



**HUNTSMAN**

Enriching lives through innovation

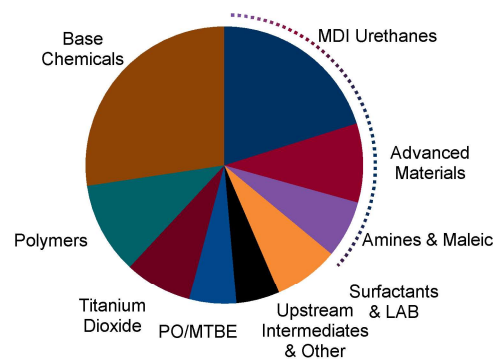
# Citi Basic Materials Conference

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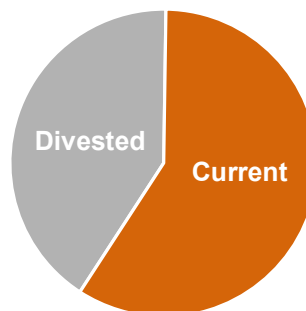
Huntsman Corporation  
(NYSE – HUN)

November 30, 2021

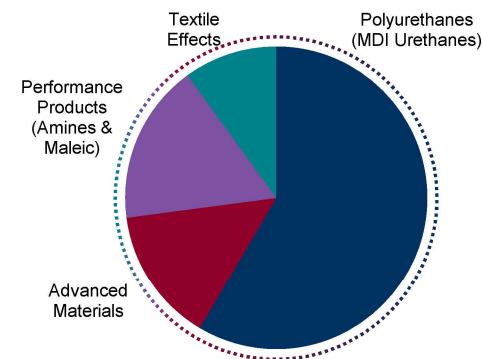
# Creating a Simplified, Higher Value-Added Portfolio



2005



2017



Today

## What We No Longer Sell

- Benzene
- Butadiene
- Ethylene Glycol
- Ethylene Oxide
- LAB
- Polyethylene
- Propylene
- Polypropylene
- Polystyrene
- Titanium Dioxide
- Toluene
- Styrene
- Surfactants
- US PO/MTBE
- Xylene

## What We Sell Today

- Specialty Formulations
- Formulations for Textile Industry
- Maleic Anhydride
- Differentiated Components
- Specialty Chemical Additives
- Commodity MDI

## Company Overview

# Huntsman's Portfolio Today



	Polyurethanes	Performance Products	Advanced Materials	Textile Effects	Total
3Q21 LTM Sales Revenue	\$4.7 billion	\$1.3 billion	\$1.1 billion	\$0.8 billion	\$7.8 billion
3Q21 LTM Adj. EBITDA	\$862 million	\$295 million	\$177 million	\$93 million	\$1.2 billion
3Q21 LTM Adj. EBITDA Margin %	19%	22%	16%	12%	16%
Key Competitors					
Key End Markets	<ul style="list-style-type: none"> <li>Insulation</li> <li>Adhesives, coatings, elastomers &amp; footwear</li> <li>Automotive</li> <li>Construction materials</li> <li>Other industrial markets</li> </ul>	<ul style="list-style-type: none"> <li>Coatings &amp; adhesives</li> <li>Construction materials</li> <li>Polyurethane additives</li> <li>Fuel &amp; lubricant additives</li> <li>Gas treating</li> <li>Electronics &amp; E-Mobility</li> </ul>	<ul style="list-style-type: none"> <li>Aerospace</li> <li>Transportation</li> <li>Infrastructure                             <ul style="list-style-type: none"> <li>- Power</li> <li>- Coatings &amp; construction</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Apparel</li> <li>Furnishings</li> <li>Transportation</li> <li>Protective fabrics</li> </ul>	<ul style="list-style-type: none"> <li>Construction &amp; industrial applications</li> <li>Transportation</li> <li>Adhesives</li> <li>Coatings</li> <li>Elastomers</li> </ul>
3Q21 LTM Sales Revenue by Region					

Note: All figures reflect Huntsman Corporation continuing operations.

## Company Overview

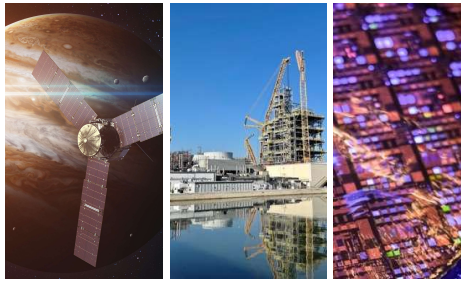
# Focus on Growing EBITDA Margin and Free Cash Flow Conversion

Deliver on Cost Optimization Plans & Synergy Savings



Invest in High Margin, High Return Projects

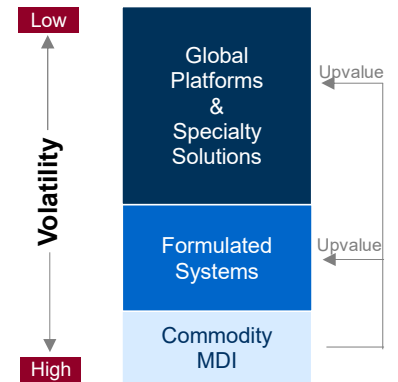
- Geismar MDI Splitter
- E-GRADE®, UPEC, Polyurethane catalysts
- MIRALON®



Strategic Bolt-on M&A



Upgrade Polyurethanes Portfolio for Improved Margin & Reduced Volatility



**Financial Targets**

**18% – 20%**  
Adj. EBITDA Margin

**40%+ FCF**  
Conversion

**Maintain Investment Grade Rating**

Note: Free Cash Flow defined as net cash provided by operating activities less capital expenditures.

## Where We are Going (2022 – Beyond)



### Grow Differentiated

- High return internal capital projects
- M&A disciplined, bolt-on acquisitions
- New product development
- Upgrade commodity molecules



### Generate 40%+ Free Cash Flow

- Capital expenditure discipline
- Increase operating leverage
- Working capital management



### Improve EBITDA Margin

- Cost optimization
- Upvaluing low margin products
- Commercial Excellence
- Drive to 18% – 20% margin



### Commitment to Capital Return & Investment Grade

- Regularly evaluate dividend payout
- Committed to an annual repurchase program
- Maintain an investment grade balance sheet

Today, we announce a new \$1 billion share repurchase authorization<sup>(1)</sup>

(1) Retired existing share repurchase program



# Balanced Capital Allocation Strategy

## Attractive Dividend

\$0.75 per year  
Increased 15% in April 2021

## Bolt-on Acquisitions



**Maintain  
Investment Grade  
Balance Sheet**

Net Debt Leverage  
≤ 2 times  
on average

## Organic Investments

Geismar MDI Splitter  
(United States)

Amines for Semiconductors  
(United States)

Low-Emission PU Catalysts  
(Hungary)

Carbonates for EV  
(United States)

Polyols for Spray Insulation  
(Taiwan)

MIRALON® for Carbon  
Capture  
(United States)

## Share Repurchases

\$276M in 2018

\$208M in 2019

\$96M in Q1 2020

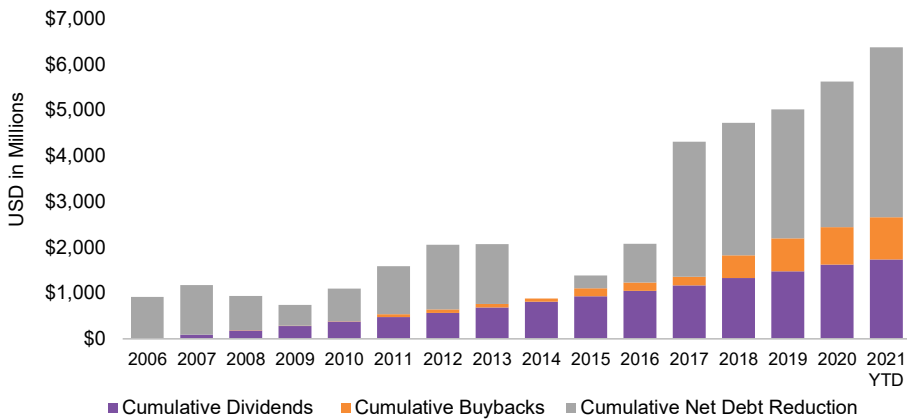
\$102M in Q3 2021

New share repurchase program of \$1B,  
retired existing program

## Company Overview

# Since 2018: Strengthened Our Balance Sheet and Accelerated Return of Capital to Shareholders

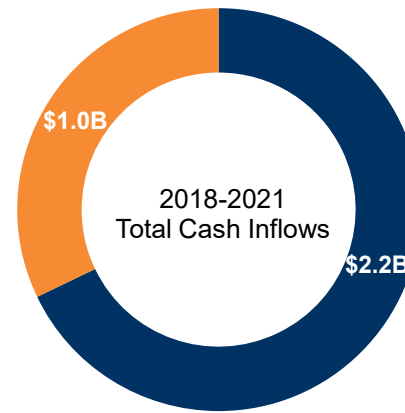
From 2006 to 2017 We Significantly Reduced Debt



Since 2006 Huntsman spent

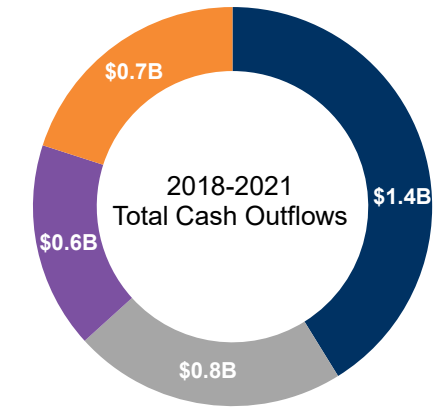
**\$3.6B<sup>(2)</sup>** on Debt Reduction (net)      **\$1.7B** on Dividends      **\$0.8B** on Buybacks

2018 to Today, \$3.2B of Cash generated from Divestitures & Adj. Free Cash Flow<sup>(1)</sup>



■ Divestitures   ■ Adj. FCF

Since 2018, Cash was used to support Bolt-on Acquisitions, Buybacks, Dividends & Net Debt Reduction



■ Acquisitions   ■ Net Debt Reduction  
■ Dividends   ■ Buybacks

(1) Adj. Free Cash Flow excludes the taxes paid in connection with the sale of our Chemical Intermediates Businesses and the sale of our India-based DIY business.  
(2) Does not reflect costs associated with early the extinguishment or issuance of debt

# Our Acquisition Criteria

What Acquisitions Must Have...

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- Cost Synergies
- Technology Synergies
- Scalability and Commercial Expansion

...and a Financial Profile Delivering...

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- High Adj. EBITDA Margin
- High FCF with Low Capital Intensity
- Risk adj. IRR greater than WACC + Clear Premium

...A Disciplined Approach, Preserving Investment Grade Balance Sheet

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Divisional Acquisitions Focus Is...

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## Polyurethanes

Build out Huntsman Building Solutions and leverage downstream MDI capabilities

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## Advanced Materials

Build out specialty component and formulation capabilities focused on composites, adhesives and coatings

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## Performance Products

Priority is for strategic organic investment, will look for M&A to leverage Maleic Anhydride and Amines integration and technology



## Financial Overview

# Reshaping the Portfolio through Acquisitions & Divestitures

## Acquisitions of High Margin and Differentiated Businesses



April 2018

Purchase Price ~\$350M

Delivers higher stable margins pulling through large amounts of upstream polymeric MDI



September 2019

Purchase Price ~\$100M

Maleic JV - Fully integrate our European business into our worldwide footprint



February 2020

Purchase Price ~\$350M

Provides Huntsman with the largest global array of spray foam technology



May 2020

Purchase Price ~\$300M

Brings valuable complementary technology breadth to our Advanced Materials portfolio



January 2021

Purchase Price ~\$250M

Enhances our competitiveness and our world class formulations

## Divestitures of Non-Core and Commodity-based Assets

### IPO of Venator Materials

August 2017 – December 2020

Net Proceeds ~\$1.7B

### Divestiture of Chemical Intermediates

January 2020

Net Proceeds ~\$1.7B

### Sale of India DIY Consumer Adhesives

December 2020

Net Proceeds ~\$256M

### Sale of Basel Land

September 2019  
Proceeds ~\$50M

### Sale and Leaseback of Basel Facility

November 2020  
Proceeds ~\$73M

**~\$3.7B**  
Net Proceeds

Continuously Evaluating Portfolio for Improved Shareholder Return

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**~\$1.4B in Bolt-on Acquisitions since 2018**

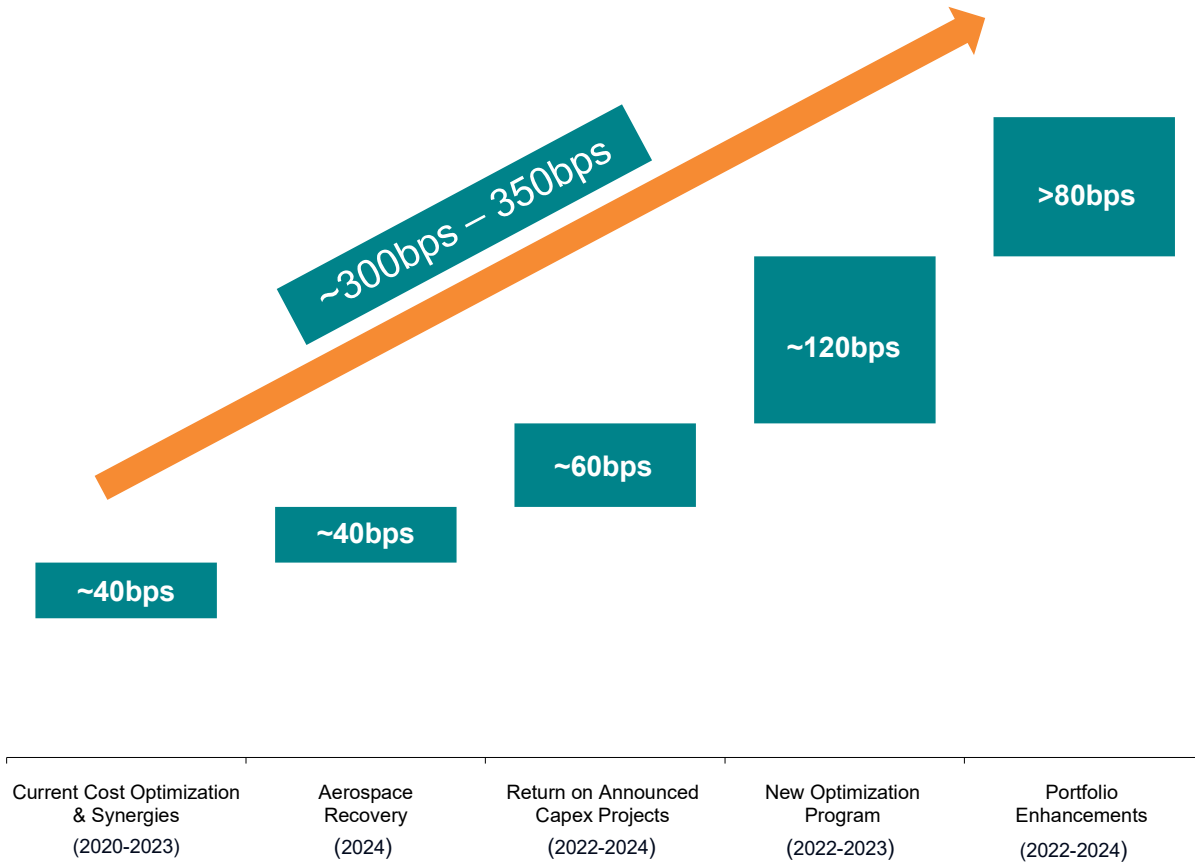
**By 2023, we will have delivered:**

- Adj. EBITDA including synergies of >\$200M
- >20% Adj. EBITDA Margin

**Implies <7.0x EBITDA Multiple**

Financial Overview

# The Road to an Improved EBITDA Margin



## Initiatives to add 300-350 bps to Adj. EBITDA Margin

<b>Current Cost Optimization &amp; Synergies</b>	~\$35M Fixed Cost Reduction
<b>Aerospace Recovery</b>	~\$45M Adj. EBITDA Improvement
<b>Key Capex Projects</b>	Geismar MDI Splitter ~\$45M PP Growth Projects ~\$35M
<b>New Optimization Program</b>	Polyurethanes Optimization ~\$60M GBS Expansion ~\$25M Supply Chain Optimization ~\$15M
<b>Enhancement of Portfolio</b>	Well-positioned balance sheet for further bolt-on M&A opportunities



**Full Implementation  
24-36 months**

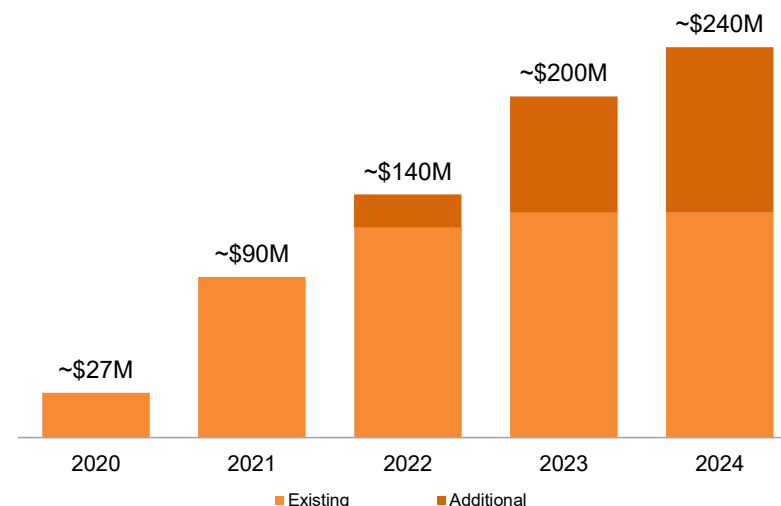
**~100bps of Margin Improvement Annually**

## Financial Overview

# Synergy & Cost Optimization On-Track with More Coming

USD in millions

	Benefits	Expected Completion
<b>Existing Initiatives</b>		
M&A Synergies	~\$55M	Q1 2023
Optimization Initiatives	~\$85M <sup>(1)</sup>	Q1 2023
<b>Additional Initiatives</b>		
Polyurethanes Optimization	~\$60M	End of 2023
GBS Expansion	~\$25M	End of 2023
Supply Chain Optimization <sup>(2)</sup>	~\$15M	End of 2023
	<b>~\$240M</b>	



### In-Progress & Completed Initiatives

**~\$140M**

#### Site Optimization

- M&A site consolidation
  - Icynene: Houston, USA & Canada

#### Polyurethanes Network

- Close production
  - Ternate, Italy & Peel, Canada
- Right-sized
  - Deer Park, Australia & Gandaria, Indonesia

#### Back Office

- Formed GBS center in Asia (Malaysia)
- Streamline activities, improved efficiencies

#### Division Cost

- Advanced Materials, Performance Products, Textile Effects reduction

#### Strategic Purchasing

- Proactive vendor management

### Additional Initiatives

**\$100M**

#### PU Margin Improvement

- Further network optimization
- Gross profit improvement
- Commercial excellence

#### Expand GBS

#### Supply Chain Optimization

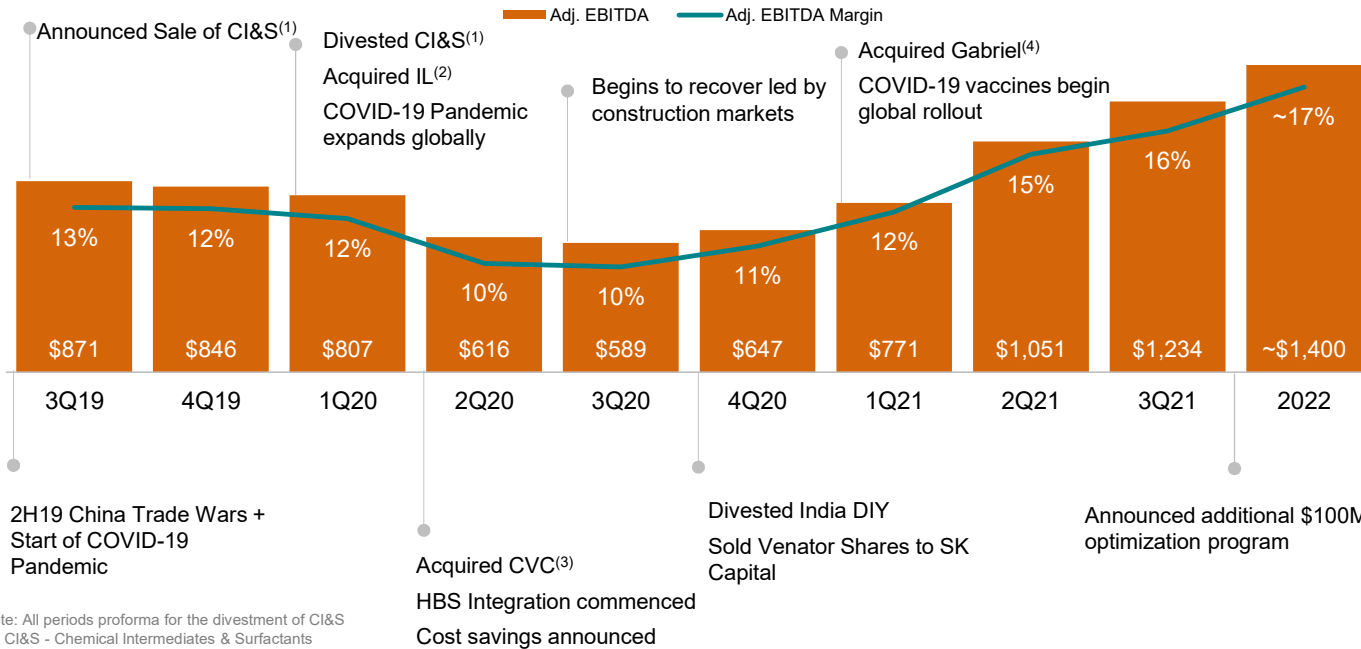
(1) Includes \$60M in SG&A  
(2) Excludes \$40M working capital benefit  
GBS = Global Business Services

## Financial Overview

# An Improved Business Portfolio with Strong Momentum

## Margin Recovery in 2021 – Rolling LTM

USD in millions



Note: All periods proforma for the divestment of CI&S  
 (1) CI&S - Chemical Intermediates & Surfactants  
 (2) IL - Icyne-LaPolla  
 (3) CVC - CVC Thermoset Specialties  
 (4) Gabriel - Gabriel Performance Products

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## 2024 Target Margin

Polyurethanes 18% – 20%

Performance Products 20% – 25%

Advanced Materials 20% – 25%

Textile Effects 13% – 15%

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**18% – 20%**

**~100bps of Margin Improvement Annually**

## Financial Overview

# A Compelling Investment Opportunity



Upvalue Portfolio & Continued Margin Expansion



Balanced Capital Allocation & Financial Discipline



Competitive Dividend & Continuation of Our Share Buyback Program



Strong Cash Generation Focus on Shareholder Value Creation

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## Key Financial Targets

<i>Polyurethanes</i>	<i>\$875M – \$950M<sup>(1)</sup></i>
<i>Performance Products</i>	<i>\$360M – \$380M</i>
<i>Advanced Materials</i>	<i>\$225M – \$240M</i>
<i>Textile Effects</i>	<i>\$100M – \$110M</i>
<i>Corporate</i>	<i>~(\$190M)</i>
2022 Adj. EBITDA	<b>~\$1.4B</b>
2022 Adj. EBITDA Margin	<b>~17%</b>
Free Cash Flow Conversion	<b>40%+</b>

**Beyond 2022, Margin Targets 18% - 20%**

Underlying macro-economic assumptions include 4.5% World GDP and 4% Global Industrial Production for 2022 per Oxford Economics

<sup>(1)</sup> Includes Sinopec JV equity income contribution of approximately \$80 million

# Polyurethanes

## Division Overview



## Polyurethanes

# Strong Business with Profitable Growth Upside

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**\$4.7B** 3Q21 LTM sales revenue

**\$862M** 3Q21 LTM Adj. EBITDA

**~2,500** products

**35** manufacturing sites

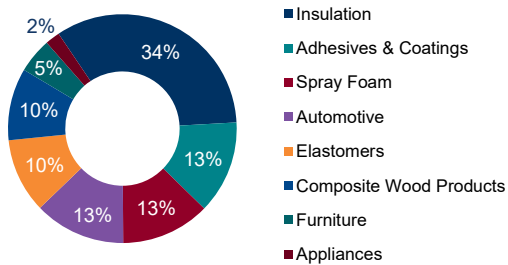
**~3,300** associates

**~5,000** customers

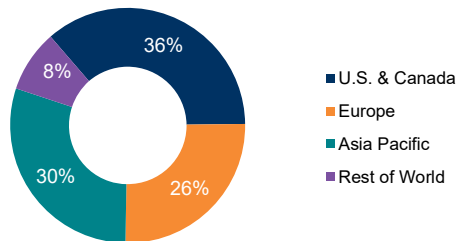
**14+** chemical process technologies

**20%** of sales of products introduced in the last 5 years

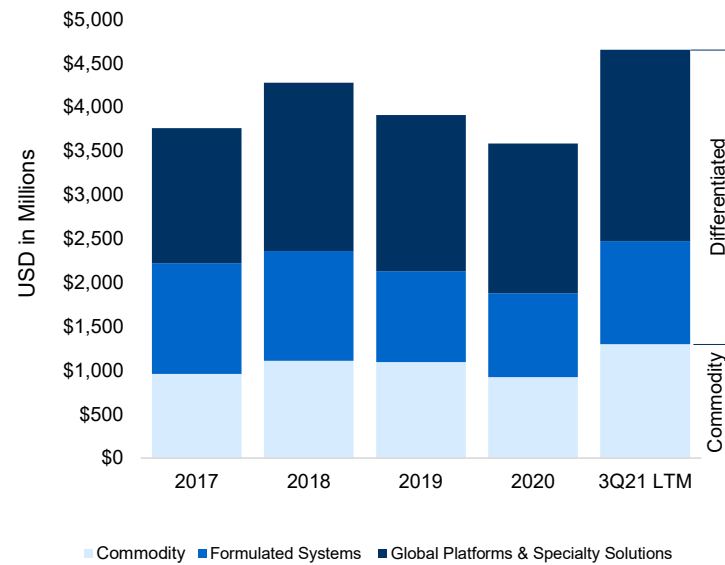
### End Market Breakdown<sup>(1)</sup>



### Regional Mix<sup>(1)</sup>



### Key Businesses (Net Sales Revenue)<sup>(1)</sup>



(1) Represents 3Q21 LTM Net Sales Revenue

Polyurethanes

# Upvaluing Portfolio to Increase Profitability

## Upvaluing Customer Solutions



- Leverage splitter technology for increased product differentiation
- Upvalue earnings on long-term contracts
- Deselect non-strategic markets

## Boosting Differentiated Platforms



- Grow/globalize Huntsman Building Solutions
- Strengthen global Automotive
- Scale global Elastomers

## Fit and Focused



- Drive active portfolio management and resource alignment
- Execute synergies and cost optimization programs
- Accelerate 'cost out' programs for variable and fixed costs

## What are we doing differently?

- Shifting low margin volumes to higher EBITDA businesses
- Delivering LEAN, Low Capex Productivity enhancements
- Driving rigorous focus on variable and fixed costs

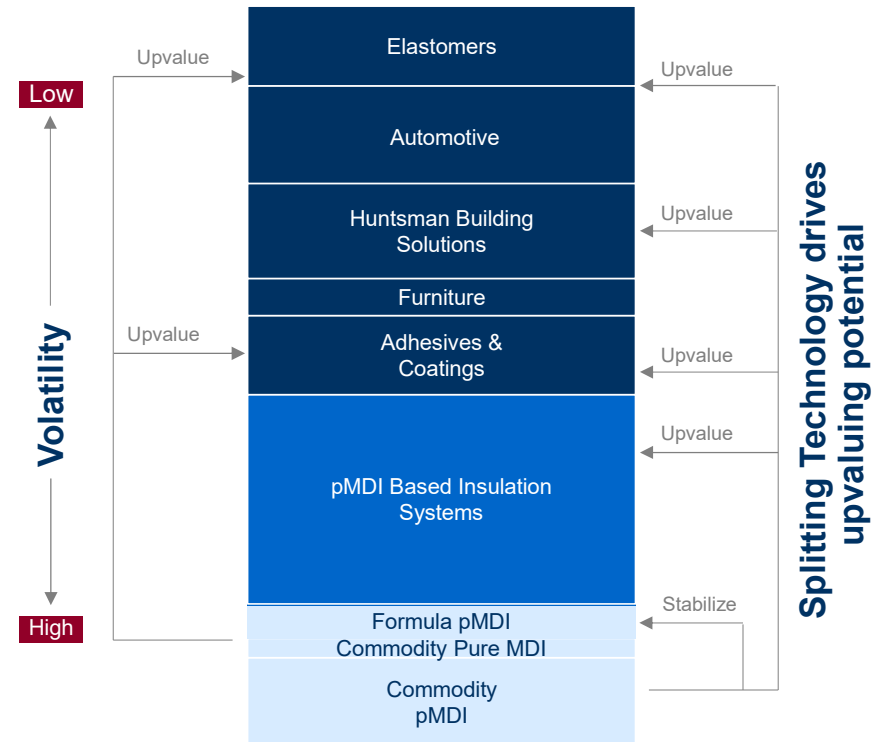
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# Upvaluing the Business with Innovation and Differentiation

<p><b>Global Platforms &amp; Specialty Solutions</b> Innovate • Grow</p> <p>Adj. EBITDA Margin ~ 20%<sup>(1)</sup></p>	<ul style="list-style-type: none"> <li>▪ Huntsman Building Solutions (HBS)</li> <li>▪ Elastomers (Specialty Elastomers, Footwear)</li> <li>▪ Automotive</li> <li>▪ Adhesives &amp; Coatings</li> <li>▪ Furniture/ Bedding</li> </ul>
<p><b>Formulated Systems</b> Innovate • Upvalue</p> <p>Adj. EBITDA Margin ~ 16%<sup>(1)</sup></p>	<ul style="list-style-type: none"> <li>▪ Insulated Metal Panels</li> <li>▪ Insulation Boards</li> </ul>
<p><b>Commodity</b> Deselect • Upvalue</p> <p>Adj. EBITDA Margin 10% - 30%<sup>(1)</sup></p>	<ul style="list-style-type: none"> <li>▪ Composite Wood Panels (CWP)</li> <li>▪ Systems Houses</li> </ul>

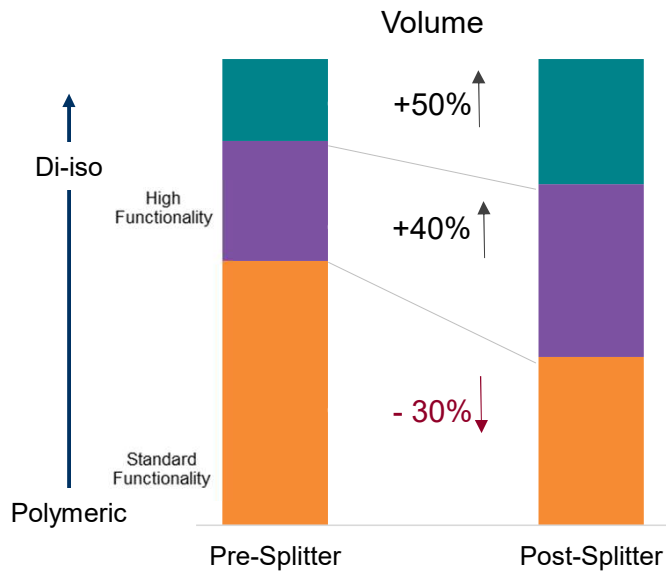


<sup>(1)</sup> Represents average last 5-year margin (2016 – 2021)  
Excludes Champion Equity Income (+1.2% EBITDA) & MDI JV Accounting & Aniline/Benzene sales (-3.3% EBITDA)  
<sup>(2)</sup> Right hand portfolio map represents LTM revenue and excludes MDI JV Accounting & Aniline/Benzene sales

## Polyurethanes

# Splitter is a Catalyst for Differentiated Growth Transformation in the Americas

## Reconfiguring Geismar MDI Facility



Upgrading the Product Portfolio, including an increase in **VOC<sup>(1)</sup> free products**

(1) Volatile organic compound

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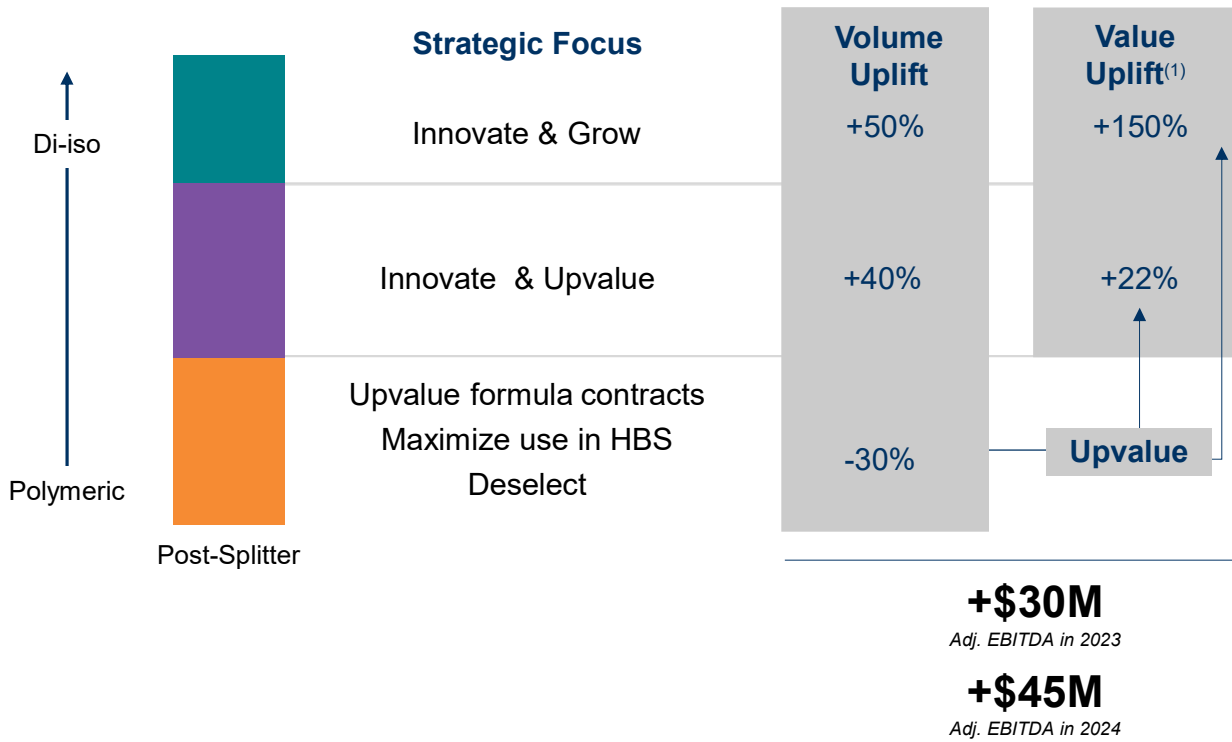


## Geismar MDI Splitter scheduled to start operating in Q2 2022

Leveraged technology and experience deployed in Europe and Asia

Polyurethanes

# Significant Upside Potential in the Americas



(1) Based on cents per lb uplift

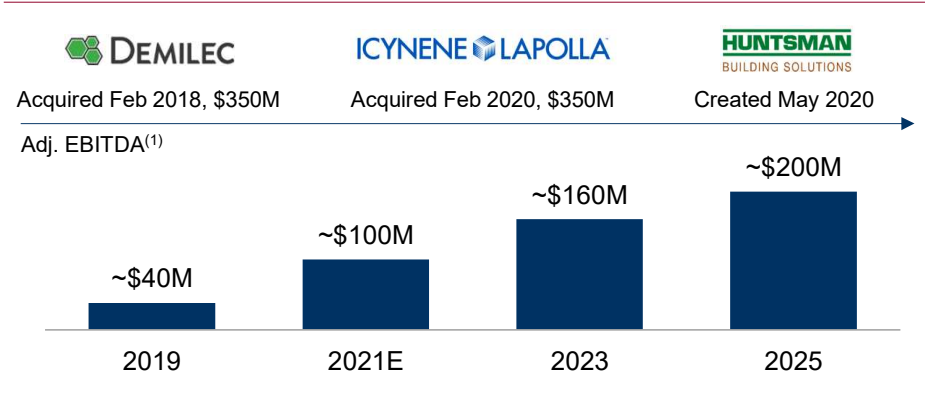
**Transformation Drivers**

- Growing and innovating in high value downstream segments and differentiated platforms
- Upvaluing long-term supply contracts for component business
- Maximizing captive use of component polymeric in Huntsman Building Solutions

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# Growing Huntsman Building Solutions Globally

## Post-Acquisition Multiple with Synergies — 2021 7x

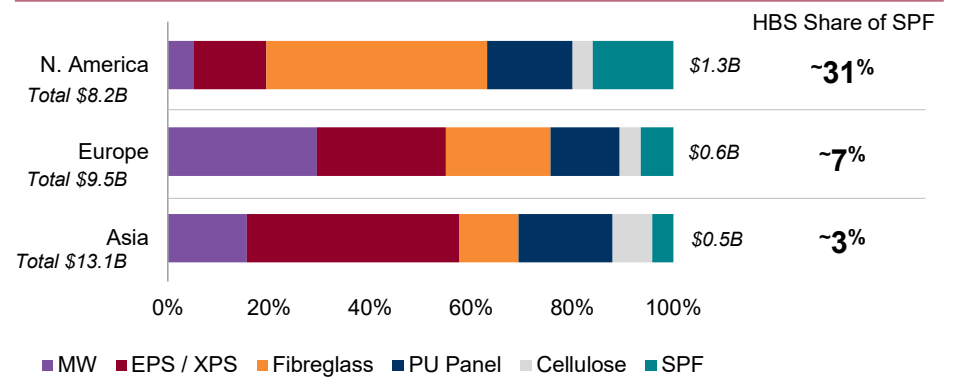


### Progress since May 2020

- Delivered \$25M synergies
- Grown international Adj. EBITDA from \$0 to \$18M
- Sourcing 100% polymeric MDI from Huntsman
- Using Huntsman’s upcycled content TEROL® Polyols

(1) Management estimates, integrated margins

## ~\$31B Global Building Insulation Market 2020



### Spray Foam accounts for 8% of Global Insulation Market

- Grow the SPF market by
  - Building a global brand
  - Influencing adoption of SPF as the insulation of choice
  - Leveraging our global downstream footprint to internationalize

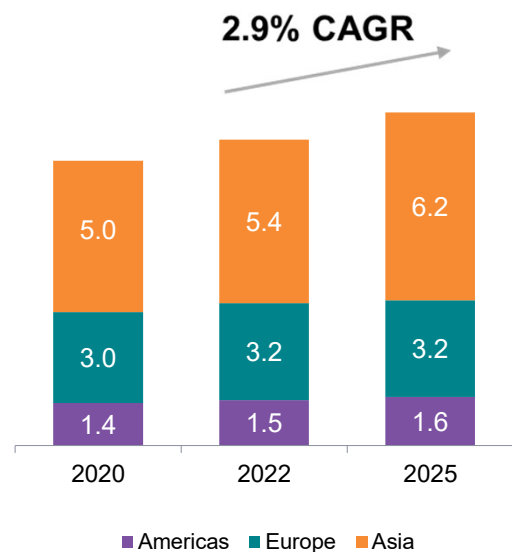
Source: Freedonia 2018 report and management estimates

## Polyurethanes

# MDI Industry Capacity Development

### Crude MDI Capacity<sup>(1)</sup>

('000s Ktes)



(1) Management estimates  
(2) Data from IHS and ICIS

### New Announced Investments 2022 – 2025<sup>(2)</sup>

Region	Country	Company	Plant	Ktes
Asia	China	Wanhua	Ningbo	+600
Asia	China	Wanhua	Fujian-Connell	+400
Asia	Korea	K. Mitsui	Yeosu	+210
America	US	BASF	Geismar	+100

### China Sensitivity

Huntsman China Polymeric MDI ~\$400M Q3 LTM

- Every 1,000RMB (ICIS) move ~\$15M EBITDA/year
- Huntsman/Sinopec PO Joint Venture
  - 3Q21 LTM equity earnings of ~\$120M
  - 2018/19 average equity earnings of ~\$50M

Announced industry capacity expansion through 2025 of **3%** which is below global MDI demand outlook of **5% - 6%**

Asia will account for **>60%** of global crude MDI capacity by 2025



Polyurethanes

## Strong Business with Profitable Growth Upside



### Upvaluing Customer Solutions

- Leverage splitter technology for increased product differentiation
- Shifting low margin volumes to higher EBITDA businesses
- Upvalue earnings on long-term contracts



### Boosting Differentiated Platforms

- Grow/globalize Huntsman Building Solutions
- Strengthen global Automotive
- Scale global Elastomers



### Fit and Focused

- Drive active portfolio management and resource alignment
- Deselect non-strategic markets
- Execute synergies and cost optimization programs
- Delivering LEAN, low Capex productivity enhancements
- Driving rigorous focus on variable and fixed costs

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Adj. EBITDA (2022)  
**\$875M – \$950M**

Adj. EBITDA Margin Target  
**18% – 20%**

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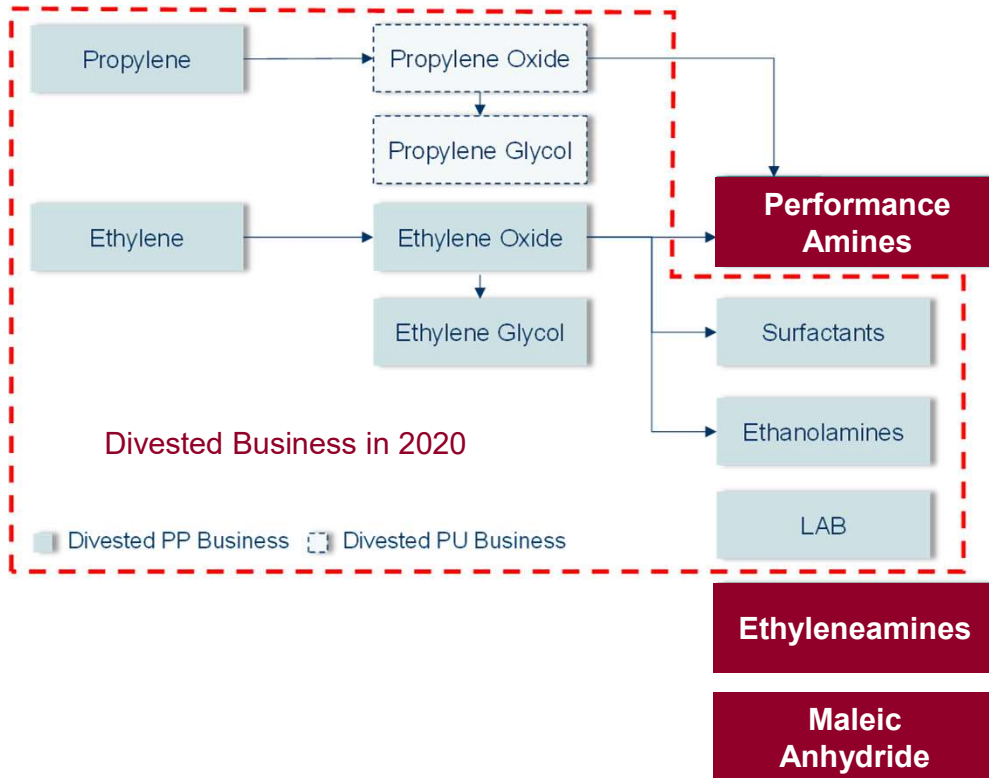
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# Performance Products

Division Overview

Performance Products

# Simplified Portfolio with Leading Global Positions



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## Simplified portfolio comprises leading franchises in specialty and differentiated products

Leading global positions across **Performance Amines**

#1 in Polyetheramines (PEA)

#2 in Specialty PU Catalysts

#1 in Diglycolamine (DGA)

#1 in Alkylene Carbonates in Americas (only producer)

#1 in Heavy **Ethyleneamines** globally

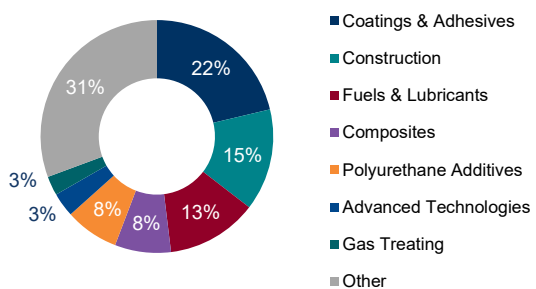
#1 in **Maleic Anhydride** in North America and Europe



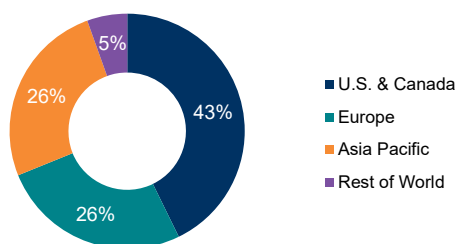
## Performance Products

# Business Dynamics

### End Market Breakdown<sup>(1)</sup>

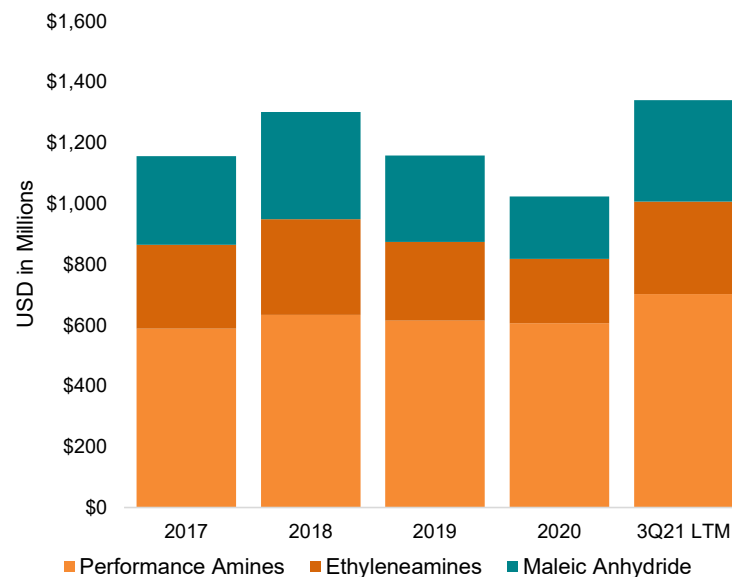


### Regional Mix<sup>(1)</sup>



<sup>(1)</sup> Represents 3Q21 LTM Net Sales Revenue

### Net Sales Revenue by Product Family<sup>(1)</sup>



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**\$1.3B** 3Q21 LTM sales revenue

**\$295M** 3Q21 LTM Adj. EBITDA

**~350** products

**10** manufacturing sites

**~800** associates

**900+** customers

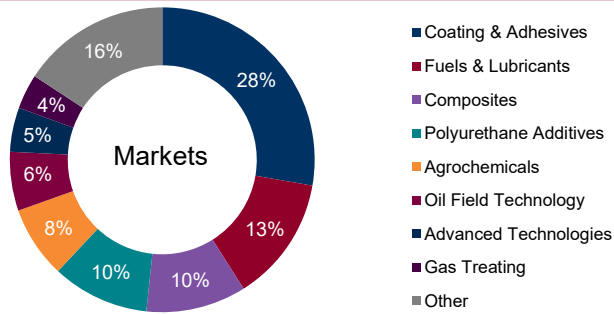
**15+** chemical process technologies

**6%** of sales of products introduced in the last 5 years

## Performance Products

# What is Performance Products?

### Amines<sup>(1)</sup>



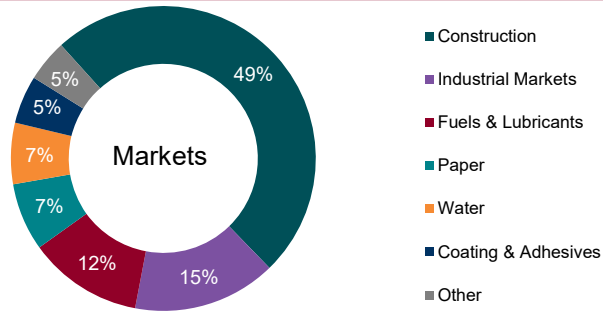
### Strategy

#### Innovate, grow and invest in Performance Amines

- Execute on announced capital projects (E-GRADE®, UPEC, Polyurethane catalysts)
- Demand driven by sustainable solutions for cleaner energy and energy conservation

#### Maximize profitability in Ethyleneamines with focus on customers, operational and commercial excellence

### Maleic Anhydride<sup>(1)</sup>



### Strategy

#### Maximize profitability with focus on customers, operational and commercial excellence

(1) Represents 3Q21 LTM Net Sales Revenue

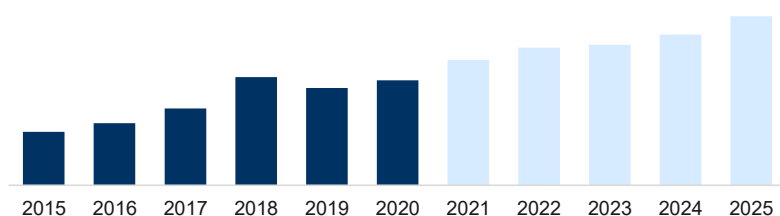


## Performance Products

# Innovate, Grow & Invest: Semiconductors

## E-GRADE® High-Purity Amines

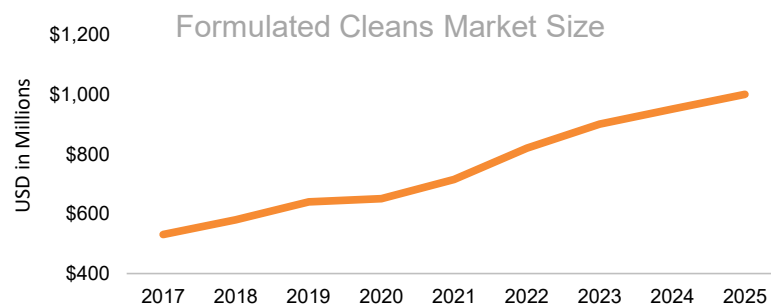
Electronics Sales (Net Sales Volume)



- Huntsman manufactures high-purity amines used in formulated cleaning solutions for semiconductor manufacturing
  - Uniquely positioned with broad product portfolio of high-purity amines
- Announced expansion at Conroe, Texas, with beneficial operations in 2023
  - ~\$10M Adj. EBITDA contribution in 2024 and ramping up thereafter
  - Capital investment of ~\$35M

Source: Management estimates

## Formulated Cleans Market: Driven by Semiconductor Demand and Complexity



- Formulated cleans market for semiconductor manufacturing growing at 8% - 12% annually
  - Growth due to increasing chip demand and complexity as well as replacement of traditional cleaning solutions
- Supplier base with long qualification timelines (3 - 5 years); high barriers to entry once qualified

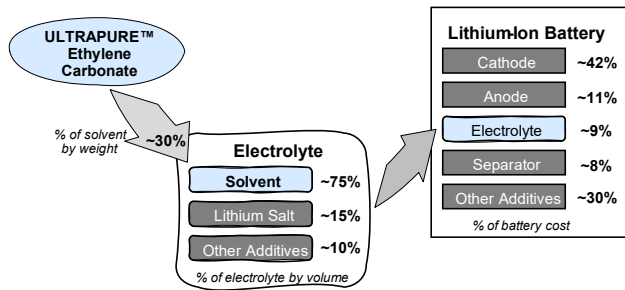
Source: Linx Consulting

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# Innovate, Grow & Invest: Electric Vehicles (EV)

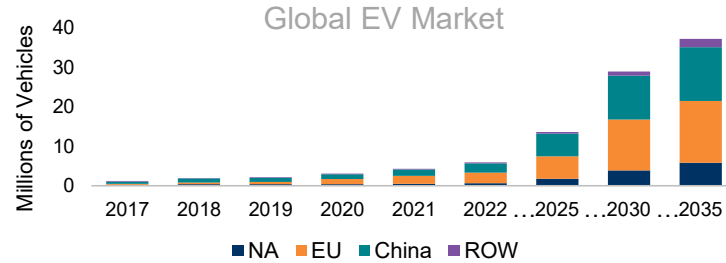
## ULTRAPURE™ Ethylene Carbonate (UPEC)



- Huntsman produces UPEC, a critical component for lithium-ion batteries
  - Only North American manufacturer of alkylene carbonates
  - UPEC forms a Solid Electrolyte Interface (SEI) that is selective for Li+ ions and protects the electrode layers
- Announced capacity expansion of UPEC production at Conroe, Texas, facility in mid-2023
  - ~\$10M Adj. EBITDA contribution in 2024 and ramping up thereafter
  - Capital investment of ~\$25M

(1) High purity ethylene carbonates are ~1/2 of total solvents by weight

## Electrolyte and EV Markets: Driven by Electrification Revolution



- The battery market is rapidly expanding and regionalizing
  - Electric vehicles represent greater than 60% of the battery market currently
- Electrolyte market has grown ~30% annually during last 10 years
  - UPEC represents ~25% of the electrolyte and protects the battery anode from exfoliation

Source: Avicenne

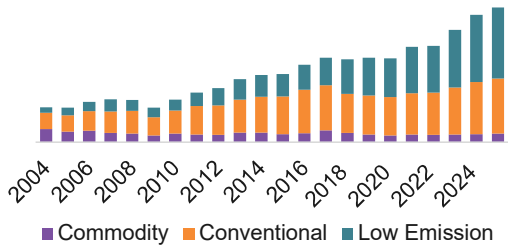


Performance Products

# Innovate, Grow & Invest: Polyurethane Catalysts

## JEFFCAT® Polyurethane Catalysts

Net Sales Volume



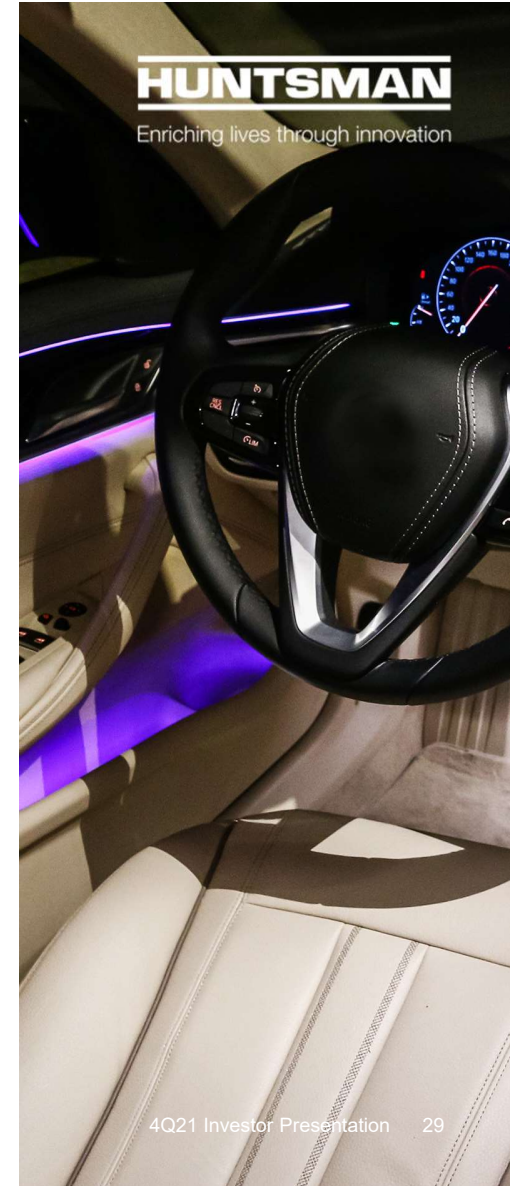
- Huntsman is a leader in low-emission and conventional catalysts
- Announced expansion at Petfurdo, Hungary, with beneficial operations in 2023
  - ~\$15M Adj. EBITDA contribution in 2024 and ramping up thereafter
  - Capital investment of ~\$60M

Source: Management estimates

## Polyurethane Catalyst Market: Driven by Megatrends and Sustainability

Segment	Automotive	Furniture & Bedding	Spray Foam	Other Construction
<b>Megatrend</b>	<ul style="list-style-type: none"> <li>• Strengthening EHS regulations</li> <li>• Better comfort &amp; quality of life</li> </ul>	<ul style="list-style-type: none"> <li>• Better comfort &amp; quality of life</li> <li>• Perception of odor &amp; chemical release from material</li> </ul>	<ul style="list-style-type: none"> <li>• Energy conservation</li> <li>• Controlling global warming</li> <li>• Emissions reduction</li> </ul>	<ul style="list-style-type: none"> <li>• Quality &amp; performance</li> <li>• Energy conservation</li> <li>• Controlling global warming</li> </ul>
<b>Focus Area</b>	<ul style="list-style-type: none"> <li>• Emission reduction</li> <li>• Aldehyde scavenging &amp; impurity reduction</li> </ul>	<ul style="list-style-type: none"> <li>• Solution for odor reduction</li> <li>• Emissions reduction</li> </ul>	<ul style="list-style-type: none"> <li>• Emissions reduction</li> <li>• Supporting HFO based technologies</li> </ul>	<ul style="list-style-type: none"> <li>• New catalyst platform to replace conventional amine catalysts</li> <li>• Supporting HFO based technologies</li> </ul>

- Polyurethanes market growing at 5% - 6% annually, driven by megatrends and sustainability



## Performance Products

# Top Priorities to Unlock Value and Reset the Bar



### Innovate, Grow & Invest in Specialties

- Innovate, grow and invest in Performance Amines
  - Cost-effective, targeted investment in high-growth products
- Execute on announced capital projects (E-GRADE®, UPEC, Polyurethane catalysts)



### Drive High Degree of Discipline with Focus on Commercial Excellence

- New disciplined management approach
- Focusing resources and building capability, including data analytics
- Implementation of tools and structure to support commercial excellence



### Maximize Value in Maleic Anhydride and Ethyleneamines

- Maximize profitability and cash flow
- Focus on customers, operational and commercial excellence

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Adj. EBITDA (2022)  
**\$360M – \$380M**

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Adj. EBITDA Margin Target  
**20% – 25%**

4Q21 Investor Presentation 30

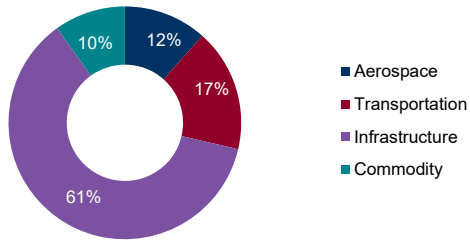
# Advanced Materials

## Division Overview

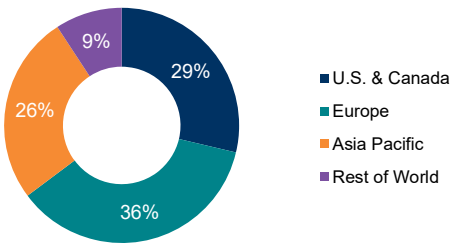
Advanced Materials

# Advanced Materials — Robust & Diverse Specialty Materials Portfolio

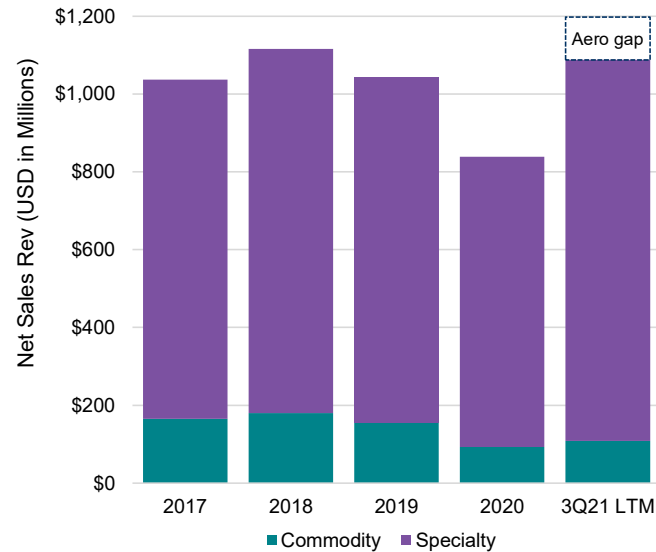
## Specialty Markets Focus<sup>(1)</sup>



## Balanced Regional Exposure<sup>(1)</sup>



## Core Specialty Markets Recovering



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**\$1.1B** 3Q21 LTM sales revenue

**\$177M** 3Q21 LTM Adj. EBITDA

**~3,500** products

**16** manufacturing sites

**~1,750** associates

**~2,500** customers

**15+** chemical process technologies covering: thermoset resins, tougheners, curatives, modifiers

(1) Represents 3Q21 LTM Net Sales Revenue



## Advanced Materials

# Primary Growth Levers

### Integrating M&A & Realizing Synergies



- Acquisition integration on track
- Additional \$12M synergies by 2023
- Solid platform for continued bolt-on M&A

### Benefitting from Aerospace Recovery



- Passenger travel recovers by 2024
- OEM build rates recovering, single-aisle leads wide-body

### Growing Organically through Innovation



- Strong pipeline of new business and innovation
- Automotive transitioning to greater EV/Hybrid growth
- Focused on market transforming mega-trends:
  - Sustainability; electrification; durability & efficiency

### Pioneering Step-Out Technology



- Exciting MIRALON® technology
- Transforming methane to advanced carbon materials & hydrogen
- Scale-up of technology underway



# Integrating M&A and Realizing Synergies

## Net M&A Benefit of \$57M Adj. EBITDA at <5x multiple

- CVC & Gabriel acquisitions
  - \$76M post synergy Adj. EBITDA at 7.2x multiple
- India DIY disposal \$19M Adj. EBITDA at 15x multiple

## Integration and Synergies on Track

- \$11M synergy run-rate delivered
- \$12M additional synergies by 2023
- Complementary technology portfolio provides long-term innovation opportunity

### Acquisitions Enhance Specialty Portfolio

#### Commodity Materials

Epichlorahydrin  
Bis-Phenol A  
Base Resins

#### Specialty Components

Specialty Resins  
Tougheners  
Curing Agents  
Modifiers & Additives

#### Formulations

Composites  
Adhesives  
Resin Systems

#### Valuable Effects

Light-weighting  
Adhesion & Joining  
Electrical Insulation  
Protection  
Heat Management

#### OEMs



<5% of Adj. EBITDA

>95% of Adj. EBITDA

OLIN

HEXION

EVONIK

H.B. Fuller

SOLVAY

TAIYO

Henkel

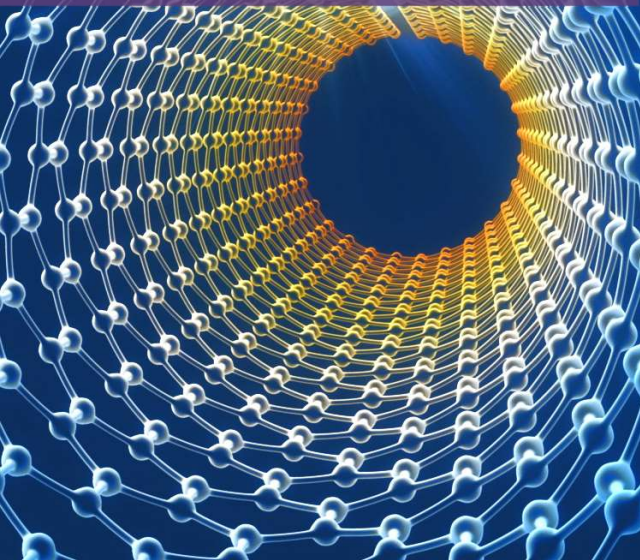
3M

# Pioneering Step-Out Technology

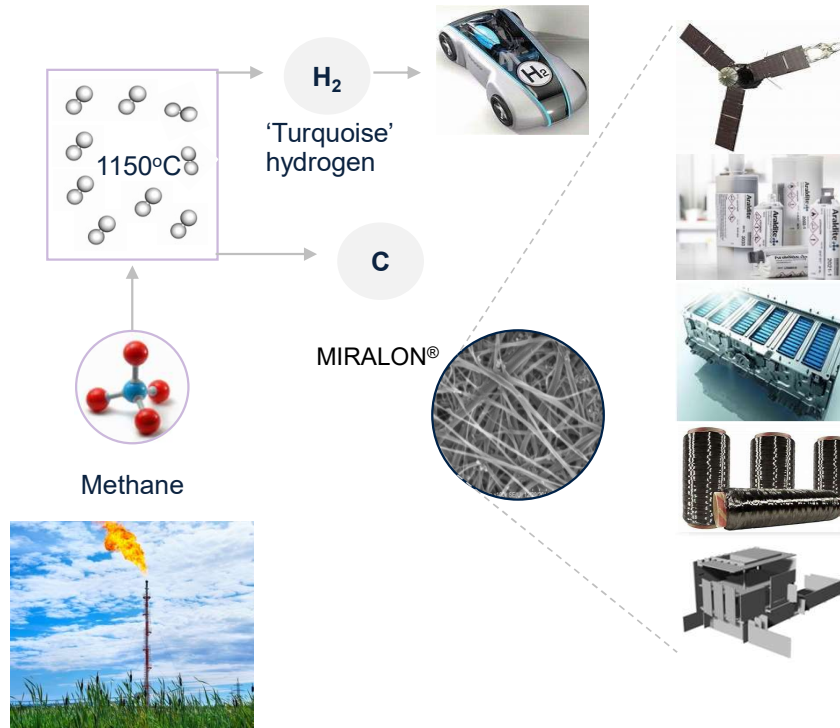
## Problem

Oil & gas industry has long-term issue with methane / natural gas

Methane has 28x more global warming potential than CO<sub>2</sub>



## MIRALON® Solution, Market Applications & Scale-Up Plan



2010	Technology development
2015	Lab scale & experimental sales (c. \$10,000/kg)
2019	Micro plant & experimental sales (c. \$2,000/kg)
2021	Mini plant & experimental sales (c. \$1,000/kg)
2022	Pilot Plant & commercial sales (c. \$100/kg)
2024	1 <sup>st</sup> Commercial scale plant Step change in unit cost
2024+	Replicate, scale & improve (<\$10/kg) <b>Revenue ~\$50M p.a. by 2025</b>

# Driving to Deliver Sustainable High-Value Growth

## Strong Specialty Market Position

- Strong position in attractive transforming specialty markets
- Highly qualified applications create cycle robustness
- Aerospace full market recovery by 2024

## Innovation & Bolt-on Acquisitions Boost Growth

- On track to deliver \$23M in acquisition synergies by 2023
- Robust pipeline of new innovations to capture opportunities from mega-trends
  - E-vehicles, Corrosion resistant infrastructure

## Exciting Carbon Capture Opportunity

- Transformative growth opportunity in the carbon capture space
- Developing scale of MIRALON® methane to hydrogen & structural carbon technology

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Adj. EBITDA (2022)  
**\$225M – \$240M**

Adj. EBITDA Margin Target  
**20% – 25%**

# Textile Effects

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## Division Overview



Textile Effects

# Leading Solutions Provider

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**\$0.8B** 3Q21 LTM sales revenue

**\$93M** 3Q21 LTM Adj. EBITDA

**~1200** products

**10** manufacturing sites

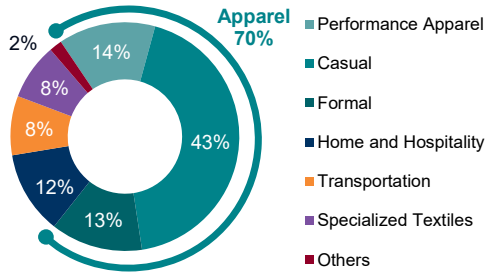
**~2000** associates

**2200+** customers

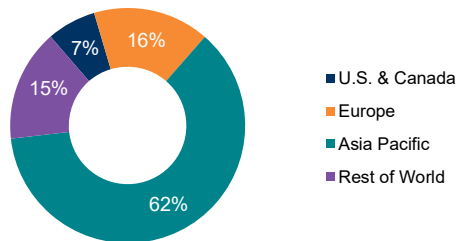
**150+** new products launched in last 5 years

**2/3+** of portfolio are sustainable products

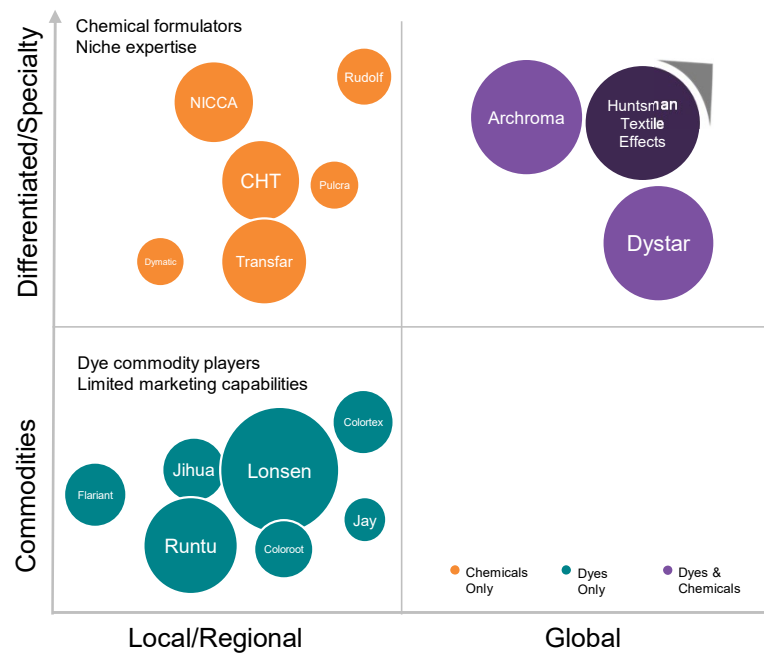
## End Market Breakdown<sup>(1)</sup>



## Regional Mix<sup>(1)</sup>

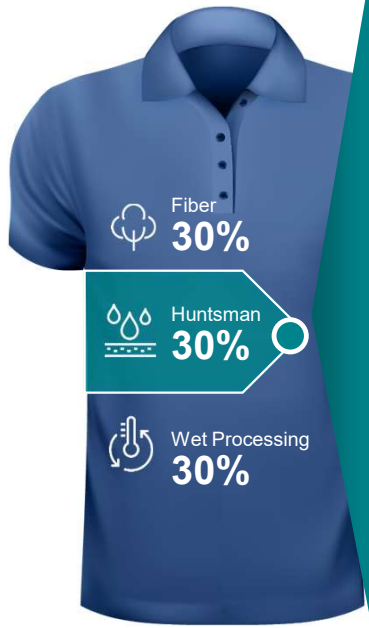


## Competitive Landscape



(1) Represents 3Q21 LTM Net Sales Revenue

# Our Products Drive Consumer Buying Decisions Everyday

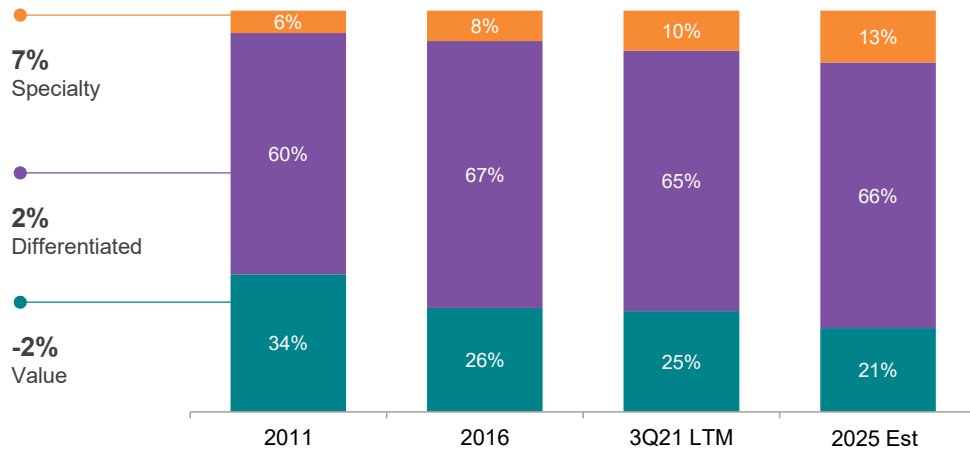


Processing Cost Structure  
~10% of Retail Price

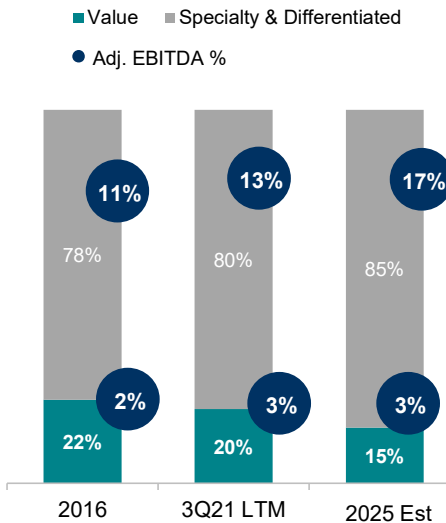
 <b>Color</b>	 <b>Feel</b>	 <b>Function</b>
 <ul style="list-style-type: none"> <li><b>AVITERA® SE</b> 50% water and GHG reduction Long lasting colors</li> </ul>  <ul style="list-style-type: none"> <li><b>TERASIL® WW</b> Patented wash fast dyes for durable color, wash after wash</li> </ul>  <ul style="list-style-type: none"> <li><b>UVITEX®</b> Long lasting white</li> </ul>	 <ul style="list-style-type: none"> <li><b>ULTRAPHIL®</b> Moisture management to keep dry and cool</li> <li><b>ULTRATEX®</b> Wide range of softener customized at our formulation centers</li> <li><b>DICRYLAN® LF</b> Low friction</li> </ul>	 <ul style="list-style-type: none"> <li><b>AGION® &amp; LAVA®</b> Anti-bacterial Anti-odor</li> <li><b>KNITTEX®</b> Easy care solution</li> </ul>  <ul style="list-style-type: none"> <li><b>ZELAN™ &amp; PHOBOTEX®</b> Leader in non-fluorocarbon solutions Stain repel and release</li> </ul>
		

# Transformed Business to Deliver Consistent Long-Term Performance

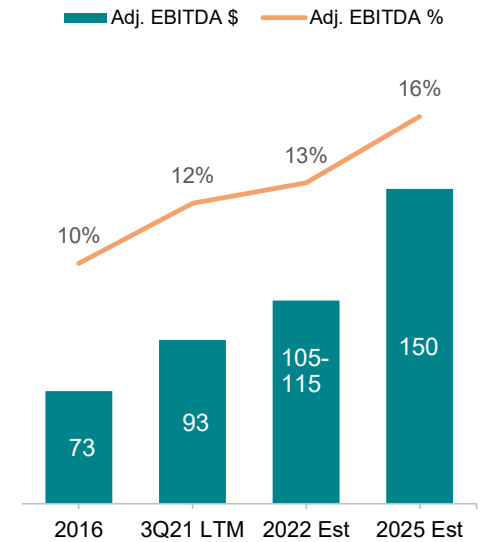
Volume by Portfolio<sup>(1)</sup> — CAGR 2011 – 2021



Sales and EBITDA Margin by Portfolio



Adj. EBITDA



(1) Exclude Tolling, License Fee and others



## Key takeaways



### Leadership in sustainability solutions

- 4 global R&T centers, 13 technical labs
- More than 2/3 of portfolio are sustainable range products



### Customer-driven, innovation led

- Experienced technical support providing end to end solutions
- Local sales and technical team with global technical specialists



### Cash generating and asset light

- Agile, strong working capital discipline
- Asset efficient, process technology driven

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Adj. EBITDA (2022)

**\$100M – \$110M**

Adj. EBITDA Margin Target

**13% – 15%**