

# Winning Ways strategy

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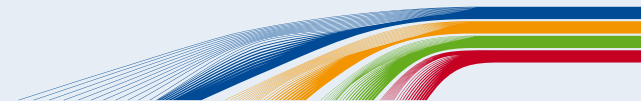
## Capital Market Story



 **BASF**  
We create chemistry

# Cautionary note regarding forward-looking statements

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





# Winning Ways

## strategy

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**New direction for portfolio steering, capital allocation and performance culture launched in September 2024**

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The past 20 months have shown that we are **focusing on the right topics with our strategy**

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**We are making significant progress** and are concentrating on those things that are in our control



# Our ambition: To be the preferred chemical company to enable our customers' green transformation

## Strategic levers



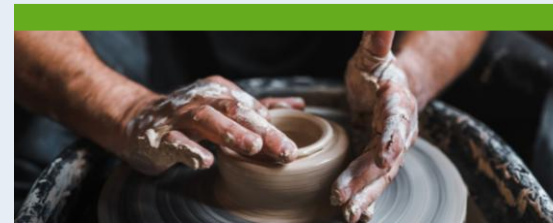
### Focus

- Strengthen the core and unlock the value of our standalone businesses
- Enhance our footprint in high-growth markets
- Allocate capital based on clear portfolio roles



### Accelerate

- Empower our businesses through streamlined and differentiated group steering
- Simplify our organizational structure
- Harness AI to advance productivity and accelerate innovation



### Transform

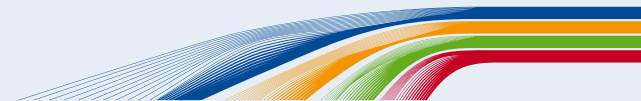
- Shape value-based transformation toward a sustainable product portfolio
- Drive sustainable-future solutions and net-zero measures at scale
- Make European operations more competitive



### Win

- Drive change toward a winning culture
- Step up accountability, speed and performance orientation
- Foster a mindset of continuous improvement

> **Delivering profitable growth and value creation**



# We technically adjusted<sup>1</sup> our financial targets for 2028 due to the coatings transaction and stick to attractive shareholder distributions

## Corporate financial targets<sup>2</sup>

<sup>2</sup> Current portfolio, including Other

**€9bn-€11bn**  
previous  
€10bn-€12bn

EBITDA before  
special items 2028

**~€11bn**  
previous  
>€12bn

Free cash flow,  
cumul. 2025-2028

**~10%**  
unchanged

ROCE 2028

## Capital allocation framework

Maintain  
financial  
strength

Grow with  
high capital  
efficiency

Sharpen the  
portfolio

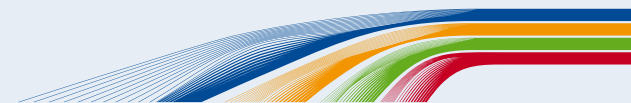


Shareholder distributions via  
dividends and share buybacks  
2025-2028:



Overall distribution  
on the level of the last years

<sup>1</sup> As a result of the reclassification of the automotive OEM coatings, automotive refinish coatings and surface treatment businesses, we have made the necessary technical adjustment in February 2026. The differences reflect the expected contribution of the coatings businesses that are part of the transaction with Carlyle and are reported as discontinued operations retroactively as of January 1, 2025.



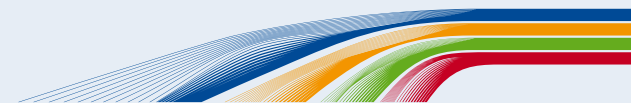
# We are taking a balanced approach to capital allocation in line with our “Winning Ways” strategy

## Cash contributions

- **Consistent execution of portfolio measures in standalone businesses:**
  - Sale of decorative paints business to Sherwin Williams closed on Oct. 1, 2025
  - Coatings transaction between BASF and Carlyle expected to close in Q2 2026, subject to regulatory approvals
- **Further monetization of oil and gas:**
  - Proceeds from sale of part of BASF’s Harbour Energy shares of ~€300 million in Q1 2026
  - Payments from Wintershall Dea related to federal investment guarantees of ~€800 million in Q1 2026

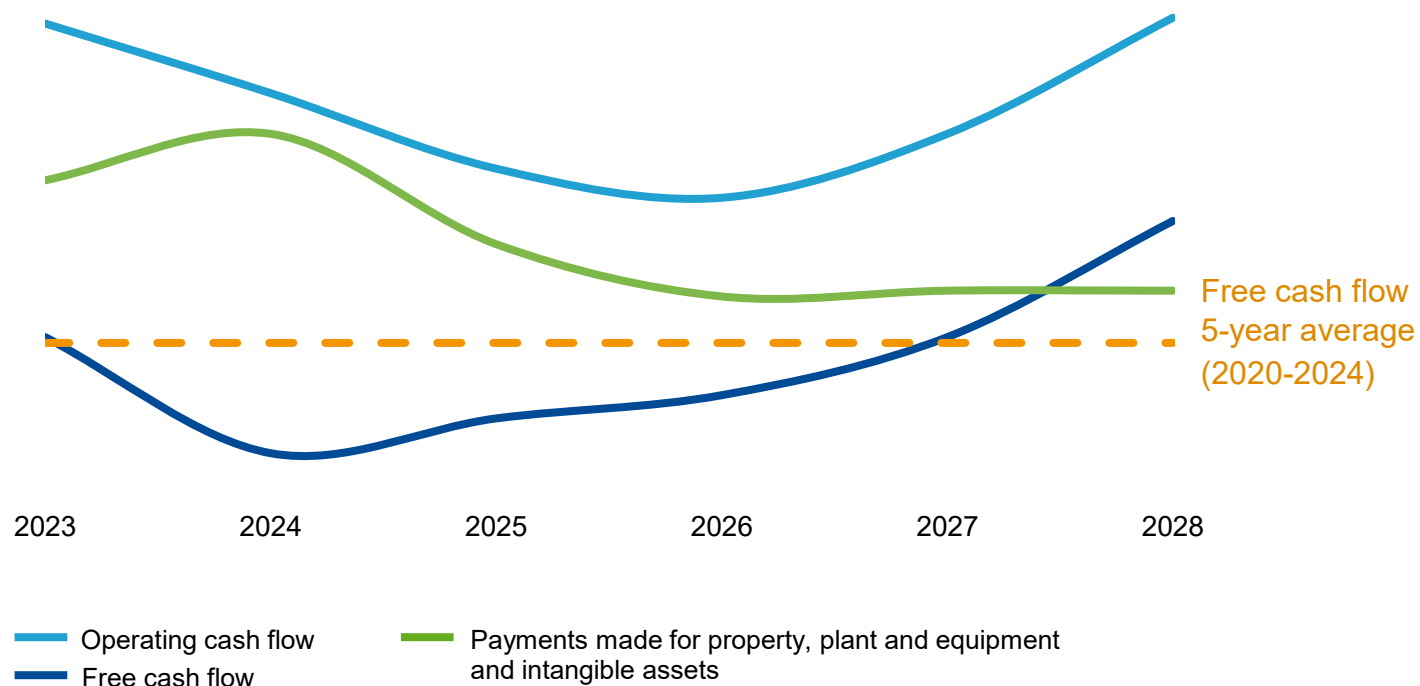
## Cash allocations

- **Shareholder distributions 2025-2028 of at least €12 billion via dividends and share buybacks:**
  - Thereof at least €8 billion in dividends, equaling €2.25 per share annually
  - Thereof at least €4 billion in share buybacks
- **Net debt reduction** to support balance sheet and single A credit rating
- **Capex** (excl. intangibles) **to come down by 20% from 2026 to 2029** compared with 2025 to 2028
- **Value-accretive M&A**, a potential lever to strengthen and grow the core businesses



# We aim to achieve our €11 billion free cash flow target by reducing capex, realizing cost savings and optimizing working capital

Billion €



Operating cash flow<sup>1</sup>

~€25 billion

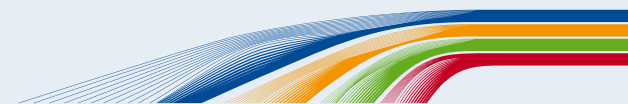
Payments made for property, plant and equipment and intangible assets<sup>1</sup>

~€14 billion

Free cash flow<sup>1</sup>

~€11 billion

<sup>1</sup> Cumulative 2025–2028



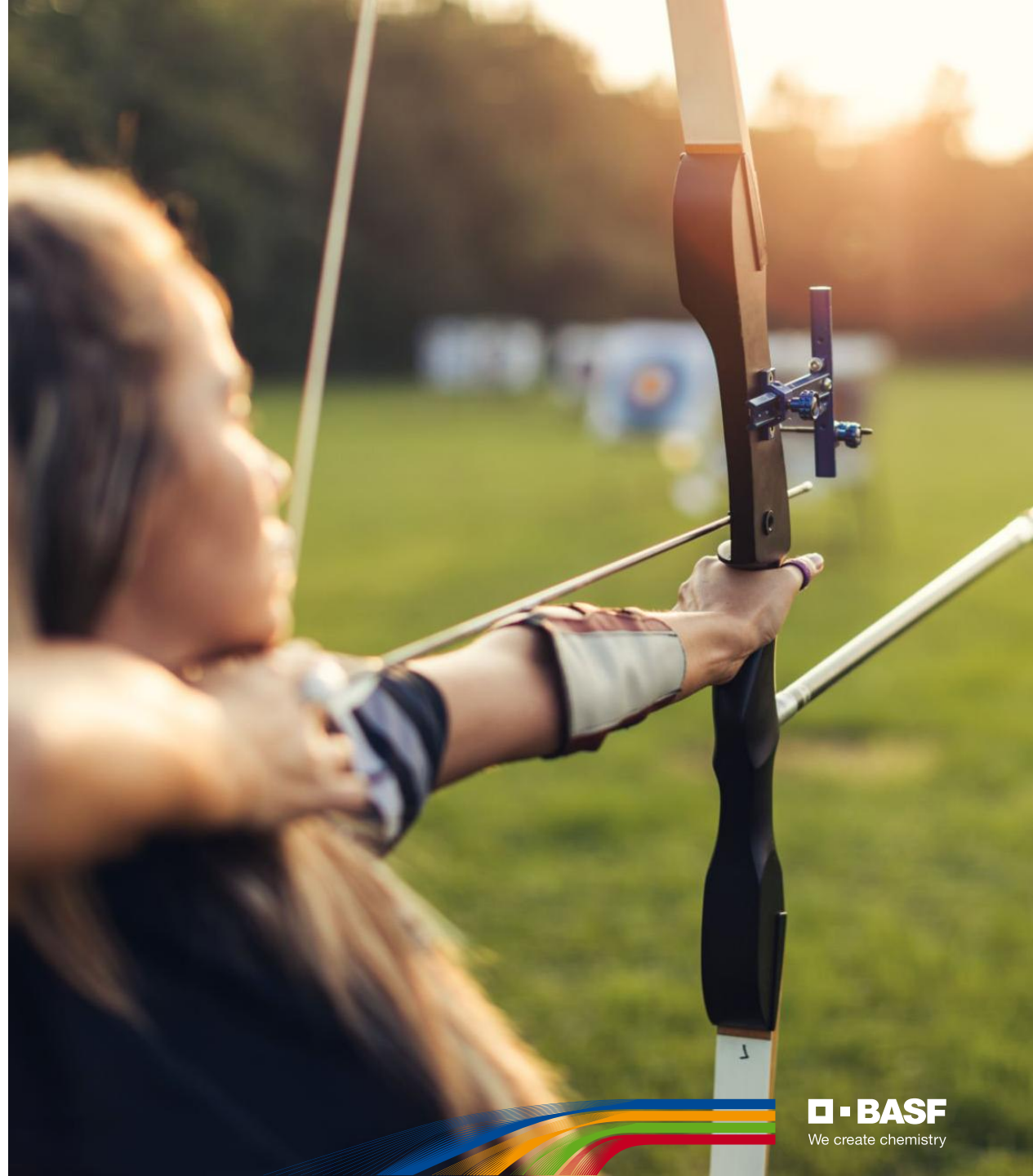
# We deliver on our attractive shareholder distribution policy

## Dividend

- **Dividend of €2.25 per share** for the fiscal year 2025; in line with BASF's shareholder distribution policy
- **Dividend yield of 5.1%** based on the share price of €44.43 at year-end 2025

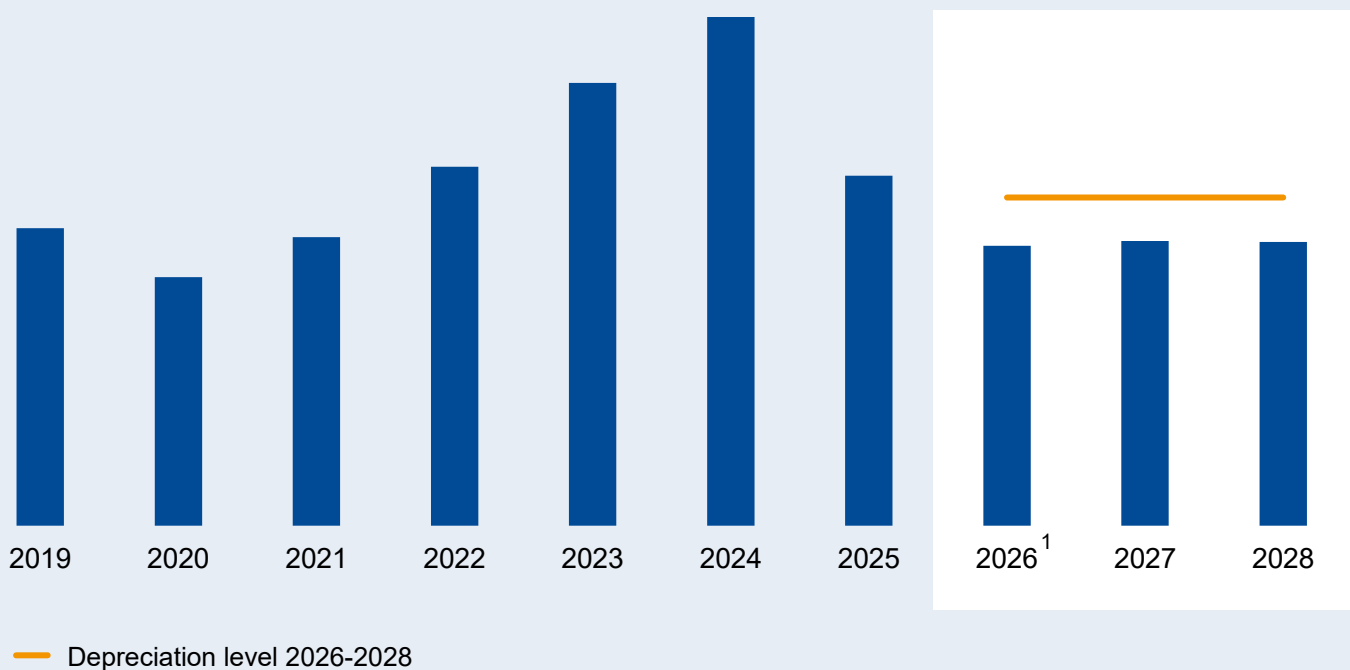
## Share buyback

- In view of considerable cash inflows, in particular from portfolio measures, BASF has resolved to buy back shares with a **volume of up to €1.5 billion between November 2025 and June 2026**; this is part of the share buyback announced in September 2024 of at least €4 billion by the end of 2028
- **By April 20, 2026, shares for ~€880 million** were bought back or 2.2% of the outstanding shares under this program



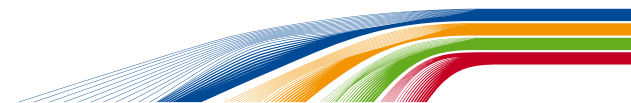
# We are realizing the benefits of earlier investments and bringing down capex below depreciation as of 2026

Payments made for property, plant and equipment and intangible assets (billion €)



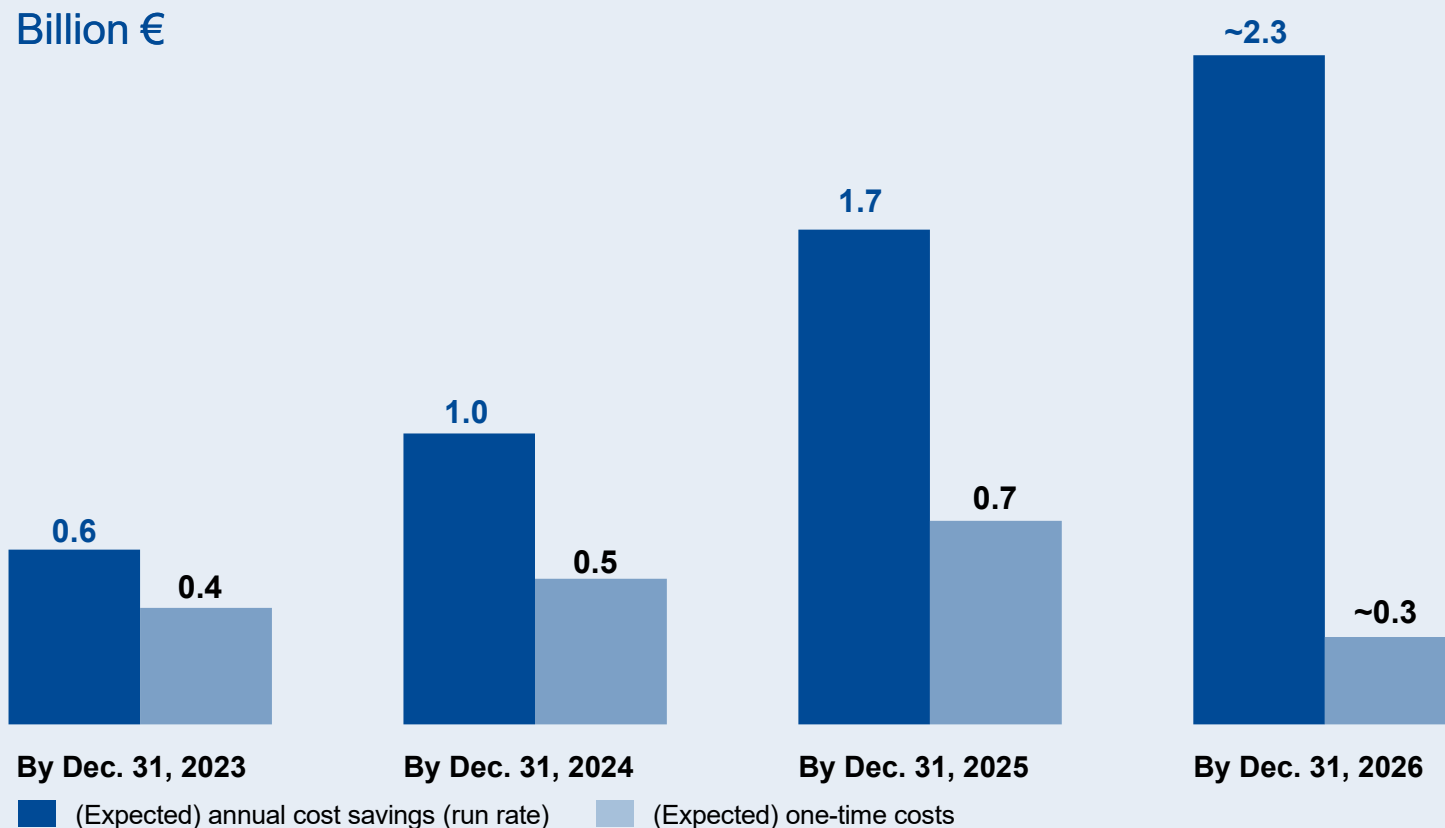
- In 2025, we reduced capex (including intangibles) to **€4.3 billion** after the investment peak of €6.2 billion in 2024
- In 2026, we will further **lower capex** (including intangibles) to **~€3.4 billion**
- **We will increase the asset utilization of existing capacities** to support volume growth

<sup>1</sup> Until closing of the coatings transaction (targeted for Q2 2026), payments made for property, plant and equipment and intangible assets of the discontinued coatings business are still recognized



# On track to achieve the targeted cost savings of ~€2.3 billion by end of 2026

Billion €



Due to rounding, individual figures on this slide may not add up exactly to the totals shown.



- By the end of March 2026, we achieved cost savings of ~€1.9 billion (run rate)
- Cumulative one-time costs of ~€1.9 billion expected by year-end 2026, of which ~€1.6 billion incurred as of March 31, 2026

# Core and standalone businesses have different value creation levers

## Core businesses

### Chemicals



Petrochemicals

Intermediates

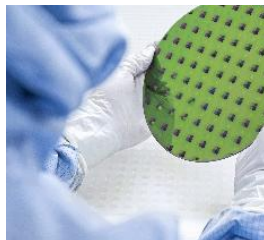
### Materials



Performance Materials

Monomers

### Industrial Solutions



Dispersions & Resins

Performance Chemicals

### Nutrition & Care



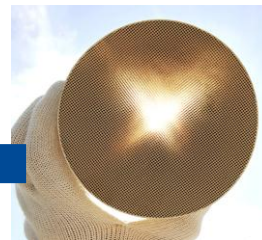
Care Chemicals

Nutrition & Health



## Standalone businesses

### Surface Technologies



Environmental Catalyst and Metal Solutions



Battery Materials



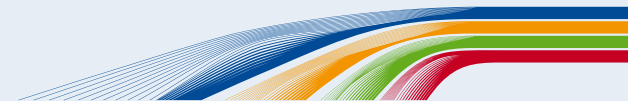
Coatings<sup>1</sup>

### Agricultural Solutions



Agricultural Solutions

<sup>1</sup> Owing to the planned divestiture of the automotive OEM coatings, automotive refinish coatings and surface treatment businesses to Carlyle, the affected business units have been classified as discontinued operations in accordance with IFRS 5 and are not anymore part of the Surface Technologies segment.



## Coatings business

(excl. decorative paints)

- BASF and Carlyle reached transaction agreement in Oct. 2025 to create a leading standalone company
- BASF will receive pre-tax cash proceeds of ~€5.8 billion and hold a 40% equity stake in the coatings business
- Transaction expected to close in Q2 2026, subject to regulatory approvals

## Decorative paints

- Sale of BASF's Brazilian decorative paints business closed in Oct. 2025
- Disposal gain before taxes of €664 million





## ECMS

Environmental Catalyst  
and Metal Solutions

**Sales 2025**

**€8.0 billion**

### Achievements

- Strong earnings and cash contributions delivered
- Lean standalone execution model established

### Direction of travel

- Stronger for longer: cumulative cash flow of ~€4 billion between 2024 and 2030
- Keep ECMS for longer since BASF is the best owner to operate this business



## Battery Materials

**Sales 2025**

**€0.6 billion**

### Achievements

- Fixed costs and capex significantly reduced
- Agreements signed with key customers, e.g., CATL, to fill existing capacities

### Direction of travel

- Further de-risk path forward
- Explore opportunities for collaborations along the value chain

## Full year 2025

- €9.6 billion sales
- €2.1 billion EBITDA bsi
- €1.5 billion segment cash flow

## Further achievements

- Good progress on legal entity and ERP separation
- Management Board to take office as of May 2026

## Direction of travel

- On track for IPO readiness in 2027
- Listing as Societas Europaea (SE) on the Frankfurt stock exchange targeted



# We are confident in our strength to win in the market with our core businesses

## Core businesses

### Chemicals



Petrochemicals

Intermediates

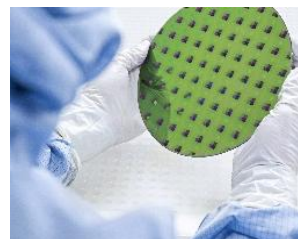
### Materials



Performance Materials

Monomers

### Industrial Solutions



Dispersions & Resins

Performance Chemicals

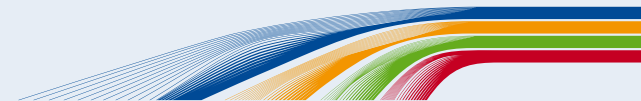
### Nutrition & Care



Care Chemicals

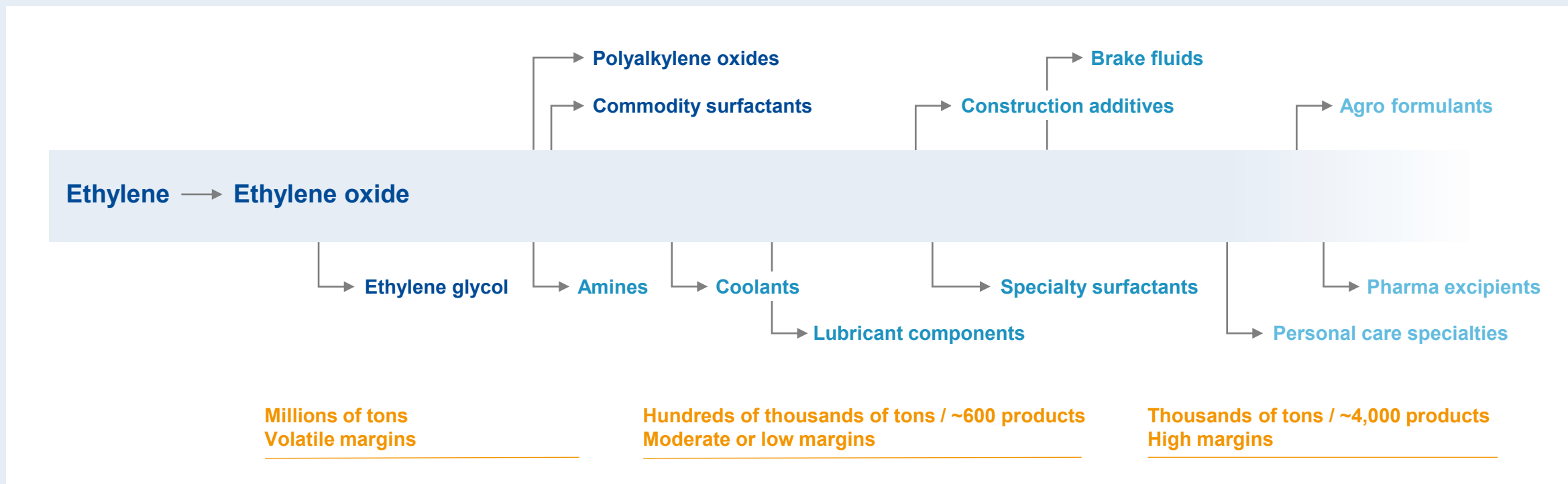
Nutrition & Health

- Building on **leading positions in key value chains** and acting as **best owner and operator**
- **Filling existing capacities and starting up new assets** in China and the United States to **strengthen local market positions**
- Making **targeted investments in growth markets**, such as electronic materials, despite bringing down capex overall
- Driving innovation and **enabling our customers' green transformation**



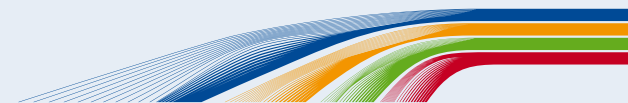
# We operate long and multiple-step value chains and sell products at every step in the value chain

## EO value chain as an example



> **Margins per C2 equivalent increase on average around 10-fold along the EO value chain**

Simplified diagram for illustrative purposes only



# 80% of our core businesses are deeply integrated in key value chains, giving us a competitive edge

We operate long and multiple-step value chains serving different markets with various technologies



We sell products at every step in the value chain with our leading local-for-local market presence

## Selected value chains

### C2 – ethylene oxide

Lowest cost through the chain; over-proportional share of high-value downstream products

### C3 – acrylics

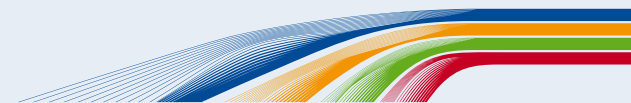
Fully integrated setup from propylene to acrylics, superabsorbents and dispersions

### C4 – isobutene

Long value chain with highest value-add to cracker; strong market position for fuel additives, vitamins, fragrances

### Polyurethanes

Highly competitive asset base in every region; downstream assets close to customers, creating resilient supply chains and enabling innovation



# We successfully started up all major assets at our Zhanjiang Verbund site

## New Verbund site in Zhanjiang, China

- Investment of €8.7 billion from 2019 to 2028; plants of the Verbund incl. flex-feed steam cracker successfully started up at the beginning of 2026
- First steam cracker in the world using 100% renewable energy to drive main compressors
- Key platform for long-term profitable and sustainable growth in the largest and fastest growing chemical market in the world



# MDI capacity expansion in Geismar nears completion

## MDI expansion in Geismar, Louisiana

- With ~\$1.0 billion, the MDI expansion is BASF's largest investment in North America
- Production capacity will double to ~600,000 metric tons per year; startup planned in Q3 2026
- Investment leverages state-of-the-art production technologies that will support the growth of our customers in various industries

# We generate around 15% of sales in core businesses from innovative products

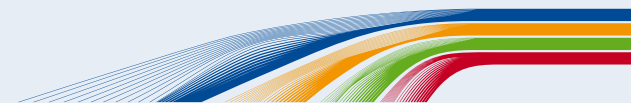


R&D generates **steady output of innovations** in core businesses

**Innovative products consistently deliver 3-5pp higher margins** than the existing portfolio

**Process R&D is particularly profitable**, with payback time of around 6 to 9 months

**~75% of R&D activities** in scope support **BASF's target for sales of Sustainable-Future Solutions**



# We are shaping the transformation based on and catering to increasing customer demand

## Phase 1 Explore and implement quick wins

1

- Implement Scope 2 measures with clear business cases
- Pilot new technologies and launch sustainable products

## Phase 2 Focus on market demand

2

- Secure increasing volumes of renewable feedstocks and ramp up volumes of products with sustainable attributes according to customer needs
- Execute Scope 1 measures with clear business cases

## Phase 3 Transform asset base based on strategic relevance

3

- Decarbonize existing assets and invest in new competitive technologies in line with customer demand and our net zero target

2024

2050

Low

High

Capex and customers' willingness to pay

# We are fully committed to our climate protection targets and the transformation of the chemical industry

## 2030

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### 25%

**Scope 1 and Scope 2**  
CO<sub>2</sub> emission reduction  
(compared with 2018)

### 15%

Specific **Scope 3.1**  
CO<sub>2</sub> emission reduction  
(compared with 2022)<sup>1</sup>

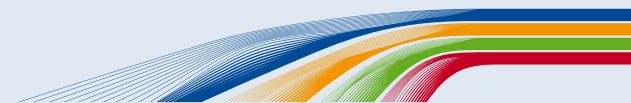
## 2050

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### Net zero

**Scope 1,  
Scope 2 and  
Scope 3.1**  
CO<sub>2</sub> emissions

<sup>1</sup> Corresponds to a reduction from 1.64 to 1.39 kilograms of CO<sub>2</sub> equivalents per kilogram of raw materials purchased; Scope 3.1, raw materials excluding battery materials, services and technical goods, excluding greenhouse gas emissions from BASF trading business



# Reasons to invest in BASF

We are **leading in the chemical industry**, which is **essential for growth industries** worldwide

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We are committed to **long-term value creation and attractive distributions to shareholders**

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We deliver **continuous product and process innovation** for a broad range of customer industries and to increase our own productivity

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We are **shaping the transformation to net zero** and **enable the green transformation of our customers**

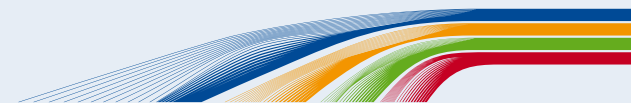
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We focus on **local production for local markets** and benefit from **leading market positions** in the majority of our businesses

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We have the **right team and a winning culture** to deliver superior value creation

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 **BASF**

We create chemistry