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Elementis plc
2024 Interim Results

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Agenda

Introduction and highlights
Paul Waterman

Segmental performance
Paul Waterman

Group financials
Ralph Hewins

Outlook
Paul Waterman

Q&A
Paul Waterman and Ralph Hewins

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Introduction and highlights

Paul Waterman

Confidence in achieving 2026 CMD targets

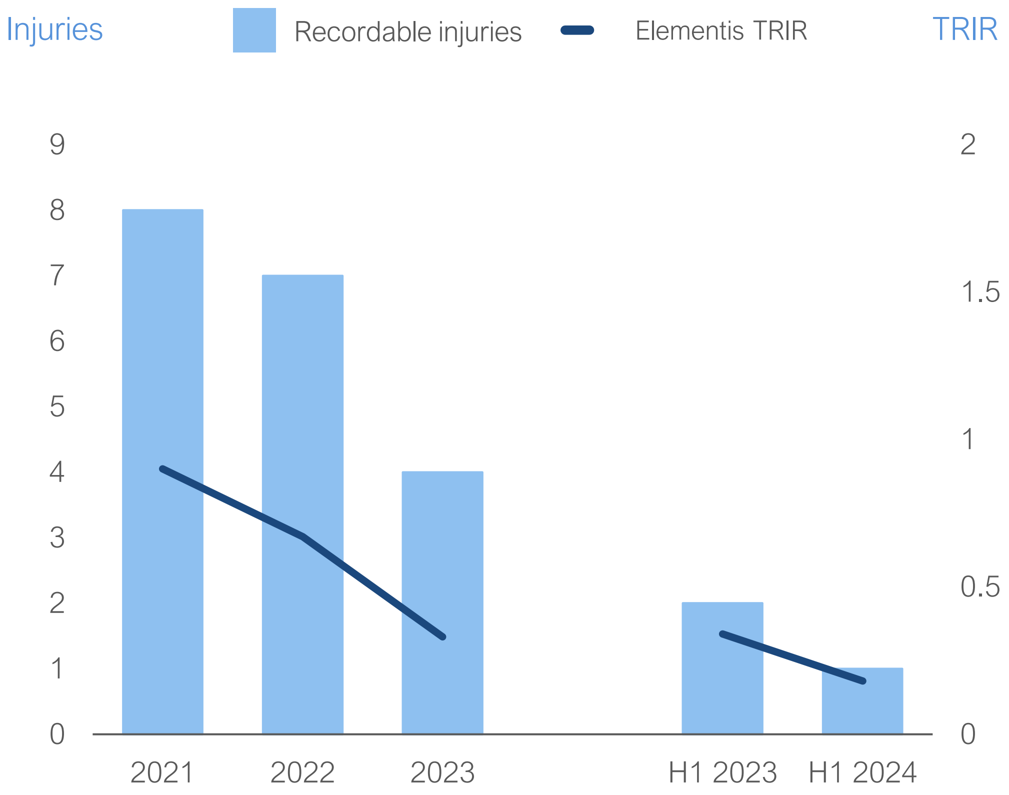
Strong first half	Revenue and earnings growth driven by Coatings and Personal Care
Growth driven by self-help actions	Above market growth despite flat demand environment Efficiency delivery accelerated
Stronger balance sheet	Net debt/EBITDA[1] of 1.3x
Strategic review of Talc	Review initiated

Good progress on financial targets

	H1 2024	2026 targets
Operating profit margin	17%	19%+
Operating cash conversion[2]	81%	>90%
Return on capital (exc. goodwill)	18%	>20%

Notes: 1. Pre IFRS-16; 2. Three-year average.

Improved safety performance



Notes: All historical data excludes Chromium. TRIR = Total Recordable Incident Rate (incidents per 200,000 hours worked).

Highlights

Performance

50% reduction in total recordable injuries

85% of plants: zero employee injuries for >1 year

60% of plants: zero injuries >3 years

Safety initiatives

Global HSE Week campaign

TogetherSAFE CEO Award

Rollout of Global HSE Management framework

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Financial Performance

Best H1 profit result since 2019

$m (unless stated otherwise)	H1 24	H1 23	% Change
Revenue	383	364	5%
Adjusted operating profit	65	53	24%
Adjusted operating margin	17.0%	14.4%	260bps
Adjusted profit before tax	50	45	12%
Adjusted diluted EPS (cents)	6.1	5.6	9%
Net debt	196	255	(23%)
Net debt to EBITDA[1]	1.3x	2.0x	
Interim dividend per share (cents)	1.1	-	

Note: Net debt/EBITDA calculated on a 12-month basis, pre IFRS 16.

Strategic progress

Continued H1 progress supports delivery of CMD objectives

Innovation

15 new products to launch in 2024, 9 launched in H1

15% revenues from innovation sales

69% revenues from natural or naturally-derived products[1]

Growth

On track for $20m-$25m above market revenue growth in 2024

$29m new business won

26% growth in Asia revenues

Efficiency

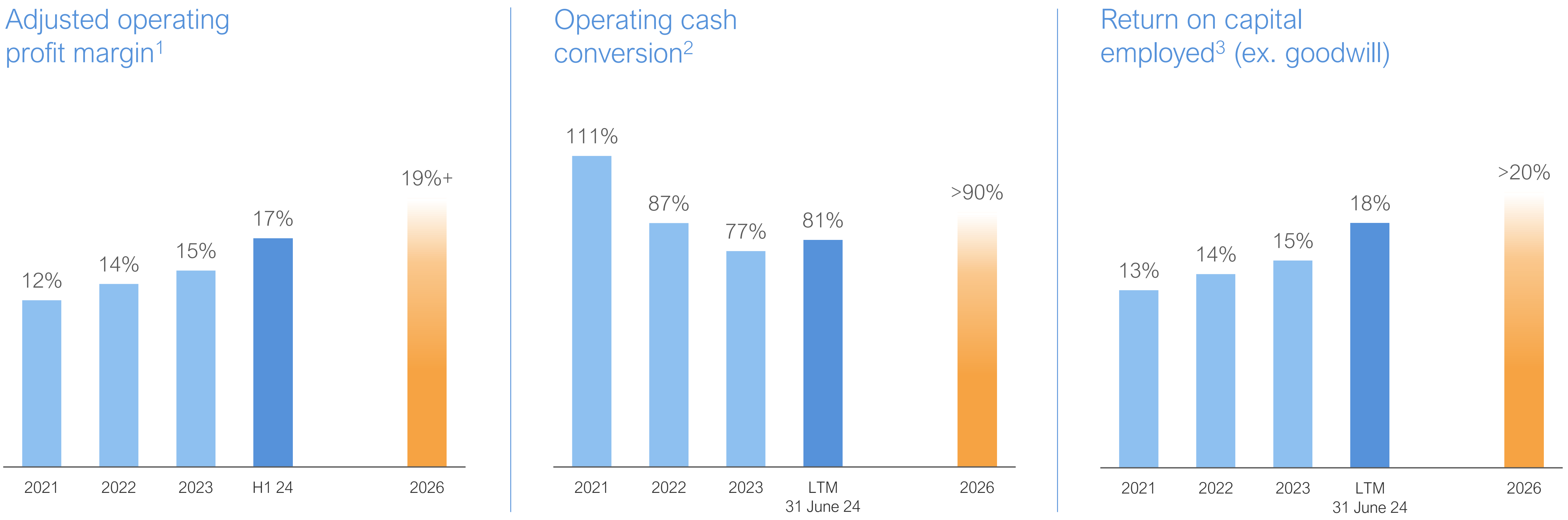
$15m annual cost savings expected in 2024

Fit for the future restructuring ahead of plan

US Antiperspirant Actives Middletown plant closed

Note: 1. Natural and naturally-derived products, as defined in ISO 16128.

2026 financial targets on track



Notes: 1. 2021-2023 operating margin presented on continuing basis, excluding Chromium business and associated stranded costs.
2. Target is a three-year average. Calculated as (adjusted EBITDA – capex – working capital change) / adjusted operating profit.
3. 2026 ROCE target including goodwill of >12%, H1 2024 of 10% including goodwill.

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Segmental performance

Paul Waterman

Personal care

Personal Care performance

Expanded capabilities driving momentum and creating higher quality business

$m	H1 2024	H1 2023	Change (constant currency)
Revenue	115	112	2%
Operating profit[1]	34	27	22%
Operating margin[1]	29.3%	24.5%	

Note: 1. After adjusting items.

- >$10m of higher value new business
- Route to market optimisation
- Self-help cost and price management

Personal care

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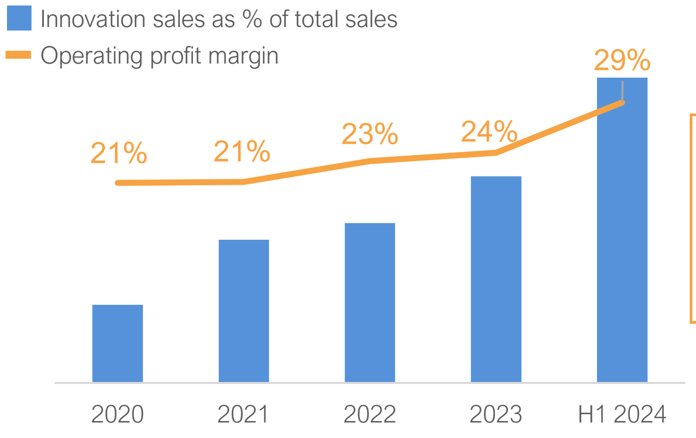
Personal Care strategic progress

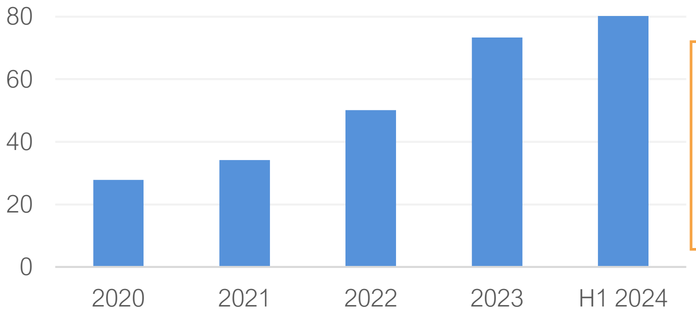
Higher quality business, now 45% of Elementis' profits

Innovation leading to higher quality business…



29
new products since 2020

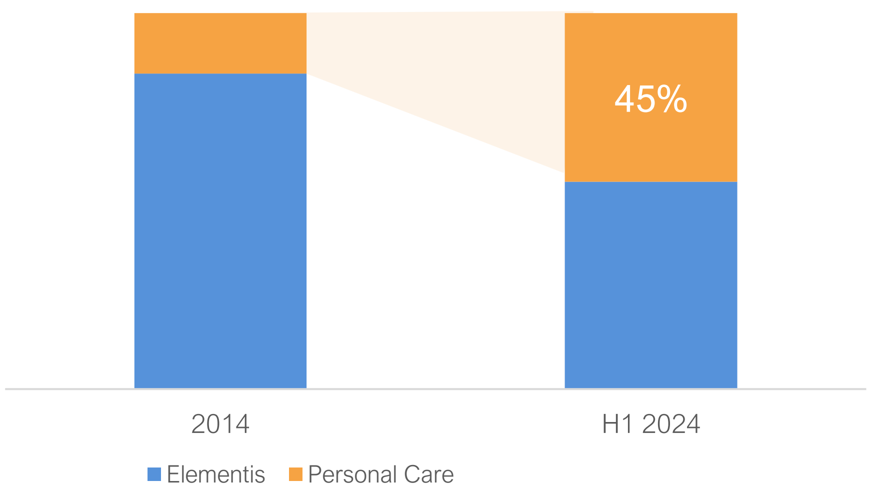
…and fuelling NBO pipeline…



$81m
record NBO pipeline

…creating Personal Care business of scale

Personal Care proportion of Group's operating profit[1]



Unique chemistry, sustainable solutions

Note: 1. Pre Group central costs.

Personal care

Personal Care growth platforms

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	2026 CMD target	Opportunity	Key deliverables by 2026
Colour cosmetics 	Add $10m above market revenue	Skinification, individualization, speed-to-market Enter $40m makeup film-former market	Launch 8 new products Expand Asia direct customer relationships
Skin care 	Grow at 2-3x market	Natural solutions to replace synthetic (c.$0.5bn addressable market by 2026) Enter $80m sun care film-former market	Launch 7 new products, including sun care biodegradable film former Expand hectorite natural active applications
Antiperspirants 	MSD[1] revenue growth and margin expansion	High efficacy anti-perspirant actives Enter $80m deodorant active segment Manufacturing consolidation for lowest costs	Launch 5 new products, including new high efficacy deodorant active Complete plant consolidation

Personal Care contribution to $90m growth target

Note: 1. Mid-single digit.

Personal care

Skin Care

Growth platform: H1 progress

Bentone Hydroluxe™ 360

All-in-one hectorite based solution for suspension and stability challenges in natural formulations

100% naturally derived

Launched April 2024, >700 samples sent

First launch out of planned Hydroluxe series

Increase share in fast growing $200m natural rheology market

100% NATURAL | CHINA CONFORM | SUSTAINABLE PALM | VEGAN | WWW.NATRUE.ORG

Unique chemistry, sustainable solutions

Personal care

Colour Cosmetics

Growth platform: H1 progress

Expanded capabilities leading to >30% revenue growth in Asia

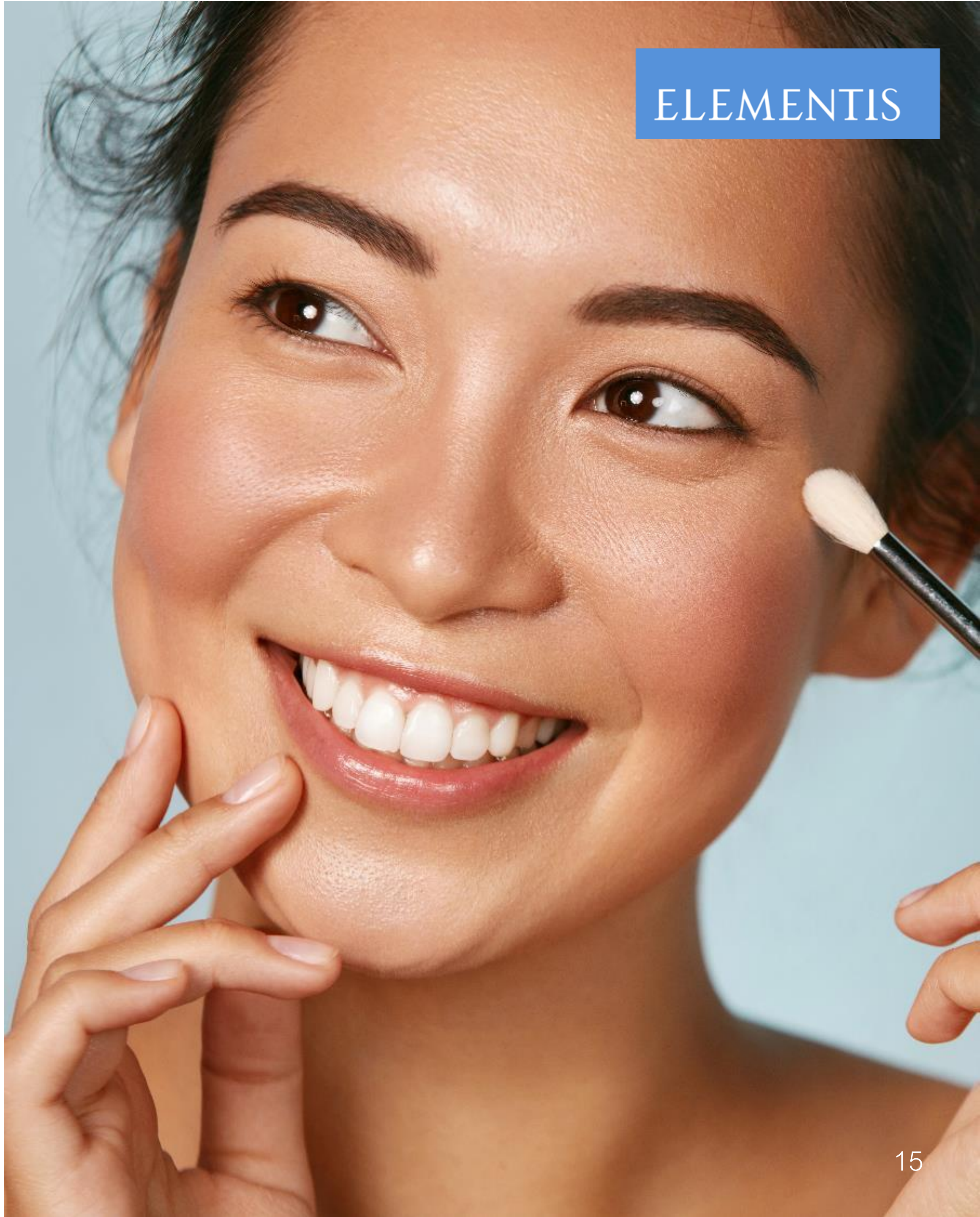
Strong growth in China and other Asian markets e.g. Korea, Taiwan and Japan

Route to market changes leading to direct relationships with fast growing local companies

Fast growing sales to Chinese exporters

Two new customised Bentone Gel product launches

Marketing and technology headcount doubled in last 3 years will continue adding resources to support future growth



Personal care

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Antiperspirants

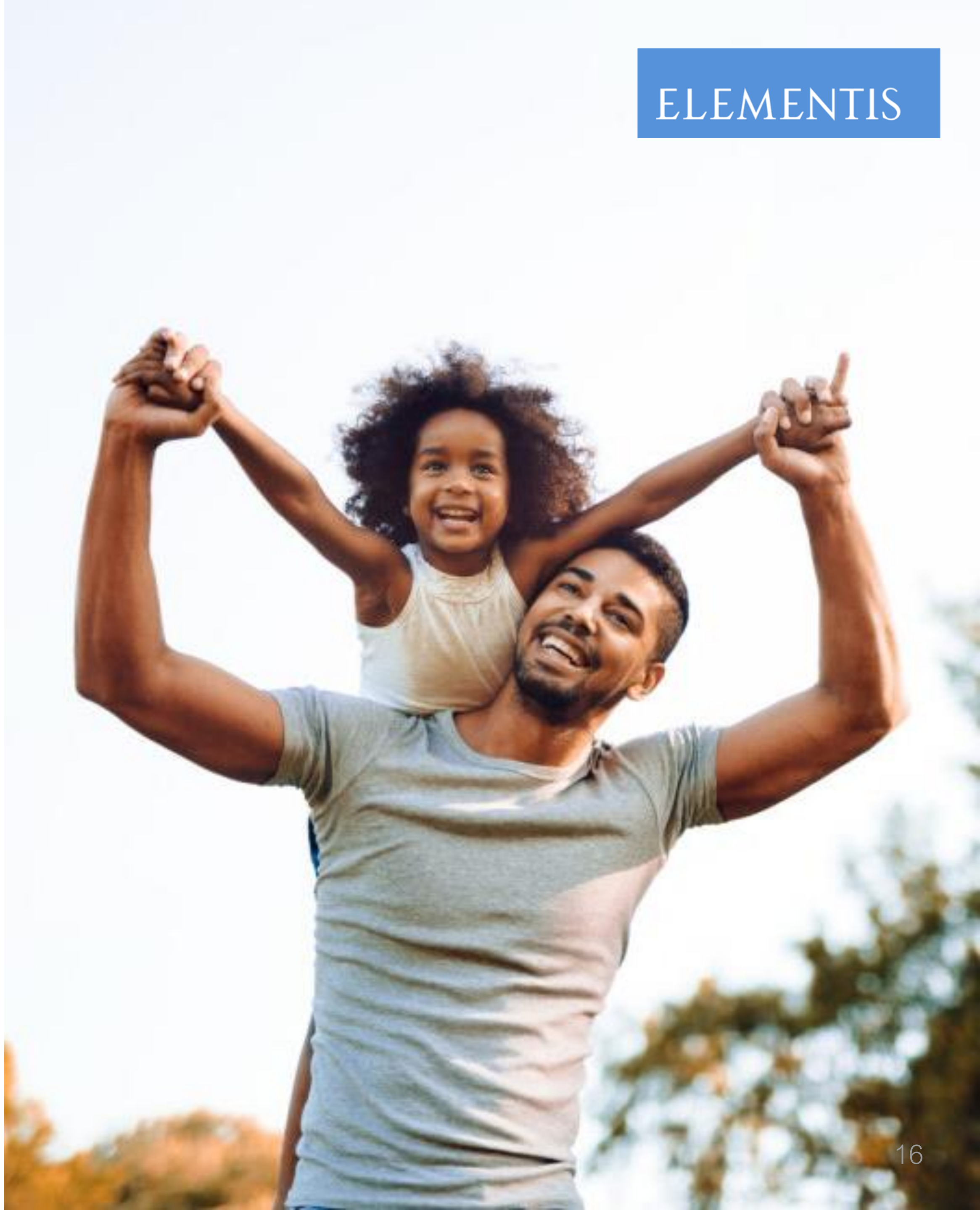
Growth platform: H1 progress

16% revenue growth for high-efficacy products

Growth driven by high-efficacy antiperspirant actives allowing 72 to 96 hours claims

Launched a new active, with improved sustainability profile (using waste aluminium)

Patent pending deodorant active offering sweat reduction benefit ($80m market)



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Performance Specialties

Coatings improvement offset challenging Talc performance

$m	H1 2024	H1 2023	Change (constant currency)
Revenue	268	252	6%
Operating profit[1]	42	34	22%
Operating margin[1]	15.5%	13.7%	

Note: 1. After adjusting items.

Much improved Coatings financial performance

Improved volumes and mix driving higher margin

$19m of new business

Coatings

Coatings performance

Higher quality business, some restocking despite continued weak demand environment

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$m	H1 2024	H1 2023	Change (constant currency)
Revenue	200	181	10%
Operating profit[1]	38	25	52%
Operating margin[1]	19.3%	14.0%	

Note: 1. After adjusting items.

Revenue growth supported by growth platforms, modest restocking

Profit growth driven by improved mix and cost management

Margin improvement reflects self-help actions and better product mix

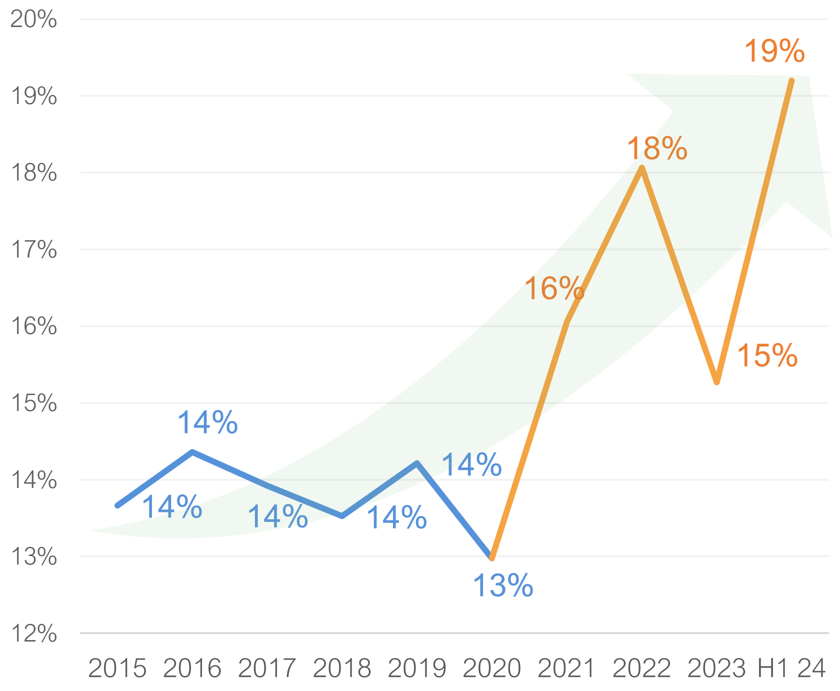
Coatings

Coatings performance

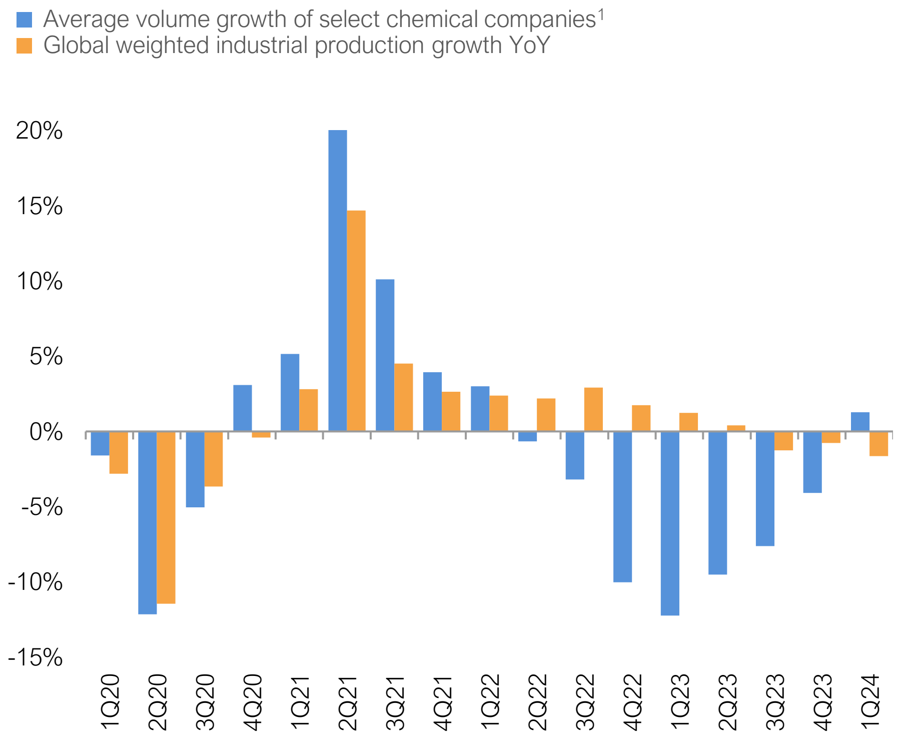
Higher quality portfolio, new business and cost efficiencies

Significant margin improvement…

Operating profit margin (Coatings and Energy)



…despite continued weak demand environment



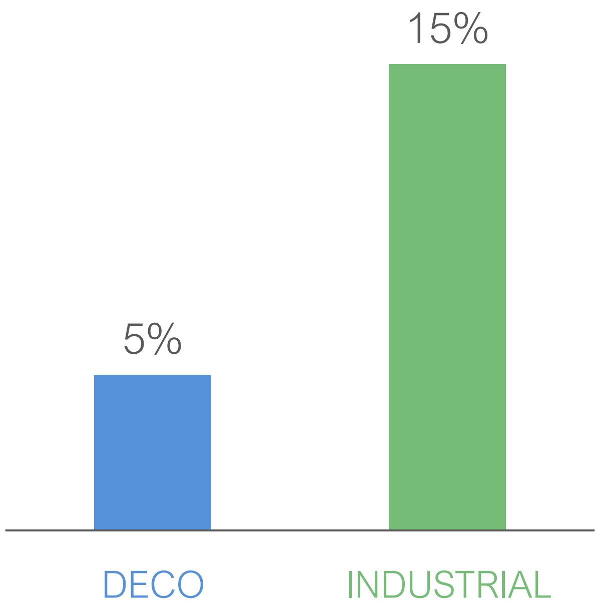
Source: JP Morgan.
Note: 1. Includes BASF, Clariant, Lanxess, Arkema, DSM, Covestro, Evonik, Solvay, Wacker (chemicals only).

Coatings

Coatings performance

More normalised volumes post destocking, but demand remains subdued

Sector Growth



Regional Growth

AMERICAS

+8%

EUROPE

+7%

ASIA

+25%

Global key accounts: +1%

Note: Data presented on constant currency sales growth basis, excluding energy business.

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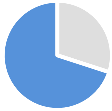
Performance Specialties growth platforms

	2026 CMD target	Opportunity	Key deliverables by 2026
 Architectural Coatings	Grow at 2x market	Penetrate Asian premium architectural market (>$300m market) Capture demand for sustainable ingredients	Asia supply from China NiSAT footprint Global launch of biobased and powdered NiSAT range
 Industrial Coatings	Add $30m incremental revenue	Enter fast-growing powder coatings market ($200m market) Leverage rheology leadership to grow share of wallet for industrial dispersants and defoamers (c.$1bn market)	Launch hectorite and organic thixotropes line for powder-coatings Portugal and China in-house application capabilities
 Adhesives, sealants & construction additives	Double market share	Hectorite for tile mortars ($100m opportunity) - 4X more efficient than bentonite Access clear-sealant market ($150m)	Launch 6 new products including clear sealant additive and hectorite blends for open time extenders Build out global distribution network
 Talc	Add $15m above market revenue	Penetrate high-end long-life plastics market ($20m opportunity) Increase technical ceramics share of wallet from current base	Launch tailored plastics grade to extend high end performance range Technical approval and sales ramp up with leading global and regional players

Performance Specialties contribution to $90m growth target



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Architectural Coatings

Growth platform: H1 progress

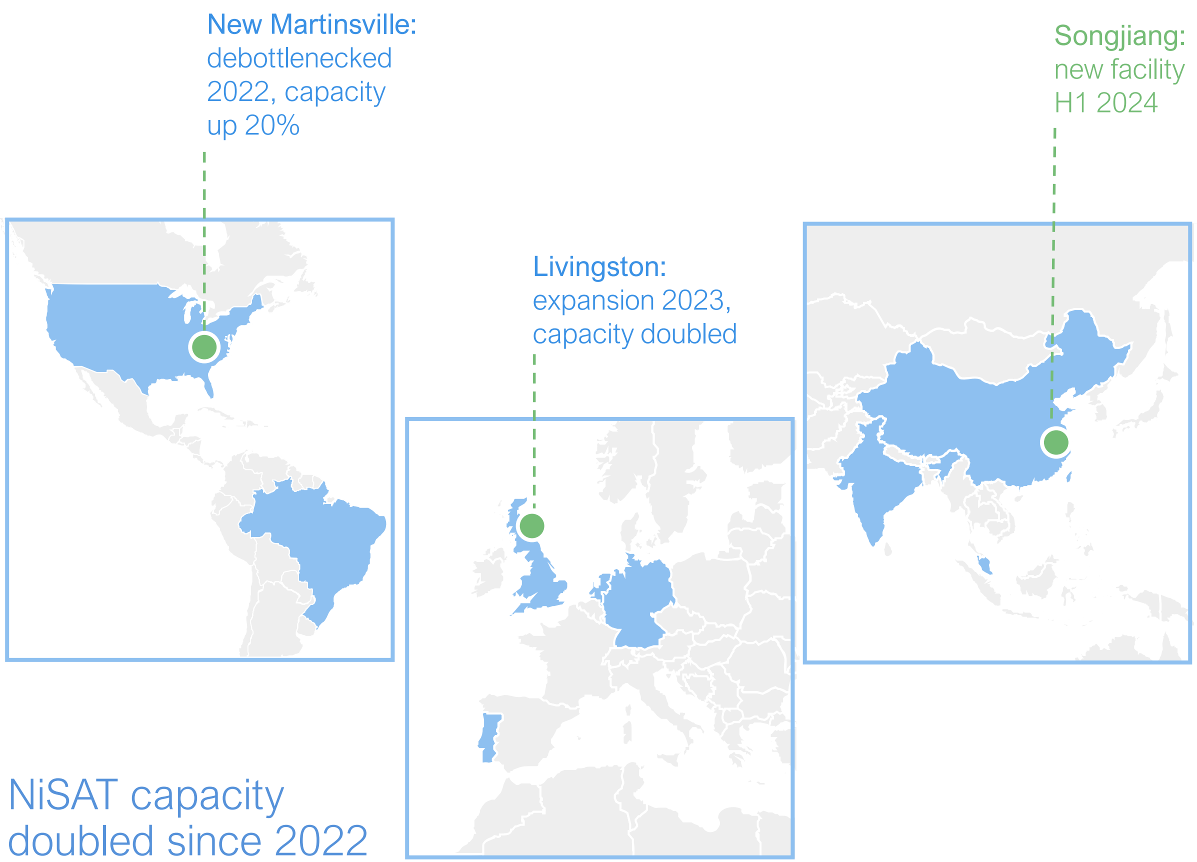
New state-of-the art China NiSAT[1] facility

Accessing growing Asian architectural market with new production site

Premiumisation of paint driving demand for NiSAT high-end rheology modifiers

H1 delivered 35% growth in Asia architectural coatings and $29m new business opportunity pipeline

17 Asian countries delivered locally, supported by in-region labs and distribution



NiSAT capacity doubled since 2022

Note: 1. Non-ionic synthetic associated thickeners represent an advanced technology and are designed to give superior rheological characteristics.

Coatings

Industrial Coatings

Growth platform: H1 progress

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Entering $200m fast-growth powder coatings market

Top paint producers announced >$100m investments into powder coatings

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Hectorite sustainability and durability benefits validated by leading players:

- Desired texture effects allowing to substitute PFAS[1]
- Enhancing edge coverage for more durable coatings

Collaborating with >30 customers to expand client base

Note: 1. Per- and polyfluoroalkyl substances are synthetic chemicals, increasingly detected as environmental pollutants and some are linked to negative effects on human health.

Unique chemistry, sustainable solutions

Coatings

Adhesives, sealants and construction additives

Growth platform: H1 progress

Penetrating $700m market through premium castor-based rheology

Elementis' Thixatrol range delivering sustainability and performance benefits over fumed silica:

- 50% increase in direct buying customers in H1
- Up to 80% in-process energy savings for customers switching to our technology

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Set up dedicated sales and technical teams globally to accelerate penetration

Talc

Talc performance

Challenging first half

$m	H1 2024	H1 2023	Change (constant currency)
Revenue	68	71	(4%)
Operating profit[1]	3	9	(65%)
Operating margin[1]	4.5%	12.7%	

Note: 1. After adjusting items.

March/April Finnish union strike shut down country

- Paper segment revenues lost
- Operational costs increased

Near-term demand remains weak

Strategic review initiated

Talc

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Talc

Strong business fundamentals, compelling medium-term growth opportunities

Strong business fundamentals

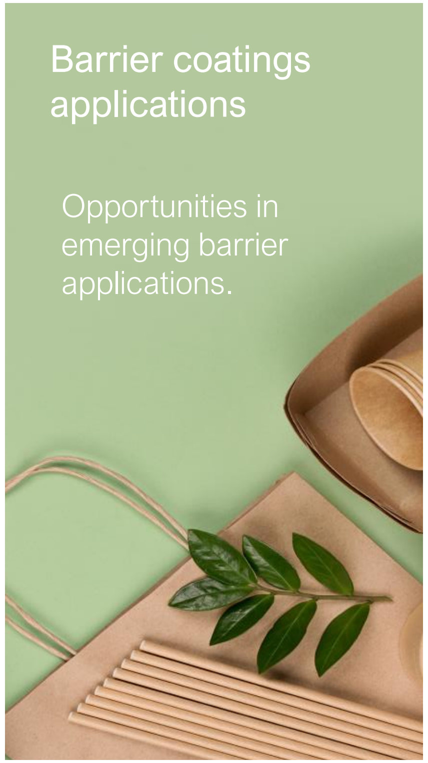
- High-quality mine-to-market operating model
- Unique floatation process delivering consistent high grade for customer specification
- Quality material used in higher-margin applications

Vehicle lightweighting

New launch in the Finntalc K-line, boosting plastic strength by up to 20%[1].

Technical ceramics share gains

Highly engineered talc enhancing ceramic's thermal stability.



Barrier coatings applications

Opportunities in emerging barrier applications.

Note: 1. Elementis insight.

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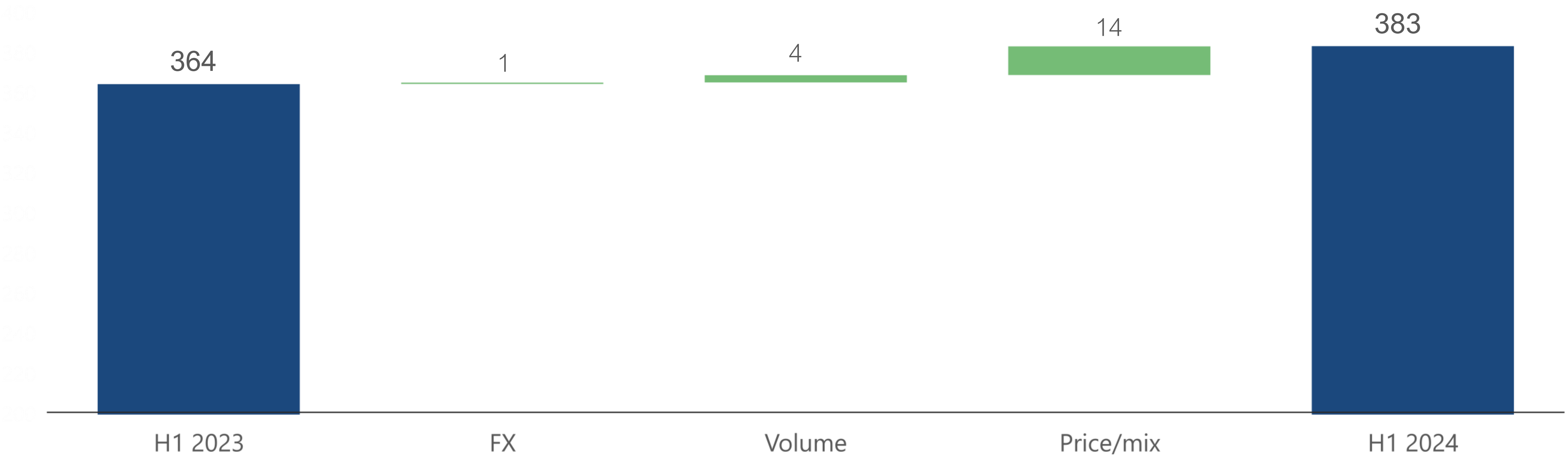
Group financials

Ralph Hewins, CFO

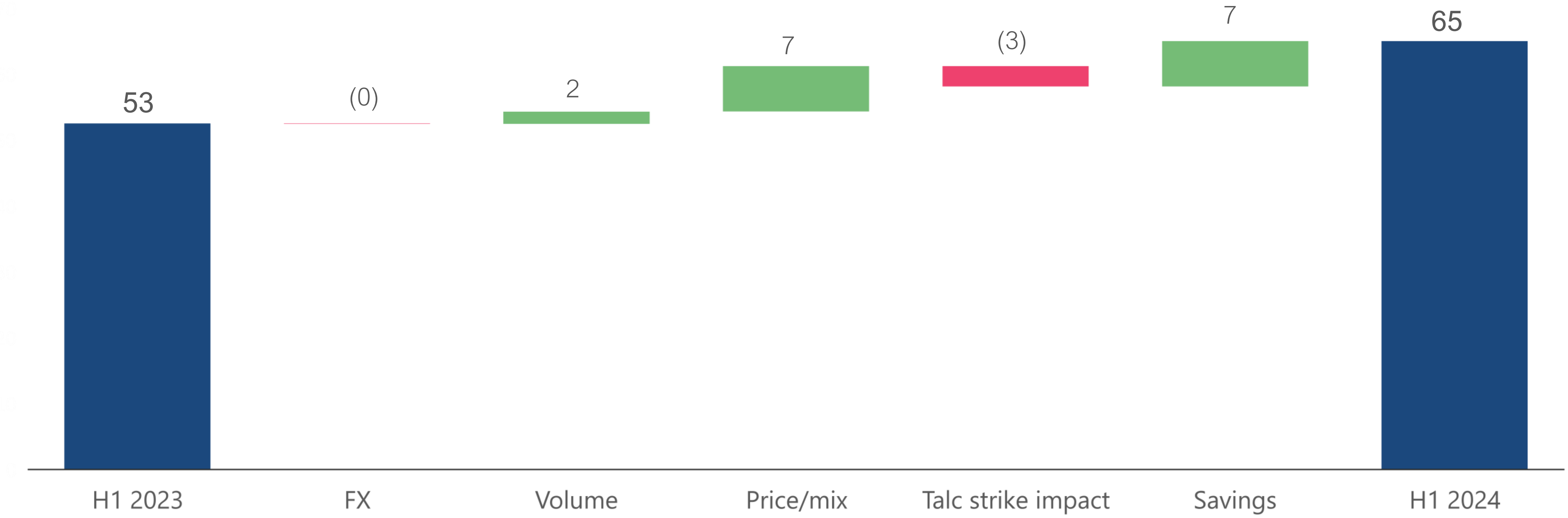
Group revenue ($m)

Improved mix and volume benefit



Group operating profit ($m)

Strong growth, supported by self-help actions



Note: Totals may not cast due to rounding.

Cash flow

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$m	H1 24	H1 23
EBITDA	85	74
Change in working capital	(21)	(46)
Capital expenditure	(17)	(14)
Operating Cash Flow	**48**	**14**
Pensions	(0)	(1)
Interest	(14)	(11)
Tax related payments	(8)	(11)
Adjusting items	(12)	-
Other	2	(1)
Free Cash Flow	**15**	**(12)**
Acquisitions and disposals	-	139
Dividends	(12)	-
Currency fluctuations	2	(4)
Discontinued operations	-	(12)
Net Cash Flow	**6**	**111**
Net debt	196	255
Net debt/EBITDA[1]	**1.3x**	**2.0x**

Working capital outflow driven by normal seasonality

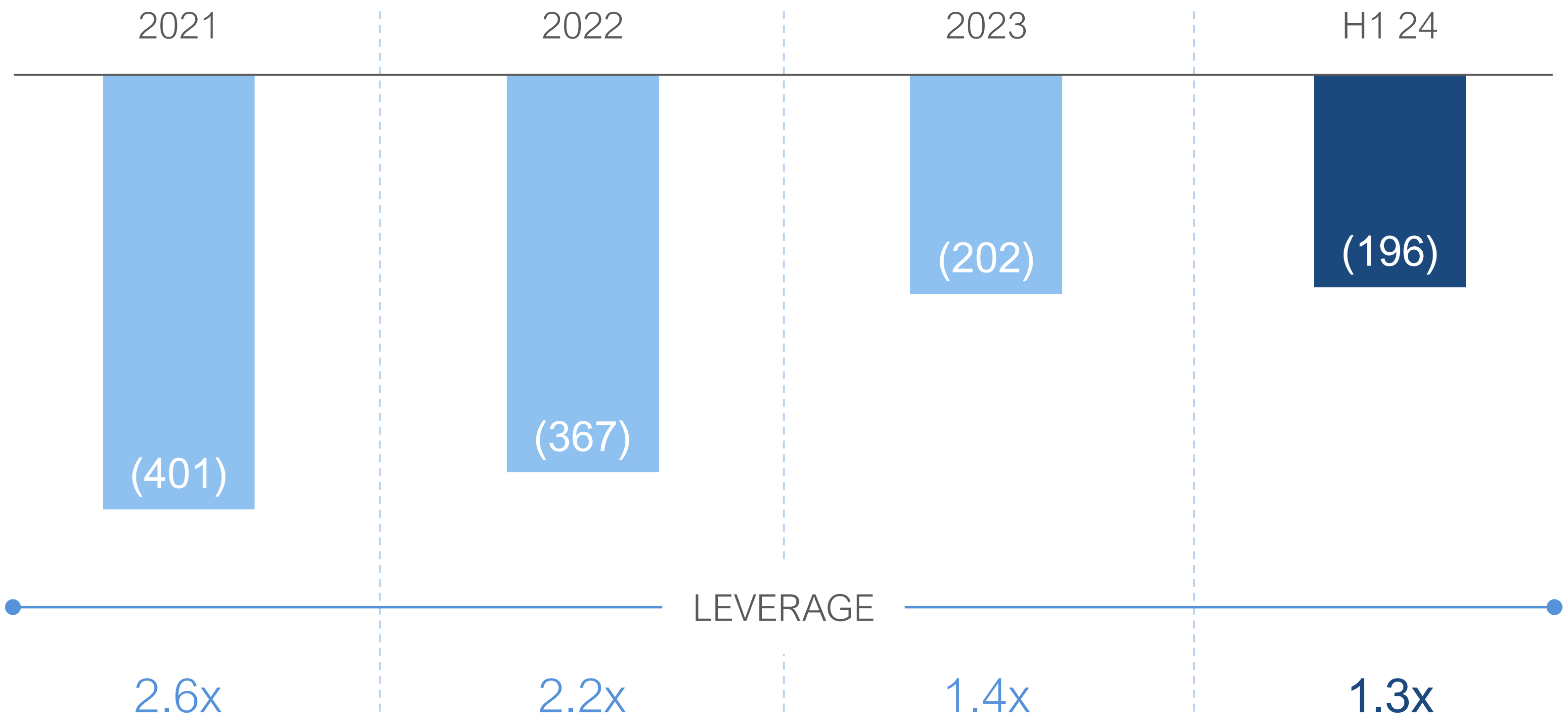
Capex on track for $40m

Net debt $59m below H1 2023

Notes: 1. Based on last twelve months adjusted pro forma EBITDA excl. IFRS 16. Table may not cast due to rounding.

Strong balance sheet

Net debt to EBITDA evolution ($m)[1]



Completed RCF refinance in H1

On track for further deleveraging at year end

Note: 1. Excluding finance leases on a pre IFRS 16 basis.

Disciplined capital allocation

Priorities for sustainable growth and shareholder returns

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Organic growth	Capex c.$40m p.a.	Focus on growth and productivity
Progressive dividend	Dividend payments reinstated in 2023	2024 interim dividend of 1.1 cents
Additional returns	Continued deleveraging	Potential for additional shareholder returns

Efficiency: faster delivery of $30m cost savings

	2024	2025
November 2023 CMD	$12m	$18m
H1 2024	$15m	$15m

Fit for the future restructuring

Ahead of plan, expected to deliver $8m in 2024

Actions	Progress	Target
Optimising structure	Simpler and more efficient structure 40% redundancies completed	$20m annual savings by 2025
Elementis Porto	New R&D and support centre in Porto Recruitment 90% complete	
Outsourcing and global process efficiency	On track for moving c.20 transactional roles to India	

Implementation 'health' metrics continue to be positive:

Voluntary attrition	Employee engagement	Knowledge transfer	Gender diversity

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Global Supply Chain and Procurement

Ahead of plan, expected to deliver $7m in 2024

Actions	Progress / Opportunity	Target
Supply chain improvements	Plant consolidation: USA AP Actives plant closed in June Continuous improvement: >90 projects, >$1m savings in H1 Process debottlenecking Kaizens at key manufacturing locations	$10m annual savings by 2025
Procurement	75% of direct spend renegotiated over last 12 months Consolidated ~$200m indirect spend to better leverage scale and discipline New digital Vendor Management system by Q3	

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Outlook

Paul Waterman

Outlook

H1 results driven by self-help actions	One-off restocking benefit will not recur
Stable macro environment	No demand acceleration assumed
Growth platforms	$348m NBO pipeline 15 new products
Efficiency programmes	Progressing faster than expected

Confidence in achieving 2026 CMD targets

Q&A

Appendices

Business model and differentiators

FY 2024 technical guidance

Adjusting items

Net debt: IFRS 16 reconciliation

Business model and differentiators

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Business model

- Two focused businesses
- Integrated model
- Customer centric and innovation focus
- Sustainable solutions
- Strong cash generation

Differentiators

Formulation expertise

Holistic optimisation of formulation to achieve desired functionality and end product performance

Rheology

Critical to end product performance - makes ingredients work together

Hectorite

Natural white clay mineral, with superior rheology in water and oil-based systems

Tax charge and 2024 technical guidance

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Tax charge

$m	H1 24	H1 23
Adjusted tax charge	14	12
Tax charge: adjusting items	(2)	(3)
Reported tax charge	11	9
Adjusted tax rate[1]	27%	26%

Notes: Totals may not cast due to rounding.
1. Impact on continuing operating profit.
2. Excludes Other Expenses of c.$2m (2023 and 2024) related to pension administration costs.

2024 technical guidance

P&L items

Depreciation of c.$40m (of which c.$5m is IFRS 16 related)

Amortisation of c.$10m (of which majority relates to acquired intangibles)

Net finance costs[2] of c.$27m (2023: $17m)

Adjusted effective tax rate of c.27%

Cash

Interest of c.$22m (2023: $18m)

Capex of c.$40m (2023: $38m)

Adjusting items

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$m Expense/(income)	H1 24	H1 23
Amortisation of intangibles arising on acquisition	7	7
Environmental provisions	(1)	-
Business transformation/other	2	1
Settlement of Brazil customs case	3	-
Impairment of assets	66	-
Net P&L adjusting items[1]	**76**	**9**

Note: 1. Impact on continuing operating profit. Totals may not cast due to rounding.

H1 2024 cash component of adjusting items of c.$12m (H1 2023: $1m)

Talc impairment $66m

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