

Third Quarter 2023

Earnings Presentation



Enabling Technology.
Growing Sustainably.

SAFE HARBOR

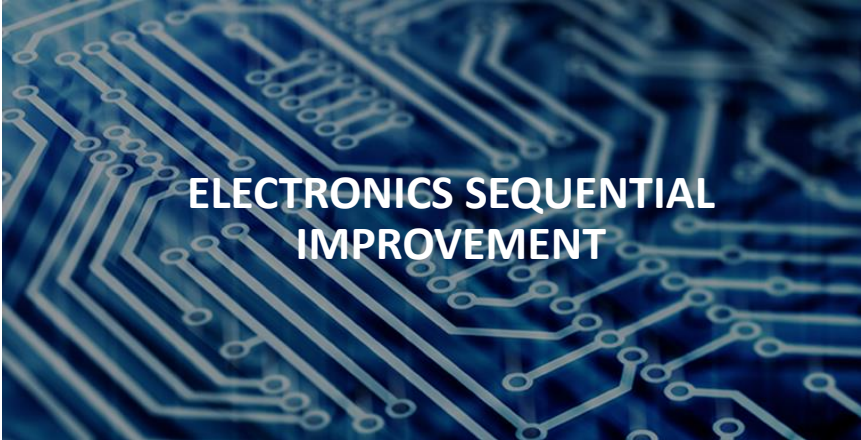
Please note that in this presentation, we may discuss events or results that have not yet occurred or been realized, commonly referred to as forward-looking statements. The Private Securities Litigation Reform Act of 1995 provides a safe harbor for forward-looking statements made by or on behalf of the 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 outlook for adjusted EBITDA growth in Q4 and trajectory into 2024; expected benefits of the ViaForm® and Kuprion investments; expected contribution of the ViaForm® transaction to annual adjusted EBITDA; Q4 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, free cash flow and additional considerations, including typical Electronics seasonality in Q4, impact of delayed ViaForm sales; recovery of full Viaform sales amount in 2024, FX headwind; cash flow generation; and recovery in the 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 and the evolving nature of the conflicts in the Middle East 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, you 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; free cash flow; net debt to adjusted EBITDA ratio (including with the estimated benefit of a full twelve months’ contribution from the ViaForm® transaction); organic net sales growth; and full year 2023 financial guidance for adjusted EBITDA, adjusted EPS and free cash flow. 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 October 25, 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.



**ELECTRONICS SEQUENTIAL
IMPROVEMENT**



ADJ EBITDA GROWTH IN Q4



**COMPELLING VIAFORM® AND
KUPRION PROGRESS**



STRONG TRAJECTORY INTO 2024

Third Quarter 2023 Financial Results



(\$ in millions)	Q3 2023	Q3 2022	YoY	Constant Currency*	Organic*
				YoY	YoY
Net Sales	\$599	\$619	(3)%	(3)%	(3)%
Electronics	367	389	(6)%	(5)%	(5)%
Industrial & Specialty	232	229	1%	(1)%	(1)%
GAAP Diluted EPS	\$(0.13)	\$0.22			
Adj. EBITDA*	\$134	\$134	0%	2%	
% margin	22.4%	21.6%	80 bps	110 bps	
Electronics	90	91	(1)%	1%	
% margin	24.6%	23.3%	130 bps	150 bps	
Industrial & Specialty	44	43	3%	2%	
% margin	18.9%	18.6%	30 bps	70 bps	
Adj. EPS*	\$0.36	\$0.36	0%		

- Organic net sales* decreased 3% year-over-year, primarily reflecting continued weak demand in Asia and electronics
- Constant currency adj. EBITDA* increase of 2% and adj. EBITDA* margin improvement of 110 bps
 - Electronics adj. EBITDA* margin increase of 150 bps due to recaptured ViaForm® margin, Circuitry mix and the net impact of pricing and lower input costs
 - Industrial & Specialty adj. EBITDA* margin increase of 70 bps due to vertical mix, improved raw material and logistics costs
- Excluding net sales from Assembly pass-through metals (\$94 million), adj. EBITDA* margin would have been 27%¹
- Adjusted EPS* remained roughly flat

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

* These financial measures, on this slide and on subsequent slides, 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. Calculation for adjusted EBITDA* margin excluding net sales from Assembly pass-through metals is \$134 million in adjusted EBITDA* divided by (\$599 million net sales less \$94 million metals net sales)

Third Quarter 2023 Segment Details



Electronics

	Net Sales (\$ in millions)	Organic Growth*	Commentary
Assembly	\$191	0%	Strong demand for high-reliability alloys in automotive applications offsetting generally weaker electronics market year-over-year
Circuitry	\$109	(12)%	Sequential growth of 6% from high-end electronics ramp; market remains softer year-over-year
Semiconductor	\$67	(6)%	Impact of lower sales of precious metal products offsets increased wafer level plating demand primarily for mobile end markets
Total	\$367	(5)%	

Industrial & Specialty

	Net Sales (\$ in millions)	Organic Growth*	Commentary
Industrial	\$178	(2)%	Stable market with pockets of year-over-year improvement in Asia offset by softer Europe. Excluding impact of declining commodity price-based surcharges, sales were roughly flat
Graphics	\$36	(4)%	Europe packaging volume softness and rationalization of lower margin business
Energy	\$19	11%	Higher offshore drilling activity and pricing actions
Total	\$232	(1)%	

Note: Totals may not sum due to rounding

* See non-GAAP definitions and reconciliations in the appendix

Key Cash Flow Items

- **Q3 2023 free cash flow*** of \$75 million
- Working capital relatively flat sequentially, reflecting increased sales offset by modest inventory improvements
- Capital expenditures of \$13 million in Q3 as larger growth projects continue to progress as planned
 - Expect capex to increase in Q4 to ~\$20 million

Q3 2023 Cash Flow Uses and FY 2023 Outlook

\$ millions	2023 YTD	FY 2023
Cash Interest	\$49	~\$60
Cash Taxes	\$49	~\$70
Net Capex*	\$35	~\$55

Balance Sheet

- **Net debt to adj. EBITDA ratio*** of 3.7x on a LTM basis as of September 30, 2023
 - Net debt to adj. EBITDA ratio* of 3.6x¹ including estimated annual benefit from ViaForm® transaction
- Capital structure remains fully fixed-rate until 2024 (and greater than 80% through 2025) with no maturities until 2026
- Expect net leverage ratio below 3.5x by year end 2023

Q3 2023 Capital Structure

Instrument	(in millions)
Term Loans A	150
Term Loans B	1,105
Senior Notes due 2028	800
Total Debt	\$2,055
Cash Balance	330
Net Debt	\$1,726
Adjusted Shares Outstanding ¹	244
Market Capitalization ²	\$4,783
Total Capitalization	\$6,509

Note: Totals may not sum due to rounding

* See non-GAAP definitions in the appendix

1. LTM adjusted EBITDA of \$481 million includes \$10 million impact from ViaForm® transaction

2. See p.9 for reconciliation to Adjusted Share Counts

3. Based on Element Solutions' closing stock price of \$19.61 at September 29, 2023

Full Year 2023 Financial Guidance

Updated as of October 2023



**FY Adjusted
EBITDA***

Approximately \$485 million

**FY Adjusted
EPS***

Approximately \$1.30

**FY Free Cash
Flow***

Approximately \$265 million

**Additional
Considerations**

- Q4 assumes typical Electronics seasonality
- Expect \$4 million impact in Q4 from delayed ViaForm sales due to transition process
 - Full amount expected to be recovered in 2024
- FY23 Year-over-year FX headwind of approximately \$15 million at current FX rates¹
 - \$5 million incremental FX headwind in 2H vs. prior guidance

Strong cash flow generation as modest second half recovery remains underway

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

Appendix



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Reconciliation to Adjusted Share Counts



<i>(amounts in millions)</i>		Q3 2023	Q3 2022
Basic common shares outstanding		242	243
Number of shares issuable upon vesting of granted Equity Awards ¹		2	2
Adjusted common shares outstanding		244	245

Note: Totals may not sum due to rounding

1. Equity awards with targets that are considered probable of achievement vested at target level

Net (Loss) Income Attributable to Common Stockholders

Reconciliation to Adj. EBITDA



(\$ millions)	Q3 2023	Q3 2022
Net (loss) income attributable to common stockholders	\$(32)	\$53
Add (subtract):		
Net income attributable to non-controlling interests	0	0
Income tax expense	15	17
Interest expense, net	13	12
Depreciation expense	12	11
Amortization expense	33	29
EBITDA	41	122
Adjustments to reconcile to Adjusted EBITDA:		
Restructuring expense	2	3
Acquisition and integration expense	5	2
Foreign exchange loss on intercompany loans	7	3
Goodwill impairment	80	—
Kuprion Acquisition research and development charge	—	—
Other, net	(1)	4
Adjusted EBITDA	\$134	\$134

Note: Totals may not sum due to rounding

GAAP Net (Loss) Income Reconciliation to Adjusted Diluted EPS



(\$ millions, except per share amounts)	Q3 2023	Q3 2022
Net (loss) income from continuing operations attributable to common stockholders	(32)	53
Reversal of amortization expense	33	29
Adjustment to reverse incremental depreciation expense from acquisitions	0	1
Restructuring expense	2	3
Acquisition and integration expense	5	2
Foreign exchange loss on intercompany loans	7	3
Goodwill impairment	80	—
Other, net	(1)	4
Tax effect of pre-tax non-GAAP adjustments	(25)	(8)
Adjustment to estimated effective tax rate	19	3
Adjusted net income attributable to common stockholders	\$87	\$89
Adjusted earnings per share	\$0.36	\$0.36
Adjusted common shares outstanding¹	244	245

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



(\$ millions)	YTD 2023	Q4 2022	LTM Q3 2023
Net income attributable to common stockholders	\$41	\$13	\$54
Add (subtract):			
Net income attributable to non-controlling interests	—	0	0
Income from discontinued operations, net of tax	(3)	—	(3)
Income tax expense	53	25	79
Interest expense, net	37	12	49
Depreciation expense	31	10	42
Amortization expense	93	29	123
EBITDA	253	89	342
Adjustments to reconcile to Adjusted EBITDA:			
Restructuring expense	6	3	10
Acquisition and integration expense	13	4	18
Foreign exchange (gain) loss on intercompany loans	(8)	5	(3)
Goodwill impairment	80	—	80
Kuprion Acquisition research and development charge	16	—	16
Other, net	2	6	8
Adjusted EBITDA	\$363	\$108	\$470
Net Debt			\$1,726
Net Debt to Adjusted EBITDA Ratio			3.7x
Reacquired ViaForm® distribution rights adjusted EBITDA (8 months)			10
Adjusted EBITDA including ViaForm® transaction			481
Net debt to adjusted EBITDA ratio including ViaForm® transaction			3.6x

Note: Totals may not sum due to rounding

Organic Net Sales Growth Reconciliation



	Three Months Ended September 30, 2023					
	Reported Net Sales Growth	Impact of Currency	Constant Currency	Change in Pass-Through Metals Pricing	Acquisitions	Organic Net Sales Growth
Electronics	(6)%	1%	(5)%	0%	(0)% ¹	(5)%
Industrial & Specialty	1%	(2)%	(1)%	—%	0%	(1)%
Total	(3)%	0%	(3)%	0%	(0)%	(3)%

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

1. Excludes the impact of ViaForm® sales as the transition process negatively impacted trends which we believe were therefore not indicative of the underlying end-market demand for these products

Free Cash Flow Reconciliation



(\$ millions)	Q3 2023	Q3 2022
Cash flows from operating activities	\$87	\$127
Capital expenditures	(13)	(11)
Proceeds from disposal of property, plant and equipment	1	—
Free cash flow	\$75	\$116

Note: Totals may not sum due to rounding

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 nine months ended September 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 \$16.1 million at September 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.

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 September 30, 2023, Electronics' consolidated results were positively impacted by \$1.4 million of pass-through metals pricing and negatively impacted by \$0.3 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 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 its reconciliation of historic numbers, the amount of which, based on historical experience, could be significant.