TRINSEO

Fourth Quarter 2022 Financial Results & 2023 Outlook

February 8, 2023

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Introductions & Disclosure Rules

Introductions

- **Frank Bozich, President & CEO**
- **David Stasse, Executive Vice President & CFO**
- **Andy Myers, Director of Investor Relations**

Disclosure Rules

Cautionary Note on Forward-Looking Statements. *This presentation may contain forward-looking statements including, without limitation, statements concerning plans, objectives, goals, projections, forecasts, strategies, future events or performance, and underlying assumptions and other statements, which are not statements of historical facts or guarantees or assurances of future performance. Forward-looking statements may be identified by the use of words like "expect," "anticipate," "believe," "intend," "forecast," "outlook," "will," "may," "might," "see," "tend," "assume," "potential," "likely," "target," "plan," "contemplate," "seek," "attempt," "should," "could," "would" or expressions of similar meaning. Forward-looking statements reflect management's evaluation of information currently available and are based on our current expectations and assumptions regarding our business, the economy and other future conditions. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict. Factors that might cause future results to differ from those expressed by the forward-looking statements include, but are not limited to, our ability to successfully execute our business and transformation strategy; increased costs or disruption in the supply of raw materials; increased energy costs; our ability to successfully generate cost savings and increase profitability through asset restructuring initiatives; compliance with laws and regulations impacting our business; conditions in the global economy and capital markets; and those discussed in our Annual Report on Form 10-K, under Part I, Item 1A —"Risk Factors" and elsewhere in our other reports, filings and furnishings made with the U.S. Securities and Exchange Commission from time to time. As a result of these or other factors, our actual results, performance or achievements may differ materially from those contemplated by the forward-looking statements. Therefore, we caution you against relying on any of these forward-looking statements. The forward-looking statements included in this presentation are made only as of the date hereof. We undertake no obligation to publicly update or revise any forward-looking statement as a result of new information, future events or otherwise, except as otherwise required by law.*

This presentation contains financial measures that are not in accordance with generally accepted accounting principles in the US ("GAAP") including EBITDA, Adjusted EBITDA, Adjusted Net Income, Adjusted EPS and Free Cash Flow. We believe these measures provide relevant and meaningful information to investors and lenders about the ongoing operating results and liquidity position of the Company. Such measures when referenced herein should not be viewed as an alternative to GAAP measures of performance or liquidity, as applicable. We have provided a reconciliation of these measures to the most comparable GAAP metric alongside of the respective measure or otherwise in the Appendix section and in the accompanying press release.

Summary

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Q4 2022 Results

- Net loss from continuing operations of $364 million and Adjusted EBITDA* of $6 million; net loss included a non-cash goodwill impairment of $297 million
- Limited sequential improvement in macroeconomic conditions; however, Adjusted EBITDA* improved sequentially aided by asset operating decisions
- Volumes challenged in most applications but especially in building & construction, wellness, consumer durables and electronics due to economic uncertainty and customer destocking

Cash Generation & Liquidity

- Q4 cash provided by operations of $34 million led to Free Cash Flow* of negative $20 million - included working capital release of $88 million and $34 million payment for European Commission settlement
- 2022 ending cash balance of $212 million with $505 million of additional available liquidity under two undrawn, committed financing facilities

2023 Outlook

- Net income from continuing operations of $3 million to $33 million and Adjusted EBITDA* of $375 million to $425 million
- Cash from operations of $100 million and breakeven Free Cash Flow*
- Expect sequential improvement in Q1 from seasonality, commercial excellence initiatives, Terneuzen styrene plant reopening and lower expenses from asset restructuring

Key Initiatives

- Progression on asset restructuring including closure of styrene plant in Boehlen, Germany and a polycarbonate production line in Stade, Germany
- Focus on growth programs including material substitution applications and sustainable products containing recycled or bio-based materials
- Styrenics business separation remains integral part of transformation strategy

* See Appendix for a reconciliation of non-GAAP measures

2022 In Review

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Continued Progress in Evolution as a Provider of Specialty Materials and Sustainable Solutions Against a Challenging Macroeconomic Backdrop

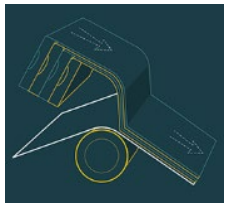
- Completed acquisition of plastics collector & recycler Heathland B.V. in January
- Announced asset restructuring to improve annual profitability by $60 million versus Q4 2022 run rate
- 63% annual volume growth and 69% annual variable margin growth in sustainable products that include recycled materials
- Patent filings have more than doubled since 2020, fueling innovation and growth in material substitution products and sustainable and specialty solutions
- Completed work to facilitate separation of Styrenics business
- Completed ERP implementation for the PMMA business
- Released 12th annual Sustainability Report including TCFD framework and new Core Impact Report
- Named Chief Commercial Officer, Chief Technology Officer and Chief Sustainability Officer in support of transformation

Q4 Sustainability Highlights

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74% of eligible sites earned the Triple Zero Award for 2022 after achieving zero injuries, spills or process safety incidents

Recognized in October as Champion of Board Diversity by Forum of Executive Women for achieving >30% female representation on Trinseo board



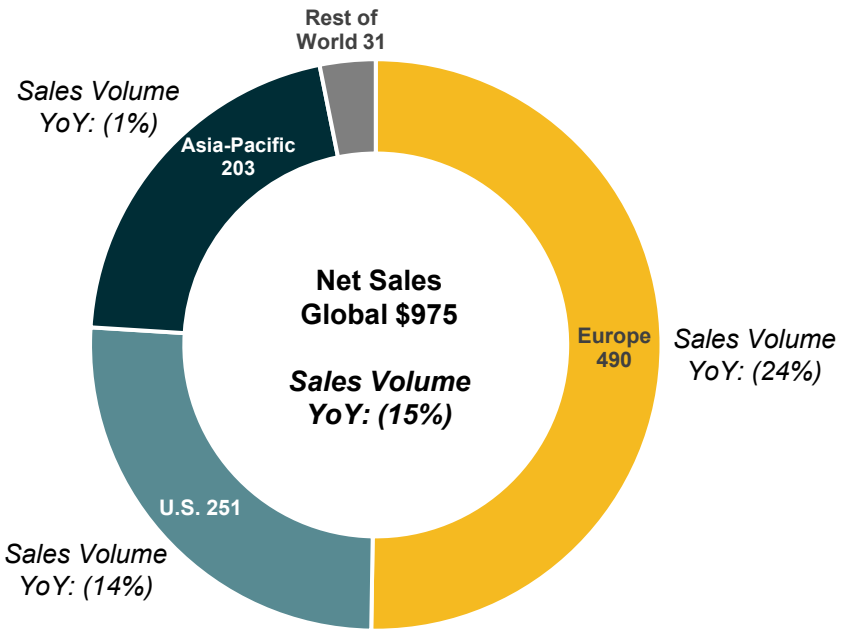
New Curtain Coater Launched at Midland Pilot Coater Plant:

Allows for increased collaboration with customers to achieve superior performance while offering sustainable attributes of reduced waste and ability to be recycled in traditional paper recycling process

Ranked #42 by Newsweek in America's Most Responsible Companies 2023 list

Q4 Sales and Volume Summary

Net sales in $millions
Volume variances exclude Feedstocks segment

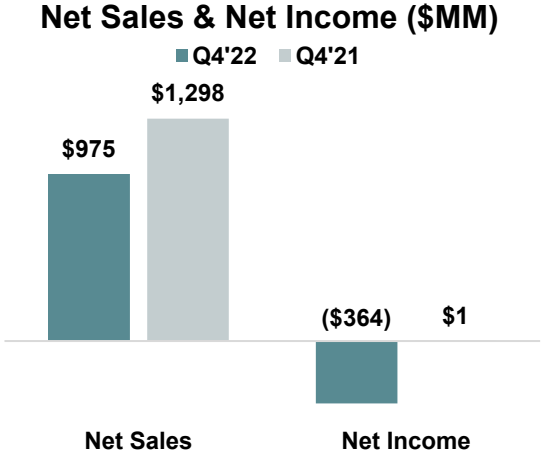


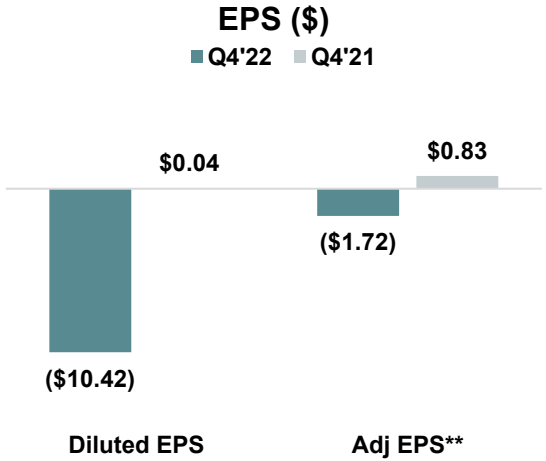
Europe
- Elevated energy prices and economic uncertainty led to continued destocking and overall weak demand for most products
- Lower cost imports from Asia placing additional pressure on volume

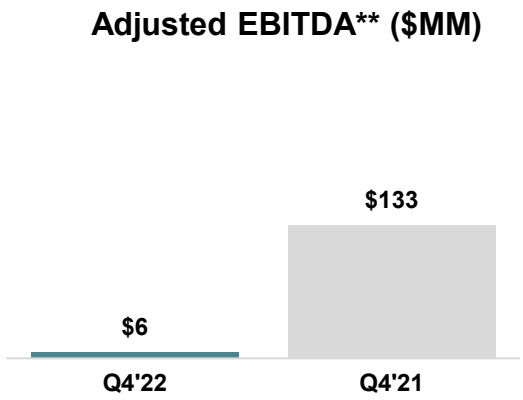
U.S.
- Lower demand and destocking mainly in building & construction, consumer durables
- Modest demand improvement in automotive as production constraints ease
- Steady demand in packaging and medical

Asia
- Lower demand for consumer electronics and durables partially offset by higher sales to automotive applications

Trinseo Q4 2022 Financial Results*







Net Sales	Vol	Price	FX	Total
	(21%)	(2%)	(2%)	(25%)

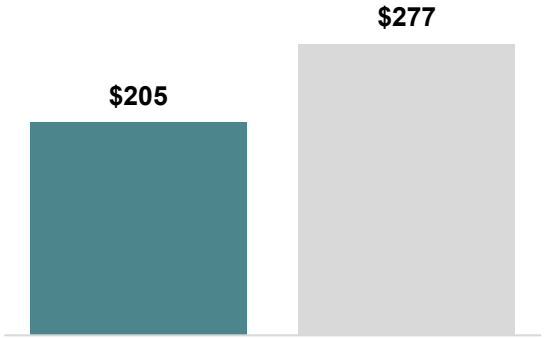
- **Volume declined versus prior year due to macro factors, exacerbated by year-end destocking**
- **Overall margins declined from weak demand and ample supply; globally traded products made in Europe that are more standard grade (e.g., MMA, ABS, PC) faced additional margin pressure as higher natural gas, ammonia costs and less constrained logistics created an opportunity for lower cost imports from Asia**
- **Q4 results included $19 million of negative net timing from decreasing raw material costs and a $15 million unfavorable impact from natural gas hedges**

*From continuing operations; ** See Appendix for a reconciliation of non-GAAP measures

Engineered Materials

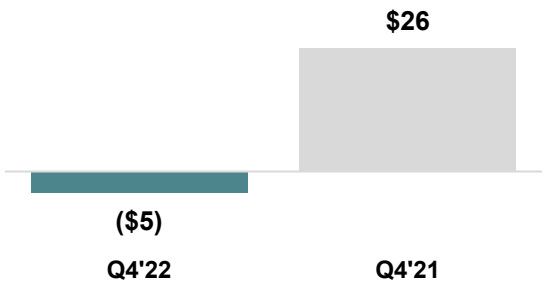
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Net Sales ($MM)

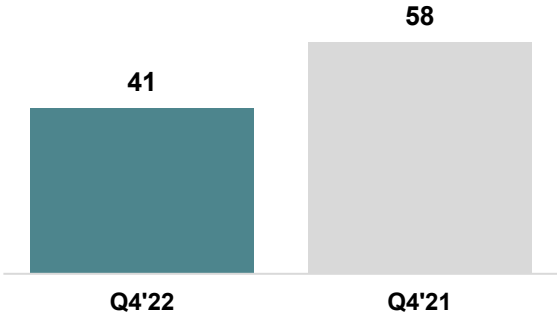


Vol	Price	FX	Total
(29%)	4%	(1%)	(26%)

Adjusted EBITDA ($MM)



Volume (kt)





- Performance impacted by lower volume and margin from a combination of destocking, lower structural demand and imports of standard-grade products from Asia into Europe and North America as well as a $10 million unfavorable impact from natural gas hedging
- Demand impacts most acute in building & construction and wellness applications
- Volume and margin resiliency in specialized PMMA resins and PC/ABS compounds

MMA cost divergence between Europe and Asia has led to significant imports of standard-grade PMMA products into Europe

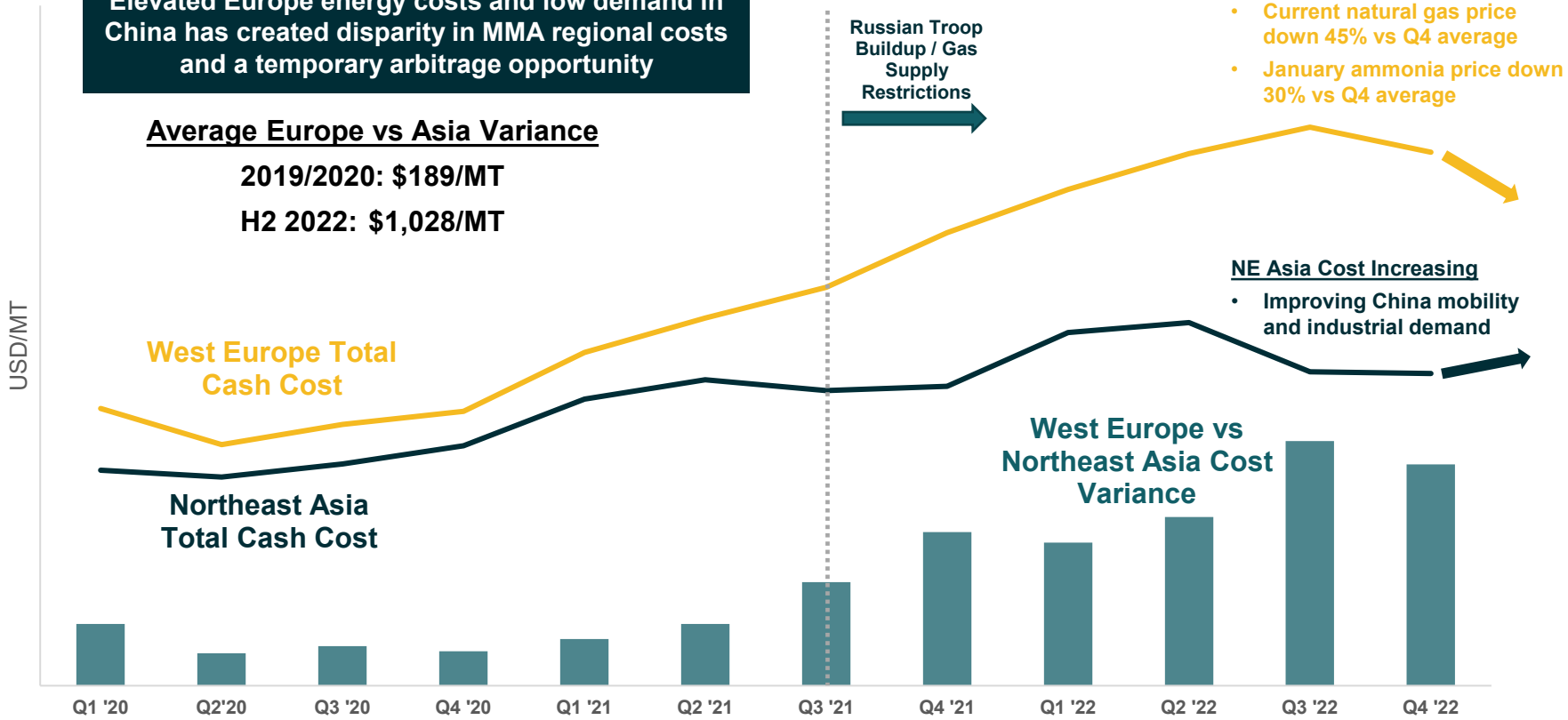
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Elevated Europe energy costs and low demand in China has created disparity in MMA regional costs and a temporary arbitrage opportunity

Average Europe vs Asia Variance

2019/2020: $189/MT

H2 2022: $1,028/MT



Source: Q1'20 through Q4'22 – Chemical Market Analytics by OPIS, a Dow Jones Company

Engineered Materials Path to Recovery

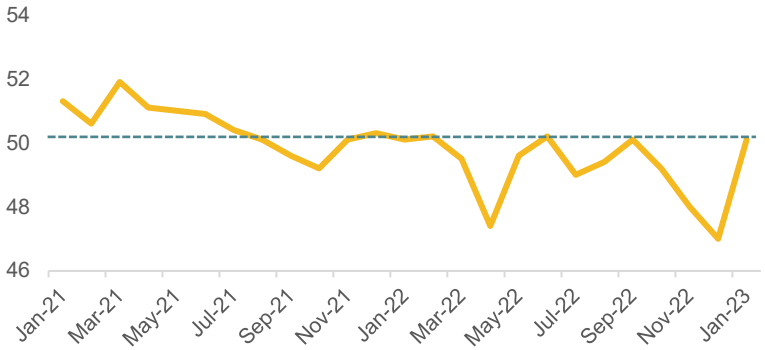
Q4 performance included an unfavorable impact from natural gas hedging ($10 million) and several other factors with recovery expected to occur between Q1 2023 and 2024

	Adj EBITDA Impact	Anticipated Recovery
Destocking: short-term destocking including from declining prices, inventory management and extended year-end customer shutdowns	($10MM)	Q2 2023
Asian Arbitrage: elevated natural gas and ammonia prices in Europe, in combination with low demand in China, created a temporary arbitrage window for standard-grade products to be more heavily imported into Europe and North America	($10MM)	Q1 - Q4 2023
Structural Market Demand: lower demand in all three regions; most acute in Europe and Asia	($15MM)	2024

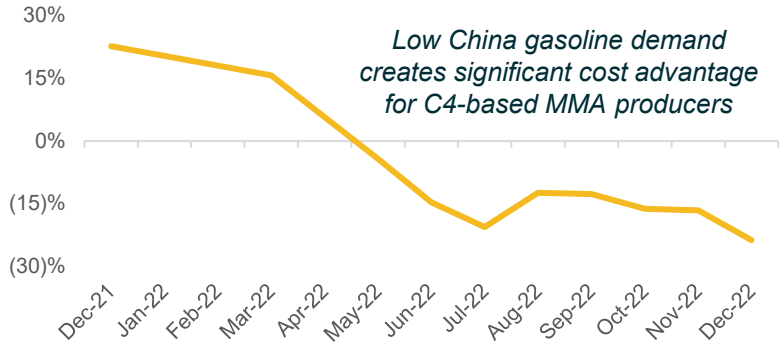
Key Indicators for Engineered Materials Recovery

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China PMI

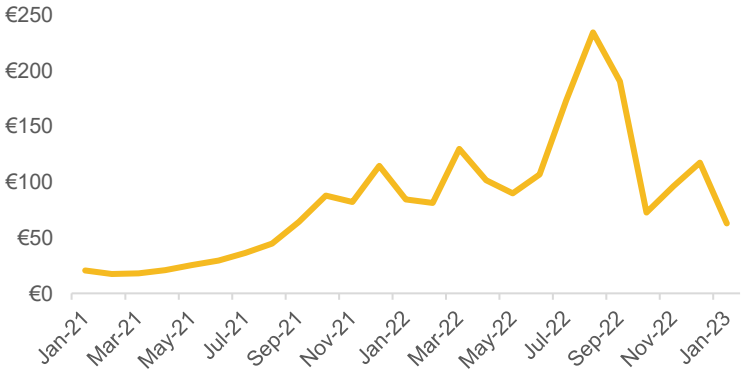


China Gasoline Demand YoY %(1)

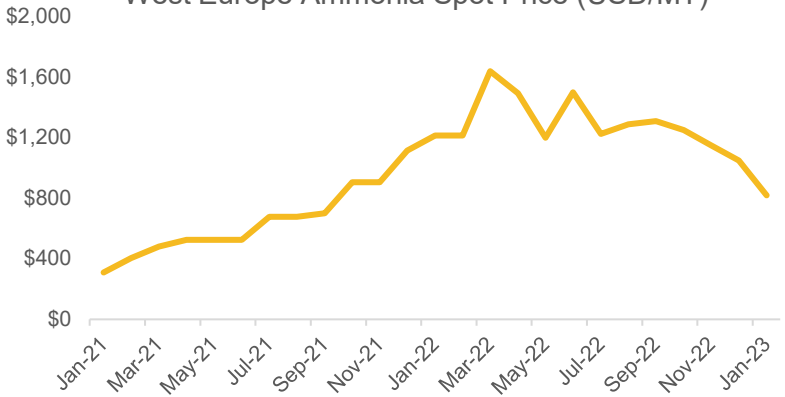


Low China gasoline demand creates significant cost advantage for C4-based MMA producers

TTF Natural Gas Rates (EUR/Mwh)(2)



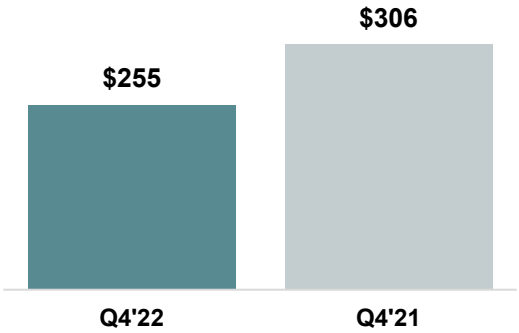
West Europe Ammonia Spot Price (USD/MT)(1)



1) Bloomberg 2) Composite rate from Spectron Group, GFI Group Limited, Tradition Financial Services, Bloomberg Commodity Fair Value and ICAP; monthly value taken as daily average

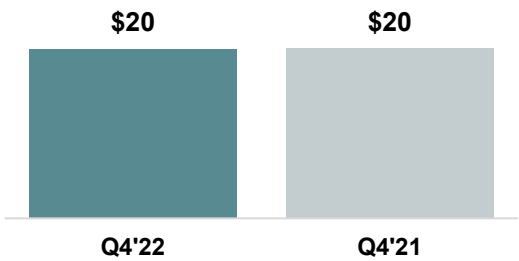
Latex Binders

Net Sales ($MM)

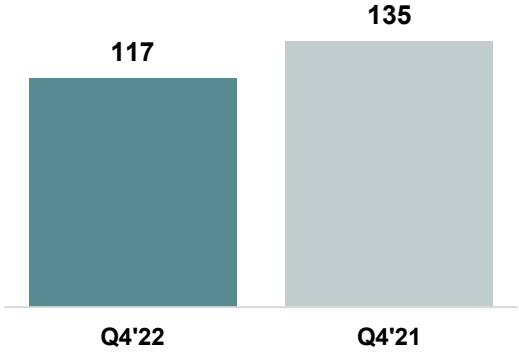


Vol	Price	FX	Total
(14%)	0%	(3%)	(17%)

Adjusted EBITDA ($MM)



Volume (kt)

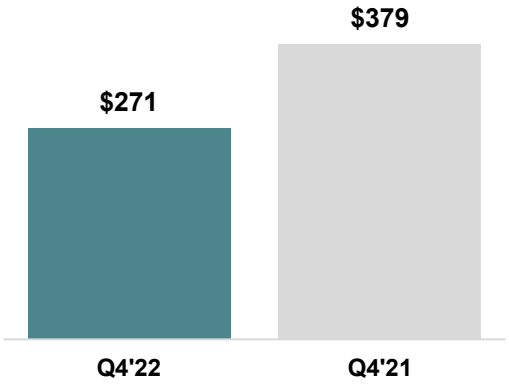




- Earnings in line as volume decline was offset by fixed cost and commercial excellence actions
- Lower volumes in all regions and applications from customer de-stocking and extended shutdowns for year-end and Covid impacts
- 2022 CASE volumes declined by 10% versus 2021 from lower demand in building & construction applications; 3-year volume CAGR of +5%

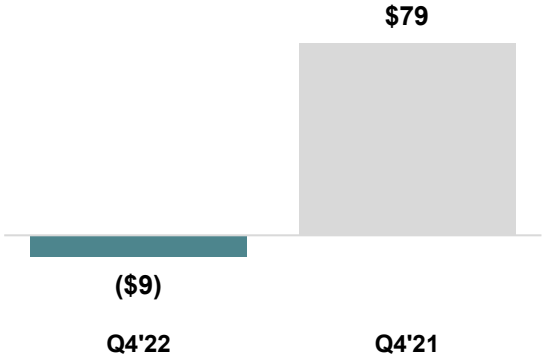
Base Plastics

Net Sales ($MM)

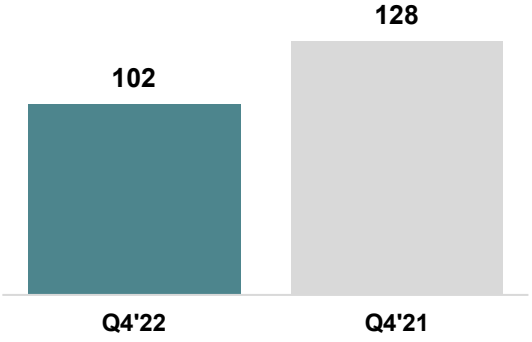


Vol	Price	FX	Total
(22%)	(3%)	(4%)	(28%)

Adjusted EBITDA ($MM)



Volume (kt)

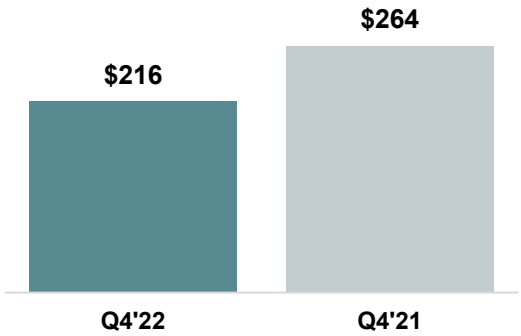




- Lower volumes caused by destocking and weak demand in building & construction and consumer durables applications partially offset by mild improvement in automotive demand
- Margin contraction on weak demand and ample supply including lower-cost imports into Europe from Asia
- $12 million negative net timing variance versus prior year

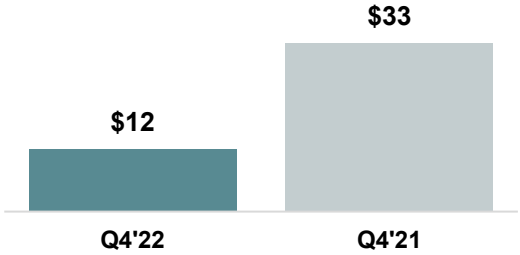
Polystyrene

Net Sales ($MM)

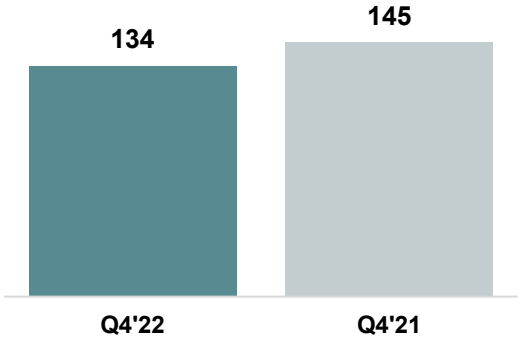


Vol	Price	FX	Total
(8%)	(10%)	0%	(18%)

Adjusted EBITDA ($MM)



Volume (kt)



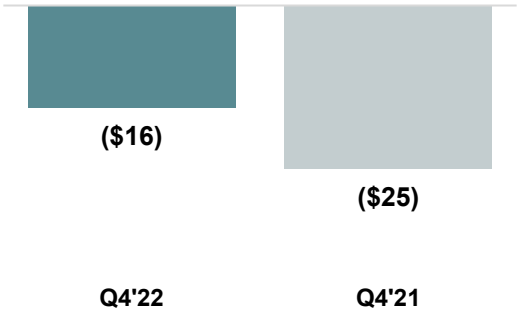


- Lower volume as a result of weaker demand in appliances and building & construction applications
- Lower price due mainly to passthrough of raw material costs
- Margin contraction from weaker demand and improved supply including new capacity in Asia
- $5 million negative net timing variance versus prior year

Feedstocks & Americas Styrenics

FEEDSTOCKS

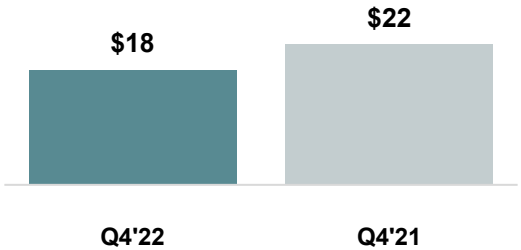
Adjusted EBITDA ($MM)



- Q4 2022 results includes $8 million negative net timing impact from declining raw material costs
- Both styrene production plants in Europe were idled during Q4; Boehlen site to be closed permanently

AMERICAS STYRENICS

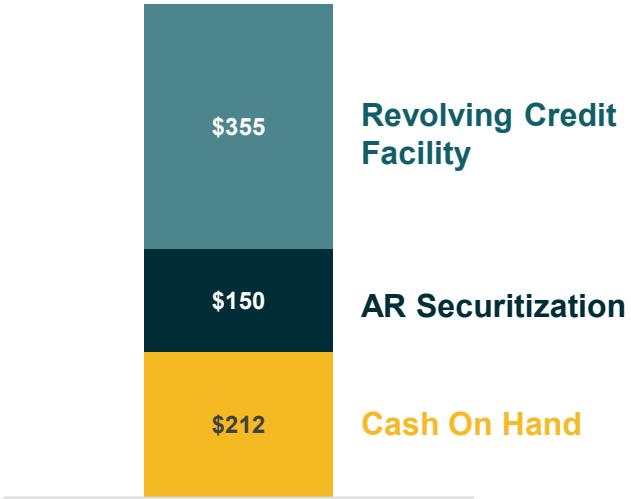
Adjusted EBITDA ($MM)



- Lower volumes partially offset by stronger polystyrene margins

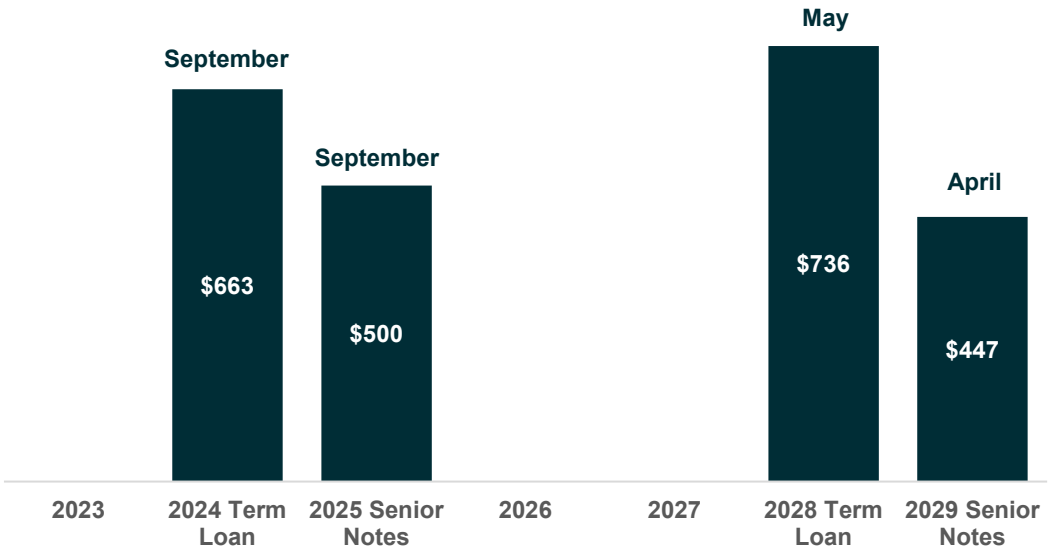
Debt and Liquidity Overview (as of Dec 31, 2022)

Cash and Borrowing Facilities ($millions)*



$717MM Combined Cash and Availability under Committed Facilities

Debt Maturity Schedule ($millions)



*2026 Revolving Credit Facility available funds of $354.7 million (net of $20.3 million outstanding letters of credit), as well as the Accounts Receivable Securitization Facility with borrowing capacity of $150.0 million. We expect availability under the 2026 Revolving Credit Facility to be approximately $102 million at the end of the first quarter 2023.

Q1 and FY 2023 Earnings Guidance

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Full-year 2023 net income from continuing operations of $3 million to $33 million and Adjusted EBITDA* of $375 million to $425 million

- Destocking expected to end in the first quarter
- Stronger second half performance as conditions are expected to improve over the course of the year

First Quarter 2023 vs. Prior Quarter

- Improvement in Base Plastics from seasonality, lower raw materials and polycarbonate restructuring
- Higher Engineered Materials as improved China demand following Lunar New Year and natural gas moderation in Europe should limit arbitrage window of standard-grade products from Asia to Europe
- Modest improvement in Latex Binders from seasonality and pricing actions
- Feedstocks improvement from Boehlen closure and restart of Terneuzen styrene plant
- No significant change to macroeconomic environment leading to sequentially similar results for Polystyrene and Americas Styrenics

*For the definition of Adjusted EBITDA, refer to the accompanying press release furnished as Exhibit 99.1 to our Form 8-K dated February 8, 2023.

FY 2023 Cash Flow Guidance

Cash from Operations of approximately $100 million

Free Cash Flow* approximately breakeven

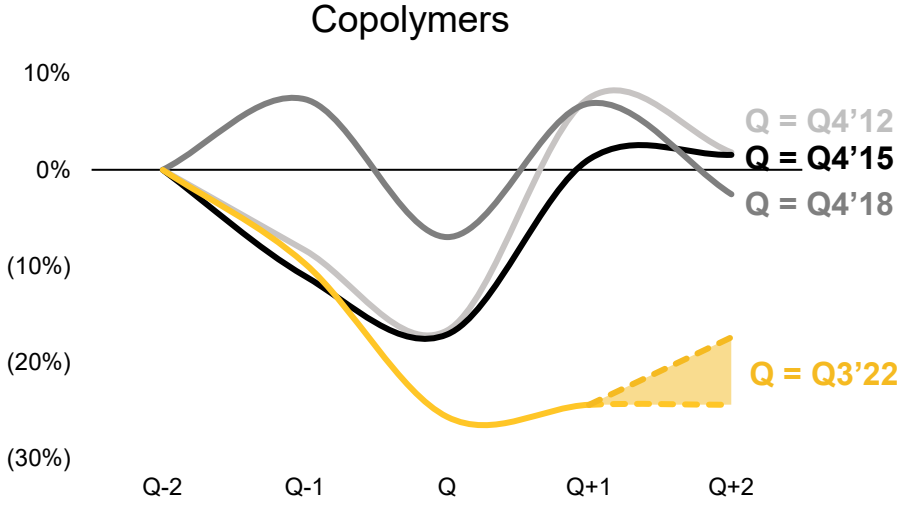
- Capital Expenditures: $100 million
- Cash Interest: $150 million
- Cash Taxes: $40 million
- Restructuring: $40 million
- Turnarounds: $10 million
- Working Capital use of ~$50 million from demand increase

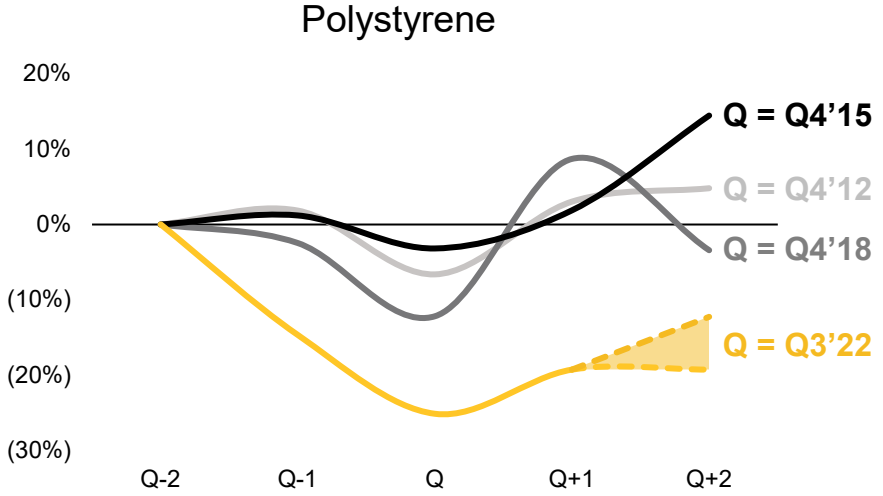
* See Appendix for a reconciliation of non-GAAP measures

Appendix

Business Destocking Cycles

- Historically, business destocking cycles have lasted ~2 quarters and were following by rapid restocking
- We have seen a steep decline in demand as destocking was coupled with lower structural demand as well as the impact of lower-cost shipments of non-specialty products from Asia into Europe and North America





NOTE: Trends based on Trinseo sales volumes

Selected Segment Information

(in $millions, unless noted)	Q1'20	Q2'20	Q3'20	Q4'20	Q1'21	Q2'21	Q3'21	Q4'21	Q1'22	Q2'22	Q3'22	Q4'22	2020	2021	2022
Engineered Materials	12	10	13	16	16	43	53	58	60	60	50	41	51	170	212
Latex Binders	135	115	133	131	137	139	141	135	132	138	132	117	514	553	520
Base Plastics	131	101	139	140	143	142	135	128	134	120	100	102	511	548	457
Polystyrene	152	171	163	160	163	150	154	145	165	141	124	134	645	612	564
Feedstocks	72	50	59	66	65	54	49	55	46	54	37	24	247	223	162
Trade Volume (kt)	**502**	**447**	**507**	**513**	**525**	**528**	**532**	**521**	**539**	**514**	**444**	**418**	**1,968**	**2,106**	**1,915**
Engineered Materials	48	38	50	60	66	181	231	277	295	301	243	205	195	755	1,045
Latex Binders	219	165	183	200	251	311	316	306	307	354	341	255	767	1,183	1,256
Base Plastics	257	151	240	269	329	397	393	379	396	362	293	271	918	1,498	1,323
Polystyrene	183	156	167	193	267	313	275	264	318	312	248	216	699	1,119	1,093
Feedstocks	56	24	39	47	73	71	55	73	70	97	53	28	166	272	249
Net Sales	**763**	**534**	**679**	**768**	**986**	**1,274**	**1,269**	**1,298**	**1,387**	**1,426**	**1,178**	**975**	**2,745**	**4,827**	**4,966**
Engineered Materials	8	5	9	12	8	28	33	26	35	34	8	(5)	35	95	72
Latex Binders	21	16	19	21	17	32	37	20	30	29	31	20	77	106	111
Base Plastics	27	(12)	40	50	65	82	88	79	69	46	(15)	(9)	106	314	91
Polystyrene	11	15	20	33	47	51	51	33	45	23	19	12	79	183	99
Feedstocks	(17)	(4)	10	14	46	40	(28)	(25)	4	14	(78)	(16)	3	34	(75)
Americas Styrenics	10	14	18	25	23	30	17	22	22	39	23	18	67	93	102
Corporate	(22)	(17)	(16)	(26)	(22)	(24)	(25)	(24)	(27)	(21)	(24)	(16)	(82)	(96)	(88)
Adjusted EBITDA*	**38**	**17**	**101**	**130**	**184**	**239**	**173**	**133**	**178**	**164**	**(37)**	**6**	**285**	**729**	**312**
Adj EBITDA Variance Analysis															
Net Timing** Impacts - Fav/(Unfav)															
Engineered Materials	(0)	(1)	0	1	1	1	(0)	0	(0)	0	(1)	(3)	0	2	(3)
Latex Binders	(3)	(2)	(1)	0	(16)	3	2	(2)	3	(3)	7	(1)	(5)	(13)	6
Base Plastics	(1)	(15)	2	3	5	(1)	(1)	8	11	10	(1)	(2)	(11)	11	17
Polystyrene	(4)	(3)	1	6	5	1	0	1	5	7	(6)	(4)	(1)	6	1
Feedstocks	(7)	(8)	2	15	14	0	(2)	1	13	19	(23)	(8)	1	13	1
Net Timing Impacts - Fav/(Unfav)**	**(15)**	**(28)**	**3**	**25**	**8**	**5**	**(1)**	**7**	**32**	**33**	**(24)**	**(19)**	**(16)**	**19**	**21**

*See this Appendix for a reconciliation of non-GAAP measures

**Net Timing is the difference between Raw Material Timing and Price Lag. Raw Material Timing represents the timing of raw material cost changes flowing through cost of goods sold versus current pricing. Price Lag represents the difference in revenue between the current contractual price and the current period price.

US GAAP to Non-GAAP Reconciliation

TRINSEO

(in $millions, unless noted)	Q1'20	Q2'20	Q3'20	Q4'20	Q1'21	Q2'21	Q3'21	Q4'21	Q1'22	Q2'22	Q3'22	Q4'22	2020	2021	2022
Net Income (Loss)	(36.3)	(128.4)	105.8	66.7	71.5	151.6	93.1	123.8	16.7	37.4	(119.8)	(365.3)	7.9	440.0	(430.9)
Net Income (Loss) from discontinued operations	33.1	(154.2)	65.6	0.5	5.7	18.6	13.7	122.4	(0.4)	0.3	(1.9)	(1.0)	(54.8)	160.4	(2.9)
Net Income (Loss) from continuing operations	(69.4)	25.8	40.2	66.2	65.8	133.0	79.4	1.4	17.1	37.1	(117.9)	(364.3)	62.7	279.6	(428.0)
Interest expense, net	10.3	11.7	10.0	11.6	12.0	21.6	23.0	22.8	21.9	25.4	30.4	35.3	43.6	79.4	112.9
Provision for (benefit from) income taxes	42.3	(53.0)	26.9	26.5	20.1	23.3	5.5	22.0	22.6	30.8	(12.1)	(83.0)	42.7	70.9	(41.6)
Depreciation and amortization	24.2	24.3	21.2	22.8	23.1	38.1	49.8	56.4	53.0	48.1	45.9	89.8	92.6	167.5	236.9
EBITDA	7.4	8.8	98.3	127.1	121.0	216.0	157.7	102.6	114.6	141.4	(53.7)	(322.2)	241.6	597.4	(119.8)
Other items	18.7	3.0	2.6	1.2	2.1	4.8	0.7	12.0	23.4	22.1	14.8	11.0	25.5	19.5	71.2
Restructuring and other charges	1.8	5.4	(0.1)	(1.5)	0.3	6.3	0.2	2.2	0.4	(1.5)	-	17.0	5.6	9.0	15.9
Net gain on disposition of businesses and assets	(0.4)	-	-	-	(0.2)	-	-	(0.4)	(0.3)	(1.5)	-	-	(0.4)	(0.6)	(1.8)
Acquisition transaction and integration net costs	0.1	(0.4)	-	9.4	6.0	43.2	13.6	12.5	3.2	2.7	0.4	0.4	9.1	75.3	6.6
Acquisition purchase price hedge loss (gain)	-	-	-	(7.3)	55.0	(33.0)	-	-	-	-	-	-	(7.3)	22.0	-
European Commission request for information	-	-	-	-	-	-	-	-	35.6	-	-	0.6	-	-	36.2
Goodwill impairment charges	-	-	-	-	-	-	-	-	-	-	-	297.1	-	-	297.1
Asset impairment charges or write-offs	10.3	-	-	0.7	-	1.8	1.2	3.8	0.7	1.3	1.9	2.4	11.0	6.8	6.3
Adjusted EBITDA	37.9	16.8	100.8	129.6	184.2	239.1	173.4	132.7	177.6	164.5	(36.6)	6.3	285.1	729.4	311.7
Adjusted EBITDA to Adjusted Net Income															
Adjusted EBITDA	37.9	16.8	100.8	129.6	184.2	239.1	173.4	132.7	177.6	164.5	(36.6)	6.3	285.1	729.4	311.7
Interest expense, net	10.3	11.7	10.0	11.6	12.0	21.6	23.0	22.8	21.9	25.4	30.4	35.3	43.6	79.4	112.9
Provision for (benefit from) income taxes - Adjusted	47.6	(54.7)	26.8	25.3	26.1	33.5	24.7	24.4	25.6	25.7	(9.6)	(18.8)	44.9	108.7	22.8
Depreciation and amortization - Adjusted	23.0	23.0	21.2	22.8	23.0	37.4	46.1	52.9	50.9	47.2	45.1	49.9	90.1	159.3	193.1
Adjusted Net Income (Loss)	(43.0)	36.8	42.8	69.9	123.1	146.6	79.6	32.6	79.3	66.2	(102.5)	(60.1)	106.5	382.0	(17.1)
Wtd Avg Shares - Diluted (000)	*38,632*	*38,289*	*38,421*	*38,954*	*39,479*	*39,647*	*39,517*	*39,483*	*38,139*	*36,996*	*35,176*	*34,974*	*38,581*	*39,573*	*35,941*
Adjusted EPS - Diluted ($)	*(1.11)*	*0.96*	*1.11*	*1.79*	*3.12*	*3.70*	*2.01*	*0.83*	*2.08*	*1.79*	*(2.91)*	*(1.72)*	*2.76*	*9.65*	*(0.48)*
Adjustments by Statement of Operations Caption															
Cost of sales	-	-	-	-	-	*10.1*	*3.5*	*3.5*	-	-	-	-	*0.0*	*17.1*	*0.0*
SG&A	*20.6*	*8.4*	*1.5*	*9.7*	*8.4*	*39.7*	*13.5*	*23.2*	*27.0*	*22.9*	*16.0*	*28.4*	*40.2*	*84.8*	*94.3*
Impairment and other charges	*10.3*	-	-	*0.7*	-	*1.8*	*1.2*	*3.8*	*36.3*	*1.3*	*1.9*	*300.1*	*11.0*	*6.8*	*339.6*
Acquisition purchase price hedge (gain) loss	-	-	-	*(7.3)*	*55.0*	*(33.0)*	-	-	-	-	-	-	*(7.3)*	*22.0*	*0.0*
Other expense (income), net	*(0.4)*	*(0.4)*	*1.0*	*(0.6)*	*(0.2)*	*4.5*	*(2.5)*	*(0.4)*	*(0.3)*	*(1.1)*	*(0.8)*	-	(0.4)	1.4	(2.2)
Total EBITDA Adjustments	*30.5*	*8.0*	*2.5*	*2.5*	*63.2*	*23.1*	*15.7*	*30.1*	*63.0*	*23.1*	*17.1*	*328.5*	*43.5*	*132.1*	*431.7*
Free Cash Flow Reconciliation															
Cash provided by (used in) operating activities	(5.8)	81.6	51.9	127.6	51.0	(21.0)	208.2	214.4	(5.1)	(83.0)	97.6	34.0	*255.4*	*452.7*	43.5
Capital expenditures	(24.3)	(23.8)	(12.7)	(21.4)	(12.6)	(19.7)	(35.7)	(55.4)	(24.8)	(31.5)	(38.5)	(54.2)	(82.3)	(123.5)	(149.0)
Free Cash Flow	(30.1)	57.8	39.2	106.2	38.4	(40.7)	172.5	159.0	(29.9)	(114.5)	59.1	(20.2)	173.1	329.2	(105.5)

NOTE: For definitions of non-GAAP measures as well as descriptions of current period reconciling items from Net Income to Adjusted EBITDA and to Adjusted Net Income, refer to the accompanying press release furnished as Exhibit 99.1 to our Form 8-K dated February 8, 2023. Totals may not sum due to rounding.

US GAAP to Non-GAAP Reconciliation

Profitability Outlook

(In $millions, unless noted)	Year Ended Dec 31, 2023
Adjusted EBITDA	375 - 425
Interest expense, net	(150)
Provision for income taxes	(22) - (42)
Depreciation and amortization	(200)
Reconciling items to Adjusted EBITDA[(1)]	0
Net Income (loss) from continuing operations	**3 - 33**
Reconciling items to Adjusted Net Income (Loss) [(1)]	0
Adjusted Net Income (Loss)	**3 - 33**
Weighted avg shares - diluted (MM)	36.5
EPS - diluted ($)	0.09 - 0.90
Adjusted EPS ($)	0.09 - 0.90

Cash Outlook

	Year Ended Dec 31, 2023
Cash From Operations	~100
Capex	~(100)
Free Cash Flow	**~0**

(1) Reconciling items to Adjusted EBITDA and Adjusted Net Income (Loss) are not typically forecasted by the Company based on their nature as being primarily driven by transactions that are not part of the core operations of the business and, as a result, cannot be estimated without unreasonable cost or uncertainty. For potential reconciling items to Adjusted EBITDA and Adjusted Net Income (Loss) during 2023 are not reflected.

NOTE: For definitions of non-GAAP measures as well as descriptions of current period reconciling items from Net Income (Loss) to Adjusted EBITDA and to Adjusted Net Income (Loss), refer to the accompanying press release furnished as Exhibit 99.1 to our Form 8-K dated February 8, 2023. Totals may not sum due to rounding.