

AD HOC ANNOUNCEMENT PURSUANT TO ART. 53 LR

Clariant divestment of its Pigments business

14 June 2021

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Clariant completes its divestment program by reaching agreement to divest its Pigments business

- **Definitive agreements signed by a consortium of Heubach Group and SK Capital Partners to acquire Clariant's Pigments business**
- **Enterprise Value of CHF 805 million to CHF 855 million, representing a 10.7x to 11.4x stand-alone adjusted EBITDA multiple per April 2021 (LTM) depending on an earn-out payment of CHF 50 million**
- **Clariant will be reinvesting for a 20% ownership stake in the combined business**
- **Closing anticipated in the first half of 2022**

Muttenz, June 14, 2021 – Clariant, a focused, sustainable and innovative specialty chemical company, today announced that it has reached definitive agreements for the divestment of its Pigments business to a consortium of Heubach Group (“Heubach”) and SK Capital Partners (“SK Capital”) at an Enterprise Value (EV) of CHF 805 million to CHF 855 million on a cash and debt free basis, depending on an earn-out payment of CHF 50 million contingent on the 2021 financial performance of Clariant's Pigments business. This represents a multiple of 10.7 to 11.4 times the stand-alone adjusted 12-month EBITDA per April 2021 (LTM).

At the time of closing of the transaction, Clariant will reinvest to become a 20% shareholder alongside Heubach and SK Capital in the ultimate holding company. The combined business will be a global pigments player with approximately 3 000 employees generating more than EUR 900 million in annual sales and strong service and production capabilities across the globe. The reinvestment enables Clariant to further benefit from the improving profitability of the Pigments business resulting from the initiated efficiency program and to participate in the future growth opportunities as well as synergies of the combination with the Heubach Pigments business.

The transaction is subject to customary closing conditions and regulatory approvals and is expected to close in the first half of 2022. The share of the participation in Infracore Höchst, Germany, attributable to Clariant's Pigments business is not part of this transaction.

“We are pleased to announce the agreement with Heubach and SK Capital for the sale of our Pigments business. This achievement represents a final step in the divestment program and portfolio repositioning announced in July 2018. We are confident that with Heubach and SK Capital, we have found the right owners of this business, for our customers, our colleagues, and our other stakeholders. Now our focus can fully be on growing revenue and profitability of our core Business Areas: Care Chemicals, Catalysis and Natural Resources”, said Conrad Keijzer, Chief Executive Officer of Clariant.

Johann Heubach, Chief Executive Officer of the Heubach Group, noted “We have been in pigments for more than 200 years. My late father and I set out to drive consolidation in the pigments industry, and the combination of Heubach and Clariant Pigments is a major milestone in this vision. The fit between Heubach and Clariant Pigments is perfect. The combination of industry leading technologies, a product portfolio serving a wide range of customer requirements and global production and service footprint will give the newly formed Heubach Group the ability to serve our global customer base in the coatings, plastics, inks and specialty applications fields with industry leading products and services.”

Aaron Davenport, a Managing Director of SK Capital, noted “Clariant Pigments is a premier global colorant solutions provider, and, together with our new partners, the Heubach Group and Clariant, we see a tremendous opportunity to create significant value for all stakeholders.”

Once completed, Clariant will have finalized its intended divestments as part of its portfolio upgrade, having previously divested the Healthcare Packaging and Masterbatches businesses. The Pigments divestment concludes Clariant’s transformation into a high value specialty chemical company with above-market growth, higher profitability, and stronger cash generation. The proceeds of the Pigments divestment will be used to invest into growth projects within the core Business Areas, execute the strategy along sustainability and innovation, fund the performance improvement programs as well as strengthen Clariant’s balance sheet and fund the reinvestment into the Clariant-Heubach combined Pigments business.

Clariant’s Pigments business is a leading global provider of superior quality organic pigments, pigment preparations and dyes which are used in many applications such as the automotive industry, for industrial and architectural coatings as well as for the plastics industry. In 2020, the unit’s 1,900 employees generated approx. CHF 850 million in sales on a stand-alone adjusted basis.

About Clariant

Clariant is a focused and innovative specialty chemical company based in Muttenz, near Basel/Switzerland. On 31 December 2020, the company employed a total workforce of 13 235. In the financial year 2020, Clariant recorded sales of CHF 3.860 billion for its continuing businesses. The company reports in three business areas: Care Chemicals, Catalysis and Natural Resources. Clariant's corporate strategy is based on five pillars: focus on innovation and R&D, add value with sustainability, reposition portfolio, intensify growth, and increase profitability.

About Heubach Group

Heubach has more than 200 years of experience in pigments production as one of the first-ever manufacturers of pigments. Heubach is a leading global producer of organic, inorganic and anticorrosive pigments and pigment preparations, is headquartered in Langelsheim, Germany and has sites in Germany, US, and India with sales offices around the world.

About SK Capital

SK Capital is a private investment firm with a disciplined focus on the specialty materials, chemicals and pharmaceuticals sectors. SK Capital's portfolio of businesses generates revenues of approximately \$11 billion annually, employs more than 16,000 people globally and operates 150 plants in 28 countries. The firm currently has greater than USD 5 billion of assets under management.

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