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PQ Group Holdings Announces Successful Pricing and Allocation of Senior Secured Term Loan Facility

MALVERN, Pa.--(BUSINESS WIRE)-- PQ Group Holdings Inc. (NYSE:PQG), a leading integrated and innovative global provider of specialty catalysts and services, announced today that its indirect, wholly owned subsidiary, PQ Corporation (the "Company"), has successfully priced and allocated a new senior secured term loan facility (the "2021 Term Loan Facility") in an aggregate principal amount of \$900 million.

Proceeds from the 2021 Term Loan Facility, together with cash on hand, will be used to repay (1) all of the Company's obligations under its New Term Loan Credit Agreement, dated as of July 22, 2020 (the "2020 Term Loan Facility") and (2) a portion of the Company's obligations under its Amended and Restated Term Loan Credit Agreement, dated May 4, 2016 (the "2016 Term Loan Facility"), and to pay related fees and expenses.

The 2021 Term Loan Facility will be issued at 99.75% of par (or with an original issue discount of 0.25%), will have interest at a floating rate of LIBOR (with a 0.50% minimum LIBOR floor) plus 2.75% (or, depending on our first lien net leverage ratio, 2.50%) per annum, and will mature in June 2028.

"With this term loan financing in place and a targeted closing on the sale of Performance Chemicals in the third quarter, we now expect to be at the upper end of the ranges previously provided for the planned special dividend (\$2.50 to \$3.25 per share) and debt reduction (\$450 million to \$550 million)," said Mike Crews, PQ Executive Vice President and Chief Financial Officer. "In addition, with continued strong operating results and cash flow generation, we now expect our net debt to Adjusted EBITDA ratio to be in the mid 3x range at the end of 2021."

The closing of the 2021 Term Loan Facility, the full repayment of the 2020 Term Loan Facility and the partial repayment of the 2016 Term Loan Facility are expected to occur in the first week of June 2021, subject to customary closing conditions. Payment of the planned special dividend is subject to formal declaration by the PQ Group Holdings Inc. Board of Directors.

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About PQ Group Holdings Inc.

PQ Group Holdings Inc. and subsidiaries is a leading integrated and innovative global provider of specialty catalysts and services. We support customers globally through our strategically located network of manufacturing facilities. We believe that our products, which are predominantly inorganic, and services contribute to improving the sustainability of the environment.

We have two uniquely positioned specialty businesses: **Refining Services** provides sulfuric acid recycling to the North American refining industry and **Catalysts** serves the packaging and engineering plastics and the global refining, petrochemical and emissions control industries. For more information, see our website at <https://www.pqcorp.com>.

Presentation of Non-GAAP Financial Measures

The Company has provided financial measures outside of the generally accepted accounting principles ("GAAP")—net debt and Adjusted EBITDA (collectively, "Non-GAAP Financial Measures")—which present results on a basis adjusted for certain items. The Company uses these Non-GAAP Financial Measures for business planning purposes and in measuring its performance relative to that of its competitors. The Company believes that these Non-GAAP Financial Measures are useful financial metrics to assess its operating performance from period-to-period by excluding certain items that the Company believes are not representative of its core business. These Non-GAAP Financial Measures are not intended to replace, and should not be considered superior to, the presentation of the Company's financial results in accordance with GAAP. The use of the Non-GAAP Financial Measures terms may differ from similar measures reported by other companies and may not be comparable to other similarly titled measures.

The Company is not able to provide a reconciliation of the company's non-GAAP financial guidance to the corresponding GAAP measures without unreasonable effort because of the inherent difficulty in forecasting and quantifying certain amounts necessary for such a reconciliation such as certain non-cash, nonrecurring or other items that are included in net income and EBITDA as well as the related tax impacts of these items and asset dispositions / acquisitions and changes in foreign currency exchange rates that are included in cash flow, due to the uncertainty and variability of the nature and amount of these future charges and costs.

Note on Forward-Looking Statements

Some of the information contained in this press release constitutes "forward-looking statements." Forward-looking statements can be identified by words such as "anticipates," "intends," "plans," "seeks," "believes," "estimates," "expects," "projects" and similar references to future periods. Forward-looking statements are based on our current expectations and assumptions regarding our business, the economy and other future conditions. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict. Examples of forward-looking statements include, but are not limited to, statements regarding the closing of the Performance Chemicals sale, the special dividend, debt reduction, the Company's net debt to Adjusted EBITDA ratio, the closing of the 2021 Term Loan Facility and the application of the proceeds thereof, together with cash on hand, to repay all of the Company's obligations under the 2020 Term Loan Facility and a portion of the Company's obligations under the 2016 Term Loan Facility, and to pay related fees and expenses. Our

actual results may differ materially from those contemplated by the forward-looking statements. We caution you, therefore, against relying on any of these forward-looking statements. They are neither statements of historical fact nor guarantees or assurances of future performance. Important factors that could cause actual results to differ materially from those in the forward-looking statements include, but are not limited to, our ability to close on the sale of the Performance Chemicals business segment on our anticipated timeline, or at all, regional, national or global political, economic, business, competitive, market and regulatory conditions, including the ongoing COVID-19 pandemic, tariffs and trade disputes, currency exchange rates and other factors, including those described in the sections titled “Risk Factors” and “Management Discussion & Analysis of Financial Condition and Results of Operations” in our filings with the SEC, which are available on the SEC’s website at www.sec.gov. These forward-looking statements speak only as of the date of this release. Factors or events that could cause our actual results to differ may emerge from time to time, and it is not possible for us to predict all of them. We undertake no obligation to update any forward-looking statement, whether as a result of new information, future developments or otherwise, except as may be required by applicable law.

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