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3Q22 Earnings Summary

November 4, 2022

3rd Quarter 2022

Earnings Summary

Conference Call

Friday, November 4, 2022

8:00 a.m. ET

Webcast Link:

<https://event.choruscall.com/mediaframe/webcast.html?webcastid=Wb0ErzBk>

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, 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, 2021, 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)

	<u>3Q22</u>	<u>3Q21</u>
Revenues	\$ 2,011	\$ 2,097
Net income	\$ 115	\$ 225
Adjusted net income	\$ 141	\$ 226
Diluted income per share	\$ 0.50	\$ 0.94
Adjusted diluted income per share	\$ 0.71	\$ 1.02
Adjusted EBITDA	\$ 271	\$ 349
Net cash provided by operating activities from continuing operations	\$ 285	\$ 179
Free cash flow from continuing operations	\$ 228	\$ 106

3Q22

\$285M

Operating Cash Flow

\$115M

Net Income

\$271M

Adjusted EBITDA

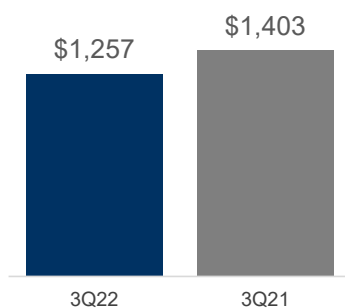
\$2.0B

Revenues

3Q22 Earnings Summary

Polyurethanes

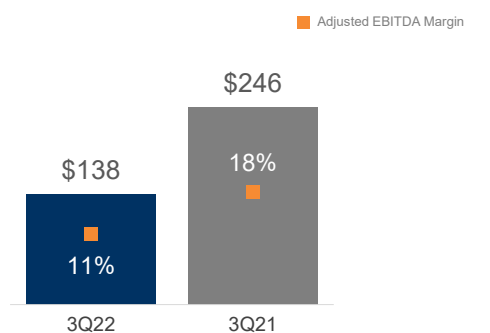
Revenues



Highlights

- Higher raw material costs partially offset by higher prices
- Volumes decreased 16% year over year, primarily in Europe and construction related markets
- Automotive volumes improved year over year
- Lower MDI margins, partially offset by lower fixed costs

Adjusted EBITDA



Outlook

- Fourth quarter 2022 adjusted EBITDA estimated to be between \$55 million and \$85 million
- European profitability negative driven by high energy prices and declining demand
- U.S. end markets weaker, particularly in construction with destocking
- Automotive volumes modestly increase year over year
- Lower production rates to reduce inventory and match lower demand

3Q22 LTM

\$5.4B Sales Revenue

\$809M Adj. EBITDA

15% Adj. EBITDA Margin

3Q22 Y/Y Change

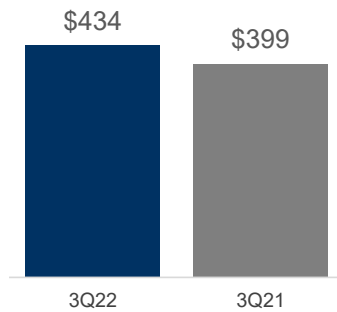
↓10% Sales Revenue

↓44% Adj. EBITDA

3Q22 Earnings Summary

Performance Products

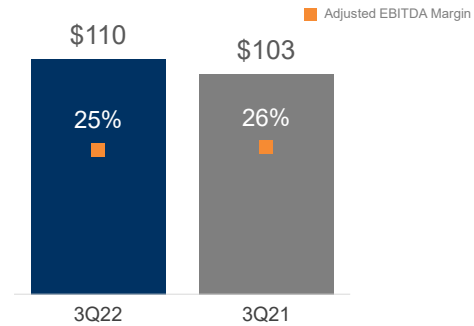
Revenues



Highlights

- Solid margins across the portfolio
- Volumes decreased 13% year over year value-based business strategy and lower demand, primarily in Europe
- Lower margins in amines serving the China wind market

Adjusted EBITDA



Outlook

- Fourth quarter 2022 adjusted EBITDA estimated to be between \$60 million and \$80 million
- Lower volumes compared to prior year, primarily in Europe and in construction markets
- Adjusted EBITDA margin expected to be within 20% - 25% range

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3Q22 LTM

\$1.8B Sales Revenue

\$513M Adj. EBITDA

28% Adj. EBITDA Margin

3Q22 Y/Y Change

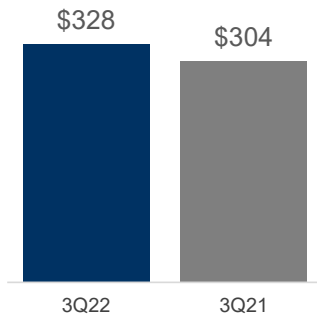
↑9% Sales Revenue

↑7% Adj. EBITDA

3Q22 Earnings Summary

Advanced Materials

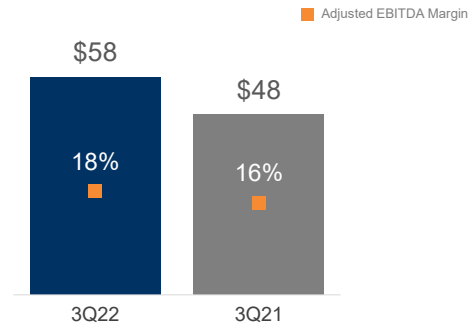
Revenues



Highlights

- Volumes decreased 16% year over year, with deselection of low margin business
- Aerospace volumes increased year over year
- Strong performance in recent acquisitions including synergies

Adjusted EBITDA



Outlook

- Fourth quarter 2022 adjusted EBITDA estimated to be between \$40 million and \$45 million
- Automotive and aerospace markets remain stable
- Demand headwinds in industrial markets

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3Q22 LTM

\$1.3B Sales Revenue

\$246M Adj. EBITDA

19% Adj. EBITDA Margin

3Q22 Y/Y Change

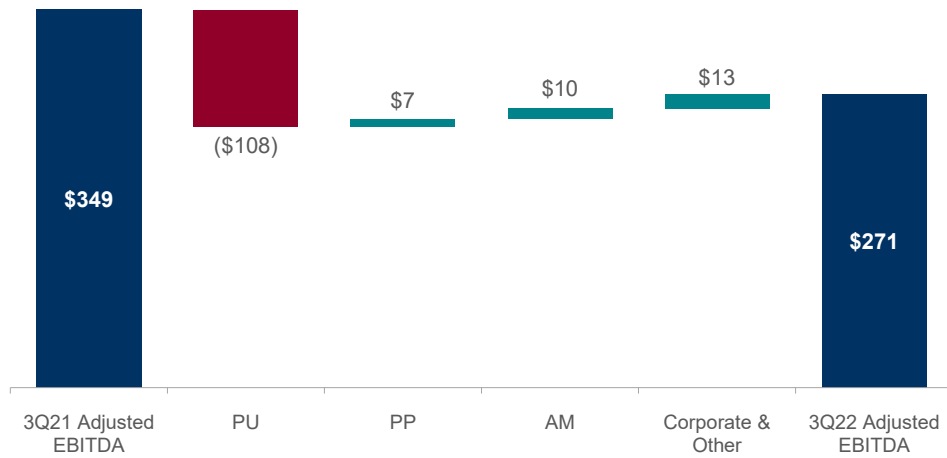
↑8% Sales Revenue

↑21% Adj. EBITDA

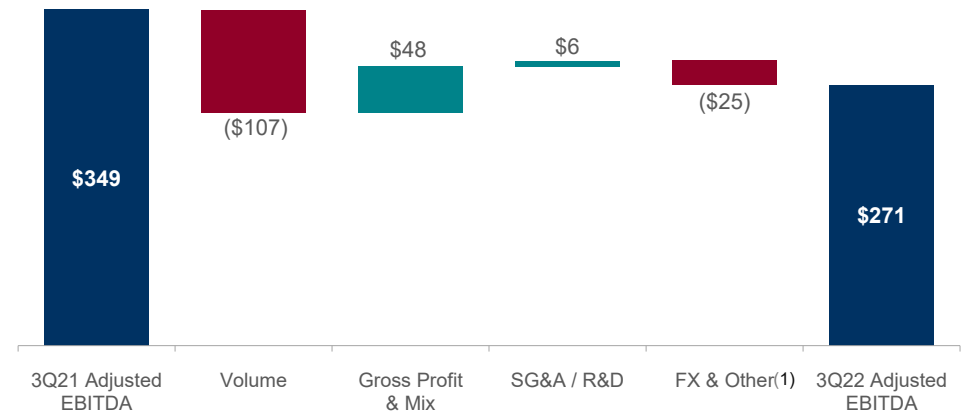
3Q22 Earnings Summary

Adjusted EBITDA Bridge

Year / Year – By Segment



Year / Year – By Account



(1) Includes equity income and minority interest

3Q22 Earnings Summary

Realigning Huntsman's Cost Structure

Preparing for a New Normal Business Environment in Europe

1. Non-Production Restructuring

- Consolidating offices and moving functional services to GBS hub in Krakow, Poland
- Exit legacy commercial / R&D facilities and replace with right sized Innovation centers

2. Evaluating Downstream Network

- Possible consolidation of facilities and evaluating sites

3. Aggressive Upstream Management

- Lower utilization rates to match demand and reducing inventories.
- Evaluate extended line outages

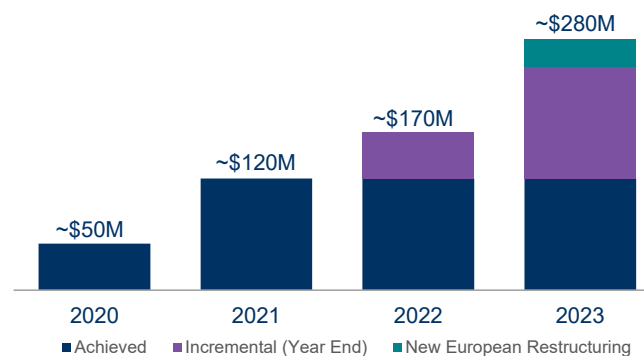
4. Product Flow Optimization

- Leverage lower cost production in the U.S. and Asia to where it makes economic sense

Delivering \$280M Run Rate Benefits

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 Delivery



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New European Restructuring Program

~\$40M 4Q23 Annualized Run Rate

New European Program

- ~\$50M cash restructuring costs
- ~\$15M capital expenditures
- ~\$65M in total cash costs with ~2yr payback

Current Ongoing Programs

- Expected to be at \$170M annual run rate at the end of 4Q 2022 and on track to achieve \$240M run rate by 4Q 2023
- Regional GBS hub in San Jose, Costa Rica now open and hub in Krakow, Poland starting to be staffed

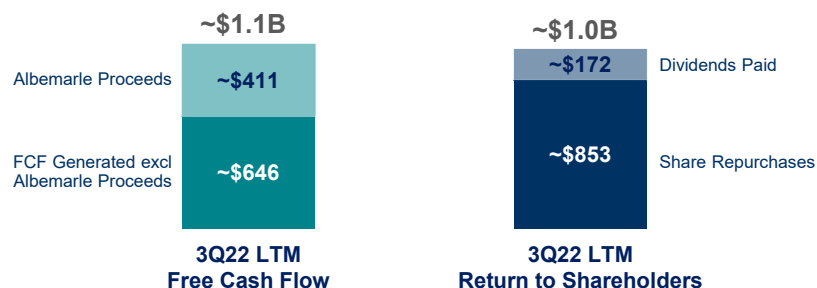
3Q22 Earnings Summary

Cash Flow and Liquidity Considerations

Free Cash Flow

USD in millions	3Q22	3Q21
Net cash provided by operating activities from continuing operations	\$ 285	\$ 179
Capital expenditures from continuing operations	(57)	(73)
Free cash flow from continuing operations	\$ 228	\$ 106
Supplemental cash flow information:		
Cash paid for interest	\$ (8)	\$ (10)
Cash paid for income taxes	(17)	(7)
Cash paid for restructuring and integration	(18)	(11)
Cash paid for pensions	(12)	(17)
Depreciation and amortization from continuing operations	72	68
Change in primary working capital	61	(157)
	YTD 22	YTD 21
Free cash flow from continuing operations	\$ 409	\$ (59)

Shareholder Return



Commentary

- Total liquidity of ~\$1.9 billion and net leverage of ~0.7x
- Adjusted diluted earnings per share of \$0.71 in 3Q22 versus \$1.02 in 3Q21
- Announced agreement to sell Textile Effects division for total enterprise value of \$718 million
 - Includes \$125 million in net underfunded liabilities as of 12/31/2021
 - Deal is expected to close no later than the first half of 2023
- Repurchased ~9 million shares for ~\$251 million during 3Q22
 - Repurchased ~23 million shares for ~\$752 million during Sep YTD 2022. We intend to repurchase ~\$1 billion shares during 2022
- 3Q22 capital expenditures of \$57 million
 - 2022 estimated capital expenditures of ~\$280 million
- 3Q22 effective and adjusted tax rate of 21%
 - Adjusted 2022 effective tax rate expected to be ~22% - 24%

3Q22 Earnings Summary

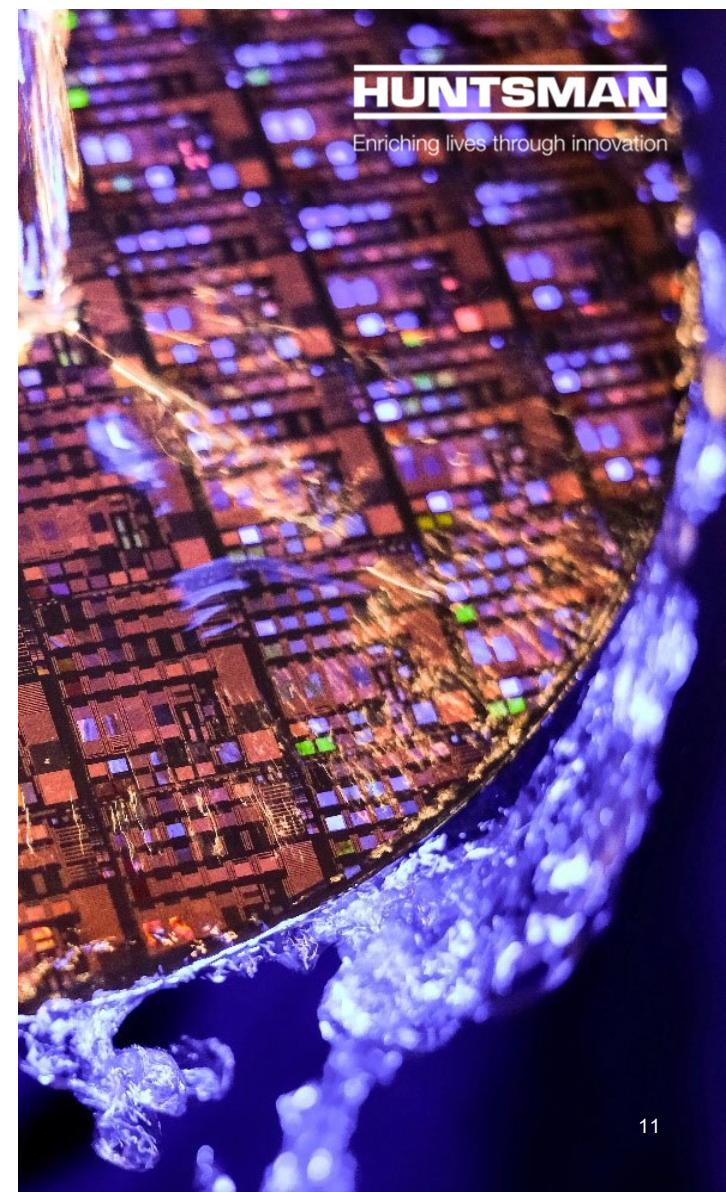
4Q22 Outlook Summary

4Q22 Adjusted EBITDA

Polyurethanes	\$55M – \$85M
Performance Products	\$60M – \$80M
Advanced Materials	\$40M – \$45M
Corporate	~(\$45M)
Total	~\$110M – \$165M
<i>Margin</i>	<i>~10%</i>

Full Year 2022

Capital Expenditures (Cont. Ops.)	~\$280M
Adjusted Effective Tax Rate	~22% -24%



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Looking Ahead to 2023

Expected Positives in 2023

- Attractive shareholder return (dividend and share buybacks)
- Strong balance sheet for bolt-on acquisition optionality
- New investments
 - Geismar splitter (Polyurethanes)
 - EV, Semi-conductor and Insulation catalysts (Performance Products)
- Improving fundamentals in automotive, aerospace, and continued government investments in core energy conservation markets
- Cash from exit of Textile Effects

Expected Challenges in 2023

- Continued recessionary conditions
- Europe: Volatile and high energy costs coupled with demand destruction
- US: Higher interest rates in the U.S. impacting construction markets
- China: Continued Government COVID mandates with broad economic impact
- Expected lower EBITDA versus 2022
- Increased restructuring spend

November 2021 Targets	LTM Performance
~\$1.4B 2022 Adj. EBITDA*	~\$1.4B Adjusted EBITDA 3Q22 LTM
~17% 2022 Adj. EBITDA%+	16.4% Adjusted EBITDA Margin 3Q22 LTM
40%+ Annual Free Cash Flow Conversion	75%# Free Cash Flow Conversion 3Q22 LTM

Initiatives	Delivery of the Initiatives
\$240M Cost Savings by Year End 2023	~\$160M YTD On track to deliver run-rate savings by the end of 2023, Committed to an incremental \$40M in European restructuring by end of 2023
\$1 Billion of Buybacks in 2022	>\$750M YTD \$1B of the \$1.1B in LTM FCF returned to shareholders, through buybacks & dividends
Strategic Review of Textile Effects	Announced Agreement to Sell on August 9, 2022, for a Total Enterprise Value of ~\$718M (~\$540M in net cash)

Notes:

*Target was based on 2022 macro-economic assumptions for world GDP of 4.5% and global industrial production of 4% per a Nov. 2021 Oxford Economics Report. Currently, Oxford Economics estimates 2022 world GDP and industrial production of 2.8% and 2.4%, respectively, in Sept 2022 report. \$1.4B adj. EBITDA target for 2022 included ~\$100M adj. EBITDA contribution from Textile Effects which is now reported as discontinued operations.

+Based on ~3% average global inflation versus high inflation in United States and Europe during 2022.

#75% includes \$411 million in net proceeds from the Albemarle legal settlement. When excluding the Albemarle legal settlement, the LTM free cash flow conversion is 46%.

Select Proforma Financials and Reconciliation

USD In millions	2021		2022		3Q22 LTM
	3Q	Sep YTD	3Q	Sep YTD	
Segment Revenues:					
Polyurethanes	\$ 1,403	\$ 3,626	\$ 1,257	\$ 3,996	\$ 5,389
Performance Products	399	1,075	434	1,406	1,816
Advanced Materials	304	881	328	999	1,316
Total Reportable Segments' Revenues	2,106	5,582	2,019	6,401	8,521
Intersegment Eliminations	(9)	(24)	(8)	(28)	(36)
Total Revenues	\$ 2,097	\$ 5,558	\$ 2,011	\$ 6,373	\$ 8,485
Segment Adjusted EBITDA:					
Polyurethanes	\$ 246	\$ 661	\$ 138	\$ 591	\$ 809
Performance Products	103	254	110	408	513
Advanced Materials	48	150	58	192	246
Total Reportable Segments' Adjusted EBITDA	397	1,065	306	1,191	1,568
Corporate and Other	(48)	(146)	(35)	(123)	(173)
Total Adjusted EBITDA	\$ 349	\$ 919	\$ 271	\$ 1,068	\$ 1,395

Select proforma data reflects the continuing operations of Huntsman Corporation and treats the textile effects business as discontinued operations.

3Q22 Earnings Summary

Select Proforma Financials and Reconciliation



USD in millions	2021		2022		3Q22 LTM
	3Q	Sep YTD	3Q	Sep YTD	
Net income	\$ 225	\$ 497	\$ 115	\$ 597	\$ 1,204
Net income attributable to noncontrolling interests	(16)	(49)	(15)	(46)	(56)
Net income attributable to Huntsman Corporation	209	448	100	551	1,148
Interest expense from continuing operations	15	52	16	46	61
Income tax expense from continuing operations	34	101	30	155	245
Income tax expense from discontinued operations	9	18	7	14	17
Depreciation and amortization from continuing operations	68	205	72	207	280
Depreciation and amortization from discontinued operations	4	14	3	11	15
Business acquisition and integration expenses and purchase accounting inventory adjustments	5	19	1	11	14
Costs (income) associated with the Albermarle Settlement, net	-	-	1	3	(462)
EBITDA from discontinued operations, net of tax	(19)	(68)	(9)	(55)	(75)
(Gain) loss on sale of businesses/assets	-	(30)	16	27	27
Income from transition services arrangements	(2)	(6)	-	(2)	(4)
Fair value adjustments to Venator investment, net	3	28	7	9	9
Loss on early extinguishment of debt	-	27	-	-	-
Certain legal and other settlements and related expenses	-	10	1	15	18
Certain nonrecurring information technology implementation costs	2	6	1	4	6
Amortization of pension and postretirement actuarial losses	19	56	10	32	50
Restructuring, impairment and plant closing and transition costs	-	36	14	44	53
Plant incident remediation costs (credits)	2	3	1	(4)	(7)
Adjusted EBITDA	\$ 349	\$ 919	\$ 271	\$ 1,068	\$ 1,395
Non-GAAP Adjusted EBITDA Margin information:					
Revenue	\$ 2,097	\$ 5,558	\$ 2,011	\$ 6,373	\$ 8,485
Adjusted EBITDA	349	919	271	1,068	1,395
Non-GAAP Adjusted EBITDA Margin	17%	17%	13%	17%	16%
GAAP Net Income Margin	11%	9%	6%	9%	14%

Select proforma data reflects the continuing operations of Huntsman Corporation and treats the textile effects business as discontinued operations.