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

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CEO
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February 2017
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
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

Elementis Capital Markets Day | November 2016 | London

Highlights

SummitReheis an attractive business
Growing end markets
Complementary combination
Strong financial rationale
Prudently financed
Q&A
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
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

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

USES

<table>
<thead>
<tr>
<th>HEADERS</th>
<th>AP ACTIVES</th>
<th>PHARMA ACTIVES</th>
<th>SPECIALTY DENTAL</th>
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</thead>
<tbody>
<tr>
<td>SUMMARY</td>
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<td>SHARED</td>
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<tr>
<td>CHEMISTRY BETWEEN AP ACTIVES</td>
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</table>

Q&A

Highlights

Prudently financed

Growing end markets

Complementary combination

Strong financial rationale

SummitReheis an attractive business

Moulds for replacement teeth
$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

Source: SummitReheis
PERSONAL CARE MARKET

PERSONAL CARE MARKET GROWING FASTER THAN GDP

Estimated Global Personal Care Consumption

Sales

ELEMENITIS PERSONAL CARE HAS ALREADY BEEN GROWING FASTER

Source: Datamonitor

Source: Elementis

Growing end markets

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Q&A

CAGR = ~4.6%

CAGR = ~11%

Sales

2012

2013

2014

2015

2016 LTM

Sales

($bn)

0

10

20

30

40

50

60

2015A

2016F

2017F

2018F

2019F

2020F

2012

2013

2014

2015

2016 LTM

($m)

0

10

20

30

40

50

60

Source: Elementis
LARGE, GROWING MARKET...

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

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2025</th>
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<tbody>
<tr>
<td>USA / Japan / Western Europe</td>
<td>745</td>
<td>791</td>
</tr>
<tr>
<td>China / India</td>
<td>1,192</td>
<td>1,748</td>
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<tr>
<td>RoW</td>
<td>1,328</td>
<td>1,739</td>
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<tr>
<td><strong>Total</strong></td>
<td>3,265</td>
<td>4,278</td>
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Source: Euromonitor
…WITH EMERGING MARKETS REINFORCING THE TRENDS FOR THE LONG TERM

SIGNIFICANT OPPORTUNITY IN EMERGING MARKETS...

Anti-perspirant penetration of APDO* segment (2015)

North America: 20% 30%
Europe: 80% 70%
Latin America: 60% 40%
RoW: 60% 40%

Source: Roland Berger
*Note: APDO defined as anti-perspirants and deodorants

...COMPLEMENTED BY ELEMENTIS’ INTERNATIONAL FOOTPRINT

Market Development Opportunity

Source: Roland Berger

SummitReheis sites
Elementis sites

Highlights | SummitReheis an attractive business | Growing end markets | Complementary combination | Strong financial rationale | Prudently financed | Q&A
# SUMMITEHEIS A NATURAL FIT FOR ELEMENTIS

## KEY ANTI-PERSPIRANT MARKET DRIVERS

| 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 |

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**COMBINED ELEMENTIS PERSONAL CARE AND SUMMITEHEIS BUSINESS**

**Highlights**
- SummitReheis an attractive business
- Growing end markets
- Complementary combination
- Strong financial rationale
- Prudently financed
- Q&A
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%
STRONG FINANCIAL RATIONALE

ATTRACTION 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)
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.

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

Completion expected to take place in second quarter of 2017 following receipt of anti-trust clearances in the US and Germany.
CREATES A PERSONAL CARE BUSINESS OF SCALE
AN IMPORTANT STEP IN DELIVERING ELEMENTIS’ STRATEGY TO REIGNITE GROWTH
Q&A

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