

Media Release

Clariant strengthens its core by transforming the portfolio, focusing and rightsizing its organization

- **Clariant continues its transformation to a higher-value specialty portfolio**
- **Simplifying the Group's organization post divestments to focus on its core Business Areas**
- **Rightsizing regional organizations and service units to avoid remnant cost**

Muttenz, November 25, 2020 – Clariant, a focused, sustainable and innovative specialty chemical company, today announced its plans to adapt and refocus its organization post divestments. With the divestments of Healthcare Packaging in October 2019 and Masterbatches in July 2020 as well as the anticipated divestment of Pigments, Clariant is transforming itself towards a higher-value specialty portfolio focusing on its core Business Areas: Care Chemicals, Catalysis and Natural Resources. The Group plans to rightsize regional organizations and service units in order to avoid remnant cost, thereby reducing complexity and increasing agility post the expiration of transitory service agreements following the closing of the divestitures.

The rightsizing program foresees a reduction of approx. 1,000 positions in service and regional structures. Approximately one third of the reductions will be included in the divestment transfers. After a careful review of the scope of all measures under consideration, Clariant has decided to make a provision in the magnitude of CHF 70 million in discontinued operations in the fourth quarter of 2020 for the rightsizing program. The timeline for these measures shall extend over a maximum of two years and will include departures attributable to natural fluctuation. With the rightsizing program Clariant will preserve itself from remnant cost from the recent and impending divestments. The previously announced efficiency program is in full implementation to reduce approx. 600 positions and realize CHF 50 million cost base savings in the continuing business till the end of 2021.

“As we progress towards completing the next of the non-core business disposals, we must utilize this opportunity to further strengthen Clariant's core for a successful future. By avoiding remnant cost and consequently reducing complexity, putting an even stronger focus on innovation, sustainability and operational excellence, we put our company's high value specialty businesses in a position to operate in an even more focused and agile manner. This will help us deliver above-market growth, higher profitability and stronger cash generation,” said Hariolf Kottmann, Executive Chairman ad interim of Clariant.

In addition to the efficiency and rightsizing measures, Clariant continues to emphasize organic and inorganic growth to drive its portfolio upgrade. Clariant's transformational change offers unique opportunities for higher value creation in 2021 and beyond.

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Clariant is a focused, sustainable and innovative specialty chemical company based in Muttenz, near Basel/Switzerland. On 31 December 2019, the company employed a total workforce of 17 223. In the financial year 2019, Clariant recorded sales of CHF 4.399 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.