



BASF to acquire Solvay's global polyamide business

Complementing and strengthening BASF's Performance Materials and Monomers portfolio

 **BASF**
We create chemistry

Cautionary note regarding forward-looking statements

This presentation contains forward-looking statements. These forward-looking statements are based on current estimates and projections of the Board of Executive Directors and on currently available information. These forward-looking statements are not guarantees of the future developments and results outlined therein. Rather, they depend on a number of factors, involve various risks and uncertainties, and are based on assumptions that may not prove to be accurate. Such risk factors particularly include those discussed on pages 111 to 118 of the BASF Report 2016. The BASF Report is available online at basf.com/report. BASF does not assume any obligation to update the forward-looking statements contained in this presentation.

BASF to acquire Solvay's global polyamide business – transaction highlights

- Purchase price of €1.6 billion (cash- and debt-free), all-cash offer
- EBITDA multiple based on last twelve months from July 2016 till June 2017 (excluding synergies): ~7x
- According to applicable laws, the intended transaction is subject to consultations with the relevant social bodies of Solvay, following which both companies will enter a binding purchase agreement.
- Closing is expected in Q3 2018, after customary regulatory approvals have been obtained and the formal consent of a joint venture partner has been received.
- Synergies are expected based on efficiency gains and top-line growth of complementary portfolios.
- EPS accretive in the first full fiscal year

Solvay's polyamide business

– a leading global player in engineering plastics

| Facts | Figures 2016 | |
|--|----------------------------------|--|
| <ul style="list-style-type: none"> Global #3 market position in polyamide-based engineering plastics | Sales to 3rd parties | €1,315 million |
| <ul style="list-style-type: none"> Strong reputation of Technyl® brand with customers | thereof Polymers & Intermediates | ~55% |
| <ul style="list-style-type: none"> State-of-the-art engineering plastics production set-up | thereof Engineering Plastics | ~45% |
| <ul style="list-style-type: none"> Strong capabilities in digitally enabled services and polymer innovation | Sales by region | ~50% Europe ~40% Asia and rest of the world ~10% South and North America |
| <ul style="list-style-type: none"> Fully backward integrated polyamide 6.6 player | Recurring EBITDA* | ~€200 million |
| | Key customer industries | Transportation, construction, industrial applications, consumer industries |
| | Employees | ~2,400 |
| | Sites | 12 production sites in all regions, 4 R&D sites, 10 technical support centers |

*EBITDA July 2016 – June 2017: ~€230 million

The polyamide value chain is an enabler for several key industries and grows above GDP



- The global polyamide market grows above GDP at ~3.5% p.a.
- Key applications:
 - Automotive parts
 - Industrial goods & electrical equipment
 - Consumer products
 - Construction
- Polyamides with good demand in electric vehicles:
 - light-weight crash elements for batteries
 - housings of high-voltage batteries
 - connectors
 - charging couplers

BASF's and Solvay's combined polyamide businesses – providing even better solutions for customers

Broader global scope

- Enhanced presence, especially in Asia and South America
- Stronger capabilities to serve global and regional customers

Wider range of engineering plastics

- Technyl®
- Ultramid®
- Ultradur®
- Ultraform®
- Ultracom®

Broadening technical skills and innovation capabilities*



Heat-resistant & high-voltage electrical and electronic parts



Tailor-made solutions for components in automotive



Mechanically strong & thermally stable consumer goods

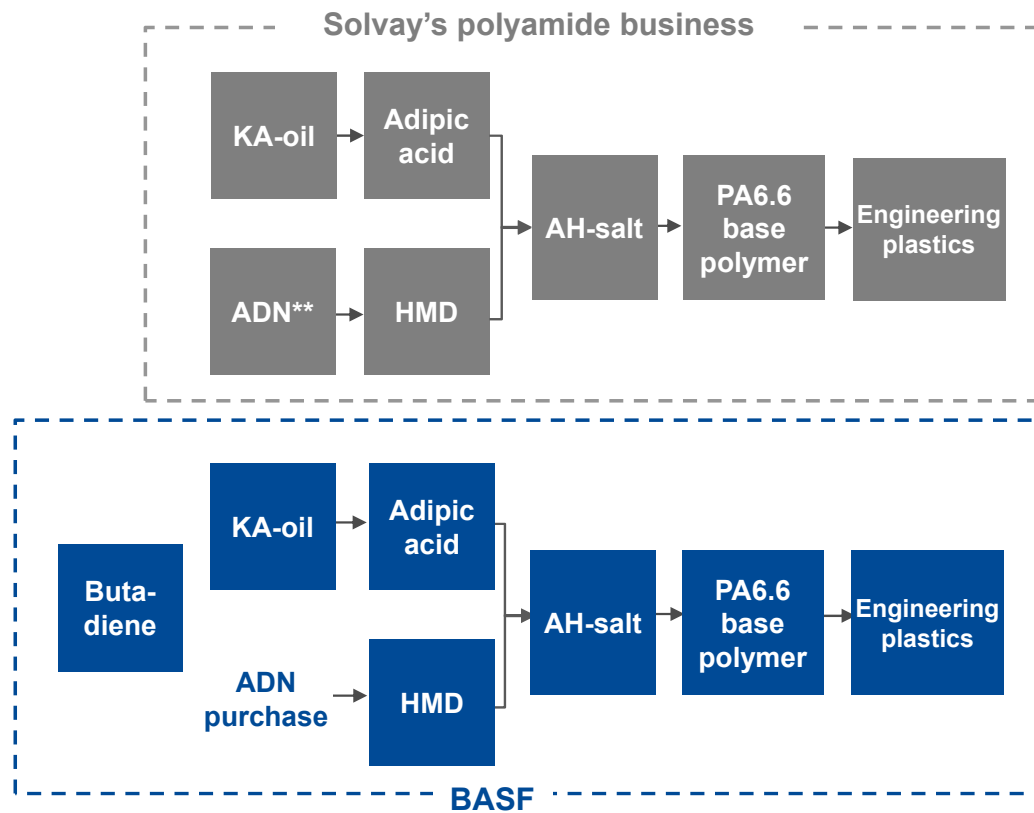
Improved reliability of supply

- Backward integration into all key raw materials for polyamide 6.6 production
- Fully integrated engineering plastics value chain

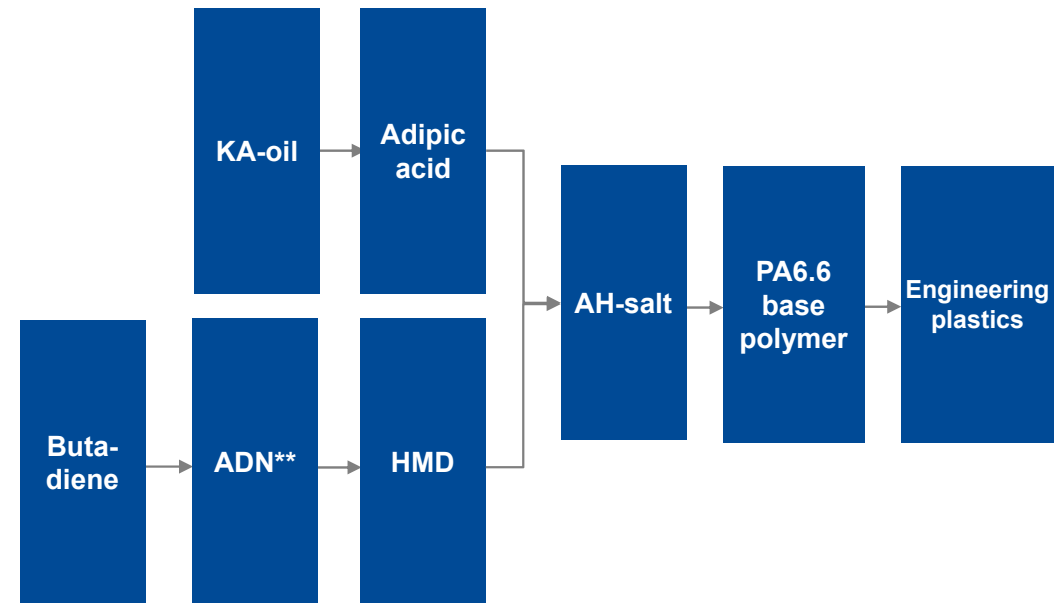
* Application examples

BASF's and Solvay's combined polyamide businesses – a fully integrated and more reliable supplier

Today*



Future*



ADN: adipodinitrile, HMD: hexamethylenediamine, KA-oil: mixture of cyclohexanone and cyclohexanol, AH-salt: hexamethylenediamine adipate
* Size of squares does not represent size of plants or capacities; ** Joint Venture Butachimie in France

Solvay's global polyamide business – an excellent strategic fit for BASF

Customer focus

- Complementary customer base (e.g., OEMs in southern Europe, Korea, China, Brazil)
- Well-positioned in transportation industry and industrial applications

Innovation-driven

- Strong innovation pipeline (e.g., 3D printing, prototyping, recycling)

Access to key growth markets

- Expanding position in Asia and South America

Strong and robust financials

- Attractive business with resilient earnings profile

High supply reliability

- Integrated value chain with backward integration into key raw materials for engineering plastics

Synergy potential

- Cost synergies through operational excellence, procurement and streamlining of value chains
- Top-line synergies through complementary customer portfolios and cross-selling opportunities

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