

News Release

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BASF Group: Earnings increase considerably in the 2017 business year and exceed analyst estimates significantly

- **EBIT before special items expected to be €8.3 billion (up 32% compared with previous year)**
- **EBIT expected to be €8.5 billion (up 36% compared with previous year)**

Ludwigshafen – January 18, 2018 – BASF herewith announces preliminary, non-audited figures for the 2017 business year. As forecast by BASF, sales, income from operations (EBIT) before special items and EBIT are considerably above the level of the previous year. The earnings figures exceed analyst estimates significantly.

Sales rose by 12% to €64.5 billion (2016: €57.6 billion). EBIT before special items for 2017 is expected to be €8.3 billion, 32% above the prior-year figure (2016: €6.3 billion). The year-on-year earnings growth is primarily attributable to the strong earnings increase in the Chemicals segment. Higher volumes and margins in the Monomers, Petrochemicals and Intermediates divisions are the main contributing factors. The significant earnings improvements in the Oil & Gas segment and in Other also contribute to the BASF Group's considerably higher EBIT before special items. EBIT before special items in the Performance Products and Functional Materials & Solutions segments is below the 2016 levels. This is mainly the result of increased raw material prices, which could not be fully passed on via sales prices, and higher fixed costs from the startup of new plants. Due to a strong earnings increase in the fourth quarter, EBIT before special items in the Agricultural Solutions segment almost matches the 2016 level.

For the full year 2017, the BASF Group's EBIT is expected to rise by 36% to €8.5 billion (2016: €6.3 billion). Net income is expected to exceed the prior-year level by 50% and reach around €6.1 billion (2016: €4.1 billion). The reduction in the U.S. corporate tax rate from 35% to 21% results in one-time noncash, deferred tax income of almost €400 million in the fourth quarter of 2017.

The BASF Group's key earnings figures for the 2017 business year significantly exceed analyst estimates. An overview of analyst estimates, which is compiled monthly on behalf of BASF, can be found at: www.basf.com/analysts-estimates.

On Tuesday, February 27, 2018 at 07:00 a.m. CET, BASF will publish the BASF Report 2017 including the audited Consolidated Financial Statements and will comment on the figures at its Annual Press Conference (from 10:30 a.m. CET) and its conference call for analysts and investors (from 02:00 p.m. CET).

About BASF

At BASF, we create chemistry for a sustainable future. We combine economic success with environmental protection and social responsibility. The approximately 114,000 employees in the BASF Group work on contributing to the success of our customers in nearly all sectors and almost every country in the world. Our portfolio is organized into five segments: Chemicals, Performance Products, Functional Materials & Solutions, Agricultural Solutions and Oil & Gas. BASF generated sales of about €58 billion in 2016. BASF shares are traded on the stock exchanges in Frankfurt (BAS), London (BFA) and Zurich (BAS). Further information at www.basf.com.