HUNTSMAN

Enriching lives through innovation

Huntsman Corporation (NYSE – HUN)
Fourth Quarter 2025 Prepared Comments
February 17, 2026

On February 18, 2026, at 10:00 a.m. ET, Peter Huntsman, Chairman, President and CEO, and Phil Lister, Executive Vice President and CFO, will host a public question-and-answer session with analysts accessible on our website or by telephone as detailed in our fourth quarter 2025 financial results news release. These are their prepared remarks to accompany our results. They should be read together with the fourth quarter 2025 financial results news release and the slides detailing our fourth quarter 2025 financial results, both of which were publicly issued and posted on our website (www.huntsman.com/investors) after the close of NYSE trading on February 17, 2026.

This document, the accompanying slides, and the call/webcast include certain forward-looking statements about our projections or expectations for the future. All such statements are forward-looking statements and, while they reflect our current expectations, they involve risks and uncertainties and are not guarantees of future performance. You should review our filings with the SEC for more information regarding factors that could cause actual results to differ materially from these projections or expectations. We do not plan on publicly updating or revising any forward-looking statements during the quarter.

We also refer to certain non-GAAP financial measures such as adjusted EBITDA, adjusted net income or loss and free cash flow. You can find reconciliations to the most directly comparable GAAP financial measures in our earnings release which has been posted to our website at www.huntsman.com/investors.

Slide 4: Overview

Huntsman reported fourth quarter 2025 revenues of $1.4 billion and adjusted EBITDA of $35 million. Fourth quarter net loss attributable to Huntsman was $96 million and operating cash flow from continuing operations was $77 million.

Slide 5: Polyurethanes

Adjusted EBITDA for the Polyurethanes division in the fourth quarter was $25 million.
Sales volumes for the period increased by 2% compared to the previous year. This growth was primarily driven by strong performance in the Americas and Asian regions. However, these gains were partially offset by lower volumes in Europe, with the decline in that region attributed in part to the impact of an

unplanned outage at our Rotterdam facility during the quarter. Excluding the impact of the unplanned outage, growth in our Polyurethanes division would have been 5% compared to the prior year. Quarter-over-quarter, volumes declined by 4%. This decrease was mainly the result of seasonality, while underlying market conditions in core sectors remained largely unchanged. The construction and industrial sectors, including automotive, continued to present significant challenges. These sectors accounted for approximately 75% of total Polyurethanes sales during the quarter. Although market demand levels have been stable, they remain low overall. This environment led to increased pricing competition, particularly in the European market.

In the fourth quarter, adjusted EBITDA fell compared to the previous year, mainly because of pricing challenges in a competitive market; higher sales volumes, lower feedstock costs and cost savings from restructuring programs helped to partially offset the pricing environment. Earnings from our PO/MTBE joint venture were slightly above last year's results. The adjusted EBITDA margin for the quarter was 3%, which we view as significantly lower than the mid-cycle average, offering considerable potential for improvement when industry conditions get better.

European volumes experienced a single-digit decline, mainly because of the previously mentioned unplanned outage in the quarter. The outage happened in mid-November but had a slightly lower impact than anticipated, due to a faster-than-planned restart. Demand stayed weak throughout the fourth quarter, and increased competition among domestic producers pushed prices and margins down, outweighing benefits from restructuring. Imports from China to Europe stayed relatively stable all through the year. Regional profitability is still below breakeven on an adjusted EBITDA basis. We continue our rightsizing efforts in Europe—such as rationalizing sites and reducing the workforce—and remain committed to adjusting costs to match the realities of the polyurethanes market and European industrial policy changes. Pricing did begin to improve in the region early in 2026.

Asian volumes increased year-over-year, primarily attributable to growth in the insulation, adhesives, and coatings segments. MDI prices in China declined compared to the previous quarter. Nevertheless, our Asian operations remain both profitable and relatively stable, representing the most consistent region within our Polyurethanes portfolio. The PO/MTBE joint venture achieved results slightly above breakeven due to continued pressure on MTBE margins, a trend that is projected to continue into the first quarter.

Year-over-year, North American volumes increased by mid-single digits, driven mainly by new business wins in 2025—even as overall construction and industrial fundamentals remained challenging. MDI prices were stable to slightly lower depending on the end market, despite higher tariffs and newly imposed anti-dumping duties that significantly curbed imports from China. Weak demand prevented market tightening and 2025 also saw greater imports from Europe into the U.S., along with heightened competition in Latin America and Canada. Regional margins declined modestly due to seasonally low demand in the fourth quarter; however, the seasonal drop in volumes was less severe than expected in December, which helped offset the unplanned outage in our European operations. Looking forward, we anticipate that pricing and profitability in North America will rise well above current levels once demand recovers in our core construction and automotive markets. We believe supply chain inventories remain relatively low in the region, which could support a stronger outlook if construction activity gains momentum through 2026. Nevertheless, we are not awaiting an upturn in business fundamentals; instead, we are proactively reducing fixed costs and aiming to drive profitability through previously announced restructuring initiatives.

Our global automotive division accounts for about 15% of the Polyurethanes portfolio by volume and grew by 1% compared to the prior year in the fourth quarter. The global elastomers business, which makes up roughly 10% of the Polyurethanes portfolio, continues to deliver relatively stronger profitability, staying well above the average margin of the overall Polyurethanes segment. We are noticing encouraging trends in certain TPU markets within the elastomers sector, giving us early optimism for growth in this business in 2026.

While we expect our Polyurethanes business to return to higher profitability above the current level, short-term pricing and margins will largely depend on regional supply and demand, which remain generally challenging and are unlikely to improve until global construction and industrial markets rebound. While we have seen the first signs of improvement in European MDI pricing in the early part of the first quarter, seasonally weaker demand and recent increases in natural gas and benzene feedstock prices, both in Europe and the U.S., have placed some near-term pressure on profitability.

As mentioned last quarter, we extended our cost reduction initiatives through 2026 and approximately 80% of the targeted workforce reductions had taken place by the end of 2025.Beyond optimizing our cost structure, we rapidly aligned inventory levels in 2025 with demand levels, which had a meaningful impact on our cash flow conversion improvement, an area we expect to continue to deliver on during 2026.

We anticipate that the first quarter will be impacted by seasonality as well as some margin pressure. The first quarter is typically the seasonally weakest quarter of the year for our Polyurethanes segment due to the higher percentage of sales into construction markets. We expect polyurethanes first quarter adjusted EBITDA will be in the range of $25 million to $40 million.

Slide 6: Performance Products

Performance Products delivered adjusted EBITDA of $16 million in the fourth quarter of 2025, reflecting a year-over-year decline primarily due to lower margins, particularly in our amines product lines. Lower product margins were partially offset by fixed cost reductions achieved through restructuring initiatives, including the closure of the Moers facility. Volumes were up 2% year-over-year when excluding European maleic anhydride. As guided on our prior call, we did reduce inventories which modestly impacted adjusted EBITDA, with the benefits of cost control helping to mitigate some of the negative effects of margin compression and lower demand.

The year-over-year decline in profitability was primarily driven by competitive dynamics in various amines markets. Market demand remained muted overall, especially in construction and coatings & adhesives, offset by higher volumes in fuels & lubes, semiconductors, and gas treating. As a reminder, there was an accrual release in the third quarter of 2025 which did not repeat and explains more than half of the quarter-over-quarter decline in adjusted EBITDA for the division.

Cost reduction initiatives remained a priority in the quarter, including the continuing benefit from the previously announced closure of the Moers site. These restructuring actions delivered fixed cost savings, which helped to partially offset the impact of lower margins. As market demand recovers, we expect to realize further benefits from these cost savings as well as benefits from the growth capital investments we completed in 2025.

For the first quarter of 2026, we anticipate a continued competitive landscape to impact overall margins, which will be partially offset by cost savings efforts. We currently expect first quarter adjusted EBITDA for Performance Products to be in the range of $20 million to $30 million.

Slide 7: Advanced Materials

Advanced Materials delivered adjusted EBITDA of $36 million in the fourth quarter of 2025. Total sales for the quarter decreased 5% year-over-year. Lower demand, primarily in the industrial adhesives and industrial coatings segments and to a lesser extent in aerospace, was partially offset by growth in the power and automotive markets. The division's adjusted EBITDA margin was 15%, consistent with the prior year.

We are starting to see signs of improvement in the global aerospace supply chain as well as commentary from major OEMs expecting to increase production rates for wide-body platforms. Our aerospace business is most significantly impacted by wide-body platforms, so any increase in overall production will have a positive impact on this business. We expect adhesive applications for aircraft interiors to continue to do well with attractive margins

The power segment again experienced high single digit growth in the fourth quarter versus the prior year. The largest driver of this business was the investment in power generation and grid infrastructure globally, with China being the largest contributor. Demand for our products in this market will be driven by investment in long-distance transmission lines, substations, and high-voltage systems.

The Advanced Materials segment will remain the focus of portfolio expansion through bolt-on acquisitions over the longer term, but the current near-term priority is to focus on innovation sales growth, commercial wins, organic growth in aerospace and power and overall improved returns. Organic projects and R&D investments continue, including ongoing development of Miralon®.

The near-term outlook for Advanced Materials is an expectation for an improved performance versus the prior year with a first quarter adjusted EBITDA range of $38 million to $42 million.

<u>Slide 8 -10: Year-over-Year & Quarter-over-Quarter and Cost Realignment Plans</u>

Adjusted EBITDA for the fourth quarter 2025 was $35 million compared to $71 million in the fourth quarter of 2024 and $94 million in the third quarter of 2025. This result was a modest improvement compared to our updated guidance for the quarter, as we were able to restart our Rotterdam MDI facility slightly ahead of schedule. Revenues decreased 7% compared to both the prior year and the prior quarter. Adjusted EBITDA margin was 3%.

Volumes in the fourth quarter were similar to the prior year and were down 5% versus the prior quarter. Year-over-year growth was observed in both North America and Asia, primarily due to some rising industrial and consumer end markets, with construction increasing to a lesser extent. Volumes in Europe declined 6% due, in part, to the unplanned outage at Rotterdam. Sequentially, volumes were down 5% due to typical seasonality and the unplanned outage at Rotterdam.

In the fourth quarter, construction represented approximately 55% of global sales volumes and approximately 50% of revenue. Approximately 60% of our construction revenue globally derives from commercial or infrastructure sales, and approximately 40% comes from sales into residential end markets. By region, approximately 40% of total construction revenue came from North America sales mostly into residential housing, 25% from Europe driven by commercial sales, and approximately 25% from Asia where the majority of sales were for the infrastructure and commercial markets.

In local currency, price/mix from the fourth quarter 2024 to the fourth quarter 2025 was: Polyurethanes decline of 11%, Performance Products decline of 6% and Advanced Materials increase of

1%. Polyurethanes and Performance Products saw price/mix declines due to competitive market pricing pressures. Unit margins increased in Advanced Materials due to growth in our power business. Sequentially, price/mix was a decline of 2%, driven primarily by lower average selling prices in MDI in Europe. Equity income from our Chinese PO/MTBE joint venture was slightly positive in the fourth quarter, a modest improvement both sequentially and year-over-year.

In the latter part of 2024, we implemented further restructuring measures to enhance our cost competitiveness. These initiatives concentrate on optimizing our Polyurethanes business and aligning our European operations with the evolving regional landscape. The programs progressed towards completion during the quarter, achieving our target annualized run rate of approximately $100 million. By year end we had completed approximately 80% of the targeted workforce reductions. Roughly $50 million of benefits, excluding inflation, were realized in 2025 through plant cost reductions and SG&A savings. These efficiencies were primarily driven by workforce reductions, labor cost optimization, and previously announced site closures. The total cost of the program is estimated at $100 million, including $20 million in capital expenditures. To date, about $40 million in costs, excluding capital expenditures, have been incurred, with the remaining expenses anticipated in 2026. We expect to exceed the target of $100 million of run rate savings during 2026 with in year savings of $45 million, excluding the impact of inflation.

2025 full year SG&A costs were slightly lower than the prior year with savings from our cost realignment plans offsetting inflationary increases, foreign exchange and increased incentive compensation accruals compared to 2024 as a result of improved free cash flow delivery, a metric included in every associate’s incentive plan.

Corporate expenses for the fourth quarter totaled $42 million, up from $39 million a year earlier and $27 million in the previous quarter. The increase compared to the prior quarter is primarily attributed to higher accruals for incentive compensation, as well as a negative sequential impact from foreign exchange and LIFO. For the full year, corporate expenses decreased by 15% compared to 2024, driven by positive transactional foreign exchange impacts, reduced LIFO-related costs, and structural cost reduction initiatives, including ongoing continuous improvement efforts.

Our adjusted effective tax rate for the quarter was -14%. Going forward, our adjusted effective rate will depend on the level and mix of geographical income, particularly how much adjusted operating income is generated in Europe and the United States compared to China.

Slide 11: Cash Flow and Liquidity Considerations

2025 cash flow from operations was $298 million and free cash flow was $125 million. As a percentage of adjusted EBITDA, 2025 cash flow from operations was 108% and free cash flow was 45%.

Cash flow from operations for the fourth quarter was an inflow of $77 million with primary working capital a net inflow of $131 million. At the end of the quarter, our inventory levels were approximately 10% below our 2024 year-end inventory level. Our cash conversion cycle improved 10% as a direct result of our cash management program focused on improved cash delivery which included benefits in 2025 from our supply chain financing program and extension to accounts payable terms.

Capital expenditures during the fourth quarter were $57 million and $173 million for the full year. We currently expect to manage capital expenditures to a similar level in 2026 with critical maintenance, cybersecurity risk mitigation, and mandatory safety and environmental spend of approximately $150 million. Depreciation and amortization is expected to run at approximately $290 million in 2026.

In addition to capital expenditures, the following cash items should be considered when modeling free cash flow in 2026. Firstly, excluding changes in profitability, we expect approximately $40 million less cash taxes in 2026 compared to 2025 as a result of one time impacts in the US and Germany this past year. Secondly, irrespective of the economic environment we are targeting continued improvements in our cash conversion cycle through our cash management program which covers all of payables, receivables and inventory. Thirdly and as a reminder, we received a one-time litigation payment in 2025 of approximately $30 million. Fourthly, we expect variable compensation cash payments will be approximately $15 million more than the low point of 2025, although still well below target levels of payout. Finally, cash restructuring payments are expected to be approximately $15 million higher in 2026 compared to 2025 as a result of our workforce reduction and site closure actions and dividends from our equity investments are expected to be a headwind of approximately $10 million.

Since the start of 2024, we have maintained our net debt at approximately $1.5 billion despite the deep chemical trough we have experienced. We closed 2025 with just under $1.6 billion. Net debt leverage increased to 5.8x due to the decline in adjusted EBITDA. At the end of the year, we had $429 million cash on hand compared to $340 million at the end 2024. We have long term debt of approximately $1.5 billion related to our senior notes maturing in 2029, 2031 and 2034.

On February 9, 2026, we entered into a new $800 million senior secured revolving credit facility, replacing our prior 2022 agreement. We have the option to increase total commitments by up to an additional $400 million, subject to leverage tests and other conditions. The new credit facility extends our maturity to 2031. As part of this transaction, we terminated and repaid all obligations under the previous 2022 facility. In addition, at the end of 2025, we increased our U.S. securitization borrowing capacity and extended the program through 2028. Overall, Huntsman's capital structure is aligned with our current portfolio and long-term strategic priorities. On a pro-forma basis at the end of 2025, we had approximately $1 billion of liquidity.

Adjusted diluted loss per share was 37 cents for the quarter. Our quarterly dividend is currently $0.0875 per share, an annual payout of $0.35 per share, and our dividend yield is currently approximately 3%. We did not repurchase any shares in 2025 and do not currently anticipate repurchasing shares in 2026.

This concludes our prepared remarks regarding the fourth quarter 2025 results and our current outlook. We look forward to updating the market when we report our first quarter 2026 results.

About Huntsman:
Huntsman Corporation is a publicly traded global manufacturer and marketer of differentiated and specialty chemicals with 2025 revenues of approximately $6 billion from our continuing operations. Our chemical products number in the thousands and are sold worldwide to manufacturers serving a broad and diverse range of consumer and industrial end markets. We operate more than 55 manufacturing, R&D and operations facilities in approximately 25 countries and employ approximately 6,000 associates within our continuing operations. For more information about Huntsman, please visit the company's website at www.huntsman.com.

Social Media:
X: www.x.com/Huntsman_Corp
Facebook: www.facebook.com/huntsmancorp
LinkedIn: www.linkedin.com/company/huntsman

Forward-Looking Statements:
This press release 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, divestitures or strategic transactions, business trends and any other information that is not historical information. When used in this press release, the words "estimates," "expects," "anticipates," "likely," "projects," "outlook," "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. These forward-looking statements, including, without limitation, management's examination of historical operating trends and data, are based upon our current expectations and various assumptions and beliefs. In particular, such forward-looking statements are subject to uncertainty and changes in circumstances and involve risks and uncertainties that may affect the Company's operations, markets, products, prices and other factors as discussed in the Company's filings with the Securities and Exchange Commission (the "SEC"). Significant risks and uncertainties may relate to, but are not limited to, high energy costs in Europe, inflation and high capital costs, geopolitical instability, volatile global economic conditions, cyclical and volatile product markets, disruptions in production at manufacturing facilities, reorganization or restructuring of the Company's operations, including any delay of, or other negative developments affecting the ability to implement cost reductions and manufacturing optimization improvements in the Company's businesses and to realize anticipated cost savings, and other financial, operational, 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, 2025, which may be supplemented by other risks and uncertainties disclosed in any subsequent reports filed or furnished by the Company from time to time. All forward-looking statements apply only as of the date made. Except as required by law, the Company undertakes no obligation to update or revise forward-looking statements to reflect events or circumstances that arise after the date made or to reflect the occurrence of unanticipated events.