



HUNTSMAN

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2Q22 Earnings Summary

August 2, 2022

2nd Quarter 2022

Earnings Summary

Conference Call

Tuesday, August 2, 2022
10:00 a.m. ET

Webcast Link:

<https://event.choruscall.com/mediaframe/webcast.html?webcastid=E6B5RbBA>

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)

	2Q22	2Q21
Revenues	\$ 2,362	\$ 2,024
Net income	\$ 242	\$ 172
Adjusted net income	\$ 265	\$ 191
Diluted income per share	\$ 1.10	\$ 0.70
Adjusted diluted income per share	\$ 1.28	\$ 0.86
Adjusted EBITDA	\$ 432	\$ 334
Net cash provided by (used in) operating activities from continuing operations	\$ 231	\$ (7)
Free cash flow from continuing operations	\$ 162	\$ (83)

2Q22

\$231M

Operating Cash Flow

\$242M

Net Income

\$432M

Adjusted EBITDA

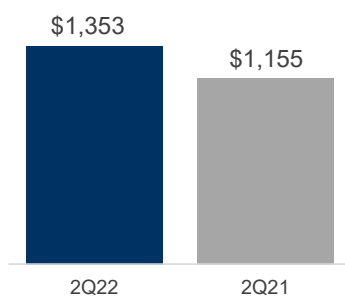
\$2.4B

Revenues

2Q22 Earnings Summary

Polyurethanes

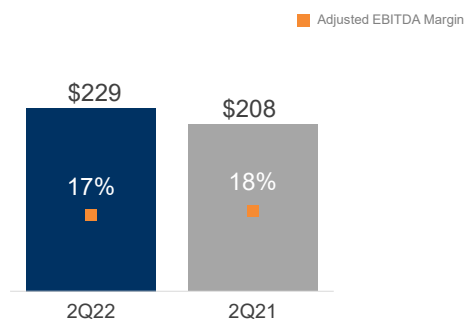
Revenues



Highlights

- Price increases offset higher raw material costs
- Volumes decreased 4% YoY, impacted by China lockdown
- \$15 million Adj. EBITDA benefit from insurance settlement
- HBS revenues at \$154 million, increase 16% YoY
- Automotive volumes improved YoY

Adjusted EBITDA



Outlook

- Third quarter 2022 Adj. EBITDA estimated to be between \$170 million and \$200 million.
- Volumes lower YoY driven by weaker demand in Europe
- European profitability impacted by volatility in regional natural gas prices
- Lower equity earnings compared to the prior year from our minority-owned joint venture in China
- Stronger YoY profitability in the Americas business

2Q22 LTM

\$5.5B Sales Revenue

\$917M Adj. EBITDA

17% Adj. EBITDA Margin

2Q22 Y/Y Change

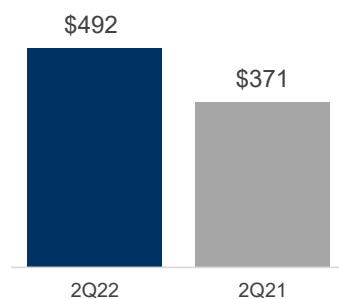
↑17% Sales Revenue

↑10% Adj. EBITDA

2Q22 Earnings Summary

Performance Products

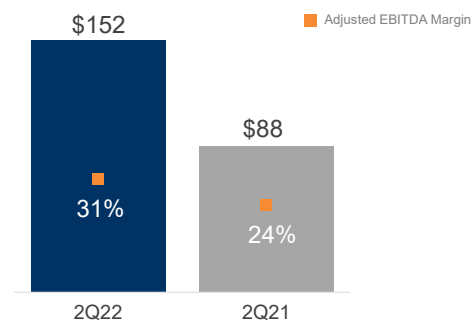
Revenues



Highlights

- Solid margins across the portfolio
- Volumes decreased 3% YoY driven by lower demand in Europe and Asia
- Strong demand in global fuel and lubes and North American non-residential construction related markets

Adjusted EBITDA



Outlook

- 3Q22 Adj. EBITDA estimated to be between \$130 million and \$140 million
- Commercial initiatives and solid demand in the Americas drive projected YoY improvement
- Lower Adj. EBITDA compared to 2Q22 due to seasonality, lower margins in China and demand headwinds, primarily in Europe

2Q22 LTM

\$1.8B Sales Revenue

\$506M Adj. EBITDA

28% Adj. EBITDA Margin

2Q22 Y/Y Change

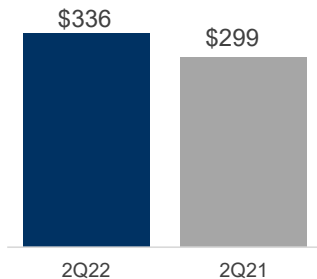
↑33% Sales Revenue

↑73% Adj. EBITDA

2Q22 Earnings Summary

Advanced Materials

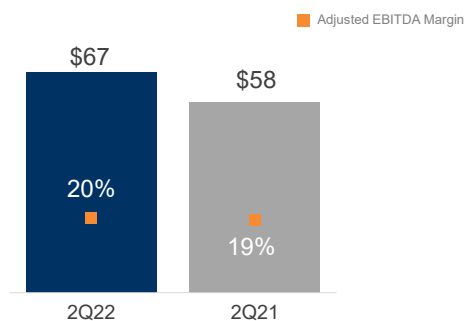
Revenues



Highlights

- Improved product mix and profitability YoY
- Volumes decreased 16% YoY, with deselection of low margin business
- Aerospace volumes increased 20% YoY
- Strong performance in recent acquisitions

Adjusted EBITDA



Outlook

- 3Q22 Adj. EBITDA estimated to be between \$58 million and \$63 million
- Price increases and improved product mix to offset higher raw material costs
- Industrial markets in Europe and the Americas remain stable
- Normal seasonal decline in Adj. EBITDA QoQ

2Q22 LTM

\$1.3B Sales Revenue

\$236M Adj. EBITDA

18% Adj. EBITDA Margin

2Q22 Y/Y Change

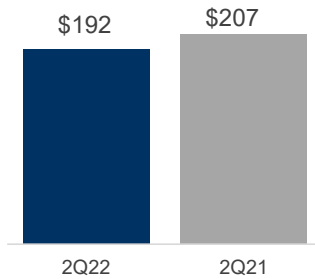
↑12% Sales Revenue

↑16% Adj. EBITDA

2Q22 Earnings Summary

Textile Effects

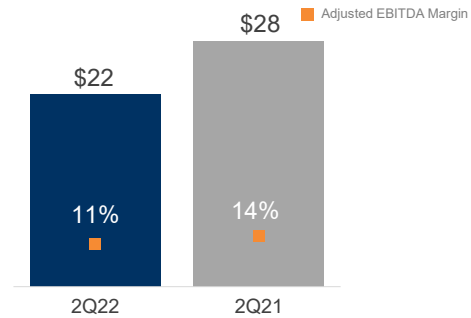
Revenues



Highlights

- Pricing initiatives offset higher raw material and logistic costs; unit contribution margins increased 12% YoY
- Volumes decreased 16% YoY driven by China's COVID related lockdowns and lower Home and Hospitality volumes

Adjusted EBITDA



Outlook

- 3Q22 Adj. EBITDA estimated to be between \$20 million and \$22 million similar to prior year
- Benefits from cost control and improved product mix
- Sales volume headwinds primarily in the home and hospitality sectors

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2Q22 LTM

\$0.8B Sales Revenue

\$94M Adj. EBITDA

12% Adj. EBITDA Margin

2Q22 Y/Y Change

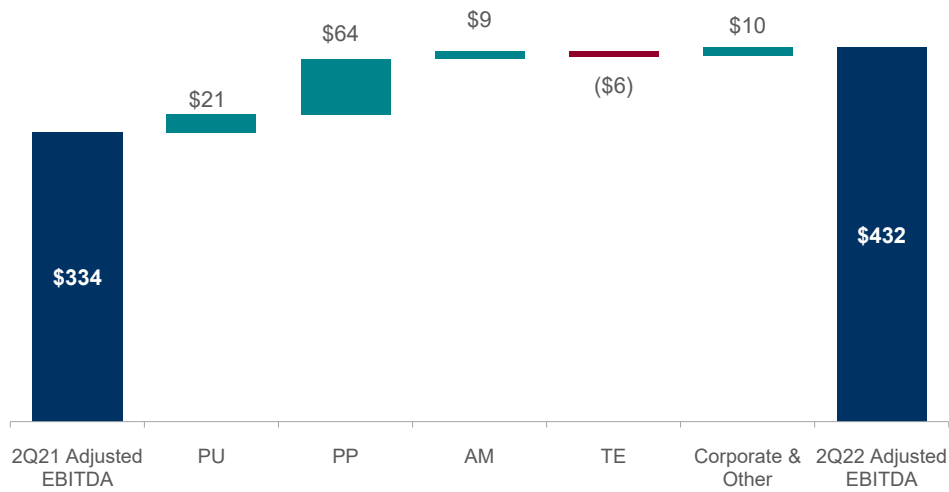
↓7% Sales Revenue

↓21% Adj. EBITDA

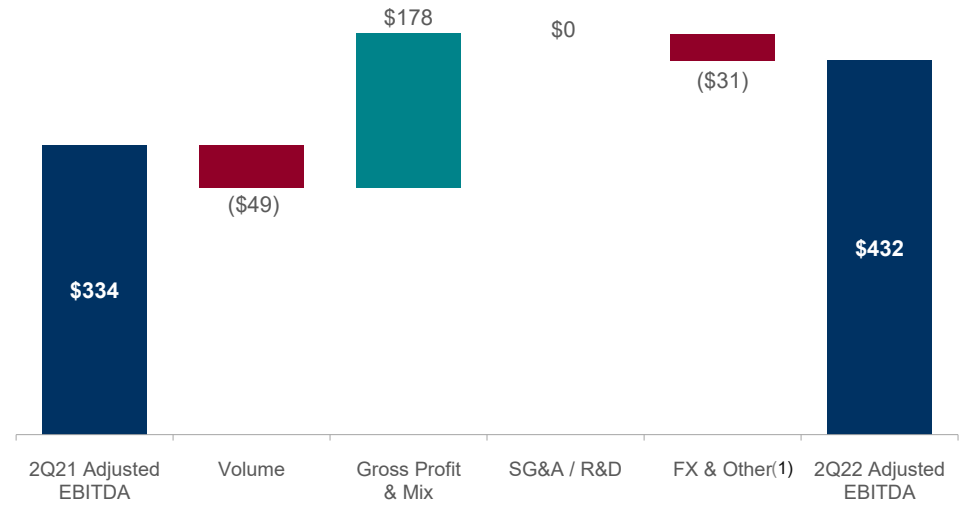
2Q22 Earnings Summary

Adjusted EBITDA Bridge

Year / Year – By Segment



Year / Year – By Account



(1) Includes Equity income and minority interest

2Q22 Earnings Summary

Cost Realignment & Synergy Plans on Track

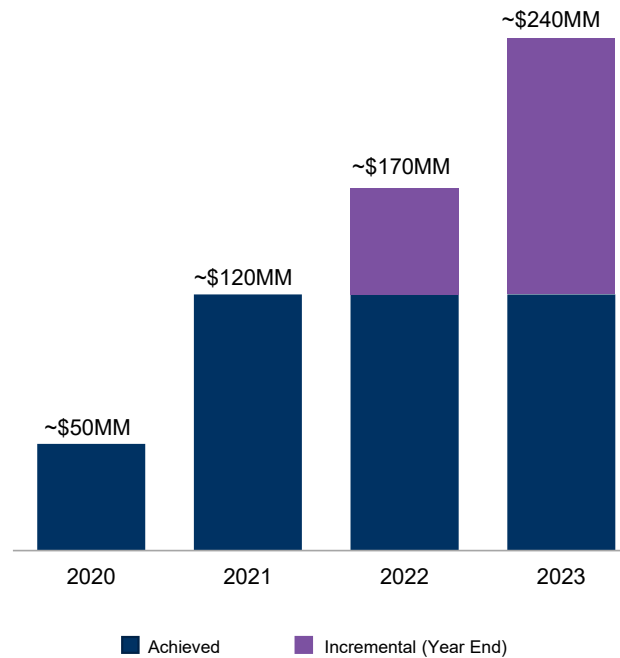
Delivery of ~\$240M Run Rate Benefits Targeted by End of 2023

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

Annualized Run Rate Delivery



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Commentary

~\$140M 2Q22 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

2Q22

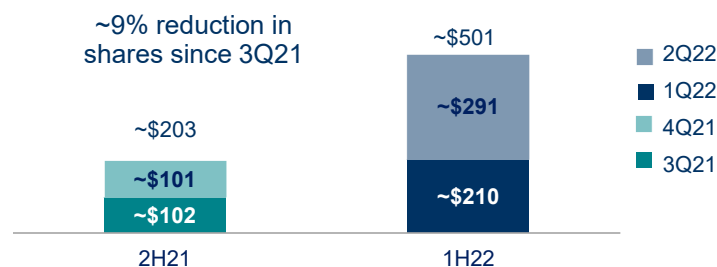
- Initiated regional GBS hubs in San Jose, Costa Rica and Krakow, Poland
- Announced exit of certain South America PU sites

Cash Flow and Liquidity Considerations

Free Cash Flow

USD in millions	2Q22	2Q21
Net cash provided by (used in) operating activities from continuing operations	\$ 231	\$ (7)
Capital expenditures	(69)	(76)
Free cash flow from continuing operations	\$ 162	\$ (83)
Supplemental cash flow information:		
Cash paid for interest	\$ (24)	\$ (31)
Cash paid for income taxes	(122)	(68)
Cash paid for restructuring and integration	(13)	(8)
Cash paid for pensions	(13)	(14)
Depreciation and amortization	72	73
Change in primary working capital	(189)	(194)

Share Repurchase



Commentary

- Total liquidity of ~\$2.1 billion and net leverage of ~0.6x
- Received final Albemarle settlement of an additional \$332.5 million in May 2022 and paid estimated legal fees and cash taxes of \$255 million
- Announced new \$1.2 billion senior unsecured, sustainability-linked revolving credit facility which matures in 2027
- Adjusted diluted earnings per share of \$1.28 in 2Q22 versus \$0.86 in 2Q21
- Repurchased ~8.4 million shares for ~\$291 million during 2Q22
 - Repurchased ~14 million shares for ~\$501 million during 1H22. We intend to repurchase ~\$1 billion shares during 2022
- 2Q22 capital expenditures of \$69 million
 - 2022 estimated capital expenditures of ~\$300 million
 - Completed and commenced commercial operation of our Geismar MDI Splitter in June
- 2Q22 effective and adjusted tax rate of 22%
 - Adjusted 2022 effective tax rate expected to be ~22% - 24%

2Q22 Earnings Summary

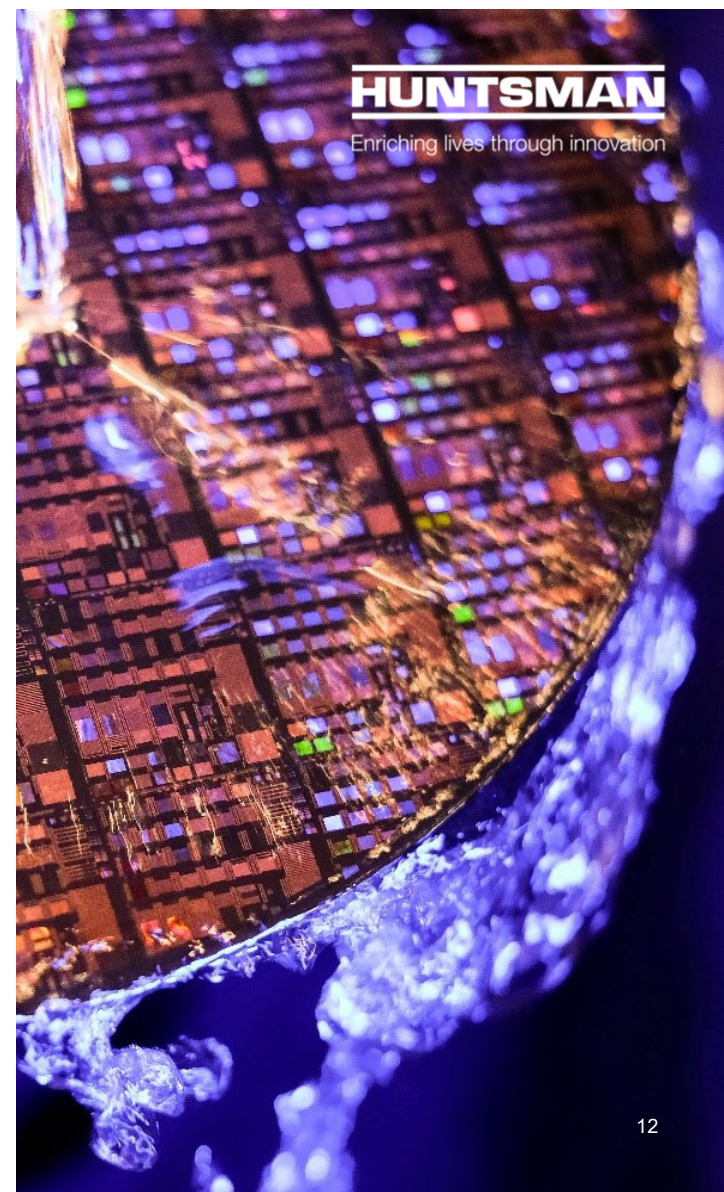
3Q22 Outlook Summary

3Q22 Adjusted EBITDA

Polyurethanes	\$170M – \$200M
Performance Products	\$130M – \$140M
Advanced Materials	\$58M – \$63M
Textile Effects	\$20M – \$22M
Corporate	~(\$50M)
Total	~\$330M - \$375M
<i>Margin</i>	<i>~15% – 16%</i>

Full Year 2022

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



2Q22 Earnings Summary



Summary Financials and Reconciliation

USD In millions	1Q20	2Q20	3Q20	4Q20	FY20	1Q21	2Q21	3Q21	4Q21	FY21	1Q22	2Q22	2Q22 LTM
Segment Revenues:													
Polyurethanes	\$ 888	\$ 730	\$ 936	\$ 1,030	\$ 3,584	\$ 1,068	\$ 1,155	\$ 1,403	\$ 1,393	\$ 5,019	\$ 1,386	\$ 1,353	\$ 5,535
Performance Products	292	228	238	265	1,023	305	371	399	410	1,485	480	492	1,781
Advanced Materials	241	192	199	207	839	278	299	304	317	1,198	335	336	1,292
Textile Effects	180	102	142	173	597	193	207	188	195	783	197	192	772
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	2,373	9,380
Intersegment Eliminations	(8)	(5)	(5)	(7)	(25)	(7)	(8)	(9)	(8)	(32)	(9)	(11)	(37)
Total Revenues	\$ 1,593	\$ 1,247	\$ 1,510	\$ 1,668	\$ 6,018	\$ 1,837	\$ 2,024	\$ 2,285	\$ 2,307	\$ 8,453	\$ 2,389	\$ 2,362	\$ 9,343
Segment Adjusted EBITDA:													
Polyurethanes	\$ 84	\$ 31	\$ 156	\$ 201	\$ 472	\$ 207	\$ 208	\$ 246	\$ 218	\$ 879	\$ 224	\$ 229	\$ 917
Performance Products	58	29	36	41	164	63	88	103	105	359	146	152	506
Advanced Materials	48	30	25	27	130	44	58	48	54	204	67	67	236
Textile Effects	20	(4)	8	18	42	25	28	22	22	97	28	22	94
Total Reportable Segments' Adjusted EBITDA	210	86	225	287	808	339	382	419	399	1,539	465	470	1,753
Corporate and Other	(45)	(32)	(37)	(47)	(161)	(50)	(48)	(48)	(50)	(196)	(50)	(38)	(186)
Total Adjusted EBITDA	\$ 165	\$ 54	\$ 188	\$ 240	\$ 647	\$ 289	\$ 334	\$ 371	\$ 349	\$ 1,343	\$ 415	\$ 432	\$ 1,567

2Q22 Earnings Summary



Summary Financials and Reconciliation

USD In millions	1Q20	2Q20	3Q20	4Q20	FY20	1Q21	2Q21	3Q21	4Q21	FY21	1Q22	2Q22	2Q22 LTM
Net income (loss)	\$ 708	\$ (59)	\$ 57	\$ 360	\$ 1,066	\$ 100	\$ 172	\$ 225	\$ 607	\$ 1,104	\$ 240	\$ 242	\$ 1,314
Net income attributable to noncontrolling interests	(3)	(3)	(9)	(17)	(32)	(17)	(16)	(16)	(10)	(59)	(17)	(14)	(57)
Net income (loss) attributable to Huntsman Corporation	705	(62)	48	343	1,034	83	156	209	597	1,045	223	228	1,257
Interest expense from continuing operations	18	21	24	23	86	19	18	15	15	67	14	16	60
Income tax expense (benefit) from continuing operations	7	(13)	15	37	46	34	42	38	95	209	65	67	265
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	72	292
Depreciation and amortization from discontinued operations ⁽³⁾	-	-	-	-	-	-	-	-	-	-	-	-	-
Business acquisition and integration expenses and purchase accounting inventory adj	13	8	9	1	31	9	5	5	3	22	6	4	18
Income associated with the Albermarle Settlement, net	-	-	-	-	-	-	-	-	(465)	(465)	1	1	(463)
EBITDA from discontinued operations, net of tax ⁽³⁾	(1,015)	(6)	-	4	(1,017)	(1)	(1)	-	(1)	(3)	(1)	-	(2)
Loss (gain) on sale of businesses/assets	(2)	1	-	(279)	(280)	-	(30)	-	-	(30)	4	7	11
Income from transition services arrangements	-	(5)	(1)	(1)	(7)	(1)	(3)	(2)	(2)	(8)	(1)	(1)	(6)
Fair value adjustments to Venator investment and related loss on disposal ⁽⁶⁾	110	(4)	(6)	(12)	88	19	6	3	-	28	2	-	5
Loss on early extinguishment of debt	-	-	-	-	-	-	27	-	-	27	-	-	-
Certain legal and other settlements and related expenses (income)	2	4	(4)	3	5	2	8	-	3	13	12	2	17
Certain nonrecurring information technology implementation costs	1	1	1	3	6	1	3	2	2	8	2	1	7
Amortization of pension and postretirement actuarial losses	18	19	20	19	76	22	21	22	21	86	14	13	70
Restructuring, impairment and plant closing and transition costs (credits)	3	19	12	18	52	24	12	-	9	45	3	27	39
Plant incident remediation costs	-	1	-	1	2	4	(3)	2	(3)	-	-	(5)	(6)
Adjusted EBITDA	\$ 165	\$ 54	\$ 188	\$ 240	\$ 647	\$ 289	\$ 334	\$ 371	\$ 349	\$ 1,343	\$ 415	\$ 432	\$ 1,567
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	\$ 2,362	\$ 9,343
Adjusted EBITDA	165	54	188	240	647	289	334	371	349	1,343	415	432	1,567
Non-GAAP Adjusted EBITDA Margin	10%	4%	12%	14%	11%	16%	17%	16%	15%	16%	17%	18%	17%
GAAP Net Income Margin	44%	(5%)	4%	22%	18%	5%	8%	10%	26%	13%	10%	10%	14%