



**Carlyle – BASF Coatings**

MN-01064

# **Phase 1 Determination**

**Acquisition may be put into effect**

18 December 2025

# 1. Determination and statement of reasons

<p><b>Notified acquisition</b></p>	<p>Pursuant to section 51ABX(5) (<i>Notifications may cover multiple acquisitions</i>) of the <i>Competition and Consumer Act 2010</i> (Cth), the ACCC was notified that:</p> <ul style="list-style-type: none"> <li>the Carlyle Group Inc., together with its controlled funds and affiliates (<b>Carlyle</b>), proposes to acquire sole control of BASF SE (the <b>Seller</b>)’s Coatings division (<b>BASF Coatings</b>), through Carlyle’s controlled entity, Bond UK Midco 4 (<b>Carlyle acquisition</b>), and</li> <li>the Seller, through its wholly-owned direct subsidiary, BASF Handels- und Exportgesellschaft mbH, (<b>BASF H&amp;E</b>) will reinvest in BASF Coatings at closing, acquiring a 40% non-controlling stake on a look-through basis (<b>BASF acquisition</b>), together, referred to as the <b>Acquisition</b>.</li> </ul>
<p><b>Determination</b></p>	<p>The Australian Competition and Consumer Commission has determined under section 51ABZE(1) of the <i>Competition and Consumer Act 2010</i> (Cth) that the Acquisition may be put into effect.</p>
<p><b>Parties to the Acquisition</b></p>	<p>The Acquirers are:</p> <ul style="list-style-type: none"> <li>Bond UK MidCo 4, a corporate entity ultimately owned by investment funds managed by Carlyle, and which is controlled by Carlyle. Carlyle is a global investment firm.</li> <li>BASF H&amp;E, a wholly owned direct subsidiary of the Seller, which is a German publicly listed chemical company.</li> </ul> <p>The target, BASF Coatings, develops, produces and markets:</p> <ul style="list-style-type: none"> <li>automotive coatings for both original equipment manufacturer (<b>OEM</b>) and refinish applications, and</li> <li>surface treatments for components used in various industries including automotive OEM and component manufacture, aerospace and construction equipment.</li> </ul> <p>BASF Coatings operates in Europe, North America, South America, Asia and Australia.</p>
<p><b>Overlap and relationship between the parties</b></p>	<p>There are no horizontal overlaps or vertical relationships between Bond UK MidCo 4 or Carlyle (including its connected entities) and BASF Coatings in Australia.</p> <p>BASF Coatings is currently owned and controlled by the Seller.</p>

<p><b>Reasons for determination</b></p>	<p>When making a determination in Phase 1, the Australian Competition and Consumer Commission (<b>ACCC</b>) undertakes a competition assessment and considers whether it is appropriate for an acquisition to be approved or subject to further assessment in Phase 2 in accordance with section 51ABZJ of the <i>Competition and Consumer Act 2010</i> (Cth) (the <b>Act</b>). In doing so, the ACCC must have regard to the object of the Act and all relevant matters, including the interests of consumers.</p> <p>For more information about the ACCC’s approach to considering notified acquisitions, see the ACCC’s <a href="#">merger assessment guidelines</a> and <a href="#">interim merger process guidelines</a>.</p> <p>In conducting its competition assessment, the ACCC has considered the information and documents that were submitted with the notification form. The Acquisition was notified to the ACCC as a single notification and the ACCC has assessed it as if it constituted a single acquisition, consistent with s 51ABX(5) of the Act.</p> <p>The ACCC has determined that the Acquisition may be put into effect as it considers that the Acquisition is unlikely to have the effect of substantially lessening competition in any market in Australia. In reaching its decision, and based on the material before it, the ACCC makes the following findings:</p> <ul style="list-style-type: none"> <li>• There are no horizontal overlaps in activities or vertical relationships between Carlyle (including its connected entities) and BASF Coatings in Australia.</li> <li>• The Seller currently owns and controls 100% of BASF Coatings. Following the Acquisition, the Seller will no longer control BASF Coatings.</li> <li>• While Carlyle has investments in some overseas industrial businesses that could be viewed as complementary with BASF Coatings, these businesses have neither operations nor a material customer base in Australia. The ACCC considers that, based on the information available, the Acquisition is not likely to lead to conglomerate competition concerns in Australia.</li> </ul>
<p><b>Applications for review</b></p>	<p>A notifying party, or other person who has been allowed to do so by the Australian Competition Tribunal, may apply for review if they are dissatisfied with the determination. Pursuant to section 100C of the Act, applications for review of the determination are to be made to the Australian Competition Tribunal before the end of 14 calendar days after this statement of reasons was included on the ACCC’s Acquisitions Register. To confirm whether there has been any application for review, please contact the Australian Competition Tribunal.</p>

**Determination made by a division of the Commission constituted by a direction issued pursuant to section 19 of the Act**