

Reporting Factsheet Q4/FY 2020

BASF Group (million €)	Q4 2020 ²	Q4 2019 ²	Change (%)	FY 2020	FY 2019	Change (%)
Sales	15,905	14,686	8	59,149	59,316	0
EBITDA ¹	1,952	1,610	21	6,494	8,185	-21
EBITDA before special items ¹	2,085	1,817	15	7,435	8,324	-11
Depreciation and amortization ³	1,020	1,031	-1	6,685	3,984	68
EBIT ¹	932	579	61	-191	4,201	.
Special items	-181	-263	31	-3,751	-442	.
EBIT before special items ¹	1,113	842	32	3,560	4,643	-23
Net income from shareholdings ¹	94	-152	.	-909	-194	.
Financial result	-79	-151	48	-462	-705	34
Income before income taxes	947	276	243	-1,562	3,302	.
Income after taxes from continuing operations	713	223	220	-1,471	2,546	.
Income after taxes from discontinued operations	347	-36	.	396	5,945	-93
Net income	1,055	150	.	-1,060	8,421	.
Earnings per share (€)	1.15	0.16	.	-1.15	9.17	.
Adjusted earnings per share (€)	1.10	0.64	72	3.21	4.00	-20
Dividend per share (€)	-	-	-	3.30	3.30	0
Research and development expenses	594	605	-2	2,086	2,158	-3
Personnel expenses	2,481	2,572	-4	10,576	10,924	-3
Number of employees (end of period)	110,302	117,628	-6	110,302	117,628	-6
Total assets (end of period)	80,292	86,950	-8	80,292	86,950	-8
Investments including acquisitions ⁴	1,268	1,304	-3	4,869	4,097	19
ROCE (%)	-	-	-	1.7	7.7	-
Equity ratio (end of period, %)	42.8	48.7	-	42.8	48.7	-
Net debt (end of period)	14,677	15,506	-5	14,677	15,506	-5
Cash flows from operating activities	2,101	3,157	-33	5,413	7,474	-28
Free cash flow	1,003	1,981	-49	2,284	3,650	-37

¹ The 2019 figures have been restated to reflect the reclassification of income from non-integral companies accounted for using the equity method to net income from shareholdings

² Quarterly figures not audited

³ Depreciation and amortization of property, plant and equipment and intangible assets (including impairments and reversals of impairments)

⁴ Additions to property, plant and equipment and intangible assets

Factors influencing sales (changes in %)	Sales		Volumes		Prices		Portfolio		Currencies	
	Q4 2020	FY 2020	Q4 2020	FY 2020	Q4 2020	FY 2020	Q4 2020	FY 2020	Q4 2020	FY 2020
Chemicals	-10	-15	4	0	-9	-13	0	0	-5	-2
Petrochemicals	-14	-19	2	0	-12	-17	0	0	-4	-2
Intermediates	0	-8	7	1	-3	-7	0	0	-4	-2
Materials	14	-6	10	-5	3	-5	6	6	-5	-2
Performance Materials	12	-7	12	-6	-2	-4	7	5	-5	-2
Monomers	17	-6	8	-4	8	-7	6	7	-5	-2
Industrial Solutions	-3	-9	7	-2	-5	-4	-1	-1	-4	-2
Dispersions & Pigments	1	-6	11	0	-6	-5	0	0	-4	-1
Performance Chemicals	-8	-14	2	-5	-4	-3	-1	-4	-5	-2
Surface Technologies	40	27	12	-1	37	32	0	0	-9	-4
Catalysts	57	44	16	5	50	43	0	0	-9	-4
Coatings	-6	-18	0	-14	2	1	0	0	-8	-5
Nutrition & Care	-3	-1	3	3	0	-1	0	0	-6	-3
Care Chemicals	-4	-3	1	2	0	-2	0	0	-5	-3
Nutrition & Health	-1	4	6	7	0	0	0	0	-7	-3
Agricultural Solutions	-11	-2	0	5	6	2	0	0	-17	-9
Other	-12	-19	12	-4	-20	-15	0	1	-4	-1
BASF Group	8	0	7	-1	7	3	1	1	-7	-3

Segments

Q4 (million €)

	Sales			EBITDA before special items			Income from operations (EBIT) before special items			Income from operations (EBIT)		
	2020	2019	+/-	2020	2019	+/-	2020	2019	+/-	2020	2019	+/-
Chemicals	2,147	2,375	-10%	440	336	31%	227	115	97%	160	109	47%
Materials	3,062	2,680	14%	713	268	166%	489	80	.	420	71	492%
Industrial Solutions	1,883	1,932	-3%	292	213	37%	200	108	85%	179	47	281%
Surface Technologies	5,090	3,634	40%	340	359	-5%	215	236	-9%	175	202	-13%
Nutrition & Care	1,455	1,500	-3%	224	238	-6%	120	126	-5%	103	89	16%
Agricultural Solutions	1,601	1,808	-11%	191	351	-46%	15	161	-91%	4	84	-95%
Other	667	757	-12%	-115	52	.	-153	16	.	-109	-23	.
BASF Group	15,905	14,686	8%	2,085	1,817	15%	1,113	842	32%	932	579	61%

Full year (million €)

	Sales			EBITDA before special items			Income from operations (EBIT) before special items			Income from operations (EBIT)		
	2020	2019	+/-	2020	2019	+/-	2020	2019	+/-	2020	2019	+/-
Chemicals	8,071	9,532	-15%	1,305	1,574	-17%	445	791	-44%	-192	622	.
Materials	10,736	11,466	-6%	1,714	1,719	0%	835	1,003	-17%	-109	973	.
Industrial Solutions	7,644	8,389	-9%	1,189	1,249	-5%	822	820	0%	630	889	-29%
Surface Technologies	16,659	13,142	27%	966	1,173	-18%	484	722	-33%	-587	663	.
Nutrition & Care	6,019	6,075	-1%	1,190	1,214	-2%	773	793	-3%	688	644	7%
Agricultural Solutions	7,660	7,814	-2%	1,680	1,809	-7%	970	1,095	-11%	582	928	-37%
Other	2,360	2,898	-19%	-609	-414	-47%	-769	-581	-32%	-1,203	-518	.
BASF Group	59,149	59,316	0%	7,435	8,324	-11%	3,560	4,643	-23%	-191	4,201	.

Regions

Million €

Q4	Sales Location of company			Sales Location of customer			EBIT Location of company ^a		
	2020	2019	+/-	2020	2019	+/-	2020	2019	+/-
Europe	6,164	5,866	5%	5,916	5,490	8%	-153	94	.
of which Germany	2,506	3,158	-21%	1,475	1,384	7%	-387	-132	.
North America	4,187	4,135	1%	4,002	3,946	1%	534	206	159%
Asia Pacific	4,426	3,547	25%	4,540	3,781	20%	479	194	147%
South America, Africa, Middle East	1,128	1,138	-1%	1,447	1,469	-1%	72	85	-15%
BASF Group	15,905	14,686	8%	15,905	14,686	8%	932	579	61%
Full year									
Europe	24,223	25,706	-6%	23,129	23,827	-3%	-1,005	2,125	.
of which Germany	10,296	14,049	-27%	5,510	6,123	-10%	-1,712	504	.
North America	16,440	16,420	0%	15,709	15,948	-1%	-201	692	.
Asia Pacific	14,895	13,384	11%	15,406	14,203	8%	768	1,082	-29%
South America, Africa, Middle East	3,591	3,806	-6%	4,905	5,338	-8%	247	302	-18%
BASF Group	59,149	59,316	0%	59,149	59,316	0%	-191	4,201	.

^a The 2019 figures have been restated to reflect the reclassification of income from non-integral companies accounted for using the equity method to net income from shareholdings.

Chemicals

In the Chemicals segment, sales were considerably lower than in the prior-year quarter. In the Petrochemicals division, higher volumes could not compensate for lower prices and negative currency effects. In the Intermediates division, sales were stable. Higher volumes, especially in butanediol and derivatives as well as in acids and polyalcohols, could offset adverse currency effects and lower prices. EBIT before special items in the Chemicals segment improved considerably compared with Q4 2019. Both divisions – Petrochemicals and Intermediates – recorded significantly higher earnings due to lower fixed costs and improved at-equity results, especially from our participation in BASF-YPC Nanjing.

Materials

Sales in the Materials segment considerably rose compared with Q4 2019, both divisions contributed to this increase. The Performance Materials division recorded a strong volume increase, mainly due to the demand recovery in the automotive industry. The polyamide business acquired from Solvay also contributed to the sales growth and could compensate for negative currency effects and lower prices. Sales in the Monomers division increased considerably on account of higher prices and the strong demand for isocyanates. In addition, positive portfolio effects contributed to the increase. Adverse currency effects had a negative impact on sales. EBIT before special items in the Materials segment improved even more considerably than in the Chemicals segment. Both divisions in Materials, particularly the Monomers division, recorded significantly higher earnings compared with Q4 2019. Higher margins as a result of demand recovery and partly due to lower product availability in the market were the main driver.

Industrial Solutions

In the Industrial Solutions segment, sales were slightly below the figure of the prior-year quarter. In the Performance Chemicals division, sales decreased considerably due to adverse currency effects, lower prices and negative portfolio effects. Higher volumes could only partially offset the decline. In the Dispersions & Pigments division, sales improved slightly because of a strong volume increase. Lower prices and negative currency effects dampened sales growth. EBIT before special items in the Industrial Solutions segment increased considerably compared with Q4 2019. In the Dispersions & Pigments division, lower fixed costs and higher margins were the main driver. In Performance Chemicals, EBIT before special items increased as well.

Surface Technologies

Sales in Surface Technologies increased considerably compared with Q4 2019, mainly due to higher prices and volumes in the Catalysts division. We recorded strong sales growth in precious metal trading and in mobile emission catalysts. In precious metal trading, sales rose to €2,123 million (Q4 2019: €1,302 million). While volumes were stable and prices increased slightly, sales in the Coatings division decreased considerably, because of negative currency effects. EBIT before special items in the Surface Technologies segment declined slightly. While margins were almost stable in Catalysts, EBIT before special items declined, mainly due to higher fixed costs. In Coatings, lower fixed costs could more than compensate for slightly lower margins. Therefore, EBIT before special items in the Coatings division increased slightly.

Nutrition & Care

The Nutrition & Care segment recorded slightly lower sales compared with Q4 2019. In the Care Chemicals division, a slight volume increase could only partially offset adverse currency effects. In the Nutrition & Health division, sales were almost stable. Higher volumes could compensate for negative currency effects. EBIT before special items in the Nutrition & Care segment decreased slightly compared with Q4 2019. While EBIT before special items in the Care Chemicals division improved slightly due to lower fixed costs, Nutrition & Health recorded considerably lower EBIT before special items. Higher fixed costs offset the margin increase in the division.

Agricultural Solutions

The Agricultural Solutions segment recorded considerably lower sales compared with Q4 2019. This was driven by strongly negative currency effects, mainly from the Brazilian real as well as the U.S. dollar. While volumes were stable, higher prices could only partially offset the adverse currency effects. Volume increases in fungicides, seeds and traits and insecticides could compensate for lower volumes in herbicides and seed treatment products.

- In Europe, sales decreased slightly due to adverse currency effects and lower volumes. Prices increased slightly.
- Sales in North America declined considerably driven by lower volumes, adverse currency effects and lower prices.
- Sales in Asia Pacific increased considerably as a result of higher volumes, especially in China, India, Korea and Indonesia. Currency effects had a negative impact on sales growth.
- Sales in the region South America, Africa, Middle East decreased slightly on account of strongly negative currency effects, most pronounced in South America. Considerable price and volume growth could not fully offset this.

EBIT before special items in Agricultural Solutions declined considerably compared with the strong fourth quarter of 2019. This was driven by negative currency effects, mainly from the Brazilian real as well as the U.S. dollar. Lower fixed costs partly had an offsetting effect.

Other

Sales in Other decreased considerably compared with Q4 2019. This was driven by lower prices and adverse currency effects. Higher volumes could only partially offset the decline. In Other, higher fixed costs, including higher provisions for BASF's LTI program, and lower margins led to a significantly lower EBIT before special items compared with Q4 2019.

Outlook 2021

Underlying assumptions for 2021 (prior-year figures in parentheses)

We expect the global economy to recover in 2021 after the sharp downturn resulting from the coronavirus pandemic. However, uncertainty about future developments remains exceptionally high. Our forecast therefore includes wide ranges to account for the possibility of significant disruptions to global supply chains and negative effects on the entire economy. At the same time, we are confident that without such negative impacts, we will be able to achieve earnings at the upper end of the forecast range. Our forecast assumes growth in our customer industries. For the automotive industry in particular, we are forecasting significant production growth compared with 2020.

- GDP growth: +4.3% (-3.7%)
- Growth in global industrial production: +4.4% (-4.0%)
- Growth in global chemical production: +4.4% (-0.4%)
- Average exchange rate: US\$1.18 per € (US\$1.14 per €)
- Average oil price (Brent): US\$50 per barrel (US\$42 per barrel)
- Annual impact of US\$ change (€ depreciation) -1 US\$-Cent per €:
sales: +€190 million; EBIT: +€30 million

Outlook 2021 BASF Group (prior-year figures in parentheses)

- Sales: €61 billion – €64 billion (€59.1 billion)
- EBIT before special items: €4.1 billion – €5.0 billion (€3.6 billion)
- ROCE: 8.0% – 9.2% (1.7%)

Outlook 2021 by segment¹

million €	Sales		EBIT before special items		ROCE	
	2020	Forecast 2021	2020	Forecast 2021	2020	Forecast 2021
Chemical	8,071	slight increase	445	considerable increase	-2.2%	considerable increase
Materials	10,736	considerable increase	835	considerable increase	-1.1%	considerable increase
Industrial Solutions	7,644	slight decline	822	slight decline	9.3%	considerable increase
Surface Technologies	16,659	slight increase	484	considerable increase	-4.8%	considerable increase
Nutrition & Care	6,019	slight increase	773	slight increase	10.6%	considerable increase
Agricultural Solutions	7,660	slight increase	970	slight increase	3.6%	considerable increase
Other	2,360	considerable increase	-769	considerable increase	-	-
BASF Group	59,149	€61 billion – €64 billion	3,560	€4.1 billion – €5.0 billion	1.7%	8.0% – 9.2%

¹ For sales, "slight" represents a change of 1-5%, while "considerable" applies to changes of 6% and higher. "At prior-year level" indicates no change (+/-0%). For earnings, "slight" means a change of 1-10%, while "considerable" is used for changes of 11% and higher. "At prior-year level" indicates no change (+/-0%). At a cost of capital percentage of 9% for 2021, we define a change in ROCE of 0.1 to 1.0 percentage points as "slight," a change of more than 1.0 percentage points as "considerable" and no change (+/-0 percentage points) as "at prior-year level."

Forward-looking statements

This factsheet 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 158 to 166 of the BASF Report 2020. BASF does not assume any obligation to update the forward-looking statements contained in this factsheet above and beyond the legal requirements.