BofA Global Agriculture and Materials Conference

Element Solutions Overview

February
2020

Legal Notices

SAFE HARBOR

Unless otherwise specified, the results included in this presentation exclude discontinued operations relating to the Company's former Agricultural Solutions business sold on January 31, 2019.

Please note that in this presentation, we may 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," "hope," "goal," "priority" or "guidance" and variations of such words and similar expressions, and relate in this presentation, without limitation, to the long-term secular megatrends of the Company's end-markets; outlook for its segments, end-markets and net sales; long-term growth drivers; cash flow characteristics; financial objectives, including path to compound intrinsic value, outperformance, profit margin and cash flow generation, capital allocation, net leverage ratio below 3.5x adjusted EBITDA, return of capital to shareholders through shares buybacks and/or dividends and double adjusted EPS to $1.36 from 2018 to 2023.

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 expected benefits from its cost containment and cost savings measures; business and management strategies; debt and debt leverage ratio; shares repurchases; expected returns to stockholders; and 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 peers' 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, and you are cautioned not to place undue reliance on it.

NON-GAAP FINANCIAL MEASURES

To supplement the financial measures prepared in accordance with generally accepted accounting principles in the United States ("GAAP"), the Company uses the following non-GAAP financial measures: EBITDA, adjusted EBITDA, adjusted EBITDA margin, adjusted EBITDA margin expansion, adjusted EBIT, adjusted EPS, adjusted EPS growth, normalized adjusted EPS, adjusted common shares outstanding, adjusted operating expenses; free cash flow on an adjusted basis, free cash flow, free cash flow conversion and net debt to adjusted EBITDA ratio. 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.

In addition, this presentation includes FY 2019 free cash flow information for the Company's continuing operations on an adjusted basis assuming a close of the Arysta transaction and the implementation of the Company's new capital structure on January 1, 2019. This data is provided for informational purposes only and is not necessarily, and should not be assumed to be, an indication of the results that may be achieved in the future.

Element Solutions Overview

Chemical Technology Enabling Performance & Innovation

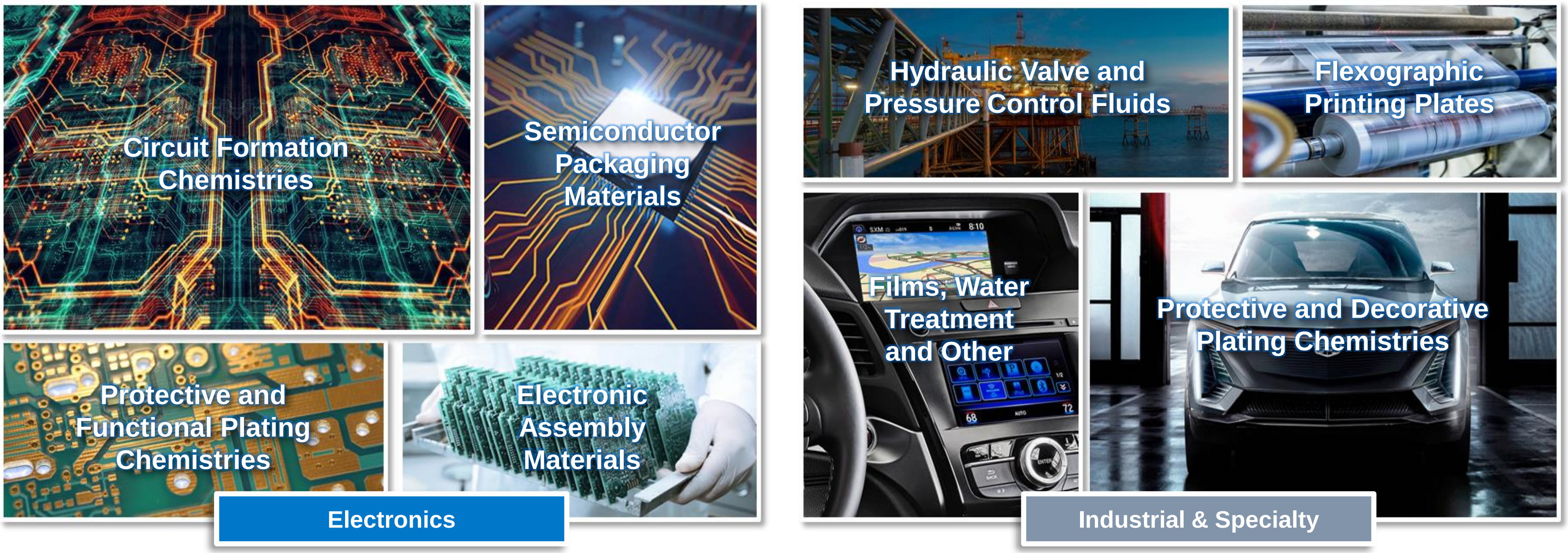
$ 1,836M 2019 Net Sales	**$ 417M** 2019 Adj. EBITDA*
$ 238M 2019 Free Cash Flow Generated[1]*	**$ 0.88** 2019 Adj. EPS*
~ 4,400 Employees	**> 50** Countries

2019 Segment Net Sales

Electronics	59%
Industrial & Specialty	41%

2019 Regional Net Sales

Americas	29%
EMEA	29%
Asia	42%



* These financial measures, on this slide and on subsequent slides, are not prepared in accordance with GAAP. For definitions, discussions of adjustments and reconciliations, please refer to the appendix of this presentation

1. Free cash flow on an adjusted basis, which excludes the impact of prior capital structure for the month of January 2019

Diversified Portfolio Across Growing End-Markets

Increasing device complexity, more demanding reliability requirements and reducing environmental impacts are long-term secular megatrends

Diverse End-Market Exposure







Automotive
~25%

Mobile Devices & Tablets
~20%

Engineering Applications
~20%

Data & Telecom Infrastructure
~15%

Other Consumer Electronics
~8%

Consumer Packaging
~8%

Offshore Exploration & Production
~4%

Sources: management estimates

Attractive Long-Term Growth Drivers

Sources: Gartner, IDC, Markets & Markets, Prismark

Auto Electronic Content

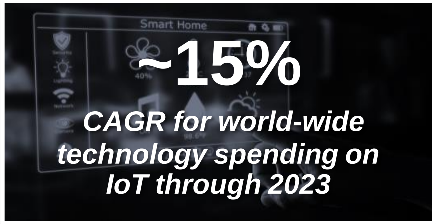
Increasing electronic content in automotive systems compounded by growth in electric vehicle markets

5G Technologies

Higher density and reliability requirements for 5G technologies in both infrastructure and mobile devices

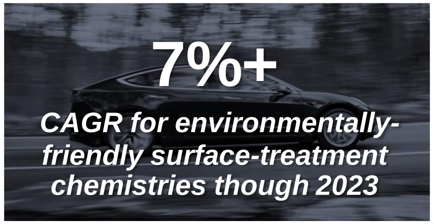
Internet of Things (IoT)

Growing focus on connectivity and the electrification of consumer goods



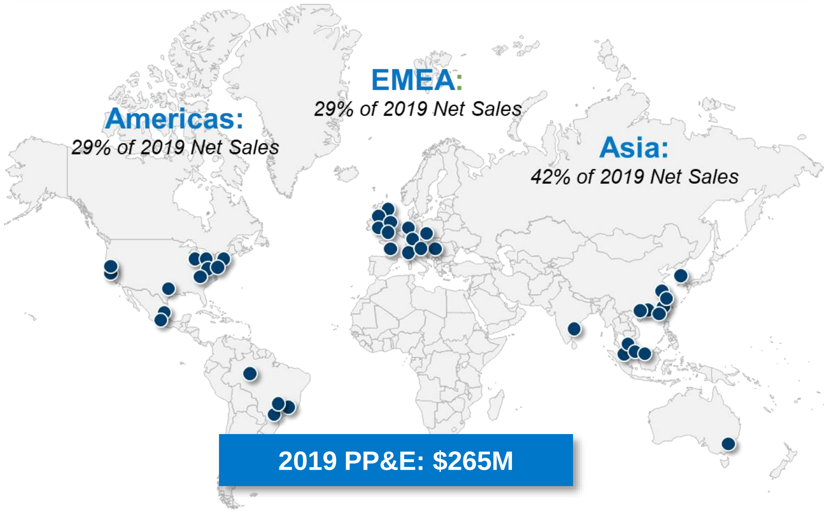
Environmental Focus

Increasing environmental standards driven by OEM supply chains



Customer-Focused, Asset-Lite and High Value-Added Model

Strategically Positioned Close to Customers



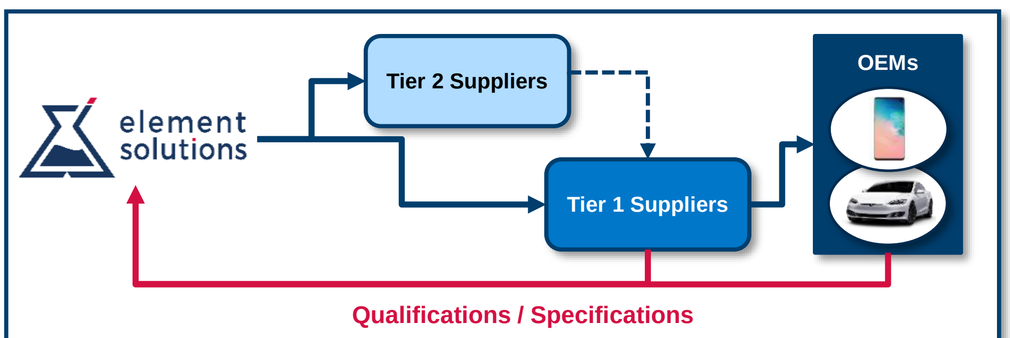
Customer-Led Innovation

Technical service teams embedded in customer facilities to ensure quality and troubleshoot; provide feedback on customer needs to inform new product development

New product development and innovation centralized with key competency centers of excellence

Formulations tested and modified locally in applications development centers around the world that replicate customer specific operating conditions

Integral to Customer Supply Chains



- People and products are embedded in customer supply chains
- Solutions represent a small portion of the total end-unit cost but essential to end product performance
- Products specified or qualified by our customers' customers

People-Intensive and Capital-Light

Formulation-Driven Manufacturing

1.6%

Capital Expenditures as a % of 2019 Net Sales

<2% of Net Sales Since Combination of MacDermid & Alent

43%

2019 Gross Margin

Consistent 40%+ Gross Margins

Innovation and Service Driven Sales

22%

Adjusted Operating Expenses as a % of 2019 Net Sales*

~40%

Of Global Workforce in Sales, Technical Service and R&D

Strong Cash Flow Characteristics

21%

2019 Adj. EBITDA less Capex as a % of 2019 Net Sales*

93%

2019 FCF Conversion[1]*

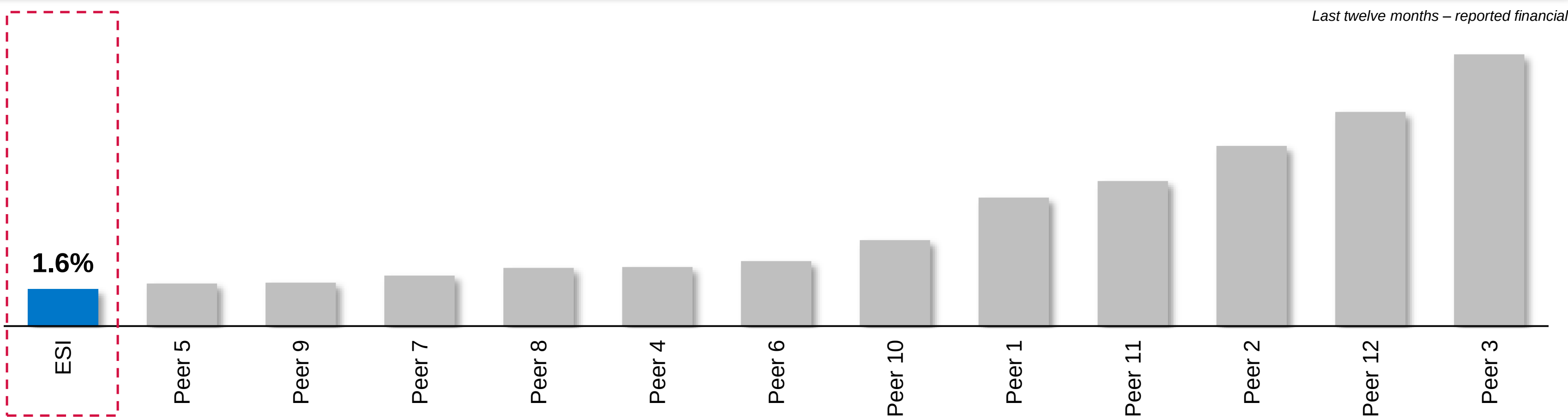
* See non-GAAP definitions and reconciliations in the appendix

1. Defined as (Adj. EBITDA less Capex) / Adj. EBITDA

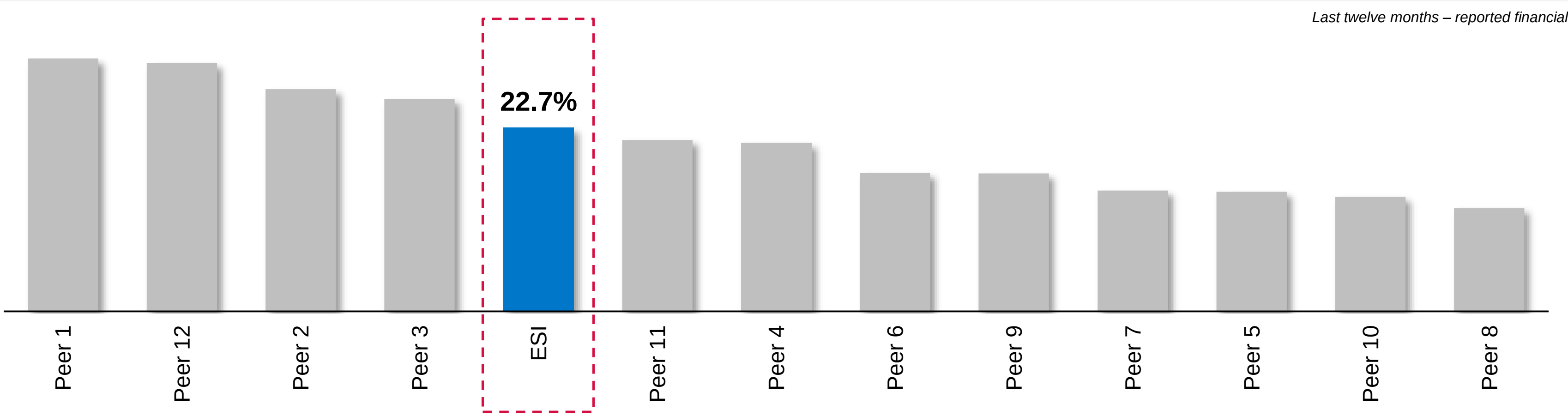
Benchmarking Element Solutions in Specialty Chemicals

Capital Intensity and Profitability

Capital Expenditures as % of Sales



Adj. EBITDA* Margin (%)



* See non-GAAP definitions and reconciliations in the appendix

Source: S&P CapIQ, peers' company filings

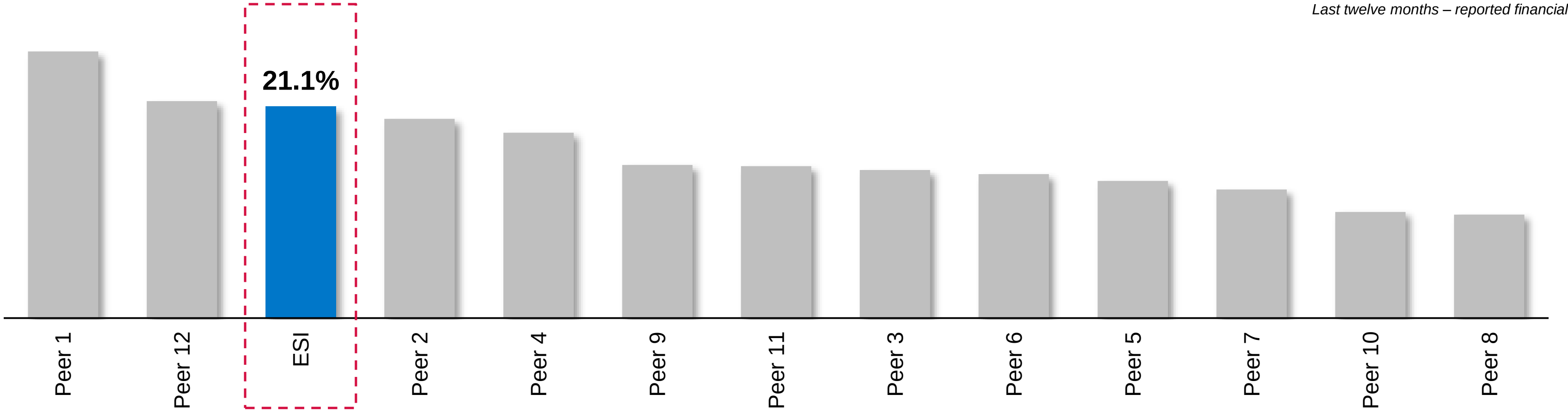
Peers include the following companies (in alphabetical order): Ashland, Avery Dennison, Axalta, Cabot Microelectronics, DuPont, Entegris, HB Fuller, Ingevity, PPG, Quaker Houghton, RPM, Sherwin Williams

Benchmarking Element Solutions in Specialty Chemicals

Cash Flow and Returns

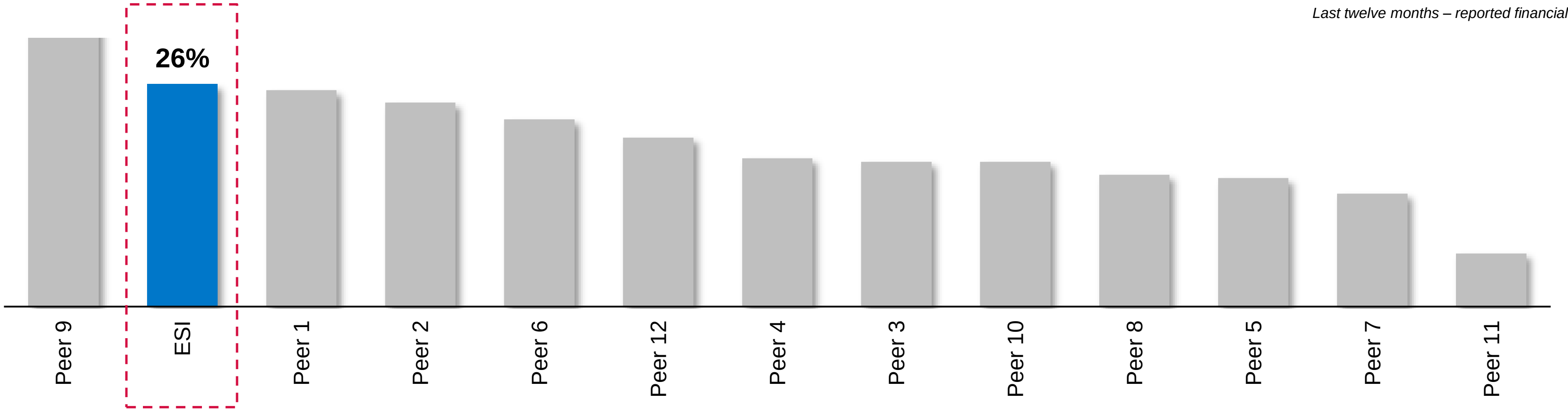
(Adj. EBITDA* – Capital Expenditures) / Sales

Last twelve months – reported financials



Adj. EBIT[1] / Tangible Assets[2] (%)

Last twelve months – reported financials



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Peers include the following companies (in alphabetical order): Ashland, Avery Dennison, Axalta, Cabot Microelectronics, DuPont, Entegris, HB Fuller, Ingevity, PPG, Quaker Houghton, RPM, Sherwin Williams

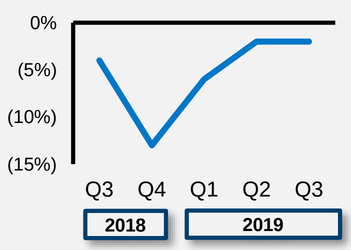
1. Defined as Adj. EBITDA less Depreciation Expense less Amortization Expense
2. Defined as Net working Capital plus Gross Property, Plant & Equipment plus Other Assets (excludes Prepaid Expenses)

2019 Performance and Financial Highlights

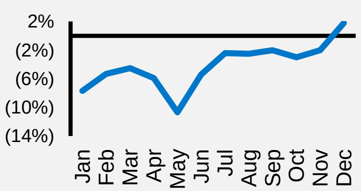
Net Sales: Outperformance in Challenging Markets

High-End Smartphones and High-End Automobiles Down Mid to High Single Digits

Mobile Phone Shipments – YoY Growth (%)



2019 Global Auto Sales – YoY Growth by Month (%)



Source: Prismark, BofAML Global Automotive Report

Outperformance

against unit growth in key end-markets

4%

Organic Net Sales Decline*

Free Cash Flow Generation

$238M

Free Cash Flow[1] Generated in 2019*

Adj. EBITDA*: Growth Through Margin Resilience

3%

Constant Currency Adj. EBITDA Growth*

~$50M *Reduction in Operating Expenses*

140bps *Constant Currency Adj. EBTDA* margin expansion*

Adj. EPS* Growth

29%

Adj. EPS Growth over 2018[2]*

* See non-GAAP definitions and reconciliations in the appendix
1. Free cash flow on an adjusted basis, which excludes the impact of prior capital structure for the month of January 2019
2. Assumes growth over 2018 normalized adj. EPS of $0.68, which is adjusted to reverse incremental depreciation expense and assumes the Company's current capital structure had been in place as of January 1, 2018

What to Expect from Element Solutions

Compound intrinsic value through strong execution across a portfolio of high-quality assets and prudent, long-term oriented capital allocation

Financial Objectives

- Outperformance relative to growth end-markets
- Solid, stable profit margins and strong cash flow generation
- Prudent capital allocation focused on core, existing business
- Net leverage ratio* below 3.5x adjusted EBITDA*
- Consistent return of capital to shareholders through share buybacks and/or dividends

Double adjusted EPS* to $1.36

from 2018 to 2023

* See non-GAAP definitions and reconciliations in the appendix

Appendix

Reconciliation to Adjusted Share Counts

(amounts in millions)	FY 2019 (Average)	FY 2018 (Average)
Basic outstanding common shares	**254**	**288**
Number of shares issuable upon conversion of PDH Common Stock	—	4
Number of shares issuable upon conversion of Series A Preferred Stock	2	2
Number of shares issuable upon vesting of granted Equity Awards[1]	3	5
Adjusted common shares outstanding	**258**	**299**

Note: Totals may not sum due to rounding

1 Equity awards with targets that are considered probable of achievement vested at target level

Net Income Attributable to Common Stockholders Reconciliation to Adj. EBITDA

($ millions)	**FY 2019**
Net income attributable to common stockholders	**$92**
Add (subtract):	
Net income attributable to the non-controlling interests	1
Income from discontinued operations, net of tax	(13)
Income tax expense	61
Interest expense, net	91
Depreciation expense	42
Amortization expense	113
EBITDA	**386**
Adjustments to reconcile to Adjusted EBITDA:	
Amortization of inventory-step-up	1
Restructuring expense	14
Acquisition and integration costs	2
Foreign exchange gain on foreign denominated external and internal long-term debt	(32)
Debt refinancing	62
Change in fair value of contingent consideration	(17)
Other, net	1
Adjusted EBITDA	**$417**

Note: Totals may not sum due to rounding

GAAP Net Income (Loss) Reconciliation to Adjusted Diluted EPS

($ millions, except per share amounts)	FY 2019	FY 2018
Net income (loss) attributable to common stockholders	**$92**	**$(324)**
Net income (loss) from discontinued operations attributable to common stockholders	13	(246)
Net income (loss) from continuing operations attributable to common stockholders	**79**	**(79)**
Reversal of amortization expense	113	112
Adjustment to reverse incremental depreciation expense from acquisitions	9	10
Amortization of inventory step-up	1	—
Adjustment to interest expense	20	—
Restructuring expense	14	6
Acquisition and Integration costs	2	12
Foreign exchange (gain) loss on foreign denominated external and internal long-term debt	(32)	6
Debt refinancing costs	62	1
Gain on sale of equity investment	—	(11)
Change in fair value of contingent consideration	(17)	(22)
Other, net	1	14
Tax effect of pre-tax non-GAAP adjustments	(47)	(44)
Adjustment to estimated effective tax rate	23	42
Adjustment to reverse attributable to certain non-controlling interests	1	1
Adjusted net income from continuing operations attributable to common stockholders	**$228**	**$49**
Adjusted earnings per share from continuing operations	**$0.88**	**$0.17**
Adjusted common shares outstanding[1]	***258***	***299***

Note: Totals may not sum due to rounding
1. See p.12 for a reconciliation to Adjusted Share Counts

Operating Expenses to Adjusted Operating Expenses Reconciliation

($ millions)	**FY 2019**
Selling, technical, general and administrative	$497
Research and development	42
Operating expenses	**539**
Amortization expense	(113)
Restructuring expense	(14)
Acquisition and integration costs	(2)
Debt refinancing costs	(1)
Change in fair value of contingent consideration	17
Other, net	(13)
Adjusted operating expenses	**$413**

Free Cash Flow to Free Cash Flow on an Adjusted Basis Reconciliation

($ millions)	FY 2019
Cash flows from operating activities	**$171**
Capital expenditures	(30)
Disposal of property, plant and equipment	5
Free cash flows	**146**
Adjustments to arrive at free cash flows on an adjusted basis:	
Interest payments – prior capital structure[1]	57
Interest payments – new capital structure[1]	(3)
Other[2]	38
Free cash flows on an adjusted basis	**$238**

Note: Totals may not sum due to rounding

1 Adjustments for 2019 interest payments to reflect the Company's new capital structure by assuming that the Arysta Sale had closed and its new credit agreement had been in place on January 1, 2019

2 Adjustment for the payment of the contingent consideration related to the MacDermid Acquisition and payment for employee expenses associated with the Arysta Sale that do not qualify for discontinued operations

Organic Net Sales Growth Reconciliation

	Twelve Months Ended December 31, 2019					
	Reported Net Sales Growth	Impact of Currency	Constant Currency	Change in Pass-Through Metals Pricing	Acquisitions	Organic Net Sales Growth
Electronics	(6)%	3%	(4)%	0%	(1)%	(4)%
Industrial & Specialty	(7)%	3%	(3)%	—%	—%	(3)%
Total	**(6)%**	**3%**	**(4)%**	**0%**	**0%**	**(4)%**

Note: Totals may not sum due to rounding or due to varying sizes of the two reportable segments

Non-GAAP Definitions

Adjusted Earnings Per Share (EPS): 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 EPS facilitates operating performance comparisons on a period-to-period basis. Adjusted EPS is defined as net (loss) income 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% and 34% for the three and twelve months ended December 31, 2019 and 2018, respectively, as described in the Release. 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 is then divided by the Company's adjusted common shares outstanding. Adjusted common shares outstanding represent the shares outstanding as of the balance sheet date for the quarter-to-date period and an average of each quarter for the year-to-date period. Adjusted common shares outstanding consists of common shares outstanding, plus the shares that would be issued if all convertible stock was 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 level and issued.

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, as described in the Release. Adjusted EBITDA for each segment also includes an allocation of 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.

Net Debt to Adjusted EBITDA ratio: Net debt to adjusted EBITDA ratio is defined as total debt (current installments of long-term debt, revolving credit facilities and long-term debt), excluding unamortized premium, discounts and debt issuance costs, which totaled $22.4 million at December 31, 2019, less cash divided by adjusted EBITDA.

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. Free cash flow on an adjusted basis adjusts one-time cash operating expenses, including for Q4 2019 YTD free cash flow, a $38 million adjustment for the MacDermid contingent consideration payment and payment for employee expenses associated with the Arysta sale that do not qualify for discontinued operations and adjustments of $54 million for 2019 interest payments to reflect the Company's new capital structure by assuming that the Arysta transaction had closed and the new credit agreement had been in place on January 1, 2019. 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.

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.

For the twelve months ended December 31, 2019, Electronics' and the Company's consolidated results were positively impacted by $7.8 million of acquisitions and negatively impacted by $1.2 million of pass-through metals pricing.