

News Release

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DIC to acquire BASF's global pigments business

BASF and the fine chemical company DIC have 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 transaction is expected to close in the fourth quarter of 2020. The divestiture is subject to the approval of the relevant competition authorities.

"We have achieved our goal to find an owner who considers pigments a core strategic business," says Dr. Markus Kamieth, member of the Board of Executive Directors of BASF SE, responsible for the Industrial Solutions segment. "DIC pursues ambitious growth plans and has announced to further develop the business in the coming years. We are convinced that the pigments business will be able to unfold its full potential within DIC."

DIC is a Japanese company listed at the Tokyo Stock Exchange with about 20,000 employees globally. The company headquartered in Tokyo was founded in 1908, is active in more than 60 countries and generated sales of approximately 800 billion yen in 2018. This corresponds to about €6.8 billion. Under the slogan "Color & Comfort," DIC is active in three segments: Packaging & Graphics, Functional Products and Color & Display. Color & Display includes a portfolio of pigments.

"We have outlined a clear growth path for DIC with the target to increase our sales to 1 trillion yen, i.e. approximately €8 billion, by 2025. In this context, BASF's pigments portfolio is an important strategic addition in meeting our goals more expeditiously. It will allow us to expand our position as one of the leading pigment

suppliers globally and offer our customers even more versatile solutions,” Kaoru Ino, President and Chief Executive Officer of DIC comments on the agreement reached.

For Dr. Alexander Haunschild, Senior Vice President and Managing Director at BASF’s pigment-focused subsidiary BASF Colors & Effects, the agreement is a chance to continue the growth path started in 2016: “We see DIC as an owner who is willing to invest, committed to innovations and interested in the longer term success of the business.”

Myron Petruch, DIC Executive Officer and Chief Executive Officer of DIC’s group company being active in the pigments market, Sun Chemical, adds: “As a long-standing business partner of BASF, we value the expertise and engagement of BASF’s employees in the pigments business. By combining our businesses, DIC/Sun confirms the ambition to be one of the most innovative pigment suppliers globally.”

BASF’s pigments business with around 2,600 employees globally generated sales of approximately €1 billion in 2018.

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.

Forward-looking statements and forecasts

This release 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. BASF does not assume any obligation to update the forward-looking statements contained in this release above and beyond the legal requirements.