



Nutrition & Care

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Cautionary note regarding forward-looking statements

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Nutrition & Care – uniquely positioned for sustainable growth

Catering to **nutrition, hygiene, health and beauty** industries

Offering a wide variety of **natural ingredients**

Serving **resilient end consumer** markets

Focusing on **growth markets**

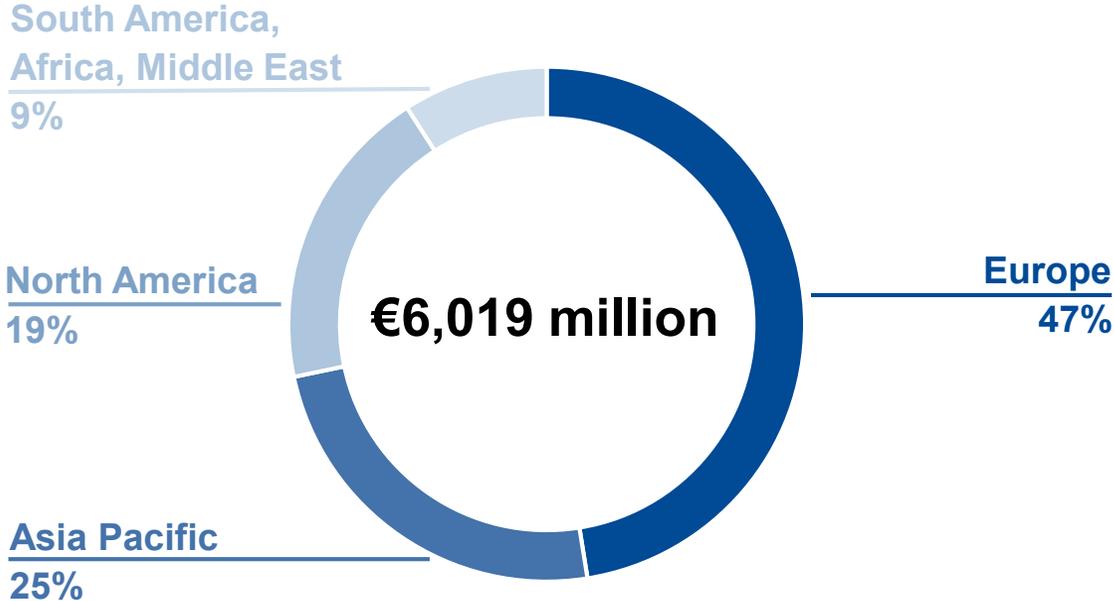
Each segment has a clear and compelling path forward

	Chemicals	Materials	Industrial Solutions	Surface Technologies	Nutrition & Care	Agricultural Solutions
% of sales 2020 ¹	14%	18%	13%	28%	10%	13%
EBITDA bsi 2020 ¹	€1.3 billion	€1.7 billion	€1.2 billion	€1.0 billion	€1.2 billion	€1.7 billion
Core theme	Verbund	Advanced materials	Additives platform	Surface modification platform	Consumer ingredients	Integrated offering of crop protection, seeds & traits, digital solutions
Innovation focus	Improved or new processes	Applications, biomaterials	Formulations	Battery materials, surface effects	Biotechnology, formulations	Crop protection, seeds & traits, digital farming
Capex relevance						
M&A relevance						
Sustainability	ChemCycling™	Bio-based materials	More from less	Low-emission mobility	Bio-based and natural, traceability	Better with less

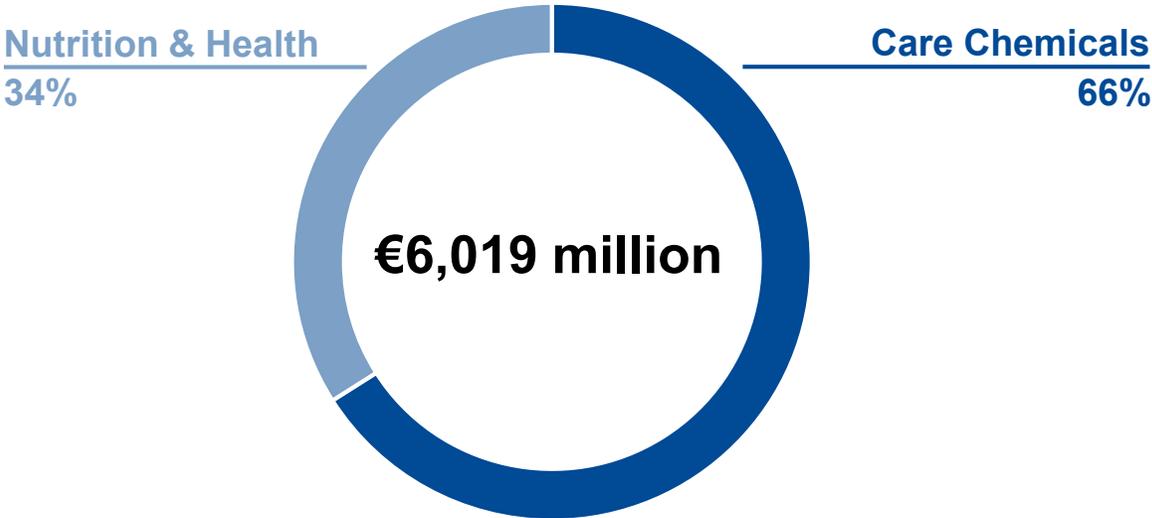
¹ Other (sales 2020: €2.4 billion, EBITDA bsi 2020: –€609 million) not depicted on this slide

Nutrition & Care: Our sales split at a glance

Sales by region¹ 2020

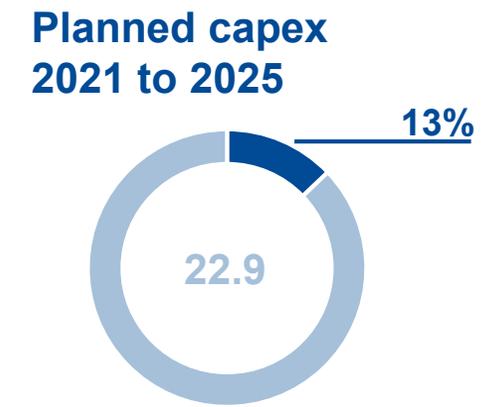
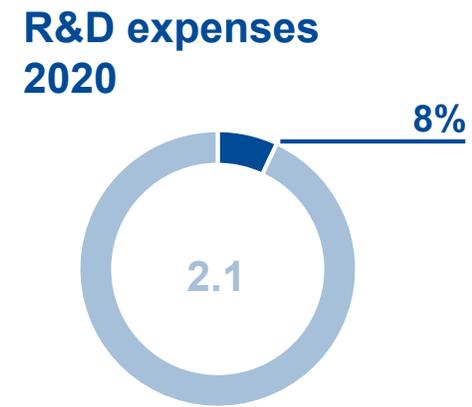
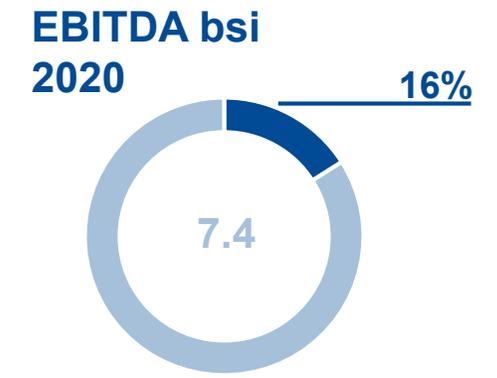
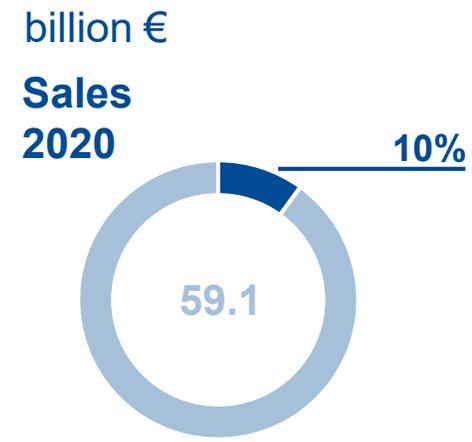
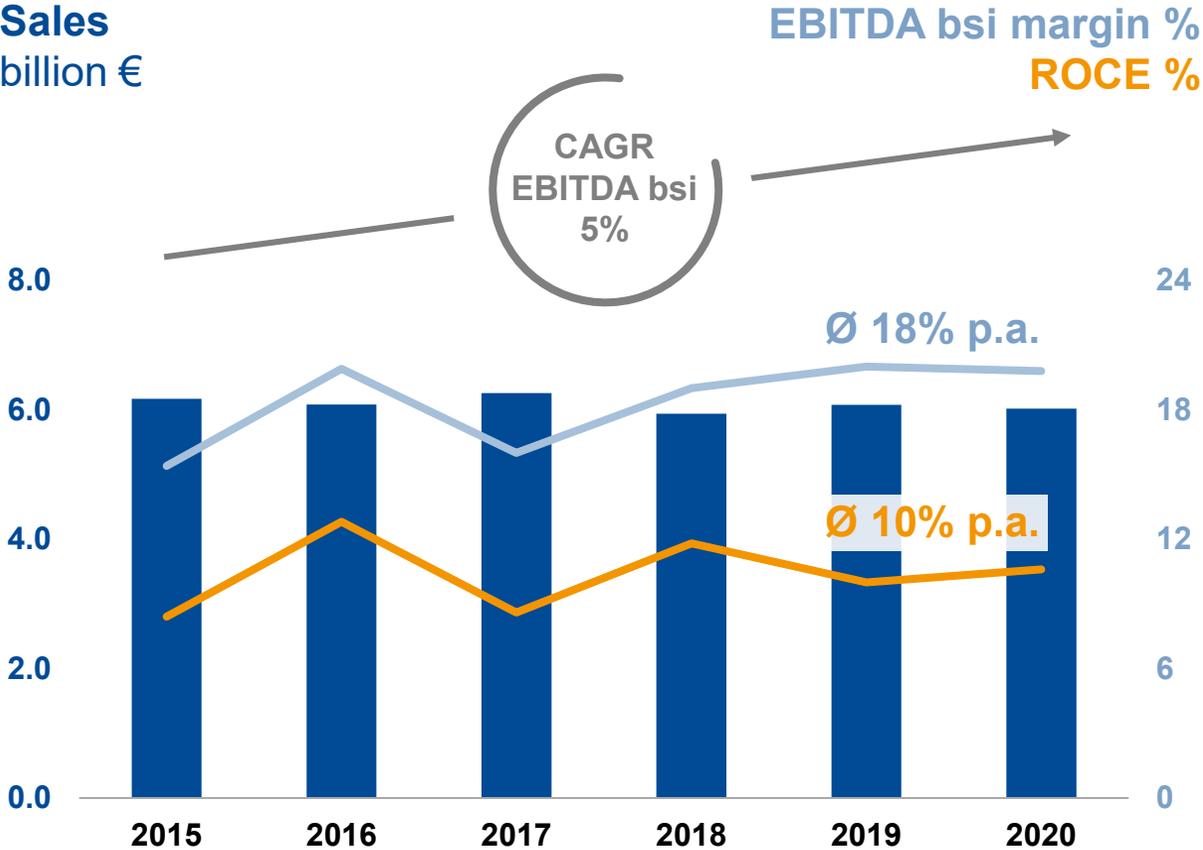


Sales by division 2020



¹By location of customer

Nutrition & Care has achieved robust EBITDA margins even in challenging years



■ BASF Group ■ Nutrition & Care

Selected divestments and restructuring have increased profitability and focus on products with higher growth potential



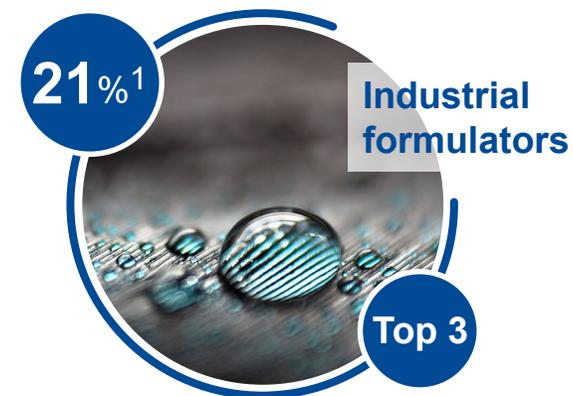
Care Chemicals' strengths in each industry segment provide us with unique selling propositions



- High-quality, **value-added products** for the personal care industry ranging from oleo-surfactants to UV filters
- **Largest provider of ingredients** for natural cosmetics
- Interpreting consumers and societal trends to constantly develop **new products, formulations and claims**



- **High-performance building blocks** for detergents and cleaning solutions
- **Innovating** with our customers **to drive solutions** to sustainability trends and constantly changing **regulatory framework**
- **Global asset footprint** with strong value chain integration



- Technology expertise for **customer** and **industry-specific solutions**
- Leverage **product and technology synergies** for industrial applications
- Understanding physiochemical effects allows for **product differentiation**

Nutrition & Health businesses hold or strive for leading positions among suppliers in their market segments

21%¹



Aroma ingredients

- **Cost leadership** in citral and derivatives
- **Strong volume growth** after startup of aroma ingredients complex in Kuantan, Malaysia
- >60 products in the scent ranges **mint, citrus, rose, lavender, muguet**

25%¹



Animal nutrition

- **Pioneer** and innovator in **feed enzymes**
- Enabler for **reduction of antibiotics**
- **Cost leadership** in **vitamin A**, strong position in vitamin E

25%¹



Human nutrition

- Among leading players in **specialty health ingredients**
- **Solution provider** in desserts and artisanal bakery
- Pioneer in **vitamin A food fortification**

28%¹



Pharma solutions

- **Innovative excipients player** for various applications
- **Strong player** in **ibuprofen** and **omega-3**
- **Enables** production of **biologic drugs**

1%¹



Enzymes²

- BASF strives for a **leading position** in the global enzymes market
- New Global Business Unit acts as **central hub**
- **Innovation program ensures** a continuous stream of new products

¹ Percentage of Nutrition & Health division sales 2020

² Additional sales with enzymes are generated in animal nutrition and the Care Chemicals division

Translating trends into opportunities for Nutrition & Care



Environmental awareness

- 77% of today's consumers prefer brands that are **environmentally responsible** and use **natural ingredients**¹

We consistently expand our offering of **sustainable, bio-based solutions** to meet end consumer preferences



Healthy living

- One in six consumers will be older than 65 by 2050,² resulting in increased demand for products that support **healthy living**

We integrate **new technologies and business models** to enable healthier offerings for end consumers



Emerging middle class

- The middle class is projected to grow by 2 billion until 2030,³ resulting in **increased disposable income**

We invest in our **manufacturing assets** to profit from higher demand in growth markets

¹ IBM Institute for Business Value, "Meet the 2020 consumers driving change"

² United Nations Department of Economic and Social Affairs, "World Population Ageing 2019"

³ Brookings Education

Providing solutions for our customers' sustainability needs

145
cosmetic
ingredients for
natural and
organic
products

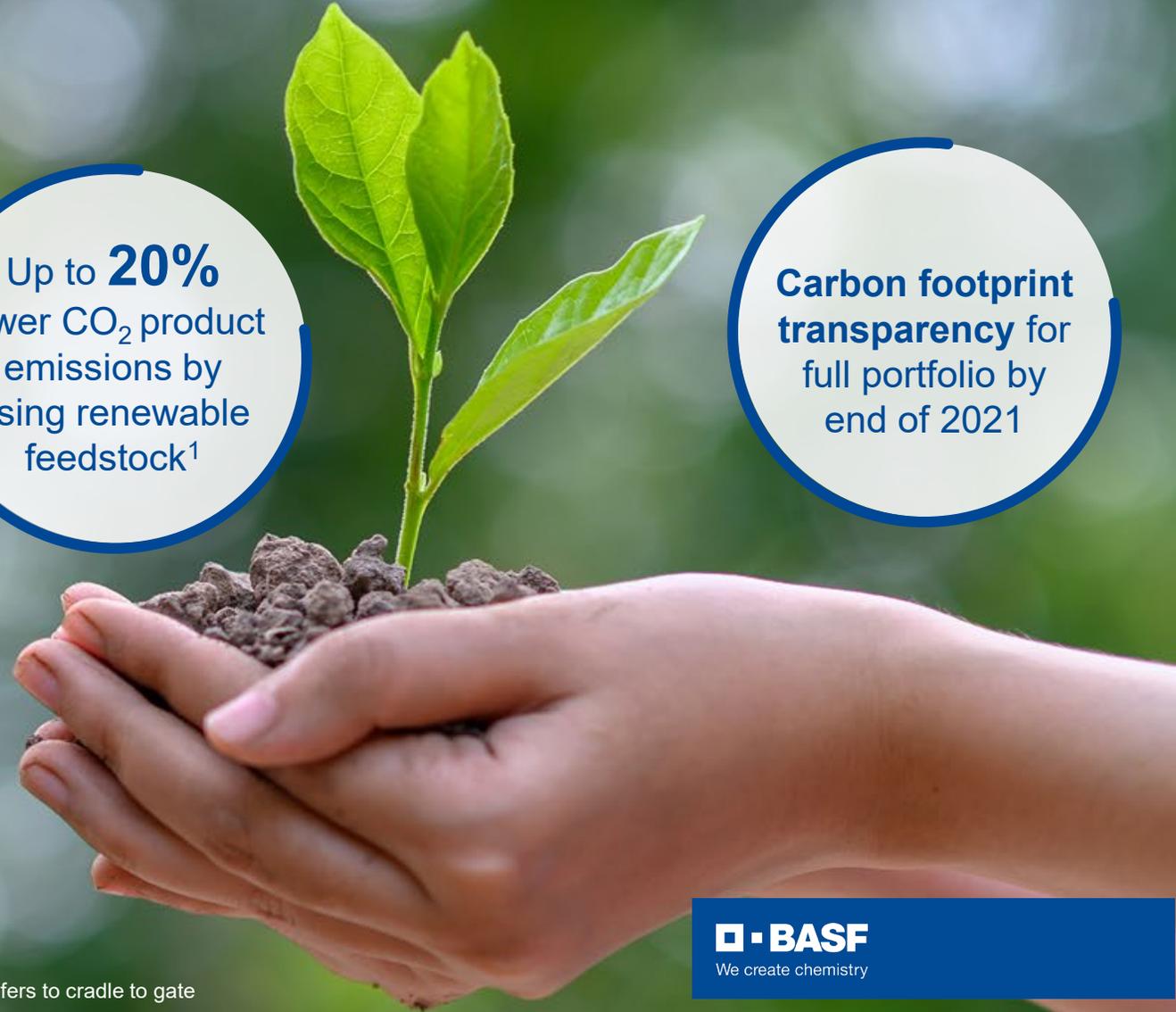
100%
RSPO-certified
palm oil
sourcing by 2020

Up to **20%**
lower CO₂ product
emissions by
using renewable
feedstock¹

**Carbon footprint
transparency** for
full portfolio by
end of 2021

Supporting
customers with
**traceability
solutions** along
animal value
chain

>50%
of R&D expenses
spent on bio-based,
biodegradable
solutions



We have a broad bio-offering¹ and will significantly expand this offering in the future

Brands representing our bio-offering

Typical laundry formulation

Water	65%	
Surfactants	20%	Glucopon®
Polymers	2–3%	Sokalan® HP 56 EcoBalanced
Chelating agents	1–2%	Trilon® M
Enzymes	1–2%	Lavergy® Pro
Optical brighteners	0–1%	<i>in progress</i>
Others		



Home care



Personal care

Typical face cream formulation

Water	60–80%	
Emollients	10–20%	Cetiol® Ultimate
Emulsifiers	2–5%	Eumulgin® SG
Polymers	0.1–2%	Rheocare® XGN
Actives	1–2%	Nephydrat® BC
UV filters	0–1%	<i>in progress</i>
Others		

Virtual assistant ZoomLab™ strengthens our leading position as a digital solution provider for the pharma industry

3–6 months
development
time saved

>90
countries

>500
completed
projects

>800
active
users

- **ZoomLab™** helps our customers to **save time and resources** in their development pipeline without having to share proprietary information
- Targets all formulators at generic and innovator drug companies worldwide, **with focus on emerging markets**
- **Disruption** of traditional research business model in collaboration **with leading industry partners**
- Accelerated expansion of customer base, building new business opportunities with digital services



Creating value in aroma ingredients through smart acquisitions delivering targeted innovations for our customers



- Strong R&D pipeline linked to customer projects
- Established customer relationships with key flavor and fragrance players
- Fermentation scale-up expertise

Fermentation-based aroma ingredients market to grow by +10% p.a.¹

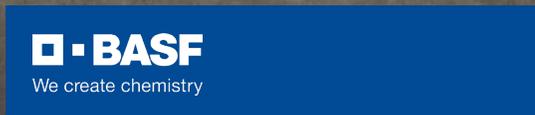
>€500 million accessible market²

Acquisition of Isobionics

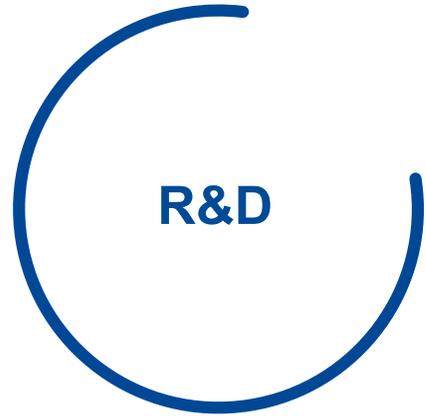
Product pipeline



Strengthening our position in natural aroma ingredients



Leveraging our expertise in white biotechnology to deliver innovative, sustainable solutions



- **18 R&D projects** in advanced stage
- Focus areas: home and beauty care, animal feed
- Additional industries targeted through strategic cooperations



- Unique combination of expertise in **biotechnology, formulation and chemistry**
- Customer intimacy enables **faster market entry**
- Technical and financial capacity to meet customer demand for **fast scale-up**

**6–10
product
launches
every year**



- Expanding position in attractive growth markets
- Strengthening our positioning as provider of **sustainable solutions** with our customers
- Recent examples: expansion of Lavergy[®] and Nutrilife[®] portfolios, Fuelpro[™]

Nutrition & Care benefits from the Verbund

36%

Internal sourcing¹

- Enables leading cost position for key product lines
- Ensures stable and sustainable raw material supply

8%

Internal sales¹

- Performance Chemicals
- Dispersions & Pigments
- Others

We make the carbon footprint of each of our products transparent, enabling our customers to achieve their goals

Henkel

One of our key customers

“BASF’s initiative to calculate carbon footprints for all sales products is setting a benchmark for the industry.”



Bertrand Conqueret
Chief Procurement Officer

Nutrition & Care – our ambition for sustainable growth

3–5%

organic volume
growth p.a.

17–20%

EBITDA bsi
margin

>10%

ROCE

- Maintain position as leading provider of customer-tailored **sustainable solutions** in our industries
- Build on **innovation power** and ability for **fast scale-up** to meet emerging customer needs
- Leverage and expand strong position in **natural-based and biodegradable** solutions
- Realize new business opportunities in **growth markets** and through technology-driven acquisitions
- Pursue profitable **expansions**



We create chemistry

Nutrition & Care – Attractive portfolio catering to various consumer needs

Divisions	BASF's offering for our customers	Financial figures billion €	2018	2019	2020
Care Chemicals	<ul style="list-style-type: none"> Personal care specialties Home care and industrial cleaning solutions 	Sales	5.9	6.1	6.0
		of which			
		Care Chemicals	4.2	4.1	4.0
		Nutrition & Health	1.7	2.0	2.0
Nutrition & Health	<ul style="list-style-type: none"> Aroma ingredients Human nutrition products Animal nutrition products Pharma solutions Enzymes for feed, food, detergents and biofuels 	EBITDA bsi	1.1	1.2	1.2
		EBITDA bsi margin (%)	19.0	20.0	19.8
		EBIT bsi	0.7	0.8	0.8
		ROCE (%)	11.8	10.0	10.6
		Investments (incl. M&A)	0.3	0.6	0.5
		R&D	0.2	0.2	0.2

Nutrition & Care – A leading provider of care and nutrition ingredients for consumer products

Divisions	<ul style="list-style-type: none">▪ Care Chemicals▪ Nutrition & Health
Strategy	<ul style="list-style-type: none">▪ Maintain market leadership in care ingredients and achieve a leading position in nutrition▪ Enhance and broaden the product and technology portfolio through selective acquisitions▪ Drive organic growth by focusing on emerging markets, new business models and sustainability trends in consumer markets
Verbund integration	<ul style="list-style-type: none">▪ Care Chemicals is to a large extent based on BASF's C2 value chain▪ Citral value chain, based on BASF's integration into C4 products, is core for Nutrition & Health▪ R&D capabilities in catalysis, formulation know-how and white biotechnology drive development of innovations
Innovation	<ul style="list-style-type: none">▪ Develop tailor-made solutions for new functionalities through product and process innovation▪ Address unmet needs beyond existing chemical solutions with R&D in white biotechnology and fermentation technologies
Capex	<ul style="list-style-type: none">▪ Expand capacities and enhance operational excellence to drive organic growth▪ Targeted investments in assets support further portfolio development and diversification
Sustainability	<ul style="list-style-type: none">▪ Build on trends driven by changing consumer behavior, e.g., biodegradable and bio-based products, traceability
Peers	<ul style="list-style-type: none">▪ Croda, DSM, IFF, Evonik