

Solvay enters into a binding agreement to sell its Polyamides business to BASF, a landmark in Solvay's transformation

BASF agrees to acquire Polyamides for € 1.6 billion

Brussels, Sept. 19, 2017 --- Solvay has entered into a binding agreement with German chemical company BASF for the sale of its Polyamides business, a crucial step in Solvay's transformation towards a multi-specialty chemicals company.

"Solvay's planned divestment of Polyamides marks a tipping point in the profound transformation journey we began four years ago. Successful completion of this transaction will further reinforce Solvay as a multi-specialty chemical group, delivering superior growth and sustainable value," said Jean-Pierre Clamadieu, CEO of Solvay.

BASF is a strategic investor for Polyamides which complements both its business as well as its global presence. Solvay and BASF share the same commitment to best-in-class health, safety and environment standards on their sites.

Polyamides has grown profitability over the past years. As an integrated player, its activities range from upstream intermediates and polymers, to downstream with the development of high value-added engineering plastics. The transaction covers Solvay's upstream and downstream polyamides business in Europe, North America and Asia, as well as the downstream engineering plastics business in Latin America and involves around 2,400 Solvay employees. Solvay will retain its upstream intermediates and downstream textile polyamide business in Latin America.

Under the proposed terms of the agreement, the transaction is based on an enterprise value of €1.6 billion, which represents ~8 EBITDA of 2016 and ~7 EBITDA in the last twelve months. The expected net cash proceeds are estimated to be around €1.1 billion. Taking into account the financial liabilities of about €0.2bn to be transferred to the acquirer, the net financial position of the Group will improve by about €1.3bn.

The polyamide business planned to be divested will be reclassified to assets and liabilities held for sale and discontinued operations at the end of September. As a result of the discontinuation, the retained Latin American polyamide business will incur an impairment of close to €(100) million to be booked at the end of September. This impairment is expected to be more than compensated by the capital gain on the transaction at the closing.

The execution of definitive agreements is expected in the coming months following consultation with the relevant social bodies. Solvay and BASF aim to close the transaction in the third quarter of 2018, after customary regulatory approvals have been obtained and the formal consent of a Joint Venture partner has been received. The partner has already committed to grant its consent subject to the delivery of definitive documents with BASF.

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Ce communiqué de presse est également disponible en français. - Dit persbericht is ook in het Nederlands beschikbaar.

Solvay is a multi-specialty chemical company, committed to developing chemistry that addresses key societal challenges. Solvay innovates and partners with customers in diverse global end markets. Its products and solutions are used in planes, cars, smart and medical devices, batteries, in mineral and oil extraction, among many other applications promoting sustainability. Its lightweighting materials enhance cleaner mobility, its formulations optimize the use of resources and its performance chemicals improve air and water quality. Solvay is headquartered in Brussels with around 27,000 employees in 58 countries. Net sales were € 10.9 billion in 2016, with 90% from activities where Solvay ranks among the world's top 3 leaders. Solvay SA ([SOLB.BE](#)) is listed on Euronext Brussels and Paris (Bloomberg: [SOLB.BB](#) - Reuters: [SOLB.BR](#)) and in the United States its shares (SOLVY) are traded through a level-1 ADR program.

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