

Disposal of Talc Business

27 May 2025

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Transaction Highlights

Strategic review of Talc business announced in August 2024

Culminated in sale to IMI Fabi, a global talc manufacturer

Enterprise Value of \$121m¹

Clean break, simultaneous signing and completion

Net cash proceeds of \$55m¹

Transaction represents a key milestone in Elementis' repositioning as a pure-play Specialty Chemicals leader

\$50m intended share buyback to launch as soon as practicable

Notes:

1. Enterprise value of €107m, Net cash proceeds €48m; converted at exchange rate of €1 = \$1.1379

Unique chemistry, sustainable solutions

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Transaction Details

A clean break, with concurrent signing and closing

	€m	\$m ¹
Enterprise Value	107	121
Rehabilitation and Closure Costs	(35)	(40)
Other debt and debt-like items	(15)	(17)
Transaction Costs	(8)	(9)
Net Cash Proceeds	48	55

Notes:

1. Converted at exchange rate of €1 = \$1.1379

Transaction Impact

High-quality portfolio focused on high-value specialty additives in the Coatings and Personal Care markets

Pro-forma impact of Talc sale

Full Year 2024 \$m	Elementis 2024	Talc 2024	Elementis 2024 Pro-Forma ¹
Sales	738	135	604
Adj. Operating Profit	129	8	120 ²
Adj. Operating Margin (%)	17.4%	5.9%	19.8% ²
Return on Capital (%)	23% ^{3,4}	6%	30% ^{3,4}
Net debt (excl. IFRS 16)	157	(55)	102
Net Debt / EBITDA (excl. IFRS 16)	1.0x		0.8x

Notes:

1. Including the effects of Talc disposal. 2. Includes c.\$1m of stranded costs to be eliminated by 2026. 3. Excluding goodwill. 4. Including goodwill, ROCE 13% (2024) and 14% (2024 pro-forma basis).

As at 26 May 2025, company compiled consensus for 2025 assumes Talc sales of \$135m and adjusted operating profit of \$10m.

Return of Capital to Shareholders

Transaction proceeds returned to shareholders in recognition of Elementis' strong balance sheet and strong confidence in the streamlined Group's prospects



\$50m Return of capital

Effected via a share buyback programme



Continued capital allocation optionality

Strong cash generation and robust balance sheet

Capex intensity reduced ~ 5% sales to ~3-4% sales

Continued focus on reinvestment for growth supported by high return on capital



Progressive dividend

Group's progressive dividend policy remains unchanged

Elementis repositioned

A pure-play Specialty Chemicals company poised to drive further value creation

Repositioned as pure-play specialty chemicals leader	Benefits from strong, differentiated, competitive positions
Poised for growth in core markets	Substantial growth opportunity across Coatings and Personal Care
Accelerated delivery of 2026 financial targets	Enhanced operating margins and return on capital
Strong balance sheet	Transaction proceeds returned to shareholders Continued capital allocation optionality

Accelerated delivery of 2026 targets

	2024 Reported	2024 Pro-Forma ¹	2026 Targets
Operating profit margin	17%	20%	19%+
Operating cash conversion ²	88%	>90%	>90%
Return on capital (exc. goodwill)	23%	30%	>20%

Notes: 1. Including the effects of Talc disposal. 2. Three-year average.