



Ludwigshafen, July 27, 2017

Analyst Conference Call Q2 2017

 **BASF**
We create chemistry

Cautionary note regarding forward-looking statements

This presentation contains forward-looking statements. These forward-looking statements are based on current estimates and projections of the Board of Executive Directors and on currently available information. These forward-looking statements are not guarantees of the future developments and results outlined therein. Rather, they depend on a number of factors, involve various risks and uncertainties, and are based on assumptions that may not prove to be accurate. Such risk factors particularly include those discussed on pages 111 to 118 of the BASF Report 2016. The BASF Report is available online at basf.com/report. BASF does not assume any obligation to update the forward-looking statements contained in this presentation.

BASF Group Q2 2017

Considerably higher sales and earnings

Financial figures	Q2 2017	Q2 2016	Change
Sales	€16.3 billion	€14.5 billion	12%
EBITDA before special items	€3.3 billion	€2.7 billion	23%
EBITDA	€3.2 billion	€2.8 billion	16%
EBIT before special items	€2.3 billion	€1.7 billion	32%
EBIT	€2.2 billion	€1.7 billion	27%
Net income	€1.5 billion	€1.1 billion	37%
Reported EPS	€1.63	€1.19	37%
Adjusted EPS	€1.78	€1.30	37%
Operating cash flow	€3.0 billion	€2.3 billion	29%

Sales development

Q2 2017 vs. Q2 2016

Volumes

↑ 3%

Prices

↑ 7%

Portfolio

↑ 1%

Currencies

↑ 1%

Milestones



BASF plans new automotive application center for Asia Pacific



BASF and Kaiima to identify novel herbicide resistance traits



BASF and Norilsk Nickel to cooperate on raw material supply for battery materials production

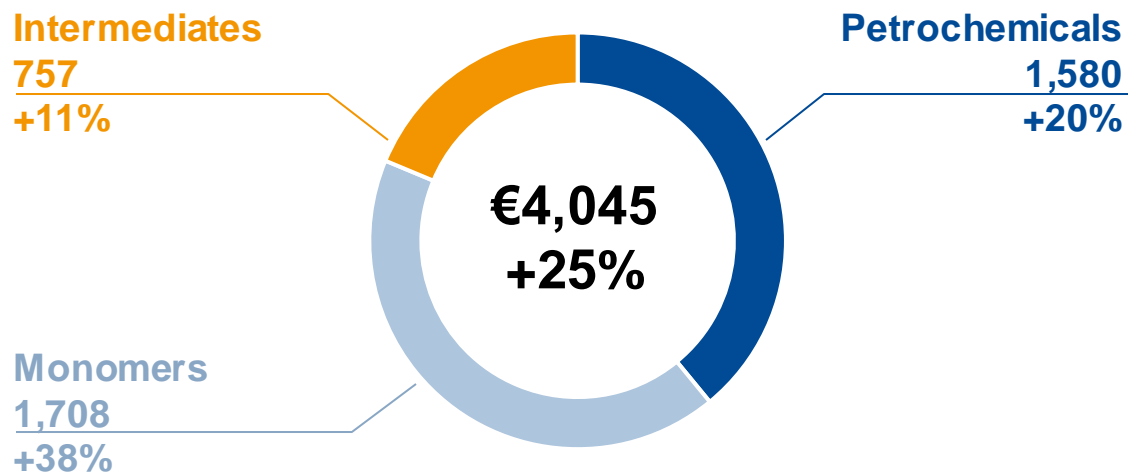


BASF to invest in ibuprofen capacities in Germany and North America

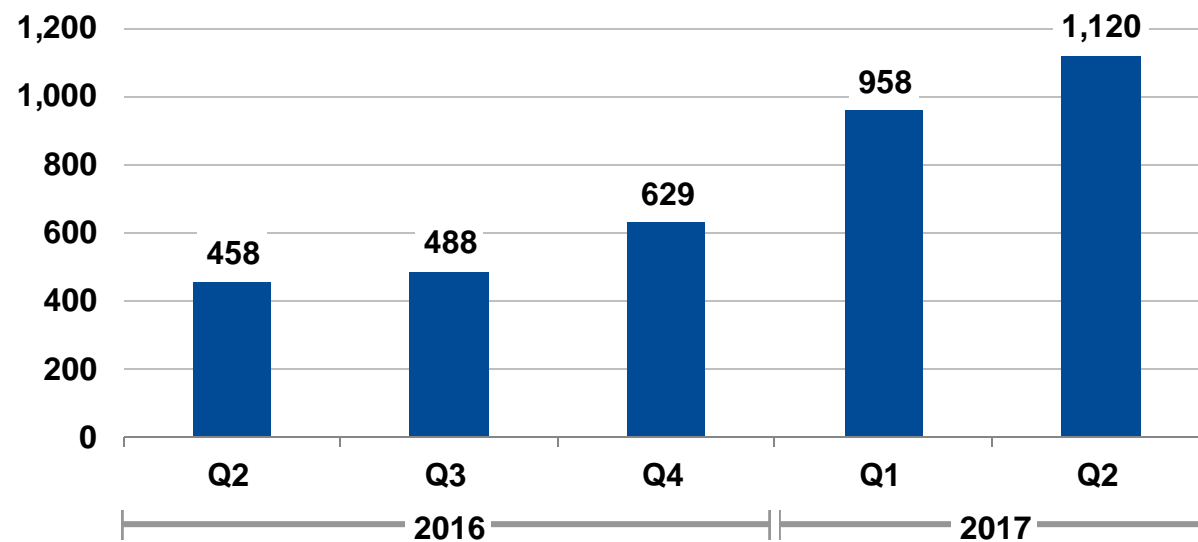
Chemicals

Higher earnings driven by increased margins

Sales Q2 2017 vs. Q2 2016*
million €



EBIT before special items*
million €



Sales development

Q2 2017 vs. Q2 2016

Volumes

↓ (1%)

Prices

↑ 25%

Portfolio

0%

Currencies

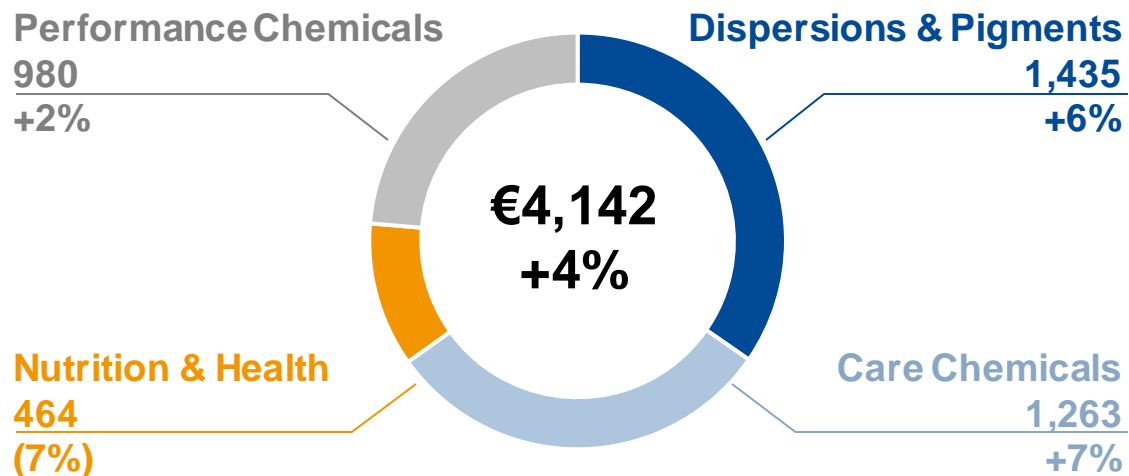
↑ 1%

* Effective January 1, 2017, the Monomers and Dispersions & Pigments divisions' activities for the electronics industry were merged into the global Electronic Materials business unit and allocated to the Dispersions & Pigments division in the Performance Products segment. The 2016 figures have been adjusted accordingly.

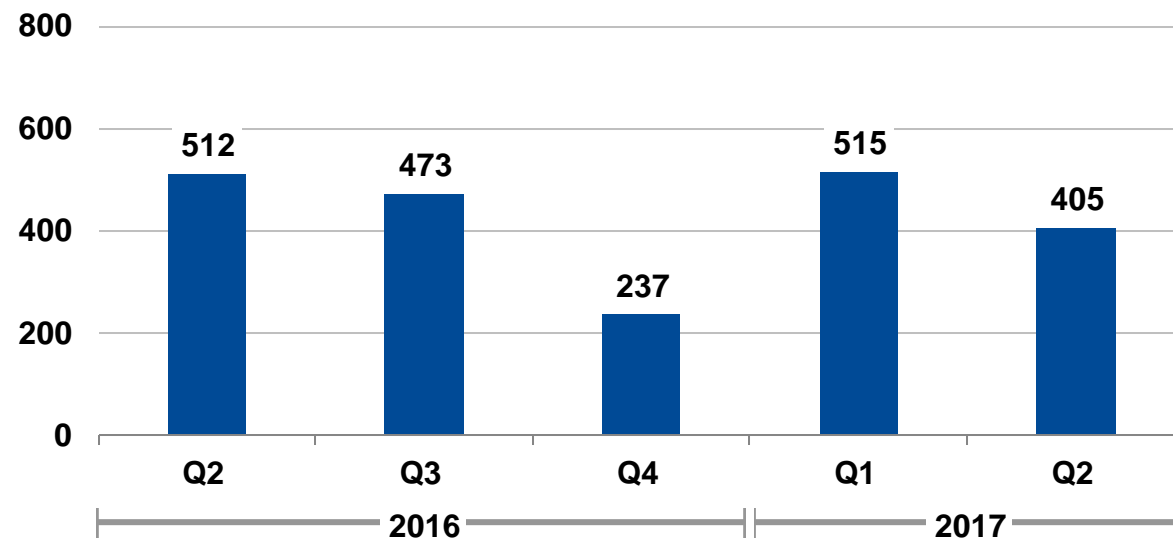
Performance Products

Sales increased, earnings declined due to lower margins

Sales Q2 2017 vs. Q2 2016* million €



EBIT before special items* million €



Sales development

Q2 2017 vs. Q2 2016

Volumes

↑ 2%

Prices

↑ 2%

Portfolio

↓ (1%)

Currencies

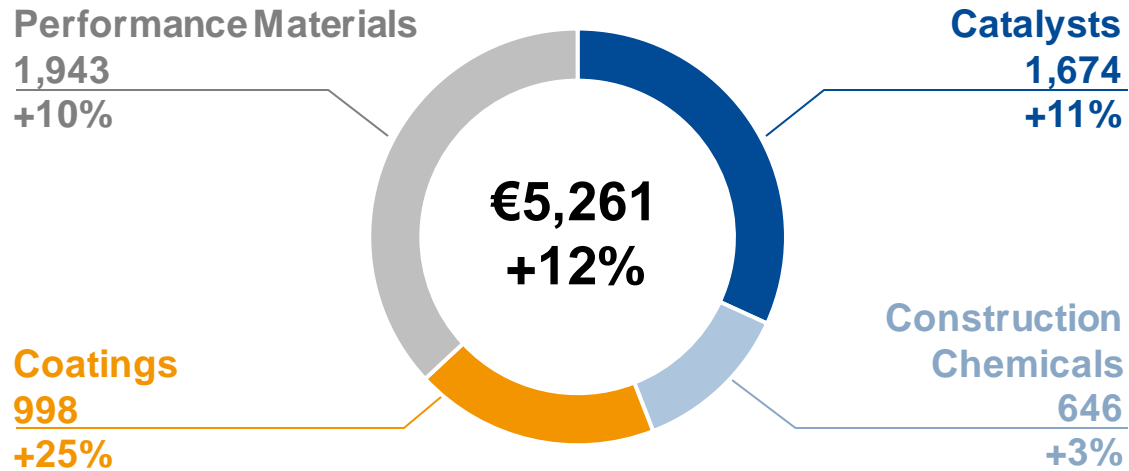
↑ 1%

* Effective January 1, 2017, the Monomers and Dispersions & Pigments divisions' activities for the electronics industry were merged into the global Electronic Materials business unit and allocated to the Dispersions & Pigments division in the Performance Products segment. The 2016 figures have been adjusted accordingly.

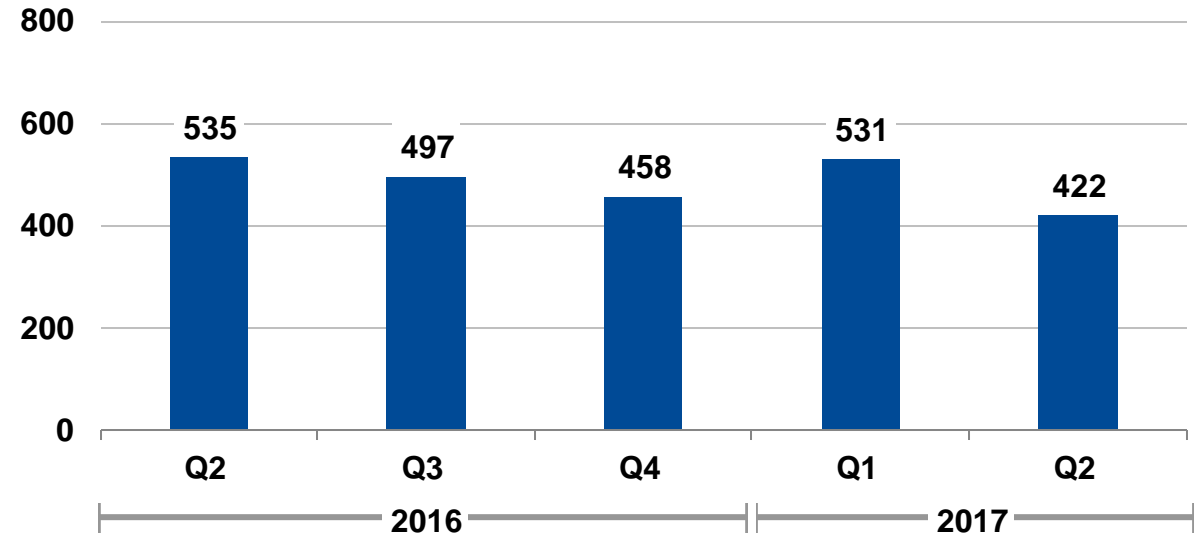
Functional Materials & Solutions

Sales growth on good demand, earnings affected by lower margins overall and higher fixed costs

Sales Q2 2017 vs. Q2 2016 million €



EBIT before special items million €



Sales development

Q2 2017 vs. Q2 2016

Volumes

↑ 4%

Prices

↑ 3%

Portfolio

↑ 3%

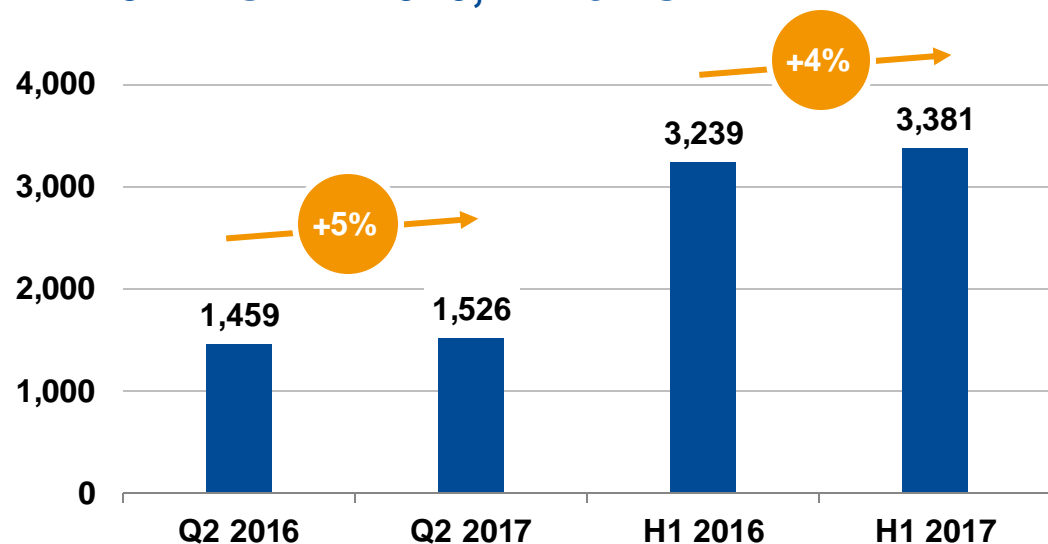
Currencies

↑ 2%

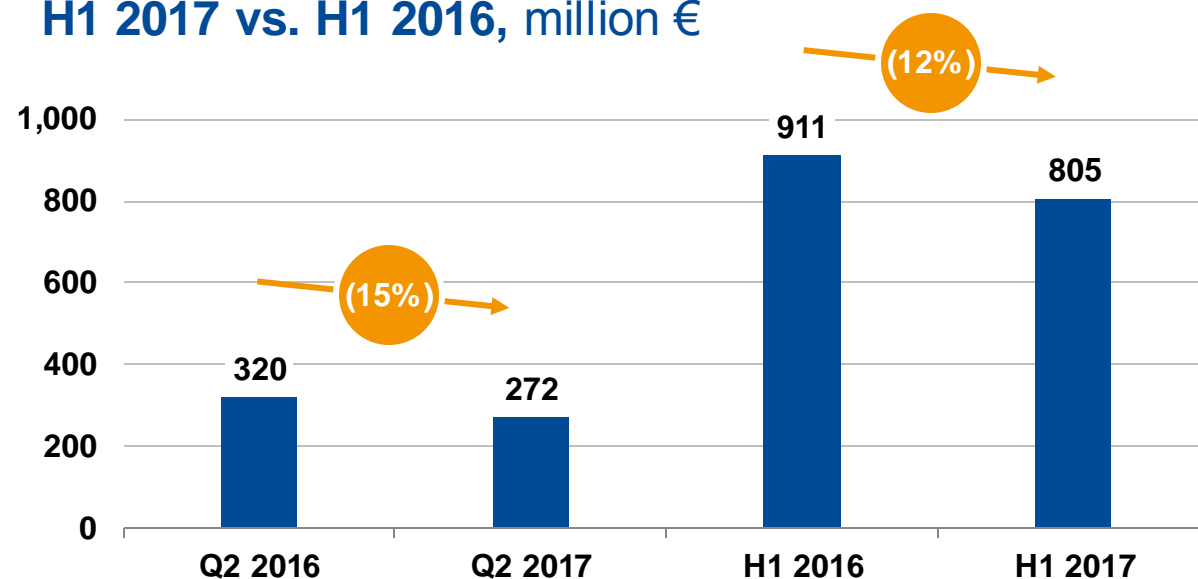
Agricultural Solutions

Sales increased, earnings impacted by lower average margins due to different product mix

Sales Q2 2017 vs. Q2 2016 and H1 2017 vs. H1 2016, million €



EBIT before special items Q2 2017 vs. Q2 2016 and H1 2017 vs. H1 2016, million €



Sales development

Q2 2017 vs. Q2 2016

Volumes

↑ 5%

Prices

↓ (2%)

Portfolio

0%

Currencies

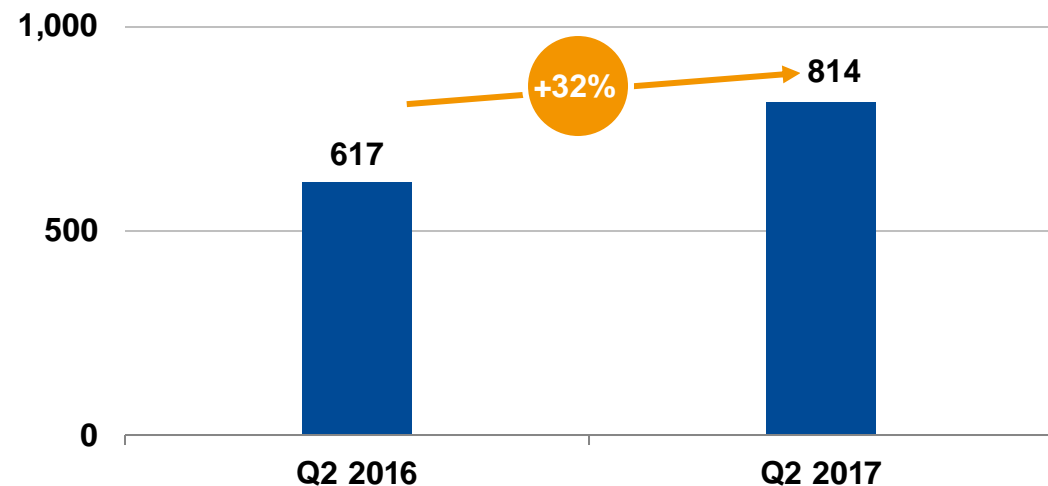
↑ 2%

Oil & Gas

Sales and earnings up, mainly due to higher volumes and prices

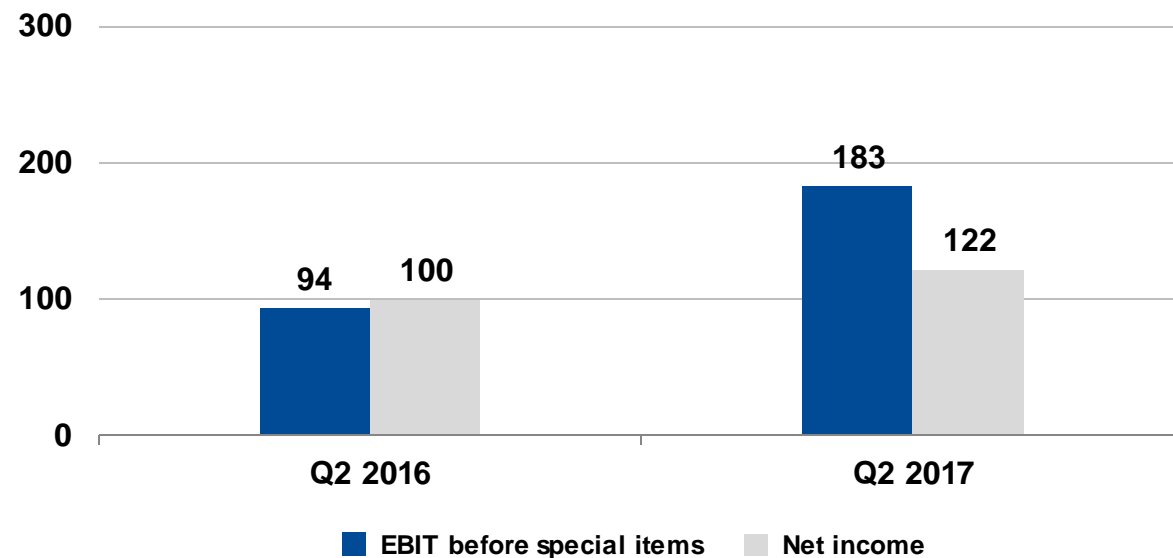
Sales Q2 2017 vs. Q2 2016

million €



EBIT before special items, net income

million €



Sales development

Q2 2017 vs. Q2 2016

Volumes

↑ 22%

Prices/Currencies

↑ 10%

Portfolio

0%

Review of “Other”

million €		Q2 2017	Q2 2016
Sales		476	485
EBIT before special items		(151)	(212)
Thereof	Costs for cross-divisional corporate research	(93)	(88)
	Costs of corporate headquarters	(58)	(56)
	Foreign currency results, hedging and other measurement effects	142	(116)
	Other businesses	(12)	33
Special items		(30)	65
EBIT		(181)	(147)

Cash flow development in 1st half 2017

million €		H1 2017	H1 2016
Cash provided by operating activities		3,802	3,339
Thereof	Changes in net working capital	(1,684)	(1,045)
	Miscellaneous items	178	(122)
Cash used in investing activities		(2,365)	(1,988)
Thereof	Payments made for tangible / intangible assets	(1,642)	(1,979)
	Acquisitions / divestitures	(65)	51
Cash used in financing activities		(886)	(1,814)
Thereof	Changes in financial liabilities	1,932	944
	Dividends	(2,837)	(2,768)
Free cash flow		2,160	1,360

Outlook 2017 for BASF Group raised

Assumptions 2017

GDP growth:	+2.5% (+2.3%)
Growth in industrial production:	+2.5% (+2.3%)
Growth in chemical production*:	+3.4% (+3.4%)
Exchange rate:	US\$1.10 per euro (US\$1.05 per euro)
Oil price (Brent):	US\$50 per barrel (US\$55 per barrel)

Outlook 2017

We have raised our 2017 forecast as follows (previous forecast in parentheses):

- Considerable **sales** increase (considerable increase)
- Considerable increase in **EBIT before special items** and in **EBIT** (slight increase)
- Significant premium on cost of capital with slight increase in **EBIT after cost of capital** (considerable decline in EBIT after cost of capital)



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