



HUNTSMAN

Enriching lives through innovation

2Q23 Earnings Summary

July 31, 2023

2nd Quarter 2023

Earnings Summary

Conference Call

Tuesday, August 1, 2023
10:00 a.m. ET

Webcast Link:

<https://event.choruscall.com/mediaframe/webcast.html?webcastid=dGLJi95S>

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, increased energy costs in Europe, inflation and resulting monetary tightening in the US, geopolitical instability, volatile global economic conditions, cyclical and volatile product markets, disruptions in production at manufacturing facilities, 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.

Non-GAAP Financial Measures

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)

	2Q23	2Q22
Revenues	\$ 1,596	\$ 2,170
Net income attributable to Huntsman Corporation	\$ 19	\$ 228
Adjusted net income	\$ 39	\$ 250
Diluted income per share	\$ 0.11	\$ 1.10
Adjusted diluted income per share	\$ 0.22	\$ 1.21
Adjusted EBITDA	\$ 156	\$ 410
Net cash provided by operating activities from continuing operations	\$ 40	\$ 243
Free cash flow from continuing operations	\$ (11)	\$ 178

2Q23

\$40M

Operating Cash Flow
from Continuing
Operations

\$19M

Net Income
Attributable to
Huntsman

\$156M

Adjusted EBITDA

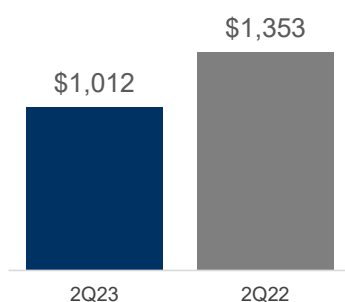
\$1.6B

Revenues

2Q23 Earnings Summary

Polyurethanes

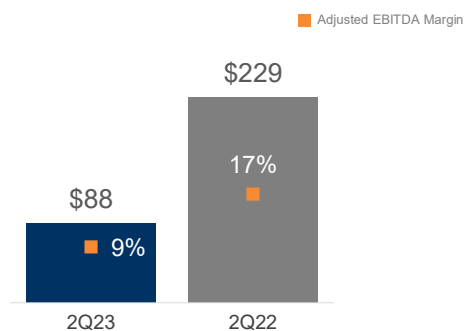
Revenues



Highlights

- Volumes decreased 10% year over year, due to weak demand in the Americas region, partially offset by a modest improvement in Europe
- Volumes improved 10% quarter over quarter, with sequential volume improvement in all regions primarily due to seasonality
- Automotive volumes improved year over year
- Lower costs more than offset by lower average selling prices, negative forex impact (Turkey)

Adjusted EBITDA



3Q23 Outlook

- Third quarter 2023 adjusted EBITDA estimated to be between \$75 million and \$90 million
- Similar demand expected in Q3 versus Q2
- Lower costs continue to be offset by lower average prices, specifically in Europe
- Growth in automotive volumes globally

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2Q23 LTM

\$4.3B Sales Revenue

\$329M Adj. EBITDA

8% Adj. EBITDA Margin

2Q23 Y/Y Change

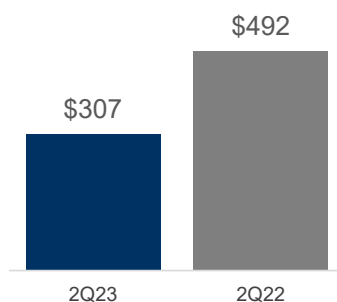
↓25% Sales Revenue

↓62% Adj. EBITDA

2Q23 Earnings Summary

Performance Products

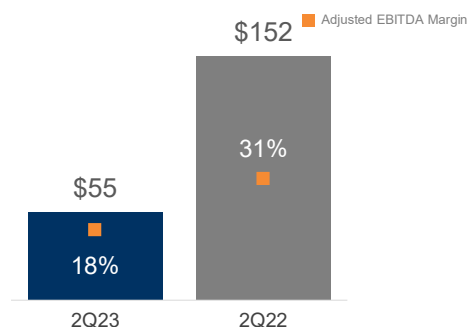
Revenues



Highlights

- Volumes decreased 31% due to continued weak demand across all regions
- Quarter over quarter volumes declined 2% as demand began to stabilize
- Competitive pricing in certain markets due to low level of demand
- Construction volumes improved seasonally quarter over quarter, specifically in the UPR related markets

Adjusted EBITDA



3Q23 Outlook

- Third quarter 2023 adjusted EBITDA estimated to be between \$40 million and \$50 million
- Lower sequential volumes primarily due to seasonality
- Competitive pricing specifically in the ethyleneamines industry

2Q23 LTM

\$1.4B Sales Revenue

\$297M Adj. EBITDA

21% Adj. EBITDA Margin

2Q23 Y/Y Change

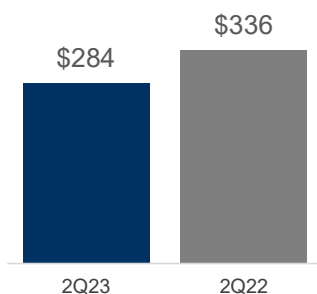
↓38% Sales Revenue

↓64% Adj. EBITDA

2Q23 Earnings Summary

Advanced Materials

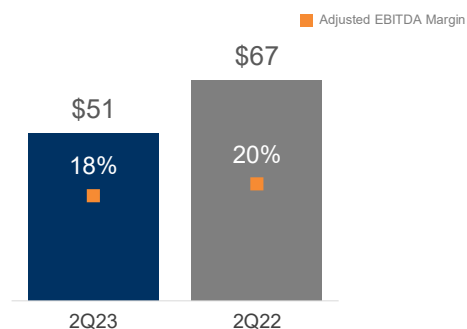
Revenues



Highlights

- Volumes decreased 19% year over year, driven by de-selection of commodity BLR and weak demand in infrastructure coatings and industrial adhesives
- Higher pricing year-over-year
- Aerospace revenues higher year-over-year
- Lower fixed costs year-over-year and sequentially due to cost initiatives

Adjusted EBITDA



3Q23 Outlook

- Third quarter 2023 adjusted EBITDA estimated to be between \$48 million and \$53 million
- Sequentially stable volumes but for some seasonality
- Stable margins

2Q23 LTM

\$1.2B Sales Revenue

\$198M Adj. EBITDA

17% Adj. EBITDA Margin

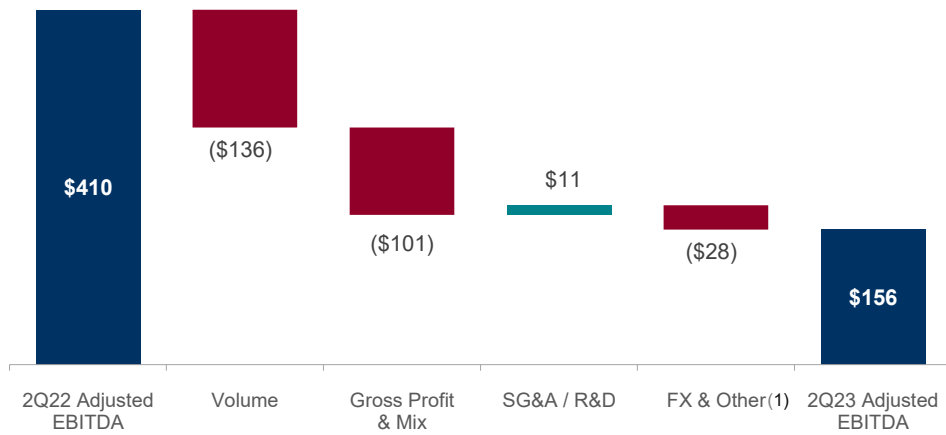
2Q23 Y/Y Change

↓15% Sales Revenue

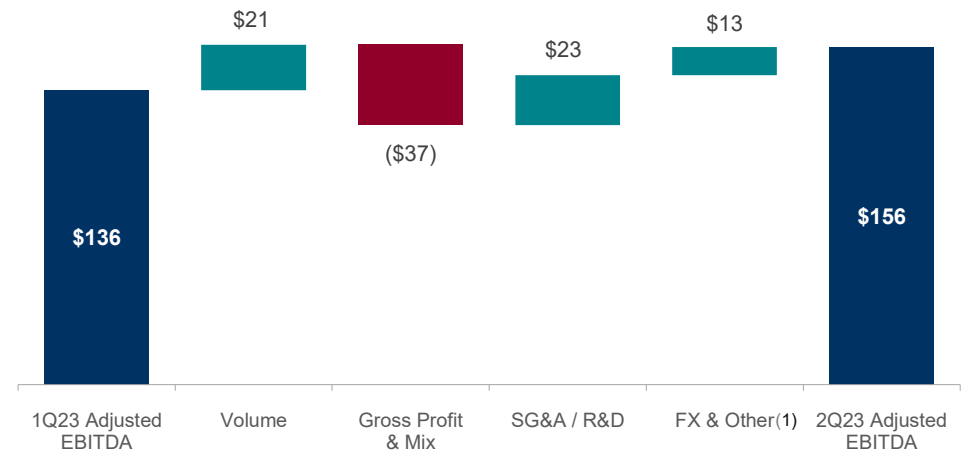
↓24% Adj. EBITDA

Adjusted EBITDA Bridge

Year / Year – By Account



Quarter / Quarter – By Account



(1) Includes equity income, minority interest and pension related interest costs and expected asset returns

2Q23 Earnings Summary

Cost Realignment & Synergy Plans on Track

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

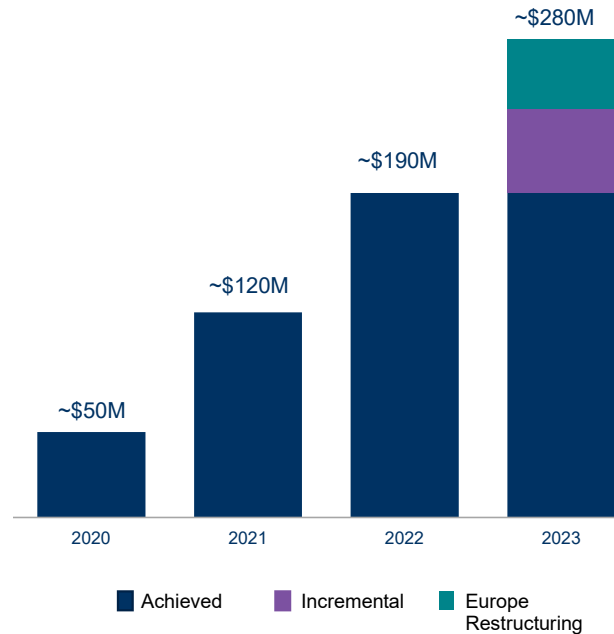
Announced Initiatives	Benefits	Expected Completion
M&A Synergies & 2020 Optimization Initiatives	~\$140M	Q1 2023
GBS Expansion & Polyurethanes and Supply Chain Optimization	~\$100M	End of 2023
European Restructuring	~\$40M	End of 2023
Total	~\$280M	

GBS = Global Business Services

Year	2020	2021	2022	2023	2024
Cumulative In Year Impact	~\$30M	~\$100M	~\$140M	~\$220M	~\$280M

\$80M in year cost optimization benefit, excluding inflation and pension impact

Annualized Run Rate



Commentary

~\$265M 2Q23 Annualized Run Rate

European Restructuring on track for \$40M YE run rate benefit

Expanding our GBS hubs in Costa Rica and Poland as recruitment continues

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

2Q23 Earnings Summary

Cash Flow and Liquidity Considerations

Earnings and Cash Flow	2Q22	2Q23	2022	LTM
Adjusted EBITDA	\$410	\$156	\$1,155	\$650
Cash Flow From Operations ⁽¹⁾	\$243	\$40	\$892	\$500
Capital Expenditures	(\$65)	(\$51)	(\$272)	(\$240)
Free Cash Flow ⁽¹⁾	\$178	(\$11)	\$620	\$260
Free Cash Flow Conversion			54%	40%

Reflects continuing operations

Equity Return	2Q22	2Q23
Diluted Shares Outstanding	207	180
Share Repurchases	\$291	\$98
Dividend Per Share	\$0.2125	\$0.2375

Capital Structure	2Q22	2Q23
Liquidity	\$2,052	\$1,866
Net Debt	\$913	\$1,071
LTM Net Debt Leverage	0.6x	1.6x
Credit Ratings	Baa3 / BB+ / BBB	Baa3 / BBB- / BBB

Amounts in millions

Note 1: Includes net cash proceeds from the Albemarle settlement of ~\$80 million in 2022

2Q23 Commentary

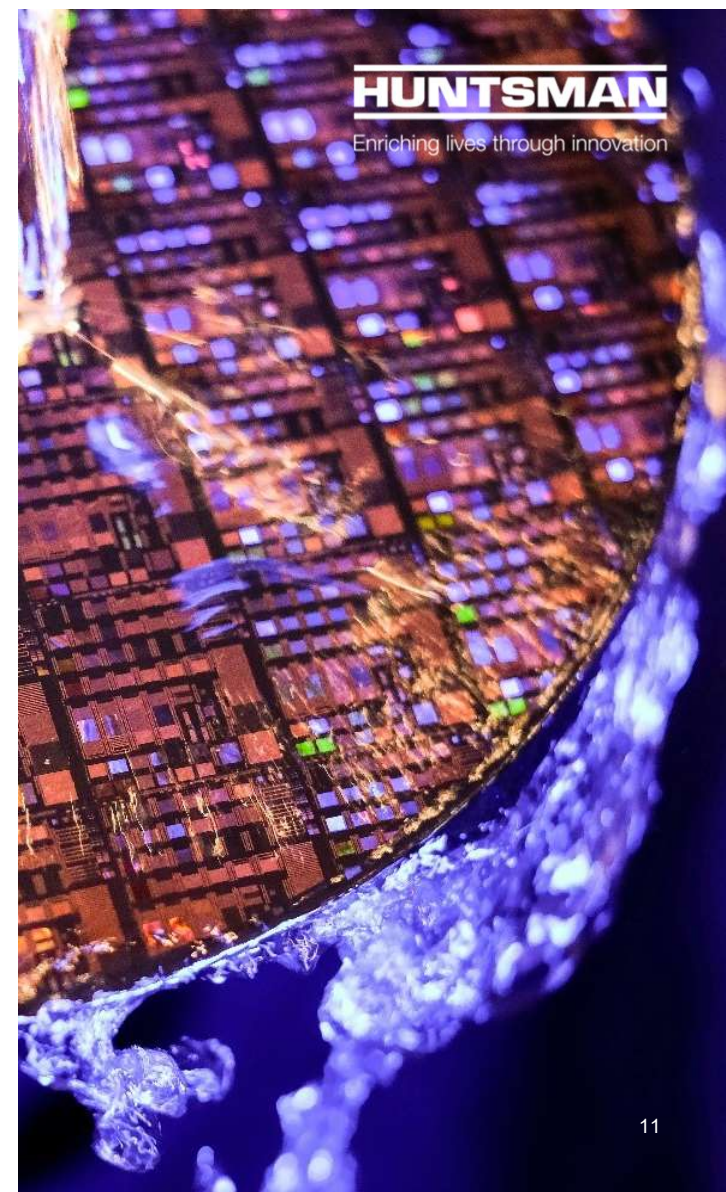
- Repurchased ~3.8 million shares for ~\$98 million
- YTD \$199 million shares repurchased, on track to repurchase ~\$400 million in 2023
- Total return to shareholders (dividends + share repurchase) > 10%
- Capital expenditures of \$51 million
 - Organic investments in Performance Products progressing on track targeting energy saving insulation, semi-conductors and electric vehicles
- Diluted earnings per share of \$0.11 and adjusted diluted earnings per share of \$0.22
- YTD effective tax rate at 34% and adjusted tax rate at 30%
 - Expect 2023 adjusted tax rate 26% - 29%
- Liquidity closed the quarter at \$1.9 billion and net leverage of 1.6x

2Q23 Earnings Summary

3Q23 Outlook Summary

3Q23 Adjusted EBITDA

Polyurethanes	<i>\$75M – \$90M</i>
Performance Products	<i>\$40M – \$50M</i>
Advanced Materials	<i>\$48M – \$53M</i>
Corporate	<i>~(\$40M)</i>
Total	<i>~\$125M – \$155M</i>



2023 Additional Modelling Considerations

Adjusted EBITDA/ Income Statement

Full Year Corporate & Other	~\$175M
In Year Cost Optimization Benefit	~\$80M, excluding inflation
Pension Expense	~\$40M Headwind YoY
Interest Expense	Similar to 2022
Depreciation & Amortization	~\$280M
2023 Adj. Effective Tax Rate %	26% - 29%
Long-Term Adj. Effective Tax Rate %	22% - 24%

Cash Flow

Dividends from Equity Affiliates	~\$15M Headwind YoY
Pension Contributions	~\$10M Tailwind YoY
Cash Interest	Similar to 2022
Cash Tax Rate %	Slight Headwind YoY
Cash Related to Cost Optimization	~\$25M Headwind YoY (excl capex)
Capital Expenditures	\$230M - \$250M
Net Working Capital	Driven by economic activity and raw material costs 2023 v 2022

2Q23 Earnings Summary

Financials and Reconciliation



USD In millions	1Q21	2Q21	3Q21	4Q21	FY21	1Q22	2Q22	3Q22	4Q22	FY22	1Q23	2Q23	2Q23 LTM
Segment Revenues:													
Polyurethanes	\$ 1,068	\$ 1,155	\$ 1,403	\$ 1,393	\$ 5,019	\$ 1,386	\$ 1,353	\$ 1,257	\$ 1,071	\$ 5,067	\$ 991	\$ 1,012	\$ 4,331
Performance Products	305	371	399	410	1,485	480	492	434	307	1,713	334	307	1,382
Advanced Materials	278	299	304	317	1,198	335	336	328	278	1,277	289	284	1,179
Total Reportable Segments' Revenues	<u>1,651</u>	<u>1,825</u>	<u>2,106</u>	<u>2,120</u>	<u>7,702</u>	<u>2,201</u>	<u>2,181</u>	<u>2,019</u>	<u>1,656</u>	<u>8,057</u>	<u>1,614</u>	<u>1,603</u>	<u>6,892</u>
Intersegment Eliminations	(7)	(8)	(9)	(8)	(32)	(9)	(11)	(8)	(6)	(34)	(8)	(7)	(29)
Total Revenues	<u>\$ 1,644</u>	<u>\$ 1,817</u>	<u>\$ 2,097</u>	<u>\$ 2,112</u>	<u>\$ 7,670</u>	<u>\$ 2,192</u>	<u>\$ 2,170</u>	<u>\$ 2,011</u>	<u>\$ 1,650</u>	<u>\$ 8,023</u>	<u>\$ 1,606</u>	<u>\$ 1,596</u>	<u>\$ 6,863</u>
Segment Adjusted EBITDA:													
Polyurethanes	\$ 207	\$ 208	\$ 246	\$ 218	\$ 879	\$ 224	\$ 229	\$ 138	\$ 37	\$ 628	\$ 66	\$ 88	\$ 329
Performance Products	63	88	103	105	359	146	152	110	61	469	71	55	297
Advanced Materials	44	58	48	54	204	67	67	58	41	233	48	51	198
Total Reportable Segments' Adjusted EBITDA	<u>314</u>	<u>354</u>	<u>397</u>	<u>377</u>	<u>1,442</u>	<u>437</u>	<u>448</u>	<u>306</u>	<u>139</u>	<u>1,330</u>	<u>185</u>	<u>194</u>	<u>824</u>
Corporate and Other	(50)	(48)	(48)	(50)	(196)	(50)	(38)	(35)	(52)	(175)	(49)	(38)	(174)
Total Adjusted EBITDA	<u>\$ 264</u>	<u>\$ 306</u>	<u>\$ 349</u>	<u>\$ 327</u>	<u>\$ 1,246</u>	<u>\$ 387</u>	<u>\$ 410</u>	<u>\$ 271</u>	<u>\$ 87</u>	<u>\$ 1,155</u>	<u>\$ 136</u>	<u>\$ 156</u>	<u>\$ 650</u>

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

2Q23 Earnings Summary

Financials and Reconciliation



USD In millions

	1Q21	2Q21	3Q21	4Q21	FY21	1Q22	2Q22	3Q22	4Q22	FY22	1Q23	2Q23	2Q23 LTM
Net income (loss)	\$ 100	\$ 172	\$ 225	\$ 607	\$ 1,104	\$ 240	\$ 242	\$ 115	\$ (74)	\$ 523	\$ 166	\$ 31	\$ 238
Net income attributable to noncontrolling interests	(17)	(16)	(16)	(10)	(59)	(17)	(14)	(15)	(17)	(63)	(13)	(12)	(57)
Net income (loss) attributable to Huntsman Corporation	83	156	209	597	1,045	223	228	100	(91)	460	153	19	181
Interest expense from continuing operations	19	18	15	15	67	14	16	16	16	62	18	15	65
Income tax expense from continuing operations	30	37	34	90	191	60	65	30	31	186	11	28	100
Income tax expense from discontinued operations	4	5	9	3	21	5	2	7	5	19	15	1	28
Depreciation and amortization from continuing operations	68	69	68	73	278	67	68	72	74	281	69	70	285
Depreciation and amortization from discontinued operations	6	4	4	4	18	4	4	3	1	12	-	-	4
Business acquisition and integration expenses and purchase accounting inventory adjustments	9	5	5	3	22	6	4	1	1	12	1	2	5
(Income) costs associated with the Albermarle Settlement, net	-	-	-	(465)	(465)	1	1	1	-	3	-	-	1
EBITDA from discontinued operations, net of tax	(23)	(26)	(19)	(20)	(88)	(27)	(19)	(9)	12	(43)	(137)	1	(133)
(Gain) loss on sale of businesses/assets	-	(30)	-	-	(30)	4	7	16	(27)	-	-	(1)	(12)
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	1	4	15
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	1	1	(5)
Certain nonrecurring information technology implementation costs	1	3	2	2	8	2	1	1	1	5	2	1	5
Amortization of pension and postretirement actuarial losses	19	18	19	18	74	12	10	10	17	49	8	7	42
Restructuring, impairment and plant closing and transition costs (credits)	24	12	-	9	45	3	27	14	52	96	(6)	8	68
Plant incident remediation costs (credits)	4	(3)	2	(3)	-	-	(5)	1	-	(4)	-	-	1
Adjusted EBITDA⁽¹⁾	\$ 264	\$ 306	\$ 349	\$ 327	\$ 1,246	\$ 387	\$ 410	\$ 271	\$ 87	\$ 1,155	\$ 136	\$ 156	\$ 650
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	\$ 1,606	\$ 1,596	\$ 6,863
Adjusted EBITDA	264	306	349	327	1,246	387	410	271	87	1,155	136	156	650
Non-GAAP Adjusted EBITDA Margin	16%	17%	17%	15%	16%	18%	19%	13%	5%	14%	8%	10%	9%
GAAP Net Income Margin	6%	9%	11%	29%	14%	11%	11%	6%	-4%	7%	10%	2%	3%

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