Bank of America 2022
Global Agriculture & Materials Conference

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Enabling Technology. Growing Sustainably.

Legal Notices

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 continued strengths in electronics and recovering industrial end-markets; acceleration of the Company’s future growth outlook; capital allocation to compound long-term shareholder value; expected synergies and benefits from the Coventya Holding and H K Wentworth group acquisitions; the Company’s position for profitable growth; robust secular growth drivers; 5-year growth algorithm and growth targets for net sales, adjusted EBITDA, incremental margins, adjusted EPS (including expected adjusted EPS of $2.50 by 2026 or ~13% adj. EPS CAGR) and 5 year cumulative free cash flow of at least $2 billion; compelling path forward; full year 2022 financial guidance, including FY adjusted EBITDA, FY adjusted EPS, free cash flow and full year 2022 additional considerations; Q1 2022 constant currency guidance for adjusted EBITDA; adjusted EBITDA growth in second half of 2022; FX headwind to net sales and adjusted EBITDA; momentum from secular trends; and ongoing solid execution. 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 to management as of the current date, and management 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 these forward-looking statements include, but are not limited to, the duration and scope of the COVID-19 pandemic; the efficacy, availability and/or public acceptance of vaccines and treatments targeting COVID-19 and/or its variants; governments', businesses', and individuals' actions in response to the pandemic; the general impact of the pandemic on economic activity, including financial market instability, and on the Company's customers, employees, suppliers, vendors and other stakeholders; business and management strategies; 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 transactions 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 periodic and other reports of Element Solutions 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.

In addition, historical financial results of acquired businesses, such as Coventya Holding S.A.S. and H.K. Wentworth Limited and their respective subsidiaries, were derived from information not historically prepared in accordance with U.S. GAAP and that may or may not be comparable to the Company’s financial statements. Consequently, there is no assurance that the financial results, information and projections for these legacy businesses are accurate or complete, or representative in any way of the Company’s actual or future results as a consolidated company.

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 margin, incremental EBITDA margin, adjusted earnings per share (EPS), normalized EPS, adjusted common shares outstanding, free cash flow (FCF), adjusted FCF, metal price adjusted profit margins, organic net sales growth, Q1 2022 constant currency guidance for adjusted EBITDA, full year 2022 financial guidance for adjusted EBITDA, adjusted EPS and free cash flow (including any impact from the Coventya acquisition), 5 year expected growth of $2 billion+ for free cash flow, and 5 year growth targets for adjusted EBITDA and adjusted EPS, including expected adjusted EPS of $2.50 by 2026. 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.

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 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 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. Furthermore, such non-GAAP measures may not be consistent with similar measures provided or used by other companies. Investors are encouraged to review the definitions and reconciliations of these non-GAAP financial measures to their most comparable GAAP financial measures included in the footnotes and appendix of this presentation, and not to rely on any single financial measure to evaluate the Company’s businesses.

The Company only provides Q1 2022 constant currency guidance for adjusted EBITDA, full year 2022 guidance for adjusted EBITDA, adjusted EPS and free cash flow, 5 year expected growth of $2 billion for free cash flow, and 5 year growth targets for adjusted EBITDA and adjusted EPS, including expected adjusted EPS of $2.50 by 2026, on a non-GAAP basis and does not provide reconciliations of these forward-looking non-GAAP measures to GAAP due to the inherent difficulty in forecasting and quantifying, without unreasonable effort, certain amounts that are necessary for such reconciliations, including adjustments that could be made for restructurings, refinancings, impairments, divestitures, integration-related expenses, share-based compensation amounts, non-recurring, unusual or unanticipated charges, expenses or gains, adjustments to inventory and other charges reflected in the reconciliation of historic numbers, the amount of which, based on historical experience, could be significant.

Full year 2021 highlights

Winning now, winning later

- Capitalized on continued strength in electronics and recovering industrial end-markets, despite ongoing supply chain challenges
- Refined operating system and increased internal and external investment to accelerate future growth outlook

Delivered on financial commitments

13%	20%	$280M	$1.38
Organic net sales increase*	*Constant currency adj. EBITDA* growth*	*Free cash flow**	*Adj. EPS** *Achieved 5-year target in 3 years*

Capital allocation to compound long-term shareholder value

COVENTYA

10X synergized adj. EBITDA[1]

*Enhanced global scale and product breadth in **industrial metal finishing***

H K Wentworth Group

*Complementary portfolio of specialized electronics adhesive products for **semiconductor and assembly customers***

* 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. Based on Coventya's fiscal year 2021 adjusted EBITDA and assumes annualized synergies of at least $15 million expected to be achieved by fiscal year end 2023

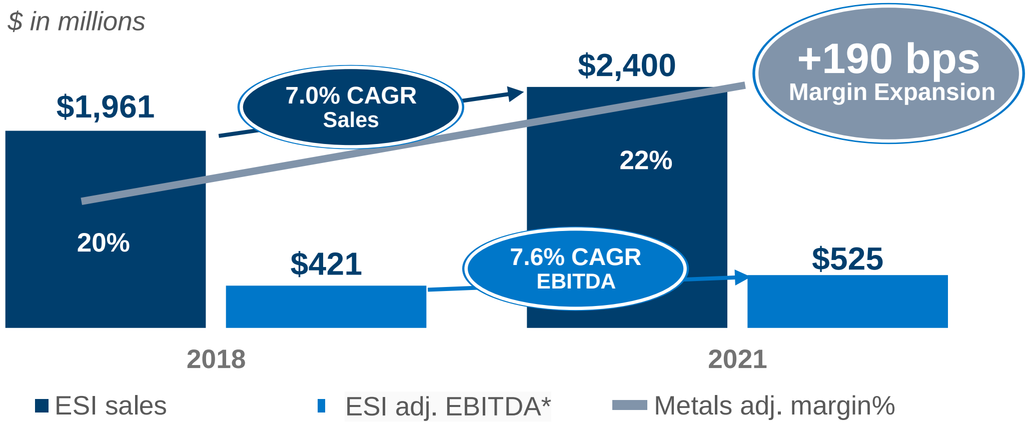
A track record of performance

GROWTH IN EXCESS OF END-MARKETS…

(YoY Growth %)	2019	2020	2021
ESI Organic Sales*	**(4%)**	**(3%)**	**13%**
Auto Units	(6%)	(16%)	(1%)
Smartphone Units	(4%)	(6%)	1%
PCB (sq meters)	(3%)	(1%)	13%

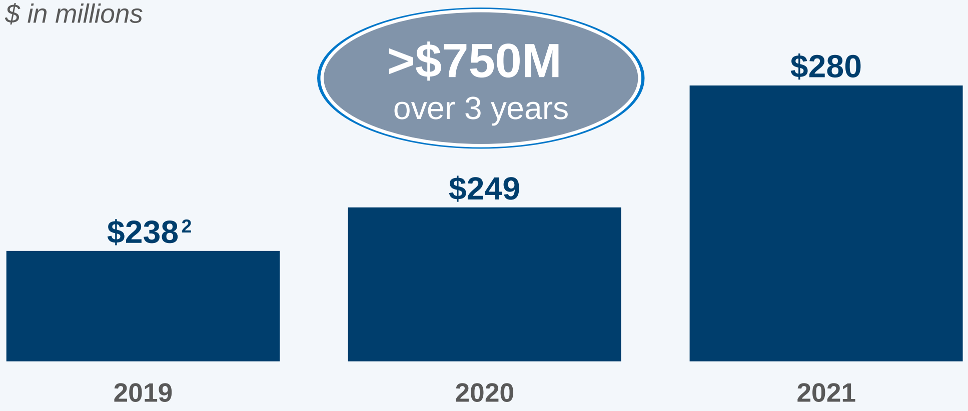
AND STRONG INCREMENTAL MARGINS[1]

$ in millions

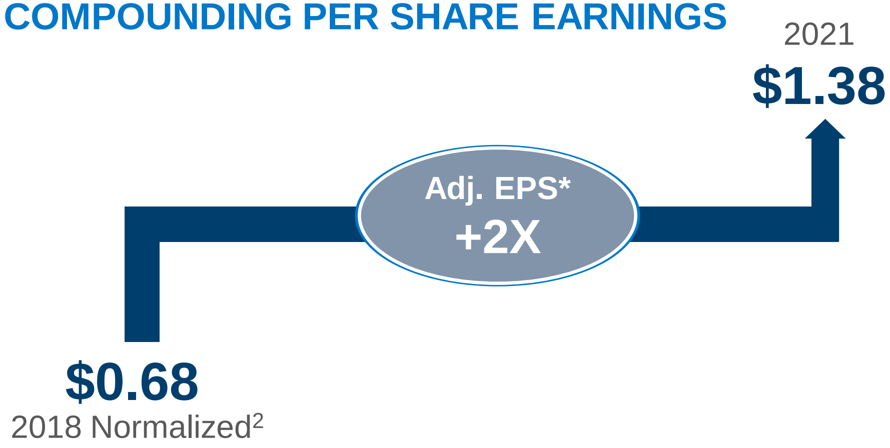


COMBINED WITH CONSISTENT FCF* GENERATION…

$ in millions



COMPOUNDING PER SHARE EARNINGS



* See non-GAAP definitions and reconciliations in the appendix
1. Defined as change in Adj. EBITDA* divided by change in pass-through metal adjusted net sales
2. Adjusted FCF and normalized EPS assume the Arysta divestiture had occurred and ESI's current capital structure had been in place as of January 1, 2019 or 2018, as applicable

Sources: Management estimates, Prismark Partners, LLC, UBS Investment Research

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Positioned for profitable growth

Robust secular growth drivers

20% 5G handset growth forecast ’21-’25

- High reliability, low latency circuit board chemistry to enable next-gen mobile phones and infrastructure
- Fine feature solder paste to enable greater computing power in smaller devices

8% MSI[1] growth forecast ’20-’25

- Wafer-deposition materials to build nano-circuits
- Advanced packaging materials for chip assembly and die-attach

18% EV production growth forecast ’21-’25

- Range and reliability enabling power electronics solutions
- High-reliability, high-performance circuit board chemistry, assembly materials, and thermal interface materials for systems control and ADAS
- Flexible, formable printed electronics solutions (chemistries and films) for weight reductions
- Decorative and functional coatings for light-weighting and wear resistance

>70% of top industrial customers plan to invest in sustainability

- Circuit board solutions with lower water and energy intensity than conventional technologies
- Recycled metal assembly materials
- Waste treatment solutions for metals reclaim and water reduction
- Hex-chrome free metal plating solutions

1. MSI defined as millions of square inches of silicon wafer capacity

Source: Management estimates, MarketsandMarkets Research, Market Intelligence & Consulting Institute, Prismark Partners LLC, Market Survey of Top 100 Global Industrial customers

Electronics   Industrial & Specialty

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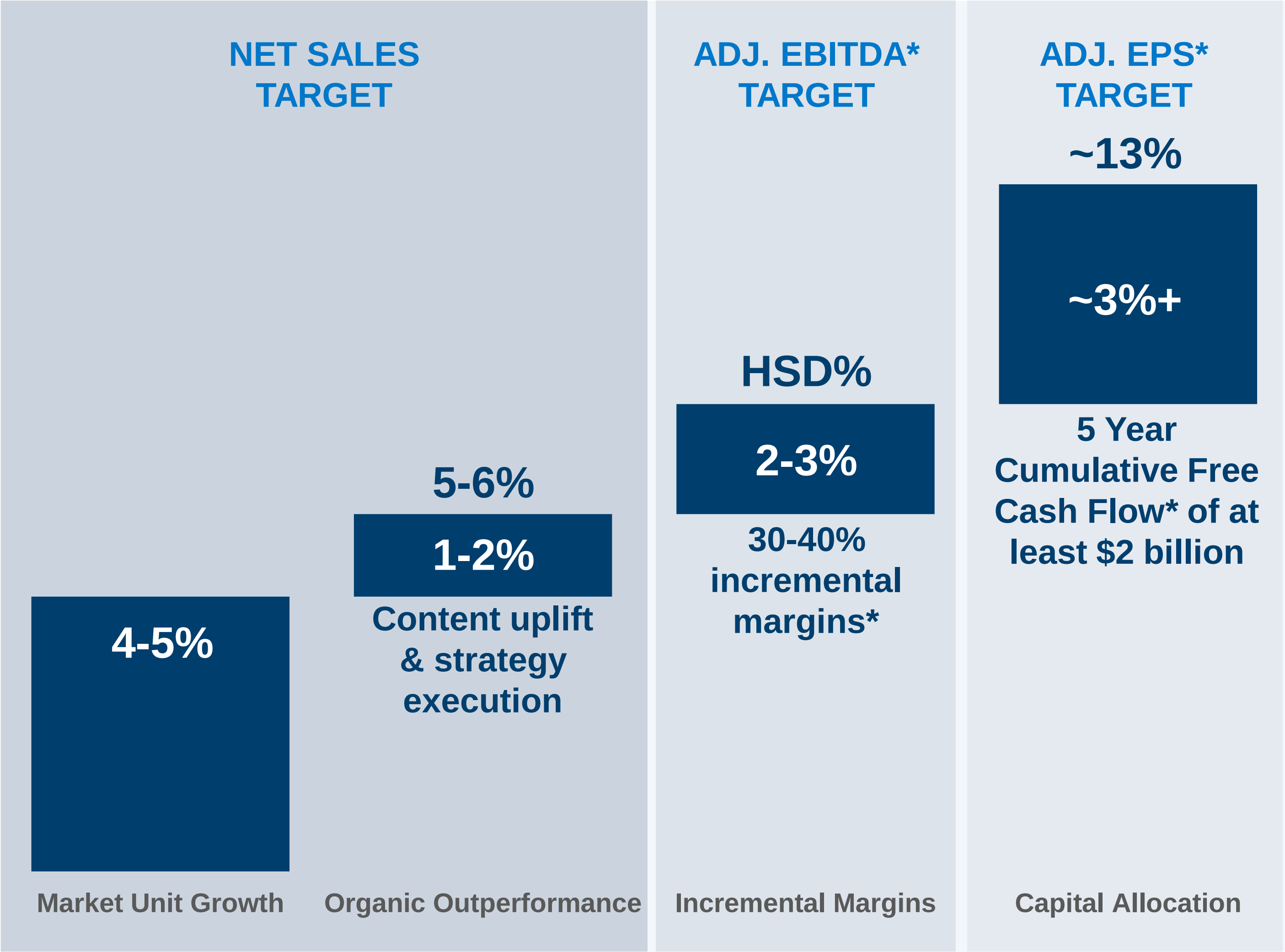
5-year growth algorithm & targets

Compelling path forward



OPERATIONAL EXCELLENCE AND PRUDENT CAPITAL ALLOCATION

Our Target

Adj. EPS* of
$2.50 by 2026
~13% adj. EPS* CAGR

* Please refer to the appendix for definitions of non-GAAP measures, discussions of adjustments and reconciliations

Full year 2022 financial guidance

As of February 2022

FY Adj. EBITDA*	**$575 million to $590 million** *(13-16% constant currency growth)*
FY Adjusted EPS*	**$1.55 - $1.60** *(12-16% growth)*
Free Cash Flow*	**$310 million - $325 million**

Additional Considerations

- Expect Q1 2022 adjusted EBITDA* approximately flat YoY at constant currency
- Expect adjusted EBITDA* growth to be second half weighted
- Expect ~3% FX headwind to net sales and $15M to adjusted EBITDA for FY 2022

Strong earnings momentum from secular trends and ongoing solid execution

* See non-GAAP definitions and reconciliations in the appendix

Appendix

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Enabling Technology. Growing Sustainably.

Net income (loss) attributable to common stockholders reconciliation to adjusted EBITDA

($ millions)	**2018**	**2021**
Net income (loss) attributable to common stockholders	**$(324)**	**$203**
Add (subtract):		
Net income (loss) attributable to the non-controlling interests	5	0
Loss (income) from discontinued operations, net of tax	243	0
Income tax expense (benefit)	24	48
Interest expense, net	311	54
Depreciation expense	45	40
Amortization expense	112	124
EBITDA	**415**	**470**
Adjustments to reconcile to adjusted EBITDA:		
Inventory-step-up	-	13
Restructuring expense	6	12
Acquisition and integration expense	12	14
Foreign exchange loss (gain) on internal debt	6	(17)
Debt refinancing costs	1	-
Chang in fair value of contingent consideration	(22)	-
Gain on sale of equity investment	(11)	-
Foundation contributions	-	-
Adjustment of stock compensation previously not probable	-	24
Other, net	14	9
Adjusted EBITDA	**$421**	**$525**

Note: Totals may not sum due to rounding

GAAP net income (loss) reconciliation to adjusted diluted EPS

($ millions, except per share amounts)	FY 2018	FY 2021
Net (loss) income attributable to common stockholders	**$(324)**	**$203**
Net (loss) income from discontinued operations attributable to common stockholders	(246)	0
Net (loss) income from continuing operations attributable to common stockholders	**(79)**	**203**
Reversal of amortization expense	112	124
Adjustment to reverse incremental depreciation expense from acquisitions	10	3
Inventory-step-up	-	13
Adjustment to interest expense	-	-
Restructuring expense	6	12
Acquisition and integration expense	12	14
Foreign exchange loss (gain) on internal debt	6	(17)
Debt refinancing costs	1	-
Gain on sale of equity investment	(11)	-
Foundation contributions	-	-
Change in fair value of contingent consideration	(22)	-
Adjustment of stock compensation previously not probable	-	24
Other, net	14	9
Tax effect of pre-tax non-GAAP adjustments	(44)	(37)
Adjustment to estimated effective tax rate	42	(2)
Adjustment to reverse loss attributable to certain non-controlling interests	1	-
Adjusted net income from continuing operations attributable to common stockholders	**$49**	**$347**
Adjusted earnings per share from continuing operations	**$0.17**	**$1.38**
Adjustments to arrive at normalized earnings per share:		
Interest expense savings based on illustrative capital structure[1,2]	237	
Tax effect of interest expense adjustment[3]	(81)	
Normalized adjusted net income from continuing operations attributable to common stockholders	**$205**	
Normalized adjusted earnings per share from continuing operations	**$0.68**	
Average basic common shares outstanding	***288***	***247***
Number of shares issuable upon conversion of PDH Common Stock	4	-
Number of shares issuable upon conversion of Series A Preferred Stock	2	-
Number of shares issuable upon vesting and exercise of Stock Options	1	-
Number of shares issuable upon vesting of granted Equity Awards	7	4
Adjusted common shares outstanding	***302***	***251***

Note: Totals may not sum due to rounding
1. Assumes the Company's new capital structure post-Arysta transaction, which closed on January 31, 2019: $800M of 5.875% senior notes, $750M term loan (including the effect of an interest rate swap and a net investment hedge) and no draw on the corporate revolver
2. Does not reflect the repurchase of 37 million shares announced on February 4, 2019
3. Assumes tax rate of 34%

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Free cash flow & organic net sales growth reconciliation

($ millions)	FY 2019	FY 2020	FY 2021
Cash flows from operating activities	$ 171	$ 276	$ 326
Capital expenditures	(30)	(29)	(46)
Disposal of property, plant and equipment	5	2	-
Free cash flows	**$ 146**	**$ 249**	**$ 280**
Adjustments to arrive at free cash flows on an adjusted basis:			
Interest payments - prior capital structure (1)	57		
Interest payments - current capital structure (1)	(3)		
Other (2)	38		
Free cash flows on an adjusted basis	**$ 238**		

	FY 2019	FY 2020	FY 2021
Net Sales Growth	**(6%)**	**1%**	**29%**
Impact of Currency	3%	0%	(3%)
Constant Currency	**(4%)**	**1%**	**26%**
Change in Pass-Through Metals Pricing	0%	0%	(8%)
Acquisitions	0%	(4%)	(6%)
Organic Net Sales Growth	**(4%)**	**(3%)**	**13%**

Note: Totals may not sum due to rounding
1. The adjustments for 2019 assume the Arysta divestiture had occurred and ESI's current capital structure had been in place as of January 1, 2019
2. Adjustment for the payment of the contingent consideration related to the MacDermid Acquisition and payment for employee expenses associated with the Arysta divestiture that did not qualify for discontinued operations

Adjusted net sales, gross profit and gross profit margins

	($ millions)	2018	2021
	Net sales	**$1,961**	**$2,400**
	Historical adjustment for Assembly metals pass-through price impact	147	0
	Metal price adjusted net sales	2,108	2,400
	Less: Impact of using constant FX rates across all periods[1]	(3)	15
	Less: Partial year revenue impact from acquisitions		(119)
(a)	**Adjusted net sales**	**$2,106**	**$2,295**
	Gross profit	**$838**	**$961**
	Less: Impact of using constant FX rates across all periods[1]	(2)	17
	Less: Partial year gross profit impact from acquisitions		(42)
(b)	Adjusted gross profit	**$836**	**$936**
(b) / (a)	**Adjusted gross profit margin %**	**39.7%**	**40.8%**
	Basis point change over 4 years		108

Note: Totals may not sum due to rounding

1. Applies a constant FX rate consistently to all periods

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 from continuing operations 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%, 34% for the twelve months ended December 31, 2021, and 2018 respectively to better approximate cash taxes paid. 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).

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. Adjusted EBITDA for each segment also includes an allocation of corporate costs, such as compensation expense and professional fees. Incremental margin is defined as the change in Adj. EBITDA divided by the change in pass-through metal adjusted net sales. Management believes adjusted EBITDA and adjusted EBITDA incremental 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.

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. Free cash flow on an adjusted basis assumes the Arysta divestiture, which closed on January 31, 2019, had occurred and ESI's current capital structure had been in place as of January 1, 2019. Management believes that free cash flow, which measures the Company's ability to generate cash from its business operations, is an important financial measure for use 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 twelve months ended December 31, 2021, Electronics' consolidated results were positively impacted by $143.4 million of pass-through metals pricing and $25.8 million of acquisitions and Industrial & Specialty's consolidated results were positively impacted by $78.2 million of acquisitions.

For the twelve months ended December 31, 2020, Electronics' consolidated results were positively impacted by $11.1 million of acquisitions and $9.0 million of pass-through metals pricing and Industrial & Specialty's consolidated results were positively impacted by $11.3 million of acquisitions.

For the twelve months ended December 31, 2019, Electronics' and the Company's consolidated results were positively impacted by $7.8 million of acquisitions and negatively impacted by $1.2 million of pass-through metals pricing.