



BASF to acquire Chemetall

Leading global surface treatment business will complement BASF's Coatings portfolio

 **BASF**

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BASF to acquire Chemetall

Transaction highlights

- Chemetall – a global technology and innovation leader in metals surface treatment
- Purchase price of US\$3.2 billion (debt free)
- All-cash offer, financing secured
- Expected closing of transaction by the end of 2016
- Transaction will significantly enhance BASF Coatings' position as complete solutions provider
- Synergies on industry-typical level
- EPS accretive in year 1 excluding integration costs, in year 2 including integration costs

Chemetall – a global leader in surface treatment products and services

Facts

- One of the strongest globally managed brands in the sector
- Proprietary manufacturing technologies, rigorous product quality and performance standards
- Leading market positions in the automotive, aerospace and cold forming segments
- Long-standing, service-intensive customer relationships
- Significant global presence and record of accelerated expansion in emerging markets
- Track record of strong growth and high profitability

Figures

Sales	2015: US\$845 million 2016E*: US\$851 million 2017E*: US\$895 million
EBITDA	2015: US\$202 million 2016E*: US\$217 million 2017E*: US\$231 million
EBITDA margin	2015: 24% 2016E*: 25% 2017E*: 26%
CAGR sales (2007 – 2015)	~7% (at constant exchange rates)
Key customer industries	Automotive, aerospace, coil, metal forming
Regional sales	~50% Western Europe ~30% North America ~20% Emerging markets, mainly Asia
Employees	~2,500 (~50% sales professionals)
Sites	21 production sites in all regions 10 R&D sites

Chemetall complements BASF's portfolio, adding highly attractive surface treatment

Chemetall Pre-treatment

- In-depth customer insights across wide industry range
- Recognized technology leader in metal surface treatment
- Complete portfolio beyond pure surface treatment



BASF Coatings

- Excellent customer access and approvals especially in automotive
- Well recognized customer service offering in coatings
- Chemical know-how and strong R&D platforms within BASF Group



Complete surface treatment provider

- Offer **full solution competence** to customers across wide range of industries
- Benefit from **convergence of pre-treatment and coatings**, offering superior product and process solutions
- Develop **superior application processes** leveraging joint expertise

Chemetall – an excellent strategic fit for BASF Coatings

Technology adjacency

- Compelling combination of surface treatment and coatings technologies
- Creates unmatched “solution competence” for customers

Downstream solution business

- Complex formulation businesses based on application know-how
- Customer centricity, product quality and technical service as differentiators

Access to key growth markets

- Superior access to growth industries (e.g. automotive, aerospace)
- Global footprint with local production, technical centers in China and India

Enhanced technology basis

- Growth opportunities through combining broad technical and application competence with BASF’s chemistry and formulation know-how

Strong and robust financials

- Excellent track record of growth above market and attractive margins
- “Asset light” business model with strong free cash flow conversion

Industry-leading expert team

- High-quality resources and technical expertise
- ~1,200 sales professionals with in-depth application and process know-how



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