

Media Release

NINE MONTHS 2017

31 October 2017

Page 1 of 9

Clariant again grows sales, increases profitability and is well on track to meet 2017 outlook

- **Sales for the first nine months rose by 10 % in local currency to CHF 4.698 billion**
- **EBITDA before exceptional items improved significantly by 10 %**
- **EBITDA margin before exceptional items increased to 15.3 %**
- **2017 outlook confirmed**

“Clariant continues to consistently and successfully deliver on its strategy. With an excellent 10 % growth in both sales and profitability in the first nine months of the year we are well on track to achieve our targets,” said CEO Hariolf Kottmann. “Our achievements are based on innovation, sustainability and on the endless commitment of our employees. Leveraging innovation throughout our portfolio is also exemplified by today’s announcement of the commercialization of bio-ethanol with the related licenses and enzymes. We expect mid double-digit million sales potential from the sunliquid® cellulosic ethanol production alone, a clear illustration of our innovation competence in biotechnology. For 2017, we are confident that we will achieve our targets, i.e. growth in local currency, progression in operating cash flow, absolute EBITDA and EBITDA margin before exceptional items in spite of a temporarily weaker cash flow in the first half.”

Key Financial Data

<i>in CHF million</i>	Third Quarter				Nine Months			
	2017	2016	% CHF	% LC	2017	2016	% CHF	% LC
Sales	1 566	1 400	12	12	4 698	4 299	9	10
EBITDA before exceptional items	235	208	13	12	717	652	10	10
- margin	15.0 %	14.9 %			15.3 %	15.2 %		

Nine Months 2017 – Further sales and profitability improvement

Muttenz, October 31, 2017 - Clariant, a world leader in specialty chemicals, today announced nine months 2017 sales of CHF 4.698 billion, compared to CHF 4.299 billion in 2016. This corresponds to a 10 % growth in local currency driven by contributions from all Business Areas, with notable double-digit gains from Catalysis and Natural Resources. Organic sales rose by 6 % in local currency, as a result of higher volumes.

Growth was strongest in North America and in the Middle East & Africa, where sales in both regions rose by 16 % in local currency. In Asia, sales increased by 12 % supported by brisk growth in China and Southeast Asia. Sales in Europe increased by a solid 8 %. Latin America had a slight negative growth of 1 %, due to the still challenging macroeconomic environment which, however, shows signs of improvement.

Care Chemicals and Catalysis both reflected ongoing strong expansion. Sales in Care Chemicals rose by 9 % in local currency with strong Consumer Care and Industrial Applications businesses. Catalysis sales advanced by 19 %, with organic sales growth of 14 %.

Natural Resources sales climbed by 18 %, mainly influenced by the 2016 Kel-Tech and X-Chem acquisitions in North America. Organic sales in Natural Resources grew by 3 %, driven by growth in Functional Minerals. In Plastics & Coatings, sales advanced by 5 % with continuing expansion in all three Business Units particularly in China.

EBITDA before exceptional items climbed by 10 % in Swiss francs and reached CHF 717 million, compared to CHF 652 million in the previous year. The enhanced profitability was primarily attributable to the upswing in Catalysis and the continuing positive development in Plastics & Coatings.

As a result, the corresponding 15.3 % EBITDA margin before exceptional items further advanced compared to the previous year's 15.2 %.

Third Quarter 2017 – Continued sales and absolute EBITDA momentum

In the third quarter of 2017, sales growth accelerated by 12 % in local currency to CHF 1.566 billion. Organic sales growth, excluding the impact of the acquisitions and the full consolidation of the Süd-Chemie India Pvt Ltd joint venture, was up 9 % in local currency. This sales advancement was driven by higher volumes.

From a regional perspective, sales in North America grew by 22 % in local currency. Excluding acquisitions, North American sales improved significantly by 8 %. Sales in Asia advanced by 15 % in local currency, in the Middle East & Africa by 25 % and in Europe by 6 % in local currency. Latin American sales increased by 3 % despite the continued challenging economic environment.

Care Chemicals delivered a sales growth of 10 % in local currency driven by higher volumes. Catalysis sales soared by 33 % with strong 27 % organic growth. Natural Resources sales rose by 16 % lifted by acquisitions while organic sales increased by 3 % despite the one-time negative impact from tropical storm Harvey. Plastics & Coatings improved by 7 % on the back of strong Additives and Masterbatches.

EBITDA before exceptional items rose by 13 % in Swiss francs to CHF 235 million driven by the upswing in Catalysis, the increase in Care Chemicals and the contribution from Plastics & Coatings. The EBITDA margin before exceptional items on a Group level increased accordingly to 15.0 % from 14.9 % in the previous year.

Outlook 2017 confirmed – Continued progression in profitability and operating cash flow generation

Clariant expects the uncertain environment, characterized by a high volatility in commodity prices, currencies as well as political uncertainties, to continue. In emerging markets, we anticipate the economic environment to remain unchanged; we expect growth in the United States and in Europe to continue.

For 2017, in spite of a continued challenging economic environment, Clariant is confident to be able to achieve growth in local currency, as well as progression in operating cash flow, absolute EBITDA and EBITDA margin before exceptional items.

Clariant confirms its mid-term target of reaching a position in the top tier of the specialty chemicals industry. This corresponds to an EBITDA margin before exceptional items in the range of 16 % to 19 % and a return on invested capital (ROIC) above the peer group average.

Business Discussion

Business Area Care Chemicals

in CHF Million	Third Quarter				Nine Months			
	2017	2016	% CHF	% LC	2017	2016	% CHF	% LC
Sales	366	337	9	10	1 162	1 087	7	9
EBITDA before exceptional items	71	60	18	16	210	208	1	1
- margin	19.4 %	17.8 %			18.1 %	19.1 %		

Nine Months

Sales in Care Chemicals increased by 9 % in local currency and by 7 % in Swiss francs in the first nine months of 2017.

Asia, the Middle East & Africa and Europe reported double-digit growth rates and also North America posted positive growth. All regions developed positively with the exception of Latin America which has been improving on a low level.

Consumer Care sales saw mid-single-digit growth despite the strong comparable base while the Industrial Application business continued to advance solidly as well.

The EBITDA margin before exceptional items for the first nine months of 2017 decreased to 18.1 % from 19.1 %. The decline was due to the already communicated ramp up costs for new capacities, some delay in passing on raw material price increases as well as the maintenance shutdowns in various locations which took place in the second quarter. This decline in the first half could not be fully compensated by the much improved third quarter.

Third Quarter

Care Chemicals sales rose by 10 % in local currency and by 9 % in Swiss francs in the third quarter. Both Consumer Care and Industrial Applications contributed to this positive development with double-digit growth rates.

Most regions progressed with very solid growth in local currency. Asia was particularly strong with robust contributions from China, Southeast Asia as well as Japan. Latin America remained weak due to the continued difficult economic environment in Brazil.

The EBITDA margin before exceptional items increased significantly to 19.4 % from 17.8 % as a result of an optimized product mix and lower ramp up costs year-on-year.

For 2017, Care Chemicals expects continued solid sales growth in both Consumer Care and Industrial Applications. Clariant continues to focus on the strong market demand for innovative and sustainable solutions that do not compromise performance. Eosidin, an innovative Active Ingredient that protects skin from indoor pollution damage, won the silver award in the prestigious annual Innovation Awards bestowed by the Institute of Technology and Studies for Cosmetics, Toiletries and Fragrances at the in-cosmetics® Latin America 2017 in September.

Business Area Catalysis

<i>in CHF Million</i>	Third Quarter			Nine Months				
	2017	2016	% CHF	% LC	2017	2016	% CHF	% LC
Sales	208	157	32	33	529	442	20	19
EBITDA before exceptional items	54	36	50	51	130	89	46	45
- margin	26.0 %	22.9 %			24.6 %	20.1 %		

Nine Months

In the first nine months of 2017, sales in the Catalysis Business Area rose by 19 % in local currency and by 20 % in Swiss francs. This includes 5 % growth due to the full consolidation of the Süd-Chemie India Pvt Ltd. joint venture in the second quarter. Organically, all Business Lines have seen a good sales progression.

All regions contributed to the sales momentum, particularly Asia, Europe and the Middle East & Africa. In North America and Latin America, sales growth remained firm.

The good EBITDA margin before exceptional items of 24.6 % reflected the strong pickup in new projects and refill business in Catalysis, and improved capacity utilization.

Third Quarter

Sales in Catalysis soared by 33 % in local currency and 32 % in Swiss francs. Organic sales, excluding the fully consolidated Süd-Chemie India Pvt Ltd. joint venture, rose by 27 % in local currency. This development was mainly boosted by the demand upswing seen in Asia and the Middle East & Africa.

The EBITDA margin before exceptional items advanced to 26.0 % from 22.9 % in the previous year. The profitability increase was driven by the pickup in demand in the Petrochemical and Specialty Catalysts businesses as well as an improved capacity utilization.

For 2017, we anticipate a good growth in Catalysis. We view Catalysis on a 3- to 5-year perspective and the mid- to long-term fundamentals are positive based on Clariant's portfolio strength, innovation capability, global footprint and growing partnerships.

Clariant also has taken a further step towards the commercialization of bio-ethanol, and the related licenses and enzymes. A new **Business Line Biofuels & Derivatives** has been set-up as part of the Business Area Catalysis. Clariant will invest in a new full-scale commercial plant for the production of cellulosic ethanol from agricultural residues using the sunliquid® technology. The plant is anticipated to deliver the first batch of product in 2020 with a sales potential in the mid double-digit million range.

Business Area Natural Resources

<i>in CHF Million</i>	Third Quarter			Nine Months				
	2017	2016	% CHF	% LC	2017	2016	% CHF	% LC
Sales	324	282	15	16	993	839	18	18
EBITDA before exceptional items	43	47	-9	-6	141	138	2	2
- margin	13.3 %	16.7 %			14.2 %	16.4 %		

Nine Months

Sales in the Natural Resources Business Area surged by 18 % in local currency as well as in Swiss francs in the first nine months of 2017. Organic sales in Natural Resources excluding the Kel-Tech and X-Chem acquisitions in the Oil & Mining Services business unit increased by 3 % in local currency.

In the Oil & Mining Services business, organic sales growth was almost flat. The market trend remains volatile and somewhat uncertain.

Growth in Functional Minerals sales was sustained in all segments with strong single-digit growth in local currency, driven by positive developments in Asia and Europe.

The EBITDA margin before exceptional items decreased to 14.2 % burdened by the current price consciousness of the oil market and partially due to weaker demand in the Refinery business.

Third Quarter

In the third quarter, sales in Natural Resources advanced by 16 % in local currency and by 15 % in Swiss francs. The acquisition impact in the Oil & Mining Services business contributed 13 % in local currency growth.

Sales grew slightly in the Oil & Mining Services business excluding the acquisition effect with an ongoing adverse environment particularly in terms of pricing.

Functional Minerals delivered growth in local currency. Notably Asia reflected a strong sales development, with particular strength in China.

The EBITDA margin before exceptional items declined to 13.3 % year-on-year burdened by pricing constraints, continued weak demand in Latin America and to a larger extent because of the one-time negative impact from hurricane Harvey, but rose quarter-on-quarter.

Functional Minerals expects to continue growing in emerging markets in particular, while the industry dynamics influencing the Oil & Mining Services business are likely to remain unaltered in the short-term.

Business Area Plastics & Coatings

<i>in CHF Million</i>	Third Quarter			Nine Months				
	2017	2016	% CHF	% LC	2017	2016	% CHF	% LC
Sales	668	624	7	7	2 014	1 931	4	5
EBITDA before exceptional items	95	91	4	4	316	300	5	5
- margin	14.2 %	14.6 %			15.7 %	15.5 %		

Nine Months

In the first nine months of 2017, sales in the Plastics & Coatings Business Area expanded by 5 % in local currency and by 4 % in Swiss francs.

All regions reflected attractive sales growth in Masterbatches, apart from Latin America where sales demand remains weak but has continually improved. The sales improvement in Masterbatches was primarily led by good development in the Packaging, Medical and Fibers markets.

Pigments maintained its sales momentum in Asia where China and India contributed the most to the growth and saw an improvement in Europe. On a Business Line level, sales in Plastic Applications and Special Applications reported continued good growth.

Additives reported robust sales growth supported by all Business Lines and solid demand in almost all regions.

EBITDA before exceptional items rose by a solid 5 % in local currency to CHF 316 million despite a strong comparable base in the same period last year. Plastics & Coatings continued to benefit from the positive effect of high capacity utilization as well as continued strong top-line growth.

Third Quarter

Sales growth in the Plastics & Coatings Business Area progressed by 7 % in local currency and in Swiss francs.

In Masterbatches, sales grew in all geographic regions while Pigments primarily delivered good sales growth in Asia, driven by China. Additives showed continued vigorous progress in all major regions.

In the third quarter, the EBITDA before exceptional items grew by 4 % in local currency to CHF 95 million against a strong comparable base.

Plastics & Coatings continues to develop solutions and products for the needs of its end markets. These in combination with the focus on the differentiated business steering are expected to continue to enhance growth possibilities in the businesses and to further contribute to the overall performance of Clariant.

CORPORATE MEDIA RELATIONS

JOCHEN DUBIEL

Phone +41 61 469 63 63
jochen.dubiel@clariant.com

THIJS BOUWENS

Phone +41 61 469 63 63
thijs.bouwens@clariant.com

INVESTOR RELATIONS

ANJA POMREHN

Phone +41 61 469 67 45
anja.pomrehn@clariant.com

MARIA IVEK

Phone +41 61 469 63 73
maria.ivek@clariant.com

Follow us on [Twitter](#), [Facebook](#), [Google Plus](#), [LinkedIn](#).

www.clariant.com

Clariant is a globally leading specialty chemicals company, based in Muttenz near Basel/Switzerland. On 31 December 2016 the company employed a total workforce of 17 442. In the financial year 2016, Clariant recorded sales of CHF 5.847 billion for its continuing businesses. The company reports in four business areas: Care Chemicals, Catalysis, Natural Resources, and Plastics & Coatings. Clariant's corporate strategy is based on five pillars: focus on innovation through R&D, add value with sustainability, reposition portfolio, intensify growth, and increase profitability.