

Q&A with Luc van Ravenstein, Chief Executive Officer

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Leading Elementis is a privilege and I'm inspired to move forward together with our people and customers.”

Luc van Ravenstein
Chief Executive Officer

Q&A

Q: Looking back on your first year leading Elementis, which moments have stood out for you?

A:

It's been an incredible year. Leading Elementis is a privilege, and I'm grateful for the trust the Board has placed in me. There have been many highlights, but two moments really stand out: completing the sale of the Talc business and launching our Elevate Elementis strategy. Those weren't just milestones – they were defining moments that set the stage for what this company can achieve in the future. They show the potential we have when we focus and move forward together.



East Windsor, US

Q: In what way is the new 'Elevate Elementis' strategy distinct from the business' previous approach?

A:

Our new strategy builds on our strong foundations and the substantial progress we have made over the last few years. The clearest evidence of this being the early delivery of our 2026 financial targets which we set out in November 2023, accelerated by the sale of the Talc business in May 2025. While these accomplishments contributed to a re-rating of our stock, we acknowledge that our performance has been held back due to slower top-line growth, underinvestment in R&D, the distractions of managing and subsequently divesting the Talc business, and operational challenges at our manufacturing plant at St. Louis, US, that have affected service levels.

Recognising these realities from a position of strength, we launched 'Elevate Elementis' – a strategy focused on three clear priorities designed to drive consistent growth, both top and bottom line, and deliver superior returns for our shareholders. It means focusing relentlessly on what makes us distinctive – our hectorite, our rheology and formulation expertise; moving faster and acting with greater agility; elevating customer service; and building a workplace where people are proud to belong.

Q: There's been a lot of excitement recently around hectorite and its potential, although it's been part of Elementis for several years. What makes this asset so special and why is this now getting so much attention?

A:
Hectorite is a naturally occurring clay mineral that formed through geological processes over millions of years.

It forms when volcanic ash reacts with lithium-rich water underground – an exceptional natural process that makes hectorite one of the few clays with lithium content, which gives hectorite its special rheological properties.

Hectorite has been a principal driver of our Personal Care business for several years. As we've developed our understanding of hectorite and its rheological capabilities, we've also discovered new applications to which its chemistry can be applied, such as in water-based systems, where it provides thickening, suspension and stability to lotions and creams, and in oil-based systems delivering viscosity control, anti-settling, and thixotropy for products such as lubricants and cosmetics.

Our hectorite-based portfolio has grown strongly over the last few years and we expect to deliver double-digit revenue growth over the medium term.

Q: Are you able to share how the success of the 'Elevate Elementis' strategy will be measured?

A:
We will measure the success of our strategy through clear medium-term targets: delivering mid-single-digit revenue growth through the cycle, achieving an adjusted operating margin of 23% or more, maintaining three-year operating cash conversion above 90%, and generating a ROCE (excluding goodwill) of over 30%. These financial ambitions are underpinned by a series of parallel initiatives that will accelerate sustainable growth and create significant shareholder optionality.



Q: Elementis has a leading position in the rheology and formulation solutions markets. How will you defend that position from new market entrants?

A:
Our leadership position in rheology and formulation solutions is built on deep technical expertise, and decades of innovation and long-standing customer relationships, that few can replicate. We also own one of the largest known commercial high-grade hectorite mines in the world, a premium rheology modifier.

To strengthen this position, we're focused on three things: first, accelerating the pace and quality of sustainable-led innovation through both organic growth and targeted bolt-on acquisitions in existing and new markets; second, leveraging our global footprint to develop more direct customer intimacy that will enable us to deliver differentiated value-add solutions faster; and third, continuously improving service reliability and operational agility. These actions ensure we not only protect our position but extend it in ways that create lasting value for customers and shareholders.

“Our rheology leadership is built on expertise, innovation and trust.”

Q: It's been a difficult market for Chemicals for several years, what makes you confident that you can deliver on your ambitious growth plans and targets?

A:
While some of the end markets we serve – such as coatings – continue to experience slower demand, our position as a specialty chemicals business gives us a unique advantage.

Our ingredients typically represent a small proportion of a customer's formulation, which means we can create significant value without being constrained by overall volume trends. Even in a weak volume environment in 2025, we delivered price increases across our product range, underscoring the value we bring.

In combination with our global manufacturing footprint and lean operating model, we are well positioned to innovate faster and deepen customer intimacy. We're focused on creating differentiated and sustainable solutions – whether that's expanding hectorite penetration in the portfolio, broadening our water-based and powder coatings range, creating pre-formulated blends that help lower our cost and give our customers more formulation flexibility. These actions, together with our strong foundations, give us confidence that we can build on our success and deliver sustainable growth and attractive returns over the medium term.

Q&A with Luc van Ravenstein, Chief Executive Officer continued

Q: In the context of increasing R&D spend, how do you think about innovation at Elementis – and how do you ensure new products will add value to the business, rather than erode it?

A:

At Elementis, we view innovation as a key differentiator that creates sustainable value for our customers.

We focus on two types of innovation:

- **Product lifeline innovation** that extends the life of existing products by adding new benefits – such as more natural ingredients, improved efficacy, or enhanced sensory attributes. These upgrades often command higher margins and strengthen customer loyalty
- **Breakthrough technologies** that have the potential to open new markets and revenue streams. For example, DEOLUXE™ SC, a non-metal sweat reduction active, and NATURALUXE™ MFF, a biodegradable film former and emollient for sunscreens, position us at the forefront of consumer trends and regulatory shifts

This balanced approach – extending product life while introducing category-defining technologies – ensures our R&D spend drives profitable growth and reinforces Elementis' leadership in specialty chemicals.

Q: This has been another year of significant change at Elementis. How are employees adjusting?

A:

This has indeed been a year of significant change for Elementis, and I'm proud to say our employees have responded with resilience and commitment. Our success is a direct result of the dedication of colleagues across all our locations. I am truly humbled by their unwavering support over the past few years as we completed the Fit for the Future restructuring programme and launched our new strategy.

That strategy is designed to create a simpler, leaner, and more agile business – one that is poised to accelerate growth. Change is never easy, but our teams have embraced it because they see the long-term benefits: clearer priorities, faster decision-making, and a stronger platform for innovation and customer focus. Their adaptability and engagement give me confidence that we are well positioned to deliver on our ambitions.

Q: Environmental sustainability is a more contested concept in 2026 than it has been in some time. How important is becoming more sustainable to Elementis?

A:

For Elementis, sustainability is not a box-ticking exercise – it's a core part of how we create value. We see it as both an essential response to global challenges and a significant growth opportunity, enabling us to deliver strong financial returns responsibly while supporting our customers' own ambitions.

Our priorities are clear: leverage our core strengths to deliver benefits for customers, reduce environmental impacts – striving to achieve net zero GHG emissions – minimise resource use, and maintain a safe, engaging workplace.

Importantly, sustainability is already embedded in our portfolio: 59% of our revenue comes from products containing at least 50% natural or naturally-derived content, and we expect this proportion to grow. By combining innovation with responsibility, we aim to lead in areas that matter most to our customers and the planet.



Q: What are your capital allocation priorities over the short to medium term?

A:

Our strong cash generation profile gives us the flexibility to both invest for growth and deliver attractive returns to shareholders.

On growth, we expect to allocate around 3-4% of revenue to capital expenditure over the medium term, with a focus on projects that enhance productivity and support future growth. In addition, we will continue to pursue bolt-on acquisitions that complement our portfolio and strengthen our market position.

With regards to shareholder returns, our dividend policy targets a payout ratio of around 30%. Beyond this, subject to the investment needs of the business, we will look to return excess capital to shareholders through higher dividends and/or future share buybacks, as demonstrated by the £40.0m (\$53.8m) programme completed in 2025.

Finally, we will maintain a disciplined approach to leverage, supported by a combination of our revolving credit facility and term loan arrangements. This balanced capital allocation framework ensures we can fund growth, reward shareholders, and preserve financial strength.



Q: How large could you grow revenues from your recent acquisition of Alchemy and should we expect more bolt-on M&A in 2026?

A: Alchemy is a strong strategic fit for Elementis and generated \$6.7m in revenue in 2025 with margins in line with our Personal Care business. Its innovative technologies complement our portfolio and enhance our expertise in formulation and rheology, creating new sensory profiles and textures for cosmetics and skin care.

By leveraging our global sales and distribution network, we aim to accelerate Alchemy's success. We will also continue to pursue bolt-on acquisitions opportunistically that meet our investment criteria and deliver revenue synergies, while proactively managing our portfolio to ensure every business contributes to our growth and returns objectives.



We move forward with purpose and a commitment to deliver.”

Q: Finally, what can we look forward to from Elementis in 2026?

- A:** Looking ahead to 2026, we are confident in another year of progress and our priorities are clear.
- **Innovation:** Accelerate the pace and quality of new product innovation, with a focus towards sustainable-led product innovation to reinforce leadership in rheology and formulation solutions
 - **Customer focus:** Expand direct account coverage to deepen relationships and deliver superior service
 - **Operational excellence:** Drive greater simplicity and efficiency to enhance agility
 - **Sustainability:** Advance our agenda by designing more sustainable products, reducing GHG emissions and energy intensity while maintaining a strong safety work ethic
 - **Capital allocation:** Deliver attractive returns to shareholders by effectively balancing our capital allocation priorities to generate maximum value

Luc van Ravenstein
Chief Executive Officer



Our achievements would not be possible without our talented and dedicated colleagues – they are what make Elementis truly special.”