

Full Year Results 2017

14 FEBRUARY 2018



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.

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Full Year 2017

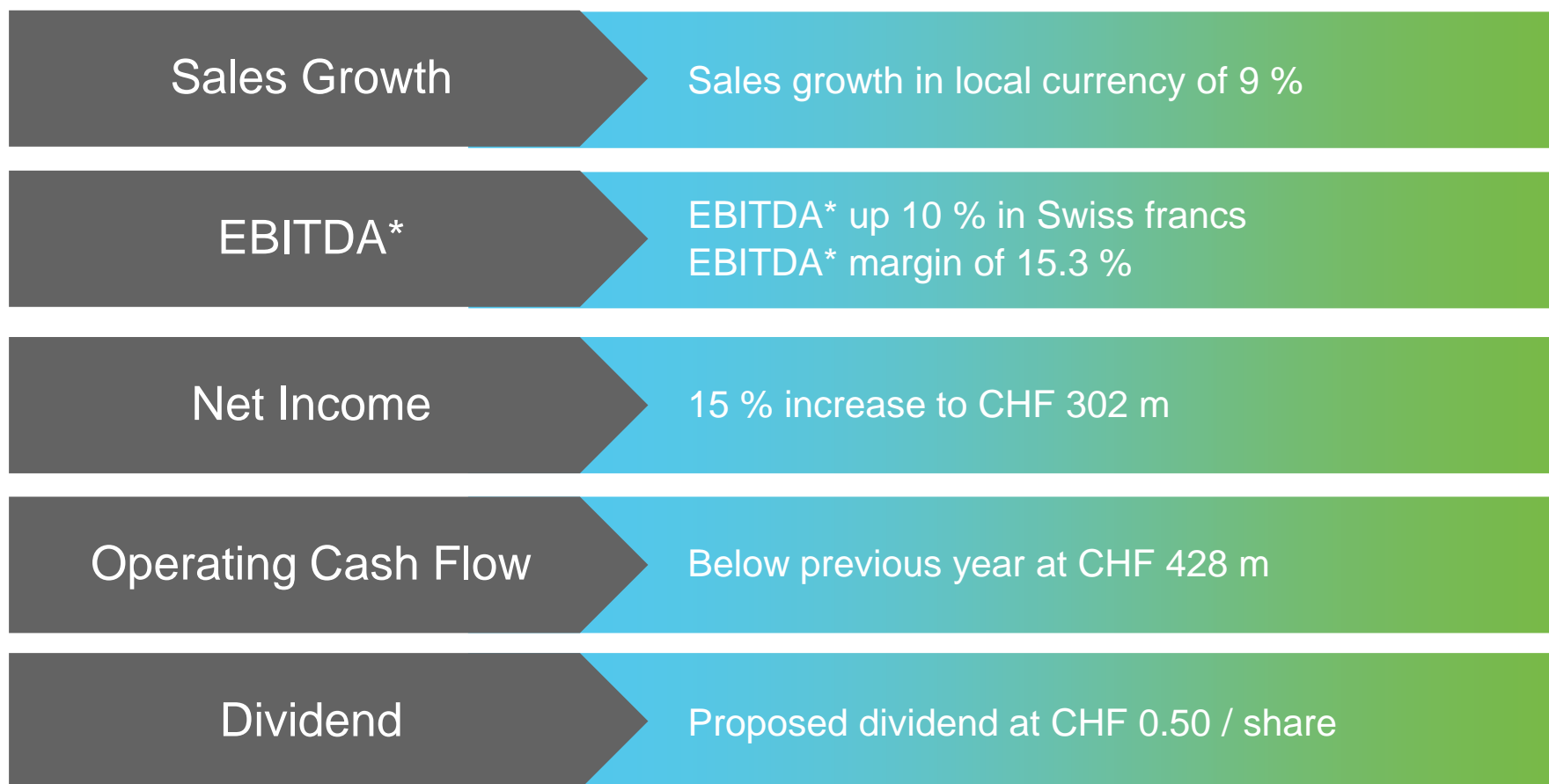


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Full Year 2017– Significant growth and further profitability improvement

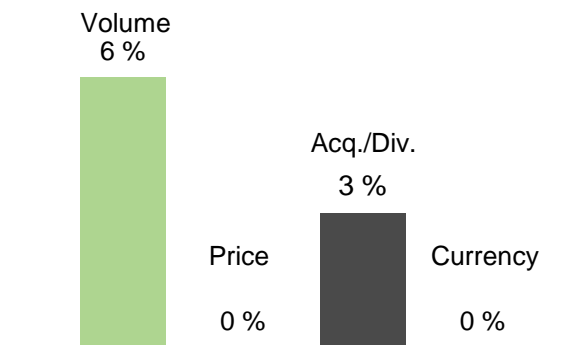
FY 2017 vs. FY 2016



* before exceptional items

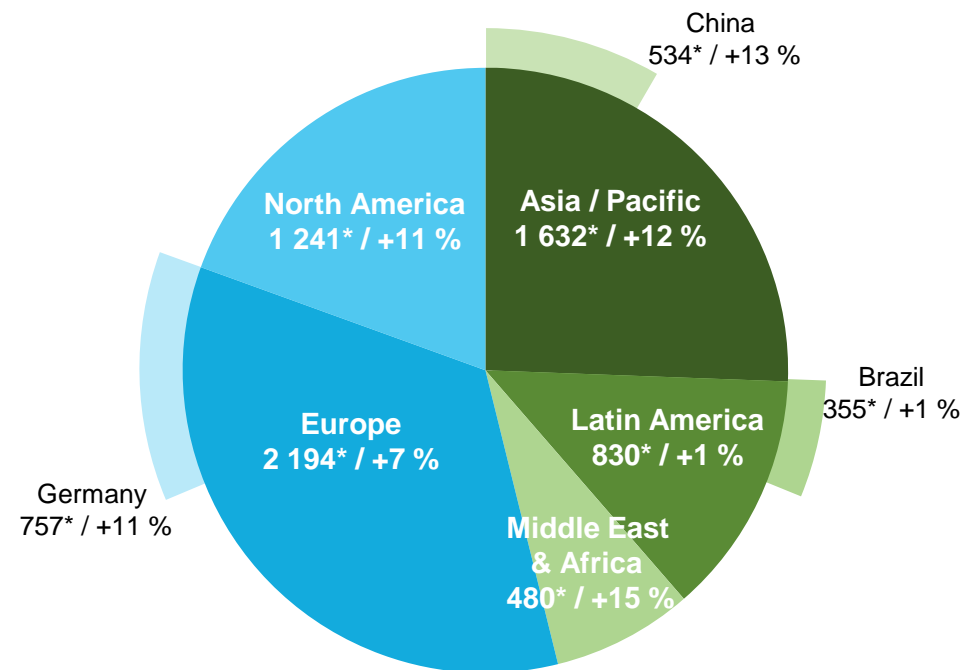
Sales up by 9 % mainly driven by higher volumes

Sales mix FY 2017



- Organic sales advanced by 6 % driven by higher volumes
- All Business Areas contributed to sales growth
- Strong expansion in Europe, Asia and the Middle East & Africa
- North America growth supported by acquisitions

Sales growth in local currency



Sales FY 2017: CHF 6 377 m

- Mature Markets
- Emerging Markets

*Sales in CHF m

Expansion in Care Chemicals, upswing in Catalysis

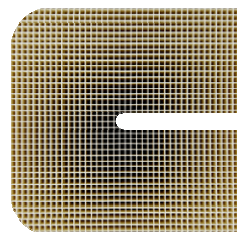


Care Chemicals

- Strong sales in both Consumer Care and Industrial Applications
- Almost all regions achieved very good sales growth
- EBITDA* margin slightly decreased to 18.4 % due to ramp up costs for new capacities and some delay passing on raw material price increases

Sales growth** EBITDA* margin

+8 % **18.4 %**



Catalysis

- Organic sales increased by 7 % in local currency with a marked increase in Syngas demand
- Clear improvement in the second half from a demand upswing in Asia, Europe as well as in Middle East & Africa
- EBITDA* margin climbed to 25.8 % driven by the top line improvement

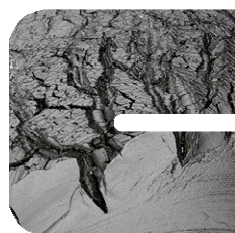
Sales growth** EBITDA* margin

+13 % **25.8 %**

* before exceptional items

** in local currency

Superior organic sales in Natural Resources, further EBITDA increase in Plastics & Coatings



Natural Resources

- Organic sales increased by 3 % in local currency
- Solid growth in all segments of Functional Minerals
- Oil & Mining Services sales improved despite the challenging market trend in the oil business
- EBITDA* margin decreased to 15.3 % due to the current price consciousness of the oil market and weaker demand in the Refinery business

Sales growth** EBITDA* margin

+14 % 15.3 %



Plastics & Coatings

- Attractive sales growth in all businesses
- Masterbatches and Pigments with good sales expansion while Additives delivered very strong sales growth
- Absolute EBITDA* grew by a solid 5 %, benefiting from high capacity utilization as well as continued strong top line growth

Sales growth** EBITDA* growth**

+5 % +5 %

* before exceptional items

** in local currency

Full Year 2017 Financials



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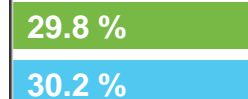
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Absolute EBITDA* with significant improvement

Gross margin decreased

- Slight decrease attributable to some delay in passing on raw material increases in the first six months

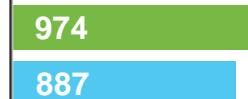
Gross margin



EBITDA* advanced considerably

- EBITDA* up by 10 % in Swiss francs
- Improvement attributable to superior progress in Catalysis as well as excellent developments in Plastics & Coatings and Care Chemicals

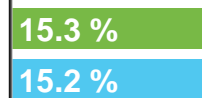
EBITDA* CHF m



EBITDA* margin exceeds previous year

- EBITDA* margin increased by 10 basis points to 15.3 %
- Enhancement mainly resulted from strong margin development in Catalysis which offset the weaker margin in Natural Resources

EBITDA* margin

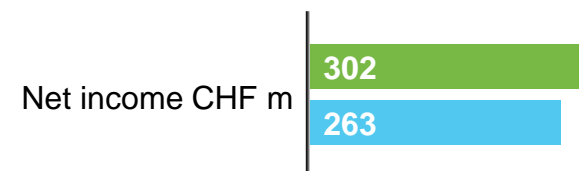


* before exceptional items

Net income advancement of 15 %

Net income grew to CHF 302 m from CHF 263 m

- Net income up 15 % year-on-year
- Expansion supported by improvement in absolute EBITDA* as well as lower finance costs offsetting higher taxes



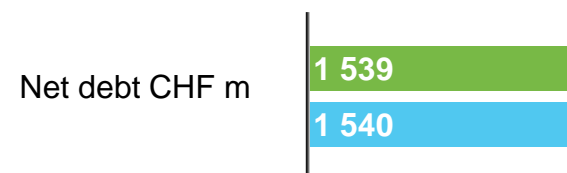
Lower cash flow from operations

- Operating cash flow negatively impacted by temporarily higher one-off costs and higher net working capital as a result of brisk demand in Q4 2017 and anticipated strong demand in Q1 2018



Net debt at CHF 1 539 m

- Net debt remained stable



* before exceptional items

Fourth Quarter 2017

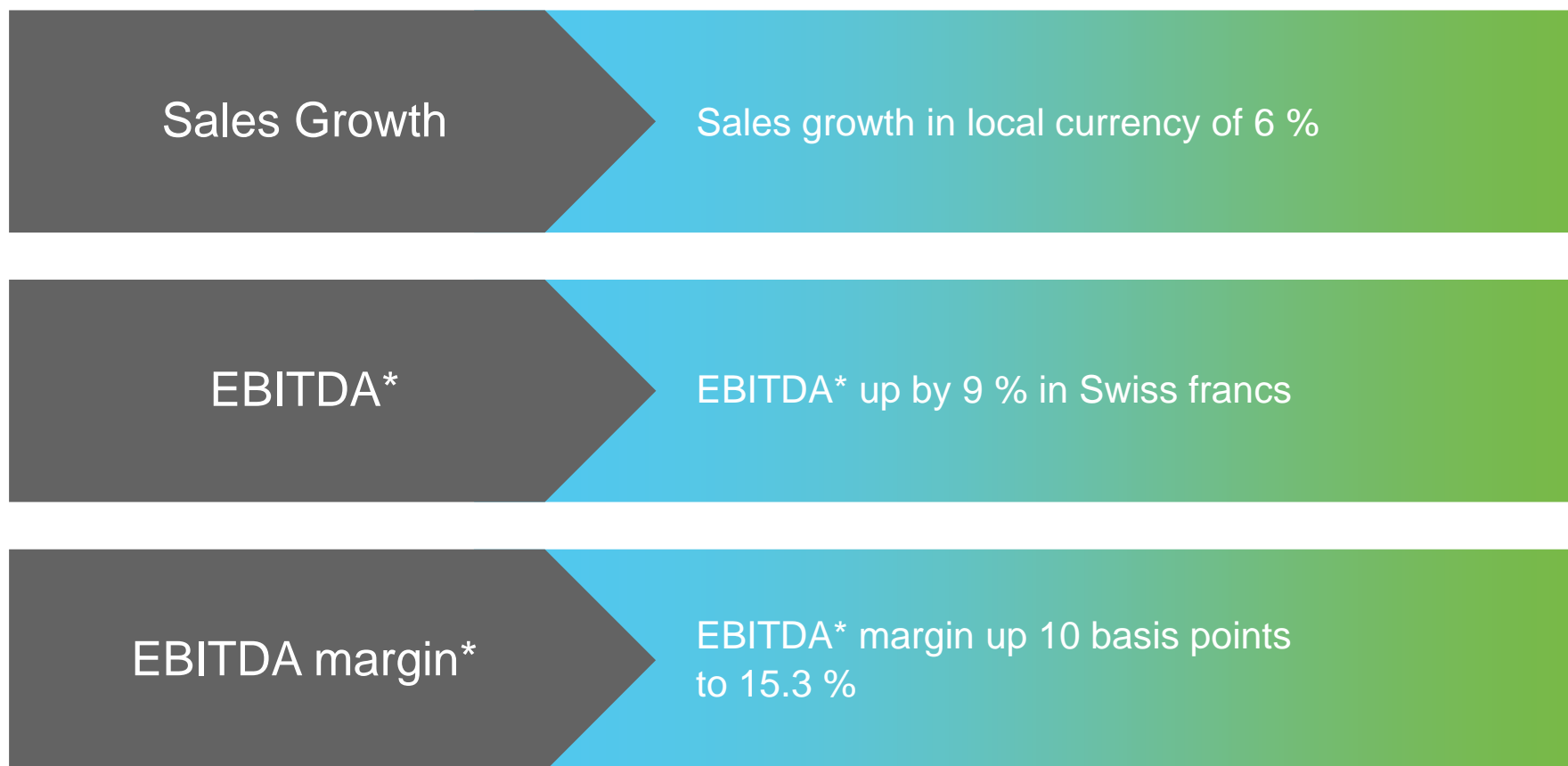


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Fourth Quarter 2017 – Further expansion in sales and absolute EBITDA

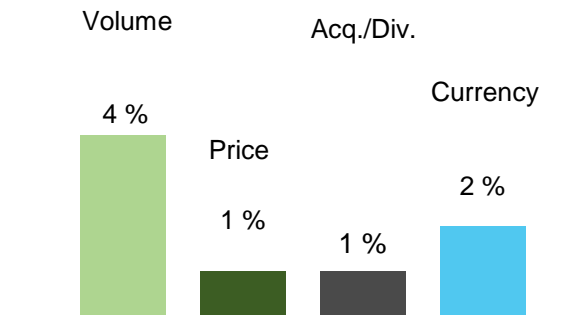
Q4 2017 vs. Q4 2016



* before exceptional items

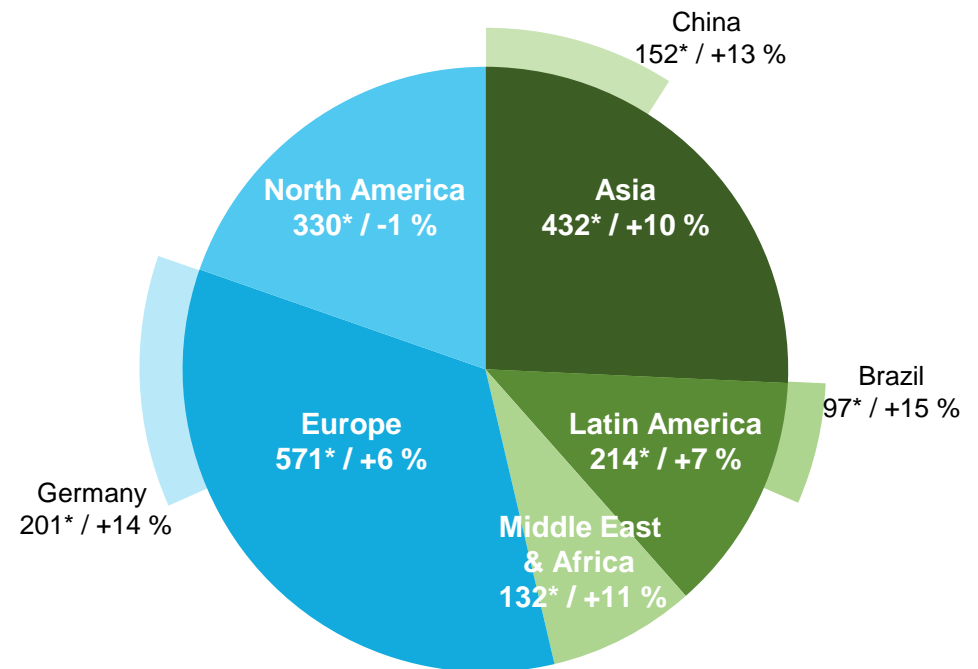
Sales with continued progression in local currency and Swiss francs

Sales mix Q4 2017



- Sales rose by 6 % in local currency supported by all Business Areas
- Organic sales increased by 5 %
- Strong growth in Asia, Europe, the Middle East & Africa and Latin America
- North America growth slightly negative

Sales growth in local currency



Sales Q4 2017: CHF 1 679 m

- Mature Markets
- Emerging Markets

*Sales in CHF m

Solid sales growth in Care Chemicals, Catalysis reflects product shifts

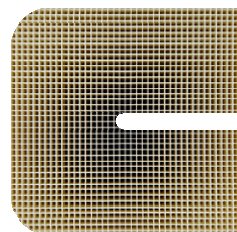


Care Chemicals

- Expansion supported by both, Consumer Care and Industrial Applications
- Most regions delivered very solid local currency growth, with particular strength in Asia and Europe
- EBITDA* margin increased significantly to 19.4 % as a result of fading ramp up costs towards end of the year and the better product mix

Sales growth** EBITDA* margin

+7 % **19.4 %**



Catalysis

- Slower year-on-year sales growth attributable to forward product shifts from the fourth quarter to the third quarter
- Superior sales growth in Asia and the Middle East & Africa
- Excellent 28.6 % EBITDA* margin despite slightly less favorable product mix

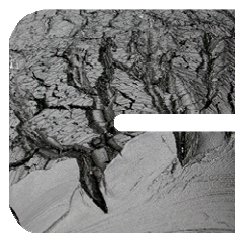
Sales growth** EBITDA* margin

+1 % **28.6 %**

* before exceptional items

** in local currency

Improved sales in Natural Resources, ongoing expansion in Plastics & Coatings



Natural Resources

- Sales increased organically by 5 % in local currency
- Both businesses Oil & Mining Services and Functional Minerals contributed to the growth
- OMS sales recovered slightly despite the demanding industry conditions
- EBITDA* margin rose to 18.1 % amid an ongoing competitive industrial environment

Sales growth** EBITDA* margin

+5 % **18.1 %**



Plastics & Coatings

- Plastics & Coatings showed good sales growth in almost all regions
- Masterbatches and Pigments with excellent growth across all regions
- Additives continued to progress with robust growth in all major regions
- Absolute EBITDA* in Plastics & Coatings grew by 2 % in local currency despite a strong comparable base

Sales growth** EBITDA* growth**

+8 % **+2 %**

* before exceptional items
** in local currency

Significantly improved sales and EBITDA* as well as further EBITDA* margin expansion

Fourth Quarter 2017 Business Area	Sales Q4		EBITDA* CHF m		EBITDA margin* %	
	CHF m	% LC	Q4/17	Q4/16	Q4/17	Q4/16
Care Chemicals	413	7	80	68	19.4	18.0
Catalysis	238	1	68	71	28.6	30.7
Natural Resources	364	5	66	62	18.1	18.0
Plastics & Coatings	664	8	72	68	10.8	11.4
Corporate Costs			-29	-34		
Group Total	1 679	6	257	235	15.3	15.2

* before exceptional items

The Potential of Sunliquid®

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Summary

Business Line Biofuels & Derivatives

Market:

- Bioethanol market: approx. CHF 60 bn
- Secured markets due to governmental programmes in the EU, North America, China with further upside from federal programmes in Brazil and India
- Sustainability strong value driver in the mobility and fuels market

Bioethanol plant Romania:

- Investment: slightly above CHF 100 m
- First production by 2020
- Entire production output of bioethanol already contracted

Biofuels & Derivatives guidance:

- At least CHF 100 m annual sales potential
 - Licenses for bioethanol production technology
 - Bioethanol sales from production plant in Romania
 - Growth potential of sunliquid® technology beyond fuels (not yet included)
- EBITDA* margins exceeding 40 %
- Attractive cash flow conversion from sunliquid® technology

Outlook



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Economic Outlook 2018



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



Outlook 2018 – absolute EBITDA*, EBITDA* margin and operating cash flow progression



For 2018, Clariant is confident to be able to achieve further 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 the top tier of the specialty chemicals industry. This corresponds to an EBITDA margin before exceptional items range of 16 % to 19 % and a return on invested capital (ROIC) above the peer group average.

* before exceptional items

Back-up Slides



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Strong sales and absolute EBITDA* momentum, further EBITDA* margin improvement

Full Year 2017 Business Area	Sales		EBITDA* CHF m		EBITDA* margin %	
	CHF m	% LC	FY 17	FY 16	FY/17	FY/16
Care Chemicals	1 575	8	290	276	18.4	18.8
Catalysis	767	13	198	160	25.8	23.8
Natural Resources	1 357	14	207	200	15.3	16.9
Plastics & Coatings	2 678	5	388	368	14.5	14.6
Corporate Costs			-109	-117		
Group Total	6 377	9	974	887	15.3	15.2

* before exceptional items

Key financials – Full Year

Full Year	2017		2016	
	CHF m	% of sales	CHF m	% of sales
Sales	6 377	100 %	5 847	100 %
Local currency growth (LC)	9 %		2 %	
- Organic growth rate*	6 %		1 %	
- Acquisitions/Divestments	3 %		1 %	
Currencies	0 %		-1 %	
Gross profit	1 902	29.8 %	1 770	30.2 %
EBITDA before exceptional items	974	15.3 %	887	15.2 %
EBITDA	813	12.7 %	785	13.4 %
Operating income before exceptional items	673	10.6 %	622	10.6 %
Operating income	496	7.8 %	512	8.8 %
Net income	302	4.7 %	263	4.5 %
Operating cash flow	428		646	

* Organic growth: volume and price effects excluding the impact of changes in foreign currency exchange rates and acquisitions/divestments

Cash flow –Full Year

Full Year	2017	2016
	CHF m	CHF m
Net income	302	263
Depreciation, amortization and impairment	317	273
Payments for restructuring	-40	-37
Other*	180	231
Operating cash flow before working capital changes and provisions	759	730
Changes in working capital and provisions	-230	-18
Income tax paid*	-101	-66
Operating cash flow	428	646
Cash flow from investing activities	65	-772
<i>thereof: property, plant and equipment</i>	-248	-297
<i>thereof: changes in current financial assets and near cash assets</i>	238	-116
<i>thereof: acquisitions, disposals and other</i>	75	-359
Cash flow before financing	493	-126

* the line "Income taxes paid" is reclassified under "Cash generated from operating activities". In previously published Financial Reviews it was a part of "Cash flow before changes in working capital and provisions".

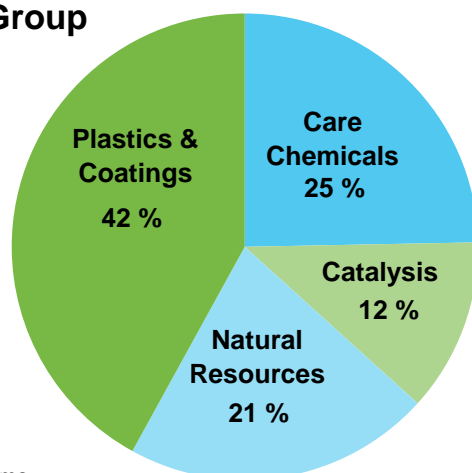
Financial results – Full Year

Full year	2017	2016
	CHF m	CHF m
Interest income	12	9
Other financial income	23	3
Total financial income	35	12
Interest costs	-93	-109
<i>thereof: effect of discounting of non-current provisions</i>	-5	-4
<i>thereof: interest component of pension provisions</i>	-17	-19
Other financial expenses	-7	-12
Total financial expenses	-100	-121
Currency result, net	6	-65
Total financial cost	-94	-186

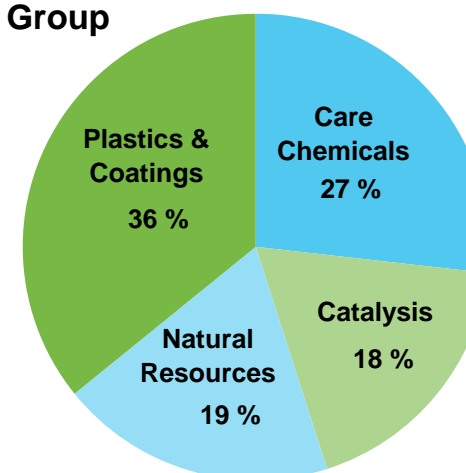
Sales and EBITDA* margins by Business Area – Full Year 2017

Full Year 2017 Business Area	Sales		EBITDA*		EBITDA margin* %	
	CHF m	% LC**	CHF m	% LC**	FY/17	FY/16
Care Chemicals	1 575	8	290	4	18.4	18.8
Catalysis	767	13	198	23	25.8	23.8
Natural Resources	1 357	14	207	3	15.3	16.9
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Corporate Costs			-109			
Group Total	6 377	9	974	9	15.3	15.2

Sales in % of Group



EBITDA* in % of Group



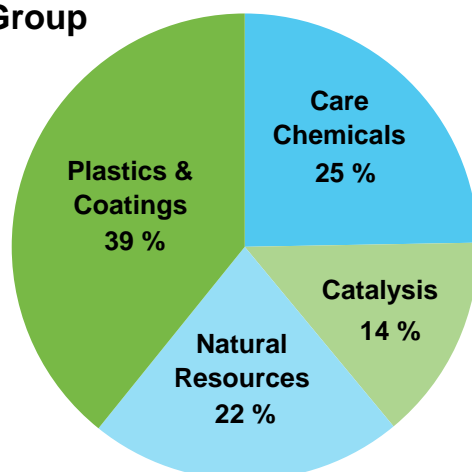
* before exceptional items

** in local currency

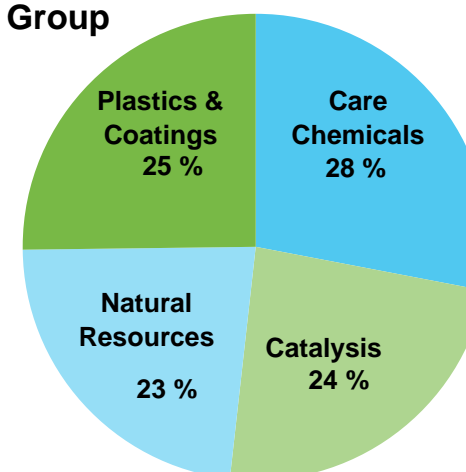
Sales and EBITDA* margins by Business Area – Fourth Quarter 2017

Fourth Quarter 2017 Business Area	Sales		EBITDA*		EBITDA margin* %	
	CHF m	% LC**	CHF m	% LC**	Q4/17	Q4/16
Care Chemicals	413	7	80	14	19.4	18.0
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Corporate Costs			-29			
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Sales in % of Group



EBITDA* in % of Group



* before exceptional items

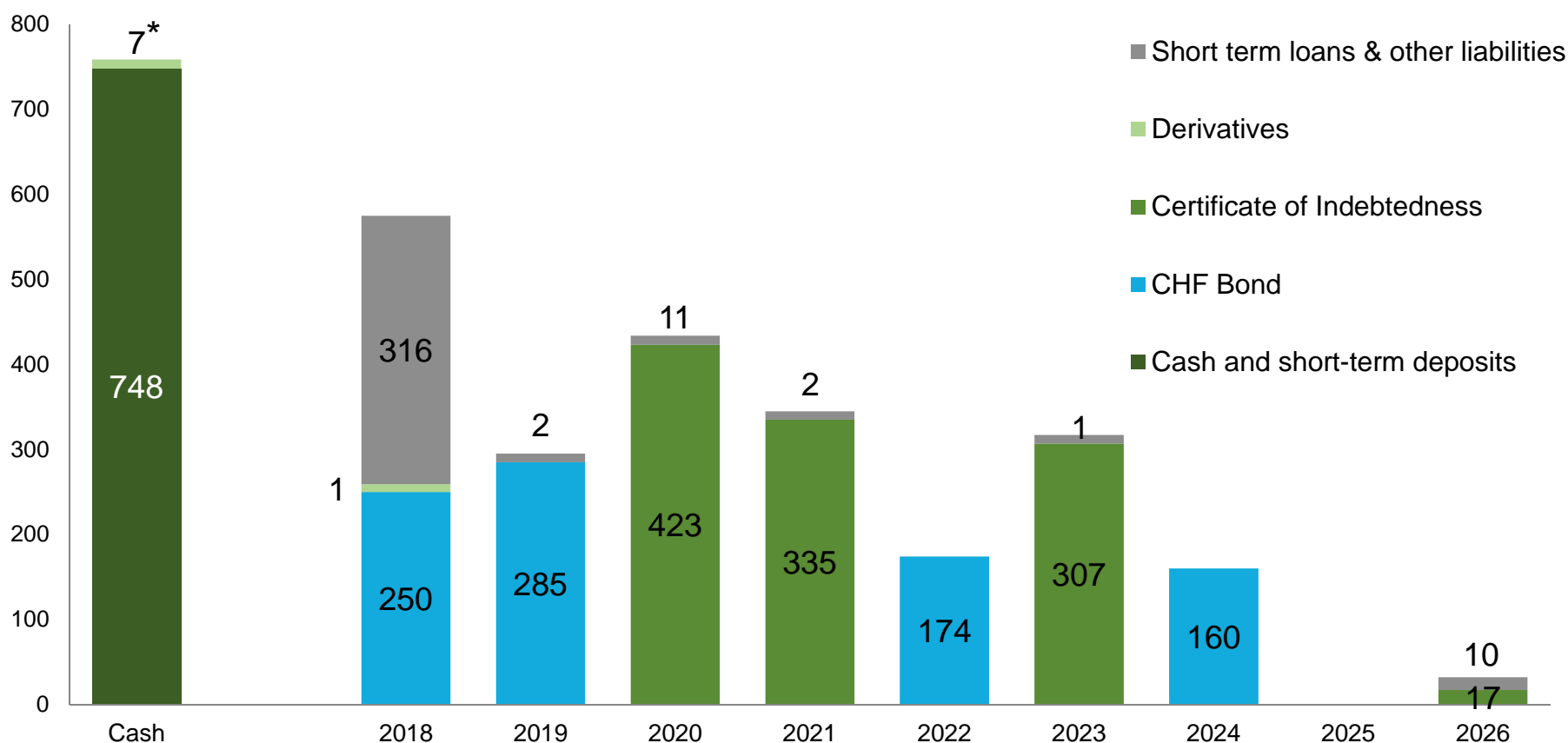
** in local currency

Debt maturity profile as of 31 December 2017

Liquidity

Financial Debt Maturities

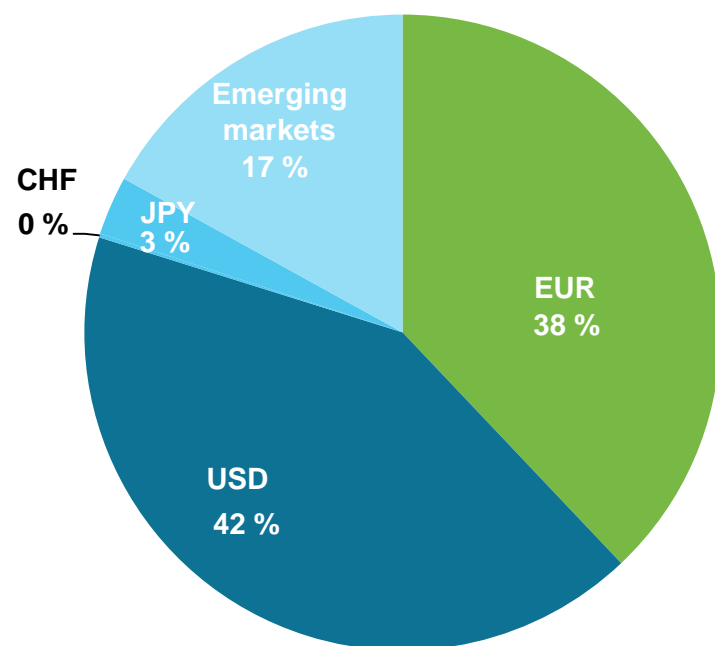
in CHF million



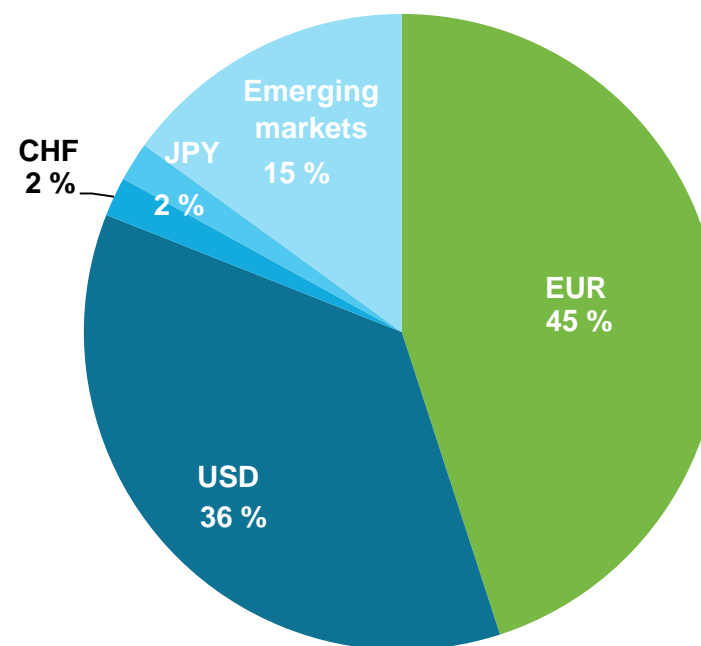
* Financial instruments with positive fair values reported under other current assets.

Sales and cost structure*

Global sales distribution in %



Global cost distribution in %



*These distributions represent an approximation to total cash in- and out-flows and are closely linked to transaction exposures for FY 2017.

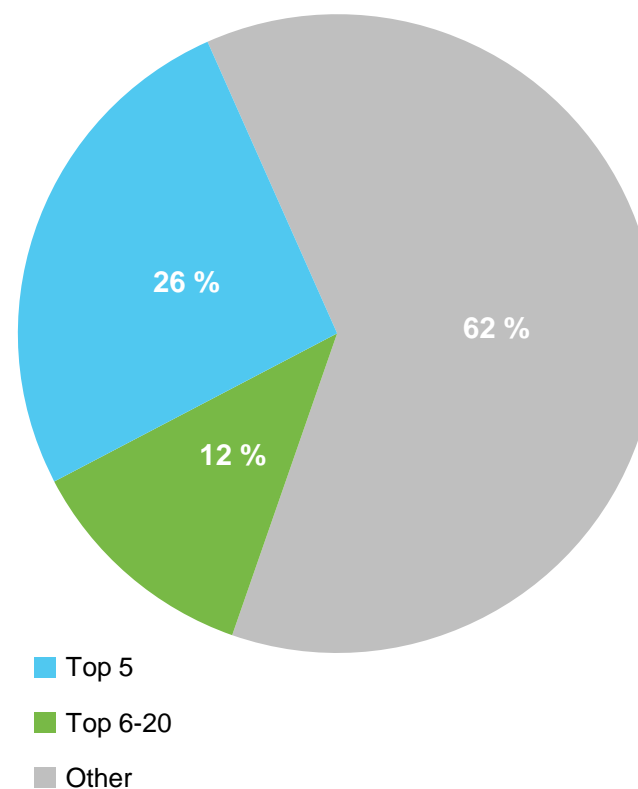
Top 20 chemicals in percentage of total raw material costs*

Top 5 Chemicals

- 1 Ethylene
- 2 Ethylene oxide
- 3 Propyleneglycol
- 4 Titanium dioxide
- 5 Polyethylene

Top 6-20 Chemicals

- 6 Propylene oxide
- 7 Phthalocyanine copper salt
- 8 Sodium hydroxide
- 9 Polypropylene
- 10 Fatty acids
- 11 Acetic acid
- 12 Butene/ethene copolymer
- 13 Carbon black
- 14 Zinc oxide
- 15 Sodium hypophosphite
- 16 Wax, montan
- 17 Carbon
- 18 Hydrocarbon solvents
- 19 Ferric oxide
- 20 Alumina



*As of 31 December 2017

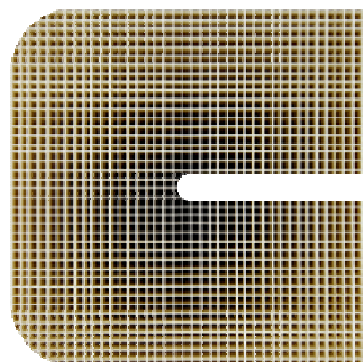
Group Target: EBITDA margin of 16-19 % and ROIC above peer group average



**Care
Chemicals**

SALES (CHF m)	1 575
EBITDA (CHF m)	290
EBITDA margin	18.4 %

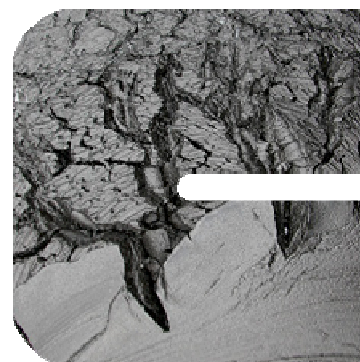
Growth ambition per annum*	4 – 5 %
EBITDA margin potential*	18 – 19 %



Catalysis

SALES (CHF m)	767
EBITDA (CHF m)	198
EBITDA margin	25.8 %

Growth ambition per annum*	6 – 7 %
EBITDA margin potential*	24 – 26 %



**Natural
Resources**

SALES (CHF m)	1 357
EBITDA (CHF m)	207
EBITDA margin	15.3 %

Growth ambition per annum*	6 – 7 %
EBITDA margin potential*	15 - 17 %



**Plastics
& Coatings**

SALES (CHF m)	2 678
EBITDA (CHF m)	388
EBITDA margin	14.5 %

Growth ambition per annum*	GDP
Steered for absolute EBITDA and cash flow generation	

* Over the cycle

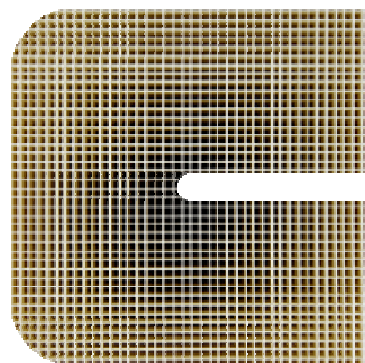
All actual figures refer to FY 2017; EBITDA and EBITDA margin are before exceptional items

Clariant's products and services are grouped into four Business Areas



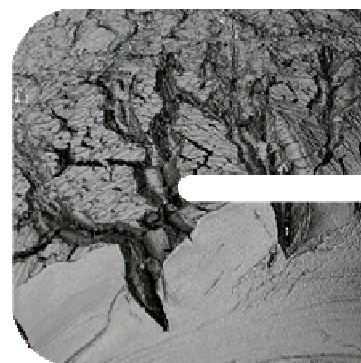
Care Chemicals

Business Area (BA) Care Chemicals comprises the Business Unit Industrial & Consumer Specialties (ICS), Food Additives as well as the future Industrial Biotechnology business. It demonstrates a clear focus on highly attractive, high-margin, and low-cyclicality segments. The BA follows a lifestyle-driven megatrend and strengthens Clariant's image of being a supplier of green and sustainable products.



Catalysis

BA Catalysis 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 are in the forefront of new market developments such as the commercialization and licensing of bio-ethanol.



Natural Resources

BA Natural Resources, comprises the BUs Oil & Mining Services and Functional Minerals. It is characterised 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.



Plastics & Coatings

BA Plastics & Coatings comprises the BUs Additives, Pigments, and Masterbatches. The BA has a large exposure to Europe and, as such, is subject to GDP growth and economic cycles. Main drivers are the increasing use of plastics with tailor-made properties in applications such as mobile phones, cars, and construction, as well as the rising consumption of plastics in line with increased wealth.

Calendar of upcoming corporate events

19 March 2018	Annual General Meeting
25 April 2018	First Quarter 2018 Sales and EBITDA*
25 July 2018	Half Year 2018 Results
31 October 2018	Nine Months 2018 Sales and EBITDA*

* before exceptional items

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