First Quarter 2022

Earnings Presentation

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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 FY 2022 cash flow outlook, including cash interest, cash taxes and net capex; full year 2022 financial guidance, including FY adjusted EBITDA, FY adjusted EPS, FY free cash flow and full year 2022 additional considerations, including Q2 2022 adjusted EBITDA guidance, COVID-related headwinds and shutdowns, annual FX headwind, working capital release and stabilization of supply chain availability in 2022; and full year 2022 constant currency adj. EBITDA growth expectations, and net leverage ratio expectations by the end of 2022. 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 and the invasion of Ukraine by Russia 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; 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., 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.

This presentation also includes FY 2022 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 uses the following non-GAAP financial measures: EBITDA, adjusted EBITDA, adjusted EBITDA margin, adjusted EPS, adjusted common shares outstanding, free cash flow, net debt to adjusted EBITDA ratio, organic net sales growth, Q2 2022 guidance for adjusted EBITDA, full year 2022 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 April 27, 2022 (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.

First Quarter 2022 Financial Results

($ in millions)	Q1 2022	Q1 2021	YoY	Constant Currency* YoY	Organic* YoY
Net Sales	**$680**	**$550**	***24%***	***28%***	***7%***
Electronics	427	354	*21%*	*23%*	*8%*
Industrial & Specialty	253	197	*29%*	*37%*	*4%*
GAAP Diluted EPS	**$0.23**	**$0.33**			
Adj. EBITDA*	**$145**	**$138**	***5%***	***9%***	
% margin	*21.3%*	*25.0%*	*(370) bps*	*(370) bps*	
Electronics	97	92	*5%*	*7%*	
% margin	*22.8%*	*26.1%*	*(330) bps*	*(340) bps*	
Industrial & Specialty	48	45	*5%*	*12%*	
% margin	*18.8%*	*23.1%*	*(430) bps*	*(420) bps*	
Adj. EPS*	**$0.38**	**$0.37**	*3%*		

- Organic net sales* increased 7% year-over-year led by strong demand and execution across Electronics end-markets and stable growth in non-automotive Industrial businesses
- Constant currency adj. EBITDA* growth of 9% and adjusted EBITDA* margin decrease of ~370 bps
  - Pass-through metals pricing headwind of ~160 bps
  - Headwind from year-over-year impact of additional raw material, logistics inflation and product mix headwinds within Circuitry and Industrial Solutions
- Excluding net sales from Assembly pass-through metals of $132 million, adj. EBITDA* margin would have been 26%[1]

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 form Assembly pass-through metals is $145 million in adjusted EBITDA* divided by ($680 million net sales less $132 million metals net sales)

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First Quarter 2022 Segment Details

Electronics

	Net Sales *($ in millions)*	Organic Growth*	Key Drivers
Assembly	$235	*5%*	Continued growth across most core assembly product categories
Circuitry	$121	*13%*	Strong demand from memory disk customers and in the Americas; weakness in certain Asian markets due to chip and other raw material shortages
Semiconductor	$72	*11%*	Growth and new customer wins in advanced packaging solutions for 5G telecommunications infrastructure and other high-end electronics end markets
Total	**$427**	***8%***	

Industrial & Specialty

	Net Sales *($ in millions)*	Organic Growth*	Key Drivers
Industrial	$203	*5%*	Metals price impact and underlying growth in construction & industrial end markets, aerospace and oil & gas offsetting year-over-year softness in automotive markets
Graphics	$34	*1%*	Slow new packaging design introductions from CPG customers
Energy	$16	*2%*	Higher demand from drilling customers given increase in global rig activations; negative mix impact from drilling vs. production products
Total	**$253**	***4%***	

Note Totals may not sum due to rounding
* See non-GAAP definitions and reconciliations in the appendix

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Balance Sheet and Cash Flow Considerations

Key Cash Flow Items

- **Q1 2022 free cash flow* of $(15) million**
  - $56 million investment in working capital reflected strong top line growth and rebuild of safety stocks
  - Annual bonuses paid in Q1 ~$20 million higher than in 2021
  - Semi-annual bond interest payment of ~$16 million
  - Integration related costs of ~$5 million, tied to synergy realization from recent acquisitions

Balance Sheet Management

- **Net debt to adj. EBITDA ratio* of 3.2x on a LTM basis as of March 31, 2022**
  - 3.1x on a trailing twelve-month basis assuming a full year of Coventya ownership[1]
- Closed acquisition of HSO for ~$23 million at mid-single digit EBITDA multiple
- Spent $43 million to reduce share count by 1.9 million
  - ~$19 million worth of share repurchases
  - Withheld ~1 million shares in connection with LTI vesting
- Remaining repurchase authorization of $713 million at Mar 31

Q1 2022 Cash Flow Uses and FY 2022 Outlook

$ millions	Q1 2022	FY 2022
Cash Interest	$21	~$60
Cash Taxes	$11	~$90
Net Capex*	$10	~$60

Capital Structure at March 31, 2022

Instrument	*(in millions)*
Corporate Revolver	$0
Term Loans	1,123
Total First Lien Debt	1,123
Senior Notes due 2028	800
Other	5
Total Debt	**$1,928**
Cash Balance	219
Net Debt	**$1,709**
Adjusted Shares Outstanding[2]	250
Market Capitalization[3]	$5,482
Total Capitalization	**$7,191**

Note: Totals may not sum due to rounding
* See non-GAAP definitions and reconciliations in the appendix
1 – Includes $16.5 million of Coventya adj. EBITDA* for period April – Aug 2021 in trailing twelve-month adj. EBITDA
2 - See p.8 for reconciliation to Adjusted Share Counts
3 - Based on Element Solutions' closing stock price of $21.90 on March 31, 2022

Full Year 2022 Financial Guidance

Updated as of April 2022

FY Adj. EBITDA*	**$580 million to $590 million** ***(15-17% constant currency* growth)***
FY Adjusted EPS*	**$1.55 - $1.60** ***(12-16% growth)***
FY Free Cash Flow*	**$310 million - $325 million**
Additional Considerations	▪ Expect Q2 2022 adj. EBITDA* of approximately $140 million ▪ Full year guidance does not take into consideration possibility of additional COVID-related headwinds or shutdowns ▪ Expect annual FX headwind to adj. EBITDA* of $20 million based on current rates ▪ Free cash flow* guidance assumes working capital release of ~$30 million over the course of the year and is dependent on stabilization of supply chain availability

Increasing constant currency adj. EBITDA* growth expectation

* See non-GAAP definitions in the appendix

Appendix

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Reconciliation to Adjusted Share Counts

(amounts in millions)	Q1 2022	Q1 2021
Basic common shares outstanding	**248**	**248**
Number of shares issuable upon vesting of granted Equity Awards[1]	2	2
Adjusted common shares outstanding	**250**	**250**

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 Attributable to Common Stockholders Reconciliation to Adj. EBITDA

($ millions)	**Q1 2022**	**Q1 2021**
Net income attributable to common stockholders	**$56**	**$82**
Add (subtract):		
Net income attributable to non-controlling interests	0	—
Income tax expense	20	31
Interest expense, net	14	13
Depreciation expense	11	9
Amortization expense	31	30
EBITDA	**132**	**165**
Adjustments to reconcile to Adjusted EBITDA:		
Inventory step-up	1	—
Restructuring expense	2	2
Acquisition and integration expense (income)	3	(3)
Foreign exchange loss (gain) on internal debt	2	(28)
Adjustment of stock compensation previously not probable	1	—
Unrealized loss (gain) on metals derivative contracts	2	(0)
Other, net	3	1
Adjusted EBITDA	**$145**	**$138**

Note: Totals may not sum due to rounding

GAAP Net Income Reconciliation to Adjusted Diluted EPS

($ millions, except per share amounts)	Q1 2022	Q1 2021
Net income attributable to common stockholders	**$56**	**$82**
Reversal of amortization expense	31	30
Adjustment to reverse incremental depreciation expense from acquisitions	1	1
Inventory step-up	1	—
Restructuring expense	2	2
Acquisition and integration expense (income)	3	(3)
Foreign exchange loss (gain) on internal debt	2	(28)
Adjustment of stock compensation previously not probable	1	—
Unrealized loss (gain) on metals derivative contracts	2	(0)
Other, net	3	1
Tax effect of pre-tax non-GAAP adjustments	(9)	(1)
Adjustment to estimated effective tax rate	5	8
Adjusted net income attributable to common stockholders	**$96**	**$93**
Adjusted earnings per share	**$0.38**	**$0.37**
Adjusted common shares outstanding[1]	***250***	***250***

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

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

($ millions)	QTD 2022	Q2 2021	Q3 2021	Q4 2021	LTM Q1 2022
Net income attributable to common stockholders	**$56**	**$81**	**$36**	**$4**	**$177**
Add (subtract):					
Net income (loss) attributable to non-controlling interests	0	—	(0)	1	1
(Income) loss from discontinued operations, net of tax	—	(2)	—	2	(0)
Income tax expense	20	(32)	17	32	37
Interest expense, net	14	13	14	15	55
Depreciation expense	11	10	10	11	41
Amortization expense	31	30	32	32	126
EBITDA	**132**	**100**	**109**	**96**	**437**
Adjustments to reconcile to Adjusted EBITDA:					
Inventory step-up	1	2	4	6	13
Restructuring expense	2	2	1	7	11
Acquisition and integration expense	3	6	7	4	20
Foreign exchange loss on internal debt	2	5	1	6	13
Adjustment of stock compensation previously not probable	1	14	8	3	25
Unrealized loss (gain) on metals derivative contracts	2	(1)	(1)	2	2
Other, net	3	5	2	1	11
Adjusted EBITDA	**$145**	**$132**	**$131**	**$125**	**$532**
Net Debt					**$1,709**
Net Debt to Adjusted EBITDA Ratio					***3.2x***
Coventya Adjusted EBITDA (5 months)					16
Adjusted EBITDA including full year of Coventya					548
Net Debt to Adjusted EBITDA Ratio including Coventya					***3.1x***

Note: Totals may not sum due to rounding

Organic Net Sales Growth Reconciliation

	Three Months Ended March 31, 2022					
	Reported Net Sales Growth	Impact of Currency	Constant Currency	Change in Pass-Through Metals Pricing	Acquisitions	Organic Net Sales Growth
Electronics	21%	3%	23%	(12)%	(3)%	8%
Industrial & Specialty	29%	8%	37%	—%	(33)%	4%
Total	**24%**	**5%**	**28%**	**(8)%**	**(14)%**	**7%**

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

Free Cash Flow Reconciliation

($ millions)	Q1 2022	Q1 2021
Cash flows from operating activities	($6)	$33
Capital expenditures	(10)	(9)
Free cash flows	**($15)**	**$24**

Note: Totals may not sum due to rounding

Non-GAAP Definitions

<u>Adjusted Earnings Per Share (EPS)</u>: 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 months ended March 31, 2022 and 2021, 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).

<u>Constant Currency</u>: 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.

<u>EBITDA and Adjusted EBITDA</u>: 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, including unrealized gains/losses on metals derivative contracts, 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.

<u>Net Debt to Adjusted EBITDA ratio</u>: 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 $22.2 million at March 31, 2022, less cash divided by adjusted EBITDA.

<u>Free Cash Flow</u>: 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 measures the Company's ability to generate cash from its business operations, is an important financial measure for 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.

<u>Organic Net Sales Growth</u>: 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, 2022, Electronics' consolidated results were positively impacted by $44.0 million of pass-through metals pricing and $10.2 million of acquisitions and Industrial & Specialty's consolidated results were positively impacted by $64.3 million of acquisitions.

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The Company only provides second quarter 2022 guidance for adjusted EBITDA and full year 2022 guidance for adjusted EBITDA, adjusted EPS and free cash flow 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 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.