Second Quarter 2023

Earnings Presentation

element solutions

Enabling Technology.
Growing Sustainably.

element solutions

SAFE HARBOR

Please note that in this presentation, we may discuss events or results that have not yet occurred or been realized, commonly referred to as forward-looking statements. The Private Securities Litigation Reform Act of 1995 provides a safe harbor for forward-looking statements made by or on behalf of the Company. Such discussion and statements will often contain 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,” “priority,” “guidance” or "confident" and variations of such words and similar expressions, and relate in this presentation, without limitation, to value enhancing investments in high-end electronics; expected benefits of the ViaForm® and Kuprion investments; expected contribution of the ViaForm® transaction to annual adjusted EBITDA, CRI and margin; limited execution and transition risk related to the ViaForm® transaction; Kuprion’s leading-edge R&D and expected applications; second half of FY 2023 capex expectations; FY 2023 cash flow outlook, including cash interest, cash taxes and net capex; targeted net leverage ratio of 3.5x by year end 2023; full year 2023 financial guidance, including FY adjusted EBITDA, FY adjusted EPS, FY free cash flow and full year 2023 additional considerations, including FX headwind and adjusted EBITDA in Q3 2023; and demand inflection in second half of 2023.

These projections and statements are based on management's estimates, assumptions or expectations with respect to future events and financial performance, and are believed to be reasonable, though are inherently uncertain and difficult to predict. Such projections and statements are based on the assessment of information available as of the current date, and the Company does not undertake any obligations to provide any further updates. Actual results could differ materially from those expressed or implied in these forward-looking statements if one or more of the underlying estimates, assumptions or expectations prove to be inaccurate or are unrealized. Important factors that could cause actual results to differ materially from those suggested by the forward-looking statements include, but are not limited to, the continuing economic impact of the coronavirus (COVID-19) and its variants on the global economy, the Company's business, financial results, customers, suppliers, vendors and/or stock price, including the impact of related governmental responses, the efficacy of vaccines and treatments targeting COVID-19 and/or its variants; the general impact of the ongoing conflict between Russia and Ukraine on economic activity, including financial market instability and disruption of global supply chains, and on the Company's customers, employees, suppliers, vendors and other stakeholders; inflation and fluctuations in foreign exchange rates; business and management strategies; outstanding debt and debt leverage ratio; shares repurchases; debt and/or equity issuance or retirement; returns to stockholders; and the impact of acquisitions, divestitures, restructurings, refinancings, impairments and other unusual items, including the Company's ability to integrate and obtain the anticipated benefits, results and synergies from these items or other related strategic initiatives. Additional information concerning these and other factors that could cause actual results to vary is, or will be, included in the Company's periodic and other reports filed with the Securities and Exchange Commission. The Company undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Certain information contained in this presentation is based on historical results and forecasts provided in connection with the ViaForm® and Kuprion transactions. Use of different methods for preparing, calculating or presenting such information may lead to different results and such differences may be material. While the Company believes this information is reliable and appropriate, investors are cautioned not to place undue reliance on this information.

NON-GAAP FINANCIAL MEASURES

To supplement the financial measures prepared in accordance with generally accepted accounting principles in the United States (“GAAP”), the Company uses the following non-GAAP financial measures: EBITDA, adjusted EBITDA, adjusted EBITDA growth, adjusted EBITDA margin, adjusted EPS, adjusted common shares outstanding, cash return on investment (“CRI”), free cash flow, net debt to adjusted EBITDA ratio (including with the estimated annual benefit from the ViaForm® transaction), organic net sales growth, and full year 2023 financial guidance for adjusted EBITDA, adjusted EPS and free cash flow and Q3 2023 adjusted EBITDA. The Company also evaluates and presents its results of operations on a constant currency basis. The definitions and reconciliations of these non-GAAP measures to the most directly comparable financial measures calculated and presented in accordance with GAAP can be found in the footnotes and appendix of this presentation and in the Company’s earnings release dated July 26, 2023 (the “Release”), a copy of which can be found on the Company’s website at www.elementsolutionsinc.com. This presentation should be read in conjunction with the Release.

Management internally reviews each of these non-GAAP measures to evaluate performance on a comparative period-to-period basis in terms of absolute performance, trends and expected future performance of the Company’s businesses and believes that these non-GAAP measures provide investors with an additional perspective on trends and underlying operating results on a period-to-period comparable basis. The Company also believes that investors find this information helpful in understanding the ongoing performance of its operations separate from items that may have a disproportionate positive or negative impact on its financial results in any particular period. These non-GAAP financial measures, however, have limitations as analytical tools, and should not be considered in isolation from, a substitute for, or superior to, the related financial information that the Company reports in accordance with GAAP. Investors are encouraged to review the reconciliations of these non-GAAP financial measures to their most comparable GAAP financial measures included herein and in the Release, and not to rely on any single financial measure to evaluate the Company’s businesses.

Value Enhancing Investments in High-End Electronics

ViaForm® Distribution Rights & Kuprion

MacDermid Alpha
ELECTRONICS SOLUTIONS

Kuprion

$185M[1] for global distribution rights to ViaForm® electrochemical deposition products

- ✓ Direct front-end-of-line engagement with leading semiconductor companies
- ✓ Expect $15M in incremental annual adj. EBITDA[2]
- ✓ CRI* & margin enhancing
- ✓ Limited execution & transition risk

$16M for leading-edge ActiveCopper™ capability and applications team

- ✓ Next-generation, proprietary nano-copper technology
- ✓ Enabling technology for emerging needs in EV, high frequency 5G networks, IC substrate manufacturing, and advanced packaging
- ✓ Additional purchase price contingent on product qualification and revenue milestones

* Indicates, on this slide and on subsequent slides, financial measures that are not prepared in accordance with GAAP. For definitions, discussions of adjustments and reconciliations, please refer to the footnotes and appendix of this presentation
1. Net of estimated cash tax benefits
2. Based on the run rate of adjusted EBITDA from the ViaForm® product line as of the closing date and at current demand levels

Second Quarter 2023 Financial Results

($ in millions)	Q2 2023	Q2 2022	YoY	Constant Currency* YoY	Organic* YoY
Net Sales	**$586**	**$677**	***(13)%***	***(12)%***	***(6)%***
Electronics	356	441	*(19)%*	*(17)%*	*(9)%*
Industrial & Specialty	230	236	*(2)%*	*(1)%*	*(2)%*
GAAP Diluted EPS	**$0.11**	**$0.25**			
Adj. EBITDA*	**$116**	**$140**	***(17)%***	***(14)%***	
% margin	*19.8%*	*20.7%*	*(90) bps*	*(60) bps*	
Electronics	76	101	*(25)%*	*(22)%*	
% margin	*21.5%*	*23.0%*	*(150) bps*	*(120) bps*	
Industrial & Specialty	40	39	*2%*	*5%*	
% margin	*17.3%*	*16.6%*	*70 bps*	*100 bps*	
Adj. EPS*	**$0.31**	**$0.38**	*(18)%*		

- Organic net sales* decreased 6% year-over-year, primarily reflecting weak demand in high-end electronics
- Constant currency adjusted EBITDA* margin decrease of 60 bps
  - Electronics adj. EBITDA* margin decrease of 120 bps due to volume declines and mix impact from weakness concentrated in Circuitry and Semiconductor
  - Industrial & Specialty adj. EBITDA* margin increase of 100 bps due to vertical mix, cost discipline and improved raw material and logistics
- Excluding net sales from Assembly pass-through metals ($89 million), adj. EBITDA* margin would have been 23%[1]
- Adjusted EPS* decrease of 18%

Note: Totals may not sum due to rounding or due to varying sizes of the two reportable segments
* See non-GAAP definitions and reconciliations in the appendix
1. Calculation for adjusted EBITDA* margin excluding net sales form Assembly pass-through metals is $116 million in adjusted EBITDA* divided by ($586 million net sales less $89 million metals net sales)

Second Quarter 2023 Segment Details

Electronics

	Net Sales *($ in millions)*	Organic Growth*	Key Drivers
Assembly	$184	*3%*	Increased demand for higher-reliability alloys in automotive
Circuitry	$103	*(23)%*	Mobile phone and consumer electronics market weakness
Semiconductor	$69	*(16)%*	Reduced utilization levels at semiconductor fabricators and lower precious metals sales
Total	**$356**	***(9)%***	

Industrial & Specialty

	Net Sales *($ in millions)*	Organic Growth*	Key Drivers
Industrial	$176	*(3)%*	Weaker global construction and industrial demand, particularly in China
Graphics	$37	*(3)%*	Newsprint sales decline, rationalization of lower margin business
Energy	$18	*11%*	Higher offshore drilling activity and price actions
Total	**$230**	***(2)%***	

Note: Totals may not sum due to rounding
*See non-GAAP definitions and reconciliations in the appendix

Balance Sheet and Cash Flow Considerations

Key Cash Flow Items

- **Q2 2023 free cash flow* of $67 million**
- Working capital investment of $16M
  - $11M inventory increase related primarily to new business wins in Mexico
- 2H weighted capex due to project timing

Balance Sheet Management

- **Net debt to adj. EBITDA ratio* of 3.8x on a LTM basis as of June 30, 2023**
- **Net debt to adj. EBITDA ratio* of 3.7x[1] including estimated annual benefit from ViaForm® transaction**
  - $150 million of Term Loans A hedged at ~4.6% EUR fixed rate to fund ViaForm® transaction
  - Capital structure remains fully fixed-rate until 2024 (and greater than 80% through 2025) with no maturities until 2026
- Targeting net leverage ratio of 3.5x by year end 2023

1H 2023 Cash Flow Uses and FY 2023 Outlook

$ millions	1H 2023	FY 2023
Cash Interest	$26	~$60
Cash Taxes	$32	~$70
Net Capex*	$22	~$60

Q2 2023 Capital Structure

Instrument	*(in millions)*
Term Loans A	150
Term Loans B	1,108
Senior Notes due 2028	800
Total Debt	**$2,058**
Cash Balance	282
Net Debt	**$1,776**
Adjusted Shares Outstanding[2]	244
Market Capitalization[3]	$4,683
Total Capitalization	**$6,459**

Note: Totals may not sum due to rounding
* See non-GAAP definitions and reconciliations in the appendix
1. LTM adjusted EBITDA of $483.7 million includes $13.9 million estimated impact from ViaForm® transaction
2. See p.9 for reconciliation to Adjusted Share Counts
3. Based on Element Solutions' closing stock price of $19.20 at June 30, 2023

Full Year 2023 Financial Guidance

Updated as of July 2023

FY Adj. EBITDA*	**$490 million to $500 million**
FY Adjusted EPS*	**Approximately $1.30**
FY Free Cash Flow*	**Approximately $265 million**
Additional Considerations	▪ Expect Q3 2023 adj. EBITDA* of approximately $125 million, an increase of 8% vs Q2 2023 ▪ Year-over-year FX headwind of approximately $11 million at current rates[1]

Reducing outlook on deeper second quarter trough; demand inflection expected in second half

* See non-GAAP definitions in the appendix
1. Based on rates as of July 17, 2023

Appendix

element solutions

Enabling Technology.
Growing Sustainably.

Reconciliation to Adjusted Share Counts

(amounts in millions)	Q2 2023	Q2 2022
Basic common shares outstanding	**242**	**246**
Number of shares issuable upon vesting of granted Equity Awards[1]	2	2
Adjusted common shares outstanding	**244**	**248**

Note: Totals may not sum due to rounding
1. Equity awards with targets that are considered probable of achievement vested at target level

Net Income Attributable to Common Stockholders Reconciliation to Adj. EBITDA

($ millions)	Q2 2023	Q2 2022
Net income attributable to common stockholders	**$30**	**$65**
Add (subtract):		
Net (loss) income attributable to non-controlling interests	(0)	0
Income from discontinued operations, net of tax	(3)	(2)
Income tax expense	21	24
Interest expense, net	12	13
Depreciation expense	10	10
Amortization expense	31	30
EBITDA	**101**	**141**
Adjustments to reconcile to Adjusted EBITDA:		
Restructuring expense	2	1
Acquisition and integration expense	4	1
Foreign exchange gain on intercompany loans	(9)	(1)
Kuprion Acquisition research and development charge	16	—
Other, net	2	(2)
Adjusted EBITDA	**$116**	**$140**

Note: Totals may not sum due to rounding

GAAP Net Income Reconciliation to Adjusted Diluted EPS

($ millions, except per share amounts)	Q2 2023	Q2 2022
Net income attributable to common stockholders	**$30**	**$65**
Net income from discontinued operations attributable to common stockholders	3	2
Net income from continuing operations attributable to common stockholders	**27**	**63**
Reversal of amortization expense	31	30
Adjustment to reverse incremental depreciation expense from acquisitions	0	1
Restructuring expense	2	1
Acquisition and integration expense	4	1
Foreign exchange gain on intercompany loans	(9)	(1)
Kuprion Acquisition research and development charge	16	—
Other, net	2	(2)
Tax effect of pre-tax non-GAAP adjustments	(9)	(6)
Adjustment to estimated effective tax rate	12	6
Adjusted net income attributable to common stockholders	**$76**	**$94**
Adjusted earnings per share	**$0.31**	**$0.38**
Adjusted common shares outstanding[1]	***244***	***248***

Note: Totals may not sum due to rounding
1. See p.9 for a reconciliation to Adjusted Share Counts

Net Debt to Adj. EBITDA Ratio Reconciliation on a Trailing Twelve Month Basis

element solutions

($ millions)	**YTD 2023**	**Q3 2022**	**Q4 2022**	**LTM Q2 2023**
Net income attributable to common stockholders	**$73**	**$53**	**$13**	**$139**
Add (subtract):				
Net (loss) income attributable to non-controlling interests	(0)	0	0	0
Income from discontinued operations, net of tax	(3)	—	—	(3)
Income tax expense	38	17	25	80
Interest expense, net	24	12	12	48
Depreciation expense	20	11	10	40
Amortization expense	61	29	29	119
EBITDA	**212**	**122**	**89**	**423**
Adjustments to reconcile to Adjusted EBITDA:				
Restructuring expense	4	3	3	11
Acquisition and integration expense	8	2	4	15
Foreign exchange (gain) loss on intercompany loans	(14)	3	5	(7)
Kuprion Acquisition research and development charge	16	—	—	16
Other, net	3	4	6	13
Adjusted EBITDA	**$228**	**$134**	**$108**	**$470**
Net Debt				**$1,776**
Net Debt to Adjusted EBITDA Ratio				***3.8x***
Reacquired ViaForm® Distribution Rights adjusted EBITDA (11 months)				14
Adjusted EBITDA including ViaForm® transaction				484
Net Debt to Adjusted EBITDA Ratio including ViaForm® transaction				***3.7x***

Note: Totals may not sum due to rounding

Organic Net Sales Growth Reconciliation

	Three Months Ended June 30, 2023					
	Reported Net Sales Growth	Impact of Currency	Constant Currency	Change in Pass-Through Metals Pricing	Acquisitions	Organic Net Sales Growth
Electronics	(19)%	2%	(17)%	9%	0%	(9)%
Industrial & Specialty	(2)%	1%	(1)%	—%	0%	(2)%
Total	**(13)%**	**2%**	**(12)%**	**6%**	**0%**	**(6)%**

Note: Totals may not sum due to rounding or due to varying sizes of the two reportable segments

Free Cash Flow Reconciliation

($ millions)	Q2 2023	Q2 2022
Cash flows from operating activities	$81	$74
Capital expenditures	(14)	(12)
Proceeds from disposal of property, plant and equipment	—	3
Free cash flow	**$67**	**$66**

Note: Totals may not sum due to rounding

Non-GAAP Definitions

Adjusted Earnings Per Share (EPS): Adjusted EPS is a key metric used by management to measure operating performance and trends as management believes the exclusion of certain expenses in calculating adjusted EPS facilitates operating performance comparisons on a period-to-period basis. Adjusted EPS is defined as net income attributable to common stockholders adjusted to reflect adjustments consistent with the Company's definition of adjusted EBITDA. Additionally, the Company eliminates the amortization associated with intangible assets, incremental depreciation associated with the step-up of fixed assets and incremental cost of sales associated with the step-up of inventories recognized in purchase accounting for acquisitions. Further, the Company adjusts its effective tax rate to 20% for the three and six months ended June 30, 2023 and 2022, respectively, as described in the Release. The resulting adjusted net income is then divided by the Company's adjusted common shares outstanding. Adjusted common shares outstanding represent the shares outstanding as of the balance sheet date for the quarter-to-date period and an average of each quarter for the year-to-date period, plus shares issuable upon exercise or vesting of all outstanding equity awards (assuming a performance achievement target level for equity awards with targets considered probable).

Constant Currency: Management discloses net sales and adjusted EBITDA on a constant currency basis by adjusting results to exclude the impact of changes due to the translation of foreign currencies of its international locations into U.S. dollar. 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 its results of operations, consistent with how the Company evaluates its financial results.

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

EBITDA and Adjusted EBITDA: EBITDA represents earnings before interest, provision for income taxes, depreciation and amortization. Adjusted EBITDA is defined as EBITDA, excluding the impact of additional items included in GAAP earnings which the Company believes are not representative or indicative of its ongoing business or are considered to be associated with its capital structure, as described in the Release. Adjusted EBITDA for each segment also includes an allocation of corporate costs, such as compensation expense and professional fees. Management believes adjusted EBITDA and adjusted EBITDA margin provide investors with a more complete understanding of the long-term profitability trends of the Company's business and facilitate comparisons of its profitability to prior and future periods. However, these measures, which do not consider certain cash requirements, should not be construed as an alternative to net income or cash flow from operations as a measure of profitability or liquidity.

Net Debt to Adjusted EBITDA ratio: Net debt to adjusted EBITDA ratio is defined as total debt (current installments of long-term debt, revolving credit facilities and long-term debt), excluding unamortized discounts and debt issuance costs, which totaled $17.4 million at June 30, 2023, less cash divided by adjusted EBITDA.

Free Cash Flow: Free cash flow is defined as net cash flow from operating activities less net capital expenditures. Net capital expenditures include capital expenditures less proceeds from the disposal of property, plant and equipment. Management believes that free cash flow, which measures the Company's ability to generate cash from its business operations, is an important financial measure in evaluating the Company's financial performance. However, free cash flow should be considered in addition to, rather than as a substitute for, net cash provided by operating activities as a measure of the Company's liquidity.

Cash Return on Investment (CRI): Cash Return on Investment is defined as adjusted EBITDA less maintenance capex divided by gross property plant and equipment plus working capital. Maintenance capex is defined as 50% of net capex as reported in the Company's Statement of Cash Flows. Working Capital is defined as Net Accounts Receivable plus Inventories minus Accounts Payable. Management believes cash return on investment is a relevant metric for measuring capital efficiency.

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 the three months ended June 30, 2023, Electronics' consolidated results were negatively impacted by $39.7 million of pass-through metals pricing and positively impacted by $1.5 million of acquisitions and Industrial & Specialty's consolidated results were positively impacted by $1.1 million of acquisitions.

****

The Company only provides the expected contribution of the ViaForm® transaction to annual adjusted EBITDA, the third quarter 2023 guidance for adjusted EBITDA and full year 2023 guidance for adjusted EBITDA, adjusted EPS and free cash flow, on a non-GAAP basis. Reconciliations of such forward looking non-GAAP measures to GAAP are excluded in reliance upon the exception provided by Item 10(e)(1)(i)(B) of Regulation S-K due to the inherent difficulty in forecasting and quantifying, without unreasonable efforts, certain amounts that are necessary for such reconciliations, including adjustments that could be made for restructurings, refinancings, impairments, divestitures, integration and acquisition related expenses, share based compensation amounts, non-recurring, unusual or unanticipated charges, expenses or gains, adjustments to inventory and other charges reflected in reconciliations of historic numbers, the amount of which, based on historical experience, could be significant.