AD HOC ANNOUNCEMENT PURSUANT TO ART. 53 LR
FOURTH QUARTER / FULL YEAR 2022

Record 2022 sales growth, EBITDA and cash conversion driven by strong operating performance; dividend increase proposed

- **Q4 2022: Sales grew by 12 % in local currency to CHF 1.323 billion, underpinned by strong pricing in a softening demand environment,**
  EBITDA margin was 11.6 % (14.7 % excluding CHF 40 million restructuring charges related to the implementation of the new operating model)
- **FY 2022: Sales increased by 24 % in local currency to CHF 5.198 billion,**
  EBITDA margin was 15.6 % (16.4 % excluding CHF 40 million restructuring charges in Q4 2022 related to the implementation of the new operating model)
- **FY 2022: Net result for total Group at CHF 116 million**
- **FY 2022: Net operating cash flow increased by 38 % to CHF 502 million,**
  CHF 293 million free cash flow resulting in a 36 % free cash flow conversion
- **FY 2022: Increased distribution of CHF 0.42 per share proposed to AGM on 4 April 2023**
- **Outlook 2023: Full year sales around CHF 5 billion with the aim to slightly improve the year-on-year reported Group EBITDA margin level in a challenging macro environment, which is expected to improve in H2 2023**

“In the fourth quarter of 2022, pricing continued to have a significant positive impact on sales growth and EBITDA margin, despite softer end markets in some businesses. The hard work of all our colleagues enabled us to successfully increase year-on-year sales in all regions, including China,” said Conrad Keijzer, Chief Executive Officer of Clariant. “I am particularly proud of our continued strong operating performance and that our full year 16.4 % EBITDA margin (excluding restructuring charges of CHF 40 million related to the implementation of the new operating model) slightly exceeded the full year 2022 guidance we previously communicated. Our shareholders will participate in our strong operational performance with an increased distribution of CHF 0.42 per share. From a sustainability perspective, the magnitude of Clariant’s Scope 1 and 2 total greenhouse gas emission improvement in 2022 is positive proof that we have managed to decouple emissions from our 7 % volume growth.”

“In the full year 2022, we achieved above-market sales growth and a margin improvement in a challenging inflationary environment. We have set the company up for growth in the years ahead with the measures undertaken during the implementation of our new operating model. The benefits of our new model include better customer orientation, better and faster decision making, greater empowerment, more accountability, and improved transparency which will enable Clariant to achieve its 2025 targets,” Conrad Keijzer added.

Key Financial Group Figures

Continuing operations	**Fourth Quarter**				**Full Year**			
in CHF million	**2022**	**2021**	**% CHF**	**% LC**	**2022**	**2021**	**% CHF**	**% LC**
Sales	1 323	1 242	7	12	5 198	4 372	19	24
EBITDA	154	203	-24		810	708	14	
- margin	11.6 %	16.3 %			15.6 %	16.2 %		
EBITDA before exceptional items	*203*	*230*	*-12*		*893*	*760*	*18*	
- margin	*15.3 %*	*18.5 %*			*17.2 %*	*17.4 %*		
EBIT					72	440		
Return on invested capital (ROIC)					**1.5 %**(2)	9.9 %		
Net result from continuing operations					**-101**	292		
Net result total (1)					**116**	373		
Net operating cash flow (1)					502	363		
Number of employees (1)					11 148(4)	13 374(5)		
Discontinued operations (3)								
Sales	0	240	n.m.	n.m.	0	912	n.m.	n.m.
Net result from discontinued operations					217	81		

(1) Total Group, including discontinued operations
(2) Excl. impairment charges of CHF 453 million for the North American Land Oil divestment and the Podari plant; the ROIC was 10.6 %
(3) Pigments divested on 3 January 2022
(4) As of 31 December 2022
(5) As of 31 December 2021

Fourth Quarter 2022 – Continued sales growth with profitability impacted by restructuring charges

MUTTENZ, MARCH 2, 2023

Clariant, a focused, sustainable, and innovative specialty chemical company, today announced its fourth quarter and full year 2022 results. In the fourth quarter of 2022, continuing operations sales were CHF 1.323 billion, compared to CHF 1.242 billion in the fourth quarter of 2021. This corresponds to an increase of 12 % in local currency and 7 % in Swiss francs. Pricing positively impacted the Group sales result by 13 % while volumes declined by 1 %, with a currency impact of - 5 %. The strong sales growth in Catalysis and Natural Resources outpaced the anticipated muted development in Care Chemicals.

In the fourth quarter of 2022, sales grew solidly in all geographic regions. European sales grew by 6 % in local currency, as prices increased while volume growth slowed. Sales in Asia-Pacific also grew by 15 %, primarily propelled by China with 14 % sales growth. North American sales were 16 % higher, and Latin American sales grew 18 %. The robust advances in both regions were supported by volume growth in Catalysis and strong pricing in Natural Resources. The Middle East & Africa increased sales by 9 %.

In the fourth quarter of 2022, Care Chemicals increased sales by 4 % in local currency by maintaining pricing while volumes declined as expected. This progress was driven by double-digit growth in Consumer Care – Crop Solutions and Personal Care in particular – while Industrial Applications sales slowed slightly. Catalysis sales rose by 18 % in local currency, mainly driven by volume growth and primarily due to growth in Petrochemicals and Syngas. Natural Resources sales increased by 16 % in local currency due to increased pricing with growth attributable to all three Business Units, especially Oil and Mining Services.

The absolute continuing operations EBITDA decreased by 24 % to CHF 154 million, and the corresponding 11.6 % margin was negatively impacted by restructuring expenses of CHF 40 million for the implementation of the new operating model. Excluding this one-time charge, the 14.7 % EBITDA margin was below the 16.3 % reported in the fourth quarter of the previous year, driven by a negative CHF 20 million EBITDA impact from project cost and higher operational cost for the sunliquid® production plant in Romania and the expected lower volumes in Care Chemicals and Additives.

Full Year 2022 – ESG Update – Leading in sustainability

In the full year 2022, the Group's Scope 1 and 2 total greenhouse gas emissions for continuing operations improved to 0.62 metric tons from 0.71 metric tons in 2021, a decline of 13 % compared to prior year. The total indirect greenhouse gas emissions for purchased goods and services (Scope 3) also decreased by 4 % to 2.58 metric tons from 2.70 metric tons in 2021.

These improvements were the result of increased energy efficiency measures at operating sites, an accelerated transition to renewables in our operations, as well as a higher share of green electricity purchased. For example, in Bonthapally, India, the replacement of coal with biomass derived from agricultural waste enables annual savings of 10 000 tons of CO_2 emissions. At Clariant's sites in Indonesia, a ten-year purchase power agreement (PPA) has been in place since 2021, covering most of the electricity demand across all business units with a reduction of 21 000 tons of greenhouse gas emissions in 2022. These results and initiatives are positive proof that Clariant has been able to decouple its emissions from its increasing volume sales (+ 7 %) and demonstrate significant progress towards the Group's emissions reduction targets.

The Group also marked a milestone in its continuous efforts to increase transparency for customers into greenhouse gas emissions associated with a product throughout its lifecycle. With the launch of its product carbon footprint (PCF) tool, 'CliMate,' Clariant offers selected product carbon footprint calculations across its portfolio, in line with the ISO 14067 standard.

Another highlight in 2022 was Clariant's low-carbon, high-performing solutions that create value for customers. Clariant's solution contributes to the catalytic abatement of nitrous oxide (N_2O) emitted during the production of nitric acid, which is a valuable base chemical primarily used in fertilizers. Through its global climate campaign, the Group enables ten nitric acid producers to reduce more than 4 million metric tons of CO_2 emissions annually. Clariant received the 2022 Sustainability Leadership Award from the American Chemistry Council for this achievement.

Full Year 2022 – Teamwork, pricing, and cost discipline underpinned higher sales, while restructuring charges impacted EBITDA

In the full year 2022, sales from continuing operations were CHF 5.198 billion, compared to CHF 4.372 billion in the full year 2021. This corresponds to an increase of 24 % in local currency and 19 % in Swiss francs. Both pricing and volume growth had a positive impact on the Group of 17 % and 7 %, respectively, while the currency impact was – 5 %.

In the full year 2022, sales growth exceeded 20 % in local currency in all geographic regions. Clariant's performance was especially strong in North America, Latin America, and the Middle East & Africa.

Care Chemicals grew sales by 28 % in local currency in full year 2022 with double-digit sales growth in all key businesses. In Catalysis, the top line was up by 14 % in local currency, propelled by the Petrochemicals and Specialty Catalysts businesses. Oil and Mining Services, Functional Minerals, and Additives in particular, all contributed to the 25 % local currency sales growth reported at Natural Resources.

The continuing operations EBITDA increased by 14 % to CHF 810 million as the Group improved profitability on the back of sales growth. The EBITDA margin was 15.6 %, versus 16.2 % in the previous year. Adjusting for restructuring expenses of CHF 40 million related to the implementation of the new operating model booked in the fourth quarter of 2022, the 16.4 % EBITDA margin exceeded the previous year's level. The adjusted profitability improvement was propelled by pricing measures that more than fully offset the high raw material cost increase (25 % year-on-year) and higher energy (+ 35 %) and logistics cost (+ 6 %). The Group's ongoing cost discipline and the profitability improvement in Care Chemicals and Natural Resources more than offset the relative weakness in Catalysis, which includes a CHF 43 million negative impact from sunliquid®.

The EBIT decreased to CHF 72 million in the full year 2022 from CHF 440 million in the previous year, mainly due to three impairments totaling CHF 462 million. A non-cash impairment in the amount of CHF 233 million was related to the sale of Clariant's North American Land Oil business to Dorf Ketal, which is expected to close in the first quarter of 2023. A further impairment of CHF 220 million was booked for the sunliquid® bioethanol plant in Romania based on the delayed ramp up and the plant's current financial performance. A CHF 5 million impairment was also made on Clariant's assets in Ukraine. Excluding these charges, the EBIT increased to CHF 534 million, 21 % above the full year 2021.

In the full year 2022, the total Group net result was CHF 116 million, versus CHF 373 million in the previous year. The net result was lifted by the net result from discontinued operations of CHF 217 million, mainly related to the gain on the Pigments disposal; the strong business performance of the continuing operations; and the corresponding margin improvement, while impairments had a negative impact of CHF 462 million.

Net operating cash flow for the total Group increased to CHF 502 million from CHF 363 million in the full year 2021. This development was mainly attributable to strong underlying earnings and net working capital management. The increased free cash flow of CHF 293 million compared to CHF 6 million in 2021 resulted in a conversion rate in 2022 of 36 %, versus 1 % a year ago and is attributable to the strong operating cash flow and disciplined capital expenditures.

Net debt for the total Group decreased to CHF 750 million, versus CHF 1.535 billion recorded at the end of 2021. This development is largely attributable to a significant reduction in current financial debt and an increase in short-term deposits due to proceeds received from the divestment of the Pigments business and the Scientific Design Company stake.

The Board of Directors recommends an increased regular distribution of CHF 0.42 per share to the Annual General Meeting (AGM) on 4 April 2023 based on the strong performance in 2022. This distribution is proposed to be made through a capital reduction by way of a par value reduction.

Outlook – Full Year 2023

Clariant aims to grow above the market to achieve higher profitability through sustainability and innovation. Clariant has become a true specialty chemical company and confirms its 2025 ambition to deliver profitable sales growth (4 – 6 % CAGR), a Group EBITDA margin between 19 – 21 %, and a free cash flow conversion of around 40 %.

As of 1 January 2023, Clariant will report in the Business Unit structure aligned with its new operating model. The Business Unit Care Chemicals includes the former Business Area Care Chemicals and the Business Unit Oil & Mining Services (previously part of the former Business Area Natural Resources). The Business Unit Catalysts is unchanged from the former Business Area Catalysis. The Business Unit Adsorbents & Additives is a combination of the former Business Units Functional Minerals and Additives (both previously part of the former Business Area Natural Resources).

From a macroeconomic perspective, Clariant anticipates a soft recessionary environment in the first half of 2023, compared to a very strong first half of 2022, and expects to see an economic recovery in the second half of 2023 while uncertainties and risks related to the economic environment remain. For the full year 2023, Clariant expects to achieve sales of around CHF 5 billion, including a net negative top line impact of around CHF 130 million from divestments and the bolt-on acquisition. Clariant aims to slightly improve its year-on-year reported EBITDA margin due to a continued recovery in Catalysts, which is expected to offset lower sales volumes in the other Business Units. Clariant expects an increasing negative annualized sunliquid® impact and a continued inflationary environment given the current economic outlook, counterbalanced by savings benefits from the restructuring programs.

Business Discussion

Business Area Care Chemicals

	Fourth Quarter				Full Year			
in CHF million	**2022**	**2021**	**% CHF**	**% LC**	**2022**	**2021**	**% CHF**	**% LC**
Sales	473	475	0	4	2 099	1 699	24	28
EBITDA	91	99	-8		469	351	34	
- margin	19.2 %	20.8 %			22.3 %	20.7 %		
EBITDA before exceptional items	*93*	*112*	*-17*		*473*	*366*	*29*	
- margin	*19.7 %*	*23.6 %*			*22.5 %*	*21.5 %*		

Sales
In the fourth quarter of 2022, sales in the Business Area Care Chemicals rose by 4 % in local currency and remained stable in Swiss francs. Growth was led by price, while volumes declined due in part to customer destocking and significantly lower demand. Consumer Care sales increased in a mid-teen percentage range, with strong growth in Crop Solutions and Personal Care in particular. Industrial Applications sales declined in a mid-single-digit range as demand weakened. The Aviation business contributed positively to the Industrial Applications development due to supportive weather in specific geographic regions and further increased air traffic activities compared to 2021.

In the fourth quarter of 2022, Care Chemicals sales grew in key geographic regions, including Asia, North America, and Latin America, while Europe remained stable, and the Middle East & Africa registered a single-digit decline.

In the full year 2022, sales in the Business Area Care Chemicals increased by 28 % in local currency and by 24 % in Swiss francs, with the full integration of Beraca contributing approximately 1 % of this sales growth. The sales growth in Consumer Care and Industrial Applications rose at rates exceeding 20 % on the back of strong market demand, especially during the first nine months of the year. The absolute Care Chemicals sales levels in 2022 significantly exceeded full year 2019 pre-pandemic levels.

EBITDA Margin
In the fourth quarter, the EBITDA margin declined to 19.2 % from 20.8 %, while the absolute EBITDA fell by 8 %. Continued active price management reinforced profitability, while the raw material price environment remained volatile, and volumes came under pressure due to customers reducing inventories and due to softer industrial demand. These factors negatively influenced the operating leverage.

The EBITDA margin in the full year 2022 increased to 22.3 % from 20.7 % due to active price management, which compensated for raw material cost headwinds, and due to higher volumes.

Care Chemicals Insight

Clariant serves many market segments from its Daya Bay production site in Huizhou, China. Domestic segments are evolving rapidly in the face of changing sustainability targets and end-product performance requirements. With an CHF 80 million investment to increase capacity for existing products, and also to introduce new products by the end of 2024, Clariant can step up its production of more sustainable, differentiated solutions that simultaneously help customers achieve their environmental targets. Along with broadening Clariant's product portfolio, the plant will also increase production capacity for its sought-after Ethylene Oxide Derivatives (EODs), which are used in personal and home care as well as in industrial applications. An example is EcoTain®-labeled, plant-based Hostapon®, a mild surfactant supporting Personal Care formulators in developing products such as solid beauty bars, milder body washes, and shampoos that serve the emerging 'clean beauty' consumer trends.

Business Area Catalysis

	Fourth Quarter				Full Year			
in CHF million	**2022**	**2021**	**% CHF**	**% LC**	**2022**	**2021**	**% CHF**	**% LC**
Sales	310	277	12	18	989	907	9	14
EBITDA	36	46	-22		93	152	-39	
- margin	11.6 %	16.6 %			9.4 %	16.8 %		
EBITDA before exceptional items	*39*	*45*	*-13*		*98*	*150*	*-35*	
- margin	*12.6 %*	*16.2 %*			*9.9 %*	*16.5 %*		

Sales

In the fourth quarter of 2022, sales in the Business Area Catalysis increased by 18 % in local currency and by 12 % in Swiss francs, versus a solid comparison base. Sales growth in Petrochemicals, particularly underpinned by CATOFIN® (propane dehydrogenation), and in Syngas largely offset a relatively weaker quarter for Specialty Catalysts.

Growth in the largest geographic market, Asia, increased versus the previous year's levels. Sales in North America, Europe, and Latin America also increased notably in the fourth quarter of 2022. The weaker result in the Middle East & Africa was attributable to the normal project nature of the Catalyst business.

In the full year 2022, sales in the Business Area Catalysis rose by 14 % in local currency and by 9 % in Swiss francs. This growth was mainly volume-driven in all three Business Lines.

EBITDA Margin

In the fourth quarter, the Catalysis EBITDA margin decreased to 11.6 % from 16.6 % despite the more favorable product mix with increased Petrochemicals sales partially compensating for continued higher raw material and energy cost. The main negative influence on the margin included project cost and higher operational cost for the sunliquid® production plant in Romania, which together resulted in a negative CHF 20 million EBITDA impact. Clariant aims to address the operational challenges by continuously adjusting production processes with the target of achieving commercial viability of the new technology. Excluding the impact from the bioethanol business, the EBITDA margin of 18.1 % reflects the continued recovery of the Catalyst business.

In the full year 2022, the EBITDA margin decreased to 9.4 % from 16.8 % in the previous year. The main factors impacting this development included: (1) project cost and higher operational cost related to the new sunliquid® production plant in Romania; (2) a less favorable product mix during the first nine months of 2022 with a lower share of accretive Petrochemicals and Syngas catalyst sales, as well as the suspension of all business with Russia; (3) temporary margin squeeze, which continued into September due to pressure from raw material (peak in the second quarter of 2022), energy, and logistics cost.

Catalysis Insight
Plastic recycling offers a promising way to reduce the considerable environmental burden of plastic waste. Hard-to-recycle and contaminated plastic waste that would otherwise be incinerated or end up in landfills can be chemically recycled into pyrolysis oil, a basic building block for many chemical products. However, the chemical recycling process must be flexible to remove a wide range of contaminants in the pyrolysis oil and be suitable for the varied process configurations of chemical producers. Clariant offers a solution to this problem with the HDMax® catalysts and Clarit™ adsorbents, which provide flexible and highly efficient impurity removal for continuously changing contaminants in feedstocks that are needed to support the shift toward a more circular economy.

Business Area Natural Resources

	Fourth Quarter				Full Year			
in CHF million	**2022**	**2021**	**% CHF**	**% LC**	**2022**	**2021**	**% CHF**	**% LC**
Sales	540	490	10	16	2 110	1 766	20	25
EBITDA	82	84	-2		380	300	27	
- margin	15.2 %	17.1 %			18.0 %	17.0 %		
EBITDA before exceptional items	*89*	*83*	*7*		*386*	*302*	*28*	
- margin	*16.5 %*	*16.9 %*			*18.3 %*	*17.1 %*		

Sales
In the fourth quarter of 2022, sales in the Business Area Natural Resources rose by 16 % in local currency and by 10 % in Swiss francs, driven by growth in all three Business Units. This improvement was underpinned primarily by 15 % higher prices, while volumes grew by 1 %.

Oil and Mining Services sales rose in the fourth quarter in a double-digit percentage range. Oil Services sales reflected a notable year-on-year improvement due to strong market demand. Mining Solutions sales increased significantly, supported by successful pricing measures, while Refinery sales, which are seasonal in nature, also increased meaningfully.

Functional Minerals sales grew in a high-teen percentage range, with positive developments in all Business Lines, especially Purification and Cargo & Device Protection. The acquisition of BASF's US Attapulgite business assets contributed 3 % of the Functional Minerals sales growth.

Additives maintained its growth trend, albeit at a slower pace than in the previous quarters, exclusively due to price increases, while volumes declined due to destocking and softer demand. Higher sales were generated in key end markets such as automotive (e-mobility) and electronic applications.

In the full year 2022, sales in the Business Area Natural Resources increased by 25 % in local currency and by 20 % in Swiss francs due to higher prices and volumes.

EBITDA Margin
In the fourth quarter, the EBITDA margin decreased to 15.2 % from 17.1 %. Softer volume demand and significant customer destocking resulted in lower production utilization, while pricing measures mitigated this negative impact and that of continued high raw material and energy cost to some extent.

In the full year 2022, the EBITDA margin increased to 18.0 % from 17.0 % due to the strong top line advance, which was propelled by both pricing and higher volumes which resulted in improved operating leverage.

Natural Resources Insight
Advanced biofuels are gaining significant momentum as an important step forward in the energy transition away from fossil-based fuels. Clariant offers unique technologies for the purification of feedstocks for renewable fuels to reduce greenhouse gases resulting from road transportation. Adsorbents, such as attapulgite, are an essential ingredient for this technology. They play a key role in removing contaminants during the pretreatment, thereby protecting the catalyst further downstream and enabling a stable and economically viable process. The recently acquired BASF US Attapulgite business assets are one of the largest miners and producers of attapulgite in North America. This acquisition will increase Clariant's production capacity and is a crucial enabler for growth in the attractive North American market.

Discontinued Operations

On 3 January 2022, Clariant's Pigments business was divested to a consortium comprising Heubach Group and SK Capital Partners.

Sales and EBITDA
As the Pigments business was sold on 3 January 2022, no sales were recorded in the full year 2022, compared to CHF 912 million in the previous year. The 2022 net result from discontinued operations was a gain in the amount of CHF 217 million, which mainly resulted from the Pigments divestment proceeds, compared to CHF 81 million in the previous year.

On 1 December 2022, Clariant and SK Capital / Heubach Group entered into an agreement that foresees a CHF 55 million payment to Clariant (due no later than 2029, therefore representing a discounted value of CHF 38 million) as a settlement of the final purchase price for the Pigments business. This agreement resulted in an increased gain on disposal after taxes in 2022 in the amount of CHF 210 million, versus CHF 197 million recorded in the first half year 2022.

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Clariant is a focused, sustainable, and innovative specialty chemical company based in Muttenz, near Basel/Switzerland. On 31 December 2022, Clariant totaled a staff number of 11 148 and recorded sales of CHF 5.198 billion in the fiscal year for its continuing businesses. The company reports in three Business Areas: Care Chemicals, Catalysis, and Natural Resources. As of January 2023, the Group conducts its business through the three newly formed Business Units Care Chemicals, Catalysts, and Adsorbents & Additives and will report accordingly as of the first quarter of 2023. 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.