

ELEMENTIS ENHANCES PERSONAL CARE BUSINESS WITH \$360 MILLION ACQUISITION OF SUMMITREHEIS

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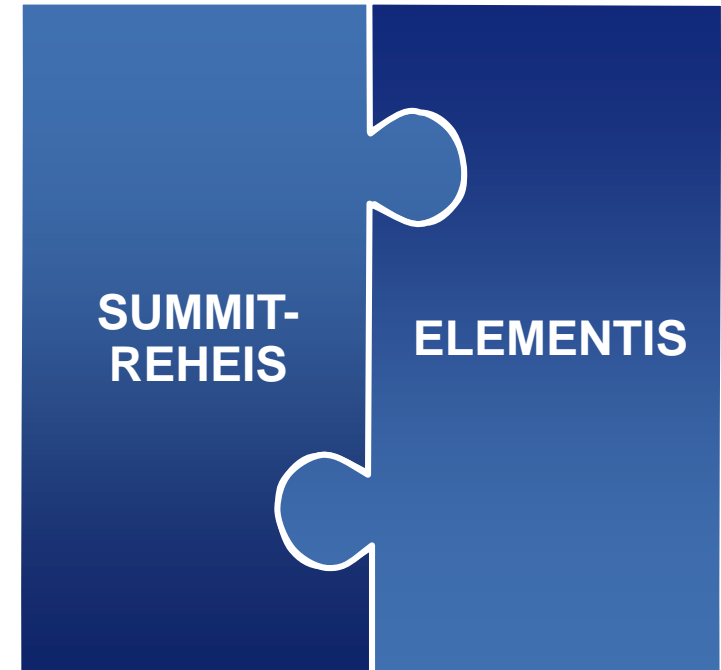
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SUMMITREHEIS IS THE GLOBAL LEADER SUPPLYING ANTI-PERSPIRANT (AP) ACTIVE INGREDIENTS

- ▶ SummitReheis is an attractive business in a growing end market
 - AP actives market expected to grow at 5% per annum
- ▶ Products highly complementary to those of Elementis

Combined personal care business has

 - Scale: ~\$200m sales
 - Improved customer proposition
 - Stronger position in high growth segment
- ▶ Fully consistent with Reignite Growth strategy



WINNING PERSONAL CARE BUSINESS

HOW WILL WE REIGNITE GROWTH?

ELEMENTIS

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

Elementis Capital Markets Day | November 2016 | London

Highlights

SummitReheis an attractive business

Growing end markets

Complementary combination

Strong financial rationale

Prudently financed

Q&A

ELEMENTIS SPECIALTIES BUSINESS MODEL

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ELEMENTIS SPECIALTIES

CRITICAL ENABLING PRODUCTS

ATTRACTIVE END MARKETS

MODEST SHARE OF CUSTOMER COSTS

SUMMITREHEIS

SUMMITREHEIS PROVIDES CRITICAL INGREDIENTS FOR AP PRODUCT PERFORMANCE

ANTI-PERSPIRANTS - A GROWTH SEGMENT WITHIN PERSONAL CARE

EBITDA MARGINS 20%+
HIGHLY CASH GENERATIVE

SUMMITREHEIS PROVIDES KEY ACTIVE INGREDIENTS FOR AP MANUFACTURING

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OVERVIEW OF SUMMITREHEIS

ELEMENTIS

INTRODUCTION TO SUMMITREHEIS

The global leader in anti-perspirant actives market

Long standing relationships with consumer products companies

Cash generative business, robust margins

Reinforced position in Europe with acquisition of B.K. Giulini in 2015

- Leading AP Actives position in Europe
- Leading producer of active ingredients for indigestion and heartburn remedies
- Niche Specialty Dental proposition

SUMMITREHEIS PRODUCTS

Product	Applications
* Aluminium Chlorohydrate (ACH)	Anti-perspirant aerosols and roll-ons
* Aluminium Zirconium compounds	High efficacy anti-perspirant sticks, gels and roll-ons
* Sucralfate	Treatment of stomach ulcers and related conditions
* Antacids	Treatment of heartburn and general stomach discomfort
Dental alloys and discs	Crowns and bridges
Dental plasters	Moulds for replacement teeth

* Shared chemistry between AP Actives and Pharma

USES



AP ACTIVES



PHARMA ACTIVES



SPECIALTY DENTAL

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THE SUMMITREHEIS BUSINESS

ELEMENTIS

KEY FACTS

\$134m revenue (2016 expected)

Underlying EBITDA of approximately \$28m (2016 expected), underlying EBITDA margins 20%+

5 production facilities

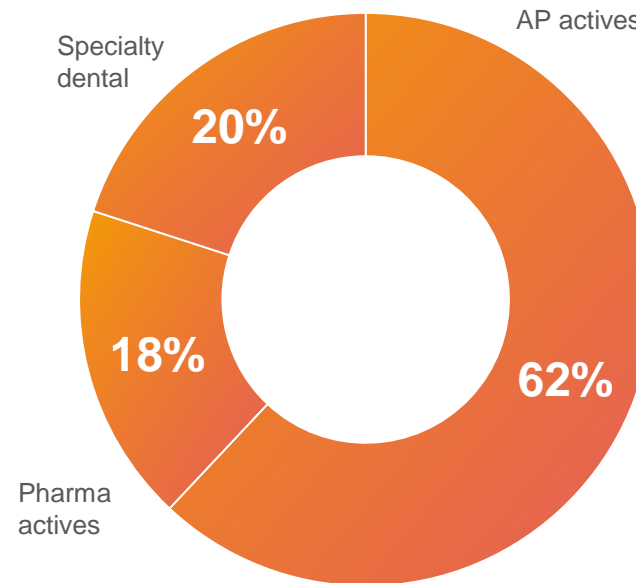
- 2 in US, Germany, UK and China

~270 employees

Leading positions in each segment

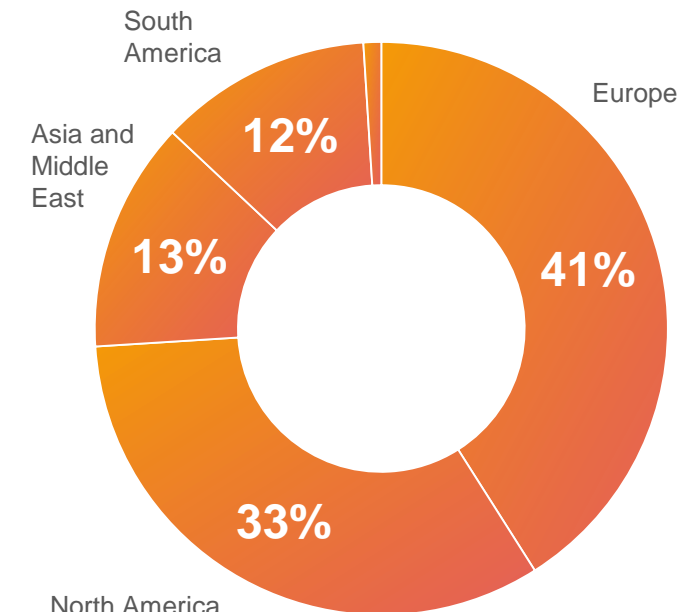
- Leading AP Actives position globally
- Leading producer of active ingredients for indigestion and heartburn remedies
- Global leader in milling discs and strong position in dental alloys markets

2015 SALES BY END MARKET



Source: SummitReheis

2015 SALES BY GEOGRAPHY



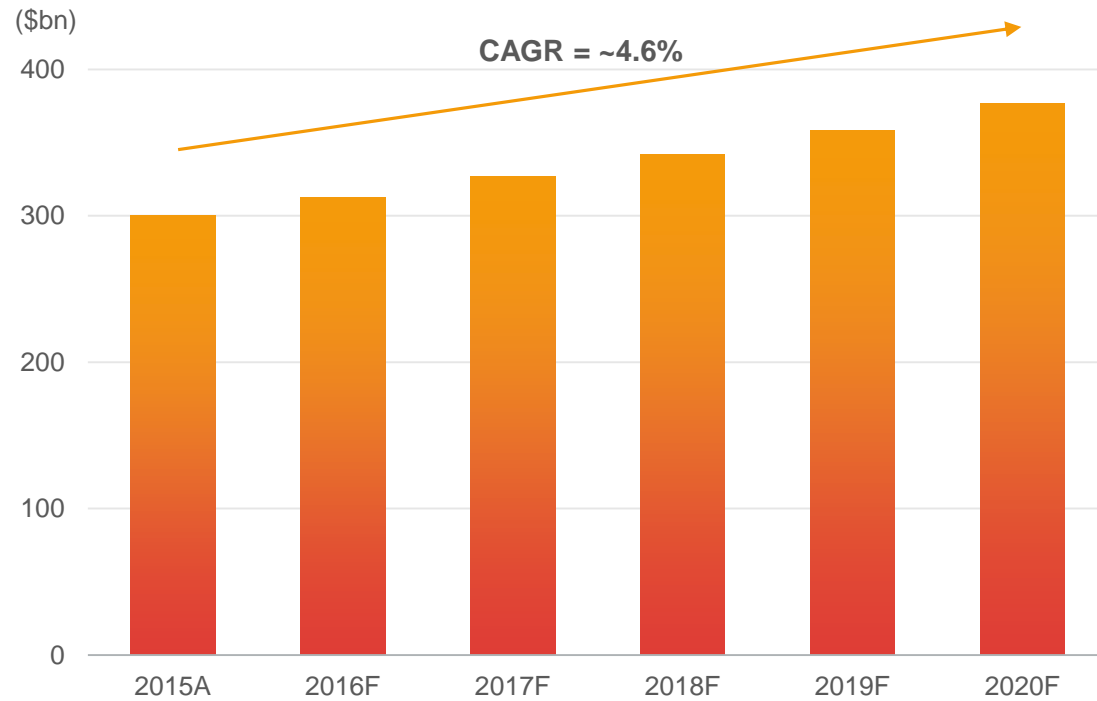
Source: SummitReheis

PERSONAL CARE MARKET

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PERSONAL CARE MARKET GROWING FASTER THAN GDP

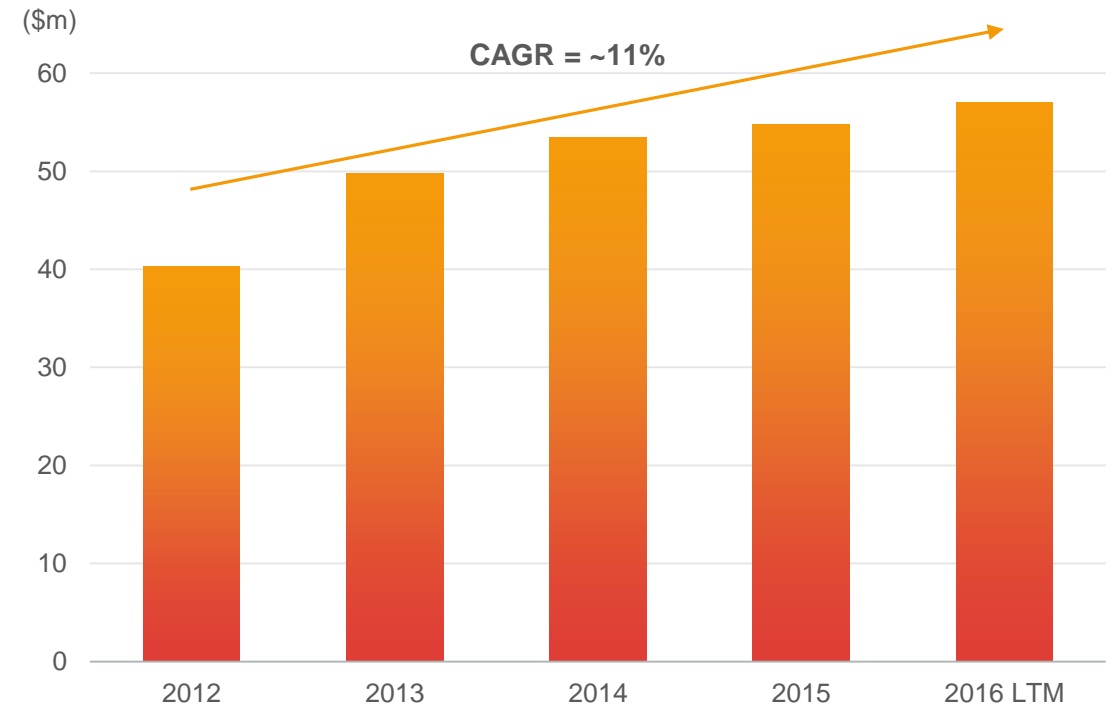
Estimated Global Personal Care Consumption



Source: Datamonitor

ELEMENTIS PERSONAL CARE HAS ALREADY BEEN GROWING FASTER

Sales



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

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LARGE, GROWING MARKET...

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OVERVIEW

ANTI-PERSPIRANTS - \$13BN GLOBAL MARKET

- ▶ Growing at 5% annually to 2021
- ▶ Growth driven by demographic trends

DEVELOPED MARKETS OPPORTUNITY

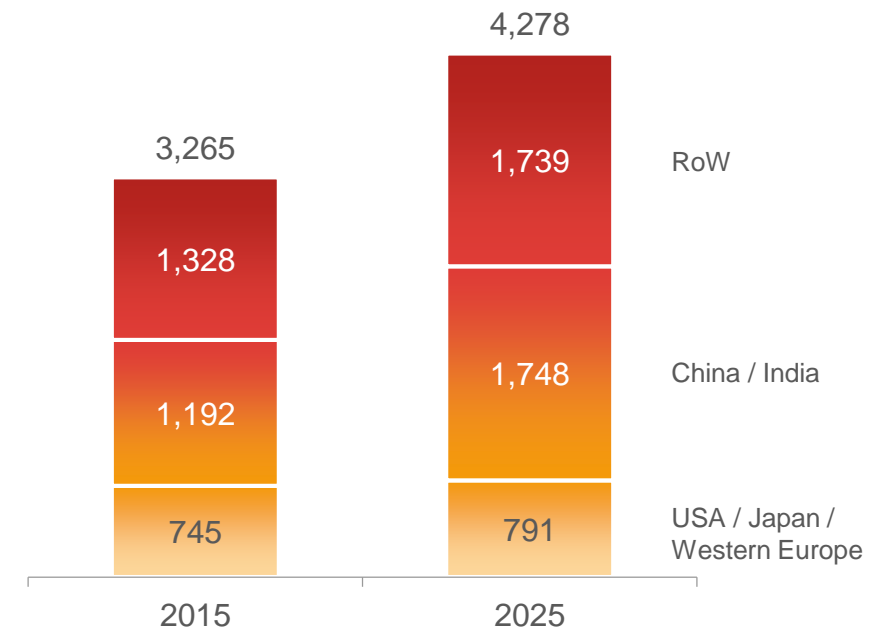
- ▶ Increasing penetration of APs in anti-perspirant deodorant segment

SIGNIFICANT GROWTH POTENTIAL IN EMERGING MARKETS

- ▶ Increased discretionary income
- ▶ Changing lifestyle trends
- ▶ Increasing affluence

DEMOGRAPHIC TRENDS DRIVING DEMAND

Millions of consumers earning >\$5k per annum



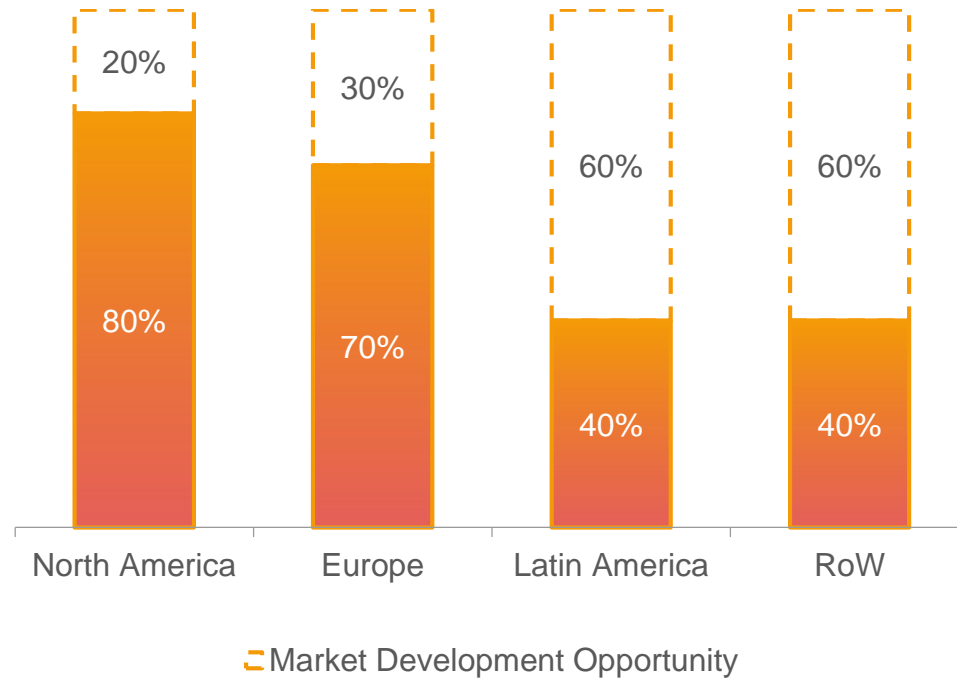
Source: Euromonitor

...WITH EMERGING MARKETS REINFORCING THE TRENDS FOR THE LONG TERM

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SIGNIFICANT OPPORTUNITY IN EMERGING MARKETS...

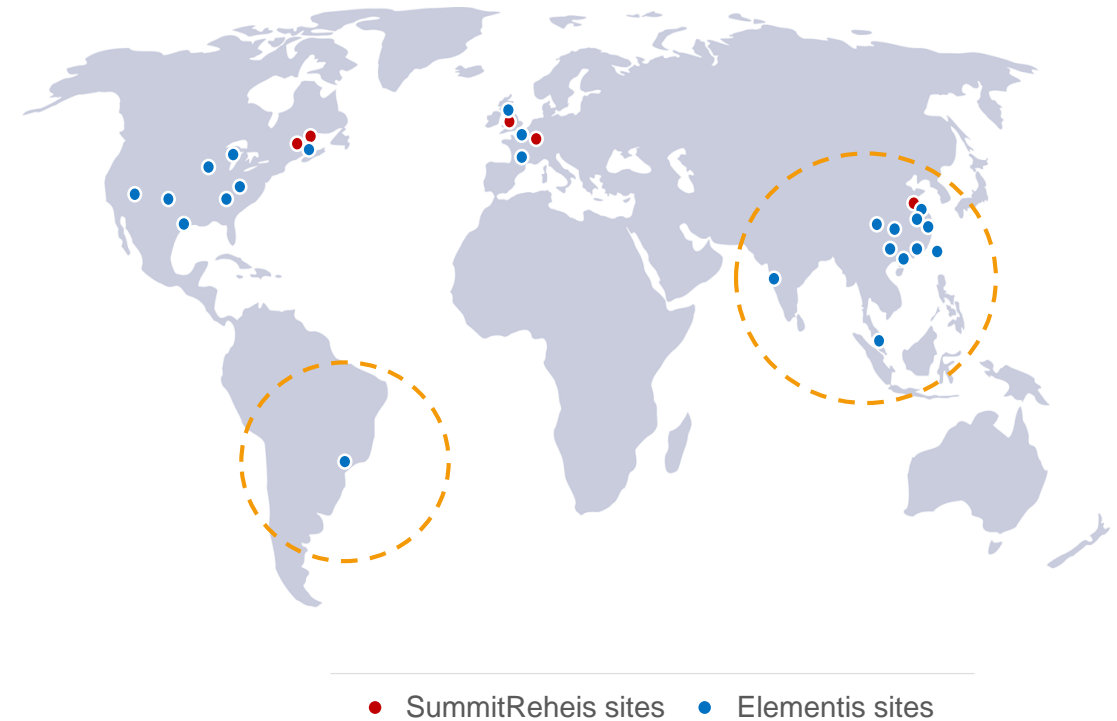
Anti-perspirant penetration of APDO* segment (2015)



Source: Roland Berger

*Note: APDO defined as anti-perspirants and deodorants

...COMPLEMENTED BY ELEMENTIS' INTERNATIONAL FOOTPRINT



SUMMITREHEIS A NATURAL FIT FOR ELEMENTIS

ELEMENTIS

KEY ANTI-PERSPIRANT MARKET DRIVERS



COMBINED ELEMENTIS PERSONAL CARE AND SUMMITREHEIS BUSINESS

Growth in aerosols outpacing other formats



Elementis' hectorite used by many customers in conjunction with SummitReheis' actives

Key growth opportunity in emerging markets



Elementis' global footprint to drive SummitReheis growth in emerging markets

Consumers in developed markets switching to better performing, premium products



Elementis' hectorites & SummitReheis' AP actives - recognised premium products

Large, growing global customers



Elementis and SummitReheis combined can strengthen relationships

COMBINATION CREATES AN ELEMENTIS PERSONAL CARE BUSINESS OF SCALE

ELEMENTIS

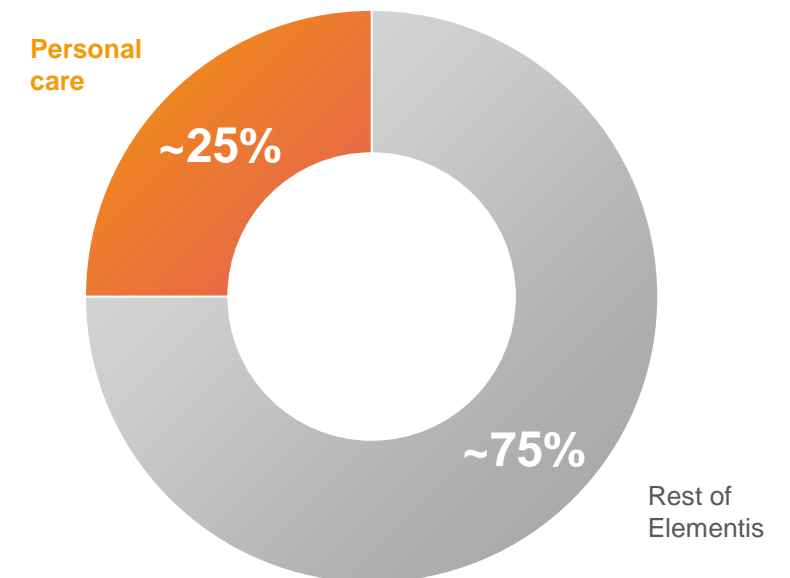
NEW PERSONAL CARE BUSINESS

Acquisition creates a ~\$200m revenue personal care business

New personal care business accounts for:

- Approximately one quarter of Elementis pro forma combined revenue
- Operating profit contribution in excess of 30%

ELEMENTIS PRO FORMA ANNUAL REVENUE COMPOSITION (2016E)



ATTRACTIVE EARNINGS AND VALUE CREATION OPPORTUNITY

FINANCIAL IMPACT

- ▶ Immediate adjusted earnings per share accretion - double digit in 2018
- ▶ Immediately accretive to Elementis' margins

VALUE CREATION

- ▶ Opportunity to accelerate growth of both Elementis and SummitReheis
- ▶ Up to \$3 million cost savings per annum

TRANSACTION TERMS

- ▶ Enterprise Value of \$360 million on a cash free, debt free basis
- ▶ 11.8x SummitReheis expected underlying 2016 EBITDA (including run rate cost synergies)

ELEMENTIS TO REMAIN PRUDENTLY FINANCED POST ACQUISITION

SOURCES OF FINANCING

- ▶ Acquisition to be financed from existing cash resources and proceeds from new five year \$475 million, fully underwritten debt facilities on similar terms to existing RCF
- ▶ New debt will also be used to refinance Elementis' existing debt facilities

PRUDENTLY FINANCED

- ▶ Pro forma Elementis 2017E net debt / EBITDA multiple of less than 2.0x, reducing with anticipated cash generation

COMPLETION

- ▶ Completion expected to take place in second quarter of 2017 following receipt of anti-trust clearances in the US and Germany

ELEMENTIS AND SUMMITREHEIS - A WINNING COMBINATION

ELEMENTIS



Attractive business



Growing end markets



Complementary
combination



Strong financial
rationale

**CREATES A PERSONAL CARE BUSINESS OF SCALE
AN IMPORTANT STEP IN DELIVERING ELEMENTIS' STRATEGY TO REIGNITE GROWTH**

Q&A

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