

Reporting Factsheet Q1 2023

BASF Group (million €)	Q1 2023	Q1 2022	Change (%)	Q1 2023	Q4 2022	Change (%)
Sales	19,991	23,083	-13.4	19,991	19,323	3.5
EBITDA	2,811	3,709	-24.2	2,811	1,389	102.4
EBITDA before special items	2,864	3,743	-23.5	2,864	1,401	104.4
Depreciation and amortization ¹	944	924	2.2	944	1,270	-25.7
EBIT	1,867	2,785	-33.0	1,867	119	.
Special items	-65	-34	-91.7	-65	-254	74.6
EBIT before special items	1,931	2,818	-31.5	1,931	373	417.8
Net income from shareholdings	183	-797	.	183	-4,677	.
Financial result	-119	-110	-8.0	-119	-26	-357.7
Income before income taxes	1,930	1,878	2.8	1,930	-4,585	.
Income after taxes	1,604	1,321	21.4	1,604	-4,843	.
Net income	1,562	1,221	27.9	1,562	-4,847	.
Earnings per share (€) ²	1.75	1.34	30.6	1.75	-5.42	.
Adjusted earnings per share (€) ²	1.93	2.70	-28.5	1.93	0.09	.
Research and development expenses	538	569	-5.5	538	617	-12.8
Personnel expenses	2,954	3,067	-3.7	2,954	2,628	12.4
Employees (end of period)	111,399	110,828	0.5	111,399	111,481	-0.1
Assets (end of period)	86,139	93,983	-8.3	86,139	84,472	2.0
Investments including acquisitions ³	999	741	34.7	999	2,101	-52.5
Equity ratio (end of period, %)	48.8	45.3	-	48.8	48.4	-
Net debt (end of period)	17,820	16,251	9.7	17,820	16,268	9.5
Cash flows from operating activities	-1,016	-290	-250.1	-1,016	4,470	.
Free cash flow	-1,882	-893	-110.7	-1,882	2,596	.

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, which was terminated in February 2023, the weighted average number of outstanding shares in the first quarter of 2023 was 893,002,335.

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 Q1 2023 vs. Q1 2022 (changes in %)	Sales	Volumes	Prices	Portfolio	Currencies
Chemicals	-29.2	-19.5	-10.6	0.0	0.8
Petrochemicals	-27.9	-19.1	-10.0	0.0	1.1
Intermediates	-32.1	-20.4	-11.8	0.0	0.1
Materials	-20.3	-16.9	-3.5	0.0	0.2
Performance Materials	-9.9	-11.7	1.6	0.0	0.2
Monomers	-28.7	-21.2	-7.7	0.0	0.2
Industrial Solutions	-14.0	-14.7	2.3	-2.1	0.4
Dispersions & Resins	-13.7	-14.9	1.1	-0.2	0.2
Performance Chemicals	-14.5	-14.5	4.3	-5.0	0.8
Surface Technologies	-16.1	-12.9	-3.5	0.0	0.4
Catalysts	-21.6	-16.0	-6.3	0.0	0.7
Coatings	10.1	1.7	9.7	-0.2	-1.1
Nutrition & Care	-7.4	-12.4	5.1	0.0	0.0
Care Chemicals	-4.6	-10.8	6.1	0.0	0.1
Nutrition & Health	-13.6	-16.0	2.6	0.0	-0.2
Agricultural Solutions	14.5	0.2	14.6	0.0	-0.2
Other	-6.7	-6.0	-2.3	0.0	1.5
BASF Group	-13.4	-12.8	-0.7	-0.2	0.3

Segments

Q1 (million €)

	Sales			EBITDA before special items			Income from operations (EBIT) before special items			Income from operations (EBIT)		
	2023	2022	+/-	2023	2022	+/-	2023	2022	+/-	2023	2022	+/-
Chemicals	2,833	4,004	-29.2%	426	1,048	-59.3%	241	858	-71.9%	240	857	-72.0%
Materials	3,844	4,821	-20.3%	448	954	-53.1%	243	751	-67.7%	246	749	-67.2%
Industrial Solutions	2,143	2,493	-14.0%	300	431	-30.4%	216	348	-37.9%	197	343	-42.5%
Surface Technologies	4,578	5,457	-16.1%	402	401	+0.3%	263	267	-1.2%	230	260	-11.5%
Nutrition & Care	1,826	1,971	-7.4%	192	351	-45.4%	82	244	-66.4%	80	246	-67.3%
Agricultural Solutions	3,891	3,397	+14.5%	1,432	1,036	+38.2%	1,260	868	+45.1%	1,261	863	+46.1%
Other	877	940	-6.7%	-336	-478	+29.8%	-373	-518	+27.9%	-388	-534	+27.4%
BASF Group	19,991	23,083	-13.4%	2,864	3,743	-23.5%	1,931	2,818	-31.5%	1,867	2,785	-33.0%

Regions

Q1 (million €)

	Sales Location of company			Sales Location of customer		
	2023	2022	+/-	2023	2022	+/-
Europe	8,600	9,979	-13.8%	8,201	9,581	-14.4%
of which Germany	3,372	3,931	-14.2%	2,002	2,384	-16.0%
North America	5,933	6,534	-9.2%	5,921	6,400	-7.5%
Asia Pacific	4,455	5,562	-19.9%	4,514	5,675	-20.5%
of which Greater China	2,309	3,231	-28.5%	2,275	3,174	-28.3%
South America, Africa, Middle East	1,004	1,008	-0.4%	1,355	1,427	-5.1%
BASF Group	19,991	23,083	-13.4%	19,991	23,083	-13.4%

Chemicals

Sales in the Chemicals segment decreased considerably in Q1 2023 in both operating divisions compared with the strong Q1 2022. Lower sales resulted mainly from a sharp decline in volumes due to lower demand. In the Petrochemicals division, volumes declined especially for styrene monomers, steam cracker products, and in the propylene value chain. In the Intermediates division, volumes declined significantly in all business areas. Prices eased considerably in line with lower raw materials prices and higher product availability. Price levels in the Petrochemicals division decreased mainly for steam cracker products and in the propylene value chain. The Intermediates division recorded a decline in prices especially in the butanediol and derivatives business. Slightly positive currency effects, mainly relating to the U.S. dollar, had an offsetting effect.

EBIT bsi declined considerably in both operating divisions, mainly due to significantly lower volumes and margins, as well as a lower contribution from shareholdings accounted for using the equity method.

Materials

Sales in the Materials segment decreased considerably in both operating divisions compared with Q1 2022. The decline in sales was largely attributable to a sharp decline in volumes due to lower demand. In both operating divisions, sales volumes decreased in all regions and value chains. Furthermore, considerably lower prices in the Monomers division in all regions had a negative impact on sales. Higher prices in the Performance Materials division in Europe and North America could only partially offset this. Currency effects, mainly relating to the U.S. dollar, had a slightly positive impact on sales performance.

EBIT bsi in both operating divisions was considerably below Q1 2022. In the Monomers division, the decline in EBIT bsi was mainly driven by lower volumes and prices. The earnings contribution by the Performance Materials division decreased mainly due to lower volumes and increased fixed costs, particularly from higher manufacturing costs.

Industrial Solutions

In the Industrial Solutions segment, sales decreased considerably in both operating divisions in Q1 2023 compared with Q1 2022. The segment's sales decrease was mainly driven by significantly lower volumes due to weaker demand. Sales volumes for Dispersions & Resins decreased in all regions and business areas. The Performance Chemicals division recorded lower volumes, especially in the plastic additives business. Negative portfolio effects also dampened the sales performance, particularly in the Performance Chemicals division due to the divestiture of the kaolin minerals business as of September 30, 2022. Slightly higher prices due to continued high energy and raw material costs were unable to compensate for this. Currency effects, mainly relating to the U.S. dollar, also had a slightly positive impact on sales.

EBIT bsi decreased considerably in both operating divisions compared with Q1 2022. The decline in earnings for Dispersions & Resins was mainly attributable to lower sales volumes and higher fixed costs due to inflation. The main reasons for the lower EBIT bsi in the Performance Chemicals division were lower volumes and the missing earnings contributions from the divested kaolin minerals business. Slightly decreased fixed costs had an offsetting effect.

EBIT for Q1 2023 included special charges, mainly for measures in the context of the announced cost savings program with focus on Europe.

Surface Technologies

In the Surface Technologies segment, sales were considerably lower than in Q1 2022. Considerable sales growth in the Coatings division was unable to offset the strong decline in sales in the Catalysts division. The segment's sales performance was mainly attributable to a sharp decline in volumes in the Catalysts division. This related primarily to precious metal trading. Furthermore, volumes for automotive catalysts and battery materials decreased. Accordingly, sales in precious metal trading and precious metal sales in the automotive catalysts business declined to €2,493 million (Q1 2022: € 3,414 million). Sales volumes in the Coatings division were slightly above the prior-year quarter level, mainly attributable to a considerable increase in volumes for automotive OEM coatings. This more than compensated for lower volumes in the surface treatment and decorative paint businesses. Sales were negatively impacted by slightly lower prices overall. This development was mainly attributable to considerable price decreases in precious metal trading in the Catalysts division. Strong price increases for battery materials and in all business areas of the Coatings division were unable to compensate for this. Currency effects, mainly relating to the U.S. dollar, had a slightly positive impact on sales.

The segment's EBIT bsi decreased slightly compared with Q1 2022. This was attributable to a considerable decline in EBIT bsi in the Catalysts division, mainly due to lower earnings contributions from the precious metal trading, as well as the battery materials and chemical catalysts businesses. A considerable increase in earnings contributions from the automotive catalysts business had an offsetting effect. By contrast, EBIT bsi rose considerably in the Coatings division, mainly due to price-driven higher margins. This more than compensated for increased fixed costs, due to currency effects and continued high energy costs, amongst other factors.

EBIT for Q1 2023 included special charges, mainly related to the carve-out of the BASF Environmental Catalyst and Metal Solutions unit within the Catalysts division.

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%).

Nutrition & Care

Sales in the Nutrition & Care segment were considerably lower compared with Q1 2022. In the Nutrition & Health division, sales declined considerably, while sales only slightly decreased in the Care Chemicals division. The sales development was attributable to considerably lower volumes due to reduced demand. In the Care Chemicals division, this was particularly noticeable in the home care, industrial and institutional cleaning, and industrial formulators, as well as in the oleo surfactants and alcohols businesses. In the Nutrition & Health division, sales volumes declined in all business areas. Higher prices compared with Q1 2022 were unable to compensate for the decline in volumes. The Care Chemicals division raised prices particularly in the personal care solutions as well as in the home care, industrial and institutional cleaning and industrial formulators businesses. The Nutrition & Health division increased prices, especially in the aroma ingredients and pharma solutions businesses. Sales were negatively impacted by lower prices in the nutrition ingredients business, mainly for vitamin A.

EBIT bsi was considerably below the strong figure of Q1 2022 in both operating divisions. The decline in earnings in the Nutrition & Health division was mainly driven by continued high energy and raw material costs, volume development and lower prices for vitamin A. EBIT bsi in the Care Chemicals division decreased mainly as a result of volume-driven lower margins.

Agricultural Solutions

Sales in the Agricultural Solutions segment rose considerably compared with Q1 2022. Prices were above Q1 2022 in all regions and indications; volumes increased in all regions except Europe. Slightly negative currency effects had an offsetting effect. Sales in Europe rose significantly as a result of higher prices. Sales volumes declined; this was mainly attributable to extraordinarily high demand in Q1 2022 before the start of the war in Ukraine. Negative currency effects, primarily from the Turkish lira, also lowered sales. Sales in North America increased considerably due to higher prices compared with Q1 2022. Increased volumes, especially of herbicides, and positive currency effects, largely relating to the U.S. dollar, supported the sales development. In Asia, sales rose slightly as a result of increased prices and slightly higher volumes, especially of fungicides and insecticides. Negative currency effects had an offsetting effect. In the region South America, Africa, Middle East, sales rose considerably. This was mainly driven by higher price levels as well as increased volumes, especially for field crops seeds. Currency effects, mainly from the Brazilian real, also positively impacted sales.

The segment increased EBIT bsi significantly compared with Q1 2022 as a result of the sales growth. This more than compensated for continued high raw material and energy costs.

Other

Sales in Other decreased considerably compared with Q1 2022. This was the result of a decline in sales in commodity trading, among other things.

EBIT bsi in Other improved considerably compared with Q1 2022. This mainly resulted from lower bonus provisions in Q1 2023.

Outlook 2023 unchanged

The development of the global economy is still subject to great uncertainty. Momentum in global industrial and chemical production remained subdued. The assumptions regarding the global economic environment from the BASF Report 2022 remain unchanged.

Underlying assumptions for 2023

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

Outlook 2023 BASF Group

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

- Sales: €84 billion – €87 billion
- EBIT before special items: €4.8 billion – €5.4 billion
- ROCE: 7.2% – 8.0%
- CO₂ emissions: 18.1 million metric tons – 19.1 million metric tons

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.