

News Release

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BASF Group releases preliminary figures for the third quarter of 2022 and announces cost savings program

- **Sales, EBIT before special items and EBIT slightly above average analyst estimates**
- **Net income expected to be €909 million (Q3 2021: €1,253 million) due to non-cash-effective impairments, considerably below the prior-year quarter and considerably below analyst consensus**
- **Cost savings program of €500 million annually with focus on Europe and particularly Germany due to deteriorating framework conditions**
- **Outlook for the business year 2022 remains unchanged**

Ludwigshafen – October 12, 2022 – BASF has released preliminary figures for the third quarter of 2022. Sales, income from operations (EBIT) before special items and EBIT are slightly above average analyst estimates.

Net income of BASF Group is expected to amount to €909 million. This is considerably below the prior-year quarter figure (Q3 2021: €1,253 million) and the average analyst estimates for the third quarter of 2022 (Vara: €1,105 million). Net income contains non-cash-effective impairments on the shareholding in Wintershall Dea in the amount of about €740 million. These result from the partial write-down of Wintershall Dea's participation in Nord Stream AG, which operates the Nord Stream 1 pipeline.

Sales increased by 12 percent in the third quarter of 2022 to €21,946 million (Q3 2021: €19,669 million). This was mainly driven by higher prices. Currency effects, primarily relating to the U.S. dollar, had a positive effect as well. Volumes declined compared with the prior-year quarter. Sales thus slightly exceeded average analyst estimates for the third quarter of 2022 (Vara: €21,076 million).

EBIT before special items amounted to an expected €1,348 million in the third quarter of 2022, considerably below the level of the prior-year quarter (Q3 2021: €1,865 million) and slightly above the analyst consensus for the third quarter of 2022 (Vara: €1,313 million). Increased prices for raw materials and energy could only partly be passed on through higher selling prices.

EBIT amounted to an expected €1,294 million in the third quarter of 2022, considerably below the figure for the prior-year quarter (Q3 2021: €1,822 million) and slightly above the analyst consensus for the third quarter of 2022 (Vara: €1,285 million).

The **outlook** published by the BASF Group for the 2022 business year in July remains unchanged. EBIT before special items continues to be expected between €6.8 billion and €7.2 billion.

Cost savings program of €500 million annually

Against the background of significantly weaker earnings in Europe – especially in Germany, where earnings in the third quarter of 2022 were negative – as well as the deteriorating framework conditions in the region, BASF has initiated a cost savings program focusing on Europe and particularly Germany to be implemented from 2023 to 2024. Cost savings possible in the short term will be implemented immediately. Upon completion, the program is expected to generate annual cost savings of €500 million in non-production areas. More than half of the cost savings are to be realized at the Ludwigshafen site. Operating, service and research & development divisions as well as the corporate center are to be streamlined.

Further measures to structurally adjust BASF's production Verbund in Europe in the medium and long term are currently being developed and are expected to be communicated in the first quarter of 2023.

Employee representatives in the relevant bodies will be involved regarding the different measures.

Further information

The overview of analyst estimates, which is compiled monthly by Vara Research on behalf of BASF, can be found at: www.basf.com/analysts-estimates.

BASF will publish its Quarterly Statement on Q3 2022 on Wednesday, October 26, 2022, at 7:00 a.m. CEST and will comment on the figures at the conference call for journalists (from 9:00 a.m. CEST) and the conference call for analysts and investors (from 11:00 a.m. CEST).

About BASF

At BASF, we create chemistry for a sustainable future. We combine economic success with environmental protection and social responsibility. Around 111,000 employees in the BASF Group contribute to the success of our customers in nearly all sectors and almost every country in the world. Our portfolio comprises six segments: Chemicals, Materials, Industrial Solutions, Surface Technologies, Nutrition & Care and Agricultural Solutions. BASF generated sales of €78.6 billion in 2021. BASF shares are traded on the stock exchange in Frankfurt (BAS) and as American Depositary Receipts (BASFY) in the United States. Further information at www.basf.com.

Forward-looking statements and forecasts

This release 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. BASF does not assume any obligation to update the forward-looking statements contained in this release above and beyond the legal requirements.