CLARIANT

AD HOC ANNOUNCEMENT PURSUANT TO ART. 53 LR
FIRST QUARTER | 2025

Clariant delivers further improved profitability in challenging environment – outlook confirmed

- **Q1 2025 sales increased by 1 % in local currencies[1] to CHF 1.013 billion, driven by organic growth in Care Chemicals and Adsorbents & Additives, supported by scope and slightly positive pricing**
- **Lucas Meyer Cosmetics by Clariant delivering strong operational performance with CHF 25 million in sales and a continued high level of profitability**
- **Q1 2025 EBITDA margin before exceptional items improved 70 basis points to 18.8 % from 18.1 % in Q1 2024, driven by strong profitability in all businesses, with reported EBITDA margin impacted by CHF 38 million restructuring charges**
- **Performance program of CHF 175 million completed on schedule with achievement of additional cost savings of CHF 5 million, implementation of additional Investor Day savings program of CHF 80 million underway**
- **Outlook 2025 confirmed under current conditions, with increased risk and uncertainty from potential impact of trade tensions and tariffs on global demand environment; medium-term targets confirmed**
- **Planned succession in CFO position: Bill Collins will retire; Oliver Rittgen appointed CFO as of 1 August**

"We have made a good start to the year in the first quarter of 2025, with growth in Care Chemicals and Adsorbents & Additives offsetting the expected seasonal decline in Catalysts. Our EBITDA margin before exceptional items further improved, driven by slight sales growth including the contribution from Lucas Meyer Cosmetics," said Conrad Keijzer, Chief Executive Officer of Clariant. "Despite increasing trade tensions, we are well positioned with our balanced regional sourcing and production footprint, local-for-local strategy and our track record of value-based pricing. Assuming no further escalation, we remain confident in achieving our guided 3 % – 5 % growth in local currency sales in 2025, with the current environment implying a growth rate toward the bottom end of this range. We also expect underlying margin improvement, and continued delivery of cost savings, resulting in improved cash generation. Despite challenging market conditions and macroeconomic risks and uncertainties, we remain committed to the delivery of our medium-term targets, supported by our self-help actions," Conrad Keijzer added.

Business Summary

	First Quarter			
in CHF million	**2025**	**2024**	**% CHF**	**% LC(1)**
Sales	1 013	1 014	0	1
EBITDA	152	173	- 12	
- margin	15.0 %	17.1 %		
EBITDA before exceptional items	190	184	3	
- margin	18.8 %	18.1 %		
Sales bridge:	*Price 1 %; Volume - 2 %; Scope 2 %; Currency - 1 %*			

(1) Excluding hyperinflation accounting countries Argentina and Türkiye

[1] All references to local currency growth, pricing, volumes, and scope exclude the impact from hyperinflation countries Argentina and Türkiye. All references to currency include a net impact from hyperinflation countries Argentina and Türkiye.

First Quarter 2025 Group Discussion

MUTTENZ, 29 APRIL 2025

Clariant, a sustainability-focused specialty chemical company, today announced first quarter 2025 sales of CHF 1.013 billion, up 1 % in local currency[1] and stable in Swiss francs versus Q1 2024. Pricing increased by 1 % year on year, while volumes decreased by 2 %. Changes in scope had a positive impact of 2 % due to the acquisition of Lucas Meyer Cosmetics in April 2024.

Care Chemicals sales increased by 2 % organically in local currency and by 6 % including scope versus Q1 2024. Sales in Crop Solutions and Base Chemicals, driven by strong seasonal Aviation sales in North America, grew organically while Personal & Home Care was stable organically. Sales declined in Oil Services and Mining Solutions, both against a strong comparison base, as well as in Industrial Applications. As expected, Catalysts sales declined by 13 % in local currency due to the strong performance in the final quarter of 2024. The Q1 performance was driven by lower volumes as growth in Ethylene catalysts was more than offset by declines in the other segments. Adsorbents & Additives sales increased by 2 % in local currency due to volume growth in Additives.

In the first quarter, local currency sales in the Europe, Middle East & Africa region were up 6 % (3 % related to scope) versus Q1 2024, driven by organic growth in Care Chemicals, with growth across several countries more than offsetting a decline in Germany. Sales in the Americas decreased by 1 %, as growth in Brazil did not fully compensate for a slight decline in the USA. Excluding scope (3 %), sales in the region declined organically by 4 % in local currency. Sales in Asia-Pacific decreased by 3 % (5 % excluding scope) in local currency, driven by a decline in China of 17 %, as growth in Adsorbents & Additives and Care Chemicals did not offset the expected decline in Catalysts.

Group EBITDA before exceptional items of CHF 190 million increased 3 % year on year and the corresponding underlying margin of 18.8 % was up 70 basis points compared to 18.1 % in the prior year. Slight sales growth on a lower cost base provided some operating leverage, particularly in the Adsorbents & Additives business. A strong profitability contribution from Lucas Meyer Cosmetics helped compensate for the exceptionally strong margin contribution from the seasonal Aviation business in the prior year. Cost savings from performance programs of approximately CHF 5 million contributed positively to offset inflation and concluded our CHF 175 million savings program. The implementation of the CHF 80 million Investor Day savings program delivered CHF 3 million cost savings. Increased raw material (+1 %) and energy costs (+3 %) were only partially offset by higher pricing and thus slightly weighed on profitability.

Group reported EBITDA decreased by 12 % to CHF 152 million due to CHF 38 million of restructuring charges being booked during the quarter. As a result, the EBITDA margin of 15.0 % was below the 17.1 % reported in the first quarter of 2024.

[1] All references to local currency growth, pricing, volumes, and scope exclude the impact from hyperinflation countries Argentina and Türkiye. All references to currency include a net impact from hyperinflation countries Argentina and Türkiye.

Innovation, sustainability and improved employee engagement

At in-cosmetics Global in Amsterdam, the Business Unit Care Chemicals was awarded six innovation awards. Lucas Meyer Cosmetics by Clariant and the Clariant Personal Care team jointly attending under the umbrella of Clariant Beauty were recognized by the industry for both active and functional ingredients as well as for their sustainability practices and designs. Pickmulse™, a surfactant-free emulsifier derived from organic quinoa, Melicica™, a honey-based skin repair solution, and GlowCytocin™, a natural skin care ingredient derived from bulbs of *Hyacinthis orientalis*, are awarded innovations meeting growing customer demand for high-value natural ingredients.

The Mining Solutions Segment was recognized by AngloAmerican with annual outstanding supplier awards in the categories of Sustainability and Supplier Relationship Management. Clariant was awarded for the fifth time in both of these categories demonstrating the customer-centric behavior of the team to drive continuous improvement and positive community impact.

Clariant's Scope 1 and 2 total greenhouse gas emissions fell to 0.46 million tons in the last twelve months (April 2024 to March 2025), a decline of 6 % from 0.49 million tons in the full year 2024. The total indirect greenhouse gas emissions for purchased goods and services (Scope 3) were practically flat at 2.58 million tons in the full year 2024 compared to 2.59 million tons in the last twelve months.

In January 2025, Clariant invited all employees to participate in the annual engagement survey. The participation rate increased to 86 %, compared to 83 % in 2024. Meaningful progress and continuous improvement have been achieved in the Employee Net Promoter Score (eNPS), increasing from + 25 in 2024 to + 34 in 2025, confirming Clariant's position in the second quartile, compared to relevant industry peers.

Outlook confirmed under current conditions

For the full year 2025, Clariant anticipates a moderation in general inflation but no significant economic recovery due to persistent macroeconomic challenges, uncertainties, and risks, which include potential trade tensions and tariffs. While these tensions increased significantly in the beginning of 2025, Clariant's current assessment is for a manageable direct impact on its performance. Indirectly, however, ongoing tensions are likely to have a negative impact on the global demand environment, and consumer sentiment, and thus present an increased risk to volumes. The current assessment of Oxford Economics is for a moderate slowdown in global GDP and related reduced global industrial production outlook. This broadly aligns with Clariant's cautious assumptions taken at the beginning of the year. Therefore, and assuming no further escalation in trade tensions and tariffs, Clariant continues to expect local currency sales growth toward the bottom end of the 3 % – 5 % range for 2025. Care Chemicals and Adsorbents & Additives are expected to grow, while sales in Catalysts are expected to be at levels similar to those of 2024.

Clariant continues to expect a further profitability improvement in 2025 by delivering an EBITDA margin before exceptional items of between 17 % – 18 %. Exceptional items in 2025 are expected to include restructuring charges of around CHF 75 million. These charges are related to the savings programs announced during the company's Investor Day in November 2024. These programs are expected to deliver run-rate savings of around CHF 80 million through business unit and corporate actions by end of 2027, with a significant part of these savings targeted in 2025. Other exceptional items for 2025 are expected to be around CHF 20 million. Clariant therefore continues to expect its reported EBITDA margin for 2025 to be between 15.0 % – 15.5 %. Clariant also expects to make further progress toward the targeted 40 % free cash flow conversion during 2025.

Clariant reiterates its commitment to its medium-term targets, to be achieved by 2027 at the latest: 4 – 6 % local currency sales growth; 19 – 21 % reported EBITDA margin; and around 40 % free cash flow conversion.

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Clariant announces CFO transition

Bill Collins has made the decision to retire from his role as Chief Financial Officer. As part of the planned succession, the Board of Directors has appointed Oliver Rittgen as CFO, effective 1 August 2025. A comprehensive handover process will be implemented to ensure a smooth and seamless transition.

Reflecting on his tenure at Clariant, Bill Collins stated, “I want to express my gratitude to Conrad and the Executive Leadership Team and the global Finance, IT, and Global Business Services communities. I am incredibly proud of our collective efforts in transforming Clariant, and I remain confident that these changes will drive record improvements in our financial performance.”

“Bill’s leadership has been instrumental during a transformational period for Clariant,” said Conrad Keijzer, Clariant’s Chief Executive Officer. “He established a true performance management culture across the company, built a high-performing finance organization, expanded shared services, and introduced significantly improved practices around free cash flow generation and capital efficiency. These efforts have laid a strong foundation for Clariant’s continued financial progress. On behalf of the Board of Directors and the leadership team, I sincerely thank him for his invaluable contributions and wish him all the best in this next chapter.”

Oliver Rittgen joins Clariant from Bayer AG, Germany, where he spent nearly 25 years in senior management roles. Most recently, he served as CFO of Bayer’s Crop Science division. Prior to that, he was CFO of Bayer’s Consumer Health division and held several regional CFO and Corporate Finance positions in Germany, Finland, and Thailand. Oliver brings extensive expertise in Corporate Finance, Accounting, Controlling, M&A, and Risk Management, as well as experience navigating complex business environments. He holds a master's degree in business administration (*Diplom-Kaufmann*) from the University of Cologne, Germany.

“We are pleased to welcome Oliver Rittgen to the Clariant Executive Steering Committee and thank Bill for his leadership during this critical period of transformation,” said Conrad Keijzer. “We are confident that Oliver is the right person to drive financial excellence in the next phase of our journey, and we look forward to his contributions and leadership.”

Business Discussion
Business Unit Care Chemicals

	First Quarter			
in CHF million	**2025**	**2024**	**% CHF**	**% LC[(1)]**
Sales	599	581	3	6
EBITDA	117	123	- 5	
- margin	19.5 %	21.2 %		
EBITDA before exceptional items	130	125	4	
- margin	21.7 %	21.5 %		

(1) Excluding hyperinflation accounting countries Argentina and Türkiye

Sales

In the first quarter of 2025, sales in the Business Unit Care Chemicals increased by 2 % organically in local currency and by 6 % including scope in local currency (3 % in Swiss francs) versus Q1 2024. Volume and pricing were both up 1 %. On a sequential basis, sales increased by 6 % in local currency, driven by volumes as pricing was stable.

Organic growth in Crop Solutions was driven by the improved demand environment compared to the prior year (which was impacted by destocking at the time). Base Chemicals sales also increased, driven by good seasonal Aviation volumes in North America in particular. Personal & Home Care sales were stable organically, with a strong operational performance by Lucas Meyer Cosmetics (scope) contributing positively overall. Industrial Applications declined slightly, driven by lower volumes. Sales in Mining Solutions declined against a high comparison base, as increased pricing did not offset lower volumes. Oil Services sales also came in lower against a high comparison base, driven by lower volumes due to temporary oilfield production issues with key customers.

Care Chemicals sales in the Europe, Middle East & Africa region increased at a mid-single-digit percentage rate organically (high single-digit percentage rate including scope), as strong volume growth offset slightly lower pricing. In the Americas, sales were up a low single-digit percentage rate including scope, but organically lower than prior year due to a decrease in volumes. Sales in Asia-Pacific increased organically at a low single-digit percentage rate (mid-single-digit percentage rate including scope), driven by growth in several countries including India, as China decreased at a mid-single-digit percentage rate.

EBITDA Margin

In the first quarter, EBITDA before exceptional items increased by 4 % to CHF 130 million, representing an underlying margin of 21.7 %, exceeding the 21.5 % margin of the prior year, when the business had an exceptionally strong margin contribution from the seasonal aviation business. Profitability was positively impacted by the strong operational performance from Lucas Meyer Cosmetics as well as the growth in the Crop Solutions and Aviation businesses, in particular.

The reported EBITDA of CHF 117 million decreased by 5 % compared to the prior year, with a corresponding margin of 19.5 % versus 21.2 %, as restructuring charges of CHF 12 million impacted profitability.

Business Unit Catalysts

	First Quarter			
in CHF million	**2025**	**2024**	**% CHF**	**% LC[1]**
Sales	162	187	- 13	- 13
EBITDA	23	25	- 8	
- margin	14.2 %	13.4 %		
EBITDA before exceptional items	26	24	8	
- margin	16.0 %	12.8 %		

(1) Excluding hyperinflation accounting countries Argentina and Türkiye

Sales

In the first quarter of 2025, sales in the Business Unit Catalysts declined by 13 % in local currency as well as in Swiss francs. Volumes declined by 13 % versus Q1 2024. The economic environment remained weak, and utilization rates continue to trade below long-term averages which is impacting our refill business. Pricing was generally stable. Sales in Ethylene catalysts increased at a mid-teens percentage rate. Sales in Syngas & Fuels declined at a mid-single-digit percentage rate, with more significant declines in Propylene and Specialties.

Catalysts sales increased at a mid-teens percentage rate in the Europe, Middle East & Africa region, primarily driven by growth in the Middle East. Sales in the Americas declined at a mid-twenties percentage rate, primarily driven by the project nature of the business, which had some non-recurring projects in the USA in the prior year. In Asia-Pacific, the largest geographic market, sales decreased at a low-twenties percentage rate, with a more significant drop in China, due to lower Propylene sales in particular, as many project-related orders were delivered in the previous quarter.

EBITDA Margin

In the first quarter, EBITDA before exceptional items increased by 8 % to CHF 26 million, representing an underlying margin of 16.0 %, exceeding the 12.8 % margin of the prior year. A favorable mix and continued margin management were partly able to offset the impact of lower volumes in the quarter, while the absence of a negative impact from sunliquid® contributed positively.

Reported EBITDA of CHF 23 million decreased by 8 % compared to the prior year, with a corresponding margin of 14.2 % versus 13.4 %, as restructuring charges of CHF 4 million impacted the profitability.

Business Unit Adsorbents & Additives

	First Quarter			
in CHF million	**2025**	**2024**	**% CHF**	**% LC[1]**
Sales	252	246	2	2
EBITDA	37	36	3	
- margin	14.7 %	14.6 %		
EBITDA before exceptional items	47	46	2	
- margin	18.7 %	18.7 %		

(1) Excluding hyperinflation accounting countries Argentina and Türkiye

Sales

In the first quarter of 2025, sales in the Business Unit Adsorbents & Additives increased by 2 % in both local currency and in Swiss francs. In the Adsorbents segments, sales decreased at a low single-digit percentage rate, driven by lower volumes in Europe as the region’s industrial activity remained muted. In the Additives segments, sales increased at a low-teens percentage rate as strong volume growth was supported by slightly positive pricing. For the business unit, pricing was stable while volumes increased by 2 %. On a quarterly sequential basis, sales in the business unit decreased by 3 % as Additives was slightly weaker in China and Adsorbents was weaker in the USA.

In Europe, Middle East & Africa, the largest region, sales declined at a low single-digit percentage rate as growth in Additives was unable to offset a decline in Adsorbents due to ongoing weakness in the region’s automotive industry in particular. In the Americas, sales increased at a low single-digit percentage rate with both positive pricing and volumes, particularly driven by growth in Additives. Asia-Pacific sales were up at a low-teens percentage rate, with China sales increasing at a high-teens percentage rate, driven by volume growth in Additives in particular.

EBITDA Margin

In the first quarter, EBITDA before exceptional items increased by 2 % to CHF 47 million, representing an underlying margin of 18.7 % which was stable versus the prior year. Profitability was positively impacted by operating leverage due to the volume growth in Additives on a lower cost base.

The reported EBITDA of CHF 37 million increased by 3 % compared to the prior year, with a corresponding margin of 14.7 % versus 14.6 %, with restructuring charges of CHF 10 million versus CHF 9 million in the prior year.

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Clariant is a focused specialty chemical company led by the overarching purpose of "Greater chemistry – between people and planet." By connecting customer focus, innovation, and people, the company creates solutions to foster sustainability in different industries. On 31 December 2024, Clariant totaled a staff number of 10 465 and recorded sales of CHF 4.152 billion in the fiscal year for its continuing businesses. Since January 2023, the Group conducts its business through the three Business Units Care Chemicals, Catalysts, and Adsorbents & Additives. Clariant is based in Switzerland.