Third Quarter 2023 Financial Results & Full-Year Outlook

November 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, our current indebtedness, 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 implement proposed restructuring initiatives, including the closure of certain plants and product lines, and to successfully generate cost savings and increase profitability; our ability to successfully execute our business and transformation strategy; increased costs or disruption in the supply of raw materials; increased energy costs; compliance with laws and regulations impacting our business; conditions in the global economy and capital markets; our ability to meet the covenants under our existing indebtedness; 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; 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

Q3 2023 Results

- Net loss from continuing operations of $38 million and Adjusted EBITDA* of $41 million; net loss included a $14 million charge related to the Company's PMMA sheet optimization and Corporate restructuring initiatives
- Adjusted EBITDA* of $41 million was $78 million higher than prior year

Cash Generation & Liquidity

- Q3 cash provided by operations of $29 million led to Free Cash Flow* of $16 million – included a working capital release of $52 million
- Q3 ending cash balance of $279 million with $216 million of additional available liquidity under two undrawn, committed financing facilities

2023 Outlook

- Net loss from continuing operations of $509 million to $499 million and Adjusted EBITDA* of $175 million to $185 million
- Cash from operations of approximately $165 million and Free Cash Flow* of approximately $75 million
- No market demand improvement expected through the end of the year

Key Initiatives

- Successfully refinanced $1.1B of 2024 and 2025 debt, extending maturities to 2028
- Announced the closure of the Terneuzen, the Netherlands styrene plant, which when combined with other recently announced restructuring actions and lower natural gas hedge losses is expected to result in sequential profitability improvement of approximately $100 million in 2024
- Continued focus on growth programs including products containing recycled or bio-based materials, where Q3 year-to-date sales volume was up 10%

* See Appendix for a reconciliation of non-GAAP measures

Actions to Improve Profitability

Prior Asset Restructuring (announced 2022)

- Closure of the Boehlen, Germany styrene plant
- Closure of one polycarbonate production line in Stade, Germany
- Consolidation of the PMMA sheet manufacturing site in Matamoros, Mexico into Florence, Kentucky
- Capacity reduction of SB latex at the Hamina, Finland site

Recent Asset and Cost Restructuring

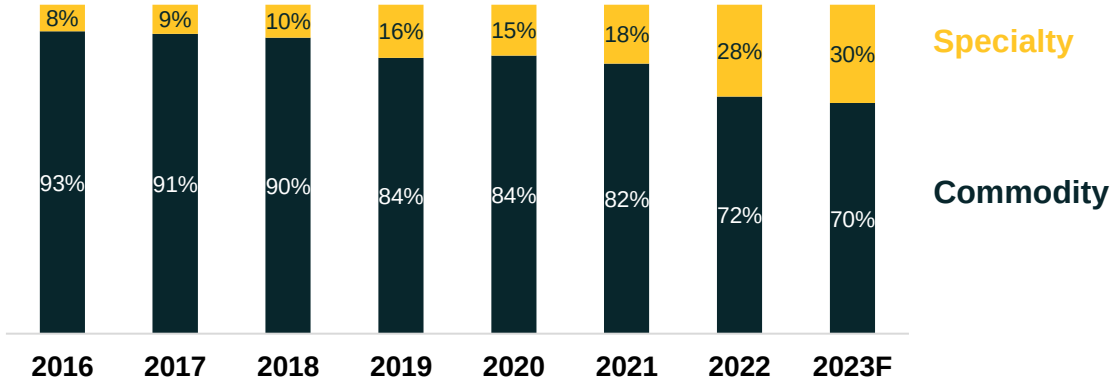
- Closure of the Terneuzen, the Netherlands styrene plant
- Further optimization of PMMA sheet network including the consolidation of two plants in Europe
- Cost savings including headcount and other reductions

2023 to 2024 Tailwinds

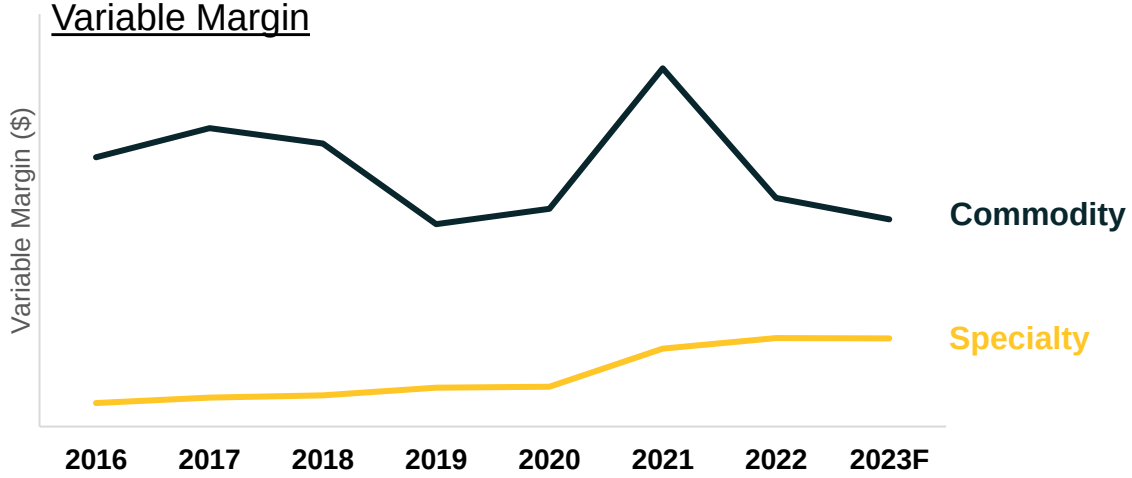
- **$100MM – recent asset and cost restructuring and natural gas hedges**
- **$22MM – unfavorable net timing in 2023**
- **$14MM – fixed cost under-absorption in 2023**

Improving Mix by Investing in Specialty and Sustainable Offerings

Percent Variable Margin Specialty vs Commodity



Variable Margin

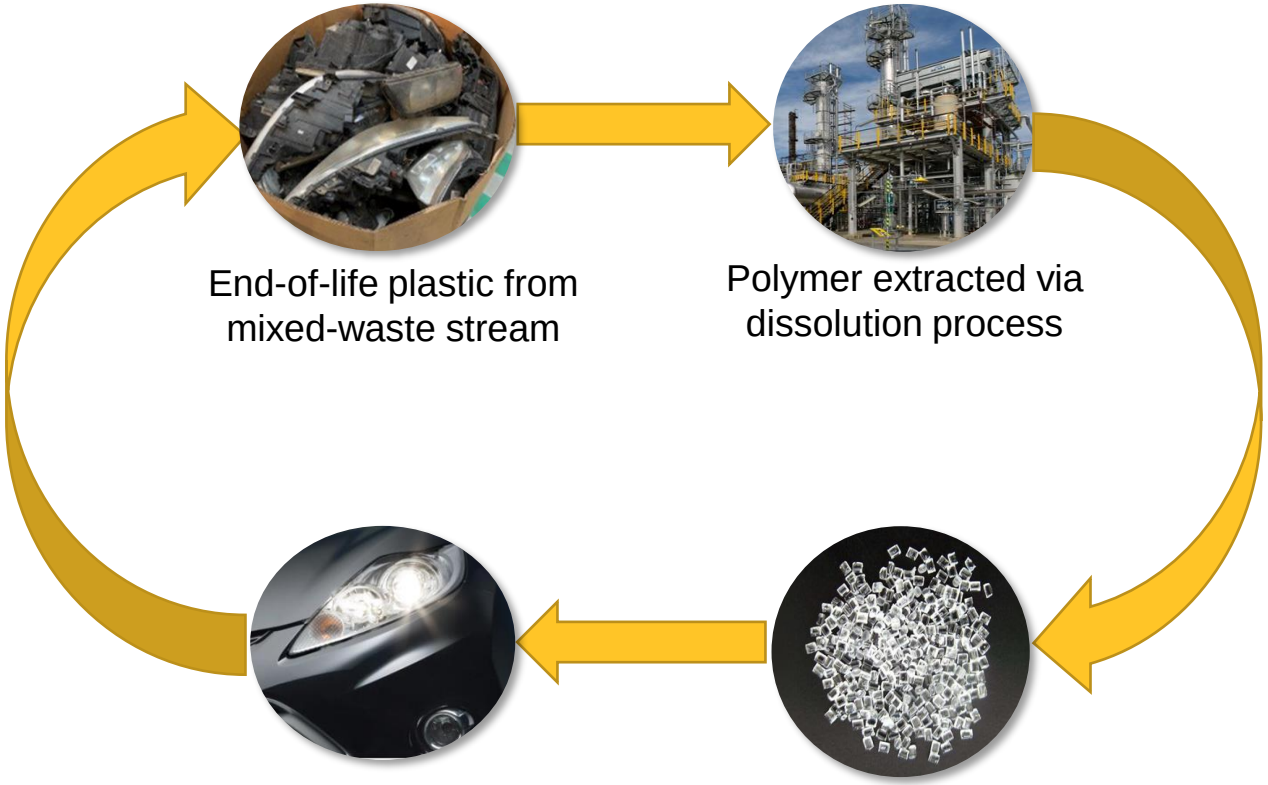


NOTE: Specialty includes Rigid Compounds, PMMA Resins, Continuous PMMA Sheets, TPE, and Latex Binders for CASE and Battery applications

Sustainability Highlight: Polycarbonate Dissolution

Trinseo's advanced physical recycling technology enables the recovery of end-of-life plastics from a mixed-waste stream that cannot be reused via mechanical recycling methods

Enables Closed-loop Recycling Of Current End-of-life Plastics



Advantages

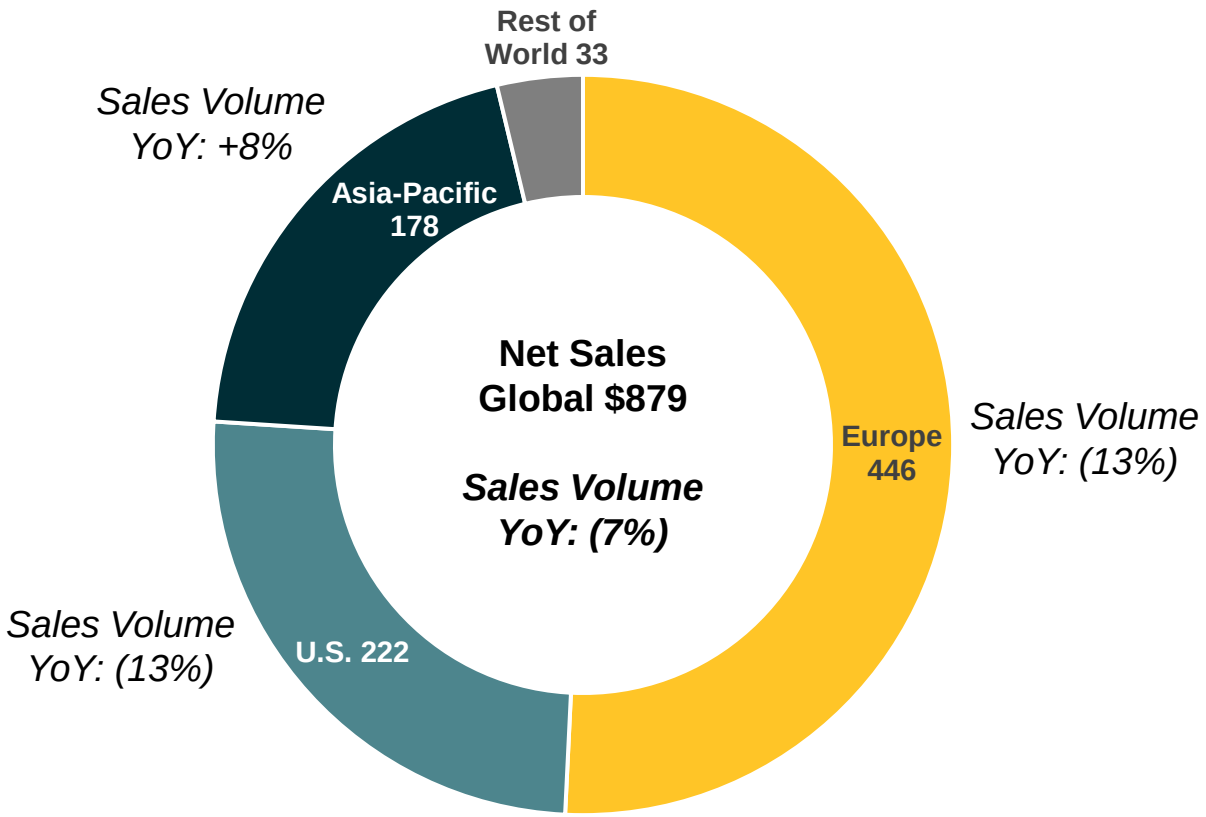
Quality on par with virgin PC while containing less residual BPA, expanding potential applications

Enables closed-loop circular material partnerships with automotive, electronics and other consumer goods customers while reducing CO_2 emissions

Permits use of lower-value waste as feedstock resulting in raw material cost savings

Q3 2023 Sales and Volume Summary

Net sales in $millions
Volume variances exclude Feedstocks segment



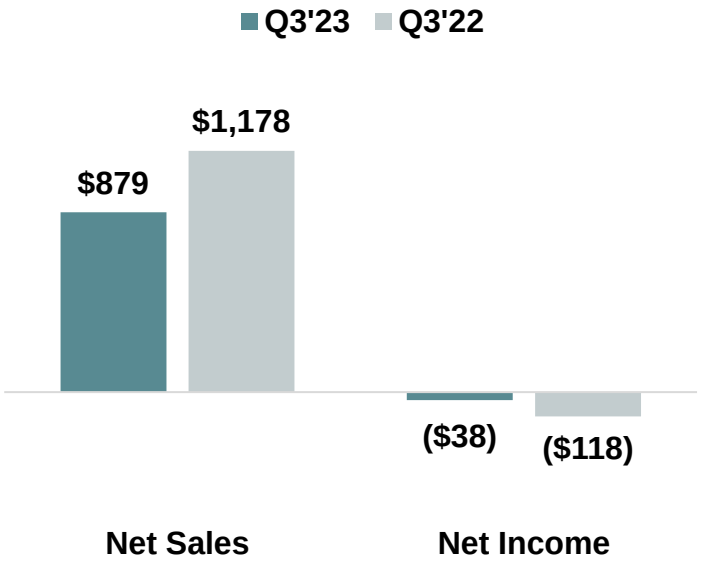
Europe
- Year-over-year decrease in building & construction and durables
- Sequential decrease across all applications due to seasonality

U.S.
- Lower year-over-year demand and destocking in building & construction and consumer durables
- Automotive demand roughly flat year-over-year including small impact from UAW strike

Asia
- Higher year-over-year demand for most applications following Covid lockdowns in prior year
- Sequential increase across all segments

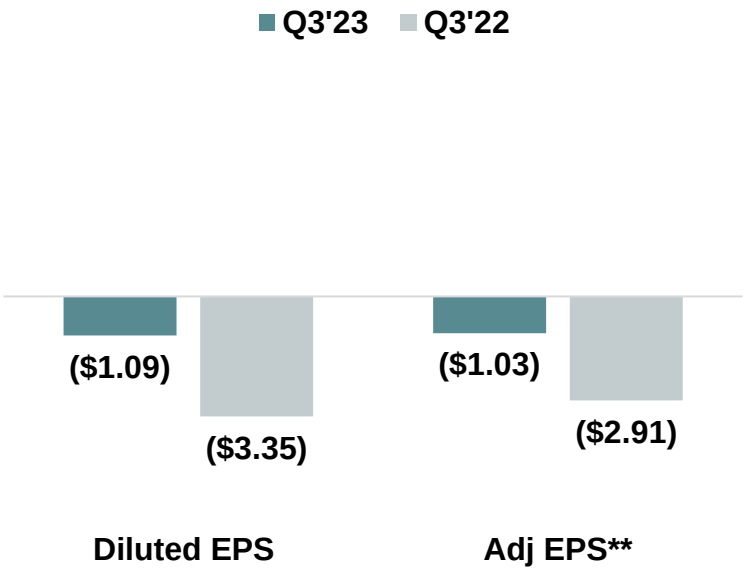
Trinseo Q3 2023 Financial Results*

Net Sales & Net Income ($MM)

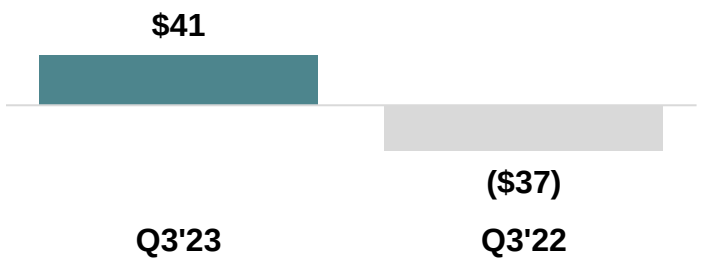


Net Sales	Vol	Price	FX	Total
	(8%)	(20%)	3%	(25%)

EPS ($)



Adjusted EBITDA** ($MM)

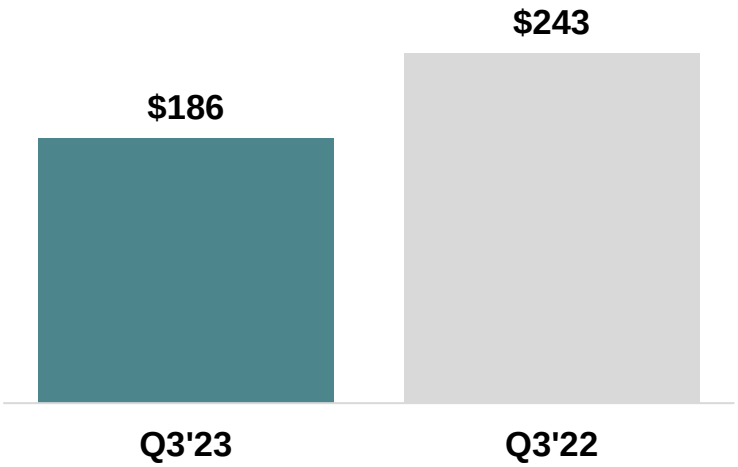


- **Volumes declined from prior year from general market weakness; improved profitability driven by higher styrene and polycarbonate margins, including benefits from polycarbonate restructuring**
- **Q3 results included unfavorable pre-tax impacts of $15 million from an unplanned styrene outage, $11 million from natural gas hedge losses and $4 million from net timing**

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

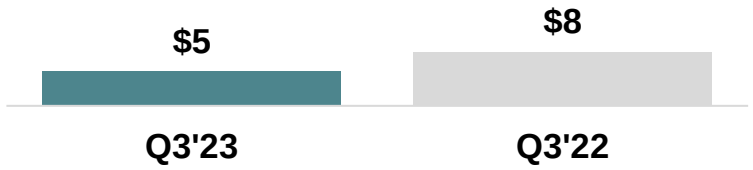
Engineered Materials

Net Sales ($MM)

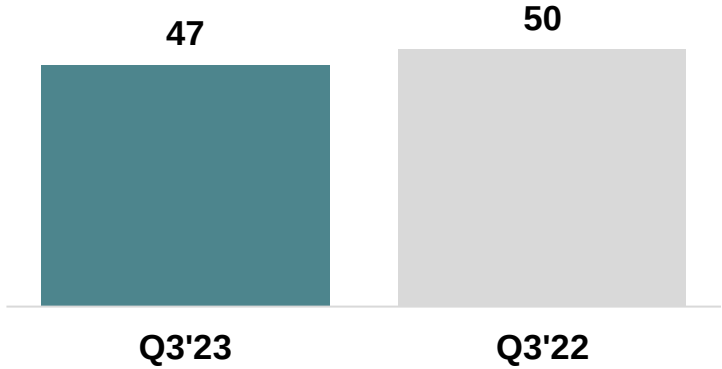


Vol	Price	FX	Total
(10%)	(15%)	2%	(23%)

Adjusted EBITDA ($MM)



Volume (kt)

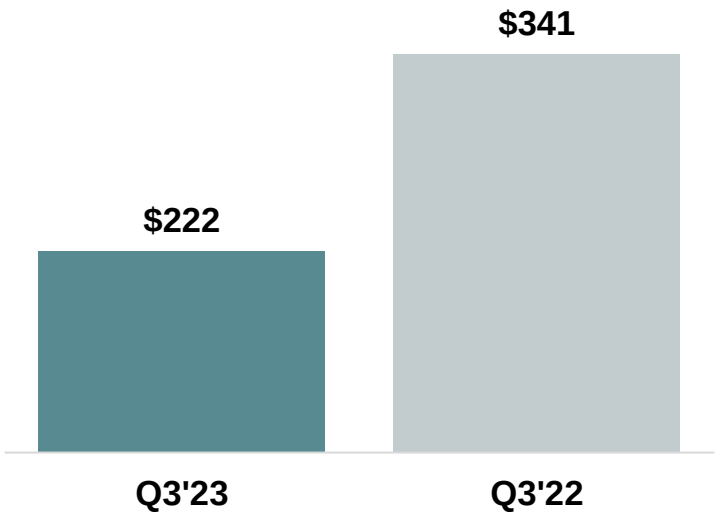




- Lower demand, particularly in consumer electronics, building & construction and wellness applications, more than offset by higher margin from lower raw material costs
- Results included unfavorable impacts of $7 million from natural gas hedging and $6 million from net timing

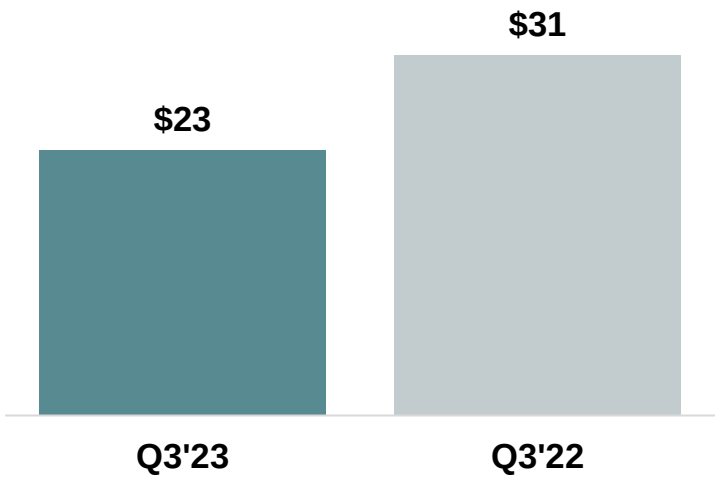
Latex Binders

Net Sales ($MM)

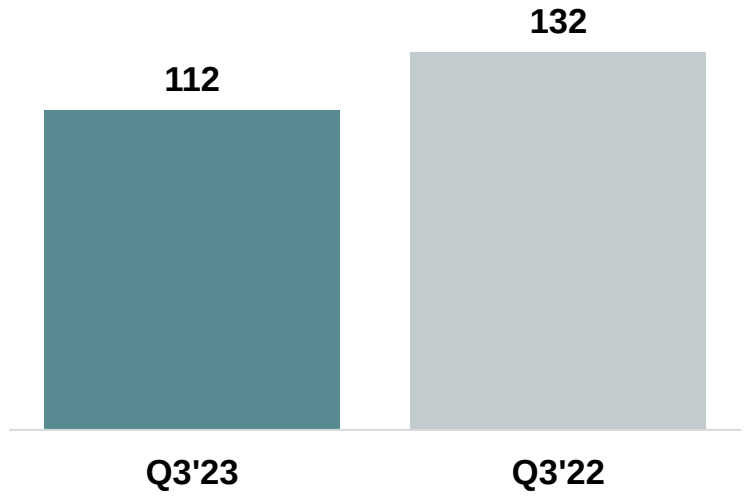


Vol	Price	FX	Total
(15%)	(21%)	2%	(35%)

Adjusted EBITDA ($MM)



Volume (kt)

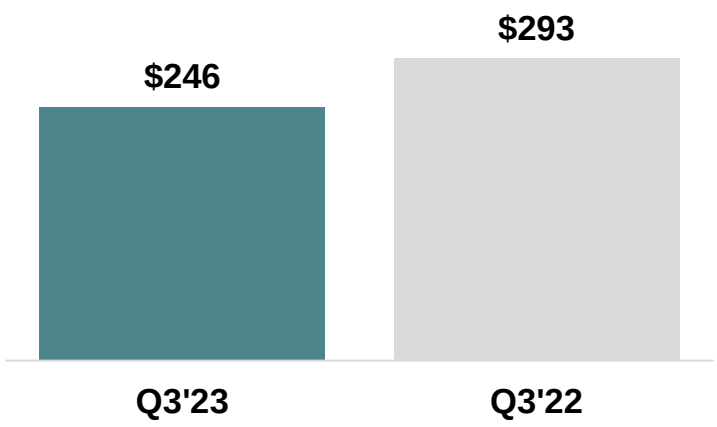




- Lower year-over-year volumes particularly in paper and board applications including continued destocking
- Lower Adjusted EBITDA due to $9 million unfavorable net timing variance; lower sales volume was offset by pricing initiatives and lower fixed costs
- CASE volumes declined by only 2% versus prior year from lower demand in building & construction applications, showing better demand resilience in comparison to other applications

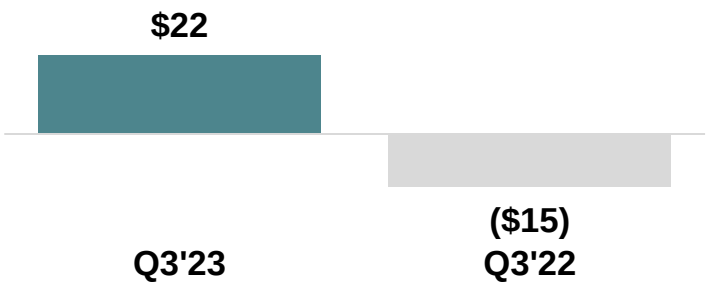
Plastics Solutions

Net Sales ($MM)

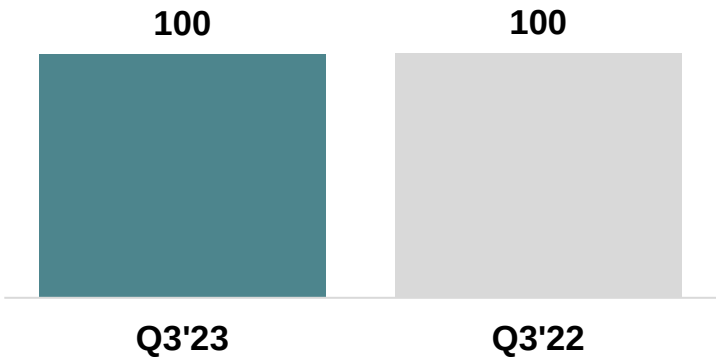


Vol	Price	FX	Total
(2%)	(18%)	3%	(16%)

Adjusted EBITDA ($MM)



Volume (kt)

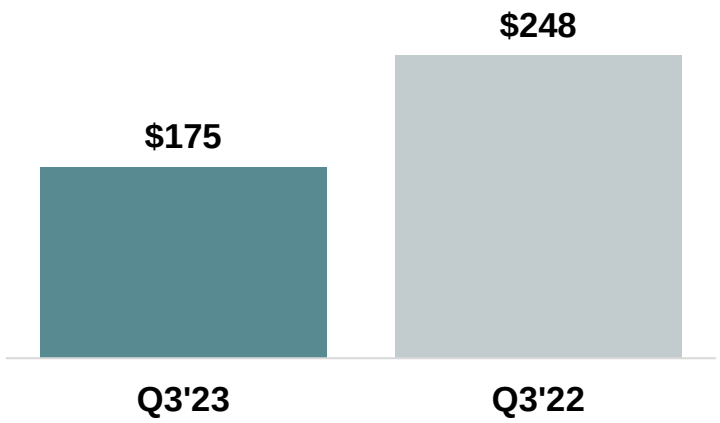




- Steady year-over-year volumes with higher automotive demand offset by continued weakness in building & construction and consumer durables
- Significant earnings improvement primarily from lower polycarbonate costs, including impacts from previously announced restructuring actions in Stade, Germany

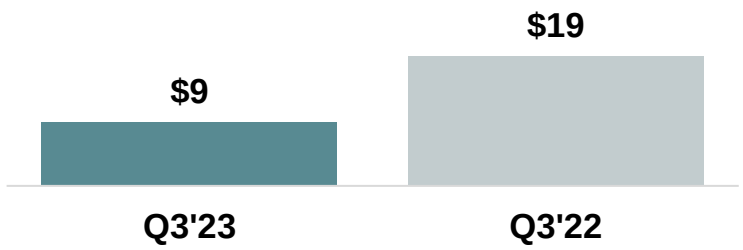
Polystyrene

Net Sales ($MM)

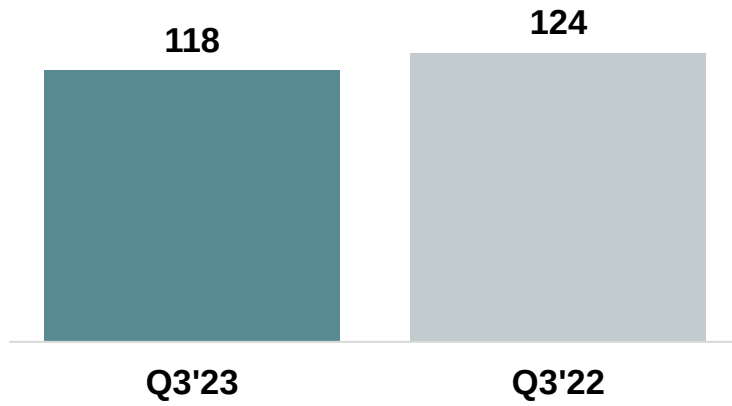


Vol	Price	FX	Total
(7%)	(25%)	3%	(29%)

Adjusted EBITDA ($MM)



Volume (kt)



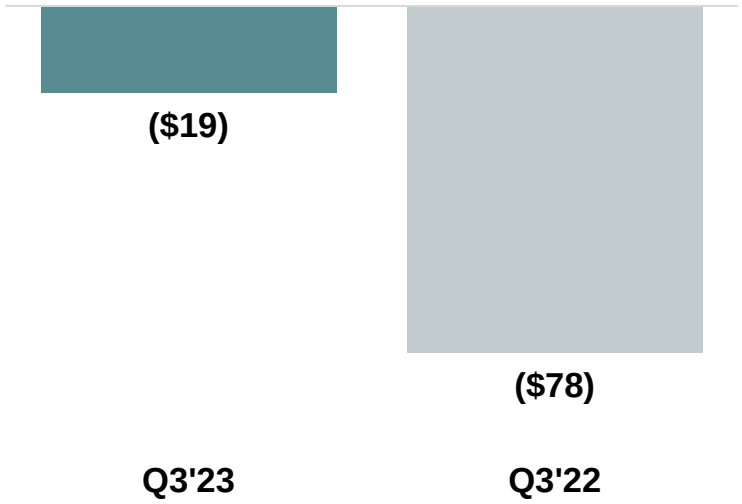


- Lower volume and margin due to weaker demand, particularly in building & construction applications
- Rising European styrene prices during the quarter led to delayed polystyrene purchases
- 35% year-to-date increase in sales volume of recycled-content-containing polystyrene with a significant margin premium

Feedstocks & Americas Styrenics

FEEDSTOCKS

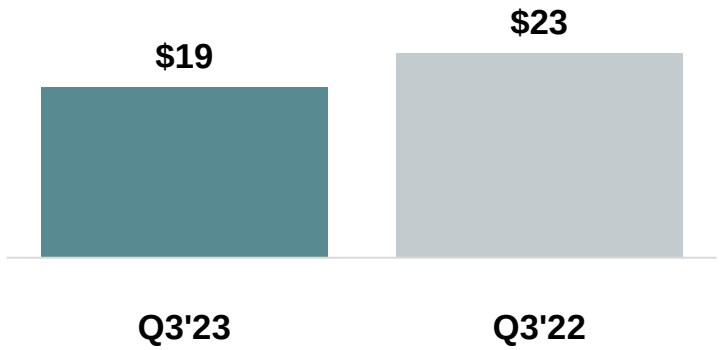
Adjusted EBITDA ($MM)



- Current year results include a $15 million unfavorable impact from the unplanned Terneuzen styrene plant outage
- $27 million positive net timing variance versus prior year

AMERICAS STYRENICS

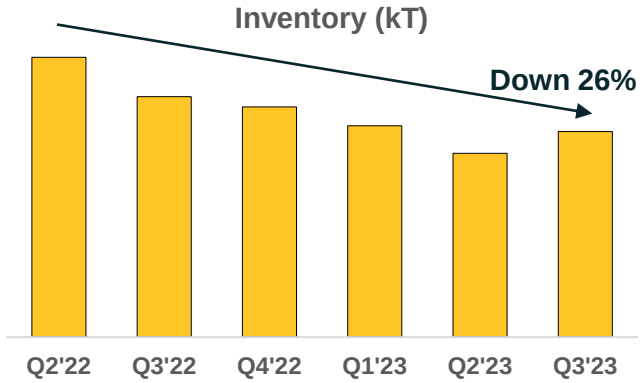
Adjusted EBITDA ($MM)



- Lower polystyrene margins partially offset by higher styrene margins

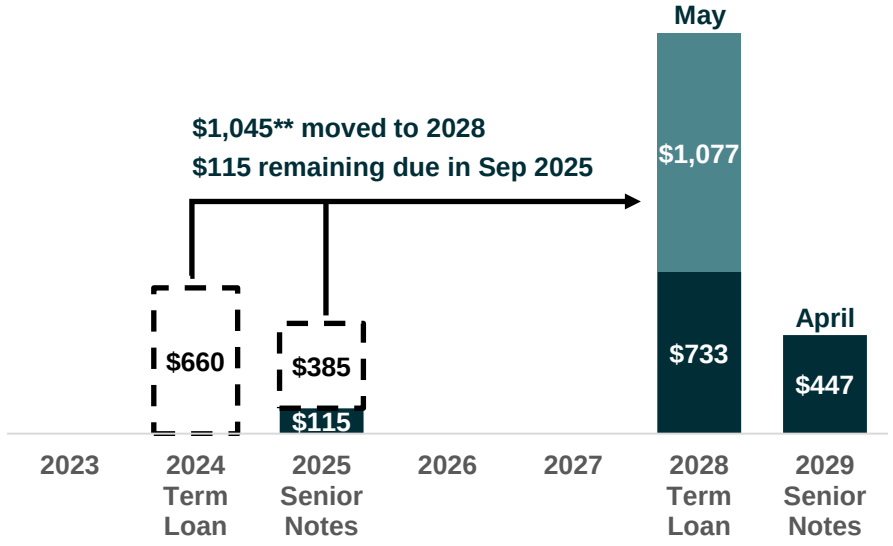
Implementing Cash Improvement Initiatives while Extending Debt Maturities

Working Capital Reductions

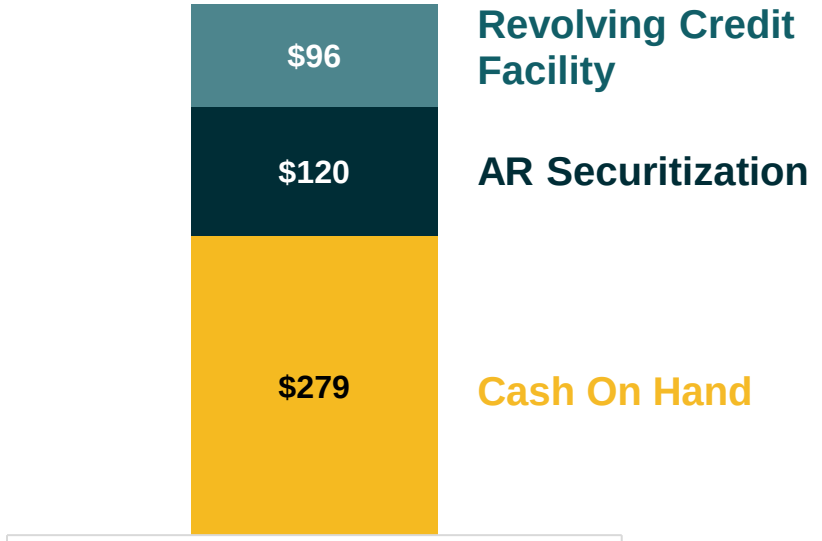


- $157MM of cash provided by working capital reductions Q3 YTD with essentially all from improvement initiatives
- Inventory quantity down 26% since Q2'22

Extended Debt Maturities ($MM)



Cash and Borrowing Facilities as of September 30, 2023* ($MM)



$495MM Combined Cash and Availability under Committed Facilities

* 2026 Revolving Credit Facility available funds of $95.7 million (net of $16.8 million outstanding letters of credit), as well as the Accounts Receivable Securitization Facility with borrowing capacity of $120.4 million
** Net of unamortized original issue discount of $32 million

Q4 and FY 2023 Earnings Guidance

TRINSEO

Full Year 2023

Net loss from continuing operations of $509 million to $499 million and Adjusted EBITDA* of $175 million to $185 million

- Includes $22 million of Q3 YTD unfavorable net timing
- Below prior outlook due to unfavorable net timing and styrene-related impacts in Q3 as well as a more pronounced seasonality impact in Q4

Q4 2023

Similar sequential profitability despite Q4 seasonality

- Improved Europe styrene economics including the impact of a partial-quarter closure of the Terneuzen styrene plant; partially offset by lower styrene margin at AmSty
- Lower sequential profitability in Plastics Solutions, from UAW strike and higher raw material costs

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

FY 2023 Cash Flow Guidance

Cash from Operations of approximately $165 million and Free Cash Flow* of approximately $75 million

- Capital Expenditures: $90 million
- Cash Interest: $175 million
- Cash Taxes: $30 million
- Restructuring: $40 million
- Turnarounds: $10 million
- Working capital release of ~$250 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	Q3'23	2020	2021	2022
Engineered Materials	12	10	13	16	16	43	53	58	60	60	50	41	46	50	47	51	170	212
Latex Binders	135	115	133	131	137	139	141	135	132	138	132	117	112	117	112	514	553	520
Plastics Solutions	131	101	139	140	143	142	135	128	134	120	100	102	109	105	100	511	548	457
Polystyrene	152	171	163	160	163	150	154	145	165	141	124	134	129	122	118	645	612	564
Feedstocks	72	50	59	66	65	54	49	55	46	54	37	24	38	36	40	247	223	162
Trade Volume (kt)	**502**	**447**	**507**	**513**	**525**	**528**	**532**	**521**	**539**	**514**	**444**	**418**	**434**	**429**	**416**	**1,968**	**2,106**	**1,915**
Engineered Materials	48	38	50	60	66	181	231	277	295	301	243	205	206	206	186	195	755	1,044
Latex Binders	219	165	183	200	251	311	316	306	307	354	341	255	248	254	222	767	1,183	1,256
Plastics Solutions	257	151	240	269	329	397	393	379	396	362	293	271	290	272	246	918	1,498	1,323
Polystyrene	183	156	167	193	267	313	275	264	318	312	248	216	209	193	175	699	1,119	1,093
Feedstocks	56	24	39	47	73	71	55	73	70	97	53	28	43	37	50	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**	**879**	**2,745**	**4,827**	**4,966**
Engineered Materials	8	5	9	12	8	28	33	26	35	34	8	(5)	(12)	12	5	35	95	72
Latex Binders	21	16	19	21	17	32	37	20	30	29	31	20	26	25	23	77	106	111
Plastics Solutions	27	(12)	40	50	65	82	88	79	69	46	(15)	(9)	26	25	22	106	314	91
Polystyrene	11	15	20	33	47	51	51	33	45	23	19	12	16	6	9	79	183	99
Feedstocks	(17)	(4)	10	14	46	40	(28)	(25)	4	14	(78)	(16)	(11)	(7)	(19)	3	34	(75)
Americas Styrenics	10	14	18	25	23	30	17	22	22	39	23	18	18	13	19	67	93	102
Corporate	(22)	(17)	(16)	(26)	(22)	(24)	(25)	(24)	(27)	(21)	(24)	(16)	(26)	(17)	(17)	(82)	(96)	(88)
Adjusted EBITDA*	**38**	**17**	**101**	**130**	**184**	**239**	**173**	**133**	**178**	**164**	**(37)**	**6**	**36**	**57**	**41**	**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)	(6)	0	2	(3)
Latex Binders	(3)	(2)	(1)	0	(16)	3	2	(2)	3	(3)	7	(1)	(0)	(0)	(2)	(5)	(13)	6
Plastics Solutions	(1)	(15)	2	3	5	(1)	(1)	8	11	10	(1)	(2)	(2)	(1)	(1)	(11)	11	17
Polystyrene	(4)	(3)	1	6	5	1	0	1	5	7	(6)	(4)	1	(2)	2	(1)	6	1
Feedstocks	(7)	(8)	2	15	14	0	(2)	1	13	19	(23)	(8)	6	(4)	4	1	13	1
Net Timing Impacts - Fav/(Unfav)**	**(15)**	**(28)**	**3**	**25**	**8**	**5**	**(1)**	**7**	**32**	**33**	**(24)**	**(19)**	**(2)**	**(16)**	**(4)**	**(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	Q3'23	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)	(38.4)	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)	(38.4)	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	46.6	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)	(17.7)	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	38.2	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)	28.7	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	7.2	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	13.8	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)	(9.3)	(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	0.5	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	40.9	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	40.9	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	46.6	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	(18.6)	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	49.2	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)	(36.3)	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*	*35,191*	*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)*	*(1.03)*	*2.76*	*9.65*	*(0.48)*
Adjustments by Statement of Operations Caption																		
Cost of sales	-	-	-	-	-	*10.1*	*3.5*	*3.5*	-	-	-	-	-	*1.2*	*0.4*	*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)*	*15.4*	*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*	*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)*	-	-	-	*(3.6)*	(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*	*12.2*	*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	29.3	*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)	(13.5)	(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	15.8	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 November 3, 2023. Totals may not sum due to rounding.

US GAAP to Non-GAAP Reconciliation

Profitability Outlook

(In $millions, unless noted)	Year Ended Dec 31, 2023
Adjusted EBITDA	175 - 185
Interest expense, net	(185)
Provision for income taxes	54
Depreciation and amortization	(195)
Reconciling items to Adjusted EBITDA[(1)]	(358)
Net Income (loss) from continuing operations	**(509) - (499)**
Reconciling items to Adjusted Net Income (Loss) [(1)]	297
Adjusted Net Income (Loss)	**(212) - (202)**
Weighted avg shares - diluted (MM)	35.1
EPS - diluted ($)	(14.49) - (14.20)
Adjusted EPS ($)	(6.03) - (5.75)

Cash Outlook

	Year Ended Dec 31, 2023
Cash From Operations	165
Capital Expenditures	(90)
Free Cash Flow	**75**

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