

Reporting Factsheet Q1 2020

| BASF Group (million €) | Q1 2020 | Q1 2019 | Change (%) | Q1 2020 | Q4 2019 | Change (%) |
|---|------------|------------|---------------|------------|------------|---------------|
| Sales | 16,753 | 15,596 | 7 | 16,753 | 14,686 | 14 |
| EBITDA before special items ¹ | 2,579 | 2,642 | (2) | 2,579 | 1,817 | 42 |
| EBITDA ¹ | 2,428 | 2,770 | (12) | 2,428 | 1,610 | 51 |
| EBITDA margin | 14.5 | 17.8 | - | 14.5 | 11.0 | - |
| Depreciation and amortization ² | 972 | 991 | (2) | 972 | 1,031 | (6) |
| EBIT ¹ | 1,456 | 1,779 | (18) | 1,456 | 579 | 151 |
| Special items | (184) | 29 | . | (184) | (263) | 30 |
| EBIT before special items ¹ | 1,640 | 1,750 | (6) | 1,640 | 842 | 95 |
| Net income from shareholdings ¹ | (168) | (40) | . | (168) | (152) | (11) |
| Financial result ¹ | (88) | (183) | 52 | (88) | (151) | 42 |
| Income before income taxes | 1,200 | 1,556 | (23) | 1,200 | 276 | 335 |
| Income after taxes from continuing operations | 881 | 1,163 | (24) | 881 | 223 | 295 |
| Income after taxes from discontinued operations | 22 | 277 | (92) | 22 | (36) | . |
| Net income | 885 | 1,406 | (37) | 885 | 150 | 490 |
| Earnings per share (€) | 0.96 | 1.53 | (37) | 0.96 | 0.16 | 500 |
| Adjusted earnings per share (€) | 1.36 | 1.70 | (20) | 1.36 | 0.63 | 116 |
| Research and development expenses | 494 | 503 | (2) | 494 | 605 | (18) |
| Personnel expenses | 2,826 | 2,903 | (3) | 2,826 | 2,572 | 10 |
| Number of employees (end of period) | 118,276 | 121,194 | (2) | 118,276 | 117,628 | 1 |
| Assets (end of period) | 92,355 | 92,040 | 0 | 92,355 | 86,950 | 6 |
| Investments including acquisitions ³ | 2,136 | 715 | 199 | 2,136 | 1,304 | 64 |
| Equity ratio (end of period, %) | 47.0 | 41.1 | - | 47.0 | 48.7 | - |
| Net debt (end of period) | 18,794 | 19,431 | (3) | 18,794 | 15,506 | 21 |
| Cash flows from operating activities | (1,030) | 373 | . | (1,030) | 3,157 | . |
| Free cash flow | (1,599) | (368) | . | (1,599) | 1,981 | . |

1 The 2019 figures have been restated to reflect the reclassification of income from non-integral companies accounted for using the equity method to net income from shareholdings.

For more information, see pages 4, 17 and 18 of the Quarterly Statement Q1 2020.

2 Amortization of intangible assets and depreciation of property, plant and equipment (including impairments and reversals of impairments)

3 Additions to intangible assets and property, plant and equipment

| Factors influencing sales in Q1 2020 vs. Q1 2019 (changes in %) | Sales | Volumes | Prices | Portfolio | Currencies |
|--|-------|---------|--------|-----------|------------|
| Chemicals | (8) | 0 | (9) | 0 | 1 |
| Petrochemicals | (9) | (1) | (9) | 0 | 1 |
| Intermediates | (5) | 3 | (9) | 0 | 1 |
| Materials | (2) | (1) | (7) | 6 | 0 |
| Performance Materials | (1) | (1) | (5) | 4 | 1 |
| Monomers | (3) | (1) | (10) | 8 | 0 |
| Industrial Solutions | (4) | 2 | (3) | (4) | 1 |
| Dispersions & Pigments | (1) | 1 | (3) | 0 | 1 |
| Performance Chemicals | (8) | 4 | (3) | (10) | 1 |
| Surface Technologies | 43 | 7 | 34 | 0 | 2 |
| Catalysts | 67 | 15 | 49 | 0 | 3 |
| Coatings | (12) | (11) | 0 | 0 | (1) |
| Nutrition & Care | 1 | 4 | (3) | 0 | 0 |
| Care Chemicals | (1) | 3 | (4) | 0 | 0 |
| Nutrition & Health | 6 | 8 | (2) | 0 | 0 |
| Agricultural Solutions | 6 | 7 | (1) | 0 | 0 |
| Other | 0 | 19 | (24) | 4 | 1 |
| BASF Group | 7 | 4 | 1 | 1 | 1 |

Segments

Q1 (million €)

| | Sales | | | EBITDA before special items ^a | | | Income from operations (EBIT) before special items ^a | | | Income from operations (EBIT) ^a | | |
|------------------------|---------------|---------------|-----------|---|--------------|-------------|---|--------------|-------------|---|--------------|--------------|
| | 2020 | 2019 | +/- | 2020 | 2019 | +/- | 2020 | 2019 | +/- | 2020 | 2019 | +/- |
| | Chemicals | 2,350 | 2,548 | (8%) | 391 | 489 | (20%) | 174 | 306 | (43%) | 170 | 302 |
| Materials | 2,874 | 2,931 | (2%) | 415 | 493 | (16%) | 209 | 323 | (35%) | 119 | 321 | (63%) |
| Industrial Solutions | 2,098 | 2,186 | (4%) | 343 | 378 | (9%) | 273 | 264 | 3% | 240 | 407 | (41%) |
| Surface Technologies | 4,328 | 3,022 | 43% | 338 | 255 | 33% | 220 | 151 | 46% | 217 | 144 | 51% |
| Nutrition & Care | 1,582 | 1,561 | 1% | 357 | 327 | 9% | 254 | 222 | 14% | 244 | 124 | 97% |
| Agricultural Solutions | 2,819 | 2,649 | 6% | 989 | 910 | 9% | 809 | 740 | 9% | 787 | 772 | 2% |
| Other | 702 | 699 | 0% | (254) | (210) | (21%) | (299) | (256) | (17%) | (321) | (291) | (10%) |
| BASF Group | 16,753 | 15,596 | 7% | 2,579 | 2,642 | (2%) | 1,640 | 1,750 | (6%) | 1,456 | 1,779 | (18%) |

Regions

Q1 (million €)

| | Sales Location of company | | | Sales Location of customer | | | EBIT Location of company ^a | | |
|------------------------------------|------------------------------|---------------|-----------|-------------------------------|---------------|-----------|--|--------------|--------------|
| | 2020 | 2019 | +/- | 2020 | 2019 | +/- | 2020 | 2019 | +/- |
| | Europe | 7,520 | 7,188 | 5% | 7,211 | 6,673 | 8% | 681 | 850 |
| of which Germany | 3,273 | 3,988 | (18%) | 1,688 | 1,603 | 5% | 198 | 406 | (51%) |
| North America | 5,246 | 4,641 | 13% | 4,985 | 4,544 | 10% | 474 | 647 | (27%) |
| Asia Pacific | 3,295 | 3,098 | 6% | 3,473 | 3,320 | 5% | 286 | 278 | 3% |
| South America, Africa, Middle East | 692 | 669 | 3% | 1,084 | 1,059 | 2% | 15 | 4 | 275% |
| BASF Group | 16,753 | 15,596 | 7% | 16,753 | 15,596 | 7% | 1,456 | 1,779 | (18%) |

^a The 2019 figures have been restated to reflect the reclassification of income from non-integral companies accounted for using the equity method to net income from shareholdings. For more information, see Significant Events on page 4 of the quarterly statement Q1 2020: [basf.com/quarterlystatement](https://www.basf.com/quarterlystatement)

Segments Q1 2020 vs. Q1 2019

Chemicals

Sales in the Chemicals segment were considerably lower than in Q1 2019. Petrochemicals in particular saw a considerable decline in sales, while Intermediates recorded a slight decrease. Sales development was driven by lower prices across all business areas in both divisions. This was attributable to weaker demand as a consequence of the corona pandemic, higher product availability on the market and lower raw materials prices. Positive currency effects in both divisions had a slight offsetting effect. Volumes were on a level with the PYQ. Higher sales volumes in Intermediates, especially in Europe and Asia, were offset by lower volumes in Petrochemicals. EBIT bSI declined considerably compared with Q1 2019. The considerable decrease affected both divisions, but in particular Petrochemicals, and was mainly attributable to lower margins and higher fixed costs. In Petrochemicals, higher margins for steam cracker products in North America due to significantly lower raw materials prices were unable to compensate for the significantly lower margins in the ethylene and propylene value chains, especially in Europe and Asia. Fixed costs rose, mainly due to price-related impairment losses on inventories. Intermediates recorded lower margins, particularly in the acids and polyalcohols business and in the butanediol and derivatives business. Fixed costs were higher as a result of the gradual startup of the new acetylene plant in Ludwigshafen, Germany.

Materials

In the Materials segment, sales declined slightly in both divisions. The sales decrease was primarily attributable to significantly lower prices, especially in Monomers. Here, isocyanate prices continued to decline as a result of higher market supply. Price levels for polyamide precursors were also lower due to weaker demand from key industries. Sales in Performance Materials were reduced by lower prices for polyurethane systems and Ultramid due to the decrease in raw materials prices. Volumes also declined slightly in both divisions. Weak demand as a consequence of the corona pandemic led to lower sales volumes in Monomers, especially of isocyanates. In Performance Materials, higher volumes of thermoplastic polyurethanes, biopolymers and Ultradur were unable to fully offset lower volumes of Cellasto and polyurethane systems. Portfolio effects from the acquisition of the integrated polyamide business from Solvay, particularly in Monomers, had an offsetting impact. EBIT bSI declined considerably compared with Q1 2019. This was attributable to the considerable decrease in EBIT bSI in Monomers, mainly from lower margins for isocyanates and polyamide precursors as well as higher fixed costs. By contrast, Performance Materials recorded considerable growth in EBIT bSI, primarily due to higher margins as a result of lower raw materials prices and a favorable product mix. EBIT included special items from the integration of the polyamide business acquired from Solvay.

Industrial Solutions

In the Industrial Solutions segment, sales declined slightly compared with the PYQ. Performance Chemicals recorded a considerable sales decrease. Sales in Dispersions & Pigments were slightly below the level of Q1 2019. The sales decrease largely resulted from the transfer of BASF's paper and water chemicals business to the Solenis group as of January 31, 2019. It was previously reported under Performance Chemicals. In addition, prices declined slightly in both divisions as a result of lower raw materials prices. By contrast, sales volumes rose slightly in both divisions, especially in Performance Chemicals. Volumes growth here was primarily driven by higher sales volumes of plastic additives. Positive currency effects in both divisions, mainly relating to the U.S. dollar, also had a positive impact on sales. Overall, we slightly increased EBIT bSI compared with the PYQ. This was attributable to a considerable improvement in Dispersions & Pigments, mainly as a result of lower fixed costs. By contrast, EBIT bSI declined slightly in Performance Chemicals, primarily due to the transfer of the paper and water chemicals business to the Solenis group as of January 31, 2019. This could not be completely offset by the increase in sales volumes.

Surface Technologies

Sales in the Surface Technologies segment rose considerably compared with Q1 2019. Considerable sales growth in Catalysts more than offset the considerable decline in Coatings. The increase in sales was largely due to higher prices in Catalysts as a result of higher precious metal prices. Prices in Coatings were on a level with the PYQ. Considerably higher volumes in Catalysts also contributed to the sales development. Here, sales volumes developed positively for mobile emissions catalysts and battery materials and in precious metal trading. This more than offset lower volumes in the chemical and refining catalysts business. In precious metal trading, sales rose to €2,278 million (Q1 2019: €1,064 million) as a result of higher prices and volumes. Volumes development in Coatings, especially in the automotive OEM coatings business, was significantly depressed by weaker demand from the automotive industry due to the effects of the corona pandemic. Volumes were also significantly lower in the surface treatments and automotive refinish coatings businesses. Sales volumes in the decorative paints business declined slightly. Currency effects in Catalysts had a positive impact on sales. We achieved considerable year-on-year growth in EBIT bSI due to a considerably higher contribution from Catalysts as a result of valuation effects in precious metal trading. Coatings recorded considerably lower EBIT bSI. Lower raw materials prices and lower fixed costs were unable to offset the decline in volumes as a consequence of the corona pandemic.

Nutrition & Care

In the Nutrition & Care segment, sales rose slightly compared with Q1 2019. Considerable sales growth in Nutrition & Health more than offset the slight sales decrease in Care Chemicals. Sales development was mainly driven by higher sales volumes in both divisions. The increase in volumes in Nutrition & Health was primarily due to higher sales volumes in the animal nutrition, aroma ingredients and pharmaceutical businesses. Care Chemicals recorded particularly strong volumes growth in the home care, industrial and institutional cleaning and industrial formulators business in Europe and North America, and in the oleo surfactants and alcohols business in Europe and South

America. Sales were dampened by slightly lower price levels in both divisions. The decline in prices in Care Chemicals was primarily due to lower raw materials prices. In Nutrition & Health, prices mainly decreased in the aroma ingredients and animal nutrition businesses. We considerably increased EBIT bSI compared with the PYQ due to a significantly higher contribution from Nutrition & Health, largely as a result of improved product availability. EBIT bSI in Care Chemicals was slightly higher year on year. Lower fixed costs more than offset the weaker margins in the home care, industrial and institutional cleaning and industrial formulators business.

Agricultural Solutions

The Agricultural Solutions segment recorded considerable sales growth compared with Q1 2019. This was primarily attributable to higher volumes, especially in North America and Europe. The earlier demand triggered by the corona pandemic had a positive impact on sales volumes. A lower price level had a slight offsetting effect. In Europe, sales rose slightly year on year as a result of higher sales volumes. This development was mainly due to higher demand for herbicides, seed treatments, and seeds and traits. Sales in North America improved considerably. We significantly increased volumes – especially of herbicides and fungicides – compared with Q1 2019, which was affected by extreme weather conditions. The sales development was also supported by positive currency effects. By contrast, lower price levels had a dampening effect on sales. In Asia, sales were considerably above the figure for Q1 2019 due to higher sales volumes, especially of herbicides in China, Australia and Japan. Positive currency effects also contributed to the sales development. We considerably increased sales in the region South America, Africa, Middle East. This was mainly driven by higher volumes, particularly of fungicides and herbicides. Slightly higher prices also had a positive impact on sales. Significantly negative currency effects, especially in Brazil, had an offsetting effect. EBIT bSI was slightly higher than in Q1 2019. This was largely the result of higher sales, mainly due to earlier demand as a consequence of the corona pandemic, and lower fixed costs.

Other

Sales in Other matched the PYQ. EBIT bSI was considerably below the figure for Q1 2019.

BASF Group Q1 2020 vs. Q1 2019

Earnings development BASF Group

- EBIT bSI declined by €110 million year on year to €1,640 million. This was mainly attributable to significantly lower contributions from the Chemicals and Materials segments and from Other. By contrast, we increased EBIT bSI in all other segments. Special items in EBIT totaled minus €184 million in Q1 2020, compared with €29 million in the PYQ. These mainly related to integration costs for the businesses acquired from Solvay and to various restructuring measures. In the PYQ, income from divestitures led to positive special items overall. EBIT declined by €323 million compared with Q1 2019 to €1,456 million. EBITDA bSI decreased by €63 million to €2,579 million and EBITDA declined by €342 million to €2,428 million in the same period.
- The decline in net income from shareholdings to minus €168 million is primarily attributable to the initial inclusion of Wintershall Dea. Its contribution to earnings was negative, mainly as a result of the low oil and gas prices and currency-related deferred tax expenses. The financial result improved to minus €88 million.
- Income before income taxes decreased by €356 million to €1,200 million. The tax rate rose from 25.3% to 26.6%, due, among other factors to negative income from companies accounted for using the equity method.
- Income after taxes from continuing operations declined by €282 million compared with the PYQ to €881 million. Income after taxes from discontinued operations decreased by €255 million to €22 million. In Q1 2019, this figure still contained the earnings generated by our oil and gas activities (€274 million). Income after taxes improved in the discontinued construction chemicals business. Noncontrolling interests amounted to minus €18 million after minus €34 million in the PYQ, mainly because the shares in the gas transportation companies are no longer included in this figure. Net income decreased by €521 million to €885 million. Earnings per share in Q1 2020 were €0.96, compared with €1.53 in Q1 2019. Earnings per share adjusted for special items and amortization of intangible assets amounted to €1.36 (Q1 2019: €1.70).

Outlook 2020 for BASF Group withdrawn

Qualitative statements provided end of April 2020

- The sales and earnings forecast for the 2020 business year provided by BASF on February 28, 2020, cannot be met due to the coronavirus pandemic. We are therefore withdrawing our outlook for 2020.
- It is currently impossible to reliably estimate both the length and the further spread of the coronavirus pandemic, as well as future measures to contain it. Consequently, concrete statements on the future development of sales and earnings cannot be made at present.
- BASF will quantify its expectations for the future development of sales and earnings as soon as it is again possible to provide a reliable forecast.

Forward-looking statements

This presentation contains forward-looking statements. These statements are based on current estimates and projections of the Board of Executive Directors and currently available information. Forward-looking statements are not guarantees of the future developments and results outlined therein. These are dependent on a number of factors; they involve various risks and uncertainties; and they are based on assumptions that may not prove to be accurate. Such risk factors include those discussed in Opportunities and Risks on pages 139 to 147 of the BASF Report 2019. BASF does not assume any obligation to update the forward-looking statements contained in this presentation above and beyond the legal requirements.