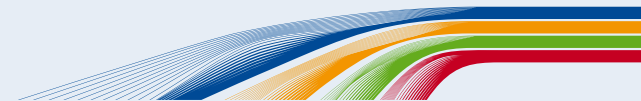


 **BASF**
We create chemistry

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. BASF does not assume any obligation to update the forward-looking statements contained in this presentation above and beyond the legal requirements.

The audited BASF Report 2024 will be published on March 21, 2025. The key financial figures published on February 28, 2025, are therefore to be regarded as preliminary. From today's perspective, no adjustments are expected.



Our ambition: To be the preferred chemical company to enable our customers' green transformation

Strategic levers

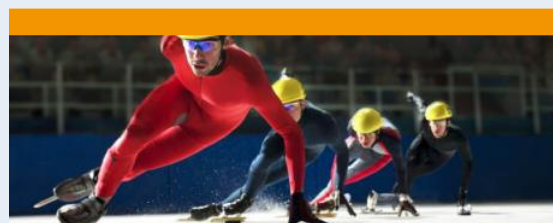


Focus

Strengthen the core and unlock the value of our standalones

Enhance our footprint in high-growth markets

Allocate capital based on clear portfolio roles

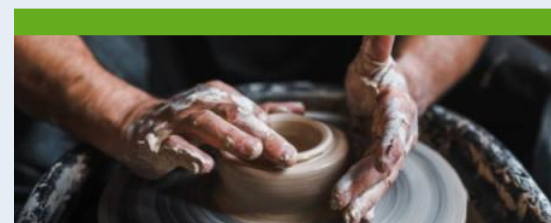


Accelerate

Empower our businesses through streamlined and differentiated group steering

Simplify our organizational structure

Harness AI to advance productivity and accelerate innovation



Transform

Shape value-based transformation toward a sustainable product portfolio

Drive sustainable-future solutions and net-zero measures at scale

Make European operations more competitive



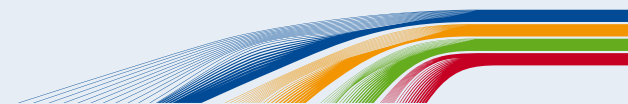
Win

Drive change toward a winning culture

Step up accountability, speed and performance orientation

Foster a mindset of continuous improvement

Delivering profitable growth and value creation



Core and standalone businesses have different value creation levers

Core businesses

Chemicals



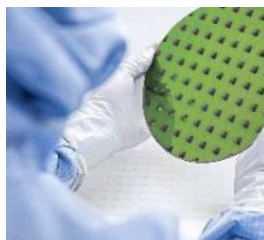
Petrochemicals
Intermediates

Materials



Performance Materials
Monomers

Industrial Solutions



Dispersions & Resins
Performance Chemicals

Nutrition & Care

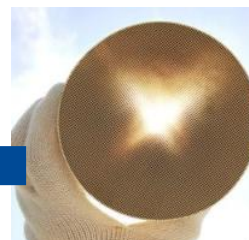


Care Chemicals
Nutrition & Health



Standalone businesses

Surface Technologies



Environmental Catalyst and Metal Solutions



Battery Materials



Coatings

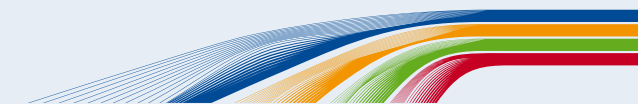
Agricultural Solutions



Agricultural Solutions

Changes as of January 1, 2025:

- Transfer of chemical and refinery catalysts to the **Performance Chemicals** division in the **Industrial Solutions** segment
- New divisions **Environmental Catalyst and Metal Solutions (ECMS)** and **Battery Materials** within **Surface Technologies** segment



We are confident in our strength to win in the market with our core businesses

Core businesses

Chemicals



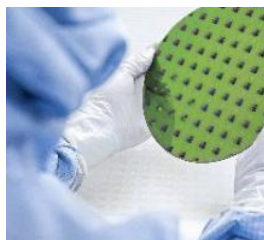
Petrochemicals
Intermediates

Materials



Performance Materials
Monomers

Industrial Solutions



Dispersions & Resins
Performance Chemicals

Nutrition & Care



Care Chemicals
Nutrition & Health

~75% hold one of the top three positions in their respective market

~80% supply industries growing in line with or above global GDP

In 2024, **~€6 billion** in sales with innovative products launched in the past five years

~45% sales of Sustainable-Future Solutions in 2024 to support the sustainability transformation of our customers

Verbund integration of core businesses provides superior cost positions and advantages in the green transformation in all regions

2024¹

Sales²

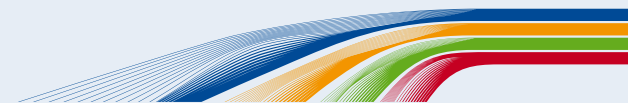
€40.3 billion

EBITDA bsi

€5.4 billion

¹ Only operating divisions, including chemical and refinery catalysts

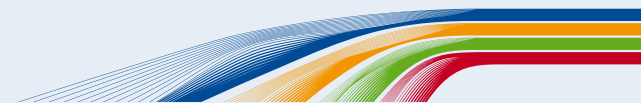
² Sales to third parties





BASF's new Verbund site will be a major cash and earnings contributor

- €10 billion investment in **world-class Verbund site** in Zhanjiang will enhance our **footprint in Asia**
- Expected **sales** of between **€4 billion and €5 billion** and **EBITDA** of between **€1.0 billion and €1.2 billion** by 2030
- Construction is **on schedule and within budget; startup as of H2 2025**; site will be **100% powered by renewable energy**
- **Attractive local financing**: 20% equity from dividends from existing BASF Group companies in China, 80% debt from Chinese capital market and local banks



We will strengthen and profitably grow our core businesses

- Reinforce **leading cost position** in key value chains
- Focus on reliability and product quality through **operational excellence**
- Enable **green transformation** of our customers and further build on our excellent track record in **innovation**
- **Grow organically** and through **value-accretive M&A** with a high strategic fit
- Continuously review portfolio for **pruning options**



Targeted EBITDA bsi
in 2028

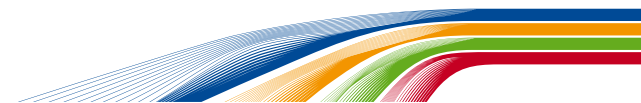
~€7 billion to

~€9 billion

(~9% to ~14% CAGR,
based on 2023)

Assumption:

Mid to upcycle conditions



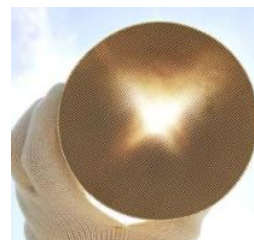
Our standalone businesses serve specific industries and compete with pure-play peers

Standalone businesses

- **Environmental Catalyst and Metal Solutions:** Offers leading mobile emissions catalysts and precious metals trading, recycling, and related products and services
- **Battery Materials:** Comprises high-performance cathode active materials, battery recycling solutions and services for customers in the e-mobility value chain
- **Coatings:** Provides innovative and ecologically viable solutions for the automotive industry, including both the OEM and refinish markets, as well as surface treatment solutions for a variety of markets
- **Agricultural Solutions:** Is a leading player with a comprehensive offer in strategic crop systems, connecting innovation via a well-filled R&D pipeline, sustainability and strong customer orientation

Surface Technologies

Agricultural Solutions



Environmental Catalyst and Metal Solutions



Battery Materials



Coatings



Agricultural Solutions

2024¹

Sales²

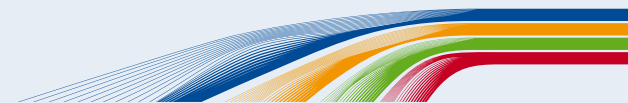
EBITDA bsi

€21.6 billion

€3.0 billion


¹ Only operating divisions, excluding chemical and refinery catalysts

² Sales to third parties

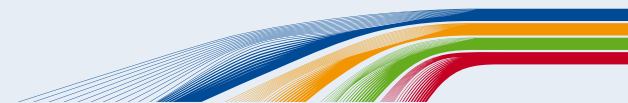


We will continue to invest in our standalone businesses and will pursue portfolio options where this adds value

Standalone businesses

				
	Environmental Catalyst and Metal Solutions	Battery Materials	Coatings	Agricultural Solutions
Sales 2024	€7.0 billion ¹	€0.6 billion	€4.3 billion	€9.8 billion
Position	Well positioned, low-growth industry	Rapid growth, high market and technology risk	Well positioned to command a premium value	Well positioned to command a premium value
Direction of travel	<ul style="list-style-type: none"> Carved out since 2023 Strong cash contributor, open for value-enhancing transaction 	<ul style="list-style-type: none"> De-risk path forward in light of recent market development Explore opportunities for collaborations along the value chain 	<ul style="list-style-type: none"> Market approach regarding remaining coatings activities in Q2 2025 Agreement to sell Brazilian decorative paints business signed in February 2025 	<ul style="list-style-type: none"> Complete legal and ERP separation by 2027 IPO readiness targeted by 2027; potential listing of minority share

¹ Including ~€5.0 billion sales in precious metal services and precious metal sales



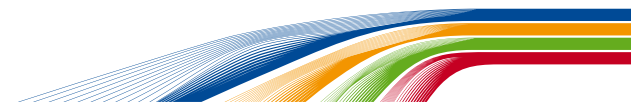
Our standalone businesses will continue to contribute considerably to BASF's earnings

- Capitalize on deep **industry expertise** and leverage **leading market positions**
- Provide more **strategic and operational flexibility** to respond to the specific requirements of customers
- Leverage **differentiated steering approach**, including tailored ERP systems, legal entity setups and adapted governance structures
- Continue to invest in standalone businesses and pursue **portfolio options where this adds value**



Targeted EBITDA bsi
in 2028

**~€3.5 billion to
~€4 billion**



We are shaping the transformation based on and catering to increasing customer demand

Phase 1 Explore and implement quick wins

1

- Implement Scope 2 measures with clear business cases
- Pilot new technologies and launch sustainable products

Phase 2 Focus on market demand

2

- Secure increasing volumes of renewable feedstocks and ramp up volumes of products with sustainable attributes according to customer needs
- Execute Scope 1 measures with clear business cases

Phase 3 Transform asset base based on strategic relevance

3

- Decarbonize existing assets and invest in new competitive technologies in line with customer demand and our net zero target

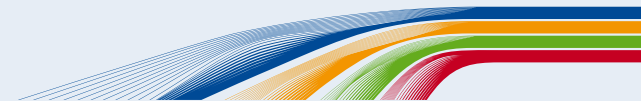
2024

2050

Low

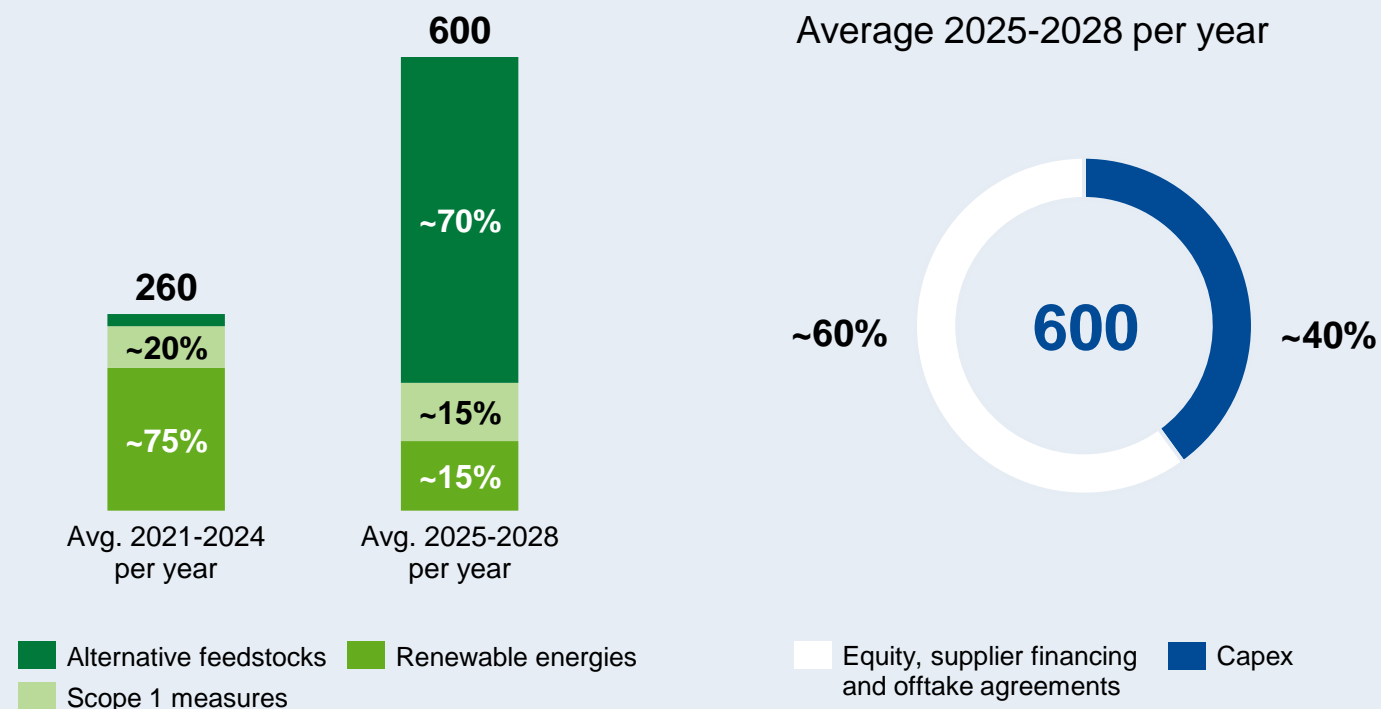
High

Capex and customers' willingness to pay

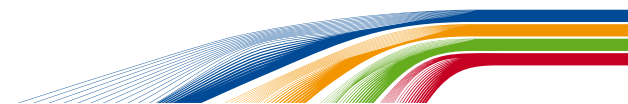


Our phased transformation is also reflected in our spending

Transformation-related spending (million €)



- Transformation-related spending to **average €600 million per year from 2025 to 2028**
 - €225 million per year for capex
 - €375 million per year for equity participations, supplier financing and offtake agreements
- Implementation of sourcing strategy** to manage price and volume volatility risks for renewable feedstocks
- Capex on new technologies** at scale will follow **in line with market demand** and increasingly via partnerships



We are fully committed to our climate protection targets and the transformation of the chemical industry

2030

25%

Scope 1 and Scope 2
CO₂ emission reduction
(compared with 2018)

15%

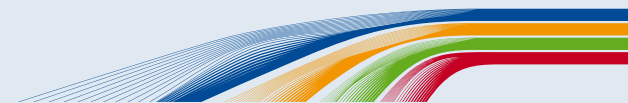
Specific **Scope 3.1**
CO₂ emission reduction
(compared with 2022)¹

2050

Net zero

**Scope 1,
Scope 2 and
Scope 3.1**
CO₂ emissions

¹ Corresponds to a reduction from 1.64 to 1.39 kilograms of CO₂ equivalents per kilogram of raw materials purchased; Scope 3.1, raw materials excluding battery materials, services and technical goods, excluding greenhouse gas emissions from BASF trading business



We create the foundation for attractive shareholder distributions

Corporate financial targets¹

¹ Including Other

Capital allocation framework

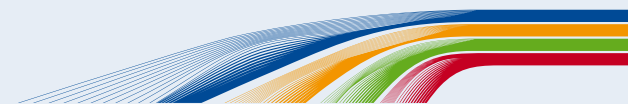
€10bn-€12bn EBITDA before special items 2028	>€12bn Free cash flow, cumul. 2025-2028	~10% ROCE 2028
Maintain financial strength	Grow with high capital efficiency	Sharpen the portfolio



Shareholder distributions via dividends and share buybacks 2025-2028:

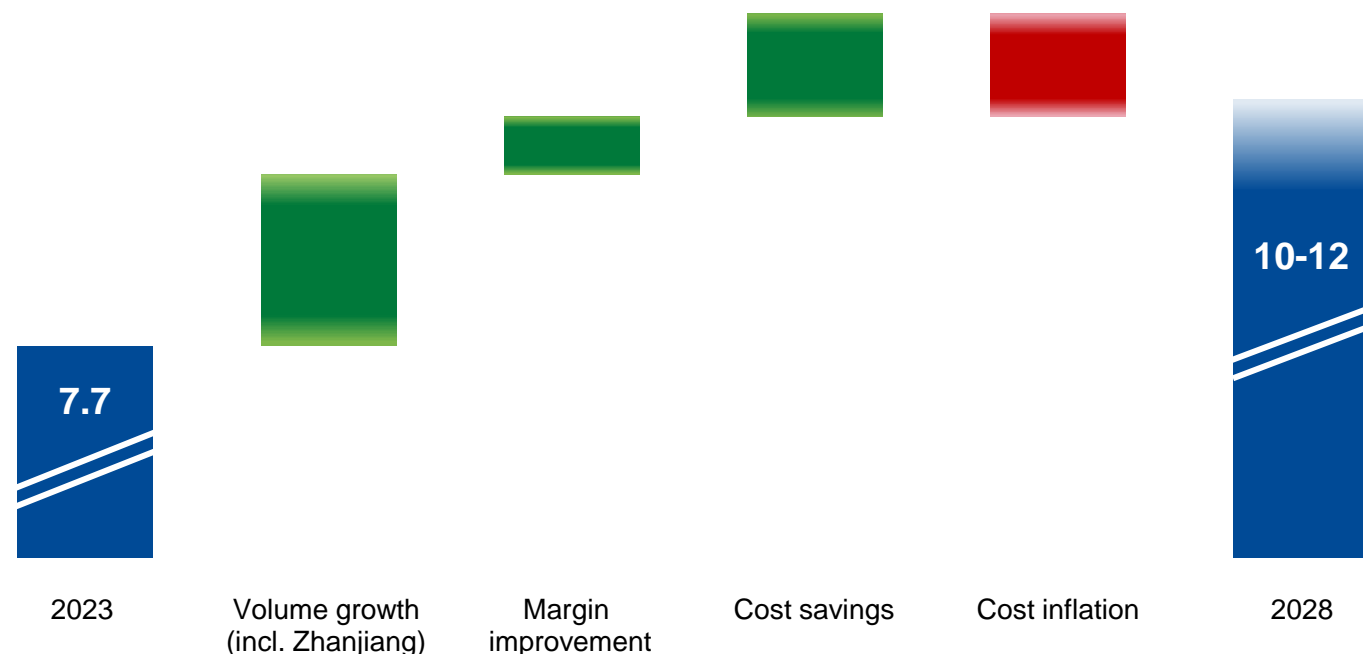


Overall distribution on the level of the last years



We will use all drivers to boost our profitability

EBITDA before special items¹ (billion €)



¹ Including Other

Target 2028:

Core businesses²

~€7bn-~€9bn

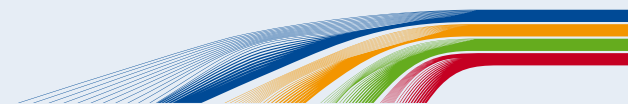
Standalone businesses²

~€3.5bn-~€4bn

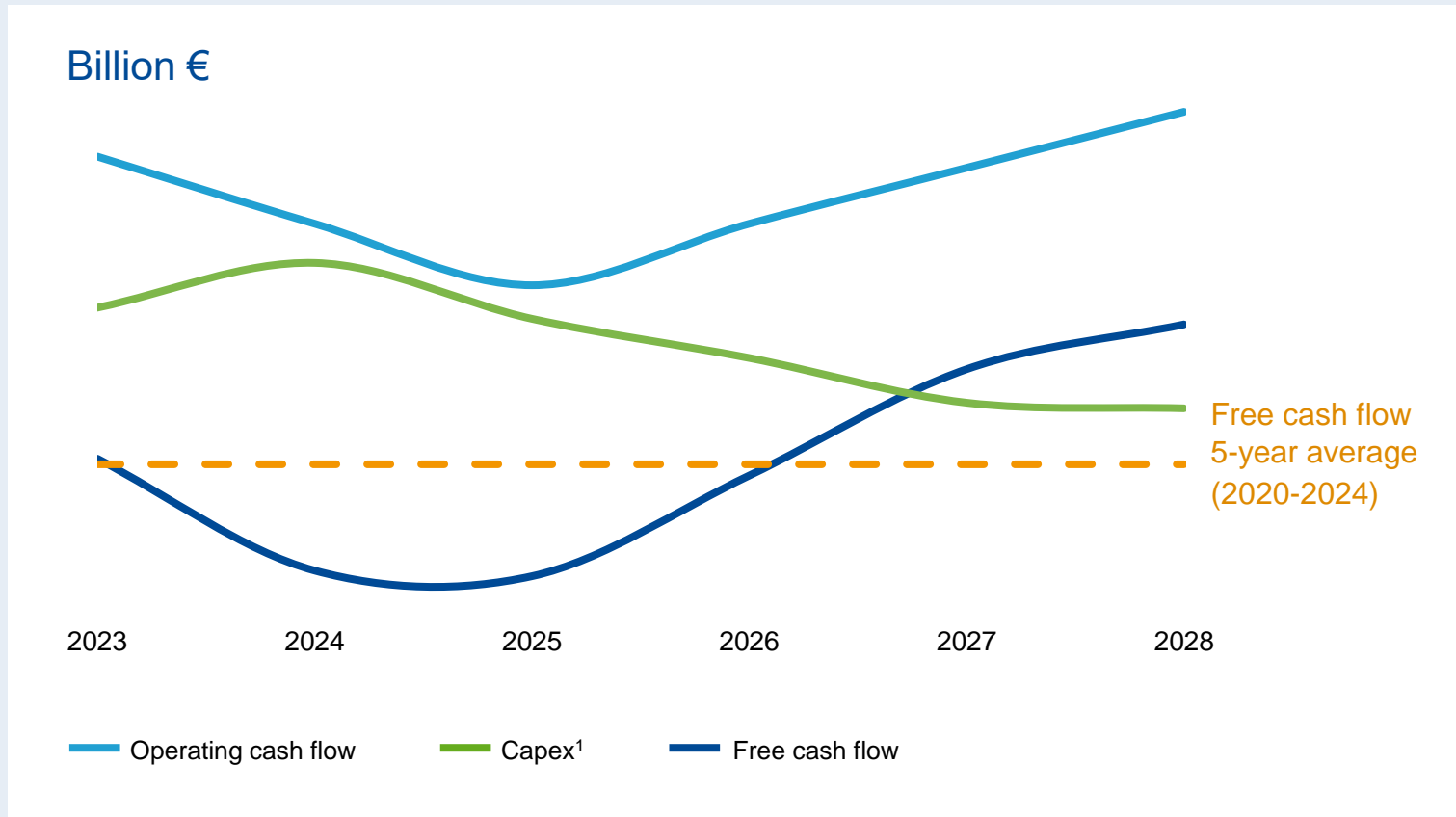
BASF Group CAGR (based on 2023)

~5%-~9%

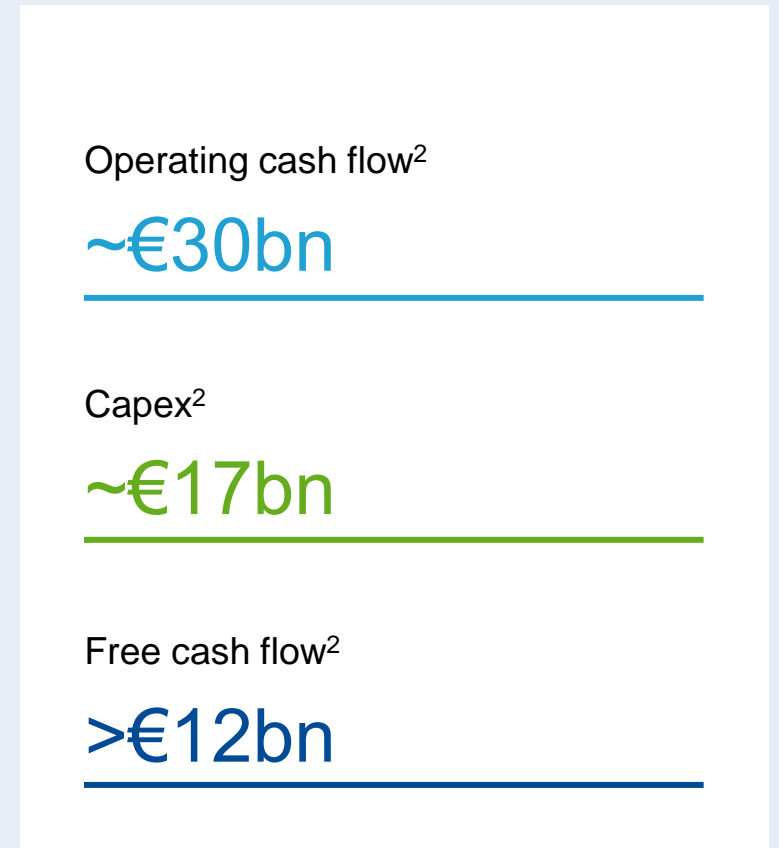
² Excluding negative result of Other



We will regain our free cash flow strength



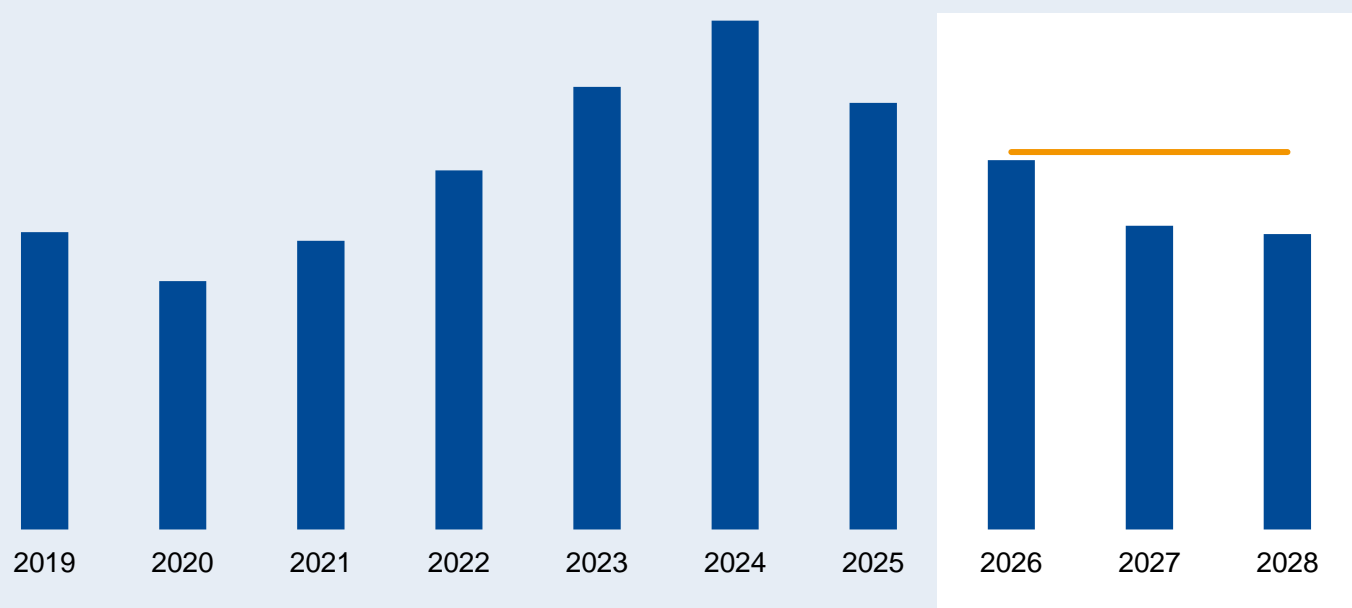
¹ Payments made for property, plant and equipment and intangible assets



² Cumulative 2025–2028

We will bring down capex below depreciation after startup of the Zhanjiang Verbund site

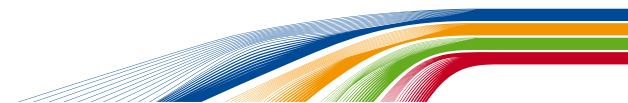
Capex (billion €)



■ Capex: Payments made for property, plant and equipment and intangible assets

— Depreciation level 2026-2028

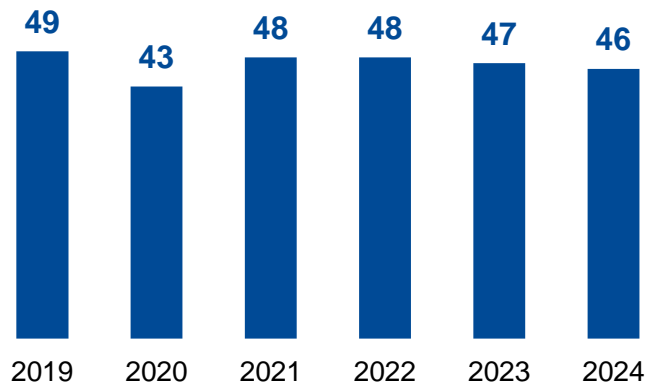
- After peaking in 2024 due to the Zhanjiang Verbund site investment, **capex will:**
 - **decline below the level of depreciation**
 - **return to the level of 2019** despite significant cost inflation
- **Sufficient own capacities** in key markets will **support volume growth without major investments**
- Going forward, **>50% of capex** to be allocated to **growth regions and businesses and the green transformation**



We will maintain our financial strength

High equity ratio

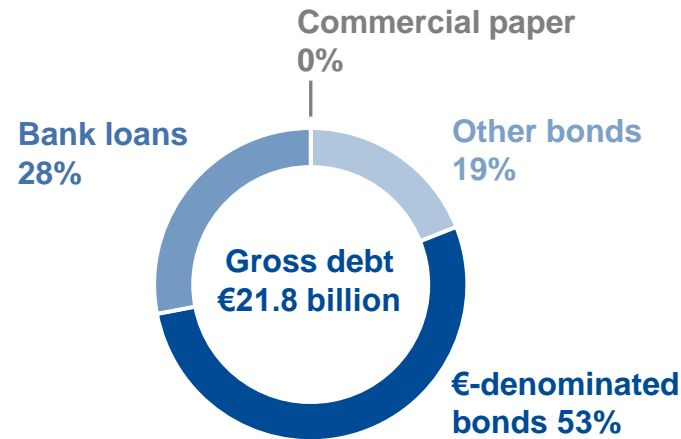
%



- **Strong equity ratio** of ~45%
- **Single A credit rating**, best-in-class in chemical industry (S&P: A-, Moody's: A3, Fitch: A)

Attractive financing

Dec. 31, 2024

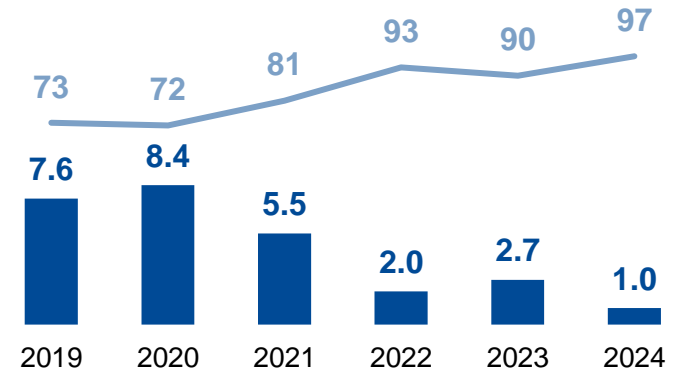


- **Diversified bond portfolio** with favorable financing conditions (average yield 2.2%) and maturity profile (5.1 years)

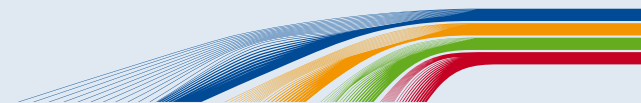
Low net pension obligations

— Funding status (%)

■ Net defined benefit liability (billion €)



- **High funding ratio** of around 97% with reduced volatility
- **Strong asset performance** of ~5% per year on average in last years



We will grow with high capital efficiency

Increase asset utilization

~€300m
EBITDA

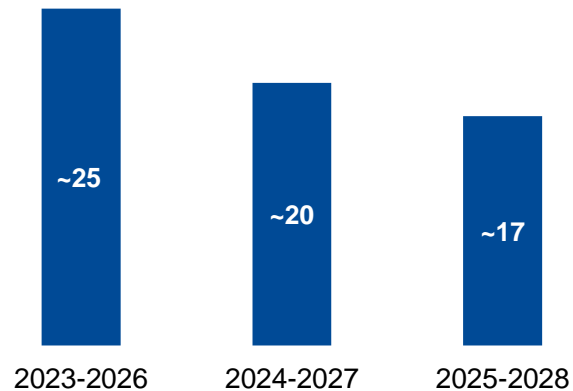


1% point

- **Drive asset utilization** with volume growth in economic recovery

Reduce capex

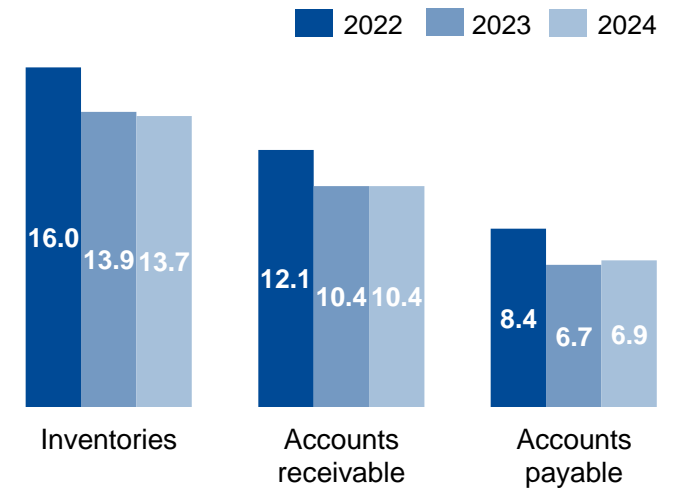
Capex¹ plan (Billion €)



- **Limit capex** below depreciation and allocate to generate highest returns

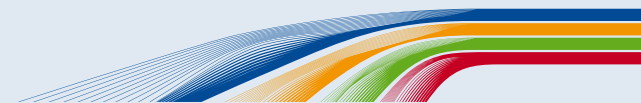
Optimize net working capital

Balance sheet (billion €)



- **Streamline net working capital** by setting cash flow targets per business

¹ Payments made for property, plant and equipment and intangible assets



Reasons to invest in BASF

We are **leading in the chemical industry**, which is **essential for growth industries** worldwide

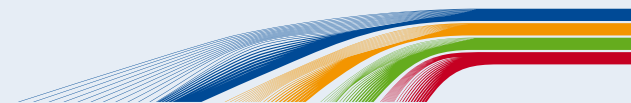
We are committed to **long-term value creation and attractive distributions to shareholders**

We deliver **continuous product and process innovation** for a broad range of customer industries and to increase our own productivity

We are **shaping the transformation to net zero** and **enable the green transformation of our customers**

We focus on **local production for local markets** and benefit from **leading market positions** in the majority of our businesses

We have the **right team and a winning culture** to deliver superior value creation



 **BASF**

We create chemistry