Second Quarter 2020

Earnings Presentation

August
2020

Legal Notices

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 the benefits of cost containment initiatives; second half 2020 working capital; FY 2020 cash flow outlook, including cash interest, cash taxes and net capex; capital allocation in second half of 2020; targeted net debt to adjusted EBITDA ratio below 3.5x; near term financial outlook, including third quarter 2020 market outlook, Q3 2020 adjusted EBITDA guidance, full year 2020 free cash flow outlook expected to be greater than $185 million and full year 2020 consideration.

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 its transmission and severity; actions taken or that might be taken by governments, businesses or individuals to contain or reduce its repercussions and mitigate its 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 results 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.

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, adjusted EBITDA guidance for the third quarter of 2020, adjusted EPS, adjusted common shares outstanding, free cash flow, free cash flow outlook for the full year 2020, 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 and in the Company’s earnings release dated August 4, 2020 (the “Release”), a copy of which can be found on the Company’s website at www.elementsolutionsinc.com. This presentation should be read in conjunction with the Release.

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 in the Release, and not to rely on any single financial measure to evaluate the Company’s businesses.

In addition, this presentation includes YTD Q2 2020 cash flow uses and FY 2020 outlook, Q2 2020 free cash low and full year 2020 free cash flow outlook. This data is provided for informational purposes only and is not necessarily, and should not be assumed to be, an indication of the results that may be achieved in the future.

Second Quarter 2020 Financial Results

($ in millions)	Q2 2020	Q2 2019	YoY	Constant Currency* YoY	Organic* YoY
Net Sales	**$387**	**$457**	***(15)%***	***(13)%***	***(15)%***
Electronics	253	268	*(5)%*	*(4%)*	*(6)%*
Industrial & Specialty	134	189	*(29)%*	*(26%)*	*(26)%*
GAAP Diluted EPS	**$0.01**	**$0.06**			
Adj. EBITDA*	**$85**	**$101**	***(16)%***	***(13)%***	
% margin	*21.9%*	*22.0%*	*(10) bps*	*10 bps*	
Electronics	58	60	*(4)%*	*(1)%*	
% margin	*22.9%*	*22.5%*	*40 bps*	*60 bps*	
Industrial & Specialty	27	40	*(33)%*	*(30)%*	
% margin	*20.0%*	*21.2%*	*(120) bps*	*(100) bps*	
Adj. EPS*	**$0.18**	**$0.21**	*(14)%*		

- Organic net sales* declined 15%, primarily due to COVID-19-related production declines in automotive markets, particularly in the Americas and Europe, which impacted both segments
  - In Electronics, demand softness in Assembly due to customer manufacturing stoppages in all regions partially offset by growth in Circuitry (3% organic net sales* growth YoY) and Semiconductor (19% organic net sales* growth YoY)
  - Continued resilience in Electronics from favorable trends in wireless and internet infrastructure
  - Industrial & Specialty impacted by automotive production and construction declines in Industrial, delayed marketing campaigns in Graphics and the impact of oil price volatility in Energy
- Constant currency adj. EBITDA* decline of 13% and adj. EBITDA* margin expansion of 10 bps
  - Cost containment initiatives mitigated the impact of volume decline on margins
- Adjusted EPS* of $0.18, down 14% decline year-over-year, as lower earnings were partially offset by lower interest expense and a lower share count

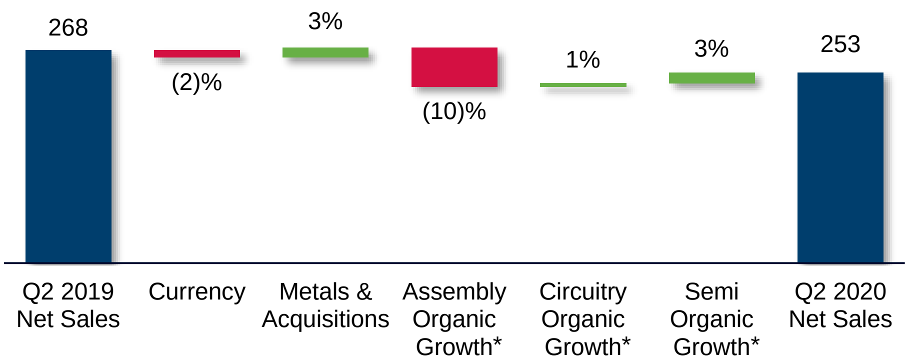
Note: Totals may not sum due to rounding or due to varying sizes of the two reportable segments

* These financial measures, on this slide and on subsequent slides, are not prepared in accordance with GAAP. For definitions, discussions of adjustments and reconciliations, please refer to the appendix of this presentation

Second Quarter 2020 Segment Details

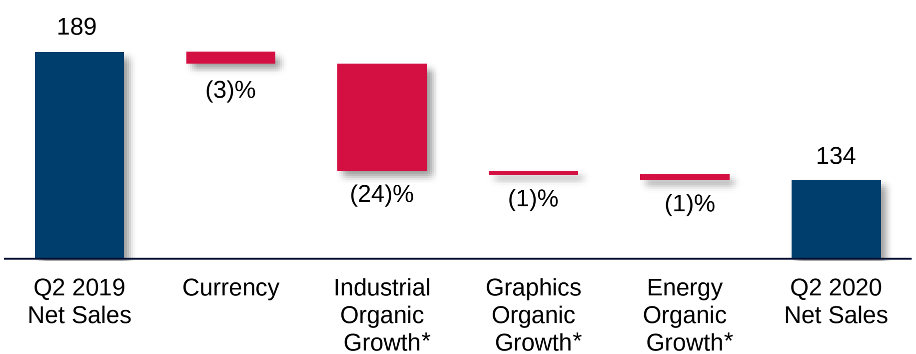
Market Commentary

Electronics Net Sales *($ in millions)*



- **Assembly**: decline primarily due to COVID-19-related automotive production stoppages; in Asia, growth in China and Taiwan was offset by the impact of a partial country-wide shutdown in India
- **Circuitry**: growth driven by mobile and wireless infrastructure related demand in Asia, higher selling prices of precious metals and strong demand from memory disk customers
- **Semiconductor**: strong growth driven by increased demand for metallization chemistries and advanced packaging products; continued strength in products used for 5G telecom infrastructure and data center markets

Industrial & Specialty Net Sales *($ in millions)*



- **Industrial**: primarily impacted by COVID-19-related automotive production stoppages, particularly in the U.S. and Western Europe, and weakness in construction and other manufacturing markets
- **Graphics**: weakness due to lower volumes in ancillary products (screen & newspaper) as well as delayed marketing initiatives by CPGs
- **Energy**: impacted by demand weakness in the Americas and Europe as customers reacted to the uncertainty associated with oil price volatility

Source: Management estimates

* See non-GAAP definitions and reconciliations in the appendix

Balance Sheet and Cash Flow

element solutions

Key Cash Flow Items

- **Q2 2020 free cash flow* of $61 million**; YTD Q2 2020 free cash flow* of $111 million
- Significant Q2 2020 working capital release due to active and efficient supply chain management
  - Continue to maintain above average inventory
  - Second half 2020 working capital movement dependent on level of net sales recovery

Balance Sheet Management

- Net debt to adj. EBITDA ratio* of 3.2x on a LTM basis as of June 30, 2020
- Paid down entire revolver on April 20th (drew $320 million of $330 million revolver in the last week of March in abundance of caution)
- Will remain opportunistic regarding capital allocation in second half of 2020; targeted net debt to adjusted EBITDA ratio remains below 3.5x

YTD Q2 2020 Cash Flow Uses and Estimated FY 2020 Outlook

$ millions	YTD Q2 2020	FY 2020
Cash Interest	$32	~$65
Cash Taxes	$29	~$75
Net Capex*	$14	~$30

Q2 2020 Capital Structure

Instrument	*(in millions)*
Corporate Revolver	$—
Term Loans	739
Other	1
Total First Lien Debt	**$739**
Total Unsecured Debt	**$800**
Total Debt	**$1,539**
Cash Balance	237
Net Debt	**$1,302**
Adjusted Shares Outstanding[1]	252
Market Capitalization[2]	$2,732
Total Capitalization	**$4,034**

Note: Totals may not sum due to rounding

* See non-GAAP definitions and reconciliations in the appendix

1. See p.9 for reconciliation to Adjusted Share Counts
2. Based on Element Solutions' closing stock price of $10.85 at June 30, 2020

Near Term Financial Outlook

Third Quarter 2020 Market Outlook

- Expect sequential net sales growth as end-markets rebound from COVID-19-related supply chain disruptions in Q2; expect year-over-year organic net sales to decline
  - Automotive and mobile phone outlooks remain negative relative to prior year
- Year-over-year comparison in Electronics expected to be impacted by a strong financial performance from high-margin Circuitry vertical in Q3 2019
- Delayed marketing launches by CPGs expected to weigh on net sales trends in Graphics
- Oil price volatility driving Energy customers to more conservative drilling programs and fluid inventory positions

Q3 2020 Adj. EBITDA* Guidance

$80 million +

FY 2020 Free Cash Flow* Outlook

> $185 million

Full Year 2020 Considerations

- Second half performance depends on robustness and sustainability of economic recovery
- Cost containment to continue into 2H to preserve profit margins
- Expect to continue to outperform key end-markets and deploy capital opportunistically
- Expect $8 million full year 2020 FX headwind to adj. EBITDA at June 30th rates; expect $3 million FX headwind to adj. EBITDA in 2H 2020

* See non-GAAP definitions and reconciliations in the appendix

Appendix

Capital Structure

($ millions)			
Instrument	**Maturity**	**Coupon**	**6/30/2020**
Corporate Revolver	1/31/2024	LIBOR plus 2.25%	$—
First Lien Credit Facility - USD Term Loans[1]	1/31/2026	LIBOR plus 2.00%	739
Other Secured Debt			1
Total First Lien Debt			**$739**
Senior Notes due 2025	12/1/2025	5.875%	800
Total Unsecured Debt			**$800**
Total Debt			**$1,539**
Cash Balance			$237
Net Debt			**$1,302**
Adjusted Shares Outstanding[2]			252
Market Capitalization[3]			**$2,732**
Total Capitalization			**$4,034**

Note: Totals may not sum due to rounding

1. Element Solutions swapped its floating term loan rate to a fixed rate through January 2024, which could vary due to changes in the euro and the U.S. dollar exchange rate. At June 30, 2020, approximately 100% of the Company's debt was fixed
2. See p.9 for reconciliation to Adjusted Share Counts
3. Based on Element Solutions' closing stock price of $10.85 at June 30, 2020

Reconciliation to Adjusted Share Counts

(amounts in millions)	Q2 2020	Q2 2019
Common shares outstanding	**249**	**257**
Number of shares issuable upon conversion of Series A Preferred Stock	—	2
Number of shares issuable upon vesting of granted Equity Awards[1]	3	3
Adjusted common shares outstanding	**252**	**261**

Note: Totals may not sum due to rounding
1 Equity awards with targets that are considered probable of achievement vested at target level

Net Income Attributable to Common Stockholders Reconciliation to Adj. EBITDA

($ millions)	Q2 2020	Q2 2019
Net income attributable to common stockholders	**$1**	**$2**
Add (subtract):		
Net loss attributable to the non-controlling interests	—	(0)
Loss from discontinued operations, net of tax	1	13
Income tax expense (benefit)	6	(7)
Interest expense, net	17	18
Depreciation expense	11	10
Amortization expense	29	28
EBITDA	**64**	**65**
Adjustments to reconcile to Adjusted EBITDA:		
Restructuring expense	3	3
Acquisition and integration costs	1	0
Foreign exchange loss on foreign denominated external and internal long-term debt	12	29
Debt refinancing costs	—	0
Change in fair value of contingent consideration	—	1
Other, net	4	3
Adjusted EBITDA	**$85**	**$101**

Note: Totals may not sum due to rounding

Net Debt to Adj. EBITDA Ratio Reconciliation on a Trailing Twelve Month Basis

($ millions)	YTD 2020	Q3 2019	Q4 2019	LTM Q2 2020
Net income (loss) attributable to common stockholders	**$10**	**$(7)**	**$74**	**$77**
Add (subtract):				
Net income attributable to the non-controlling interests	—	—	0	0
Loss (income) from discontinued operations, net of tax	1	1	(0)	2
Income tax expense	10	57	21	88
Interest expense, net	34	17	17	68
Depreciation expense	21	10	11	42
Amortization expense	58	28	28	115
EBITDA	**134**	**107**	**152**	**392**
Adjustments to reconcile to Adjusted EBITDA:				
Amortization of inventory-step-up	1	—	1	2
Restructuring expense	4	7	2	13
Acquisition and integration costs	8	1	(1)	8
Foreign exchange loss (gain) on foreign denominated external and internal long-term debt	41	1	(33)	9
Debt refinancing	—	—	1	1
Change in fair value of contingent consideration	—	1	(21)	(20)
Other, net	7	(1)	2	8
Adjusted EBITDA	**$195**	**$115**	**$102**	**$413**
Net Debt				**$1,302**
Net Debt to Adjusted EBITDA Ratio				***3.2x***

Note: Totals may not sum due to rounding

GAAP Net Income Reconciliation to Adjusted Diluted EPS

($ millions, except per share amounts)	**Q2 2020**	**Q2 2019**
Net income attributable to common stockholders	**$1**	**$2**
Net loss from discontinued operations attributable to common stockholders	(1)	(13)
Net income from continuing operations attributable to common stockholders	**2**	**15**
Reversal of amortization expense	29	28
Adjustment to reverse incremental depreciation expense from acquisitions	2	2
Restructuring expense	3	3
Acquisition and integration costs	1	0
Foreign exchange loss on foreign denominated external and internal long-term debt	12	29
Debt refinancing costs	—	0
Change in fair value of contingent consideration	—	1
Other, net	4	3
Tax effect of pre-tax non-GAAP adjustments	(13)	(18)
Adjustment to estimated effective tax rate	4	(9)
Adjusted net income from continuing operations attributable to common stockholders	**$44**	**$54**
Adjusted earnings per share from continuing operations	**$0.18**	**$0.21**
Adjusted common shares outstanding[1]	***252***	***261***

Note: Totals may not sum due to rounding

1. See p.9 for a reconciliation to Adjusted Share Counts

Organic Net Sales Growth Reconciliation

	Three Months Ended June 30, 2020					
	Reported Net Sales Growth	Impact of Currency	Constant Currency	Change in Pass-Through Metals Pricing	Acquisitions	Organic Net Sales Growth
Electronics	(5)%	2%	(4)%	2%	(5)%	(6)%
Industrial & Specialty	(29)%	3%	(26)%	—%	—%	(26)%
Total	**(15)%**	**2%**	**(13)%**	**1%**	**(3)%**	**(15)%**

Note: Totals may not sum due to rounding or due to varying sizes of the two reportable segments

Non-GAAP Definitions

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 acquisitions. Further, the Company adjusts its effective tax rate to 26% and 27% for the three ended June 30, 2020 and 2019, respectively, as described in the Release. Lastly, the 2019 adjusted EPS total is based on the Company's new capital structure by assuming that the sale of Agricultural Solutions 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, as described in the Release. 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: 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 $20.6 million at June 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, 2019. 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 June 30, 2020, Electronics' and the Company's consolidated results were positively impacted by $12.8 million of acquisitions and negatively impacted by $6.0 million of pass-through metals pricing.

****

The Company only provides Q3 2020 adjusted EBITDA guidance on a non-GAAP basis and does not provide reconciliation of this forward-looking non-GAAP measure to GAAP due to the inherent difficulty in forecasting and quantifying certain amounts that are necessary for such reconciliation, 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.