

Reporting Factsheet Q3 2023

BASF Group (million €)	Q3 2023	Q3 2022	Change (%)	Q1–Q3 2023	Q1–Q3 2022	Change (%)
Sales	15,735	21,946	-28.3	53,031	68,003	-22.0
EBITDA	1,363	2,255	-39.6	6,081	9,359	-35.0
EBITDA before special items	1,545	2,325	-33.5	6,354	9,361	-32.1
Depreciation and amortization ¹	969	960	0.9	2,846	2,930	-2.9
EBIT	394	1,294	-69.6	3,235	6,429	-49.7
Special items	-181	-53	-239.5	-279	-76	-267.5
EBIT before special items	575	1,348	-57.3	3,514	6,505	-46.0
Net income from shareholdings	-245	102	.	30	-262	.
Financial result	-187	-157	-19.2	-521	-392	-33.0
Income before income taxes	-38	1,239	.	2,743	5,775	-52.5
Income after taxes	-209	952	.	1,950	4,452	-56.2
Net income	-249	909	.	1,812	4,220	-57.1
Earnings per share (€) ²	-0.28	1.01	.	2.03	4.67	-56.5
Adjusted earnings per share (€) ²	0.32	1.77	-81.9	2.96	6.85	-56.8
Research and development expenses	481	545	-11.7	1,534	1,681	-8.7
Personnel expenses	2,592	2,742	-5.5	8,404	8,772	-4.2
Employees (end of period)	112,085	111,768	0.3	112,085	111,768	0.3
Assets (end of period)	82,603	97,030	-14.9	82,603	97,030	-14.9
Investments including acquisitions ³	1,316	1,155	13.9	3,703	2,866	29.2
Equity ratio (end of period, %)	48.8	50.6	-	48.8	50.6	-
Net debt (end of period)	18,872	18,942	-0.4	18,872	18,942	-0.4
Cash flows from operating activities	2,686	2,301	16.7	3,848	3,239	18.8
Free cash flow	1,465	1,295	13.1	488	738	-33.9

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

² Due to the share buyback program terminated in February 2023, the weighted average number of outstanding shares in the third quarter of 2023 was 892,522,164 and 892,680,462 in the period from January to September 2023. The weighted average number of outstanding shares was 897,371,740 in the third quarter of 2022 and 904,411,442 in the period from January to September 2022.

³ Additions to property, plant and equipment and intangible assets

Due to rounding, individual figures in this factsheet may not add up to the totals shown and percentages may not correspond exactly to the figures shown.

Factors influencing sales Q3 2023 vs. Q3 2022 (changes in %)	Sales	Volumes	Prices	Portfolio	Currencies
Chemicals	-35.9	-9.9	-22.9	-	-3.2
Petrochemicals	-37.3	-12.1	-22.5	-	-2.7
Intermediates	-32.3	-4.1	-23.8	-	-4.4
Materials	-29.0	-5.7	-18.6	-	-4.7
Performance Materials	-22.0	-7.3	-9.5	-	-5.1
Monomers	-35.5	-4.2	-26.9	-	-4.3
Industrial Solutions	-27.5	-11.3	-9.7	-2.4	-4.1
Dispersions & Resins	-25.2	-9.8	-10.9	-0.3	-4.3
Performance Chemicals	-30.9	-13.4	-8.0	-5.6	-3.9
Surface Technologies	-27.1	-11.0	-11.1	-0.1	-4.9
Catalysts	-34.0	-14.5	-15.7	-0.1	-3.7
Coatings	-1.2	2.2	6.1	-0.2	-9.3
Nutrition & Care	-20.5	-6.3	-10.7	-	-3.6
Care Chemicals	-23.7	-9.0	-11.6	-	-3.1
Nutrition & Health	-12.5	0.5	-8.3	-	-4.7
Agricultural Solutions	-18.6	-18.7	4.9	-	-4.8
Other	-40.2	1.2	-37.8	-	-3.6
BASF Group	-28.3	-9.4	-14.4	-0.3	-4.2

Segments

Q3 (million €)

	Sales			EBITDA before special items			Income from operations (EBIT) before special items			Income from operations (EBIT)		
	2023	2022	+/-	2023	2022	+/-	2023	2022	+/-	2023	2022	+/-
	Chemicals	2,430	3,793	-35.9%	252	527	-52.1%	47	323	-85.6%	46	322
Materials	3,349	4,715	-29.0%	360	489	-26.3%	158	277	-43.0%	108	272	-60.4%
Industrial Solutions	1,948	2,687	-27.5%	207	389	-46.7%	122	299	-59.1%	113	309	-63.5%
Surface Technologies	3,887	5,333	-27.1%	404	380	6.5%	257	239	7.4%	194	197	-1.4%
Nutrition & Care	1,688	2,123	-20.5%	104	291	-64.3%	-15	180	.	-24	178	.
Agricultural Solutions	1,744	2,142	-18.6%	225	188	19.9%	53	7	651.5%	41	-1	.
Other	689	1,153	-40.2%	-8	62	.	-46	22	.	-83	17	.
BASF Group	15,735	21,946	-28.3%	1,545	2,325	-33.5%	575	1,348	-57.3%	394	1,294	-69.6%

January – September (million €)

	Sales			EBITDA before special items			Income from operations (EBIT) before special items			Income from operations (EBIT)		
	2023	2022	+/-	2023	2022	+/-	2023	2022	+/-	2023	2022	+/-
	Chemicals	7,942	12,145	-34.6%	1,071	2,625	-59.2%	490	2,035	-75.9%	499	2,031
Materials	10,801	14,399	-25.0%	1,270	2,317	-45.2%	665	1,696	-60.8%	582	1,671	-65.2%
Industrial Solutions	6,141	7,823	-21.5%	715	1,229	-41.9%	463	971	-52.3%	505	962	-47.5%
Surface Technologies	12,691	16,236	-21.8%	1,180	1,145	3.0%	750	733	2.4%	614	538	14.2%
Nutrition & Care	5,226	6,167	-15.3%	435	967	-55.0%	99	637	-84.4%	117	633	-81.5%
Agricultural Solutions	7,865	7,998	-1.7%	2,049	1,625	26.1%	1,526	1,098	39.0%	1,511	1,072	40.9%
Other	2,365	3,235	-26.9%	-367	-548	33.1%	-480	-664	27.8%	-592	-477	-24.3%
BASF Group	53,031	68,003	-22.0%	6,354	9,361	-32.1%	3,514	6,505	-46.0%	3,235	6,429	-49.7%

Regions

Million €

Q3	Sales Location of company			Sales Location of customer		
	2023	2022	+/-	2023	2022	+/-
	Europe	5,941	8,759	-32.2%	5,740	8,306
of which Germany	2,547	3,904	-34.8%	1,564	2,467	-36.6%
North America	3,939	5,841	-32.6%	3,752	5,684	-34.0%
Asia Pacific	4,250	5,405	-21.4%	4,290	5,517	-22.2%
of which Greater China	2,415	2,985	-19.1%	2,397	2,910	-17.6%
South America, Africa, Middle East	1,604	1,942	-17.4%	1,953	2,440	-20.0%
BASF Group	15,735	21,946	-28.3%	15,735	21,946	-28.3%
January – September						
Europe	21,532	28,359	-24.1%	20,507	26,932	-23.9%
of which Germany	8,810	11,925	-26.1%	5,305	6,807	-22.1%
North America	14,777	19,042	-22.4%	14,563	18,679	-22.0%
Asia Pacific	13,056	16,399	-20.4%	13,231	16,761	-21.1%
of which Greater China	7,128	9,156	-22.1%	7,059	8,956	-21.2%
South America, Africa, Middle East	3,666	4,203	-12.8%	4,730	5,631	-16.0%
BASF Group	53,031	68,003	-22.0%	53,031	68,003	-22.0%

Segments Q3 2023 vs. Q3 2022¹

Chemicals

Compared with Q3 2022, sales declined considerably in both operating divisions of the Chemicals segment. The sales performance of the segment was primarily attributable to a significant decline in demand, which resulted in lower prices and volumes in both operating divisions. In the Petrochemicals division, prices decreased considerably in all regions and value chains, while in the Intermediates division prices declined mainly in the butanediol and derivatives as well as in the amines businesses. Sales volumes in the Petrochemicals division were considerably lower, particularly in Europe for steam cracker products, styrene monomers and in the propylene value chain. A significant increase in volumes in Asia Pacific compared with the weak PYQ was unable to compensate for this decline. In the Intermediates division volumes decreased slightly overall. Currency effects, largely relating to the U.S. dollar and the Chinese renminbi, also had a negative impact on sales.

EBIT bsi was considerably below the figure of Q3 2022 in both operating divisions. The decline in EBIT bsi in the Petrochemicals division was mainly the result of lower volumes and margins, particularly in Europe. In addition, unplanned outages of the steam crackers in Port Arthur, Texas, and Nanjing, China, in September 2023 weighed down the division's earnings development. In the Intermediates division, the decline in earnings was mainly attributable to decreased margins and lower contributions from shareholdings accounted for using the equity method. Reduced fixed costs and lower raw materials and energy prices had an offsetting effect in both divisions.

Materials

Sales in the Materials segment decreased considerably in both operating divisions compared with Q3 2022. The decline in sales was mainly attributable to lower prices as a result of a decrease in demand and raw materials prices. In the Monomers division, prices declined considerably, particularly in the polyamide and ammonia value chains. The Performance Materials division recorded lower prices in all business areas compared with Q3 2022. As a result of the decrease in demand, volumes in both operating divisions also declined. Volumes in the Performance Materials division decreased mainly in Europe. The Monomers division recorded considerable volume growth in the isocyanates business in Asia Pacific compared with the weak PYQ. However, this growth could only partially compensate for the volumes decrease in the remaining regions. Currency effects, mainly relating to the Chinese renminbi and the U.S. dollar, had a slightly negative impact on sales performance.

The segment's EBIT bsi declined considerably compared with Q3 2022. In the Monomers division, EBIT bsi decreased considerably. Lower raw materials prices and reduced fixed costs were unable to offset the negative price development, particularly for ammonia. EBIT bsi declined slightly in the Performance Materials division, mainly driven by lower prices and volumes. Here, too, considerably reduced fixed costs had an offsetting effect.

In Q3 2023, EBIT included special charges, mainly for adaptations to the production structures at the Verbund site in Ludwigshafen, Germany, and for measures in the context of the cost savings program focusing on Europe.

Industrial Solutions

In Q3 2023, sales in the Industrial Solutions segment were considerably lower in both operating divisions than in Q3 2022. The decline in sales was mainly attributable to considerably lower volumes in nearly all business areas as a result of reduced demand. Considerably declined price levels due to lower raw materials prices additionally burdened the sales performance in both operating divisions. In addition, negative currency effects, mainly relating to the U.S. dollar and the Chinese renminbi, slightly weighed down sales. Portfolio effects dampened sales performance slightly. This development was mainly attributable to the divestiture of the kaolin minerals business in the Performance Chemicals division effective September 30, 2022.

Compared with Q3 2022, EBIT bsi of both of the segment's divisions declined considerably. Earnings in the Performance Chemicals division decreased in particular due to lower volumes and margins, negative currency effects and the missing earnings contributions from the divested kaolin minerals business. In the Dispersions & Resins division, the decline in earnings was mainly a result of volume-related lower margins. Reduced fixed costs, primarily due to lower personnel costs attributable in part to the measures taken in the context of the cost savings program focusing on Europe, had a positive effect in both operating divisions.

Surface Technologies

In the Surface Technologies segment, sales were down considerably compared with Q3 2022. Sales in the Catalysts division decreased significantly, while the Coatings division recorded a slight decline in sales. The decline in the segment's sales was mainly due to lower prices and volumes in precious metal trading, mobile emissions catalysts and in battery materials in the Catalysts division. At €1,717 million, sales in precious metal trading and precious metal sales in the mobile emissions catalysts business were below Q3 2022 (€3,006 million). Considerable price increases and slight volume growth in the Coatings division only partially compensated for this. The Coatings division raised prices in all business areas, while sales volumes increased particularly in the surface treatment and automotive OEM coatings businesses. Negative currency effects, largely relating to the Chinese renminbi and the U.S. dollar, dampened the segment's sales performance and were also the main drivers for the overall slight sales decline of the Coatings division. Portfolio effects, particularly in the Catalysts division as a result of the divestiture of the production site in De Meern, Netherlands, which became effective on August 31, 2023, had a slightly negative impact on sales.

The segment slightly increased EBIT bsi compared with Q3 2022. The increase was due to the considerable earnings growth in the Coatings division, which resulted mainly from price and volume-related margin increases. This more than compensated for a considerably lower EBIT bsi in the Catalysts division. Earnings in the Catalysts division decreased mainly as a result of lower contributions from the battery materials business and precious metal trading. Significant increases in contributions from the chemical and refining catalysts businesses could only partially compensate for this.

¹ For sales, "slight" represents a change of 0.1%–5.0%, while "considerable" applies to changes of 5.1% and higher. 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%).

In Q3 2023, EBIT included special charges totaling €63 million. The Catalysts division recorded special charges mainly due to the integration of the BASF Shanshan companies and the carve-out of the BASF Environmental Catalyst and Metal Solutions unit. In the Coatings division, special charges arose in particular from measures to increase efficiency.

Nutrition & Care

Both divisions of the Nutrition & Care segment recorded considerable declines in sales compared with Q3 2022. The segment's decreased sales performance was mainly driven by reduced prices due to high product availability on the market and lower raw materials prices. In the Care Chemicals division, prices decreased particularly in the oleo surfactants and alcohols business, as well as in the home care, industrial and institutional cleaning and industrial formulators business. In the Nutrition & Health division, prices declined mainly for vitamins. In addition, prices were lower for aroma ingredients. Lower demand resulted in lower sales volumes in all business areas of the Care Chemicals division, particularly in the home care, industrial and institutional cleaning and industrial formulators business. Volumes in the Nutrition & Health division matched the level of Q3 2022. Slightly negative currency effects, largely relating to the U.S. dollar, the Chinese renminbi and the Indian rupee, additionally dampened sales performance.

Compared with Q3 2022, the segment's EBIT bsi declined considerably. The Nutrition & Health division recorded an overall negative EBIT bsi, mainly as a result of lower margins due to declined prices, particularly in the vitamins business area. Positive earnings of the Care Chemicals division, which were also considerably below the figure of Q3 2022 due to price-related lower margins, had an offsetting effect.

Agricultural Solutions

In the Agricultural Solutions segment, sales were considerably below Q3 2022. This was mainly attributable to a decline in volumes. The market environment in Q3 2023 continued to be dominated by cautious purchasing behavior, particularly due to channel destocking at distributors as well as lower agricultural commodity prices. In addition, sales performance was burdened by currency effects. Higher prices in all regions and almost all indications had a positive effect. The slight sales decline in Europe was driven by negative currency effects and lower volumes, especially of herbicides and fungicides. Considerably higher prices had a positive effect. In North America, sales declined considerably as a result of lower volumes, particularly of herbicides. Negative currency effects, largely relating to the U.S. dollar, exacerbated this development, while higher prices had a positive impact. Sales in Asia declined considerably, due to both negative currency effects, largely relating to the Indian rupee and the Chinese renminbi, and lower volumes, mainly of fungicides and herbicides. Prices increased considerably. In the region South America, Africa, Middle East, sales declined considerably. This was mainly driven by a delayed start to the season and consequently lower volumes, particularly in Brazil, as well as negative currency effects, especially relating to the Argentine peso. Higher prices were unable to fully offset this.

EBIT bsi was considerably above Q3 2022, mainly due to price increases and a one-time effect from an insurance payment.

In Q3 2023, EBIT included special charges, mainly for measures in the context of the cost savings program focusing on Europe.

Other

Sales in Other decreased considerably compared with Q3 2022. This was mainly due to a decline in sales in commodity trading. EBIT bsi decreased considerably. This development was mainly due to lower income from hedging transactions compared with Q3 2022.

Outlook 2023 unchanged

Underlying assumptions for 2023

BASF has maintained its assessment of the global economic environment in 2023 (growth assumptions from BASF's Half-Year Financial Report 2023; values rounded to half percentage points):

- Growth in gross domestic product: 2.0%
- Growth in industrial production: 1.0%
- Growth in chemical production: 0.0%
- Average euro/dollar exchange rate: \$1.10 per euro
- Average annual oil price (Brent crude): \$80 per barrel

In the fourth quarter of 2023, BASF expects production in the global chemical industry to further stabilize. However, the macroeconomic outlook remains extremely uncertain in the current interest rate policy environment and in view of increasing geopolitical risks. Rising raw materials prices in particular could weigh on demand and margins.

Outlook 2023 for BASF Group

The BASF Group's forecast for the 2023 business year published in July 2023 also remains unchanged:

- Sales: €73 billion – €76 billion
- EBIT before special items: €4.0 billion – €4.4 billion
- ROCE: 6.5% – 7.1%
- CO₂ emissions: 17.0 million metric tons – 17.6 million metric tons

Sales and EBIT before special items in full year 2023 expected to be at the lower end of the above-mentioned forecast ranges. If chemical production does not stabilize, there are risks from a further decline in volumes and a stronger price reduction than expected.

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 157 to 167 of the BASF Report 2022. BASF does not assume any obligation to update the forward-looking statements contained in this factsheet above and beyond the legal requirements.