

## Reporting Factsheet Q1 2022

BASF Group (million €)	Q1 2022	Q1 2021	+/-	Q1 2022	Q4 2021	+/-
Sales	23,083	19,400	19.0%	23,083	19,776	16.7%
EBITDA	3,709	3,176	16.8%	3,709	2,250	64.8%
EBITDA before special items	3,743	3,181	17.7%	3,743	2,179	71.8%
Depreciation and amortization <sup>1</sup>	924	865	6.8%	924	1,023	-9.7%
EBIT	2,785	2,311	20.5%	2,785	1,227	127.0%
Special items	-34	-10	-237.1%	-34	1	.
EBIT before special items	2,818	2,321	21.4%	2,818	1,227	129.7%
Net income from shareholdings	-797	68	.	-797	97	.
Financial result	-110	-132	16.7%	-110	-90	-22.2%
Income before income taxes	1,878	2,247	-16.4%	1,878	1,235	52.1%
Income after taxes from continuing operations	1,321	1,810	-27.0%	1,321	990	33.4%
Income after taxes from discontinued operations	-	-	-	-	7	-
Net income	1,221	1,718	-28.9%	1,221	898	36.0%
Earnings per share (€) <sup>2</sup>	1.34	1.87	-28.3%	1.34	0.98	36.7%
Adjusted earnings per share (€) <sup>2</sup>	2.70	2.00	35.0%	2.70	1.17	130.8%
Research and development expenses	569	511	11.4%	569	637	-10.7%
Personnel expenses	3,067	2,947	4.1%	3,067	2,572	19.2%
Number of employees (end of period)	110,828	110,261	0.5%	110,828	111,047	-0.2%
Total assets (end of period)	93,983	84,833	10.8%	93,983	87,383	7.6%
Investments including acquisitions <sup>3</sup>	741	545	36.0%	741	1,713	-56.7%
Equity ratio (end of period, %)	45.3	46.0	-	45.3	48.2	-
Net debt (end of period)	16,251	15,962	1.8%	16,251	14,352	13.2%
Cash flows from operating activities	-290	-525	44.7%	-290	3,337	-
Free cash flow	-893	-981	8.9%	-893	1,847	-

<sup>1</sup> Depreciation and amortization of property, plant and equipment and intangible assets (including impairments and reversals of impairments)

<sup>2</sup> Due to the current share buyback program, the weighted average number of outstanding shares in the first quarter of 2022 was 912,885,116.

<sup>3</sup> Additions to property, plant and equipment and intangible assets

Factors influencing sales Q1 2022 vs. Q1 2021 (changes in %)	Sales	Volumes	Prices	Portfolio	Currencies
<b>Chemicals</b>	<b>46.3</b>	<b>0.2</b>	<b>41.3</b>	<b>-0.1</b>	<b>4.9</b>
Petrochemicals	42.6	1.3	37.0	-0.1	4.4
Intermediates	55.3	-2.5	51.7	-0.1	6.1
<b>Materials</b>	<b>39.9</b>	<b>3.7</b>	<b>31.4</b>	<b>-0.1</b>	<b>4.8</b>
Performance Materials	24.9	1.3	19.2	0.0	4.5
Monomers	54.9	6.1	43.7	-0.2	5.2
<b>Industrial Solutions</b>	<b>18.3</b>	<b>6.6</b>	<b>18.6</b>	<b>-10.6</b>	<b>3.6</b>
Dispersions & Resins	12.4	7.3	18.1	-16.5	3.4
Performance Chemicals	28.7	5.3	19.5	-0.2	4.1
<b>Surface Technologies</b>	<b>-8.2</b>	<b>-14.3</b>	<b>-3.3</b>	<b>4.8</b>	<b>4.6</b>
Catalysts	-11.7	-16.8	-5.3	5.7	4.7
Coatings	12.7	0.7	8.6	-0.5	3.8
<b>Nutrition &amp; Care</b>	<b>28.6</b>	<b>7.9</b>	<b>20.7</b>	<b>-2.5</b>	<b>2.5</b>
Care Chemicals	28.7	4.5	24.9	-2.5	1.8
Nutrition & Health	28.3	15.6	11.2	-2.6	3.9
<b>Agricultural Solutions</b>	<b>19.4</b>	<b>9.7</b>	<b>6.6</b>	<b>-0.2</b>	<b>3.2</b>
<b>Other</b>	<b>20.0</b>	<b>2.4</b>	<b>11.0</b>	<b>1.7</b>	<b>5.0</b>
<b>BASF Group</b>	<b>19.0</b>	<b>-0.8</b>	<b>15.5</b>	<b>0.1</b>	<b>4.2</b>

## Segments

Q1 (million €)

	Sales			EBITDA before special items			Income from operations (EBIT) before special items			Income from operations (EBIT)		
	2022	2021	+/-	2022	2021	+/-	2022	2021	+/-	2022	2021	+/-
	Chemicals	4,004	2,736	46.3%	1,048	766 <sup>a</sup>	36.8%	858	586 <sup>a</sup>	46.5%	857	633 <sup>a</sup>
Materials	4,821	3,447	39.9%	954	863	10.6%	751	672	11.8%	749	648	15.6%
Industrial Solutions	2,493	2,108	18.3%	431	350	23.2%	348	266	30.9%	343	259	32.4%
Surface Technologies	5,457	5,947	-8.2%	401	470	-14.6%	267	360	-26.0%	260	356	-27.0%
Nutrition & Care	1,971	1,533	28.6%	351	316	11.0%	244	218	11.8%	246	215	14.6%
Agricultural Solutions	3,397	2,846	19.4%	1,036	971	6.7%	868	807	7.6%	863	804	7.4%
Other	940	783	20.0%	-478	-556 <sup>a</sup>	14.0%	-518	-589 <sup>a</sup>	12.1%	-534	-604 <sup>a</sup>	11.5%
<b>BASF Group</b>	<b>23,083</b>	<b>19,400</b>	<b>19.0%</b>	<b>3,743</b>	<b>3,181</b>	<b>17.7%</b>	<b>2,818</b>	<b>2,321</b>	<b>21.4%</b>	<b>2,785</b>	<b>2,311</b>	<b>20.5%</b>

<sup>a</sup> BASF's ethylene value chain was reorganized as of January 1, 2022. In this connection, the polyolefins and styrenics businesses of the joint venture BASF-YPC Company Ltd., Nanjing, China, which were previously reported under Other, were allocated to the Petrochemicals division. The prior-year figures have been adjusted. This reduced income from integral companies accounted for using the equity method, EBITDA before special items, EBITDA, EBIT and EBIT before special items in Other by €28 million in the first quarter of 2021 and increased these indicators in the Petrochemicals division accordingly (rounding differences are possible). The effect was €28 million in both the second and third quarters of 2021 and €34 million in the fourth quarter of 2021. The effect in full-year 2021 was €118 million. The operating assets were also reallocated as part of the reorganization and increased the Chemicals segment's assets by €114 million as of December 31, 2021. For more information, see [basf.com/q12022](https://www.basf.com/q12022)

## Regions

Q1 (million €)

	Sales Location of company			Sales Location of customer		
	2022	2021	+/-	2022	2021	+/-
	Europe	9,979	8,129	22.8%	9,581	7,831
of which Germany	3,931	3,109	26.4%	2,384	1,814	31.4%
North America	6,534	5,790	12.9%	6,400	5,558	15.1%
Asia Pacific	5,562	4,722	17.8%	5,675	4,857	16.8%
of which Greater China	3,231	2,649	22.0%	3,174	2,695	17.8%
South America, Africa, Middle East	1,008	759	32.8%	1,427	1,154	23.7%
<b>BASF Group</b>	<b>23,083</b>	<b>19,400</b>	<b>19.0%</b>	<b>23,083</b>	<b>19,400</b>	<b>19.0%</b>

## Segments Q1 2022 vs. Q1 2021

### Chemicals<sup>1</sup>

Sales in the Chemicals segment rose considerably compared with Q1 2021. Both operating divisions contributed to the increase. Sales growth was primarily driven by significantly higher prices in both divisions. This was due to the passing on of increased prices for raw materials and energy amid continued strong demand. The Petrochemicals division raised prices in all business areas, especially for steam cracker products, styrene monomers and in the propylene and butadiene value chains. The Intermediates division raised prices, particularly in the butanediol and derivatives business, the amines business and in the acids and polyalcohols business. Sales performance was supported by positive currency effects, mainly relating to the U.S. dollar. Overall, sales volumes were slightly above Q1 2021 amid stable demand. Slightly higher volumes in the Petrochemicals division more than compensated for slightly lower volumes in the Intermediates division.

EBIT bsi rose considerably compared with Q1 2021, mainly due to higher margins in both divisions. The Intermediates division significantly improved margins across all business areas in North America and Asia Pacific. This more than compensated for lower margins in Europe in the butanediol and derivatives business and in the acetylenics and carbonyl derivatives business as a result of the sharp rise in natural gas prices. Income from shareholdings accounted for using the equity method also improved, contributing to earnings growth. The increase in earnings in the Petrochemicals division was driven by higher margins in the propylene and butadiene value chains and for styrene monomers. This more than compensated for lower margins for steam cracker products due to higher raw materials and energy prices. Higher fixed costs, partly due to currency effects and higher energy and gas prices, had an offsetting effect.

### Materials

Sales in the Materials segment rose considerably compared with Q1 2021. This was mainly driven by the strong sales increase in the Monomers division. The Performance Materials division also recorded considerable growth. Sales performance was largely attributable to higher price levels in both divisions as a result of the increase in raw materials prices. Both divisions raised prices in all business areas. Currency effects, mainly relating to the Chinese renminbi and the U.S. dollar, also had a positive impact on sales. Sales growth was also supported by slightly higher volumes on the back of continued strong demand. The Monomers division increased volumes, especially for polyamides in North America and for methylene diphenyl diisocyanate (MDI) in Asia Pacific, North America and Europe. Sales volumes in the Performance Materials division were slightly above Q1 2021. This was mainly driven by demand for engineering plastics in Asia and Europe.

The segment's EBIT bsi rose considerably compared with the prior-year quarter. This was primarily due to considerably higher EBIT bsi in the Monomers division, mainly as a result of price-driven margin growth in the ammonia and polyamide value chains. The Performance Materials division recorded a slight decline in earnings. Slightly higher margins were unable to offset the rise in fixed costs.

### Industrial Solutions

In the Industrial Solutions segment, sales rose considerably compared with Q1 2021. Both divisions recorded significant sales growth. The sales increase was mainly driven by much higher prices in both divisions: Both the Dispersions & Resins division and the Performance Chemicals division raised prices in all business areas and all regions. This was primarily attributable to higher prices for raw materials, energy and freight. Volumes also rose significantly. Both divisions increased sales volumes, especially in Europe in almost all business areas. Slightly positive currency effects, mainly relating to the U.S. dollar and the Chinese renminbi, contributed to sales growth. Sales were considerably reduced by portfolio effects, primarily in the Dispersions & Resins division following the disposal of the global pigments business.

EBIT bsi was considerably above Q1 2021. Positive price and volume developments led to strong earnings growth in both divisions.

### Surface Technologies

In the Surface Technologies segment, sales were down considerably from Q1 2021. Strong sales growth in the Coatings division was unable to offset the significant decline in the Catalysts division. The sales decrease was primarily the result of much lower volumes in the Catalysts division. Here, sales volumes declined significantly, especially in precious metal trading and for mobile emissions catalysts. This was mainly attributable to weaker demand from the automotive industry. This could only be partially offset by volume growth in refinery and chemical catalysts. Volumes rose slightly in the Coatings division. The Catalysts division's sales were also reduced by significantly lower precious metal prices. Sales in precious metal trading were considerably below Q1 2021 at €2,208 million (Q1 2021: €2,904 million). By contrast, the Coatings division raised prices significantly. Positive portfolio effects in the Catalysts division following the acquisition of a majority shareholding in BASF Shanshan Battery Materials Co., Ltd. had an offsetting impact. Currency effects, mainly relating to the U.S. dollar and the Chinese renminbi, also had a slightly positive impact on sales.

<sup>1</sup> BASF's ethylene value chain was reorganized as of January 1, 2022. In this connection, the polyolefins and styrenics businesses of the joint venture BASF-YPC Company Ltd., Nanjing, China, which were previously reported under Other, were allocated to the Petrochemicals division. The prior-year figures have been adjusted. This reduced income from integral companies accounted for using the equity method, EBITDA before special items, EBITDA, EBIT and EBIT before special items in Other by €28 million in the first quarter of 2021 and increased these indicators in the Petrochemicals division accordingly (rounding differences are possible). The effect was € 28 million in both the second and third quarters of 2021 and €34 million in the fourth quarter of 2021. The effect in full-year 2021 was €118 million. The operating assets were also reallocated as part of the reorganization and increased the Chemicals segment's assets by €114 million as of December 31, 2021. For more information, see [www.basf.com/q12022](http://www.basf.com/q12022)

In both divisions, EBIT bsi declined considerably compared with Q1 2021. The earnings decrease in the Catalysts division was mainly due to a significantly lower contribution from precious metal trading. The Coatings division's EBIT bsi declined, primarily as a result of increased fixed costs as well as weaker margins on the back of higher raw materials prices.

### **Nutrition & Care**

The Nutrition & Care segment increased sales considerably compared with Q1 2021. Both divisions contributed to the increase with significant sales growth. Sales growth was driven by significantly higher prices in all business areas in both divisions, which were able to pass on increased prices for energy and raw materials. Sales performance was supported by significantly higher volumes. Volume growth in the Nutrition & Health division was driven by the animal nutrition and pharmaceutical businesses. In the Care Chemicals division, sales volumes rose in the personal care solutions business and in the oleo surfactants and alcohols business. Positive currency effects, mainly relating to the U.S. dollar and the Chinese renminbi, had a slightly positive impact on sales. Portfolio effects from the sale of the production site in Kankakee, Illinois, reduced sales in both divisions.

The segment's EBIT bsi was considerably above Q1 2021. Higher EBIT bsi in the Care Chemicals division was primarily driven by positive volume development. Earnings growth in the Nutrition & Health division was attributable to higher margins. This more than compensated for higher fixed costs, mainly from higher depreciation following the startup of the vitamin A plant expansion in Ludwigshafen, Germany, in Q2 2021.

### **Agricultural Solutions**

Sales in the Agricultural Solutions segment rose considerably compared with Q1 2021. Volumes increased in all regions except North America; prices were above the prior-year quarter in all regions. Positive currency effects, especially from the U.S. dollar, also contributed to sales growth. Sales in Europe rose significantly, mainly as a result of increased volumes, especially for fungicides and herbicides. Higher prices also had a positive impact on sales. Negative currency effects, primarily from the Turkish lira, had an offsetting effect. Sales in North America increased considerably, mainly due to positive currency effects. Price levels were significantly above Q1 2021, while volumes decreased slightly. In Asia, sales rose strongly as a result of higher volumes, especially of herbicides and fungicides, primarily in China. Positive currency effects and increased prices contributed to the positive sales development as well. Sales also rose considerably in the region South America, Africa, Middle East. This was mainly driven by increased volumes, especially for fungicides and field crop seeds. Positive currency effects, mainly from the Brazilian real, and higher price levels also had a positive impact on sales.

EBIT bsi rose slightly compared with Q1 2021 as a result of the sales increase. Higher fixed costs dampened the positive earnings development.

### **Other<sup>2</sup>**

Sales in Other rose considerably compared with Q1 2021. This was largely due to a considerable increase in sales from other businesses. A significant contributing factor was higher energy sales at BASF Antwerpen.

EBIT bsi rose considerably. This was mainly the result of positive valuation effects for the long-term incentive program in Q1 2022. Expenses arose from the program in Q1 2021.

## **Outlook 2022**

The global macroeconomic outlook is currently subject to very high uncertainty. In particular, it is impossible to predict the further development of the war in Ukraine and its impact on the prices and availability of energy and raw materials. Consequently, BASF is currently maintaining its macroeconomic assumptions for the 2022 business year:

### **Underlying assumptions for 2022**

- GDP growth: +3.8%
- Growth in global industrial production: +3.8%
- Growth in global chemical production: +3.5%
- Average exchange rate: US\$1.15 per €
- Average oil price (Brent): US\$75 per barrel

BASF Group's sales and earnings forecast for the 2022 business year, as published in the BASF Report 2021, is being maintained:

### **Outlook 2022 BASF Group**

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

### **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 151 to 160 of the BASF Report 2021. BASF does not assume any obligation to update the forward-looking statements contained in this factsheet above and beyond the legal requirements.*

<sup>2</sup> See footnote for the Chemicals segment