AD HOC ANNOUNCEMENT PURSUANT TO ART. 53 LR
FOURTH QUARTER / FULL YEAR 2021

Clariant delivered strong growth in Q4 2021 and record profitability in FY 2021

- **Independent investigation concluded – Full Year 2020 (restated) and 2021 audited**
- **Fourth Quarter 2021: Sales from continuing operations grew by 23 % in local currency to CHF 1.242 billion driven by strong pricing and volume expansion**
- **Fourth Quarter 2021: EBITDA margin increased to 16.3 % from 16.1 % supported by operating leverage and continued higher pricing, which diminished ongoing raw material, energy, and logistics cost inflation**
- **Full Year 2021: Sales from continuing operations increased by 15 % in local currency to CHF 4.372 billion**
- **Full Year 2021: EBITDA margin increased to 16.2 % from 15.5 % in a supportive demand environment – highest EBITDA margin since 1999**
- **Full Year 2021: Net result for total Group at CHF 373 million**
- **Full Year 2021: Strong operating cash flow of CHF 363 million despite higher growth-related net working capital and restructuring cash-out**
- **Distribution of CHF 0.40 per share proposed to AGM on 24 June 2022**
- **Outlook 2022: Strong local currency growth for the Group with the aim to improve year-on-year Group EBITDA margin level in a challenging geopolitical environment**

"Clariant concluded the independent investigation and today presented its audited full year 2021 financials. We are pleased to announce markedly higher organic sales growth and a record profitability level in 2021 which is also well above 2019 pre-COVID-19 pandemic levels. We were able to successfully manage the challenges from unprecedented developments in raw materials, as well as energy and logistics cost. These results positively reflect the attractiveness of the Group's higher-value specialty portfolio and provide tangible proof of the continued effective execution of cost discipline and our performance improvement programs," said Conrad Keijzer, CEO of Clariant. "In 2022, we will continue to execute Clariant's strategy to deliver profitable growth, guided by our new purpose: Greater Chemistry – between people and planet. I would like to take this opportunity to thank all our people for their dedication and hard work, which is reflected by these strong 2021 results, as well as our customers and suppliers for placing their trust in Clariant."

CLARIANT

Key Financial Data[1]

Continuing operations	Fourth Quarter				Full Year			
in CHF million	**2021**	**2020**	**% CHF**	**% LC**	**2021**	**2020**	**% CHF**	**% LC**
Sales	1 242	1 022	22	23	4 372	3 860	13	15
EBITDA	203	165	23		708	597	19	
- margin	16.3 %	16.1 %			16.2 %	15.5 %		
EBITDA before exceptional items	*230*	*179*	*28*		*760*	*623*	*22*	
- margin	*18.5 %*	*17.5 %*			*17.4 %*	*16.1 %*		
EBIT					440	317		
Return on invested capital (ROIC)					9.9 %	7.4 %		
Net result from continuing operations					**292**	**130**		
Net result (2)					**373**	**825**		
Operating cash flow (2)					363	369		
Number of employees as of 31 December (2)					13 374	13 235		
Discontinued operations (3)								
Sales	240	200	20	21	912	1 330	-31	-31
Net result from discontinued operations					81	695		

(1) FY 2020 restated, Q4 2020 corrected
(2) Total Group including discontinued operations
(3) Masterbatches divested on 1 July 2020

Fourth Quarter 2021 – Strong growth with higher profitability

MUTTENZ, MAY 19, 2022

Clariant, a focused, sustainable, and innovative specialty chemical company, today announced its Fourth Quarter 2021 and audited Full Year 2021 results. Following the independent investigation, the 2020 Full Year and quarterly results have been restated and the quarters of 2021 have been corrected accordingly. The restatements in the 2020 Annual Financial Statement resulted in an EBITDA increase of CHF 19 million and CHF 14 million in net result from continuing operations. The fourth quarter continuing operations sales were CHF 1.242 billion, compared to CHF 1.022 billion in the fourth quarter of 2020. This corresponds to an increase of 23 % in local currency and 22 % in Swiss francs. Both pricing, which addressed continued cost inflation, and volume growth had a positive impact on the Group of 14 % and 9 %, respectively. Care Chemicals and Natural Resources grew sales strongly, which more than compensated for the expected development in Catalysis.

All geographic regions contributed to the sales expansion in the fourth quarter of 2021, reflecting both a demand recovery as well as shortages in supply chains. In Europe, the lofty 25 % local currency growth was underpinned by strong expansion in Care Chemicals. The 12 % growth in Asia-Pacific was driven by 17 % expansion in China while sales in North America increased by 17 %. The 30 % sales growth in Latin America and 76 % expansion in the Middle East & Africa, the smallest region, were underpinned by all Business Areas.

In the fourth quarter of 2021, Care Chemicals increased sales by 39 % in local currency. This was supported by organic double-digit expansion in Industrial Applications and Consumer Care, Crop Solutions, and Aviation in particular, in addition to the consolidation of the acquired majority share in Clariant IGL Specialty Chemicals (CISC) and the result of acquiring the remaining shares in Beraca, whose sales contributions exceeded expectations. Catalysis sales remained unchanged in local currency, primarily due to the expansion in Syngas, Specialty Catalysts, and the emission-control businesses, which largely counterbalanced the weakness in parts of Petrochemicals. Natural Resources sales increased by a notable 25 % in local currency with growth attributable to all three Business Units, Additives in particular.

The continuing operations EBITDA increased to CHF 203 million and a corresponding margin of 16.3 %, slightly exceeding the 16.1 % reported in the fourth quarter of the previous year. The development was underpinned by higher sales, operating leverage, pricing measures largely offsetting raw material price increases, and the ongoing execution of Clariant's performance programs, which contributed additional cost savings of CHF 13 million, including the efficiency programs, in the fourth quarter of 2021. The absolute profitability almost matched the high CHF 208 million pre-pandemic level generated in the fourth quarter of 2019 despite negative currency effects.

Full Year 2021 – Specialty chemicals portfolio delivered further sales and profitability improvement

In the full year 2021, continuing operations sales were CHF 4.372 billion, compared to CHF 3.860 billion in full year 2020. This corresponds to an increase of 15 % in local currency and 13 % in Swiss francs. Both pricing and volume growth had a positive impact on the Group of 8 % and 7 %, respectively.

In the full year 2021, sales rose in almost all geographic regions. The developments in Europe, the Middle East & Africa, Asia-Pacific, including China, and Latin America were particularly robust with sales expansion in the range of 16 % to 20 %. The sales gap in North America continued to dwindle and the region ended the year unchanged versus the previous year levels due to the ongoing recovery in Oil and Mining Services.

Care Chemicals sales rose by 22 % in local currency in the full year 2021 with a double-digit organic sales increase in both Industrial Applications and Consumer Care. In Catalysis, the top-line was up by 5 % in local currency, supported by Syngas, Specialty Catalysts, and emission-control catalyst demand. Oil and Mining Services, Functional Minerals, and particularly Additives all contributed to the 14 % local currency sales growth reported in Natural Resources.

The continuing operations EBITDA increased to CHF 708 million as the Group improved profitability on the back of notable sales expansion, operating leverage together with the continued successful pricing measures largely offsetting raw material price increases of approximately 21 %, and the execution of the performance improvement programs, which resulted in additional cost savings of CHF 41 million in the full year 2021. Clariant recognized a CHF 33 million net VAT-related credit over the full year 2021, which was offset by exceptional cost, largely related to the performance improvement programs. The EBITDA margin increased to 16.2 % from 15.5 % in the previous year due to the profitability improvement in Care Chemicals and Natural Resources and the continued cost discipline across the Group.

In 2021, the total Group net result was CHF 373 million versus CHF 825 million in the previous year, CHF 102 million excluding the gain on the Masterbatches disposals. The 2021 net result was positively affected by the strong business performance of the continuing operations and the corresponding margin improvement. In 2020, the gain on the disposal of the Masterbatches business of CHF 723 million and the partial reversal of CHF 50 million of the EU fine provision had an extraordinary positive impact on the result.

Operating cash flow for the total Group was CHF 363 million, just slightly below the previous year level of CHF 369 million, despite a growth-driven cash outflow in net working capital of CHF 221 million, which resulted from the marked sales increase as well as supply chain uncertainties. The restructuring cash payments of CHF 38 million also negatively impacted the cash flow development.

Net debt for the total Group increased to CHF 1.535 billion versus CHF 1.040 billion recorded at the end of 2020. This development is attributable to a growth-driven increase in working capital, higher investments into property, plant, and equipment as well as acquisitions.

The Board of Directors recommends a regular distribution of CHF 0.40 per share to the Annual General Meeting (AGM) on 24 June 2022 based on the strong performance in 2021. This distribution represents an attractive pay-out ratio of 49 % of continuing operations earnings per share (EPS: CHF 0.81) and is proposed to be made through capital reduction by way of par value reduction.

The Board of Directors proposes the reelection of Günter von Au as Chairman. The following Board of Directors members will not stand for reelection at the 2022 AGM: Abdullah Mohammed Alissa, Nader Ibrahim Alwehibi, and Calum MacLean. The Board of Directors thanks them for their contribution to Clariant and therefore proposes the election of the following individuals: Ahmed Mohamed Alumar, Saudi Arabian Citizen; Roberto César Gualdoni, German and Italian Citizen; Naveena Shastri, US Citizen.

Discontinued Operations

In the fourth quarter of 2021, Pigments sales increased by 21 % in local currency and by 20 % in Swiss francs. In the full year 2021, on a like-for-like basis, excluding Masterbatches sales from the first half of 2020, Pigments sales in discontinued operations rose by 15 % in local currency and by 14 % in Swiss francs due to the improved economic environment.

In the fourth quarter of 2021, the EBITDA margin in discontinued operations increased to 8.8 % due to the higher sales levels, the corresponding operating leverage improvement in Pigments, the execution of the efficiency program, as well as effects from other discontinued operations.

In the full year 2021, the EBITDA margin in discontinued operations was 12.5 %.

Outlook – Full Year 2022

Clariant aims to grow above the market to achieve higher profitability through sustainability and innovation. The Group has concluded its significant portfolio transformation program by divesting Healthcare Packaging in 2019, Masterbatches in 2020, and Pigments in January of 2022. Clariant is now a truly specialty chemical company and confirms its 2025 ambition to deliver profitable growth (4 – 6 % CAGR), a Group EBITDA margin between 19 – 21 % and a free cash flow conversion of around 40 %.

In the first quarter of 2022, Clariant expects to generate continued strong sales growth in local currency versus the prior year, underpinned by expansion in Care Chemicals and Natural Resources despite a normalizing growth environment. Clariant is aiming to sustain its corrected year-on-year margin levels in the first quarter of 2022 via volume growth, continuing pricing actions, and cost discipline to diminish continued inflation in raw materials, logistics, labor, and energy cost.

For the full year 2022, Clariant expects strong growth in local currency for the Group driven by a particularly strong first half of 2022. The current high level of uncertainty as a result of the geopolitical conflicts, suspension of business in Russia and the resurgence of COVID-19 in China are expected to impact global economic growth and consumer demand in the second half of the year. Clariant expects the high inflationary environment with regard to raw material, energy and logistic cost as well as supply chain challenges to persist in the second half of 2022. Clariant aims to improve its year-on-year Group EBITDA margin levels via solid volume growth, continued cost discipline, and pricing in an overall increasingly challenging economic environment.

Clariant intends to publish its Integrated Report 2021 on 2 June 2022 and the First Quarter 2022 results on 15 June 2022. The virtual Annual General Meeting 2022 is scheduled for 24 June 2022.

Business Discussion

Business Area Care Chemicals

	Fourth Quarter				Full Year			
in CHF million	**2021**	**2020**	**% CHF**	**% LC**	**2021**	**2020**	**% CHF**	**% LC**
Sales	475	347	37	39	1 699	1 411	20	22
EBITDA	99	74	34		351	274	28	
- margin	20.8 %	21.3 %			20.7 %	19.4 %		
EBITDA before exceptional items	*112*	*77*	*45*		*366*	*277*	*32*	
- margin	*23.6 %*	*22.2 %*			*21.5 %*	*19.6 %*		

Sales

In the fourth quarter of 2021, sales in the Business Area Care Chemicals rose markedly by a particularly robust 39 % in local currency and by 37 % in Swiss francs. Excluding the CHF 38 million sales contribution from the consolidation of Clariant IGL Specialty Chemicals (CISC) and the full integration of Beraca, Care Chemicals sales grew by 28 % organically in local currency. Growth was supported by both price and volume expansion of approximately 21 % and 18 %, respectively. Industrial Applications sales rose at a double-digit rate organically as demand continued to strengthen in key end markets like transportation, construction, and renovation, but also due to the lack of supply chain visibility. In particular, the Aviation business clearly recovered from the weakness reported in the fourth quarter of 2020. Consumer Care sales increased in a double-digit range in all businesses, with expansion in Crop Solutions in the lead partly as a result of the high agricultural commodities prices.

Sales surged in all geographic regions in the fourth quarter of 2021. This positive development was driven by North America, Europe, and Latin America, with all regions reflecting significant growth. In Asia, the consolidation of CISC enhanced the positive development.

In the full year 2021, sales in the Business Area Care Chemicals increased by 16 % organically, by 22 % in local currency, and by 20 % in Swiss francs. Both organic Industrial Applications sales as well as Consumer Care sales rose at double-digit rates. The absolute sales levels in Care Chemicals, excluding acquisitions, exceeded full year 2019 pre-pandemic levels.

EBITDA Margin

In the fourth quarter, the EBITDA margin decreased to 20.8 % from 21.3 %, despite a 34 % increase in absolute EBITDA. This development was attributable to raw material cost headwinds, supply chain constraints, as well as energy and logistics cost increases that were not fully offset by price increases. While the CISC integration had a small dilutive impact on the margin, the revaluation driven by the full acquisition of the Beraca shareholding slightly overcompensated for this effect.

The EBITDA margin in the full year 2021 increased to 20.7 % from 19.4 %.

Clariant Insight

Clariant is a worldwide technology leader in mild surfactants, a key trend in personal care markets. Consequently, the Group offers diverse performance properties to its formulator customers. These surfactants are invaluable in helping formulators respond to the need for mild cleansing hygiene, sensitive skin solutions, and more natural ingredients. Clariant has upgraded its mild surfactants range with additional claim substantiation, technical data, and sustainability features. The carbon footprint for the full range is available to support customers in selecting the most appropriate product to achieve their Scope 3 reduction targets.

Business Area Catalysis

	Fourth Quarter				Full Year			
in CHF million	**2021**	**2020**	**% CHF**	**% LC**	**2021**	**2020**	**% CHF**	**% LC**
Sales	277	280	-1	0	907	879	3	5
EBITDA	46	59	-22		152	169	-10	
- margin	16.6 %	21.0 %			16.8 %	19.2 %		
EBITDA before exceptional items	*45*	*60*	*-25*		*150*	*178*	*-16*	
- margin	*16.2 %*	*21.4 %*			*16.5 %*	*20.3 %*		

Sales
In the fourth quarter of 2021, as previously indicated, sales in the Business Area Catalysis remained unchanged in local currency and decreased by 1 % in Swiss francs versus a strong comparison base. Strong sales in Syngas, Specialty Catalysts, and the emission-control catalyst businesses largely counterbalanced the overall weakness in Petrochemicals, though CATOFIN® sales were strong.

Sales expansion was strong in the Middle East & Africa and Latin America. Despite the high demand seen in China, sales in Asia were slightly below previous year levels. Europe and North America reported lower sales in the fourth quarter, which is a reflection of the normal project nature of the business.

In the full year 2021, sales in the Business Area Catalysis increased by 5 % in local currency and by 3 % in Swiss francs. This growth was attributable to higher Syngas, Specialty Catalysts, and emission-control catalyst demand which overcompensated the slight decline in Petrochemicals.

EBITDA Margin
In the fourth quarter, the EBITDA margin declined to 16.6 % from 21.0 % as a result of increased inflationary pressures, continued logistics challenges, the less favorable product mix with stronger Syngas sales, a higher contribution from the lower-margin emission-control catalyst businesses, as well as project cost related to the new CATOFIN® production site in China and the sunliquid® production plant in Romania.

In the full year 2021, the EBITDA margin fell to 16.8 % from 19.2 % in the previous year.

Though margins can fluctuate significantly over the quarters of a calendar year, the fundamentals for Catalysis remain positive based on the present demand pattern, the order backlog, portfolio strength, and proven innovation capability.

Clariant Insight
In the fourth quarter, Clariant and Technip Energies launched the Enhanced Annular Reforming Tube for Hydrogen (EARTH®). EARTH® is a breakthrough in sustainable hydrogen production via steam methane reforming. This drop-in solution offers producers a cost-efficient way to save energy or increase capacity while reducing the CO_2 footprint of the process up to 20 %. The EARTH® technology setup ensures simultaneous heat recuperation and high conversion rates. The technology uses a newly designed structured catalyst, jointly developed by Clariant and Technip Energies, which offers next to low pressure drop, maximum activity, and heat transfer. Clariant's focus on sustainability continues to bear fruit, as the first commercial use of EARTH® technology has demonstrated excellent performance and has already been awarded two major new contracts.

Business Area Natural Resources

	Fourth Quarter				Full Year			
in CHF million	**2021**	**2020**	**% CHF**	**% LC**	**2021**	**2020**	**% CHF**	**% LC**
Sales	490	395	24	25	1 766	1 570	12	14
EBITDA	84	60	40		300	224	34	
- margin	17.1 %	15.2 %			17.0 %	14.3 %		
EBITDA before exceptional items	*83*	*63*	*32*		*302*	*247*	*23*	
- margin	*16.9 %*	*15.9 %*			*17.1 %*	*15.7 %*		

Sales
In the fourth quarter of 2021, sales in the Business Area Natural Resources rose by a notable 25 % in local currency and by a lofty 24 % in Swiss francs, underpinned by both price and volume expansion in all three Business Units of approximately 14 % and 11 %, respectively for the Business Area.

Oil and Mining Services sales growth accelerated markedly in the fourth quarter, in a mid-twenties percentage range. Oil Services sales continued the sequential quarter-on-quarter improvement as market demand picked up, albeit against a weak comparison basis. The fourth quarter is traditionally the most significant for the seasonal Refinery Services, which reported a strong sales result as well. Mining Solutions sales increased in the high-teen range, underpinned by successful pricing measures.

Functional Minerals sales grew in the mid-teen range, supported by expansion in all Business Lines, Purification and Cargo & Device Protection in particular. Foundry also increased sales at a low single-digit rate, exceeding the absolute levels achieved in the pre-COVID-19 pandemic fourth quarter of 2019.

Additives sales rose most significantly among the three Natural Resources Business Units due to extraordinarily strong underlying demand in all regions and in all of the main end markets, such as electrical and electronics as well as the automotive (e-mobility) and construction sectors.

In the full year 2021, sales in the Business Area Natural Resources increased by 14 % in local currency and by 12 % in Swiss francs.

EBITDA Margin
In the fourth quarter, the EBITDA margin increased to 17.1 % from 15.2 %, despite the fact that profitability was negatively affected by the constrained supply chain environment, logistics challenges, and curtailed raw material availability. To some extent, price increases are still catching up to higher raw material costs and rising natural gas prices, a situation that resulted in a continued headwind in Natural Resources. Nevertheless, the strong top-line advance in tandem with the pricing and efficiency measures provided some relief.

In the full year 2021, the EBITDA margin increased to 17.0 % from 14.3 % year-on-year.

Clariant Insight
The Business Unit Functional Minerals announced the acquisition of BASF's U.S. Attapulgite business assets in the fourth quarter 2021. BASF's Attapulgite business is one of the largest attapulgite miners and producers in North America, and the business produces attapulgite-based products for a wide range of applications and end markets. Clariant is a technology leader in the purification of edible oils and renewable fuels, and this transaction will substantially increase the Business Unit's production capacity in North America, thereby enhancing the Business Unit's ability to participate in the attractive North American market. Clariant offers unique technology for the purification of biodiesel, which reduces greenhouse gases in road transportation, and for the purification of pyrolysis oil, which enables the chemical recycling of plastics.

Discontinued Operations

	Fourth Quarter				Full Year			
in CHF million	**2021**	**2020**	**% CHF**	**% LC**	**2021**	**2020 (1)**	**% CHF**	**% LC**
Sales	240	200	20	21	912	1 330	-31	-31
EBITDA	21	-42	n.m.		114	785	-85	
- margin	8.8 %	n.m.			12.5 %	59.0 %		
EBITDA before exceptional items	*32*	*16*	n.m.		*138*	*148*	*-7*	
- margin	*13.3 %*	*8.0 %*			*15.1 %*	*11.1 %*		

(1) Masterbatches divested on 1 July 2020

As part of Clariant's portfolio optimization, the Business Units Pigments and Masterbatches and the Business Line Healthcare Packaging, which operated as a part of the Business Unit Masterbatches, have been reclassified to discontinued operations since the first half year 2019.

On 31 October 2019, Clariant sold its Healthcare Packaging business to Arsenal Capital Partners. The sale of Clariant's Masterbatches business to Avient (formerly PolyOne) was completed on 1 July 2020. On 14 June 2021, Clariant announced that definitive agreements had been signed to divest its Pigments business to a consortium comprising Heubach Group and SK Capital Partners. This transaction was closed on 3 January 2022 and the Pigments activities are therefore included in the 2021 results.

Sales
In the fourth quarter of 2021, Pigments sales increased by 21 % in local currency and by 20 % in Swiss francs. In the full year 2021, on a like-for-like basis, excluding Masterbatches sales from the first half of 2020, Pigments sales in discontinued operations rose by 15 % in local currency and by 14 % in Swiss francs due to the improved economic environment.

EBITDA
In the fourth quarter of 2021, the EBITDA margin in discontinued operations increased to 8.8 % due to the higher sales levels, the corresponding operating leverage improvement in Pigments, the execution of the efficiency program, as well as effects from other discontinued operations.

In the full year 2021, the EBITDA margin in discontinued operations was 12.5 %.

Please note that all information provided in this document references the FY 2020 restated and Q4 2020 corrected results. For details regarding the restatements please refer to the Fourth Quarter / Full Year 2021 Analyst Presentation and the Financial Review – Full Year 2021, available on the Clariant website: Latest Results (clariant.com)

CORPORATE MEDIA RELATIONS

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

Anne Maier
Phone +41 61 469 63 63
anne.maier@clariant.com

Ellese Golder
Phone +41 61 469 63 63
ellese.golder@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.

www.clariant.com

Clariant is a focused, sustainable and innovative specialty chemical company based in Muttenz, near Basel/Switzerland. On 31 December 2021, the company employed a total workforce of 13 374. In the financial year 2021, Clariant recorded sales of CHF 4.372 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.