

# Press Release



## Strong investments in innovations and robust portfolio drive BASF Crop Protection business growth

- >> Division sales increased by 75% over last 10 years
- >> Peak sales of innovation pipeline (2015-2025) at €3 billion
- >> Customer-centric solutions support continued business success

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Ludwigshafen, Germany – September 6 – “We are in a strong position to offer our customers solutions to meet their specific demands,” said Markus Heldt, President, BASF’s Crop Protection division, at today’s press conference held in Ludwigshafen. “Our portfolio, pipeline, ability to move fast and to understand farmers’ needs give us a solid competitive position. The agrochemical market is evolving and we are actively pursuing opportunities arising from ongoing merger efforts to increase our footprint and value offer,” stated Heldt. At the event, the company highlighted its latest innovations for farmers and its strategy for future growth while also discussing the current transformations and challenges in agriculture.

Despite current macroeconomic volatility, the agricultural market remains highly attractive. The global trends that require food production and food quality to increase remain unchanged. “Farmers’ task to feed a growing, wealthier and more demanding population will not get easier – the need for new technologies, like ours, will continue to be high,” stated Heldt. To serve farmers best and grow in this market, BASF will continue to heavily invest in R&D, strengthen its pipeline of innovations and engage in partnerships to speed up the development of new technologies. “We will increase our global footprint while securing our business profitability and long-term success. We believe that customer focus and agility, not size alone, are key factors for future business growth, as farmers’ demands are rapidly changing,” concluded Heldt.

BASF’s current crop protection pipeline of innovations has new product candidates from all indications in advanced phases. The company estimates that peak sales from crop protection products launched between 2015 and 2025 will total €3 billion. One example is the company’s latest fungicide, **Revysol®**, an urgently needed innovation set to play a vital role in disease and resistance management from the 2018/19 season onward. Currently under registration by European authorities, this compound has shown outstanding biological performance against a range of pathogens, as well as a favorable regulatory profile.

“Our crop protection business has been very successful in the past years and a great contributor to BASF’s earnings,” said Dr. Harald Schwager, Member of the Board of Executive Directors of BASF SE. “Over the past decade, the division’s sales grew from €3.3 billion to €5.8 billion, which represents an increase of 75%. This outstanding performance shows that we deliver on our promises.” The increase in sales was balanced across geographical regions and product indications. The division’s average EBITDA margin of 25% over this same period has been a leading performance indicator in the agrochemical industry. “This confirms the importance of the Crop Protection division and its contributions to the BASF Group,” added Schwager.

The company continuously strives to complement its traditional crop protection offerings to provide farmers with new technologies. **Maglis™**, for example, is BASF’s most significant accomplishment in the area of digital farming. Launched at the beginning of 2016, the tools in this digital platform give fundamental new insights and precise information to support farmers

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in managing their operations. Maglis™ helps farmers to gather, interpret, and monitor a range of crop-related data that will result in better decision making on how to grow and market crops.

Developing solutions derived from the combination of chemical and biological expertise is another important focus of BASF's growth strategy. The company is one of the few that can provide, for example, a seed treatment product with a mixture of both biological and chemical compounds. The investment in biological solutions, which consist of naturally occurring organisms or plant extracts, will yield a number of benefits for farmers including the availability of further modes of action that can lead to improved resistance management. The recent opening of a new R&D center for biologicals and seed solutions at the division's headquarters in Limburgerhof will further accelerate the development of new products in these areas.

For the remainder of 2016, BASF expects the agricultural market to remain volatile and the business environment to be challenging. Based on current developments, the financial goal for the Crop Protection division in 2016 is to strive for the same profitability level it reached in 2015. "Our sales force will be close to our customers. We will intensify our sales efforts, supported by the launch of new products and formulations," said Schwager. "Changes lead to new opportunities for business growth and differentiation. We can look back with pride on BASF's 100-year legacy of accomplishments in bringing breakthrough solutions for farmers to the market. Even more important is to look forward and to be part of an industry-leading team that helps shape and improve the future of modern agriculture," concluded Schwager.

### **About BASF**

At BASF, we create chemistry for a sustainable future. We combine economic success with environmental protection and social responsibility. The approximately 112,000 employees in the BASF Group work on contributing to the success of our customers in nearly all sectors and almost every country in the world. Our portfolio is organized into five segments: Chemicals, Performance Products, Functional Materials & Solutions, Agricultural Solutions and Oil & Gas. BASF generated sales of more than €70 billion in 2015. BASF shares are traded on the stock exchanges in Frankfurt (BAS), London (BFA) and Zurich (AN). Further information at [www.basf.com](http://www.basf.com).

### **About BASF's Crop Protection division**

With sales of more than €5.8 billion in 2015, BASF's Crop Protection division provides innovative solutions for agriculture, turf and ornamental plants, pest control and public health. Our broad portfolio of active ingredients, seed treatments, biological controls, formulations and services optimizes efficient production of high quality food and protects against post-harvest loss, damage to buildings and the transmission of disease. By delivering new technologies and know-how, BASF Crop Protection supports the effort of growers and pest management professionals to make a better life for themselves and society. Further information can be found on the web at [www.agro.basf.com](http://www.agro.basf.com) or on our social media channels.