UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the quarterly period ended March 31, 2021

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from _____ to _____

Commission file number: 001-36272



Element Solutions Inc
(Exact name of Registrant as specified in its charter)

Delaware		**37-1744899**
(State or other jurisdiction of incorporation or organization)		(I.R.S. Employer Identification No.)
500 East Broward Boulevard, Fort Lauderdale, Florida (Address of principal executive offices)	**Suite 1860**	**33394** (Zip Code)

Registrant's telephone number, including area code: **(561) 207-9600**

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading symbol(s)	Name of each exchange on which registered
Common Stock, par value $0.01 per share	ESI	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Number of shares of common stock outstanding at April 22, 2021: 247,456,533

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GLOSSARY OF DEFINED TERMS

Terms	Definitions
Element Solutions; We; Us; Our; the Company	Element Solutions Inc, a Delaware corporation, and, where the context requires, its subsidiaries or operating businesses.
Arysta	Arysta LifeScience Inc., a former subsidiary of Element Solutions which operated the Agricultural Solutions business prior to the Arysta Sale.
Arysta Sale	Sale of 100% of the issued and outstanding shares of common stock of Arysta and its subsidiaries to UPL Corporation Ltd., on January 31, 2019 for an aggregate purchase price of $4.28 billion in cash, after post-closing adjustments.
ASU	Accounting Standards Update.
Credit Agreement	Credit Agreement, dated as of January 31, 2019, as amended from time to time, among, inter alia, Element Solutions and MacDermid, as borrowers, certain subsidiaries of Element Solutions and the lenders from time to time parties thereto.
DMP Acquisition	Acquisition on July 1, 2020, from IWTS, LLC, of Industrial Water Treatment Solutions Corporation and its two subsidiaries, DMP Corporation and Industrial Specialty Chemicals, Inc. dba "DMP."
EBITDA	Earnings before interest, taxes, depreciation and amortization.
ESPP	Element Solutions Inc 2014 Employee Stock Purchase Plan.
Exchange Act	Securities Exchange Act of 1934, as amended.
GAAP	U.S. Generally Accepted Accounting Principles.
MacDermid	MacDermid, Incorporated, a Connecticut corporation and subsidiary of Element Solutions.
OEM	Original equipment manufacturer.
Quarterly Report	This quarterly report on Form 10-Q for the three months ended March 31, 2021.
RSUs	Restricted stock units issued by Element Solutions from time to time under its 2013 Plan.
SEC	Securities and Exchange Commission.
Series A Preferred Stock	Element Solutions' 2,000,000 shares of Series A convertible preferred stock, converted into shares of Element Solutions' common stock on February 25, 2020.
2020 Annual Report	Element Solutions' annual report on Form 10-K for the fiscal year ended December 31, 2020, filed with the SEC on February 25, 2021.
3.875% USD Notes due 2028	Element Solutions' $800 million aggregate principal amount of 3.875% senior notes due 2028, denominated in U.S. dollars, issued on August 18, 2020.
5.875% USD Notes due 2025	Element Solutions' $800 million aggregate principal amount of 5.875% senior notes due 2025, denominated in U.S. dollars, issued on November 24, 2017 and fully redeemed on September 4, 2020.

Forward-Looking Statements

This Quarterly Report contains forward-looking statements that can be identified by words such as "expect," "anticipate," "project," "will," "should," "believe," "intend," "plan," "assume," "estimate," "predict," "seek," "continue," "outlook," "may," "might," "aim," "can have," "likely," "potential," "target," "hope," "goal" or "priority" and variations of such words and similar expressions. Many of the forward-looking statements include, but are not limited to, statements, beliefs, projections and expectations regarding the continuing economic impact of the coronavirus (COVID-19) pandemic on the global economy, our business, financial results, customers, suppliers, vendors and/or stock price; capital requirements and availability of financing; higher projected full year financial results; cost containment and cost savings; the impact of new accounting standards and accounting changes; share repurchases; our dividend policy and dividend declarations; our hedging activities; timing and outcome of environmental and legal matters; tax planning strategies, assessments and adjustments; impairments, including those on goodwill and other intangible assets; price volatility and cost environment; our liquidity, cash flows and capital allocation; funding sources; capital expenditures; debt and debt leverage ratio; off-balance sheet arrangements and contractual obligations; general views about future operating results; expected returns to stockholders; risk management programs; Board refreshment; future prospects; and other events or developments that we expect or anticipate will occur in the future.

These forward-looking statements are based on our current expectations about future events and trends and do not directly relate to any historical or current facts. These statements are subject to a number of risks, uncertainties and assumptions, including those discussed in Part I, Item 1A, *Risk Factors*, of our 2020 Annual Report. Moreover, we operate in a very competitive and rapidly changing environment. New risks emerge from time to time. In light of these risks, uncertainty and assumptions, our actual results may differ materially from the results anticipated or implied in the forward-looking statements. Any forward-looking statement is based only on information currently available and speaks only as of the date on which it is made. We undertake no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise. Please consult any further disclosures on related subjects in our SEC filings.

Non-GAAP Financial Measures

This Quarterly Report contains non-GAAP financial measures, such as Adjusted EBITDA and operating results on a constant currency and organic basis. Non-GAAP financial measures should not be considered in isolation from, a substitute for, or superior to, performance measures calculated in accordance with GAAP. For additional information on these non-GAAP financial measures, including definitions, limitations and reconciliations to their most comparable applicable GAAP measures, see "*Non-GAAP Financial Measures*" in the *Management's Discussion and Analysis of Financial Condition and Results of Operations* section in Part I, Item 2, and Note 11, *Segment Information*, to the unaudited Condensed Consolidated Financial Statements, both included in this Quarterly Report.

PART I. FINANCIAL INFORMATION

Item 1. Condensed Consolidated Financial Statements

ELEMENT SOLUTIONS INC AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)
(dollars in millions, except per share amounts)

	Three Months Ended March 31,	
	2021	**2020**
Net sales	$ 550.1	$ 452.6
Cost of sales	309.1	255.3
Gross profit	241.0	197.3
Operating expenses:		
Selling, technical, general and administrative	129.6	125.2
Research and development	11.5	17.5
Total operating expenses	141.1	142.7
Operating profit	99.9	54.6
Other (expense) income:		
Interest expense, net	(12.9)	(16.7)
Foreign exchange gain (loss)	28.0	(25.8)
Other (expense) income, net	(1.6)	0.4
Total other income (expense)	13.5	(42.1)
Income before income taxes and non-controlling interests	113.4	12.5
Income tax expense	(31.1)	(4.1)
Net income from continuing operations	82.3	8.4
Income from discontinued operations, net of tax	—	0.2
Net income attributable to common stockholders	$ 82.3	$ 8.6
Earnings per share		
Basic from continuing operations	$ 0.33	$ 0.03
Basic from discontinued operations	—	—
Basic attributable to common stockholders	$ 0.33	$ 0.03
Diluted from continuing operations	$ 0.33	$ 0.03
Diluted from discontinued operations	—	—
Diluted attributable to common stockholders	$ 0.33	$ 0.03
Weighted average common shares outstanding		
Basic	247.2	250.3
Diluted	248.6	252.0

See accompanying notes to the Condensed Consolidated Financial Statements

ELEMENT SOLUTIONS INC AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(Unaudited)
(dollars in millions)

	Three Months Ended March 31,	
	2021	**2020**
Net income	$ 82.3	$ 8.6
Other comprehensive income (loss)		
Foreign currency translation:		
Other comprehensive loss before reclassifications, net of tax expense of $5.9 and $0.0 for three months ended March 31, 2021 and 2020, respectively	(52.7)	(23.6)
Reclassifications	—	—
Total foreign currency translation adjustments	(52.7)	(23.6)
Pension and post-retirement plans:		
Other comprehensive loss before reclassifications, net of tax expense of $0.0 and $0.5 for the three months ended March 31, 2021 and 2020, respectively	—	(0.5)
Reclassifications, net of tax expense of $0.0 for the three months ended March 31, 2021 and 2020, respectively	—	—
Total pension and post-retirement plans	—	(0.5)
Derivative financial instruments:		
Other comprehensive income (loss) before reclassifications, net of tax expense of $1.8 and $0.0 for the three months ended March 31, 2021 and 2020, respectively	3.0	(32.0)
Reclassifications, net of tax expense of $0.0 for the three months ended March 31, 2021 and 2020, respectively	4.4	1.6
Total unrealized loss arising on qualified hedging derivatives	7.4	(30.4)
Other comprehensive loss	(45.3)	(54.5)
Comprehensive income (loss) attributable to common stockholders	$ 37.0	$ (45.9)

See accompanying notes to the Condensed Consolidated Financial Statements

ELEMENT SOLUTIONS INC AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)
(dollars in millions)

	March 31, 2021	December 31, 2020
Assets		
Cash & cash equivalents	$ 317.5	$ 291.9
Accounts receivable, net of allowance for doubtful accounts of $10.1 and $9.7 at March 31, 2021 and December 31, 2020, respectively	422.3	403.4
Inventories	243.4	203.1
Prepaid expenses	26.2	24.0
Other current assets	60.7	67.5
Total current assets	1,070.1	989.9
Property, plant and equipment, net	235.3	240.4
Goodwill	2,225.0	2,252.7
Intangible assets, net	817.4	855.9
Other assets	125.6	141.2
Non-current assets of discontinued operations	3.3	3.3
Total assets	$ 4,476.7	$ 4,483.4
Liabilities and stockholders' equity		
Accounts payable	$ 122.5	$ 95.6
Current installments of long-term debt	7.4	7.4
Accrued expenses and other current liabilities	183.0	204.2
Current liabilities of discontinued operations	7.1	7.1
Total current liabilities	320.0	314.3
Debt	1,507.0	1,508.1
Pension and post-retirement benefits	41.4	43.3
Deferred income taxes	111.0	112.9
Other liabilities	149.5	186.7
Total liabilities	2,128.9	2,165.3
Commitments and contingencies (Note 8)		
Stockholders' equity		
Common stock: 400.0 shares authorized (2021: 261.8 shares issued; 2020: 261.3 shares issued)	2.6	2.6
Additional paid-in capital	4,129.5	4,122.9
Treasury stock (2021: 14.3 shares; 2020: 14.2 shares)	(139.2)	(137.7)
Accumulated deficit	(1,403.3)	(1,473.2)
Accumulated other comprehensive loss	(240.1)	(194.8)
Total stockholders' equity	2,349.5	2,319.8
Non-controlling interests	(1.7)	(1.7)
Total equity	2,347.8	2,318.1
Total liabilities and stockholders' equity	$ 4,476.7	$ 4,483.4

See accompanying notes to the Condensed Consolidated Financial Statements

ELEMENT SOLUTIONS INC AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(dollars in millions)

	Three Months Ended March 31,	
	2021	**2020**
Cash flows from operating activities:		
Net income	$ 82.3	$ 8.6
Net income from discontinued operations, net of tax	—	0.2
Net income from continuing operations	82.3	8.4
Reconciliations of net income from continuing operations to net cash flows provided by operating activities:		
Depreciation and amortization	39.1	39.9
Deferred income taxes	5.2	(2.4)
Foreign exchange (gain) loss	(28.9)	24.5
Incentive stock compensation	4.3	2.0
Other, net	(2.3)	8.8
Changes in assets and liabilities, net of acquisitions:		
Accounts receivable	(26.3)	(2.6)
Inventories	(44.6)	(19.0)
Accounts payable	30.4	8.9
Accrued expenses	(18.8)	(6.2)
Prepaid expenses and other current assets	(9.0)	(4.4)
Other assets and liabilities	1.2	3.3
Net cash flows provided by operating activities of continuing operations	32.6	61.2
Cash flows from investing activities:		
Capital expenditures	(8.5)	(10.5)
Other, net	19.0	(5.9)
Net cash flows provided by (used in) investing activities of continuing operations	10.5	(16.4)
Cash flows from financing activities:		
Repayments of borrowings	(1.9)	(2.0)
Change in lines of credit, net	—	320.0
Repurchases of common stock	—	(33.1)
Dividends	(12.4)	—
Other, net	0.1	(1.5)
Net cash flows (used in) provided by financing activities of continuing operations	(14.2)	283.4
Cash flows from discontinued operations:		
Net cash flows used in operating activities of discontinued operations	—	(14.7)
Net cash flows used in discontinued operations	—	(14.7)
Effect of exchange rate changes on cash and cash equivalents	(3.3)	(6.2)
Net increase in cash and cash equivalents	25.6	307.3
Cash and cash equivalents at beginning of period	291.9	190.1
Cash and cash equivalents at end of period	$ 317.5	$ 497.4

See accompanying notes to the Condensed Consolidated Financial Statements

ELEMENT SOLUTIONS INC AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(Unaudited)
(dollars in millions, except share amounts)

Three Months Ended March 31, 2021	Common Stock		Additional Paid-in Capital	Treasury Stock		Accumulated Deficit	Accumulated Other Comprehensive (Loss) Income	Total Stockholders' Equity	Non-controlling Interests	Total Equity
	Shares	Amount		Shares	Amount					
Balance at December 31, 2020	261,330,127	$ 2.6	$ 4,122.9	14,229,280	$ (137.7)	$ (1,473.2)	$ (194.8)	$ 2,319.8	$ (1.7)	$ 2,318.1
Net income	—	—	—	—	—	82.3	—	82.3	—	82.3
Other comprehensive loss, net of taxes	—	—	—	—	—	—	(45.3)	(45.3)	—	(45.3)
Exercise/ vesting of share based compensation	416,413	—	1.9	84,426	(1.5)	—	—	0.4	—	0.4
Issuance of common stock under ESPP	22,278	—	0.3	—	—	—	—	0.3	—	0.3
Repurchases of common stock	—	—	—	1,700	—	—	—	—	—	—
Dividends ($0.05 per share)	—	—	—	—	—	(12.4)	—	(12.4)	—	(12.4)
Equity compensation expense	—	—	4.4	—	—	—	—	4.4	—	4.4
Balance at March 31, 2021	261,768,818	$ 2.6	$ 4,129.5	14,315,406	$ (139.2)	$ (1,403.3)	$ (240.1)	$ 2,349.5	$ (1.7)	$ 2,347.8

Three Months Ended March 31, 2020	Preferred Stock		Common Stock		Additional Paid-in Capital	Treasury Stock		Accumulated Deficit	Accumulated Other Comprehensive (Loss) Income	Total Stockholders' Equity	Non-controlling Interests	Total Equity
	Shares	Amount	Shares	Amount		Shares	Amount					
Balance at December 31, 2019	2,000,000	$ —	258,428,333	$ 2.6	$ 4,114.2	8,277,198	$ (78.9)	$ (1,536.5)	$ (280.5)	$ 2,220.9	$ (1.6)	$ 2,219.3
Net income	—	—	—	—	—	—	—	8.6	—	8.6	—	8.6
Other comprehensive loss, net of taxes	—	—	—	—	—	—	—	—	(54.4)	(54.4)	—	(54.4)
Exercise/ vesting of share based compensation	—	—	475,987	—	0.2	162,333	(1.9)	—	—	(1.7)	—	(1.7)
Issuance of common stock under ESPP	—	—	28,689	—	0.3	—	—	—	—	0.3	—	0.3
Preferred stock conversion	(2,000,000)	—	2,000,000	—	—	—	—	—	—	—	—	—
Repurchases of common stock	—	—	—	—	—	3,742,488	(33.1)	—	—	(33.1)		(33.1)
Equity compensation expense	—	—	—	—	2.4	—	—	—	—	2.4	—	2.4
Balance at March 31, 2020	—	$ —	260,933,009	$ 2.6	$ 4,117.1	12,182,019	$ (113.9)	$ (1,527.9)	$ (334.9)	$ 2,143.0	$ (1.6)	$ 2,141.4

See accompanying notes to the Condensed Consolidated Financial Statements

1. BACKGROUND AND BASIS OF PRESENTATION

Background

Element Solutions was incorporated in Delaware in January 2014 and its shares of common stock, par value $0.01 per share, trade on the New York Stock Exchange under the ticker symbol “ESI.”

Element Solutions is a leading global specialty chemicals company whose businesses supply a broad range of solutions that enhance the performance of products people use every day. Developed in multi-step technological processes, these innovative solutions enable customers' manufacturing processes in several key industries, including consumer electronics, power electronics, semiconductor fabrication, communications and data storage infrastructure, automotive systems, industrial surface finishing, consumer packaging and offshore energy. Element Solutions delivers its products to customers through its sales and service workforce, regional distributors and manufacturing representatives.

Basis of Presentation

The accompanying unaudited Condensed Consolidated Financial Statements have been prepared in accordance with GAAP. In the opinion of management, these unaudited Condensed Consolidated Financial Statements reflect all adjustments that are normal, recurring and necessary for a fair statement of the Company's financial position, results of operations and cash flows for interim periods, but are not necessarily indicative of the results of operations that may be expected for the year ending December 31, 2021. These unaudited Condensed Consolidated Financial Statements should be read in conjunction with the Consolidated Financial Statements and the related notes thereto included in the Company’s 2020 Annual Report.

The process of preparing the Company’s unaudited Condensed Consolidated Financial Statements requires the use of estimates that affect the reported amount of assets, liabilities, net sales and expenses. These estimates include assumptions and judgements based on historical experience, current conditions, future expectations and other factors the Company consider reasonable. These estimates are reviewed on an ongoing basis and revised as necessary. Actual amounts may differ materially from these estimates.

Certain prior year amounts have been reclassified to conform to the current year’s presentation.

2. INVENTORIES

The major components of inventory, on a net basis, were as follows:

(dollars in millions)	March 31, 2021	December 31, 2020
Finished goods	$ 144.2	$ 119.7
Work in process	30.0	23.0
Raw materials and supplies	69.2	60.4
Total inventories	$ 243.4	$ 203.1

3. PROPERTY, PLANT AND EQUIPMENT

The major components of property, plant and equipment were as follows:

(dollars in millions)	March 31, 2021	December 31, 2020
Land and leasehold improvements	$ 52.3	$ 53.2
Buildings and improvements	138.1	139.5
Machinery, equipment, fixtures and software	256.2	245.8
Construction in process	24.5	22.3
Total property, plant and equipment	471.1	460.8
Accumulated depreciation	(235.8)	(220.4)
Property, plant and equipment, net	$ 235.3	$ 240.4

For the three months ended March 31, 2021 and 2020, the Company recorded depreciation expense of $9.4 million and $10.5 million, respectively.

During the third quarter of 2020, the Company met the requirements to classify a dormant facility in New Jersey, included in its Electronics business segment, as held for sale. The sale of the facility was completed in January 2021 and the Company recognized a gain of $3.9 million in "Selling, technical, general and administrative" in the Condensed Consolidated Statements of Operations. The Company had received initial deposits of $4.6 million in the second half of 2020 and received the remaining cash of $19.0 million associated with sale during the first quarter of 2021. Cash flows associated with the sale of this facility are included in "Other, net" in the Condensed Consolidated Statements of Cash Flows as a cash inflow from investing activities.

4. GOODWILL AND INTANGIBLE ASSETS

Goodwill

The changes in the carrying amount of goodwill were as follows:

(dollars in millions)	Electronics	Industrial & Specialty	Total
Balance at December 31, 2020	$ 1,274.0	$ 978.7 (1)	$ 2,252.7
Foreign currency translation	(12.7)	(15.0)	(27.7)
Balance at March 31, 2021	$ 1,261.3	$ 963.7	$ 2,225.0

(1) Includes accumulated impairment losses of $46.6 million.

Indefinite-Lived Intangible Asset

The carrying value of the indefinite-lived intangible asset other than goodwill, which consisted of a tradename, was $68.0 million at March 31, 2021 and December 31, 2020, respectively.

Finite-Lived Intangible Assets

Intangible assets subject to amortization were as follows:

(dollars in millions)	March 31, 2021 Gross Carrying Amount	March 31, 2021 Accumulated Amortization	March 31, 2021 Net Book Value	December 31, 2020 Gross Carrying Amount	December 31, 2020 Accumulated Amortization	December 31, 2020 Net Book Value
Customer relationships	$ 972.4	$ (448.4)	$ 524.0	$ 984.3	$ (435.4)	$ 548.9
Developed technology	362.7	(215.4)	147.3	400.0	(241.5)	158.5
Tradenames	90.3	(12.2)	78.1	91.8	(11.3)	80.5
Other	—	—	—	1.7	(1.7)	—
Total	$ 1,425.4	$ (676.0)	$ 749.4	$ 1,477.8	$ (689.9)	$ 787.9

For the three months ended March 31, 2021 and 2020, the Company recorded amortization expense on intangible assets of $29.7 million and $29.4 million, respectively.

5. DEBT

The Company’s debt obligations consisted of the following:

(dollars in millions)	Maturity Date	Interest Rate	March 31, 2021	December 31, 2020
Term Loans [1]	2026	LIBOR plus 2.00%	$ 726.0	$ 727.5
Senior Notes - $800 million [2]	2028	3.875%	788.4	788.0
Total debt			1,514.4	1,515.5
Less: current installments of long-term debt			7.4	7.4
Total long-term debt			$ 1,507.0	$ 1,508.1

[1] Term loans, net of unamortized discounts and debt issuance costs of $7.2 million and $7.6 million at March 31, 2021 and December 31, 2020, respectively. The effective interest rate was 2.3% and 2.4% at March 31, 2021 and December 31, 2020, respectively, including the effects of interest rate swaps and net investment hedges. See Note 6, Financial Instruments, for further information regarding the Company's interest rate swaps and net investment hedges.

[2] Senior notes, net of unamortized debt issuance costs of $11.6 million and $12.0 million at March 31, 2021 and December 31, 2020, respectively. The effective interest rate was 4.1% at March 31, 2021 and December 31, 2020, respectively.

Credit Agreement

The Company is a party to the Credit Agreement, which provides for senior secured credit facilities in an aggregate initial principal amount of $1.08 billion, consisting of a revolving credit facility in an aggregate initial principal amount of $330 million maturing in 2024 and a term loan in an aggregate initial principal amount of $750 million maturing in 2026.

Borrowings under the Credit Agreement bear interest at a per annum rate equal to a Base Rate, as defined in the Credit Agreement, plus, in each case, an applicable interest rate equal to a spread of 1.00% with respect to Base Rate Loans and a spread of 2.00% with respect to Eurocurrency Rate Loans. The Company is required to pay a commitment fee in respect of any undrawn portion of the revolving credit facility of 0.50% per annum, subject to a stepdown to 0.375% based on the Company’s first lien net leverage ratio.

The Company's obligations under the Credit Agreement are guaranteed, jointly and severally, by certain of the Company’s domestic subsidiaries and secured by a first-priority security interest in substantially all of the assets of the Company and MacDermid, as borrowers, as well as the assets of the guarantors, including mortgages on material real property, subject to certain exceptions.

Covenants, Events of Default and Provisions

The Credit Agreement contains customary representations and warranties, and affirmative and negative covenants, including limitations on additional indebtedness, dividends, and other distributions, entry into new lines of business, use of loan proceeds, capital expenditures, restricted payments, restrictions on liens on the assets of the borrowers or any guarantor, transactions with affiliates, amendments to organizational documents, accounting changes, sale and leaseback transactions and dispositions. To the extent the borrowers have total outstanding borrowings under the revolving credit facility (subject to certain exceptions) greater than 30% of the commitment amount under the revolving credit facility, the Company's first lien net leverage ratio should not exceed 5.0 to 1.0, subject to a right to cure.

The Credit Agreement requires the borrowers to make mandatory prepayments of borrowings, subject to certain exceptions, as described in the Credit Agreement. In addition, the Credit Agreement contains customary events of default that include, among others, non-payment of principal, interest or fees, violation of covenants, inaccuracy of representations and warranties, failure to make payment on, or defaults with respect to, certain other material indebtedness, bankruptcy and insolvency events, material judgments and change of control provisions. Upon the occurrence of an event of default, and after the expiration of any applicable grace period, payment of any outstanding loans under the Credit Agreement may be accelerated and the lenders could foreclose on their security interests in the assets of the borrowers and the guarantors.

At March 31, 2021, the Company was in compliance with the debt covenants contained in the Credit Agreement and had full availability of its unused borrowing capacity of $325 million, net of letters of credit, under the revolving credit facility.

3.875% USD Notes due 2028

The 3.875% USD Notes due 2028 are governed by an indenture which provides, among other things, for customary affirmative and negative covenants, events of default and other customary provisions. Pursuant to the indenture, the Company has the option to redeem the 3.875% USD Notes due 2028 prior to their maturity, subject to, in certain cases, the payment of an applicable make-whole premium. The 3.875% USD Notes due 2028 are fully and unconditionally guaranteed on a senior unsecured basis by generally all of the Company’s domestic subsidiaries that guarantee the obligations of the borrowers under the Credit Agreement.

Lines of Credit and Other Debt Facilities

The Company has access to various revolving lines of credit, short-term debt facilities and overdraft facilities worldwide which are used to fund short-term cash needs. There were no amounts outstanding under such facilities at March 31, 2021 or December 31, 2020. The Company had letters of credit outstanding of $5.9 million and $6.2 million at March 31, 2021 and December 31, 2020, respectively, of which $5.5 million at March 31, 2021 and December 31, 2020, respectively, reduced the borrowings available under the various facilities. At March 31, 2021 and December 31, 2020, the availability under these facilities totaled approximately $349 million, respectively, net of outstanding letters of credit.

6. FINANCIAL INSTRUMENTS

Derivatives and Hedging

In the normal course of business, the Company is exposed to risks relating to changes in foreign currency exchange rates, commodity prices and interest rates. Derivative financial instruments, such as foreign currency exchange forward contracts, commodities futures contracts, interest rate swaps and net investment hedges are used to manage the risks associated with changes in the conditions of those markets. All derivatives are recognized in the Condensed Consolidated Balance Sheets at fair value. The counterparties to the Company’s derivative agreements are primarily major international financial institutions. The Company continually monitors its derivative positions and the credit ratings of its counterparties and does not anticipate nonperformance on their part.

Foreign Currency

The Company conducts a significant portion of its business in currencies other than the U.S. dollar and a portion of its business in currencies other than the functional currencies of its subsidiaries. As a result, the Company's operating results are impacted by foreign currency exchange rate volatility.

At March 31, 2021, the Company held foreign currency forward contracts to purchase and sell various currencies to mitigate foreign currency exposure with the U.S. dollar. The Company has not designated any foreign currency exchange forward contracts as eligible for hedge accounting and, as a result, changes in the fair value of foreign currency forward contracts are recorded in the Condensed Consolidated Statements of Operations as "Other (expense) income, net." The total notional value of foreign currency exchange forward contracts held at March 31, 2021 and December 31, 2020 was approximately $75.5 million and $78.5 million, respectively, with settlement dates generally within one year. The market value of the foreign currency forward contracts was a $0.8 million net current asset at March 31, 2021 and a $0.5 million net current liability at December 31, 2020.

Commodities

As part of its risk management policy, the Company enters into commodity futures contracts for the purpose of mitigating its exposure to fluctuations in prices of certain metals used in the production of its finished goods. The Company held futures contracts to purchase and sell various metals, primarily tin and silver, for a notional amount of $42.9 million and $25.0 million at March 31, 2021 and December 31, 2020, respectively. The market value of the metals forward contracts was a $1.0 million net current liability at March 31, 2021 and a $1.2 million net current liability at December 31, 2020. Substantially all contracts outstanding at March 31, 2021 had delivery dates within one year. The Company has not designated these derivatives as hedging instruments and, accordingly, records changes in their fair values in the Condensed Consolidated Statements of Operations as "Other (expense) income, net."

Realized gains and losses on derivative contracts are accounted for as "Operating activities" in the Condensed Consolidated Statements of Cash Flows.

Interest Rates and Cross-Currency Swaps

The Company entered into interest rate swaps to mitigate its exposure to fluctuations in interest rates on its term loan through January 2024. The interest rate swaps effectively fix the floating rate of interest payments associated with the term loan under the Credit Agreement. The Company designated these contracts as cash flow hedges and changes in the fair value are recorded in "Other comprehensive income (loss)" and reclassified into earnings as the underlying hedged item affects earnings. Amounts reclassified into earnings related to interest rate swaps are included in the Condensed Consolidated Statements of Operations as "Interest expense, net."

The Company entered into cross-currency swaps to effectively convert the initial $750 million term loan under the Credit Agreement, a U.S. dollar denominated debt obligation, into fixed-rate euro-denominated debt through January 2024. The Company is obligated to make periodic euro-denominated coupon payments to the hedge counterparties on an aggregate initial notional amount of €662 million, in exchange for periodic U.S. dollar-denominated coupon payments from these hedge counterparties on an aggregate initial notional amount of $750 million. The Company has designated these contracts as a net investment hedge of the foreign currency exposure of a portion of its net investment in its European operations. Changes in the fair value are recorded in "Foreign currency translation" in "Accumulated other comprehensive loss."

All interest payments to be paid during the last two years preceding the maturity date of the term loan will revert back to a floating rate of interest for both the interest rate swaps and cross-currency swaps. The proceeds from these contracts are reflected as cash flows from Operating Activities on the Consolidated Statement of Cash Flows.

The net result of the above hedges, which expire in January 2024, is an interest rate of approximately 2.3%, which could vary due to changes in the euro and the U.S. dollar exchange rate.

For the three months ended March 31, 2021, the Company's interest rate swaps and cross-currency swaps were deemed highly effective. The Company expects to reclassify $17.4 million of expense from "Accumulated other comprehensive loss" to "Interest expense, net" in the Condensed Consolidated Statements of Operations within the next twelve months.

Fair Value Measurements

The following table presents the Company's financial assets and liabilities measured at fair value on a recurring basis:

(dollars in millions)	Balance sheet location	Classification	March 31, 2021	December 31, 2020
Asset Category				
Foreign exchange contracts not designated as hedging instruments	Other current assets	Level 2	$ 1.2	$ 0.2
Metals contracts not designated as hedging instruments	Other current assets	Level 2	1.4	0.4
Cross currency swaps designated as net investment hedge	Other current assets	Level 2	17.4	16.3
Total			$ 20.0	$ 16.9
Liability Category				
Foreign exchange contracts not designated as hedging instruments	Accrued expenses and other current liabilities	Level 2	$ 0.4	$ 0.7
Metals contracts not designated as hedging instruments	Accrued expenses and other current liabilities	Level 2	2.4	1.6
Interest rate swaps designated as cash flow hedging instruments	Accrued expenses and other current liabilities	Level 2	17.4	17.6
Interest rate swaps designated as cash flow hedging instruments	Other liabilities	Level 2	24.4	33.5
Cross currency swaps designated as net investment hedge	Other liabilities	Level 2	16.3	43.3
Total			$ 60.9	$ 96.7

Derivative assets and liabilities include foreign currency, metals, interest rate swaps and cross currency swaps. The fair values are determined using pricing models based upon observable market inputs, such as market spot and futures prices on over-the-counter derivative instruments, market interest rates and consideration of counterparty credit risk.

There were no significant transfers of financial instruments between the fair value hierarchy levels for the three months ended March 31, 2021.

The carrying value and estimated fair value of the Company's long-term debt totaled $1.51 billion and $1.52 billion, respectively, at March 31, 2021. At December 31, 2020, the carrying value and estimated fair value totaled $1.52 billion and $1.55 billion, respectively. The carrying values noted above include unamortized discounts and debt issuance costs. The estimated fair value of long-term debt is measured using quoted market prices at the reporting date multiplied by the gross carrying amount of the related debt, which excludes unamortized discounts and debt issuance costs. Such instruments are valued using Level 2 inputs.

7. EARNINGS PER SHARE

Basic and diluted earnings per share are based on the weighted average number of shares of common stock and potential common stock outstanding during the period. Potential common stock, for purposes of determining diluted earnings per share, assumes the issuance of all potentially dilutive share equivalents using the if-converted or treasury stock method.

A computation of earnings per share from continuing operations and weighted average shares of the Company's common stock outstanding for the three months ended March 31, 2021 and 2020 is as follows:

(dollars in millions, except per share amounts)	Three Months Ended March 31, 2021	2020
Net income from continuing operations attributable to common stockholders	$ 82.3	$ 8.4
Basic weighted average common shares outstanding	247.2	250.3
Denominator adjustments for diluted EPS:		
Number of shares issuable upon conversion of Series A Preferred Stock	—	1.2
Number of stock options and RSUs	1.4	0.5
Denominator adjustments for diluted EPS	1.4	1.7
Diluted weighted average common shares outstanding	248.6	252.0
Earnings per share from continuing operations attributable to common stockholders:		
Basic	$ 0.33	$ 0.03
Diluted	$ 0.33	$ 0.03

For the three months ended March 31, 2021 and 2020, the following securities were not included in the computation of diluted shares outstanding because the effect would be anti-dilutive or because performance targets were not yet met for awards contingent upon such measures:

(shares in millions)	Three Months Ended March 31, 2021	2020
Shares issuable upon vesting of RSUs and exercise of stock options	3.0	4.9
Total	3.0	4.9

8. CONTINGENCIES, ENVIRONMENTAL AND LEGAL MATTERS

Environmental Matters

The Company is involved in various claims relating to environmental matters at current and former plants and waste management sites. At certain of these sites, the Company engages or participates in remedial and other environmental compliance activities. At other sites, the Company has been named as a potential responsible party pursuant to the federal Superfund Act and/or state Superfund laws comparable to the federal law for site remediation. After analyzing each individual site, considering the number of parties involved, the level of its potential liability or contribution relating to the other parties, the nature and magnitude of the hazardous waste involved, the method and extent of remediation, the potential insurance coverage, the estimated legal and consulting expense with respect to each site and the time period over which any costs would likely be incurred, the Company estimates the clean-up costs and related claims for each site. The estimates are based in part on discussions with other potential responsible parties, governmental agencies and engineering firms.

The Company accrues for environmental matters when it is probable that a liability has been incurred and the amount of the liability can be reasonably estimated based on current laws and existing technologies. The accruals are adjusted periodically as assessment and remediation efforts progress or as additional technical or legal information becomes available. The Company's environmental liabilities, which are included in the Condensed Consolidated Balance Sheets as "Accrued expenses and other current liabilities" and "Other liabilities," totaled $9.9 million and $10.1 million at March 31, 2021 and December 31, 2020, respectively, primarily driven by environmental remediation, clean-up costs and monitoring of sites that were either closed or disposed of in prior years. While uncertainty exists with respect to the amount and timing of its ultimate environmental liabilities, the Company does not currently anticipate any material losses in excess of the amount recorded. However, new information about the sites, such as results of investigations, could make it necessary for the Company to reassess its potential exposure related to these environmental matters.

As of the date hereof, the Company believes it is not practicable to provide an estimated range of reasonably possible environmental losses in excess of its recorded liabilities, and, as a result, the Company is unable to ascertain the ultimate aggregate amount of monetary liability or financial impact that may be associated with these matters.

Legal Matters

From time to time, the Company is involved in various legal proceedings, investigations and/or claims in the normal course of its business. Although it cannot predict with certainty the ultimate resolution of these matters, which involve judgments that are inherently subjective, the Company believes that their resolutions, to the extent not covered by insurance, will not, individually or in the aggregate, have a material adverse effect on its consolidated financial position, results of operations or cash flows.

Arysta Sale

In connection with the Arysta Sale, which closed on January 31, 2019, the Company agreed to retain certain liabilities associated with legal and tax proceedings, primarily related to an Arysta subsidiary in Brazil. The Company does not expect to incur a material loss as a result of these proceedings. However, the resolutions of these matters may take several years and, to the extent not covered by insurance, may adversely impact the Company's financial position or results of operations.

9. INCOME TAXES

The Company's quarterly income tax provision is measured using an estimate of its consolidated annual effective tax rate, adjusted for discrete items, within the periods presented. The comparison of the Company's income tax provision between periods can be significantly impacted by the level and mix of earnings and losses by tax jurisdiction and discrete items.

For the three months ended March 31, 2021, the Company recognized income tax expense of $31.1 million resulting in an effective tax rate of 27%, as compared to income tax expense of $4.1 million resulting in an effective tax rate of 33% in the same period for 2020. The increase in income tax expense between these periods is primarily attributable to higher pre-tax earnings. Tax expense for the three months ended March 31, 2021 includes the negative impact of foreign withholding tax accruals and uncertain tax positions. Tax expense for the three months ended March 31, 2020 includes the negative impact of U.S. global intangible low-taxed income provisions and a benefit for the release of a valuation allowance on interest limitation carryforwards.

10. RELATED PARTY TRANSACTIONS

The Company is a party to an Advisory Services Agreement with Mariposa Capital, LLC, an affiliate of one of its founder directors, whereby Mariposa Capital, LLC is entitled to receive an annual fee of $3 million and reimbursement for expenses. This agreement is automatically renewed for successive one year terms unless either party notifies the other in writing of its intention not to renew no later than 90 days prior to the expiration of the applicable term. The fee is recorded in the Condensed Consolidated Statements of Operations as "Selling, technical, general and administrative" expense.

11. SEGMENT INFORMATION

The Company's operations are organized into two reportable segments: Electronics and Industrial & Specialty. These segments represent businesses for which separate financial information is utilized by the chief operating decision maker (or CODM) for purposes of allocating resources and evaluating performance.

The Company allocates resources and evaluates the performance of its operating segments based primarily on net sales and Adjusted EBITDA. Adjusted EBITDA for each segment is defined as EBITDA, as further adjusted for additional items included in earnings which the Company believes are not representative or indicative of each of its segments' ongoing business or are considered to be associated with its capital structure. Adjusted EBITDA for each segment also includes an allocation of corporate costs, such as compensation expense and professional fees.

Results of Operations

The following table summarizes financial information regarding each reportable segment's results of operations, including disaggregated external net sales by product category:

(dollars in millions)	Three Months Ended March 31, 2021	2020
Net sales:		
Electronics		
Assembly Solutions	$ 189.0	$ 126.0
Circuitry Solutions	108.3	92.9
Semiconductor Solutions	56.2	50.0
Total Electronics	353.5	268.9
Industrial & Specialty		
Industrial Solutions	146.3	125.9
Graphics Solutions	34.7	38.6
Energy Solutions	15.6	19.2
Total Industrial & Specialty	196.6	183.7
Total net sales	$ 550.1	$ 452.6
Adjusted EBITDA:		
Electronics	$ 92.5	$ 66.5
Industrial & Specialty	45.4	43.6
Total Adjusted EBITDA	$ 137.9	$ 110.1

The following table reconciles "Net income attributable to common stockholders" to Adjusted EBITDA:

(dollars in millions)	Three Months Ended March 31, 2021	2020
Net income attributable to common stockholders	$ 82.3	$ 8.6
Add (subtract):		
Income from discontinued operations, net of tax	—	(0.2)
Income tax expense	31.1	4.1
Interest expense, net	12.9	16.7
Depreciation expense	9.4	10.5
Amortization expense	29.7	29.4
EBITDA	165.4	69.1
Adjustments to reconcile to Adjusted EBITDA:		
Amortization of inventory step-up	—	1.4
Restructuring expense	2.3	1.0
Acquisition and integration (income) expense	(2.7)	6.6
Foreign exchange (gain) loss on internal debt	(28.0)	29.1
Other, net	0.9	2.9
Adjusted EBITDA	$ 137.9	$ 110.1

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations

This Management's Discussion and Analysis of Financial Condition and Results of Operations section should be read in conjunction with the unaudited Condensed Consolidated Financial Statements and related notes included in this Quarterly Report, and the Consolidated Financial Statements, related notes and Management’s Discussion and Analysis of Financial Condition and Results of Operations section and other disclosures contained in our 2020 Annual Report. This discussion contains forward-looking statements that involve risks and uncertainties. Actual results may differ materially from those discussed in these forward-looking statements. Factors that might cause a difference include, but are not limited to, those discussed in "Forward-Looking Statements” of this Quarterly Report, and in Part I, Item 1A, "Risk Factors" of our 2020 Annual Report.

Overview

Our Business

Element Solutions, incorporated in Delaware in January 2014, is a leading global specialty chemicals company whose businesses supply a broad range of solutions that enhance the performance of products people use every day. Developed in multi-step technological processes, these innovative solutions enable customers' manufacturing processes in several key industries, including consumer electronics, power electronics, semiconductor fabrication, communications and data storage infrastructure, automotive systems, industrial surface finishing, consumer packaging and offshore energy. Our businesses provide products that, in substantially all cases, are consumed by customers as part of their production process, providing us with reliable and recurring revenue streams as the products are replenished in order to continue production. Our customers use our innovation as competitive advantages, relying on us to help them navigate through fast-paced, high-growth markets. Our product development and product extensions are expected to continue to drive sales growth in both new and existing markets, while expanding margins, through a consistent focus on increasing customer value propositions.

We generate revenue from the development, formulation and sale of our chemistry solutions globally. Our extensive global teams of specially trained scientists and engineers develop our products and our expert sales and service organizations ensure our customers' needs are met every day. We leverage close relationships with our customers and OEMs to execute our growth strategy and identify opportunities for new products. These new products are developed and created by drawing upon our broad and longstanding intellectual property portfolio and technical expertise. Our specialty chemicals and processes are seen as integral to customer product performance. We believe that our customers place significant value on the consistency and quality of our brands, which we capitalize on through significant market share, customer loyalty and supply chain access. Lastly, operational risks and switching costs make it difficult for our customers to change suppliers which allows us to retain customers and maintain our market positions.

Our Operations

Our operations are organized into two segments: Electronics and Industrial & Specialty, which are each described below:

Electronics – The Electronics segment researches, formulates and sells specialty chemicals and materials for all types of electronics hardware from complex printed circuit board designs to advanced semiconductor packaging. In mobile communications, computers, automobiles and aerospace equipment, its products are an integral part of the electronics manufacturing process and the functionality of end-products. The segment's "wet chemistries" for metallization, surface treatments and solderable finishes form the physical circuitry pathways and its "assembly materials," such as solders, pastes, fluxes and adhesives, join those pathways together.

The segment provides specialty chemical solutions through the following businesses:

Assembly Solutions	As a global supplier of solder technologies, fluxes, cleaners and other attachment materials for the electronics assembly industry, we develop innovative materials that join electronic circuits in high volume device manufacturing. Our high-performing interconnect materials are used to assemble consumer electronics from circuit boards, discrete electronic components, connectors and integrated circuit substrates.
Circuitry Solutions	As a global supplier of chemical formulations to the electronics industry, we design and manufacture proprietary liquid chemical processes ("baths") used by our customers to manufacture printed circuit boards. Our product portfolio is focused on specialized consumable chemical processes, such as surface treatments, circuit formation, primary metallization, electroplate and final finishes.
Semiconductor Solutions	As a global supplier to the semiconductor industry, we provide advanced copper interconnects, die attachment, wafer bump processes and photomask technologies to our customers for integrated circuit fabrication and semiconductor packaging.

Industrial & Specialty – The Industrial & Specialty segment researches, formulates and sells specialty chemicals that enhance surfaces or improve industrial processes in diverse industrial sectors from automotive trim to transcontinental infrastructure and from high-speed printing to high-design faucets. Its products include chemical systems that protect and decorate metal and plastic surfaces; consumable chemicals that enable printing image transfer on flexible packaging materials; and chemistries used in water-based hydraulic control fluids in offshore energy production. These fully consumable products are used in the aerospace, automotive, construction, consumer electronics, consumer packaged goods and oil and gas production end markets.

The segment provides specialty chemical solutions through the following businesses:

Industrial Solutions	As a global supplier of industrial metal and plastic finishing chemistries, we primarily design and manufacture chemical systems that protect and decorate surfaces. Our high-performance functional coatings improve resistance to wear and tear, such as hard chrome plating of shock absorbers for cars or provide corrosion resistance for appliance parts. Our decorative performance coatings apply finishes for parts in various end markets such as automotive interiors or jewelry surfaces. As part of our broader sustainable solutions platform, we also provide both chemistry and equipment for turnkey wastewater treatment and recycle and reuse solutions. Our industrial customer base is highly diverse and includes customers in the following end markets: appliances and electronics equipment; automotive parts; industrial parts; plumbing goods; construction equipment and transportation equipment.
Graphics Solutions	As a supplier of consumable materials used to transfer images on to consumer packaging materials, our products are used to improve print quality and printing productivity. We produce and market photopolymers through an extensive line of flexographic plates that are used in the consumer packaging and printing industries. Photopolymers are molecules that change properties upon exposure to light. Flexography is a printing process that utilizes flexible printing plates made of rubber or other flexible plastics.
Energy Solutions	As a global supplier of specialized fluids to the offshore energy industry, we produce water-based hydraulic control fluids for major oil and gas companies and drilling contractors to be used in offshore deep-water production and drilling applications.

COVID-19 Update

The 2020 COVID-19 pandemic caused a global economic slowdown, significant end-market volatility and business uncertainty. In an effort to contain COVID-19 or slow its spread, governments and businesses around the world undertook significant countermeasures, including business closures, mandated “shelter in place” orders, travel restrictions and other edicts, which have negatively impacted, and continue to negatively impact, business activity around the globe.

In the context of the COVID-19 pandemic, our highest priority is protecting our employees, customers and other stakeholders. We proactively developed and continue to implement Company-wide COVID-19 health and safety policies and procedures based on guidance from global health organizations, relevant governments and pandemic response best practices. As the administration of vaccine programs ramps up, we continue to monitor the implications of the pandemic on our business as well as our customers' and suppliers' businesses.

The ultimate extent of the impact of COVID-19 on our business or our future results of operations, financial condition, expected cash flows and/or stock price remains unknown as COVID-19, including its variants, continue to spread. The long-term impact of this pandemic will depend on numerous and evolving factors that are highly uncertain, vary by market and cannot be quantified at this time. These factors include the duration of the pandemic, the efficacy, availability and/or public acceptance of vaccines targeting COVID-19, the impact of variants of COVID-19 that may affect its spread or virulence or the effectiveness of vaccines on the virus and/or its variants, and evolving macroeconomic factors driven by the virus's overall spread and impact.

Recent Accounting Pronouncements

Our recent accounting pronouncements have not changed materially from the summary disclosed in Note 3, *Recent Accounting Pronouncements*, to the Consolidated Financial Statements included in our 2020 Annual Report.

Non-GAAP Financial Measures

To supplement our financial results presented in accordance with GAAP in this Management's Discussion and Analysis of Financial Condition and Results of Operations section, we present certain non-GAAP financial measures, such as operating results on a constant currency and organic basis and Adjusted EBITDA. Management internally reviews these non-GAAP measures to evaluate performance on a comparative period-to-period basis in terms of absolute performance, trends and expected future performance with respect to our business. We believe these non-GAAP financial measures, which are each further described below, provide investors with an additional perspective on trends and underlying operating results on a period-to-period comparable basis. We also believe that investors find this information helpful in understanding the ongoing performance of our operations separate from items that may have a disproportionate positive or negative impact on our financial results in any particular period or are considered to be associated with our capital structure.

These non-GAAP financial measures, however, have limitations as analytical tools and should not be considered in isolation from, or a substitute for, or superior to, the related financial information that we report in accordance with GAAP. The principal limitation of these non-GAAP financial measures is that they exclude significant expenses and income that are required by GAAP to be recorded in our financial statements and may not be comparable to similarly titled measures of other companies due to potential differences in calculation methods. In addition, these measures are subject to inherent limitations as they reflect the exercise of judgment by management about which items are excluded or included in determining these non-GAAP financial measures. Investors are encouraged to review the definitions and reconciliations of these non-GAAP financial measures to their most comparable GAAP financial measures included in this Quarterly Report and not to rely on any single financial measure to evaluate our business.

Constant Currency

We disclose operating results, from net sales through operating profit and Adjusted EBITDA, on a constant currency basis by adjusting to exclude the impact of changes due to the translation of foreign currencies of our international locations into U.S. dollars. Management believes this non-GAAP financial information facilitates period-to-period comparison in the analysis of trends in business performance, thereby providing valuable supplemental information regarding our results of operations, consistent with how we internally evaluate our financial results.

The impact of foreign currency translation is calculated by converting our current-period local currency financial results into U.S. dollars using the prior period's exchange rates and comparing these adjusted amounts to our prior period reported results. The difference between actual growth rates and constant currency growth rates represents the estimated impact of foreign currency translation.

Organic Net Sales Growth

Organic net sales growth is defined as net sales excluding the impact of foreign currency translation, changes due to the pass-through pricing of certain metals and acquisitions and/or divestitures, as applicable. Management believes this non-GAAP financial measure provides investors with a more complete understanding of the underlying net sales trends by providing comparable net sales over differing periods on a consistent basis.

For a reconciliation of GAAP net sales growth to organic net sales growth, see "*Net Sales*" within the "Results of Operations" section below.

Adjusted EBITDA

We define Adjusted EBITDA as EBITDA, excluding the impact of additional items included in GAAP earnings which we believe are not representative or indicative of our ongoing business or are considered to be associated with our capital structure. Management believes Adjusted EBITDA provides investors with a more complete understanding of the long-term profitability trends of our business and facilitates comparisons of our profitability to prior and future periods.

For a reconciliation of "Net income attributable to common stockholders" to Adjusted EBITDA, and more information about the adjustments made, see Note 11, *Segment Information*, to the unaudited Condensed Consolidated Financial Statements included in this Quarterly Report.

Results of Operations

Three months ended March 31, 2021 as compared to the three months ended March 31, 2020

(dollars in millions)	Three Months Ended March 31, 2021	Three Months Ended March 31, 2020	% Change Reported	% Change Constant Currency	% Change Organic
Net sales	$ 550.1	$ 452.6	22%	17%	11%
Cost of sales	309.1	255.3	21%	17%	
Gross profit	241.0	197.3	22%	18%	
Gross margin	*43.8 %*	*43.6 %*	*20 bps*	*20 bps*	
Operating expenses	141.1	142.7	(1)%	(4)%	
Operating profit	99.9	54.6	83%	75%	
Operating margin	*18.2 %*	*12.1 %*	*610bps*	*590bps*	
Other income (expense), net	13.5	(42.1)	(nm)		
Income tax expense	(31.1)	(4.1)	(nm)		
Net income from continuing operations	82.3	8.4	(nm)		
Income from discontinued operations, net of tax	—	0.2	(nm)		
Net income	$ 82.3	$ 8.6	(nm)		
Adjusted EBITDA	$ 137.9	$ 110.1	25%	20%	
Adjusted EBITDA margin	*25.1 %*	*24.3 %*	*80bps*	*60bps*	

(nm) Calculation not meaningful.

Net Sales

Net sales in the first quarter of 2021 increased by 22% on a reported basis, 17% on a constant currency basis and 11% on an organic basis. Electronics' consolidated results were positively impacted by $22.8 million of pass-through metals pricing and Industrial & Specialty's consolidated results were positively impacted by $4.7 million of acquisitions.

The following table reconciles GAAP net sales growth to constant currency and organic net sales growth:

	Three Months Ended March 31,		% Change					
(dollars in millions)	2021	2020	Reported Net Sales Growth	Impact of Currency	Constant Currency	Pass-Through Metals Pricing	Acquisitions	Organic Net Sales Growth
Electronics:								
Assembly Solutions	$ 189.0	$ 126.0	50%	(5)%	45%	(18)%	—%	27%
Circuitry Solutions	108.3	92.9	17%	(6)%	11%	—%	—%	11%
Semiconductor Solutions	56.2	50.0	13%	(2)%	11%	—%	—%	11%
Total	353.5	268.9	31%	(5)%	27%	(8)%	—%	18%
Industrial & Specialty:								
Industrial Solutions	146.3	125.9	16%	(4)%	12%	—%	(4)%	8%
Graphics Solutions	34.7	38.6	(10)%	(2)%	(12)%	—%	—%	(12)%
Energy Solutions	15.6	19.2	(19)%	0%	(19)%	—%	—%	(19)%
Total	196.6	183.7	7%	(3)%	4%	—%	(3)%	1%
Total	$ 550.1	$ 452.6	22%	(4)%	17%	(5)%	(1)%	11%

NOTE: Totals may not sum due to rounding.

Electronics' net sales in the first quarter of 2021 increased 31% on a reported basis and 18% on an organic basis.

- Assembly Solutions: net sales increased 50% on a reported basis and 27% on an organic basis. Pass-through metals pricing had a positive impact of 18% on reported net sales. Foreign exchange had a positive impact of 5% on reported net sales. The increase in organic net sales was primarily due to automotive recovery in Asia compared to COVID-19-related production slowdowns in the first quarter of 2020, as well as stronger demand from power electronics customers.
- Circuitry Solutions: net sales increased 17% on a reported basis and 11% on an organic basis. Foreign exchange had a positive impact of 6% on reported net sales. The increase in organic net sales was primarily due to demand in mobile applications and automotive.
- Semiconductor Solutions: net sales increased 13% on a reported basis and 11% on an organic basis. Foreign exchange had a positive impact of 2% on reported net sales. The increase in organic net sales was primarily due to strong demand for wafer plating chemistries in the 5G telecommunications infrastructure and automotive end markets.

Industrial & Specialty's net sales in the first quarter of 2021 increased 7% on a reported basis and 1% on an organic basis.

- Industrial Solutions: net sales increased 16% on a reported basis and 8% on an organic basis. The DMP Acquisition had a positive impact of 4% on reported net sales. Foreign exchange had a positive impact of 4% on reported net sales. The increase in organic net sales was primarily due to automotive recovery in Asia compared to COVID-19-related production slowdowns in the first quarter of 2020, and improved demand in construction and industrial manufacturing markets in Europe.
- Graphics Solutions: net sales declined 10% on a reported basis and 12% on an organic basis. Foreign exchange had a positive impact of 2% on reported net sales. The decrease in organic net sales was primarily due to prior year COVID-19-related demand in Europe and the Americas for consumer packaged goods in the first quarter of 2020 that did not recur.
- Energy Solutions: net sales declined 19% on a reported and organic basis. Foreign exchange did not have a material impact on reported net sales. The decrease in organic net sales was primarily due to volatile energy prices, which significantly curtailed production and drilling activity globally.

Gross Profit

(dollars in millions)	Three Months Ended March 31, 2021	2020	% Change Reported	Constant Currency
Gross profit				
Electronics	$ 149.6	$ 112.4	33%	28%
Industrial & Specialty	91.4	84.9	8%	5%
Total	$ 241.0	$ 197.3	22%	18%
Gross margin				
Electronics	42.3 %	41.8 %	50 bps	50 bps
Industrial & Specialty	46.5 %	46.2 %	30 bps	40 bps
Total	43.8 %	43.6 %	20 bps	20 bps

Electronics' gross profit in the first quarter of 2021 increased by 33% on a reported basis and 28% on a constant currency basis. The constant currency increase in gross profit was primarily driven by the impact of higher volumes. The increase in gross margin was primarily due to increased leverage on our fixed manufacturing costs partially offset by increased net sales of products containing metals in our Assembly business.

Industrial & Specialty's gross profit in the first quarter of 2021 increased by 8% on a reported basis and 5% on a constant currency basis. The constant currency increase in gross profit was primarily driven by the impact of higher volumes in automotive, construction and industrial manufacturing partially offset by net sales declines in our Graphics and Energy Solutions businesses. The increase in gross margin was primarily due to increased leverage on our fixed manufacturing costs.

Operating Expenses

(dollars in millions)	Three Months Ended March 31, 2021	2020	% Change Reported	Constant Currency
Selling, technical, general and administrative	$ 129.6	$ 125.2	4%	1%
Research and development	11.5	17.5	(34)%	(35)%
Total	$ 141.1	$ 142.7	(1)%	(4)%
Operating expenses as % of Net sales				
Selling, technical, general and administrative	23.6 %	27.7 %	(410) bps	(400) bps
Research and development	2.1 %	3.9 %	(180) bps	(180) bps
Total	25.7 %	31.5 %	(580) bps	(570) bps

Operating expenses in the first quarter of 2021 decreased 1% on a reported basis and 4% on a constant currency basis. The decrease was primarily driven by $6.3 million of research and development expense incurred in the first quarter of 2020 related to the acquisition of a new subsea production control fluid designed to compliment our Energy Solutions business and lower travel expenses of $2.3 million. These decreases were partially offset by $6.7 million of higher incentive compensation costs, primarily due to higher accruals associated with increased expectations for strong full year financial results.

Other (Expense) Income

(dollars in millions)	Three Months Ended March 31, 2021	2020
Other (expense) income		
Interest expense, net	$ (12.9)	$ (16.7)
Foreign exchange gain (loss)	28.0	(25.8)
Other (expense) income, net	(1.6)	0.4
Total	$ 13.5	$ (42.1)

Interest Expense, Net

For the three months ended March 31, 2021, net interest expense decreased $3.8 million primarily due to our private offering of $800 million aggregate principal amount of 3.875% USD Notes due 2028 and the subsequent full redemption of our 5.875% USD Notes due 2025 during the third quarter of 2020.

Foreign Exchange Gain (Loss)

For the three months ended March 31, 2021, foreign exchange gain increased $53.8 million primarily due to the remeasurement of euro- and British pound-denominated intercompany balances.

Income Tax

The comparison of the Company's income tax provision between periods can be significantly impacted by the level and mix of earnings and losses by tax jurisdiction and discrete items. See Note 9, *Income Taxes*, for further information.

We evaluate our valuation allowance conclusions on a quarterly basis. Depending on future business performance, it is reasonably possible that adjustments will be made in 2021 to the valuation allowances established with respect to U.S. tax attributes, including net operating loss carryforwards in certain states.

Other Comprehensive Loss

Other comprehensive loss for the three months ended March 31, 2021 totaled $45.3 million, as compared to $54.5 million in the prior year. The change was primarily driven by the revaluation of our interest rate swaps and foreign currency translation gains associated with the Brazilian real and Chinese yuan partially offset by foreign currency translation losses associated with the euro and British pound.

Segment Adjusted EBITDA Performance

(dollars in millions)	Three Months Ended March 31, 2021	2020	% Change Reported	Constant Currency
Adjusted EBITDA:				
Electronics	$ 92.5	$ 66.5	39%	33%
Industrial & Specialty	45.4	43.6	4%	1%
Total	$ 137.9	$ 110.1	25%	20%
Adjusted EBITDA margin:				
Electronics	26.2 %	24.8 %	140 bps	110 bps
Industrial & Specialty	23.1 %	23.7 %	(60) bps	(60) bps
Total	25.1 %	24.3 %	80 bps	60 bps

For the three months ended March 31, 2021, Electronics' Adjusted EBITDA increased 39% on a reported basis and 33% on a constant currency basis. The constant currency increase was primarily driven by higher gross profit partially offset by increased incentive compensation costs, primarily due to higher accruals associated with projected full year financial results. Industrial & Specialty's Adjusted EBITDA increased 4% on a reported basis and 1% on a constant currency basis. The constant currency increase was primarily driven by higher gross profit partially offset by increased incentive compensation costs, primarily due to higher accruals associated with projected full year financial results.

Liquidity and Capital Resources

Our primary source of liquidity during the three months ended March 31, 2021 was available cash generated from operations. Our primary uses of cash and cash equivalents were to fund operations, debt service obligations, capital expenditures, working capital and dividend payments. Our first significant debt principal payment of approximately $700 million, related to the maturity of our outstanding term loans under the Credit Agreement, is not due until 2026.

Subject to final approval from the Board, we currently expect to pay a 6 cents per share dividend on a quarterly basis, starting in the second quarter of 2021. However, the actual declaration of any cash dividends, as well as their amounts and timing, will be subject to the final determination of our Board of Directors based on factors including our future earnings and cash flow generation.

We believe that our cash and cash equivalents and cash generated from operations, supplemented by our availability under our lines of credit, including our revolving credit facility under the Credit Agreement, will be sufficient to meet our working capital needs, interest payments, capital expenditures, potential dividend payments and other business requirements for at least the next twelve months. However, working capital cycles and/or future repurchases of our common stock and/or acquisitions may require additional funding, which may include future debt and/or equity offerings. Our long-term liquidity may be influenced by our ability to borrow additional funds, renegotiate existing debt and raise equity under terms that are favorable to us.

We may from time to time seek to repurchase our equity and/or to retire or repurchase our outstanding debt through cash purchases and/or exchanges for equity, in open market purchases, privately negotiated transactions or otherwise. Such repurchases or exchanges, if any, will depend on prevailing market conditions, our liquidity requirements, contractual restrictions, applicable restrictions under our various financing arrangements and other factors.

During the three months ended March 31, 2021, approximately 75% of our net sales were generated from non-U.S. operations, and we expect a large portion of our net sales to continue to be generated outside of the U.S. As a result, our foreign subsidiaries will likely continue to hold a substantial portion of our cash. We expect to manage our worldwide cash requirements based on available funds among the many subsidiaries through which we conduct business and the cost effectiveness with which those funds can be accessed. We may transfer cash from certain international subsidiaries to the U.S. and/or other international subsidiaries when we believe it is cost effective to do so.

We continually review our domestic and foreign cash profile, expected future cash generation and investment opportunities, which support our current designation of a portion of these funds as being indefinitely reinvested, and reassess whether there are demonstrated needs to repatriate a portion of these funds being held internationally. If, as a result of our review, we determine that all or a portion of the funds require repatriation, we may be required to accrue additional taxes. Of our $318 million of cash and cash equivalents at March 31, 2021, $211 million was held by our foreign subsidiaries. During the three months ended March 31, 2021, domestic cash was primarily used for debt service obligations and dividend payments.

The following is a summary of our cash flows provided by (used in) operating, investing, and financing activities of continuing operations during the periods indicated:

	Three Months Ended March 31,	
(dollars in millions)	**2021**	**2020**
Cash provided by operating activities	$ 32.6	$ 61.2
Cash provided by (used in) investing activities	$ 10.5	$ (16.4)
Cash (used in) provided by financing activities	$ (14.2)	$ 283.4

Operating Activities

The decrease in net cash flows provided by operating activities of $28.6 million was driven primarily by the amount and timing of interest payments, higher incentive compensation payments and higher levels of working capital including a build of safety inventory as a result of potential global supply chain disruptions. These decreases were partially offset by higher cash operating profits (net income adjusted for non-cash items). Interest on our 3.875% USD Notes due 2028 is payable semi-annually in the first and third quarter, whereas interest on our 5.875% USD Notes due 2025 was payable semi-annually in the second and fourth quarter.

Investing Activities

The increase in net cash flows provided by investing activities was primarily driven by $19.0 million of cash received for the sale of a dormant facility in New Jersey during the first quarter of 2021.

Financing Activities

During the three months ended March 31, 2021, we used cash on-hand to pay dividends of $12.4 million. During the three months ended March 31, 2020, we used cash on-hand to repurchase shares of our common stock for an aggregate purchase price of $33.1 million and, as a precautionary measure considering the uncertain state of the global economy and capital markets at the onset of the COVID-19 pandemic, we borrowed $320 million under our revolving credit facility. The borrowing was repaid in its entirety in April of 2020. We did not have any borrowings under our revolving credit facility during the three months ended March 31, 2021.

Financial Borrowings

Credit Facilities & Senior Notes

At March 31, 2021, we had $1.51 billion of indebtedness, net of unamortized discounts and debt issuance costs, which primarily included:

- $788 million of 3.875% USD Notes due 2028; and
- $726 million of term debt arrangements outstanding under our term loans.

Availability under the revolving credit facility and various lines of credit and overdraft facilities totaled $349 million at March 31, 2021 (net of $5.5 million of stand-by letters of credit which reduce our borrowing capacity).

Covenants

At March 31, 2021, we were in compliance with the customary affirmative and negative covenants, events of default and other customary provisions of the Credit Agreement, as well as with the covenants included in the indenture governing the 3.875% USD Notes.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

The quantitative and qualitative disclosures about market risk required by this item have not changed materially from those disclosed in our 2020 Annual Report. For a discussion of our exposure to market risk, refer to Part II, Item 7A, *Quantitative and Qualitative Disclosures about Market Risk*, contained in our 2020 Annual Report.

Item 4. Controls and Procedures

(a) Evaluation of Disclosure Controls and Procedures

Our management is responsible for establishing and maintaining disclosure controls and procedures as defined in Rules 13a-15 (e) and 15d-15(e) under the Exchange Act. As required by Rule 13a-15(b) of the Exchange Act, management, including our

CEO and CFO, has evaluated the effectiveness of our disclosure controls and procedures as of the end of the period covered by this Quarterly Report. The term “disclosure controls and procedures,” as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, means controls and other procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC’s rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the company’s management, including its CEO and CFO, as appropriate, to allow timely decisions regarding required disclosure. Based on that evaluation, our CEO and CFO have concluded that the Company’s disclosure controls and procedures were effective as of the end of the period covered by this Quarterly Report.

(b) Changes to Internal Control Over Financial Reporting

As required by Rule 13a-15(d) under the Exchange Act, our management, including our CEO and CFO, has evaluated the Company’s internal control over financial reporting to determine whether any changes occurred during the quarter covered by this Quarterly Report have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

There have been no changes in our internal control over financial reporting that occurred during the quarter covered by this Quarterly Report that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

From time to time, we are involved in legal proceedings, investigations and/or claims that are incidental to the operation of our businesses. In particular, we are involved in various claims relating to environmental matters at a number of current and former plant sites and waste management sites. See Note 8, *Contingencies, Environmental and Legal Matters*, to the unaudited Condensed Consolidated Financial Statements included in this Quarterly Report for more information and updates.

Item 1A. Risk Factors

There have been no material changes in the risk factors from those set forth in Part I, Item 1A, *Risk Factors* of our 2020 Annual Report.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Recent Purchases of Equity Securities by the Issuer and Affiliated Purchases

The following table provides information about purchases by the Company during the three months ended March 31, 2021 of equity securities of the Company:

Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of a Publicly Announced Repurchase Program	Approximate Dollar Value of Shares that May Yet be Purchased Under the Repurchase Program[(1)] *(in millions)*
January 1 - January 31	—	$ —	—	$ 187
February 1 - February 28	—	$ —	—	$ 187
March 1 - March 31	1,700	$ 17.89	1,700	$ 187
Total	1,700	$ 17.89	1,700	$ 187

[(1)] *In July 2018, our Board of Directors authorized a program to repurchase up to $750 million of the Company's common stock, of which approximately $563 million had been utilized as of March 31, 2021. The Company's share repurchase program does not require the repurchase of any specific number of shares and shares repurchases are made opportunistically at the discretion of the Company. This program does not have an expiration date, but may be suspended or terminated by the Board at any time.*

The table above excludes shares purchased by the Company in connection with tax withholdings associated with the vesting of RSUs as these shares were not issued or considered share repurchases under our share repurchase program.

Item 3. Defaults Upon Senior Securities

None

Item 4. Mine Safety Disclosures

None

Item 5. Other Information

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers

(b) On April 27, 2018, Scot R. Benson, a member of the Board, has confirmed to the Board his decision not to seek reelection to the Board effective as of the date of the Company's 2021 annual meeting of stockholders (the "2021 Annual Meeting"), or June 8, 2021. There was no disagreement between Mr. Benson and the Company on any matter relating to the Company's operations, policies or practices. As indicated in the Company's definitive proxy statement filed with the SEC on April 28, 2021, Mr. Benson is expected to be replaced by Ms. Elyse Napoli Filon, a Company independent director nominee, subject to her election at the 2021 Annual Meeting.

(e) On April 28, 2021, the Company entered into its standard change of control agreement with each of Joseph J. D'Ambrisi, EVP, Head of Electronics, and Michael Goralski, EVP, Head of Industrial & Specialty and Global Supply Chain. A form of the change of control agreement, as revised on November 6, 2019, is attached as Exhibit 10.1 to this Quarterly Report and is incorporated herein by reference, along with a detailed summary of its material terms previously disclosed in the Company's Current Report on Form 8-K filed with the SEC on April 8, 2016.

(e) In connection with the retirement of Patricia A. Mount as Vice President, Program Management & Integration of Element Solutions on March 31, 2021, the Company and Ms. Mount entered into a letter agreement and release, which will become effective on May 4, 2021 (the "Effective Date"), if not revoked. The letter agreement includes, among other things (i) a customary release and restrictive covenants, including non-competition and non-solicitation obligations as well as confidentiality provisions, (ii) the acceleration of vesting, within 60 days after the Effective Date, of Ms. Mount's outstanding performance-based restricted stock units at target level, (iii) eligibility for continued vesting of Ms. Mount 's outstanding unvested stock options according to their original time vesting criteria and (iv) an agreement by Ms. Mount to provide certain consulting services to the Company up to 100 hours per year for two years.

A copy of the letter agreement is filed with this Quarterly Report as Exhibit 10.2 and is incorporated herein by reference. The foregoing summary of the letter agreement is not intended to be complete and is qualified in its entirety by reference to the text of the letter agreement.

Item 6. Exhibits

The following exhibits are filed or furnished as part of this Quarterly Report:

Exhibit Number	Description
3.1(a)	Certificate of Incorporation dated January 22, 2014 (filed as Exhibit 3.1 of Post-Effective Amendment No. 1 to the Registration Statement on Form S-4 (File No. 333-192778) filed on January 24, 2014, and incorporated herein by reference)
3.1(b)	Certificate of Amendment of Certificate of Incorporation dated June 12, 2014 (filed as Exhibit 3.1 of the Current Report on Form 8-K filed on June 13, 2014, and incorporated herein by reference)
3.1(c)	Certificate of Amendment of Certificate of Incorporation dated January 31, 2019 (filed as Exhibit 3.1 of the Current Report on Form 8-K filed on February 5, 2019, and incorporated herein by reference)
3.2	Amended and Restated By-laws (filed as Exhibit 3.2 of the Current Report on Form 8-K filed on February 5, 2019, and incorporated herein by reference)
10.1†	Form of Change in Control Agreement (included as Exhibit 10.1 of the Quarterly Report on Form 10-Q filed on November 7, 2019, and incorporated herein by reference)
10.2*	Letter Agreement and Release by and between the Company and Patricia A. Mount, dated April 27, 2021
31.1*	Principal Executive Officer Certification Pursuant to Exchange Act Rules 13a-14 and 15d-14 as adopted pursuant to the Section 302 of the Sarbanes-Oxley Act of 2002
31.2*	Principal Financial Officer Certification Pursuant to Exchange Act Rules 13a-14 and 15d-14 as adopted pursuant to the Section 302 of the Sarbanes-Oxley Act of 2002
32.1**	Principal Executive Officer and Principal Financial Officer Certifications Pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.SCH**	Inline XBRL Taxonomy Extension Schema Document
101.CAL**	Inline XBRL Extension Calculation Linkbase Document
101.DEF**	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB**	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE**	Inline XBRL Taxonomy Extension Presentation Linkbase Document
101. INS**	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL documents
104**	Cover Page Interactive Data File (formatted as Inline XBRL and included in Exhibits 101)

* Filed herewith.

** Furnished herewith.

† Management contract or compensatory plan.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized this April 29, 2021.

ELEMENT SOLUTIONS INC

By: /s/ Michael Russnok

Michael Russnok
Chief Accounting Officer
(Principal Accounting Officer)

Exhibit 32.1

April 27, 2021

Patricia Mount
[Address]
[Address]

Dear Trisha,

This letter agreement and release (the "Agreement") confirms the agreement entered into between you and your Employer regarding the termination of your employment effective March 31, 2021 ("Termination Date") and explains the package of separation compensation and benefits that has been specially developed for you in consideration of a fully bargained for release and settlement of any and all claims that you have presently, may have or have had in the past arising from your employment with and termination of your employment from the Employer up to and including the date you execute this Agreement. Additionally, pursuant to this Agreement, you are releasing all claims against the Company. For purposes of this Agreement, the term "Employer" shall mean Element Solutions Inc. The term "Company" shall mean the Employer and any of its direct or indirect parent or subsidiary corporations or companies, and any of its or their affiliates, divisions, and business units. "Effective Date" is defined in Section 15.

1. CONSIDERATION IN SETTLEMENT. The consideration provided to you under this Agreement is not required under the Employer's policies or otherwise, except as expressly noted, and you acknowledge that you know of no circumstances other than you agreeing to the terms of this Agreement which would require the Employer to provide such consideration. You acknowledge that no representations of any kind have been made by the Employer to induce your execution of this Agreement and that the only representations made to you in order to obtain your consent to this Agreement are as stated herein. The fact that the Employer is offering to make these payments to you on these terms and conditions imposes no obligation whatsoever on the Employer or the Company to offer to pay any amounts to any employee whose employment is terminated with the Employer or the Company now or in the future. Accordingly, if you execute (and do not revoke) this Agreement you will receive:

(a) COBRA. To the extent provided by the federal Consolidated Omnibus Budget Reconciliation Act of 1985 law, or if applicable, state insurance laws (collectively "COBRA"), and by the Employer's current group health insurance policies, you will be eligible to continue your group health insurance benefits after the Termination Date at your own expense for up to 18 months at a monthly premium equal to 102% of actual plan cost. Within the timing required by law, you will be provided a separate notice describing your COBRA rights and obligations with respect to continued group health insurance under the applicable state and/or federal insurance laws. Specific costs and details will be provided to you on a timely basis.

(b) LONG-TERM INCENTIVE EQUITY AWARDS. During your employment, you were a participant in the Element Solutions Inc long-term incentive program ("LTI"), pursuant to which you received (i) a Performance-Based Restricted Stock Award Agreement dated February 20, 2019 ("Award #1"), (ii) a Performance-Based Restricted Stock Award Agreement dated February 19, 2020 ("Award #2"), (iii) an Incentive Stock Option Award Agreement dated February 20, 2019 ("Award #3"), (iv) an Incentive Stock Option Award Agreement dated February 19, 2020 ("Award #4"), and (v) a Non-Qualified Stock Option Award Agreement dated February 19, 2020 ("Award #5"), in each case representing LTI awards under the Element Solutions Inc (f/k/a) Platform Specialty Products Corporation Amended and Restated 2013 Incentive Compensation Plan (the "Plan"). (Award #1, Award #2, Award #3, Award #4, and Award #5 are referred to herein each as an "Award" and collectively as the "Awards".) Within 60 days after the Effective Date, each of Award #1 and Award #2 will be vestedat target, even though you will no longer be a full-time, active employee and the restrictions would not otherwise have lapsed. Subject to achieving the respective time vesting criteria set forth in Award #3, Award #4, and Award #5, you will continue to be eligible to receive the vesting of the options from such Awards if, as and when such Awards otherwise would vest if you were actively employed, even though you will not be a full-time, active employee on the date the Awards would otherwise vest. The Awards will otherwise continue to be governed by and subject to the

terms and conditions of the applicable award agreement and the Plan. Any remaining unvested equity awards not addressed in this paragraph will be forfeited upon termination.

(c) NO MITIGATION. Nothing in this Section 1 or any other provision of this Agreement shall be deemed to require you to mitigate the cost of severance compensation and benefits provided hereunder.

2. OTHER BENEFIT PLANS. Effective as of the Termination Date, you acknowledge that you are no longer eligible to participate in any of the Employer's or the Company's other benefit plans including, but not limited to the Employer's 401(k) savings plan (the "401(k) Plan").

3. VACATION AND PAID TIME OFF ("PTO"). As of the Termination Date, no further vacation or PTO shall accrue. An amount equal to 24.6 days, representing your remaining accrued and unused vacation based on your base salary in effect at the time of your termination was paid in a lump sum on the next pay date following your Termination Date, subject to standard payroll deductions and withholdings. This amount represents payment to you in lieu of any and all accrued but unused vacation or PTO time you may still have. Those payments are not contingent on entering into this Agreement.

4. ELECTION. If you decide not to execute this Agreement, you may elect to receive the Severance Pay and/or benefits defined in any employment contract or other written agreement between you and the Employer which may be in effect on your Termination Date and covers your separation with the Employer, if any. The acceptance of Severance Pay and benefits available under this Agreement shall constitute a waiver of any Severance Pay you would have been entitled to under any other agreement.

5. RETURN OF EMPLOYER AND COMPANY PROPERTY. You acknowledge that prior to and as a condition of your receipt of any Severance Pay and/or consideration as described in this Agreement, you will return all Employer and Company documents (and all copies thereof) and other property, which is in your possession. Such property includes, but is not limited to office keys, credit cards, computers, computer discs and software, printers, fax machines, cellular phones, all documents, files and other information of the Employer and Company whether or not the property meets the definition of "Confidential Information" or "Trade Secrets" under any applicable policy of the Company, agreement between you and the Company or applicable laws, and other related Employer and Company books, equipment or records.

6. REIMBURSEMENT OF EXPENSES. The Employer shall reimburse you for any and all business expenses for which you are entitled to reimbursement under the Employer's expense reimbursement policies and procedures in effect on the date hereof. All expenses for reimbursement shall be submitted within thirty (30) days from the date of this Agreement, and the Employer shall process such expenses promptly. Any expenses submitted after this thirty (30) day period will not be paid.

7. NON-DUPLICATION OF BENEFITS. The amount of severance payments hereunder shall be reduced on a dollar for dollar basis by any disability, severance, separation or termination pay benefits that the Employer pays or is required to pay you through insurance or otherwise under any plan or contract or under any federal or state law; provided, however, that the severance payment shall never be less than two (2) weeks' base salary, and such amount is acknowledged to be full and adequate consideration for this Agreement.

8. GENERAL RELEASE OF CLAIMS. You agree to release and hold harmless (on behalf of yourself and your family, heirs, executors, successors and assigns) now and forever, the Employer and the Company and any of the foregoing entities' past, present or future parent and subsidiary corporations, affiliates, divisions, successors and assigns (whether or not incorporated) and any of its past, present or future employees, agents, assigns, officers, directors, shareholders and attorneys whether acting in their individual or representative capacity (the "Released Parties") from and waive any claim that you have presently, may have or have had in the past, known or unknown, against the Released Parties upon or by reason of any matter, cause or thing whatsoever, from the beginning of the world through the date you execute this Agreement, including, without limitation, all claims arising from your employment with, or termination of employment from, the Employer and the Company, or otherwise, including but not limited to, any and all claims brought or that could be brought pursuant to or under any federal, state or local statute (including, without limitation, the Age Discrimination in Employment Act of 1967, the 1990 Older Workers Benefit Protection Act, Title VII of the Civil Rights Act of 1964, as amended, the Civil Rights Act of 1991, the Equal Pay Act, the Americans with Disabilities Act of 1990, the Employee Retirement Income Security Act of 1974, the Family and Medical Leave Act of 1993, the Fair Labor Standards Act, the Worker Adjustment and

Retraining Notification Act, as well as any state or local equivalents of any of the foregoing, and all other applicable statutes regulating the terms and conditions of your employment), any regulation or ordinance, under the common law or in equity (including any claims for wrongful discharge, slander, libel or otherwise), or under any policy, agreement, understanding or promise, written or oral, formal or informal, between the Released Parties and you, including, without limitation, any claim you might have for severance, termination or severance pay pursuant to the Employer's severance policies or practices as from time to time in effect, or otherwise (the "Released Claims").

You expressly waive and relinquish all rights and benefits under any section of any law or legal principle of similar effect in any other jurisdiction with respect to your release of any unknown or unsuspected claims herein.

Notwithstanding the foregoing, the following are not included in the Released Claims (the "Excluded Claims"): (i) any rights or claims which are not waivable as a matter of law; and (ii) any claims for breach of this Agreement. You represent and warrant that, other than the Excluded Claims, you are not aware of any claims you have or might have against any of the Released Parties that are not included in the Released Claims.

9. NO PENDING ACTION/COVENANT NOT TO SUE. Except to enforce the terms of this Agreement and as provided below, you agree and covenant not to file any suit or other legal action against the Released Parties with regard to any of the Released Claims. You further represent and warrant that as of the date you sign this Agreement no suits, complaints, charges, or other proceedings are pending against the Released Parties before any court, administrative agency, commission or other forum relating directly or indirectly to the Released Claims.

NOTHING IN THIS AGREEMENT IS INTENDED IN ANY WAY TO LIMIT YOUR RIGHT OR ABILITY TO INITIATE OR PARTICIPATE IN ANY INVESTIGATION OR PROCEEDING CONDUCTED BY ANY FEDERAL, STATE OR LOCAL AGENCY, INCLUDING THE U.S. EQUAL EMPLOYMENT OPPORTUNITY COMMISSION ("EEOC"). NOTWITHSTANDING THE FOREGOING, YOU AGREE TO WAIVE YOUR RIGHT TO RECOVER MONETARY DAMAGES IN ANY SUIT, COMPLAINT, CHARGE OR OTHER PROCEEDING FILED BY YOU OR ANYONE ELSE ON YOUR BEHALF.

10. ADEA WAIVER. You acknowledge that you are knowingly and voluntarily waiving and releasing any rights you may have under the ADEA (the "ADEA Waiver"), and that the consideration given for this ADEA Waiver is in addition to anything of value to which you are already entitled. You further acknowledge that you have been advised, as required by the ADEA, that: (i) your ADEA Waiver does not apply to any rights or claims that may arise after the date that you sign this Agreement; (ii) you should consult with an attorney prior to signing this Agreement (although you may choose voluntarily not to do so); (iii) you have twenty-one (21) days to consider this Agreement (although you may choose voluntarily to sign it earlier); (iv) you have seven (7) days following the date you sign this Agreement to revoke the ADEA Waiver (by providing written notice of your revocation to the Company; and (v) this ADEA Waiver will not be effective until the date upon which the revocation period has expired, which will be the eighth day after the date that this Agreement is signed by you provided that you do not revoke it (the "Effective Date'). You further acknowledge that the Employer has provided you with the ADEA Disclosure information (under Title 29 USC Section 626(f)(1)(H)).

11. FUTURE ASSISTANCE. Upon request, you agree to provide such assistance and cooperation in any matter relating to your expertise or experience as the Employer may reasonably request including your attendance and truthful testimony where deemed appropriate by the Employer, to the Employer's defense or prosecution of any existing or future claims or litigations of which the Employer identifies you as potentially having knowledge. The Employer shall pay you reasonable costs and expenses in connection therewith.

12. RIGHT TO COUNSEL. The Employer hereby advises you that you should consult with an attorney prior to execution of this Agreement. You acknowledge that you understand it is in your best interest to have this document reviewed by an attorney of your own choosing and at your own expense, and you hereby acknowledge that you have been afforded not less than twenty-one (21) days during which to consider this Agreement and to have it reviewed by your attorney. To the extent that you decide to execute this Agreement prior to the expiration of the twenty-one (21) day review period, such execution shall constitute a voluntary and knowing valid waiver of such review period.

13. FREE WILL. You are entering into this Agreement of your own free will and without coercion, intimidation or threat of retaliation. You acknowledge and agree that the Employer and/or the Company

have not exerted any undue pressure or influence on you in this regard. You acknowledge that you have had reasonable time to determine whether entering into this Agreement is in your best interest and you have read and fully understand the terms set forth in this Agreement. You understand that if you request additional time to review the provisions of this Agreement, a reasonable extension of time will be granted.

14. BREACH OF AGREEMENT/PENALTIES. If you initiate or participate in any lawsuit or other legal action in violation of this Agreement, or if you fail to abide by any of the terms of this Agreement, except to the extent prohibited by law, the Employer may reclaim any amounts paid under this Agreement, without waiving the release granted herein, and terminate any benefit or payments that are due under the Agreement, in addition to any other remedies it may have. In addition, you shall pay the Employer all of its actual attorneys' fees and costs incurred resulting from, or incident to, such violation and you agree to pay such fees and costs within thirty (30) days of the Employer's written demand.

15. REVOCATION AND EFFECTIVE DATE. This Agreement may be revoked by you within the seven (7) days after the date on which you sign this Agreement and it is received by the Employer. You understand that this Agreement shall not become binding or enforceable until this seven (7) day period has expired without you having so revoked. This Agreement shall become effective on the eighth (8th) day following your signing of this Agreement (the "Effective Date") provided that you have not revoked the Agreement prior to such date. Any such revocation must be made in a signed letter executed by you and received by the Employer at the following address no later than 5 p.m. Eastern Time on the seventh day after you have executed this Agreement: Element Solutions Inc, 500 East Broward Blvd - Suite 1860, Fort Lauderdale, FL 33394, Attention: General Counsel. You understand that if you revoke this Agreement, this Agreement will not be effective or enforceable by you and you will not be entitled to any payments or benefits hereunder. You understand and agree that you will not receive the payments and benefits set forth in this Agreement, except for your execution of this Agreement and the fulfillment of your promises set forth herein. Any notice to be given under this Agreement (other than the revocation, if any, set forth above) shall be given in writing and delivered either personally or sent by certified mail to the Employer c/o General Counsel at the above address and to you at your address in the Employer's records or such other address as you may provide to Employer in writing in advance in accordance with this Section 15.

16. CONFIDENTIALITY. In addition to any agreement related to trade secrets, confidential information and/or work products previously executed by you, including, you will not at any time divulge to any other entity or person any information acquired by you concerning the financial affairs of the Employer or the Company, its affiliates and subsidiaries, its officers, directors, employees and/or shareholders or the Employer’s or the Company’s business processes or methods or research, development or marketing programs or plans, any other of its trade secrets, any information regarding personal matters of any directors, officers, shareholders, employees or agents of the Employer or the Company or their respective family members, any information concerning this Agreement or the terms thereof or any information concerning the circumstances of your employment with and the termination of your employment from the Employer or the Company, or any information regarding discussions related to any of the foregoing or make, write, publish, produce or in any way participate in placing into the public domain any statement, opinion or information with respect to any of the foregoing or which reflects adversely upon or would reasonably impair the reputation or best interests of the Employer or the Company or any of its directors, officers, employees or agents or their respective family members. Confidential information does not include (i) information which is required to be disclosed by court order, subpoena or other judicial process, (ii) information regarding your job responsibilities during your employment with the Employer to prospective employers in connection with an application for employment, (iii) information regarding the financial terms of this Agreement to your spouse or your tax advisor for purposes of obtaining tax advice provided that such persons are made aware of and agree to comply with the confidentiality obligation, or (iv) information which is necessary to be disclosed to your attorney to determine whether you should enter into this Agreement.

The foregoing prohibitions shall include, without limitation, directly or indirectly publishing (or causing, participating in, assisting or providing any statement, opinion or information in connection with the publication of) any diary, memoir, letter, story, photograph, interview, article, essay, account or description (whether fictionalized or not) concerning any of the foregoing, publication being deemed to include any presentation or reproduction of any written, verbal or visual material in any communication medium, including any book, magazine, newspaper, theatrical production or movie, or television or radio programming or commercial or any posting on the Internet. In addition to any and all other remedies available to the Employer for any violation of this Section, you agree to

immediately remit and disgorge to the Employer any and all payments paid or payable to you in connection with or as a result of engaging in any of the above acts.

Nothing herein is intended to interfere with any disclosure right protected by law.

17. DISCLOSURE OF CONFIDENTIAL INFORMATION. In the event that you are required to make disclosure under any court order, subpoena or other judicial process, you will cooperate with the Employer and provide the Employer with prompt written notice, take all steps requested by the Employer to defend against the compulsory disclosure and permit the Employer to participate with counsel of its choice in any proceeding relating to the compulsory disclosure. You acknowledge that all information, the disclosure of which is prohibited by this Agreement, is of a confidential and proprietary character and of great value to the Employer and/or the Company. You also acknowledge that, to the extent you had access to and became acquainted with confidential information of the Employer and/or the Company, any subsequent employment with a competitor of the Employer and/or the Company would inevitably result in a prohibited disclosure of confidential information.

18. COVENANT AGAINST COMPETITION, SOLICITATION. In addition to any agreement related to competition previously executed by you, for a period of two (2) years after the Termination Date (the "Severance Period"), you shall not, without the prior written consent of the Employer's Chief Executive Officer, directly or indirectly own, manage, control or participate in the ownership, management, or control of, or be employed or engaged by or otherwise affiliated or associated with, any other corporation, partnership, proprietorship, firm, association or other business entity, or otherwise engage in competition with, perform services for, own an interest in, or otherwise participate in, a "Competitive Business". This restriction of competition is limited to provision of the same or similar services as those performed by you during your employment with the Employer or any of its direct and indirect subsidiary companies. Notwithstanding the foregoing, this provision shall not prohibit you from performing any services for any entity if such services are performed outside the United States unless those services were provided outside the United States during the term of your employment with the Employer or any of its direct and indirect subsidiary companies, in which case the restriction shall extend to those geographic areas in comity with those services provided; nor shall it prohibit you from performing any service for any entity if such services are in no way related to any business which is competitive with the business of the Employer or any of its direct and indirect subsidiary companies. "Competitive Business" means the business engaged in by the Employer and any or all of its direct and indirect subsidiary companies immediately prior to the Termination Date. Further, during the Severance Period you shall not, and shall not permit any of your employees, agents or others under your control to, directly or indirectly, on behalf of you or any other person, (i) call upon, accept Competitive Business from or solicit Competitive Business of any person who is, or had been at any time during the preceding two years, a customer of the Company or any successor to the business of the Company, or otherwise divert or attempt to divert any business of the Company of any such successor, or (ii) directly or indirectly recruit or otherwise solicit or induce any person who is an employee of, or otherwise engaged by, the Company or any successor to the business of the Company to terminate his or her employment or other relationship with the Company or such successor.

19. NON-ADMISSION. Nothing contained in this Agreement shall be deemed or construed as an admission of wrongdoing or liability on the part of the Employer or the Company.

20. SEVERABILITY CLAUSE. The invalidity or unenforceability of any provision or provisions of this Agreement shall not affect the validity or enforceability of any other provision or provisions of this Agreement, which shall remain in full force and effect. If any provision of this Agreement is held to be invalid, void or unenforceable in any jurisdiction, any court so holding shall substitute a valid, enforceable provision that preserves, to the maximum lawful extent, the terms and intent of such provisions of this Agreement. If any of the provisions of, or covenants contained in, this Agreement are hereafter construed to be invalid or unenforceable in any jurisdiction, the same shall not affect the remainder of the provisions or the enforceability thereof in any other jurisdiction, which shall be given full effect, without regard to the invalidity or unenforceability in such other jurisdiction. Any such holding shall affect such provision of this Agreement, solely as to that jurisdiction, without rendering that or any other provisions of this Agreement invalid, illegal or unenforceable in any other jurisdiction. If any covenant should be deemed invalid, illegal or unenforceable because its scope is considered excessive, such covenant will be modified so that the scope of the covenant is reduced only to the minimum extent necessary to render the modified covenant valid, legal and enforceable.

21. OFFSET. The Employer shall be entitled to offset any sums owed by you to the Employer against the severance pay payable pursuant to Sections 1 and/or 4 including, but not limited to, any Severance Pay and/or Employer contributions to your medical and/or dental coverage provided to you prior to the Effective Date of this Agreement.

22. CONSULTING AGREEMENT. You and the Employer agree to enter into a Consultant Agreement in the form attached hereto as Annex A, effective as of the Effective Date, providing for the terms pursuant to which you will provide assistance to the Employer after the Termination Date.

23. ASSIGNMENT. This Agreement is personal to you and you may not assign any rights or delegate any responsibilities hereunder.

24. GOVERNING LAW AND CHOICE OF FORUM. This Agreement shall be governed by, and construed pursuant to, the laws of the State of Florida applicable to transactions executed and to be wholly performed in Florida between residents thereof. The parties consent and agree to the exclusive jurisdiction of the Federal and State courts sitting in the State of Florida for all purposes.

25. ENTIRE AGREEMENT. This Agreement, including Exhibits and documents referenced herein, expressly supersedes any and all previous understandings and agreements between the Employer and/or the Company and you and constitute the sole and exclusive understanding between the Employer and/or the Company and you concerning the subjects set forth herein, other than any agreements related to non-competition or trade secrets, confidential information and/or work product previously executed by you. This Agreement may not be altered, modified, changed or discharged except in a writing signed by you and agreed to by the Employer. You understand and agree that other than as set forth in this Agreement, you will not receive any compensation, payments or benefits of any kind from the Employer and/or the Company and you expressly agree that you are not entitled and have no right to any additional compensation, payments or benefits other than the payment of vested benefits (if any) under the terms of the Employer's qualified pension plans, as amended from time to time.

To accept the above terms, please execute and return to the undersigned an original of this Agreement in the postage paid envelope included with this letter no later than twenty-one (21) days after the date first written above. Until the Effective Date, you will not receive any of the benefits outlined in this letter.

If you have any questions, please let me know.

Sincerely,

/s/ Benjamin Gliklich
Benjamin Gliklich
Chief Executive Officer
Element Solutions Inc

AGREEMENT AND
ACKNOWLEDGMENT

I, Patricia Mount, acknowledge receipt of the Agreement and I agree to all the terms and conditions set forth in the Agreement. I have read and fully understand the terms set forth in the Agreement and enter into such agreement of my own free will and without coercion, intimidation or threat of retaliation. I also acknowledge and understand that I have been afforded twenty-one (21) days to consider the Agreement and to have the Agreement reviewed by my attorney if I so choose. I further understand that I have seven (7) days to revoke the Agreement after the date I sign the Agreement and that the Agreement shall not be effective or enforceable until the expiration of this seven (7) day revocation period without revocation.

Signature: /s/ Patricia A. Mount **Date**: April 27, 2021

Annex A

FORM OF CONSULTANT AGREEMENT

Exhibit 31.1

Certification of Principal Executive Officer
Pursuant to Section 302 of Sarbanes-Oxley Act of 2002

I, Benjamin Gliklich, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Element Solutions Inc;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 29, 2021

/s/ Benjamin Gliklich

Benjamin Gliklich
President and Chief Executive Officer

Exhibit 31.2

Certification of Principal Financial Officer
Pursuant to Section 302 of Sarbanes-Oxley Act of 2002

I, Carey J. Dorman, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Element Solutions Inc;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 29, 2021

/s/ Carey J. Dorman

Carey J. Dorman
Executive Vice President, Chief Financial Officer

Exhibit 32.1

CERTIFICATION
OF
CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Benjamin Gliklich, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report of Element Solutions Inc on Form 10-Q for the fiscal quarter ended March 31, 2021 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and that the information contained in such Quarterly Report on Form 10-Q fairly presents in all material respects the financial condition and results of operations of Element Solutions Inc.

Date:	April 29, 2021
By:	/s/ Benjamin Gliklich
Name:	Benjamin Gliklich
Title:	President and Chief Executive Officer

I, Carey J. Dorman, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report of Element Solutions Inc on Form 10-Q for the fiscal quarter ended March 31, 2021 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and that the information contained in such Quarterly Report on Form 10-Q fairly presents in all material respects the financial condition and results of operations of Element Solutions Inc.

Date:	April 29, 2021
By:	/s/ Carey J. Dorman
Name:	Carey J. Dorman
Title:	Executive Vice President, Chief Financial Officer