



# 2025 Investor Day

October 8, 2025



# Agenda

<b>Introduction</b>	<b>1:30PM</b>
<b>Overview of Solstice</b>	<b>1:40PM</b>
<b>Business Segment Overviews</b>	<b>2:10PM</b>
<i>Break</i>	<i>2:45PM</i>
<b>Panel Discussion: Business Synergies &amp; Growth Strategy</b>	<b>3:00PM</b>
<b>Financial Summary</b>	<b>3:40PM</b>
<b>Q&amp;A</b>	<b>4:00PM</b>
<b>Closing Remarks</b>	<b>4:30PM</b>



# Today's Presenters



**David Sewell**

President & Chief Executive Officer



**Tina Pierce**

Chief Financial Officer



**Mike Leithead**

Vice President  
Investor Relations



**Jeff Dormo**

Senior Vice President  
Refrigerants & Applied Solutions



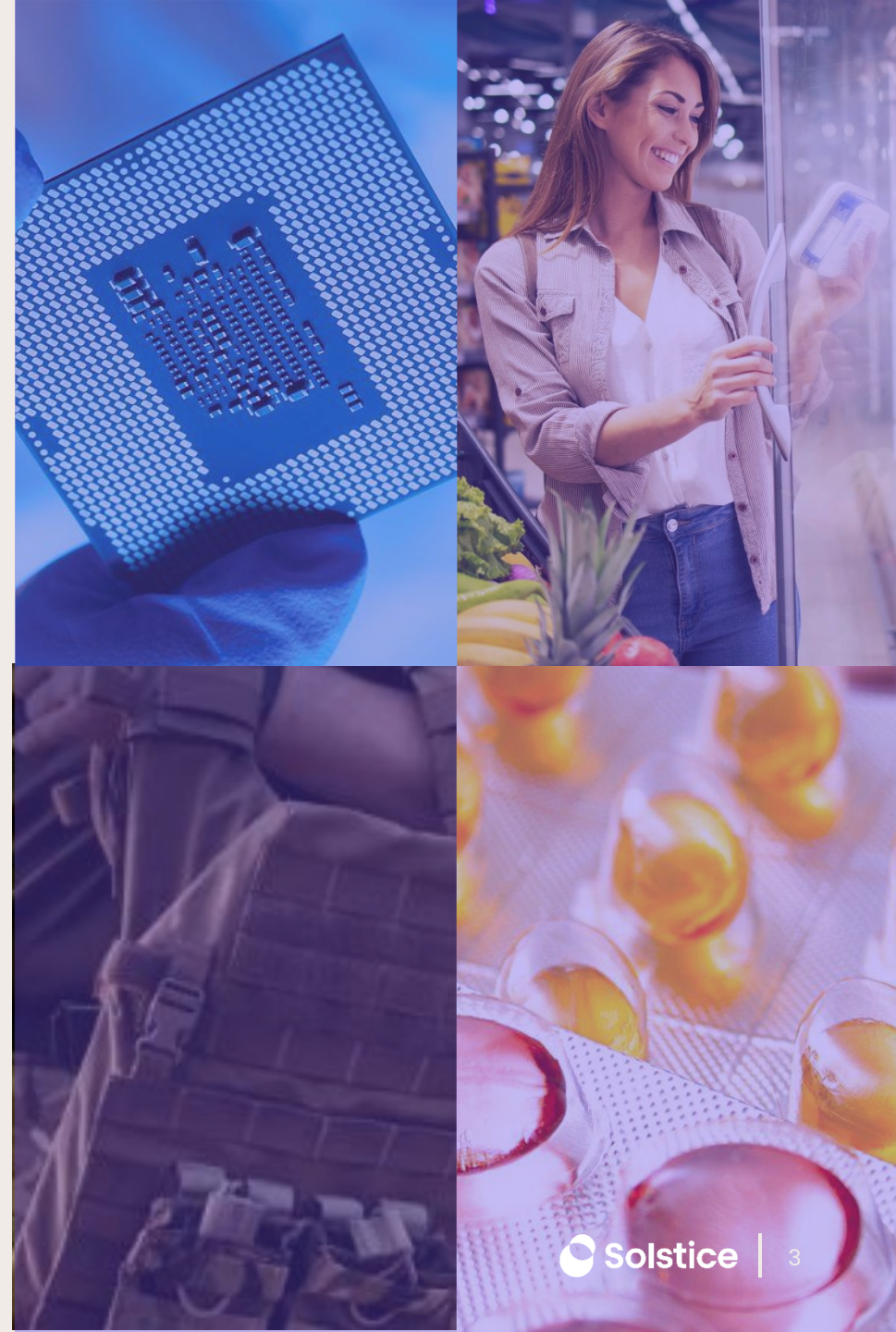
**Simon Mawson**

Senior Vice President  
Electronic & Specialty Materials



**Wylie Clark**

Chief Development Officer



# Forward-Looking Statements & Other Disclaimers

The information in this presentation has been prepared in connection with the previously announced plan by Honeywell International Inc. (“HON” or “Honeywell”) to spin off its Advanced Materials business (the “Company”, “Solstice Advanced Materials Inc.”, “Solstice Advanced Materials” or “Solstice”) from information provided by management and other sources. This presentation contains “forward-looking statements” that involve risks and uncertainties. These statements can be identified by the fact that they do not relate strictly to historical or current facts, but rather are based on current expectations, estimates, assumptions and projections about Solstice’s industry and its business and financial results. Forward-looking statements often include words such as “anticipates,” “estimates,” “expects,” “projects,” “forecasts,” “intends,” “plans,” “continues,” “believes,” “may,” “will,” “goals” and words and terms of similar substance in connection with discussions of future operating or financial performance. As with any projection or forecast, forward-looking statements are inherently susceptible to uncertainty and changes in circumstances. Solstice’s actual results may vary materially from those expressed or implied in its forward-looking statements. Accordingly, undue reliance should not be placed on any forward-looking statement made by Solstice or on Solstice’s behalf. Although Solstice believes that the forward-looking statements contained in this presentation are based on reasonable assumptions, you should be aware that many factors could affect Solstice’s actual financial results or results of operations and could cause actual results to differ materially from those in such forward-looking statements, including, but not limited to: the ability to effect the proposed spin-off transaction and to meet the conditions related thereto; the possibility that the spin-off transaction will not be completed within the anticipated time period or at all; the possibility that the spin-off transaction will not achieve its intended benefits; the possibility of disruption, including disputes, litigation or unanticipated costs, in connection with the spin-off transaction; the uncertainty of the expected financial performance of Solstice following completion of the spin-off transaction; the ability to achieve anticipated capital structures in connection with the spin-off transaction, including the future availability of credit and factors that may affect such availability; the ability to achieve anticipated credit ratings in connection with the spin-off transaction; the ability to achieve anticipated tax treatments in connection with the spin-off transaction and future, if any, divestitures, mergers, acquisitions and other portfolio changes and the impact of changes in relevant tax and other laws; and the failure to realize expected benefits and effectively manage and achieve anticipated synergies and operational efficiencies in connection with the spin-off transaction and future, if any, divestitures, mergers, acquisitions, and other portfolio management, productivity and infrastructure actions; Solstice’s lack of operating history as an independent, publicly traded company and unreliability of historical combined financial information as an indicator of Solstice’s future results; Solstice’s ability to successfully develop new technologies and introduce new products; changes in the price and availability of raw materials that Solstice uses to produce its products; Solstice’s ability to comply with complex government regulations and the impact of changes in such regulations; global climate change and related regulations and changes in customer demand; the public and political perceptions of nuclear energy and radioactive materials; economic, political, regulatory, foreign exchange and other risks of international operations; the impact of tariffs or other restrictions on foreign imports; Solstice’s ability to borrow funds and access capital markets and any limitations in the terms of Solstice’s indebtedness; Solstice’s ability to compete successfully in the markets in which it operates; the effect on Solstice’s net sales and cash flow from seasonal fluctuations and cyclical market conditions; concentrations of Solstice’s credit, counterparty and market risk; Solstice’s ability to successfully execute or effectively integrate acquisitions; Solstice’s joint ventures and strategic co-development partnerships; Solstice’s ability to recruit and retain qualified personnel; potential material environmental liabilities; the hazardous nature of chemical manufacturing; decommissioning and remediation expenses and regulatory requirements; potential material litigation matters and government proceedings; the impact of potential cybersecurity attacks, data privacy breaches and other operational disruptions; increasing stakeholder interest in public company performance, disclosure, and goal-setting with respect to Environmental, Social, and Governance (“ESG”) matters; failure to maintain, protect, and enforce Solstice’s intellectual property or to be successful in litigation related to intellectual property of Solstice or others, or competitors developing similar or superior intellectual property or technology; unforeseen U.S. federal income tax and foreign tax liabilities; U.S. federal income tax reform; Solstice’s ability to operate as an independent, publicly traded company without certain benefits available to Solstice as a part of Honeywell; Solstice’s inability to maintain intellectual property agreements; timing, declaration, amount and payment of Solstice’s dividend program; potential cash contributions to benefit pension plans; Solstice’s ability to maintain proper and effective internal controls; and certain factors discussed elsewhere in this presentation. These risks could cause actual results to differ materially from those implied by forward-looking statements in this presentation, in Solstice’s Form 10 Registration Statement, as amended, and its other filings with the Securities and Exchange Commission (the “SEC”). Even if Solstice’s results of operations, financial condition and liquidity and the development of the industry in which we operate are consistent with the forward-looking statements contained in this presentation, those results or developments may not be indicative of results or developments in subsequent periods. Any forward-looking statements made by us in this presentation speak only as of the date on which they are made. We are under no obligation to, and expressly disclaim any obligation to, update or alter Solstice’s forward-looking statements, whether as a result of new information, subsequent events or otherwise.

## Non-GAAP Financial Measures

This presentation contains financial measures presented on a non-GAAP basis. The non-GAAP financial measures used in this presentation are as follows: Adjusted EBITDA, on a total company basis; Adjusted EBITDA margin, on a total company basis; Adjusted Standalone EBITDA (estimate); Adjusted Standalone EBITDA Margin (estimate); Adjusted Standalone EBITDA (estimate) – capex; Cash conversion; Net debt, Net leverage ratio, and Return on invested capital; if and as noted in the presentation. Management believes that, when considered together with comparable GAAP measures, these non-GAAP measures are useful to investors and management in understanding our ongoing operations and in the analysis of ongoing operating trends. These measures should be considered in addition to, and not as replacements for, the most comparable GAAP measure. Refer to the appendix attached to this presentation for historical reconciliations of non-GAAP financial measures to the most directly comparable GAAP measures. Forward-looking non-GAAP measures are estimated consistent with the relevant definitions and assumptions. We have not reconciled Adj. Standalone EBITDA Margin, Adj. EBITDA, Adj. EBITDA Margin, Adj. Standalone EBITDA (estimate) – Capex and Cash Conversion 2025 full year guidance and medium-term financial outlook, as applicable, because the information needed to reconcile these measures is unavailable due to the inherent difficulty of forecasting the timing or amount of various items that have not yet occurred. Additionally, estimating such future estimated measures and providing a meaningful reconciliation consistent with our accounting policies for future periods requires a level of precision that is unavailable for these future periods and cannot be accomplished without unreasonable effort.





# Overview

**David Sewell**

President & Chief Executive Officer



# Solstice | A Differentiated Advanced Materials Company

Clear right-to-win built on a rich 130+ year history of solving complex customer challenges

Underpinned by strong secular trends in cooling, advanced computing, safety, nuclear, and healthcare

A refined operating model and independent strategy to unleash our full growth potential

Strong balance sheet enabling investments to accelerate growth

Purposeful organizational design reflects a blend of Honeywell heritage and proven industry leaders

# Solstice at a Glance

## Key Metrics (2024)

**\$3.8** billion  
Net Sales

**3,900+**  
Employees<sup>3</sup>

**4.4%**  
Net Sales CAGR<sup>1</sup>  
(2017–2024)

**3,000+**  
Customers

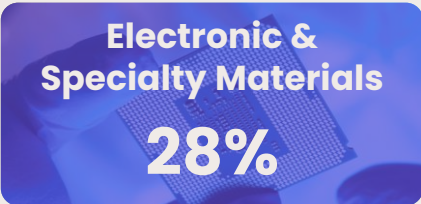
**\$995** million  
Adj. Standalone EBITDA  
(estimate)<sup>2</sup>

**120**  
Countries &  
Territories with Sales

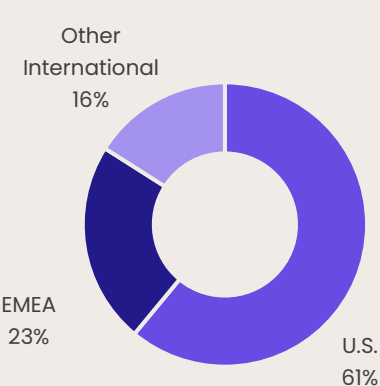
**26.4%**  
Adj. Standalone EBITDA  
Margin (estimate)<sup>2</sup>

**5,700+**  
Patents Issued &  
Pending Applications<sup>3</sup>

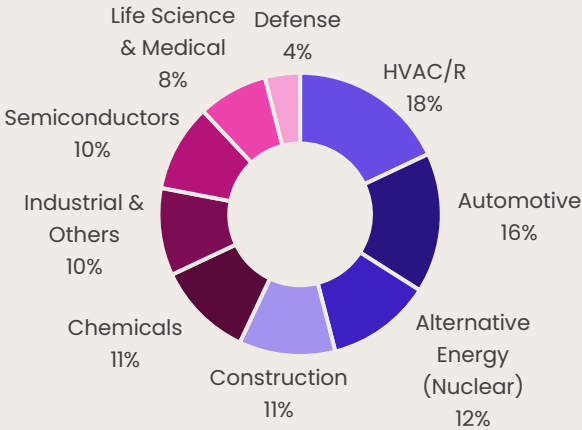
## Business Segments (2024 Net Sales)



## Net Sales by Geography<sup>4</sup> (2024)



## Net Sales by End Market (2024)



## Example Blue Chip Customer Partners

TRANE  
TECHNOLOGIES

Carrier

DUPONT

Infineon

Whirlpool  
CORPORATION

AVON TECHNOLOGIES PLC

avantor™

BASF  
We create chemistry

SAFARILAND

AstraZeneca

## Key Technology Platforms & Brands

**Solstice®** **Genetron®** **Aclar®**

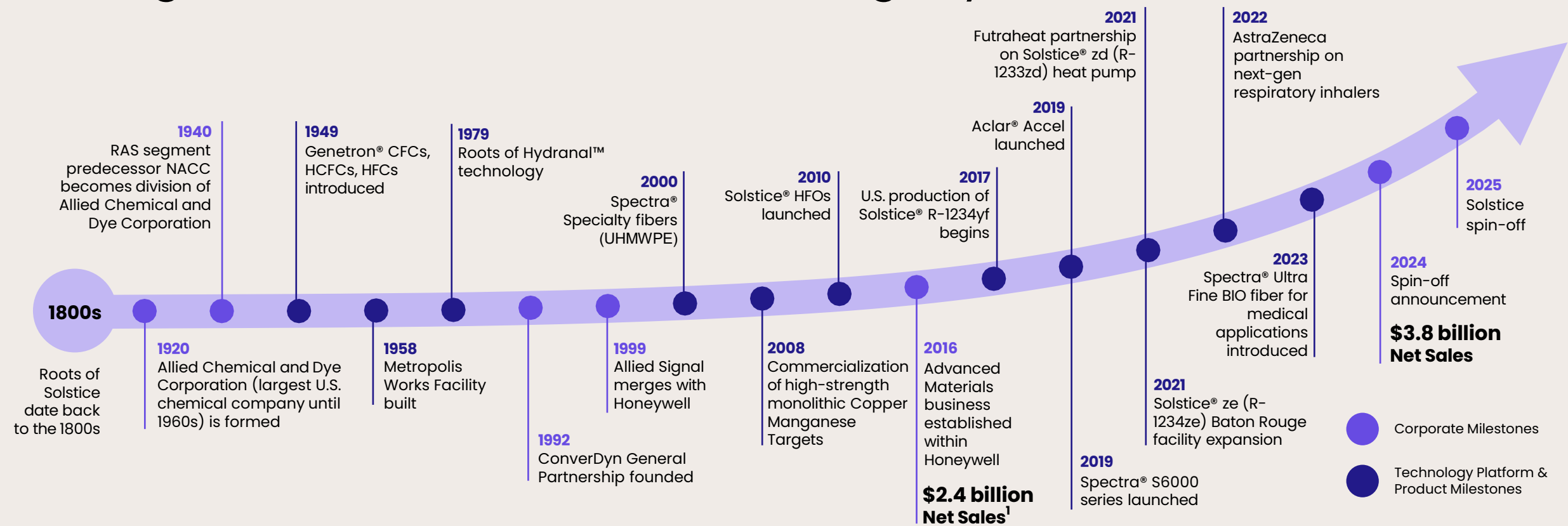
POWERED BY  
**Spectra®**  
fiber

**Fluka™**

ORIGINAL  
HYDRANAL  
GERMANY • 1959

<sup>1</sup> Financial information for 2022–2024 based on Form 10 carve-out financial statements. Years prior to 2022 based on internal reporting, does not reflect all carve-out adjustments, and is illustrative only. <sup>2</sup> Non-GAAP financial measure. Historical reconciliations of non-GAAP financial measures provided in the appendix of this presentation. <sup>3</sup> As of June 30, 2025. <sup>4</sup> Net sales by geography classified according to their country of origin.

# Strong Foundation Built on a Rich Legacy



**130+ years of innovation leadership**

**5,700+ patents issued and pending<sup>2</sup>**

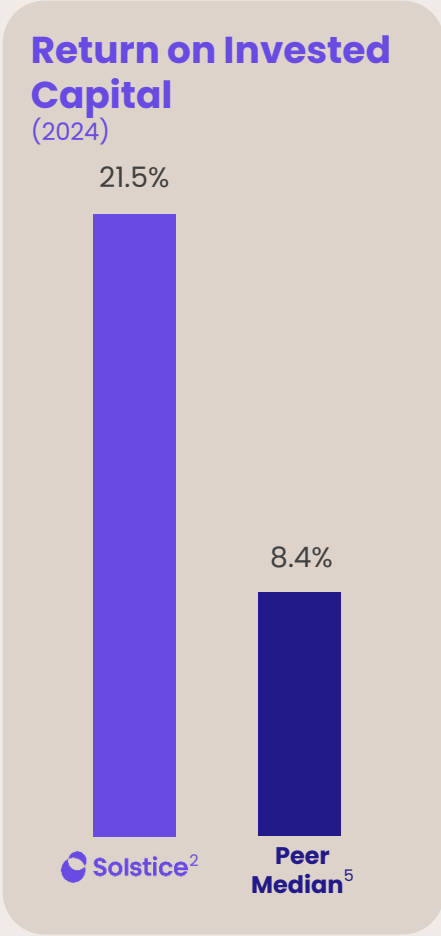
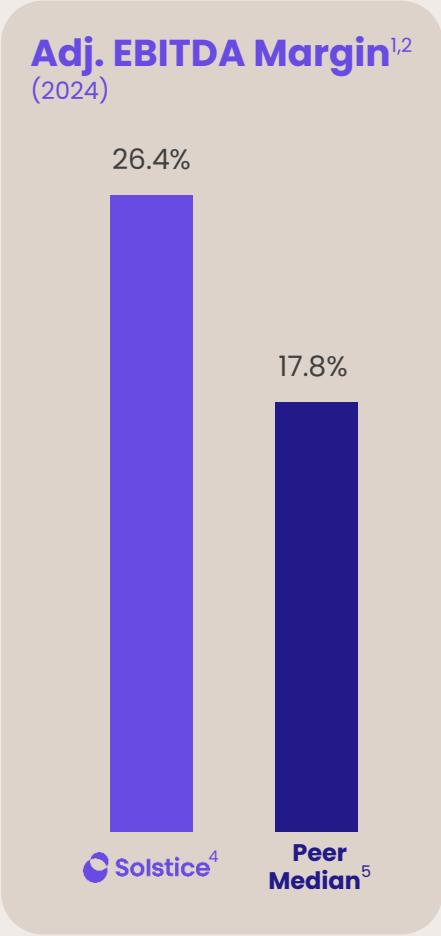
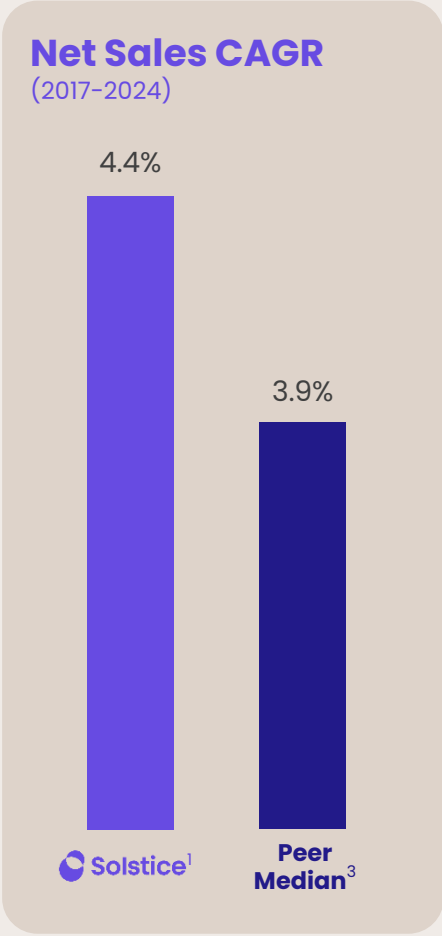
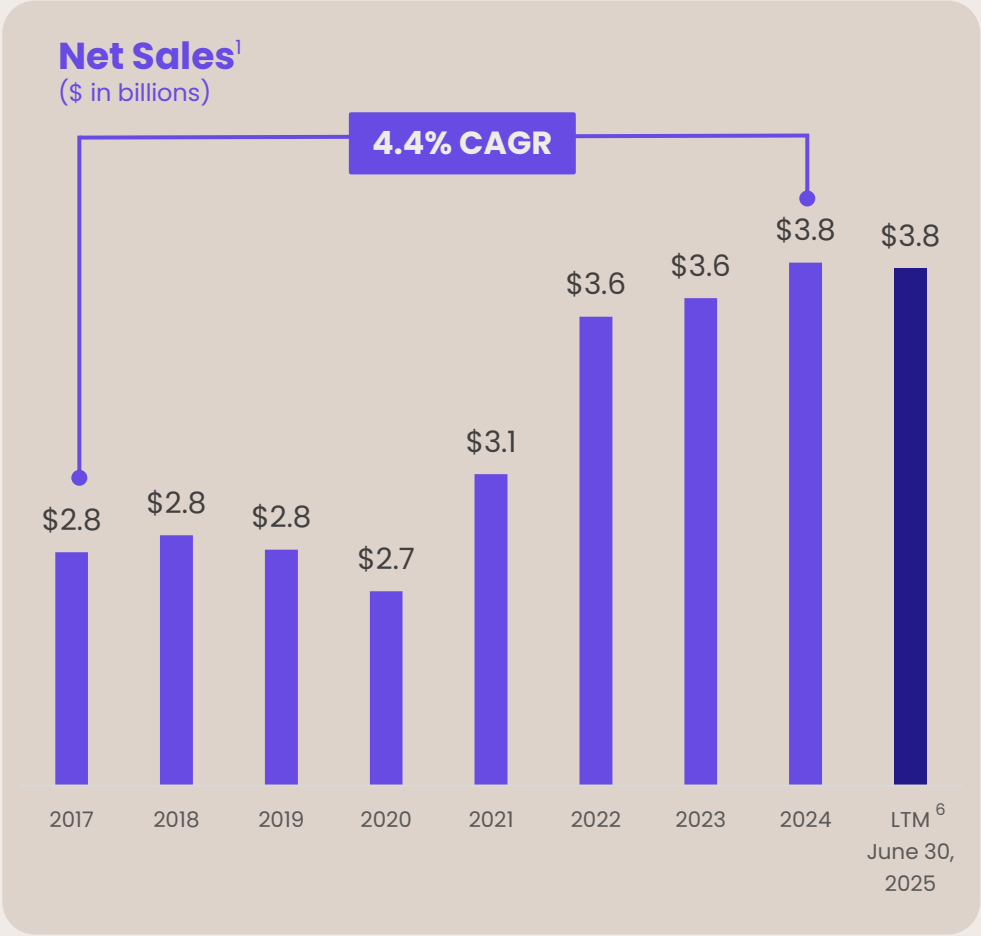
**Portfolio of trusted leading brands**



<sup>1</sup>Excludes AdvanSix spin-off. <sup>2</sup>As of June 30, 2025.



# Strong Financial Performance

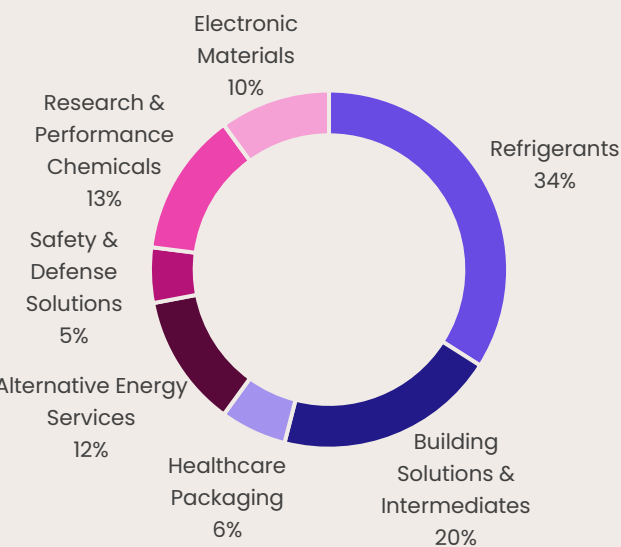


**Track record of above-market growth with best-in-class margins and returns**

<sup>1</sup> Financial information for 2022-2024 based on Form 10 carve-out financial statements. Years prior to 2022 based on internal reporting, does not reflect all carve-out adjustments, and is illustrative only. <sup>2</sup> Non-GAAP financial measure. Historical reconciliations of non-GAAP financial measures provided in the appendix of this presentation. <sup>3</sup> Reflects median 2017-2024 Net Sales CAGRs of Avient, Chemours, Eastman, Element, Entegris, Materion, and RPM calculated with data provided by FactSet. <sup>4</sup> Shows Adjusted Standalone EBITDA Margin (estimate), which is a non-GAAP measure. Refer to appendix for historical reconciliations of relevant non-GAAP financial metrics to the most directly comparable GAAP measure. <sup>5</sup> Reflects median 2024 metrics of Avient, Chemours, DuPont, Eastman, Element, Entegris, Materion, and RPM calculated with data provided by FactSet. <sup>6</sup> LTM stands for last twelve months.

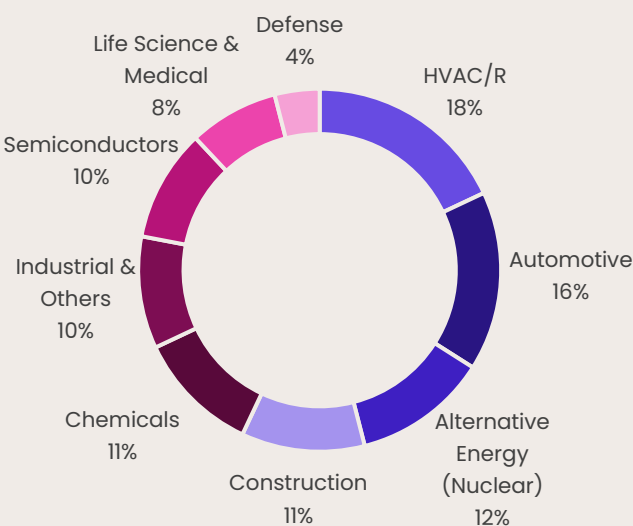
# Business Profile

## Product Mix<sup>1</sup>



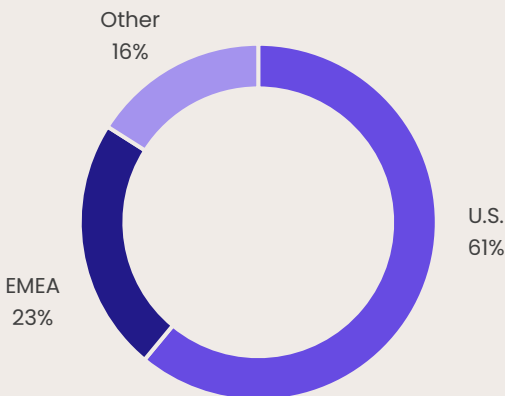
- Favorable portfolio mix
- Highly diversified product lines provide stability across the business cycle
- Several product categories driven by non-discretionary spending

## End-Market Mix<sup>1</sup>



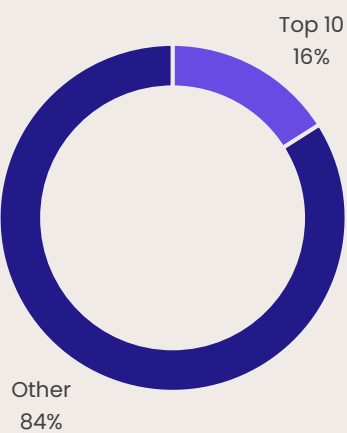
- Global reach and diversification across different end markets
- Exposed to end markets with strong secular growth tailwinds such as semiconductors, data centers, and nuclear
- Significant backlog, especially in nuclear energy

## Geographical Mix<sup>1,2</sup>



- Customer base spans 120 countries and territories
- Manufacturing capabilities located in close customer proximity
- Strong supply chain with local-for-local approach and global efficiencies

## Customer Concentration<sup>1,3</sup>



- Top customer represents less than 3% of Net Sales
- Similarly strong diversified customer profiles at the segment level

**Diverse and global business profile provides resilience through cycles**

<sup>1</sup> Net sales for 2024. <sup>2</sup> Net Sales by geography classified according to their country of origin. <sup>3</sup> Excludes ConverDyn and Quimobasicos joint ventures.

# Customer & Manufacturing Footprint<sup>1</sup>

120

Countries & Territories  
with Sales

24

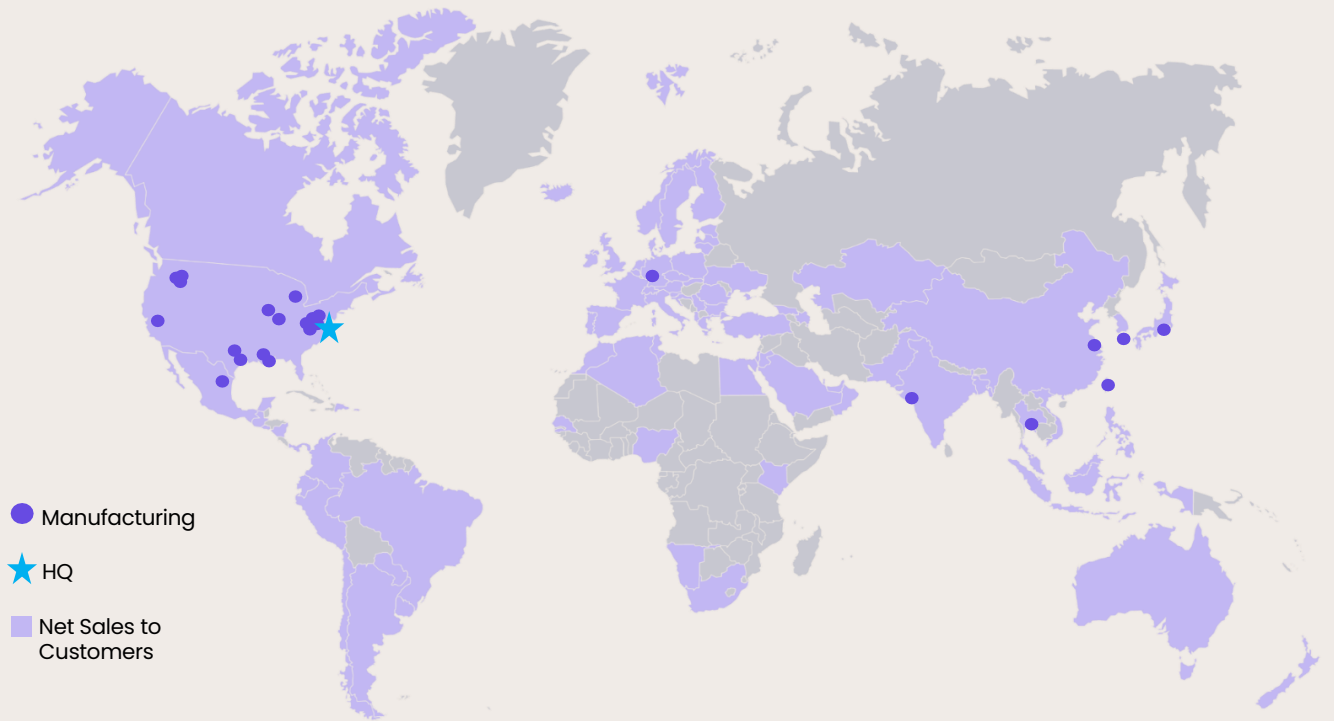
Manufacturing Sites<sup>2</sup>

96%

Average Customer  
Satisfaction Score<sup>3</sup>

Top-Quartile

Safety Performance  
(2024)<sup>4</sup>



~90%

U.S. Sales  
Manufactured in U.S.

~60%

Sales Manufactured  
in Same Region

~65%

of Supplier Spend in  
the U.S. from U.S.  
Suppliers

**Benefits from customer-proximate manufacturing and operational excellence**

<sup>1</sup> All information for 2024 unless otherwise noted. Certain locations on map have multiple co-located or nearby facilities. Excludes countries with de minimis sales. <sup>2</sup> Includes owned facilities, joint ventures, and dedicated facilities. <sup>3</sup> Average customer score for past eight quarters ended 2024. <sup>4</sup> Based on 2024 Total Case Incident Rate (TCIR) data for 53 medium-sized members of the American Chemistry Council (ACC).



# Leadership Team



**David Sewell**

President & Chief Executive Officer

- <1 Year with Honeywell
- 30+ Years of Industry Experience
  - WestRock
  - GE
  - Sherwin-Williams



**Tina Pierce**

Chief Financial Officer

- 25+ Years with Honeywell
- 15+ Years of Industry Experience



**Jeff Dormo**

Senior Vice President  
Refrigerants & Applied Solutions

- 8+ Years with Honeywell
- 15+ Years of Industry Experience
  - The Dow Chemical Company



**Simon Mawson**

Senior Vice President  
Electronic & Specialty Materials

- ~3 Years with Honeywell
- 25+ Years of Industry Experience
  - Henkel
  - Solvay
  - The Dow Chemical Company
  - Rohm & Haas



**Wylie Clark**

Chief Development Officer

- 13+ Years with Honeywell
- 20+ Years of Industry Experience
  - Taylor-DeJongh



**Brian Rudick**

Senior Vice President  
General Counsel & Corporate Secretary

- 20+ Years with Honeywell
- 9 Years of Law Firm Experience
  - K&L Gates
  - Law Clerk for PA Supreme Court Chief Justice



**Jason Clifford**

Senior Vice President  
Chief Human Resources Officer

- 15+ Years with Honeywell
- 35+ Years of Industry Experience
  - Analog Devices
  - Frito Lay
  - DuPont
  - Aramark



**Rajeev Aggarwal**

Senior Vice President  
Integrated Supply Chain

- 15+ Years with Honeywell
- 25+ Years of Industry Experience
  - Arxada
  - GM
  - KPMG
  - Visteon



**Jackie Grunwald**

Senior Vice President  
Chief Information Officer

- 15+ Years with Honeywell
- 25+ Years of Industry Experience
  - AdvanSix



**Johnathan Weatherly**

Senior Vice President  
Manufacturing

- ~2 Years with Honeywell
- 25+ Years of Industry Experience
  - BASF
  - Motiva

**Leadership team a blend of Honeywell heritage and proven industry leaders**

# Unleashing Growth & Value Creation



**Serve attractive end markets with strong secular trends**



**Grow industry leadership positions**



**Enable independent strategy with a refined operating model**



**Allocate capital with clear priorities and discipline**

**Drive value creation with a differentiated growth strategy**

# Serving Attractive End Markets with Strong Secular Trends



## Growth of Advanced Computing

- Denser, higher power chips require new materials and next generation thermal management technologies



## Environmental & Energy Evolution

- Regulatory and policy goals require greater energy efficiency and lower carbon intensity



## Improving Health Outcomes

- Next-gen medical applications require improved materials across the development value chain



## Personal Safety & Defense

- Protective equipment demand driven by increased law enforcement and global military spending

### Solstice Right-to-Win

**Semiconductor Materials**

**Cooling & Heating**

**Medical Packaging**

**Fibers**

**Thermal Management**

**Sustainable Construction**

**Medical Devices & Fibers**

**Composites**

**Nuclear Energy**

**Lab Sciences**

**Strong Growth Prospects**

**Established Customer Partnerships**

**Significant Innovation Potential**





**12% CAGR**

Advanced node (<7nm)  
demand<sup>1</sup>  
(2025-2030)



**9% CAGR**

HFO demand in  
North America<sup>2</sup>  
(2025-2030)



**>GDP**

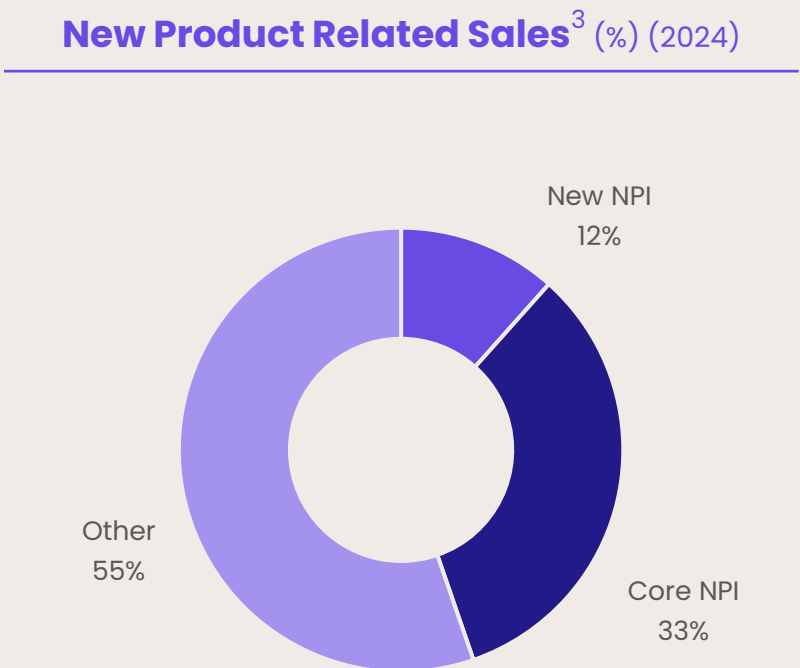
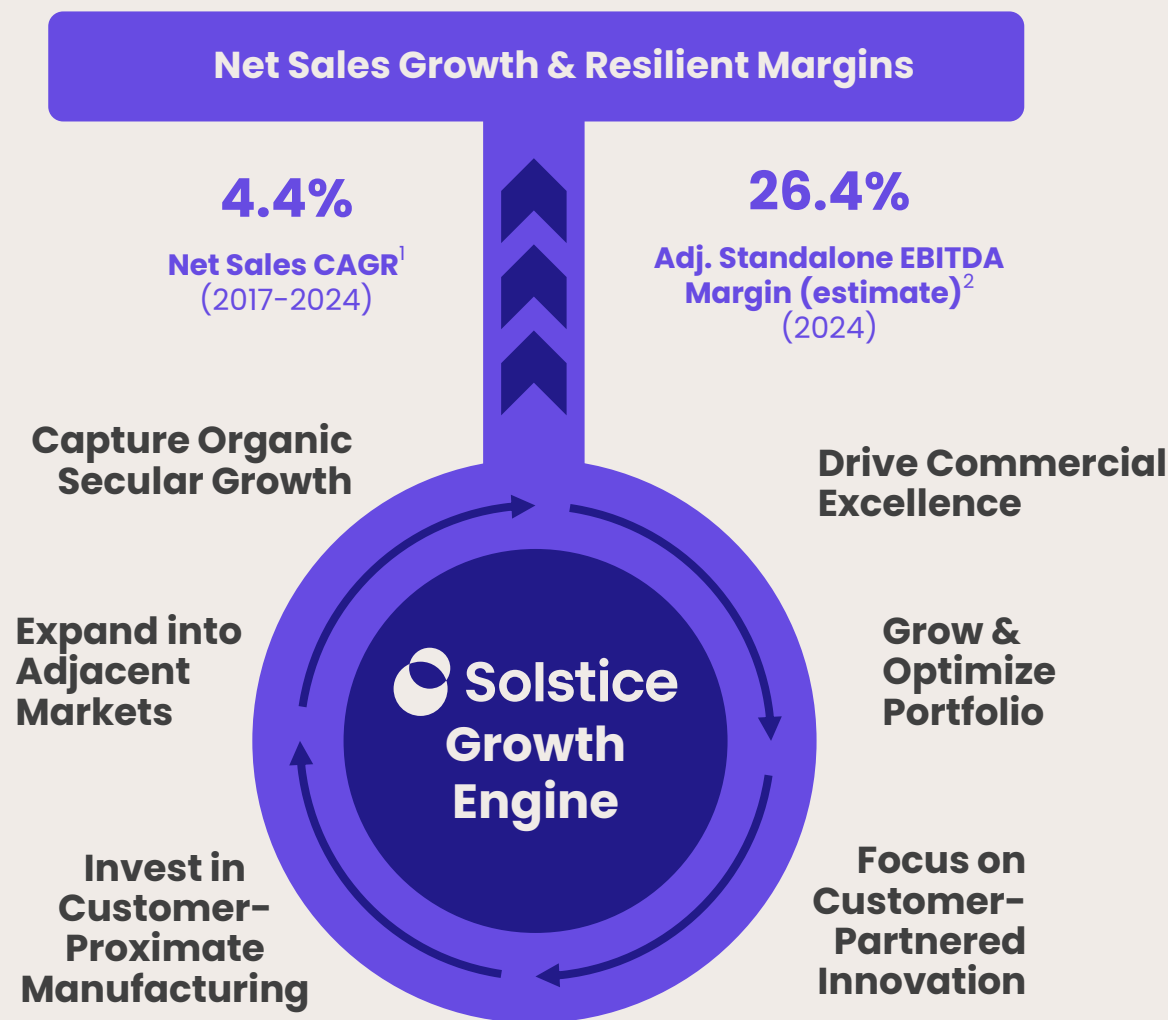
Expected demand for  
LGWP healthcare aerosols<sup>3</sup>



**3X**

Expected growth in global  
nuclear capacity by 2050<sup>4</sup>

# Growing Industry Leadership Positions



**Technology and financial co-development programs drive significant value and efficiency**

<sup>1</sup> Financial information for 2022-2024 based on Form 10 carve-out financial statements. Years prior to 2022 based on internal reporting, does not reflect all carve-out adjustments, and is illustrative only. <sup>2</sup> Non-GAAP financial measure. Historical reconciliations of non-GAAP financial measures provided in the appendix of this presentation. <sup>3</sup> New NPI relates to new products in existing markets and new and existing products in new markets. Core NPI relates to new products in existing markets that add features, improve performance, or reduce costs.

# R&D & Innovation Footprint<sup>1</sup>

5,700+

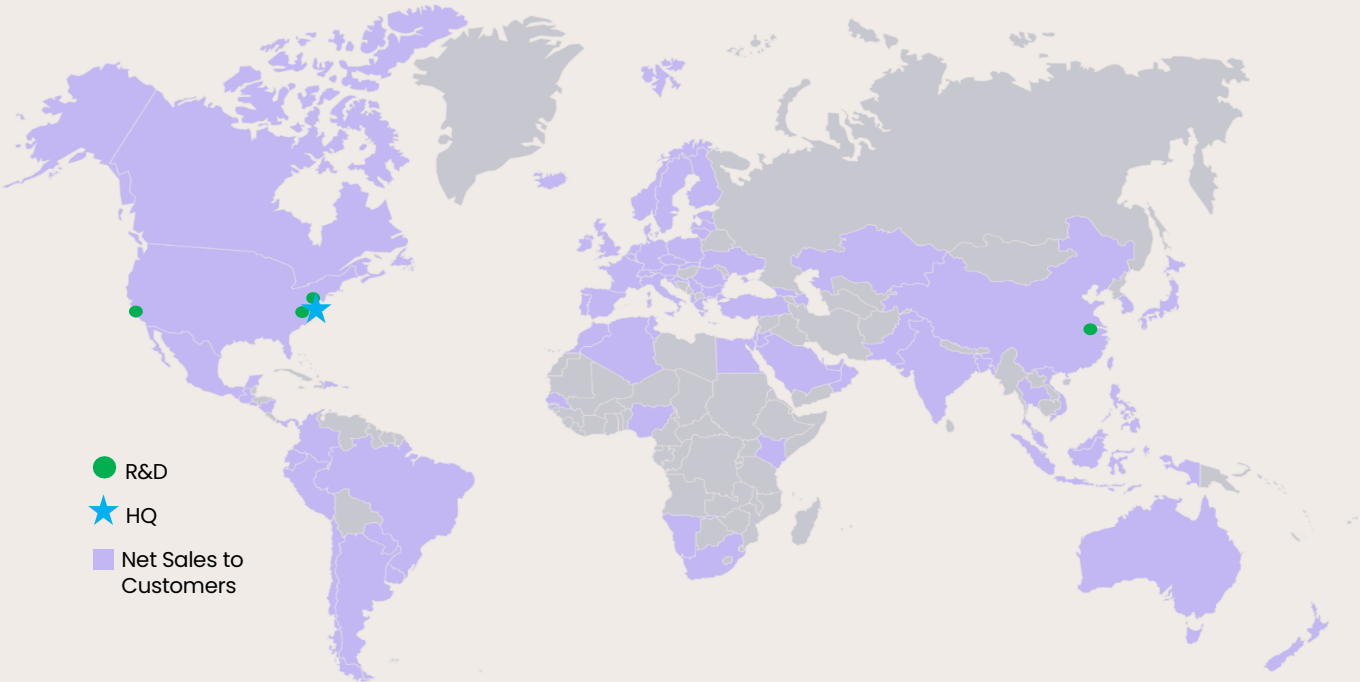
Patents issued and pending<sup>3</sup>

300+

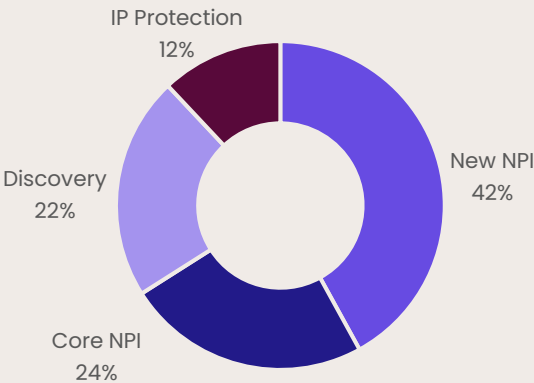
R&D Technologists & Engineers<sup>3</sup>

4

Research & Development Centers



R&D Spend Allocation<sup>2</sup> (%) (2024)



New NPI Focus Areas

- Next-gen **refrigerant** molecules
- Next-gen **electronic materials**
- **Armor technology** for rest-of-world customers
- **Battery chemical materials** and electrification solutions

Innovative and customer-specified technologies underpinned by R&D leadership

<sup>1</sup> All information for 2024 unless otherwise noted. Certain locations on map have multiple co-located or nearby facilities. Excludes countries with de minimis sales. <sup>2</sup> New NPI relates to new products in existing markets and new and existing products in new markets. NPI Core relates to new products in existing markets that add features, improve performance, or reduce costs. <sup>3</sup> As of June 30, 2025.



# Enabling an Independent Strategy to Unleash Growth Potential

**Refined operating model enables an independent strategy to unleash the full growth potential of Solstice**



## **Innovation & Commercialization**

Maximize customer value and drive growth



## **Commercial Excellence & Growth**

Operate best-in-class commercial practices



## **Capital Deployment & Optimization**

Focus on end-to-end project optimization and return on invested capital



## **Supply Chain & Logistics**

Reduce cost to serve and improve service levels



## **Manufacturing Excellence**

Drive productivity and cost optimization across the asset base

# Allocating Capital with Discipline & Clear Priorities

01

**Invest in High-  
Return Organic  
Growth Projects**

02

**Maintain Strong  
Balance Sheet &  
Liquidity Position**

03

**Accelerate  
Growth through  
Selective M&A**

04

**Return Excess  
Capital to  
Shareholders**

**Maintain financial flexibility and strong cash flow generation**

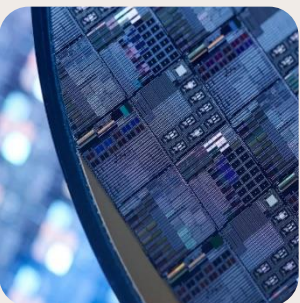
# Recent Growth Investments



## **Solstice® yf** (LGWP refrigerant)

Executing a staged capital deployment to scale 1234yf production capacity (2024)

Increasing production capacity to enable the stationary 454B transition and support global automotive needs



## **High Purity Sputtering Targets for Leading Edge**

\$40 million automation and copper targets expansion at Spokane site (2024)

Increasing production capacity and integrating automation technologies to improve efficiency, product quality, and flexibility



## **Medical-grade Next-generation Propellant**

\$33 million Baton Rouge facility investment (2023)

Facilitating large-scale production to support the commercial launch of LGWP inhaler solution

## **Solstice® zd** (LGWP refrigerant & blowing agent)

Partnership with Navin Fluorine International (2022)

Enhancing global supply capabilities and reducing time-to-market with local knowledge and infrastructure

## **Solstice® ze** (LGWP refrigerant & propellant)

\$41 million Baton Rouge facility expansion (2021)

Doubling production capacity to address growing, regulatory-driven demand

**Strong track record of high-return growth investments in attractive end markets**



# Solstice | An Attractive Investment Proposition

## Attractive End Markets

Underpinned by strong and resilient secular growth trends

## Industry Leadership

Built on solving complex customer challenges through differentiated technology platforms

## Operational Excellence

Driven by disciplined use of a refined operating model

## Disciplined Capital Allocation Strategy

Reflects focus on investing in growth while maintaining a strong and flexible balance sheet

## Experienced Leadership Team

Purposeful blend of Honeywell heritage and proven industry experience

**Drive value creation with a differentiated growth strategy**



# Refrigerants & Applied Solutions

**Jeff Dormo**

Senior Vice President



# Overview of Refrigerants & Applied Solutions

## Financials (2024)

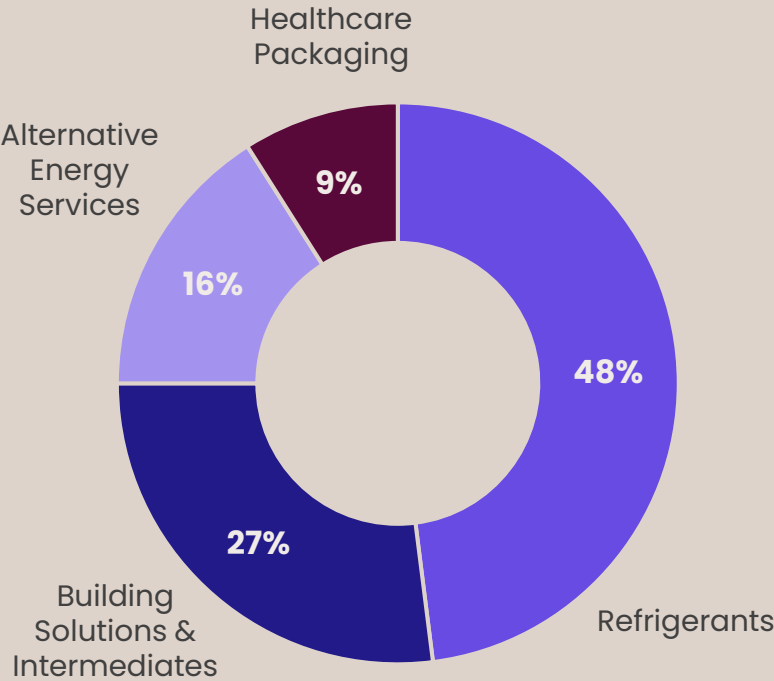
**\$2.7** billion  
Net Sales

**3.5%**  
Net Sales Growth

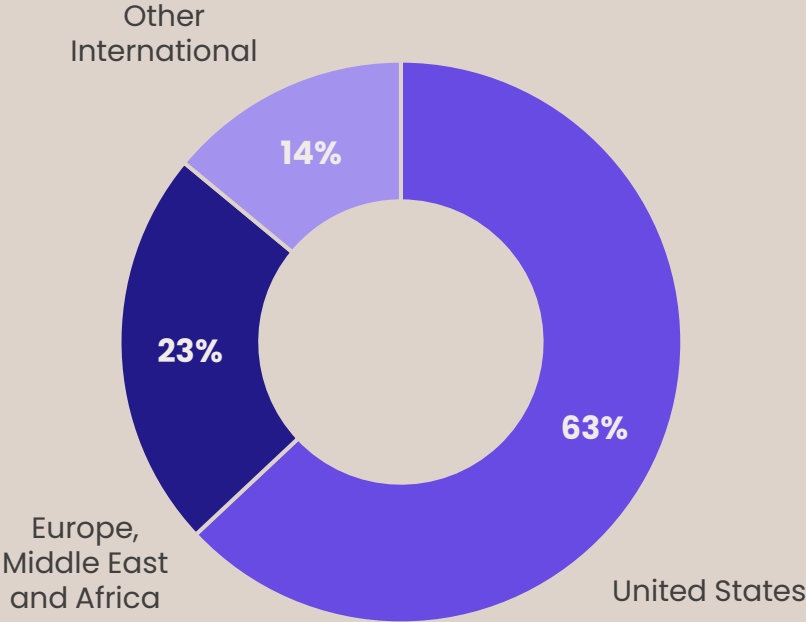
**\$1.1** billion  
Adj. EBITDA

**38.9%**  
Adj. EBITDA Margin

## Net Sales by Business (2024)



## Net Sales by Geography<sup>1</sup> (2024)



<sup>1</sup> Net sales by geography classified according to their country of origin.



# Refrigerants

## Attractive End Markets



Stationary  
HVAC/R



Data  
Centers



Automotive  
HVAC/R

**\$1.3** billion  
Net Sales  
(2024)

## Strong & Resilient Secular Trends

- Data center cooling and heat pump electrification
- Regulatory transition to low global warming potential (LGWP) refrigerants
- Electrification of auto and commercial vehicles
- LGWP transition in emerging auto markets

## Value Creating Differentiators

- Leading intellectual property portfolio
- Established customer relationships
- Strong presence in the U.S. and Europe
- Refrigerants businesses strategically focused on recurring aftermarket sales

## Leading Technology Platforms

**Solstice®**

- Hydrofluoroolefins (HFOs): Solstice® yf, zd, ze
- Solstice® HFO Blends

**Genetron®**

- Hydrofluorocarbons (HFCs): Genetron®

## High-Value Applications

- Data center cooling
- Automotive cooling
- Heat pumps
- Supermarket refrigeration
- Commercial and industrial refrigeration
- Residential cooling
- Food processing

## Growth Anchored in Demand Trends<sup>1</sup>

**9.2%** CAGR

HFO demand in  
North America  
(2025-2030)

**7.8%** CAGR

HFO demand in  
Europe  
(2025-2030)

<sup>1</sup> Source: S&P Global Commodity Insights.

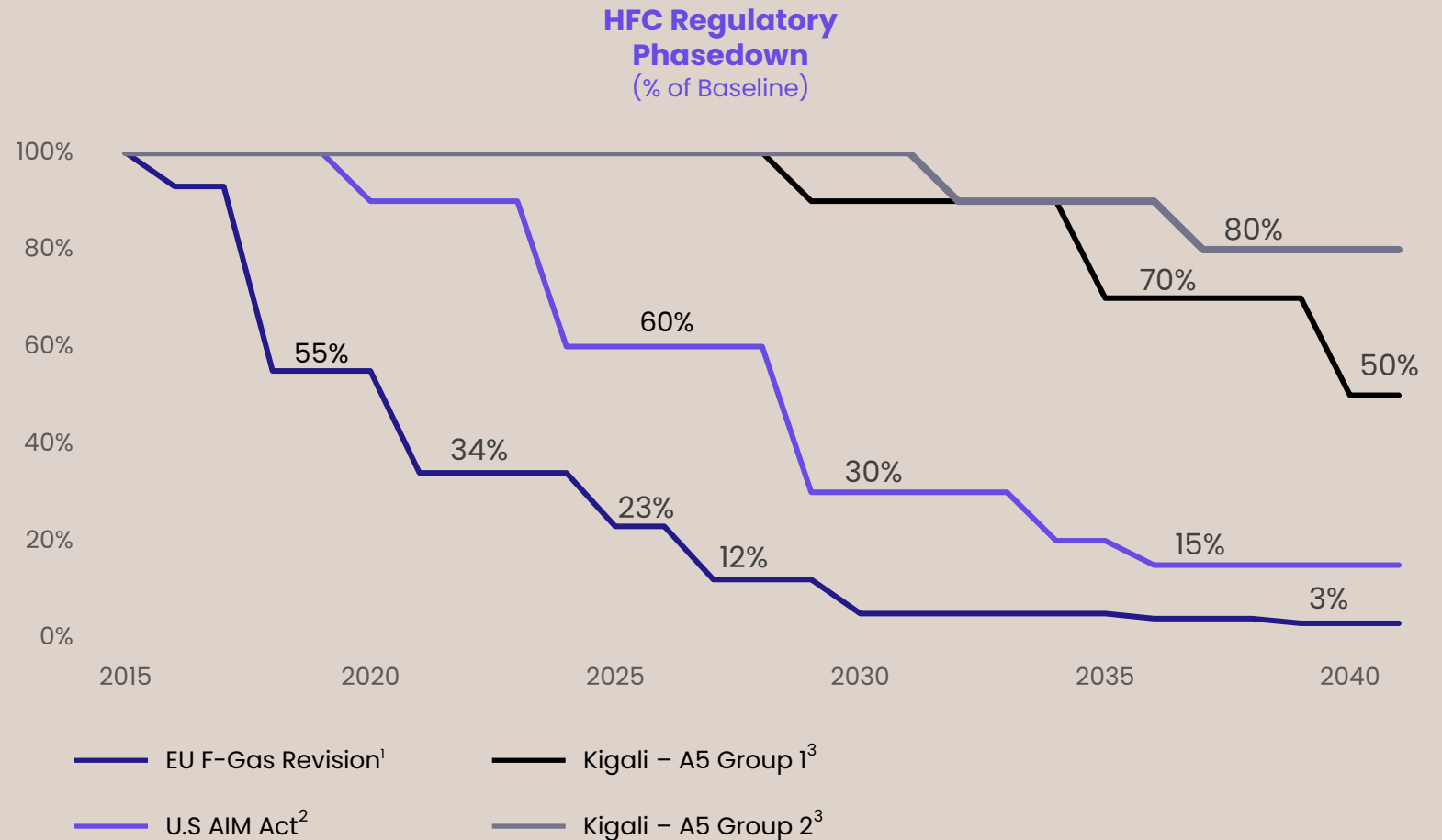




# Regulatory Transition to LGWP Refrigerants

**Regulations** in the U.S. and Europe **are driving a transition** from HFCs to LGWP HFOs

Solstice is **already benefiting** from this transition in automotive refrigerants and building solutions in developed markets



**Cooling market dynamics being fueled by regulatory-driven transition**

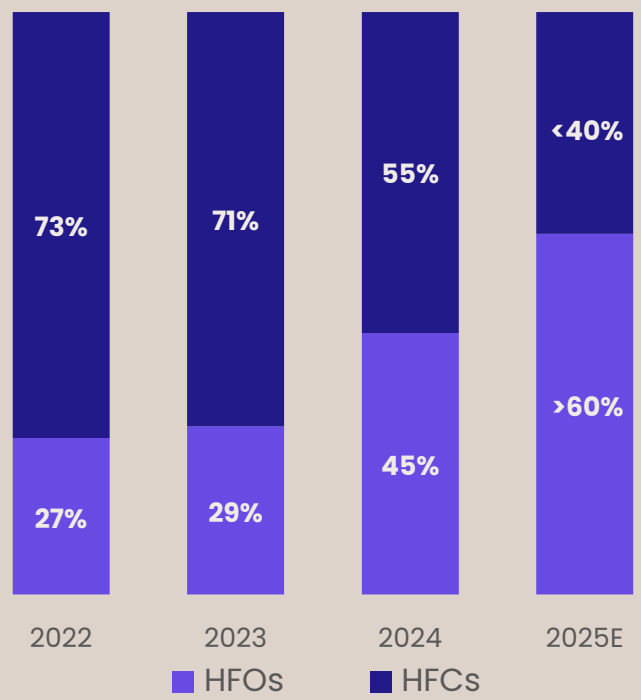
# LGWP Refrigerants Poised for Further Growth

Going forward, Solstice is **well-positioned to benefit from its leadership positions** in LGWP refrigerants, particularly in:

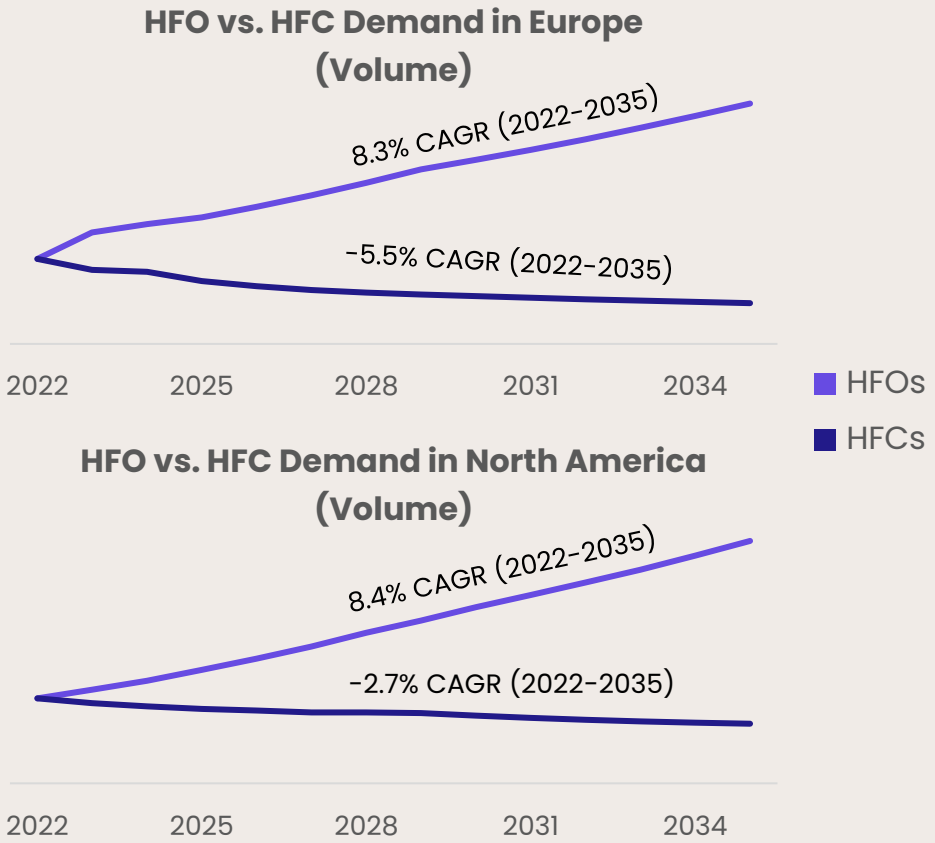
- **Stationary refrigerants** in end markets
- **Automotive refrigerants** in emerging geographies

Beyond 2025, sustained HFO demand underpins **durable long-term growth**

Stationary Refrigerants Portfolio Mix



HFO Growth to Offset HFC Decline<sup>1</sup>



Regulatory-driven transition to fuel continued growth of LGWP refrigerants

<sup>1</sup> Source: S&P Global Commodity Insights.

# Building Solutions & Intermediates

## Attractive End Markets



High-performance  
Insulation



Consumer &  
Industrial Aerosols

**\$738** million

**Net Sales**  
(2024)

## Leading Technology Platforms

**Solstice®**

- Solstice Liquid Blowing Agent and Gas Blowing Agent
- Solstice PF Cleaning Solvents and PF-C Flushing Agents
- Solstice Propellants
- Hydrogen Fluoride (HF)

## Strong & Resilient Secular Trends

- Strong focus on green building initiatives reducing carbon intensity via improved insulation
- Global sustainability initiatives driving LGWP solutions
- Expected growth for blowing agents consistent with GDP growth

## Value Creating Differentiators

- Technology leader with a strong global footprint and commercial reach
- Superior insulation from blowing agents results in lower energy usage
- Leading technical service support providing differentiated solutions for customers
- Customer intimacy with global key accounts driving insights into unmet needs

## High-Value Applications

- Residential insulation
- Commercial insulation
- Consumer & industrial aerosols
- Appliance insulation
- Vapor degreasing
- Precision cleaning



# Healthcare Packaging

## Attractive End Markets



Medical



Pharmaceutical

**\$235** million  
**Net Sales**  
(2024)

## Strong & Resilient Secular Trends

- Leveraging expertise to meet growing need for LGWP inhaler solutions
- Rising demand for clear, ultra-high moisture barrier pharma packaging
- Pharmaceutical end market is steady and defensive
- Expected demand for high-barrier, high-clarity packaging materials to outpace GDP growth<sup>1</sup>
- Expected demand for LGWP healthcare aerosols to outpace GDP growth<sup>1</sup>

## Value Creating Differentiators

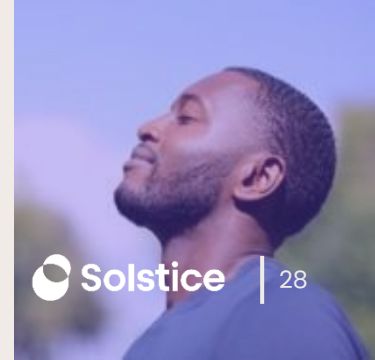
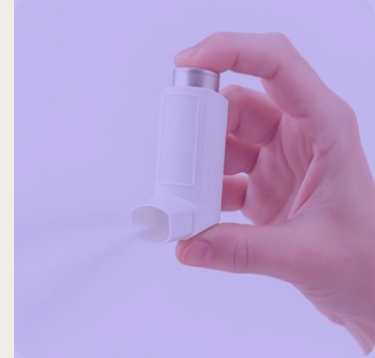
- Protective films achieve highest moisture barrier of any clear thermoplastic film while lowering packaging costs for customers
- Packaging materials have been used for well-known over-the-counter and prescription medications for over 50 years
- Global leader in lower GWP medical aerosols, leveraging fluorinated chemistries expertise

## Leading Technology Platforms

- Solstice®** • Medical-grade next-generation propellant
- Aclar®** • Aclar® and Aclar® Accel high-barrier packaging materials

## High-Value Applications

- Metered dose inhalers
- Inhalation therapy
- Blister packaging
- Thermoformed healthcare packaging





# Customer Case Study | LGWP Inhaler Solution



AstraZeneca's portfolio of medicines delivered by pMDIs will transition to **Solstice's medical-grade next-generation propellant**

**Solstice developed** the LGWP inhaler solution in **collaboration with AstraZeneca**

The solution will reduce greenhouse gas **emissions by 99.9%** compared to the propellant it replaces, addressing regulatory transition



**Customer-partnered innovation to solve a complex challenge in the attractive healthcare propellant market**

# Spotlight on Growth Investment | Medical Propellant

**\$33** million  
in Capex with  
Compelling ROI

## Baton Rouge investment to build cGMP 1234ze(E) large-scale manufacturing to commercialize Solstice's medical-grade next-generation propellant

- Facility to produce near-zero global warming potential medical propellant for use in respiratory inhalers, accelerating climate-conscious healthcare innovation and deepening collaboration with pharma leaders

Empowers pharmaceutical companies to **meet sustainability and regulatory goals** – without compromising patient care

\$33 million investment to capture a **\$500 million total addressable market**<sup>1</sup>



**Essential healthcare applications drive climate-forward innovation and align with secular growth trends**

# Alternative Energy Services

**\$446** million  
**Net Sales**  
(2024)

**~\$2** billion  
**Order Backlog**  
(as of June 30, 2025)

## AES Overview

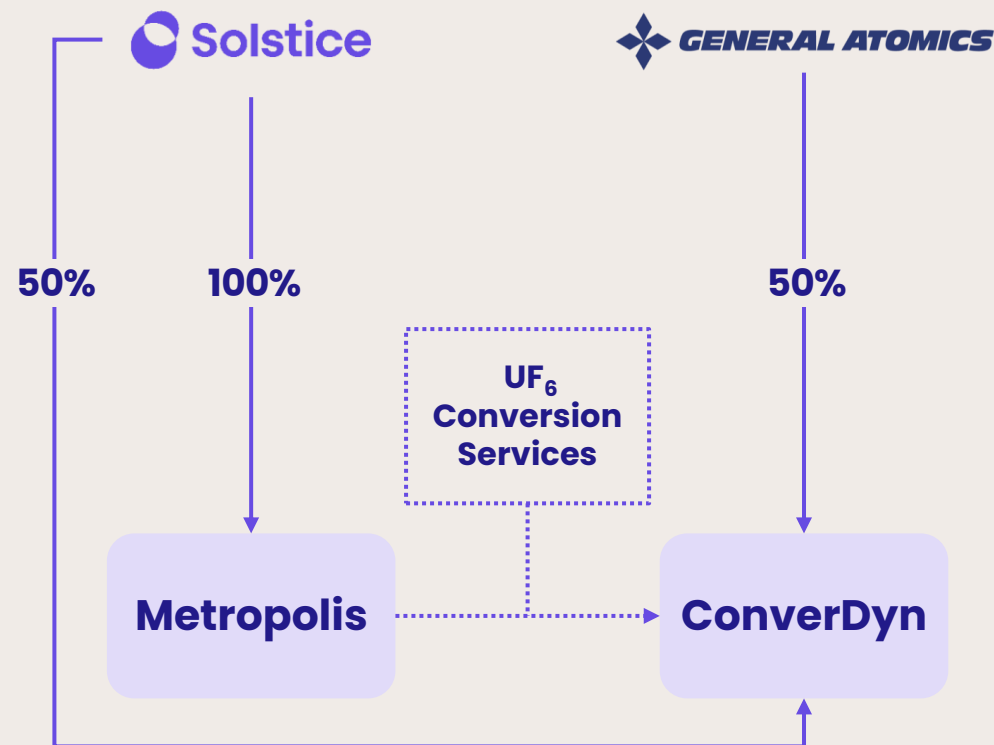
AES represents Solstice's 100% equity ownership in the Metropolis Works uranium hexafluoride (UF<sub>6</sub>) conversion facility and Solstice's 50% equity interest in ConverDyn<sup>1</sup>, a joint venture partnership with General Atomics formed in 1992.

- ConverDyn purchases and markets 100% of the UF<sub>6</sub> conversion services from Metropolis Works
- ConverDyn is compliant with all U.S. export laws and sanctions

## Differentiators

- Sole domestic (U.S.) provider of UF<sub>6</sub> conversion services
- 70+ year operating history
- Operates under a U.S. Nuclear Regulatory Commission (NRC) license, which is valid until 2060
- Strong demand with favorable long-term industry dynamics
- Low price volatility due to multi-year sales agreements

## ConverDyn Ownership Structure

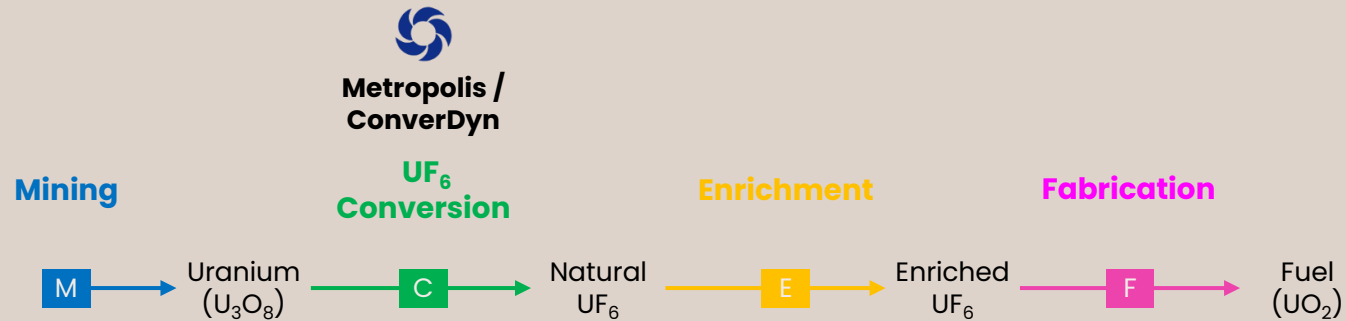


<sup>1</sup> Solstice is the primary beneficiary and consolidates the joint venture.

# Overview of the Nuclear Fuel Cycle & Industry Landscape

## Nuclear Fuel Cycle

ConverDyn provides nuclear power plants and utilities with  $U_3O_8$  and  $UF_6$  conversion services produced by Solstice's Metropolis Works  $UF_6$  conversion facility



- Increased demand for critical products and conversion services used in nuclear power generation is driven by domestic localization and heightened energy security requirements
- Benefits from U.S. domestic policy, including Executive Order 14302, §3, ordering “a plan to expand domestic uranium conversion capacity”

## Recent Developments

WSJ

The Audacious Reboot of America's Nuclear Energy Program

**\$10** trillion

Potential Market Opportunity for Nuclear Energy<sup>1</sup>

REUTERS

Big Tech contracts inject life into new nuclear

**3X**

Expected Growth in Global Nuclear Capacity by 2050<sup>1</sup>

Bloomberg

US Looks to Boost Strategic Uranium Reserve for Nuclear Power

WSJ

'It's Time for Nuclear' to Meet Growing U.S. Power Needs, Trump Declares

**\$4** trillion

Expected Investment in Nuclear Infrastructure in Next 25 Years<sup>1</sup>

<sup>1</sup> Source: Bank of America report.





# Electronic & Specialty Materials

**Simon Mawson**

Senior Vice President



# Overview of Electronic & Specialty Materials

## Financials (2024)

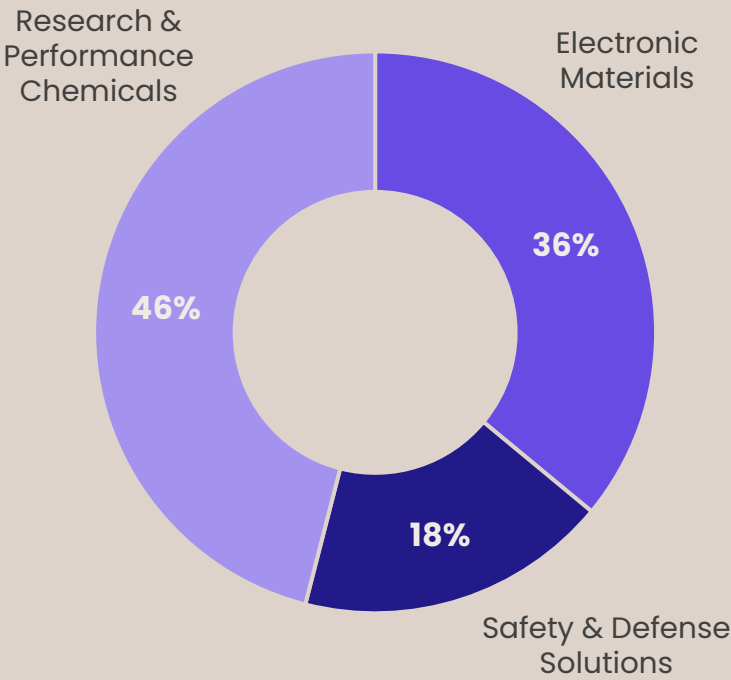
**\$1.0** billion  
Net Sales

**2.8%**  
Net Sales Growth

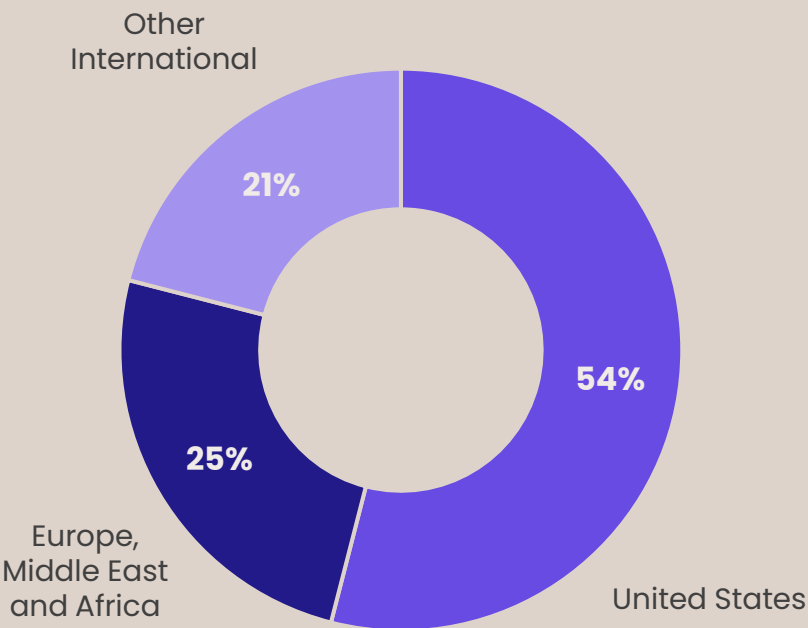
**\$201** million  
Adj. EBITDA

**19.2%**  
Adj. EBITDA Margin

## Net Sales by Business (2024)



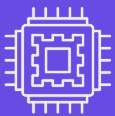
## Net Sales by Geography<sup>1</sup> (2024)



<sup>1</sup> Net sales by geography classified according to their country of origin.

# Electronic Materials

## Attractive End Markets



Semiconductors



Data Centers

**\$381** million  
**Net Sales**  
(2024)

## Strong & Resilient Secular Trends

- Demand for smaller, more powerful, and energy-efficient electronic devices
- Widespread adoption of electric vehicles (EVs), advanced driver assistance systems, and vehicle automation and connectivity
- Geopolitics and onshoring U.S. chip production

## Value Creating Differentiators

- 50+ years of being a key supplier to the industry
- Serve leading-edge fabricators in the semiconductor industry due to quality and reliability
- Co-development with semiconductor manufacturers, Tier 1 suppliers, and original equipment manufacturers

## Leading Technology Platforms

- Sputtering targets
- Electronic polymers
- High-purity etchants and wash solvents
- Heat spreaders and thermal interface materials

## High-Value Applications

- Advanced semiconductor manufacturing
- Advanced packaging
- Advanced displays
- Cooling of central processing units, graphics processing units, and EV battery inverters

## Growth Anchored in Demand Trends<sup>1</sup>

Nodes	CAGR (2025-2030)
Advanced Nodes (<7nm)	12%
Legacy Nodes (>7nm)	4%

<sup>1</sup> Source: SEMI World Fab Forecast.



# Spotlight on the Electronic Materials Value Chain





# Strong End Market Demand for Electronic Materials



## Wave of AI Investment

**\$630+ billion** in U.S. semiconductor supply chain investments announced since 2020<sup>1</sup>



## U.S. Reshoring

U.S. investment and industrial policy supporting domestic **leadership in advanced semiconductor manufacturing**



## New Applications

**AI race accelerating demand** as new applications move into high volume manufacturing



## Robust Demand Outlook

Demand for advanced nodes (<7nm) set to **grow at 12% CAGR<sup>2</sup>** over next five years

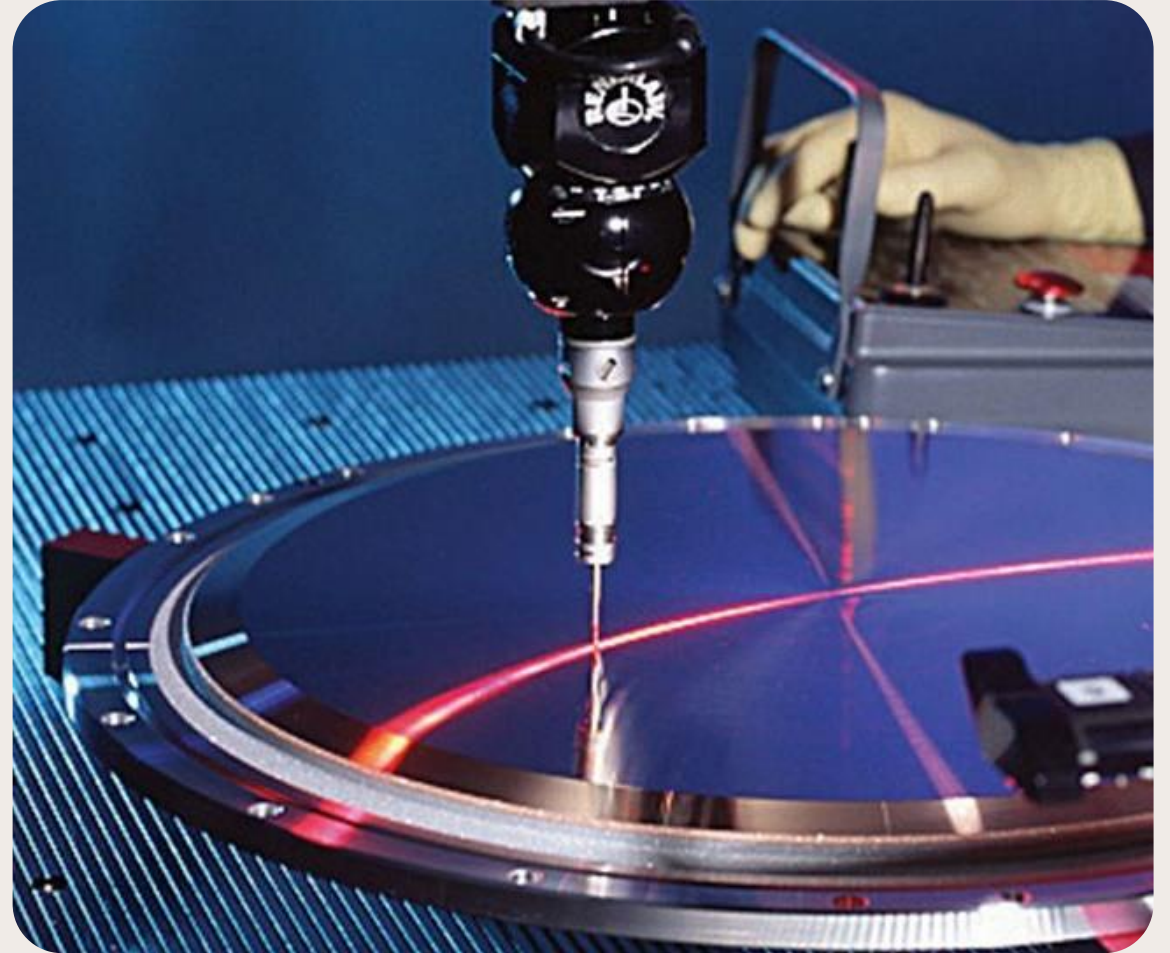
**Favorable market dynamics driving long-term demand**

# Customer Case Study | Sputtering Targets



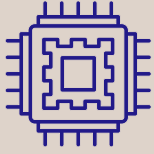
**Solstice is working with a leading semiconductor foundry company to develop next-generation sputtering targets** for leading edge nodes, investigating new metals to enhance the power and performance of future technology nodes

Solstice is engaged with semiconductor partners to **support this and other path-finding R&D initiatives**



**Customer-partnered innovation to solve a complex challenge in the attractive semiconductor market**

# Spotlight on Growth Investment | Semiconductors



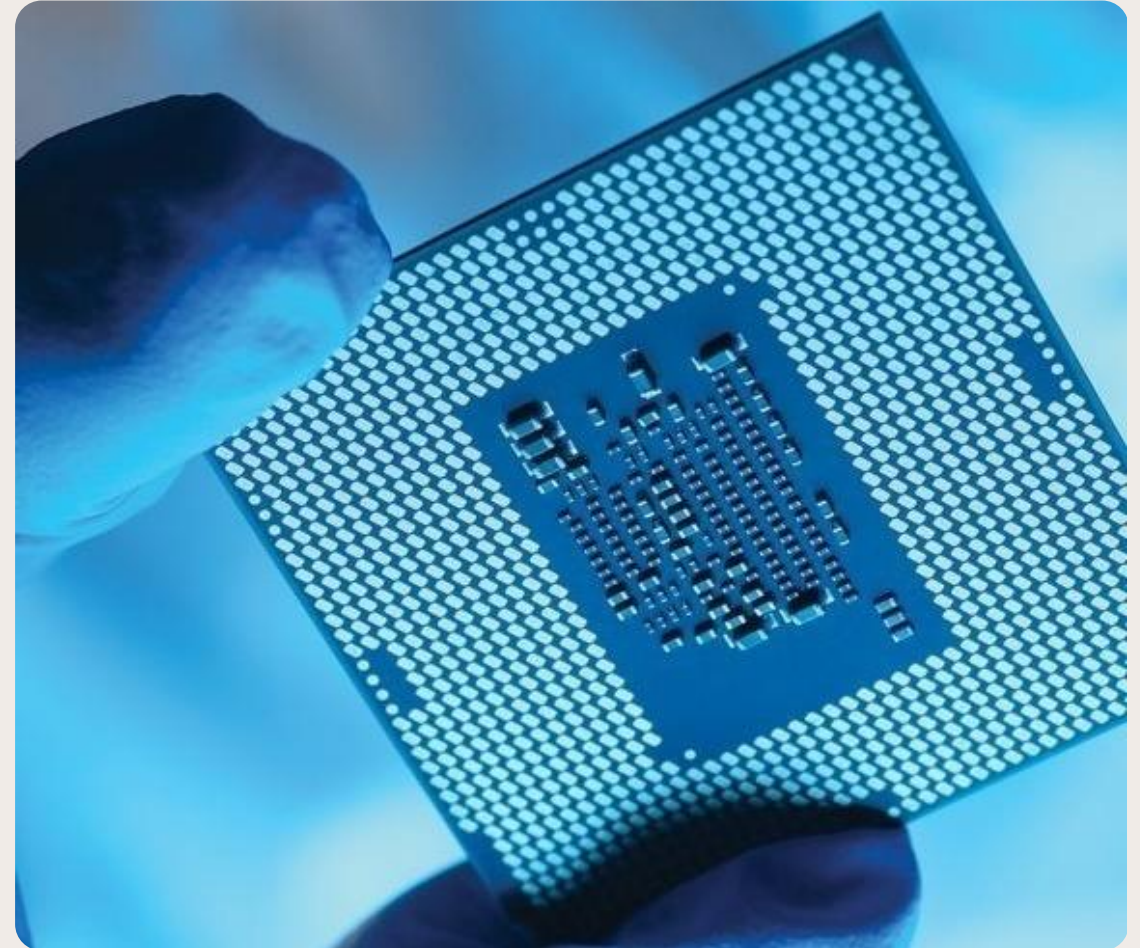
**\$200** million

in Capex with  
Compelling IRR

## Spokane investment to enhance site capacity with increased automation

- New production lines to meet increased demand
- Increased automation to drive greater efficiency, reduce risks of unplanned downtime, and streamline production process

Supported by **significant demand growth** expected for leading edge chips (<3nm), leading HBM chips, and advanced packaging



**Customer-proximate manufacturing and innovative investments enable growing industry leadership positions**



# Safety & Defense Solutions

## Attractive End Markets



Defense



Medical

**\$186** million  
Net Sales  
(2024)

## Strong & Resilient Secular Trends

- U.S. military demand for continued advancements in state-of-the-art armor solutions
- Demand for lower cost alternatives outside of U.S.
- Geopolitical tension driving record defense spending

## Value Creating Differentiators

- Leading position in military, law enforcement, and safety armor due to lighter weight and best-in-class performance
- Benefits from Berry Amendment as a domestic producer
- Technology leader in this industry
- Deep government relationships and prime supplier co-development

## Leading Technology Platforms



- Spectra Shield® ballistic materials, primarily sold through Spectra® fiber brand

## High-Value Applications

- Personal protective gear
- Vehicular armor
- Medical fibers

## Growth Anchored in Demand Trends

**4.7% CAGR<sup>1</sup>**

Global military  
expenditure  
(2025-2030)

**5.1% CAGR<sup>2</sup>**

Global UHMWP<sup>3</sup> fiber  
demand in medical  
applications  
(2025-2030)

<sup>1</sup> Source: United Nations. <sup>2</sup> Source: S&P Global Commodity Insights. <sup>3</sup> UHMWP stands for ultra-high molecular weight polyethylene.





# Customer Case Studies | Spectra®



**Safariland**, a leading U.S. law enforcement armor manufacturer, **has been Spectra's strategic partner for over 20 years**

**Spectra Shield® and Gold Shield®** products are utilized across entire Safariland portfolio

**55 officers saved in 2025 YTD and 2,253 officers saved in total**

The most recent supply agreement extends through 2028



## Foreign Military & Law Enforcement Programs

Over the past 2 years, Spectra material has been used as a **key component in >100 military and law enforcement ballistic protection programs** across the European and Asian markets

**EU Military**



**>250K**

Helmets outfitted with Spectra Shield®

**Asia Military**

**>500K**

Plates, helmets, & vests outfitted with Spectra Shield®

**Customer-partnered innovation to solve complex challenges in the critical defense market**

# Research & Performance Chemicals

## Attractive End Markets



Chemical



Pharmaceutical



Construction

**\$482** million  
**Net Sales**  
(2024)

## Strong & Resilient Secular Trends

- Increasing therapeutic applications in genetic diseases, cancer, and personalized medicine, alongside advancements in synthesis technology and growing R&D investments
- Customer demand for more sustainable solutions
- Growth in battery electric vehicles

## Value Creating Differentiators

- Consistent highest quality, with specialized packaging and technical support
- Hydranal™ is the leading world-wide brand in Karl Fischer titration
- Breadth of portfolio with flexible manufacturing capabilities
- End market/application domain expertise

## Leading Technology Platforms

**Fluka™**



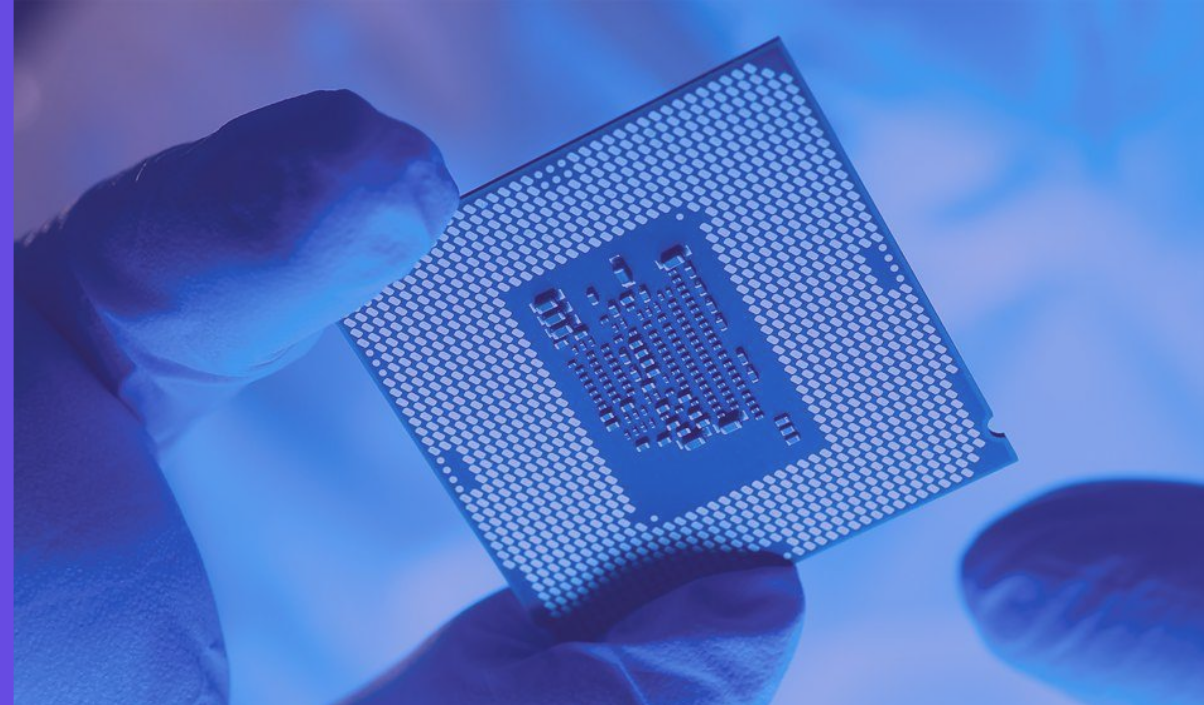
- Hydranal™ reagents
- High-purity solvents through the Fluka, Burdick & Jackson, Biosyn and Chromasolv brands
- Fluorine-based salts, inorganic salts and phosphors, fluorescent organic materials
- Low molecular weight polyethylene-based copolymers and emulsions

## High-Value Applications

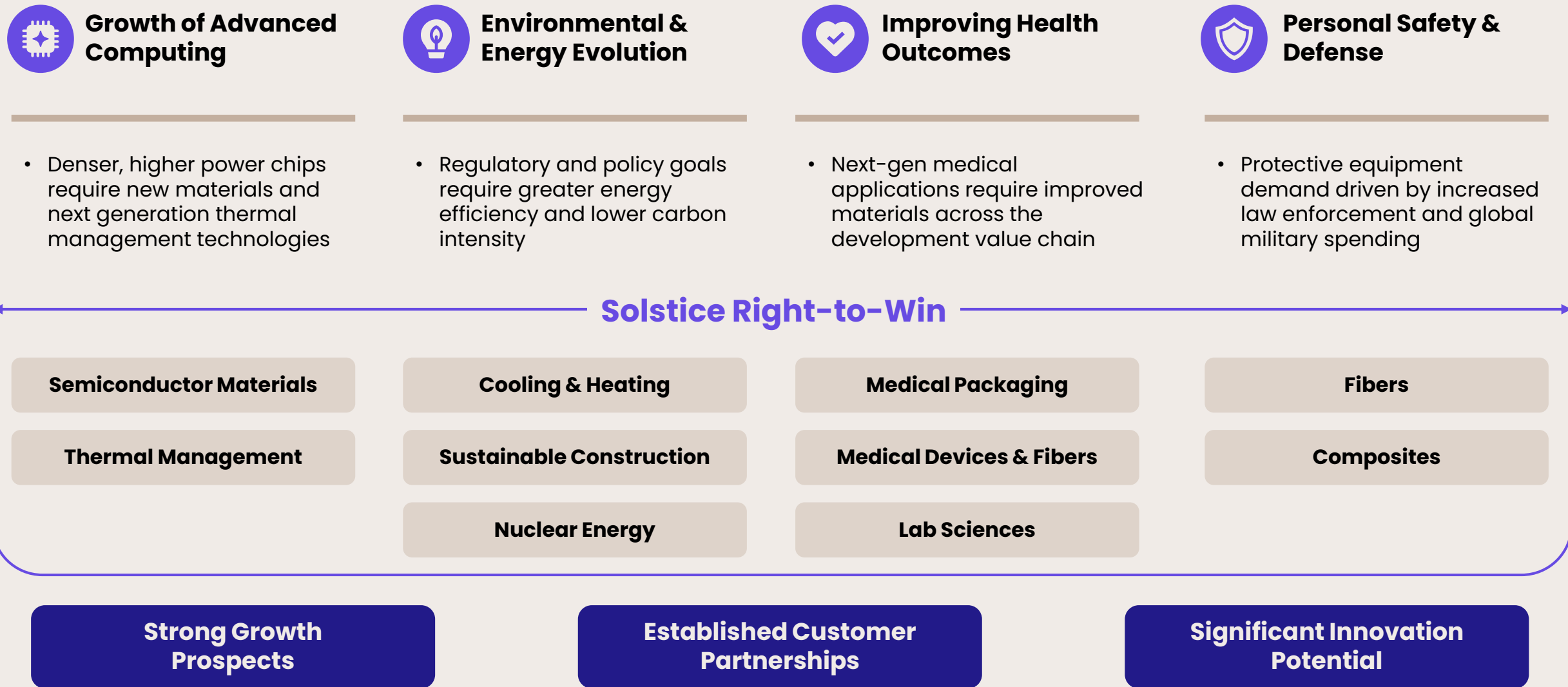
- DNA and RNA assays
- Karl Fischer titration
- Chromatographic and spectroscopic applications
- Metal surface treatment
- Brazing
- Authentication technologies
- Oral care



# Business Synergies & Growth Strategy

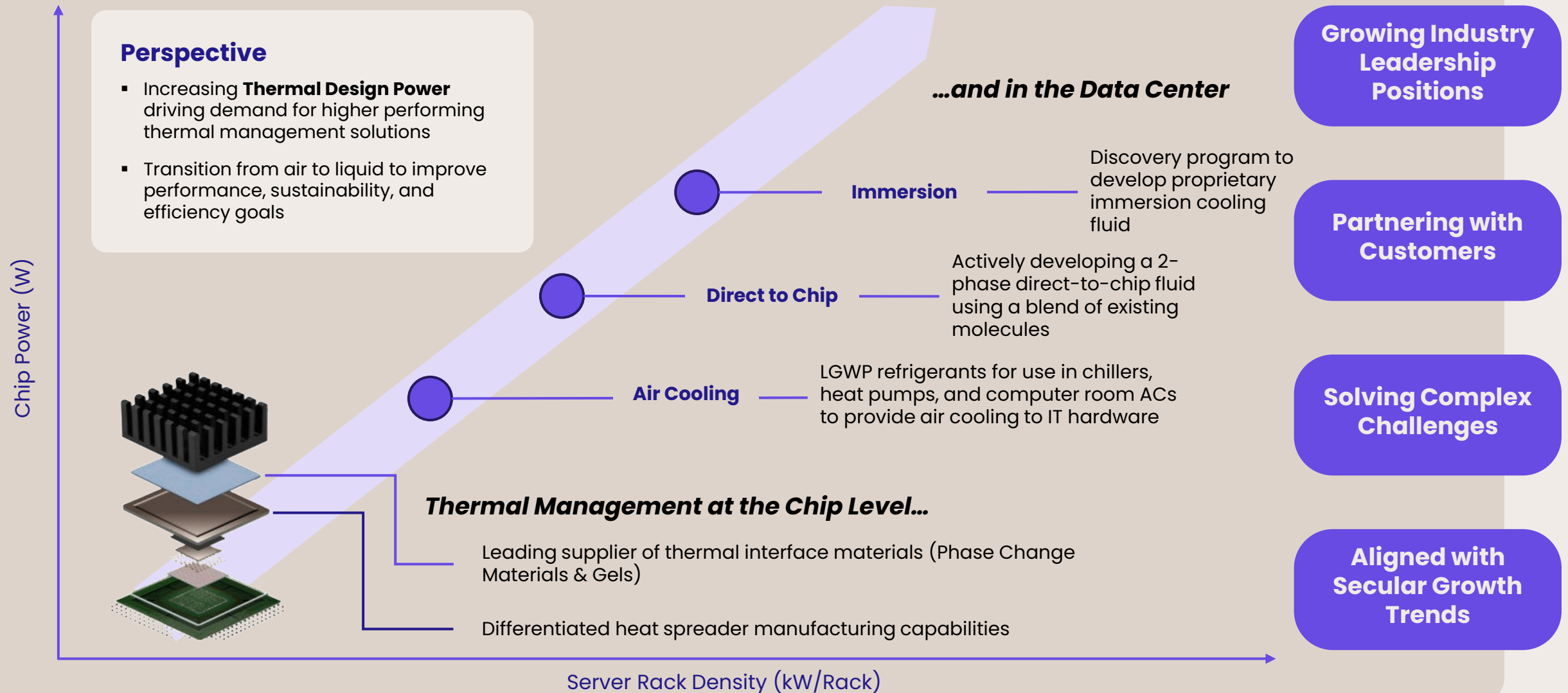


# Serving Attractive End Markets with Strong Secular Trends





# Spotlight on Business Synergies | Thermal Management



# Spotlight on Growth Strategy



## Capture Organic & Adjacent Market Opportunities

- Targeted growth in margin accretive areas
- Value-added product portfolio expansion
- Focus on attractive end markets with strong secular trends

## Invest in Customer-Proximate Manufacturing

- Maintain and upgrade world-class production capabilities
- Leverage partnerships for new large-scale production facilities
- Drive local product adoption and customer proximity
- Strict focus on high IRR projects

## Grow & Optimize Portfolio

- Broaden portfolio
- Access differentiated technologies
- Expand exposure in high-growth markets

# Enabling an Independent Strategy to Unleash Growth Potential

**Refined operating model enables an independent strategy to unleash the full growth potential of Solstice**



## **Innovation & Commercialization**

Maximize customer value and drive growth



## **Commercial Excellence & Growth**

Operate best-in-class commercial practices



## **Capital Deployment & Optimization**

Focus on end-to-end project optimization and return on invested capital



## **Supply Chain & Logistics**

Reduce cost to serve and improve service levels



## **Manufacturing Excellence**

Drive productivity and cost optimization across the asset base



# Financial Summary

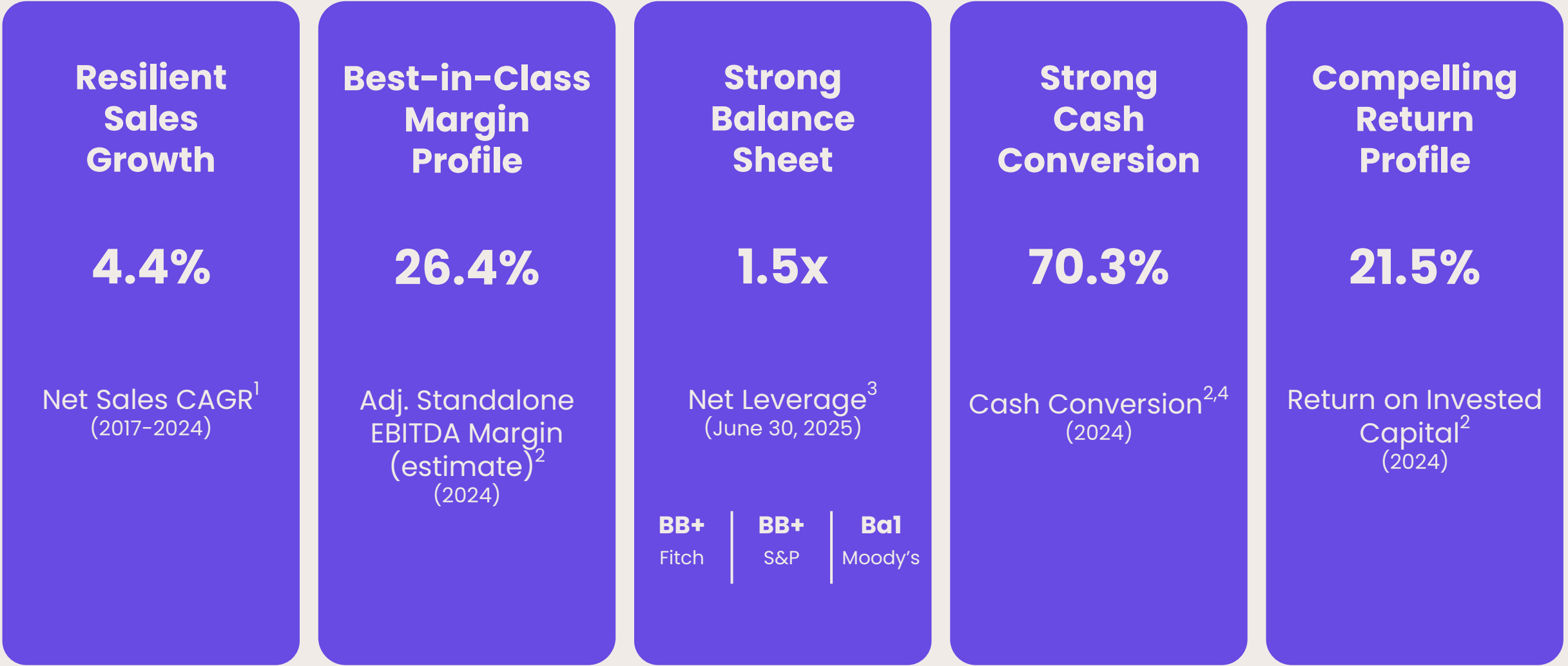
**Tina Pierce**

Chief Financial Officer






# Compelling Financial Profile



<sup>1</sup> Financial information for 2022-2024 based on Form 10 carve-out financial statements. Years prior to 2022 based on internal reporting, does not reflect all carve-out adjustments, and is illustrative only. <sup>2</sup> Non-GAAP financial measure. Historical reconciliations of non-GAAP financial measures provided in the appendix of this presentation. <sup>3</sup> Net leverage ratio based on June 30, 2025, Net Debt expected from the transaction and Adjusted Standalone EBITDA (estimate). Refer to appendix for historical reconciliations of relevant non-GAAP financial metrics to the most directly comparable GAAP measure. <sup>4</sup> Cash conversion defined as (Adj. Standalone EBITDA (estimate) – Capex)/Adj. Standalone EBITDA (estimate).

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# Resilient Sales Growth

**~90%**

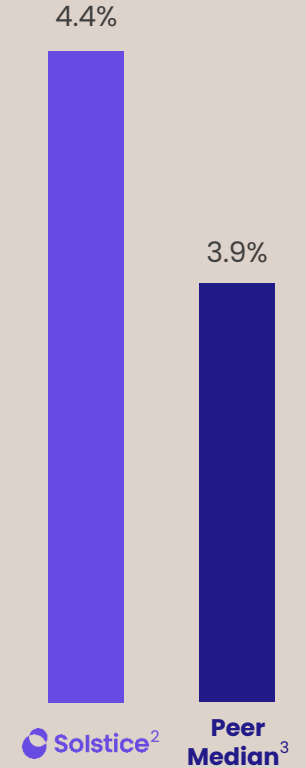
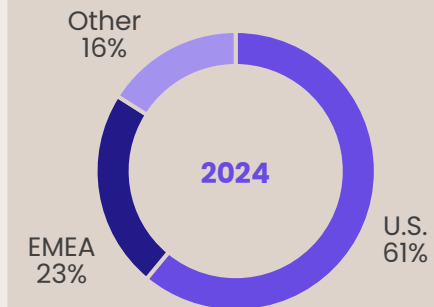
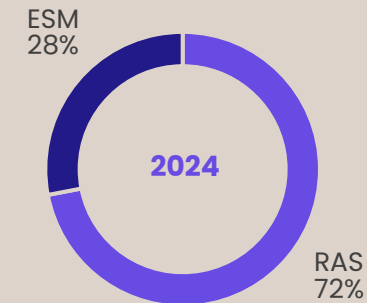
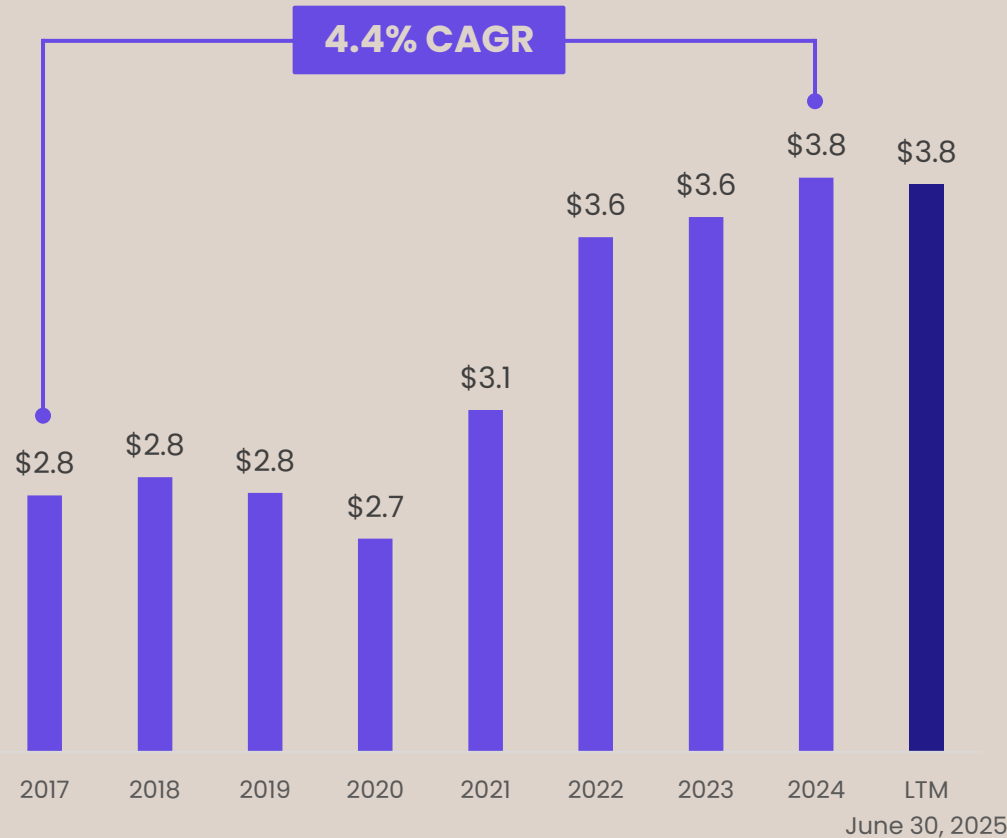
U.S. Sales  
Manufactured in  
U.S.

~60%

Sales  
Manufactured in  
Same Region

~65%

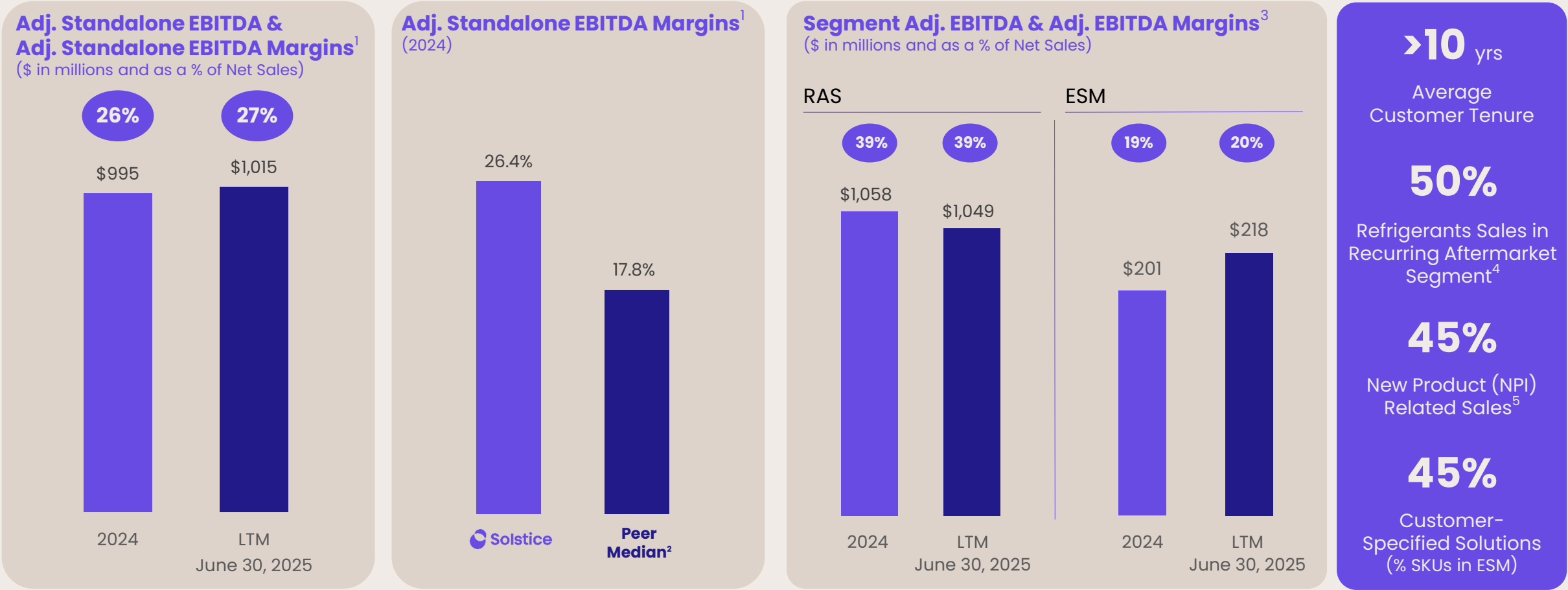
of Supplier Spend in  
the U.S. from U.S.  
Suppliers



## Above-market growth fueled by unique technology platforms and attractive end markets


<sup>1</sup> Net sales by geography classified according to their country of origin. <sup>2</sup> Financial information for 2022-2024 based on Form 10 carve-out financial statements. Years prior to 2022 based on internal reporting, does not reflect all carve-out adjustments, and is illustrative only. <sup>3</sup> Reflects median 2017-2024 Net Sales CAGRs of Avient, Chemours, Eastman, Element, Entegris, Materion, and RPM calculated with data provided by FactSet.

# Strong Adj. EBITDA Performance



Best-in-class margin profile driven by innovation leadership and product portfolio

<sup>1</sup> Shows Adjusted Standalone EBITDA (estimate) and Adjusted Standalone EBITDA Margin (estimate), which are non-GAAP measures. Refer to appendix for historical reconciliations of relevant non-GAAP financial metrics to the most directly comparable GAAP measure. <sup>2</sup> Reflects median 2024 Adj. EBITDA Margins of Avient, Chemours, DuPont, Eastman, Element, Entegris, Materion, and RPM calculated with data provided by FactSet. <sup>3</sup> Excludes standalone adjustments and corporate costs. <sup>4</sup> Average of trailing three years of refrigerants aftermarket sales. <sup>5</sup> NPI relates to new products in existing markets, new and existing products in new markets, and new products in existing markets that add features, improve performance, or reduce costs.

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# Near-Term Transition; Long-Term Margin Expansion Opportunity

## Near-Term Transition

- Standalone costs, including 12-month transition services agreement (TSAs)
- Opportunistic Alternative Energy Services transactions in 1H 2024
- Other transitory cost items

## Long-Term Margin Expansion Opportunity

- Standalone costs optimization; TSAs roll off
- Operating model execution, innovation
- Manufacturing automation & high-return debottlenecks

**Resilient ~25% Adj. EBITDA margins<sup>1</sup> expected in 2025E with pathway to expand**



# Strong Balance Sheet

**1.5X**  
Net Leverage Ratio<sup>2,3</sup>

**BB+**  
Fitch

**BB+**  
S&P

**Ba1**  
Moody's

**\$1** billion

Term Loan B  
(SOFR + 175 bps)  
(estimate)

**\$1** billion

5.625% Senior Notes due  
2033

**\$1** billion

Revolving Credit Facility

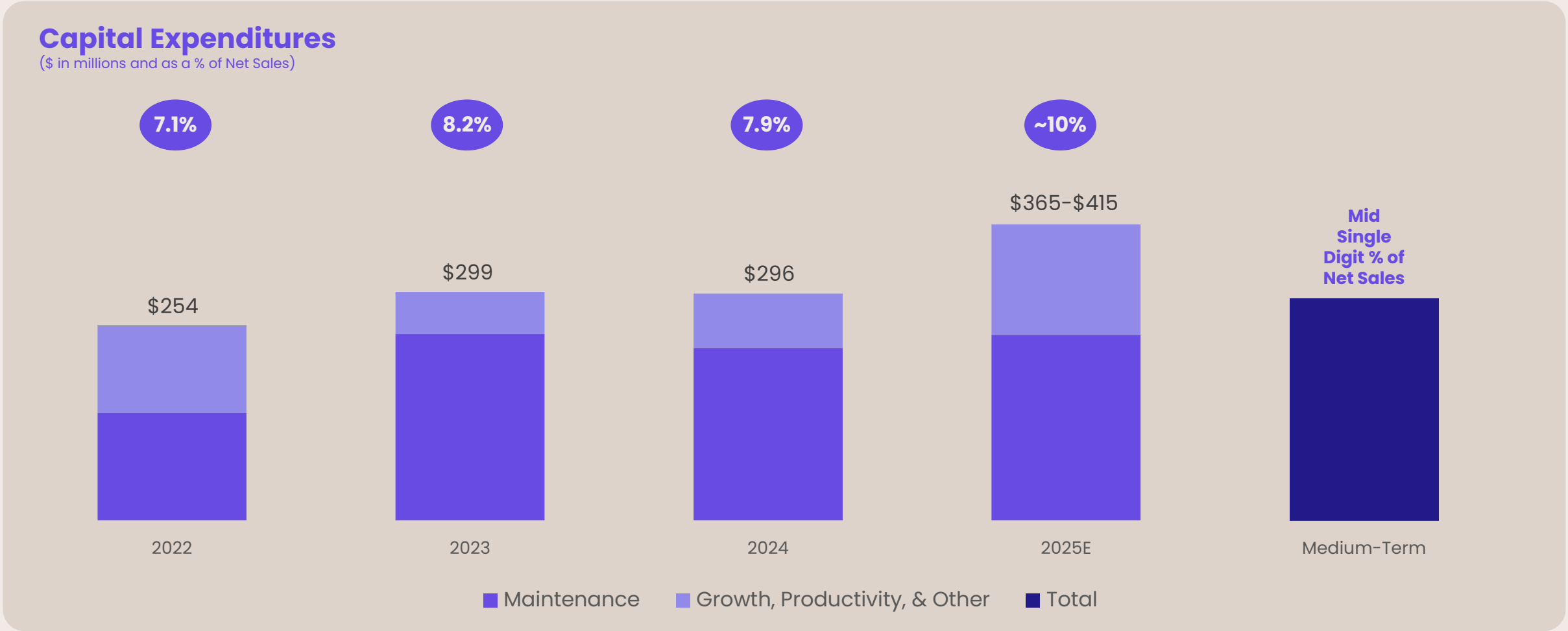
**\$1.5** billion<sup>1</sup>  
Cash Distribution

**\$450** million<sup>1</sup>  
Cash<sup>4</sup> on the  
Balance Sheet

**Strong liquidity position and financial flexibility**

<sup>1</sup> Estimate; subject to change. <sup>2</sup> Non-GAAP financial measure. Historical reconciliations of non-GAAP financial measures provided in the appendix of this presentation. <sup>3</sup> Net leverage ratio based on pro forma capitalization and LTM June 30, 2025, Adj. Standalone EBITDA (estimate). <sup>4</sup> \$400mm cash to balance sheet (from uses) and \$50mm of foreign cash. The actual total cash at spin close remains subject to change.

# Clear Capital Expenditures Roadmap Supporting Growth



**Higher near-term capital intensity to drive medium-term growth**

# Cash Conversion Reflects Growth Investment Profile



**Cash conversion reflects investment in compelling growth opportunities**

<sup>1</sup> Financial information for 2024 is based on Form 10 carve-out financial statements. <sup>2</sup> Non-GAAP financial measure. Historical reconciliations of non-GAAP financial measures provided in the appendix of this presentation. <sup>3</sup> Cash conversion defined as (Adj. Standalone EBITDA (estimate) - Capex)/Adj. Standalone EBITDA (estimate).

# Allocating Capital with Discipline & Clear Priorities

01

**Invest in High-Return Organic Growth Projects**

Manufacturing expansion, innovation funding, and productivity enhancements

02

**Maintain Strong Balance Sheet & Liquidity Position**

Conservative leverage consistent with strong credit rating profile

03

**Accelerate Growth through Selective M&A**

Focused on bolt-on opportunities within high-growth markets

04

**Return Excess Capital to Shareholders**

**Regular dividends anticipated** with opportunistic share repurchases

**Maintain financial flexibility and strong cash flow generation**



# Financial Guidance<sup>1</sup>

	2024	2025E
<b>Net Sales</b> (\$ in millions)	\$3,770	\$3,750 – \$3,850
<b>Adj. Standalone EBITDA Margin (estimate)<sup>1</sup></b> (%)	26.4% <sup>2</sup>	~25% <sup>3</sup>
<b>Capex</b> (\$ in millions)	\$296	\$365 – \$415

## Medium-Term Financial Framework

**Low to Mid Single Digit %**  
Organic Net Sales CAGR

**Mid Single Digit %**  
Adj. Standalone EBITDA CAGR

**>70%**  
Cash Conversion<sup>1,4</sup>


**Disciplined Capital Deployment**

<sup>1</sup> Non-GAAP financial measure. Historical reconciliations of non-GAAP financial measures provided in the appendix of this presentation. <sup>2</sup> Shows Adjusted Standalone EBITDA Margin (estimate), which is a non-GAAP measure. Refer to appendix for historical reconciliations of relevant non-GAAP financial metrics to the most directly comparable GAAP measure. <sup>3</sup> Additional standalone and public company costs expected in 2025 and onwards. <sup>4</sup> Cash conversion defined as (Adj. Standalone EBITDA (estimate) – Capex)/Adj. Standalone EBITDA (estimate).

# Compelling Financial Profile



<sup>1</sup> Financial information for 2022-2024 based on Form 10 carve-out financial statements. Years prior to 2022 based on internal reporting, does not reflect all carve-out adjustments, and is illustrative only. <sup>2</sup> Non-GAAP financial measure. Historical reconciliations of non-GAAP financial measures provided in the appendix of this presentation. <sup>3</sup> Net leverage ratio based on June 30, 2025, Net Debt expected from the transaction and Adjusted Standalone EBITDA (estimate). Refer to appendix for historical reconciliations of relevant non-GAAP financial metrics to the most directly comparable GAAP measure. <sup>4</sup> Cash conversion defined as (Adj. Standalone EBITDA (estimate) – Capex)/Adj. Standalone EBITDA (estimate).

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Q&A

# Solstice | A Differentiated Advanced Materials Company

Clear right-to-win built on a rich 130+ year history of solving complex customer challenges

Underpinned by strong secular trends in cooling, advanced computing, safety, nuclear, and healthcare

A refined operating model and independent strategy to unleash our full growth potential

Strong balance sheet enabling investments to accelerate growth

Purposeful organizational design reflects a blend of Honeywell heritage and proven industry leaders







# Appendix

# Strong 1H 2025 Financial Performance



**27.6%**  
Adj. Standalone EBITDA (estimate) Margin<sup>3</sup>

**120** bps  
Adj. Standalone EBITDA (estimate) Margin<sup>3</sup> Improvement

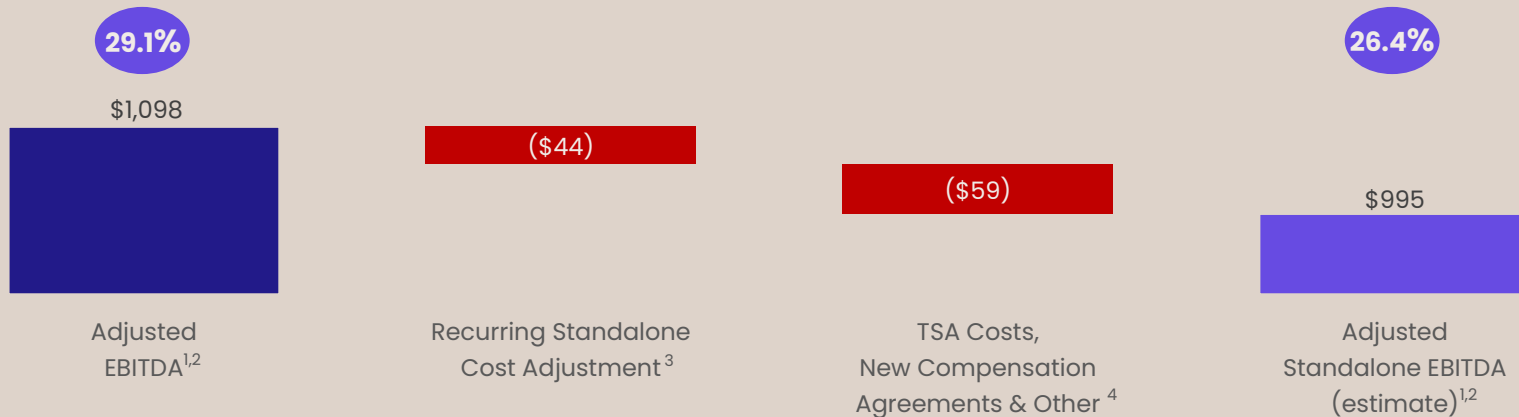
**200** bps  
Adj. Standalone EBITDA (estimate) Margin<sup>3</sup> Improvement Excluding AES Transactions

<sup>1</sup> Financial information based on Form 10 carve-out financial statements. <sup>2</sup> Adjustments made to exclude 3 opportunistic AES transactions (2 in Q1 2024 and 1 in Q2 2024) totaling \$108 million in net sales, which had a \$42 million impact on Adj. EBITDA. <sup>3</sup> Non-GAAP financial measure. Historical reconciliations of non-GAAP financial measures provided in the appendix of this presentation.

# Adjusted EBITDA Reconciliation | Standalone Costs

## Adj. EBITDA & Adj. EBITDA Margins

(\$ in millions) (2024)



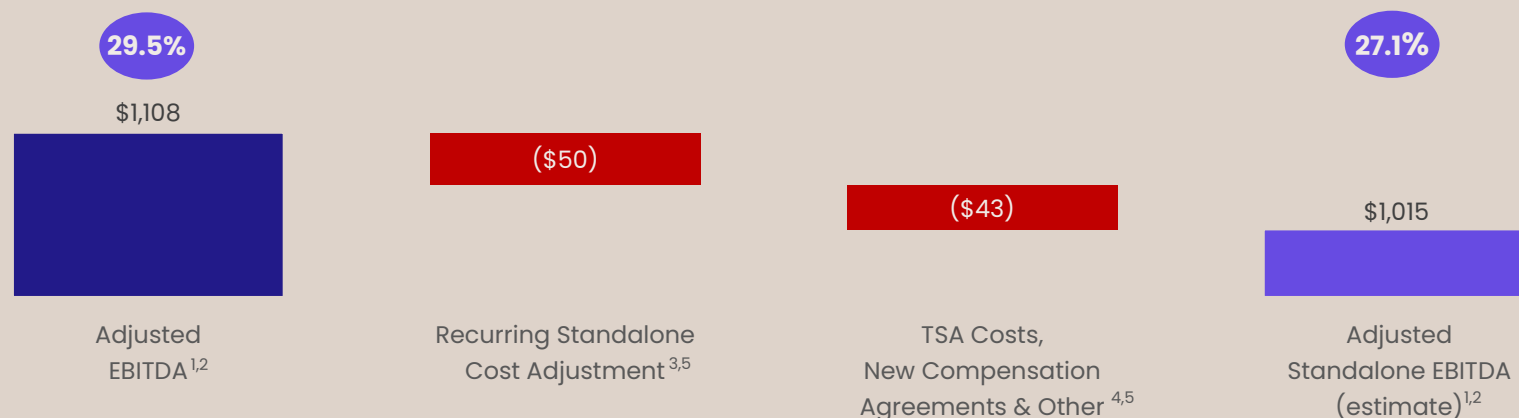
**Standalone costs expected to gradually decrease and stabilize**

*(Standalone costs largely G&A with minimal impact from COGS and sales & marketing)*

**~\$30 million of TSA costs estimated for a duration of ~12 months**

## Adj. EBITDA & Adj. EBITDA Margins

(\$ in millions) (LTM June 30, 2025)



**Opportunity for margin expansion as TSA services are replaced**

<sup>1</sup> Financial information based on Form 10 carve-out financial statements. <sup>2</sup> Non-GAAP financial measure. Historical reconciliations of non-GAAP financial measures provided in the appendix of this presentation. <sup>3</sup> Represents an estimate of the incremental run-rate costs expected for Solstice to independently operate new functions required for a public company, including, for example, incremental costs in corporate functions such as IT, finance, and legal, as well as operational functions like procurement and supply chain. <sup>4</sup> Represents adjustments related to transition service agreements (TSAs) for IT support services and adjustments to employee compensation, as well as a trademark license agreement. <sup>5</sup> For Recurring Standalone Cost Adjustment and Other, last twelve months ended June 30, 2025, are based on 2H 2024 adjustments calculated as 50% of full year 2024 adjustments.



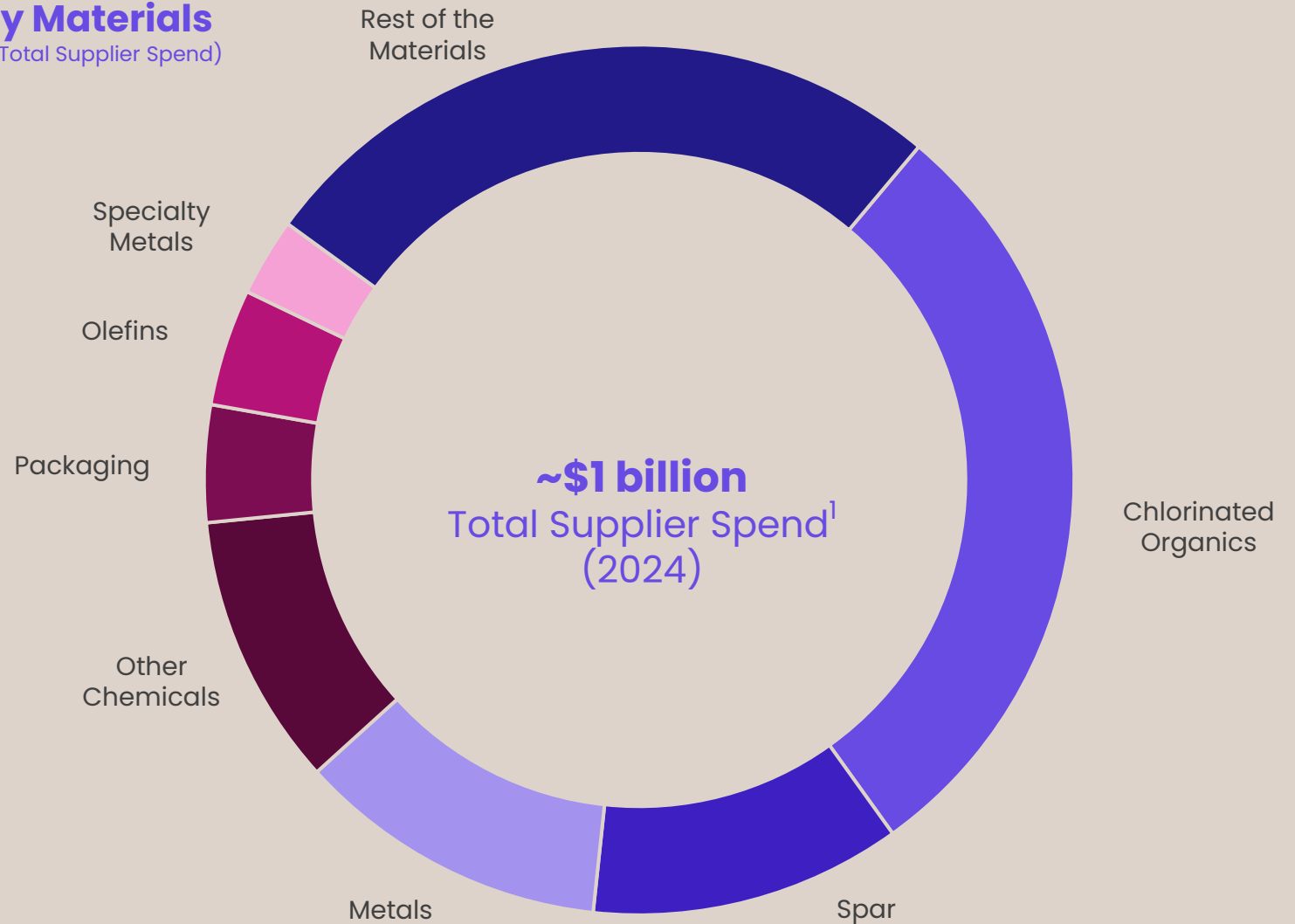
# Deep Dive into Raw Materials Basket

Diversified supply base  
with **no one material**  
➤ **20% of supplier spend**

Global supply network  
provides **insulation**  
**from macroeconomic**  
**headwinds**

Blend of fixed/market  
pricing and **long-term**  
**contracts ensures**  
**reliable raw material**  
**supply**

## Key Materials (% of Total Supplier Spend)



<sup>1</sup> Excludes HFO & HFC supply arrangements

# Historical Financials

(\$ in millions)	2022A	2023A	2024A	H1 2024A	H1 2025A
<b>RAS Net Sales</b>	<b>\$2,378</b>	<b>\$2,629</b>	<b>\$2,721</b>	<b>\$1,445</b>	<b>\$1,392</b>
%YoY Growth	21.4%	10.5%	3.5%		(3.7)%
<b>ESM Net Sales</b>	<b>\$1,209</b>	<b>\$1,020</b>	<b>\$1,049</b>	<b>\$505</b>	<b>\$538</b>
%YoY Growth	10.4%	(15.7)%	2.8%		6.5%
<b>Total Net Sales</b>	<b>\$3,587</b>	<b>\$3,649</b>	<b>\$3,770</b>	<b>\$1,950</b>	<b>\$1,930</b>
%YoY Growth	17.5%	1.7%	3.3%	0.4% excl. opportunistic <sup>1</sup>	4.8% excl. opportunistic <sup>1</sup> (1.0)%
(-) COGS	\$(2,184)	\$(2,366)	\$(2,464)	\$(1,281)	\$(1,248)
<b>Gross Profit</b>	<b>\$1,403</b>	<b>\$1,283</b>	<b>\$1,305</b>	<b>\$669</b>	<b>\$682</b>
% Margin	39.1%	35.2%	34.6%	34.3%	35.3%
(-) Research & Development	\$(79)	\$(81)	\$(83)	\$(41)	\$(45)
(-) Selling, General & Administrative	\$(357)	\$(378)	\$(398)	\$(199)	\$(198)
<b>Operating Income</b>	<b>\$967</b>	<b>\$823</b>	<b>\$825</b>	<b>\$429</b>	<b>\$439</b>
% Margin	27.0%	22.6%	21.9%	22.0%	22.7%
(+/-) Other Expense / (Income)	\$(3)	\$6	\$(15)	\$3	\$(49)
(-) Interest and Other Financial Charges	\$(21)	\$(16)	\$(13)	\$(7)	\$(3)
<b>Income before Taxes</b>	<b>\$943</b>	<b>\$814</b>	<b>\$797</b>	<b>\$425</b>	<b>\$387</b>
% Margin	26.3%	22.3%	21.1%	21.8%	20.1%
(-) Income Tax Expense	\$(211)	\$(195)	\$(192)	\$(101)	\$(148)
<b>Net Income</b>	<b>\$732</b>	<b>\$619</b>	<b>\$605</b>	<b>\$324</b>	<b>\$239</b>
<b>Cash Flows from Operating Activities</b>	<b>\$759</b>	<b>\$760</b>	<b>\$842</b>	<b>\$364</b>	<b>\$310</b>
<b>Capital Expenditures</b>	<b>\$254</b>	<b>\$299</b>	<b>\$296</b>	<b>\$131</b>	<b>\$138</b>

# Non-GAAP Financial Measures

The following information provides definitions and historical reconciliations of certain non-GAAP financial measures presented in this presentation to which this reconciliation is attached to the most directly comparable financial measures calculated and presented in accordance with generally accepted accounting principles ("GAAP").

Management believes that, when considered together with reported amounts, these measures are useful to investors and management in understanding our ongoing operations and in the analysis of ongoing operating trends. These measures should be considered in addition to, and not as replacements for, the most comparable GAAP measure. Certain measures presented on a non-GAAP basis represent the impact of adjusting items net of tax. The tax-effect for adjusting items is determined individually and on a case-by-case basis. Other companies may calculate these non-GAAP measures differently, limiting the usefulness of these measures for comparative purposes.

Management does not consider these non-GAAP measures in isolation or as an alternative to financial measures determined in accordance with GAAP. The principal limitations of these non-GAAP financial measures are that they exclude significant expenses and income that are required by GAAP to be recognized in the consolidated financial statements. In addition, they are subject to inherent limitations as they reflect the exercise of judgments by management about which expenses and income are excluded or included in determining these non-GAAP financial measures. Investors are urged to review the reconciliation of the non-GAAP financial measures to the comparable GAAP financial measures and not to rely on any single financial measure to evaluate Solstice Advanced Materials' business.

## **Adjusted EBITDA, Adjusted EBITDA margin, Adjusted Standalone EBITDA (estimate), and Adjusted Standalone EBITDA margin (estimate)**

We define Adjusted EBITDA as net income excluding income taxes, depreciation, amortization, interest and other financial charges, other expense, stock compensation expense, pension and other postretirement income (expense), transaction-related costs, repositioning charges, asset retirement obligation accretion, and certain other items that are otherwise of an unusual or non-recurring nature (including but not limited to impairment charges, litigation and insurance settlements, and gains and losses on disposal of assets). We define Adjusted Standalone EBITDA (estimate) as Adjusted EBITDA less estimated recurring and ongoing costs required to operate a new independent public company, and autonomous entity adjustments as well as adjustments for certain other employee compensation expense for employees that have historically been shared with other Honeywell businesses and will be transferred to the Company in connection with the spin-off. We define Adjusted Standalone EBITDA Margin (estimate) as Adjusted Standalone EBITDA (estimate) divided by Net sales. We believe these measures are useful to investors as they provide greater transparency with respect to supplemental information used by management in its financial and operational decision making, as well as understanding ongoing operating trends.

## **Adjusted Standalone EBITDA (estimate) – capex, and cash conversion**

We define Adjusted Standalone EBITDA (estimate) – capex as Adjusted Standalone EBITDA (estimate) less capital expenditures. We define cash conversion as Adjusted Standalone EBITDA (estimate) – capex divided by Adjusted Standalone EBITDA (estimate). We believe these measures are useful to investors and management as a measure of cash generated by operations that can be used to invest in future growth through new business development activities or acquisitions, pay dividends, repurchase stock, or repay debt obligations prior to their maturities. These measures can also be used to evaluate our ability to generate cash flow from operations and the impact that this cash flow has on our liquidity.

## **Net debt, total leverage ratio and net leverage ratio**

We define net debt as total debt less cash. We define total leverage ratio as total debt divided by Adjusted EBITDA. We define net leverage ratio as net debt divided by Adjusted EBITDA. For purposes of showing total leverage ratio and net leverage ratio as expected from this Transaction, we use LTM Adjusted Standalone EBITDA (estimate) instead of Adjusted EBITDA. We believe these measures are useful to investors and management in understanding our overall financial condition.

## **Return on Invested Capital**

We define Return on Invested Capital as Net Operating Profit After Taxes ("NOPAT") (which is defined as Standalone Adjusted EBITDA (estimate), less depreciation and amortization, and tax effected), divided by invested capital, which is calculated as debt less cash and cash equivalents, plus equity, each as calculated on a pro-forma basis as of June 30, 2025, after giving effect to the spin-off and related financing transactions. We believe that return on invested capital offers valuable insight to management, investors, analysts, and other stakeholders as a measure of how effectively the Company generates income from the capital provided by shareholders and creditors.

# Reconciliation of Adjusted EBITDA

## Historical Adjusted EBITDA \*

(\$ in millions)	2022A	2023A	2024A	LTM 6/30/25	1H 2024	1H 2025
Total Net Sales	\$3,587	\$3,649	\$3,770	\$3,750	\$1,950	\$1,930
Net Income (GAAP) <sup>1</sup>	\$732	\$619	\$605	\$520	\$324	\$239
Income Tax Expense	211	195	192	239	101	148
Depreciation	146	170	175	196	84	105
Amortization	7	51	42	25	28	11
Interest and Other Financial Charges	21	16	13	9	7	3
EBITDA *	\$1,117	\$1,051	\$1,027	\$989	\$544	\$506
Other Expenses <sup>2</sup>	24	11	34	86	7	59
Stock Compensation Expense	17	18	17	20	9	12
Other Non-recurring Items <sup>3</sup>	(23)	1	10	3	1	(6)
Asset Retirement Obligation Accretion	2	1	2	2	1	1
Transaction-related Costs	3	1	4	4	2	2
Pension and Other Postretirement Expense	1	2	2	2	1	1
Repositioning Charges	2	5	2	2	-	-
Adjusted EBITDA *	\$1,143	\$1,090	\$1,098	\$1,108	\$565	\$575
% Adjusted EBITDA Margin*	31.9%	29.9%	29.1%	29.5%	29.0%	29.8%

## Adjusted Standalone EBITDA (estimate)\*

(\$ in millions)	2024A	LTM 6/30/25	1H 2024	1H 2025
Adjusted EBITDA*	\$1,098	\$1,108	\$565	\$575
% Adjusted EBITDA Margin*	29.1%	29.5%	29.0%	29.8%
Recurring Standalone Cost Adjustment <sup>4</sup>	(44)	(50)	(22)	(28)
Other <sup>5</sup>	(59)	(43)	(30)	(14)
Adjusted Standalone EBITDA (estimate)*	\$995	\$1,015	\$514	\$533
% Adjusted Standalone EBITDA Margin (estimate)*	26.4%	27.1%	26.4%	27.6%

Notes: Historical financials as per Form 10. \* Non-GAAP financial measures. <sup>1</sup> Combined net income, incl. non-controlling interest. <sup>2</sup> Represents Other expense excluding Equity income of affiliated companies, which is included in Adjusted EBITDA. <sup>3</sup> Including but not limited to impairment charges, litigation and insurance settlements, and gains and losses on disposal of assets. <sup>4</sup> Represents estimated recurring and ongoing costs required to operate new functions required for a public company, such as external reporting, internal audit, treasury, investor relations, board of directors and officers, stock administration, and expanding the services of existing functions such as information technology, finance, supply chain, human resources, legal, tax, facilities, branding, security, government relations, community outreach, and insurance. <sup>5</sup> Represents autonomous entity adjustments primarily related to Transition Service Agreements and adjustments for new compensation agreements for new and existing executives and certain other employee compensation expense for employees that have historically been shared with other Honeywell businesses and will be transferred to the Company in connection with the Spin-Off. For Recurring Standalone Cost Adjustment and Other, LTM 6/30/25 and 1H 2024 are based on 2H 2024 adjustments calculated as 50% of full year 2024 adjustments.



# Reconciliation of Adjusted Standalone EBITDA (estimate) – Capex and Calculation of Cash Conversion

(\$ in millions)	2024A	LTM 6/30/2025
<b>Adjusted EBITDA (non-GAAP)</b>	<b>\$1,098</b>	<b>\$1,108</b>
Transaction Accounting Adjustments <sup>1</sup>	(44)	(50)
Autonomous Entity Adjustments <sup>2</sup>	(59)	(44)
<b>Adjusted Standalone EBITDA (estimate) (non-GAAP)</b>	<b>\$995</b>	<b>\$1,015</b>
Less: Capex	(296)	(303)
<b>Adjusted Standalone EBITDA (estimate) – Capex (non-GAAP)</b>	<b>\$ 699</b>	<b>\$ 712</b>
<b>Cash Conversion (non-GAAP)</b>	<b>70.3%</b>	<b>70.1%</b>

<sup>1</sup> Represents estimated recurring and ongoing costs required to operate new functions required for a public company not already included in the transaction and autonomous entity adjustments.<sup>2</sup> Represents autonomous entity adjustments and adjustments for certain other employee compensation expense for employees that have historically been shared with other Honeywell businesses and will be transferred to the Company in connection with the Spin-Off.

# Reconciliation of Debt and Leverage Ratios

<i>(\$ in millions)</i>	<b>Expected from transaction</b>
Debt	
Term Loan B due 2032	\$ 1,000
Other Unsecured Debt due 2033	1,000
<b>Total Debt</b>	<b>\$ 2,000</b>
Less: Cash and Cash Equivalents	(450)
<b>Net Debt (non-GAAP)</b>	<b>\$ 1,550</b>
LTM 6/30/25 Adjusted Standalone EBITDA (estimate) (non-GAAP)	\$ 1,015
<b>Total Leverage Ratio (non-GAAP)</b>	<b>2.0 x</b>
<b>Net Leverage Ratio (non-GAAP)</b>	<b>1.5 x</b>

# Reconciliation of Return on Invested Capital

(\$ in millions)

<b>NOPAT<sup>1</sup> for the year ended December 31, 2024</b>	
<b>Net Income (GAAP)</b>	<b>\$ 605</b>
Income tax expense	192
Depreciation	175
Amortization	42
Other expense	34
Stock compensation expense	17
Interest and other financial charges	13
Other non-recurring items	10
Transaction costs	4
Asset retirement obligation accretion	2
Pension and other postretirement expense	2
Repositioning charges	2
<b>Adjusted EBITDA (non-GAAP)</b>	<b>\$ 1,098</b>
Pro Forma Adjustments	(59)
Management Adjustments	(44)
<b>Standalone Adjusted EBITDA</b>	<b>\$ 995</b>
Less - Depreciation & Amortization	(217)
<b>Standalone Adjusted EBIT</b>	<b>\$ 778</b>
Less - Tax effects of Adj. EBIT	(196)
<b>NOPAT<sup>1</sup></b>	<b>\$ 582</b>
<b>Pro-forma Invested Capital as of June 30, 2025<sup>2</sup></b>	
Total Pro-forma Debt	1,967
Total Pro-forma Cash & Cash Equivalents	(450)
<b>Total Net Debt</b>	<b>\$ 1,517</b>
Total Pro-forma Equity	1,189
<b>Total Invested Capital</b>	<b>\$ 2,706</b>
<b>Total Return on Invested Capital</b>	<b>21.5%</b>

<sup>1</sup> NOPAT represents net operating profit after tax. <sup>2</sup> Per Pro-Forma financial statements in Form 10.