

# A Balanced Capital Allocation Strategy with Core Platforms for Sustainable Growth

**HUNTSMAN**

2Q21 Update

## Quick Facts

### The Woodlands, Texas

GLOBAL HEADQUARTERS

### HUN

NYSE LISTED SINCE 2005

**~9,000**

EMPLOYEES

**~70**

MANUFACTURING AND R&D FACILITIES

**~35% / 65%**

SALES REVENUE FROM U.S. & CANADA / INTERNATIONAL

## Financial Highlights<sup>1</sup>

**\$6.3 billion**

1Q21 LTM SALES REVENUE

**\$771 million**

1Q21 LTM ADJ. EBITDA

**\$894 million**

1Q21 NET DEBT

**\$270 million**

1Q21 LTM ADJ. FREE CASH FLOW

## Balanced Capital Allocation Strategy

Since start of 2018, Huntsman has focused on:



### Strong Financial Metrics

- **Investment grade balance sheet** with net leverage ratio of ~1.2x
- **Consistent strong annual free cash flow generation**



### Prioritized High-Return Organic Investments

- Financial strength enables **organic investments in high-return projects** with hurdle rates >20% to expand and strengthen market positions in core downstream and specialty chemical businesses



### Highly Synergistic Prudent M&A

- **Divested upstream Chemicals Intermediates and Surfactant businesses (2020)** for ~\$2 billion in order to further invest in and grow our downstream businesses
- **Acquired Icyne-Lapolla (2020) and Demilec (2018)**, leading manufacturers and distributors of spray polyurethane foam (SPF), to create **Huntsman Building Solutions (HBS)**, the largest global franchise in SPF insulation
- **Divested India-based DIY consumer adhesives business (2020)** for ~\$250 million in order to reinvent and expand our specialty chemical portfolio in Advanced Materials.
- **Acquired Gabriel Performance Products (2021) and CVC Thermoset Specialties (2020)**, expanding our specialty chemical portfolio in Advanced Materials



### Returning Capital to Shareholders

- **Paying an attractive quarterly dividend** of \$0.75 per share, a 15% increase from \$0.65 per share
  - **Huntsman has paid quarterly dividends since the beginning of 2007** (57 consecutive quarters)
- **Opportunistically bought back ~\$580 million of shares**, representing ~10% of shares outstanding

## Environmental, Social and Governance Initiatives



**Huntsman's business segments are core to environmental progress – to name a few:**

- Transforming PET scrap (e.g., recycled plastic bottles) into TEROL® polyester polyols for use in the world's foremost energy-saving insulation
- Producing amine-based catalysts for low-VOC emission polyurethane applications
- Utilizing up to 50% less water and energy than conventional dyeing technologies



**On track to reach Horizon 2025 sustainability targets, including:**

- 10% reduction in greenhouse gas emissions per unit of production
- 10% reduction in energy consumed per unit of production
- 5% reduction in net water usage at facilities in water-stressed regions



**Ongoing Board refreshment**

- Ten independent directors
- 45% of the directors are women
- Appointed five highly qualified new directors within the last three years who possess the requisite expertise and skill set for our evolving portfolio of businesses

<sup>1</sup> Reconciliations of non-GAAP measures to GAAP are provided in the financial schedules attached to the earnings news release and available on the Company's website at <http://ir.huntsman.com/>.

# Huntsman's Ongoing Transformation and Commitment to Shareholder Value Creation

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## Q1 2021

- **Increased annual dividend 15%** from \$0.65 per share to \$0.75 per share.
- **Raised over \$600,000 for Houston-Area Charities** following devastating Winter Storm Uri
- **Appointed Jeanne McGovern** to the Board of Directors
- **Formed a Sustainability Committee of the Board**, which will have review and oversight responsibilities relating to sustainability and other related corporate social responsibility and governance matters

## Full Year 2020

- **Divested upstream Chemical Intermediates and Surfactants businesses** for ~\$2 billion in order to strengthen balance sheet and further invest in our downstream businesses
- **Acquired Icyne-Lapolla**, a North American SPF insulation manufacturer with leading open-cell technology, for \$350 million to expand our SPF business
- **Divested India-based DIY Consumer Adhesives business** for ~\$250 million in order to reinvent and expand our specialty chemical portfolio in Advanced Materials.
- **Opened a new TEROL® polyols plant** in Taiwan, expanding our downstream polyurethanes capabilities in the Asia-Pacific region
- **Appointed Cynthia Egan and Sonia Dulá** to the Board of Directors
- **Acquired CVC Thermoset Specialties**, expanding our specialty chemical portfolio in Advanced Materials, for \$300 million
- **Unveiled the branding** of our newly combined world-leading spray polyurethane foam (SPF) franchise as **Huntsman Building Solutions (HBS)**
- **Published our 2019 Sustainability Report**, discussing how we are adopting a circular mindset. This is Huntsman's ninth sustainability report since launching its corporate sustainability initiative in 2010
- **Received Six Responsible Care® Certificates** for 2019 Health and Safety Performance from the American Chemistry Council
- **Paid ~\$108 million in dividends**
- **Spent ~\$96 million to repurchase 5.4 million shares**
- **Responded to COVID-19 by taking the following actions:**
  - Hiring freeze and suspension of merit increase
  - Reduction of 2020 expected capital expenditures by ~\$90 million
  - Acceleration of synergy capture of newly acquired businesses
  - Production and donation of hand sanitizer

## Full Year 2019

- **Achieved investment grade ratings** from Moody's and Fitch
- **Acquired the remaining 50% interest in the Sasol-Huntsman Maleic Anhydride joint venture**
- **Announced investment** to build a new splitter at our Geismar, Louisiana, facility to support Polyurethanes downstream growth in the Americas
- **Opened a new polyurethane system house** in Dubai, U.A.E.
- **Paid ~\$150 million in dividends**
- **Spent ~\$208 million to repurchase 10.1 million shares**
- **Appointed Vice Admiral Jan E. Tighe** to the Board of Directors



## Platforms for Growth



### Polyurethane

A leading global producer of MDI based polyurethanes focused on formulating innovative, differentiated products for key downstream markets including energy-saving insulation, light weighting and performance materials for automotive, comfort foam for bedding and furniture, protective coatings, adhesives, and elastomers for footwear.



### Advanced Materials

Provides specialty epoxy-, acrylic- and polyurethane-based polymer resin systems and adhesive products, which are replacing traditional materials in aircraft, automobiles and electrical power transmission. These products are also used in coatings, construction materials, circuit boards and sports equipment.



### Performance Products

Manufactures a wide variety of chemical products that provide important properties in everyday items. The primary product categories of amines and maleic anhydride are used in coatings & adhesives, fuels & lubricants, urethane catalysts, composites, construction, energy and gas treating, and epoxy curing.



### Textile Effects

A major global solutions provider of eco-friendly textile dyes and textile chemicals to the textile industry that enhance color and improve fabric performance such as wrinkle resistance, faster drying properties and the ability to repel water and stains in apparel, home and technical textiles.