

News Release

P114/20e
January 31, 2020

BASF closes acquisition of polyamide business from Solvay

- **Broadened engineering plastics' capabilities for innovative solutions**
- **Enhanced access to regional growth markets in Asia and the Americas**
- **Strengthened backward integration covering the entire polyamide 6.6 value chain with direct access to ADN**

On January 31, 2020, BASF closed the acquisition of Solvay's polyamide (PA 6.6) business. The transaction broadens BASF's polyamide capabilities with innovative and well-known products such as Technyl®. This will allow BASF to support its customers with even better engineering plastics solutions, e.g., for autonomous driving and e-mobility. The transaction also enhances the company's access to growth markets in Asia as well as in North and South America. Through the backward integration into the key raw material adiponitrile (ADN), BASF will now be present along the entire value chain for polyamide 6.6 and improve its supply reliability. The purchase price for the polyamide business acquired by BASF on a cash and debt-free basis amounts to €1.3 billion; sales generated in 2018 were about €1.0 billion. The business will be integrated into the Performance Materials and Monomers divisions of BASF.

"With a broader portfolio, a stronger regional presence and improved supply reliability BASF will deliver significant benefits to our customers," said Wayne T. Smith, member of the Board of Executive Directors of BASF SE. "The acquisition stands for our strong commitment to the polyamide business globally."

The transaction between Solvay and BASF includes eight production sites in

Germany, France, China, India, South Korea, Brazil and Mexico as well as research and development centers and technical consultation centers in Asia, North and South America. In addition, it encompasses shares in two joint ventures (JV) in France: Solvay's 50% share in the Butachimie JV with Invista to produce ADN and hexamethylenediamine (HMD) and a 51% share in the new Alsachimie JV between BASF and DOMO Chemicals to produce adipic acid.

At closing, approximately 700 Solvay employees join BASF. The Alsachimie JV between BASF and DOMO Chemicals in France employs approximately 650 employees, the Butachimie JV between BASF and Invista has approximately 400 employees.

In September 2017, BASF signed an agreement with Solvay on the acquisition of Solvay's global polyamide business, subject to the approval of the relevant antitrust authorities. The E.U. Commission approved the acquisition of the polyamide business, subject to certain conditions, on January 18, 2019. These conditions required the sale of parts of the original transaction scope to a third party, specifically Solvay's production plants and innovation competencies in the engineering plastics field in Europe. DOMO Chemicals, Leuna, Germany, was approved by the E.U. Commission as the buyer. The transaction between Solvay and DOMO Chemicals also closed on January 31, 2020.

About BASF

At BASF, we create chemistry for a sustainable future. We combine economic success with environmental protection and social responsibility. The approximately 122,000 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 six segments: Chemicals, Materials, Industrial Solutions, Surface Technologies, Nutrition & Care and Agricultural Solutions. BASF generated sales of around €63 billion in 2018. BASF shares are traded on the stock exchange in Frankfurt (BAS) and as American Depositary Receipts (BASFY) in the U.S. Further information at www.basf.com.