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AD HOC ANNOUNCEMENT PURSUANT TO ART. 53 LR
FIRST QUARTER | 2024

Clariant delivers good start to 2024 with improved profitability – outlook confirmed

- **Q1 2024 sales decreased by 6 % organically in local currencies[1] to CHF 1.014 billion against a strong comparison base in Q1 2023, driven by stabilized volumes and lower pricing**
- **Q1 2024 EBITDA margin improved to 17.1 % compared to 13.9 % in Q1 2023, driven by performance programs, deflationary raw material and energy price trends, strong margin in aviation, and reduced sunliquid® impact**
- **Closing of Lucas Meyer Cosmetics acquisition on 2 April 2024 strengthens position as a true specialty chemical company and expands Clariant's reach into attractive cosmetic ingredients space**
- **Confirmed Outlook 2024 and medium-term targets**

"Clariant delivered a good start to the year in the first quarter of 2024 demonstrating the resilience of our specialty chemicals portfolio. The improved profitability was driven by our performance programs and successful margin management in the deflationary environment. Our topline performance reflected stabilized volumes and lower pricing against a strong comparison base last year. Sequentially, we saw limited restocking activities from customers, although uncertainties about underlying demand remain. The lower sunliquid® impact and strong margin in our aviation business positively contributed to profitability. We are on track to deliver on our 2024 guidance and remain committed toward our medium-term targets," said Conrad Keijzer, Chief Executive Officer of Clariant.

"We recently closed the acquisition of Lucas Meyer Cosmetics, opening a new chapter for Clariant. I warmly welcome our new team members, and together we are looking forward to the growth opportunities that lie ahead. In addition, we achieved a significant safety milestone recording zero accidents in the month of March, equating to approximately two million working hours without accidents across all of our 73 production sites, offices, laboratories and warehouses worldwide. This achievement is a direct result of the proactive measures we have implemented to promote a safe workplace for our employees. We have set the right trajectory internally as well as externally to deliver on our targets," Conrad Keijzer added.

Business Summary

	First Quarter			
in CHF million	**2024**	**2023**	**% CHF**	**% LC(1)**
Sales	1 014	1 200	- 16	- 11
EBITDA	173	167	4	
- margin	17.1 %	13.9 %		
EBITDA before exceptional items	184	184	0	
- margin	18.1 %	15.3 %		
Sales bridge:	*Price - 5 %; Volume - 1 %; Currency - 5 %; Scope - 5 %*			

(1) Excluding hyperinflation accounting countries Argentina and Türkiye

[1] All references to local currency growth, pricing, volumes, and scope exclude the impact from hyperinflation countries Argentina and Türkiye. All references to currency include a net impact from hyperinflation countries Argentina and Türkiye.

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First Quarter 2024 Group Discussion

MUTTENZ, 30 APRIL 2024

Clariant, a sustainability-focused specialty chemical company, today announced first quarter 2024 sales of CHF 1.014 billion, down 6 % organically in local currency[1] and 11 % including scope in local currency (16 % in Swiss francs) versus Q1 2023. Pricing decreased by 5 % year-on-year and volumes by 1 %. Changes in scope had a negative impact of 5 % due to the divestments of the North American Land Oil and Quats businesses.

Care Chemicals sales decreased by 4 % organically in local currency and 9 % related to scope versus Q1 2023. Sales in Mining Solutions, Industrial Applications and Personal & Home Care grew organically while the seasonal aviation business declined, due to less favorable weather impacting volume and lower formula-based prices. Sequentially, volumes increased by 5 % in the first quarter, partially driven by limited customer restocking from low inventory levels at year-end 2023. Catalysts sales declined modestly by 2 % in local currency, with growth in Syngas & Fuels and Propylene offset by Ethylene and Specialties due to the normal project cycle of the business. Adsorbents & Additives sales decreased by 11 % in local currency against a high comparison base in Q1 2023 due to challenges in key end markets for the Additives segments, despite limited sequential customer restocking activities.

In the first quarter, local currency sales in the Europe, Middle East, and Africa region were down 16 % (3 % related to scope) versus Q1 2023, with declines in all businesses as economic activity in the region remained muted. Sales in the Americas grew organically by 4 %, driven by stronger volumes in Care Chemicals and Catalysts. Including scope (- 11 %), sales in the region declined by 7 % in local currency. Sales in Asia-Pacific were down 6 % (2 % related to scope) in local currency, mitigated by organic growth in China of 5 %, driven by Care Chemicals and Adsorbents and Additives.

Group EBITDA increased by 4 % to CHF 173 million, with the corresponding margin of 17.1 % significantly above the 13.9 % margin reported in the first quarter of 2023. Cost savings from performance programs of approximately CHF 11 million contributed positively to offset inflation. Lower cost trends in raw materials (- 12 %) and energy (- 22 %, driven by Europe) positively supported profitability in all businesses despite lower pricing. Strong margin in the seasonal aviation business also positively contributed to profitability. The Group incurred a total CHF 5 million negative operational impact from the sunliquid® bioethanol activities, which represented an improvement against the CHF 13 million negative operational impact of the prior year. As announced in December 2023, Clariant is ceasing operations at the plant in Romania and is downsizing related activities of the Business Segment Biofuels & Derivatives in Germany. The previous year figure was also negatively impacted by a CHF 11 million one-off fair value adjustment on the Heubach Group participation. Restructuring expenses totaled CHF 7 million, mainly related to the Additives segments. Underlying profitability, as reflected by EBITDA before exceptional items, of CHF 184 million was flat year on year and increased sequentially by 17 %, representing an improved underlying margin of 18.1 % compared to 15.3 % in the prior year and 14.9 % in the prior quarter.

[1] All references to local currency growth, pricing, volumes, and scope exclude the impact from hyperinflation countries Argentina and Türkiye. All references to currency include a net impact from hyperinflation countries Argentina and Türkiye.

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ESG Update – Leading in sustainability and safety

Clariant's Scope 1 and 2 total greenhouse gas emissions fell to 0.52 million tons in the last twelve months (April 2023 to March 2024), a decline of 4 % from 0.54 million tons in the full year 2023. The total indirect greenhouse gas emissions for purchased goods and services (Scope 3) also decreased by 5 %, from 2.28 million tons in the full year 2023 to 2.16 million tons in the last twelve months. These results demonstrate continued progress toward reaching the Group's 2030 emissions reduction targets.

Clariant achieved a major safety milestone, recording zero DART (Days Away, Restricted, or Transferred) cases in March, equating to approximately 2 000 000 working hours without accidents across all of its 73 production sites, offices, laboratories, and warehouses worldwide. This achievement underscores the commitment of all our colleagues to making safety a top priority every day and is a testament to the effectiveness of Clariant's comprehensive safety protocols and initiatives. Clariant remains steadfast in its commitment to promote a safe and healthy workplace for all its employees. In the first quarter of 2024, the DART rate remained unchanged at 0.21, as observed at year-end 2023.

Outlook confirmed

For the full year 2024, Clariant expects to see a continued easing of the inflationary environment but no significant economic recovery, with macroeconomic uncertainties and risks remaining. Clariant therefore reiterates its expectations for low single-digit sales growth in local currency. Growth in Care Chemicals, including the impact of the acquisition of Lucas Meyer Cosmetics, and in Adsorbents & Additives is expected to offset a temporary slowdown in Catalysts momentum. Reported EBITDA margin is expected to improve to around 15 %. This includes the impact of the Lucas Meyer Cosmetics acquisition and a sunliquid® restructuring/exceptional impact of up to CHF 30 million. Clariant also expects operational sunliquid® costs of up to CHF 15 million related to preparation for the closure or divestment of the Podari plant. EBITDA margin excluding the operational and exceptional sunliquid® impacts is expected at around 16 %. Cost savings benefits from restructuring programs are expected to deliver CHF 28 million in 2024.

Clariant reiterates its expectation that 2025 will be a year of continued, albeit significant, recovery in profitability. In 2025, on the basis of an expected 3 – 5 % improvement in key end market demand, Clariant expects to achieve EBITDA margin of 17 – 18 %, and free cash flow conversion at the targeted level of around 40 %. Clariant remains committed to its medium-term targets as end markets recover and growth normalizes over the next two to three years. Clariant will adopt an agile response to the economic environment and remain resolute in its plans to achieve the medium-term targets. The company is well positioned to achieve these targets as the accretive impacts of the Lucas Meyer Cosmetics acquisition and investments in China are realized. In addition, benefits from increased cost savings are expected.

Business Discussion
Business Unit Care Chemicals

	First Quarter			
in CHF million	**2024**	**2023**	**% CHF**	**% LC[(1)]**
Sales	581	703	- 17	- 13
EBITDA	123	128	- 4	
- margin	21.2 %	18.2 %		
EBITDA before exceptional items	125	130	- 4	
- margin	21.5 %	18.5 %		

(1) Excluding hyperinflation accounting countries Argentina and Türkiye

Sales

In the first quarter of 2024, sales in the Business Unit Care Chemicals decreased by 4 % organically in local currency and by 13 % including scope in local currency (17 % in Swiss francs) versus Q1 2023. Volumes in the first quarter were up 2 %, supported by limited customer restocking in Industrial Applications and Personal & Home Care, while pricing decreased by 6 % compared to Q1 2023, mainly due to formula-based price adjustments on lower feedstock levels from previous year. On a sequential basis, sales increased by 4 % in local currency, driven by a 5 % increase in volumes (restocking) despite slightly lower pricing.

Organic growth in Mining Solutions, Industrial Applications, and Personal & Home Care was driven by positive volumes, while Oil Services was flat when excluding the divestment impact. Base Chemicals declined due to lower aviation sales, while in Crop Solutions weak demand and destocking across the entire supply chain continued.

Care Chemicals sales in Europe, Middle East, and Africa decreased at a mid-teens percentage rate organically, with the decrease in pricing slightly more pronounced than volumes. In the Americas, sales were up by a mid-single-digit percentage rate organically as volume growth more than offset lower pricing. Sales in Asia-Pacific increased by a low-single digit percentage rate organically, mainly attributable to stronger volumes across the region, and China in particular.

EBITDA Margin

In the first quarter, the EBITDA margin increased to 21.2 % versus 18.2 % in the same period last year due to decreasing raw material and energy costs, combined with successful margin management, the positive impact from performance programs, and strong profitability in the seasonal businesses. On a sequential basis, Care Chemicals recorded a 12 % increase in EBITDA to CHF 123 million, representing an EBITDA margin of 21.2 % compared to 20.0 % in the prior quarter, driven by higher volumes (+ 5 %) and the deflationary environment.

Care Chemicals Insight

With the unveiling of CycloRetin™, a natural skincare active derived from Prince Ginseng, Clariant provides its customers in the personal care industry with a new, high-performing, eco-friendly alternative to traditional retinol. This follows extensive testing of the benefits of cyclic peptides, which are known to positively impact the appearance of the skin. Prince Ginseng was discovered to have outstanding potential to restart the skin matrix production cycle, improving collagen and reducing signs of aging, providing comparable efficacy to retinol and bakuchiol. At the in-cosmetics 2024 trade show, Clariant showcased two formulations containing CycloRetin™, Firming Mask and Mask Mist, offering efficient skincare solutions that were well received by industry representatives.

Business Unit Catalysts

	First Quarter			
in CHF million	**2024**	**2023**	**% CHF**	**% LC[1]**
Sales	187	205	- 9	- 2
EBITDA	25	13	92	
- margin	13.4 %	6.3 %		
EBITDA before exceptional items	24	13	85	
- margin	12.8 %	6.3 %		

(1) Excluding hyperinflation accounting countries Argentina and Türkiye

Sales

In the first quarter of 2024, sales in the Business Unit Catalysts declined by 2 % in local currency (9 % in Swiss francs). Volumes declined by 2 % versus Q1 2023 due to the project nature of the business, while pricing was flat. Sales in Syngas & Fuels grew at a mid-twenties percentage rate and at a mid-teen percentage rate in Propylene. The remaining segments declined, with the most pronounced in Ethylene. On a quarterly sequential basis, sales were down 27 % in local currency due to the typical seasonality at the start of the year impacting volumes, while pricing was flat.

Catalysts sales declined at a low-teen percentage rate in the Europe, Middle East, and Africa region due to the project cycle of the business, with Europe recording a decline in sales, while the Middle East and Africa were flat. Sales in the Americas increased at a mid-sixties percentage rate, primarily driven by Syngas & Fuels. In Asia-Pacific, the largest geographic market, sales declined at a low-teen percentage rate, with a slightly less pronounced decline in China, due to a normalization of growth projects in comparison to last year.

EBITDA Margin

In the first quarter, the EBITDA margin increased to 13.4 % from 6.3 % in Q1 2023, mainly due to a CHF 8 million improvement of the negative operational impact from sunliquid® and stable pricing in a deflationary environment. Excluding the sunliquid® impact, the EBITDA margin was 16.1 %, a 320-basis point improvement over the 12.9 % recorded in the first quarter of 2023. Sequentially, EBITDA before exceptional items, which allows a like-for-like comparison by excluding the exceptional items booked in Q4 2023 related to the sunliquid® decision, decreased by 41 % to CHF 24 million, representing an underlying margin of 12.8 % compared to 15.9 % in the prior quarter. This is the result of the typical seasonal volume patterns in the first quarter compared to the final quarter of the year, and the respective impact on operating leverage.

Catalysts Insight

Clariant's CATOFIN® catalyst, together with process technology provided by process partner Lummus Technology, was selected by Huizhou Boeko Materials Co. Ltd for the dehydrogenation of isobutane at the new plant in Huizhou City, China. Once complete, this plant will produce 550 000 metric tons per annum (MTA) of net isobutylene, which will serve as feedstock for the downstream production of methyl tertiary butyl ether (MTBE).

The highly efficient CATOFIN has proven to be a popular choice for China's chemical industry. Since its commercial launch in 2017, the catalyst has been selected for 39 new projects around the world and more than 50 % of these plants are located in China. The recently opened CATOFIN catalyst plant with significant production capacity in Jiaxing, Zhejiang Province, ensures localized production for Clariant's regional customers as well as proximity for technical support and services.

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Business Unit Adsorbents & Additives

	First Quarter			
in CHF million	**2024**	**2023**	**% CHF**	**% LC[(1)]**
Sales	246	292	- 16	-11
EBITDA	36	54	- 33	
- margin	14.6 %	18.5 %		
EBITDA before exceptional items	46	55	- 16	
- margin	18.7 %	18.8 %		

(1) Excluding hyperinflation accounting countries Argentina and Türkiye

Sales

In the first quarter of 2024, sales in the Business Unit Adsorbents & Additives decreased by 11 % organically in local currency (16 % in Swiss francs). In the Adsorbents segments, sales declined by a low single-digit percentage rate, as positive pricing did not offset lower volumes. In the Additives segments, sales declined by a high-teens percentage rate, primarily due to lower volumes with weak demand in key end markets compared to prior year levels. In the Business Unit, pricing declined by 4 % against a high comparison base in Q1 2023. On a quarterly sequential basis, sales in the Business Unit decreased by 2 % in local currency, equally balanced between volumes and pricing. Market conditions for the Additives segments stabilized, and limited customers restocked from low inventory levels at year-end.

In Europe, Middle East, and Africa, the largest region, sales decreased by a low-teens percentage rate, as growth in Adsorbents did not offset lower sales in the Additives segments. In the Americas, sales declined at a mid-teens percentage rate, with a more pronounced decline in Additives. While Asia-Pacific sales were down at mid-single-digit percentage rate, China sales grew at a low-teens percentage rate due to a positive quarter in Additives.

EBITDA Margin

In the first quarter, the EBITDA margin decreased to 14.6 % from 18.5 % in Q1 2023. Profitability levels were impacted by restructuring charges of CHF 9 million in Additives and business mix. EBITDA margin before exceptional items was flat at 18.7 % (vs. 18.8 % in Q1 2023). Sequentially, EBITDA margin before exceptional items increased by 119 % to CHF 46 million, representing an underlying margin improvement from 8.2 % to 18.7 %. The sequential increase was driven by operating leverage (limited restocking in the Additives segments) and lower raw material and energy costs, as well as supported by the structural improvement efforts initiated during the prior year.

Adsorbents & Additives Insight

At NPE2024, the largest plastics trade show in the Americas, Clariant will showcase its latest additive solutions that deliver on both performance and sustainability to participants from automotive to packaging and consumer products to construction. This includes Clariant's Licocare® RBW Vita waxes, which are based on renewable bio-based rice bran wax feedstocks and provide superior performance. This makes them a natural replacement for traditional coal-based montan waxes for use in engineering polymers.

Furthermore, the company will present its AddWorks® line, which is a portfolio of additive solutions for the plastics industry to address technical challenges including light, thermal, and process stabilization, as well as the Exolit® OP range of high-performance, halogen-free flame retardants. By combining innovation and sustainability criteria, Clariant provides solutions that are safe and more sustainable by design, have leading performance, and tackle some of the most pressing environmental challenges.

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Clariant is a focused specialty chemical company led by the overarching purpose of 'Greater chemistry – between people and planet'. By connecting customer focus, innovation, and people the company creates solutions to foster sustainability in different industries. On 31 December 2023, Clariant totaled a staff number of 10 481 and recorded sales of CHF 4.377 billion in the fiscal year for its continuing businesses. As of January 2023, the Group conducts its business through the three Business Units Care Chemicals, Catalysts, and Adsorbents & Additives. Clariant is based in Switzerland.