

**AD HOC ANNOUNCEMENT PURSUANT TO ART. 53 LR
TRADING UPDATE | 2023**

Clariant Q2 2023 sales and FY 2023 outlook weaker, Catalysts improvement on track

MUTTENZ, July 7, 2023

Clariant, a sustainability-focused specialty chemical company, today provided a trading update based on a preliminary assessment of its Q2 2023 results and adjusted its expectations for FY 2023.

The ongoing macro-economic challenges, the slow pace of recovery in China, and the prolonged destocking cycle continues to impact demand in key end markets in the Care Chemicals and the Additives businesses. The strength of the Swiss Franc is creating significant translation impacts in Q2 2023 and FY 2023. However, the improvement of the Catalysts business is on track (excluding sunliquid®). The strong order book in Catalysts is being executed and pricing measures are having positive impacts on the top-line and profitability.

Q2 2023 preliminary sales at CHF 1 084 million (compared to CHF 1 301 million in Q2 2022 and CHF 1 200 million in Q1 2023) resulting from improved Catalysts sales which partly compensate very weak demand in Care Chemicals and Additives as well as an approximate CHF – 30 million net top-line impact from divestments/acquisition and around 10 % negative FX translation effects.

Q2 2023 reported EBITDA is expected between CHF 155 – 165 million (14.4 % – 15.4 % reported EBITDA margin) compared to CHF 216 million (16.6 %) in Q2 2022, which included CHF 23 million gain from the Scientific Design divestment, and CHF 167 million (13.9 %) in Q1 2023. The Q2 2023 reported EBITDA will include a CHF 55 million gain from the Quats divestment closed on 1 June 2023 (recognized in Care Chemicals), ~ CHF 20 million restructuring charges, and between negative CHF 5 – 10 million other exceptional items.

sunliquid® update: In Q2 2023, a slightly improved operational EBITDA impact of CHF – 11 million is expected. Clariant has continued its efforts to address the mechanical, bio-chemical, and operational challenges involved in the ramp-up of this first-of-a-kind technology. In addition, Clariant initiated structural measures to further focus its bio-technology activities on second generation bioethanol and adjust the cost structure to lower run-rates which resulted in a restructuring charge of CHF 8 million in Q2 2023. Clariant is actively evaluating strategic options for sunliquid® and will provide an update by end of 2023.

In order to address the short-term demand challenges, particularly in the Care Chemicals and Additives businesses, Clariant has initiated further cost reduction measures in addition to the previously announced activities related to the implementation of the new operating model. This will result in a total expected restructuring charge of ~ CHF 30 million for FY 2023 (compared to CHF 15 – 25 million previously announced).

Based on the preliminary assessment of Q2 2023 results and given limited indications for a recovery in the second half, except in the Catalysts business, FY 2023 sales are expected between CHF 4.55 – 4.65 billion (previously guided: around CHF 5 billion). This includes a net divestments/acquisition impact of CHF – 150 million relating to the Quats, NORAM Land Oil, and Attapulgit transactions as well as an expected approximately 5 – 10 % negative FX translation impact.

Given the ongoing Catalysts profitability improvement and muted recovery in Care Chemicals and Additives, FY 2023 reported EBITDA is expected between CHF 650 – 700 million (14.3 % – 15.1 % reported EBITDA margin; previously guided: slight improvement vs. 15.6 % reported in 2022) including a CHF 55 million gain from the Quats divestment and the ~ CHF 30 million restructuring charges outlined above.

“The uncertainties and risks related to the economic environment, including the pace of a recovery in China, which we had indicated at the start of this year have unfortunately materialized and are weighing on the industry as a whole. This development impacts demand in both industrial and consumer end markets. Although the top-line stabilized during the second quarter and prices were largely maintained, our preliminary Q2 2023 top-line and estimated profitability is below current market consensus.

Excluding sunliquid®, for FY 2023, we assume the Catalysts business will deliver the expected continued improvement, partly compensating for weaker trading in the other business units. By accelerating our Group restructuring efforts, we are addressing short-term demand dynamics while remaining well positioned to benefit from a market recovery once the near-term challenges are behind us,” said Conrad Keijzer, Chief Executive Officer of Clariant.

Clariant will report its Q2/HY 2023 results on Friday, 28 July 2023.

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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 2022, Clariant totaled a staff number of 11 148 and recorded sales of CHF 5.198 billion in the fiscal year for its continuing businesses. As of January 2023, the Group conducts its business through the three newly formed Business Units Care Chemicals, Catalysts, and Adsorbents & Additives. Clariant is based in Switzerland.