

Huntsman Corporation (NYSE – HUN)
Third Quarter 2025 Prepared Comments
November 6, 2025

On November 7, 2025, at 10:00 a.m. ET, Peter Huntsman, Chairman, President and CEO, and Phil Lister, Executive Vice President and CFO, will host a public question-and-answer session with analysts accessible on our website or by telephone as detailed in our third quarter 2025 financial results news release. These are their prepared remarks to accompany our results. They should be read together with the third quarter 2025 financial results news release and the slides detailing our third quarter 2025 financial results, both of which were publicly issued and posted on our website (www.huntsman.com/investors) after the close of NYSE trading on November 6, 2025.

This document, the accompanying slides, and the call/webcast include certain forward-looking statements about our projections or expectations for the future. All such statements are forward-looking statements and, while they reflect our current expectations, they involve risks and uncertainties and are not guarantees of future performance. You should review our filings with the SEC for more information regarding factors that could cause actual results to differ materially from these projections or expectations. We do not plan on publicly updating or revising any forward-looking statements during the quarter.

We also refer to certain non-GAAP financial measures such as adjusted EBITDA, adjusted net income or loss and free cash flow. You can find reconciliations to the most directly comparable GAAP financial measures in our earnings release which has been posted to our website at www.huntsman.com/investors.

Slide 4: Overview

Huntsman reported third quarter 2025 revenues of \$1.5 billion and adjusted EBITDA of \$94 million. Third quarter net loss attributable to Huntsman was \$25 million and operating cash flow from continuing operations was \$200 million.

Slide 5: Polyurethanes

Adjusted EBITDA for the **Polyurethanes** division in the third quarter was \$48 million. Sales volumes increased by 4% compared to the previous year, with growth including the benefit from business wins in the Americas and Asian regions, partially offset by lower volumes in Europe. Quarter-over-quarter, volumes improved, influenced by turnarounds in the second quarter, while core market

conditions remained largely unchanged from the first half of the year. The construction and industrial sectors, including automotive, remained challenging, accounting for approximately 75% of total Polyurethanes sales. Market demand levels have been stable but remain low, contributing to heightened competition, particularly in Europe.

Adjusted EBITDA in the third quarter declined versus the prior year primarily due to pricing pressure in a competitive environment, partially offset by lower feedstock costs, higher volumes and fixed cost savings. Equity earnings from the PO/MTBE Joint Venture were also about \$5 million lower than last year. Adjusted EBITDA margin in the quarter was 5%. We consider these margins to be well below mid-cycle average with significant upside once the industry cycle improves.

European volumes showed a slight decline due to ongoing subdued construction and industrial activity. Weak demand, coupled with domestic producers competing for volume, has intensified competition and offset benefits from raw material prices or restructuring efforts. Imports from China into Europe have remained relatively steady during the year. Profitability in this region remains below breakeven on an adjusted EBITDA basis. Our cost reduction initiatives in Europe, including site rationalization and workforce reductions, are ongoing. We will remain aggressive in driving the cost structure in Europe to align with the realities of the polyurethanes market and the impact of European government policies.

Asian volumes increased year-over-year, driven by growth in our insulation and adhesives and coatings businesses. Chinese MDI prices were stable compared to the second quarter but declined in October as competitive pressures increased due to more imports and fewer exports to the United States due to the impact from tariffs and anti-dumping rulings. Pricing may improve through the remainder of the fourth quarter due to planned facility turnarounds. The PO/MTBE joint venture continued to operate near breakeven levels due to low MTBE margins, a trend expected to persist in the fourth quarter.

North American volumes grew by mid-single digits year-over-year, mainly because of business wins in higher-volume markets, though construction and industrial fundamentals remain difficult. MDI prices in the region stayed largely stable despite increased tariffs and new anti-dumping duties, which substantially reduced imports from China. Overall demand challenges prevented market tightening and there has been an increase in imports from the EU to the US as well as increased competition in other regions such as Latin America and Canada. However, despite these headwinds, pricing is stable, and margins did improve modestly versus the second quarter on lower costs. We do expect pricing and profitability to improve in North America well above current levels as and when demand in our key construction and automotive markets increases. That said, we are not waiting for business fundamentals

to improve and are taking proactive steps to reduce fixed costs and drive up the profitability through the restructuring programs that we announced earlier this year.

Our global automotive business, which represents approximately 15% of the Polyurethanes portfolio by volume, improved modestly in the third quarter, year-on-year. Compared to a decline in the second quarter, as the uncertainty around tariffs impacting North American production lessened. Our global elastomers platform represents approximately 10% of our Polyurethanes portfolio and continues to deliver solid profitability, well above the business segment margin average, and volumes were flat with last year.

We do expect our Polyurethanes business to return to average cycle profitability, well above our current returns. However, in the near-term pricing and profitability will be influenced by regional supply/demand dynamics which remain challenging on average and will only improve once the global construction and industrial markets begin to recover.

In the meantime, our priorities are to aggressively move our restructuring programs forward across our PU network with a focus on Europe. We expanded our cost reduction programs this year in response to this prolonged challenging environment, and we expect most of the savings to be complete during 2026, with the full annual benefit realized in 2027. In addition, we expect the savings achieved over the past two to three years to continue providing benefits going forward. In addition to reducing costs, we are focused on matching our inventories to current demand. These efforts have supported our cash generation in the first nine months of 2025.

We anticipate that the fourth quarter will be impacted by seasonality as well as continued margin pressure in Europe where prices are still under pressure. Should current market conditions persist as we expect, the Polyurethanes fourth quarter adjusted EBITDA should be in the range of \$20 million to \$35 million.

Slide 6: Performance Products

Our **Performance Products** division reported an adjusted EBITDA of \$29 million for the third quarter. Sales volumes decreased 10% year-over-year driven by the closure of our European maleic anhydride facility. Excluding European maleic anhydride sales, volumes declined 2% versus the prior year with gains in North America driven by business wins offset by weaker demand in Asia and Europe. In the third quarter, the division reversed an additional \$7 million non-cash loss contingency in our US operations from a commercial dispute which was settled successfully during the quarter; no reserve remains for this issue.

The division's year-over-year decline in profitability was primarily attributable to margin compression resulting from competitive dynamics within various amines markets. We anticipate that these competitive pressures will persist in the near term and may intensify during the typically weaker fourth quarter. Profitability has also been affected by sustained low demand across most of the division's markets, particularly in high-volume sectors such as construction and industrial applications. Consistent with our other divisions, we are actively managing inventories in response to generally subdued demand.

Given the current market conditions, our division is prioritizing cost reduction initiatives. These measures encompass the previously communicated closure and withdrawal from maleic anhydride production in Europe. Additionally, we have streamlined staffing levels, including adjustments to certain leadership positions. Looking ahead, we anticipate that the business will continue to realize the benefits of these cost savings, alongside the positive impact of completed growth projects as market demand recovers.

For the fourth quarter, we anticipate that typical seasonality will be further intensified by additional destocking in several of our high-volume markets, as customers focus on reducing working capital at year end. As a result, we will continue to prioritize cash flow over EBITDA as we align our inventories with prevailing demand levels. Given the lower construction season and overall demand environment, we have opportunities to bring our inventories down further. We expect this fourth quarter inventory management to adversely affect our profitability compared to the prior quarter and year, with cost savings initiatives providing only partial mitigation. Adjusted EBITDA for Performance Products in the fourth quarter is currently projected to range between \$15 million and \$20 million.

Slide 7: Advanced Materials

The **Advanced Materials** division reported adjusted EBITDA of \$44 million in the third quarter. This result was at the upper end of our expectations despite a challenging operating environment. Overall sales volumes increased slightly compared to the previous year, mainly due to growth in power markets, which remain the strongest area for this business.

Sales in our aerospace segment declined year-over-year but showed quarter-over-quarter growth, reflecting some improvements in the global aerospace supply chain which has led to volatility in order patterns throughout the year. We remain confident in the long-term outlook for aerospace and continue to benefit from new business wins, particularly with adhesive applications for aircraft interiors. The aircraft manufacturing OEMs have indicated plans to increase production on their wide-body

platforms, which is expected to drive growth in both our composite and adhesive product lines. Wide-body planes represent our largest area of application within this market.

Positive momentum within our power business persisted throughout the third quarter, and we anticipate these trends to continue for the foreseeable future. We expect ongoing global investment in the power grid to address increasing demand for power generation and consumption. The strengthened sales in this segment have significantly mitigated the weakness observed in other industrial-related markets, such as coatings. Additionally, our automotive division continues to perform well, supported by recent new business wins that counterbalance some of the challenges that have affected the industry.

Advanced Materials remains our primary focus for future bolt-on acquisitions to expand the portfolio, drive innovative sales growth, and improve overall returns in the business. We will also continue moving forward with organic projects and R&D investments, such as those employing our MIRALON® technology. That said, other than continuing our investment in MIRALON®, our near-term priorities will be increasing returns through improved sales growth and cost discipline. We remain positive about the long-term prospects for Advanced Materials over the coming years. We do expect typical seasonality in the fourth quarter, and adjusted EBITDA to be in the range of \$30 million to \$35 million.

Slide 8: Year-over-Year & Quarter-over-Quarter

Adjusted EBITDA for the third quarter was \$94 million compared to \$131 million in the third quarter of 2024 and \$74 million in the second quarter of 2025. Revenues decreased 5% compared to the prior year and were flat compared to the prior quarter. Adjusted EBITDA margin of 6% was slightly better than the prior two quarters.

Volumes improved slightly compared to the prior year and prior quarter. Excluding the impact of closing our Moers, Germany maleic anhydride facility, volumes increased 3% year-over-year. North America and Asia both experienced year-over-year growth, driven by business wins in construction and consumer end markets. Volumes in Europe experienced a year-over-year decline primarily due to a low level of construction and industrial related activity.

In the third quarter, construction represented approximately 55% of global sales volumes and approximately 50% of revenue. Approximately 60% of our construction revenue globally derives from commercial or infrastructure sales, and approximately 40% comes from sales into residential end markets. By region, approximately 40% of total construction revenue came from North America sales

mostly into residential housing, 25% from Europe driven by commercial sales, and approximately 25% from Asia where the majority of sales were for the infrastructure and commercial markets.

In local currency, price/mix declined by 2% sequentially driven by European MDI pricing and certain product lines within our Performance Products division. Year-over-year, price/mix polyurethanes declined 10%, Performance Products decreased by 2%, and Advanced Materials decreased by 1%. Equity income from our Chinese PO/MTBE joint venture was zero for the third quarter.

Year to date, our SG&A expenditures are lower by \$16 million driven by our cost realignment plans more than offsetting cost inflation. SG&A costs for the third quarter of 2025 did increase compared to the third quarter of 2024 due to the timing of non-cash incentive compensation accrual adjustments. Similar to the prior quarter, adjusted EBITDA benefited from the non-cash impact of a reduction in a loss contingency accrual in our Performance Products division of \$7 million.

Our global restructuring programs progressed significantly during the quarter and ended September at an annualized run rate of approximately \$80 million driven by headcount reductions, labor arbitrage and announced site closures. We expect to achieve the full target of approximately \$100 million of annualized run rate savings during 2026. As a reminder, the program includes the closure of seven sites, including three downstream polyurethane facilities in Europe and the Middle East, one plant in Canada, one site in the U.S., a sales and administrative office in Germany, and our Moers maleic anhydride facility. Most of the restructuring is taking place in Europe. Total costs related to all current programs are now expected to be just over \$100 million of which \$20 million is capital expenditures to be absorbed within our regular capital expenditure guidance. In addition to these cost savings, which are spread across plant costs and SG&A, we remain on track to achieve structural in-year savings of \$30 million related to variable costs.

Corporate expense in the third quarter improved by \$7 million to \$27 million compared to the third quarter of 2024 due to LIFO and transactional foreign exchange benefits.

Our adjusted effective tax rate for the quarter was 40%. Going forward, our adjusted effective rate will depend on the level and mix of geographical income, particularly how much adjusted operating income is generated in Europe and the United States compared to China.

Slide 10: Cash Flow and Liquidity Considerations

Cash flow from operations for the third quarter was an inflow of \$200 million compared to an inflow of \$134 million in the prior year period. Primary working capital was a net inflow during the quarter of \$83 million, driven by an advancement in the reduction of inventories, some of which is

typically experienced in the fourth quarter. At the end of the quarter, our inventory levels were approximately 15% below this time last year and approximately 7% below our 2024 year-end inventory level due to aggressive actions throughout our supply chain. We have also realized meaningful cash benefits in 2025 from our supply chain financing and extension to accounts payable terms program. Trailing twelve months cash flow from operations as a percentage of adjusted EBITDA was 122% and 213% in the third quarter.

Capital expenditures during the third quarter were \$43 million similar to the spend in the third quarter of 2024. We continue to be prudent with our capital expenditures and have adjusted our expected spend to between \$170 million and \$180 million in 2025, reflecting further refinement of our capital outlay. We currently expect to manage capital expenditures to a similar level in 2026 with critical maintenance, cybersecurity risk mitigation, and mandatory safety and environmental spend of approximately \$150 million. Depreciation and amortization is expected to run at approximately \$290 million in 2025.

Free cash flow in the third quarter was \$157 million compared to \$93 million in the third quarter of 2024. Year to date free cash flow of \$105 million has been supported by aggressive working capital management, including the advancement of inventory reductions, some of which are typically realized in the fourth quarter. We do expect further reductions in inventories in the fourth quarter though to a lesser extent compared to prior years due to actions already completed. Due to our free cashflow performance, net debt to end the quarter at \$1.5 billion, consistent with the prior year period. Net debt leverage did increase due to the decline in last twelve months adjusted EBITDA. At the end of the quarter, we had \$468 million cash on hand compared to \$340 million at the end 2024. We have long term debt of approximately \$1.5 billion related to our senior notes maturing in 2029, 2031 and 2034. We had approximately \$1.4 billion of liquidity at the end of the quarter.

Adjusted diluted loss per share was 14 cents for the quarter. Our Board of Directors made the decision to reset our dividend to 35 cents per share annually, 8.75 cents per share quarterly, a reduction of 65%. This decision allows for increased financial flexibility to manage through this extended trough.

This concludes our prepared remarks regarding the third quarter 2025 results and our current outlook. We look forward to updating the market when we report our fourth quarter 2025 results.

About Huntsman:

Huntsman Corporation is a publicly traded global manufacturer and marketer of differentiated and specialty chemicals with 2024 revenues of approximately \$6 billion from our continuing operations. Our chemical products number in the thousands and are sold worldwide to manufacturers serving a broad and diverse range of consumer and industrial end markets. We operate more than 60

manufacturing, R&D and operations facilities in approximately 25 countries and employ approximately 6,300 associates within our continuing operations. For more information about Huntsman, please visit the company's website at www.huntsman.com.

Social Media:

X: www.x.com/Huntsman_Corp

Facebook: www.facebook.com/huntsmancorp

LinkedIn: www.linkedin.com/company/huntsman

Forward-Looking Statements:

This press release includes "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These forward-looking statements include statements concerning our plans, objectives, goals, strategies, future events, future revenue or performance, capital expenditures, financing needs, plans or intentions relating to acquisitions, divestitures or strategic transactions, business trends and any other information that is not historical information. When used in this press release, the words "estimates," "expects," "anticipates," "likely," "projects," "outlook," "plans," "intends," "believes," "forecasts," or future or conditional verbs, such as "will," "should," "could" or "may," and variations of such words or similar expressions are intended to identify forward-looking statements. These forward-looking statements, including, without limitation, management's examination of historical operating trends and data, are based upon our current expectations and various assumptions and beliefs. In particular, such forward-looking statements are subject to uncertainty and changes in circumstances and involve risks and uncertainties that may affect the Company's operations, markets, products, prices and other factors as discussed in the Company's filings with the Securities and Exchange Commission (the "SEC"). Significant risks and uncertainties may relate to, but are not limited to, high energy costs in Europe, inflation and high capital costs, geopolitical instability, volatile global economic conditions, cyclical and volatile product markets, disruptions in production at manufacturing facilities, reorganization or restructuring of the Company's operations, including any delay of, or other negative developments affecting the ability to implement cost reductions and manufacturing optimization improvements in the Company's businesses and to realize anticipated cost savings, and other financial, operational, economic, competitive, environmental, political, legal, regulatory and technological factors. Any forward-looking statement should be considered in light of the risks set forth under the caption "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2024, which may be supplemented by other risks and uncertainties disclosed in any subsequent reports filed or furnished by the Company from time to time. All forward-looking statements apply only as of the date made. Except as required by law, the Company undertakes no obligation to update or revise forward-looking statements to reflect events or circumstances that arise after the date made or to reflect the occurrence of unanticipated events.