TRINSEO™

Second Quarter 2023 Financial Results & Full-Year Outlook

August 3, 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

This press release 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 investigate and remediate chemical releases on or from our sites, make related capital expenditures, reimburse third-party cleanup costs or settle potential regulatory penalties or other claims; 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 press release 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

Q2 2023 Results

- Net loss from continuing operations of $349 million and Adjusted EBITDA* of $57 million; net loss included a non-cash goodwill impairment of $349 million
- Results included pre-tax impacts of $16 million for unfavorable net timing, $12 million for natural gas hedge losses and $4 million for manufacturing cost under absorption
- Sequential Adjusted EBITDA* improvement from lower natural gas hedge loss, lower fixed cost under absorption and lower raw material and Corporate costs

Cash Generation & Liquidity

- Q2 cash provided by operations of $57 million led to Free Cash Flow* of $43 million – included a working capital release of $52 million including from inventory reduction initiatives
- Q2 ending cash balance of $270 million with $236 million of additional available liquidity under two undrawn, committed financing facilities

2023 Outlook

- Net loss from continuing operations of approximately $460 million and Adjusted EBITDA* of approximately $215 million
- Cash from operations of approximately $190 million and Free Cash Flow* of approximately $100 million
- No demand improvement expected through the end of the year

Key Initiatives

- Restructuring actions, including the potential closure of the Terneuzen, the Netherlands styrene plant, combined with lower natural gas hedge losses expected to result in sequential profitability improvement of more than $100 million in 2024
- Continued focus on growth programs including material substitution applications and sustainable products containing recycled or bio-based materials
- Refinancing near-term debt maturities, which is expected to occur in the third quarter

* See Appendix for a reconciliation of non-GAAP measures



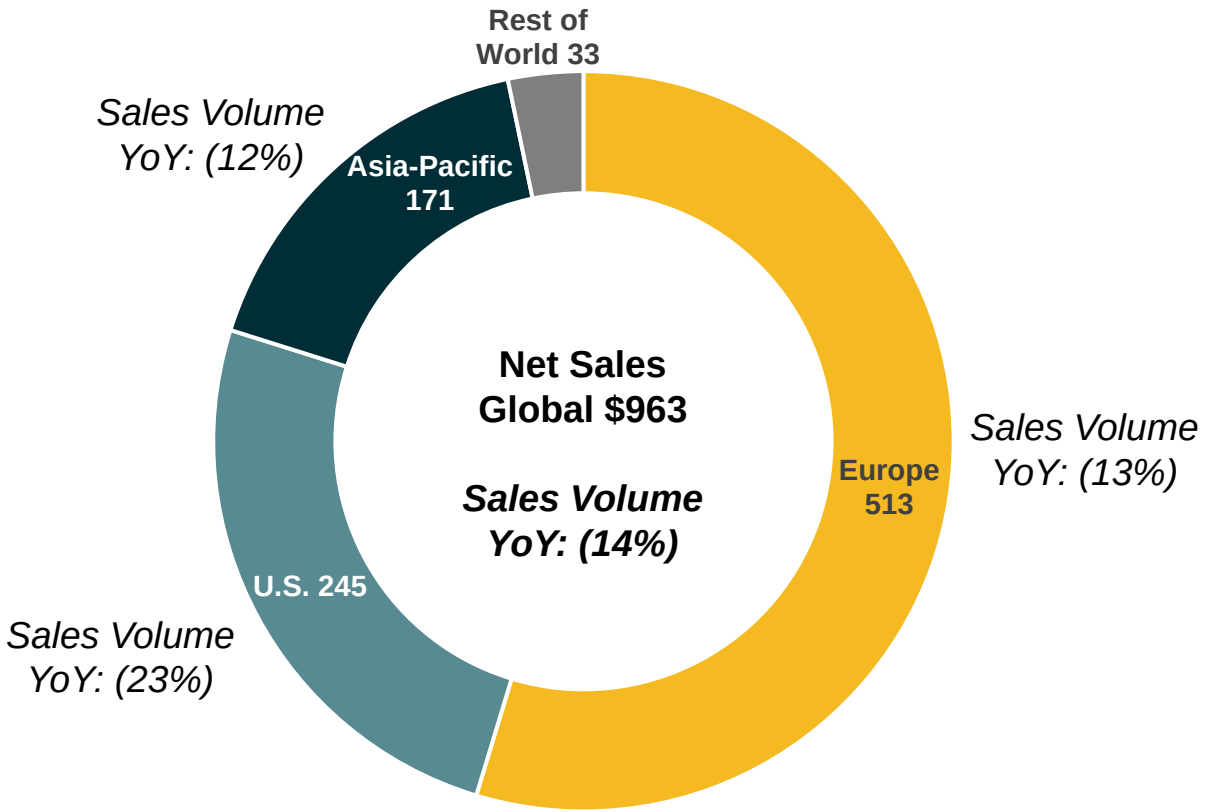
Sustainability Highlights

- Reduced Scope 1 greenhouse gas emissions by 33%, with an overall reduction of GHG emissions by 24% due to employee-led projects
- Developed Scope 3 management strategy and calculated baseline data
- Generated 22% of electricity from non-fossil fuel sources
- Decreased freshwater intake by 10%
- Reduced injury rate to 0.25 in 2022—13x less than the manufacturing industry average
- Increased sales of sustainably advantaged products by 11%
- Completed the acquisition of Heathland B.V.
- Welcomed first Chief Technology Officer and Director of Diversity, Equity & Inclusion, Culture, and Talent
- Certified two sites for ISCC+ mass balance, bringing total to 10 sites as of April 2023
- Achieved a "B" in 2022 CDP score for Climate Change
- Aligned Sustainability Report to the GRI 2021 Universal Standards and other frameworks

GRI Empowering Sustainable Decisions
SASB Sustainability Accounting Standards Board
TCFD Task Force on Climate-Related Financial Disclosures

Q2 2023 Sales and Volume Summary

Net sales in $millions
Volume variances exclude Feedstocks segment



Europe
- Year-over-year decrease in building & construction and durables
- Small sequential decrease in Polystyrene and automotive applications

U.S.
- Lower year-over-year demand and destocking in building & construction and consumer durables with growth in automotive as production constraints ease
- Sequential increase from CASE and PMMA Resins

Asia
- Lower year-over-year demand for consumer electronics and durables as well as Latex in paper & board applications

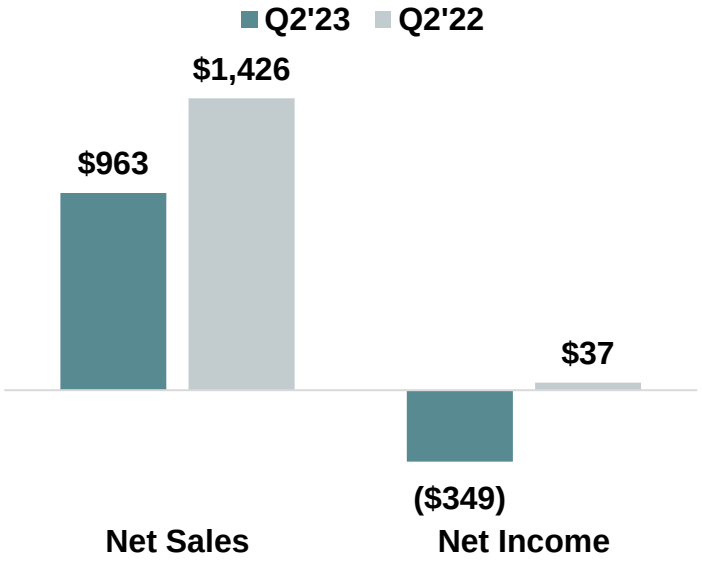
Engineered Materials Profile



	MMA (with Ammonium Sulfate as a byproduct)	PMMA Cast Sheets PMMA Extruded Sheets	PMMA Resins PMMA Continuous Sheets Rigid Compounds (PC/ABS) TPEs
Critical Success Factors	Cost position; asset utilization; ammonium sulfate credit	Customer service level and product line breadth	Innovation and customer intimacy
Customer Complexity	Low	High	High
Technology Complexity	Low	Medium	High
Current Profitability	Negative; unit margins and volumes significantly below historical levels	Negative; volumes significantly impacted by lower cost Asian imports	Positive; unit margins consistent with historical level, volumes lower with market
Future Profitability	**May not return to prior levels but working to improve**	**Expected to return to prior levels as demand returns and due to optimization of Europe PMMA sheet network**	

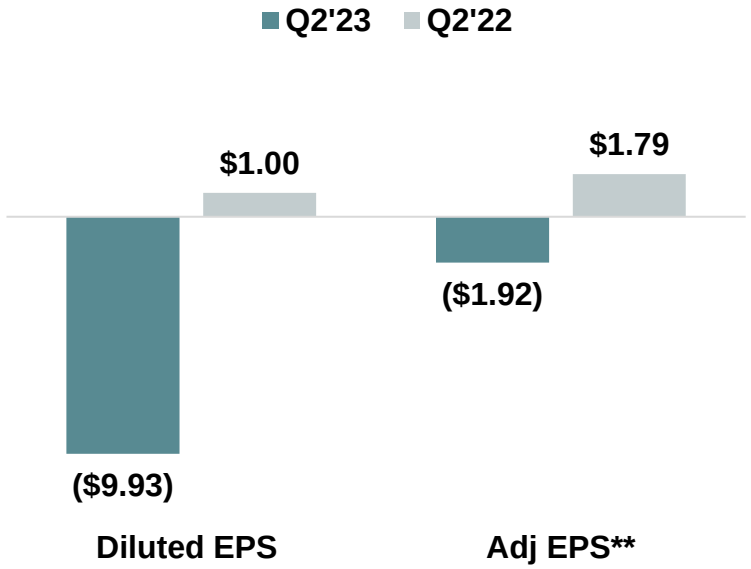
Trinseo Q2 2023 Financial Results*

Net Sales & Net Income ($MM)

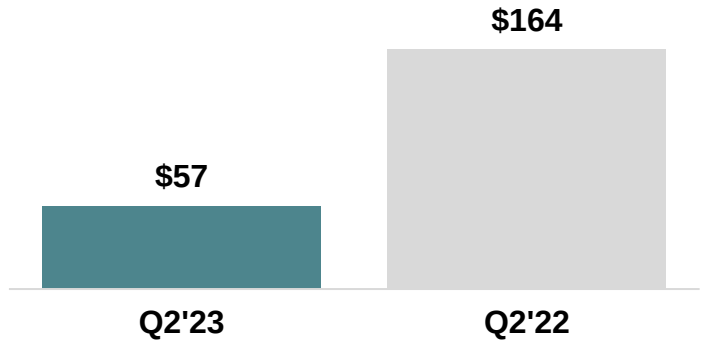


Net Sales	Vol	Price	FX	Total
	(16%)	(17%)	0%	(32%)

EPS ($)



Adjusted EBITDA** ($MM)

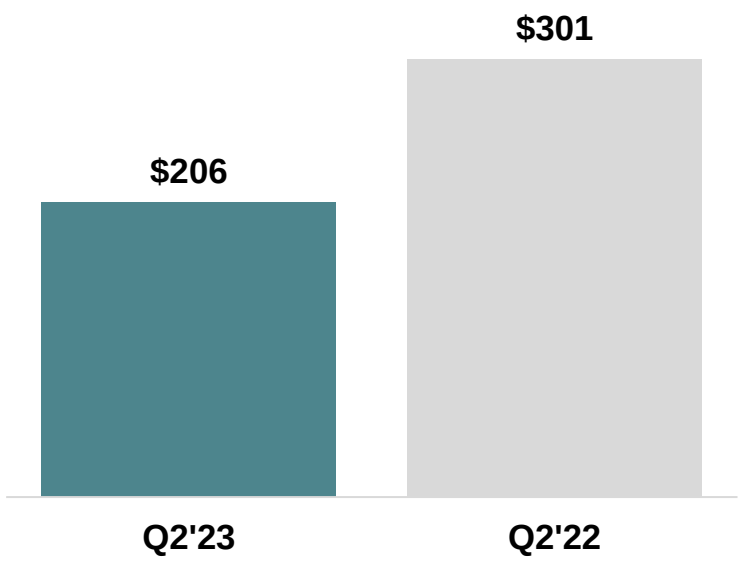


- **Volumes and margins declined from prior year from general market weakness; unfavorable year-over-year net timing variance of $48 million**
- **Q2 results included unfavorable pre-tax impacts of $16 million for net timing, $12 million for natural gas hedge losses and $4 million for manufacturing cost under absorption related to inventory reduction initiatives**

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

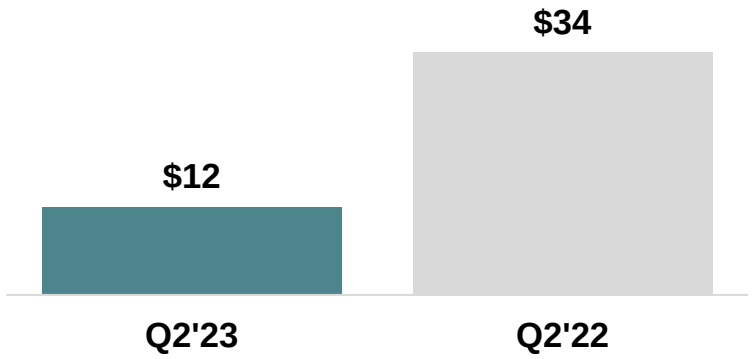
Engineered Materials

Net Sales ($MM)

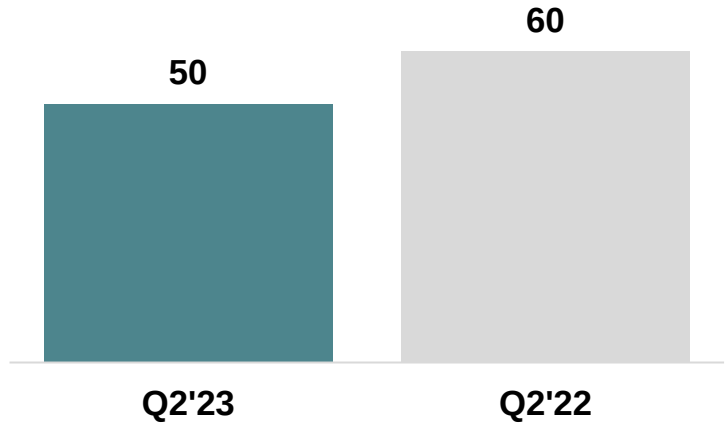


Vol	Price	FX	Total
(18%)	(13%)	0%	(32%)

Adjusted EBITDA ($MM)



Volume (kt)

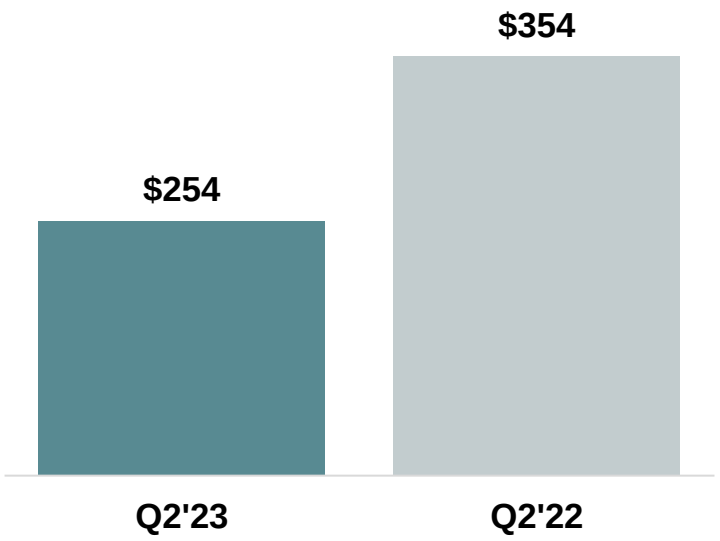




- Lower volume and margin from weak demand, particularly in consumer electronics, building & construction and wellness applications
- Results included unfavorable impacts of $9 million from net timing and $6 million from natural gas hedging

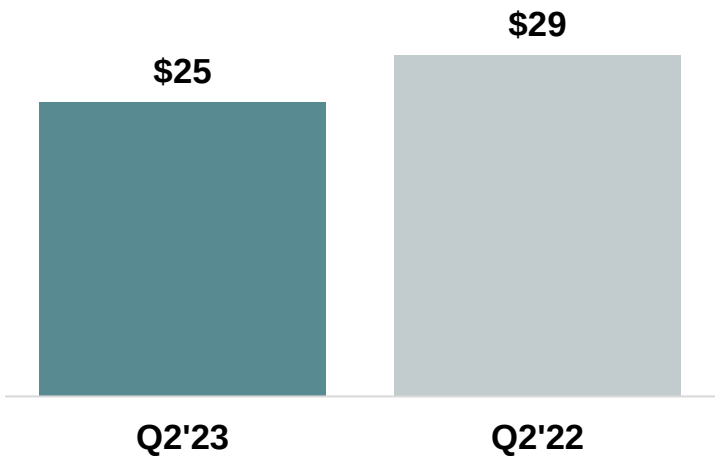
Latex Binders

Net Sales ($MM)

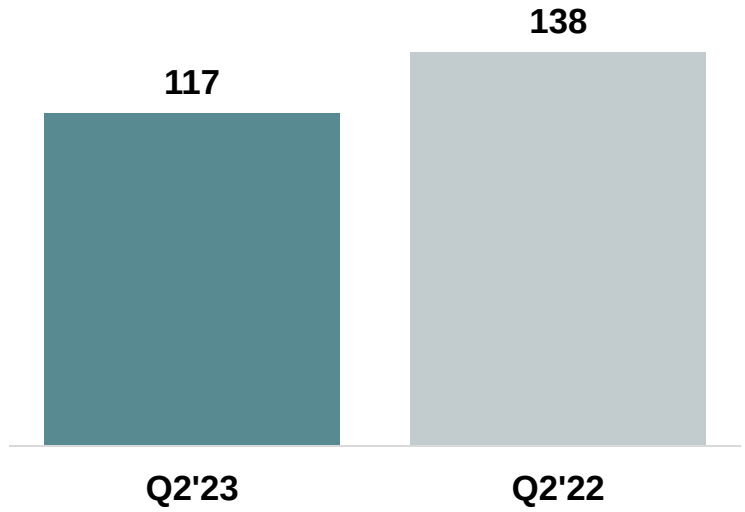


Vol	Price	FX	Total
(17%)	(12%)	0%	(28%)

Adjusted EBITDA ($MM)



Volume (kt)

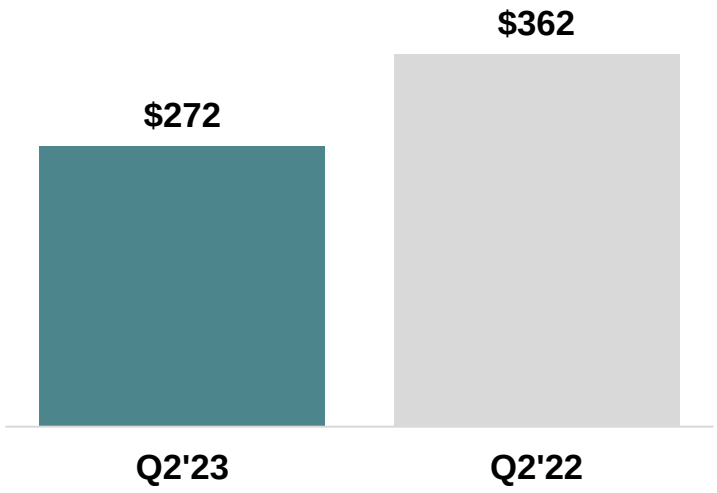




- Lower year-over-year volumes in all regions and applications from customer destocking and lower structural demand; volume impacts largely offset by pricing initiatives
- Similar sequential performance
- CASE volumes declined by 7% versus prior year from lower demand in building & construction applications; net sales from CASE represented a record-high level of segment sales during Q2

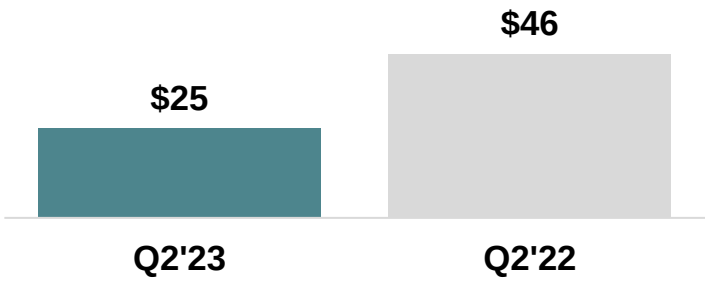
Plastics Solutions

Net Sales ($MM)

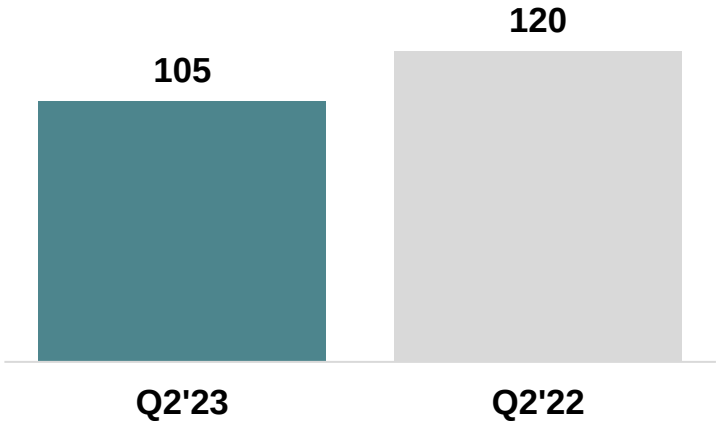


Vol	Price	FX	Total
(11%)	(14%)	0%	(25%)

Adjusted EBITDA ($MM)



Volume (kt)

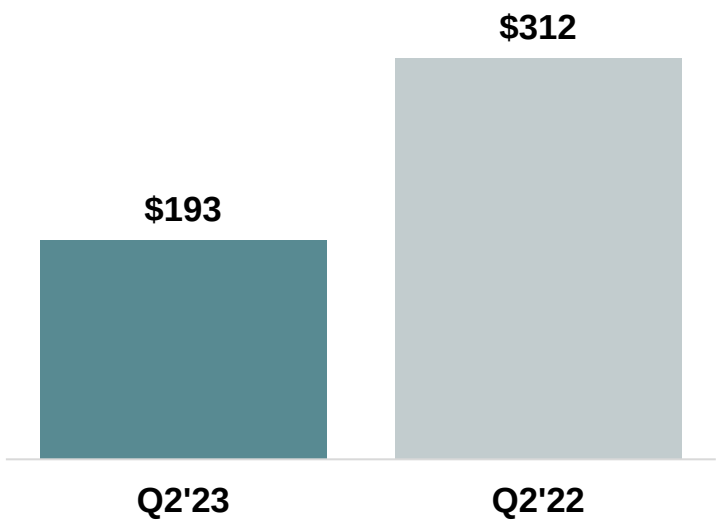




- Year-over-year volume and margin decline due to lower demand in building & construction and consumer durables applications with similar sequential performance
- $11 million negative net timing variance versus prior year

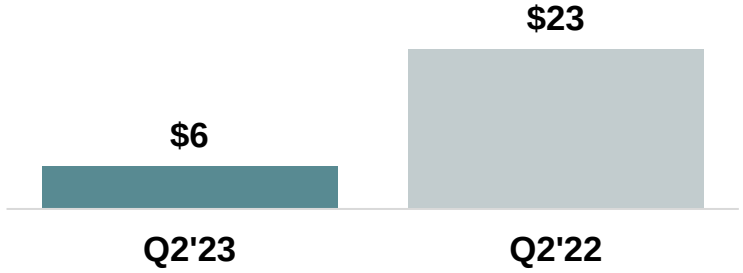
Polystyrene

Net Sales ($MM)

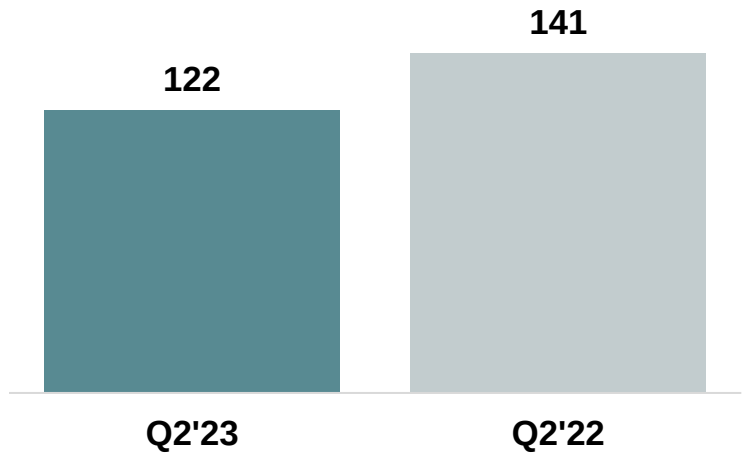


Vol	Price	FX	Total
(14%)	(25%)	0%	(38%)

Adjusted EBITDA ($MM)



Volume (kt)



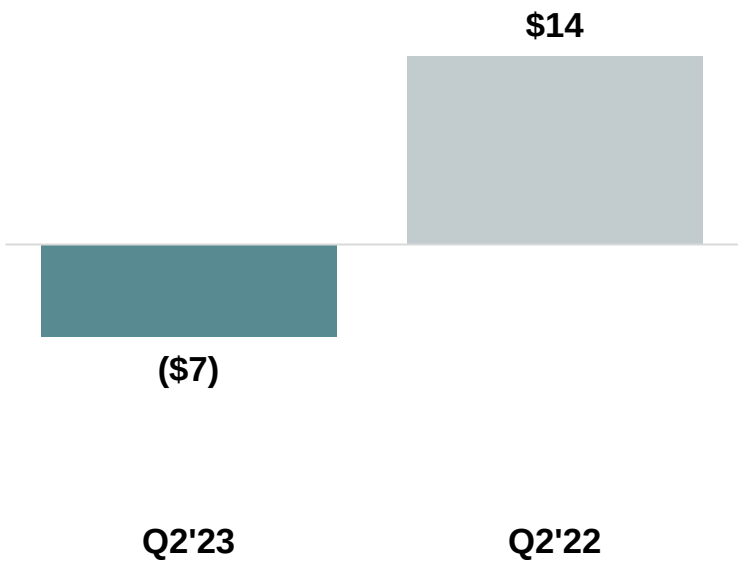


- Demand levels remain lower from softness in building & construction and appliance applications
- Sequential performance decline from lower volume in Asia, net timing as well as fixed cost under absorption in Q2
- 19% year-over-year increase in sales volume of recycled-content-containing polystyrene with a significant margin premium

Feedstocks & Americas Styrenics

FEEDSTOCKS

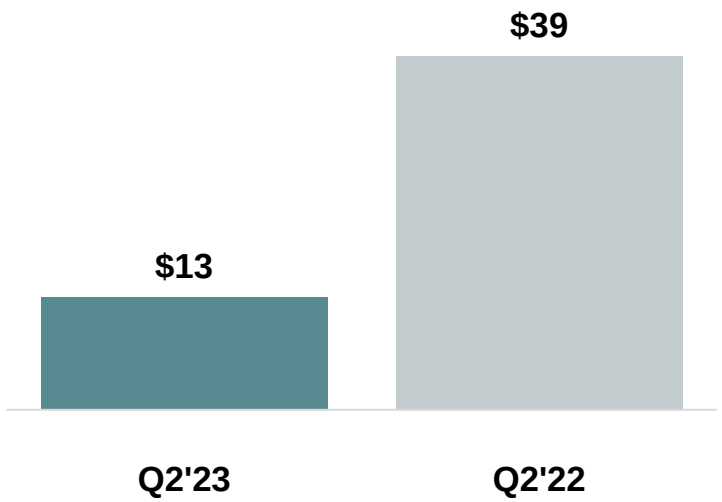
Adjusted EBITDA ($MM)



- Styrene production margins remain challenged globally
- Terneuzen styrene plant not currently operating; entered into discussions with the works council regarding the potential closure of this plant

AMERICAS STYRENICS

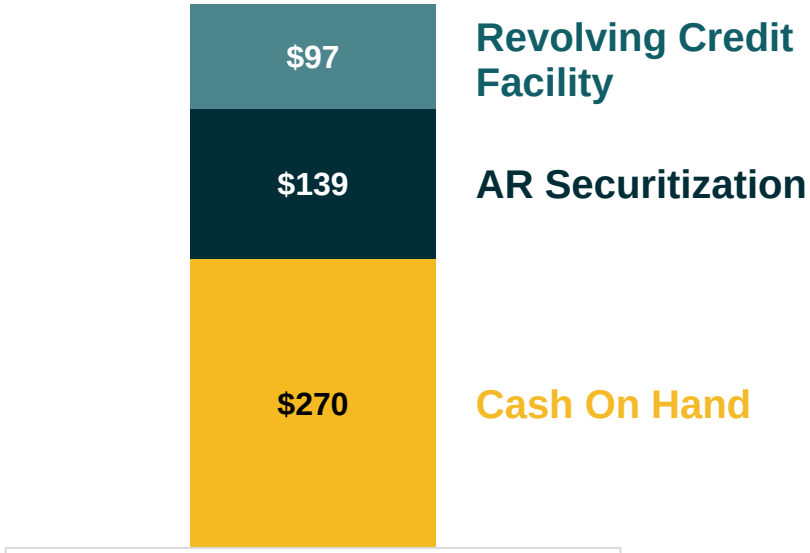
Adjusted EBITDA ($MM)



- Lower styrene margin partially offset by higher polystyrene margin

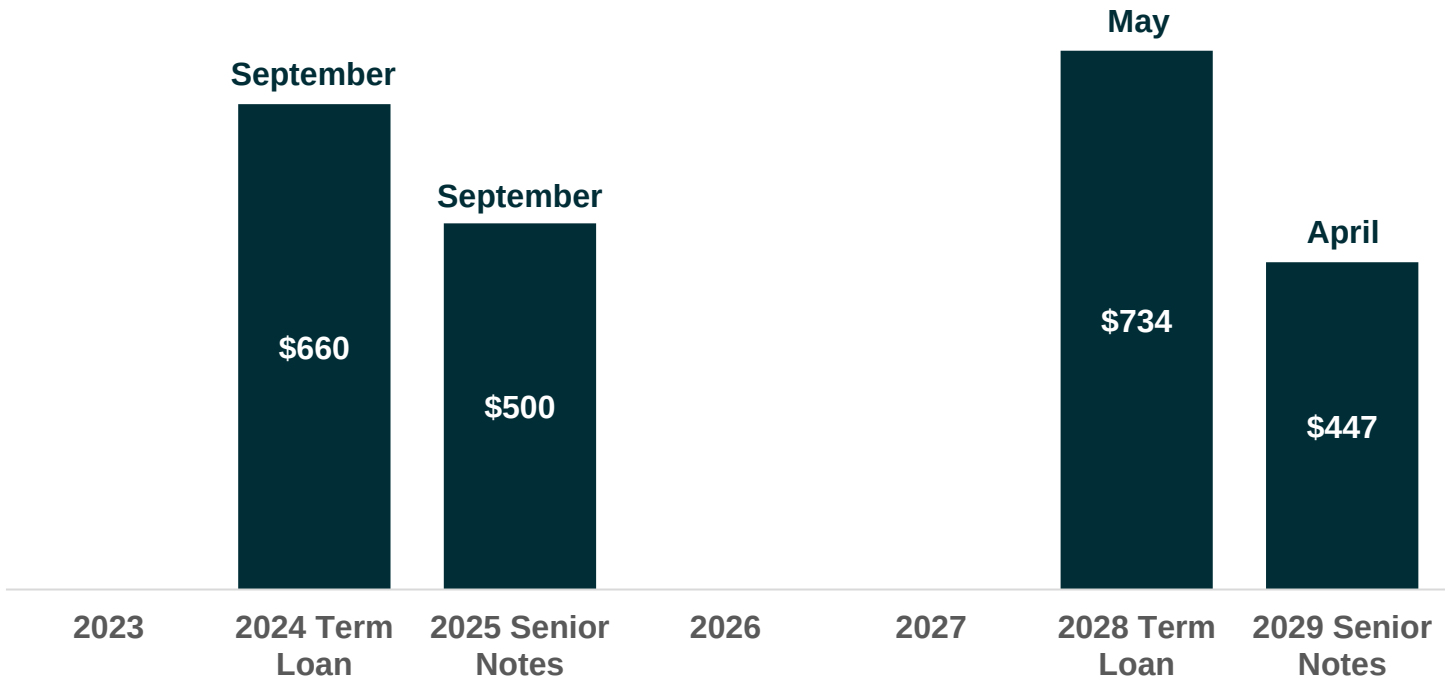
Debt and Liquidity Overview (as of June 30, 2023)

Cash and Borrowing Facilities ($millions)*



$506MM Combined Cash and Availability under Committed Facilities

Debt Maturity Schedule ($millions)



*2026 Revolving Credit Facility available funds of $97.4 million (net of $15.1 million outstanding letters of credit), as well as the Accounts Receivable Securitization Facility with borrowing capacity of $139.0 million.

Q3 and FY 2023 Earnings Guidance

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Full Year 2023

Net loss from continuing operations of approximately $460 million and Adjusted EBITDA* of approximately $215 million

- Includes $18 million of Q2 YTD unfavorable net timing
- Below prior outlook due to weaker market conditions in the second half of the year leading to lower margin in Feedstocks, Engineered Materials and Polystyrene, plus lower Q2 performance
- Guidance implies average Adjusted EBITDA of approximately $60 million from Q2 through Q4

Q3 2023

Lower sequential profitability excluding net timing from margin compression in Feedstocks, including impacts from the Terneuzen styrene outage, and Engineered Materials

*For the definition of Adjusted EBITDA, refer to the accompanying press release furnished as Exhibit 99.1 to our Form 8-K dated August 3, 2023

FY 2023 Cash Flow Guidance

Cash from Operations of approximately $190 million and Free Cash Flow* of approximately $100 million

- Capital Expenditures: $90 million
- Cash Interest: $155 million
- Cash Taxes: $30 million
- Restructuring: $40 million
- Turnarounds: $10 million
- Working capital release of ~$200 million

*See Appendix for a reconciliation of non-GAAP measures

Appendix

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	Q1'23	Q2'23	2020	2021	2022
Engineered Materials	12	10	13	16	16	43	53	58	60	60	50	41	46	50	51	170	212
Latex Binders	135	115	133	131	137	139	141	135	132	138	132	117	112	117	514	553	520
Plastics Solutions	131	101	139	140	143	142	135	128	134	120	100	102	109	105	511	548	457
Polystyrene	152	171	163	160	163	150	154	145	165	141	124	134	129	122	645	612	564
Feedstocks	72	50	59	66	65	54	49	55	46	54	37	24	38	36	247	223	162
Trade Volume (kt)	**502**	**447**	**507**	**513**	**525**	**528**	**532**	**521**	**539**	**514**	**444**	**418**	**434**	**429**	**1,968**	**2,106**	**1,915**
Engineered Materials	48	38	50	60	66	181	231	277	295	301	243	205	206	206	195	755	1,044
Latex Binders	219	165	183	200	251	311	316	306	307	354	341	255	248	254	767	1,183	1,256
Plastics Solutions	257	151	240	269	329	397	393	379	396	362	293	271	290	272	918	1,498	1,323
Polystyrene	183	156	167	193	267	313	275	264	318	312	248	216	209	193	699	1,119	1,093
Feedstocks	56	24	39	47	73	71	55	73	70	97	53	28	43	37	166	272	249
Net Sales	**763**	**534**	**679**	**768**	**986**	**1,274**	**1,269**	**1,298**	**1,387**	**1,426**	**1,178**	**975**	**996**	**963**	**2,745**	**4,827**	**4,966**
Engineered Materials	8	5	9	12	8	28	33	26	35	34	8	(5)	(12)	12	35	95	72
Latex Binders	21	16	19	21	17	32	37	20	30	29	31	20	26	25	77	106	111
Plastics Solutions	27	(12)	40	50	65	82	88	79	69	46	(15)	(9)	26	25	106	314	91
Polystyrene	11	15	20	33	47	51	51	33	45	23	19	12	16	6	79	183	99
Feedstocks	(17)	(4)	10	14	46	40	(28)	(25)	4	14	(78)	(16)	(11)	(7)	3	34	(75)
Americas Styrenics	10	14	18	25	23	30	17	22	22	39	23	18	18	13	67	93	102
Corporate	(22)	(17)	(16)	(26)	(22)	(24)	(25)	(24)	(27)	(21)	(24)	(16)	(26)	(17)	(82)	(96)	(88)
Adjusted EBITDA*	**38**	**17**	**101**	**130**	**184**	**239**	**173**	**133**	**178**	**164**	**(37)**	**6**	**36**	**57**	**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)	(7)	(9)	0	2	(3)
Latex Binders	(3)	(2)	(1)	0	(16)	3	2	(2)	3	(3)	7	(1)	(0)	(0)	(5)	(13)	6
Plastics Solutions	(1)	(15)	2	3	5	(1)	(1)	8	11	10	(1)	(2)	(2)	(1)	(11)	11	17
Polystyrene	(4)	(3)	1	6	5	1	0	1	5	7	(6)	(4)	1	(2)	(1)	6	1
Feedstocks	(7)	(8)	2	15	14	0	(2)	1	13	19	(23)	(8)	6	(4)	1	13	1
Net Timing Impacts - Fav/(Unfav)**	**(15)**	**(28)**	**3**	**25**	**8**	**5**	**(1)**	**7**	**32**	**33**	**(24)**	**(19)**	**(2)**	**(16)**	**(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

(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	Q1'23	Q2'23	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)	(48.9)	(349.0)	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)	(48.9)	(349.0)	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	38.3	40.2	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)	(16.7)	(25.1)	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	56.0	52.5	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)	28.7	(281.4)	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	3.6	2.6	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	3.7	1.5	5.6	9.0	15.9
Net gain on disposition of businesses and assets	(0.4)	-	-	-	(0.2)	-	-	(0.4)	(0.3)	(1.5)	-	-	-	(16.3)	(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	-	0.1	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	-	349.0	-	-	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	0.3	1.3	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	36.3	56.8	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	36.3	56.8	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	38.3	40.2	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)	(20.0)	34.8	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	53.3	49.5	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)	(35.3)	(67.7)	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*	*35,032*	*35,153*	*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)*	*(1.01)*	*(1.92)*	*2.76*	*9.65*	*(0.48)*
Adjustments by Statement of Operations Caption																	
Cost of sales	-	-	-	-	-	*10.1*	*3.5*	*3.5*	-	-	-	-	-	*1.2*	*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*	*7.3*	*(12.1)*	*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*	*0.3*	*349.1*	*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*	*7.6*	*338.2*	*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	(5.0)	(83.0)	97.6	33.9	45.4	56.5	*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)	(21.8)	(13.8)	(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	(29.8)	(114.5)	59.1	(20.3)	23.6	42.7	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 August 3, 2023. Totals may not sum due to rounding.

US GAAP to Non-GAAP Reconciliation

Profitability Outlook

(In $millions, unless noted)	Year Ended Dec 31, 2023
Adjusted EBITDA	215
Interest expense, net	(155)
Benefit from income taxes	32
Depreciation and amortization	(206)
Reconciling items to Adjusted EBITDA[(1)]	(346)
Net Income (loss) from continuing operations	**(460)**
Reconciling items to Adjusted Net Income (Loss) [(1)]	295
Adjusted Net Income (Loss)	**(165)**
Weighted avg shares - diluted (MM)	35.1
EPS - diluted ($)	(13.09)
Adjusted EPS ($)	(4.70)

Cash Outlook

	Year Ended Dec 31, 2023
Cash From Operations	190
Capital Expenditures	(90)
Free Cash Flow	**100**

(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 August 3, 2023. Totals may not sum due to rounding.