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Quarterly Statement 3rd Quarter 2018

BASF Group increases sales, earnings below prior-year quarter

- Sales grow 8% to €15.6 billion, largely driven by higher prices
- EBIT before special items down 14% to €1.5 billion, mainly due to lower contribution from the Chemicals segment

Key Figures

BASF Group 3rd Quarter 2018

		3rd quarter			January–September		
		2018	2017	Change in %	2018	2017	Change in %
Sales ¹	million €	15,606	14,516	8	47,089	45,992	2
Income from operations before depreciation, amortization and special items ¹	million €	2,263	2,517	(10)	7,985	8,424	(5)
Income from operations before depreciation and amortization (EBITDA) ¹	million €	2,190	2,655	(18)	7,830	8,499	(8)
Amortization and depreciation ^{1,2}	million €	795	831	(4)	2,266	2,333	(3)
Income from operations (EBIT) ¹	million €	1,395	1,824	(24)	5,564	6,166	(10)
Special items ¹	million €	(75)	122	.	(159)	46	.
EBIT before special items ¹	million €	1,470	1,702	(14)	5,723	6,120	(6)
Financial result ¹	million €	(138)	(184)	25	(511)	(495)	(3)
Income before taxes and minority interests ¹	million €	1,257	1,640	(23)	5,053	5,671	(11)
Income before minority interests from continuing operations	million €	1,032	1,260	(18)	3,974	4,319	(8)
Income before minority interests from discontinued operations	million €	235	149	58	574	426	35
Net income	million €	1,200	1,336	(10)	4,359	4,541	(4)
EBIT after cost of capital ¹	million €	30	735	(96)	1,754	2,676	(34)
Earnings per share	€	1.31	1.45	(10)	4.75	4.94	(4)
Adjusted earnings per share	€	1.51	1.40	8	5.21	5.15	1
Research and development expenses ¹	million €	509	449	13	1,377	1,324	4
Personnel expenses	million €	2,633	2,709	(3)	7,940	7,918	0
Number of employees (September 30)		122,230	115,319	6	122,230	115,319	6
Assets (September 30)	million €	85,579	76,023	13	85,579	76,023	13
Investments including acquisitions ³	million €	8,053	982	.	9,548	2,695	254
Equity ratio (September 30)	%	42.8	43.9	(3)	42.8	43.9	(3)
Net debt (September 30)	million €	18,026	12,268	47	18,026	12,268	47
Cash flows from operating activities	million €	2,930	3,795	(23)	6,385	7,597	(16)
Free cash flow	million €	1,951	2,831	(31)	3,957	4,991	(21)

¹ Restated figures; for more information, see Significant Events on page 3 of this quarterly statement.

² Amortization of intangible assets and depreciation of property, plant and equipment (including impairments and reversals of impairments)

³ Additions to intangible assets and property, plant and equipment

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Business Review

BASF Group 3rd Quarter 2018

Significant Events

BASF has closed the acquisition of significant businesses and assets from Bayer, which generated combined sales of €2.2 billion in 2017, and Bayer had offered to divest in the context of its acquisition of Monsanto. The acquisition of a range of businesses and assets from Bayer in the areas of seeds, crop protection, non-selective herbicides, nematocide seed treatments, biotechnology and digital farming was closed on August 1, 2018. This was followed by the acquisition of Bayer's global vegetable seeds business, which mainly operates under the trademark Nunhems®, on August 16, 2018. The all-cash purchase price amounts to a total of €7.6 billion, excluding any outstanding purchase price adjustments. Following the closing of the transaction with Bayer, BASF renamed the division from Crop Protection to Agricultural Solutions. In addition, the division has established a new global business unit for seeds and traits.

On September 27, 2018, BASF and LetterOne signed a definitive transaction agreement to merge their oil and gas businesses in a joint venture, which will operate under the name Wintershall DEA. In 2017, the combined business of Wintershall and DEA had pro forma sales of €4.7 billion, income from operations before depreciation and amortization (EBITDA) of €2.8 billion and net income of €740 million. Closing of the transaction is expected in the first half of 2019, subject to the approvals of merger control and foreign investment authorities as well as mining authorities and the German Federal Network Agency. Until closing, Wintershall and DEA will continue to operate as independent companies.

The signing of the agreement has an immediate effect on the reporting of BASF Group and thus on this quarterly statement: The sales and EBIT of the oil and gas business are no longer included in the respective figures for the BASF Group – retroactively as of January 1, 2018, and with the prior-year figures restated.¹ This is also reflected in the explanations on the course of business on pages 3 to 14. Until closing, the Wintershall Group's income after taxes will be presented in the income before minority interests of the BASF Group as a separate item ("income before minority interests from discontinued operations"). The assets and liabilities of the oil and gas business were reclassified to a disposal group as of the end of the third quarter, and depreciation and amortization of its assets has been suspended from this date onward. We therefore adjusted the BASF Group's outlook for the full year 2018 on September 27, 2018.²

The gain from the change from full consolidation to the equity method will be shown in income before minority interests from discontinued operations on closing. From closing, BASF will account for its share in the joint venture Wintershall DEA using the equity method and include its share of Wintershall DEA's net income in EBIT before special items and EBIT for the BASF Group (reported under "Other").

Results of Operations

BASF Group sales rose by €1,090 million to €15,606 million compared with the third quarter of 2017. This was primarily attributable to higher sales prices in all segments. Volumes growth and the acquisition of the Bayer businesses in August 2018 also contributed to the sales increase. Negative currency effects had an offsetting impact.

Factors influencing BASF Group sales, 3rd quarter 2018

Volumes	2%	
Prices	6%	
Portfolio	1%	
Currencies	(1%)	
Sales	8%	

Income from operations (EBIT) before special items³ declined by €232 million to €1,470 million, mainly due to the significantly lower contribution from the Chemicals segment. EBIT before special items also decreased considerably in the Functional Materials & Solutions and Agricultural Solutions segments, but fell only slightly in the Performance Products segment. This was partially offset by improved earnings in Other.

Special items in EBIT totaled minus €75 million in the third quarter of 2018, compared with €122 million in the prior-year quarter. In addition to the integration costs incurred in the Agricultural Solutions segment in connection with the acquisition of significant businesses from Bayer, expenses for restructuring measures and other charges also contributed here. The prior-year quarter included special income in the Performance Products segment from the transfer of BASF's leather chemicals business to the Stahl group.

¹ See Other on page 13, the Statement of Income on page 15 and the Restated Quarterly Figures for 2017 and 2018 from page 18 onward of this quarterly statement.

² See the Outlook on page 6 of this quarterly statement.

³ For an explanation of this indicator, see page 28 of the BASF Report 2017.

EBIT¹ declined by €429 million year on year to €1,395 million.

Income from operations before depreciation, amortization and special items (EBITDA before special items)² decreased by €254 million to €2,263 million and **EBITDA²** by €465 million to €2,190 million.

EBITDA before special items, 3rd quarter (million €)

	2018	2017
EBIT	1,395	1,824
– Special items	(75)	122
EBIT before special items	1,470	1,702
+ Depreciation, amortization and valuation allowances on property, plant and equipment and intangible assets before special items	793	815
EBITDA before special items	2,263	2,517

EBITDA, 3rd quarter (million €)

	2018	2017
EBIT	1,395	1,824
+ Depreciation, amortization and valuation allowances on property, plant and equipment and intangible assets	795	831
EBITDA	2,190	2,655

The **financial result** improved by €46 million to minus €138 million, primarily due to interest income on income tax and lower other financial expenses from currency hedges. The main offsetting effect came from higher interest expenses as a result of the increase in financial indebtedness.

Adjusted earnings per share, 3rd quarter (million €)

	2018	2017
Income before minority interests	1,267	1,409
– Special items	(75)	122
+ Amortization and valuation allowances on intangible assets	156	123
– Amortization and valuation allowances on intangible assets contained in special items	0	(4)
– Adjustments to income taxes	60	13
– Adjustments to income before minority interests from discontinued operations	(17)	41
Adjusted income before minority interests	1,455	1,360
– Adjusted minority interests	68	69
Adjusted net income	1,387	1,291
Weighted average number of outstanding shares (in thousands)	918,479	918,479
Adjusted earnings per share (€)	1.51	1.40

Income before taxes and minority interests declined by €383 million to €1,257 million. The tax rate decreased from 23.2% to 17.9%. Contributing factors included the decline in taxable income in Germany, as well as the decrease in tax expenses due to the reduced tax rate in Belgium.

Income before minority interests from continuing operations declined by €228 million to €1,032 million.

Income before minority interests from discontinued operations, which comprise BASF's oil and gas activities, rose by €86 million to €235 million in the third quarter of 2018. This was mainly attributable to higher prices and volumes as well as an offshore lifting in Libya in the third quarter of 2018; in the previous year, this took place in the second quarter. The price of a barrel of Brent crude oil averaged \$75 in the third quarter of 2018 (third quarter of 2017: \$52). Gas prices on the European spot markets also saw strong gains compared with the prior-year quarter.

Minority interests decreased by €6 million to €67 million.

Net income declined by €136 million to €1,200 million.

Earnings per share in the third quarter of 2018 amounted to €1.31 (third quarter of 2017: €1.45). **Earnings per share adjusted²** for special items and amortization of intangible assets amounted to €1.51 (third quarter of 2017: €1.40).

¹ The calculation of income from operations (EBIT) is shown in the Statement of Income on page 15 of this quarterly statement.

² For an explanation of this indicator, see page 54 of the BASF Report 2017.

Net Assets

Total assets rose from €78,768 million as of the end of 2017 to €85,579 million.

Noncurrent assets decreased by €5,363 million to €42,260 million. This was primarily due to the reclassification of assets in the amount of approximately €12.5 billion to "Assets of disposal groups."¹ Of this figure, around €12.2 billion related to the oil and gas business. Additions from the acquisition of significant businesses from Bayer in the amount of around €7.1 billion had an offsetting effect.²

Current assets amounted to €43,319 million as of the end of the third quarter of 2018, compared with €31,145 million

as of December 31, 2017. This includes assets of disposal groups in the total amount of €13,797 million, mainly from the disposal group for the oil and gas business (around €13.3 billion).¹ Excluding the disposal groups, current assets declined by around €1.6 billion. The main driver was the €4,063 million decrease in cash and cash equivalents from the purchase price payment to Bayer. Lower trade accounts receivable also contributed to the decline. The increase in inventories, other receivables and miscellaneous assets had an offsetting effect. The transaction with Bayer resulted in the addition of current assets in the amount of €873 million.

Financial Position

Equity rose from €34,756 million as of December 31, 2017, to €36,641 million. The equity ratio decreased from 44.1% to 42.8% as a result of the increase in total assets.

Noncurrent liabilities declined from €29,132 million to €26,841 million. All items except financial indebtedness contributed to this decrease. The €1,028 million increase in non-current financial indebtedness was due to the issue of bonds with a carrying amount of around €1.9 billion. In addition to the bonds issued in the first half of 2018, two bonds in Australian dollars and Japanese yen with an aggregate carrying amount of €173 million were issued in the third quarter. The main offsetting effect was the reclassification of a eurobond with a carrying amount of €750 million to current financial indebtedness in the first half of the year.

Current liabilities amounted to €22,097 million as of the end of the third quarter of 2018, compared with €14,880 million at the beginning of the year. The liabilities of disposal groups amounted to €5,307 million.¹ Current liabilities attributable to continuing operations, including the liabilities assumed from the transaction with Bayer, rose by around €1.9 billion. This was primarily due to the increase in current financial indebtedness, primarily from the issue of U.S. dollar commercial paper in the amount of approximately €1.3 billion, of which €241 million in the third quarter, as well as the reclassification of a eurobond mentioned above. The main offsetting effect was the scheduled repayment of two eurobonds with a combined carrying amount of around €0.8 billion.

Overall, **financial indebtedness** grew by €2,458 million to €20,490 million. **Net debt**³ increased by €6,541 million as against December 31, 2017, to €18,026 million in connection with the purchase price payment for the acquisition of significant businesses from Bayer.

Net debt (million €)

	Sep. 30, 2018	Dec. 31, 2017
Noncurrent financial indebtedness	16,563	15,535
+ Current financial indebtedness	3,927	2,497
Financial indebtedness	20,490	18,032
– Marketable securities	32	52
– Cash and cash equivalents	2,432	6,495
Net debt	18,026	11,485

In the third quarter of 2018, **cash flows from operating activities** amounted to €2,930 million, €865 million below the figure for the prior-year quarter. This was mainly due to the change in net working capital, in particular the year-on-year increase in cash tied up in inventories and the decline in cash released from receivables. The change in miscellaneous items had an offsetting effect: A change in pension provisions led to a release of cash in the third quarter of 2018, compared with tied-up cash in the prior-year quarter. In addition, higher disposal gains, primarily from the transfer of BASF's leather chemicals business to the Stahl group, were reclassified to cash flows from investing activities in the prior-year quarter.

¹ For more information, see Disposal Groups as of September 30, 2018 on page 25 of this quarterly statement.

² For more information, see Acquisition of Significant Businesses and Assets from Bayer on page 26 of this quarterly statement.

³ For an explanation of this indicator, see page 58 of the BASF Report 2017.

Cash flows from investing activities amounted to minus €8,301 million in the third quarter of 2018, compared with minus €1,048 million in the prior-year quarter. The increase in tied-up cash was primarily due to the net payments made for acquisitions and divestitures. These totaled €7,184 million in the third quarter of 2018 and mainly related to the purchase price payment to Bayer. This amounted to €7,206 million including liquid funds assumed. In the prior-year quarter, net payments of €21 million were received. Payments made for property, plant and equipment and intangible assets, and cash tied up by changes in financial assets and miscellaneous items were slightly higher year on year, at €979 million and €138 million, respectively.

Cash flows from financing activities amounted to €391 million in the third quarter of 2018, after minus €660 million in the same period last year. This was due to the increase in debt issued as well as lower repayment of financial indebtedness compared with the third quarter of 2017.

Free cash flow amounted to €1,951 million, compared with €2,831 million in the prior-year quarter. The decrease was primarily attributable to lower cash flows from operating activities.

Free cash flow, 3rd quarter (million €)

	2018	2017
Cash flows from operating activities	2,930	3,795
– Payments made for property, plant and equipment and intangible assets	979	964
Free cash flow	1,951	2,831

Our **ratings** have remained unchanged since the publication of the BASF Report 2017. Rated “A1/P-1/outlook stable” by Moody’s, “A/A-1/outlook stable” by Standard & Poor’s and “A/S-1/outlook stable” by Scope, BASF enjoys good credit ratings, especially compared with competitors in the chemical industry. These ratings were most recently confirmed by Scope on October 10, 2018, by Moody’s on June 29, 2018, and by Standard & Poor’s on October 18, 2017.

Outlook


Growth in industrial production fell short of our expectations in the third quarter of 2018, primarily due to developments in the automotive industry in September in particular. The introduction of new emission standards had an impact in Europe. The effects of the trade conflict between the United States and China are also showing. This is leading to a slowdown in economic growth in Asia in particular, mainly in China.

We have therefore adjusted our assessment of the **global economic environment in 2018** as follows (forecast from the BASF Half-Year Financial Report 2018 in parentheses):

- Growth in gross domestic product: 3.0% (3.0%)
- Growth in industrial production: 3.1% (3.2%)
- Growth in chemical production: 3.1% (3.4%)
- Average euro/dollar exchange rate of \$1.20 per euro (\$1.20 per euro)
- Average Brent blend oil price for the year of \$70 per barrel (\$70 per barrel)

The signing of the definitive transaction agreement on the merger of Wintershall and DEA reduces the BASF Group’s sales and EBIT by the contribution of its oil and gas activities – retroactively as of January 1, 2018, and with the prior-year figures restated – due to their presentation as discontinued operations.¹ This was explained in the BASF Report 2017.² Furthermore, the risk of a growth slowdown has increased.

Otherwise, the **statements on opportunities and risks** made in the BASF Report 2017 continue to apply overall. According to our assessment, there continue to be no individual risks that pose a threat to the continued existence of the BASF Group. The same applies to the sum of individual risks, even in the case of another global economic crisis.

 For more detailed information, see the Opportunities and Risks Report on pages 111 to 118 of the BASF Report 2017

On September 27, 2018, we adjusted the BASF Group’s **forecast**³ for the full year 2018 made in the BASF Report 2017 as a result of the changed presentation of the Wintershall Group (previous forecast from the BASF Report 2017 in parentheses):

- Slight sales growth (slight growth)
- Slight decrease in EBIT before special items (slight increase)
- Considerable decline in EBIT (slight decline)
- Significant premium on cost of capital with considerable decline in EBIT after cost of capital⁴ (considerable decline)

 Sales and earnings forecast for the BASF Group in the Outlook 2018 on page 122 of the BASF Report 2017

¹ For more information, see Other on page 13 and the Restated Quarterly Figures for 2017 and 2018 from page 18 onward of this quarterly statement.

² For more information, see the Outlook on page 122 of the BASF Report 2017.

³ For sales, “slight” represents a change of 1–5%, while “considerable” applies to changes of 6% and higher. “At prior-year level” indicates no change (+/–0%).

For earnings, “slight” means a change of 1–10%, while “considerable” is used for changes of 11% and higher. “At prior-year level” indicates no change (+/–0%).

⁴ For an explanation of this indicator, see page 28 of the BASF Report 2017.

Chemicals

Segment data Chemicals (million €)

	3rd quarter			January–September		
	2018	2017	Change in %	2018	2017	Change in %
Sales to third parties	4,309	4,023	7	12,727	12,173	5
of which Petrochemicals	1,883	1,525	23	5,255	4,759	10
Monomers	1,645	1,770	(7)	5,099	5,177	(2)
Intermediates	781	728	7	2,373	2,237	6
Income from operations before depreciation and amortization (EBITDA)	1,112	1,430	(22)	3,828	4,054	(6)
Amortization and depreciation ¹	266	341	(22)	792	872	(9)
Income from operations (EBIT)	846	1,089	(22)	3,036	3,182	(5)
Special items	(5)	(13)	62	(23)	2	.
EBIT before special items	851	1,102	(23)	3,059	3,180	(4)
Assets (September 30)	13,407	12,743	5	13,407	12,743	5
Investments including acquisitions ²	335	232	44	805	645	25
Research and development expenses	32	31	3	93	91	2

¹ Amortization of intangible assets and depreciation of property, plant and equipment (including impairments and reversals of impairments)

² Additions to intangible assets and property, plant and equipment

3rd Quarter 2018

Sales in the Chemicals segment rose considerably compared with the prior-year quarter as a result of higher prices in all divisions, especially in Petrochemicals. Income from operations (EBIT) before special items declined considerably versus the third quarter of 2017. This was primarily due to lower margins for isocyanates in the Monomers division and steam cracker products in the Petrochemicals division. Earnings were also negatively impacted by higher fixed costs due, among other factors, to increased maintenance expenses. Improved earnings in the Intermediates division were unable to compensate for this.

Factors influencing sales, Chemicals 3rd quarter 2018

Volumes	0%	
Prices	7%	<div style="width: 100%; height: 10px; background-color: #f4a460;"></div>
Portfolio	0%	
Currencies	0%	
Sales	7%	<div style="width: 100%; height: 10px; background-color: #f4a460;"></div>

Petrochemicals

In the Petrochemicals division, sales considerably exceeded the figure for the prior-year quarter. This was primarily attributable to higher sales prices on the back of significant growth in raw materials prices for naphtha in Europe and butane in North America. Volumes rose significantly overall, although produc-

tion in Ludwigshafen, Germany, was affected by the low water levels on the Rhine River. EBIT before special items decreased considerably, mainly due to higher fixed costs. The prior-year figure included insurance refunds. Furthermore, maintenance expenses were higher than in the third quarter of 2017. The low water levels on the Rhine River and the significant increase in raw materials prices also contributed to the decline in earnings.

Monomers

Sales in the Monomers division declined considerably compared with the third quarter of 2017. This was driven by lower sales volumes, mainly in the isocyanates business as a result of higher market supply. Plant shutdowns also had a negative impact on sales volumes. We were able to increase prices overall, although prices for isocyanates declined. EBIT before special items was down considerably year on year. This was primarily due to lower margins, especially for isocyanates. Lower fixed costs had an offsetting effect.

Intermediates

The Intermediates division achieved considerable sales growth as against the third quarter of 2017. This was attributable to higher prices in all regions, especially in the acids and poly-alcohols business, as well as higher sales volumes in North America in particular. EBIT before special items rose slightly compared with the prior-year quarter as a result of the improved margins and volumes growth. Higher fixed costs, mostly from plant shutdowns, had an offsetting effect.

Performance Products

Segment data Performance Products (million €)

	3rd quarter			January–September		
	2018	2017	Change in %	2018	2017	Change in %
Sales to third parties	3,989	3,983	0	11,929	12,385	(4)
of which Dispersions & Pigments	1,333	1,339	0	4,053	4,173	(3)
Care Chemicals	1,212	1,213	0	3,705	3,838	(3)
Nutrition & Health	432	451	(4)	1,247	1,401	(11)
Performance Chemicals	1,012	980	3	2,924	2,973	(2)
Income from operations before depreciation and amortization (EBITDA)	563	788	(29)	1,871	2,111	(11)
Amortization and depreciation ¹	215	221	(3)	639	682	(6)
Income from operations (EBIT)	348	567	(39)	1,232	1,429	(14)
Special items	(12)	182	.	(7)	124	.
EBIT before special items	360	385	(6)	1,239	1,305	(5)
Assets (September 30)	14,951	14,595	2	14,951	14,595	2
Investments including acquisitions ²	171	143	20	474	516	(8)
Research and development expenses	97	92	5	282	282	–

¹ Amortization of intangible assets and depreciation of property, plant and equipment (including impairments and reversals of impairments)

² Additions to intangible assets and property, plant and equipment

3rd Quarter 2018

Sales in the Performance Products segment were on a level with the prior-year quarter. We achieved higher prices in all divisions; however, sales volumes decreased in the Nutrition & Health, Dispersions & Pigments and Care Chemicals divisions. Sales were also weighed down by currency and portfolio effects. Income from operations (EBIT) before special items declined slightly compared with the third quarter of 2017 as a result of lower volumes, higher fixed costs and negative currency effects. Stronger margins had an offsetting effect. Excluding the negative currency effects, EBIT before special items was flat year on year.

Factors influencing sales, Performance Products 3rd quarter 2018

Volumes	(3%)	
Prices	5%	
Portfolio	(1%)	
Currencies	(1%)	
Sales	0%	

Dispersions & Pigments

In the Dispersions & Pigments division, sales remained at the level of the prior-year quarter. We increased sales prices in all regions and business areas but sales volumes declined slightly. The divestiture of the production site for styrene butadiene-based paper dispersions in Pischelsdorf, Austria, and negative currency effects also reduced sales slightly. EBIT before special items declined considerably compared with the third quarter of 2017, mainly due to higher fixed costs and lower volumes.

Care Chemicals

Sales in the Care Chemicals division matched the figure for the third quarter of 2017. Slightly higher prices, especially for ingredients for the detergent and cleaner industries, contrasted with lower sales volumes, particularly of oleochemical surfactants and fatty alcohols, as well as negative currency effects. EBIT before special items increased slightly compared with the prior-year quarter, primarily due to stronger margins.

Nutrition & Health

Sales in the Nutrition & Health division declined slightly as against the prior-year quarter. This was mainly due to lower volumes, primarily because of the reduced availability of citral-based products. In the human and animal nutrition business areas, we were able to gradually lift Force Majeure for all affected products. Sales were reduced by negative currency effects. Higher prices had an offsetting impact. EBIT before special items considerably exceeded the figure for the third quarter of 2017 due, among other factors, to lower fixed costs.

Performance Chemicals

In the Performance Chemicals division, sales rose slightly compared with the third quarter of 2017. This was attributable to higher sales prices and volumes in almost all business areas. Prices were up on the prior-year level, especially for fuel, lubricant and plastic additives. We increased sales volumes, primarily in the oilfield and mining chemicals and paper and water chemicals business areas. EBIT before special items decreased slightly year on year, mainly due to higher fixed costs. Volumes growth and higher margins had a positive impact on earnings.

Functional Materials & Solutions

Segment data Functional Materials & Solutions (million €)

	3rd quarter			January–September		
	2018	2017	Change in %	2018	2017	Change in %
Sales to third parties	5,238	4,975	5	15,917	15,434	3
of which Catalysts	1,738	1,506	15	5,358	4,869	10
Construction Chemicals	645	618	4	1,853	1,824	2
Coatings	922	951	(3)	2,857	2,948	(3)
Performance Materials	1,933	1,900	2	5,849	5,793	1
Income from operations before depreciation and amortization (EBITDA)	506	527	(4)	1,492	1,799	(17)
Amortization and depreciation ¹	169	170	(1)	504	494	2
Income from operations (EBIT)	337	357	(6)	988	1,305	(24)
Special items	(10)	(40)	75	(30)	(45)	33
EBIT before special items	347	397	(13)	1,018	1,350	(25)
Assets (September 30)	17,673	17,135	3	17,673	17,135	3
Investments including acquisitions ²	217	285	(24)	511	642	(20)
Research and development expenses	103	106	(3)	311	315	(1)

¹ Amortization of intangible assets and depreciation of property, plant and equipment (including impairments and reversals of impairments)

² Additions to intangible assets and property, plant and equipment

3rd Quarter 2018

In the Functional Materials & Solutions segment, sales rose slightly compared with the third quarter of 2017. This was primarily attributable to higher prices in all divisions, especially in Catalysts and Performance Materials. Volumes also increased, while sales were weighed down by currency effects. Despite volumes growth, income from operations (EBIT) before special items was considerably below the level of the prior-year quarter, mainly due to higher fixed costs and lower margins in almost all divisions. However, we increased earnings from quarter to quarter over the course of 2018 and continuously reduced the gap to the prior-year quarter.

Factors influencing sales, Functional Materials & Solutions 3rd quarter 2018

Volumes	2%	
Prices	4%	
Portfolio	0%	
Currencies	(1%)	
Sales	5%	

Catalysts

Sales in the Catalysts division grew considerably year on year due to higher prices and volumes. The higher selling prices were mainly a consequence of the increase in precious metal prices. Volumes grew in precious metal trading as well as for chemical catalysts, battery materials and refining catalysts. In precious metal trading, sales rose to €719 million (third quarter of 2017: €532 million) due to higher prices and volumes. EBIT before special items improved considerably as against the third quarter of 2017, mainly as a result of volumes growth.

Construction Chemicals

The Construction Chemicals division recorded a slight increase in sales compared with the prior-year quarter. This was attributable to volumes growth, higher prices and the acquisition of Grupo Thermotek, Monterrey, Mexico, in September 2017. Negative currency effects had an offsetting impact. We achieved slight sales growth in Europe and in the region South America, Africa, Middle East as a result of higher volumes and prices. Sales rose considerably in North America due to the acquisition of Thermotek as well as higher volumes and prices but remained at the prior-year level in Asia. Income from operations (EBIT) before special items was considerably lower as a result of higher fixed costs and the increase in raw materials prices.

Coatings

Sales in the Coatings division declined slightly as against the third quarter of 2017. Negative currency effects could not be offset by slightly higher prices and sales volumes. We recorded volumes growth for surface treatments and decorative paints in particular; sales volumes of automotive refinish coatings also rose slightly. EBIT before special items decreased considerably year on year, primarily due to higher fixed costs and raw materials prices.

Performance Materials

In the Performance Materials division, sales improved slightly compared with the prior-year quarter. This was due to higher sales prices, particularly for engineering plastics and polyurethane systems in all regions. Currency effects had a negative impact. Sales volumes also declined slightly, largely as a result of much weaker demand for polyurethane systems. EBIT before special items was slightly below the figure for the third quarter of 2017. This was mainly attributable to higher fixed costs.

Agricultural Solutions

Segment data Agricultural Solutions (million €)

	3rd quarter			January–September		
	2018	2017	Change in %	2018	2017	Change in %
Sales to third parties	1,243	987	26	4,472	4,368	2
Income from operations before depreciation and amortization (EBITDA)	79	85	(7)	881	1,016	(13)
Amortization and depreciation ¹	118	65	82	244	195	25
Income from operations (EBIT)	(39)	20	.	637	821	(22)
Special items	(34)	(1)	.	(59)	(5)	.
EBIT before special items	(5)	21	.	696	826	(16)
Assets (September 30)	15,625	7,454	110	15,625	7,454	110
Investments including acquisitions ²	7,152	35	.	7,229	121	.
Research and development expenses	181	124	46	424	362	17

¹ Amortization of intangible assets and depreciation of property, plant and equipment (including impairments and reversals of impairments)

² Additions to intangible assets and property, plant and equipment

3rd Quarter 2018

The Agricultural Solutions segment posted considerable sales growth compared with the third quarter of 2017. This was attributable to portfolio effects from the acquisition of significant businesses and assets from Bayer in August 2018, a higher price level and slightly stronger volumes. Negative currency effects continued to weigh on sales development.

Factors influencing sales, Agricultural Solutions 3rd quarter 2018

Volumes	1%	
Prices	17%	
Portfolio	18%	
Currencies	(10%)	
Sales	26%	

Sales declined slightly in **Europe**, mainly as a result of lower sales volumes for herbicides and fungicides following the extreme weather conditions and long dry period in central and western Europe in particular.

In **North America**, sales considerably exceeded the prior-year figure. This was primarily due to portfolio effects from the acquired businesses as well as to a higher price level.

Sales in **Asia** were up slightly year on year as a result of positive portfolio effects and higher prices. Sales growth was tempered by negative currency effects.

The region **South America, Africa, Middle East** posted considerable sales gains. This was mainly driven by higher prices and sales volumes, particularly for fungicides and insecticides. The acquired businesses contributed to the increase in sales. Negative currency effects had an offsetting impact.

Despite the seasonally strongly negative results of the businesses acquired from Bayer, income from operations before special items was down only €26 million on the prior-year quarter. Income generated by BASF operations excluding Bayer activities rose considerably compared with the third quarter of 2017. Excluding the negative currency effects, EBIT before special items also increased slightly overall.

Other

Data on Other¹ (million €)

	3rd quarter			January–September		
	2018	2017	Change in %	2018	2017	Change in %
Sales	827	548	51	2,044	1,632	25
Income from operations before depreciation and amortization (EBITDA)	(70)	(175)	60	(242)	(481)	50
Amortization and depreciation ²	27	34	(21)	87	90	(3)
Income from operations (EBIT)	(97)	(209)	54	(329)	(571)	42
Special items	(14)	(6)	.	(40)	(30)	(33)
EBIT before special items	(83)	(203)	59	(289)	(541)	47
of which						
Costs for cross-divisional corporate research	(96)	(93)	(3)	(266)	(267)	0
Costs of corporate headquarters	(64)	(57)	(12)	(183)	(167)	(10)
Other businesses	26	13	100	36	6	500
Foreign currency results, hedging and other measurement effects	31	6	417	239	179	34
Miscellaneous income and expenses	20	(72)	.	(115)	(292)	61
Assets (September 30) ³	23,923	24,096	(1)	23,923	24,096	(1)
Investments including acquisitions ⁴	178	287	(38)	529	771	(31)
Research and development expenses	96	96	–	267	274	(3)

¹ Restatement of the figures for the previous quarters in 2017 and 2018 relates to discontinued operations.

² Amortization of intangible assets and depreciation of property, plant and equipment (including impairments and reversals of impairments)

³ Contains assets of businesses recognized under Other as well as reconciliation to assets of the BASF Group (including assets of discontinued operations)

⁴ Additions to intangible assets and property, plant and equipment (including additions to discontinued operations)

3rd Quarter 2018

Sales in Other were considerably above the prior-year quarter, mainly as a result of higher sales volumes and prices in raw materials trading. Income from operations before special items improved considerably, primarily as a result of valuation effects from our long-term incentive program.

Regions

Regions (million €)

	Sales Location of company			Sales Location of customer			Income from operations Location of company		
	2018	2017	Change in %	2018	2017	Change in %	2018	2017	Change in %
3rd quarter									
Europe	6,872	6,651	3	6,335	6,244	1	659	984	(33)
of which Germany	4,421	4,560	(3)	1,819	1,764	3	226	273	(17)
North America	4,220	3,466	22	4,089	3,361	22	171	159	8
Asia Pacific	3,440	3,389	2	3,621	3,540	2	481	636	(24)
South America, Africa, Middle East	1,074	1,010	6	1,561	1,371	14	84	45	87
BASF Group	15,606	14,516	8	15,606	14,516	8	1,395	1,824	(24)
January–September									
Europe	21,944	21,447	2	20,452	20,304	1	3,205	3,613	(11)
of which Germany	14,051	14,222	(1)	5,519	5,498	0	1,369	1,708	(20)
North America	12,262	12,098	1	11,879	11,652	2	754	1,009	(25)
Asia Pacific	10,437	10,042	4	10,981	10,583	4	1,592	1,630	(2)
South America, Africa, Middle East	2,446	2,405	2	3,777	3,453	9	13	(86)	.
BASF Group	47,089	45,992	2	47,089	45,992	2	5,564	6,166	(10)

3rd Quarter 2018

Sales at companies located in **Europe** rose by 3% compared with the third quarter of 2017. This was attributable to higher sales prices in almost all segments. Lower volumes and negative currency effects had an offsetting effect. Income from operations (EBIT) declined by €325 million to €659 million. The considerable earnings increase in Other and in the Functional Materials & Solutions segment was unable to compensate for the significantly lower contributions from the Chemicals, Performance Products and Agricultural Solutions segments.

In **North America**, we improved sales by 21% in local currency terms and 22% in euros. This was mainly driven by higher volumes, especially in the Functional Materials & Solutions and Chemicals segments, higher prices and portfolio effects in the Agricultural Solutions segment. Currency effects also had a positive impact on sales. At €171 million, EBIT was up €12 million year on year, primarily as a result of the significantly higher contribution from the Chemicals segment.

Sales in **Asia Pacific** rose by 2% in both local currency terms and in euros. This was attributable to higher prices in all segments except Chemicals. Sales were weighed down by lower volumes in particular. EBIT decreased by €155 million to €481 million due to lower contributions from all segments compared with the third quarter of 2017.

In the region **South America, Africa, Middle East**, we increased sales by 26% in local currency terms and 6% in euros compared with the prior-year quarter. This was mainly due to higher prices in all segments. Volumes growth and portfolio effects also contributed to the positive sales development. By contrast, currency effects had a negative impact on sales. At €84 million, EBIT exceeded the figure for the third quarter of 2017 by €39 million. The increase was primarily driven by the Agricultural Solutions segment.

Selected Financial Data

Statement of Income¹

Statement of income (million €)

	3rd quarter			January–September		
	2018	2017	Change in %	2018	2017	Change in %
Sales revenue	15,606	14,516	8	47,089	45,992	2
Cost of sales	(11,111)	(9,878)	(12)	(32,731)	(31,303)	(5)
Gross profit on sales	4,495	4,638	(3)	14,358	14,689	(2)
Selling expenses	(2,151)	(1,998)	(8)	(6,253)	(6,043)	(3)
General administrative expenses	(352)	(330)	(7)	(1,028)	(1,006)	(2)
Research and development expenses	(509)	(449)	(13)	(1,377)	(1,324)	(4)
Other operating income	754	714	6	1,952	1,566	25
Other operating expenses	(936)	(821)	(14)	(2,291)	(1,952)	(17)
Income from companies accounted for using the equity method	94	70	34	203	236	(14)
Income from operations (EBIT)	1,395	1,824	(24)	5,564	6,166	(10)
Income from other shareholdings	4	5	(20)	31	28	11
Expenses from other shareholdings	(8)	(6)	(33)	(19)	(19)	–
Net income from shareholdings	(4)	(1)	.	12	9	33
Interest income	45	40	13	123	135	(9)
Interest expenses	(142)	(111)	(28)	(380)	(367)	(4)
Interest result	(97)	(71)	(37)	(257)	(232)	(11)
Other financial income	8	10	(20)	23	31	(26)
Other financial expenses	(45)	(122)	63	(289)	(303)	5
Other financial result	(37)	(112)	67	(266)	(272)	2
Financial result	(138)	(184)	25	(511)	(495)	(3)
Income before taxes and minority interests	1,257	1,640	(23)	5,053	5,671	(11)
Income taxes	(225)	(380)	41	(1,079)	(1,352)	20
Income before minority interests from continuing operations	1,032	1,260	(18)	3,974	4,319	(8)
Income before minority interests from discontinued operations	235	149	58	574	426	35
Income before minority interests	1,267	1,409	(10)	4,548	4,745	(4)
Minority interests	(67)	(73)	8	(189)	(204)	7
Net income	1,200	1,336	(10)	4,359	4,541	(4)
Earnings per share from continuing operations €	1.07	1.30	(18)	4.16	4.50	(8)
Earnings per share from discontinued operations €	0.24	0.15	60	0.59	0.44	34
Earnings per share						
Basic €	1.31	1.45	(10)	4.75	4.94	(4)
Diluted €	1.31	1.45	(10)	4.75	4.94	(4)

¹ Restated figures; for more information, see Significant Events on page 3 and the Restated Quarterly Figures for 2017 and 2018 from page 18 onward of this quarterly statement.

Balance Sheet

Assets (million €)

	Sep. 30, 2018	Sep. 30, 2017	Change in %	Dec. 31, 2017	Change in %
Intangible assets	16,865	14,057	20	13,594	24
Property, plant and equipment	19,945	24,523	(19)	25,258	(21)
Investments accounted for using the equity method	2,152	4,726	(54)	4,715	(54)
Other financial assets	579	603	(4)	606	(4)
Deferred tax assets	1,884	2,295	(18)	2,118	(11)
Other receivables and miscellaneous assets	835	1,386	(40)	1,332	(37)
Noncurrent assets	42,260	47,590	(11)	47,623	(11)
Inventories	12,100	10,015	21	10,303	17
Accounts receivable, trade	10,213	10,624	(4)	11,190	(9)
Other receivables and miscellaneous assets	4,745	3,848	23	3,105	53
Marketable securities	32	27	19	52	(38)
Cash and cash equivalents ¹	2,432	3,919	(38)	6,495	(63)
Assets of disposal groups ²	13,797	-	-	-	-
Current assets	43,319	28,433	52	31,145	39
Total assets	85,579	76,023	13	78,768	9

Equity and liabilities (million €)

	Sep. 30, 2018	Sep. 30, 2017	Change in %	Dec. 31, 2017	Change in %
Subscribed capital	1,176	1,176	-	1,176	-
Capital surplus	3,117	3,130	0	3,117	-
Retained earnings	36,347	33,315	9	34,826	4
Other comprehensive income	(4,960)	(5,148)	4	(5,282)	6
Equity of shareholders of BASF SE	35,680	32,473	10	33,837	5
Minority interests	961	868	11	919	5
Equity	36,641	33,341	10	34,756	5
Provisions for pensions and similar obligations	5,646	6,797	(17)	6,293	(10)
Other provisions	2,228	3,491	(36)	3,478	(36)
Deferred tax liabilities	1,578	2,819	(44)	2,731	(42)
Financial indebtedness	16,563	14,246	16	15,535	7
Other liabilities	826	1,052	(21)	1,095	(25)
Noncurrent liabilities	26,841	28,405	(6)	29,132	(8)
Accounts payable, trade	5,026	4,352	15	4,971	1
Provisions	3,402	3,252	5	3,229	5
Tax liabilities	911	1,521	(40)	1,119	(19)
Financial indebtedness	3,927	1,968	100	2,497	57
Other liabilities	3,524	3,184	11	3,064	15
Liabilities of disposal groups ²	5,307	-	-	-	-
Current liabilities	22,097	14,277	55	14,880	49
Total equity and liabilities	85,579	76,023	13	78,768	9

¹ For a reconciliation of the amounts in the statement of cash flows with the balance sheet item "cash and cash equivalents," see page 17 of this quarterly statement.

² For further information on disposal groups, see page 25 of this quarterly statement.

Statement of Cash Flows

Statement of cash flows (million €)

	3rd quarter		January–September	
	2018	2017	2018	2017
Net income	1,200	1,336	4,359	4,541
Amortization and depreciation of intangible assets and property, plant and equipment	1,015	1,049	2,883	3,152
Changes in net working capital	568	1,778	(653)	94
Miscellaneous items	147	(368)	(204)	(190)
Cash flows from operating activities	2,930	3,795	6,385	7,597
Payments made for property, plant and equipment and intangible assets	(979)	(964)	(2,428)	(2,606)
Acquisitions/divestitures	(7,184)	21	(7,120)	(44)
Financial assets and miscellaneous items	(138)	(105)	(488)	(763)
Cash flows from investing activities	(8,301)	(1,048)	(10,036)	(3,413)
Capital increases/repayments and other equity transactions	4	–	4	19
Changes in financial liabilities	400	(656)	2,926	1,276
Dividends	(13)	(4)	(3,057)	(2,841)
Cash flows from financing activities	391	(660)	(127)	(1,546)
Changes in cash and cash equivalents affecting liquidity	(4,980)	2,087	(3,778)	2,638
Cash and cash equivalents at the beginning of the period and other changes	7,624	1,832	6,422	1,281
Cash and cash equivalents at the end of the period¹	2,644	3,919	2,644	3,919

¹ In 2018, cash and cash equivalents presented in the statement of cash flows deviate from the figure in the balance sheet, as cash and cash equivalents in the balance sheet have been reclassified to the oil and gas business disposal group.

Restated Quarterly Figures for 2017 and 2018: Statement of Income BASF Group 2017

The signing of the definitive agreement between BASF and LetterOne to merge their oil and gas businesses has an immediate effect on the reporting of BASF Group and thus on this quarterly statement: The sales and EBIT of the oil and gas business are no longer included in the respective figures for the BASF Group – retroactively as of January 1, 2018, and with the prior-year figures restated. Until closing, the Wintershall

Group's income after taxes will be presented in the income before minority interests of the BASF Group as a separate item ("income before minority interests from discontinued operations"). The assets and liabilities of the oil and gas business were reclassified to a disposal group as of the end of the third quarter, and depreciation and amortization of its assets has been suspended from this date onward.

Statement of income (million €)

	1st quarter 2017		2nd quarter 2017		3rd quarter 2017		4th quarter 2017		Full year 2017	
	Restated	Previous	Restated	Previous	Restated	Previous	Restated	Previous	Restated	Previous
Sales revenue	16,027	16,857	15,449	16,264	14,516	15,255	15,231	16,099	61,223	64,475
Cost of sales	(10,834)	(11,482)	(10,591)	(11,198)	(9,878)	(10,421)	(10,288)	(10,828)	(41,591)	(43,929)
Gross profit on sales	5,193	5,375	4,858	5,066	4,638	4,834	4,943	5,271	19,632	20,546
Selling expenses	(1,993)	(2,017)	(2,052)	(2,069)	(1,998)	(2,015)	(2,139)	(2,161)	(8,182)	(8,262)
General administrative expenses	(324)	(343)	(352)	(373)	(330)	(351)	(324)	(345)	(1,330)	(1,412)
Research and development expenses	(416)	(424)	(459)	(468)	(449)	(455)	(519)	(541)	(1,843)	(1,888)
Other operating income	293	307	559	601	714	731	3	277	1,569	1,916
Other operating expenses	(560)	(598)	(571)	(683)	(821)	(884)	(630)	(784)	(2,582)	(2,949)
Income from companies accounted for using the equity method	99	151	67	107	70	98	87	215	323	571
Income from operations (EBIT)	2,292	2,451	2,050	2,181	1,824	1,958	1,421	1,932	7,587	8,522
Income from other shareholdings	10	10	13	14	5	5	(1)	2	27	31
Expenses from other shareholdings	(5)	(5)	(8)	(8)	(6)	(6)	(38)	(41)	(57)	(60)
Net income from shareholdings	5	5	5	6	(1)	(1)	(39)	(39)	(30)	(29)
Interest income	62	74	33	38	40	55	42	59	177	226
Interest expenses	(137)	(153)	(119)	(137)	(111)	(128)	(125)	(142)	(492)	(560)
Interest result	(75)	(79)	(86)	(99)	(71)	(73)	(83)	(83)	(315)	(334)
Other financial income	11	19	9	19	10	16	9	16	39	70
Other financial expenses	(90)	(97)	(90)	(100)	(122)	(127)	(97)	(105)	(399)	(429)
Other financial result	(79)	(78)	(81)	(81)	(112)	(111)	(88)	(89)	(360)	(359)
Financial result	(149)	(152)	(162)	(174)	(184)	(185)	(210)	(211)	(705)	(722)
Income before taxes and minority interests	2,143	2,299	1,888	2,007	1,640	1,773	1,211	1,721	6,882	7,800
Income taxes	(517)	(527)	(455)	(443)	(380)	(364)	62	(114)	(1,290)	(1,448)
Income before minority interests from continuing operations	1,626	-	1,433	-	1,260	-	1,273	-	5,592	-
Income before minority interests from discontinued operations	146	-	131	-	149	-	334	-	760	-
Income before minority interests	1,772	1,772	1,564	1,564	1,409	1,409	1,607	1,607	6,352	6,352
Minority interests	(63)	(63)	(68)	(68)	(73)	(73)	(70)	(70)	(274)	(274)
Net income	1,709	1,709	1,496	1,496	1,336	1,336	1,537	1,537	6,078	6,078
Earnings per share from continuing operations	1.71	-	1.49	-	1.30	-	1.34	-	5.84	-
Earnings per share from discontinued operations	0.15	-	0.14	-	0.15	-	0.34	-	0.78	-
Earnings per share	1.86	1.86	1.63	1.63	1.45	1.45	1.68	1.68	6.62	6.62

Restated Quarterly Figures for 2017 and 2018: Statement of Income BASF Group 2018

Statement of income (million €)

	1st quarter 2018		2nd quarter 2018	
	Restated	Previous	Restated	Previous
Sales revenue	15,700	16,646	15,783	16,782
Cost of sales	(10,714)	(11,259)	(10,906)	(11,478)
Gross profit on sales	4,986	5,387	4,877	5,304
Selling expenses	(1,969)	(1,988)	(2,133)	(2,151)
General administrative expenses	(322)	(344)	(354)	(374)
Research and development expenses	(424)	(428)	(444)	(449)
Other operating income	671	715	527	553
Other operating expenses	(729)	(909)	(626)	(683)
Income from companies accounted for using the equity method	50	88	59	91
Income from operations (EBIT)	2,263	2,521	1,906	2,291
Income from other shareholdings	12	12	15	16
Expenses from other shareholdings	(5)	(5)	(6)	(6)
Net income from shareholdings	7	7	9	10
Interest income	37	50	41	58
Interest expenses	(107)	(118)	(131)	(139)
Interest result	(70)	(68)	(90)	(81)
Other financial income	7	10	8	12
Other financial expenses	(125)	(135)	(119)	(143)
Other financial result	(118)	(125)	(111)	(131)
Financial result	(181)	(186)	(192)	(202)
Income before taxes and minority interests	2,082	2,335	1,714	2,089
Income taxes	(501)	(577)	(353)	(566)
Income before minority interests from continuing operations	1,581	-	1,361	-
Income before minority interests from discontinued operations	177	-	162	-
Income before minority interests	1,758	1,758	1,523	1,523
Minority interests	(79)	(79)	(43)	(43)
Net income	1,679	1,679	1,480	1,480
Earnings per share from continuing operations	1.65	-	1.44	-
Earnings per share from discontinued operations	0.18	-	0.17	-
Earnings per share	1.83	1.83	1.61	1.61

Restated Quarterly Figures for 2017 and 2018: Additional Indicators for Results of Operations

EBITDA before special items (million €)

	1st quarter 2017		2nd quarter 2017		3rd quarter 2017		4th quarter 2017		Full year 2017	
	Restated	Previous	Restated	Previous	Restated	Previous	Restated	Previous	Restated	Previous
EBIT	2,292	2,451	2,050	2,181	1,824	1,958	1,421	1,932	7,587	8,522
- Special items	(6)	(6)	(70)	(70)	122	198	(104)	72	(58)	194
EBIT before special items	2,298	2,457	2,120	2,251	1,702	1,760	1,525	1,860	7,645	8,328
+ Depreciation, amortization and valuation allowances on property, plant and equipment and intangible assets before special items	737	1,050	752	1,040	815	1,033	789	1,076	3,093	4,199
EBITDA before special items	3,035	3,507	2,872	3,291	2,517	2,793	2,314	2,936	10,738	12,527

EBITDA before special items (million €)

	1st quarter 2018		2nd quarter 2018	
	Restated	Previous	Restated	Previous
EBIT	2,263	2,521	1,906	2,291
- Special items	(18)	9	(66)	(65)
EBIT before special items	2,281	2,512	1,972	2,356
+ Depreciation, amortization and valuation allowances on property, plant and equipment and intangible assets before special items	732	927	737	939
EBITDA before special items	3,013	3,439	2,709	3,295

EBITDA (million €)

	1st quarter 2017		2nd quarter 2017		3rd quarter 2017		4th quarter 2017		Full year 2017	
	Restated	Previous	Restated	Previous	Restated	Previous	Restated	Previous	Restated	Previous
EBIT	2,292	2,451	2,050	2,181	1,824	1,958	1,421	1,932	7,587	8,522
+ Depreciation, amortization and valuation allowances on property, plant and equipment and intangible assets	738	1,051	764	1,052	831	1,049	845	1,050	3,178	4,202
EBITDA	3,030	3,502	2,814	3,233	2,655	3,007	2,266	2,982	10,765	12,724

EBITDA (million €)

	1st quarter 2018		2nd quarter 2018	
	Restated	Previous	Restated	Previous
EBIT	2,263	2,521	1,906	2,291
+ Depreciation, amortization and valuation allowances on property, plant and equipment and intangible assets	732	927	739	941
EBITDA	2,995	3,448	2,645	3,232

EBIT after cost of capital 2017: quarters (million €)

	Restated	Previous
1st quarter	1,135	987
2nd quarter	806	684
3rd quarter	735	693
4th quarter	226	363
Full year	2,902	2,727

EBIT after cost of capital 2017: full year (million €)

	Restated	Previous
EBIT of BASF Group	7,587	8,522
– EBIT of Other	(691)	(799)
– Cost of capital	5,376	6,594
EBIT after cost of capital	2,902	2,727

EBIT after cost of capital 2018: quarters (million €)

	Restated	Previous
1st quarter	1,025	1,120
2nd quarter	699	792
First half	1,724	1,912

Adjusted earnings per share (million €)

	1st quarter 2017		2nd quarter 2017		3rd quarter 2017		4th quarter 2017		Full year 2017	
	Restated	Previous	Restated	Previous	Restated	Previous	Restated	Previous	Restated	Previous
Income before minority interests	1,772	1,772	1,564	1,564	1,409	1,409	1,607	1,607	6,352	6,352
- Special items	(6)	(6)	(70)	(70)	122	198	(104)	72	(58)	194
+ Amortization and valuation allowances on intangible assets	127	141	130	142	123	134	159	199	539	616
- Amortization and valuation allowances on intangible assets contained in special items	0	0	0	0	(4)	(4)	36	63	32	59
- Adjustments to income taxes	48	51	66	69	13	(11)	410	414	537	523
- Adjustments to income before minority interests from discontinued operations	(11)	-	(9)	-	41	-	167	-	188	-
Adjusted income before minority interests	1,868	1,868	1,707	1,707	1,360	1,360	1,257	1,257	6,192	6,192
- Adjusted minority interests	63	63	69	69	69	69	76	76	277	277
Adjusted net income	1,805	1,805	1,638	1,638	1,291	1,291	1,181	1,181	5,915	5,915
Weighted average number of outstanding shares (in thousands)	918,479	918,479	918,479	918,479	918,479	918,479	918,479	918,479	918,479	918,479
Adjusted earnings per share (€)	1.97	1.97	1.78	1.78	1.40	1.40	1.29	1.29	6.44	6.44

Adjusted earnings per share (million €)

	1st quarter 2018		2nd quarter 2018	
	Restated	Previous	Restated	Previous
Income before minority interests	1,758	1,758	1,523	1,523
- Special items	(18)	9	(66)	(65)
+ Amortization and valuation allowances on intangible assets	121	134	119	130
- Amortization and valuation allowances on intangible assets contained in special items	0	0	0	0
- Adjustments to income taxes	38	32	49	53
- Adjustments to income before minority interests from discontinued operations	8	-	(6)	-
Adjusted income before minority interests	1,851	1,851	1,665	1,665
- Adjusted minority interests	79	79	43	43
Adjusted net income	1,772	1,772	1,622	1,622
Weighted average number of outstanding shares (in thousands)	918,479	918,479	918,479	918,479
Adjusted earnings per share (€)	1.93	1.93	1.77	1.77

Restated Quarterly Figures for 2017 and 2018: Regional Data 2017

Sales by location of company (million €)

	1st quarter 2017		2nd quarter 2017		3rd quarter 2017		4th quarter 2017		Full year 2017	
	Restated	Previous	Restated	Previous	Restated	Previous	Restated	Previous	Restated	Previous
Europe	7,643	8,332	7,153	7,827	6,651	7,276	6,598	7,343	28,045	30,778
of which Germany	4,919	5,235	4,743	5,000	4,560	4,832	4,441	4,806	18,663	19,873
North America	4,371	4,371	4,261	4,261	3,466	3,466	3,839	3,839	15,937	15,937
Asia Pacific	3,317	3,317	3,336	3,336	3,389	3,389	3,616	3,616	13,658	13,658
South America, Africa, Middle East	696	837	699	840	1,010	1,124	1,178	1,301	3,583	4,102
BASF Group	16,027	16,857	15,449	16,264	14,516	15,255	15,231	16,099	61,223	64,475

Sales by location of customer (million €)

	1st quarter 2017		2nd quarter 2017		3rd quarter 2017		4th quarter 2017		Full year 2017	
	Restated	Previous	Restated	Previous	Restated	Previous	Restated	Previous	Restated	Previous
Europe	7,230	7,920	6,830	7,481	6,244	6,869	6,203	6,944	26,507	29,214
of which Germany	1,922	2,208	1,812	2,040	1,764	2,010	1,661	2,101	7,159	8,359
North America	4,230	4,230	4,061	4,061	3,361	3,361	3,705	3,705	15,357	15,357
Asia Pacific	3,530	3,530	3,513	3,513	3,540	3,540	3,760	3,760	14,343	14,343
South America, Africa, Middle East	1,037	1,177	1,045	1,209	1,371	1,485	1,563	1,690	5,016	5,561
BASF Group	16,027	16,857	15,449	16,264	14,516	15,255	15,231	16,099	61,223	64,475

Income from operations (EBIT) by location of company (million €)

	1st quarter 2017		2nd quarter 2017		3rd quarter 2017		4th quarter 2017		Full year 2017	
	Restated	Previous	Restated	Previous	Restated	Previous	Restated	Previous	Restated	Previous
Europe	1,312	1,421	1,317	1,399	984	986	477	936	4,090	4,742
of which Germany	816	825	619	617	273	270	130	201	1,838	1,913
North America	513	513	337	337	159	158	227	228	1,236	1,236
Asia Pacific	496	496	498	498	636	636	579	579	2,209	2,209
South America, Africa, Middle East	(29)	21	(102)	(53)	45	178	138	189	52	335
BASF Group	2,292	2,451	2,050	2,181	1,824	1,958	1,421	1,932	7,587	8,522

Restated Quarterly Figures for 2017 and 2018: Regional Data 2018

Sales by location of company (million €)

	1st quarter 2018		2nd quarter 2018	
	Restated	Previous	Restated	Previous
Europe	7,713	8,523	7,359	8,203
of which Germany	5,002	5,349	4,628	4,954
North America	3,963	3,963	4,079	4,079
Asia Pacific	3,356	3,356	3,641	3,641
South America, Africa, Middle East	668	804	704	859
BASF Group	15,700	16,646	15,783	16,782

Sales by location of customer (million €)

	1st quarter 2018		2nd quarter 2018	
	Restated	Previous	Restated	Previous
Europe	7,238	8,048	6,879	7,721
of which Germany	1,910	2,254	1,790	2,116
North America	3,833	3,833	3,957	3,957
Asia Pacific	3,566	3,566	3,794	3,794
South America, Africa, Middle East	1,063	1,199	1,153	1,310
BASF Group	15,700	16,646	15,783	16,782

Income from operations (EBIT) by location of company (million €)

	1st quarter 2018		2nd quarter 2018	
	Restated	Previous	Restated	Previous
Europe	1,397	1,580	1,149	1,475
of which Germany	631	633	512	520
North America	317	317	266	266
Asia Pacific	588	588	523	523
South America, Africa, Middle East	(39)	36	(32)	27
BASF Group	2,263	2,521	1,906	2,291

Disposal Groups as of September 30, 2018

Disposal groups (million €)

	Paper and water chemicals business	Oil and gas business	Total
Intangible assets	48	2,309	2,357
Property, plant and equipment	290	6,360	6,650
Financial assets	–	2,554	2,554
Deferred tax assets	–	123	123
Other receivables and miscellaneous assets	–	826	826
Noncurrent assets	338	12,172	12,510
Inventories	160	133	293
Accounts receivable, trade	–	533	533
Other receivables and miscellaneous assets	–	249	249
Marketable securities / cash and cash equivalents	–	212	212
Current assets	160	1,127	1,287
Assets of disposal groups	498	13,299	13,797
Provisions and other liabilities	3	1,892	1,895
Deferred tax liabilities	–	1,401	1,401
Financial indebtedness	–	499	499
Noncurrent liabilities	3	3,792	3,795
Accounts payable, trade	–	316	316
Provisions and other liabilities	–	1,168	1,168
Financial indebtedness	–	28	28
Current liabilities	–	1,512	1,512
Liabilities of disposal groups	3	5,304	5,307
Net assets	495	7,995	8,490

Acquisition of Significant Businesses and Assets from Bayer: Preliminary Purchase Price Allocation

Million €	September 30, 2018
Intangible assets	5,816
Property, plant and equipment	1,264
Financial assets	–
Deferred tax assets	55
Other receivables and miscellaneous assets	3
Noncurrent assets	7,138
Inventories	721
Accounts receivable, trade	61
Other receivables and miscellaneous assets	22
Marketable securities / cash and cash equivalents	69
Current assets	873
Total assets	8,011
Provisions and other liabilities	273
Deferred tax liabilities	180
Financial indebtedness	–
Noncurrent liabilities	453
Accounts payable, trade	18
Provisions and other liabilities	265
Financial indebtedness	–
Current liabilities	283
Total liabilities	736
Payments made for acquisitions	7,275

BASF Report 2018

February 26, 2019

Quarterly Statement 1st Quarter 2019 / Annual Shareholders' Meeting 2019

May 3, 2019

Half-Year Financial Report 2019

July 25, 2019

Quarterly Statement 3rd Quarter 2019

October 24, 2019

Forward-looking statements and forecasts

This quarterly statement 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 page 111 to 118 of the BASF Report 2017. The BASF Report is available online at basf.com/report. We do not assume any obligation to update the forward-looking statements contained in this quarterly statement above and beyond the legal requirements.

Further information

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You can find this and other publications online at basf.com/publications

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