



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

Analyst Conference Call Q1 2016, April 29, 2016

 **BASF**

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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



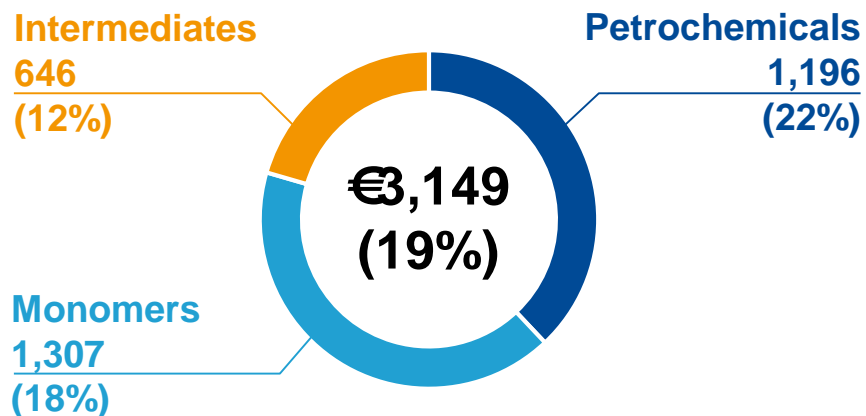
Update of peak sales potential for product launches in Agricultural Solutions

Chemicals

Lower margins and higher fixed costs result in considerably decreased earnings

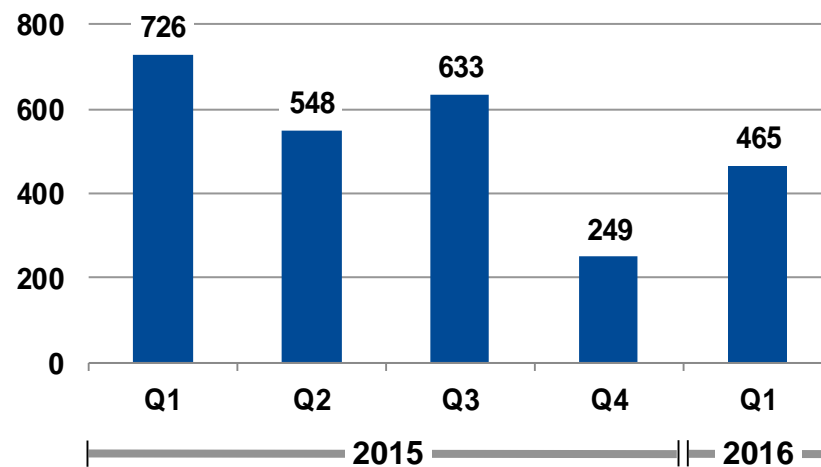
Sales Q1 2016 vs. Q1 2015

million €



EBIT before special items

million €



Sales development

Q1 2016 vs. Q1 2015

Volumes

↓ (3%)

Prices

↓ (16%)

Portfolio

0%

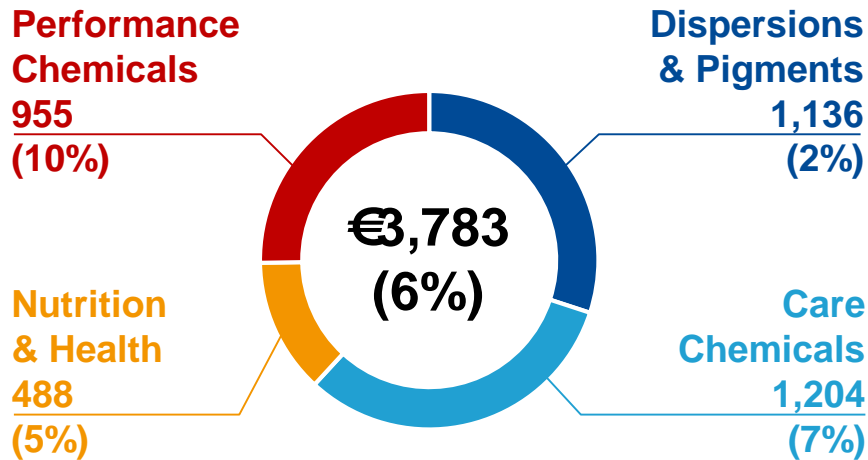
Currencies

0%

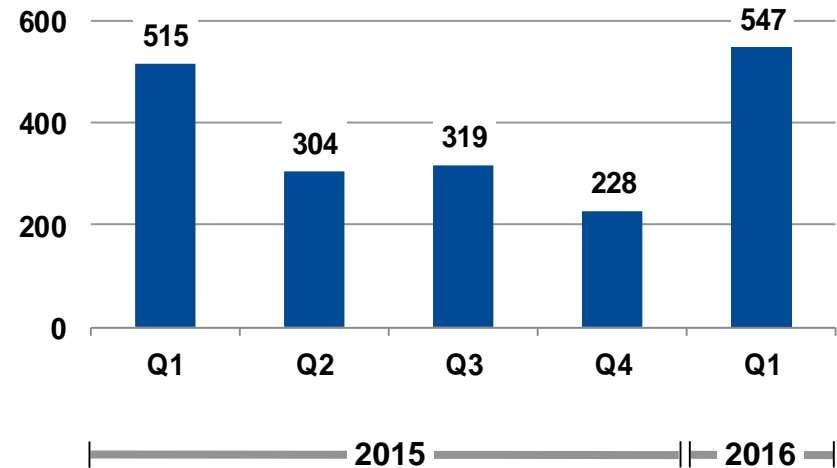
Performance Products

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

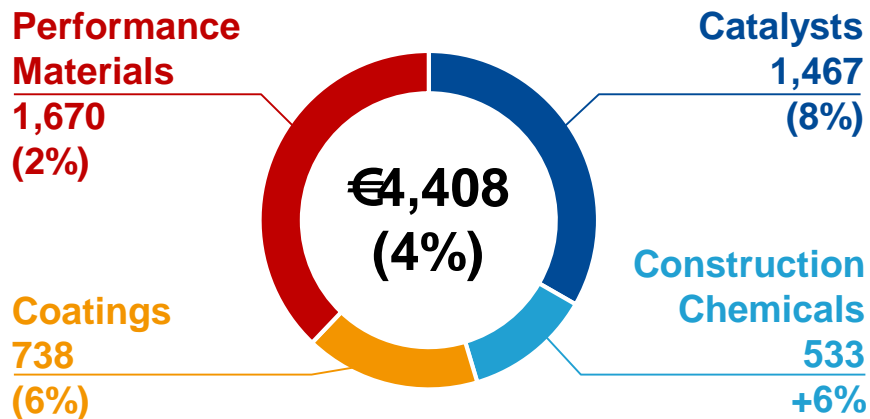
↓ (1%)

Functional Materials & Solutions

Good demand from the automotive and construction industries

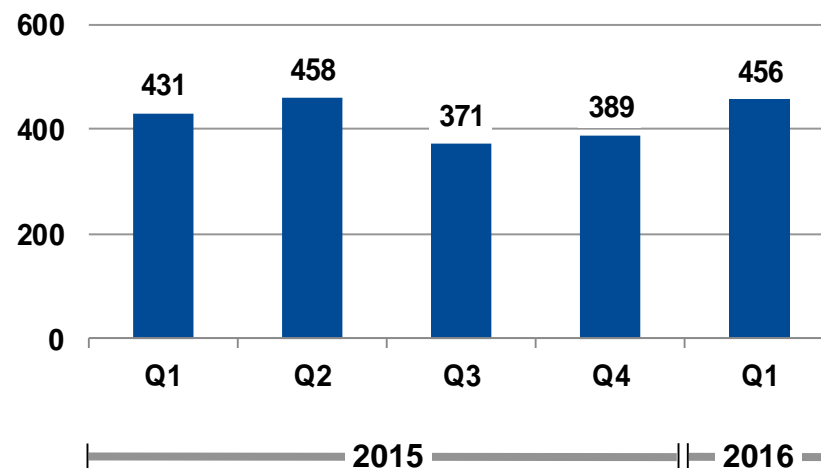
Sales Q1 2016 vs. Q1 2015

million €



EBIT before special items

million €



Sales development

Q1 2016 vs. Q1 2015

Volumes

↑ 5%

Prices

↓ (7%)

Portfolio

0%

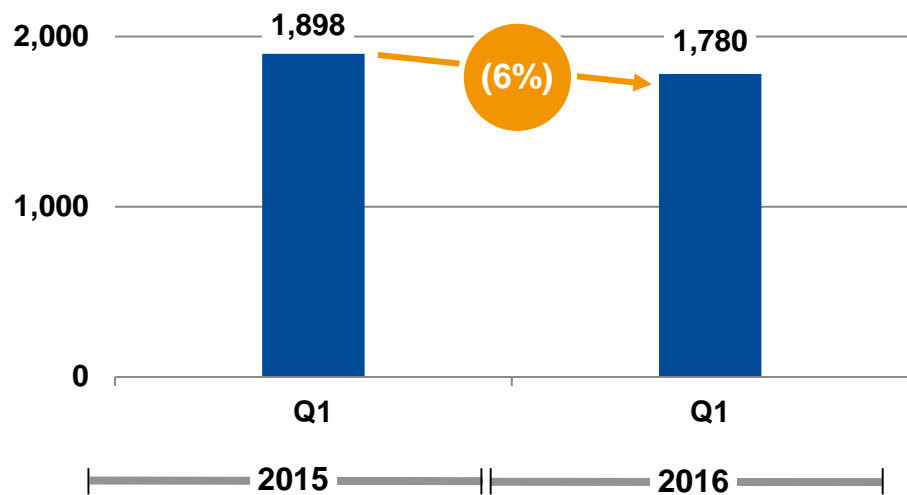
Currencies

↓ (2%)

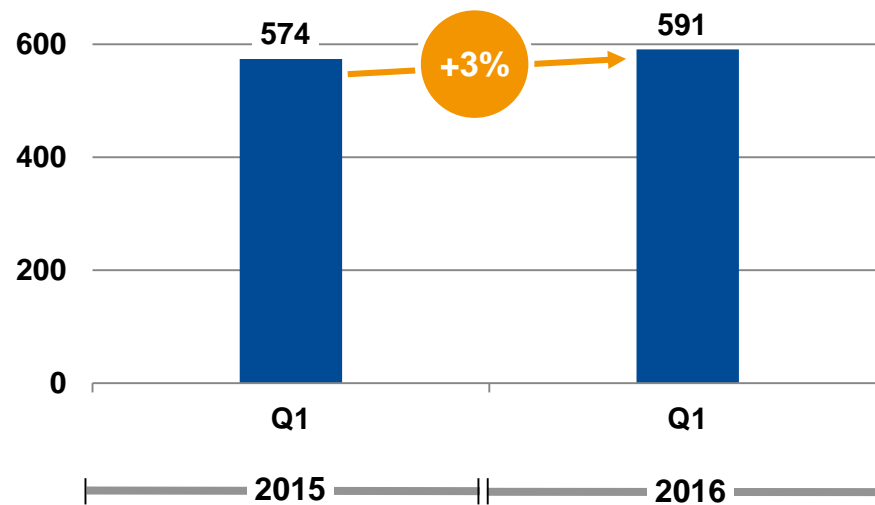
Agricultural Solutions

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%

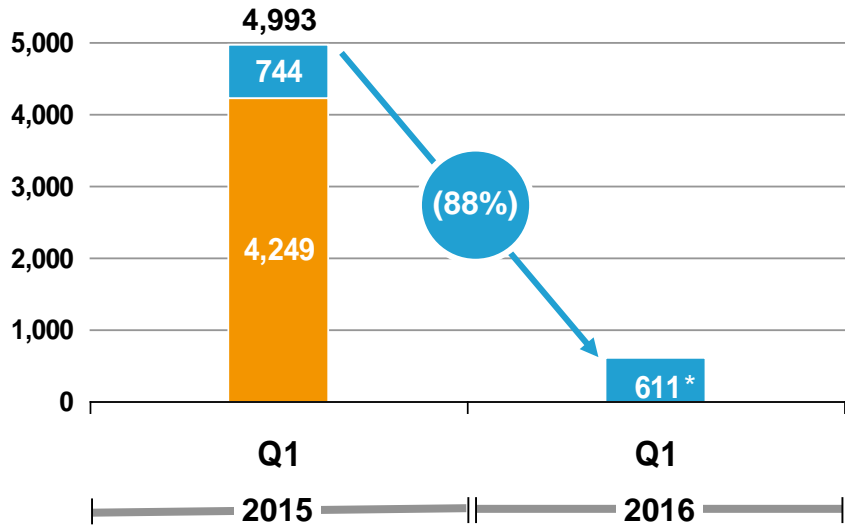
Currencies

↓ (3%)

Oil & Gas

Significantly lower sales and earnings

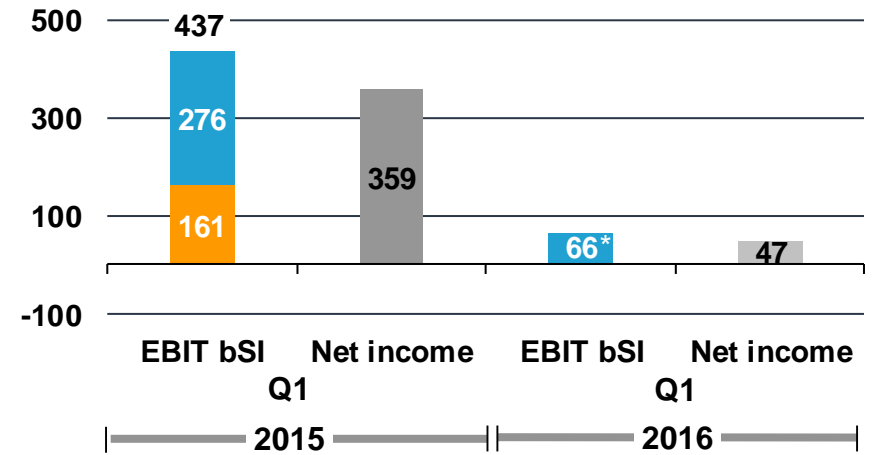
Sales
million €



* Including transportation business

■ Exploration & Production ■ Natural Gas Trading

EBIT before special items, net income
million €



* Including transportation business

■ 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
Sales	477	688
EBIT before special items	(219)	(613)
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)
EBIT	(245)	(695)

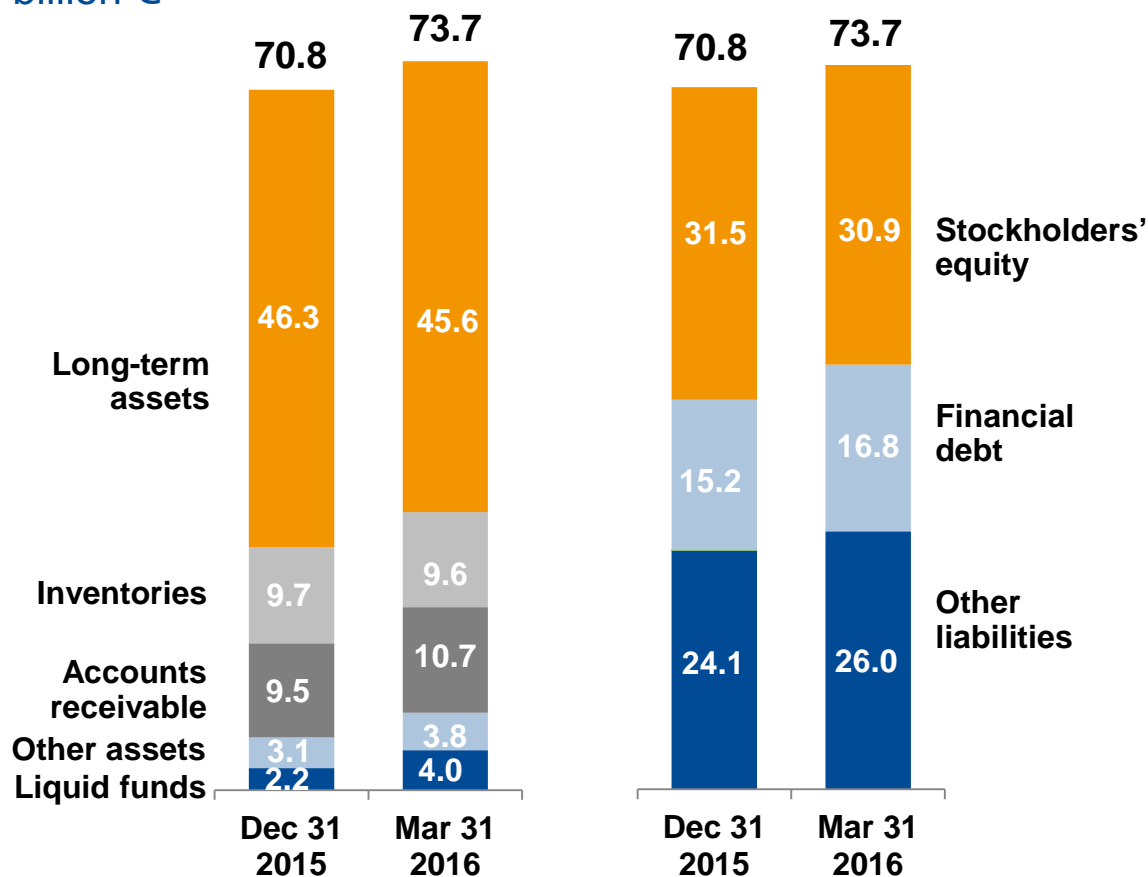
Cash flow Q1 2016

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



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