

# Fourth Quarter / Full Year Results 2023

Analyst presentation

29.02.2024



# Disclaimer

This presentation contains certain statements that are neither reported financial results nor other historical information.


This presentation also includes forward-looking statements. Because these forward-looking statements are subject to risks and uncertainties, actual future results may differ materially from those expressed in or implied by the statements.

Many of these risks and uncertainties relate to factors that are beyond Clariant's ability to control or estimate precisely, such as future market conditions, geopolitical dislocation, currency fluctuations, the behavior of other market participants, the actions of governmental regulators, and other risk factors, such as: the timing and strength of new product offerings; pricing strategies of competitors;

the Company's ability to continue to receive adequate products from its vendors on acceptable terms, or at all, and to continue to obtain sufficient financing to meet its liquidity needs; and changes in the political, social, and regulatory framework in which the Company operates or in economic or technological trends or conditions, including currency fluctuations, inflation, and consumer confidence, on a global, regional, or national basis.

Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this document.

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The background of the slide is a close-up photograph of thin, golden-brown plant stems, possibly from a pine tree, covered in numerous small, clear dew droplets. The stems are vertical and hang down, with the droplets catching the light and creating a shimmering effect against a dark, blurred background.

**Group  
performance**



# Highlights Q4 / FY 2023

## Key Figures

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**1 062 m**

Sales Q4 2023

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**158 m / 14.9 %**

EBITDA before exceptionals<sup>1</sup> Q4 2023

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**4 377 m**

Sales FY 2023

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**641 m / 14.6 %**

EBITDA before exceptionals<sup>1</sup> FY 2023

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**216 m**

Free cash flow<sup>2</sup> FY 2023

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**36 %**

FCF conversion<sup>3</sup> FY 2023

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**205 m**

Capex FY 2023

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**0.42** per share

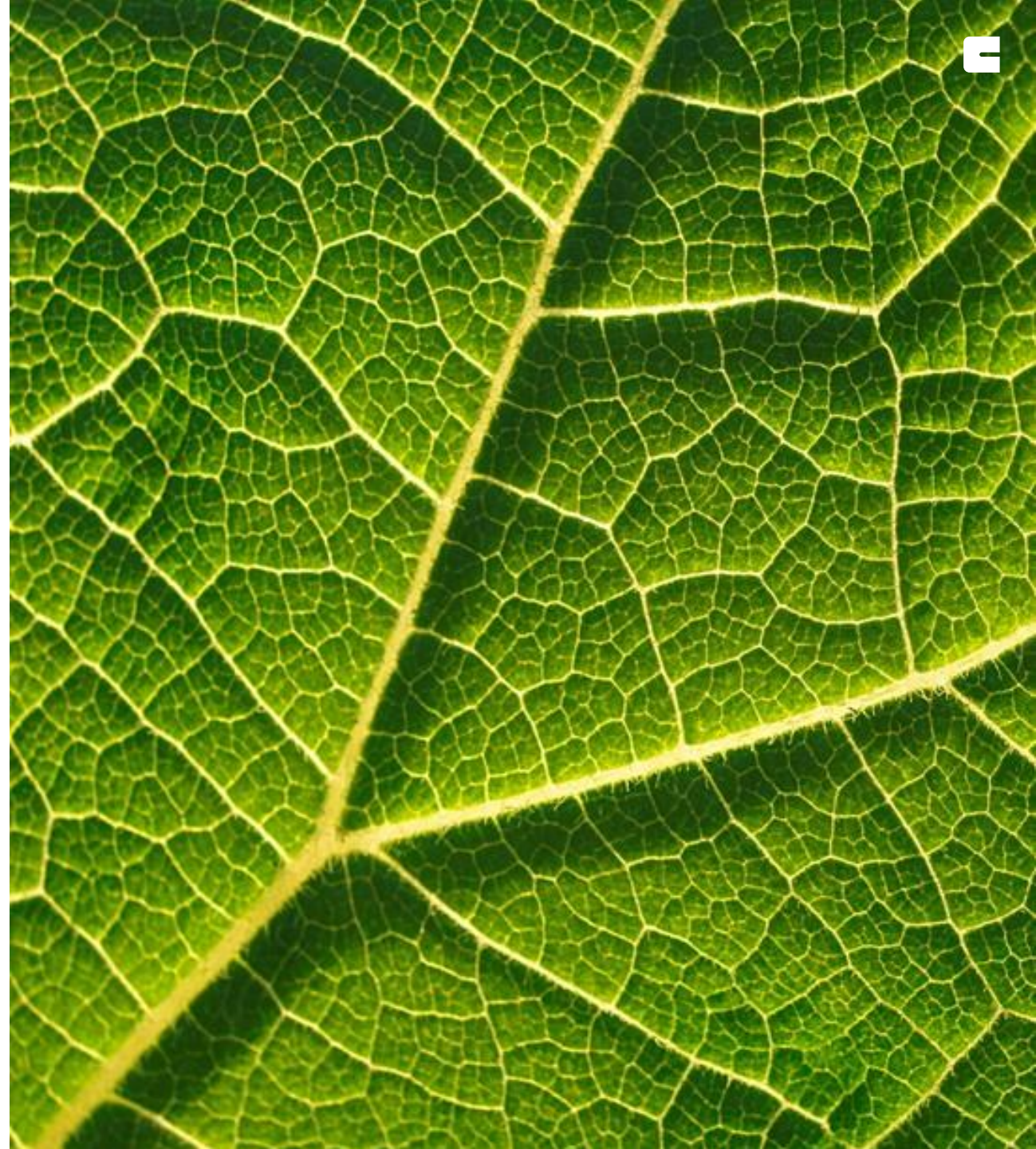
Distribution proposal for 2023

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<sup>1</sup> Reported EBITDA Q4 2023: CHF 106 m (10.0 %); FY 2023: CHF 607 m (13.9 %)

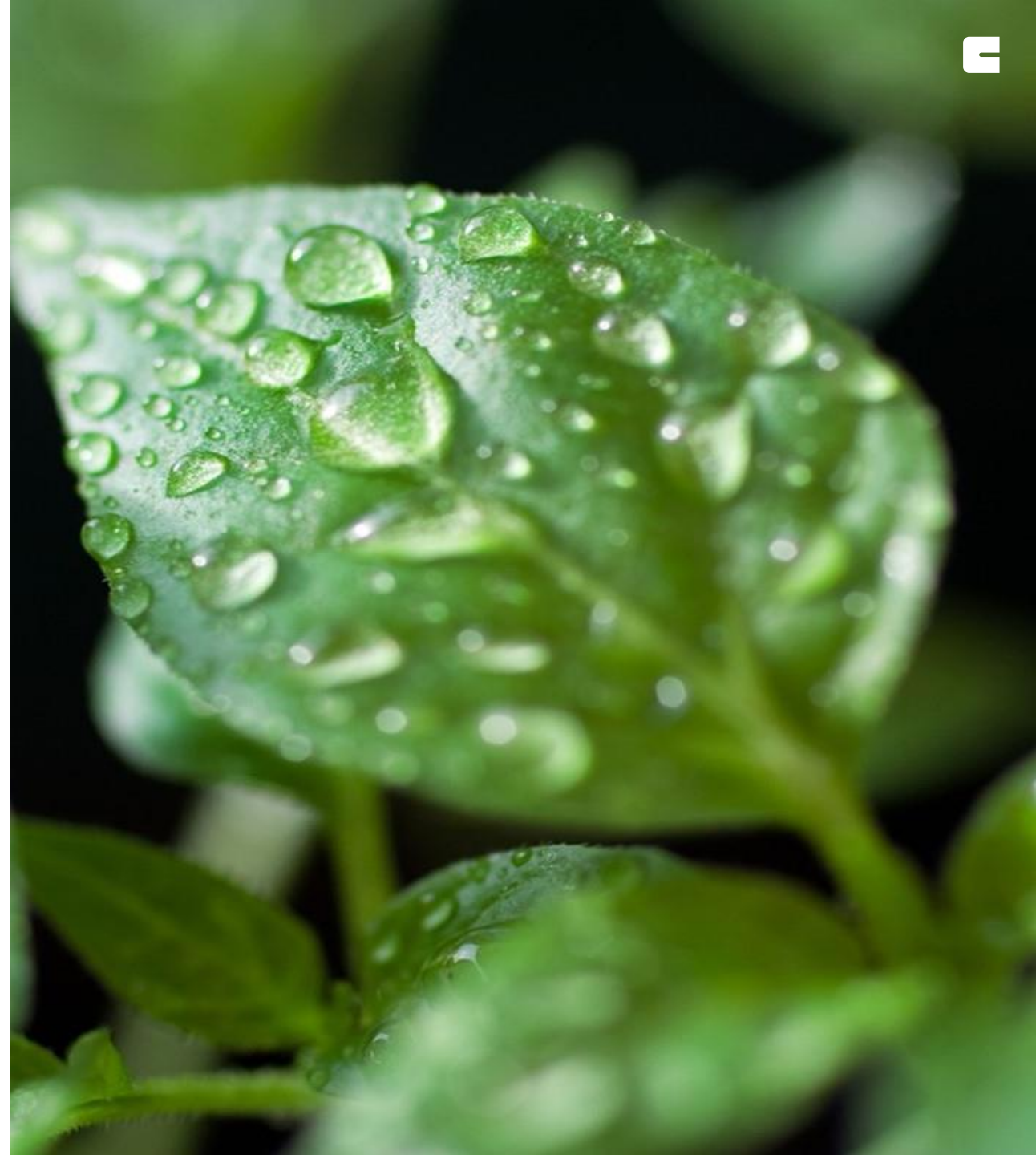
<sup>2</sup> FCF defined as cash generated from operating activities – Capex (investments in PPE)

<sup>3</sup> Defined as FCF / EBITDA



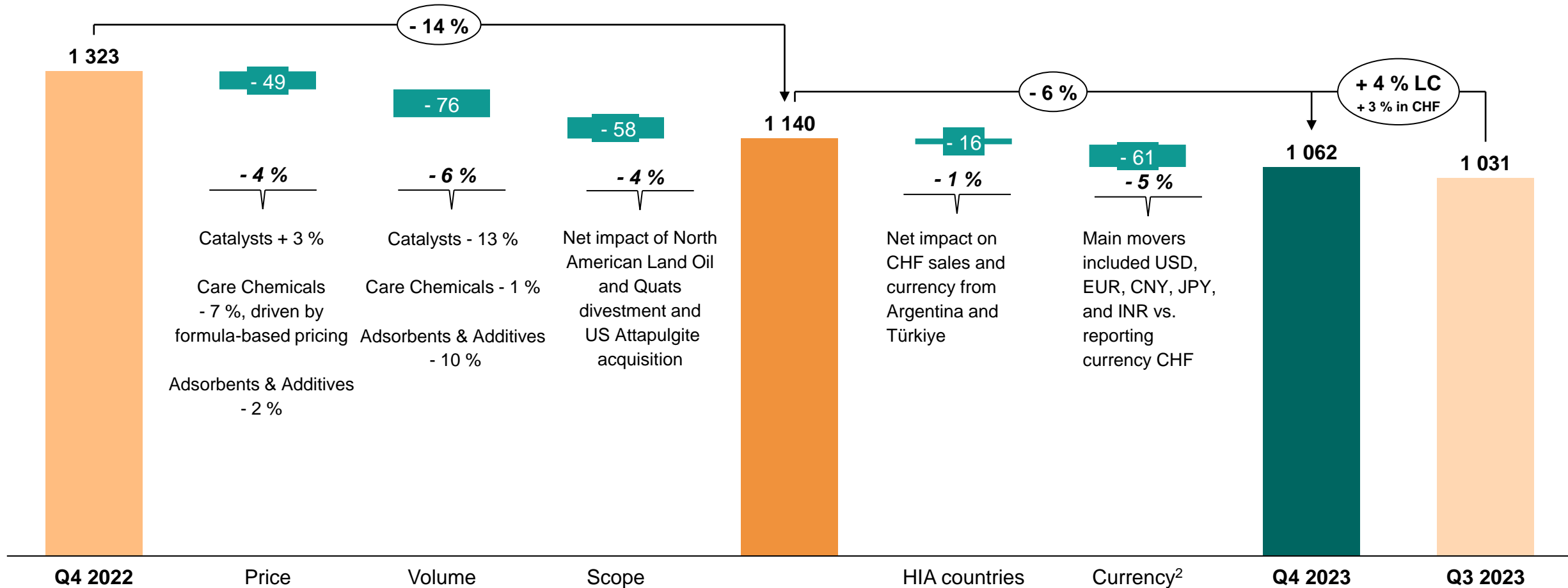
# Fourth Quarter 2023 Strategic Priorities

- **sunliquid® resolution**
  - Cease bioethanol production in Romania, downsize related activities in Germany
  - Capabilities to maintain the technology and to fulfill existing contractual obligations will be kept
- **Performance programs**
  - CHF 14 m additional savings delivered in Q4 2023 across the performance programs in the business units and corporate
  - On track for increased 2025 targeted savings of CHF 170 m, achieved CHF 135 m savings as of Q4 2023
- **Acquisition of Lucas Meyer Cosmetics**
  - Strengthens position as a true specialty chemical company, expands reach into high-value cosmetic ingredients space, based on customer-driven innovation and natural solutions
  - Total consideration of USD 810 m (~ CHF 720 m)
  - Closing expected in Q1 2024





# Q4 sales: Disciplined value-based pricing, volumes impacted by macro and project trends – sequential up 4 % in local currency (LC<sup>1</sup>)



<sup>1</sup> All references to local currency growth, pricing, volumes, and scope exclude the impact from hyperinflation countries Argentina and Türkiye.

<sup>2</sup> Currency translation impact



## Geographic split

**Q4 sales CHF 1 062 m**  
in CHF m, % in local currency<sup>1</sup>

### Asia-Pacific

**323 / - 9 %**

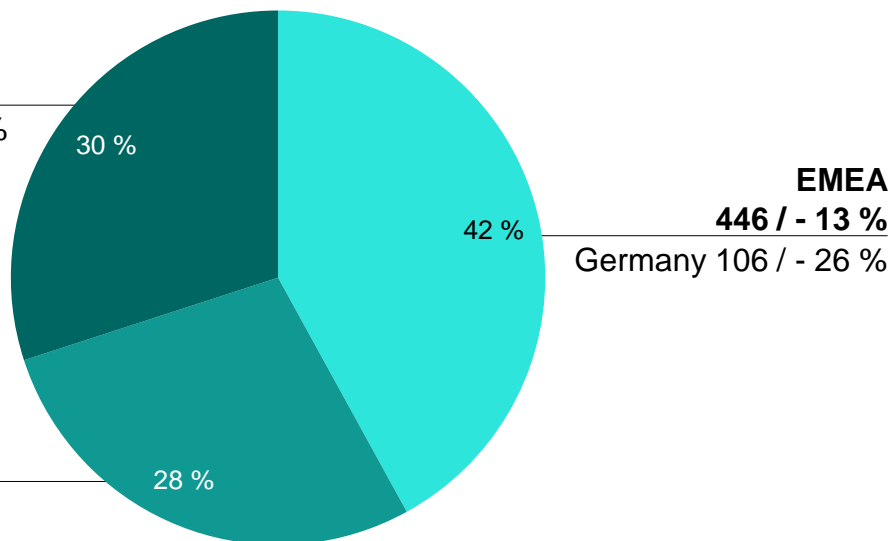
China 109 / - 22 %

### Americas

**293 / - 21 %**

USA 167 / - 25 %

Brazil 63 / - 8 %



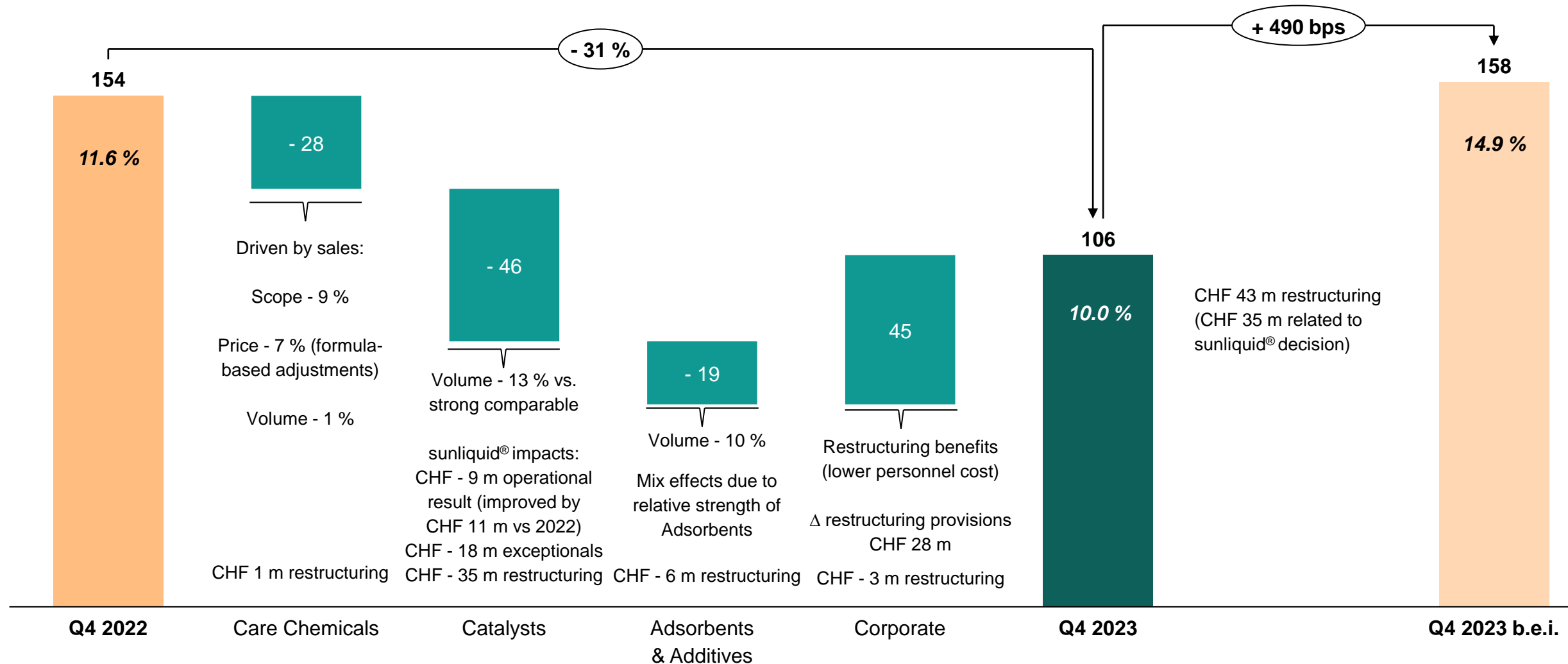
<sup>1</sup> Local currency figures exclude hyperinflation countries Argentina and Türkiye

## Regional headline

- Sales in the **Americas** declined primarily due to scope; 11 % lower organic sales, attributable to aviation business in Care Chemicals (formula-based pricing) and volumes in Catalysts and Adsorbents & Additives. Decline in Brazil attributable to scope while delivering low single-digit organic growth
- **EMEA** sales in Catalysts grew in the mid-single-digit percentage range (price and volume), driven by projects in the Middle East, and could not offset declines in Care Chemicals (formula-based pricing) and Adsorbents & Additives (volumes); Germany trends similar to overall EMEA, except Catalysts (volume down, project phasing)
- **Asia-Pacific** sales, and China in particular, were impacted by project cycle in Catalysts (Catofin<sup>®</sup>) and lower volumes and prices in Adsorbents & Additives, Catalysts against a strong comparable base in Q4 22



# Q4 EBITDA: Volume declines and restructuring impacting profitability while delivering on performance programs

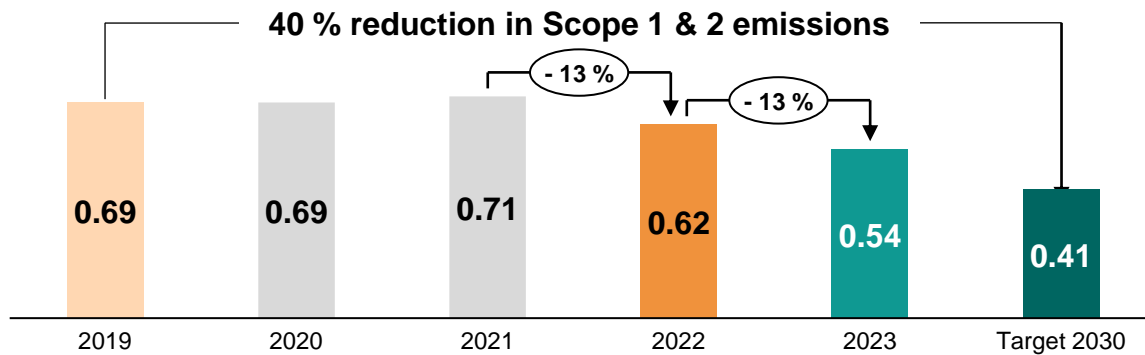






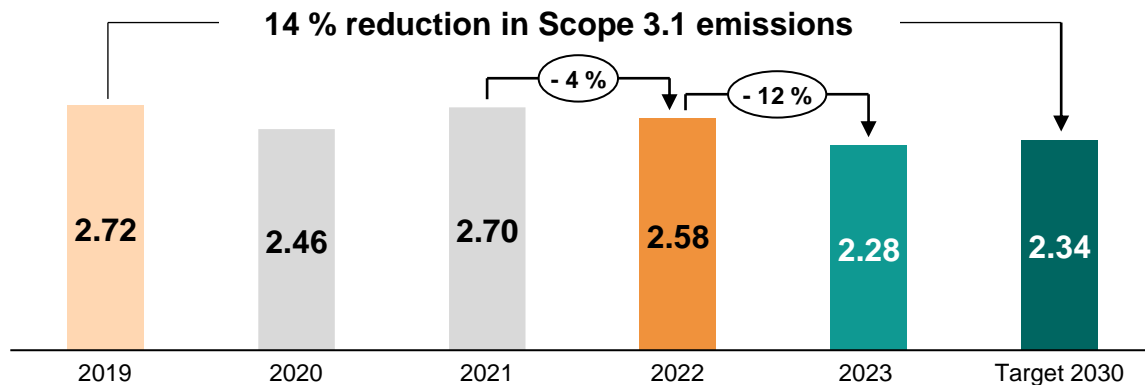
# Significant improvement of non-financial KPIs – Fully on track to deliver 2030 greenhouse gas (GHG) target

Reducing carbon footprint / carbon footprint of raw materials



**Scope 1 & 2 GHG emissions**

in m tCO<sub>2</sub>e, corresponding to - 22 % since 2019



**Scope 3.1 GHG emissions from purchased goods and services**

in m tCO<sub>2</sub>e, corresponding to - 16 % since 2019

New operating model driving customer satisfaction and employee engagement

– **Safety**

- Reduced DART rate by 46 % to 0.21 vs 0.39 in 2022 reflects high awareness, safety trainings, and accountability
- Top quartile performance in the chemical industry
- Aim to achieve a zero-accidents culture

– **Customer satisfaction**

- Customer Net Promoter Score (NPS) improved from 42 to 45
- 44 % stating that the general perception of Clariant improved in the last 12 months
- 8 points above the chemical and gas industry average

– **Employee engagement survey**

- All employees invited to an engagement survey in Jan. 2024
- Participation rate increased from 75 % to 83 %
- Employee Net Promoter Score (eNPS) increased from +3 in 2023 to +25 in 2024; moving up to second quartile vs. peers

A high-speed photograph of a water splash, showing numerous clear, spherical bubbles of various sizes rising from the surface of the water. The water is a vibrant light blue, and the background is a soft, out-of-focus white and light blue.

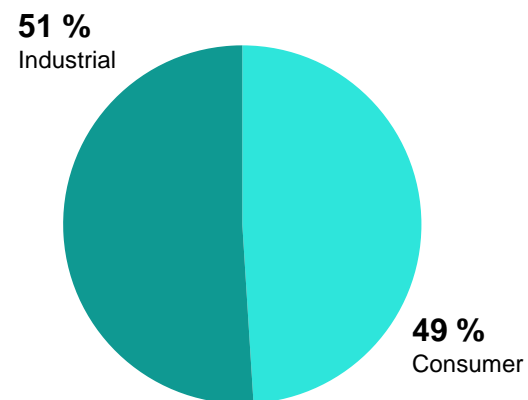
# Business performance



# Fourth Quarter 2023 Care Chemicals

<i>in CHF m</i>	<b>Q4 2023</b>	Q4 2022	% CHF	% LC <sup>1</sup>
<b>Sales</b>	549	714	- 23	- 17
<b>EBITDA</b>	110	138	- 20	
<b>EBITDA margin</b>	20.0 %	19.3 %		
EBITDA b.e.i. <sup>2</sup>	110	143	- 23	
<b>EBITDA b.e.i.<sup>2</sup> margin</b>	20.0 %	20.0 %		

	<b>Q4 2023</b>
<b>Price<sup>1</sup></b>	- 7 %
<b>Volume<sup>1</sup></b>	- 1 %
<b>Scope<sup>1</sup></b>	- 9 %
<b>Currency</b>	- 6 %



## Highlights

- **Volume** declined marginally year-on-year; positive developments in Oil Services and Mining Solutions; weakness in Crop Solutions and Base Chemicals; up 6% sequentially
- **Price** lower due to formula-based adjustments linked to raw material prices; sequential flat
- **Segments:** Strong performance in Oil Services and Mining Solutions (organic growth at mid-single digit percent); strongest decline in Crop Solutions (> 30 %), followed by Base Chemicals (> 20 %); Personal & Home Care down low single-digit percent despite volume increase
- Sales organically down in all **regions**, mainly driven by formula-based pricing, while volumes were muted
- **EBITDA** impacted positively by beneficial raw material developments, performance programs, and one-offs

<sup>1</sup> In local currency, volume, price, and scope exclude hyperinflation countries Argentina and Türkiye

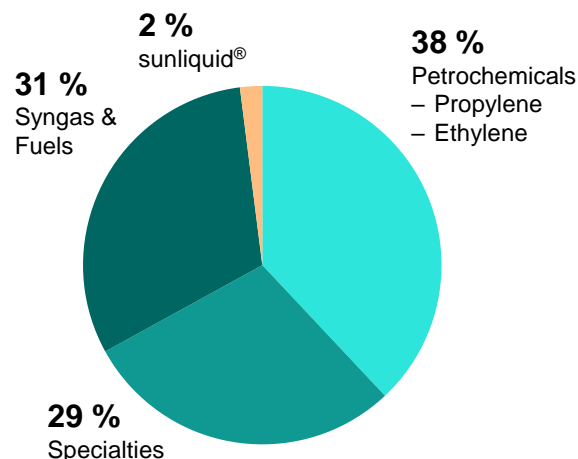
<sup>2</sup> Before exceptional items



# Fourth Quarter 2023 Catalysts

<i>in CHF m</i>	<b>Q4 2023</b>	Q4 2022	% CHF	% LC <sup>1</sup>
<b>Sales</b>	258	310	- 17	- 10
<b>EBITDA</b>	- 10	36	- 128	
<b>EBITDA margin</b>	- 3.9 %	11.6 %		
EBITDA b.e.i. <sup>2</sup>	41	39	5	
<b>EBITDA b.e.i.<sup>2</sup> margin</b>	15.9 %	12.6 %		

	<b>Q4 2023</b>
<b>Price<sup>1</sup></b>	<b>3 %</b>
<b>Volume<sup>1</sup></b>	<b>- 13 %</b>
<b>Scope<sup>1</sup></b>	<b>0 %</b>
<b>Currency</b>	<b>- 7 %</b>



## Highlights

- **Volume** declined in all segments except Specialties vs. a very strong comparison base; sequentially flat as guided; continued positive **price**
- **Segments:** Specialties up by low-single-digit percentage rate, remaining segments down by mid-teen percentage rate
- Project nature of business drove regional dynamics with positive project trends in Middle East and finalization of capacity investments (PDH) in China; Americas down due to refill cycles vs. prior year in Propylene and Specialties
- **EBITDA** impacted by continued positive price against an unfavorable business mix at sequential flat volumes and sunliquid® effects
- 20.5 % EBITDA margin (Q4) for Catalysts business excluding all sunliquid® effects (18.1 % in Q4 2022)

<sup>1</sup> In local currency, volume, price, and scope exclude hyperinflation countries Argentina and Türkiye

<sup>2</sup> Before exceptional items

# sunliquid® impacts 2023 and 2024

## 2023

<i>in CHF m</i>	Guidance	Q4 2023	FY 2023
Sales		4	11
Operational impact <sup>1</sup>		- 9	- 43
Total exceptional items <sup>1</sup>	negative 60 - 90	↔ - 53	- 60
<i>restructuring</i>		- 35	- 42
<i>provisions/exceptionals</i>		- 18	- 18
Impairments <sup>2</sup>	negative 80 - 140	- 80	- 81

## 2024 (e)

<i>in CHF m</i>	Guidance	Comment
Operational impact <sup>1</sup>	up to negative 15	
Total exceptional items <sup>1</sup>	up to negative 30	↔ Originally targeted for Q4 2023
Cash outflow	110 - 140	

<sup>1</sup> EBITDA relevant

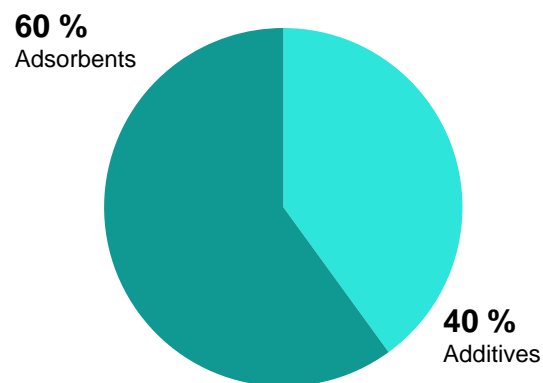
<sup>2</sup> Only EBIT relevant



# Fourth Quarter 2023 Adsorbents & Additives

<i>in CHF m</i>	Q4 2023	Q4 2022	% CHF	% LC <sup>1</sup>
Sales	255	299	- 15	- 11
EBITDA	16	35	- 54	
<i>EBITDA margin</i>	6.3 %	11.7 %		
EBITDA b.e.i. <sup>2</sup>	21	39	- 46	
<i>EBITDA b.e.i.<sup>2</sup> margin</i>	8.2 %	13.0 %		

	Q4 2023
Price <sup>1</sup>	- 2 %
Volume <sup>1</sup>	- 10 %
Scope <sup>1</sup>	1 %
Currency	- 4 %



<sup>1</sup> In local currency, volume, price, and scope exclude hyperinflation countries Argentina and Türkiye

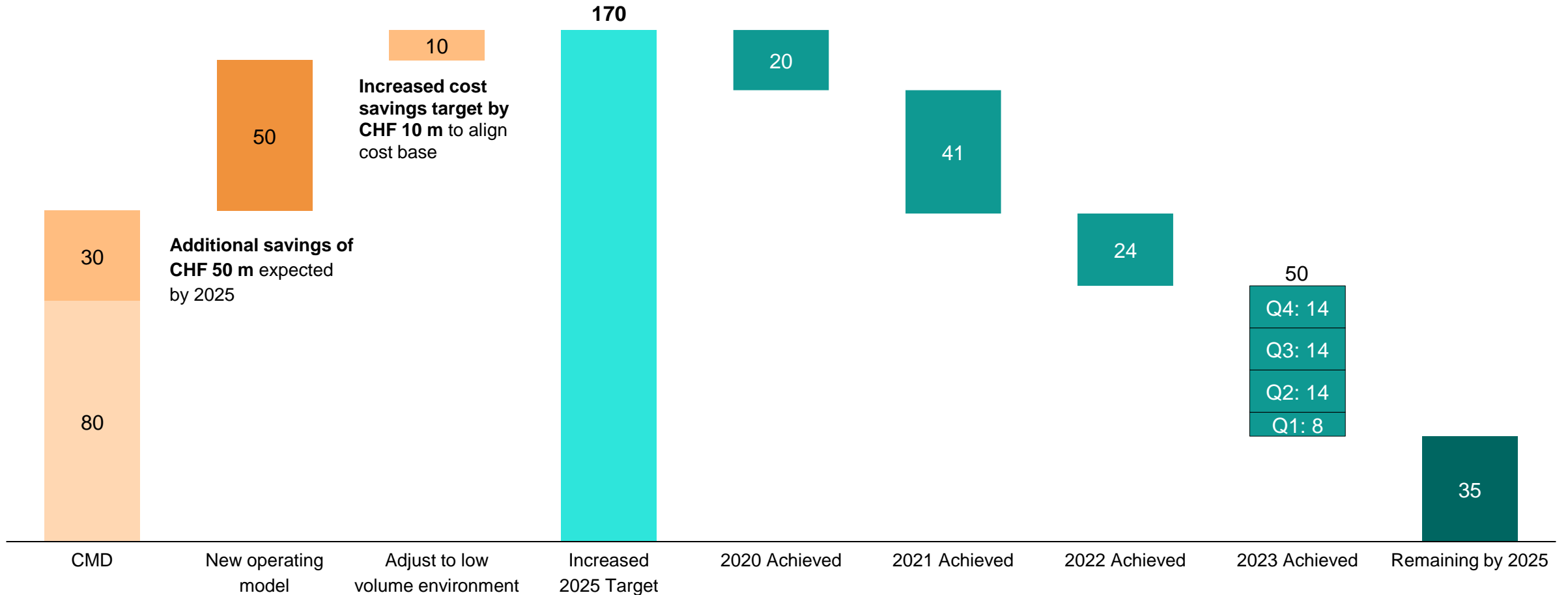
<sup>2</sup> Before exceptional items

## Highlights

- **Volume** declined double-digit, **price** slightly negative, both primarily driven by Additives segments; sequentially volumes increased by 6 %, offsetting negative pricing
- **Segments:**
  - Adsorbents grew at a low-single-digit percentage rate, positive price and scope offset slightly lower volumes
  - Additives down by low-twenties as weak demand in key end markets impacted mainly volumes
- All regions declined, led by Americas and EMEA (down low- to mid-teens); Asia high-single-digit down despite China up low-single-digit driven by volumes
- **EBITDA** impacted by CHF 6 m restructuring charges, lower operating leverage and fixed costs absorption (volume / inventory management) in Additives segments, and business mix



# On track to achieve total cost savings of CHF 170 m by 2025 – Q4 2023 delivered CHF 14 m savings; FY 2023 CHF 50 m savings



# Full Year 2023

## Key Figures

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**4 377 m**

Sales

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**709 m**

SG&A

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**641 m / 14.6 %**

EBITDA before exceptionals<sup>2</sup>

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**213 m**

Net result (continuing operations)

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**421 m**

Operating cash flow

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**755 m**

Net debt

<sup>2</sup> Reported EBITDA FY 2023: CHF 607 m (13.9 %)

## Highlights

- **Sales** decreased by 10 % in LC<sup>1</sup> (- 7 % organic in LC<sup>1</sup>)
- **Selling, general, and administrative costs (SG&A)** declined by 15 % (834 m FY22) due to disposal effects and benefits from performance programs despite normalization of travel and event costs
- **EBITDA** declined by 25 %, resulting in a margin of 13.9 % (14.6 % before exceptional items)
- **Net result from continuing operations** increased to CHF 213 m, supported by Quats disposal gain, lower OPEX and taxes, and higher impairments in 2022
- **Cash generated from operating activities** decreased by CHF 81 m due to lower EBITDA despite active working capital management (~ CHF 100 m NWC improvement)
- **Group Net Debt** stable versus prior year end

<sup>1</sup> Local currency, excluding the impact from hyperinflation countries Argentina and Türkiye




# Outlook

# Outlook 2024: Local currency growth and margin improvement


2024

## Top line

 **Low single-digit percent sales growth in local currency**

*(CHF 4.377 b in 2023)*

## Profitability

 **Around 15 % reported EBITDA margin (Around 16 % excluding sunliquid® impacts)**

*(reported margin 13.9 % in 2023)*

## Internal Factors

- Growth in Care Chemicals and Adsorbents & Additives to compensate for temporary slowdown in Catalysts momentum
- Focus on pricing in recessionary/deflationary economic environment
- Delivery of CHF 25 m cost savings (cumulative to CHF 160 m)
- sunliquid® costs of up to CHF 45 m (operational and exceptionals)
- Scope: Total top-line net impact of negative ~ CHF 20 m
- Capex: targeted at CHF 220 m in 2024

## External Factors

- Moderation in general inflation; continued high interest levels despite expected central bank rates easing in H2 2024
- Limited indications for an economic recovery in 2024, uncertainties and risks remain
- China GDP growth rate expected lower compared to 2023
- Raw material and energy costs easing
- Limited impacts from Middle East tensions (logistics and energy)



# Medium-term outlook: Continued progress in 2025 toward unchanged targets – return to growth and continued margin improvement

## 2025

### Substantial improvement toward unchanged targets



**Profitable sales growth**  
3 – 5 % in local currency



**Group EBITDA margin**  
between 17 – 18 %



**Free cash flow conversion**  
of around 40 %

Chemical market growth of 4.3 % projected by Oxford Economics  
Chemical market growth of 3.6 % projected by S&P Global

## Unchanged medium-term targets

### Commitment to deliver financial targets



**Profitable sales growth**  
(4 – 6 % CAGR)

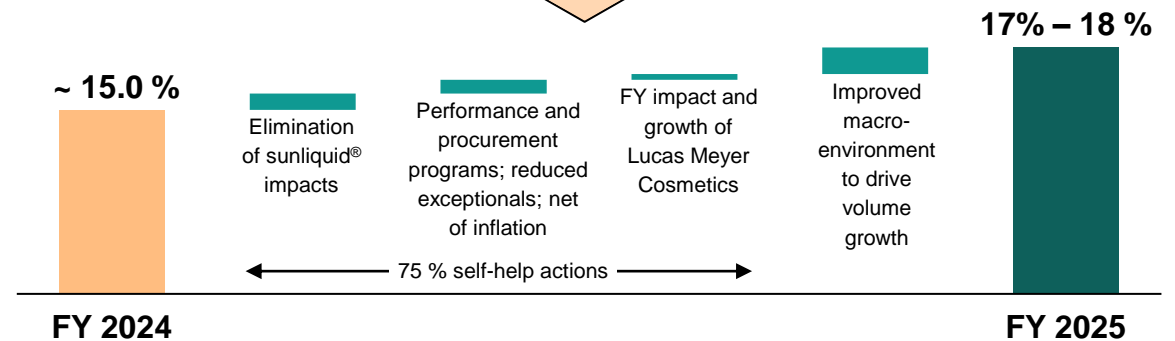


**Group EBITDA margin**  
between 19 – 21 %



**Free cash flow conversion**  
of around 40 %

## 2025 rationale / levers



## Medium-term rationale / levers

- Volume growth in all businesses driven by normalizing trading conditions and sustainability-driven innovation
- Lucas Meyer Cosmetics: deliver growth and synergies
- Leveraging investments in China in Care Chemicals and Additives

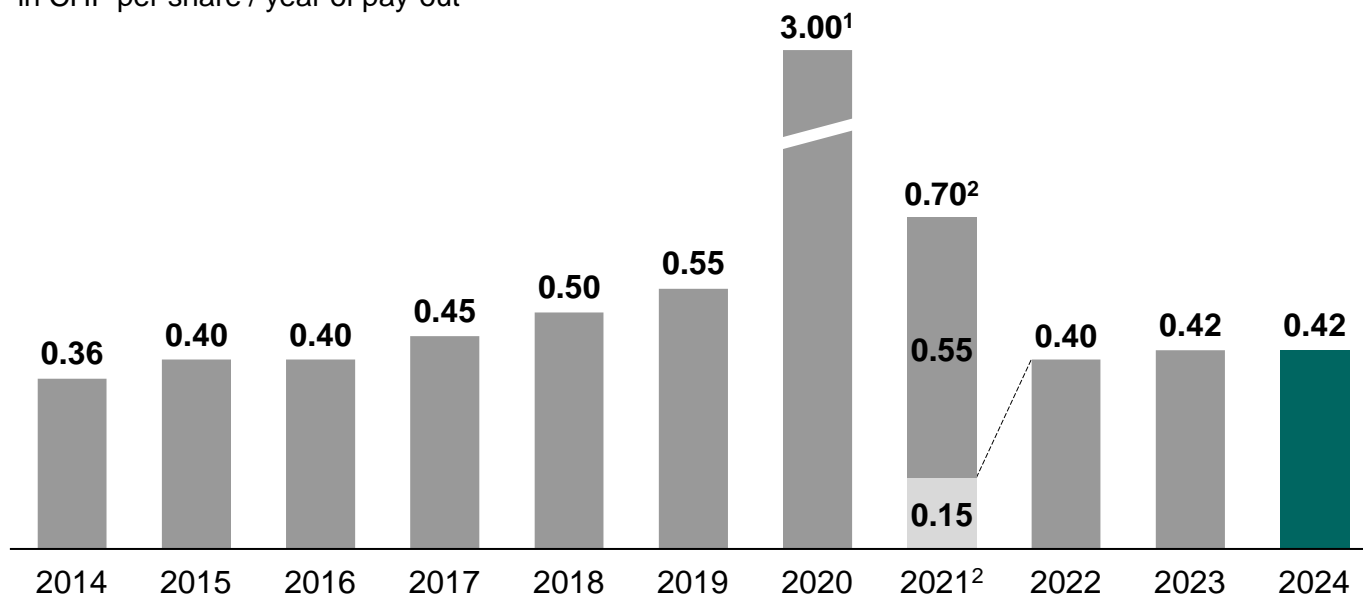
# Appendix



# Regular distribution of CHF 0.42 per share proposed based on operational 2023 performance

## Distribution

in CHF per share / year of pay-out



- The Board of Directors (BoD) recommends a regular distribution of CHF 0.42 per share to the Annual General Meeting on 9 April 2024, based on the operational performance in 2023
- Distribution represents a pay-out ratio of 48 % of underlying EPS (CHF 0.88), excluding exceptional items and noncontrolling interest
- Distribution through capital reduction by way of par value reduction

- **Unchanged distribution policy based on recalibrated level following the sale of Masterbatches and Pigments businesses: continued success sharing with our shareholders based on improved financial performance and attractive pay-out ratio**

<sup>1</sup> Extraordinary dividend of CHF 3.00 as a consequence of the completed sale of the Masterbatches business as well as the sale of the Pigments business; <sup>2</sup> CHF 0.55 for 2019 results and CHF 0.15 for 2020 results



# Modeling Guidance 2024 vs. 2023

Acquisition	Divestment	Business Unit	Closing	Sales impact 2024 vs. FY 2023	EBITDA impact 2024 vs. FY 2023	Comments
Lucas Meyer Cosmetics		Care Chemicals	Q1 2024	~ CHF 75 m	~ CHF 35 m	Assuming 9 months contribution
	Quats business	Care Chemicals	1 June 2023	minus ~ CHF 160 m (annualized)	high single- to double-digit million less	
	North American Land Oil business	Care Chemicals	31 March 2023	minus ~ CHF 105 m (annualized)	accretive around low single-digit million	

Net Scope 2024 (e):  
~ CHF – 20 m



# Fourth Quarter 2023 – Overview

## Group

<i>in CHF m</i>	<b>Q4 2023</b>	Q4 2022	% CHF	% LC <sup>1</sup>
<b>Sales</b>	<b>1 062</b>	1 323	- 20	- 14
<b>EBITDA</b>	<b>106</b>	154	- 31	
<b>EBITDA margin</b>	<b>10.0 %</b>	11.6 %		
EBITDA b.e.i. <sup>2</sup>	<b>158</b>	203	- 22	
<b>EBITDA b.e.i.<sup>2</sup> margin</b>	<b>14.9 %</b>	15.3 %		
<b>Sales Bridge</b>	<b>Price<sup>1</sup></b> - 4 %	<b>Volume<sup>1</sup></b> - 6 %	<b>Scope<sup>1</sup></b> - 4 %	<b>Currency</b> - 6 %

## Catalysts

<i>in CHF m</i>	<b>Q4 2023</b>	Q4 2022	% CHF	% LC <sup>1</sup>
<b>Sales</b>	<b>258</b>	310	- 17	- 10
<b>EBITDA</b>	<b>- 10</b>	36	- 128	
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<b>Sales Bridge</b>	<b>Price<sup>1</sup></b> 3 %	<b>Volume<sup>1</sup></b> - 13 %	<b>Scope<sup>1</sup></b> 0 %	<b>Currency</b> - 7 %

## Care Chemicals

<i>in CHF m</i>	<b>Q4 2023</b>	Q4 2022	% CHF	% LC <sup>1</sup>
<b>Sales</b>	<b>549</b>	714	- 23	- 17
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<b>Sales Bridge</b>	<b>Price<sup>1</sup></b> - 7 %	<b>Volume<sup>1</sup></b> - 1 %	<b>Scope<sup>1</sup></b> - 9 %	<b>Currency</b> - 6 %

## Adsorbents & Additives

<i>in CHF m</i>	<b>Q4 2023</b>	Q4 2022	% CHF	% LC <sup>1</sup>
<b>Sales</b>	<b>255</b>	299	- 15	- 11
<b>EBITDA</b>	<b>16</b>	35	- 54	
<b>EBITDA margin</b>	<b>6.3 %</b>	11.7 %		
EBITDA b.e.i. <sup>2</sup>	<b>21</b>	39	- 46	
<b>EBITDA b.e.i.<sup>2</sup> margin</b>	<b>8.2 %</b>	13.0 %		
<b>Sales Bridge</b>	<b>Price<sup>1</sup></b> - 2 %	<b>Volume<sup>1</sup></b> - 10 %	<b>Scope<sup>1</sup></b> 1 %	<b>Currency</b> - 4 %

<sup>1</sup> Local currency, excluding hyperinflation countries Argentina and Türkiye; <sup>2</sup> Before exceptional items



# Full Year 2023 – Overview

## Group

<i>in CHF m</i>	<b>FY 2023</b>	<i>FY 2022</i>	<i>% CHF</i>	<i>% LC<sup>1</sup></i>
<b>Sales</b>	<b>4 377</b>	5 198	- 16	- 10
<b>EBITDA</b>	<b>607</b>	810	- 25	
<b>EBITDA margin</b>	<b>13.9 %</b>	15.6 %		
EBITDA b.e.i. <sup>2</sup>	<b>641</b>	893	- 28	
<b>EBITDA b.e.i.<sup>2</sup> margin</b>	<b>14.6 %</b>	17.2 %		
<b>Sales Bridge</b>	<b>Price<sup>1</sup></b> 0 %	<b>Volume<sup>1</sup></b> - 7 %	<b>Scope<sup>1</sup></b> - 3 %	<b>Currency</b> - 6 %

## Catalysts

<i>in CHF m</i>	<b>FY 2023</b>	<i>FY 2022</i>	<i>% CHF</i>	<i>% LC<sup>1</sup></i>
<b>Sales</b>	<b>1 000</b>	989	1	9
<b>EBITDA</b>	<b>103</b>	93	11	
<b>EBITDA margin</b>	<b>10.3 %</b>	9.4 %		
EBITDA b.e.i. <sup>2</sup>	<b>163</b>	98	66	
<b>EBITDA b.e.i.<sup>2</sup> margin</b>	<b>16.3 %</b>	9.9 %		
<b>Sales Bridge</b>	<b>Price<sup>1</sup></b> 4 %	<b>Volume<sup>1</sup></b> 5 %	<b>Scope<sup>1</sup></b> 0 %	<b>Currency</b> - 8 %

## Care Chemicals

<i>in CHF m</i>	<b>FY 2023</b>	<i>FY 2022</i>	<i>% CHF</i>	<i>% LC<sup>1</sup></i>
<b>Sales</b>	<b>2 320</b>	2 937	- 21	- 15
<b>EBITDA</b>	<b>462</b>	573	- 19	
<b>EBITDA margin</b>	<b>19.9 %</b>	19.5 %		
EBITDA b.e.i. <sup>2</sup>	<b>409</b>	578	- 29	
<b>EBITDA b.e.i.<sup>2</sup> margin</b>	<b>17.6 %</b>	19.7 %		
<b>Sales Bridge</b>	<b>Price<sup>1</sup></b> - 2 %	<b>Volume<sup>1</sup></b> - 7 %	<b>Scope<sup>1</sup></b> - 6 %	<b>Currency</b> - 6 %

## Adsorbents & Additives

<i>in CHF m</i>	<b>FY 2023</b>	<i>FY 2022</i>	<i>% CHF</i>	<i>% LC<sup>1</sup></i>
<b>Sales</b>	<b>1 057</b>	1 272	- 17	- 13
<b>EBITDA</b>	<b>118</b>	276	- 57	
<b>EBITDA margin</b>	<b>11.2 %</b>	21.7 %		
EBITDA b.e.i. <sup>2</sup>	<b>131</b>	281	- 53	
<b>EBITDA b.e.i.<sup>2</sup> margin</b>	<b>12.4 %</b>	22.1 %		
<b>Sales Bridge</b>	<b>Price<sup>1</sup></b> 2 %	<b>Volume<sup>1</sup></b> - 17 %	<b>Scope<sup>1</sup></b> 2 %	<b>Currency</b> - 4 %

<sup>1</sup> Local currency, excluding hyperinflation countries Argentina and Türkiye; <sup>2</sup> Before exceptional items





## Full Year 2023 – Consolidated Income Statement

CHF m	2023		2022	
	CHF m	%	CHF m	%
Sales	4 377	100.0	5 198	100.0
Costs of goods sold	- 3 268	74.7	- 4 173	80.3
<b>Gross profit</b>	<b>1 109</b>	<b>25.3</b>	<b>1 025</b>	<b>19.7</b>
Selling, general, and administrative costs	- 709	16.2	- 834	16.0
Research and development	- 160	3.7	- 160	3.1
Income from associates and joint ventures	42	1.0	41	0.8
<b>Operating result</b>	<b>282</b>	<b>6.4</b>	<b>72</b>	<b>1.4</b>
Finance income	44	1.0	18	0.3
Finance costs	- 108	2.5	- 84	1.6
<b>Income before taxes</b>	<b>218</b>	<b>4.9</b>	<b>6</b>	<b>0.1</b>
Taxes	- 5	- 0.1	- 107	2.1
<b>Net result from continuing operations</b>	<b>213</b>	<b>4.9</b>	<b>- 101</b>	<b>- 1.9</b>
<b>Net result from discontinued operations</b>	<b>- 34</b>		<b>217</b>	
<b>Net result total</b>	<b>179</b>		<b>116</b>	

## Highlights

- **Gross margin** increased to 25.3 % despite lower volumes, benefitting from lower raw material costs and better pricing (Catalysts)
- **Selling, general, and administrative costs** declined by 15 % due to disposal effects and benefits from performance programs despite normalization of travel and event costs
- **R&D** expenses remained stable year-on-year
- **Operating result** increased due to better gross margin and lower SG&A
- **Tax** lower due to reassessment of provisions related to prior years in H1 2023; underlying tax rate slightly lower
- **Net result from continuing operations** increased to CHF 213 m, supported by Quats disposal gain, lower OPEX and taxes, and higher impairments in 2022

# Full Year 2023 – Cash Flow Statement

CHF m	2023	2022
Net result	179	116
<b>Adjustment for:</b>		
Depreciation and amortization	236	276
Impairment and reversal of impairment	89	462
Remeasurement to fair value	11	–
Impairment of working capital	28	27
Income from associates and joint ventures	- 42	- 41
Tax expense/income	3	102
Net financial income and costs	25	46
Gain/Loss from the disposal of activities not qualifying as discontinued operations	- 60	- 22
Gain/Loss on disposal of discontinued operations	38	- 219
Other noncash items	28	10
<b>Total reversal of noncash items</b>	<b>356</b>	<b>641</b>
Dividends received from associates and joint ventures	44	40
Payments for restructuring	- 45	- 32
<b>Cash flow before changes in working capital and provisions</b>	<b>534</b>	<b>765</b>
Changes in inventories	66	- 179
Changes in trade receivables	94	- 40
Changes in trade payables	- 200	77
Changes in other current assets and liabilities	- 35	- 49
Changes in provisions (excluding payments for restructuring)	73	48
<b>Cash generated from operating activities</b>	<b>532</b>	<b>622</b>
Income taxes paid	- 111	- 120
<b>Net cash generated from operating activities</b>	<b>421</b>	<b>502</b>
Investments in property, plant, and equipment	- 205	- 209
Investments in intangible assets	- 2	- 3
Investments in financial assets, associates, and joint ventures	- 27	- 1
Sale of property, plant, and equipment and intangible assets	7	9
Changes in current financial assets and short-term deposits	155	- 302
Interest received	41	14
Business combinations	–	- 64
Proceeds from the disposal of associates, JV, and financial assets	4	131
Proceeds from the disposal of discontinued operations	–	579
Proceeds associated with disposals of activities not qualifying as discontinued operations	113	–
<b>Net cash provided by/used in investing activities</b>	<b>86</b>	<b>154</b>
Purchase of treasury shares	- 8	- 8
Distributions to the shareholders of Clariant Ltd	- 138	- 132
Dividends paid to noncontrolling interest	- 38	- 21
Proceeds from financial debts	196	204
Repayments of financial debts	- 308	- 602
Repayments of lease liabilities	- 51	- 53
Interest paid	- 38	- 43
Interest paid for leases	- 9	- 11
<b>Net cash provided by/used in financing activities</b>	<b>- 394</b>	<b>- 666</b>
Currency translation effect on cash and cash equivalents	- 19	- 11
<b>Net change in cash and cash equivalents</b>	<b>94</b>	<b>- 21</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>394</b>	<b>415</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>488</b>	<b>394</b>

## Highlights

- **Cash generated from operating activities** decreased by CHF 81 m due to lower EBITDA despite active working capital management (~ CHF 100 m NWC improvement)
- **Continued disciplined Capex** (investments in property, plant, and equipment (PPE)) of CHF 205 m
- Resilient **Free Cash Flow (FCF<sup>2</sup>)** of CHF 216 m vs. CHF 293 m in 2022 despite lower sales
- Stable **FCF conversion<sup>3</sup>** of 36 %, flat vs. prior year
- **Net cash used in financing activities** driven by annual distribution to shareholders and financial debt repayment

<sup>1</sup> In 2023, interest received was reclassified from financing activities to investing activities

<sup>2</sup> Defined as cash generated from operating activities – Capex (investments in PPE)

<sup>3</sup> Defined as FCF / EBITDA

# Full Year 2023 – Balance Sheet

ASSETS	31.12.2023		31.12.2022	
	CHF m	%	CHF m	%
<b>Noncurrent assets</b>				
Property, plant, and equipment	1 439		1 549	
Right-of-use assets	171		240	
Intangible assets	911		997	
Investments in associates and joint ventures	236		327	
Financial assets	199		225	
Net defined benefit assets	44		61	
Deferred income tax assets	129		120	
<b>Total noncurrent assets</b>	<b>3 129</b>	<b>58.5</b>	<b>3 519</b>	<b>56.9</b>
<b>Current assets</b>				
Inventories	624		796	
Trade receivables	567		725	
Other current assets	355		326	
Current income tax receivables	78		54	
Short-term deposits	105		324	
Cash and cash equivalents	488		394	
<b>Total current assets</b>	<b>2 217</b>	<b>41.5</b>	<b>2 619</b>	<b>42.3</b>
Assets held for sale	1	0.0	50	0.8
<b>Total assets</b>	<b>5 347</b>	<b>100.0</b>	<b>6 188</b>	<b>100.0</b>

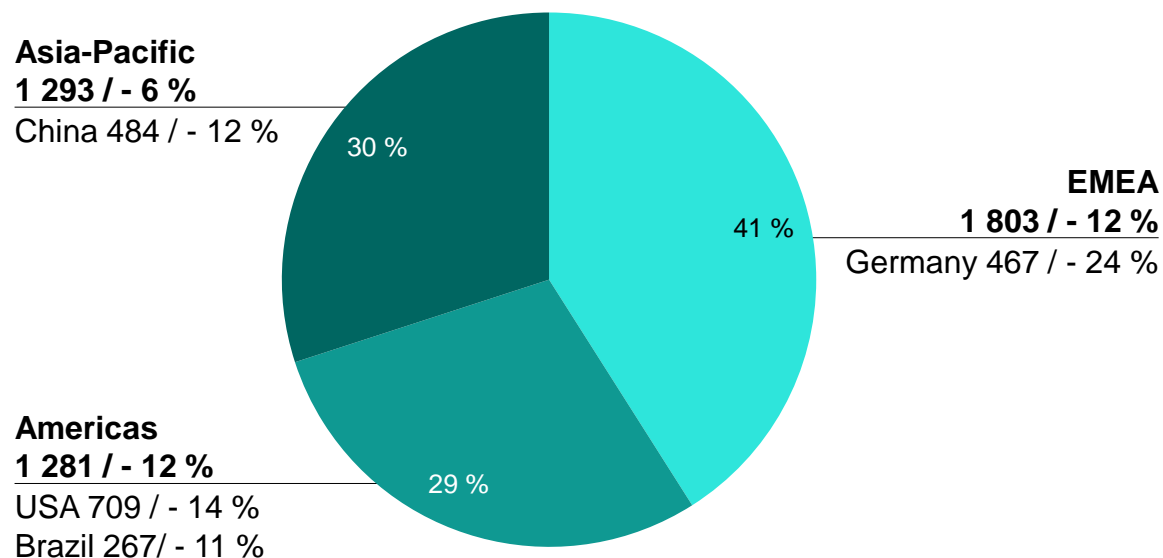
- **Total Assets** decreased to CHF 5.3 bn mainly due to repayments of various certificates of indebtedness and disposals (North American Land Oil and Quats businesses)
- **Share Capital** reduced to CHF 724 m due to distribution through capital reduction by way of par value reduction
- **Group Net Debt** of CHF 755 m stable versus prior year end; Net Debt / EBITDA ratio at 1.24

EQUITY AND LIABILITIES	31.12.2023		31.12.2022	
	CHF m	%	CHF m	%
<b>Equity</b>				
Share capital	724		863	
Treasury shares (par value)	- 7		- 8	
Other reserves	- 1 385		- 1 165	
Retained earnings	2 686		2 651	
<b>Total capital and reserves attributable to Clariant shareholders</b>	<b>2 018</b>		<b>2 341</b>	
Noncontrolling interests	162		172	
<b>Total equity</b>	<b>2 180</b>	<b>40.8</b>	<b>2 513</b>	<b>40.6</b>
<b>Liabilities</b>				
<b>Noncurrent liabilities</b>				
Financial debts	765		870	
Deferred income tax liabilities	25		27	
Retirement benefit obligations	473		488	
Noncurrent lease liabilities	136		195	
Other liabilities	26		55	
Provisions	153		178	
<b>Total noncurrent liabilities</b>	<b>1 578</b>	<b>29.5</b>	<b>1 813</b>	<b>29.3</b>
<b>Current liabilities</b>				
Trade payables and other liabilities	740		1 009	
Financial debts	333		355	
Income tax liabilities	160		233	
Lease liabilities	115		44	
Provisions	241		215	
<b>Total current liabilities</b>	<b>1 589</b>	<b>29.7</b>	<b>1 856</b>	<b>30.0</b>
Liabilities directly associated with assets held for sale	–	–	6	0.1
<b>Total liabilities</b>	<b>3 167</b>	<b>59.2</b>	<b>3 675</b>	<b>59.4</b>
<b>Total equity and liabilities</b>	<b>5 347</b>	<b>100.0</b>	<b>6 188</b>	<b>100.0</b>



## Geographic split

**FY sales CHF 4 377 m**  
in CHF m, % in local currency<sup>1</sup>



## Regional headline

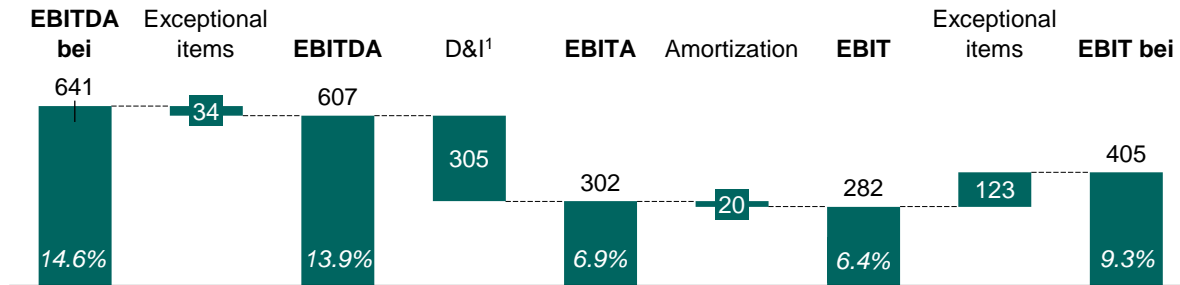
- Sales in the **Americas** declined primarily due to scope; 7 % lower organic sales attributable to lower volumes in Care Chemicals and Adsorbents & Additives; positive pricing in Catalysts
- **EMEA** sales in Catalysts grew at a percentage in the thirties (price and volume), driven by projects in the Middle East, which could not offset declines in Care Chemical (volumes and pricing) and Adsorbents & Additives (volumes)
- **Asia-Pacific** sales, and China in particular, were predominantly impacted by lower volumes in Adsorbents & Additives; Catalysts (Catofin<sup>®</sup>) with positive pricing; Care Chemicals flat

<sup>1</sup> Local currency excluding hyperinflation countries Argentina and Türkiye

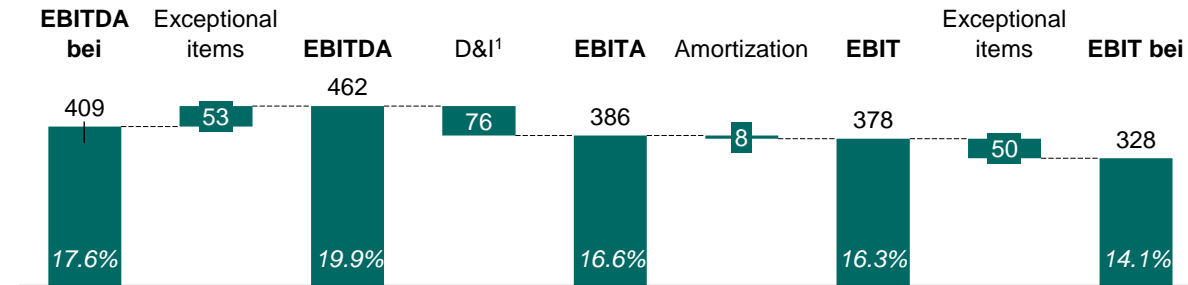


# EBITDA / EBIT Bridge Full Year 2023

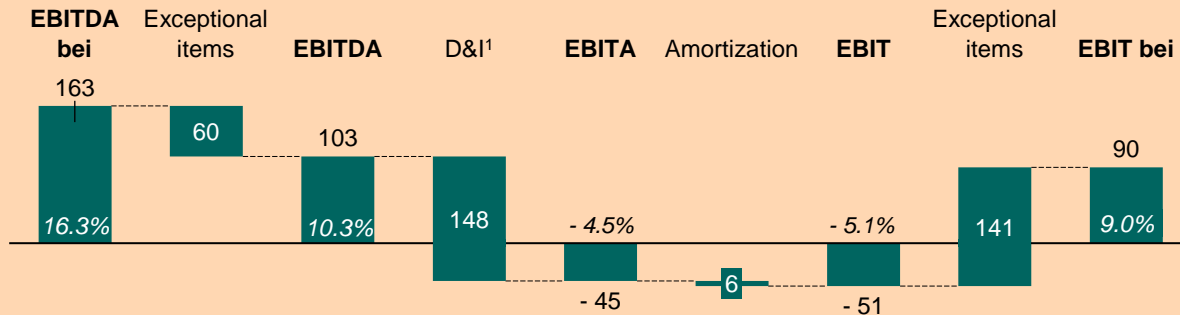
## Group continuing operations (CHF m)



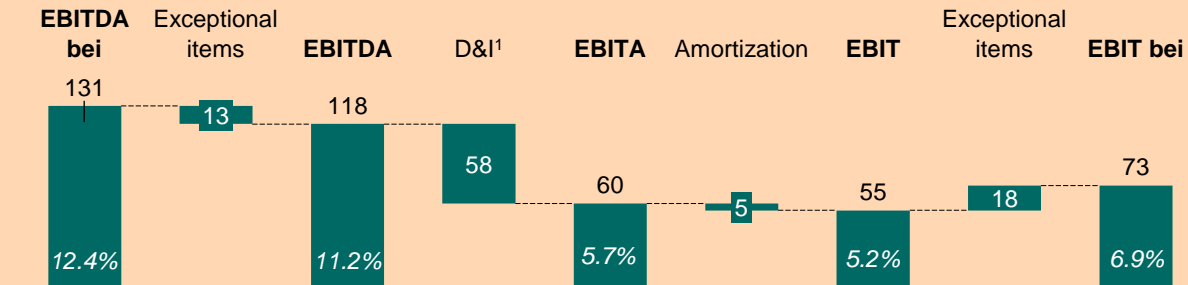
## Care Chemicals (CHF m)



## Catalysts (CHF m)



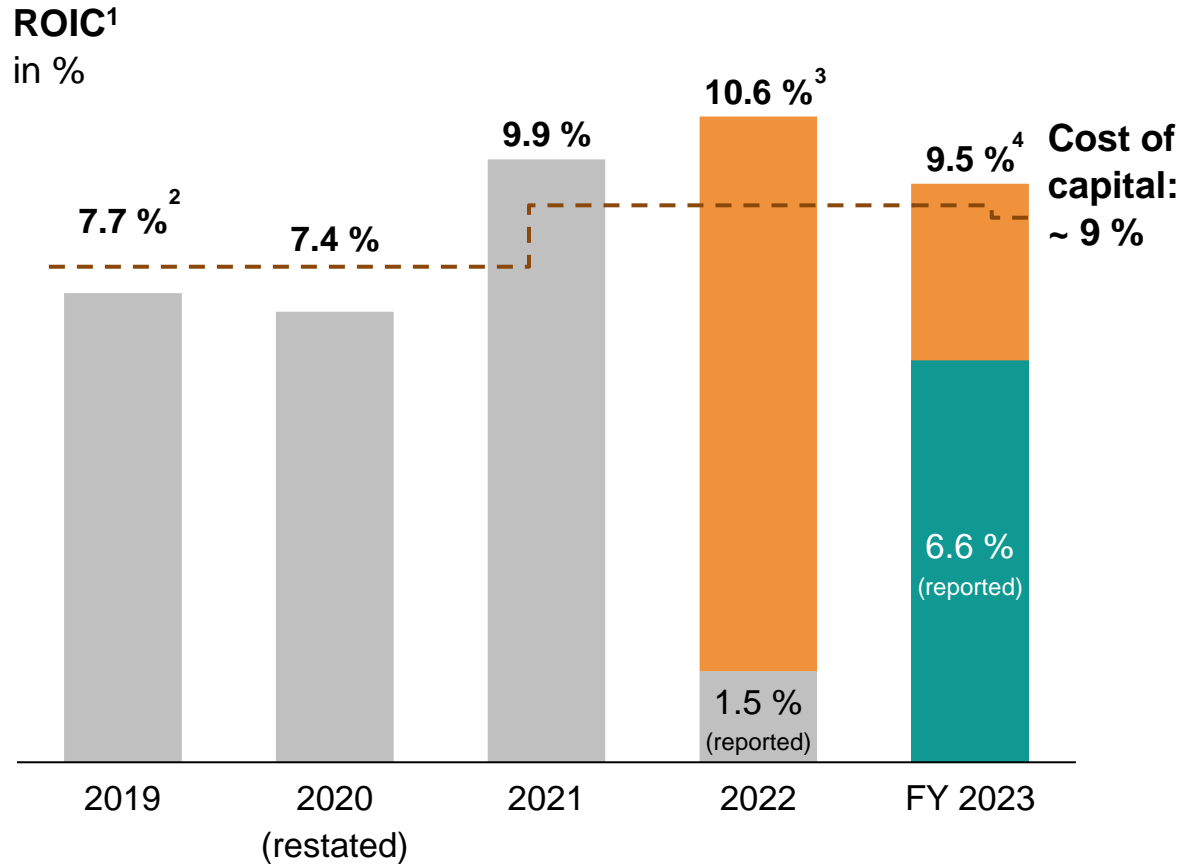
## Adsorbents & Additives (CHF m)



<sup>1</sup>Depreciation & Impairment



# ROIC vs. cost of capital



# Improvement drivers

- Organic growth
- Increasing operating margin
- Reducing nonoperating cost
- Improving capital turns

<sup>1</sup> From continuing operations; <sup>2</sup>excluding CHF 231 m provision for competition law investigation by the European Commission

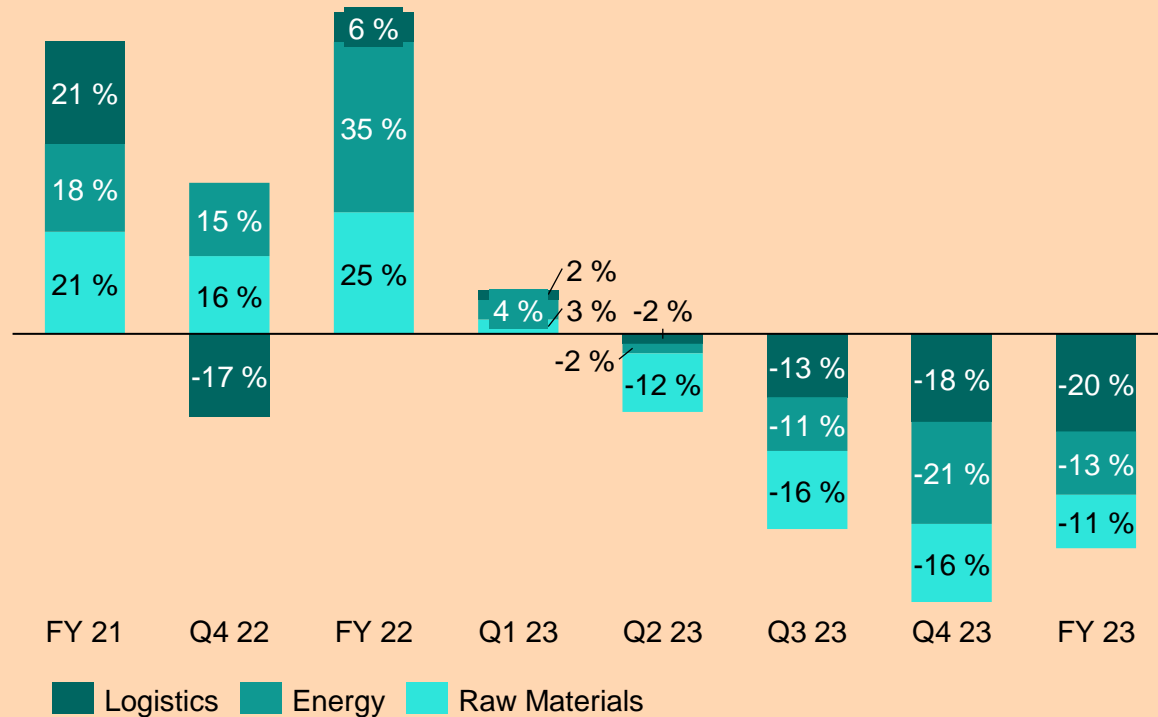
<sup>3</sup> Excluding impairment charges of CHF 453 million for North American Land Oil divestment and the Podari plant

<sup>4</sup> Excluding impairment charges and restructuring/exceptional items related to sunliquid® decision of CHF 133 million



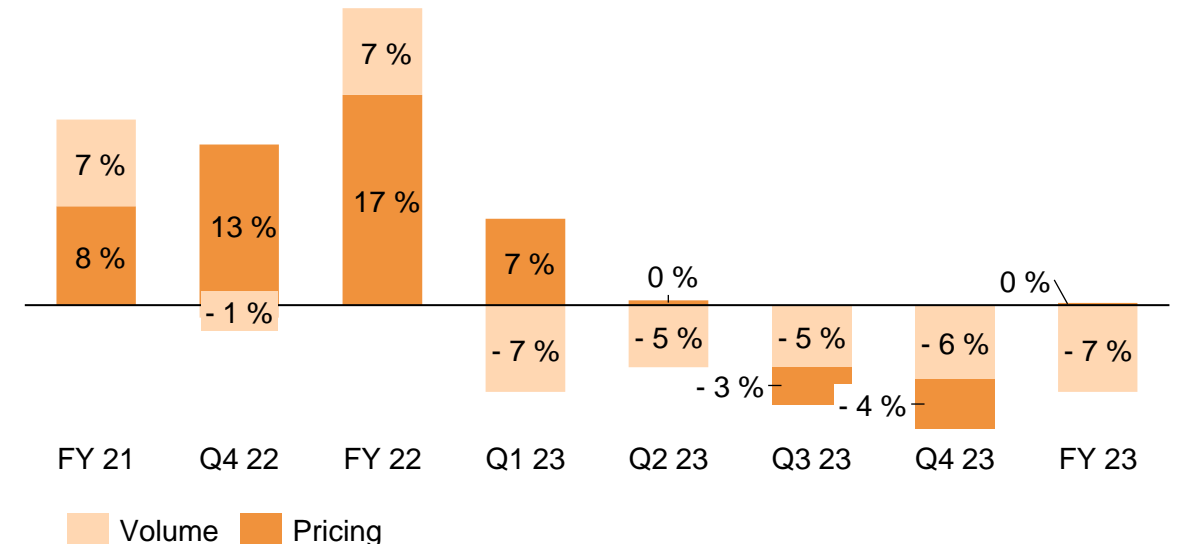
# Cost dynamics – lower year-on-year and sequentially mixed

- **Raw materials** decreased year-on-year (sequential - 3 %)
- **Energy** down year-on-year (sequential + 1 %)
- **Logistics** lower year-on-year (sequential + 5 %)



# FY 2023: Flat pricing – Volumes impacted by macro environment

- Recessionary economic environment maintained in Q4 2023
- Q4 **Pricing** - 4 % (sequentially - 1 %), positive in CA, slightly down in A&A, and CC down due to formula-based price adjusting
- Q4 **Volumes** year-on-year in CA - 13 %, CC - 1 %, and A&A - 10 %; Group - 6 % vs. strong prior year; volumes sequentially up 5 %
- Raw material cost easing but continued weak consumer and industrial demand in key end markets



# Exposure to attractive consumer markets of around 50 %... ...with accelerating demand for sustainable products

## Sales by end market (FY 2023)

Catalysts 22 %

Other Industrial < 5 %

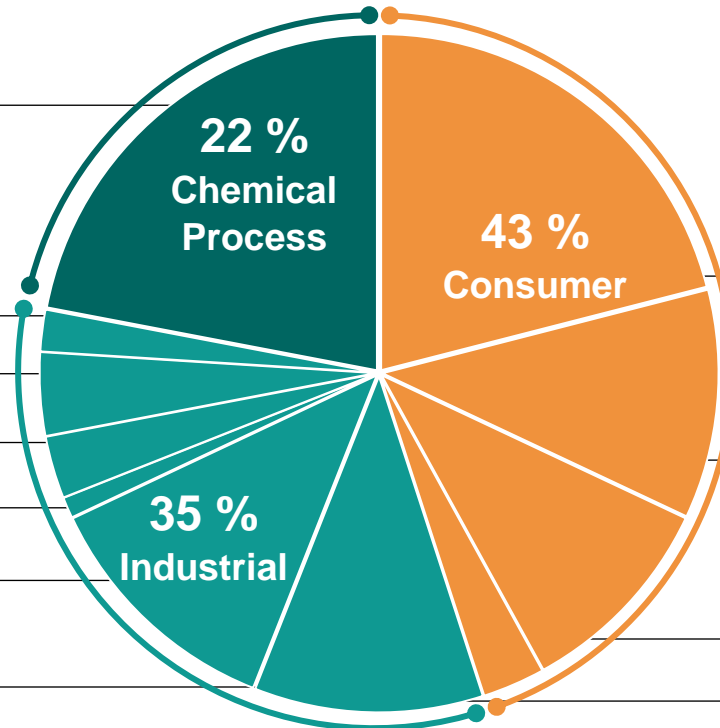
Mining < 5 %

Aviation < 5 %

Building & Construction < 5 %

Automotive ~ 10 %

Oil ~ 10 %



Home & Personal Care ~ 20 – 25 %

Coatings & Adhesives ~ 10 %

Agriculture & Food ~ 10 %

Electrical & Electronics < 5 %



# ESG – Clariant’s Sustainability Transformation Commitment

## Sustainability priorities

### Fighting Climate Change

Reducing our own carbon footprint and creating value for customers with low-carbon, high-performing solutions

### Zero Waste and Pollution

Eliminating waste and pollution from our operations and value chains



### Social Value Creation

Creating value for our employees, in our business networks, and in society as a whole

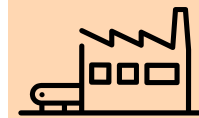
### Increasing Circularity

Products and solutions that enable reducing, reusing, and recycling

### Sustainable Bio-economy

Creating a sustainable bio-economy by protecting nature and maintaining high social standards

## Investment in operations and portfolio



### Sustainable operations

Future-proof our operations for a climate-neutral, sustainable world



### Sustainability-driven portfolio change

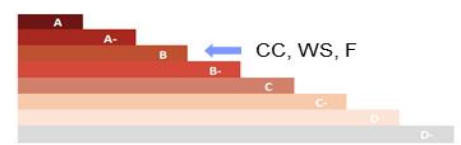
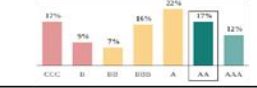
Increase the safety and sustainability of our products and help our customers achieve their sustainability goals

# Clariant is well recognized as an industry leader by important ESG ratings and rankings

Status as of February 2024

Index / Ranking / Rating	Clariant score / Percentile rank or range	Status / Comments	First year of inclusion
<p>Member of Dow Jones Sustainability Indices Powered by the S&amp;P Global CSA</p>	= 72 / 97 <sup>th</sup> percentile	DJSI Europe Member, Sustainability Yearbook 2024 member	2012
	↓ 20.9 (Medium risk) / 92 <sup>nd</sup> percentile	Leader (compared to industry peers)	2016
	= AA / Range: AAA to CCC	Second best score	2015
	= B- / Top 10 %	“Prime” status and industry leader	2013
	↑ 3.9 / 79 <sup>th</sup> percentile	Included in FTSE4 Good Index	2015
	↓ 72 / 95 <sup>th</sup> percentile	-	2012
	= 60 / 100 – “advanced”	Included in Ethibel and Euronext indices	2014
	= Climate (CC): B (range: A to D-) ↑ Water (WS): B (range: A to D-) ↑ Forests (F): B (range: A to D-)	CC: Above global average (C) WS: above global average (C) F: above global average (C)	2013

**Sustainability Yearbook Member**



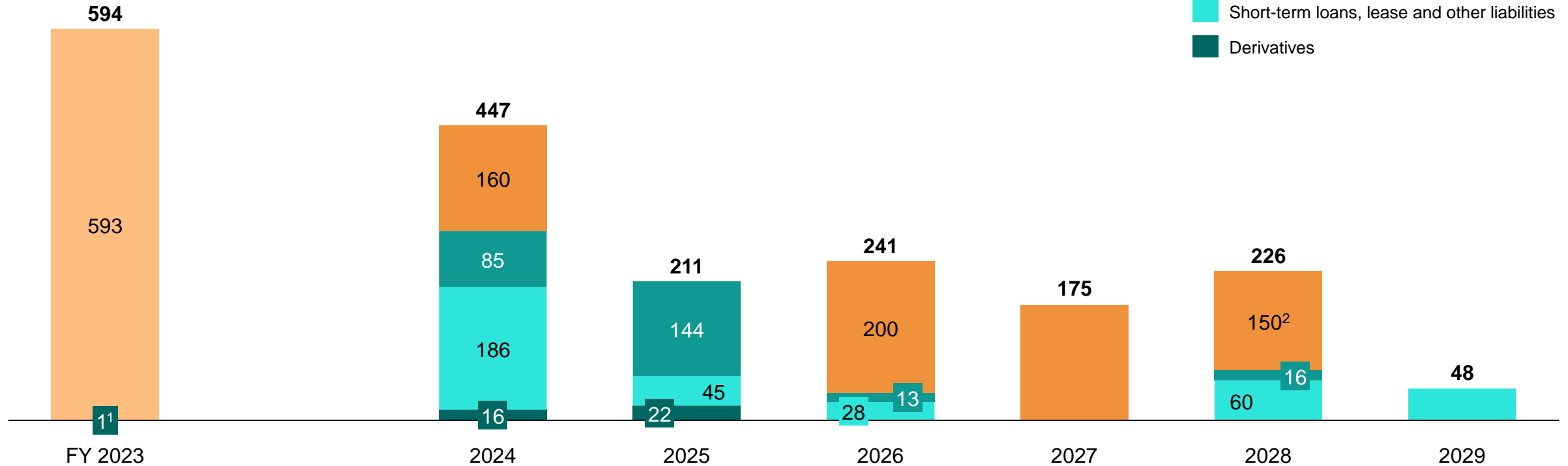


# Debt Maturity Profile as of 31 December 2023

## Liquidity in CHF m

## Financial debt maturities in CHF m

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



<sup>1</sup> Financial derivatives with positive fair values reported under other current assets

<sup>2</sup> Green Bond as issued under Clariant Green Financing Framework

# Full Year 2023

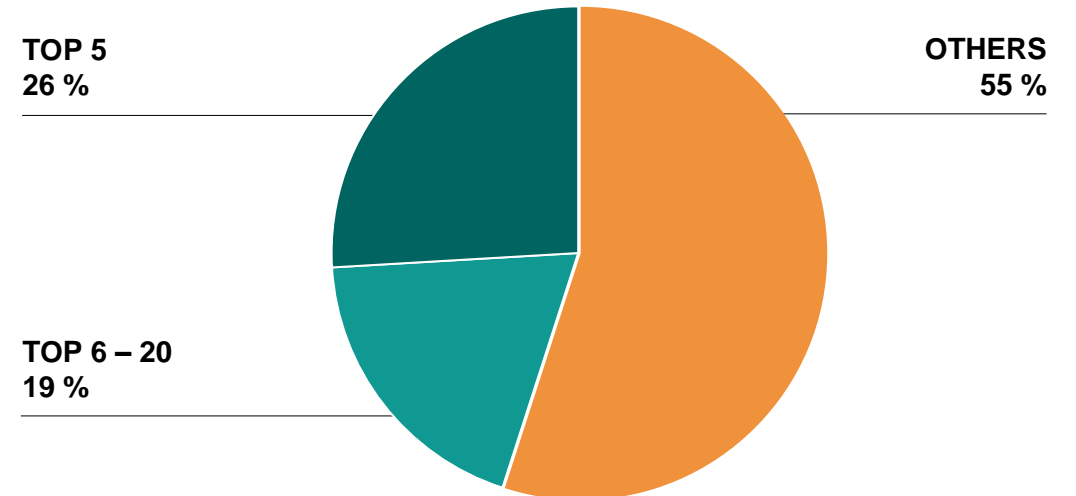
## Top 20 Chemicals in Percentage of Total Raw Material Cost

### TOP 5 CHEMICALS

- 1 Ethylene
- 2 Propane-1,2-diol
- 3 Ethylene Oxide
- 4 Phosphinic acid, sodium salt, hydrate (1:1:1)
- 5 Methyloxirane

### TOP 6 - 20 CHEMICALS

- 6 Bentonite
- 7 Palladium
- 8 Carbon
- 9 Aluminium Oxide
- 10 Fatty acids, C8-10
- 11 Fatty acids, C14-18 and C16-18-unsatd.
- 12 Sodium Hydroxide
- 13 Sodium Carbonate
- 14 Propene
- 15 Montan Wax
- 16 Solvent Naphtha (petroleum), heavy arom.
- 17 Platinum
- 18 Melapur M 200
- 19 Vinyl Acetate
- 20 Zinc Oxide

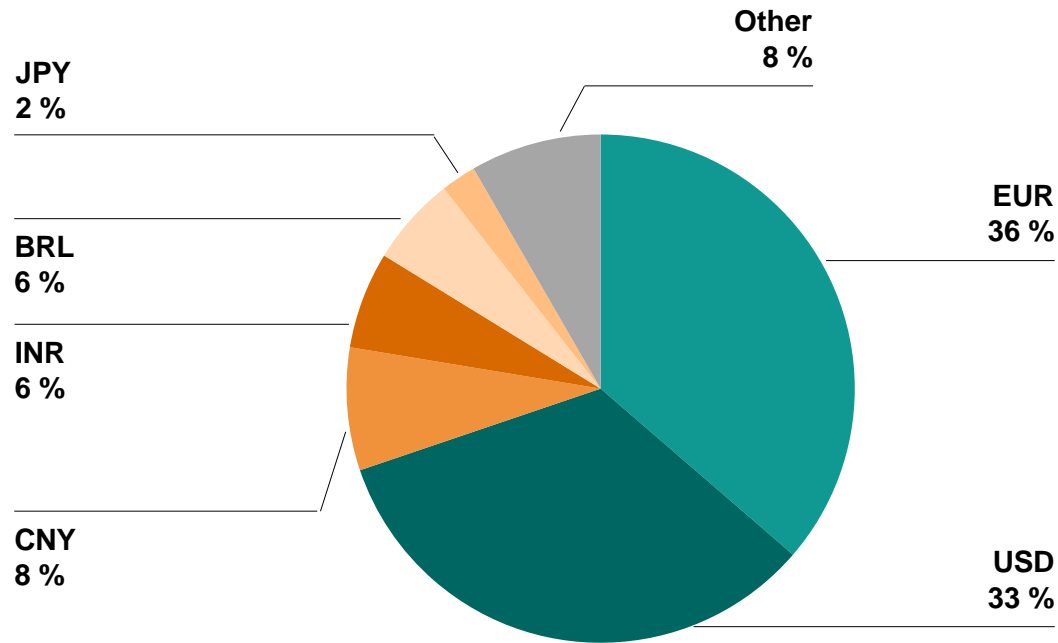




# Full Year 2023 – Sales and Cost Structure (indicative)

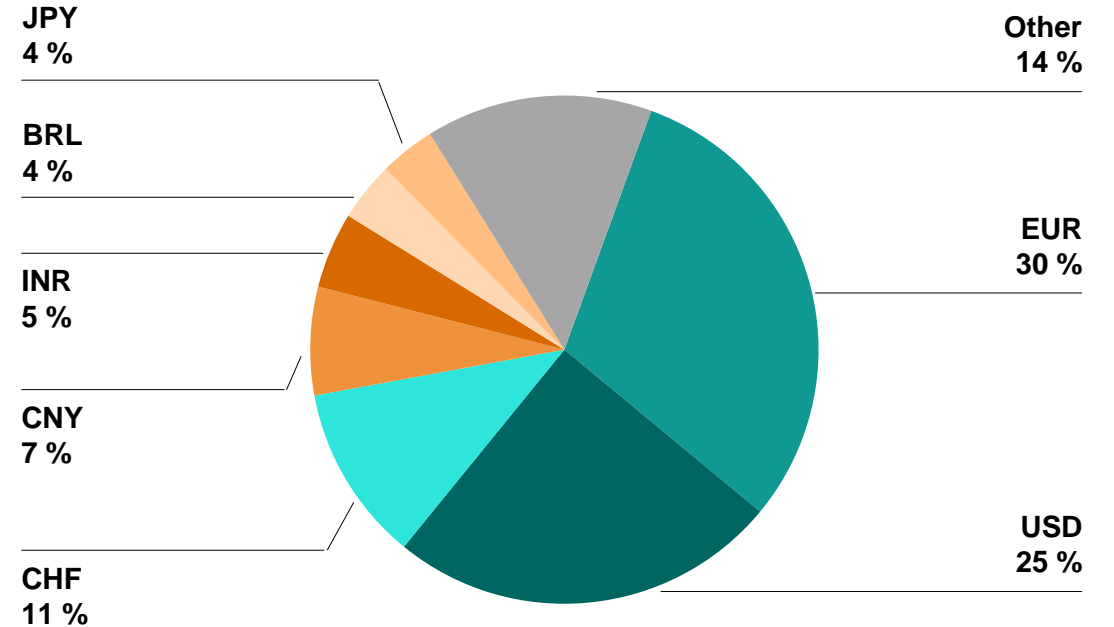
## Global Sales Distribution<sup>1</sup>

in %



## Global Cost Distribution<sup>2</sup>

in %



<sup>1</sup> Based on document currencies

<sup>2</sup> Based on document currency for direct spend and reporting currency for other EBITDA-relevant costs



# Calendar of Upcoming Corporate Events

2024

**14 March 2024**

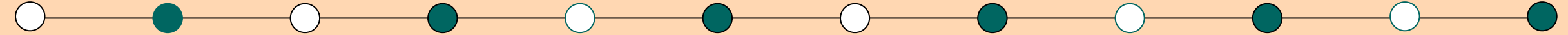
Integrated Report

**9 April 2024**

AGM 2024

**30 July 2024**

Second Quarter /  
Half Year 2024  
Reporting



**29 February 2024**

Fourth Quarter /  
Full Year 2023  
Reporting

**30 April 2024**

First Quarter  
2024 Reporting

**29 October 2024**

Third Quarter /  
Nine Month 2024  
Reporting

# The Executive Leadership Team



**Conrad Keijzer**  
Chief Executive Officer

## Executive Leadership Team

### Executive Steering Committee



**Christian Vang**  
Business President  
CC & Americas



**Jens Cuntze**  
Business President  
CA & APAC



**Angela Cackovich**  
Business President  
AA & EMEA



**Bill Collins**  
Chief Financial  
Officer



**Tatiana Berardinelli**  
Chief Human  
Resources Officer



**Judith Bischof**  
General Counsel



**Richard Haldimann**  
Chief Technology &  
Sustainability Officer



**Chris Hansen**  
Chief Corp.  
Development Officer

# IR Contacts



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Thank you