



 **BASF**

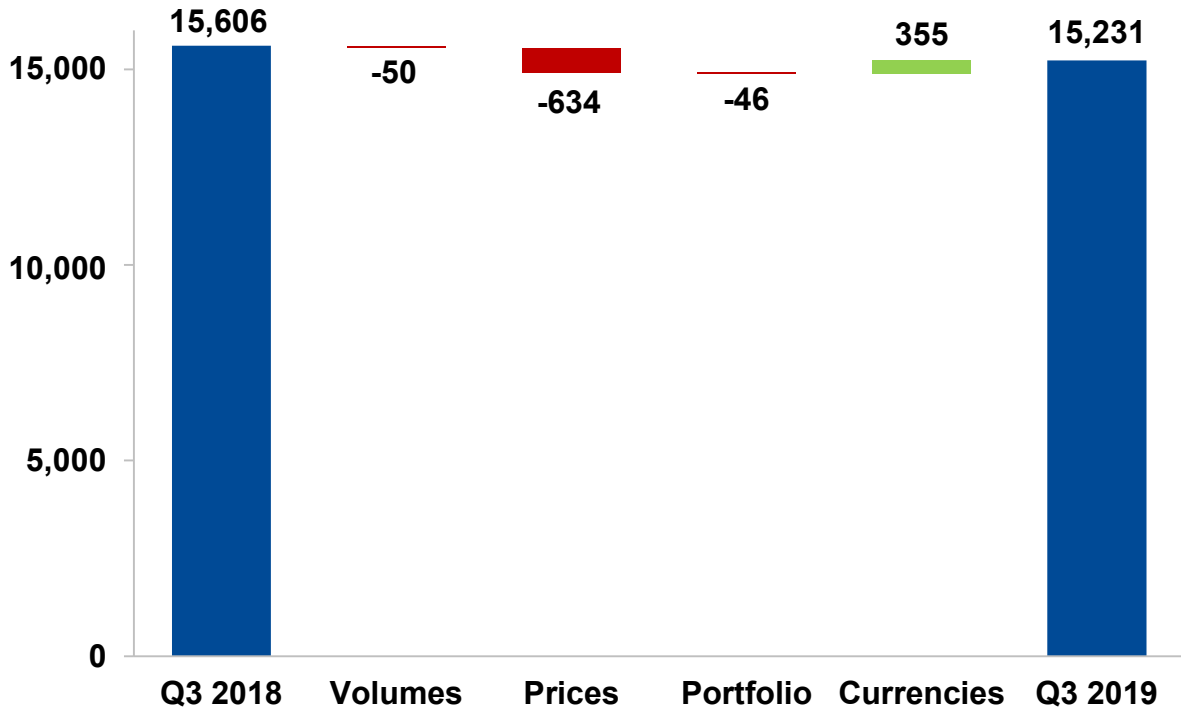
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Media Telephone Conference Q3 2019

Ludwigshafen, October 24, 2019

BASF Group Q3 2019 – Sales and EBIT before special items

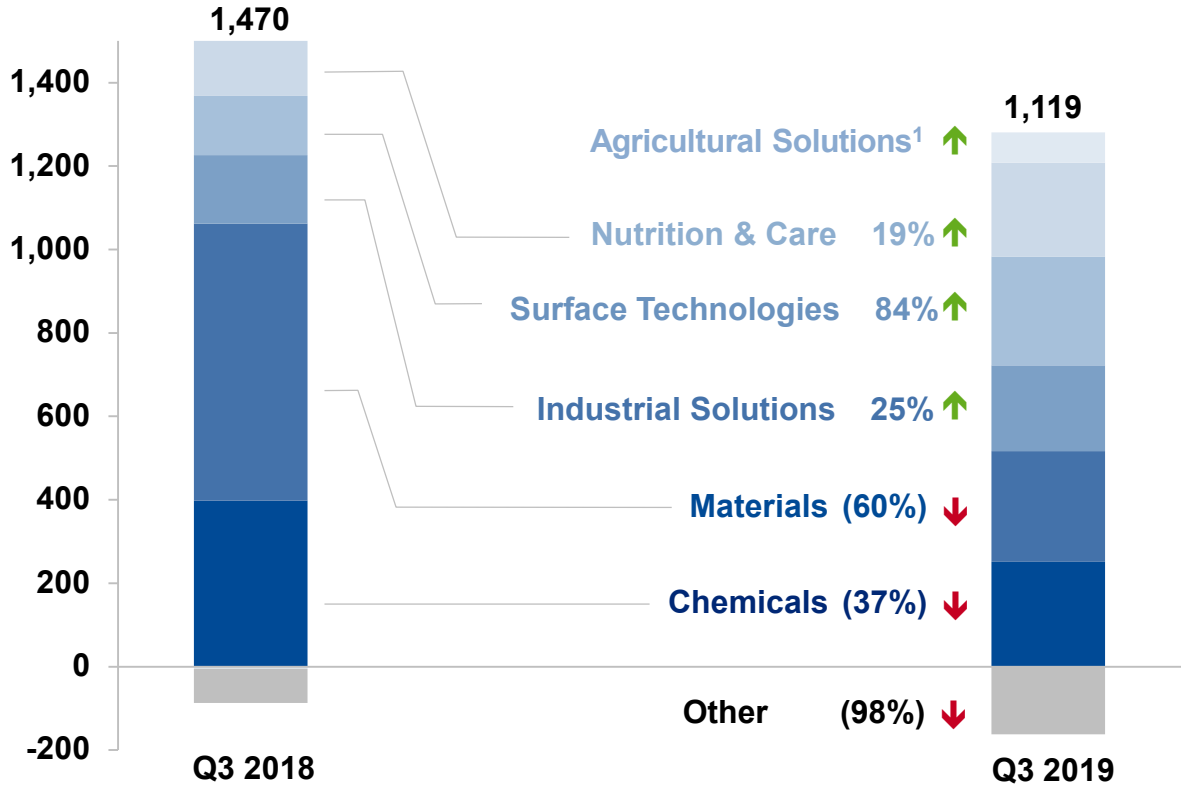
Sales bridge Q3 2019 vs. Q3 2018
million €



Sales development

| | | | | |
|---------------------|----|--------|----|------|
| Q3 2019 vs. Q3 2018 | 0% | ↓ (4%) | 0% | ↑ 2% |
|---------------------|----|--------|----|------|

EBIT before special items by segment Q3 2019 vs. Q3 2018
million €



¹ In Agricultural Solutions, EBIT before special items increased from minus €5 million in Q3 2018 to €73 million in Q3 2019

Investments to support organic growth and sustainable solutions



BASF to expand integrated ethylene oxide and derivatives complex in Antwerp, Belgium

- Investment of more than €500 million to increase capacity by 400,000 metric tons per year
- Expansion comprises an investment in a second world-scale ethylene oxide line, including capacity for purified ethylene oxide



BASF invests in Quantafuel to jointly drive chemical recycling of mixed plastic waste

- Investment of €20 million is an important milestone for BASF's ChemCycling™ project
- BASF has right of first refusal for chemically recycled pyrolysis oil and purified hydrocarbons from Quantafuel's plant in Skive, Denmark



BASF, ADNOC, Adani and Borealis to invest in chemical production complex in India

- BASF signed an MoU with ADNOC, Adani and Borealis; feasibility study to be finalized by end of Q1 2020
- PDH unit to be established as basis for acrylics value chain and polypropylene production

Ongoing active portfolio management



BASF to acquire Solvay's non-European polyamide business

- Sales 2018: ~€1 billion
- BASF will acquire the global, non-European PA6.6 business from Solvay including its 50% share in Butachimie's adipodinitrile (ADN) production
- Purchase price of €1.3 billion¹
- Closing by the end of 2019 targeted²



DIC to acquire BASF's global pigments business

- Sales 2018: ~€1 billion
- BASF and DIC reached an agreement on the acquisition of BASF's global pigments business
- Purchase price of €1.15 billion¹
- Closing is expected in Q4 2020²



BASF to divest its construction chemicals business

- Sales 2018: ~€2.5 billion
- Structured divestiture process and carve-out on track
- Confirmatory bids received; negotiations ongoing
- Signing expected by the end of 2019

¹ On a cash and debt-free basis

² Subject to the approval of the relevant competition authorities

Transforming BASF into an agile and customer-focused organization

Action fields

Embedding to bring services closer to customers

Functions and headquarters with **streamlined back-end organization**

Regions with **sharpened roles** to increase customer focus

Process landscape to be **simplified**

People working in an **entrepreneurial performance culture**

Progress report



On October 1, 2019, we completed the embedding of around **20,000 employees**



On January 1, 2020, **lean corporate center** with **~1,000 employees** will go live



Regions with **strengthened customer focus**, supporting and enabling the businesses locally



Simplification measures on track: currently ~110 projects ongoing, ~40 successfully completed



Empowering and incentivizing employees to take ownership in their area of expertise



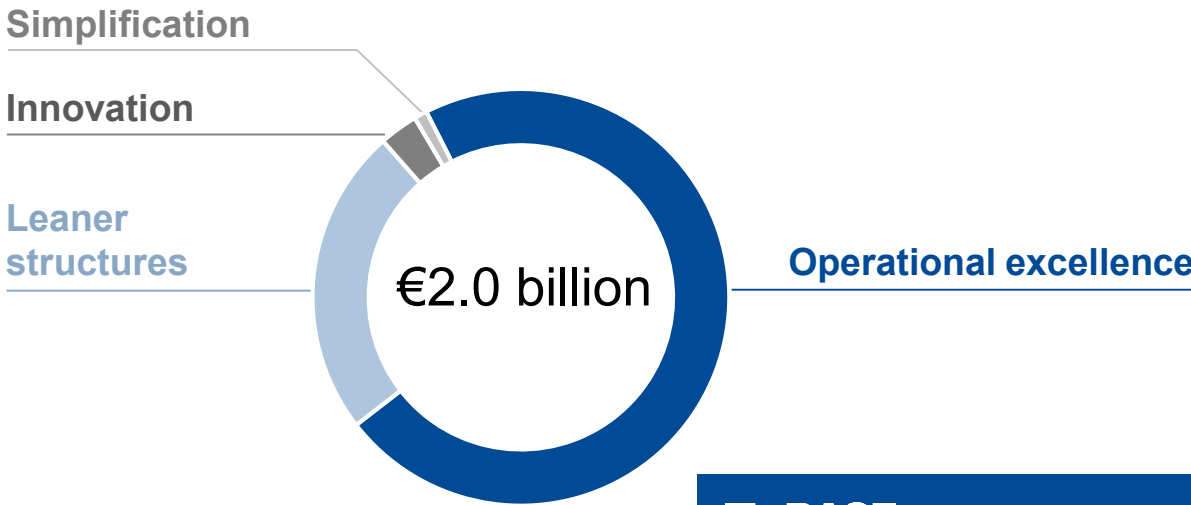
Update on excellence program 2019 – 2021

| | 2019 | 2020 | 2021 |
|--|-----------------------|-----------------------|-----------------------|
| EBITDA contribution¹ | ▪ ~€0.5 billion | ▪ €1.0 – €1.3 billion | ▪ €2.0 billion |
| One-time costs² | ▪ €0.4 – €0.5 billion | ▪ €0.2 – €0.3 billion | ▪ €0.2 – €0.3 billion |

Category

| | |
|-------------------------------|--|
| Operational excellence | Measures focused on production, logistics and planning |
| Leaner structures | Personnel cost savings; reduction of 6,000 positions targeted globally |
| Innovation | R&D cost reduction via focusing budgets |
| Simplification | Increased process efficiency, e.g., in procurement |

EBITDA contribution by category



BASF Group Q3 2019 – Sales decreased slightly; EBIT before special items 24% below prior-year quarter

| Financial figures | Q3 2019 | Q3 2018 | Change |
|--------------------------------------|----------------|----------------|--------|
| | € | € | % |
| Sales | 15,231 million | 15,606 million | (2) |
| EBITDA before special items | 2,084 million | 2,263 million | (8) |
| EBITDA | 2,339 million | 2,190 million | 7 |
| EBIT before special items | 1,119 million | 1,470 million | (24) |
| EBIT | 1,376 million | 1,395 million | (1) |
| Net income | 911 million | 1,200 million | (24) |
| Reported EPS | 1.0 | 1.31 | (24) |
| Adjusted EPS | 0.86 | 1.51 | (43) |
| Cash flows from operating activities | 1,998 million | 2,930 million | (32) |

| Sales development | Volumes | Prices | Portfolio | Currencies |
|---------------------|---------|--------|-----------|------------|
| Q3 2019 vs. Q3 2018 | 0% | ↓ (4%) | 0% | ↑ 2% |

Cash flow development Q1 – Q3 2019

| | Q1 – Q3 2019 | Q1 – Q3 2018 |
|---|----------------|-----------------|
| | million € | million € |
| Cash flows from operating activities | 4,317 | 6,385 |
| Thereof Changes in net working capital | (177) | (653) |
| Miscellaneous items | (7,355) | (204) |
| Cash flows from investing activities | 47 | (10,036) |
| Thereof Payments made for tangible / intangible assets | (2,648) | (2,428) |
| Acquisitions / divestitures | 2,254 | (7,120) |
| Cash flows from financing activities | (4,745) | (127) |
| Thereof Changes in financial and similar liabilities | (1,730) | 2,926 |
| Dividends | (3,016) | (3,057) |
| Free cash flow | 1,669 | 3,957 |

Outlook 2019 for BASF Group confirmed

Outlook 2019¹

| | |
|---------------------------|-----------------------------------|
| Sales | Slight decline |
| EBIT before special items | Considerable decline of up to 30% |
| ROCE | Considerable decline |

Underlying assumptions

- GDP growth: +2.5% (unchanged)
- Growth in industrial production: +1.5% (unchanged)
- Growth in chemical production: +1.5% (unchanged)
- Exchange rate: US\$1.15 per euro (unchanged)
- Oil price (Brent): US\$65 per barrel (previous assumption: US\$70 per barrel)

¹ For sales, “slight” represents a change of 1–5%, while “considerable” applies to changes of 6% and higher. For earnings, “slight” means a change of 1–10%, while “considerable” is used for changes of 11% and higher. At a cost of capital percentage of 10% for 2018 and 2019, we define a change in ROCE of 0.1 to 1.0 percentage points as “slight,” a change of more than 1.0 percentage points as “considerable.”





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