

First Half Year Results 2019

25 JULY 2019

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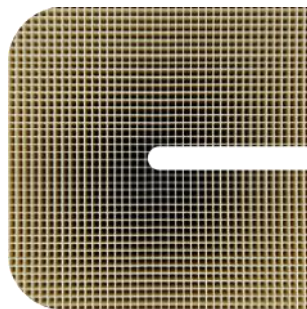
Clariant's New Reporting Structure Decision Towards a More Focused, High Value Specialty Portfolio

- Decision to dispose of entire (standard and high value) Masterbatches and Pigments
- Reclassification of these activities to discontinued operations
- Clariant's Additives business included in Natural Resources



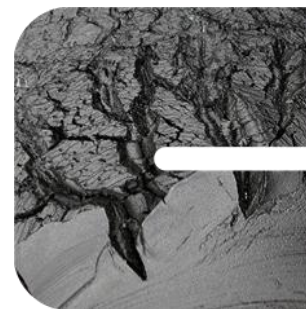
CARE CHEMICALS

BA Care Chemicals comprises the BU Industrial & Consumer Specialties (ICS), Food additives as well as the future Industrial Biotechnology business. It demonstrates 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.



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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 bio-ethanol.



NATURAL RESOURCES*

BA Natural Resources, comprises the BUs Oil & 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.

*including Additives

First Half Year 2019 – Summary

H1 2019 vs. H1 2018, figures from continuing operations

SALES

2 229 + 4 %

in CHF m

in LC* y-o-y

EBITDA
after exceptional items

333 - 2 % 14.9 %**

in CHF m

in CHF y-o-y

margin

EBITDA
after exceptional items

102* n.m. n.m.**

in CHF m

in CHF y-o-y

margin

**NET
RESULT***/*****

- 101 n.m.

in CHF m

in CHF y-o-y

**OPERATING
CASH FLOW******

113 + 11 %

in CHF m

in CHF y-o-y

*in local currency **before/***/after the CHF 231 m provision for an ongoing competition law investigation by the European Commission ****including discontinued operations

Sales Development & Mix

All figures continuing operations

- **H1 2019** sales rose organically by 4 % in local currency, supported by higher volumes and pricing
- Good sales expansion driven by Catalysis and Natural Resources
- In **Q2 2019**, sales grew organically by 3 % in local currency, resulting from pricing effects
- Volumes were challenged by production interruptions in Care Chemicals and lower demand in the electric and electronic markets in Additives (now reported in Natural Resources)

H1 2019 SALES

in CHF m



Q2 2019 SALES



in CHF m



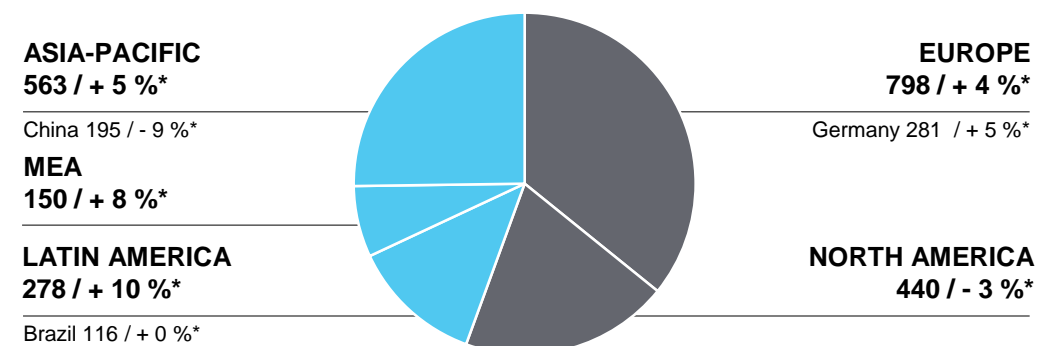
Sales Distribution by Region

All figures continuing operations

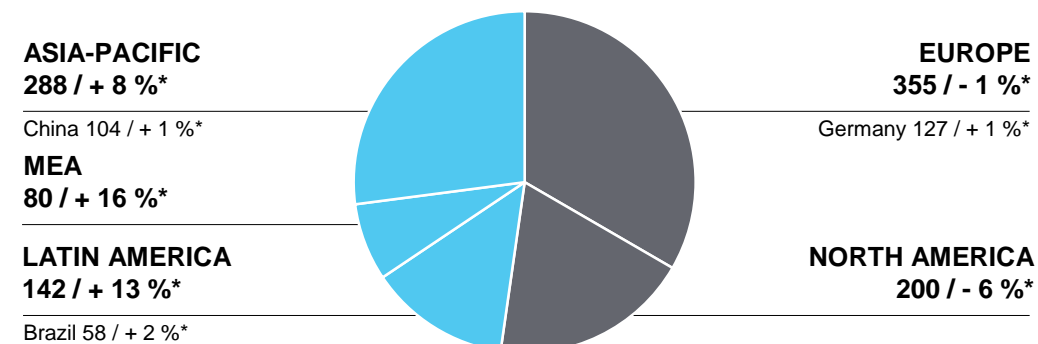
- In **H1 2019**, sales expansion was most pronounced in Latin America and Middle East & Africa
- Sales in Asia and Europe grew in mid-single-digits, while North America was slightly negative
- In **Q2 2019**, Latin America and Middle East & Africa both reported strong growth rates
- Asia contributed single-digit sales expansion with stabilization noted in China
- Europe softened slightly across the region, with Germany slightly up by 1 %
- North American sales declined in mid-single-digits, due to a Force Majeure event of a supplier

 Emerging markets
 Mature markets

H1 2019 SALES CHF 2 229 m in CHF m



Q2 2019 SALES CHF 1 065 m in CHF m



*in local currency



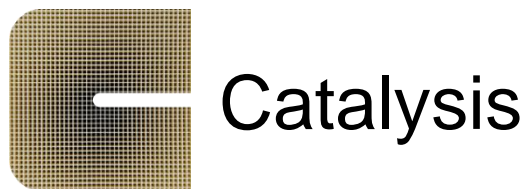
Care Chemicals

All figures continuing operations

- **H1 2019 sales** remained unchanged in LC*
- Consumer Care sales climbed with positive contributions from all three Business Lines: Personal Care, Home Care and Crop Solutions, whereas Industrial Applications was softer due to the weaker economic environment and lower Aviation business
- Q2 2019 Care Chemicals sales fell mainly due to a strong decline in North America due to a case of Force Majeure of a key supplier. Excluding this impact, sales were up in a solid mid-single-digit range
- **H1 2019 EBITDA** margin** softened to 17.6 % due to the temporary negative impact from raw material disruptions in North America in the second quarter
- Hence, Q2 2019 EBITDA** margin declined to 15.1 %

	H1 2019	H1 2018	% CHF	% LC*
Sales <i>in CHF m</i>	850	884	-4 %	0 %
EBITDA a.e.i.** <i>in CHF m</i>	150	161	-7 %	
<i>EBITDA a.e.i.** margin</i>	17.6 %	18.2 %		
EBITDA b.e.i.*** <i>in CHF m</i>	154	163	-6 %	
<i>EBITDA b.e.i.*** margin</i>	18.1 %	18.4 %		

	Q2 2019	Q2 2018	% CHF	% LC*
Sales <i>in CHF m</i>	370	400	-8 %	-3 %
EBITDA a.e.i.** <i>in CHF m</i>	56	73	-23 %	
<i>EBITDA a.e.i.** margin</i>	15.1 %	18.3 %		
EBITDA b.e.i.*** <i>in CHF m</i>	60	74	-19 %	
<i>EBITDA b.e.i.*** margin</i>	16.2 %	18.5 %		

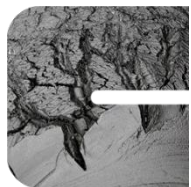


All figures continuing operations

- Robust **H1 2019 organic sales** expansion of 8 % in LC* due to very strong Syngas demand
- Sales growth benefited from good demand in Asia, Europe and North America
- Q2 2019 sales accelerated by an excellent 12 % in LC
- **H1 2019 EBITDA** margin** decreased to 19.4 % mainly due to lower profitability in the second quarter, attributable to temporary capacity outages in Asia as well as a less favorable product mix
- Q2 2019 EBITDA** margin decreased to 17.5 % due to a fire at a manufacturing facility in Asia and higher passed-through precious metal price increases

	H1 2019	H1 2018	% CHF	% LC*
Sales <i>in CHF m</i>	432	404	7 %	8 %
EBITDA a.e.i.** <i>in CHF m</i>	84	87	-3 %	
<i>EBITDA a.e.i.** margin</i>	19.4 %	21.5 %		
EBITDA b.e.i.*** <i>in CHF m</i>	88	88	0 %	
<i>EBITDA b.e.i.*** margin</i>	20.4 %	21.8 %		

	Q2 2019	Q2 2018	% CHF	% LC*
Sales <i>in CHF m</i>	229	207	11 %	12 %
EBITDA a.e.i.** <i>in CHF m</i>	40	48	-17 %	
<i>EBITDA a.e.i.** margin</i>	17.5 %	23.2 %		
EBITDA b.e.i.*** <i>in CHF m</i>	44	49	-10 %	
<i>EBITDA b.e.i.*** margin</i>	19.2 %	23.7 %		



Natural Resources (including Additives)

All figures continuing operations

- **H1 2019 sales** rose 6 % in LC*
- Oil & Mining Services (OMS) reported mid-teen sales growth in LC* with positive contributions from all three Business Lines. Functional Minerals sales rose at a single-digit rate
- Additives sales were lower due to softer consumer electronics and automotive markets against a strong comparison base
- Q2 2019 sales reflected good growth in OMS and Functional Minerals while Additives were weaker against a record-high comparison base
- **H1 2019 EBITDA** margin** increased to 15.6 % due to a stronger top-line growth in tandem with the more optimized cost base in OMS
- Q2 2019 EBITDA** margin increased to 15.7 % as a result of a stronger focus on value added projects within Oil Services

	H1 2019	H1 2018	% CHF	% LC*
Sales <i>in CHF m</i>	947	936	1 %	6 %
EBITDA a.e.i.** <i>in CHF m</i>	148	144	3 %	
<i>EBITDA a.e.i.** margin</i>	15.6 %	15.4 %		
EBITDA b.e.i.*** <i>in CHF m</i>	149	150	-1%	
<i>EBITDA b.e.i.*** margin</i>	15.7 %	16.0 %		

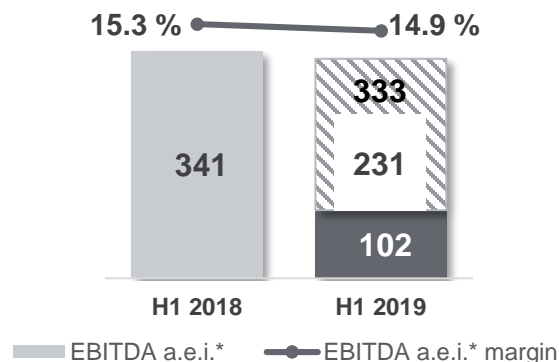
	Q2 2019	Q2 2018	% CHF	% LC*
Sales <i>in CHF m</i>	466	468	0 %	5 %
EBITDA a.e.i.** <i>in CHF m</i>	73	66	11 %	
<i>EBITDA a.e.i.** margin</i>	15.7 %	14.1 %		
EBITDA b.e.i.*** <i>in CHF m</i>	73	69	6 %	
<i>EBITDA b.e.i.*** margin</i>	15.7 %	14.7 %		

First Half Year 2019 – EBITDA a.e.i.* Development

All figures continuing operations

H1 EBITDA a.e.i.* / margin

in CHF m / in % of sales

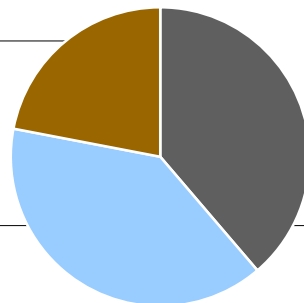


H1 EBITDA a.e.i.* by Business Area

in % of total Business Areas

CATALYSIS
22 %

CARE CHEMICALS
39 %



NATURAL RESOURCES
(including ADDITIVES)
39 %

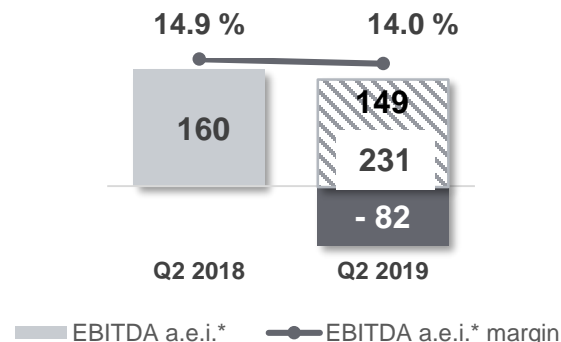
- H1 2019 EBITDA a.e.i.* was negatively impacted by the one-off provision of CHF 231 m and therefore declined significantly to CHF 102 m
- From an operational perspective, the EBITDA a.e.i.* before the provision was a slight 2 % lower and reached CHF 333 m
- Profitability improvement in Natural Resources was due to excellent top-line growth and the more optimized OMS cost base. However, it could not offset temporary negative influences in Care Chemicals and Catalysis in Q2 2019
- The corresponding EBITDA a.e.i.* margin excluding the provision was 14.9 %

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

All figures continuing operations

Q2 EBITDA a.e.i.* / margin

in CHF m / in % of sales

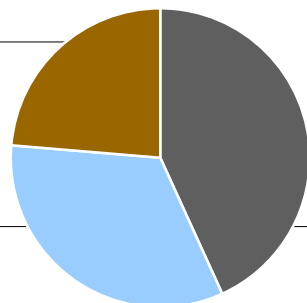


Q2 EBITDA a.e.i.* by Business Area

in % of total Business Areas

CATALYSIS
24 %

CARE CHEMICALS
33 %



NATURAL RESOURCES
(including ADDITIVES)
43 %

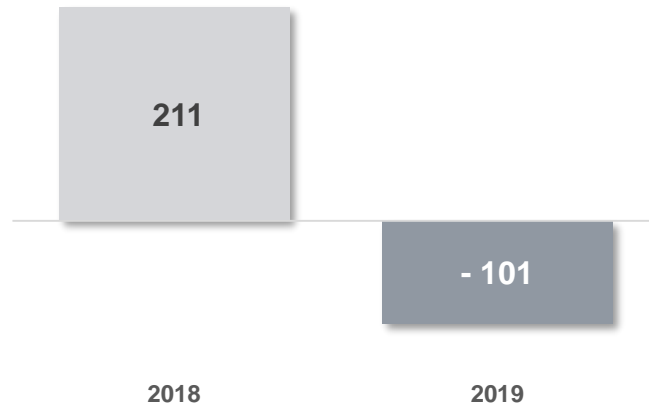
- Due to the one-off provision, the Q2 2019 EBITDA a.e.i.* decreased significantly to CHF -82 m
- From an operational perspective, the EBITDA a.e.i.* excluding the provision was 7 % lower at CHF 149 m
- Improved profitability in Natural Resources as a result of Oil Services' focus on value added projects was offset by temporarily softer margins in Care Chemicals and Catalysis due to one-off capacity outages
- The corresponding EBITDA a.e.i.* margin excluding the provision was 14.0 %

First Half Year 2019 – Net Result

All figures including discontinued operations

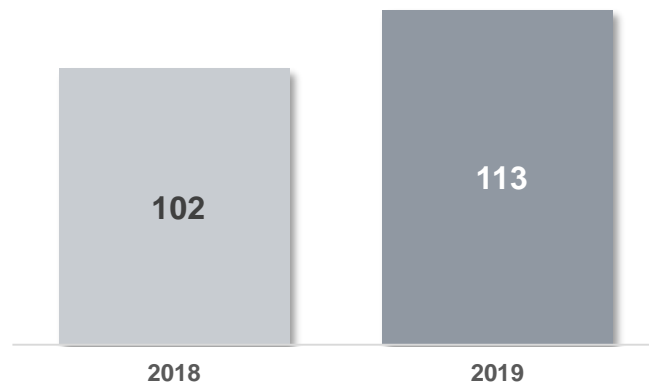
NET RESULT*

in CHF m



OPERATING CASH FLOW

in CHF m



- Due to the one-off provision, the **net result** was CHF -101 m
- The net result excluding the provision was CHF 130 m, which in turn was negatively impacted by one-time project costs related to the carve out of the discontinued operations

- **Operating cash flow** climbed 11 % to CHF 113 m resulting from
 - Lower income tax paid
 - Favorable developments in inventories

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

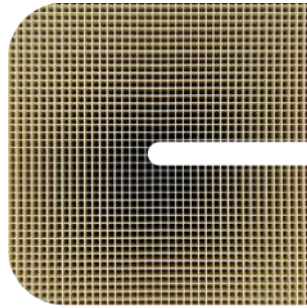
Outlook

A More Focused, High Value Specialty Portfolio



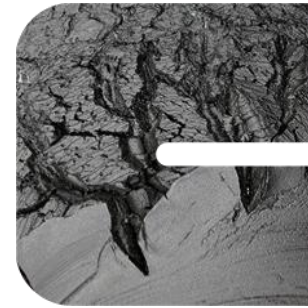
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*including Additives

Outlook 2021: Decision Towards a More Focused Portfolio to Achieve Above-Market Growth, Higher Profitability and Stronger Cash Generation



- Clariant is a focused and innovative specialty chemical company. We aim to provide more than just customer-oriented products. We strive to provide the best customer experience and fast, reliable customer fulfillment in the industry by setting the right priorities.
- Our aim is to make our customers more successful. We therefore constantly focus on timely and rewarding innovations, products that are difficult to imitate, sustainability, agility as well as ethical practices. We will only be satisfied with the highest level of excellence in every function within the Group. Our success will be realized through the execution of our strategy.
- Despite the current challenging environment, Clariant expects its continuing businesses to achieve above-market growth, higher profitability and stronger cash generation based on our focused, high value specialty portfolio.

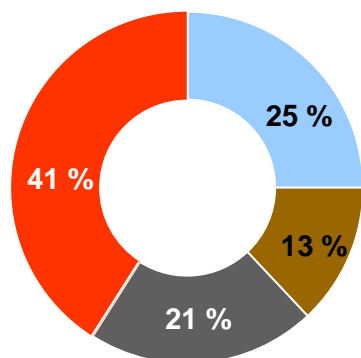
Back-up Slides

Business Area Overview FY 2018: Sales and EBITDA

Sales to 3rd parties
distribution by Business Area

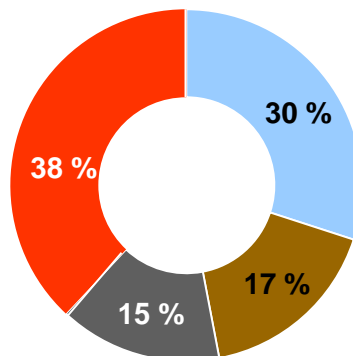
CLARIANT	
Total (cont.+ disc.)	
Total Sales	6 623
CHF m	

- Care Chemicals
- Catalysis
- Natural Resources
- Plastics & Coatings

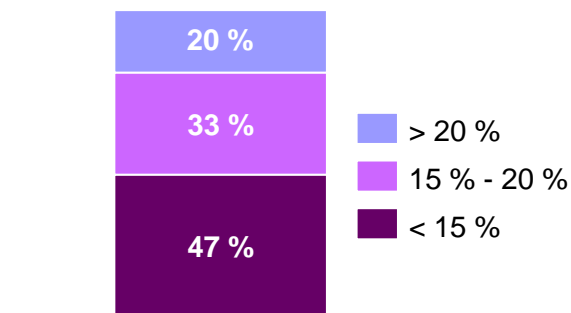


EBITDA a.e.i.
distribution¹ and overview by Business Area

EBITDA a.e.i.	CHF m	% sales
Care Chemicals	314	18.9 %
Catalysis	185	21.5 %
Natural Resources	157	11.3 %
Plastics & Coatings	408	15.1 %
Corporate ²	(193)	-2.9 %
Total	871	13.2 %



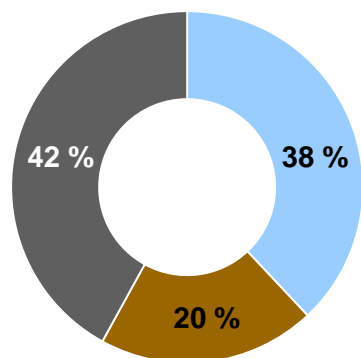
EBITDA margin composition
(share by BU in portfolio based on sales)



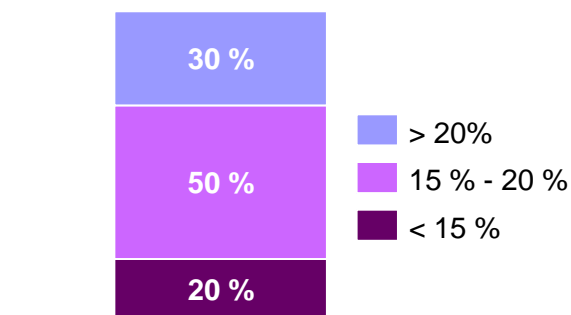
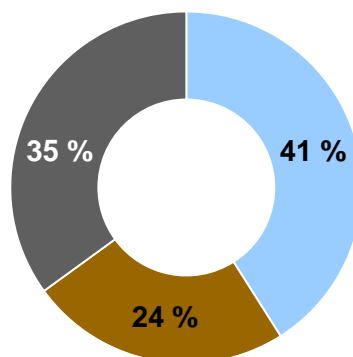
CLARIANT	
Continuing Operations	
Total Sales	4 404
CHF m	

- Care Chemicals
- Catalysis
- Natural Resources*

* including BU Additives



EBITDA a.e.i.	CHF m	% sales
Care Chemicals	314	18.9 %
Catalysis	185	21.5 %
Natural Resources*	271	14.4 %
Corporate ²	(163)	-3.7 %
Total	607	13.8 %



¹ Excluding EBITDA impact from Corporate ² Corporate EBITDA as a percentage of total Group sales



Discontinued Operations (Masterbatches and Pigments)

- In **H1 2019**, **sales** decreased by 2 % in LC* and 5 % in Swiss francs due to the challenging economic environment
- Masterbatches and Pigments were impacted by the global economic slowdown mainly by softer demand in China as well as the weakness in the automotive industry, particularly for Masterbatches
- Q2 2019 showed a slight accelerated sales deterioration compared to first quarter

	H1 2019	H1 2018	% CHF	% LC*
Sales <i>in CHF m</i>	1 109	1 165	-5 %	-2 %

	Q2 2019	Q2 2018	% CHF	% LC*
Sales <i>in CHF m</i>	558	592	-6 %	-3 %

First Half Year 2019 – Sales and EBITDA by Business Area

First Half Year	Sales to 3rd parties			EBITDA after exceptionals		
	2019	2018	% LC*	2019	2018	% CHF
<i>in CHF m</i>						
Care Chemicals	850	884	0 %	150	161	-7 %
<i>margin</i>				<i>17.6 %</i>	<i>18.2 %</i>	
Catalysis	432	404	8 %	84	87	-3 %
<i>margin</i>				<i>19.4 %</i>	<i>21.5 %</i>	
Natural Resources**	947	936	6 %	148	144	3 %
<i>margin</i>				<i>15.6 %</i>	<i>15.4 %</i>	
Business Areas Total	2 229	2 224	4 %	382	392	
Corporate	–	–		-49	-51	
Total Continuing Operations				333	341	-2 %
<i>margin</i>				<i>14.9 %</i>	<i>15.3 %</i>	
Provision***				-231		
Total Continuing	2 229	2 224	4 %	102	341	-70 %
<i>margin</i>				<i>4.6 %</i>	<i>15.3 %</i>	

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

Quarterly and FY 2018 – Sales and EBITDA 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 %

*including Additives

First Half Year 2019 – Key Financials

	2019		2018	
<i>Continuing operations</i>	CHF m	% of sales	CHF m	% of sales
Sales	2 229	100.0 %	2 224	100.0 %
Local currency growth	4 %			
<i>Organic growth*</i>	4 %			
<i>Acquisitions / divestures</i>	0 %			
Currencies	-4 %			
Gross profit	696	31.2 %	698	31.4 %
EBITDA after exceptional items	102	4.6 %	341	15.3 %
EBITDA before exceptional items	355	15.9 %	362	16.3 %
EBIT after exceptional items	-47		210	9.4 %
EBIT before exceptional items	206	9.2 %	232	10.4 %
Net result**	-101		211	9.5 %
Operating cash flow**	113		102	
<i>Sales from discontinued operations</i>	1 109	100 %	1 165	100 %
<i>Net income from discontinued operations</i>	32	1.4 %	83	3.7 %

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

First Half Year 2019 – Consolidated Statements of Cash Flows

All figures including discontinued operations

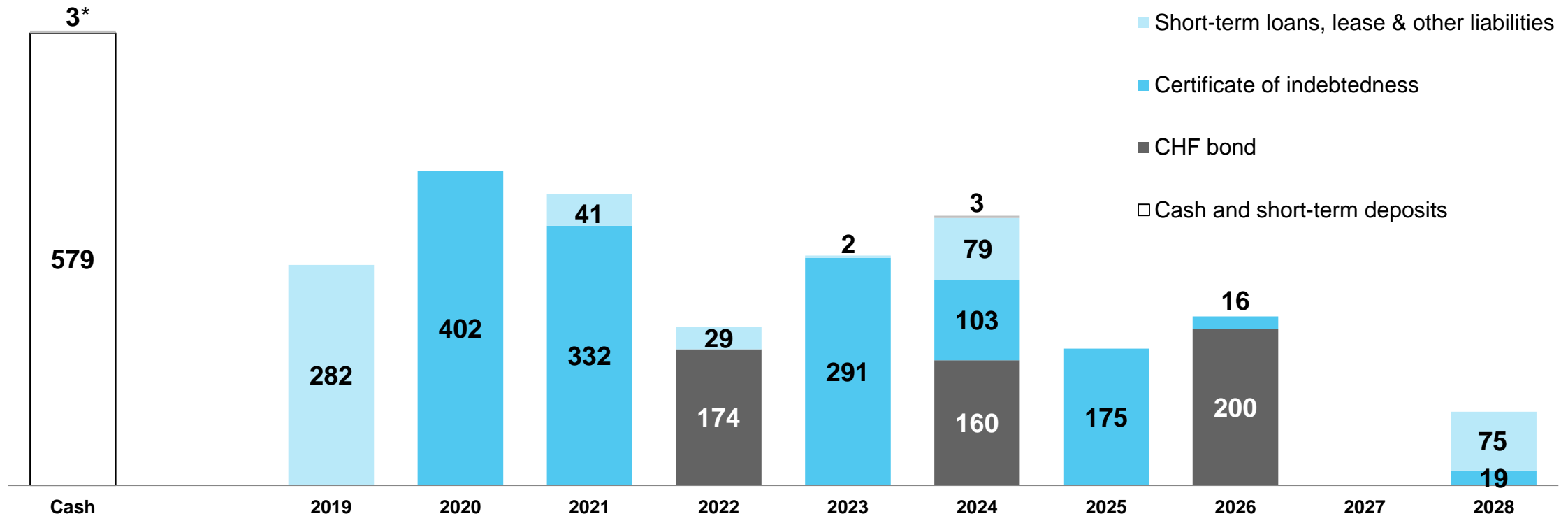
<i>CHF m</i>	2019	2018
Net result	-101	211
Depreciation, amortization and impairment	184	163
Payments for restructuring	-16	-25
Other	115	155
Cash flow before changes in working capital	182	504
Changes in working capital and provisions	-2	-241
Income taxes paid	-67	-161
Operating cash flow	113	102
Cash flow from investing activities	-108	-87
<i>thereof: property, plant and equipment</i>	-87	-74
<i>thereof: changes in current financial assets and short-term deposits</i>	-35	-8
<i>thereof: acquisitions, disposals and other</i>	14	-5
Cash flow before financing	5	15

Debt Maturity Profile as of 30 June 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

Calendar of Upcoming Corporate Events

30 October 2019

Nine Months 2019 Reporting

13 February 2020

Full Year 2019 Reporting

30 March 2020

Annual General Meeting

IR Contacts

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Our iPad App



Download it here:

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