



element
solutions



CJS Securities 21st Annual New Ideas for the New Year Conference

Element Solutions Overview

January
2021

SAFE HARBOR

Please note that in this presentation, we may discuss events or results that have not yet occurred or been realized, commonly referred to as forward-looking statements. The Private Securities Litigation Reform Act of 1995 provides a safe harbor for forward-looking statements made by or on behalf of the Company. Such discussion and statements will often contain words such as “expect,” “anticipate,” “project,” “will,” “should,” “believe,” “intend,” “plan,” “assume,” “estimate,” “predict,” “seek,” “continue,” “outlook,” “may,” “might,” “aim,” “can have,” “likely,” “potential,” “target,” “hope,” “goal,” “priority” or “guidance” and variations of such words and similar expressions, and relate in this presentation, without limitation, to full year 2020 adjusted EBITDA guidance; “New Economy” growth drivers, including growth from 5G adoption, electronic content growth in automotive, advanced semiconductor application growth, circular economy and making chemistry greener; capital allocation; expected 2020 performance; steady margins and growing free cash flow; outperformance relative to end-markets; financial objectives, including doubling adjusted EPS to \$1.36 from 2018 to 2023.

These projections and statements reflect management's estimates, assumptions and expectations with respect to future events and financial performance and are believed to be reasonable, though are inherently uncertain and difficult to predict. Such projections and statements are based on the assessment of information available to management as of the current date, and management does not undertake any obligations to provide any further updates. Actual results could differ materially from those expressed or implied in the forward-looking statements if one or more of the underlying estimates, assumptions or expectations prove to be inaccurate or are unrealized. Important factors that could cause actual results to differ materially from those suggested by these forward-looking statements include, but are not limited to, the duration and spread of the coronavirus (COVID-19) pandemic; new information concerning COVID-19 and its variants; transmission and severity; actions taken or that might be taken by governments, businesses or individuals to contain or reduce their repercussions and mitigate their economic implications; evolving macroeconomic factors, including general economic uncertainty, unemployment rates, and recessionary pressures; decreased consumer spending levels; reduction or changes in customer demand for the Company's products and services; the Company's ability to manufacture, sell and provide its products and services, including as a result of travel restrictions, closed borders, operating restrictions imposed on its facilities or reduced ability of its employees to continue to work efficiently; increased operating costs (whether as a result of changes to the Company's supply chain or increases in employee costs or otherwise); collectability of customer accounts; additional and prolonged devaluation of other countries' currencies relative to the dollar; the general impact of the pandemic on the Company's customers, employees, suppliers, vendors and other stakeholders; the Company's ability to realize the expected benefits of its cost containment and cost savings measures; business and management strategies; debt and debt leverage ratio; shares repurchases; expected returns to stockholders; and the impact of acquisitions, divestitures, restructurings, refinancings, impairments and other unusual items, including the Company's ability to raise and/or retire new debt and/or equity and to integrate and obtain the anticipated benefits, results and synergies from these items or other related strategic initiatives. Additional information concerning these and other factors that could cause actual results to vary is, or will be, included in the periodic and other reports filed by Element Solutions with the Securities and Exchange Commission. Element Solutions undertakes no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise.

Certain product information, competitive position data, peers' data and market trends contained in this presentation have been prepared internally and have not been verified by any third party. Use of different methods for preparing, calculating or presenting such information may lead to different results and such differences may be material. In addition, certain industry and market data described in this presentation was obtained from industry and general publications and research, surveys and studies conducted by third parties. While Element Solutions believes this information is reliable and appropriate, such information has not been verified by any independent source. You are cautioned not to place undue reliance on this information or data.

NON-GAAP FINANCIAL MEASURES

To supplement the financial measures prepared in accordance with generally accepted accounting principles in the United States (“GAAP”), the Company uses the following non-GAAP financial measures: EBITDA, adjusted EBITDA, adjusted EBITDA margin, full year 2020 adjusted EBITDA guidance, free cash flow conversion, free cash flow outlook for the full year 2020, adjusted EPS, net debt to adjusted EBITDA ratio and organic net sales growth. The Company also evaluates and presents its results of operations on a constant currency basis. The definitions and reconciliations of these non-GAAP measures to the most directly comparable financial measures calculated and presented in accordance with GAAP can be found in the footnotes and appendix of this presentation.

Management internally reviews each of these non-GAAP measures to evaluate performance on a comparative period-to-period basis in terms of absolute performance, trends and expected future performance with respect to the Company's businesses and believes that these non-GAAP measures provide investors with an additional perspective on trends and underlying operating results on a period-to-period comparable basis. The Company also believes that investors find this information helpful in understanding the ongoing performance of its operations separate from items that may have a disproportionate positive or negative impact on its financial results in any particular period. These non-GAAP financial measures, however, have limitations as analytical tools, and should not be considered in isolation from, a substitute for, or superior to, the related financial information that the Company reports in accordance with GAAP. Investors are encouraged to review the reconciliations of these non-GAAP financial measures to their most comparable GAAP financial measures included herein, and not to rely on any single financial measure to evaluate the Company's businesses.

In addition, this presentation includes expected 2020 performance data, including with respect to adjusted EBITDA growth, free cash flow and net debt to adjusted EBITDA ratio. This data is provided for informational purposes only and should not be construed as a guarantee of the final results that may be achieved in the future.

Element Solutions Overview

Chemical Technology Enabling Performance & Innovation



\$ 1.8B
\$ +415M

LTM Sep 2020
Net Sales

Full Year 2020
Adj. EBITDA*
Guidance

~ 4,400 Employees

> 50 Countries



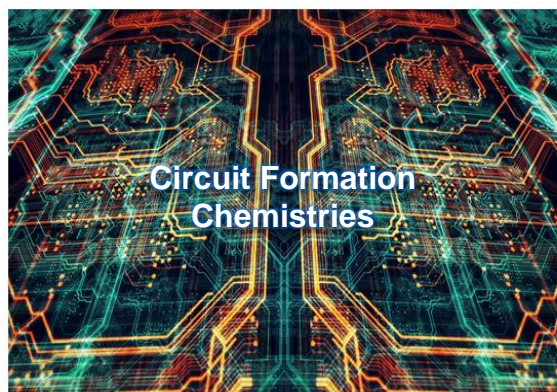
2019 Segment Net Sales

Electronics	59%
Industrial & Specialty	41%

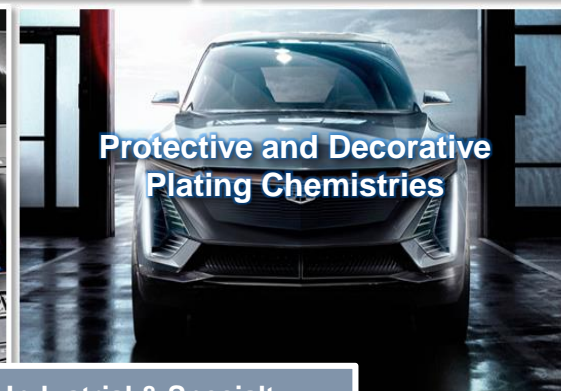
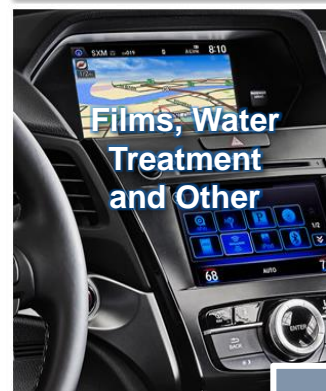
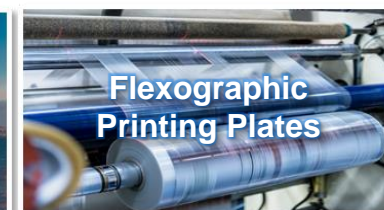


2019 Regional Net Sales

Americas	29%
EMEA	29%
Asia	42%



Electronics



Industrial & Specialty

* Indicates financial measures which are not prepared in accordance with GAAP. For definitions, discussions of adjustments and reconciliations, please refer to the appendix of this presentation

Growth From New Economy

5G Mobile Technologies

Vehicle Electrification

Semiconductor Applications

Circular Economy

Green Chemistry

Attractive Businesses Managed Efficiently

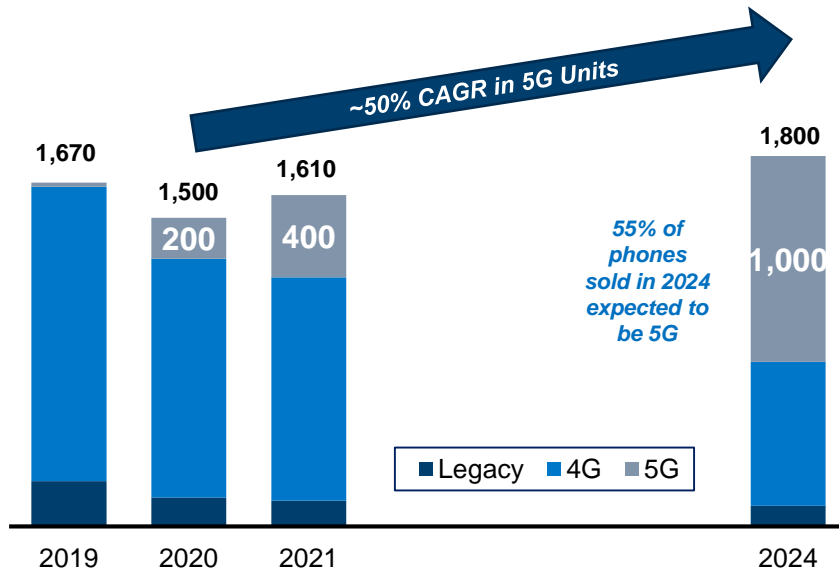
- *Defensible margins and high returns on capital*
- *Balancing cost management and long-term organic growth investments*
- *Deploying strong, stable cash-flows effectively*

Expected 2020 Performance

- *Constant Currency Adjusted EBITDA* growth*
 - *+\$240m of Free Cash Flow**
- *Net leverage ratio decline to ~3.0x Adjusted EBITDA**
 - *Preserved nearly full employment*
- *Maintained R&D and Capex investment levels*
- *Paid a \$0.05 per share dividend in Q4 2020*

Higher performance and reliability requirements for 5G technologies in both infrastructure and mobile devices

5G Mobile Devices – Annual Shipments (M Units)



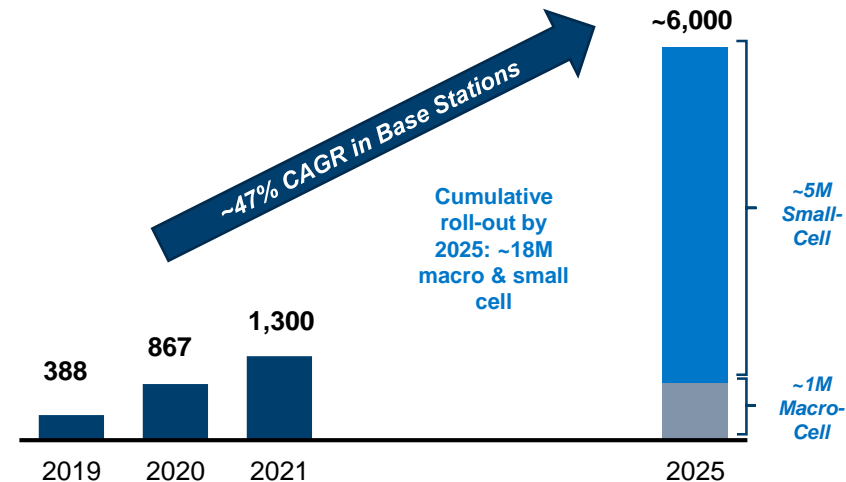
Source: Prismark

ESI Content Per Phone

Mid-Level Phone	~ \$0.70-\$0.80
Premium Phone	~ \$1.10-\$1.20
5G Phone	~ 15%+ vs. Premium

Source: Management estimates

5G Base Station – Annual Rollout (K Units)



Source: Prismark

- Higher unit density than 4G
- Near-term growth driven by enhanced mobile broadband
- Longer-term growth driven by Massive Machine Type and Ultra Reliable Low Latency Communication

A leading provider of advanced circuitry, joining materials and surface finishing technology critical to the development of next-generation vehicles



Enabling semiconductor manufacturing with proprietary chemistries that support the design, formation and packaging of semiconductor chips

- **“More Than Moore” blurs distinctions between semiconductor circuit pathways, chip packaging, printed circuit boards and solder connections**
- Increasing power and functionality demands require higher circuit density and reduced package footprint
- Our strong portfolio of complementary technologies solves OEM reliability and performance requirements



Wafer Plating
Chemistries

Advanced Packaging

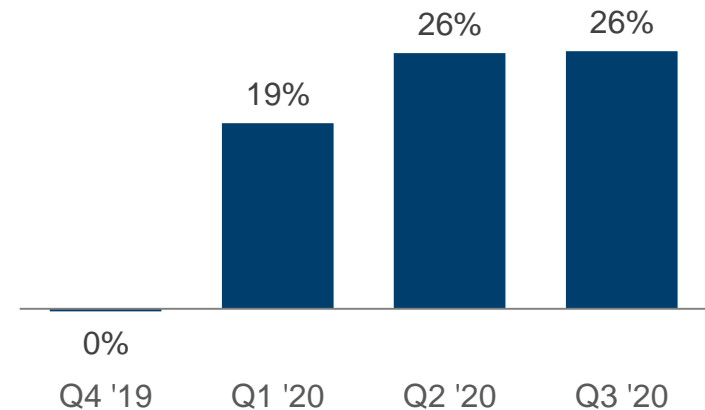
IC Substrate

Thermal Interface
Materials

Die Attach Solutions

~\$200M business growing rapidly

Semiconductor Segment Net Sales Growth YoY %



Reducing our customers' environmental footprint with a differentiated portfolio of metals reclaim, recycling capability, wastewater treatment equipment and chemistry solutions



Combining intimate chemistry know-how and advanced engineering solutions to reduce customer water usage and chemical discharge

Waste Water Treatment Equipment & Chemistry

- **~\$20M business** with **2,100 installs** at blue-chip customers across several industries
- High-performance, cost-effective turnkey equipment & chemical application solutions
- Installation, onsite service, remote support and inhouse controls specialists

Metals Reclaim

- **Chromium:** 5m kg worth more that **\$21m** recovered and reused by surface finishing customers over last decade
- **Nickel:** +1m kg recovered worth **\$14m** over last decade
- **Copper:** **\$6m** recovered for reuse in electroplating processes over last decade

Other ESI Recycling Offerings

Tin

- Ability to provide solder materials with 100% recycled tin
- Differentiated supplier with smelting capability to pass the Responsible Minerals Assurance Process (RMAP)
- Allow customers to reduce reliance on mining virgin metals

PET

- Process technologies to separate PET from other materials
- Cleaners and additives to remove glues, labels and organic residues

Innovative solutions to meet sustainability challenges and rising environmental compliance standards globally

Product Innovations & Key Benefits

Direct Metallization



- *Carbon-based metallization chemistries reduce power consumption by 57% and rinse water usage by 76%*

REACH Compliant Solutions



- *New processes enabling automotive and OEM supply chains to make REACH compliant parts free of hexavalent chromium and PFOS*

Offshore Environmental Products



- *Recently acquired offshore production fluid product technology has industry-leading environmental performance as certified by leading industry regulatory bodies*

Low Temperature Solders



- *Reliable attachment materials that reduce reflow oven temps in soldering process by 30%, enabling contract manufacturers to lower energy costs and greenhouse gas emissions*

Reducing
Hazardous
Chemicals



Sustainable &
Ethical Sourcing

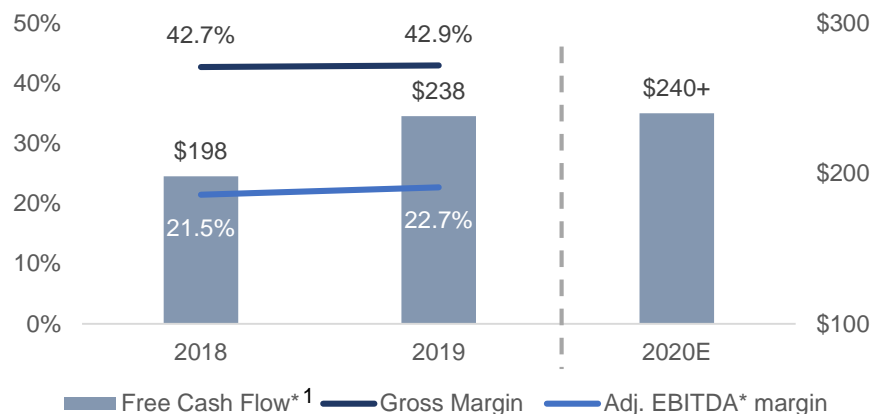


Reducing
Environmental
Footprints



Resilient, High Cash Flow Businesses Outperforming their Markets

Steady Margins and Growing FCF*



Efficiently Managed Asset Base

1.6%

Capital Expenditures as a % of 2019 Net Sales

>80%

COGS as a variable cost that flex with demand

\$35 million

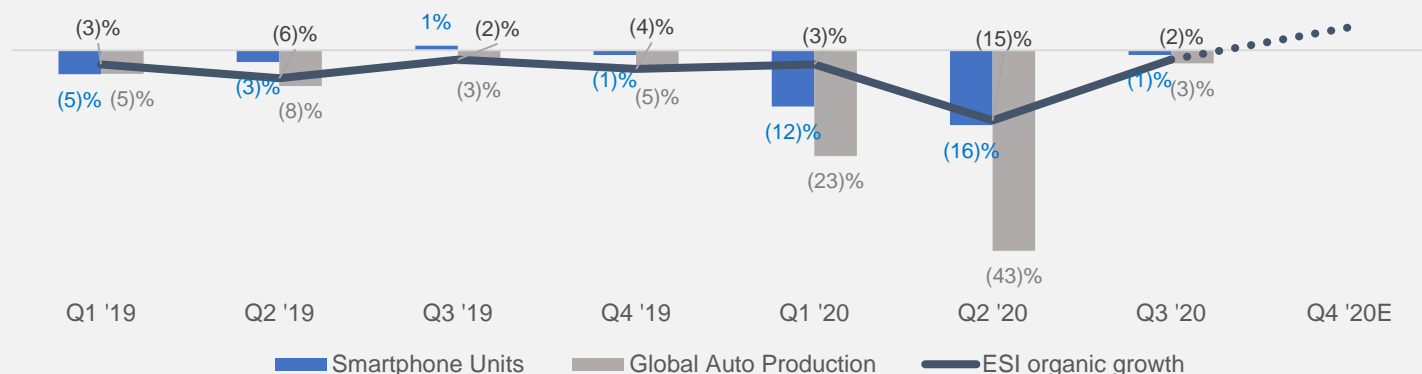
Permanent net operating cost reduction since launching ESI

93%

FCF Conversion² 2019

Commercial execution driving outperformance relative to end-markets

Organic net sales growth* outpaced key automotive and high-end smartphone unit growth
Growth is inflecting positively to exit 2020



Source: Prismark, LMC Automotive

* See non-GAAP definitions and reconciliations in the appendix

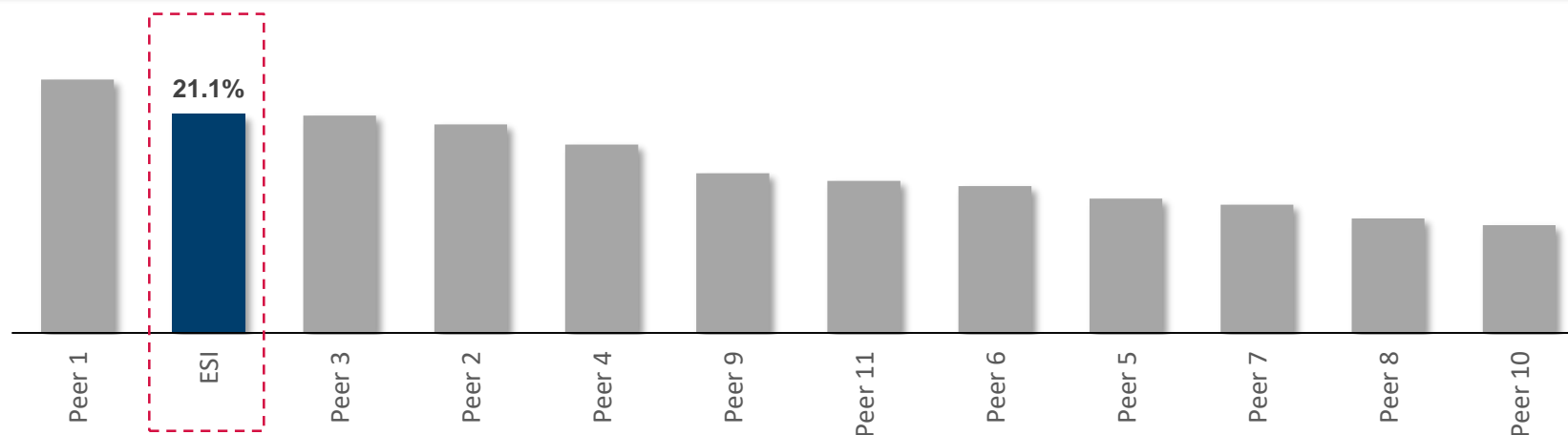
1 – Excludes the impact of prior capital structure for 2018 and 2019; 2 - FCF Conversion defined as 2019 Adjusted EBITDA* (\$417m) – Capex (\$30m) / 2019 Adjusted EBITDA* (\$417m)

Benchmarking Element Solutions in Specialty Chemicals

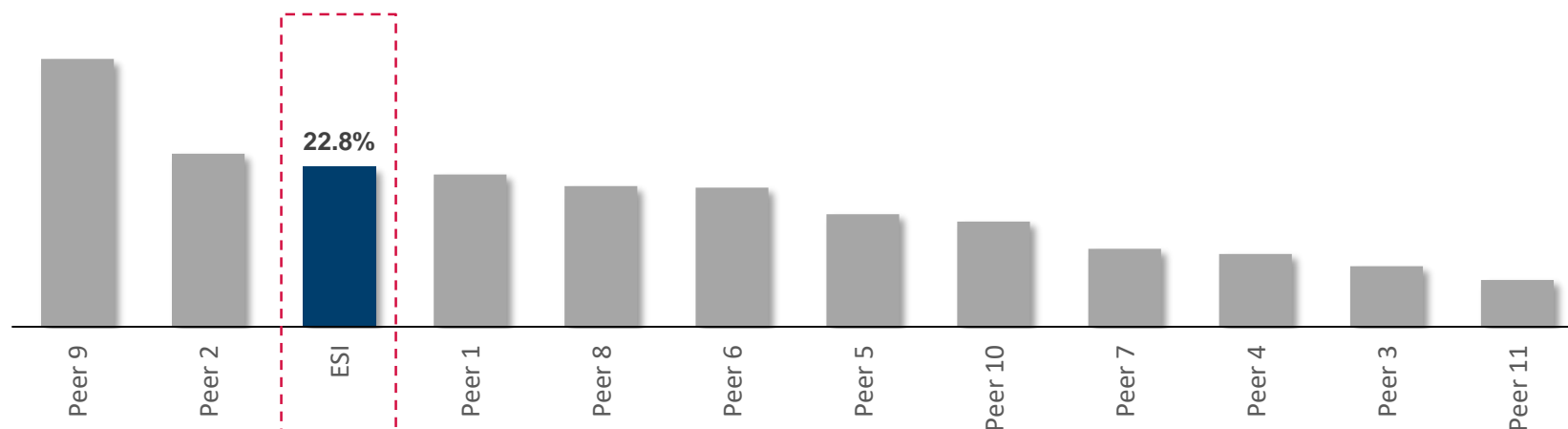
Cash Flow and Returns



(Adj. EBITDA* – Capital Expenditures) / Net Sales (2019)¹



Adj. EBIT² / Tangible Assets³ (%)



• See non-GAAP definitions and reconciliations in the appendix

Source: S&P CapIQ, peers' company filings

Note: Peers include the following companies (in alphabetical order): Ashland, Avery Dennison, Axalta, Cabot Microelectronics, DuPont, Entegris, HB Fuller, PPG, Quaker Houghton, RPM, Sherwin Williams

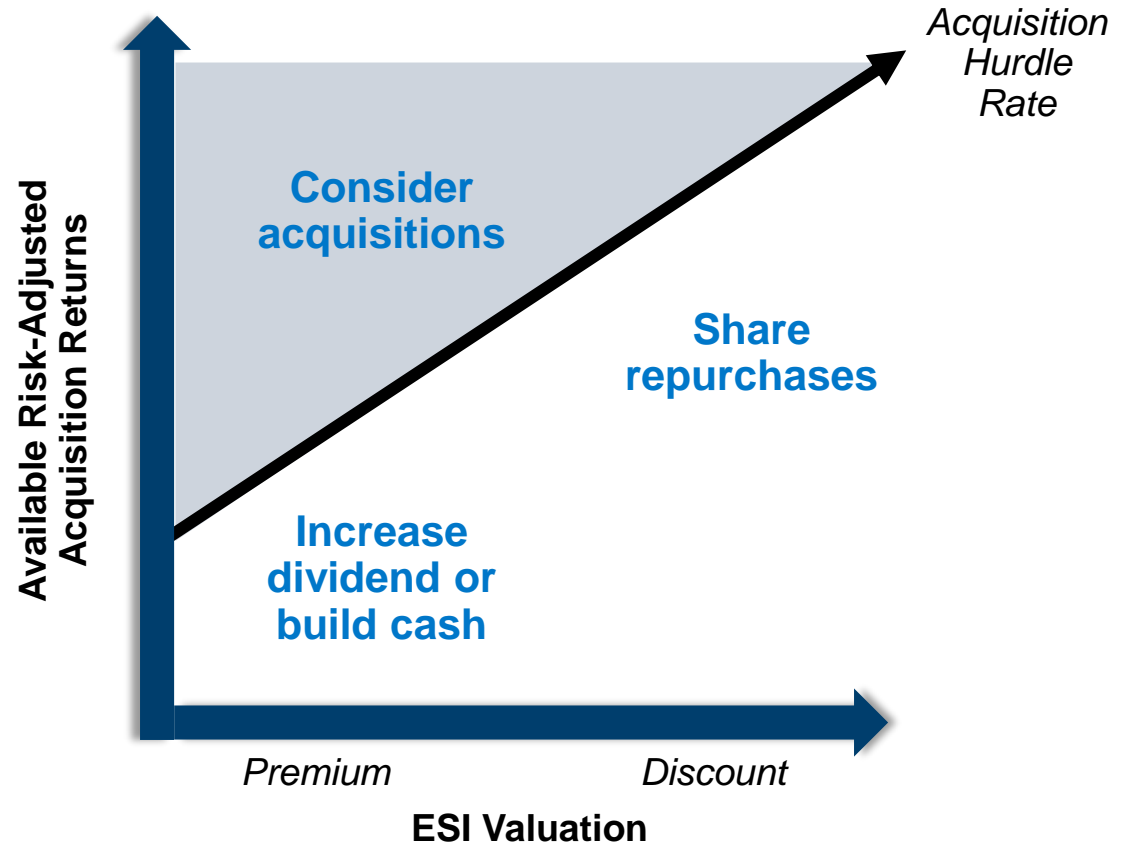
1. Calculated as 2019 adj. EBITDA* less capex / annual sales. ESI calculation: (\$417M) – (\$30M) / (\$1,836M)

2. Calculated as 2020E consensus estimates from S&P CapIQ for EBITDA less depreciation and amortization expense. ESI calculation: (\$411M) - \$(161M)

3. Calculated as net working Capital plus Gross Property, Plant & Equipment plus Other Assets (excludes Prepaid Expenses) as of quarter ending Sept 30, 2020. ESI calculation \$562M + \$447M + \$89M

ESI has maintained a measured approach to capital allocation

- Repurchased 17% of total shares outstanding since January 2019
- Deployed ~\$75 million on complementary acquisitions in last 2 years at average ~6x multiple pre-synergies
- Refinanced high-yield notes to generate \$16 million of annual interest savings in 2021
- Paid a \$0.05 per share dividend in December 2020
- Consistently maintained net leverage ratio below 3.3x since January 2019



Remain committed to thoughtfully returning excess capital to shareholders

Compound intrinsic value through strong execution across a portfolio of high-quality assets and prudent, long-term oriented capital allocation

Long Term Financial Objectives

- Outperformance relative to end-markets
- Solid, stable profit margins and strong cash flow generation
- Prudent capital allocation focused on core, existing business
- Net leverage ratio* below 3.5x adjusted EBITDA*
- Consistent return of capital to shareholders through share buybacks and/or dividends

Double adjusted EPS* to \$1.36 from 2018 to 2023

* See non-GAAP definitions and reconciliations in the appendix

The graphic consists of a dark blue horizontal bar with a lighter blue diagonal stripe on the left side. The word 'Appendix' is written in white text on the dark blue background.

Appendix

Adjusted Earnings Per Share (EPS): Adjusted EPS is a key metric used by management to measure operating performance and trends. In particular, the exclusion of certain expenses in calculating adjusted EPS facilitates operating performance comparisons on a period-to-period basis. Adjusted EPS is defined as net income (loss) from continuing operations attributable to common stockholders adjusted to reflect adjustments consistent with the Company's definition of adjusted EBITDA. Additionally, the Company eliminates the amortization associated with intangible assets, incremental depreciation associated with the step-up of fixed assets and incremental cost of sales associated with the step-up of inventories recognized in purchase accounting for acquisition. Lastly, the 2019 adjusted EPS total is based on the Company's new capital structure by assuming that the sale of Agricultural Solutions on January 31, 2019 (the "Arysta Sale") had closed and the new credit agreement had been in place on January 1, 2019. The resulting adjusted net income is then divided by the Company's adjusted common shares outstanding. Adjusted common shares outstanding represent the shares outstanding as of the balance sheet date for the quarter-to-date period and an average of each quarter for the year-to-date period. Adjusted common shares outstanding consists of common shares outstanding, plus the shares that would be issued if all convertible stock was converted to common stock, stock options were vested and exercised, and equity grants with targets that are considered probable of achievement were vested at target level and issued.

Constant Currency: Management discloses net sales and adjusted EBITDA on a constant currency basis by adjusting results to exclude the impact of changes due to the translation of foreign currencies of its international locations into U.S. dollar. Management believes this non-GAAP financial information facilitates period-to-period comparison in the analysis of trends in business performance, thereby providing valuable supplemental information regarding its results of operations, consistent with how the Company evaluates its financial results.

The impact of foreign currency is calculated by converting the Company's current-period local currency financial results into U.S. dollar using the prior period's exchange rates and comparing these adjusted amounts to its prior period reported results. The difference between actual growth rates and constant currency growth rates represents the impact of foreign currency translation.

EBITDA and Adjusted EBITDA: EBITDA represents earnings before interest, provision for income taxes, depreciation and amortization. Adjusted EBITDA is defined as EBITDA, excluding the impact of additional items included in GAAP earnings which the Company believes are not representative or indicative of its ongoing business or are considered to be associated with its capital structure. Adjusted EBITDA for each segment also includes an allocation of corporate costs, such as compensation expense and professional fees. Management believes adjusted EBITDA and adjusted EBITDA margin provide investors with a more complete understanding of the long-term profitability trends of the Company's business and facilitate comparisons of its profitability to prior and future periods. However, these measures, which do not consider certain cash requirements, should not be construed as an alternative to net income or cash flow from operations as a measure of profitability or liquidity.

Net Debt to Adjusted EBITDA ratio or Net leverage ratio: Net debt to adjusted EBITDA ratio is defined as total debt (current installments of long-term debt, revolving credit facilities and long-term debt), excluding unamortized discounts and debt issuance costs, which totaled \$20.3 million at September 30, 2020, less cash divided by adjusted EBITDA.

Free Cash Flow: Free cash flow is defined as net cash flows from operating activities less net capital expenditures. Net capital expenditures include capital expenditures less proceeds from the disposal of property, plant and equipment. Free cash flow on an adjusted basis adjusts for one-time cash operating expenses related to the Arysta Sale, for the payment of a portion of the contingent consideration related to the MacDermid acquisition, and assumes that the Company's new capital structure was in place on January 1, 2018. Management believes that free cash flow, which measures the Company's ability to generate cash from its business operations, is an important financial measure for use in evaluating the Company's financial performance. However, free cash flow should be considered in addition to, rather than as a substitute for, net cash provided by operating activities as a measure of the Company's liquidity.

Organic Net Sales Growth: Organic net sales growth is defined as net sales excluding the impact of foreign currency translation, changes due to the pass-through pricing of certain metals and acquisitions and/ or divestitures, as applicable. Management believes this non-GAAP financial measure provides investors with a more complete understanding of the underlying net sales trends by providing comparable net sales over differing periods on a consistent basis.

For the three months ended September 30, 2020, Electronics' consolidated results were positively impacted by \$13.6 million of acquisitions and \$4.3 million of pass-through metals pricing, and Industrial and Specialty's consolidated results were positively impacted by \$3.9 million of acquisitions.

The Company only provides full year 2020 adjusted EBITDA guidance and free cash flow outlook on a non-GAAP basis and does not provide reconciliation of this forward-looking non-GAAP measures to GAAP due to the inherent difficulty in forecasting and quantifying certain amounts that are necessary for such reconciliations, including adjustments that could be made for restructurings, refinancings, impairments, divestitures, integration-related expenses, share-based compensation amounts, non-recurring, unusual or unanticipated charges, expenses or gains, adjustments to inventory and other charges reflected in its reconciliation of historic numbers, the amount of which, based on historical experience, could be significant.

(\$ millions)	FY 2019	Sep YTD 2020	Q4 2019	LTM Q3 2020
Net income attributable to common stockholders	\$92	\$46	\$74	\$120
Add (subtract):				
Net income attributable to the non-controlling interests	1	—	0	0
Loss (income) from discontinued operations, net of tax	(13)	1	(0)	1
Income tax (benefit) expense	61	(37)	21	(16)
Interest expense, net	91	51	17	68
Depreciation expense	42	32	11	42
Amortization expense	113	89	28	117
EBITDA	386	181	152	332
Adjustments to reconcile to Adjusted EBITDA:				
Amortization of inventory-step-up	1	2	1	3
Restructuring expense	14	6	2	7
Acquisition and integration costs	2	8	(1)	8
Foreign exchange loss (gain) on foreign denominated external and internal long-term debt	(32)	43	(33)	10
Debt refinancing	62	46	1	47
Change in fair value of contingent consideration	(17)	—	(21)	(21)
Other, net	1	11	2	13
Adjusted EBITDA	\$417	\$297	\$102	\$399
Net Debt				\$1,289
Net Debt to Adjusted EBITDA Ratio				3.2x

Note: Totals may not sum due to rounding

Free Cash Flow to Free Cash Flow on an Adjusted Basis Reconciliation



(\$ millions)	FY 2018	FY 2019
Cash flows from operating activities	(\$1)	\$171
Capital expenditures	(28)	(30)
Disposal of property, plant and equipment	4	5
Free cash flows	(25)	146
<i>Adjustments to arrive at free cash flows on an adjusted basis:</i>		
Interest payments – prior capital structure ¹	293	57
Interest payments – new capital structure ¹	(70)	(3)
Other ²	0	38
Free cash flows on an adjusted basis	\$198	\$238

Note: Totals may not sum due to rounding

¹ Adjustments for 2018 and 2019 interest payments to reflect the Company's new capital structure by assuming that the Arysta Sale had closed and its new credit agreement had been in place on January 1, 2018

² Adjustment for the payment of the contingent consideration related to the MacDermid Acquisition and payment for employee expenses associated with the Arysta Sale that did not qualify for discontinued operations

Organic Net Sales Growth Reconciliation

	Q1		Q2		Q3		Q4	
	2019	2020	2019	2020	2019	2020	2019	2020
Net Sales Growth	(7%)	(2%)	(9%)	(15%)	(5%)	3%	(5%)	
Impact of Currency	5%	2%	4%	2%	2%	0%	1%	
Constant Currency	(2%)	0%	(5%)	(13%)	(3%)	2%	(4%)	
Change in Pass-Through Metals Pricing	0%	0%	0%	1%	1%	(1%)	0%	
Acquisitions	(1%)	(3%)	0%	(3%)	0%	(4%)	(1%)	
Organic Net Sales Growth	(3%)	(3%)	(6%)	(15%)	(2%)	(2%)	(4%)	