BASF
We create chemistry

Half-Year Financial Report 2023

H1 23 | BASF Group

Half-Year Financial Report

On the cover and this page:
BASF is driving sustainable electromobility with innovative battery materials and state-of-the-art technology. With the startup of a cathode active materials plant at the BASF site in Schwarzheide, Germany, BASF now produces these materials in all three main markets worldwide: Europe, Asia and North America. Around 400,000 fully electric vehicles in the midsize segment per year will be equipped with BASF battery materials from Schwarzheide in the future. Employees of the startup and maintenance teams check the functioning of the fully automatic high-bay warehouse for the provision of raw materials required for production during the gradual startup of the plant.

Contents

At a Glance

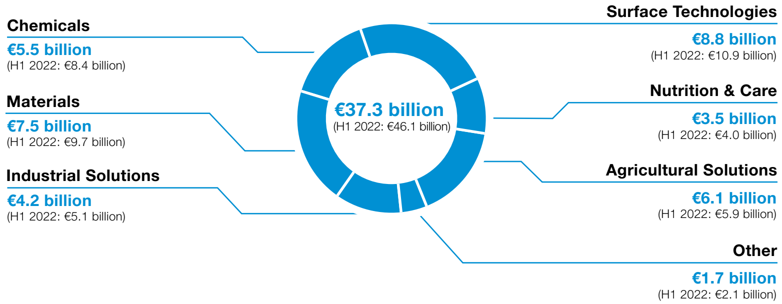
Sales – H1 2023

€37.3 billion
(H1 2022: €46.1 billion)

EBIT before special items – H1 2023

€2.9 billion
(H1 2022: €5.2 billion)

Sales by segment and Other – H1 2023



Sales by region – H1 2023

EUROPE

€15.6 billion

NORTH AMERICA

€10.8 billion

ASIA PACIFIC

€8.8 billion

SOUTH AMERICA, AFRICA, MIDDLE EAST

€2.1 billion

Outlook for the BASF Group

Adjusted outlook for the 2023 business year (previous forecast from the BASF Report 2022 in parentheses):

- Sales: €73 billion to €76 billion (€84 billion to €87 billion)
- EBIT before special items: €4.0 billion to €4.4 billion (€4.8 billion to €5.4 billion)
- Return on capital employed (ROCE): 6.5% to 7.1% (7.2% to 8.0%)
- CO_2 emissions: 17.0 million metric tons to 17.6 million metric tons (18.1 million metric tons to 19.1 million metric tons)

Key Figures

BASF Group H1 2023

		Q2			H1		
		2023	2022	+/–	2023	2022	+/–
Sales	million €	17,305	22,974	–24.7%	37,297	46,058	–19.0%
Income from operations before depreciation, amortization and special items	million €	1,944	3,293	–41.0%	4,809	7,036	–31.7%
Income from operations before depreciation and amortization (EBITDA)	million €	1,908	3,396	–43.8%	4,718	7,105	–33.6%
EBITDA margin	%	11.0	14.8	–	12.7	15.4	–
Depreciation and amortization[a]	million €	934	1,046	–10.7%	1,878	1,970	–4.7%
Income from operations (EBIT)	million €	974	2,350	–58.6%	2,841	5,135	–44.7%
Special items	million €	–33	11	.	–98	–22	-334.3%
EBIT before special items	million €	1,007	2,339	–57.0%	2,938	5,157	–43.0%
Income before income taxes	million €	851	2,658	–68.0%	2,781	4,536	–38.7%
Income after taxes	million €	555	2,179	–74.5%	2,159	3,500	–38.3%
Net income	million €	499	2,090	–76.1%	2,061	3,311	–37.7%
Earnings per share[b]	€	0.56	2.31	–75.8%	2.31	3.65	–36.7%
Adjusted earnings per share[b]	€	0.72	2.37	–69.6%	2.65	5.07	–47.7%
Research and development expenses	million €	515	567	–9.0%	1,053	1,136	–7.3%
Personnel expenses	million €	2,858	2,964	–3.6%	5,813	6,031	–3.6%
Employees (June 30)		111,315	110,725	0.5%	111,315	110,725	0.5%
Assets (June 30)	million €	83,505	96,972	–13.9%	83,505	96,972	–13.9%
Investments including acquisitions[c]	million €	1,388	970	43.2%	2,387	1,711	39.5%
Equity ratio (June 30)	%	47.1	47.8	–	47.1	47.8	–
Net debt (June 30)	million €	20,248	19,546	3.6%	20,248	19,546	3.6%
Cash flows from operating activities	million €	2,178	1,228	77.4%	1,163	938	24.0%
Free cash flow	million €	905	336	169.4%	–977	–557	–75.3%

a Depreciation and amortization of property, plant and equipment and intangible assets (including impairments and reversals of impairments)
b Due to the share buyback program terminated in February 2023, the weighted average number of outstanding shares in the second quarter of 2023 was 892,522,164 and 892,760,923 in the first half of 2023.
c Additions to property, plant and equipment and intangible assets

Consolidated Interim Management’s Report 2023

Significant Events

In January 2023, BASF began construction of the third and final expansion of the production plants for methylene diphenyl diisocyanate (MDI) at its Verbund site in Geismar, Louisiana. The final expansion will increase production capacity to approximately 600,000 metric tons per year by 2026 to support the continued growth of BASF’s North American MDI customers. Including the first and second phases, the investment volume totals around $1 billion.

At its meeting on February 22, 2023, the Supervisory Board of BASF SE appointed Dr. Stephan Kothrade to the Board of Executive Directors effective March 1, 2023. He succeeded Saori Dubourg, who left the company effective February 28, 2023. As announced in October 2022, Dr. Dirk Elvermann has been appointed as the new Chief Financial Officer and Chief Digital Officer, effective April 27, 2023, at the closing of the Annual Shareholders’ Meeting. He succeeded Dr. Hans-Ulrich Engel, whose mandate ended with the Annual Shareholders’ Meeting.

BASF terminated its share buyback program on February 24, 2023, earlier than planned. This was done in line with the company’s priorities for the use of cash and in view of the serious changes in the global economy during 2022. From January 11, 2022, up to and including February 23, 2023, 25,956,530 shares were repurchased; this corresponds to 2.8% of the share capital at the time the program was announced. The purchase price for these own shares was around €1.4 billion. In the first two months of 2023, approximately 1.3 million own shares were repurchased. Originally, the share buyback program had been planned to reach a volume of up to €3 billion and to be completed by the end of December 2023 at the latest.

On February 24, 2023, BASF announced concrete measures regarding the cost savings program announced in October 2022 focusing on Europe. These measures include the consistent bundling of services in hubs, simplifying structures in divisional management, the rightsizing of business services, and increasing the efficiency of R&D activities. Including new positions to be created, this is expected to result in a total reduction of 2,600 positions worldwide. The cost savings program will be implemented in 2023 and 2024. Upon completion of the program, BASF expects to generate annual cost savings of more than €500 million in non-production areas.

In addition, BASF took measures to adjust production structures at the Verbund site in Ludwigshafen, Germany, in order to equip it for intensifying competition in the long term. These include the closure of the caprolactam plant, one of the two ammonia plants and associated fertilizer facilities. The closure of the TDI plant, the precursor plants for dinitrotoluene (DNT) and toluylenediamine (TDA), and the plants for cyclohexanol and cyclohexanone as well as soda ash was also announced. Furthermore, the production capacity for adipic acid in Ludwigshafen will be reduced. Some of the abovementioned steps have already been completed in the first half of 2023; the remainder will be implemented gradually by the end of 2026. These measures in the area of production are expected to affect around 700 positions. BASF expects to reduce fixed costs by more than €200 million per year.

On June 29, 2023, BASF opened Europe’s first co-located battery materials and recycling center in Schwarzheide, Germany. The inauguration of the modern production plant for high-performance cathode active materials and the unveiling ceremony for a battery recycling plant for the production of black mass represent important steps toward closing the loop for the European battery value chain – from the collection of used batteries and the recovery of mineral raw materials to their use in the production of new battery materials. Due to efficient production technologies, which include minimized energy consumption and a high proportion of renewable energy, the carbon footprint of BASF’s innovative cathode active materials is significantly lower than the industry benchmark. With the startup of the cathode active materials plant at the BASF site in Schwarzheide, Germany, BASF now produces cathode active materials in all three main markets worldwide: Europe, Asia and North America. The two plants will expand the product portfolio at BASF’s Schwarzheide site and create a total of around 180 new positions.

In an ad hoc release on July 12, 2023, BASF announced the adjustment of its forecast for the 2023 business year. This was mainly driven by the revised expectations for the further development in the second half of the year. In addition, BASF released preliminary figures for the second quarter of 2023.

For more information on the adjusted forecast, see Economic Environment and Outlook from page 11 onward of this Half-Year Financial Report

Results of Operations H1 2023

In the first half of 2023, **sales** were €37,297 million; this corresponds to a decrease of €8,761 million compared with the prior-year period. The development was mainly attributable to a significant decline in volumes in all segments as a result of lower demand. Volumes were considerably below the level of the first half of 2022, especially in the Chemicals and Materials segments. Lower prices, primarily in the Chemicals, Surface Technologies and Materials segments, contributed to the decline in sales. These resulted primarily from lower raw materials prices. Considerable price increases in the Agricultural Solutions segment only partially compensated for the price development in the other segments. In addition, sales performance was burdened by currency effects. Negative portfolio effects also dampened sales performance, primarily in the Industrial Solutions segment, due to the divestiture of the kaolin minerals business as of September 30, 2022.

Factors influencing BASF Group sales in H1 2023

Volumes	–11.4%
Prices	–6.2%
Currencies	–1.2%
Portfolio	–0.3%
Sales	–19.0%

At €2,938 million, **income from operations (EBIT) before special items**[1] declined by €2,219 million compared with the very strong first half of 2022. This was due primarily to the significantly lower EBIT before special items in the Chemicals and Materials segments. The segments Nutrition & Care and Industrial Solutions also recorded significant declines in earnings. The Agricultural Solutions segment strongly increased EBIT before special items compared with the prior-year period. The Surface Technologies segment slightly increased EBIT before special items. EBIT before special items attributable to Other improved considerably.

Special items in EBIT amounted to –€98 million in the first half of 2023, after –€22 million in the prior-year period. Special charges resulted mainly from restructuring measures, in particular the cost savings program, focusing on Europe, the carve-out of the BASF Environmental Catalyst and Metal Solutions unit within the Catalysts division and measures to adapt the production structures at the Verbund site in Ludwigshafen, Germany.

Income from operations (EBIT)[2] decreased by €2,294 million compared with the first half of 2022 to €2,841 million. This figure includes income from integral companies accounted for using the equity method, which amounted to €103 million after €233 million in the prior-year period. This was mainly attributable to the €128 million lower contribution from BASF-YPC Company Ltd., Nanjing, China.

Income from operations before depreciation, amortization and special items (EBITDA before special items)[3] was €4,809 million compared with €7,036 million in the first half of 2022; and **EBITDA**[3] was €4,718 million compared with €7,105 million in the same period of the previous year.

Net income from shareholdings improved by €639 million to €275 million compared with the first half of 2022. In the prior-year period, impairment charges recognized by Wintershall Dea of €1.1 billion had burdened net income from shareholdings. Excluding the impairments in the first half of 2022, the net income of Wintershall Dea attributable to BASF decreased by €487 million to €268 million compared with the prior-year period; the prior-year figure had still included significant earnings contributions from activities in Russia.

The **financial result** amounted to –€334 million, after –€235 million in the prior-year period. The decrease was mainly due to a €101 million deterioration in the interest result as a result of higher interest expenses for financial indebtedness.

H1 EBITDA before special items
Million €

	2023	2022
EBIT	2,841	5,135
– Special items	–98	–22
EBIT before special items	**2,938**	**5,157**
+ Depreciation and amortization before special items	1,851	1,873
+ Impairments and reversals of impairments on property, plant and equipment and intangible assets before special items	19	6
Depreciation, amortization, impairments and reversals of impairments on property, plant and equipment and intangible assets before special items	**1,871**	**1,879**
EBITDA before special items	**4,809**	**7,036**

1 For an explanation of this indicator, see Our Steering Concept from page 41 onward of the BASF Report 2022.
2 The calculation of income from operations (EBIT) is shown in the Statement of Income on page 24 of this Half-Year Financial Report.
3 For an explanation of this indicator, see Results of Operations from page 56 onward of the BASF Report 2022.

H1 adjusted earnings per share
Million €

		2023	2022
Income after taxes		**2,159**	**3,500**
– Special items[a]		–98	–1,125
+ Amortization, impairments and reversals of impairments on intangible assets		308	327
– Amortization, impairments and reversals of impairments on intangible assets contained in special items		0	3
– Adjustments to income taxes		107	146
– Adjustments to income after taxes from discontinued operations		–	–
Adjusted income after taxes		**2,457**	**4,803**
– Adjusted noncontrolling interests		93	196
Adjusted net income		**2,364**	**4,607**
Weighted average number of outstanding shares[b]	in thousands	892,761	907,990
Adjusted earnings per share	**€**	**2.65**	**5.07**

a Includes special items in net income from shareholdings of –€1,102 million for the first half of 2022
b Due to the share buyback program, terminated in February 2023, the weighted average number of outstanding shares in the first half of 2023 was 892,760,923.

H1 EBITDA
Million €

	2023	2022
EBIT	2,841	5,135
+ Depreciation and amortization	1,851	1,873
+ Impairments and reversals of impairments on property, plant and equipment and intangible assets	26	97
Depreciation, amortization, impairments and reversals of impairments on property, plant and equipment and intangible assets	**1,878**	**1,970**
EBITDA	**4,718**	**7,105**

Income before taxes decreased by €1,755 million to €2,781 million. At 22.4%, the tax rate was on the level of the prior-year period (22.8%).

Overall, this led to **income after taxes** of €2,159 million in the first half of 2023 (H1 2022: €3,500 million). Of this amount, €2,061 million were attributable to the shareholders of BASF SE. **Noncontrolling interests** decreased by €91 million to €98 million compared with the first half of 2022, mainly due to a lower earnings contribution from the BASF Shanshan companies in China and BASF PETRONAS Chemicals Sdn. Bhd., Kuala Lumpur, Malaysia.

Earnings per share were €2.31 in the first half of 2023 (H1 2022: €3.65). **Earnings per share adjusted**[1] for special items and amortization of intangible assets amounted to €2.65, after €5.07 in the first half of 2022.

Segment sales and EBIT before special items

Compared with the first half of 2022, sales[2] considerably declined in both operating divisions of the **Chemicals** segment. The sales performance was due to significantly lower volumes and prices in almost all business areas as a result of weaker demand. Currency effects dampened sales performance slightly. EBIT before special items[2] declined considerably due to lower volumes and margins and lower contributions from shareholdings accounted for using the equity method.

The **Materials** segment also recorded a significant decline in sales. This was mainly driven by significantly lower sales volumes in all regions and value chains due to lower demand from customer industries. Furthermore, considerably lower prices, particularly in the Monomers division, contributed to the sales performance. Currency effects had a slightly negative impact on sales. EBIT before special items declined considerably in both operating divisions. In the Monomers division, this was mainly attributable to volume and price development, while the decline in earnings in the Performance Materials division resulted mainly from lower volumes.

Sales in the **Industrial Solutions** segment were considerably below the figure of the prior-year period. The main drivers of the decline in sales were lower volumes. In the Dispersions & Resins division, sales volumes declined in all business areas. Performance Chemicals recorded lower volumes, in particular in the plastics additives business. Negative portfolio effects also burdened sales performance, particularly in connection with the divestiture of the kaolin minerals business. A slightly lower price level and negative currency effects slowed down sales. Lower volumes and margins resulted in considerably lower EBIT before special items in both operating divisions.

1 For an explanation of this indicator, see Results of Operations from page 56 onward of the BASF Report 2022.
2 For sales, “slight” represents a change of 0.1%–5.0%, while “considerable” applies to changes of 5.1% and higher. “At prior-year level” indicates no change (+/–0.0%). 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%).

In the **Surface Technologies** segment, sales were considerably below the prior-year period. This was primarily due to a sharp decline in the Catalysts division, mainly from lower prices and volumes in precious metal trading. The price and volume growth in the Coatings division could only partially offset this. Slightly negative currency effects contributed to the decline in sales. The segment slightly increased EBIT before special items: Here, the strong earnings growth of the Coatings division more than compensated for the considerable decline in earnings of the Catalysts division.

Compared with the first half of 2022, sales in the **Nutrition & Care** segment were considerably lower. This was largely driven by lower volumes in all business areas. Sales performance was weighed down by slightly negative currency effects. Slightly higher prices overall had a positive impact on sales. Price increases in the Care Chemicals division more than compensated for slightly lower prices in the Nutrition & Health division, particularly for vitamin A. Compared with the prior-year period, the segment's EBIT before special items declined considerably due to lower volumes and margins.

Sales rose slightly in the **Agricultural Solutions** segment due to higher prices. Lower volumes and negative currency effects had an offsetting effect. EBIT before special items was considerably higher than in the prior-year period as a result of price increases. This more than offset negative effects resulting from lower volumes, currency effects and higher fixed costs.

Sales in **Other** declined considerably compared with the prior-year period. This was mainly attributable to a decline in sales in commodity trading. EBIT before special items was improved considerably, mainly as a result of lower bonus provisions than in the first half of 2022.

H1 sales

Million €, relative change

Chemicals	**2023**	**5,512**	**–34.0%**
	2022	8,353	
Materials	**2023**	**7,453**	**–23.0%**
	2022	9,683	
Industrial Solutions	**2023**	**4,193**	**–18.4%**
	2022	5,136	
Surface Technologies	**2023**	**8,804**	**–19.3%**
	2022	10,903	
Nutrition & Care	**2023**	**3,538**	**–12.5%**
	2022	4,045	
Agricultural Solutions	**2023**	**6,122**	**4.5%**
	2022	5,856	
Other	**2023**	**1,676**	**–19.5%**
	2022	2,082	

H1 EBIT before special items

Million €, absolute change

Chemicals	**2023**	**443**	**–1,268**
	2022	1,712	
Materials	**2023**	**507**	**–911**
	2022	1,419	
Industrial Solutions	**2023**	**340**	**–331**
	2022	671	
Surface Technologies	**2023**	**494**	**0**
	2022	493	
Nutrition & Care	**2023**	**114**	**–343**
	2022	457	
Agricultural Solutions	**2023**	**1,473**	**382**
	2022	1,091	
Other	**2023**	**–434**	**252**
	2022	–686	

Net Assets and Financial Position

Net assets

Total assets decreased by €967 million to €83,505 million compared with December 31, 2022.

Noncurrent assets were at €46,890 million, almost on prior-year end level. Intangible assets declined by €427 million, mainly due to amortization, which exceeded additions, and currency effects. The €227 million decrease in the carrying amounts of the integral shareholdings accounted for using the equity method was attributable in particular to a lower carrying amount of BASF-YPC Company Ltd, Nanjing, China, as a result of dividend payments. Other receivables and miscellaneous assets were €172 million below the figure as of December 31, 2022, in particular due to lower defined benefit assets. In contrast, carrying amounts of non-integral shareholdings accounted for using the equity method increased, largely as a result of a €383 million increase in the carrying amount of the shareholdings in Wintershall Dea, especially due to higher fair values of derivatives. Despite negative currency effects, the value of property, plant and equipment rose by €219 million compared with December 31, 2022, mainly owing to investments.

The €807 million decrease in **current assets** to €36,615 million resulted in particular from lower other receivables and miscellaneous assets, mainly due to lower precious metal trading positions. In addition, inventories were €589 million below the prior year-end figure. The seasonal increase in trade accounts receivable had an offsetting effect.

Financial position

Equity amounted to €39,328 million as of June 30, 2023, €1,594 million below the prior year-end figure. This resulted mainly from the dividends paid to the shareholders of BASF SE in the second quarter, which amounted to €3,035 million, and a net income of €2,061 million. Other comprehensive income declined by €540 million, primarily as a result of negative translation effects, which were partly offset by higher fair values of derivatives.

The equity ratio decreased from 48.4% to 47.1%.

Compared with year-end 2022, **noncurrent liabilities** rose by €1,844 million to €24,954 million, mainly due to the €2,453 million increase in noncurrent financial indebtedness. This primarily resulted from the issue of three eurobonds with a nominal value totaling €1.5 billion and the taking up of loans amounting to around €1.5 billion. The reclassification of a 500 million eurobond from noncurrent to current financial indebtedness as well as exchange rates and interest had an offsetting effect. Tax liabilities decreased by €355 million. The €205 million decrease in provisions for pensions and similar obligations resulted mainly from an asset performance that exceeded the increase in pension obligations.

At €19,223 million, **current liabilities** were €1,217 million below the prior year-end figure, primarily due to the €2,424 million decrease in trade accounts payable. The decline in other liabilities was mainly due to lower advance payments received. Current financial indebtedness was €1,477 million above the figure as of December 31, 2022. The increase was mainly due to the approximately €2.9 billion increase in commercial papers at BASF SE, as well as from the abovementioned reclassification of a bond. The scheduled repayment of a U.S. dollar bond and a eurobond with a carrying amount totaling approximately €1.8 billion had an offsetting effect.

Net debt[1] rose by €3,980 million to €20,248 million compared with December 31, 2022, owing to the increase in financial indebtedness.

Net debt
Million €

	June 30, 2023	Dec. 31, 2022
Noncurrent financial indebtedness	17,624	15,171
+ Current financial indebtedness	5,321	3,844
Financial indebtedness	**22,945**	**19,016**
– Marketable securities	223	232
– Cash and cash equivalents	2,474	2,516
Net debt	**20,248**	**16,268**

Cash flows from operating activities were €1,163 million in the first half of 2023, above the figure of the prior-year period of €938 million.

Net income decreased by €1,250 million compared with the prior-year period.

By contrast, funds tied up in net working capital decreased considerably by €2,523 million compared with the first half of 2022, amounting to €2,319 million. Whereas in the previous year cash tied up in receivables amounted to €3,930 million, funds of €93 million were released in the first half of 2023. This was mainly due to the lower increase in trade accounts receivable in the current year as a result of the sales performance and the mainly price-related change in the precious metal trading positions. The reduction in inventories released cash of €418 million, while in the prior-year period an inventory build-up of €1,617 million had tied up cash. The reduction in operating liabilities and other provisions resulted in a cash outflow amounting to €2,830 million in the first half of 2023, while the increase in liabilities had led to a cash inflow of €705 million in the prior-year period. The change in miscellaneous items resulted in a

1 For an explanation of this indicator, see Financial Position from page 63 onward of the BASF Report 2022.

cash outflow of €458 million in the first half of 2023. In the previous year, by contrast, cash inflows amounted to €499 million.

Cash flows from investing activities amounted to –€1,978 million in the first half of the year, a decline of €760 million compared with the first half of 2022. This was due in particular to a €645 million increase in payments for intangible assets and property, plant and equipment as well as a €356 million decrease in payments received for divestitures. This was partially offset by a €242 million increase in net payments received for financial assets and miscellaneous items.

Cash flows from financing activities amounted to €874 million in the first half of 2023, €425 million below the figure for the prior-year period. At €7,459 million, cash inflows from additions to financial and similar liabilities were €1,070 million below the first half of 2022. At the same time, payments made for repayments of financial and similar liabilities increased by €473 million to €3,246 million. This was offset by a reduction in cash outflows from the share buyback program: In the first half of 2023, BASF bought back own shares for €70 million, compared with €1,075 million spent on share buybacks in the prior-year period. In addition, dividends of €3,078 million were paid out, compared with €3,191 million in the previous year.

Free cash flow[1] was –€977 million in the first half of 2023 after –€557 million in the prior-year period.

H1 free cash flow

Million €

	2023	2022
Cash flows from operating activities	1,163	938
– Payments made for property, plant and equipment and intangible assets	2,140	1,495
Free cash flow	**–977**	**–557**

BASF enjoys good **credit ratings**, especially compared with competitors in the chemical industry. Standard & Poor's confirmed its rating of A/A-1/outlook negative on March 3, 2023. Moody's most recently confirmed its rating of A3/P-2/outlook stable on January 18, 2023. Fitch maintained its rating of A/F1/outlook stable on November 30, 2022.

1 For an explanation of this indicator, see Financial Position from page 63 onward of the BASF Report 2022.

Economic Environment and Outlook

Global gross domestic product in the first half of 2023 grew by around 2.5% compared with the prior-year period according to the most recent estimates. This growth was considerably above our expectations (1.6%). While the services sector continued to expand considerably due to catch-up effects from the COVID years, industrial production growth was exceptionally weak.

Regionally, growth momentum varied widely. Growth in the European Union (E.U.) was very weak, with the eurozone and Germany slipping into recession as early as the first quarter of 2023. Slightly higher growth was recorded in the southern European E.U. countries. In the United States, growth was more robust than expected against a backdrop of a resilient labor market and increasing consumption of services. The tough negotiations over an increase in the national debt ceiling and the turbulence at U.S. regional banks that occurred in the meantime did not have a significant impact on U.S. growth. In China, however, economic development in the first half of 2023 was weaker than expected. The consumer uncertainty associated with the abrupt change in the zero-COVID policy, temporarily high COVID infection rates, ongoing problems in the Chinese real estate market and declining export demand in the weak global economic environment caused gross domestic product and especially demand for industrial goods to rise less than expected.

Based on preliminary, partly estimated data, **global industrial production** expanded by around 0.6% in the first half of 2023, with considerable differences in the growth momentum in individual industries: The automotive industry benefited from the end of supply problems for semiconductors and was able to considerably increase its production. By contrast, demand for consumer durables such as furniture and consumer electronics declined as high inflation reduced private purchasing power in many countries and purchases were brought forward during coronavirus lockdowns. Production also contracted in the textile and paper industries. In the food industry, global production developed below average. Growth in the production of chemicals for the manufacture of care products was more robust.

Rising interest rates hampered demand in the construction industry, especially in the private housing construction segment. In the United States, real construction spending declined considerably in the first half of the year, while in the E.U. construction activity largely stagnated as existing order backlogs were processed. However, there were significant differences between individual countries and construction segments.

In agriculture, demand weakened considerably in the second quarter after a strong first quarter in 2023. This was partly due to the severe drought in Europe and the United States.

Global chemical production stagnated in the first half of 2023. In the E.U., chemical production continued to contract sharply by around 13%, and in Germany by as much as almost 17%. In North America, the decline in production was considerably lower at just under 3%. By contrast, in China, the world's largest chemical market, production rose by more than 7% in the first half of the year, according to official data.

The **price of oil** averaged $80 per barrel (Brent crude) in the first half of 2023, below the average for the prior-year period ($107 per barrel). Despite multiple oil production cuts by OPEC+ producers, global oil supply grew by about 2.9 million barrels/day compared with the first half of 2022, mainly due to increased production by the United States, but also by Canada, Brazil, Norway, China, and Argentina. This increase was contrasted by oil demand growth of only 2.7 million barrels/day in the weak macroeconomic environment.

Our assumptions regarding the **global economic environment** in 2023 were adjusted due to the changed economic developments as follows (previous assumptions from the BASF Report 2022 in parentheses; current growth assumptions are 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)

For the second half of 2023, BASF does not expect a 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 grow slower than previously assumed. Margins are therefore expected to remain under pressure.

Based on the adjusted expectations for further development in the second half of the year, the **forecast** for the BASF Group for the 2023 business year was adjusted as follows (previous forecast from the BASF Report 2022 in parentheses):

– Sales of between €73 billion and €76 billion (between €84 billion and €87 billion)
– EBIT before special items of between €4.0 billion and €4.4 billion (between €4.8 billion and €5.4 billion)
– Return on capital employed (ROCE) of between 6.5% and 7.1% (between 7.2% and 8.0%)
– CO_2 emissions of between 17.0 million metric tons and 17.6 million metric tons (between 18.1 million metric tons and 19.1 million metric tons)

In the absence of a slight recovery, there are risks for the second half of 2023 from a further decline in volumes and a stronger price reduction than expected.

Opportunities may arise from a positive development in demand and margins.

For the remaining risk factors, the **statements on opportunities and risks** made in the BASF Report 2022 continue to apply overall. According to the company's assessment, neither existing individual risks nor the sum of individual risks pose a threat to the continued existence of the BASF Group.

For more information on other opportunities and risks, see page 157 onward of the BASF Report 2022

Information on Q2 2023

BASF Group

Sales declined by €5,669 million to €17,305 million compared with the prior-year quarter. This was mainly driven by lower prices, primarily in the Chemicals, Surface Technologies and Materials segments. The Agricultural Solutions segment was able to implement price increases. Lower sales volumes as a result of weaker demand weighed down the sales performance in all segments. In addition, currency effects dampened sales. Portfolio effects, especially in the Industrial Solutions segment following the sale of the kaolin minerals business effective September 30, 2022, had a slightly negative impact on sales.

Factors influencing BASF Group sales in Q2 2023

Volumes	–9.9%
Prices	–11.8%
Currencies	–2.7%
Portfolio	–0.3%
Sales	–24.7%

Q2 sales
Million €, relative change

Chemicals	**2023**	**2,679**	**–38.4%**
	2022	4,349	
Materials	**2023**	**3,609**	**–25.8%**
	2022	4,862	
Industrial Solutions	**2023**	**2,050**	**–22.5%**
	2022	2,643	
Surface Technologies	**2023**	**4,226**	**–22.4%**
	2022	5,446	
Nutrition & Care	**2023**	**1,712**	**–17.4%**
	2022	2,074	
Agricultural Solutions	**2023**	**2,231**	**–9.3%**
	2022	2,459	
Other	**2023**	**799**	**–30.0%**
	2022	1,142	

Q2 EBIT before special items
Million €, absolute change

Chemicals	**2023**	**202**	**–651**
	2022	853	
Materials	**2023**	**265**	**–403**
	2022	668	
Industrial Solutions	**2023**	**124**	**–199**
	2022	323	
Surface Technologies	**2023**	**230**	**4**
	2022	227	
Nutrition & Care	**2023**	**33**	**–181**
	2022	213	
Agricultural Solutions	**2023**	**213**	**–10**
	2022	223	
Other	**2023**	**–60**	**108**
	2022	–168	

At €1,007 million, **income from operations (EBIT) before special items**[1] was €1,332 million below the figure of the prior-year period. Almost all segments contributed to this with significant declines in earnings, in particular the Chemicals and Materials segments. EBIT before special items of the Agricultural Solutions segment decreased slightly. Surface Technologies achieved slight earnings growth. EBIT before special items attributable to Other improved considerably.

Expenses from **special items** totaled €33 million in the second quarter of 2023, following special income amounting to €11 million in the prior-year quarter. Special charges resulted mainly from restructuring measures, in particular the cost savings program, focusing on Europe, the carve-out of the BASF Environmental Catalyst and Metal Solutions unit within the Catalysts division and measures to adapt the production structures at the Verbund site in Ludwigshafen, Germany. This was partially offset by special income from the sale of an office building in Europe and a payment received in connection with a plant closure in China in 2019.

EBIT[2] decreased by €1,376 million to €974 million. This figure includes income from integral companies accounted for using the equity method, amounting to €22 million (prior-year period: €101 million). The decline was mainly driven by the €69 million lower contribution from BASF-YPC Company Ltd., Nanjing, China.

1 For an explanation of this indicator, see Our Steering Concept from page 41 onward of the BASF Report 2022.
2 The calculation of income from operations (EBIT) is shown in the Statement of Income on page 24 of this Half-Year Financial Report.

Income from operations before depreciation, amortization and special items (EBITDA before special items)[1] declined by €1,349 million to €1,944 million and **EBITDA**[1] by €1,488 million to €1,908 million in the second quarter of 2023.

Q2 EBITDA before special items
Million €

	2023	2022
EBIT	974	2,350
– Special items	–33	11
EBIT before special items	**1,007**	**2,339**
+ Depreciation and amortization before special items	924	953
+ Impairments and reversals of impairments on property, plant and equipment and intangible assets before special items	14	2
Depreciation, amortization, impairments and reversals of impairments on property, plant and equipment and intangible assets before special items	**937**	**954**
EBITDA before special items	**1,944**	**3,293**

Q2 EBITDA
Million €

	2023	2022
EBIT	974	2,350
+ Depreciation and amortization	924	953
+ Impairments and reversals of impairments on property, plant and equipment and intangible assets	10	93
Depreciation, amortization, impairments and reversals of impairments on property, plant and equipment and intangible assets	**934**	**1,046**
EBITDA	**1,908**	**3,396**

Compared with the prior-year period, **net income from shareholdings** declined by €341 million to €92 million, mainly due to the lower earnings contribution from Wintershall Dea of €88 million compared with €446 million in the second quarter of 2022, which had still included significant earnings contributions from activities in Russia.

The **financial result** decreased by €90 million compared with the prior-year quarter, due mainly to higher interest expenses for financial indebtedness resulting from increased debt and increased interest rates. The decrease in the other financial result compared with the second quarter of 2022 was mainly attributable to higher expenses in connection with bonds in foreign currency and related hedging instruments.

Overall, **income before income taxes** declined by €1,807 million to €851 million. The tax rate was 34.7% (prior-year quarter: 18.0%). The main reason for the increase resulted from unrecognized deferred taxes on tax loss carryforwards in Germany.

Income after taxes decreased by €1,624 million to €555 million compared with the prior-year period. **Noncontrolling interests** amounted to €56 million, down €34 million from the figure of the prior-year period. Lower earnings contributions from the BASF Shanshan companies in China were partially offset by a higher earnings contribution from BASF TotalEnergies Petrochemicals LLC, Houston, Texas. As a result, **net income** amounted to €499 million (Q2 2022: €2,090 million).

Earnings per share were €0.56 in the second quarter of 2023, after €2.31 in the prior-year period. **Earnings per share adjusted**[1] for special items and amortization of intangible assets amounted to €0.72 (Q2 2022: €2.37).

Q2 adjusted earnings per share
Million €

		2023	2022
Income after taxes		**555**	**2,179**
– Special items		–33	11
+ Amortization, impairments and reversals of impairments on intangible assets		153	166
– Amortization, impairments and reversals of impairments on intangible assets contained in special items		–	3
– Adjustments to income taxes		50	95
– Adjustments to income after taxes from discontinued operations		–	–
Adjusted income after taxes		**692**	**2,236**
– Adjusted noncontrolling interests		48	93
Adjusted net income		**644**	**2,143**
Weighted average number of outstanding shares[a]	in thousands	892,522	903,148
Adjusted earnings per share	**€**	**0.72**	**2.37**

a Due to the share buyback program terminated in February 2023, the weighted average number of outstanding shares in the second quarter of 2023 was 892,522,164.

1 For an explanation of this indicator, see Results of Operations from page 56 onward of the BASF Report 2022.

Cash flows from operating activities amounted to €2,178 million in the second quarter of 2023, €950 million above the figure of the prior-year period (€1,228 million).

Net income decreased by €1,590 million compared with the prior-year period.

The change in net working capital resulted in a cash inflow of €797 million in the second quarter of 2023; in the prior-year quarter, by contrast, there was a cash outflow of €1,661 million. The cash inflow from receivables increased by €1,848 million compared with the prior-year quarter to €2,128 million. This was primarily due to the lower increase in trade accounts receivable as a result of the sales performance and the change in the precious metals trading position, which was mainly price-related. The reduction in inventories released cash of €608 million, after an inventory build-up of €847 million tied up cash in the prior-year period. The reduction in operating liabilities and other provisions resulted in a cash outflow of €1,938 million in the second quarter of 2023, compared with €1,094 million in the prior-year period. The change in miscellaneous items resulted in a cash outflow of €52 million in the second quarter of 2023, €195 million lower than in the prior-year quarter.

Cash flows from investing activities amounted to –€1,274 million in the second quarter, a decrease of €635 million compared with the second quarter of 2022. This was due in particular to a €381 million increase in payments for intangible assets and property, plant and equipment as well as a €369 million decrease in payments received for divestitures. This was partially offset by a €115 million increase in net payments received for financial assets and miscellaneous items.

Cash flows from financing activities amounted to –€934 million in the second quarter of 2023, €452 million above the figure for the prior-year quarter. Payments received from additions to financial and similar liabilities were €466 million lower than in the prior-year quarter at €3,779 million. Payments made for repayments of financial and similar liabilities also decreased by €550 million to €1,537 million. In addition, €256 million were spent on the share buyback program in the second quarter of 2022, while no own shares were acquired in the second quarter of 2023. Dividend payments in the second quarter of 2023 amounted to €3,078 million, compared with €3,191 million in the prior-year period.

Free cash flow[1] amounted to €905 million in the second quarter of 2023, an improvement of €569 million compared with the second quarter of 2022.

Q2 free cash flow

Million €

	2023	2022
Cash flows from operating activities	2,178	1,228
– Payments made for property, plant and equipment and intangible assets	1,273	892
Free cash flow	**905**	**336**

1 For an explanation of this indicator, see Financial Position from page 63 onward of the BASF Report 2022.

Chemicals

Q2 2023

Sales in the **Chemicals** segment decreased considerably in the second quarter of 2023 in both operating divisions compared with the prior-year period.

Factors influencing sales in Q2 2023 – Chemicals

	Chemicals	Petrochemicals	Intermediates
Volumes	–15.5%	–14.6%	–17.6%
Prices	–21.8%	–23.1%	–18.4%
Currencies	–1.2%	–0.9%	–1.9%
Portfolio	–	–	–
Sales	**–38.4%**	**–38.6%**	**–37.8%**

Lower raw materials prices, combined with a massive excess of supply and weaker demand, led to lower prices in both operating divisions. In the Petrochemicals division, prices decreased in all regions and business areas. In the Intermediates division, prices decreased in the butanediol and derivatives business in particular.

As a result of the weaker demand, volumes in all business areas were significantly lower than in the prior-year quarter.

Slightly negative currency effects, largely relating to the U.S. dollar and the Chinese renminbi, also had a negative impact on sales.

Segment data – Chemicals

Million €

	Q2			H1		
	2023	2022	+/–	2023	2022	+/–
Sales to third parties	2,679	4,349	–38.4%	5,512	8,353	–34.0%
of which Petrochemicals	1,930	3,143	–38.6%	3,920	5,906	–33.6%
Intermediates	750	1,206	–37.8%	1,592	2,447	–34.9%
Income from operations before depreciation, amortization and special items	393	1,050	–62.6%	819	2,098	–61.0%
Income from operations before depreciation and amortization (EBITDA)	399	1,048	–61.9%	825	2,095	–60.6%
Depreciation and amortization[a]	187	197	–5.4%	372	386	–3.8%
Income from operations (EBIT)	213	851	–75.0%	453	1,708	–73.5%
Special items	10	–3	.	9	–4	.
EBIT before special items	202	853	–76.3%	443	1,712	–74.1%
Assets (June 30)	10,750	11,705	–8.2%	10,750	11,705	–8.2%
Investments including acquisitions[b]	674	314	114.9%	1,057	542	95.0%
Research and development expenses	22	25	–11.8%	45	50	–8.7%

a Depreciation and amortization of property, plant and equipment and intangible assets (including impairments and reversals of impairments)
b Additions to property, plant and equipment and intangible assets

Income from operations (EBIT) before special items declined significantly compared with the prior-year quarter. EBIT before special items decreased in both operating divisions, primarily due to lower margins and volumes, as well as lower contributions from shareholdings accounted for using the equity method. In the Petrochemicals division, volumes and margins decreased in particular for steam cracker products, styrene and acrylic monomers in Europe. In the Intermediates division, EBIT before special items declined mainly in Asia Pacific and North America, in each case, particularly in the butanediol and derivatives business.

Materials

Q2 2023

Sales in the Materials segment were considerably lower than in the strong prior-year quarter in both operating divisions.

Factors influencing sales in Q2 2023 – Materials

	Materials	Performance Materials	Monomers
Volumes	–8.5%	–6.1%	–10.4%
Prices	–15.0%	–6.6%	–21.8%
Currencies	–2.3%	–2.7%	–2.0%
Portfolio	–	–	–
Sales	**–25.8%**	**–15.4%**	**–34.2%**

The decline in sales resulted mainly from significantly lower prices in all regions due to decreased raw materials prices.

Sales performance was additionally weighed down in the second quarter of 2023 by a further deterioration in demand. The decline in volumes experienced in Monomers was mainly attributable to weaker demand in Europe and North America. Sales volumes in Asia Pacific increased slightly. Performance Materials recorded lower volumes globally, particularly in Europe.

Currency effects, mainly relating to the Chinese renminbi, had a slightly negative impact on sales.

Segment data – Materials
Million €

	Q2			H1		
	2023	2022	+/–	2023	2022	+/–
Sales to third parties	3,609	4,862	–25.8%	7,453	9,683	–23.0%
of which Performance Materials	1,843	2,179	–15.4%	3,793	4,343	–12.6%
Monomers	1,765	2,684	–34.2%	3,659	5,341	–31.5%
Income from operations before depreciation, amortization and special items	462	874	–47.1%	910	1,829	–50.2%
Income from operations before depreciation and amortization (EBITDA)	425	857	–50.4%	876	1,809	–51.6%
Depreciation and amortization[a]	197	207	–5.0%	402	410	–2.0%
Income from operations (EBIT)	228	650	–64.8%	474	1,399	–66.1%
Special items	–36	–18	–102.6%	–33	–20	–65.7%
EBIT before special items	265	668	–60.4%	507	1,419	–64.2%
Assets (June 30)	10,499	12,308	–14.7%	10,499	12,308	–14.7%
Investments including acquisitions[b]	223	200	11.2%	420	343	22.5%
Research and development expenses	46	46	–1.3%	94	94	0.1%

a Depreciation and amortization of property, plant and equipment and intangible assets (including impairments and reversals of impairments)
b Additions to property, plant and equipment and intangible assets

The segment's **income from operations (EBIT) before special items** declined considerably compared with the prior-year quarter. Monomers in particular recorded a sharp decrease in earnings, primarily resulting from lower volumes and prices. Considerably decreased fixed costs, attributable in part to lower production costs, were unable to offset this. EBIT before special items declined significantly in the Performance Materials division, mainly driven by lower volumes.

EBIT for the second quarter of 2023 included special charges, mainly for adaptations to the production structures at the Verbund site in Ludwigshafen, Germany, and for measures in the context of the cost savings program focusing on Europe.

Industrial Solutions

Q2 2023

Sales in the Industrial Solutions segment declined considerably in both divisions compared with the prior-year quarter.

Factors influencing sales in Q2 2023 – Industrial Solutions

	Industrial Solutions	Dispersions & Resins	Performance Chemicals
Volumes	–13.0%	–12.7%	–13.6%
Prices	–4.9%	–6.5%	–2.3%
Currencies	–2.2%	–2.3%	–2.0%
Portfolio	–2.3%	–0.4%	–5.5%
Sales	**–22.5%**	**–21.9%**	**–23.3%**

In the Industrial Solutions segment, sales performance was mainly attributable to a sharp decline in volumes resulting from weaker demand. In the Dispersions & Resins division, volumes decreased in all business areas. For Performance Chemicals, sales volumes declined, especially in the plastic additives business.

Slightly lower prices overall due to lower raw materials prices had a negative impact on sales.

Negative portfolio effects also burdened sales performance, primarily in the Performance Chemicals division due to the divestiture of the kaolin minerals business as of September 30, 2022.

Negative currency effects, largely relating to the Chinese renminbi, the U.S. dollar and the Indian rupee, also had a negative impact on sales.

Segment data – Industrial Solutions
Million €

	Q2			H1		
	2023	2022	+/–	2023	2022	+/–
Sales to third parties	2,050	2,643	–22.5%	4,193	5,136	–18.4%
of which Dispersions & Resins	1,266	1,621	–21.9%	2,574	3,138	–18.0%
Performance Chemicals	783	1,022	–23.3%	1,618	1,999	–19.0%
Income from operations before depreciation, amortization and special items	207	409	–49.3%	507	840	–39.6%
Income from operations before depreciation and amortization (EBITDA)	278	396	–29.9%	570	822	–30.7%
Depreciation and amortization[a]	83	87	–4.0%	178	169	5.0%
Income from operations (EBIT)	195	310	–37.1%	392	653	–40.0%
Special items	71	–13	.	52	–19	.
EBIT before special items	124	323	–61.6%	340	671	–49.3%
Assets (June 30)	6,046	7,206	–16.1%	6,046	7,206	–16.1%
Investments including acquisitions[b]	69	66	4.2%	122	119	2.6%
Research and development expenses	39	43	–9.1%	80	87	–7.0%

a Depreciation and amortization of property, plant and equipment and intangible assets (including impairments and reversals of impairments)
b Additions to property, plant and equipment and intangible assets

Income from operations (EBIT) before special items was considerably below the figure of the prior-year quarter in both operating divisions. The decline in earnings for Dispersions & Resins was mainly driven by volume-related lower margins. The main reasons for the lower EBIT before special items in the Performance Chemicals division were lower volumes and margins and the missing earnings contributions from the divested kaolin minerals business. Lower fixed costs were unable to compensate for this.

EBIT for the second quarter of 2023 included special income, mainly due to a payment in connection with a plant closure in China in 2019.

Surface Technologies

Q2 2023

Sales in the Surface Technologies segment were considerably lower compared with the second quarter of 2022. Strong sales growth in the Coatings division was unable to offset the significant decline in sales in the Catalysts division.

Factors influencing sales in Q2 2023 – Surface Technologies

	Surface Technologies	Catalysts	Coatings
Volumes	–5.1%	–8.0%	7.4%
Prices	–14.1%	–19.3%	8.8%
Currencies	–3.2%	–2.6%	–5.9%
Portfolio	0.0%	–	–0.2%
Sales	**–22.4%**	**–29.9%**	**10.1%**

The sales performance of the segment was primarily attributable to significantly lower precious metal prices in the Catalysts division. Accordingly, at €2,016 million, sales in precious metal trading and precious metal sales in the mobile emissions catalysts business[1] were below the prior-year quarter (€3,269 million). The price increases of Coatings in all business areas were unable to compensate for this.

Considerably lower volumes in the Catalysts division further dampened the sales performance. Coatings, on the other hand, increased volumes considerably, particularly in the automotive OEM coatings business. However, this only partially compensated for the volumes decline in the Catalysts division.

Negative currency effects, mainly relating to the Chinese renminbi, had a slightly dampening impact on sales.

Segment data – Surface Technologies

Million €

	Q2			H1		
	2023	2022	+/–	2023	2022	+/–
Sales to third parties	4,226	5,446	–22.4%	8,804	10,903	–19.3%
of which Catalysts	3,099	4,422	–29.9%	6,638	8,936	–25.7%
Coatings	1,127	1,023	10.1%	2,166	1,967	10.1%
Income from operations before depreciation, amortization and special items	374	365	2.5%	776	766	1.3%
Income from operations before depreciation and amortization (EBITDA)	334	300	11.3%	703	694	1.2%
Depreciation and amortization[a]	144	219	–34.1%	283	353	–19.8%
Income from operations (EBIT)	190	81	133.7%	420	341	23.1%
Special items	–40	–146	72.2%	–74	–152	51.6%
EBIT before special items	230	227	1.5%	494	493	0.1%
Assets (June 30)	13,552	15,754	–14.0%	13,552	15,754	–14.0%
Investments including acquisitions[b]	130	135	–3.8%	232	244	–4.9%
Research and development expenses	77	86	–10.9%	159	181	–12.1%

a Depreciation and amortization of property, plant and equipment and intangible assets (including impairments and reversals of impairments)
b Additions to property, plant and equipment and intangible assets

The segment slightly increased **income from operations (EBIT) before special items** compared with the prior-year quarter. A considerable earnings growth in the Coatings division more than compensated for the decline in EBIT before special items in the Catalysts division. Coatings increased EBIT before special items, particularly due to price- and volume-related margin increases. The lower EBIT before special items in the Catalysts division was attributable to the significantly lower earnings contribution from its battery materials business. Considerable increases in contributions in the automotive, chemical and refining catalysts businesses could only partially offset this.

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

1 Sales, volume growth, EBITDA before special items and the EBITDA margin before special items excluding precious metals for the BASF Group and for the Surface Technologies segment are presented under Selected Key Figures Excluding Precious Metals on page 42 of this Half-Year Financial Report.

Nutrition & Care

Q2 2023

Sales in the Nutrition & Care segment decreased considerably in both operating divisions compared with the prior-year quarter.

Factors influencing sales in Q2 2023 – Nutrition & Care

	Nutrition & Care	Care Chemicals	Nutrition & Health
Volumes	–10.8%	–12.9%	–5.7%
Prices	–4.4%	–4.7%	–3.8%
Currencies	–2.2%	–2.0%	–2.7%
Portfolio	–	–	–
Sales	**–17.4%**	**–19.6%**	**–12.3%**

Sales performance was attributable to a sharp decline in volumes in all business areas as a result of lower demand.

Slightly lower prices contributed to the decline in sales. For Care Chemicals, this mainly concerned the oleo surfactants and alcohols business area. In the Nutrition & Health division, prices decreased mainly for vitamins and for vitamin A in particular.

Negative currency effects, mainly relating to the Turkish lira and the Indian rupee, had a slightly dampening effect on sales.

Segment data – Nutrition & Care
Million €

	Q2			H1		
	2023	2022	+/–	2023	2022	+/–
Sales to third parties	1,712	2,074	–17.4%	3,538	4,045	–12.5%
of which Care Chemicals	1,175	1,461	–19.6%	2,475	2,824	–12.3%
Nutrition & Health	538	613	–12.3%	1,063	1,221	–12.9%
Income from operations before depreciation, amortization and special items	140	325	–57.1%	331	676	–51.0%
Income from operations before depreciation and amortization (EBITDA)	168	322	–47.8%	358	675	–47.0%
Depreciation and amortization[a]	107	113	–5.3%	217	220	–1.5%
Income from operations (EBIT)	61	209	–70.8%	141	455	–68.9%
Special items	28	–5	.	27	–2	.
EBIT before special items	33	213	–84.8%	114	457	–75.0%
Assets (June 30)	7,832	8,169	–4.1%	7,832	8,169	–4.1%
Investments including acquisitions[b]	180	136	32.5%	323	243	33.2%
Research and development expenses	40	45	–11.1%	79	85	–7.2%

a Depreciation and amortization of property, plant and equipment and intangible assets (including impairments and reversals of impairments)
b Additions to property, plant and equipment and intangible assets

The segment's **income from operations (EBIT) before special items** was considerably below the figure of the prior-year period. In the Care Chemicals division, earnings decreased significantly, particularly as a result of lower margins related to lower volumes. The considerable decrease in EBIT before special items of Nutrition & Health was mainly due to lower margins in the vitamins business, in particular for vitamin A, and the decline in volumes. Lower fixed costs had an offsetting effect.

EBIT for the second quarter of 2023 included special income from the sale of an office building in Europe.

Agricultural Solutions

Q2 2023

In the Agricultural Solutions segment, **sales** were considerably below the prior-year quarter. The main reason for this was the decline in volumes due to higher channel inventories in individual core markets as well as lower agricultural commodity prices. Sales performance was also weighed down by currency effects. Significant increases in prices in all regions and indications had a positive effect.

Factors influencing sales in Q2 2023 – Agricultural Solutions

Volumes	–16.7%
Prices	13.6%
Currencies	–6.2%
Portfolio	–
Sales	**–9.3%**

A slight sales increase in **Europe** was mainly driven by considerably higher prices compared with the prior-year quarter. This more than compensated for lower volumes, primarily in fungicides, and negative currency effects, in particular in Turkey, Russia and Ukraine.

In **North America**, sales were considerably below the level of the prior-year quarter due to lower volumes, especially of herbicides, and negative currency effects, mainly from the Canadian dollar. Significantly higher prices had a positive impact.

Sales in **Asia** declined considerably, primarily due to lower volumes of herbicides and fungicides. Currency effects, particularly in China and India, also had a negative impact on sales performance. Prices, on the other hand, were increased considerably.

Segment data – Agricultural Solutions

Million €

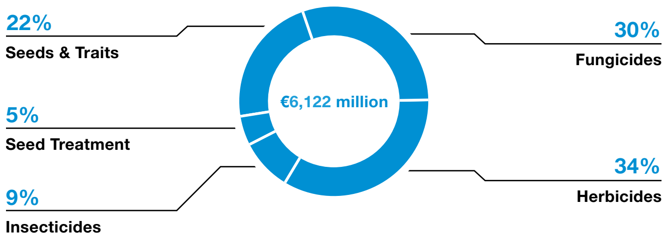
	Q2			H1		
	2023	2022	+/–	2023	2022	+/–
Sales to third parties	2,231	2,459	–9.3%	6,122	5,856	4.5%
Income from operations before depreciation, amortization and special items	392	401	–2.3%	1,824	1,437	26.9%
Income from operations before depreciation and amortization (EBITDA)	388	397	–2.4%	1,821	1,428	27.5%
Depreciation and amortization[a]	179	188	–4.4%	352	355	–1.1%
Income from operations (EBIT)	208	210	–0.7%	1,469	1,073	37.0%
Special items	–5	–13	62.5%	–3	–18	81.9%
EBIT before special items	213	223	–4.3%	1,473	1,091	35.0%
Assets (June 30)	18,153	17,525	3.6%	18,153	17,525	3.6%
Investments including acquisitions[b]	72	71	0.7%	162	132	22.4%
Research and development expenses	222	235	–5.8%	447	473	–5.6%

a Depreciation and amortization of property, plant and equipment and intangible assets (including impairments and reversals of impairments)
b Additions to property, plant and equipment and intangible assets

Sales declined significantly in the region **South America, Africa, Middle East**. This was mainly driven by lower volumes, particularly in fungicides in Brazil, as well as negative currency effects, especially in Argentina. This could only be partially offset by considerably higher prices.

Income from operations (EBIT) before special items was slightly below the prior-year quarter especially due to lower volumes. Negative currency effects and slightly higher fixed costs also reduced earnings.

H1 2023 – sales by indications and business areas



Other

Q2 2023

Sales in Other declined considerably compared with the prior-year quarter. This was primarily due to lower sales in commodity trading.

Compared with the prior-year quarter, Other considerably improved **income from operations (EBIT) before special items**. This was mainly attributable to an improved contribution from the insurance companies.

Financial data – Other
Million €

	Q2			H1		
	2023	2022	+/–	2023	2022	+/–
Sales	799	1,142	–30.0%	1,676	2,082	–19.5%
Income from operations before depreciation, amortization and special items	–24	–132	82.2%	–359	–610	41.2%
Income from operations before depreciation and amortization (EBITDA)	–84	76	.	–434	–419	–3.7%
Depreciation and amortization[a]	37	36	3.3%	75	75	–0.9%
Income from operations (EBIT)	–121	40	.	–509	–494	–3.0%
Special items	–61	208	.	–75	192	.
EBIT before special items	–60	–168	64.1%	–434	–686	36.8%
of which costs for cross-divisional corporate research	–57	–74	23.0%	–121	–147	17.7%
costs of corporate headquarters	–60	–68	11.8%	–120	–132	9.1%
other businesses	18	–32	.	14	–28	.
foreign currency results, hedging and other measurement effects	22	55	–60.0%	–16	87	.
miscellaneous income and expenses	17	–49	.	–191	–466	59.1%
Assets (June 30)[b]	16,672	24,305	–31.4%	16,672	24,305	–31.4%
Investments including acquisitions[c]	41	48	–13.9%	72	89	–19.6%
Research and development expenses	70	86	–18.2%	149	167	–10.8%

a Depreciation and amortization of property, plant and equipment and intangible assets (including impairments and reversals of impairments)
b Contains assets of business recognized under Other as well as reconciliation to assets of the BASF Group
c Additions to property, plant and equipment and intangible assets

Regions

Q2 2023

Sales at companies located in **Europe** declined by 27.3% to €6,991 million compared with the prior-year quarter. This development was mainly attributable to considerably lower volumes in almost all segments. Considerable price increases in the Agricultural Solutions segment were unable to offset lower prices in the other segments, particularly in the Materials and Chemicals segments. Negative currency effects in all segments and portfolio effects in the Industrial Solutions segment had a slight negative impact on sales.

In **North America**, sales decreased by 26.4% to €4,905 million; in local currency terms, sales were 24.6% below the figure of the second quarter of 2022. The decline in sales was mainly driven by lower prices in all segments except for Agricultural Solutions. Lower sales volumes, particularly in the Surface Technologies, Agricultural Solutions, Materials and Industrial Solutions segments, contributed to the decline in sales. Currency effects had a slightly dampening impact on sales in all segments. In addition, sales were also reduced by negative portfolio effects, especially in the Industrial Solutions segment following the sale of the kaolin minerals business.

Compared with the prior-year period, sales at companies located in **Asia Pacific** declined to €4,351 million; this corresponds to a decrease of 19.9%. In local currency terms, it declined by 14.2%. The main driver for the development in this region were lower sales in Greater China. At €2,404 million, sales there were 18.2% below the level of the prior-year quarter. The decline in sales in the region Asia Pacific was mainly attributable to considerably lower prices in the Chemicals, Surface Technologies and Materials segments. In addition, sales performance was weighed down by negative currency effects in all segments. A slight increase in volumes in the Chemicals segment could only partially compensate for the volume decline in the remaining segments. Portfolio effects in the Industrial Solutions segment had a slightly negative effect on sales.

Regions
Million €

	Sales by location of company			Sales by location of customer		
Q2	**2023**	**2022**	**+/–**	**2023**	**2022**	**+/–**
Europe	6,991	9,622	–27.3%	6,567	9,045	–27.4%
of which Germany	2,891	4,090	–29.3%	1,739	1,956	–11.1%
North America	4,905	6,667	–26.4%	4,890	6,595	–25.9%
Asia Pacific	4,351	5,432	–19.9%	4,427	5,569	–20.5%
of which Greater China	2,404	2,939	–18.2%	2,387	2,872	–16.9%
South America, Africa, Middle East	1,058	1,253	–15.6%	1,422	1,764	–19.4%
BASF Group	**17,305**	**22,974**	**–24.7%**	**17,305**	**22,974**	**–24.7%**
H1						
Europe	15,591	19,600	–20.5%	14,768	18,626	–20.7%
of which Germany	6,263	8,021	–21.9%	3,742	4,339	–13.8%
North America	10,838	13,201	–17.9%	10,811	12,995	–16.8%
Asia Pacific	8,806	10,995	–19.9%	8,941	11,244	–20.5%
of which Greater China	4,713	6,170	–23.6%	4,663	6,046	–22.9%
South America, Africa, Middle East	2,062	2,262	–8.8%	2,777	3,192	–13.0%
BASF Group	**37,297**	**46,058**	**–19.0%**	**37,297**	**46,058**	**–19.0%**

The region **South America, Africa, Middle East** recorded a decline in sales of 15.6% to €1,058 million. In local currency terms, sales decreased by 6.0%. This was mainly the result of a considerable decline in volumes, mainly in the Agricultural Solutions and Chemicals segments, and negative currency effects. On the other hand, considerably higher prices in the Agricultural Solutions segment had a positive impact on sales performance.

Condensed Consolidated Half-Year Financial Statements 2023

Statement of Income

Statement of Income
Million €

	Explanations in Note	Q2			H1		
		2023	2022	+/–	2023	2022	+/–
Sales revenue		**17,305**	**22,974**	**–24.7%**	**37,297**	**46,058**	**–19.0%**
Cost of sales		–13,162	–17,135	23.2%	–27,906	–34,216	18.4%
Gross profit on sales		**4,143**	**5,839**	**–29.0%**	**9,391**	**11,842**	**–20.7%**
Selling expenses		–2,194	–2,470	11.2%	–4,425	–4,689	5.6%
General administrative expenses		–382	–391	2.3%	–748	–758	1.3%
Research and development expenses		–515	–567	9.0%	–1,053	–1,136	7.3%
Other operating income	[5]	623	601	3.7%	934	912	2.4%
Other operating expenses	[5]	–724	–764	5.2%	–1,361	–1,269	–7.2%
Income from integral companies accounted for using the equity method		22	101	–77.8%	103	233	–55.9%
Income from operations (EBIT)		**974**	**2,350**	**–58.6%**	**2,841**	**5,135**	**–44.7%**
Income from non-integral companies accounted for using the equity method		96	450	–78.7%	275	–342	.
Income from other shareholdings		3	6	–51.2%	21	16	27.9%
Expenses from other shareholdings		–7	–23	71.1%	–21	–38	45.4%
Net income from shareholdings		**92**	**433**	**–78.7%**	**275**	**–364**	**.**
Interest income		66	47	40.7%	126	89	42.5%
Interest expenses		–226	–145	–55.3%	–405	–266	–52.2%
Interest result		**–159**	**–98**	**–62.4%**	**–279**	**–177**	**–57.1%**
Other financial income		24	20	22.4%	58	33	73.4%
Other financial expenses		–80	–47	–72.4%	–113	–90	–24.7%
Other financial result		**–56**	**–27**	**–109.8%**	**–55**	**–57**	**3.7%**
Financial result		**–215**	**–125**	**–72.5%**	**–334**	**–235**	**–42.3%**
Income before income taxes		**851**	**2,658**	**–68.0%**	**2,781**	**4,536**	**–38.7%**
Income taxes		–296	–479	38.3%	–622	–1,036	39.9%
Income after taxes		**555**	**2,179**	**–74.5%**	**2,159**	**3,500**	**–38.3%**
of which attributable to shareholders of BASF SE (net income)		499	2,090	–76.1%	2,061	3,311	–37.7%
attributable to noncontrolling interests		56	90	–37.7%	98	189	–48.2%
Basic earnings per share	**€**	**0.56**	**2.31**	**–75.8%**	**2.31**	**3.65**	**–36.7%**
Diluted earnings per share	€	0.56	2.31	–75.8%	2.31	3.65	–36.7%

Statement of Income and Expense Recognized in Equity

BASF Group statement of comprehensive income

Million €

	H1	
	2023	2022
Income after taxes	**2,159**	**3,500**
Remeasurement of defined benefit plans	–31	3,076
Deferred taxes on the remeasurement of defined benefit plans	21	–1,042
Investments accounted for using the equity method – share of nonreclassifiable gains/losses (after taxes)	0	119
Nonreclassifiable gains/losses	**–11**	**2,153**
Unrealized gains/losses in connection with cash flow hedges	–55	463
Reclassification of realized gains/losses recognized in the statement of income in connection with cash flow hedges	6	–456
Unrealized gains/losses from currency translation	–862	1,531
Reclassification of realized gains/losses from currency translation recognized in the statement of income	–	–
Deferred taxes on reclassifiable gains/losses	17	–24
Investments accounted for using the equity method – share of reclassifiable gains/losses (after taxes)	261	1,450
Reclassifiable gains/losses	**–633**	**2,963**
Other comprehensive income after taxes	**–644**	**5,116**
of which attributable to shareholders of BASF SE	–576	5,049
attributable to noncontrolling interests	–68	67
Comprehensive income	**1,516**	**8,617**
of which attributable to shareholders of BASF SE	1,485	8,360
attributable to noncontrolling interests	30	256

Balance Sheet

Assets

Million €

	Explanations in Note	June 30, 2023	December 31, 2022	+/–	June 30, 2022	+/–
Intangible assets		12,846	13,273	–3.2%	13,772	–6.7%
Property, plant and equipment		23,186	22,967	1.0%	22,254	4.2%
Integral investments accounted for using the equity method		2,129	2,356	–9.6%	2,865	–25.7%
Non-integral investments accounted for using the equity method		5,023	4,645	8.1%	10,897	–53.9%
Other financial assets		1,181	1,120	5.5%	585	101.9%
Deferred tax assets		887	880	0.8%	1,522	–41.7%
Other receivables and miscellaneous assets		1,638	1,810	–9.5%	1,727	–5.1%
Noncurrent assets		**46,890**	**47,050**	**–0.3%**	**53,621**	**–12.6%**
Inventories		15,438	16,028	–3.7%	15,986	–3.4%
Accounts receivable, trade		12,832	12,055	6.4%	15,774	–18.6%
Other receivables and miscellaneous assets		5,648	6,591	–14.3%	7,384	–23.5%
Marketable securities		223	232	–4.1%	207	7.8%
Cash and cash equivalents[a]		2,474	2,516	–1.6%	3,780	–34.5%
Assets of disposal groups		–	–	–	221	–100.0%
Current assets		**36,615**	**37,422**	**–2.2%**	**43,351**	**–15.5%**
Total assets		**83,505**	**84,472**	**–1.1%**	**96,972**	**–13.9%**

a For reconciliation of the amounts in the statement of cash flows with the balance sheet item cash and cash equivalents, see page 28 of these consolidated half-year financial statements.

Equity and liabilities

Million €

	Explanations in Note	June 30, 2023	December 31, 2022	+/–	June 30, 2022	+/–
Subscribed capital		1,142	1,144	–0.1%	1,176	–2.8%
Capital reserves		3,147	3,147	0.0%	3,106	1.3%
Retained earnings		34,414	35,453	–2.9%	39,529	–12.9%
Other comprehensive income		–711	–171	–314.6%	1,136	.
Equity attributable to shareholders of BASF SE		**37,993**	**39,573**	**–4.0%**	**44,947**	**–15.5%**
Noncontrolling interests		1,336	1,350	–1.0%	1,426	–6.4%
Equity	**[6]**	**39,328**	**40,923**	**–3.9%**	**46,373**	**–15.2%**
Provisions for pensions and similar obligations		2,605	2,810	–7.3%	3,102	–16.0%
Deferred tax liabilities		1,189	1,543	–23.0%	1,392	–14.6%
Tax provisions		332	330	0.7%	465	–28.6%
Other provisions		1,552	1,650	–5.9%	1,803	–13.9%
Financial indebtedness	[7]	17,624	15,171	16.2%	15,611	12.9%
Other liabilities		1,653	1,606	2.9%	1,593	3.7%
Noncurrent liabilities		**24,954**	**23,110**	**8.0%**	**23,966**	**4.1%**
Accounts payable, trade		6,011	8,434	–28.7%	9,068	–33.7%
Provisions		4,153	3,799	9.3%	4,758	–12.7%
Tax liabilities		1,267	995	27.3%	1,650	–23.2%
Financial indebtedness	[7]	5,321	3,844	38.4%	7,922	–32.8%
Other liabilities		2,471	3,368	–26.6%	3,191	–22.6%
Liabilities of disposal groups		–	–	–	43	–100.0%
Current liabilities		**19,223**	**20,440**	**–6.0%**	**26,633**	**–27.8%**
Total equity and liabilities		**83,505**	**84,472**	**–1.1%**	**96,972**	**–13.9%**

Statement of Cash Flows

Statement of Cash Flows

Million €

	Q2		H1	
	2023	2022	2023	2022
Net income	499	2,090	2,061	3,311
Depreciation and amortization of property, plant and equipment and intangible assets	934	1,046	1,878	1,970
Changes in net working capital[a]	797	–1,661	–2,319	–4,842
Miscellaneous items	–52	–247	–458	499
Cash flows from operating activities	**2,178**	**1,228**	**1,163**	**938**
Payments made for property, plant and equipment and intangible assets	–1,273	–892	–2,140	–1,495
Acquisitions/divestitures	–	369	22	379
Changes in financial assets and miscellaneous items	–1	–117	140	–102
Cash flows from investing activities	**–1,274**	**–639**	**–1,978**	**–1,218**
Capital increases/repayments and other equity transactions	–	–256	–70	–1,075
Changes in financial and similar liabilities	2,145	2,061	4,022	5,565
Dividends	–3,078	–3,191	–3,078	–3,191
Cash flows from financing activities	**–934**	**–1,386**	**874**	**1,299**
Cash-effective changes in cash and cash equivalents	–30	–798	59	1,018
Changes in cash and cash equivalents from foreign exchange rates and changes in the scope of consolidation	–58	83	–100	138
Cash and cash equivalents at the start of the period	2,562	4,494	2,516	2,624
Cash and cash equivalents at the end of the period	**2,474**	**3,780**	**2,474**	**3,780**

a In order to optimize precious metal stocks, the Group sells precious metals and concurrently enters into agreements to repurchase them at a set price. The cash flows resulting from the sale and repurchase are reported in cash flows from operating activities. Liabilities to repurchase precious metals amounted to €111 million as of June 30, 2023.

Statement of Changes in Equity

H1 2023[a]
Million €

	Subscribed capital	Capital reserves	Retained earnings	Remeasurement of defined benefit plans	Currency translation	Measurement of securities at fair value	Cash flow hedges	Other comprehensive income[b]	Equity attributable to shareholders of BASF SE	Non-controlling interests	Equity
As of January 1, 2023	**1,144**	**3,147**	**35,453**	**–1,207**	**1,540**	**0**	**–504**	**–171**	**39,573**	**1,350**	**40,923**
Treasury shares	–2	–	–68	–	–	–	–	–	**–70**	–	**–70**
Dividends paid	–	–	–3,035	–	–	–	–	–	**–3,035**	–44[c]	**–3,078**
Income after taxes	–	–	2,061	–	–	–	–	–	**2,061**	98	**2,159**
Other comprehensive income after taxes	–	–	–	–10	–968	0	402	–576	**–576**	–68	**–644**
Gains and losses on cash flow hedges and hedging costs, eliminated from other comprehensive income not affecting profit and loss	–	–	–	–	–	–	34	34	**34**	–	**34**
Changes in scope of consolidation and other changes	–	–	2	2	–	–	–	2	**4**	0	**4**
As of June 30, 2023	**1,142**	**3,147**	**34,414**	**–1,216**	**572**	**0**	**–68**	**–711**	**37,993**	**1,336**	**39,328**

H1 2022
Million €

	Subscribed capital	Capital reserves	Retained earnings	Remeasurement of defined benefit plans	Currency translation	Measurement of securities at fair value	Cash flow hedges	Other comprehensive income[b]	Equity attributable to shareholders of BASF SE	Non-controlling interests	Equity
As of January 1, 2022	**1,176**	**3,106**	**40,365**	**–3,793**	**406**	**5**	**–472**	**–3,855**	**40,792**	**1,289**	**42,081**
Treasury shares	–	–	–1,076	–	–	–	–	–	**–1,076**	–	**–1,076**
Dividends paid	–	–	–3,072	–	–	–	–	–	**–3,072**	–120[c]	**–3,191**
Income after taxes	–	–	3,311	–	–	–	–	–	**3,311**	189	**3,500**
Other comprehensive income after taxes	–	–	–	2,153	3,707	–10	–801	5,049	**5,049**	67	**5,116**
Gains and losses on cash flow hedges and hedging costs, eliminated from other comprehensive income not affecting profit and loss	–	–	–	–	–	–	–59	–59	**–59**	–	**–59**
Changes in scope of consolidation and other changes	–	–	1	–	–	–	–	–	**1**	0	**1**
As of June 30, 2022	**1,176**	**3,106**	**39,529**	**–1,640**	**4,112**	**–5**	**–1,332**	**1,136**	**44,947**	**1,426**	**46,373**

a For more information on the items relating to equity, see Note 6 on page 35.
b Details are provided in the Statement of Income and Expense Recognized in Equity on page 25.
c Including profit and loss transfers

Segment Reporting

H1

Million €

	Sales			EBITDA before special items[a]			EBITDA[a]			Income from operations (EBIT) before special items[b]		
	2023	2022	+/–	2023	2022	+/–	2023	2022	+/–	2023	2022	+/–
Chemicals	5,512	8,353	–34.0%	819	2,098	–61.0%	825	2,095	–60.6%	443	1,712	–74.1%
Materials	7,453	9,683	–23.0%	910	1,829	–50.2%	876	1,809	–51.6%	507	1,419	–64.2%
Industrial Solutions	4,193	5,136	–18.4%	507	840	–39.6%	570	822	–30.7%	340	671	–49.3%
Surface Technologies	8,804	10,903	–19.3%	776	766	1.3%	703	694	1.2%	494	493	0.1%
Nutrition & Care	3,538	4,045	–12.5%	331	676	–51.0%	358	675	–47.0%	114	457	–75.0%
Agricultural Solutions	6,122	5,856	4.5%	1,824	1,437	26.9%	1,821	1,428	27.5%	1,473	1,091	35.0%
Other	1,676	2,082	–19.5%	–359	–610	41.2%	–434	–419	–3.7%	–434	–686	36.8%
BASF Group	**37,297**	**46,058**	**–19.0%**	**4,809**	**7,036**	**–31.7%**	**4,718**	**7,105**	**–33.6%**	**2,938**	**5,157**	**–43.0%**

H1

Million €

	Income from operations (EBIT)			Research and development expenses			Assets			Investments including acquisitions[c]		
	2023	2022	+/–	2023	2022	+/–	2023	2022	+/–	2023	2022	+/–
Chemicals	453	1,708	–73.5%	45	50	–8.7%	10,750	11,705	–8.2%	1,057	542	95.0%
Materials	474	1,399	–66.1%	94	94	0.1%	10,499	12,308	–14.7%	420	343	22.5%
Industrial Solutions	392	653	–40.0%	80	87	–7.0%	6,046	7,206	–16.1%	122	119	2.6%
Surface Technologies	420	341	23.1%	159	181	–12.1%	13,552	15,754	–14.0%	232	244	–4.9%
Nutrition & Care	141	455	–68.9%	79	85	–7.2%	7,832	8,169	–4.1%	323	243	33.2%
Agricultural Solutions	1,469	1,073	37.0%	447	473	–5.6%	18,153	17,525	3.6%	162	132	22.4%
Other	–509	–494	–3.0%	149	167	–10.8%	16,672	24,305	–31.4%	72	89	–19.6%
BASF Group	**2,841**	**5,135**	**–44.7%**	**1,053**	**1,136**	**–7.3%**	**83,505**	**96,972**	**–13.9%**	**2,387**	**1,711**	**39.5%**

a For an explanation of this indicator, see Results of Operations from page 56 onward of the BASF Report 2022.
b For an explanation of this indicator, see Our Steering Concept from page 41 onward of the BASF Report 2022.
c Additions to property, plant and equipment and intangible assets

Other in H1

Million €

		2023	2022	+/–
Sales		**1,676**	**2,082**	**–19.5%**
Income from operations (EBIT) before special items		**–434**	**–686**	**36.8%**
of which	costs for cross-divisional corporate research	–121	–147	17.7%
	costs of corporate headquarters	–120	–132	9.1%
	other businesses	14	–28	.
	foreign currency results, hedging and other measurement effects	–16	87	.
	miscellaneous income and expenses	–191	–466	59.1%
Special items		–75	192	.
Income from operations (EBIT)		**–509**	**–494**	**–3.0%**

Notes to the Consolidated Half-Year Financial Statements

1 Basis of presentation

The Consolidated Financial Statements of BASF SE for the year ending December 31, 2022, were prepared in accordance with the International Financial Reporting Standards (IFRS) in effect as of the balance sheet date. The Consolidated Half-Year Financial Statements as of June 30, 2023, have been prepared – in line with the rules of International Accounting Standard 34 – in abbreviated form and continuing the same accounting policies. This does not apply to those policies named in the table on the right. All amounts, including the figures for previous years, are given in million euros unless otherwise indicated. Due to rounding, individual figures in this report may not add up to the totals shown and percentages may not correspond exactly to the figures shown.

The Condensed Consolidated Half-Year Financial Statements and the Consolidated Interim Management's Report have not been audited, nor have they undergone an auditor's review. They are written in German and translated into English.

The BASF Report 2022 containing the Consolidated Financial Statements as of December 31, 2022, can be found online at basf.com/report

Accounting policies applied for the first time in 2023

Standard/interpretation	Name of standard/interpretation or amendments	Date of publication	Date of endorsement by the E.U.
Introduction of IFRS 17	Insurance Contracts (Including Amendments to the Standard)	May 18, 2017 June 25, 2020	November 19, 2021
Amendments to IFRS 17	Insurance Contracts (Initial Application of IFRS 17 and IFRS 9 – Comparative Information)	December 9, 2021	September 8, 2022
Amendments to IAS 1 and IFRS Practice Statement 2	Presentation of Financial Statements and Making Materiality Judgements (Presentation of Key Accounting Policies)	February 12, 2021	March 2, 2022
Amendments to IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors (Definition of Changes in Accounting Policies and Accounting Estimates)	February 12, 2021	March 2, 2022
Amendments to IAS 12	Income Taxes (Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction)	May 7, 2021	August 11, 2022

These amendments had no material effect on the Consolidated Financial Statements of BASF SE.

IFRSs and IFRICs not yet to be considered – outstanding endorsement by the E.U.

Standard/interpretation	Name of standard/interpretation or amendments	Date of publication	Expected date of initial application[a]
Amendments to IAS 12	Income Taxes International Tax Reform – Pillar Two Model Rules	May 23, 2023	January 1, 2023
Amendments to IAS 7 and IFRS 7	Statement of Cash Flows / Financial Instruments: Disclosures: Supplier Finance Arrangements	May 25, 2023	January 1, 2024

a Subject to endorsement by the E.U.

BASF applies the exception in IAS 12, according to which no deferred tax assets or liabilities are recognized and no related disclosures made in connection with the OECD Pillar Two income taxes.

The following exchange rates were used for the translation of major currencies in the Group:

Selected exchange rates

EUR 1 equals

	Closing rates		Average rates H1	
	June 30, 2023	December 31, 2022	2023	2022
Brazil (BRL)	5.28	5.64	5.48	5.56
China (CNY)	7.90	7.36	7.49	7.08
Japan (JPY)	157.16	140.66	145.76	134.31
Malaysia (MYR)	5.07	4.70	4.82	4.67
Mexico (MXN)	18.56	20.86	19.65	22.17
Switzerland (CHF)	0.98	0.98	0.99	1.03
South Korea (KRW)	1,435.88	1,344.09	1,400.43	1,347.84
United States (USD)	1.09	1.07	1.08	1.09
United Kingdom (GBP)	0.86	0.89	0.88	0.84

The following assumptions were used to determine the defined benefit obligation:

Assumptions used to determine the defined benefit obligation

%

	Germany		United States		Switzerland		United Kingdom	
	June 30, 2023	Dec. 31, 2022	June 30, 2023	Dec. 31, 2022	June 30, 2023	Dec. 31, 2022	June 30, 2023	Dec. 31, 2022
Discount rate	3.60	3.70	5.20	5.30	1.80	2.20	5.30	4.80
Projected pension increase	2.20	2.20	–	–	–	–	3.40	3.40

2 Scope of consolidation

In addition to BASF SE, all material subsidiaries are included in the BASF Group Financial Statements on a fully consolidated basis. Joint arrangements that are classified as joint operations according to IFRS 11 are proportionally consolidated. Changes in the number of fully and proportionally consolidated companies are shown in the table.

Eleven companies were newly established and included in the Consolidated Financial Statements as part of the carve-out of the emissions catalysts business. Three companies were newly included in the scope of consolidation in connection with the expansion of the battery materials business.

Scope of consolidation

	2023	2022
As of January 1	257	267
of which proportionally consolidated	9	9
First-time consolidations	14	–
of which proportionally consolidated	–	–
Deconsolidations	–	7
of which proportionally consolidated	–	–
As of June 30	**271**	**260**
of which proportionally consolidated	9	9

Companies accounted for using the equity method

	2023	2022
As of January 1	23	27
As of June 30	**21**	**24**

3 Acquisitions/divestitures

Divestitures

On September 30, 2022, BASF closed the divestiture of its kaolin minerals business to KaMin, a global performance minerals company headquartered in Macon, Georgia. In the first half of 2023, the adjustment to net assets disposed of resulted in a €7 million reduction in disposal gain before taxes.

Agreed transactions

On July 19, 2022, BASF and ASC Investment Sarl, Luxembourg, signed an agreement on the sale of BASF's production site in De Meern, Netherlands, to ASC. The transaction is expected to close in the second half of 2023.

4 Explanations regarding segment reporting

There were no significant changes in the composition of the segments compared with the 2022 Financial Statements.

Reconciliation of segment income to income before income taxes

Million €

	H1	
	2023	2022
EBIT before special items of the segments	3,372	5,843
EBIT before special items of Other	–434	–686
EBIT before special items	**2,938**	**5,157**
Special items of the segments	–22	–214
Special items of Other	–75	192
Special items	**–98**	**–22**
EBIT of the segments	3,349	5,629
EBIT of Other	–509	–494
EBIT	**2,841**	**5,135**
Net income from shareholdings	275	–364
Financial result	–334	–235
Income before income taxes	**2,781**	**4,536**

5 Other operating income and expenses

Other operating income
Million €

	H1 2023	H1 2022
Income from the adjustment and release of provisions recognized in other operating expenses	59	18
Revenue from miscellaneous other activities	114	84
Income from hedging transactions and LTI programs	34	150
Income from foreign currency transactions and the translation of financial statements in foreign currencies	34	44
Gains on divestitures and the disposal of noncurrent assets	97	254
Reversals of impairment losses on noncurrent assets	4	3
Income from the reversal of valuation allowances for business-related receivables	59	31
Gains/losses from precious metal trading	141	161
Other	394	167
Other operating income	**934**	**912**

Other operating expenses
Million €

	H1 2023	H1 2022
Restructuring and integration measures	258	219
Environmental protection and safety measures, costs of demolition and removal, and project costs not subject to mandatory capitalization	264	201
Depreciation, amortization and impairments of noncurrent assets and of disposal groups	37	109
Costs from miscellaneous revenue-generating activities	101	76
Expenses from hedging transactions and LTI programs	50	30
Losses from foreign currency transactions and the translation of financial statements in foreign currencies	198	152
Losses from divestitures and the disposal of noncurrent assets	22	21
Expenses from the addition of valuation allowances on business-related receivables	24	40
Expenses for derecognition of obsolete inventory	93	113
Other	314	308
Other operating expenses	**1,361**	**1,269**

The decrease in **income from hedging transactions and LTI programs** was attributable to lower income from hedges for natural gas as a result of falling prices. In addition, the previous year had included income from the release of provisions for the long-term incentive (LTI) programs. In the first half of 2023, however, expenses were incurred for additions to these provisions.

The gains on **divestitures and the disposal of noncurrent assets** in the first half of 2023 were mainly due to the sale of an office building in Europe. The previous year's figure primarily included gains from the sale of 51% of shares in the company holding the interest in the Hollandse Kust Zuid wind farm.

The higher **other income** mainly included income from the sale of CO_2 certificates and from reimbursements from the public sector in connection with a plant closure in China in 2019.

Expenses for **restructuring and integration measures** in the first half of 2023 resulted mainly from restructuring measures relating to the cost savings program, focusing on Europe, the carve-out of the BASF Environmental Catalyst and Metal Solutions unit within the Catalysts division and measures to adapt the production structures at the Verbund site in Ludwigshafen, Germany.

Depreciation, amortization and impairments of noncurrent assets and of disposal groups were below the figure of the prior-year period in the first half of 2023. The previous year's effect was mainly an impairment in connection with the agreed divestment of the De Meern site in the Netherlands.

6 Equity

Authorization of share buybacks

By way of a resolution of the Annual Shareholders' Meeting of April 29, 2022, the Board of Executive Directors is authorized to buy back shares until April 28, 2027, in accordance with section 71(1) no. 8 of the German Stock Corporation Act (AktG). BASF prematurely terminated the current buyback program on February 24, 2023. In the period from January 1, 2023, to February 23, 2023, BASF SE purchased 1,332,765 of its own shares via the stock exchange at a total purchase price of €70,054,711. The redemption of the purchased treasury shares is scheduled for the second half of 2023.

Payment of dividends

In accordance with the resolution of the Annual Shareholders' Meeting on April 27, 2023, BASF SE paid a dividend of €3.40 per qualifying share from the retained profit of the 2022 fiscal year. With 892,522,164 qualifying shares, this represented total dividends of €3,034,575,358. The remaining €814,148,142 in retained profits was allocated to retained earnings.

7 Financial indebtedness

The following overview shows newly issued and redeemed instruments in the reporting period. In the case of commercial paper, the nominal volume relates to June 30, 2023 (December 31, 2022: $700 million). The amount of liabilities to credit institutions increased from €3,273 million as of December 31, 2022, to €4,674 million as of June 30, 2023.

Financial indebtedness
Million €

					Carrying amounts based on effective interest method	
		Currency	Nominal volume[a]	Effective interest rate	June 30, 2023	December 31, 2022
BASF SE						
Commercial paper		USD	2,680		2,441	654
Commercial paper		EUR	1,090		1,088	–
0.925%	Bond 2017/2023	USD	850	0.83%	–	795
0.101%	Bond 2020/2023	EUR	1,000	0.14%	–	1,000
4.000%	Bond 2023/2029	EUR	500	4.08%	498	–
4.250%	Bond 2023/2032	EUR	500	4.30%	498	–
4.500%	Bond 2023/2035	EUR	500	4.54%	498	–

a Million in issuing currency

8 Financial instruments

Carrying amounts and fair values of financial instruments as of June 30, 2023
Million €

	Carrying amounts	Total carrying amount within the scope of application of IFRS 7	Valuation categories in accordance with IFRS 9[b]	Fair value	Of which fair value level 1[c]	Of which fair value level 2[d]	Of which fair value level 3[e]
Shareholdings[a]	582	582	FVTPL	0	–	0	–
Receivables from finance leases	35	35	n/a	35	–	–	–
Accounts receivable, trade	12,717	12,717	AC	12,717	–	–	–
Accounts receivable, trade	115	115	FVTPL	115	–	115	–
Derivatives – no hedge accounting	1,240	1,240	FVTPL	1,263	12	1,212	39[g]
Derivatives – hedge accounting	264	264	n/a	264	–	264	–
Other receivables and miscellaneous assets[f]	5,658	1,426	AC	1,426	–	–	–
Other receivables and miscellaneous assets[f]	89	89	FVTPL	89	–	89	–
Securities	21	21	AC	21	–	–	–
Securities	297	297	FVTOCI	297	210	87	–
Securities	504	504	FVTPL	504	427	47	30
Cash equivalents	449	449	FVTPL	449	449	–	–
Cash and cash equivalents	2,025	2,025	AC	2,025	–	–	–
Total assets	**23,996**	**19,764**		**19,205**	**1,098**	**1,814**	**69**
Bonds	14,742	14,742	AC	13,688	12,279	1,409	–
Commercial paper	3,529	3,529	AC	3,529	–	–	–
Liabilities to credit institutions	4,674	4,674	AC	4,548	–	4,548	–
Liabilities from leases	1,517	1,517	n/a	1,517	–	–	–
Accounts payable, trade	6,011	6,011	AC	6,011	–	–	–
Derivatives – no hedge accounting	398	398	FVTPL	354	11	376	–33[h]
Derivatives – hedge accounting	15	15	n/a	15	0	15	–
Other liabilities[f]	2,194	1,258	AC	1,258	–	–	–
Total liabilities	**33,080**	**32,144**		**30,920**	**12,290**	**6,348**	**–33**

a In general, only significant shareholdings are measured at fair value. All insignificant shareholdings are measured at cost (carrying amount: €582 million). Fair value level 1 is applied to publicly listed shareholdings. Level 2 is applied to shareholdings for which valuation is based on parameters observable in the market to the greatest extent possible. These may be adjusted to reflect valuation-relevant characteristics of the respective shareholding in the fair value.
b AC: amortized cost; FVTOCI: fair value through other comprehensive income; FVTPL: fair value through profit or loss.
c Fair value was determined based on quoted, unadjusted prices on active markets.
d Fair value was determined based on parameters for which directly or indirectly quoted prices on active markets were available.
e Fair value was determined based on parameters for which there was no observable market data.
f Does not include separately shown derivatives or receivables and liabilities from finance leases. If miscellaneous receivables are valued at fair value through profit or loss, their valuation is generally based on parameters observable on the market. These are adjusted to reflect valuation-relevant characteristics of the respective assets in the fair value.
g The carrying amount of the contracts for difference for electricity prices reported in the balance sheet under other receivables and miscellaneous assets is €16 million after subtracting the differences of €23 million described on page 39.
h The carrying amount of the contracts for difference for electricity prices reported in the balance sheet under other liabilities is €11 million after subtracting the differences of €44 million described on page 39.

Carrying amounts and fair values of financial instruments as of December 31, 2022

Million €

	Carrying amounts	Total carrying amount within the scope of application of IFRS 7	Valuation categories in accordance with IFRS 9[b]	Fair value	Of which fair value level 1[c]	Of which fair value level 2[d]	Of which fair value level 3[e]
Shareholdings[a]	539	539	FVTPL	0	–	0	–
Receivables from finance leases	34	34	n/a	34	–	–	–
Accounts receivable, trade	11,787	11,787	AC	11,787	–	–	–
Accounts receivable, trade	268	268	FVTPL	268	–	268	–
Derivatives – no hedge accounting	1,030	1,030	FVTPL	1,054	1	1,021	32[g]
Derivatives – hedge accounting	317	317	n/a	317	–	317	–
Other receivables and miscellaneous assets[f]	6,931	1,346	AC	1,346	–	–	–
Other receivables and miscellaneous assets[f]	89	89	FVTPL	89	–	89	–
Securities	25	25	AC	25	–	–	–
Securities	120	120	FVTOCI	120	42	78	–
Securities	668	668	FVTPL	668	204	464	–
Cash equivalents	447	447	FVTPL	447	447	–	–
Cash and cash equivalents	2,069	2,069	AC	2,069	–	–	–
Total assets	**24,324**	**18,739**		**18,224**	**694**	**2,237**	**32**
Bonds	15,088	15,088	AC	13,946	12,533	1,413	–
Commercial paper	654	654	AC	654	–	–	–
Liabilities to credit institutions	3,273	3,273	AC	3,175	–	3,175	–
Liabilities from leases	1,488	1,488	n/a	1,488	–	–	–
Accounts payable, trade	8,434	8,434	AC	8,434	–	–	–
Derivatives – no hedge accounting	386	386	FVTPL	340	10	359	–29[h]
Derivatives – hedge accounting	1	1	n/a	1	–	1	–
Other liabilities[f]	3,099	2,205	AC	2,205	–	–	–
Total liabilities	**32,423**	**31,529**		**30,243**	**12,543**	**4,948**	**–29**

a In general, only significant shareholdings are measured at fair value. All insignificant shareholdings are measured at cost (carrying amount: €539 million). Fair value level 1 is applied to publicly listed shareholdings. Level 2 is applied to shareholdings for which valuation is based on parameters observable in the market to the greatest extent possible. These may be adjusted to reflect valuation-relevant characteristics of the respective shareholding in the fair value.
b AC: amortized cost; FVTOCI: fair value through other comprehensive income; FVTPL: fair value through profit or loss.
c Fair value was determined based on quoted, unadjusted prices on active markets.
d Fair value was determined based on parameters for which directly or indirectly quoted prices on active markets were available.
e Fair value was determined based on parameters for which there was no observable market data.
f Does not include separately shown derivatives or receivables and liabilities from finance leases. If miscellaneous receivables are valued at fair value through profit or loss, their valuation is generally based on parameters observable on the market. These are adjusted to reflect valuation-relevant characteristics of the respective assets in the fair value.
g The carrying amount of the contracts for difference for electricity prices reported in the balance sheet under other receivables and miscellaneous assets is €8 million after subtracting the differences of €24 million.
h The carrying amount of the contracts for difference for electricity prices reported in the balance sheet under other liabilities is €17 million after subtracting the differences of €46 million.

The fair values of bonds carried at amortized cost are determined by directly observable exchange prices (level 1), or by the present value of the future cash flows (level 2). The fair values of liabilities to credit institutions are determined by the present value of future cash flows, using term- and credit risk-adequate interest rates.

For trade accounts receivable, other receivables and miscellaneous assets, securities, cash and cash equivalents, commercial paper, trade accounts payable and other liabilities carried at amortized cost, the carrying amount approximates the fair value due to the predominantly short terms.

Financial instruments measured at fair value – valuation methods and inputs

Million €

Financial instrument	Fair value level	Description	Valuation method	Significant input factors for the determination of fair values	June 30, 2023	Dec. 31, 2022
Accounts receivable, trade	Level 2	Receivables with embedded commodity derivatives	Discounting of expected future cash flows	Observable commodity price quotations, yield curves, credit default risk premiums	115	268
Derivatives with positive fair values	Level 1	Exchange-traded commodity derivatives	Based on prices quoted in an active market for identical assets	Exchange price as of the balance sheet date	12	1
	Level 2	OTC currency, interest and commodity derivatives	Discounting of expected future cash flows, option pricing models	Exchange rate quotations, observable yield curves, commodity price quotations, currency and commodity price volatilities, credit default risk premiums	1,476	1,338
	Level 3	Contracts for difference for electricity prices	Discounting of expected future cash flows	Electricity price quotations, long-term electricity price forecasts[a], expected production volumes[a], expected date of startup[a], yield curves, credit default risk premiums	39[b]	32[c]
Other receivables and miscellaneous assets	Level 2	Performance-based interest loan to the BASF Pensionskasse VVaG	Discounting of expected future cash flows	Expected cash flows from the investment portfolio, discount factors	80	80
	Level 2	Insurance surrender value	Surrender value based on contractual agreement	Surrender value as of the balance sheet date	9	9
Securities	Level 1	Publicly traded fund shares	Based on prices quoted in an active market for identical assets	Market price as of the balance sheet date	427	204
	Level 1	Publicly traded bonds	Based on prices quoted in an active market for identical assets	Market price as of the balance sheet date	210	42
	Level 2	Not publicly traded bonds	Emitter pricing based on recognized valuation methods	Yield curves, credit default risk premiums	87	78
	Level 2	Not publicly traded fund shares	Consideration of the fair value of equity and debt instruments in which the funds invest	Market price as of the balance sheet date, yield curves, credit default risk premiums, net asset values of the fund investments	47	464
	Level 3	Not publicly traded fund shares	Consideration of the fair value of the company or the individual assets in which the funds invest	Net asset values of fund investments[a]	30	–
Cash and cash equivalents	Level 1	Publicly traded money market funds	Based on prices quoted in an active market for identical assets	Market price as of the balance sheet date	449	447
Derivatives with negative fair values	Level 1	Exchange-traded commodity derivatives	Based on prices quoted in an active market for identical debts	Exchange price as of the balance sheet date	11	10
	Level 2	OTC currency, interest and commodity derivatives	Discounting of expected future cash flows, option pricing models	Exchange rate quotations, observable yield curves, commodity price quotations, currency and commodity price volatilities, credit default risk premiums	391	360
	Level 3	Contracts for difference for electricity prices	Discounting of expected future cash flows	Electricity price quotations, long-term electricity price forecasts[a], expected production volumes[a], expected date of startup[a], yield curves, credit default risk premiums	–33[d]	–29[e]

a Unobservable level 3 inputs
b The carrying amount of the contracts for difference for electricity prices reported in the balance sheet under other receivables and miscellaneous assets is €16 million after subtracting the differences of €23 million described on page 39.
c The carrying amount of the contracts for difference for electricity prices reported in the balance sheet under other receivables and miscellaneous assets is €8 million after subtracting the differences of €24 million.
d The carrying amount of the contracts for difference for electricity prices reported in the balance sheet under other liabilities is €11 million after subtracting the differences of €44 million described on page 39.
e The carrying amount of the contracts for difference for electricity prices reported in the balance sheet under other liabilities is €17 million after subtracting the differences of €46 million.

The contracts for difference for electricity prices shown in the above tables relate to derivatives embedded in so-called virtual power purchase agreements (virtual PPAs), which are accounted for separately. The respective solar power plants are scheduled to go into operation in the second half of 2023 and in 2024.

A change in the key valuation parameters as of June 30, 2023, would have affected the fair value of the contracts for difference for electricity prices as follows:

Sensitivities virtual PPA contracts for difference for electricity prices
Million €

Change in expected electricity prices		Change in expected production volumes		Date of startup[a]	
+10%	–10%	+10%	–10%	3 months later than expected	3 months earlier than expected
23	–23	7	–7	–2	2

a Due to differing forward prices for electricity in the relevant months and the seasonality of solar power generation, linear extrapolation of the values is not possible.

At the time of initial recognition, the fair values of the contracts for difference for electricity prices, which were calculated using a valuation model, were higher than the respective transaction prices of zero. As these are level 3 fair values, the differences were deferred and subsequently reported in the balance sheet together with the positive or negative fair value of the respective contract for difference for electricity prices, according to the valuation model. The differences are amortized over the terms of the contracts using the straight-line method and recognized in the income statement under other operating income.

Development of the differences yet to be amortized of contracts for difference of electricity prices embedded in virtual PPAs
Million €

Differences yet to be amortized through profit or loss as of January 1, 2023	70
Additions in the reporting period	–
Amounts recognized in profit or loss in the current reporting period	–2
Currency translation	–1
Disposals in the reporting period	–
Differences yet to be amortized through profit or loss as of June 30, 2023	**67**

Development of assets and liabilities measured at level 3 fair value
Million €

	Contracts for difference for electricity prices	Not publicly traded fund shares
Carrying amounts as of January 1, 2023	61[a]	–
Purchases	–	–
Sales	–	–
Issues	–	–
Settlements	–	–
Reclassification into or from level 3	–	–
Gains and losses recognized in other operating result	12	–
of which unrealized gains and losses attributable to assets and liabilities held at the end of the reporting period	12	–
Currency translation	–1	–
Other	–	30[b]
Carrying amounts as of June 30, 2023	**72[a]**	**30**

a Carrying amounts before deducting the differences yet to be amortized listed in the table: development of the differences yet to be amortized of contracts for difference of electricity prices embedded in virtual PPAs
b The addition related to the first-time consolidation of a fund effective June 30, 2023, which had previously been accounted for as a financial instrument measured at fair value (level 2) through profit or loss in its entirety.

In the reporting period, there were no re-classifications between fair value levels 1 and 2 for financial assets or liabilities accounted for at fair value.

9 Related party transactions

The balance of valuation allowances on trade accounts receivable from nonconsolidated subsidiaries amounted to €3 million as of both June 30, 2023, and December 31, 2022. The balance from joint ventures declined from €3 million as of December 31, 2022, to €2 million as of June 30, 2023.

The balance of valuation allowances on other receivables from nonconsolidated subsidiaries amounted to €99 million as of both June 30, 2023, and December 31, 2022.

Both the decrease in goods and services rendered to joint ventures and associated companies and the decrease in goods and services received from associated companies were attributable to a fall in energy prices and currency effects.

The decrease in trade accounts receivable from and trade accounts payable to joint ventures and associated companies were attributable to a fall in prices and volumes.

The increase in other receivables from nonconsolidated subsidiaries resulted mainly from financing transactions as well as outstanding dividend payments, profit and loss transfer agreements and cash pooling accounts.

The following tables show the volume of business with related parties that are included in the Consolidated Financial Statements at amortized cost or accounted for using the equity method.

There were no reportable related-party transactions with members of the Board of Executive Directors or the Supervisory Board and their related parties during the reporting period.

Sales to related parties H1

Million €

	Goods and services rendered		Goods and services received	
	2023	2022	2023	2022
Nonconsolidated subsidiaries	619	670	172	227
Joint ventures	453	681	668	787
Associated companies	95	103	721	1,216

Receivables from / liabilities to related parties

Million €

	Accounts receivable, trade		Accounts payable, trade		Other receivables		Other liabilities	
	June 30, 2023	December 31, 2022	June 30, 2023	December 31, 2022	June 30, 2023	December 31, 2022	June 30, 2023	December 31, 2022
Nonconsolidated subsidiaries	406	400	146	159	319	242	165	189
Joint ventures	150	305	128	178	32	27	25	27
Associated companies	34	47	86	229	10	7	17	21

Responsibility Statement

To the best of our knowledge, and in accordance with the applicable reporting principles for half-year financial reporting, the Condensed Consolidated Half-Year Financial Statements give a true and fair view of the net assets, financial position and results of operations of the Group, and the Consolidated Interim Management's Report includes a fair review of the development and performance of the business as well as the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group for the remaining fiscal year.

Ludwigshafen, July 25, 2023

BASF SE
The Board of Executive Directors

Selected Key Figures Excluding Precious Metals

The IFRS figures correspond to the amounts presented in the Consolidated Half-Year Financial Statements. The adjusted figures exclude sales in precious metal trading and precious metal sales in the automotive catalysts business.

BASF Group
Million €

	Q2				H1			
	2023		2022		2023		2022	
	IFRS figure	Adjusted figure	IFRS figure	Adjusted figure	IFRS figure	Adjusted figure	IFRS figure	Adjusted figure
Sales	17,305	15,289	22,974	19,705	37,297	32,788	46,058	39,375
Volume growth	–9.9%	–10.0%	–4.4%	–0.2%	–11.4%	–11.2%	–2.6%	2.0%
EBITDA before special items	1,944	1,944	3,293	3,293	4,809	4,809	7,036	7,036
EBITDA margin before special items	11.2%	12.7%	14.3%	16.7%	12.9%	14.7%	15.3%	17.9%

Surface Technologies
Million €

	2023		2022		2023		2022	
	IFRS figure	Adjusted figure	IFRS figure	Adjusted figure	IFRS figure	Adjusted figure	IFRS figure	Adjusted figure
Sales	4,226	2,210	5,446	2,176	8,804	4,295	10,903	4,220
Volume growth	–5.1%	1.5%	–14.2%	–0.4%	–9.0%	–3.8%	–14.3%	–1.2%
EBITDA before special items	374	374	365	365	776	776	766	766
EBITDA margin before special items	8.8%	16.9%	6.7%	16.8%	8.8%	18.1%	7.0%	18.2%

Quarterly Statement Q3 2023

October 31, 2023

BASF Report 2023

February 23, 2024

Quarterly Statement Q1 2024 / Annual Shareholders' Meeting 2024

April 25, 2024

Half-Year Financial Report 2024

July 26, 2024

Quarterly Statement Q3 2024

October 30, 2024

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Further information

Published on July 28, 2023
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Forward-looking statements and forecasts

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