

A low-angle, close-up photograph of two male scientists in a laboratory. They are wearing white lab coats and clear safety glasses. One scientist is holding a round-bottom flask containing a vibrant blue liquid, which they are both looking at intently. The background is slightly blurred, showing laboratory equipment like a fume hood. The overall tone is professional and scientific.

# BASF with slightly lower earnings before special items; outlook 2016 confirmed

Analyst Conference Call Q1 2016, April 29, 2016



We create chemistry

# Cautionary note regarding forward-looking statements

*This presentation may contain forward-looking statements that are subject to risks and uncertainties, including those pertaining to the anticipated benefits to be realized from the proposals described herein. Forward-looking statements may include, in particular, statements about future events, future financial performance, plans, strategies, expectations, prospects, competitive environment, regulation and supply and demand. BASF has based these forward-looking statements on its views and assumptions with respect to future events and financial performance. Actual financial performance could differ materially from that projected in the forward-looking statements due to the inherent uncertainty of estimates, forecasts and projections, and financial performance may be better or worse than anticipated. Given these uncertainties, readers should not put undue reliance on any forward-looking statements. The information contained in this presentation is subject to change without notice and BASF does not undertake any duty to update the forward-looking statements, and the estimates and assumptions associated with them, except to the extent required by applicable laws and regulations.*

# Q1 2016: BASF with slightly lower earnings compared to strong prior-year quarter

Financial figures	Q1 2016	Q1 2015	Change
Sales	€14.2 billion	€20.1 billion	(29%)
EBITDA	€2.8 billion	€2.9 billion	(3%)
EBIT before special items	€1.9 billion	€2.1 billion	(8%)
EBIT	€1.9 billion	€2.0 billion	(6%)
Net income	€1.4 billion	€1.2 billion	+18%
Reported EPS	€1.51	€1.28	+18%
Adjusted EPS	€1.64	€1.43	+15%
Operating cash flow	€1.0 billion	€2.4 billion	(56%)

Sales development	Volumes	Prices	Portfolio	Currencies
Q1 2016 vs. Q1 2015	0%	↓ (6%)	↓ (22%)	↓ (1%)



# Milestones in Q1 2016



**Start-up of butanediol plant at the integrated PolyTHF complex in Korla, China**



**JV with Avantium intended for production of furandicarboxylic acid (FDCA) in Belgium**



**Joint operation of polyoxymethylene (POM) with Kolon Plastics planned in Korea**

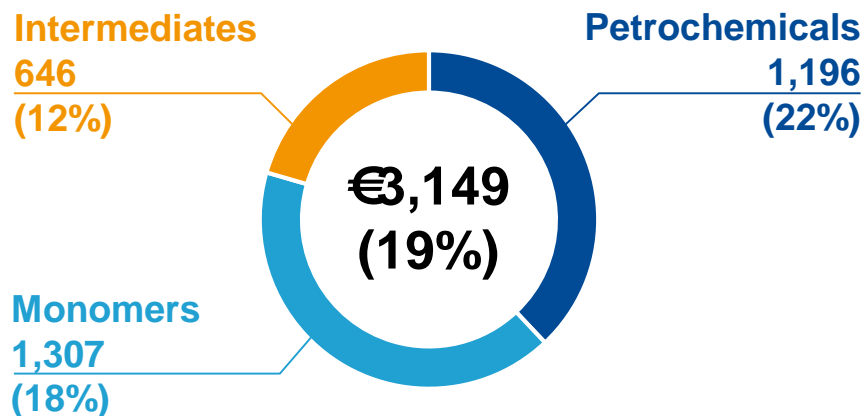


**Update of peak sales potential for product launches in Agricultural Solutions**

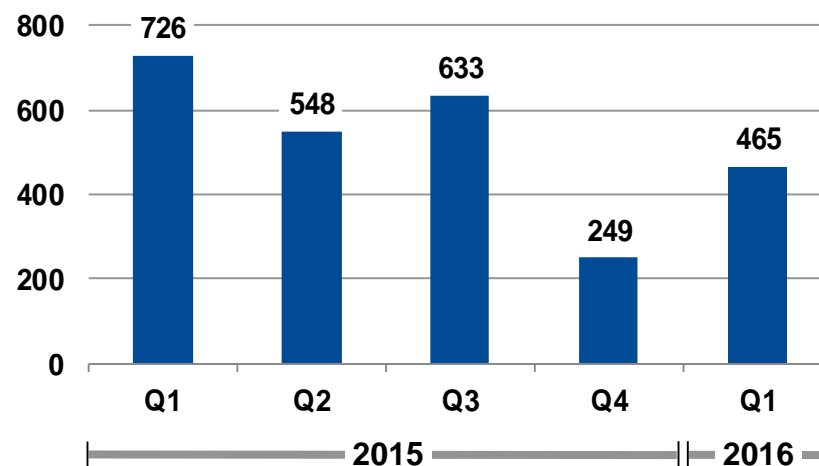
# Chemicals

Lower margins and higher fixed costs result in considerably decreased earnings

## Sales Q1 2016 vs. Q1 2015 million €



## EBIT before special items million €



### Sales development

Q1 2016 vs. Q1 2015

### Volumes

↓ (3%)

### Prices

↓ (16%)

### Portfolio

0%

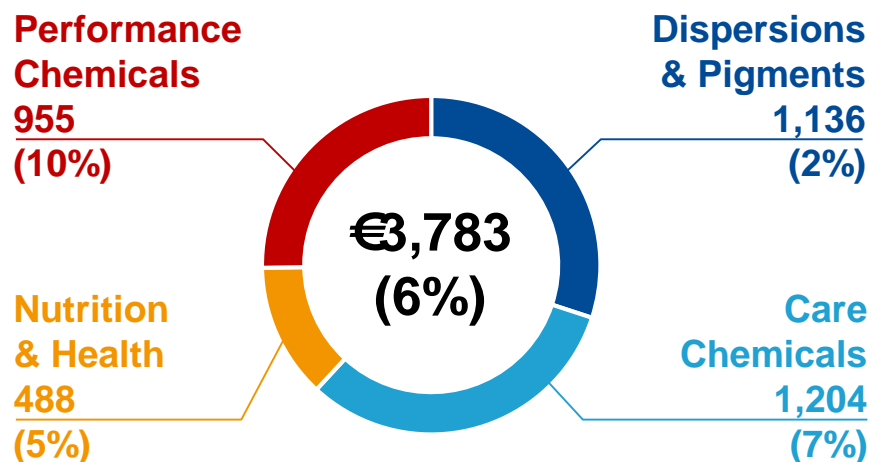
### Currencies

0%

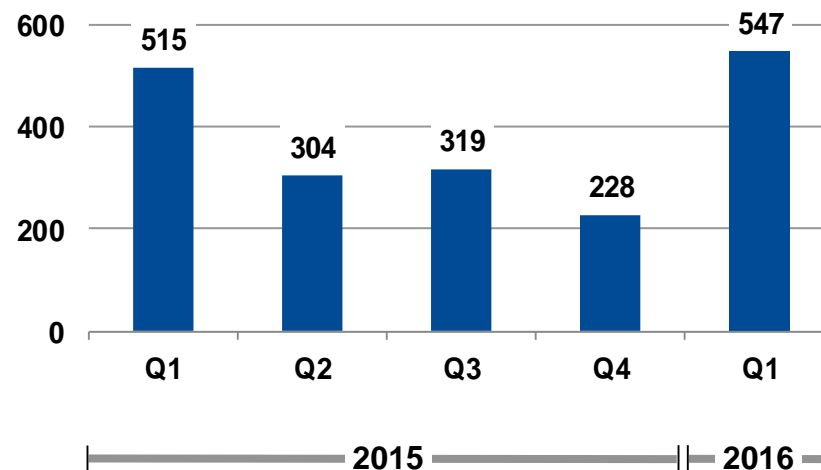
# Performance Products

Increase in earnings by 6%, supported by successful restructuring

## Sales Q1 2016 vs. Q1 2015 million €



## EBIT before special items million €



### Sales development

Q1 2016 vs. Q1 2015

### Volumes

↑ 1%

### Prices

↓ (4%)

### Portfolio

↓ (2%)

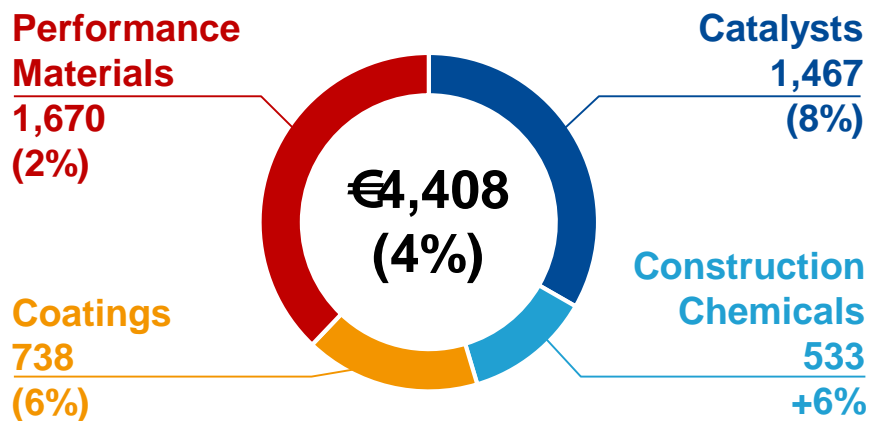
### Currencies

↓ (1%)

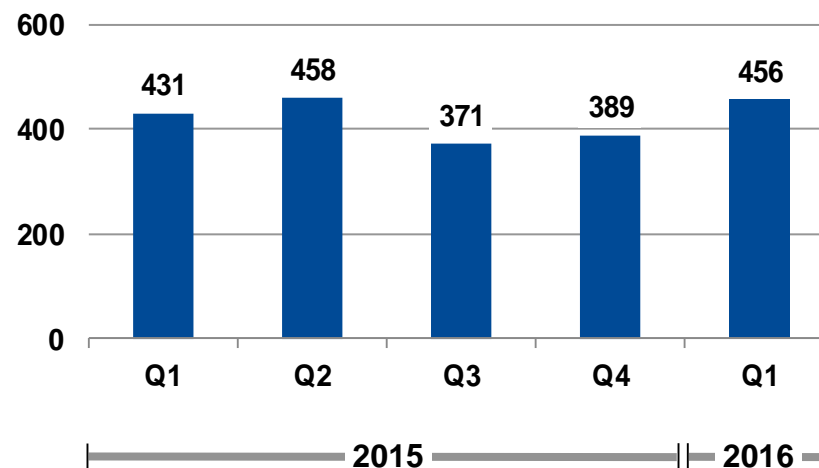
# Functional Materials & Solutions

Good demand from the automotive and construction industries

## Sales Q1 2016 vs. Q1 2015 million €



## EBIT before special items million €



### Sales development

Q1 2016 vs. Q1 2015

### Volumes

↑ 5%

### Prices

↓ (7%)

### Portfolio

0%

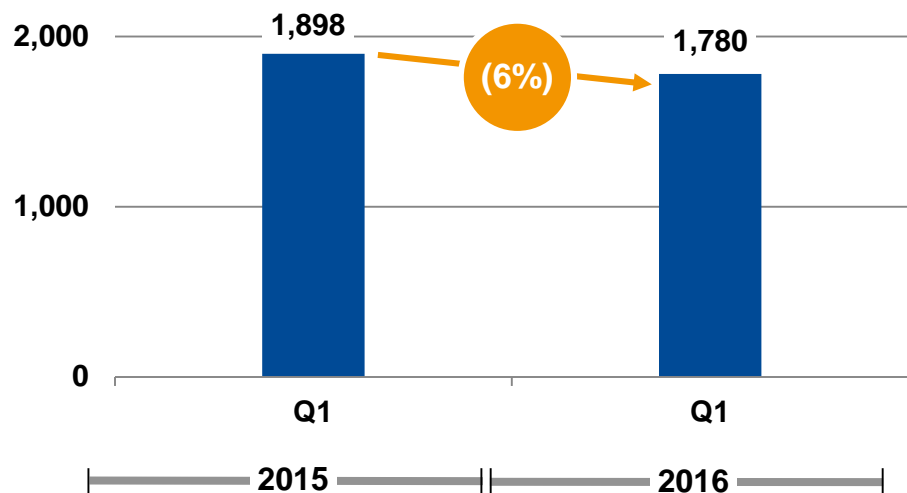
### Currencies

↓ (2%)

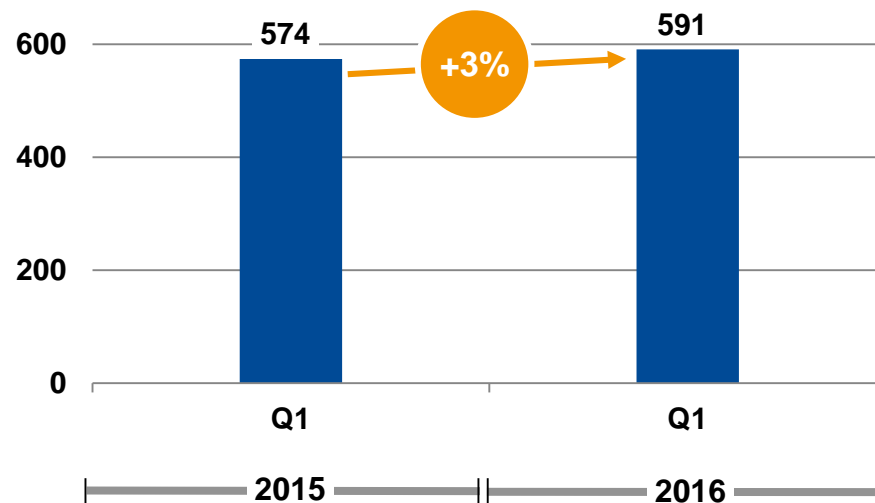
# Agricultural Solutions

Slight earnings increase in a challenging market environment

**Sales**  
million €



**EBIT before special items**  
million €



## Sales development

Q1 2016 vs. Q1 2015

## Volumes

↓ (5%)

## Prices

↑ 2%

## Portfolio

0%

## Currencies

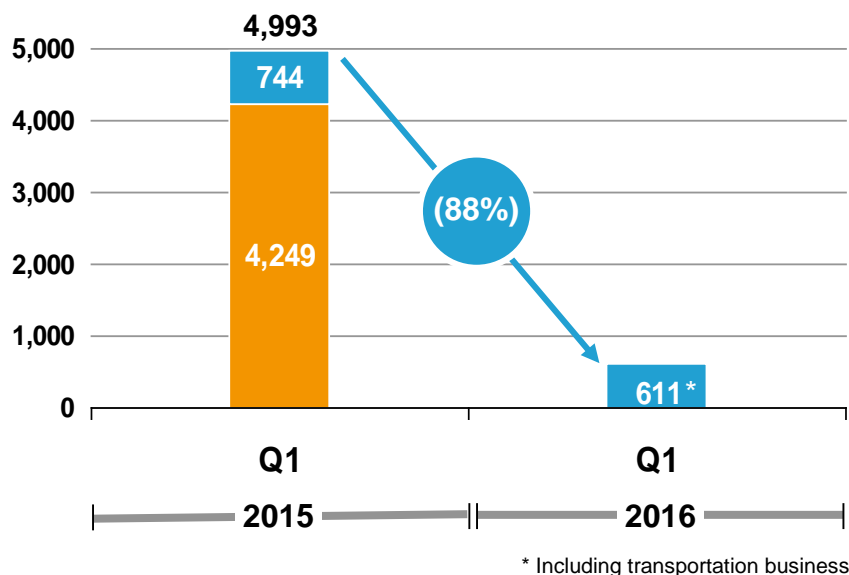
↓ (3%)



# Oil & Gas

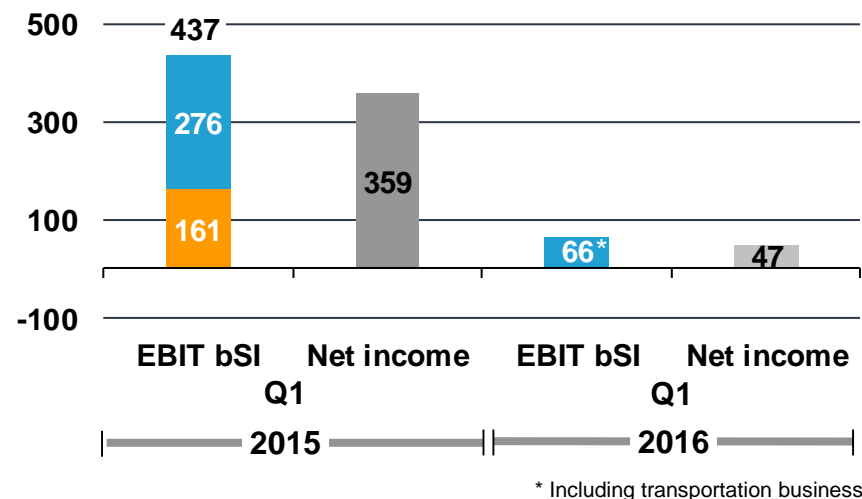
Significantly lower sales and earnings

## Sales million €



■ Exploration & Production ■ Natural Gas Trading

## EBIT before special items, net income million €



■ Exploration & Production ■ Natural Gas Trading

## Sales development

Q1 2016 vs. Q1 2015

## Volumes

↑ 2%

## Prices/Currencies

↓ (4%)

## Portfolio

↓ (86%)

# Review of 'Other'

million €	Q1 2016	Q1 2015
<b>Sales</b>	<b>477</b>	<b>688</b>
<b>EBIT before special items</b>	<b>(219)</b>	<b>(613)</b>
Thereof Corporate research costs	(99)	(101)
Costs of corporate headquarters	(55)	(55)
Foreign currency results, hedging and other measurement effects	68	(382)
Other businesses	18	35
Special items	(26)	(82)
<b>EBIT</b>	<b>(245)</b>	<b>(695)</b>

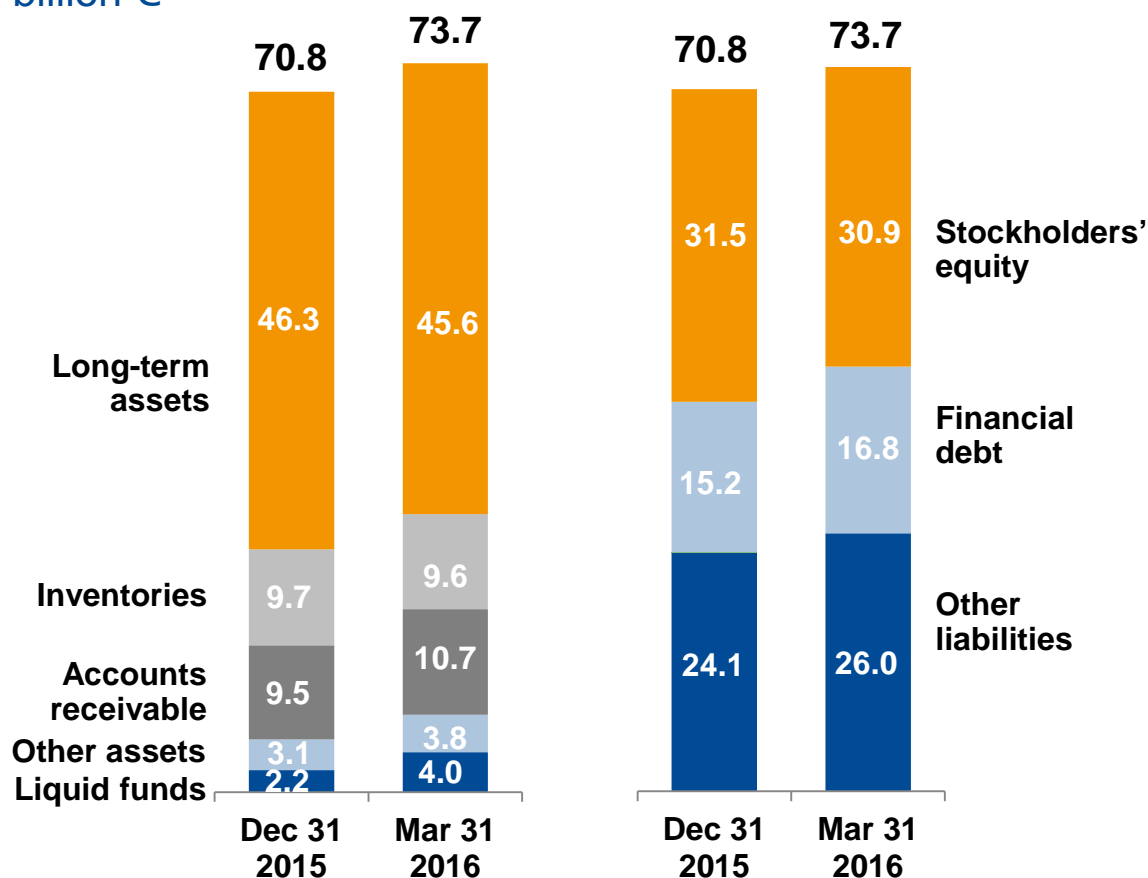
# Cash flow Q1 2016

million €	Q1 2016	Q1 2015
<b>Cash provided by operating activities</b>	<b>1,046</b>	<b>2,390</b>
Thereof changes in net working capital	(1,248)	309
miscellaneous items	(39)	5
<b>Cash used in investing activities</b>	<b>(1,258)</b>	<b>(1,502)</b>
Thereof payments related to tangible / intangible assets	(1,001)	(1,278)
acquisitions / divestitures	0	26
<b>Cash used in / provided by financing activities</b>	<b>1,997</b>	<b>(400)</b>
Thereof changes in financial liabilities	1,996	(299)
dividends	(4)	(101)

# Balance sheet remains strong

## Balance sheet March 31, 2016 vs. December 31, 2015

billion €



- Total assets increased by €2.9 billion, mainly due to higher cash position and seasonally-driven increase in accounts receivable
- Long-term assets slightly lower caused by currency effects
- Provisions for pension obligations increased by €2.0 billion as a result of lower interest rates
- Net debt slightly declined to €12.8 billion
- Equity ratio: 42%

# Outlook 2016 confirmed

## Outlook 2016

- Sales will be considerably below prior year, due to the divestiture of the natural gas trading and storage activities and the lower oil and gas prices. Excluding the effects of acquisitions and divestitures, we expect higher volumes in all segments.
- We expect EBIT before special items to be slightly below the previous year driven by drastically lower earnings of Oil & Gas. We plan higher earnings in our chemicals business and in the Agricultural Solutions segment.
- EBIT after cost of capital is expected to be significantly below prior year. However, we still expect to earn a premium on our cost of capital.

## Assumptions 2016

- |   |                 |
|---|-----------------|
| ■ GDP growth:                                   | +2.3%           |
| ■ Growth in industrial production:              | +2.0%           |
| ■ Growth in chemical production (excl. pharma): | +3.4%           |
| ■ Exchange rate:                                | \$1.10 per euro |
| ■ Oil price (Brent):                            | \$40 per barrel |



We create chemistry