



Perimeter Solutions SA

Q3 2024 Earnings

November 12, 2024

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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, 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 (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; (iv) the opportunity to expand our business through strategic acquisitions consistent with our five target economic criteria; (v) our expectations related to historical volume drivers persisting into the future; (vi) our ability to deliver long-term equity value creation, including M&A-driven value creation; (vii) our expectations related to trends driving the global wildfire business; (viii) our expectations regarding the 2024 fire season; (ix) our Fire Safety financial results; (x) our beliefs regarding our customers' posture towards aerial attacks; (xi) our expectations regarding the conversion to, and growing use of, fluorine-free technologies; (xii) our plans to upgrade airbases prior to the 2025 fire season; (xiii) our beliefs regarding the domestication from Luxembourg to Delaware; (xiv) our beliefs regarding the productivity benefits of our new and proprietary retardant mixing system; (xv) our ability to sustainably drive our long-term earnings power; (xvi) our expectations regarding the growth of our Fire Retardants product line; (xvii) our expectations regarding the expansion of our fluorine-free installed bases; (xviii) our expectations regarding the demand profile of our Specialty Products product line; and (xix) expected capital allocation activities and priorities including, but not limited to, expectations relating to capital expenditures, acquisitions, 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 and adjusted EBITDA margin. 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.



Exceptional Businesses

Retardants/Suppressants/ Specialty Products

- Mission Critical Function
- Market Leadership Positions
- Challenging Markets to Serve
- Attractive Growth Profiles



Value Creation Strategy

Operational Value Drivers

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

Capital Allocation and Capital Structure



Our Goal

Fulfill our Mission

**Deliver private-equity like
returns (15%+) with
public market liquidity**

Our Product Lines



Fire Retardants (48%)⁽¹⁾



Function

- Retardant slows, stops and prevents wildfire, typically applied via airtankers



Leadership

- Market leader with a comprehensive fully-integrated solution delivered globally



Challenges

- Critical: success measured in lives
- Complex: unpredictable demand profiles and challenging operating environments
- Integrated: asset base and service capabilities built over decades at high-\$



Growth
Expectation

- Mid- to high-single digit volume growth



Fire Suppressants (22%)⁽¹⁾

- Foam primarily used to fight flammable liquid fires (airports, refineries, etc.)

- Market leader in fluorine-free foams that are rapidly becoming industry standard

- Critical: life-saving products
- Complex: emergency response demand requires never fail global service network
- Integrated: hardware, consumables and after-market service bundled together

- Expanding fluorine-free installed base



Specialty Products (30%)⁽¹⁾

- P_2S_5 reduces wear / improves durability in lubricating oils, and other niche uses

- Market leader with >50% OECD capacity

- Critical: vital to product, no substitutes
- Complex: difficult chemistry, highly regulated global supply chain / delivery
- Integrated: product plus proprietary and patented delivery system/hardware

- Stable volume demand profile

LTM Revenue of **\$534.2M** and Adjusted EBITDA of **\$258.6M** (~48% **Adjusted EBITDA Margin**)

(1) %s denote share of Consolidated Revenue as of latest public disclosure, 12/31/2023

Retardants: Extreme Criticality



Fulfilling the mission requires 100% reliability, 100% of the time



Deployed globally, including:



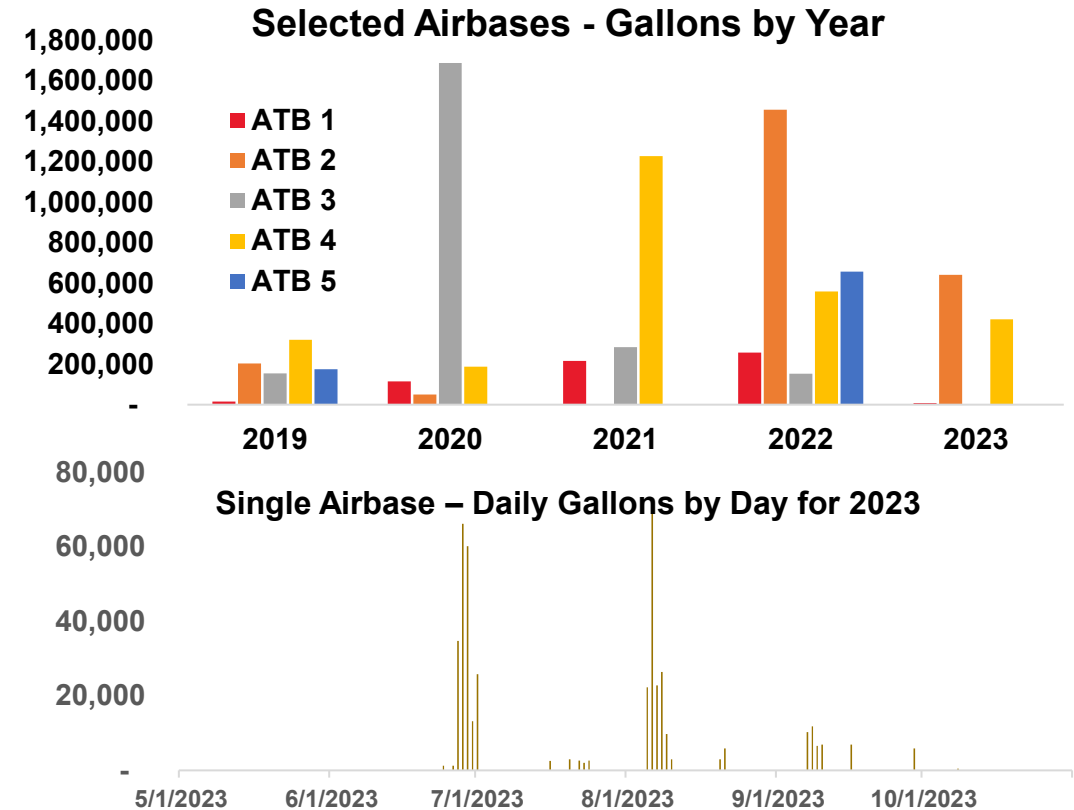
Stringent performance requirements...

- “Ready delivery status is defined as the ability to begin pumping and loading operations within **3 minutes** after an order is placed.”
- “Contractor must deliver retardant as specified herein within **24 hours** of receipt of an order.”

based on actual July
North America activity.

Map based on actual July 2024 North America activity.

...amidst highly unpredictable environments



Retardants: Our Mission



Only Perimeter's comprehensive, fully integrated-solution, built over 60 years, can fulfill our customers' critical mission

Suppressants: Our Mission



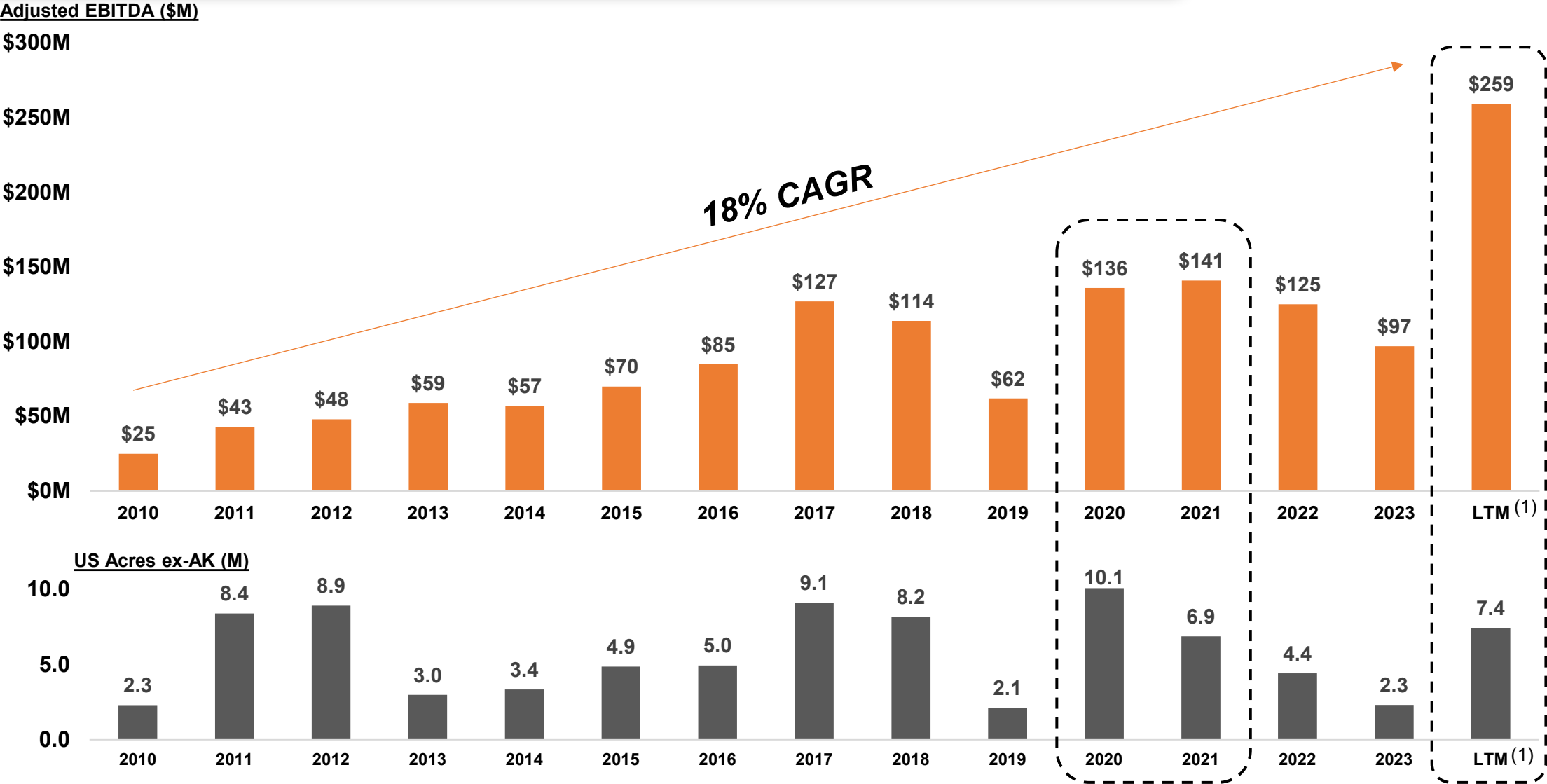
**Perimeter is the market leader in fluorine free foams,
which are rapidly becoming the industry standard**

Specialty Products: Our Mission



Perimeter owns >50% of OECD capacity in a highly specialized niche market

Adjusted EBITDA Growth Track-Record



(1) LTM Adjusted EBITDA and US Acres Burned ex-AK through 9/30/2024

Priority

Capex

- Support our customers' mission
- Drive Profitable New Business and Productivity through high-return projects

M&A

- Acquiror advantage stems from Value Drivers implementation

Share Buybacks

- Repurchase shares when presented with compelling opportunities

Special Dividends

- Issue special dividends to sustain leverage vital for 15-20% equity returns

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

Q3 and YTD 2024 Financial Summary

(\$000)	Q3 '23	Q3 '24	y/y	YTD '23	YTD '24	y/y
Fire Safety						
Revenue	118,280	251,845	113%	190,164	375,538	97%
Adjusted EBITDA	56,038	157,479	181%	69,209	212,877	208%
<i>Adjusted EBITDA Margin</i>	47%	63%		36%	57%	
Specialty Products						
Revenue	24,378	36,572	50%	72,489	99,199	37%
Adjusted EBITDA	5,431	12,897	137%	16,366	34,543	111%
<i>Adjusted EBITDA Margin</i>	22%	35%		23%	35%	
Consolidated						
Revenue	142,658	288,417	102%	262,653	474,737	81%
Adjusted EBITDA	61,469	170,376	177%	85,575	247,420	189%
<i>Adjusted EBITDA Margin</i>	43%	59%		33%	52%	

Long-Term Assumptions

Item	Assumption
Interest Expense	~\$40M annually
Tax-deductible D&A	~\$10M annually
Tax Rate	~26% ⁽¹⁾
Capital Expenditures	~\$10-15M annually
Change In Working Capital	~10-20% of the Δ in revenue
Current Basic Shares Outstanding	~145.2M ⁽²⁾

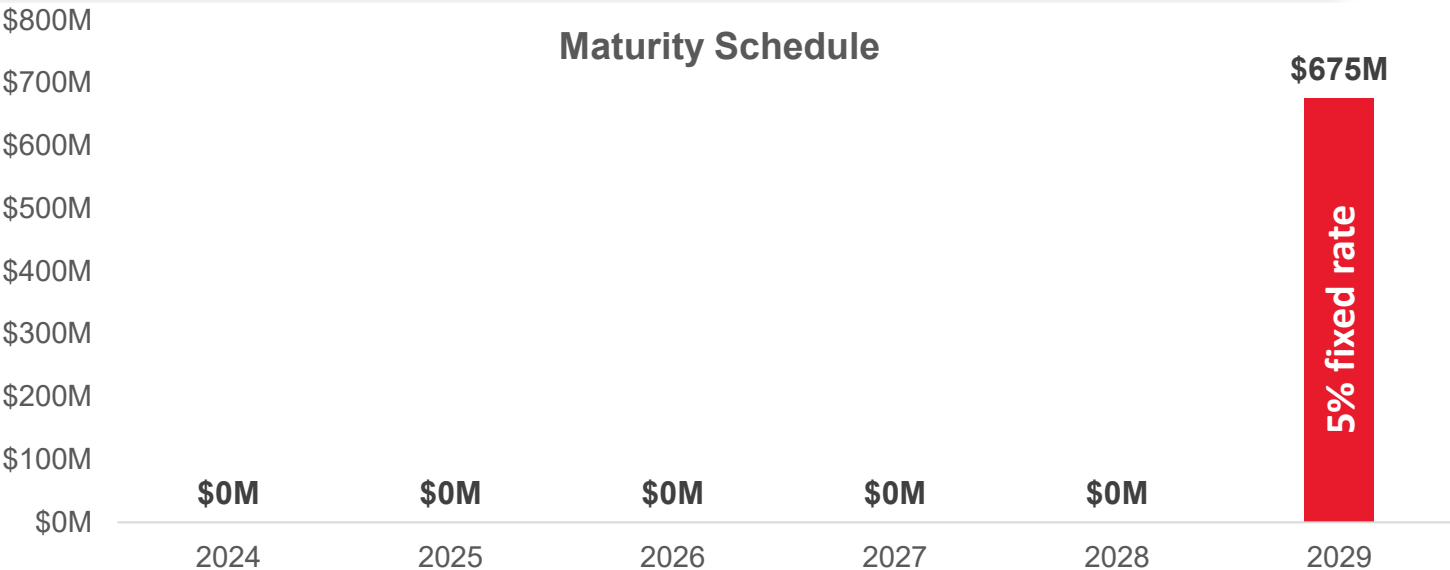
(1) Excluding impacts from purchase accounting, transaction related costs, and certain loss jurisdictions.

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

Attractive Debt Profile, Ample Liquidity



Debt

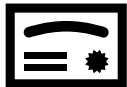


- **NO** financial maintenance covenants
- Ending **1.7x net debt to Adjusted EBITDA**



Liquidity

- \$223.1M cash (as of Q3 2024)
- \$100M revolving cashflow facility, \$0 drawn



Capitalization

- 145.2M basic shares outstanding

Appendix

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Diluted Share Count

Category	Q3-24 Shares (M)	
Wtd. Avg Basic Shares Outstanding	145.2	
1 Performance-Based Options and Warrants	0.0	Dilutive impact of performance-based stock options and warrants (no impact for Q3-24 due to net loss during the period)
2 Fixed Annual Advisory Shares	0.0	Dilutive impact of shares issuable under the Fixed Annual Advisory Amount between Q1 2024 and Q1 2028 (no impact for Q3-24 due to net loss during the period)
3 Variable Annual Advisory Shares	0.0	Dilutive impact of shares issuable under the Variable Annual Advisory Amount (no impact for Q3-24 due to net loss during the period)
Wtd. Avg Diluted Shares Outstanding	145.2	

Stock Options

- Approximately 15.1M stock options granted to management, employees, and directors are outstanding
- 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 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
- Fixed and Variable Annual Advisory Amounts apply solely to 157,137,410 Ordinary Shares outstanding at Business Combination
- 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

Non-GAAP Financial Metrics (Consolidated)

Adjusted EBITDA				
(\$000)	<u>Q3 '23</u>	<u>Q3 '24</u>	<u>YTD '23</u>	<u>YTD '24</u>
Income (loss) before income taxes	23,061	(44,090)	78,917	(96,792)
Depreciation and amortization	16,276	16,444	48,493	49,215
Interest and financing expense	10,448	10,054	30,938	31,292
Founders advisory fees - related party	(24,544)	184,176	(108,806)	253,097
Intangible impairment	40,738	-	40,738	-
Non-recurring expenses	22	1,834	1,942	2,397
Share-based compensation	1,749	3,312	(130)	8,048
Gain on contingent earn-out	(7,665)	-	(7,273)	-
Foreign currency loss (gain)	1,384	(1,354)	756	163
Adjusted EBITDA	<u>61,469</u>	<u>170,376</u>	<u>85,575</u>	<u>247,420</u>
Net Sales	142,658	288,417	262,653	474,737
Adjusted EBITDA Margin	43%	59%	33%	52%

Reconciliation of Non-GAAP Information

Non-GAAP Financial Metrics

Adjusted EBITDA

The computation of Adjusted EBITDA is defined as net income plus income tax expense, net interest and other financing expenses, and depreciation and amortization, adjusted on a consistent basis for certain non-recurring, unusual or non-operational items in a balanced manner. These items include (i) severance costs, and integration and restructuring related costs (ii) founder advisory fee expenses, (iii) stock compensation expense and (iv) foreign currency loss (gain). 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 EBITDA, which is a non-GAAP measure used by the Company's management and by external users of Perimeter's financial statements, such as 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 should not be considered an alternative 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).

	Twelve Months Ended		Year Ended				
	September 30, 2024 ("LTM")	December 31, 2023	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019	
Net sales	\$ 534,192	\$ 322,108	\$ 360,505	\$ 362,338	\$ 339,577	\$ 239,310	
(Loss) income before income taxes	(114,126)	61,583	97,227	(653,544)	34,732	(59,711)	
Depreciation and amortization	65,577	64,855	65,795	61,379	58,117	58,025	
Interest and financing expense	41,732	41,378	42,585	45,439	42,017	51,655	
Restructuring charges	-	-	-	-	2,379	3,821	
Founders advisory fees - related party	253,422	(108,481)	(117,302)	652,990	-	-	
Intangible impairment	-	40,738	-	-	-	-	
Non-recurring expenses ¹	4,501	4,046	6,885	10,425	-	-	
Share-based compensation expense	9,774	1,596	14,649	4,977	-	-	
Non-cash purchase accounting impact ²	-	-	24,796	6,125	-	-	
(Gain) loss on contingent earn-out	-	(7,273)	(12,706)	3,163	-	-	
Management fees ³	-	-	-	1,073	1,281	1,366	
Contingent future payments ⁴	-	-	-	4,375	3,125	3,749	
Foreign currency (gain) loss	(2,248)	(1,655)	3,462	5,032	(5,640)	2,684	
Adjusted EBITDA	\$ 258,632	\$ 96,787	\$ 125,391	\$ 141,434	\$ 136,011	\$ 61,589	

- (1) Adjustment to reflect non-recurring expenses; severance costs, fees related to internal audit support, professional fees and integration costs including expenses related to the business combination with Perimeter Solutions.
- (2) Represents the non-cash impact of purchase accounting on the cost of inventory sold. The inventory acquired received a purchase accounting step-up in basis, which is a non-cash adjustment to the cost.
- (3) Adjustment to reflect fees pertaining to services provided by the Sponsor when acting in a management capacity on strategic and other non-operational matters which do not represent expenses incurred in the normal course of our operations. These fees did not continue following the closing of the business combination with Perimeter Solutions.
- (4) Adjustment to reflect deferred consideration paid with respect to a 2019 acquisition.



Thank You!



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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.