

Reporting Factsheet Q3 2022

BASF Group (million €)	Q3 2022	Q3 2021	Change (%)	Q1–Q3 2022	Q1–Q3 2021	Change (%)
Sales	21,946	19,669	11.6	68,003	58,822	15.6
EBITDA	2,255	2,729	-17.4	9,359	9,104	2.8
EBITDA before special items	2,325	2,771	-16.1	9,361	9,169	2.1
Depreciation and amortization ¹	960	907	5.9	2,930	2,655	10.4
EBIT	1,294	1,822	-29.0	6,429	6,449	-0.3
Special items	-53	-43	-24.3	-76	-92	17.5
EBIT before special items	1,348	1,865	-27.7	6,505	6,541	-0.6
Net income from shareholdings	102	86	18.1	-262	110	.
Financial result	-157	-131	-20.0	-392	-346	-13.3
Income before income taxes	1,239	1,777	-30.3	5,775	6,213	-7.1
Income after taxes from continuing operations	952	1,424	-33.2	4,452	5,028	-11.5
Income after taxes from discontinued operations	–	-43	100.0	–	-43	100.0
Net income	909	1,253	-27.5	4,220	4,625	-8.8
Earnings per share (€) ²	1.01	1.36	-25.7	4.67	5.03	-7.2
Adjusted earnings per share (€) ²	1.77	1.56	13.5	6.85	5.59	22.5
Research and development expenses	545	523	4.2	1,681	1,579	6.5
Personnel expenses	2,742	2,654	3.3	8,772	8,525	2.9
Employees (end of period)	111,768	110,672	1.0	111,768	110,672	1.0
Assets (end of period)	97,030	86,102	12.7	97,030	86,102	12.7
Investments including acquisitions ³	1,155	1,792	-35.5	2,866	3,168	-9.5
Equity ratio (end of period, %)	50.6	47.2	–	50.6	47.2	–
Net debt (end of period)	18,942	16,680	13.6	18,942	16,680	13.6
Cash flows from operating activities	2,301	1,896	21.4	3,239	3,908	-17.1
Free cash flow	1,295	1,077	20.2	738	1,866	-60.5

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

² Due to the current share buyback program, the weighted average number of outstanding shares was 897,371,740 in the third quarter of 2022 and 904,411,442 in the period from January to September 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 Q3 2022 vs. Q3 2021 (changes in %)	Sales	Volumes	Prices	Portfolio	Currencies
Chemicals	2.7	-12.4	8.7	-0.1	6.6
Petrochemicals	4.4	-10.7	8.5	-0.1	6.7
Intermediates	-1.5	-16.7	9.2	-0.1	6.1
Materials	18.7	-8.9	19.9	-0.1	7.8
Performance Materials	20.8	-0.1	12.7	0.0	8.3
Monomers	16.8	-16.7	26.4	-0.2	7.3
Industrial Solutions	21.8	-4.4	17.4	-0.1	8.9
Dispersions & Resins	14.8	-8.0	14.9	-0.1	8.0
Performance Chemicals	34.0	2.0	21.7	-0.2	10.5
Surface Technologies	-5.3	-8.7	-8.8	3.7	8.5
Catalysts	-12.1	-12.3	-12.7	4.5	8.4
Coatings	33.7	12.2	13.5	-0.8	8.7
Nutrition & Care	32.8	-1.1	27.5	-0.2	6.7
Care Chemicals	36.9	-2.6	33.6	-0.2	6.1
Nutrition & Health	23.6	2.1	13.8	-0.2	7.9
Agricultural Solutions	34.5	4.6	16.9	-0.8	13.7
Other	18.2	-8.5	17.8	0.0	8.9
BASF Group	11.6	-7.2	9.6	0.9	8.3

Segments

Q3 (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	3,793	3,693	2.7%	527	1,070 ^a	-50.7%	323	878 ^a	-63.2%	322	877 ^a
Materials	4,715	3,973	18.7%	489	832	-41.2%	277	631	-56.2%	272	620	-56.1%
Industrial Solutions	2,687	2,205	21.8%	389	347	12.1%	299	262	14.2%	309	229	34.9%
Surface Technologies	5,333	5,631	-5.3%	380	245	54.9%	239	119	101.0%	197	104	88.9%
Nutrition & Care	2,123	1,598	32.8%	291	206	41.3%	180	104	73.3%	178	105	69.3%
Agricultural Solutions	2,142	1,593	34.5%	188	74	153.8%	7	-90	.	-1	-44	98.3%
Other	1,153	976	18.2%	62	-2 ^a	.	22	-39 ^a	.	17	-68 ^a	.
BASF Group	21,946	19,669	11.6%	2,325	2,771	-16.1%	1,348	1,865	-27.7%	1,294	1,822	-29.0%

January – September (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	12,145	9,848	23.3%	2,625	3,031 ^a	-13.4%	2,035	2,482 ^a	-18.0%	2,031	2,520 ^a
Materials	14,399	11,163	29.0%	2,317	2,680	-13.5%	1,696	2,095	-19.1%	1,671	2,030	-17.7%
Industrial Solutions	7,823	6,672	17.3%	1,229	1,085	13.3%	971	835	16.2%	962	828	16.1%
Surface Technologies	16,236	17,470	-7.1%	1,145	1,114	2.8%	733	768	-4.6%	538	749	-28.2%
Nutrition & Care	6,167	4,715	30.8%	967	761	27.1%	637	460	38.6%	633	514	23.1%
Agricultural Solutions	7,998	6,402	24.9%	1,625	1,284	26.6%	1,098	792	38.6%	1,072	795	34.8%
Other	3,235	2,552	26.8%	-548	-787 ^a	30.3%	-664	-892 ^a	25.6%	-477	-987 ^a	51.7%
BASF Group	68,003	58,822	15.6%	9,361	9,169	2.1%	6,505	6,541	-0.6%	6,429	6,449	-0.3%

^a As of January 1, 2022 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. For more information see [basf.com/q12022](https://www.basf.com/q12022)

Regions

million €

Q3	Sales Location of company			Sales Location of customer		
	2022	2021	+/-	2022	2021	+/-
	Europe	8,759	7,651	14.5%	8,306	7,343
of which Germany	3,904	3,159	23.6%	2,467	1,677	47.1%
North America	5,841	5,313	9.9%	5,684	5,127	10.9%
Asia Pacific	5,405	5,238	3.2%	5,517	5,412	1.9%
of which Greater China	2,985	3,121	-4.4%	2,910	3,157	-7.8%
South America, Africa, Middle East	1,942	1,467	32.4%	2,440	1,787	36.5%
BASF Group	21,946	19,669	11.6%	21,946	19,669	11.6%
January – September						
Europe	28,359	23,853	18.9%	26,932	22,905	17.6%
of which Germany	11,925	9,545	24.9%	6,807	5,394	26.2%
North America	19,042	16,842	13.1%	18,679	16,196	15.3%
Asia Pacific	16,399	14,980	9.5%	16,761	15,450	8.5%
of which Greater China	9,156	8,653	5.8%	8,956	8,724	2.7%
South America, Africa, Middle East	4,203	3,147	33.6%	5,631	4,271	31.8%
BASF Group	68,003	58,822	15.6%	68,003	58,822	15.6%

Segments Q3 2022 vs. Q3 2021¹

Chemicals

Sales in the Chemicals segment rose slightly compared with Q3 2021. This was attributable to sales growth in the Petrochemicals division. By contrast, sales declined slightly in the Intermediates division. Sales growth in the segment was primarily driven by significantly higher prices, especially in Europe, due to increased prices for raw materials and energy. Positive currency effects, especially from the U.S. dollar, also contributed to the sales increase. This was partially offset by lower volumes due to weaker demand. The decline in demand was mainly attributable to the impact of extraordinarily high raw materials and energy prices in Europe and developments in China. Sales volumes in both divisions decreased considerably in this market environment, especially for steam cracker products and along the propylene value chain in the Petrochemicals division and mainly in the butanediol and derivatives business in the Intermediates division.

The segment's EBIT bsi was considerably below the exceptionally strong Q3 2021 figure. In both divisions, this was primarily due to lower margins, higher fixed costs and lower income from equity-accounted shareholdings. The lower margins were largely attributable to weaker demand. In both divisions, the increase in fixed costs was driven by energy prices and currency effects.

Materials

In the Materials segment, sales in both divisions increased considerably compared with Q3 2021. The positive sales development was mainly driven by significantly higher prices resulting from increased raw materials and energy prices and logistics costs. Monomers raised prices in all value chains, especially for polyamides and ammonia. The Performance Materials division achieved higher prices, particularly for polyurethane systems and Ultramid, mainly in Europe and North America, and for thermoplastic polyurethane in Europe. Sales growth was supported by currency effects, primarily from the U.S. dollar and the Chinese renminbi. This was partially offset by lower sales volumes. The Monomers division recorded a considerable decline in volumes in most value chains and regions. Higher volumes for polyamides in North America were unable to compensate for this. Sales volumes in the Performance Materials division were close to the level of Q3 2021. Stronger demand in North America almost completely compensated for lower sales volumes in Europe.

EBIT bsi in both operating divisions declined considerably compared with Q3 2021. In the Monomers division, the earnings decrease was primarily attributable to higher prices for raw materials and energy, higher fixed costs and lower sales volumes. Higher fixed costs were the main driver behind the decline in EBIT bsi in the Performance Materials division. These were primarily due to currency effects and higher production costs amid lower plant capacity utilization.

Industrial Solutions

In the Industrial Solutions segment, sales rose considerably compared with Q3 2021. Both operating divisions contributed to the increase. Sales growth was mainly attributable to significantly higher prices in all businesses and regions, primarily resulting from higher raw materials and energy prices and logistics costs. Sales were boosted by positive currency effects, especially from the U.S. dollar. Lower volumes overall had a slightly negative impact on sales performance. The Dispersions & Resins division recorded a significant decline in volumes, particularly in the dispersions, resins and additives businesses. Slightly higher volumes in the Performance Chemicals division, especially in the fuel and lubricant solutions business, only partially compensated for this.

The segment's EBIT bsi was considerably above Q3 2021. The increase was mainly attributable to significantly higher earnings in the Performance Chemicals division, primarily from price-driven margin growth. This was partially offset by higher fixed costs, mainly due to higher production costs resulting from plant shutdowns and the increase in energy prices. EBIT bsi rose slightly in the Dispersions & Resins division. The increase was primarily due to price-driven margin growth.

In Q3 2022, EBIT included special income from the divestiture of the kaolin minerals business, which was closed on September 30, 2022.

Surface Technologies

In the Surface Technologies segment, sales were below Q3 2021. Considerable sales growth in the Coatings division was unable to offset the strong decline in the Catalysts division. The segment's sales decrease was mainly due to significantly lower precious metal prices in the Catalysts division. Sales in precious metal trading and precious metal sales in the automotive catalysts business were €3,006 million, considerably below Q3 2021 (€3,986 million). Significant price increases across all business areas in the Coatings division, particularly in Europe and in the region South America, Africa, Middle East, were unable to compensate for this. Sales were also reduced by significantly lower volumes in the Catalysts division. This was mainly attributable to lower volumes in precious metal trading. Volume growth in the mobile emissions catalysts and refinery catalysts businesses was unable to compensate for this. The Coatings division posted significantly higher sales volumes in the automotive OEM coatings business in particular, especially in Asia Pacific and North America. This resulted mainly from the government stimulus program in China and improved supply chain conditions in North America. Sales were positively impacted by currency effects, primarily from the U.S. dollar. Portfolio effects in the Catalysts division following the acquisition of a majority shareholding in BASF Shanshan Battery Materials on August 31, 2021, also had a positive impact on sales development.

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%).

Both divisions considerably increased EBIT bsi compared with Q3 2021. Earnings growth in the Catalysts division was mainly driven by improved contributions from the mobile emissions catalysts and battery materials businesses. This more than compensated for a lower contribution from precious metal trading. In the Coatings division, the increase in EBIT bsi largely resulted from higher margins on the back of volume growth. The division's earnings growth was curbed by higher fixed costs due to increased energy prices, among other factors.

EBIT for Q3 2022 included special charges from the integration of the acquired BASF Shanshan companies and in connection with the establishment of the BASF Automotive Catalysts & Recycling unit within the Catalysts division.

Nutrition & Care

The Nutrition & Care segment increased sales considerably compared with Q3 2021. Both divisions achieved strong sales growth. Sales performance was driven by significant price increases in all business areas as a result of higher energy and raw materials prices. Currency effects, mainly from the U.S. dollar and the Chinese renminbi, also had a positive impact on sales. Sales were dampened by slightly lower volumes overall. The Care Chemicals division recorded a decline in volumes, particularly in the oleo surfactants and alcohols business and in the home care, industrial and institutional cleaning and industrial formulators business. Higher volumes in the personal care solutions business were unable to compensate for this. Slight volume growth in the Nutrition & Health division was mainly driven by higher sales volumes in the animal nutrition business.

The segment posted a considerable increase in EBIT bsi. This was due to strong earnings growth in the Care Chemicals division. The division recorded higher margins, mainly driven by sales growth. By contrast, EBIT bsi declined considerably in the Nutrition & Health division. This was mainly attributable to higher fixed costs resulting from turnarounds and higher prices for energy and raw materials.

Agricultural Solutions

Sales in the Agricultural Solutions segment rose considerably compared with Q3 2021. This was mainly attributable to significantly higher prices in all regions and for all indications 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 Q3 2021. Higher prices more than offset negative currency effects, mainly from the Turkish lira, and slightly lower volumes. Sales in North America rose considerably as a result of positive currency effects, higher prices and increased volumes, especially for herbicides. The strong sales growth in Asia was primarily driven by significantly higher volumes and positive currency effects, especially in India, China and South Korea. Higher prices also contributed to sales growth. Sales rose considerably in the region South America, Africa, Middle East due to a successful start to the 2022/23 season. This was primarily the result of higher prices and positive currency effects, especially in Brazil. Higher volumes, especially in herbicides, supported the positive sales development.

EBIT bsi was considerably above the level of Q3 2021 due to the positive sales development.

Other

Sales in Other rose considerably compared with Q3 2021. This was primarily the result of considerably higher sales in commodity trading.

EBIT bsi improved considerably. This was mainly due to higher income from hedging transactions, among other factors. In addition, income arose from the long-term incentive program after expenses in Q3 2021.

Outlook 2022

In Q3 2022, global economic activity weakened more significantly than expected. Against this background, BASF has adjusted its assessment of the global economic environment in 2022 (values rounded to half percentage points, previous assumptions from BASF's Half-Year Financial Report 2022 in parentheses):

Underlying assumptions

- Growth in gross domestic product: +2.5% (unchanged)
- Growth in industrial production: +2.5% (+3.0%)
- Growth in chemical production: +2.0% (+2.5%)
- Average euro/dollar exchange rate: \$1.05 per euro (\$1.07 per euro)
- Average annual oil price (Brent crude): \$100 per barrel (\$110 per barrel)

Despite the significant weakening of the economic environment in Q3 2022, the BASF Group's forecast for the 2022 business year published in the Half-Year Financial Report 2022 remains unchanged:

Outlook 2022 BASF Group unchanged

- Sales: €86 billion – €89 billion
- EBIT before special items: €6.8 billion – €7.2 billion
- ROCE: 10.5% – 11.0%
- CO₂ emissions: 18.4 million metric tons – 19.4 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 151 to 160 of the BASF Report 2021. BASF does not assume any obligation to update the forward-looking statements contained in this factsheet above and beyond the legal requirements.