News Release

P196/25e
October 2, 2025

BASF presents progress on “Winning Ways” strategy

- **Financial targets 2028 and disciplined approach to capital allocation confirmed**
- **Update on portfolio measures in standalone businesses**
- **Emphasis on integrated value chains as key advantage in core businesses**

One year after the announcement of its “Winning Ways” strategy, BASF today confirmed its 2028 financial targets and provided an update on its standalone and core businesses as part of a Capital Market Update in Antwerp, Belgium. “The last 12 months have shown that we are focusing on the right topics with our new strategy. We are making good progress in terms of execution, and we are confident in achieving our financial targets for 2028,” said Dr. Markus Kamieth, Chairman of the Board of Executive Directors of BASF SE, during his keynote. “Our focus on portfolio steering, capital allocation and performance culture will position BASF well for future profitable growth.”

In his presentation, Kamieth gave insights into developments in the company’s four **standalone businesses**:

- BASF plans to keep **Environmental Catalyst and Metal Solutions (ECMS)** for longer as it considers itself to be the best owner to operate this business, which generated sales of €7.0 billion in 2024. The business, which was carved out in 2023, is expected to generate cumulative cash flows of around €4 billion between 2024 and 2030.

Corporate Media Relations
Jens Fey
Phone: +49 621 60-99123
jens.fey@basf.com

Investor Relations
Dr. Stefanie Wettberg
Phone: +49 621 60-48002
stefanie.wettberg@basf.com

BASF SE
67056 Ludwigshafen, Germany
www.basf.com
presse.kontakt@basf.com

- In the **Battery Materials** division, which had sales of €0.6 billion in 2024, BASF has significantly reduced fixed costs and capital expenditures, and agreements have been signed with key customers like CATL to fill existing capacities. BASF is also exploring collaboration opportunities along the value chain.

- In the **Coatings** division, the sale of the Brazilian decorative paints business to Sherwin-Williams for a purchase price of $1.15 billion on a cash and debt-free basis was closed effective October 1, 2025. In Q2 2025, BASF approached the market to explore strategic options for the automotive OEM coatings, automotive refinish coatings and surface treatment businesses, which generated sales of €3.8 billion in 2024. A decision is expected in Q4 2025.

- BASF is targeting IPO readiness in 2027 for a minority share listing of its **Agricultural Solutions** division, which generated sales of €9.8 billion in 2024. The company is currently making good progress on executing the legal entity separation and implementing an industry-specific ERP system.

BASF remains committed to attractive shareholder distributions based on achieving the corporate financial targets it announced in September 2024: EBITDA before special items of €10 billion to €12 billion in 2028 assuming mid to upcycle conditions, cumulative free cash flow of more than €12 billion for 2025 to 2028, and return on capital employed (ROCE) of around 10% in 2028. The company confirmed an annual dividend of at least €2.25 per share between 2025 and 2028, totaling around €8 billion over the period. During its Capital Markets Day in September 2024, BASF also committed to repurchasing shares for at least €4 billion between 2027 and 2028. The company now indicated that it may start earlier with its share buyback program, depending on the Coatings transaction.

“Our successful portfolio measures will enable us to strengthen our balance sheet and potentially accelerate share buybacks,” said BASF’s Chief Financial Officer Dr. Dirk Elvermann. “We have already received proceeds from the divestments of the decorative paints business and the food and health performance ingredients business. We will continue to capture value from oil and gas assets and are exploring strategic options for our Coatings activities. Furthermore, we are preparing for a partial IPO of our Agricultural Solutions business.”

The company is taking a disciplined approach to capital allocation: BASF has reduced its expected payments for property, plant and equipment and intangible assets between 2025 and 2028 from around €17 billion to €16 billion. The new Zhanjiang Verbund site in southern China is on schedule and below budget, with total capital expenditures between 2019 and 2028 reduced by €1.3 billion to approximately €8.7 billion. Most plants are expected to start up by the end of 2025.

In the mid to long term, the Zhanjiang Verbund site will play a key role in strengthening BASF's **core businesses**, which Kamieth focused on in the closing section of his presentation. In 2024, these core businesses, which comprise the four segments Chemicals, Materials, Industrial Solutions, and Nutrition & Care, generated sales of €40.3 billion. From upstream to downstream, the core businesses are deeply integrated into long and multiple-step value chains such as ethylene oxide or polyurethanes. BASF is able to sell products at every step in the value chain, leveraging strong market positions based on local-for-local production.

"This integration and the application of various technologies provide BASF with advantages in terms of cost position, competitiveness and favorable product carbon footprints," said Kamieth. In selected value chains, BASF is addressing performance gaps by closing unprofitable plants, starting up competitive new operations and exploring strategic options. These measures are expected to lift earnings in the core businesses by around €400 million by 2028.

Further information

A live webcast of the keynote and the subsequent Q&A session will be offered from 9:00 a.m. CEST onwards at www.basf.com/capital-market-update-2025. Replays of the presentations on the polyurethanes and the ethylene oxide value chains will be available after the event on October 2, 2025. All presentations will be available for download shortly before the sessions begin.

About BASF

At BASF, we create chemistry for a sustainable future. Our ambition: We want to be the preferred chemical company to enable our customers' green transformation. 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, as core businesses, the segments Chemicals, Materials, Industrial Solutions, and Nutrition & Care; our standalone businesses are bundled in the segments Surface Technologies and Agricultural Solutions. BASF generated sales of €65.3 billion in 2024. 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.

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.