



Media Telephone Conference 3rd Quarter 2018

Ludwigshafen, October 26, 2018

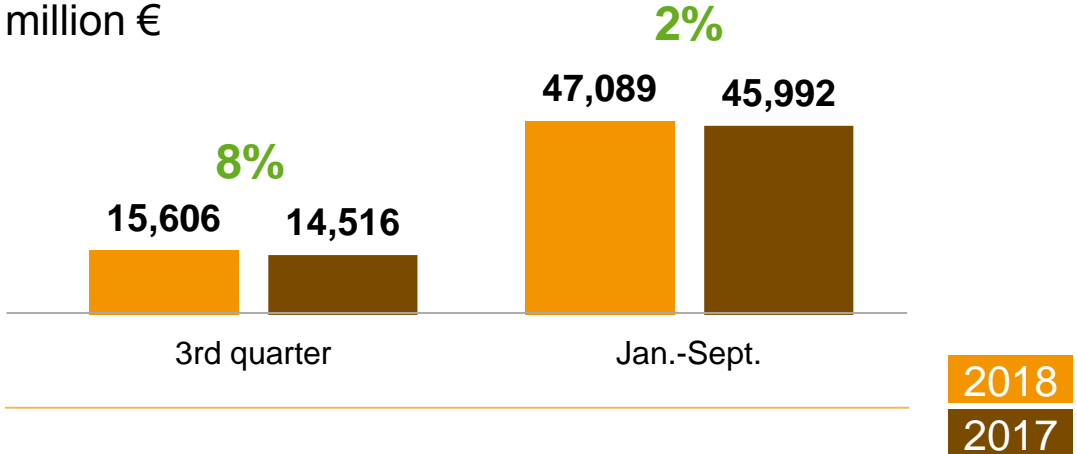
 **BASF**

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Considerable increase in sales, earnings below prior-year quarter

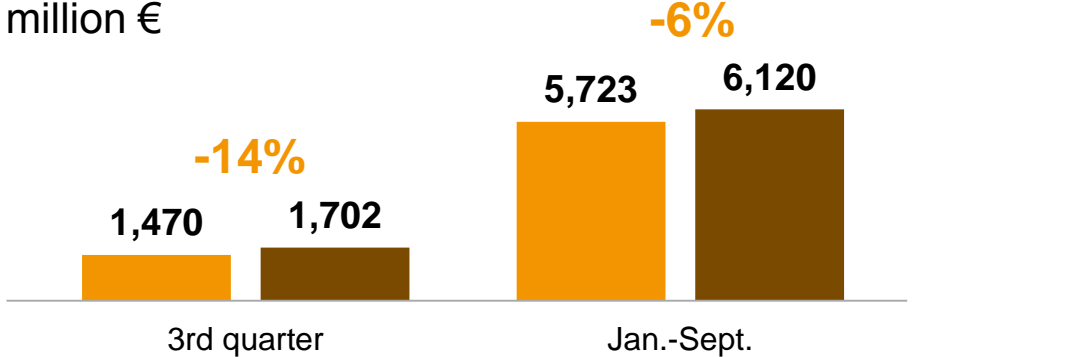
Sales

million €



EBIT before special items

million €



- Considerable sales growth, primarily due to higher sales prices in all segments. Volumes growth and acquisition of Bayer businesses also contributed to the sales increase.
 - Negative currency effects had an offsetting impact.
-
- Earnings declined considerably in the third quarter, mainly due to the significantly lower contribution from the Chemicals segment.
 - The earnings decline was partially offset by improved earnings in Other.

BASF portfolio development

Closed transaction

- Acquisition of significant businesses and assets from Bayer completed

Announced transactions

- Agreement signed to merge Wintershall and DEA
- Ongoing approval process of the EU Commission regarding the acquisition of Solvay's integrated polyamide business
- BASF and Solenis plan to combine paper wet-end and water chemicals business



Investment in first production site for battery materials in Europe

New plant for battery materials

- Location decision for Harjavalta/Finland
- Adjacency to the refinery owned by Nornickel
- BASF will then be present in all major regions with local production
- Investment is part of a €400 million multi-step investment plan
- Supply of 300,000 full electric vehicles per year
- Start of production planned for end of 2020



BASF portfolio development

BASF evaluates strategic options for Construction Chemicals business

- Sales of €2.4 billion achieved in 2017 with about 7,000 employees
- Options: Merger with a strong partner or divestiture
- Targeted signing of a transaction agreement in the course of 2019
- Successful development to be ensured



Outlook 2018 for BASF Group

Economic environment in 2018*

- GDP growth: 3.0% (3.0%)
- Growth in industrial production: 3.1% (3.2%)
- Growth in chemical production**: 3.1% (3.4%)
- Exchange rate: \$1.20 per euro (\$1.20 per euro)
- Oil price (Brent): \$70 per barrel (\$70 per barrel)

Outlook for full year 2018* adjusted following signing agreement to merge Wintershall and DEA

- Slight sales growth (slight increase)
- Slight decrease in EBIT before special items (slight increase)
- Considerable decline in EBIT (slight decline)

* Previous forecast from the Half-Year Financial Report 2018 in parentheses. We adjusted the BASF Group's outlook for the full year 2018 on September 27, 2018, as a result of the changed presentation of the Wintershall Group.

** Excluding pharma

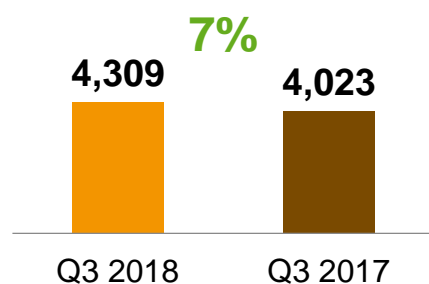
For sales, "slight" represents a change of 1–5%, while "considerable" applies to changes of 6% and higher. For earnings, "slight" means a change of 1–10%, while "considerable" is used for changes of 11% and higher.



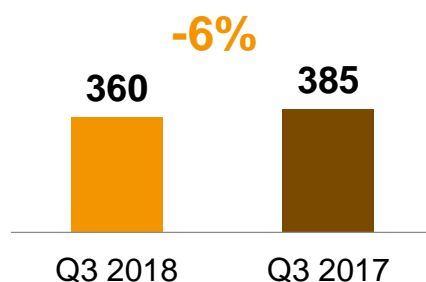
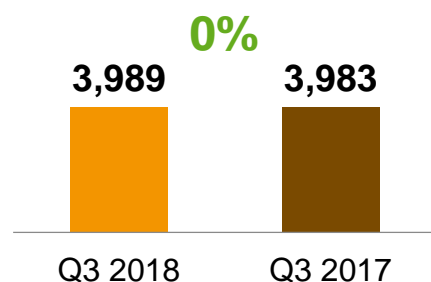
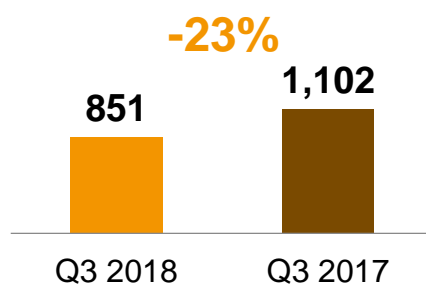
Increased sales with considerably lower earnings in Chemicals; slight decrease in earnings in Performance Products



Sales*
million €

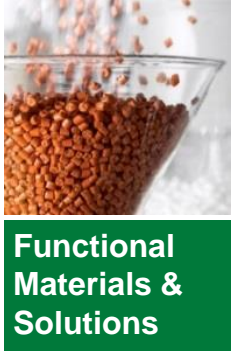


EBIT before special items*
million €

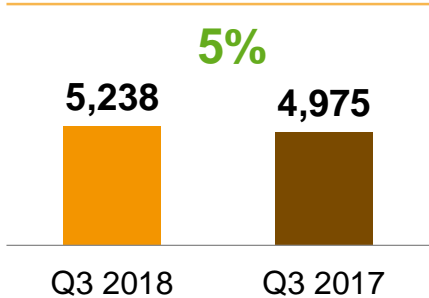


- Considerable increase in sales due to higher prices in all divisions, especially in Petrochemicals.
- Significant decrease in earnings, primarily driven by lower margins in Monomers and Petrochemicals and higher fixed costs.
- Sales on level of prior-year quarter: price increases offset by lower sales volumes and negative currency and portfolio effects.
- Slightly lower earnings as a result of lower sales volumes, higher fixed costs and negative currency effects; stronger margins had an offsetting effect.

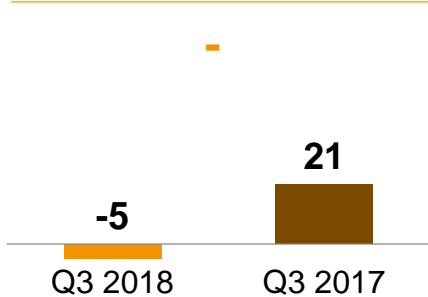
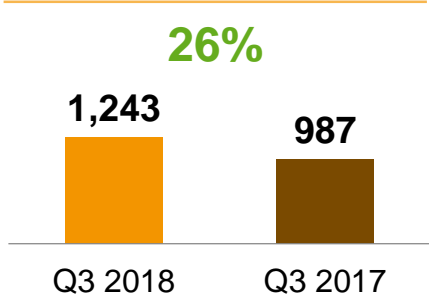
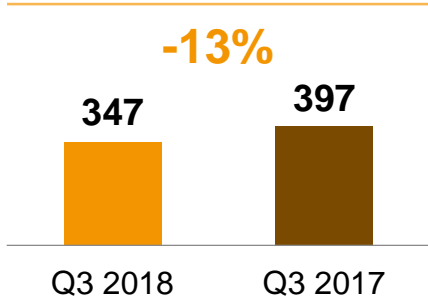
Sales increase in Functional Materials & Solutions and Agricultural Solutions; earnings below prior-year quarter



Sales
million €



EBIT before special items
million €



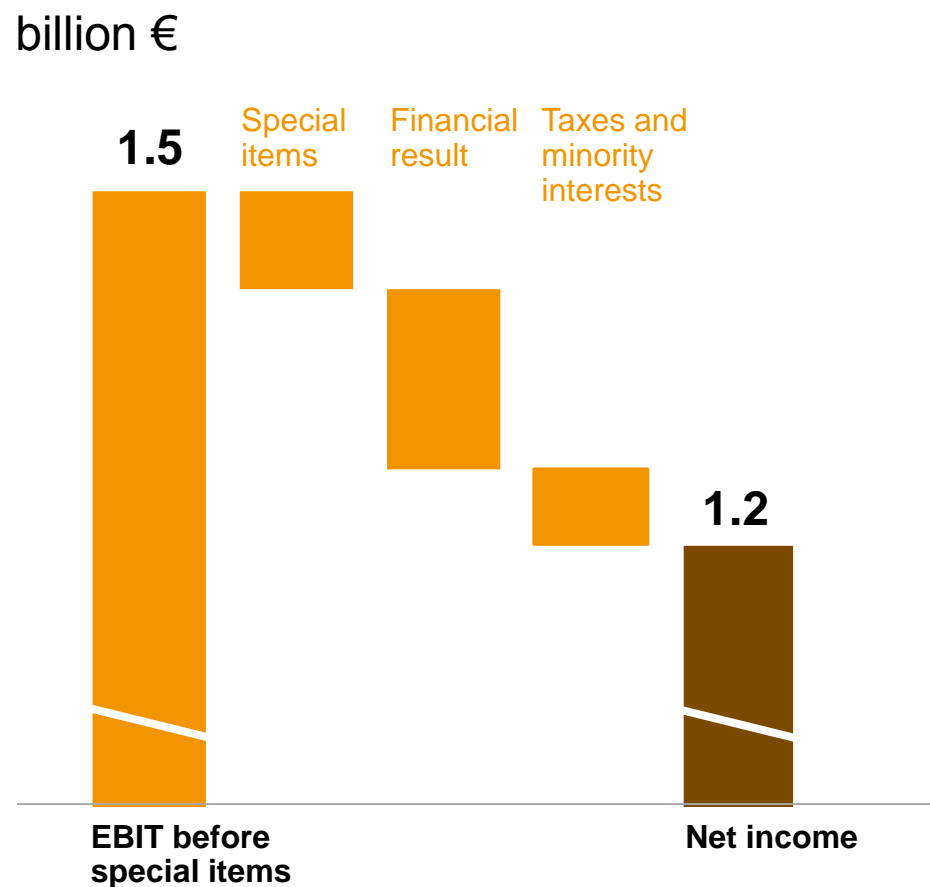
- Increase in sales, driven by higher prices in all divisions and volumes growth. Sales were weighed down by currency effects.
 - Considerably lower earnings, primarily as a result of higher fixed costs and lower margins.
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- Considerable increase in sales as a result of portfolio effects, a higher price level and slightly stronger volumes.
 - Earnings declined compared with the prior-year quarter due to the seasonally strongly negative contribution from the acquired businesses.

Sales and EBIT of oil & gas activities no longer included in the respective figures for the BASF Group

- Oil & Gas no longer included as a segment
- Until closing, the Wintershall Group's income after taxes will be presented as separate item
- "Income before minority interests from discontinued operations" increased by €86 million to €235 million
- Increased earnings attributable to higher prices and volumes



3rd quarter 2018 reconciliation to net income

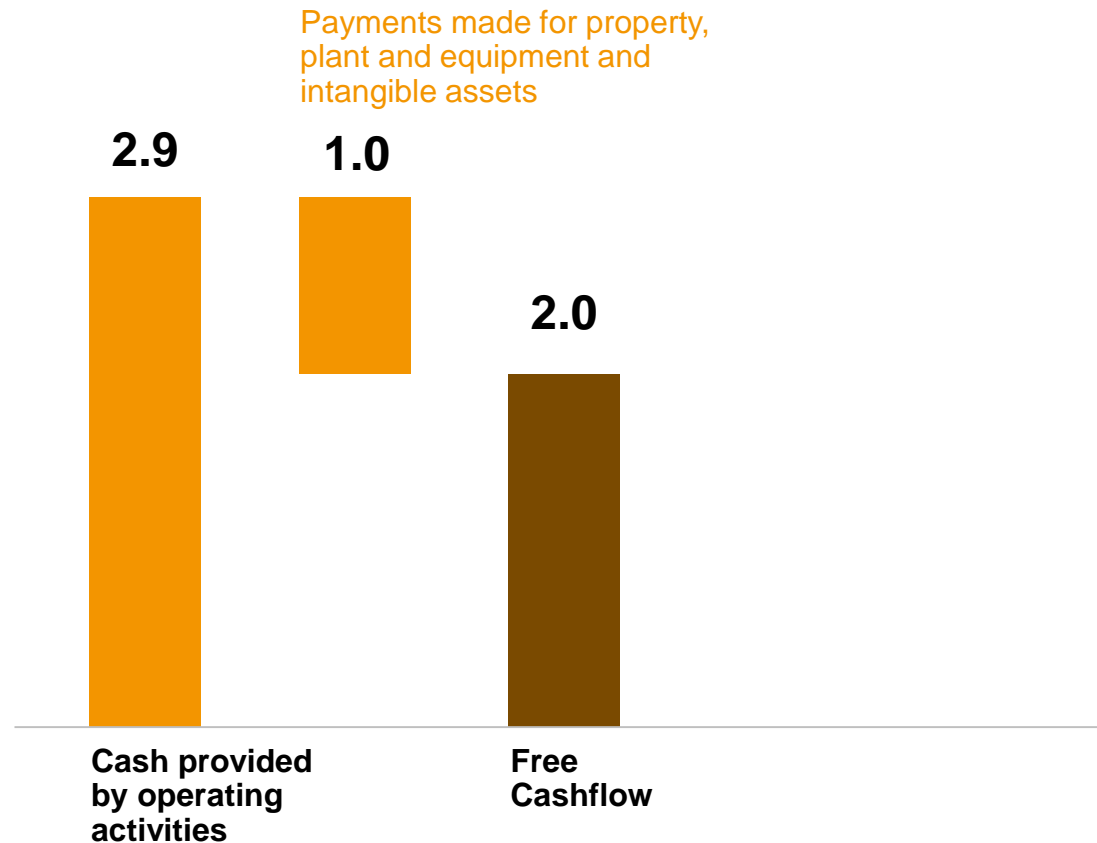


	million €	Δ% vs. Q3 2017
EBIT before special items	1,470	-14
EBIT	1,395	-24
Financial result	-138	25
Income before taxes and minority interests	1,257	-23
Income from discontinued operations*	235	58
Net income	1,200	-10

	€	Δ vs. Q3 2017 in €
Earnings per share	1.31	-0.14
Adjusted EPS	1.51	-0.11

Cashflow in 3rd quarter 2018

billion €



- Cash provided by operating activities of around € 2.9 billion (previous year: €3.8 billion)
- Payments made for property, plant and equipment and intangible assets of around €1.0 billion (previous year: €1.0 billion)
- Payments made for acquisitions/divestments of around €7.2 billion (payments received in previous year: €21 million)
- Free Cashflow €2.0 billion (previous year: €2.8 billion)



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