



*Delivering sustainable solutions*

## **Fireside Chat – June 11, 2025**

Jeff Glajch – Chief Financial Officer

Pedro Riveros – SVP, GM Global Rubber & Americas



**WELLS FARGO**



**2025 Industrials & Materials Conference**

# Forward-Looking Statements

## **Forward-Looking Statements**

This presentation contains and refers to certain forward-looking statements with respect to our financial condition, results of operations and business. These statements constitute forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Forward-looking statements are statements of future expectations that are based on management's current expectations and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in these statements. Forward-looking statements include, among others, statements concerning the potential exposure to market risks, statements expressing management's expectations, beliefs, estimates, forecasts, projections and assumptions and statements that are not limited to statements of historical or present facts or conditions. Forward-looking statements are typically identified by words such as "anticipate," "assume," "assure," "believe," "confident," "could," "estimate," "expect," "intend," "may," "plan," "objectives," "outlook," "probably," "project," "will," "seek," "target" "to be," and other words of similar meaning. These forward-looking statements include, without limitation, statements about the following matters: priorities for the remainder of the 2025 fiscal year and beyond; our guidance, expectations and assumptions for the 2025 fiscal year; expectations regarding tariffs and plans with respect to tariff mitigation, and their anticipated effects on the automotive market and on us, demand for tires and carbon black and U.S. imports on localized tire producers.

All these forward-looking statements are based on estimates and assumptions that, although believed to be reasonable, are inherently uncertain. Therefore, undue reliance should not be placed upon any forward-looking statements. There are important factors that could cause actual results to differ materially from those contemplated by such forward-looking statements. These factors include, among others: possible negative or uncertain worldwide economic conditions and developments; the operational risks inherent in chemicals manufacturing, including but not limited to disruptions due to technical difficulties, severe weather conditions or natural disasters; our dependence on major customers and suppliers; our ability to compete in the industries and markets in which we operate; our ability to successfully develop new products and technologies; our ability to effectively implement our business strategies; the volatility of costs, quality and availability of raw materials and energy; our ability to realize benefits from investments, joint ventures, acquisitions or alliances; our ability to realize benefits from planned plant capacity expansions and planned and current site development projects; any information technology systems failures, network disruptions and breaches of data security; our exposure to political or country risks inherent in doing business globally; rapidly changing geopolitical environment, conflicts, growing tension between U.S. and other countries, and/or any other escalations may impact energy costs, raw material availability or other economic disruptions, including those related to tariffs, counter-tariffs and other trade barriers; our ability to comply with complex environmental, health and safety laws and regulations, and current and any possible future investigations and enforcement actions by governmental, supranational agencies or other organizations; environmental, social and governance matters, including regulations requiring a reduction of greenhouse gas emissions or that impose additional taxes or fees on emissions as well as increased awareness and adverse publicity about potential impacts on climate change by us; developments in regulation of carbon black as a nano-scale material; our operations as a company in the chemical sector, including the related risks of leaks, fires and toxic releases as well as other accidents; any changes in European Union regulations or similar international regulations on chemical carbon that will affect our ability to market and sell our products; any market or regulatory changes that may affect our ability to sell or otherwise benefit from co-generated energy; any litigation or legal proceedings, including product liability, environmental or asbestos related claims; our ability to protect our intellectual property rights and know-how; risks associated with our financial leverage; restrictive effects of the covenants in our debt instruments; any deterioration in our financial position or downgrade of our ratings by credit rating agencies; any fluctuations in foreign currency exchange or interest rates; the availability and efficiency of hedging; any potential impairments or write-offs of certain assets; any required increases in our pension fund or retirement-related contributions; the adequacy of our insurance coverage; any challenges to our decisions and assumptions in assessing and complying with our tax obligations; any changes in our jurisdictional earnings mix or in the tax laws or accepted interpretations of tax laws in those jurisdictions; the ability to pay dividends on our common stock at historical rates or at all; the difference between our stockholders' rights and rights of stockholders of a U.S. corporation; the potential difficulty in obtaining or enforcing judgments or bringing legal actions against Orion S.A. (a Luxembourg incorporated entity) in the U.S. or elsewhere outside Luxembourg; the difference between Luxembourg & European insolvency and bankruptcy laws from U.S. insolvency laws; our relationships with our workforce, including negotiations with labor unions, strikes and work stoppages; our ability to recruit or retain key management and personnel; any disruptive changes in international and local economic conditions, dislocations in credit and capital markets and inflation or deflation; and our ability to generate the funds required to service our debt and finance our operations.

Factors that could cause our actual results to differ materially from those expressed or implied in such forward-looking statements include those factors detailed under the captions "Cautionary Statement for Purposes of the "Safe Harbor" Provisions of the Private Securities Litigation Reform Act of 1995" and "Risk Factors" in our Annual Report in Form 10-K for the year ended December 31, 2024 and in Note Q. *Commitments and Contingencies* to our audited Consolidated Financial Statements and in Note J. *Commitments and Contingencies* to our unaudited Consolidated Financial Statements Form 10-Q for the period ended March 31, 2025. It is not possible for our management to predict all risk factors and uncertainties, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. We undertake no obligation to publicly update or revise any forward-looking statement as a result of new information, future events or other information, other than as required by applicable law.

# Engineered Carbons: Ubiquitous and Essential Chemistry



Optimize Physical, Electrical  
and Optical Properties

Versatile and Customizable



# About Orion



Year Founded  
**1862**



Countries Served  
**80+**



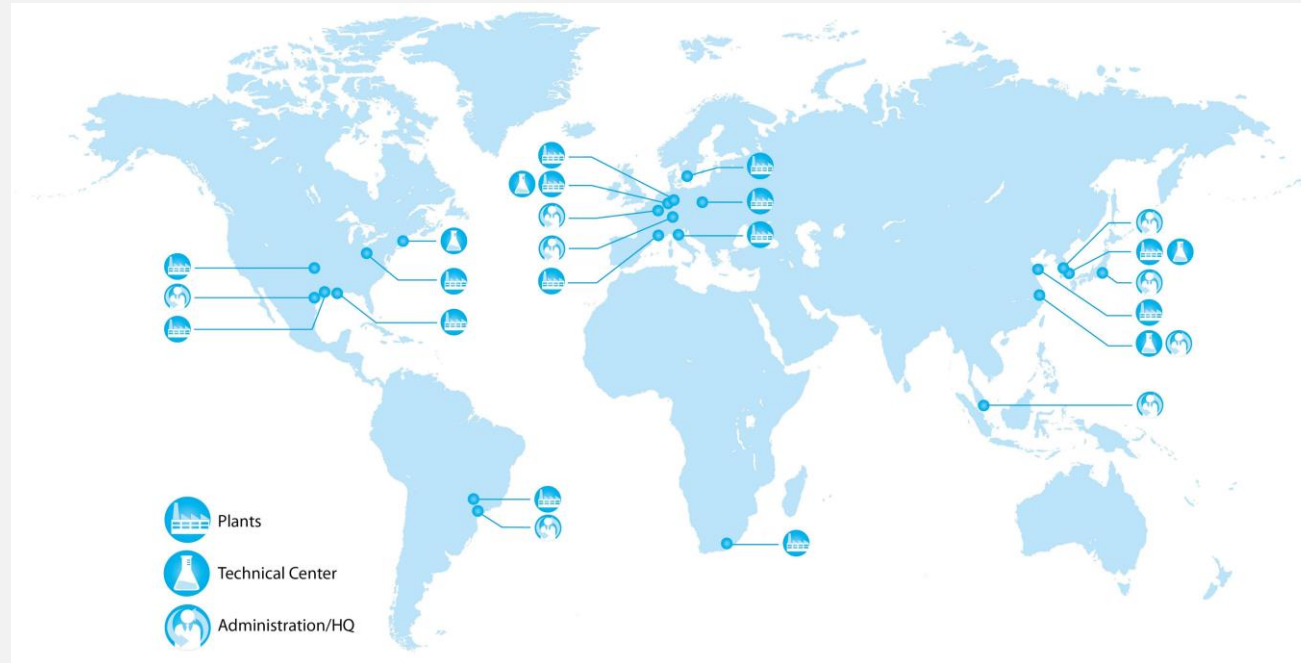
Functional Capacity  
**~1,150 kmt**



Employees  
**~1,600+**



Production Facilities  
**15**



Customer Profile:  
**Approaching ~1,000**  
Average customer  
relationship of  
**30 to 40+ years**

Annual  
Sales Volume\*  
**935 kmt**

Revenues\*  
**\$1,878 MM**

Adjusted  
EBITDA\*  
**\$302 MM**

Operating  
Cash Generation\*  
**\$168 MM**



**#1**

**GLOBAL SPECIALTY  
CARBON BLACK MARKET**

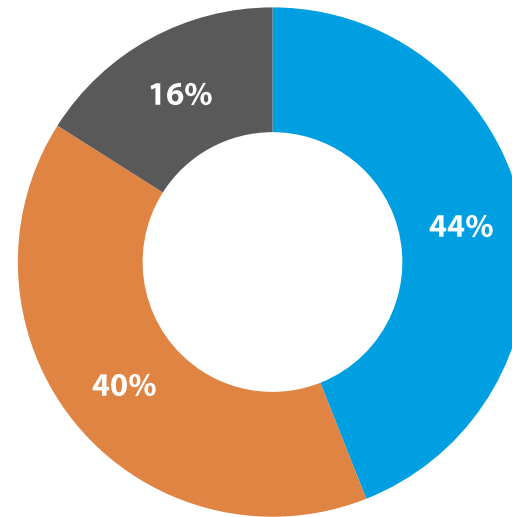
**#3**

**GLOBAL RUBBER  
CARBON BLACK MARKET**

# Rubber Carbon Black Business Profile

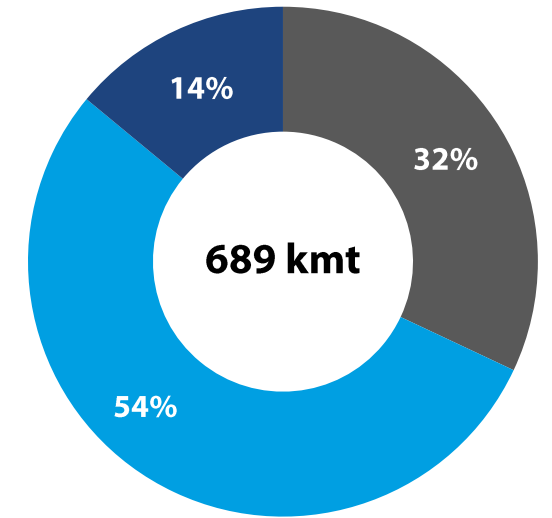
65-70% of Total Revenue

## NET SALES BY REGION



■ EMEA ■ Americas ■ Asia

## VOLUME BY MARKET\*



■ MRG ■ Replacement Tire ■ OEM Tire

\* Best estimates for end market shares

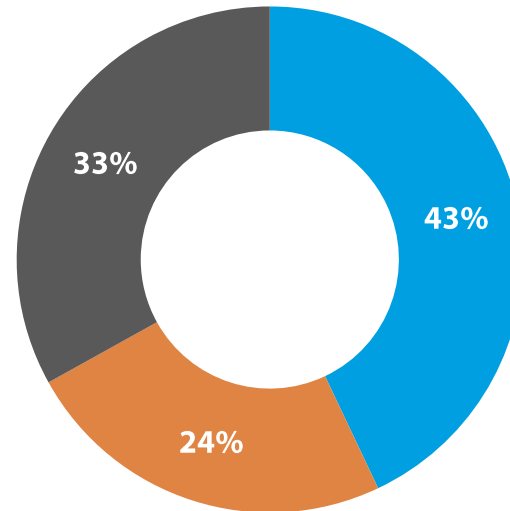
Global #3 Player.

Thought leader on need for return on capital, re-investment pricing levels.  
Growth drivers: Miles driven, Tire & OEM Production, Mobility, Tire Design.

# Specialty Carbon Black Business Profile

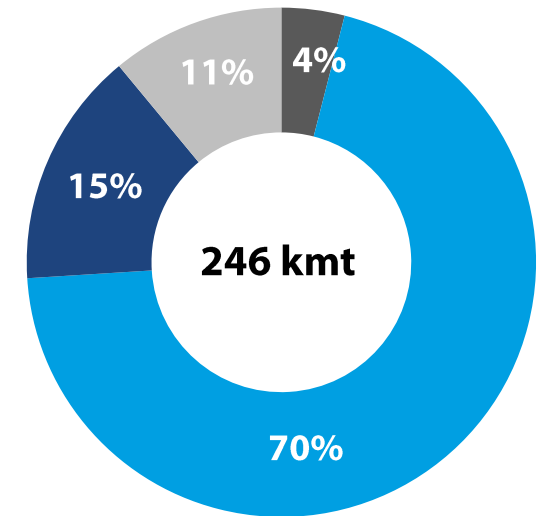
30-35% of Total Revenue

### NET SALES BY REGION



■ EMEA ■ Americas ■ Asia

### VOLUME BY APPLICATION



■ Automotive ■ Polymer (non-auto)  
■ Printing & Coatings (non-auto) ■ Special Apps (non-auto)

Global leader in Specialty Carbon Black.  
Engineering materials for diverse end market profile:  
Conductivity (batteries, cable, energy storage);  
Coatings, inks, sealants; Engineered plastics.

# Strong Foundation

## Record of Significant Accomplishments



Structural changes drive improved price and terms



\$500M Mid Cycle EBITDA capacity in 2026



Focus on Return on Capital



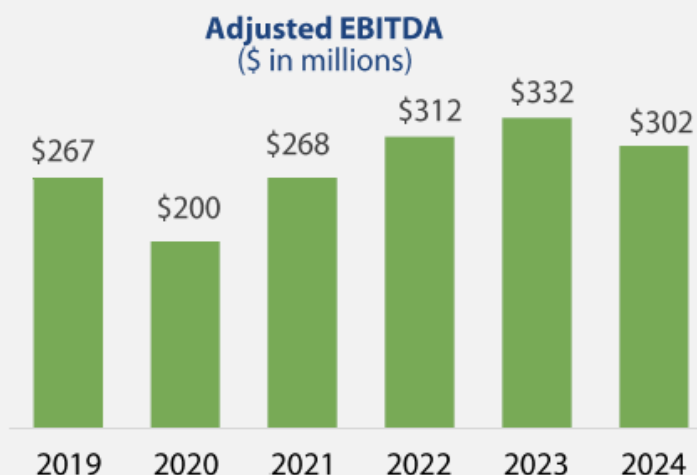
Investing and innovating in sustainable solutions to drive Orion's long-term growth



Consistent Adjusted EBITDA & EPS with growth



Significantly increasing cash flow



# Value Proposition

## Investment Thesis



### ONGOING, RECURRING DEMAND FOR CARBON BLACK PRODUCTS GLOBALLY

provides an attractive opportunity to expand, and leverage solid foundation



### DISCIPLINED CAPITAL ALLOCATION STRATEGY

balances funding growth, the return of capital via buybacks, and increasingly debt reduction as well



### HEALTHY LONG-TERM OUTLOOK

underpinned by structurally favorable supply/demand considerations in key markets, and outsized growth in key Specialty markets, driven partly by sustainability trends



### UNDERVALUED COMPARED TO PEERS

Especially when considering a significant ongoing inflection in free cash flow



ENHANCED VALUE ROADMAP



2025 Mid-Cycle Capacity of  
**~\$500M**  
Adjusted EBITDA



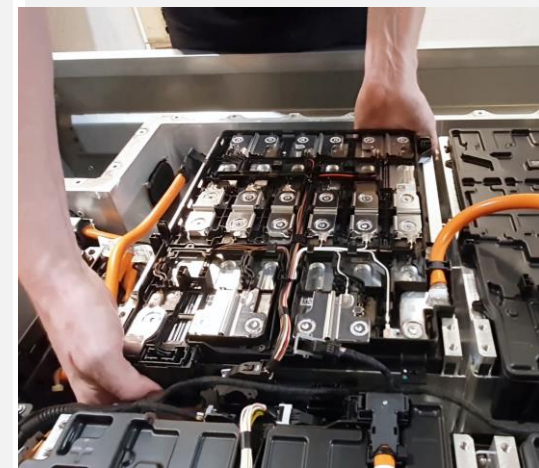
FCF Conversion Improving  
**50% -> 75%+**



Free Cash Flow 2025/2026  
**\$55M / \$100+M**



Clear Pathway to  
**INCREASE MULTIPLE**



# High Level 2024 Commentary Set-Up Into 2025



## Finished 2024 Above \$300M EBITDA

Third Consecutive Year, Despite ~2½ Years of PMI Contraction In Western Markets

Achievement: ~14% > Pre-COVID Mid-Cycle EBITDA Levels, *Despite ~15% Lower Volumes*

Mid-Cycle Volume: ~+\$100M EBITDA

Business Resilience Showcases:

- Durable, Essential Characteristics
- Absence of Pronounced Cyclicity
- Structural Rubber Pricing Intact

## Biggest Challenge? Rubber Demand

Consumer Confidence, Inflation Pressures

Tire Imports, Sluggish Freight

Customer Forecasting



# New Trade Paradigm and Tariff Discussion

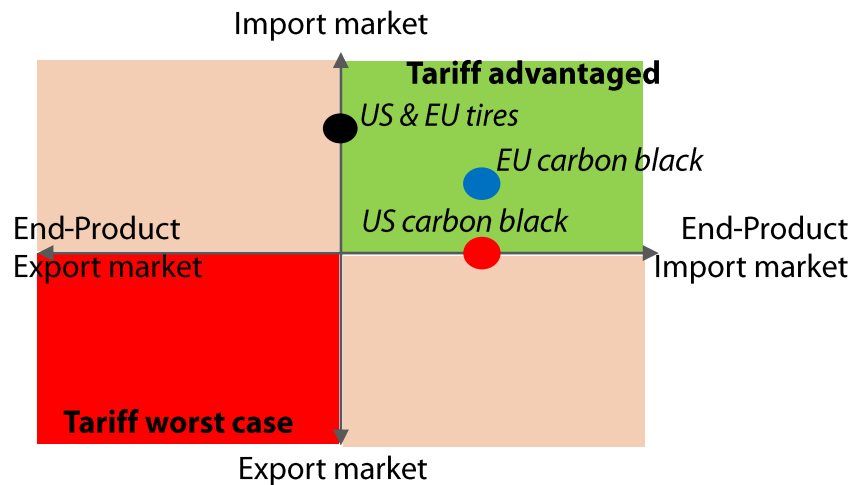
**Current targeted automotive tariffs are positive for Orion**  
**Less impact on U.S. OEMs**  
**Imported replacement tires @ 25%**

**U.S. and European imports >60% of the replacement tires; Localized tire producers should benefit; Channel inventories need to be worked off**

**A trend toward regional markets would benefit Western tiremakers *and* European carbon black manufacturers**

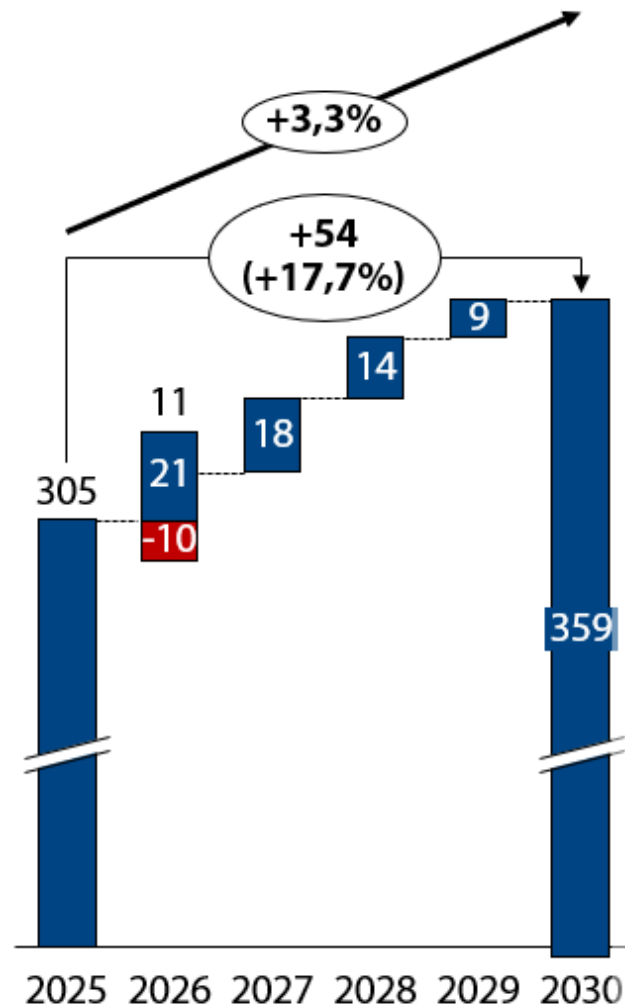
**Demand patterns could begin to shift in 3-4 months and continue through 2026 and 2027**

## New Trade Paradigm Assessment



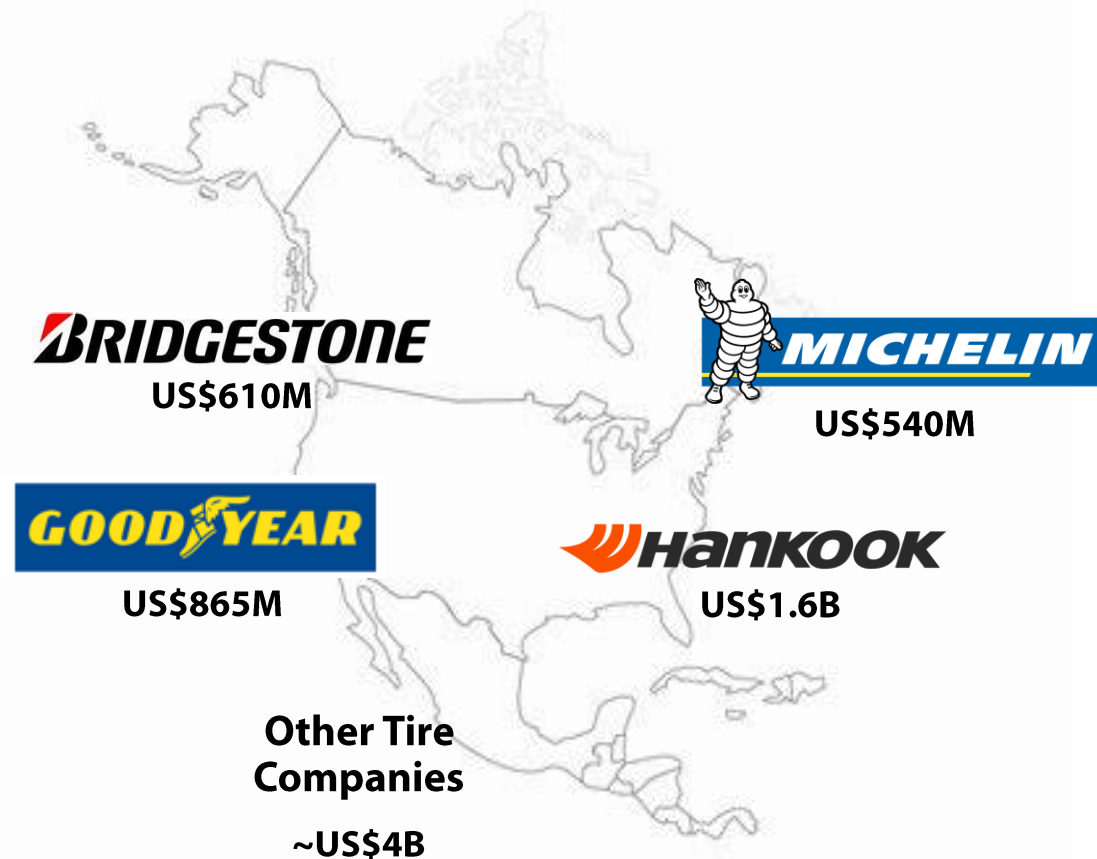
# N.A. Tire Industry Production Capacity to 2030

N.A. Tire Production Capacity (MM Units)



- Growth of 54 million tires/yr in N.A. production capacity from 2025 to 2030 (3.3% CAGR)

## Current Announcements of N.A. Tire Production Investments – Through End of Decade



Note: Investment capital totals shown with completion dates 2025 and beyond.  
Sources: Global Data, Notch Report, ERJ, Trade Press, Orion Estimates.

# Factors In Our Control

## **Self Help**

Rubber Contracts: Additional Mandates, Positioned For Upside

Cost Reductions Essentially Complete

Resolved Operational/Ramp Challenges in China

Maintenance → Reduce Unplanned Plant Downtime

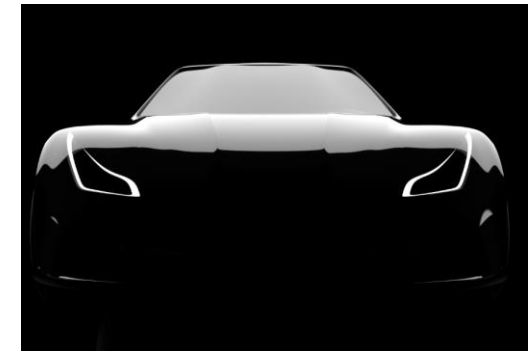
## **Enhancing Specialty**

Mix Uplift – Debottlenecked Differentiated Grades

Allocate Capacity to Optimize Portfolio

Pre-launch La Porte Conductive Grades

## **Operational Excellence Focus → Productivity**



# Free Cash Flow Remains in Focus

# Significant FCF Inflection 2025-2026E



## FY 2024 – 2026E

(\$ in millions)

	<u>2024A</u>		<u>2025E</u>		<u>2026E</u>
<b>Adjusted EBITDA</b>	<b>\$302</b>	→	<b>\$270 - \$310</b>	→	<b>Higher</b>
Working Capital, Other	(21)		0-10+		NA
Cash Interest Exp.	(49)		(45 - 50)		flat
Cash Taxes	(63)		(35 - 40)		flat or higher
Maintenance Capex	(103)		(90)		(90)
<b>Discretionary Cash Flow</b>	<b>66</b>		<b>105 - 135</b>		<b>Higher</b>
Dividends	(5)		(5)		flat
<b>Growth Capex (incl. La Porte)</b>	<b>(104)</b>	→	<b>(60)</b>	→	<b>(20)</b>
<b>Free Cash Flow (1)</b>	<b>(\$43)</b>	→	<b>\$40 - \$70</b>	→	<b>\$100+</b>

(1) 2024 Figure before impact of misappropriation of assets event

Note: Based on recent oil prices, we assume working capital will be source of cash in 2025



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