

Third Quarter 2024

Earnings Presentation



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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 the timing for completion of the Graphics Solutions transaction, the ability of the parties to close this transaction, including obtaining regulatory approvals and meeting other closing conditions; the expected benefits from this transaction, including its tax treatment and tax implications; key drivers and market trends; strategic capacity expansion and applications development initiatives; FY 2024 cash flow outlook, including cash interest, cash taxes and net capex; non-GAAP effective tax rate; full year 2024 financial guidance for adjusted EBITDA, constant currency adjusted EBITDA, adjusted earnings per share (EPS) and free cash flow; FX headwind; typical sequential slowdown; organic growth in Electronics; and constant currency adjusted EBITDA growth in 2024.

These projections and statements reflect management's estimates, assumptions and 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 the 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 war between Russia and Ukraine; the Israel-Hamas conflict and other hostilities in the Middle-East as well as actions in response thereto and their impact on market conditions and the global economy; the continuing economic impact of the coronavirus (COVID-19) and its variants on the global economy and supply chains; price volatility and cost environment; inflation and fluctuations in foreign exchange rates; outstanding debt and debt leverage ratio; shares repurchases; debt and/or equity issuance or retirement; expected 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 any forward-looking statements, whether as a result of new information, future events or otherwise. This presentation also includes FY 2024 free cash flow outlook. This data is provided for informational purposes only and is not necessarily, and should not be assumed to be, an indication of the results that may be achieved in the future.

NON-GAAP FINANCIAL MEASURES

To supplement the financial measures prepared in accordance with generally accepted accounting principles in the United States (“GAAP”), the Company presents in this presentation the following non-GAAP financial measures: EBITDA, adjusted EBITDA, adjusted EBITDA margin, adjusted earnings per share (EPS), adjusted common shares outstanding, free cash flow, financial guidance related to adjusted EBITDA, constant currency adjusted EBITDA growth; adjusted EPS and free cash flow for the full year of 2024, net debt to adjusted EBITDA ratio and organic net sales growth. 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 28, 2024 (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 these non-GAAP measures to evaluate performance and liquidity on a comparative period-to-period basis in terms of absolute performance, trends and expected future performance with respect to the Company's business 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 as well as their ability to generate cash separate from items that may have a disproportionate positive or negative impact on its financial results in any particular period or that are considered to be associated with its capital structure. 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 definitions and 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.

Q3 Highlights

- Record Electronics segment revenue
- Announced sale of Graphics Solutions for \$325 million

(\$ in millions)	Q3 2024	Q3 2023	YoY	Constant Currency*	Organic*
				YoY	YoY
Net Sales	\$645	\$599	8%	9%	6%
Electronics	419	367	14%	15%	9%
Industrial & Specialty	226	232	(3)%	0%	0%
GAAP Diluted EPS	\$0.17	\$(0.13)			
Adj. EBITDA*	\$143	\$134	6%	8%	
% margin	22.1%	22.4%	(30) bps	(20) bps	
Electronics	99	90	9%	10%	
% margin	23.5%	24.6%	(110) bps	(100) bps	
Industrial & Specialty	44	44	1%	4%	
% margin	19.5%	18.9%	60 bps	90 bps	
Adj. EPS*	\$0.39	\$0.36	8%		

- Organic net sales* increased 6% year-over-year led by Electronics segment organic growth of 9%
- Constant currency adj. EBITDA* increase of 8% and adjusted EBITDA* margin decrease of 20 bps
 - Electronics mix benefits and industrial raw materials deflation drove improved gross margins in both segments
- Excluding net sales from Assembly pass-through metals (\$109 million), adjusted EBITDA* margin would have been 27%¹
- Adjusted EPS* increase of 8%

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 appendix of this presentation

1. Calculation for adjusted EBITDA* margin excluding net sales from Assembly pass-through metals is \$143 million in adjusted EBITDA* divided by (\$645 million net sales less \$109 million metals net sales)

Electronics

	Net Sales (\$ in millions)	Organic Growth*	Key Drivers
Assembly	\$216	4%	Improved consumer electronics demand in Asia, continued weakness in western automotive markets
Circuitry	\$120	9%	Strong demand in high-performance computing, China EV and data storage markets
Semiconductor	\$84	26%	Continuing strength from wafer plating and packaging solutions with favorable comparable due to ViaForm order patterns in 2023; growth in power electronics for EV
Total	\$419	9%	

Industrial & Specialty

	Net Sales (\$ in millions)	Organic Growth*	Key Drivers
Industrial	\$168	(3)%	Lower commodity-price based surcharges year-over-year and demand softness in Western automotive, construction and general industrial end markets
Graphics	\$37	6%	Increased customer activity in Latin America
Energy	\$20	10%	Continued demand growth from both drilling and production markets
Total	\$226	0%	

Note: Totals may not sum due to rounding

* See non-GAAP definitions and reconciliations in footnotes and in the appendix

Key Cash Flow Items

- **Q3 2024 free cash flow* of \$86 million**
 - Includes semi-annual bond payment
 - Improved inventory levels offset by higher AR and AP from sequential sales growth
- **Capex trend reflects progress on several strategic capacity expansion and applications development initiatives**

Q3 2024 Cash Flow Uses and FY 2024 Outlook

\$ millions	YTD 2024	FY 2024
Cash Interest	\$57	~\$65
Cash Taxes	\$61	~\$85
Net Capex*	\$46	~\$60

Balance Sheet Management

- **Net debt to adj. EBITDA ratio* of 3.0x on an LTM basis as of September 30, 2024**
- **As of Oct 15, capital structure is more than 85% fixed-rate through 2028**
 - Reduced interest rate on \$1 billion term loan by 25 bps in Oct (now SOFR + 1.75%)
 - Repaid \$100 million of term loan and terminated equivalent swaps expiring Jan 2025
- **Announced sale of Graphics business for \$325 million, expected to close in late 2024 or 1H 2025¹**
 - Implied ~11.5x multiple on TTM EBITDA
 - Pro-forma for this transaction, net debt to adj. EBITDA ratio* would have been 2.5x² as of Sept 30, 2024

Q3 2024 Capital Structure

Instrument	(in millions)
Term Loans due 2030	\$1,141
Senior Notes due 2028	800
Total Debt	\$1,941
Cash Balance	376
Net Debt	\$1,565
Adjusted Shares Outstanding ³	245
Market Capitalization ⁴	\$6,643
Total Capitalization	\$8,209

Note: Totals may not sum due to rounding

* See non-GAAP definitions and reconciliations in the appendix

1. Subject to customary closing conditions, adjustments and regulatory approvals

2. Based on Graphics' LTM 3Q24 adjusted EBITDA* of \$29 million and estimated net cash proceeds of \$310 million

3. See p.8 for reconciliation to Adjusted Share Counts

4. Based on Element Solutions' closing stock price of \$27.16 at September 30, 2024

Full Year 2024 Financial Guidance

Updated as of October 2024



FY Adj. EBITDA*

\$535 million to \$540 million

**FY Adjusted
EPS***

\$1.42 to \$1.44

**FY Free Cash
Flow***

\$280 million to \$300 million

**Additional
Considerations**

- Expect year-over-year FX headwind for FY24 greater than \$10 million at mid-October rates and modest tailwind to 2025
- Expect typical sequential slowdown to be amplified by softer industrial demand in Europe in Q4
- Organic growth* in Electronics should continue to outpace I&S

Despite mixed economic backdrop, expect mid-teens constant currency Adj. EBITDA growth in 2024

* See non-GAAP definitions in the appendix

Appendix



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Reconciliation to Adjusted Share Counts



<i>(amounts in millions)</i>		Q3 2024	Q3 2023
Basic common shares outstanding		242	242
Number of shares issuable upon vesting of granted Equity Awards ¹		2	2
Adjusted common shares outstanding		245	244

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 (Loss) Reconciliation to Adjusted EBITDA



(\$ millions)	Q3 2024	Q3 2023
Net income (loss)	\$40	\$(32)
Add (subtract):		
Income tax expense	37	15
Interest expense, net	14	13
Depreciation expense	10	12
Amortization expense	29	33
EBITDA	131	41
Adjustments to reconcile to Adjusted EBITDA:		
Restructuring (income) expense	(0)	2
Acquisition, divestiture and integration expense	6	5
Foreign exchange (gains) losses on intercompany loans	(14)	7
Debt refinancing costs	0	—
Goodwill impairment	—	80
Other, net	19	(1)
Adjusted EBITDA	\$143	\$134
Net income margin %	6.3%	(5.3)%
Adjusted EBITDA margin %	22.1%	22.4%

Note: Totals may not sum due to rounding

Net Income (Loss) Reconciliation to Adjusted EPS



(\$ millions, except per share amounts)	Q3 2024	Q3 2023
Net income (loss)	\$40	\$(32)
Net income attributable to non-controlling interests	(0)	(0)
Reversal of amortization expense	29	33
Adjustment to reverse incremental depreciation expense from acquisitions	0	0
Restructuring (income) expense	(0)	2
Acquisition, divestiture and integration expense	6	5
Foreign exchange (gains) losses on intercompany loans	(14)	7
Debt refinancing costs	0	—
Goodwill impairment	—	80
Other, net	19	(1)
Tax effect of pre-tax non-GAAP adjustments	(8)	(25)
Adjustment to estimated effective tax rate	21	19
Adjusted net income	\$95	\$87
Adjusted earnings per share	\$0.39	\$0.36
Adjusted common shares outstanding¹	245	244

Note: Totals may not sum due to rounding
1. See p.8 for a reconciliation to Adjusted Share Counts

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



(\$ millions)	YTD 2024	Q4 2023	LTM Q3 2024
Net income	\$190	\$77	\$267
Add (subtract):			
(Income) loss from discontinued operations, net of tax	(2)	1	(1)
Income tax expense (benefit)	33	(40)	(8)
Interest expense, net	42	12	55
Depreciation expense	30	11	42
Amortization expense	89	31	120
EBITDA	383	92	475
Adjustments to reconcile to Adjusted EBITDA:			
Inventory step-up	—	3	3
Restructuring expense	6	5	11
Acquisition, divestiture and integration expense	11	4	15
Foreign exchange gains on intercompany loans	(24)	(2)	(26)
Debt refinancing costs	0	8	8
Kuprion Acquisition research and development charge	4	—	4
Other, net	25	10	35
Adjusted EBITDA	\$405	\$120	\$525
Net Debt			\$1,565
Net Debt to Net Income Ratio			5.9x
Net Debt to Adjusted EBITDA Ratio			3.0x
Adjusted EBITDA excluding Macdermid Graphics Solutions			\$496
Pro Forma Net Debt to Adjusted EBITDA Ratio*			2.5x

* Pro Forma for the Graphics sale based on Graphics' LTM 9/30/2204 adjusted EBITDA of \$29mm and assuming an additional cash balance of \$310mm, which reflects the expected net proceeds
Note: Totals may not sum due to rounding

Organic Net Sales Growth Reconciliation



	Three Months Ended September 30, 2024					
	Reported Net Sales Growth	Impact of Currency	Constant Currency	Change in Pass-Through Metals Pricing	Acquisitions	Organic Net Sales Growth
Electronics	14%	0%	15%	(5)%	—%	9%
Industrial & Specialty	(3)%	2%	0%	—%	—%	0%
Total	8%	1%	9%	(3)%	—%	6%

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

Free Cash Flow Reconciliation



(\$ millions)	Q3 2024	Q3 2023	2024 Outlook
Cash flows from operating activities	\$99	\$87	~\$340-\$360
Capital expenditures	(13)	(13)	~(60)
Proceeds from disposal of property, plant and equipment	—	1	—
Free cash flow	\$86	\$75	~\$280-\$300

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 adjusted to reflect adjustments consistent with the Company's definition of adjusted EBITDA. Additionally, the Company eliminates amortization expense 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, as applicable, recognized in purchase accounting for acquisitions. 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). The Company uses a non-GAAP effective tax rate of 20%, as described in the Release. This rate, which reflects the Company's estimated long-term expectations for taxes to be paid on its adjusted non-GAAP earnings, is consistent with how management evaluates the Company's financial performance. The Company also believes that providing a fixed rate facilitates comparisons of business performance from period to period. This non-GAAP effective tax rate is lower than the average of the statutory tax rates applicable to the Company's jurisdictional mix of earnings primarily because it reflects tax benefits derived from U.S. tax attribute carryforwards, which consist of operating losses and tax credits. Without taking into account these benefits and other similar adjustments, the Company projects its non-GAAP effective tax rate would be 24.3% based on its estimated results for the full year 2024. This rate would have resulted in a \$0.06 reduction in Adjusted EPS for the nine months ended September 30, 2024.

Constant Currency: The Company 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 internally evaluates its financial results.

The impact of foreign currency translation 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 estimated 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 flows from operations as a measure of profitability or liquidity.

Net Debt to Net Income and Net Debt to Adjusted EBITDA Ratios: Net debt is a non-GAAP measure and is comprised of total debt (current installments of long-term debt, revolving credit facilities and long-term debt), excluding unamortized discounts and debt issuance costs, which totaled \$15.2 million at September 30, 2024, less cash. For the non-GAAP reconciliation of Net debt, please refer to the "Q3 2024 Capital Structure" table on page 5. Net debt to net income ratio and net debt to adjusted EBITDA ratio are net debt divided by net income and adjusted EBITDA, respectively.

Free Cash Flow: Free cash flow is defined as net cash flows 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 measure the Company's ability to generate cash from its business operations, is an important financial measure for evaluating the Company's liquidity. Free cash flow should be considered as an additional measure of liquidity to, rather than as a substitute for, net cash provided by operating activities.

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, 2024, Electronics' consolidated results were positively impacted by \$19.2 million of pass-through metals pricing.

The Company provides financial guidance with respect to adjusted EBITDA, constant currency adjusted EBITDA growth and adjusted EPS only 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.