

Performance, Growth and Innovation

CLARIANT PRESENTATION 2019



Public

Clariant Presentation
25.07.2019

what is precious to you?

Table of Contents

- Clariant at a Glance
- A Culture Based on Values
- A Clearly Defined Corporate Strategy
- Specific Targets for the Future
- Executive Committee

Clariant at a Glance

Clariant History



1995

Clariant Swiss parent company created in a spin-off and subsequent IPO of the Sandoz Chemicals Division

1997

Acquisition of **Hoechst AG** specialty chemicals business

2000

Acquisition of **British BTP**

2001 – 2007

Divestment of several bigger businesses due to financial difficulties resulting from BTP acquisition

2006

Acquisition of **Ciba Masterbatches**
Divestment of **Pharmaceutical Fine Chemicals**

2008

Change in **management**

2009

Launch of **Clariant Excellence**

2009 – 2010

Restructuring phase

2011

Acquisition of **Süd-Chemie**
Roll-out of new Clariant **Corporate Values**

CLARIANT

2012

Clariant rebranding
Introduction of new corporate mission and vision

2013

Opening **Clariant Innovation Center** in Frankfurt, Germany

2013 – 2014

Divestment of 5 businesses

2014

Sustainability becomes strategic pillar

2015

Establishment of **Global Business Services**
Clariant celebrates **its 20th birthday**

2016

Acquisition of **Kel-Tech** and **X-Chem** in the U.S.

2017

Announcement of planned **merger with Huntsman**
White Tale Holdings steps in
Termination of merger
Strategy update started

2018

SABIC becomes Clariant's biggest shareholder by acquiring the stake of White Tale

Clariant and **SABIC** sign memorandum of understanding and governance agreement

Change in **management**

1995

2000

2006

2011

2012

2015

2017

2018

Clariant at a Glance – A Globally Leading Company in Specialty Chemicals

4 404

Sales 2018 (CHF m)
from continuing operations

605

EBITDA 2018 (CHF m)
after exceptionals from
continuing operations

3

Business Areas

17 901

Employees 2018
(including discontinued operations)

356

Net result 2018 (CHF m)
(including discontinued
operations)

13.7%

EBITDA margin 2018
after exceptionals from
continuing operations

154

companies
(including discontinued operations)

in

53

countries

Clariant at a Glance

SALES PER REGION IN CHF m, TOTAL 2018: 4 404 (continuing operations)

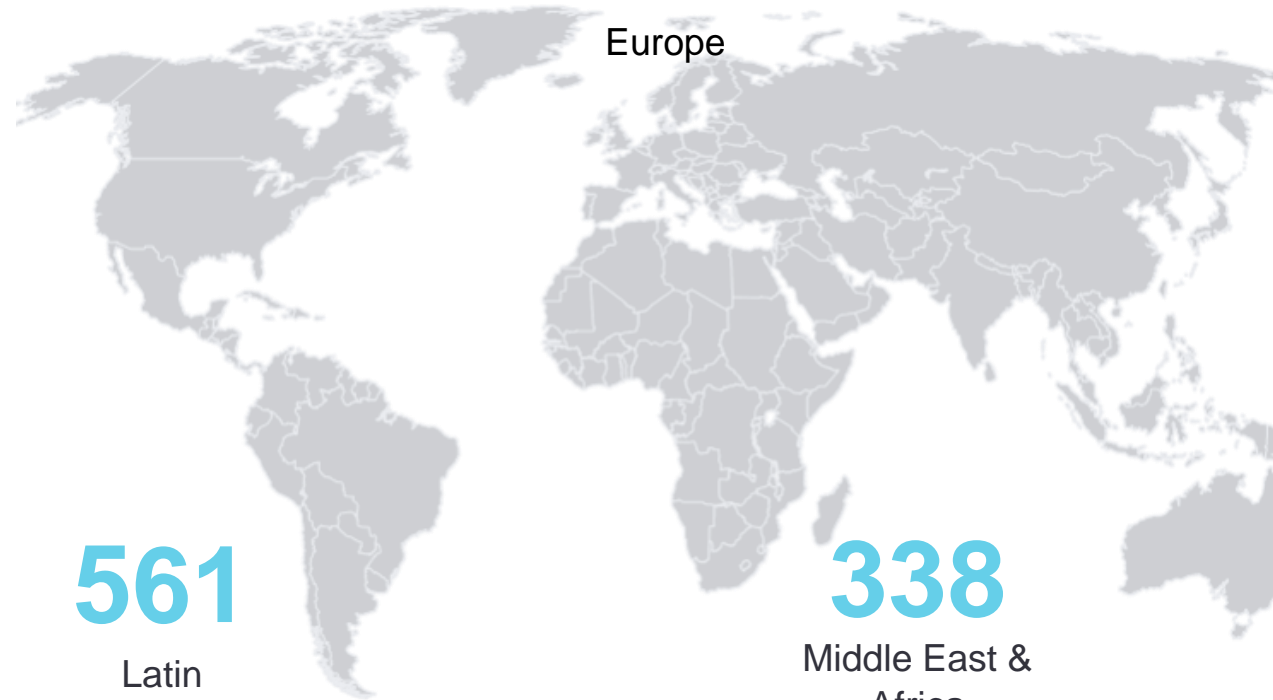
890
North
America

1 535
Europe

1 080
Asia-Pacific

561
Latin
America

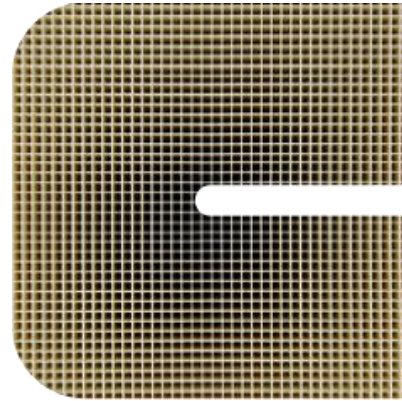
338
Middle East &
Africa



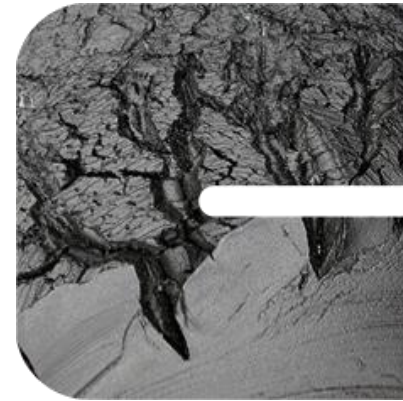
Three Business Areas – the Right Portfolio for Future Growth



CARE CHEMICALS



CATALYSIS



NATURAL RESOURCES

Business Area Care Chemicals

BUSINESS UNITS AND SEGMENTS

- **Industrial & Consumer Specialties:** Consumer Care, Industrial Applications, Base Products, Food Ingredients, Encapsulation Technologies
- **New Business Development:** Electronic Materials, Additive Manufacturing/3D Printing

KEY FINANCIAL FIGURES 2018

1 665

Sales in million CHF

18.9%

EBITDA margin
after exceptionals

Business Area Catalysis

BUSINESS UNITS AND SEGMENTS

- **Catalysts:** Syngas Catalysts, Petrochemicals, Specialty Catalysts, Emission Control Catalysts
- **Biofuels & Derivatives:** Cellulosic ethanol and cellulose derived products

KEY FINANCIAL FIGURES 2018

861

Sales in million CHF

21.3%

EBITDA margin
after exceptionals

Business Area Natural Resources (including Additives)

BUSINESS UNITS AND SEGMENTS

- **Additives:** Plastics, Coatings & Inks, Consumer Markets
- **Functional Minerals:** Purification, Foundry Additives, Functional Additives, Specialty Segments
- **Oil and Mining Services:** Oil Services, Mining Solutions, Refinery Services

KEY FINANCIAL FIGURES 2018

1878

Sales in million CHF

14.4%

EBITDA margin
after exceptionals

A Culture Based on Values

Clariant as the Globally Leading Company for Specialty Chemicals

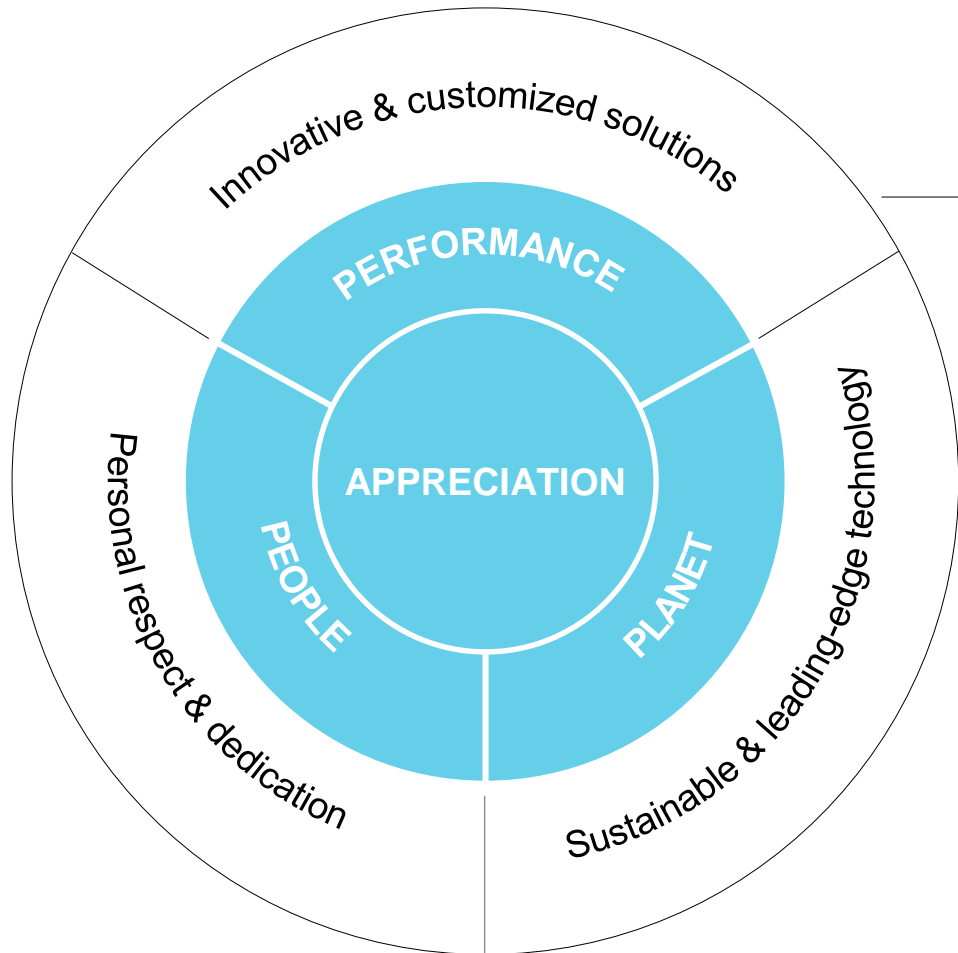


We aim to be the globally leading company for specialty chemicals and to stand out for above-average value creation for all of our stakeholders

We create value through appreciation of the needs

- of our **customers** by providing competitive and innovative solutions
- of our **employees** by adhering to our corporate values
- of our **shareholders** by achieving above-average returns
- of our **environment** by acting sustainably

A Value System with Focus on Performance, People, and Planet

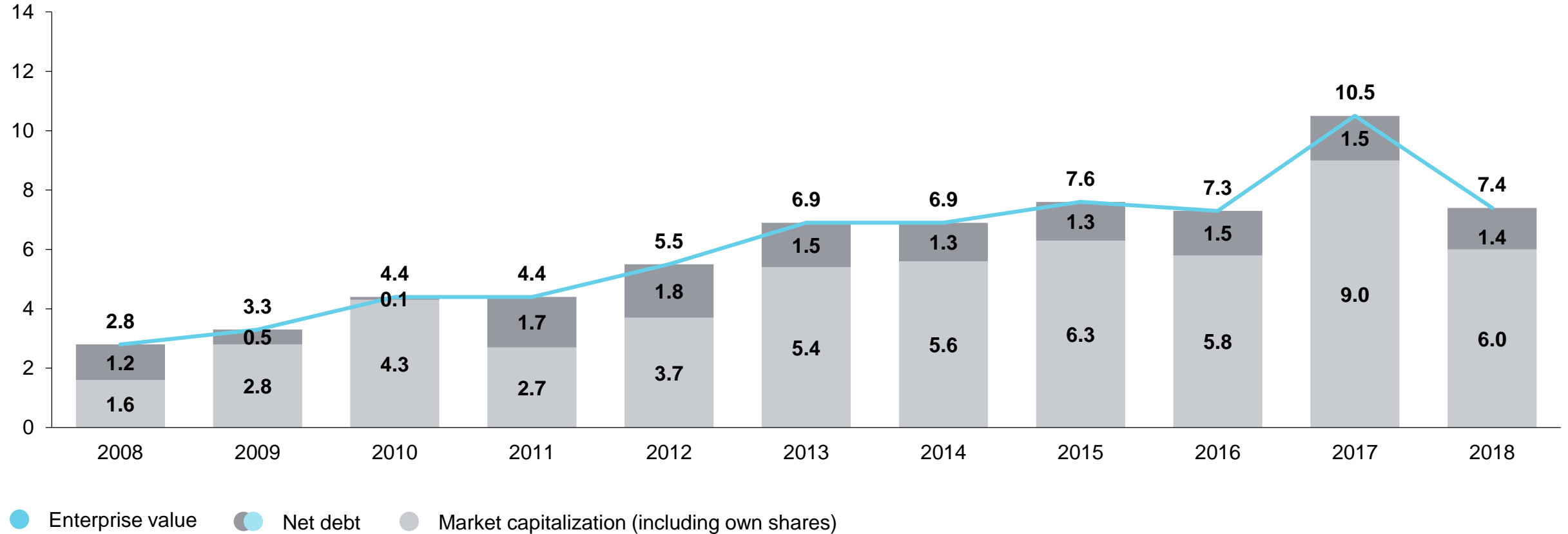


APPRECIATION AS THE MOTOR OF DAILY BUSINESS

Sustainable company successes and value generation can only be realized in a corporate culture that is embraced by everyone involved, and which achieves a balance between business performance, social interests, and environmental targets.

Performance – Creating Value

ENTERPRISE VALUE IN BILLION CHF



People – Attracting and Retaining Talents

17901

Employees 2018 (FTEs)

13%

North
America

42%

Europe

27%

Asia-Pacific

45%

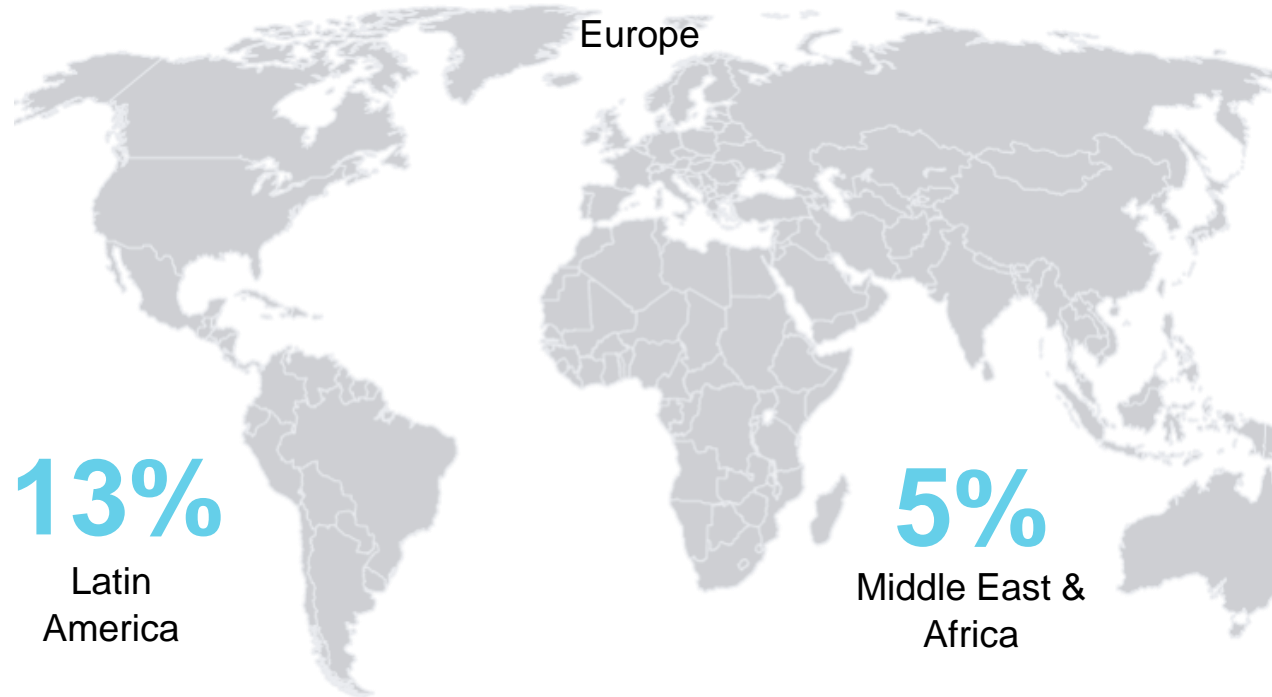
of the employees are
based in the emerging
markets

13%

Latin
America

5%

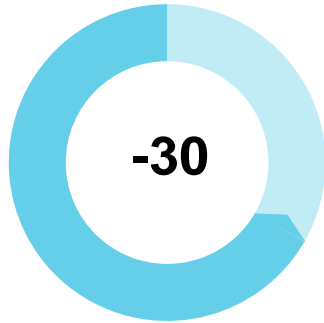
Middle East &
Africa



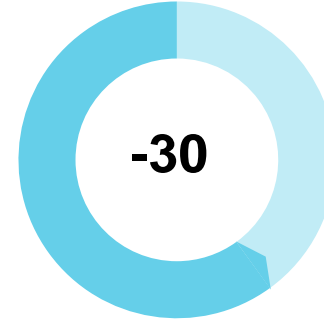
Planet – Environment Protection as a Driver for Growth

ENVIRONMENTAL TARGETS¹ BY 2025 IN % WELL ON TRACK compared to 2013 basis

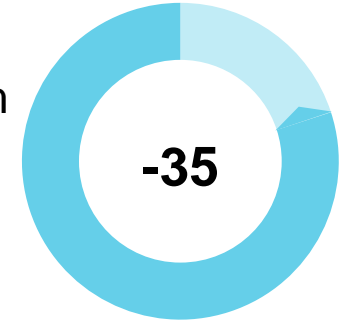
Reduction
of Energy
Consumption



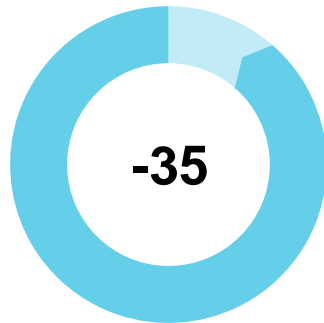
Reduction
of Direct CO₂
Emissions



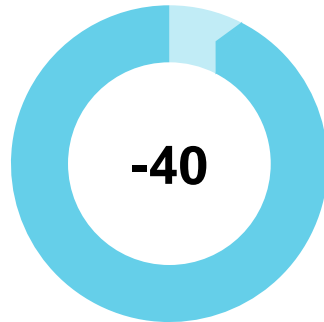
Reduction of
Emissions from
Greenhouse
Gases



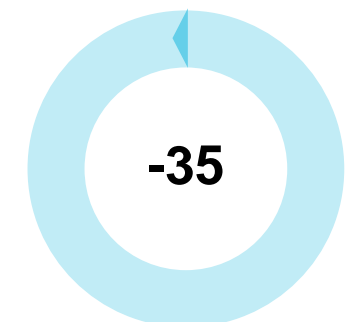
Reduction
of Water
Consumption



Reduction
of Volume
of Waste Water



Reduction
of Volume
of Waste²

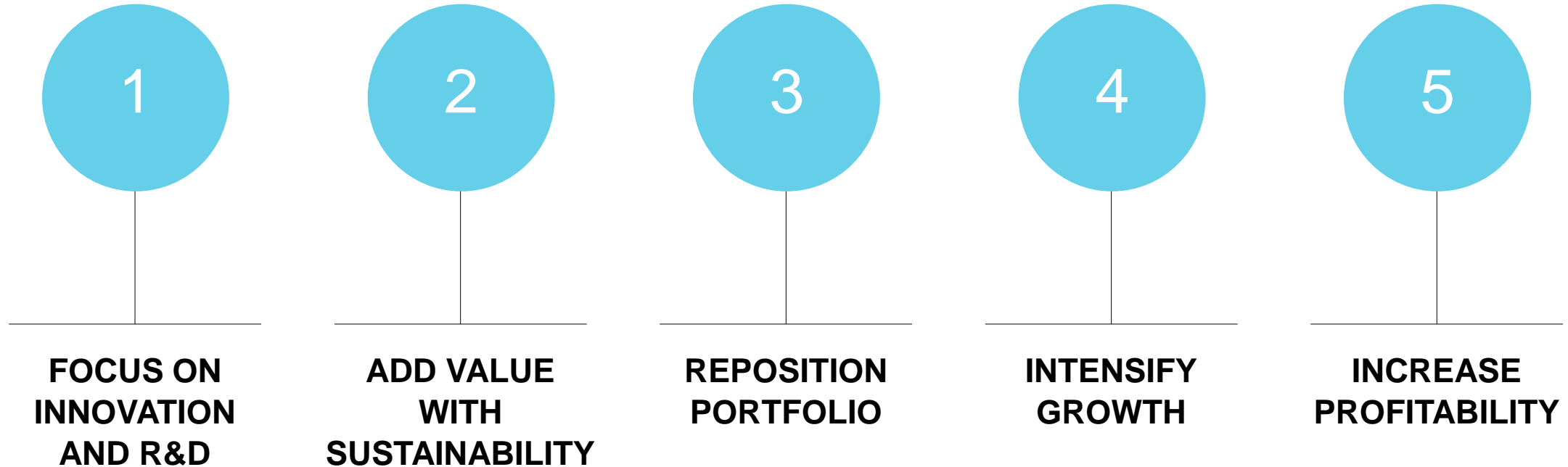


¹ Per ton of products produced, ² Waste performance mainly affected by non-hazardous waste increase e.g. from gypsum waste

A Clearly Defined Corporate Strategy

Clariant's Strategy with enhanced product and solution offerings to increase performance

OUR WAY TO MEET OUR OBJECTIVES



PEOPLE EXCELLENCE

1. Focus on Innovation and R&D

INNOVATION FIGURES

209 m

of R&D expenditures 2018
in CHF

3.2%

of group sales 2018
spent in R&D

>3%

Growth through innovation*

8

R&D
Centers

>50

Technical
Application
Centers

>1 100

People in R&D
(end of 2018)

>125

Scientific collaborations

6 700

Patents

*Contains the contribution to growth from both Top Line Innovation as well as Life Cycle Innovation. Potential cannibalization of existing sales caused by Life Cycle Innovation in certain cases has not been excluded from calculation.

1. Focus on Innovation and R&D

NEW CLARIANT PRODUCT HIGHLIGHTS



EnviCat[®] NOx SCR

High-performance catalyst for the purification of exhaust gas enabling significant reduction of nitrogen oxides, which contribute to a range of environmental hazards such as acid rain, smog, and ground-level ozone.



Licocene[®] PP 2502

Adhesive for comfort products with highest purity, lowest energy consumption in processing; next generation product based on renewable monomers available.



Genadvance[®]

Conditioning agents for hair care with significantly improved sustainability profile that enable customized product formulations with unparalleled performance.



Aristocare[™] Smart

Surface modification polymer for hard-surface cleaners that creates a protective film on surfaces to prevent soap scum and lime scale build up or enable easy removal, reduce streaking, and enable faster water drainage.

2. Add Value with Sustainability

FACTS AND FIGURES

2025

Ambitious environmental targets

Among top 6% of companies in
Dow Jones Sustainability Index

>80%

of product portfolio meet Clariant's sustainability definition¹

Sustainability Dialog
established

193

products excelled with the EcoTain[®] label

LTAR²
decreased to 0.15 in 2018 compared to 0.33 in 2012

80%

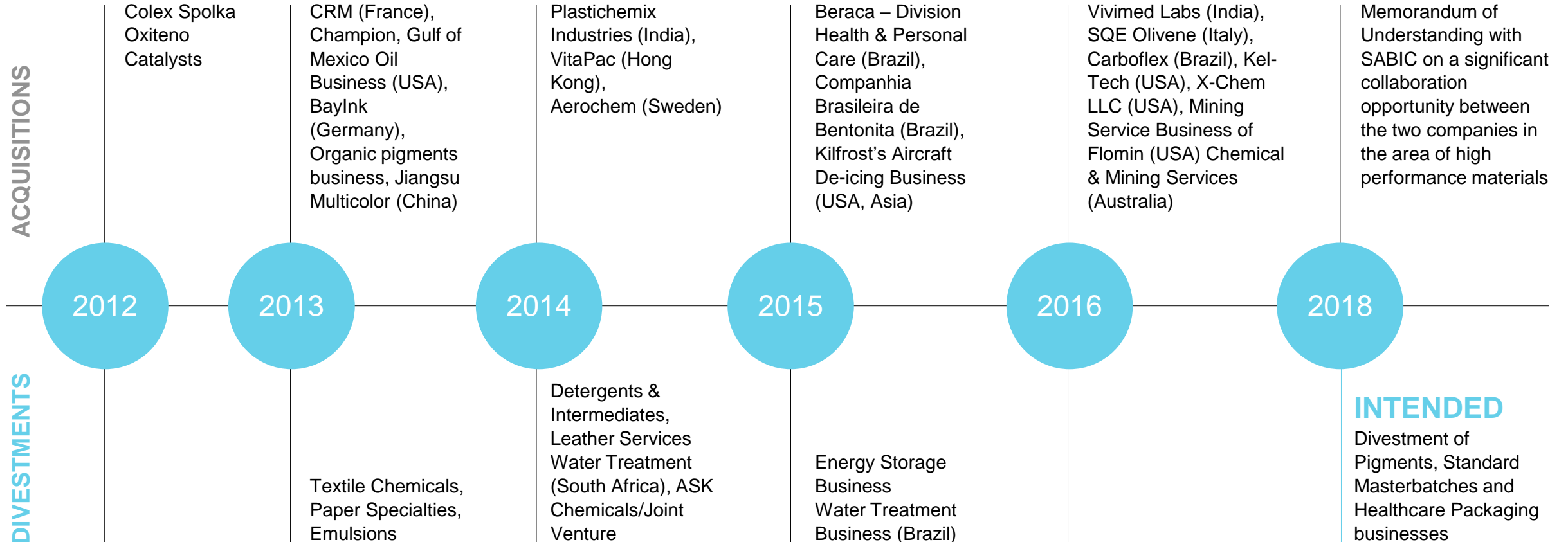
of product portfolio screened based on 36 sustainability criteria¹

Committed to
UN Global Compact, Responsible Care[™] and Together for Sustainability

¹ Excluding Masterbatches, ² Lost Time Accident Rate

3. Reposition the Portfolio

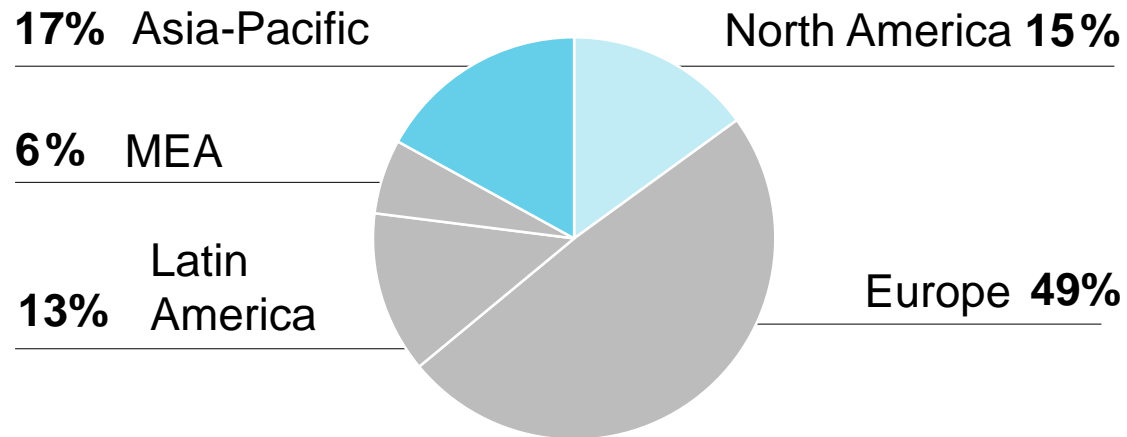
AN OPTIMIZED PORTFOLIO FOR SUSTAINABLE PROFITABILITY



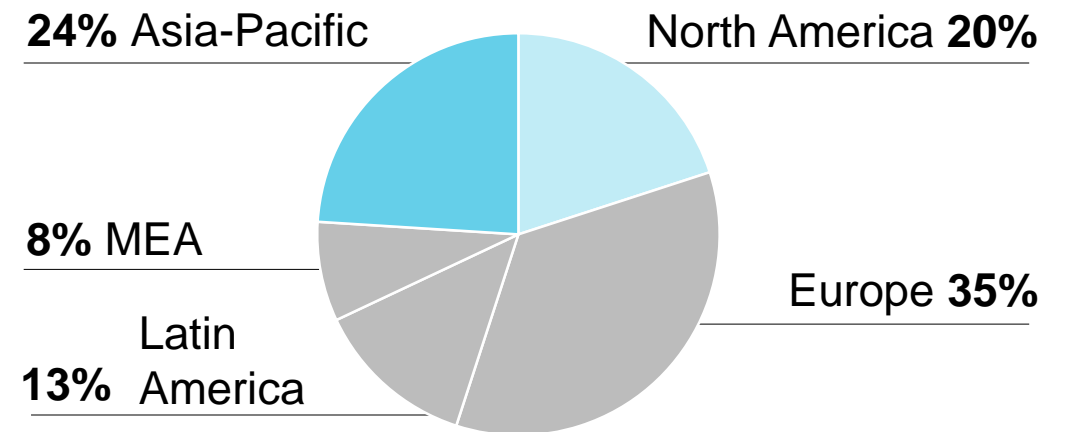
4. Intensify Growth

CLARIANT'S SALES SHIFT TO CORE GROWTH MARKETS

2005



2018
(continuing operations)



5. Increase Profitability

CLARIANT EXCELLENCE AS THE FOUNDATION FOR SUSTAINABLE GROWTH

- Cross-linking of Operational Excellence, Innovation Excellence, Commercial Excellence, and People Excellence is a key to success
- Cost discipline across the company
- Efficient delivery of business services
- Avoiding remnant costs from divestments
- Investments into innovation and capex projects

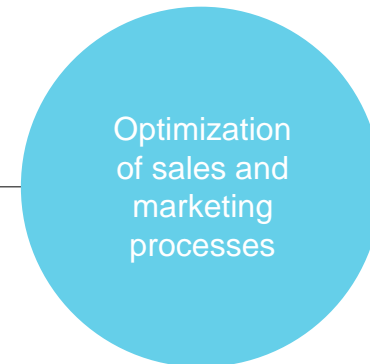
OPERATIONAL EXCELLENCE



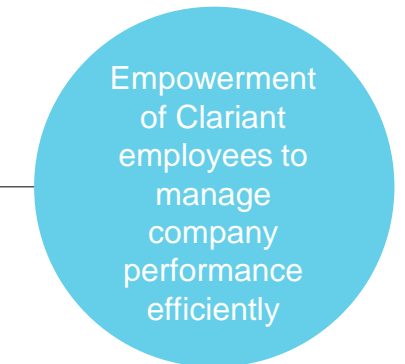
INNOVATION EXCELLENCE



COMMERCIAL EXCELLENCE



PEOPLE EXCELLENCE



People Excellence Acts as Enabler of Strategy Execution

PEOPLE EXCELLENCE IN FIGURES

84%

Senior Management positions filled by internal placement

1 261

Number of employees in the local, regional, and global talent pools

95%

Retention of total talents

60

Talent reviews resulting in concrete development steps and career measures

15 791

Number of training participants

15

Average training hours per participants

KEY ELEMENTS OF PEOPLE EXCELLENCE

LEADERSHIP DEVELOPMENT

Drive individual, team and organizational effectiveness through strong leadership.

CULTURE AND ENGAGEMENT

Consciously model behaviors every day to provide a sense of purpose to the individual and to create employee engagement.

TALENT MANAGEMENT

Effectively attract, retain, develop and deploy key people and create a high-performing, sustainable organization.

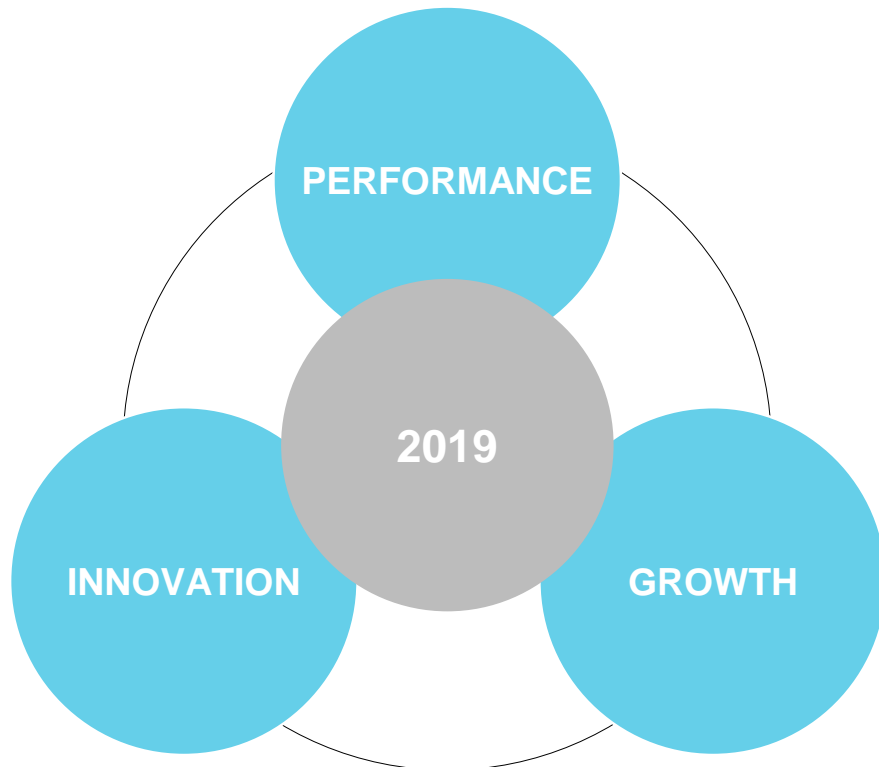
LEARNING AND CAPABILITY BUILDING

Strengthen the capabilities of individuals by offering tailored and impactful learning initiatives.

Specific Targets for the Future

Priorities 2019 – Moving Along the Profitable Growth Path

2019 KEY ELEMENTS



PERFORMANCE

- Continued cost reduction and efficiency
- Clariant Excellence – Implementing new ways of doing business
- Customer focus

GROWTH

- Exploit growth markets in Asia and NORAM
- Mergers & Acquisitions

INNOVATION

- Close customer collaboration
- Product differentiation
- Digital business models

Executive Committee

The Executive Committee



HARIOLF KOTTMANN
Executive Chairman

Responsibilities:

Clariant Excellence, Corporate Planning & Strategy, Group Communications, Group Human Resources, Group Legal, and the regions Greater China, India, Japan, and South East Asia & Pacific



HANS BOHNEN
Chief Operating Officer

Responsibilities:

Corporate Sustainability & Regulatory Affairs, Digital4Clariant, Group Procurement Services, Group Technology & Innovation, Business Units Additives, Catalysts, Functional Minerals, Industrial & Consumer Specialties, Masterbatches, Pigments and Oil and Mining Services, Business Line Biofuels & Derivatives, and the regions Latin America and North America



PATRICK JANY
Chief Financial Officer

Responsibilities:

Corporate Accounting, Corporate Controlling, Corporate Mergers & Acquisitions, Corporate Tax, Corporate Treasury, Global Business Services, Group Compliance, Group Finance Services, Group Information Technology, Investor Relations, and the regions Europe and Middle East & Africa

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.