



HUNTSMAN

Enriching lives through innovation

4Q23 Earnings Summary

February 21, 2024

4th Quarter 2023

Earnings Summary

Conference Call

Thursday, February 22, 2024
10:00 a.m. ET

Webcast Link:

<https://event.choruscall.com/mediaframe/webcast.html?webcastid=4YckWj4j>

Participant dial-in numbers:

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



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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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4Q23 Earnings Summary

Highlights



(\$ in millions, except per share amounts)

	4Q23	4Q22	2023	2022
Revenues	\$ 1,403	\$ 1,650	\$6,111	\$ 8,023
Net (loss) income attributable to Huntsman Corporation	\$ (71)	\$ (91)	\$ 101	\$ 460
Adjusted net (loss) income	\$ (36)	\$ 8	\$ 67	\$ 636
Diluted (loss) income per share	\$ (0.41)	\$ (0.48)	\$ 0.57	\$ 2.27
Adjusted diluted (loss) income per share	\$ (0.21)	\$ 0.04	\$ 0.37	\$ 3.13
Adjusted EBITDA	\$ 44	\$ 87	\$ 472	\$ 1,155
Net cash provided by operating activities from continuing operations	\$ 166	\$ 297	\$ 251	\$ 892
Free cash flow from continuing operations	\$ 83	\$ 211	\$ 21	\$ 620

4Q23

\$166M

Operating Cash Flow
from Continuing
Operations

\$(71)M

Net loss
Attributable to
Huntsman

\$44M

Adjusted EBITDA

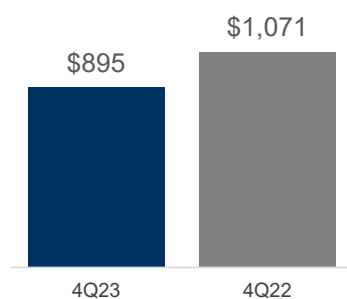
\$1.4B

Revenues

4Q23 Earnings Summary

Polyurethanes

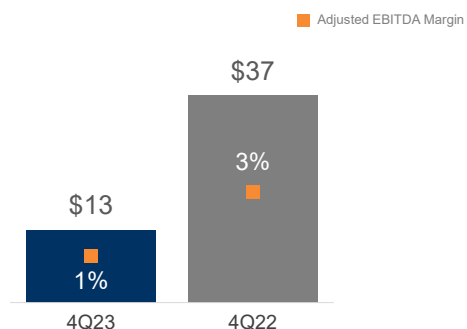
Revenues



Highlights

- Volumes decreased 1% year-over-year, unplanned outage negatively impacted volumes by ~2% and ~\$10M in EBITDA
- Unfavorable variable margins negatively impacted EBITDA quarter-over-quarter and year-over-year
- Lower equity earnings from the China JV EBITDA year-over-year

Adjusted EBITDA



1Q24 Outlook

- First quarter 2024 adjusted EBITDA estimated to be between \$30 million and \$40 million
- Improved volumes year-over-year
- Seasonally lower volumes compared to 4Q23 driven by the construction and China markets
- Variable margins increase quarter-over-quarter driven by favorable feedstock costs; benzene currently rising

2023

\$3.9B Sales Revenue

\$248M Adj. EBITDA

6% Adj. EBITDA Margin

4Q23 Y/Y Change

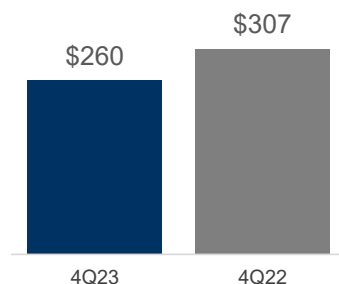
↓16% Sales Revenue

↓65% Adj. EBITDA

4Q23 Earnings Summary

Performance Products

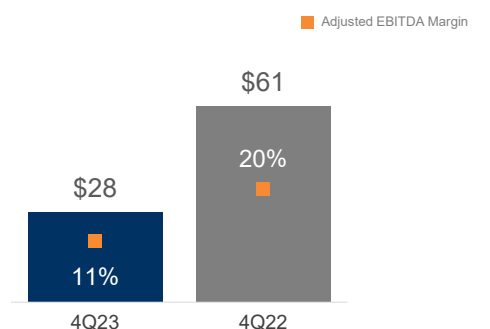
Revenues



Highlights

- Volumes decreased 1% year-over-year due to weaker demand in Europe and Asia, partially offset by the Americas region
- Performance amines improved EBITDA year-over-year
- Competitive pricing in all regions more than offset lower raw material and fixed costs

Adjusted EBITDA



1Q24 Outlook

- First quarter 2024 adjusted EBITDA estimated to be between \$35 million and \$40 million
- Quarter-over-quarter volume improvement due to seasonality and stable underlying demand
- Higher margins versus 4Q23, but lower compared to the prior year

2023

\$1.2B Sales Revenue

\$201M Adj. EBITDA

17% Adj. EBITDA Margin

4Q23 Y/Y Change

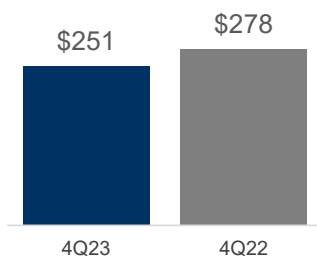
↓15% Sales Revenue

↓54% Adj. EBITDA

4Q23 Earnings Summary

Advanced Materials

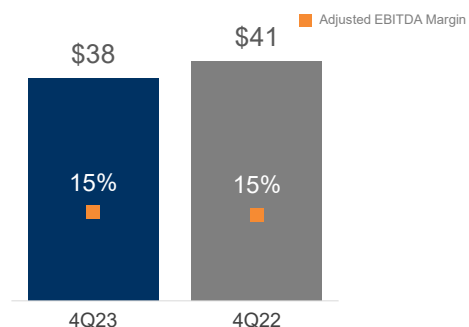
Revenues



Highlights

- Volumes decreased 5% year-over-year, driven by weaker demand in infrastructure coatings and industrial markets
- Relatively stable pricing
- Aerospace benefited from higher defense sales, offsetting weaker commercial aircraft sales year-over-year

Adjusted EBITDA



1Q24 Outlook

- First quarter 2024 adjusted EBITDA estimated to be between \$40 million and \$45 million
- Higher volumes quarter-over-quarter across all core industrial markets
- Modestly improved variable margins quarter-over-quarter

2023

\$1.1B Sales Revenue

\$186M Adj. EBITDA

17% Adj. EBITDA Margin

4Q23 Y/Y Change

↓10% Sales Revenue

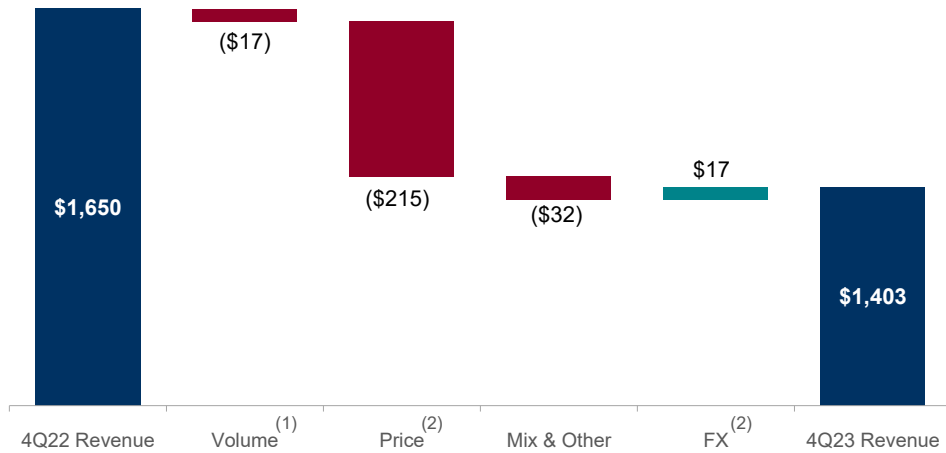
↓7% Adj. EBITDA

4Q23 Earnings Summary

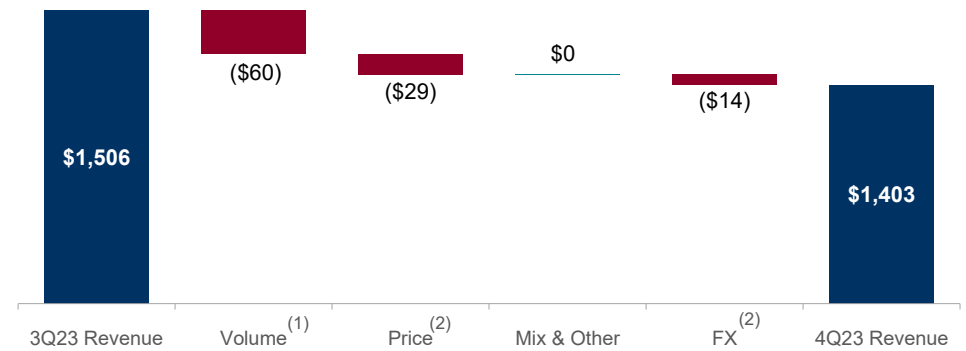
Revenue Bridge



Year / Year



Quarter / Quarter

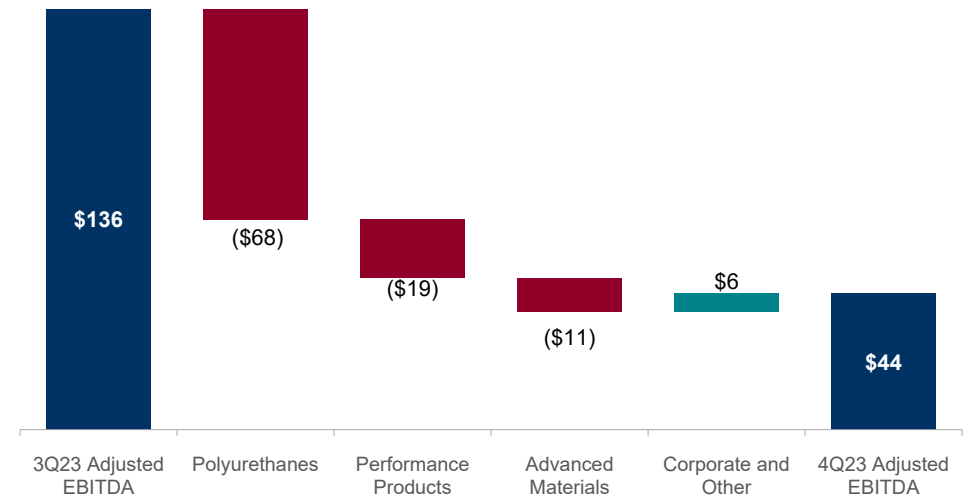
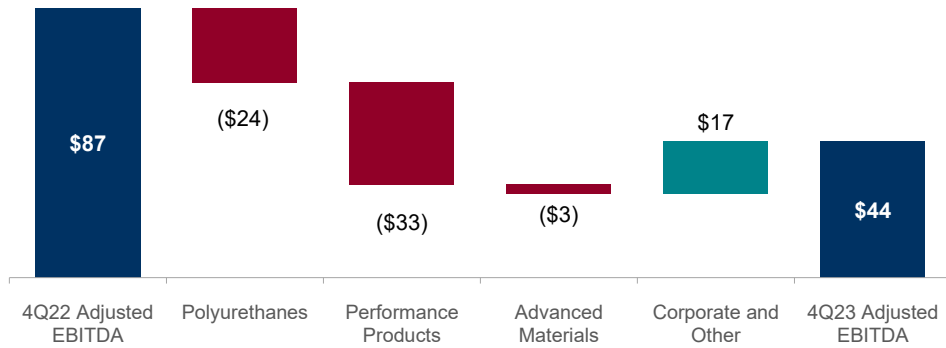


(1) Excludes sales volumes of byproducts and raw materials
 (2) Excludes revenues from tolling arrangements, byproducts and raw materials

Adjusted EBITDA Bridge – By Division

Year / Year

Quarter / Quarter



4Q23 Earnings Summary

Cost Realignment & Synergy Plans on Track

Delivery of >\$280M Run Rate Benefits

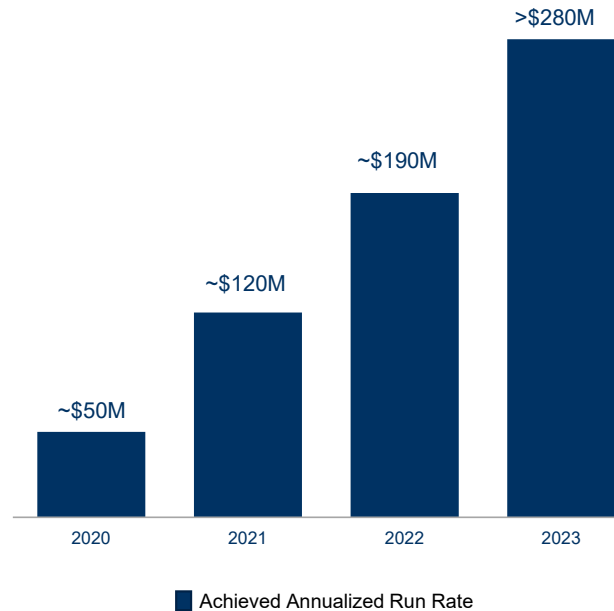
Announced Initiatives	Benefits	Expected Completion
M&A Synergies & 2020 Optimization Initiatives	~\$140M	Q1 2023
GBS Expansion & Polyurethanes and Supply Chain Optimization	>\$100M	End of 2023
European Restructuring	~\$40M	2024 - 2025
Total	>\$280M	

GBS = Global Business Services

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

~\$60M in year cost optimization benefit, excluding inflation

Annualized Run Rate



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Commentary

>\$280M 2023 Annualized Run Rate

European restructuring progressing well with R&D relocation to complete

Global Business Services hubs in Latin America, Eastern Europe and South-east Asia expanded significantly in 2023

2024 Focus

- Final European restructuring activities
- Manufacturing cost efficiency
- Improved working capital management
- Additional continuous improvement activities to ensure inflation offset

4Q23 Earnings Summary

Cash Flow and Liquidity Considerations



Earnings and Cash Flow	4Q22	4Q23	2022	2023
Adjusted EBITDA	\$87	\$44	\$1,155	\$472
Cash Flow From Operations ⁽¹⁾	\$297	\$166	\$892	\$251
Capital Expenditures	(\$86)	(\$83)	(\$272)	(\$230)
Free Cash Flow ⁽¹⁾	\$211	\$83	\$620	\$21
Free Cash Flow Conversion			54%	4%

Reflects continuing operations

Equity Return	2022	2023
4Q Diluted Shares Outstanding	189	172
Share Repurchases	\$1,003	\$350
Dividend Per Share	\$0.85	\$0.95

Capital Structure	2022	2023
Liquidity	\$1,847	\$1,738
Net Debt	\$1,083	\$1,148
Net Debt Leverage	0.9x	2.4x
Credit Ratings (Moody's / S&P / Fitch)	Baa3 / BBB- / BBB	Baa3 / BBB- / BBB

Amounts in millions, except per share amounts

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

Commentary

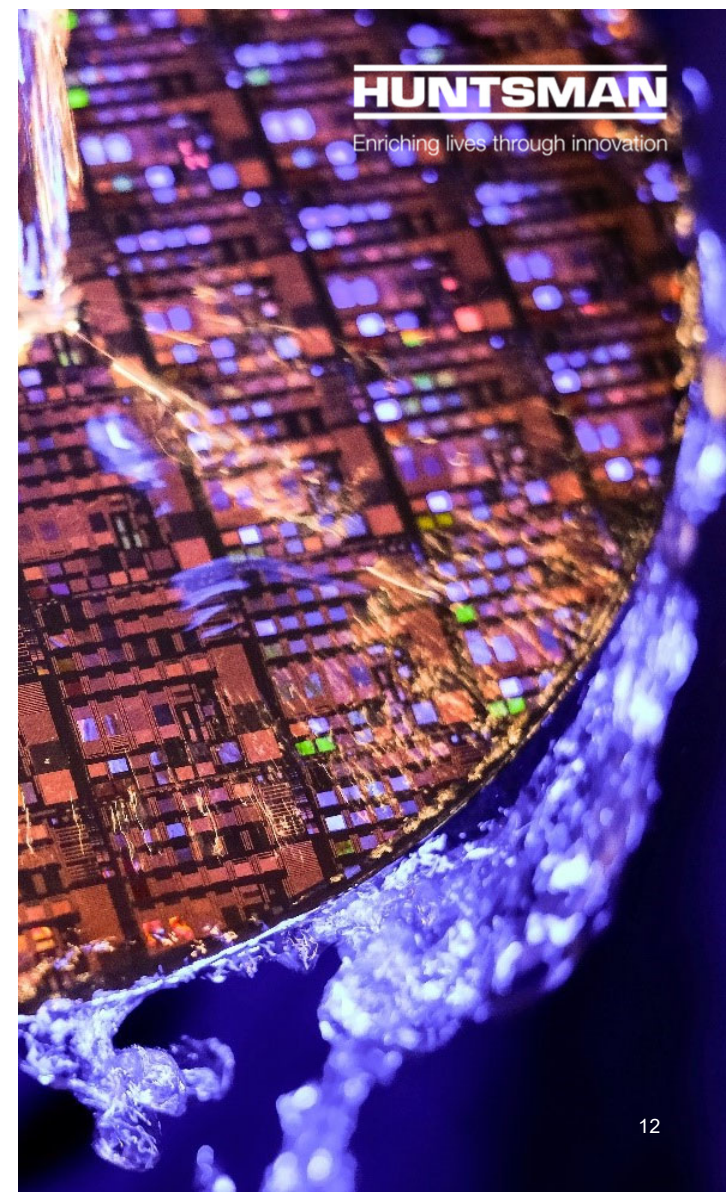
- Repurchased ~2.1 million shares for ~\$50 million
 - Repurchased \$350 million shares full year 2023
- Total return to shareholders yield (dividends + share repurchase) > 10%
- Capital expenditures of \$230 million full year 2023
 - Organic investments in Performance Products progressing on track targeting energy saving insulation and semi-conductors
- 2023 effective tax rate at 65% and adjusted tax rate at 34%
 - Expect 2024 adjusted tax rate 34% - 37%
 - Expect long term adjusted tax rate of 22% - 24%
- Renewed our US and European Securitization Facilities extending through 2027 at similar terms
- Liquidity closed the quarter at \$1.7 billion and net leverage of 2.4x with net debt levels similar to the prior year

4Q23 Earnings Summary

1Q24 Outlook Summary

1Q24 Adjusted EBITDA

Polyurethanes	<i>\$30M – \$40M</i>
Performance Products	<i>\$35M – \$40M</i>
Advanced Materials	<i>\$40M – \$45M</i>
Corporate	<i>~(\$40M)</i>
Total	<i>~\$65M – \$85M</i>



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2024 Additional Modeling Considerations

Adjusted EBITDA/ Income Statement

Full Year Corporate & Other	~\$170M
In Year Cost Savings Benefit	~\$60M, excluding inflation
Pension Expense	Similar to 2023
Interest Expense	Similar to 2023
Depreciation & Amortization	~\$280M
2024 Adj. Effective Tax Rate %	34% - 37%
Long-Term Adj. Effective Tax Rate %	22% - 24%

Cash Flow

Dividends from Equity Affiliates	~\$15M Tailwind YoY
Pension Contributions	~\$15M Tailwind YoY
Cash Interest	Similar to 2023
Cash Tax Rate %	Similar to 2023
Restructuring Cash	~\$30M Tailwind YoY
Capital Expenditures	~\$200M
Turnaround Spend	~\$15M Headwind YoY
Net Working Capital	Driven by economic activity and raw material costs 2024 v 2023

4Q23 Earnings Summary

Financials and Reconciliation



USD In millions	1Q22	2Q22	3Q22	4Q22	FY22	1Q23	2Q23	3Q23	4Q23	FY23
Segment Revenues:										
Polyurethanes	\$ 1,386	\$ 1,353	\$ 1,257	\$ 1,071	\$ 5,067	\$ 991	\$ 1,012	\$ 967	\$ 895	\$ 3,865
Performance Products	480	492	434	307	1,713	334	307	277	260	1,178
Advanced Materials	335	336	328	278	1,277	289	284	268	251	1,092
Total Reportable Segments' Revenues	2,201	2,181	2,019	1,656	8,057	1,614	1,603	1,512	1,406	6,135
Intersegment Eliminations	(9)	(11)	(8)	(6)	(34)	(8)	(7)	(6)	(3)	(24)
Total Revenues	\$ 2,192	\$ 2,170	\$ 2,011	\$ 1,650	\$ 8,023	\$ 1,606	\$ 1,596	\$ 1,506	\$ 1,403	\$ 6,111
Segment Adjusted EBITDA:										
Polyurethanes	\$ 224	\$ 229	\$ 138	\$ 37	\$ 628	\$ 66	\$ 88	\$ 81	\$ 13	\$ 248
Performance Products	146	152	110	61	469	71	55	47	28	201
Advanced Materials	67	67	58	41	233	48	51	49	38	186
Total Reportable Segments' Adjusted EBITDA	437	448	306	139	1,330	185	194	177	79	635
Corporate and Other	(50)	(38)	(35)	(52)	(175)	(49)	(38)	(41)	(35)	(163)
Total Adjusted EBITDA	\$ 387	\$ 410	\$ 271	\$ 87	\$ 1,155	\$ 136	\$ 156	\$ 136	\$ 44	\$ 472

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

4Q23 Earnings Summary

Financials and Reconciliation



USD In millions	1Q22	2Q22	3Q22	4Q22	FY22	1Q23	2Q23	3Q23	4Q23	FY23
Net income (loss)	\$ 240	\$ 242	\$ 115	\$ (74)	\$ 523	\$ 166	\$ 31	\$ 15	\$ (59)	\$ 153
Net income attributable to noncontrolling interests	(17)	(14)	(15)	(17)	(63)	(13)	(12)	(15)	(12)	(52)
Net income (loss) attributable to Huntsman Corporation	223	228	100	(91)	460	153	19	-	(71)	101
Interest expense from continuing operations	14	16	16	16	62	18	15	15	17	65
Income tax expense (benefit) from continuing operations	60	65	30	31	186	11	28	27	(2)	64
Income tax expense (benefit) from discontinued operations	5	2	7	5	19	15	1	(2)	3	17
Depreciation and amortization from continuing operations	67	68	72	74	281	69	70	69	70	278
Depreciation and amortization from discontinued operations	4	4	3	1	12	-	-	-	-	-
Business acquisition and integration expenses and purchase accounting invento	6	4	1	1	12	1	2	-	1	4
(Income) costs associated with the Albermarle Settlement, net	1	1	1	-	3	-	-	-	-	-
EBITDA from discontinued operations, net of tax	(27)	(19)	(9)	12	(43)	(137)	1	2	(1)	(135)
(Gain) loss on sale of businesses/assets	4	7	16	(27)	-	-	(1)	-	1	-
Income from transition services arrangements	(1)	(1)	-	-	(2)	-	-	-	-	-
Fair value adjustments to Venator investment, net	2	-	7	3	12	1	4	-	-	5
Certain legal and other settlements and related expenses (income)	12	2	1	(8)	7	1	1	2	2	6
Certain nonrecurring information technology implementation costs	2	1	1	1	5	2	1	2	-	5
Amortization of pension and postretirement actuarial losses	12	10	10	17	49	8	7	10	12	37
Restructuring, impairment and plant closing and transition costs (credits)	3	27	14	52	96	(6)	8	11	12	25
Plant incident remediation costs (credits)	-	(5)	1	-	(4)	-	-	-	-	-
Adjusted EBITDA⁽¹⁾	\$ 387	\$ 410	\$ 271	\$ 87	\$ 1,155	\$ 136	\$ 156	\$ 136	\$ 44	\$ 472
Non-GAAP Adjusted EBITDA Margin information:										
Revenue	\$ 2,192	\$ 2,170	\$ 2,011	\$ 1,650	\$ 8,023	\$ 1,606	\$ 1,596	\$ 1,506	\$ 1,403	\$ 6,111
Adjusted EBITDA	387	410	271	87	1,155	136	156	136	44	472
Non-GAAP Adjusted EBITDA Margin	18%	19%	13%	5%	14%	8%	10%	9%	3%	8%
GAAP Net Income Margin	11%	11%	6%	-4%	7%	10%	2%	1%	-4%	3%

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