

BASF closes divestiture of its Construction Chemicals business

On September 30, 2020, effective at midnight, BASF closed the divestiture of its Construction Chemicals business to an affiliate of Lone Star, a global private equity firm. The purchase price on a cash and debt-free basis is €3.17 billion. The Construction Chemicals business now forms the newly founded MBCC Group, headquartered in Mannheim, Germany.

“Lone Star has been a professional partner in this transaction and is committed to the future success of the business,” said Saori Dubourg, member of the Board of Executive Directors of BASF SE. “We highly appreciate the tremendous efforts to realize the carve-out and close the deal in such a fast and decisive manner. We wish the Construction Chemicals team much success for the future.”

The divestment of the assets and liabilities of the Construction Chemicals business and the related disposal gain will be reflected in BASF’s financial reporting in the fourth quarter of 2020. Payments received in the context of the transaction until September 30 will be included in cash flows from investing activities in the Q3 2020 Statement of Cash Flows.

On December 21, 2019, BASF and an affiliate of Lone Star had signed a purchase agreement for the acquisition of BASF’s Construction Chemicals business. With around 7,500 employees, the Construction Chemicals business operates production sites and sales offices in more than 60 countries and generated sales of about €2.6 billion in 2019.

About Lone Star

Lone Star is a private equity firm advising funds that invest 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, certain Lone Star Funds have 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. More than 117,000 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 €59 billion in 2019. 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.