



Perimeter Solutions SA

Q4 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 "anticipate," "estimate," "expect," "forecast," "project," "plan," "intend," "believe," "may," "should," 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 growth expectations, opportunities and strategies for each of our business segments and potential positive impact to our financial and operational results; our expectation of potentially significant cost inflation in 2022; our ability to pass on raw material and transportation costs in 2022; the impact of the situation in Ukraine on our supply chain and business; the opportunity to expand our business through strategic acquisitions consistent with our five target economic criteria; our expectations related to historical volume drivers persisting into the future; our ability to deliver long-term equity value creation; our intent to focus on the allocation of our capital and the management of our capital structure to deliver value to our shareholders; our expectations related to opportunities in our Prevention and Protection business; 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 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



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

Fire Safety

	<u>Q4</u>	<u>FY</u>
Revenue Growth	-23%	7%
Adjusted EBITDA Growth	-87%	5%
Adjusted EBITDA Margin	5%	45%

Oil Additives

	<u>Q4</u>	<u>FY</u>
Revenue Growth	-11%	7%
Adjusted EBITDA Growth	-17%	-2%
Adjusted EBITDA Margin	26%	23%

Consolidated

	<u>Q4</u>	<u>FY</u>
Revenue Growth	-18%	7%
Adjusted EBITDA Growth	-57%	4%
Adjusted EBITDA Margin	15%	39%

Q4 and FY Financial Summary

Fire Safety

(\$ '000)	<u>Q4 '21</u>	<u>Q4 '20</u>	<u>FY 2021</u>	<u>FY 2020</u>
Revenue	23,924	31,052	261,180	244,968
Adjusted EBITDA	1,213	9,229	117,893	112,034

Oil Additives

(\$ '000)	<u>Q4 '21</u>	<u>Q4 '20</u>	<u>FY 2021</u>	<u>FY 2020</u>
Revenue	21,954	24,767	101,158	94,609
Adjusted EBITDA	5,622	6,741	23,541	23,977

Consolidated

(\$ '000)	<u>Q4 '21</u>	<u>Q4 '20</u>	<u>FY 2021</u>	<u>FY 2020</u>
Revenue	45,878	55,819	362,338	339,577
Adjusted EBITDA	6,835	15,970	141,434	136,011

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	~163M

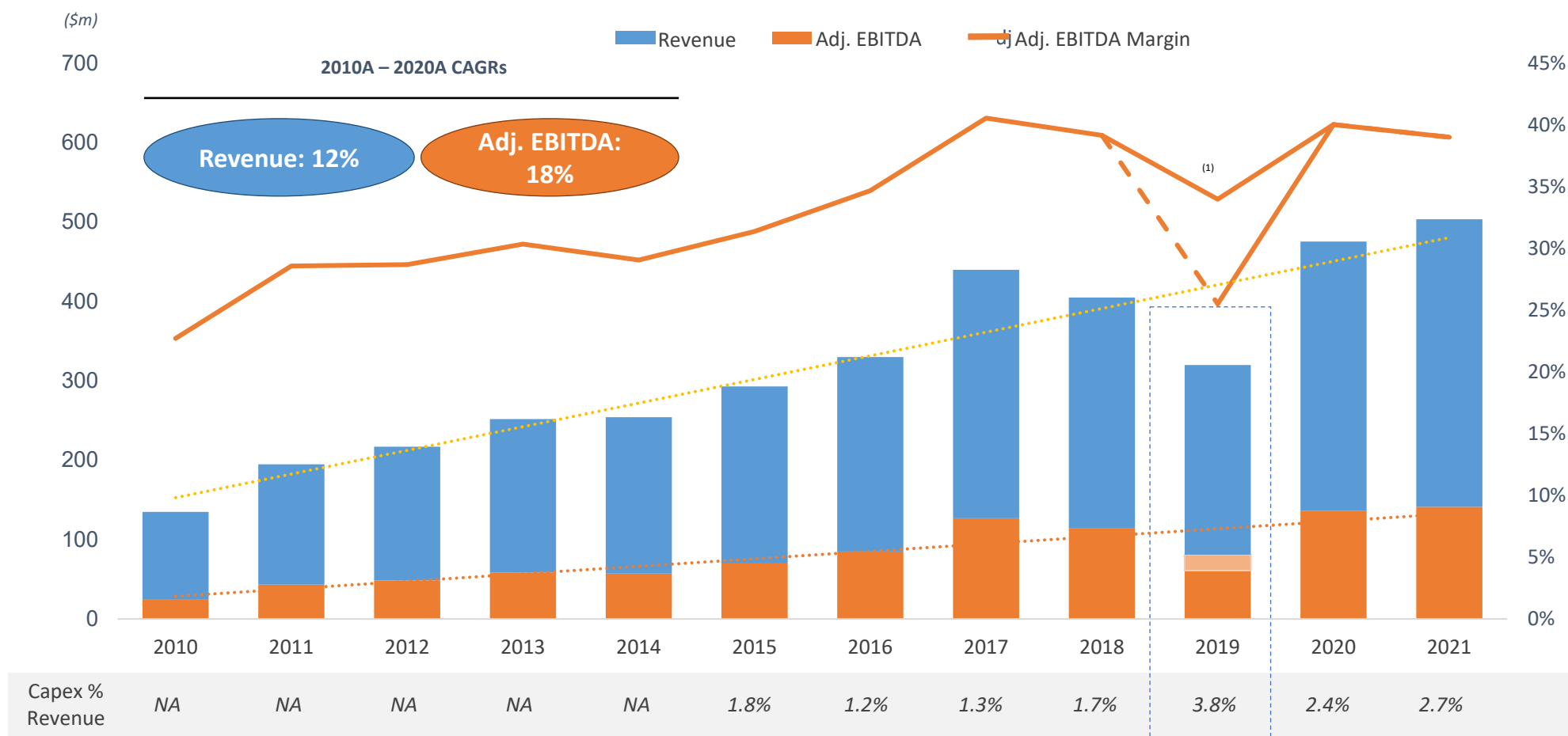
(1) Excluding impacts from purchase accounting, transaction related costs, and certain loss jurisdictions.



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 from a five-year trailing average of 3.2 million acres burned in 1996, to a five-year trailing average of 8.1 million acres burned in 2021.

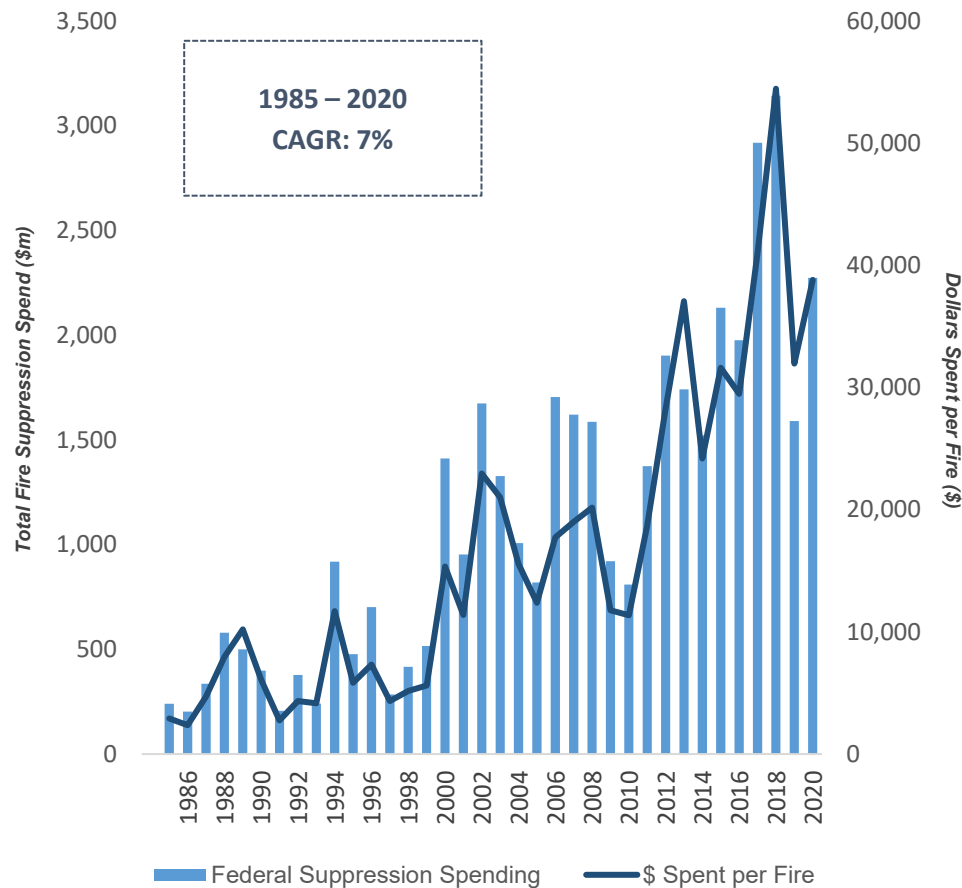
(3) According to Proceedings of the National Academy of Sciences of the United States of America, the Wildland-Urban Interface was the fastest-growing land use type in the conterminous United States from 1990 to 2010, with 97% of that growth the result of new housing.

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

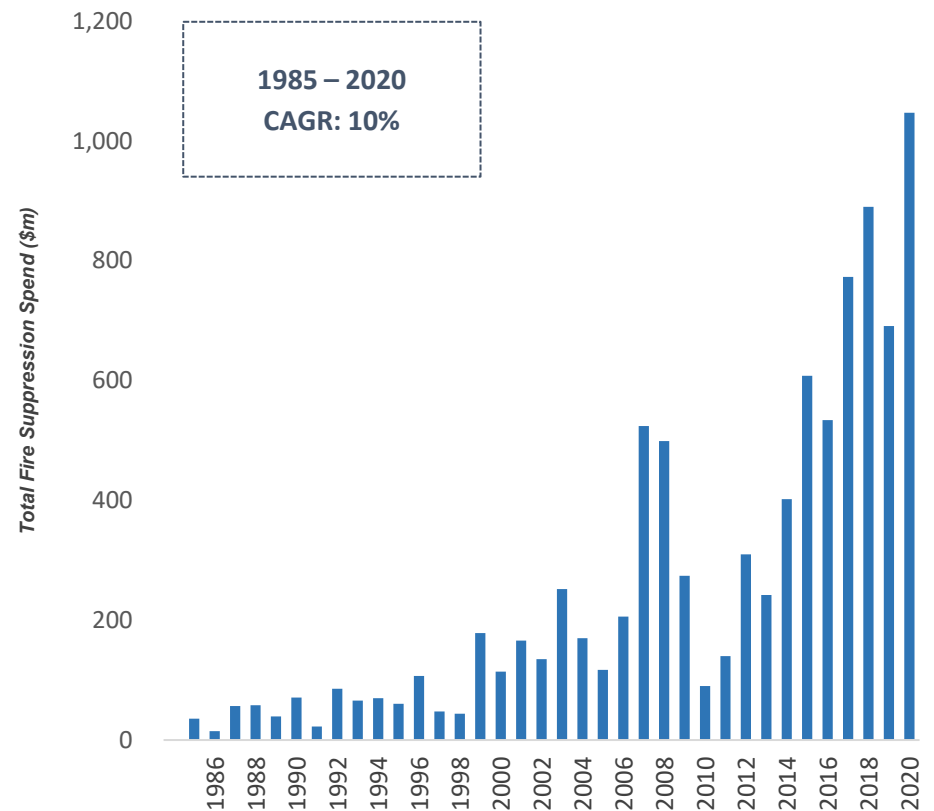
Long-Term Fire Safety Volume Growth

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

Long-Term Fire Safety Volume Growth

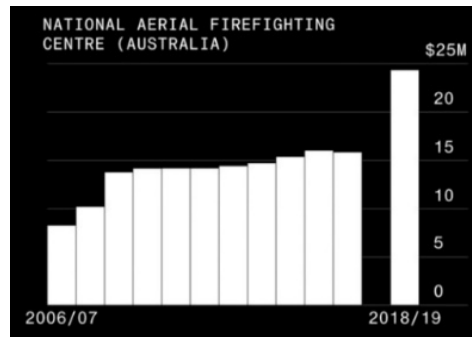
Wildfire severity and suppression spend are increasing globally

Australia Overview



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

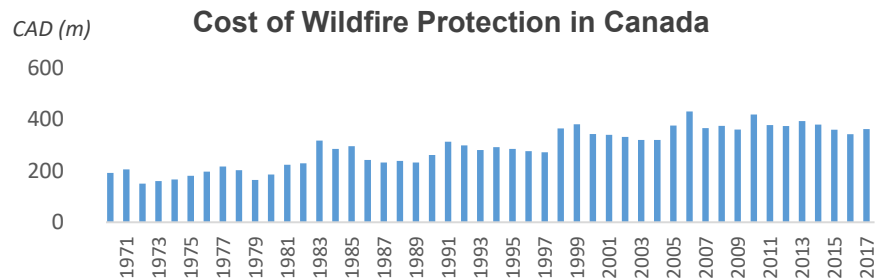
Annual Costs for Australian Firefighting Aviation Program



Canada Overview



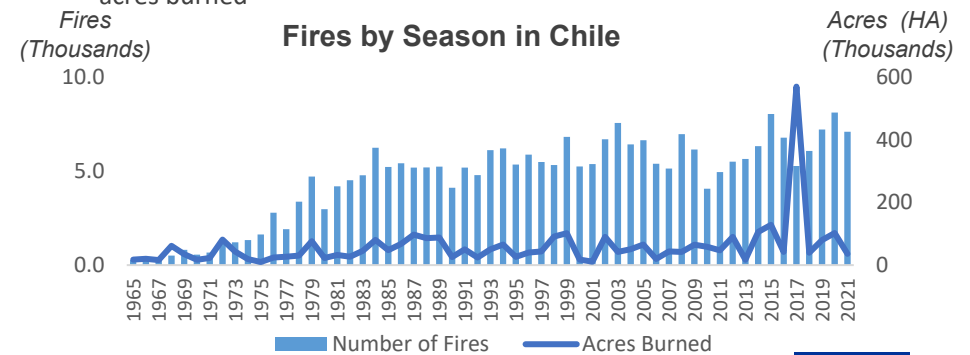
- Researchers at the Canadian Forest Service project that wildland fire protection expenditures are projected to continue to increase rapidly, particularly in western Canada



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

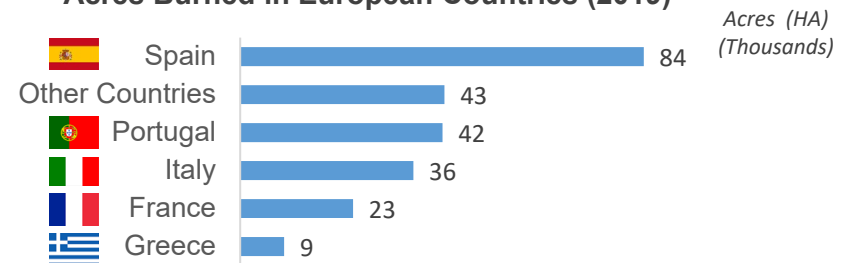


Europe Overview



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

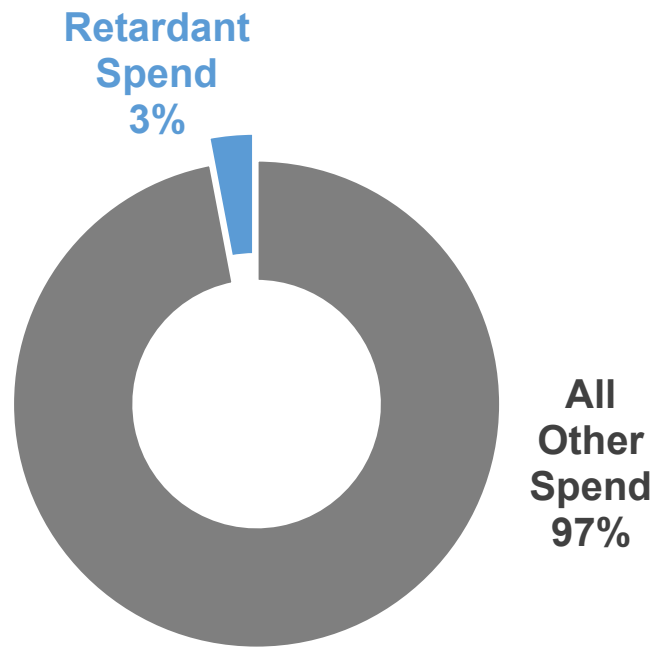
Acres Burned in European Countries (2019)



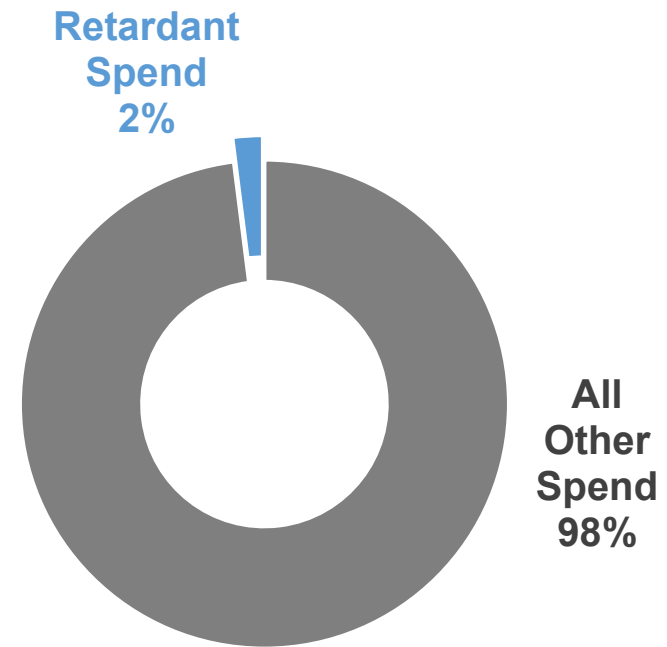
Sources: Corporacion Nacional Forestal; European Environment Agency; Statista; Government of Canada; Wildfire Today

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

- Approximately 8.5M stock options issued to management and employees
 - Vest ratably over five years based on intrinsic equity value growth
- Founder Advisory Agreement pertaining to the EverArc Founders
 - Fixed Annual Advisory Amount equal to 1.5% of 157,137,410 Ordinary Shares outstanding at Business Combination, paid annually until the year ending 12/31/2027
 - Variable Annual Advisory Amount based on the appreciation of the market price of ordinary shares if such market price exceeds certain trading price minimums, paid annually until the year ending 12/31/2031
 - At least 50% of the fixed and variable annual advisory amounts will be paid in Ordinary Shares and remainder in cash, with any cash portion intended to cover taxes



Appendix

Solutions That Save.

Non-GAAP Financial Metrics (Consolidated)

Fourth Quarter

	S/P Combined	Successor	Predecessor	
	Three Months Ended	November 9, 2021 Through	October 1, 2021 Through	Three Months Ended
	December 31, 2021	December 31, 2021	November 8, 2021	December 31, 2020
Loss before income taxes	\$ (693,150)	\$ (685,132)	\$ (8,018)	\$ (7,053)
Depreciation and amortization	15,786	9,379	6,407	14,746
Interest and financing expense	21,488	6,352	15,136	8,523
Founders advisory fees - related party	652,990	652,990	—	—
Transaction expenses	(2,380)	5,580	(7,960)	1,689
Stock compensation expense	4,977	4,821	156	—
Non-cash purchase accounting impact	2,948	2,948	—	—
Loss on contingent earn-out	400	198	202	—
Management fees	136	—	136	312
Contingent future payments	2,500	—	2,500	625
Unrealized foreign currency loss (gain)	1,140	1,006	134	(2,872)
Adjusted EBITDA	\$ 6,835	\$ (1,858)	\$ 8,693	\$ 15,970
Net sales	\$ 45,878	\$ 21,023	\$ 24,855	\$ 55,819
Adjusted EBITDA Margin	15%	(9%)	35%	29%

Year Ended

	S/P Combined	Successor	Predecessor	
	Year Ended	November 9, 2021 Through	January 1, 2021 Through	Year Ended
	December 31, 2021	December 31, 2021	November 8, 2021	December 31, 2020
(Loss) income before income taxes	\$ (650,367)	\$ (685,132)	\$ 34,765	\$ 34,732
Depreciation and amortization	61,379	9,379	52,000	58,117
Interest and financing expense	45,439	6,352	39,087	42,017
Founders advisory fees - related party	652,990	652,990	—	—
Transaction expenses	10,425	5,580	4,845	2,379
Stock compensation expense	4,977	4,821	156	—
Non-cash purchase accounting impact	2,948	2,948	—	—
Loss on contingent earn-out	3,163	198	2,965	—
Management fees	1,073	—	1,073	1,281
Contingent future payments	4,375	—	4,375	3,125
Unrealized foreign currency loss (gain)	5,032	1,006	4,026	(5,640)
Adjusted EBITDA	\$ 141,434	\$ (1,858)	\$ 143,292	\$ 136,011
Net sales	\$ 362,338	\$ 21,023	\$ 341,315	\$ 339,577
Adjusted EBITDA Margin	39%	(9%)	42%	40%



Thank You!

Solutions That Save.

NOTICE: Although the information and recommendations set forth herein (hereinafter "Information") are presented in good faith and believed to be correct as of the date hereof, Perimeter Solutions/Solberg/Auxquimia (the "Company") makes no representations or warranties as to the completeness or accuracy thereof. Information is supplied upon the condition that the persons receiving same will make their own determination as to its suitability for their purposes prior to use. In no event will the Company be responsible for damages of any nature whatsoever resulting from the use or reliance upon Information or the product to which Information refers. Nothing contained herein is to be construed as a recommendation to use any product, process, equipment or formulation in conflict with any patent, and the Company makes no representation or warranty, express or implied, that the use thereof will not infringe any patent. NO REPRESENTATIONS OR WARRANTIES, EITHER EXPRESSED OR IMPLIED, OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR OF ANY OTHER NATURE ARE MADE HEREUNDER WITH RESPECT TO INFORMATION OR THE PRODUCT TO WHICH INFORMATION REFERS.