



HUNTSMAN

Enriching lives through innovation

4Q22 Earnings Summary

February 21, 2023

4th Quarter 2022

Earnings Summary

Conference Call

Tuesday February 21, 2023
10:00 a.m. ET

Webcast Link:

<https://event.choruscall.com/mediaframe/webcast.html?webcastid=t1RioKDV>

Participant dial-in numbers:

Domestic callers: (877) 402-8037
International callers: (201)378-4913



General Disclosure

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This presentation includes “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These forward-looking statements include statements concerning our plans, objectives, goals, strategies, future events, future revenue or performance, capital expenditures, financing needs, plans or intentions relating to acquisitions or strategic transactions, including the sale of the Textile Effects Division, business trends and any other information that is not historical information. When used in this presentation, the words “estimates,” “expects,” “anticipates,” “likely,” “projects,” “outlook,” “plans,” “intends,” “believes,” “forecasts,” or future or conditional verbs, such as “will,” “should,” “could” or “may,” and variations of such words or similar expressions are intended to identify forward-looking statements. These forward-looking statements, including, without limitation, management’s examination of historical operating trends and data, are based upon our current expectations and various assumptions and beliefs. In particular, such forward-looking statements are subject to uncertainty and changes in circumstances and involve risks and uncertainties that may affect the company’s operations, markets, products, prices and other factors as discussed in the Company’s filings with the U.S. Securities and Exchange Commission. Significant risks and uncertainties may relate to, but are not limited to, ongoing impact of COVID-19 on our operations and financial results, volatile global economic conditions, cyclical and volatile product markets, disruptions in production at manufacturing facilities, timing of proposed transactions including the sale of our Textile Effects business, reorganization or restructuring of the Company’s operations, including any delay of, or other negative developments affecting the ability to implement cost reductions and manufacturing optimization improvements in the Company’s businesses and to realize anticipated cost savings, and other financial, operational, economic, competitive, environmental, political, legal, regulatory and technological factors. Any forward-looking statement should be considered in light of the risks set forth under the caption “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2022, which may be supplemented by other risks and uncertainties disclosed in any subsequent reports filed or furnished by the Company from time to time. All forward-looking statements apply only as of the date made. Except as required by law, the Company undertakes no obligation to update or revise forward-looking statements to reflect events or circumstances that arise after the date made or to reflect the occurrence of unanticipated events.

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This presentation contains financial measures that are not in accordance with generally accepted accounting principles in the U.S. (“GAAP”), including adjusted EBITDA, adjusted EBITDA from discontinued operations, adjusted net income (loss), adjusted diluted income (loss) per share, free cash flow, adjusted effective tax rate, and net debt. For more information on the non-GAAP financial measures used by the Company and referenced in this presentation, including definitions and reconciliations of non-GAAP measures to GAAP, please refer to “Non-GAAP Reconciliation” hyperlink available in the “Financials” section of the Company’s website at www.huntsman.com/investors.

The Company does not provide reconciliations of forward-looking non-GAAP financial measures to the most comparable GAAP financial measures on a forward-looking basis because the Company is unable to provide a meaningful or accurate calculation or estimation of reconciling items and the information is not available without unreasonable effort. This is due to the inherent difficulty of forecasting the timing and amount of certain items, such as, but not limited to, (a) business acquisition and integration expenses, (b) merger costs, and (c) certain legal and other settlements and related costs. Each of such adjustments has not yet occurred, are out of the Company’s control and/or cannot be reasonably predicted. For the same reasons, the Company is unable to address the probable significance of the unavailable information.

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Highlights

(\$ in millions, except per share amounts)

	4Q22	4Q21	2022	2021
Revenues	\$ 1,650	\$ 2,112	\$ 8,023	\$ 7,670
Net (loss) income attributable to Huntsman Corporation	\$ (91)	\$ 597	\$ 460	\$ 1,045
Adjusted net income	\$ 8	\$ 195	\$ 636	\$ 726
Diluted (loss) income per share	\$ (0.48)	\$ 2.73	\$ 2.27	\$ 4.72
Adjusted diluted income per share	\$ 0.04	\$ 0.89	\$ 3.13	\$ 3.28
Adjusted EBITDA	\$ 87	\$ 327	\$ 1,155	\$ 1,246
Net cash provided by operating activities from continuing operations	\$ 297	\$ 733	\$ 892	\$ 915
Free cash flow from continuing operations	\$ 211	\$ 648	\$ 620	\$ 589

4Q22

\$297M

Operating Cash Flow

(\$91M)

Net loss
Attributable to
Huntsman

\$87M

Adjusted EBITDA

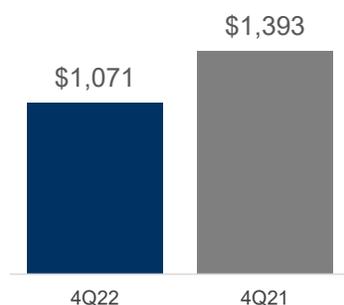
\$1.7B

Revenues

4Q22 Earnings Summary

Polyurethanes

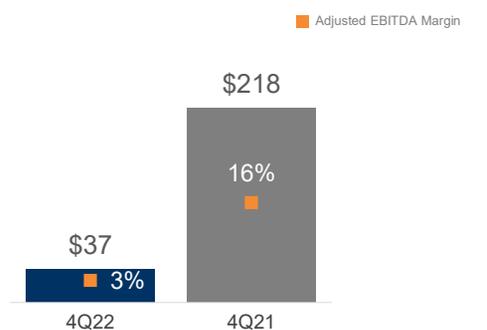
Revenues



Highlights

- Volumes decreased 22% year over year, due to demand weakness in the European and Americas regions, partially offset by 4% growth in Asia
- Unfavorable unit margins due to negative price/cost mix
- Automotive volumes improved year over year across all regions
- HBS spray foam volumes flat with the prior year

Adjusted EBITDA



1Q23 Outlook

- First quarter 2023 adjusted EBITDA estimated to be between \$55 million and \$65 million
- European energy prices moderating but benzene costs increasing
- Improving MDI prices in China
- U.S. construction end markets weaker
- MDI production rates to match lower demand

2022

\$5.1B Sales Revenue

\$628M Adj. EBITDA

12% Adj. EBITDA Margin

4Q22 Y/Y Change

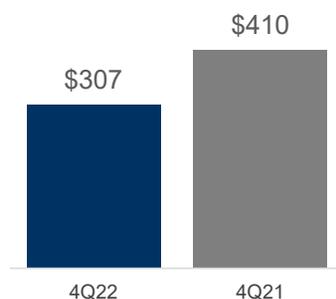
↓23% Sales Revenue

↓83% Adj. EBITDA

4Q22 Earnings Summary

Performance Products

Revenues



Highlights

- Volumes decreased 32% due to weaker underlying demand combined with aggressive destocking
- Unit margins improved across the portfolio versus prior year

Adjusted EBITDA



1Q23 Outlook

- First quarter 2023 adjusted EBITDA estimated to be between \$60 million and \$70 million
- Lower volumes compared to prior year, primarily due to expected weaker demand in construction markets
- Adjusted EBITDA margins in the 20%-25% range

2022

\$1.7B Sales Revenue

\$469M Adj. EBITDA

27% Adj. EBITDA Margin

4Q22 Y/Y Change

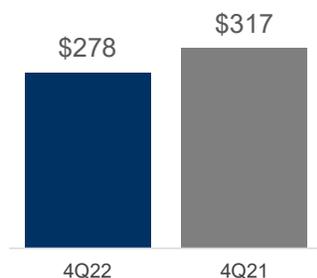
↓25% Sales Revenue

↓42% Adj. EBITDA

4Q22 Earnings Summary

Advanced Materials

Revenues



Highlights

- Volumes decreased 28% year over year
- Core specialty sales benefited from improved price and mix, lifting unit margins year over year
- Aerospace volumes increased year over year

Adjusted EBITDA



1Q23 Outlook

- First quarter 2023 adjusted EBITDA estimated to be between \$45 million and \$50 million
- Automotive and aerospace markets keep steadily improving
- Demand headwinds continue in industrial markets, specifically Americas and Europe

2022

\$1.3B Sales Revenue

\$233M Adj. EBITDA

18% Adj. EBITDA Margin

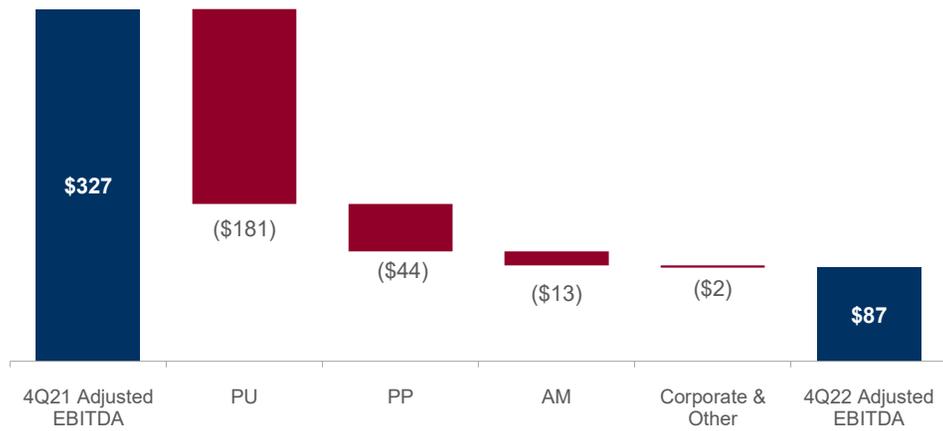
4Q22 Y/Y Change

↓12% Sales Revenue

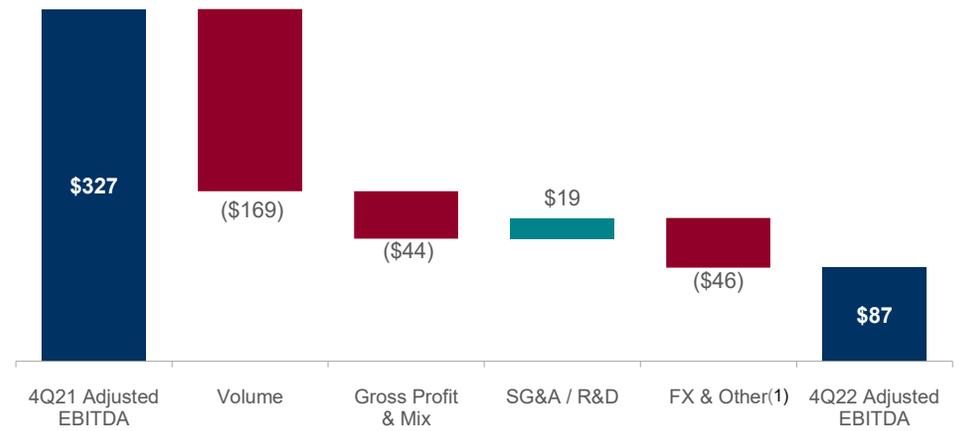
↓24% Adj. EBITDA

Adjusted EBITDA Bridge

Year / Year – By Segment



Year / Year – By Account



(1) Includes equity income and minority interest

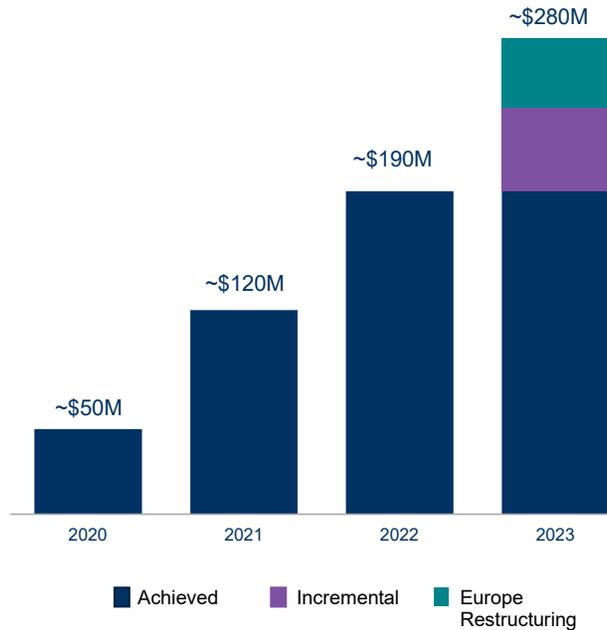
4Q22 Earnings Summary

Cost Realignment & Synergy Plans on Track

Delivery of ~\$280M Run Rate Benefits Targeted by End of 2023

Announced Initiatives	Benefits	Expected Completion
M&A Synergies & 2020 Optimization Initiatives	~\$140M	Q1 2023
GBS Expansion & Polyurethanes and Supply Chain Optimization	~\$100M	End of 2023
New European Restructuring	~\$40M	End of 2023
Total	~\$280M	

Annualized Run Rate



Commentary

~\$190M 4Q22 Annualized Run Rate

European Restructuring underway with completion of works council negotiations

GBS recruitment in Costa Rica and Poland continues at pace

Transitioning certain IT activities to 3rd party managed services

Focused on execution across entire program in 2023 amid persistently high inflationary environment

On track to meet or exceed \$280M annualized run rate by year end 2023

Cash cost for 2023 estimated at ~\$120 million (including ~\$20 million related to capital expenditures)

4Q22 Earnings Summary

Cash Flow and Liquidity Considerations

Earnings and Cash Flow	4Q21	4Q22	2021	2022
Adjusted EBITDA	\$327	\$87	\$1,246	\$1,155
Cash Flow From Operations	\$733	\$297	\$915	\$892
Capital Expenditures	(\$85)	(\$86)	(\$326)	(\$272)
Free Cash Flow	\$648	\$211	\$589	\$620
Free Cash Flow Conversion			47%	54%

Reflects continuing operations

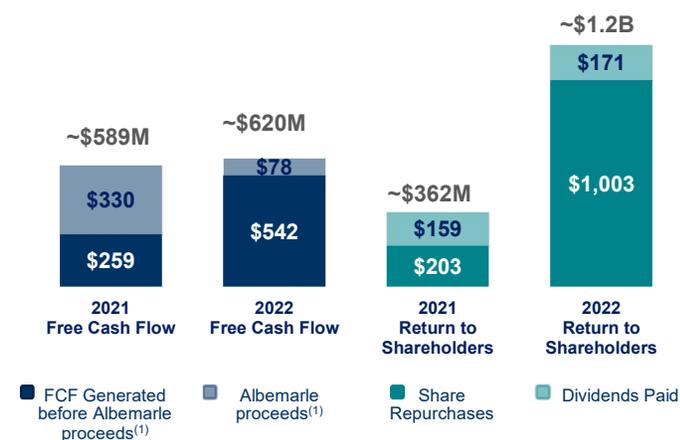
Equity Return	2021	2022
4Q Diluted Shares Outstanding	219	189
Share Repurchases	\$203	\$1,003
Dividend Per Share	\$0.75	\$0.85

Capital Structure	2021	2022
Liquidity	\$2,482	\$1,847
Net Debt	\$509	\$1,083
Net Debt Leverage	0.4x	0.9x
Credit Ratings	Baa3 / BB+ / BBB-	Baa3 / BBB- / BBB

Amounts in \$ millions

Note 1: Net cash proceeds from the Albemarle settlement of ~\$330 million in 2021 and ~\$80 million in 2022.

Cash Generation and Shareholder Return



2023 Considerations

- Increased annual dividend from \$0.85 to \$0.95 per share
- Expected to close Textile Effects transaction at the end of February 2023
 - Approximately \$500 million net cash impact in 2023
- Currently intend to repurchase at least \$400 million of shares during 2023

4Q22 Earnings Summary

1Q23 Outlook Summary

1Q23 Adjusted EBITDA

Polyurethanes	<i>\$55M – \$65M</i>
Performance Products	<i>\$60M – \$70M</i>
Advanced Materials	<i>\$45M – \$50M</i>
Corporate	<i>~(\$45M)</i>
Total	<i>~\$115M – \$140M</i>



2023 Additional Modelling Considerations

Adjusted EBITDA/ Income Statement

Full Year Corporate & Other	~\$175M
In Year Cost Optimization Benefit	~\$80M, <i>excluding inflation</i>
Pension Expense	~\$40M <i>Headwind YoY</i>
Interest Expense	<i>Similar to 2022</i>
Depreciation & Amortization	~\$280M
2023 Adj. Effective Tax Rate	24% - 26%
Long-Term Adj. Effective Tax Rate	22% - 24%

Cash Flow

Dividends from Equity Affiliates	~\$15M <i>Headwind YoY</i>
Pension Contributions	~\$10M <i>Tailwind YoY</i>
Cash Interest	<i>Similar to 2022</i>
Cash Tax Rate	<i>Slight Headwind YoY</i>
Cash Related to Cost Optimization	~\$40M <i>Headwind YoY (excl capex)</i>
Capital Expenditures	\$240M - \$250M
Net Working Capital	<i>Driven by economic activity and raw material costs 2023 v 2022</i>

2023 Expectations

Positives

- Improving fundamentals in automotive, aerospace, and government investments in core energy conservation markets
- Polyurethanes Geismar splitter investment
- Attractive shareholder return (dividend and share buybacks)
- Strong balance sheet for bolt-on acquisition optionality

Challenges

- Global Construction demand under pressure
- Europe: Volatile and high energy costs coupled with demand destruction
- High inflation pressures margins and consumer spending
- Expected lower Adjusted EBITDA versus 2022

4Q22 Earnings Summary

Financials and Reconciliation



USD In millions	1Q21	2Q21	3Q21	4Q21	FY21	1Q22	2Q22	3Q22	4Q22	FY22
Segment Revenues:										
Polyurethanes	\$ 1,068	\$ 1,155	\$ 1,403	\$ 1,393	\$ 5,019	\$ 1,386	\$ 1,353	\$ 1,257	\$ 1,071	\$ 5,067
Performance Products	305	371	399	410	1,485	480	492	434	307	1,713
Advanced Materials	278	299	304	317	1,198	335	336	328	278	1,277
Total Reportable Segments' Revenues	1,651	1,825	2,106	2,120	7,702	2,201	2,181	2,019	1,656	8,057
Intersegment Eliminations	(7)	(8)	(9)	(8)	(32)	(9)	(11)	(8)	(6)	(34)
Total Revenues	\$ 1,644	\$ 1,817	\$ 2,097	\$ 2,112	\$ 7,670	\$ 2,192	\$ 2,170	\$ 2,011	\$ 1,650	\$ 8,023
Segment Adjusted EBITDA:										
Polyurethanes	\$ 207	\$ 208	\$ 246	\$ 218	\$ 879	\$ 224	\$ 229	\$ 138	\$ 37	\$ 628
Performance Products	63	88	103	105	359	146	152	110	61	469
Advanced Materials	44	58	48	54	204	67	67	58	41	233
Total Reportable Segments' Adjusted EBITDA	314	354	397	377	1,442	437	448	306	139	1,330
Corporate and Other	(50)	(48)	(48)	(50)	(196)	(50)	(38)	(35)	(52)	(175)
Total Adjusted EBITDA	\$ 264	\$ 306	\$ 349	\$ 327	\$ 1,246	\$ 387	\$ 410	\$ 271	\$ 87	\$ 1,155

Data reflects the continuing operations of Huntsman Corporation and treats the textile effects business as discontinued operations.

4Q22 Earnings Summary

Financials and Reconciliation



USD In millions

	1Q21	2Q21	3Q21	4Q21	FY21	1Q22	2Q22	3Q22	4Q22	FY22
Net income (loss)	\$ 100	\$ 172	\$ 225	\$ 607	\$ 1,104	\$ 240	\$ 242	\$ 115	\$ (74)	\$ 523
Net income attributable to noncontrolling interests	(17)	(16)	(16)	(10)	(59)	(17)	(14)	(15)	(17)	(63)
Net income (loss) attributable to Huntsman Corporation	83	156	209	597	1,045	223	228	100	(91)	460
Interest expense, net from continuing operations	19	18	15	15	67	14	16	16	16	62
Income tax expense from continuing operations	30	37	34	90	191	60	65	30	31	186
Income tax expense from discontinued operations	4	5	9	3	21	5	2	7	5	19
Depreciation and amortization from continuing operations	68	69	68	73	278	67	68	72	74	281
Depreciation and amortization from discontinued operations	6	4	4	4	18	4	4	3	1	12
Business acquisition and integration expenses and purchase accounting inventory adjustments	9	5	5	3	22	6	4	1	1	12
(Income) costs associated with the Albermarle Settlement, net	-	-	-	(465)	(465)	1	1	1	-	3
EBITDA from discontinued operations, net of tax	(23)	(26)	(19)	(20)	(88)	(27)	(19)	(9)	12	(43)
(Gain) loss on sale of businesses/assets	-	(30)	-	-	(30)	4	7	16	(27)	-
Income from transition services arrangements	(1)	(3)	(2)	(2)	(8)	(1)	(1)	-	-	(2)
Fair value adjustments to Venator investment, net	19	6	3	-	28	2	-	7	3	12
Loss on early extinguishment of debt	-	27	-	-	27	-	-	-	-	-
Certain legal and other settlements and related expenses (income)	2	8	-	3	13	12	2	1	(8)	7
Certain nonrecurring information technology implementation costs	1	3	2	2	8	2	1	1	1	5
Amortization of pension and postretirement actuarial losses	19	18	19	18	74	12	10	10	17	49
Restructuring, impairment and plant closing and transition costs	24	12	-	9	45	3	27	14	52	96
Plant incident remediation costs (credits)	4	(3)	2	(3)	-	-	(5)	1	-	(4)
Adjusted EBITDA⁽¹⁾	\$ 264	\$ 306	\$ 349	\$ 327	\$ 1,246	\$ 387	\$ 410	\$ 271	\$ 87	\$ 1,155
Non-GAAP Adjusted EBITDA Margin information:										
Revenue	\$ 1,644	\$ 1,817	\$ 2,097	\$ 2,112	\$ 7,670	\$ 2,192	\$ 2,170	\$ 2,011	\$ 1,650	\$ 8,023
Adjusted EBITDA	264	306	349	327	1,246	387	410	271	87	1,155
Non-GAAP Adjusted EBITDA Margin	16%	17%	17%	15%	16%	18%	19%	13%	5%	14%
GAAP Net Income Margin	6%	9%	11%	29%	14%	11%	11%	6%	-4%	7%

Data reflects the continuing operations of Huntsman Corporation and treats the textile effects business as discontinued operations.