Atotech Q2 2021 Earnings Presentation

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The historical financial information included herein includes financial information that is not presented in accordance with International Financial Reporting Standards and related interpretations as issued by the IASB and adopted by the European Union (“IFRS”), including EBITDA and Adjusted EBITDA. We believe EBITDA and Adjusted EBITDA are measures commonly used by analysts and investors to evaluate the performance of companies in our industry. Our use of the terms EBITDA and Adjusted EBITDA may differ from that of others in our industry. EBITDA and Adjusted EBITDA should not be considered as alternatives to net income (loss), operating income or any other performance measures derived in accordance with IFRS as measures of operating performance or operating cash flows or as measures of liquidity. EBITDA and Adjusted EBITDA have important limitations as analytical tools and should be considered in conjunction with, and not as substitutes for, our results as reported under IFRS. This presentation includes a reconciliation of certain non-IFRS financial measures with the most directly comparable financial measures calculated in accordance with IFRS.

Rounding

Certain monetary amounts, percentages and other figures included in this presentation have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be the arithmetic aggregation of the figures that precede them, and figures expressed as percentages in the text may not total 100% or, as applicable, when aggregated may not be the arithmetic aggregation of the percentages that precede them.

Organic Sales

Organic sales growth is calculated as net revenue growth excluding the impact of foreign exchange and palladium price fluctuations.

Defined Terms

All capitalized terms contained within this presentation have been previously defined in our filings with the U.S. Securities and Exchange Commission.

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Q2 Highlights

Record quarter driven by sustained end-market demand

Demand Environment

- **Sustained revenue growth** above robust end-markets
- **Electronics chemistry organic growth of 9%**[1] driven by continued 5G and computing demand trends
- **Electronics Equipment** organic **revenue**[1] **+115%** following high order intake
- **GMF chemistry organic revenue up 59%**[1] as the Q2 2020 trough pandemic quarter is annualized and high-end automobile markets strengthen

Profitability & Cash Flow

- **Adj. EBITDA**[2] **rose 63% to $118m** given operating leverage on strong volume growth, despite supply chain inefficiencies
- **Adjusted Free Cash Flow**[2] from operations before debt service at $87m
- **Net Leverage reduced to 3.2x** as we annualize the trough quarter of the COVID-19 pandemic

Key Initiatives

- **Sustainability Initiatives: Covertron:** combination of chemistry and new auxiliary equipment improves value proposition for first Cr (VI) free process
- **Fumalock:** PFAS-free mist supressant for fully compliant Cr(VI) hard chrome processes
- **Digitalization:** IIOT hardware and software applications to improve customer experience and reduce carbon footprint

(1) Organic revenue: Net chemistry revenue +/- impact of FX and +/- impact of palladium, Net Equipment revenue +/- impact of FX
(2) See appendix for definitions as well as a reconciliation to the most closely comparable IFRS measure

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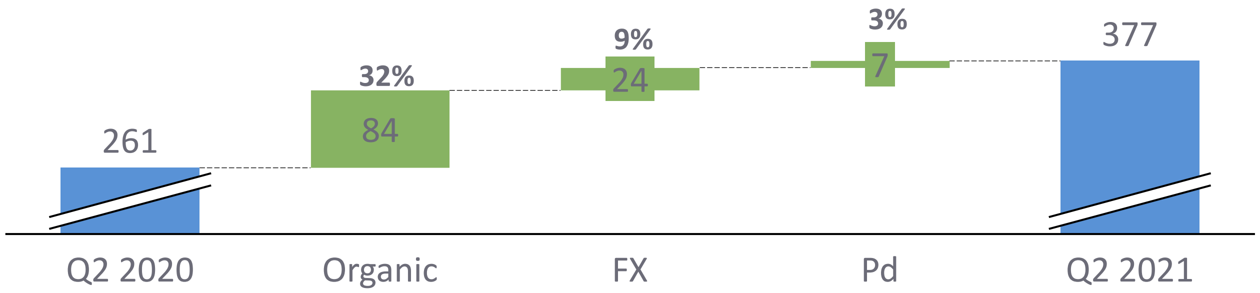
Consolidated Results – Q2 2021

Robust revenue growth and operating leverage

$ in millions	Q2 2021	Q2 2020	% Change Total	% Change Organic[1]
Electronics	$248	$186	33%	21%
GMF	$129	$75	71%	59%
Net Revenue	$377	$261	44%	32%
Electronics	$85	$62	36%	
GMF	$33	$10	238%	
Adjusted EBITDA[2]	$118	$72	63%	
Adj. EBITDA Margin	31.4%	27.7%	+ 370 bps	
Fully diluted EPS	$0.15	($3.47)		
Pro-forma Adjusted EPS[3]	$0.29	$0.01		

Revenue bridge



(1) Organic sales: Net sales +/- impact of FX and +/- impact of palladium
(2) See appendix for definitions of EBITDA and Adjusted EBITDA as well as a reconciliation to the most closely comparable IFRS measure
(3) Pro-forma Adjusted EPS: Adjusted Net Income from continuing operations divided by # of shares as of 30.06.21. See Appendix for reconciliation

- **32% organic growth** reflects strong and accelerating demand in Electronics and recovery in GMF from the COVID-19 demand trough
- **Adjusted EBITDA** growth of 63% as a result of operating leverage on strong volumes and lean cost structure, partially offset by supply chain inefficiency
- **Pro-forma EPS** comparison with prior year quarter on Q2 2021 share count basis, to show true increase in profitability
- **Adjusted EPS** of $0.29 reflecting same adjustments as Adjusted EBITDA plus adjustment for reversal of amortization expense

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Electronics Results – Q2 2021

Strong chemistry and equipment demand drive organic growth

$ in millions	Q2		% Change	
	2021	2020	Total	Organic [1]
Chemistry	$198	$164	21%	9%
Equipment	$50	$22	127%	115%
Net Revenue	$248	$186	33%	21%
Adj. EBITDA[2]	$85	$62	36%	
Adj. EBITDA Margin	34.3%	33.6%	+ 70 bps	

Revenue bridge

- **Chemistry organic revenue growth of 9%,** driven by strong underlying demand, optimal market positioning and exposure to high-growth trends
- **Equipment organic revenue grew 115%,** supported by multiple drivers including transition to 5G, increased computing demands (WfH, Cloud Computing, AI) and sustainability initiatives
- **Adjusted EBITDA** growth as a result of organic volume and efficiency gains
- **Margin expansion** reflects operating leverage on chemistry revenue, offset by product mix and Pd pass-through

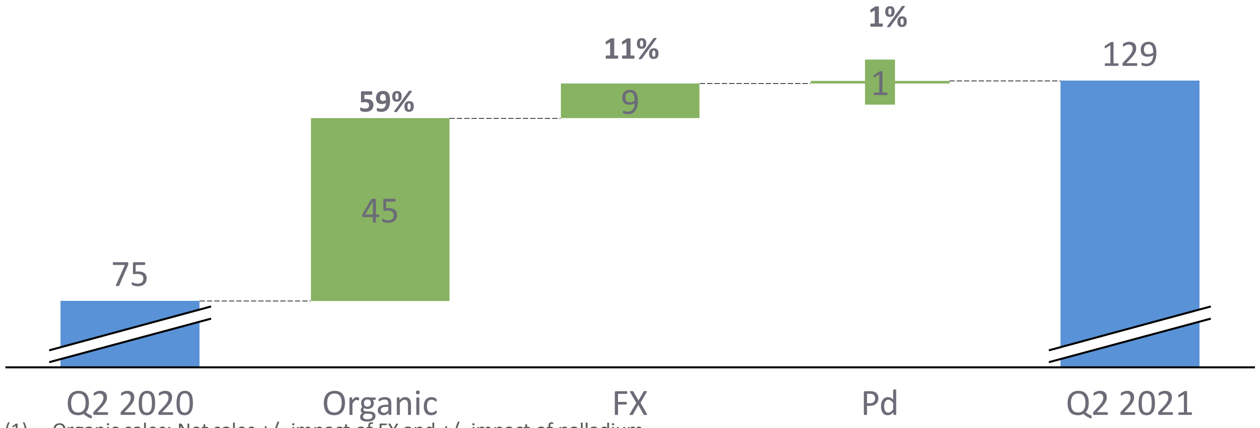
(1) Organic sales: Net sales +/- impact of FX and +/- impact of palladium
(2) See appendix for definitions of EBITDA and Adjusted EBITDA as well as a reconciliation to the most closely comparable IFRS measure

GMF Results – Q2 2021

Results reflect recovery from Covid-19 trough in Q2 2020

$ in millions	Q2		% Change	
	2021	2020	Total	Organic [1]
Chemistry	$127	$74	72%	59%
Equipment	$2	$1	62%	48%
Net Revenue	$129	$75	71%	59%
Adj. EBITDA[2]	$33	$10	238%	
Adj. EBITDA Margin	25.8%	13.1%	+ 1270 bps	

Revenue bridge



(1) Organic sales: Net sales +/- impact of FX and +/- impact of palladium

(2) See appendix for definitions of EBITDA and Adjusted EBITDA as well as a reconciliation to the most closely comparable IFRS measure

- **59% chemistry organic revenue growth** reflects recovery of demand after Q2 2020 pandemic trough and above-market growth in a broad range of high-end applications for automotive and other industries
- **Sustainability-focused solutions experience high demand:** Multiple innovative processes including Covertron for Cr(VI) free decorative plating, and anode membrane technology for efficiency gains in ZnNi plating
- **Adjusted EBITDA rebound to $33M** reflects strong operating leverage off higher chemistry volumes, partially offset by higher freight costs
- **Margin recovery** to 25.8% reflects improvement towards normalized level

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Liquidity & Capital Structure

Strong balance sheet – current net debt leverage 3.2x

Q2 2021 Capitalization table

$ in millions	Amount	divided by LTM Adj. EBITDA
Cash & Cash equivalents [(1)]	245	
Revolving credit facility [(2)]	0	
Term loans [(3)]	1,588	
Capitalized leases [(4)]	75	
Total senior secured debt	1,662	3.8 X
Net senior secured debt	1,417	3.2 X
Common equity	883	
Total capitalization	2,300	
Q2 2021 LTM Adjusted EBITDA		
Adjusted EBITDA	436	

- **Q2 adj. free cash flow from operations of $87M** before debt service, reflecting strong operating profit and return strong EBITDA conversion as well as good working capital management and efficient capex
- **$478M of liquidity,** including net cash of $245M and borrowing capacity of $232.5M[(2)] under RCF provides ample financial flexibility
- **Net leverage at 3.2x** at quarter-end supported by solid Adjusted EBITDA and annualization of trough pandemic quarter

(1) Net of local lines of credit
(2) Includes revolver with commitments of $250.0M and borrowing capacity of $232.5M, after giving effect to ancillary facilities of $17.5M
(3) Excluding short term and long term deferred financing costs of $20.4 million
(4) Reflects application of IFRS 16, Leases

2021 Financial Guidance

Strong growth in both segments leads to 22% adj. EBITDA growth at mid-point

Total Revenue Growth[1]	Chemistry Organic Revenue Growth	Adjusted EBITDA
13-14%	EL: 7-8% GMF: 12-13% Total: ~ 10%	\$435m - \$450m

Capex	Interest Expense	Income Tax Rate
4.5% - 5% of total revenue	\$70m - \$74m[2]	30% - 31%[3]

- Assumptions: Market growth rates based on internal market model, (data derived from key consultancy firms (e.g. IHS, IDC)) and continued recovery from Covid-19 pandemic leading to 6% global GDP growth (IMF)
- Adjusted EBITDA - Guidance assumes FX rates as per June 30, 2021

(1) Includes chemistry organic growth and equipment excluding FX effects
(2) Excludes roughly \$59M in one-time costs connected with early extinguishment of Holdco and Opco notes and financing fee amortization, which was recognized in Q1 2021
(3) Includes approximately 25% - 26% income tax rate and 5% withholding tax rate. Tax rate is generally applicable to operating profit (before interest expense), and does not include any tax litigation reserves we may take

Appendix

Adjusted EBITDA Reconciliation

($ in millions)	Quarter Ended 06/30/2021		Quarter Ended 06/30/2020	
Revenues	**$**	**376.6**	**$**	**260.9**
Consolidated Net Income (IFRS)	**$**	**29.7**	**$**	**(282.9)**
Interest, net		14.2		36.0
Income taxes		24.6		13.0
Depreciation and Amortization		44.1		40.1
Reported EBITDA	**$**	**112.6**	**$**	**193.9**
Adjustments:				
1 Non-cash adjustments		(1.4)		257.2
2 Foreign exchange (gain) loss		5.3		3.1
3 Restructuring		(0.6)		1.7
4 Transaction related costs		1.5		1.6
5 Management fee		0.5		1.2
6 COVID-19 adjustments		0.3		1.3
Adjusted EBITDA	**$**	**118.1**	**$**	**72.3**
% Sales		*31.4%*		*27.7%*

1 Non-cash adjustments

- Eliminates the non-cash impact of (1) share-based compensation, (2) losses on the sale of fixed assets, (3) impairment charges and (4) mark-to-market adjustments related to our foreign currency derivatives entered into in connection with certain redenomination transactions not linked to underlying individual transactions as well as the derecognition of bifurcated embedded derivatives related to certain redemption features of the Opco Notes and Holdco Notes, and (5) valuation adjustments from the revaluation of the earn-out liability initially recognized in 2019.

2 Foreign exchange (gain) loss

- Eliminates net foreign currency transactional gains and losses on balance sheet items.

3 Restructuring

- Eliminates charges resulting from restructuring activities principally from the Company's cost reduction efforts.

4 Transaction related costs

- Reflects an adjustment to eliminate (1) IPO related costs, linked to the existing equity and (2) professional fees paid to third party advisors in connection with the implementation of strategic initiatives.

5 Management fee

- Reflects an adjustment to eliminate fees paid to Carlyle. The consulting agreement pursuant to which management fees are paid to Carlyle will terminate on the earlier of (i) the second anniversary of the IPO and (ii) the date upon which Carlyle ceases to own more than ten percent of the outstanding voting securities of the Company. Management does not view these fees as indicative of the Company's operational performance and the removal of these fees from Adjusted EBITDA is consistent with the calculation of similar measures under our old senior secured credit facilities and the new Credit Agreement as well as the indentures that previously governed the Holdco Notes and Opco Notes.

6 COVID-19 adjustment

- Eliminates charges in connection with masks, sanitizers, and other COVID-19 related expenses at certain plant and office locations.

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Adjusted EPS Reconciliation

($ in millions)	Quarter Ended 06/30/2021		Quarter Ended 06/30/2020	
Consolidated Net Income (IFRS)	**$**	**29.7**	**$**	**(282.9)**
Adjustments:				
1 Reversal of amorization expenses	$	28.9	$	26.7
2 Non-cash adjustments		(1.4)		257.2
3 Foreign exchange (gain) loss		5.3		3.1
4 Restructuring		(0.6)		1.7
5 Transaction related costs		1.5		1.6
6 Management fee		0.5		1.2
7 COVID-19 adjustments		0.3		1.3
Tax impact of pre-tax non GAAP adjustments		(7.2)		(7.3)
Adjusted Net Income from continuing operations	**$**	**56.8**	**$**	**2.5**

1. Reversal of amortization expenses
   - Eliminates impact of amortization expenses.
2. Non-cash adjustments
   - Eliminates the non-cash impact of (1) share-based compensation, (2) losses on the sale of fixed assets, (3) impairment charges and (4) mark-to-market adjustments related to our foreign currency derivatives entered into in connection with certain redenomination transactions not linked to underlying individual transactions as well as the derecognition of bifurcated embedded derivatives related to certain redemption features of the Opco Notes and Holdco Notes, and (5) valuation adjustments from the revaluation of the earn-out liability initially recognized in 2019.
3. Foreign exchange (gain) loss
   - Eliminates net foreign currency transactional gains and losses on balance sheet items.
4. Restructuring
   - Eliminates charges resulting from restructuring activities principally from the Company's cost reduction efforts.
5. Transaction related costs
   - Reflects an adjustment to eliminate (1) IPO related costs, linked to the existing equity and (2) professional fees paid to third party advisors in connection with the implementation of strategic initiatives.
6. Management fee
   - Reflects an adjustment to eliminate fees paid to Carlyle. The consulting agreement pursuant to which management fees are paid to Carlyle will terminate on the earlier of (i) the second anniversary of the IPO and (ii) the date upon which Carlyle ceases to own more than ten percent of the outstanding voting securities of the Company. Management does not view these fees as indicative of the Company's operational performance and the removal of these fees from Adjusted EBITDA is consistent with the calculation of similar measures under our old senior secured credit facilities and the new Credit Agreement as well as the indentures that previously governed the Holdco Notes and Opco Notes.
7. COVID-19 adjustment
   - Eliminates charges in connection with masks, sanitizers, and other COVID-19 related expenses at certain plant and office locations.

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Adjusted Free Cash Flow Before Debt Service

($ in millions)	Quarter Ended 06/30/2021		Quarter Ended 06/30/2020	
Adj. EBITDA	**$**	**118**	**$**	**72**
- Capex [1]	**$**	**(7)**	**$**	**(12)**
- Change in OWC [2]		2		2
- Cash Taxes		(26)		(13)
Adj. FCFFO before Debt Service [3]	**$**	**87**	**$**	**50**
as a % of sales		*23%*		*19%*
as a % of Adj. EBITDA		*74%*		*69%*
- Interest	$	(15)	$	(31)
Adj. FCFFO before Debt Paydown	**$**	**72**	**$**	**18**
as a % of sales		*19%*		*7%*
as a % of Adj. EBITDA		*61%*		*25%*

(1) Capex is presented net of proceeds from disposals of intangible assets and property, plant, and equipment
(2) OWC = Operating working capital and includes trade receivables and inventories less trade payables
(3) Following our IPO in February 2021, we redeemed in full all $425.0 million of our 6.250% Senior Notes due 2025 and all $219.0 million of our 8.75%/9.50% Senior PIK Toggle Notes.

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Thank you

Contact

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