CAPITAL MARKETS DAY 2016

November 14 2016 | London
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Elementis does not undertake any obligation to update or revise any forward looking statement to reflect any change in circumstances or expectations.

November 2016
WELCOME

Andrew Duff
Chairman
<table>
<thead>
<tr>
<th>AGENDA</th>
<th>ELEMENTIS</th>
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<td>Andrew Duff</td>
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<td>Paul Waterman</td>
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<td>ELEMENTIS TODAY</td>
<td>Ralph Hewins</td>
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<td>HOW WILL WE REIGNITE GROWTH?</td>
<td>Paul Waterman &amp; team</td>
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<td>WHAT DOES IT MEAN FOR INVESTORS?</td>
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<td>CLOSING</td>
<td>Paul Waterman</td>
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INTRODUCTION

Paul Waterman
Chief Executive Officer
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<th>STRENGTHS</th>
<th>OPPORTUNITIES</th>
</tr>
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<tbody>
<tr>
<td>Dedicated employees</td>
<td>Focus on fewer, but more material growth opportunities</td>
</tr>
<tr>
<td>Strong China position</td>
<td>Some cyclical exposure</td>
</tr>
<tr>
<td>Customer focussed culture</td>
<td>Some disadvantaged assets</td>
</tr>
<tr>
<td>Growing personal care business</td>
<td>Structure &amp; systematic processes to embed high performance culture</td>
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<tr>
<td>Distinctive technology</td>
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<tr>
<td>High quality business</td>
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</table>
ELEMENTIS TODAY

Ralph Hewins
Chief Financial Officer
**Elementis Business Today**

**Revenue**: $0.7bn

**Employees**: 1,400

**Global Manufacturing Footprint**: On 4 Continents with 18 Sites

**Segments:**
- Specialty Products
- Chromium
- Surfactants

**Specialty Products Business Areas:**
- Coatings
- Personal Care
- Energy

*Introduction*

What Does it Mean for Investors?

*Closing*

Q&A
<table>
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<tr>
<th>ELEMENTIS OVERVIEW</th>
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<tr>
<td><strong>REVENUE CONTRIBUTION</strong></td>
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<tr>
<td>2011</td>
</tr>
<tr>
<td><strong>SPECIALTY PRODUCTS</strong></td>
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<td><strong>CHROMIUM</strong></td>
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<td><strong>SURFACTANTS</strong></td>
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</table>
CHROMIUM

WHAT WE DO IN CHROMIUM

A full range of Chromium chemicals for diverse applications

<table>
<thead>
<tr>
<th>Building block</th>
<th>Products</th>
<th>Applications</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Chrome Oxide</td>
<td>• Coatings</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Refractory</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Chrome Metal</td>
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<tr>
<td></td>
<td>Chromic Acid</td>
<td>• Timber Treatment</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Metal Plating</td>
</tr>
<tr>
<td></td>
<td>Chrome Sulphate</td>
<td>• Leather Tanning</td>
</tr>
<tr>
<td></td>
<td>Dichromate</td>
<td>• Pigment</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Catalyst</td>
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<tr>
<td></td>
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<td>• Merchant</td>
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</tbody>
</table>

**BESPOKE DELIVERY SOLUTIONS**

**GLOBAL CHROMIUM CHEMICALS MARKET (KT)**

- **North America**: 30%
- **Europe**: 40%
- **China**: 12%
- **Rest of Asia**: 10%
- **Latin America**: 8%
- **Other**: 30%

**MARKET SHARE**

- **North America**: 60%
- **ROW**: 40%

**Source:** Elementis

**WHAT WE DO IN CHROMIUM**

**IN CHROMIUM**

A full range of Chromium chemicals for diverse applications

<table>
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</thead>
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**MARKET SHARE**

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**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...

Operating Income Trend

Contribution Margin % Indexed

Source: Elementis

2016 LTM = 2H15 + 1H16
<table>
<thead>
<tr>
<th>STRENGTHEN NORTH AMERICAN BASE</th>
<th>EXTEND NORTH AMERICAN PRODUCT PORTFOLIO</th>
<th>OPTIMISE GLOBAL PRODUCT MIX</th>
</tr>
</thead>
<tbody>
<tr>
<td>STRENGTHEN CHROMIUM DISTRIBUTION BUSINESS</td>
<td>EXTEND PRODUCT PORTFOLIO</td>
<td>OPTIMISE PRODUCT MIX</td>
</tr>
<tr>
<td>Optimise NA distribution value chain</td>
<td>Dichromate to pigment, catalyst</td>
<td>Optimise global product mix to achieve solid earnings and cash flow</td>
</tr>
<tr>
<td>#1 supplier of liquid chromic acid in NA following acquisition from Atotech</td>
<td>Acid to wood preservative, metal finishing</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Oxide to pigments, refractory, chrome metal</td>
<td></td>
</tr>
</tbody>
</table>

IN NA THERE ARE OPPORTUNITIES TO STRENGTHEN COMPETITIVE POSITION

[Table with columns for each strategy and their respective details]
## Elementis Leadership Position

### Coatings
- Industrial applications – organoclay leader
- Deco coatings – distinctive technology
- Key partner to global coatings customers

### Personal Care
- Unique hectorite position – #1 global share in organoclay
- Extending coatings technology (Rheoluxe®)

### Energy
- Market leader in high performance organoclays
- Leading oilfield services partner

---

**Introduction**

**What Does it Mean for Investors?**

**Closing**

**Q&A**
SPECIALTY PRODUCTS – WE SERVE THE LARGEST, FASTER GROWING INDUSTRIES

Global Rheology Modifiers Market by Application

- **2015**
  - Paints and coatings
  - Cosmetics and personal care
  - Adhesives and sealants
  - Hi&I products
  - Construction
  - Inks
  - Pharmaceuticals
  - Oil and gas

- **2020F**
  - Paints and coatings
  - Cosmetics and personal care
  - Adhesives and sealants
  - Hi&I products
  - Construction
  - Inks
  - Pharmaceuticals
  - Oil and gas

**CAGR '15 - '20F**
- Total: 3.3%
- 3.4%
- 4.0%
- 3.2%
- 2.5%
- 2.7%
- 3.5%
- 2.8%

Source: MarketsandMarkets

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Elementis focus
BREAKING OUT SPECIALTY PRODUCTS SALES

COATINGS

ENERGY

PERSONAL CARE

2016 LTM = 2H15 + 1H16
Source: Elementis

2016 LTM = 2H15 + 1H16
Source: Elementis

2016 LTM = 2H15 + 1H16
Source: Elementis

Introduction

Elementis Today

Pursue Growth Opportunities

How will we Reignite Growth?

Supply Chain Transformation

Innovate for Distinctiveness

High Performance Culture

What Does it Mean for Investors?

Closing

Q&A

16
COATINGS

STRONG MARKET SHARE IN AN IMPORTANT HIGH VALUE AND SPECIALTY NICHE

DIFFERENTIATED VALUE PROPOSITION

BEST IN CLASS TECHNOLOGY:
For customer performance

CUSTOMER INTIMACY:
Co-engineered formulations

RESPONSIVENESS:
Agile and focussed teams around the world

Global Coatings Ingredient Overview

Source: Kusumgar, Nerfl, & Growney (KNG)
COATINGS – A GLOBAL, DIVERSIFIED BUSINESS

A GLOBAL PLAYER WITH A DIVERSIFIED BUSINESS

Elementis Coatings Sales

Source: Elementis
COATINGS – WELL POSITIONED FOR FUTURE GROWTH

MACROTRENDS IN COATINGS

Industry consolidation of paint formulators

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

Strong demand growth from emerging markets

Global footprint with strong commercial relationships in fast growing markets

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

Recognised as global technology leader in rheology

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

Differentiated portfolio of organic thixotrope / NiSAT / acrylic thickener technologies

Introduction  Elementis Today  Pursue Growth Opportunities  How will we Reignite Growth?  Supply Chain Transformation  Innovate for Distinctiveness  High Performance Culture  What Does it Mean for Investors?  Closing  Q&A
PERSONAL CARE GROWING FASTER THAN GDP

Estimated Global Personal Care Consumption

CAGR = ~4.6%

($bn)


Source: Datamonitor

ELEMENTIS GROWING EVEN FASTER

Sales

CAGR = ~11%

($m)

2012 2013 2014 2015 2016 LTM

Source: Elementis

Introduction | Elementis Today
Pursue Growth Opportunities | How will we Reignite Growth?
Supply Chain Transformation | Innovate for Distinctiveness
High Performance Culture | What Does it Mean for Investors?
Closing | Q&A
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.

Source: Spears and Associates
ENERGY – BEST PRODUCTS FOR TOUGHEST DRILLING CONDITIONS

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

### MACROTRENDS IN ENERGY

<table>
<thead>
<tr>
<th>Drilling in more challenging / technical conditions</th>
<th>Hectorite based products are the gold standard</th>
</tr>
</thead>
<tbody>
<tr>
<td>Growth in shale markets expected to continue</td>
<td>Technology leader in organoclay fluids used in fracking</td>
</tr>
<tr>
<td>Industry consolidation</td>
<td>Strong, collaborative relationships with top service companies</td>
</tr>
<tr>
<td>Customers requiring greater technical expertise and higher levels of service</td>
<td>Recognised technology leader, world-class sales team</td>
</tr>
</tbody>
</table>

### OUR COMPETITIVE ADVANTAGE

- Elementis
- Today
- Innovate for Distinctiveness
- High Performance Culture
- Supply Chain Transformation
- How will we Reignite Growth?
Introduction

What Does it Mean for Investors?

Closing

Q&A

Elementis Today

Pursue Growth Opportunities

Supply Chain Transformation

Innovate for Distinctiveness

High Performance Culture

What Does it Mean for Investors?

Closing

Q&A

**SURFACTANTS – SMALL NICHE PLAYER**

**GLOBAL SURFACTANTS MARKET IS LARGE AND CONSOLIDATED**

<table>
<thead>
<tr>
<th>2016 Global Surfactants Sales</th>
<th>Others</th>
<th>Top 4 players ~65% share</th>
</tr>
</thead>
<tbody>
<tr>
<td>($bn)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>35</td>
<td></td>
<td></td>
</tr>
<tr>
<td>30</td>
<td></td>
<td></td>
</tr>
<tr>
<td>25</td>
<td></td>
<td></td>
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<tr>
<td>20</td>
<td></td>
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<tr>
<td>15</td>
<td></td>
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<tr>
<td>10</td>
<td></td>
<td></td>
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<tr>
<td>5</td>
<td></td>
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<tr>
<td>0</td>
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</tbody>
</table>

Elementis 2015 revenues ~$54M

**ELEMENTIS FOCUSSED ON UNDERSERVED NICHES**

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

Source: MarketsandMarkets, Grand View Research
HOW WILL WE REIGNITE GROWTH?

Paul Waterman
Chief Executive Officer
A HIGH QUALITY BUSINESS... BUT GROWTH HAS STALLED

OPERATING PROFIT

OPERATING MARGIN

Introduction | Elementis Today | 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

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

2016 LTM = 2H15 + 1H16
Source: Elementis
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

SYSTEMATIC APPROACH

KAM BUSINESS MODEL
Consistent global approach that strengthens our business

KAM TOOLKIT & PLAN
Strategic plan – identifies opportunities; cross-functional tasks & tools to grow business

KAM ORGANISATION
Key account teams structured and skilled to drive performance

KAM PERFORMANCE MANAGEMENT
Clearly defined objectives, activities, milestones, and performance tracking

Elementis coatings
Global coatings market

0%
20%
40%
60%
80%
100%

Top 30 accounts
Other

Source: KNG
GROWTH OPPORTUNITY #1
IMPLEMENT KEY ACCOUNT MANAGEMENT

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

How will we Reignite Growth?

Supply Chain Transformation
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GROWTH OPPORTUNITY #2
COATINGS ASIA
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

100%

Rest of Asia

Rest of Asia

80%

60%

40%

20%

0%

Elementis sales

Total coatings market

Source: KNG

OPPORTUNITIES TO GROW DECO SHARE

Asian Paint Market by End Market

100%

Decorative

Decorative

80%

60%

40%

20%

0%

Elementis sales

Asian coatings market

Source: KNG

How will we Reignite Growth?

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Q&A
ASIA GROWTH AGENDA

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

<table>
<thead>
<tr>
<th>Segment</th>
<th>2015</th>
<th>~0%</th>
<th>~8-10%</th>
<th>~6-7%</th>
<th>~16-18%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low-economy</td>
<td>20%</td>
<td>40%</td>
<td>60%</td>
<td>80%</td>
<td>100%</td>
</tr>
<tr>
<td>Economy</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mid-premium</td>
<td></td>
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<td></td>
<td></td>
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<tr>
<td>Premium</td>
<td></td>
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</tbody>
</table>

Source: Macquarie

Est. volume share of Indian decorative paint market by segment

How will we Reignite Growth?

Supply Chain Transformation
Innovate for Distinctiveness
High Performance Culture

What Does it Mean for Investors?

 closing

Q&A
GROWTH OPPORTUNITY #3
GLOBAL GROWTH IN PERSONAL CARE

Luc van Ravenstein
VP Personal Care
**PERSONAL CARE – HIGH-VALUE NICHE PARTICIPATION**

**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

Global Beauty and Personal Care Ingredients by Value

<table>
<thead>
<tr>
<th>Ingredient category value</th>
<th>Rheological modifier ingredient value</th>
</tr>
</thead>
<tbody>
<tr>
<td>~$9bn</td>
<td>Elementis focus</td>
</tr>
<tr>
<td>100%</td>
<td>Other</td>
</tr>
<tr>
<td>80%</td>
<td>Rheological modifiers</td>
</tr>
<tr>
<td>60%</td>
<td>Conditioning polymers</td>
</tr>
<tr>
<td>40%</td>
<td>Surfactants</td>
</tr>
<tr>
<td>20%</td>
<td>Emollients</td>
</tr>
<tr>
<td>0%</td>
<td>Natural gums</td>
</tr>
<tr>
<td></td>
<td>Clays and other inorganics</td>
</tr>
<tr>
<td></td>
<td>Cellulose</td>
</tr>
<tr>
<td></td>
<td>Silica</td>
</tr>
<tr>
<td></td>
<td>Synthetic organic polymers</td>
</tr>
</tbody>
</table>

Source: Kline & Company
PERSONAL CARE – CUSTOMER RELATIONSHIPS

HIGH VALUE PREMIUM BRANDS

STRONG STRATEGIC SUPPLIER TO THE WORLD’S LEADING PERSONAL CARE FORMULATORS

How will we Reignite Growth?

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PERSONAL CARE – NEW SYNTHETIC POLYMERS OPEN UP AQUEOUS APPLICATIONS

ESTIMATED SALES BY APPLICATION AND TECHNOLOGY

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

Note: ‘Skincare & suncare’ includes baby care and foot care
## PERSONAL CARE – SIGNIFICANT COMPETITIVE ADVANTAGE

### MACROTRENDS IN PERSONAL CARE 🌱

| Specific personal care markets are growing fast – e.g. antiperspirant and colour cosmetics | Our products critical for performance |
| Strong demand for high-end products | Robust and growing demand for our unique hectorite |
| Simplified supply chains, more bundled, value-add raw materials | Hectorite gels – combines our hectorite with emollients |
| Rapid Asian growth | Strong multi-national customer relationships |

### OUR COMPETITIVE ADVANTAGE ✅

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## PERSONAL CARE – HOW WE WILL GROW

<table>
<thead>
<tr>
<th>Penetrate high potential hectorite product segments</th>
<th>Drive Rheoluxe® penetration into skincare</th>
<th>Leverage key account management</th>
<th>Expand Asia and emerging market distribution</th>
</tr>
</thead>
</table>

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**Introduction**

**What Does it Mean for Investors?**

**Closing**

**Pursue Growth Opportunities**

- Supply Chain Transformation
- Innovate for Distinctiveness
- High Performance Culture

**Q&A**
HOW WILL WE REIGNITE GROWTH?

**PURSUE BEST GROWTH OPPORTUNITIES**
1. Global KAM
2. Coatings Asia
3. Personal Care global growth

**PURSUE SUPPLY CHAIN TRANSFORMATION**

**INNOVATE FOR DISTINCTIVENESS & HIGH MARGINS**

**CREATE A CULTURE OF HIGH PERFORMANCE**
PURSUE SUPPLY CHAIN TRANSFORMATION

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Elementis

Today
Supply Chain Transformation

How will we Reignite Growth?

Pursue Growth Opportunities
Innovate for Distinctiveness
High Performance Culture

What Does it Mean for Investors?
# SUPPLY CHAIN TRANSFORMATION

## #1 ADDRESS DISADVANTAGED ASSETS

<table>
<thead>
<tr>
<th>AMERICAS</th>
<th>EUROPE</th>
<th>ASIA</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CHROMIUM</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Castle Hayne</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Corpus Christi</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Leather Tanning Plants (x3)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>SPECIALTY PRODUCTS</strong></td>
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<td></td>
</tr>
<tr>
<td>Newberry</td>
<td>Livingston</td>
<td>Songjiang</td>
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<tr>
<td><strong>SURFACTANTS</strong></td>
<td>Delden</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**KEY:**
- ![Advantaged](image)
- ![Neutral](image)
- ![Disadvantaged](image)
**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

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**Elementis**

**Introduction**

**Pursue Growth Opportunities**

**Supply Chain Transformation**

**Innovate for Distinctiveness**

**High Performance Culture**

**What Does it Mean for Investors?**

**Closing**

**Q&A**
SUPPLY CHAIN TRANSFORMATION
#3 PURSUE PROCUREMENT SAVINGS

SPEND BY CATEGORY

Strategies for Cost Reduction

- Optimise warehouse and logistics network
- Strategic consolidation of suppliers
- Develop raw material supply competition

Source: Elementis
HOW WILL WE REIGNITE GROWTH?

PURSUE 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

PURSUE BEST GROWTH OPPORTUNITIES
INNOVATE FOR DISTINCTIVENESS AND HIGH MARGINS

Ken Smith
VP Global R&D
INNOVATION LEADERSHIP – FOR DISTINCTIVENESS AND HIGH MARGINS

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

How will we Reignite Growth?
**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

SAG CONTROL – THICK FILM APPLICATION

- **THIXATROL® MAX**
  - tan δ 0.74

- **THIXATROL® AS-8053**
  - tan δ 0.65

- **COMPETITOR A**
  - tan δ 3.31

- **COMPETITOR B**
  - tan δ 1.66

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

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?

- Innovate for Distinctiveness
- High Performance Culture

What Does it Mean for Investors?

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?

Pursue Best Growth Opportunities

Pursue 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

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

## SYSTEMATIC PERFORMANCE MANAGEMENT
- Standard management information
- Cash focus
- Individual ownership

### IN PROGRESS

### 2017 ONWARDS

---

**Introduction**

**Elementis Today**

**How will we Reignite Growth?**

**Supply Chain Transformation**

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**Q&A**
HOW WILL WE REIGNITE GROWTH?

CREATE A CULTURE OF HIGH PERFORMANCE

1. Structure
2. Process
3. Systematic performance management

PURSUE BEST GROWTH OPPORTUNITIES
PURSUE SUPPLY CHAIN TRANSFORMATION
INNOVATE FOR DISTINCTIVENESS & HIGH MARGINS
WHAT DOES IT MEAN FOR INVESTORS?

Ralph Hewins
Chief Financial Officer
FINANCIAL FOCUS – GROW EARNINGS

1. GROW EARNINGS

Operating Profit EPS

Operating Profit

<table>
<thead>
<tr>
<th>Year</th>
<th>Operating Profit ($m)</th>
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<tbody>
<tr>
<td>2010</td>
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<td>2014</td>
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<tr>
<td>2015</td>
<td>200</td>
</tr>
<tr>
<td>2016</td>
<td>220</td>
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EPS (cents)

<table>
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<tr>
<th>Year</th>
<th>EPS</th>
</tr>
</thead>
<tbody>
<tr>
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<td>2013</td>
<td>20</td>
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<td>2014</td>
<td>25</td>
</tr>
<tr>
<td>2015</td>
<td>30</td>
</tr>
<tr>
<td>2016</td>
<td>35</td>
</tr>
</tbody>
</table>

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

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

Introduction       Elementis Today       Pursue Growth Opportunities       How will we Reignite Growth?
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What Does it Mean for Investors?       Closing       Q&A
FINANCIAL FOCUS – GROW EARNINGS

**Introduction**

What Does it Mean for Investors?

**Closing**

Q&A

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**FINANCIAL FOCUS**

1. **GROW EARNINGS**

   - Operating Profit EPS

---

**PRINCIPAL MEASURES**

- **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

1. GROW EARNINGS
   - Operating Profit EPS

2. IMPROVE RETURNS
   - Operating Margin ROCE

PRINCIPAL MEASURES

Operating Profit EPS
Operating Margin ROCE

FINANCIAL FOCUS

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What Does it Mean for Investors?

Elementis

How will we Reignite Growth?
Supply Chain Transformation
Innovate for Distinctiveness
High Performance Culture

Source: Elementis

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

Operating Margin
ROCE

2010 2011 2012 2013 2014 2015 2016 LTM
FINANCIAL FOCUS – IMPROVE RETURNS

**FINANCIAL FOCUS**

1. **GROW EARNINGS**
   - Operating Profit EPS

2. **IMPROVE RETURNS**
   - Operating Margin ROCE

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FINANCIAL FOCUS – DELIVER CASH

1. GROW EARNINGS
   - Operating Profit EPS

2. IMPROVE RETURNS
   - Operating Margin ROCE

3. DELIVER CASH
   - Operating Cash Flow

### MAINTAIN STRONG CASH CONVERSION

- Chart showing cash conversion rates from 2011 to 2016 LTM

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

- Chart comparing Elementis with European Chemical Peers

---

**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*

**Net Working Capital to Sales 2016e**

European Chemical Peers

Source: UBS
FINANCIAL FOCUS – DELIVER CASH

FINANCIAL FOCUS

1. GROW EARNINGS
   - Operating Profit EPS

2. IMPROVE RETURNS
   - Operating Margin ROCE

3. DELIVER CASH
   - Operating Cash Flow

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## 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**

<table>
<thead>
<tr>
<th>Year</th>
<th>Ordinary</th>
<th>Special</th>
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<tr>
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<td></td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Elementis
FINANCIAL FOCUS – MAINTAIN STRONG FINANCIAL POSITION

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

- Special dividend
- Ordinary dividend
- Acquisitions
- Capex
- Pension contributions
- Available for dividends / M&A

Source: Elementis
CLOSING

Paul Waterman
Chief Executive Officer
REIGNITING GROWTH – STRATEGIC PRIORITIES
FOCUS ON FEWER, BIGGER, MATERIAL OPPORTUNITIES

ELEMENTIS TODAY
PURSUE BEST GROWTH OPPORTUNITIES

PURSUE SUPPLY CHAIN TRANSFORMATION

INNOVATE FOR DISTINCTIVENESS & HIGH MARGINS

CREATE A CULTURE OF HIGH PERFORMANCE

ELEMENTIS IN THE FUTURE
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