

First Quarter 2025

Earnings Presentation



Enabling Technology.
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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 market trends and product demand; investments in the business; FY 2025 cash flow outlook, including cash interest, cash taxes and net capex; share repurchases; second quarter 2025 guidance for adjusted EBITDA; full year 2025 financial guidance for adjusted EBITDA, adjusted earnings per share (EPS) and free cash flow conversion; the impact of announced, increased or potential new tariffs on demand and the Company’s costs, business and financial results; and expected year-over-year FX headwinds.

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 in Ukraine and 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; increases in tariffs and/or imposition of new tariffs and other changes in trade policy, in the U.S. and other countries, and other economic factors that may affect cost structure and demand; capital requirements and need for and availability of financing; the impact of government regulations on our ability to conduct operations; the impact of changes to privacy, cybersecurity, environment, global trade, tax and other governmental regulations; impairments, including those goodwill and other intangible assets; market volatility, including as a result of tariff uncertainty; price and cost environment; inflation and fluctuations in foreign exchange rates; liquidity, cash flows and capital allocation; funding sources and capital expenditures; 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 2025 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 growth (including growth excluding the MacDermid Graphics Solutions business) adjusted EBITDA margin (including margin excluding pass-through metals), adjusted earnings per share (EPS), adjusted common shares outstanding, free cash flow, adjusted free cash flow, free cash flow conversion, net debt to adjusted EBITDA ratio; second quarter 2025 guidance for adjusted EBITDA; and full year 2025 guidance for adjusted EBITDA, adjusted EPS and free cash flow conversion. 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 April 23, 2025 (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.

First Quarter 2025 Financial Results



(\$ in millions)	Q1 2025	Q1 2024	YoY	Constant Currency*	Organic*
				YoY	YoY
Net Sales	\$594	\$575	3%	6%	5%
Electronics	394	349	13%	15%	10%
Industrial & Specialty	199	226	(12)%	(7)%	(2)%
GAAP Diluted EPS	\$0.40	\$0.23			
Adj. EBITDA*	\$128	\$127	1%	5%	
% margin	21.6%	22.1%	(50) bps	(30) bps	
Electronics	89	84	6%	9%	
% margin	22.5%	24.0%	(150) bps	(130) bps	
Industrial & Specialty	40	43	(8)%	(2)%	
% margin	19.8%	19.1%	70 bps	110 bps	
Adj. EPS*	\$0.34	\$0.34	0%		

- Organic net sales* increased 5% year-over-year led by Electronics segment organic growth of 10%
 - 12% decline in Industrial & Specialty sales includes impact of Graphics sale (6%) and foreign exchange headwind (4%).
- 5% constant currency adj. EBITDA* growth and comparable year-over-year margins despite higher metals prices
 - Excluding impact of divested Graphics business in both periods, constant currency adj. EBITDA growth* would have been 7%¹
 - Price discipline and raw material deflation continued to benefit Industrial & Specialty segment
 - Excluding net sales from Assembly pass-through metals (\$101 million), adj. EBITDA* margin would have been 26%²
- Adjusted EPS* flat year over year, reflecting FX headwind of 4% and sale of Graphics business

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. Assumes that the Graphics transaction had closed as of Jan. 1, 2024; calculations based on adj. EBITDA* excluding Graphics for Q1 2024 and Q1 2025 of \$7 million and \$4 million, respectively.

2. Calculation for adjusted EBITDA* margin excluding net sales from Assembly pass-through metals is \$128 million in adjusted EBITDA* divided by (\$594 million net sales less \$101 million metals net sales)

Electronics

	Net Sales (\$ in millions)	Organic Growth*	Key Drivers
Assembly	\$194	8%	Consumer electronics growth in Asia and the Americas; strong datacenter demand offsetting weaker automotive environment
Circuitry	\$120	8%	Growth from continued AI/data center investment and mobile phone sales in China
Semiconductor	\$80	17%	Strong growth from wafer level packaging especially HBM (high-bandwidth memory) applications, advanced packaging materials, and new power electronics customers
Total	\$394	10%	

Industrial & Specialty

	Net Sales (\$ in millions)	Organic Growth*	Key Drivers
Industrial	\$157	(1)%	Soft volumes in European markets partially offset by growth in Asia
Energy	\$18	(16)%	Large project completions delayed until second half of this year
Total ex Graphics¹	\$175	(3)%	
Graphics	\$24	5%	Increased flexographic plate demand in Latin America
Total	\$199	(2)%	

Note: Totals may not sum due to rounding
 *See non-GAAP definitions and reconciliations in the appendix
 1. Closed on Feb 28, 2025

Key Cash Flow Items

- **Q1 2025 adjusted free cash flow* of \$30 million**
 - Seasonal impact of bonus payments
 - Working capital usage of \$12 million from modestly higher receivables due to sales growth and seasonal inventory build
- Net proceeds of \$323 million from sale of Graphics received in February

Q1 2025 Cash Flow Uses and FY 2025 Outlook

\$ millions	YTD Q1 2025	FY 2025
Cash Interest	\$25	~\$65
Cash Taxes	\$28	\$90 - \$100
Net Capex*	\$11	~\$65

Balance Sheet Management

- **Net debt to adj. EBITDA ratio* of 2.1x on an LTM basis as of March 31, 2025**
 - Prepaid \$200 million of term loans, reducing principal outstanding to \$836 million
 - Capital structure is fully fixed-rate through 2028
 - Effective interest rate of ~4% as of March 31, 2025
- Paid \$20 million in cash dividends in Q1 2025
- **\$581 million remaining authorization under current share repurchase program**

Q1 2025 Capital Structure

Instrument	(in millions)
Term Loans	\$836
Senior Notes due 2028	800
Total Debt	\$1,636
Cash Balance	499
Net Debt	\$1,137
Adjusted Shares Outstanding ¹	245
Market Capitalization ²	\$5,537
Total Capitalization	\$6,674

Note: Totals may not sum due to rounding

* See non-GAAP definitions and reconciliations in the appendix

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

2. Based on Element Solutions' closing stock price of \$22.61 at March 31, 2025

Full Year 2025 Financial Guidance

Updated as of April 2025



Given uncertainty over tariffs and the ultimate extent of their impact on demand, we are retaining our prior guidance. Nimble, local supply chain should insulate the company from the cost impact of duties and improved FX provides partial buffer against tariff-related risks.

FY Adj. EBITDA*

\$520 million to \$540 million¹

**FY Adjusted
EPS***

Approximately \$1.40 adjusted EPS*
before any contribution from potential capital allocation

**FY Adj. Free
Cash Flow***

Similar FCF conversion as prior year

**Additional
Considerations**

- Expect Q2 adj. EBITDA* between \$120 million and \$125 million
- Guidance assumes limited demand impact from announced, increased or potential new tariffs
- Expect year-over-year FX headwind of approximately \$10 million at March ending rates (improvement of \$6 million vs. original guidance)

* See non-GAAP definitions and reconciliations in the appendix

1. Assumes \$10 million FX headwind based on March-ending FX rates

Appendix



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Reconciliation to Adjusted Share Counts



<i>(amounts in millions)</i>		Q1 2025	Q1 2024
Basic common shares outstanding		243	242
Number of shares issuable upon vesting of granted Equity Awards ¹		2	2
Adjusted common shares outstanding		245	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 Income Reconciliation to Adjusted EBITDA

(\$ millions)	Q1 2025	Q1 2024
Net income	\$98	\$56
Add (subtract):		
Income tax expense	18	14
Interest expense, net	14	14
Depreciation expense	10	10
Amortization expense	27	30
EBITDA	167	124
Adjustments to reconcile to Adjusted EBITDA:		
Restructuring expense	1	2
Acquisition, divestiture and integration expense	8	2
Foreign exchange losses (gains) on intercompany loans	6	(7)
MGS Transaction gain	(72)	—
Debt financing costs	2	—
Kuprion Acquisition research and development charge	—	4
Other, net	16	2
Adjusted EBITDA	\$128	\$127
Graphics Adj. EBITDA	\$4	\$7
Adjusted EBITDA excluding Graphics	\$124	\$120
Net income margin %	16.5%	9.7%
Adjusted EBITDA margin %	21.6%	22.1%

Note: Totals may not sum due to rounding

Net Income Reconciliation to Adjusted EPS



(\$ millions, except per share amounts)	Q1 2025	Q1 2024
Net income	\$98	\$56
Reversal of amortization expense	27	30
Adjustment to reverse incremental depreciation expense from acquisitions	0	0
Restructuring expense	1	2
Acquisition, divestiture and integration expense	8	2
Foreign exchange losses (gains) on intercompany loans	6	(7)
MGS Transaction gain	(72)	—
Debt financing costs	2	—
Kuprion Acquisition research and development charge	—	4
Other, net	16	2
Tax effect of pre-tax non-GAAP adjustments	2	(7)
Adjustment to estimated effective tax rate	(5)	(0)
Adjusted net income	\$84	\$83
Adjusted earnings per share	\$0.34	\$0.34
Adjusted common shares outstanding¹	245	245

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 2025	Q2 2024	Q3 2024	Q4 2024	LTM Q1 2025
Net income	\$98	\$93	\$40	\$55	\$287
Add (subtract):					
Income from discontinued operations, net of tax	—	(2)	—	—	(2)
Income tax expense (benefit)	18	(18)	37	12	49
Interest expense, net	14	14	14	14	57
Depreciation expense	10	10	10	10	40
Amortization expense	27	30	29	28	115
EBITDA	167	129	131	119	545
Restructuring expense (income)	1	4	(0)	2	7
Acquisition, divestiture and integration expense	8	3	6	10	28
Foreign exchange losses (gains) on intercompany loans	6	(4)	(14)	0	(11)
MGS Transaction gain	(72)	—	—	—	(72)
Debt refinancing costs	2	—	0	0	3
Other, net	16	4	19	(2)	37
Adjusted EBITDA	\$128	\$135	\$143	\$130	\$536
Net Debt					\$1,137
Net Debt to Net Income Ratio					4.0x
Net Debt to Adjusted EBITDA Ratio					2.1x

Note: Totals may not sum due to rounding

Organic Net Sales Growth Reconciliation



	Three Months Ended March 31, 2025					
	Reported Net Sales Growth	Impact of Currency	Constant Currency	Change in Pass-Through Metals Pricing	Divestiture	Organic Net Sales Growth
Electronics	13%	2%	15%	(5)%	—%	10%
Industrial & Specialty	(12)%	4%	(7)%	—%	6%	(2)%
Total	3%	3%	6%	(3)%	2%	5%

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

Free Cash Flow and Adjusted Free Cash Flow Reconciliation



(\$ millions)	Q1 2025	Q1 2024
Cash flows from operating activities	\$26	\$58
Capital expenditures	(11)	(19)
Proceeds from disposal of property, plant and equipment	0	—
Adjustments	15	
Free cash flow	\$30	\$39

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, in FY 2025 the Company's non-GAAP effective tax rate would have been 24.7% which would have resulted in a \$0.02 reduction in Adjusted EPS.

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 \$12.4 million at March 31, 2025, less cash. For the non-GAAP reconciliation of Net debt, please refer to the "Q1 2025 Capital Structure" table on page 5. Net debt to net income ratio and net debt to adjusted EBITDA ratio is net debt divided by net income and adjusted EBITDA, respectively.

Free Cash Flow and Adjusted Free Cash Flow: Free cash flow is defined as net cash flows from operating activities less net capital expenditures. Adjusted free cash flow for 2025 is defined as net cash flows from operating activities less (1) net capital expenditures, (2) non-recurring payments associated with a multi-year tax settlement and (3) professional fees, non-recurring expenses and taxes paid in association with the sale of MacDermid Graphics Solutions. Net capital expenditures include capital expenditures less proceeds from the disposal of property, plant and equipment. Free cash flow conversion from adjusted EBITDA is a liquidity ratio defined as cash flows from operations minus gross capital expenditures, divided by adjusted EBITDA. Management believes that these non-GAAP metrics, which measure the Company's ability to generate cash from its business operations, are important financial measures for evaluating the Company's liquidity. Free cash flow, free cash flow conversion and adjusted free cash flow should be considered as additional measures of liquidity to, rather than as substitutes 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 March 31, 2025, Electronics' consolidated results were positively impacted by \$18.5 million of pass-through metals pricing and Industrial & Specialty's consolidated results were negatively impacted by \$13.3 million of divestitures.

The Company provides financial guidance with respect to adjusted EBITDA, adjusted EPS and free cash flow conversion on a non-GAAP basis only. 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.