

Media Release

FIRST QUARTER 2018

25 April 2018

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Clariant starts 2018 with significant growth in sales and EBITDA

- **First quarter sales rose by 7 % in local currency to CHF 1.722 billion**
- **EBITDA before exceptional items improved significantly by 7 % in Swiss francs**
- **EBITDA margin before exceptional items remained stable at a good 15.6 %**
- **2018 outlook confirmed**

“In the first three months of 2018, Clariant delivered very good 7 % growth, both in sales and profitability”, said CEO Hariolf Kottmann. “All our Business Areas contributed to this progress which was mainly driven by volumes. The turnaround of the Catalysis business has been confirmed and also the Oil & Mining Services business is showing signs of improvement, while Care Chemicals continued its excellent development and Plastics & Coatings is performing in line with expectations. For 2018, we are on track to achieve our targets.”

Key Financial Data

<i>in CHF million</i>	First Quarter			
	2018	2017	% CHF	% LC
Sales	1 722	1 602	7	7
EBITDA before exceptional items	268	250	7	2
- margin	15.6 %	15.6 %		

First quarter 2018 – Further sales and EBITDA improvement

Muttenz, April 25, 2018 - Clariant, a world leader in specialty chemicals, today announced first quarter 2018 sales of CHF 1.722 billion compared to CHF 1.602 billion in the first quarter of 2017. This corresponds to 7 % growth in local currency as well as in Swiss francs. All Business Areas contributed to this sales growth, with particular strength in Catalysis and Care Chemicals. Organic sales rose by 5 % in local currency driven by higher volumes and supported by a positive pricing effect.

All geographic regions contributed to the progression in the first quarter. Growth in local currency was most pronounced in Asia at 15 % driven by a substantial expansion in China while sales in Latin America rose by 11 % as a result of the recovering macroeconomic environment. Sales in North America advanced by 5 % and in the Middle East & Africa by 4 % in local currency. Europe grew by a solid 2 % despite a very strong comparable base.

In Care Chemicals and Catalysis, the excellent sales expansion continued. Sales in Care Chemicals rose by 9 % in local currency mainly supported by Consumer Care and Aviation. Catalysis sales advanced by a vigorous 36 % in local currency with excellent organic sales growth of 19 %.

Natural Resources sales grew by 2 % in local currency amid the progressing oil market recovery. Plastics & Coatings delivered another 2 % local currency growth against a strong comparable base. All three Business Units contributed to the advancement.

EBITDA before exceptional items rose by 7 % in Swiss francs and reached CHF 268 million compared to CHF 250 million in the previous year. The upswings particularly in Catalysis but also in Care Chemicals as well as the strong performance in Plastics & Coatings led to the profitability enhancement.

The corresponding EBITDA margin before exceptional items was 15.6 % which mirrors the previous year's high level.

Outlook – Continued progression in growth, profitability improvement and operating cash flow generation

Clariant expects the good economic environment in mature markets, which represent a high comparable base, to continue. Emerging markets are expected to be supportive with Latin America showing signs of a recovery.

For 2018, 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

	First Quarter			
<i>in CHF Million</i>	2018	2017	% CHF	% LC
Sales	484	440	10	9
EBITDA before exceptional items	89	80	11	5
- margin	18.4 %	18.2 %		

First Quarter

Care Chemicals sales rose by an excellent 9 % in local currency and by 10 % in Swiss francs in the first quarter of 2018, bolstered by good growth in Consumer Care and a strong Aviation business mainly in North America attributable to favorable weather conditions.

Most regions progressed with very solid local currency growth. North America as well as Latin America where the economic environment improved as anticipated, both delivered double-digit sales growth. In addition, in Asia and Europe sales also increased despite a strong comparable base in the first quarter of 2017.

The EBITDA margin before exceptional items increased to 18.4 % from 18.2 % as a result of an improved product mix and the reduction of ramp up costs on a year-on-year basis, while the Aviation business was not accretive to the margin.

For 2018, Care Chemicals expects continued solid sales growth. Clariant maintains its focus on the strong market demand for innovative and sustainable solutions.

In March 2018, Clariant announced the global launch of Aristoflex® Silk, a novel rheology modifier with exceptional salt tolerance and silky, soft skin feeling for premium personal care products. Aristoflex® Silk offers great spreadability and perfectly balanced afterfeel on the skin. The new ethylene oxide-free and ready-to-use polymer supports formulators in achieving the diverse beauty requirements of consumers looking for highly functional and protective products. This trend is epitomized by the rising demand for facial masks and sun care.

Business Area Catalysis

<i>in CHF Million</i>	First Quarter			
	2018	2017	% CHF	% LC
Sales	197	142	39	36
EBITDA before exceptional items	39	27	44	47
- margin	19.8 %	19.0 %		

First Quarter

As anticipated, sales in Catalysis soared by 36 % in local currency and 39 % in Swiss francs in the first quarter of 2018. Organic sales, excluding the fully consolidated Süd-Chemie India Pvt Ltd. joint venture, rose by 19 % in local currency due to an improved demand across the Business Lines.

From a regional perspective, the robust sales expansion was largely attributable to the continued volume growth seen in China and ongoing strength in the Middle East & Africa.

The EBITDA margin before exceptional items advanced to 19.8 % from 19.0 % in the previous year. The profitability gain was driven by the acceleration in demand. However, the proportionally higher sales growth contribution from Syngas had a slightly dampening effect on the margin.

Keeping in mind both, the strength of the business in 2017 and the full consolidation effect of the Süd-Chemie India Pvt Ltd. joint venture as of 1 April 2017, we anticipate solid growth in Catalysis for 2018, in-line with our guidance. This is driven by Clariant's portfolio strength, innovation capability, global footprint and partnerships as well as by the supporting underlying recovery in the Catalysis business environment.

sunliquid®, the innovative process which converts agricultural residues such as wheat straw, corn stover and bagasse into cellulosic ethanol, has once again been acknowledged and certified by the industry. In March 2018, at the World Bio Markets conference in Amsterdam, Clariant's first sunliquid® technology license agreement with Slovakian bioethanol producer Enviral for a full-scale commercial cellulosic ethanol plant was chosen as the "Bio-based industry story of the year 2018". This award comes on the heels of Clariant's recent recognition as number 13 among Biofuel's Digest's "Top 50 Hottest Companies in the Advanced Bioeconomy" and supports Clariant's commitment as a leader in innovation.

Business Area Natural Resources

<i>in CHF Million</i>	First Quarter			
	2018	2017	% CHF	% LC
Sales	343	347	-1	2
EBITDA before exceptional items	52	57	-9	-15
- margin	15.2 %	16.4 %		

First Quarter

In the first quarter of 2018, sales in Natural Resources increased by 2 % in local currency and declined by 1 % in Swiss francs supported by an improving oil market environment.

The Oil & Mining Services business delivered single-digit growth in local currency, lifted by an improving demand in Oil Services in the last month of the quarter offsetting a temporarily softer Mining business.

Sales in Functional Minerals decreased slightly in local currency against a strong comparable base. The positive development in the Foundry business could not fully compensate the slight softness in the edible oil business which is subject to the quality of the respective crops as a result of the weather conditions.

The EBITDA margin before exceptional items declined to 15.2 % year-on-year, burdened by the continued price consciousness of the oil market. This, however, is expected to improve throughout the year due to the sales pipeline of the business and a generally improving oil market.

The Oil & Mining Services business is anticipated to build up momentum in the course of 2018. Functional Minerals is expected to return to slight growth on a full year basis.

Business Area Plastics & Coatings

<i>in CHF Million</i>	First Quarter			
	2018	2017	% CHF	% LC
Sales	698	673	4	2
EBITDA before exceptional items	114	110	4	0
- margin	16.3 %	16.3 %		

First Quarter

The Plastics & Coatings Business Area progressed sales by 2 % in local currency and by 4 % in Swiss francs.

Sales growth in all three Business Units was solid against a strong previous year. Expansion in Greater China underpinned the continued improvement in Masterbatches and Pigments while Additives sales growth surpassed the very strong first quarter 2017 mainly due to higher demand in Europe, the Middle East and Africa.

Despite a strong comparable base, the EBITDA before exceptional items continued to advance and increased to CHF 114 million. The main foundation of this development included volume growth as well as pricing measures undertaken in all three Business Units.

Plastics & Coatings continues to develop solutions and products for the needs of its end markets. These solutions in combination with the focus on differentiated business steering are expected to result in continued solid growth and profitability.

In April, at the American Coatings Show 2018, Clariant debuted new sustainable additives which support contemporary challenges and the increasing demand within North America for more sustainable coatings solutions. The unveiling of advanced surface solutions, flame retardants and performance additives extends current possibilities for coating manufacturers to sustainably improve the safety, protective lifetime, and aesthetic performance of waterborne and solventborne coatings and enables them to respond to rising environmental demands and lifestyle, mobility and urbanization trends.

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Clariant is a globally leading specialty chemicals company, based in Muttenz near Basel/Switzerland. On 31 December 2017 the company employed a total workforce of 18 135. In the financial year 2017, Clariant recorded sales of CHF 6.377 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.