

BASF LEATHER CHEMICALS BUSINESS TO BECOME PART OF THE STAHL GROUP

Wendel SE announces today that Stahl has signed an agreement to acquire the leather chemicals assets of BASF SE, one of [redacted] ies.

The transaction will include the leather chemicals production site [redacted] in Spain in addition to mid-term and long-term supply agreements under which BASF will supply significant volumes of leather chemicals products to Stahl from its current manufacturing facilities that will not be carved-out.

This acquisition of [redacted] leather chemicals business, which posted sales of [redacted] million in 2016, will enable Stahl to benefit from the high quality and reputation of BASF [redacted] product offering. [redacted] be consolidated especially on the upstream part of the value chain of the leather chemical market, i.e. Beamhouse* and Wet-End*, while also gaining scale in Leather Finish*. Thanks to this asset-light transaction structure, Stahl will optimally leverage its R&D, golden hands and marketing & sales teams while welcoming c.210 employees from BASF, of which c.110 in Asia.

The combination of the two businesses generated pro forma¹ net sales of c. 850 million and EBITDA of more than 100 million (on a 2016 basis). Stahl also expects to generate synergies at the EBITDA level, to be deployed over(pl.102 Tc[5

and make a new step forward after our previous successes. The signing of this agreement enables us to accelerate the process of creating a more transparent sustainable supply chain as we share the same vision on reducing the environmental footprint linked to our activities. By combining our forces, we will have an even stronger product portfolio with more innovative solutions enabling us to serve our global clients even better.

Wendel is very proud of the outstanding track record of Stahl over more than 10 years under its ownership. Wendel has supported Stahl in all phases of its development: After investing million with its initial investment in 2006 and reinvestment during the 2009 crisis, Wendel has upstreamed twice as much in dividends in total) while focusing on the development of the company. After a first transforming and successful merger in 2014 with Clariant Leather Services, Stahl continues to take part in the consolidation of the global leather chemical market and acquires now a critical mass. This demonstrates the merits and validity of Wendel long term investment horizon for value creation.

Glossary:

Beamhouse: First stages of the leather production process from a raw hide. Remove unwanted components (hair) and prepare hide for tanning by soaking

Wet-End: Includes processes to convert the raw material into tanned hides by giving to the leather specific properties (e.g. color, softness or waterproofness)

Leather Finish: Enhances the leather softness, improves aesthetics, removes any unpleasant odour or create, if required, a non-slippery type surface

About Wendel