



ELEMENTIS

# CAPITAL MARKETS DAY 2016

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November 14 2016 | London

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**November 2016**

# WELCOME

**Andrew Duff**  
Chairman

<b>WELCOME</b>	Andrew Duff
<b>INTRODUCTION</b>	Paul Waterman
<b>ELEMENTIS TODAY</b>	Ralph Hewins
<b>HOW WILL WE REIGNITE GROWTH?</b>	Paul Waterman & team
<b>WHAT DOES IT MEAN FOR INVESTORS?</b>	Ralph Hewins
<b>CLOSING</b>	Paul Waterman
<b>Q&amp;A</b>	Panel

# ELEMENTIS PRESENTERS

ELEMENTIS



**Andrew Duff**  
Chairman



**Paul Waterman**  
Chief Executive Officer



**Ralph Hewins**  
Chief Financial Officer



**David Brown**  
VP Coatings Americas



**Luc van Ravenstein**  
VP Personal Care



**Rob Mangold**  
VP Global Supply Chain  
and Manufacturing



**Dr Kenneth Smith**  
VP Global R&D

# INTRODUCTION

**Paul Waterman**

Chief Executive Officer

## STRENGTHS

Dedicated employees	Strong China position
Customer focussed culture	Growing personal care business
Distinctive technology	High quality business

## OPPORTUNITIES

Some cyclical exposure	Focus on fewer, but more material growth opportunities
Some disadvantaged assets	Structure & systematic processes to embed high performance culture

# ELEMENTIS TODAY

**Ralph Hewins**  
Chief Financial Officer



REVENUE  
**\$0.7bn**

**1,400**  
EMPLOYEES

GLOBAL MANUFACTURING FOOTPRINT ON  
**4** CONTINENTS WITH **18** SITES

**3** SEGMENTS:

- SPECIALTY PRODUCTS
- CHROMIUM
- SURFACTANTS



**3** SPECIALTY PRODUCTS BUSINESS AREAS:

- COATINGS
- PERSONAL CARE
- ENERGY

# ELEMENTIS OVERVIEW

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	REVENUE CONTRIBUTION		MARKET POSITION	KEY DIFFERENTIATORS / USPs	END MARKET	GROWTH
	2011	2015				
<b>SPECIALTY PRODUCTS</b>	59%	67%	Organoclay leader Distinctive deco technology Close to key markets	Rheology Modifier leader Unique hectorite mine Organoclay platform	Coatings demand Personal care growth Drilling activity	GDP ++
<b>CHROMIUM</b>	29%	25%	#1 in US <10% ROW Strong margin acid & oxide business	Only US producer of Chromium chemicals Unique delivery system	Autos Aerospace Construction	GDP
<b>SURFACTANTS</b>	12%	8%	One asset <1% share	Niche sectors Customisable volumes	Construction Textile Household	GDP

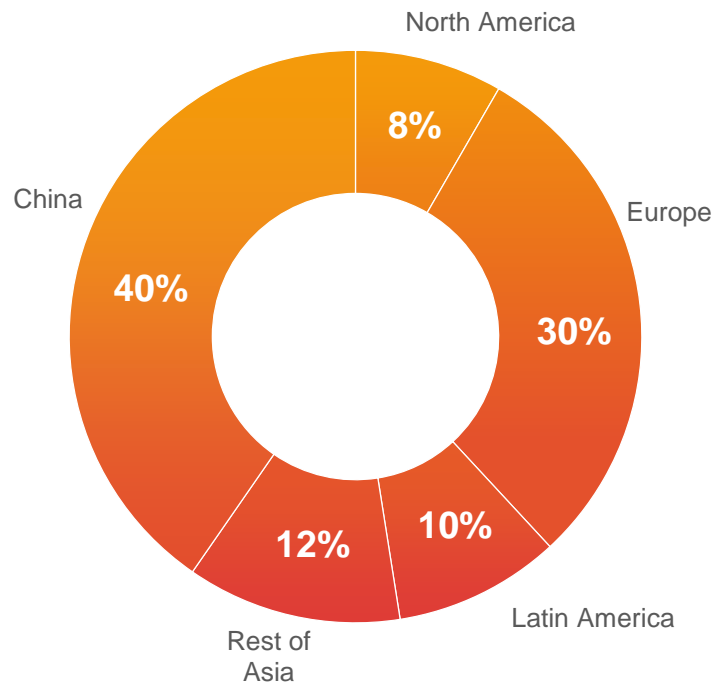
## WHAT WE DO IN CHROMIUM

A full range of Chromium chemicals for diverse applications

Building block	Products	Applications
Dichromate	Chrome Oxide	<ul style="list-style-type: none"> <li>• Coatings</li> <li>• Refractory</li> <li>• Chrome Metal</li> </ul>
	Chromic Acid	<ul style="list-style-type: none"> <li>• Timber Treatment</li> <li>• Metal Plating</li> </ul>
	Chrome Sulphate	<ul style="list-style-type: none"> <li>• Leather Tanning</li> </ul>
	Dichromate	<ul style="list-style-type: none"> <li>• Pigment</li> <li>• Catalyst</li> <li>• Merchant</li> </ul>

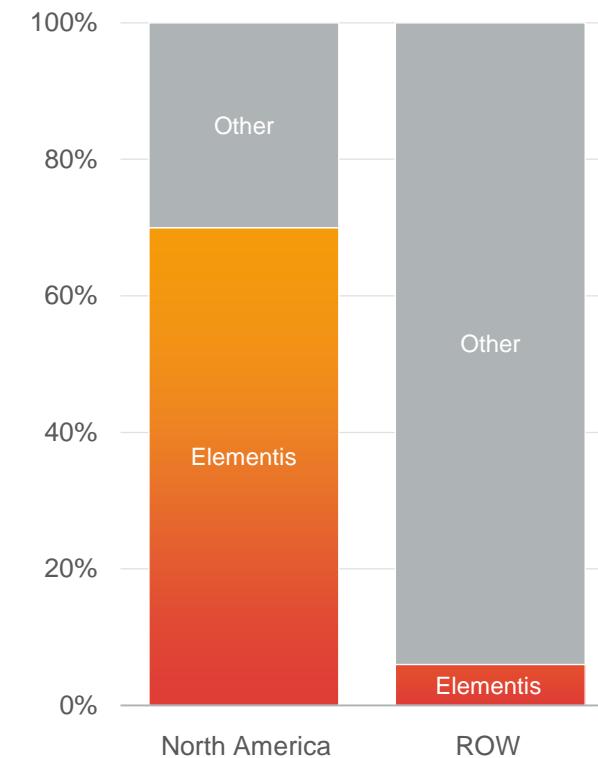
**BESPOKE DELIVERY SOLUTIONS**

## GLOBAL CHROMIUM CHEMICALS MARKET (KT)



Source: Elementis

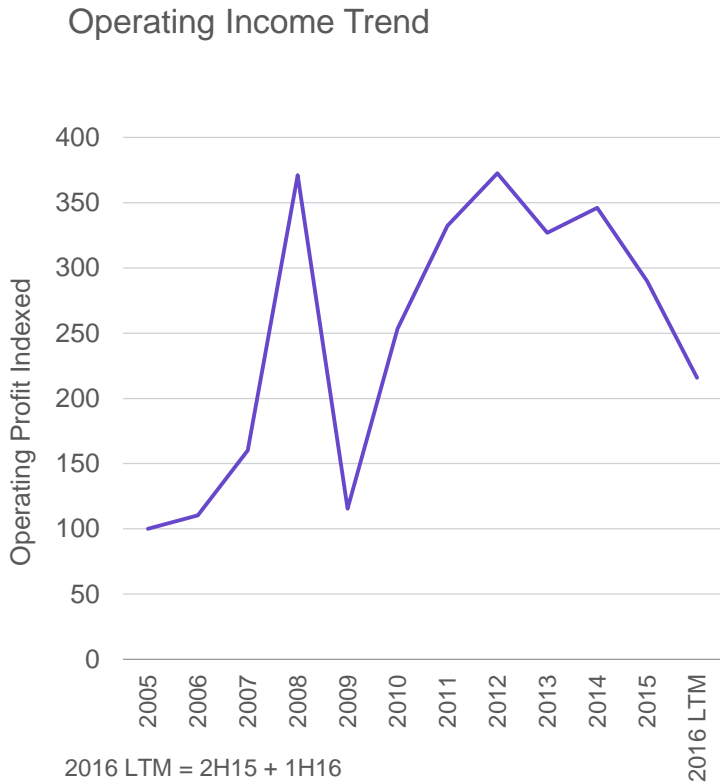
## MARKET SHARE



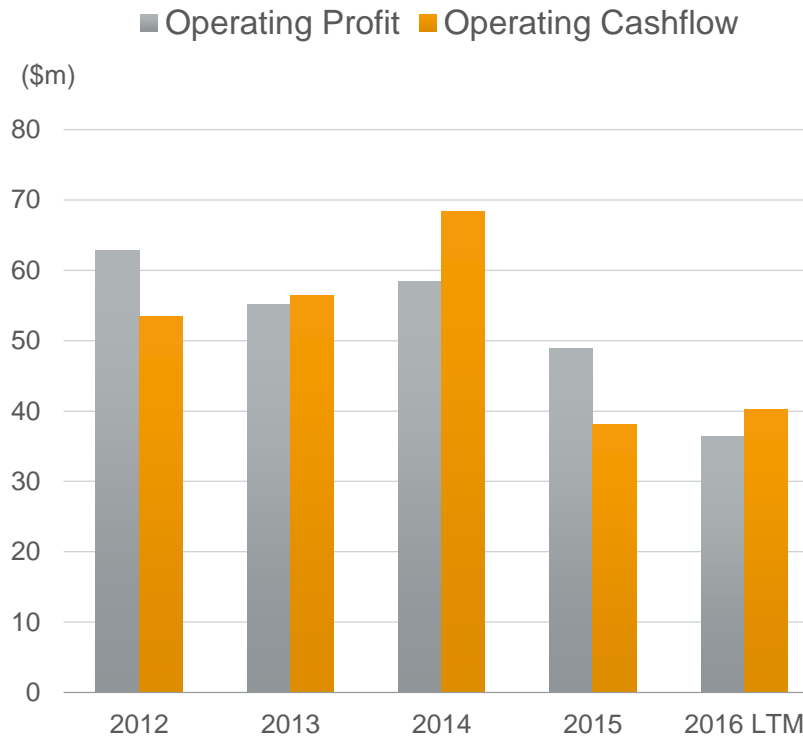
Source: Elementis

# CHROMIUM NA – OPPORTUNITIES TO STRENGTHEN COMPETITIVE POSITION

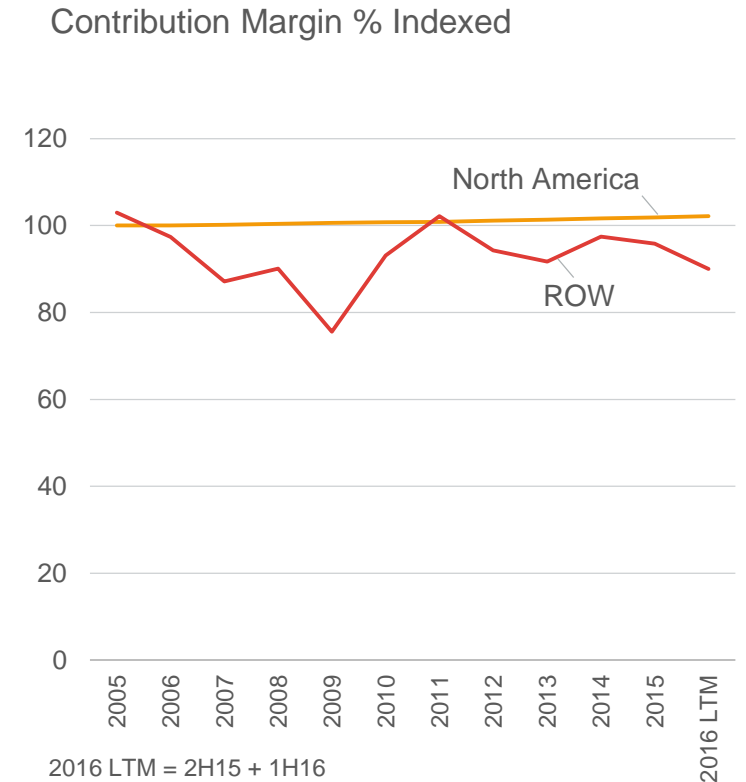
## CHROMIUM IS A CYCLICAL BUSINESS GLOBALLY...



## CHROMIUM IS A STRONG CASH GENERATOR



## BUT N. AMERICA IS STABLE...



# IN NA THERE ARE OPPORTUNITIES TO STRENGTHEN COMPETITIVE POSITION

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## STRENGTHEN NORTH AMERICAN BASE

### STRENGTHEN CHROMIUM DISTRIBUTION BUSINESS

Optimise NA distribution value chain  
#1 supplier of liquid chromic acid in NA following acquisition from Atotech

## EXTEND NORTH AMERICAN PRODUCT PORTFOLIO

### EXTEND PRODUCT PORTFOLIO

Dichromate to pigment, catalyst  
Acid to wood preservative, metal finishing  
Oxide to pigments, refractory, chrome metal




## OPTIMISE GLOBAL PRODUCT MIX

### OPTIMISE PRODUCT MIX

Optimise global product mix to achieve solid earnings and cash flow

# SPECIALTY PRODUCTS – A GLOBAL LEADER IN RHEOLOGICAL MODIFIERS

## ELEMENTIS LEADERSHIP POSITION

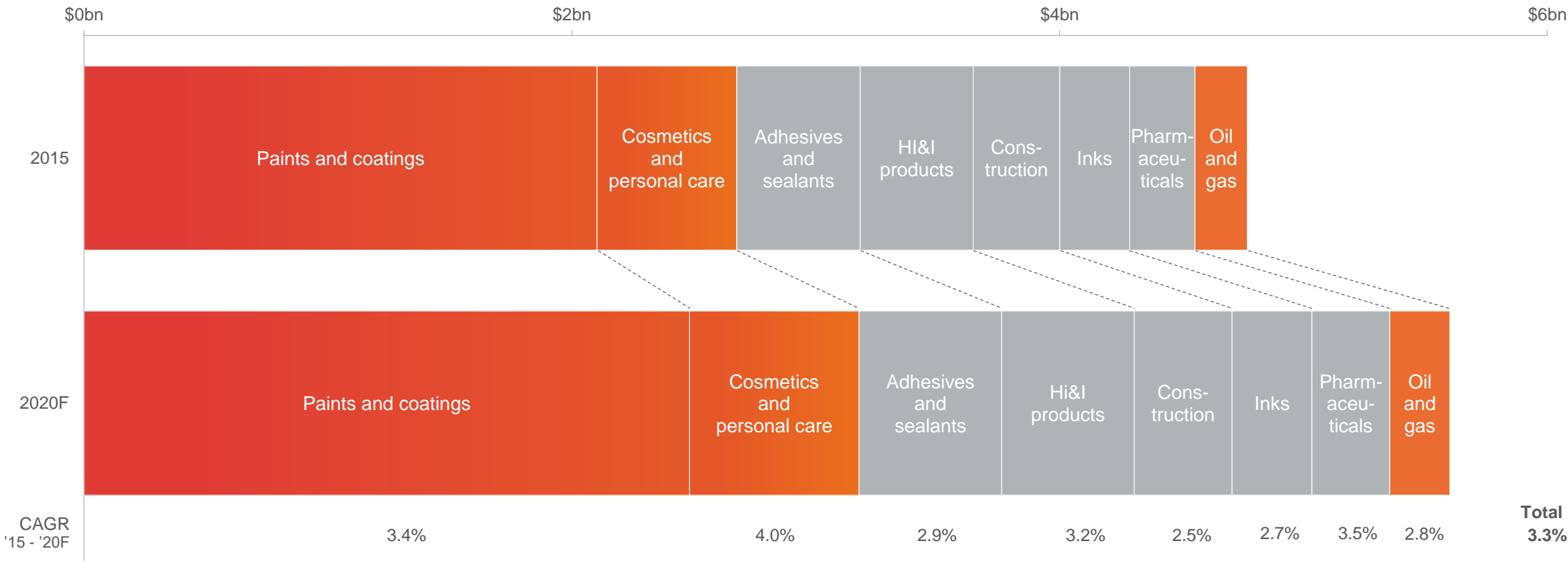
 <p><b>COATINGS</b></p>	<p>Industrial applications – organoclay leader</p>	<p>Deco coatings – distinctive technology</p>	<p>Key partner to global coatings customers</p>
 <p><b>PERSONAL CARE</b></p>	<p>Unique hectorite position – #1 global share in organoclay</p>	<p>Extending coatings technology (Rheoluxe®)</p>	
 <p><b>ENERGY</b></p>	<p>Market leader in high performance organoclays</p>	<p>Leading oilfield services partner</p>	

# SPECIALTY PRODUCTS – WE SERVE THE LARGEST, FASTER GROWING INDUSTRIES



Global Rheology Modifiers Market by Application

■ = Elementis focus

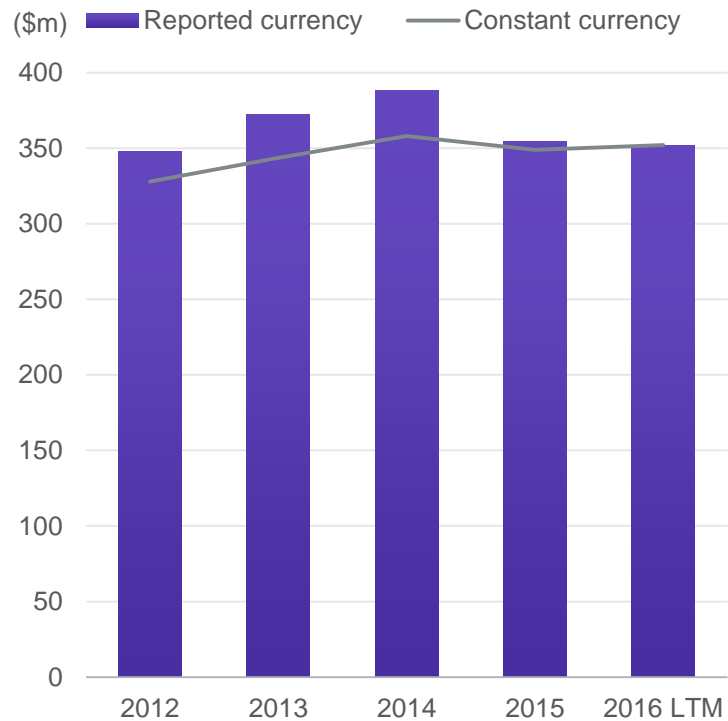


Source: MarketsandMarkets

# BREAKING OUT SPECIALTY PRODUCTS SALES

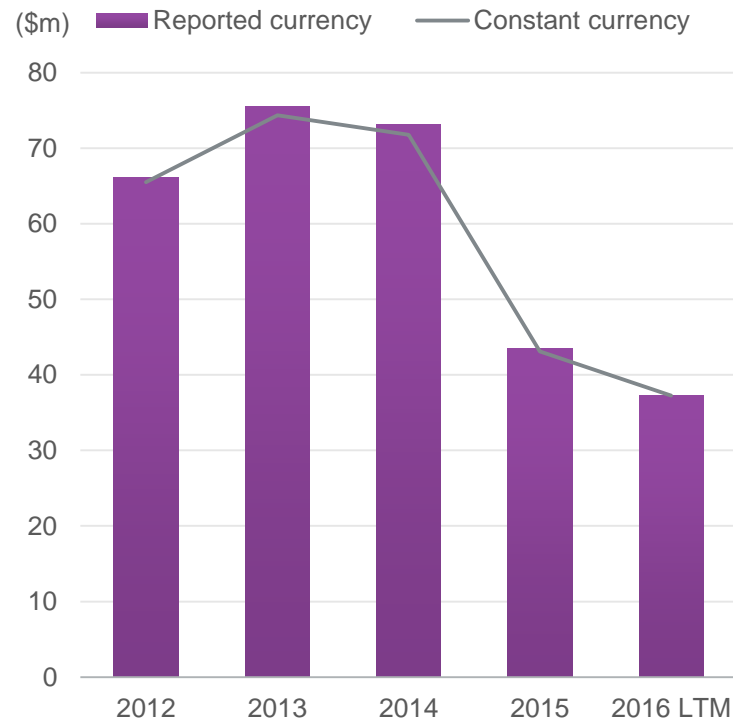
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## COATINGS



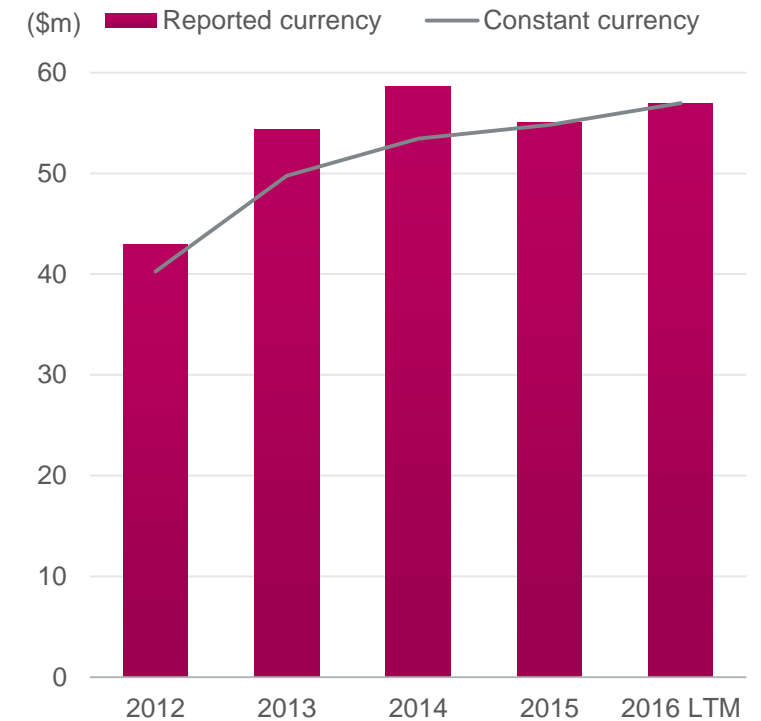
2016 LTM = 2H15 + 1H16  
Source: Elementis

## ENERGY



2016 LTM = 2H15 + 1H16  
Source: Elementis

## PERSONAL CARE



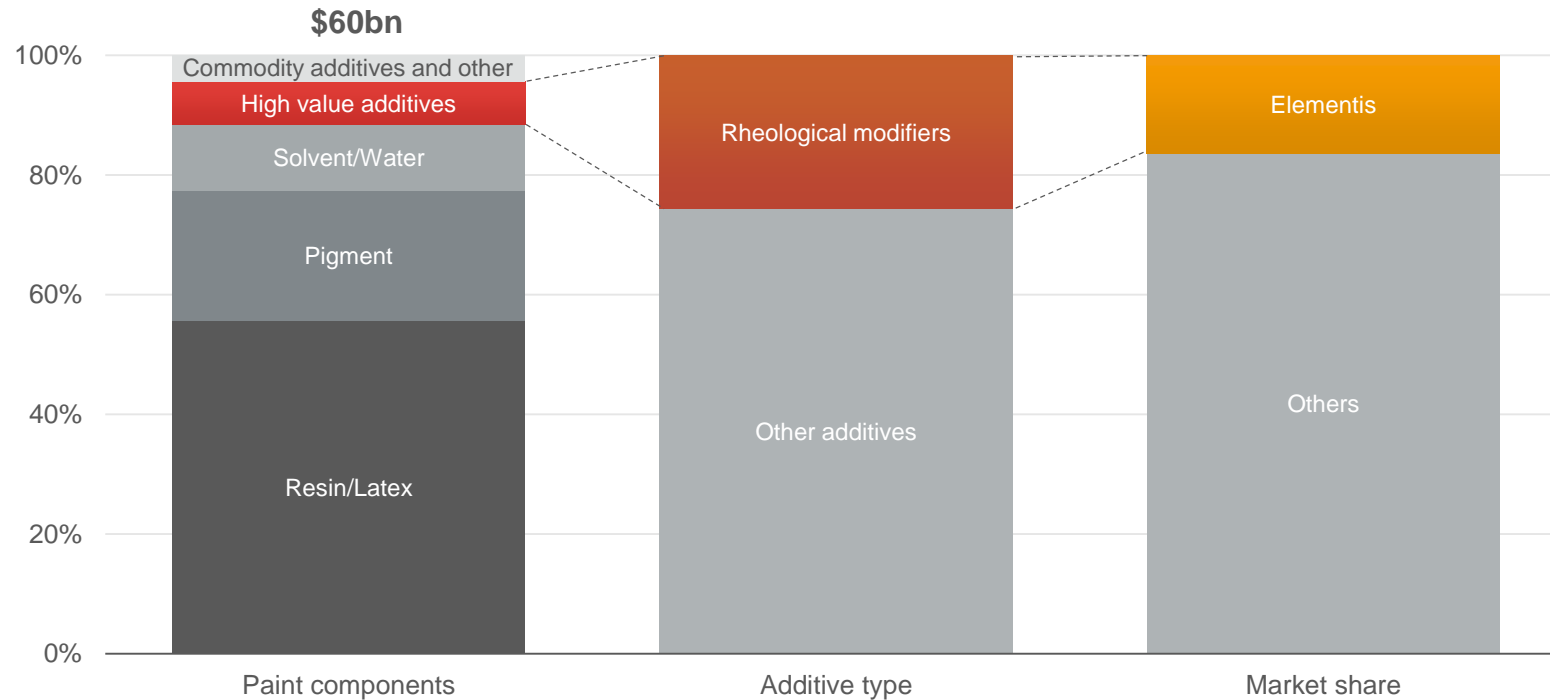
2016 LTM = 2H15 + 1H16  
Source: Elementis



## STRONG MARKET SHARE IN AN IMPORTANT HIGH VALUE AND SPECIALTY NICHE

## DIFFERENTIATED VALUE PROPOSITION

Global Coatings Ingredient Overview



Source: Kusumgar, Nerfli, & Growney (KNG)

### BEST IN CLASS TECHNOLOGY:

For customer performance



### CUSTOMER INTIMACY:

Co-engineered formulations



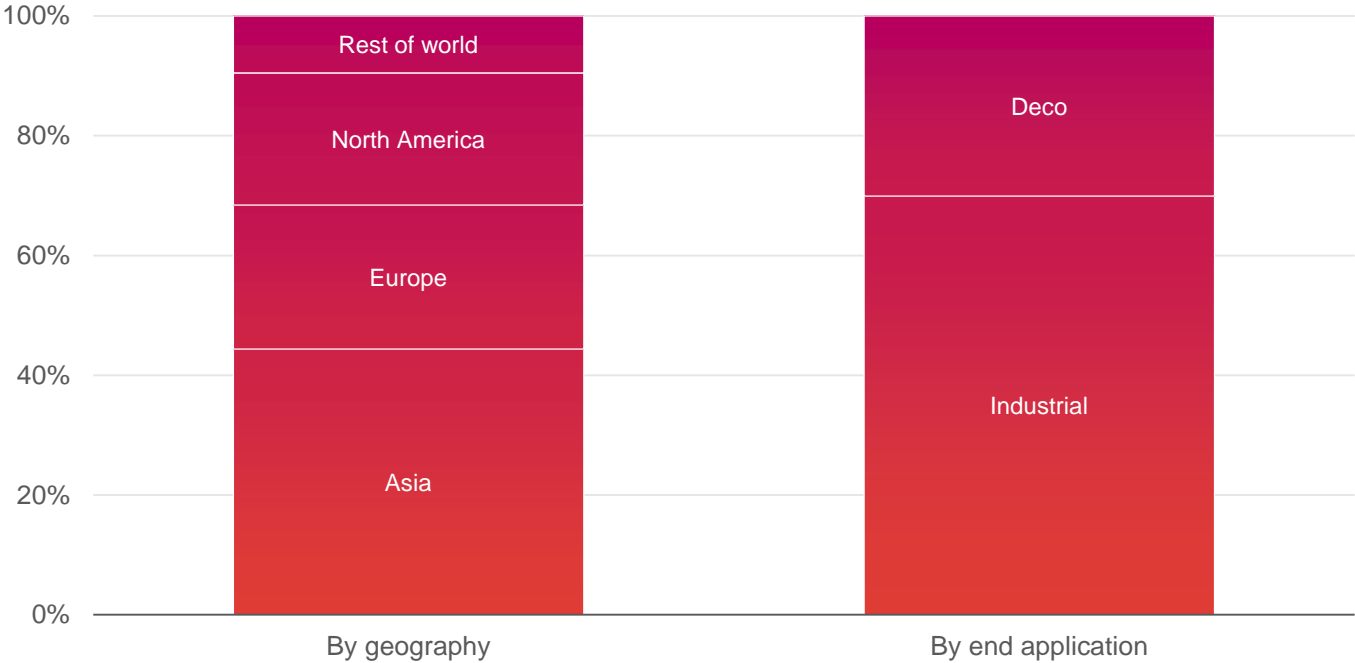
### RESPONSIVENESS:

Agile and focussed teams around the world

# COATINGS – A GLOBAL, DIVERSIFIED BUSINESS

## A GLOBAL PLAYER WITH A DIVERSIFIED BUSINESS

Elementis Coatings Sales



Source: Elementis



# COATINGS – WELL POSITIONED FOR FUTURE GROWTH

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## MACROTRENDS IN COATINGS



Industry consolidation of paint formulators

Strong demand growth from emerging markets

Focus by formulators to offer differentiated products as consumers “trade up” their paint

Continued trend away from VOCs towards high-solid or waterborne technologies



## OUR COMPETITIVE ADVANTAGE



World-class product offerings make us a strategic partner to all the major formulators



Global footprint with strong commercial relationships in fast growing markets



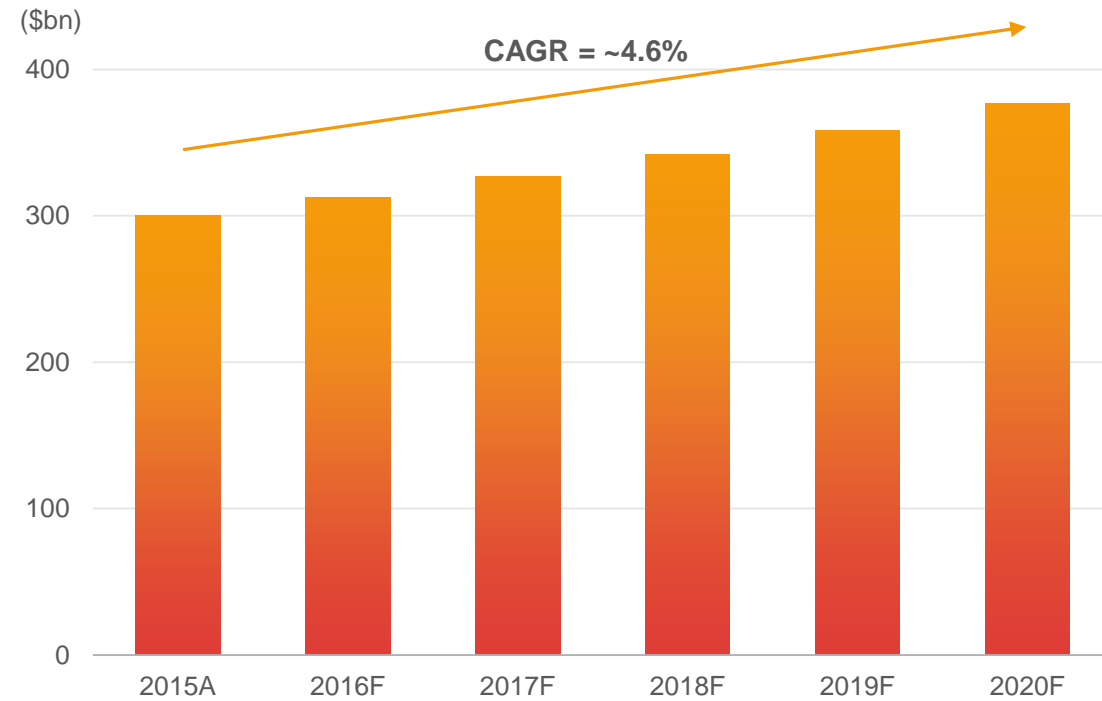
Recognised as global technology leader in rheology



Differentiated portfolio of organic thixotrope / NiSAT / acrylic thickener technologies

## PERSONAL CARE GROWING FASTER THAN GDP

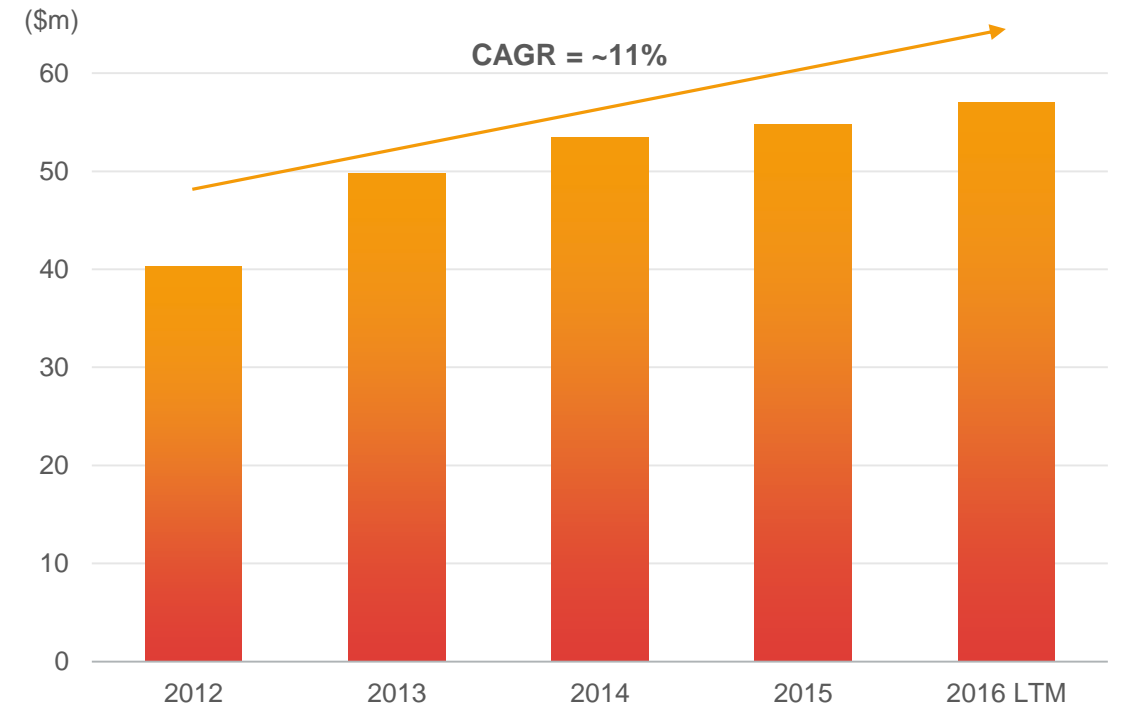
Estimated Global Personal Care Consumption



Source: Datamonitor

## ELEMENTIS GROWING EVEN FASTER

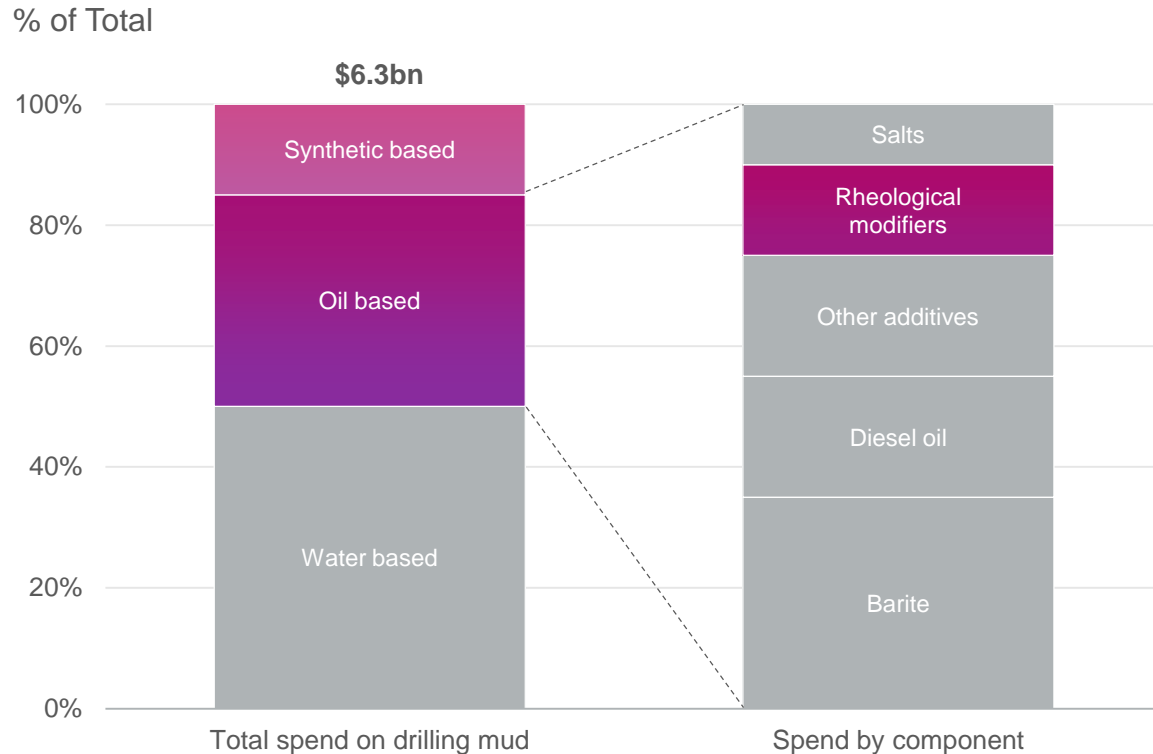
Sales



Constant currency | 2016 LTM = 2H15 + 1H16  
Source: Elementis

# ENERGY – VALUABLE NICHE BUSINESS

## GLOBAL PLAYER WITH A WELL DIVERSIFIED BUSINESS



Source: Spears and Associates

## CRITICAL TO DRILLING SUCCESS

Rheological modifiers ensure drilling mud performs as needed over a wide range of conditions

Lubricates drill bit, controls formation pressure and removes cuttings

Withstands temperatures and pressures that can adversely affect performance

Lowers drilling costs, prevents failure

# ENERGY – BEST PRODUCTS FOR TOUGHEST DRILLING CONDITIONS

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VARIETY OF CHALLENGES – TRUSTED SUPPLIER TO TOP CUSTOMERS



**HIGH TEMPERATURE –  
HIGH PRESSURE DRILLING**



**COLD  
CLIMATE**



**DEEP  
WATER**



**SHALE  
DRILLING**

# ENERGY – WELL POSITIONED FOR OIL PRICE RECOVERY

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## MACROTRENDS IN ENERGY



Drilling in more challenging / technical conditions



Growth in shale markets expected to continue



Industry consolidation



Customers requiring greater technical expertise and higher levels of service



## OUR COMPETITIVE ADVANTAGE

Hectorite based products are the gold standard

Technology leader in organoclays for stimulation fluids used in fracking

Strong, collaborative relationships with top service companies

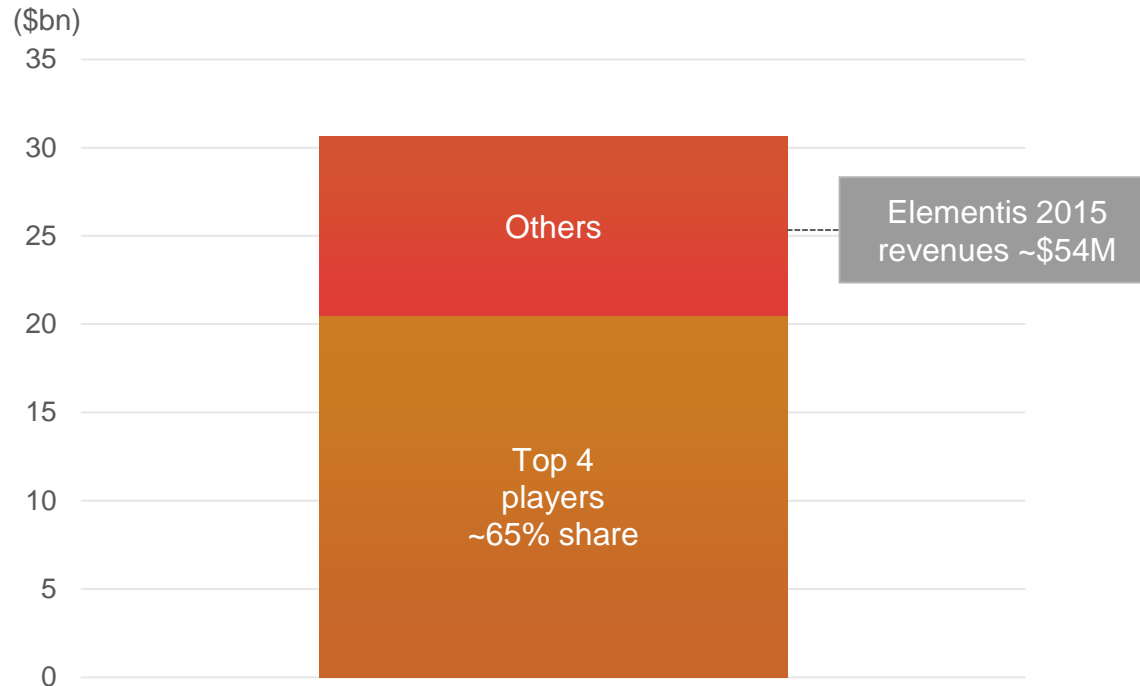
Recognised technology leader, world-class sales team

# SURFACTANTS – SMALL NICHE PLAYER

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## GLOBAL SURFACTANTS MARKET IS LARGE AND CONSOLIDATED

2016 Global Surfactants Sales



Source: MarketsandMarkets, Grand View Research

## ELEMENTIS FOCUSED ON UNDERSERVED NICHE

Our surfactants business is relatively small

One asset (Delden, NL)

Allows us to pursue niche surfactants volumes

Niche surfactants are typically small-scale and unattractive to the big players but historically profitable:

Oilfield  
production  
chemicals

Textile and  
leather chemicals

Water  
treatment



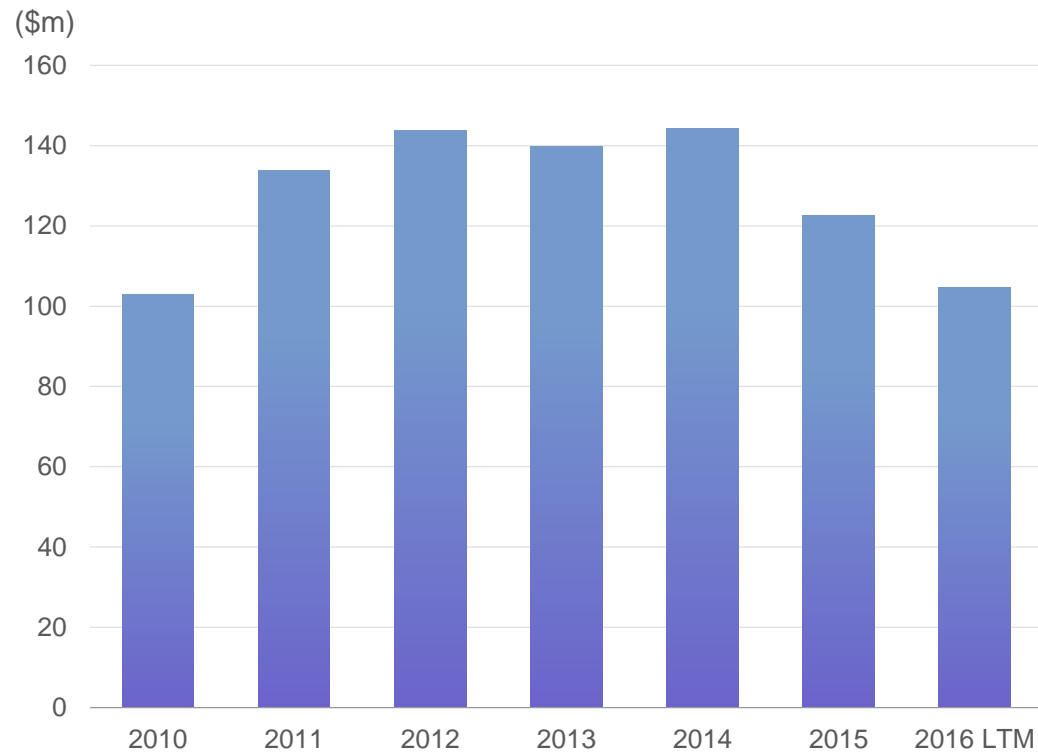
# HOW WILL WE REIGNITE GROWTH?

**Paul Waterman**  
Chief Executive Officer

# A HIGH QUALITY BUSINESS... BUT GROWTH HAS STALLED

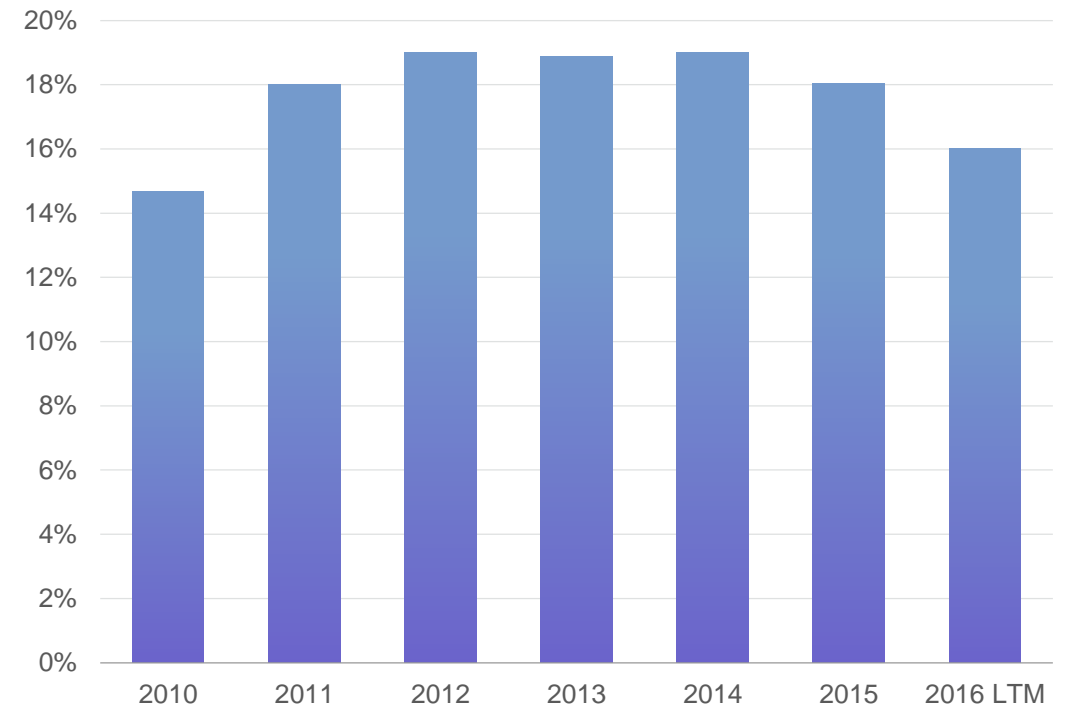
ELEMENTIS

## OPERATING PROFIT



Constant currency | 2016 LTM = 2H15 + 1H16  
Source: Elementis

## OPERATING MARGIN



2016 LTM = 2H15 + 1H16  
Source: Elementis

### How will we Reignite Growth?

Introduction

Elementis  
Today

Pursue Growth  
Opportunities

Supply Chain  
Transformation

Innovate for  
Distinctiveness

High Performance  
Culture

What Does it Mean  
for Investors?

Closing

Q&A

# HOW WILL WE REIGNITE GROWTH? – STRATEGIC PRIORITIES

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**PURSU  
BEST GROWTH  
OPPORTUNITIES**

**PURSU  
SUPPLY CHAIN  
TRANSFORMATION**

**INNOVATE FOR  
DISTINCTIVENESS  
& HIGH MARGINS**

**CREATE A  
CULTURE OF HIGH  
PERFORMANCE**

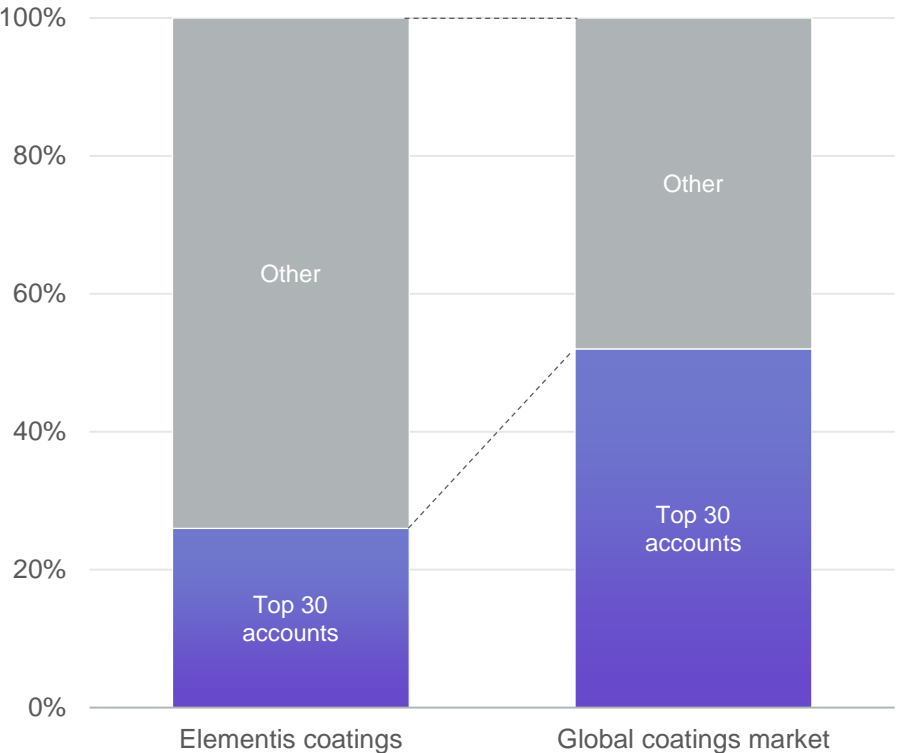
# GROWTH OPPORTUNITY #1

# GLOBAL KEY ACCOUNT MANAGEMENT

**David Brown**  
VP Coatings Americas

# GROWTH OPPORTUNITY #1 IMPLEMENT KEY ACCOUNT MANAGEMENT

## OPPORTUNITIES TO GROW LARGEST, MOST IMPORTANT CUSTOMERS



Source: KNG

## SYSTEMATIC APPROACH

<b>KAM BUSINESS MODEL</b>	Consistent global approach that strengthens our business
<b>KAM TOOLKIT &amp; PLAN</b>	Strategic plan – identifies opportunities; cross-functional tasks & tools to grow business
<b>KAM ORGANISATION</b>	Key account teams structured and skilled to drive performance
<b>KAM PERFORMANCE MANAGEMENT</b>	Clearly defined objectives, activities, milestones, and performance tracking

# GROWTH OPPORTUNITY #1 IMPLEMENT KEY ACCOUNT MANAGEMENT

ELEMENTIS

## OUTCOMES

SYSTEMATIC  
PROCESS

MORE EFFICIENT  
ALLOCATION OF R&D  
RESOURCES



PPG's Corporate headquarters in Pittsburgh

BETTER UNDERSTAND  
CUSTOMER NEEDS

DISPROPORTIONATELY  
GROW OUR BUSINESS  
AT LARGEST CUSTOMERS

# GROWTH OPPORTUNITY #2

## COATINGS ASIA

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# GROWTH OPPORTUNITY #2

## GROW IN ASIA

### CHINA

**#1** in Rheology Modifiers in China Coatings

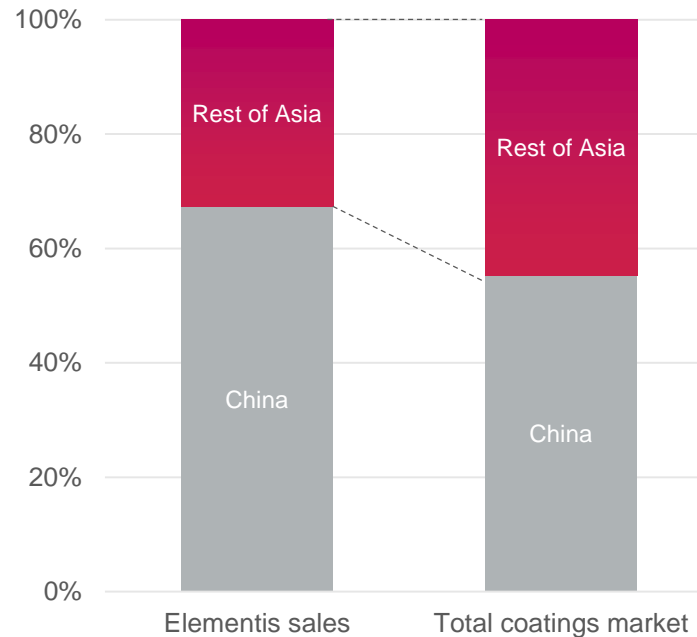
Large and effective sales team serving over **10K** individual customers

**12** locations including **4** manufacturing plants

In past 10 years sales grew from ~\$10m to ~**\$100m**

### OPPORTUNITIES TO GROW BEYOND CHINA

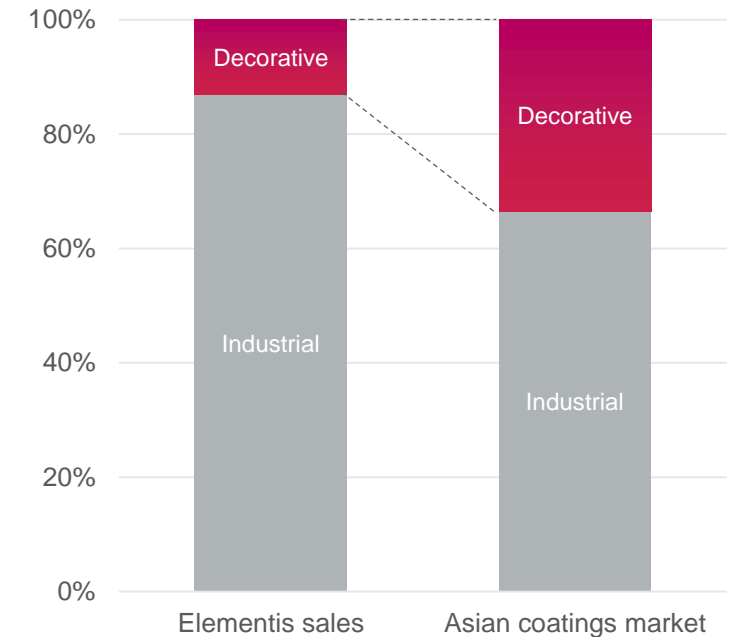
Asian Paint Market by Geography



Source: KNG

### OPPORTUNITIES TO GROW DECO SHARE

Asian Paint Market by End Market



Source: KNG

#### How will we Reignite Growth?

Pursue Growth Opportunities

Supply Chain Transformation

Innovate for Distinctiveness

High Performance Culture

Introduction

Elementis Today

What Does it Mean for Investors?

Closing

Q&A



## CHINA

Industrial growth via new products

Grow in emerging premium decorative market

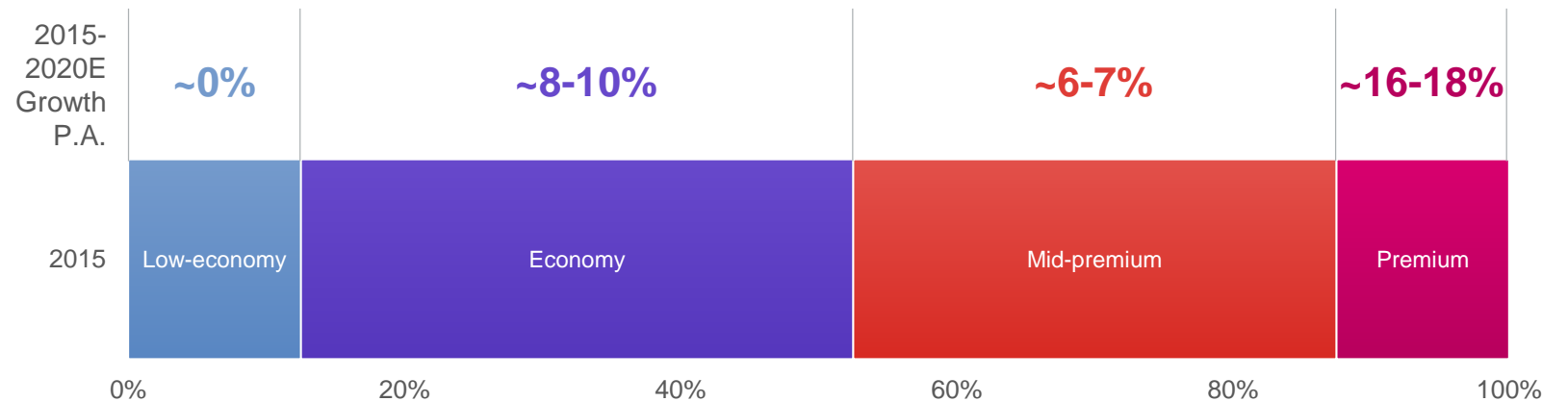
Key account management to grow top accounts

## INDIA & REST OF ASIA

Seek to develop direct presence in India

Bring distinctive technology to market

### INDIA DECO MARKET – VALUABLE AND GROWING



Source: Macquarie

Est. volume share of Indian decorative paint market by segment

# GROWTH OPPORTUNITY #3

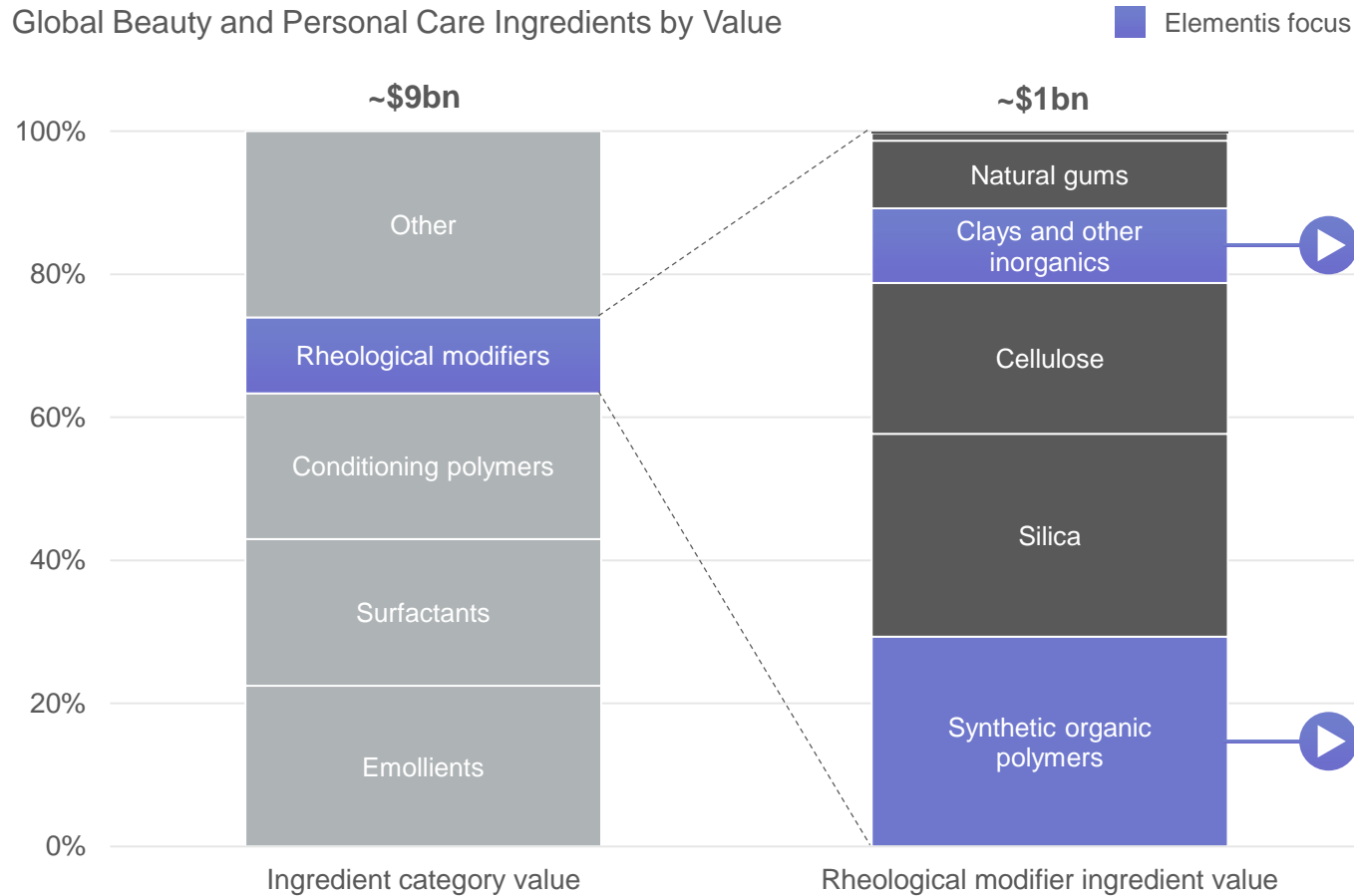
# GLOBAL GROWTH IN PERSONAL CARE

**Luc van Ravenstein**

VP Personal Care

# PERSONAL CARE – HIGH-VALUE NICHE PARTICIPATION

Global Beauty and Personal Care Ingredients by Value



## HECTORITE GIVES US A DISTINCT COMPETITIVE ADVANTAGE

Own the only commercial grade hectorite mine in the world

Hectorite organoclays are superior:

Performance characteristics for blending

White colour, all natural

Formulation efficiency

## RHEOLUXE® SYNTHETIC POLYMERS OFFER A NEW SOURCE OF VALUE

Source: Kline & Company

### How will we Reignite Growth?

Pursue Growth Opportunities

Supply Chain Transformation

Innovate for Distinctiveness

High Performance Culture

What Does it Mean for Investors?

Closing

Q&A

# PERSONAL CARE – CUSTOMER RELATIONSHIPS



## HIGH VALUE PREMIUM BRANDS

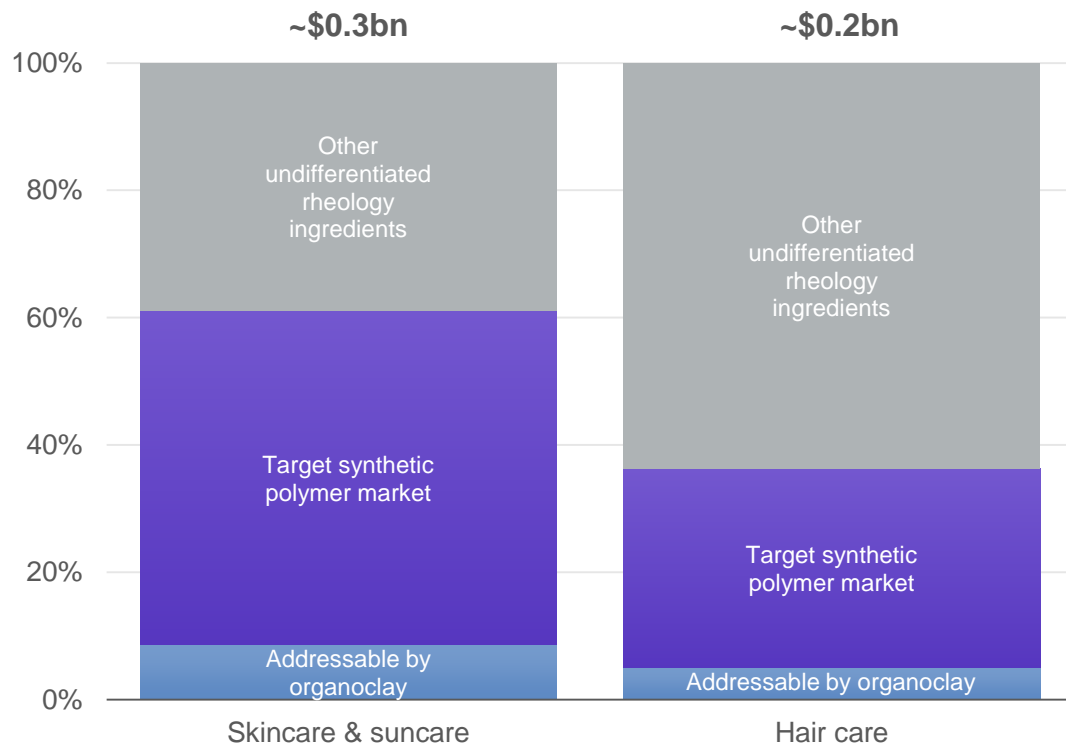


**STRONG STRATEGIC SUPPLIER TO THE WORLD'S LEADING PERSONAL CARE FORMULATORS**

# PERSONAL CARE – NEW SYNTHETIC POLYMERS OPEN UP AQUEOUS APPLICATIONS

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## ESTIMATED SALES BY APPLICATION AND TECHNOLOGY



Note: 'Skincare & suncare' includes baby care and foot care  
 Source: Elementis, Kline & Canadean (2015)

## RHEOLUXE® OPENS UP MAJOR NEW MARKETS FOR ELEMENTIS

Rheoluxe® significant functional benefit – replaces 10-20% of currently dominant carbomer or acrylate copolymers

Rheoluxe® has seen early success in these markets through body cream and conditioner applications

Further expansion of product line into new applications possible through technology transfers from Coatings business

Additional opportunity in Homecare

### How will we Reignite Growth?

Introduction

Elementis Today

Pursue Growth Opportunities

Supply Chain Transformation

Innovate for Distinctiveness

High Performance Culture

What Does it Mean for Investors?

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Q&A

# PERSONAL CARE – SIGNIFICANT COMPETITIVE ADVANTAGE

## MACROTRENDS IN PERSONAL CARE



Specific personal care markets are growing fast – e.g. antiperspirant and colour cosmetics

Strong demand for high-end products

Simplified supply chains, more bundled, value-add raw materials

Rapid Asian growth



## OUR COMPETITIVE ADVANTAGE



Our products critical for performance



Robust and growing demand for our unique hectorite



Hectorite gels – combines our hectorite with emollients



Strong multi-national customer relationships

# PERSONAL CARE – HOW WE WILL GROW

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Penetrate high potential hectorite product segments



Drive Rheoluxe<sup>®</sup> penetration into skincare



Leverage key account management



Expand Asia and emerging market distribution

# HOW WILL WE REIGNITE GROWTH?

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## PURSU BEST GROWTH OPPORTUNITIES

- 1 Global KAM
- 2 Coatings Asia
- 3 Personal Care global growth

## PURSU SUPPLY CHAIN TRANSFORMATION

## INNOVATE FOR DISTINCTIVENESS & HIGH MARGINS

## CREATE A CULTURE OF HIGH PERFORMANCE



# PURSUE SUPPLY CHAIN TRANSFORMATION

# SUPPLY CHAIN TRANSFORMATION

## #1 ADDRESS DISADVANTAGED ASSETS

	AMERICAS	EUROPE	ASIA
CHROMIUM	<ul style="list-style-type: none"> <li>Castle Hayne</li> <li>Corpus Christi</li> <li>Leather Tanning Plants (x3)</li> </ul>		
SPECIALTY PRODUCTS	<ul style="list-style-type: none"> <li>Newberry</li> <li>Milwaukee</li> <li>New Martinsville</li> <li>Charleston</li> <li>St Louis</li> <li>Jersey City</li> <li>Palmital</li> </ul>	<ul style="list-style-type: none"> <li>Livingston</li> </ul>	<ul style="list-style-type: none"> <li>Songjiang</li> <li>Hsinchu</li> <li>Anji</li> <li>Changxing</li> </ul>
SURFACTANTS		<ul style="list-style-type: none"> <li>Delden</li> </ul>	

**KEY:** ■ Advantaged | ■ Neutral | ■ Disadvantaged

# SUPPLY CHAIN TRANSFORMATION

## #2 MANUFACTURING PRODUCTIVITY

**WORK  
STREAMS**

**COST  
INTERVENTION**

**LOAD & OPTIMISE  
UNDERUTILISED  
ASSETS**

**MOVE TO  
LOWEST COST**

**SIMPLIFICATION**



**EXAMPLE**

Surfactants  
Operation

Americas  
Organoclay Supply

Select Materials

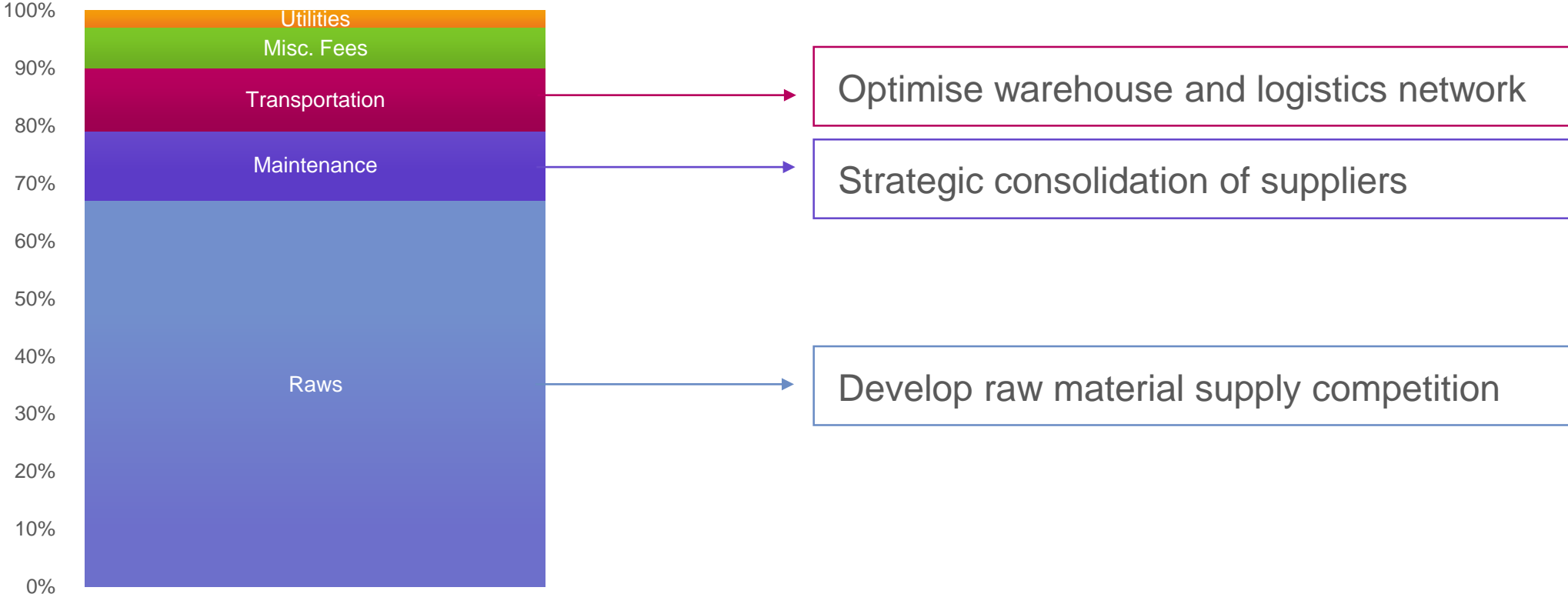
Cycle time reduction  
Automation  
Product portfolio  
rationalisation

# SUPPLY CHAIN TRANSFORMATION

## #3 PURSUE PROCUREMENT SAVINGS

### SPEND BY CATEGORY

### STRATEGIES FOR COST REDUCTION



Source: Elementis

# HOW WILL WE REIGNITE GROWTH?

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PURSU  
BEST GROWTH  
OPPORTUNITIES

PURSU  
SUPPLY CHAIN  
TRANSFORMATION

- 1 Address disadvantaged assets
- 2 Manufacturing productivity
- 3 Pursue procurement savings

INNOVATE FOR  
DISTINCTIVENESS  
& HIGH MARGINS

CREATE A  
CULTURE OF HIGH  
PERFORMANCE

# INNOVATE FOR DISTINCTIVENESS AND HIGH MARGINS

**Ken Smith**

VP Global R&D

# INNOVATION LEADERSHIP – FOR DISTINCTIVENESS AND HIGH MARGINS

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## OUR GLOBAL R&D FOOTPRINT

**EAST WINDSOR, NJ, US**  
Polymer Architecture

**COLOGNE, Germany**  
Customer Application Centre

**HSINCHU, Taiwan**  
Industrial Coating Additives

## DISTINCTIVE CAPABILITIES

**Rheology – science  
of flow and suspensions**

**Surface active chemistry**

**Polymer architecture**

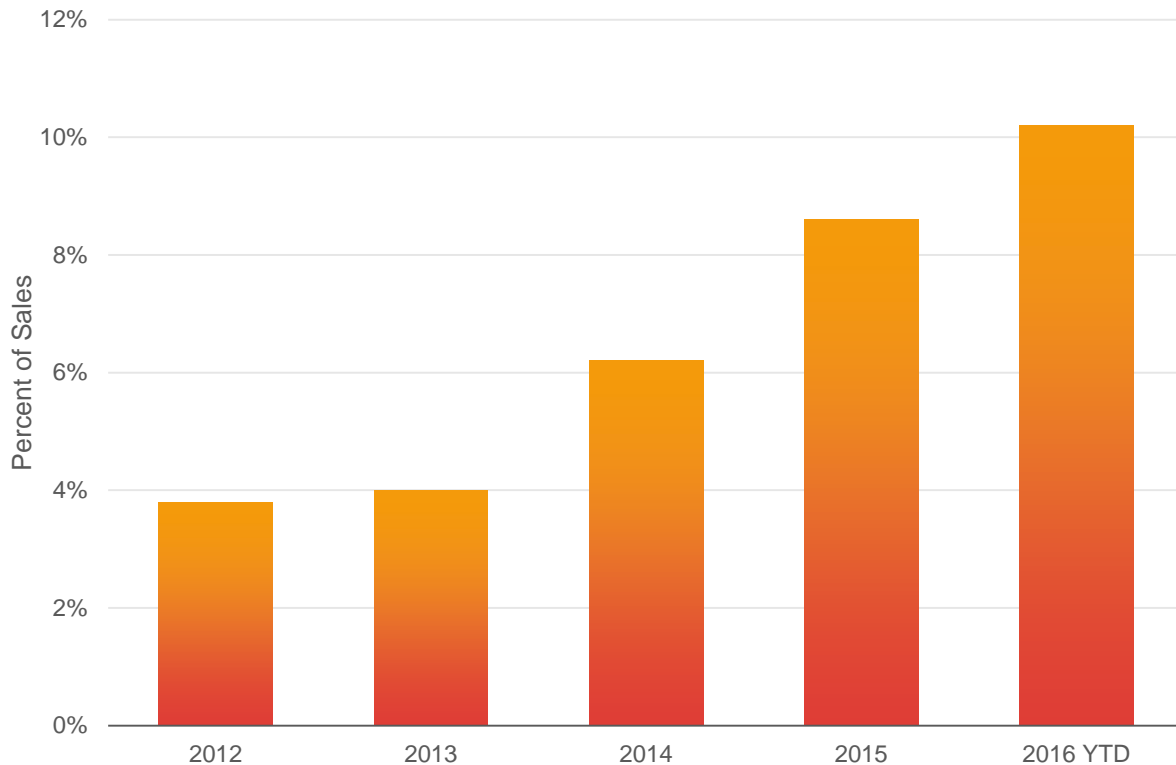
**Formulation skills**

# SUSTAIN INNOVATION LEADERSHIP

## INNOVATION TRACK RECORD

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### NEW PRODUCTS AS % OF SALES



Source: Elementis

### IMPLEMENTED INNOVATIVE SOLUTIONS



#### DECO COATINGS:

- Enhanced cost efficient non-ionic rheology products
- Unmatched application & appearance properties for new ionic rheology technology
- Improved robustness in surface active products in industrial coatings
- New generation of thixotropes to reduce VOC
- Specialty resins that facilitate transition of auto-refinish market to higher solids



#### PERSONAL CARE:

- Hectorite gels facilitate customers' manufacturing process
- Rheoluxe® products to support sulphate free shampoos



# ORGANIC THIXOTROPES – PURSUING A \$20M OPPORTUNITY

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## SAG CONTROL – THICK FILM APPLICATION



## MARINE AND PROTECTIVE

Improved rheology control

- Thicker films, fewer coats, lower VOC

New Products Delivered

- Greater sag resistance
- Better efficiency - lower use cost
- Lower activation temperature
  - Faster through the manufacturing plant

## INVESTMENT

R&D

Equipment

Regulatory

# INNOVATE FOR DISTINCTIVENESS AND HIGH MARGINS – DELIVER NEW PRODUCT PIPELINE

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## CUSTOMER PROBLEM:

Deliver hide with reduced number of coats

High speed coating with waterborne systems

New sustainability initiative at leading cosmetic company

Eliminate use of UV lamp to deliver durable nail polish finishes



## ELEMENTIS SOLUTION:

Family of additives tuned to work with new generation of pigments and resins

Next generation low foam wetting agent from patented technology

Extend Hectorite penetration through new process and raw materials

Patented catalyst technology with specially developed oligomers

# HOW WILL WE REIGNITE GROWTH?

**PURSU  
BEST GROWTH  
OPPORTUNITIES**

**PURSU  
SUPPLY CHAIN  
TRANSFORMATION**

**INNOVATE FOR  
DISTINCTIVENESS  
& HIGH MARGINS**

- 1 Sustain innovation leadership
- 2 Deliver new product pipeline

**CREATE A  
CULTURE OF HIGH  
PERFORMANCE**

# CREATE A CULTURE OF HIGH PERFORMANCE

**Paul Waterman**  
Chief Executive Officer

# CREATE A CULTURE OF HIGH PERFORMANCE

## STRUCTURE

- Flatter team / new appointments
- Global functions
- Clear accountabilities

DONE



## PROCESS

- Capital allocation
- Prioritise marketing, R&D resources
- HR - talent & succession

IN PROGRESS



## SYSTEMATIC PERFORMANCE MANAGEMENT

- Standard management information
- Cash focus
- Individual ownership

2017 ONWARDS

# HOW WILL WE REIGNITE GROWTH?

**PURSUE  
BEST GROWTH  
OPPORTUNITIES**

**PURSUE  
SUPPLY CHAIN  
TRANSFORMATION**

**INNOVATE FOR  
DISTINCTIVENESS  
& HIGH MARGINS**

**CREATE A  
CULTURE OF HIGH  
PERFORMANCE**

- 1 Structure
- 2 Process
- 3 Systematic performance management

# WHAT DOES IT MEAN FOR INVESTORS?

**Ralph Hewins**  
Chief Financial Officer

# FINANCIAL FOCUS – GROW EARNINGS

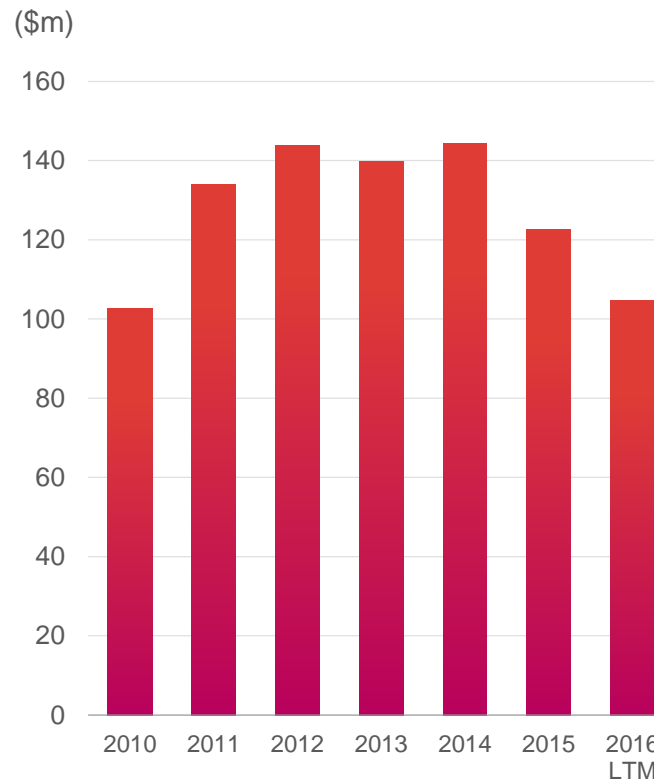
## FINANCIAL FOCUS

## PRINCIPAL MEASURES

1 GROW EARNINGS

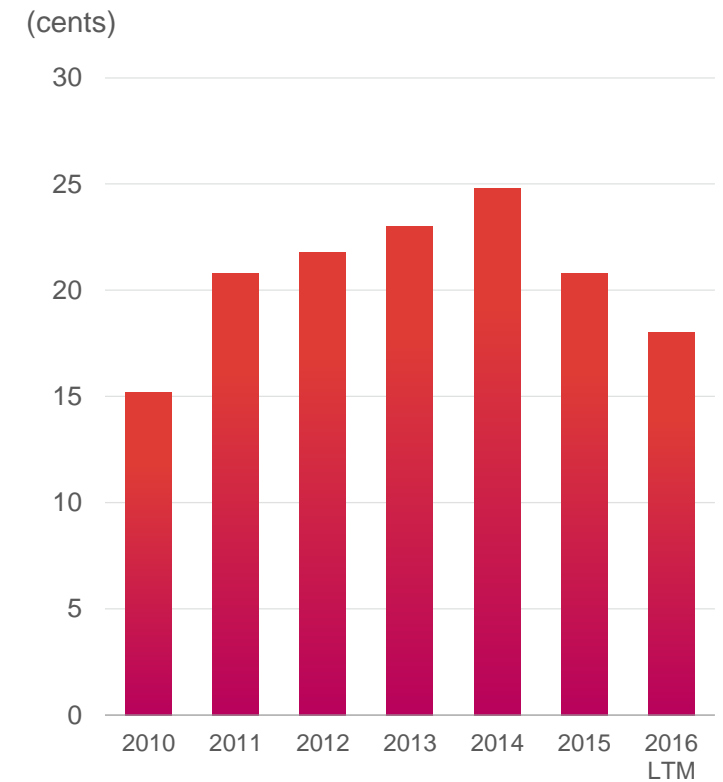
Operating Profit  
EPS

### OPERATING PROFIT



Constant currency | 2016 LTM = 2H15 + 1H16  
Source: Elementis

### EPS



Reported before non-recurring items | 2016 LTM = 2H15 + 1H16  
Source: Elementis



# FINANCIAL FOCUS – GROW EARNINGS

## FINANCIAL FOCUS

1 GROW EARNINGS

## PRINCIPAL MEASURES

Operating Profit  
EPS

## PURSUE BEST GROWTH OPPORTUNITIES

- 1 Global KAM
- 2 Coatings Asia
- 3 Personal Care global growth

## PURSUE SUPPLY CHAIN TRANSFORMATION

- 1 Address Disadvantaged Assets
- 2 Manufacturing Productivity
- 3 Pursue Procurement Savings

## INNOVATE FOR DISTINCTIVENESS & HIGH MARGINS

- 1 Sustain innovation leadership
- 2 Deliver new product pipeline

## CREATE A CULTURE OF HIGH PERFORMANCE

- 1 Structure
- 2 Process
- 3 Systematic performance management

# FINANCIAL FOCUS – POTENTIAL TO IMPROVE RETURNS

ELEMENTIS

## FINANCIAL FOCUS

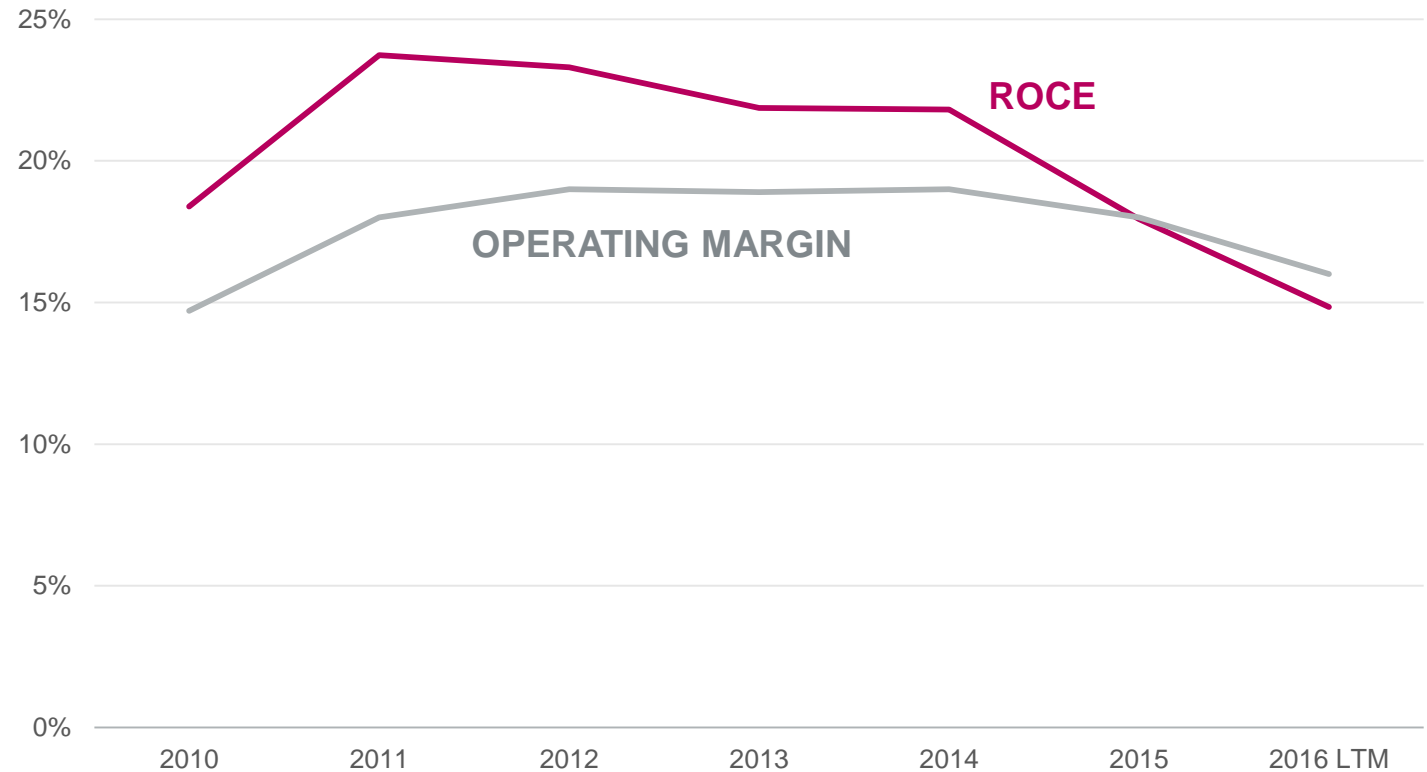
## PRINCIPAL MEASURES

1 GROW EARNINGS

Operating Profit  
EPS

2 IMPROVE RETURNS

Operating Margin  
ROCE



ROCE – Pre tax | 2016 LTM = 2H15 + 1H16

Source: Elementis

# FINANCIAL FOCUS – IMPROVE RETURNS

## FINANCIAL FOCUS

1 GROW EARNINGS

2 IMPROVE RETURNS

## PRINCIPAL MEASURES

Operating Profit  
EPS

Operating Margin  
ROCE

## PURSUE BEST GROWTH OPPORTUNITIES

- 1 Global KAM
- 2 Coatings Asia
- 3 Personal Care global growth

## PURSUE SUPPLY CHAIN TRANSFORMATION

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- 1 Sustain innovation leadership
- 2 Deliver new product pipeline

## CREATE A CULTURE OF HIGH PERFORMANCE

- 1 Structure
- 2 Process
- 3 Systematic performance management

# FINANCIAL FOCUS – DELIVER CASH

## FINANCIAL FOCUS

## PRINCIPAL MEASURES

1 GROW EARNINGS

Operating Profit  
EPS

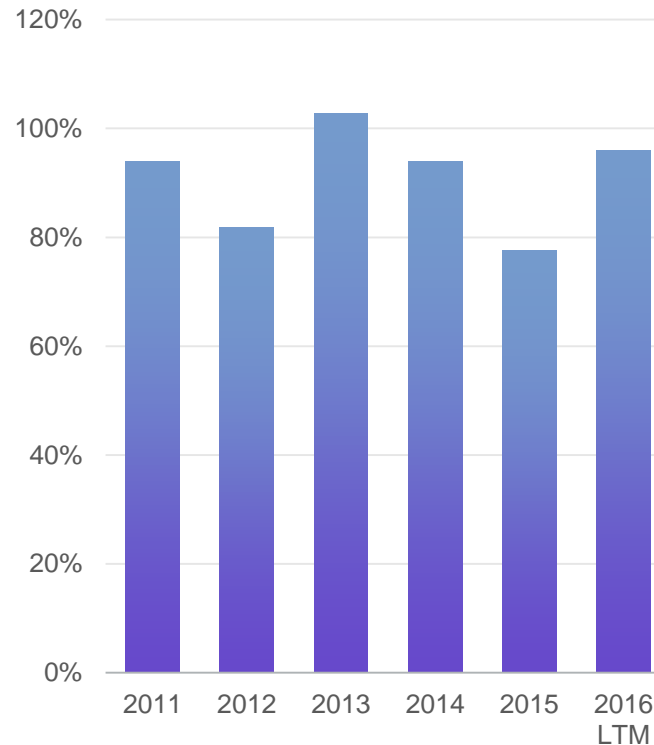
2 IMPROVE RETURNS

Operating Margin  
ROCE

3 DELIVER CASH

Operating  
Cash Flow

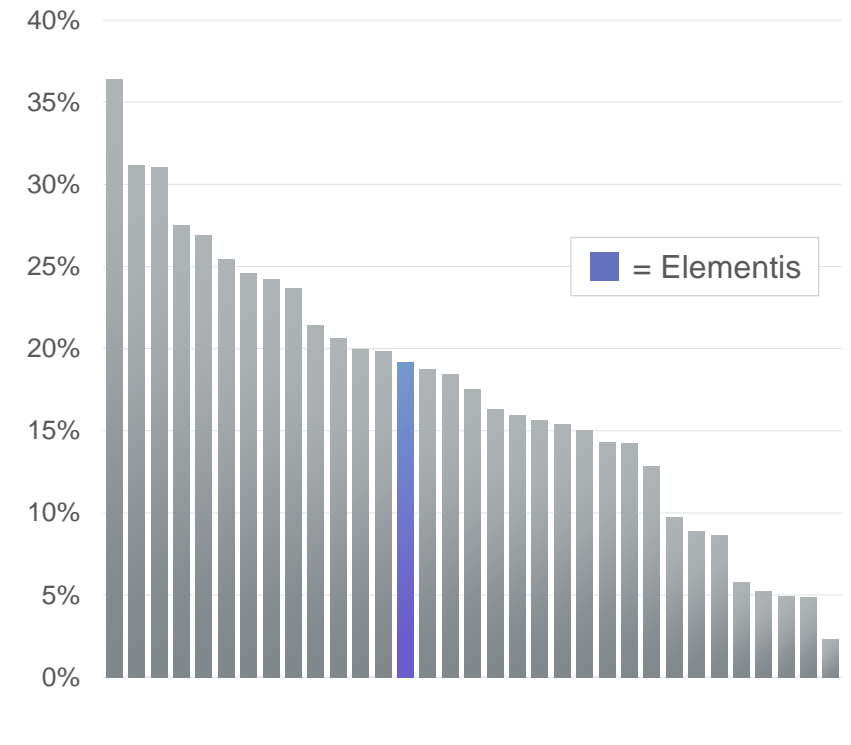
### MAINTAIN STRONG CASH CONVERSION



Net Cash from Operating and Investing Activities  
2016 LTM = 2H15 + 1H16  
Source: Elementis

\*(excluding tax and pension payments, interest received and cash flows relating to acquisitions, disposals and intangible assets)

### WORKING CAPITAL – OPPORTUNITY TO MOVE FROM MIDDLE OF THE PACK



Net Working Capital to Sales 2016e  
European Chemical Peers  
Source: UBS

# FINANCIAL FOCUS – DELIVER CASH

FINANCIAL FOCUS	PRINCIPAL MEASURES
1 GROW EARNINGS	Operating Profit EPS
2 IMPROVE RETURNS	Operating Margin ROCE
3 DELIVER CASH	Operating Cash Flow

### PURSUING BEST GROWTH OPPORTUNITIES

- 1 Global KAM
- 2 Coatings Asia
- 3 Personal Care global growth

### PURSUING SUPPLY CHAIN TRANSFORMATION

- 1 Address Disadvantaged Assets
- 2 Manufacturing Productivity
- 3 Pursue Procurement Savings

### INNOVATE FOR DISTINCTIVENESS & HIGH MARGINS

- 1 Sustain innovation leadership
- 2 Deliver new product pipeline

### CREATE A CULTURE OF HIGH PERFORMANCE

- 1 Structure
- 2 Process
- 3 Systematic performance management

# FINANCIAL FOCUS – MAINTAIN STRONG FINANCIAL POSITION

ELEMENTIS

## FINANCIAL FOCUS

## PRINCIPAL MEASURES

1 GROW EARNINGS

Operating Profit  
EPS

2 IMPROVE RETURNS

Operating Margin  
ROCE

3 DELIVER CASH

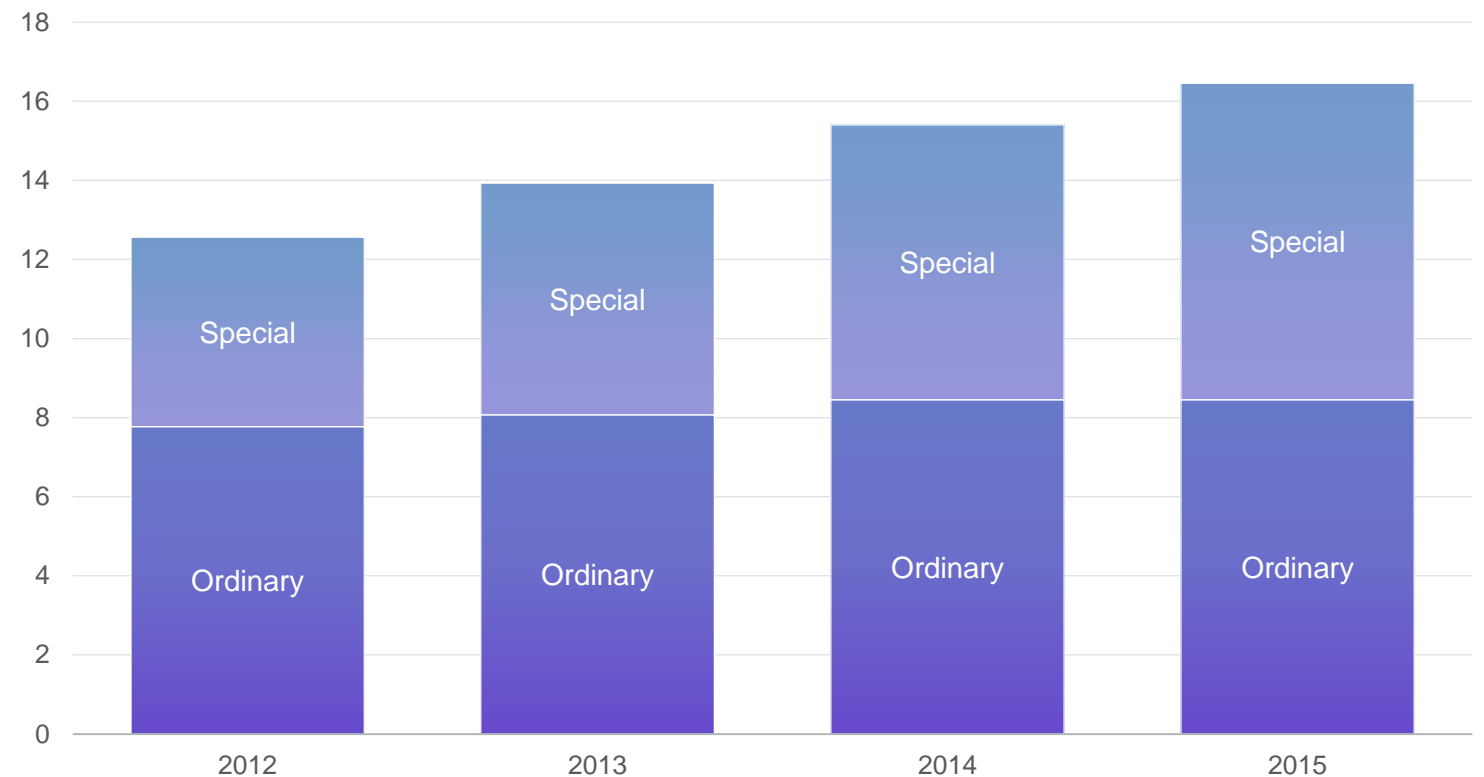
Operating  
Cash Flow

4 MAINTAIN STRONG  
FINANCIAL POSITION

Balance Sheet  
DPS

## DIVIDEND

Cents per ordinary share

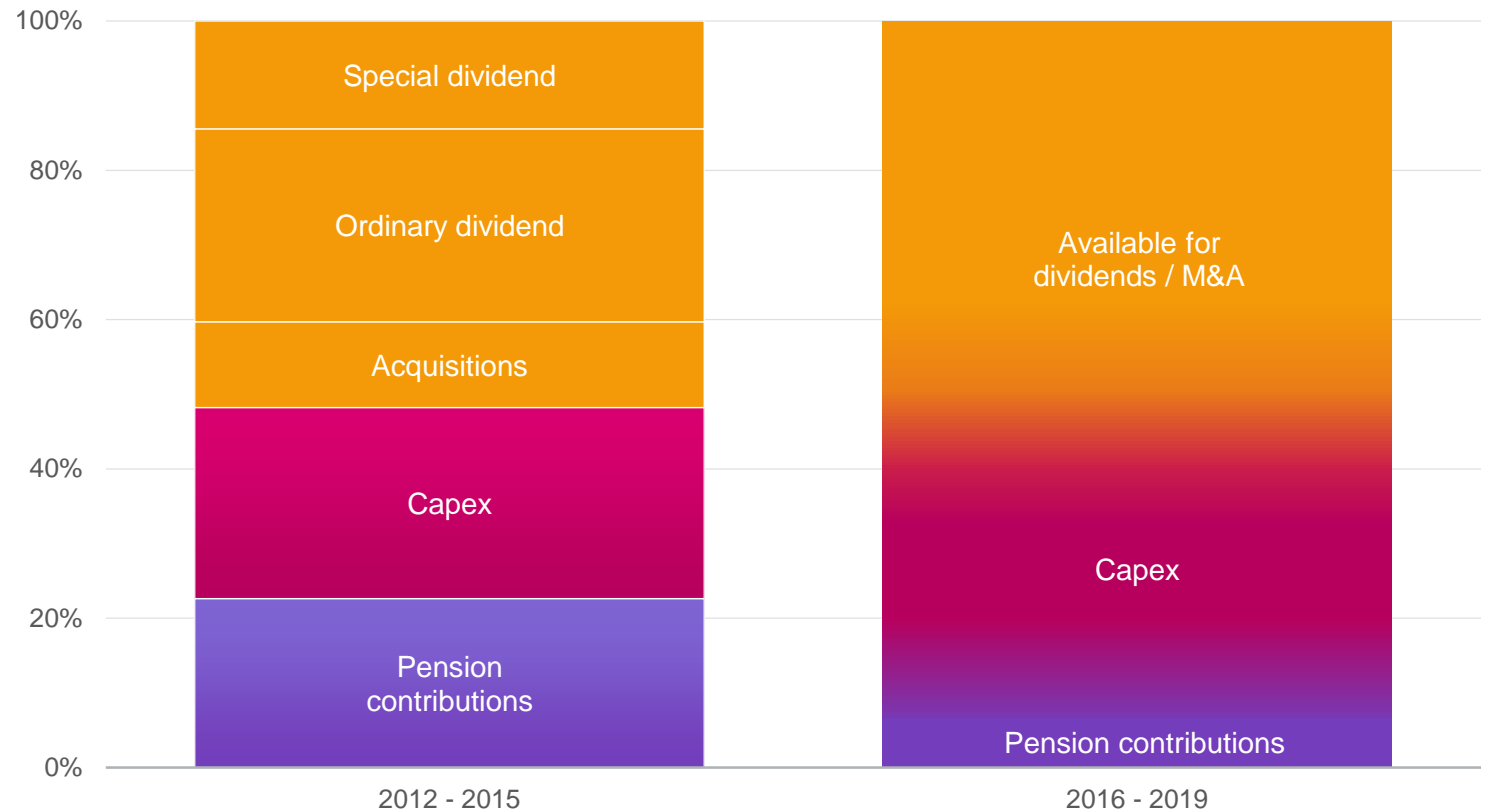


Source: Elementis

# FINANCIAL FOCUS – MAINTAIN STRONG FINANCIAL POSITION

FINANCIAL FOCUS	PRINCIPAL MEASURES
1 GROW EARNINGS	Operating Profit EPS
2 IMPROVE RETURNS	Operating Margin ROCE
3 DELIVER CASH	Operating Cash Flow
4 MAINTAIN STRONG FINANCIAL POSITION	Balance Sheet DPS

% use of operating cash flow after interest, tax and adjusting items



Source: Elementis

# CLOSING

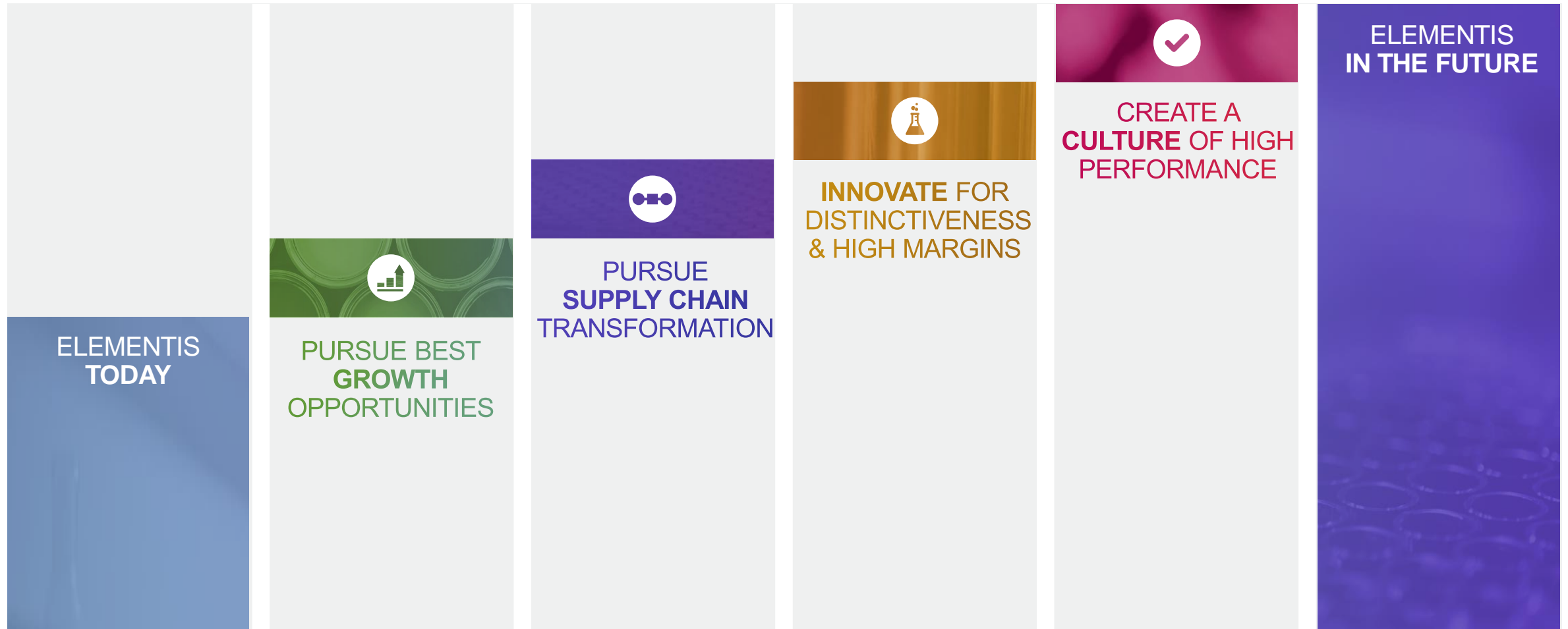
**Paul Waterman**  
Chief Executive Officer



# REIGNITING GROWTH – STRATEGIC PRIORITIES

## FOCUS ON FEWER, BIGGER, MATERIAL OPPORTUNITIES

ELEMENTIS



# CONTACT INFORMATION

ELEMENTIS



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