

AD HOC ANNOUNCEMENT PURSUANT TO ART. 53 LR

Clariant sets new 2025 financial targets and announces step-up in growth and profitability

- With its new purpose-led strategy, Clariant is committed to creating shareholder value with an ambition to develop towards the top quartile performance versus specialty chemicals peers
- New 2025 financial targets: compound annual sales growth of 4-6 %, Group EBITDA margin of 19-21 % and free cash flow conversion of around 40 %
- Profitable growth, significantly above GDP via sustainability-driven innovation, regional expansion and selective bolt-on acquisitions
- Confirmed non-financial targets to maintain leadership in sustainability: 40 % reduction in Scope 1 & 2 emissions and 14 % reduction in Scope 3 emissions by 2030
- Step-up in performance improvement programs by an additional CHF 60 million savings in continuing operations

MUTTENZ, NOVEMBER 23, 2021

Clariant, a focused, sustainable and innovative specialty chemical company, today will announce new 2025 financial targets at its Capital Markets Day associated with its new purpose-led strategy. Building on its high-growth, high-margin, specialty portfolio, Clariant has adopted strategic initiatives to accelerate sustainability-driven innovation, expand its global footprint with a focus on China and ensure the disciplined execution of potential bolt-on acquisitions to enable value creation and profitable growth. As a result, Clariant expects to grow sales by 4-6 % annually, reach an EBITDA margin range of 19-21 % and generate a free cash flow conversion rate of around 40 % by 2025.

“Our new purpose: ‘Greater chemistry – between people and planet’, is at the core of everything we do. Our leading position in sustainability and our customer-centric and sustainability-focused innovation pipeline, position us well to become a true leader in specialty chemicals,” said Conrad Keijzer, Chief Executive Officer of Clariant. “We are committed to increasing shareholder value and are confident that the execution of our purpose-led strategy and our exciting business opportunities will enable us to outgrow our markets and to further improve our profitability.”

Above-market growth thanks to pipeline of sustainability-driven innovation projects and regional expansion

Sustainability and innovation are strategic growth drivers for Clariant. Sustainability-driven innovation supports Clariant's average annual growth by approximately 1 %, with a focus on bio-based products, decarbonization and circularity. A key element of this growth is Clariant's EcoTain® label which is used for products that provide a market leading sustainability performance.

The company reaffirms its greenhouse gas emission reduction target of 40 % for Scope 1 & 2 emissions and a target of 14 % for Scope 3 emissions by 2030. As a consequence, Clariant will step-up its investments to roughly CHF 30 million per annum for sustainability measures, focusing on greenhouse gas reduction. The focus on bio-based products, enabling decarbonization and circularity will deliver above market growth in the coming years.

Following a phase of higher investments for projects like the sunliquid® second generation bio-ethanol plant, Clariant's capital expenditure (capex) will revert to a range of CHF 280 to 320 million towards 2025 with a focus on growth and regional expansion in China. The Group will direct more than one third of its growth capex to China to promote sustainable solutions in the world's largest and fastest growing specialty chemicals market. With new plants for the production of catalysts and halogen-free flame retardants and its game-changing innovation hub in Shanghai, Clariant will grow the local production share from 35 % to more than 50 % and aims to generate approximately 14 % of Group sales in China by 2025.

New financial Group targets: Substantial increase in sales, Group EBITDA, and free cash flow conversion by 2025 to increase shareholder value – step-up in profitable growth and performance improvement programs

“Based on our transformed specialty portfolio with attractive market positions, the differentiated steering for sustainability, innovation driven growth, and the expansion of our performance programs, we have set new financial targets with a compound annual growth rate of 4-6 % and an EBITDA margin range of 19-21 % by 2025,” said Stephan Lynen, Chief Financial Officer of Clariant. “As a result of our profitable growth together with our capital discipline we target the improvement of our free cash flow conversion to around 40 % by 2025.”

Growth will leverage the EBITDA margin improvement by around two thirds while efficiency improvements will contribute by approximately one third. Clariant is currently executing one of the largest, most comprehensive performance programs in its history. In total, the programs cover a cost elimination of CHF 240 million. Excluding remnant cost elimination and savings in discontinued operations, approximately CHF 110 million savings accrete to continuing operations. The latter includes an additional CHF 60 million step-up in savings for the coming years which will contribute to the envisaged EBITDA uplift. Clariant will meet its financial targets via sales growth, cost discipline, efficiency improvement and the normalization of capex following a phase of higher expansion investments.

Please use the following link to register for the event: [Registration Clariant CMD](#)

CORPORATE MEDIA RELATIONS

Jochen Dubiel

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

Claudia Kamensky

Phone +41 61 469 63 63
claudia.kamensky@clariant.com

INVESTOR RELATIONS

Andreas Schwarzwälder

Phone +41 61 469 63 73
andreas.schwarzwaelder@clariant.com

Maria Ivek

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

Alexander Kamb

Phone +41 61 469 63 73
alexander.kamb@clariant.com

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

This media release contains certain statements that are neither reported financial results nor other historical information. This document 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. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this document. Clariant does not undertake any obligation to publicly release any revisions to these forward-looking statements to reflect events or circumstances after the date of these materials.

www.clariant.com

Clariant is a focused and innovative specialty chemical company based in Muttenz near Basel/Switzerland. On 31 December 2020, the company employed a total workforce of 13 235. In the financial year 2020, Clariant recorded sales of CHF 3.860 billion for its continuing businesses. The company reports in three business areas: Care Chemicals, Catalysis and Natural Resources. Clariant's corporate strategy is led by the overarching purpose of 'Greater chemistry – between people and planet' and reflects the importance of connecting customer focus, innovation, sustainability, and people.