

BASF on the Capital Market

In 2018, the stock markets were characterized by long periods of uncertainty as a result of geopolitical tensions and trade conflicts, especially between the United States and China. The BASF share price declined considerably over the course of the year. We stand by our ambitious dividend policy and will propose a dividend of €3.20 per share at the Annual Shareholders' Meeting – an increase of 3.2% compared with the previous year.

BASF share performance

- BASF share declines 34.2% in 2018
- Long-term performance continues to clearly exceed benchmark indexes

The BASF share closed the 2018 stock market year with a closing price of €60.40, a decrease of 34.2% compared with the previous year's closing price. The considerable year-on-year decline in the BASF Group's earnings was primarily attributable to considerably lower earnings in the Chemicals segment, mainly as a result of lower margins for isocyanates and steam cracker products. The segment's earnings were also negatively impacted by the low water levels on the Rhine River in the second half of 2018. In addition, geopolitical tensions and trade conflicts, especially between the United States and China, led to a slowdown in economic growth over the course of the year particularly in Asia, and there mainly in China. The ensuing downturn in demand from significant customer industries, in

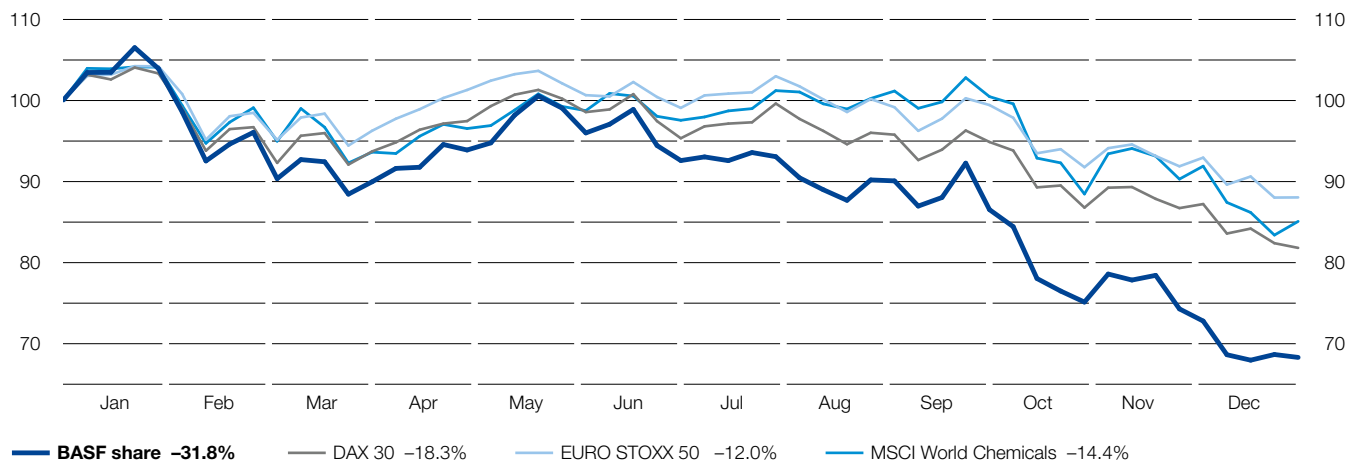
particular the automotive industry, further weighed on BASF's share performance.

Assuming that dividends were reinvested, BASF's share performance declined by 31.8% in 2018. The benchmark indexes of the German and European stock markets – the DAX 30 and the EURO STOXX 50 – lost 18.3% and 12.0% over the same period, respectively. The global industry index MSCI World Chemicals fell by 14.4%.

Viewed over a 10-year period, the long-term performance of BASF shares still clearly surpasses the German, European and global benchmark indexes. The assets of an investor who invested €1,000 in BASF shares at the end of 2008 and reinvested the dividends in

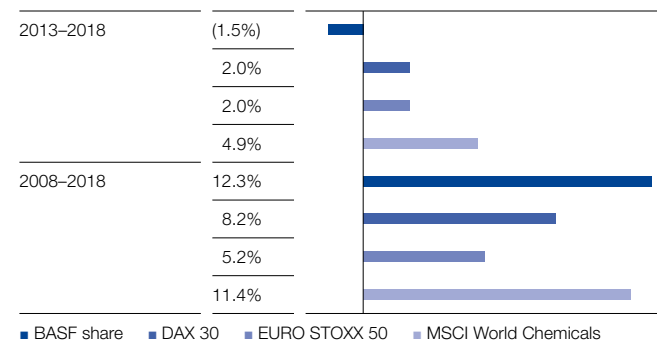
Change in value of an investment in BASF shares in 2018

With dividends reinvested; indexed



Long-term performance of BASF shares compared with indexes

Average annual increase with dividends reinvested



Weighting of BASF shares in important indexes as of December 31, 2018

DAX 30	6.3%
EURO STOXX 50	2.6%
MSCI World Chemicals	7.0%

additional BASF shares would have increased to €3,201 by the end of 2018. This represents an annual yield of 12.3%, placing BASF shares above the returns for the DAX 30 (8.2%), EURO STOXX 50 (5.2%) and MSCI World Chemicals (11.4%) indexes.

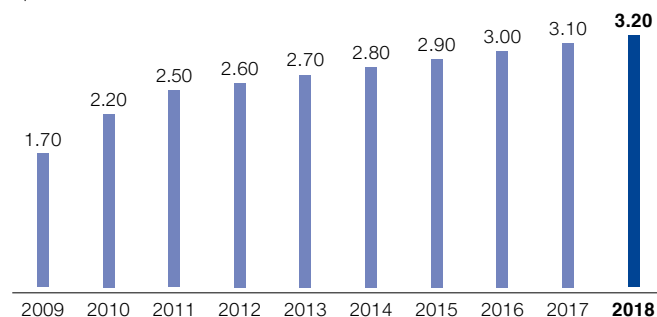
Proposed dividend of €3.20 per share

At the Annual Shareholders' Meeting, the Board of Executive Directors and the Supervisory Board will propose a dividend payment of €3.20 per share. We stand by our ambitious dividend policy of increasing our dividend each year and plan to pay out €2.9 billion to our shareholders.

Based on the year-end share price for 2018, BASF shares offer a high dividend yield of around 5.3%. BASF is part of the DivDAX share index, which contains the 15 companies with the highest dividend yield in the DAX 30.

Dividend per share

€ per share



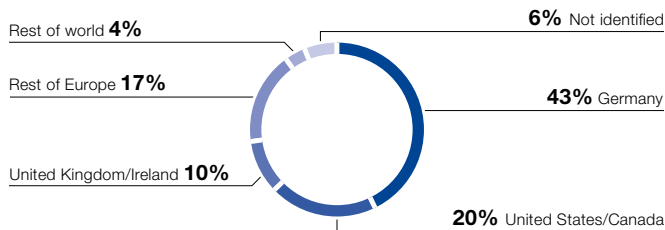
Broad base of international shareholders

With over 600,000 shareholders, BASF is one of the largest publicly owned companies with a high free float. An analysis of the shareholder structure carried out at the end of 2018 showed that, at

around 20% of share capital, the United States and Canada made up the largest regional group of institutional investors. Institutional investors from Germany accounted for around 13%. Shareholders from the United Kingdom and Ireland hold 10% of BASF shares, while investors from the rest of Europe hold a further 17% of capital. Approximately 30% of the company's share capital is held by private investors, nearly all of whom reside in Germany. BASF is therefore one of the DAX 30 companies with the largest percentage of private shareholders.

Shareholder structure

By region, rounded



Employees becoming shareholders

In many countries, we offer share purchase programs that turn our employees into BASF shareholders. In 2018, for example, 25,000 employees (2017: 23,700) purchased employee shares worth €79 million (2017: €63 million).

[For more information on employee share purchase programs, see page 114](#)

BASF as a sustainable investment

- CDP includes BASF in its "Climate Change A List"
- BASF continues to be rated "AA" by MSCI ESG Research

BASF has participated in CDP's program for reporting on data relevant to climate protection since 2004. CDP is an international organization representing more than 650 investors with over \$87 tril-

lion in assets and 115 major purchasing organizations with \$3.3 trillion in purchasing power. After achieving a score of "A-" for several years, thus attaining "Leadership" status, BASF was included in CDP's "Climate Change A List" with the highest possible rating of "A" in 2018. Companies at this level are distinguished by the completeness and transparency of their reporting, their approaches for managing the opportunities and risks associated with climate change, and clear corporate strategies to reduce emissions. BASF has also reported on water management to CDP since 2010 and was again acknowledged as a global leader in sustainable water management in 2018. The organization awarded BASF an "A-" rating in recognition of its actions to manage water more sustainably.

BASF continued to be included in the MSCI ESG Ratings in 2018 with a score of "AA." The analysts highlighted BASF's Verbund system as a key competitive advantage for resource-efficient processes. BASF's emissions intensity for greenhouse gases and air pollutants – one of the lowest compared with competitors in the chemical industry – was also assessed positively.

[For more information on the key sustainability indexes, see basf.com/sustainabilityindexes](#)

[For more information on energy and climate protection, see page 103 onward](#)

[For more information on water, see page 108 onward](#)

Analysts' recommendations

Around 25 financial analysts regularly publish studies on BASF. The latest analyst recommendations for our shares as well as the average target share price ascribed to BASF by analysts can be found online at [basf.com/analystestimates](https://www.basf.com/analystestimates).

Close dialog with the capital market

- Roadshows for institutional investors and talks with rating agencies
- Informational events for private investors
- Capital Markets Day on the corporate strategy

Our corporate strategy aims to create long-term value. We support this strategy through regular and open communication with all capital market participants. We engage with institutional investors and rating agencies in numerous one-on-one meetings, as well as at roadshows and conferences worldwide, and give private investors an insight into BASF at informational events.

In November 2018, we informed analysts and investors about BASF Group's updated corporate strategy at our Capital Markets Day in Ludwigshafen, Germany. Key topics were our even stronger customer focus, the new financial and nonfinancial targets, and the segment structure going forward.

Further information on BASF share

Securities code numbers

Germany	BASF11
United Kingdom	0083142
Switzerland	11450563
United States (CUSIP number)	055262505
ISIN International Securities Identification Number	DE000BASF111

International ticker symbols

Deutsche Börse	BAS
London Stock Exchange	BFA
Swiss Exchange	BAS

In 2018, we once again offered special events aimed toward investors who base their investment decisions on sustainability criteria. We outlined in particular our measures for climate protection, energy efficiency, health and safety. In addition, we offered several creditor relations roadshows, where credit analysts and creditors could learn more about our business and financing strategy.

For more information on our credit ratings, see the Financial Position on page 54

Analysts and investors have confirmed the quality of our financial market communications. We took first place in the "Best ESG communications" and "Best IR website" categories in the annual

survey conducted by Britain's IR Magazine. Germany's Manager Magazin also recognized BASF at the presentation of its Investors' Darling awards with second place in the DAX category and first place in the digital communications category. In January 2019, Institutional Investor magazine awarded BASF first place in the "Best IR in Germany" category for its investor relations program.

For more information about BASF stock, see basf.com/share

Register for the newsletter with current topics and dates at basf.com/share/newsletter

Contact the Investor Relations team by phone at +49 621 60-48230 or email ir@basf.com

Key BASF share data

		2014	2015	2016	2017	2018
Year-end price	€	69.88	70.72	88.31	91.74	60.40
Year high	€	87.36	96.72	88.31	97.46	97.67
Year low	€	65.61	65.74	56.70	79.64	58.40
Year average	€	77.93	79.28	70.96	88.16	80.38
Daily trade in shares ¹						
	million €	224.5	264.5	201.9	185.7	229.6
	million shares	2.9	3.3	2.9	2.1	2.9
Number of shares December 31	million shares	918.5	918.5	918.5	918.5	918.5
Market capitalization December 31	billion €	64.2	65.0	81.1	84.3	55.5
Earnings per share	€	5.61	4.34	4.42	6.62	5.12
Adjusted earnings per share	€	5.44	5.00	4.83	6.44	5.87
Dividend per share	€	2.80	2.90	3.00	3.10	3.20
Dividend yield ²	%	4.01	4.10	3.40	3.38	5.30
Payout ratio	%	50	67	68	47	63
Price-earnings ratio (P/E ratio) ²		12.5	16.3	20.0	13.9	11.8

¹ Average, Xetra trading

² Based on year-end share price