

News Release

P330/19e
September 27, 2019

BASF's strategy in agriculture aims for innovation-driven growth in specific markets

- **Compelling offer connects seeds, traits, crop protection and digital solutions to support farmer success worldwide**
- **Aiming for profitable growth of one percentage point above global agricultural market and a 50% increase in sales by 2030**
- **Launch of over 30 new products by 2028 with peak sales potential of more than €6 billion**
- **Increase sales of products that make a substantial contribution to sustainability**

BASF Agricultural Solutions is targeting increased market share and growth of one percentage point above the agricultural market. By 2030, the division aims for a 50% increase in sales. It will contribute significantly to BASF Group's target of €22 billion in sales by 2025 with Accelerator products that make a substantial sustainability contribution in the value chain. EBITDA before special items of BASF Agricultural Solutions is targeted to grow by on average 5% per year.

"There is an increasing demand from farmers, regulators and consumers worldwide for BASF to contribute value to society – financially, socially and environmentally. With our innovation-driven strategy in agriculture, we are stepping up to this challenge by focusing on our customers' and societal needs. We believe in finding the right balance for success – for farmers, for agriculture and for future generations," said Saori Dubourg, Member of the Board of Executive Directors, at the Capital Markets Day at BASF's Agricultural Innovation Center in Ghent, Belgium today.

Media Relations

Jens Fey

Phone: +49 621 60-99123

jens.fey@basf.com

Communications Agricultural Solutions

Silke Christiansen

Phone: +49 621 60-28013

silke.christiansen@basf.com

Investor Relations

Dr. Stefanie Wettberg

Phone: +49 621 60-48002

stefanie.wettberg@basf.com

BASF's strategy in agriculture is based on innovations that enable farmers to feed a growing population and face challenges such as limited arable land, disease pressure and climate change. An increase in R&D budget to approximately €900 million in 2019 is supporting BASF's [innovation pipeline](#) for agriculture. By 2028, BASF will launch over 30 new products with peak sales potential of more than €6 billion. This includes eight active ingredients, as well as unique traits and high-performing seeds in hybrid wheat, soybean, canola, cotton and vegetables. BASF is actively steering its offer for farmers and the agricultural industry towards sustainable solutions by integrating sustainability into all business and portfolio decisions. "Sustainability criteria are firmly embedded in our entire R&D process to identify and further develop those compounds that benefit both farmers and the environment," said Peter Eckes, President Bioscience Research at BASF.

Strengthening customer experience

"With our strategy, we are opening a new chapter that puts the farmer's business at the center of everything we do," said Vincent Gros, President of BASF's Agricultural Solutions division. "Farmers grow a combination of different crops with different growing cycles and cultivation requirements. That is why we are focusing on selected crop combinations, known as crop systems, where we have a winning offer. In this way, we can best support our customers in maximizing yields, mitigating weather-related risks and disease pressure, as well as helping them to fulfill societal requirements."

Following the successful structural integration of the businesses and assets acquired from Bayer in less than one year, BASF can now serve farmers with a connected portfolio of agricultural solutions from seeds, traits and crop protection to digital solutions. As one of the world's leading agricultural solutions companies, BASF focuses its activities on four major strategic customer segments and their crop systems: soy, corn and cotton in the Americas; wheat, canola (oilseed rape) and sunflowers in North America and Europe; rice in Asia; fruit and vegetables globally. In total, these crops represent approximately 70% of the global market.

BASF will create new revenue streams from digital solutions in agriculture. Based on its pioneering digital expertise in agriculture as well as a strong commitment to partnerships, the company will provide digital solutions that add value to the way farmers use BASF products, the way they manage their farms, as well as the way

they access and buy products or services. In addition, BASF will apply precision technologies and digitalization to seize future innovation opportunities in agriculture. This includes new, outcome-based business models.

Considerably increased sales and EBIT before special items in H1 2019

In the first half of 2019, the Agricultural Solutions division increased sales compared with the prior-year period by 38% to €4.4 billion. This was mainly driven by portfolio effects from the acquisition of businesses and assets from Bayer in August 2018. EBIT before special items of Agricultural Solutions rose by 23% to €861 million in the first half of 2019, mainly due to the contribution of the acquired businesses.

About BASF's Agricultural Solutions division

With a rapidly growing population, the world is increasingly dependent on our ability to develop and maintain sustainable agriculture and healthy environments. Working with farmers, agricultural professionals, pest management experts and others, it is our role to help make this possible. That's why we invest in a strong R&D pipeline and broad portfolio, including seeds and traits, chemical and biological crop protection, soil management, plant health, pest control and digital farming. With expert teams in the lab, field, office and in production, we connect innovative thinking and down-to-earth action to create real world ideas that work – for farmers, society and the planet. In 2018, our division generated sales of €6.2 billion. For more information, please visit www.agriculture.bASF.com or any of our social media channels.

About BASF

At BASF, we create chemistry for a sustainable future. We combine economic success with environmental protection and social responsibility. The approximately 122,000 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 six segments: Chemicals, Materials, Industrial Solutions, Surface Technologies, Nutrition & Care and Agricultural Solutions. BASF generated sales of around €63 billion in 2018. BASF shares are traded on the stock exchange in Frankfurt (BAS) and as American Depository Receipts (BASFY) in the U.S. Further information at www.bASF.com.