

# First Quarter Figures 2024

Analyst presentation

30.04.2024



# 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, geopolitical dislocation, 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.

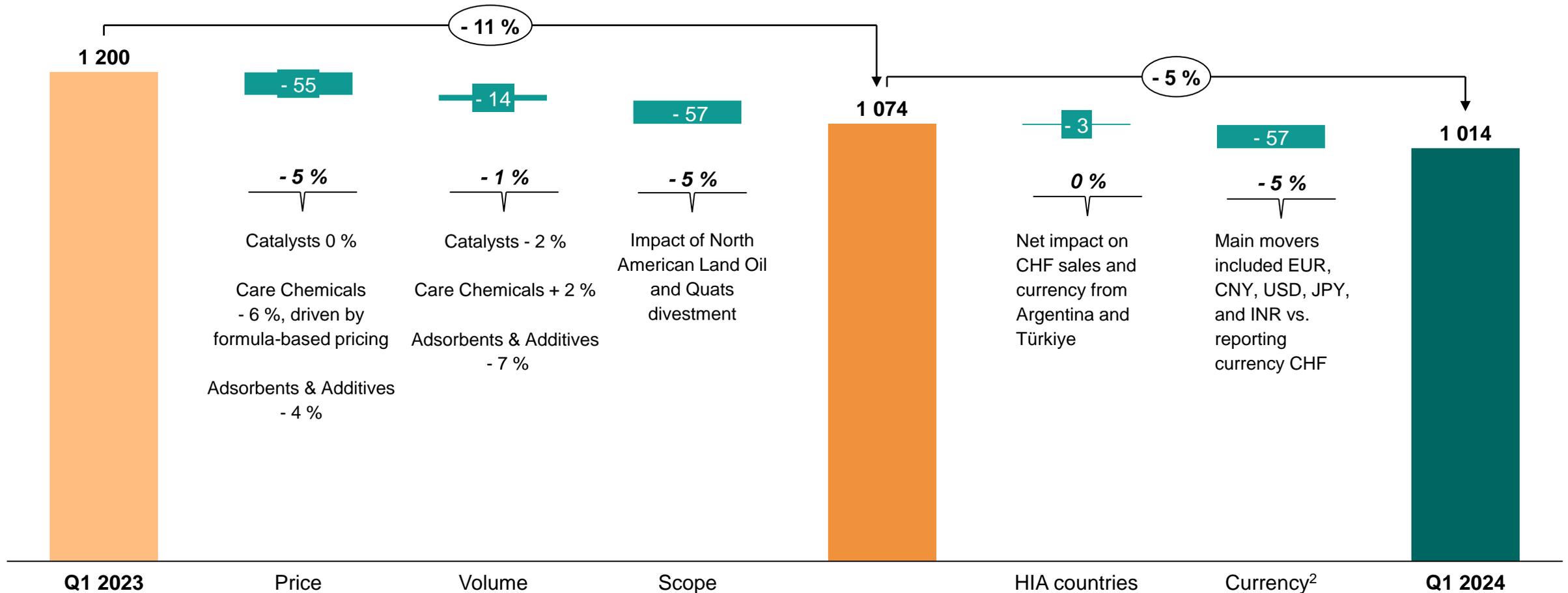
Clariant does not undertake any obligation to publicly release any revisions to these forward-looking statements to reflect events or circumstances after the date of these materials.



**Group  
performance**



# Q1 sales: Organically 6 % lower in LC<sup>1</sup> vs. a strong comparison base – Group with stabilized volumes and lower pricing (formula-based)



<sup>1</sup> All references to local currency growth, pricing, volumes, and scope exclude the impact from hyperinflation countries Argentina and Türkiye

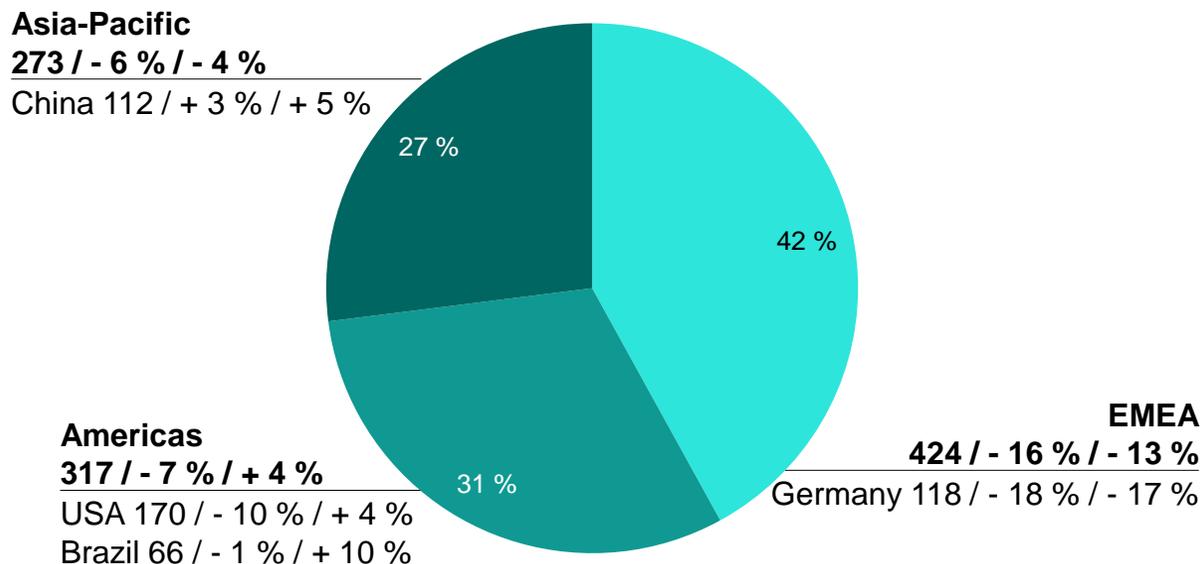
<sup>2</sup> Currency translation impact



# Geographic split

## Q1 sales CHF 1 014 m

in CHF m, % in LC<sup>1</sup>, % organic growth in LC<sup>1</sup>



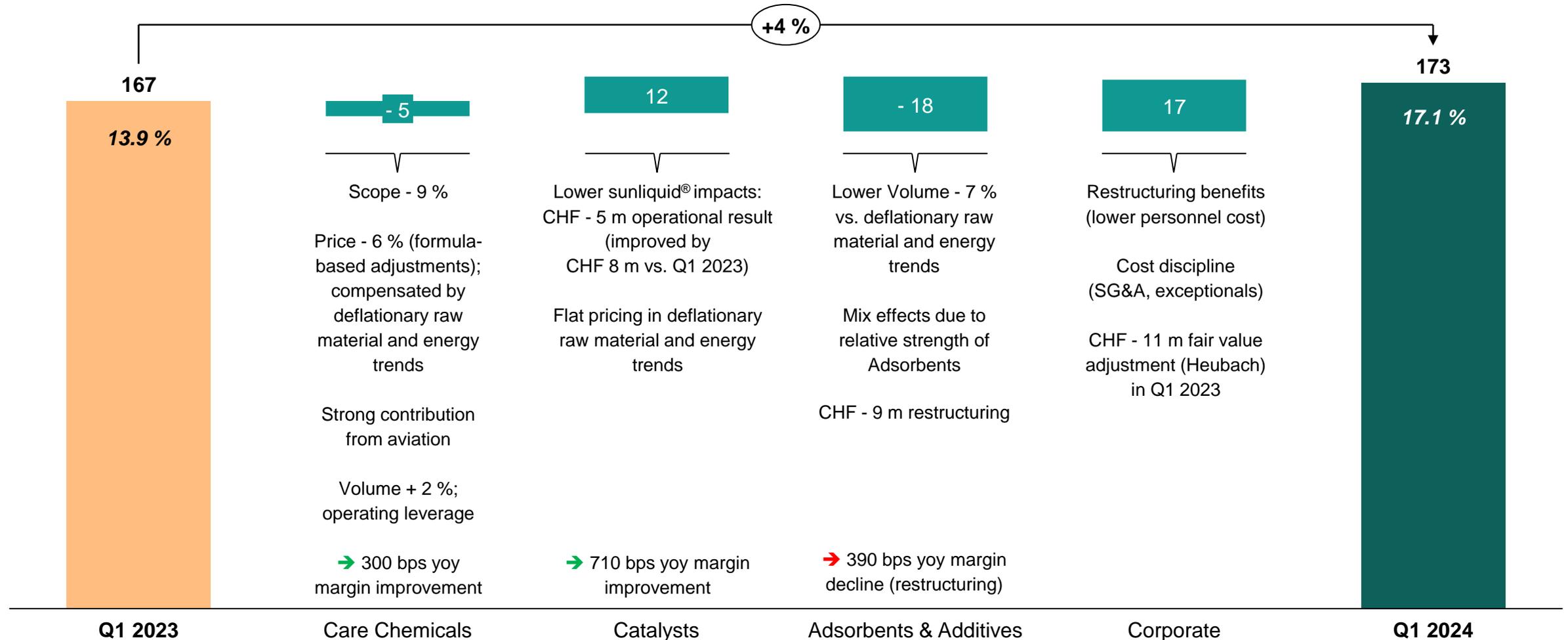
# Regional headline

- Sales in the **Americas** declined primarily due to scope; organically up 4 % (volume); increase in Catalysts (strong volume) and Care Chemicals (volume) compensating for decline in Adsorbents & Additives (volume)
- **EMEA** sales declined in all Business Units (volume and price); organic decline at - 13 %; Care Chemicals (scope, volume, and price), Catalysts (volumes), and Adsorbents & Additives (volume and price)
- **Asia-Pacific** sales only down organically by 4 %; increase in Care Chemicals (organic volume up) compensating for project cycle-driven decline in Catalysts (volumes) and Adsorbents & Additives (volume and price); China organically up 5 % with strong volume growth in Adsorbents & Additives and Care Chemicals compensating for volume decline in Catalysts

<sup>1</sup> Local currency figures exclude hyperinflation countries Argentina and Türkiye

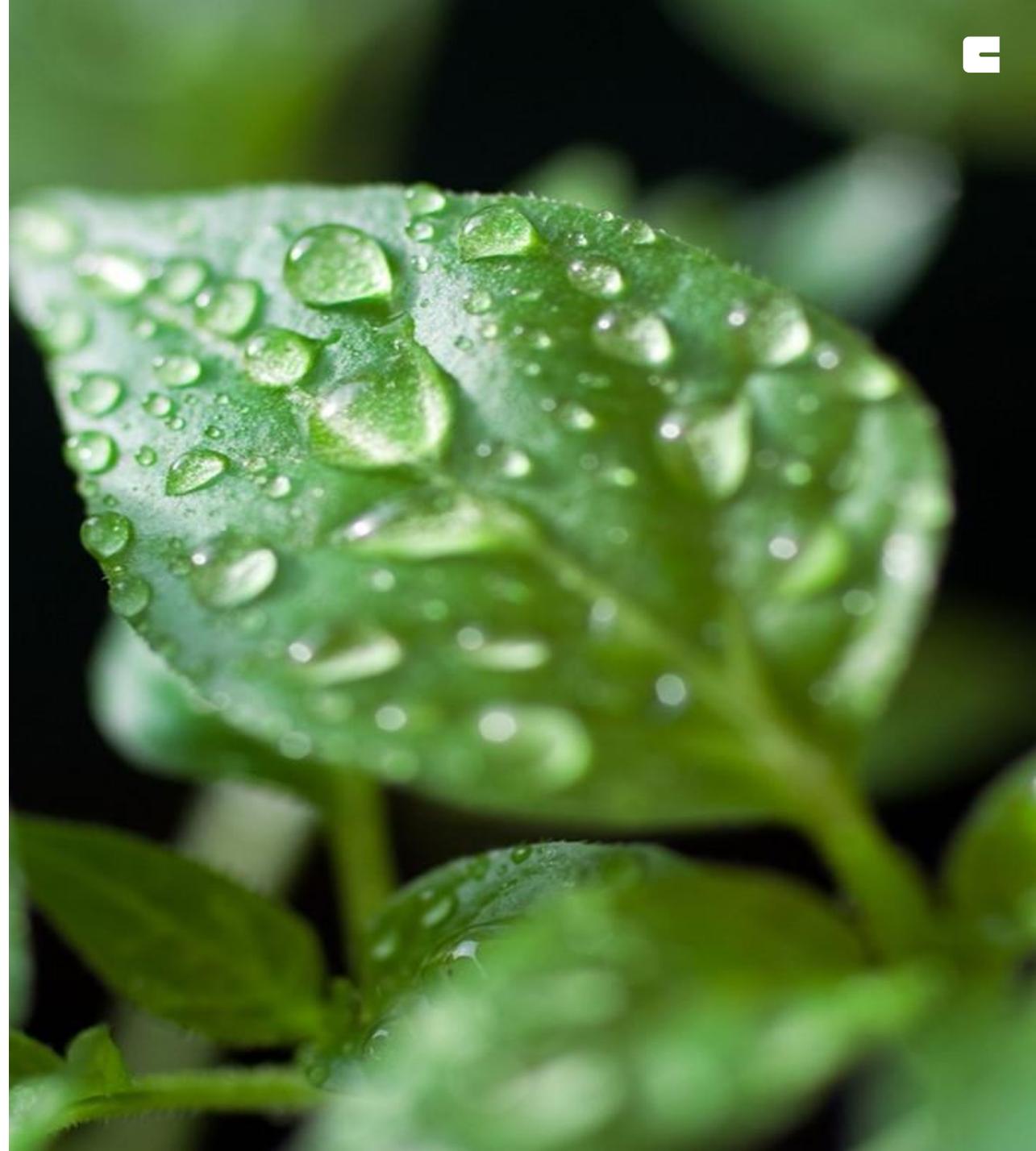


# Q1 EBITDA: 320 bps margin expansion – successful margin management (deflation), performance programs, reduced sunliquid® impact



# First Quarter 2024 Strategic Priorities

- **Completed acquisition of Lucas Meyer Cosmetics**
  - 9 months contribution to 2024 following closing on 2 April
  - Funding secured below initial expected interest rate, via
    - dual-tranche senior unsecured bond (CHF 200 m, 3 years at 2.375 %; CHF 150 m, 7 years at 2.75 %)
    - multi-currency bridge facility (around 4.4 %)
  - Expectation to increase annual sales to USD 180 m in 2028 from around USD 100 m currently
  - Q1 2024 in line with historical growth and margin performance
- **Performance programs**
  - Increased 2025 target to CHF 175 m due to CHF 5 m additional savings from restructuring in Additives
  - CHF 11 m savings delivered in Q1 2024 across the performance programs in the business units and corporate
  - CHF 28 m savings expected in 2024
  - On track for increased 2025 targeted savings, of which CHF 146 m savings already achieved as of Q1 2024



# First Quarter 2024 – Addressing customer needs with sustainability-driven innovation: Clariant's new natural skincare active

## Increasing consumer awareness for self-care

- **Global need:** Aging society driving demand for effective personal care products
- **Growing sustainability awareness:** Driving demand for natural ingredients
- **Challenges to be addressed:** Existing skin care products often fail to deliver visible results or may cause significant irritation



## Innovative natural skincare active

CycloRetin™ derived from sustainably-harvested prince ginseng:

- + Boosts skin firmness, radiance, and youthfulness
- + Gentler yet as effective as retinol
- + Validated in cellular studies and clinical trials



## Driving growth for cosmetics and personal care

- **Strengthening portfolio:** Part of an impactful product line emphasizing our commitment to sustainability
- **Crisis-proof business:** Despite economic challenges, consumers willing to spend on high-value products
- **Addressing rising consumer consciousness** for sustainability



A high-speed photograph of a water splash, showing numerous clear, spherical bubbles of various sizes rising from the surface of the water. The water is a vibrant light blue, and the background is a soft, out-of-focus white.

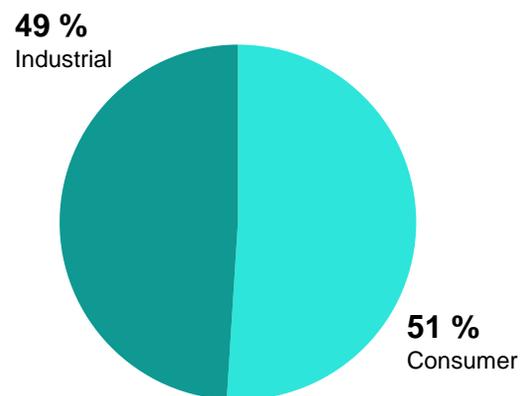
# Business performance



# First Quarter 2024 Care Chemicals

<i>in CHF m</i>	<b>Q1 2024</b>	Q1 2023	% CHF	% LC <sup>1</sup>
<b>Sales</b>	581	703	- 17	- 13
<b>EBITDA</b>	123	128	- 4	
<b>EBITDA margin</b>	21.2 %	18.2 %		
EBITDA b.e.i. <sup>2</sup>	125	130	- 4	
<i>EBITDA b.e.i.<sup>2</sup> margin</i>	21.5 %	18.5 %		

	<b>Q1 2024</b>
<b>Price<sup>1</sup></b>	- 6 %
<b>Volume<sup>1</sup></b>	+ 2 %
<b>Scope<sup>1</sup></b>	- 9 %
<b>Currency</b>	- 4 %



<sup>1</sup> In local currency, volume, price, and scope exclude hyperinflation countries Argentina and Türkiye

<sup>2</sup> Before exceptional items

## Highlights

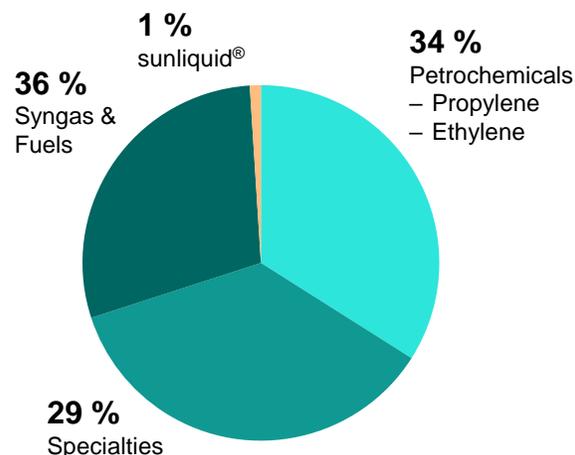
- **Volume** increase of 2 % organically, driven by Mining Solutions, Industrial Applications, and Personal & Home Care, compensating lower volumes in Crop Solutions and Base Chemicals; up 5 % sequentially (limited restocking)
- **Price** lower due to formula-based adjustments linked to raw material prices; sequentially marginally down (- 1 %)
- **Segments:** Strong Mining (mid-teens percentage growth), increase in Industrial (high single-digit percent) and Personal & Home Care (low single-digit percent); decline in both Crop Solutions (> 30 %) and Base Chemicals (> 15 %)
- **Regional** sales organically up in the Americas (Brazil) and Asia / Pacific (China), driven by volume, compensating for volume and price decline in Europe (Germany in particular)
- **EBITDA** impacted positively by raw material and energy costs, combined with successful margin management, contribution from performance programs, and aviation



# First Quarter 2024 Catalysts

<i>in CHF m</i>	<b>Q1 2024</b>	Q1 2023	% CHF	% LC <sup>1</sup>
<b>Sales</b>	187	205	- 9	- 2
<b>EBITDA</b>	25	13	92	
<b>EBITDA margin</b>	13.4 %	6.3 %		
EBITDA b.e.i. <sup>2</sup>	24	13	85	
<b>EBITDA b.e.i.<sup>2</sup> margin</b>	12.8 %	6.3 %		

	<b>Q1 2024</b>
<b>Price<sup>1</sup></b>	0 %
<b>Volume<sup>1</sup></b>	- 2 %
<b>Scope<sup>1</sup></b>	- 0 %
<b>Currency</b>	- 7 %



## Highlights

- **Volume** increased in Propylene and Syngas & Fuels and declined in Ethylene and Specialties
- **Price** flat in all segments
- **Segments:** Syngas & Fuels up > 20 % and Propylene up by mid-teen percentage rate; Ethylene down > 40 % and Specialties down low single-digit percentage rate
- Project nature of business drove regional dynamics with strong volume growth in the Americas (Syngas & Fuels) and decline in Asia and Europe (double-digit percentage rate)
- **EBITDA** improved due to reduced sunliquid® impact and flat pricing in the context of deflationary raw material and energy trends
- 16.1 % EBITDA margin excluding all sunliquid® effects vs. 12.9 % in Q1 2023

<sup>1</sup> In local currency, volume, price, and scope exclude hyperinflation countries Argentina and Türkiye

<sup>2</sup> Before exceptional items

# sunliquid® impacts

## 2024

<i>in CHF m</i>	FY Guidance	Q1 2024	YTD 2024
Sales		1	1
Operational impact <sup>1</sup>	up to negative 15	- 5	- 5
Total exceptional items <sup>1</sup>	up to negative 30	+ 0.7	+ 0.7
<i>restructuring</i>		+ 1.4	+ 1.4
<i>provisions/exceptionals</i>		- 0.7	- 0.7
Cash outflow	110 - 140	- 11	- 11

## 2023

<i>in CHF m</i>	Guidance	Q4 2023	FY 2023
Sales		4	11
Operational impact <sup>1</sup>		- 9	- 43
Total exceptional items <sup>1</sup>	negative 60 - 90	- 53	- 60
<i>restructuring</i>		- 35	- 42
<i>provisions/exceptionals</i>		- 18	- 18
Impairments <sup>2</sup>	negative 80 - 140	- 80	- 81

<sup>1</sup> EBITDA relevant

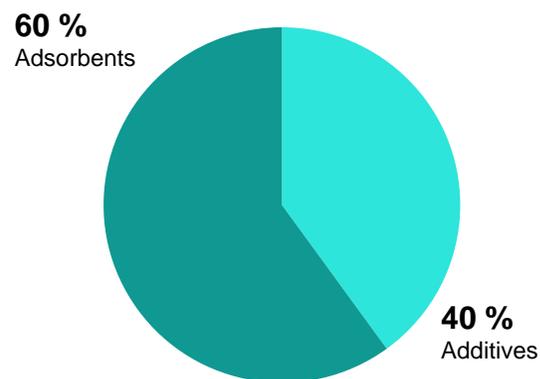
<sup>2</sup> Only EBIT relevant



# First Quarter 2024 Adsorbents & Additives

<i>in CHF m</i>	Q1 2024	Q1 2023	% CHF	% LC <sup>1</sup>
Sales	246	292	- 16	- 11
EBITDA	36	54	- 33	
<b>EBITDA margin</b>	14.6 %	18.5 %		
EBITDA b.e.i. <sup>2</sup>	46	55	- 16	
<b>EBITDA b.e.i.<sup>2</sup> margin</b>	18.7 %	18.8 %		

	Q1 2024
Price <sup>1</sup>	- 4 %
Volume <sup>1</sup>	- 7 %
Scope <sup>1</sup>	0 %
Currency	- 5 %



<sup>1</sup> In local currency, volume, price, and scope exclude hyperinflation countries Argentina and Türkiye

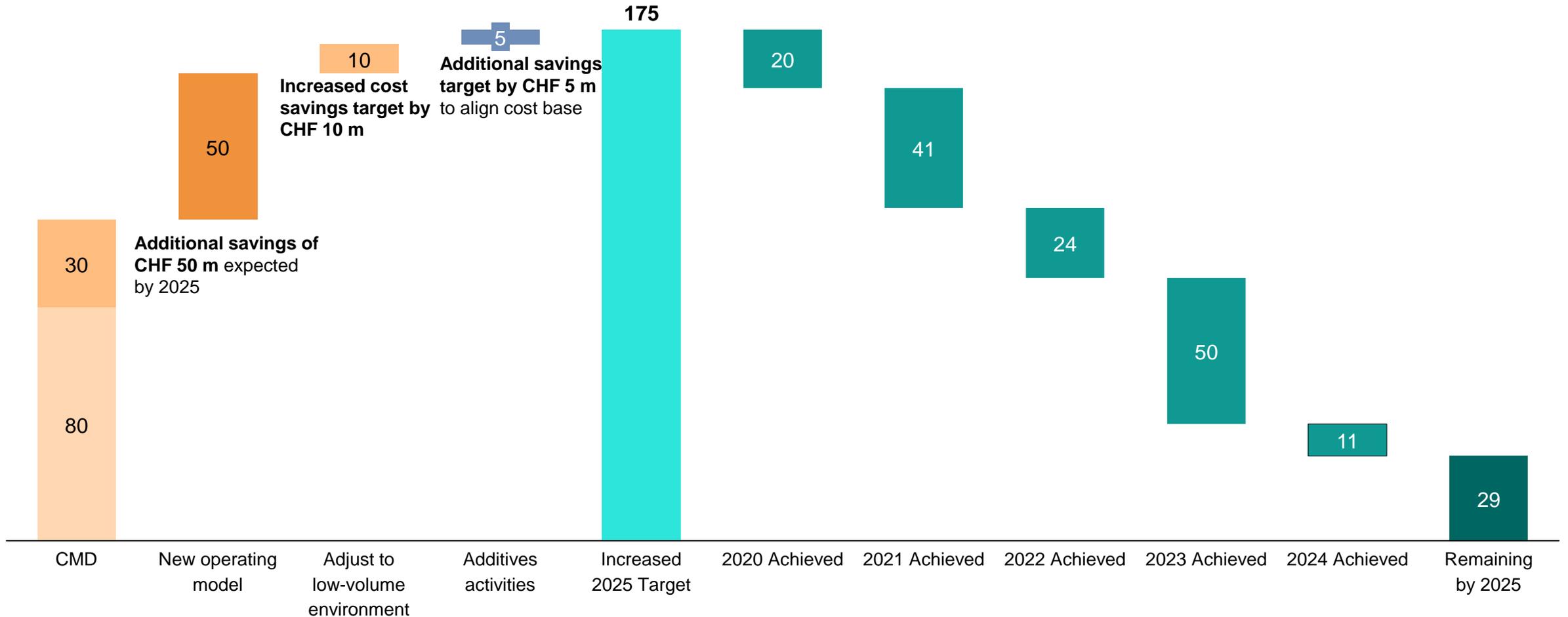
<sup>2</sup> Before exceptional items

## Highlights

- **Volume** declined 7 % except Polymer Solutions (> 10 %), while **price** was down 4 %, primarily driven by Additives; sequentially only slightly lower (- 1 % price and volume)
- **Segments:**
  - Adsorbents down by low single-digit percentage rate (price slightly up and volume down)
  - Additives down by high-teens percentage rate, driven by volume and price; sequential positive trends
- All regions declined, led by Americas and EMEA down mid- and low-teens percentage rate; Asia mid-single-digit down despite China being up mid-teens percentage rate as strong volumes compensate lower pricing
- **EBITDA** impacted by CHF 9 m restructuring and business mix; sequential improvement in the Additives segments due to higher operating leverage



# Increased total cost savings to CHF 175 m by 2025 – Q1 2024 delivered CHF 11 m savings



# Outlook

# Outlook confirmed - Local currency growth and margin improvement

2024

## Top line

 **Low single-digit percent sales growth in local currency**

*(CHF 4.377 b in 2023)*

## Profitability

 **Around 15 % reported EBITDA margin (Around 16 % excluding sunliquid® impacts)**

*(reported margin 13.9 % in 2023)*

## Internal Factors

- Growth in Care Chemicals and Adsorbents & Additives to compensate for temporary slowdown in Catalysts momentum
- Focus on pricing in recessionary/deflationary economic environment
- Delivery of CHF 28 m cost savings (cumulative to CHF 163 m)
- sunliquid® costs of up to CHF 45 m (operational and exceptionals)
- Scope: Total top-line net impact of negative ~ CHF 20 m
- Capex: targeted at CHF 220 m in 2024

## External Factors

- Moderation in general inflation; continued high interest levels despite expected central bank rates easing in H2 2024
- Limited indications for an economic recovery in 2024; uncertainties and risks remain
- China GDP growth rate expected lower compared to 2023
- Raw material and energy costs easing
- Limited impacts from Middle East tensions (logistics and energy)

# Medium-term outlook: Continued progress in 2025 toward unchanged targets – return to growth and continued margin improvement

## 2025

### Substantial improvement toward unchanged targets



**Profitable sales growth**  
3 – 5 % in local currency



**Group EBITDA margin**  
between 17 – 18 %



**Free cash flow conversion**  
of around 40 %

Chemical market growth of 4.3 % projected by Oxford Economics  
Chemical market growth of 3.6 % projected by S&P Global

## Unchanged medium-term targets

### Commitment to deliver financial targets



**Profitable sales growth**  
(4 – 6 % CAGR)

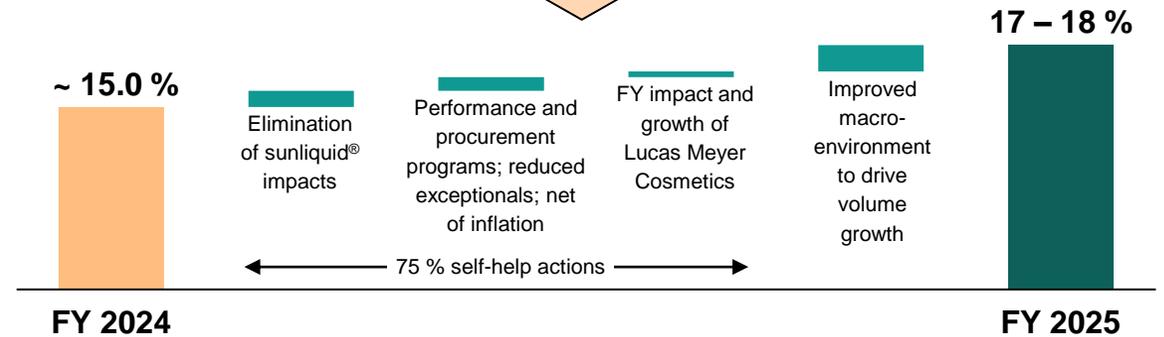


**Group EBITDA margin**  
between 19 – 21 %



**Free cash flow conversion**  
of around 40 %

## 2025 rationale / levers



## Medium-term rationale / levers

- Volume growth in all businesses driven by normalizing trading conditions and sustainability-driven innovation
- Lucas Meyer Cosmetics: deliver growth and synergies
- Leveraging investments in China in Care Chemicals and Additives

# Appendix





# Modeling Guidance 2024 vs. 2023

Acquisition	Divestment	Business Unit	Closing	Sales Impact 2024 vs. FY 2023	EBITDA Impact 2024 vs. FY 2023	Comments
Lucas Meyer Cosmetics		Care Chemicals	2 April 2024	~ CHF 75 m	~ CHF 35 m <small>(before IFRS 3/13 inventory step-up)</small>	~ 9 months contribution
	Quats business	Care Chemicals	1 June 2023	minus ~ CHF 160 m (annualized)	high single- to double-digit million less	
	North American Land Oil business	Care Chemicals	31 March 2023	minus ~ CHF 105 m (annualized)	accretive around low single-digit million	
				Net Scope 2024 (e): minus ~ CHF 20 m		



# First Quarter 2024 – Overview

## Group

<i>in CHF m</i>	<b>Q1 2024</b>	Q1 2023	% CHF	% LC <sup>1</sup>
<b>Sales</b>	<b>1 014</b>	1 200	- 16	- 11
<b>EBITDA</b>	<b>173</b>	167	4	
<b>EBITDA margin</b>	<b>17.1 %</b>	13.9 %		
EBITDA b.e.i. <sup>2</sup>	<b>184</b>	184	0	
<b>EBITDA b.e.i.<sup>2</sup> margin</b>	<b>18.1 %</b>	15.3 %		
<b>Sales Bridge</b>	<b>Price<sup>1</sup></b> - 5 %	<b>Volume<sup>1</sup></b> - 1 %	<b>Scope<sup>1</sup></b> - 5 %	<b>Currency</b> - 5 %

## Catalysts

<i>in CHF m</i>	<b>Q1 2024</b>	Q1 2023	% CHF	% LC <sup>1</sup>
<b>Sales</b>	<b>187</b>	205	- 9	- 2
<b>EBITDA</b>	<b>25</b>	13	92	
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<b>EBITDA b.e.i.<sup>2</sup> margin</b>	<b>12.8 %</b>	6.3 %		
<b>Sales Bridge</b>	<b>Price<sup>1</sup></b> 0 %	<b>Volume<sup>1</sup></b> - 2 %	<b>Scope<sup>1</sup></b> 0 %	<b>Currency</b> - 7 %

## Care Chemicals

<i>in CHF m</i>	<b>Q1 2024</b>	Q1 2023	% CHF	% LC <sup>1</sup>
<b>Sales</b>	<b>581</b>	703	- 17	- 13
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<b>EBITDA b.e.i.<sup>2</sup> margin</b>	<b>21.5 %</b>	18.5 %		
<b>Sales Bridge</b>	<b>Price<sup>1</sup></b> - 6 %	<b>Volume<sup>1</sup></b> 2 %	<b>Scope<sup>1</sup></b> - 9 %	<b>Currency</b> - 4 %

## Adsorbents & Additives

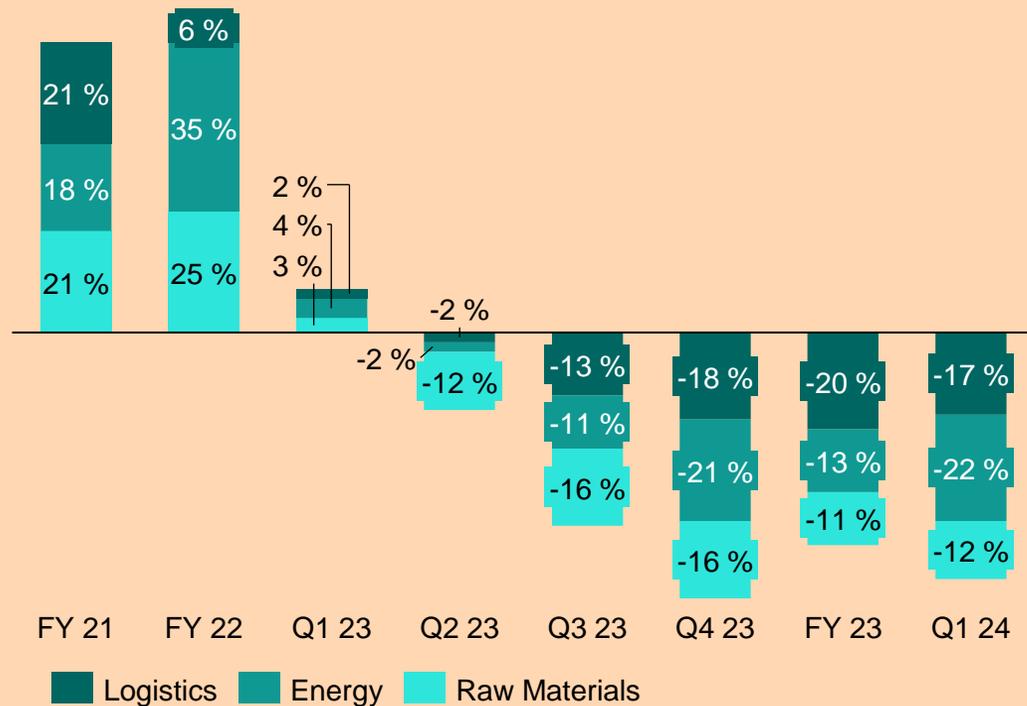
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<sup>1</sup> Local currency, excluding hyperinflation countries Argentina and Türkiye; <sup>2</sup> Before exceptional items



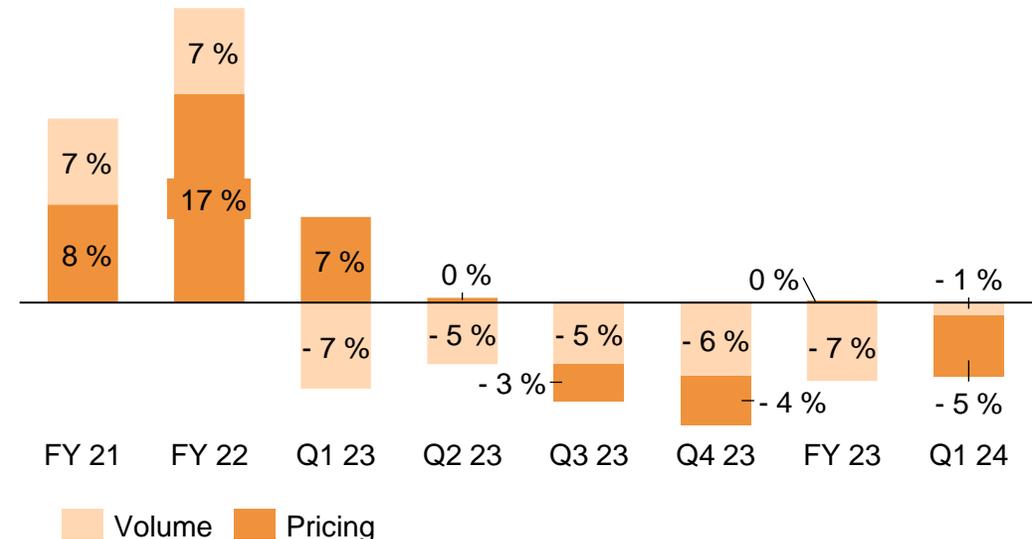
# Cost dynamics – lower year on year and sequentially mixed

- **Raw materials** decreased year on year (sequential - 2 %)
- **Energy** down year on year (sequential flat)
- **Logistics** lower year on year (sequential + 8 %)



# Pricing and volumes impacted by macro environment

- Economic environment remained challenging in Q1 2024
- Q1 **Pricing** flat in CA, down in A&A, and CC driven by formula-based price adjusting (CC); sequentially Group - 1 %
- Q1 **Volumes** year on year up in CC + 2 %, down in CA - 2 %, and A&A - 7 % vs. strong prior year ; volumes sequentially down - 4 %, driven by CA seasonality vs. Q4
- Raw material and energy cost further easing





# Exposure to attractive consumer markets of > 40 %... ...with accelerating demand for sustainable products

## Sales by end market (Q1 LTM 2024<sup>1</sup>)

Catalysts 23 %

Other Industrial < 5 %

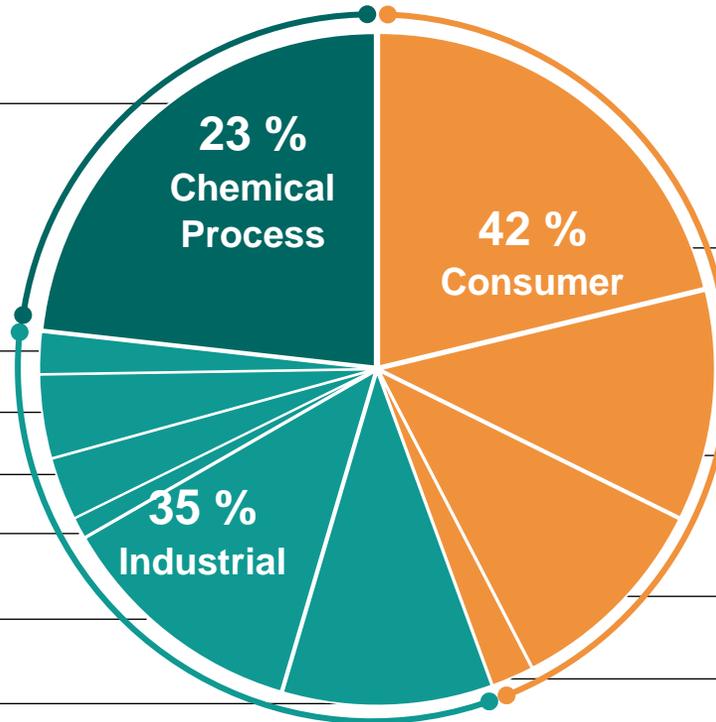
Mining < 5 %

Aviation < 5 %

Building & Construction < 5 %

Automotive ~ 10 %

Oil ~ 10 %



<sup>1</sup> Last Twelve Months (Q2 2023 – Q1 2024)

# ESG – Clariant’s Sustainability Transformation Commitment

## Sustainability priorities

### Fighting Climate Change

Reducing our own carbon footprint and creating value for customers with low-carbon, high-performing solutions

### Zero Waste and Pollution

Eliminating waste and pollution from our operations and value chains



### Social Value Creation

Creating value for our employees, in our business networks, and in society as a whole

### Increasing Circularity

Products and solutions that enable reducing, reusing, and recycling

### Sustainable Bio-economy

Creating a sustainable bio-economy by protecting nature and maintaining high social standards

## Investment in operations and portfolio



### Sustainable operations

Future-proof our operations for a climate-neutral, sustainable world



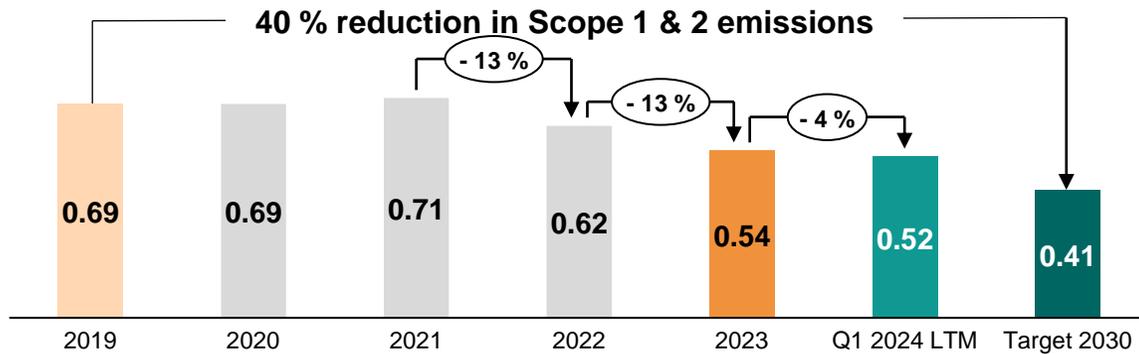
### Sustainability-driven portfolio change

Increase the safety and sustainability of our products and help our customers achieve their sustainability goals



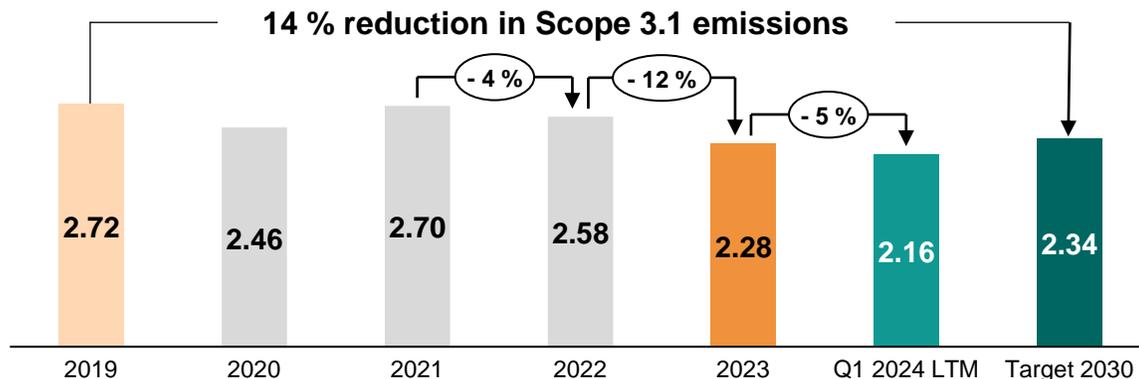
# Further improvement of non-financial KPIs in Q1 2024 (LTM<sup>1</sup>) – Fully on track to deliver 2030 greenhouse gas (GHG) target

Reducing carbon footprint / carbon footprint of raw materials



**Scope 1 & 2 GHG emissions**

in m tCO<sub>2</sub>e, corresponding to - 25 % since 2019



**Scope 3.1 GHG emissions from purchased goods and services**

in m tCO<sub>2</sub>e, corresponding to - 21 % since 2019

<sup>1</sup> Last Twelve Months (Q2 2023 – Q1 2024)

New operating model driving customer satisfaction and employee engagement

– **Safety**

- March 2024 with zero accidents across 73 sites
- Q1 2024 DART rate at 0.21, unchanged compared to year-end 2023, was reduced by 46 % vs. 2022, reflecting high awareness, safety trainings, and accountability
- Top quartile performance in the chemical industry
- Aim to achieve a zero-accidents culture

– **Customer satisfaction**

- Customer Net Promoter Score (NPS) improved from 42 to 45
- 44 % stating that the general perception of Clariant improved in the last 12 months
- 8 points above the chemical and gas industry average

– **Employee engagement survey**

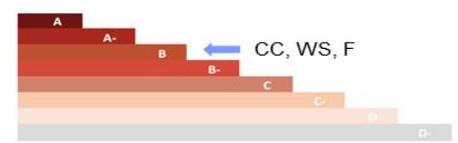
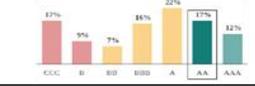
- All employees invited to an engagement survey in Jan. 2024
- Participation rate increased from 75 % to 83 %
- Employee Net Promoter Score (eNPS) increased from + 3 in 2023 to + 25 in 2024; moving up to second quartile vs. peers

# Clariant is well recognized as an industry leader by important ESG ratings and rankings

Status as of February 2024

Index / Ranking / Rating	Clariant score / Percentile rank or range	Status / Comments	First year of inclusion
<p>Member of Dow Jones Sustainability Indices Powered by the S&amp;P Global CSA</p>	= 72 / 97 <sup>th</sup> percentile	DJSI Europe Member, Sustainability Yearbook 2024 member	2012
	↓ 20.9 (Medium risk) / 92 <sup>nd</sup> percentile	Leader (compared to industry peers)	2016
	= AA / Range: AAA to CCC	Second best score	2015
	= B- / Top 10 %	“Prime” status and industry leader	2013
	↑ 3.9 / 79 <sup>th</sup> percentile	Included in FTSE4 Good Index	2015
	↓ 72 / 95 <sup>th</sup> percentile	-	2012
	= 60 / 100 – “advanced”	Included in Ethibel and Euronext indices	2014
	= Climate (CC): B (range: A to D-) ↑ Water (WS): B (range: A to D-) ↑ Forests (F): B (range: A to D-)	CC: Above global average (C) WS: above global average (C) F: above global average (C)	2013

**Sustainability Yearbook Member**



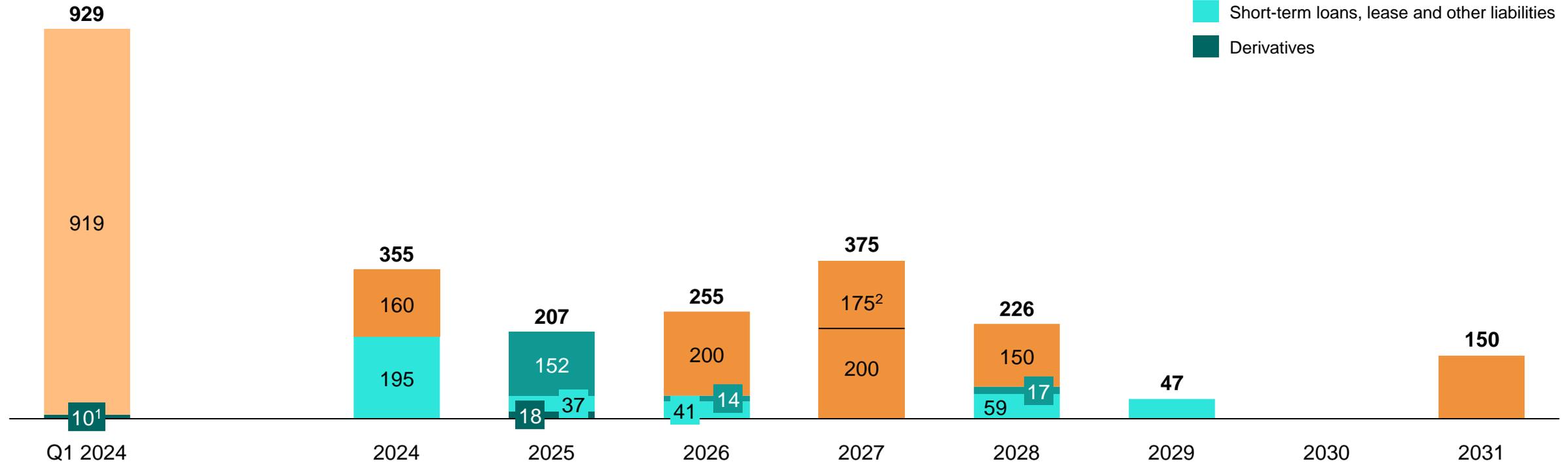


# Debt Maturity Profile as of 31 March 2024 – pre-closing of Lucas Meyer Cosmetics acquisition on 2 April 2024

**Liquidity**  
in CHF m

**Financial debt maturities**  
in CHF m

- Cash and short-term deposits
- CHF bond
- Certificates of indebtedness
- Short-term loans, lease and other liabilities
- Derivatives



<sup>1</sup> Financial derivatives with positive fair values reported under other current assets

<sup>2</sup> Green Bond as issued under Clariant Green Financing Framework



# Calendar of Upcoming Corporate Events

2024

**30 July 2024**

Second Quarter /  
Half Year 2024  
Reporting

**29 October 2024**

Third Quarter /  
Nine Month 2024  
Reporting



# The Executive Leadership Team



**Conrad Keijzer**  
Chief Executive Officer

## Executive Leadership Team

### Executive Steering Committee



**Christian Vang**  
Business President  
CC & Americas



**Jens Cuntze**  
Business President  
CA & APAC



**Angela Cackovich**  
Business President  
AA & EMEA



**Bill Collins**  
Chief Financial  
Officer



**Tatiana Berardinelli**  
Chief Human  
Resources Officer



**Judith Bischof**  
General Counsel



**Richard Haldimann**  
Chief Technology &  
Sustainability Officer



**Chris Hansen**  
Chief Corp.  
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# IR Contacts



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Thank you