



Enriching lives through innovation

# Earnings Summary

## Second Quarter 2021

### Conference Call

Friday, July 30, 2021

10:00 a.m. ET

Webcast link:

<https://78449.themediaframe.com/dataconf/productusers/hun/mediaframe/45633/index1.html>

Participant dial-in numbers:

Domestic callers: (877) 402-8037

International callers: (201) 378-4913

# General Disclosure

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, business trends and other information that is not historical information. When used in this presentation, the words “estimates,” “expects,” “anticipates,” “projects,” “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. All forward-looking statements, including, without limitation, management’s examination of historical operating trends and data, are based upon our current expectations and various assumptions. Our expectations, beliefs and projections are expressed in good faith, and we believe there is a reasonable basis for them. However, there can be no assurance that management’s expectations, beliefs and projections will be achieved.

The forward-looking statements in this release are subject to uncertainty and changes in circumstances and involve risks and uncertainties that may affect the company's operations, markets, products, services, prices and other factors as discussed in the Huntsman companies' 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, reorganization or restructuring of Huntsman’s operations, including any delay of, or other negative developments affecting the ability to implement cost reductions and manufacturing optimization improvements in Huntsman businesses and realize anticipated cost savings, and other financial, 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, 2020, which may be supplemented by other risks and uncertainties disclosed in any subsequent reports filed or furnished by us from time to time.

All forward-looking statements attributable to us or persons acting on our behalf apply only as of the date made. We undertake no obligation to update or revise forward-looking statements which may be made to reflect events or circumstances that arise after the date made or to reflect the occurrence of unanticipated events.

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 free cash flow, and net debt. Reconciliations of non-GAAP measures to GAAP are provided through the “Non-GAAP Reconciliation” link available in the “Financials” section on the Company’s website at [www.huntsman.com/investors](http://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.

# Highlights

## Second Quarter 2021

<i>(\$ in millions, except per share amounts)</i>	<b>2Q21</b>	<b>2Q20</b>
Revenues	\$ 2,024	\$ 1,247
Net income (loss)	\$ 172	\$ (59)
Adjusted net income (loss)	\$ 191	\$ (30)
Diluted income (loss) per share	\$ 0.70	\$ (0.28)
Adjusted diluted income (loss) per share	\$ 0.86	\$ (0.14)
Adjusted EBITDA	\$ 334	\$ 54
Net cash (used in) provided by operating activities from continuing operations	\$ (7)	\$ 85
Free cash flow from continuing operations	\$ (83)	\$ 30
Adjusted free cash flow from continuing operations	\$ (80)	\$ 38

*Note: Chemical Intermediates Businesses treated as discontinued operations*

*See Appendix, earnings press release or [ir.huntsman.com](http://ir.huntsman.com) for reconciliations and important explanatory notes.*

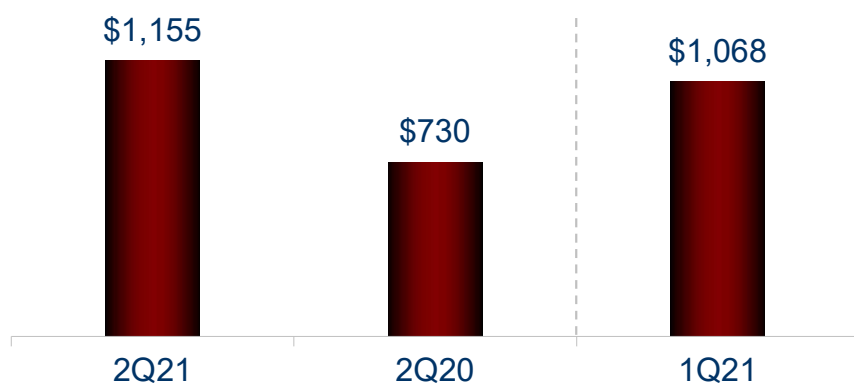
# Polyurethanes

## Second Quarter 2021

### Revenues

\$ in millions

Y/Y ↑ 58%      Q/Q ↑ 8%

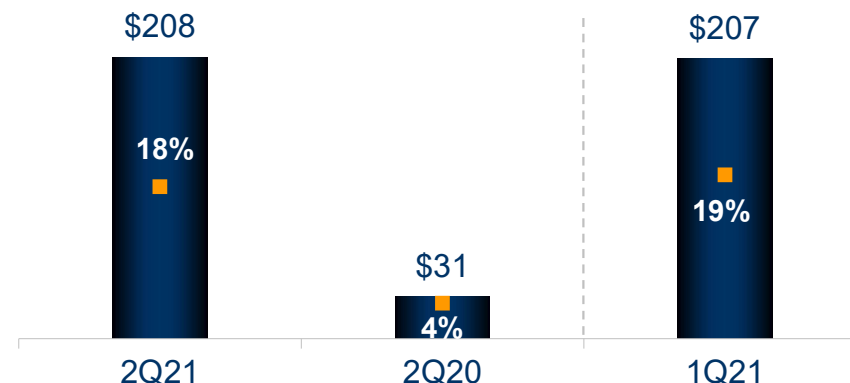


### Adjusted EBITDA

\$ in millions

Adjusted EBITDA Margin

Y/Y 571%      Q/Q --%



### Sales Factors

	Price: Local <sup>(1)</sup>	Price: FX <sup>(1)</sup>	Mix & Other	Volume <sup>(2)</sup>
Y/Y	↑ 35%	↑ 6%	↑ 4%	↑ 13%
Q/Q	↑ 6%	↓ 1%	↓ 2%	↑ 5%

(1) Excludes sales from tolling, by-products and raw materials.

(2) Excludes sales volumes of by-products and raw materials.

### Highlights

#### Current Quarter

- Volumes increased 13% YoY with growth partially offset by the scheduled Rotterdam turnaround
- Positive trends in elastomers, construction and automotive markets
- Margins in polymeric MDI in Asia contracted versus 1Q21
- Approximately \$35 million impact to Adj. EBITDA from scheduled Rotterdam turnaround and related 3<sup>rd</sup> party outages

#### 3Q21 Outlook

- 3Q21 Adj. EBITDA estimated to be between \$240 million and \$260 million
- Positive trends in elastomers, construction and automotive markets
- Lower earnings contribution from non-controlling interests

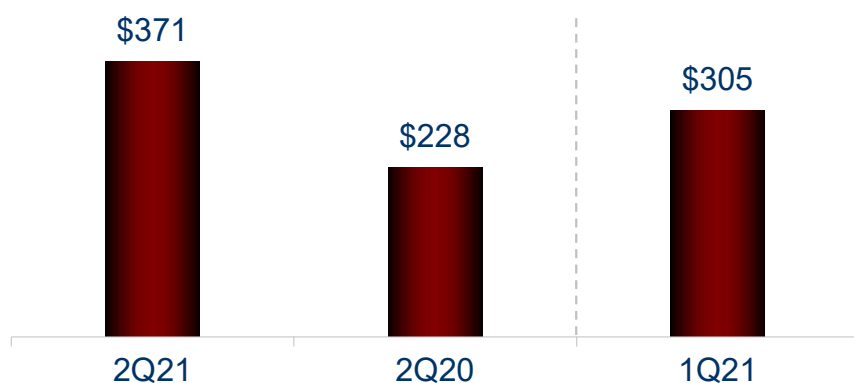
# Performance Products

## Second Quarter 2021

### Revenues

\$ in millions

Y/Y ↑ 63%      Q/Q ↑ 22%

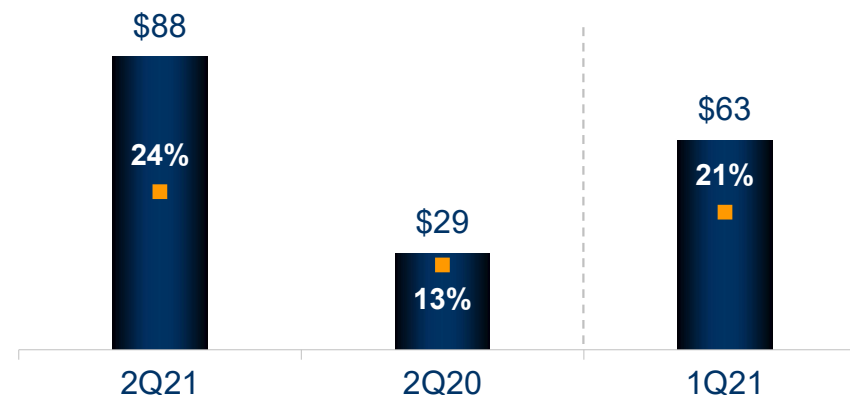


### Adjusted EBITDA

\$ in millions

Adjusted EBITDA Margin

Y/Y ↑ 203%      Q/Q ↑ 40%



### Sales Factors

	Price: Local <sup>(1)</sup>	Price: FX <sup>(1)</sup>	Mix & Other	Volume <sup>(2)</sup>
Y/Y	↑ 39%	↑ 6%	↓ 7%	↑ 25%
Q/Q	↑ 19%	--	↓ 1%	↑ 4%

(1) Excludes sales from tolling, by-products and raw materials.

(2) Excludes sales volumes of by-products and raw materials.

### Highlights

#### Current Quarter

- Strong growth in performance amines driven by solid demand in coatings, adhesives and PU catalysts
- Maleic anhydride demand solid as UPR markets grew with construction
- Strong margins in maleic anhydride and composites due to industry demand

#### 3Q21 Outlook

- 3Q21 Adj. EBITDA estimated to be between \$75 million and \$80 million
- Volume growth YoY across core markets
- More balanced Asia markets compared to 2Q21

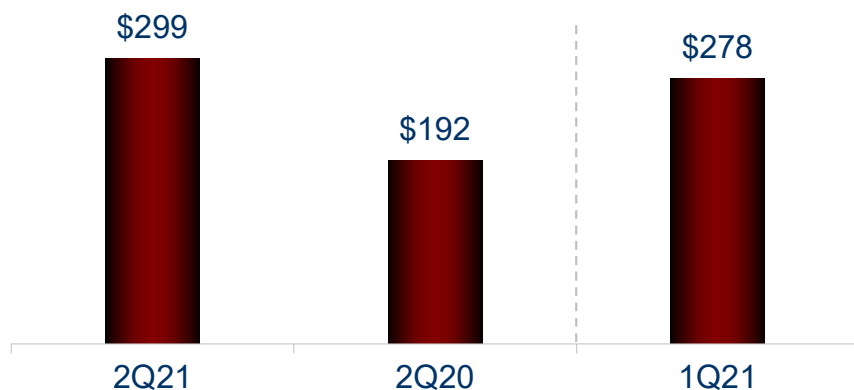
# Advanced Materials

## Second Quarter 2021

### Revenues

\$ in millions

Y/Y ↑ 56%      Q/Q ↑ 8%

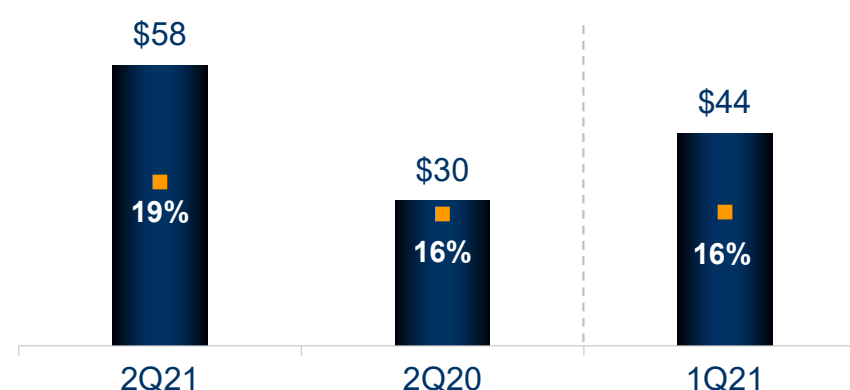


### Adjusted EBITDA

\$ in millions

Adjusted EBITDA Margin

Y/Y ↑ 93%      Q/Q ↑ 32%



### Sales Factors

	Price: Local <sup>(1)</sup>	Price: FX <sup>(1)</sup>	Mix & Other	Volume <sup>(2)</sup>
Y/Y	↑ 8%	↑ 7%	↑ 16%	↑ 25%
Q/Q	↑ 9%	↓ 1%	↑ 7%	↓ 7%

### Highlights

#### Current Quarter

- Volumes increased YoY in every core market except for aerospace
- Acquisitions additive to sales and Adj. EBITDA
- Aerospace flat YoY, but improved QoQ

#### 3Q21 Outlook

- 3Q21 Adj. EBITDA estimated to be between \$50 million and \$55 million
- Improving trends compared to prior year across all markets, including aerospace
- Acquisitions additive to Adj. EBITDA with synergy capture on track

(1) Excludes sales from tolling, by-products and raw materials.

(2) Excludes sales volumes of by-products and raw materials.

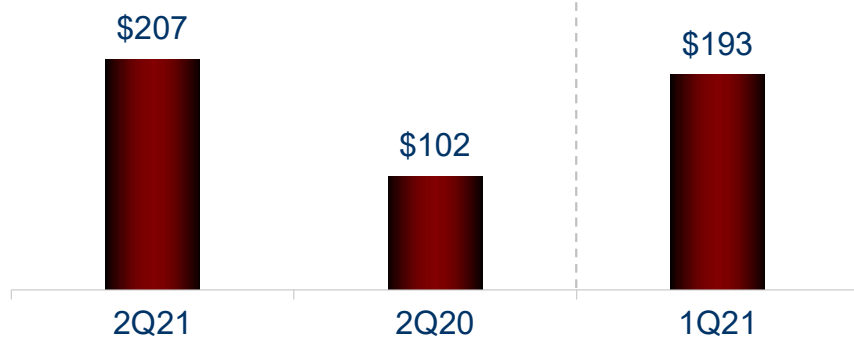
# Textile Effects

## Second Quarter 2021

### Revenues

\$ in millions

Y/Y ↑ 103%      Q/Q ↑ 7%

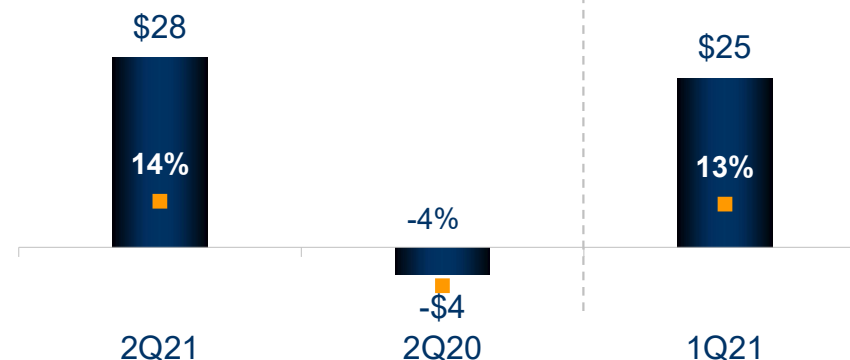


### Adjusted EBITDA

\$ in millions

Adjusted EBITDA Margin

Y/Y n/m      Q/Q ↑ 12%



### Sales Factors

	Price: Local <sup>(1)</sup>	Price: FX <sup>(1)</sup>	Mix & Other	Volume <sup>(2)</sup>
Y/Y	↓ 11%	↑ 8%	↑ 14%	↑ 92%
Q/Q	↑ 9%	--	↓ 1%	↓ 1%

### Highlights

#### Current Quarter

- Sales more than double prior year
- Improved global retail demand

#### 3Q21 Outlook

- 3Q21 Adj. EBITDA estimated to be between \$19 million and \$22 million
- Favorable trends in sustainable solutions

(1) Excludes sales from tolling, by-products and raw materials.

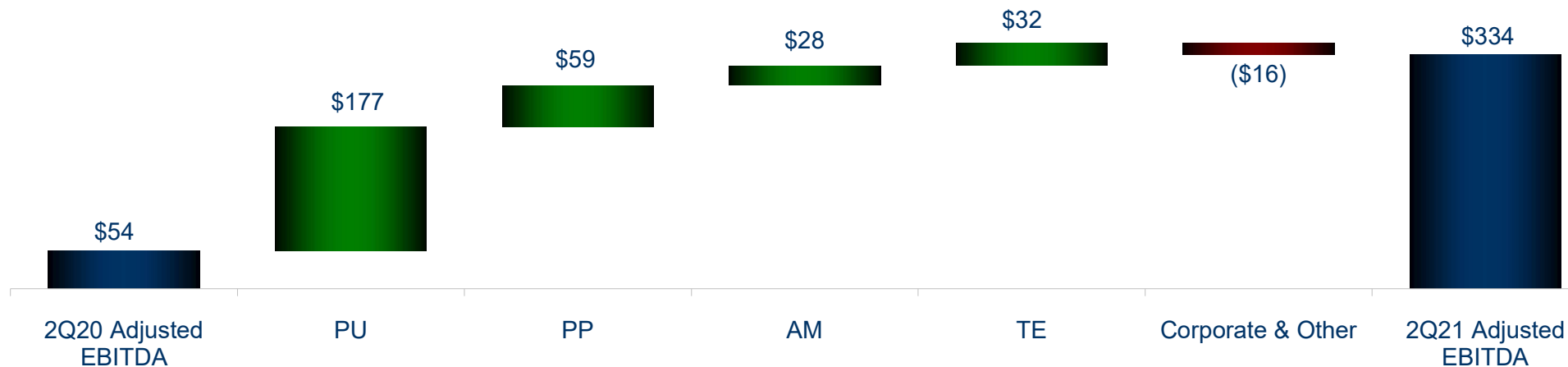
(2) Excludes sales volumes of by-products and raw materials.

# Adjusted EBITDA Bridge

## Second Quarter 2021

### Year / Year – By Segment

\$ in millions



### Year / Year – Total Company

\$ in millions





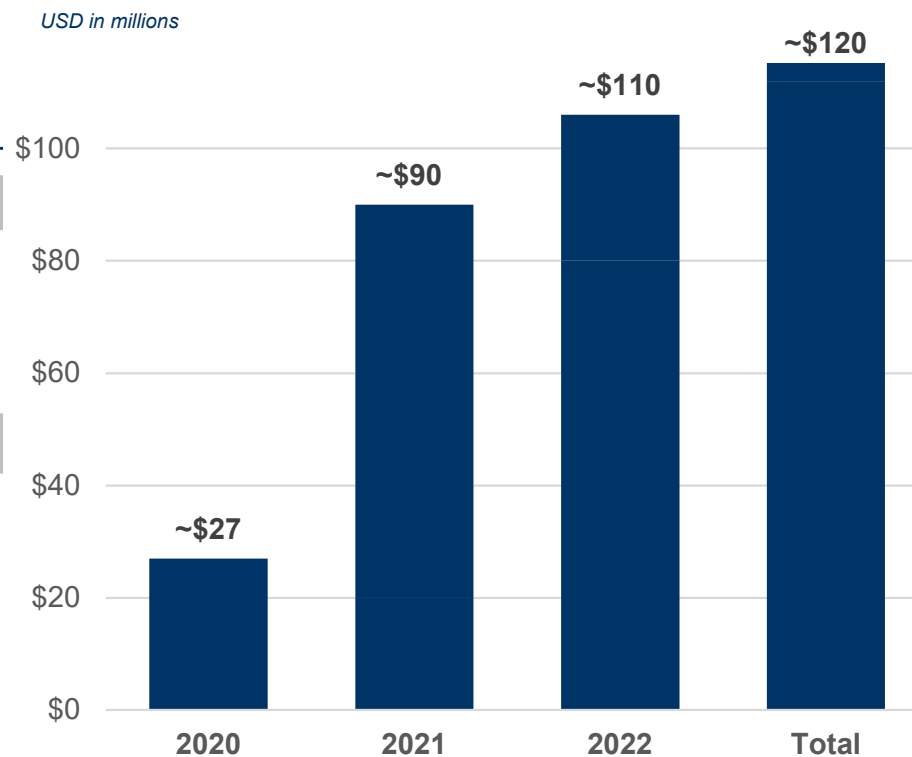
# Cost Realignment & Synergy Plans on Track

Delivery of >\$120 million Run Rate Benefits Targeted by Mid 2023

## Targeted Benefits & Completion Timing

	Targeted Adj. EBITDA Benefit	Targeted Completion Timing
<b>Acquisition Synergies</b>		
HBS Synergies	>\$20mm	Complete
CVC & Gabriel Synergies	~\$23mm	Early 2023
<b>Cost Realignment &amp; Business Optimization</b>		
Polyurethanes	~\$40mm	Mid 2022
Advanced Materials	~\$10mm	Mid 2022
Performance Products	~\$7mm	Complete
Textile Effects	~\$10mm	Year-end 2021
Corporate	>\$10mm	Mid 2023
	<b>&gt;\$120mm</b>	

## Targeted In-Year Benefit Delivery



- Targeting >\$120mm run rate by mid 2023
- Estimated net cash restructuring and integration costs of approximately \$100mm

# Debt and Liquidity Considerations

## Free Cash Flow

*USD in millions*

	2Q21	2Q20
Net cash (used in) provided by operating activities	\$ (7)	\$ 85
Capital expenditures	(76)	(55)
<b>Free cash flow from continuing operations</b>	<b>\$ (83)</b>	<b>\$ 30</b>
Taxes paid on sale of businesses	3	8
<b>Adjusted free cash flow from continuing operations</b>	<b>\$ (80)</b>	<b>\$ 38</b>

**Supplemental cash flow information:**

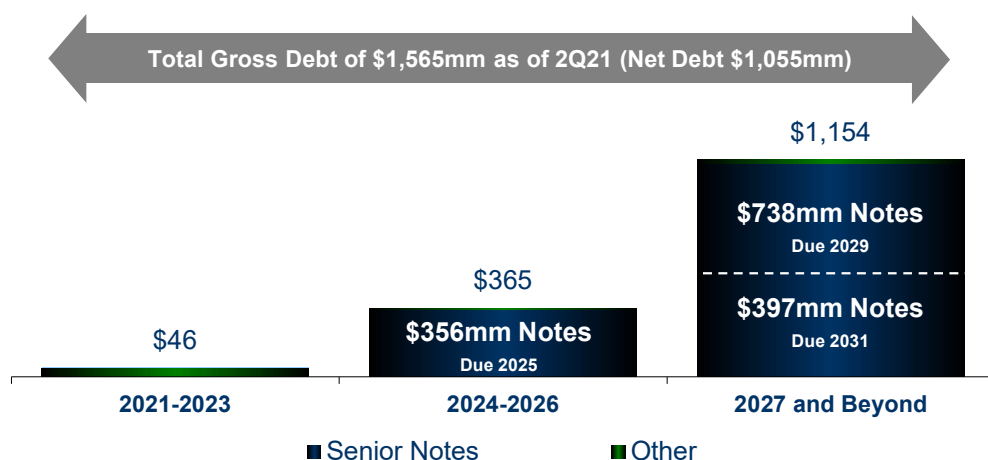
Cash paid for interest	\$ (31)	\$ (35)
Cash paid for income taxes	(68)	(19)
Cash paid for restructuring and integration	(8)	(9)
Cash paid for pensions	(14)	(26)
Depreciation and amortization	73	69
Change in primary working capital	(194)	127

## Liquidity, Debt & Cash Considerations

- Total liquidity of ~\$1.9 billion and net leverage of ~1.0x
- Completed \$400mm offering of 2.95% senior notes due 2031. Net proceeds and cash on hand used to redeem in full \$400mm of 5.125% senior notes due 2022
- Received \$28mm earnout related to India-based do-it-yourself consumer adhesives business divestiture. Total gross proceeds of ~\$285mm, ~15x multiple on 2019 adjusted EBITDA of the divested business
- 2021 estimated capital expenditures of ~\$355mm - \$360mm
  - Includes ~\$100mm for Geismar Splitter targeted to startup end of 1Q22 and ~\$30mm of incremental strategic projects<sup>(1)</sup>
- 2021 estimated cash payments of ~\$70mm related to cost realignment and synergy plans, of which ~\$15mm is capex related
- Completed scheduled 4-year cluster Rotterdam turnaround; estimated 2021 cash impact of ~\$40mm
- 20% 2Q21 adjusted effective tax rate; estimated 2021 adjusted effective tax rate remains 22% to 24%

## Debt Maturity Horizon

*USD in millions*



Note (1): Funding for incremental capital projects supported by one time ~\$70mm proceeds from sale and lease back of Basel, Switzerland property

The logo for Huntsman, featuring the word "HUNTSMAN" in a bold, dark blue, sans-serif font. The text is centered and flanked by two horizontal red lines, one above and one below the letters.

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# Appendix

# Summary Financials and Reconciliation

USD In millions	1Q19	2Q19	3Q19	4Q19	FY19	1Q20	2Q20	3Q20	4Q20	FY20	1Q21	2Q21	2Q21 LTM
<b>Segment Revenues:</b>													
Polyurethanes	\$ 924	\$ 1,014	\$ 993	\$ 980	\$ 3,911	\$ 888	\$ 730	\$ 936	\$ 1,030	\$ 3,584	\$ 1,068	\$ 1,155	\$ 4,189
Performance Products	300	299	281	278	1,158	292	228	238	265	1,023	305	371	1,179
Advanced Materials	272	275	256	241	1,044	241	192	199	207	839	278	299	983
Textile Effects	189	215	179	180	763	180	102	142	173	597	193	207	715
Corporate and eliminations	(16)	(19)	(22)	(22)	(79)	(8)	(5)	(5)	(7)	(25)	(7)	(8)	(27)
<b>Total</b>	<b>\$ 1,669</b>	<b>\$ 1,784</b>	<b>\$ 1,687</b>	<b>\$ 1,657</b>	<b>\$ 6,797</b>	<b>\$ 1,593</b>	<b>\$ 1,247</b>	<b>\$ 1,510</b>	<b>\$ 1,668</b>	<b>\$ 6,018</b>	<b>\$ 1,837</b>	<b>\$ 2,024</b>	<b>\$ 7,039</b>
<b>Segment Adjusted EBITDA:</b>													
Polyurethanes	\$ 124	\$ 156	\$ 146	\$ 122	\$ 548	\$ 84	\$ 31	\$ 156	\$ 201	\$ 472	\$ 207	\$ 208	\$ 772
Performance Products	45	42	38	43	168	58	29	36	41	164	63	88	228
Advanced Materials	53	55	51	42	201	48	30	25	27	130	44	58	154
Textile Effects	22	28	16	18	84	20	(4)	8	18	42	25	28	79
Corporate, LIFO and other	(40)	(36)	(36)	(43)	(155)	(45)	(32)	(37)	(47)	(161)	(50)	(48)	(182)
<b>Total</b>	<b>\$ 204</b>	<b>\$ 245</b>	<b>\$ 215</b>	<b>\$ 182</b>	<b>\$ 846</b>	<b>\$ 165</b>	<b>\$ 54</b>	<b>\$ 188</b>	<b>\$ 240</b>	<b>\$ 647</b>	<b>\$ 289</b>	<b>\$ 334</b>	<b>\$ 1,051</b>
<b>Net income (loss)</b>	<b>\$ 131</b>	<b>\$ 118</b>	<b>\$ 41</b>	<b>\$ 308</b>	<b>\$ 598</b>	<b>\$ 708</b>	<b>\$ (59)</b>	<b>\$ 57</b>	<b>\$ 360</b>	<b>\$ 1,066</b>	<b>\$ 100</b>	<b>\$ 172</b>	<b>\$ 689</b>
Net income attributable to noncontrolling interests	(12)	(8)	(11)	(5)	(36)	(3)	(3)	(9)	(17)	(32)	(17)	(16)	(59)
<b>Net income (loss) attributable to Huntsman Corporation</b>	<b>119</b>	<b>110</b>	<b>30</b>	<b>303</b>	<b>562</b>	<b>705</b>	<b>(62)</b>	<b>48</b>	<b>343</b>	<b>1,034</b>	<b>83</b>	<b>156</b>	<b>630</b>
Interest expense from continuing operations	30	29	27	25	111	18	21	24	23	86	19	18	84
Income tax expense (benefit) from continuing operations	45	38	30	(151)	(38)	7	(13)	15	37	46	34	42	128
Income tax expense (benefit) from discontinued operations <sup>(2)</sup>	5	14	25	(9)	35	238	1	-	3	242	-	-	3
Depreciation and amortization from continuing operations	67	69	65	69	270	67	69	70	77	283	74	73	294
Depreciation and amortization from discontinued operations <sup>(2)</sup>	23	23	13	2	61	-	-	-	-	-	-	-	-
Business acquisition and integration expenses and purchase accounting inventory adjustments	1	-	3	1	5	13	8	9	1	31	9	5	24
EBITDA from discontinued operations, net of tax <sup>(2)</sup>	(51)	(72)	(106)	(36)	(265)	(1,015)	(6)	-	4	(1,017)	(1)	(1)	2
Loss (gain) on sale of businesses/assets	-	-	-	21	21	(2)	1	-	(279)	(280)	-	(30)	(309)
Income from transition services arrangements	-	-	-	-	-	-	(5)	(1)	(1)	(7)	(1)	(3)	(6)
Fair value adjustments to Venator investment and related loss on disposal <sup>(2)</sup>	(76)	18	148	(72)	18	110	(4)	(6)	(12)	88	19	6	7
Loss on early extinguishment of debt	23	-	-	-	23	-	-	-	-	-	-	27	27
Certain legal and other settlements and related expenses (income)	-	-	1	5	6	2	4	(4)	3	5	2	8	9
Certain nonrecurring information technology implementation costs	-	-	1	3	4	1	1	1	3	6	1	3	8
Amortization of pension and postretirement actuarial losses	17	16	16	17	66	18	19	20	19	76	22	21	82
Restructuring, impairment and plant closing and transition costs (credits)	1	-	(43)	1	(41)	3	19	12	18	52	24	12	66
Plant incident remediation costs (credits)	-	-	5	3	8	-	1	-	1	2	4	(3)	2
<b>Adjusted EBITDA</b>	<b>\$ 204</b>	<b>\$ 245</b>	<b>\$ 215</b>	<b>\$ 182</b>	<b>\$ 846</b>	<b>\$ 165</b>	<b>\$ 54</b>	<b>\$ 188</b>	<b>\$ 240</b>	<b>\$ 647</b>	<b>\$ 289</b>	<b>\$ 334</b>	<b>\$ 1,051</b>