



# Half-Year Financial Report 2022



**On the cover and this page:**

Catalysts are indispensable to many processes and production methods in the chemical industry: They accelerate processes, enable higher production volumes from the same amount of feedstock and reduce energy demand. That is why BASF conducts intensive research in this area and develops innovative solutions for customers in various industries. At a research center at the Ludwigshafen site in Germany, for example, BASF operates highly automated experimental facilities to develop efficient processes and test new process catalysts. The photo shows chemical laboratory technician Melanie Zier monitoring a plant during testing.



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## At a Glance

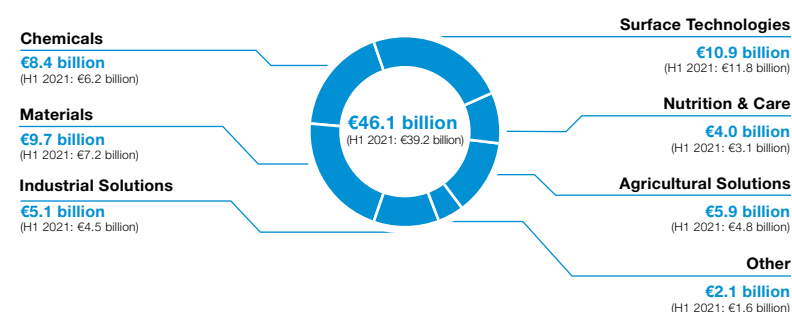
### Sales – H1 2022

**€46.1 billion**  
(H1 2021: €39.2 billion)

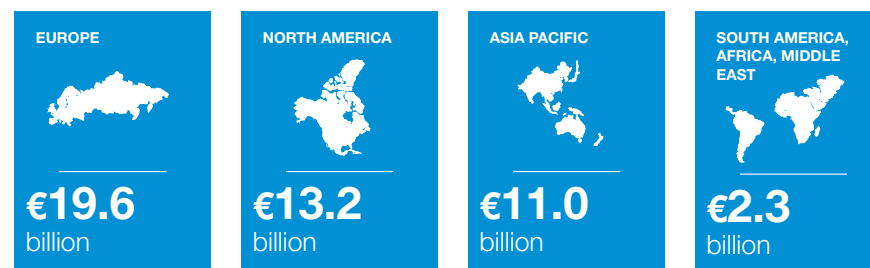
### EBIT before special items – H1 2022

**€5.2 billion**  
(H1 2021: €4.7 billion)

### Sales by segment and Other – H1 2022



### Sales by region – H1 2022



### Outlook for the BASF Group

#### Adjusted outlook for the 2022 business year (previous forecast from the BASF Report 2021 in parentheses):

- Sales: €86 billion to €89 billion (€74 billion to €77 billion)
- EBIT before special items: €6.8 billion to €7.2 billion (€6.6 billion to €7.2 billion)
- Return on capital employed (ROCE): 10.5% to 11.0% (11.4% to 12.6%)
- CO<sub>2</sub> emissions: 18.4 million metric tons to 19.4 million metric tons (19.6 million metric tons to 20.6 million metric tons)

# Key Figures

## BASF Group H1 2022

		Q2			H1		
		2022	2021	+/-	2022	2021	+/-
Sales	million €	22,974	19,753	16.3%	46,058	39,153	17.6%
Income from operations before depreciation, amortization and special items	million €	3,293	3,217	2.4%	7,036	6,398	10.0%
Income from operations before depreciation and amortization (EBITDA)	million €	3,396	3,199	6.2%	7,105	6,375	11.4%
EBITDA margin	%	14.8	16.2	–	15.4	16.3	–
Depreciation and amortization <sup>a</sup>	million €	1,046	883	18.4%	1,970	1,748	12.7%
Income from operations (EBIT)	million €	2,350	2,316	1.5%	5,135	4,627	11.0%
Special items	million €	11	–39	.	–22	–49	54.2%
EBIT before special items	million €	2,339	2,355	–0.7%	5,157	4,676	10.3%
Income before income taxes	million €	2,658	2,189	21.4%	4,536	4,436	2.3%
Income after taxes	million €	2,179	1,794	21.5%	3,500	3,604	–2.9%
Net income	million €	2,090	1,654	26.3%	3,311	3,372	–1.8%
Earnings per share <sup>b</sup>	€	2.31	1.80	28.3%	3.65	3.67	–0.5%
Adjusted earnings per share <sup>b</sup>	€	2.37	2.03	16.7%	5.07	4.03	25.8%
Research and development expenses	million €	567	545	3.9%	1,136	1,056	7.6%
Personnel expenses	million €	2,964	2,924	1.4%	6,031	5,871	2.7%
Employees (June 30)		110,725	107,646	2.9%	110,725	107,646	2.9%
Assets (June 30)	million €	96,972	82,938	16.9%	96,972	82,938	16.9%
Investments including acquisitions <sup>c</sup>	million €	970	831	16.7%	1,711	1,376	24.3%
Equity ratio (June 30)	%	47.8	45.9	–	47.8	45.9	–
Net debt (June 30)	million €	19,546	16,241	20.4%	19,546	16,241	20.4%
Cash flows from operating activities	million €	1,228	2,537	–51.6%	938	2,012	–53.4%
Free cash flow	million €	336	1,770	–81.0%	–557	789	.

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

<sup>b</sup> Due to the current share buyback program, the weighted average number of outstanding shares was 903,147,947 in the second quarter of 2022 and 907,989,633 in the first half of 2022.

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



# Consolidated Interim Management's Report 2022

## Significant Events

On January 4, 2022, the Board of Executive Directors of BASF SE resolved on a share buyback program with a volume of up to €3 billion. This started on January 11, 2022, and is to be completed by December 2023. The share buyback program was initially based on the authorization by the Annual Shareholders' Meeting on May 12, 2017. The program was continued after the renewed authorization to purchase own shares had been granted by the Annual Shareholders' Meeting of BASF SE on April 29, 2022. Around 18.5 million shares had been repurchased for almost €1.1 billion as of June 30, 2022.

 For more information on the share buyback program, see [basf.com/sharebuyback](https://basf.com/sharebuyback)

Together with Heraeus, Hanau, Germany, BASF announced on February 11, 2022, the formation of a joint venture (BASF: 50%; Heraeus: 50%) to recover precious metals from spent automotive catalysts. BASF HERAEUS (China) Metal Resource Co., Ltd., based in Pinghu, China, was formed in early May 2022. Construction of the joint venture's recycling plant is scheduled to begin this year, with start of operations in 2023.

The following changes in responsibilities to two Board of Executive Directors departments ("Ressorts") took effect as of March 1, 2022:

- Saori Dubourg (Ressort IV) assumed responsibility for the Petrochemicals, Intermediates, Performance Materials and Monomers divisions. She remains responsible for the region Europe.
- Michael Heinz (Ressort V) assumed responsibility for the Care Chemicals, Nutrition & Health and Agricultural Solutions divisions. He remains responsible for the regions North America and South America.

On April 12, 2022, BASF and Allianz Capital Partners (on behalf of Allianz Insurance Companies) closed the purchase of 25.2% of the Hollandse Kust Zuid (HKZ) offshore wind farm by Allianz Capital Partners. BASF had acquired 49.5% of HKZ from Vattenfall in the third quarter of 2021. BASF will receive most of the power produced by its originally acquired share of 49.5% of HKZ under a long-term fixed-price power purchasing agreement.

On April 29, 2022, the Annual Shareholders' Meeting of BASF SE elected Alessandra Genco (48), Chief Financial Officer of Leonardo SpA, Rome, Italy, and Professor Dr. Stefan Asenkerschbaumer (66), chairman of the supervisory board of Robert Bosch GmbH and managing partner of Robert Bosch Industrietreuhand KG, Stuttgart, Germany, to the Supervisory Board of BASF SE as new shareholder representatives. They succeed Anke Schäferkordt (59) and Franz Fehrenbach (72), who stepped down from the Supervisory Board as of the end of the Annual Shareholders' Meeting 2022 due to their many years of service on the Board. The mandates run until the end of the Annual Shareholders' Meeting 2024.

In addition, as of the end of the Annual Shareholders' Meeting 2022, Peter Zaman (53), deputy secretary of the Works Council of BASF Antwerpen NV, André Matta (51), member of the BASF Works Council Europe and the Works Council of BASF SE, and Natalie Mühlenfeld (41), district manager of the Mining, Chemical and Energy Industries Union (IG BCE) for the Düsseldorf district, joined the Supervisory Board of BASF SE as new employee representatives. They succeed Denise Schellemans (60), Waldemar Helber (64) and Roland Strasser (46), who resigned their mandates as of the end of the Annual Shareholders' Meeting 2022. Their mandates on the Supervisory Board of BASF SE also run until the end of the Annual Shareholders' Meeting 2024.

As announced on April 27, 2022, BASF wound down its business activities in Russia and Belarus as of July 10, 2022. Business to support food production remains an exception. This decision was driven by recent developments in the war of aggression on Ukraine and in international law, including the fifth E.U. sanctions package. In 2021, Russia and Belarus accounted for around 1% of the BASF Group's total sales.

Following a detailed review of the impact of the decision from April 27, 2022, impairments on assets of €51 million and provisions for obligations to customers, suppliers and employees in the amount of €27 million were recognized by June 30, 2022. An impairment test was performed for Wintershall Dea's Russian assets as of June 30, 2022. This did not reveal any need for adjustment above and beyond the impairments recognized by Wintershall Dea in the first quarter.

 For more information, see [Note 8 to the Consolidated Half-Year Financial Statements on page 37 onward](#)

## Results of Operations H1 2022

**Sales** rose by €6,905 million compared with the first half of 2021 to €46,058 million. This was mainly attributable to significant price increases, especially in the Materials and Chemicals segments. Currency effects, primarily relating to the U.S. dollar, increased sales in all segments. Positive portfolio effects in the Surface Technologies segment following the acquisition of a majority shareholding in BASF Shanshan Battery Materials Co., Ltd. more than compensated for negative portfolio effects in the Industrial Solutions segment, mainly from the sale of the global pigments business. Sales development was dampened by slightly lower volumes overall. The decline in volumes in the Surface Technologies and Chemicals segments was only partially offset by volume growth in the other segments.

### Factors influencing BASF Group sales in H1 2022

Volumes	–2.6%
Prices	14.4%
Portfolio	0.1%
Currencies	5.7%
<b>Sales</b>	<b>17.6%</b>

Compared with the prior-year period, the BASF Group's **income from operations (EBIT) before special items**<sup>1</sup> rose by €481 million to €5,157 million. This was mainly driven by the considerable improvement in earnings in the Agricultural Solutions segment. The Nutrition & Care and Industrial Solutions segments also achieved considerably higher EBIT before special items, while the Chemicals segment posted slight growth. By contrast, EBIT before special items was considerably lower in the Surface Technologies segment. Earnings declined slightly in the Materials segment. EBIT before special items in Other improved considerably compared with the first half of 2021.

**Special items** in EBIT amounted to –€22 million in the first half of 2022, after –€49 million in the prior-year period. Gains on divestitures totaled €168 million, primarily from the sale of 25.2% of the Hollandse Kust Zuid offshore wind farm. Restructuring expenses of €162 million had an offsetting effect. These mainly related to the discontinuation of our business activities in Russia and Belarus,<sup>2</sup> the carve-out of the newly established BASF Automotive Catalysts & Recycling unit within the Catalysts division, and restructuring measures. Other charges and income and integration costs resulted in further expenses totaling €28 million.

**Income from operations (EBIT)**<sup>3</sup> rose by €508 million compared with the first half of 2021 to €5,135 million. This figure includes income from integral companies accounted for using the equity method, which declined by €88 million to €233 million. The contribution from BASF-YPC Company Ltd., Nanjing, China, amounted to €153 million, compared with €192 million in the prior-year period.

**Income from operations before depreciation, amortization and special items (EBITDA before special items)**<sup>4</sup> was €7,036 million compared with €6,398 million in the first half of 2021. **EBITDA**<sup>4</sup> rose from €6,375 million to €7,105 million in the same period.

**Net income from shareholdings** declined by €388 million compared with the prior-year period to –€364 million. This was mainly due to impairment charges of €1.1 billion recognized by Wintershall Dea in the first quarter of 2022. These impairments were triggered by the war in Ukraine and the related political consequences and concerned, in addition to the Nord Stream 2 loan, assets in Russia and in the gas transportation business. Excluding these impairments, the after-tax earnings of Wintershall Dea attributable to BASF improved by €716 million compared with the first half of 2021 to €755 million.

The **financial result** amounted to –€235 million, after –€215 million in the prior-year period. At –€177 million, the interest result declined by €20 million, mainly due to higher interest expenses for financial indebtedness.

### H1 EBITDA before special items

Million €	2022	2021
EBIT	5,135	4,627
– Special items	–22	–49
<b>EBIT before special items</b>	<b>5,157</b>	<b>4,676</b>
+ Depreciation and amortization before special items	1,873	1,718
+ Impairments and reversals of impairments on property, plant and equipment and intangible assets before special items	6	4
<b>Depreciation, amortization, impairments and reversals of impairments on property, plant and equipment and intangible assets before special items</b>	<b>1,879</b>	<b>1,722</b>
<b>EBITDA before special items</b>	<b>7,036</b>	<b>6,398</b>

### H1 EBITDA

Million €	2022	2021
EBIT	5,135	4,627
+ Depreciation and amortization	1,873	1,718
+ Impairments and reversals of impairments on property, plant and equipment and intangible assets	97	30
<b>Depreciation, amortization, impairments and reversals of impairments on property, plant and equipment and intangible assets</b>	<b>1,970</b>	<b>1,748</b>
<b>EBITDA</b>	<b>7,105</b>	<b>6,375</b>

<sup>1</sup> For an explanation of this indicator, see [Our Steering Concept on page 42 onward of the BASF Report 2021](#).

<sup>2</sup> For more information on the discontinuation of our business activities in Russia and Belarus, see [Significant Events on page 5 of this half-year financial report](#).

<sup>3</sup> The calculation of income from operations (EBIT) is shown in the [Statement of Income on page 24 of this half-year financial report](#).

<sup>4</sup> For an explanation of this indicator, see [Results of Operations on page 56 onward of the BASF Report 2021](#).

**H1 adjusted earnings per share**

Million €

	2022	2021
<b>Income after taxes</b>	<b>3,500</b>	<b>3,604</b>
– Special items <sup>a</sup>	–1,125	–49
+ Amortization, impairments and reversals of impairments on intangible assets	327	306
– Amortization, impairments and reversals of impairments on intangible assets contained in special items	3	–
– Adjustments to income taxes	146	26
– Adjustments to income after taxes from discontinued operations	–	–
<b>Adjusted income after taxes</b>	<b>4,803</b>	<b>3,933</b>
– Adjusted noncontrolling interests	196	233
<b>Adjusted net income</b>	<b>4,607</b>	<b>3,700</b>
Weighted average number of outstanding shares <sup>b</sup> in thousands	907,990	918,479
<b>Adjusted earnings per share</b> €	<b>5.07</b>	<b>4.03</b>

<sup>a</sup> Includes special items in net income from shareholdings of –€1,102 million for the first half of 2022<sup>b</sup> Due to the current share buyback program, the weighted average number of outstanding shares in the first half of 2022 was 907,989,633.

**Income before taxes** rose by €100 million to €4,536 million. The tax rate increased to 22.8% (H1 2021: 18.8%), mainly as a result of the decline in income from companies accounted for using the equity method, in particular from the impairment charges recognized at Wintershall Dea. This reduced the pre-tax result but did not have any effect on the tax expense.

Overall, this led to **income after taxes** of €3,500 million in the first half of 2022 (H1 2021: €3,604 million). Of this amount, €3,311 million was attributable to shareholders of BASF SE. **Noncontrolling interests** amounted to €189 million compared with €232 million in the prior-year period, primarily due to a lower earnings contribution from BASF TotalEnergies Petrochemicals LLC, Port Arthur, Texas. Positive earnings contributions from the BASF Shanshan companies, which were not yet included in the first half of 2021, had an offsetting effect.

**Earnings per share** were €3.65 as of June 30, 2022 (H1 2021: €3.67). **Earnings per share adjusted<sup>1</sup>** for special items and amortization of intangible assets amounted to €5.07, after €4.03 in the first half of 2021.

**Segment sales and EBIT before special items**

Sales<sup>2</sup> in the **Chemicals** segment rose considerably compared with the first half of 2021. This was mainly due to higher price levels caused by raw materials costs. The Petrochemicals division raised prices, especially for steam cracker products, styrene monomers and in the propylene and butadiene value chains. The Intermediates division increased prices in the butanediol and derivatives business, the amines business and the acids and polyalcohols business in particular. Positive currency effects supported the sales development. Sales growth was dampened by slightly lower volumes, primarily as a consequence of the coronavirus lockdowns in China in the second quarter of 2022. The segment posted a slight increase in EBIT before special items.<sup>2</sup> This was due to strong earnings growth in the Intermediates division resulting from higher margins and an improved contribution from shareholdings accounted for using the equity method. By contrast, EBIT before special items declined slightly in the Petrochemicals division. This was largely attributable to higher fixed costs, mainly from currency effects and increased energy prices. Earnings were also dampened by a lower contribution from shareholdings accounted for using the equity method. Continued high margins only partially compensated for this.

The **Materials** segment recorded strong year-on-year sales growth. Both divisions raised prices in all business units, passing on higher raw materials prices. Positive currency effects contributed to the sales increase. Higher volumes overall had a slightly positive impact on sales. Volume growth in the Monomers division more than compensated for lower volumes in the Performance Materials division. The segment's EBIT before special items declined slightly. The Monomers division achieved slightly higher earnings, largely from price-driven margin growth. By contrast, EBIT before special items in the Performance Materials division was considerably lower, mainly as a result of higher fixed costs.

<sup>1</sup> For an explanation of this indicator, see [Results of Operations on page 56 onward of the BASF Report 2021](#).<sup>2</sup> 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%).

Sales in the **Industrial Solutions** segment were considerably higher year on year. Sales growth was mainly driven by significantly higher prices across all business areas. Currency effects and higher volumes also increased sales in both divisions. By contrast, portfolio effects weighed heavily on sales performance, especially in the Dispersions & Resins division following the disposal of the global pigments business. Overall, EBIT before special items rose considerably. This was primarily attributable to higher margins, largely from price increases, and the development of volumes in both divisions.

The **Surface Technologies** segment recorded a considerable decline in sales. This was mainly due to lower volumes and prices in precious metal trading and in the mobile emissions catalysts business in the Catalysts division as a result of lower demand from the automotive industry. Higher volumes and prices in the Coatings division were unable to compensate for this. Positive currency effects had an offsetting impact. Portfolio effects in the Catalysts division following the acquisition of a majority shareholding in BASF Shanshan Battery Materials also had a positive impact on sales. EBIT before special items declined considerably in both divisions. Earnings decreased in the Coatings division, primarily as a result of higher fixed costs after these had been reduced by a one-off effect in the prior-year period. The decrease in earnings in the Catalysts division was mainly due to a significantly lower contribution from precious metal trading.

Sales in the **Nutrition & Care** segment rose considerably compared with the first half of 2021. The sales development was primarily the result of strong price increases across all business areas. Sales growth was supported by positive currency effects and higher volumes. Portfolio effects from the sale of the production site in Kankakee, Illinois, reduced sales in both divisions. EBIT before special items was up from the prior-year period in both divisions. The main driver was the sales-driven increase in margins, which more than compensated for the rise in fixed costs.

Sales rose considerably in the **Agricultural Solutions** segment. Sales growth was mainly attributable to higher prices and volumes. Currency effects also had a positive impact on sales. EBIT before special items was also well above the prior-year period as a result of higher sales. This more than compensated for higher fixed costs.

Sales in **Other** were considerably above the level of the first half of 2021. This primarily reflected sales growth in commodity trading. EBIT before special items improved considerably. This was mainly due to lower accruals for variable compensation components compared with the prior-year period.

### H1 sales

Million €, relative change

Chemicals	<b>2022</b>	<b>8,353</b>	<b>35.7%</b>	
	2021	6,155		
Materials	<b>2022</b>	<b>9,683</b>	<b>34.7%</b>	
	2021	7,190		
Industrial Solutions	<b>2022</b>	<b>5,136</b>	<b>15.0%</b>	
	2021	4,467		
Surface Technologies	<b>2022</b>	<b>10,903</b>	<b>-7.9%</b>	
	2021	11,839		
Nutrition & Care	<b>2022</b>	<b>4,045</b>	<b>29.8%</b>	
	2021	3,117		
Agricultural Solutions	<b>2022</b>	<b>5,856</b>	<b>21.8%</b>	
	2021	4,809		
Other	<b>2022</b>	<b>2,082</b>	<b>32.1%</b>	
	2021	1,576		

### H1 EBIT before special items

Million €, absolute change

Chemicals	<b>2022</b>	<b>1,712</b>	<b>108</b>	
	2021	1,604		
Materials	<b>2022</b>	<b>1,419</b>	<b>-45</b>	
	2021	1,464		
Industrial Solutions	<b>2022</b>	<b>671</b>	<b>98</b>	
	2021	573		
Surface Technologies	<b>2022</b>	<b>493</b>	<b>-156</b>	
	2021	649		
Nutrition & Care	<b>2022</b>	<b>457</b>	<b>101</b>	
	2021	356		
Agricultural Solutions	<b>2022</b>	<b>1,091</b>	<b>209</b>	
	2021	882		
Other	<b>2022</b>	<b>-686</b>	<b>167</b>	
	2021	-852		



## Net Assets and Financial Position

### Net assets

At €96,972 million, total assets were €9,590 million higher than at the end of 2021, mainly due to the €8,300 million increase in current assets.

**Noncurrent assets** rose by €1,289 million. The €1,054 million increase in the carrying amount of non-integral shareholdings accounted for using the equity method compared with the prior year-end was primarily attributable to the interest in Wintershall Dea, mainly as a result of currency effects. This was offset by a €1,078 million decrease in deferred taxes due to lower pension provisions. Property, plant and equipment rose by €701 million compared with December 31, 2021, largely owing to positive currency effects. Additions were almost on a level with depreciation. Intangible assets rose by €272 million, also mainly due to currency effects. This was partly offset by amortization, which exceeded additions. The carrying amount of integral shareholdings accounted for using the equity method increased by €325 million compared with the figure as of December 31, 2021, primarily from the addition of the remaining 24.3% interest in the Hollandse Kust Zuid wind farm following the partial divestiture.

The €8,300 million increase in **current assets** to €43,351 million compared with the prior-year end was mainly attributable to trade accounts receivable, which were €3,832 million higher than the figure as of December 31, 2021. Inventories rose by €2,117 million, primarily as a result of higher raw materials prices. The increase in other receivables largely reflected the rise in precious metal trading items and higher fair values of derivatives. Cash and cash equivalents were €1,156 million above the prior year-end figure. Assets of disposal groups declined following the partial divestiture of the shareholding in the Hollandse Kust Zuid wind farm. As of June 30, 2022, these only included the assets of the kaolin minerals business, which is held for sale.

### Financial position

**Equity** amounted to €46,373 million as of June 30, 2022, €4,291 million above the prior year-end figure. This was mainly due to translation adjustments and actuarial gains. Retained earnings declined by €836 million, primarily driven by share buybacks of around €1.1 billion. Net income had an offsetting effect and was €239 million higher than the dividends paid, which amounted to €3,072 million.

The equity ratio decreased slightly from 48.2% to 47.8%.

**Noncurrent liabilities** declined by €1,254 million compared with the 2021 year-end to €23,966 million, mainly due to the significant decline in pension provisions as a result of higher interest rates in relevant currency zones. The €1,847 million increase in noncurrent financial indebtedness primarily reflected the issue of new euro-bonds with a total volume of €3.5 billion. This was partially offset by the reclassification of two bonds with an aggregate carrying amount of around €1.8 billion from noncurrent to current financial indebtedness.

**Current liabilities** rose by €6,552 million compared with December 31, 2021, to €26,633 million, primarily as a result of the €4,502 million increase in current financial indebtedness. This was mainly attributable to the placement of commercial paper amounting to around €2.4 billion by BASF SE, the above-mentioned reclassification of two bonds from noncurrent to current financial indebtedness, and current liabilities to banks, which rose by around €1 billion. The scheduled repayment of a USD bond and a GBP bond with an aggregate carrying amount of €739 million had an offsetting effect. Trade accounts payable were €1,242 million higher than at the end of the previous year. The increase in current provisions resulted mainly from higher provisions for rebates.

**Net debt<sup>1</sup>** rose by €5,195 million compared with December 31, 2021, to €19,546 million following the increase in financial indebtedness.

### Net debt

Million €

	June 30, 2022	December 31, 2021
Noncurrent financial indebtedness	15,611	13,764
+ Current financial indebtedness	7,922	3,420
<b>Financial indebtedness</b>	<b>23,533</b>	<b>17,184</b>
– Marketable securities	207	208
– Cash and cash equivalents	3,780	2,624
<b>Net debt</b>	<b>19,546</b>	<b>14,352</b>

**Cash flows from operating activities** amounted to €938 million in the first half of 2022, a decrease of €1,074 million compared with the prior-year period. This was mainly attributable to bonus payments, which were around €1.2 billion higher. The €660 million increase in cash tied up in inventories was partially offset by reclassifications of equity-accounted income, which rose by €503 million.

**Cash flows from investing activities** amounted to –€1,218 million in the first half of 2022, after –€112 million in the prior-year period. Payments made for property, plant and equipment and intangible assets rose by €272 million compared with the first half of 2021 to €1,495 million. Payments received from divestitures declined by €726 million, from €1,118 million in the first half of 2021, mainly from the sale of the global pigments business, to €392 million in the first half of 2022, primarily from the sale of shares in the Hollandse Kust Zuid wind farm. Net payments made for financial assets and securities amounted to €102 million, €95 million above the prior-year level.

<sup>1</sup> For an explanation of this indicator, see [Financial Position on page 63 onward of the BASF Report 2021](#).

**Cash flows from financing activities** amounted to €1,299 million in the first half of 2022, compared with –€3,434 million in the first half of the previous year. The change was due to €3,976 million higher additions to and €1,875 million lower repayments of financial and similar liabilities. This was partially offset by payments of €1,075 million made for share buybacks in the first half of 2022. Dividend payments were €39 million higher than in the same period last year.

BASF enjoys good **credit ratings**, especially compared with competitors in the chemical industry. Moody's most recently confirmed its rating of A3/P-2/outlook stable on May 6, 2022. Standard & Poor's most recently confirmed BASF's A/A-1/outlook stable rating on January 6, 2022. Fitch's rating of A/F1/outlook stable from June 11, 2021, also remained unchanged.

**Free cash flow<sup>1</sup>** was –€557 million in the first half of 2022 after €789 million in the prior-year period.

#### H1 free cash flow

Million €

	2022	2021
Cash flows from operating activities	938	2,012
– Payments made for property, plant and equipment and intangible assets	–1,495	1,223
<b>Free cash flow</b>	<b>–557</b>	<b>789</b>

<sup>1</sup> For an explanation of this indicator, see [Financial Position on page 63 onward of the BASF Report 2021](#).

## Economic Environment and Outlook

Economic development in the first half of 2022 was volatile. Following a subdued start to the first quarter of 2022 with wide regional variance (moderate growth in gross domestic product in the E.U. and Asia, slight decline in North America), the economy slowed in the second quarter of 2022. As a result, global gross domestic product largely stagnated in the second quarter compared with the previous quarter. Despite slowing growth momentum, **global gross domestic product** in the first half of 2022 was around 3.0% higher than in the first half of 2021.

A range of different effects contributed to the economic slowdown over the course of the first half of 2022: The temporary lockdowns in major Chinese cities reduced consumer demand in China and simultaneously led to supply shortfalls as a result of production shutdowns and disruptions to logistics chains. Moreover, prices for energy and raw materials rose sharply following the outbreak of the war of aggression on Ukraine. The U.S. Federal Reserve has already reacted to rising inflation rates with a significant tightening of monetary policy, which had a braking effect on industries such as construction. Declining share prices on the stock market and the resulting effects on wealth also curbed consumption in the United States. In the E.U. countries highly dependent on gas supplies from Russia, uncertainty among consumers and producers rose considerably.

Based on preliminary data as well as some estimates, **global industrial production** expanded by around 3.5% in the first half of 2022 compared with the prior-year period. Overall, the lockdowns in China in the second quarter dampened growth momentum in the manufacturing sector, as production slowed in China and other regions lacked intermediate goods from China. Demand varied in our customer industries. Global automotive production declined by around 1.8% year on year in the first half of the year. This was partially due to supply chain disruptions. The war in Ukraine restricted wire harness supplies for European automotive manufacturers. The global semiconductor shortage continued but

the situation is gradually improving. In China, automotive demand was temporarily weakened by the lockdowns.

The production of consumables (health and nutrition, care products) and consumer durables (textiles, furniture) continued to grow compared with the previous year. Production also increased year on year in the electric and electronics industries. The picture was mixed in the construction industry, with growing demand in the E.U. but a downturn in the United States and China. Construction activity in the United States and E.U. was curbed by rising interest rates. Nevertheless, demand for construction materials remained high in the first half of 2022. Global agricultural output rose significantly, with the strong decline in output in Ukraine offset by higher volumes in other regions.

**Global chemical production** expanded by around 2.5% in the first half of 2022. Growth rates varied widely by region. In the E.U., chemical production declined slightly overall. By contrast, the United States recorded strong growth of 6.5% due to base effects following the restrictions to production caused by a winter storm in the prior-year period. In China, the world's largest chemical market, chemical production rose by 4%.

The **price of oil** averaged \$107 per barrel (Brent crude) in the first half of 2022, significantly above the average for the prior-year period (\$65 per barrel). The war of aggression on Ukraine and the sanctions on Russia saw the average oil price jump from \$87 per barrel in January to \$122 per barrel in June. In Europe, average gas prices (TTF) rose from \$7.76 per mmBtu in the first half of 2021 to more than quadruple this amount (\$31.94 per mmBtu) in the first half of 2022. Average gas prices in the United States (Henry Hub) almost doubled in the same period, from \$3.40 per mmBtu to \$6.41 per mmBtu.

The assessment of the **global economic environment** in 2022 was adjusted as follows (previous assumptions from the BASF Report 2021 in parentheses; current growth assumptions are rounded):

- Growth in gross domestic product: +2.5% (+3.8%)
- Growth in industrial production: +3.0% (+3.8%)
- Growth in chemical production: +2.5% (+3.5%)
- Average euro/dollar exchange rate of \$1.07 per euro (\$1.15 per euro)
- Average annual oil price (Brent crude) of \$110 per barrel (\$75 per barrel)

For the second half of the year, BASF anticipates a gradual cooling of economic development globally, but much more pronounced in Europe. This assumes that there are no severe restrictions resulting from new lockdowns in China and that natural gas shortages do not lead to production shutdowns in Europe.

Based on the very positive business development in the first half of 2022 and the above assumptions, the **forecast** for the BASF Group for the 2022 business year was adjusted as follows (previous forecast from the BASF Report 2021 in parentheses):

- Sales growth to between €86 billion and €89 billion (between €74 billion and €77 billion)
- EBIT before special items of between €6.8 billion and €7.2 billion (€6.6 billion and €7.2 billion)
- Return on capital employed (ROCE) of between 10.5% and 11.0% (between 11.4% and 12.6%)
- Reduction in CO<sub>2</sub> emissions to between 18.4 million metric tons and 19.4 million metric tons (between 19.6 million metric tons and 20.6 million metric tons)

Current developments, mainly driven by the war in Ukraine and its impact on energy and raw materials prices and the availability of raw materials, especially in Europe, may lead to additional headwinds, deviating from the assumptions presented above. In particular, risks could arise from production stoppages at major European sites as a result of further restrictions to European gas supplies from Russia. In this case, the loss of European capacities could be partially compensated for by higher plant capacity utilization at sites outside of Europe. Further risks could arise from the future course of the coronavirus pandemic and new measures to contain the number of infections. Opportunities could arise from continued high margins, even in the case of an economic slowdown. We are responding to the economic slowdown with cost reduction measures.

For the remaining **opportunity and risk factors**, the statements made in the BASF Report 2021 continue to apply overall. According to the company's assessment, neither existing individual risks nor the sum of individual risks pose a threat to the continued existence of the BASF Group.

 For more information on other opportunities and risks, see [page 151 onward of the BASF Report 2021](#)

The sufficient supply of natural gas in Europe remains the greatest uncertainty. A continuous supply of natural gas according to demand is essential to chemical production. Around 60% of the natural gas consumed by BASF in Europe is used to generate the energy (steam and electricity) needed for production. Around 40% of natural gas is used as a raw material to produce important basic chemicals and a wide range of products in the downstream value chains supplying almost all sectors of industry.

The consequences would vary depending on the duration and extent of supply restrictions, the existence of alternative supply sources and possible substitutions, as well as any optimization of production to reduce the use of natural gas. It is therefore not possible to quantify the risks with sufficient accuracy.

# Information on Q2 2022

## BASF Group

The BASF Group increased **sales** by €3,221 million compared with the prior-year quarter to €22,974 million. This was primarily due to significant price increases in almost all segments. In all segments, the sales performance was supported by positive currency effects, mainly relating to the U.S. dollar. In addition, portfolio effects in the Surface Technologies segment in connection with the acquisition of a majority shareholding in BASF Shanshan Battery Materials contributed to sales growth. This more than compensated for negative portfolio effects in the Industrial Solutions segment, mainly from the sale of the global pigments business. Slightly lower sales volumes overall had an offsetting effect. Volume growth in the Agricultural Solutions and Nutrition & Care segments was unable to fully offset the decline in volumes in the other segments, especially in the Surface Technologies segment.

### Factors influencing BASF Group sales in Q2 2022

Volumes	–4.4%	
Prices		13.4%
Portfolio	0.1%	
Currencies		7.2%
<b>Sales</b>		<b>16.3%</b>

At €2,339 million, **income from operations (EBIT) before special items<sup>1</sup>** was €16 million below the figure for the second quarter of 2021. The slight decline in earnings was mainly attributable to considerably lower EBIT before special items in the Chemicals and Materials segments. EBIT before special items also declined considerably in the Surface Technologies segment. By contrast, the Agricultural Solutions and Nutrition & Care segments posted considerably higher earnings, while the Industrial Solutions segment

### Q2 sales

Million €, relative change

Chemicals	<b>2022</b>	<b>4,349</b>	<b>27.2%</b>	
	2021	3,419		
Materials	<b>2022</b>	<b>4,862</b>	<b>29.9%</b>	
	2021	3,743		
Industrial Solutions	<b>2022</b>	<b>2,643</b>	<b>12.1%</b>	
	2021	2,359		
Surface Technologies	<b>2022</b>	<b>5,446</b>	<b>–7.6%</b>	
	2021	5,892		
Nutrition & Care	<b>2022</b>	<b>2,074</b>	<b>30.9%</b>	
	2021	1,584		
Agricultural Solutions	<b>2022</b>	<b>2,459</b>	<b>25.3%</b>	
	2021	1,963		
Other	<b>2022</b>	<b>1,142</b>	<b>44.0%</b>	
	2021	793		

recorded slight earnings growth. EBIT before special items attributable to Other improved considerably.

Overall, **special items** in EBIT led to income of €11 million in the second quarter of 2022, after an expense of €39 million in the prior-year quarter. Gains on divestitures totaled €173 million, primarily from the sale of 25.2% of the Hollandse Kust Zuid offshore wind farm. This was partially offset by restructuring expenses of €133 million, mainly in connection with the discontinuation of our business activities in Russia and Belarus<sup>2</sup> as well as the carve-out of the newly established BASF Automotive Catalysts & Recycling unit within the Catalysts division. Expenses totaling €28 million arose from other charges and income as well as integration costs.

### Q2 EBIT before special items

Million €, absolute change

Chemicals	<b>2022</b>	<b>853</b>	<b>–164</b>	
	2021	1,018		
Materials	<b>2022</b>	<b>668</b>	<b>–124</b>	
	2021	792		
Industrial Solutions	<b>2022</b>	<b>323</b>	<b>16</b>	
	2021	307		
Surface Technologies	<b>2022</b>	<b>227</b>	<b>–62</b>	
	2021	289		
Nutrition & Care	<b>2022</b>	<b>213</b>	<b>75</b>	
	2021	138		
Agricultural Solutions	<b>2022</b>	<b>223</b>	<b>148</b>	
	2021	75		
Other	<b>2022</b>	<b>–168</b>	<b>95</b>	
	2021	–263		

**EBIT<sup>3</sup>** rose by €34 million to €2,350 million. This includes income from integral companies accounted for using the equity method, which declined by €82 million to €101 million. The contribution from BASF-YPC Company Ltd. amounted to €72 million, compared with €103 million in the prior-year period.

<sup>1</sup> For an explanation of this indicator, see [Our Steering Concept on page 42 onward of the BASF Report 2021](#).

<sup>2</sup> For more information on the discontinuation of our business activities in Russia and Belarus, see [Significant Events on page 5 of this half-year financial report](#).

<sup>3</sup> The calculation of income from operations (EBIT) is shown in the [Statement of Income on page 24 of this half-year financial report](#).



**Income from operations before depreciation, amortization and special items (EBITDA before special items)<sup>1</sup>** rose by €76 million to €3,293 million and **EBITDA<sup>1</sup>** increased by €197 million to €3,396 million in the second quarter of 2022.

#### Q2 EBITDA before special items

Million €

	2022	2021
EBIT	2,350	2,316
– Special items	11	–39
<b>EBIT before special items</b>	<b>2,339</b>	<b>2,355</b>
+ Depreciation and amortization before special items	953	859
+ Impairments and reversals of impairments on property, plant and equipment and intangible assets before special items	2	3
<b>Depreciation, amortization, impairments and reversals of impairments on property, plant and equipment and intangible assets before special items</b>	<b>954</b>	<b>862</b>
<b>EBITDA before special items</b>	<b>3,293</b>	<b>3,217</b>

#### Q2 EBITDA

Million €

	2022	2021
EBIT	2,350	2,316
+ Depreciation and amortization	953	859
+ Impairments and reversals of impairments on property, plant and equipment and intangible assets	93	24
<b>Depreciation, amortization, impairments and reversals of impairments on property, plant and equipment and intangible assets</b>	<b>1,046</b>	<b>883</b>
<b>EBITDA</b>	<b>3,396</b>	<b>3,199</b>

**Net income from shareholdings** improved by €477 million compared with the prior-year period to €433 million. This was mainly attributable to the higher earnings contribution from Wintershall Dea (€446 million; Q2 2021: –€12 million) due to higher oil and gas prices.

The **financial result** amounted to –€125 million after –€83 million in the prior-year period, primarily as a result of higher interest expenses for financial indebtedness. Additions to valuation allowances on finance-related receivables and cash equivalents in particular reduced the other financial result by €16 million compared with the second quarter of 2021.

Overall, **income before income taxes** rose by €469 million to €2,658 million. The tax rate was 18.0%, as in the prior-year quarter.

**Income after taxes** increased by €385 million to €2,179 million. **Noncontrolling interests** amounted to €90 million, down €50 million from the prior-year figure. One reason was a lower earnings contribution from BASF TotalEnergies Petrochemicals LLC. This was partially offset by positive earnings from the BASF Shanshan companies, which were not yet included in the prior-year quarter. As a result, **net income** amounted to €2,090 million (Q2 2021: €1,654 million).

**Earnings per share** rose to €2.31 in the second quarter of 2022, after €1.80 in the prior-year period. **Earnings per share adjusted<sup>1</sup>** for special items and amortization of intangible assets amounted to €2.37 (Q2 2021: €2.03).

#### Q2 adjusted earnings per share

Million €

	2022	2021
<b>Income after taxes</b>	<b>2,179</b>	<b>1,794</b>
– Special items	11	–39
+ Amortization, impairments and reversals of impairments on intangible assets	166	149
– Amortization, impairments and reversals of impairments on intangible assets contained in special items	3	–
– Adjustments to income taxes	95	–20
– Adjustments to income after taxes from discontinued operations	–	–
<b>Adjusted income after taxes</b>	<b>2,236</b>	<b>2,002</b>
– Adjusted noncontrolling interests	93	141
<b>Adjusted net income</b>	<b>2,143</b>	<b>1,861</b>
Weighted average number of outstanding shares <sup>a</sup>	in thousands 903,148	918,479
<b>Adjusted earnings per share</b>	<b>€ 2.37</b>	<b>2.03</b>

<sup>a</sup> Due to the current share buyback program, the weighted average number of outstanding shares in the second quarter of 2022 was 903,147,947.

<sup>1</sup> For an explanation of this indicator, see [Results of Operations](#) on page 56 onward of the BASF Report 2021.

**Cash flows from operating activities** amounted to €1,228 million in the second quarter of 2022, a decrease of €1,309 million compared with the prior-year quarter. This was mainly attributable to bonus payments, which rose by almost €1 billion. In addition, a stronger buildup of inventories led to cash tied up of €847 million compared with €562 million in the second quarter of 2021. Overall, cash tied up in net working capital amounted to €1,661 million. In the prior-year quarter, the changes in net working capital almost offset each other. The €436 million improvement in net income to €2,090 million was almost offset by the €377 million increase in reclassifications of equity-accounted income, which is reported under miscellaneous items.

**Cash flows from investing activities** amounted to –€639 million after a cash inflow of €323 million in the prior-year quarter, which included the proceeds from the divestiture of the global pigments business. At €369 million, net payments received for divestitures and acquisitions were €756 million below the figure for the prior-year quarter and were therefore the main driver for the decline in cash flows from investing activities. In addition, payments made for property, plant and equipment and intangible assets amounted to €892 million in the second quarter of 2022, €125 million higher year on year.

**Cash flows from financing activities** resulted in a cash outflow of €1,386 million in the second quarter of 2022. This was €2,758 million lower than in the second quarter of 2021. The improvement was attributable to cash inflows of €2,061 million from the change in financial and similar liabilities, after this had led to cash outflows of €999 million in the prior-year quarter. By contrast, the dividend payment exceeded that of the previous year by €46 million. The figure for the second quarter of 2022 also includes payments of €256 million made for share buybacks.

**Free cash flow<sup>1</sup>** amounted to €336 million in the second quarter of 2022, after €1,770 million in the second quarter of the prior year.

#### Q2 free cash flow

Million €

	2022	2021
Cash flows from operating activities	1,228	2,537
– Payments made for property, plant and equipment and intangible assets	892	767
<b>Free cash flow</b>	<b>336</b>	<b>1,770</b>

<sup>1</sup> For an explanation of this indicator, see [Financial Position on page 63 onward of the BASF Report 2021](#).

## Chemicals

### Q2 2022

Sales<sup>1</sup> in the Chemicals segment rose considerably compared with the second quarter of 2021. Both operating divisions contributed to the increase.

#### Factors influencing sales in Q2 2022 – Chemicals

	Chemicals	Petrochemicals	Intermediates
Volumes	–3.9%	–2.2%	–8.4%
Prices	24.9%	23.6%	28.2%
Portfolio	–0.1%	–0.1%	–0.1%
Currencies	6.4%	6.1%	6.9%
<b>Sales</b>	<b>27.2%</b>	<b>27.4%</b>	<b>26.6%</b>

Sales growth was primarily driven by significantly higher prices in both divisions, mainly 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 achieved higher price levels across all business areas.

Sales performance was supported by positive currency effects, mainly relating to the U.S. dollar.

Overall, sales volumes were slightly lower than in the prior-year quarter. This was primarily attributable to coronavirus lockdowns in China and the resulting supply chain disruptions. Consequently, the Intermediates division recorded considerably lower sales volumes in the butanediol and derivatives business in particular. The slight decline in volumes in the Petrochemicals division mainly related to steam cracker products, styrene monomers and acrylics.

#### Segment data – Chemicals

Million €

	Q2			H1		
	2022	2021	+/-	2022	2021	+/-
Sales to third parties	4,349	3,419	27.2%	8,353	6,155	35.7%
of which Petrochemicals	3,143	2,467	27.4%	5,906	4,404	34.1%
Intermediates	1,206	952	26.6%	2,447	1,751	39.7%
Income from operations before depreciation, amortization and special items <sup>a</sup>	1,050	1,196	–12.1%	2,098	1,961	7.0%
Income from operations before depreciation and amortization (EBITDA) <sup>a</sup>	1,048	1,189	–11.9%	2,095	2,002	4.6%
Depreciation and amortization <sup>b</sup>	197	181	9.0%	386	360	7.3%
Income from operations (EBIT) <sup>a</sup>	851	1,010	–15.7%	1,708	1,643	4.0%
Special items	–3	–9	71.9%	–4	38	.
EBIT before special items <sup>a</sup>	853	1,018	–16.1%	1,712	1,604	6.7%
Assets (June 30) <sup>a</sup>	11,705	9,051	29.3%	11,705	9,051	29.3%
Investments including acquisitions <sup>c</sup>	314	243	29.1%	542	371	46.1%
Research and development expenses	25	25	–1.4%	50	51	–2.5%

<sup>a</sup> BASF's ethylene value chain was reorganized internally 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.

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

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

**Income from operations (EBIT) before special items<sup>1</sup>** remained at a high level but was considerably below the exceptionally strong earnings in the prior-year quarter. This was primarily due to considerably lower earnings in the Petrochemicals division, mainly from higher fixed costs as a result of the increase in energy prices and currency effects. Lower income from investments accounted for using the equity method also contributed to the decrease. By contrast, the earnings development in the division was positively impacted by continued strong margins. EBIT before special items declined slightly in the Intermediates division. Higher margins in

North America on the back of continued strong demand were not able to fully compensate for lower margins and volumes in the Asia Pacific region resulting from the lockdowns, and for higher fixed costs from turnarounds, especially in Ludwigshafen, Germany.

<sup>1</sup> 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%).

## Materials

### Q2 2022

The Materials segment increased **sales** considerably compared with the prior-year quarter. This was primarily the result of strong sales growth in the Monomers division. The Performance Materials division also recorded a considerable increase.

#### Factors influencing sales in Q2 2022 – Materials

	Materials	Performance Materials	Monomers
Volumes	–1.8%	–3.2%	–0.5%
Prices	24.9%	16.8%	32.6%
Portfolio	–0.1%	0.0%	–0.1%
Currencies	6.9%	6.7%	7.1%
<b>Sales</b>	<b>29.9%</b>	<b>20.2%</b>	<b>39.0%</b>

The positive sales performance was mainly due to significantly higher prices from passing on the increase in raw materials prices. The Monomers division raised prices in all business areas. The Performance Materials division raised prices for polyurethane systems and engineering plastics in particular.

Sales growth was supported by currency effects, mainly from the U.S. dollar and the Chinese renminbi.

Lower volumes in the Performance Materials division, largely resulting from the lockdowns in China and the ensuing supply chain disruptions, had a slight offsetting effect. In the Monomers division, higher polyamide volumes in North America only partially compensated for lower sales volumes overall in Europe.

#### Segment data – Materials

Million €

	Q2			H1		
	2022	2021	+/-	2022	2021	+/-
Sales to third parties	4,862	3,743	29.9%	9,683	7,190	34.7%
of which Performance Materials	2,179	1,812	20.2%	4,343	3,544	22.5%
Monomers	2,684	1,931	39.0%	5,341	3,646	46.5%
Income from operations before depreciation, amortization and special items	874	985	–11.2%	1,829	1,848	–1.1%
Income from operations before depreciation and amortization (EBITDA)	857	971	–11.8%	1,809	1,814	–0.3%
Depreciation and amortization <sup>a</sup>	207	209	–1.0%	410	404	1.5%
Income from operations (EBIT)	650	762	–14.7%	1,399	1,410	–0.8%
Special items	–18	–30	40.5%	–20	–54	63.0%
EBIT before special items	668	792	–15.7%	1,419	1,464	–3.1%
Assets (June 30) <sup>a</sup>	12,308	10,245	20.1%	12,308	10,245	20.1%
Investments including acquisitions <sup>b</sup>	200	150	33.6%	343	255	34.3%
Research and development expenses	46	52	–10.6%	94	94	–0.3%

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

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

**Income from operations (EBIT) before special items** decreased considerably compared with the second quarter of 2021. In both divisions, higher margins were unable to offset the increase in fixed costs. The Monomers division recorded higher fixed costs, mainly as a result of the increase in energy prices and currency effects. Fixed costs in the Performance Materials division were above the prior-year quarter, primarily due to higher production costs amid lower plant capacity utilization.

## Industrial Solutions

### Q2 2022

**Sales** in the Industrial Solutions segment rose considerably compared with the second quarter of 2021. This was mainly driven by strong sales growth in the Performance Chemicals division. The Dispersions & Resins division recorded a slight sales increase.

#### Factors influencing sales in Q2 2022 – Industrial Solutions

	Industrial Solutions	Dispersions & Resins	Performance Chemicals
Volumes	–2.0%	–2.7%	–0.6%
Prices	17.9%	15.3%	23.1%
Portfolio	–10.8%	–16.1%	–0.2%
Currencies	7.0%	6.6%	7.8%
<b>Sales</b>	<b>12.1%</b>	<b>3.0%</b>	<b>30.2%</b>

The sales increase was primarily due to significantly higher price levels across all business areas and in all regions. This was largely the result of higher prices for raw materials, energy and freight.

Sales growth was supported by positive currency effects, mainly relating to the U.S. dollar and the Chinese renminbi.

Sales were considerably reduced by portfolio effects, especially in the Dispersions & Resins division following the disposal of the global pigments business as of June 30, 2021.

In addition, slightly lower sales volumes dampened sales development in both divisions. This was mainly due to the lockdowns in China and disruptions to global supply chains.

#### Segment data – Industrial Solutions

Million €

	Q2			H1		
	2022	2021	+/-	2022	2021	+/-
Sales to third parties	2,643	2,359	12.1%	5,136	4,467	15.0%
of which Dispersions & Resins	1,621	1,574	3.0%	3,138	2,923	7.3%
Performance Chemicals	1,022	785	30.2%	1,999	1,544	29.4%
Income from operations before depreciation, amortization and special items	409	388	5.4%	840	738	13.8%
Income from operations before depreciation and amortization (EBITDA)	396	424	–6.5%	822	767	7.2%
Depreciation and amortization <sup>a</sup>	87	84	3.0%	169	168	0.8%
Income from operations (EBIT)	310	340	–8.9%	653	599	9.0%
Special items	–13	33	.	–19	26	.
EBIT before special items	323	307	5.2%	671	573	17.1%
Assets (June 30) <sup>a</sup>	7,206	5,881	22.5%	7,206	5,881	22.5%
Investments including acquisitions <sup>b</sup>	66	70	–5.6%	119	132	–10.0%
Research and development expenses	43	46	–5.6%	87	90	–3.9%

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

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

The segment's **income from operations (EBIT) before special items** was slightly above the prior-year quarter. This reflected the significant rise in earnings in the Performance Chemicals division, primarily from price-driven margin growth. Fixed costs were much higher, mainly as a result of currency effects and scheduled turn-arounds, and dampened earnings development in the division. By contrast, EBIT before special items declined slightly in the Dispersions & Resins division. The decrease in earnings was primarily due to the sale of the global pigments business. This could only be partially offset by margin growth on the back of higher prices.



## Surface Technologies

### Q2 2022

In the Surface Technologies segment, **sales** were considerably below the prior-year quarter. Considerable sales growth in the Coatings division was unable to offset the strong decline in the Catalysts division.

#### Factors influencing sales in Q2 2022 – Surface Technologies

	Surface Technologies	Catalysts	Coatings
Volumes	–14.2%	–16.8%	1.3%
Prices	–5.7%	–8.9%	13.1%
Portfolio	5.3%	6.2%	–0.6%
Currencies	7.1%	7.1%	7.6%
<b>Sales</b>	<b>–7.6%</b>	<b>–12.4%</b>	<b>21.4%</b>

The year-on-year sales decrease was primarily due to significantly lower volumes in the Catalysts division. This was mainly the result of weaker demand from the automotive industry due to insufficient semiconductor supply and the lockdowns in China. Volumes declined significantly in the mobile emissions catalysts business and in precious metal trading.<sup>1</sup> Higher sales volumes in all of the division's other business areas were unable to compensate for this. Sales volumes rose slightly in the Coatings division. Volume growth in the automotive refinish coatings and automotive OEM coatings businesses more than compensated for lower volumes in the surface treatment business.

The Catalysts division's sales were also reduced by significantly lower precious metal prices. Accordingly, at €3,269 million, sales in precious metal trading and precious metal sales in the mobile emissions catalysts business<sup>1</sup> were well below the prior-year quarter

#### Segment data – Surface Technologies

Million €

	Q2			H1		
	2022	2021	+/-	2022	2021	+/-
Sales to third parties	5,446	5,892	–7.6%	10,903	11,839	–7.9%
of which Catalysts	4,422	5,049	–12.4%	8,936	10,159	–12.0%
Coatings	1,023	843	21.4%	1,967	1,680	17.1%
Income from operations before depreciation, amortization and special items	365	399	–8.6%	766	869	–11.9%
Income from operations before depreciation and amortization (EBITDA)	300	400	–25.0%	694	866	–19.8%
Depreciation and amortization <sup>a</sup>	219	111	97.1%	353	221	59.9%
Income from operations (EBIT)	81	289	–71.9%	341	645	–47.1%
Special items	–146	–	–	–152	–4	.
EBIT before special items	227	289	–21.5%	493	649	–24.0%
Assets (June 30) <sup>a</sup>	15,754	13,190	19.4%	15,754	13,190	19.4%
Investments including acquisitions <sup>b</sup>	135	125	7.8%	244	198	23.3%
Research and development expenses	86	68	26.6%	181	135	33.9%

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

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

(€4,284 million). By contrast, the Coatings division raised prices significantly in all business areas.

Currency effects, mainly relating to the U.S. dollar, cushioned the sales decrease.

Portfolio effects in the Catalysts division following the acquisition of a majority shareholding in BASF Shanshan Battery Materials also had a positive impact on sales.

**Income from operations (EBIT) before special items** declined considerably compared with the second quarter of 2021. This was attributable to the considerable decline in the Coatings division's EBIT before special items, mainly due to higher fixed costs. One reason for this was a one-off effect that had reduced fixed costs in the prior-year quarter. The Catalysts division posted a slight increase in EBIT before special items thanks to a clearly positive contribution from the battery materials business. The division's earnings were weighed down by significantly lower volumes in the mobile emissions catalysts business and lower prices in precious metal trading.

<sup>1</sup> Sales, volumes, EBITDA before special items and the EBITDA margin before special items excluding precious metals for the BASF Group and for the Surface Technologies segment are presented under [Selected Key Figures Excluding Precious Metals on page 49 of this half-year financial report](#).

## Nutrition & Care

### Q2 2022

**Sales** in the Nutrition & Care segment rose considerably compared with the second quarter of 2021. Both divisions contributed significantly.

#### Factors influencing sales in Q2 2022 – Nutrition & Care

	Nutrition & Care	Care Chemicals	Nutrition & Health
Volumes	0.3%	–1.4%	4.1%
Prices	27.0%	33.1%	13.7%
Portfolio	–2.1%	–2.0%	–2.3%
Currencies	5.8%	5.2%	7.0%
<b>Sales</b>	<b>30.9%</b>	<b>34.9%</b>	<b>22.3%</b>

Sales growth was driven by significantly higher prices across all business areas, passing on increased prices for raw materials and energy.

Currency effects, mainly relating to the U.S. dollar and the Chinese renminbi, had a positive impact on sales.

Sales development was also supported by slightly higher volumes. This was primarily due to volume growth in the Nutrition & Health division, mainly in the pharma solutions and animal nutrition businesses. The Care Chemicals division recorded slightly lower sales volumes, particularly in the oleo surfactants and fatty alcohols business, as well as in the home care, industrial and institutional cleaning and industrial formulators business.

Portfolio effects from the sale of the production site in Kankakee, Illinois, reduced sales in both divisions.

#### Segment data – Nutrition & Care

Million €

	Q2			H1		
	2022	2021	+/-	2022	2021	+/-
Sales to third parties	2,074	1,584	30.9%	4,045	3,117	29.8%
of which Care Chemicals	1,461	1,083	34.9%	2,824	2,142	31.8%
Nutrition & Health	613	501	22.3%	1,221	975	25.2%
Income from operations before depreciation, amortization and special items	325	239	36.1%	676	555	21.8%
Income from operations before depreciation and amortization (EBITDA)	322	295	9.1%	675	608	11.1%
Depreciation and amortization <sup>a</sup>	113	101	11.9%	220	199	10.7%
Income from operations (EBIT)	209	194	7.6%	455	409	11.3%
Special items	–5	56	.	–2	53	.
EBIT before special items	213	138	54.7%	457	356	28.4%
Assets (June 30) <sup>a</sup>	8,169	6,611	23.6%	8,169	6,611	23.6%
Investments including acquisitions <sup>b</sup>	136	118	15.0%	243	218	11.3%
Research and development expenses	45	43	4.0%	85	83	2.2%

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

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

The segment's **income from operations (EBIT) before special items** was considerably above the prior-year quarter. This was due to the considerable increase in EBIT before special items in the Care Chemicals division, primarily from higher margins on the back of sales growth. EBIT before special items declined in the Nutrition & Health division. Higher margins were unable to offset the increase in fixed costs resulting from scheduled turnarounds, among other factors.

## Agricultural Solutions

### Q2 2022

**Sales** in the Agricultural Solutions segment rose considerably compared with the second quarter of 2021. This was mainly attributable to higher prices in all regions and positive currency effects, mainly from the U.S. dollar. Significantly higher volumes also contributed to the sales development.

#### Factors influencing sales in Q2 2022 – Agricultural Solutions

Volumes	5.2%
Prices	11.4%
Portfolio	–0.6%
Currencies	9.3%
<b>Sales</b>	<b>25.3%</b>

The slight sales decrease in **Europe** was driven by significantly lower volumes, primarily due to earlier demand in the first quarter of 2022 and slightly negative currency effects, mainly from the Turkish lira. Prices, on the other hand, were raised significantly.

In **North America**, sales were considerably above the prior-year quarter as a result of positive currency effects, higher price levels and volume growth, especially for herbicides and field crop seeds.

The strong sales growth in **Asia** was primarily driven by positive currency effects and higher prices. Especially in China, we recorded higher volumes in all indications.

#### Segment data – Agricultural Solutions

Million €

	Q2			H1		
	2022	2021	+/-	2022	2021	+/-
Sales to third parties	2,459	1,963	25.3%	5,856	4,809	21.8%
Income from operations before depreciation, amortization and special items	401	239	67.9%	1,437	1,210	18.8%
Income from operations before depreciation and amortization (EBITDA)	397	200	98.6%	1,428	1,168	22.3%
Depreciation and amortization <sup>a</sup>	188	165	13.8%	355	329	8.0%
Income from operations (EBIT)	210	35	498.7%	1,073	839	27.9%
Special items	–13	–40	67.2%	–18	–43	57.9%
EBIT before special items	223	75	196.9%	1,091	882	23.7%
Assets (June 30) <sup>a</sup>	17,525	15,922	10.1%	17,525	15,922	10.1%
Investments including acquisitions <sup>b</sup>	71	85	–16.2%	132	133	–0.7%
Research and development expenses	235	228	3.3%	473	444	6.5%

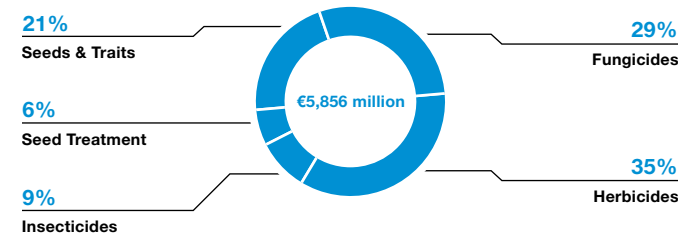
<sup>a</sup> Depreciation and amortization of property, plant and equipment and intangible assets (including impairments and reversals of impairments)

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

Sales rose significantly in the region **South America, Africa, Middle East**. This was the result of significantly higher price levels and positive currency effects, especially in Brazil. Significantly higher volumes in almost all indications supported the sales increase.

**Income from operations (EBIT) before special items** was considerably above the prior-year quarter. This was mainly attributable to the positive sales development, which more than compensated for higher costs.

#### H1 2022 sales by indication and sector



## Other

### Q2 2022

**Sales** in Other increased considerably compared with the second quarter of 2021. This primarily reflected sales growth in commodity trading.

**Income from operations (EBIT) before special items** improved considerably compared with the prior-year quarter. This was mainly due to lower accruals for variable compensation components compared with the second quarter of 2021.

### Financial data – Other

Million €

	Q2			H1		
	2022	2021	+/-	2022	2021	+/-
Sales	1,142	793	44.0%	2,082	1,576	32.1%
Income from operations before depreciation, amortization and special items <sup>a</sup>	-132	-229	42.3%	-610	-784	22.2%
Income from operations before depreciation and amortization (EBITDA) <sup>a</sup>	76	-280	.	-419	-850	50.8%
Depreciation and amortization <sup>b</sup>	36	32	11.0%	75	67	12.4%
Income from operations (EBIT) <sup>a</sup>	40	-315	.	-494	-918	46.2%
Special items	208	-49	.	192	-65	.
EBIT before special items <sup>a</sup>	-168	-263	36.2%	-686	-852	19.5%
of which costs for cross-divisional corporate research	-74	-78	5.1%	-147	-147	0.0%
costs of corporate headquarters	-68	-61	-11.5%	-132	-119	-10.9%
other businesses	-32	47	.	-28	49	.
foreign currency results, hedging and other measurement effects	55	22	150.0%	87	-31	.
miscellaneous income and expenses	-49	-193	74.7%	-466	-605	22.9%
Assets (June 30) <sup>a, c</sup>	24,305	22,039	10.3%	24,305	22,039	10.3%
Investments including acquisitions <sup>d</sup>	48	40	19.2%	89	69	29.1%
Research and development expenses	86	83	3.3%	167	159	5.3%

<sup>a</sup> BASF's ethylene value chain was reorganized internally 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.

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

<sup>c</sup> Contains assets of businesses recognized under Other as well as reconciliation to assets of the BASF Group

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

## Regions

### Q2 2022

Sales at companies located in **Europe** rose by 19.2% compared with the prior-year quarter. Sales growth was mainly driven by significantly higher prices, especially in the Chemicals and Materials segments. Currency effects had a slightly positive impact on sales. Lower volumes, particularly in the Surface Technologies and Materials segments, dampened sales development. Sales were also reduced by portfolio effects, especially in the Industrial Solutions segment following the sale of the pigments business.

Compared with the prior-year quarter, sales in **North America** rose by 16.2% in euros and by 2.9% in local currency terms. The sales increase was largely attributable to positive currency effects. In addition, higher prices supported sales growth in all segments except Surface Technologies. Sales were slightly dampened by lower volumes in the Surface Technologies segment in particular. Portfolio effects, especially in the Industrial Solutions and Nutrition & Care segments following the sale of the pigments business and the production site in Kankakee, Illinois, also reduced sales in the region.

In the **Asia Pacific** region, sales rose by 8.2% in euros and by 0.2% in local currency terms compared with the second quarter of 2021. In Greater China, sales rose by 1.9% in euros to €2,939 million. Sales growth in the region was partially attributable to positive currency effects. Portfolio effects in the Surface Technologies segment from the acquisition of a majority shareholding in BASF Shanshan Battery Materials also contributed significantly to the sales increase. In addition, sales were positively impacted by slightly higher prices overall. Lower price levels in the Surface Technologies segment were more than offset by price increases in the other segments. Lower sales volumes in almost all segments had an offsetting effect, primarily driven by the coronavirus lockdowns in China and the resulting supply chain disruptions. Only the Agricultural Solutions segment was able to slightly increase volumes in this challenging market environment.

### Regions

Million €

Q2	Sales by location of company			Sales by location of customer		
	2022	2021	+/-	2022	2021	+/-
Europe	9,622	8,073	19.2%	9,045	7,731	17.0%
of which Germany	4,090	3,277	24.8%	1,956	1,903	2.8%
North America	6,667	5,739	16.2%	6,595	5,511	19.7%
Asia Pacific	5,432	5,020	8.2%	5,569	5,181	7.5%
of which Greater China	2,939	2,883	1.9%	2,872	2,872	0.0%
South America, Africa, Middle East	1,253	921	36.1%	1,764	1,330	32.7%
<b>BASF Group</b>	<b>22,974</b>	<b>19,753</b>	<b>16.3%</b>	<b>22,974</b>	<b>19,753</b>	<b>16.3%</b>
<b>H1</b>						
Europe	19,600	16,202	21.0%	18,626	15,562	19.7%
of which Germany	8,021	6,386	25.6%	4,339	3,717	16.7%
North America	13,201	11,529	14.5%	12,995	11,069	17.4%
Asia Pacific	10,995	9,742	12.9%	11,244	10,038	12.0%
of which Greater China	6,170	5,532	11.5%	6,046	5,567	8.6%
South America, Africa, Middle East	2,262	1,680	34.6%	3,192	2,484	28.5%
<b>BASF Group</b>	<b>46,058</b>	<b>39,153</b>	<b>17.6%</b>	<b>46,058</b>	<b>39,153</b>	<b>17.6%</b>

Sales in the region **South America, Africa, Middle East** rose by 36.1% in euros and by 18.6% in local currency terms compared with the prior-year quarter. The growth in sales was mainly the result of positive currency effects and higher prices in all segments. Higher volumes also supported sales performance in the region, especially in the Industrial Solutions and Nutrition & Care segments.



# Condensed Consolidated Half-Year Financial Statements 2022

## Statement of Income

### Statement of income

Million €

	Explanations in Note	Q2			H1		
		2022	2021	+/-	2022	2021	+/-
<b>Sales revenue</b>		<b>22,974</b>	<b>19,753</b>	<b>16.3%</b>	<b>46,058</b>	<b>39,153</b>	<b>17.6%</b>
Cost of sales		-17,135	-14,672	-16.8%	-34,216	-28,974	-18.1%
<b>Gross profit on sales</b>		<b>5,839</b>	<b>5,081</b>	<b>14.9%</b>	<b>11,842</b>	<b>10,179</b>	<b>16.3%</b>
Selling expenses		-2,470	-2,076	-19.0%	-4,689	-3,984	-17.7%
General administrative expenses		-391	-357	-9.6%	-758	-683	-11.0%
Research and development expenses		-567	-545	-3.9%	-1,136	-1,056	-7.6%
Other operating income	[6]	601	503	19.5%	912	839	8.7%
Other operating expenses	[6]	-764	-473	-61.5%	-1,269	-989	-28.3%
Income from integral companies accounted for using the equity method	[7]	101	183	-44.8%	233	321	-27.4%
<b>Income from operations (EBIT)</b>		<b>2,350</b>	<b>2,316</b>	<b>1.5%</b>	<b>5,135</b>	<b>4,627</b>	<b>11.0%</b>
Income from non-integral companies accounted for using the equity method	[8]	450	-9	.	-342	73	.
Income from other shareholdings		6	-1	.	16	11	49.2%
Expenses from other shareholdings		-23	-34	32.0%	-38	-60	36.2%
<b>Net income from shareholdings</b>	<b>[8]</b>	<b>433</b>	<b>-44</b>	<b>.</b>	<b>-364</b>	<b>24</b>	<b>.</b>
Interest income		47	41	15.2%	89	79	12.2%
Interest expenses		-145	-113	-28.6%	-266	-236	-12.7%
<b>Interest result</b>		<b>-98</b>	<b>-72</b>	<b>-36.2%</b>	<b>-177</b>	<b>-157</b>	<b>-13.0%</b>
Other financial income		20	12	66.0%	33	27	23.1%
Other financial expenses		-47	-23	-102.2%	-90	-85	-6.4%
<b>Other financial result</b>		<b>-27</b>	<b>-11</b>	<b>-141.7%</b>	<b>-57</b>	<b>-58</b>	<b>1.4%</b>
<b>Financial result</b>	<b>[8]</b>	<b>-125</b>	<b>-83</b>	<b>-50.2%</b>	<b>-235</b>	<b>-215</b>	<b>-9.2%</b>
<b>Income before income taxes</b>		<b>2,658</b>	<b>2,189</b>	<b>21.4%</b>	<b>4,536</b>	<b>4,436</b>	<b>2.3%</b>
Income taxes	[9]	-479	-395	-21.3%	-1,036	-832	-24.5%
<b>Income after taxes from continuing operations</b>		<b>2,179</b>	<b>1,794</b>	<b>21.5%</b>	<b>3,500</b>	<b>3,604</b>	<b>-2.9%</b>
<b>Income after taxes from discontinued operations</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Income after taxes</b>		<b>2,179</b>	<b>1,794</b>	<b>21.5%</b>	<b>3,500</b>	<b>3,604</b>	<b>-2.9%</b>
of which attributable to shareholders of BASF SE (net income)		2,090	1,654	26.3%	3,311	3,372	-1.8%
attributable to noncontrolling interests	[10]	90	140	-36.0%	189	232	-18.4%
<b>Earnings per share from continuing operations</b>	<b>[5] €</b>	<b>2.31</b>	<b>1.80</b>	<b>28.3%</b>	<b>3.65</b>	<b>3.67</b>	<b>-0.5%</b>
<b>Earnings per share from discontinued operations</b>	<b>[5] €</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Basic earnings per share</b>	<b>[5] €</b>	<b>2.31</b>	<b>1.80</b>	<b>28.3%</b>	<b>3.65</b>	<b>3.67</b>	<b>-0.5%</b>
Diluted earnings per share	[5] €	2.31	1.80	28.3%	3.65	3.67	-0.5%

## Statement of Income and Expense Recognized in Equity

### BASF Group statement of comprehensive income

Million €

	H1	
	2022	2021
<b>Income after taxes</b>	<b>3,500</b>	<b>3,604</b>
Remeasurement of defined benefit plans	3,076	3,374
Deferred taxes on the remeasurement of defined benefit plans	-1,042	-868
Investments accounted for using the equity method – share of nonreclassifiable gains/losses (after taxes)	119	41
<b>Nonreclassifiable gains/losses</b>	<b>2,153</b>	<b>2,547</b>
Unrealized gains/losses in connection with cash flow hedges	463	-12
Reclassification of realized gains/losses recognized in the statement of income in connection with cash flow hedges	-456	-10
Unrealized gains/losses from currency translation	1,531	650
Reclassification of realized gains/losses from currency translation recognized in the statement of income	-	52
Deferred taxes on reclassifiable gains/losses	-24	-1
Investments accounted for using the equity method – share of reclassifiable gains/losses (after taxes)	1,450	13
<b>Reclassifiable gains/losses</b>	<b>2,963</b>	<b>692</b>
<b>Other comprehensive income after taxes</b>	<b>5,116</b>	<b>3,239</b>
of which attributable to shareholders of BASF SE	5,049	3,216
attributable to noncontrolling interests	67	23
<b>Comprehensive income</b>	<b>8,617</b>	<b>6,843</b>
of which attributable to shareholders of BASF SE	8,360	6,588
attributable to noncontrolling interests	256	255

## Balance Sheet

### Assets

Million €

	Explanations in Note	June 30, 2022	December 31, 2021	+/-	June 30, 2021	+/-
Intangible assets		13,772	13,499	2.0%	13,068	5.4%
Property, plant and equipment		22,254	21,553	3.3%	19,810	12.3%
Integral investments accounted for using the equity method		2,865	2,540	12.8%	2,129	34.6%
Non-integral investments accounted for using the equity method		10,897	9,843	10.7%	10,488	3.9%
Other financial assets		585	575	1.7%	533	9.7%
Deferred tax assets		1,522	2,600	-41.4%	2,598	-41.4%
Other receivables and miscellaneous assets		1,727	1,722	0.3%	1,193	44.8%
<b>Noncurrent assets</b>	<b>[11]</b>	<b>53,621</b>	<b>52,332</b>	<b>2.5%</b>	<b>49,819</b>	<b>7.6%</b>
Inventories		15,986	13,868	15.3%	11,155	43.3%
Accounts receivable, trade		15,774	11,942	32.1%	12,600	25.2%
Other receivables and miscellaneous assets		7,384	5,568	32.6%	6,287	17.4%
Marketable securities		207	208	-0.7%	208	-0.7%
Cash and cash equivalents <sup>a</sup>		3,780	2,624	44.1%	2,869	31.8%
Assets of disposal groups		221	840	-73.7%	–	–
<b>Current assets</b>	<b>[12]</b>	<b>43,351</b>	<b>35,051</b>	<b>23.7%</b>	<b>33,119</b>	<b>30.9%</b>
<b>Total assets</b>		<b>96,972</b>	<b>87,383</b>	<b>11.0%</b>	<b>82,938</b>	<b>16.9%</b>

<sup>a</sup> For a reconciliation of the amounts in the statement of cash flows with the balance sheet item cash and cash equivalents, see [page 28 of these consolidated half-year financial statements](#).

**Equity and liabilities**

Million €

	Explanations in Note	June 30, 2022	December 31, 2021	+/-	June 30, 2021	+/-
Subscribed capital		1,176	1,176	0.0%	1,176	0.0%
Capital reserves		3,106	3,106	0.0%	3,115	-0.3%
Retained earnings		39,529	40,365	-2.1%	38,174	3.6%
Other comprehensive income		1,136	-3,855	.	-5,182	.
<b>Equity attributable to shareholders of BASF SE</b>		<b>44,947</b>	<b>40,792</b>	<b>10.2%</b>	<b>37,283</b>	<b>20.6%</b>
Noncontrolling interests		1,426	1,289	10.6%	804	77.4%
<b>Equity</b>	<b>[13]</b>	<b>46,373</b>	<b>42,081</b>	<b>10.2%</b>	<b>38,087</b>	<b>21.8%</b>
Provisions for pensions and similar obligations	[15]	3,102	6,160	-49.6%	5,405	-42.6%
Deferred tax liabilities		1,392	1,499	-7.1%	1,382	0.7%
Tax provisions		465	415	12.2%	393	18.3%
Other provisions	[16]	1,803	1,782	1.1%	1,591	13.3%
Financial indebtedness	[14]	15,611	13,764	13.4%	14,954	4.4%
Other liabilities	[14]	1,593	1,600	-0.4%	1,592	0.1%
<b>Noncurrent liabilities</b>		<b>23,966</b>	<b>25,220</b>	<b>-5.0%</b>	<b>25,317</b>	<b>-5.3%</b>
Accounts payable, trade	[14]	9,068	7,826	15.9%	5,771	57.1%
Provisions	[16]	4,758	3,935	20.9%	4,427	7.5%
Tax liabilities	[14]	1,650	1,161	42.1%	1,401	17.8%
Financial indebtedness	[14]	7,922	3,420	131.6%	4,364	81.5%
Other liabilities	[14]	3,191	3,679	-13.3%	3,571	-10.6%
Liabilities of disposal groups		43	61	-28.6%	-	-
<b>Current liabilities</b>		<b>26,633</b>	<b>20,081</b>	<b>32.6%</b>	<b>19,534</b>	<b>36.3%</b>
<b>Total equity and liabilities</b>		<b>96,972</b>	<b>87,383</b>	<b>11.0%</b>	<b>82,938</b>	<b>16.9%</b>

## Statement of Cash Flows

### Statement of cash flows

Million €

	Q2		H1	
	2022	2021	2022	2021
Net income	2,090	1,654	3,311	3,372
Depreciation and amortization of property, plant and equipment and intangible assets	1,046	883	1,970	1,748
Changes in net working capital <sup>a</sup>	-1,661	9	-4,842	-2,764
Miscellaneous items	-247	-9	499	-344
<b>Cash flows from operating activities</b>	<b>1,228</b>	<b>2,537</b>	<b>938</b>	<b>2,012</b>
Payments made for property, plant and equipment and intangible assets	-892	-767	-1,495	-1,223
Acquisitions/divestitures	369	1,125	379	1,118
Changes in financial assets and miscellaneous items	-117	-35	-102	-7
<b>Cash flows from investing activities</b>	<b>-639</b>	<b>323</b>	<b>-1,218</b>	<b>-112</b>
Capital increases/repayments and other equity transactions	-256	-	-1,075	-
Changes in financial and similar liabilities	2,061	-999	5,565	-282
Dividends	-3,191	-3,145	-3,191	-3,152
<b>Cash flows from financing activities</b>	<b>-1,386</b>	<b>-4,144</b>	<b>1,299</b>	<b>-3,434</b>
Cash-effective changes in cash and cash equivalents	-798	-1,284	1,018	-1,534
Cash and cash equivalents at the beginning of the period and other changes <sup>b</sup>	4,578	4,153	2,762	4,403
<b>Cash and cash equivalents at the end of the period</b>	<b>3,780</b>	<b>2,869</b>	<b>3,780</b>	<b>2,869</b>

<sup>a</sup> In order to optimize precious metal stocks, the Group sells precious metals and concurrently enters into agreements to repurchase them at a set price. The cash flows resulting from the sale and repurchase are reported in cash flows from operating activities. Liabilities to repurchase precious metals amounted to €940 million as of June 30, 2022.

<sup>b</sup> In 2021, cash and cash equivalents presented in the statement of cash flows deviate from the figures in the balance sheet, as the relevant amounts were reclassified in the balance sheet to assets of disposal groups. The disposal group for the pigments business contained cash and cash equivalents of €5 million as of January 1, 2021.



## Statement of Changes in Equity

### H1 2022<sup>a</sup>

Million €

	Subscribed capital	Capital reserves	Retained earnings	Remeasurement of defined benefit plans	Currency translation	Measurement of securities at fair value	Cash flow hedges	Other comprehensive income <sup>b</sup>	Equity attributable to shareholders of BASF SE	Noncontrolling interests	Equity
<b>As of January 1, 2022</b>	<b>1,176</b>	<b>3,106</b>	<b>40,365</b>	<b>-3,793</b>	<b>406</b>	<b>5</b>	<b>-472</b>	<b>-3,855</b>	<b>40,792</b>	<b>1,289</b>	<b>42,081</b>
Treasury shares	-	-	-1,076	-	-	-	-	-	-1,076	-	-1,076
Dividends paid	-	-	-3,072	-	-	-	-	-	-3,072	-120 <sup>c</sup>	-3,191
Income after taxes	-	-	3,311	-	-	-	-	-	3,311	189	3,500
Other comprehensive income after taxes	-	-	-	2,153	3,707	-10	-801	5,049	5,049	67	5,116
Gains and losses on cash flow hedges and hedging costs, eliminated from other comprehensive income not affecting profit and loss	-	-	-	-	-	-	-59	-59	-59	-	-59
Changes in scope of consolidation and other changes	-	-	1	-	-	-	-	-	1	0	1
<b>As of June 30, 2022</b>	<b>1,176</b>	<b>3,106</b>	<b>39,529</b>	<b>-1,640</b>	<b>4,112</b>	<b>-5</b>	<b>-1,332</b>	<b>1,136</b>	<b>44,947</b>	<b>1,426</b>	<b>46,373</b>

### H1 2021<sup>a</sup>

Million €

	Subscribed capital	Capital reserves	Retained earnings	Remeasurement of defined benefit plans	Currency translation	Measurement of securities at fair value	Cash flow hedges	Other comprehensive income <sup>b</sup>	Equity attributable to shareholders of BASF SE	Noncontrolling interests	Equity
<b>As of January 1, 2021</b>	<b>1,176</b>	<b>3,115</b>	<b>37,911</b>	<b>-6,538</b>	<b>-1,800</b>	<b>7</b>	<b>-143</b>	<b>-143</b>	<b>33,728</b>	<b>670</b>	<b>34,398</b>
Dividends paid	-	-	-3,031	-	-	-	-	-	-3,031	-121 <sup>c</sup>	-3,152
Income after taxes	-	-	3,372	-	-	-	-	-	3,372	232	3,604
Other comprehensive income after taxes	-	-	-	2,547	899	-2	-228	3,216	3,216	23	3,239
Changes in scope of consolidation and other changes	-	-	-78 <sup>d</sup>	76 <sup>d</sup>	-	-	-	76	-2	-	-2
<b>As of June 30, 2021</b>	<b>1,176</b>	<b>3,115</b>	<b>38,174</b>	<b>-3,915</b>	<b>-901</b>	<b>5</b>	<b>-371</b>	<b>-5,182</b>	<b>37,283</b>	<b>804</b>	<b>38,087</b>

<sup>a</sup> For more information on the items relating to equity, see Note 13 on page 41 onward.<sup>b</sup> Details are provided in the Statement of Income and Expense Recognized in Equity on page 25.<sup>c</sup> Including profit and loss transfers<sup>d</sup> Because of the disposal of the pigments business on June 30, 2021, the amount of €76 million from the remeasurement of defined benefit plans was reclassified from other comprehensive income to retained earnings.

## Segment Reporting

### H1

Million €

	Sales			EBITDA before special items <sup>a</sup>			EBITDA <sup>a</sup>			Income from operations (EBIT) before special items <sup>b</sup>		
	2022	2021	+/-	2022	2021	+/-	2022	2021	+/-	2022	2021	+/-
Chemicals	8,353	6,155	35.7%	2,098	1,961	7.0%	2,095	2,002	4.6%	1,712	1,604	6.7%
Materials	9,683	7,190	34.7%	1,829	1,848	-1.1%	1,809	1,814	-0.3%	1,419	1,464	-3.1%
Industrial Solutions	5,136	4,467	15.0%	840	738	13.8%	822	767	7.2%	671	573	17.1%
Surface Technologies	10,903	11,839	-7.9%	766	869	-11.9%	694	866	-19.8%	493	649	-24.0%
Nutrition & Care	4,045	3,117	29.8%	676	555	21.8%	675	608	11.1%	457	356	28.4%
Agricultural Solutions	5,856	4,809	21.8%	1,437	1,210	18.8%	1,428	1,168	22.3%	1,091	882	23.7%
Other	2,082	1,576	32.1%	-610	-784	22.2%	-419	-850	50.8%	-686	-852	19.5%
<b>BASF Group</b>	<b>46,058</b>	<b>39,153</b>	<b>17.6%</b>	<b>7,036</b>	<b>6,398</b>	<b>10.0%</b>	<b>7,105</b>	<b>6,375</b>	<b>11.4%</b>	<b>5,157</b>	<b>4,676</b>	<b>10.3%</b>

### H1

Million €

	Income from operations (EBIT)			Research and development expenses			Assets			Investments including acquisitions <sup>c</sup>		
	2022	2021	+/-	2022	2021	+/-	2022	2021	+/-	2022	2021	+/-
Chemicals	1,708	1,643	4.0%	50	51	-2.5%	11,705	9,051	29.3%	542	371	46.1%
Materials	1,399	1,410	-0.8%	94	94	-0.3%	12,308	10,245	20.1%	343	255	34.3%
Industrial Solutions	653	599	9.0%	87	90	-3.9%	7,206	5,881	22.5%	119	132	-10.0%
Surface Technologies	341	645	-47.1%	181	135	33.9%	15,754	13,190	19.4%	244	198	23.3%
Nutrition & Care	455	409	11.3%	85	83	2.2%	8,169	6,611	23.6%	243	218	11.3%
Agricultural Solutions	1,073	839	27.9%	473	444	6.5%	17,525	15,922	10.1%	132	133	-0.7%
Other	-494	-918	46.2%	167	159	5.3%	24,305	22,039	10.3%	89	69	29.1%
<b>BASF Group</b>	<b>5,135</b>	<b>4,627</b>	<b>11.0%</b>	<b>1,136</b>	<b>1,056</b>	<b>7.6%</b>	<b>96,972</b>	<b>82,938</b>	<b>16.9%</b>	<b>1,711</b>	<b>1,376</b>	<b>24.3%</b>

<sup>a</sup> For an explanation of this indicator, see [Results of Operations](#) on page 56 onward of the BASF Report 2021.

<sup>b</sup> For an explanation of this indicator, see [Our Steering Concept](#) on page 42 onward of the BASF Report 2021.

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

### Other in H1<sup>d</sup>

Million €

	2022	2021	+/-
<b>Sales</b>	<b>2,082</b>	<b>1,576</b>	<b>32.1%</b>
<b>Income from operations (EBIT) before special items</b>	<b>-686</b>	<b>-852</b>	<b>19.5%</b>
of which costs for cross-divisional corporate research	-147	-147	0.0%
costs of corporate headquarters	-132	-119	-10.9%
other businesses	-28	49	.
foreign currency results, hedging and other measurement effects	87	-31	.
miscellaneous income and expenses	-466	-605	22.9%
Special items	192	-65	.
<b>Income from operations (EBIT)</b>	<b>-494</b>	<b>-918</b>	<b>46.2%</b>

<sup>d</sup> For more information, see [Note 4 to the Consolidated Half-Year Financial Statements](#) on page 34 onward

## Notes to the Consolidated Half-Year Financial Statements

### 1 Basis of presentation

The Consolidated Financial Statements of the BASF Group for the year ending December 31, 2021, were prepared in accordance with the International Financial Reporting Standards (IFRS) in effect as of the balance sheet date. The Consolidated Half-Year Financial Statements as of June 30, 2022, have been prepared – in line with the rules of International Accounting Standard 34 – in abbreviated form and continuing the same accounting policies. They are written in German and translated into English. All amounts, including the figures for previous years, are given in million euros unless otherwise indicated. Due to rounding, individual figures in this report may not add up to the totals shown and percentages may not correspond exactly to the figures shown.

The Condensed Consolidated Half-Year Financial Statements and the Consolidated Interim Management's Report have not been audited, nor have they undergone an auditor's review.

#### Accounting policies applied for the first time in 2022

Standard/interpretation	Name of standard/interpretation or amendments	Date of publication	Date of endorsement by the E.U.
Amendments to IFRS 3	Business Combinations (Amendment to References to the Conceptual Framework)	May 14, 2020	June 28, 2021
Amendments to IAS 16	Property, Plant and Equipment (Proceeds before Intended Use)	May 14, 2020	June 28, 2021
Amendments to IAS 37	Provisions, Contingent Liabilities and Contingent Assets (Onerous Contracts, Settlement Costs from Contracts)	May 14, 2020	June 28, 2021
Annual improvements to IFRS 2018–2020	Amendments to IFRS 1 (Subsidiary as a First-Time Adopter) IFRS 9 (Fees in the "10% Test" Regarding Derecognition of Financial Liabilities) IFRS 16 (Lease Incentives) IAS 41 (Taxation in Fair Value Measurements)	May 14, 2020	June 28, 2021

These amendments had no material effect on the Consolidated Financial Statements of BASF SE.

#### IFRSs and IFRICs not yet to be considered but already endorsed by the E.U.

Standard/interpretation	Name of standard/interpretation or amendments	Date of publication	Date of endorsement by the E.U.	Mandatory date of initial application
Introduction of IFRS 17 Amendments to IFRS 17	Insurance Contracts (including amendments to the standard)	May 18, 2017 June 25, 2020	November 19, 2021	January 1, 2023
Amendments to IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors (Definition of Changes in Accounting Policies and Accounting Estimates)	February 12, 2021	March 2, 2022	January 1, 2023
Amendments to IAS 1 and IFRS Practice Statement 2	Presentation of Financial Statements and Making Materiality Judgements (Presentation of Key Accounting Policies)	February 12, 2021	March 2, 2022	January 1, 2023

None of these amendments are likely to have a material impact on BASF's reporting. BASF does not plan on early adoption of these amendments.

**Accounting policies issued but not yet endorsed by the European Union**

Standard/interpretation	Name of standard/interpretation or amendments	Date of publication	Date of initial application
Amendments to IAS 1	Presentation of Financial Statements (Classification of Liabilities as Current or Noncurrent) (including Deferral of Effective Date)	January 23, 2020/ (July 15, 2020)	January 1, 2023
Amendments to IAS 12	Income Taxes (Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction)	May 7, 2021	January 1, 2023
Amendments to IFRS 17	Insurance Contracts (Initial Application of IFRS 17 and IFRS 9 – Comparative Information)	December 9, 2021	January 1, 2023

These amendments are unlikely to have a material impact on BASF's reporting.

The following exchange rates were used for the translation of major currencies in the Group:

**Selected exchange rates**

EUR 1 equals

	Closing rates		Average rates H1	
	June 30, 2022	December 31, 2021	2022	2021
Brazil (BRL)	5.42	6.31	5.56	6.49
China (CNY)	6.96	7.19	7.08	7.80
United Kingdom (GBP)	0.86	0.84	0.84	0.87
Japan (JPY)	141.54	130.38	134.31	129.87
Malaysia (MYR)	4.58	4.72	4.67	4.94
Mexico (MXN)	20.96	23.14	22.17	24.33
Norway (NOK)	10.35	9.99	9.98	10.18
Russian Federation (RUB)	56.52	85.30	85.21	89.55
Switzerland (CHF)	1.00	1.03	1.03	1.09
South Korea (KRW)	1,351.60	1,346.38	1,347.84	1,347.54
United States (USD)	1.04	1.13	1.09	1.21

BASF decided in April to wind down all the company's business activities in Russia and Belarus, with the exception of business to support food production, as of July 10, 2022. The effects of this decision and the situation in Ukraine were analyzed extensively in the preparation of the financial statements. In particular, an impairment test was performed for the assets in the countries concerned. This led to impairments totaling €51 million on property, plant and equipment, inventories, trade accounts receivable, other receivables and miscellaneous assets, and cash and cash equivalents. The affected property, plant and equipment were fully impaired. In addition, provisions of €27 million were recognized for obligations to customers, suppliers and employees.

An impairment test was performed for the shareholding in Wintershall Dea as of June 30, 2022. This did not reveal any need for adjustment above and beyond the impairments recognized by Wintershall Dea in the first quarter.

For more information, see [Note 8 on page 37 onward](#)

The BASF Report 2021 containing the Consolidated Financial Statements as of December 31, 2021, can be found online at [basf.com/report](https://basf.com/report)

## 2 Scope of consolidation

In addition to BASF SE, all material subsidiaries are included in the BASF Group Financial Statements on a fully consolidated basis. Joint arrangements that are classified as joint operations according to IFRS 11 are proportionally consolidated. Changes in the number of fully and proportionally consolidated companies are shown in the table.

The deconsolidations related to one liquidated company, one company that was reclassified for reasons of materiality, and five companies that are no longer included in the scope of consolidation following the sale of a share in the Hollandse Kust Zuid wind farm.

For more information, see [Note 3 on page 33](#)

### Scope of consolidation

	2022	2021
As of January 1	267	282
of which proportionally consolidated	9	9
First-time consolidations	–	–
of which proportionally consolidated	–	–
Deconsolidations	7	19
of which proportionally consolidated	–	–
<b>As of June 30</b>	<b>260</b>	<b>263</b>
of which proportionally consolidated	9	9

### Companies accounted for using the equity method

	2022	2021
As of January 1	27	25
<b>As of June 30</b>	<b>24</b>	<b>26</b>

## 3 Acquisitions and divestitures

### Divestitures

In 2022, BASF sold the following activity:

On April 12, 2022, BASF completed the sale of a 25.2% interest in the Hollandse Kust Zuid wind farm to Allianz Capital Partners (on behalf of Allianz Insurance Companies). Since then, BASF's remaining shares in the company holding the interest in the wind farm, HKZ Investor Holding B.V., have been accounted for using the equity method. The proportional income after taxes and non-controlling interests is presented in the BASF Group's income from operations. The integral investment is not allocated to any division but reported under Other. The disposal gain includes the gain from the transition from full consolidation to the equity method and is likewise presented in income from operations. The calculation is summarized in the table below:

### Calculation of the disposal gain on the 25.2% share in the Hollandse Kust Zuid wind farm

Million €

	April 12, 2022
Fair value of assets received	754
Disposed net assets	–565
Assets of the disposal group	–733
Reinstated receivables	2
Liabilities of the disposal group	166
Reinstated liabilities	–
Recycling of income and expenses previously recognized directly in equity (recognized in the statement of income on disposal)	72
Other	–5
<b>Disposal gain before taxes</b>	<b>256</b>
Tax expense	–
<b>Disposal gain after taxes</b>	<b>256</b>

## 4 Segment reporting

The BASF Group's business is run by 11 divisions, structured in six segments:

- **Chemicals:** Petrochemicals, Intermediates
- **Materials:** Performance Materials, Monomers
- **Industrial Solutions:** Dispersions & Resins, Performance Chemicals
- **Surface Technologies:** Catalysts, Coatings
- **Nutrition & Care:** Care Chemicals, Nutrition & Health
- **Agricultural Solutions:** Agricultural Solutions

The divisions are allocated to the segments based on their business models and according to their focal points, customer groups, the focus of their innovations, their investment relevance and sustainability aspects.

The **Chemicals** segment comprises the Petrochemicals and Intermediates divisions and is the cornerstone of BASF's Verbund structure. It supplies the other segments with basic chemicals and intermediates, contributing to the organic growth of the key value chains. In addition to internal transfers, the segment mainly serves customers in downstream industries, especially in the chemical and plastics industries. The segment's competitiveness is strengthened by technological leadership and operational excellence, process and product innovations as well as the development of sustainable technologies.

The **Materials** segment is composed of the Performance Materials and the Monomers divisions. The segment offers advanced materials and their precursors for new applications and systems. Its product portfolio includes isocyanates and polyamides as well as inorganic basic products and specialties for plastics and plastics processing. In addition to specific technological knowledge, industry expertise and customer proximity, particularly products that contribute to the circular economy as well as sustainable production methods help differentiate BASF from its competitors.

The **Industrial Solutions** segment consists of the Dispersions & Resins and the Performance Chemicals divisions. The segment develops and markets ingredients and additives for industrial applications, such as polymer dispersions, resins, electronic materials, antioxidants and additives. It serves customers from key industries such as automotive, plastics and electronics.

The **Surface Technologies** segment bundles chemical solutions for surfaces in the Catalysts and Coatings divisions. Its portfolio range serves the automotive and chemical industries and includes catalysts, battery materials, automotive OEM and refinish coatings, surface treatment, and precious and base metal services. Innovations and solutions customized in collaboration with our customers in the field of sustainable mobility are a key growth driver for this segment.

The **Nutrition & Care** segment comprises the Care Chemicals division and the Nutrition & Health division. This segment produces ingredients and solutions for consumer applications in the areas of nutrition, home and personal care. Its customers include food and feed producers as well as the pharmaceutical, cosmetics, and the detergent and cleaner industries. The segment's competitiveness is strengthened, among other things, by focusing on new business models and sustainability trends in the consumer goods markets, for instance expanding the portfolio with bio-based and biodegradable products.

The **Agricultural Solutions** segment consists of the division of the same name. As an integrated provider, its portfolio comprises fungicides, herbicides, insecticides and biological crop protection products, as well as seeds and seed treatment products. Furthermore, Agricultural Solutions offers farmers innovative and more sustainable solutions, including those based on digital technologies, combined with practical advice.

Activities that are not allocated to any of the divisions are recorded under **Other**.

These include other businesses which comprise commodity trading, engineering and other services, as well as rental income and leases. Discontinued operations and certain activities remaining after divestitures are also reported here.

The following activities are also presented under Other:

- The steering of the BASF Group by corporate headquarters.
- Cross-divisional corporate research, which includes plant biotechnology research, works on long-term topics of strategic importance to the BASF Group. Furthermore, it focuses on the development of specific key technologies, which are of central importance for the divisions.
- The activities of the Net Zero Accelerator unit established on January 1, 2022, which bundles cross-company projects to achieve climate protection targets.
- Results from currency translation that are not allocated to the segments; earnings from the hedging of raw materials prices and foreign currency exchange risks; and gains and losses from the long-term incentive programs (LTI programs).
- Remanent fixed costs resulting from organizational changes or restructuring; function and region-related restructuring costs not allocated to a division; idle capacity costs from internal human resource platforms; and consolidation effects that cannot be allocated to the divisions.

**Reconciliation of segment income to income before income taxes**

Million €

	<b>H1</b>	
	<b>2022</b>	<b>2021</b>
EBIT before special items of the segments <sup>a</sup>	5,843	5,528
EBIT before special items of Other <sup>a</sup>	–686	–852
<b>EBIT before special items</b>	<b>5,157</b>	<b>4,676</b>
Special items of the segments	–214	16
Special items of Other	192	–65
<b>Special items</b>	<b>–22</b>	<b>–49</b>
EBIT of the segments <sup>a</sup>	5,629	5,545
EBIT of Other <sup>a</sup>	–494	–918
<b>EBIT</b>	<b>5,135</b>	<b>4,627</b>
Net income from shareholdings	–364	24
Financial result	–235	–215
<b>Income before income taxes</b>	<b>4,536</b>	<b>4,436</b>

**Reconciliation of segment assets to the assets of the BASF Group**

Million €

	<b>June 30, 2022</b>	<b>June 30, 2021</b>
<b>Segment assets<sup>a</sup></b>	<b>72,667</b>	<b>60,899</b>
Assets of businesses included in Other <sup>a</sup>	3,016	2,267
Other financial assets and non-integral investments accounted for using the equity method	11,482	11,021
Deferred tax assets	1,522	2,598
Cash and cash equivalents / marketable securities	3,987	3,077
Defined benefit assets	469	334
Other receivables / prepaid expenses	3,829	2,742
<b>Assets of Other<sup>a</sup></b>	<b>24,305</b>	<b>22,039</b>
<b>Assets of the BASF Group</b>	<b>96,972</b>	<b>82,938</b>

<sup>a</sup> 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 as of January 1, 2022. The prior-year figures have been adjusted.

The same accounting rules are used for segment reporting as those used for the Group. Transfers between the segments are generally executed at adjusted market-based prices, taking into account the higher cost efficiency and lower risk of intragroup transactions. Assets, as well as their depreciation and amortization, are allocated to the segments based on economic control. Assets used by more than one segment are allocated based on the percentage of usage.

Income from operations (EBIT) before special items is used for the internal steering of the segments and complements the key management indicator, ROCE. It is determined based on EBIT, which is calculated from gross profit on sales, selling expenses, general administrative expenses, research and development expenses, other operating income and expenses, and income from integral companies accounted for using the equity method. To calculate EBIT before special items, this figure is then adjusted for special items. Special items arise from the integration of acquired businesses, restructuring costs, impairments and reversals of impairments, gains or losses on divestitures and sales of integral investments accounted for using the equity method, as well as other expenses and income that arise outside of ordinary business activities. EBIT and EBIT before special items are alternative performance measures that are not defined under IFRS and are to be considered as being complementary to the indicators defined by IFRS.

**5 Earnings per share****Earnings per share**

		<b>H1</b>	
		<b>2022</b>	<b>2021</b>
Net income	million €	3,311	3,372
Number of outstanding shares (weighted average)	1,000	907,990	918,479
<b>Earnings per share</b>	<b>€</b>	<b>3.65</b>	<b>3.67</b>

Earnings per share is calculated based on the weighted average number of outstanding shares. The average number of outstanding shares declined compared with 2021 due to the current share buyback program. The calculation of diluted earnings per share reflects all possible outstanding shares and the resulting effect on income of BASF's "plus" employee incentive share program.

In the first half of 2022, and in the prior-year period, there was no dilutive effect; basic earnings per share were the same as the diluted earnings per share.



## 6 Other operating income and expenses

### Other operating income

Million €

	H1	
	2022	2021
Income from the adjustment and release of provisions recognized in other operating expenses	18	40
Revenue from miscellaneous other activities	84	68
Income from hedging transactions and the measurement of LTI programs	150	4
Income from foreign currency transactions and the translation of financial statements in foreign currencies	44	37
Gains on divestitures and the disposal of noncurrent assets	254	148
Reversals of impairment losses on noncurrent assets	3	–
Income from the reversal of valuation allowances for business-related receivables	31	18
Gains/losses from precious metal trading	161	262
Other	167	262
<b>Other operating income</b>	<b>912</b>	<b>839</b>

### Other operating expenses

Million €

	H1	
	2022	2021
Restructuring and integration measures	219	171
Environmental protection and safety measures, costs of demolition and removal, and project costs not subject to mandatory capitalization	201	151
Depreciation, amortization and impairments of noncurrent assets and of the disposal group	109	41
Costs from miscellaneous revenue-generating activities	76	62
Expenses from hedging transactions and the measurement of LTI programs	30	48
Losses from foreign currency transactions and the translation of financial statements in foreign currencies	152	66
Losses from divestitures and the disposal of noncurrent assets	21	5
Expenses from the addition of valuation allowances on business-related receivables	40	28
Expenses for derecognition of obsolete inventory	113	102
Other	308	315
<b>Other operating expenses</b>	<b>1,269</b>	<b>989</b>

The increase in **income from hedging transactions and the measurement of LTI programs** was attributable to income from virtual power purchase agreements and from hedges for natural gas and raw materials in North America. In addition, income arose from the release of provisions for the long-term incentive (LTI) programs.

The **gains on divestitures and the disposal of noncurrent assets** in the first half of 2022 was mainly due to the sale of 25.2% of the Hollandse Kust Zuid (HKZ) offshore wind farm.

**Other income** decreased, primarily as a result of lower income from tax refunds.

The increase in expenses for **restructuring and integration measures** in the first half of 2022 was attributable to the discontinuation of activities in Russia and Belarus, with the exception of business to support food production, and to restructuring activities to improve competitiveness in various operating divisions.

 For more information, see [Significant Events on page 5 of this half-year financial report](#)

By contrast, the expenses for the integration of the battery materials business, which was acquired in China in 2021, were significantly lower than the expenses for the integration of Solvay's global polyamide business in the prior-year period.

The increase in **depreciation, amortization and impairments of noncurrent assets and of the disposal group** in the first half of 2022 was due largely to impairments in connection with the agreed divestiture of the De Meern site in the Netherlands.

## 7 Income from integral companies accounted for using the equity method

Income from integral companies accounted for using the equity method declined from €321 million in the first half of 2021 to €233 million in the first half of 2022.

Of the €88 million decrease, €50 million related to the shareholding in Lucura Versicherungs AG, Ludwigshafen, Germany, due to losses from the measurement of securities and higher net expenses for claims. In addition, the earnings contribution from the shareholding in BASF-YPC Company Ltd., Nanjing, China, declined by €39 million, mainly due to higher raw materials costs and lower volumes.

## 8 Net income from shareholdings and financial result

### Net income from shareholdings

Million €

	H1	
	2022	2021
<b>Income from non-integral companies accounted for using the equity method</b>	<b>-342</b>	<b>73</b>
Dividends and similar income	15	11
Income from the disposal of shareholdings	1	–
<b>Income from other shareholdings</b>	<b>16</b>	<b>11</b>
Expenses from loss transfer agreements	-34	-29
Write-downs on / losses from the sale of shareholdings	-4	-31
<b>Expenses from other shareholdings</b>	<b>-38</b>	<b>-60</b>
<b>Net income from shareholdings</b>	<b>-364</b>	<b>24</b>

**Net income from shareholdings** declined from €24 million in the first half of 2021 to –€364 million in the first half of 2022, mainly due to lower earnings at Wintershall Dea AG, Kassel/Hamburg, Germany.

Due to Russia's war of aggression against Ukraine, Wintershall Dea tested its assets in Russia and the midstream business for impairment in the first quarter of 2022. This led to impairments of €545 million on equity-accounted investments held by Wintershall Dea (BASF's share: €373 million after taxes).

As BASF had recognized fair value adjustments for assets in Russia as part of the initial measurement of Wintershall Dea in 2019, a scenario-based impairment test was used to assess the recoverability of these assets as of June 30, 2022. This did not lead to any additional impairments.

The scenarios range from an optimistic case that assumes that the contractual, technical and physical potential of the assets can be realized to a worst-case scenario that assumes expropriation, the impact of which would be partly compensated for by existing investment guarantees from the German federal government. The operating assumptions and discount rates remained largely unchanged compared with the impairment test as of December 31, 2021. Cash flows were adjusted for gas and oil price assumptions and the latest developments of the RUB/EUR exchange rate. The price assumptions in the optimistic case reflect Wintershall Dea's contractual agreements in Russia and take into account the most recent price developments for the years 2022–2025 compared with the impairment test from December 2021. Another scenario assumes that Russian gas is only marketed domestically and that Wintershall Dea can therefore only realize lower prices, although existing contractual arrangements do not provide for this.

The results of the various scenarios were weighted with probabilities that reflect BASF management's current assessment. However, the current situation continues to be dominated by extreme uncertainty. Future developments may have a significant and adverse effect on the performance of the assets and may lead to further impairments.

Due to the appreciation of the ruble in the second quarter of 2022, Wintershall Dea's Russian assets accounted for €5.4 billion of the total carrying amount of Wintershall Dea (€10.6 billion).

**Financial result**

Million €

	H1	
	2022	2021
Interest income from cash and cash equivalents	82	76
Interest and dividend income from securities and loans	6	3
<b>Interest income</b>	<b>89</b>	<b>79</b>
<b>Interest expenses</b>	<b>-266</b>	<b>-236</b>
<b>Interest result</b>	<b>-177</b>	<b>-157</b>
Reversals of write-downs on / income from securities and loans	3	10
Net interest income from overfunded pension plans and similar obligations	2	–
Income from the capitalization of borrowing costs	18	13
Interest income on income taxes	8	4
Miscellaneous financial income	3	–
<b>Other financial income</b>	<b>33</b>	<b>27</b>
Write-downs on / losses from securities and loans	-16	-2
Net interest expense from underfunded pension plans and similar obligations	-38	-40
Net interest expense from other long-term personnel obligations	–	–
Unwinding the discount on other noncurrent liabilities	-3	-4
Interest expenses on income taxes	-1	-1
Miscellaneous financial expenses	-31	-38
<b>Other financial expenses</b>	<b>-90</b>	<b>-85</b>
<b>Other financial result</b>	<b>-57</b>	<b>-58</b>
<b>Financial result</b>	<b>-234</b>	<b>-215</b>

**9 Income taxes****Income before income taxes**

Million €

	H1	
	2022	2021
Germany	-171	535
Foreign	4,707	3,901
<b>Income before income taxes</b>	<b>4,536</b>	<b>4,436</b>

**Income taxes**

		H1	
		2022	2021
Germany	million €	141	125
Foreign	million €	894	707
<b>Income taxes</b>	<b>million €</b>	<b>1,036</b>	<b>832</b>
Tax rate	%	22.8	18.8

**10 Noncontrolling interests****Noncontrolling interests**

Million €

	H1	
	2022	2021
Noncontrolling interests in profits	196	232
Noncontrolling interests in losses	-7	–
<b>Noncontrolling interests</b>	<b>189</b>	<b>232</b>

Noncontrolling interests in profits declined year on year, especially at BASF TotalEnergies Petrochemicals LLC, Port Arthur, Texas.

## 11 Noncurrent assets

### Development of intangible assets and property, plant and equipment H1

Million €

	Intangible assets		Property, plant and equipment	
	2022	2021	2022	2021
<b>Cost</b>				
As of January 1	17,802	17,241	71,030	66,015
Additions	35	28	1,676	1,348
Disposals	-194	-107	-563	-672
Transfers	2	4	-2	-4
Currency effects	723	297	2,201	909
<b>As of June 30</b>	<b>18,367</b>	<b>17,463</b>	<b>74,342</b>	<b>67,596</b>
<b>Accumulated depreciation and amortization</b>				
As of January 1	4,303	4,096	49,477	46,368
Additions	327	306	1,643	1,442
Disposals	-191	-81	-506	-595
Transfers	-	9	-	-3
Currency effects	156	65	1,475	574
<b>As of June 30</b>	<b>4,595</b>	<b>4,395</b>	<b>52,089</b>	<b>47,786</b>
<b>Net carrying amount as of June 30</b>	<b>13,772</b>	<b>13,068</b>	<b>22,253</b>	<b>19,810</b>

Additions to property, plant and equipment in the first half of 2022 were mainly due to investment projects such as the establishment of a new Verbund site in Zhanjiang, China, and the construction and expansion of the ethylene oxide and polyethylene oxide production plants in Antwerp, Belgium, and in Ludwigshafen, Germany. Furthermore, they included construction and expansion projects as well as modernization measures, primarily at the sites in Ludwigshafen, Germany; Antwerp, Belgium; Shanghai, China; Geismar, Louisiana; and Freeport, Texas.

In addition to regular depreciation, accumulated depreciation on property, plant and equipment included, in particular, impairments in connection with the agreed divestiture of the De Meern site in the Netherlands.

Currency effects in the first half of 2022 resulted largely from appreciation of the U.S. dollar against the euro.

BASF's market capitalization declined by 34% in the first half of the year to €37,376 million. Equity increased to €46,373 million in the same period, mainly due to higher other comprehensive income.

BASF therefore reviewed whether a need for impairment could be derived from this, especially of goodwill. Despite the significant decline in market capitalization, the business results of almost all goodwill-bearing cash-generating units have developed in line with or better than assumed for the impairment tests as of December 31, 2021. We also have no indications of a significant deterioration in future business developments compared with previous assumptions. One exception is business with the automotive industry, where the weak phase is lasting longer than expected. However, as this is primarily due to supply chain disruptions, we expect the recovery to be merely delayed.

The discount rate used for the impairment tests rose only insignificantly despite an increase in the risk-free interest rate due to changes in other relevant market parameters. Furthermore, the carrying amounts of the goodwill-bearing cash-generating units have not changed significantly since the end of the year.

On this basis, there were no indications of goodwill impairment.

### Development of investments accounted for using the equity method H1

Million €

	Integral		Non-integral		Total	
	2022	2021	2022	2021	2022	2021
<b>Carrying amounts as of January 1</b>	<b>2,540</b>	<b>1,878</b>	<b>9,843</b>	<b>10,874</b>	<b>12,383</b>	<b>12,752</b>
Proportional income after taxes and other adjustments to income and expenses	233	321	-342	73	-109	394
Proportional changes in other comprehensive income	83	40	1,486	29	1,569	69
<b>Total comprehensive income</b>	<b>316</b>	<b>361</b>	<b>1,144</b>	<b>102</b>	<b>1,460</b>	<b>463</b>
Changes in the scope of consolidation	-	-	-	-	-	-
Additions	382	12	-	-	382	12
Disposals	-2	-6	-	-	-2	-6
Transfers	-372	-116	-90	-488	-462	-604
<b>Carrying amounts as of June 30</b>	<b>2,865</b>	<b>2,129</b>	<b>10,897</b>	<b>10,488</b>	<b>13,762</b>	<b>12,617</b>

**Proportional income after taxes and other adjustments to income and expenses** declined by a total of €503 million, mainly due to the lower earnings of the non-integral shareholding in Wintershall Dea AG, Kassel/Hamburg, Germany, as a result of the impairments recognized, and the decline in earnings at Lucura Versicherungs AG, Ludwigshafen, Germany, and BASF-YPC Company Ltd., Nanjing, China.

For more information, see [Note 8 on page 37 onward](#)

**Proportional changes of other comprehensive income** included income and expense recognized directly in equity and related primarily to translation-related changes in the value of the shareholding in Wintershall Dea AG.

**Additions** to integral investments accounted for using the equity method mainly related to the shareholding in HKZ Investor Holding B.V., Arnhem, Netherlands.

**Disposals** in the first half of 2022 included a capital decrease at Yara Freeport LLC, Wilmington, Delaware.

**Transfers** in the first half of 2022 amounted to –€462 million and mainly included dividend distributions, particularly from Wintershall Dea AG, BASF-YPC Company Ltd., and Markor Meiou Chemical (Xinjiang) Co., Ltd., Shanghai, China.

#### Other financial assets

Million €

	June 30, 2022	Dec. 31, 2021	June 30, 2021
Other shareholdings	524	514	478
Long-term securities	60	61	55
<b>Other financial assets</b>	<b>585</b>	<b>575</b>	<b>533</b>

## 12 Current assets

#### Current assets

Million €

	June 30, 2022	December 31, 2021	June 30, 2021
Raw materials and factory supplies	5,421	4,414	3,716
Work in progress, finished goods and merchandise	10,488	9,337	7,355
Advance payments and services in progress	77	117	84
<b>Inventories</b>	<b>15,986</b>	<b>13,868</b>	<b>11,155</b>
<b>Accounts receivable, trade</b>	<b>15,774</b>	<b>11,942</b>	<b>12,600</b>
Loans and interest receivables	119	149	207
Derivatives with positive fair values	1,058	610	531
Receivables from bank acceptance drafts	451	387	443
Prepaid expenses	246	327	312
Tax refund claims	1,697	1,610	1,406
Precious metal trading items	2,522	1,554	2,447
Other	1,291	932	941
<b>Other receivables and miscellaneous assets</b>	<b>7,384</b>	<b>5,568</b>	<b>6,287</b>
Marketable securities	207	208	208
Cash and cash equivalents	3,780	2,624	2,869
Assets of disposal groups	221	840	–
<b>Other current assets</b>	<b>11,591</b>	<b>9,240</b>	<b>9,364</b>
<b>Current assets</b>	<b>43,351</b>	<b>35,051</b>	<b>33,119</b>

**Work in progress, finished goods and merchandise** are combined into one item due to production conditions in the chemical industry. **Services in progress** mainly relate to services not invoiced as of the balance sheet date.

The increase in **trade accounts receivable** compared with December 31, 2021, was primarily attributable to seasonal sales volumes growth in the Agricultural Solutions segment and higher sales prices due to increased raw materials prices.

## 13 Equity

### Subscribed capital and shares

Subscribed capital remains unchanged at €1,176 million and is divided into 918,478,694 registered shares with no par value. All shares are fully paid-up and entitled to dividends and voting rights. There are no preferential voting rights or restrictions on the right to transfer shares. BASF SE held 18,505,079 treasury shares as of June 30, 2022, for redemption purposes.

### Authorized capital

In accordance with the resolution of the Annual Shareholders' Meeting on May 3, 2019, the Board of Executive Directors was authorized, with the consent of the Supervisory Board, to increase, until May 2, 2024, on a one-off basis or in portions on a number of occasions, the company's share capital by a total of up to €470 million by issuing new shares against contributions in cash or in kind. In principle, shareholders are entitled to a subscription right. However, the Board of Executive Directors is authorized, with the approval of the Supervisory Board, to exclude shareholders' statutory subscription rights in the cases specified in the authorizing resolution. The Board of Executive Directors is authorized, with the consent of the Supervisory Board, to lay down the further content of the share rights and the details of the execution of the capital increase. The total shares issued on the basis of the above authorization with the exclusion of the shareholders' subscription right in the case of capital increases in return for contributions in cash or in kind must not exceed 10% of the share capital at the time that this authorization comes into effect or – if this value is lower – at the time of its exercise. The proportionate amount of the share capital of those shares that are to be issued on the basis of convertible bonds and bonds with warrants granted during the term of this authorization under the exclusion of the subscription right, must be credited against the aforementioned ceiling of 10%. This authorization has not been exercised to date.

### Conditional capital

The authorization to issue convertible bonds and bonds with warrants granted in 2017 expired on May 11, 2022. At the Annual Shareholders' Meeting on April 29, 2022, the Board of Executive Directors was again authorized, with the approval of the Supervisory Board, up until April 28, 2027, on a one-off basis or in portions on more than one occasion to issue bearer or registered convertible bonds and/or bonds with warrants or a combination of these instruments with or without maturity limitations with a total nominal value of up to €10 billion and to grant or impose holders and/or creditors of these debt instruments conversion or option rights for up to 91,847,800 registered shares in the company with a pro rata amount of share capital of up to €117,565,184 subject to the respective terms and conditions of the debt instruments. The debt instruments can be issued in exchange for contributions in cash, but also for contributions in kind, particularly shareholdings in other companies.

In this connection, the share capital was increased conditionally by up to €117,565,184 by issuing a maximum of 91,847,800 new registered BASF shares. The conditional capital increase shall only be carried out to the extent to which holders of convertible bonds or warrants attached to bonds with warrants issued by the company or one of its subsidiaries up to April 28, 2027, under the authorization granted to the Board of Executive Directors, exercise their conversion or option rights and/or fulfill their conversion or option obligations, and provided that no other forms of fulfillment of delivery are used. The new BASF shares shall be issued at the conversion or option prices determined in each case in the terms and conditions of the debt instruments and/or the warrants in accordance with the above-mentioned authorization. The new BASF shares issued under this provision shall participate in profits from the beginning of the financial year in which they are issued. This authorization has not been exercised to date.

### Authorization of share buybacks

By way of a resolution of the Annual Shareholders' Meeting of May 12, 2017, the Board of Executive Directors was authorized to buy back shares until May 11, 2022, in accordance with section 71(1) no. 8 of the German Stock Corporation Act (AktG). On April 29, 2022, the Annual Shareholders' Meeting resolved to again authorize the Board of Executive Directors to buy back shares until April 28, 2027. The acquired shares in combination with other shares the company previously acquired and still holds or shares attributable to the company in accordance with sections 71a et seq. AktG may at no point exceed 10% of the share capital. The shares can be bought back via the stock exchange, via a public purchase offer addressed to all shareholders, via a public request to shareholders or by other means in accordance with section 53a AktG.

In the period from January 11, 2022, to June 30, 2022, BASF SE acquired 18,505,079 of its own shares in various tranches via the stock exchange at a total purchase price of €1,075,584,063 for the purpose of redemption.

### Capital reserves

Capital reserves include effects from BASF's share program, premiums from capital increases and consideration for warrants and negative goodwill from the capital consolidation resulting from acquisitions of subsidiaries in exchange for the issue of BASF SE shares at par value.

## Retained earnings

### Retained earnings

Million €

	June 30, 2022	Dec. 31, 2021
Legal reserves	977	958
Other retained earnings	38,552	39,407
<b>Retained earnings</b>	<b>39,529</b>	<b>40,365</b>

The change in **legal reserves** in the first half of 2022 was due to reclassifications from retained earnings.

**Other retained earnings** include, among other things, earnings generated in the past by companies included in the Consolidated Financial Statements and reserves recognized for the acquired treasury shares.

## Payment of dividends

In accordance with the resolution of the Annual Shareholders' Meeting on April 29, 2022, BASF SE paid a dividend of €3.40 per qualifying share from the retained profit of the 2021 fiscal year. With 903,468,202 qualifying shares at that time, this represented total dividends of €3,071,791,886.80. The remaining €856,529,452.43 in retained profits was allocated to retained earnings.

## 14 Liabilities

### Liabilities

Million €

	June 30, 2022		December 31, 2021		June 30, 2021	
	Current	Noncurrent	Current	Noncurrent	Current	Noncurrent
<b>Accounts payable, trade</b>	<b>9,068</b>	<b>–</b>	<b>7,826</b>	<b>–</b>	<b>5,771</b>	<b>–</b>
Bonds and other liabilities to the capital market	5,695	13,360	2,237	11,500	1,674	12,616
Liabilities to credit institutions	2,227	2,251	1,183	2,264	2,690	2,338
<b>Financial indebtedness</b>	<b>7,922</b>	<b>15,611</b>	<b>3,420</b>	<b>13,764</b>	<b>4,364</b>	<b>14,954</b>
<b>Tax liabilities</b>	<b>1,650</b>	<b>–</b>	<b>1,161</b>	<b>–</b>	<b>1,401</b>	<b>–</b>
Advances received on orders	282	–	949	–	261	–
Negative fair values from derivatives and liabilities for precious metal obligations	502	90	639	131	1,339	204
Liabilities from leases	385	1,105	334	1,078	337	999
Loan and interest liabilities	502	28	505	35	470	39
Liabilities related to social security	122	66	79	63	92	57
Employee liabilities	334	23	294	22	298	21
Miscellaneous liabilities	1,003	264	847	254	686	266
Deferred income	61	17	32	17	88	6
<b>Other liabilities</b>	<b>3,191</b>	<b>1,593</b>	<b>3,679</b>	<b>1,600</b>	<b>3,571</b>	<b>1,592</b>
<b>Liabilities</b>	<b>21,832</b>	<b>17,205</b>	<b>16,086</b>	<b>15,364</b>	<b>15,107</b>	<b>16,546</b>



### Financial indebtedness

Million €

				Carrying amounts based on effective interest method			
		Currency	Nominal volume <sup>a</sup>	Effective interest rate	June 30, 2022	December 31, 2021	June 30, 2021
BASF SE							
Commercial paper		EUR	414		414	–	–
Commercial paper		GBP	50		58	–	–
Commercial paper		USD	2,249		2,161	248	963
2.500%	Bond 2017/2022	USD	500	2.65%	–	441	420
1.375%	Bond 2018/2022	GBP	250	1.52%	–	297	291
2.000%	Bond 2012/2022	EUR	1,250	1.93%	1,250	1,251	1,251
0.925%	Bond 2017/2023	USD	850	0.83%	811	739	700
0.101%	Bond 2020/2023	EUR	1,000	0.14%	1,000	999	999
0.875%	Bond 2016/2023	GBP	250	1.06%	291	297	290
2.500%	Bond 2014/2024	EUR	500	2.60%	499	499	499
1.750%	Bond 2017/2025	GBP	300	1.87%	348	356	348
0.875%	Bond 2018/2025	EUR	750	0.97%	748	748	747
3.675%	Bond 2013/2025	NOK	1,450	3.70%	140	145	142
0.750%	Bond 2022/2026	EUR	1,000	0.82%	998	–	–
0.250%	Bond 2020/2027	EUR	1,000	0.32%	997	996	996
0.875%	Bond 2017/2027	EUR	1,000	1.04%	991	990	990
3.125%	Bond 2022/2028	EUR	750	3.27%	744	–	–
2.670%	Bond 2017/2029	NOK	1,600	2.69%	154	160	157
0.875%	Bond 2019/2029	EUR	250	1.01%	248	248	248
1.500%	Bond 2018/2030	EUR	500	1.63%	495	495	495
1.500%	Bond 2016/2031	EUR	200	1.58%	199	199	199
1.500%	Bond 2022/2031	EUR	1,000	1.53%	997	–	–
0.875%	Bond 2016/2031	EUR	500	1.01%	494	494	494
2.370%	Bond 2016/2031	HKD	1,300	2.37%	160	147	141
3.750%	Bond 2022/2028	EUR	750	3.85%	744	–	–

**a** Million in issuing currency as of the balance sheet date

Continued on next page

Continued from previous page

**Financial indebtedness**

Million €

				Carrying amounts based on effective interest method			
		Currency	Nominal volume <sup>a</sup>	Effective interest rate	June 30, 2022	December 31, 2021	June 30, 2021
1.450%	Bond 2017/2032	EUR	300	1.57%	297	297	297
3.000%	Bond 2013/2033	EUR	500	3.15%	493	493	493
2.875%	Bond 2013/2033	EUR	200	2.96%	198	198	198
4.000%	Bond 2018/2033	AUD	160	4.24%	104	100	99
1.625%	Bond 2017/2037	EUR	750	1.73%	739	739	739
3.250%	Bond 2013/2043	EUR	200	3.27%	200	200	199
1.025%	Bond 2018/2048	JPY	10,000	1.03%	70	77	76
3.890%	U.S. private placement series A 2013/2025	USD	250	3.92%	240	221	210
4.090%	U.S. private placement series B 2013/2028	USD	700	4.11%	673	617	588
4.430%	U.S. private placement series C 2013/2034	USD	300	4.45%	288	264	252
BASF Finance Europe N.V.							
3.625%	Bond 2018/2025	USD	200	3.69%	192	176	168
0.750%	Bond 2016/2026	EUR	500	0.88%	497	497	496
Other bonds					120	110	105
Bonds and other liabilities to the capital market					19,055	13,737	14,290
Liabilities to credit institutions					4,478	3,447	5,028
Financial indebtedness					23,533	17,184	19,318

<sup>a</sup> Million in issuing currency as of the balance sheet date

## 15 Provisions for pensions

### Assumptions used to determine the defined benefit obligation

%

	Germany		United States		Switzerland		United Kingdom	
	June 30, 2022	December 31, 2021	June 30, 2022	December 31, 2021	June 30, 2022	December 31, 2021	June 30, 2022	December 31, 2021
Discount rate	2.70	1.10	4.70	2.70	2.10	0.40	3.90	2.00
Projected pension increase	2.00	1.60	–	–	–	–	2.50	3.50

### Assumptions used to determine expenses for pension benefits

From January 1 to June 30 of the respective year in %

	Germany		United States		Switzerland		United Kingdom	
	2022	2021	2022	2021	2022	2021	2022	2021
Discount rate	1.10	0.70	2.70	2.30	0.40	0.10	2.00	1.50
Projected pension increase	1.60	1.50	–	–	–	–	3.50	3.00

The assumptions used to determine the defined benefit obligation as of December 31, 2021, are used in the 2022 fiscal year to determine the expenses for pension plans.

The standardized return on plan assets is calculated by multiplying plan assets at the beginning of the year with the discount rate used for existing defined benefit obligations at the beginning of the year, taking into account benefit and contribution payments to be made during the year.

Increases in the discount rates in all relevant currency zones led to actuarial gains on pension obligations totaling €6,825 million in the first half of 2022. Investments accounted for using the equity method reported actuarial gains of €119 million. Adjustment effects from the increase in long-term inflation assumptions in Germany from 1.60% to 2.00% increased obligations by around €1,060 million and partially compensated for the effect of higher interest rates in Germany. Including the deviation between the actual return on plan assets and the standardized return on plan assets, positive

remeasurement effects totaled €3,664 million. These were recognized in other comprehensive income (OCI), taking into account deferred taxes of €1,114 million. Overall, pension provisions declined by €3,058 million compared with December 31, 2021. Taking into account the asset ceiling, defined benefit assets decreased by €193 million in the first half of 2022.

## 16 Other provisions

### Development in H1 2022

Million €

	January 1, 2022	Additions	Unwinding of discount	Utilization	Releases	Other changes	June 30, 2022
Restoration obligations	158	0	1	–4	–1	9	163
Environmental protection and remediation costs	926	61	2	–27	–3	47	1,005
Employee obligations	2,368	1,160	0	–1,675	–103	30	1,781
Obligations from sales and purchase contracts	1,423	1,635	–	–494	–48	160	2,676
Restructuring measures	279	49	–	–67	–2	6	265
Litigation, damage claims, warranties and similar obligations	79	25	0	–8	–3	8	101
Other	486	185	0	–109	–16	24	570
<b>Total</b>	<b>5,717</b>	<b>3,115</b>	<b>4</b>	<b>–2,383</b>	<b>–176</b>	<b>285</b>	<b>6,561</b>

On June 30, 2022, other provisions were €844 million above the 2021 year-end figure.

The increase in obligations from sales and purchase contracts was mainly due to the seasonal rise in provisions for discounts.

Provisions for employee obligations decreased significantly following the payment of the 2021 bonus to the employees of the BASF Group.

Other changes were primarily attributable to currency effects.

## 17 Related party transactions

The BASF Group maintains relationships with several related parties that can exert influence on the BASF Group or over which the BASF Group exercises control or joint control, or a significant influence.

Sales and trade accounts receivable from and trade accounts payable to related parties mainly included business with own products, merchandise, agency and licensing businesses, and other operating businesses.

Other receivables and liabilities primarily arose from financing activities, from accounts used for cash pooling, outstanding dividend payments, profit and loss transfer agreements, and other finance-related and operating activities and transactions.

The increase in goods and services received from associated companies was attributable to higher volumes and prices.

The balance of valuation allowances on other receivables from nonconsolidated subsidiaries increased from €100 million as of December 31, 2021, to €102 million as of June 30, 2022.

The balance of valuation allowances on trade accounts receivable from nonconsolidated subsidiaries rose from €3 million as of December 31, 2021, to €4 million as of June 30, 2022, and from joint ventures from €2 million as of December 31, 2021, to €3 million as of June 30, 2022.

The following tables show the volume of business with related parties that are included in the Consolidated Financial Statements at amortized cost or accounted for using the equity method. The values include sales, receivables, other receivables, liabilities and other liabilities relating to the disposal groups.

There were no reportable related-party transactions with members of the Board of Executive Directors or the Supervisory Board and their related parties during the reporting period.

### Sales to related parties H1

Million €

	Goods and services rendered		Goods and services received	
	2022	2021	2022	2021
Nonconsolidated subsidiaries	670	476	227	141
Joint ventures	681	729	787	961
Associated companies	103	252	1,216	332

### Trade accounts receivable from / trade accounts payable to related parties

Million €

	Accounts receivable, trade		
	June 30, 2022	Dec. 31, 2021	June 30, 2021
Nonconsolidated subsidiaries	437	266	268
Joint ventures	320	210	175
Associated companies	32	34	81

	Accounts payable, trade		
	June 30, 2022	Dec. 31, 2021	June 30, 2021
Nonconsolidated subsidiaries	159	136	97
Joint ventures	204	189	216
Associated companies	211	221	41

### Other receivables from / liabilities to related parties

Million €

	Other receivables		
	June 30, 2022	Dec. 31, 2021	June 30, 2021
Nonconsolidated subsidiaries	273	237	192
Joint ventures	20	19	30
Associated companies	5	4	75

	Other liabilities		
	June 30, 2022	Dec. 31, 2021	June 30, 2021
Nonconsolidated subsidiaries	186	214	162
Joint ventures	31	35	91
Associated companies	116	106	171

## Responsibility Statement

To the best of our knowledge, and in accordance with the applicable reporting principles for half-year financial reporting, the Condensed Consolidated Half-Year Financial Statements give a true and fair view of the net assets, financial position and results of operations of the Group, and the Consolidated Interim Management's Report

includes a fair review of the development and performance of the business as well as the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group for the remaining fiscal year.

Ludwigshafen, July 22, 2022

**BASF SE**  
**The Board of Executive Directors**

## Selected Key Figures Excluding Precious Metals

The IFRS figures correspond to the amounts presented in the Consolidated Half-Year Financial Statements. The adjusted figures exclude sales in precious metal trading and precious metal sales in the mobile emissions catalysts business.

### BASF Group

Million €

	Q2				H1			
	2022		2021		2022		2021	
	IFRS figure	Adjusted figure	IFRS figure	Adjusted figure	IFRS figure	Adjusted figure	IFRS figure	Adjusted figure
Sales	22,974	19,705	19,753	15,468	46,058	39,375	39,153	30,606
Volume growth	–4.4%	–0.2%	27.7%	26.0%	–2.6%	2.0%	16.9%	15.8%
EBITDA before special items	3,293	3,293	3,217	3,217	7,036	7,036	6,398	6,398
EBITDA margin before special items	14.3%	16.7%	16.3%	20.8%	15.3%	17.9%	16.3%	20.9%

### Surface Technologies

Million €

	Q2				H1			
	2022		2021		2022		2021	
	IFRS figure	Adjusted figure	IFRS figure	Adjusted figure	IFRS figure	Adjusted figure	IFRS figure	Adjusted figure
Sales	5,446	2,176	5,892	1,608	10,903	4,220	11,839	3,293
Volume growth	–14.2%	–0.4%	44.1%	58.2%	–14.3%	–1.2%	27.9%	39.1%
EBITDA before special items	365	365	399	399	766	766	869	869
EBITDA margin before special items	6.7%	16.8%	6.8%	24.8%	7.0%	18.2%	7.3%	26.4%



Quarterly Statement Q3 2022

# October 26, 2022

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BASF Report 2022

# February 24, 2023

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Quarterly Statement Q1 2023 / Annual Shareholders' Meeting 2023

# April 27, 2023

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Half-Year Financial Report 2023

# July 28, 2023

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Quarterly Statement Q3 2023

# October 31, 2023

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## Further information

### Published on July 27, 2022

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## Contact

### General inquiries

Phone: +49 621 60-0, email: [global.info@basf.com](mailto:global.info@basf.com)

### Media Relations

Jens Fey, phone: +49 621 60-99123

### Investor Relations

Dr. Stefanie Wettberg, phone: +49 621 60-48002

### Internet

[basf.com](https://basf.com)

## Forward-looking statements and forecasts

This half-year financial report 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](#). The BASF Report is available online at [basf.com/report](https://basf.com/report). We do not assume any obligation to update the forward-looking statements contained in this half-year financial report above and beyond the legal requirements.



BASF supports the chemical industry's global Responsible Care initiative.

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