

# **Clariant Investor Day**

Introduction – Andreas Schwarzwälder, Head of Investor Relations

# **Agenda**

8

Wrap Up

### Today's presenters: Conrad Keijzer **Strategy Update** (Chief Executive Officer) Richard Haldimann 2 **Innovation & Sustainability** (Chief Technology & Sustainability Officer) Christian Vang **Business Unit Care Chemicals** (Business President Care Chemicals and Americas) (incl. Lucas Meyer Cosmetics) Antonio Lara (Lucas Meyer Cosmetics by Clariant) Jens Cuntze 4 **Business Unit Catalysts** (Business President Catalysts and APAC) Angela Cackovich 5 **Business Unit Adsorbents & Additives** (Business President A&A and EMEA) **Bill Collins** 6 **Financial Perspectives** (Chief Financial Officer) **Q & A**

Conrad Keijzer

(Chief Executive Officer)



# **Clariant Investor Day**

Strategy Update – Conrad Keijzer, Chief Executive Officer





# Introducing the new Clariant: Our Strong Platform for the Future

# **Progress since our 2021 Capital Markets Day**

Increased Portfolio Quality

**Strengthened Organization** 

**Reduced Cost-base** 

Continued to Innovate, Sustainably

Streamlined portfolio, focussed on specialty chemicals with increased consumer exposure

New, more effective and customer-oriented operating model, implementation of differentiated segment steering across businesses

> 90 % of CHF 175 m cost savings target realized to date, though efficiency / rightsizing measures and implementation of new operating model Market driven innovation
delivering growth, with continued
focus on our leading
sustainability offering









Strongly positioned to outperform in a stabilizing macro environment

# Clariant's Purpose: "Greater Chemistry – Between People and Planet"

# **Purpose-Led Growth Strategy**







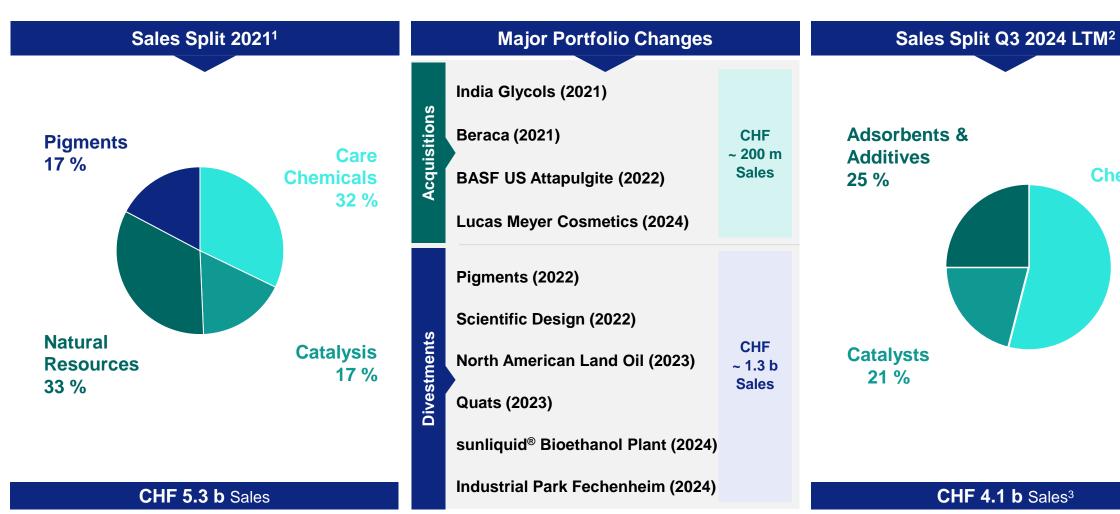


Care

**54** %

**Chemicals** 

# Portfolio Transformation to Focus on Specialty Chemicals



<sup>&</sup>lt;sup>1</sup> Total Group <sup>2</sup> Last Twelve Months (Q4 2023 - Q3 2024) <sup>3</sup> Excluding sunliquid®

# Operating Model: Reduced Complexity, Delayering, Improved Customer Focus, and Accountability

### **New Leadership Team**

### **Executive Steering Committee (ESC)**



**Conrad Keijzer** Chief Executive



**Angela Cackovich** Business President A&A and EMEA



Jens Cuntze Business President Catalysts and APAC



**Bill Collins** Chief Financial Officer



**Christian Vang** Business President Care Chemicals and Americas

### **Additional Executive Leadership Team Members**



**Tatiana** Berardinelli Resources Officer



Richard Haldimann Chief Technology & Sustainability Officer Development Officer



Chris Hansen Chief Corporate



Judith **Bischof** General Counsel

### **New Operating Model (since Jan 2023)**

Three business units (BUs) – Care Chemicals, Catalysts, and Adsorbents & Additives – replace the previous five

BU Presidents in the regions with the largest customer base and highest growth potential

Executive Steering Committee including the BU Presidents with full P&L responsibility

Accountability and internal reporting aligned to global businesses, allowing for differentiated segment steering

Simplified and flatter operating model to support purpose-led growth strategy

### **Delivering Top Quartile Tangible Results**

### Customer NPS<sup>1</sup>

29 (2021)

45 (2023)

## **Employee NPS<sup>1</sup>**

(2021)

25  $(2023)^2$ 

### DART<sup>3</sup>

0.35 (2021)

0.19  $(2024)^4$ 

<sup>&</sup>lt;sup>1</sup> Net Promoter Score <sup>2</sup> As measured in Q1 2024 <sup>3</sup> Days Away, Restricted, or Transferred <sup>4</sup> Full-year extrapolation of Q3 2024 YTD data

# Our Portfolio Comprises Three Specialty Chemicals Business Units



### **Care Chemicals**

- Personal & Home Care<sup>2</sup>
- **Crop Solutions**
- Industrial Applications<sup>4</sup>
- Base Chemicals<sup>5</sup>
- Oil Services<sup>6</sup>
- Mining Solutions

Q3 2024 LTM<sup>1</sup>

CHF 2.2 b Sales

CHF 423 m EBITDA a.e.i.

19.0 % EBITDA a.e.i. margin



### **Catalysts**

- Syngas & Fuels
- Ethylene
- Propylene
- **Specialties**

18.8 %3 EBITDA a.e.i.

Q3 2024 LTM<sup>1</sup>

CHF 864 m<sup>3</sup> Sales

CHF 163 m<sup>3</sup> EBITDA a.e.i.

margin



- Adsorbents
  - Purification
  - Foundry & Specialties
  - Cargo & Device Protection
- **Additives** 
  - Coatings & Adhesives
  - **Polymer Solutions**

Q3 2024 LTM<sup>1</sup>

CHF 1.0 b Sales

CHF 137 m EBITDA a.e.i.

13.4 % EBITDA a.e.i. margin

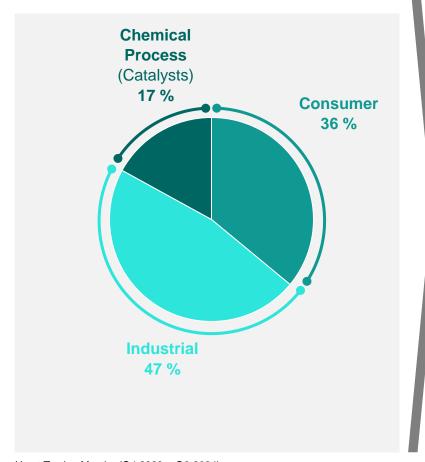
Global segmentation enables differentiated steering within our business units

Last Twelve Months (Q4 2023 – Q3 2024) Including Cosmetics, Pharma, and Home Care Excluding sunliquid® Including Coatings, Industrial Lubricants, and Special Applications Including Aviation, Construction & Other, and Refinery

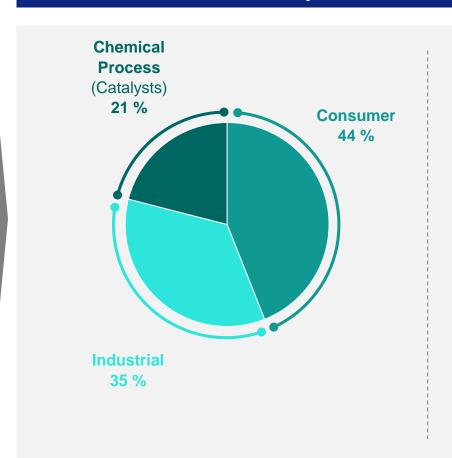
<sup>&</sup>lt;sup>6</sup> Including Oil Wholesale and Oil Services

# **Attractive End Markets, Increased Consumer Exposure**

# Sales by End Market 2021 (Total Group)



# Sales by End Market Q3 2024 LTM<sup>1</sup>



### Consumer

Home & Personal Care ~ 20 %

Coatings & Adhesives ~ 10 %

Agriculture & Food ~ 10 %

**Electrical & Electronics < 5 %** 

### Industrial

Automotive ~ 10 %

Oil ~ 10 %

**Building & Construction < 5 %** 

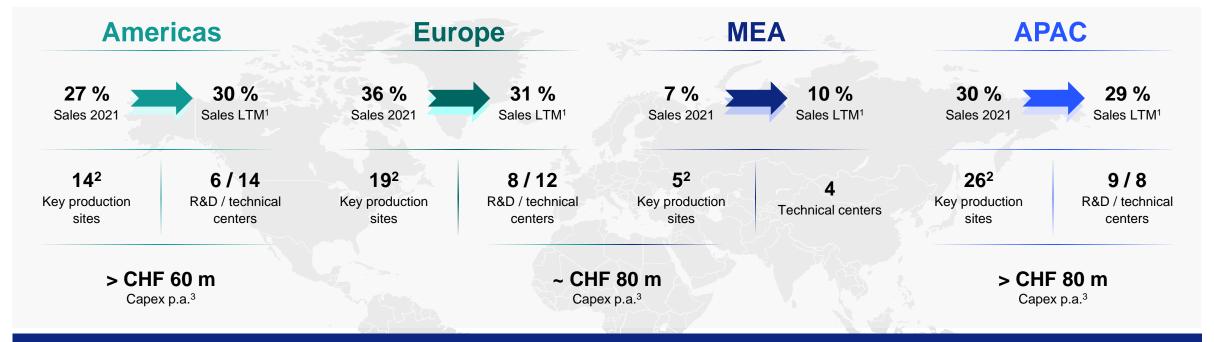
Aviation < 5 %

Mining < 5 %

Other Industrial < 5 %

<sup>&</sup>lt;sup>1</sup> Last Twelve Months (Q4 2023 – Q3 2024)

# Balanced Global Footprint with Significant Presence in All Key Regions



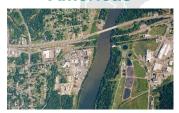
# Successful execution of growth projects in Americas and APAC

# **Americas**

### ~ USD 60 m

BASF's U.S. Attapulgite business assets acquisition

### **Americas**



### ~ CHF 40 m

Upgrade and capacity expansions in North America Care Chemical sites

### **APAC**



### ~ CHF 180 m

Daya Bay Care Chemicals expansion and new flameretardant lines

### **APAC**



### ~ CHF 80 m

Jiaxing construction of new Catalyst facility

<sup>&</sup>lt;sup>1</sup> Last Twelve Months (Q4 2023 – Q3 2024) <sup>2</sup> Includes JV sites <sup>3</sup> 2022 – 24 average



# Profitable Growth: 2024 – 2027



# **Global Megatrends Impacting our Business**

# **Regional Shifts**



- APAC and Middle East growth outpacing Europe
- Geopolitical developments

Health, Wellness, and Sustainability



 Consumers and brand owners increasingly focused on preventive health, wellness, and sustainability

# **Changing Demographics**



- Ageing populationHealthy-ageing
- Healthy-ageing demand

# Digitalization and Automation



- New opportunities to deliver innovative products
- Improving efficiency across functions

### Decarbonization



- Push from regulators to decarbonize the global economy
- Customer requirement to reduce Scope 3 emissions

### **Key reference statistics**

~ 2 x

market growth APAC (excl. Japan) vs. Rest of World<sup>1</sup>

> 2 X

faster growth for the top 20 % of sustainable products<sup>2,3</sup>

~ 66 %

growth in adults aged 65+ by 2030<sup>2</sup>

### USD 80 - USD 140 b

potential GenAl productivity gains in Chemical sector<sup>2</sup>

~ 7 %

Chemical industry contribution to global carbon emissions<sup>2</sup>

<sup>1</sup> As per S&P Global Commodity Insights for 2024 – 29E (2024 forecast per July 2024) 2 Statistics based on McKinsey research for Clariant 3 As measured for grocery products over the past five years, with higher multiple in non-food categories

# Clariant Capturing Value from Global Megatrends

**Regional Shifts** 

Health, Wellness, and **Sustainability** 

**Changing Demographics** 

Digitalization and **Automation** 

**Decarbonization** 

### Selected examples of Clariant's exposure

**Balanced Global Footprint** 



**Lucas Meyer Cosmetics Acquisition** 



Clariant **Pharma** 



**GenAl Digital** Strategy



Hydrogen **Economy** 



~ 40 %

LTM sales across APAC and MEA

 $\sim$  USD 6 b /  $\sim$  7 %<sup>1</sup>

Total Market<sup>1</sup> / market CAGR 2024 - 27

> CHF 100 m

**Sales 2023** 

~ CHF 4 – CHF 6 m p.a.

run-rate spend on in-house Al-solution development and roll-out

~ 36 %

employees have used in-house Al solution to date, with utilization increasing at high double-digit percentage rate QoQ

> CHF 50 m

volume expected by 2030

CHF 100 m +

long-term revenue opportunity

> CHF 80 m

Capex 2024 across APAC and MEA

~ USD 100 m / ~ 10 %

Lucas Meyer Cosmetics Sales / CAGR 2015 - 24

HSD %

expected Pharma CAGR throughout 2024 - 27

<sup>&</sup>lt;sup>1</sup> For high-value active and functional ingredients within the premium skin and hair care ingredients space (USD 1.5 b directly addressable by Lucas Meyer Cosmetics)

# Implementing Strategic Mandates for Differentiated Segment Steering

**Regional Shifts** 

Health, Wellness, and **Sustainability** 

Changing **Demographics**  Digitalization and **Automation** 

**Decarbonization** 

Market attractiveness

**Financial performance markers** 

**Clariant competitive strength** 

**Boost** 



Mobilize resources to accelerate and multiply market share

**Outgrow** 



Leverage strong position in an attractive market

**Grow at Market** 



**Secure long-term** market position and value contribution

**Turnaround** 



Improve profitability across growth trajectory and / or cost structure

Harvest



**Continue capitalizing** existing asset base and cash flow generation

# Differentiated Segment Steering Across Clariant's Business Units



<sup>&</sup>lt;sup>1</sup> Local currency growth rates assuming normalized inflation

# Reinforced and Upgraded Group Targets

## **Medium-Term Targets (2027 at the latest)**

**4 - 6 %** Sales growth p.a.<sup>1</sup>

**19 – 21 %** EBITDA margin

~ 40 % FCF conversion<sup>4</sup>

Target reinforced

Upgraded / new target vs. 2021 CMD

### **Non-financial Targets**

# **Top Quartile**

**Employee Safety** Performance (DART<sup>2</sup>)

# **Top Quartile**

**Employee Net Promoter** Score (ENPS) by 2030

46 %

Reduction in Scope 1 & 2 emissions by 2030

**28** %

Reduction in Scope 3<sup>3</sup> emissions by 2030

> 30 %

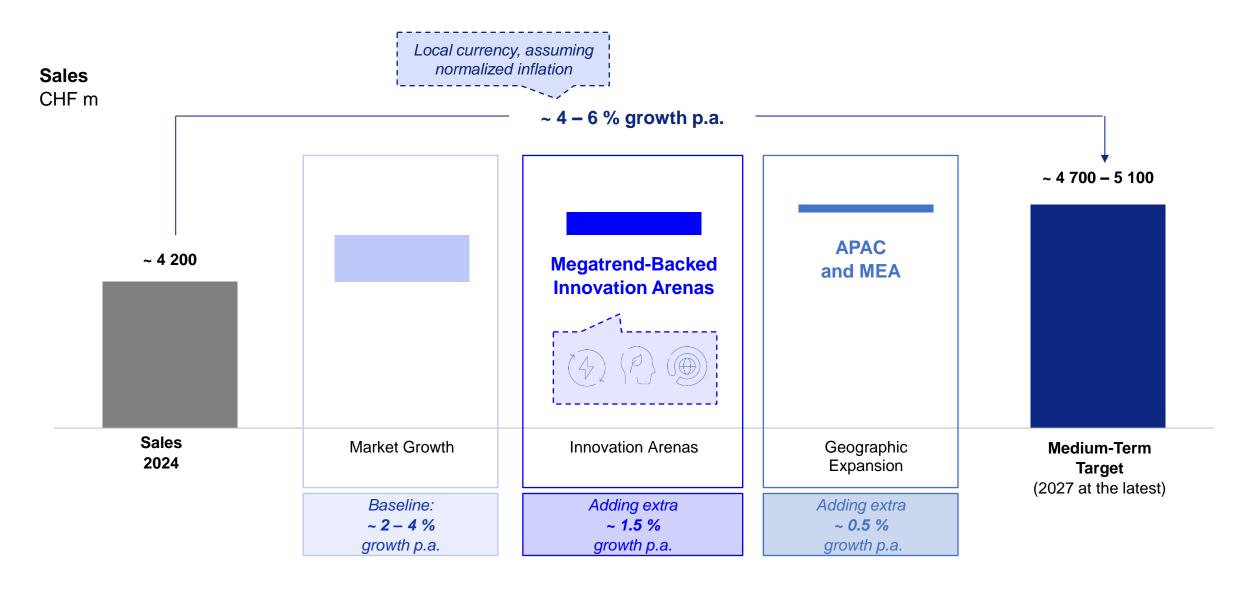
Female representation by 2030 (Management)

> 40 %

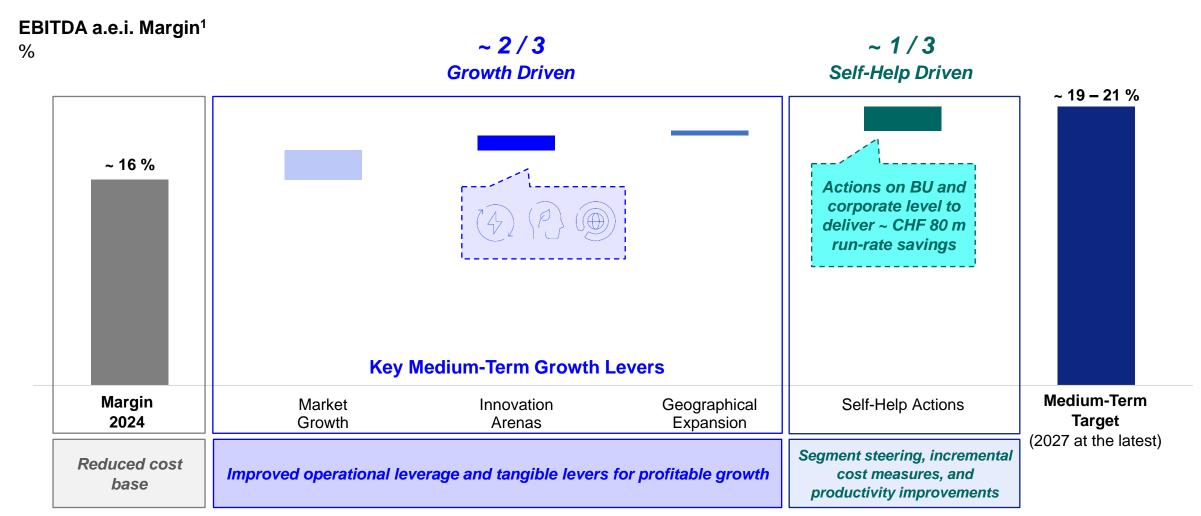
Leaders with national origin outside Europe by 2030

# Ambition to reach top quartile in specialty chemical industry

# Innovation Arenas and Geographic Expansion Accelerate Growth

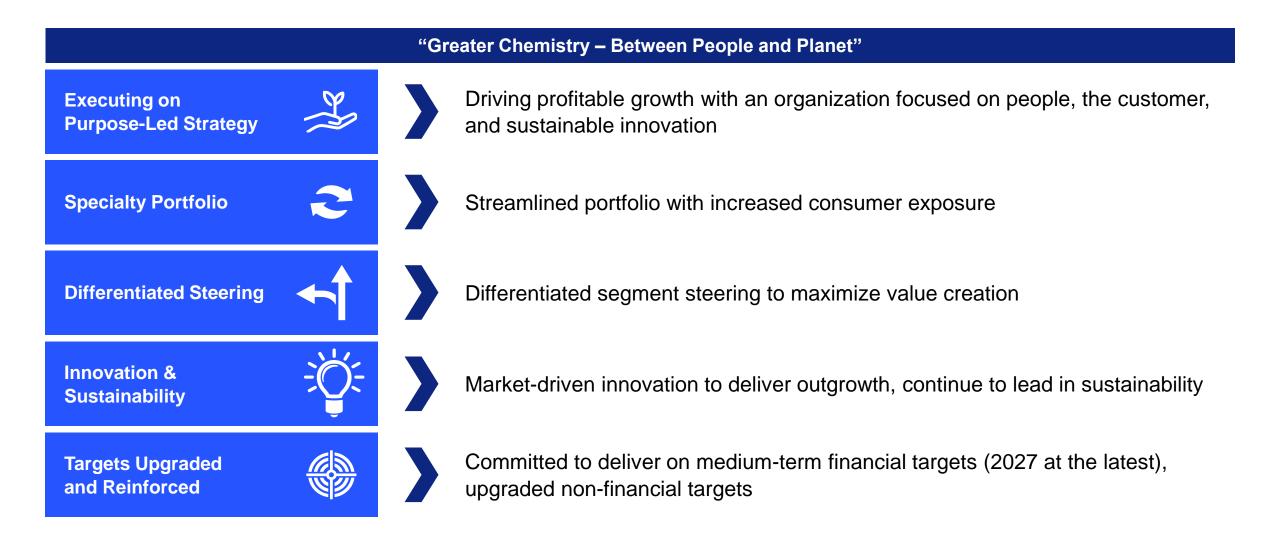


# Margin Increase Through Profitable Growth and Self-Help Actions



<sup>&</sup>lt;sup>1</sup> Assumes pricing actions will offset materials / input cost inflation

# **Key Takeaways**





# **Clariant Investor Day**

Innovation & Sustainability – Richard Haldimann, Chief Technology & Sustainability Officer



**Transforming Operations and Portfolio with Innovation and Sustainability** 

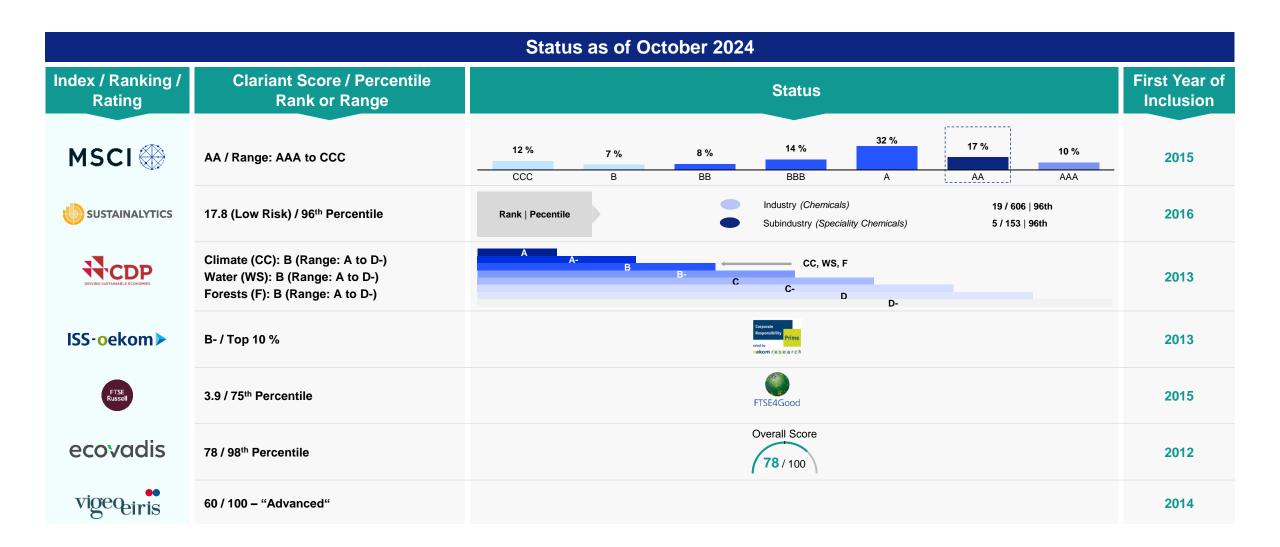
# Innovation and Sustainability Are Anchored in Our Purpose-Led Strategy



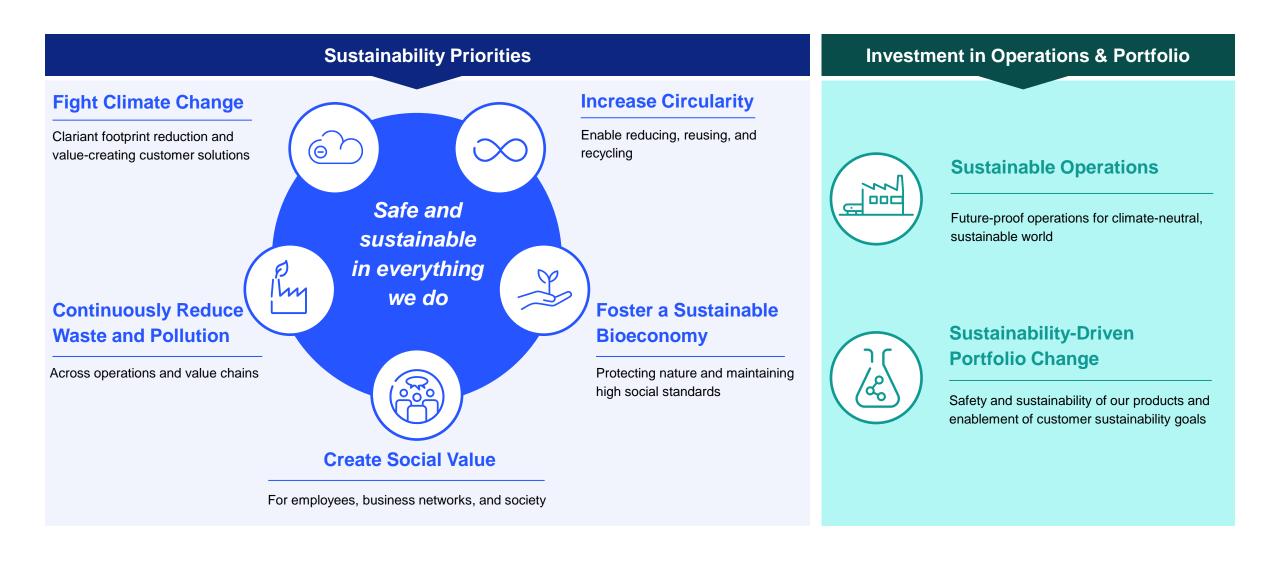
<sup>&</sup>lt;sup>1</sup> Considering screened portfolio (~ 60 % of sales), disregards "not screened" products and those excluded; excluded from screening are sales not involving third parties, non-strategic items, and internal transactions like joint ventures, licenses, discontinued products, samples, traded goods, and waste <sup>2</sup> Full Scope 3 emissions intensity benchmarked against selected peers with relevant disclosure available <sup>3</sup> Net Promoter Score <sup>4</sup> As measured in 2023



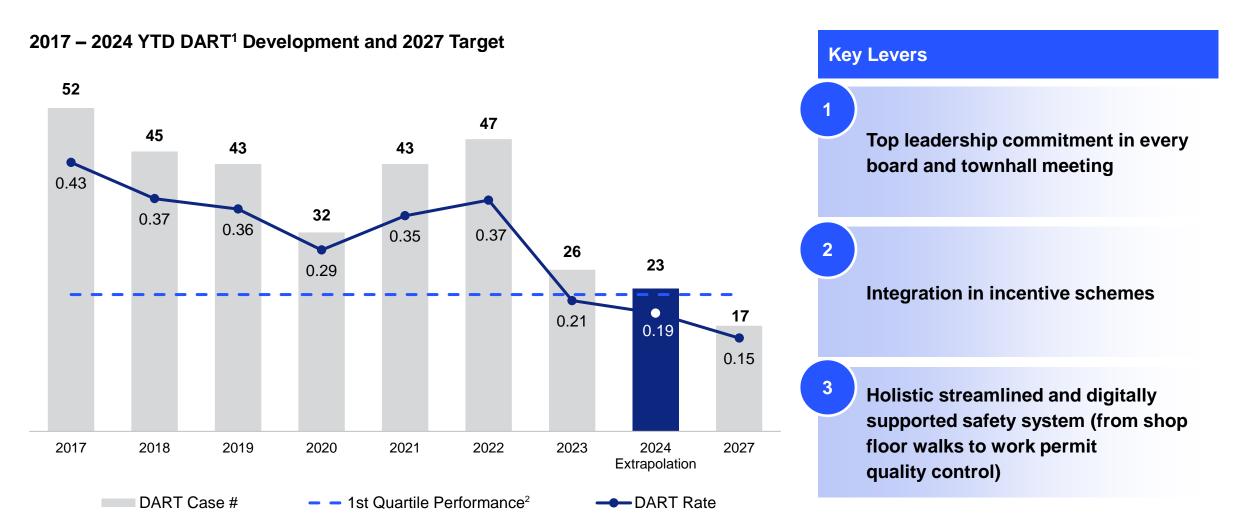
# Clariant's Leading Sustainability Ratings and Rankings



# Our Internal and External Sustainability Transformation Commitment(s)



# Safety Underpins our ESG Commitment



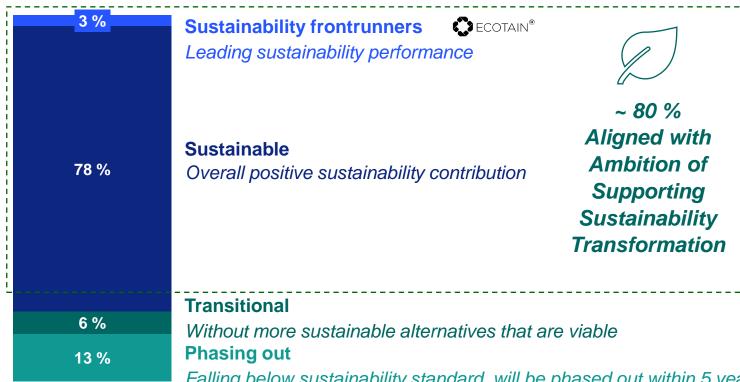
<sup>&</sup>lt;sup>1</sup> Days Away, Restricted, or Transferred <sup>2</sup> Per the American Chemical Council 1st quartile performance based on average performance 2021 – 2023 among representative peer group of 22 companies

# Systematic Portfolio Sustainability Risk Analysis Followed by Action



## **Sales Sustainability Mix**

2024 YTD sales according to PVP classification<sup>1,2</sup>



### **Key Insights**

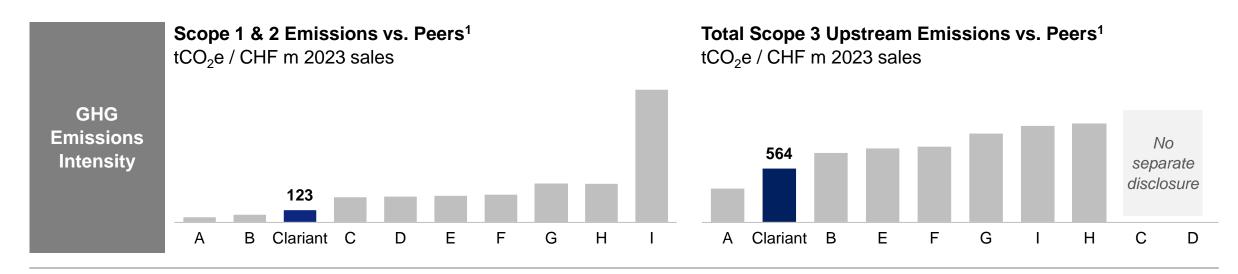
- Holistic sustainability assessment continuously upgraded since 2012 to stay ahead of legislative action
- To qualify as sustainable product must be inherently sustainable or provide sustainability benefit compared to industry standard
- Non-sustainable products substituted or eliminated from portfolio within 5 years

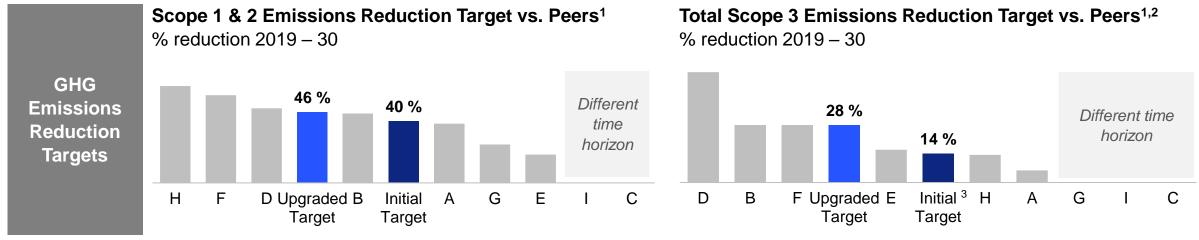
Final products containing PFASs eliminated from portfolio end 2023

Falling below sustainability standard, will be phased out within 5 years

<sup>1</sup> Considering screened portfolio (~ 60 % of sales), disregards "not screened" products and those excluded from screening are sales not involving third parties, non-strategic items, and internal transactions like joint ventures, licenses. discontinued products, samples, traded goods, and waste

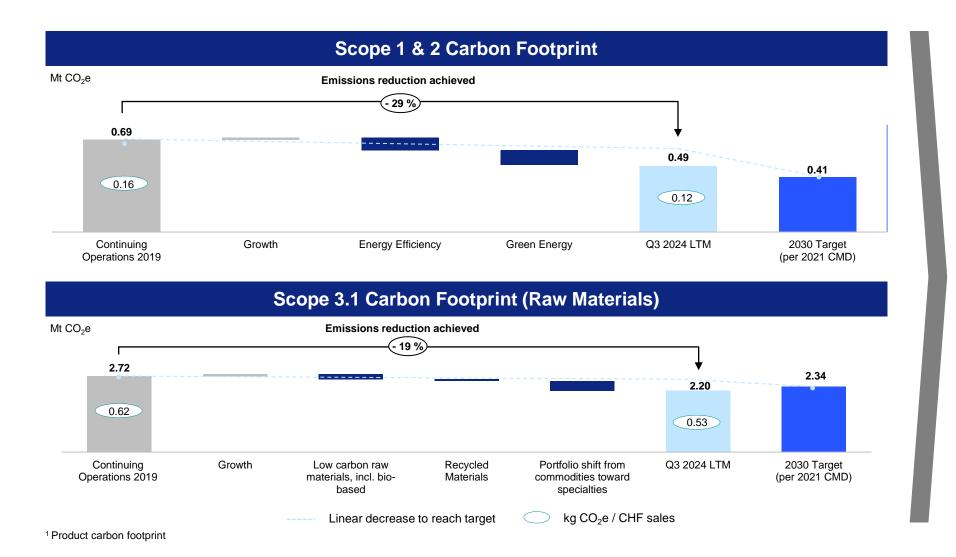
# A Leader in Low Carbon Intensity Today and Tomorrow





<sup>&</sup>lt;sup>1</sup>Peers include Arkema, BASF, Covestro, Croda, DSM-Firmenich, Evonik, Lanxess, Solvey, Syensgo <sup>2</sup> Peer targets as presented (some are for upstream or specific categories only) <sup>3</sup> Reduction of Scope 3, category 1 emissions

# On Track to Overdeliver and Upgrading our GHG Emissions Targets



### **Target Upgrade**

**Upgraded 2030 Target:** 

**- 46 %** 

### **Key levers to achieve:**

- Energy efficiency
- 100 % coal free
- 90 % green electricity global

**Upgraded 2030 Target:** 

- 28 %

### **Key levers to achieve:**

- Low-carbon products
- PCF<sup>1</sup> coverage
- Supplier engagement

# Upgraded GHG Emission Targets Guided by Paris Agreement 1.5 °C Cap

# **Science-Based Climate Targets**

Set out absolute reductions in greenhouse gas emissions<sup>1,2</sup>



## **Sustainable Operations Targets**

Set out intensity reductions for key environmental dimensions<sup>2</sup>

**Scope 1 & 2** 

- 46 % Upgraded

Greenhouse gas emissions from own operations and purchased energy

Greenhouse gas emissions from own operations and purchased energy

Scope 3

- 28 % Upgraded

Greenhouse gas emissions across Scope 3 categories

- 40 % Initial Target - 14 % Initial Target

Greenhouse gas emissions from purchased goods and services



- 20 %

Water intake (without "pass through" water) intensity



**- 40 %** 

Landfilled nonhazardous waste intensity



- 25 %

**- 25 %** 

Wastewater volume intensity



100 %

Sites in areas of high water stress with advanced water management intensity



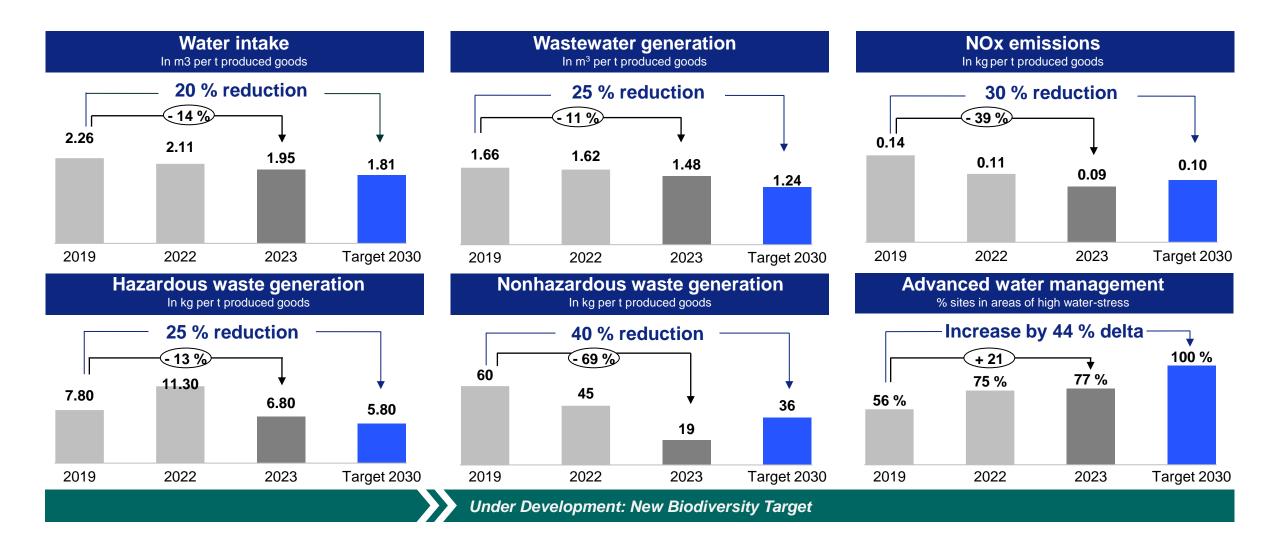
Hazardous waste intensity

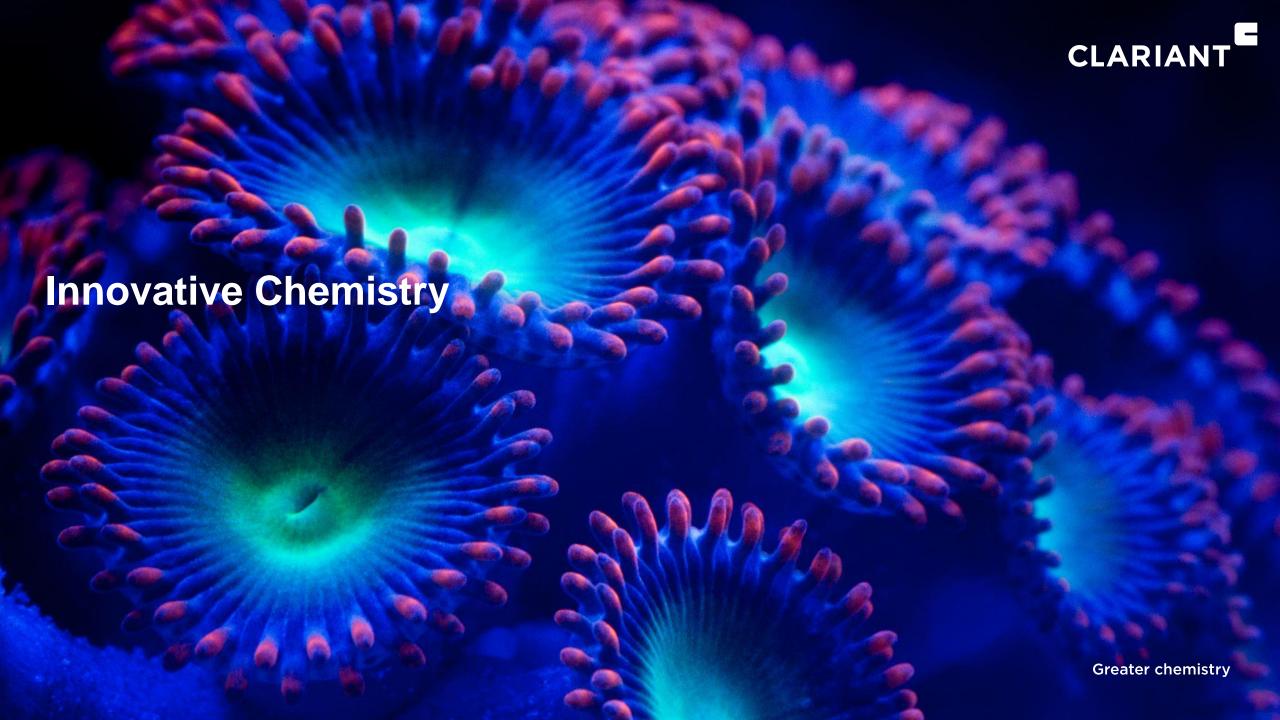


Nitrogen oxide (NOx) emissions intensity

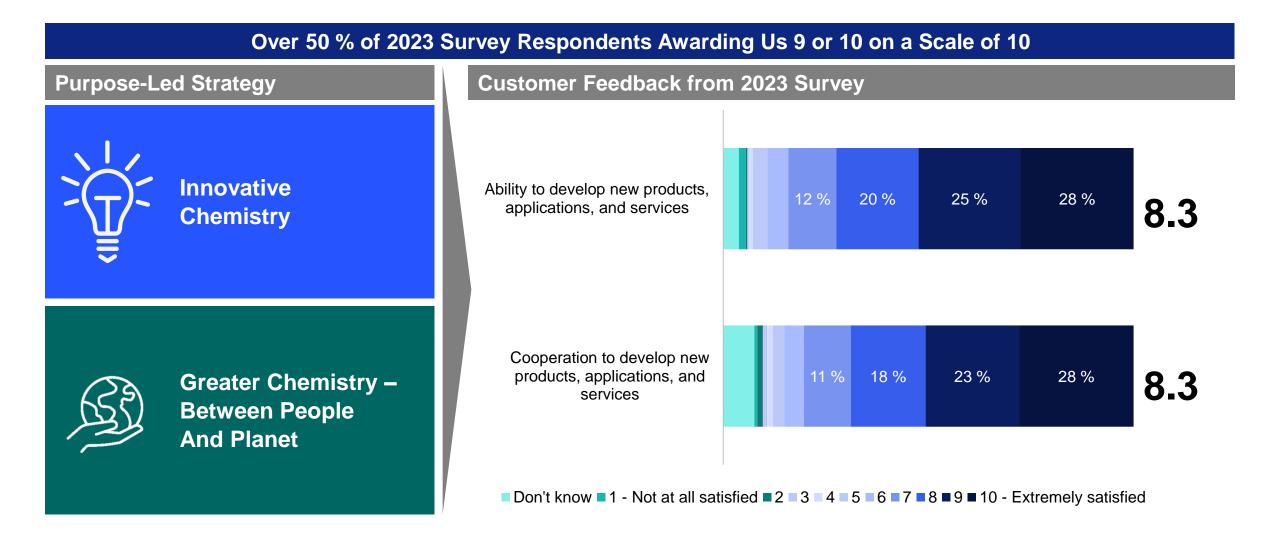
Non-financial targets embedded in Clariant Long-Term Incentive Plan

# On Track to Deliver on Broader ESG Agenda

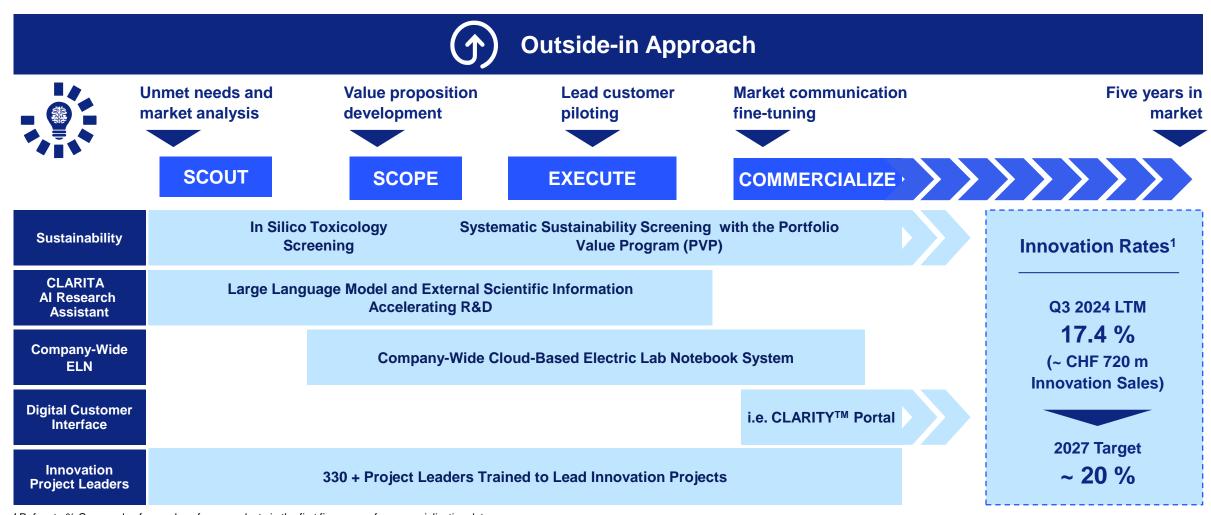




# Innovation Prowess Acknowledged by our Customers



# Company-Wide Innovation Process Integrating Sustainability and Leveraging Al



<sup>&</sup>lt;sup>1</sup> Refers to % Group sales from sales of new products in the first five years of commercialization date

# **Efficiencies and Impact through AI**



### **Customer Focus**

**Better sales quality** Real-time catalyst tech support Product information, incl. performance optimization

Customer insights with CLARITA, real-time catalyst performance optimization with **CLARITY**<sup>TM</sup>



# Leading in Sustainability

Eliminates hazardous products during R&D

Uses computational toxicology and machine learning model enable coating customers to find the best solvents for performance at lowest environmental impact



## **Innovative Chemistry**

**CLARITA as virtual R&D** expert with 30 years of research reports, patents, literature, etc.

Helps users perform research, construct a workable hypothesis, and design experiments to bring the right products to market faster



### **People Engagement**

Supports every employee in their daily tasks

~ 36 % of employees use CLARITA, higher than industry benchmark

White collar adoption rate ~ 50 %



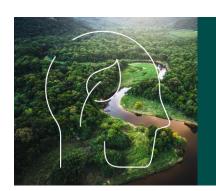
"CLARITA is more than an interface to the digital world: welcome our new, highly knowledgeable (digital) colleague, here to support us in our everyday (work) lives."

### Three Arenas to Deliver Innovation-Fueled Growth

Growth Contribution 2024 – 27: ~ 70 %

2027 Innovation Rate Target: 1 ~ 20 %

#### **Innovation Arenas**



Health- and sustainability-conscious consumers and brands



**Energy Transition** 



Circularity

☐ Innovation Platforms

# **Catalysts for the Energy Transition**

For hydrogen economy, DRI, SAF, and low-carbon breakthrough technologies

### **Sustainable Actives**

Biologically active natural extracts, peptides, and high-value cosmetic ingredients

#### **Adsorbents**

For oil purification, coatings, and controlledrelease fertilizers

# Polymer Solutions Enabling Sustainability

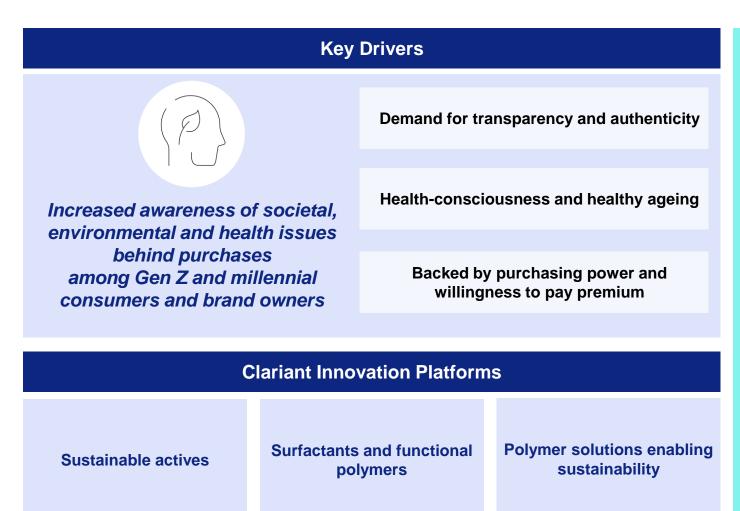
Providing flame retardancy, recyclability, the elimination of PFASs, and microplastics

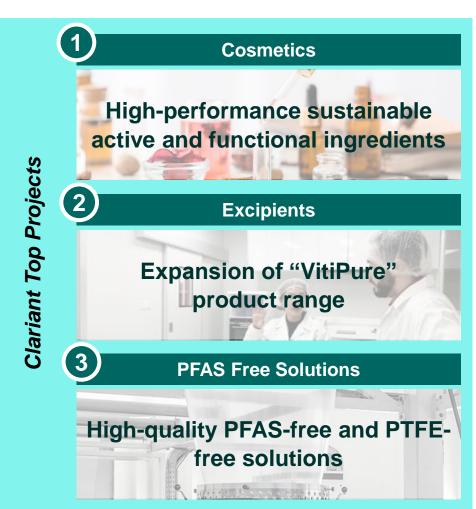
# Surfactants and Functional Polymers

Basis for products across business segments

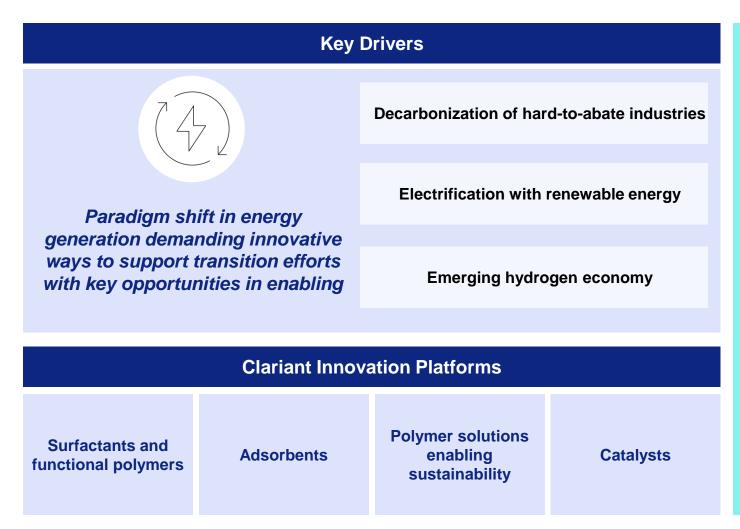
<sup>&</sup>lt;sup>1</sup> Refers to % Group sales from sales of new products in the first five years of commercialization date

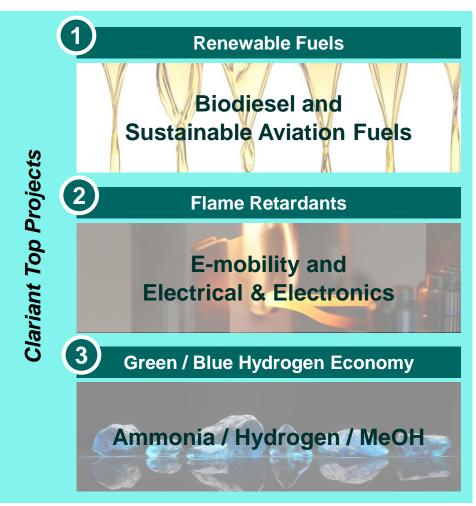
## Shifts in Consumer and Brand Owner Preferences **Backed by Purchasing Power**



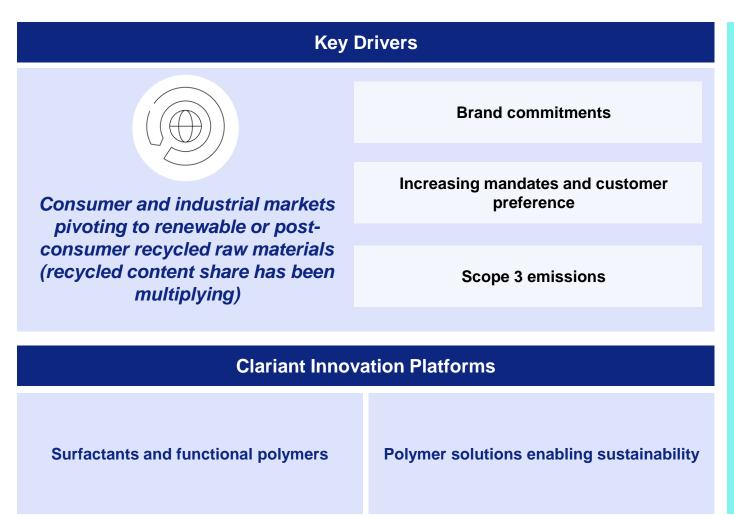


## **Energy Transition: Globalized Efforts and Regulatory Tightening Creating Opportunity**



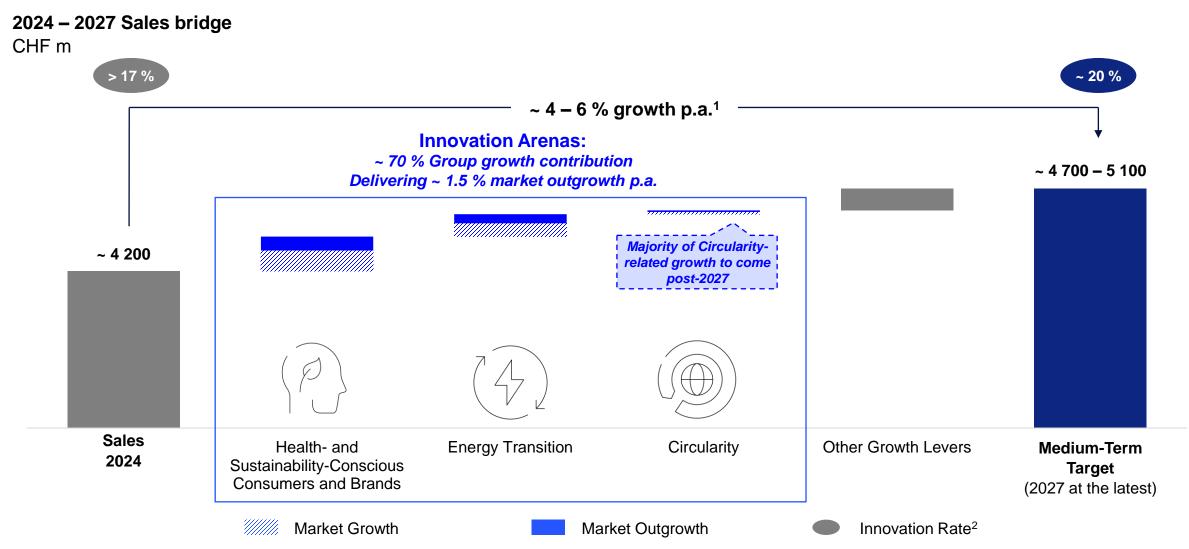


## **Resource Scarcity and Environmental Considerations Driving Shift Toward Circular Economy**





## Market Outgrowth Fueled by Tangible Innovation Pipeline



<sup>1</sup> Local currency growth assuming normalized inflation 2 Refers to % Group sales from sales of new products in the first five years of commercialization date

## **Key Takeaways**

### "Greater Chemistry – Between People and Planet" On track with to deliver on upgraded 1.5 °C GHG targets with 100 % coal free and Leading in 90 % green electricity by 2030 and portfolio with > 80 % sustainability **Sustainability** positive products Sustainability anchored with comprehensive Environmental, Social, and Governance Holistic **Approach to ESG** targets in operations and portfolio Innovation Arenas to deliver 20 % innovation rate and ~ 70 % medium-term profitable **Tangible Innovation Growth Path** growth, resulting in tangible roadmap to ~ 1.5 % market outgrowth p.a. Clariant Leading technology platforms with company-wide AI powered innovation system **Innovation** making growth from innovation sustainable **Platform**



# **Clariant Investor Day**

Business Unit Care Chemicals – Christian Vang, Business President Care Chemicals and Americas Antonio Lara, Lucas Meyer Cosmetics by Clariant



### **Snapshot of Clariant's Global Care Chemicals Business**



## **Active in Some of the Most Attractive Consumer and Industrial Segments**



Market Growth:1 ~ 1.5 X GDP

TAM:2 ~ CHF 18 b

#### **Industrial**



**Special Industrial Applications** 



**Mining Solutions** 



**Oil Services** 



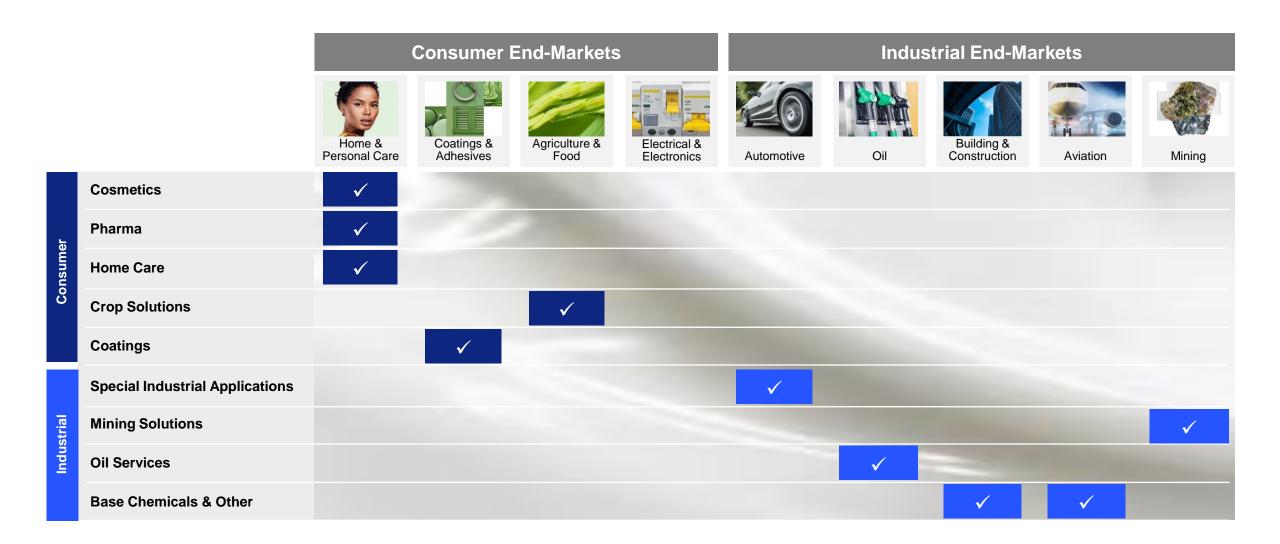
**Base Chemicals** & Other

Market Growth:1 ~ 1.0 X GDP

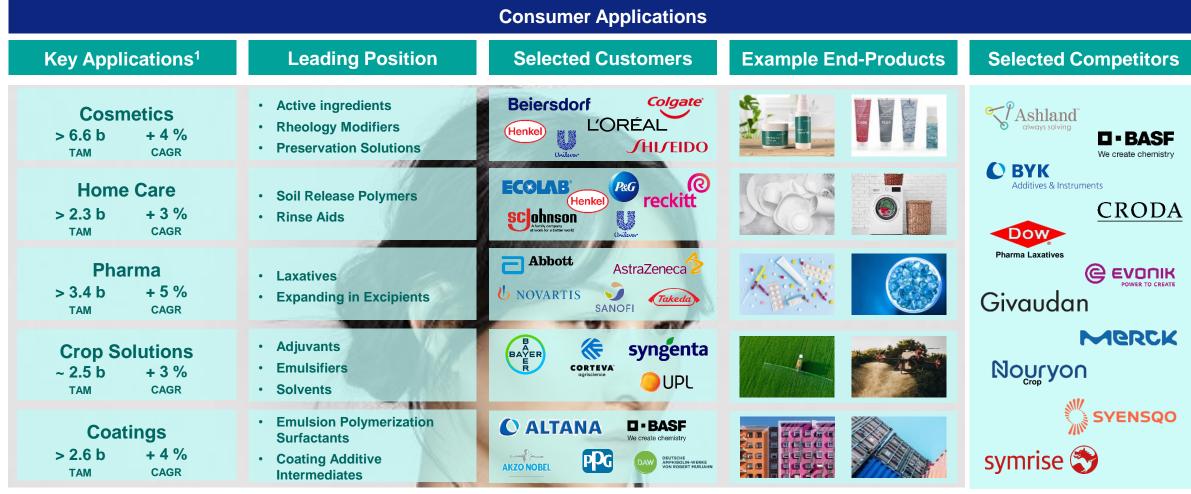
TAM:<sup>2</sup> ~ CHF 10 b

<sup>1</sup> Indicative medium-term growth rate as multiple of Global Real GDP CAGR 2024 – 2027E of 2.7 % as per Oxford Economics forecasts as of September 2024 2 Indicative TAM (Total Addressable Market) as of 2023

### **End Markets with Accelerating Demand for Sustainable Products**



### Overview of Consumer Businesses in Care Chemicals



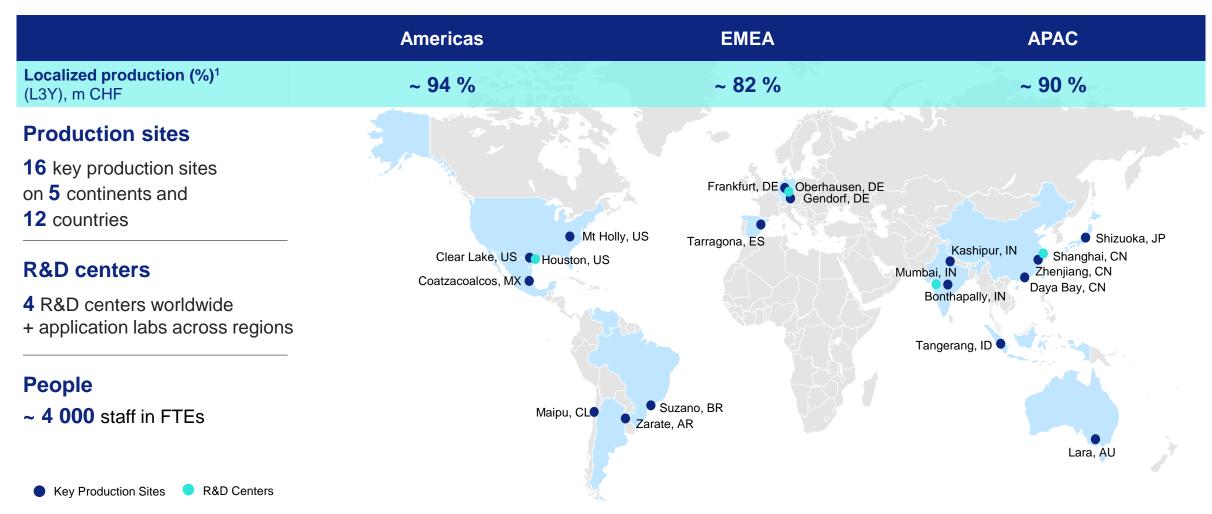
<sup>1</sup> Indicative CHF TAMs (Total Addressable Market) as of 2023 and medium-term growth rates

### Overview of Industrial Businesses in Care Chemicals



<sup>1</sup> Indicative CHF TAMs (Total Addressable Market) as of 2023 and medium-term growth rates 2 SLB agreed to acquire Championx in April 2024

## Care Chemicals Production Network Spanning the Globe



<sup>&</sup>lt;sup>1</sup> Produced and sold in the same region (2021 – 2023)



## Care Chemicals Has a Shared Technology Backbone

#### **Care Chemicals Innovation Platform**

Green Option Commercialized

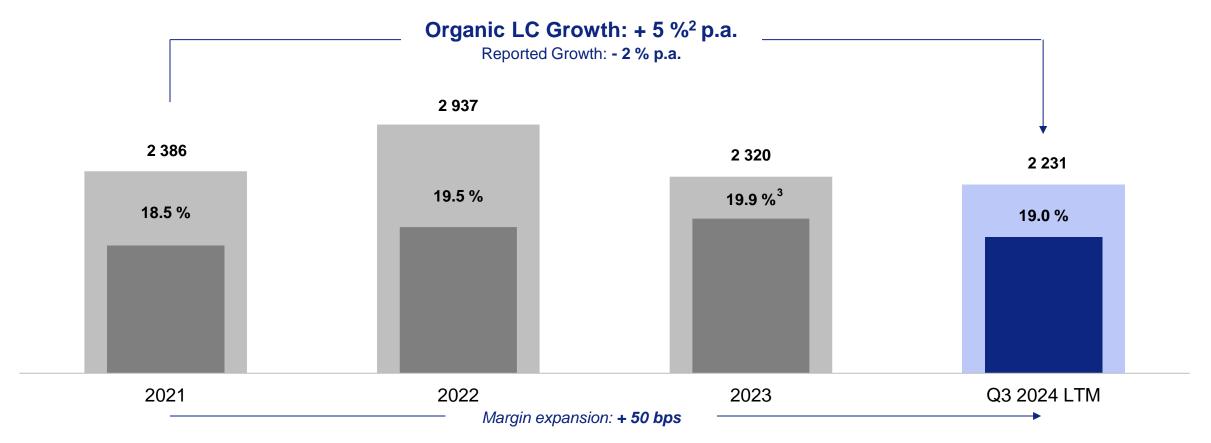
		Chemistry Platforms						
		Actives	Biocides & Preservation Systems	EOD <sup>1</sup>	Functional Polymers <sup>2</sup>	Mild Surfactants	Esters	Amines
	Cosmetics	Ø	of g segre	et share reen egated	Ø	Ø		
ē	Home Care			O <sup>1</sup> in ustry	Ø	Ø		Ø
Consumer	Pharma		Ø	Ø				
ŭ	Crop Solutions			Ø		Ø	Ø	Ø
	Coatings			Ø	Ø			Ø
	Special Industrial Applications			Ø			Ø	Ø
Industrial	Mining Solutions			Ø			Ø	Ø
Indus	Oil Services			Ø				Ø
	Base Chemicals & Other							

<sup>&</sup>lt;sup>1</sup> Ethylene oxide derivatives <sup>2</sup> E.g., soil release polymers for Home Care, rheology modifiers for Cosmetics

### **Strong Organic Growth and Margin Expansion**

2021 – Q3 2024 LTM<sup>1</sup> Sales and EBITDA a.e.i. Margin

CHF m (Sales) / % (Margin)



<sup>&</sup>lt;sup>1</sup> Last Twelve Months (Q4 2023 – Q3 2024) <sup>2</sup> Organic local currency, excluding scope effects and FX impacts <sup>3</sup> EBITDA including CHF 62 m Quats gain

## Self-Help Actions will Contribute > CHF 30 m Run-Rate Savings by 2027

Self-Help Lever	Description	Run-Rate Savings Contribution			
Productivity	Capture efficiencies to elevate profitability to full potential for each segment	~ 1 / 4			
Raw materials	Excellence in procurement for structural cost savings	~ 1 / 4			
Asset footprint	Operational efficiency improvements	~ 1 / 2			
> CHF 30 m Run-Rate Savings Target (Until 2027)					



### **Focus Megatrends Impacting Care Chemicals**

### Health, Wellness, and Sustainability

Lifestyle-driven consumers with focus on comfort

Increasingly informed / conscious buying decisions

Green and sustainable products, based on natural



# Increased healthcare requirements due to ageing

Healthy-ageing trend

population

Global nutrition requirements (agriculture)

# Changing Demographics



### Decarbonization



- Product carbon footprint transparency and reduction roadmaps as number one customer request
- High potential adjacencies, e.g., high-growth metals in mining, CCU<sup>1</sup>, and electric vehicles
- Sustainable mining

ingredients (botanicals) free of harmful substances
 Formulations with superior performance and favorable sustainability profile

Case Studies:

**Lucas Meyer Cosmetics** 

Case Study:
Clariant Pharma

Case Study:
Mining Solutions

and well-being

<sup>&</sup>lt;sup>1</sup> Carbon Capture and Utilization

## **Dedicated Strategic Mandates for Each Care Chemicals Segment**

Strategic Mandate	Care Chen	nicals Segments	2024 – 27 Market CAGR	2024 – 27 Sales CAGR <sup>1</sup>
Boost				
B	0	Pharma	~ 5 %	~ 9 %
		Tialina		
Outgrow			~ 4 %	~ 8%
	Cosmetics	Mining Solutions	~ 4 /0	· · · · · · · · · · · · · · · · · · ·
Grow with Market				
Ch Will Market		Special	~ 3 %	~ 3 %
	Home Care Crop Coatings	Industrial Oil Services Application  Oil Services Chemicals (Aviation & Refinery)		
Harvest				
			~ 2 %	~ flat
71\	Base Chemicals	(Construction & Other)		

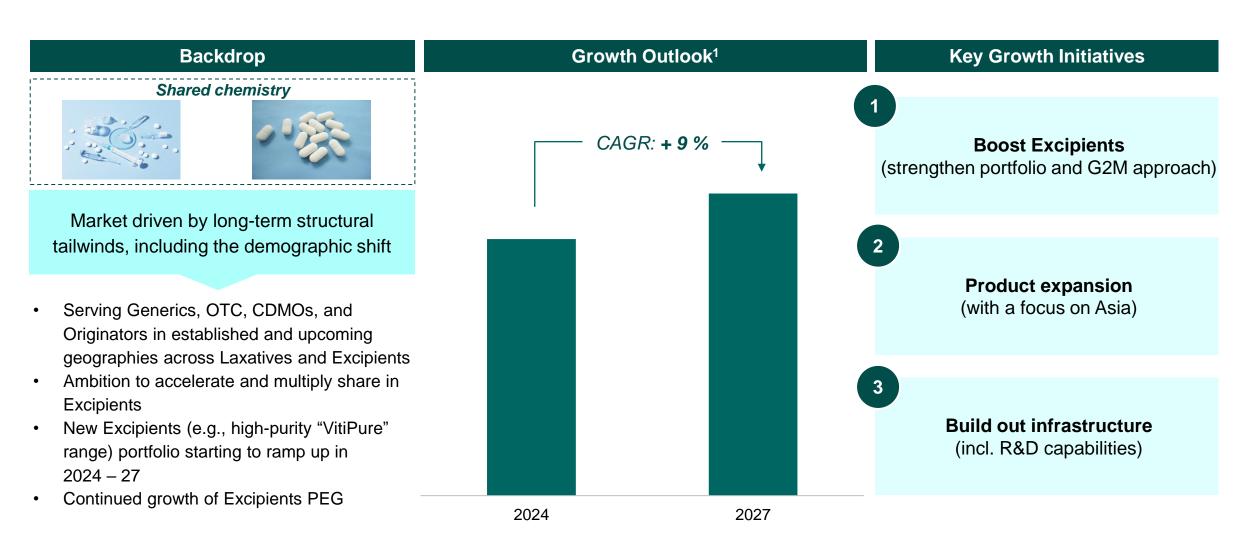
<sup>&</sup>lt;sup>1</sup> Local currency growth assuming normalized inflation



Care Chemicals
Boost Case Study:
Pharma

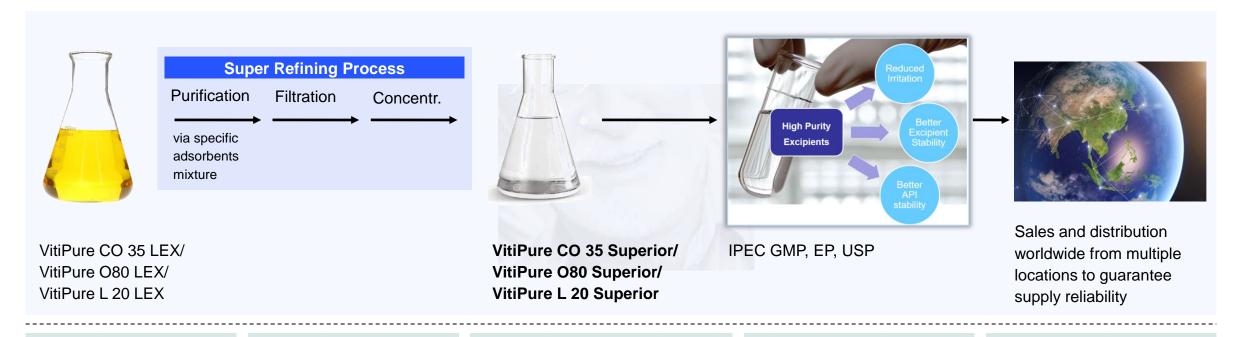


## **Ambition to Accelerate Growth and Multiply Share in Pharma**



<sup>&</sup>lt;sup>1</sup> Local currency growth assuming normalized inflation

# "VitiPure Superior" Addresses Highly Purified Pharma Excipients Demand



#### **Production**

- Using IPEC GMP
- Fulfilling highest pharma standards

#### **Super refining process**

#### **VitiPure Superior range**

- · First wave
- More than 10 further candidates

#### Injection / vaccines applic.

- Highest quality required with sensitive APIs
- Suitable for mRNA technology

#### **Business case**

Sales at maturity: > CHF 30 m

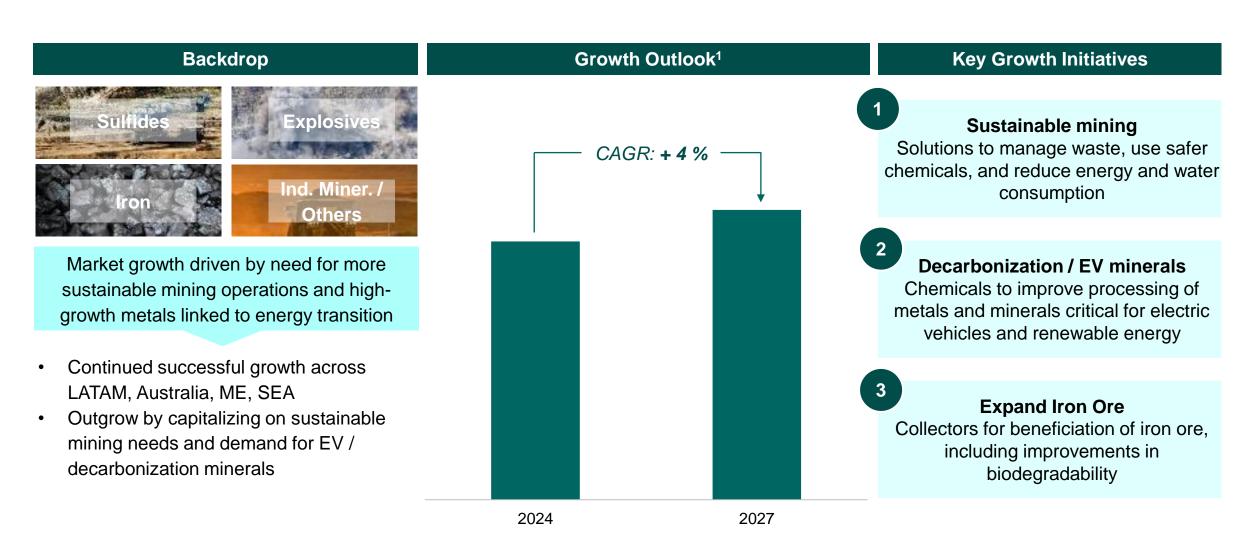
Innovation Arena: Health- and sustainability-conscious consumers and brands







## Capturing Upside from Sustainable Mining and High-Growth Metals



<sup>&</sup>lt;sup>1</sup> Local currency growth assuming normalized inflation

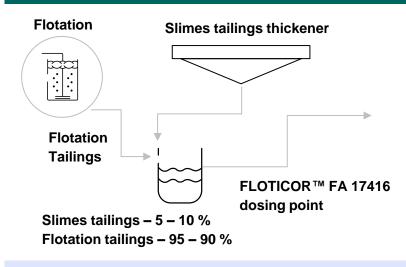


## **Enabling Co-disposal of Slimes in Dry Stacks and Reducing Need for Tailing Storage Ponds**

Adding fine particles (slimes) to filtration operations slows filtration, limiting amounts that can be processed

- Mining industry is transforming how it stores tailings, replacing ponds with dry stacks
- Vale, Samarco, and Anglo American in Brazil implementing filtration of iron flotation tailings
- Adding fine particles (slimes) slows filtration, limiting how much slimes can be fed to filtration
- Slimes that are not added to filtration are stored in tailing ponds

FLOTICOR™ FA 17416 allows customer to add slimes to tailings filtration process and reduces need for tailing storage ponds



- Recovering up to 95 % of process water
- Filtering slimes reduces need for tailing storage ponds

Clariant's filtration aids are the only solution that met customer's operational goals



**Innovation Arena: Energy Transition** 



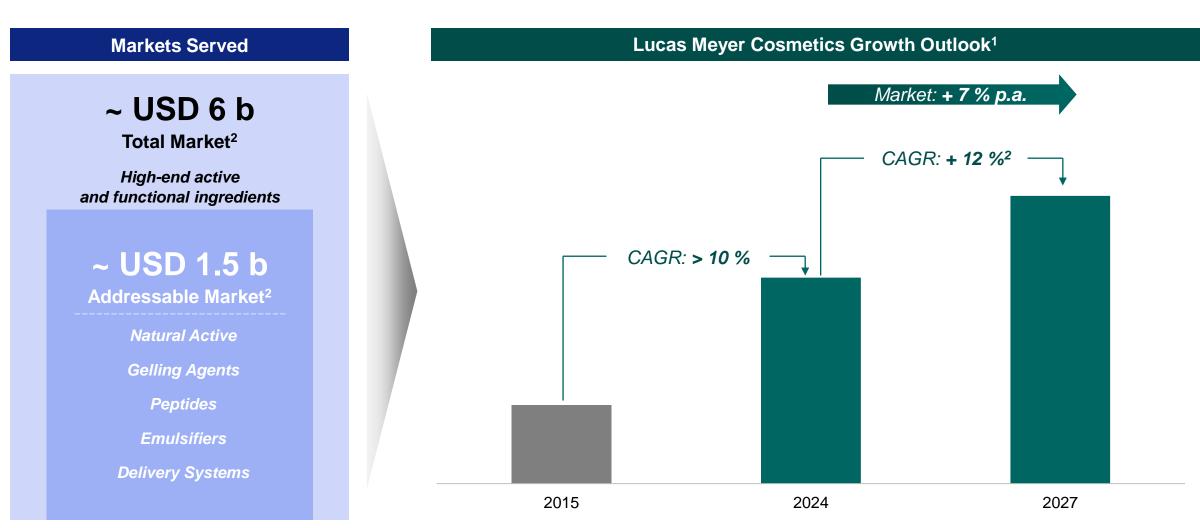


## Industry-Leading, Innovation-Fueled Product Portfolio

Active Ingredients ~ 75 % <sup>1</sup>	s Key Applications		Key Applications Functional Ingredier ~ 20 % <sup>1</sup>		Functional Ingredients ~ 20 % <sup>1</sup>	Key Textures	
Peptides, botanicals, and biotechnology, created through synthesis of amino acids (anti-ageing, moisturizing, firming tightening)  Largely custom-made / specialized solutions	Anti-Aging Anti-Pollution Sebum Regulation Skin Radiance Skin Protection Soothing	Body Care Anti-Stress Acne-Prone Skin Skin Complexion Hair / Scalp Protect. Sun Care	<ul> <li>Naturally based emulsifiers</li> <li>Largely custom-made / specialized solutions</li> </ul>	Butter Cream Emulsion Foam Gel	Lotion Mask Powder Serum Spray		
Botanicals ~ 5 % <sup>1</sup>	Key Applications		Delivery Systems < 5 % <sup>1</sup>	Key Applications			
Botanicals are plant-based extracts (from natural biomes)	Skin Care		<ul> <li>Phospholipid-based encapsulations enhancing active ingredient stability and release</li> </ul>	Easy and Ready-to-Use Prepara	ation for Customized Liposome		
In-house raw material production and manufacturing (excl. collection)	Hair	Care	<ul> <li>Combined offering</li> </ul>	Lipo- and Hydrosoluble Ac	tive Ingredient Entrapment		

<sup>&</sup>lt;sup>1</sup> Indicative sales contribution

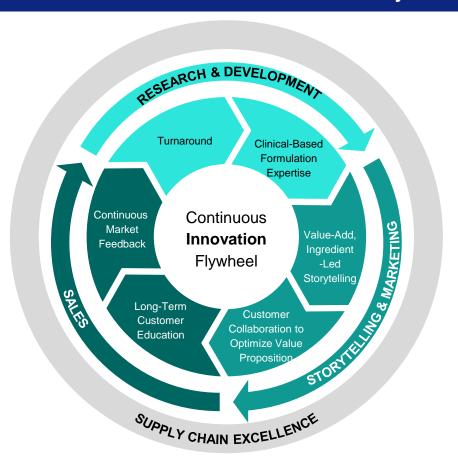
## Continued Market Outgrowth to 2027 (by up to $\sim 2 x$ )



<sup>&</sup>lt;sup>1</sup> Includes CANO (Clariant Natural Organics) sales <sup>2</sup> Local currency growth assuming normalized inflation

## Industry-Leading R&D, Storytelling, and Sales Capabilities

#### **Lucas Meyer Cosmetics Continuous Innovation Flywheel**



### **Research & Development**

Pharmaceutical background and history of clinical testing underscore the value of Lucas Meyer Cosmetics' ingredients

#### Sales

Long-term partnership with customers enables a continuous cycle of harnessing feedback to improve product offering

### **Storytelling & Marketing**

Add value along each step of the journey, creating the highest-quality ingredients that validate Lucas Meyer Cosmetics' premium price point

### **Supply Chain Excellence**

Robust and highly dynamic supply chain management serves as central foundation for innovation

## Continue to Innovate: Skin Care and Hair Care Ingredients

	Regenerative Design		Clean Beauty	िक	Health & Wellness
	Active Ingredients		Functional Ingredients	Holistic Health	
	Peptides	Natural	Phospholipids and Natural	Quinoa Starch	Science of Wellness
What	Designing next-generation synthetic and green peptides	Development of natural active cosmetics	Upgrade bio-based, natural, and biodegradable functional ingredients line	Develop new functional range and delivery systems based on quinoa grains	Unveiling the well-being potential of ingredients and beauty supplements
How	<ul> <li>Take inspiration from Biomimetics to develop sensorial natural ingredients and Al-powered peptides</li> <li>Next generation of peptides (greener, cyclic)</li> </ul>	<ul> <li>Invest in biotech (the "new clean"): consolidate biotech and algae fermentation expertise</li> <li>Sustainability and circular economy, upcycling raw materials from various origins</li> <li>Develop a new green solvent for extraction</li> </ul>	<ul> <li>Raw material substitutions for non-GMO, palm-free, soy-free, no deforestation</li> <li>Full traceability</li> <li>Biodegradable and sustainable</li> </ul>	Develop next-generation functional ingredients and delivery system based on quinoa-starch technology and pickering emulsion	<ul> <li>Develop holistic solutions         (overall wellness, well-being,         psychobiological support, and         skin-mind connection)</li> <li>Microbiome-friendly program</li> <li>Expanding the definition of         beauty to new categories</li> </ul>
Pipeline	5+ Active Projects	20+ Active Projects	10+ Active Projects	5+ Active Projects	5+ Active Projects

## Case Study: Life Cycle of Kangaroo Paw from Sourcing to Sale

#### Inspiration



## **Sourcing and Raw Materials**



## Processing and Production



## Sales and Customer Education



### Value Proposition





- A customer contacts Lucas Meyer Cosmetics' sales team requesting a natural and sustainable anti-ageing botanical
- Lucas Meyer Cosmetics' marketing team identifies natural and instant beauty gratification trends



# naterials

 Lucas Meyer Cosmetics' scientific team identifies kangaroo paw flowers as a source of ingredient and seeks to validate whether bioactive molecules in the flower nectar would fit the original





 Lucas Meyer Cosmetics' operations team partners with farmers to plant and harvest an organic field





- Rapid adoption by customers
- Lucas Meyer Cosmetics works directly with customers to highlight ingredients origin, composition, and skin benefits



Lucas Meyer Cosmetics has filed a patent for a newly discovered biomarker that delivers rapid wrinkle reduction within one hour and produces cumulative effects over time





## Lucas Meyer Cosmetics Integration Underway, with Significant Medium-Term Tangible Synergy Potential to be Unlocked

### **Strategic Action Plan**

#### **End-to-End Innovation**



- Integrate product portfolio innovation strategy
  - Complete integration of Lucas Meyer
     Cosmetics & CANO,<sup>1</sup> incl. harmonization of the product portfolio, and align new product launch
- Standardized claim substantiation and marketing story tools
- Align opportunities on regulatory standardization

### **Commercial Regionalization**



- Harmonize go-to-market
- Regionalize market approach with emphasis on
  - North America CANO¹ portfolio / APAC Lucas Meyer Cosmetics portfolio
- Realize cross-selling opportunities
- Cross-fertilization from broader personal care portfolio

### **Operational Integration**

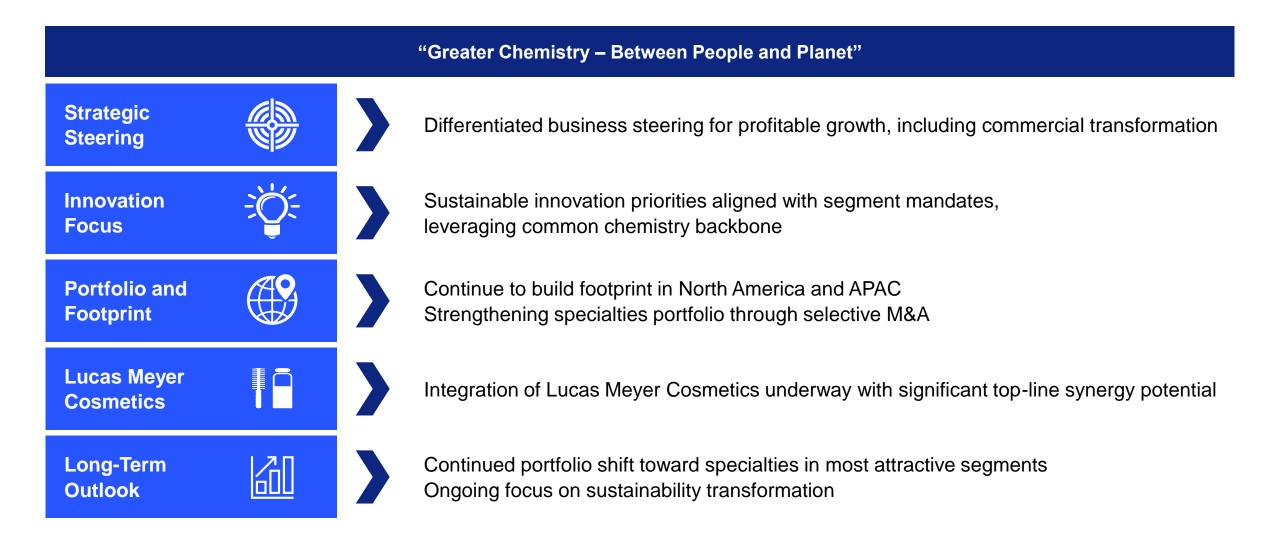


- Regional expansion and localized offering
- Harmonize ERP
- Supply chain management excellence and sourcing strategies
- Fully integrate sustainability framework
- M&A and new technology scouting





## **Key Takeaways**





# **Clariant Investor Day**

Business Unit Catalysts – Jens Cuntze, Business President Catalysts and APAC



**Overview of Catalysts** 

**Greater chemistry** 

# **Snapshot of Clariant's Global Catalysts Business**

Sales Q3 2024 LTM

~ CHF 864 m<sup>1</sup>

Margin a.e.i. Q3 2024 LTM

18.8 %<sup>1</sup>

(EBITDA a.e.i.)

Total Staff Q3 2024

~ 2 000

(FTEs)

EBITDA a.e.i. Q3 2024 LTM

 $\sim$  CHF  $163 \text{ m}^{-1}$ 

Sales Split Q3 2024 LTM

38 %

34 %

Petrochemicals

Syngas & Fuels

28 %

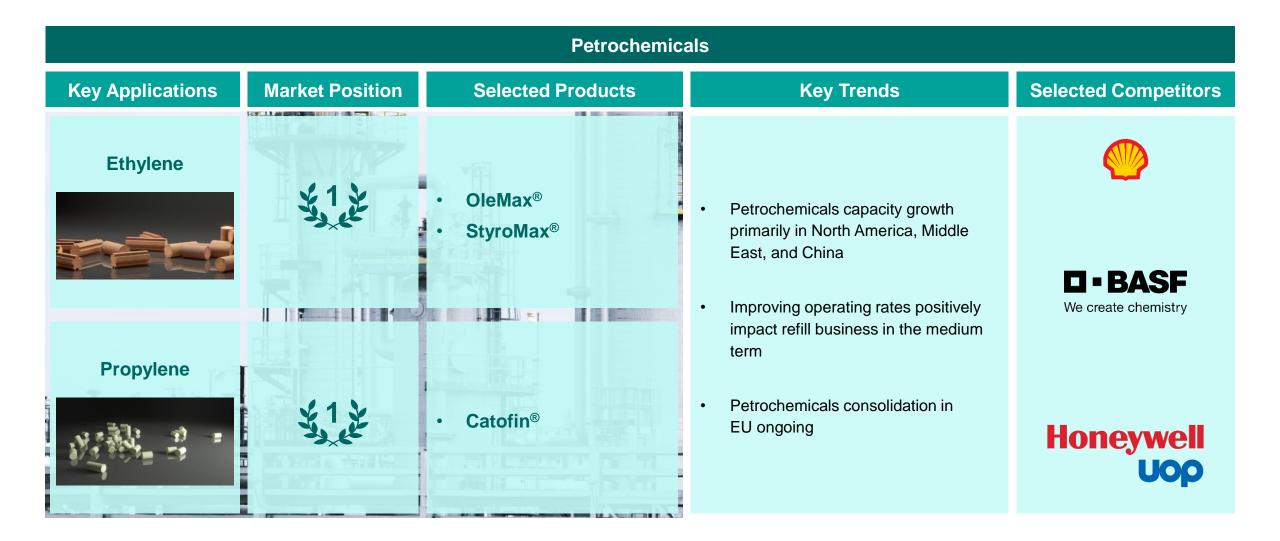
**Specialties** 

**Global Footprint** 

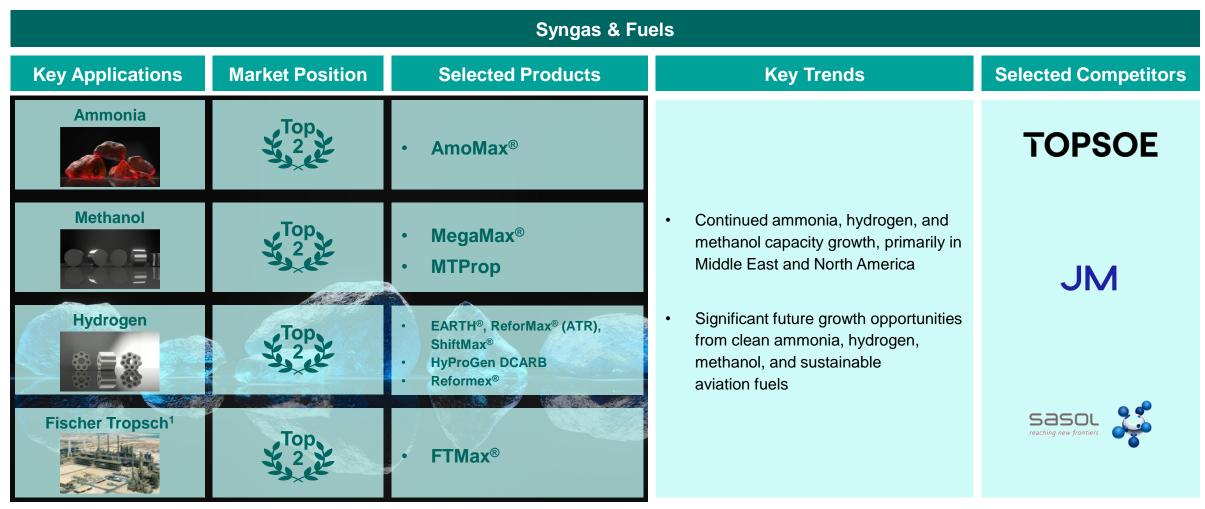
14

Key production sites

# **Overview of Petrochemicals Business Segment**

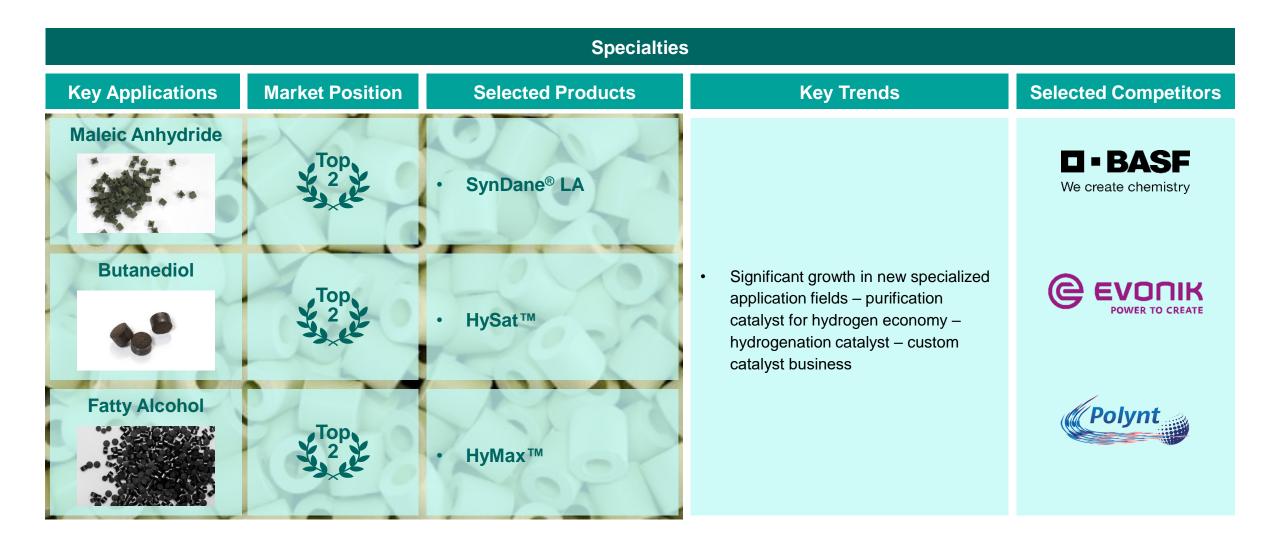


# Overview of Syngas & Fuels Business Segment

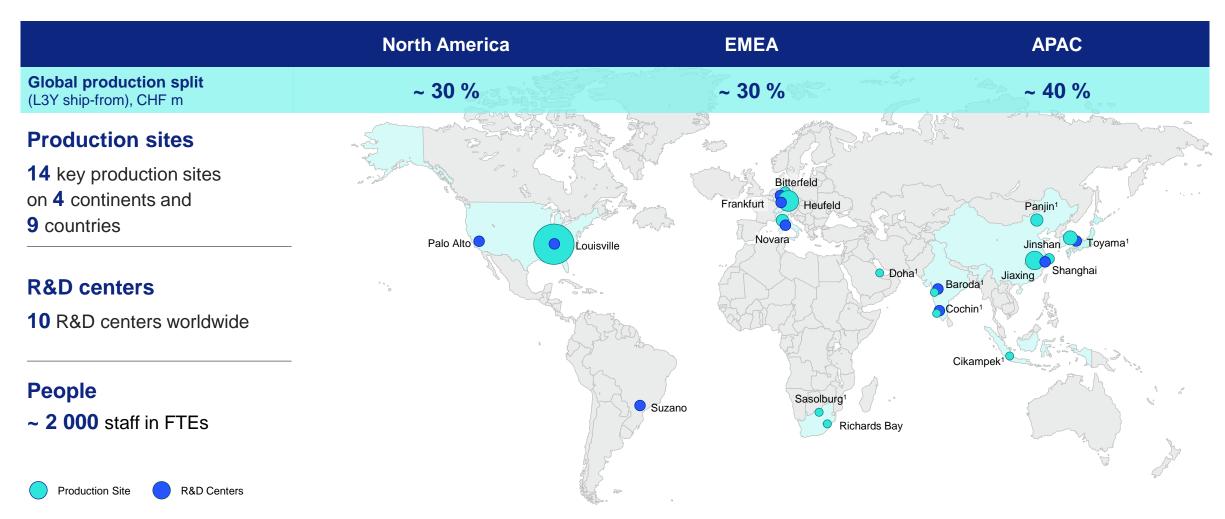


<sup>&</sup>lt;sup>1</sup> Cobalt based

# **Overview of Specialties Business Segment**



# **Catalyst Global Footprint**



<sup>&</sup>lt;sup>1</sup> Clariant has a JV partner at this production site

# Process Technology and Academic Partnerships Enable Strong R&D Development and Leading Market Positions

#### **Process Technology Partners Research and University Partners Market Position** LUMMUS TECHNOLOGY MuniCat Petrochemicals **ETH** zürich UNIVERSITÄT Switzerland Germany Germany TU Clausthal Ohm Technische wku, Germany Germany LOUISVILLE Syngas & Fuels United States United States Air Liquide かまよう PEKING UNIVERSITY SHANGHAI JIAO TONG China CASALE UNIVERSITY OF TOYAMA University of Amsterdam Specialties Applications MIDREX Netherlands 2 Łukasiewicz TECHNISCHE UNIVERSITÄT POLITECNICO Industrial Chemistry Institute

Our Technology Leadership Is Built on Innovation and Partnerships with Strong Process Technology and Academic Partners

Austria

Poland

Italy



# Clariant Serves Both First Fill and Refill Catalyst Applications

## Chemicals capacity growth slowing<sup>1</sup> 2019 - 252025 - 30CAGR CAGR ~ 4 % ~ 3 % **Ethylene** On-Purpose > 10 % ~ 4 % Propylene ~ 3 % ~ 2 % Methanol ~ 2 % ~ 3 % **Ammonia**

**Catalysts business moving** towards refill segment

# First Fill / Refill Ratio



**Last 4 Years Ratio** 





#### **Current and Medium-Term Ratio**



**Capacity expansion related to** energy transition beyond 2027

#### **Clariant competitive strengths**



Collaboration with technology partners to secure refill and / or revamp projects



Strong R&D focus to ensure continuous improvement for our customers



Proximity to customers in all regions through local sales and technical service force



Superior technical service to optimize catalyst and plant performance - CLARITY™

<sup>&</sup>lt;sup>1</sup> Accessible Catalyst Market CAGRs Source: Woodmac, Orbichem

# **CLARITY™ – Clariant's Best-in-Class Digital Technical Service**

**CLARITY**<sup>TM</sup> is a **state-of-the-art platform** powered by **Navigance**, a Clariant digital solutions provider. It gives fast and easy insights into the catalyst performance at any plant.

The service is offered across all Clariant catalyst applications and has helped optimize plant performance parameters regarding efficiency, sustainability, and safety.

#### **Selected Customer Testimonials**

"CLARITY<sup>TM</sup> helps us optimize processes by providing valuable insights for operators and plant engineers through wellorganized and customizable dashboards covering all aspects of performance. Compared to cumbersome data sharing via spreadsheets, the automated upload of our data greatly accelerates evaluation."

**Process Manager, BASF** 

"The initial implementation of CLARITY<sup>TM</sup> at our plant was a **perfect match for our digitalization strategy,** as it enhanced the collaboration with Clariant's catalyst experts. We are excited about the new capabilities of the CLARITY<sup>TM</sup> Prime services."

**CTO & Director, Indorama Eleme Petrochemicals** 



2021

120 +

450+

Year of launch

Plants onboarded

Active users in 28 countries worldwide

#### AT A GLANCE



KPIs instantly visualized in a customized dashboard



Real-time communication ensures best possible support



Instant access to highly qualified Clariant technical experts



All data and expert advice stored in one place



Increased data security and 24 / 7 threat monitoring



Advanced data-driven tools for creating value-adding services



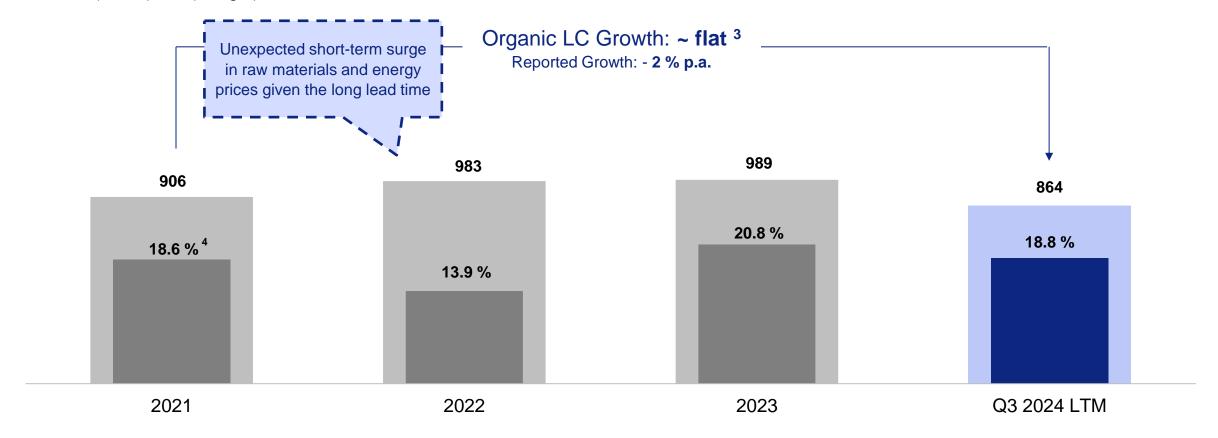
# CLARITY

Clariant's digital service portal

# **Catalyst Historical Financial Performance Summary**

2021 – Q3 2024 LTM<sup>1</sup> Sales and EBITDA a.e.i. Margin<sup>2</sup>

CHF m (Sales) / % (Margin)



<sup>&</sup>lt;sup>1</sup> Last Twelve Months (Q4 2023 – Q3 2024) <sup>2</sup> Excluding sunliquid<sup>® 3</sup> Organic local currency, excluding scope effects and FX impacts <sup>4</sup> Including income from Scientific Design

# Self-Help Actions Will Contribute > CHF 20 m Run-Rate Savings by 2027

Self-Help Lever	Description	Run-Rate Savings Contribution		
Operational Efficiency	<ul> <li>Improved operating cost structure</li> <li>Cost efficiency measures</li> </ul>	~ 1 / 2		
Procurement Savings	<ul> <li>Alternative sourcing of raw materials</li> <li>Make-or-buy decision for intermediates</li> </ul>	~ 1 / 4		
SG&A Savings	<ul> <li>Headcount optimization</li> <li>Reduction of third-party expense</li> </ul>	~ 1 / 4		
> CHF 20 m Run-Rate Savings Target (Until 2027)				



# **Key Megatrends Impacting Our Catalyst Business**

# Decarbonization

### **Digitalization and Automation**



### **Regional Shifts**



- Prioritize and target significant opportunities to participate in the energy transition, leading to enhanced long-term growth profile (ammonia, hydrogen, methanol)
- Opportunities to participate in sustainable aviation fuels (SAFs) growth
- Continuous reduction of our customers handprint with improved catalysts and processes

- Increase intimacy with digital services and catalyst insights: critical competitive advantage in refill businesses
- Emerging opportunities for paid digital services with CLARITY<sup>TM</sup>
- New-projects shift to regions with feedstock-advantage
- Clariant's strong global footprint and balanced global position granting resilience

Case Studies: ODH & Hydrogen

Case Study: CLARITY™

# Differentiated Strategic Steering Within Catalysts



#### **Key Strategic Growth Initiatives**

1

#### **Energy Transition**

Leverage strong technology competencies to participate in new markets (Syngas & Fuels)

2

#### **Breakthrough Technologies**

(e.g., Ethane Oxidative Dehydrogenation) *(Ethylene)* 

3

#### **Custom Specialties**

Providing scale-up and production services for thirdparty chemical producers (Specialties)

<sup>&</sup>lt;sup>1</sup>Local currency growth assuming normalized inflation

# **Technology Leader in Catalysts for Petrochemicals**

#### **Backdrop**

 Stable core business enabled by strong market position

#### **Strategic Outlook**

 Expected growth as crackers continue to be built in coming years

# Propylene

Ethylene

- Co-leading technology position for onpurpose olefin production
- Slowdown in capacity additions impacting first fill business
- Outlook strong as new-build capacity in 2022 23 will come for refill in 2027+
- Business model shifting to refill business roll-out of CLARITY<sup>TM</sup> platform

# **Growth Outlook<sup>1</sup>**



<sup>&</sup>lt;sup>1</sup> Local currency growth assuming normalized inflation

#### **Selected Initiatives**

1

CLARITY™ roll-out to maintain digital leadership and win refill business

2

Ethane ODH breakthrough technology

in partnership with Linde

### **Deep Dive Petrochemicals**



# Clariant and Linde to Launch Break-through Technology to Facilitate CO<sub>2</sub> Footprint Reduction of the Petrochemical Industry



Catalytic process: > 93 % selectivity Exothermic process at mild conditions

Products: 75 % ethylene; 25 % acetic acid Unique catalyst material: Mo<sub>10</sub>V<sub>2</sub>TeNbO<sub>42</sub>



Significantly lower production costs<sup>1</sup> Lower CAPEX<sup>1</sup>



~ 70 % energy reduction<sup>2</sup>

~ 60 % CO<sub>2</sub> emissions reduction<sup>2</sup> Full electrification ready by design





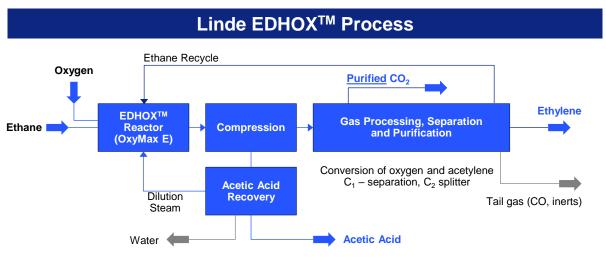


Petrochemical industry, especially:

EVA, PTA (PET), acetate ester, acetic acid producers



**Beyond 2027** 



Clariant OxyMax® E catalyst



### **Innovation Arena: Energy Transition**

Key Insights

# Global Syngas Catalysts Co-Leader, #2 in Specialized Catalysts Applications in Fuels

#### **Backdrop**

#### Co-leading in catalysts for syngas (ammonia, methanol, hydrogen)

- # 2 in specialized catalysts applications for fuels
- Significant opportunity ahead from new markets, including Energy Transition and Sustainable Aviation Fuels (mainly post 2030)

#### **Strategic Outlook**

- Maintain profitability and market share in core business, particularly in refill market
- Innovate and launch sustainable products capturing growth through developing new markets:
  - **Energy Transition**
  - Sustainable Aviation Fuels
- Middle East and Africa and the US as the two key growth regions

#### **Selected Initiatives**

Further develop strong position in core business (ammonia, hydrogen, and methanol), leverage improved products

**Deploy bridging technologies** (e.g., DRI) with partners

3

**Prepare business for energy** transition opportunities: strong R&D, leveraging partnerships, and winning first reference projects





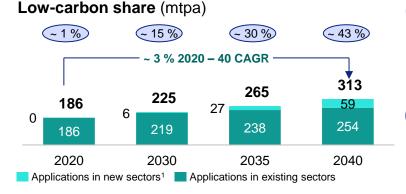
# Clariant Strongly Positioned in the Developing Hydrogen Economy, with First References Already Secured

#### **Background & Role of Hydrogen Economy**

- Hydrogen will make an essential contribution to achieving the climate goals through decarbonization of hard-to-abate sectors
- New applications in the energy sector (e.g., ammonia co-firing in coal plants); maritime and heavy road transport contribute significantly to further demand growth

#### Blue hydrogen as transition solution within the energy transition

- Proven and mature technologies (ATR, SMR, and POX)2 available
- Affordable at scale (still based on cheap natural gas)
- CCS (carbon capture and storage) available at competitive cost



#### **Ammonia Global Demand Outlook**

#### **Clariant Offering, References, and Outlook**

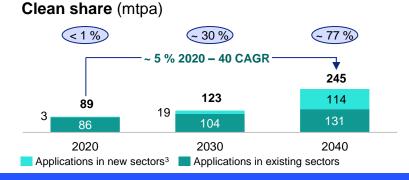


Catalyst portfolio covers and supports all technologies for the production of low-carbon (blue) hydrogen and ammonia



Growth through strong partnerships: Air Liquide (ATR-based blue hydrogen technology) and KBR (ammonia technology)

#### **Hydrogen Global Demand Outlook**





Final investment decisions reached with partner KBR for OCI (Woodside Energy) in the US and Fertiglobe (ADNOC) in UAE



Further strong pipeline for new low-carbon (blue) hydrogen / ammonia projects: several licenses already awarded to our partners

### **Innovation Arena: Energy Transition**

<sup>1</sup> Applications in new sectors for ammonia include maritime fuel, power, and hydrogen vector 2 Autothermal reforming (ATR), steam methane reforming (SMR), and partial oxidation (POX) 3 Applications in new sectors for hydrogen includes mobility (maritime, aviation and trucking), heating, and power

Key Insights

**Growth Outlook<sup>1</sup>** 

# **Broad Portfolio of Strategic Specialized Catalysts,** with Leading Positions in Highly Concentrated Markets

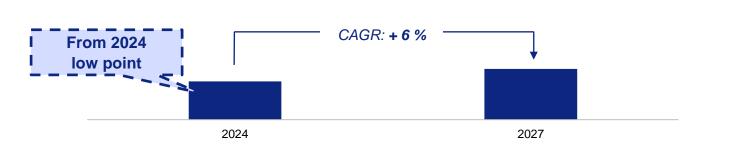
#### **Backdrop**

#### **Co-leading in catalysts for maleic** anhydride, butanediol, and fatty alcohol

- Broad portfolio of strategic specialized catalysts, with key markets being hydrogenation, oxidation, emission control, and custom catalysts
- Fragmented portfolio of customers, including specialty chemical producers, energy companies, gas companies, and others

#### **Strategic Outlook**

- **Growing hydrogenation and custom** catalysts business globally
- Improve profitability
- Capture growth in new applications (e.g., CO<sub>2</sub> purification for blue hydrogen and green hydrogen purification, purification of process gases for semiconductor industry, chromiumfree hydrogenation catalyst)
- Increased collaboration with technology licensors to capture new and existing markets

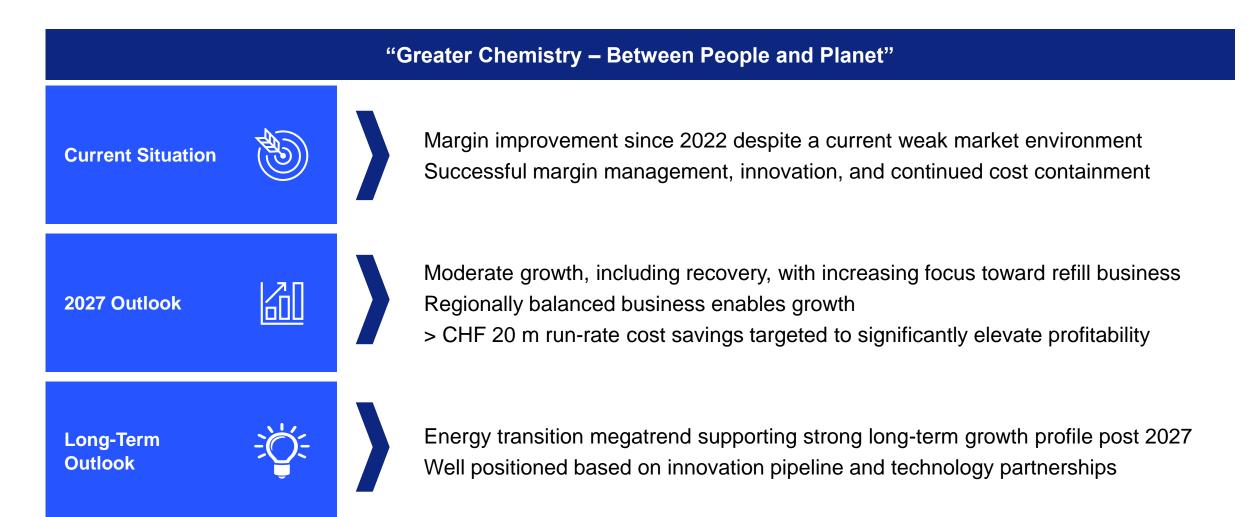


<sup>&</sup>lt;sup>1</sup> Local currency growth assuming normalized inflation

#### **Selected Initiatives**

- **Grow custom catalysts** business in US, Japan, and Europe
- Increasing roll-out of CLARITY™ to gain market share and win refill business
- Enter new applications (e.g., CO<sub>2</sub> purification for blue hydrogen and green hydrogen purification)
- **Drive cost-out initiatives** to improve and stabilize margins
- **Collaboration with technology** licensors to capture new and existing markets

# **Key Takeaways**



# **CLARIANT**

# **Clariant Investor Day**

Business Unit Adsorbents & Additives – Angela Cackovich, Business President A&A and EMEA



Overview of Adsorbents & Additives



# **Snapshot of Clariant's Global Adsorbents & Additives Business**



# Positioned to Capture Profitable Growth Across Attractive Segments

**Purification** 

#### Adsorbents<sup>1</sup>



**Foundry & Specialties** 



**Cargo & Device Protection** 

Market Growth:2  $\sim 1.0 \text{ X GDP}$ 

TAM:3 > CHF 2 b

#### **Additives**





**Polymer Solutions** 



**Coatings & Adhesives** 

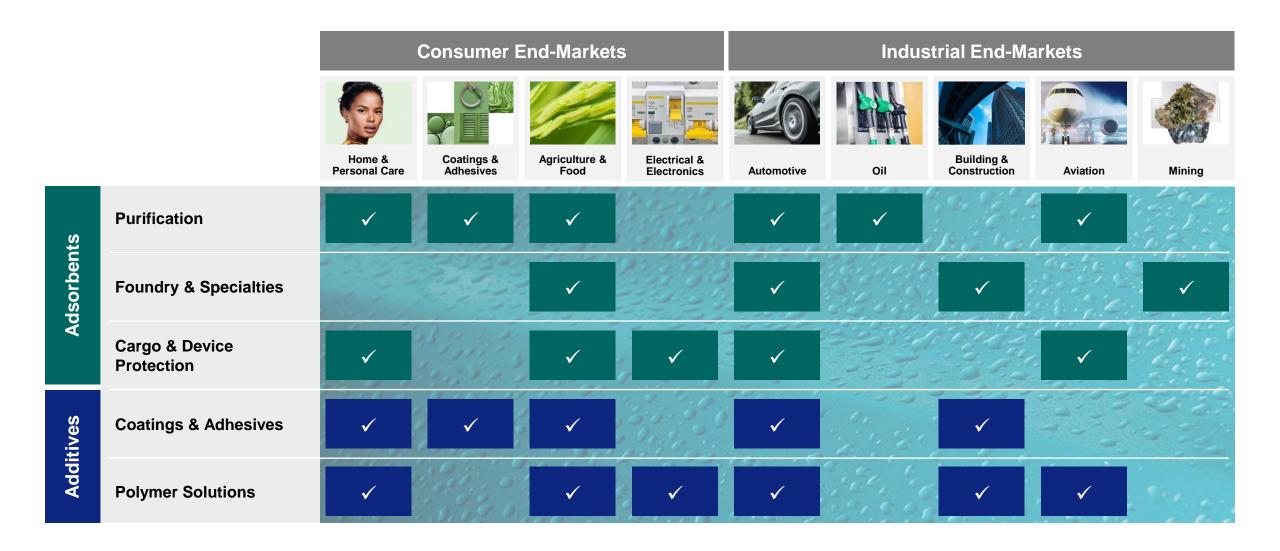
Market Growth:<sup>2</sup> ~ 1.3 X GDP

> TAM:3 ~ CHF 6 b

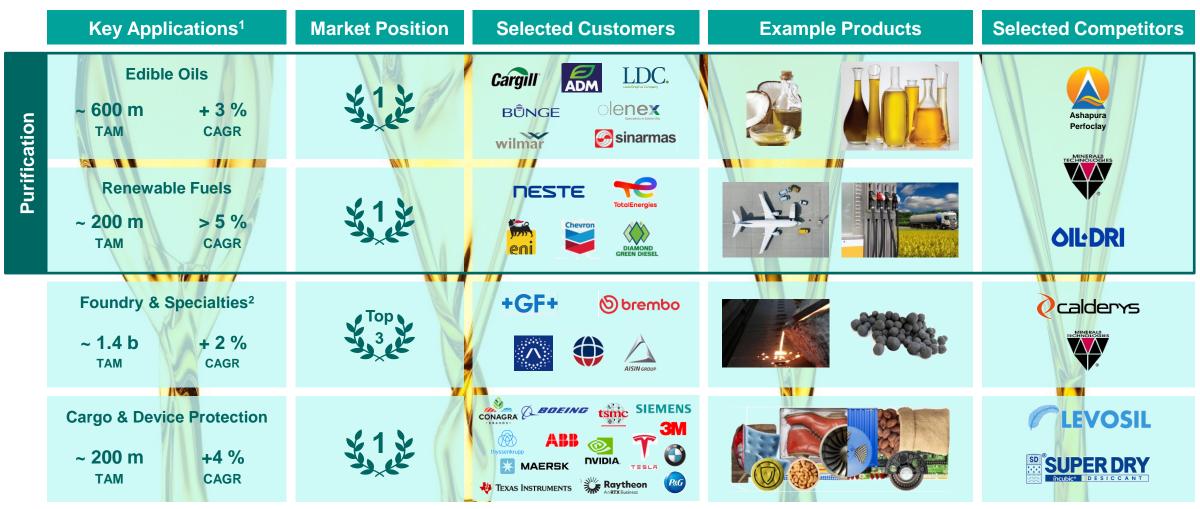
<sup>1</sup> The Adsorbents business is primarily divided into the EMEA, APAC, and Americas regions, with local representatives for Purification, Foundry & Specialties, and Cargo & Device Protection

<sup>&</sup>lt;sup>2</sup> Indicative medium-term growth rate as multiple of Global Real GDP CAGR 2024-2027E of 2.7 % as per Oxford Economics forecasts as of September 2024 <sup>3</sup> Indicative TAM (Total Addressable Market) as of 2023

# **Sustainability and Decarbonization Driving Our End Markets**



## **Overview of Adsorbents Businesses**



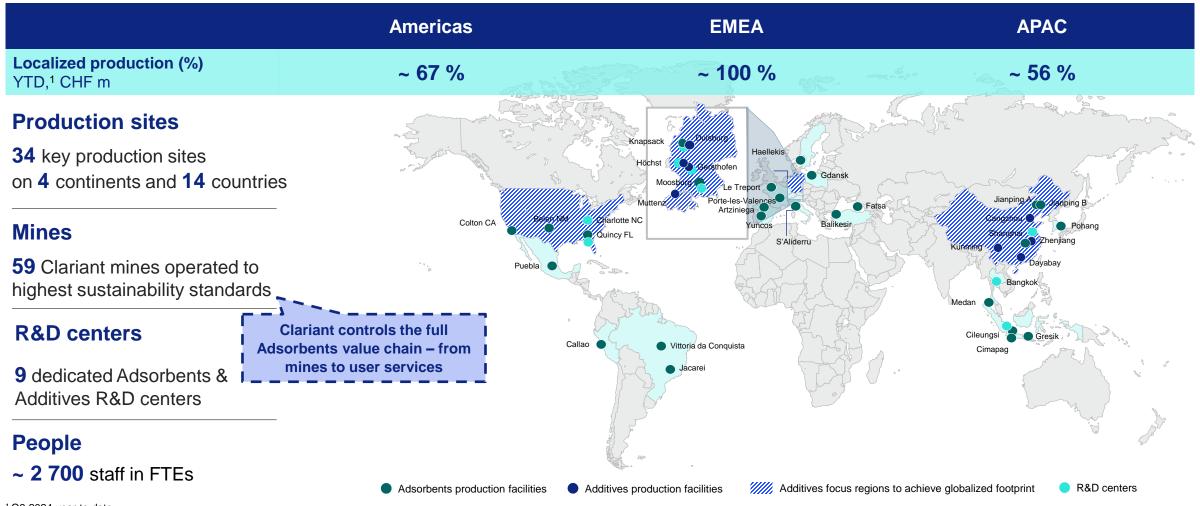
<sup>1</sup> Indicative CHF TAMs (Total Addressable Market) as of 2023 and medium-term growth rates (based on Kline Bentonite Report 2021 and Clariant extrapolations) 2 Includes foundry, civil engineering, and other specialty

## **Overview of Additives Businesses**



<sup>&</sup>lt;sup>1</sup> Indicative CHF TAMs (Total Addressable Market) as of 2023 and medium-term growth rates <sup>2</sup> Includes performance additives and specialty waxes

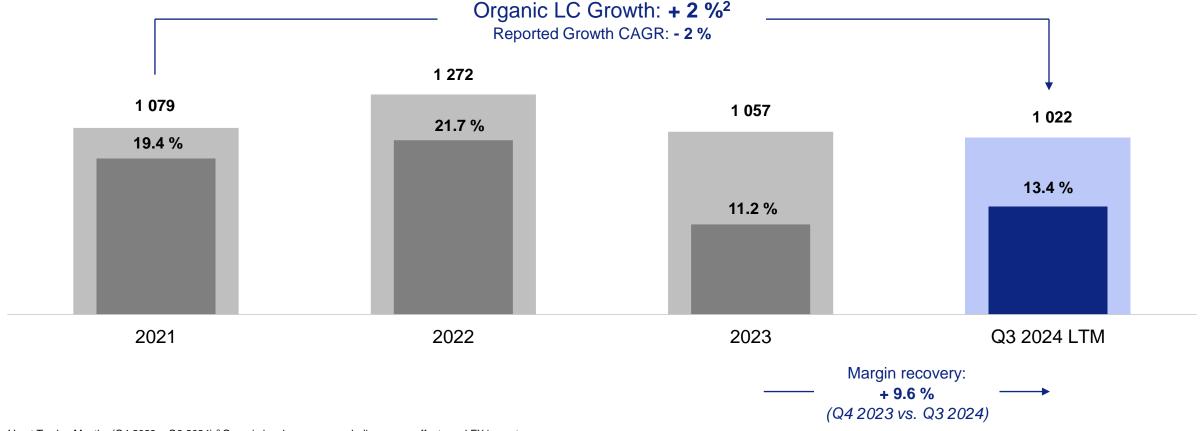
# Adsorbents Network Well Established, Further Localizing Additives



# Top-Line Stability Impacted by FX Effects, Margin Turnaround Underway

#### 2021 – Q3 2024 LTM<sup>1</sup> Sales and EBITDA a.e.i. Margin

Sales CHF m / Margin %



<sup>&</sup>lt;sup>1</sup> Last Twelve Months (Q4 2023 – Q3 2024) <sup>2</sup> Organic local currency, excluding scope effects and FX impacts

# Turnaround in Full Swing, Additional Self-Help Ongoing, with > CHF 20 m to Come

Measures	Executed	Ongoing / to Come	Run-Rate Savings Contribution	
Cost Reduction	<ul><li>✓ Headcount optimization</li><li>✓ Improved operating cost structure</li></ul>	Capture efficiencies to elevate profitability to full potential for each segment	~ 2 / 3	
Assets & Products	✓ Sharpened focus on key product portfolio	<ul> <li>Further product portfolio complexity reduction</li> <li>Further localization of production with competitive costs</li> </ul>	~ 1/3	
Capabilities & Organization	<ul><li>✓ Strengthened innovation capabilities</li><li>✓ Improved go-to-market</li></ul>	<ul> <li>Leveraging AI in sales management</li> <li>Advanced product management and more focused R&amp;D</li> </ul>	~ 1 / 3	
Run-Rate Savings	> CHF 30 m	> CHF 20 m		



# **Key Megatrends Impacting Adsorbents & Additives**

#### **Regional Shifts**



- Foundry: cost and quality / light-weight design improvements, harmful emissions and CO<sub>2</sub> reduction
- Reduce crop loss during transport with natural clay desiccants
- Regionalization of supply chains drives region-for-region approach

#### Health, Wellness, and **Sustainability**



- Purification enabling circularity (e.g., feedstock impurity removal in chemical plastics recycling)
- Improved food safety standards further drive purification for vegetable oil quality
- Better polymer recyclability and fear of microplastics drive improved specialty additives
- Regulatory pressures drive substitution through novel, benign polymer and additive chemistries (PFAS-, SVCH-free)
- Carbon and ecological footprint increasingly drives "renewable" raw materials
- Pressure on product emissions drive growth of novel adhesive chemistries (Licocene®)

#### **Decarbonization**



- Renewable fuels (green diesel, sustainable aviation fuels) growth driving the need for adsorptive purification
- Increased shift to e-mobility, along with further growth in electrical infrastructure, drive growth of improved nonharmful flame retardants
- Insulation materials like polyurethanes (PUR) and polyisocyanurates (PIR) benefit from energy savings characteristics, further driving growth of nonharmful flame retardants

#### Digitalization and **Automation**



Less harmful halogen-free flame retardants for high-performance (consumer) electronics

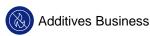
Case Study: **PFAS-free Polymer Solutions** 

Flame Retardants & Renewable Fuels

Case Study: Flame Retardants

Case Studies:







# Adsorbents: Extending Leadership in Renewable Fuels and Tapping into New Applications



<sup>&</sup>lt;sup>1</sup> Local currency growth assuming normalized inflation

# Additives: Inherently Attractive, Opportunity Driven by Sustainability Efforts and Regulatory Requirements

**Strategic Mandate Additives Application Market CAGR 2024 – 27**<sup>1</sup> **Key Strategic Initiatives Grow in PFAS-free food** packaging, can coatings, overprint varnishes **Complete Turnaround** Capitalize on ad-**Turnaround** hesives substitution with Licocene® **Coatings & Adhesives** 3 **Grow renewable waxes** substituting synthetic waxes in packaging, paints and coatings, polymer additives, and agriculture ~ 7 % **Grow flame** retardants, esp. in e-mobility, electricals and electronics **Polymer Solutions** 

<sup>&</sup>lt;sup>1</sup> Local currency growth assuming normalized inflation



### **Case Study: Purification in Renewable Fuels**



# Technology Leadership and Tangible Initiatives Provide Roadmap to Strengthen Our Lead Position

#### **Backdrop**

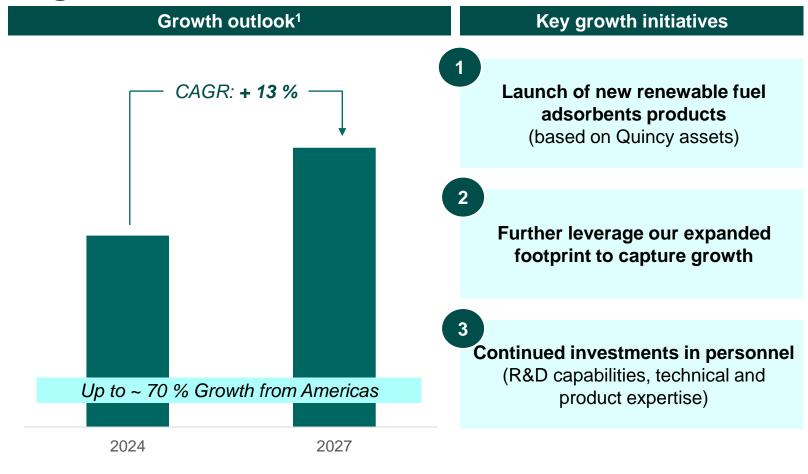


Sustainable
Aviation
Fuel (SAF)

SAFs and HVO market driven by decarbonization megatrend, supported by government incentives / mandates and other regulatory drivers

#### **Our Competitive Advantage**

- Proven technology leadership, in partnership with engineering partners, cosuppliers, and customers
- Superior brand recognition reference material for new builds
- Local presence / footprint with unrivaled supply chain performance



**Innovation Arena: Energy Transition** 

# **Case Study: Purification in Renewable Fuels**



# **Expanding Capacity to Support Growth in North America Through Quincy Site**

### **Key statistics**

**Unique** combination of mineral quality, mine reserve size, and strategic location

### 1 x

processing operations site

# ~ USD 60 m

initial investment (BASF deal)

## ~ USD 20 m

asset (capacity) expansion post acquisition

### **Strategic rationale**

- 2022 acquisition of BASF US Attapulgite mining and production operations based in Quincy, Florida, one of the largest attapulgite operations in North America with over ~ 17 000 acres of attapulgite reserves
- Main rationale behind acquisition was to obtain additional reserves and to create production capacity of attapulgite-based adsorbents for use in renewable fuel purification in the USA
- Clariant is investing to add production capability to enable production of specialty adsorbents for renewable fuel purification based on attapulgites
- Attapulgite-based products are used for a wide range of other applications and end markets, the acquisition consequently gives access to other highly attractive growth markets



# **Case Study: Flame Retardants**



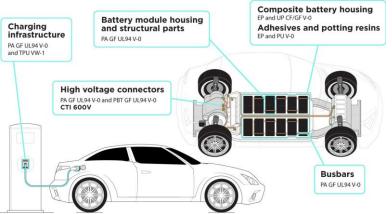
# Flame Retardants Offering Uniquely Addressing Key Customer Needs



### Clariant offering example

### Halogen Free Exolit® OP

- Clariant's flame retardant applications spread over the car, mainly in battery housing and connectors; charging infrastructure also shows strong opportunities
- Exolit® OP's value propositions perfectly fit with materials used in EV, e.g., polyamide, polyesters, epoxy resins



Innovation Arenas: Energy Transition / Health- and sust.-conscious consumers and brands

# **Case Study: PFAS-Free Polymer Solutions**



# Innovative PFAS-Free Polymer Processing Additive for Safer and Compliant Packaging Films

### **Key requirements**

1

### **Sustainability:**

- Regulatory scrutiny over sustainability impact of PFAS as "forever chemical"
- High functionality:
  - Maximizing line output
  - Highly aesthetic appeal
  - Food-approved and REACH-compliant

### Market potential<sup>1</sup>

### > CHF 200 m

(focus on PFAS-based polymer processing additives used in polyethylene-based films)

### **Clariant offering example**

### Clairant PFAS-free polymer processing additive

- Uniquely formulated solution in response to a regulatory challenge
- 100 % PTFE-free (PFAS-free)
- High sustainability profile: Ecotain<sup>®</sup> products
- Equivalent or better performance compared to PFAS-free next-best alternatives

### Demonstrating our sustainability-led innovation capabilities:

- ✓ Short time to market
- ✓ Rapid response to a pressing regulatory challenge
- ✓ Spin-off options into textiles, rigid packaging, and pipe extrusion segments

**Innovation Arena: Health- and sust.-conscious consumers and brands** 



# **Key Takeaways**

# "Greater Chemistry – Between People and Planet"

**Turnaround Completion** 





Margin recovery underway, further initiatives to sustainably expand profitability in progress

Strategic Steering





(Out-)grow adsorbents core with focus on renewable fuels (purification) Maintain leadership in additives markets while improving profitability

Attractive Markets





Attractive sustainability growth opportunity in polymer additives Adsorbents to benefit from growth in purification in sustainable (bio)fuels, sustainable agriculture, and cargo device protection (CDP)

Portfolio and Footprint





Further portfolio complexity reduction ongoing Localization of production network in Additives in progress, well-built-out Adsorbents network

**Unique Technology** and Solution Offering



Leading technology platforms in purification adsorbents and polymer additives Focus on sustainability-driven innovative solutions, leveraging superior application know-how

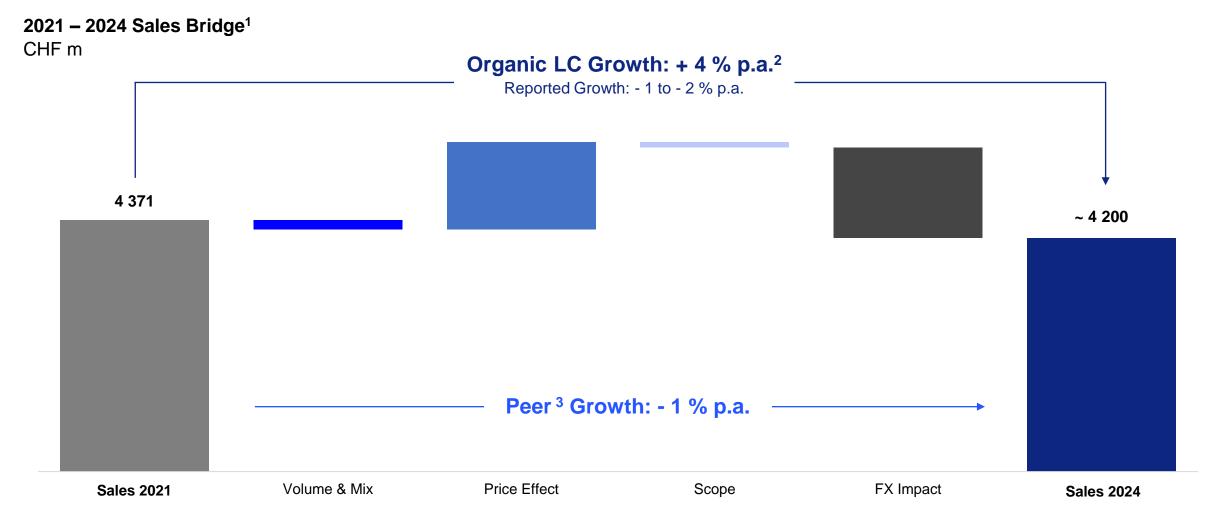


# Clariant Investor Day

Financial Perspectives – Bill Collins, Chief Financial Officer



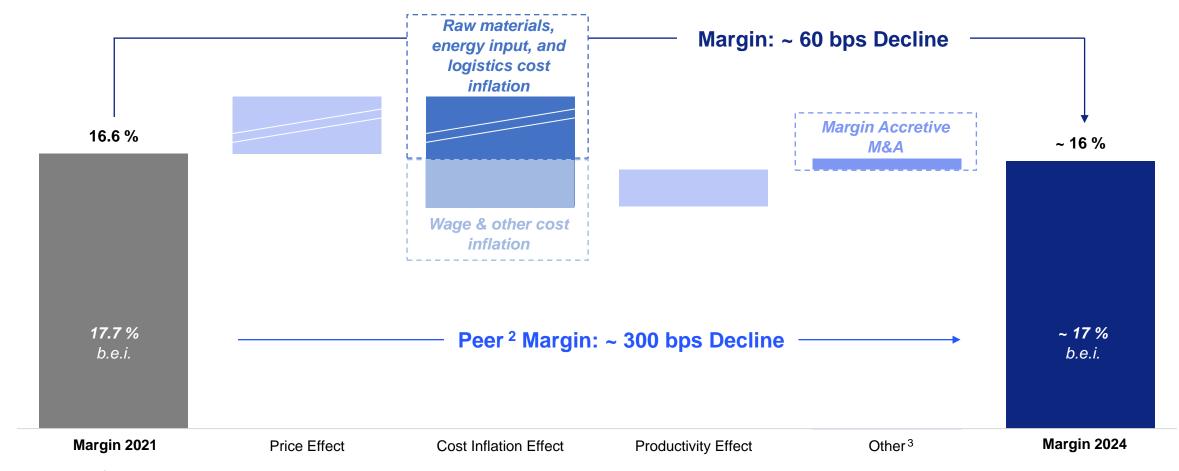
# Organic Local Currency Growth of + 4 % p.a., Outperforming Peers



<sup>&</sup>lt;sup>1</sup> Excluding sunliquid <sup>® 2</sup> Organic LC growth, excludes FX and scope effects <sup>3</sup> Average of 2021 – 24 reported Sales CAGRs for selected peers, including Ashland, BASF, Croda, Evonik, JMAT, Lanxess, Syensqo, and Wacker; 2024 estimates based on median analyst consensus estimates for peers per Capital IQ as of 31 October 2024

# Resilient Margins Since 2021 CMD, Withstanding Macro Headwinds

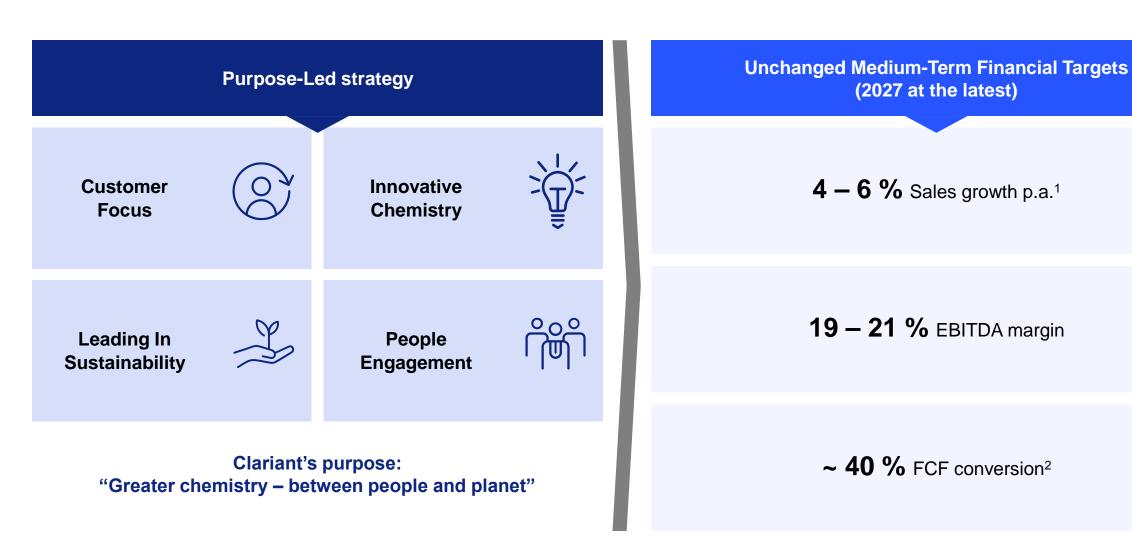
2021 – 2024 EBITDA a.e.i. Margin Bridge<sup>1</sup>



<sup>&</sup>lt;sup>1</sup> Excluding sunliquid <sup>® 2</sup> Average of adj. EBITDA margin (per company definitions) expansions / compressions for selected peers, including Ashland, BASF, Croda, Evonik, JMAT, Lanxess, Syensqo (Wacker not reporting adj. EBITDA); 2024 estimates based on median analyst consensus estimates for peers per Capital IQ as of 31 October 2024 <sup>3</sup> Net effect of scope, volume & mix and FX

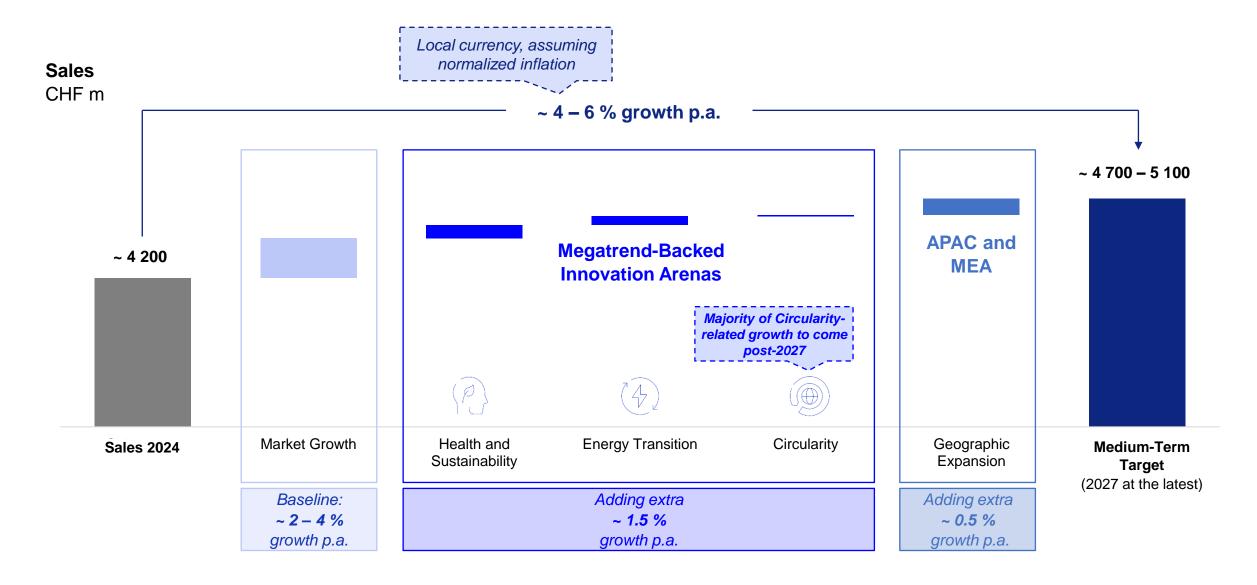


# **Continued Commitment to Deliver Medium-Term Targets**



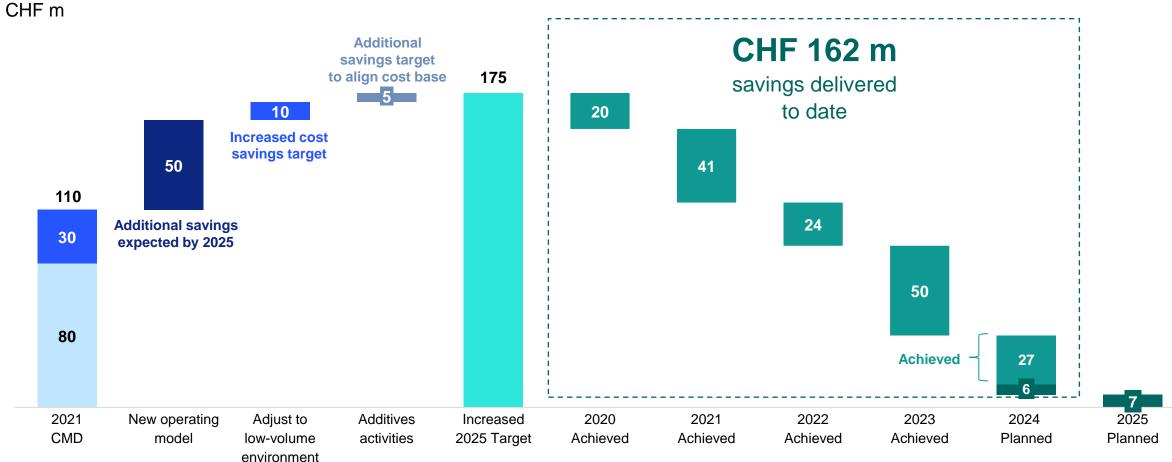
<sup>&</sup>lt;sup>1</sup> Local currency growth assuming normalized inflation <sup>2</sup> Defined as (Cash Generated from Operating Activities – PP&E Capex) / EBITDA

# Reinforced Growth Target Underpinned by Tangible Growth Levers

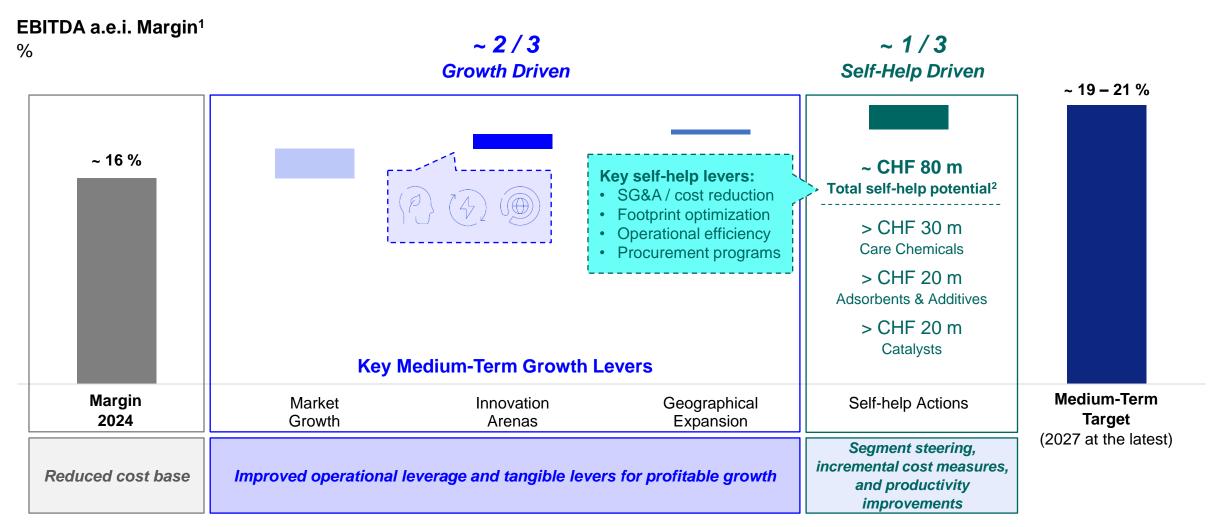


# > 90 % of Increased Cost Savings Plan Delivered to Date

# Operational Efficiencies Target Breakdown



# Profitable Growth, Operational Leverage, and Self-Help to Drive Margin



<sup>&</sup>lt;sup>1</sup> Assumes pricing actions will offset materials / input cost inflation <sup>2</sup> Including ~ CHF 10 m corporate cost reduction potential; including the finalization of the performance improvement programs









# **Disciplined Capital Deployment**

### **Key Capital Allocation Criteria**

Organic differentiated steering

- Focus on most attractive market segments
- Prioritize ROICaccreting projects
- Sustained capex level of ~ CHF 210 – 230 m p.a.

2
Inorganic
differentiated
steering

- Complementing existing segments and technologies
- M&A based on value creation, with long-term accretion to ROIC

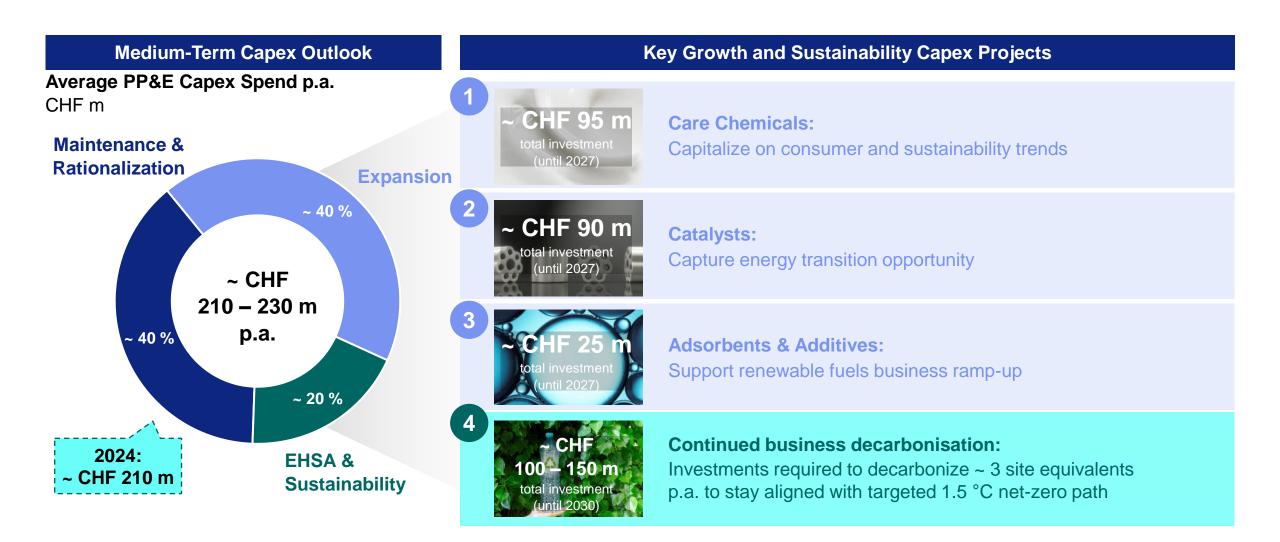
3 Shareholder returns

 Superior capital returns for reliable, sustainably growing and funded dividend 4 Leverage

 Solid investment grade rating



# **Expansion and Sustainability Capex Driving Profitable Growth**





# Selective M&A to Strengthen Our Core Business Segments



by Clariant

### **M&A Criteria**

### Segment

- Attractive market position
- Primary focus on consumerfacing businesses

### **Commercial**

- Revenue synergies
- Cost synergies
- Product-line extensions
- · Geographic expansion

### **Financial**

- · Accretion to long-term ROIC
- IRR > WACC
- Growth and margin enhancing

### **Technologies**

- Complementing Clariant's technologies
- Positive sustainability impact

### **Lucas Meyer Cosmetics Acquisition (2024)**

- Leading player in ~ USD 6 b¹ market for high-value active and functional cosmetics ingredients, one of the most attractive, profitable, and fastest-growing fields in specialty chemicals
- Track record of outgrowing market of high-value cosmetics ingredients thanks to strong name among key premium independent cosmetics brands and a portfolio of 150+ products across 40+ patent families
- Impeccable sustainability credentials and strategic fit with strong complementarity to Clariant's portfolio
- Acquisition fully aligned with our strategic goal to accelerate customer- and sustainability-driven innovation, with 4 R&D labs having won 50+ innovation awards to date

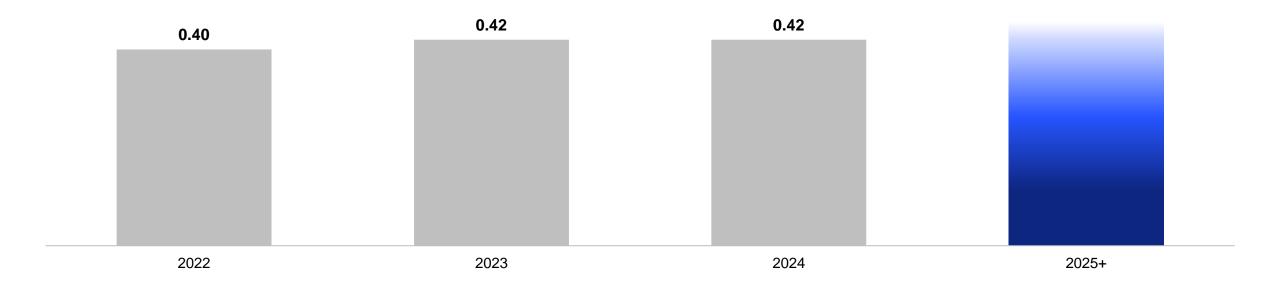
<sup>&</sup>lt;sup>1</sup> Total market for high-value active and functional ingredients within the premium skin and hair care ingredients space (USD 1.5 b directly addressable by Lucas Meyer Cosmetics)



# **Track Record of Attractive Dividend Payouts**

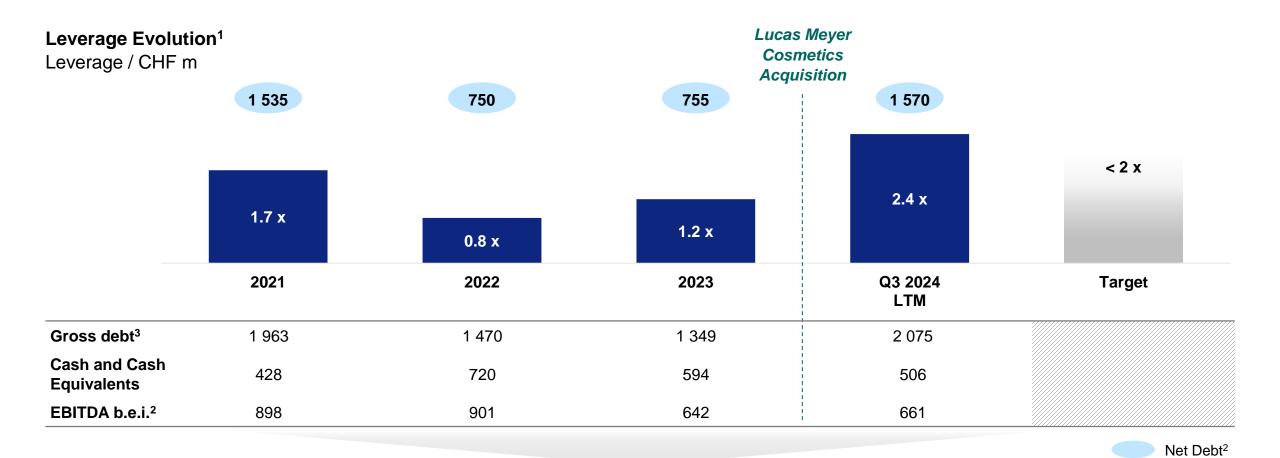
### **Dividend Evolution**

CHF per share / year of payout



Continued focus on dividend stability / attractive payout ratio around 40 %1

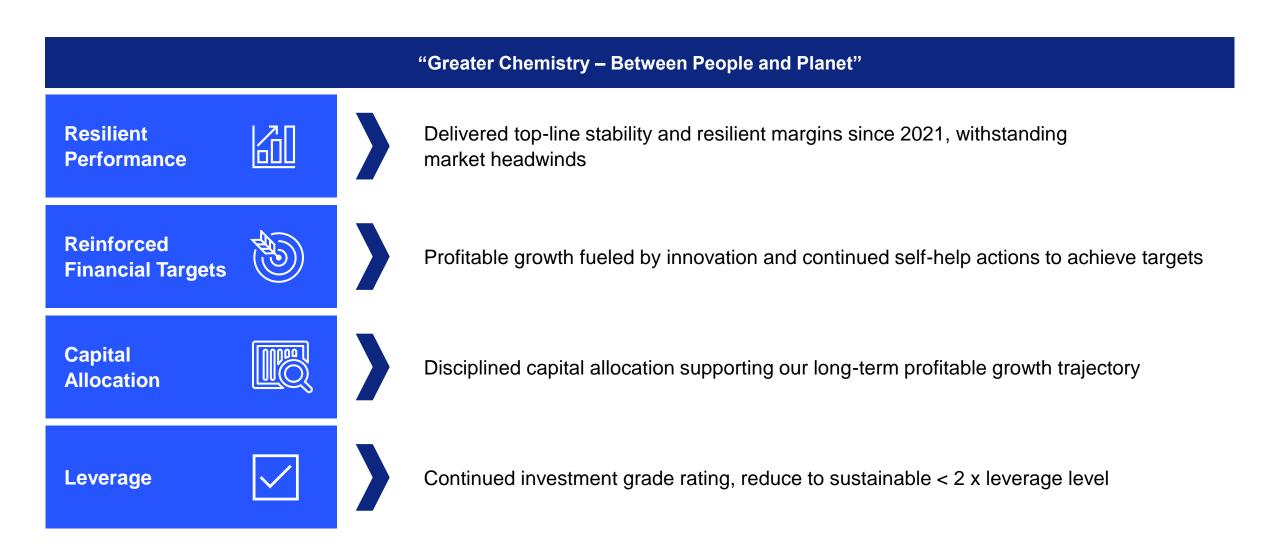
# **Investment Grade Rating Target Confirmed**



Rated "BBB-" long-term with a "stable" outlook by S&P Global

**Debt maturities spread out until 2031** 

# **Key Takeaways**



# CLARIANT

Q&A

Greater chemistry

# Wrap-up

# Wrap-up

### Why we are positioned to win **High Quality Organizational ESG Leadership Profitable Growth Innovation Power Portfolio** Set-up Streamlined portfolio with **Differentiated segment** Positioned for innovation Relentless focus on Leveraging our innovation platform to leading positions in steering across our driven, profitable delivering our even more some of the most ambitious ESG agenda global businesses growth with continued deliver outgrowth attractive segments supported by agile and focus on realization of to stay ahead of the through sustainable customer-centric new innovation across three within the chemicals efficiencies (~ CHF 80 m curve across all dimensions of ESG industry operating model self-help target by 2027) innovation arenas

Full commitment to deliver medium-term targets



Thank you!

We were delighted to have you here.





# sunliquid® Adjustments Reconciliation Summary

### CHF m, Continuing Operations

Metric	2021	2022	2023	Q3 2024 LTM
Sales	4 372	5 198	4 377	4 123
(-) sunliquid <sup>®</sup> Sales	1	6	11	6
Sales adj. for sunliquid®	4 371	5 192	4 366	4 117
Growth yoy	13.2 %	18.8 %	-15.9 %	-11.1 %
EBITDA b.e.i.	760	893	641	661
(-) sunliquid® EBITDA b.e.i. impact	-16	-43	-42	-17
EBITDA b.e.i. adj. for sunliquid®	776	936	683	678
EBITDA b.e.i. adj. for sunliquid® margin	17.7 %	18.0 %	15.6 %	16.5 %
EBITDA a.e.i.	708	810	607	584
(- ) sunliquid <sup>®</sup> EBITDA a.e.i.	-1	0	-61	-50
EBITDA a.e.i. adj. for sunliquid®	724	853	710	651
EBITDA a.e.i. adj. for sunliquid® margin	16.6 %	16.4 %	16.3 %	15.8 %

# **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.

Clariant does not undertake any obligation to publicly release any revisions to these forward-looking statements to reflect events or circumstances after the date of these materials.