



Ludwigshafen, October 24, 2017

# Analyst Conference Call Q3 2017



# 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	Volumes	Prices	Portfolio	Currencies
Q3 2017 vs. Q3 2016	↑ 4%	↑ 7%	↑ 1%	↓ (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®, Ultramid®, Ultradur®, Ultraform®, Ultracom®

## 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

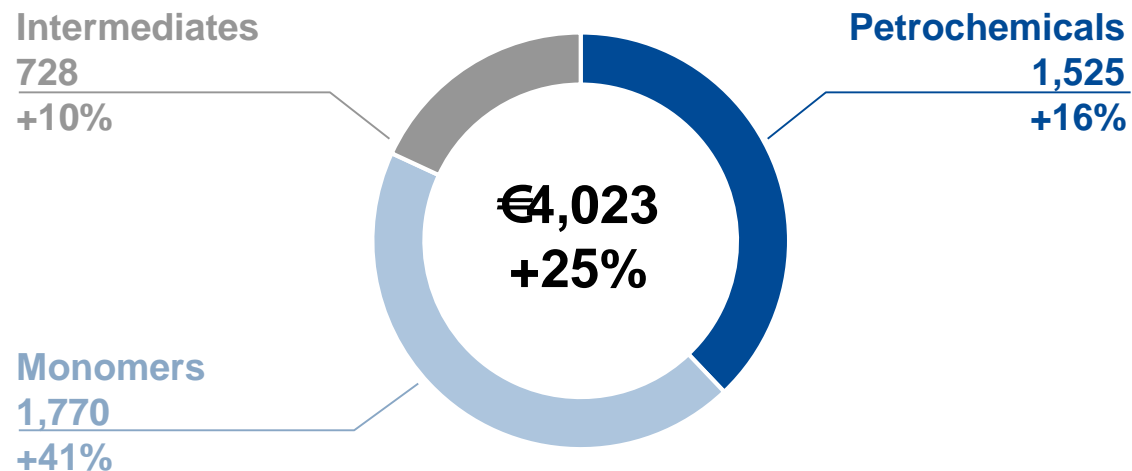
## Complementary crop protection business

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

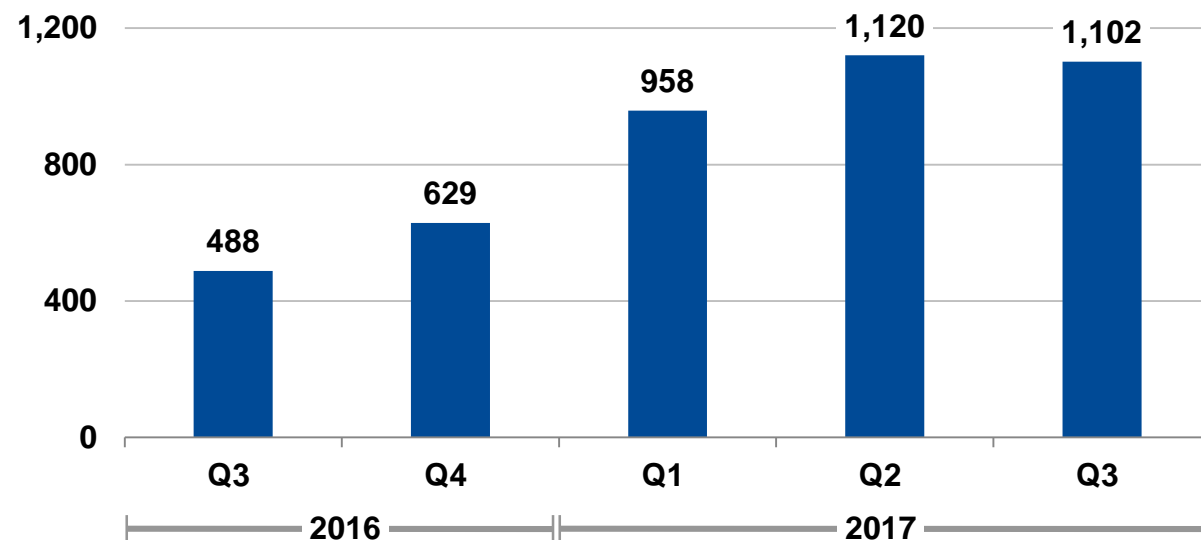
# Chemicals

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%)

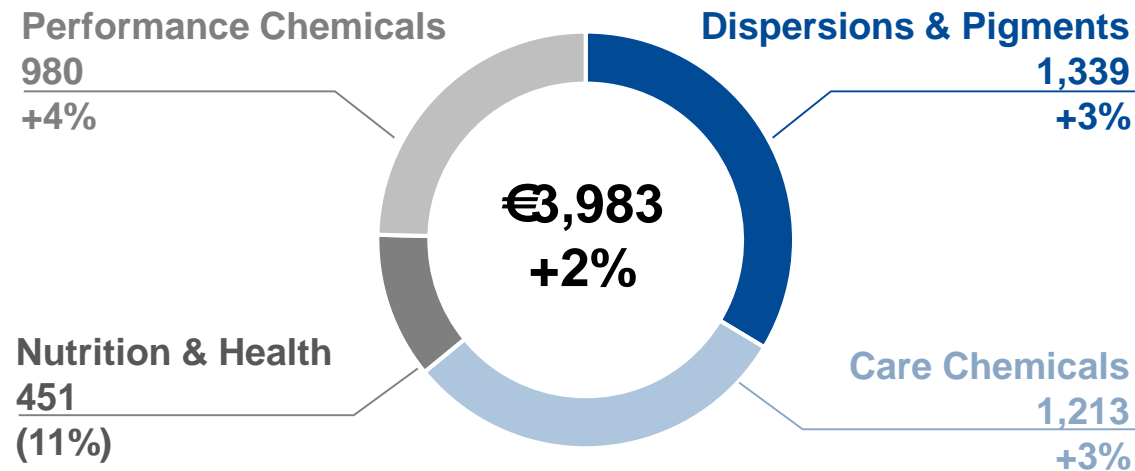
\* Effective January 1, 2017, the Monomers and Dispersions & Pigments divisions' activities for the electronics industry were combined into the global Electronic Materials business unit and allocated to the Dispersions & Pigments division in the Performance Products segment. The 2016 figures have been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



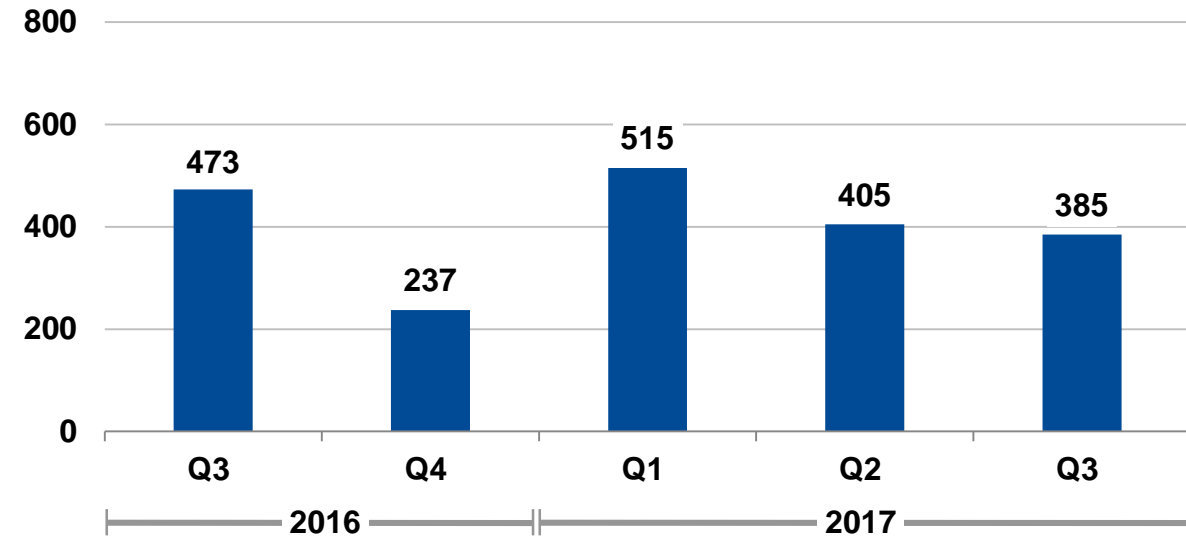
# Performance Products

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%)

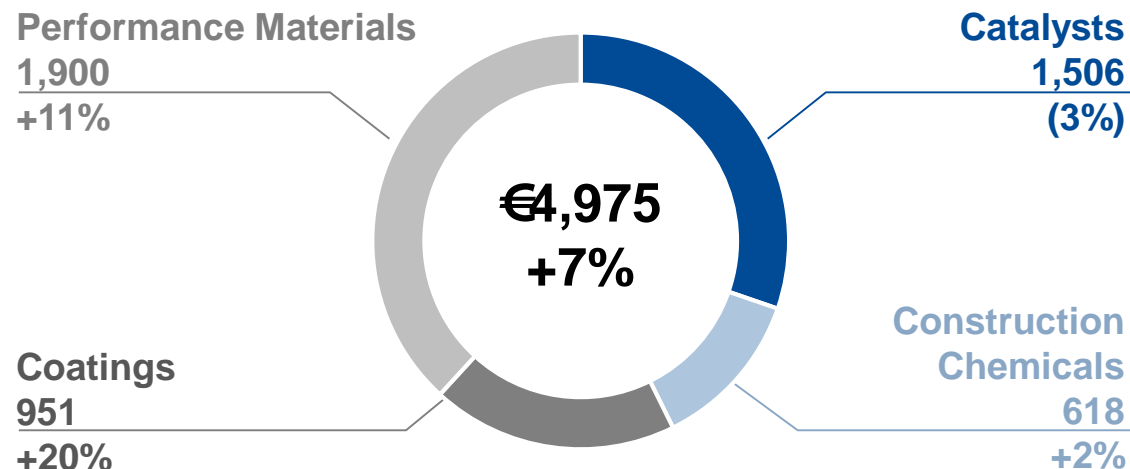
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# Functional Materials & Solutions

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

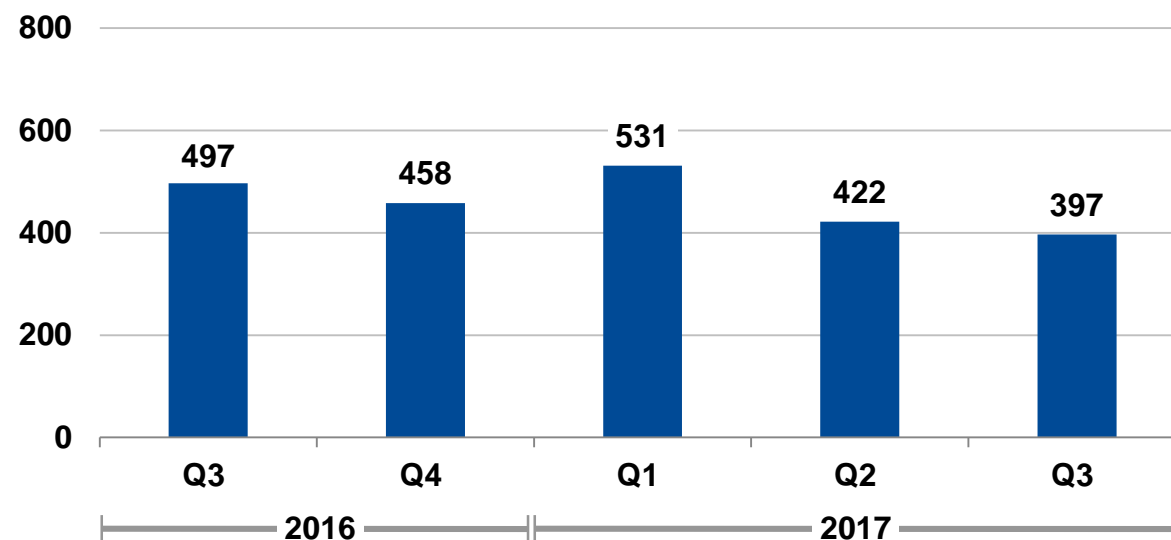
## Sales Q3 2017 vs. Q3 2016

million €



## EBIT before special items

million €



### Sales development

Q3 2017 vs. Q3 2016

### Volumes

0%

### Prices

↑ 6%

### Portfolio

↑ 4%

### Currencies

↓ (3%)

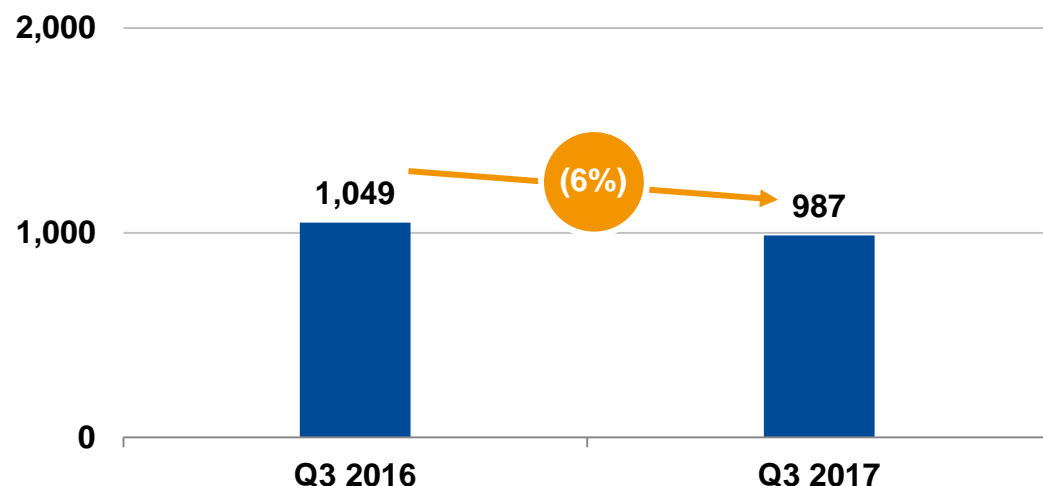


# Agricultural Solutions

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

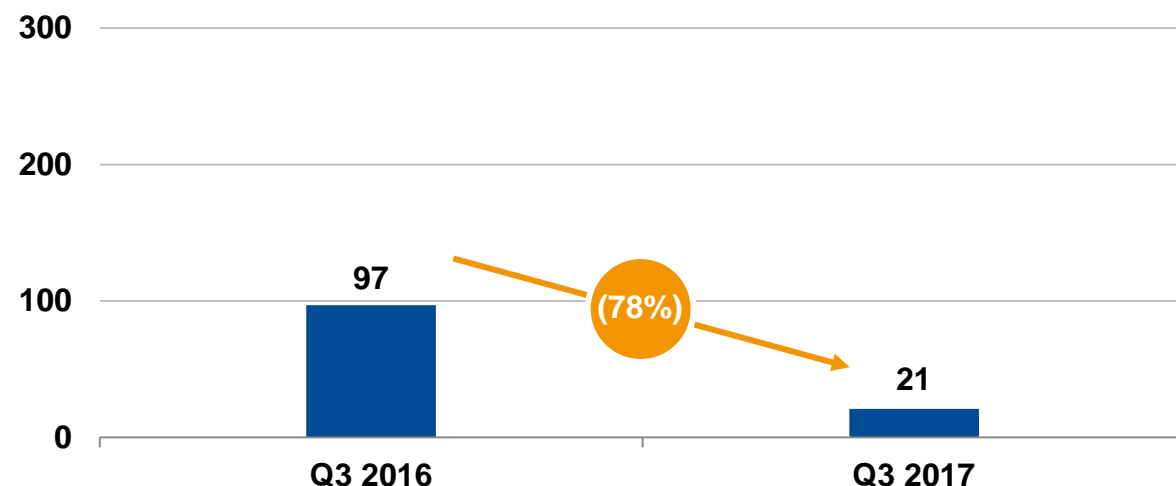
## Sales Q3 2017 vs. Q3 2016

million €



## EBIT before special items

million €



### Sales development

Q3 2017 vs. Q3 2016

### Volumes

↑ 5%

### Prices

↓ (8%)

### Portfolio

0%

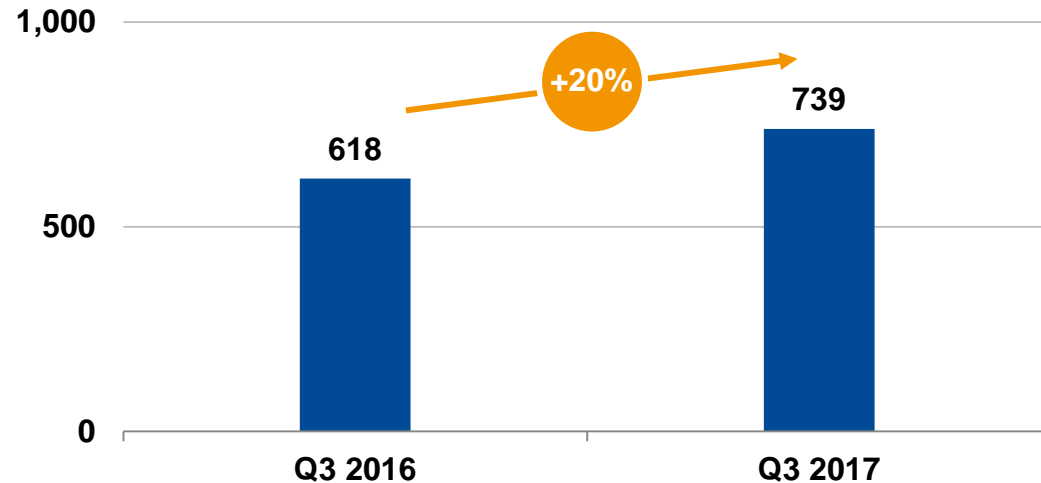
### Currencies

↓ (3%)

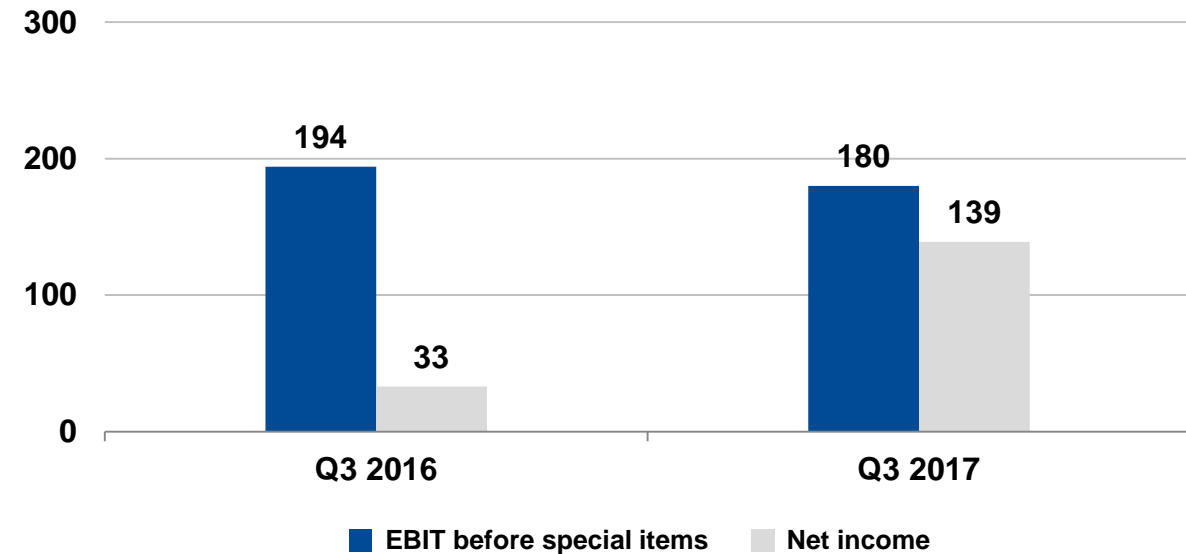
# Oil & Gas

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

Outlook 2017	Now	Previous
Sales	Considerable increase	Considerable increase
EBIT before special items and EBIT	Considerable increase	Considerable increase
EBIT after cost of capital	Considerable increase	Slight increase

Assumptions 2017	Now	Previous
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

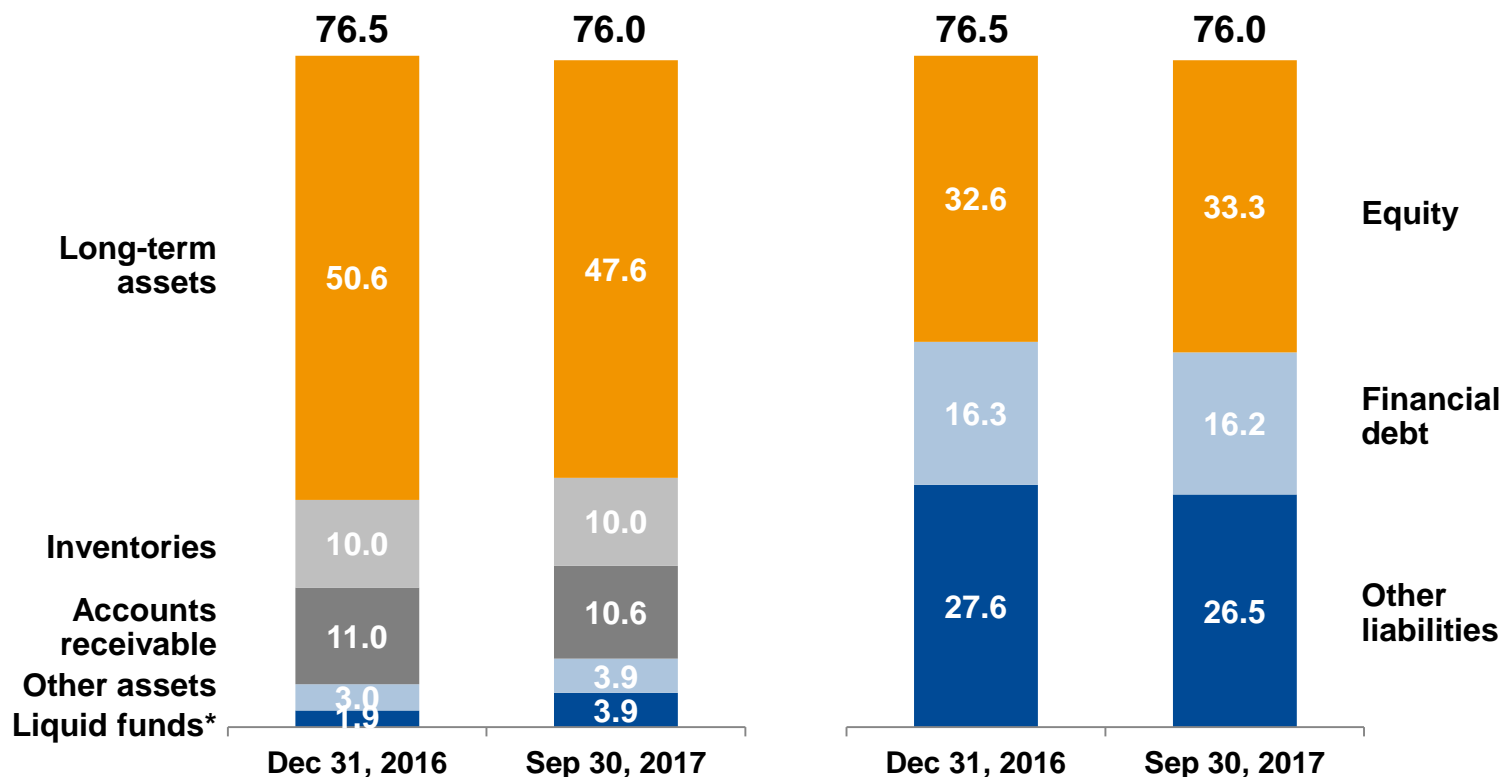


We create chemistry



# 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%)