

Full Year Results 2019
13 FEBRUARY 2020

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Full Year and Fourth Quarter 2019 – Highlights

FY 2019 vs. FY 2018, all figures continuing operations

SALES	4 399	+ 3 %	
	in CHF m	in LC* y-o-y	
EBITDA before exceptional items	740	0 %	16.8 %
	in CHF m	in CHF y-o-y	margin
EBITDA** after exceptional items	692	+ 14 %	15.7 %
	in CHF m	in CHF y-o-y	margin
EBITDA after exceptional items	461	- 24 %	10.5 %
	in CHF m	in CHF y-o-y	margin

Q4 2019 vs. Q4 2018, all figures continuing operations

SALES	1 127	+ 3 %	
	in CHF m	in LC* y-o-y	
EBITDA before exceptional items	216	+ 5 %	19.2 %
	in CHF m	in CHF y-o-y	margin
EBITDA after exceptional items	208	+ 68 %	18.5 %
	in CHF m	in CHF y-o-y	margin

*in local currency **excluding CHF 231 m provision for an ongoing competition law investigation by the European Commission

Sales Development & Mix

All figures continuing operations

- **FY 2019** sales rose organically by 3 % in local currency, supported by higher volumes and pricing
- Sales increase driven by both Catalysis and Natural Resources
- Sales in Swiss francs remained stable, impacted by a negative 3 % foreign exchange (FX) effect
- **Q4 2019** sales grew organically by 3 % in local currency, resulting from higher volumes in all Business Areas
- Sales in Swiss francs remained stable, impacted by a negative 3 % FX effect

FY 2019 SALES

in CHF m



Q4 2019 SALES

in CHF m



Sales Distribution by Region

All figures continuing operations

- In **FY 2019**, almost all regions contributed to the local currency sales growth
- Sales expansion was most pronounced in Latin America and Asia
- Middle East & Africa and Europe grew in single-digits, while North America declined
- In **Q4 2019**, sales progression driven by strong Latin American and Asian growth
- Robust improvement in Asia driven by China
- Lower sales in Europe and North America, impacted by the continuing economic weakness
- Middle East & Africa reported a low double-digit contraction in the fourth quarter

● Emerging markets
● Mature markets

FY 2019 SALES CHF 4 399 m
in CHF m

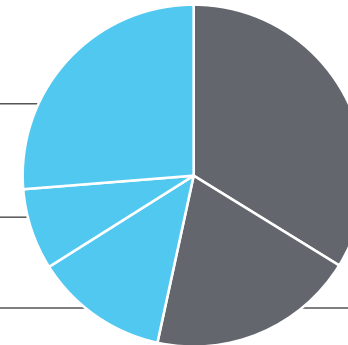
ASIA-PACIFIC
1 155 / + 8 %*

China 399 / + 0 %*

MEA
338 / + 3 %*

LATIN AMERICA
556 / + 13 %*

Brazil 234 / + 4 %*



EUROPE
1 488 / + 1 %*

Germany 507 / - 1 %*

NORTH AMERICA
862 / - 5 %*

Q4 2019 SALES CHF 1 127 m
in CHF m

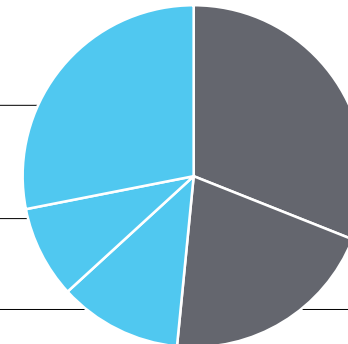
ASIA-PACIFIC
316 / + 20 %*

China 119 / + 30 %*

MEA
98 / - 11 %*

LATIN AMERICA
131 / + 22 %*

Brazil 56 / + 9 %*



EUROPE
351 / - 4 %*

Germany 110 / - 10 %*

NORTH AMERICA
231 / - 6 %*

*in local currency



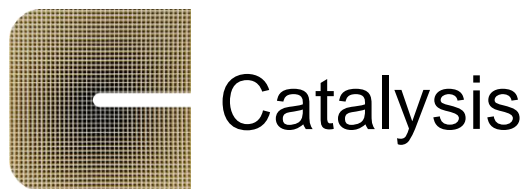
Care Chemicals

All figures continuing operations

- **FY 2019 sales** slightly decreased by 1 % in LC*
- Consumer Care sales increased, driven by positive contributions from Personal Care and Crop Solutions, Industrial Applications developed less favorably
- Q4 2019 sales grew by 2 % in LC* due to positive developments in both Consumer Care and Industrial Applications
- **FY 2019 EBITDA*** margin** softened to 17.6 % due in part to temporary raw material disruptions in North America and a weaker demand in Industrial Applications
- Q4 2019 EBITDA*** margin advanced to 18.0 % despite less favorable product mix, notably a softer Aviation business in Europe

	FY 2019	<i>FY 2018</i>	<i>% CHF</i>	<i>% LC*</i>
Sales in CHF m	1 600	1 665	- 4 %	- 1 %
EBITDA b.e.i.** in CHF m	285	316	- 10 %	
<i>EBITDA b.e.i.** margin</i>	17.8 %	19.0 %		
EBITDA a.e.i.*** in CHF m	282	314	- 10 %	
EBITDA a.e.i.*** margin	17.6 %	18.9 %		

	Q4 2019	<i>Q4 2018</i>	<i>% CHF</i>	<i>% LC*</i>
Sales in CHF m	388	396	- 2 %	+ 2 %
EBITDA b.e.i.** in CHF m	70	70	0 %	
<i>EBITDA b.e.i.** margin</i>	18.0 %	17.7 %		
EBITDA a.e.i.*** in CHF m	70	70	0 %	
EBITDA a.e.i.*** margin	18.0 %	17.7 %		

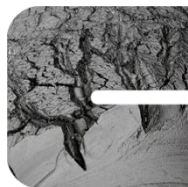


All figures continuing operations

- Substantial **FY 2019 sales** expansion of 9 % in LC* due to Petrochemicals progression and an increase in Syngas
- Sales development benefited from robust demand in Asia and Europe
- Q4 2019 sales increased by 5 % in LC* as a result of a higher demand for Petrochemicals and surpassed expectations partially due to some forward product shifts from Q1 2020
- **FY 2019 EBITDA*** margin** improved to 22.9 %, underpinned by solid top-line growth throughout the year and an increasing proportion of Petrochemicals sales
- Q4 2019 EBITDA*** margin increased significantly to 31.6 % due to a more favorable product mix

	FY 2019	<i>FY 2018</i>	<i>% CHF</i>	<i>% LC*</i>
Sales in CHF m	925	861	+ 7 %	+ 9 %
EBITDA b.e.i.** in CHF m	218	199	+ 10 %	
<i>EBITDA b.e.i.** margin</i>	23.6 %	23.1 %		
EBITDA a.e.i.*** in CHF m	212	185	+ 15 %	
EBITDA a.e.i.*** margin	22.9 %	21.5 %		

	Q4 2019	<i>Q4 2018</i>	<i>% CHF</i>	<i>% LC*</i>
Sales in CHF m	266	258	+ 3 %	+ 5 %
EBITDA b.e.i.** in CHF m	85	75	+ 13 %	
<i>EBITDA b.e.i.** margin</i>	32.0 %	29.1 %		
EBITDA a.e.i.*** in CHF m	84	64	+ 31 %	
EBITDA a.e.i.*** margin	31.6 %	24.8 %		



Natural Resources (including Additives)

All figures continuing operations

- **FY 2019 sales** increased by 4 % in LC*
- Sales in Oil and Mining Services (OMS) progressed in low double-digits, while Functional Minerals also showed a slight improvement
- Additives sales softened against a record previous year and were negatively impacted by the weaker end markets
- Q4 2019 sales reflected good growth in OMS, while Functional Minerals advanced at a slower pace and Additives weakened
- **FY 2019 EBITDA*** margin** rose to 16.3 % due to the progression in Oil Services sales and a more streamlined cost base, which more than offset the relative weakness in Additives
- Q4 2019 EBITDA*** margin increased significantly to 18.2 % as a result of the sales expansion and the margin improvement within Oil Services

	FY 2019	<i>FY 2018</i>	<i>% CHF</i>	<i>% LC*</i>
Sales in CHF m	1 874	1 878	0 %	+ 4 %
EBITDA b.e.i.** in CHF m	308	293	+ 5 %	
<i>EBITDA b.e.i.** margin</i>	16.4 %	15.6 %		
EBITDA a.e.i.*** in CHF m	305	271	+ 13 %	
EBITDA a.e.i.*** margin	16.3 %	14.4 %		

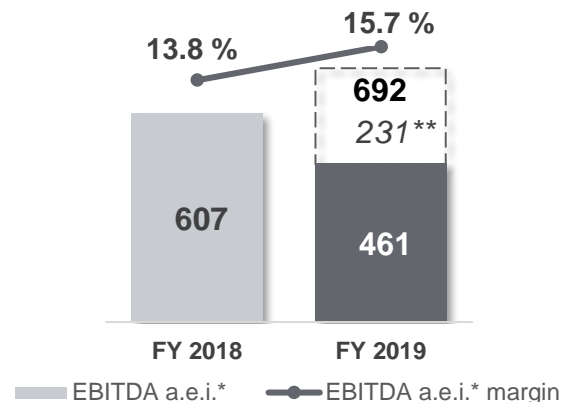
	Q4 2019	<i>Q4 2018</i>	<i>% CHF</i>	<i>% LC*</i>
Sales in CHF m	473	472	0 %	+ 4 %
EBITDA b.e.i.** in CHF m	87	68	+ 28 %	
<i>EBITDA b.e.i.** margin</i>	18.4 %	14.4 %		
EBITDA a.e.i.*** in CHF m	86	63	+ 37 %	
EBITDA a.e.i.*** margin	18.2 %	13.3 %		

Full Year 2019 – EBITDA a.e.i.* Development

All figures continuing operations

FY EBITDA a.e.i.* / margin

in CHF m / in % of sales



FY EBITDA a.e.i.* by Business Area

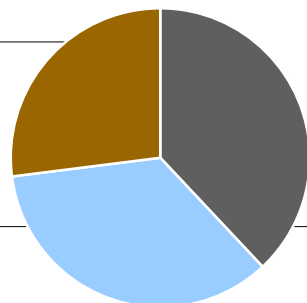
in % of total Business Areas

CATALYSIS

27 %

CARE CHEMICALS

35 %



NATURAL RESOURCES

(including ADDITIVES)

38 %

- FY 2019 EBITDA a.e.i.* was negatively impacted by the one-off provision of CHF 231 m** and therefore declined significantly to CHF 461 m
- From an operational perspective, the EBITDA a.e.i.* before the provision improved by 14 % and reached CHF 692 m
- Strong profitability improvements in both Catalysis and Natural Resources more than offset the softer margin in Care Chemicals
- The corresponding EBITDA a.e.i.* margin, excluding the provision, advanced to 15.7 %

*after exceptional items

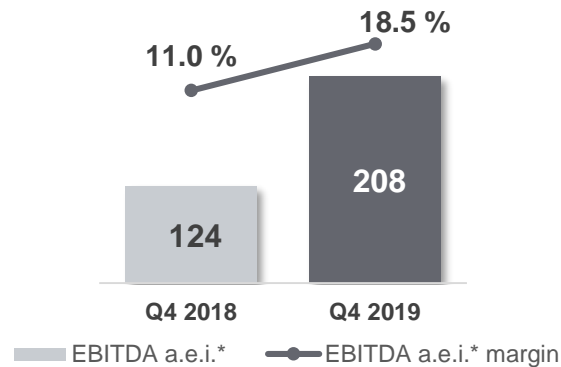
**CHF 231 million provision for an ongoing competition law investigation by the European Commission

Fourth Quarter 2019 – EBITDA a.e.i.* Development

All figures continuing operations

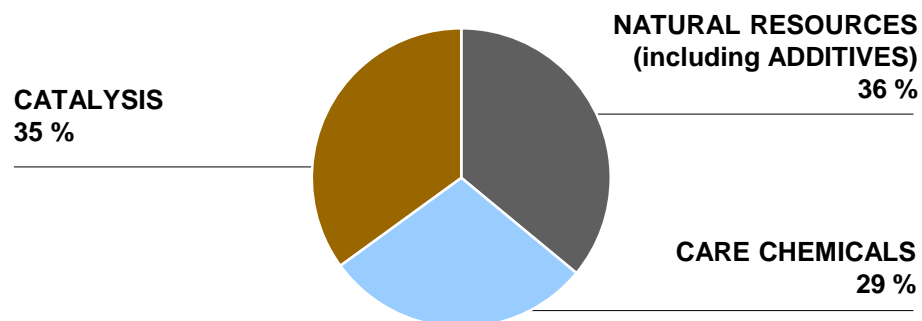
Q4 EBITDA a.e.i.* / margin

in CHF m / in % of sales



Q4 EBITDA a.e.i.* by Business Area

in % of total Business Areas



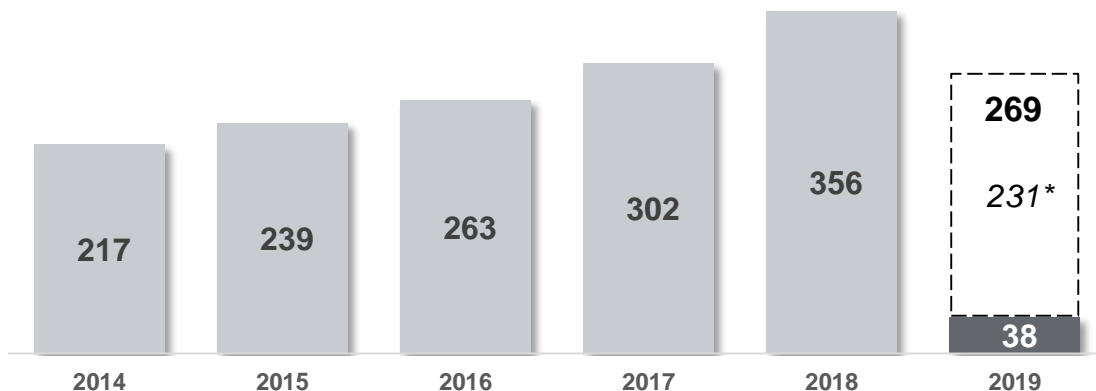
*after exceptional items

- Q4 2019 EBITDA a.e.i.* advanced significantly by 68 % to CHF 208 m
- All Business Areas contributed to the improved profitability in the fourth quarter
- Catalysis profitability advanced significantly as a result of the more favorable product mix
- Natural Resources improved due to sales expansion and the margin improvement in Oil Services
- Care Chemicals progressed despite being hampered by a less favorable product mix, notably a softer European Aviation business
- The corresponding EBITDA a.e.i.* margin increased to 18.5 %

Full Year 2019 – Net Result & Operating Cash Flow

NET RESULT

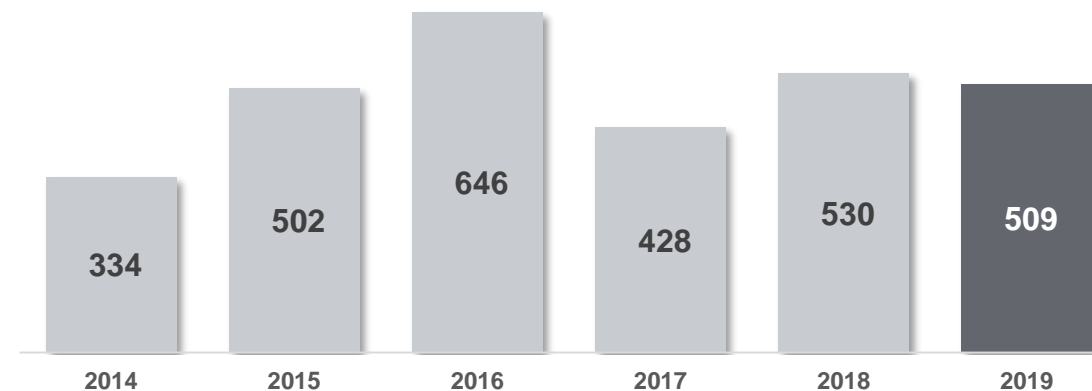
in CHF m



- Total Group net result declined to CHF 38 m due to
 - One-off CHF 231 m* provision (Net result excluding this impact would be CHF 269 m)
 - Lower operational performance in the discontinued operations of CHF 45 m
 - Net exceptional costs of CHF 30 m under discontinued operations, mainly driven by costs related to the carve-outs
 - Higher income taxes of CHF 31 m
 - Negative FX impact of CHF 25 m

OPERATING CASH FLOW

in CHF m



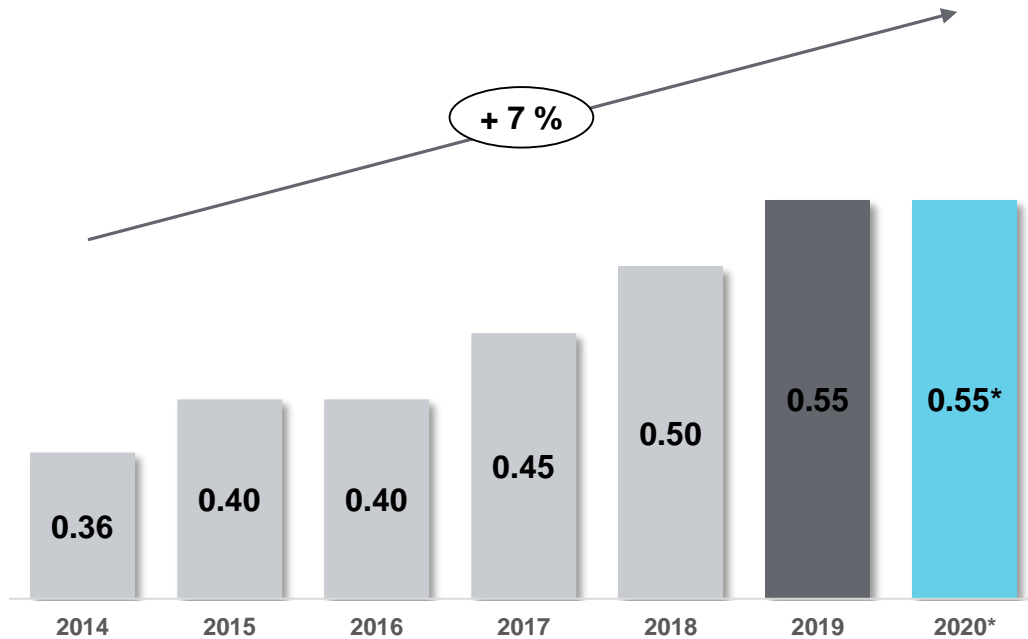
- Operating cash flow for the total Group decreased to CHF 509 m resulting from
 - Lower net result of CHF 87 m
 - Increased working capital of CHF 91 m, given lower payables and increased receivables in Q4 2019

*CHF 231 million provision for an ongoing competition law investigation by the European Commission

Proposed stable distribution at CHF 0.55* per share

DIVIDEND

in CHF per share



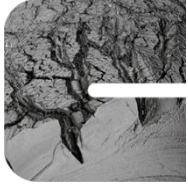
- Proposed CHF 0.55* per share distribution
- Proposal reflects an unchanged dividend y-o-y despite the difficult economic environment and the lower net result
- Distribution through capital decrease by way of a par value reduction
- Dividend increase of approx. 7 % p.a. on average since 2014
- Additional extraordinary cash distribution of CHF 3.00 per share linked to completion of Masterbatches divestment
- Dividend policy unchanged: Increase or at least maintain absolute dividend in Swiss francs

*dividend proposed to the Annual General Meeting

Clariant Insight

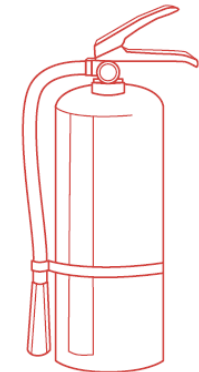
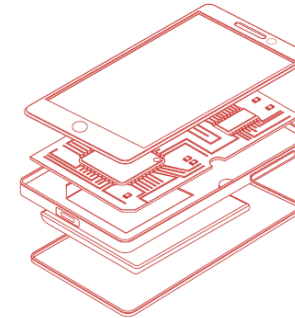
CLARIANT 

what is precious to you?



Flame Retardants go renewable... ...Clariant's Exolit® OP Terra

- **Flame retardants** are added to plastics in order to slow down or even **prevent fires** in ignition-prone environments
- **Exolit® OP halogen-free** flame retardants offer tailor-made fire protection by protecting, for example, smartphones and laptops from overheating
- **Exolit® OP Terra** products are the **sustainable equivalent** to Exolit® OP products, with several additional features
 - More beneficial for the environment (EcoTain® certified)
 - Produced at a site consuming 100 % renewable energy, reduction in carbon emissions and crude oil dependency
 - Renewable carbon-based types (Mass Balance certified renewable feedstock)
 - First flame retardant with stable protection after multiple recycling processes



INNOVATIONS

ADDITIVES

Flame Retardants

▶ **Exolit® OP Terra**



Outlook and Summary

Through efficiency measures and our focus on innovation and sustainability, we aim to further increase profitability and grow cash



- Clariant delivered a solid performance in 2019 in a difficult environment, with a particularly positive development in Q4 2019
- Clariant has also significantly reshaped its portfolio through the divestment of Healthcare Packaging, the announced sale of Masterbatches in 2019 and the planned divestment of Pigments in 2020



- Clariant will further increase sales, profitability and grow cash through our focus on innovation and sustainability
- Looking at 2020, growth opportunities will be more limited given the current sluggish economic environment and continued adverse foreign exchange conditions. Therefore, additional selective efficiency measures have been defined for each of the businesses to support the margin improvement
- These measures will lead to a workforce reduction of approximately 500 to 600 positions over the next 2 years and imply a cost base reduction of approximately CHF 50 m

Back-up Slides

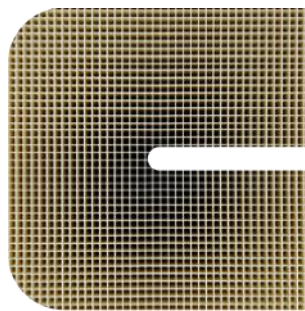
A More Focused, High Value Specialty Portfolio Continuing Operations:



Sales growth expectation p.a.	5 - 7 %
EBITDA* margin ambition	19 - 21 %

CARE CHEMICALS

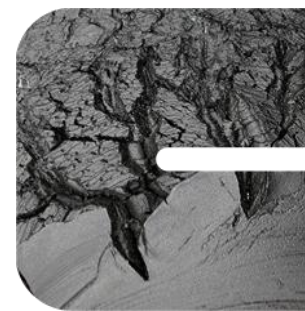
BA Care Chemicals comprises the BU Industrial & Consumer Specialties (ICS), which includes Consumer Care, Industrial Applications, Base Products, Food Ingredients and Encapsulation Technologies. New business development encompasses Electronic Materials and Additive Manufacturing/3D Printing. All these businesses demonstrate a clear focus on highly attractive, high-margin, and low-cyclicality segments. The BA follows a lifestyle-driven megatrend and strengthens Clariant's position as a supplier of green and sustainable products.



Sales growth expectation p.a.	6 - 9 %
EBITDA* margin ambition	26 - 30 %

CATALYSIS

BA Catalysis comprises the BU Catalysts and the Business Line Biofuels & Derivatives. It 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 is in the forefront of new market developments such as the commercialization and licensing of cellulosic ethanol technology.



Sales growth expectation p.a.**	5 - 7 %
EBITDA* margin ambition**	18 - 20 %

NATURAL RESOURCES

BA Natural Resources comprises the BUs Oil and Mining Services, Functional Minerals and since July 2019, also Additives. It is characterized 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. Additives provides highly customized products, technologies and applications mainly for the plastic and polymer as well as the electronics industries.

*after exceptional items
**restated to include Additives



Discontinued Operations (Masterbatches and Pigments)

- In **FY 2019**, **sales** decreased by 2 % in LC* and 4 % in Swiss francs
- Masterbatches and Pigments were negatively impacted by the global economic slowdown, mainly by softer demand in China and Europe as well as the weakness in the automotive industry
- Q4 2019 sales remained unchanged in LC*, down 3 % in LC*
- **FY 2019 absolute EBITDA***** decreased due to the sales contraction and higher one-time costs required by the carve-out of the discontinued operations
- Q4 2019 absolute EBITDA*** remained unchanged compared to the previous year as carve-out costs were offset by the gain on the disposal of Healthcare Packaging

	FY 2019	<i>FY 2018</i>	<i>% CHF</i>	<i>% LC*</i>
Sales in CHF m	2 127	2 219	- 4 %	- 2 %
EBITDA b.e.i.** in CHF m	203	279	- 27 %	
<i>EBITDA b.e.i.** margin</i>	9.5 %	12.6 %		
EBITDA a.e.i.*** in CHF m	158	264	- 40 %	
EBITDA a.e.i.*** margin	7.4 %	11.9 %		

	Q4 2019	<i>Q4 2018</i>	<i>% CHF</i>	<i>% LC*</i>
Sales in CHF m	490	503	- 3 %	0 %
EBITDA b.e.i.** in CHF m	27	47	- 43 %	
<i>EBITDA b.e.i.** margin</i>	5.5 %	9.3 %		
EBITDA a.e.i.*** in CHF m	43	43	0 %	
EBITDA a.e.i.*** margin	8.8 %	8.5 %		

Full Year 2019 – Sales and EBITDA by Business Area

Full Year	Sales to 3rd parties			EBITDA after exceptionals		
	2019	2018	% LC*	2019	2018	% CHF
<i>in CHF m</i>						
Care Chemicals	1 600	1 665	- 1 %	282	314	- 10 %
<i>margin</i>				17.6 %	18.9 %	
Catalysis	925	861	+ 9 %	212	185	+ 15 %
<i>margin</i>				22.9 %	21.5 %	
Natural Resources**	1 874	1 878	+ 4 %	305	271	+ 13 %
<i>margin</i>				16.3 %	14.4 %	
Business Areas Total	4 399	4 404	+ 3 %	799	770	
Corporate	–	–		- 107	- 163	
Total Continuing Operations				692	607	+ 14 %
<i>margin</i>				15.7 %	13.8 %	
Provision***				- 231		
Total Continuing	4 399	4 404	+ 3 %	461	607	- 24 %
<i>margin</i>				10.5 %	13.8 %	
Discontinued	2 127	2 219	- 2 %	158	264	- 40 %
Total Group	6 526	6 623	+ 1 %	619	871	- 29 %

*in local currency **including Additives ***CHF 231 million provision for an ongoing competition law investigation by the European Commission

Quarterly and FY 2018 – Sales and EBITDA a.e.i.* by Business Area

<i>in CHF m</i>	Sales to 3rd parties					EBITDA after exceptionals				
	Q1 2018	Q2 2018	Q3 2018	Q4 2018	FY 2018	Q1 2018	Q2 2018	Q3 2018	Q4 2018	FY 2018
Care Chemicals	484	400	385	396	1 665	88	73	83	70	314
<i>margin</i>						18.2 %	18.3 %	21.6 %	17.7 %	18.9 %
Catalysis	197	207	199	258	861	39	48	34	64	185
<i>margin</i>						19.8 %	23.2 %	17.1 %	24.8 %	21.5 %
Natural Resources**	467	469	470	472	1 878	79	65	64	63	271
<i>margin</i>						16.9 %	13.9 %	13.6 %	13.3 %	14.4 %
Business Areas Total	1 148	1 076	1 054	1 126	4 404	206	186	181	197	770
Corporate Costs					–	- 25	- 26	- 39	- 73	- 163
Total Continuing	1 148	1 076	1 054	1 126	4 404	181	160	142	124	607
<i>margin</i>						15.8 %	14.9 %	13.5 %	11.0 %	13.8 %
Discontinued	574	591	551	503	2 219	75	78	68	43	264
Total Group	1 722	1 667	1 605	1 629	6 623	256	238	210	167	871

* a.e.i. = after exceptional items ** including Additives

Full Year 2019 – Key Financials

	2019		2018	
<i>Continuing operations</i>	CHF m	% of sales	CHF m	% of sales
Sales	4 399	100.0 %	4 404	100.0 %
Local currency growth	3 %			
<i>Organic growth*</i>	3 %			
<i>Acquisitions / divestures</i>	0 %			
Currencies	- 3 %			
Gross profit	1 375	31.3 %	1 362	30.9 %
EBITDA after exceptional items	461	10.5 %	607	13.8 %
EBITDA before exceptional items	740	16.8 %	739	16.8 %
EBIT after exceptional items	165	3.9 %	348	7.8 %
EBIT before exceptional items	444	10.1 %	480	10.9 %
Net result**	38	0.6 %	356	5.4 %
Operating cash flow**	509		530	
<i>Sales from discontinued operations</i>	2 127	100 %	2 219	100 %
<i>Net result from discontinued operations</i>	72	3.4 %	143	6.4 %

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

Full Year 2019 – Consolidated Statements of Cash Flows

All figures including discontinued operations

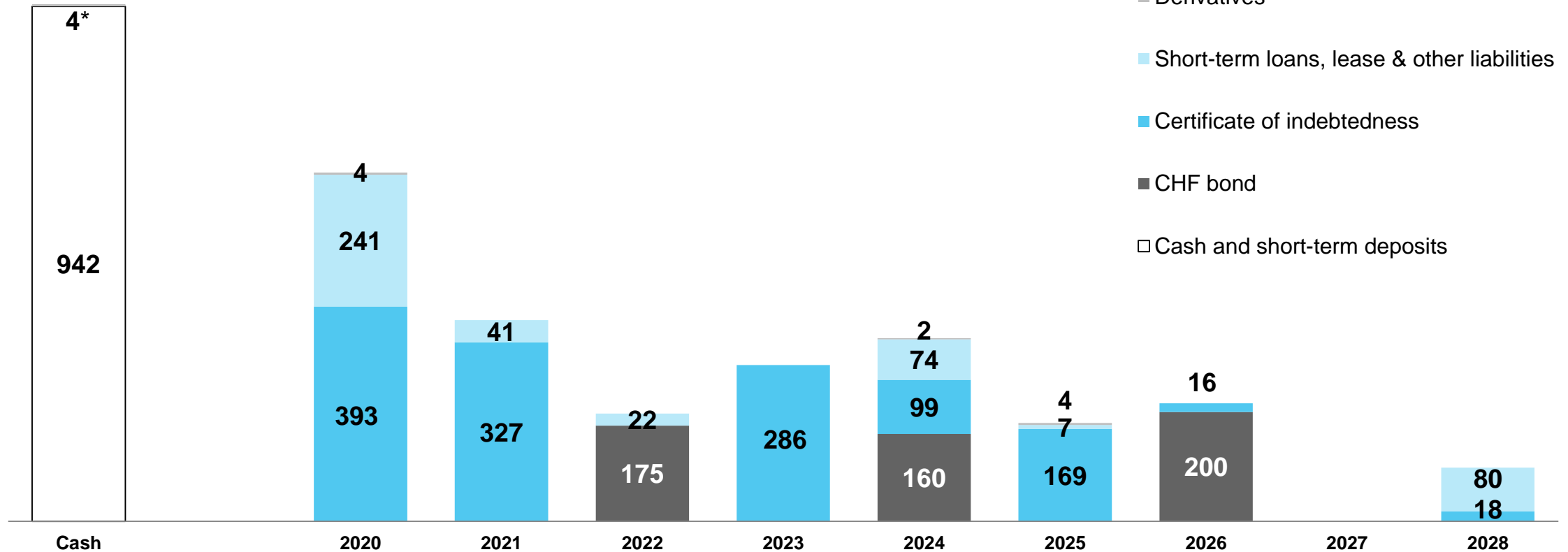
<i>CHF m</i>	2019	2018
Net result	38	356
Depreciation, amortization and impairment	330	325
Payments for restructuring	- 29	- 42
Other	195	163
Cash flow before changes in working capital	534	802
Changes in working capital and provisions	96	- 55
Income taxes paid	- 121	- 217
Operating cash flow	509	530
Cash flow from investing activities	- 254	- 132
<i>thereof: property, plant and equipment</i>	- 273	- 237
<i>thereof: changes in current financial assets and short-term deposits</i>	- 285	15
<i>thereof: acquisitions, disposals and other</i>	304	90
Cash flow before financing	255	398

Debt Maturity Profile as of 31 December 2019

LIQUIDITY in CHF m

FINANCIAL DEBT MATURITIES in CHF m

- Derivatives
- Short-term loans, lease & other liabilities
- Certificate of indebtedness
- CHF bond
- Cash and short-term deposits



*financial derivatives with positive fair values reported under other current assets

Full Year 2019 – Sales and Cost Structure*

GLOBAL SALES DISTRIBUTION**

in %

EMERGING MARKETS

16 %

JPY

3 %

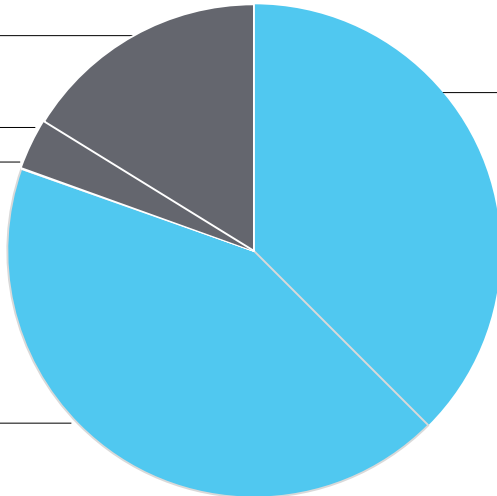
CHF

0 %

USD

43 %

EUR
38 %



GLOBAL COST DISTRIBUTION**

in %

EMERGING MARKETS

12 %

JPY

3 %

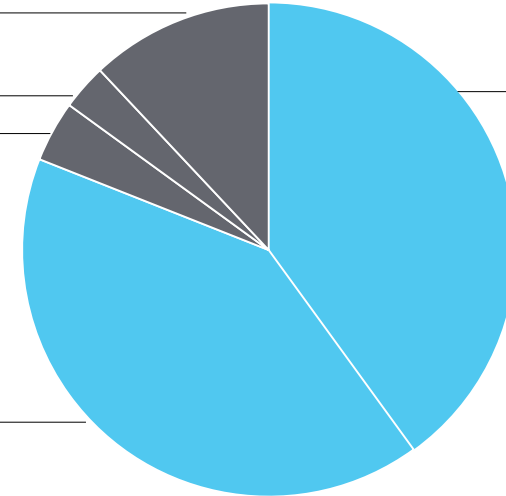
CHF

4 %

USD

41 %

EUR
40 %



* These distributions represent an approximation to total cash inflows and outflows and are closely linked to transaction exposures for FY 2019

** including discontinued operations

Full Year 2019

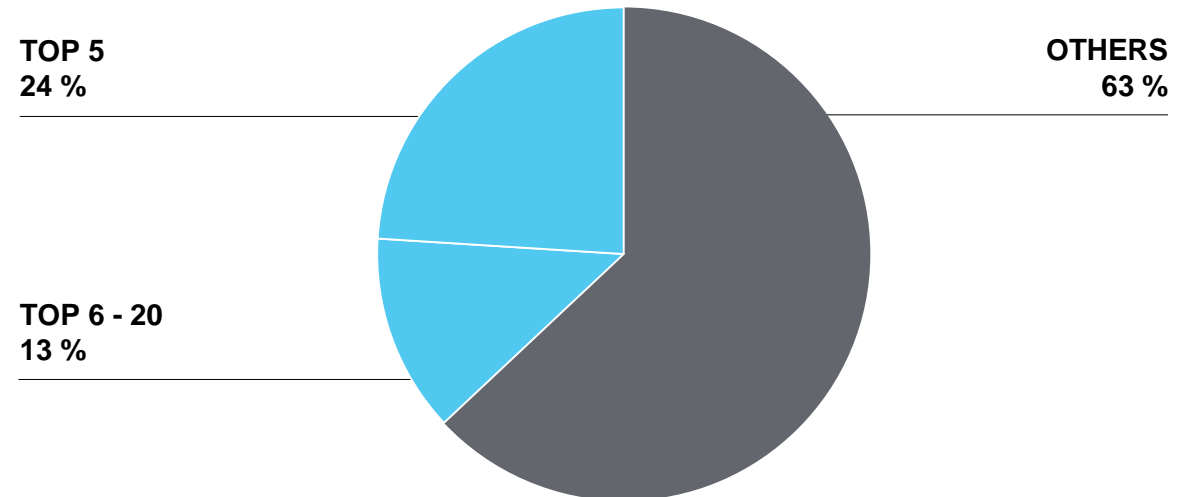
Top 20 Chemicals in Percentage of Total Raw Material Cost*

TOP 5 CHEMICALS

- 1 Ethylene
- 2 Ethylene oxide
- 3 Propylene glycol
- 4 Titanium dioxide
- 5 Polyethylene

TOP 6 - 20 CHEMICALS

- 6 Propylene oxide
- 7 Acetic acid
- 8 Sodium hydroxide
- 9 4-Nitro-o-anisidine
- 10 Aluminum oxide
- 11 Polypropylene
- 12 Carbon
- 13 Phthalocyanine copper
- 14 Sodium hypophosphite
- 15 Wax, montan
- 16 Butene/ethene copolymer
- 17 Hydrocarbon solvents
- 18 Alumina
- 19 Fatty alcohol
- 20 Methanol



* as of 31 December 2019, including discontinued operations

Calendar of Upcoming Corporate Events

30 March 2020

Annual General Meeting

30 April 2020

First Quarter 2020 Reporting

30 July 2020

First Half 2020 Reporting

29 October 2020

Nine Months 2020 Reporting

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Our iPad App



Download it here:

iPad App: www.clariant.com/IRapp

