BASF

We create chemistry

Quarterly Statement Q3 2019

BASF Group sales in third quarter of 2019 slightly below prior-year quarter; EBIT before special items declines 24% from prior-year quarter

– Sales of €15.2 billion, down 2% from the prior-year period

– EBIT before special items declines to €1.1 billion

– Outlook for 2019 confirmed: EBIT before special items expected to be up to 30% below prior-year level

Contents

On the cover:
Two employees in the fungicide greenhouse at the Limburgerhof site, BASF's center for agricultural solutions.

Key Figures

BASF Group Q3 2019

		Q3			January–September		
		2019	2018	+/–	2019	2018	+/–
Sales	million €	15,231	15,606	(2%)	46,566	47,089	(1%)
Income from operations before depreciation, amortization and special items	million €	2,084	2,263	(8%)	6,722	7,985	(16%)
Income from operations before depreciation and amortization (EBITDA)	million €	2,339	2,190	7%	6,754	7,830	(14%)
Depreciation and amortization[a]	million €	963	795	21%	3,072	2,266	36%
Income from operations (EBIT)	million €	1,376	1,395	(1%)	3,682	5,564	(34%)
Special items	million €	257	(75)	.	(214)	(159)	(35%)
EBIT before special items	million €	1,119	1,470	(24%)	3,896	5,723	(32%)
Financial result	million €	(170)	(138)	(23%)	(570)	(511)	(12%)
Income before income taxes	million €	1,206	1,257	(4%)	3,112	5,053	(38%)
Income after taxes from continuing operations	million €	935	1,032	(9%)	2,383	3,974	(40%)
Income after taxes from discontinued operations	million €	–	235	–	6,427	574	.
Net income	million €	911	1,200	(24%)	8,777	4,359	101%
Earnings per share	€	1.00	1.31	(24%)	9.56	4.75	101%
Adjusted earnings per share	€	0.86	1.51	(43%)	3.33	5.21	(36%)
Research and development expenses	million €	540	509	6%	1,577	1,377	15%
Personnel expenses	million €	2,584	2,633	(2%)	8,352	7,940	5%
Number of employees (September 30)		118,648	122,230	(3%)	118,648	122,230	(3%)
Assets (September 30)	million €	89,591	85,579	5%	89,591	85,579	5%
Investments including acquisitions[b]	million €	1,018	8,053	(87%)	2,793	9,548	(71%)
Equity ratio (September 30)	%	46.2	42.8	.	46.2	42.8	.
Net debt (September 30)	million €	17,804	18,026	(1%)	17,804	18,026	(1%)
Cash flows from operating activities	million €	1,998	2,930	(32%)	4,317	6,385	(32%)
Free cash flow	million €	1,072	1,951	(45%)	1,669	3,957	(58%)

a Amortization of intangible assets and depreciation of property, plant and equipment (including impairments and reversals of impairments)
b Additions to intangible assets and property, plant and equipment

Business Review
BASF Group

Significant Events

As of January 1, 2019, we have twelve divisions grouped into six segments:
- **Chemicals:** Petrochemicals and Intermediates
- **Materials:** Performance Materials and Monomers
- **Industrial Solutions:** Dispersions & Pigments and Performance Chemicals
- **Surface Technologies:** Catalysts, Coatings and Construction Chemicals
- **Nutrition & Care:** Care Chemicals and Nutrition & Health
- **Agricultural Solutions:** Agricultural Solutions

We have restated the segment data for 2018 presented in this quarterly statement to reflect the new organizational structure.

For more information on the restated segment data, see the brochure Restated Figures 2018 and 2017

In accordance with the Supervisory Board resolution dated October 21, 2019, the Board of Executive Directors of BASF SE will be reduced from seven to six members effective January 1, 2020, as part of ongoing efficiency measures. Board member Sanjeev Gandhi will leave the company at his own request.

Following these changes, the Board of Executive Directors has decided to reassign the responsibilities with effect from January 1, 2020:

Dr. Martin Brudermüller (58), Chairman of the Board of Executive Directors and Chief Technology Officer
Corporate Legal, Compliance, Tax & Insurance; Corporate Development; Corporate Communications & Government Relations; Corporate Human Resources; Corporate Investor Relations

Dr. Hans-Ulrich Engel (60), Vice Chairman of the Board of Executive Directors and Chief Financial Officer
Corporate Finance; Global Procurement; Global Business Services; Global Digital Services; Corporate Audit

Saori Dubourg (48)
Agricultural Solutions; Care Chemicals; Nutrition & Health; Construction Chemicals; Bioscience Research; Region Europe

Michael Heinz (55), Industrial Relations Director
Global Engineering Services; Corporate Environmental Protection, Health & Safety; European Site & Verbund Management; Region South America

Dr. Markus Kamieth (48), located in Asia
Catalysts; Coatings; Dispersions & Pigments; Performance Chemicals; Advanced Materials & Systems Research; BASF New Business; Greater China; South & East Asia, ASEAN & Australia/New Zealand

Wayne T. Smith (59), located in North America
Monomers; Performance Materials; Petrochemicals; Intermediates; Market & Business Development, Site & Verbund Management North America; Country Platforms North America; Process Research & Chemical Engineering

In September 2017, BASF signed an agreement with Solvay on the acquisition of Solvay's integrated polyamide business. The E.U. Commission approved the acquisition in January 2019 subject to certain conditions, including the sale of Solvay's polyamide 6.6 (PA6.6) production facilities in Europe to a third party.

On August 14, 2019, BASF, Solvay and Domo Chemicals agreed that Domo will acquire the European PA6.6 business from Solvay. This transaction is targeted to close by the end of 2019 and remains subject to the approval of the relevant competition authorities. BASF will acquire the global, non-European PA6.6 business from Solvay. In addition, BASF will acquire the 50% share in Butachimie's adipodinitrile (ADN) production. The transaction between BASF and Solvay is also targeted to close by the end of 2019, assuming the relevant competition authorities approve the transaction between Domo and Solvay and grant their final approval. The purchase price to be paid by BASF on a cash and debt-free basis is €1.3 billion. Solvay's businesses to be acquired by BASF generated sales of around €1.0 billion in 2018. BASF is planning to integrate the businesses into its Monomers and Performance Materials divisions.

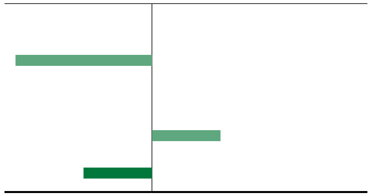
On August 29, 2019, BASF and DIC, Tokyo, Japan, reached an agreement on the acquisition of BASF's global pigments business. The purchase price on a cash and debt-free basis is €1.15 billion. The assets and liabilities to be divested were reclassified to a disposal group in the Dispersions & Pigments division as of this date. The transaction is expected to close in the fourth quarter of 2020, subject to the approval of the relevant competition authorities. BASF's pigments business has around 2,600 employees globally and generated sales of approximately €1 billion and EBITDA of approximately €120 million in 2018.

Results of Operations

Compared with the third quarter of 2018, **sales** declined slightly by €375 million to €15,231 million. This was mainly attributable to lower prices in the Materials and Chemicals segments. In the Materials segment, the decrease was largely due to lower isocyanate prices. In the Chemicals segment, prices declined for steam cracker products in particular. Lower volumes in the Chemicals segment and negative portfolio effects in the Industrial Solutions segment contributed to the sales decrease. Sales were positively impacted by higher sales volumes in the Agricultural Solutions and Surface Technologies segments, as well as currency effects in all segments.

Factors influencing BASF Group sales in Q3 2019

Volumes	0%
Prices	(4%)
Portfolio	0%
Currencies	2%
Sales	**(2%)**



Income from operations (EBIT) before special items[1] declined by €351 million year on year to €1,119 million. This was primarily due to significantly lower contributions from the Materials and Chemicals segments. By contrast, we considerably increased EBIT before special items in all other segments.

Special items in EBIT totaled €257 million in the third quarter of 2019, compared with minus €75 million in the prior-year period. Special income from the sale of BASF's share of the Klybeck site in Basel, Switzerland, more than offset special charges for restructuring measures, for the integration of the significant businesses acquired from Bayer in the third quarter of 2018, and for divestitures.

At €1,376 million, **EBIT**[2] was only slightly lower than in the prior-year quarter (€1,395 million). Income from companies accounted for using the equity method declined from €94 million to €83 million. Since February 1, 2019, this has also included BASF's share in Solenis' net income and since May 1, 2019, the corresponding figure for Wintershall Dea.

For more information on the transfer of the paper and water chemicals business to Solenis, see page 122 of the BASF Report 2018, Events After the Reporting Period

For more information on the merger of the oil and gas businesses of BASF and DEA, see page 4 of the Half-Year Financial Report 2019

Compared with the third quarter of 2018, **income from operations before depreciation, amortization and special items (EBITDA before special items)**[3] declined by €179 million to €2,084 million. **EBITDA**[3] rose by €149 million to €2,339 million.

Q3 EBITDA before special items

Million €

	2019	2018
EBIT	1,376	1,395
– Special items	257	(75)
EBIT before special items	**1,119**	**1,470**
+ Depreciation and amortization before special items[a]	965	787
+ Impairments and reversals of impairments on intangible assets and property, plant and equipment before special items[a]	0	6
Depreciation, amortization, impairments and reversals of impairments on intangible assets and property, plant and equipment before special items	**965**	**793**
EBITDA before special items	**2,084**	**2,263**

a Excluding depreciation, amortization, impairments and reversals of impairments attributable to the discontinued oil and gas business

The **financial result** amounted to minus €170 million, after minus €138 million in the prior-year quarter. This development was mainly driven by the lower interest result, due among other factors to higher interest expenses for financial indebtedness. The decrease in the other financial result and net income from shareholdings also contributed here.

Income before income taxes declined by €51 million to €1,206 million. The tax rate rose from 17.9% to 22.5%, due among other factors to lower deferred tax income.

Income after taxes from continuing operations decreased by €97 million to €935 million. No **income after taxes from discontinued operations** has been recognized since the merger of the oil and gas activities of Wintershall and DEA on May 1, 2019. In the

Q3 EBITDA

Million €

	2019	2018
EBIT	1,376	1,395
+ Depreciation and amortization[a]	965	787
+ Impairments and reversals of impairments on intangible assets and property, plant and equipment[a]	(2)	8
Depreciation, amortization, impairments and reversals of impairments on intangible assets and property, plant and equipment	**963**	**795**
EBITDA	**2,339**	**2,190**

a Excluding depreciation, amortization, impairments and reversals of impairments attributable to the discontinued oil and gas business

1 For an explanation of this indicator, see pages 29 to 30 of the BASF Report 2018, Value-Based Management
2 The calculation of income from operations (EBIT) is shown in the Statement of Income on page 18 of this quarterly statement.
3 For an explanation of this indicator, see page 48 of the BASF Report 2018, Results of Operations

prior-year quarter, income after taxes from discontinued operations amounted to €235 million.

Noncontrolling interests decreased by €43 million to minus €24 million, mainly due to lower isocyanate margins and the deconsolidation of the Wintershall companies in the second quarter of 2019 following the merger of the oil and gas activities of Wintershall and DEA.

Net income declined by €289 million to €911 million.

Earnings per share amounted to €1.00 in the third quarter of 2019 (third quarter of 2018: €1.31). **Earnings per share adjusted**[1] for special items and amortization of intangible assets amounted to €0.86 (third quarter of 2018: €1.51).

Net Assets

Total assets rose from €86,556 million as of the end of 2018 to €89,591 million. This was due to the €16,230 million increase in **noncurrent assets** to €59,565 million. All items except intangible assets contributed here. The main driver was investments accounted for using the equity method, which rose by €13,992 million to €16,195 million. This was primarily attributable to the addition of the interest in Wintershall Dea in the second quarter of 2019. The addition of our interest in Solenis was already included in the first-quarter figure following the transfer of our paper and water chemicals business to Solenis. Property, plant and equipment in particular also increased, mainly due to the capitalization of right-of-use assets arising from leases in the amount of €1.3 billion as a result of the initial application of IFRS 16.

Current assets declined by €13,195 million to €30,026 million. This was largely attributable to the derecognition of assets of disposal groups in the total amount of €14.6 billion for the paper and water chemicals business in the first quarter, and for the oil and gas business in the second quarter of 2019. The reclassification of the assets of the pigments business to a disposal group[2] in the third quarter of 2019 had an offsetting effect, as did the increase in other receivables and miscellaneous assets.

Financial Position

Equity rose from €36,109 million as of December 31, 2018, to €41,376 million. The equity ratio increased from 41.7% to 46.2%, mainly due to the book gain on the deconsolidation of the Wintershall companies.

Noncurrent liabilities grew by €4,263 million to €31,381 million. This was primarily attributable to provisions for pensions and similar obligations, which rose by €2,697 million as a result of lower discount rates in all relevant currency zones. In addition, other liabilities increased by €1,095 million, largely due to the recognition of lease liabilities in connection with the initial application of IFRS 16. Noncurrent financial indebtedness rose by €783 million, mainly from the €657 million increase in liabilities to credit institutions and the issue of a 10-year eurobond with a carrying amount of €247 million. The reclassification of a eurobond with a carrying amount of €300 million from noncurrent to current financial indebtedness had an offsetting effect.

Current liabilities decreased by €6,495 million compared with December 31, 2018, to €16,834 million as of the end of the third quarter of 2019. This was mainly driven by the derecognition of the liabilities of the disposal group for the oil and gas business in the amount of €5,753 million in the second quarter of 2019. The reclassification of current and noncurrent liabilities to the disposal group for the pigments business in the third quarter of 2019 had an

Q3 adjusted earnings per share

Million €

		2019	2018
Income after taxes		**935**	**1,267**
– Special items		257	(75)
+ Amortization, impairments and reversals of impairments on intangible assets		175	156
– Amortization, impairments and reversals of impairments on intangible assets contained in special items		–	–
– Adjustments to income taxes		16	60
– Adjustments to income after taxes from discontinued operations		–	(17)
Adjusted income after taxes		**837**	**1,455**
– Adjusted noncontrolling interests		42	68
Adjusted net income		**795**	**1,387**
Weighted average number of outstanding shares	in thousands	918,479	918,479
Adjusted earnings per share	**€**	**0.86**	**1.51**

1 For an explanation of this indicator, see page 49 of the BASF Report 2018, Results of Operations
2 For more information, see Significant Events on page 4 of this quarterly statement

offsetting effect. In addition, current financial indebtedness and trade accounts payable declined. The €1,592 million decrease in current financial indebtedness was primarily due to the €1.3 billion decline in commercial paper, as well as the scheduled repayment of a eurobond with a carrying amount of €750 million. The main offsetting effect came from the previously mentioned reclassification of a eurobond. Current provisions, tax liabilities and other liabilities rose compared with December 31, 2018. The increase in other liabilities was largely attributable to the first-time recognition of lease liabilities.

Net debt[1] decreased by €393 million compared with December 31, 2018, to €17,804 million. This was mainly the result of the €809 million decline in financial indebtedness. Lower holdings of marketable securities and cash and cash equivalents had an offsetting effect.

Net debt

Million €

	Sep. 30, 2019	Dec. 31, 2018
Noncurrent financial indebtedness	16,115	15,332
+ Current financial indebtedness	3,917	5,509
Financial indebtedness	**20,032**	**20,841**
– Marketable securities	38	344
– Cash and cash equivalents	2,190	2,300
Net debt	**17,804**	**18,197**

Cash flows from operating activities amounted to €1,998 million in the third quarter of 2019, €932 million below the figure for the prior-year quarter. Alongside the €289 million decline in net income, the decrease was primarily attributable to the €603 million decline in miscellaneous items in the third quarter of 2019. This mainly related to the reclassification of the gain on the sale of our share of the Klybeck site in Basel, Switzerland, to cash flows from investing activities. Cash inflow from the change in net working capital rose by €159 million compared with the third quarter of 2018. Contributing factors included the €831 million year-on-year decrease in cash tied up due to lower inventory build-up, as well as the €562 million higher cash inflow from the change in accounts receivable. The change in operating liabilities and provisions had an offsetting effect. These rose in the previous year, leading to a cash inflow of around €1.2 billion, and decreased in the third quarter of 2019, leading to a cash outflow of €27 million.

Cash flows from investing activities amounted to minus €405 million in the third quarter of 2019, compared with minus €8,301 million in the prior-year period. This was mainly due to lower net payments made in connection with acquisitions and divestitures: Net payments made amounted to €38 million in the third quarter of 2019, compared with net payments made of around €7.2 billion in the prior-year quarter following the acquisition of a range of businesses from Bayer, especially for seeds. Payments made for intangible assets and property, plant and equipment amounted to €926 million, €53 million below the figure for the prior-year period. The change in financial assets and miscellaneous items led to a net cash inflow of €559 million in the third quarter of 2019, primarily as a result of the reclassification of the gain on the sale of BASF's share of the Klybeck site as described above. In the prior-year quarter, there was a net cash outflow of €138 million.

Cash flows from financing activities amounted to minus €1,518 million in the third quarter of 2019, compared with €391 million in the prior-year period. In the third quarter of 2019, repayments exceeded additions to financial and similar liabilities by €1,515 million, after net additions of €400 million in the prior-year quarter.

Free cash flow[2] declined from €1,951 million in the prior-year quarter to €1,072 million as a result of lower cash flows from operating activities.

Q3 free cash flow

Million €

	2019	2018
Cash flows from operating activities	1,998	2,930
– Payments made for intangible assets and property, plant and equipment	926	979
Free cash flow	**1,072**	**1,951**

BASF enjoys good credit ratings, especially compared with competitors in the chemical industry. The ratings awarded by Standard & Poor's (A/A-1/outlook stable) and Scope Ratings (A/S-1/outlook stable) were most recently confirmed on July 11, 2019, and August 14, 2019, respectively. The contract with Scope Ratings expired at the beginning of September 2019 and was not extended by BASF. On October 9, 2019, Moody's downgraded the rating for BASF from "A1 under review for possible downgrade/P-1/outlook under review" to "A2/P-1/outlook stable."

1 For an explanation of this indicator, see page 54 of the BASF Report 2018, Financial Position
2 For an explanation of this indicator, see page 56 of the BASF Report 2018, Financial Position

Outlook

The global industrial economy continued to cool in the third quarter of 2019. The escalating trade conflict between the United States and China and the uncertainty surrounding Brexit exacerbated the existing economic downturn. This has particularly affected Europe's export-oriented countries, as well as the United States. Industrial growth continued in China, albeit at a slower pace. Production in the global automotive industry again declined compared with the already low level at the end of the first half of the year. The price of oil decreased despite an intensification of the geopolitical conflicts in the Middle East. The U.S. dollar continued to appreciate against the euro.

Compared with the Half-Year Financial Report, we have therefore adjusted our assessment of the **global economic environment** in 2019 as follows (assumptions from the Half-Year Financial Report 2019 in parentheses):

- Growth in gross domestic product: 2.5% (2.5%)
- Growth in industrial production: 1.5% (1.5%)
- Growth in chemical production: 1.5% (1.5%)
- Average euro/dollar exchange rate of $1.15 per euro ($1.15 per euro)
- Average Brent blend oil price for the year of $65 per barrel ($70 per barrel)

Risks relating to market growth, margins and regulation/policy in the form of trade conflicts discussed in the BASF Report 2018 materialized and led to a decline in earnings in 2019. Additional uncertainty stems from a further intensification of the trade and geopolitical conflicts, with repercussions for the price of oil. For the remaining risk factors, the **statements on opportunities and risks** made in the BASF Report 2018 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 pages 123 to 130 of the BASF Report 2018, Opportunities and Risks

As a consequence of the considerably weaker-than-expected business development in the second quarter of 2019 and the slowdown in global economic growth and industrial production, mainly due to the trade conflicts, on July 8, 2019, we adjusted the **sales and earnings forecast**[1] for the BASF Group made in the BASF Report 2018. We do not expect to see any recovery in global economic activity in the fourth quarter either. We are therefore maintaining the forecast presented in the Half-Year Financial Report 2019 for the 2019 fiscal year in comparison with the 2018 fiscal year:

- Slight decline in sales
- Considerable decline in EBIT before special items of up to 30%
- Considerable decline in return on capital employed (ROCE)

For more information, see page 120 of the BASF Report 2018, Outlook 2019

1 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%). At a cost of capital percentage of 10% for 2018 and 2019, we define a change in ROCE of 0.1 to 1.0 percentage points as "slight," a change of more than 1.0 percentage points as "considerable" and no change (+/–0 percentage points) as "at prior-year level."

Chemicals

Q3 2019

In the Chemicals segment, sales in both divisions were considerably lower than in the prior-year quarter, but especially in the Petrochemicals division.

Factors influencing sales in Q3 2019 – Chemicals

	Chemicals	Petrochemicals	Intermediates
Volumes	(12%)	(14%)	(7%)
Prices	(12%)	(13%)	(6%)
Portfolio	0%	0%	0%
Currencies	2%	1%	2%
Sales	**(22%)**	**(26%)**	**(11%)**

The sales decrease was due on the one hand to lower volumes in both divisions, primarily in the Petrochemicals division due to the scheduled turnarounds of our steam crackers in Port Arthur, Texas, and Europe, and significantly lower capacity utilization of the condensate splitter in Port Arthur, Texas. Volumes also declined in the Intermediates division, particularly of amines and of butanediol and derivatives. On the other hand, the segment's sales were reduced by lower prices, especially in the Petrochemicals division. This was primarily attributable to lower raw materials prices, in particular for naphtha in Europe and for butane and ethane in North America. Prices likewise declined in the Intermediates division, especially in the acids and polyalcohols business. Positive currency effects had an offsetting effect in both divisions.

Segment data – Chemicals

Million €

	Q3			January–September		
	2019	2018	+/–	2019	2018	+/–
Sales to third parties	2,429	3,129	(22%)	7,157	8,866	(19%)
of which Petrochemicals	1,731	2,348	(26%)	4,997	6,493	(23%)
Intermediates	698	781	(11%)	2,160	2,373	(9%)
Income from operations before depreciation, amortization and special items	447	558	(20%)	1,238	1,813	(32%)
Income from operations before depreciation and amortization (EBITDA)	444	560	(21%)	1,215	1,805	(33%)
Depreciation and amortization[a]	196	162	21%	702	487	44%
Income from operations (EBIT)	248	398	(38%)	513	1,318	(61%)
Special items	(3)	–	–	(163)	(12)	.
EBIT before special items	251	398	(37%)	676	1,330	(49%)
Assets (September 30)	9,157	8,984	2%	9,157	8,984	2%
Investments including acquisitions[b]	269	243	11%	841	596	41%
Research and development expenses	27	28	(4%)	80	84	(5%)

a Amortization of intangible assets and depreciation of property. plant and equipment (including impairments and reversals of impairments)
b Additions to intangible assets and property, plant and equipment

Income from operations (EBIT) before special items in both divisions decreased considerably compared with the third quarter of 2018. In the Petrochemicals division, this was attributable to lower sales volumes and lower margins for styrene monomers and monoethylene glycols in Europe, as well as for steam cracker products and monoethylene glycols in Asia Pacific. Higher fixed costs from the scheduled turnarounds of our steam crackers also contributed to the decrease in EBIT before special items. EBIT before special items declined considerably in the Intermediates division as well, due to lower volumes and margins.

Materials

Q3 2019

Sales in the Materials segment declined considerably compared with the third quarter of 2018, both in the Monomers division and in the Performance Materials division.

Factors influencing sales in Q3 2019 – Materials

	Materials	Performance Materials	Monomers
Volumes	0%	(5%)	4%
Prices	(15%)	(3%)	(25%)
Portfolio	0%	0%	0%
Currencies	2%	2%	2%
Sales	**(13%)**	**(6%)**	**(19%)**

Sales development was mainly driven by lower prices in both divisions, but especially in the Monomers division from lower isocyanate prices as a result of higher market supply. In the Performance Materials division, sales were also reduced by significantly lower prices for polyurethane systems due to the decrease in raw materials prices. Volumes in the Materials segment were on a level with the prior-year quarter. Slightly higher isocyanate volumes in the Monomers division almost completely offset the slightly lower sales volumes in the Performance Materials division. This was largely due to the continued weak demand for engineering plastics in the automotive industry in Europe and Asia. Currency effects had a slightly positive impact in both divisions.

Segment data – Materials

Million €

	Q3			January–September		
	2019	**2018**	**+/–**	**2019**	**2018**	**+/–**
Sales to third parties	2,894	3,321	(13%)	8,786	10,287	(15%)
of which Performance Materials	1,506	1,604	(6%)	4,615	4,963	(7%)
Monomers	1,388	1,717	(19%)	4,171	5,324	(22%)
Income from operations before depreciation, amortization and special items	452	820	(45%)	1,451	2,704	(46%)
Income from operations before depreciation and amortization (EBITDA)	449	814	(45%)	1,435	2,687	(47%)
Depreciation and amortization[a]	187	155	21%	533	460	16%
Income from operations (EBIT)	262	659	(60%)	902	2,227	(59%)
Special items	(4)	(5)	20%	(21)	(18)	(17%)
EBIT before special items	266	664	(60%)	923	2,245	(59%)
Assets (September 30)	9,197	9,189	0%	9,197	9,189	0%
Investments including acquisitions[b]	182	160	14%	503	372	35%
Research and development expenses	47	48	(2%)	142	142	–

a Amortization of intangible assets and depreciation of property. plant and equipment (including impairments and reversals of impairments)
b Additions to intangible assets and property, plant and equipment

Income from operations (EBIT) before special items was considerably below the level of the prior-year quarter. In the Monomers division, this was attributable to lower isocyanate margins and higher fixed costs, mainly due to the insurance payments received in the prior-year quarter. EBIT before special items in the Performance Materials division also declined considerably year on year as a result of lower margins and volumes.

Industrial Solutions

Q3 2019

In the Industrial Solutions segment, sales were considerably below the figure for the prior-year quarter due to developments in the Performance Chemicals division. Sales in the Dispersions & Pigments division matched the level of the prior-year quarter.

Factors influencing sales in Q3 2019 – Industrial Solutions

	Industrial Solutions	Dispersions & Pigments	Performance Chemicals
Volumes	0%	0%	1%
Prices	(2%)	(2%)	(2%)
Portfolio	(9%)	0%	(21%)
Currencies	3%	2%	2%
Sales	**(8%)**	**0%**	**(20%)**

The decline in sales largely reflected the transfer of BASF's paper and water chemicals business, which was previously reported under Performance Chemicals, to the Solenis group as of January 31, 2019. Sales were also reduced by slightly lower prices in both divisions. Positive currency effects in both divisions, mainly from the U.S. dollar, and slightly higher volumes in the Performance Chemicals division, especially for fuel and lubricant solutions, had an offsetting effect.

Segment data – Industrial Solutions

Million €

	Q3			January–September		
	2019	2018	+/–	2019	2018	+/–
Sales to third parties	2,130	2,325	(8%)	6,457	6,913	(7%)
of which Dispersions & Pigments	1,335	1,333	0%	3,991	4,053	(2%)
Performance Chemicals	795	992	(20%)	2,466	2,860	(14%)
Income from operations before depreciation, amortization and special items	316	267	18%	1,036	920	13%
Income from operations before depreciation and amortization (EBITDA)	317	259	22%	1,170	924	27%
Depreciation and amortization[a]	110	103	7%	328	313	5%
Income from operations (EBIT)	207	156	33%	842	611	38%
Special items	2	(8)	.	130	4	.
EBIT before special items	205	164	25%	712	607	17%
Assets (September 30)	7,178	7,606	(6%)	7,178	7,606	(6%)
Investments including acquisitions[b]	109	94	16%	291	276	5%
Research and development expenses	49	56	(13%)	145	163	(11%)

a Amortization of intangible assets and depreciation of property. plant and equipment (including impairments and reversals of impairments)
b Additions to intangible assets and property, plant and equipment

We considerably increased income from operations (EBIT) before special items compared with the third quarter of 2018. This was primarily the result of lower fixed costs in both divisions.

Surface Technologies

Q3 2019

The Surface Technologies segment considerably increased sales compared with the third quarter of 2018, especially in the Catalysts division. The Coatings and Construction Chemicals divisions recorded slight sales growth.

Factors influencing sales in Q3 2019 – Surface Technologies

	Surface Technologies	Catalysts	Coatings	Construction Chemicals
Volumes	6%	12%	1%	0%
Prices	13%	22%	2%	2%
Portfolio	0%	(1%)	0%	0%
Currencies	3%	5%	1%	3%
Sales	**22%**	**38%**	**4%**	**5%**

Segment data – Surface Technologies

Million €

	Q3			January–September		
	2019	2018	+/–	2019	2018	+/–
Sales to third parties	4,001	3,274	22%	11,444	9,967	15%
of which Catalysts	2,394	1,738	38%	6,734	5,358	26%
Coatings	931	891	4%	2,774	2,756	1%
Construction Chemicals	676	645	5%	1,936	1,853	4%
Income from operations before depreciation, amortization and special items	414	270	53%	1,057	861	23%
Income from operations before depreciation and amortization (EBITDA)	377	263	43%	999	842	19%
Depreciation and amortization[a]	154	128	20%	451	383	18%
Income from operations (EBIT)	223	135	65%	548	459	19%
Special items	(38)	(7)	.	(62)	(20)	.
EBIT before special items	261	142	84%	610	479	27%
Assets (September 30)	14,650	13,724	7%	14,650	13,724	7%
Investments including acquisitions[b]	152	154	(1%)	413	358	15%
Research and development expenses	64	62	3%	182	192	(5%)

a Amortization of intangible assets and depreciation of property. plant and equipment (including impairments and reversals of impairments)
b Additions to intangible assets and property, plant and equipment

The sales increase was mainly due to higher prices in all divisions, but especially in the Catalysts division. Here, the higher sales prices were primarily attributable to increased precious metal prices. Sales were also lifted by significantly higher sales volumes in the Catalysts division. Volumes developed positively for mobile emissions catalysts and in precious metal trading as well as in the battery materials business, while sales volumes declined for chemical catalysts. In precious metal trading, sales rose to €1,153 million (third quarter of 2018: €719 million) as a result of higher prices and volumes. In the Coatings division, volumes were slightly above the level of the prior-year quarter. Slightly higher sales volumes, primarily in the automotive refinish coatings business, more than offset slightly lower volumes in the decorative paints business. Volumes in the automotive OEM coatings business matched the level of the third quarter of 2018. Sales volumes in the Construction Chemicals division remained at the level of the prior-year quarter. Positive currency effects in all divisions contributed to the sales increase.

The Construction Chemicals division considerably increased sales in North America, mainly as a result of positive currency effects. Higher volumes and prices also had a positive impact on sales. Sales rose slightly in Europe, primarily due to higher prices. In the Asia Pacific region, the Construction Chemicals division posted a considerable improvement in sales. This was largely attributable to higher sales volumes and positive currency effects. Sales in South America, Africa, Middle East declined slightly compared with the prior-year quarter. This was mainly attributable to significantly lower volumes, which could not be completely offset by higher prices and positive currency effects.

We considerably increased income from operations (EBIT) before special items in all divisions. In the Catalysts division, the increase was attributable to measurement effects in precious metal trading and higher sales volumes. The Coatings division recorded higher margins and lower fixed costs. EBIT before special items rose considerably in the Construction Chemicals division, mainly due to price-related margin growth.

Nutrition & Care

Q3 2019

The Nutrition & Care segment recorded slight sales growth compared with the prior-year quarter. Considerably higher sales in the Nutrition & Health division more than offset slightly lower sales in the Care Chemicals division.

Factors influencing sales in Q3 2019 – Nutrition & Care

	Nutrition & Care	Care Chemicals	Nutrition & Health
Volumes	3%	(1%)	12%
Prices	(2%)	(2%)	0%
Portfolio	0%	0%	0%
Currencies	2%	2%	3%
Sales	**3%**	**(1%)**	**15%**

The positive sales development was primarily attributable to significantly higher volumes in the Nutrition & Health division as a result of improved product availability in the animal nutrition and the flavors and fragrances businesses. This more than offset the slight decline in sales volumes in the Care Chemicals division, especially in the oleo surfactants and alcohols business. Sales were also lifted by currency effects in both divisions. Slightly lower prices in the Care Chemicals division, mainly in the oleo surfactants and alcohols business, had an offsetting effect. By contrast, prices in the Nutrition & Health division were at the level of the prior-year quarter.

Segment data – Nutrition & Care

Million €

	Q3			January–September		
	2019	**2018**	**+/–**	**2019**	**2018**	**+/–**
Sales to third parties	1,519	1,469	3%	4,575	4,476	2%
of which Care Chemicals	1,022	1,037	(1%)	3,121	3,229	(3%)
Nutrition & Health	497	432	15%	1,454	1,247	17%
Income from operations before depreciation, amortization and special items	331	290	14%	976	945	3%
Income from operations before depreciation and amortization (EBITDA)	330	286	15%	956	933	2%
Depreciation and amortization[a]	106	100	6%	401	287	40%
Income from operations (EBIT)	224	186	20%	555	646	(14%)
Special items	(1)	(3)	67%	(112)	(11)	.
EBIT before special items	225	189	19%	667	657	2%
Assets (September 30)	6,570	6,144	7%	6,570	6,144	7%
Investments including acquisitions[b]	210	71	196%	419	182	130%
Research and development expenses	42	37	14%	115	105	10%

a Amortization of intangible assets and depreciation of property. plant and equipment (including impairments and reversals of impairments)
b Additions to intangible assets and property, plant and equipment

Overall, income from operations (EBIT) before special items rose considerably year on year. This was largely attributable to a considerable increase in EBIT before special items in the Care Chemicals division due to a contractual one-off payment in the personal care solutions business, as well as higher margins in the oleo surfactants and alcohols business and in the home care, industrial and institutional cleaning and industrial formulators business.

By contrast, EBIT before special items declined slightly in the Nutrition & Health division. This was primarily due to higher raw materials prices and fixed costs. Higher earnings contributions from the increase in sales volumes had an offsetting effect.

Agricultural Solutions

Q3 2019

The Agricultural Solutions segment recorded considerable sales growth compared with the third quarter of 2018. This was primarily attributable to higher volumes, especially in the region South America, Africa, Middle East, as well as to portfolio effects from the acquisition of significant businesses and assets from Bayer in August 2018.[1] Currency effects also contributed to the sales increase. A lower price level had an offsetting effect.

Factors influencing sales in Q3 2019 – Agricultural Solutions

Volumes	21%
Prices	(6%)
Portfolio	8%
Currencies	3%
Sales	**26%**

In **Europe**, sales were at the level of the prior-year quarter. Portfolio effects were able to offset lower sales volumes for herbicides and fungicides, mainly as a result of a decline in cultivation area for canola (oilseed rape), as well as a lower price level and negative currency effects.

We slightly increased sales in **North America**. Higher sales volumes, portfolio effects and positive currency effects were able to more than offset the significantly lower price level.

Segment data – Agricultural Solutions

Million €

	Q3			January–September		
	2019	2018	+/–	2019	2018	+/–
Sales to third parties	1,561	1,243	26%	6,006	4,472	34%
Income from operations before depreciation, amortization and special items	250	113	121%	1,458	940	55%
Income from operations before depreciation and amortization (EBITDA)	220	79	178%	1,368	881	55%
Depreciation and amortization[a]	177	118	50%	524	244	115%
Income from operations (EBIT)	43	(39)	.	844	637	32%
Special items	(30)	(34)	12%	(90)	(59)	(53%)
EBIT before special items	73	(5)	.	934	696	34%
Assets (September 30)	17,135	15,625	10%	17,135	15,625	10%
Investments including acquisitions[b]	179	7,152	(97%)	295	7,229	(96%)
Research and development expenses	215	181	19%	613	424	45%

a Amortization of intangible assets and depreciation of property, plant and equipment (including impairments and reversals of impairments)
b Additions to intangible assets and property, plant and equipment

In **Asia**, sales were considerably above the level of the third quarter of 2018 due to volumes growth, especially for herbicides, and positive portfolio effects. Positive currency effects also contributed to the increase in sales.

Sales in the region **South America, Africa, Middle East** rose considerably. We significantly increased sales volumes, especially in Brazil and here mainly for fungicides thanks to a very good start to the season. Sales development was supported by a higher price level, portfolio effects and positive currency effects.

Income from operations (EBIT) before special items increased considerably compared with the third quarter of 2018. This was mainly driven by higher sales.

1 In the third quarter of 2019, the sales contribution from the acquired businesses is still reported pro rata as a portfolio effect in our analysis of sales effects since the acquisition of significant businesses and assets from Bayer was closed in August 2018. The volumes, price and currency effects refer to BASF's legacy business and the acquired activities on a pro rata basis.

Other

Q3 2019

Sales in Other were down considerably from the third quarter of 2018, mainly due to lower volumes and prices in commodity trading. This was partly offset by portfolio effects attributable to the remaining activities of the paper and water chemicals business, which have been reported under Other since February 2019 following the divestiture. Income from operations (EBIT) before special items was considerably below the figure for the prior-year quarter. This was largely attributable to valuation effects for our long-term incentive program.

In the third quarter of 2019, EBIT included special income from the sale of BASF's share of the Klybeck site in Basel, Switzerland.

The income after taxes of Wintershall Dea, which is accounted for using the equity method, is included in other businesses. Wintershall Dea's average daily production in the third quarter was on a level with the months prior. Earnings were reduced by the decline in oil and gas prices. Additional depreciation and amortization from the fair value measurement of Wintershall Dea resulted in a slightly negative earnings contribution to the BASF Group's EBIT in the third quarter.

Financial data – Other

Million €

	Q3			January–September		
	2019	2018	+/–	2019	2018	+/–
Sales	697	845	(18%)	2,141	2,108	2%
Income from operations before depreciation, amortization and special items	(126)	(55)	.	(494)	(198)	.
Income from operations before depreciation and amortization (EBITDA)	202	(71)	.	(389)	(242)	(61%)
Depreciation and amortization[a]	33	29	14%	133	92	45%
Income from operations (EBIT)	169	(100)	.	(522)	(334)	(56%)
Special items	331	(18)	.	104	(43)	.
EBIT before special items	(162)	(82)	(98%)	(626)	(291)	.
of which Costs for cross-divisional corporate research	(92)	(96)	4%	(290)	(266)	(9%)
Costs of corporate headquarters	(57)	(64)	11%	(181)	(183)	1%
Other businesses	61	18	239%	111	28	296%
Foreign currency results, hedging and other measurement effects	(15)	31	.	(53)	240	.
Miscellaneous income and expenses	(59)	29	.	(213)	(110)	(94%)
Assets (September 30)[b]	25,704	24,307	6%	25,704	24,307	6%
Investments including acquisitions[c]	(83)	179	.	31	535	(94%)
Research and development expenses	96	97	(1%)	300	267	12%

a Amortization of intangible assets and depreciation of property, plant and equipment (including impairments and reversals of impairments)
b Contains assets of businesses recognized under Other as well as reconciliation to assets of the BASF Group including the disposal group for the oil and gas business.
c Additions to intangible assets and property, plant and equipment

Regions

Regions

Million €

	Sales Location of company			Sales Location of customer			Income from operations Location of company		
Q3	**2019**	**2018**	**+/–**	**2019**	**2018**	**+/–**	**2019**	**2018**	**+/–**
Europe	6,458	6,872	(6%)	5,906	6,335	(7%)	797	659	21%
of which Germany	3,495	4,421	(21%)	1,624	1,819	(11%)	124	226	(45%)
North America	3,926	4,220	(7%)	3,861	4,089	(6%)	61	171	(64%)
Asia Pacific	3,516	3,440	2%	3,697	3,621	2%	316	481	(34%)
South America, Africa, Middle East	1,331	1,074	24%	1,767	1,561	13%	202	84	140%
BASF Group	**15,231**	**15,606**	**(2%)**	**15,231**	**15,606**	**(2%)**	**1,376**	**1,395**	**(1%)**
January–September									
Europe	20,607	21,944	(6%)	19,091	20,452	(7%)	2,020	3,205	(37%)
of which Germany	11,157	14,051	(21%)	4,951	5,519	(10%)	650	1,369	(53%)
North America	12,904	12,262	5%	12,617	11,879	6%	516	754	(32%)
Asia Pacific	10,168	10,437	(3%)	10,756	10,981	(2%)	913	1,592	(43%)
South America, Africa, Middle East	2,887	2,446	18%	4,102	3,777	9%	233	13	.
BASF Group	**46,566**	**47,089**	**(1%)**	**46,566**	**47,089**	**(1%)**	**3,682**	**5,564**	**(34%)**

Q3 2019

Sales at companies located in **Europe** declined by 6% compared with the third quarter of 2018. This was mainly due to lower prices in nearly all segments, but particularly in the Chemicals and Materials segments. Sales were also dampened by lower volumes, especially in the Chemicals segment, as well as negative portfolio effects, particularly in the Industrial Solutions segment. Slightly positive currency effects in the Surface Technologies segment had an offsetting impact. Income from operations (EBIT) rose by €138 million year on year to €797 million. This was primarily attributable to the significantly higher contributions from Other and from the Agricultural Solutions and Industrial Solutions segments. The Nutrition & Care segment recorded slight earnings growth. Earnings were weighed down by significantly lower contributions from the Materials, Chemicals and Surface Technologies segments.

In **North America**, sales declined by 7% in euros and 11% in local currency terms compared with the figure for the prior-year quarter. This was primarily due to lower volumes and prices in the Chemicals segment. Negative portfolio effects in the Industrial Solutions segment also contributed to the sales decrease. Positive currency effects in all segments and significantly higher prices in the Surface Technologies segment had an offsetting impact. EBIT declined by €110 million to €61 million. This was attributable to significantly lower contributions from all segments except the Surface Technologies and Nutrition & Care segments, which considerably increased EBIT.

Sales in **Asia Pacific** decreased by 1% in local currency terms but rose by 2% in euros. This was due to significantly higher sales volumes, especially in the Surface Technologies segment, as well as positive currency effects in all segments. Lower prices in the Materials segment in particular had an offsetting effect. EBIT declined by €165 million year on year to €316 million. This was largely the result of considerably lower EBIT in the Materials segment. The contribution from the Chemicals segment was also lower. By contrast, EBIT rose considerably in all other segments.

In the region **South America, Africa, Middle East**, we increased sales by 22% in local currency terms and 24% in euros compared with the prior-year quarter. Sales growth was primarily driven by higher volumes in the Agricultural Solutions segment and higher prices, especially in the Agricultural Solutions and Surface Technologies segments. Currency effects had a positive impact on sales development in almost all segments. At €202 million, EBIT exceeded the figure for the third quarter of 2018 by €118 million. This was the result of higher contributions from all segments, but especially from the Agricultural Solutions segment.

Selected Financial Data

Statement of Income

Statement of income

Million €

		Q3			January–September	
	2019	2018	+/–	2019	2018	+/–
Sales revenue	**15,231**	**15,606**	**(2%)**	**46,566**	**47,089**	**(1%)**
Cost of sales	(11,120)	(11,111)	(0%)	(33,281)	(32,731)	(2%)
Gross profit on sales	**4,111**	**4,495**	**(9%)**	**13,285**	**14,358**	**(7%)**
Selling expenses	(2,155)	(2,151)	(0%)	(6,552)	(6,253)	(5%)
General administrative expenses	(316)	(352)	10%	(1,034)	(1,028)	(1%)
Research and development expenses	(540)	(509)	(6%)	(1,577)	(1,377)	(15%)
Other operating income	816	754	8%	1,526	1,952	(22%)
Other operating expenses	(623)	(936)	33%	(2,143)	(2,291)	6%
Income from companies accounted for using the equity method	83	94	(12%)	177	203	(13%)
Income from operations (EBIT)	**1,376**	**1,395**	**(1%)**	**3,682**	**5,564**	**(34%)**
Income from other shareholdings	11	4	175%	37	31	19%
Expenses from other shareholdings	(19)	(8)	.	(50)	(19)	.
Net income from shareholdings	**(8)**	**(4)**	**(100%)**	**(13)**	**12**	**.**
Interest income	44	45	(2%)	136	123	11%
Interest expenses	(162)	(142)	(14%)	(496)	(380)	(31%)
Interest result	**(118)**	**(97)**	**(22%)**	**(360)**	**(257)**	**(40%)**
Other financial income	23	8	188%	39	23	70%
Other financial expenses	(67)	(45)	(49%)	(236)	(289)	18%
Other financial result	**(44)**	**(37)**	**(19%)**	**(197)**	**(266)**	**26%**
Financial result	**(170)**	**(138)**	**(23%)**	**(570)**	**(511)**	**(12%)**
Income before income taxes	**1,206**	**1,257**	**(4%)**	**3,112**	**5,053**	**(38%)**
Income taxes	(271)	(225)	(20%)	(729)	(1,079)	32%
Income after taxes from continuing operations	**935**	**1,032**	**(9%)**	**2,383**	**3,974**	**(40%)**
Income after taxes from discontinued operations	**–**	**235**	**–**	**6,427**	**574**	**.**
Income after taxes	**935**	**1,267**	**(26%)**	**8,810**	**4,548**	**94%**
Noncontrolling interests	(24)	(67)	64%	(33)	(189)	83%
Net income	**911**	**1,200**	**(24%)**	**8,777**	**4,359**	**101%**
Earnings per share from continuing operations €	**1.00**	**1.07**	**(7%)**	**2.59**	**4.16**	**(38%)**
Earnings per share from discontinued operations €	**–**	**0.24**	**.**	**6.97**	**0.59**	**.**
Basic earnings per share €	**1.00**	**1.31**	**(24%)**	**9.56**	**4.75**	**101%**
Diluted earnings per share €	1.00	1.31	(24%)	9.56	4.75	101%

Balance Sheet

Assets

Million €	September 30, 2019	September 30, 2018	+/–	December 31, 2018	+/–
Intangible assets	16,208	16,865	(4%)	16,554	(2%)
Property, plant and equipment[a]	22,268	19,945	12%	20,780	7%
Investments accounted for using the equity method	16,195	2,152	.	2,203	.
Other financial assets	681	579	18%	570	19%
Deferred tax assets	3,227	1,884	71%	2,342	38%
Other receivables and miscellaneous assets	986	835	18%	886	11%
Noncurrent assets	**59,565**	**42,260**	**41%**	**43,335**	**37%**
Inventories	12,150	12,100	0%	12,166	0%
Accounts receivable, trade	10,542	10,213	3%	10,665	(1%)
Other receivables and miscellaneous assets	3,704	4,745	(22%)	3,139	18%
Marketable securities	38	32	19%	344	(89%)
Cash and cash equivalents[b]	2,190	2,432	(10%)	2,300	(5%)
Assets of disposal groups	1,402	13,797	(90%)	14,607	(90%)
Current assets	**30,026**	**43,319**	**(31%)**	**43,221**	**(31%)**
Total assets	**89,591**	**85,579**	**5%**	**86,556**	**4%**

a The figures in the item property, plant and equipment were adjusted as of January 1, 2019, to reflect right-of-use assets following the initial application of IFRS 16.
b For a reconciliation of the amounts in the statement of cash flows with the balance sheet item “cash and cash equivalents,” see page 21 of this quarterly statement.

Equity and liabilities

Million €

	September 30, 2019	September 30, 2018	+/–	December 31, 2018	+/–
Subscribed capital	1,176	1,176	–	1,176	–
Capital reserves	3,118	3,117	0%	3,118	–
Retained earnings	42,407	36,347	17%	36,699	16%
Other comprehensive income	(6,212)	(4,960)	(25%)	(5,939)	(5%)
Equity attributable to shareholders of BASF SE	**40,489**	**35,680**	**13%**	**35,054**	**16%**
Noncontrolling interests	887	961	(8%)	1,055	(16%)
Equity	**41,376**	**36,641**	**13%**	**36,109**	**15%**
Provisions for pensions and similar obligations	10,131	5,646	79%	7,434	36%
Other provisions	1,864	2,228	(16%)	1,860	0%
Deferred tax liabilities	1,471	1,578	(7%)	1,787	(18%)
Financial indebtedness	16,115	16,563	(3%)	15,332	5%
Other liabilities[a]	1,800	826	118%	705	155%
Noncurrent liabilities	**31,381**	**26,841**	**17%**	**27,118**	**16%**
Accounts payable, trade	4,489	5,026	(11%)	5,122	(12%)
Provisions	3,883	3,402	14%	3,252	19%
Tax liabilities	821	911	(10%)	695	18%
Financial indebtedness	3,917	3,927	0%	5,509	(29%)
Other liabilities[a]	3,422	3,524	(3%)	2,998	14%
Liabilities of disposal groups	302	5,307	(94%)	5,753	(95%)
Current liabilities	**16,834**	**22,097**	**(24%)**	**23,329**	**(28%)**
Total equity and liabilities	**89,591**	**85,579**	**5%**	**86,556**	**4%**

a Other liabilities were adjusted as of January 1, 2019, to reflect lease liabilities for right-of-use assets following the initial application of IFRS 16.

Statement of Cash Flows

Statement of cash flows

Million €

	Q3		January–September	
	2019	**2018**	**2019**	**2018**
Net income	911	1,200	8,777	4,359
Depreciation and amortization of intangible assets and property, plant and equipment	963	1,015	3,072	2,883
Changes in net working capital	727	568	(177)	(653)
Miscellaneous items	(603)	147	(7,355)	(204)
Cash flows from operating activities	**1,998**	**2,930**	**4,317**	**6,385**
Payments made for intangible assets and property, plant and equipment	(926)	(979)	(2,648)	(2,428)
Acquisitions/divestitures[a]	(38)	(7,184)	2,254	(7,120)
Changes in financial assets and miscellaneous items	559	(138)	441	(488)
Cash flows from investing activities	**(405)**	**(8,301)**	**47**	**(10,036)**
Capital increases/repayments and other equity transactions	–	4	1	4
Changes in financial and similar liabilities	(1,515)	400	(1,730)	2,926
Dividends	(3)	(13)	(3,016)	(3,057)
Cash flows from financing activities	**(1,518)**	**391**	**(4,745)**	**(127)**
Changes in cash and cash equivalents affecting liquidity[b]	75	(4,980)	(381)	(3,778)
Cash and cash equivalents at the beginning of the period and other changes[c]	2,123	7,624	2,579	6,422
Cash and cash equivalents at the end of the period[c]	**2,198**	**2,644**	**2,198**	**2,644**

a Mainly relates to the merger of the oil and gas businesses of Wintershall and DEA in the second quarter of 2019. The effects of the deconsolidation of the Wintershall companies and the simultaneous inclusion of the equity-accounted interest in Wintershall Dea GmbH offset each other. The only effect on cash was the derecognition of cash and cash equivalents in the amount of €800 million, as well as the repayment of BASF SE's open finance-related receivables by the Wintershall Dea group and capital decreases at Wintershall Dea GmbH in the total amount of €3.1 billion. In connection with the transfer of the paper and water chemicals business to the Solenis group in the first quarter of 2019, the majority of the purchase price was settled with the acquisition of the interest in Solenis UK International Limited (€590 million). The rest of the purchase price (€181 million) was recognized in cash.
b In the first quarter of 2019, BASF SE transferred securities in the amount of €300 million to BASF Pensionstreuhand e.V., Ludwigshafen am Rhein, Germany. This transfer was not cash effective and therefore had no effect on the statement of cash flows.
c At the beginning of 2019, the balances of cash and cash equivalents presented in the statement of cash flows deviated from the figures in the balance sheet, as cash and cash equivalents of the oil and gas business in the balance sheet (€219 million) were reclassified to the disposal group. The figures as of September 30, 2019, deviate due to the reclassification of cash and cash equivalents in the amount of €8 million to the disposal group for the pigments business.

BASF Report 2019

February 28, 2020

Quarterly Statement Q1 2020 / Annual Shareholders' Meeting 2020

April 30, 2020

Half-Year Financial Report 2020

July 29, 2020

Quarterly Statement Q3 2020

October 28, 2020

BASF Report 2020

February 26, 2021

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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 Opportunities and Risks on pages 123 to 130 of the BASF Report 2018. 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.

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