

2021 results



INNOVATION | GROWTH | EFFICIENCY

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The Company is the holding company for a number of operationally distinct and autonomous subsidiaries that conduct the day-to-day business of the different segments of the Elementis Group. The use of 'Elementis' in this presentation to describe one or more of those subsidiaries, or the Elementis Group as a whole, does not in any way detract from the legal, functional and operational separateness of the entities that comprise the Elementis Group.

Results agenda

ELEMENTIS

INTRODUCTION

Paul Waterman

HIGHLIGHTS & SEGMENT PERFORMANCE

Paul Waterman

GROUP FINANCIALS

Ralph Hewins

OUTLOOK & PRIORITIES

Paul Waterman

QUESTIONS

Paul Waterman & Ralph Hewins

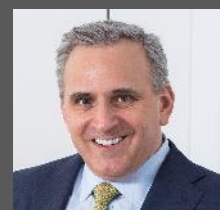


HIGHLIGHTS

PAUL WATERMAN, CEO



INNOVATION | GROWTH | EFFICIENCY



Paul Waterman



Ralph Hewins

Key messages

ELEMENTIS

1

Steady demand
recovery

2

Resilient supply
chain
performance

3

Pricing actions
fully mitigate
accelerating
inflation

4

Encouraging
strategic
progress

5

Leverage down
from 3.2x to
2.6x



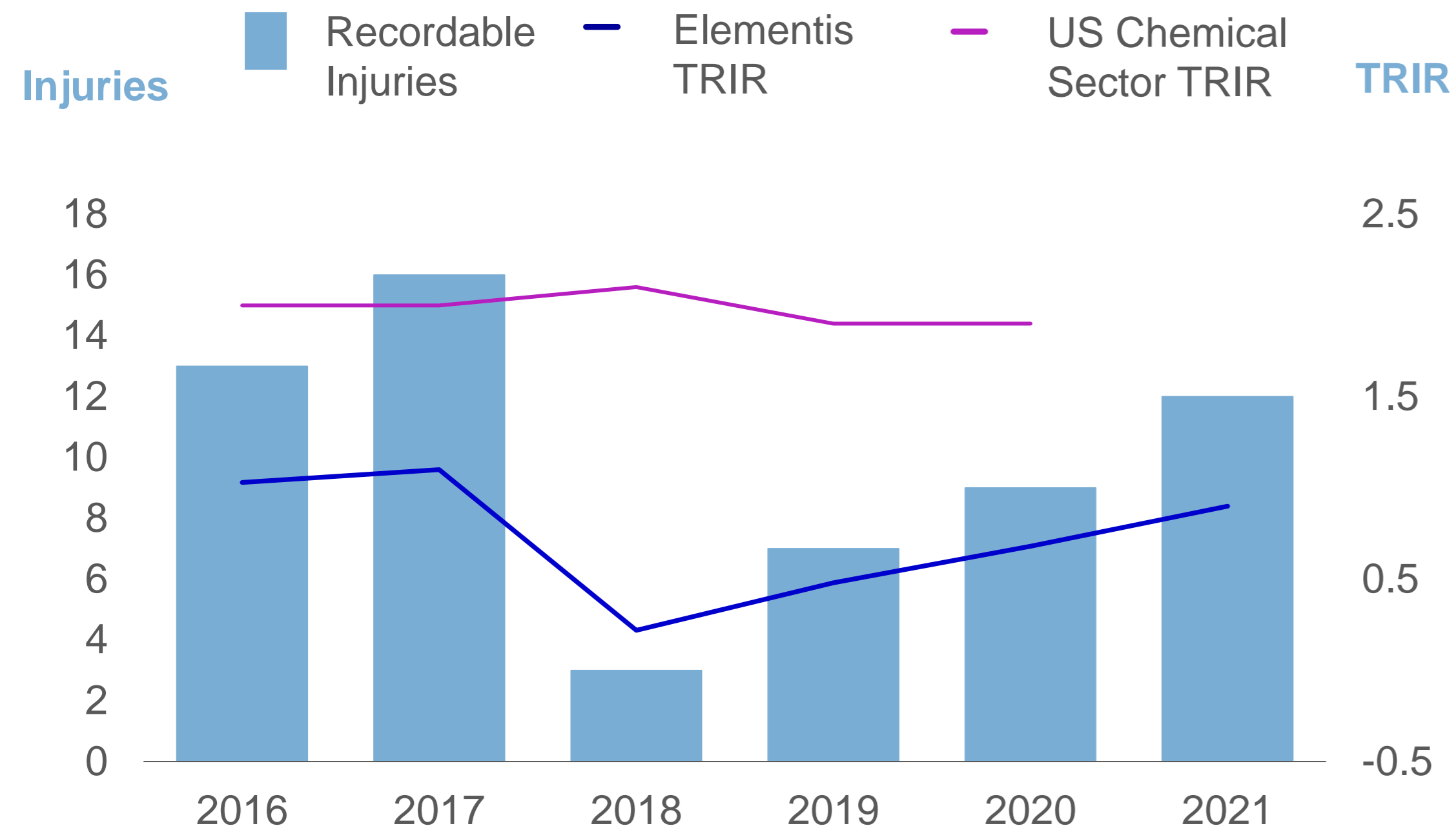
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Ralph Hewins

Continued focus on safety

SAFETY PERFORMANCE



Note: Total Recordable Incident Rate (incidents per 200,000 hours worked)

Source: American Chemistry Council

HIGHLIGHTS

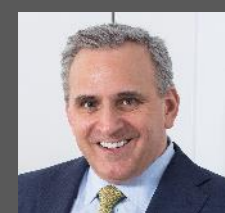
Performance

- Zero major incidents
- 74% of plants with zero employee injuries
- India plant 1,000,000 hours injury free



Safety Initiatives

- First global safety week campaign
- Site leader HSE certification
- Hazard recognition training



Paul Waterman



Ralph Hewins

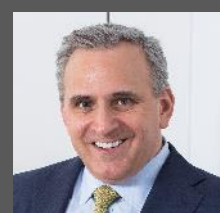
Strong performance **improvement**

ELEMENTIS

2021 FINANCIAL OVERVIEW

| \$m | 2020 | 2021 | % Change |
|--------------------|-------|-------|----------|
| Sales | 751 | 880 | + 17% |
| Operating profit* | 82 | 107 | + 31% |
| Operating margin* | 10.9% | 12.1% | + 120bps |
| Profit before tax* | 53 | 77 | + 46% |
| Diluted EPS* | 6.5c | 10.6c | +63% |
| Net debt | 408 | 401 | -2% |
| Net debt / EBITDA | 3.2x | 2.6x | - |

* After adjusting items



Paul Waterman



Ralph Hewins

Proactive supply chain actions

CONTINUED OPERATIONAL RESILIENCE

ELEMENTIS

CHALLENGES & ACTIONS

- ✓ **Sharp demand recovery**
Increased production | Prioritised SKUs | Order flexibility
- ✓ **Raw material shortages & cost increases**
Price increases | Alternative suppliers qualified
- ✓ **Logistics congestion & freight increases**
Surcharges | Air freight | Pre-booked shipping
- ✓ **Second half energy price surges**
Surcharges | Energy intensity reduction | Hedging



Paul Waterman



Ralph Hewins

Strategy implementation on track

ACHIEVEMENTS




INNOVATION

-  21 new product launches
-  New products 14% of sales vs 10% in 2017
-  Open innovation – AQDOT & NXTLEVEL product launches
-  Expanded emerging market resources

GROWTH

-  Record \$50m of new business won
-  17% Coatings revenue growth*
-  15% Industrial Talc revenue growth*
-  40%+ skin care & Asia revenue growth*

EFFICIENCY

-  \$10m savings delivered in 2021
-  North America Coatings plant consolidation complete
-  India AP Actives plant start up
-  2023 savings on track

* Constant currency sales growth



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Ralph Hewins

Positive ESG momentum

2021 HIGHLIGHTS

Environmental

- ✓ First Global Sustainability Director
- ✓ On track for 2030 environmental targets
- ✓ 2021 Responsible Chromium Award

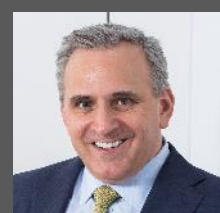
Social

- ✓ Employee engagement up from 55% to 63%
- ✓ DE&I training & inaugural women in leadership forum
- ✓ Increased senior management female representation to 31% vs 24% in 2018

Governance

- ✓ New Global Compliance Officer
- ✓ New Ethics & Compliance Council
- ✓ Global cyber security campaign

IMPROVED RATINGS DURING 2021



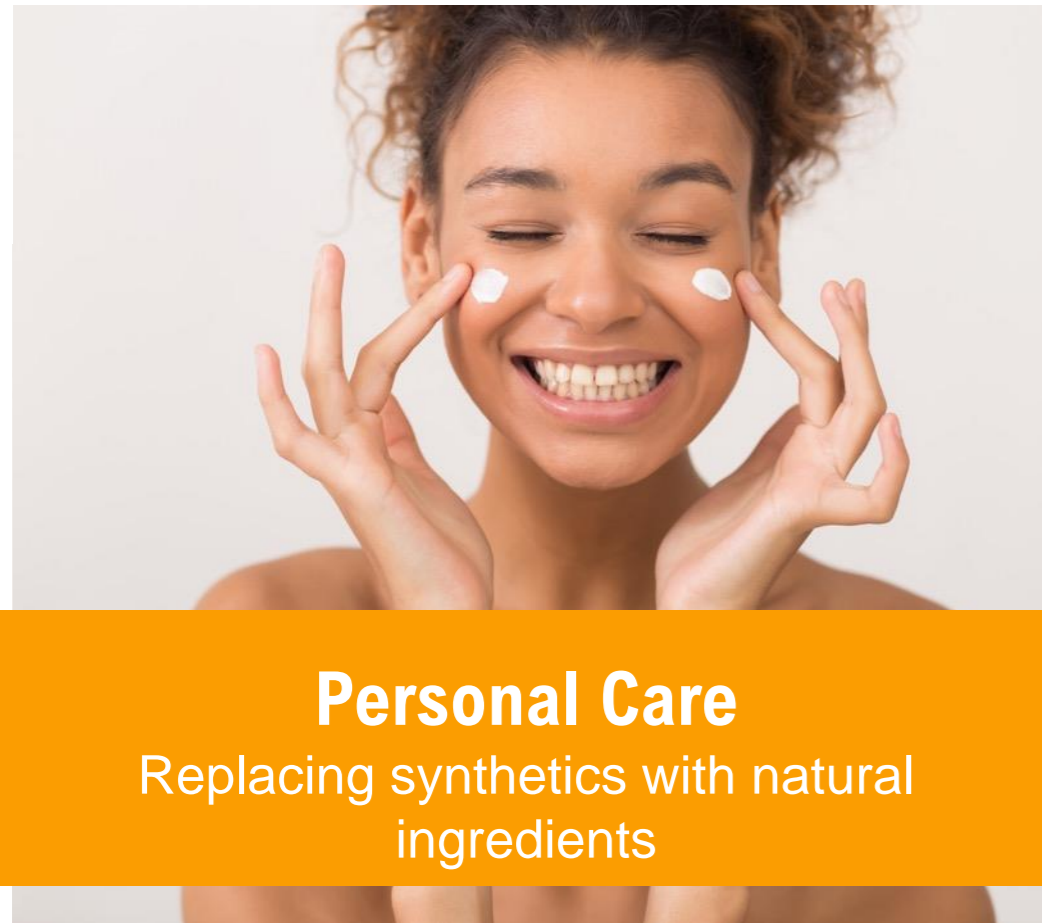
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Sustainability integrated in all we do

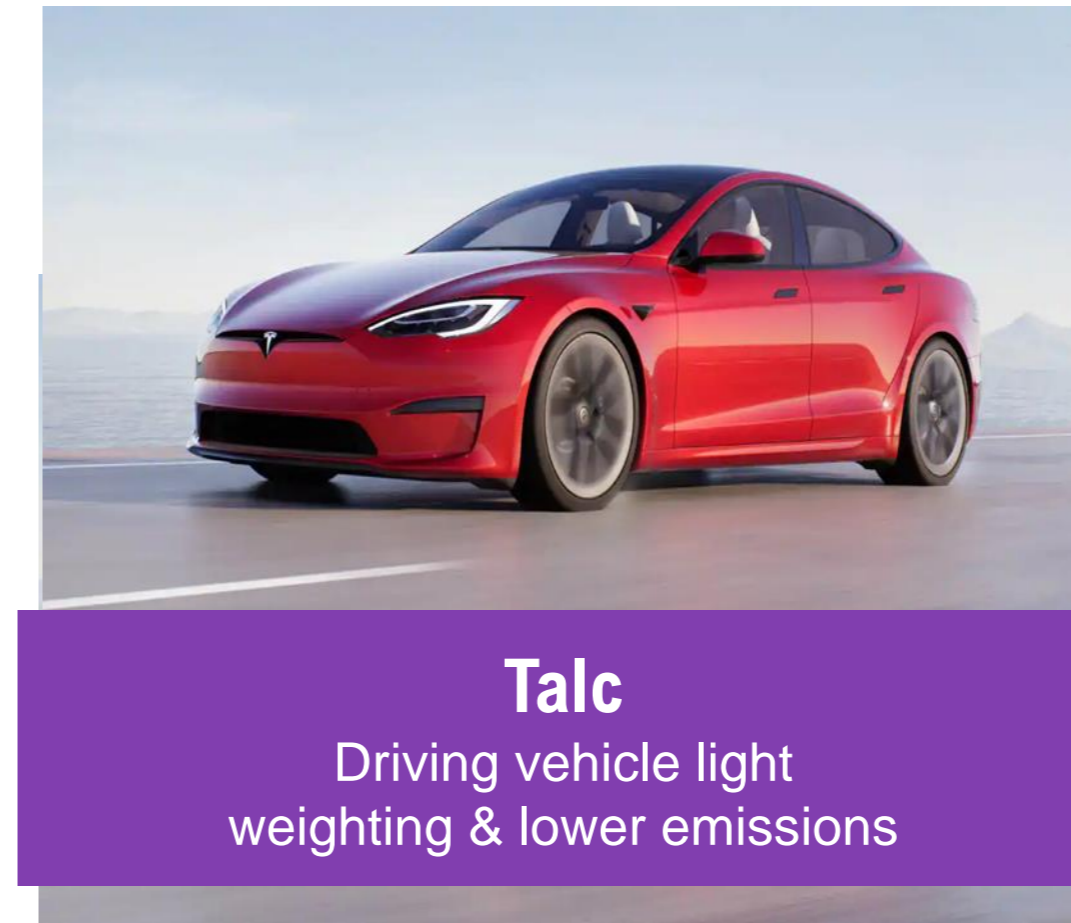
ELEMENTIS



Personal Care
Replacing synthetics with natural ingredients



Coatings
Enabling waterborne technologies & lower VOCs



Talc
Driving vehicle light weighting & lower emissions



Chromium
Extending industrial equipment life cycles

Underpinned By Innovation & Efficiency

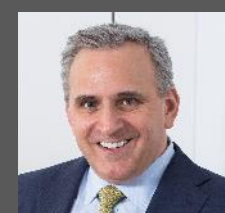


- ✓ 53% of revenue from naturally derived products*
- ✓ Sustainability scorecard for all product launches
- ✓ 60 active innovation projects



- ✓ Global process improvement team
- ✓ 65 efficiency & sustainability improvement projects
- ✓ Progress towards 2030 environmental targets

*Naturally derived products defined in accordance with ISO 16128 standard and explicitly excludes ingredients derived from fossil fuels



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ELEMENTIS

A global specialty chemicals company

SEGMENT PERFORMANCE



INNOVATION | GROWTH | EFFICIENCY

Enhanced Performance Through Applied Innovation



Personal Care performance

ELEMENTIS

VOLUME GROWTH RETURNS

| \$m | | | 2021 vs 2020 % Change |
|-------------------|-------|--------------|--------------------------------|
| | 2020 | 2021 | Constant Currency ¹ |
| Sales | 161 | 175 | +6% |
| Operating profit* | 34 | 37 | +6% |
| Operating margin* | 20.9% | 21.0% | |



* After adjusting items ¹ Adjusted for constant currency



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Personal Care performance

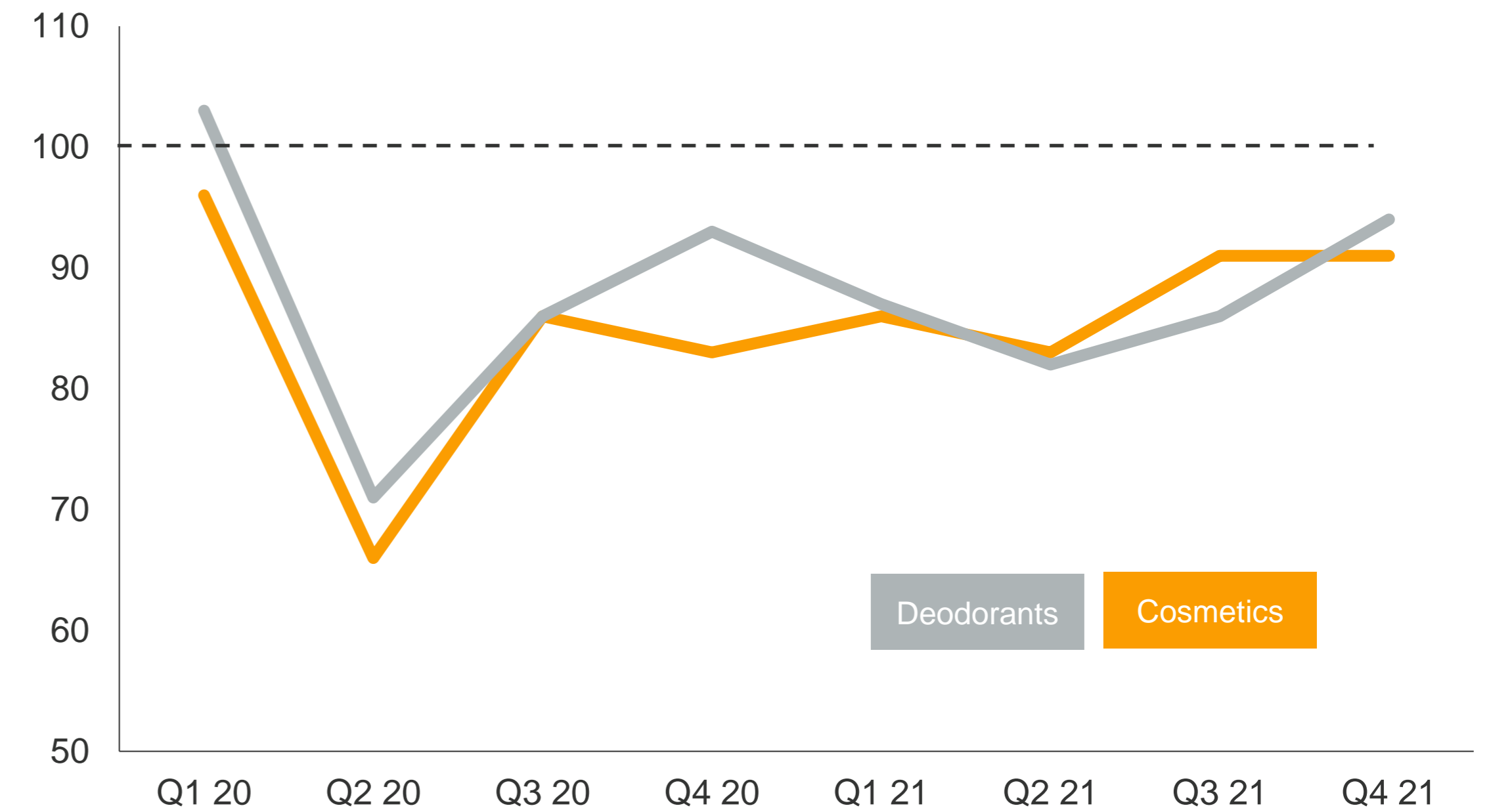
DEMAND RECOVERY CONTINUES

2021 MARKET DEMAND BELOW 2019 LEVELS...



...BUT POSITIVE SIGNS OF RECOVERY

European Retail Volumes Growth (y-o-y)



Source: Nielsen European Retail Sales Data Note: 2019 = 100



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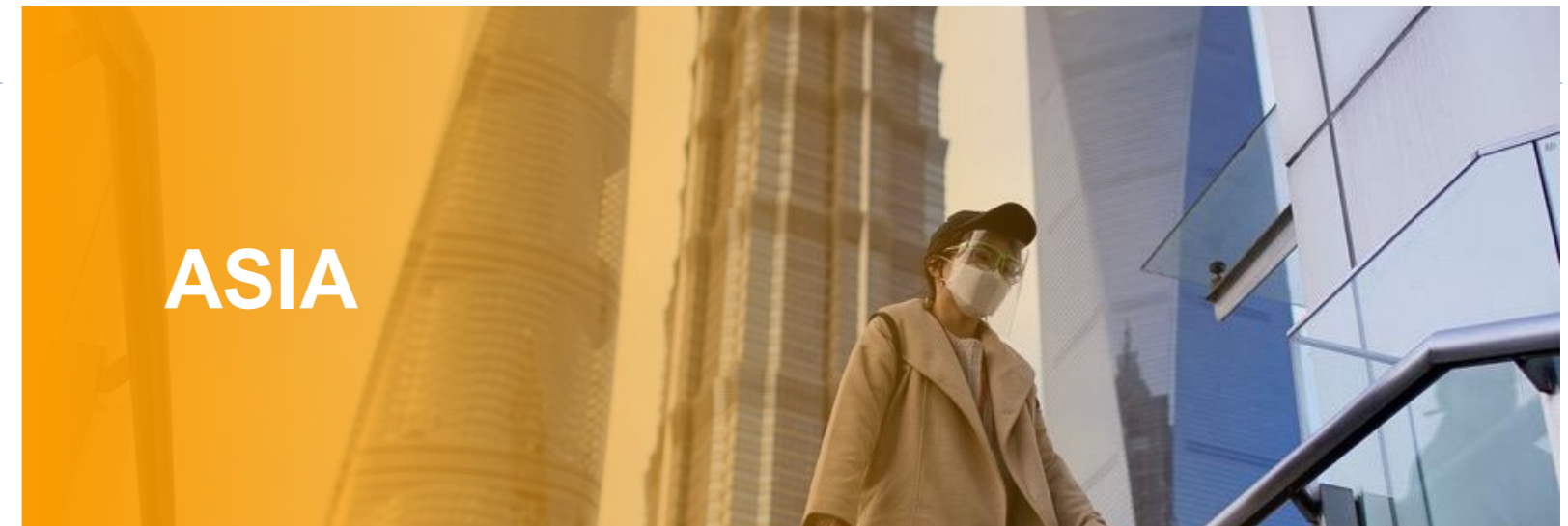


Ralph Hewins



Personal Care performance

STRATEGIC PROGRESS



41% revenue growth

3 new product launches

\$14m NBO pipeline – up 75%

Q3 21 India facility start up

Creates resilient & lowest cost global supply chain

7 new AP product launches

44% revenue growth

New Shanghai lab opened in January

Doubled sales, marketing & technical resources



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Coatings performance

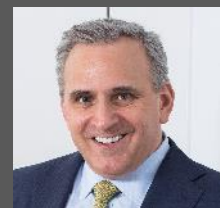
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STRONG GROWTH & EFFICIENCY DRIVE MARGIN IMPROVEMENT

| \$m | | | 2021 vs 2020 % Change |
|-------------------|--------|--------------|--------------------------------|
| | 2020** | 2021 | Constant currency ¹ |
| Sales | 319 | 384 | +17% |
| Operating profit* | 41 | 62 | +46% |
| Operating margin* | 13.0% | 16.1% | |



*After adjusting items ** Restated to include Energy business ¹ Adjusted for constant currency



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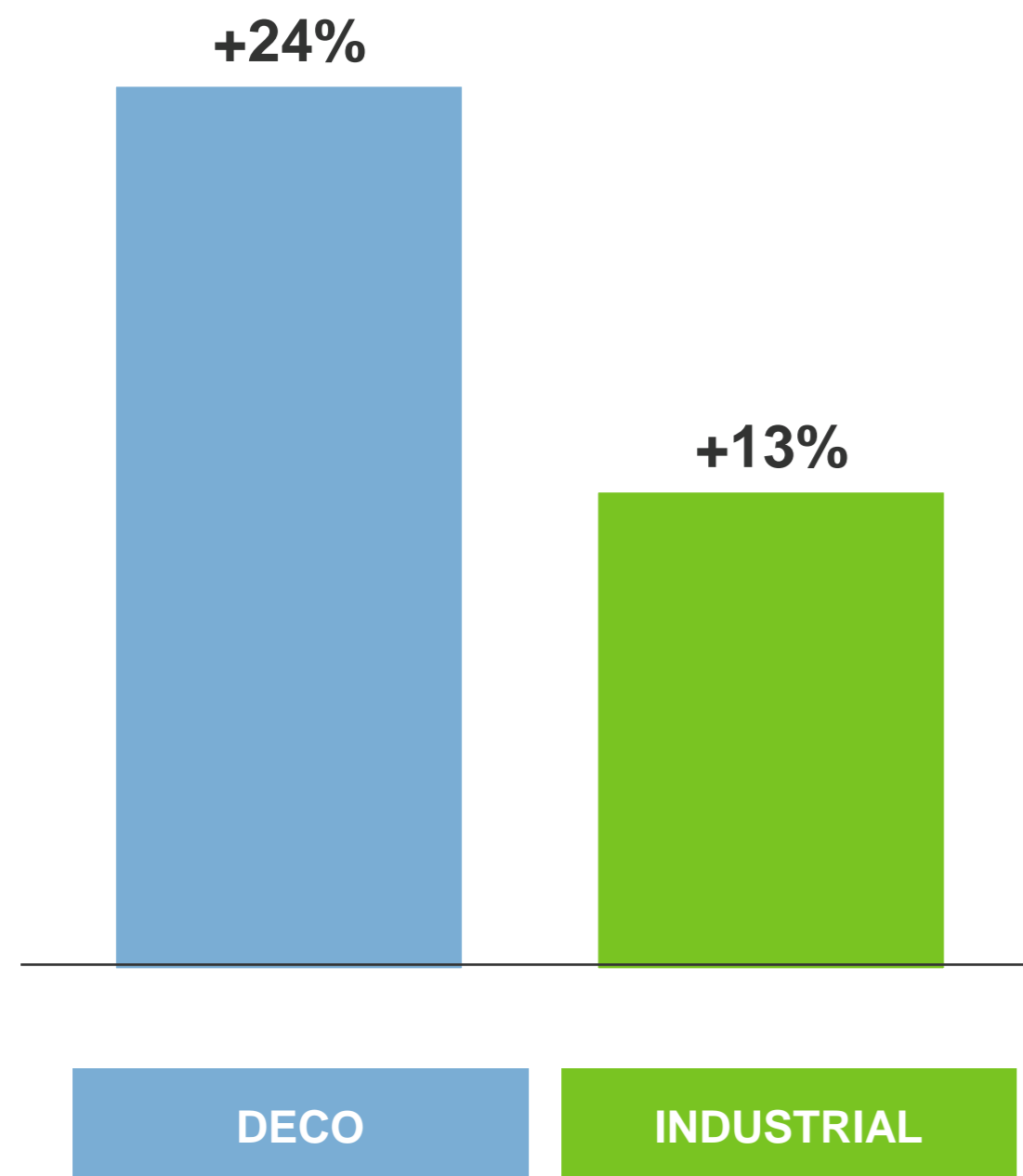


Coatings performance

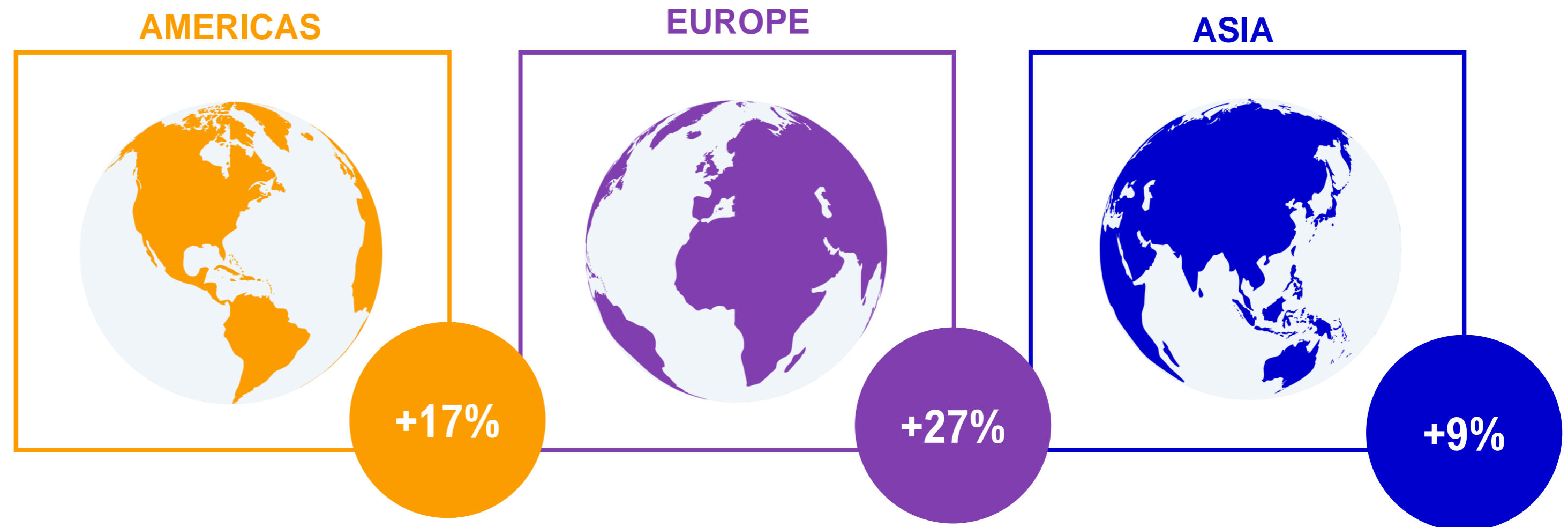
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STRONG PERFORMANCE ACROSS SECTORS, GEOGRAPHIES AND KEY ACCOUNTS

SECTOR GROWTH*



REGIONAL GROWTH*

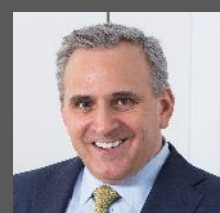


GLOBAL KEY ACCOUNTS*



* Constant currency sales growth

Note: Analysis excludes Energy related sales (which were +20% y-o-y)



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Enhanced Performance Through Applied Innovation



Coatings performance

STRATEGIC PROGRESS



ACCELERATED INNOVATION

7 new products launched in 2021
Waterborne industrial & Thixatrol® expansion



NEW BUSINESS MOMENTUM

Record \$23m delivered in 2021
Growth platforms revenue +37% y-o-y



SE ASIA GROWTH

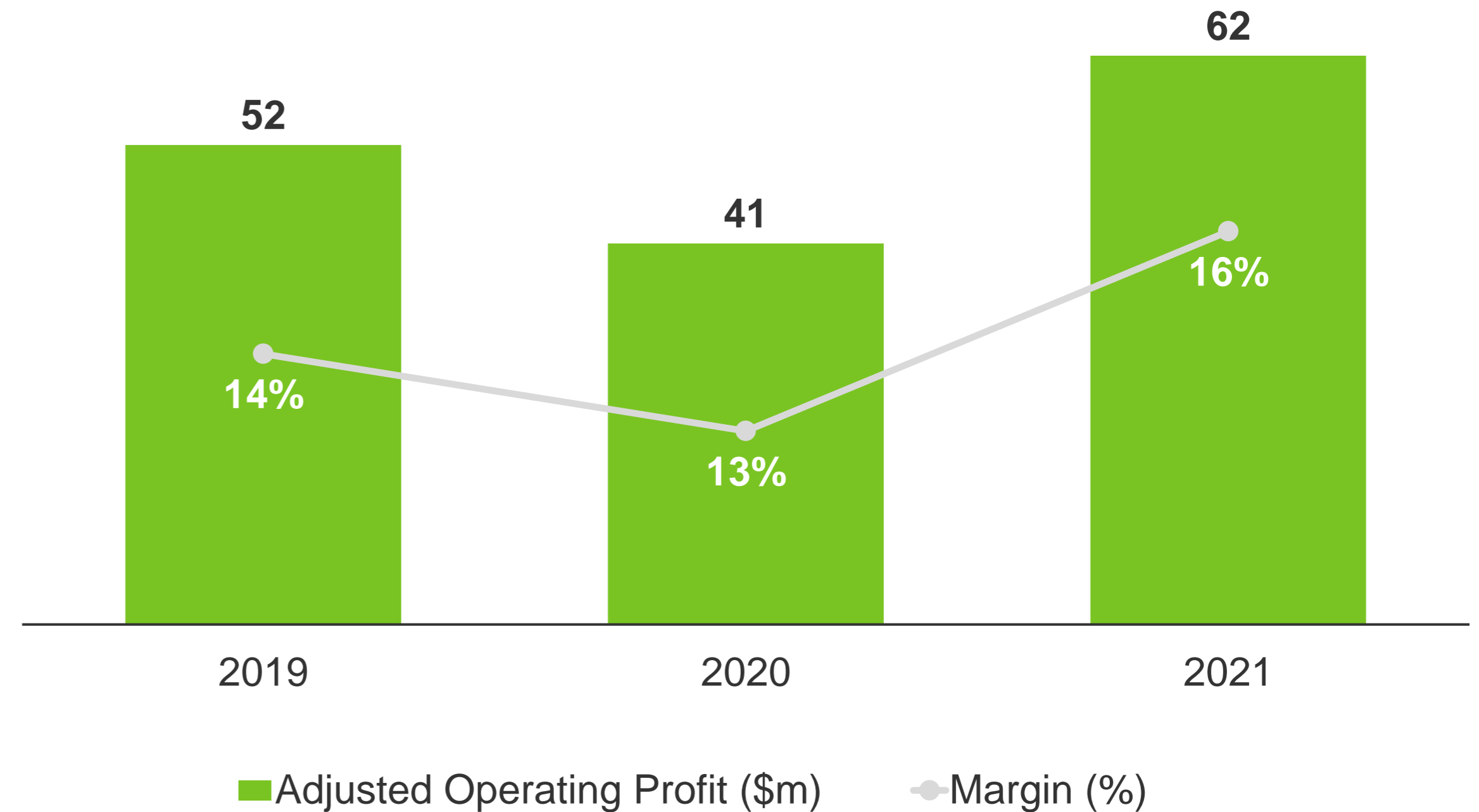
Revenue +30% y-o-y in 2021
Doubled sales & technical resources



GLOBAL KEY ACCOUNT PROGRESS

Double digit revenue growth at all accounts
Over 10 joint development projects

COATINGS PERFORMANCE



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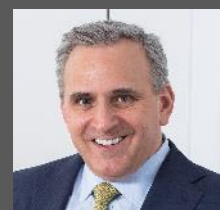
Coatings performance



GROWTH PLATFORMS 35% OF REVENUE TODAY

| | ELEMENTIS ADVANTAGES | ADDRESSABLE MARKET | MARKET GROWTH* | ELEMENTIS VS MARKET |
|---------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|----------------|---------------------|
|  <p>PREMIUM DECO</p> | <p>One coat hide & enhanced stain resistance Full technology “systems approach” Powdered & preservative free versions</p> | \$500m | ~4% | ++ |
|  <p>ADHESIVES & SEALANTS</p> | <p>Increased adhesion and “sag” resistance Up to 30% customer energy savings 75% bio-based</p> | \$150m | ~7% | ++ |
|  <p>WATERBORNE INDUSTRIAL</p> | <p>Solvent like performance Faster customer production throughput Lower VOCs</p> | \$250m | ~6% | + |
|  <p>PERFORMANCE HECTORITE</p> | <p>High performance Backward integration Naturally derived</p> | \$200m | ~4% | + |

* Medium term market growth rate



Paul Waterman



Ralph Hewins



Talc

Talc performance

ELEMENTIS

ACCELERATING INFLATION MORE THAN OFFSETS STRATEGIC PROGRESS

| | | | 2021 vs 2020 % Change |
|-------------------|-------|-------------|--------------------------------|
| \$m | 2020 | 2021 | Constant Currency ¹ |
| Sales | 133 | 150 | +9% |
| Operating profit* | 17 | 14 | -19% |
| Operating margin* | 12.5% | 9.3% | |



* After adjusting items

¹ Adjusted for constant currency



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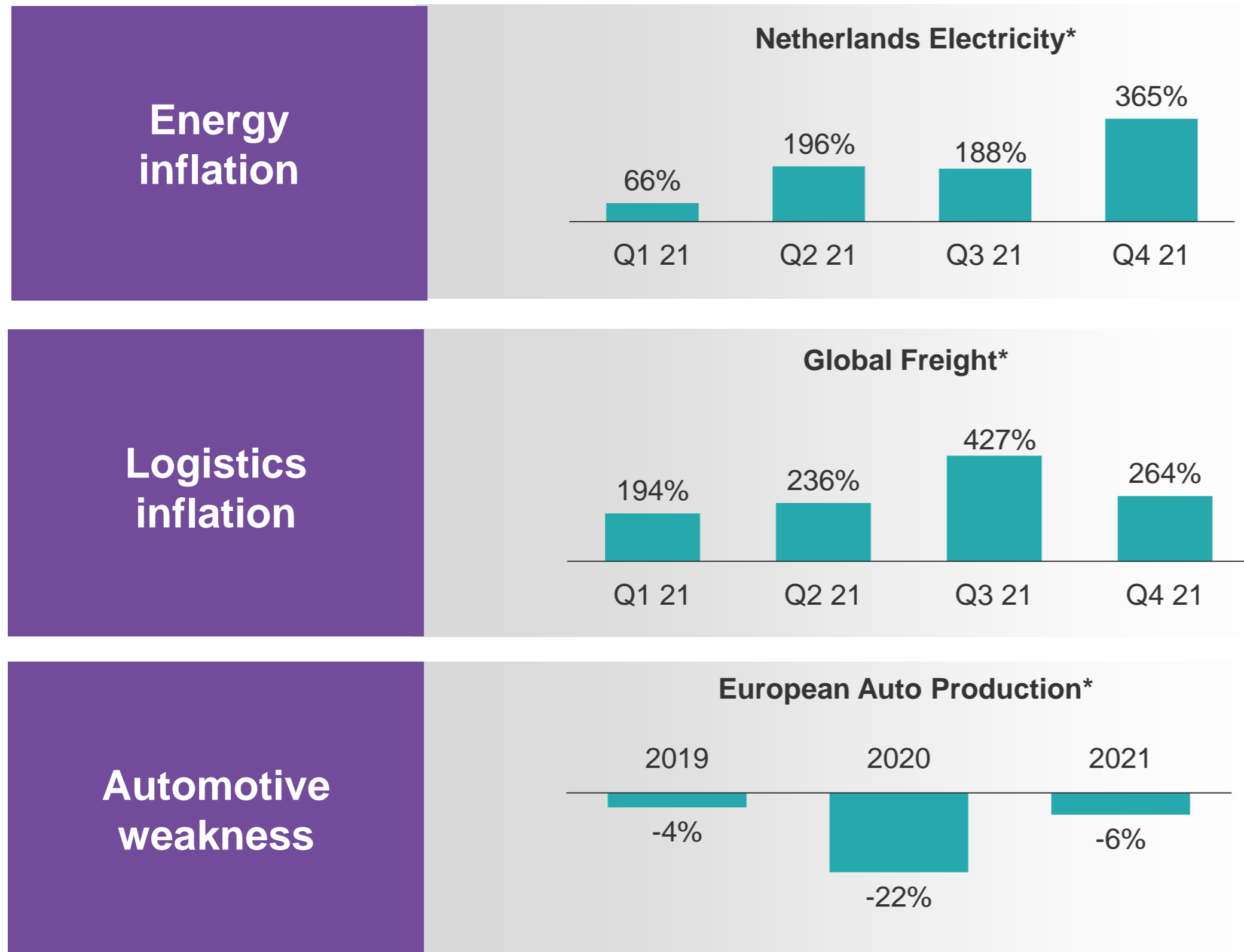


Talc

Talc performance

PANDEMIC HEADWINDS OVERWHELM 2021 ACHIEVEMENTS

INFLATION / DEMAND CHALLENGES...



* % year on year change

Notes: IHS Automotive LV Production, NordPool Electricity Data, Freightos Global Freight Rate Index

...UNDERLYING STRATEGIC PROGRESS



Continued global expansion

\$13m of new business
24% Asia growth, 62% Americas growth



Growth platform momentum

Coatings – 8% revenue growth
Technical ceramics – doubled business size



Synergy delivery

\$16m of synergies to date



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Talc

Healthy fundamentals

WELL POSITIONED TO RESUME LONG TERM GROWTH

STRONG BUSINESS FUNDAMENTALS...



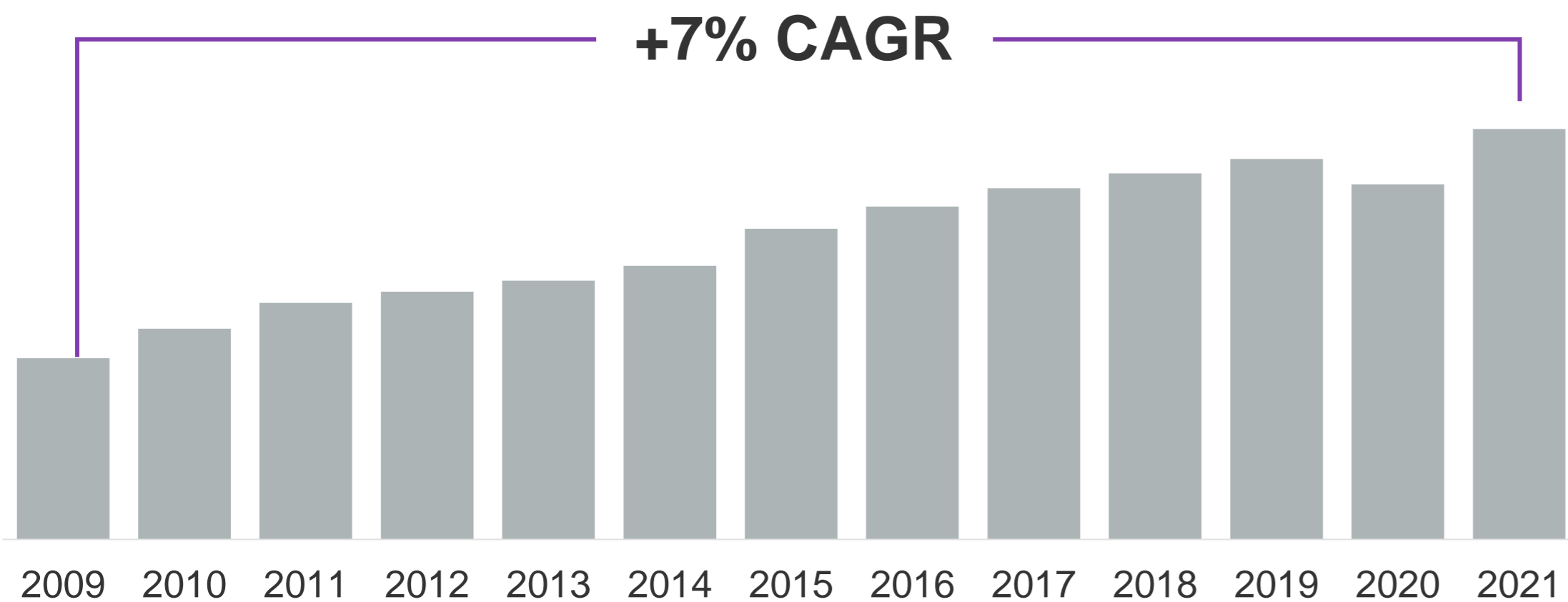
Market Share Gains



Mix Improvement



Pricing Power



Elementis Industrial Talc Sales (87% of segment)

...WITH CLEAR OPPORTUNITIES FOR GROWTH

Price actions implemented

- ✓ 10-15% in Q4 2021
- ✓ 5-10% surcharges Q1 2022

Strategy implementation

- ✓ Asia & Americas distribution expansion
- ✓ Leverage growth platforms
- ✓ Deliver ~\$15m of new business
- ✓ \$20-25m revenue synergies by 2023 on track

Efficiency agenda

- ✓ Energy efficiency & automation projects



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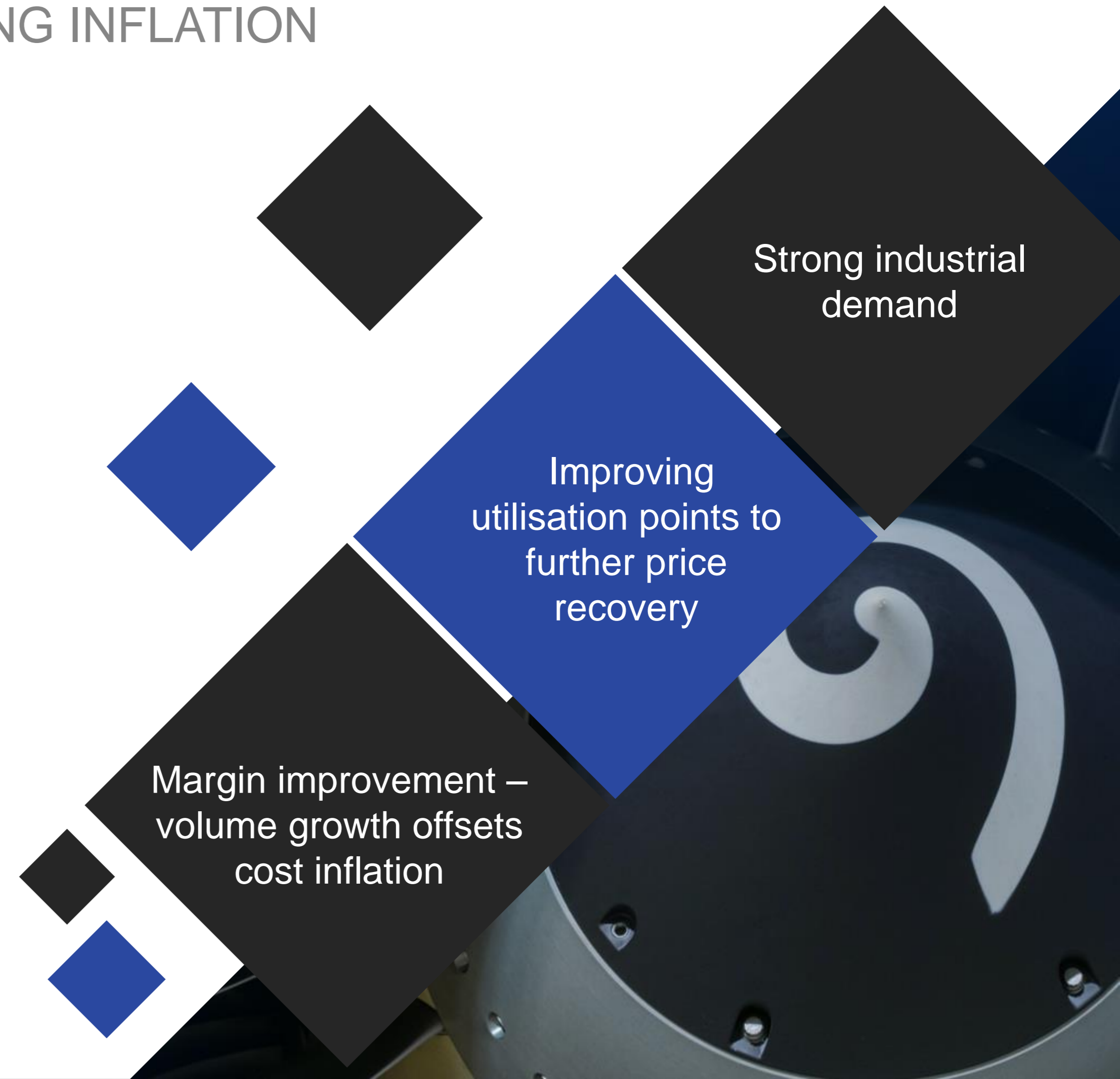


Chromium

Chromium performance

ROBUST VOLUME RECOVERY OFFSETS EMERGING INFLATION

| \$m | | | 2021 vs 2020 % Change |
|-------------------|------|------|--------------------------------|
| | 2020 | 2021 | Constant currency ¹ |
| Sales | 147 | 171 | +16% |
| Operating profit* | 6 | 14 | +152% |
| Operating margin* | 3.8% | 8.3% | |



* After adjusting items

¹ Adjusted for constant currency



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Chromium

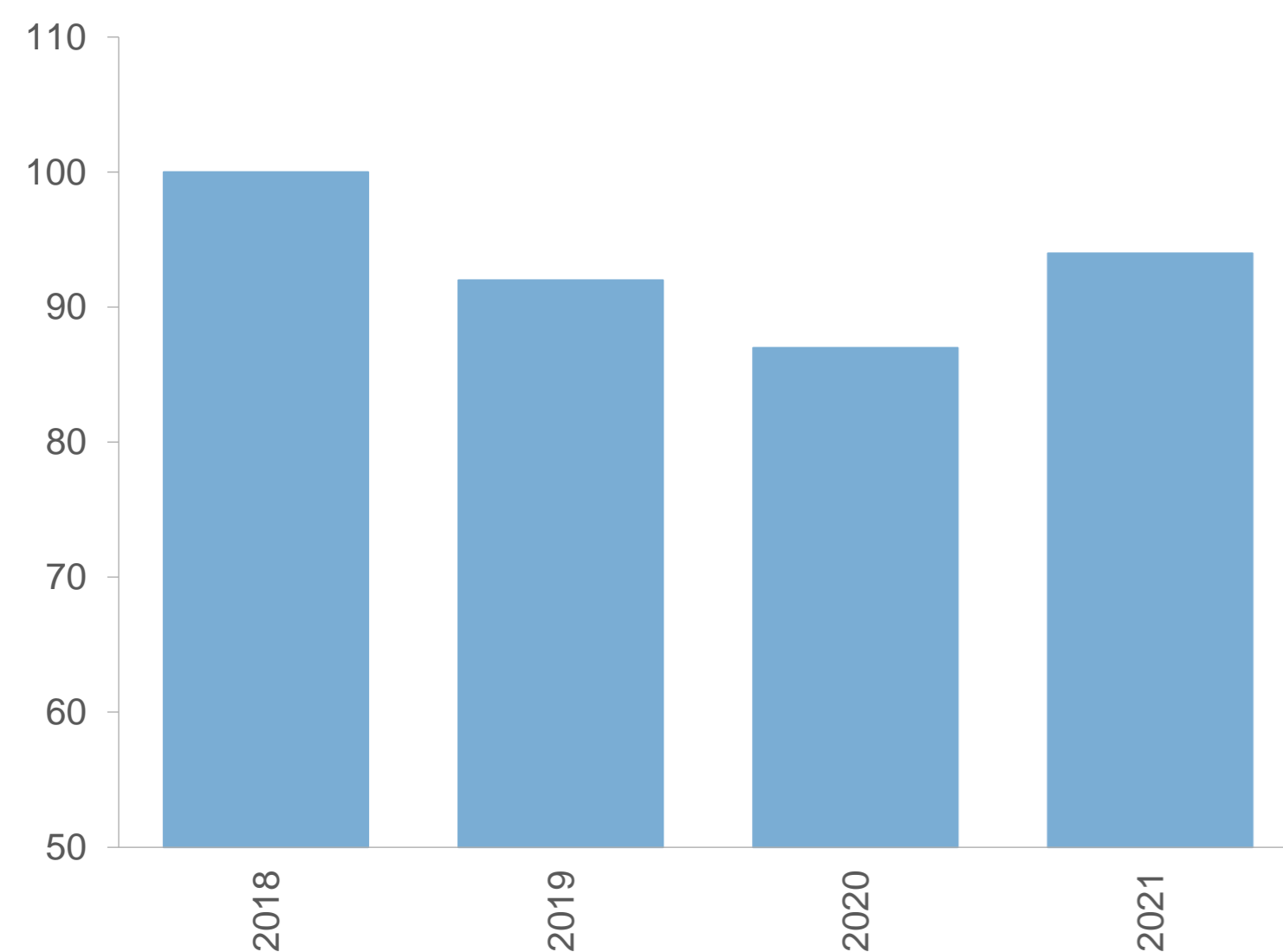
Chromium performance



DEMAND RECOVERY, COST HEADWINDS

VOLUME RECOVERY CONTINUES

Elementis Chromium Volumes (Y-o-Y)*

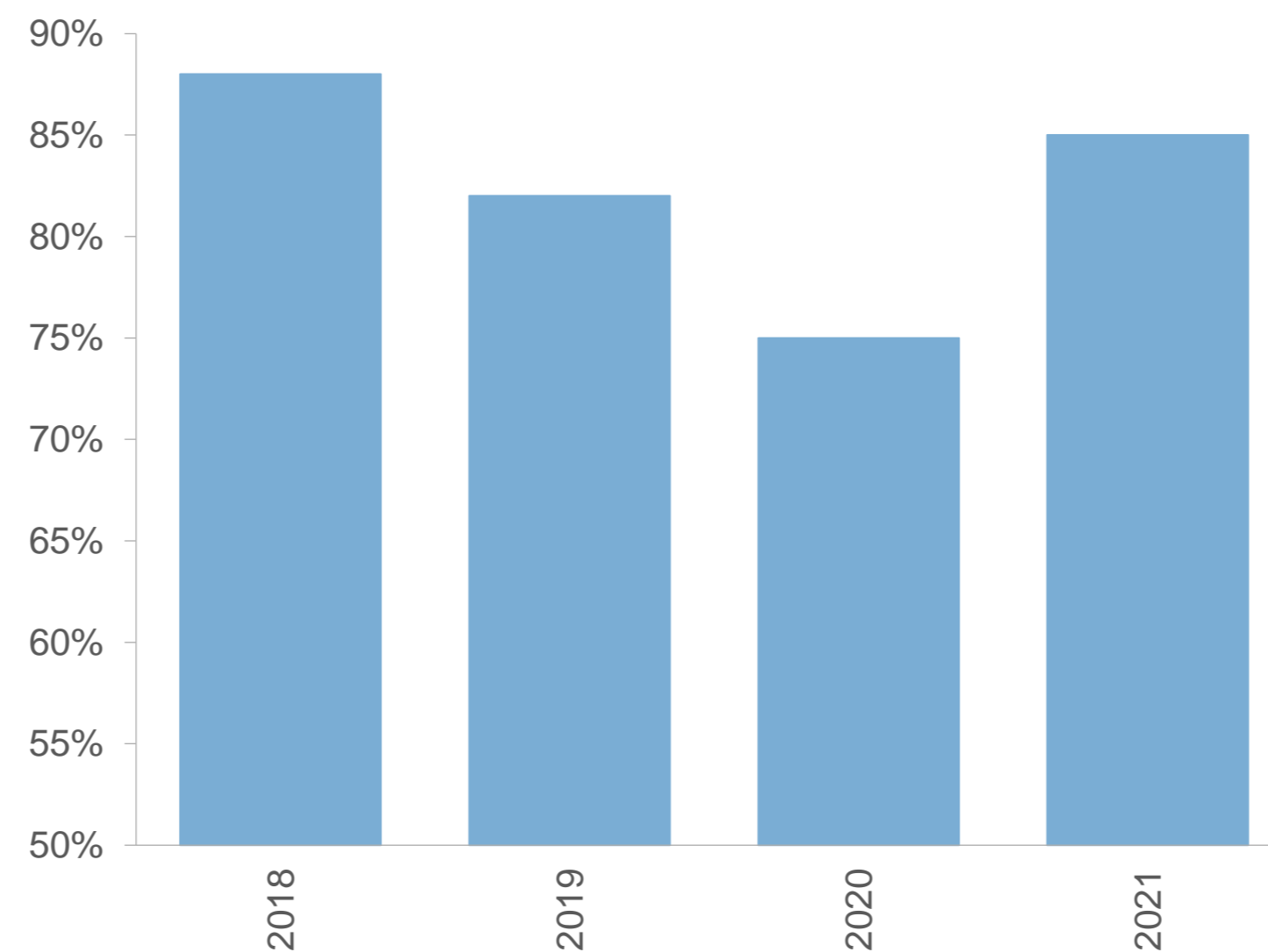


Source: Elementis

* PY period = 100

GLOBAL UTILISATION IMPROVING

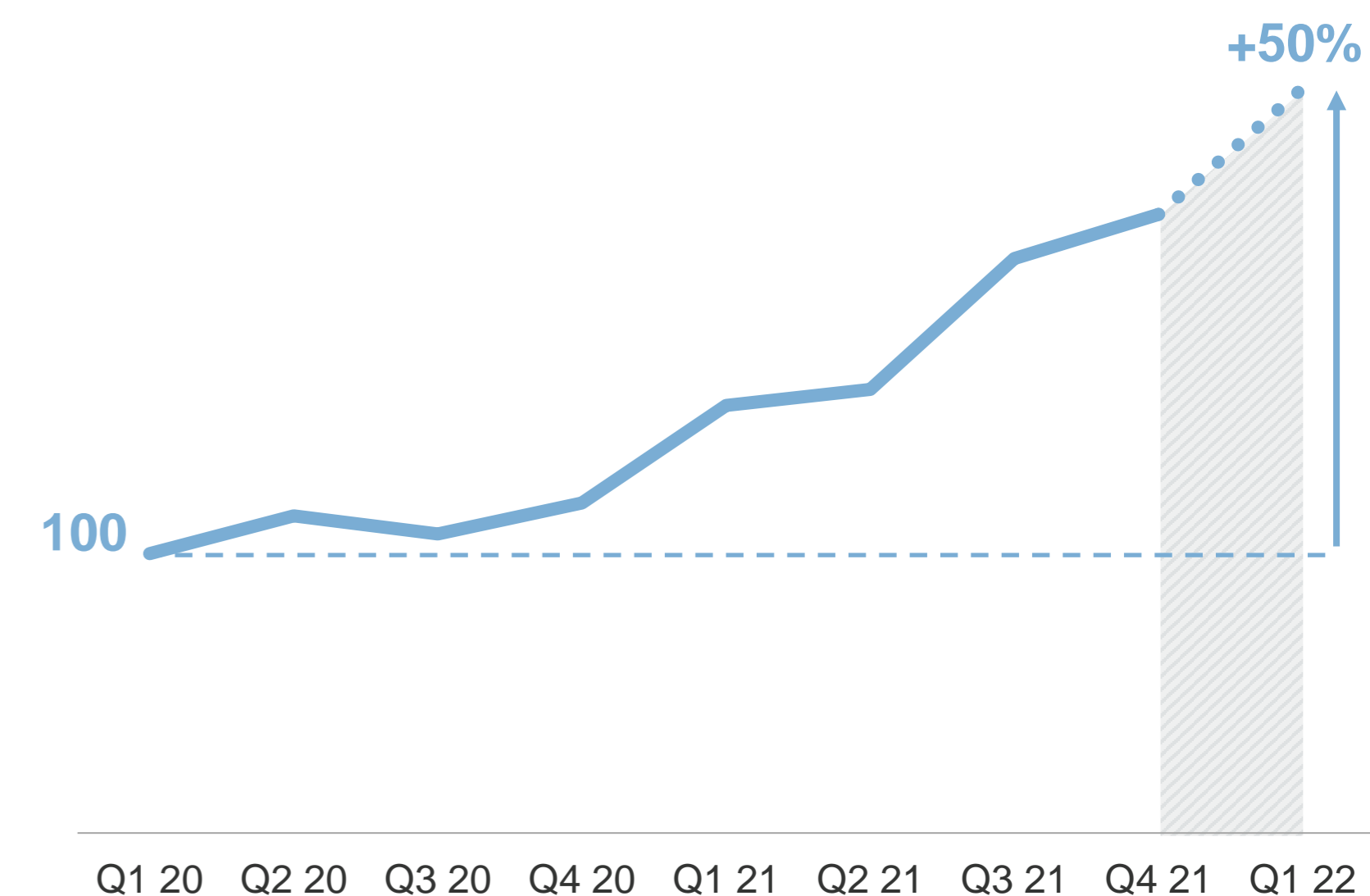
Chromium Industry Capacity Utilisation



Source: Elementis

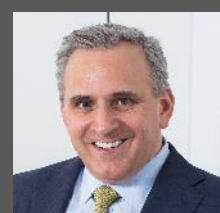
COST INFLATION ACCELERATING

Raw material index



Source: Elementis

Note: Weighted cost index of chrome ore, soda ash, sulphuric acid & natural gas



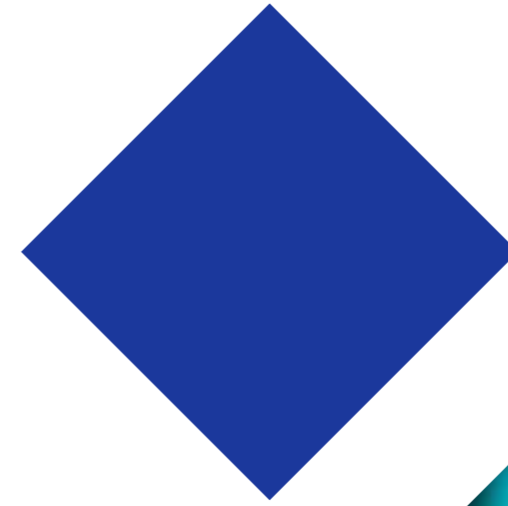
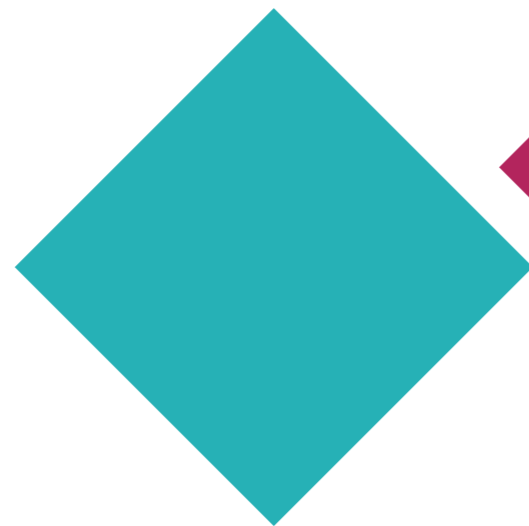
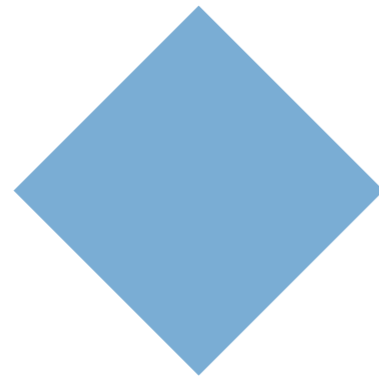
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GROUP FINANCIALS

RALPH HEWINS, CFO



INNOVATION | GROWTH | EFFICIENCY



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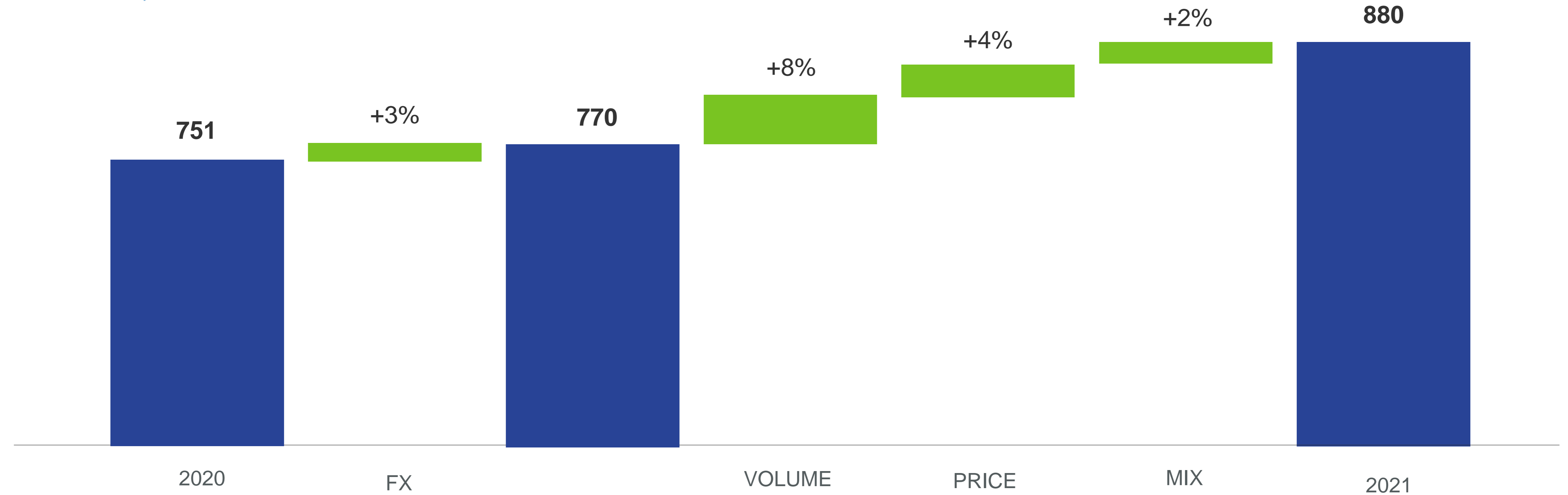


Ralph Hewins

Group revenue

VOLUMES DRIVE 14% UNDERLYING REVENUE GROWTH

REVENUE \$m



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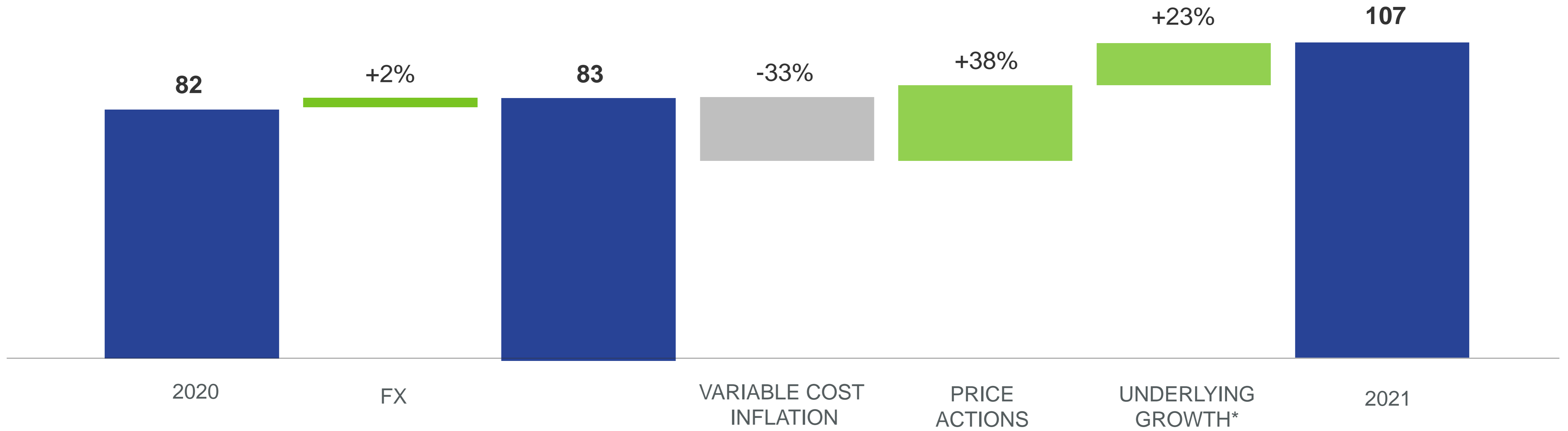


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Group operating profit

PRICING ACTIONS MORE THAN OFFSET VARIABLE COST INFLATION

ADJUSTED OPERATING PROFIT \$m



* Excluding price impact



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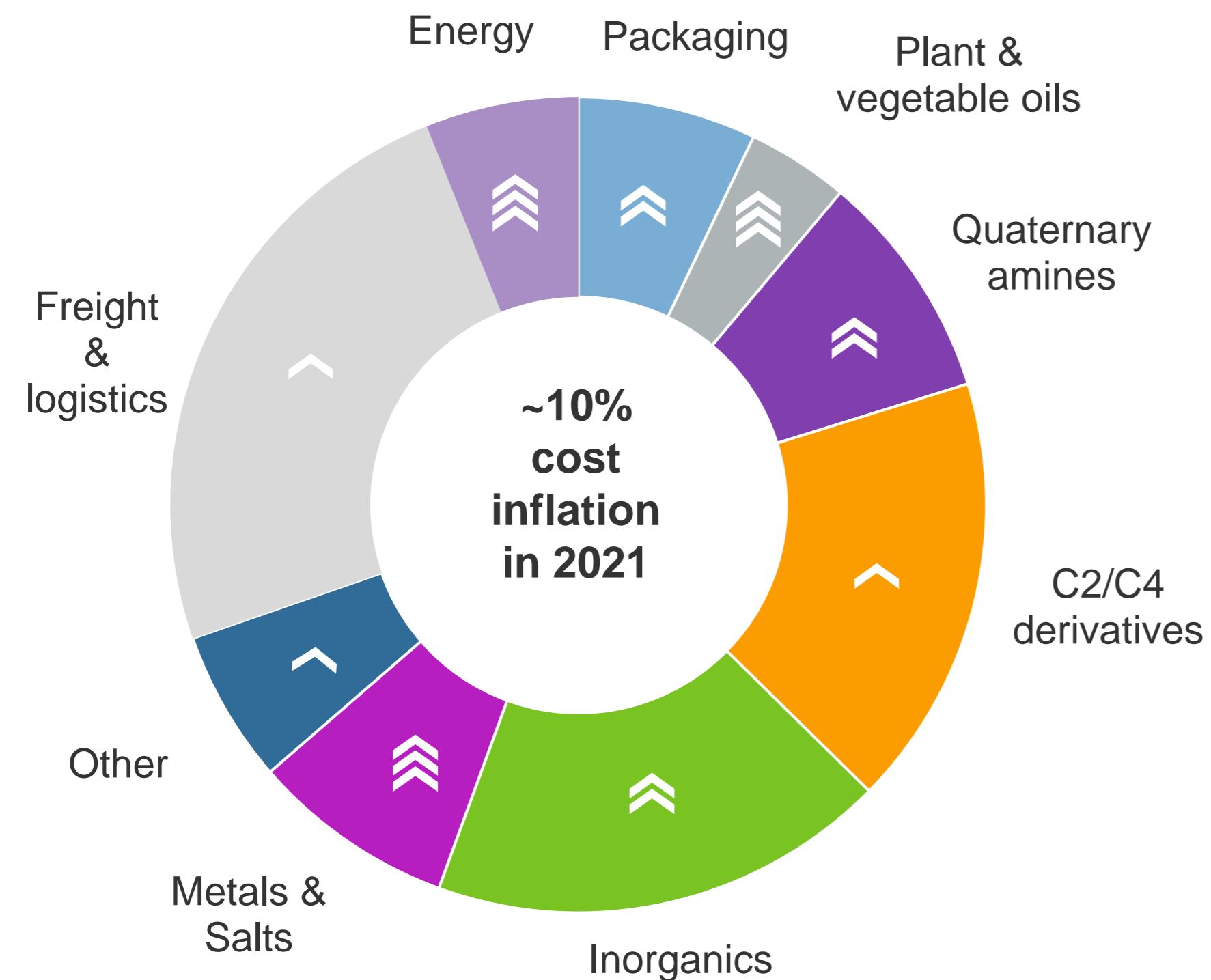


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Proactive margin management

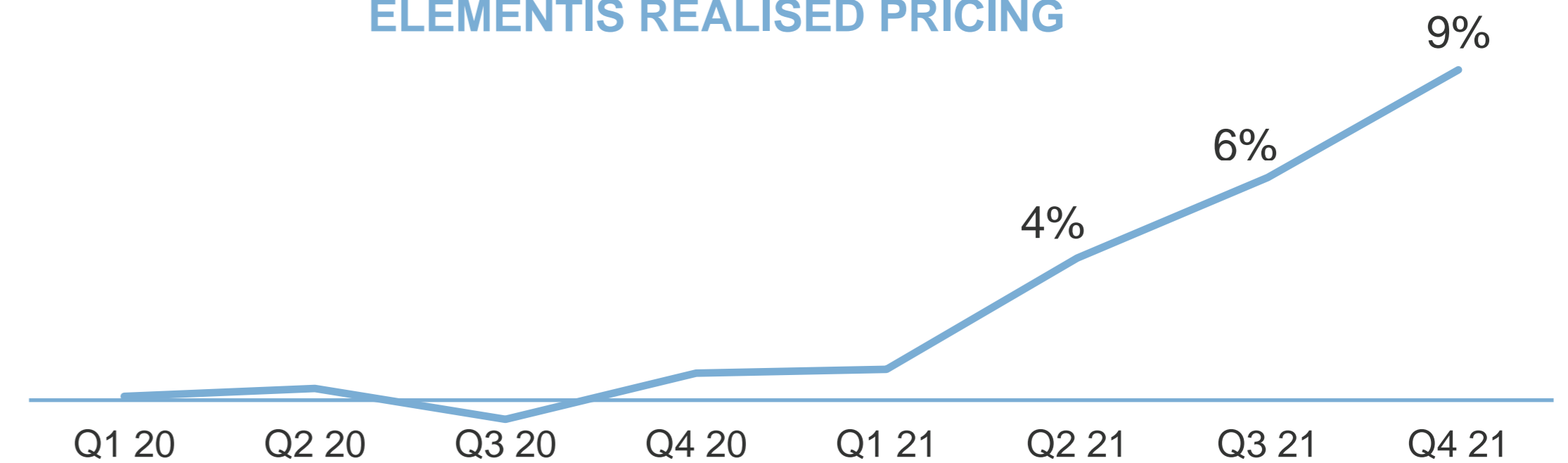
PRICING ACTIONS FULLY MITIGATE COST INFLATION

BREAKDOWN OF SPEND & TREND



ACTIONS TAKEN

ELEMENTIS REALISED PRICING



Price increases to defend margins



Over 20 alternative suppliers qualified



Doubled aggregate spend managed under strategic global procurement

Note: Graph shows year on year price impact only (i.e. excludes mix) for the Group exc. Chromium



Paul Waterman



Ralph Hewins

Ongoing cost savings

2021 - \$10M OF SAVINGS



- ✓ Closed Charleston & St Louis capacity consolidation
- ✓ Procurement savings – revised make vs buy strategy
- ✓ Continuous improvement savings – global process excellence

2023 - ADDITIONAL \$10M OF SAVINGS



- ✓ New India AP Actives plant – savings driver & growth enabler
- ✓ Procurement savings – logistics optimisation, increased global strategic purchasing
- ✓ 10 productivity projects – process automation, circular manufacturing



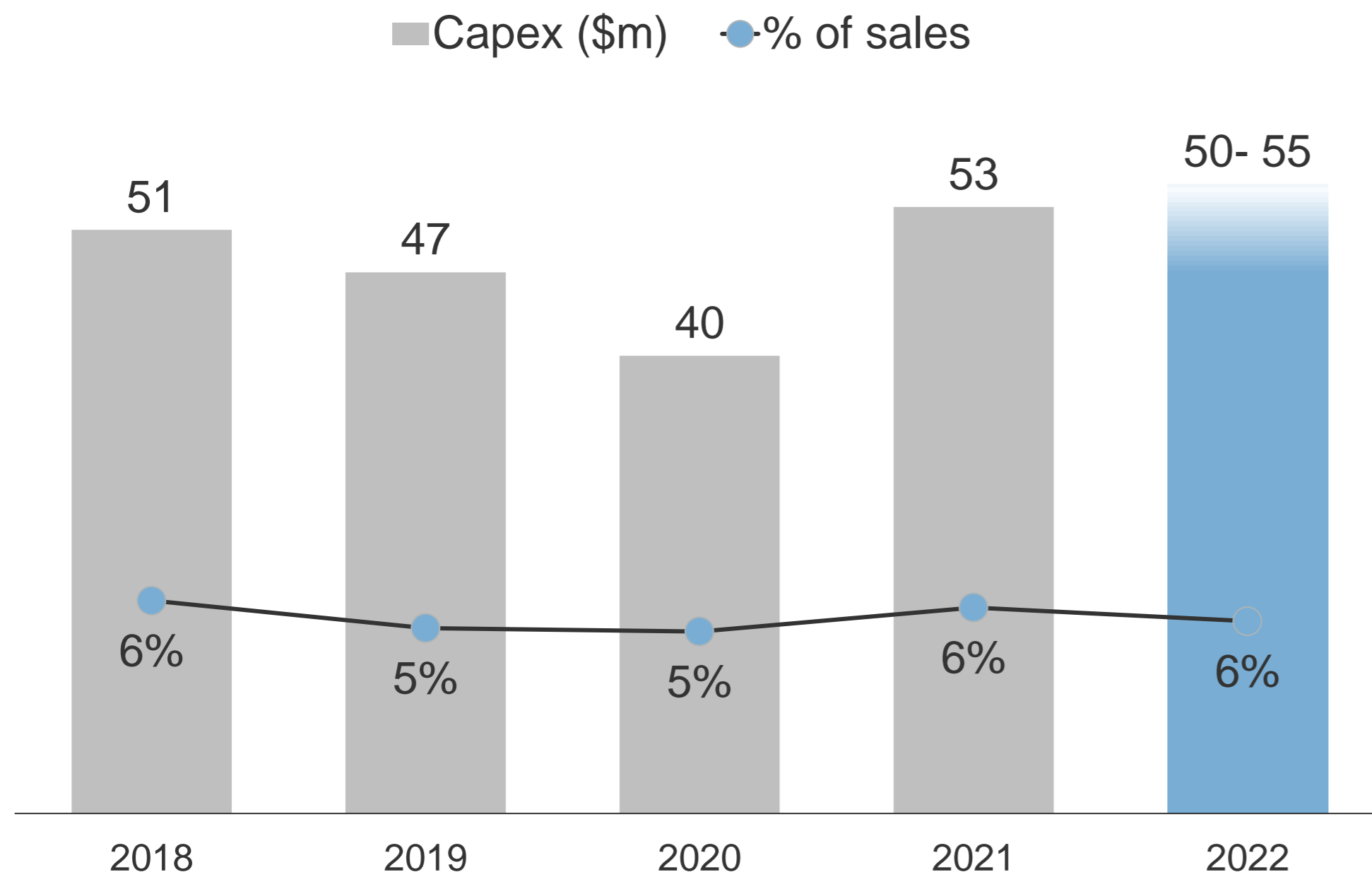
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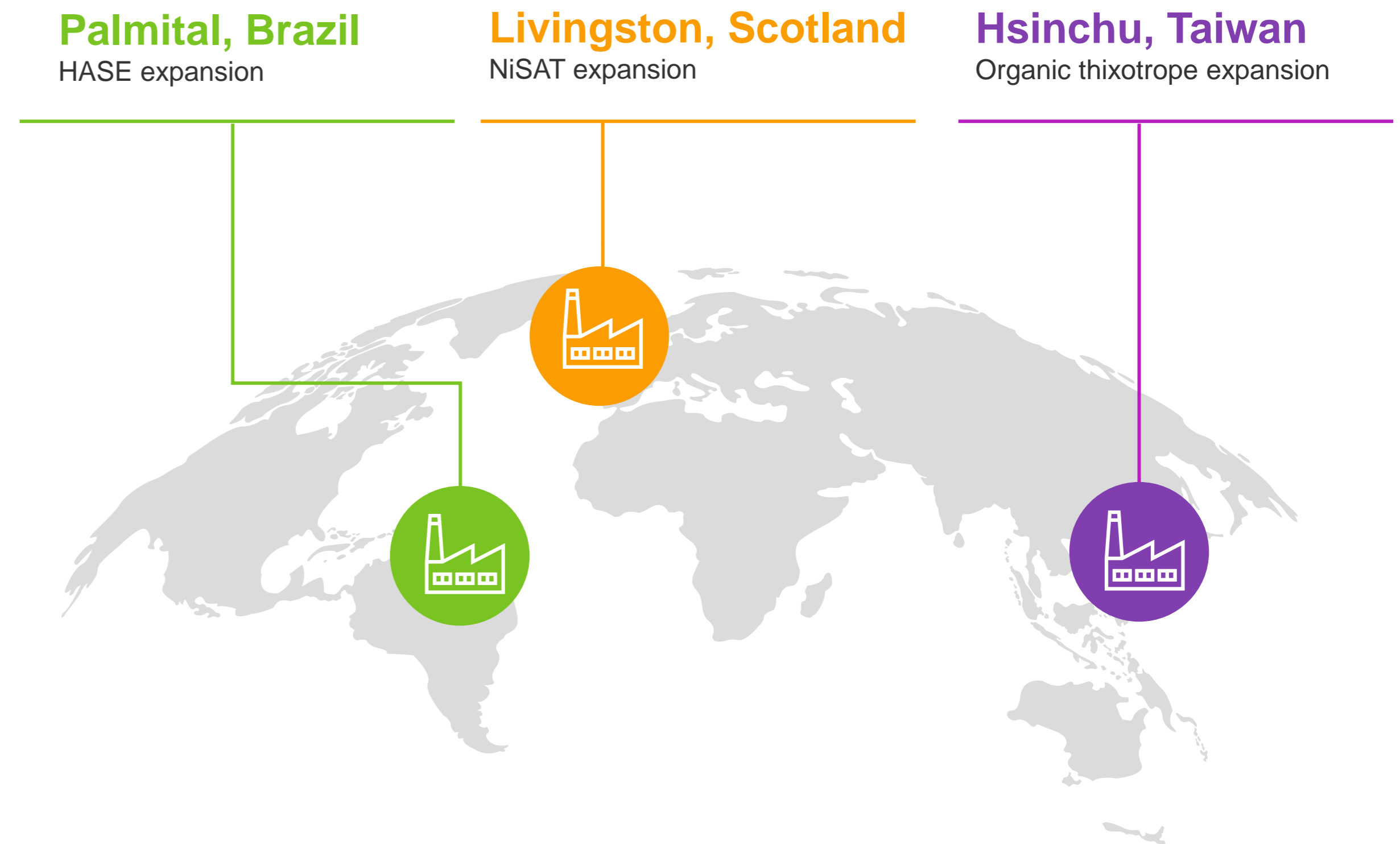
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Disciplined capex spend

\$50-55M SPEND IN 2022, ~6% OF SALES



KEY 2022 PROJECTS



Paul Waterman



Ralph Hewins

Cash flow

SIGNIFICANT DELEVERAGING PROGRESS

| \$m | 2020 | 2021 |
|-------------------------------|-------------|-------------|
| EBITDA | 133 | 159 |
| Change in working capital | 19 | (32) |
| Capital expenditure | (40) | (53) |
| Operating Cash Flow | 112 | 74 |
| Pensions | - | - |
| Interest | (24) | (23) |
| Tax related payments | (15) | (44) |
| Other | (2) | (5) |
| Free Cash Flow | 71 | 2 |
| One off items | (12) | (7) |
| Currency fluctuations | (13) | 12 |
| Net Cash Flow | 46 | 7 |
| Net Balance Sheet Debt | 408 | 401 |
| Net debt/EBITDA* | 3.2x | 2.6x |

Working capital outflow to support revenue growth

\$33m one off tax related payments

Leverage down from 3.2x to 2.6x

* Based on last twelve months adjusted pro forma EBITDA excl. IFRS 16

Note: Table may not cast due to rounding's

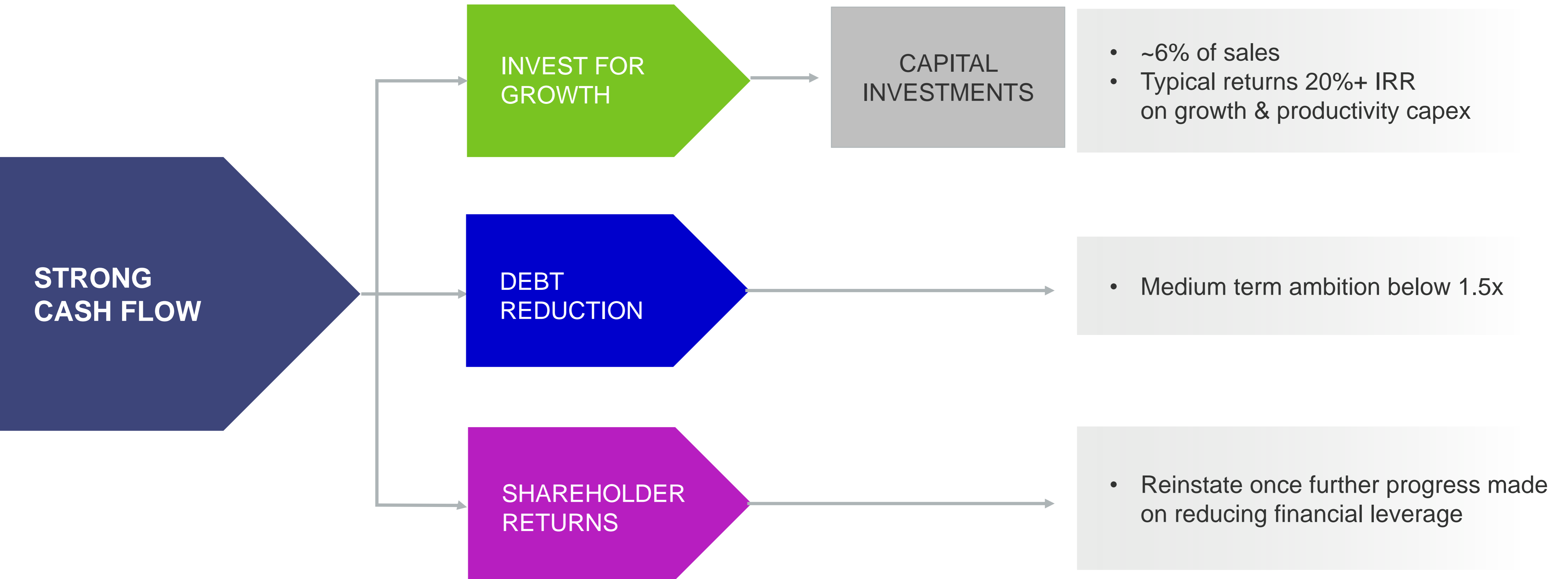


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Disciplined capital allocation



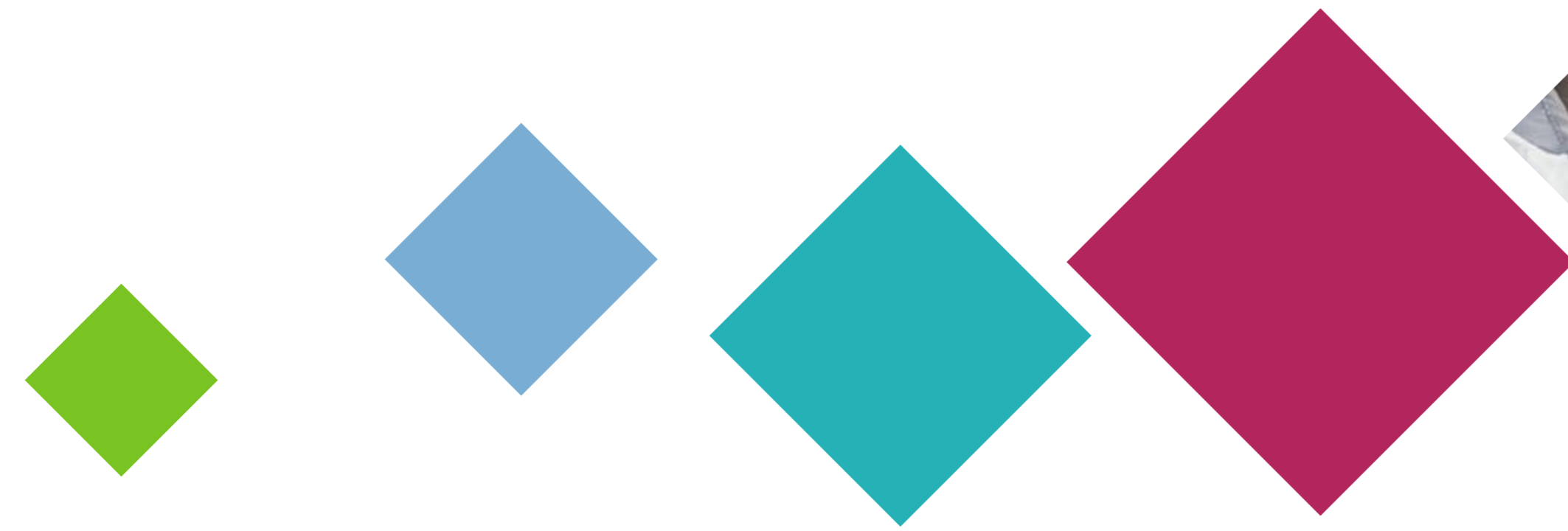
Paul Waterman



Ralph Hewins

OUTLOOK & PRIORITIES

PAUL WATERMAN, CEO



INNOVATION | GROWTH | EFFICIENCY



Paul Waterman



Ralph Hewins

Strong business fundamentals

STRUCTURAL GROWTH DRIVERS

ELEMENTIS OPPORTUNITIES



Personal care

Natural ingredients
Product premiumisation
Emerging middle classes

Skin care
Asia cosmetics
AP actives growth



Coatings

Decorative premiumisation
Solvent to water transition
Higher performance

Premium decorative
Industrial waterborne
Adhesives & Sealants

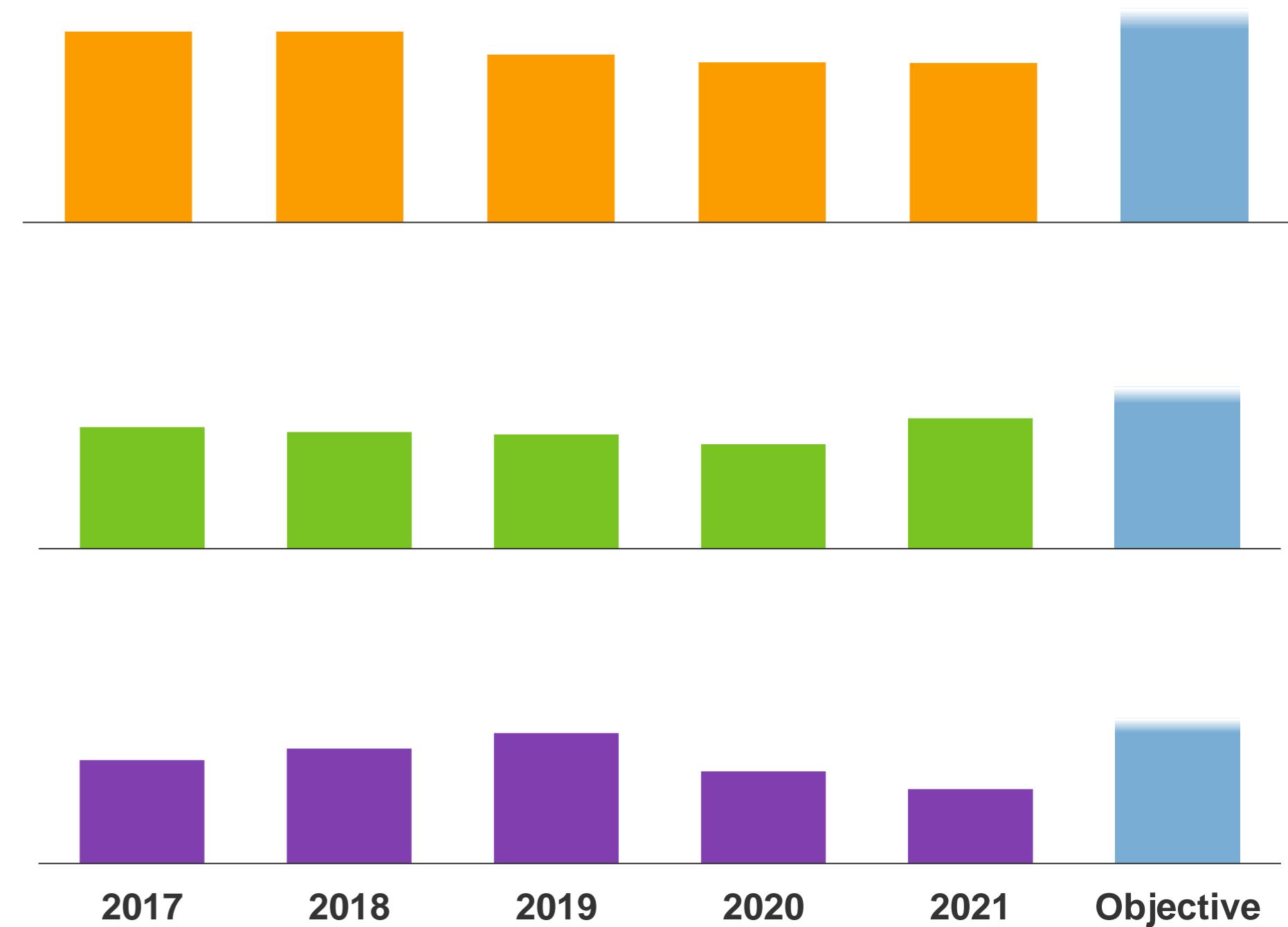


Talc

Vehicle light weighting
Tightening environmental regs
Recyclable packaging

Global expansion
Plastics share gains
Revenue synergies

ADJUSTED OPERATING PROFIT MARGINS



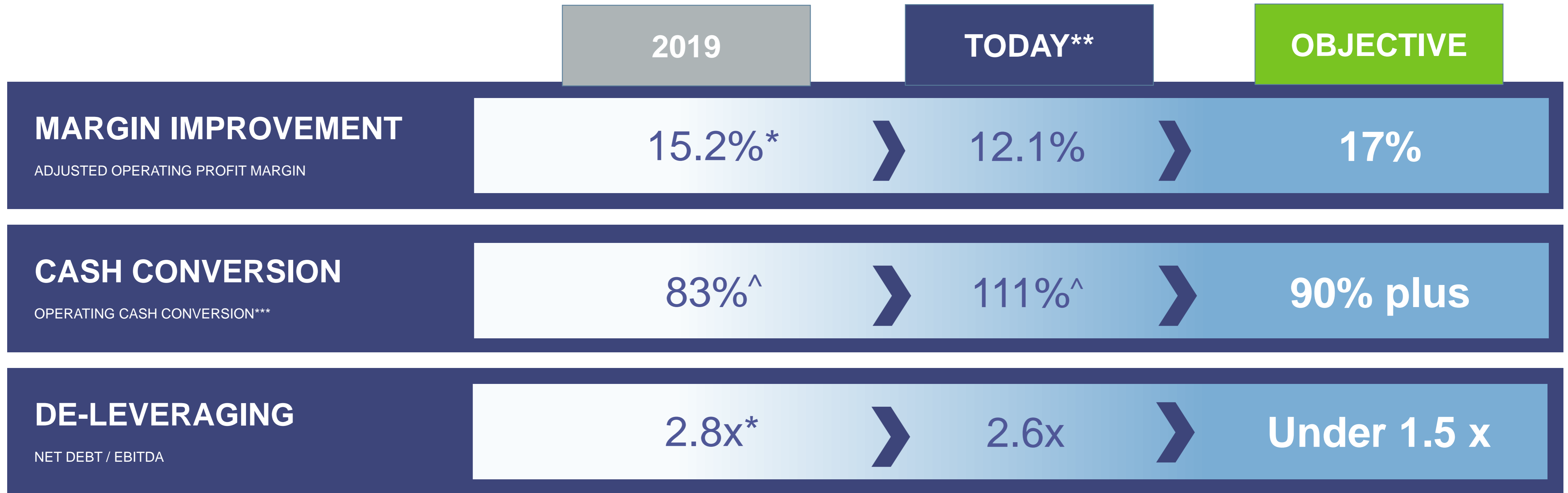
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Ralph Hewins

Medium term Group performance objectives

ELEMENTIS



* Last six months to 30 June 2019

** Last twelve months to 31 Dec 21

*** Calculated as (adjusted EBITDA – capex – working capital change) / adjusted operating profit

^ Last three year average



Paul Waterman



Ralph Hewins

2022 Outlook & Priorities

ELEMENTIS


FURTHER PERFORMANCE IMPROVEMENT & DELEVERAGING

OUTLOOK

- 1 Focus on strategy implementation & continued self help actions
- 2 External supply chain & cost environment to remain challenging
- 3 Demand environment to steadily improve as year progresses

INNOVATION

 20 new product launches

 Accelerated GKAM joint development

 2 new open innovation launches

GROWTH

 Secure \$50m of NBOs

 Coatings capacity expansions

 Accelerate in emerging markets

EFFICIENCY

 Complete India AP actives ramp up

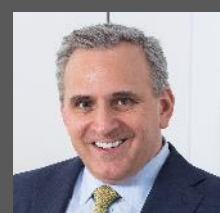
 Manufacturing continuous improvement

 Global procurement organisation



SUSTAINABILITY

Accelerate progress towards 2030 targets



Paul Waterman



Ralph Hewins

Q&A



INNOVATION | GROWTH | EFFICIENCY



Paul Waterman



Ralph Hewins

Tax charge

| \$m | 2020 | 2021 |
|------------------------------|-------|--------------|
| Underlying tax charge | 14 | 15 |
| Tax charge: adjusting items | (16) | (11) |
| Reported tax charge/(credit) | (2) | 3 |
| Underlying tax rate | 26.9% | 19.0% |

FY 22 tax guidance 22-23%

Medium term P&L effective tax rate guidance remains 22-23% until 2023, and 25-26% thereafter due to anticipated increase in UK corporation tax rates from April 2023

Note: Table may not cast due to rounding's

Adjusting items

| \$m Expense/(Income) | 2020 | 2021 |
|----------------------------------------------------|------------|-----------|
| Amortisation of intangibles arising on acquisition | 15 | 16 |
| Environmental provisions | 7 | 8 |
| Business transformation & restructuring | 24 | 5 |
| Impairment of goodwill | 60 | 52 |
| Other | 5 | (1) |
| Net P&L adjusting items | 110 | 80 |

\$16m amortisation of acquired intangibles

\$8m environmental provision increase due to Eaglescliffe remediation

Non cash Talc goodwill impairment – near term auto headwinds

FY 22 Technical Guidance

P&L

- Depreciation – c.\$50m
(of which c.\$5m is IFRS 16 related)
- Amortisation – c.\$15m (of which majority is amortisation of acquired intangibles)
- Tax – Effective rate 22-23%

CASH

- Net interest ~\$20m
- Capex \$50-55m