

# Media Release

## **Clariant has agreed to sell its Masterbatches business for approx. USD 1.6 billion**

- **Divestment of Clariant's entire Masterbatches business to PolyOne**
- **Total enterprise value of approx. USD 1.6 billion**
- **Extraordinary cash distribution of CHF 3.00 per share proposed by Clariant's Board of Directors, subject to AGM approval and closing of transaction**

Muttenz, December 19, 2019 – Clariant, a focused and innovative specialty chemical company, has agreed to sell its entire Masterbatches business to PolyOne. The transaction values the Masterbatches business at USD 1,560 million, representing c. 12.2 times the last twelve months reported EBITDA (ending September 2019) on a cash and debt free basis. This amount is payable at closing, which is expected by Q3 2020.

“This announcement is a significant milestone on our path to focussing on businesses with above-market growth, higher profitability and stronger cash generation. After the successful divestment of Healthcare Packaging in October 2019 the agreement to sell Masterbatches is an important step in delivering on our strategy defined in 2015 to concentrate on our three core Business Areas Care Chemicals, Catalysis and Natural Resources”, said Hariolf Kottmann, Executive Chairman of Clariant. “As announced, we are confident that we will execute the remaining divestment of our Pigments business in 2020 in order to build the new, more focused and stronger Clariant by 2021,” he added.

As previously communicated, the proceeds from the intended divestments of Clariant's non-core businesses will be used to invest in innovations and technological applications within the core Business Areas, to strengthen Clariant's balance sheet and to return capital to shareholders.

As a consequence of the divestment of the Masterbatches business, as well as the anticipated divestment of the Pigments business by the end of 2020, Clariant's Board of Directors is proposing an extraordinary cash distribution of CHF 3.00 per share to the Clariant Annual General Meeting to be held on March 30, 2020. Subject to a positive vote of Clariant's shareholders, the extraordinary distribution of approx. CHF 1 billion will be paid out post the closing of the divestment of the Masterbatches business.

The deal with PolyOne comprises two separate transactions. The global Masterbatches business is sold in a deal valued at USD 1,500 million, representing c. 12.1 times the last twelve months reported EBITDA (ending September 2019). Separately, the sale of Clariant's Masterbatches business in India has been approved by Clariant Chemicals (India) Limited's Board of Directors and is valued at INR 4,260 million or approx. USD 60 million, representing c. 17.3 times the last twelve months reported EBITDA (ending September 2019). Clariant Chemicals (India) Limited is listed on the stock exchanges in India with Clariant AG holding a 51% controlling stake. The closing of both transactions is subject to customary closing conditions and regulatory approvals.

Clariant's Masterbatches business offers color and additive concentrates and performance solutions for plastics. Clariant's Masterbatches help to enhance the market appeal or end-use performance of plastic products, packaging or fibers. In the financial year 2018, the total Masterbatches business generated sales of around CHF 1.181 billion.

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[www.clariant.com](http://www.clariant.com)

Clariant is a focused and innovative specialty chemical company, based in Muttenz near Basel/Switzerland. On 31 December 2018 the company employed a total workforce of 17 901. In the financial year 2018, Clariant recorded sales of CHF 4.404 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.