

# News Release

P264/23e  
July 12, 2023

## **BASF Group achieves Q2 2023 EBIT before special items in line with analyst consensus and adjusts outlook for 2023**

### Q2 2023:

- Sales of €17.3 billion
- EBIT before special items of €1.0 billion

### Outlook 2023:

- Sales expected between €73 billion and €76 billion (previously: €84 billion to €87 billion)
- EBIT before special items expected between €4.0 billion and €4.4 billion (previously: €4.8 billion to €5.4 billion)

Ludwigshafen – July 12, 2023 – BASF has released preliminary figures for the second quarter of 2023. **Sales** declined by an expected 25% in the second quarter of 2023 to €17,305 million (Q2 2022: €22,974 million). This was mainly driven by considerably lower prices and volumes; negative currency effects also contributed to the sales decline. Sales were thus lower than average analyst estimates for the second quarter of 2023 (Vara: €19,355 million).

**EBIT before special items** of BASF Group amounted to an expected €1,007 million, a decline of 57% compared with the strong prior-year quarter (Q2 2022: €2,339 million) but in line with analyst consensus for the second quarter of 2023 (Vara: €1,018 million). Compared with the prior-year quarter, the earnings contributions of the Chemicals and Materials segments were particularly weaker.

BASF Group's **EBIT** amounted to an expected €974 million in the second quarter of 2023, below the figure for the prior-year quarter (Q2 2022: €2,350 million) and almost at the level of analyst consensus (Vara: €1,003 million).

**Net income** reached an expected €499 million, below the figure in the prior-year quarter (Q2 2022: €2,090 million) and below average analyst estimates for the second quarter of 2023 (Vara: €729 million).

### **Outlook for the full-year 2023**

According to current estimates, global gross domestic product in the first half of 2023 grew stronger than previously expected (+2.4% instead of +1.6%). However, this development was solely driven by a global increase in the service sector. Growth in global industrial production, on the other hand, continued to slow. As a result, global chemical production declined perceptibly in the first half of 2023. For the second half of 2023, BASF does not expect any further weakening in demand at the global level, as inventories of chemical raw materials in customer industries have already been greatly reduced. However, BASF is assuming only a tentative recovery because global demand for consumer goods will be lower than previously assumed. With this, margins will also remain under pressure.

Against this background BASF adjusts its assumptions regarding the global economic environment in 2023 as follows (previous assumptions from the BASF Report 2022 in parentheses; current assumptions rounded):

- Growth in gross domestic product: 2.0% (1.6%)
- Growth in industrial production: 1.0% (1.8%)
- Growth in chemical production: 0.0% (2.0%)
- Average euro/dollar exchange rate of \$1.10 per euro (\$1.05 per euro)
- Average annual oil price (Brent crude) of \$80 per barrel (\$90 per barrel)

With this, BASF also expects a weaker sales and earnings development than previously forecast and adjusts its outlook for the full-year 2023. The company now anticipates **sales** of between €73 billion and €76 billion in 2023 (previous outlook 2023: €84 billion to €87 billion; analyst consensus 2023: €79,810 million; full year 2022: €87,327 million). **EBIT before special items** is now expected to reach between €4.0 billion and €4.4 billion in 2023 (previous outlook 2023: €4.8 billion to €5.4 billion; analyst consensus 2023: €4,883 million; full year 2022: €6,878 million).

## **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](http://www.basf.com/analysts-estimates).

BASF will publish its Half-Year Financial Report 2023 on Friday, July 28, 2023, at 7:00 a.m. CEST and will comment on the figures in a conference call for journalists (from 8:00 a.m. CEST) and a conference call for analysts and investors (from 10:00 a.m. CEST).

## **About BASF**

At BASF, we create chemistry for a sustainable future. We combine economic success with environmental protection and social responsibility. 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](http://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.