

2022 Full Year results



INNOVATION | GROWTH | EFFICIENCY

Cautionary statement

This presentation, the presentation materials and discussion may contain certain forecasts, projections and forward-looking statements – that is, statements related to future, not past events – in relation to, or in respect of the financial condition, operations or businesses of Elementis plc (the 'Company').

Any such statements involve risk and uncertainty because they relate to future events and circumstances. There are many factors that could cause actual results or developments to differ materially from those expressed or implied by any such forward looking statements, including, but not limited to, matters of a political, economic, business, competitive or reputational nature. Nothing in this presentation, presentation materials and discussion should be construed as a profit estimate or profit forecast. Elementis does not undertake any obligation to update or revise any forward-looking statement to reflect any change in circumstances or expectations.

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



ELEMENTIS

A global specialty chemicals company

HIGHLIGHTS

PAUL WATERMAN, CEO



INNOVATION | GROWTH | EFFICIENCY



Paul Waterman



Ralph Hewins

Unique chemistry, sustainable solutions

Key messages

ELEMENTIS

CONTINUING PROFIT RECOVERY; STRATEGIC PROGRESS

1

Successful
Chromium
divestment

Now a focused
Specialty Chemical
business

2

Strong Personal
Care & Coatings
performance

Significant market
challenges in Talc

3

Moved to two
segments:
Performance
Specialties &
Personal Care

4

Balance sheet
strengthened

Net debt/EBITDA
1.9x pro forma

5

Well positioned to
make continued
financial progress

Look to reinstate
dividend later in 2023



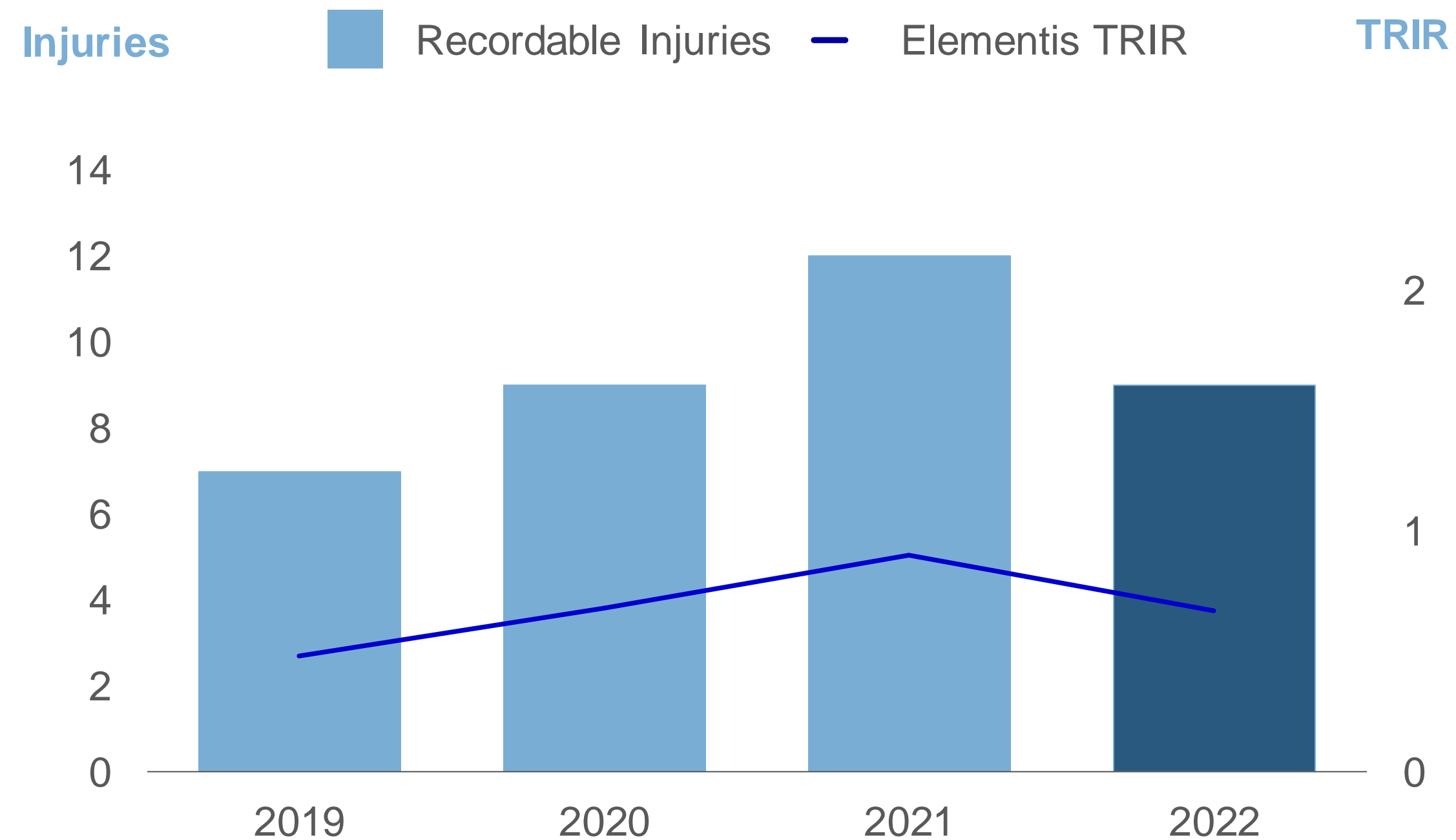
Paul Waterman



Ralph Hewins

Continued focus on safety

SAFETY PERFORMANCE



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

HIGHLIGHTS

Improved performance

- 75% of facilities had no employee recordable injuries in 2022
- 8 sites more than 5 years without recordable injuries
- Introduction of HRP (Hazard Recognition Program)

Safety Initiatives

- Process Safety Improvement Plan
- Global safety week
- CEO TogetherSAFE Award



Paul Waterman



Ralph Hewins

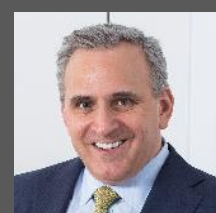
Continued profit recovery

ELEMENTIS

FY2022 FINANCIAL OVERVIEW

\$m	FY 21	FY 22	% Change
Sales	709	736	+4%
Operating profit*	88	101	+14%
Operating margin*	12.4%	13.6%	+12bps
Profit before tax*	60	81	+36%
Diluted EPS*	8.3c	10.9c	+31%
Net debt	401	367	
Net debt / EBITDA	2.6x	2.2x	

* After adjusting items
Financials are shown on a continuing basis. Net debt/EBITDA calculated on a 12 month total operations basis



Paul Waterman



Ralph Hewins

Strategic progress

ELEMENTIS

INNOVATION



18 new products launched



37% increase in total innovation sales since 2019



17 Joint Development projects with global key accounts

GROWTH



Record \$59m* new business won

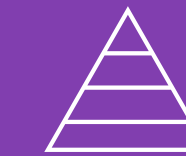


Record Coatings global key accounts > over \$90m revenues



55% growth YoY in AP Actives

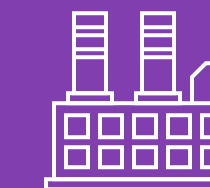
EFFICIENCY



India AP Actives ramping up



Record savings from continuous improvement program



\$10m of savings by 2023 underpinned

Sustainability: commitment to set Science Based Targets Scope 1&2 and ambition to achieve net zero by 2050

* Total operations



Paul Waterman



Ralph Hewins

Clear ESG progress



PROTECT THE ENVIRONMENT

- 50% reduction in Scope 1 & 2 since 2019
- Scope 3 GHG emissions quantified
- Commitment to set science-based GHG reduction targets
- Ambition to achieve net zero by 2050



FOCUS ON PEOPLE

- Employee Value Proposition introduced: 'Connect. Grow. Make an Impact'
- Senior Leadership Gender Diversity* increased from 25% in 2019 to 33% in 2022
- DE&I Engagement Index up YoY from 63% to 67%
- Focus on Inclusion – education and training, including active sponsorship

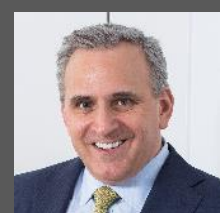


RESPONSIBLE BUSINESS

- New Code of Conduct for ethics & compliance
- Global ethics & compliance champions network established
- 77% of energy now renewable/low carbon
- EcoVadis Gold for 2nd consecutive year

MSCI  **A** |  **Gold** |  **B** |  **Medium**

*FTSE Women Leaders definition – Executive Committee and Direct Reports



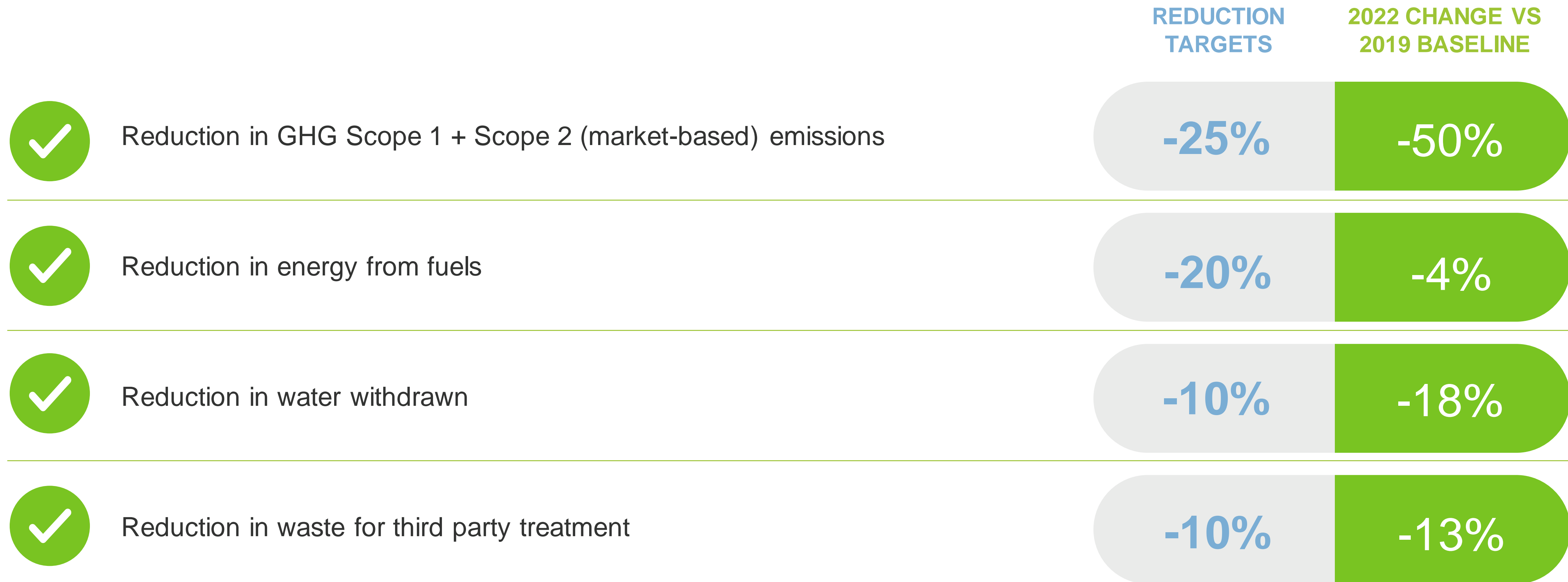
Paul Waterman



Ralph Hewins

Protecting the environment

PROGRESS VS 2030 ENVIRONMENTAL TARGETS



*All targets are per tonne production. Performance is for our continuing business only (i.e., excludes our divested Chromium business).



Paul Waterman



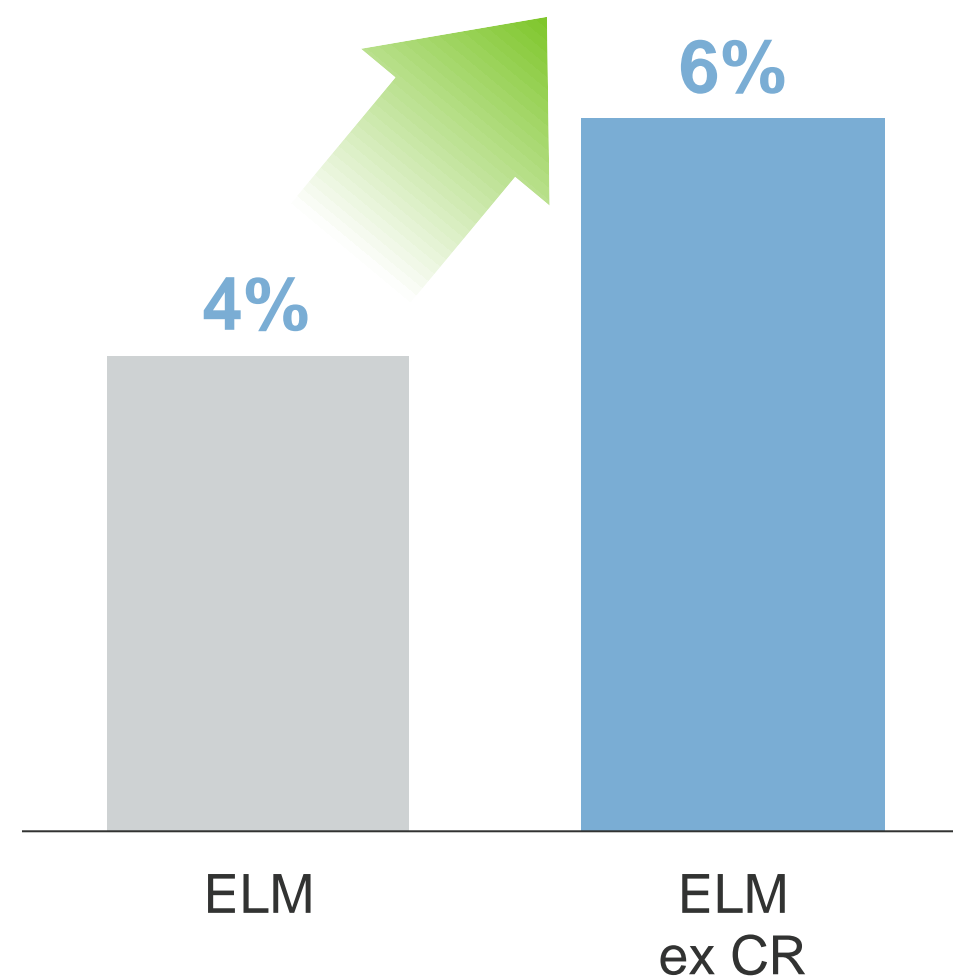
Ralph Hewins

Becoming a focused Specialty Chemical business

ELEMENTIS POST CHROMIUM

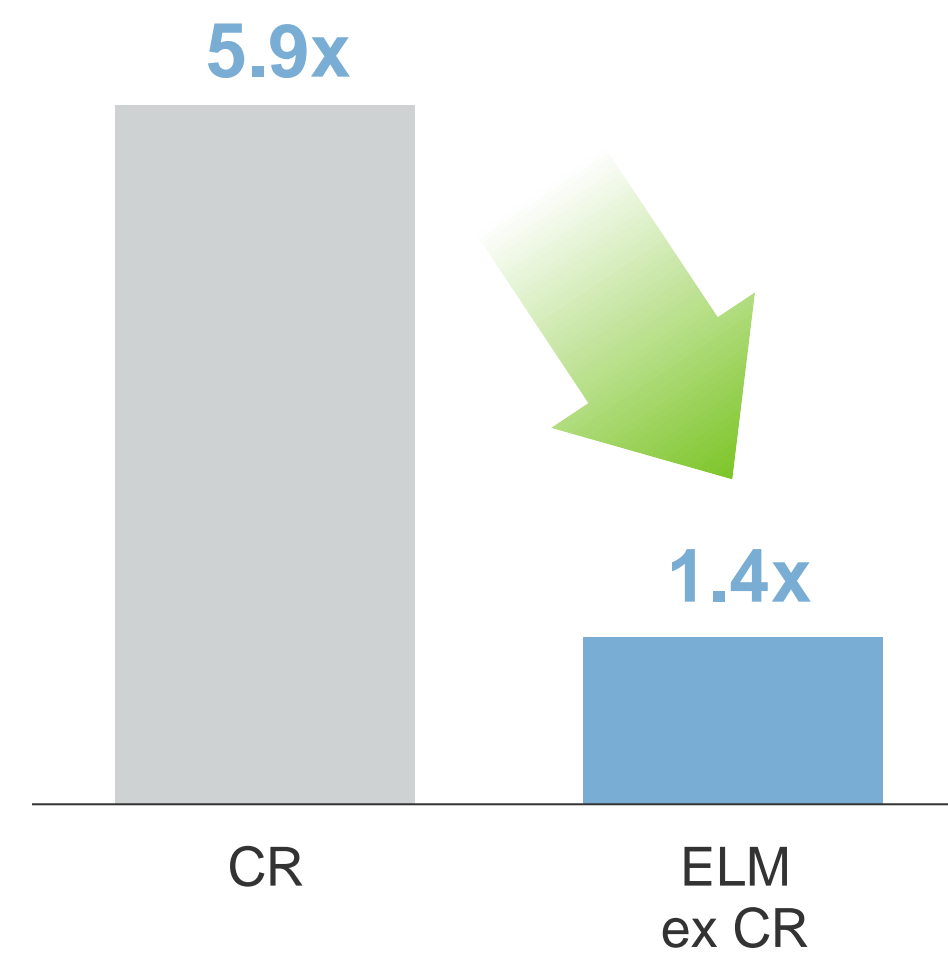
FASTER GROWTH

Constant currency revenue growth
2017-2022



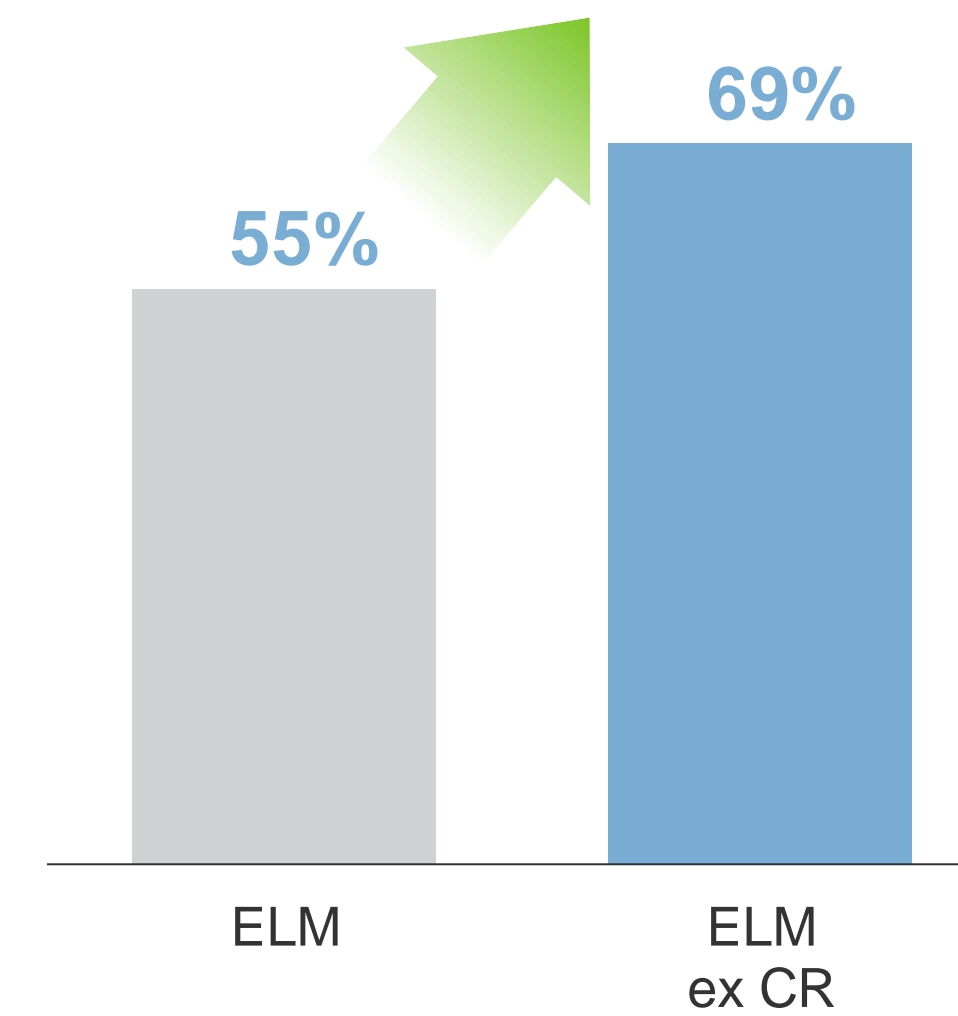
LESS CYCLICAL

Peak to Trough Earnings
2017-2022¹



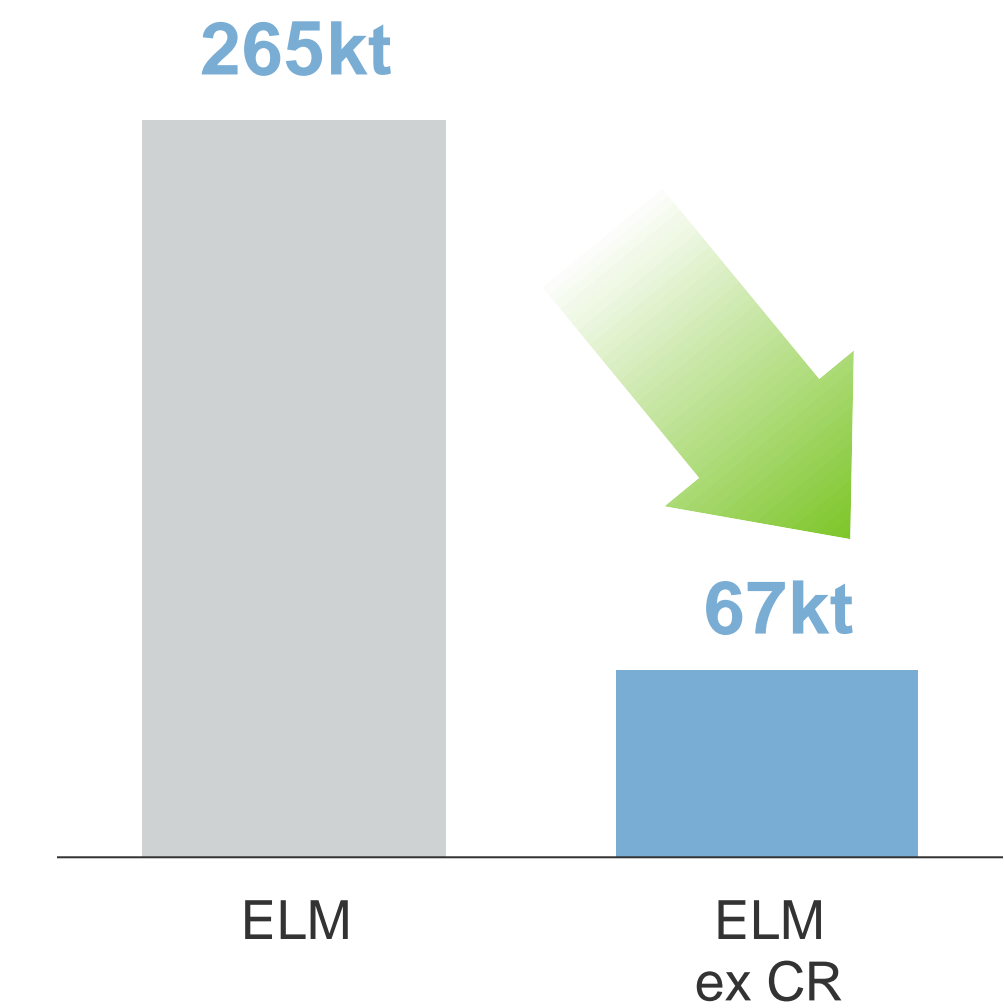
MORE NATURAL

Natural Products as a % of Sales
2022²



LESS CARBON INTENSIVE

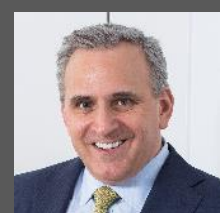
GHG Emissions
2022³



¹ Peak to trough earnings calculated as peak adjusted operating profit/trough adjusted operating profit.

² Naturally derived products defined in accordance with ISO 16128 standard and explicitly excludes ingredients derived from fossil fuel.

³ GHG Emissions are total Scope 1 and 2 (CO₂e tonnes)



Paul Waterman



Ralph Hewins

ELEMENTIS

A global specialty chemicals company

SEGMENT PERFORMANCE



INNOVATION | GROWTH | EFFICIENCY



Personal Care performance

RECORD MARGINS AND SALES MOMENTUM

ELEMENTIS

\$m	FY22 vs FY21 % Change		Constant Currency ¹
	FY 21	FY 22	
Sales	175	212	+26%
Operating profit*	37	53	+55%
Operating margin*	21.0%	25.0%	



* After adjusting items ¹ Adjusted for constant currency



Paul Waterman

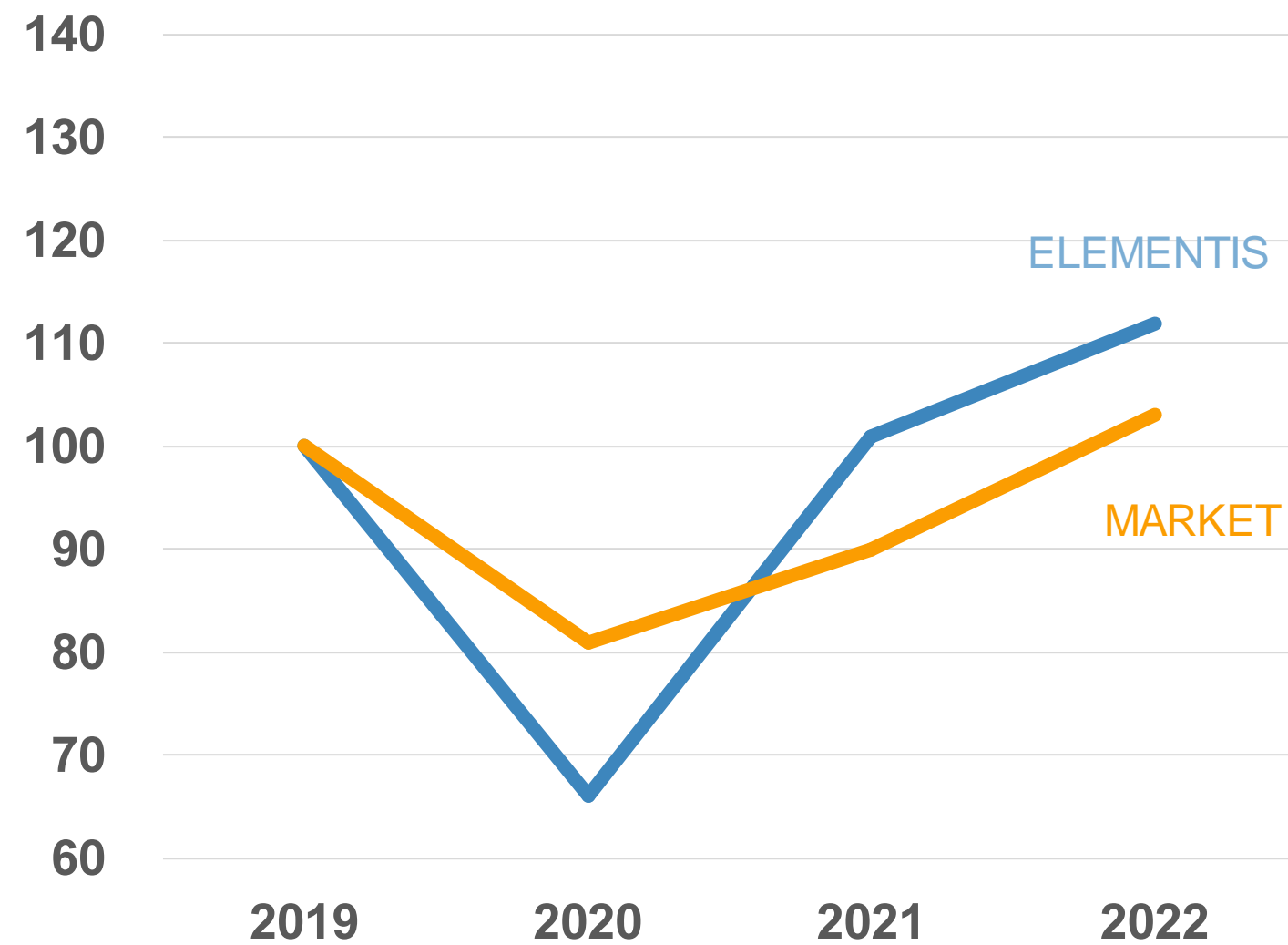


Ralph Hewins

Personal Care performance

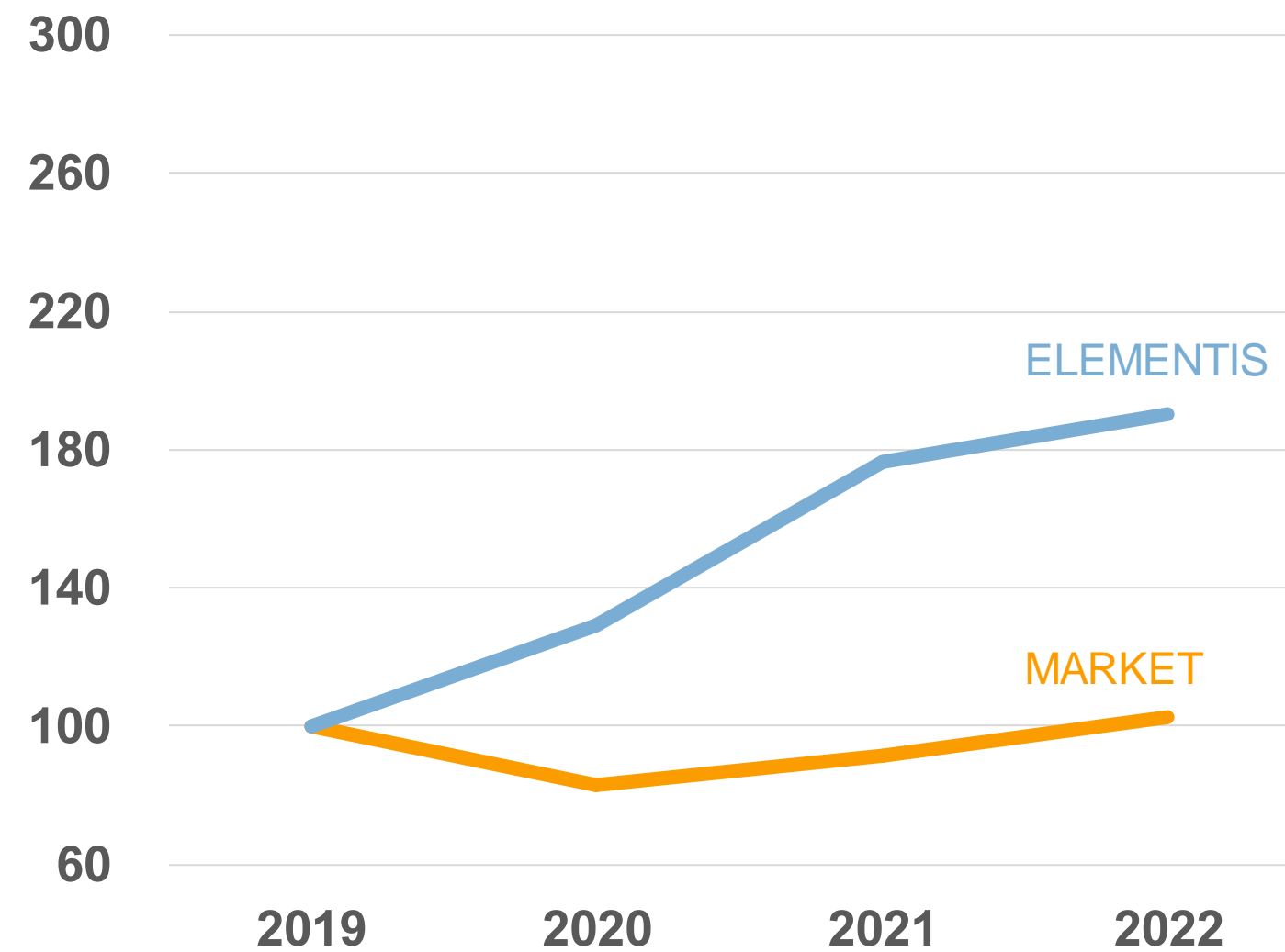
OUTPERFORMANCE ACROSS RECOVERING END MARKETS

COLOUR COSMETICS



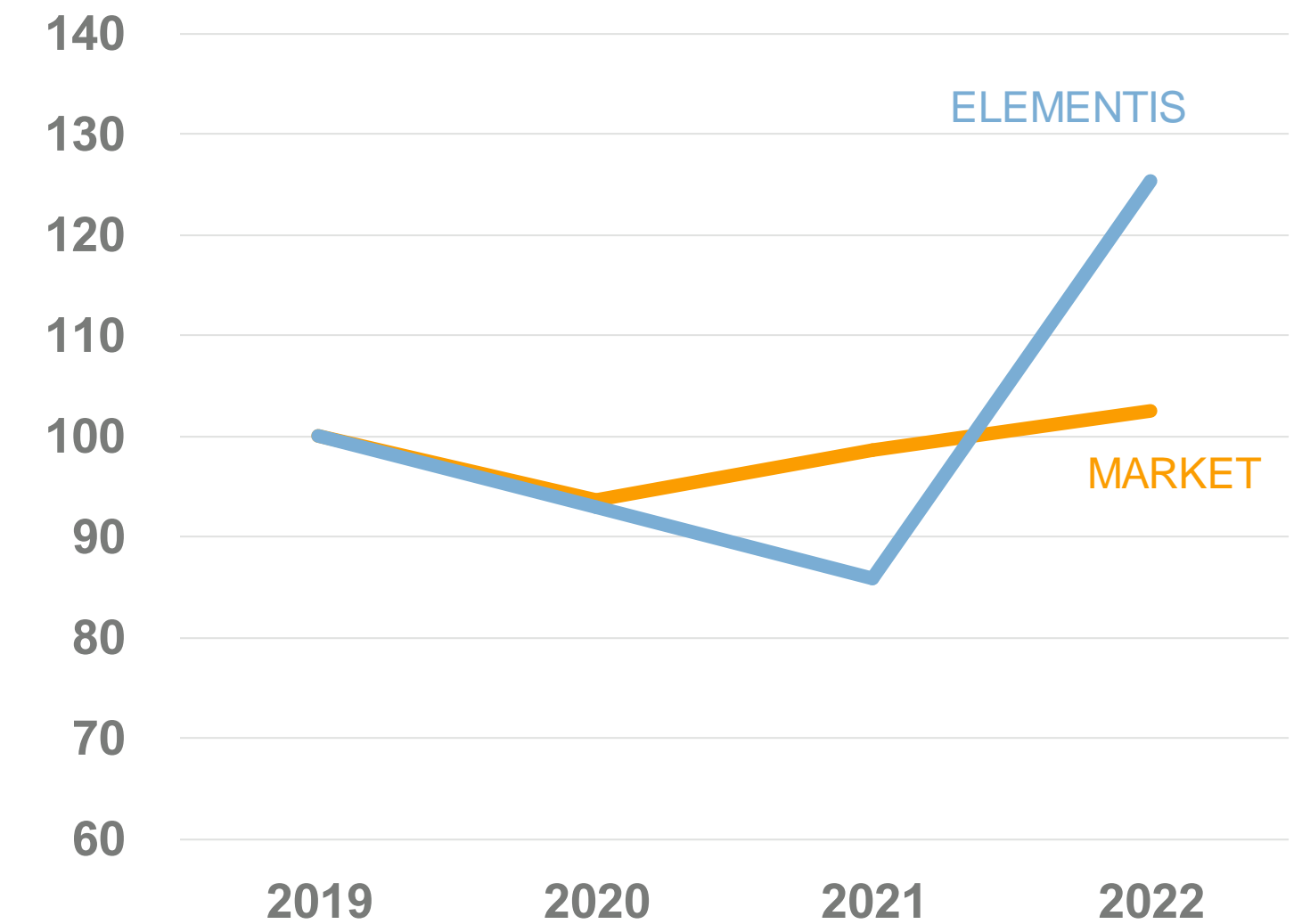
- Extension of Bentone Gel® sales through new business development
- Prestige market for colour cosmetics more resilient than mass market

SKIN CARE



- Natural product offering meeting current market trends (Water-free, naturally derived formulations, etc.)
- Market share gains in skin and sun care through new innovation products

AP ACTIVES



- Global production footprint - supply chain resilience – attractive to customers
- New business on high performance AP active launches (REACH 9000 and REACH 701L)

Note: Estimated global market sales. Source: Statista



Paul Waterman



Ralph Hewins



Personal Care performance

ELEMENTIS

STRONG MOMENTUM, MORE GROWTH TO COME

25 NEW PRODUCT LAUNCHES SINCE 2020

GROWING INNOVATION SALES

AND A RECORD NEW BUSINESS PIPELINE


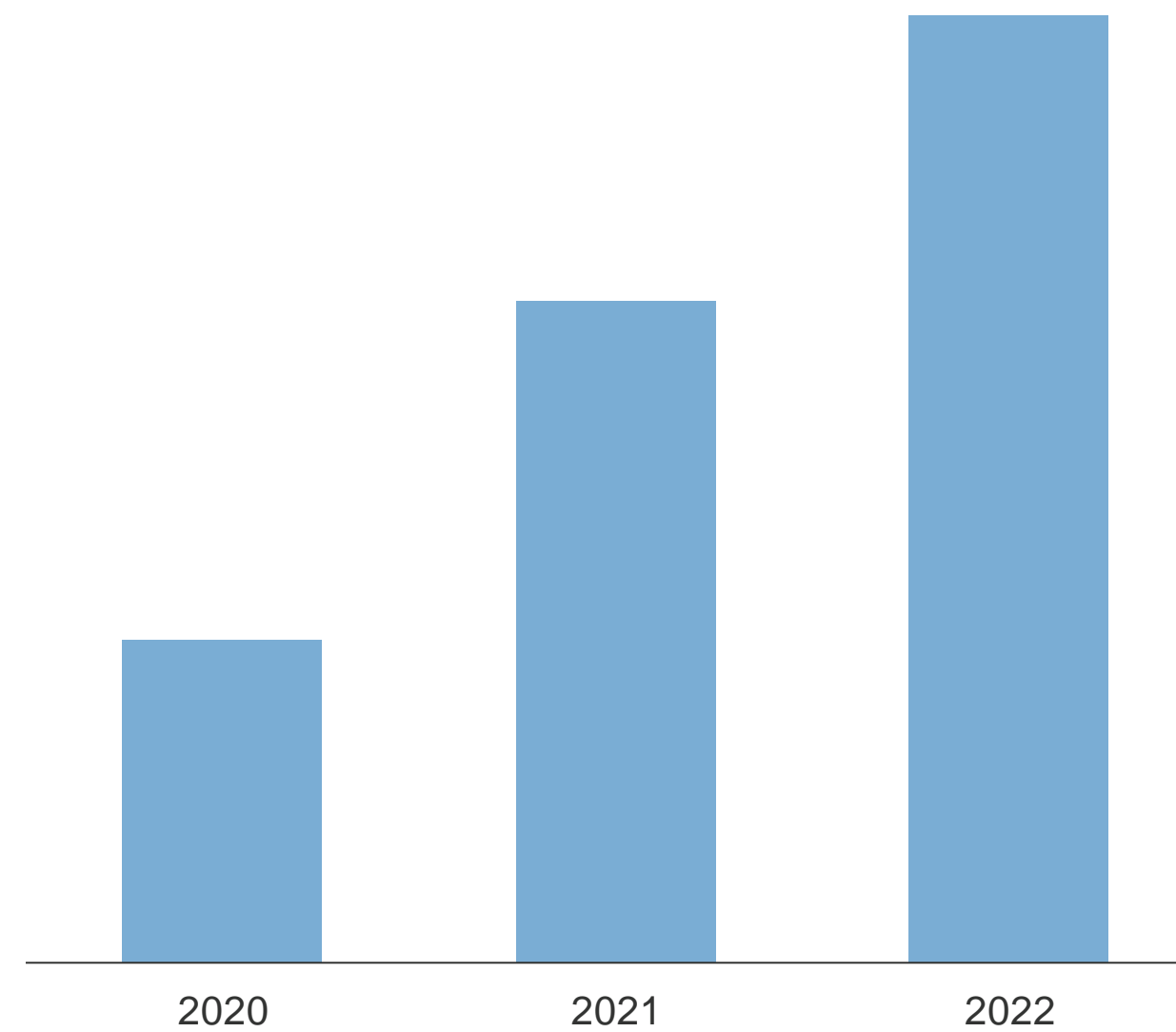
7 | **Cosmetics**



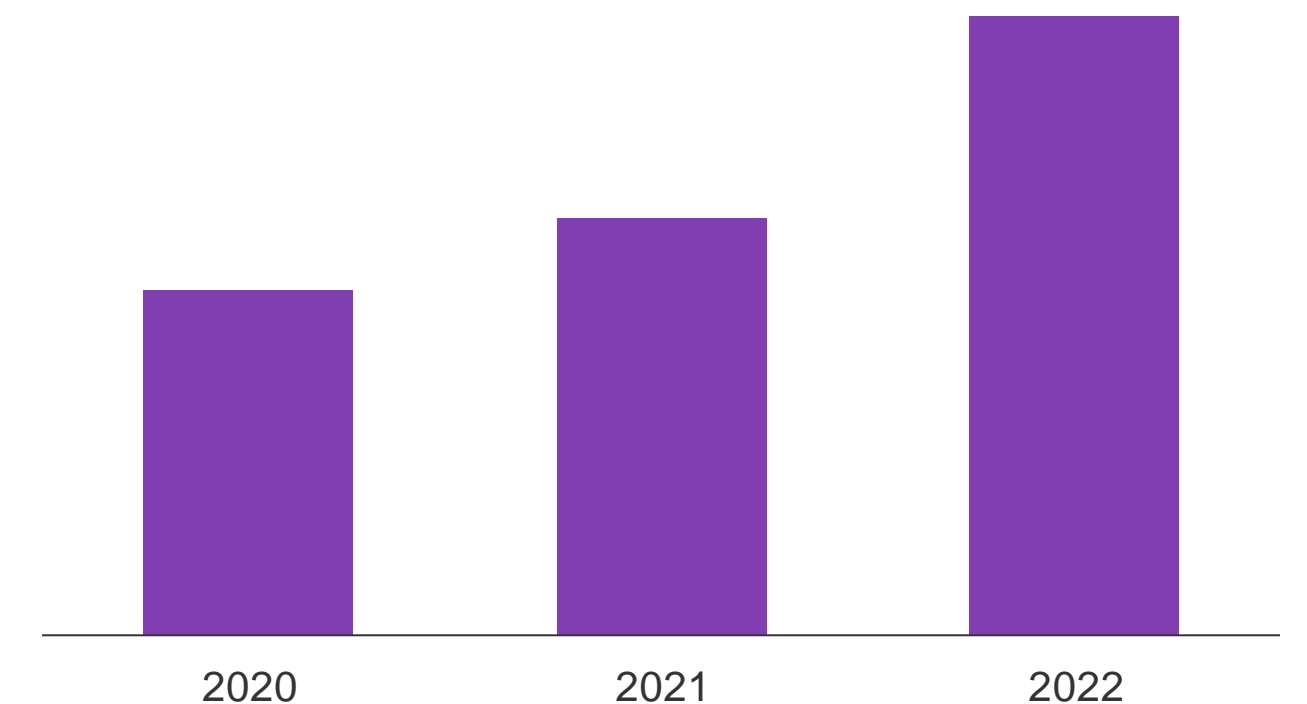
9 | **Skin care**



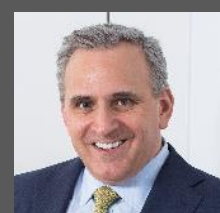
9 | **AP Actives**

Note: New products as % of sales. 2020 indexed to 100



Note: New Business Pipeline. 2020 indexed to 100



Paul Waterman



Ralph Hewins

Unique chemistry, sustainable solutions



Coatings performance

ELEMENTIS

RECORD MARGINS DRIVEN BY IMPROVED PRICE/MIX

			FY22 vs FY21 % Change
	FY21	FY22	Constant currency ¹
\$m			
Sales	384	389	+5%
Operating profit*	62	73	+25%
Operating margin*	16.1%	18.8%	



*After adjusting items ¹ Adjusted for constant currency



Paul Waterman



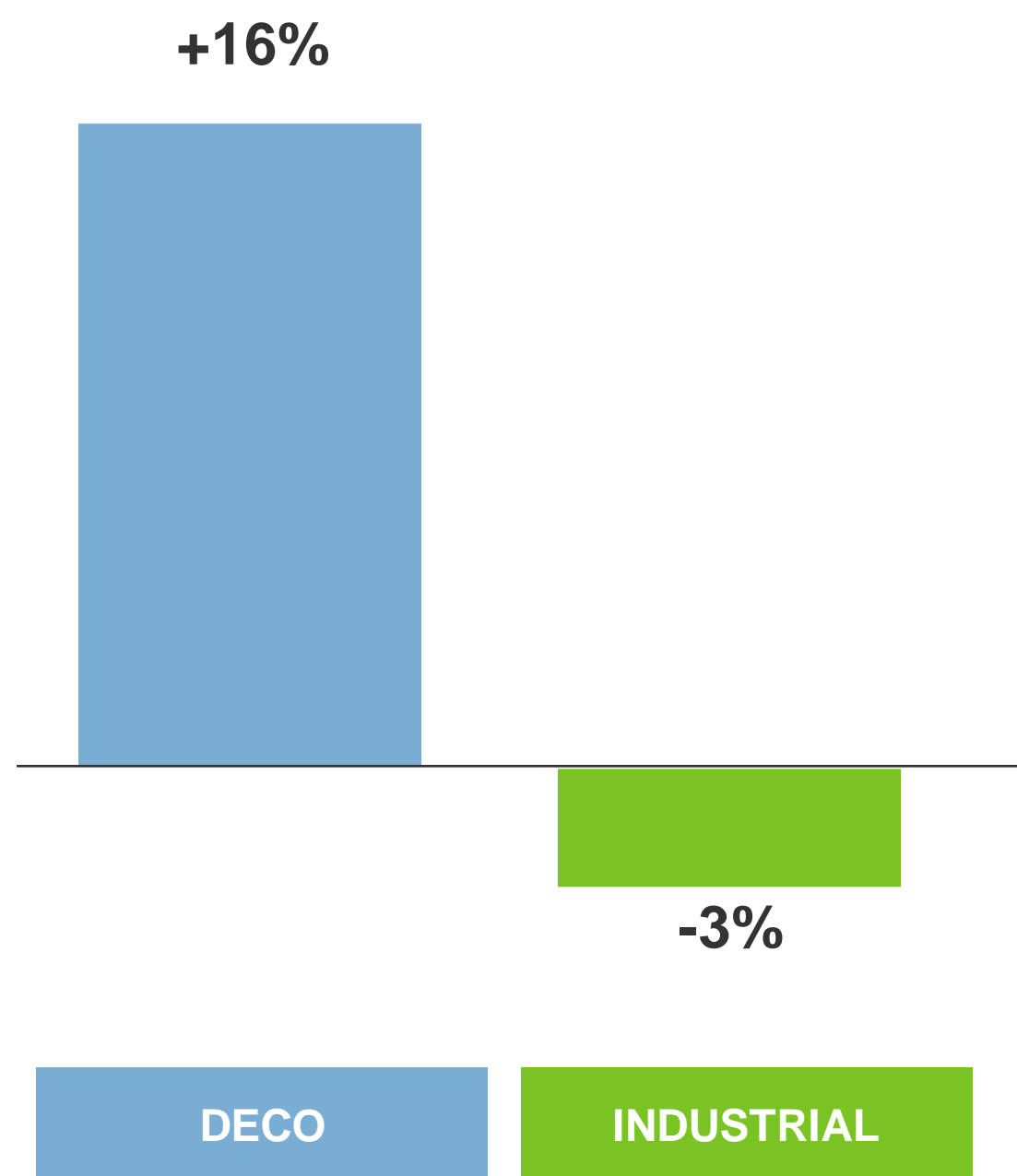
Ralph Hewins



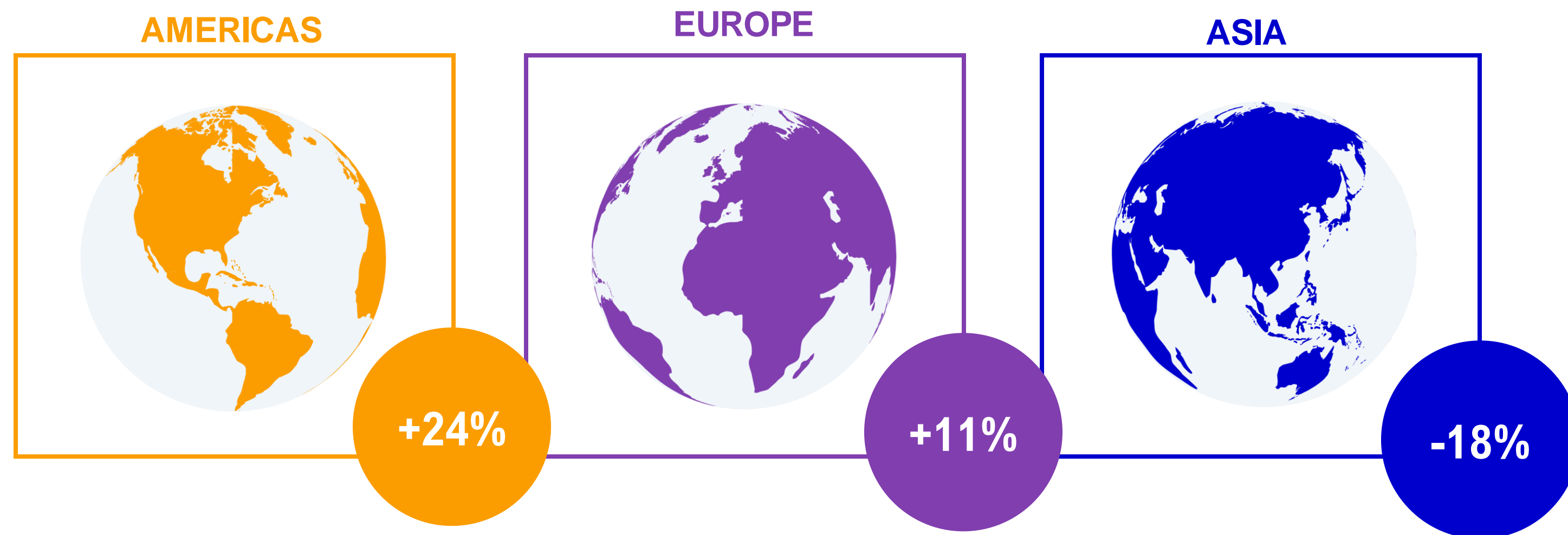
Coatings performance

SHARE GAIN IN NORTH AMERICA DECORATIVE COATINGS

SHARE GAIN IN DECORATIVE COATINGS*



GOOD GROWTH DESPITE WEAK INDUSTRIAL MARKETS IN CHINA*



GLOBAL KEY ACCOUNTS*



* FY22 vs FY21 Elementis constant currency sales growth, excluding Energy



Paul Waterman

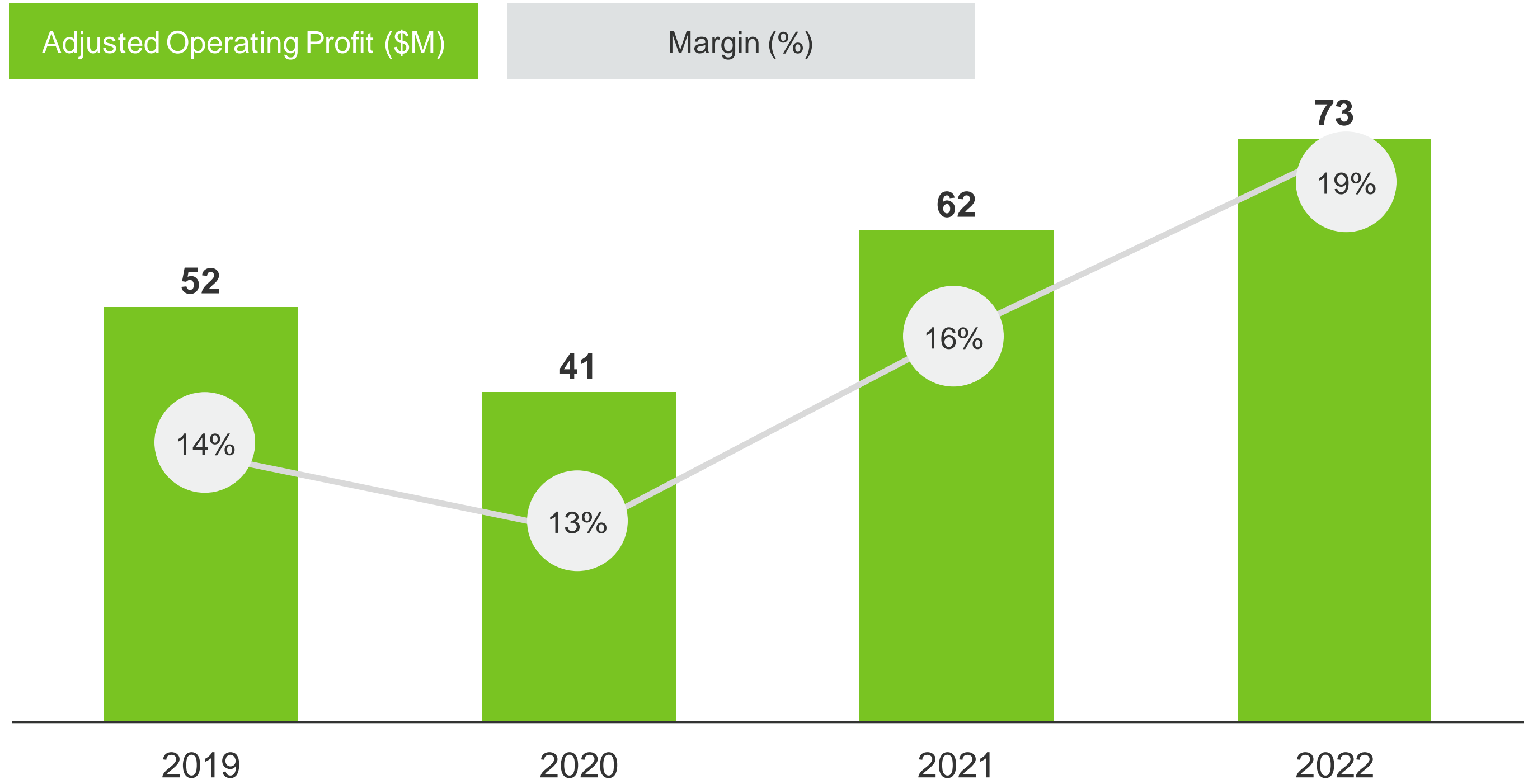


Ralph Hewins



Coatings performance

MULTI YEAR PERFORMANCE IMPROVEMENT



ACCELERATED INNOVATION

Revenue from growth platforms +10% y-o-y
20% increase in joint product development sales



NEW BUSINESS MOMENTUM

Expanded sales team delivering results
Record \$200m new business pipeline



CAPACITY EXPANSION

NiSAT capacity expanded 50%
LTOT* capacity expansion on track

*Low Temperature Organic Thixotropes



Paul Waterman



Ralph Hewins

Coatings performance

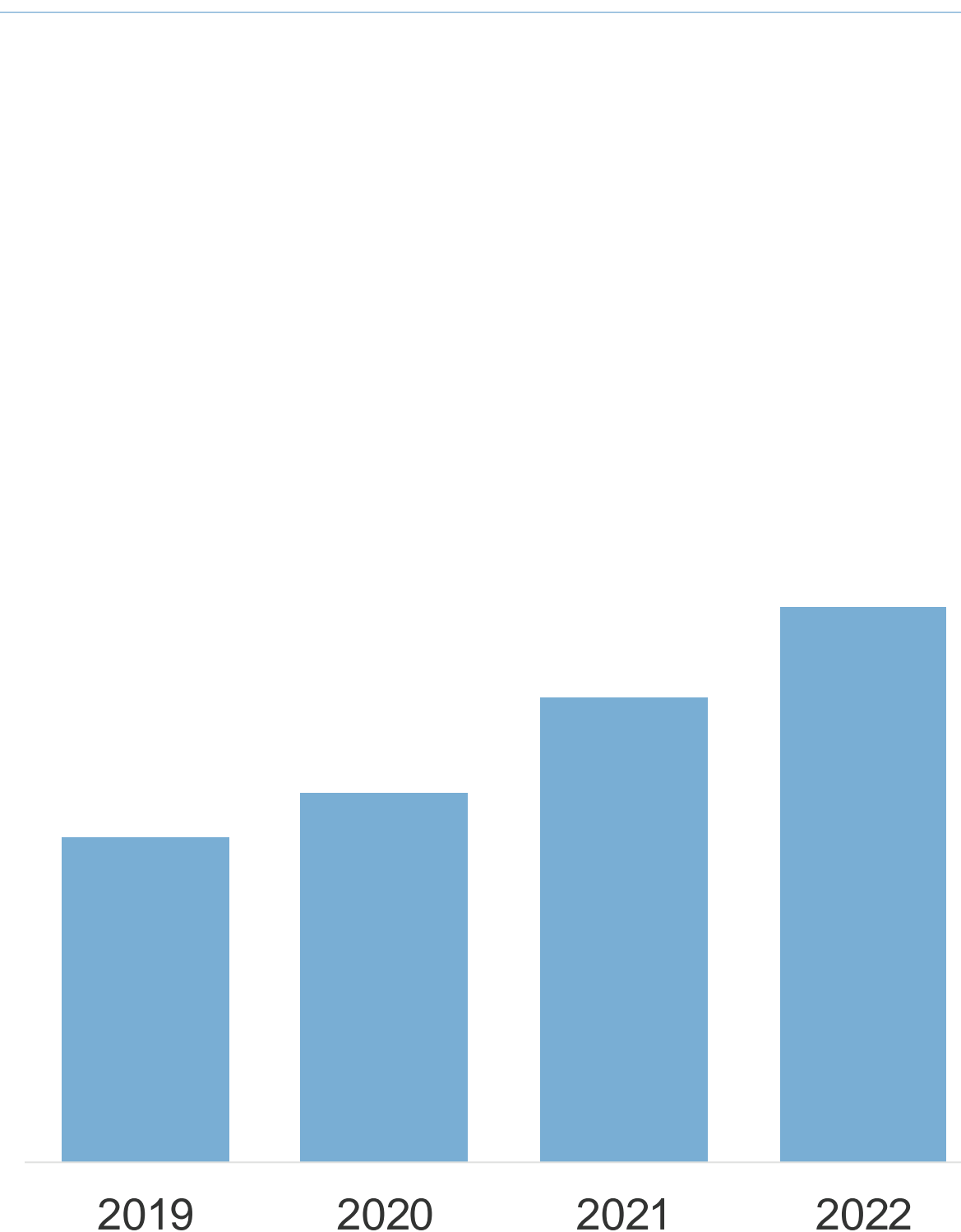
FUTURE GROWTH PLATFORMS UNDERPIN OUR BUSINESS

GROWTH PLATFORMS

2019-2022 SALES CAGR

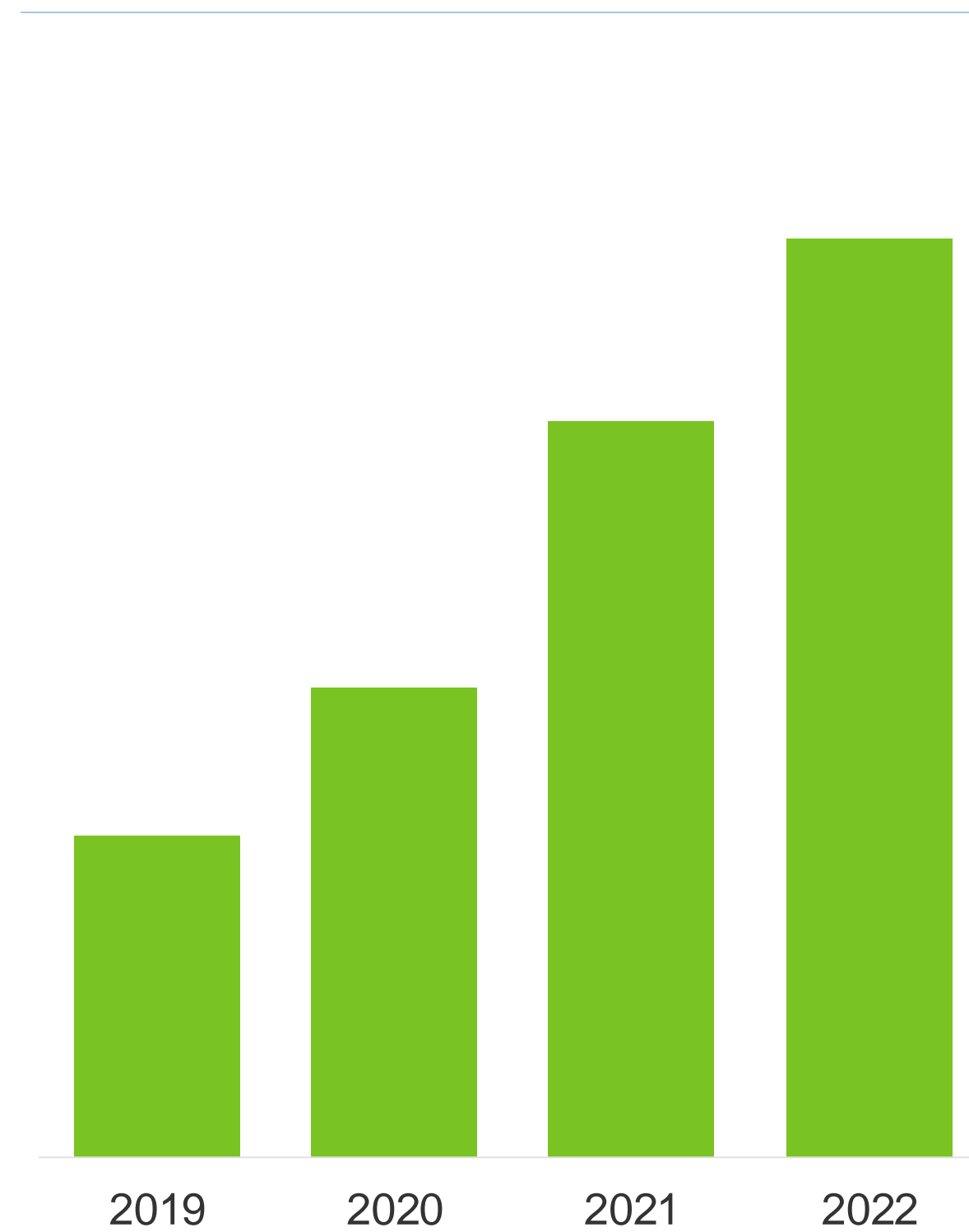


GROWING INNOVATION SALES

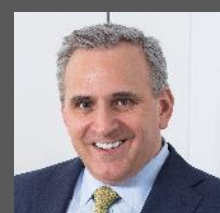


New products as % of sales. 2019 indexed to 100

PIPELINE GROWTH TRIPLED



New Business Pipeline. 2019 indexed to 100



Paul Waterman



Ralph Hewins



Talc

Talc performance

ELEMENTIS

EXCEPTIONALLY CHALLENGING MARKET CONDITIONS

			FY 22 vs H1 21 % Change
\$m	FY21	FY22	Constant Currency ¹
Sales	150	136	+2%
Operating profit*	14	(0.4)	NA
Operating margin*	9.3%	N/A	

* After adjusting items

¹ Adjusted for constant currency



Paul Waterman



Ralph Hewins



Talc

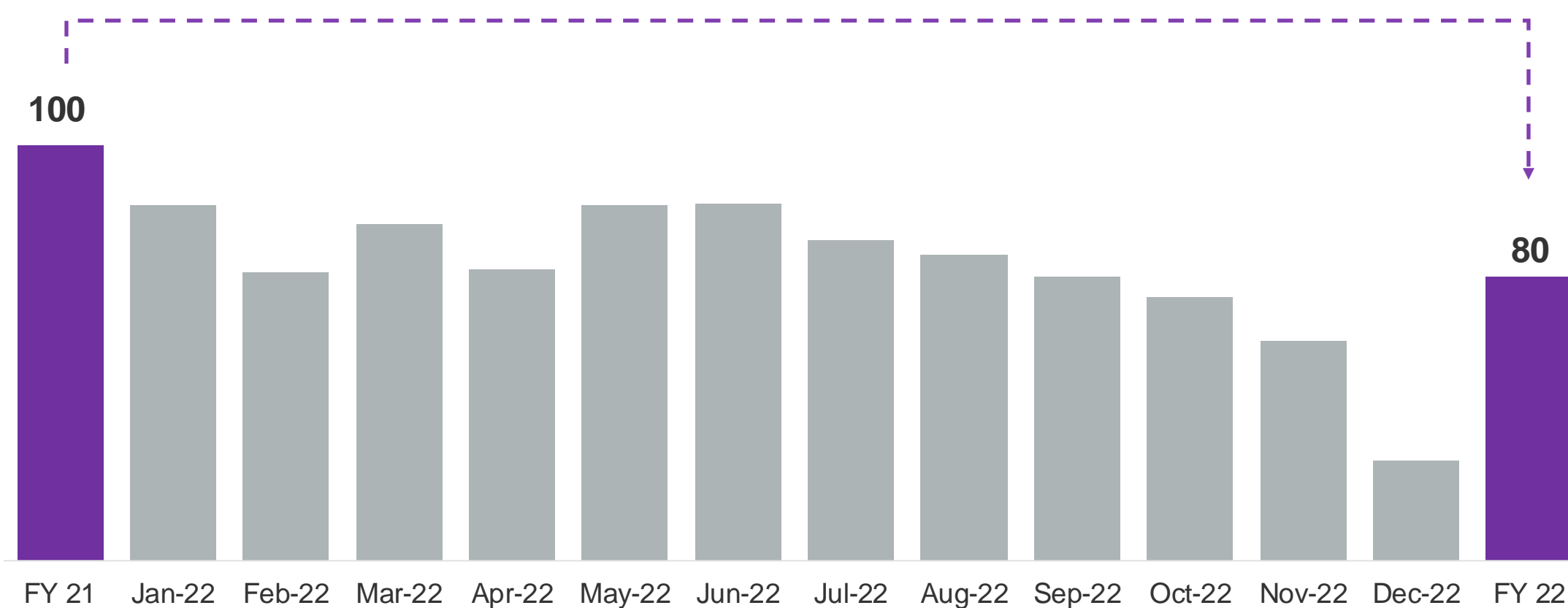
Talc performance

WEAKENING DEMAND, SOARING COSTS

SIGNIFICANT DEMAND HEADWINDS ...

H2 Coatings destocking | Weak auto demand | Paper strike/demand | Russia/Ukraine impact

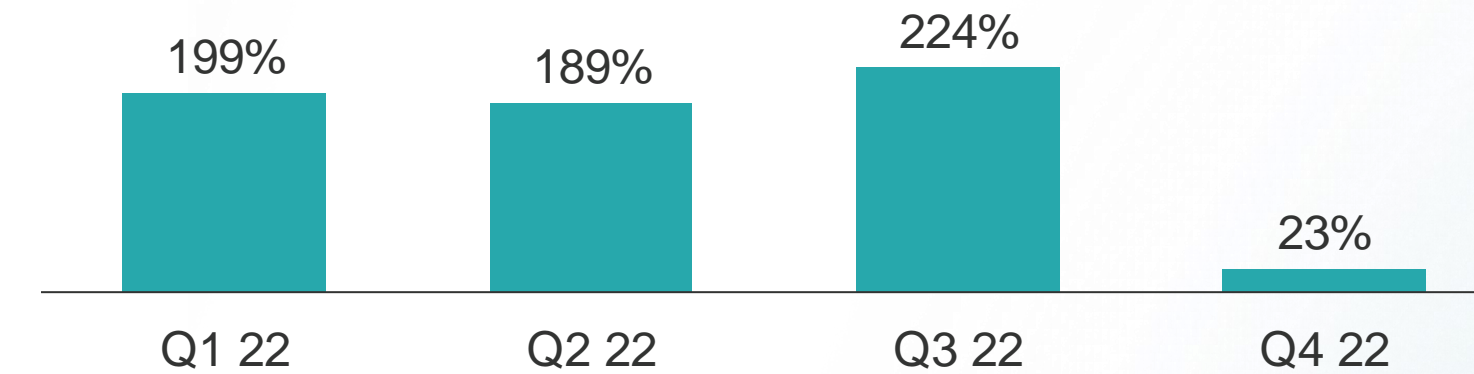
MONTHLY TALC VOLUMES (KT)



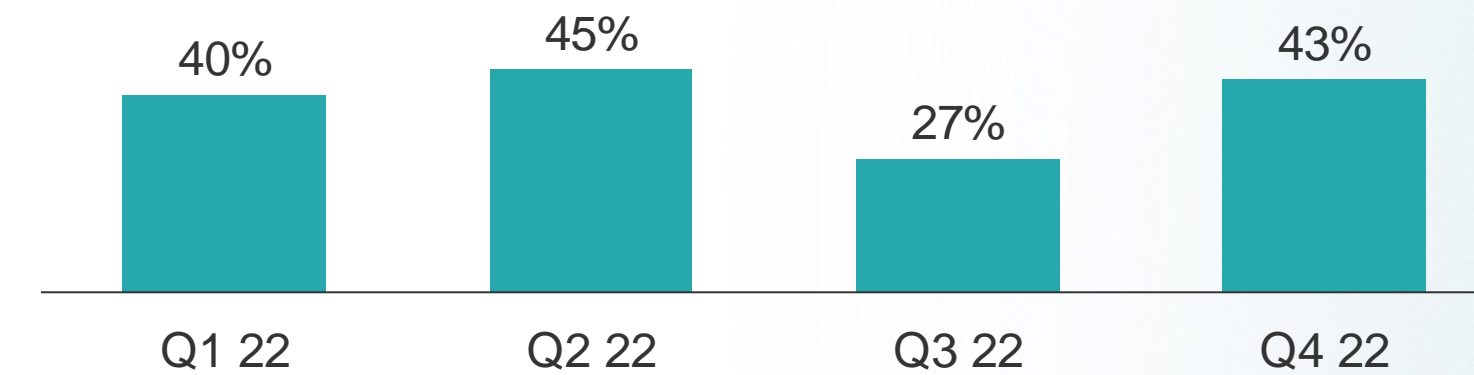
Note: Full year volumes indexed to 100; monthly Talc volumes shown on an absolute basis. Graph is not drawn to scale

...SURGING COST INFLATION

EUROPEAN ENERGY INFLATION*....



RISING TRANSPORT COSTS**....



* % year on year change based on average market electricity costs in Finland and the Netherlands

** Outbound Asia and US freight (EUR/T) costs



Paul Waterman



Ralph Hewins

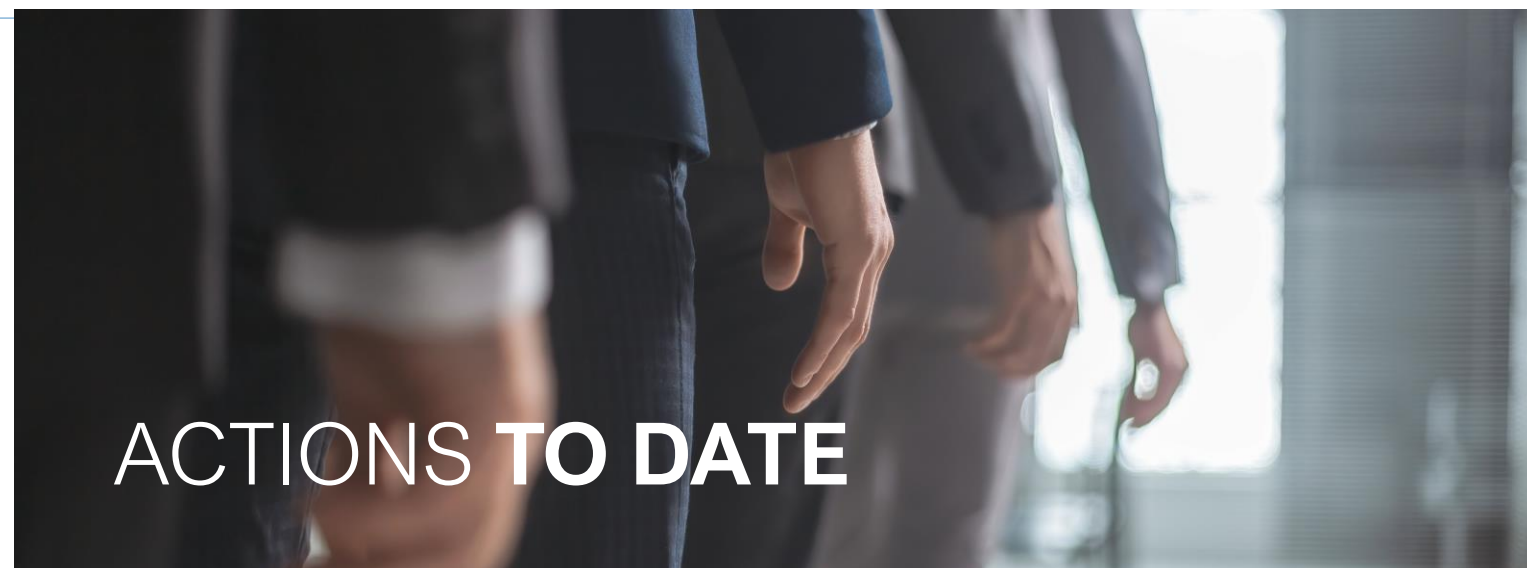


Talc

Talc performance

FOCUSED PLAN TO RECOVER PROFITABILITY

ELEMENTIS



ACTIONS TO DATE

- Multiple pricing actions to offset cost increases
- Implemented Performance Specialties management structure
- Single, integrated global sales force



ACTIONS IN PROGRESS

- Refocus on higher margin value added segment on the market
- Common global distribution network
- Realise organisational synergies



2023 OUTLOOK

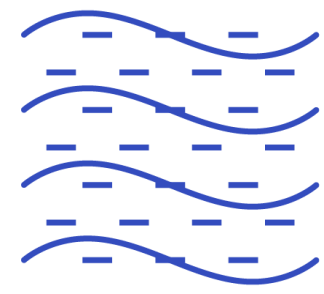
- Sequential volumes starting to recover
- Targeting \$5m new business
- Energy costs moderating
- Significant profit recovery



Paul Waterman



Ralph Hewins



Performance Specialties

BRINGING TOGETHER COATINGS AND TALC BUSINESSES

END MARKETS

	PRIOR SEGMENTS	
	COATINGS	TALC
COATINGS	✓	✓
CONSTRUCTION	✓	✓
AUTOMOTIVE	✓	✓
PAPER		✓



MATERIAL GROWTH OPPORTUNITIES

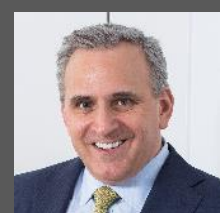
- Attractive end markets shared by both businesses
- Maximises revenue synergy opportunities
- Integrated global sales force
- Single global distributor network



\$2M OF COST EFFICIENCIES BY END 2024



TRANSPARENCY OF COATINGS AND TALC PERFORMANCE REPORTING RETAINED



Paul Waterman



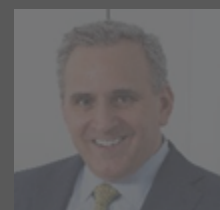
Ralph Hewins

GROUP FINANCIALS

RALPH HEWINS, CFO



INNOVATION | GROWTH | EFFICIENCY



Paul Waterman

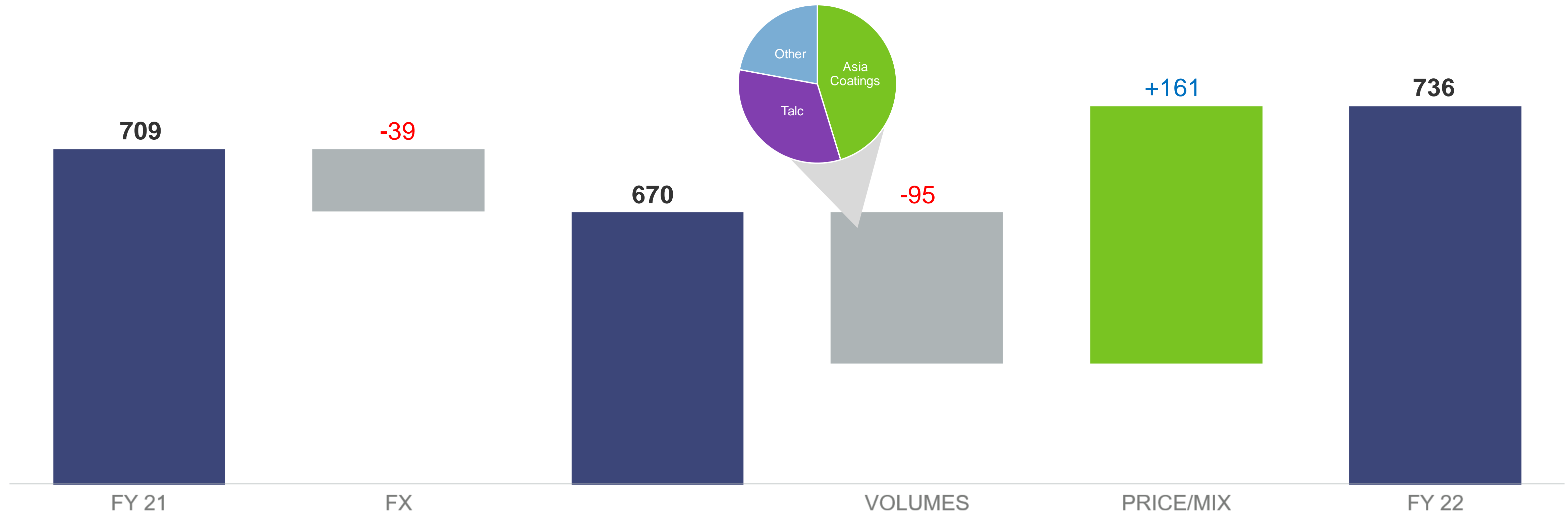


Ralph Hewins

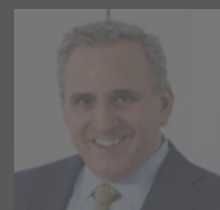
Group revenue

STRONG PRICE/MIX DRIVES 10% UNDERLYING GROWTH

REVENUE \$m



Note: Bridge shown on a continuing operations basis



Paul Waterman

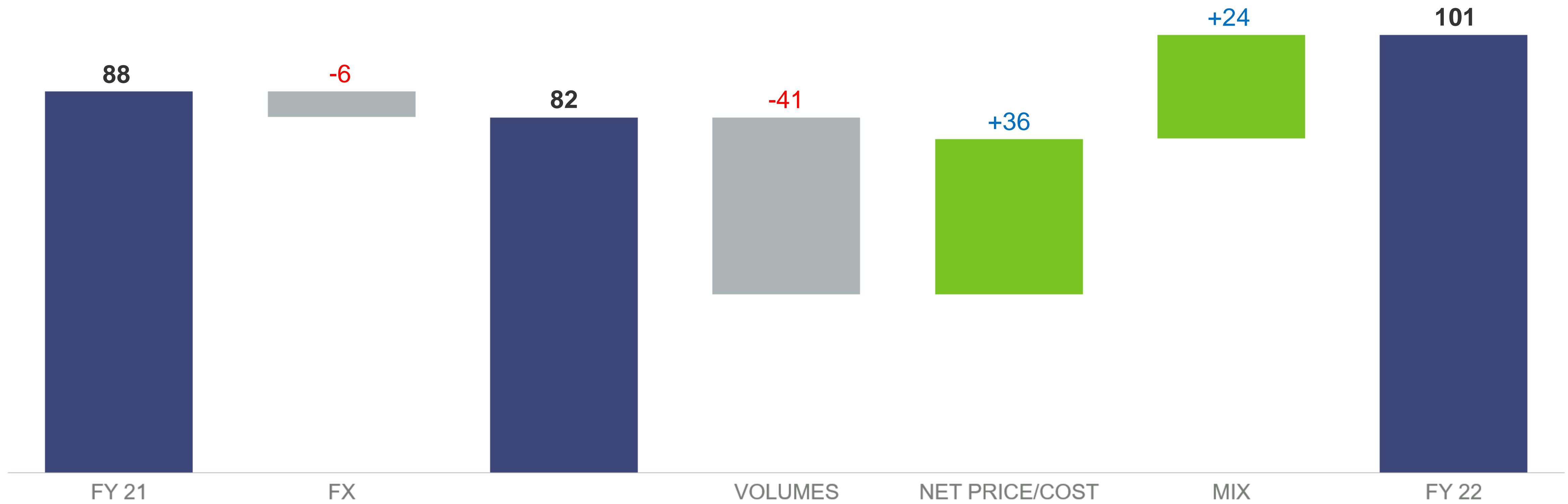


Ralph Hewins

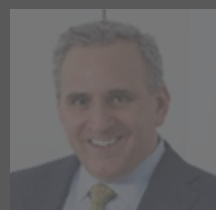
Group operating profit

PRICING ACTIONS MORE THAN OFFSET COST INFLATION

ADJUSTED OPERATING PROFIT \$m



Note: Bridge shown on a continuing operations basis



Paul Waterman

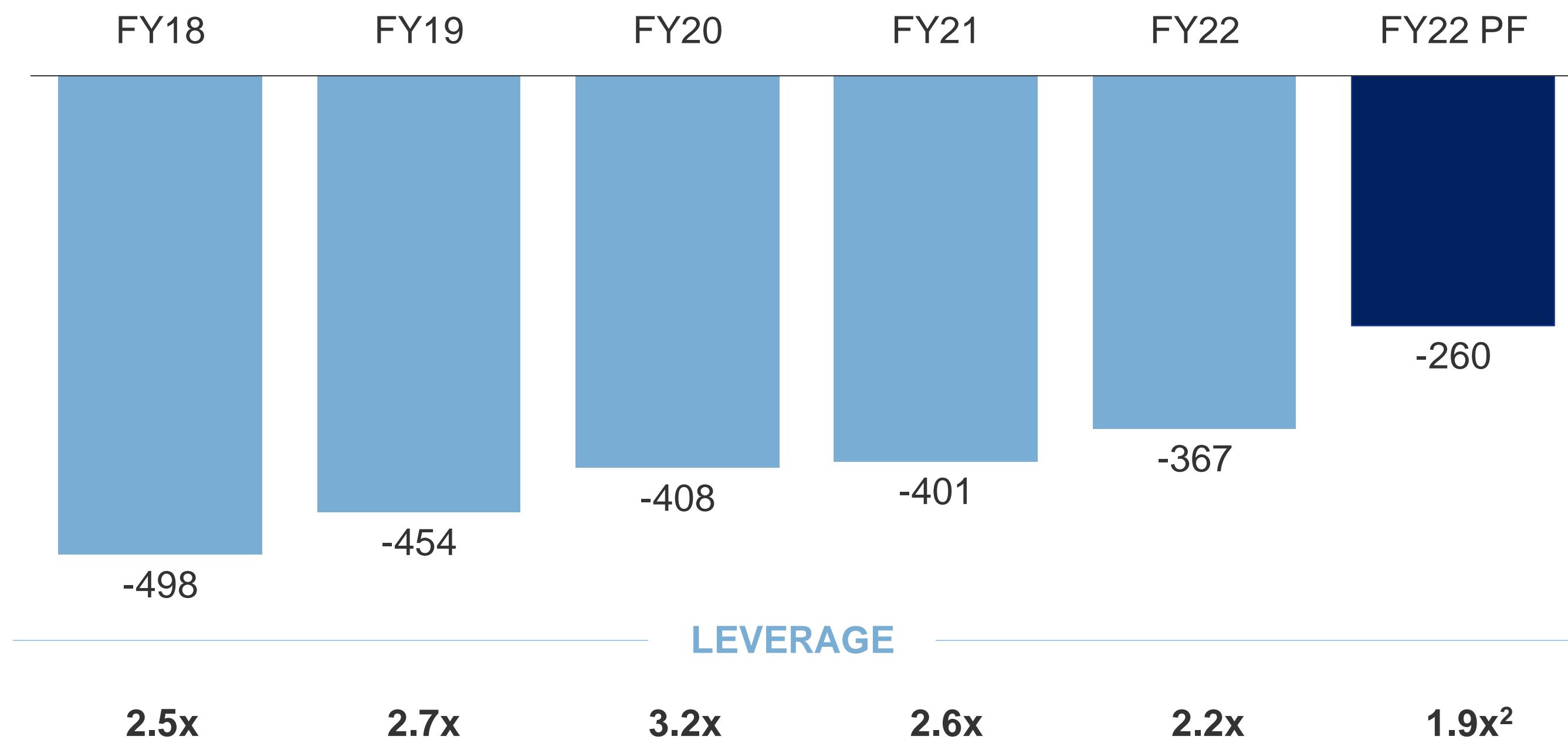


Ralph Hewins

Financial leverage

SUBSTANTIAL DEBT REDUCTION POST CHROMIUM

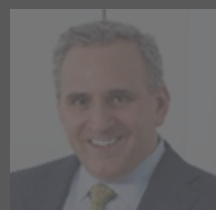
NET DEBT AND LEVERAGE EVOLUTION \$m¹



- Leverage reduction on track
- Refinancing completed - \$675m facilities
- Debt reduction from Chromium

¹ Excluding finance leases on a pre IFRS 16 basis, and EBITDA on a last twelve months basis

² Calculated on a pro forma basis ex Chromium and assuming an expected tax charge of \$12m and the elimination of stranded costs in the course of 2023 – 2024



Paul Waterman



Ralph Hewins

Continued focus on efficiency

ELEMENTIS

EFFICIENCIES ON TRACK – MORE TO COME



\$10M COST SAVINGS

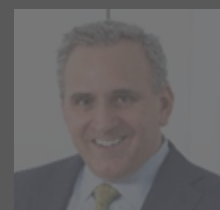
- New India plant lowers costs
- Continuous Improvement programme at record \$4m delivery
- Global procurement approach – disciplined category management

\$10M WORKING CAPITAL REDUCTION

- 2023 focus - inventory reduction
 - Finished goods rebalancing
 - Improved forecasting/scheduling
 - Draw down slower moving inventory

SIMPLIFICATION POST CHROMIUM

- Elimination of \$7m stranded costs
- Single global ERP
- Simplified organisation – two segments



Paul Waterman



Ralph Hewins

Cash flow

ELEMENTIS

NET CASH FLOW AND CHROMIUM EXIT ACCELERATE DELEVERAGING

\$m	FY 21	FY 22
EBITDA	159	173
Change in working capital	(32)	(59)
Capital expenditure	(53)	(47)
Operating Cash Flow	74	68
Pensions	-	(1)
Interest	(23)	(15)
Tax related payments	(44)	(13)
Other	(5)	(10)
Free Cash Flow	2	29
Dividends	-	-
Acquisitions and disposals	-	-
Currency fluctuations	12	10
One off items	(7)	(5)
Net Cash Flow	7	34
Net Balance Sheet Debt	401	367
Net debt/EBITDA¹	2.6x	2.2x

Working capital outflow
inventory increase
to service customers

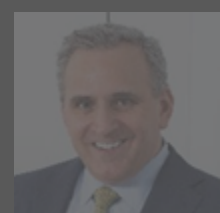
Tax outflow normalised
absence of \$33m
one-offs in 2021

**Net debt post
Chromium \$260m²**

¹Based on last twelve months adjusted pro forma EBITDA excl. IFRS 16

²After expected tax charge

Note: Table may not cast due to rounding

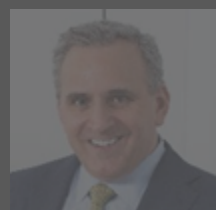
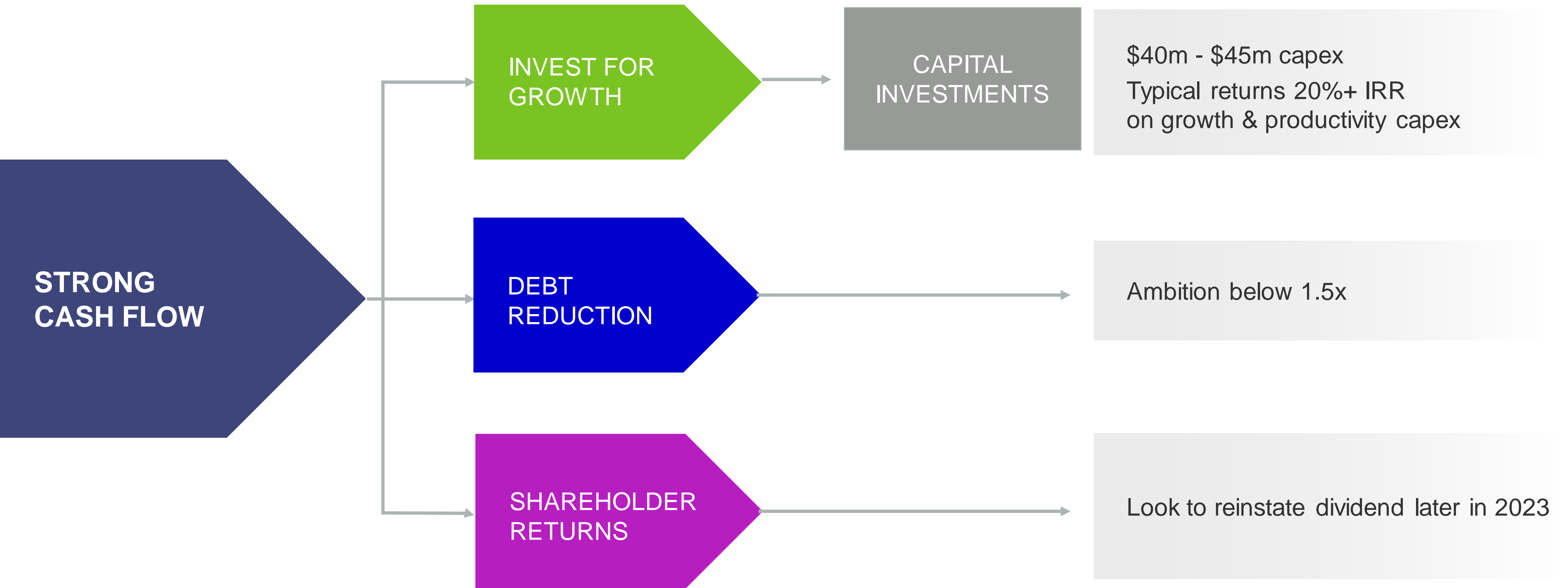


Paul Waterman



Ralph Hewins

Disciplined capital allocation



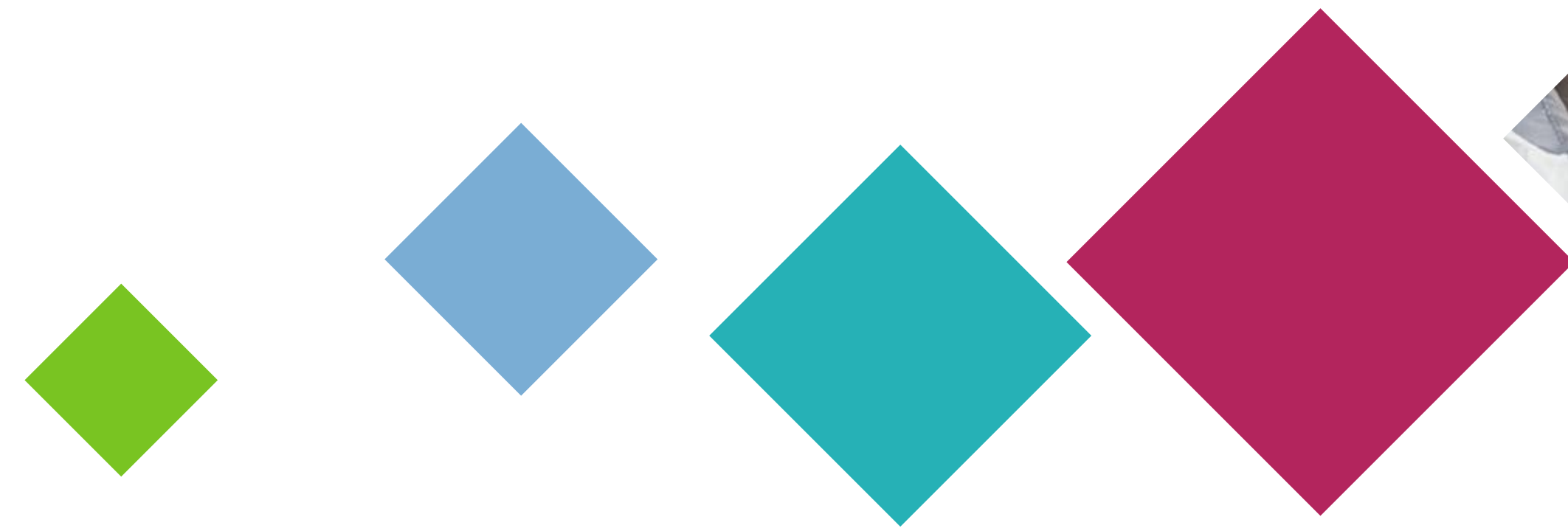
Paul Waterman



Ralph Hewins

OUTLOOK & PRIORITIES

PAUL WATERMAN, CEO



INNOVATION | GROWTH | EFFICIENCY



Paul Waterman



Ralph Hewins

Strategic priorities

ELEMENTIS

INNOVATION



15 new product launches



Drive new products revenue to 17% of sales by 2025



Deepen and broaden GKAM collaboration

GROWTH



Secure \$50m of new business wins annually



Deliver Talc profit recovery

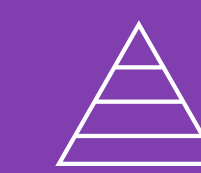


Target double digit revenue growth in skin care

EFFICIENCY



\$10m cost / \$10m working capital savings



\$2m Performance Specialties efficiencies by 2024 underpinned



Eliminate \$7m Chromium stranded costs by 2024

Sustainability: Develop science-based targets and path to net zero



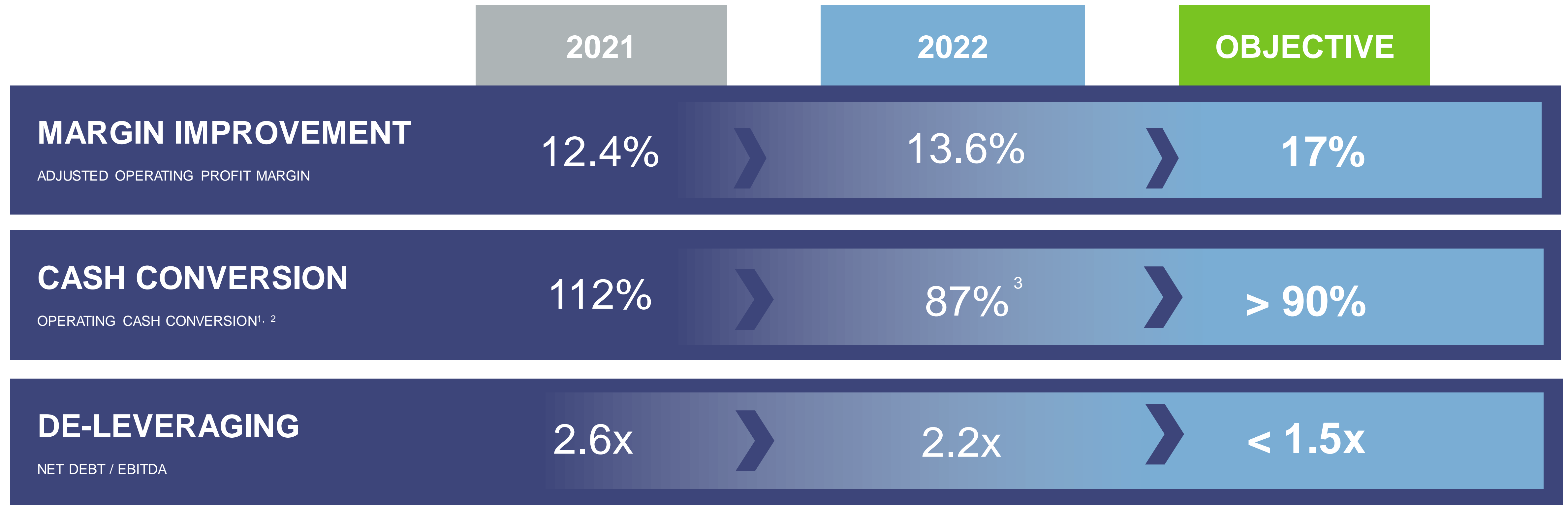
Paul Waterman



Ralph Hewins

Group: Medium term objectives

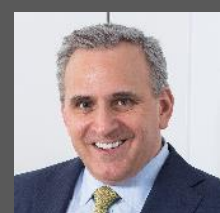
CONTINUED FINANCIAL PROGRESS; COMMITTED TO ACHIEVING 17% MARGIN



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

2 Last three year average

3 Group average not adjusted for Chromium divestment



Paul Waterman



Ralph Hewins

2023 Outlook

ON TRACK FOR IMPROVED FULL YEAR FINANCIAL PERFORMANCE & DELEVERAGING



Paul Waterman



Ralph Hewins

Capital Markets Day Q4 2023

UPDATE ON OUR CONTINUING STRATEGIC TRANSFORMATION

Q4 | LONDON

ELEMENTIS

Paul Waterman
President and Chief Executive Officer

Ralph Hewins
CFO

Luc van Ravenstein
Senior Vice President, Performance Specialties

Stijn Dejonckheere
Senior Vice President, Personal Care

Joe Lupia
Senior Vice President, Global Technology



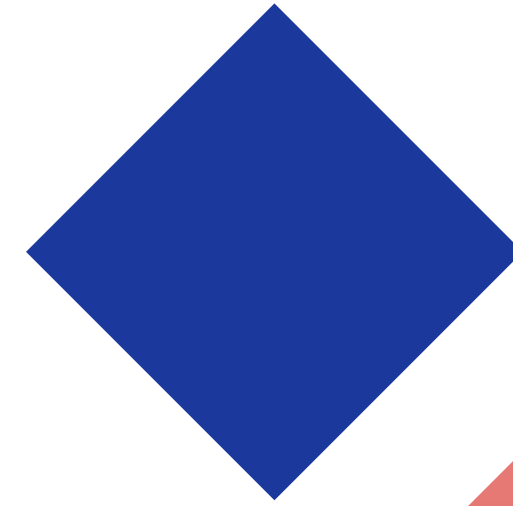
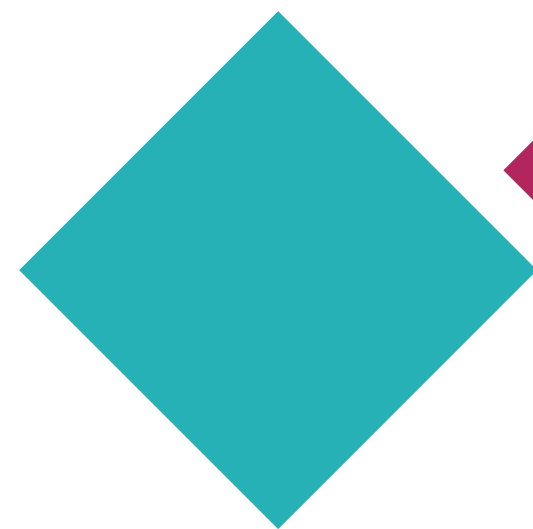
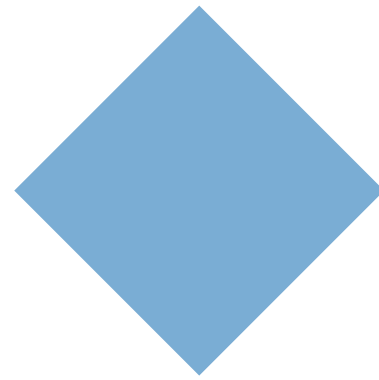
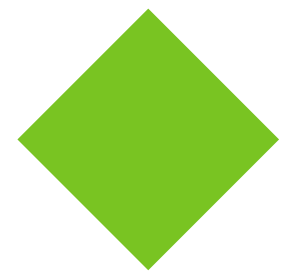
Paul Waterman



Ralph Hewins

Q&A

THANK YOU



INNOVATION | GROWTH | EFFICIENCY



Paul Waterman



Ralph Hewins

Appendices



INNOVATION | GROWTH | EFFICIENCY

FY 23 Technical Guidance

P&L

- Depreciation – \$40m - \$45m
(of which c.\$5m is IFRS 16 related)
- Amortisation – c.\$15m (of which majority is amortisation of acquired intangibles)
- Tax – Adjusted effective rate c.25-26%

CASH

- Net interest c. \$20m
- Capex \$40-45m

Adjusting items

\$m Expense/(Income)	FY 21	FY 22
Amortisation of intangibles arising on acquisition	16	15
Environmental provisions	5	(4)
Business transformation/other	3	5
Impairment (Goodwill/PPE)	52	126
Net P&L adjusting items*	76	142

Talc goodwill impairment \$103m

Environmental provisions lower due to discount rates

Cash component of adjusting items c. \$5m

* Impact on continuing operating profit

Tax charge

\$m	FY 21	FY 22
Adjusted tax charge	10.9	16.1
Tax charge: adjusting items	(10.5)	(8.3)
Reported tax charge	0.4	7.8
Adjusted tax rate	18.3%	20.0%

FY 23 tax guidance 25-26%



Chromium

Chromium performance

STRATEGIC SALE SUCCESSFULLY CONCLUDED

ELEMENTIS

			FY 22 vs FY 21 % Change
	FY 21	FY 22	Constant currency ¹
\$m			
Sales	171	185	+8%
Operating profit*	19	23	+25%
Operating margin*	10.9%	12.5%	



* After adjusting items ¹ Adjusted for constant currency

Note: Results shown on a continuing operations basis i.e., stranded costs removed from Chromium results.

Successful divestment of Chromium

- Enterprise value of \$170m
- Total cash proceeds of \$119m¹ to reduce debt and strengthen balance sheet resilience
- Transaction completes transition of Elementis to a pure Specialty Chemicals company
- Reduces exposure to volatile commodity markets
- Substantially reduces our GHG emissions
- Reduces capital intensity

¹ Net of transaction costs and working capital adjustments



Net debt: IFRS16 reconciliation

2022	Pre-IFRS 16 Basis	Post-IFRS 16 Basis
Bank loans and overdraft	(421.7)	(421.7)
Lease liabilities	-	(36.7)
Cash and cash equivalents	54.9	54.9
Net Debt	(366.8)	(403.5)
Adjusted operating profit on total operations	123.7	123.7
Add: Depreciation and amortisation on total operations	64.5	64.5
Less: Amortisation in adjusting items on total operations	(15.1)	(15.1)
Less: Lease payments on total operations	(7.1)	-
Adjusted EBITDA on total operations	166.0	173.1
Net Debt/EBITDA ratio	2.2x	2.3x

Note:
 1) On a pre-IFRS16 basis lease liabilities are excluded from net debt. On a post-IFRS 16 basis lease liabilities are included in net debt.
 2) On a pre-IFRS 16 basis lease rental payments are deducted in arriving at adjusted EBITDA. On a post-IFRS16 basis lease rental payments are not deducted in arriving at net debt.