

2025 full year results presentation
5 March 2026

Luc van Ravenstein, Chief Executive Officer

Front cover

Good morning everyone, and welcome to the Elementis 2025 Full Year Results presentation. Thank you for joining us today.

Agenda – Slide 3

In terms of agenda, I will begin with our highlights for the year. Kath, our new CFO, will run through our financial performance. And then, I will take you through our strategic progress over the past year and finally to our outlook for 2026. We will then open for your questions.

Key highlights - Slide 4

It's been quite a year, looking back, 10 months into the job, I'm really proud of everything we've achieved together.

We delivered strong profit growth and margin expansion despite a soft demand environment, clear proof of the quality and resilience of our business.

From a strategic perspective, the sale of the Talc business and launching our Elevate Elementis strategy were more than milestones, they set the foundation for what this company can achieve when we focus and move forward as one team.

And we're making solid progress across all of our priorities such as innovation sales, up to a record 16.4% and zero lost time accidents. So lots of positive momentum.

The New Elementis: pure-play specialty portfolio – Slide 5

You might remember a version of this slide from our half-year results. Our portfolio has fundamentally transformed over the past years. We've reshaped Elementis into a pure-play specialty chemicals business, focused on our two segments: Personal Care and Coatings.

Selling Talc was a major step in making this happen and it was my first priority when I started as CEO... With Chromium sold in 2023, we exited these commoditised, capital-intensive businesses. And it was absolutely the right decision, it allows us to focus on our core strengths and capabilities. As you will have seen this morning, I am pleased to share that we have agreed to sell our pharmaceutical business to ABF. The sale is in line with our strategy and further sharpens our focus. More on this on the next slide.

In November, we added Alchemy to the portfolio, a fantastic bolt-on acquisition right in our Personal Care sweet spot. It's a fast-growing, high-margin business that strengthens our position in skin care and cosmetics.

So this is the new Elementis. We're a company with a unique position built on three real differentiators: Hectorite, Rheology, and Formulation Solutions. We're really pleased with the shape of the portfolio, and we're well positioned for growth.

Sale of Pharmaceutical manufacturing business – Slide 6

So we announced today that we reached an agreement to sell our noncore pharmaceutical manufacturing business to ABF. Last year the business made 35 million dollars in revenue. Our pharmaceutical business was originally acquired as part of SummitReheis in 2017. It manufactures antacids and pharmaceutical excipients from our Ludwigshafen site in Germany. While the business has performed well, it's clear that it no longer fits with our strategic focus. Because of that, the sale we announced today is the best outcome for both the pharmaceutical business and for Elementis.

It's a straightforward, clean transaction. It will reduce our capital intensity and on a pro-forma basis will deliver an uplift to our 2025 Group operating margins.

We are working towards completion in Q2.

2026 targets delivered early – new targets set – Slide 7

With the Talc business sold, we accelerated the delivery of all our 2026 financial targets by one full year, a fantastic result.

With Elevate Elementis, we shared our new targets:

- Mid-single digit revenue growth;
- Operating margins of more than 23%;
- Three-year operating cash conversion to be above 90%; and
- ROCE excluding goodwill of more than 30%.

Our proven track record gives us the confidence that we can meet these targets and be among the top of our peer group.

Moving to sustainability next on slide 8.

Significant progress in all areas of sustainability – Slide 8

Starting with safety, which is fundamental to how we operate. Last year we achieved our first zero lost time accident since 2019—a big milestone.

Turning to the environment, we continue to make good progress. The divestments of Talc and Chromium have significantly reduced our carbon footprint, which is now nearly 80% lower than in 2019.

And we continue to transition to a more sustainable and responsible business. For example at our Hectorite mine, we moved to almost entirely renewable energy from a 0% base last year. Finally, on people. We've made a lot of changes in the organisation with Fit for the Future – that was a big reorganisation for us. The engagement scores actually improved, and voluntary attrition is down by 40% - we're well below industry average. For me even more importantly, I see it when I visit our sites, how proud the team is at our Newberry hectorite site, or when I visit the new Porto team.

And with that, I am delighted to now hand you over to Kath, our new CFO, to cover our financial performance.

Group financials – Slide 9
Kath Kearney-Croft, Chief Financial Officer

Thank you, Luc, and good morning, everybody.

Before I begin, I would just like to share some initial reflections of my first few months in Elementis. I have been here for four months now and two months as a CFO, and I have been genuinely impressed and frankly relieved by what I have seen.

I have had a really warm welcome, with lots of people taking time out of their busy schedules to help me on board. And it is clear everyone is working with a real commitment to unlock the full potential of Elementis.

I have had the opportunity to visit locations in the UK, Europe and USA, and I have really enjoyed learning about the business. There is nothing quite like being in the manufacturing environment, seeing products being made and looking to see what we are talking about in meetings. And the real highlights for me have been hands-on in the Alchemy Lab and visiting the hectorite mine.

What has really stood out is the passion, dedication, commitment and pride of our people. They care deeply about the company, and rightly so. And I am confident that we can continue to build on these strong foundations, demonstrating that we have opportunities to grow revenue and profit and continue to generate strong cash and returns.

When I look at the macro backdrop for 2025, we could be standing here looking at a very different set of results. And I am definitely glad that I do not have to present that set. Despite the challenging market, we have made good progress in 2025, and the team have done a fantastic job. And it is in this context I would like to cover the results for the prior year.

Strong profit growth and further margin expansion - Slide 10

Following the sale of talc, the 2024 P&L and cashflow figures have been restated for continuing operations and used for comparison purposes.

I wanted to show a brief overview of the key metrics for 2025, most of these items we'll cover in the following slides so we won't go into detail here other than highlighting :

- Despite a small decline in Group revenues, we delivered strong growth in adjusted operating profit and a 150 basis point improvement in margins
- In combination with lower net finance costs and a lower number of shares following the buy back, adjusted earnings per share was up 14.2% to 13.7 cents. An outstanding performance considering the challenging operating environment that Luc referenced earlier

Group revenue – Slide 11

And as we turn to look at Group revenue, you'll see that despite the backdrop we delivered a resilient performance with overall revenue down 1.0% on a reported basis and 1.9% on a constant currency basis to 597.5 million dollars.

Bridging from 2024 we had a favourable FX tailwind of approximately 5.2 million dollars. Volumes were down 5.6 million dollars due to the weak demand environment in coatings resulting in a

reduction of 14.1 million dollars, and this was partially offset by volume growth in Personal Care of 8.5 million dollars.

On pricing, we delivered 7.8 million dollars across both businesses, a testament to the specialty nature of our portfolio. Of note, a combination of proactive pricing, procurement agility and supply chain optimisation actions helped us to fully offset the direct impact of tariffs in the year, and we believe the latest news on this topic, at least as of Saturday 21st February, will continue to leave us in a neutral position.

Turning lastly to mix, this was down 13.7 million dollars primarily due to a combination of one-off sales in coatings of 3.4 million dollars in 2024 not repeated in 2025, along with continued softness in industrial coatings and decorative end markets. AP Actives saw strong growth in lower-priced but margin accretive products, as well as a consumer-driven shift from aerosol to roll-on formats in LatAm.

As we turn our eyes to Adjusted operating profit.

Group Adjusting operating profit – Slide 12

We delivered strong growth, which increased by 4.6% to 126.7 million dollars.

Within this, we benefited from favourable FX of 1.9 million dollars, lower volumes had an adverse impact of 1.9 million dollars; and the net price/mix impact, after offsetting inflation, was 10.5 million dollars.

These headwinds were mitigated by the ongoing delivery of our self-help savings initiatives, which led to 18 million dollars of total cost savings in the year. More on this to come shortly. As noted earlier, our strong profit performance helped drive higher margins, increasing 150 basis points to 21.2%.

So, let's take a deeper look into the reporting segments.

Personal care performance – Slide 13

Starting with Personal Care, revenue was up 2.4% to 224.5 million dollars with strong growth in Skin Care and Cosmetics, offsetting a slight decline in AP Actives. Looking at the regional performance, we saw higher revenues in EMEA and Americas, with Asia flat compared to last year.

Adjusted operating profit was up strongly at 72.8 million dollars or 16.9%, and importantly, brings the absolute profitability of the Personal Care segment in line with the Coatings segment.

This improved profitability was driven by improved volumes and pricing alongside cost savings. The higher profits in turn helped to drive a higher margin, which was up 410 basis points to 32.4%, including the benefit of one-off volumes and cost savings in H1 previously noted at the half year.

Lastly on this slide, I wanted to highlight that our results in 2025 include the pro-rata contribution from the recent acquisition of Alchemy, a small quantum for the year given the late acquisition timing but meaningful strategically. Now moving on to the Coatings segment.

Coatings performance – Slide 14

We delivered a resilient performance with revenue of 373.0 million dollars compared to 386.4 million dollars last year, with a decline in Coatings partially offset by strong performance from our energy business. The year on year decline was also impacted by the benefit of high margin one-off sales in Q4 2024.

The drop through from the lower revenue led to a lower adjusted operating profit of 70.4 million dollars. However, the combination of higher pricing and our self-help actions supported the operating margins finishing the year at 18.9% compared to 20.3% in the year before.

You will recall at H1 we highlighted some operational challenges at St.Louis that were holding back our Coatings performance. Whilst there is still progress to be made, I wanted to share positive news that the debottlenecking programme at St.Louis is progressing well, and leading to improved performance which Luc will cover more fully later.

Proven track record of cost savings delivery – Slide 15

Last year, we successfully completed the balance of our two-year 30 million dollar cost savings programme, by delivering 12 million dollars via our Fit for the Future restructuring and supply chain initiatives programmes.

In addition to this, we announced in July, a further 10 million dollars in savings that we were aiming to deliver over the remainder of 2025 and 2026. These are net of planned additional R&D spend which will increase our total spend from 2% of revenue to 3% over the next two years. As we announced this morning, we have delivered 6 million dollars of savings already, and we will deliver the balance of 4 million dollars by the end of 2026.

Our cost saving programmes have reduced complexity and improved operational efficiency. We will continue to proactively identify opportunities to streamline our cost base, and capture further efficiencies as we deliver on our growth agenda, and become a simpler and leaner company.

Strong free cash flow generation – Slide 16

Now taking a look at free cash flow.

A key feature of this business is its strong cash flow generation, and I'm pleased to report that we generated good free cash flow of 41 million dollars in 2025, compared to 51 million dollars in the prior year.

Looking at the key components, higher Adjusted EBITDA was more than offset by the working capital outflow in the year driven by higher receivables due to lower debt factoring and strategic inventory build. We also had higher capex as we increased our investment to support adjacent market growth, and capital investment in support of the St.Louis improvement programme.

As a result of these movements, our adjusted operating cash flow was 104.7 million dollars compared to 123.2 million dollars last year.

As we move down the cash flow statement, it is worth calling out two items. Firstly, our cash taxes were lower by 4.4 million dollars primarily due to an IRS refund received relating to a 2024 claim to utilise net operating losses for prior periods; and also, adjusting items were 6.7 million dollars lower as the Fit for the Future programme finished during the year.

Robust balance sheet gives capital allocation optionality – Slide 17

Our balance sheet remains robust and whilst leverage ticked up to 1.3x, this was after acquiring Alchemy and returning cash to shareholders.

Looking at the key movements from left to right. We started the year with a net debt balance of 157.2 million dollars. Adding back the free cash flow generated of 41.0 million dollars, as well as the proceeds from the Talc sale of 52.5 million dollars, we had an increase in cash available for distribution of 93.5 million dollars.

Of this amount, we returned 79.1 million dollars through our first share buyback programme, and the 2024 final dividend and the 2025 interim dividend. The share buy back programme led to the purchase and cancellation of approximately 4% of our issued share capital.

In October, we completed the disposal of the disused Eaglescliffe site for a negative cash consideration of 11.1 million dollars. I would like to specifically note, the strategic divestment of both Talc and the Eaglescliffe site, have enabled us to significantly reduce our environmental liabilities and provisions.

In November, we completed the acquisition of Alchemy for a total upfront consideration of 20.1 million dollars. Taking off the FX of 11.4 million dollars, we ended the year with a net debt balance of 185.4 million dollars and a net debt to EBITDA ratio of 1.3x.

Capital allocation – Slide 18

Our aim is to maximise return on invested capital while maintaining a strong balance sheet and strategic optionality.

In relation to investments, our capex programme will be focused on investing in growth and productivity.

We will also invest in R&D, and have plans to increase total spend here from 2% of revenue to 3%.

To complement these organic growth investments, and as we demonstrated with the acquisition of Alchemy, we will selectively pursue bolt-on acquisitions, whilst maintaining a strong balance sheet.

On dividends, our policy is for a payout ratio of around 30% of adjusted earnings. As we announced this morning, the Board has recommended a final dividend of 3.0 cents, taking the full year dividend for 2025 to 4.3 cents, up 7.5% from last year and represents a 31% payout ratio.

In considering future additional returns, we will assess several factors, including prevailing market conditions, our existing progressive dividend policy, the investment requirements of the business, and our desire to maintain leverage at around 1x Net Debt to EBITDA over time which we anticipate we will achieve on an organic basis in 2026.

In light of the announcement of the pharmaceutical manufacturing business disposal, our expectation is to distribute the net proceeds to shareholders following completion, and we will provide a further update upon closing.

And lastly, for your reference we have included some technical guidance for 2026 on slide 19.

So with that, I'll now hand over to Luc, who will take you through our strategic progress over the past 12 months and the outlook for the year.

Elevate Elementis – Slide 21

Thank you Kath. For those less familiar with *Elevate Elementis*, this is our new strategy that we launched in July

The plan is simple. We have three strategic priorities.

First, top-line growth: this is about focusing on what we do best, in the areas that make Elementis unique - without the distractions of Talc and Chromium. Our objective is to grow revenue by mid-single digit over the medium term. In the next slides, I'll share a view of our growth opportunities, and our progress in 2025.

The second priority is about service delivery. Our ambition is to be best-in-class and the first choice for our customers. We've made some great progress there that I will show later.

And third, simplification and agility. We are building a simpler, leaner Elementis that empowers colleagues, makes us more agile and allows us to execute at pace.

Delivering against these three priorities is what will drive value creation and help us deliver the new medium term targets.

Leveraging our differentiators – Slide 22

So looking at our first priority.

For us to grow, and unlock our full potential, it is important to focus on what makes Elementis unique, and what will allow us to win.

We call these our winning differentiators and let me briefly touch upon them.

Hectorite: this is a very special asset, it is a white mineral that comes from our mine with long-term reserves. It has really unique properties because of its chemical composition and its platelet structure. We don't just sell hectorite – we modify it, add value to it, for example by making pre-formulated gels for cosmetics. Our customers love its efficiency – you need only a tiny amount to get a big effect. It's natural, and it delivers the kind of premium skinfeel that consumers are looking for.

Rheology: the science of flow, it is what's needed to stabilize ingredients in a paint can, it's also what makes sunscreen spread evenly on the skin. Here, Elementis is the global leader.

Formulation Solutions. This is our expertise, built up over years, of our customers' formulations, it's how our people work together with our customers to improve the performance of a paint or skincare product, day in day out. Our colleagues in the labs have worked at AkzoNobel or Estee Lauder, they talk our customer's language, and that's a huge benefit.

To grow in large and attractive end markets – Slide 23

We operate in big, attractive markets as you see here. Our focus though is to target these niche areas where our winning differentiators set us apart.

We work together with our customers to improve their products – for example in skincare we are replacing synthetic additives by hectorite, giving it a more premium texture. In industrial coatings, we help the transition from solvent-borne to high-performance water based formulas.

I'm not going into all of these but the point here is: we're using our expertise and unique portfolio to help our customers make better and more sustainable products.

So lots to go for in our current markets.

Outside of our existing markets, there's a large new and adjacent space for us that we are tapping into as well. We're using the same model – and we have entered areas that we're going to scale.

An example is hectorite for Geothermal Energy. Here, because the wells are extremely deep, you're facing ultra-high temperatures – at which hectorite is stable. We're using our formulation knowledge and existing customer relationships to grow with this market. We had our first sales in 2025 and have a number of field trials planned for this year in the US and Germany.

So lots of exciting opportunities and potential for growth.

Progressing towards our MSD target – Slide 24

So, we are focusing in the right areas, building on our winning differentiators. But what levers are we pulling to now bring in this growth.

First, we're investing more in R&D, 50% more, for example in application knowledge to support customers, and we're building a hectorite centre of excellence. We're already seeing the benefits, last year, innovation sales reached a record 16.4%, this has doubled in the last 5 years; we launched 19 new products, of which we sent more than 1,500 samples to our customers.

Some of our innovation highlights from last year in the right hand box:

- We launched Deoluxe, our patent-pending non-metal based active. This is looking quite promising, several large customers are testing, and we expect the first sales in the second half of the year
- We also launched a number of new hectorite products. BENTONE® ULTIMATE – also patent-pending – it's a highly active hectorite technology that delivers exceptional skinfeel, mostly for lipstick and mascara
- And in Coatings, we launched Thixatrol 5050W for metallic pigment orientation in waterborne automotive coatings

So lots of excitement around innovation.

Next, we're covering more customers directly– also local and regional accounts; we want to understand first-hand about their needs. We've made good progress last year – we now serve 67% of our customers directly.

We're also building a true local-for-local footprint. This reduces cost and increases reliability – and more and more customers demand local supply, particularly in China.

So this is how we are looking at growing organically.

And to complement our growth, we're looking at bolt-on acquisitions. But in a very disciplined way and only when it fits with our strategy – which doesn't depend on M&A.

The acquisition of Alchemy is a great example.

Acquisition of Alchemy – Slide 25

In November last year, we announced the acquisition of Alchemy — right in our Personal Care sweet spot.

Alchemy develops innovative rheology modifiers for personal care. They are natural and can fully replace synthetic raw materials in cosmetics.

The business has done really well in recent years delivering double-digit revenue growth with operating margins in line with our Personal Care business.

And we're bringing on a team with incredible expertise in this market, we're already working on new products together with hectorite, it's a nice synergy.

The point is, with Elementis behind it, Alchemy can scale faster, leveraging our global sales network as well as our application capabilities. It's a great example of how bolt-ons can strengthen our core and accelerate growth.

First choice for customers – Side 26

To make the most of this growth agenda, we need to be the best supplier to our customers.

An important measure is on-time-in-full — In July we shared our target to deliver a 20% uplift over the medium term, and I'm pleased to say we're now already half way. We will stay focused on this.

Second, we talked about St.Louis in July, one of our largest sites. We had been dealing with some backlogs there, and had a big opportunity, 30%, by unlocking capacity. I've made some leadership changes, brought some experienced people back and we're seeing the results: a 20% improvement since the first half of 2025. That puts us two-thirds of the way there.

At the end of the day, all of this comes down to customer focus and mindset, whether you work in sales, in R&D, or in the plant. With some changes we've made, we have a new top-notch Customer Service centre in Porto, we've seen a 50% reduction in customer response times.

We've also received external recognition that you can see on the screen, which is a great acknowledgement for the team.

Simpler, leaner Elementis – Slide 27

We're building a simpler, leaner Elementis. To us this means driving agility, faster execution, and responsiveness, so we can scale and deliver more value to our customers.

And we have made good progress.

We streamlined our organisation and leadership team. We have eliminated the stranded costs related to Talc. Some of these things were low-hanging fruit like reducing office space that we didn't really need. And some things took more coordinated effort like qualifying 50 new suppliers, that led to quite significant procurement savings.

Looking ahead to 2026, we're not done here. There will be more procurement savings to come. We're making our supply chain more efficient, and we'll continue to move towards a local-for-local model. This is a continuous journey.

On to our outlook last on slide.

Outlook – Slide 28

While we remain mindful of the recent geopolitical uncertainty, we are confident in another year of progress.

We're seeing great momentum and excitement building in the business. I am pleased that we have made a solid start to 2026 and our priorities for the year are clear:

- **Deliver organic growth** through R&D and customer intimacy
- **Achieve best-in-class customer service levels**
- **And lastly drive operational efficiency** and continue to deliver cost savings

The team and I are fully focused on delivering this plan.

Thank you — and with that, could we move to Q&A please?

Questions And Answers

Vanessa Jeffriess (Jefferies): Hello, Vanessa Jeffriess from Jefferies. I am just wondering if you could speak first about how the first quarter has started, given whether in the US and improving beauty markets, and how you think about seasonality for the year, given Coatings is normally stronger in the first half, but we are probably not going to see much improvement soon.

Luc van Ravenstein: Hi, Vanessa Jeffriess from Jefferies. Thank you for that question. We had a solid start to the year, which is encouraging after Q4 was relatively soft. So solid start in Coatings as well, which was softer in Q4. And the seasonality is expected to be quite typical, 52-48 balance. So, yes, an encouraging start.

Vanessa Jeffriess: And then just on your new growth areas, great that you were able to execute on Alchemy. However, how do you think about the mix between achieving that growth from bolt-on M&A and not diluting margins, given I cannot imagine there is much out there making the margins you are?

Luc van Ravenstein: Yes. No, absolutely. Look, this is an organic-led strategy. We are really focussing on organic growth, and there are great opportunities in our existing segments.

Look, we work with many, many companies out there, such as Alchemy. We knew that for a long time, this company, those could be some nice new arrows to our bow. However, again,

this is really organic-led. You are right, our margins are in a nice spot. We are driving them up further. And it is difficult to find companies that are actually accretive to our margins. Alchemy was one of those, by the way. So, we are very happy to use them to grow faster.

Vanessa Jeffriess: And then just on pharma, I know that you did not give profit, but based on past commentary, I would guess that that is making probably 10% margins. It seems like you sold it at a multiple similar to your own Group multiple, which is interesting. I think it speaks to your undervaluation. However, what else is left in the Group, do you think that is making similar margins and could be sold?

Luc van Ravenstein: I think you are absolutely spot on in terms of your analysis around the margins and what we did there with pharma. For us, this was a really good step from a margin and a CAPEX perspective, but also from a strategic perspective, most importantly. Pharma was really an activity that it is a really great piece of business, but it does not fit with us.

Looking at the rest of the portfolio now, we are really pleased with the portfolio we have. We do not have any other business in this kind of margin area. So, yes, right now it is about growth, really. That is what we are focused on. We are pleased with the portfolio. Thank you.

Vanessa Jeffriess: Thank you.

Kevin Fogarty (Deutsche Numis): Great. Thanks very much. Kevin Fogarty from Deutsche Numis.

If I could kick off firstly on innovation. You called out several examples of progress, I guess, in new rheology markets. It feels like you are making sort of more progress there, perhaps, rather than the current ones.

It is obviously sort of quite a different sale in terms of new markets rather than the current. I just wondered if you could sort of talk a little bit about that process. And I guess, culturally, how is that different, in terms of what you are trying to do there relative to what Elementis has done in the past? You are at 16% in terms of innovation sales. Just thoughts on the 20% target you have got out there.

And just secondly, if we can think about Personal Care, just if you could frame the benefits from cost savings, perhaps during the year, any thoughts on Personal Care Asia and dynamics there during the year that would be quite useful, and just confidence on retaining the margin, which is clearly at a significantly higher level than in the past.

Luc van Ravenstein: Thank you, Kevin, for those questions. Perhaps I can take the first couple and then Kath can help me on the third if you do not mind.

Kath Kearney-Croft: Yes.

Luc van Ravenstein: Thank you. In terms of the new markets, so indeed, look, we have a large market in Personal Care and Coatings, where we have great opportunities for growth. We talked in July, for example, about replacing some of the synthetic additives in sun care. That is our

existing market, huge opportunities. And if I look at our growth going forward, probably the largest piece of growth is actually going to come from those existing markets.

We have exciting opportunities in new markets for sure as well, where frankly, we have started to look into only relatively recently. Some of these opportunities we will actually be able to address and bring in with our current sales force, application knowledge, etc.

I gave a little example of geothermal. Geothermal drilling is actually happening a lot with our existing customer base already, the Schlumbergers of this world. We have the access to the customers. We have the knowledge of deepwater drilling through our oil and gas business. So that is an opportunity we will bring in with our existing setup.

Other opportunities, for example, we have identified a new opportunity for hectorite to remove PFAS out of wastewater. That is really interesting, but we are not going to build a whole sales force and application knowledge for wastewater removal. So, there we might work with a partner.

I think for these new opportunities, very large, some of them we will bring in with our existing knowledge, some we will build, some knowledge we will build, for example, in the construction market. And some, we will just have to partner up with other people. That is the way I look at that. However, a lot of innovation coming from existing markets.

Your second question was around innovation and about our path towards the 20%. Absolutely key indeed. Because if you think about everything we do in innovation, innovation sales typically generate 5-10% higher margins than the rest of our sales. So, it is really important. It also helps us in our relationship with our customers and our relevance to our customers.

We have made great steps last year, 200 basis points up to 16.4%. We foresee to further progress that with all of the activities that are ongoing towards indeed our medium-term target of 20%. We make some good progress, and the investment in R&D, which sometimes is also simply about bringing that application knowledge in, is going to help.

Your third question was around Personal Care, particularly Personal Care Asia. And for us, Personal Care in Asia is still a relatively smaller business compared to the European and the US Personal Care business. We had some movements in Personal Care in the first half last year, Korea. Colour cosmetic market is a big one for us, and there was some order timing for which H1 was relatively softer. We had a better second half of the year. So, we continue to see good momentum.

What I would say is in the fourth quarter, we did see some softness in antiperspirant, particularly from some format changes in Latin America, as I think Kath referred to. So, aerosols moving to roll-ons. That is for the antiperspirant business. However, in general, we see good momentum. We are very happy with the margins. As I said, Alchemy is accretive there or is actually in line with our Personal Care margins.

I do not know, Kath, if you want to add anything on the margin point that Kevin was asking about.

Kath Kearney-Croft: I think last year, we made good progress with the Fit for the Future finalisation, and the start of the new cost savings. Personal Care specifically also benefited from the closure of the Middletown site. So that is directly related to Personal Care. However, from the other perspective, a lot of it ends up being in allocations because we have got joint plant and back office costs, which ends up being allocated.

Kevin Fogarty: Great. That is helpful. Thank you. Thanks.

Luc van Ravenstein: Thank you, Kevin.

Angelina Glazova (JP Morgan): Thank you. Hi, Angelina Glazova from JP Morgan. And thank you for the presentation. I have two questions.

First, I wanted to ask about the mid-term targets on margins for 23%. You have already talked us through some drivers for growth that you see in the midterm. How should we think about Elementis bridging the gap in operating margins from current level to target of 23% plus, and do you see any particular drivers as more important relative to others?

And then there is also clearly a difference in margin profiles between the two divisions. How do you see that developing? And is there anything maybe for the Coatings business where you see those actions that could help lift the margins? And then secondly, looking at 2026, are there any particular items in terms of cash flow generation, net debt development that we should be mindful of? Thank you.

Luc van Ravenstein: Thank you, Angelina. I will kick off with the first question. And then if you do not mind to complement and go on to the second question.

In terms of the margin development, look, we made a nice step in the right direction. Actually, selling the pharma business is going to help us, like Vanessa just said, a little bit more.

Look, this is really about growth. And as we just discussed, we are growing in areas that are actually margin accretive. Hecorite, we are actually looking to selling more hectorite and growing that double-digit. That is going to help the mix. That is going to help our margin development. Obviously, we are taking some more costs out this year, but there is a limit to that at a certain point.

The big reorganisations are behind us. We had Fit for the Future behind us. This is about high-margin growth. Obviously, we continue to look at how we can do things more efficiently. We will always think about how we can do things at a lower cost, and having Kath come in with a fresh pair of eyes a couple of months ago, it has also really helped in that respect. However, it is about growth and about high margin growth. And that is the way we are going to really get to that 23% plus level.

Kath, anything to add, or you want to go to the second point?

Kath Kearney-Croft: I think it is also related to the profile. Personal Care has got higher margins and higher growth, and therefore that would naturally generate some accretive margin.

Luc van Ravenstein: Yes, good point.

Kath Kearney-Croft: With respect to cash flow and net debt, so page 19 had some technical guidance. We are flagging CAPEX will be between 4-5% in 2026. We will also expect a small working capital outflow in the year. I reference in my script that we still had some factoring at the end of 2025. We will not be factoring in 2026. And so, that will naturally unwind. And then with the sales increase that we are expecting, we will need to fund that.

I think, just from a big-picture, we are expecting to be circa 1x leverage on an organic basis by the end of 2026. And when I say organic, I am ignoring the sale of the pharma business because as we said, we expect to give the net proceeds back.

Madhumanti Sanyal (CaixaBank): Hi, this is Madhumanti Sanyal from CaixaBank. I want to know if you think there is a strong synergy between the Coatings and the Personal Care business. If Coatings continues to show lower than expected performance, would you consider a sale of the Coatings business without affecting the performance of the Personal Care business?

Luc van Ravenstein: Thank you for the question.

Look, Coatings and Personal Care are different markets, right? Our customers in Coatings are Sherwin-Williams and PPG and AkzoNobel. And in Personal Care, you talk to L'Oréal and Estée Lauder. The markets are different. However, in terms of how we operate at Elementis, there are a lot of synergies.

Most of our manufacturing plants are actually multi-purpose and multi-market plants. They serve as both markets, so both Coatings and Personal Care. Our plant in Livingston in Scotland in the UK is about half-half Personal Care/Coatings.

In that respect, there are a lot of synergies. Also, if you look at the products that we manufacture and the knowledge that we have in our laboratories, we talked about rheology, we talked about hectorite. All of that ends up in both Coatings and Personal Care.

The product knowledge, the manufacturing footprint synergy, these businesses are intertwined. So no, but I would add to that as well, is that we are actually quite pleased with the performance of Coatings. If you look back at Coatings, where we were seven, eight years ago, the margins of the Coatings business were, in a bad year, ten percentage points, around that. In a good year, it was 14-15%. Right now, in a low-demand environment, we are at 18.9%. We are actually quite pleased with the Coatings performance, and we are excited about the opportunities ahead.

Zeeshan Maqbool: I have got some questions from Sebastian Bray at Berenberg. Has there been any change in the energy business that led to the strong performance, as you have highlighted, despite the oil price decline? One.

Second question, what are management's thoughts on additional buyback after receiving proceeds from the sale of the pharma business?

And thirdly, what are the plans for the future Are there any signs of a recovery in hectorite sales in Personal Care? Did these grow in 2025, and if not, why this was the case?

Luc van Ravenstein: Thank you, Sebastian, for those questions. Shall I take one and three, and you do two?

Kath Kearney-Croft: Sounds good.

Luc van Ravenstein: All right, let us do it. So, Energy business. We are actually very pleased with the performance of the Energy business. And it is a relatively small business, give or take \$40 million. However, it did very, very well last year. One thing that Sebastian might remember, we closed our Charleston site in the US back in 2019 or early 2020. And that was at the time a purely Energy-focused business or plant, I should say. We moved the manufacturing of those products to St. Louis. So, that helped us in terms of margins. That is one thing that helped us. I would also say that by doing so, we really transformed the Energy business, which, if I look, when I joined Elementis 14 years ago, it was a much larger business. However, now we really focus this business, one, on manufacturing only from St. Louis, focus on hectorite. Why on hectorite? Because we really have a unique winning differentiator with hectorite because it works very well for deepwater drilling. If you go very deep, you have to drill at temperatures of 250-280 degrees Celsius, and hectorite is stable at those temperatures. We refocused the team. We have a smaller portfolio. And actually, looking at last year, we have had a lot of success indeed in difficult conditions for drilling, such as deepwater. We talked about the geothermal energy opportunity. So that is what we are doing here: smaller business, relatively small team, close the plant down, took costs out, and focus on the areas that make Elementis unique. And we will continue to do that, actually.

The third question was around Personal Care and hectorite. Yes, we have grown. Obviously, last year, with the markets being a little bit soft, also the Personal Care growth was low single digit, also in hectorite. However, if I look at Personal Care, again, I am turning the clock back 14, 15 years ago when I joined. This was a \$30 million or so business. We actually reported at a certain point on their oil and gas. You would not believe that. However, that was a purely hectorite business. And we understood where else we could sell hectorite in Personal Care, in adjacent areas.

And so, looking at the last 5, 10, 14 years, hectorite in Personal Care has grown really, really nicely. Last year was relatively lower growth, but still growth. However, looking at the opportunities ahead in Personal Care as well, replacing synthetics, which continues to be a very, very exciting opportunity. Entering skin care, which is a \$20 million or so business for us now, we are going to scale that. Lots of exciting opportunities.

Kath Kearney-Croft: I think with respect to the question on share buybacks, so as we said this morning, following the sale of the pharma manufacturing business, upon closing, we expect to distribute those funds to shareholders. We also have the target of net debt-to-EBITDA of about 1x. We expect to be there by the end of 2026.

So that will give you a signal of what we are expecting in this year, and then as we look forward, we will continue to take into consideration where we are on leverage and expectations.

Zeeshan Maqbool: Thank you. I have got two. Anil Shenoy from Barclays has sent two questions as well. We did not see any guidance on 2026. Are you happy with where the consensus is at for adjusted EBIT? And if so, could you help to bridge the gap between 2025 EBIT to 2026 consensus EBIT? What are you assuming in terms of growth, and what are you assuming in terms of savings? Thank you.

Luc van Ravenstein: Shall I do the first part and you the second?

Kath Kearney-Croft: Okay.

Luc van Ravenstein: All right. Thank you, Anil, for those questions. Look, we had a solid start of the year, like we just mentioned. We are quite happy with that. And therefore, comfortable with the consensus. In terms of the bridge EBIT 2025-2026, I mean, Kath, you want to comment on that?

Kath Kearney-Croft: Yes. As I mentioned, we expect the incremental \$4 million in savings to come through. We do expect volume growth, so we will get some natural leverage and some margin accretion continue to drop through. And that is how we are moving from 2025, 2026. You know, steady as she goes with the additional cost savings.

Zeeshan Maqbool: And just some last questions from Chetan Udeshi from JP Morgan. Are you expecting Q1 sales to be up compared to last year? And secondly, we did not see volume growth this year. What are your expectations for volume growth for 2026?

Luc van Ravenstein: Yes, so thank you, Chetan, for those questions. I think for Q1, as I said, we made a solid start. I think the most important is that the exit rate of Q4 last year was relatively soft. We are happy to see good progression after that. For the full year, again, back to the previous questions from Anil, we are comfortable with where consensus is. We are looking at a typical balance between H1, H2, which I think also can help Chetan in terms of his modelling. Anything to add, Kath?

Kath Kearney-Croft: I mean, I would hate to be the Dow CFO, but I would just note the geopolitical situation since the weekend. You know, we have an expectation, but we hope we will deliver that. However, some things are out of our hands. However, we will maintain our focus on our strategic targets.

Luc van Ravenstein: Yes, we are two months in. It is early days.

Amit Sharma (Fifth Third Bank): Just on that, how much does gas prices and energy prices affect you?

Luc van Ravenstein: Not so much anymore, actually. When we owned Talc, I had the Dutch gas price on my phone. I was tracking it every half an hour, and I did not get a lot of sleep. Luckily, we do not have that business any more, and we are in speciality chemicals. If you look at how we generate our margins, it is about adding value to our customers' formulations rather than trying to squeeze out a cent on our costs. So very much a different situation than where we were a year ago.

Good question. Thank you. And we will continue to monitor. I mean, I think perhaps one of the things to add, we continue to monitor the situation. Kath mentioned, obviously, the recent occurrence in the Middle East. And if our input costs go up, we typically look to price to compensate for that input cost increase.

Thank you. Good question. No more questions?

Vanessa Jeffriess (Jefferies): Sorry, just to clarify what you just said, that you are happy with consensus sales and EBIT, but you have lost the pharma business, which is \$35 million sales and \$3.5 million EBIT, right?

Kath Kearney-Croft: So that is on a pre-adjustment for pharma, but we suggest that people wait until it actually closes before adjusting numbers.

Vanessa Jeffriess: Okay, cool. Thank you so much.

Luc van Ravenstein: Thank you, Vanessa.

Zeeshan Maqbool: Thank you. There have been no questions on the conference line, so with that, thank you very much.

Luc van Ravenstein: Thank you, everybody.

Kath Kearney-Croft: Thank you.

[END OF TRANSCRIPT]