

The logo for Huntsman, featuring the word "HUNTSMAN" in a bold, blue, sans-serif font. The text is centered between two horizontal red bars.

Enriching lives through innovation

# Earnings Summary

## Fourth Quarter 2020

### Conference Call

Friday, February 12, 2021

10:00 a.m. ET

Webcast link:

<https://78449.themediaframe.com/dataconf/productusers/hun/mediaframe/42984/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

## Fourth Quarter 2020

<i>(\$ in millions, except per share amounts)</i>	<b>4Q20</b>	<b>4Q19</b>	<b>2020</b>	<b>2019</b>
Revenues	\$ 1,668	\$ 1,657	\$ 6,018	\$ 6,797
Net income	\$ 360	\$ 308	\$ 1,066	\$ 598
Adjusted net income	\$ 113	\$ 65	\$ 218	\$ 353
Diluted income per share	\$ 1.54	\$ 1.34	\$ 4.66	\$ 2.44
Adjusted diluted income per share	\$ 0.51	\$ 0.29	\$ 0.98	\$ 1.53
Adjusted EBITDA	\$ 240	\$ 182	\$ 647	\$ 846
Net cash provided by operating activities from continuing operations	\$ 167	\$ 222	\$ 277	\$ 656
Free cash flow from continuing operations	\$ 88	\$ 129	\$ 28	\$ 382
Adjusted free cash flow from continuing operations	\$ 157	\$ 129	\$ 285	\$ 382

*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

## Fourth Quarter 2020

### Revenues

\$ in millions

Y/Y ↑ 5%      Q/Q ↑ 10%

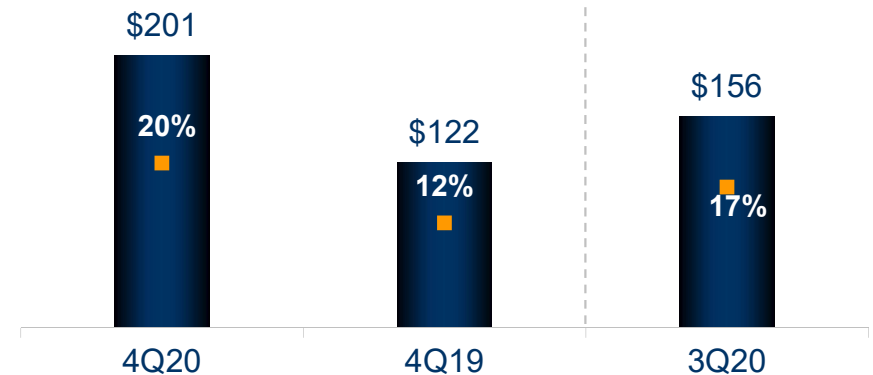


### Adjusted EBITDA

\$ in millions

Adjusted EBITDA Margin

Y/Y ↑ 65%      Q/Q ↑ 29%



### Sales Factors

	Price: Local <sup>(1)</sup>	Price: FX <sup>(1)</sup>	Mix & Other	Volume <sup>(2)</sup>
Y/Y	↑ 8%	↑ 3%	↓ 3%	↓ 3%
Q/Q	↑ 10%	↑ 2%	↑ 1%	↓ 3%

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

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

### Highlights

#### Current Quarter

- MDI volumes decreased 8% YoY largely due to supplier outages
- Differentiated margins remain stable
- Component MDI and polymeric systems margins sharply improved
- Volumes in Huntsman Building Solutions and Automotive up YoY

#### 1Q21 Outlook

- 1Q21 Adj. EBITDA projected to be slightly more than double 1Q20 results, including T&I related headwinds
- Positive trends in construction (including spray polyurethane foam), automotive and elastomer markets
- Continued strength in China, but lower margins in China component MDI and polymeric systems QoQ

# Performance Products

## Fourth Quarter 2020

### Revenues

\$ in millions

Y/Y ↓ 5%      Q/Q ↑ 11%

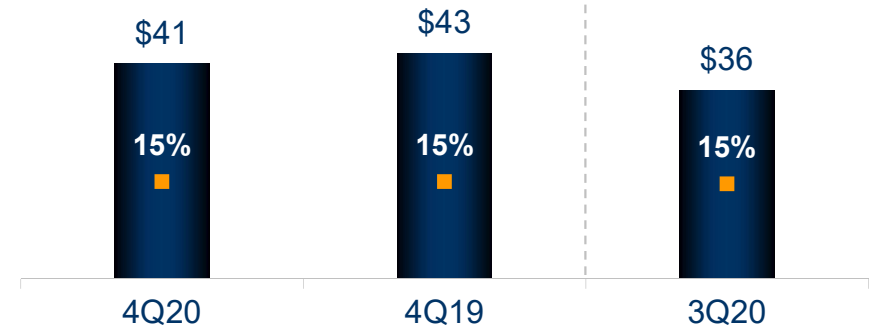


### Adjusted EBITDA

\$ in millions

Adjusted EBITDA Margin

Y/Y ↓ 5%      Q/Q ↑ 14%



### Sales Factors

	Price: Local <sup>(1)</sup>	Price: FX <sup>(1)</sup>	Mix & Other	Volume <sup>(2)</sup>
Y/Y	↓ 2%	↑ 2%	↓ 1%	↓ 4%
Q/Q	↑ 2%	↑ 1%	↓ 8%	↑ 16%

### Highlights

#### Current Quarter

- Performance Amines near full recovery
- Maleic Anhydride margins remained stable with UPR markets improving
- Ethyleneamine margins low, but stable, with volumes slightly up

#### 1Q21 Outlook

- 1Q21 Adj. EBITDA to be up 10%-15% YoY
- Improved volumes in Americas and Asia YoY
- Positive volume trends QoQ across the portfolio

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

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

# Advanced Materials

## Fourth Quarter 2020

### Revenues

\$ in millions

Y/Y ↓ 14%      Q/Q ↑ 4%

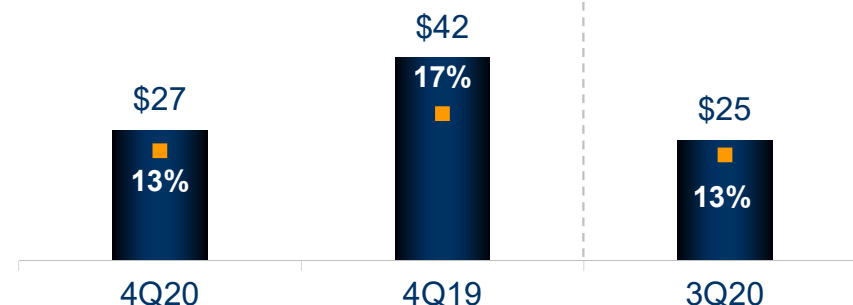


### Adjusted EBITDA

\$ in millions

Adjusted EBITDA Margin

Y/Y ↓ 36%      Q/Q ↑ 8%



### Sales Factors

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

### Highlights

#### Current Quarter

- Specialty sales increase 4% YoY excluding Aerospace
- CVC Thermoset Specialties earnings offset lost earnings from the DIY divestiture

#### 1Q21 Outlook

- 1Q21 Adj. EBITDA to be up ~40% over 4Q20
- Improving QoQ trends across all markets including Aerospace
- Synergy capture from acquisitions on track

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

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

# Textile Effects

## Fourth Quarter 2020

### Revenues

\$ in millions

Y/Y ↓ 4%      Q/Q ↑ 22%



### Adjusted EBITDA

\$ in millions

Adjusted EBITDA Margin

Y/Y --      Q/Q ↑ 125%



### Sales Factors

	Price: Local <sup>(1)</sup>	Price: FX <sup>(1)</sup>	Mix & Other	Volume <sup>(2)</sup>
Y/Y	↓ 6%	--	↓ 1%	↑ 3%
Q/Q	↑ 1%	↑ 1%	--	↑ 20%

### Highlights

#### Current Quarter

- Volumes increase 3% year over year
- Improving global demand

#### 1Q21 Outlook

- 1Q21 Adj. EBITDA to be up slightly YoY
- Favorable trends in sustainable solutions
- First quarter orders returning to 2019 levels

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

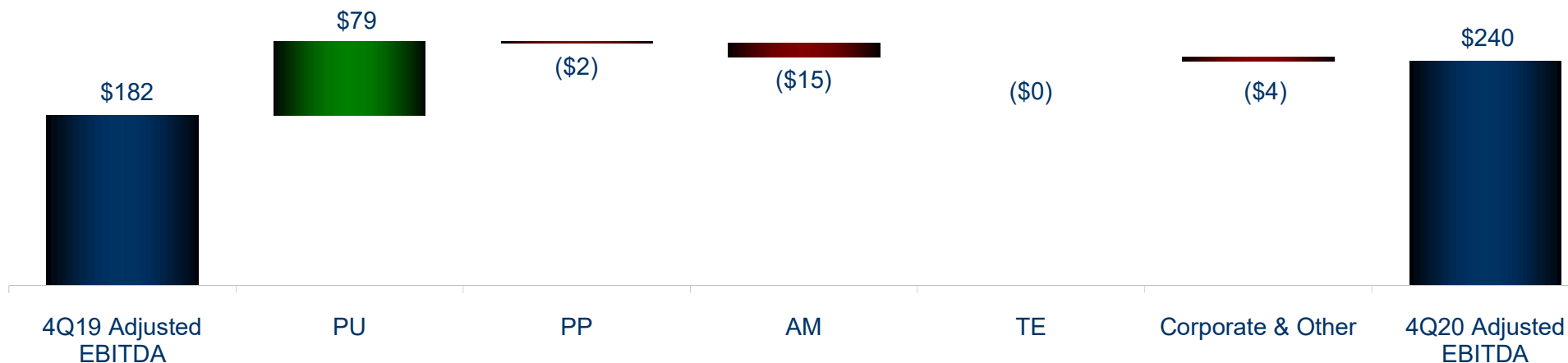
(2) Excludes sales volumes of by-products and raw materials.

# Adjusted EBITDA Bridge

Fourth Quarter 2020

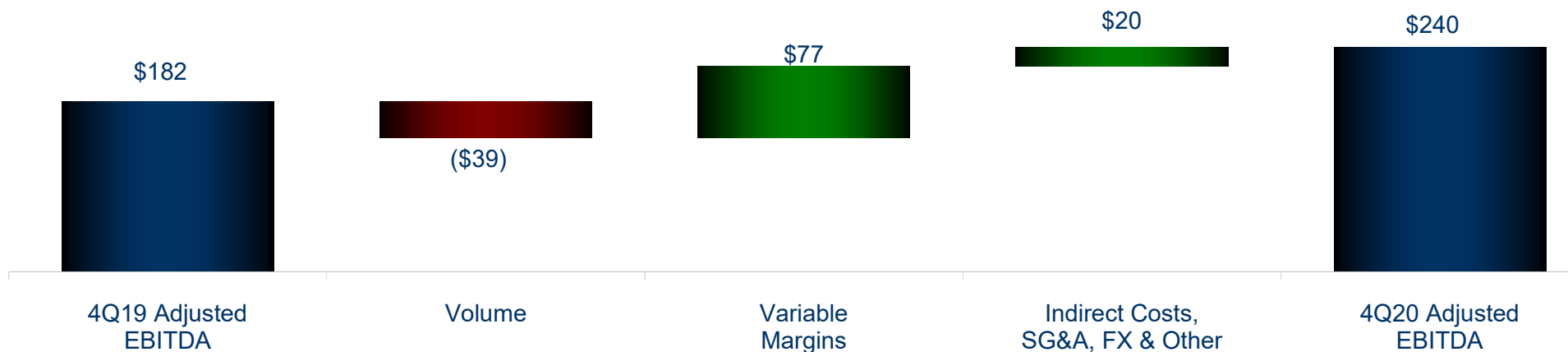
## Year / Year – By Segment

\$ in millions



## Year / Year – Total Company

\$ in millions





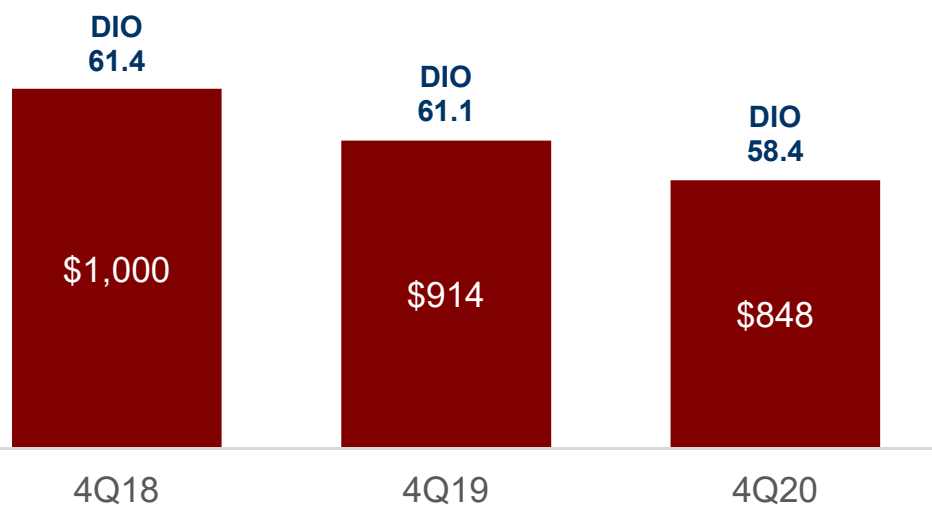
# Debt and Liquidity Considerations

## Free Cash Flow

*USD in millions*

	4Q20	4Q19	2020	2019
Net cash provided by operating activities	\$ 167	\$ 222	\$ 277	\$ 656
Capital expenditures	(79)	(93)	(249)	(274)
<b>Free cash flow from continuing operations</b>	<b>\$ 88</b>	<b>\$ 129</b>	<b>\$ 28</b>	<b>\$ 382</b>
Taxes paid on sale of businesses	69	-	257	-
<b>Adjusted free cash flow from continuing operations</b>	<b>\$ 157</b>	<b>\$ 129</b>	<b>\$ 285</b>	<b>\$ 382</b>
<b>Supplemental cash flow information:</b>				
Cash paid for interest	\$ (41)	\$ (46)	\$ (90)	\$ (111)
Cash paid (received) for income taxes	(74)	2	(316)	(100)
Cash paid for restructuring and integration	(3)	(7)	(27)	(21)
Cash paid for pensions	(28)	(24)	(101)	(92)
Depreciation and amortization	77	69	283	270
Change in primary working capital	105	164	277	236
<b>Strong Consistent Adj. Free Cash Flow Conversion</b>			<b>44%</b>	<b>45%</b>

## Inventory Management



## Strong Balance Sheet

- **Low leverage of 0.8x (1.2x PF for Gabriel Acquisition)**
- **Robust liquidity of ~\$3.0 billion**

## Commentary

- Sale of India DIY business for up to \$285mm (15x) on November 3, 2020
  - \$257mm cash up front; up to \$28mm in earnout within 18 months
- Acquisition of Gabriel Performance Products for \$250mm (11x, 8x post synergies) on January 15, 2021
- Sale of 42.4mm Venator shares (including 30-month option) for \$100mm on December 23, 2020
  - Facilitated cash tax savings of \$150mm by offsetting related capital loss against capital gain from sale of Chemicals and Intermediates business
- Sale and lease back of Basel, Switzerland property for \$73mm
- 2021 estimated capital expenditures between \$320mm and \$330mm
  - Includes ~\$80mm of Geismar Splitter targeted for startup up mid 2022
  - Includes ~\$30mm of incremental strategic high return projects within downstream footprint, reinvesting funds received from the sale and lease back
- Redeemed in full on January 15, 2021 €445 million (~\$541mm) at par our 5.125% senior notes due 2021
- March/April 2021 4-year scheduled cluster Rotterdam turnaround
  - Estimated Q1 and Q2 2021 cash impact of ~\$40mm
- 17% 4Q20 effective tax rate; estimated long term effective tax rate remains 22% to 24%

# Cost Realignment & Synergy Plans on Track

Delivery of >\$120 million Run Rate Benefits Targeted by Year-End 2023

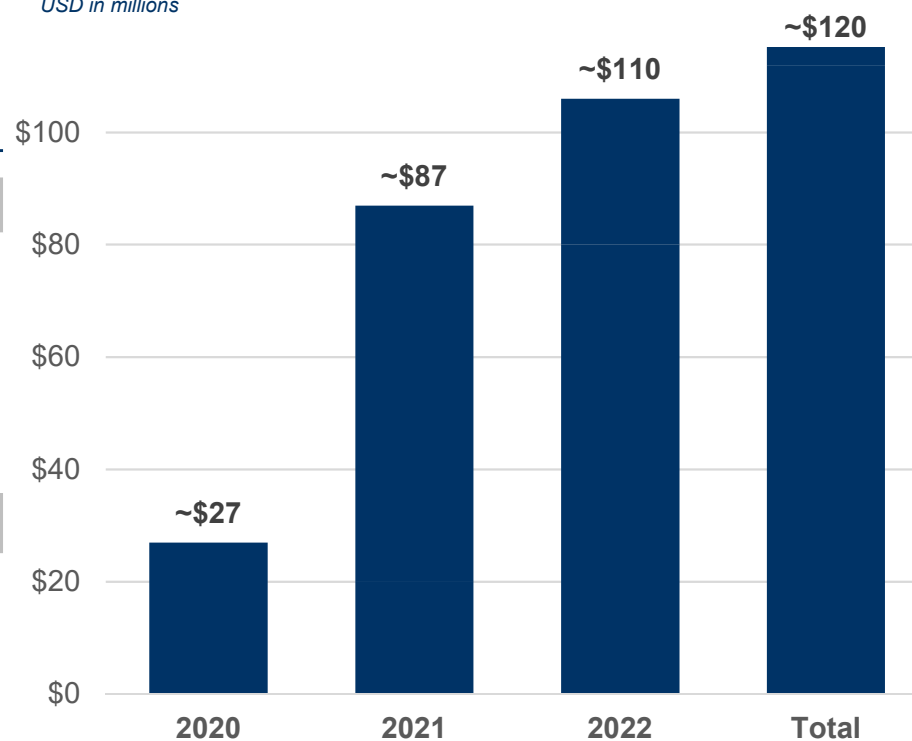
## Targeted Benefits & Completion Timing

USD in millions

	Targeted Adj. EBITDA Benefit	Targeted Completion Timing
<b>Acquisition Synergies</b>		
HBS Synergies	~\$20mm	Early 2021
CVC Synergies	~\$15mm	Year-end 2021
Gabriel Synergies	~\$8mm	Early 2023
<b>Cost Realignment &amp; Business Optimization</b>		
Polyurethanes	~\$40mm	Mid 2022
Advanced Materials	~\$10mm	Mid 2022
Performance Products	~\$7mm	Year-end 2020
Textile Effects	~\$10mm	Year-end 2021
Corporate	>\$10mm	Mid 2023
	<b>&gt;\$120mm</b>	

## Targeted In-Year Benefit Delivery

USD in millions



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

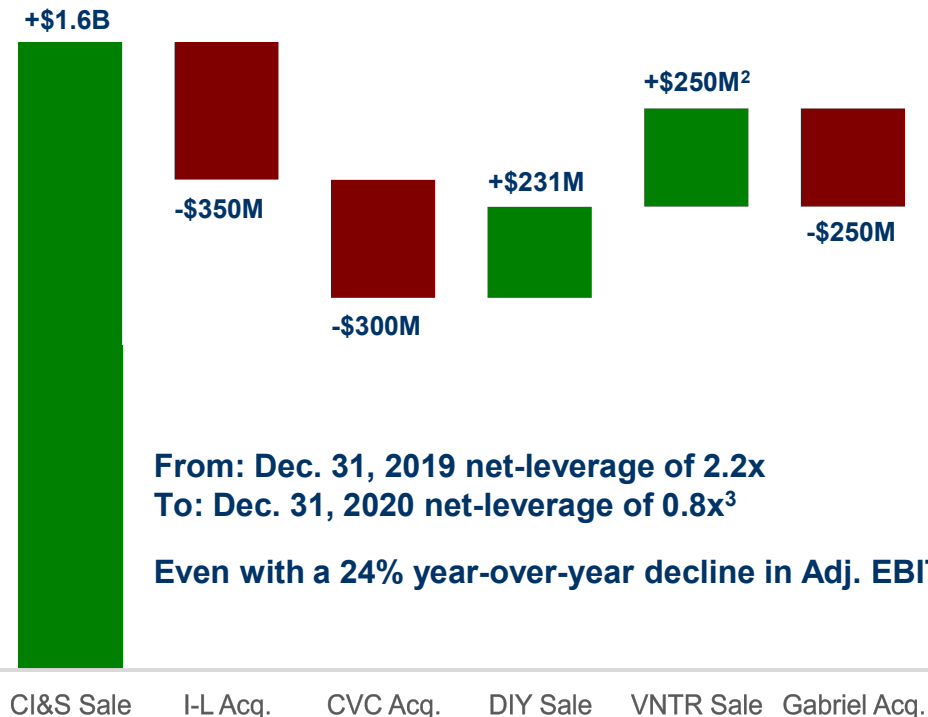
# Huntsman Took Several Strategic Leaps Forward in 2020

## Strategic M&A

- ✓ Divested Chemical Intermediates businesses for ~\$2 billion
- ✓ Acquired Icyne-Lapolla for ~\$350 million and combined with Demilec to create Huntsman Building Solutions
- ✓ Acquired CVC Thermoset Specialties for ~\$300 million
- ✓ Divested India-based DIY Consumer Adhesives business for ~\$257 million; up to ~\$28 million additional in earn-out within 18 months
- ✓ Sold shares of Venator for ~\$100 million; includes future option for the buyer to purchase remaining ~9.5 million shares at \$2.15 per share. Received immediate tax savings of ~\$150 million by offsetting capital loss on sale of Venator shares against capital gain realized on the sale of our Chemical Intermediate and Surfactant businesses.
- ✓ Announced acquisition of Gabriel Performance Products for ~\$250 million in December; closed in January 2021

## Stronger Balance Sheet on Exit vs Entrance

The Cash From M&A was a Net Positive ~\$1.2 Billion<sup>1</sup>



(1) Includes Gabriel Performance Products which closed on January 15, 2021

(2) Includes the ~\$150 million tax benefit from offsetting the capital loss on VNTR shares against the capital gain on the CI&S sale

(3) Net-leverage pro-forma for the Gabriel acquisition is 1.2x

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# Appendix

# Summary Financials and Reconciliation

USD In millions	1Q19	2Q19	3Q19	4Q19	FY19	1Q20	2Q20	3Q20	4Q20	FY20
<b>Segment Revenues:</b>										
Polyurethanes	\$ 924	\$ 1,014	\$ 993	\$ 980	\$ 3,911	\$ 888	\$ 730	\$ 936	\$ 1,030	\$ 3,584
Performance Products	300	299	281	278	1,158	292	228	238	265	1,023
Advanced Materials	272	275	256	241	1,044	241	192	199	207	839
Textile Effects	189	215	179	180	763	180	102	142	173	597
Corporate and eliminations	(16)	(19)	(22)	(22)	(79)	(8)	(5)	(5)	(7)	(25)
<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>Segment Adjusted EBITDA:</b>										
Polyurethanes	\$ 124	\$ 156	\$ 146	\$ 122	\$ 548	\$ 84	\$ 31	\$ 156	\$ 201	\$ 472
Performance Products	45	42	38	43	168	58	29	36	41	164
Advanced Materials	53	55	51	42	201	48	30	25	27	130
Textile Effects	22	28	16	18	84	20	(4)	8	18	42
Corporate, LIFO and other	(40)	(36)	(36)	(43)	(155)	(45)	(32)	(37)	(47)	(161)
<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>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>
Net income attributable to noncontrolling interests	(12)	(8)	(11)	(5)	(36)	(3)	(3)	(9)	(17)	(32)
<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>
Interest expense from continuing operations	30	29	27	25	111	18	21	24	23	86
Income tax expense (benefit) from continuing operations	45	38	30	(151)	(38)	7	(13)	15	37	46
Income tax expense (benefit) from discontinued operations <sup>(a)</sup>	5	14	25	(9)	35	238	1	-	3	242
Depreciation and amortization from continuing operations	67	69	65	69	270	67	69	70	77	283
Depreciation and amortization from discontinued operations <sup>(a)</sup>	23	23	13	2	61	-	-	-	-	-
Business acquisition and integration expenses and purchase accounting inventory adjustment:	1	-	3	1	5	13	8	9	1	31
EBITDA from discontinued operations, net of tax <sup>(a)</sup>	(51)	(72)	(106)	(36)	(265)	(1,015)	(6)	-	4	(1,017)
Loss (gain) on sale of businesses/assets	-	-	-	21	21	(2)	1	-	(279)	(280)
Income from transition services arrangements	-	-	-	-	-	-	(5)	(1)	(1)	(7)
Fair value adjustments to Venator investment and related loss on disposal <sup>(b)</sup>	(76)	18	148	(72)	18	110	(4)	(6)	(12)	88
Loss on early extinguishment of debt	23	-	-	-	23	-	-	-	-	-
Certain legal and other settlements and related expenses (income)	-	-	1	5	6	2	4	(4)	3	5
Certain non-recurring information technology implementation costs	-	-	1	3	4	1	1	1	3	6
Amortization of pension and postretirement actuarial losses	17	16	16	17	66	18	19	20	19	76
Restructuring, impairment and plant closing and transition costs (credits)	1	-	(43)	1	(41)	3	19	12	18	52
Plant incident remediation costs	-	-	5	3	8	-	1	-	1	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>