

# Nine Months / Third Quarter 2020

**29 OCTOBER 2020**

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This presentation also includes forward-looking statements. Because these forward-looking statements are subject to risks and uncertainties, actual future results may differ materially from those expressed in or implied by the statements.

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# First Nine Months & Third Quarter 2020 – Highlights

9M 2020 vs. 9M 2019, figures from continuing operations

<b>SALES</b>	<b>2 838</b>	<b>- 6 %</b>	
	in CHF m	in LC* y-o-y	
<b>EBITDA</b>	<b>419</b>	<b>+ 66 %**</b>	<b>14.8 %</b>
	in CHF m	in CHF y-o-y	margin
<b>EBITDA</b> before exceptional items	<b>446</b>	<b>- 15 %</b>	<b>15.7 %</b>
	in CHF m	in CHF y-o-y	margin

Q3 2020 vs. Q3 2019, figures from continuing operations

<b>SALES</b>	<b>893</b>	<b>- 7 %</b>	
	in CHF m	in LC* y-o-y	
<b>EBITDA</b>	<b>127</b>	<b>- 16 %</b>	<b>14.2 %</b>
	in CHF m	in CHF y-o-y	margin
<b>EBITDA</b> before exceptional items	<b>137</b>	<b>- 19 %</b>	<b>15.3 %</b>
	in CHF m	in CHF y-o-y	margin

**Profitability preserved with EBITDA margin at 14.8 % in 2020 at 2019 levels (7.7 % reported incl. CHF 231m provision) after 9 months despite 6 % LC\* sales decline in a difficult economic environment**

# Sales Development & Mix

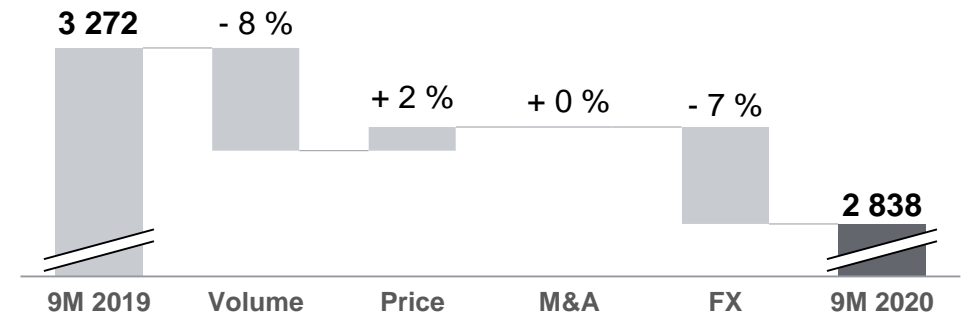
All figures continuing operations

- **9M 2020 sales declined by 6 % in LC\*** and by 13 % in Swiss francs due to unfavorable currency developments of - 7 %
- Weaker volume development in all Business Areas primarily due to continued **softer demand environment amid the COVID-19 pandemic** while price levels could be defended
- **As expected, Q3 2020 was the lowest sales quarter** in nine months **with a decline of 7 % in LC\***, resulting from **lower volume demand** despite good price management
- **Resilient sales development in Care Chemicals and Catalysis** but **softer sales in Natural Resources**

\*in local currency

## 9M 2020 SALES

in CHF m



## Q3 2020 SALES

in CHF m



# Sales Distribution by Region

All figures continuing operations

- In **9M 2020**, sales in **Asia improved** in LC\*, with **China and India reporting strong growth**; sales in **Latin America** also increased in LC\*
- Sales in **North America, Europe and the Middle East & Africa softened** due to demand declines in most Business Areas
- In **Q3 2020**, sales in **Asia rose** in LC\*, underpinned by **very strong growth in China and India**
- Sales in **Latin America decreased slightly, followed by Europe and Middle East & Africa**
- **More notable decrease in North America** ascribable to lower volumes in Natural Resources

\*in local currency

● Emerging markets  
● Mature markets

## 9M 2020 SALES CHF 2 838 m in CHF m

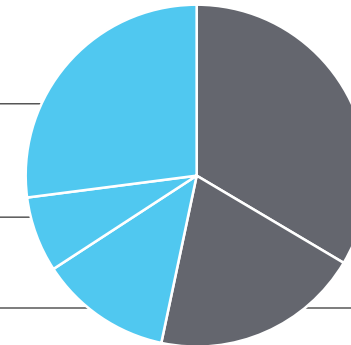
**ASIA-PACIFIC**  
804 / + 2 %\*

China 292 / + 10 %\*

**MEA**  
213 / - 5 %\*

**LATIN AMERICA**  
351 / + 7 %\*

Brazil 142 / + 6 %\*



**EUROPE**  
949 / - 12 %\*

Germany 316 / - 16 %\*

**NORTH AMERICA**  
521 / - 14 %\*

## Q3 2020 SALES CHF 893 m in CHF m

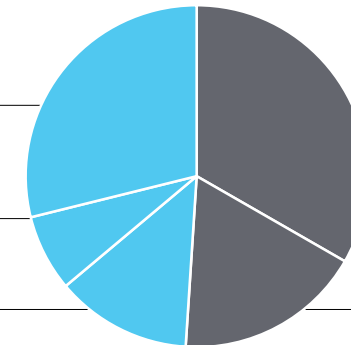
**ASIA-PACIFIC**  
278 / + 7 %\*

China 104 / + 27 %\*

**MEA**  
74 / - 12 %\*

**LATIN AMERICA**  
108 / - 2 %\*

Brazil 44 / + 1 %\*



**EUROPE**  
297 / - 9 %\*

Germany 95 / - 16 %\*

**NORTH AMERICA**  
136 / - 24 %\*

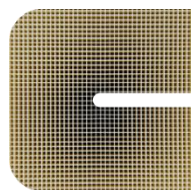


## Care Chemicals

- **9M 2020 sales decreased by 5 % in LC\*** due to **lower Industrial Applications demand amid COVID-19**, while **Consumer Care sales rose**, underpinned by Personal Care and Crop Solutions growth
- **9M 2020 EBITDA margin increased to 18.0 %** due to **stringent margin and cost management** as well as a **more attractive product mix** with a higher proportion of growth from Consumer Care
- **Q3 2020 Care Chemicals sales declined only 1 % in LC\*** as a result of **growth in Consumer Care**, albeit softer than in Q2, and **sequentially improved Industrial Applications sales**
- **Q3 2020 EBITDA margin rose to 21.8 %** due to **performance measures** and more **favorable product mix**

	9M 2020	9M 2019	% CHF	% LC*
<b>Sales</b> <i>in CHF m</i>	1 064	1 212	- 12 %	- 5 %
<b>EBITDA</b> <i>in CHF m</i>	192	212	- 9 %	
<b>EBITDA margin</b>	18.0 %	17.5 %		
EBITDA b.e.i.** <i>in CHF m</i>	196	215	- 9 %	
<b>EBITDA b.e.i.** margin</b>	18.4 %	17.7 %		

	Q3 2020	Q3 2019	% CHF	% LC*
<b>Sales</b> <i>in CHF m</i>	330	362	- 9 %	- 1 %
<b>EBITDA</b> <i>in CHF m</i>	72	62	16 %	
<b>EBITDA margin</b>	21.8 %	17.1 %		
EBITDA b.e.i.** <i>in CHF m</i>	63	61	3 %	
<b>EBITDA b.e.i.** margin</b>	19.1 %	16.9 %		

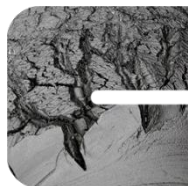


# Catalysis

- **9M 2020 sales declined by 3 % in LC\*** against a **strong comparison base**; Petrochemicals sales development outpaced Syngas and Specialty Catalysts
- **9M 2020 EBITDA margin weakened to 18.4 %** due to the **efficiency program provision, lower volumes** and a **less favorable product mix** in Q1 2020; underlying EBITDA margin was closer to previous year levels
- **Q3 2020 sales softened only 1 % in LC\*** compared to a particularly strong previous year
- **Q3 2020 EBITDA margin increased to 20.3 %** due to **cost mitigation and efficiency improvement**

	9M 2020	9M 2019	% CHF	% LC*
<b>Sales</b> <i>in CHF m</i>	599	659	- 9 %	- 3 %
<b>EBITDA</b> <i>in CHF m</i>	110	128	- 14 %	
<b>EBITDA margin</b>	18.4 %	19.4 %		
EBITDA b.e.i.** <i>in CHF m</i>	118	133	- 11 %	
<b>EBITDA b.e.i.** margin</b>	19.7 %	20.2 %		

	Q3 2020	Q3 2019	% CHF	% LC*
<b>Sales</b> <i>in CHF m</i>	207	227	- 9 %	- 1 %
<b>EBITDA</b> <i>in CHF m</i>	42	44	- 5 %	
<b>EBITDA margin</b>	20.3 %	19.4 %		
EBITDA b.e.i.** <i>in CHF m</i>	43	45	- 4 %	
<b>EBITDA b.e.i.** margin</b>	20.8 %	19.8 %		



## Natural Resources

- **9M 2020 sales decreased by 8 % in LC\***
- **Sales in Oil and Mining Services (OMS) hampered** by lower oil production due to weakened demand. **Oil Services sales decreased** with stable, but weakening, Mining Solutions sales
- **Functional Minerals sales declined** due to the **weak Foundry** business, while **Additives sales decreased** due to the **weak fibers, coatings and automotive sectors**
- **9M 2020 EBITDA margin decreased to 13.6 %**  
Excluding the efficiency program provision in Q2 2020, the **underlying EBITDA margin remained largely unchanged due to stringent cost management in all Business Units**
- **Q3 2020 sales declined 14 % in LC\*** due to **continued feeble demand** in all three Business Units amid COVID-19 – esp. in oil, which was amplified by hurricanes in the Gulf of Mexico
- **Q3 2020 EBITDA margin fell to 12.4 %** due to **lower volumes** resulting from the **weaker demand, esp. in oil**

	9M 2020	9M 2019	% CHF	% LC*
<b>Sales</b> <i>in CHF m</i>	1 175	1 401	- 16 %	- 8 %
<b>EBITDA</b> <i>in CHF m</i>	160	219	- 27 %	
<b>EBITDA margin</b>	13.6 %	15.6 %		
EBITDA b.e.i.** <i>in CHF m</i>	183	221	- 17 %	
<b>EBITDA b.e.i.** margin</b>	15.6 %	15.8 %		

	Q3 2020	Q3 2019	% CHF	% LC*
<b>Sales</b> <i>in CHF m</i>	356	454	- 22 %	- 14 %
<b>EBITDA</b> <i>in CHF m</i>	44	71	- 38 %	
<b>EBITDA margin</b>	12.4 %	15.6 %		
EBITDA b.e.i.** <i>in CHF m</i>	45	72	- 38 %	
<b>EBITDA b.e.i.** margin</b>	12.6 %	15.9 %		

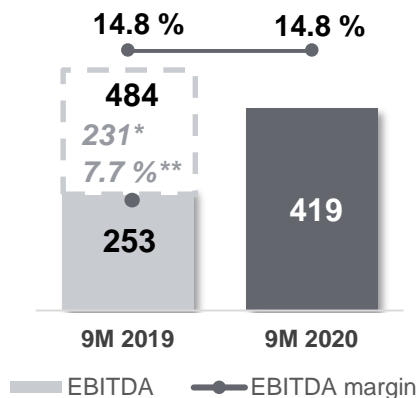


# Nine Months 2020 – EBITDA Development

All figures continuing operations

## 9M EBITDA / margin

in CHF m / in % of sales



## 9M EBITDA by Business Area

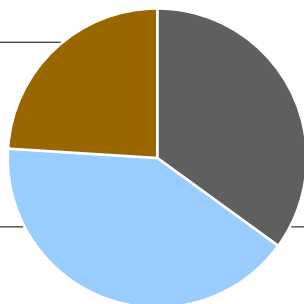
in % of total Business Areas

CATALYSIS

24 %

CARE CHEMICALS

41 %



NATURAL RESOURCES

35 %

- **9M 2020 EBITDA declined to CHF 419 m** compared to an EBITDA of CHF 484 m in 9M 2019 (excluding the one-off CHF 231 m provision booked in the second quarter of 2019) due to volume reduction and currency effects
- The corresponding **EBITDA margin of 14.8 % was successfully defended** versus 14.8 % in 2019 (7.7 % reported) **despite the negative COVID-19 pandemic-related impact, on the back of the stringent execution of performance measures**

\*CHF 231 million provision for a competition law investigation by the European Commission

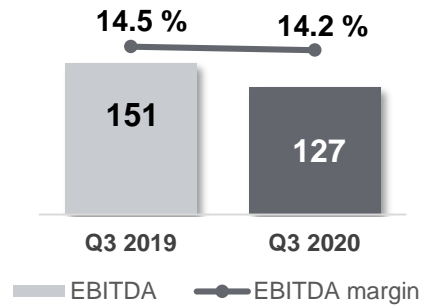
\*\*including the above-mentioned provision of CHF 231 million

# Third Quarter 2020 – EBITDA Development

All figures continuing operations

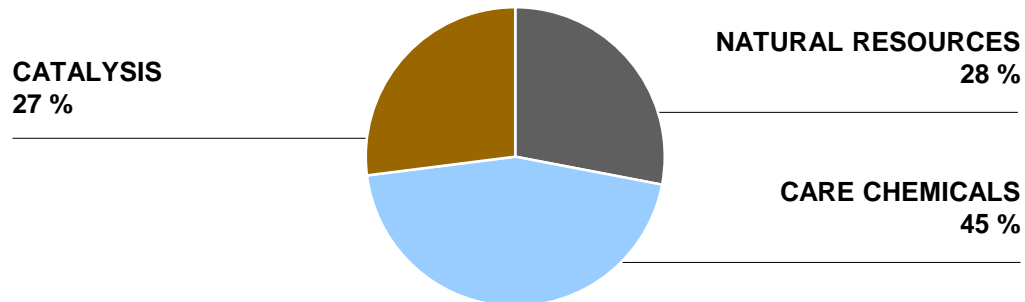
## Q3 EBITDA / margin

in CHF m / in % of sales



## Q3 EBITDA by Business Area

in % of total Business Areas



- **Q3 2020 EBITDA declined to CHF 127 m** from CHF 151 m in Q3 2019
- The corresponding **EBITDA margin declined to 14.2 % from 14.5 %**
- **Profitability advanced in both Care Chemicals and Catalysis** due to more favorable product mixes
- **Natural Resources margin reduction attributable to lower volumes** amid COVID-19 and in particular the oversupply in the oil market

# Outlook

# Continued, but slightly less negative COVID-19 impact in Q4 while performance measures and the transformation program are progressed



- **Sales declined by 6 % in LC\* in 9M 2020** impacted by the **weaker demand environment as a result of the COVID-19 pandemic, decline in oil demand** and a weak winter
- **EBITDA margin preserved at 14.8 % in 9M 2020 at 2019 level (7.7 % reported\*\*)** due to the **specialty character of the portfolio** and continued **stringent cost and margin management**
- **Measures to minimize COVID-19 impact are fully in place** as the Group continues to ensure the safety of our people and business continuity to our customers while executing cash and cost programs



- **Clariant anticipates a continued, but slightly less negative impact on sales and profitability from the COVID-19 pandemic in Q4 2020 versus Q3 2020**
- **Clariant continues to maintain stringent cost and cash management measures** in addition to the resumption of its **efficiency program** leading to a cost-base reduction in excess of CHF 50 m – this will demonstrate resilience in 2021 and will underpin Clariant's progress to its mid-term targets
- **Clariant continues its transformation program** with the successful completion of the sale of Masterbatches in July 2020, by relaunching the Pigments divestment process and preparing the rightsizing of the organization

# Back-up Slides

# A More Focused, High Value Specialty Portfolio

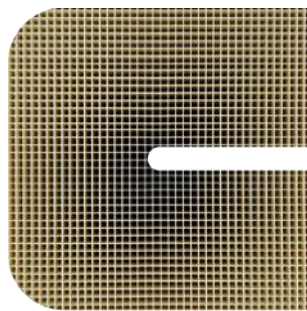
## Continuing Operations:



<b>Sales growth expectation p.a.</b>	<b>5 - 7 %</b>
<b>EBITDA margin ambition</b>	<b>19 - 21 %</b>

### CARE CHEMICALS

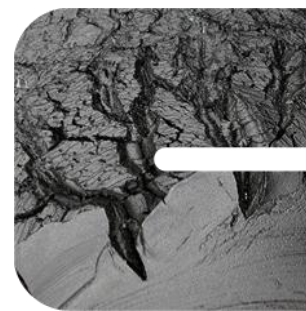
BA Care Chemicals comprises the BU Industrial & Consumer Specialties (ICS), which includes Consumer Care, Industrial Applications, Base Products, Food Ingredients and Encapsulation Technologies. These businesses demonstrate a clear focus on highly attractive, high-margin, and low-cyclicality segments. The BA follows a lifestyle-driven megatrend and strengthens Clariant's position as a supplier of green and sustainable products.



<b>Sales growth expectation p.a.</b>	<b>6 - 9 %</b>
<b>EBITDA margin ambition</b>	<b>26 - 30 %</b>

### CATALYSIS

BA Catalysis comprises the BU Catalysts and the Business Line Biofuels & Derivatives. It develops, manufactures, and sells a wide range of catalyst products for the chemical and fuel industries, which contribute significantly to value creation in our customers' operations, ensuring that finite raw materials and energy are used efficiently. In addition, Catalysis is at the forefront of new market developments such as the commercialization and licensing of cellulosic ethanol technology.



<b>Sales growth expectation p.a.</b>	<b>5 - 7 %</b>
<b>EBITDA margin ambition</b>	<b>18 - 20 %</b>

### NATURAL RESOURCES

BA Natural Resources comprises the BUs Oil and Mining Services, Functional Minerals and since July 2019, also Additives. It is characterized by high growth and low cyclicality as well as a strong megatrend orientation. Main drivers are the rising demand for high value-added specialty chemicals used in the oil, mining, food and packaging industries and the increased consumption of oil, gas and base metals, driven by the fast-growing economies. Additives provides highly customized products, technologies and applications mainly for the plastic and polymer as well as the electronics industries.



## Discontinued Operations (Masterbatches and Pigments)

- In **9M 2020**, sales decreased by **25 % in LC\*** and 31 % in Swiss francs
- **On a like-for-like basis** (excl. Healthcare Packaging in 9M 2019 and Masterbatches in Q3 2019), **9M 2020 sales weakened by 4 % in LC\***
- In **9M 2020**, the **EBITDA was positively impacted by the gain on the disposal of the Masterbatches business in Q3 2020**
- In **Q3 2020**, Clariant successfully **completed the sale of Masterbatches** and **shared its success** with shareholders **via the distribution of an extraordinary dividend**

	9M 2020	9M 2019	% CHF	% LC*
<b>Sales</b> <i>in CHF m</i>	1 130	1 637	- 31 %	- 25 %
<b>EBITDA</b> <i>in CHF m</i>	829	115	<i>n.m.</i>	
<b>EBITDA margin</b>	<i>n.m.</i>	7.0 %		
EBITDA b.e.i.** <i>in CHF m</i>	128	176	- 27 %	
<b>EBITDA b.e.i.** margin</b>	11.3 %	10.8 %		

	Q3 2020	Q3 2019	% CHF	% LC*
<b>Sales</b> <i>in CHF m</i>	189	528	<i>n.m.</i>	<i>n.m.</i>
<b>EBITDA</b> <i>in CHF m</i>	762	24	<i>n.m.</i>	
<b>EBITDA margin</b>	<i>n.m.</i>	4.5 %		
EBITDA b.e.i.** <i>in CHF m</i>	11	59	<i>n.m.</i>	
<b>EBITDA b.e.i.** margin</b>	5.8 %	11.2 %		

On 1 July 2020, Clariant completed the sale of its entire Masterbatches business

# Nine Months 2020 – Sales and EBITDA by Business Area

Nine Months 2020	Sales to 3rd parties			EBITDA			
	<i>in CHF m</i>	2020	2019	% LC*	2020***	2019	% CHF
<b>Care Chemicals</b>		<b>1 064</b>	<b>1 212</b>	- 5 %	<b>192</b>	<b>212</b>	- 9 %
<i>margin</i>					18.0 %	17.5 %	
<b>Catalysis</b>		<b>599</b>	<b>659</b>	- 3 %	<b>110</b>	<b>128</b>	- 14 %
<i>margin</i>					18.4 %	19.4 %	
<b>Natural Resources</b>		<b>1 175</b>	<b>1 401</b>	- 8 %	<b>160</b>	<b>219</b>	- 27 %
<i>margin</i>					13.6 %	15.6 %	
<b>Business Areas Total</b>		<b>2 838</b>	<b>3 272</b>	- 6 %	<b>462</b>	<b>559</b>	
Corporate		–	–		- 43	- 75	
<b>Total Continuing Operations</b>		<b>2 838</b>	<b>3 272</b>	- 6 %	<b>419</b>	<b>484</b>	- 13 %
<i>margin</i>					<b>14.8 %</b>	<b>14.8 %</b>	
Provision**						- 231	
<b>Total Continuing</b>		<b>2 838</b>	<b>3 272</b>		<b>419</b>	<b>253</b>	66 %
<i>margin</i>					<b>14.8 %</b>	<b>7.7 %</b>	
Discontinued		<b>1 130</b>	<b>1 637</b>	- 25 %	<b>829</b>	<b>115</b>	<i>n.m.</i>
<b>Total Group</b>		<b>3 968</b>	<b>4 909</b>	- 12 %	<b>1 248</b>	<b>368</b>	<i>n.m.</i>

\*in local currency \*\*CHF 231 million provision for a competition law investigation by the European Commission (EC) \*\*\*2020 EBITDA figures include a total of CHF 55 million reversal for a competition law investigation by the EC (in Corporate) and CHF 58 million provision for the efficiency program (CHF 13 million to Care Chemicals, CHF 5 million to Catalysis, CHF 21 million to Natural Resources and CHF 19 million to Corporate) in the second quarter



# Full Year 2019 – Sales and EBITDA by Business Area

Full Year 2019	Sales to 3rd parties			EBITDA			
	<i>in CHF m</i>	2019	2018	% LC*	2019	2018	% CHF
<b>Care Chemicals</b>		<b>1 600</b>	<b>1 665</b>	- 1 %	<b>282</b>	<b>314</b>	- 10 %
<i>margin</i>					17.6 %	18.9 %	
<b>Catalysis</b>		<b>925</b>	<b>861</b>	+ 9 %	<b>212</b>	<b>185</b>	+ 15 %
<i>margin</i>					22.9 %	21.5 %	
<b>Natural Resources</b>		<b>1 874</b>	<b>1 878</b>	+ 4 %	<b>305</b>	<b>271</b>	+ 13 %
<i>margin</i>					16.3 %	14.4 %	
<b>Business Areas Total</b>		<b>4 399</b>	<b>4 404</b>	+ 3 %	<b>799</b>	<b>770</b>	
Corporate		–	–		- 107	- 163	
<b>Total Continuing Operations</b>					<b>692</b>	<b>607</b>	+ 14 %
<i>margin</i>					15.7 %	13.8 %	
Provision**					- 231		
<b>Total Continuing</b>		<b>4 399</b>	<b>4 404</b>	+ 3 %	<b>461</b>	<b>607</b>	- 24 %
<i>margin</i>					10.5 %	13.8 %	
Discontinued		<b>2 127</b>	<b>2 219</b>	- 2 %	<b>158</b>	<b>264</b>	- 40 %
<b>Total Group</b>		<b>6 526</b>	<b>6 623</b>	+ 1 %	<b>619</b>	<b>871</b>	- 29 %

\*in local currency \*\*CHF 231 million provision for a competition law investigation by the European Commission

# Update on COVID-19 mitigation measures

- **Safety of our employees** – resurgence of COVID-19 triggered Clariant's GEM organization to return to stricter rules on social distancing, home office arrangements and travel bans similar to the Q2 2020 lockdown phase
- **Support to our communities and stakeholders** – distribution of face masks to all employees; production of disinfectants in Gendorf, Germany
- **Business continuity to our customers** – only minimal disruption caused by temporary production site closures while maintaining a close collaboration with customers and key suppliers
- **Performance improvement** – ongoing centrally run programs to optimize cash and reduce cost
  - Working capital optimization, especially inventory and close credit control
  - Spend avoidance, travel reduction and operational flexibilization
  - Capex reduction of non-strategic and non-safety-related projects

**Resumption of efficiency program** – reduction of approx. 600 positions for approx. CHF 50 m savings in continuing operations over the next two years – and the preparation of a rightsizing program

**Based on a strong balance sheet and financial flexibility**

# Calendar of Upcoming Corporate Events

11 February 2021

Full Year 2020 Reporting

07 April 2021

Annual General Meeting

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