

Reporting Factsheet Q4/FY 2022

BASF Group (million €)	Q4 2022	Q4 2021	Change (%)	FY 2022	FY 2021	Change (%)
Sales	19,323	19,776	-2.3	87,327	78,598	11.1
EBITDA	1,389	2,250	-38.3	10,748	11,355	-5.3
EBITDA before special items	1,401	2,179	-35.7	10,762	11,348	-5.2
Depreciation and amortization ¹	1,270	1,023	24.2	4,200	3,678	14.2
EBIT	119	1,227	-90.3	6,548	7,677	-14.7
Special items	-254	1	.	-330	-91	-263.9
EBIT before special items	373	1,227	-69.6	6,878	7,768	-11.5
Net income from shareholdings	-4,677	97	.	-4,939	207	.
Financial result	-26	-90	70.5	-418	-436	4.0
Income before income taxes	-4,585	1,235	.	1,190	7,448	-84.0
Income after taxes from continuing operations	-4,843	990	.	-391	6,018	.
Income after taxes from discontinued operations	-	7	-100.0	-	-36	-100.0
Net income	-4,847	898	.	-627	5,523	.
Earnings per share (€) ²	-5.42	0.98	.	-0.70	6.01	.
Adjusted earnings per share (€) ²	0.09	1.17	-92.3	6.96	6.76	3.0
Research and development expenses	617	637	-3.2	2,298	2,216	3.7
Personnel expenses	2,628	2,572	2.1	11,400	11,097	2.7
Employees (end of period)	111,481	111,047	0.4	111,481	111,047	0.4
Assets (end of period)	84,472	87,383	-3.3	84,472	87,383	-3.3
Investments including acquisitions ³	2,101	1,713	22.7	4,967	4,881	1.8
Equity ratio (end of period, %)	48.4	48.2	-	48.4	48.2	-
Net debt (end of period)	16,268	14,352	13.4	16,268	14,352	13.4
Cash flows from operating activities	4,470	3,337	33.9	7,709	7,245	6.4
Free cash flow	2,596	1,847	40.5	3,333	3,713	-10.2

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

² Due to the share buyback program, the weighted average number of outstanding shares was 893,869,197 in the fourth quarter of 2022 and 901,754,219 in the period from January to December 2022.

³ Additions to property, plant and equipment and intangible assets

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

Factors influencing sales (changes in %)	Sales		Volumes		Prices		Portfolio		Currencies	
	Q4 2022	FY 2022	Q4 2022	FY 2022	Q4 2022	FY 2022	Q4 2022	FY 2022	Q4 2022	FY 2022
Chemicals	2,749	14,895	-23.0	-10.6	-6.4	15.2	-0.1	-0.1	3.2	5.2
Petrochemicals	1,876	10,546	-24.2	-9.8	-7.7	13.6	-0.1	-0.1	3.6	5.3
Intermediates	873	4,349	-20.1	-12.7	-3.3	19.0	-0.1	-0.1	2.2	5.2
Materials	4,045	18,443	-14.0	-5.7	10.8	21.3	-0.1	-0.1	3.1	5.6
Performance Materials	1,962	8,567	-7.1	-2.3	8.2	14.1	0.0	0.0	3.5	5.7
Monomers	2,082	9,877	-20.0	-8.7	13.1	28.0	-0.1	-0.2	2.7	5.6
Industrial Solutions	2,169	9,992	-13.6	-3.4	9.9	16.0	-2.1	-5.9	4.3	6.0
Dispersions & Resins	1,275	6,019	-17.5	-5.2	7.9	14.1	-0.2	-8.5	3.8	5.5
Performance Chemicals	894	3,973	-7.3	-0.3	13.2	19.3	-5.1	-1.5	5.0	6.9
Surface Technologies	5,047	21,283	-14.8	-13.0	7.9	-2.7	-0.8	3.4	4.9	6.3
Catalysts	3,913	17,062	-19.3	-16.2	6.5	-5.4	-0.7	4.1	5.1	6.3
Coatings	1,134	4,220	6.0	5.1	14.3	12.4	-1.4	-0.8	4.1	6.0
Nutrition & Care	1,898	8,066	-11.3	-1.4	18.4	23.3	-0.2	-1.2	3.1	4.5
Care Chemicals	1,278	5,619	-15.6	-4.1	20.7	27.9	-0.2	-1.2	2.7	4.0
Nutrition & Health	620	2,447	-1.9	4.7	13.5	13.1	-0.3	-1.3	4.0	5.7
Agricultural Solutions	2,282	10,280	0.7	5.7	18.8	12.4	-0.8	-0.6	11.0	8.4
Other	1,133	4,368	-32.7	-8.7	29.9	19.9	-	0.8	4.6	7.1
BASF Group	19,323	87,327	-15.4	-7.0	9.2	11.9	-0.6	0.1	4.5	6.1

Segments

Q4 (million €)

	Sales			EBITDA before special items			Income from operations (EBIT) before special items			Income from operations (EBIT)		
	2022	2021	+/-	2022	2021	+/-	2022	2021	+/-	2022	2021	+/-
	Chemicals ^a	2,749	3,731	-26.3%	149	811	-81.6%	-79	610	.	-272	595
Materials	4,045	4,052	-0.2%	369	528	-30.2%	144	323	-55.3%	105	315	-66.6%
Industrial Solutions	2,169	2,204	-1.6%	208	258	-19.4%	120	171	-29.8%	135	136	-0.7%
Surface Technologies	5,047	5,189	-2.7%	318	163	94.7%	170	32	424.0%	75	12	532.1%
Nutrition & Care	1,898	1,727	9.9%	100	148	-32.6%	-19	37	.	-28	40	.
Agricultural Solutions	2,282	1,760	29.7%	303	91	232.6%	122	-77	.	149	-99	.
Other ^a	1,133	1,113	1.8%	-46	179	.	-85	131	.	-46	228	.
BASF Group	19,323	19,776	-2.3%	1,401	2,179	-35.7%	373	1,227	-69.6%	119	1,227	-90.3%

Full year (million €)

	Sales			EBITDA before special items			Income from operations (EBIT) before special items			Income from operations (EBIT)		
	2022	2021	+/-	2022	2021	+/-	2022	2021	+/-	2022	2021	+/-
	Chemicals ^a	14,895	13,579	9.7%	2,774	3,842	-27.8%	1,956	3,092	-36.7%	1,758	3,115
Materials	18,443	15,214	21.2%	2,686	3,208	-16.3%	1,840	2,418	-23.9%	1,776	2,345	-24.3%
Industrial Solutions	9,992	8,876	12.6%	1,437	1,343	7.0%	1,091	1,006	8.4%	1,097	965	13.7%
Surface Technologies	21,283	22,659	-6.1%	1,464	1,277	14.6%	902	800	12.7%	612	761	-19.5%
Nutrition & Care	8,066	6,442	25.2%	1,067	909	17.4%	618	497	24.3%	605	554	9.3%
Agricultural Solutions	10,280	8,162	25.9%	1,928	1,375	40.2%	1,220	715	70.6%	1,221	696	75.5%
Other ^a	4,368	3,666	19.2%	-594	-607	2.2%	-749	-761	1.6%	-523	-759	31.1%
BASF Group	87,327	78,598	11.1%	10,762	11,348	-5.2%	6,878	7,768	-11.5%	6,548	7,677	-14.7%

^a 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.

Regions

Million €

Q4	Sales Location of company			Sales Location of customer		
	2022	2021	+/-	2022	2021	+/-
	Europe	7,462	7,742	-3.6%	6,990	7,626
of which Germany	3,245	3,178	2.1%	2,170	1,906	13.8%
North America	5,301	5,093	4.1%	5,189	4,671	11.1%
Asia Pacific	4,909	5,652	-13.1%	5,062	5,784	-12.5%
of which Greater China	2,694	3,366	-19.9%	2,668	3,312	-19.5%
South America, Africa, Middle East	1,651	1,289	28.0%	2,081	1,695	22.8%
BASF Group	19,323	19,776	-2.3%	19,323	19,776	-2.3%
Full year						
Europe	35,821	31,594	13.4%	33,922	30,531	11.1%
of which Germany	15,170	12,722	19.2%	8,977	7,300	23.0%
North America	24,343	21,935	11.0%	23,869	20,867	14.4%
Asia Pacific	21,309	20,632	3.3%	21,823	21,234	2.8%
of which Greater China	11,850	12,018	-1.4%	11,624	12,036	-3.4%
South America, Africa, Middle East	5,854	4,437	31.9%	7,712	5,965	29.3%
BASF Group	87,327	78,598	11.1%	87,327	78,598	11.1%

Segments Q4 2022 vs. Q4 2021¹

Chemicals

Sales in the Chemicals segment decreased considerably compared with Q4 2021. This was mainly attributable to lower volumes and prices in both divisions. Currency effects had a positive impact on sales. In the Petrochemicals division, volumes declined across all regions. In the Intermediates division, volumes particularly declined in Asia Pacific.

The segment's EBIT bsi was considerably below Q4 2021. In both divisions, this was primarily attributable to lower volumes and margins as well as reduced income from equity-accounted shareholdings.

In Q4 2022, EBIT included non-cash-effective impairments on a plant in Ludwigshafen.

Materials

In the Materials segment, sales in Q4 2022 were almost stable. Slightly higher sales in Performance Materials almost compensated for slightly lower sales in the Monomers division. Compared with Q4 2021, sales in Performance Materials rose slightly on account of higher prices and positive currency effects. Volumes in the Performance Materials division declined due to weaker demand. In Monomers, the sales decline resulted from lower volumes across the portfolio, while prices and currency effects had a positive impact on sales.

EBIT bsi in both operating divisions declined considerably compared with Q4 2021. In the Monomers division, the earnings decrease was mainly driven by lower volumes. EBIT bsi in the Performance Materials division declined mainly in the polyols and in the specialties businesses.

In Q4 2022, EBIT included special charges mainly related to impairments on smaller production plants.

Industrial Solutions

In the Industrial Solutions segment, sales decreased slightly compared with Q4 2021. Higher sales in Performance Chemicals partially offset lower sales in Dispersions & Resins. In both divisions, higher prices and positive currency effects supported sales, while volumes declined. Negative portfolio effects were mainly related to the sale of the kaolin minerals business, which closed on September 30, 2022. Prior to this, the business had been part of the Performance Chemicals division.

EBIT bsi of the Industrial Solutions segment was considerably below Q4 2021 due to considerably lower earnings in the Dispersions & Resins division. Lower volumes, particularly in Europe and in Asia Pacific, were the main reason for this decline. The Performance Chemicals division slightly increased EBIT bsi.

EBIT included positive special items related to portfolio measures in Q4 2022.

Surface Technologies

In the Surface Technologies segment, sales were slightly below Q4 2021. Higher sales in the Coatings division were offset by lower sales in the Catalysts division. In Catalysts, significantly lower precious metals volumes were the main reason for the sales decline. Sales in precious metal trading and precious metal sales in the automotive catalysts business were €2,647 million, considerably below Q4 2021 (€3,193 million). All other business units in the Catalysts division achieved volume growth. Higher prices and positive currency effects partly compensated for the lower volumes and slightly negative portfolio effects. In the Coatings division, sales increased considerably on account of higher prices, increased volumes – particularly in OEM coatings – and positive currency effects.

Compared with Q4 2021, both divisions increased EBIT bsi considerably. Earnings growth in the Catalysts division was mainly driven by improved contributions from the mobile emissions catalysts and the chemical catalysts businesses. In the Coatings division, the increase in EBIT bsi was largely driven by higher prices and increased volumes.

In Q4 2022, EBIT included special charges, mainly in connection with the establishment of the BASF Environmental Catalyst and Metal Solutions unit within the Catalysts division, and the planned sale of the catalysts production site in De Meern, the Netherlands.

Nutrition & Care

The Nutrition & Care segment increased sales considerably compared with Q4 2021. Both divisions achieved considerable sales growth, particularly on account of higher prices. Currency effects, mainly from the U.S. dollar, the Brazilian real and the Chinese renminbi, also had a positive impact on sales. Sales were dampened by lower volumes, particularly in the Care Chemicals division. Volumes in the Nutrition & Health division declined slightly, mainly due to lower demand for aroma ingredients.

¹ For sales, "slight" represents a change of 0.1%–5.0%, while "considerable" applies to changes of 5.1% and higher. For earnings, "slight" means a change of 0.1%–10.0%, while "considerable" is used for changes of 10.1% and higher. "At prior-year level" indicates no change (+/-0.0%).

The segment's EBIT bsi decreased considerably due to lower earnings in the Nutrition & Health division, which resulted mainly from higher fixed costs and higher energy and raw materials prices. Earnings in the Care Chemicals division increased slightly.

Agricultural Solutions

Sales in the Agricultural Solutions segment rose considerably compared with Q4 2021. This was mainly attributable to significantly higher prices in all regions as well as positive currency effects. Slightly higher volumes, especially in herbicides, also contributed to the positive sales development.

- In Europe, sales increased significantly compared with Q4 2021. Higher volumes and prices more than offset negative currency effects, mainly from the Turkish lira.
- Sales in North America rose considerably as a result of significantly higher prices, positive currency effects and increased volumes, especially for herbicides.
- In Asia Pacific, sales decreased slightly as higher prices could not fully compensate for lower volumes – particularly in fungicides and insecticides – and negative currency effects.
- Sales rose considerably in the region South America, Africa, Middle East. This was primarily the result of higher prices and positive currency effects, especially from the Brazilian real. Volumes almost matched the level of Q4 2021.

EBIT bsi was considerably above the level of Q4 2021 due to the positive sales development.

Other

Sales in Other rose slightly compared with Q4 2021.

EBIT bsi decreased considerably compared with the prior-year quarter. This was mainly due to charges for BASF's long-term incentive (LTI) program and negative hedging and valuation results compared with gains in Q4 2021.

Outlook 2023

Underlying assumptions for 2023 (prior-year figures in parentheses)

- GDP growth: +1.6% (+3.0%)
- Growth in global industrial production: +1.8% (+2.5%)
- Growth in global chemical production: +2.0% (+2.2%)
- Average oil price (Brent): US\$90 per barrel (US\$101 per barrel)
- Average exchange rate: US\$1.05 per € (US\$1.05 per €)
- Annual impact of US\$ change (€ depreciation) -1 US\$-Cent per €:
sales: +€275 million; EBIT: +€30 million

Outlook 2023 BASF Group (prior-year figures in parentheses)

- Sales: €84 billion – €87 billion (€87,327 million)
- EBIT before special items: €4.8 billion – €5.4 billion (€6,878 million)
- ROCE: 7.2% – 8.0% (10.0%)
- CO₂ emissions: 18.1 million metric tons – 19.1 million metric tons

Outlook 2023 by segment

million €	Sales		EBIT before special items		ROCE	
	2022	Forecast 2023	2022	Forecast 2023	2022	Forecast 2023
Chemical	14,895	slight decline	1,956	considerable decline	15.6%	considerable decline
Materials	18,443	slight increase	1,840	considerable decline	14.9%	considerable decline
Industrial Solutions	9,992	slight decline	1,091	slight decline	16.0%	slight decline
Surface Technologies	21,283	slight decline	902	slight decline	3.9%	slight decline
Nutrition & Care	8,066	at prior-year level	618	slight decline	7.5%	considerable decline
Agricultural Solutions	10,280	slight increase	1,220	slight increase	7.1%	slight increase
Other	4,368	slight increase	-749	considerable decline	-	-
BASF Group	87,327	€84 billion – €87 billion	6,878	€4.8 billion – €5.4 billion	10.0%	7.2% – 8.0%

Forward-looking statements

This factsheet contains forward-looking statements. These statements are based on current estimates and projections of the Board of Executive Directors and currently available information. Forward-looking statements are not guarantees of the future developments and results outlined therein. These are dependent on a number of factors; they involve various risks and uncertainties; and they are based on assumptions that may not prove to be accurate. Such risk factors include those discussed in Opportunities and Risks on pages 157 to 167 of the BASF Report 2022. BASF does not assume any obligation to update the forward-looking statements contained in this factsheet above and beyond the legal requirements.