

News Release

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BASF Group 1st Quarter 2023:

BASF starts 2023 better than expected in a stagnating environment

- **Sales of €20.0 billion (minus 13.4 percent)**
- **EBIT before special items of €1.9 billion (minus 31.5 percent) significantly above average analyst estimates**
- **Outlook from February 24, 2023, unchanged for the 2023 business year**

“BASF started off 2023 better than analysts had expected – and in a stagnating and difficult economic environment,” said Dr. Martin Bruder Müller, Chairman of the Board of Executive Directors of BASF SE. The BASF businesses with customers in the agricultural and automotive sectors made a substantial contribution to this. BASF Group had already announced its key sales and earnings figures in an advance notice on April 12. Today BASF is releasing its quarterly statement for the first quarter of 2023 and holding its first in-person Annual Shareholders’ Meeting at Congress Center Rosengarten in Mannheim after three virtual events due to the coronavirus pandemic.

Sales and earnings development in the first quarter of 2023

BASF Group’s sales in the first quarter of 2023 amounted to €20.0 billion, down by €3.1 billion compared with the prior-year quarter. This was primarily the result of lower volumes in almost all segments due to weaker demand. Slightly lower prices additionally dampened sales performance. Price increases in the Agricultural Solutions, Nutrition & Care and Industrial Solutions segments were unable to fully

offset the lower prices in the remaining segments. Negative portfolio effects from the sale of the kaolin minerals business in the Industrial Solutions segment also slightly weighed down sales. Slightly positive currency effects, mainly relating to the U.S. dollar, had an offsetting effect.

Income from operations (EBIT) before special items decreased to €1.9 billion, corresponding to a decline of €887 million compared with the strong prior-year quarter. This earnings development of the BASF Group was mainly due to the significant decline in earnings contributions in the Chemicals and Materials segments. In the Nutrition & Care and Industrial Solutions segments, EBIT before special items also decreased considerably, while the Surface Technologies segment recorded a slight decline. By contrast, the Agricultural Solutions segment significantly increased earnings and achieved EBIT before special items of around €1.3 billion, compared with €868 million in the prior-year quarter. Other also significantly improved EBIT before special items.

EBIT declined by €918 million compared with the first quarter of 2022 to €1.9 billion. Income from operations before depreciation, amortization and special items (EBITDA before special items) decreased by €878 million to €2.9 billion and EBITDA decreased by €898 million to €2.8 billion in the same period.

Net income of €1.6 billion was €340 million higher than in the same period of the previous year. In the prior-year quarter, impairments on the shareholding in Wintershall Dea AG had burdened net income. Earnings per share in the first quarter of the year were €1.75, compared with €1.34 in the first quarter of 2022.

Proposed dividend of €3.40 per share for the 2022 business year

The Board of Executive Directors and the Supervisory Board of BASF SE are proposing to today's Annual Shareholders' Meeting a dividend matching the prior-year level of €3.40 per share for the 2022 business year. Based on the year-end share price for 2022, the BASF share thus offers a high dividend yield of 7.3 percent. All shareholders who hold BASF shares as of April 27, 2023, the date of the Annual Shareholders' Meeting, are entitled to receive the dividend. If the Annual Shareholders' Meeting approves the dividend proposal, the dividend will be paid out on May 3, 2023. In total, BASF will pay €3.0 billion to its shareholders on this day. "This amount is more than covered by our free cash flow of €3.3 billion in 2022," said Brudermüller.

BASF Group outlook for 2023

The forecasts for sales, earnings, ROCE, and CO₂ emissions, as presented in the BASF Report 2022, continue to apply:

- Sales of between €84 billion and €87 billion
- EBIT before special items of between €4.8 billion and €5.4 billion
- Return on capital employed (ROCE) of between 7.2 percent and 8.0 percent
- CO₂ emissions of between 18.1 million metric tons and 19.1 million metric tons

The assumptions regarding the global economic environment from the BASF Report 2022 remain unchanged:

- Growth in gross domestic product: 1.6 percent
- Growth in industrial production: 1.8 percent
- Growth in chemical production: 2.0 percent
- Average euro/dollar exchange rate of \$1.05 per euro
- Average annual oil price (Brent crude) of \$90 per barrel

The development of the global economy is still subject to great uncertainty. Momentum in global industrial and chemical production remains subdued.

About BASF

At BASF, we create chemistry for a sustainable future. We combine economic success with environmental protection and social responsibility. More than 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 €87.3 billion in 2022. 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.

On April 27, 2023, you can obtain further information from the internet at the following addresses:

Quarterly Statement (from 7.00 a.m. CEST)[basf.com/quarterlystatement](https://www.basf.com/quarterlystatement)

(English)

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

(German)

News Release (from 7.00 a.m. CEST)[basf.com/pressrelease](https://www.basf.com/pressrelease)

(English)

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

(German)

Live Transmission – Telephone conference for analysts and investors on Q1 2023 (from 8.00 a.m. CEST)[basf.com/share/conferencecall](https://www.basf.com/share/conferencecall)

(English)

[basf.com/aktie/telefonkonferenz](https://www.basf.com/aktie/telefonkonferenz)

(German)

Live Transmission – Speech Dr. Martin Brudermüller (from 10.00 a.m. CEST)[basf.com/shareholdersmeeting](https://www.basf.com/shareholdersmeeting)

(English)

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

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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.