



Perimeter Solutions SA

Q3 2021 Earnings Call



Certain statements in this presentation and discussion are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and are based on Perimeter Solutions, SA's (the "Company") expectations, intentions and projections regarding the Company's future performance, anticipated events or trends and other matters that are not historical facts. Words such as "expects," "anticipates," "intends", "estimates," or similar expressions are intended to identify these forward-looking statements. These forward-looking statements include, but are not limited to, statements regarding estimates and forecasts of financial, operational and performance metrics; our guidance and expectations regarding volume and price growth in our Fire Safety and Oil Additives segments, and consolidated revenue and adjusted EBITDA growth; our growth opportunities and strategies for each of our business segments and potential positive impact to our financial and operational results; the opportunity to expand our business through strategic acquisitions consistent with our five target economic criteria; our ability to deliver long-term equity value creation; our expectations related to our Prevention and Protection business, including our expectations related to our new Phos-Check Fortify product; our expectations related to trends driving the global wildfire business; our expectations related to long-term secular growth and the long-term growth of the Company and our long-term market position; and expected capital allocation activities including, but not limited to, expectations relating to capital expenditures and share repurchases. These statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements. For further information, please refer to the Company's reports and filings with the Securities and Exchange Commission. Forward-looking statements speak only as of the date of such statements and, except as required by applicable law, the Company does not undertake any obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

To supplement the financial measures prepared in accordance with generally accepted accounting principles in the United States ("GAAP"), we have included the following non-GAAP financial information in this presentation: EBITDA, adjusted EBITDA, adjusted EBITDA margin, return on invested capital and free cash flow. The 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 Appendix to this presentation. Because these non-GAAP financial measures exclude certain items as described herein, they may not be indicative of the results that the Company expects to recognize for future periods. As a result, these non-GAAP financial measures should be considered in addition to, and not a substitute for, financial information prepared in accordance with GAAP.

Goal



*Deliver private equity like returns
with the liquidity of a public market*

Strategy

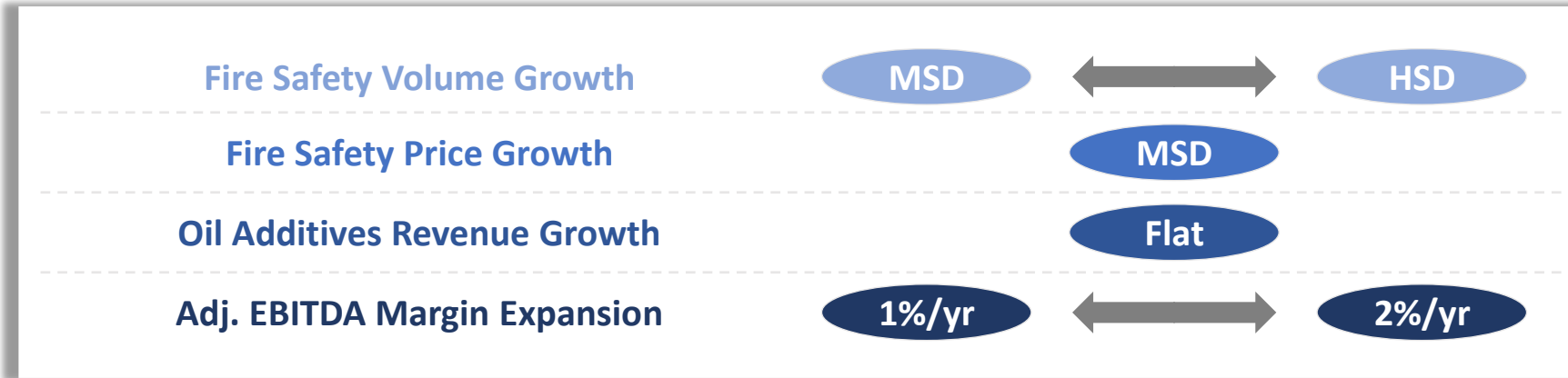


*Own, operate, and grow uniquely
high-quality businesses*

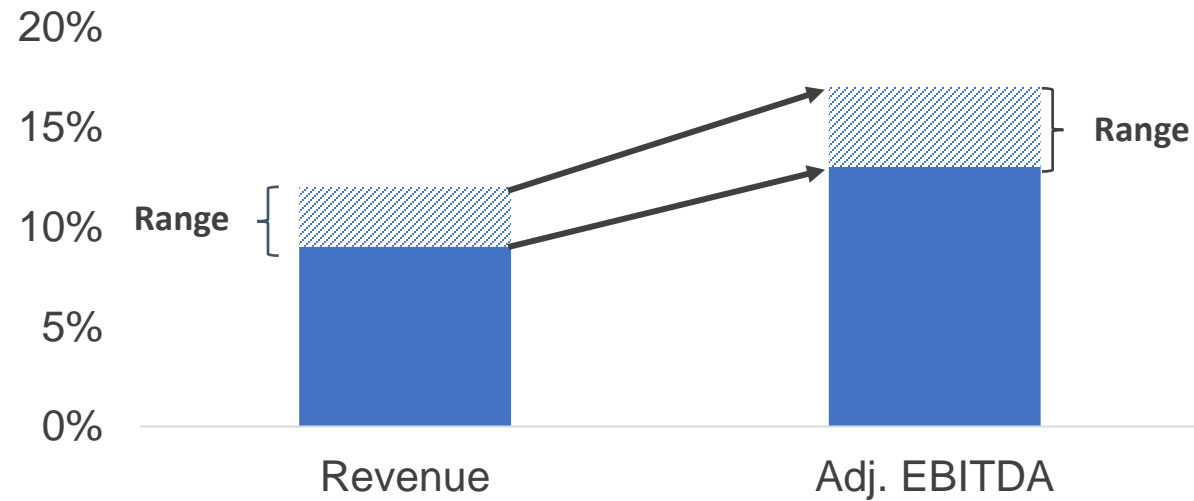
Target Economic Criteria

- ✓ Recurring and predictable revenue streams
- ✓ Long-term secular growth tailwinds
- ✓ Products that account for critical but small portions of larger value streams
- ✓ Significant free cash flow generation with high ROTC
- ✓ Potential for opportunistic consolidation

| Criteria | Commentary |
|--------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Recurring and Predictable Revenue Streams | <ul style="list-style-type: none">• Best in class metrics around long-term customer retention and growth• NA fire season introduces near-term variability, though dampening with growth in prevention/protection and geographic diversification |
| Long-Term Secular Growth Tailwinds | <ul style="list-style-type: none">• ~10% Fire Safety historical volume CAGR• Historical volume drivers expected to persist into the future• Nascent Prevention and Protection opportunity can be significant |
| Products that account for critical but small portions of larger value streams | <ul style="list-style-type: none">• Retardant is the active ingredient, and a critical component, in Wildfire fighting, but consistently represents a low-to-mid single-digit percent of suppression costs• Cost of failure involves loss of life and potentially catastrophic property, infrastructure, and environmental damage |
| Significant Free Cash Generation with High ROTC | <ul style="list-style-type: none">• ~40% Adjusted EBITDA margin• ~2% capex as % of revenue |
| Potential for Opportunistic Consolidation | <ul style="list-style-type: none">• Fire safety tuck-ins are expected to continue• We will actively evaluate acquisitions outside of fire safety consistent with our five target economic criteria |



Projected CAGR





Profitable New Business

International Opportunity

Prevention & Protection



Productivity and Cost Improvements

Annual cost improvements to offset inflation



Value Based Pricing

Rigorous value-based pricing methodology across customers & products



Capital Allocation

Fire Safety M&A

Other M&A

Share buybacks

Special dividends

YTD Performance vs Expectations

| Segment | YTD Adj. EBITDA Growth | Performance vs Expectations |
|---------------|------------------------|-----------------------------|
| Fire Safety | +13% | <i>Exceeded</i> |
| Oil Additives | +4% | <i>In-Line</i> |

- Met our commitments to our customers with 100% reliability; delivered every load and loaded every airtanker
- Completed the qualification process for PHOS-CHEK® FORTIFY®
- Continued the successful transition to PHOS-CHEK LCE20-Fx liquid concentrate retardant
- Introduced several new fluorine-free Class B fire fighting foams
- Continued to invest in international markets, notably Australia and Spain

Fire Safety

| | <u>Q3</u> | <u>YTD</u> |
|------------------------|-----------|------------|
| Revenue Growth | 14% | 11% |
| Adjusted EBITDA Growth | 13% | 13% |
| Adjusted EBITDA Margin | 57% | 49% |

Oil Additives

| | <u>Q3</u> | <u>YTD</u> |
|------------------------|-----------|------------|
| Revenue Growth | -1% | 13% |
| Adjusted EBITDA Growth | -55% | 4% |
| Adjusted EBITDA Margin | 11% | 23% |

Consolidated

| | <u>Q3</u> | <u>YTD</u> |
|------------------------|-----------|------------|
| Revenue Growth | 12% | 12% |
| Adjusted EBITDA Growth | 9% | 12% |
| Adjusted EBITDA Margin | 51% | 43% |

| Fire Safety | | | | |
|----------------------|---------------|---------------|---------------|---------------|
| (\$ '000) | <u>Q3 '21</u> | <u>Q3 '20</u> | <u>9M '21</u> | <u>9M '20</u> |
| Revenue | 172,445 | 151,083 | 237,256 | 213,916 |
| Adjusted EBITDA | 97,854 | 86,640 | 116,680 | 102,805 |
| Oil Additives | | | | |
| (\$ '000) | <u>Q3 '21</u> | <u>Q3 '20</u> | <u>9M '21</u> | <u>9M '20</u> |
| Revenue | 22,969 | 23,176 | 79,204 | 69,842 |
| Adjusted EBITDA | 2,496 | 5,591 | 17,919 | 17,236 |
| Consolidated | | | | |
| (\$ '000) | <u>Q3 '21</u> | <u>Q3 '20</u> | <u>9M '21</u> | <u>9M '20</u> |
| Revenue | 195,414 | 174,259 | 316,460 | 283,758 |
| Adjusted EBITDA | 100,350 | 92,231 | 134,599 | 120,041 |

| Item | Assumption |
|----------------------------|------------------------------------|
| Interest Expense | ~\$40M annually |
| Tax-deductible D&A | ~\$7-10M annually |
| Tax Rate | ~26% ⁽¹⁾ |
| Capital Expenditures | ~\$10M annually |
| Change In Working Capital | ~10-20% of the Δ in revenue |
| Current Shares Outstanding | ~157M |
| Year-end 2021 Net Debt | ~\$450M |

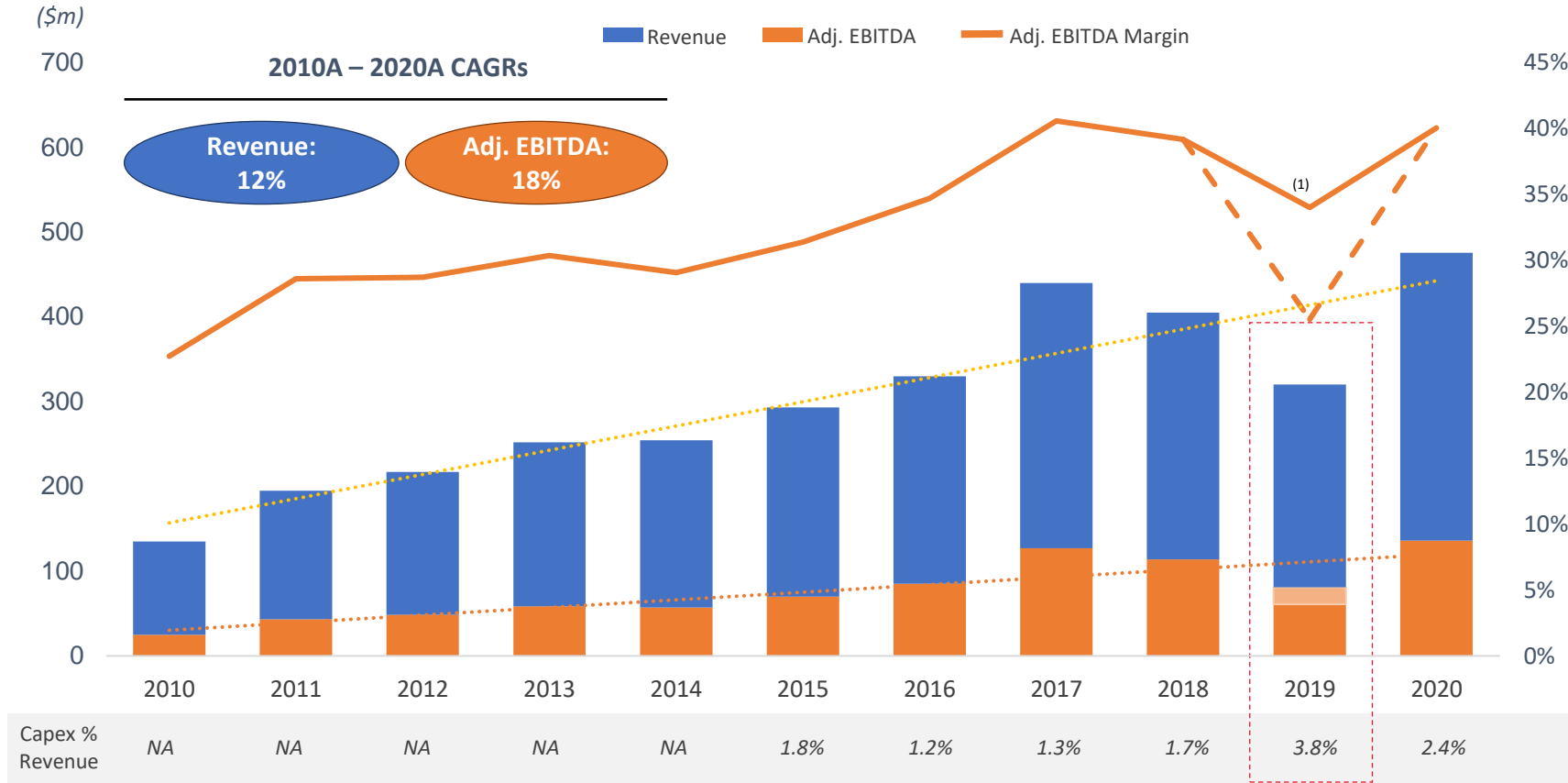
(1) Excluding impacts from purchase accounting, transaction related costs, and certain loss jurisdictions.



Supplementary Slides

Solutions That Save.

Long-Term Growth Track Record



Source: Company information

- 1) Expected margin based on actual 2019 revenue performance and projected fixed/variable cost modelling. Actual 2019 margin impacted by:
 - i. Closed acquisitions which operated at lower margins.
 - ii. Record sales by Australia distributor which operated at lower margins.
 - iii. Outages at significant Oil Additives customers which negatively impacted margins.
- 2) Defined as total US acres burned ex-Alaska

Lowest US fire season since 2004⁽²⁾

| | |
|--------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Product Qualification | <ul style="list-style-type: none">• Extensive performance, safety, and environmental testing driven by stringent regulatory and qualification requirements of the U.S. Forest Service |
| Full Service Requirement | <ul style="list-style-type: none">• Perimeter provides a comprehensive, integrated product and service offering<ul style="list-style-type: none">• Perimeter manages all aspects of Full Service base operations, including inventory, storage, mixing, and aircraft loading• Perimeter owns nearly all the equipment, and provides and manages the personnel• Perimeter also provides highly specialized equipment and services:<ul style="list-style-type: none">• Mobile Retardant Units to support forward base operations• Specialized ground application equipment that can operate 24/7• Combination of mission-critical product and service capabilities positions Perimeter as a unique partner where failure is not an option |
| Supply Chain Complexity | <ul style="list-style-type: none">• USFS bases carry as little as one day inventory and require frequent replenishment when busy• Perimeter’s strategically located supply chain delivers nearly anywhere in NA within hours |
| Strong Customer Relationships | <ul style="list-style-type: none">• Strong, long-standing relationships with customers lasting >30 years• Consistent new product introductions pulled by customer demand |

2009 – 2020 Retardant Volume CAGR = ~10% ⁽¹⁾

Historical Volume Growth Drivers

Higher Acres Burned and Longer Fire Seasons⁽²⁾

Increasing Wildland Urban Interface⁽³⁾

Increasing Firefighting Aircraft Capacity⁽⁴⁾

(1) 2009 through 2018 data per the National Interagency Coordination Center; data not available from NICC for 2019 and 2020 and represents management estimates; calculated CAGR is 11%.

(2) Per USDA Forest Service data, the five-year trailing average of acres burned in the United States has increased at every five-year interval between 1995 and 2020, from a five year trailing average of 2.5 million acres burned in 1995, to a five-year trailing average of 7.8 million acres burned in 2020.

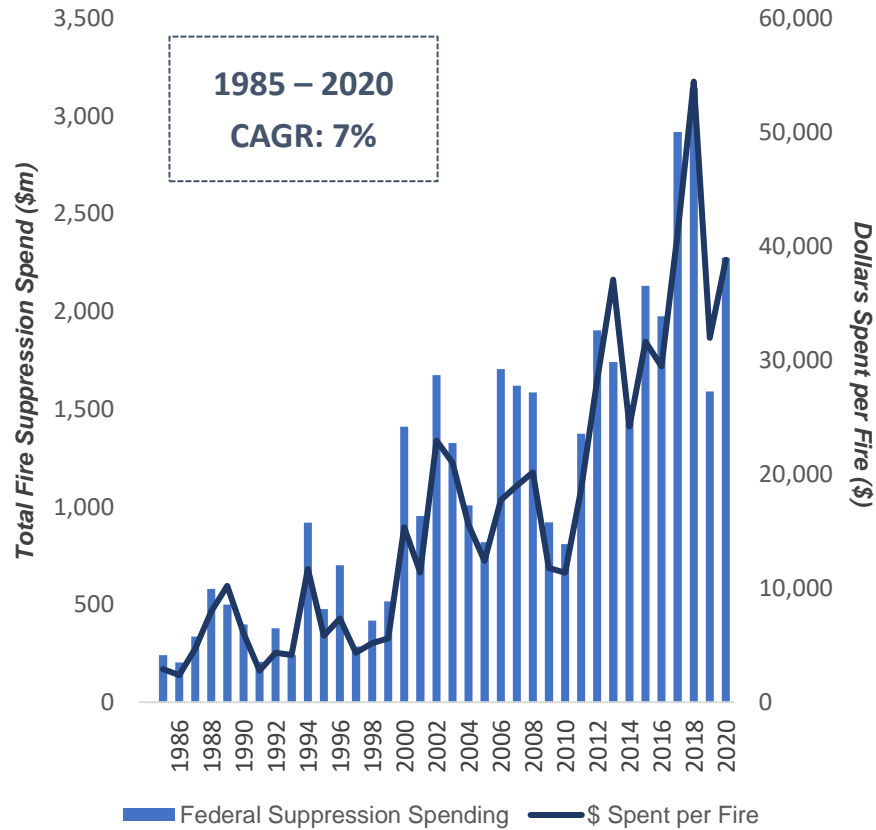
(3) According to Proceedings of the National Academy of Sciences of the United States of America, the Wildland-Urban Interface was the fastest-growing land use type in the conterminous United States from 1990 to 2010, with 97% of that growth the result of new housing.

(4) Since 2010, U.S. aircraft capacity increased significantly and is expected to further increase.

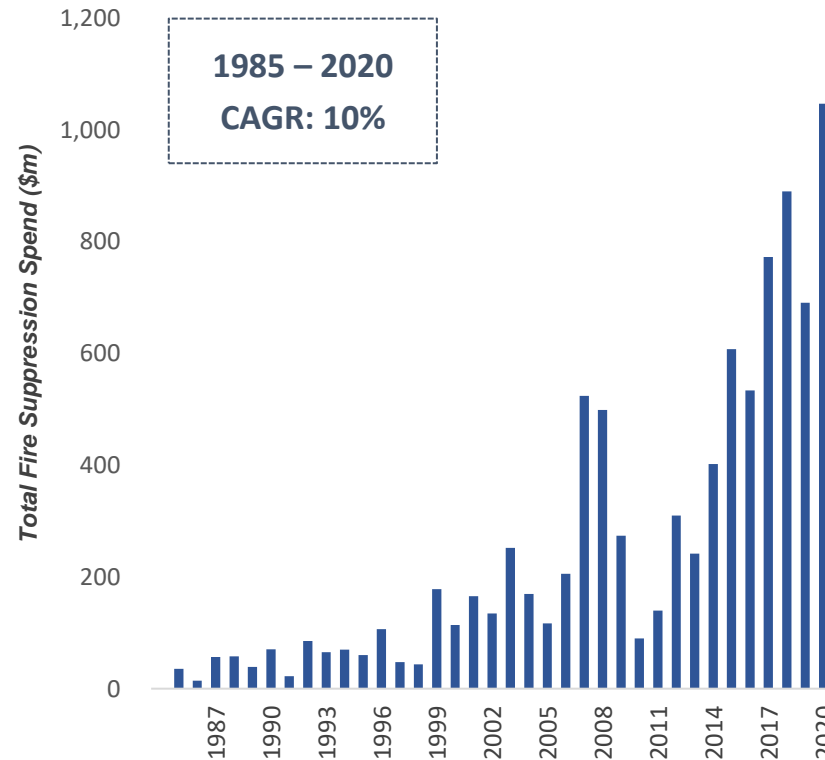
Long-Term Fire Safety Volume Growth

Domestic wildfire suppression spend is growing

Federal Fire Suppression Spend



California Fire Suppression Spend



Note: Data based December year end; California has been calendarized
Sources: National Interagency Fire Center; CAL FIRE

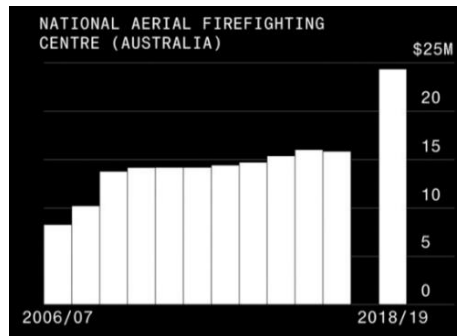
Wildfire severity and suppression spend are increasing globally

Australia Overview



- Australia's annual federal spend on aerial firefighting has steadily increased over the past 15 years

Annual Costs for Australian Firefighting Aviation Program

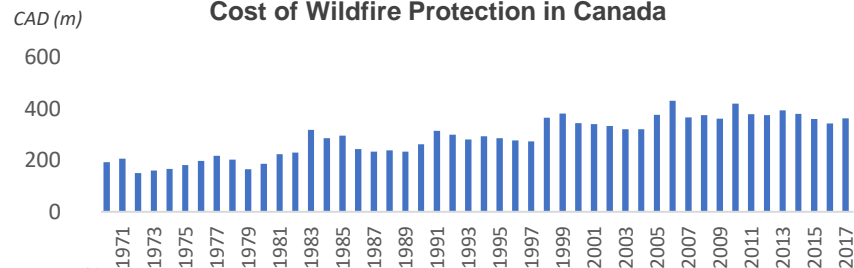


Canada Overview



- Researchers at the Canadian Forest Service project that wildland fire protection expenditures are projected to continue to increase rapidly, particularly in western Canada

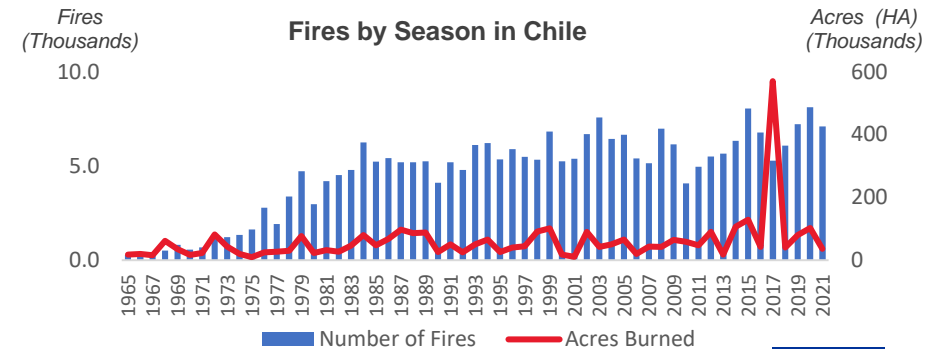
Cost of Wildfire Protection in Canada



Chile Overview



- The number of forest fires in Chile has increased over the last two decades, along with an increase in fire intensity as measured by acres burned

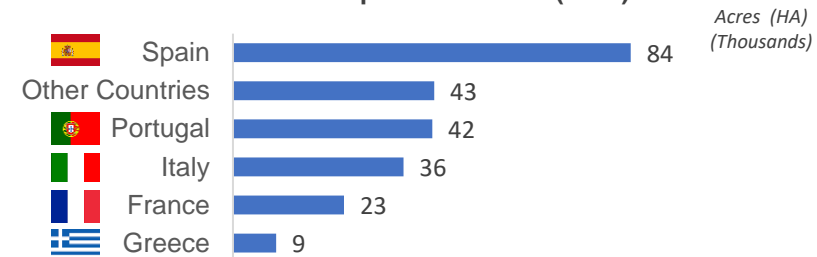


Europe Overview



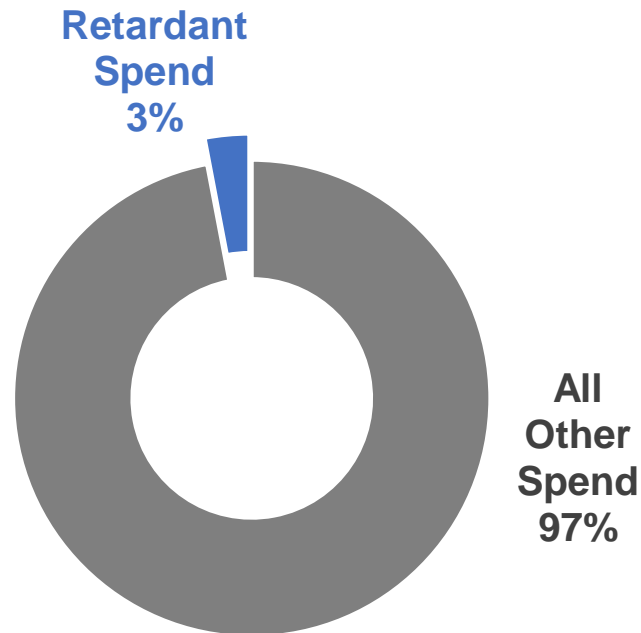
- Longer fire seasons and more severe fire weather are projected across most regions of Europe by the European Environment Agency

Acres Burned in European Countries (2019)

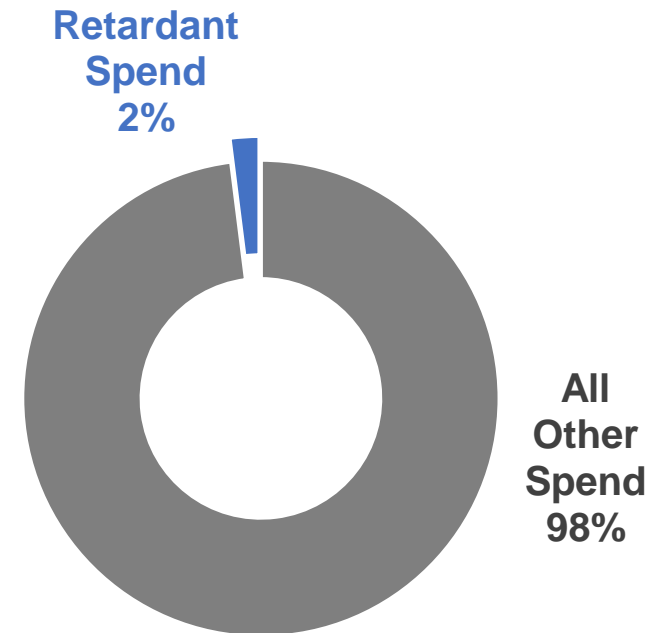


Retardant is the active ingredient, and a critical component, in wildfire fighting, but consistently represents 2-3% of suppression costs

Fire Retardant as a % of Federal Suppression Spend



Fire Retardant as a % of California Suppression Spend



Note:

- 1) Federal: Based on 2019 US Federal retardant spend as % of Suppression-Only Federal Firefighting Costs
- 2) CA: Based on 2019 US CA retardant spend as % of California Department of Forestry and Fire Protection Emergency Fund Fire Suppression Expenditures

1

Provide customers with high-value products and exceptional service

2

Maintain a decentralized and autonomous organization structure

3

Implement a compensation system that closely aligns management with shareholders

4

Follow our value-based operating methodology based on our three value driver concepts

5

Closely manage our capital structure to optimize value creation



Appendix

Solutions That Save.

Non-GAAP Financial Metrics

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|--------------------------------------------------|----------------------------------|------------|---------------------------------|------------|
| | 2021 | 2020 | 2021 | 2020 |
| Net income | \$ 52,009 | \$ 52,630 | \$ 29,632 | \$ 30,543 |
| Income tax expense..... | 18,637 | 16,966 | 13,151 | 11,242 |
| Depreciation and amortization | 15,212 | 14,592 | 45,593 | 43,371 |
| Interest and financing expense..... | 8,065 | 9,244 | 23,951 | 33,494 |
| Restructuring charges ^(a) | 3,855 | 445 | 12,805 | 690 |
| Loss on contingent earnout ^(b) | — | — | 2,763 | — |
| Management fees ^(c) | 313 | 344 | 937 | 969 |
| Deferred future payments ^(d) | 625 | 625 | 1,875 | 2,500 |
| Unrealized foreign currency (gain) loss | 1,634 | (2,615) | 3,892 | (2,768) |
| Adjusted EBITDA | \$ 100,350 | \$ 92,231 | \$ 134,599 | \$ 120,041 |
| Net Sales..... | \$ 195,414 | \$ 174,259 | \$ 316,460 | \$ 283,758 |
| Adjusted EBITDA margin..... | 51% | 53% | 43% | 42% |

(a) Adjustment to reflect non-recurring expenses incurred related to business combination with Perimeter Solutions.

(b) Adjustment to reflect changes in contingent consideration to prior owners of LaderaTech, an acquired business in 2020.

(c) Adjustment to reflect fees pertaining to services provided by SK Capital Partners IV-A, L.P. and SK Capital Partners IV-B, L.P. (collectively, the "Sponsor") when acting in a management capacity on strategic and other non-operational matters which do not represent expenses incurred in the normal course of our operations.

(d) Adjustment to reflect deferred compensation resulting from the Ironman Acquisition in 2019.



Thank You!

Solutions That Save.

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