



Analyst Meet

Narayan Krishnamohan
Managing Director, BASF India Limited

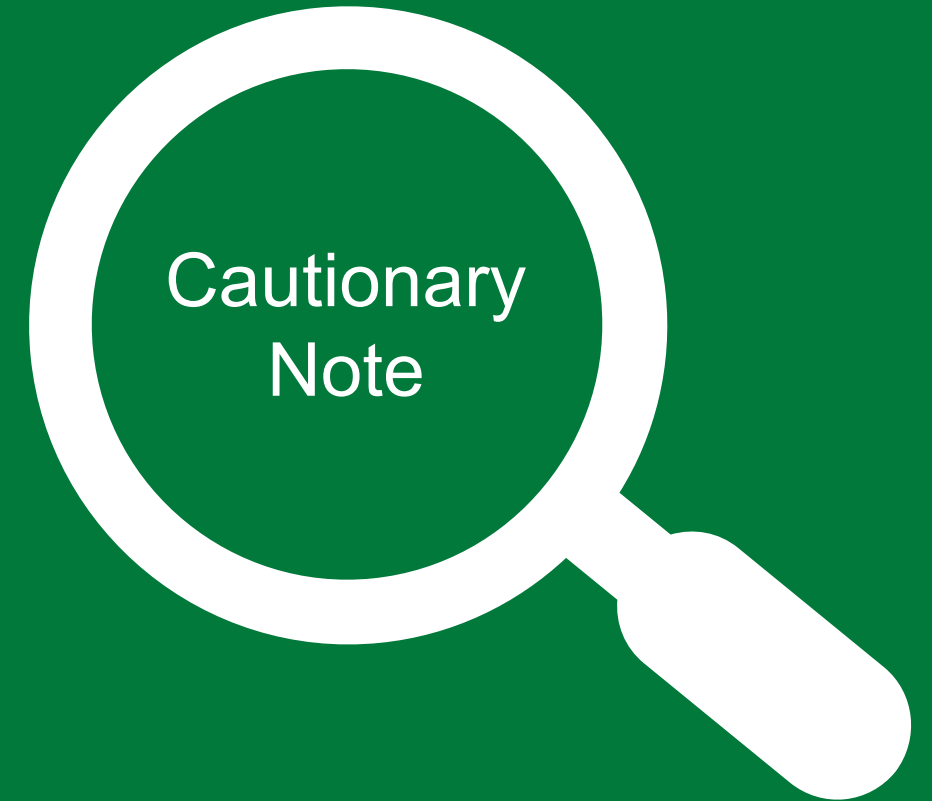
Narendranath J. Baliga
Chief Financial Officer, BASF India Limited

Mumbai, 24.08.2020



- Only matters in the public domain can be subject matter of discussion in this meeting
- As a matter of policy, we do not provide any forecast about the future business situation
- We do not comment or give guidance on future results or business outlook

Forward looking statements





We remain committed to EHS and Sustainability



Driving high standards in EHS & Sustainability on all fronts

Internal Focus

Emphasis on EHS Standards



Global Safety Days

161 activities in India across sites & offices

Agricultural Solutions team - 1st Runner up of Safety Champions awards in BASF APAC

Reinforcing Sustainability Quotient



Reduce, Reuse, Recycle

Enhanced water storage & saving capacities at Dahej & Mangalore sites

Invested in solar power at Mangalore site

External Focus



Sharing best practices & winning accolades

Sessions on Responsible Care & Sustainability, Fire fighting trainings for colleges



ICC awards for Responsible Care, Nicer Globe, CII awards for EHS standard in manufacturing



Engaging with customers & industry on sustainability

Collaboration with customers like Colgate-Palmolive, Organized Battery Tech Day, etc.



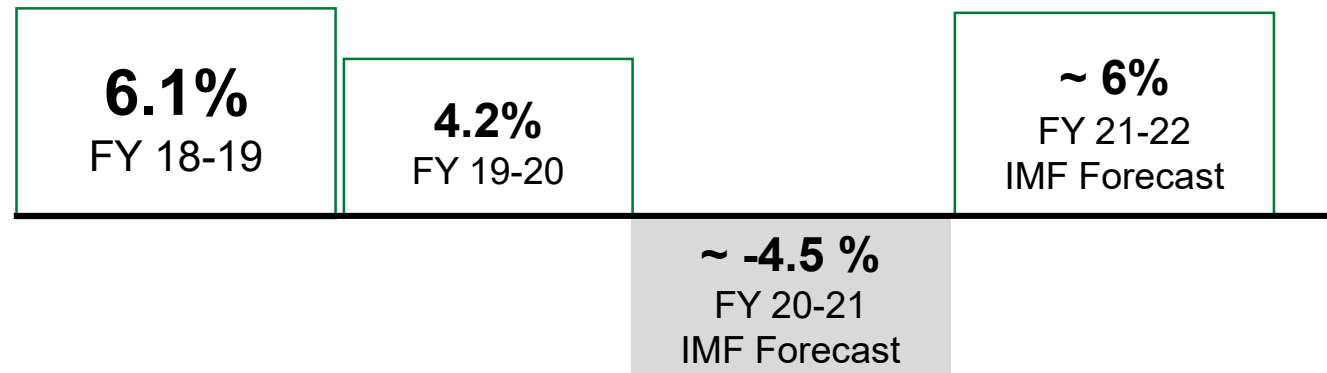
Sustainability Partner for India Economic Conclave 2019 highlighting role of chemistry



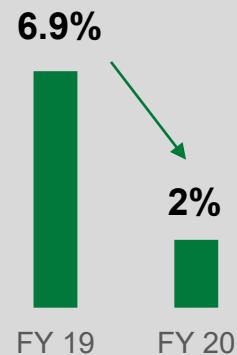
FY19-20: a challenging year with economic slowdown, declining GDP

COVID-19 further dents growth. June, July 2020 show revival signs amid easing of lockdown

India GDP



Manufacturing growth



- PMI at 37.2 points in July 2020

Auto



- Sales dropped 18% in FY19-20
- Impacted by **Bharat VI transition, NBFC crisis**
- Auto sales in July 2020 see resurgence

Agriculture



Grew at 4% in FY19-20



Sowing area of **Kharif crops** 21.2% more than last year

Despite challenges,
our **diverse portfolio** and
customer focused projects
enabled profitable growth during
FY 2019-20



Expanding production capacity at our sites

Focus on safety and driving efficiencies continued



Expansion of Cellasto® manufacturing capacity at Dahej



Doubling production capacity of Polymer Dispersions at Dahej



Digitalization for cost savings, increasing production & efficiency

- Dahej- Cellasto plant
- Mangalore- Coatings plant



Inauguration of Defoamer plant for paints at Mangalore



P-Mac 3.3 Automatic Spray machine installed in Technical Support Lab at M'lore



Quality certification & audits for various sites

- International Automotive Task Force certification
- Dahej automotive coolants plant audited & approved for commercial production

We continue to optimize our business portfolio to strengthen competitiveness



Acquisition of BASF Performance Polyamides

- Complementary **product portfolio**, well known **Technyl®** brand enhances growth opportunities
- Wider **distribution network**, more **co-creation opportunities**
- **ONE strong team** in engineering plastics
- Consideration amount Rs. 3,029 million; Enterprise value Rs. 2,189 million after netting of cash balance of Rs. 840 million
- FY19-20 reported Revenue Rs.2,756 million; EBIT Rs.431 million

Divestiture of OBA & Construction Chemicals business

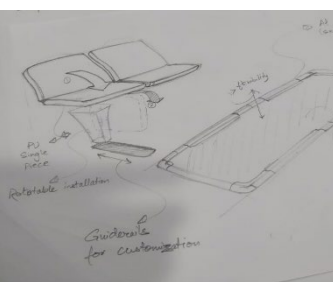
- Divestiture of stilbene based Optical Brightening Agents to Archroma
 - Consideration of Rs. 335.1 million
 - Business transfer completed on December 6, 2019
- Divestiture of Construction Chemicals to Master Builders Solutions
 - Consideration of Rs. 5,951.6 million
 - Business transfer completed on July 1, 2020



My experience with Creation Center

It's really inspiring as a designer to get exposed to such an amazing collection of materials & their applications. Just being present in the creation center pushes the mind & opens it for creative ideation & problem solving.

- Sanket Patil, IDC, IITB



My experience with Creation Center

BASF creates Chemistry where as this Innovation Center create history with collaboration.

- [Signature]

Driving customer collaboration @Creation Center inaugurated in May 2019

>40 customers visited
Engaged in >50 topics



Technology driving efforts to enhance processes & customer outreach



Successful roll out of Net Promoter Score (NPS)

- NPS enables feedback, suggestions from customers to address pain points. See positive improvement in performance scores
- Internal focus on promoting tools like Digital Invoicing, Business Process Automation etc. to enhance productivity

Implementing digital channels across businesses


- ~3.4 lac followers on BASF Agricultural Solutions Facebook page. Launched xarvio mobile scouting app, active use of Whatsapp, Youtube. Stewardship animation video garnered 25 lacs + views.
- Virtual workshops with customers & key stakeholders of Performance Materials, Care Chemicals business

Segment Revenue breakup

FY 2019-20



Agricultural Solutions



Materials
Performance Materials
Monomers




Industrial Solutions
Dispersions
Performance Chemicals



Surface Technologies
Construction Chemicals
Catalysts
Coatings

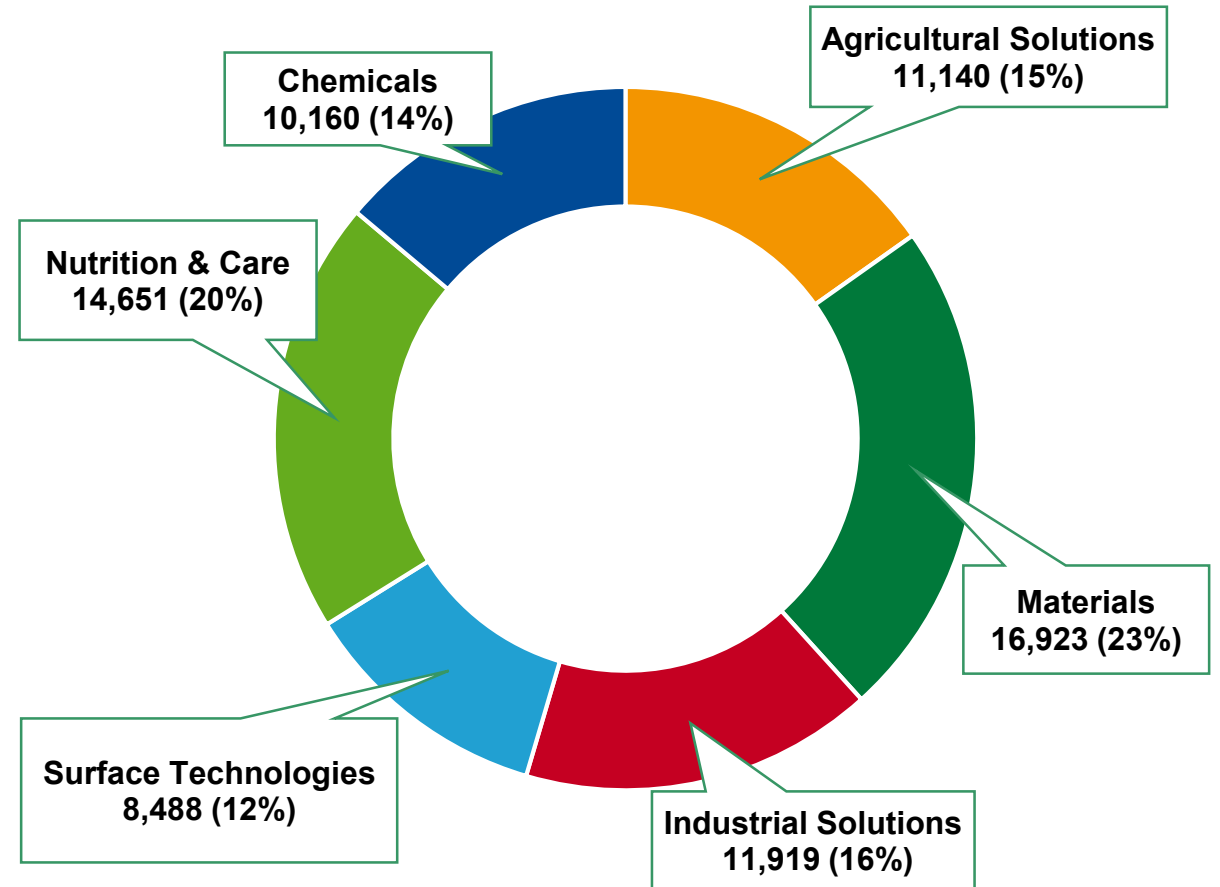


Nutrition & Care
Care Chemicals
Nutrition & Health



Chemicals
Petrochemicals
Intermediates

(Rs. in million)

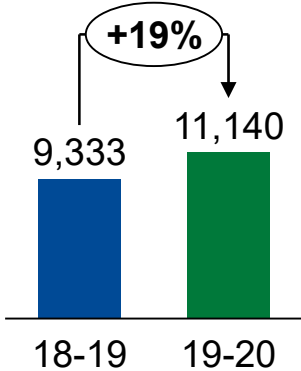


Segmental performance

FY 2019-20

Revenue

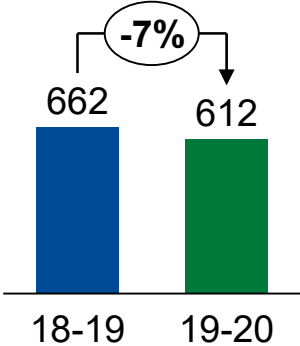
Rs. in million



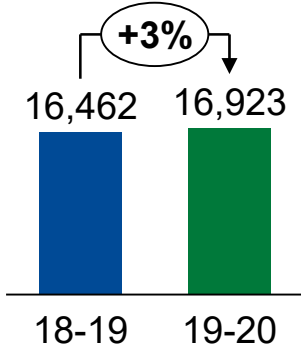
Agricultural Solutions

Results

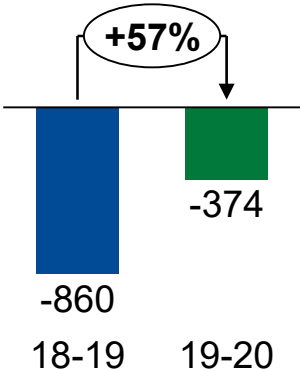
Rs. in million



- Good growth with diversified portfolio, above normal monsoon
- Profitability marginally impacted by higher input costs



Materials



- Modest growth owing to shrinking commodity prices, lower demand in transportation segment
- EBIT improved significantly due to declining cost of raw materials and better realisation as compared to the input costs

Segmental performance

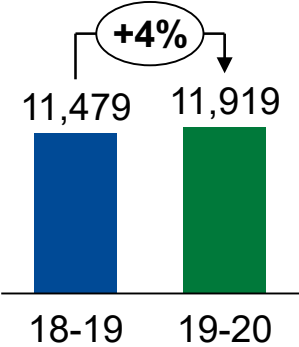
FY 2019-20

Revenue

Rs. in million

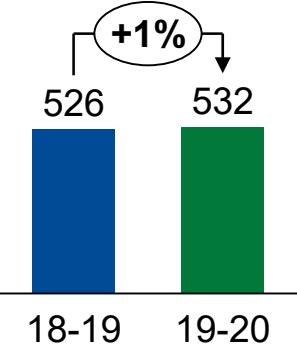


Industrial Solutions



Results

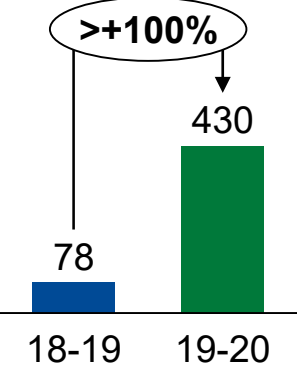
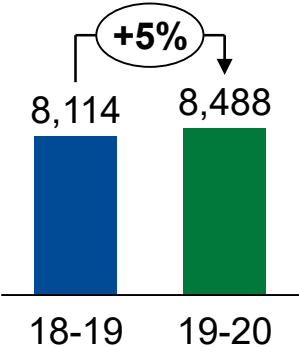
Rs. in million



- Increase in revenue driven by capacity expansion at Dahej, right product mix & merchandize volumes
- Profitability maintained despite high volatility in the raw material prices



Surface Technologies



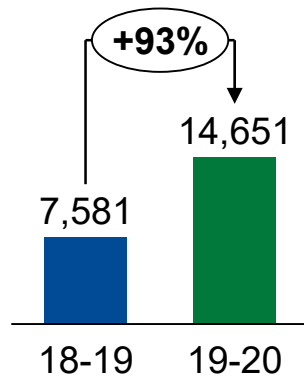
- Growth in revenue mainly from increased merchandise volumes
- Improved profitability due to better product mix & high focus on margins

Segmental performance

FY 2019-20

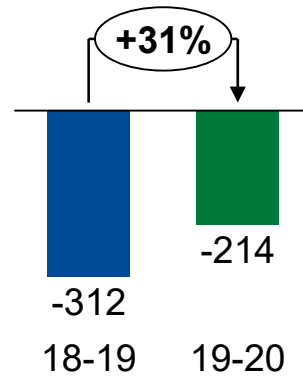
Revenue

Rs. in million



Results

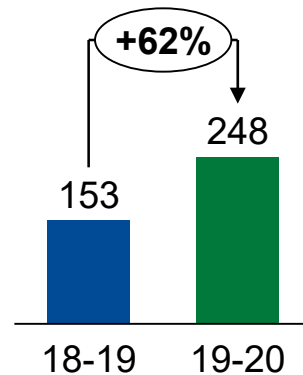
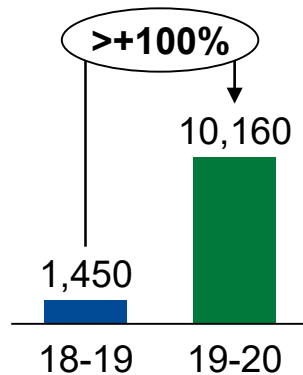
Rs. in million



Nutrition & Care



Chemicals

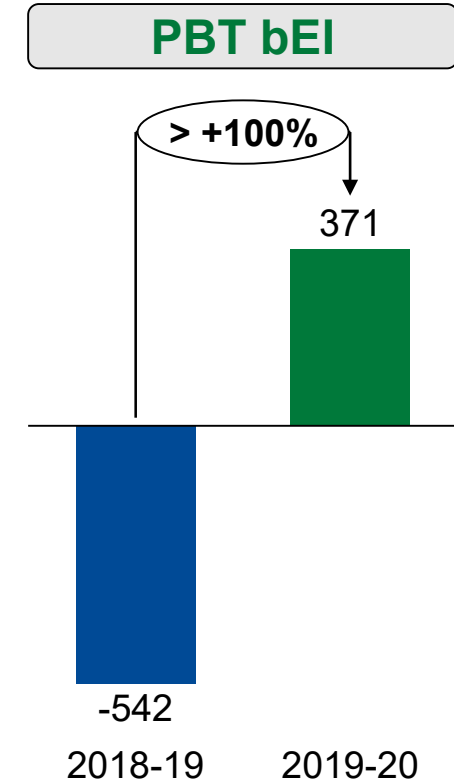
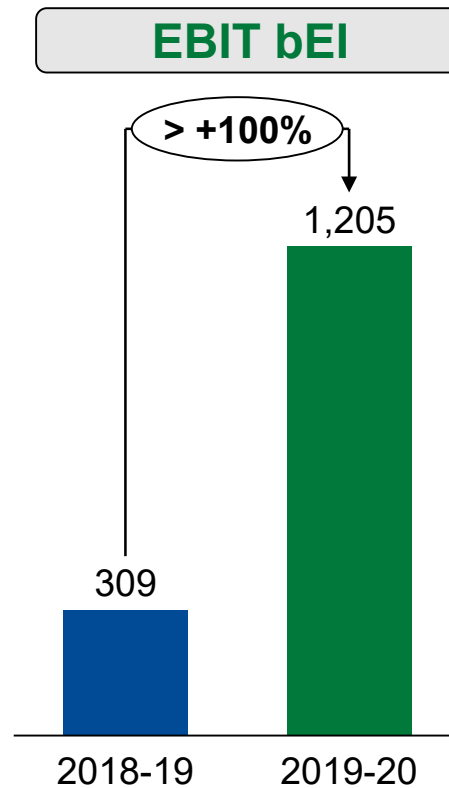
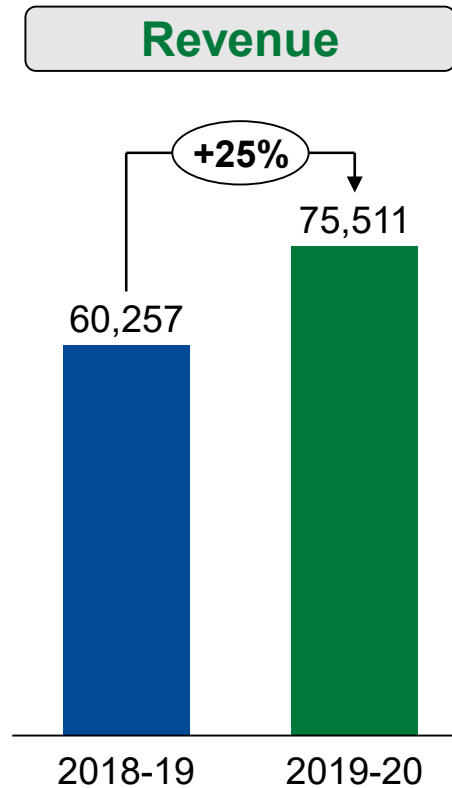


- Higher volumes from merchandize business driving sales growth
- Improvement in EBIT due to better pricing strategy

- Petrochemicals witnessed demand in downstream business. Pharma, agrochemicals drove growth in Intermediates
- Higher absolute margins from increased volumes

We achieved strong profitable growth in FY 2019-20

In Rs. million



➡ Shift from agency to merchandise business also added to topline growth

₹ Profitable growth driven by strong focus on margins & operational costs

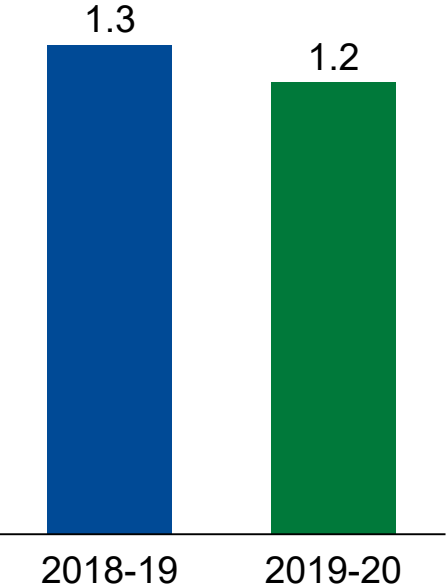
BASF
We create chemistry

EBIT bEI: Earnings before interest & tax before exceptional items
PBT bEI: Profit before tax before exceptional items

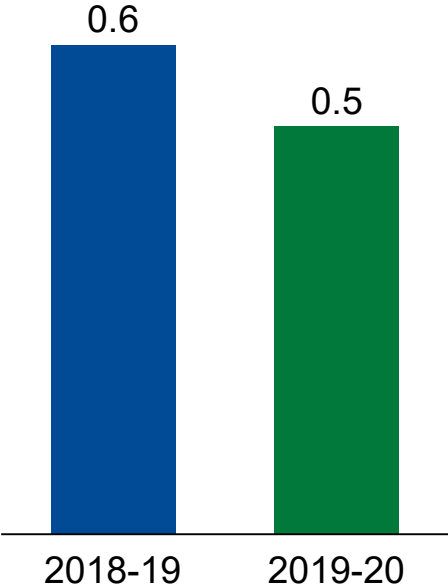
The charts are for comparison purpose & not to scale

Improvement in key ratios: FY 2019-20

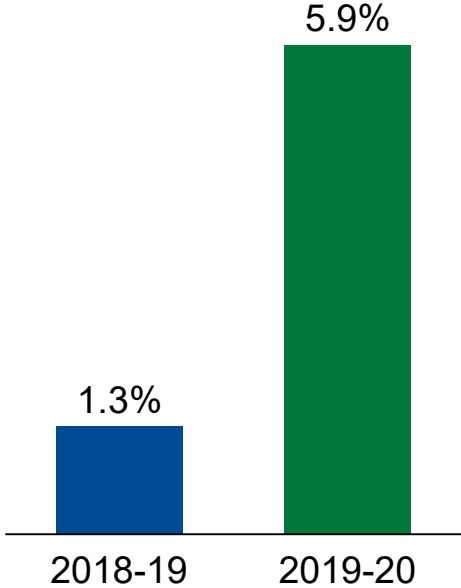
Current Ratio



Debt/ Equity



RoCE



- ✓ Control on **working capital** with stringent monitoring
- ✓ **Operational cash flow** increased by Rs.6,310 million
- ✓ **Borrowings** reduced to Rs.6,630 million (PY: Rs.9,122 million)
- ✓ Improved **RoCE** from better margins & optimum capital utilization

Current Ratio= Current assets / Current liabilities
 Debt Equity Ratio = Total Borrowings/ Total Equity
 RoCE (Return on Capital Employed) = EBIT bEI / (Equity + Borrowings)

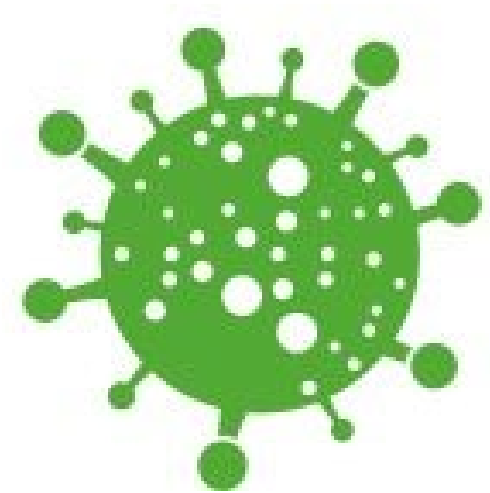


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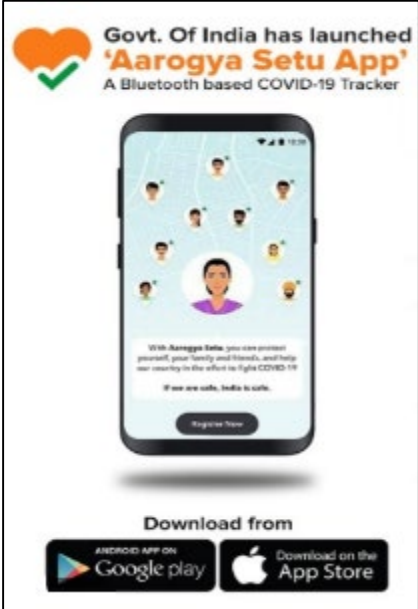
Q1 FY 20-21

COVID-19 pandemic

We remain focused on **employee safety** and **active customer collaboration** in a challenging business environment



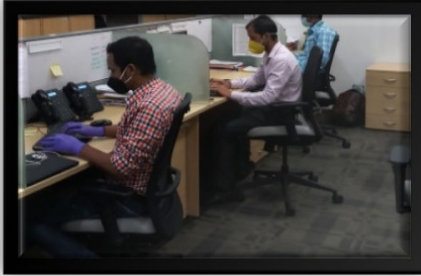
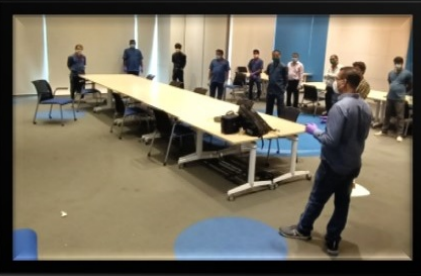
Ensuring safe start up and enhanced safety measures for our employees



Govt. Of India has launched 'Aarogya Setu App' A Bluetooth based COVID-19 Tracker

With Aarogya Setu, you can protect yourself, your family and friends, and help our country to the extent to fight COVID-19. If we are safe, India is safe.

Download from Google play and App Store



BASF India: COVID-2019 - Employee Health Declaration

Declaration Form

Hi [redacted] when you submit this form, the owner will be able to see your name and email address.

* Required

1. Is there a change in Your status since last time you submitted this Declaration ? *

Select 'Yes' if this is your first declaration or there is change in status. Select 'No' if you submitted form last week and NO status change

Yes

No

Submit



Phased wise approach to resuming office



Download Aarogya Setu mobile app

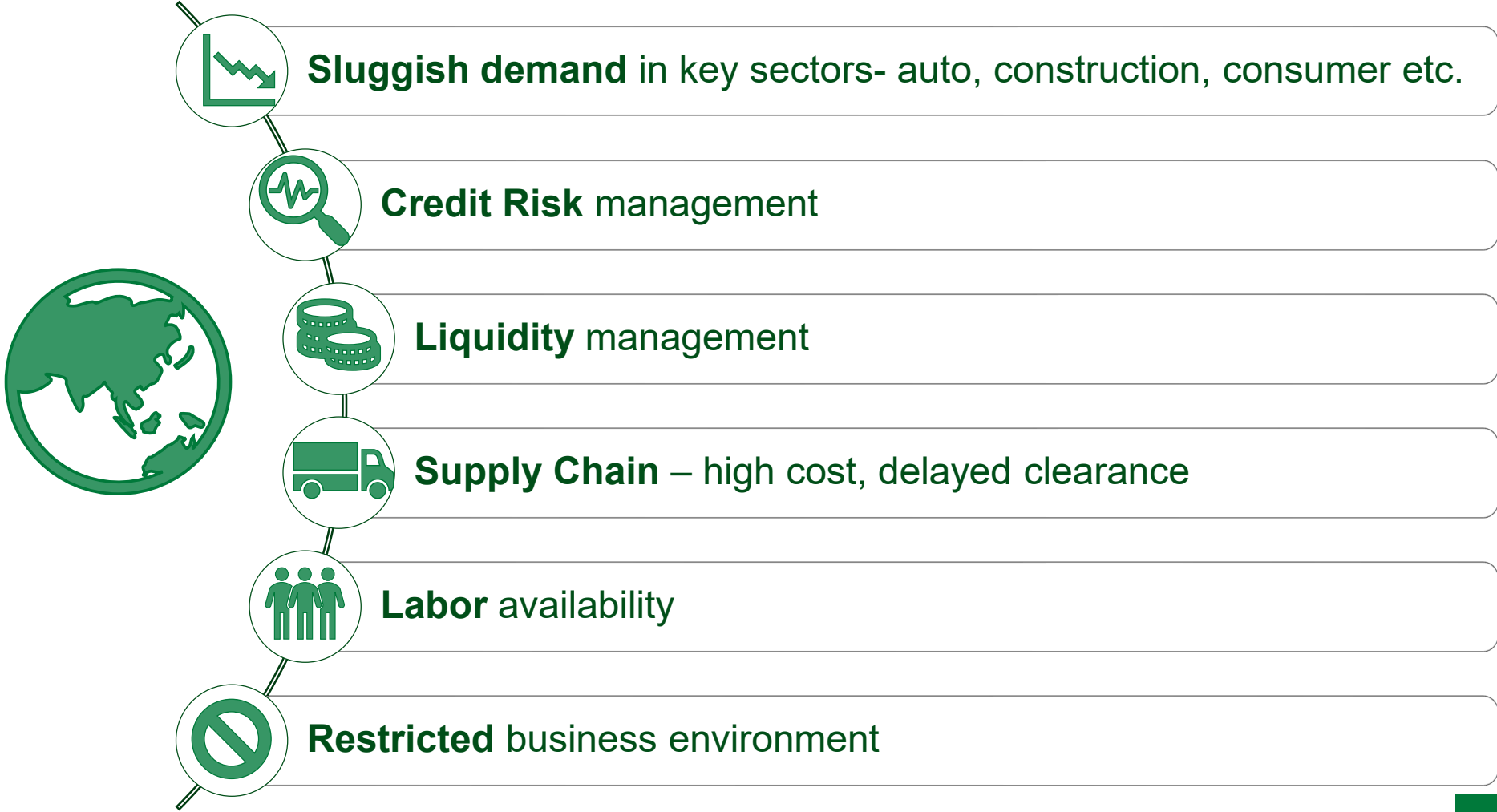


Employee Health & Safety survey



Temperature screening, masks, sanitization, social distancing, etc.

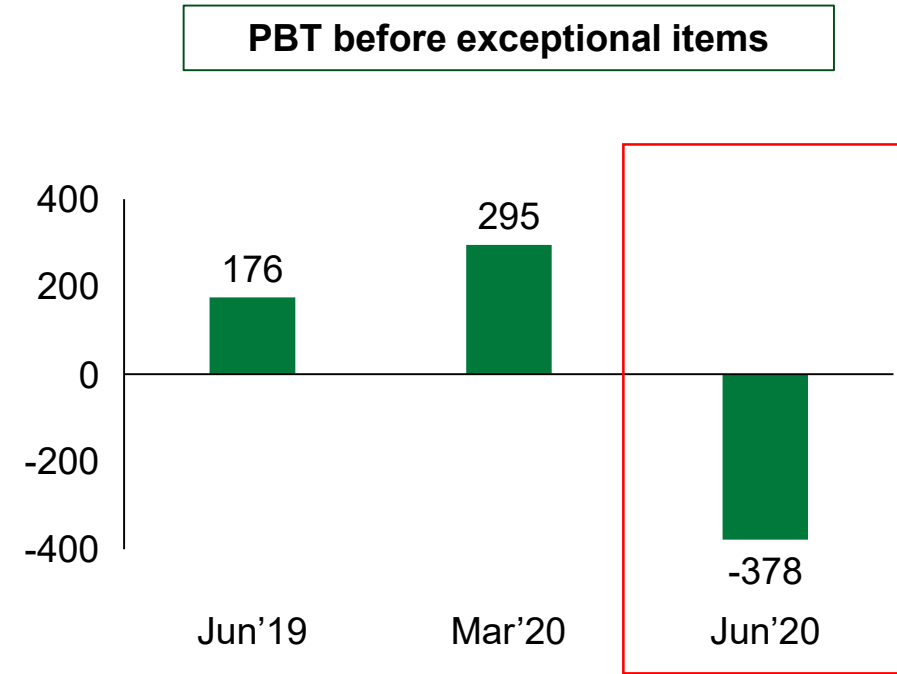
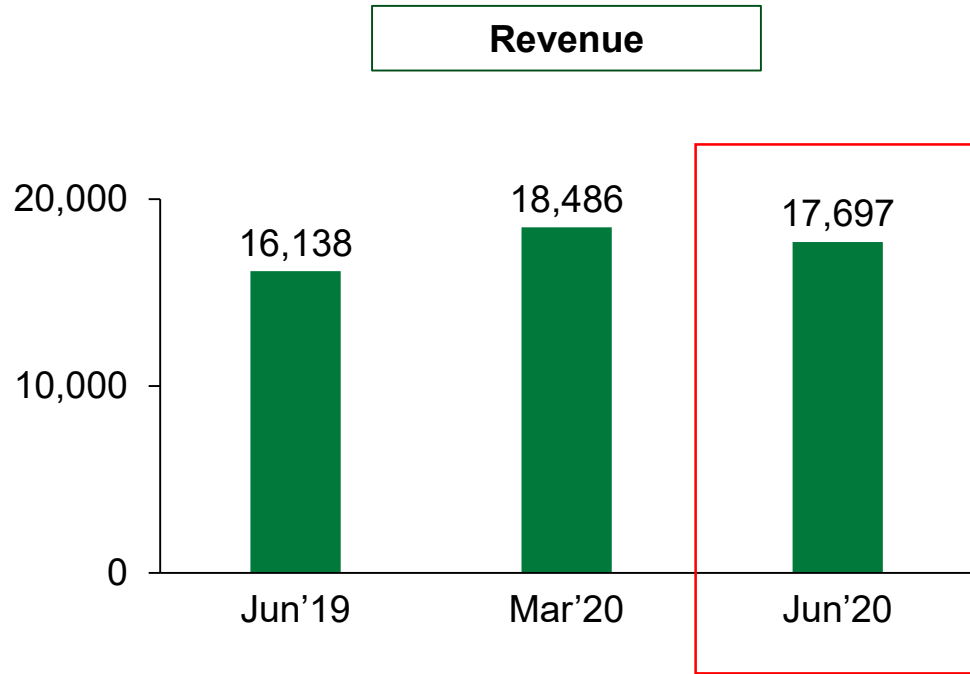
COVID-19: A challenging Q1/FY21



BASF India Limited

In Rs. million

Business performance: Q1 results (Apr–Jun'20)



Trend

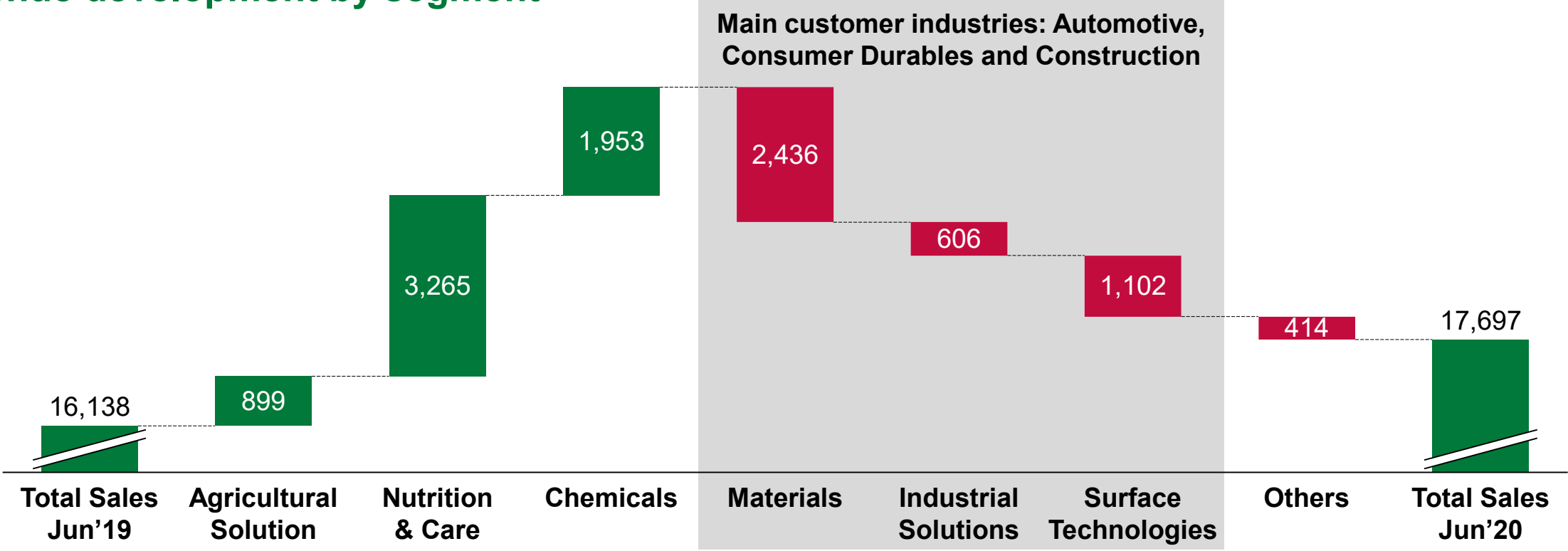
- ☐ Positive growth for Agro, Nutrition & Care segments
- ☐ Slowdown impact on businesses from Automotive, Construction and Consumer Durable Goods industry
- ☐ Margins recovering with increasing plant utilisation, post relaxation of lockdown

BASF India Limited

In Rs. million

Business performance: Q1 results (Apr–Jun'20)

Revenue development by segment



	Agricultural Solution	Nutrition & Care	Chemicals	Materials	Industrial Solutions	Surface Technologies	Others	Total Sales Jun'20
Revenue Jun'20 (abs.)	4,389	5,357	2,976	1,646	2,150	915	264	17,697
% increase/ decrease	↑ 26%	↑ >100%	↑ >100%	↓ 60%	↓ 22%	↓ 55%	↓ 61%	↑ 10%



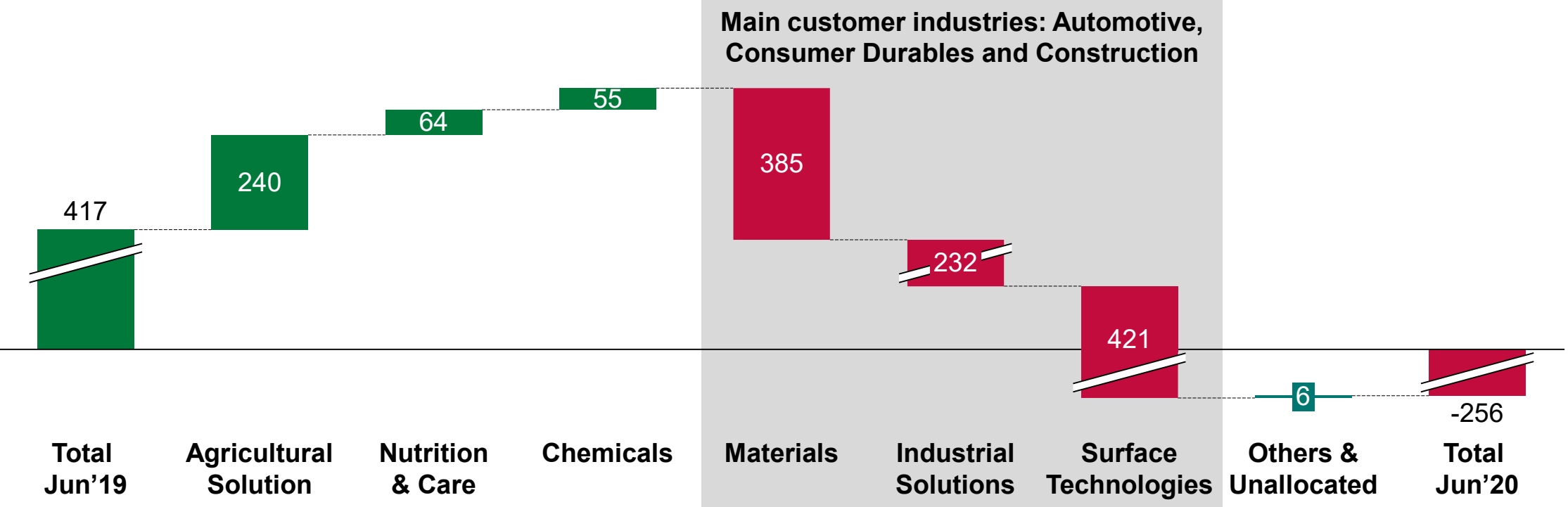
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BASF India Limited

In Rs. million

Business performance: Q1 results (Apr–Jun'20)

Results development by segment



Margins improved for Agro, Nutrition & Care and Chemicals segments, even though lower demand from key customer industries impacted margins for other segments



The charts are for comparison purpose & not to scale

FY 20-21 – Overcoming challenges in an uncertain environment

Uncertain external environment

- COVID-19 Scenario
- Geopolitical tension
- Currency depreciation

Growth hurdles

- Sluggish demand in key sectors – auto, construction, consumer
- Restrictive business environment

Business Challenges

- Credit risk management
- Supply Chain: higher costs, delayed clearances
- Labor availability

Business emphasis going forward



Focus on cost control – optimize working capital & credit management, supply chain



Margin management & resource optimization – improve efficiency, maintain margins

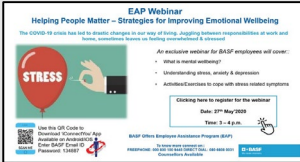


Topline growth – winning customers & continue to drive profitable growth

Enhanced engagement across stakeholders



Customer Engagement: Active co-creation & customer collaboration with digital solutions; joint optimization projects



Employee Connect: Ensuring a motivated and healthy workforce with Employee Assistant Programs, webinars, trainings, workshops by experts



Representation @Stakeholders: Drive industry voice & advocacy at industry forums, Govt. ministries



We create chemistry