



Ludwigshafen, October 24, 2017

# Analyst Conference Call Q3 2017

 **BASF**  
We create chemistry

# Cautionary note regarding forward-looking statements

*This presentation contains forward-looking statements. These forward-looking statements are based on current estimates and projections of the Board of Executive Directors and on currently available information. These forward-looking statements are not guarantees of the future developments and results outlined therein. Rather, they depend on a number of factors, involve various risks and uncertainties, and are based on assumptions that may not prove to be accurate. Such risk factors particularly include those discussed on pages 111 to 118 of the BASF Report 2016. The BASF Report is available online at [basf.com/report](http://basf.com/report). BASF does not assume any obligation to update the forward-looking statements contained in this presentation.*

# BASF Group Q3 2017

Considerably higher sales and earnings

| Financial figures           | Q3 2017       | Q3 2016       | Change |
|-----------------------------|---------------|---------------|--------|
| Sales                       | €15.3 billion | €14.0 billion | 9%     |
| EBITDA before special items | €2.8 billion  | €2.5 billion  | 12%    |
| EBITDA                      | €3.0 billion  | €2.4 billion  | 23%    |
| EBIT before special items   | €1.8 billion  | €1.5 billion  | 16%    |
| EBIT                        | €2.0 billion  | €1.5 billion  | 34%    |
| Net income                  | €1.3 billion  | €0.9 billion  | 50%    |
| Reported EPS                | €1.45         | €0.97         | 49%    |
| Adjusted EPS                | €1.40         | €1.10         | 27%    |
| Operating cash flow         | €3.8 billion  | €2.5 billion  | 52%    |

## Sales development

Q3 2017 vs. Q3 2016

### Volumes

↑ 4%

### Prices

↑ 7%

### Portfolio

↑ 1%

### Currencies

↓ (3%)

# BASF to acquire Solvay's global polyamide business



## Broader global scope

- Enhanced presence, especially in Asia and South America
- Stronger capabilities to serve global and regional customers

## Wider range of engineering plastics

- Technyl<sup>®</sup>, Ultramid<sup>®</sup>, Ultradur<sup>®</sup>, Ultraform<sup>®</sup>, Ultracom<sup>®</sup>

## Broadening technical skills and innovation capabilities\*

- Heat-resistant and high-voltage electrical and electronic parts
- Tailor-made solutions for components in automotive
- Mechanically strong and thermally stable consumer goods

## Improved reliability of supply

- Backward integration into all key raw materials for polyamide 6.6
- Fully integrated engineering plastics value chain

# BASF signed agreement to acquire significant parts of Bayer's seed and non-selective herbicide businesses



## Fully enabled seed and trait businesses

- Attractive and sizeable seed portfolio for canola/oilseed rape, soybean and cotton in the Americas and Europe
- Excellent trait research for canola, soybean and cotton
- LibertyLink® technology for herbicide tolerance and related trademarks

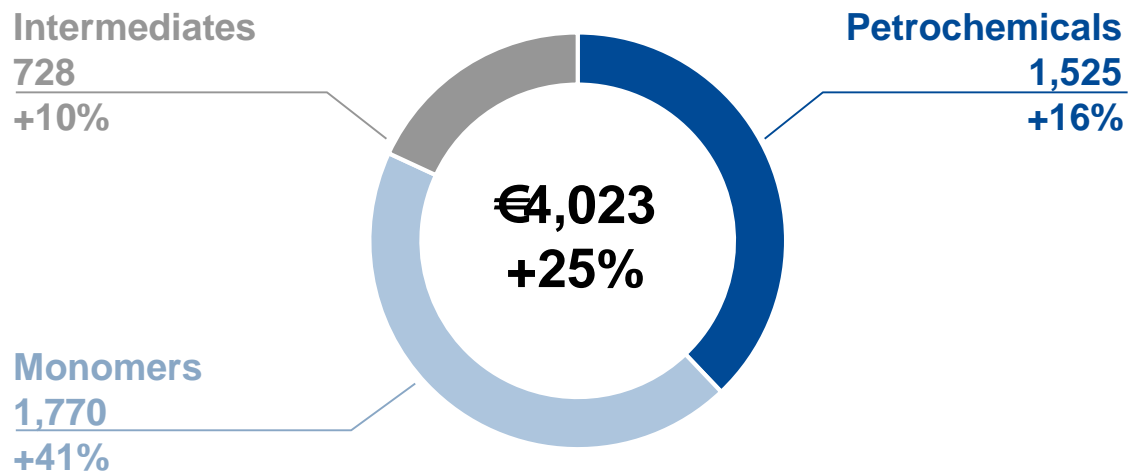
## Complementary crop protection business

- Global glufosinate-ammonium-based non-selective herbicide business
- State-of-the-art production facilities in the U.S., Canada and Germany

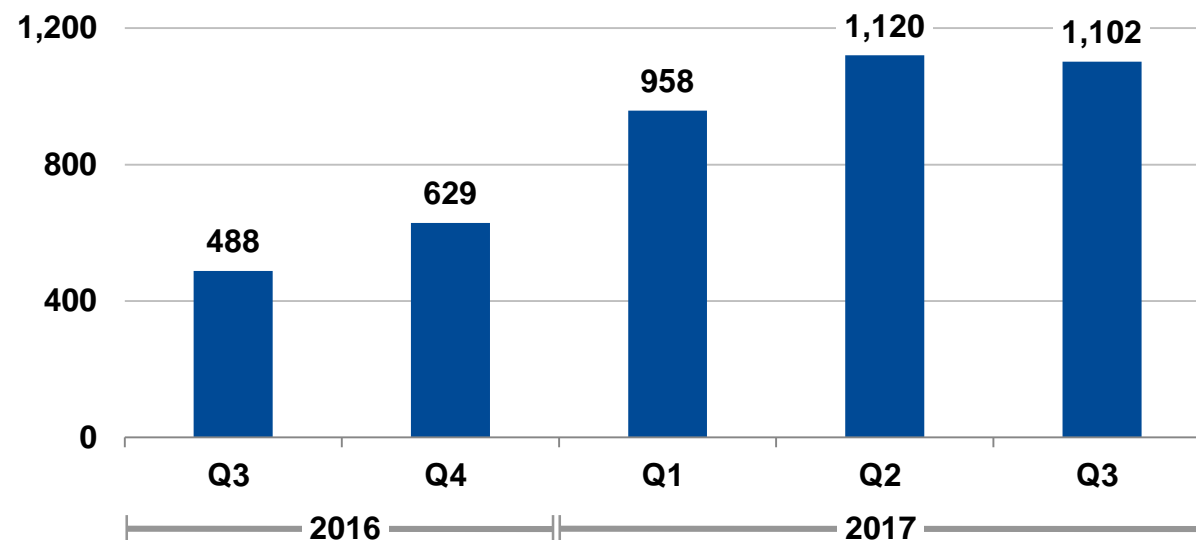
# Chemicals

Higher earnings driven by increased margins and higher volumes

## Sales Q3 2017 vs. Q3 2016\* million €



## EBIT before special items\* million €



### Sales development

Q3 2017 vs. Q3 2016

### Volumes

↑ 6%

### Prices

↑ 22%

### Portfolio

0%

### Currencies

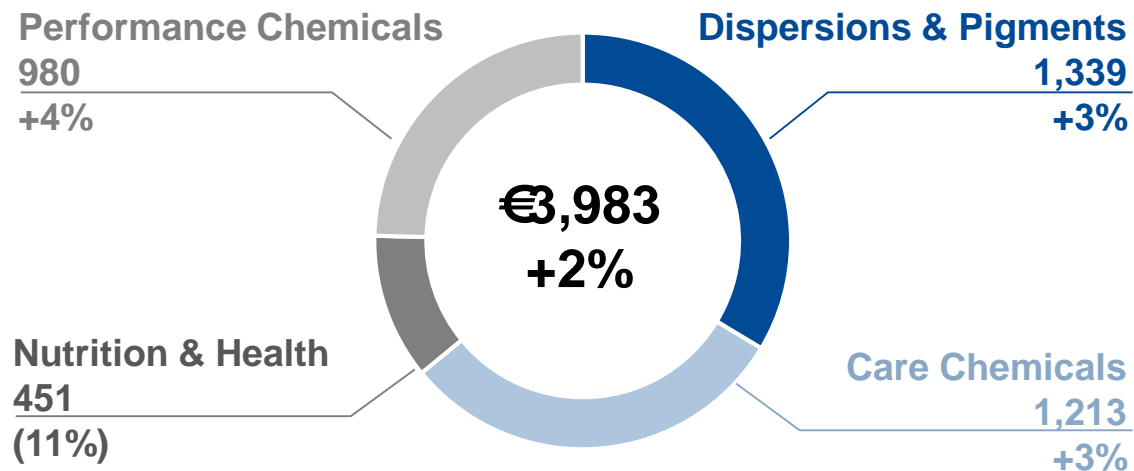
↓ (3%)

\* Effective January 1, 2017, the Monomers and Dispersions & Pigments divisions' activities for the electronics industry were combined into the global Electronic Materials business unit and allocated to the Dispersions & Pigments division in the Performance Products segment. The 2016 figures have been adjusted accordingly.

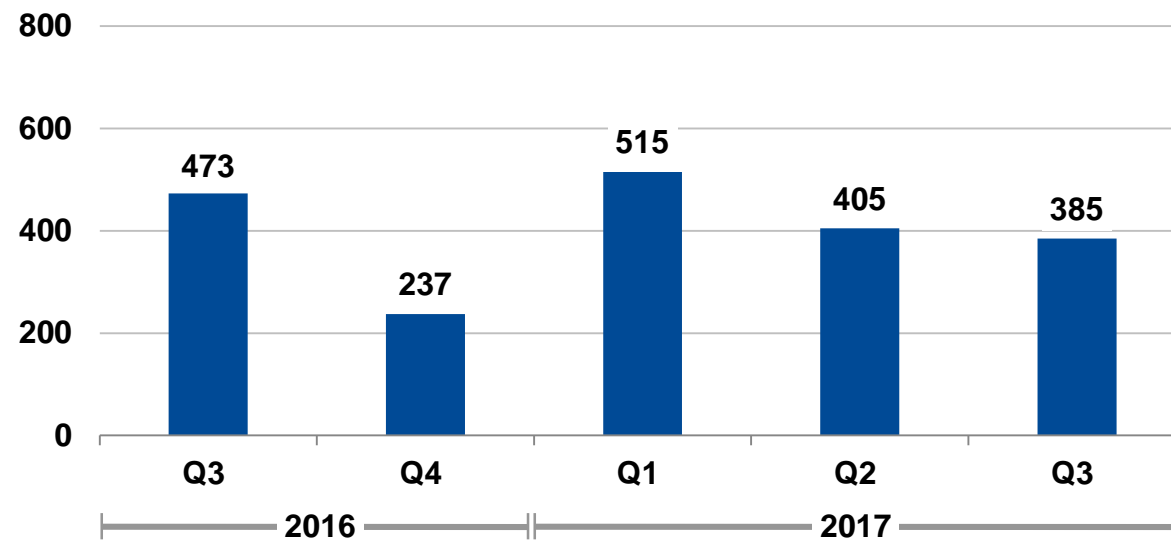
# Performance Products

EBIT before special items declined, EBIT increased due to special income from transfer of leather chemicals business

## Sales Q3 2017 vs. Q3 2016\* million €



## EBIT before special items\* million €



### Sales development

Q3 2017 vs. Q3 2016

### Volumes

↑ 6%

### Prices

0%

### Portfolio

↓ (1%)

### Currencies

↓ (3%)

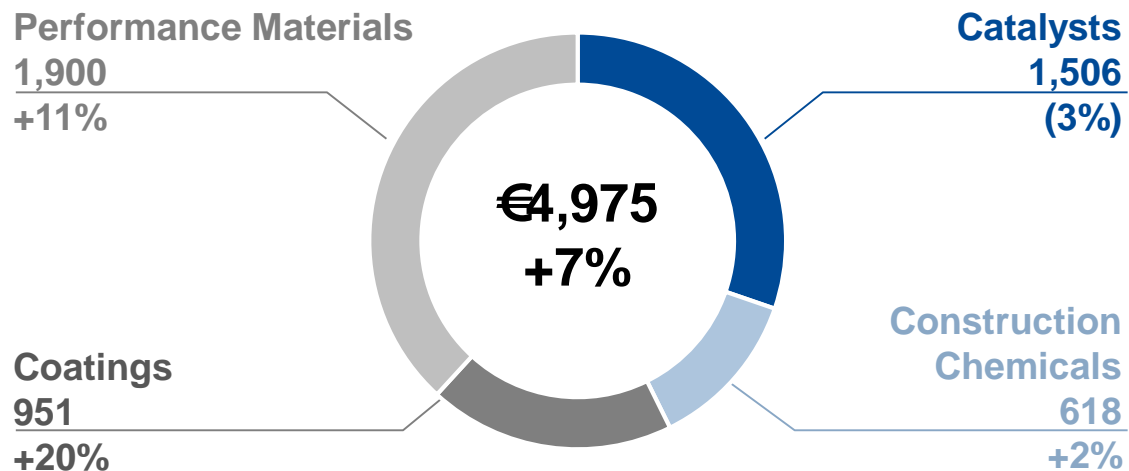
\* Effective January 1, 2017, the Monomers and Dispersions & Pigments divisions' activities for the electronics industry were combined into the global Electronic Materials business unit and allocated to the Dispersions & Pigments division in the Performance Products segment. The 2016 figures have been adjusted accordingly.

# Functional Materials & Solutions

Sales increased on good demand from automotive and construction, earnings declined

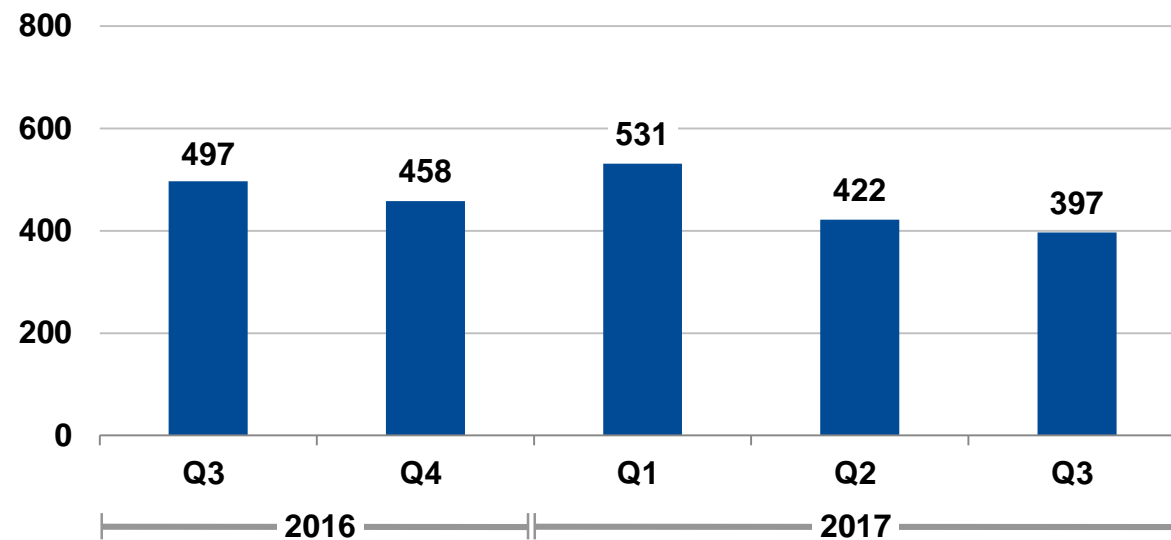
## Sales Q3 2017 vs. Q3 2016

million €



## EBIT before special items

million €



### Sales development

Q3 2017 vs. Q3 2016

### Volumes

0%

### Prices

↑ 6%

### Portfolio

↑ 4%

### Currencies

↓ (3%)

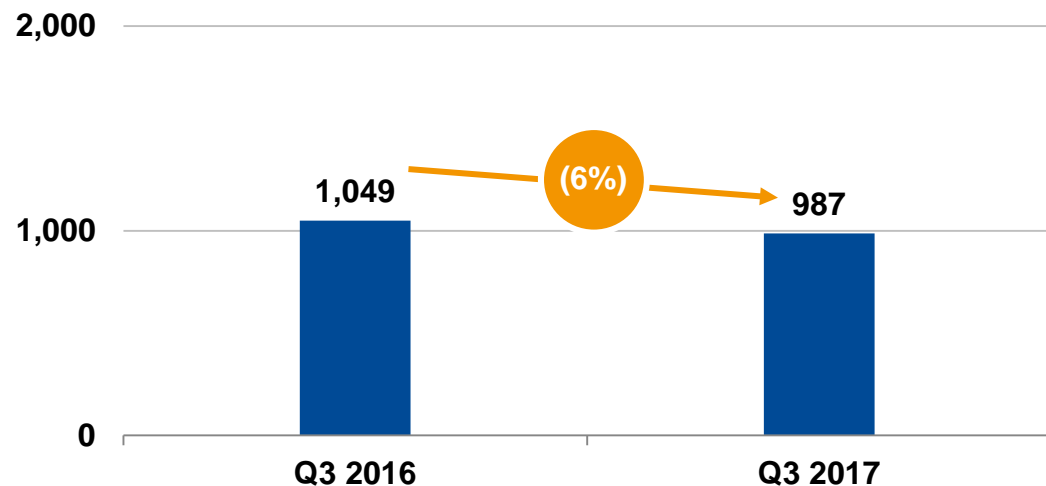


# Agricultural Solutions

Earnings decreased, primarily due to the difficult market situation in Brazil

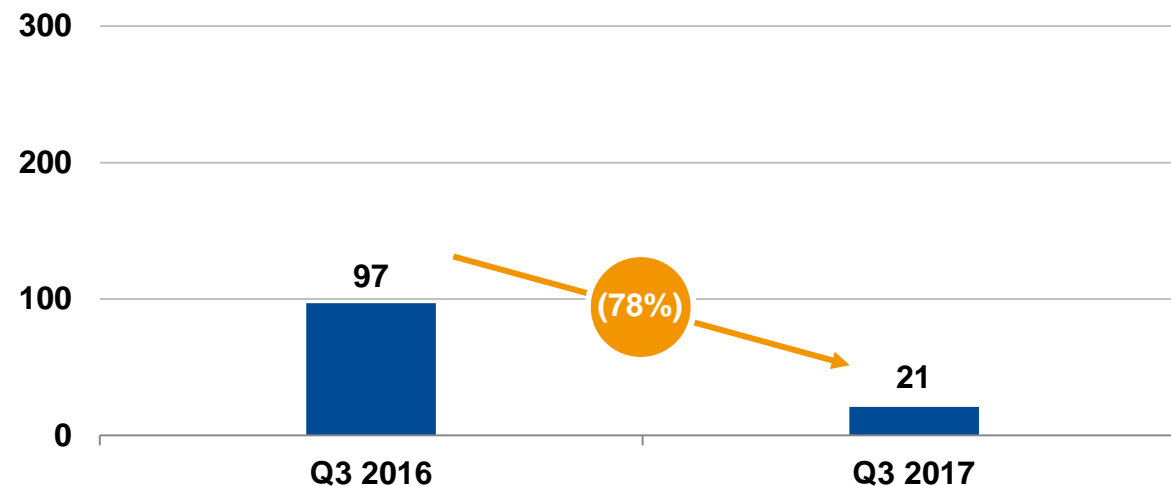
## Sales Q3 2017 vs. Q3 2016

million €



## EBIT before special items

million €



### Sales development

Q3 2017 vs. Q3 2016

### Volumes

↑ 5%

### Prices

↓ (8%)

### Portfolio

0%

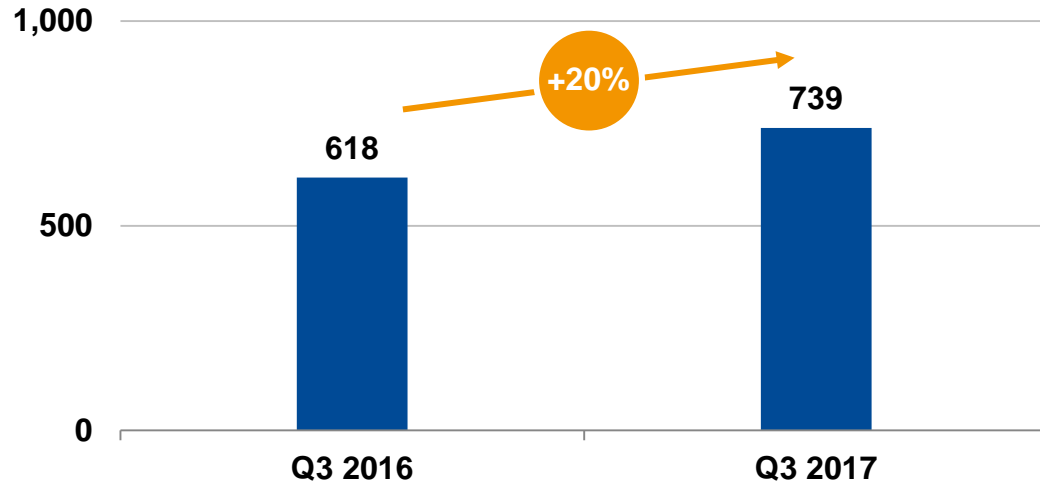
### Currencies

↓ (3%)

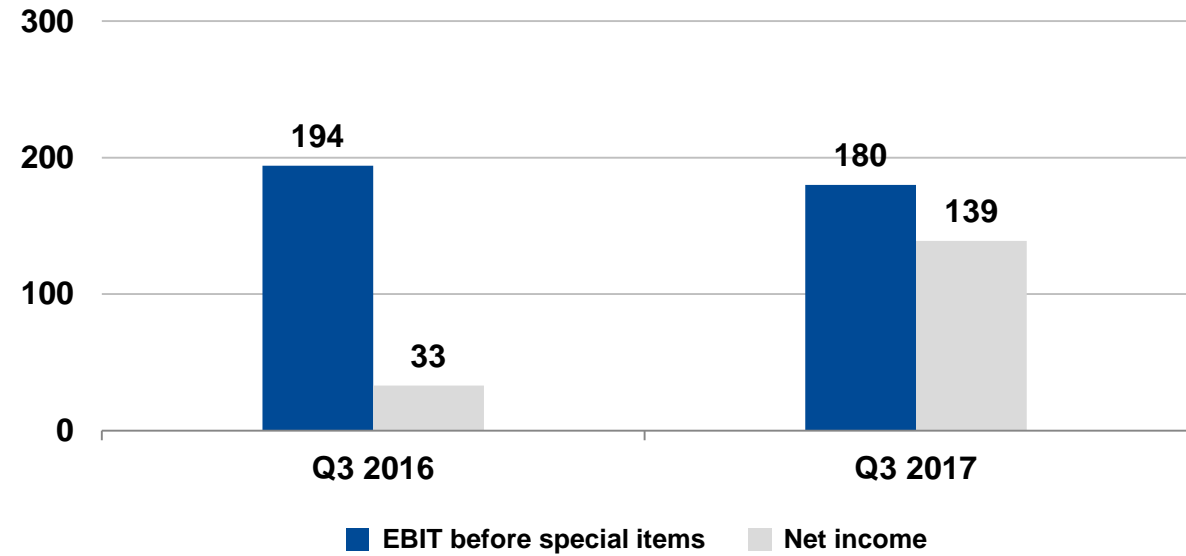
# Oil & Gas

Higher oil and gas prices and volumes, EBIT before special items lower due to one-time earnings effects in the prior-year quarter

**Sales Q3 2017 vs. Q3 2016**  
million €



**EBIT before special items, net income**  
million €



**Sales development**

Q3 2017 vs. Q3 2016

**Volumes**

↑ 9%

**Prices/Currencies**

↑ 11%

**Portfolio**

0%

# Review of “Other”

| million €                        |   | Q3 2017      | Q3 2016      |
|----------------------------------|---|--------------|--------------|
| <b>Sales</b>                     |   | <b>548</b>   | <b>538</b>   |
| <b>EBIT before special items</b> |   | <b>(325)</b> | <b>(233)</b> |
| Thereof                          | Costs of corporate research                                     | (93)         | (77)         |
|                                  | Costs of corporate headquarters                                 | (57)         | (54)         |
|                                  | Foreign currency results, hedging and other measurement effects | (116)        | (101)        |
|                                  | Other businesses  | 13           | 15           |
| Special items                    |   | (5)          | (23)         |
| <b>EBIT</b>                      |   | <b>(330)</b> | <b>(256)</b> |

# Cash flow development Q1 – Q3 2017

| million €  | Q1 – Q3 2017   | Q1 – Q3 2016   |
|--|----------------|----------------|
| <b>Cash provided by operating activities</b>           | <b>7,597</b>   | <b>5,840</b>   |
| Thereof Changes in net working capital                 | 94             | (393)          |
| Miscellaneous items                                    | (190)          | (172)          |
| <b>Cash used in investing activities</b>               | <b>(3,413)</b> | <b>(2,776)</b> |
| Thereof Payments made for tangible / intangible assets | (2,606)        | (2,915)        |
| Acquisitions / divestitures                            | (44)           | 212            |
| <b>Cash used in financing activities</b>               | <b>(1,546)</b> | <b>(1,898)</b> |
| Thereof Changes in financial liabilities               | 1,276          | 837            |
| Dividends  | (2,841)        | (2,753)        |
| <b>Free cash flow</b>                                  | <b>4,991</b>   | <b>2,925</b>   |

# Outlook 2017 for BASF Group

| <b>Outlook 2017</b>                | <b>Now</b>            | <b>Previous</b>       |
|------------------------------------|-----------------------|-----------------------|
| Sales                              | Considerable increase | Considerable increase |
| EBIT before special items and EBIT | Considerable increase | Considerable increase |
| EBIT after cost of capital         | Considerable increase | Slight increase       |

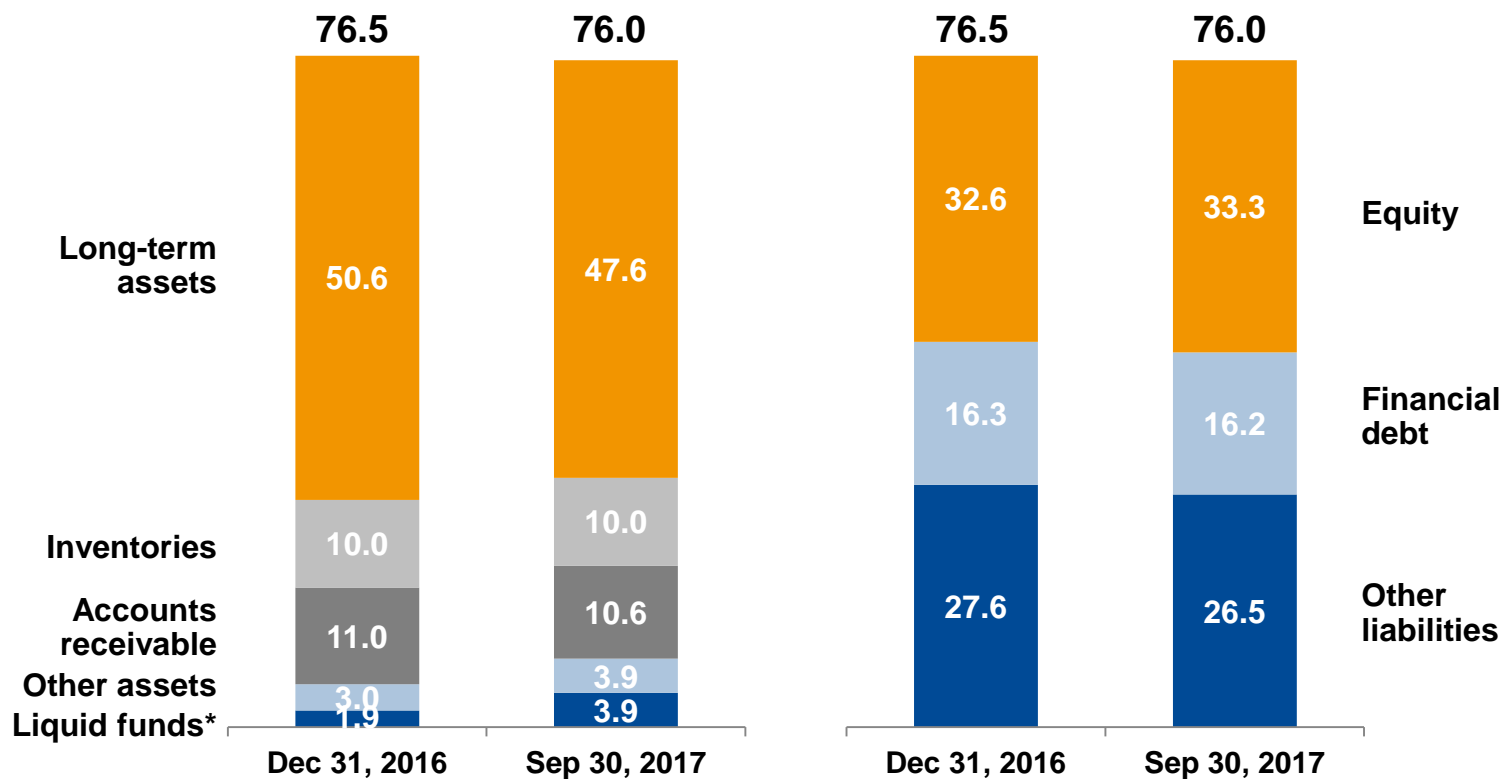
| <b>Assumptions 2017</b>         | <b>Now</b>        | <b>Previous</b>   |
|---------------------------------|-------------------|-------------------|
| GDP growth                      | +2.8%             | +2.5%             |
| Growth in industrial production | +3.1%             | +2.5%             |
| Growth in chemical production*  | +3.4%             | +3.4%             |
| Exchange rate                   | US\$1.10 per euro | US\$1.10 per euro |
| Oil price (Brent)               | US\$50 per barrel | US\$50 per barrel |



We create chemistry

# Balance sheet remains strong

## Balance sheet September 30, 2017 vs. December 31, 2016 billion €



- Total assets decreased slightly to €76.0 billion
- Provisions for pension obligations decreased by €1.4 billion to €6.8 billion
- Net debt at €12.3 billion (December 31, 2016: €14.4 billion)
- Equity ratio at 43.9% (December 31, 2016: 42.6%)