



HUNTSMAN

Enriching lives through innovation

1Q22 Earnings Summary

April 28, 2022

1st Quarter 2022

Earnings Summary

Conference Call

Thursday, April 28, 2022
10:00 a.m. ET

Webcast Link:

<https://services.choruscall.com/mediaframe/webcast.html?webcastid=KvyqXLON>

Participant dial-in numbers:

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



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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 free cash flow, 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)

	1Q22	1Q21
Revenues	\$ 2,389	\$ 1,837
Net income	\$ 240	\$ 100
Adjusted net income	\$ 256	\$ 147
Diluted income per share	\$ 1.04	\$ 0.37
Adjusted diluted income per share	\$ 1.19	\$ 0.66
Adjusted EBITDA	\$ 415	\$ 289
Net cash provided by (used in) operating activities from continuing operations	\$ 85	\$ (16)
Free cash flow from continuing operations	\$ 16	\$ (114)

1Q22

\$85M

Operating Cash Flow

\$240M

Net Income

\$415M

Adjusted EBITDA

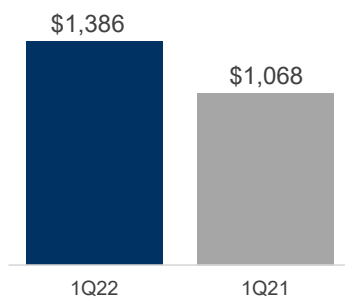
\$2,389M

Revenues

1Q22 Earnings Summary

Polyurethanes

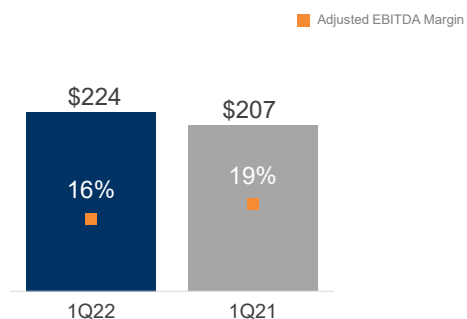
Revenues



Highlights

- Price initiatives offset substantial energy inflation and supply chain headwinds
- Volumes increased 4% YoY
- Significantly improved value in Americas
- HBS revenue of ~\$160 million
- Improved automotive volumes YoY

Adjusted EBITDA



Outlook

- 2Q22 Adj. EBITDA estimated to be between \$210 million and \$230 million
- Positive trends in our insulation business, driven by commercial construction
- Higher costs, specifically in Europe, remain a headwind
- China volumes pressure due to COVID related lockdowns

1Q22 LTM

\$5.3B Sales Revenue

\$896M Adj. EBITDA

17% Adj. EBITDA Margin

1Q22 Y/Y Change

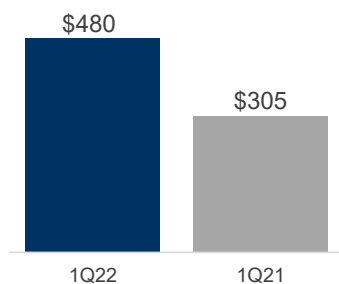
↑30% Sales Revenue

↑8% Adj. EBITDA

1Q22 Earnings Summary

Performance Products

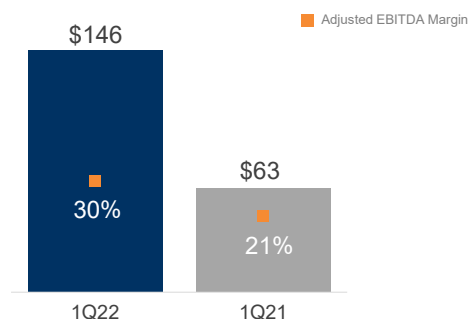
Revenues



Highlights

- Strong margins across the portfolio
- Volumes increased 3% YoY
- Robust demand in coatings & adhesives, fuels & lubes, and composites

Adjusted EBITDA



Outlook

- 2Q22 Adj. EBITDA estimated to be between \$130 million and \$140 million
- Commercial initiatives and solid demand drive year-over-year improvement
- China volumes lower QoQ due to COVID related lockdowns

1Q22 LTM

\$1.7B Sales Revenue

\$442M Adj. EBITDA

27% Adj. EBITDA Margin

1Q22 Y/Y Change

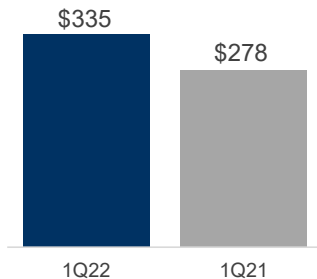
↑57% Sales Revenue

↑132% Adj. EBITDA

1Q22 Earnings Summary

Advanced Materials

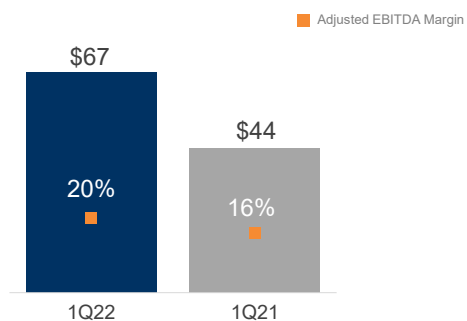
Revenues



Highlights

- Higher prices to offset raw material inflation and logistical costs
- Positive contribution from recent acquisitions and synergies
- Volumes decreased by 17% YoY, impacted by deselection of low margin commodity business

Adjusted EBITDA



Outlook

- 2Q22 Adj. EBITDA estimated to be between \$62 million and \$68 million
- Price increases offset higher raw material costs
- Industrial markets in Europe and Americas remain relatively stable
- China demand lower QoQ due to COVID related lockdowns

1Q22 LTM

\$1.3B Sales Revenue

\$227M Adj. EBITDA

18% Adj. EBITDA Margin

1Q22 Y/Y Change

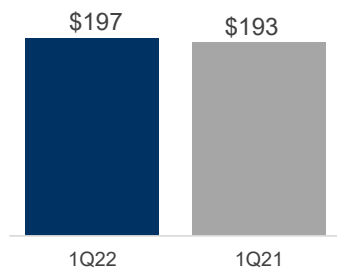
↑21% Sales Revenue

↑52% Adj. EBITDA

1Q22 Earnings Summary

Textile Effects

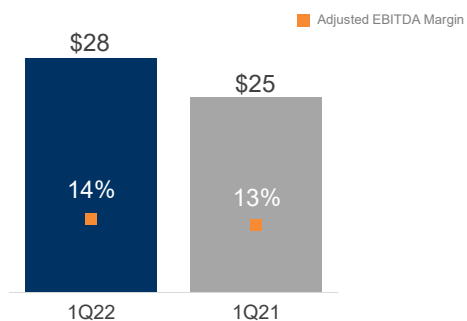
Revenues



Highlights

- Strongest ever first quarter with 14% adjusted EBITDA margin
- Volumes impacted by deselection of value products
- Improved profitability driven by price and favorable product mix

Adjusted EBITDA



Outlook

- 2Q22 Adj. EBITDA estimated to be between \$29 million and \$31 million
- Seasonally strongest quarter benefitting from positive trends in sustainability
- Volumes headwinds in North Asia markets due to China's COVID related lockdowns

1Q22 LTM

\$787M Sales Revenue

\$100M Adj. EBITDA

13% Adj. EBITDA Margin

1Q22 Y/Y Change

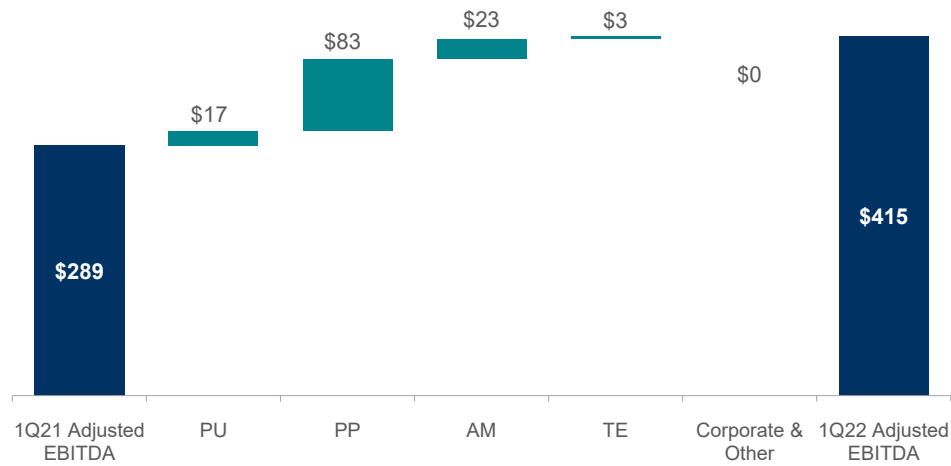
↑2% Sales Revenue

↑12% Adj. EBITDA

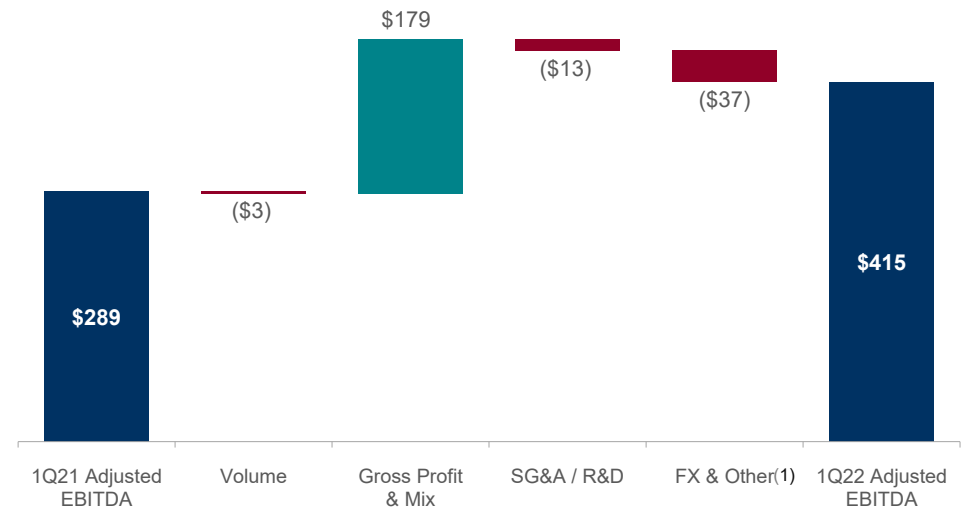
1Q22 Earnings Summary

Adjusted EBITDA Bridge

Year / Year – By Segment



Year / Year – By Account



(1) Includes Equity income and minority interest

1Q22 Earnings Summary

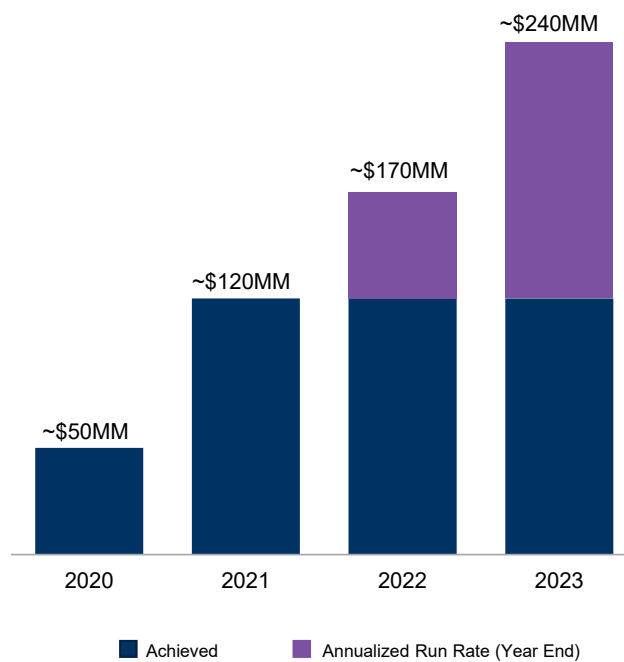
Cost Realignment & Synergy Plans on Track

Delivery of ~\$240M Run Rate Benefits Targeted by End of 2023

Announced Initiatives	Benefits	Expected Completion
M&A Synergies	~\$55MM	Q1 2023
2020 Optimization Initiatives	~\$85MM	Q1 2023
Polyurethanes Optimization	~\$60MM	End of 2023
GBS Expansion	~\$20MM	End of 2023
Supply Chain Optimization	~\$20MM	End of 2023
Total	~\$240MM	

Year	2020	2021	2022	2023	2024
Cumulative In Year Impact	~\$30MM	~\$100MM	~\$140MM	~\$200MM	~\$240MM
		+\$140MM, ~160bps			

Targeted In-Year Benefit Delivery



Commentary

~\$125M 1Q22 Annualized Run Rate

Announced initiatives will be complete by end of 2023

- M&A site consolidation
- Polyurethanes network rationalization
- Divisional cost savings initiatives
- Back office synergies

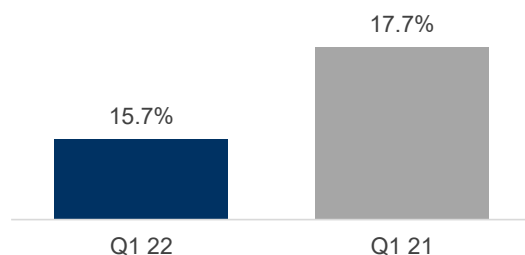
1Q22 Earnings Summary

Debt and Liquidity Considerations

Free Cash Flow

<i>USD in millions</i>	1Q22	1Q21
Net cash provided by (used in) operating activities	\$ 85	\$ (16)
Capital expenditures	(69)	(98)
Free cash flow from continuing operations	\$ 16	\$ (114)
Supplemental cash flow information:		
Cash paid for interest	\$ (9)	\$ (16)
Cash paid for income taxes	(32)	(8)
Cash paid for restructuring and integration	(13)	(9)
Cash paid for pensions	(13)	(14)
Depreciation and amortization	71	74
Change in primary working capital	(201)	(179)

Improvement in Primary Working Capital



Primary Working Capital (Accounts Receivables+ Inventory – Accounts Payable) / LTM Revenue

Commentary

- Total liquidity of ~\$2.3 billion and net leverage of ~0.5x
- Expect to receive final Albemarle settlement of an additional \$332.5 million in May 2022 and pay estimated legal fees and cash taxes of \$255 million in 2Q22
- Received rating upgrades from Fitch to BBB on March 4, 2022 and S&P to BBB- on April 13, 2022
- On February 14, 2022 announced dividend increase of 13% to \$0.2125 per share
- Adjusted earnings per share of \$1.19 in 1Q22 versus \$0.65 in 1Q21
- Repurchased ~5.5 million shares for ~\$210 million during 1Q22
 - Board approved to double the repurchase authorization to \$2 billion and we intend to repurchase ~\$1 billion shares during 2022
- 1Q22 capital expenditures of \$69 million
 - 2022 estimated capital expenditures of ~ \$300 million
- 1Q22 effective and adjusted tax rate of 21%
 - Adjusted 2022 effective tax rate expected to be ~22% - 24%

1Q22 Earnings Summary

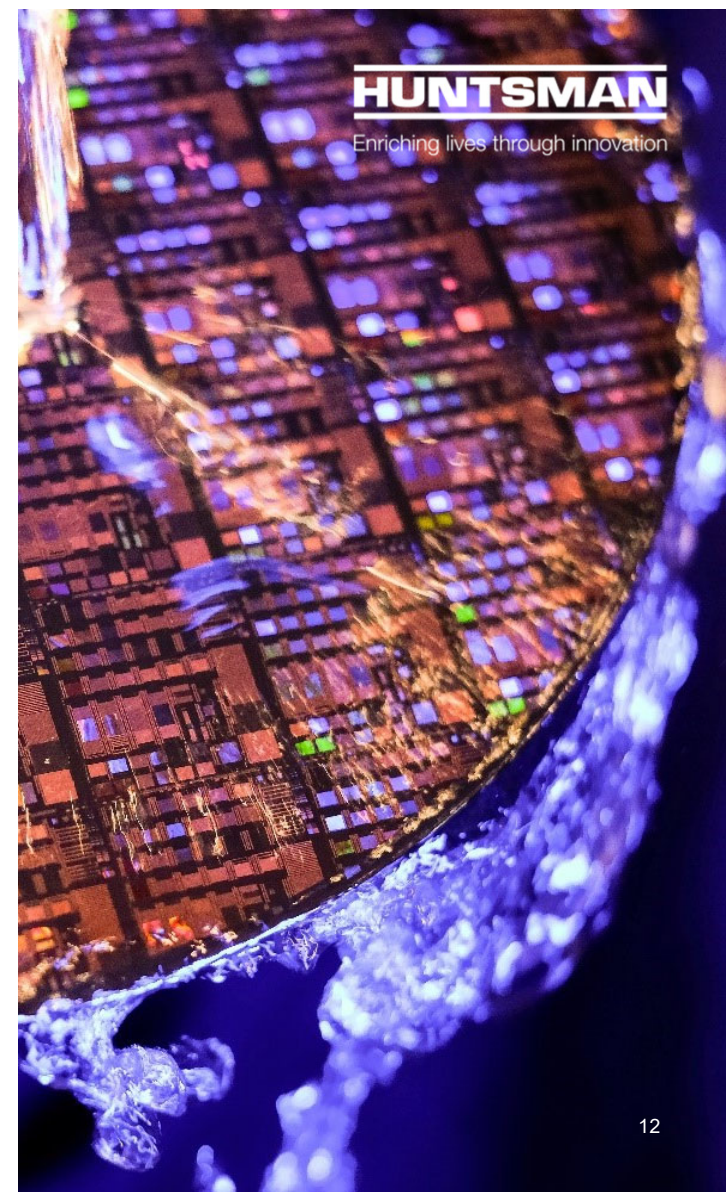
2Q22 Outlook Summary

2Q22 Adjusted EBITDA

Polyurethanes	\$210M – \$230M
Performance Products	\$130M – \$140M
Advanced Materials	\$62M – \$68M
Textile Effects	\$29M – \$31M
Corporate	~(\$50M)
Total	~\$380M - \$420M
<i>Margin</i>	<i>~16% – 17%</i>

Full Year 2022

Capital Expenditures	~\$300M
Adjusted Effective Tax Rate	~22% -24%



1Q22 Earnings Summary



Summary Financials and Reconciliation

USD In millions	1Q20	2Q20	3Q20	4Q20	FY20	1Q21	2Q21	3Q21	4Q21	FY21	1Q22	1Q22 LTM
Segment Revenues:												
Polyurethanes	\$ 888	\$ 730	\$ 936	\$ 1,030	\$ 3,584	\$ 1,068	\$ 1,155	\$ 1,403	\$ 1,393	\$ 5,019	\$ 1,386	\$ 5,337
Performance Products	292	228	238	265	1,023	305	371	399	410	1,485	480	1,660
Advanced Materials	241	192	199	207	839	278	299	304	317	1,198	335	1,255
Textile Effects	180	102	142	173	597	193	207	188	195	783	197	787
Total Reportable Segments' Revenues	1,601	1,252	1,515	1,675	6,043	1,844	2,032	2,294	2,315	8,485	2,398	9,039
Intersegment Eliminations	(8)	(5)	(5)	(7)	(25)	(7)	(8)	(9)	(8)	(32)	(9)	(34)
Total Revenues	\$ 1,593	\$ 1,247	\$ 1,510	\$ 1,668	\$ 6,018	\$ 1,837	\$ 2,024	\$ 2,285	\$ 2,307	\$ 8,453	\$ 2,389	\$ 9,005
Segment Adjusted EBITDA:												
Polyurethanes	\$ 84	\$ 31	\$ 156	\$ 201	\$ 472	\$ 207	\$ 208	\$ 246	\$ 218	\$ 879	\$ 224	\$ 896
Performance Products	58	29	36	41	164	63	88	103	105	359	146	442
Advanced Materials	48	30	25	27	130	44	58	48	54	204	67	227
Textile Effects	20	(4)	8	18	42	25	28	22	22	97	28	100
Total Reportable Segments' Adjusted EBITDA	210	86	225	287	808	339	382	419	399	1,539	465	1,665
Corporate and other	(45)	(32)	(37)	(47)	(161)	(50)	(48)	(48)	(50)	(196)	(50)	(196)
Total Adjusted EBITDA	\$ 165	\$ 54	\$ 188	\$ 240	\$ 647	\$ 289	\$ 334	\$ 371	\$ 349	\$ 1,343	\$ 415	\$ 1,469

1Q22 Earnings Summary

Summary Financials and Reconciliation

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USD In millions	1Q20	2Q20	3Q20	4Q20	FY20	1Q21	2Q21	3Q21	4Q21	FY21	1Q22	1Q22 LTM
Net income (loss)	\$ 708	\$ (59)	\$ 57	\$ 360	\$ 1,066	\$ 100	\$ 172	\$ 225	\$ 607	\$ 1,104	\$ 240	\$ 1,244
Net income attributable to noncontrolling interests	(3)	(3)	(9)	(17)	(32)	(17)	(16)	(16)	(10)	(59)	(17)	(59)
Net income (loss) attributable to Huntsman Corporation	705	(62)	48	343	1,034	83	156	209	597	1,045	223	1,185
Interest expense from continuing operations	18	21	24	23	86	19	18	15	15	67	14	62
Income tax expense (benefit) from continuing operations	7	(13)	15	37	46	34	42	38	95	209	65	240
Income tax expense (benefit) from discontinued operations ⁽³⁾	238	1	-	3	242	-	-	5	(2)	3	-	3
Depreciation and amortization from continuing operations	67	69	70	77	283	74	73	72	77	296	71	293
Business acquisition and integration expenses and purchase accounting inventory adjus	13	8	9	1	31	9	5	5	3	22	6	19
Income associated with the Albermarle Settlement, net	-	-	-	-	-	-	-	-	(465)	(465)	1	(464)
EBITDA from discontinued operations, net of tax ⁽³⁾	(1,015)	(6)	-	4	(1,017)	(1)	(1)	-	(1)	(3)	(1)	(3)
Loss (gain) on sale of businesses/assets	(2)	1	-	(279)	(280)	-	(30)	-	-	(30)	4	(26)
Income from transition services arrangements	-	(5)	(1)	(1)	(7)	(1)	(3)	(2)	(2)	(8)	(1)	(8)
Fair value adjustments to Venator investment	110	(4)	(6)	(12)	88	19	6	3	-	28	2	11
Loss on early extinguishment of debt	-	-	-	-	-	-	27	-	-	27	-	27
Certain legal and other settlements and related expenses (income)	2	4	(4)	3	5	2	8	-	3	13	12	23
Certain nonrecurring information technology implementation costs	1	1	1	3	6	1	3	2	2	8	2	9
Amortization of pension and postretirement actuarial losses	18	19	20	19	76	22	21	22	21	86	14	78
Restructuring, impairment and plant closing and transition costs (credits)	3	19	12	18	52	24	12	-	9	45	3	24
Plant incident remediation costs (credits)	-	1	-	1	2	4	(3)	2	(3)	-	-	(4)
Adjusted EBITDA	\$ 165	\$ 54	\$ 188	\$ 240	\$ 647	\$ 289	\$ 334	\$ 371	\$ 349	\$ 1,343	\$ 415	\$ 1,469
Non-GAAP Adjusted EBITDA Margin information:												
Revenue	\$ 1,593	\$ 1,247	\$ 1,510	\$ 1,668	\$ 6,018	\$ 1,837	\$ 2,024	\$ 2,285	\$ 2,307	\$ 8,453	\$ 2,389	\$ 9,005
Adjusted EBITDA	165	54	188	240	647	289	334	371	349	1,343	415	1,469
Non-GAAP Adjusted EBITDA Margin	10%	4%	12%	14%	11%	16%	17%	16%	15%	16%	17%	16%
GAAP Net Income Margin	44%	(5%)	4%	22%	18%	5%	8%	10%	26%	13%	10%	14%