

Specialties Chemicals Industry Overview

Winners and losers in the Covid world

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What we'll cover today

Specialty chemicals markets

Impact of COVID-19

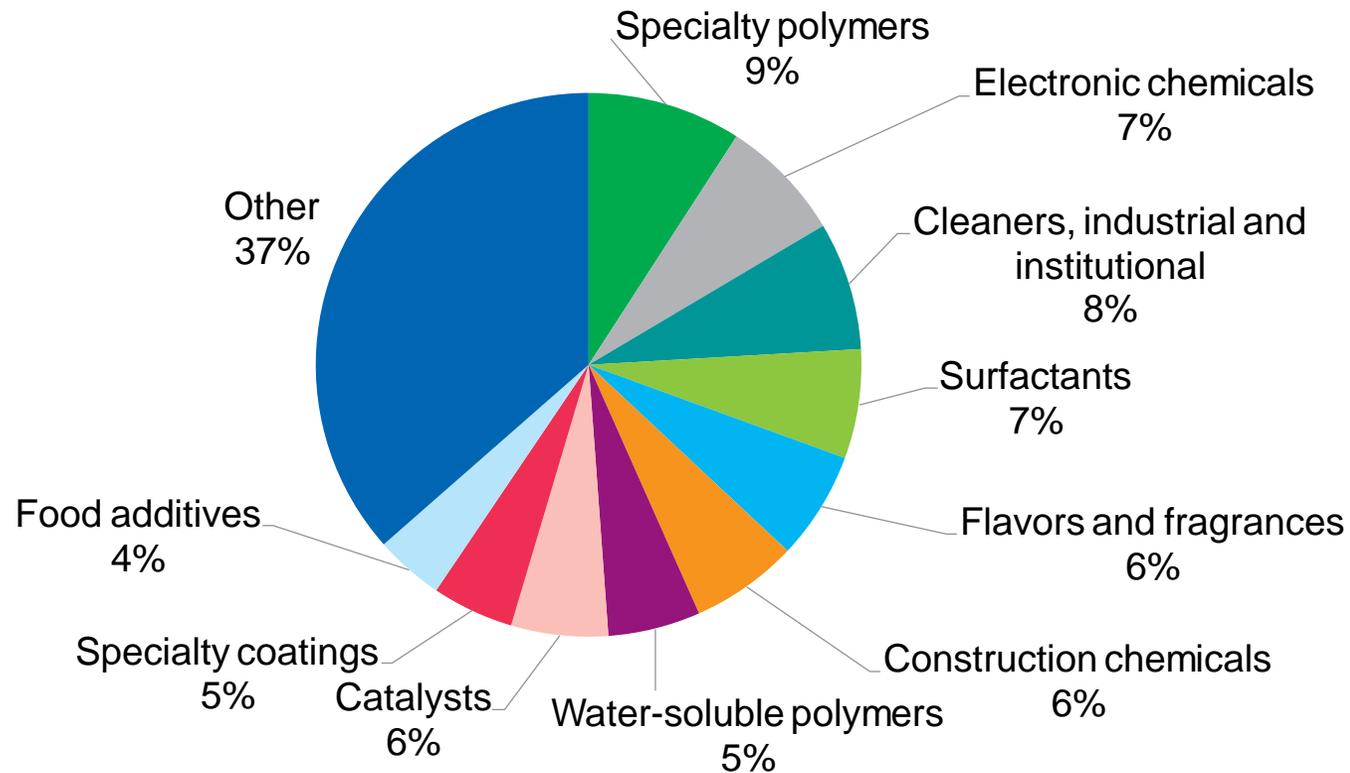
Post COVID-19 recovery and the New Normal



Specialty chemicals markets

Global specialty chemicals market reached \$615bn in 2019

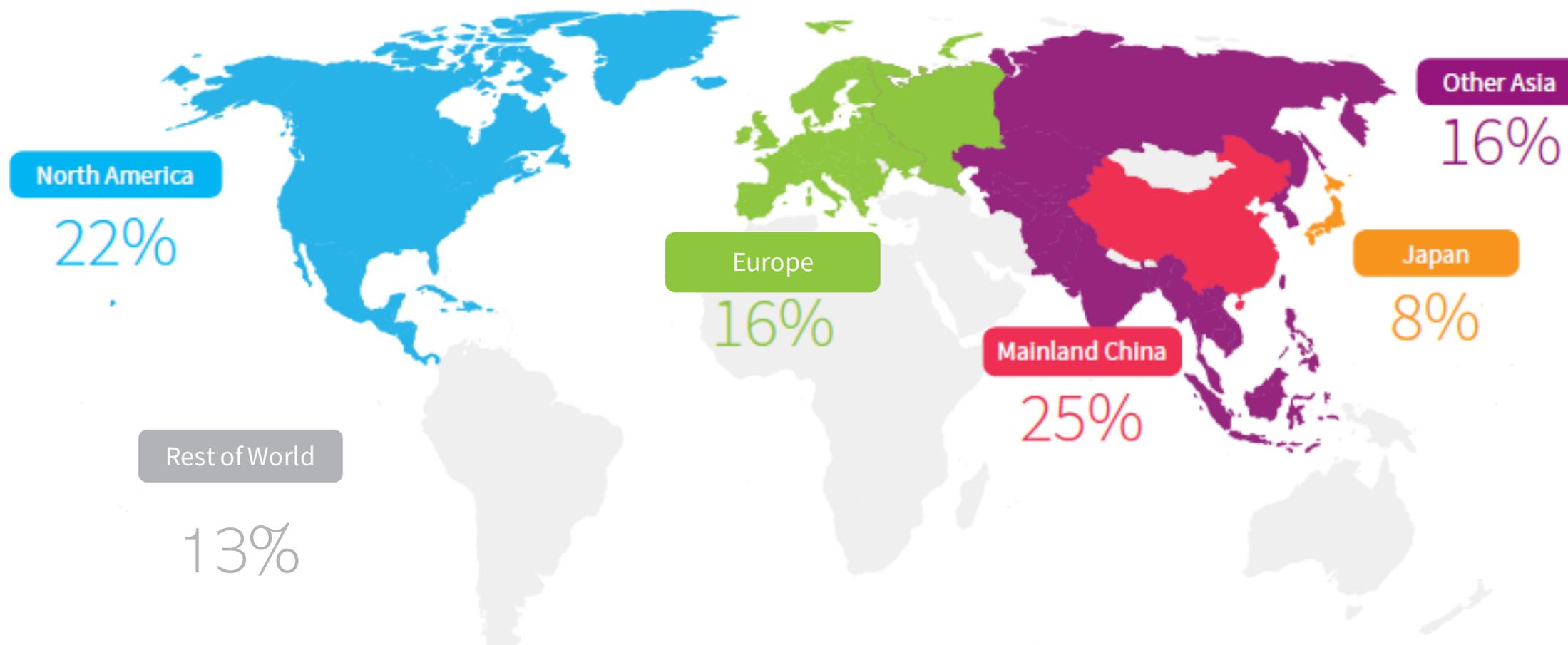
World specialty chemicals segments—2019



Source: IHS Markit

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China is now the largest specialty chemicals market



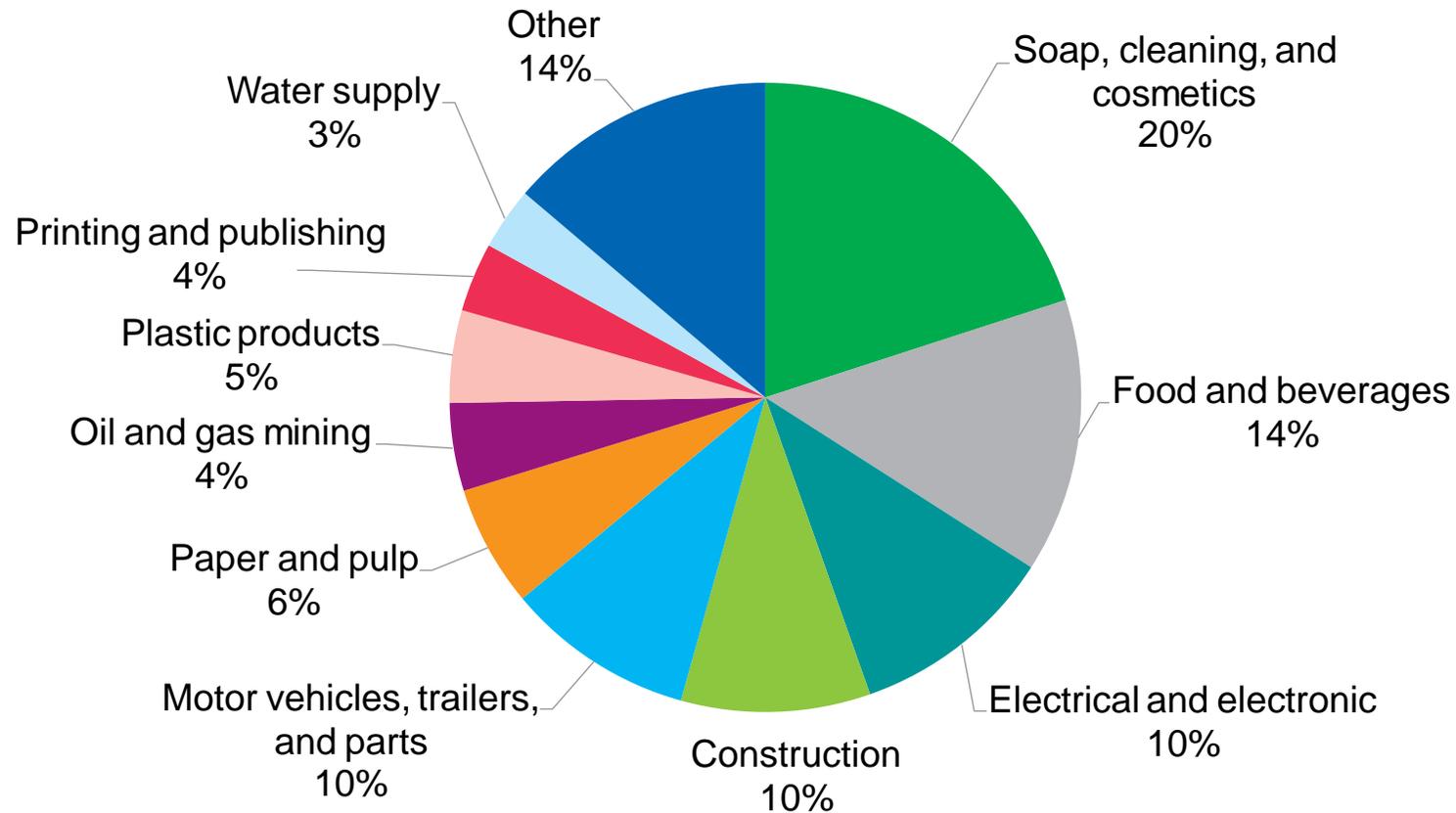
Mainland China is world's largest consumer

Antioxidants	Catalysts	Construction chemicals	Feed additives
PCB and semiconductor packaging chemicals	Plastics additives	Rubber-processing chemicals	Specialty coatings
Specialty polymers	Textile chemicals	Water management chemicals	



Many industrial and consumer markets rely on specialty chemicals

Global specialty chemicals consumption by end-use industry, 2019 = \$615 billion

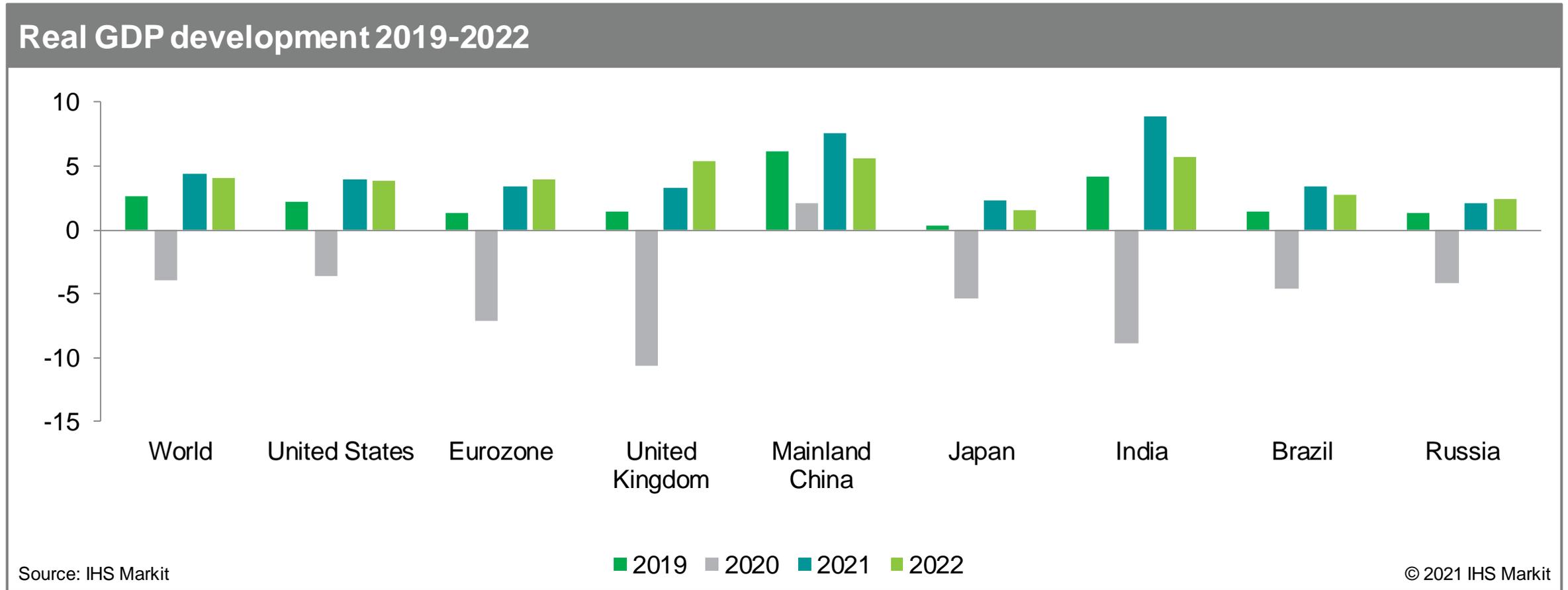


Source: IHS Markit

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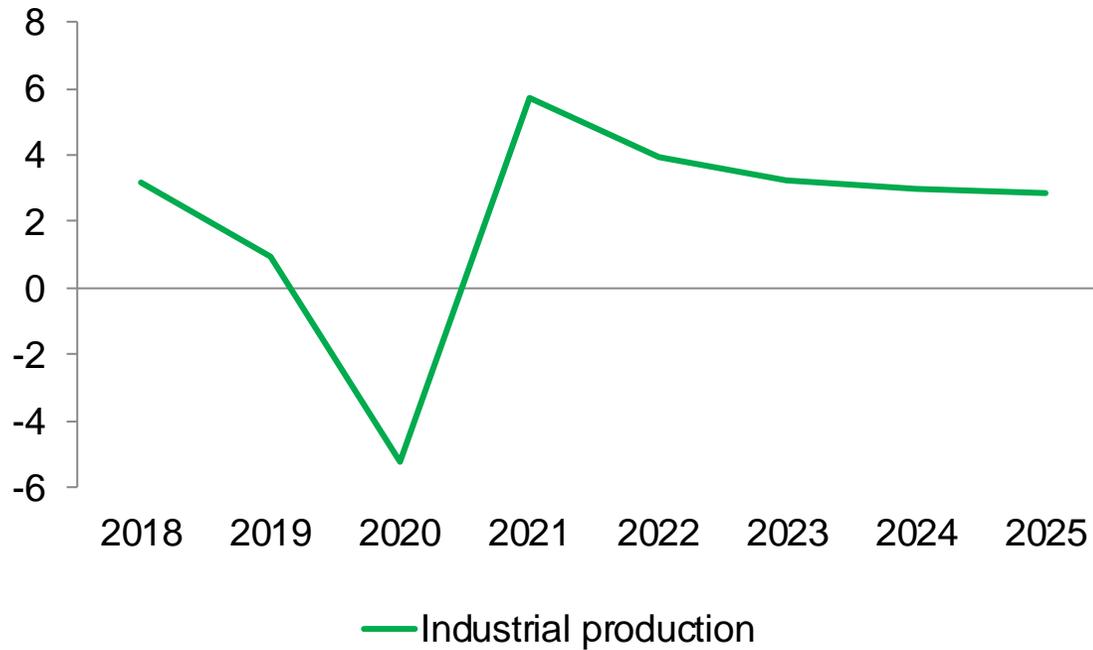
Impact of COVID-19

Comparison of real GDP 2019 - 2022



Industrial production will rebound in 2021

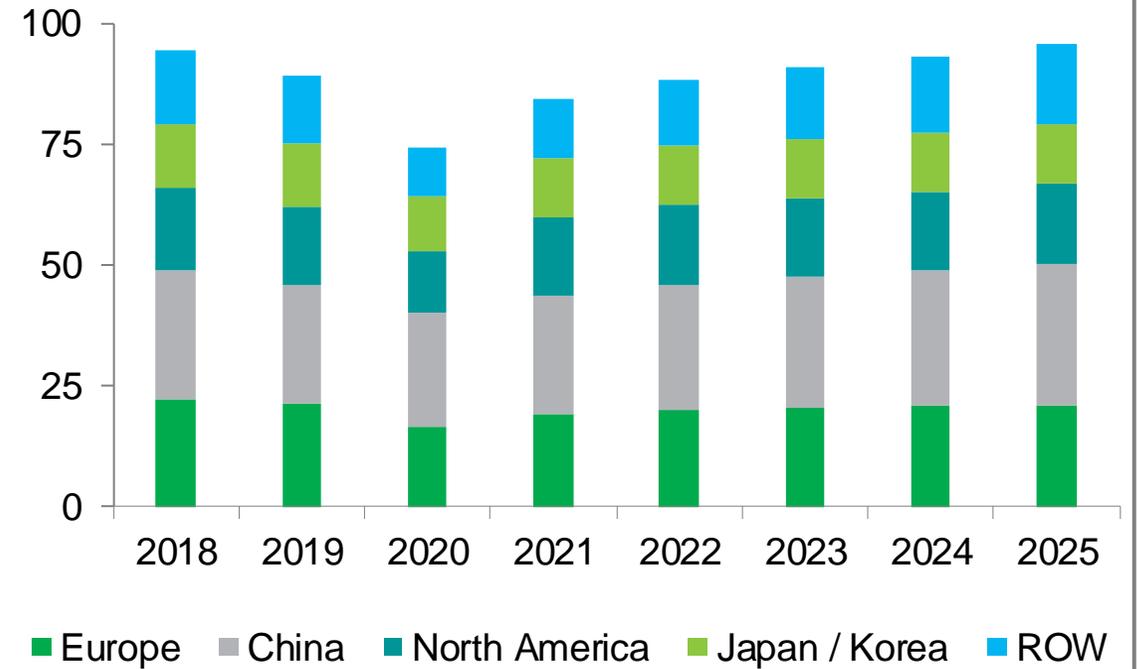
Global industrial production (percentage change)



Source: IHS Markit

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Light vehicle production (millions of units)

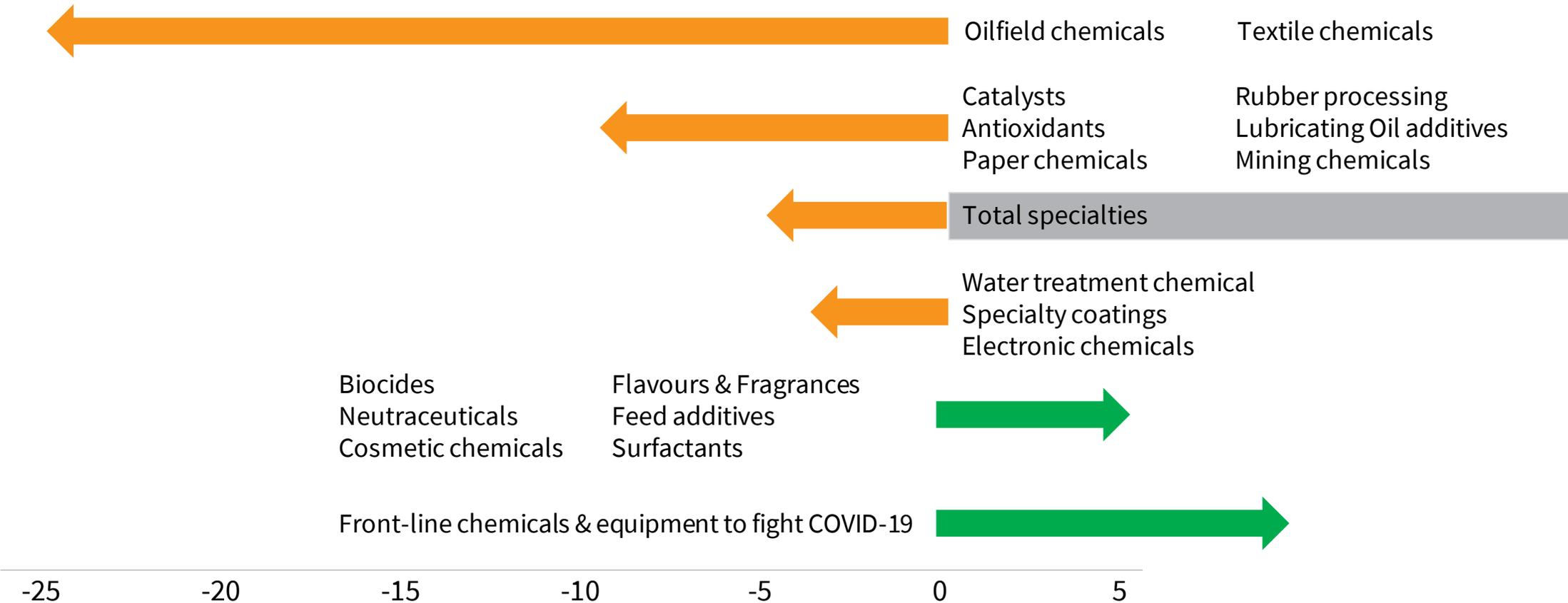


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There will be winners and losers as a consequence of COVID-19

World specialty chemicals consumption, 2019-2020 percent change

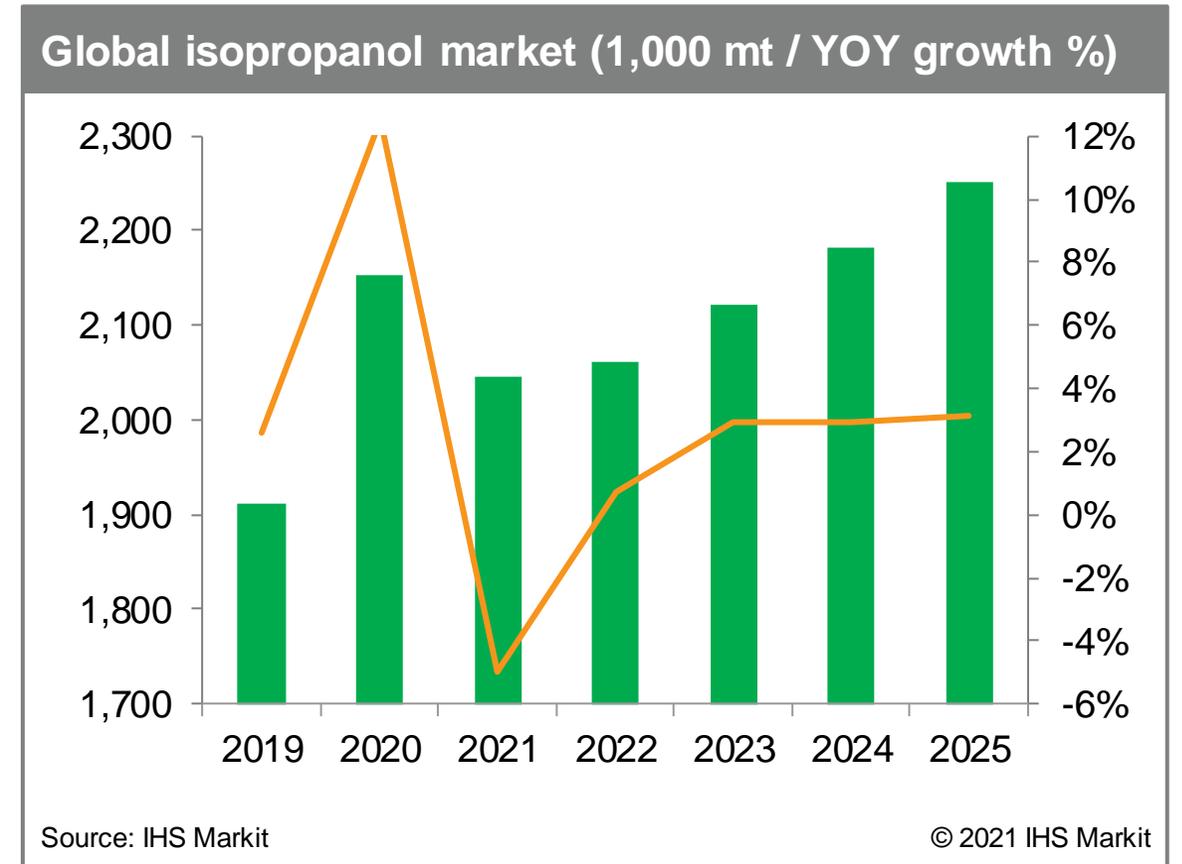
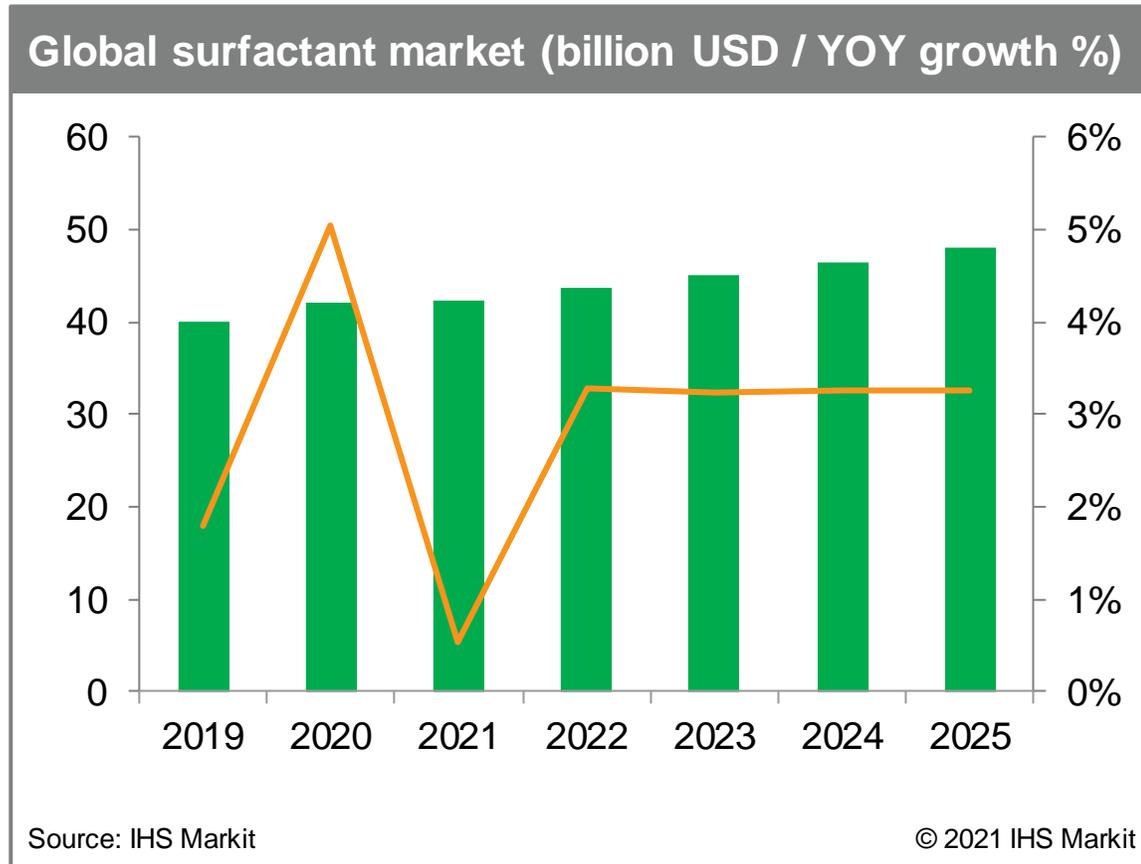


Specialty chemicals on the front-line

- Sanitization
- Personal protective equipment
- Medical devices
- Track and tracing
- Health & well-being
- Plastics “Satan to Saviour”

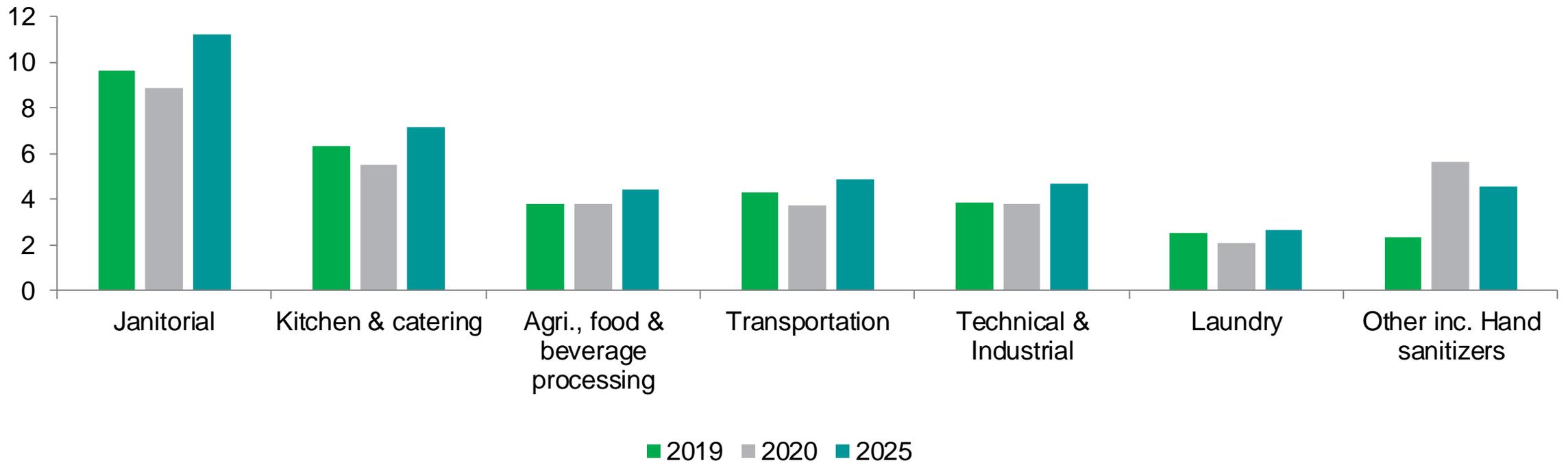


Front-line chemicals have seen a spike in demand in 2020



Industrial & Institutional Cleaning

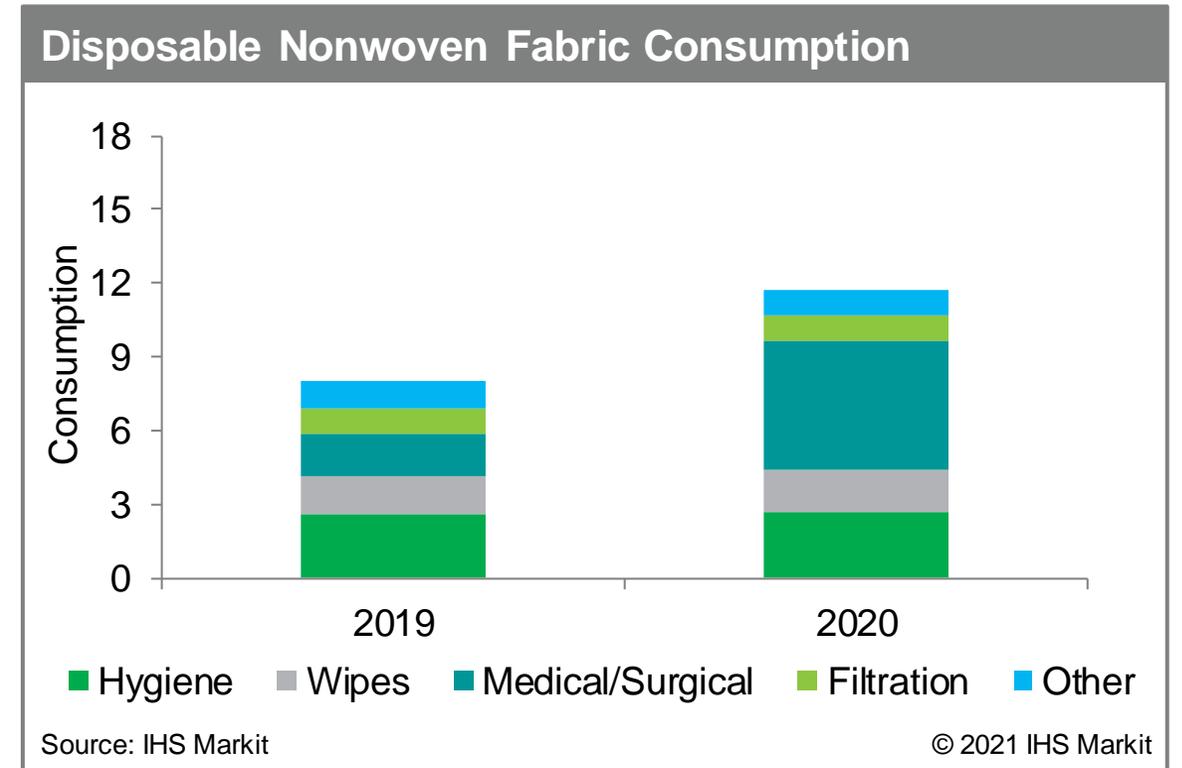
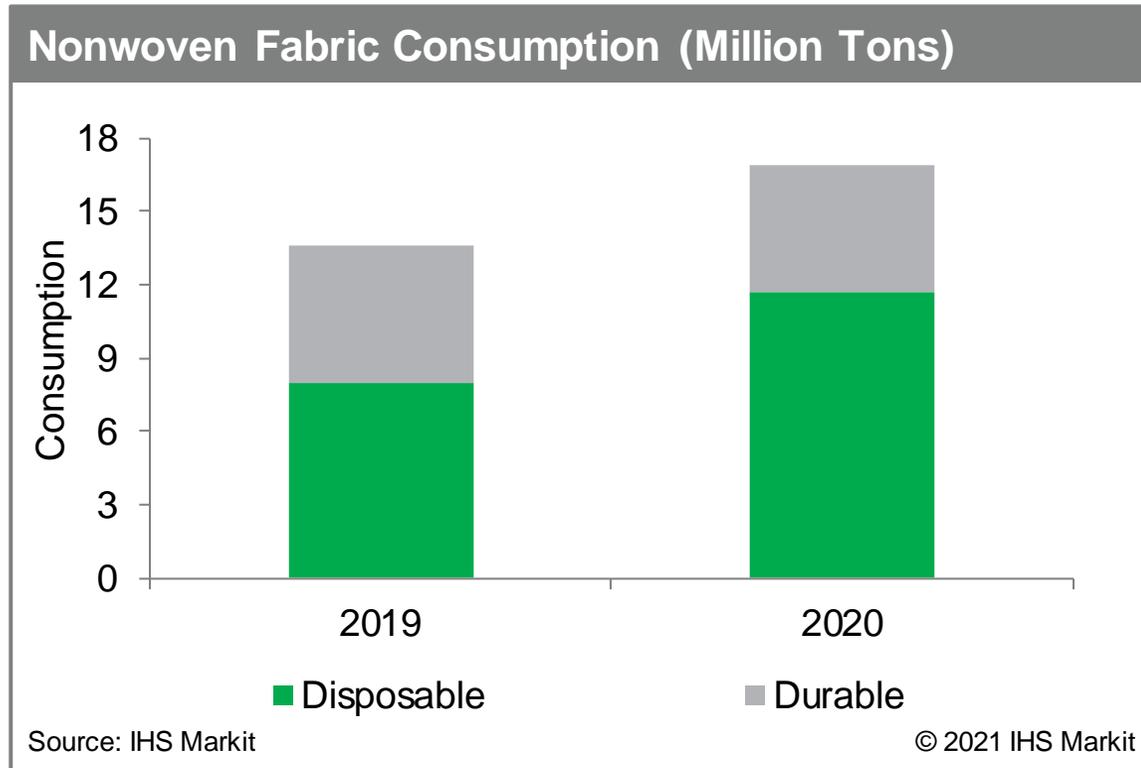
Industrial & institutional cleaning market (billion USD)



Notes: Includes N America, W Europe, Mainland China, Japan
 Source: IHS Markit Specialty Chemicals Update Program.

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Consumption of nonwoven fabric in 2020 increased 24% from 2019



Post COVID-19 recovery and the “New Normal”

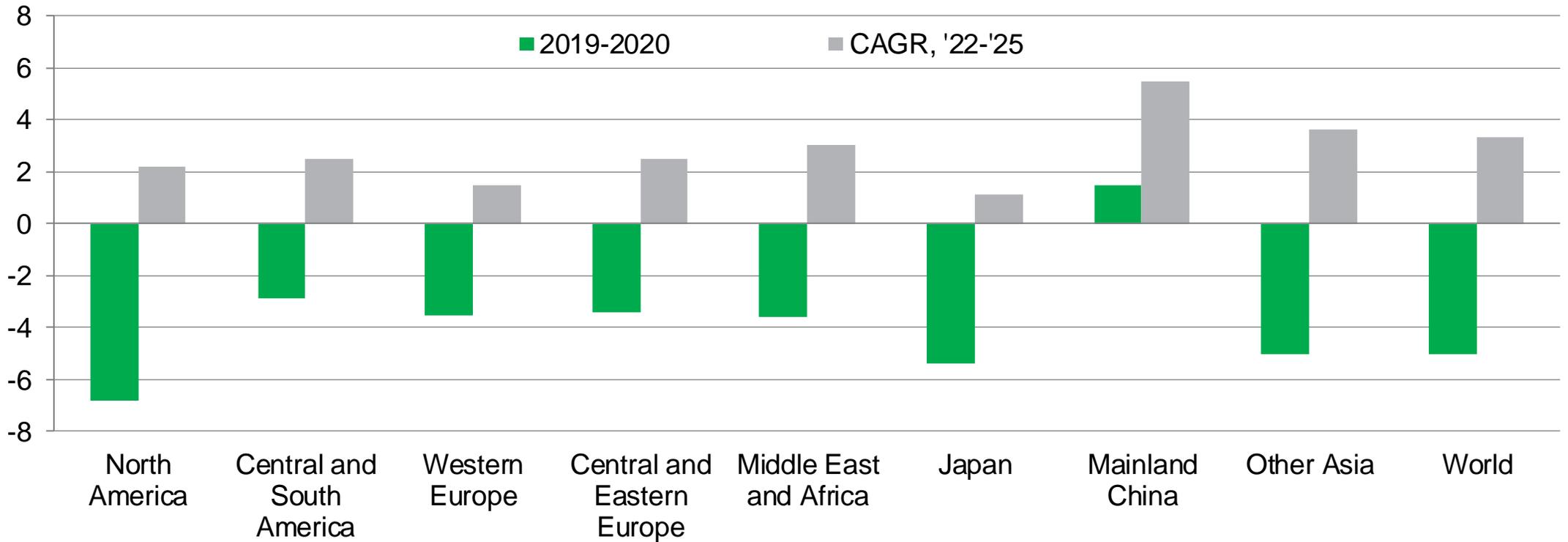
When will the industry recover ?



- State of global economy will be main indicator of performance
- Factors influencing economy
 - > Availability of vaccine to combat COVID-19
 - > Social & political changes
 - > US/Mainland China trade issues

Post COVID specialty chemicals will grow above GDP

Regional consumption growth (percent)

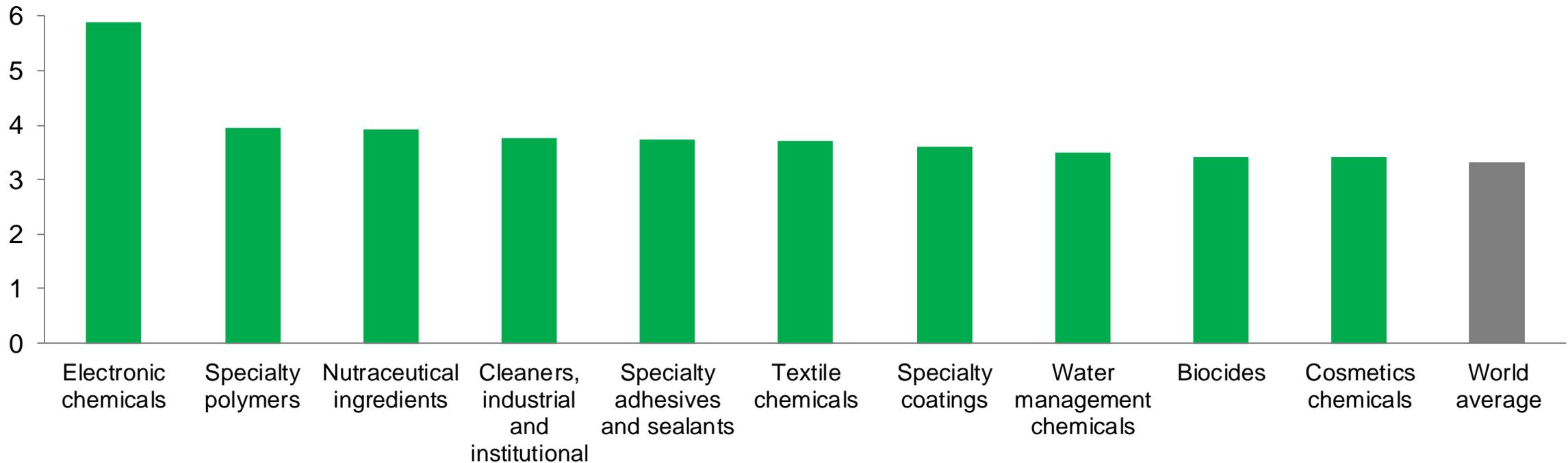


Source: IHS Markit

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Electronic chemicals will be the fastest growing sector through 2025

Fastest growing specialty chemical segments—2022-25 (CAGR, percent)



Source: IHS Markit

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COVID crisis has adjusted our vision of new normal

- Highlighted vulnerabilities, exacerbated inequalities
- Affected
 - > How we work
 - > How we interact with one another
 - > Leisure activities
- Adjusted priorities
- New normal will present areas of opportunity for growth
- Climate change, sustainability and waste management will continue to gain momentum
- Specialty chemicals allow us to achieve more for less



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