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Element Solutions Inc Announces Pricing and Syndication of Add-On to Existing Term Loan B

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Element Solutions Inc (NYSE:ESI) ("Element Solutions" or the “Company”), a global and diversified specialty chemicals company, announced today that it has reached agreement in principle on pricing and syndication for a $400 million add-on to its existing senior secured term loan B due 2026 (the “Add-On”), subject to certain conditions. The Add-On remains subject to the closing of the previously announced acquisition of Coventya Holding SAS (the “Coventya Acquisition”) and the finalization and execution of its definitive documentation. Proceeds from the Add-On will be used to finance a portion of the €420 million consideration for the Coventya Acquisition and transactions costs, fees and expenses related to this transaction and the Add-On, as well as for general corporate purposes. The funding of the Add-On is expected to close concurrently with the Coventya Acquisition, which closing remains subject to certain closing conditions.

President and Chief Executive Officer Benjamin Gliklich said, “We are pleased by the ongoing strong support for Element Solutions in the debt capital markets which have provided attractively-priced capital to fund our growth. Upon closing of this financing, we will have fully financed our pending acquisition of Coventya. The sign-to-close process continues at pace, and we look forward to providing further updates on this transaction on our second quarter 2021 earnings call.”

In connection with the Coventya Acquisition and the Add-On, both Moody’s Investor Service and S&P Global Ratings affirmed their corporate-level ratings of the Company of Ba2 and BB, and the senior secured tranche ratings of Ba1 and BBB-,

respectively. The Add-On will be fungible with the existing senior secured term loan B with a periodic interest rate identical to the interest rate of the existing term loan B, or LIBOR base rate plus a 2.00% spread. The Company is currently exploring opportunities to capture lower cash interest rates for some or all of the Add-On via derivative instruments.

About Element Solutions Inc

Element Solutions Inc is a leading 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. More information about Element Solutions is available at www.elementsolutionsinc.com .

Forward-looking Statements

This press release contains forward-looking statements, including, but not limited to, statements relating to the parties' ability to satisfy the closing conditions of the Coventya Acquisition and to finalize the definitive documentation relating to the Add-On; the use of proceeds from the Add-On; timing for the close of the Coventya Acquisition and the funding of the Add-on; full financing of the Coventya Acquisition upon closing of the Add-On; sign-to-close process for the Coventya Acquisition continuing at pace; and opportunities to capture lower interest rates via derivative instruments. These statements are based on management's estimates and assumptions with respect to financial and market performance as well as future events, and are believed to be reasonable, though are inherently difficult to predict. Actual results could differ materially from those projected as a result of certain factors including, without limitation, the Company's inability to complete, finalize and/or execute the definitive documentation for the Add-On, including entering into an amendment to its credit agreement and closing on the incremental facility for the increase of the existing term loan B; the occurrence of any event, change or other circumstances that could give rise to the delay or termination of the Coventya Acquisition; the risk of the closing conditions of the Coventya Acquisition not being satisfied; the risk related to business disruption due to the Coventya Acquisition and the related diversion of management's attention from ongoing business concerns;

the failure to realize the benefits expected from the transaction or other related strategic initiatives; the impact of any future acquisitions or divestitures, restructurings, refinancings, and other unusual items, including the Company's ability to raise or retire debt or equity and to integrate and obtain the anticipated benefits, results and/or synergies from these items or other related strategic initiatives; and the possibility of more attractive strategic options arising in the future. Additional information concerning these and other factors that could cause actual results to vary is, or will be, included in the periodic and other reports of the Company filed with the Securities and Exchange Commission. Element Solutions undertakes no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise.

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