



Element Solutions Investor Day

May 2019

Cautionary Statement about Forward-Looking Statements



The financial information contained in this presentation excludes the results of Element Solutions' discontinued operations which relate to its former Agricultural Solutions business sold on January 31, 2019.

Please note that in this presentation, we also discuss events or results that have not yet occurred or been realized, commonly referred to as forward-looking statements. The Private Securities Litigation Reform Act of 1995 provides a safe harbor for forward-looking statements made by or on behalf of the Company. Such discussion and statements will often contain words such as “expect,” “anticipate,” “project,” “will,” “should,” “believe,” “intend,” “plan,” “assume,” “estimate,” “predict,” “seek,” “continue,” “outlook,” “may,” “might,” “can have,” “likely,” “potential,” “target,” “path,” “goal,” “objective,” “expectation,” “emphasis” or “priority” and/or variations of such words and similar expressions, and relate in this presentation, without limitation, to Element Solutions’ strategic pillars; strategy in action; financial performance drivers, including above-market organic growth, margin expansion and compounding cash flow; path to compound cash flow and drive shareholder value relating to organic net sales growth, net sales to adjusted EBITDA, deployment of excess cash flow, net leverage ratio, ROIC improvement and adjusted earnings per share (“EPS”); innovation and service to meet customer needs; growth expectations and market positioning by segment and vertical; market drivers and technology requirements driving innovation; growth trends and innovation; interconnect technology; MacDermid Alpha Automotive; cost opportunity related to the next-generation of high-end vehicles; supply chain cost structure and opportunities; global supply chain strategy; corporate social responsibility; cash flow conversion and return on assets; other cash flow drivers, including working capital efficiency, capital expenditures and tax optimization; net leverage ratio below 3.5x adjusted EBITDA; anticipated settlement of post-closing adjustments, taxes and transaction expenses related to the sale of Agricultural Solutions and net post-closing adjustment and expense amounts; margin expansion drivers; adjusted EBITDA growth of 1.5x net sales growth; targeted cost savings, including run-rate cost savings and drivers for incremental cost savings; path to compound cash flow and drive shareholder value by achieving our key targets and medium-term financial objective of double adjusted EPS by 2023; capital allocation principles; investments in the business and spend approach; deploying excess capital for acquisitions or shareholder returns; acquisition criteria; and path to value creation, including organic growth trajectory and share repurchases.

These projections and statements are based on management's estimates, assumptions and expectations with respect to future events and financial performance and are believed to be reasonable, though are inherently uncertain and difficult to predict. Actual results could differ materially from those expressed or implied in the forward-looking statements if one or more of the underlying estimates, assumptions or expectations prove to be inaccurate or are unrealized. Important factors that could cause actual results to differ materially from those suggested by these forward-looking statements include, but are not limited to, the Company's ability to realize the anticipated benefits, efficiencies and cost savings expected from the sale of its Agricultural Solutions business; the success of the Company's new leadership, structure and strategy; market trends and product demand; the impact of acquisitions, divestitures, restructurings, refinancings, and other unusual items, including the Company's ability to raise and/or retire new debt and/or equity and to integrate and obtain the anticipated benefits, results and synergies from these items or other related strategic initiatives. Additional information concerning these and other factors that could cause actual results to vary is, or will be, included in Element Solutions' periodic and other reports filed with the Securities and Exchange Commission. Element Solutions undertakes no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise.

Certain product information, competitive position data and market trends contained in this presentation have been prepared internally and have not been verified by any third party. Use of different methods for preparing, calculating or presenting such information may lead to different results and such differences may be material. In addition, certain industry and market data described in this presentation was obtained from industry and general publications and research, surveys and studies conducted by third parties. While Element Solutions believes this information is reliable and appropriate, such information has not been verified by any independent source. You are cautioned not to place undue reliance on this product, competitive and market information or on this industry and market data.

In all cases where historical performance is presented, please note that past performance is not a reliable indicator of future results and should not be relied upon as the basis for making an investment decision. In particular, historical financial results and information relating to acquired businesses, such as MacDermid incorporated prior to its acquisition by the Company in 2013 and Alent plc prior to its acquisition by the Company in 2015, were derived from public filings, when applicable, and/or information provided by management of these businesses prior to their acquisitions by the Company. Although we believe it is reliable, this information has not been verified, internally or independently. In addition, Alent plc's financial information was not historically prepared in accordance with generally accepted accounting principles in the United States (“GAAP”) and may or may not be comparable to the Company's financial statements. Consequently, there is no assurance that the financial results and information for these legacy businesses are accurate or complete, or representative in any way of the Company's actual or future results as a consolidated company. Finally, historical adjusted free cash flow and unlevered free cash flow for the Company's continuing operations, which assume a close of the sale of the Agricultural Solutions business and the implementation of the Company's new capital structure, are provided for informational purposes only and are not necessarily, and should not be assumed to be, an indication of the results that may be achieved in the future.

To supplement the financial measures prepared in accordance with GAAP, the Company uses the following non-GAAP financial measures: EBITDA, adjusted EBITDA, adjusted EPS, adjusted free cash flow, net debt to adjusted EBITDA ratio, organic net sales growth and unlevered free cash flow. The Company also evaluates and presents its results of operations on a constant currency basis. The definitions and 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 footnotes and appendix of this presentation.

Management internally reviews each of these non-GAAP measures to evaluate performance on a comparative period-to-period basis in terms of absolute performance, trends and expected future performance with respect to the Company's businesses and believes that these non-GAAP measures provide investors with an additional perspective on trends and underlying operating results on a period-to-period comparable basis. The Company also believes that investors find this information helpful in understanding the ongoing performance of its operations separate from items that may have a disproportionate positive or negative impact on its financial results in any particular period. These non-GAAP financial measures, however, have limitations as analytical tools, and should not be considered in isolation from, a substitute for, or superior to, the related financial information that the Company reports in accordance with GAAP. Investors are encouraged to review the reconciliations of these non-GAAP financial measures to their most comparable GAAP financial measures included herein, and not to rely on any single financial measure to evaluate the Company's businesses.

The Company only provides adjusted EBITDA, adjusted EPS and organic net sales growth objectives and targets on a non-GAAP basis and does not provide reconciliations of such forward-looking non-GAAP measures to GAAP due to the inherent difficulty in forecasting and quantifying certain amounts that are necessary for such reconciliations, including adjustments that could be made for restructurings, refinancings, divestitures, integration-related expenses, share-based compensation amounts, non-recurring, unusual or unanticipated charges, expenses or gains, adjustments to inventory and other charges reflected in its reconciliation of historic numbers, the amount of which, based on historical experience, could be significant.

Welcome & Introduction

Benjamin Gliklich
Martin E. Franklin

1

**Introducing
Element Solutions**

2



**Positioning &
Business Model**

3

Electronics

4



**Industrial &
Specialty**

5

**MacDermid Alpha
Automotive**

6



**Supply
Chain**

7

Finance

8



**Capital
Allocation**

9

**Key
Takeaways**

Diverse, niche businesses with stable market positions, defensible moats and strong growth potential

Performance-based culture with mission aligned management team

Significant cash flow generation and high returns on capital

Multiple avenues for shareholder value creation through execution and capital allocation

Introducing Element Solutions

Benjamin Gliklich

Introducing Element Solutions

Chemical Technology Enabling Performance & Innovation



\$ 1,961M 2018 Net Sales ~ **4,450** Employees

\$ 421M 2018 Adj. EBITDA* > **50** Countries



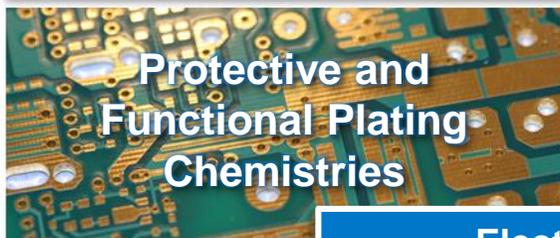
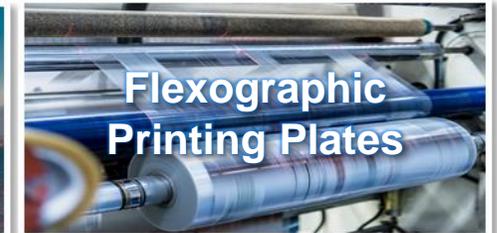
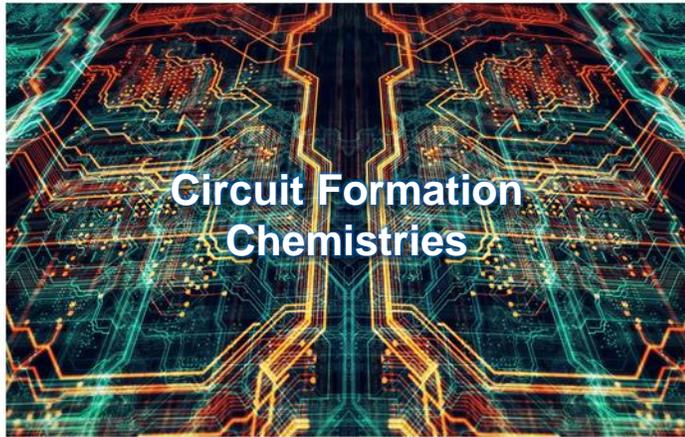
2018 Segment Net Sales

■ Electronics 59%
■ Industrial & Specialty 41%



2018 Regional Net Sales

■ Americas 29%
■ EMEA 29%
■ Asia 42%



Electronics

Industrial & Specialty

* Please refer to the appendix for definitions of non-GAAP measures, discussions of adjustments and reconciliations

Element Solutions' Leadership Team

Deep Bench of Highly-Skilled Leaders



Office of the Chairman



Martin E. Franklin
Executive Chairman



Benjamin Gliklich
Chief Executive Officer



Scot R. Benson
President & Chief Operating Officer



Functional Leadership

- **John E. Capps**
EVP, General Counsel & Secretary
~25 years of experience
- **Carey J. Dorman**
Chief Financial Officer
~10 years of experience
- **Trisha Mount**
VP, Project Management
~30 years of experience
- **Dustin Collins**
VP, Information Technology
~20 years of experience
- **Michael Russnok**
Chief Accounting Officer
~20 years of experience

Commercial Leadership

- **Joe D'Ambrisi**
VP, Electronics
~35 years of experience
- **Michael Siegmund**
VP, Industrial Solutions
~35 years of experience
- **Rick Ertmann**
VP, Assembly & New Markets
~35 years of experience
- **Melanie Galloway**
VP, Graphics Solutions
~25 years of experience
- **Steve Racca**
VP, Energy Solutions
~30 years of experience
- **Blake Batley**
Chief Sales Officer
~25 years of experience
- **Mike Goralski**
VP, Supply Chain
~25 years of experience

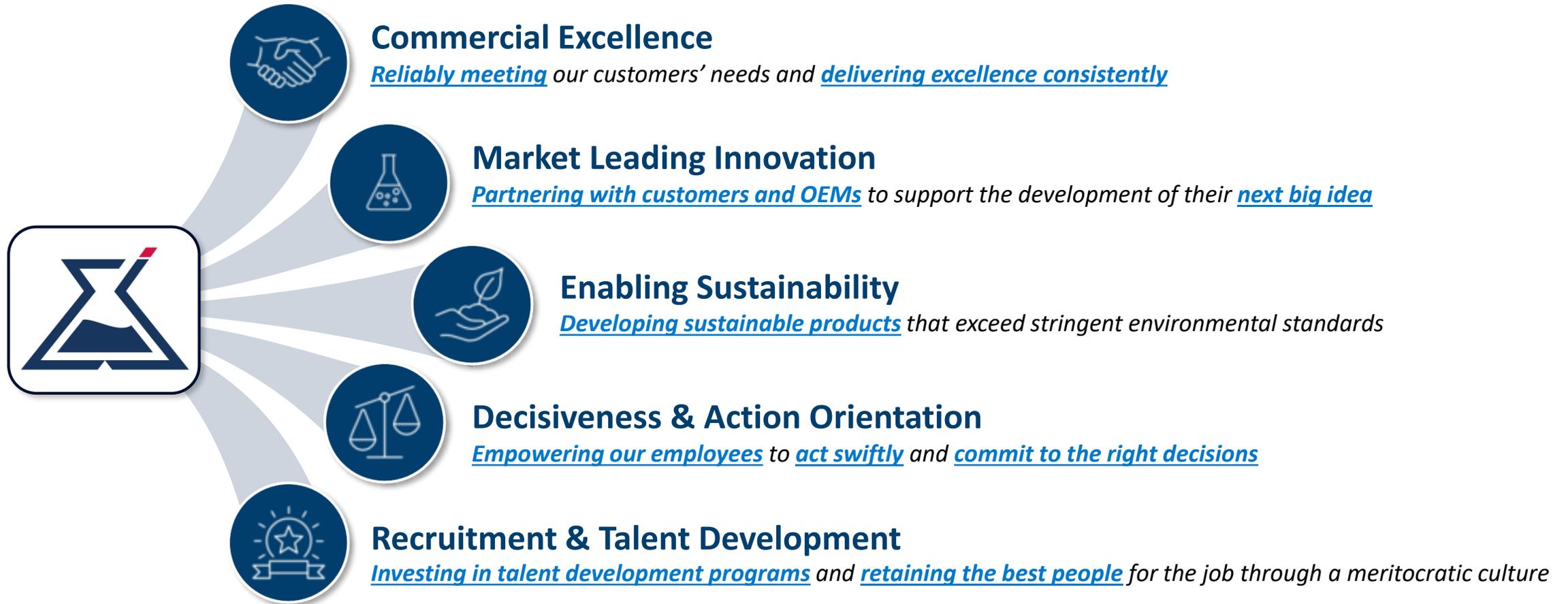
Additional Presenters

- **Tom Hunsinger**
VP, Assembly Solutions
~25 years of experience
- **Leo Linehan**
VP, Semiconductor Solutions
~30 years of experience
- **Steven Brown**
Director, MacDermid Alpha Automotive
~25 years of experience

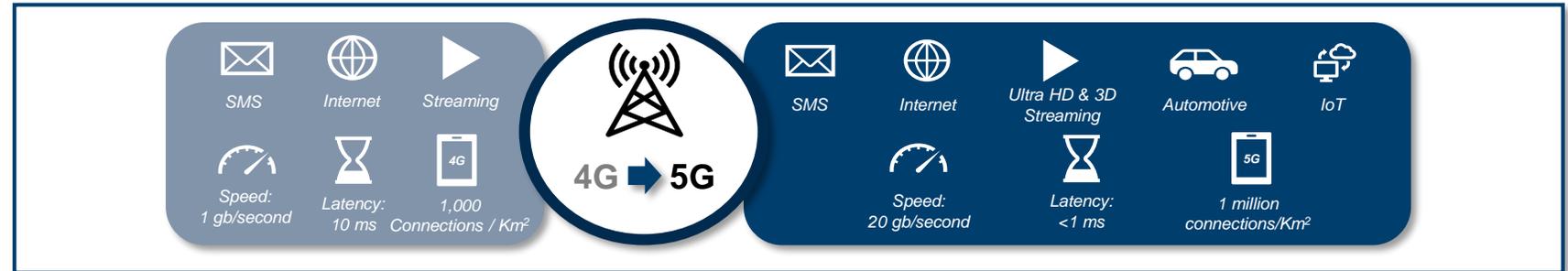
Presenting Today

Element Solutions' Strategic Pillars

Chemical Technology Enabling Performance & Innovation



Supporting Higher Reliability Standards for 5G Technologies



Chromium Trioxide-Free and REACH-Compliant Chrome Finishes



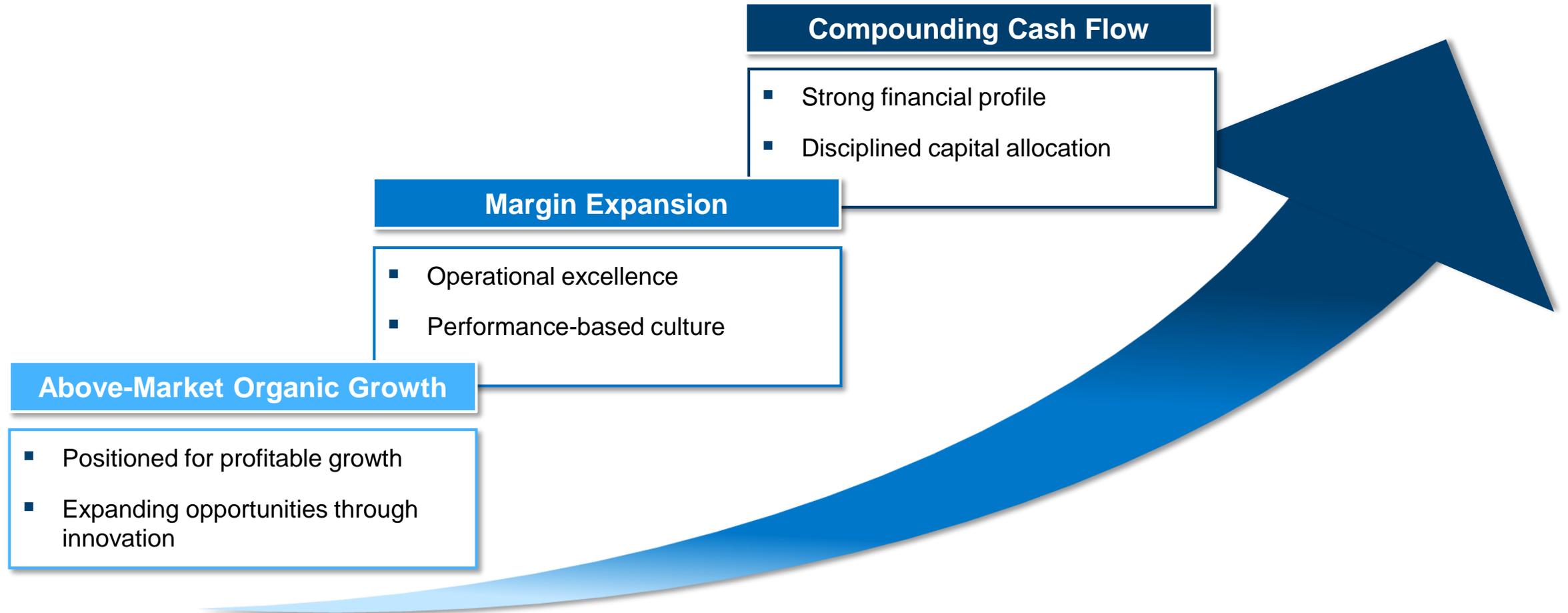
Post-Separation Reorganization



- **Fast and efficient realignment of cost and incentives**
- **One-company structure**
- **Reinvigorated focus on people**

Financial Performance Drivers

Compounding Cash Flow Through Operational Excellence and Prudent Capital Allocation

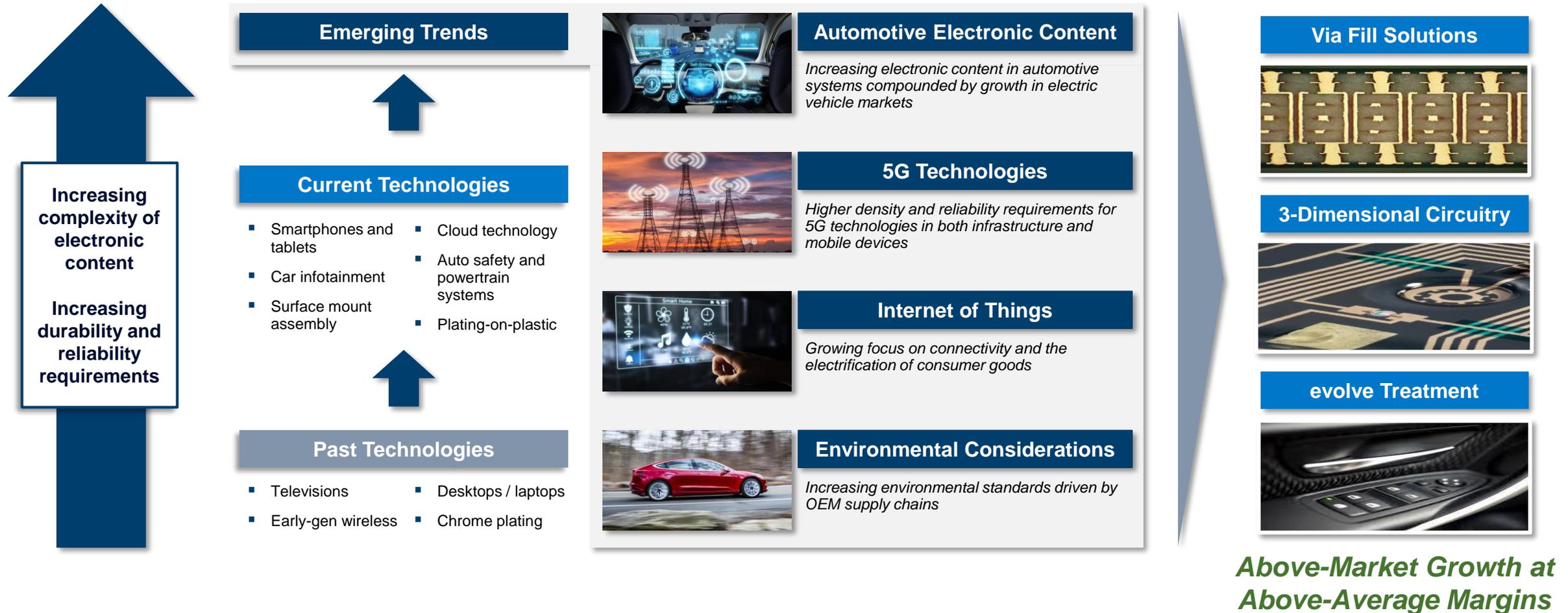


Positioned for Profitable Growth

Above-Market Growth Through Increasing Customer Requirements & Innovation



Increasing complexity, reliability and sustainability requirements are megatrends that benefit Element Solutions



Global Scale in Procurement

- Global purchasing organization leveraging \$700 million+ of raw materials spend
- Developing improved processes to optimize working capital and customer lead times

A global supply chain that can benefit from scale

Nimble Supply Chain

- Low, fixed-cost formulation facilities close to customers
- Global flexibility to shift or add meaningful capacity

Minimal capital required to sustain or expand production

Efficient Operating Model

- Investment focused on customer facing R&D, sales and technical service
- Lean G&A organization that can efficiently support business growth

Additional opportunities through shared services and technology

Performance-Based Culture

The Elements of our Culture

Challenge

We establish ambitious goals, take calculated risks, maintain high standards and seek to exceed expectations

Commit

We make commitments and hold ourselves accountable, individually and as teams, to deliver on them

Collaborate

We value teamwork, with our customers and our colleagues, in pursuit of excellence and improvement in everything we do

Choose

We empower our employees to make choices and take calculated risks. We choose to hire, recognize and reward people who demonstrate good judgement and choose to have good attitudes and strong work ethics

Care

We care about our customers, our colleagues, our environment and our place in the world at large

..... *Performance-based, people-centric and ownership-oriented culture*

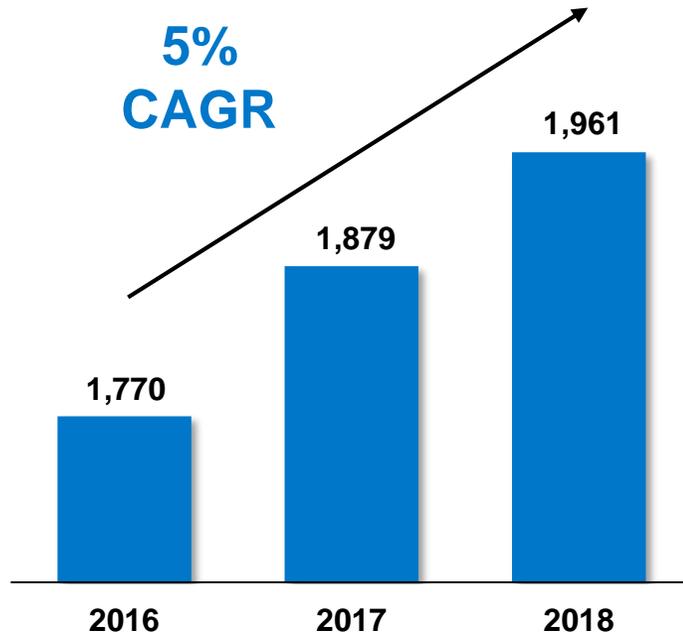
Strong Financial Profile

History of Consistent Growth and Free Cash Flow* Leverage



Net Sales

\$ in millions



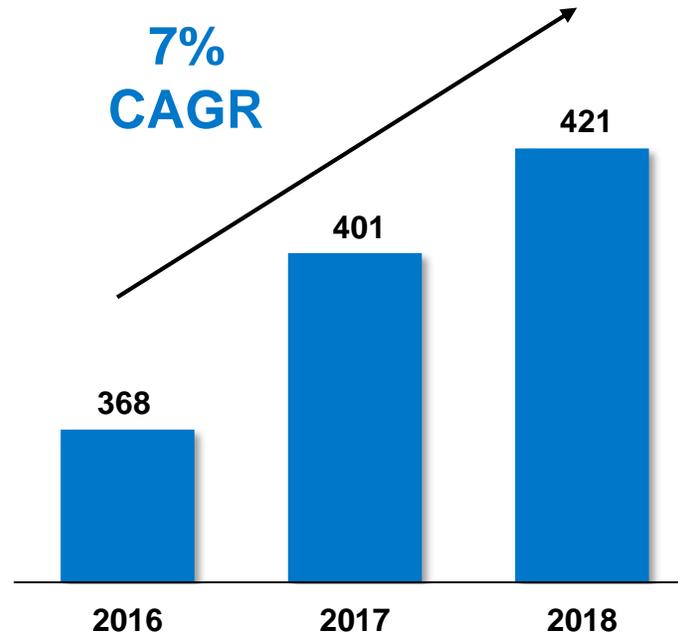
Organic Net Sales Growth*

4%

3%

Adj. EBITDA*

\$ in millions



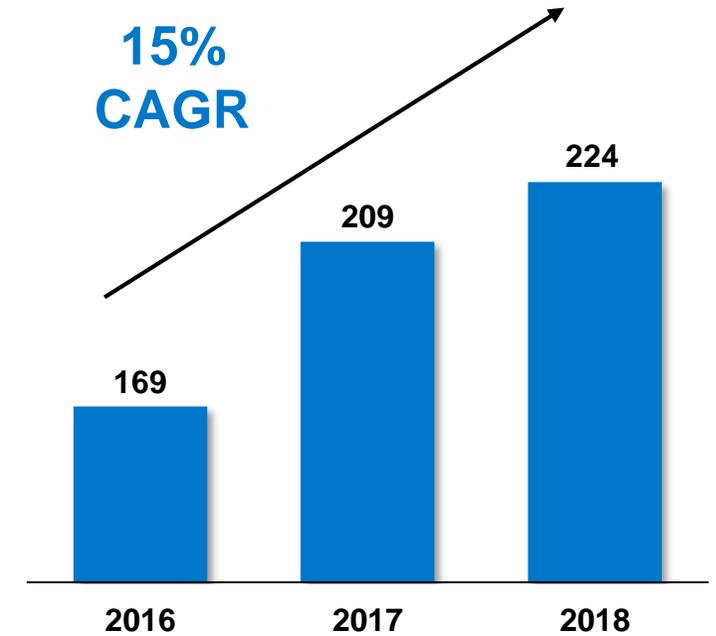
Constant Currency Growth*

9%

4%

Adjusted Free Cash Flow^{1*}

\$ in millions



% of Net Sales

10%

11%

11%

* Please refer to the appendix for definitions of non-GAAP measures, discussions of adjustments and reconciliations

1. Adjusted free cash flow deducts from adjusted EBITDA: net capital expenditures, changes in net working capital, cash taxes and normalized interest expense, which reflects the Company's new capital structure (see reconciliation on p. 67)

Disciplined Capital Allocation

Balanced Strategy of Operational Excellence and Prudent Capital Allocation



- Strong and stable free cash flow* provides flexibility to support organic investments in strategic priority markets, measured acquisitions and shareholder-friendly capital returns while maintaining a net leverage ratio* below 3.5x adj. EBITDA*

Investing in the Business

- Modest required investment to drive sustainable growth and margin expansion through innovation and people

..... **Business will generate substantial excess cash flow to redeploy**

Measured, Strategic Acquisitions

- Bolster existing businesses through acquisitions of complementary technologies, products and geographies

Return of Capital

- Opportunistic share repurchases
- Consider future dividends

* Please refer to the appendix for definitions of non-GAAP measures, discussions of adjustments and reconciliations

***Double adjusted
EPS**** to \$1.36 by 2023

- 1-2% organic net sales growth* over end-markets
- 1.5x net sales conversion to adjusted EBITDA*
- Prudent deployment of excess cash flow
- Net leverage ratio* below 3.5x adjusted EBITDA*
- Consistent ROIC improvement every year

Positioning & Business Model

Scot R. Benson



- 1 Shared High-Quality Business Characteristics Across Portfolio**
- 2 Balanced Business, Regional and End-Market Diversity**
- 3 Broad Range of Product Offerings**
- 4 Capital Efficient Manufacturing of Formulation-Based Products**
- 5 Innovation and Service to Meet Customer Needs**

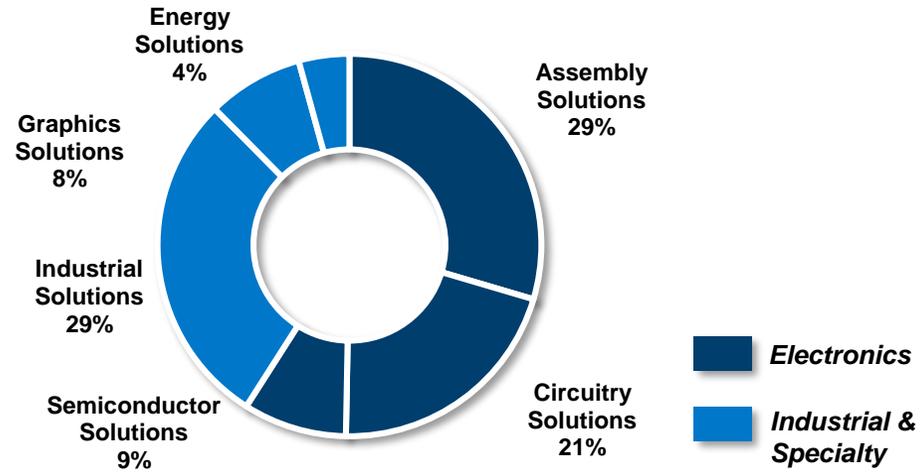
1 Shared High-Quality Business Characteristics Across Portfolio



		Electronics			Industrial & Specialty		
		Assembly	Circuitry	Semiconductor	Industrial	Graphics	Energy
Strategic	Leading market positions	✓	✓	✓	✓	✓	✓
	Secular growth tailwind	✓	✓	✓	✓	✓	
	Market consolidation opportunities	✓	✓	✓	✓	✓	
	Available market adjacencies	✓	✓	✓	✓	✓	✓
Operational	Consumable products	✓	✓	✓	✓	✓	✓
	Specified and qualified product base	✓	✓	✓	✓	✓	✓
	Small portion of total customer costs	✓	✓	✓	✓	✓	✓
	Low capital expenditure requirements	✓	✓	✓	✓	✓	✓
	Technical service	✓	✓	✓	✓	✓	✓
	Formulation-based manufacturing	✓	✓	✓	✓	✓	✓

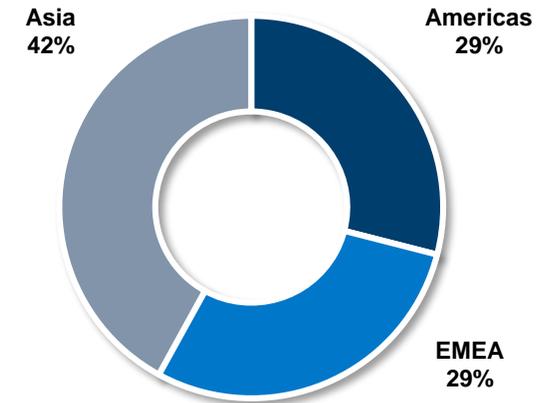
Diverse Portfolio of Businesses

FY 2018 Net Sales

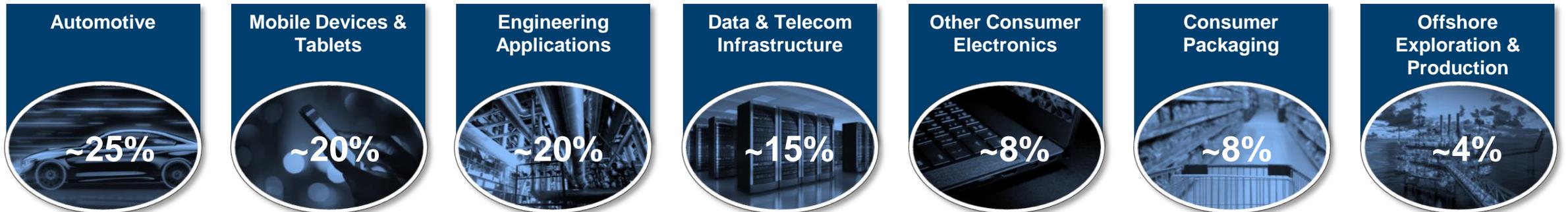


Balanced Regional Presence

FY 2018 Net Sales



Diverse End-Market Exposure



3 Broad Range of Product Offerings

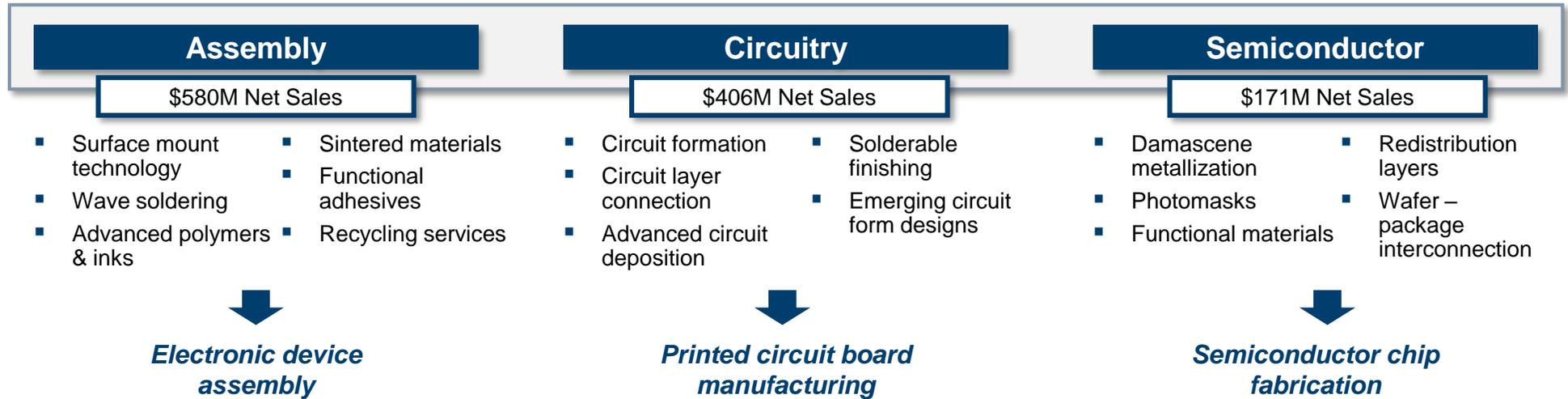
Portfolio of Innovative Products Designed Specifically for Customers and OEMs



Electronics

\$1,158M

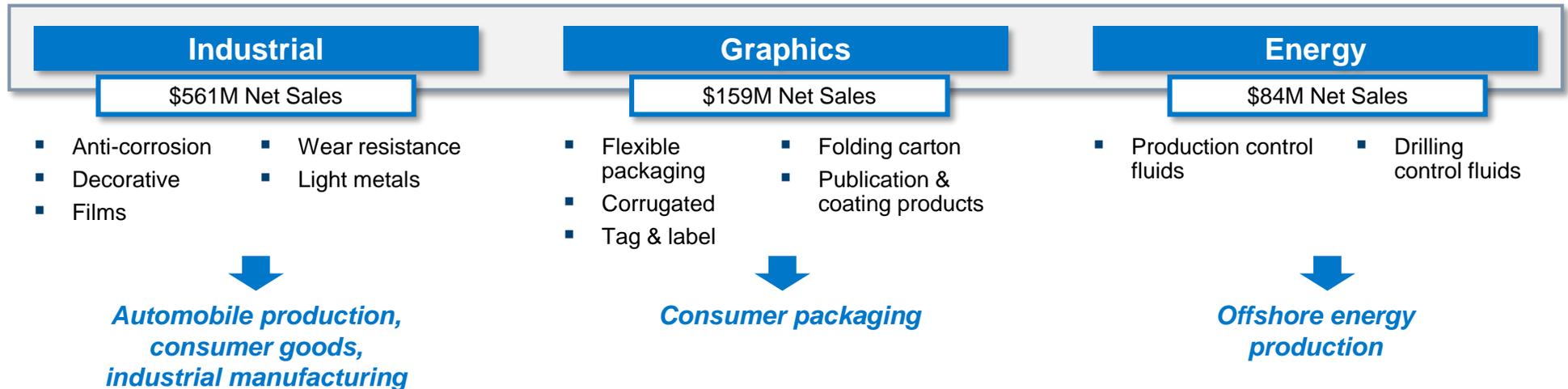
2018 Net Sales



Industrial & Specialty

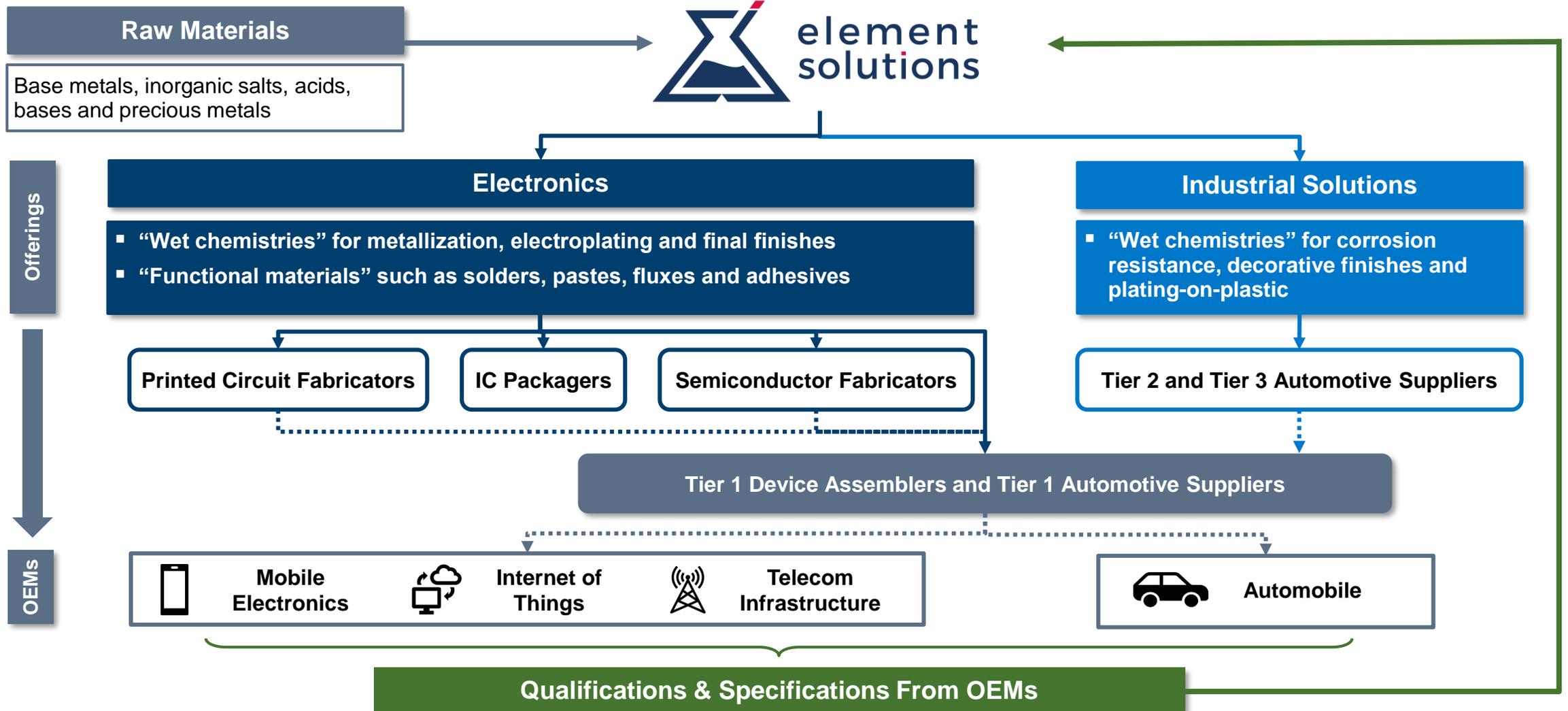
\$803M

2018 Net Sales



3 Broad Range of Product Offerings

Multiple Supply Chain Touch Points



3 Broad Range of Product Offerings

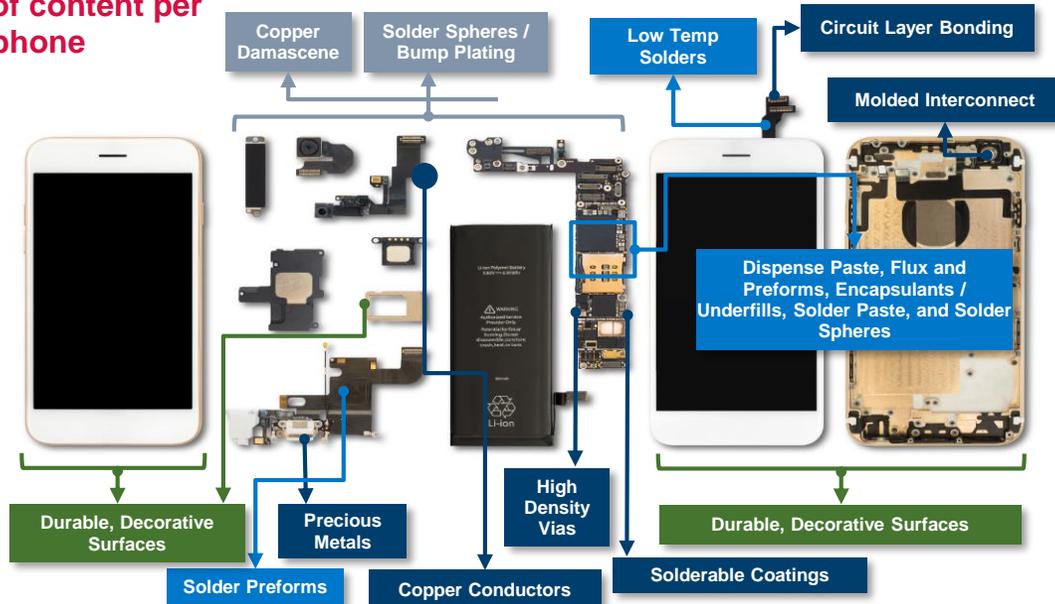
Critical and Increasing Presence in Mobile Phones and Automobiles

Our Touch Points in a Mobile Phone

Our Touch Points =

~\$0.90 - \$1.15
of content per
phone

- Plating Technologies
- Semiconductor Materials
- Assembly Solutions
- Decorative Finishes



Evolution of Complexity and Miniaturization in Mobile Phones

Source: Prismark Partners

	2007	2017
Board Size	20cm ² , 15cm ²	10cm ² , 14cm ²
Line / Space	75um, 85um	30um
Via Size	200um, 150um	60um

Source: management estimates

Our Touch Points in an Automobile

~\$30 - \$50 of content per car



Power Train

- Fasteners
- Transmission components
- Engine components
- Carburetor / fuel systems
- Emission systems
- Radiators
- Structural components
- Gears, pinions, shafts
- Shocks, springs & struts
- Brake components
- Power steering systems

Electronics

- Lighting
- Infotainment
- Safety / ADAS
- Engine control unit

Exterior

- Plastic and metal trim
- Wheels
- Headlight assemblies
- Door latch assemblies

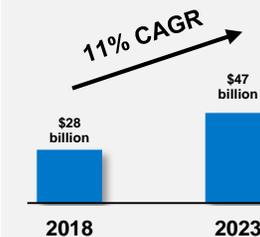
Interior

- Plastic and metal trim
- Airbag assemblies
- Seat belt components
- Head rests / seat supports

Increasing Plastic and Electronic Content in Automobiles...

Auto Plastic Content

Automotive Plastic Market (\$USD)



Sources: Markets & Markets

Auto Electrification and Electric Vehicles



Yesterday Today Tomorrow

Opportunity to double our per vehicle value to greater than \$75 in the next-generation of high-end vehicles

4 Capital Efficient Manufacturing of Formulation-Based Products

Global Manufacturing Footprint Enabling Customer Proximity

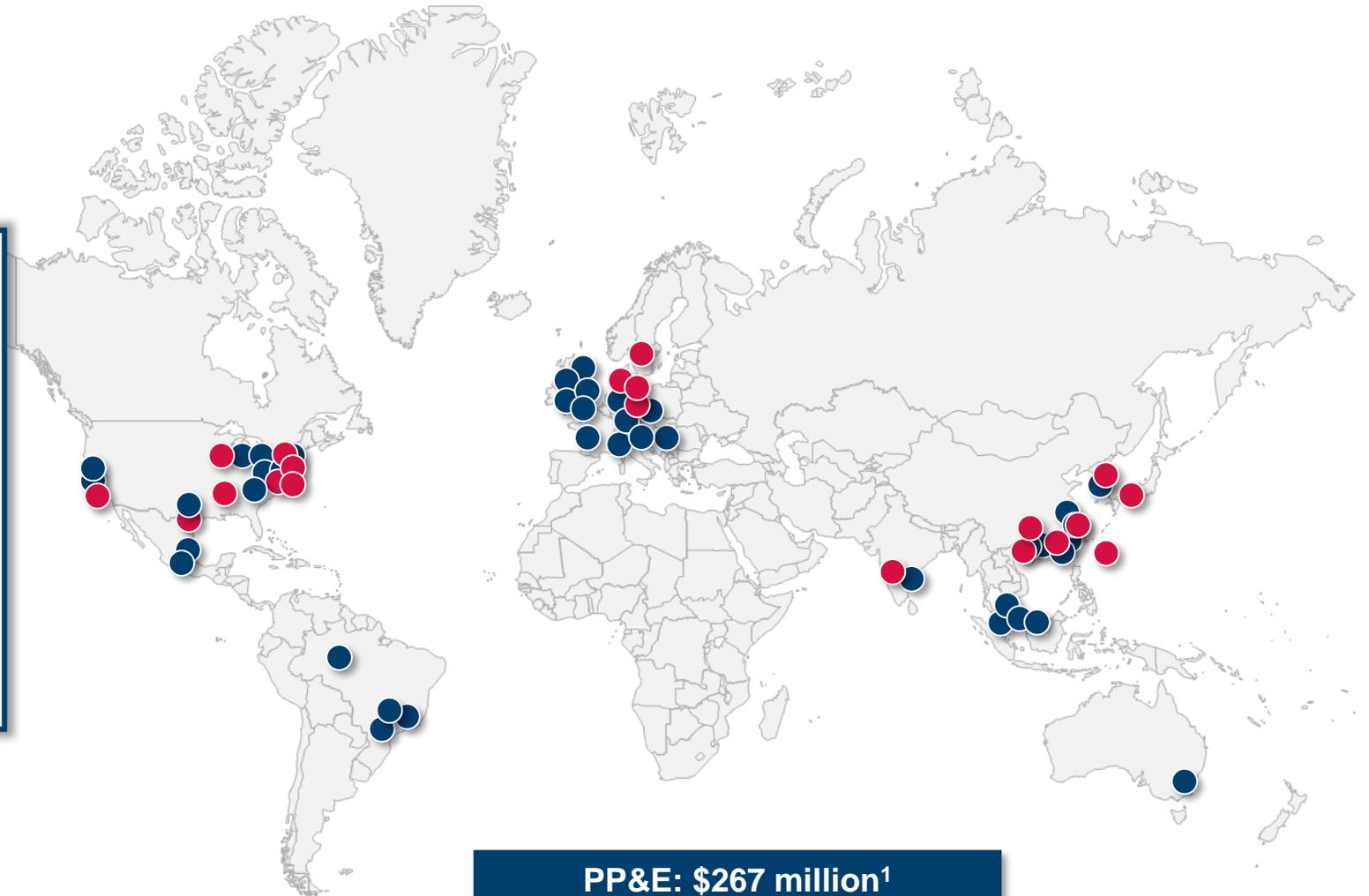


● Manufacturing Facilities

● R&D and Service Labs



- Flexible manufacturing footprint and production capabilities
- Ability to add significant capacity without investing incremental capital



PP&E: \$267 million¹

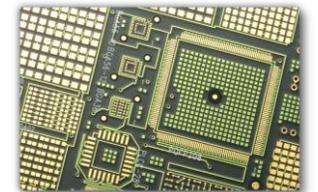
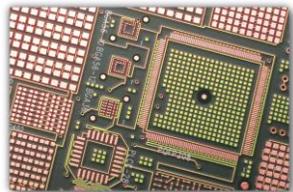
1. Balance as of 12/31/2018

4 Capital Efficient Manufacturing of Formulation-Based Products

Example: “Affinity” Electroless Nickel Immersion Gold Process



- Our customers manufacture PCBs using **multiple “wet” chemistries provided by our Circuitry Solutions business**
- The **electroless nickel immersion gold “Affinity”** process protects and enhances the solderability of the underlying copper circuitry

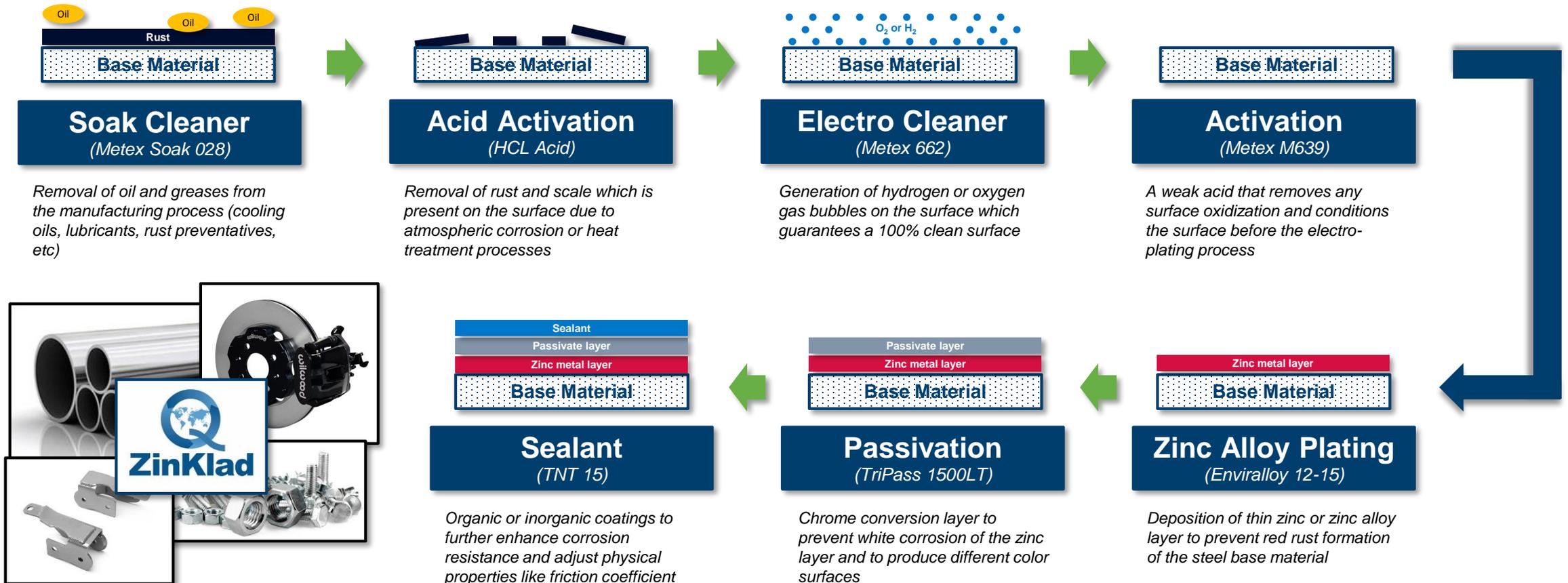


PCB plating chemistries represent ~3% of the final printed circuit board cost and are essential to their functionality and reliability

4 Capital Efficient Manufacturing of Formulation-Based Products

Example: “ZinKlad” Anti-Corrosion and Zinc-Alloy Plating

- **Anti-corrosion** and **zinc-alloy plating** processes consist of **multiple applications** of our formulated chemistries
- Our “**ZinKlad**” coatings enable global automotive OEMs to **specify consistent and higher performance** standards for **light weighting, electrification** and **safety critical components** of new vehicles

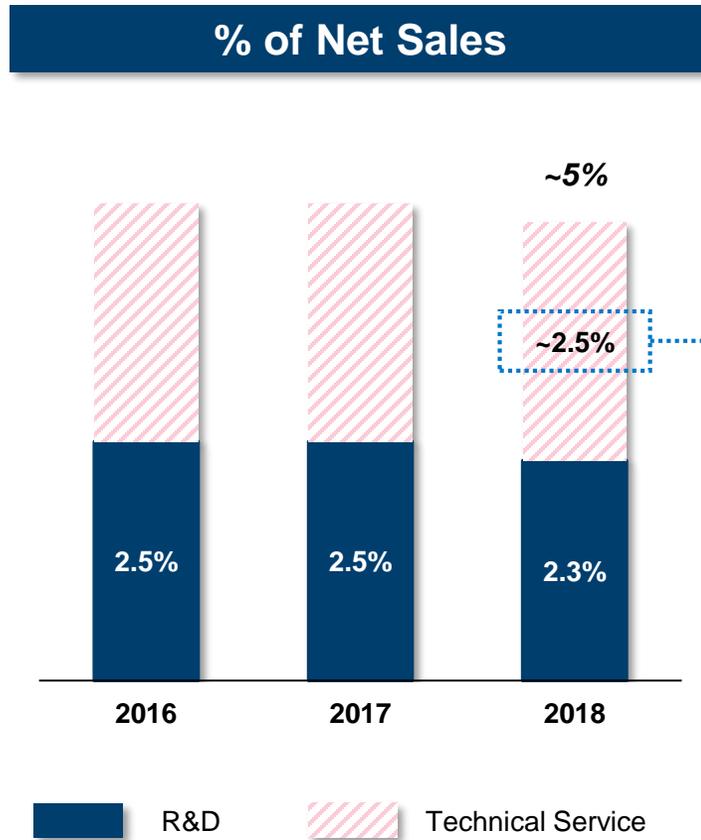


5 Innovation and Service to Meet Customer Needs

Targeted Formulation and R&D Process



Customer-driven innovation translates to efficient R&D spend



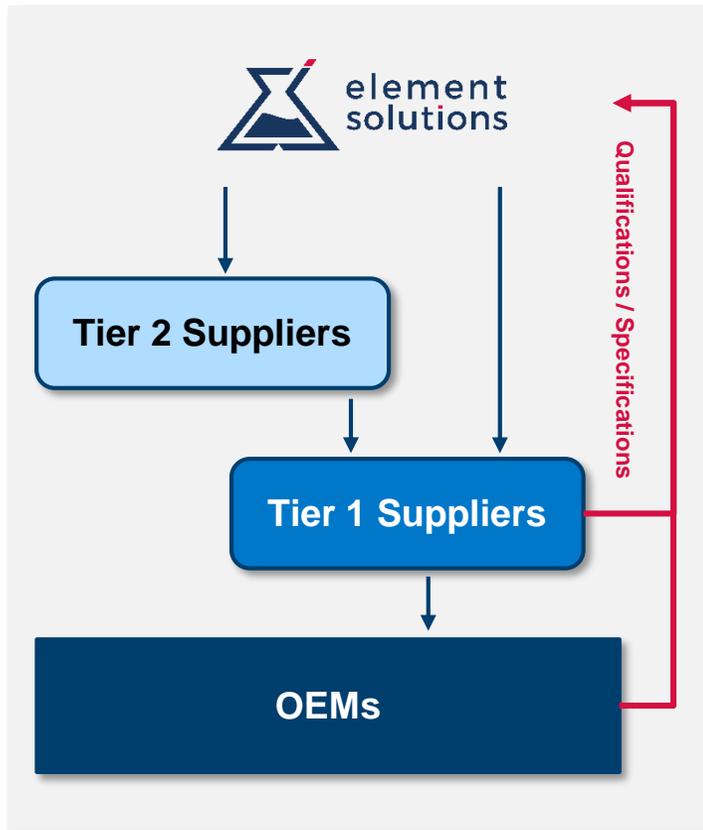
~2,200 Active Patents Globally¹

- Customer-driven innovation process leads to a high conversion of R&D spend to new products
- Focus on qualified or specified products
- New products in more complex technologies are often **high-margin and increase customer dependency**
- **Our technical service teams support applications development on-site with customers**

1. As of 12/31/2018

5 Innovation and Service to Meet Customer Needs

Specifications and Qualifications Reflect an Industry Focus on Supply Chain Quality



Our Role in the Specification Process

- ▶ **Our commercial teams manage specification projects with customers, OEMs and internal technical staff**
example: MacDermid Alpha Automotive
- ▶ **Our technical staff and development teams lead industry committees that write performance specifications used by our customers and OEMs**
example: IPC J-STD-003 PCB coatings
- ▶ **Our internal quality control teams enforce process and performance metrics for OEMs**
example: Zinklud Applicators Program



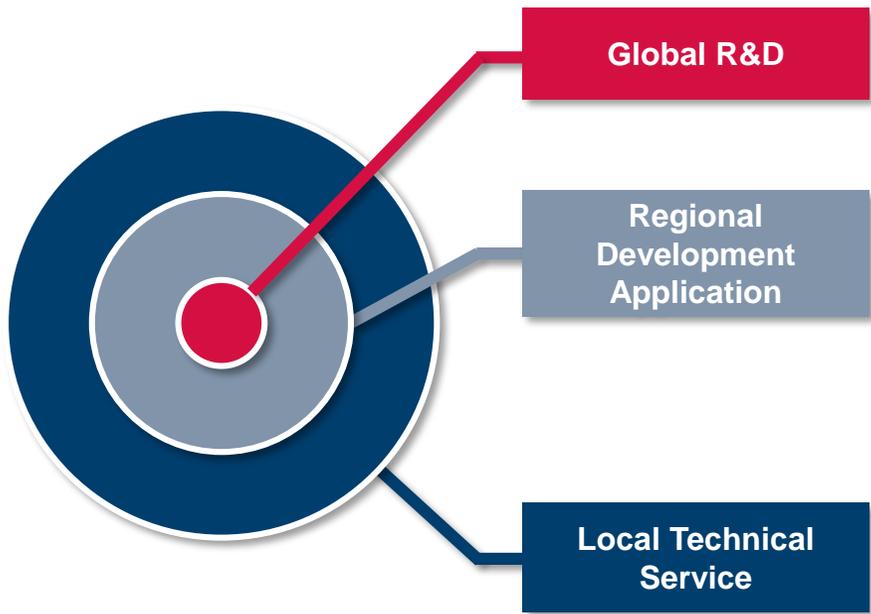
A majority of our key product categories are either specified or qualified by our customers and OEMs

5 Innovation and Service to Meet Customer Needs

Expert Technical Service



Our highly technical sales and service force of ~1,600 employees has on-site contact with our customers every day



Global R&D

- Leading expertise in materials science and chemical engineering drives global innovation in close collaboration with customers and application labs

Regional Development Application

- Regionally focused teams that design, test and troubleshoot customer-specific applications

Global Development Application Centers (GDAC) → Centers where customers can test new products or new processes with world-class equipment and experienced scientists

Local Technical Service

- Day-to-day, on-site technical service provides trusted partners for our customers' engineers

Sampling & Testing → Multiple customer samples are processed in our labs each month, which reduce error rates and increase yields



Electronics

Joe D'Ambrisi
Tom Hunsinger
Leo Linehan

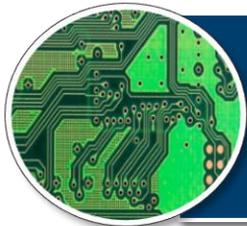
Integrated electronics capabilities for printed circuit boards and semiconductor applications

Verticals and Product Applications



Assembly Solutions

- **Growth expectations: GDP+**
- Formulations, alloys and adhesives to connect and assemble electronics



Circuitry Solutions

- **Growth expectations: GDP+**
- Formulations, processes and technology essential to circuit board metallization

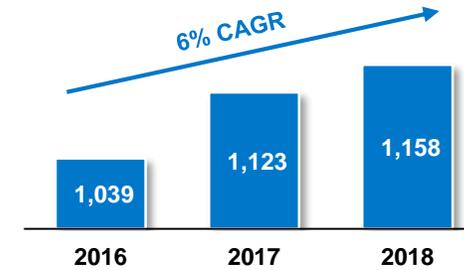


Semi-conductor Solutions

- **Growth expectations: 2x GDP**
- Proprietary chemistries that support the design, formation and packaging of semiconductor chips

Net Sales

(\$ millions)

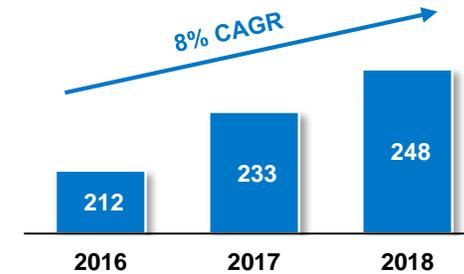


Organic Net Sales Growth*

5% 2%

Adj. EBITDA*

(\$ millions)



Constant Currency*

10% 5%

2018 Net Sales by Vertical



Assembly	50%
Circuitry	35%
Semiconductor	15%

2018 Net Sales by Region



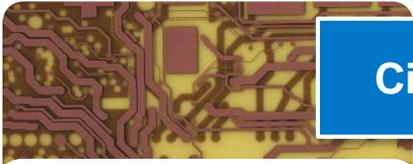
Americas	~25%
EMEA	~15%
Asia	~60%

End-Market Diversity



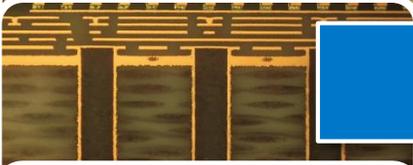
Mobile & Tablets	~30%
Memory & Tel	~25%
Automotive	~15%
Engineering Applications	~15%
Other Electronics	~15%

Formulations, processes and technology essential to circuit board metallization



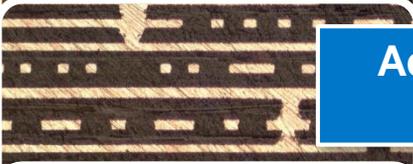
Circuit Formation

- Surface treatments and precision etch products to enhance material bonding and high frequency performance
- **Select brands:** *M-Speed, Multibond, CircuEtch*



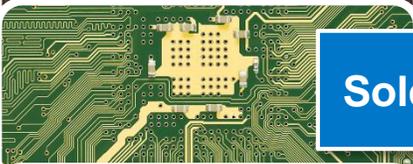
Circuit Layer Connection

- Process chemistries essential to creating conductive pathways through PCB materials
- **Select brands:** *Shadow, Blackhole, M-Copper, Eclipse*



Advanced Circuit Deposition

- Copper plating processes that enable advancements in device performance and design
- **Select brands:** *Systek, MacuSpec, ViaFill*



Solderable Finishing

- Final and critical step in PCB manufacturing; enhances assembly yield and finished product reliability
- **Select brands:** *Affinity, ENTEK, ORMECON, Sterling*



Emerging Circuit Form Designs

- Specialized process chemistries enabling performance in emerging applications such as 3D circuits, high-speed data / cloud storage and formable circuits
- **Select brands:** *MicroCat, XtraForm, PackagePrep, LuMac*

What Sets Us Apart

- Best-in-class technology with industry-leading technical service teams who provide on-site expertise to our customers
- Deepest reach across electronics supply chain
- *Other market participants: Atotech, Uyemura, DuPont*

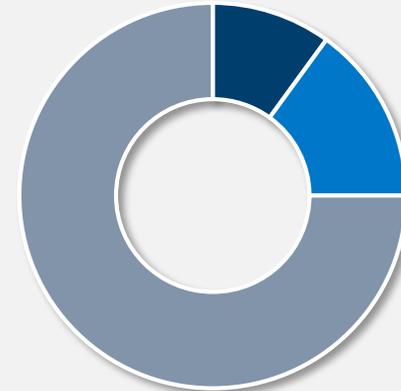
Path to Market

- Provide chemistry solutions to PCB fabricators and electronic component makers
- Extensive supply chain coordination (PCB fabrication, Tier-1s and OEMs) and technical expertise
- **Global leading market positions**

Growth Drivers

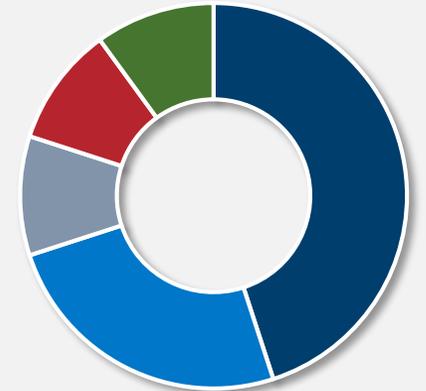
- More complex circuit designs and higher-value chemical processes
- New applications such as 5G and IoT technologies
- Rapidly growing electronic content in automobiles

Regional Breakdown



■ Americas	~10%
■ EMEA	~15%
■ Asia	~75%

Product Overview



■ Metallization	~45%
■ Final Finishes	~25%
■ Circuitry	~10%
■ Memory Disk	~10%
■ Other	~10%

Formulations, alloys and adhesives to connect and assemble electronics



Surface Mount Technology

- Solder pastes and preforms used to form the mechanical and electrical connections between components and circuit boards
- **Select brands:** *Alpha, InnoLot, AccuFlux*



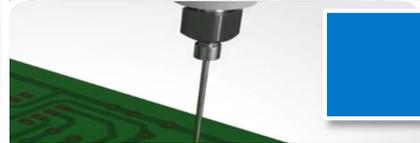
Wave Soldering

- Alloys and liquid fluxes used to provide reliable solder joints for plated-through-hole applications
- **Select brands:** *Alpha, SACX*



Sintered Materials

- Sinter pastes and films with nano silver that create interfaces for power electronics used in high-power density applications
- **Select brands:** *Argomax, Powerbond, TrueHeight*



Functional Adhesives

- Engineered adhesives used to manufacture next-gen designs for camera modules and fingerprint scanners; provides improved mechanical reliability
- **Select brands:** *Alpha HiTech™*



Advanced Polymers & Inks

- Silver and dielectric inks that are flexible and formable to enable applications and designs in printed electronics
- **Select brands:** *Alpha*



Recycling Services

- Working with customers to help them meet environmental and legislative requirements while maximizing the return on solder materials
- **Select brands:** *Alpha*

What Sets Us Apart

- Specified formulation chemistries, alloys and highly-engineered materials
- Technology, quality, consistency and manufacturing infrastructure
- Traceable supply chain for recycled materials
- *Other market participants: Senju, Indium, Henkel*

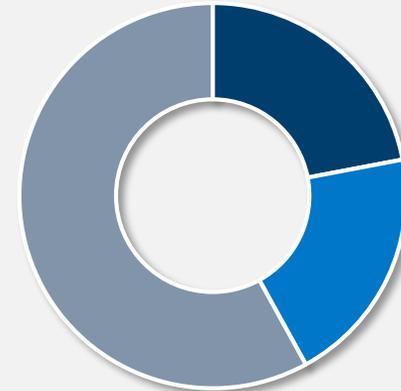
Path to Market

- Differentiated product offerings and highly-consultative customer engagement
- Solutions selling to leading OEMs and contract manufacturers in automotive, mobile, computing and IT / infrastructure markets
- **Global leading market positions**

Growth Drivers

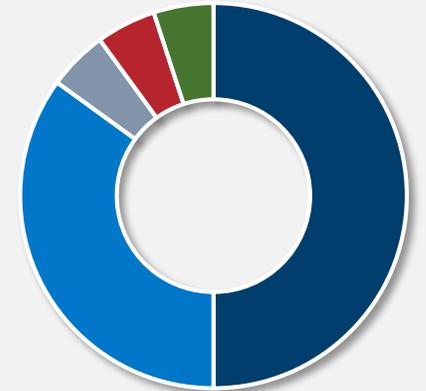
- Increasing electronic content in automobiles
- Innovation in infrastructure, servers and data management
- Mobile device computing complexity
- Advancements in novel designs for electronics

Regional Breakdown



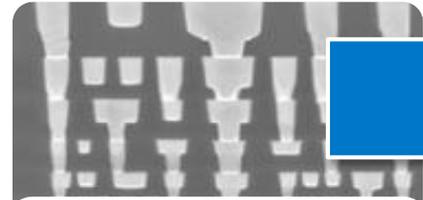
■ Americas	~20%
■ EMEA	~20%
■ APAC	~60%

Product Overview



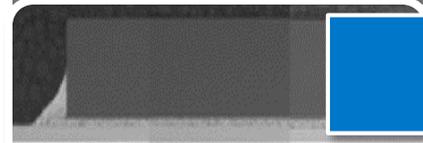
■ Surface Mount Tech	~50%
■ Wave Solder	~35%
■ Die Attach	~5%
■ Adhesives	~5%
■ Other	~5%

Proprietary chemistries that support the design, formation and packaging of semiconductor chips



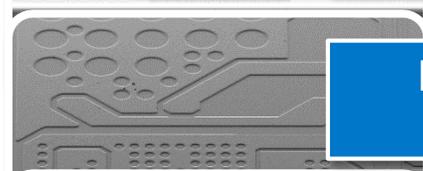
Damascene Metallization

- Copper and cobalt electroplating chemistries used for transistor interconnection
- **Select brands:** *ViaForm*



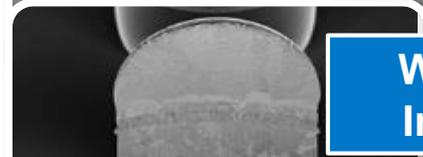
Functional Materials

- Semiconductor chip attach materials with high thermal and electrical conductivity; advanced polymers to improve component reliability
- **Select brands:** *Argomax, ATROX, Staydry, HiCAP*



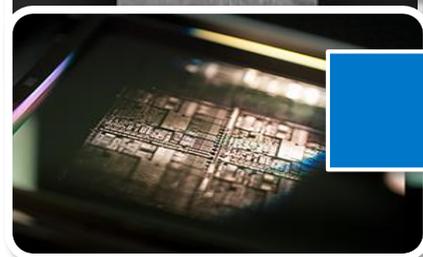
Redistribution Layers

- Chemistries used in packaging for redistribution of bond pads and interconnection of chips
- **Select brands:** *Microfab, Novofab*



Wafer - Package Interconnection

- Semiconductor-grade high-throughput electrochemistry for copper pillars and posts; high-yield fluxes, ultra-fine pitch solder paste, low temp and high reliability solder alloys
- **Select brands:** *Microfab, Novofab, Alpha*



Photomasks

- High purity quartz or glass plates containing precise microscopic images of integrated circuits, photovoltaic devices, mechanical components or optoelectronics used in the etch process
- **Select brands:** *Compugraphics*

What Sets Us Apart

- Ability to leverage market leading positions to offer integrated process solutions with semiconductor-grade supply and quality systems
- *Other market participants: DuPont, BASF, Henkel*

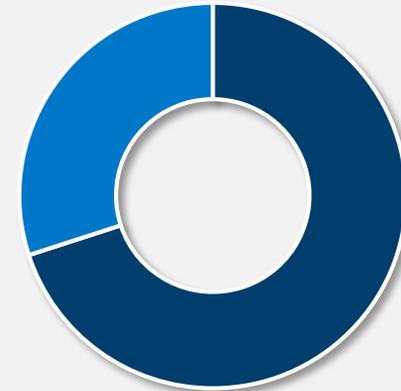
Path to Market

- Collaborative engagements with customers in developing integrated process solutions for advanced semiconductor manufacturing and semiconductor packaging processes
- **Market leading positions in damascene metallization and copper pillar for advanced packaging**

Growth Drivers

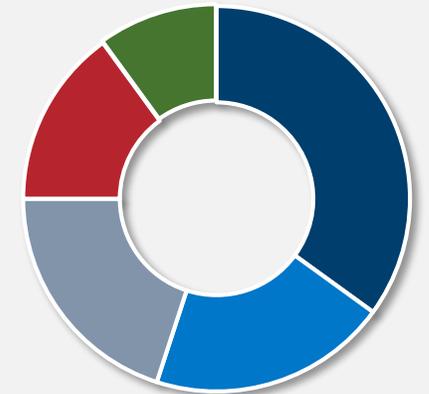
- New materials and processes required to support high-performance computing, big data and power semiconductor markets
- Artificial intelligence and Internet of Things
- Increasing electronic content in automobiles
- Evolving mobile phone technologies

Regional Breakdown¹



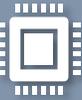
- Asia ~70%
- Rest of World ~30%

Product Overview

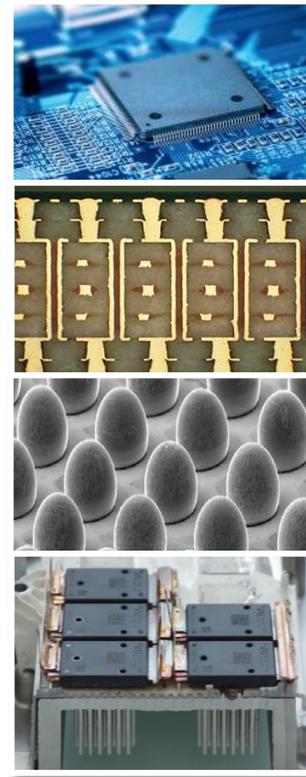


- Compound Semi ~35%
- Copper Damascene ~20%
- Photomasks ~20%
- Interconnect Materials ~15%
- Functional Materials ~10%



	Smart Phones and Tablets		Internet of Things
	Autonomous Car Systems / Powertrain		5G Telecom & Infrastructure
	Memory & Cloud		Aerospace Technologies
	Electric Vehicles		Medical & Healthcare

- Assembly at lower temperature thresholds
- Improved reliability for high-power density electronics
- Nano-scale circuit pathways for flexible and 3-D circuit boards
- Heavy dependence on specialized chemical processes
- Copper metallization at the atomic scale in semiconductor manufacturing



Low-Temp Surface Mount

- Low-temp alloys and adhesives for next-gen electronic assembly

Via Fill Solutions

- Targeted copper deposition used for circuit density and high speed applications

3-Dimensional Circuitry

- Copper and silver solutions used for new hardware designs

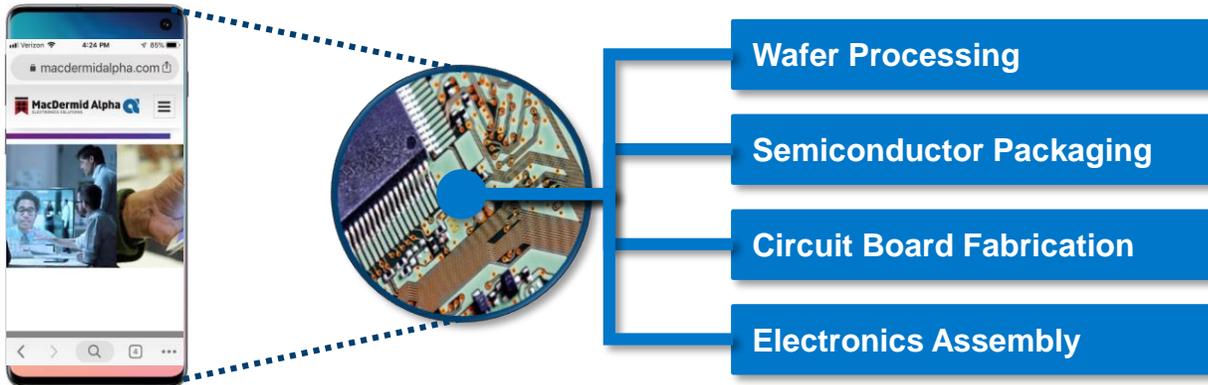
Sinter Technologies

- Novel nanomaterials used for high-power connections

Strong portfolio of technologies working better together to solve reliability and performance requirements of OEMs

- Ongoing demands for increased power and functionality from electronic devices are driving innovation to deliver increased circuit density and a reduced package footprint
- **Lines of distinction between semiconductor circuit pathways, chip packaging, printed circuit boards and solder connections are now blurred as manufacturers work to extend capabilities into adjacent spaces**

↳ *MacDermid Alpha is able to deliver materials at each of these interfaces – co-designed to perform together reliably*



Complete Electronics Offering

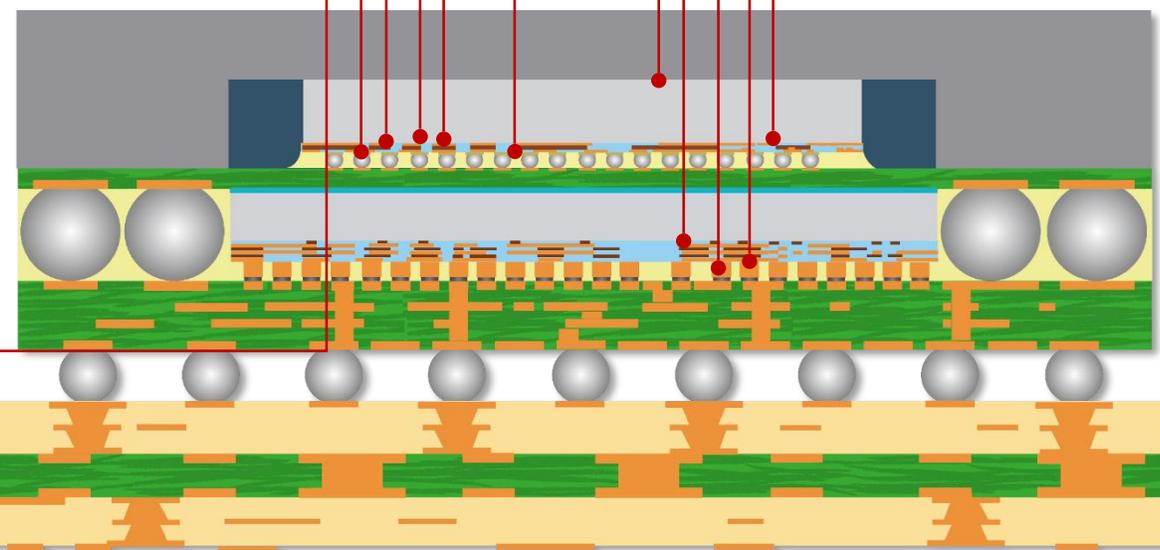
- We work directly with OEMs to demonstrate how our strong portfolio of technologies work **better together** to solve their reliability and performance requirements





Semiconductor

- Underfill / Encapsulant
- Redistribution Poly
- Flip Chip Attach Flux
- Reform Flux
- Solder Ball / Attach Flux
- Die Attach Paste / Film
- Damascene Copper
- Redistribution Layers
- Tin/Tinx Bump Plating
- Copper Bumps / Pillars
- Nickel Barrier



Assembly

- Solder Pastes
- Fluxes
- Solder Preforms
- Adhesives and Underfills

Circuitry

- QFN Adhesion
- QFN Tin Plating
- Solderable Finishes
- Copper Plating
- Image / Innerlayer Formation



Industrial & Specialty

Scot R. Benson
Michael Siegmund
Melanie Galloway
Steve Racca

Dynamic chemical technology for automotive, general industrial, consumer and oil & gas end-markets

Verticals and Product Applications



Industrial Solutions

- **Growth expectations: GDP**
- Functional and decorative solutions used for various commercial and industrial end-markets



Graphics Solutions

- **Growth expectations: GDP**
- Polymer-based chemistries used to create plates and sheets for printing high-quality packaging

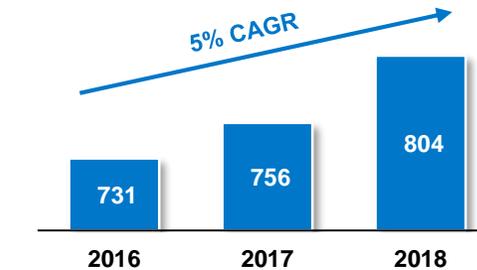


Energy Solutions

- **Growth expectations: GDP**
- Environmentally-friendly pressure and temperature-sensitive formulations used for offshore oil & gas production

Net Sales

(\$ millions)

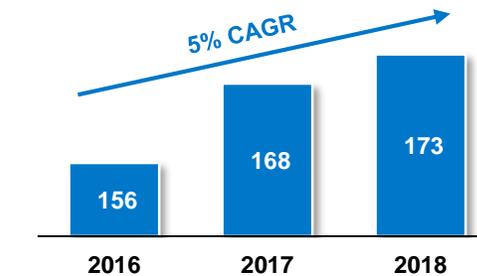


Organic Net Sales Growth*

3% 5%

Adj. EBITDA*

(\$ millions)



Constant Currency*

8% 2%

2018 Net Sales by Vertical



Industrial	70%
Graphics	20%
Energy	10%

2018 Net Sales by Region



Americas	~40%
EMEA	~45%
Asia	~15%

End-Market Diversity



Automotive	~35%
Engineering Applications	~30%
Graphics	~20%
Energy	~10%
Other	~5%

Functional and decorative solutions used for various commercial and industrial end-markets



Anti-Corrosion

- Zinc-based coatings for anti-corrosion applications; coatings used to enhance vehicle life, enable weight reduction and eliminate warranty issues in automotive markets
- **Select brands:** *ZinKlad, Enviralloy, TriPass*

Decorative Coatings

- Decorative coatings designed for metals and plastics that enhance appearance and differentiate stylings
- **Select brands:** *evolve, Pearlbrite, Trilyte*

Wear Resistance

- Metallic coatings used for high wear-resistance applications, engine components and friction-sensitive components
- **Select brands:** *Ankor, NiKlad, EnPlate*

Films

- Printable hard-coat films used for interactive displays and automotive infotainment functionality
- **Select brands:** *Autotype, AutoFlex, XtraForm*

Light Metals

- Light metals (aluminum and magnesium) surface treatments; cleaners and conversion coatings for adhesion, bonding, cosmetics and protection
- **Select brands:** *Bondal, Oxidite, KeyKote*

What Sets Us Apart

- Active innovation and OEM engagement
- Industrial applications know-how supported by a global footprint
- Environmental awareness
- *Other market participants: Atotech, Coventya, Dipsol, Okuno*

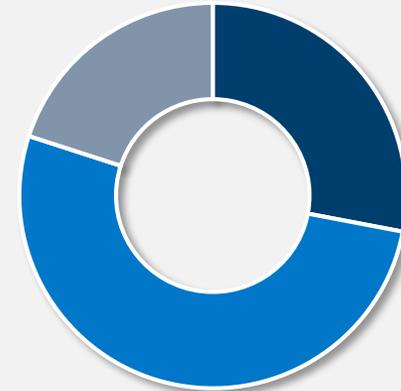
Path to Market

- Direct sales to applicators to meet OEM specifications
- Strong technical sales supporting customer applications, while meeting environmental compliance standards
- **Global leading market positions**

Growth Drivers

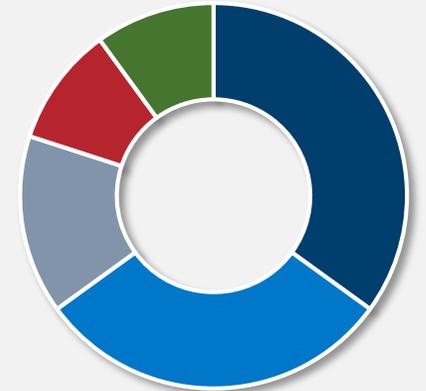
- Automotive warranty and performance improvements (new vehicle materials, electric / hybrid technologies and autonomous driving)
- Environmental initiatives driven by legislation or corporate governance (REACH, CO₂ footprint, water & energy conservation, etc.)

Regional Breakdown



■ Americas	~30%
■ EMEA	~50%
■ Asia	~20%

Product Overview



■ Decorative coatings	~35%
■ Anti-corrosion	~30%
■ Films	~15%
■ Wear resistance	~10%
■ Other	~10%

Growth Trends

Energy Efficiency

- Electric / hybrid vehicles, autonomous driving and new construction materials

Vehicle Life Cycle

- Performance and warranty improvements

Global Supply Chains

- Global OEM presence with consistent quality standards and requirements
- Need for quality assurance in global supply chains

Environmental Footprint

- Environmental legislation in all geographic markets
- Vehicle compliance with stringent emission targets

Product Innovations & Key Benefits

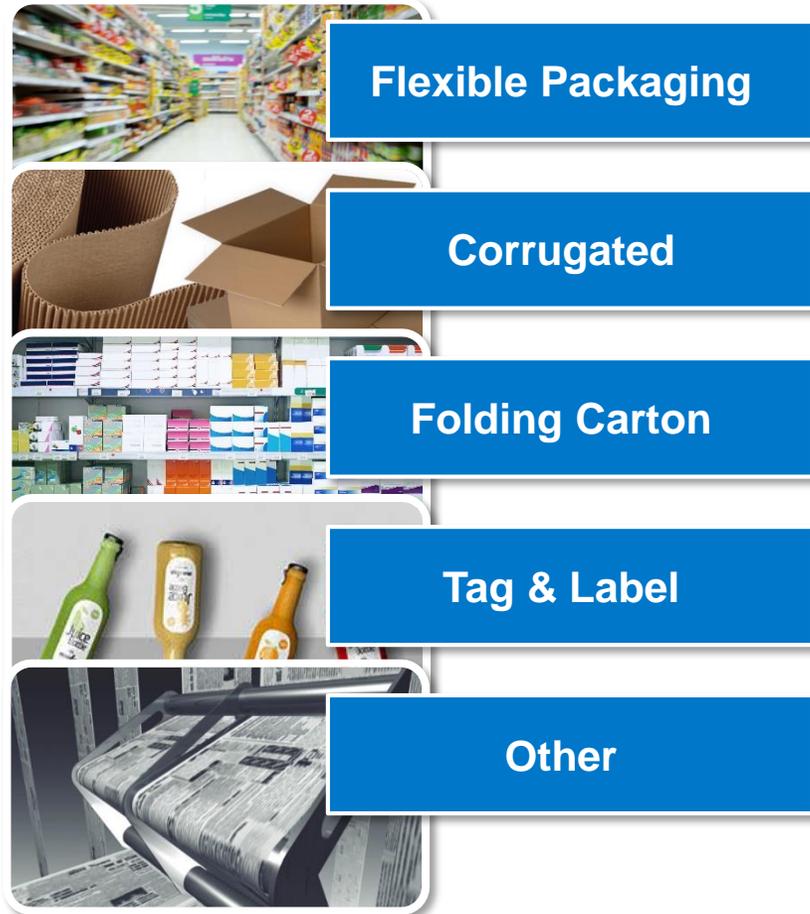


- *New processes enabling automotive and OEM supply chains to make REACH compliant parts*



- *New coatings to extend component service life and warranty, supported by quality assurance programs*

Polymer-based chemistries used to create plates and sheets for printing high-quality packaging



- Sheet photopolymer used for printing on multiple substrates (pouches, bags, blister packs, wrappers, etc)
- **Select brands:** *LUX ITP EPIC, LUX ITP 60, Digital MAX, Digital RAVE*

- Sheet photopolymer & liquid resins with characteristics optimized for post-print corrugated and other flexographic markets that require a soft plate
- **Select brands:** *LUX ITP MELO, Digital MAF, Digital MGC*

- Sheet photopolymer used for printing on multi-pack boxes and other folding carton package materials
- **Select brands:** *LUX ITP M, LUX ITP 60*

- Sheet photopolymer used to produce high resolution, colorful print results on labels with lasting shelf life
- **Select brands:** *LUX ITP M, Digital MAX, Digital MVP*

- Publication and coating products; flexographic plates for the newspaper printing industry
- Screen printing and films, premium emulsions and chemicals marketed under the *Alkemi* brand which support the screen printing process

What Sets Us Apart

- First to market with In-The-Plate (ITP) technologies
- Linking chemistry with print performance through a complex process
- Technical sales approach coupled with extensive engineering & application support
- *Other market participants: DuPont, Flint Group, Miraclon*

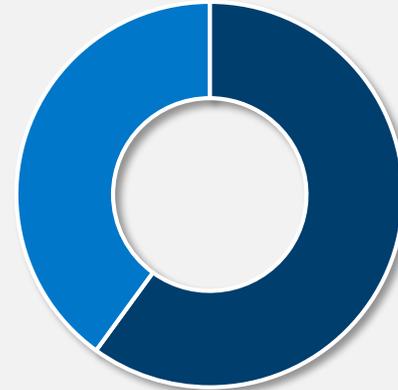
Path to Market

- Multiple channels ultimately serving the needs of large global CPG companies
- Close relationships with CPG packaging specifiers
- **Market leading positions in flexible packaging**

Growth Drivers

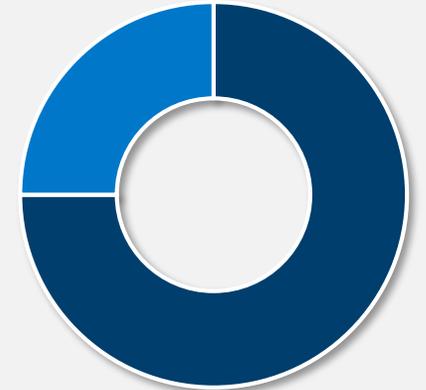
- Demographics and industrialization
 - Growing middle class in emerging markets
 - Demand for convenient packaging and shelf life improvements
- Environmental awareness
 - Conversion from rotogravure to flexographic printing
 - Biodegradable and functional packaging

Regional Breakdown



- Americas ~60%
- Rest of the World ~40%

Product Overview



- Packaging ~75%
- Other ~25%

Key Markets

Flexible Packaging

- Eye-catching graphics / shelf life of retail packages
- Consumer demand for convenience packaging
- Growth in pouches and stretch wrap



Product Innovation & Benefits



- *Print consistency*
- *High solid ink density*
- *High-quality ink transfer*
- *Patented clean plate technology*

Corrugated

- Increase in recycle content (driven by cost and environmental impact)
- Retail-ready packaging
- High-growth in e-commerce



- *Minimal board crush*
- *Low fluting*
- *Low tack*

Environmentally-friendly pressure and temperature-sensitive formulations used for offshore oil & gas production



Production Control Fluids

- Reliable, field proven water-based hydraulic control fluids
- Products used to operate subsea system components in production applications



Drilling Control Fluids

- Reliable, field proven and high-performance water-based hydraulic control fluids
- Products used to operate subsea system components on blow-out preventers and in hydraulic cylinders that maintain tension on the drilling risers

What Sets Us Apart

- Environmentally-friendly products that ensure reliable operation of customer equipment
- Proactive product development process with responsive technical support to promptly assess and remediate issues
- *Other market participants: Castrol, Houghton*

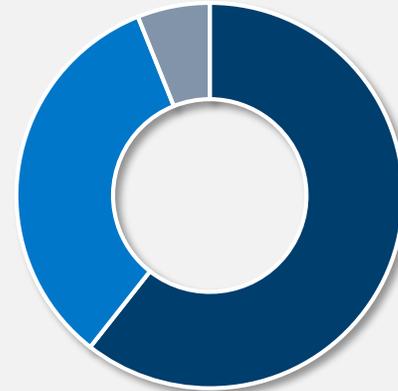
Path to Market

- Qualified with leading equipment manufacturers
- Strong relationships with customers' technical groups
- Specification on long-term projects within a close-knit, integrated supply chain
- **Global leading market positions**

Growth Drivers

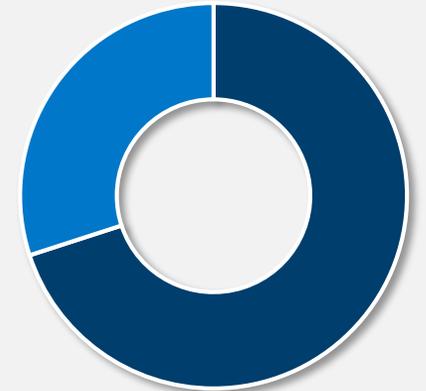
- Environmental mandates
- Expansion of offshore deep-water production
- Increased need for tolerance to higher temperatures and increased pressures of deeper wells

Regional Breakdown



■ Americas	~60%
■ EMEA	~35%
■ Asia	~5%

Product Overview



■ Production Control Fluids	~70%
■ Drilling Control Fluids	~30%

MacDermid Alpha Automotive

Steven Brown

Major technology, environmental and design requirements are driving changes to the global automotive industry



Macro Trends

- Lighter vehicles & new materials
- Quality, design and cost improvements
- Longer term requirements (10 → 15 years)
- Globalization of production



Auto Electrification

- Integrated systems: mechanical → mechatronic, sensors and cameras
- Electric powertrains
- Advanced communication systems



Environmental

- REACH, ECHA and EPA legislation
- Environmental management and sustainability
- Demand for energy efficiency
- Clean manufacturing trends



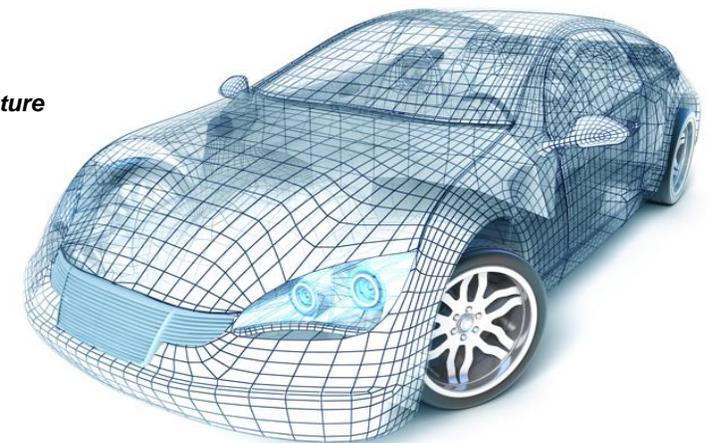
Design Trends

- Integrated displays
- Colors and effects

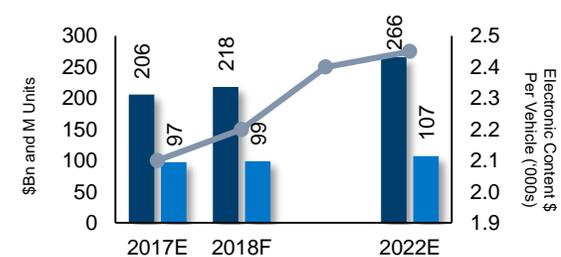


Evolving Technology Requirements in Automobiles

- *Driver assistance*
- *Smart sensors*
- *Car to wireless infrastructure communication*
- *Event data recorders*
- *Smartphone connectivity*
- *Safety systems*
- *Powertrain*
- *HVAC control*
- *Infotainment*
- *EV / HEV*
- *Body electronic modules*



Automotive Electronics Market Overview



Year	Electronic Content Total (\$Bn)	Vehicle Production (M Units)	Electronic Content Per Vehicle (\$)
2017E	206	97	~2.1
2018F	218	96	~2.3
2022E	266	107	~2.5

'17-'22 CAGR (%)

- Electronic Content Total (\$Bn) 5.2%
- Vehicle Production (M Units) 2.0%
- Electronic Content Per Vehicle (\$) 3.1%

Source: Prisma Partners

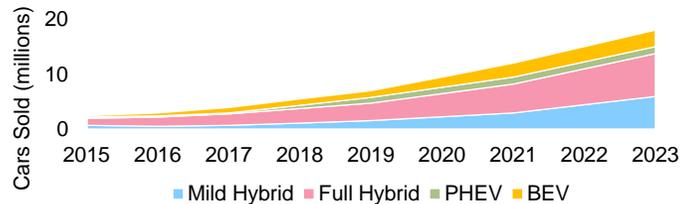
54



Dedicated team of **cross-functional and technology experts** who **support OEMs, Tier 1's and specifiers**

Electric Vehicles

EV / HEV Market Evolution (Yole - 2018)



- New materials and engineering with a focus on increased performance & range

Vehicle Automation

More ADAS Sensors = More Interconnects



- Cameras
- Short & long range RaDAR
- 3D Flash LiDAR
- Ultrasonic Sensors

- Reliability is a critical concern with >50,000 interconnections – many critical to safety in ADAS systems hardware

Interiors & Displays



Design Flexibility for Personal Consumer Experience

- Replacement of mechanical switches with touch sensitive displays and fully integrated displays

Opportunity to double our per vehicle value to greater than \$75 in the next-generation of high-end vehicles



- Team of **automotive business and technology experts** dedicated to working with OEM design and engineering teams to **specify our products through their supply chain**
- Additional levels of support through **Tier 1, strategic marketing and quality assurance teams**

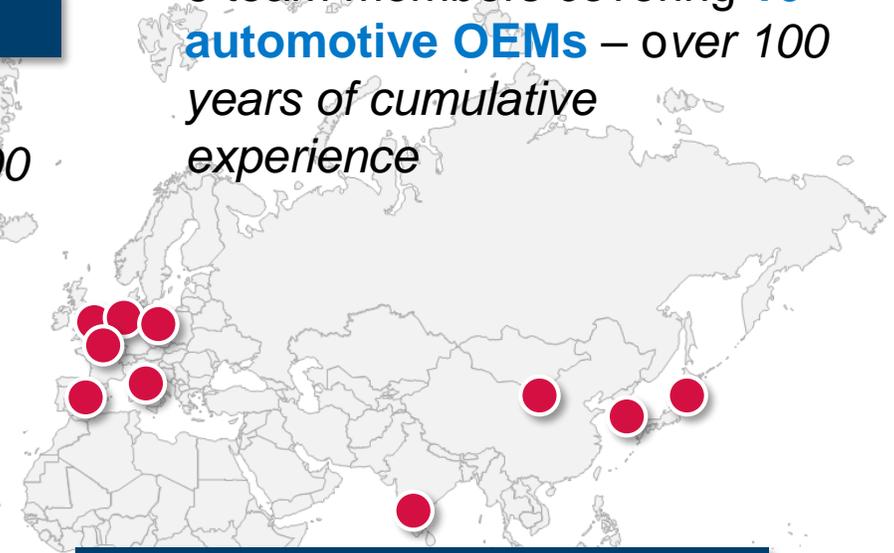
Americas

6 team members covering **7 automotive OEMs** – over 100 years of cumulative experience



Europe

6 team members covering **10 automotive OEMs** – over 100 years of cumulative experience

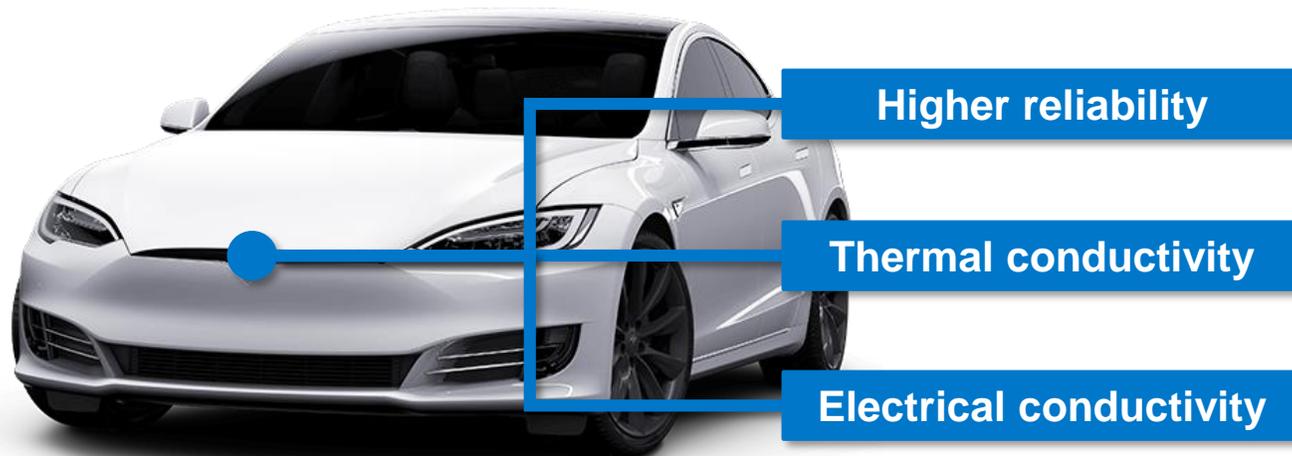


Asia

9 team members covering **20 automotive OEMs** – over 100 years of cumulative experience

Providing reliability, thermal conductivity and electrical conductivity to the electric vehicle market

- Major technology shift is underway as consumers and the automotive industry move toward electric vehicles
- OEMs and Tier 1s face challenges in EV development as **performance requirements** and **extended range expectations** require reliable inverter performance in high-temperature environments
- **We worked with OEMs directly to develop Argomax applications** to help them overcome this challenge and enable a step change in system performance (interconnect materials – solder / adhesives / sinter)



From Technology to Growth and Profit

- Working directly with OEMs to develop critical high-performance and reliable solutions needed in electric vehicles
- Providing thermal and electrical conductivity solutions that are:

40% more efficient

30x more reliable

Supply Chain

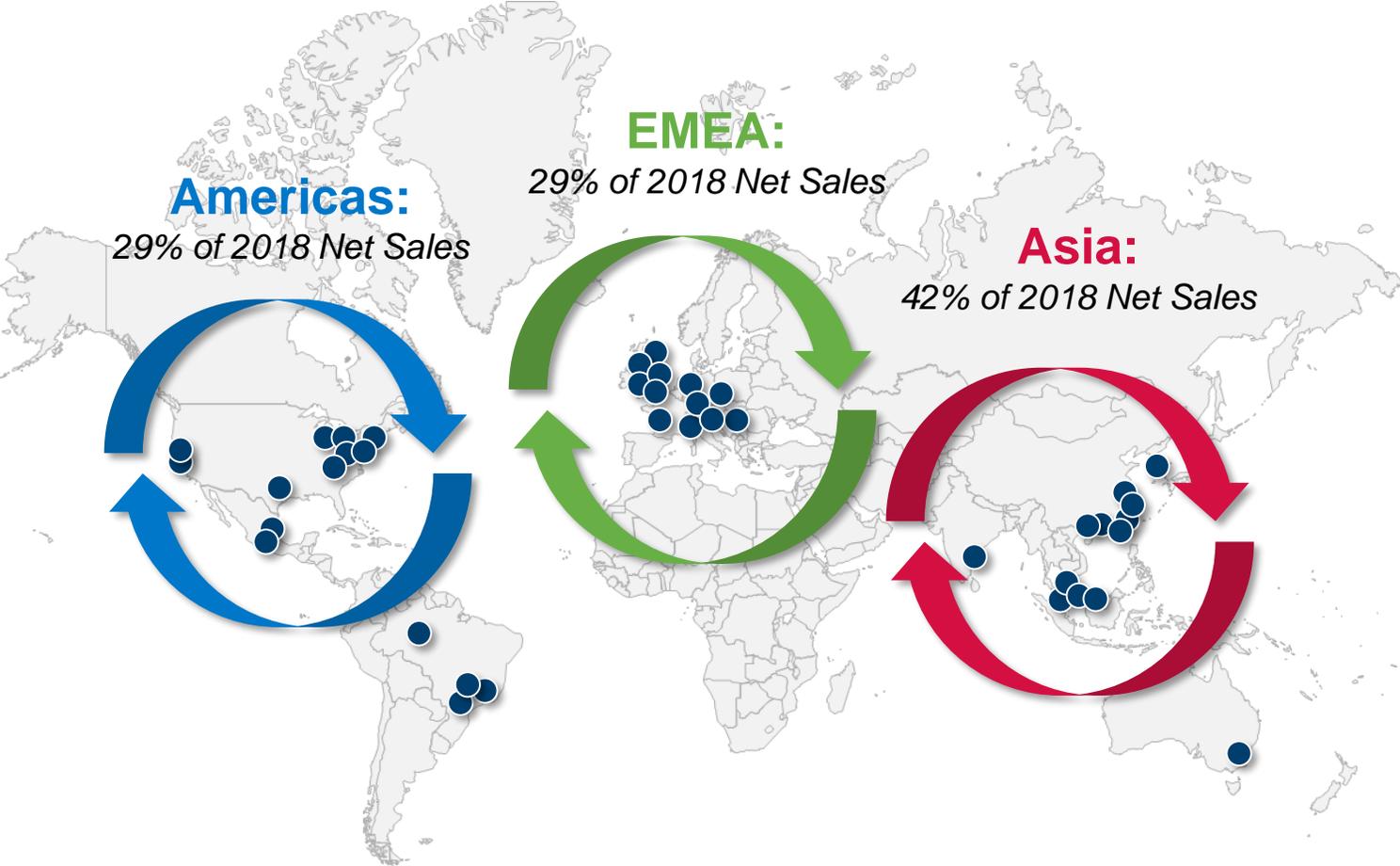
Mike Goralski

Global Supply Chain

Flexible Manufacturing Footprint



Facilities close to key customers, allowing for flexibility and prompt response



>50 Countries Where We Do Business	~3,000 Suppliers
>20,000 SKUs	~40 Manufacturing Facilities
~14,000 Customers	~1,800 Supply Chain Employees

Supply Chain Cost Structure and Opportunities

Cost Structure that Provides Efficiency Opportunities and Stable Margins



Operating Leverage



Economies of Scale

Logistics: ~5%

- Warehousing / network design
- Working capital improvements

Fixed Manufacturing: ~15%¹

- Integrated supply chain with flexible footprint
- Minimal capital required to sustain or expand production capacity



**2018 COGS
\$1.1 billion**

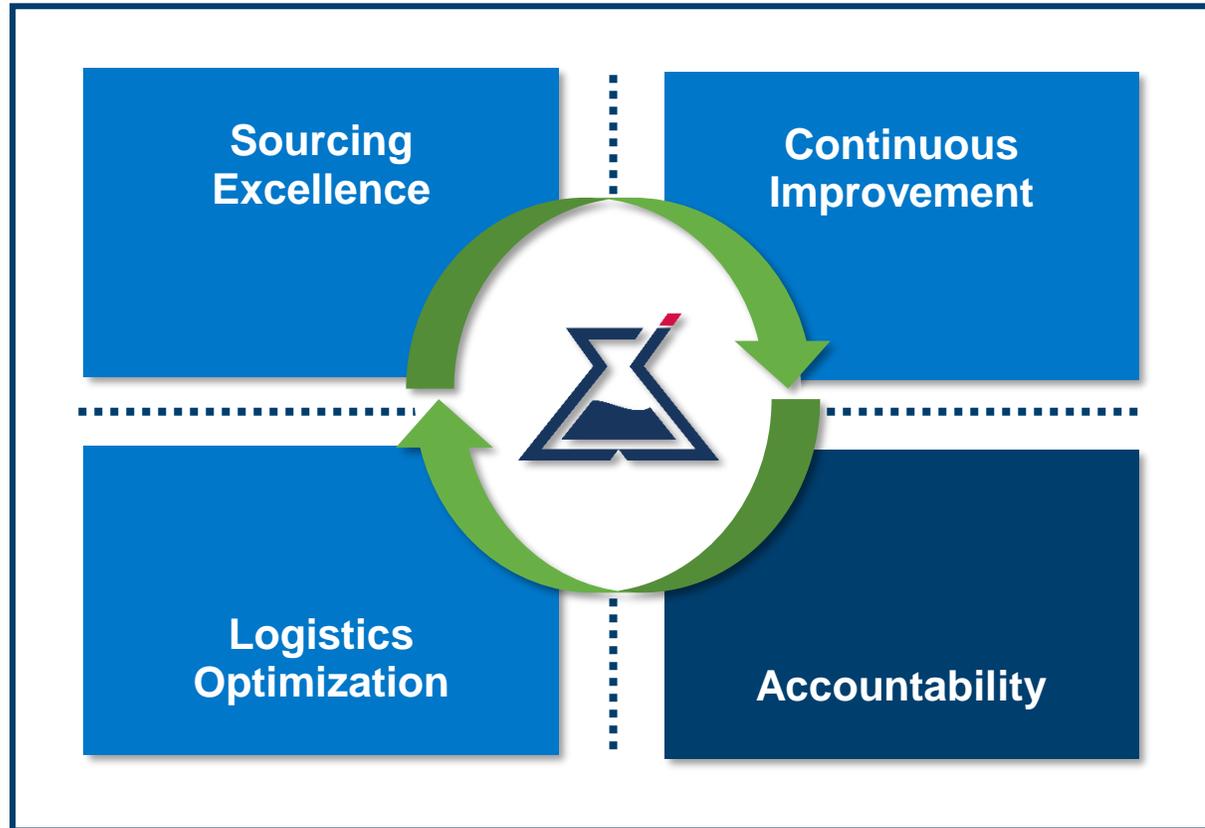
Raw Materials (ex-metals): ~50%

- Palladium chloride, packaging, sodium hypochlorite, caustic soda, nickel sulfate, isopropyl alcohol, and others
 - No single raw material (ex-metals) represents more than 4% of COGS
- Optimizing pricing and mitigating risk
- Product rationalization reducing SKU count

Metals: ~30%

- Tin, alloy, silver, gold and others
- Metals hedging
- Customer surcharges
- Recycling

1. Includes ~\$25 million of depreciation expense



- Site driven & owned KPIs – environment & safety, efficiency, working capital and human capital
- Global strategic team led by functional experts
- Regional execution

Increasing Capacity Utilization Without Capital Investment



Case Study: Capacity Expansion in Italy



- In 2018, our plant in Italy experienced a spike in demand
- **We added an additional operating shift without any incremental capital investment**

↳ **~17% increase** to production capacity with **\$0 additional investment** in capital

↳ **94MT / day** ► **110MT / day**

- **The cost structure in our manufacturing is highly variable and an advantage for different economic climates**

Capital-Lite Manufacturing

Flexible production based on blending

Ability to add capacity without incremental capital investment

Source: management

Leveraging cross-vertical experience for corporate social responsibility initiatives

Metals Reclaim

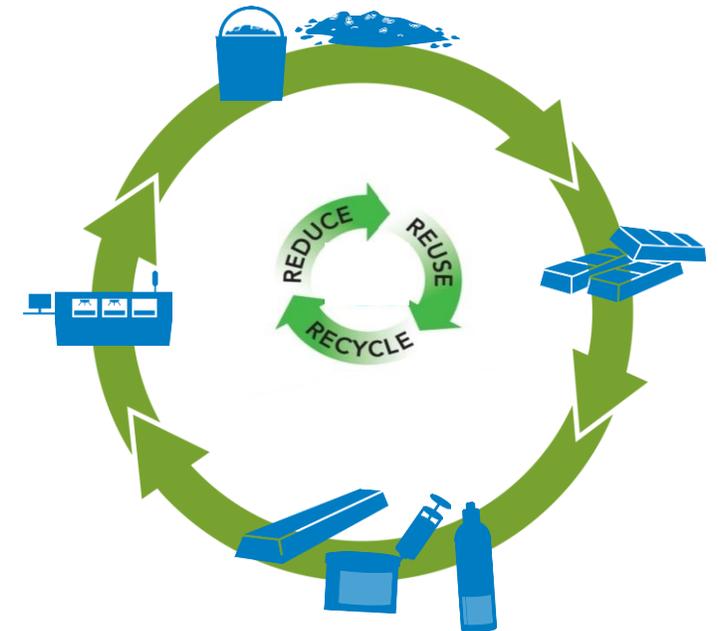
Recycled Metals &
Other Materials

Waste Water
Excellence Council

Regulatory
Intelligence

We are helping drive multiple industry initiatives that benefit both our customers and the environment...

- Create competitive differentiation
- Increase market share
- Reduce raw material spend
- Eliminate potential product toxicity
- Reduce customer energy use
- Reduce customer water usage



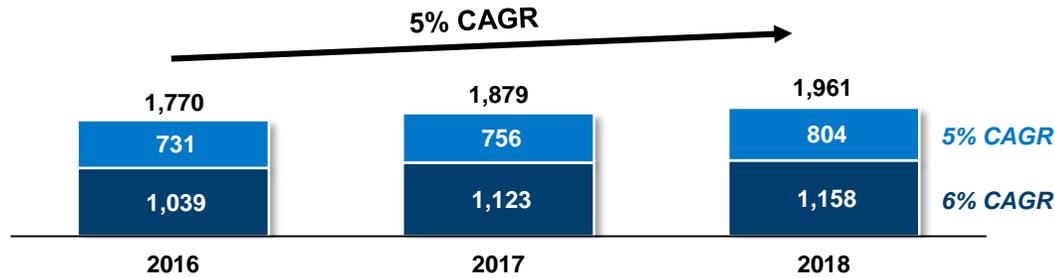
Finance

Carey J. Dorman

History of Strong Financial Growth

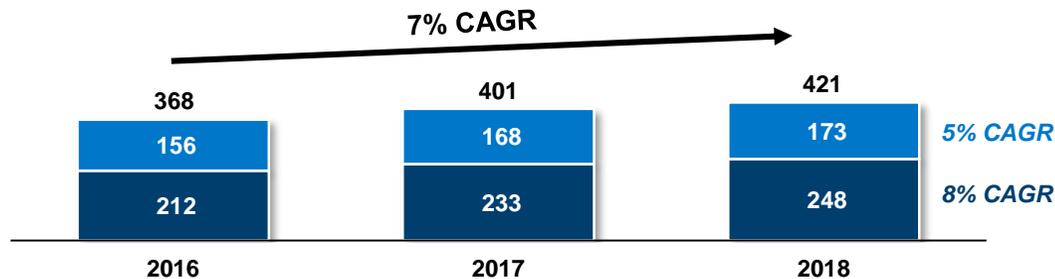


Net Sales (\$ millions)



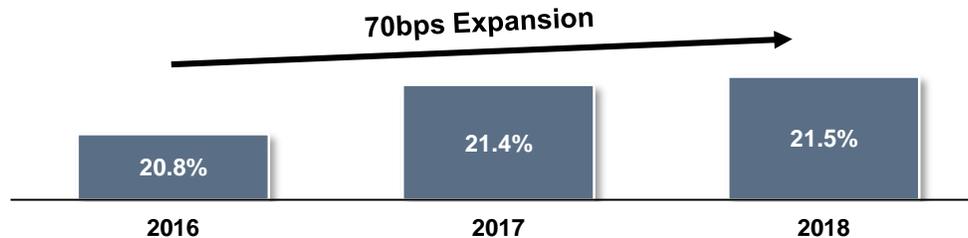
- Consumable product offerings
- Diverse end-markets
- Sticky customer relationships

Adj. EBITDA* (\$ millions)



- Consistent gross margins and operating expense leverage
- Highly-variable cost of sales minimizes absorption issues and protects margin down-side

Adj. EBITDA* Margin

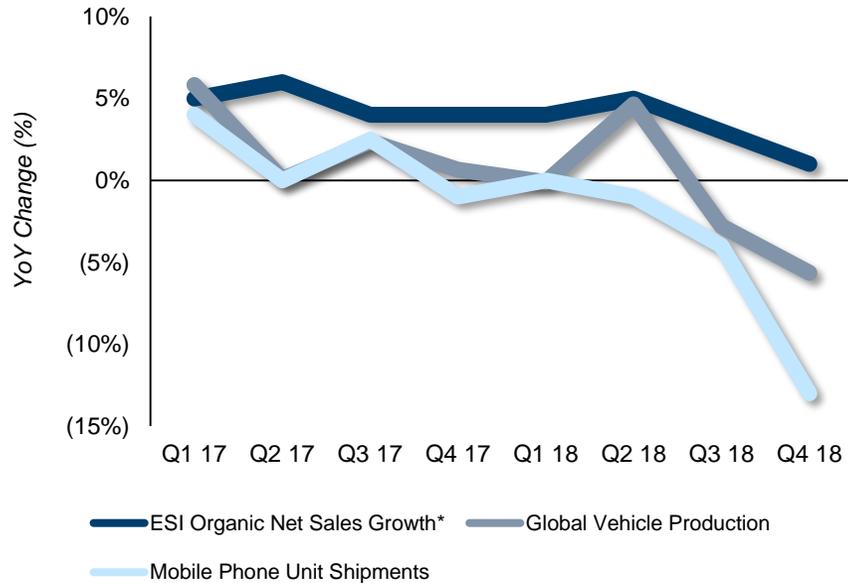


- Synergy capture, operating leverage and mix improvements

Electronics
 Industrial & Specialty

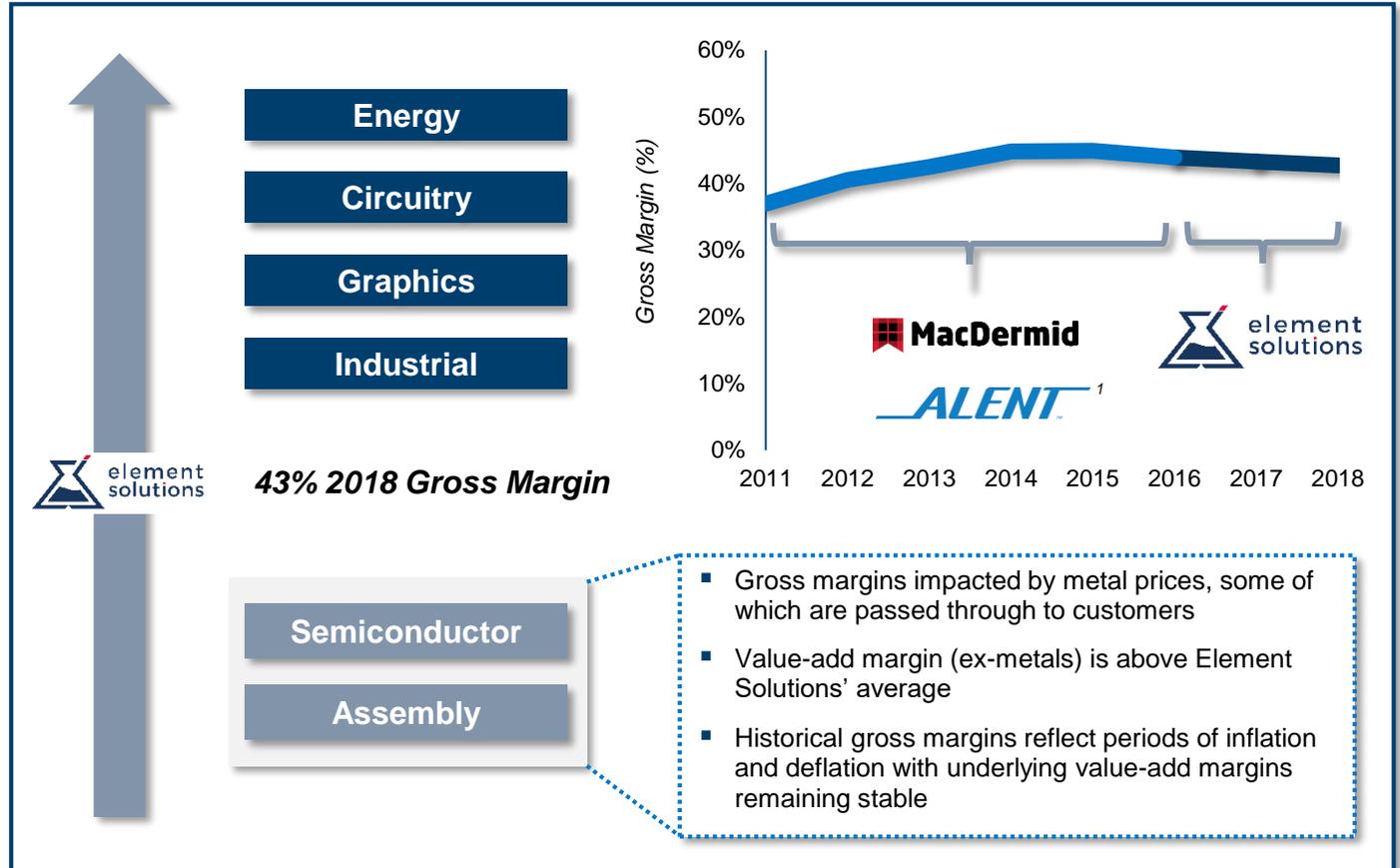
* Please refer to the appendix for definitions of non-GAAP measures, discussions of adjustments and reconciliations

Stability Versus Key End-Markets



- Track record of stable organic net sales growth* relative to unit sales in key end markets
- Driven by product diversity, content per unit growth and fully consumable offerings

Stable Gross Margin Profile



Source: IHS Auto, Prismark Partners; Company public filings; Alent plc public filings for 2011-2015
 * Please refer to the appendix for definitions of non-GAAP measures, discussions of adjustments and reconciliations
 1. Assumes financials converted to USD at historical year-end rates; 2015 financials represent LTM June 30, 2015

Strong Cash Flow Conversion and Return on Assets



(\$ millions)	2016	2017	2018
Adj. EBITDA*	\$368	\$401	\$421
	7% CAGR		
Net Capex*	(23)	(14)	(24)
Net Working Capital	(44)	(34)	(23)
Cash Income Taxes	(63)	(74)	(79)
Normalized Cash Interest	(70)	(70)	(70)
Adjusted Free Cash Flow^{1*}	\$169	\$209	\$224
	15% CAGR		
As a % of Net Sales	10%	11%	11%

(\$ millions)	2016	2017	2018
Adjusted Free Cash Flow*	\$169	\$209	\$224
Plus: Normalized Cash Interest	70	70	70
Less: Tax Effect of Normalized Cash Interest	(19)	(19)	(19)
Unlevered Free Cash Flow	\$220	\$261	\$275
Net Working Capital ¹	409	475	470
PP&E (Net)	305	287	267
Plus: Accumulated Depreciation	59	90	124
Other assets ²	72	86	75
Net Assets	\$843	\$938	\$936
Cash Flow Returns on Net Assets	26%	28%	29%

Modest capital requirements to fund operations and growth

* Please refer to the appendix for definitions of non-GAAP measures, discussions of adjustments and reconciliations

1. Net working capital represents accounts receivable and inventories less accounts payables

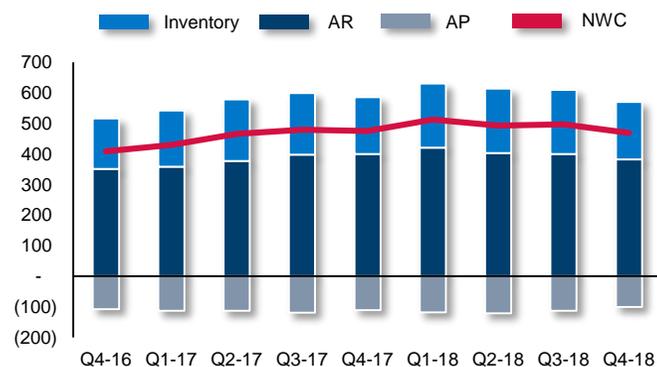
2. Excludes prepaid expenses

Other Cash Flow Drivers

Opportunities to Drive Further Cash Flow Growth

Working Capital Efficiency

Net Working Capital* (NWC) (\$ millions)

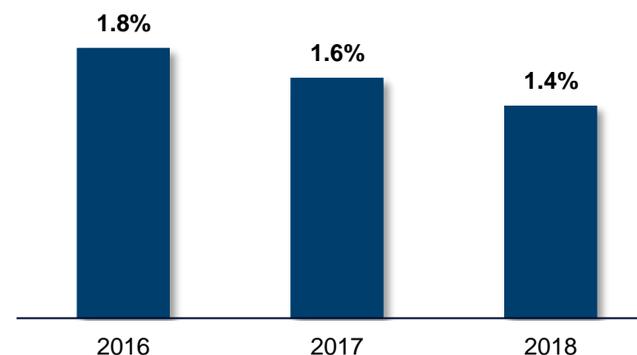


- Stable working capital needs with minimal seasonal volatility
- Efficient cash conversion cycle with negligible bad debts and late payments

Room for improvement via payment terms and enhanced inventory planning

Modest Capital Expenditures

Capex as % of net sales



- Formulation-based manufacturing that requires modest maintenance capex
- Flexible facilities
- Capex investments generally relate to regulatory improvements or technical equipment for customer facing applications

Tax Optimization

- Value chain
- Intercompany debt
- Efficient repatriation
- Deferred tax assets

Expected lower cash tax rate

- Aligning profit with value drivers to effectively manage consistent margins globally
- Optimized debt obligations and cash repatriation strategy limit withholding tax payments and free-up liquidity
- Significant U.S. based deferred tax assets

Further global planning underway with a focus on highest cash tax jurisdictions

* Please refer to the appendix for definitions of non-GAAP measures, discussions of adjustments and reconciliations

Healthy Balance Sheet

Committed to Net Leverage Ratio* Below 3.5x Adjusted EBITDA*



March 2019 Capital Structure

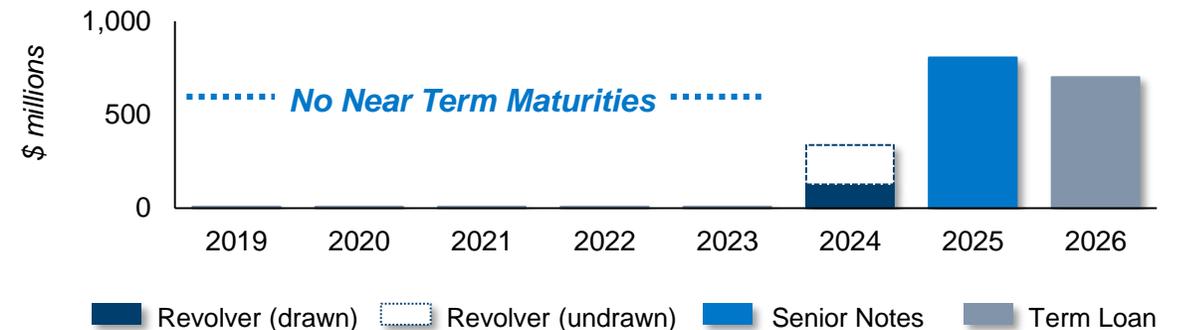
(\$ millions)

Instrument	Maturity	
New Revolver (\$330 million)	2024	\$120
New Term Loan-B	2026	748
Other Secured Debt		1
Total First Lien Debt		\$869
5.875% Senior Notes	2025	800
Other Debt		0
Total Debt		\$1,669
Cash Balance		\$230
Net Arysta post-closing adjustments & expenses ¹		~50
Adjusted Net Debt		\$1,389
LTM Adj. EBITDA*		\$415
Adjusted Net Debt to Adj. EBITDA*		~3.3x

Interest Rate and Cross-Currency Swaps

- Term loan hedges that reduced interest rate to ~ 2.3% p.a. for 5 years
- Created synthetic EUR debt balance for ~ 50% of capital structure to better match non-USD earnings and cash-flow footprint

Maturity Schedule



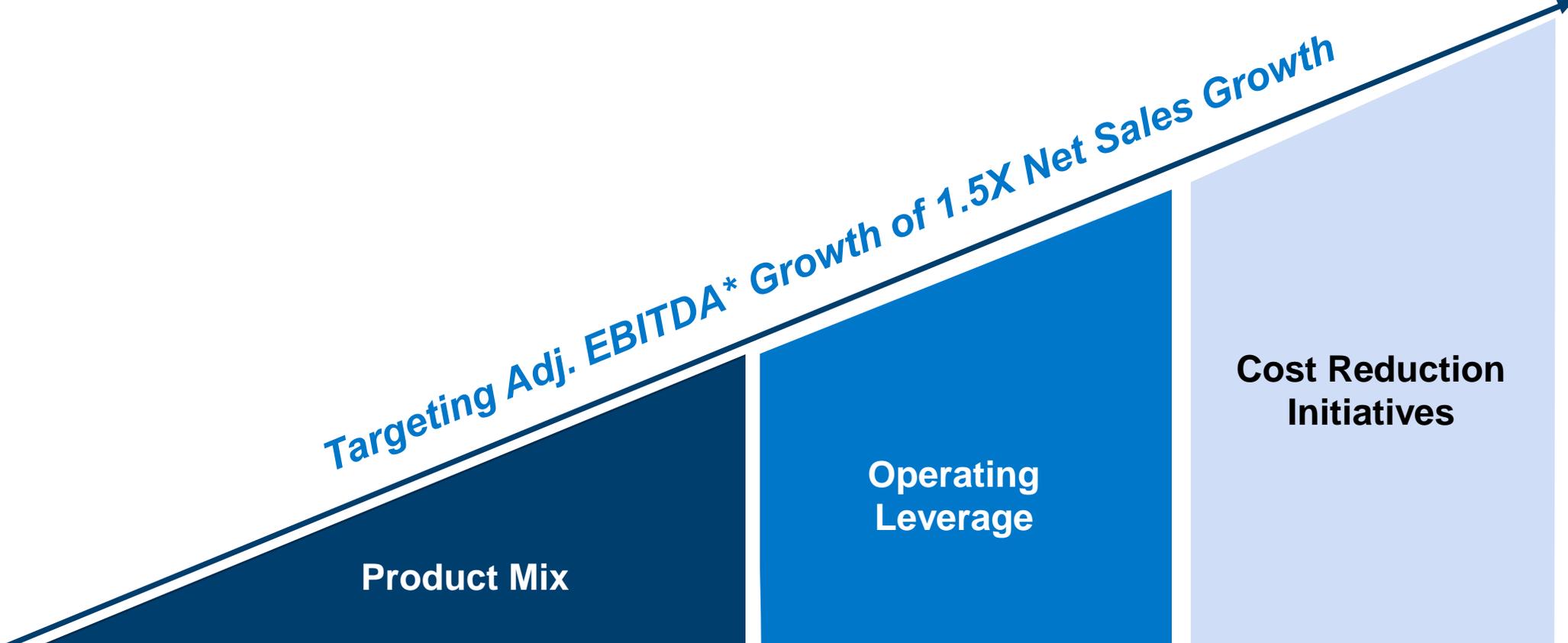
Nimble capital structure with ample liquidity and flexibility

* Please refer to the appendix for definitions of non-GAAP measures, discussions of adjustments and reconciliations

1. Represents anticipated settlement of post-closing adjustments, taxes and transaction expenses associated with the sale of Arysta

Margin Expansion Drivers

Multiple Levers to Drive Positive Incremental Margins



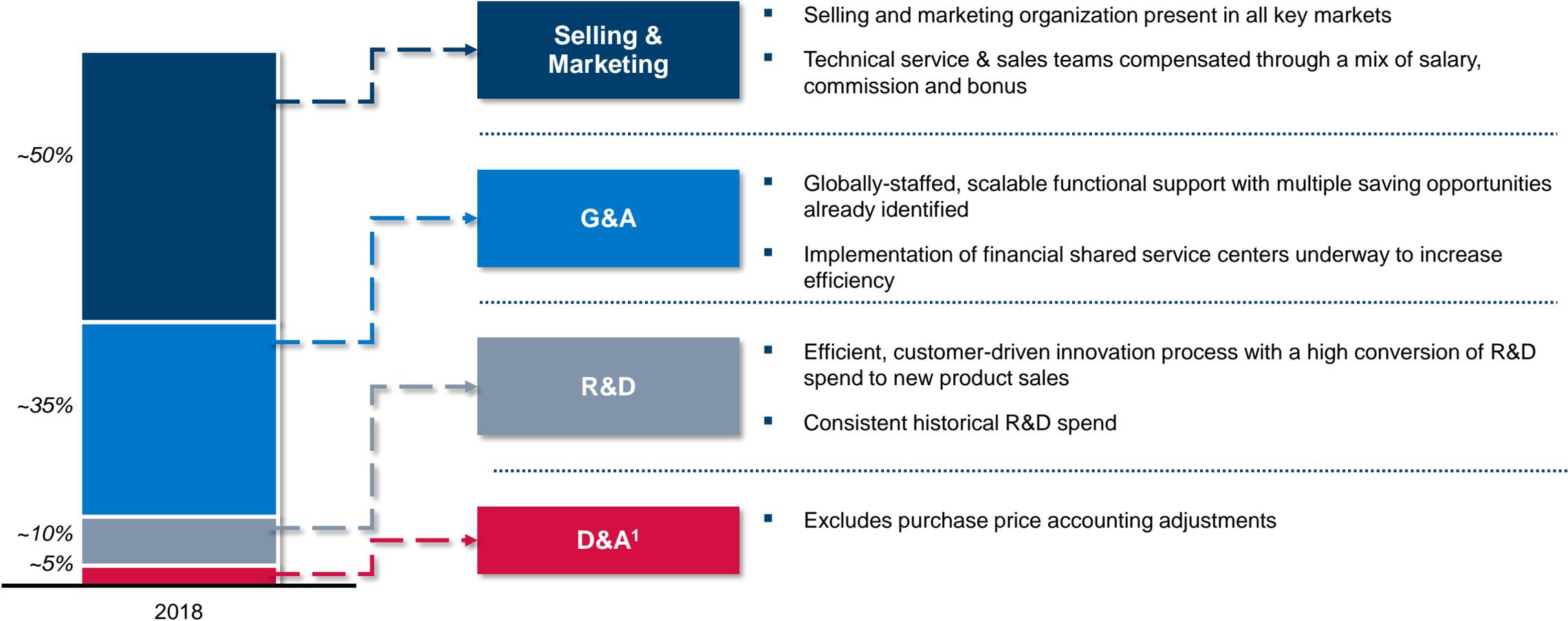
- New product introductions offering enhanced customer value
- High-growth markets such as automotive electronics and semiconductor packaging contributing above average margins

- Minimal incremental SG&A on new sales
- Available capacity in existing facilities

- Procurement and supply chain savings
- G&A reorganization, shared services and technology

* Please refer to the appendix for definitions of non-GAAP measures, discussions of adjustments and reconciliations

Significant leverage on operating expenses drive high-incremental margins



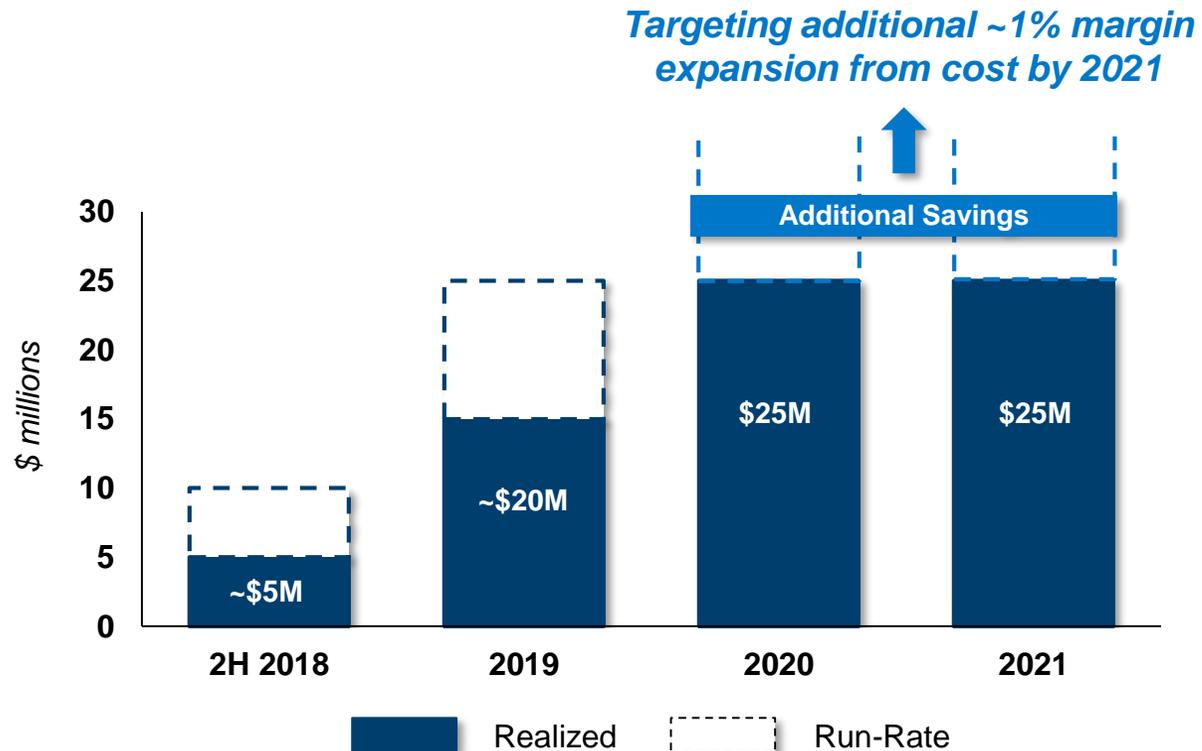
1. Excludes D&A associated with purchase price accounting

Targeted Cost Savings

Execution to Date and Future Expectations



Realized and Run-Rate Cost Savings



Drivers for incremental cost savings:

- Shared services implementation
- G&A organizational alignment
- Supply chain initiatives
- Automation and technology

- \$25 million corporate savings from reorganization expected to be realized by year-end 2020
- \$8 million of costs already realized in the P&L as of Q1 2019 with close to \$20 million actioned

***Double adjusted
EPS**** to \$1.36 by 2023

- 1-2% organic net sales growth* over end-markets
- 1.5x net sales conversion to adjusted EBITDA*
- Prudent deployment of excess cash flow
- Net leverage ratio* below 3.5x adjusted EBITDA*
- Consistent ROIC improvement every year

Capital Allocation

Benjamin Gliklich

Operational excellence and prudent capital allocation fit hand-in-glove and form positive feedback loop

Investing in the Business

- Modest required investment to drive sustainable growth and margin expansion through innovation and people

..... **Business will generate substantial excess cash flow to redeploy**

Measured, Strategic Acquisitions

- Bolster existing businesses through acquisitions of complementary technologies, products and geographies

Return of Capital

- Opportunistic share repurchases
- Consider future dividends

..... **Committed to net leverage ratio* below 3.5x adj. EBITDA***

* Please refer to the appendix for definitions for non-GAAP measures, discussions of adjustments and reconciliations

Invest for Growth

Invest for Efficiency

R&D

- New products, new applications and new markets
- Customer-led
- Incremental

Sales & Marketing

- Geographic expansion and new product launches
- Enhanced customer support and technical sales
- Industry-specific initiatives

Capex

- Facility expansion
- Technology development
- EH&S and maintenance
- New market entry

G&A

- Technology to enable more efficient processes
- Shared services and centers of excellence

Supply Chain

- Procurement initiatives
- Metals hedging programs and pricing optimization

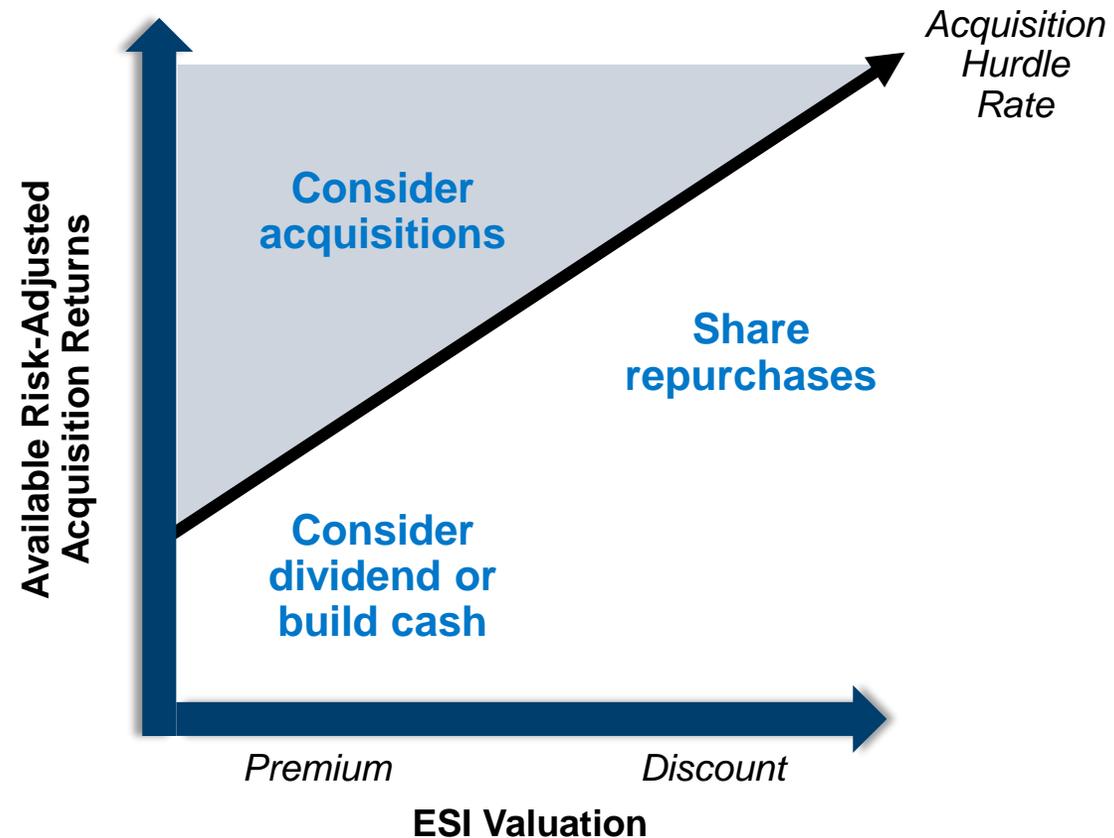
Excess cash for shareholder returns and acquisitions

Deploying Excess Capital

Acquisitions versus Shareholder Returns



Acquisitions prudently assessed and weighed against risks and alternative investment opportunities



Committed to thoughtfully returning excess capital to shareholders

Acquisition Criteria

Alignment with existing capabilities and business model

Defensible moats; stable margins

Similar operating model

Attractive and growing end markets

- Cost and revenue synergy opportunities
- Businesses that are better under our ownership
- Available at an attractive / value accretive price

Case Study: Hi-Tech Korea



Innovative provider of non-conductive electronic adhesives that serve a variety of end-markets, including mobile phones, automotive, camera modules and LEDs for consumer devices

- Offered an opportunity to enter several high-growth markets adjacent to Assembly Solutions by **leveraging our sales force and customer relationships**
- Adjusted EBITDA* multiple of ~6.0x, after synergies
- Bringing Hi-Tech's technology to our more broad customer base created **an additional ~\$20M of sales pipeline**

Path to Value Creation

Objective Requires Both Growth and Prudent Capital Allocation



Organic Growth Trajectory

- Organic net sales growth* of ~4%
- Margin expansion of up to 25 bps per year
- Excess cash used to pay down debt
- *Implies high single-digit 5-year adj. EPS* CAGR*

Share Repurchase Case

- Flat organic net sales performance
- Excess cash used to repurchase shares
- *Implies high single-digit 5-year adj. EPS* CAGR*

Operational Excellence and Prudent Capital Allocation

Double adjusted EPS*
to \$1.36 by 2023
~15% adj. EPS CAGR*

* Please refer to the appendix for definitions of non-GAAP measures, discussions of adjustments and reconciliations

Key Takeaways

Benjamin Gliklich

1

High-Quality Businesses Positioned to Grow and Efficiently Convert Earnings to Free Cash Flow*

Defensible, Leading Market Positions

Secular Growth Tailwinds



Auto Electronic Content



5G Technologies



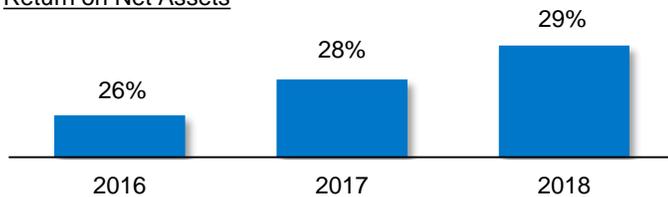
Internet of Things



Environmental Considerations

Strong Cash Flow Returns

Return on Net Assets



2

Capable, Deep Leadership Team with a Performance and Ownership-Oriented Culture

Element Solutions' Leadership Team
Deep Bench of Highly-Skilled Leaders

Office of the Chairman	Functional Leadership	Commercial Leadership
<ul style="list-style-type: none"> Martin E. Franklin, Executive Chairman Benjamin Gilklich, Chief Executive Officer Scott R. Benson, President & Chief Operating Officer 	<ul style="list-style-type: none"> John E. Capps, EVP, General Counsel & Secretary (~25 years of experience) Carey J. Dorman, Chief Financial Officer (~10 years of experience) Trisha Mount, VP, Project Management (~30 years of experience) Dustin Collins, VP, Information Technology (~20 years of experience) Michael Russek, Chief Accounting Officer (~20 years of experience) 	<ul style="list-style-type: none"> Joe D'Ambrisi, VP, Electronics (~35 years of experience) Michael Siegmund, VP, Industrial Solutions (~30 years of experience) Rick Ertmann, VP, Assembly & New Markets (~30 years of experience) Melanie Galloway, VP, Graphics Solutions (~25 years of experience) Steve Racca, VP, Energy Solutions (~30 years of experience) Blake Batley, Chief Sales Officer (~25 years of experience) Mike Goraski, VP, Supply Chain (~25 years of experience)

Challenge Collaborate Commit
Choose Care

3

Clear Pathway to Deliver on our Medium-Term Financial Objective

Double adjusted EPS* to \$1.36 by 2023

- 1-2% organic net sales growth* over end-markets
- 1.5x net sales conversion to adjusted EBITDA*
- Prudent deployment of excess cash flow
- Net leverage ratio* below 3.5x adjusted EBITDA*
- Consistent ROIC improvement every year

* Please refer to the appendix for definitions of non-GAAP measures, discussions of adjustments and reconciliations

1. See reconciliation on page 67

Appendix

Net Loss Attributable to Common Stockholders Reconciliation to Adj. EBITDA



(\$ millions)	FY 2018	FY 2017	FY 2016
Net loss attributable to common stockholders	\$(324)	\$(296)	\$(41)
Add (subtract):			
Gain on amendment of Series B Convertible Preferred Stock	—	—	(33)
Net income (loss) attributable to the non-controlling interests	5	1	(3)
Loss (income) from discontinued operations, net of tax	243	104	(114)
Income tax expense (benefit)	24	(69)	(41)
Interest expense, net	311	337	372
Depreciation expense	45	46	47
Amortization expense	112	110	109
EBITDA	415	233	296
Adjustments to reconcile to Adjusted EBITDA:			
Restructuring expense	6	24	25
Amortization of inventory step-up	—	—	12
Acquisition and integration costs	12	4	25
Legal settlement	—	(11)	—
Foreign exchange loss on foreign denominated external and internal long-term debt	6	53	26
Debt refinancing costs	1	83	20
Goodwill impairment	—	—	47
Gain on settlement agreement related to Series B Convertible Preferred Stock	—	—	(103)
Non-cash change in fair value of preferred stock redemption liability	—	—	5
Pension plan settlement	—	11	2
Gain on sale of equity investment	(11)	—	—
Change in fair value of contingent consideration	(22)	3	5
Other, net	14	2	10
Adjusted EBITDA	\$421	\$401	\$368

Note: totals may not sum due to rounding

Organic Net Sales Growth Reconciliation



	Q1		Q2		Q3		Q4		FY	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Net Sales Growth	10%	6%	9%	6%	2%	6%	(2%)	7%	4%	6%
Impact of Currency	(7%)	2%	(3%)	2%	2%	(1%)	3%	(4%)	(1%)	0%
Constant Currency	3%	9%	5%	8%	4%	5%	1%	3%	3%	6%
Change in Pass-Through Metals Pricing	1%	(3%)	0%	(2%)	0%	(1%)	0%	0%	0%	(1%)
Acquisitions/ (Divestitures)	0%	(1%)	(0%)	0%	(0%)	0%	0%	0%	0%	0%
Organic Sales Growth	4%	5%	5%	6%	3%	4%	1%	4%	3%	4%

Adjusted Earnings Per Share (EPS)

Adjusted earnings per share is defined as net income (loss) from continuing operations attributable to common stockholders adjusted to reflect adjustments consistent with the Company's definition of adjusted EBITDA. Additionally, the Company eliminates the amortization associated with intangible assets and the step-up depreciation associated with fixed assets, both recognized in purchase accounting for acquisitions. Further, the Company adjusts its effective tax rate to 27% for 2019 and 34% for 2018. Lastly, the 2019 adjusted EPS total is based on the Company's new capital structure by assuming that the sale of Agricultural Solutions had closed and the new credit agreement had been in place on January 1, 2019. The resulting adjusted net income available to stockholders is divided by the number of shares of outstanding common stock as of the period end plus the number of shares that would be issued if all the Company's convertible stock were converted to common stock, stock options were vested and exercised, and equity grants with targets that are considered probable of achievement were vested at target and issued. Adjusted EPS is a key metric used by management to measure operating performance and trends. In particular, the exclusion of certain expenses in calculating adjusted earnings per share facilitates operating performance comparisons on a period-to-period basis.

Constant Currency

Management discloses net sales and adjusted EBITDA on a constant currency basis, by adjusting results to exclude the impact of changes due to the translation of foreign currencies of its international locations into U.S. dollar. Management believes this non-GAAP financial information facilitates period-to-period comparison in the analysis of trends in business performance, thereby providing valuable supplemental information regarding its results of operations, consistent with how the Company evaluates its financial results.

The impact of foreign currency is calculated by converting the Company's current-period local currency financial results into U.S. dollar using the prior period's exchange rates and comparing these adjusted amounts to its prior period reported results. The difference between actual growth rates and constant currency growth rates represents the impact of foreign currency translation.

EBITDA and Adjusted EBITDA

EBITDA represents earnings before interest, provision for income taxes, depreciation and amortization. Adjusted EBITDA is defined as EBITDA, excluding the impact of additional items included in GAAP earnings which the Company believes are not representative or indicative of its ongoing business or are considered to be associated with its capital structure. Adjusted EBITDA also includes corporate costs, such as compensation expense and professional fees. Management believes adjusted EBITDA and adjusted EBITDA margin provide investors with a more complete understanding of the long-term profitability trends of the Company's business, and facilitate comparisons of its profitability to prior and future periods. However, these measures, which do not consider certain cash requirements, should not be construed as an alternative to net income or cash flow from operations as a measure of profitability or liquidity.

Free Cash Flow and Adjusted Free Cash Flow

Free cash flow is defined as net cash flows from operating activities less net capital expenditures. Net capital expenditures include capital expenditures less proceeds from the disposal of property, plant and equipment. Adjusted free cash flow deducts from adjusted EBITDA: net capital expenditures, changes in net working capital (Accounts Receivable, Inventories and Account Payable), cash income taxes paid and normalized cash interest paid. Normalized cash interest paid reflects the Company's new capital structure by assuming that the sale of Agricultural Solutions had closed and the new credit agreement had been in place on January 1, 2016. Management believes that free cash flow, which measures the Company's ability to generate cash from its business operations, is an important financial measure for use in evaluating the Company's financial performance. However, free cash flow should be considered in addition to, rather than as a substitute for net cash provided by operating activities as a measure of the Company's liquidity.

Net Debt to Adjusted EBITDA ratio or Net Leverage Ratio

Net debt to adjusted EBITDA ratio is defined as total debt and capital lease obligations, excluding unamortized premium, discounts and debt issuance costs, less cash divided by adjusted EBITDA.

Organic Net Sales Growth

Organic net sales growth is defined as net sales excluding the impact of foreign currency translation, changes due to the pass-through pricing of certain metals, and acquisitions and/ or divestitures, as applicable. Management believes this non-GAAP financial measure provides investors with a more complete understanding of the underlying net sales trends by providing comparable net sales over differing periods on a consistent basis.