

# Greater chemistry – between people and planet

Capital Markets Day 2021

23 November 2021

what is precious to you?





# Today's Presenters



**Conrad Keijzer**  
Chief Executive Officer



**Hans Bohnen**  
Chief Operating Officer



**Bernd Hoegemann**  
Chief Transformation Officer



**Stephan Lynen**  
Chief Financial Officer

# Agenda

**1****Clariant's purpose: "Greater chemistry – between people and planet"**

Conrad Keijzer

**2****Growth case studies**Hans Bohnen /  
Bernd Hoegemann**3****Financial perspectives – profitable growth and capital discipline**

Stephan Lynen

**4****Wrap-up**

Conrad Keijzer

**5****Q & A**

**“Greater chemistry – between people and planet”**

Conrad Keijzer

# Our Key Messages Today

**1**

**Clariant's new purpose provides inspiration to all stakeholders: "Greater chemistry – between people and planet"**

**2**

**Clariant is a leader in sustainability and commits to ambitious carbon reduction targets**

**3**

**Growth will be enabled by sustainability-driven innovation, an enhanced footprint in China and focused bolt-on M&A**

**4**

**Improved profitability through repositioning toward more attractive segments and upgraded performance programs**

**5**

**Clariant's top quartile ambition is reflected in new 2025 financial targets and people and planet commitments**

# Clariant's Purpose: "Greater chemistry – between people and planet"

## Purpose-led strategy

**Customer  
focus**



**Innovative  
chemistry**



**Leading in  
sustainability**



**People  
engagement**



**New financial targets**  
**New non-financial targets**

# Clariant today is a Global Leader in Specialty Chemicals

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**~ 11 500**

Total staff (FTE)

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**95**

Nationalities

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**0.16**LTR<sup>1</sup>

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**3**

Core Business Areas

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**80**Production sites and  
R&D centers worldwide

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**4 152**Sales (CHF m)<sup>2</sup>

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**676**EBITDA (CHF m)<sup>2</sup>

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**16.3 %**EBITDA margin<sup>2</sup>

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**42 %**

EMEA

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**31 %**

APAC

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**27 %**

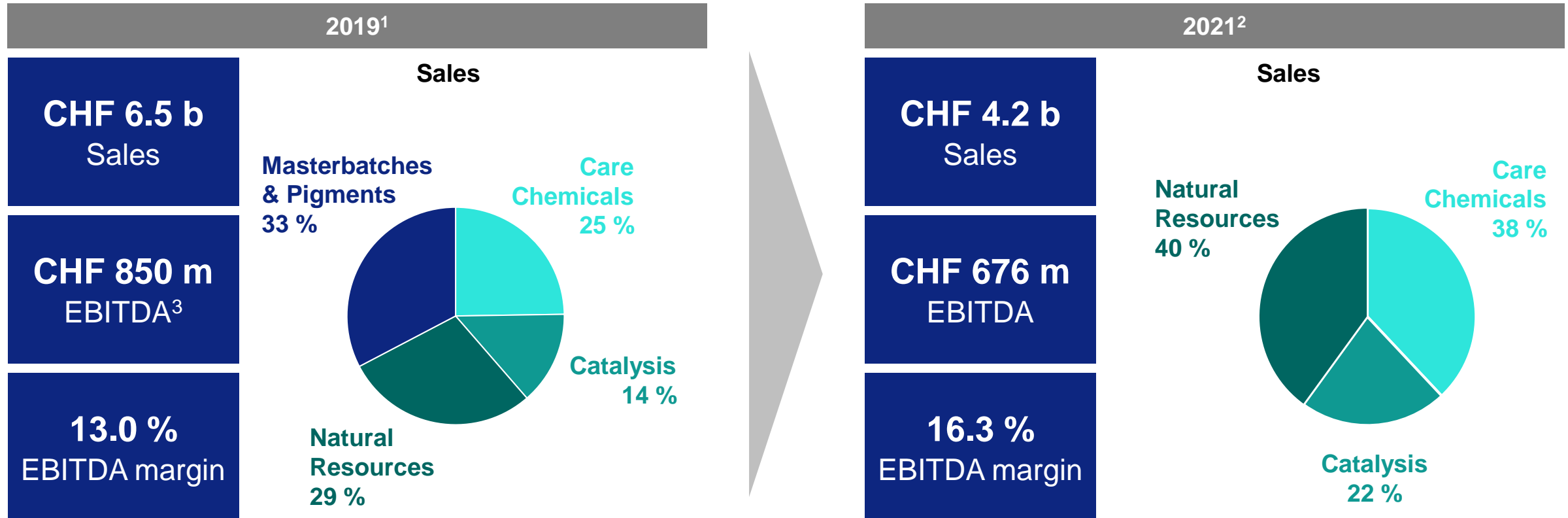
Americas



<sup>1</sup> Lost Time Accident Rate in FY 2020; <sup>2</sup> Last Twelve Months (LTM) Sep 2021, continuing operations



# Focus on Core Specialty Businesses to Realize Their Full Potential

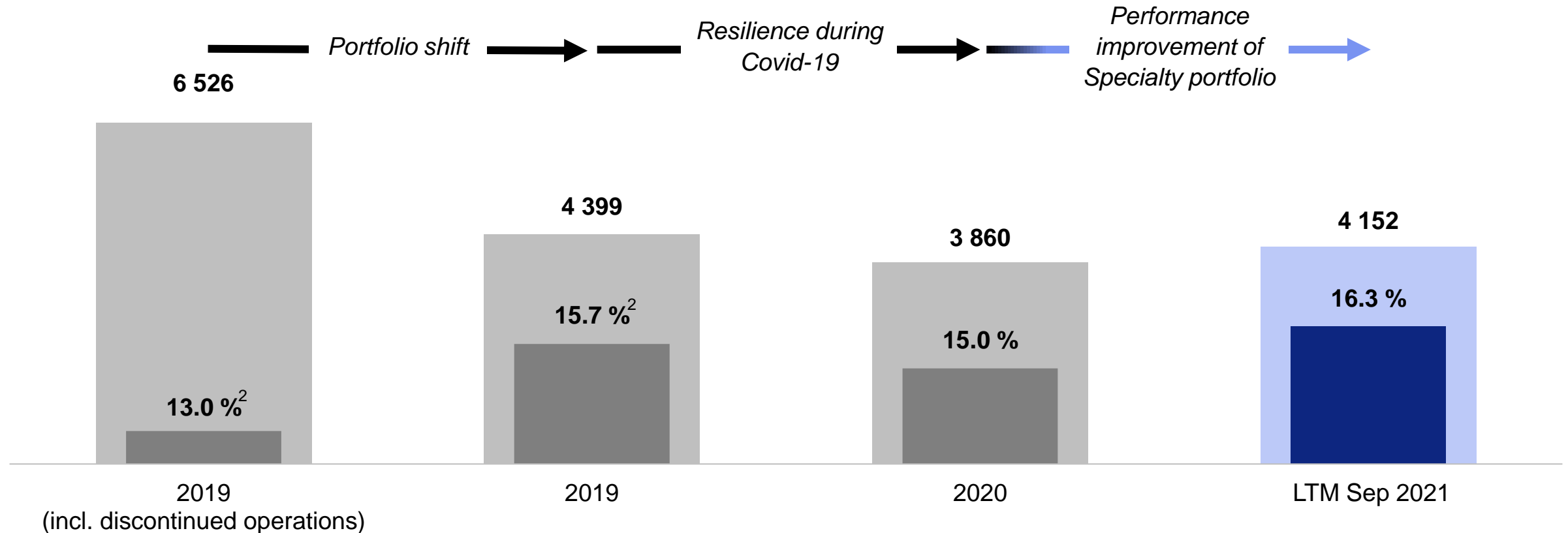


<sup>1</sup> Total Group; <sup>2</sup> LTM Sep 2021 continuing operations; <sup>3</sup> Adjusted for CHF 231 m provision for competition law investigation by the European Commission



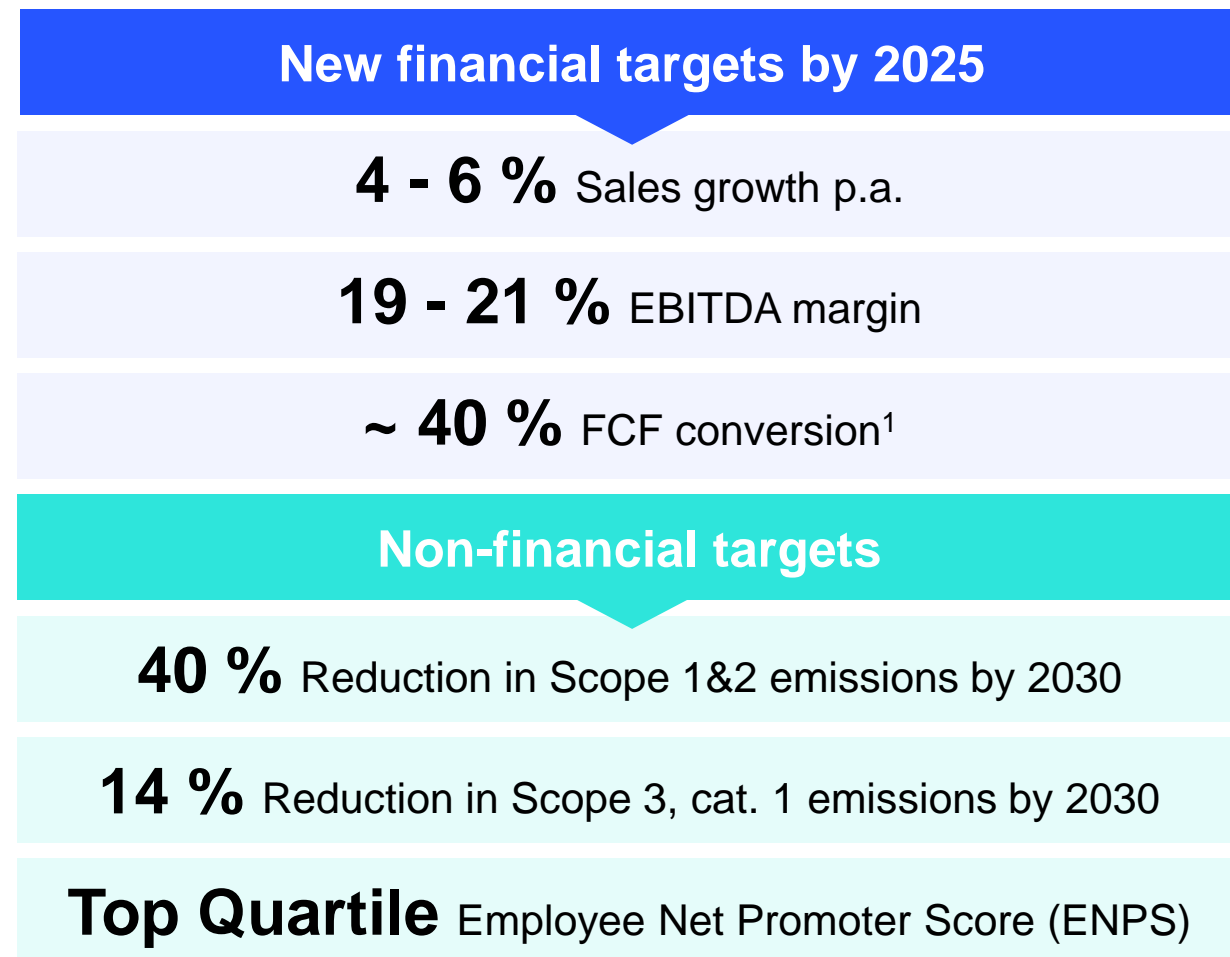
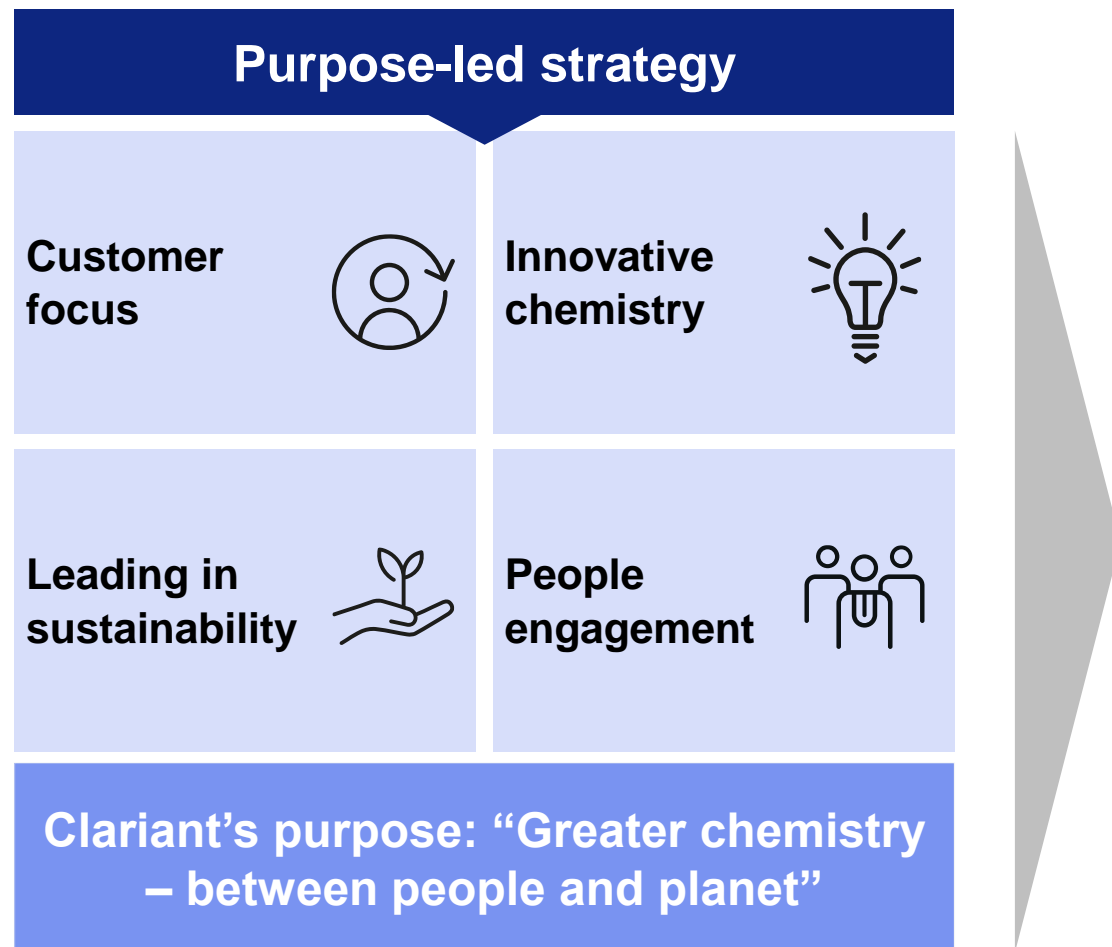
# Resilience during Covid-19, Followed by Improvement in Profitability

2019 - LTM Sep 2021 sales and EBITDA margin<sup>1</sup>  
CHF m



<sup>1</sup> Continuing operations unless otherwise stated; <sup>2</sup> Adjusted for CHF 231 m provision for competition law investigation by the European Commission

# New Group Targets with the Ambition towards Top Quartile in the Specialty Chemicals Industry



<sup>1</sup> Defined as (cash generated from operating activities – capex)/EBITDA

**Our Specialty Portfolio is Positioned in Attractive End-Markets with Increased Demand for Sustainability Solutions and an Increased Exposure to Consumer Markets**

Care Chemicals

Catalysis

Natural Resources

# Care Chemicals: Growth in Consumer Segments with Bio-Renewable and Bio-Based Products

LTM Sep 2021	Market segments	Profitable growth drivers
<div>CHF 1.6 b</div> <div>Sales</div>	<div><div>Industrial ~ 33 %</div><div><div><div></div></div><div><div></div></div></div><div><div>• Building &amp; Construction</div><div>• Automotive</div><div>• Aviation</div></div></div> <div><div>Consumer ~ 67 %</div><div><div><div></div></div><div><div></div></div></div><div><div>• Personal Care</div><div>• Health Care</div><div>• Home Care</div><div>• Agriculture</div><div>• Coatings</div></div></div>	<div>Strong growth in consumer businesses with bio-renewable and bio-based products</div>
<div>CHF 329 m</div> <div>EBITDA</div>		<div>Expand Health Care portfolio leveraging personal care technologies</div>
<div>20.9 %</div> <div>EBITDA margin</div>		<div>Digital capability enabling unique formulation capability for coatings</div>
<div>Our customers are leading in sustainability</div>		

AkzoNobel



L'ORÉAL



Care Chemicals

Catalysis

Natural Resources

# Catalysis: Enables Carbon Footprint Reduction of Downstream Industry

LTM Sep 2021	Market segments	Profitable growth drivers
<b>CHF 0.9 b</b> Sales	<p><b>Bioethanol</b></p> <p><b>Syngas ~ 20 %</b></p> <ul style="list-style-type: none"> <li>• Ammonia</li> <li>• Methanol</li> <li>• Hydrogen</li> </ul> <p><b>Specialty Catalysts ~ 35 %</b></p> <ul style="list-style-type: none"> <li>• Chemical Intermediates</li> <li>• Fuel Technologies</li> <li>• Emission Control</li> </ul> <p><b>Petrochemicals ~ 45 %</b></p> <ul style="list-style-type: none"> <li>• Ethylene</li> <li>• Propylene</li> <li>• Polypropylene</li> </ul>	<p>Strong growth in on-purpose propylene and solid growth in polypropylene markets</p> <p>Syngas technologies well positioned to enable the new hydrogen economy</p> <p>Commercialization of our technology for 2<sup>nd</sup> generation bioethanol</p>
<b>CHF 164 m</b> EBITDA		
<b>18.0 %</b> EBITDA margin		
Our technology partners are leading in sustainability		



Care Chemicals

Catalysis

Natural Resources

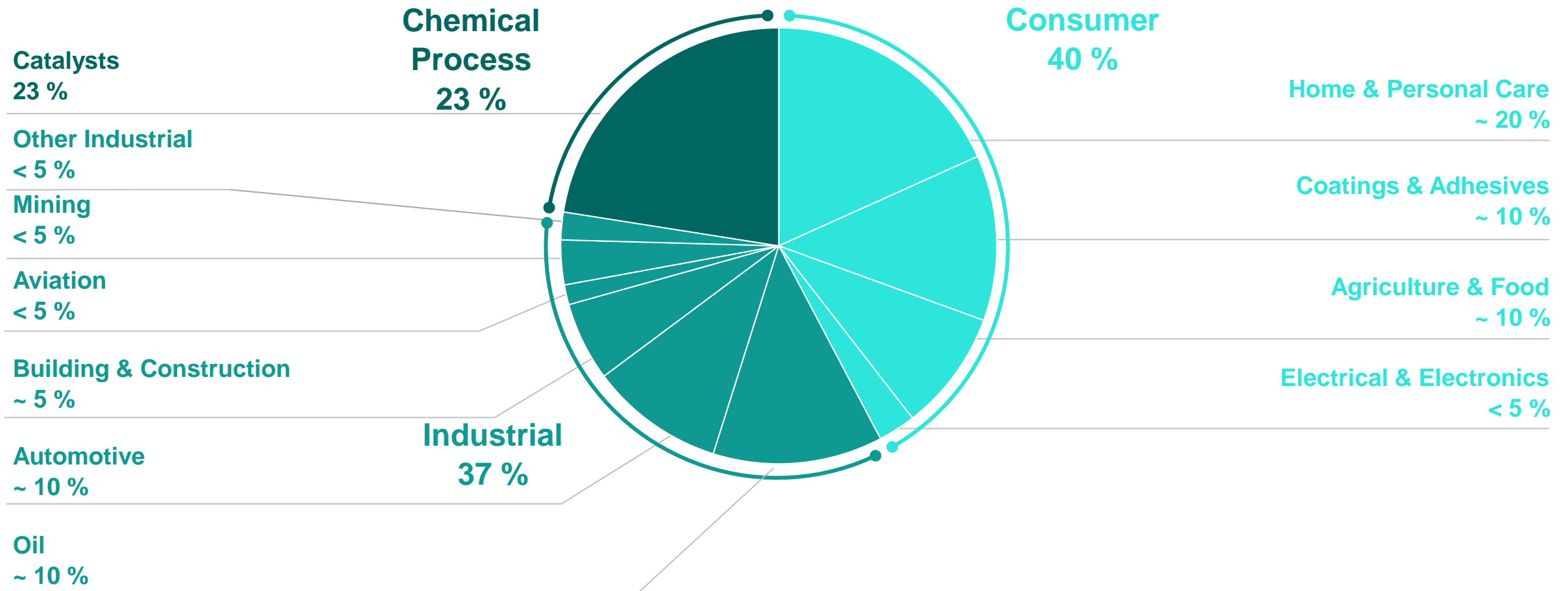
# Natural Resources: Benefitting from Sustainability Trends: E-Mobility, Renewable Fuels and Plastic Recycling

LTM Sep 2021	Market segments	Profitable growth drivers
<b>CHF 1.7 b</b> Sales	<b>Oil and Mining Services ~ 45 %</b> <ul style="list-style-type: none"> <li>• Oil</li> <li>• Mining</li> <li>• Fuel Additives</li> </ul>	<p>Strong demand for halogen free flame retardants for electric vehicles and electronics</p>
<b>CHF 276 m</b> EBITDA	<b>Additives ~ 25 %</b> <ul style="list-style-type: none"> <li>• Advanced Surface Solutions</li> <li>• Flame Retardants</li> <li>• Performance Additives</li> </ul>	<p>Strong demand for purification products for renewable fuels and pyrolysis oils</p>
<b>16.5 %</b> EBITDA margin	<b>Functional Minerals ~ 30 %</b> <ul style="list-style-type: none"> <li>• Purification</li> <li>• Foundry</li> <li>• Packaging</li> </ul>	<p>Environmentally friendly flotation chemicals for mining</p>
Our customers are leading in sustainability		



# We are Positioned in Attractive End-Markets with an Increased Demand for Sustainable Products, and Exposure to Consumer Markets

Sales by End-Market (2020)

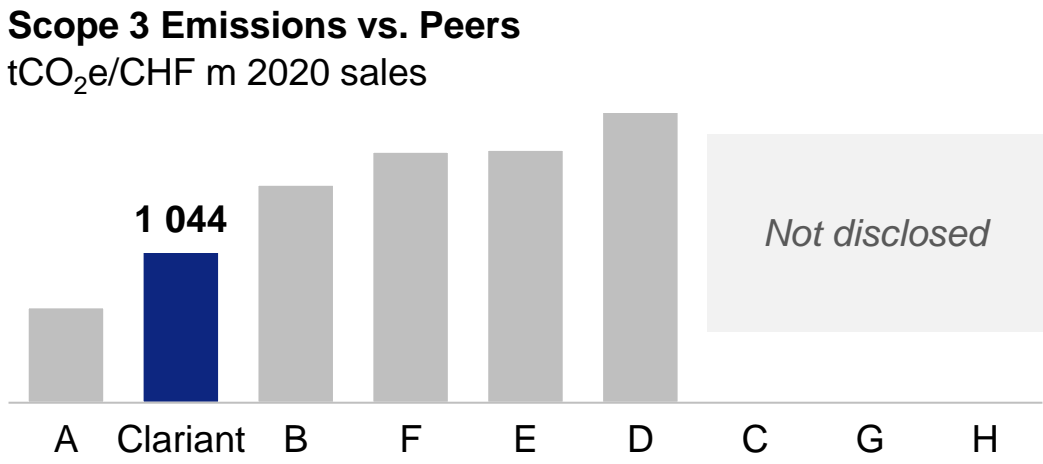
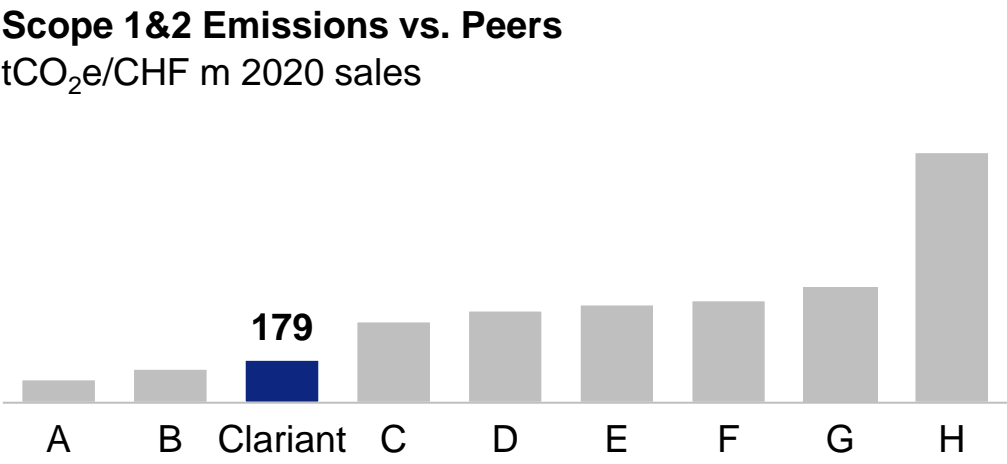


# **Expand Leadership Position in Sustainability and Sustainability-Driven Innovation**

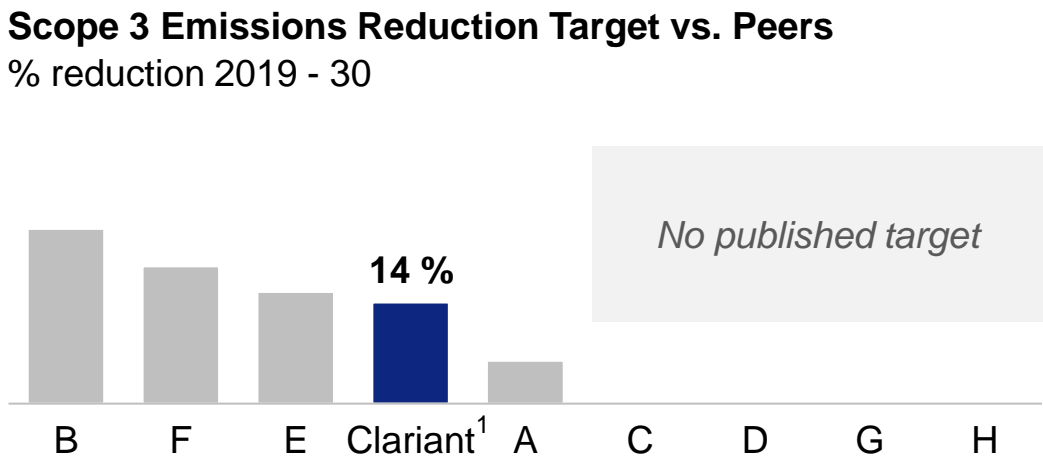
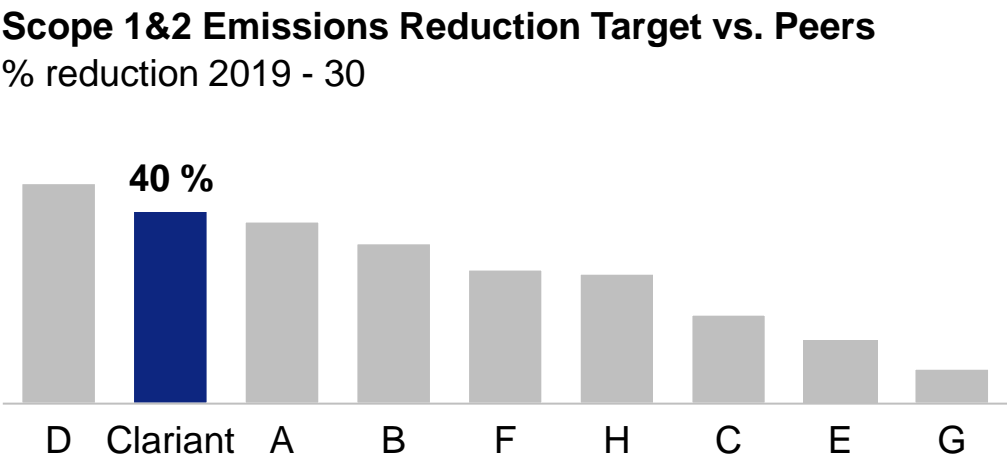


# A Leader in Low Carbon Intensity Today and Tomorrow

GHG Emissions Intensity

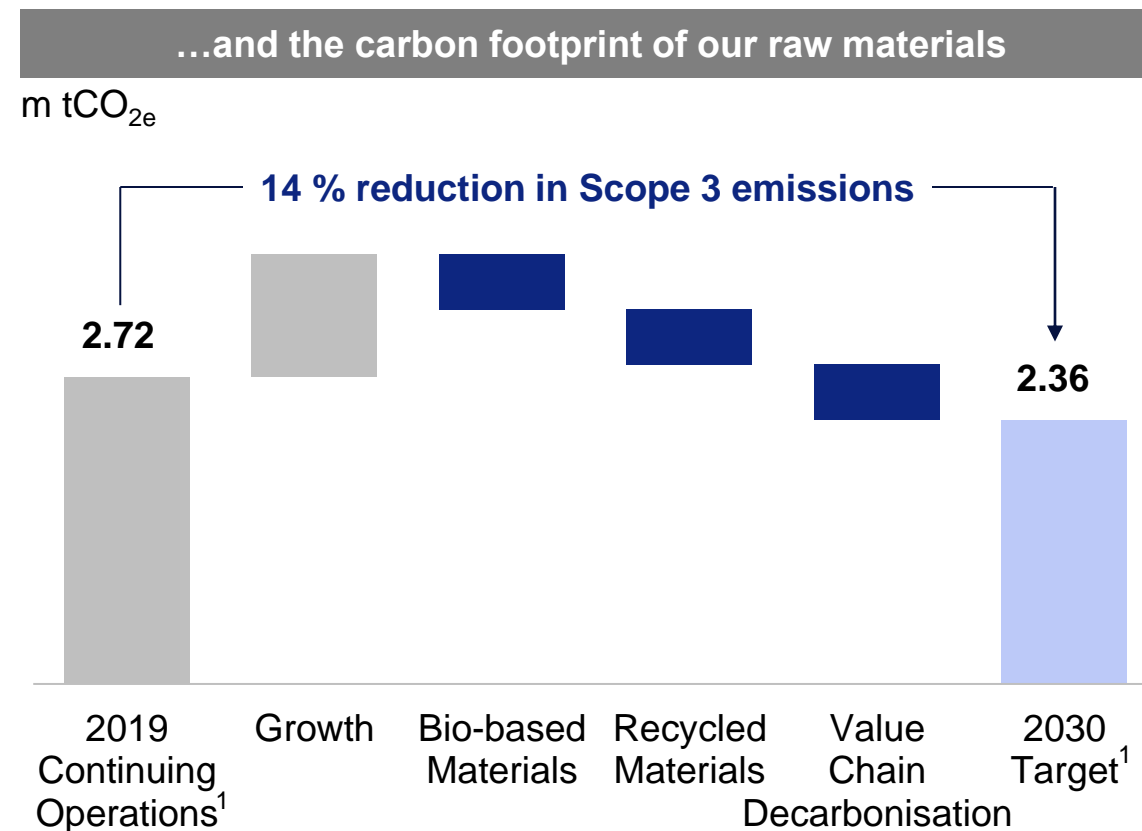
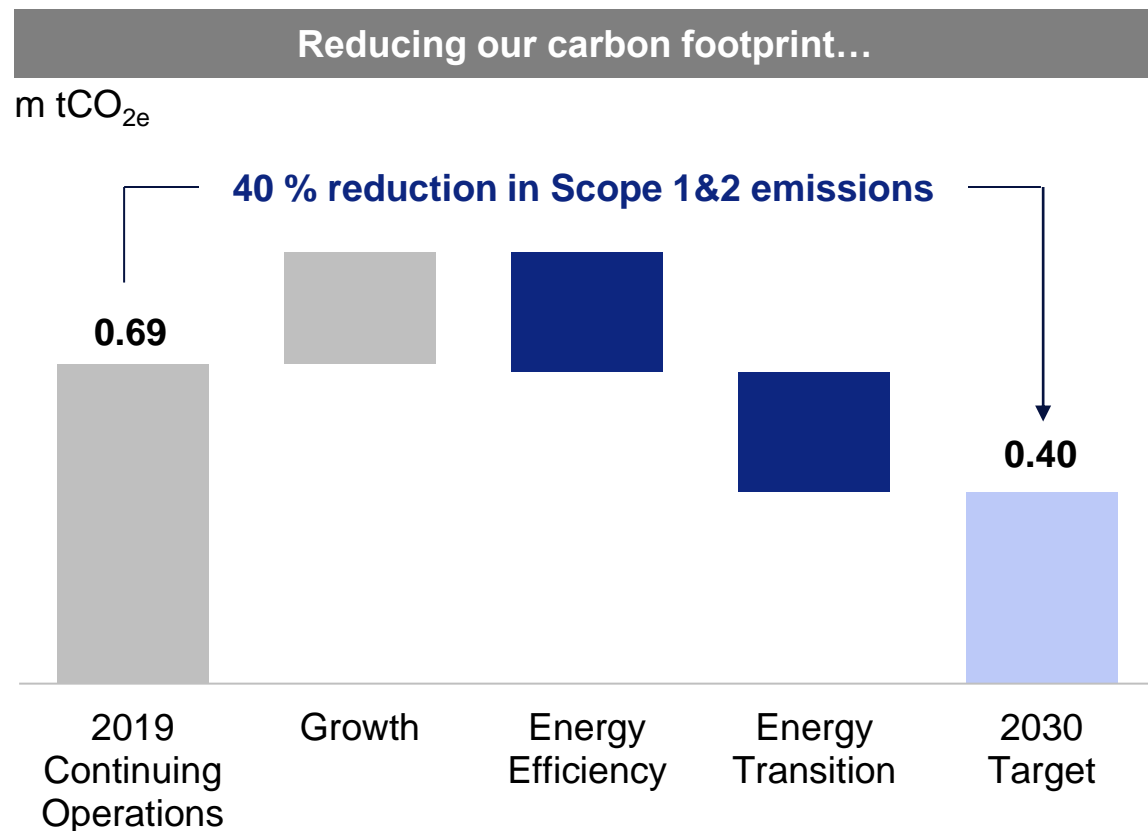


GHG Emissions Reduction Targets



<sup>1</sup> Reduction of Scope 3, category 1 emissions

# Ambitious Emission Reduction Targets Underpinned with Roadmaps



<sup>1</sup> Scope 3, category 1 emissions (raw materials)



# Superior Product Offering to Help Customers Improve their Sustainability Profile

## Bio-based products

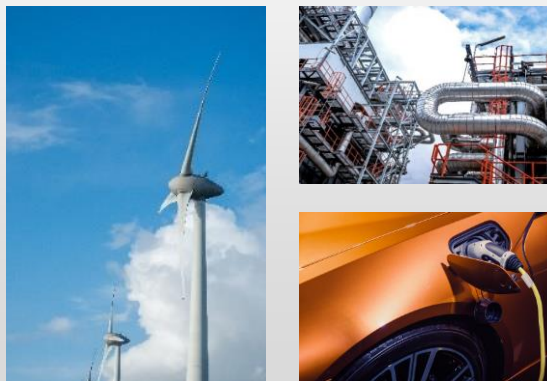
- **VITA** range of surfactants
- **Sunliquid®** cellulosic ethanol
- **Naturals** and **botanicals**



~ 20 % of Clariant FY 2020 sales

## Enabling decarbonization

- **Reduction of carbon-footprint** with award-winning catalysts
- Catalyst enabling the **new hydrogen economy**
- **Halogen-free flame retardants** for e-mobility



~ 25 % of Clariant FY 2020 sales

## Enabling circularity

- **Additives** that support **mechanical recycling** of plastics
- **Purification of pyrolysis oil** to support **chemical recycling** of plastics
- **Purification of bio-diesel**



~ 15 % of Clariant FY 2020 sales

# **Growth in China and Focused Bolt-on M&A**

# Above Market Growth in China through Increased Local Capabilities

## Growing footprint in China

### New Catofin plant under completion

- CHF 80 m investment
- Start up H1 2022

### New Depal III plant in preparation

- CHF 60 m investment
- Start up H1 2023



9 production sites / 3 R&D centers

## Enhancing local innovation capabilities

### Clariant Innovation Centre opened in 2021

- Dedicated R&D for China with the objective to double headcount by 2025

**CHF 45 m**

Investment

**50/350**

R&D/Total FTE

**~ 960**

Total FTE in China

## Delivering growth potential

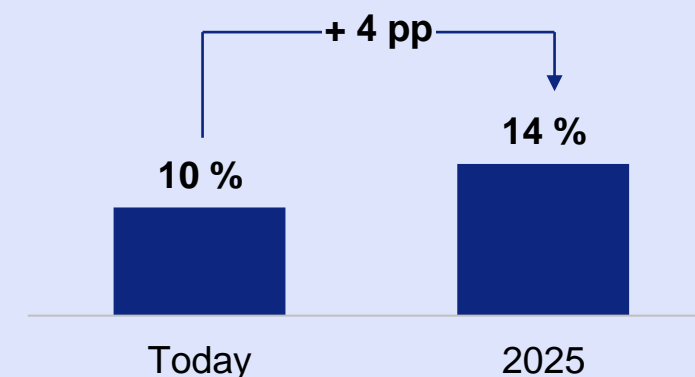
**~ 35 %**

Share of local  
production today

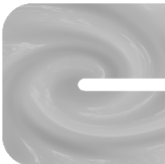

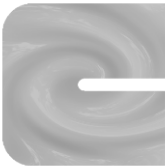

**> 50 %**

Share of local  
production by 2025

% of Clariant sales



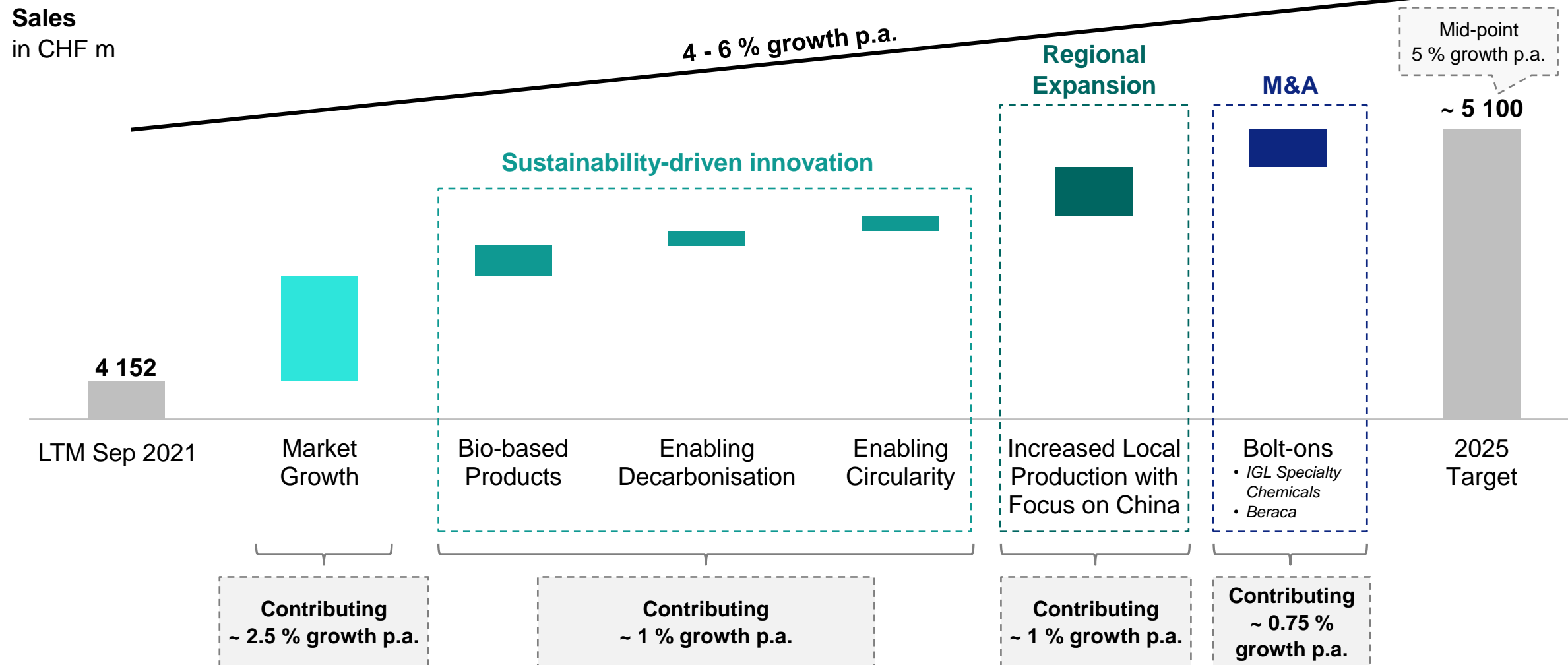
# M&A to Strengthen our Core Business Segments

M&A criteria		Recent transactions
Segment	Commercial	JV with India Glycols – Closed on 30 Jun 2021
<ul style="list-style-type: none"> <li>• Attractive market position</li> <li>• Focus on Consumer Care, Catalysts, Additives and Purification</li> </ul>	<ul style="list-style-type: none"> <li>• Revenue synergies</li> <li>• Product line extensions</li> <li>• New regions</li> </ul>	<div>   </div> <div> <b>CLARIANT</b>            IGL Specialty            Chemicals         </div>
Financial	Technologies	Beraca acquisition – Closed on 25 Oct 2021
<ul style="list-style-type: none"> <li>• Ensure accretion to ROIC</li> <li>• Growth and margin enhancing</li> </ul>	<ul style="list-style-type: none"> <li>• Complementing Clariant's technologies</li> <li>• Positive sustainability impact</li> </ul>	<div>  </div> <div>  </div> <div>           Care Chemicals         </div>

# **Above Market Growth and Additional Performance Programs Leading to Step-Up in EBITDA Margins**



# Attractive Growth Trajectory supported by Multiple Levers



# Driving EBITDA margin to 19 - 21 % by 2025 from Profitable Growth and Contribution of Performance Programs

EBITDA margin<sup>1</sup>  
in %



<sup>1</sup> Continuing operations; <sup>2</sup> Adjusted for CHF 231 m provision for competition law investigation by the European Commission

# Key Growth Projects well underway

## New CATOFIN® plant

- China Jiaxing plant for CATOFIN® catalyst production
- Construction commenced Q3 2020
- Ramp up in H1 2022
- ~ CHF 80 m investment



Jiaxing, Zhejiang Province, China



## New DEPAL III flame retardant plant

- China Daya Bay plant for halogen-free flame retardants
- Construction commencing in Q4 2021
- Expected on-stream H1 2023
- ~ CHF 60 m investment



Daya Bay, Guangdong Province, China



## Sunliquid® plant completed

- Production of 50 ktpa of second generation bioethanol
- Construction completed in Q4 2021, ramp up in H1 2022
- ~ CHF 240 m investment



Podari, Romania



## VITA

- Offering a fully segregated green surfactants and ethylene oxide derivatives
- JV with India Glycols (CHF 56 m equalization payment)



Care Chemicals' biggest site in Gendorf, Germany

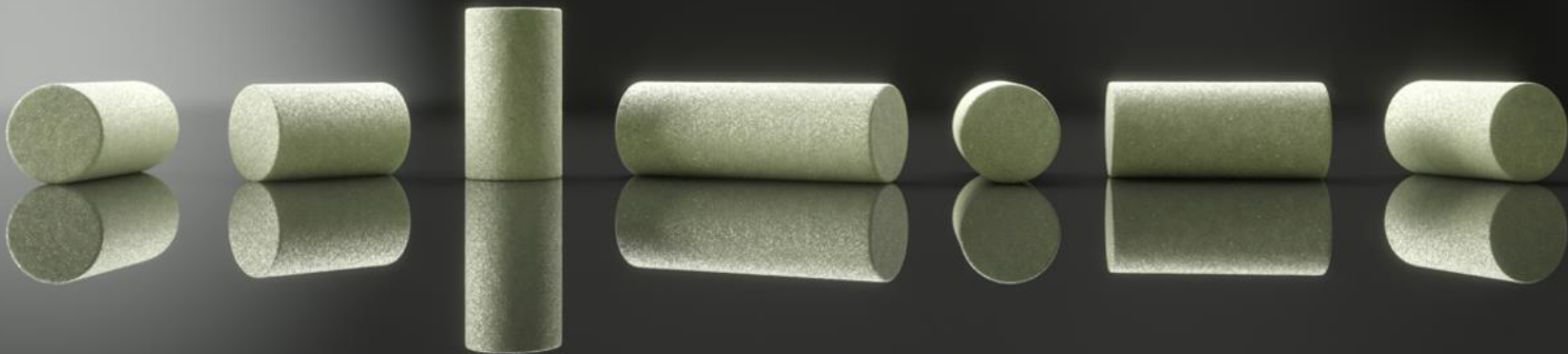


# Growth Case Studies

Hans Bohnen / Bernd Hoegemann

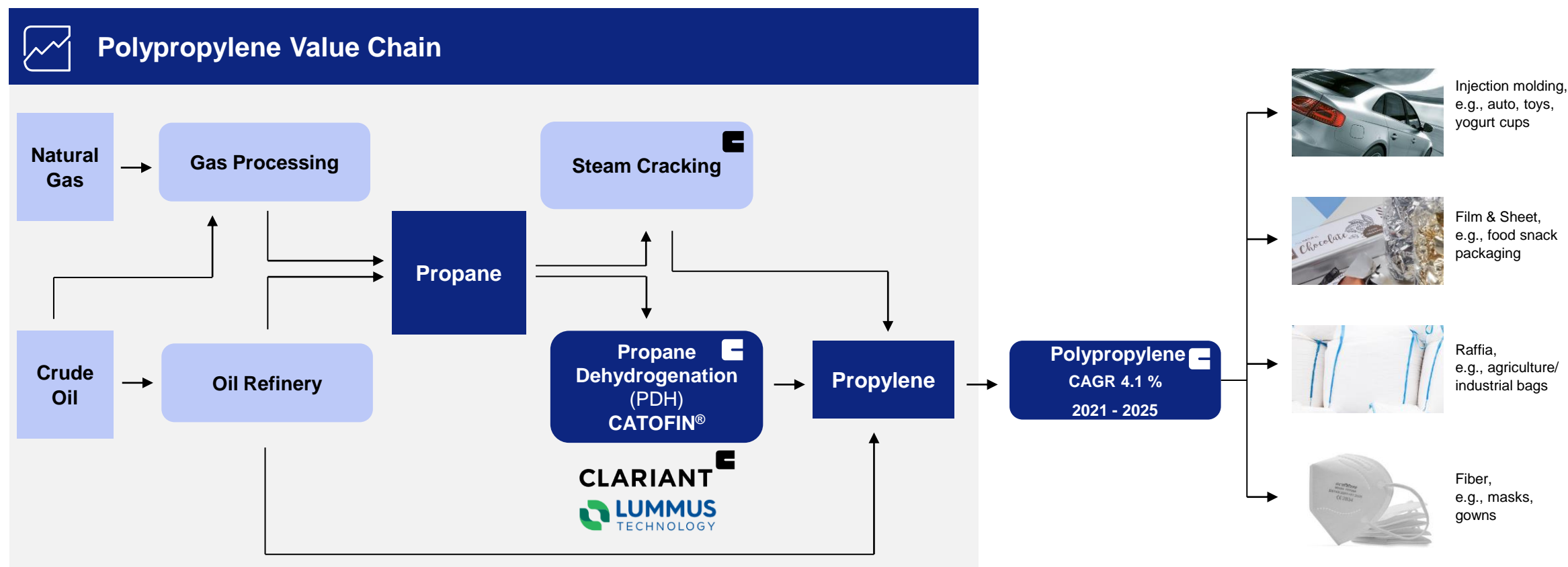
# Catalyst Success Story

## Accelerating Growth with CATOFIN<sup>®</sup>



what is precious to you?

# Clariant supports the Growth of Polypropylene via our High-Performance CATOFIN<sup>®</sup> catalysts for propane dehydrogenation (PDH)



# Propane Dehydrogenation (PDH) Capacity will Double until 2025, with 50 % of the total Demand Driven by China



## PDH fills the propylene supply gap

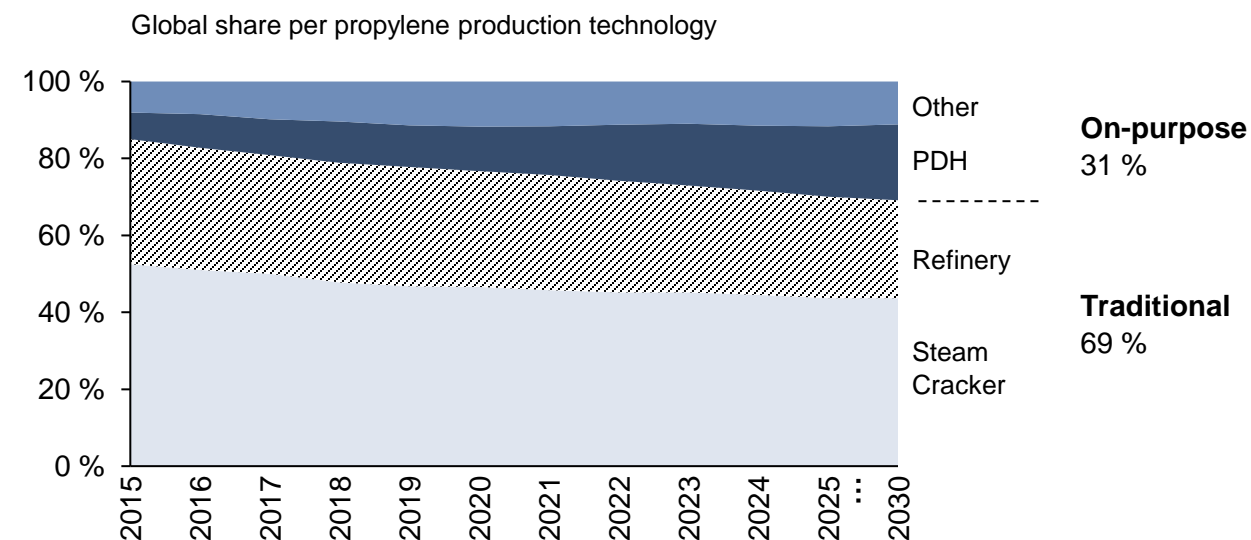
**Propylene demand** is growing due to the increasing applications for derivatives such as polypropylene

**Reduced propylene supply growth** from traditional technologies (refinery and cracker) leaves a major supply gap. Traditional technologies produce propylene as by-product and therefore have certain limitations

**Alternative “on-purpose” propylene production technologies** fill the gap; **propane dehydrogenation (CATOFIN®)** is among the fastest growing technologies due to lower costs, higher yields, and greater availability of feedstock



## Global share of propylene production technology



Propylene production (2021 - 2025): **4.1 % CAGR**

PDH production: (2021 - 2025): **21.8 % CAGR**

# Since 2017, CATOFIN® PDH Technology and Catalysts have Won 32 New Project Awards, and over 75 % are Located in China

## 32

New project awards

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## > 22

m tons propylene capacity

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## > 70 %

Share of new capacity won since 2017

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# To Meet High Demand, Clariant is Investing in a New CATOFIN® Manufacturing Facility in Jiaxing



## New CATOFIN® Plant in China

- Location: Dushan, Jiaxing, China
- Groundbreaking in September 2020
- Ramp-up in H1 2022
- 1.8 m working hours without lost-time accident
- Phase I focuses on CATOFIN® propane dehydrogenation catalyst
- Can be expanded with additional catalysts production lines
- The new facility also includes a research and pilot plant
- ~ CHF 80 m investment



## Quickly reacting to customer needs



September 2020

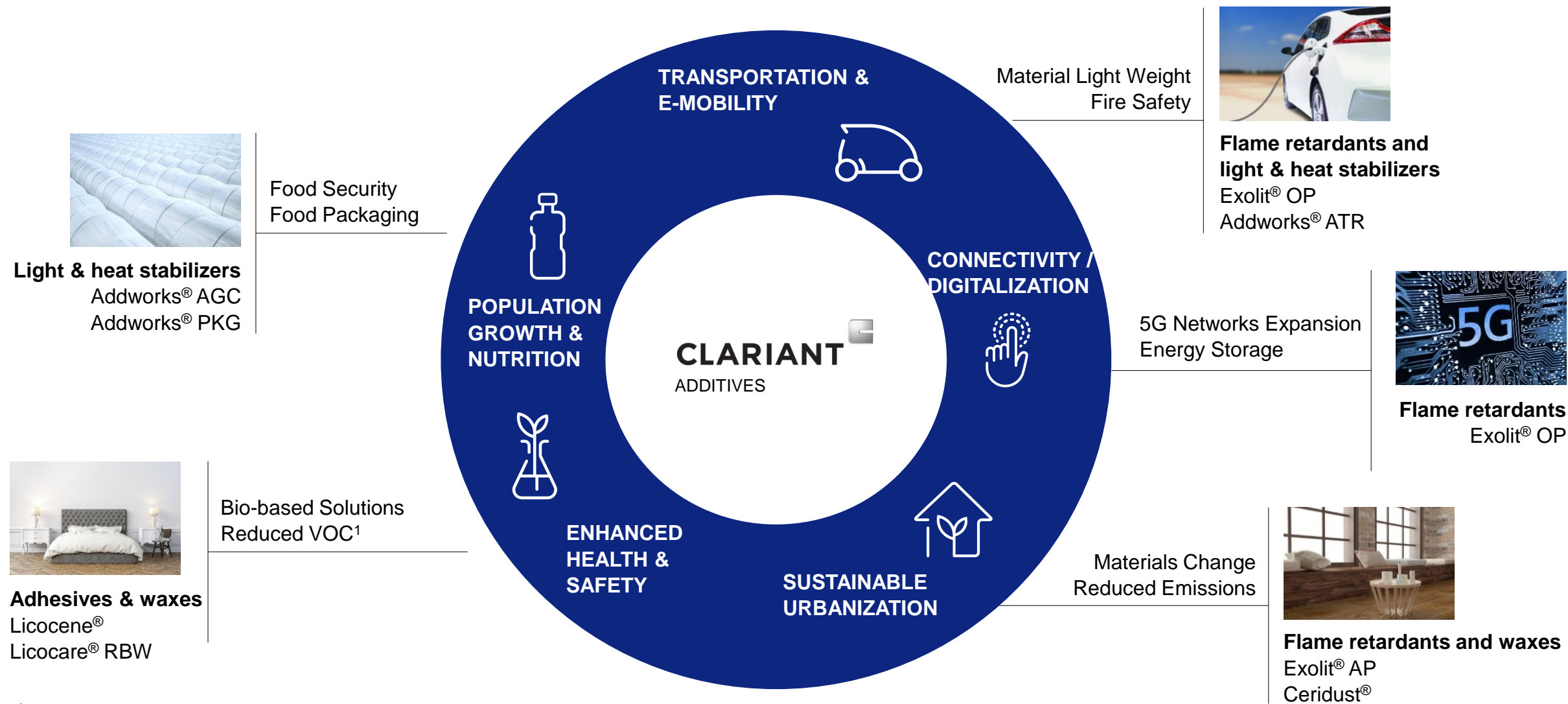


November 2021

# Tailor-Made Fire Protection for Thermoplastics

Exolit Flame Retardants

# Clariant Additives Portfolio Delivers Leading, Sustainable Solutions Along Key Industry Megatrends



<sup>1</sup> Volatile Organic Compound

# Flame Retardants are Added to Materials to Prevent Ignition and Slow Down Fire Growth



- Flame retardants reduce the risk of ignition and fire spread of many plastic and textile materials which results in more available escape time for occupants
- Clariant also offers products for fire protection coatings on steel, because steel structures lose their strength at temperatures  $> 500^{\circ}\text{C}$  so that buildings can collapse

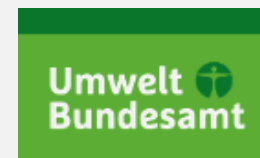
# Sustainable Flame Retardants – Sustainably Protected

## Sustainability profile

- Exolit® OP phosphinates are halogen-free, non-toxic solutions produced with 100% green electricity
- Renewable carbon-based versions without concessions to quality and performance that can be “dropped in” without further tests or approvals
- Enabling Circularity: Glass fiber-reinforced composites containing Exolit® OP enable multiple rounds of recycling

## Accreditations and certifications

- Exolit® OP flame retardants carry Clariant’s ECOTAIN Label
- Third party assessments have confirmed Exolit® OP’s advantageous environmental and health profile



## Patents & IP

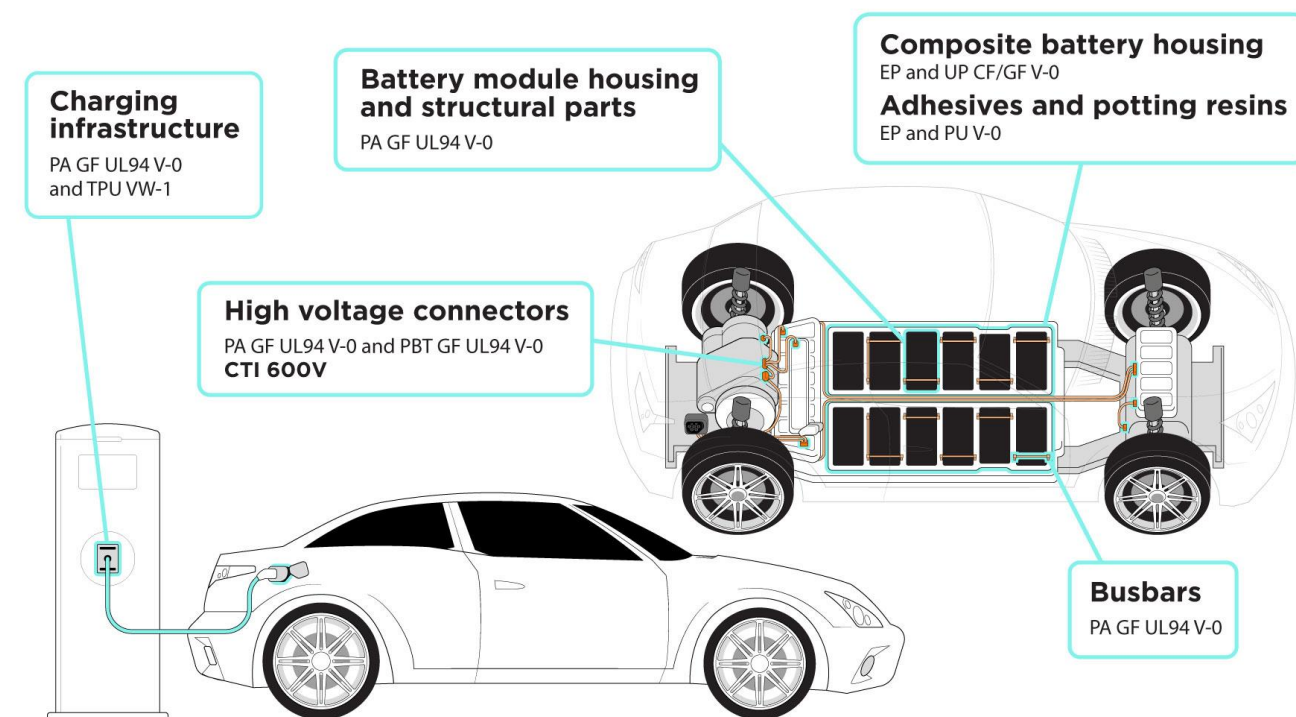
- Clariant’s extensive patent strategy led to a long lasting global network of IP rights
- The current portfolio of 50 active patent families covers products, processes and applications, partially expanding beyond 2030





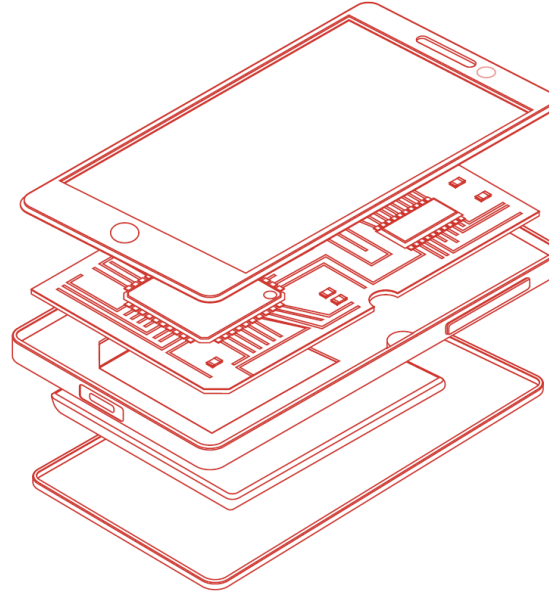
# Our Solutions for Transportation: Fire-protecting the Mobility of the Future

# Clariant Flame Retardants Applications are Spread over the Car, mainly in Battery Housing and Connectors and Charging Infrastructure



- The total number of E-Vehicles has reached ca. 10 m units in 2020 (incl. mild hybrids), forecasted to reach ca. 100 m units by 2030
- Exolit® OP's value propositions perfectly fit to materials used in EV, e.g. polyamide, polyesters, epoxy resins
- Due to high voltages and currents, a high comparative tracking index (CTI) is a crucial requirement – a key benefit of Exolit® OP
- Clariant's flame retardants applications spread over the car, mainly in battery housing and connectors, also charging infrastructure shows strong opportunities

# Clariant Flame Retardants are in the Sweet Spot of Strongly Growing Consumer Electronic Applications



- Our halogen-free Exolit® flame retardants can be found in many of the 1.4 b smart phones, 160 m tablets and 275 m PCs sold in 2020, with an even more pronounced presence in the internet of things and 5G equipment
- Exolit® is prevalent in charging cables, connectors, switches and adhesives for flexible circuit boards (FCCL)
- Consumer electronic brands were amongst the first to phase out and replace brominated flame retardants
- Because of their high efficiency, Exolit® flame retardants can also be used in thin and small parts, supporting the ongoing miniaturization trend



# Increasing Local Capabilities in China with a Sustainable, Leading Technology Plant for Fast Growing Applications

- Investment into a new state of the art production plant for DEPAL flame retardant material in South China
- Significantly expanding production footprint in China for Business Unit Additives
- Able to support fast growing applications including e-mobility, transportation, 5G equipment, consumer electronic applications with an anticipated CAGR of 13 % until 2025
- Construction to commence in Q4 2021 and expected to be on-stream in H1 2023
- ~ CHF 60 m investment

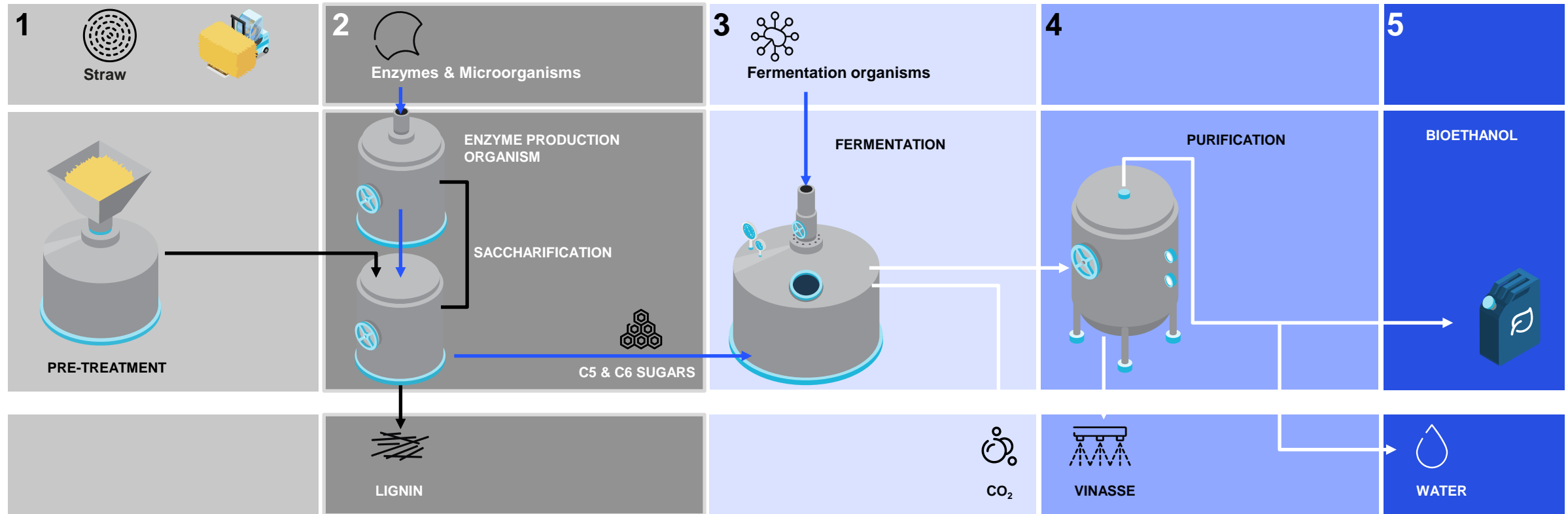




# Sunliquid<sup>®</sup> Cellulosic Ethanol From Agricultural Residues



# Sunliquid® – Fully Integrated Process



- Newly developed biotechnological energy-self sufficient process to convert difficult-to-access sugar in straw and other agriculture residues efficiently and economically into biofuel
- The sunliquid® process utilizes only agricultural residues available in various regions (e.g. wheat straw, rice straw, sugar cane residues, corn stover) and optimized enzymes tailored to the raw material being processed, delivering high sugar yields

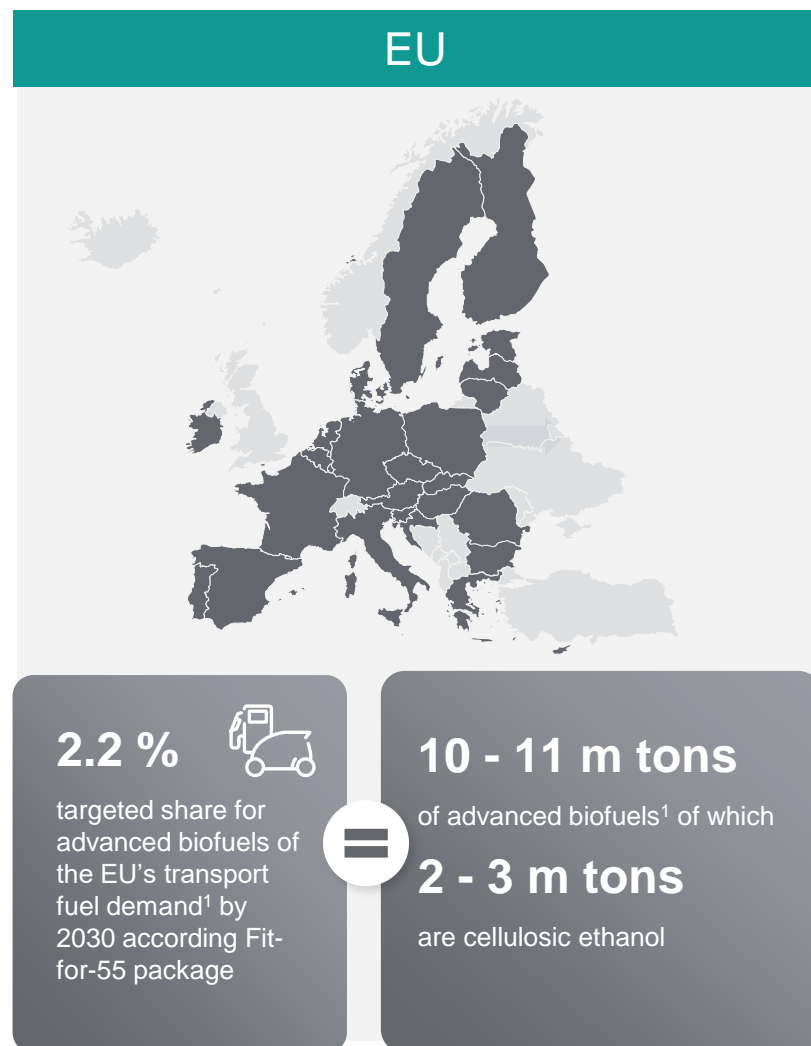


# Sunliquid® – Construction Completed in October 2021, Production Ramping up in H1 2022

- Production of 50 ktpa of second-generation bioethanol using agricultural residues as feedstock (250 kta of straw)
- Feedstock for start-up secured
- Groundbreaking September 2018
- 2.2 m working hours without lost-time accident
- Start of enzyme production in November 2021 with production ramping up in H1 2022
- Entire output secured through a long-term agreement with a multinational Energy company
- ~ CHF 240 m investment



# Globally, Targeted Share of Advanced Biofuels Increasing – Supporting Sunliquid® Growth Ambition



## Bioethanol production

- Sales from the production of cellulosic ethanol from agricultural residues
- Long-term agreement for Podari plant capacity in place

## Licensing revenues

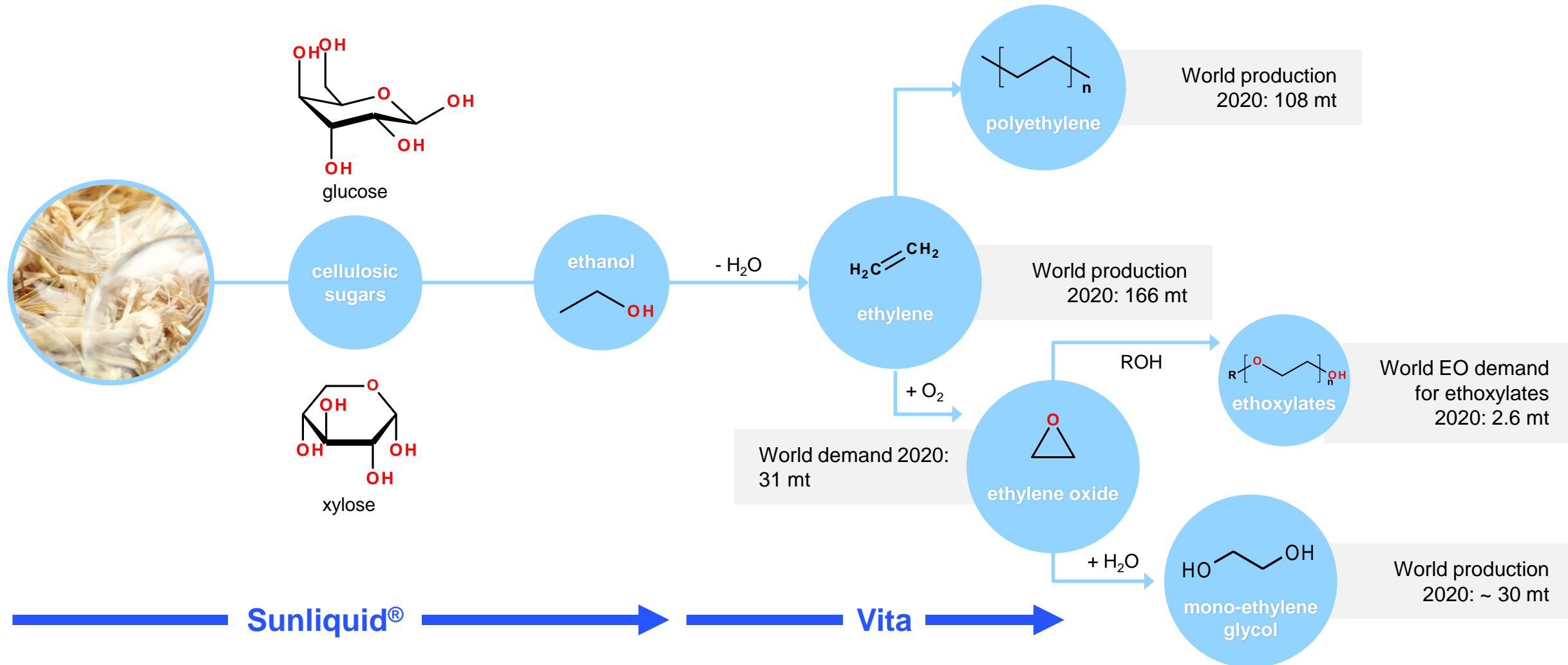
- Staggered income stream partially linked to project progress
- Lighthouse production facility in Podari to drive license business growth once fully operational

## Enzyme sales

- The starter cultures (enzymes) required for the production of bioethanol are consumed during the process
- Recurring revenue from starter culture sales with highly attractive margin profile

<sup>1</sup> Assumed energy consumption in transport in 2030 of 310 to 330 mtoe obtained from EU Impact Assessment document already accounting for increasing electromobility according to Fit-for-55 package, REDIII volumes according to Fit-for-55 proposal

# Biomass to Bioethanol to Bio-Ethylene and Derivatives – Clariant to Drive the Sustainable C2 Value Chain



# Bio-Based, Carbon Saving and Fully Segregated Surfactants and EODs

VITA



VITA

# Clariant IGL Specialty Chemicals: A Fully Segregated Green Carbon Source for Your Surfactants and EODs



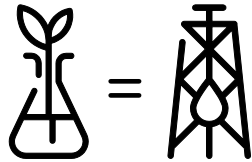
VITA Means Life, and Our New VITA Range is Full of Life-enhancing Benefits



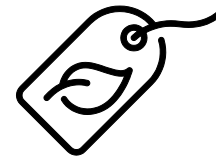
**100 %  
BIO-BASED  
GREEN  
CARBON** from plants  
(bioethanol)



**FULLY  
SEGREGATED  
MANUFACTURING  
SITE**  
giving you the certainty  
that 100 % of the  
ethoxylates are from  
a natural source



**IDENTICAL  
CHEMISTRY  
TO SYNTHETIC  
RANGE**  
bio- and fossil-based  
molecules have  
exactly the same  
chemical structure



**DESIGNED FOR  
NATURAL  
FORMULATIONS**  
targeting a high  
Renewable Carbon  
Index (RCI)



**LOWER CO<sub>2</sub>e  
FOOTPRINT**  
vs. fossil non-ionic  
alternatives



**REMOVAL OF  
EMISSIONS**  
equivalent to around  
**3 117 barrels of crude  
oil**  
from the value chain<sup>1</sup>

<sup>1</sup> per kton of surfactant purchased; biogenic carbon uptake included



# VITally Natural: 100 % Bio-Based on Green Carbon From Plants



**Fully Based on Bioethanol Made from Sugar Cane or Straw, VITA sets a New Standard in Green Production**



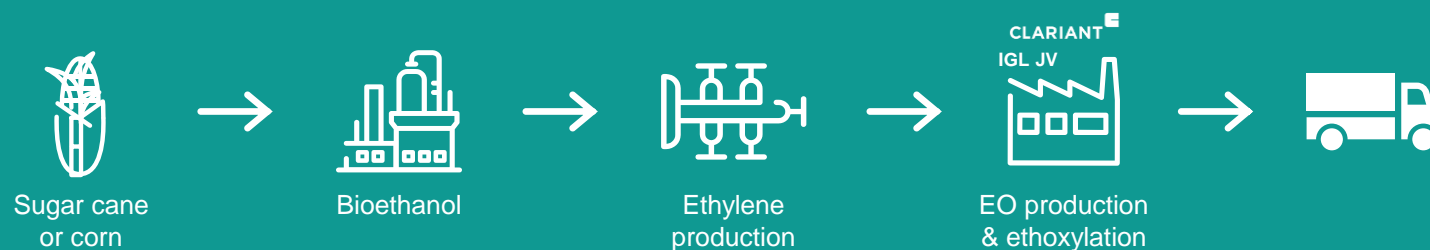
# VITALLY Reliable: Produced via a Fully Segregated Green Value Chain

**From Source to Final Ingredient, the Flow of Our Materials is Kept Completely Separate from Fossil Flows**

**FOSSIL  
VALUE CHAIN:**  
from oil well  
to pipeline

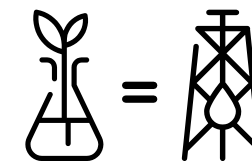


**SEGREGATED  
VALUE CHAIN:**  
from sugar cane or  
corn to the VITA  
range of bio-based  
non-ionic surfactants



**GUARANTEE THAT  
100 % OF PURCHASED  
PRODUCTS COME  
FROM RENEWABLE  
SOURCES**

# VITally Identical: Chemistry Remains the Same



With VITA, the Only Thing that Changes is the Green Carbon Content of your Surfactants

## SOURCES

100 % natural  
fatty alcohol



100 % fossil-based  
ethylene oxide



≠

100 % natural  
fatty alcohol



100 % bio-based  
and fully segregated  
ethylene oxide



=

## FINAL PRODUCT



Example:  
**Genapol LA 070**  
C12/14 fatty alcohol  
polyglycol ether

**47 %**

Renewable Carbon  
Index (RCI)



Example:  
**Genapol LA 070 SG VITA**  
C12/14 fatty alcohol  
polyglycol ether

**100 %**

Renewable Carbon  
Index (RCI)

# Designed for Natural Formulations with a High RCI

## VITA Helps You to Maximize the Green Carbon Content of Your Products – Laundry Detergent Formulation

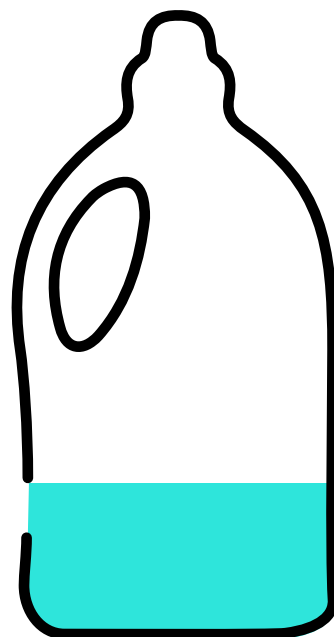
### 32 %

Renewable Carbon Index (RCI)

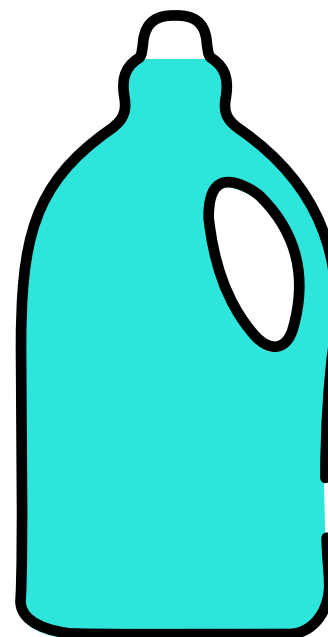
Ingredients	%
Water	72
SLES	7
LAS	8
<b>Genapol LA 070</b>	8
Polyacrylate	2
<b>TexCare SRN 260</b>	1
Other components	2

Polyacrylate used as builder;  
other components (e.g., PEI, dyes, stabilizers, other polymers, synthetic solvents)

Traditional  
Formulation



Green  
Formulation



### 98 %

Renewable Carbon Index (RCI)

Ingredients	%
Water	72
SLES natural origin	15
<b>Genapol LA 070 SG VITA</b>	8
Green builder	2
<b>TexCare SRN 260 Life</b>	1
Other components	2

Green builder (e.g., citrates, inulin compounds); other components (e.g., PEI, dyes, stabilizers, other polymers, bio-based solvents)

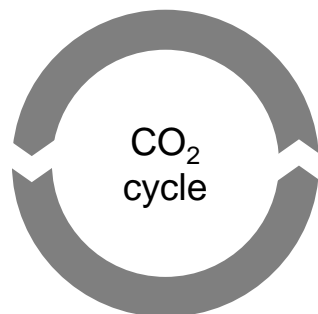
# VITA Surfactants Are Low Carbon due to the Carbon Negative Biogenic Building Blocks



## Fossil-Based Ethylene Oxide

**+ 1.5 CO<sub>2</sub>e<sup>1</sup>**

Cradle-to-gate emissions including Biogenic Carbon uptake



**+ 1.5 CO<sub>2</sub>e<sup>1</sup>**

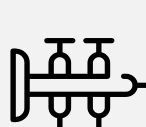
Ethylene Oxide cradle-to-gate emissions



Fossil fuel



Cracker



Ethylene production

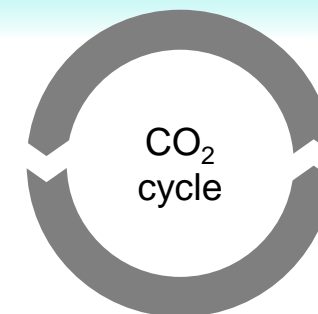


EO production & ethoxylation

## Bio-Based Ethylene Oxide

**- 0.6 CO<sub>2</sub>e<sup>2</sup>**

Cradle-to-gate emissions including Biogenic Carbon uptake



**- 2.0 CO<sub>2</sub>e<sup>2</sup>**

Biogenic carbon (BC) uptake

**+ 1.4 CO<sub>2</sub>e<sup>2</sup>**

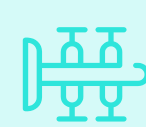
Ethylene Oxide cradle-to-gate emissions



Sugar cane or corn



Bioethanol



Ethylene production



EO production & ethoxylation

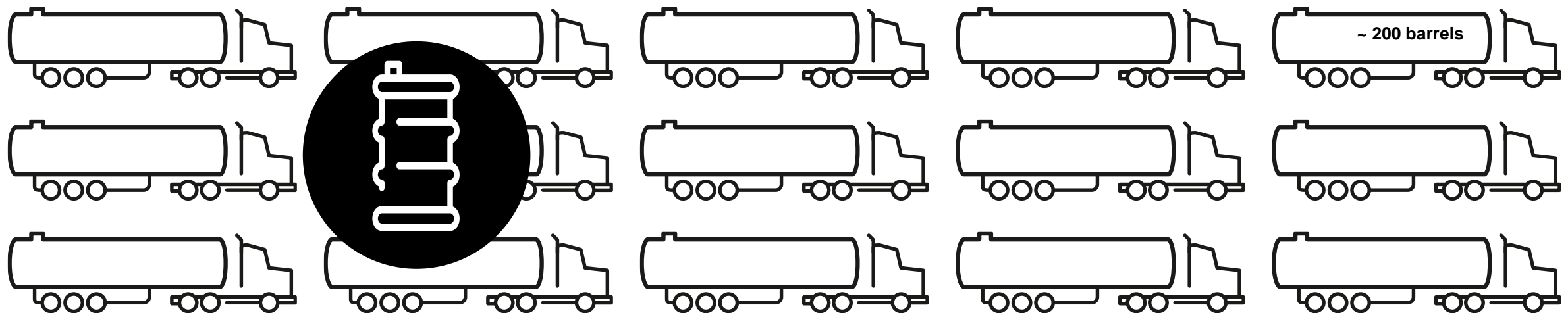
<sup>1</sup> kgCO<sub>2</sub> equivalent per kg of ethylene oxide; <sup>2</sup> The new portfolio is **Carbon Negative** thanks to the biogenic carbon uptake while growing sugar cane and corn



# VITA Helps to Remove ~ 3 117 Barrels of Crude Oil From the Value Chain

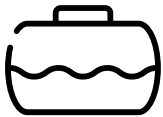


With Each Ton Made and Used, Our Surfactants Replace a Considerable Amount of Fossil Resources



**~ 3 117 barrels**

of crude oil



**1 kton**

of **fossil** non-ionic surfactant

<sup>1</sup> Calculation assumes conversion yields from ethylene / ethylene oxide / surfactants. 1 barrel of crude oil is assumed to give 0.9 ethylene (10 % losses)

# The VITA Range of Surfactants & Ethylene Oxide Derivatives

- Double-digit kilo tons from CISC (Clariant IGL Specialty Chemicals) available for worldwide marketing by Clariant in Q1 2022
- Focus on high growth Care chemicals markets and early adopters
- Supplying VITA range surfactants from other sites via mass-balance or fully segregated approaches under investigation
- R&D review of entire Surfactants portfolio with respect to feasibility/viability to convert from petrochemical to green under way



**VITA**

# **Financial Perspectives – Profitable Growth and Capital Discipline**

Stephan Lynen



# Committed to Increase Shareholder Value

## Purpose-led strategy

**Customer  
focus**



**Innovative  
chemistry**



**Leading in  
sustainability**



**People  
engagement**



**Clariant's purpose: "Greater chemistry –  
between people and planet"**

## New financial targets by 2025

**4 - 6 %**

Sales growth  
p.a.

**19 - 21 %**

EBITDA  
margin

**~ 40 %**

FCF  
conversion<sup>1</sup>

<sup>1</sup> Defined as (cash generated from operating activities – capex)/EBITDA

# Driving EBITDA margin to 19 - 21 % by 2025 from Profitable Growth and Contribution of Performance Programs

EBITDA margin<sup>1</sup>  
in %



<sup>1</sup> Continuing operations; <sup>2</sup> Adjusted for CHF 231 m provision for competition law investigation by the European Commission

# I Growing 4 - 6 % CAGR from Sustainability-driven Innovation, Regional Expansion and Bolt-on M&A

CHF 4 152 m  
Sales<sup>1</sup>

CHF 676 m  
EBITDA<sup>1</sup>

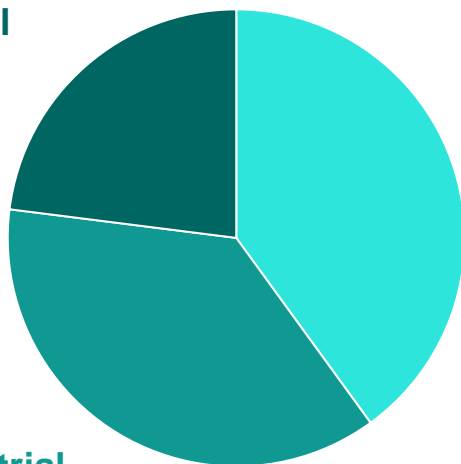
16.3 %  
EBITDA  
margin<sup>1</sup>

Sales by end-market category<sup>2</sup>

Chemical  
Process  
23 %

Consumer  
40 %

Industrial  
37 %



## Sustainability-driven innovation

~ 1 %

Average annual growth contribution from sustainability-driven innovation till 2025



ECOTAIN®

CHF 300 m

Sales today

> 10 %

CAGR

## Regional expansion

~ 1 %

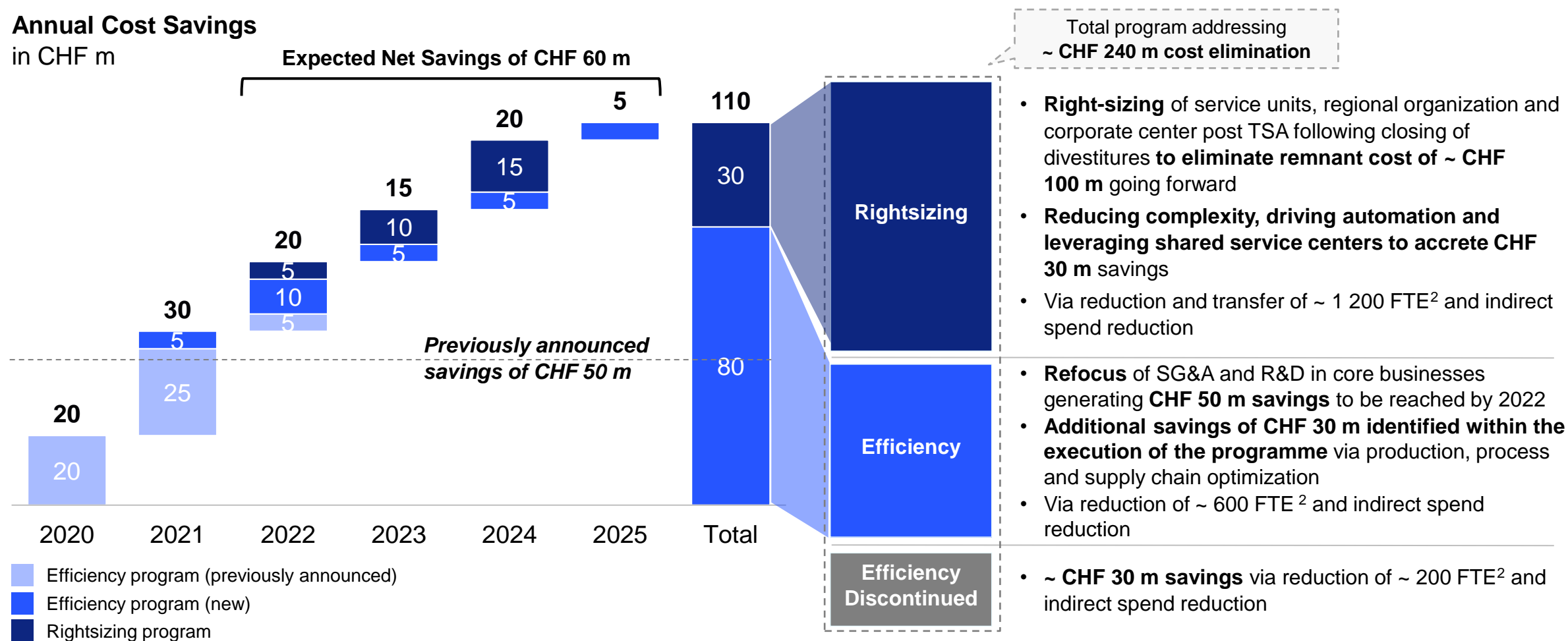
Average annual growth contribution, especially from China by investing ~ 35 % of growth capex there

## M&A

Two announced transactions contributing ~ 0.75 % average annual growth

## II Increasing Efficiency from Performance Programs by CHF 60 m in 2022 - 25<sup>1</sup>

Annual Cost Savings  
in CHF m

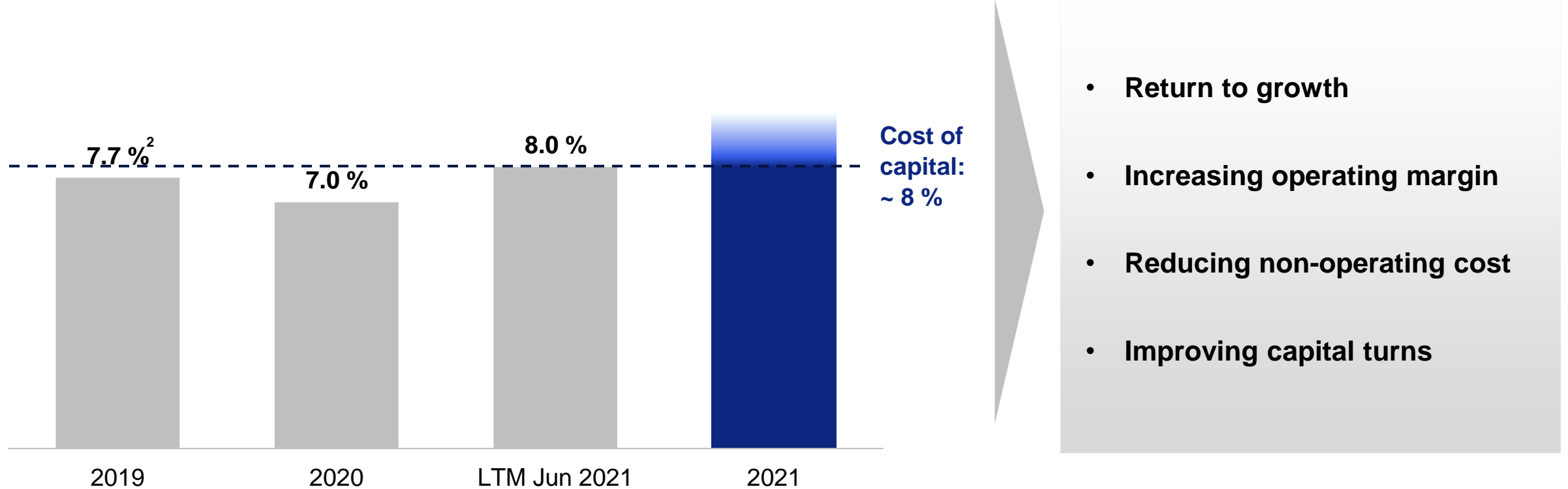


<sup>1</sup> Above net savings program of CHF 110 m in 2020 - 25, excludes transfer of cost with divestments and remnant cost elimination of ~ CHF 100 m; <sup>2</sup> FTE reduction vs. 2019

# Continuous ROIC Improvement Exceeding Cost of Capital

ROIC<sup>1</sup>

in %

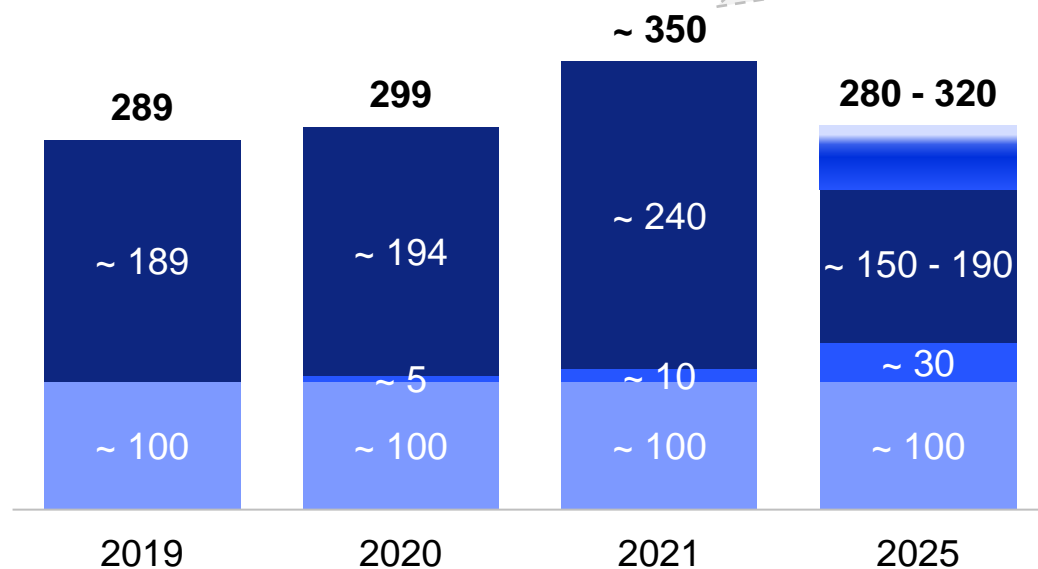


<sup>1</sup> From continuing operations; <sup>2</sup> Excluding CHF 231 m provision for a competition law investigation by the European Commission

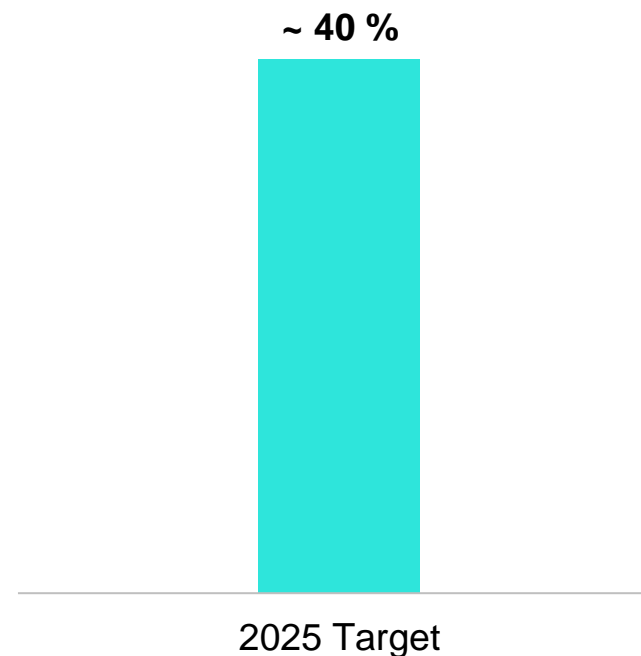
# Significant Cash Flow Generation Potential

Capital expenditure reverting to mid-term run-rate of CHF 280 - 320 m in CHF m

2021 capex below previous guidance of CHF 400 m due to project phasing resulting in slightly elevated capex in 2022



Resulting in a significant improvement in FCF conversion<sup>1</sup>



- Maintenance capex
- Sustainability capex (focus on GHG emission reduction)
- Growth capex

<sup>1</sup> Defined as (cash generated from operating activities – capex)/EBITDA

# Disciplined Capital Deployment



**Differentiated  
steering**

**Organic**

- Focus on most attractive market segments
- Prioritize ROIC-accreting projects
- Sustained capex level of CHF 280 - 320 m p.a.

**Inorganic**

- Complementing existing segments and technologies
- M&A based on value creation, ensuring accretion to ROIC



**Shareholder  
returns**

- Superior capital returns for reliable, sustainably growing and funded dividend



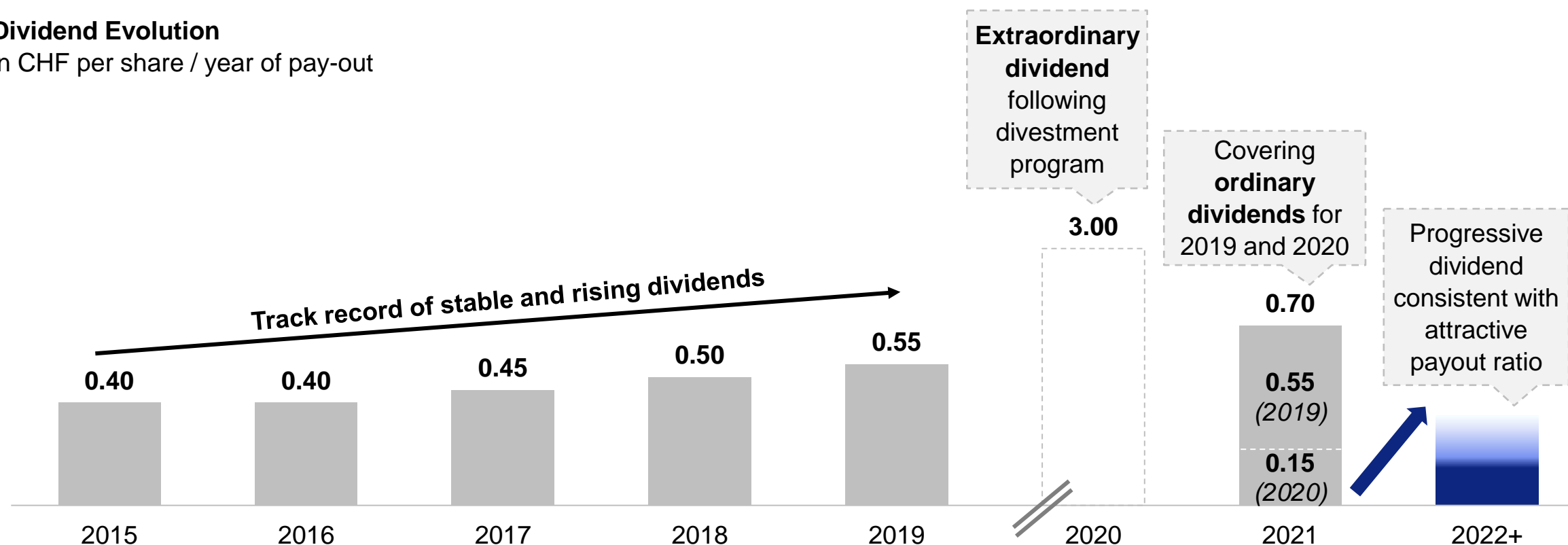
**Leverage**

- Solid investment grade rating

# Stable and Rising Dividends from a New Base

## Dividend Evolution

in CHF per share / year of pay-out



**Unchanged policy based on reset level following the sale of Masterbatches and Pigments<sup>1</sup>**

<sup>1</sup> Closing expected early 2022



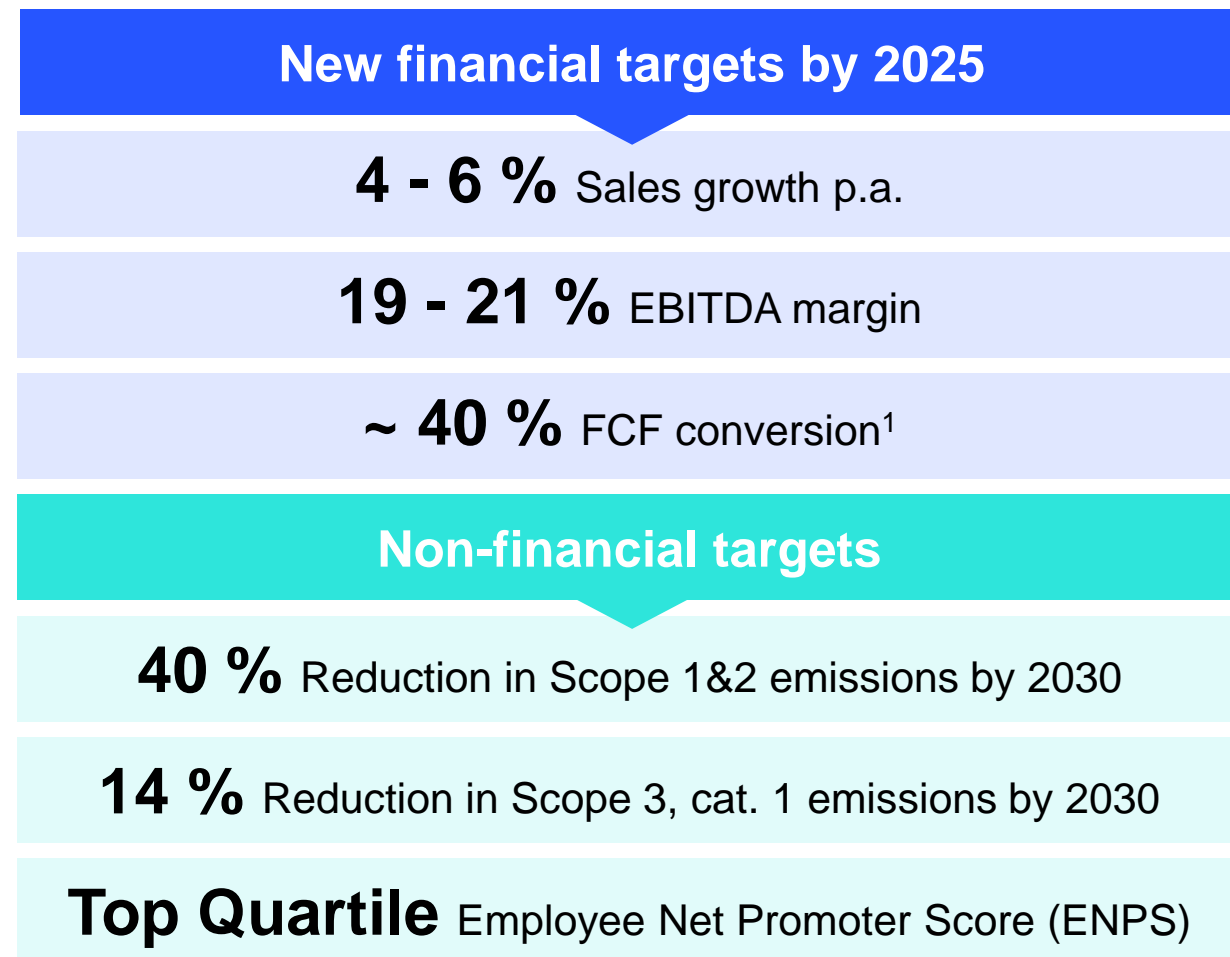
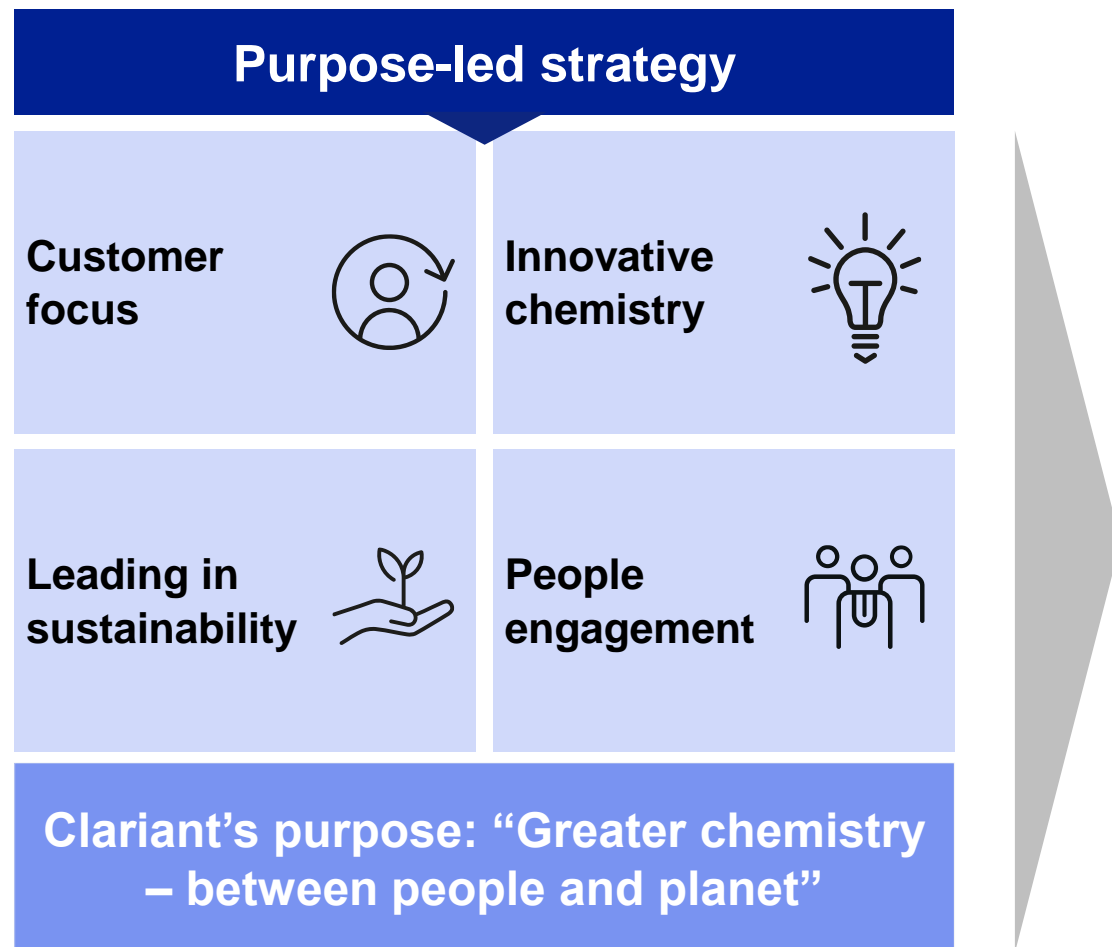
## Wrap-up

CONRAD KEIJZER

# Our Key Messages Today

- 1** Clariant's new purpose provides inspiration to all stakeholders: "Greater chemistry – between people and planet"
- 2** Clariant is a leader in sustainability and commits to ambitious carbon reduction targets
- 3** Growth will be enabled by sustainability-driven innovation, an enhanced footprint in China and focused bolt-on M&A
- 4** Improved profitability through repositioning toward more attractive segments and upgraded performance programs
- 5** Clariant's top quartile ambition is reflected in new 2025 financial targets and people and planet commitments

# New Group Targets with the Ambition towards Top Quartile in the Specialty Chemicals Industry



<sup>1</sup> Defined as (cash generated from operating activities – capex)/EBITDA



# ***Building a culture of possibilities***

**Human-centricity**



**High performance**



**Diversity, equity & inclusion**



# Greater chemistry – between people and planet

Capital Markets Day 2021

# Appendix



# Reconciliation of LTM Financials

							Sales to third parties
<i>in CHF m</i>	Q4 2020	FY 2020	Q1 2021	Q2 2021	Q3 2021	9 M 2021	<i>LTM Sep 2021</i>
<b>Care Chemicals</b>	<b>347</b>	<b>1 411</b>	<b>404</b>	<b>384</b>	<b>436</b>	<b>1 224</b>	<b>1 571</b>
<b>Catalysis</b>	<b>280</b>	<b>879</b>	<b>193</b>	<b>221</b>	<b>216</b>	<b>630</b>	<b>910</b>
<b>Natural Resources</b>	<b>395</b>	<b>1 570</b>	<b>405</b>	<b>427</b>	<b>444</b>	<b>1 276</b>	<b>1 671</b>
<b>Total Continuing Operations</b>	<b>1 022</b>	<b>3 860</b>	<b>1 002</b>	<b>1 032</b>	<b>1 096</b>	<b>3 130</b>	<b>4 152</b>

							EBITDA aei
<i>in CHF m</i>	Q4 2020	FY 2020	Q1 2021	Q2 2021	Q3 2021	9 M 2021	<i>LTM Sep 2021</i>
<b>Care Chemicals</b>	<b>75</b>	<b>267</b>	<b>80</b>	<b>77</b>	<b>97</b>	<b>254</b>	<b>329</b>
<i>margin</i>	21.6 %	18.9 %	19.8 %	20.1 %	22.2 %	20.8 %	20.9 %
<b>Catalysis</b>	<b>58</b>	<b>168</b>	<b>38</b>	<b>42</b>	<b>26</b>	<b>106</b>	<b>164</b>
<i>margin</i>	20.7 %	19.1 %	19.7 %	19.0 %	12.0 %	16.8 %	18.0 %
<b>Natural Resources</b>	<b>58</b>	<b>218</b>	<b>68</b>	<b>72</b>	<b>78</b>	<b>218</b>	<b>276</b>
<i>margin</i>	14.7 %	13.9 %	16.8 %	16.9 %	17.6 %	17.1 %	16.5 %
<b>Corporate</b>	<b>- 32</b>	<b>- 75</b>	<b>- 22</b>	<b>- 18</b>	<b>- 21</b>	<b>- 61</b>	<b>- 93</b>
<b>Total Continuing Operations</b>	<b>159</b>	<b>578</b>	<b>164</b>	<b>173</b>	<b>180</b>	<b>517</b>	<b>676</b>
<i>margin</i>	15.6 %	15.0 %	16.4 %	16.8 %	16.4 %	16.5 %	16.3 %

# Reconciliation of LTM Sales Split

				Sales to third parties
<i>in CHF m</i>	<i>Q4 2020</i>	<i>9 M 2021</i>	<i>LTM Sep 2021</i>	<i>% of Total Sales</i>
<b>EMEA</b>	410	1 355	1 765	<b>42.5 %</b>
<b>APAC</b>	324	943	1 267	<b>30.5 %</b>
<b>The Americas</b>	288	832	1 120	<b>27.0 %</b>
<b>Total</b>	1 022	3 130	4 152	<b>100.0 %</b>

# 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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