

Reporting Factsheet Q4/FY 2021

BASF Group (million €)	Q4 2021	Q4 2020	+/-	FY 2021	FY 2020	+/-
Sales	19,776	15,905	24.3%	78,598	59,149	32.9%
EBITDA	2,250	1,952	15.3%	11,355	6,494	74.9%
EBITDA before special items	2,179	2,085	4.5%	11,348	7,435	52.6%
Depreciation and amortization ¹	1,023	1,020	0.3%	3,678	6,685	-45.0%
EBIT	1,227	932	31.7%	7,677	-191	.
Special items	1	-181	.	-91	-3,751	97.6%
EBIT before special items	1,227	1,113	10.2%	7,768	3,560	118.2%
Net income from shareholdings	97	94	3.1%	207	-909	.
Financial result	-90	-79	-13.5%	-436	-462	5.7%
Income before income taxes	1,235	947	30.4%	7,448	-1,562	.
Income after taxes from continuing operations	990	713	38.8%	6,018	-1,471	.
Income after taxes from discontinued operations	7	347	-98.0%	-36	396	.
Net income	898	1,055	-14.9%	5,523	-1,060	.
Earnings per share (€)	0.98	1.15	-14.8%	6.01	-1.15	.
Adjusted earnings per share (€)	1.17	1.10	6.4%	6.76	3.21	110.6%
Research and development expenses	637	594	7.3%	2,216	2,086	6.2%
Personnel expenses	2,572	2,481	3.7%	11,097	10,576	4.9%
Number of employees (end of period)	111,047	110,302	0.7%	111,047	110,302	0.7%
Total assets (end of period)	87,383	80,292	8.8%	87,383	80,292	8.8%
Investments including acquisitions ²	1,713	1,268	35.1%	4,881	4,869	0.2%
Equity ratio (end of period, %)	48.2	42.8	-	48.2	42.8	-
Net debt (end of period)	14,352	14,677	-2.2%	14,352	14,677	-2.2%
Cash flows from operating activities	3,337	2,101	58.8%	7,245	5,413	33.8%
Free cash flow	1,847	1,003	84.1%	3,713	2,284	62.6%

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

² Additions to property, plant and equipment and intangible assets

Factors influencing sales (changes in %)	Sales		Volumes		Prices		Portfolio		Currencies	
	Q4 2021	FY 2021	Q4 2021	FY 2021	Q4 2021	FY 2021	Q4 2021	FY 2021	Q4 2021	FY 2021
Chemicals	73.8	68.2	1.8	9.6	69.0	61.2	-0.8	-0.7	3.9	-1.9
Petrochemicals	81.5	78.3	5.8	10.5	73.5	71.5	-1.2	-1.0	3.4	-2.6
Intermediates	57.9	47.6	-6.6	7.9	59.6	40.2	-	0.0	4.8	-0.4
Materials	32.3	41.7	-2.1	12.0	31.1	30.0	-	0.7	3.2	-0.9
Performance Materials	15.5	29.4	-7.1	14.1	19.9	16.2	-	0.6	2.7	-1.5
Monomers	51.3	55.3	3.7	9.6	43.8	45.2	-	0.9	3.8	-0.3
Industrial Solutions	17.0	16.1	4.4	11.4	20.4	11.2	-10.5	-5.0	2.7	-1.5
Dispersions & Resins	13.7	16.7	3.8	11.4	23.7	14.5	-16.5	-7.9	2.7	-1.3
Performance Chemicals	22.9	15.1	5.5	11.5	14.7	5.4	-	0.0	2.7	-1.8
Surface Technologies	2.0	36.0	1.7	12.2	-8.2	25.3	5.6	2.1	2.9	-3.6
Catalysts	2.1	41.6	3.1	12.5	-10.9	30.4	6.9	2.6	3.0	-3.9
Coatings	1.2	11.4	-4.9	10.7	3.9	3.2	-0.2	-0.1	2.4	-2.4
Nutrition & Care	18.7	7.0	8.4	5.7	11.2	4.5	-2.5	-1.3	1.7	-1.9
Care Chemicals	24.4	11.3	8.8	6.9	16.3	7.4	-2.2	-1.2	1.5	-1.9
Nutrition & Health	7.8	-1.3	7.6	3.2	1.3	-1.2	-3.1	-1.5	2.0	-1.8
Agricultural Solutions	9.9	6.6	3.3	8.1	4.6	2.5	-	-	1.9	-4.0
Other	66.9	55.3	17.1	15.2	44.1	41.2	1.8	1.0	4.3	-2.1
BASF Group	24.3	32.9	2.7	10.6	18.4	24.8	0.3	-0.1	2.9	-2.4

Segments

Q4 (million €)

	Sales			EBITDA before special items			Income from operations (EBIT) before special items			Income from operations (EBIT)		
	2021	2020	+/-	2021	2020	+/-	2021	2020	+/-	2021	2020	+/-
Chemicals	3,731	2,147	73.8%	777	440	76.6%	576	227	153.7%	561	160	250.6%
Materials	4,052	3,062	32.3%	528	713	-25.9%	323	489	-34.0%	315	420	-25.1%
Industrial Solutions	2,204	1,883	17.0%	258	292	-11.6%	171	200	-14.4%	136	179	-23.9%
Surface Technologies	5,189	5,090	2.0%	163	340	-51.9%	32	215	-84.9%	12	175	-93.2%
Nutrition & Care	1,727	1,455	18.7%	148	224	-34.0%	37	120	-69.1%	40	103	-60.7%
Agricultural Solutions	1,760	1,601	9.9%	91	191	-52.3%	-77	15	.	-99	4	.
Other	1,113	667	66.9%	213	-115	.	165	-153	.	262	-109	.
BASF Group	19,776	15,905	24.3%	2,179	2,085	4.5%	1,227	1,113	10.2%	1,227	932	31.7%

Full year (million €)

	Sales			EBITDA before special items			Income from operations (EBIT) before special items			Income from operations (EBIT)		
	2021	2020	+/-	2021	2020	+/-	2021	2020	+/-	2021	2020	+/-
Chemicals	13,579	8,071	68.2%	3,724	1,305	185.4%	2,974	445	568.3%	2,997	-192	.
Materials	15,214	10,736	41.7%	3,208	1,714	87.2%	2,418	835	189.6%	2,345	-109	.
Industrial Solutions	8,876	7,644	16.1%	1,343	1,189	13.0%	1,006	822	22.4%	965	630	53.1%
Surface Technologies	22,659	16,659	36.0%	1,277	966	32.2%	800	484	65.3%	761	-587	.
Nutrition & Care	6,442	6,019	7.0%	909	1,190	-23.6%	497	773	-35.7%	554	688	-19.5%
Agricultural Solutions	8,162	7,660	6.6%	1,375	1,680	-18.2%	715	970	-26.3%	696	582	19.6%
Other	3,666	2,360	55.3%	-489	-609	19.7%	-643	-769	16.4%	-641	-1,203	46.8%
BASF Group	78,598	59,149	32.9%	11,348	7,435	52.6%	7,768	3,560	118.2%	7,677	-191	.

Regions

Million €

Q4	Sales Location of company			Sales Location of customer		
	2021	2020	+/-	2021	2020	+/-
Europe	7,742	6,164	25.6%	7,626	5,916	28.9%
of which Germany	3,178	2,506	26.8%	1,906	1,475	29.2%
North America	5,093	4,187	21.6%	4,671	4,002	16.7%
Asia Pacific	5,652	4,426	27.7%	5,784	4,540	27.4%
of which Greater China	3,366	2,524	33.4%	3,312	2,562	29.3%
South America, Africa, Middle East	1,289	1,128	14.3%	1,695	1,447	17.1%
BASF Group	19,776	15,905	24.3%	19,776	15,905	24.3%
Full year						
Europe	31,594	24,223	30.4%	30,531	23,129	32.0%
of which Germany	12,722	10,296	23.6%	7,300	5,510	32.5%
North America	21,935	16,440	33.4%	20,867	15,709	32.8%
Asia Pacific	20,632	14,895	38.5%	21,234	15,406	37.8%
of which Greater China	12,018	8,433	42.5%	12,036	8,463	42.2%
South America, Africa, Middle East	4,437	3,591	23.5%	5,965	4,905	21.6%
BASF Group	78,598	59,149	32.9%	78,598	59,149	32.9%

Segments Q4 2021 vs. Q4 2020

Chemicals

In the Chemicals segment, sales were considerably higher than in Q4 2020. Both divisions recorded considerable sales growth, particularly Petrochemicals. In this division, considerably higher prices in all businesses and, to a smaller extent, increased sales volumes as well as positive currency effects compensated for slightly negative portfolio effects. In the Intermediates division, above all higher prices – especially for butanediol and derivatives, acids and polyalcohols – but also favorable currency effects more than offset lower volumes.

EBIT before special items in the Chemicals segment improved considerably compared with Q4 2020. Both divisions recorded considerably higher earnings due to higher margins and improved at-equity results, especially from the participation in BASF-YPC Company Ltd., Nanjing, China.

Materials

Sales in the Materials segment rose considerably compared with Q4 2020. Both divisions achieved considerable sales growth. Price increases in the Performance Materials division more than compensated for lower volumes. Higher prices were achieved in particular in the PU systems business as well as in the engineering plastics business. Volumes declined because of lower demand from the automotive and construction industries. Currency effects had a positive impact on sales. Sales in the Monomers division increased considerably, mainly on account of higher prices, positive currency effects and higher volumes. Prices were primarily increased to compensate for higher raw materials prices, especially for polyamides, isocyanates and ammonia.

EBIT before special items in the Materials segment declined considerably. Both divisions recorded considerably lower earnings compared with Q4 2020. In Performance Materials, earnings declined mainly on account of higher fixed costs. In Monomers, EBIT before special items came in below the prior-year quarter, mainly because of higher bonus provisions and increased energy costs.

Industrial Solutions

In the Industrial Solutions segment, sales increased considerably compared with Q4 2020. In both divisions, Performance Chemicals and Dispersion & Resins, sales improved considerably because of higher prices, higher volumes and positive currency effects. Negative portfolio effects related to the divested pigments business dampened sales growth considerably in the Dispersions & Resins division.

EBIT before special items in the Industrial Solutions segment decreased considerably compared with Q4 2020. The considerably lower earnings in the Performance Chemicals division were mainly driven by higher fixed costs due to higher bonus provisions and lower margins as a result of higher raw materials prices, energy and logistics costs. In the Dispersions & Resins division, the slight decline in earnings resulted from lower margins due to the aforementioned factors; lower fixed costs had a slightly offsetting effect.

Surface Technologies

Sales in the Surface Technologies segment increased slightly compared with the prior-year quarter. In the Catalysts division, the slight increase was driven by the formation of BASF Shanshan Battery Materials Co., Ltd., higher volumes and positive currency effects. Lower prices negatively impacted sales. In precious metal trading, sales declined to €1,976 million (Q4 2020: €2,123 million). Sales in the Coatings division increased slightly. Higher prices and positive currency effects compensated for lower volumes.

EBIT before special items in the Surface Technologies segment declined considerably. In the Catalysts division, earnings declined considerably, mainly due to higher fixed costs and lower contributions from mobile emissions catalysts. Earnings in the Coatings division declined considerably because of higher raw materials prices, higher bonus provisions, increased energy costs and lower volumes.

Nutrition & Care

In Q4 2021, the Nutrition & Care segment recorded considerable sales growth, mainly on account of price increases. In the Care Chemicals division, increased prices across all businesses, higher volumes and positive currency effects led to a considerable increase in sales. In the Nutrition & Health division, sales rose considerably because of higher volumes across the portfolio, positive currency effects and slightly higher prices. Negative portfolio effects from the divestiture of the site in Kankakee, Illinois had a slightly negative impact on sales in both divisions.

EBIT before special items in the Nutrition & Care segment decreased considerably compared with Q4 2020. Both divisions recorded considerably lower earnings. Higher fixed costs, mainly driven by higher bonus provisions, higher raw materials prices and increased energy costs were the main reasons for the decline.

Agricultural Solutions

The Agricultural Solutions segment recorded considerably higher sales compared with the prior-year quarter. The increase was driven by higher prices, increased volumes and positive currency effects. Volume increases in insecticides and herbicides compensated for lower volumes in seeds and traits and in seed treatment products.

- In Europe, sales decreased considerably due to lower volumes, predominantly in fungicides, lower prices and negative currency effects.
- Sales in North America increased considerably driven by higher volumes and favorable currency effects, which offset slightly lower prices, especially for herbicides.
- Sales in Asia Pacific increased considerably as a result of higher volumes, particularly in insecticides and herbicides, positive currency effects and slightly higher prices.
- Sales in the region South America, Africa, Middle East increased considerably on account of higher prices, predominantly for seeds and traits. Lower volumes and slightly negative currency effects, mainly related to the Argentinian peso, were more than compensated.

EBIT before special items in Agricultural Solutions declined considerably compared with Q4 2020. This was mainly driven by higher fixed costs due to increased bonus provisions as well as margin pressure resulting from higher raw materials prices and logistics costs, and an unfavorable product mix.

Other

Sales in Other increased considerably compared with Q4 2020. This was driven by higher prices, increased volumes, favorable currency effects and slightly positive portfolio effects.

Compared with Q4 2020, EBIT before special items in Other improved considerably. This was mainly attributable to adjustments to provisions for variable compensation components (bonuses) due to their allocation to the divisions in the fourth quarter of 2021 and the release of provisions for the long-term incentive (LTI) program.

Outlook 2022

Underlying assumptions for 2022 (prior-year figures in parentheses)

- GDP growth: +3.8% (+5.8%)
- Growth in global industrial production: +3.8% (+6.5%)
- Growth in global chemical production: +3.5% (+6.1%)
- Average exchange rate: US\$1.15 per € (US\$1.18 per €)
- Average oil price (Brent): US\$75 per barrel (US\$71 per barrel)
- Annual impact of US\$ change (€ depreciation) -1 US\$-Cent per €:
sales: +€200 million; EBIT: +€30 million

Outlook 2022 BASF Group (prior-year figures in parentheses)

- Sales: €74 billion – €77 billion (€78,598 million)
- EBIT before special items: €6.6 billion – €7.2 billion (€7,768 million)
- ROCE: 11.4% – 12.6% (13.5%)
- CO₂ emissions: 19.6 – 20.6 million metric tons (20.2 million metric tons)

Outlook 2022 by segment¹

million €	Sales		EBIT before special items		ROCE	
	2021	Forecast 2022	2021	Forecast 2022	2021	Forecast 2022
Chemical	13,579	considerable decline	2,974	considerable decline	32.9%	considerable decline
Materials	15,214	slight increase	2,418	considerable decline	22.8%	considerable decline
Industrial Solutions	8,876	slight decline	1,006	slight decline	15.2%	slight increase
Surface Technologies	22,659	considerable decline	800	slight decline	5.6%	considerable decline
Nutrition & Care	6,442	considerable increase	497	considerable increase	8.2%	considerable increase
Agricultural Solutions	8,162	considerable increase	715	considerable increase	4.5%	considerable increase
Other	3,666	slight increase	-643	considerable decline	-	-
BASF Group	78,598	€74 billion – €77 billion	7,768	€6.6 billion – €7.2 billion	13.5%	11.4% – 12.6%

¹ For sales, "slight" represents a change of 0.1%–5.0%, while "considerable" applies to changes of 5.1% and higher. "At prior-year level" indicates no change (+/-0.0%). For earnings, "slight" means a change of 0.1%–10.0%, while "considerable" is used for changes of 10.1% and higher. "At prior-year level" indicates no change (+/-0.0%). At a cost of capital percentage of 9% for 2022, 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 (+/-0.0 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 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.