

News Release

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BASF to sell Brazilian decorative paints business to Sherwin-Williams

- **Purchase price of \$1.15 billion on a cash and debt-free basis**
- **Signing marks an important step in unlocking value through active portfolio management in line with BASF's "Winning Ways" strategy**

BASF and Sherwin-Williams have signed an agreement on the sale of the Brazilian decorative paints business, which is part of BASF's Coatings division. The purchase price on a cash and debt-free basis is \$1.15 billion. The transaction is structured as a share deal and includes the production sites in Demarchi and Jaboaão, related contracts, the Suvinil and Glasu! brands, and the around 1,000 employees. The divestiture is expected to close in the second half of 2025, subject to the approval of the relevant competition authorities.

The decorative paints business, which generated sales of approximately \$525 million in 2024, is BASF's only sizeable B2C business and has a wide portfolio of paints and paint preparation products as well as digital solutions. The business operates almost exclusively in Brazil and has limited synergies with other coatings businesses within BASF.

"The signing marks an important step in unlocking the value of our standalone businesses, and I am delighted that we have made such rapid progress in finding a new home for Suvinil," said Anup Kothari, member of the Board of Executive Directors of BASF SE and responsible for the Coatings division. "We are convinced that the decorative paints business will continue to thrive as part of Sherwin-Williams. We are deeply grateful to our employees for their hard work and

dedication, which have made Suvinil the most recognized brand for decorative paints in Brazil.”

“For more than 60 years, Suvinil has been synonymous with innovation and quality. The business is highly complementary to Sherwin-Williams in Latin America, as the Suvinil brand is well-known and highly-trusted by purchasing influencers and specifiers across the value chain. We are excited to capitalize on the strengths of both companies to further enhance value for customers,” said Heidi G. Petz, Sherwin-Williams Chair, President and Chief Executive Officer. “We have tremendous respect for the expertise and dedication of the Suvinil team, and we are excited about the opportunities that this combination will provide to customers and employees.”

BASF and Sherwin-Williams will continue to operate as strictly independent companies until the completion of the transaction. Business continuity for customers will be ensured throughout the transaction process. In accordance with legal requirements and local practice, employee representatives of the decorative paints business will be involved.

In the second quarter of 2025, BASF intends to approach the market to further explore strategic options for its remaining Coatings activities, which include automotive OEM coatings, refinish coatings and surface treatment.

About BASF

At BASF, we create chemistry for a sustainable future. We combine economic success with environmental protection and social responsibility. Around 112,000 employees in the BASF Group contribute to the success of our customers in nearly all sectors and almost every country in the world. Our portfolio comprises six segments: Chemicals, Materials, Industrial Solutions, Surface Technologies, Nutrition & Care and Agricultural Solutions. BASF generated sales of €68.9 billion in 2023. BASF shares are traded on the stock exchange in Frankfurt (BAS) and as American Depositary Receipts (BASFY) in the United States. 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.