



Perimeter Solutions, Inc.

Q1 2025 Earnings

May 8, 2025



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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, Inc.'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 (i) estimates and forecasts of financial, operational and performance metrics, including, but not limited to, Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted EBITDA growth, the number of acres burned ex-Alaska, our compounded annual growth rate ("CAGR") and capital expenditures; (ii) our growth expectations, opportunities and strategies and potential positive impact to our financial and operational results; (iii) our long-term assumptions, including our assumptions regarding interest expense, tax-deductible depreciation and amortization, cash tax rates, capital expenditures, changes to working capital and basic shares outstanding; (iv) the opportunity to expand our business through strategic acquisitions consistent with our five target economic criteria; (v) our expectations related to the increase in the number of business units that we operate through acquisitions; (vi) our ability to deliver long-term equity value creation, including M&A-driven value creation; (vii) our expectations regarding P₂S₅ results through the end of 2025; (viii) our expectations regarding the 2025 fire season; (ix) our Fire Safety financial results; (x) our expectations regarding Intelligent Manufacturing Solutions ("IMS") and our goals to expand IMS' portfolio to generate returns through acquisitions; (xi) our expectations regarding the impact of trade policy on our operations; (xii) our expectations regarding the returns of our allocated capital; (xiii) our plans regarding the implementation of our share repurchase program; (xiv) our ability to sustainably drive our long-term earnings power; (xv) our expectations regarding the growth of our product lines and expansion into new product lines; (xvi) our expectations regarding our subsidiaries to grow through acquisitions; and (xvii) expected capital allocation activities and priorities including, but not limited to, expectations relating to capital expenditures, mergers and acquisitions, special dividends and share repurchases, and the extent to which the foregoing drive value creation.

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: adjusted EBITDA, adjusted EBITDA margin, adjusted net income, adjusted diluted shares, adjusted earnings per share, last twelve months ("LTM") adjusted EBITDA, net debt to LTM adjusted EBITDA 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.

Three Elements Achieves Purpose



Exceptional Product Lines

Fire Safety / Specialty Products

- Mission Critical
- Challenging Problems
- Market Leadership
- Attractive Growth

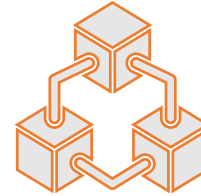


Value Creation Strategy

Operational Value Drivers

- Profitable New Business
- Productivity & Cost Improvement
- Value-based Pricing

Capital Allocation & Structure



Decentralization

Operating Autonomy

Budget Accountability

Incentive Alignment



Our Purpose

Fulfill Mission

Deliver private-equity like returns (15%+)

Specialty Industrials (IMS)



Function

- Repair/replacement and new components to support customers' much larger product solutions



Challenges

- Critical: proprietary products in complex systems
- Complex: highly spec'd in, hard to manufacture
- Integrated: IP ownership + engineering support + highly flexible, cross-functional manufacturing



Leadership

- Typically sole-sourced IP ownership within niches paired with purpose-built flexible manufacturing



Growth Expectation

- Double digit volume growth through acquisitions

Operational Developments

Fire Retardants



Fire Suppressants



Specialty Chemicals



Specialty Industrials (IMS)



Q1 2025 Financial Summary

(\$000)	Q1 '24	Q1 '25	y/y
Fire Safety			
Revenue	25,155	37,163	48%
Adjusted EBITDA	(241)	10,085	4285%
<i>Adjusted EBITDA Margin</i>	-1%	27%	
Specialty Products			
Revenue	33,889	34,867	3%
Adjusted EBITDA	12,377	7,998	-35%
<i>Adjusted EBITDA Margin</i>	37%	23%	
Consolidated			
Revenue	59,044	72,030	22%
Adjusted EBITDA	12,136	18,083	49%
<i>Adjusted EBITDA Margin</i>	21%	25%	
GAAP (Loss) Earnings Per Share (diluted)	(0.57)	0.36	
Adjusted (Loss) Earnings Per Share (diluted)	(0.01)	0.03	

Long-Term Assumptions

Item	Forward-Looking Assumption
Interest Expense	~\$40M annually
Tax-deductible D&A and other	~\$20-25M annually
Cash Tax Rate ⁽¹⁾	~20-25%
Capital Expenditures	~\$15-20M annually
Annual Change In Working Capital	~10% of revenue growth
Current Basic Shares Outstanding	~148.8M ⁽²⁾

(1) Cash paid for taxes, over a multi-year period, estimated as (Adjusted EBITDA less tax-deductible D&A less interest expense) * Cash Tax Rate

(2) As of the end of the current reported period.

Capital Allocation Priorities

Priority

Q1 '25

Capex

- Support our customers' mission
- Drives Profitable New Business and Productivity

✓ \$4.8M

M&A

- Acquiror advantage from Value Drivers implementation

✓ \$10.0M

Share Buybacks

- Repurchase shares when compelling opportunities arise

✓ \$8.2M

Special Dividends

- Issue special dividends to sustain necessary leverage

✓ 1.7x net leverage

We drive value creation through thoughtful capital allocation and active capital structure management

Attractive Debt Profile, Ample Liquidity



Debt



- **NO** financial maintenance covenants
- **1.7x net debt to LTM Adjusted EBITDA**



Liquidity

- \$200.1M cash (as of Q1 2025)
- \$100M revolving cashflow facility, \$0 drawn



Capitalization

- 148.8M basic shares outstanding

Appendix

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Stock Options

- Approximately 17.8M stock options granted to management, employees, and directors are outstanding as of March 31, 2025
- Vest over five years based on intrinsic share price growth

Founders Advisory Agreement (pertaining to the EverArc Founders)

- Fixed Annual Advisory Amount equal to 1.5% of 157,137,410 shares of Common Stock 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 shares of Common Stock if such market price exceeds certain trading price minimums, paid annually until the year ending 12/31/2031
- Fixed and Variable Annual Advisory Amounts apply solely to 157,137,410 shares of Common Stock outstanding at Business Combination
- At least 50% of the Fixed and Variable Annual Advisory Amounts will be paid in shares of Common Stock and remainder in cash, with any cash portion intended to cover taxes

Adjusted EBITDA & Adjusted EBITDA Margin

The computation of Adjusted EBITDA is defined as income (loss) before income taxes plus net interest and other financing expenses, and depreciation and amortization, adjusted on a consistent basis for certain non-recurring, unusual or non-operational items. These items include (i) restructuring and transaction related costs (ii) founder advisory fee expenses, (iii) stock compensation expense and (iv) foreign currency loss (gain). Adjusted EBITDA Margin is defined as Adjusted EBITDA divided by net sales. To supplement the Company's consolidated financial statements presented in accordance with U.S. GAAP, Perimeter is providing a summary to show the computations of Adjusted EBITDA and Adjusted EBITDA Margin, which are non-GAAP measures used by the Company's management and by external users of Perimeter's financial statements, such as debt and equity investors, commercial banks and others, to assess the Company's operating performance as compared to that of other companies, without regard to financing methods, capital structure or historical cost basis. Adjusted EBITDA and Adjusted EBITDA Margin should not be considered alternatives to net income (loss), operating income (loss), cash flows provided by (used in) operating activities or any other measure of financial performance or liquidity presented in accordance with U.S. GAAP (in thousands).

Non-GAAP Financial Metrics (Consolidated)

Adjusted EBITDA		
(\$000)	<u>Q1 '24</u>	<u>Q1 '25</u>
(Loss) income before income taxes	(86,832)	69,179
Depreciation and amortization	16,412	16,893
Interest and financing expense	10,648	9,644
Founders advisory fees - related party	68,333	(80,613)
Non-recurring expenses (1)	540	1,468
Stock-based compensation expense	1,742	2,671
Foreign currency loss (gain)	1,293	(1,159)
Adjusted EBITDA	<u>12,136</u>	<u>18,083</u>
Net Sales	59,044	72,030
Adjusted EBITDA Margin	21%	25%

(1) For the three months ended March 31, 2025, \$0.6 million was related to acquisition costs, \$0.4 million was related to the Redomiciliation Transaction and \$0.5 million was related to restructuring and other non-recurring costs. For the three months ended March 31, 2024, \$0.5 million was related to restructuring and other non-recurring costs.

Adjusted Earnings Per Share

The computation of Adjusted Earnings Per Share (“Adjusted EPS”) is defined as Adjusted Net Income (loss) divided by adjusted diluted shares. Adjusted Net Income is defined as net income (loss) plus amortization, certain non-recurring, unusual or non-operational items, and the tax impact of these non-GAAP adjustments. These adjustments include (i) restructuring and transaction related costs (ii) founder advisory fee expenses, (iii) stock compensation expense and (iv) foreign currency loss (gain). Adjusted diluted shares is the weighted average diluted shares outstanding, adjusted by adding dilution for options and warrants excluded under U.S. GAAP due to a net loss, less dilution related to Founders advisory fees. To supplement the Company’s condensed consolidated financial statements presented in accordance with U.S. GAAP, Perimeter is providing a summary to show the computations of Adjusted EPS, which is a non-GAAP measure used by the Company's management and by external users of Perimeter’s financial statements, such as debt and equity investors, commercial banks and others, to assess the Company's operating performance as compared to that of other companies, without regard to financing methods, capital structure or historical cost basis. Adjusted EPS and Adjusted Net Income should not be considered alternatives to GAAP earnings per share (“GAAP EPS”), net income (loss), operating income (loss), cash flows provided by (used in) operating activities or any other measure of financial performance or liquidity presented in accordance with U.S. GAAP (in thousands, except share and per share data).

Non-GAAP Financial Metrics (Consolidated)

Adjusted Earnings Per Share

(Unaudited)	Three Months Ended March 31,	
	2025	2024
(\$000)		
GAAP net income (loss)	\$ 56,686	\$ (82,558)
Adjustments:		
Amortization	14,099	13,771
Founders advisory fees - related party	(80,613)	68,333
Non-recurring expenses (1)	1,468	540
Share-based compensation expense	2,671	1,742
Foreign currency (gain) loss	(1,159)	1,293
Tax impact of non-GAAP adjustments (2)	10,937	(5,191)
Adjusted net income (loss)	\$ 4,089	\$ (2,070)

	Three Months Ended March 31,	
	2025	2024
Shares used in computing GAAP Earnings Per Share (diluted)	156,727,696	145,326,933
Options (3)	-	-
Shares underlying Founders fixed advisory fees (4)	(7,071,183)	-
Shares underlying Founders variable advisory fees (5)	-	-
Shares used in computing Adjusted Earnings Per Share (diluted)	149,656,513	145,326,933
GAAP Loss Per Share (diluted)	\$ 0.36	\$ (0.57)
Adjusted Earnings (Loss) Per Share (diluted)	\$ 0.03	\$ (0.01)

- (1) For the three months ended March 31, 2025, \$0.6 million was related to acquisition costs, \$0.4 million was related to the Redomiciliation Transaction and \$0.5 million was related to restructuring and other non-recurring costs. For the three months ended March 31, 2024, \$0.5 million was related to restructuring and other non-recurring costs.
- (2) The tax impact of non-GAAP adjustments reflects the total income tax expense commensurate with the non-GAAP measure of profitability.
- (3) The Company adds back the dilutive impact of options if amounts were excluded for purposes of GAAP EPS due to a GAAP net loss during the period.
- (4) As of March 31, 2025 and 2024, a maximum of 2.4 million shares were expected to be issued within 12 months under the Founders fixed advisory fee.
- (5) Based on period end market prices, no shares were issuable under the Founders variable advisory fee.

Non-GAAP Financial Metrics (Consolidated)

Last Twelve Months (“LTM”) Adjusted EBITDA

(\$000)	LTM 3/31/2025
Income before income taxes	109,148
Depreciation and amortization	66,199
Interest and financing expense	39,457
Founders advisory fees - related party	49,362
Non-recurring expenses	8,306
Stock-based compensation expense	13,778
Foreign currency gain	(9)
Adjusted EBITDA	<u>286,241</u>

Net Debt to LTM Adjusted EBITDA

(\$000)	3/31/2025
Senior Notes	675,000
Less: Cash and cash equivalents	200,050
Net Debt	474,950
LTM Adjusted EBITDA	286,241
Net Debt to LTM Adjusted EBITDA	1.7

Free Cash Flow

(\$000)	Q1 '25
Net cash provided by operating activities	23,746
Purchase of property and equipment	<u>(4,813)</u>
Free cash flow	<u><u>18,933</u></u>

A grayscale photograph of a firefighter in silhouette, wearing a helmet and holding a hose, spraying water into a smoky, wooded area. The scene is hazy with smoke or steam rising from the ground. A large red diagonal stripe runs from the top left corner towards the bottom left.

Thank You!



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.