



We create chemistry

BASF signs agreement to acquire additional seeds and crop protection businesses and assets from Bayer

April 26, 2018

Cautionary note regarding 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 the Opportunities and Risks Report from pages 111 to 118 of the BASF Report 2017. BASF does not assume any obligation to update the forward-looking statements contained in this presentation above and beyond the legal requirements.

Broad and fully enabled agricultural solutions businesses and assets with high profitability and strong growth potential

Facts about transactions with Bayer

- BASF to become an even better partner for farmers by strengthening its crop protection portfolio and entering the seeds business in key agricultural markets
- Cash EPS accretive in the first full fiscal year, EPS accretive by 2020
- Financing through a combination of cash on hand, commercial papers and bonds
- Subject to approval of the relevant merger control authorities
- Following the closing of the acquisition of Monsanto by Bayer expected in Q2 2018, BASF also expects to close most of the acquisition in Q2 2018, with the vegetable seeds business closing in Q3 2018

Combined figures of transactions with Bayer

All-cash purchase price	€7.6 billion (subject to certain adjustments at closing, asset and share deal)
Sales 2017	~€2.2 billion
Sales 2016	~€2.0 billion
Sales by region	~60% North America ~15% South America ~15% Europe, Middle East, Africa ~10% Asia Pacific
EBITDA 2016*	~€550 million
R&D expenses 2016	~€350 million
Sites	<ul style="list-style-type: none"> ■ 5 chemical production and formulation sites ■ 17 R&D sites ■ Regional seed production and breeding facilities

* On a pro forma adjusted basis

Agreement signed in October 2017

Strong seeds for key row crops, non-selective herbicides and an excellent R&D platform

Scope

- **Fully enabled seed and trait businesses**
 - Attractive seeds portfolio for canola/oilseed rape, soybean and cotton in the Americas and Europe
 - Excellent trait research platform for canola, soybean and cotton
 - LibertyLink® technology and related trademarks for herbicide tolerance
- **Complementary crop protection business**
 - Global glufosinate-ammonium-based non-selective herbicide business
 - State-of-the-art production facilities in the U.S., Canada and Germany
- **Experienced team of dedicated professionals**

Figures

Sales 2017	~€1.5 billion
Sales 2016	~€1.3 billion
Sales by region	~70% North America ~15% South America ~10% Asia Pacific ~5% Europe, Middle East, Africa
EBITDA 2016	~€385 million
R&D pipeline and IP	>250 patent families
Employees	>1,800
Sites	<ul style="list-style-type: none"> ■ 5 chemical production and formulation sites ■ 10 R&D sites ■ Regional seed production and breeding facilities



Agreement signed in April 2018

Extended scope of agricultural solutions businesses and assets with high profitability and strong growth prospects

Scope

- **Global vegetable seeds business**
- **Well-established seed treatment business**
- **R&D platform for hybrid wheat**
- **State-of-the-art digital farming platform**
- **Other businesses and assets:**
 - Oilseed rape business in Australia
 - Certain glyphosate-based herbicides in Europe, used predominantly for industrial applications
 - Canola-quality juncea research projects
 - Certain non-selective herbicides research projects
 - Nematicide research projects
- **Experienced team of dedicated professionals**

Figures

Sales 2017	~€745 million
Sales 2016	~€710 million
Sales by region	~40% Europe, Middle East, Africa ~40% North America ~10% South America ~10% Asia Pacific
EBITDA 2016*	~€165 million
R&D pipeline and IP	>250 patent families
Employees	>2,500
Sites	<ul style="list-style-type: none"> ■ 7 R&D sites ■ Regional seed production and breeding facilities

* On a pro forma adjusted basis



Vegetable Seeds

Nunhems® – a strong and well-recognized brand

Facts

- Long-standing global vegetable seeds business with 24 relevant crops and approx. 2,600 varieties
- Proven track record of commercializing innovative varieties and above industry-average growth rates
- Substantial and well-recognized brand with solid sales base, marketing and research activities
- Well-established and strong R&D and breeding system with over 100 unique breeding programs in more than 15 crops

Figures

Growth 2014–2017	~7% p.a.
Sales 2017	~€430 million
Sales by region	~55% Europe, Middle East, Africa ~25% North America ~5% South America ~15% Asia Pacific
Sales by crop	~30% Biennials* ~30% Cucurbitaceae** ~20% Solanaceae*** ~20% Leafy and other****

* Onion, carrot, leek; ** Melon, watermelon, cucumber, gourd; *** Tomato, sweet pepper, hot pepper; **** Lettuce, artichoke, spinach, okra



Seed treatment

Profitable business with growth potential to protect and optimize seeds

Facts

- Strong potential due to excellent performance in seed protection and rising importance of nematode control
- Targets high-value seeds and delivers on farmers' need to protect and optimize seeds
- Brands: PONCHO®, VOTiVO®, ILeVO®, COPeO®
- Key markets: corn, soybean, cotton in the Americas
- Strong IP with more than 150 patents
- Strong and promising research pipeline with potential for further growth in additional crops

Figures

Growth 2015–2017	~16% p.a.
Sales 2017	~€300 million
Sales by region	~70% North America ~15% South America ~10% Europe, Middle East, Africa ~5% Asia Pacific
Sales by crop	~70% Corn ~25% Soybean ~5% Cotton and other



Digital farming platform

Applications to help farmers make better agronomic decisions



Digital farming as potential game changer for agriculture input markets

Facts

- Global digital farming activities of Bayer including pipeline developments
- State-of-the art digital farming platform xarvio™
- xarvio™ Scouting: identification of disease, pest, weed and nitrogen deficiency via automated picture recognition
- xarvio™ Field Manager: field status, timer as well as variable rate and zoning technologies for application of crop protection products

Research projects

Hybrid wheat platform, juncea research and other projects to strengthen BASF's innovation pipeline



Wheat research platform

- Hybridization of wheat with strong potential to meet expected growing demand
- Solid platform to develop high-yielding hybrids in combination with suitable seed production technologies



Juncea research

- Collection of germplasm to produce canola-quality oil in new geographic areas
- Key crops: brassica juncea (Indian mustard)



Further research projects

- **Non-selective herbicide research:** Exclusive IP license and transfer of know-how for certain classes of herbicide chemistry for non-selective uses in soy, corn, cereals
- **Nematicide research:** IP rights and data for certain pipeline nematode control products

Agricultural solutions businesses and assets from Bayer

– an excellent fit for BASF

Customer-focused

- ▶ Businesses positioned close to customers and attuned to their needs; earlier touchpoints with farmers and distributors via seeds in key regions

Innovation-driven

- ▶ Strong track record of successful innovation; R&D pipeline for canola/oilseed rape, cotton, soy, vegetables, hybrid wheat, juncea, non-selective herbicides, nematicides

Leading brands

- ▶ Attractive seeds portfolio for key row crops and vegetables; strong premium brands: InVigor[®], Credenz[®], FiberMax[®], Stoneville[®], Nunhems[®], Poncho[®], VOTiVO[®], COPeO[®] and ILeVO[®]

Complementary portfolios

- ▶ Enhancement of BASF's agricultural solutions portfolio with seeds and traits, seed treatment, non-selective herbicides and digital farming platform

Growth above industry average

- ▶ Strong top-line growth potential due to complementary portfolios; potential for further growth via combination of complementary R&D pipelines and digital farming platform
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