

**First Quarter 2020**  
**30 APRIL 2020**

**CLARIANT** 

what is precious to you?

# Disclaimer

This presentation contains certain statements that are neither reported financial results nor other historical information. 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. Many of these risks and uncertainties relate to factors that are beyond Clariant's ability to control or estimate precisely, such as future market conditions, currency fluctuations, the behavior of other market participants, the actions of governmental regulators and other risk factors such as: the timing and strength of new product offerings; pricing strategies of competitors; the Company's ability to continue to receive adequate products from its vendors on acceptable terms, or at all, and to continue to obtain sufficient financing to meet its liquidity needs; and changes in the political, social and regulatory framework in which the Company operates or in economic or technological trends or conditions, including currency fluctuations, inflation and consumer confidence, on a global, regional or national basis.

Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this document. Clariant does not undertake any obligation to publicly release any revisions to these forward-looking statements to reflect events or circumstances after the date of these materials.

# First Quarter 2020 – Highlights

Q1 2020 vs. Q1 2019, all figures continuing operations

## SALES

**1 019 - 6 %**

in CHF m

in LC\* y-o-y

## EBITDA

**157 - 14 % 15.4 %**

in CHF m

in CHF y-o-y

margin

## EBITDA

before exceptional items

**163 - 16 % 16.0 %**

in CHF m

in CHF y-o-y

margin

- **Sales** from continuing operations decreased by 6 % in local currency **in a difficult environment**
- **Resilient EBITDA margin at 15.4 %** (vs. 15.7 %) reached an EBITDA of CHF 157 million
- Measures to mitigate the impact of the **COVID-19 pandemic in place**, based on a strong balance sheet and liquidity position

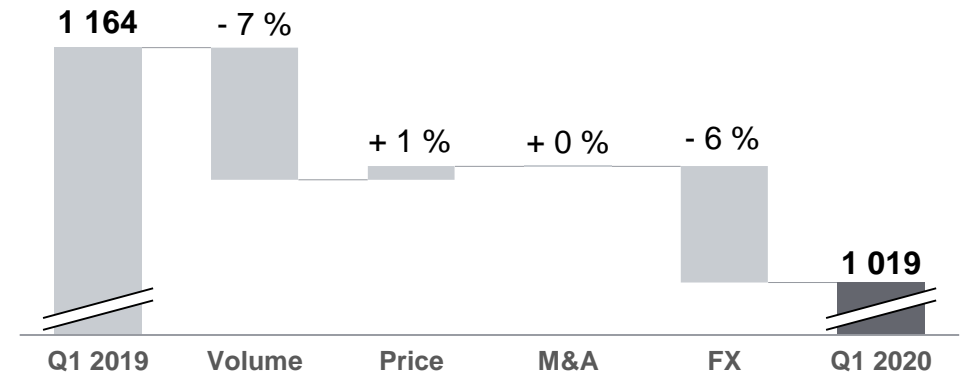
# Sales Development & Mix

*All figures continuing operations*

- **Q1 2020** sales down by 6 % in local currency, versus a high comparison base
- Weaker global demand environment amid **COVID-19 impact**
- **Growth in Natural Resources** while **Care Chemicals** was hampered by **weak Aviation** conditions and **Catalysis** was **weighed down by timing of sales**
- Sales growth in Swiss francs negatively impacted by -6 % due to **unfavorable FX developments**

## Q1 2020 SALES

in CHF m



# Sales Distribution by Region

*All figures continuing operations*

- In **Q1 2020**, sales development in **Asia was robust** despite impact from **COVID-19 pandemic in China**
- Sales in **Latin America** and **Middle East & Africa** grew strongly in LC\*
- **North America** decreased in single digits
- Sales in **Europe fell strongly**, impacted by the significantly softer Aviation business; Germany, the most important country in the region, was significantly impacted by the weak demand environment

**Q1 2020 SALES CHF 1 019 m**  
in CHF m

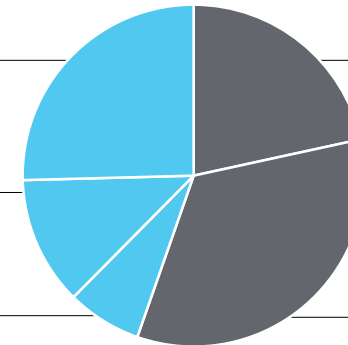
**ASIA-PACIFIC**  
259 / - 1 %\*  
China 75 / - 13 %\*

**LATIN AMERICA**  
124 / + 10 %\*  
Brazil 49 / + 2 %\*

**MEA**  
72 / + 10 %\*

**NORTH AMERICA**  
220 / - 5 %\*

**EUROPE**  
344 / - 17 %\*  
Germany 115 / - 21 %\*



● Emerging markets  
● Mature markets

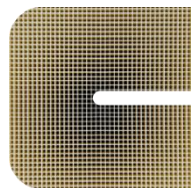
\*in local currency



## Care Chemicals

- **Q1 2020 sales decreased by 14 % in LC\*** versus the strong results generated in Q1 2019
- Consumer Care sales declined in a low single-digit range, though they were bolstered by an **expansion in Personal Care**
- Industrial Applications reported notably weaker sales, primarily due to the **significantly softer Aviation business**, which was driven by the particularly mild winter and the reduced air traffic
- **Q1 2020 EBITDA margin declined to 17.8 %** due to the weak Aviation business in Europe as well as in North America. The lower volumes also had a negative impact on the cost coverage

	Q1 2020	Q1 2019	% CHF	% LC*
<b>Sales in CHF m</b>	387	480	- 19 %	- 14 %
<b>EBITDA in CHF m</b>	69	94	- 27 %	
<b>EBITDA margin</b>	17.8 %	19.6 %		
EBITDA b.e.i.** in CHF m	70	94	- 26 %	
<b>EBITDA b.e.i.** margin</b>	18.1 %	19.6 %		

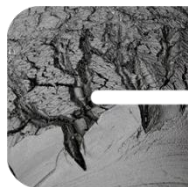


## Catalysis

- **Q1 2020 sales decreased by 6 % in LC\*** against a very strong Q1 2019
- This development is partially attributable to the previously communicated **forward sales shifts** from Q1 2020 into Q4 2019
- As anticipated, **Syngas sales were significantly lower** due to the large amount of project business in Q1 2019
- Sales development benefited from **increased demand in Asia, North America** as well as Latin America
- **Q1 2020 EBITDA margin decreased to 13.2 %** as a result of the lower sales volumes and an unfavorable product mix effect

	Q1 2020	Q1 2019	% CHF	% LC*
<b>Sales</b> <i>in CHF m</i>	182	203	- 10 %	- 6 %
<b>EBITDA</b> <i>in CHF m</i>	24	44	- 45 %	
<b>EBITDA margin</b>	13.2 %	21.7 %		
EBITDA b.e.i.** <i>in CHF m</i>	25	44	- 43 %	
<b>EBITDA b.e.i.** margin</b>	13.7 %	21.7 %		





## Natural Resources

- **Q1 2020 sales increased by 2 %** in LC\*
- **Oil and Mining Services delivered double-digit sales expansion** in LC\*, with higher sales in all regions
- **Functional Minerals sales declined** slightly due to the weakness in Foundry, primarily attributable to the European automobile industry shutdown
- **Additives sales decreased** at a high single-digit rate in LC\* due to softer demand in electrical and electronics sectors as well as the stunted automotive market
- **Q1 2020 EBITDA margin increased to 19.1 %** as OMS grew sales in value-added applications while Functional Minerals and Additives successfully defended their margins despite weaker top-line developments

	Q1 2020	Q1 2019 <sup>1</sup>	% CHF	% LC*
<b>Sales</b> <i>in CHF m</i>	450	481	- 6 %	+ 2 %
<b>EBITDA</b> <i>in CHF m</i>	86	75	+ 15 %	
<b>EBITDA margin</b>	19.1 %	15.6 %		
EBITDA b.e.i.** <i>in CHF m</i>	86	76	+ 13 %	
<b>EBITDA b.e.i.** margin</b>	19.1 %	15.8 %		

<sup>1</sup>restated to include Additives

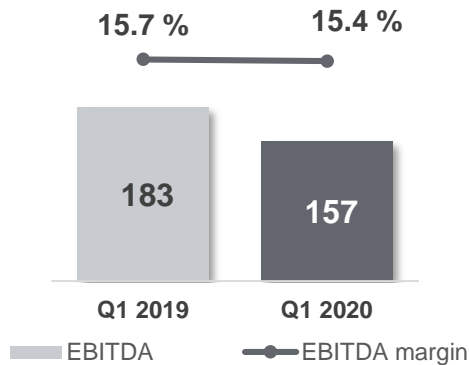


# First Quarter 2020 – EBITDA Development

All figures continuing operations

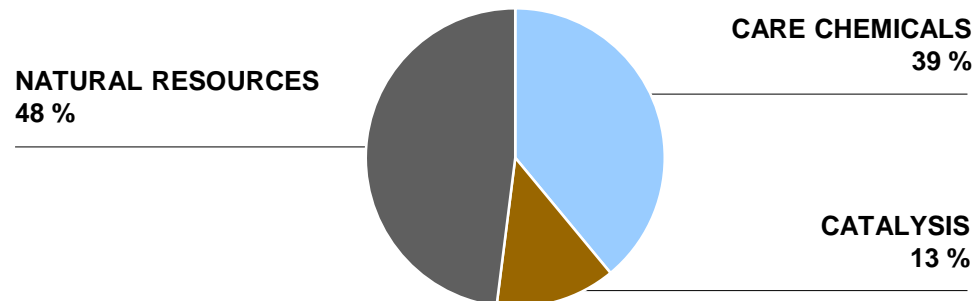
## Q1 EBITDA / margin

in CHF m / in % of sales



## Q1 EBITDA by Business Area

in % of total Business Areas



- The **EBITDA margin remained robust at 15.4 %** (versus 15.7 %)
- Q1 2020 **absolute EBITDA decreased by 14 %** to CHF 157 m
- This development was mainly the result of the sales evolution in Q1 2020, the **weak Aviation business in Care Chemicals** and a **softer profitability in Catalysis** due to lower sales as well as **currency effects**
- The margin resiliency is a reflection of the **rapid and efficient implementation of cost control measures**

# Outlook

# Clariant focuses on mitigating COVID-19 pandemic impact while generating resilient performance and continuing transformation



- **Sales declined by 6 % in LC\* in Q1 2020 in a particularly turbulent environment**
- **Continuing operations EBITDA nevertheless remained resilient at 15.4 % (vs. 15.7 % in Q1 2019)**
- **To mitigate the impact of the COVID-19 pandemic, Clariant has swiftly installed crisis task forces**



- **2020 results** will be impacted by COVID-19 pandemic; **focus** will therefore be **on impact mitigation and cash generation**
- Clariant anticipates the **negative impact on sales and profitability from the COVID-19 pandemic** to more strongly affect Q2 2020
- Clariant **crisis management focuses on employee safety, community support, assuring business continuity and cash generation**
- Clariant prepares for different scenarios to **generate resilient performance and continue its transformation program**

# Back-up Slides



# A More Focused, High Value Specialty Portfolio

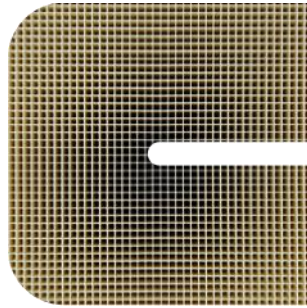
## Continuing Operations:



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

### CARE CHEMICALS

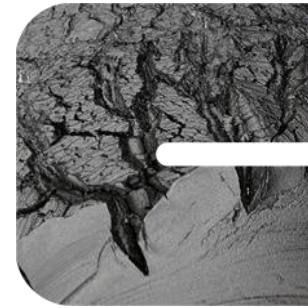
BA Care Chemicals comprises the BU Industrial & Consumer Specialties (ICS), which includes Consumer Care, Industrial Applications, Base Products, Food Ingredients and Encapsulation Technologies. New business development encompasses Electronic Materials and Additive Manufacturing/3D Printing. All these 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 in 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)

- **Q1 2020** sales decreased by 6 % in LC\* and 12 % Swiss francs, but like-for-like (excl. Healthcare Packaging in Q1 2019) organic Q1 2020 **sales remained unchanged in LC\*** despite the weak economic environment
- **Q1 2020 EBITDA decreased** in absolute value due in part to the divestment of the Healthcare Packaging business and one-off costs for the efficiency program in Pigments as well as for the carve-out of the discontinued operations
- The **underlying performance (b.e.i.) increased** for both businesses as a consequence of good margins and effective cost management

	Q1 2020	Q1 2019 <sup>1</sup>	% CHF	% LC*
<b>Sales</b> in CHF m	485	551	- 12 %	- 6 %
<b>EBITDA</b> in CHF m	34	53	- 36 %	
<b>EBITDA margin</b>	7.0 %	9.6 %		
EBITDA b.e.i.** in CHF m	69	61	+ 13 %	
<b>EBITDA b.e.i.** margin</b>	14.2 %	11.1 %		

<sup>1</sup>restated for discontinued operations

# First Quarter 2020 – Sales and EBITDA by Business Area

First Quarter	Sales to 3rd parties			EBITDA			
	<i>in CHF m</i>	2020	2019*	% LC**	2020	2019*	% CHF
<b>Care Chemicals</b>		<b>387</b>	<b>480</b>	- 14 %	<b>69</b>	<b>94</b>	- 27 %
<i>margin</i>					17.8 %	19.6 %	
<b>Catalysis</b>		<b>182</b>	<b>203</b>	- 6 %	<b>24</b>	<b>44</b>	- 45 %
<i>margin</i>					13.2 %	21.7 %	
<b>Natural Resources</b>		<b>450</b>	<b>481</b>	+ 2 %	<b>86</b>	<b>75</b>	+ 15 %
<i>margin</i>					19.1 %	15.6 %	
<b>Business Areas Total</b>		<b>1 019</b>	<b>1 164</b>	- 6 %	<b>179</b>	<b>213</b>	
Corporate		–	–		- 22	- 30	
<b>Total Continuing Operations</b>		<b>1 019</b>	<b>1 164</b>	- 6 %	<b>157</b>	<b>183</b>	- 14 %
<i>margin</i>					<b>15.4 %</b>	<b>15.7 %</b>	
Discontinued		<b>485</b>	<b>551</b>	- 6 %	<b>34</b>	<b>53</b>	- 36 %
<b>Total Group</b>		<b>1 504</b>	<b>1 715</b>	- 6 %	<b>191</b>	<b>236</b>	- 19 %

\* restated figures \*\*in local currency

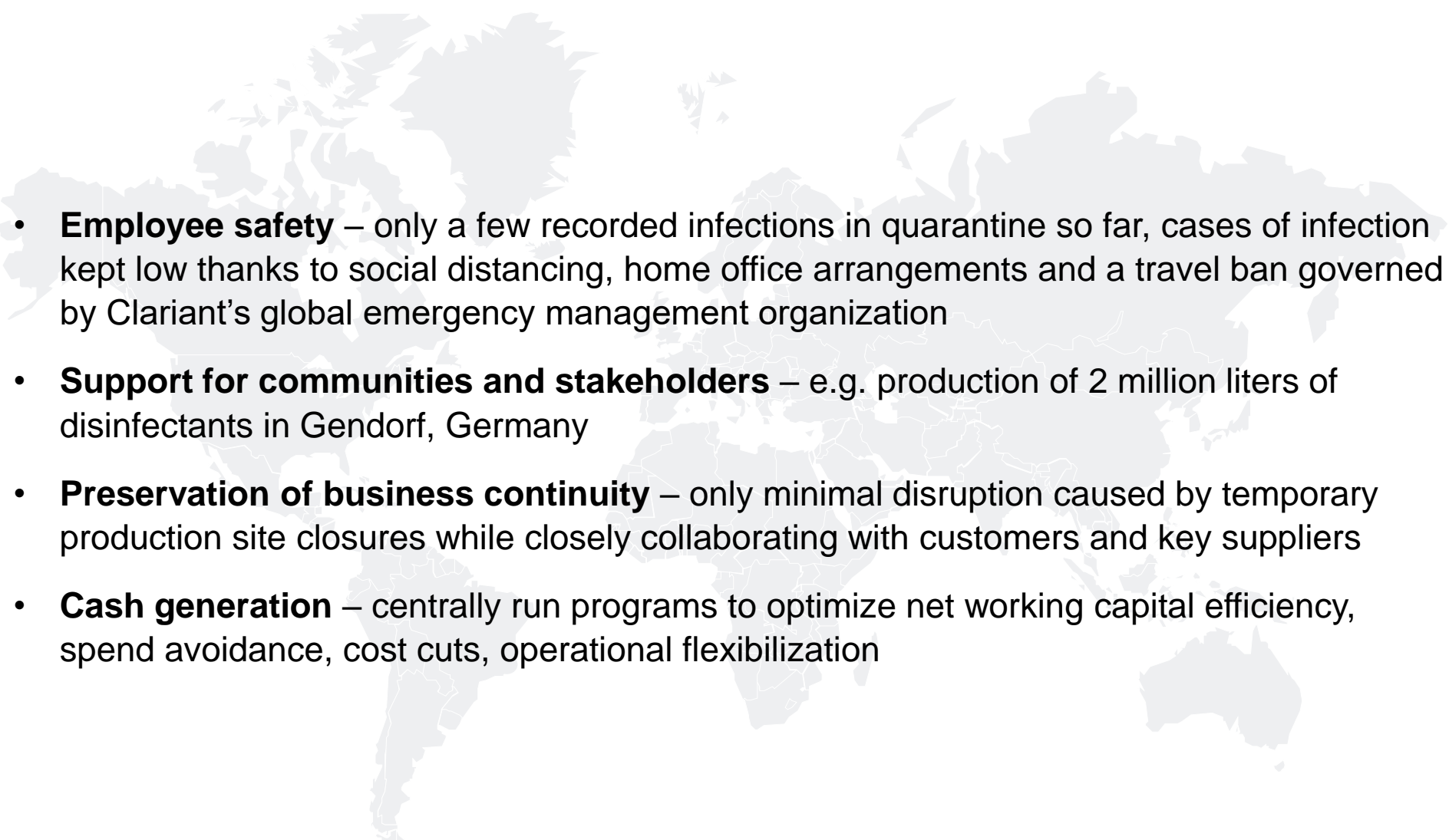


# Full Year 2019 – Sales and EBITDA by Business Area

Full Year	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 an ongoing competition law investigation by the European Commission

# Update on COVID-19 mitigation measures

- 
- **Employee safety** – only a few recorded infections in quarantine so far, cases of infection kept low thanks to social distancing, home office arrangements and a travel ban governed by Clariant’s global emergency management organization
  - **Support for communities and stakeholders** – e.g. production of 2 million liters of disinfectants in Gendorf, Germany
  - **Preservation of business continuity** – only minimal disruption caused by temporary production site closures while closely collaborating with customers and key suppliers
  - **Cash generation** – centrally run programs to optimize net working capital efficiency, spend avoidance, cost cuts, operational flexibilization

# Calendar of Upcoming Corporate Events

30 July 2020

First Half 2020 Reporting

29 October 2020

Nine Months 2020 Reporting

11 February 2021

Full Year 2020 Reporting

# IR Contacts

**Maria Ivek**

Senior Investor Relations Officer

Phone: +41 61 469 63 73

Email: [investor-relations@clariant.com](mailto:investor-relations@clariant.com)

**Alexander Kamb**

Investor Relations Officer

# Our iPad App



Download it here:

iPad App: [www.clariant.com/IRapp](http://www.clariant.com/IRapp)

