

Reporting Factsheet Q3 2018

| BASF Group (million €) | Q3 2018 | Q3 2017 | Change (%) | Q1-3 2018 | Q1-3 2017 | Change (%) |
|--|------------|------------|---------------|--------------|--------------|---------------|
| Sales ¹ | 15,606 | 14,516 | 8 | 47,089 | 45,992 | 2 |
| EBITDA before special items ¹ | 2,263 | 2,517 | (10) | 7,985 | 8,424 | (5) |
| EBITDA ¹ | 2,190 | 2,655 | (18) | 7,830 | 8,499 | (8) |
| Amortization and depreciation ^{1,2} | 795 | 831 | (4) | 2,266 | 2,333 | (3) |
| EBIT ¹ | 1,395 | 1,824 | (24) | 5,564 | 6,166 | (10) |
| Special items ¹ | (75) | 122 | . | (159) | 46 | . |
| EBIT before special items ¹ | 1,470 | 1,702 | (14) | 5,723 | 6,120 | (6) |
| Financial result ¹ | (138) | (184) | 25 | (511) | (495) | (3) |
| Income before taxes and minority interests ¹ | 1,257 | 1,640 | (23) | 5,053 | 5,671 | (11) |
| Income before minority interests from continuing operations | 1,032 | 1,260 | (18) | 3,974 | 4,319 | (8) |
| Income before minority interests from discontinued operations | 235 | 149 | 58 | 574 | 426 | 35 |
| Net income | 1,200 | 1,336 | (10) | 4,359 | 4,541 | (4) |
| EBIT after cost of capital ¹ | 30 | 735 | (96) | 1,754 | 2,676 | (34) |
| Earnings per share (€) | 1.31 | 1.45 | (10) | 4.75 | 4.94 | (4) |
| Adjusted earnings per share (€) | 1.51 | 1.40 | 8 | 5.21 | 5.15 | 1 |
| Research and development expenses ¹ | 509 | 449 | 13 | 1,377 | 1,324 | 4 |
| Personnel expenses | 2,633 | 2,709 | (3) | 7,940 | 7,918 | 0 |
| Number of employees (September 30) | 122,230 | 115,319 | 6 | 122,230 | 115,319 | 6 |
| Assets (September 30) | 85,579 | 76,023 | 13 | 85,579 | 76,023 | 13 |
| Investments including acquisitions ³ | 8,053 | 982 | . | 9,548 | 2,695 | 254 |
| Equity ratio (September 30, %) | 42.8 | 43.9 | (3) | 42.8 | 43.9 | (3) |
| Net debt (September 30) | 18,026 | 12,268 | 47 | 18,026 | 12,268 | 47 |
| Cash flows from operating activities | 2,930 | 3,795 | (23) | 6,385 | 7,597 | (16) |
| Free cash flow | 1,951 | 2,831 | (31) | 3,957 | 4,991 | (21) |

¹ Restated figures due to reporting of oil and gas business as discontinued operation

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

³ Additions to intangible assets and property, plant and equipment

| Factors influencing sales in Q3 2018 (changes in %) | Sales | Volumes | Prices | Currencies | Portfolio |
|--|----------|----------|----------|------------|-----------|
| Chemicals | 7 | 0 | 7 | 0 | 0 |
| Performance Products | 0 | (3) | 5 | (1) | (1) |
| Functional Materials & Solutions | 5 | 2 | 4 | (1) | 0 |
| Agricultural Solutions | 26 | 1 | 17 | (10) | 18 |
| BASF Group | 8 | 2 | 6 | (1) | 1 |

Segments

3rd Quarter (million €)

| | Sales | | | Income from operations before depreciation and amortization (EBITDA) | | | Income from operations (EBIT) before special items | | | Income from operations (EBIT) | | |
|----------------------------------|---------------|---------------|-------------|--|--------------|-------------|--|--------------|-------------|-------------------------------|--------------|-------------|
| | 2018 | 2017 | Change in % | 2018 | 2017 | Change in % | 2018 | 2017 | Change in % | 2018 | 2017 | Change in % |
| Chemicals | 4,309 | 4,023 | 7 | 1,112 | 1,430 | (22) | 851 | 1,102 | (23) | 846 | 1,089 | (22) |
| Performance Products | 3,989 | 3,983 | 0 | 563 | 788 | (29) | 360 | 385 | (6) | 348 | 567 | (39) |
| Functional Materials & Solutions | 5,238 | 4,975 | 5 | 506 | 527 | (4) | 347 | 397 | (13) | 337 | 357 | (6) |
| Agricultural Solutions | 1,243 | 987 | 26 | 79 | 85 | (7) | (5) | 21 | . | (39) | 20 | . |
| Other | 827 | 548 | 51 | (70) | (175) | 60 | (83) | (203) | 59 | (97) | (209) | 54 |
| BASF Group | 15,606 | 14,516 | 8 | 2,190 | 2,655 | (18) | 1,470 | 1,702 | (14) | 1,395 | 1,824 | (24) |

January – September (million €)

| | Sales | | | Income from operations before depreciation and amortization (EBITDA) | | | Income from operations (EBIT) before special items | | | Income from operations (EBIT) | | |
|----------------------------------|---------------|---------------|-------------|--|--------------|-------------|--|--------------|-------------|-------------------------------|--------------|-------------|
| | 2018 | 2017 | Change in % | 2018 | 2017 | Change in % | 2018 | 2017 | Change in % | 2018 | 2017 | Change in % |
| Chemicals | 12,727 | 12,173 | 5 | 3,828 | 4,054 | (6) | 3,059 | 3,180 | (4) | 3,036 | 3,182 | (5) |
| Performance Products | 11,929 | 12,385 | (4) | 1,871 | 2,111 | (11) | 1,239 | 1,305 | (5) | 1,232 | 1,429 | (14) |
| Functional Materials & Solutions | 15,917 | 15,434 | 3 | 1,492 | 1,799 | (17) | 1,018 | 1,350 | (25) | 988 | 1,305 | (24) |
| Agricultural Solutions | 4,472 | 4,368 | 2 | 881 | 1,016 | (13) | 696 | 826 | (16) | 637 | 821 | (22) |
| Other | 2,044 | 1,632 | 25 | (242) | (481) | 50 | (289) | (541) | 47 | (329) | (571) | 42 |
| BASF Group | 47,089 | 45,992 | 2 | 7,830 | 8,499 | (8) | 5,723 | 6,120 | (6) | 5,564 | 6,166 | (10) |

Regions

Regions (million €)

| | Sales Location of company | | | Sales Location of customer | | | Income from operations Location of company | | |
|------------------------------------|---------------------------|---------------|-------------|----------------------------|---------------|-------------|--|--------------|-------------|
| | 2018 | 2017 | Change in % | 2018 | 2017 | Change in % | 2018 | 2017 | Change in % |
| 3rd quarter | | | | | | | | | |
| Europe | 6,872 | 6,651 | 3 | 6,335 | 6,244 | 1 | 659 | 984 | (33) |
| of which Germany | 4,421 | 4,560 | (3) | 1,819 | 1,764 | 3 | 226 | 273 | (17) |
| North America | 4,220 | 3,466 | 22 | 4,089 | 3,361 | 22 | 171 | 159 | 8 |
| Asia Pacific | 3,440 | 3,389 | 2 | 3,621 | 3,540 | 2 | 481 | 636 | (24) |
| South America, Africa, Middle East | 1,074 | 1,010 | 6 | 1,561 | 1,371 | 14 | 84 | 45 | 87 |
| BASF Group | 15,606 | 14,516 | 8 | 15,606 | 14,516 | 8 | 1,395 | 1,824 | (24) |
| January–September | | | | | | | | | |
| Europe | 21,944 | 21,447 | 2 | 20,452 | 20,304 | 1 | 3,205 | 3,613 | (11) |
| of which Germany | 14,051 | 14,222 | (1) | 5,519 | 5,498 | 0 | 1,369 | 1,708 | (20) |
| North America | 12,262 | 12,098 | 1 | 11,879 | 11,652 | 2 | 754 | 1,009 | (25) |
| Asia Pacific | 10,437 | 10,042 | 4 | 10,981 | 10,583 | 4 | 1,592 | 1,630 | (2) |
| South America, Africa, Middle East | 2,446 | 2,405 | 2 | 3,777 | 3,453 | 9 | 13 | (86) | . |
| BASF Group | 47,089 | 45,992 | 2 | 47,089 | 45,992 | 2 | 5,564 | 6,166 | (10) |

Segments Q3 2018 vs. Q3 2017

Chemicals

Sales rose considerably compared with the prior-year quarter as a result of higher prices in all divisions, especially in Petrochemicals. EBIT bsi declined considerably versus Q3 2017. This was primarily due to lower margins for isocyanates in the Monomers division and steam cracker products in the Petrochemicals division. Earnings were also negatively impacted by higher fixed costs due, among other factors, to increased maintenance expenses. Improved earnings in the Intermediates division were unable to compensate for this.

- In Petrochemicals, sales considerably exceeded the figure for the prior-year quarter. This was primarily attributable to higher sales prices on the back of significant growth in raw materials prices for naphtha in Europe and butane in North America. Volumes rose significantly overall, although production in Ludwigshafen, Germany, was affected by the low water levels on the Rhine River. EBIT bsi decreased considerably, mainly due to higher fixed costs. The prior-year figure included insurance refunds. Furthermore, maintenance expenses were higher than in Q3 2017. The low water levels on the Rhine River and the significant increase in raw materials prices also contributed to the decline in earnings.
- Sales in Monomers declined considerably compared with Q3 2017. This was driven by lower sales volumes, mainly in the isocyanates business as a result of higher market supply. Plant shutdowns also had a negative impact on sales volumes. We were able to increase prices overall, although prices for isocyanates declined. EBIT bsi was down considerably year on year. This was primarily due to lower margins, especially for isocyanates. Lower fixed costs had an offsetting effect.
- The Intermediates division achieved considerable sales growth as against Q3 2017. This was attributable to higher prices in all regions, especially in the acids and polyalcohols business, as well as higher sales volumes in North America in particular. EBIT bsi rose slightly compared with Q3 2017 as a result of the improved margins and volumes growth. Higher fixed costs, mostly from plant shutdowns, had an offsetting effect.

Performance Products

Sales were on a level with the prior-year quarter. We achieved higher prices in all divisions; however, sales volumes decreased in the Nutrition & Health, Dispersions & Pigments and Care Chemicals divisions. Sales were also weighed down by currency and portfolio effects. EBIT bsi declined slightly compared with Q3 2017 as a result of lower volumes, higher fixed costs and negative currency effects. Stronger margins had an offsetting effect. Excluding the negative currency effects, EBIT bsi was flat year on year.

- In Dispersions & Pigments, sales remained at the level of the prior-year quarter. We increased sales prices in all regions and business areas but sales volumes declined slightly. The divestiture of the production site for styrene butadiene-based paper dispersions in Pischelsdorf, Austria, and negative currency effects also reduced sales slightly. EBIT bsi declined considerably compared with Q3 2017, mainly due to higher fixed costs and lower volumes.
- Sales in Care Chemicals matched the figure for Q3 2017. Slightly higher prices, especially for ingredients for the detergent and cleaner industries, contrasted with lower sales volumes, particularly of oleochemical surfactants and fatty alcohols, as well as negative currency effects. EBIT bsi increased slightly compared with Q3 2017, primarily due to stronger margins.
- Sales in Nutrition & Health declined slightly as against the prior-year quarter. This was mainly due to lower volumes, primarily because of the reduced availability of citral-based products. In the human and animal nutrition business areas, we were able to gradually lift Force Majeure for all affected products. Sales were reduced by negative currency effects. Higher prices had an offsetting impact. EBIT bsi considerably exceeded the figure for Q3 2017 due, among other factors, to lower fixed costs.
- In Performance Chemicals, sales rose slightly compared with Q3 2017. This was attributable to higher sales prices and volumes in almost all business areas. Prices were up on the prior-year level, especially for fuel, lubricant and plastic additives. We increased sales volumes, primarily in the oilfield and mining chemicals and paper and water chemicals business areas. EBIT bsi decreased slightly year on year, mainly due to higher fixed costs. Volumes growth and higher margins had a positive impact on earnings.

Functional Materials & Solutions

Sales rose slightly compared with Q3 2017. This was primarily attributable to higher prices in all divisions, especially in Catalysts and Performance Materials. Volumes also increased, while sales were weighed down by currency effects. Despite volumes growth, EBIT bsi was considerably below the level of the prior-year quarter, mainly due to higher fixed costs and lower margins in almost all divisions. However, we increased earnings from quarter to quarter over the course of 2018 and continuously reduced the gap to the prior-year quarter.

- Sales in Catalysts grew considerably year on year due to higher prices and volumes. The higher selling prices were mainly a consequence of the increase in precious metal prices. Volumes grew in precious metal trading as well as for chemical catalysts, battery materials and refining catalysts. In precious metal trading, sales rose to €719 million (Q3 2017: €532 million) due to higher prices and volumes. EBIT bsi improved considerably as against Q3 2017, mainly as a result of volumes growth.

- Construction Chemicals recorded a slight increase in sales compared with the prior-year quarter. This was attributable to volumes growth, higher prices and the acquisition of Grupo Thermotek, Monterrey, Mexico, in September 2017. Negative currency effects had an offsetting impact. We achieved slight sales growth in Europe and in the region South America, Africa, Middle East as a result of higher volumes and prices. Sales rose considerably in North America due to the acquisition of Thermotek as well as higher volumes and prices but remained at the prior-year level in Asia. EBIT bsi was considerably lower as a result of higher fixed costs and the increase in raw materials prices.
- Sales in Coatings declined slightly as against Q3 2017. Negative currency effects could not be offset by slightly higher prices and sales volumes. We recorded volumes growth for surface treatments and decorative paints in particular; sales volumes of automotive refinish coatings also rose slightly. EBIT bsi decreased considerably year on year, primarily due to higher fixed costs and raw materials prices.
- In Performance Materials, sales improved slightly compared with the prior-year quarter. This was due to higher sales prices, particularly for engineering plastics and polyurethane systems in all regions. Currency effects had a negative impact. Sales volumes also declined slightly, largely as a result of much weaker demand for polyurethane systems. EBIT bsi was slightly below the figure for Q3 2017. This was mainly attributable to higher fixed costs.

Agricultural Solutions

The segment posted considerable sales growth compared with Q3 2017. This was attributable to portfolio effects from the acquisition of significant businesses and assets from Bayer in August 2018, a higher price level and slightly stronger volumes. Negative currency effects continued to weigh on sales development.

- Sales declined slightly in Europe, mainly as a result of lower sales volumes for herbicides and fungicides following the extreme weather conditions and long dry period in central and western Europe in particular.
- In North America, sales considerably exceeded the prior-year figure. This was primarily due to portfolio effects from the acquired businesses as well as to a higher price level.
- Sales in Asia were up slightly year on year as a result of positive portfolio effects and higher prices. Sales growth was tempered by negative currency effects.
- The region South America, Africa, Middle East posted considerable sales gains. This was mainly driven by higher prices and sales volumes, particularly for fungicides and insecticides. The acquired businesses contributed to the increase in sales. Negative currency effects had an offsetting impact.

Despite the seasonally strongly negative results of the businesses acquired from Bayer, EBIT bsi was down only €26 million on the prior-year quarter. Income generated by BASF operations excluding Bayer activities rose considerably compared with Q3 2017. Excluding the negative currency effects, EBIT bsi also increased slightly overall.

Other

Sales were considerably above the prior-year quarter, mainly as a result of higher sales volumes and prices in raw materials trading. EBIT bsi improved considerably, primarily as a result of valuation effects from our long-term incentive program.

Outlook 2018 for BASF Group

Underlying economic assumptions for 2018

- GDP growth: +3.0% (unchanged)
- Growth in global industrial production: +3.1% (previous assumption: +3.2%)
- Growth in global chemical production, excluding pharma: +3.1% (previous assumption: +3.4%)
- Exchange rate: US\$1.20 per € (unchanged)
- Oil price Brent crude: US\$70 per barrel (unchanged)

Forecast 2018 for BASF Group¹

- Slight sales growth (unchanged)
- Slight decrease in EBIT before special items (slight increase)
- Considerable decline in EBIT (slight decline)
- Significant premium on cost of capital with considerable decline in EBIT after cost of capital (unchanged)

¹ On September 27, 2018, we adjusted the BASF Group's forecast for the full year 2018 made in the BASF Report 2017 as a result of the changed presentation of the Wintershall Group (previous forecast from the BASF Report 2017 in parentheses). 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.

Forward-looking statements

This factsheet 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 the Opportunities and Risks Report from page 111 to 118 of the BASF Report 2017. BASF does not assume any obligation to update the forward-looking statements contained in this factsheet above and beyond the legal requirements.