

## Our business model

Elementis is a business-to-business specialty chemicals company, offering performance driven additives for consumer and industrial applications.

### We operate globally via two focused businesses

#### Personal Care



We are a leading supplier of rheology modifiers, based on natural and synthetic ingredients, and antiperspirant actives. We offer a wide range of products to customers across personal care, home care, industrial cleaning, agriculture and pharma. Our products help make skin creams smoother, antiperspirants work longer, home care products more natural and plant protection products more efficient.



#### Performance Specialties



We supply rheology modifiers and complementary specialty additives to manufacturers of industrial coatings, decorative paints, additives for oil and gas drilling and stimulation fluids, adhesives and sealants.

Our talc grades enhance the mechanical strength of plastic parts, resulting in high-quality end products. We supply talc to customers in a wide range of sectors including automotive, plastics, paper, paint and agriculture.



## Our business model

continued

## Our competitive advantage

### Premium assets

We combine advantaged positions in hectorite and talc, with our distinctive technologies, to create value added customer solutions.

Hectorite is a natural mineral that delivers excellent rheology in both water- and oil-based systems, making it an attractive alternative to synthetic materials. It can be processed at lower temperatures, leading to lower costs and improved sustainability. It also delivers important attributes, such as excellent texture and colour for Personal Care and long term stability for Performance Specialties applications.



We use proprietary flotation technology, which enables production of talc that is consistently over 95% pure and can be customised for colour, size and shape. Our talc grades enhance the mechanical strength of plastic parts, resulting in high-quality end products. Furthermore, talc can help reduce carbon emissions by enabling lighter, thinner plastic designs that can replace metal parts, while maintaining strength.



## Engaged and skilled people with unparalleled expertise in rheology and formulation solutions

Our people are fundamental to the continued success of our business. We have a skilled and engaged global workforce, and we place great focus on recognising and valuing their contributions and the expertise they share.

~100

scientists working in seven laboratories across four continents

### Formulation solutions

We are experts at formulation solutions. This is the process of optimising formulation ingredients to achieve the desired functionality and performance of the final product. Our additives represent a small percentage of a formulation's cost, but are critical to delivering end product performance.

### Rheology

Rheology is essential to the performance of a formulation – it makes the ingredients work together. We have expertise across multiple technologies and, with our global asset footprint, we can cater to large global clients as well as smaller, but faster growing, regional players.

### Customer centric, with global reach

Our global footprint allows us to build long lasting relationships with our clients and serve them in their local markets, as well as large clients across multiple locations. Our manufacturing footprint provides flexibility and supply resilience.

17

manufacturing sites around the world

### We collaborate with our customers

We work in partnership with our customers, providing technical support and collaboration to develop innovative products, tailored to their needs and goals. We have an established global key account programme which enables us to focus on deepening our customer relationships.

### We develop innovative solutions

We are known innovators, with significant technical expertise. Leveraging our capabilities in rheology, surface chemistry and formulation, we focus on creating solutions for our customers that deliver product performance improvements, efficiency gains and enhanced sustainability credentials.

## Sustainable solutions

We have a high natural and naturally-derived material content in our product portfolio. We continue to work with suppliers and customers to further increase our use of bio-based materials, both as a direct replacement of fossil-derived petrochemicals and to create new products together. Many of our products already help our customers use less energy and their operations emit less greenhouse gas ("GHG").

# 68%

of revenues from natural or naturally-derived ingredients

## Strong cash generation

Strong cash generation enables us to invest for the long term growth, reduce financial leverage and generate returns for stakeholders.

# 77%

average three-year operating cash conversion

Our integrated business model, combined with our technology and market leading formulation capabilities and the continuous improvement focus, supports margin enhancement and drives returns. We re-invest in our business to expand our capabilities, so we can continue to meet the requirements of our customers and generate long term sustainable growth and stakeholder returns.

## How we create value

### For customers

By partnering with our customers, we can provide innovative solutions that help solve their toughest formulations challenges, and create value enhancing products.

# 28

joint development projects

[+](#) Read more about our approach to innovation on pages 16-19.

### For suppliers

By committing to driving transparency throughout our value chains and partnering with suppliers who share our commitments.

[+](#) Read more about how we work with suppliers and our approach to sustainable sourcing on pages 51-53.

### For our people

Elementis promotes a supportive culture where our people feel safe, valued and can maximise their potential.

# 3.86

mean Gallup Q12 score (out of 5)

[+](#) Read more about our people and culture on pages 45-49.

### For communities and environment

Behaving responsibly and with integrity in the communities in which we operate, and focusing on reducing the environmental impact of both our activities and our customers' products.

# 60%

reduction in absolute Scope 1 and 2 market-based GHG (vs 2019 baseline)

[+](#) Read more about our sustainability and community involvement on pages 27-44 and 50.

### For investors

We seek to generate reliable returns for our shareholders over time, through sustained earnings growth and shareholder distribution.

# 2.1 cents

dividend per share – reinstated

[+](#) Read more about our investor proposition on page 13.

### For government, trade bodies and regulators

We are committed to continuing high standards of business conduct in line with regulatory, governmental and legal expectations.

[+](#) Read more about our business conduct on pages 51-53.

[+](#) Read more about how we engage with our stakeholders on pages 26-27.