

News Release

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Lone Star Funds to acquire BASF's Construction Chemicals business

Today, BASF and an affiliate of Lone Star, a global private equity firm, signed a purchase agreement for the acquisition of BASF's Construction Chemicals business. The purchase price on a cash and debt-free basis is €3.17 billion. The transaction is expected to close in the third quarter of 2020, subject to the approval of the relevant competition authorities.

“Our aim was to find a new home for our Construction Chemicals business where it can leverage its full potential,” said Saori Dubourg, member of the Board of Executive Directors of BASF SE and responsible for the Construction Chemicals business. “Under the umbrella of Lone Star, the Construction Chemicals team can focus on a growth path with an industry-specific approach.”

“BASF's Construction Chemicals business fits very well with our portfolio, complementing our investments in the construction materials industry,” said Donald Quintin, President of Europe at Lone Star. “We highly value the industry-wide recognized knowledge and competence of BASF's Construction Chemicals experts, backed by a strong track record in innovative products and a compelling R&D pipeline. We look forward to jointly pursuing a growth-oriented business approach.”

With more than 7,000 employees, BASF's Construction Chemicals business operates production sites and sales offices in more than 60 countries and generated sales of about €2.5 billion in 2018.

The signing of the agreement has immediate effect on the reporting of BASF Group.

Retroactively as of January 1, 2019, sales and earnings of the Construction Chemicals division are no longer included in sales, EBITDA and EBIT before special items of BASF Group. The prior-year figures will be restated accordingly (BASF Group sales 2018 restated: €60.2 billion; EBITDA 2018 restated: €8,970 million; EBIT before special items 2018 restated: €6,281 million). Until closing, earnings will be presented in the income after taxes of BASF Group as a separate item (“Income after taxes from discontinued operations”).

About Lone Star

Lone Star is a private equity firm that invests globally in real estate, equity, credit and other financial assets. Since the establishment of its first fund in 1995, Lone Star has organized twenty private equity funds with aggregate capital commitments totaling approximately \$85 billion. As a leading private equity investor in construction materials and related industries, Lone Star has extensive international experience in the sector with a strong portfolio of investments across both Europe and North America. For more information about Lone Star, go to www.lonestarfunds.com.

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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.