

News Release

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BASF Group: operating result in the second quarter of 2020 above market expectations; net income below market expectations due to impairment of shareholding in Wintershall Dea, mainly from oil and gas prices

Q2 2020:

- **EBIT before special items expected to be €226 million (Q2 2019: €995 million)**
- **Net income expected to be minus €878 million due to a non-cash-effective impairment of the shareholding in Wintershall Dea (Q2 2019: €5,954 million)**

Ludwigshafen – July 10, 2020 – BASF has released preliminary figures on business development in the second quarter of 2020. **Sales** declined by 12.4 percent in the second quarter of 2020 to €12,680 million (Q2 2019: €14,478 million). **EBIT before special items**, which reflects the development of the BASF Group's operating business in the second quarter of 2020, amounted to an expected €226 million, above market expectations and in the range indicated by BASF, but considerably below the figure for the prior-year quarter (Q2 2019: €995 million). The decline in EBIT before special items is the result of significantly lower earnings in the Materials, Surface Technologies, Chemicals and Industrial Solutions segments compared with the prior-year quarter. This was mainly driven by lower demand from the automotive industry – the company's most important customer industry. Year-on-year earnings growth in the Nutrition & Care segment and in Other had an offsetting effect. Earnings in the Agricultural Solutions segment were at the level of the prior-year quarter.

The BASF Group's **EBIT** in the second quarter of 2020 amounted to an expected €59 million, considerably below the figure for the prior-year quarter (Q2 2019: €507 million).

The BASF Group's **net income** is expected to amount to minus €878 million due to a non-cash-effective impairment of the shareholding in Wintershall Dea, considerably below current analyst estimates and the figure for the prior-year quarter (Q2 2019: €5,954 million). The impairment of around €800 million is the result of lower oil and gas price forecasts and changed reserve estimates. In the prior-year quarter, net income included a book gain of €5,684 million on the deconsolidation of Wintershall following the merger of Wintershall and DEA as of May 1, 2019.

Further information

An overview of analyst estimates, which is compiled monthly on behalf of BASF, can be found at: www.basf.com/analysts-estimates.

On Wednesday, July 29, 2020 at 7:00 a.m. CEST, the company will publish the Half-Year Financial Report 2020 and will comment on the figures at the conference call for journalists (from 9:00 a.m. CEST) and the conference call for analysts and investors (from 11:00 a.m. CEST).

About BASF

At BASF, we create chemistry for a sustainable future. We combine economic success with environmental protection and social responsibility. More than 117,000 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 €59 billion in 2019. BASF shares are traded on the stock exchange in Frankfurt (BAS) and as American Depositary Receipts (BASFY) in the U.S. Further information at www.basf.com.

Forward-looking statements and forecasts

This release 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. BASF does not assume any obligation to update the forward-looking statements contained in this release above and beyond the legal requirements.