
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d)
of The Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): **May 2, 2019**

Trinseo S.A.

(Exact name of registrant as specified in its charter)

Luxembourg
(State or other jurisdiction
of incorporation or organization)

001-36473
(Commission
File Number)

N/A
(I.R.S. Employer
Identification Number)

**1000 Chesterbrook Boulevard, Suite 300,
Berwyn, Pennsylvania 19312**
(Address of principal executive offices, including zip code)

(610) 240-3200
(Telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class
Ordinary Shares, par value \$0.01 per share

Trading symbol
TSE

Name of Exchange on which registered
New York Stock Exchange

ITEM 2.02 Results of Operations and Financial Condition

On May 2, 2019, Trinseo S.A., a public limited liability company (*société anonyme*) existing under the laws of Luxembourg (the “ Company ”), issued a press release announcing its financial results for the first quarter ended March 31, 2019. A copy of the press release is furnished as Exhibit 99.1 hereto. The Company intends to hold an investor call and webcast to discuss these results on Friday, May 3, 2019 at 10 AM Eastern Time. Ahead of this call the Company is also providing investors with a copy of the investor presentation materials, which will be discussed on the call and are furnished hereto as Exhibit 99.2.

The information contained herein and in the accompanying exhibits shall not be deemed filed for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such a filing.

ITEM 9.01. Financial Statements and Exhibits

(d) Exhibits

<u>Exhibit Number</u>	<u>Description</u>
99.1	Press Release, dated May 2, 2019
99.2	Investor Presentation, dated May 2, 2019

EXHIBIT INDEX

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99.2	Investor Presentation, dated May 2, 2019

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, each registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

TRINSEO S.A.

By: /s/ Barry J. Niziolek
Name: Barry J. Niziolek
Title: Executive Vice President and Chief Financial Officer

Date: May 2, 2019



News Release

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Trinseo Reports First Quarter 2019 Financial Results; Updates 2019 Full Year Outlook
First Quarter 2019 Highlights

- Net income of \$36 million, diluted EPS of \$0.86 and Adjusted EPS of \$1.09
- Adjusted EBITDA of \$102 million
- Cash provided by operating activities of \$153 million; Free Cash Flow of \$128 million

<u>Smillions, except per share data</u>	Three Months Ended	
	March 31,	
	2019	2018
Net Sales	\$ 1,013	\$ 1,122
Net Income	36	120
EPS (Diluted) (\$)	0.86	2.71
Adjusted Net Income*	46	122
Adjusted EPS (\$)*	1.09	2.76
EBITDA*	91	192
Adjusted EBITDA*	102	195

**For a reconciliation of EBITDA, Adjusted EBITDA, and Adjusted Net Income to Net Income, as well as a reconciliation of Adjusted EPS, see note 2 below.*

BERWYN, Pa — May 2, 2019 — Trinseo (NYSE: TSE), a global materials company and manufacturer of plastics, latex binders and synthetic rubber, today reported its first quarter 2019 financial results.

Net sales in the first quarter decreased 10% versus prior year. The pass through of lower raw material cost resulted in a 15% decrease in net sales. This impact was partially offset by higher sales volumes across all segments except Synthetic Rubber. First quarter net income of \$36 million was \$84 million lower than prior year and first quarter Adjusted EBITDA of \$102 million was \$93 million lower than prior year. These decreases were mainly due to lower margins in the Feedstocks, Performance Plastics and Latex Binders segments and lower equity affiliate income from Americas Styrenics. Overall, the results of the quarter were affected by macroeconomic dynamics in China as well as weakness in certain key markets such as automotive and tires. Net income was also impacted by approximately \$9 million of higher pre-tax spending related to the transition of business services from The Dow Chemical Company.

Commenting on the Company's performance, Frank Bozich, Trinseo President and Chief Executive Officer, said, "While improved versus the fourth quarter, our first quarter results were affected by continued weak automotive and tire markets and the weak economic environment in China. Despite this, we delivered very strong cash generation in the first quarter as a result of actions taken to reduce inventory levels."

First Quarter Results and Commentary by Business Segment

- **Latex Binders** net sales of \$224 million for the quarter decreased 12% versus prior year due to the pass through of lower raw material costs. Volume was higher versus prior year, as increases to the paper, board and carpet markets in North America and Europe were partially offset by a decrease to the paper market in Asia from a customer outage. Adjusted EBITDA of \$18 million was \$9 million below prior year due to lower margins from raw material dynamics as well as competitive market conditions.
- **Synthetic Rubber** net sales of \$125 million for the quarter decreased 16% versus prior year due mainly to lower SSBR and ESBR sales volume as well as currency impacts. Adjusted EBITDA of \$9 million included an unfavorable net timing impact and was \$17 million below prior year. The year-over-year decline was due mainly to lower SSBR and ESBR sales volume as well as unfavorable net timing.
- **Performance Plastics** net sales of \$369 million for the quarter were 8% below prior year due mainly to lower prices from the pass through of lower styrene cost as well as lower polycarbonate prices from a decrease in industry operating rates. Adjusted EBITDA of \$36 million was \$30 million below prior year due to lower polycarbonate and ABS margins from a combination of factors including a slowdown in the automotive industry and general market softness in China. While ABS margins were lower versus prior year, we are encouraged that margin levels have experienced some recovery and are currently at the highest levels since the second quarter of 2018.
- **Polystyrene** net sales of \$228 million for the quarter were 5% below prior year mainly due to pass through pricing which was partially offset by higher sales from customer restocking and more favorable market conditions. Adjusted EBITDA of \$17 million was \$7 million higher than prior year due mainly to higher volume.
- **Feedstocks** net sales of \$67 million for the quarter were 10% below prior year due mainly to the pass through of lower market styrene prices, which was partially offset by higher styrene-related sales. Adjusted EBITDA of \$17 million was \$25 million lower than prior year due to lower margin as well as lower production volume from unplanned outages at our Terneuzen and Boehlen styrene manufacturing facilities.
- **Americas Styrenics** Adjusted EBITDA of \$32 million for the quarter was \$14 million below prior year due mainly to lower styrene margins as well as a planned styrene maintenance outage in the first quarter of 2019.

First Quarter Cash Generation

Cash provided by operating activities for the first quarter was \$153 million and capital expenditures were \$25 million, resulting in Free Cash Flow for the quarter of \$128 million. First quarter cash from operations and Free Cash Flow included approximately \$105 million of lower working capital. The Company repurchased about 0.7 million shares in the first quarter for approximately \$37 million. For a reconciliation of Free Cash Flow to cash provided by operating activities, see Note 3 below.

Outlook

- Full year 2019 net income of \$237 million to \$290 million and earnings per diluted share of \$5.73 to \$7.00
- Full year 2019 Adjusted EBITDA of \$500 million to \$560 million and Adjusted EPS of \$6.00 to \$7.27

Commenting on the outlook for 2019, Bozich said, “While we have seen signs of improved demand across some of our markets, the automotive and tire markets remain weak, as do many of the end markets in China into which we sell. Amid these conditions, we have initiated a number of working capital and cost initiatives to improve operating results. We are also evaluating strategic alternatives for our polycarbonate manufacturing facility in Stade, Germany due to significantly declining polycarbonate margins resulting from low demand and new capacity in China. This is the first action from our ongoing strategic review of our business portfolio. We are cautiously optimistic about better economic conditions in the second half of 2019 and we remain focused on cash generation and cost management.”

For a reconciliation of full year 2019 net income to Adjusted EBITDA and Adjusted EPS, see Note 2 below. Additionally, refer to the appendix within Exhibit 99.2 of our Form 8-K, dated May 2, 2019, for further details on how net timing impacts are defined and calculated for our segments.

Conference Call and Webcast Information

Trinseo will host a conference call to discuss its first quarter 2019 financial results on Friday, May 3, 2019 at 10 a.m. Eastern Time.

Commenting on results will be Frank Bozich, President and Chief Executive Officer, Barry Niziolek, Executive Vice President and Chief Financial Officer, and David Stasse, Vice President, Treasury and Investor Relations. The conference call will be available by phone at:

Participant Toll-Free Dial-In Number: (833) 241-7248
Participant International Dial-In Number: +1 (647) 689-4212
Conference ID: 6287412

The Company will also offer a live Webcast of the conference call with question and answer session via the registration page of the Trinseo Investor Relations website.

Trinseo has posted its first quarter 2019 financial results on the Company's Investor Relations website. The presentation slides will also be made available in the webcast player prior to the conference call. The Company will also furnish copies of the financial results press release and presentation slides to investors by means of a Form 8-K filing with the U.S. Securities and Exchange Commission.

A replay of the conference call and transcript will be archived on the Company's Investor Relations website shortly following the conference call. The replay will be available until May 3, 2020.

About Trinseo

Trinseo (NYSE:TSE) is a global materials solutions provider and manufacturer of plastics, latex binders, and synthetic rubber. We are focused on delivering innovative and sustainable solutions to help our customers create products that touch lives every day — products that are intrinsic to how we live our lives — across a wide range of end-markets, including automotive, consumer electronics, appliances, medical devices, lighting, electrical, carpet, paper and board, building and construction, and tires. Trinseo had approximately \$4.6 billion in net sales in 2018, with 16 manufacturing sites around the world, and approximately 2,500 employees. For more information visit www.trinseo.com.

Use of non-GAAP measures

In addition to using standard measures of performance and liquidity that are recognized in accordance with accounting principles generally accepted in the United States of America ("GAAP"), we use additional measures of income excluding certain GAAP items ("non-GAAP measures"), such as Adjusted Net Income, EBITDA, Adjusted EBITDA and Adjusted EPS and measures of liquidity excluding certain GAAP items, such as Free Cash Flow. We believe these measures are useful for investors and management in evaluating business trends and performance each period. These income measures are also used to manage our business and assess current period profitability, as well as to provide an appropriate basis to evaluate the effectiveness of our pricing strategies. Such measures are not recognized in accordance with GAAP and should not be viewed as an alternative to GAAP measures of performance or liquidity, as applicable. The definitions of each of these measures, further discussion of usefulness, and reconciliations of non-GAAP measures to GAAP measures are provided in the Notes to Condensed Consolidated Financial Information presented herein.

Note on Forward-Looking Statements

This press release may contain "forward-looking statements" within the meaning of the safe harbor provisions of the United States Private Securities Litigation Reform Act of 1995. Words such as "expect," "estimate," "project," "budget," "forecast," "see," "tend," "anticipate," "target," "outlook," "guidance," "intend," "plan," "may," "will," "could," "should," "believes," "predicts," "potential," "continue," and similar expressions are intended to identify such forward-looking statements. Forward-looking statements in this press release may include, without limitation, forecasts of performance, growth, net sales, business activity, and other matters that involve known and unknown risks, uncertainties and other factors that may cause results, levels of activity, performance or achievements to differ materially from results expressed or implied by this press release. Such factors include, among others: conditions in the global economy and capital markets; the inability of the Company to execute on its business strategy; volatility in costs or disruption in the supply of the raw materials utilized for our products; loss of market share to other producers of chemical products; compliance with laws and regulations impacting our business; changes in laws and regulations applicable to our business; our inability to continue technological innovation and successful introduction of new products; system security risk issues that could disrupt our internal operations or information technology services; the loss of customers; the market price of the Company's ordinary shares prevailing from time to time; the nature of other investment opportunities presented to the Company from time to time; and the Company's cash flows from operations. Additional risks and uncertainties are set forth in the Company's reports filed with the United States Securities and Exchange Commission, which are available at <http://www.sec.gov/> as well as the Company's web site at <http://www.trinseo.com>. As a result of the foregoing considerations, you are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this press release and are not a guarantee of future performance. All forward-looking statements are qualified in their entirety by this cautionary statement. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

TRINSEO S.A.

Condensed Consolidated Statements of Operations
(In millions, except per share data)
(Unaudited)

Three Months Ended
March 31,

	2019	2018
Net sales	\$ 1,013.1	\$ 1,121.6
Cost of sales	915.7	946.4
Gross profit	97.4	175.2
Selling, general and administrative expenses	68.8	64.4
Equity in earnings of unconsolidated affiliates	32.2	45.5
Operating income	60.8	156.3
Interest expense, net	10.2	14.9
Other expense (income), net	4.0	(3.8)
Income before income taxes	46.6	145.2
Provision for income taxes	10.8	24.9
Net income	\$ 35.8	\$ 120.3
Weighted average shares- basic	41.3	43.4
Net income per share- basic	\$ 0.87	\$ 2.77
Weighted average shares- diluted	41.8	44.4
Net income per share- diluted	\$ 0.86	\$ 2.71

TRINSEO S.A.

Condensed Consolidated Balance Sheets
(In millions)
(Unaudited)

	March 31, 2019	December 31, 2018
Assets		
Cash and cash equivalents	\$ 516.4	\$ 452.3
Accounts receivable, net	650.4	648.1
Inventories	447.9	510.4
Other current assets	25.4	20.5
Investments in unconsolidated affiliates	198.9	179.1
Property, plant, equipment, goodwill, and other intangible assets, net	829.9	852.2
Right-of-use assets - operating	68.1	—
Total other assets	69.5	64.2
Total assets	<u>\$ 2,806.5</u>	<u>\$ 2,726.8</u>
Liabilities and shareholders' equity		
Current liabilities	582.8	537.0
Long-term debt, net	1,160.4	1,160.8
Noncurrent lease liabilities - operating	53.2	—
Other noncurrent obligations	257.0	260.3
Shareholders' equity	753.1	768.7
Total liabilities and shareholders' equity	<u>\$ 2,806.5</u>	<u>\$ 2,726.8</u>

TRINSEO S.A.

Condensed Consolidated Statements of Cash Flows
(In millions)
(Unaudited)

	Three Months Ended	
	March 31,	
	2019	2018
Cash flows from operating activities		
Cash provided by operating activities	\$ 153.2	\$ 40.8
Cash flows from investing activities		
Capital expenditures	(25.0)	(30.6)
Proceeds from the sale of businesses and other assets	0.7	0.5
Cash used in investing activities	(24.3)	(30.1)
Cash flows from financing activities		
Short-term borrowings, net	(0.1)	(0.1)
Purchase of treasury shares	(37.4)	(23.8)
Dividends paid	(17.4)	(16.2)
Proceeds from exercise of option awards	0.1	1.9
Withholding taxes paid on restricted share units	(3.8)	(8.0)
Repayments of 2024 Term Loan B	(1.8)	(1.8)
Cash used in financing activities	(60.4)	(48.0)
Effect of exchange rates on cash	(1.6)	3.4
Net change in cash, cash equivalents, and restricted cash	66.9	(33.9)
Cash, cash equivalents, and restricted cash—beginning of period	452.3	432.8
Cash, cash equivalents, and restricted cash—end of period	\$ 519.2	\$ 398.9
Less: Restricted cash, included in "Other current assets"	(2.8)	—
Cash and cash equivalents—end of period	\$ 516.4	\$ 398.9

TRINSEO S.A.

Notes to Condensed Consolidated Financial Information
(Unaudited)

Note 1: Net sales by Segment

(In millions)	Three Months Ended	
	March 31,	
	2019	2018
Latex Binders	\$ 223.9	\$ 255.3
Synthetic Rubber	124.6	149.2
Performance Plastics	369.3	402.9
Polystyrene	228.5	239.6
Feedstocks	66.8	74.6
Americas Styrenics*	—	—
Total Net Sales	\$ 1,013.1	\$ 1,121.6

* The results of this segment are comprised entirely of earnings from Americas Styrenics, our 50%-owned equity method investment. As such, we do not separately report net sales of Americas Styrenics within our condensed consolidated statements of operations.

Note 2: Reconciliation of Non-GAAP Performance Measures to Net income

EBITDA is a non-GAAP financial performance measure that we refer to in making operating decisions because we believe it provides our management as well as our investors with meaningful information regarding the Company's operational performance. We believe the use of EBITDA as a metric assists our board of directors, management and investors in comparing our operating performance on a consistent basis.

We also present Adjusted EBITDA as a non-GAAP financial performance measure, which we define as income from continuing operations before interest expense, net; income tax provision; depreciation and amortization expense; loss on extinguishment of long-term debt; asset impairment charges; gains or losses on the dispositions of businesses and assets; restructuring charges; acquisition related costs and other items. In doing so, we are providing management, investors, and credit rating agencies with an indicator of our ongoing performance and business trends, removing the impact of transactions and events that we would not consider a part of our core operations.

Lastly, we present Adjusted Net Income and Adjusted EPS as additional performance measures. Adjusted Net Income is calculated as Adjusted EBITDA (defined beginning with net income, above), less interest expense, less the provision for income taxes and depreciation and amortization, tax affected for various discrete items, as appropriate. Adjusted EPS is calculated as Adjusted Net Income per weighted average diluted shares outstanding for a given period. We believe that Adjusted Net Income and Adjusted EPS provide transparent and useful information to management, investors, analysts and other stakeholders in evaluating and assessing our operating results from period-to-period after removing the impact of certain transactions and activities that affect comparability and that are not considered part of our core operations.

There are limitations to using the financial performance measures noted above. These performance measures are not intended to represent net income or other measures of financial performance. As such, they should not be used as alternatives to net income as indicators of operating performance. Other companies in our industry may define these performance measures differently than we do. As a result, it may be difficult to use these or similarly-named financial measures that other companies may use, to compare the performance of those companies to our performance. We compensate for these limitations by providing reconciliations of these performance measures to our net income, which is determined in accordance with GAAP.

(In millions, except per share data)	Three Months Ended		
	March 31,		
	2019	2018	
Net income	\$ 35.8	\$ 120.3	
Interest expense, net	10.2	14.9	
Provision for income taxes	10.8	24.9	
Depreciation and amortization	33.9	31.9	
EBITDA	\$ 90.7	\$ 192.0	
Net gain on disposition of businesses and assets (a)	(0.2)	(0.5)	Other expense (income), net
Restructuring and other charges (b)	0.4	0.5	Selling, general, and administrative expenses
Acquisition transaction and integration costs (c)	—	0.3	Selling, general, and administrative expenses
Other items (d)	11.1	2.7	Selling, general, and administrative expenses
Adjusted EBITDA	\$ 102.0	\$ 195.0	
Adjusted EBITDA to Adjusted Net Income:			
Adjusted EBITDA	102.0	195.0	
Interest expense, net	10.2	14.9	
Provision for income taxes - Adjusted (e)	12.7	26.0	
Depreciation and amortization - Adjusted (f)	33.4	31.7	
Adjusted Net Income	\$ 45.7	\$ 122.4	
Adjusted EPS	\$ 1.09	\$ 2.76	
Adjusted EBITDA by Segment:			
Latex Binders	\$ 17.5	\$ 27.5	
Synthetic Rubber	8.8	25.5	
Performance Plastics	35.5	65.5	
Polystyrene	16.8	9.6	
Feedstocks	17.2	41.5	
Americas Styrenics	32.2	45.5	
Corporate unallocated	(26.0)	(20.1)	
Adjusted EBITDA	\$ 102.0	\$ 195.0	

- (a) Net gains on disposition of businesses and assets for the three months ended March 31, 2019 and 2018 relate to contingent consideration earned for the performance of our former latex business in Brazil, which we divested in 2016.
- (b) Restructuring and other charges for the three months ended March 31, 2019 and 2018 primarily relate to decommissioning, contract termination, and employee termination benefit charges incurred in connection with the upgrade and replacement of our compounding facility in Terneuzen, The Netherlands as well as our decision to cease manufacturing activities at our latex binders manufacturing facility in Livorno, Italy. Note that the accelerated depreciation charges incurred in 2018 as part of the upgrade and replacement of the Company's compounding facility in Terneuzen, The Netherlands are included within the "Depreciation and amortization" caption above, and therefore are not included as a separate adjustment within this caption.
- (c) Acquisition transaction and integration costs for the three months ended March 31, 2018 relate to advisory and professional fees incurred in conjunction with the Company's acquisition of API Plastics.
- (d) Other items for the three months ended March 31, 2019 and 2018 primarily relate to advisory and professional fees incurred in conjunction with the Company's initiative to transition business services from The Dow Chemical Company, including certain administrative services such as accounts payable, logistics, and IT services.
- (e) Adjusted to remove the tax impact of the items noted in (a), (b), (c), (d), and (f). The income tax expense (benefit) related to these items was determined utilizing either (1) the estimated annual effective tax rate on our ordinary income based upon our forecasted ordinary income for the full year or, (2) for items treated discretely for tax purposes we utilized the applicable rates in the taxing jurisdictions in which these adjustments occurred. Additionally, the three months ended March 31, 2018 excludes a \$0.5 million tax benefit recognized during the period related to provision to return adjustments.
- (f) For the three months ended March 31, 2019, the amount excludes accelerated depreciation of \$0.5 million related to the shortening of the useful life of certain information technology assets related to the transition of business services from The Dow Chemical Company (noted in (d) above). For the three months ended March 31, 2018, the amount excludes accelerated depreciation of \$0.3 million related to the upgrade and replacement of the Company's compounding facility in Terneuzen, The Netherlands.

For the same reasons discussed above, we are providing the following reconciliation of forecasted net income to forecasted Adjusted EBITDA and Adjusted EPS for the full year ended December 31, 2019. See “Note on Forward-Looking Statements” above for a discussion of the limitations of these forecasts.

	Year Ended December 31,	
	2019	
(In millions, except per share data)		
Adjusted EBITDA	\$	500 – 560
Interest expense, net		(42)
Provision for income taxes		(75) – (82)
Depreciation and amortization		(135)
Reconciling items to Adjusted EBITDA (g)		(11)
Net Income		237 – 290
Reconciling items to Adjusted Net Income (g)		11
Adjusted Net Income		248 – 301
Weighted average shares - diluted (h)		41.4
EPS - diluted	\$	5.73 – 7.00
Adjusted EPS	\$	6.00 – 7.27

- (g) Reconciling items to Adjusted EBITDA and Adjusted Net Income are not typically forecasted by the Company based on their nature as being primarily driven by transactions that are not part of the core operations of the business. As such, for the forecasted full year ended December 31, 2019, we have not included estimates for these items.
- (h) Weighted average shares calculated for the purpose of forecasting Adjusted EPS do not forecast significant future share transactions or events, such as repurchases, significant share-based compensation award grants, and changes in the Company’s share price. These are all factors which could have a significant impact on the calculation of Adjusted EPS during actual future periods.

Note 3: Reconciliation of Non-GAAP Liquidity Measures to Cash from Operations

The Company uses Free Cash Flow to evaluate and discuss its liquidity position and results. Free Cash Flow is defined as cash from operating activities, less capital expenditures. We believe that Free Cash Flow provides an indicator of the Company’s ongoing ability to generate cash through core operations, as it excludes the cash impacts of various financing transactions as well as cash flows from business combinations that are not considered organic in nature. We also believe that Free Cash Flow provides management and investors with a useful analytical indicator of our ability to service our indebtedness, pay dividends (when declared), and meet our ongoing cash obligations.

Free Cash Flow is not intended to represent cash flows from operations as defined by GAAP, and therefore, should not be used as an alternative for that measure. Other companies in our industry may define Free Cash Flow differently than we do. As a result, it may be difficult to use this or similarly-named financial measures that other companies may use, to compare the liquidity and cash generation of those companies to our own. The Company compensates for these limitations by providing the reconciliation below, which is determined in accordance with GAAP.

Free Cash Flow

	Three Months Ended March 31,	
	2019	2018
(In millions)		
Cash provided by operating activities	\$ 153.2	\$ 40.8
Capital expenditures	(25.0)	(30.6)
Free Cash Flow	\$ 128.2	\$ 10.2



May 2, 2019

First Quarter 2019 Financial Results

Introductions

- **Frank Bozich, President & CEO**
- **Barry Niziolek, Executive Vice President & CFO**
- **David Stasse, Vice President, Treasury & Investor Relations**

Disclosure Rules

Cautionary Note on Forward-Looking Statements. This presentation contains forward-looking statements including, without limitation, statements concerning plans, objectives, goals, projections, strategies, future events or performance, and underlying assumptions and other statements, which are not statements of historical facts or guarantees or assurances of future performance. Forward-looking statements may be identified by the use of words like "expect," "anticipate," "intend," "forecast," "outlook," "will," "may," "might," "see," "tend," "assume," "potential," "likely," "target," "plan," "contemplate," "seek," "attempt," "should," "could," "would" or expressions of similar meaning. Forward-looking statements reflect management's evaluation of information currently available and are based on our current expectations and assumptions regarding our business, the economy and other future conditions. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict. Factors that might cause such a difference include, but are not limited to, those discussed in our Annual Report on Form 10-K, under Part I, Item 1A — "Risk Factors" and elsewhere in our other reports filed with the U.S. Securities and Exchange Commission. As a result of these or other factors, our actual results may differ materially from those contemplated by the forward-looking statements. Therefore, we caution you against relying on any of these forward-looking statements. The forward-looking statements included in this presentation are made only as of the date hereof. We undertake no obligation to publicly update or revise any forward-looking statement as a result of new information, future events or otherwise, except as otherwise required by law.

This presentation contains financial measures that are not in accordance with generally accepted accounting principles in the US ("GAAP") including EBITDA, Adjusted EBITDA, Adjusted Net Income, Adjusted EPS and Free Cash Flow. We believe these measures provide relevant and meaningful information to investors and lenders about the ongoing operating results of the Company. Such measures when referenced herein should not be viewed as an alternative to GAAP measures of performance or liquidity, as applicable. We have provided a reconciliation of these measures to the most comparable GAAP metric alongside of the respective measure or otherwise in the Appendix section of this presentation.

Q1 2019 Results

- Q1 results impacted by continued weak demand in China, low automotive production and generally weak tire demand in all regions
- \$5 million unfavorable impact from unplanned styrene outage at Boehlen plant and residual effect from Q4 Terneuzen unplanned outage
- \$7 million unfavorable impact from fixed cost under-absorption related to inventory drawdown
- \$5 million unfavorable impact from planned maintenance at AmSty site

Q1 Cash Generation

- Strong cash from operations of \$153 million and Free Cash Flow* of \$128 million
- Repurchased 0.7 million shares for \$37 million
- Working capital release of approximately \$105 million from falling raw material prices in Q4 and actions taken to reduce inventory levels

2019 Outlook

- Guidance range: net income of \$237 million to \$290 million, diluted EPS of \$5.73 to \$7.00, Adjusted EBITDA* of \$500 million to \$560 million and Adjusted EPS* of \$6.00 to \$7.27
- 2019 results within guidance range to be determined by pace of recovery in China, automotive and tire markets
- Cautiously optimistic on improving economic conditions in the second half of 2019

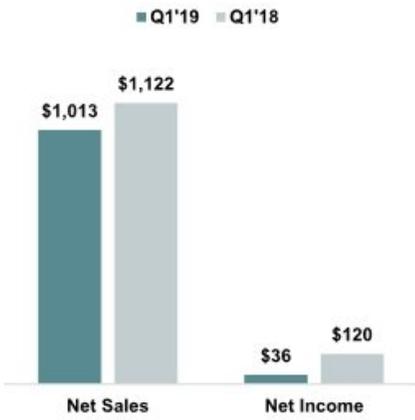
Other Initiatives

- Enhancing latex production capabilities via acquisition of production facilities in Rheinmunster, Germany; enabling capabilities that support growth in adhesives and construction markets
- Evaluating strategic options for polycarbonate manufacturing facility
- Cost actions being implemented

* See Appendix for a reconciliation of non-GAAP measures.

Trinseo Q1 2019 Financial Results

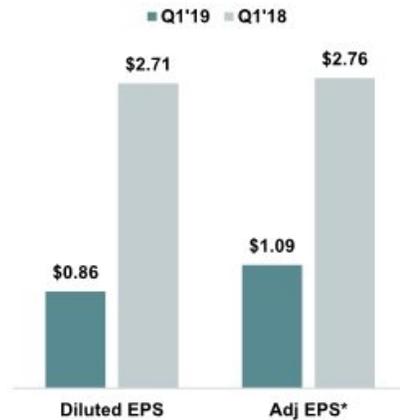
Net Sales & Net Income (\$MM)



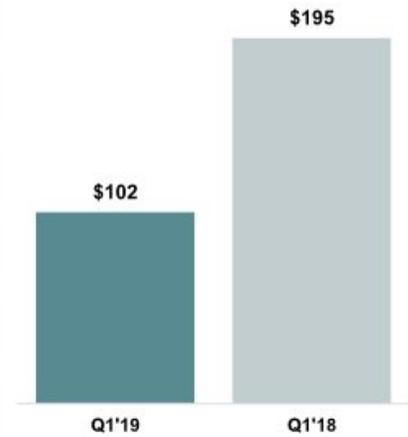
Net Sales

Vol	Price	FX	Total
9%	(15%)	(3%)	(10%)

EPS (\$)



Adjusted EBITDA* (\$MM)

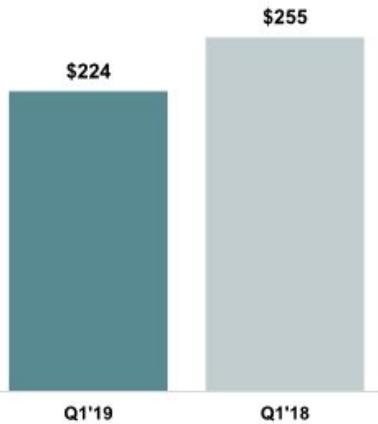


- Price decline due mainly to the pass-through of lower styrene
- Lower year-over-year profitability caused by lower styrene margins, continued macroeconomic weakness in China, and weak global automotive and tire markets

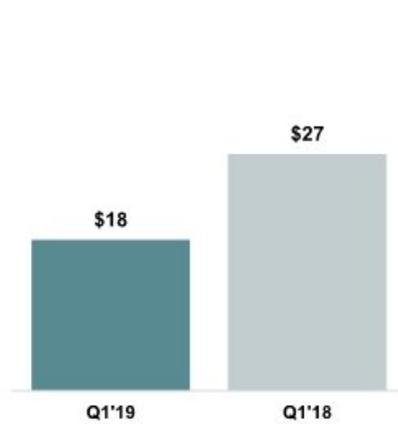
* See Appendix for a reconciliation of non-GAAP measures.

Latex Binders

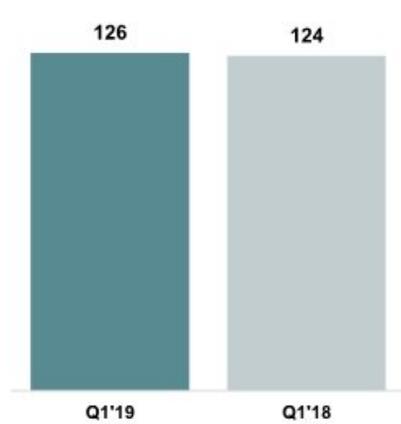
Net Sales (\$MM)



Adjusted EBITDA (\$MM)



Volume (kt)



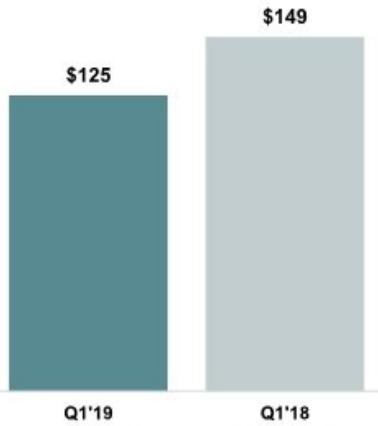
Vol	Price	FX	Total
5%	(14%)	(2%)	(12%)



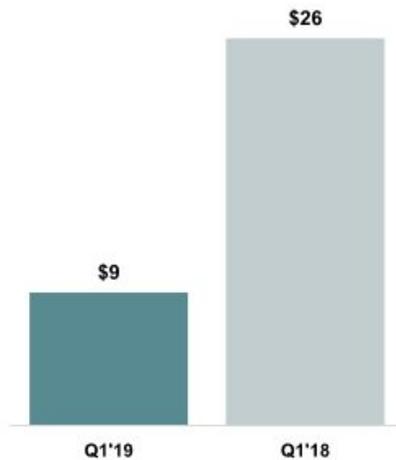
- Adjusted EBITDA below prior year due to margin compression from market competitiveness in paper markets
- Volume increases in board, carpet, adhesives, and construction markets offset by a decline in Asia paper from customer outage

Synthetic Rubber

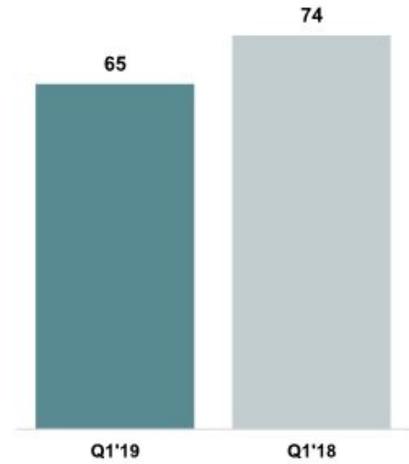
Net Sales (\$MM)



Adjusted EBITDA (\$MM)



Volume (kt)



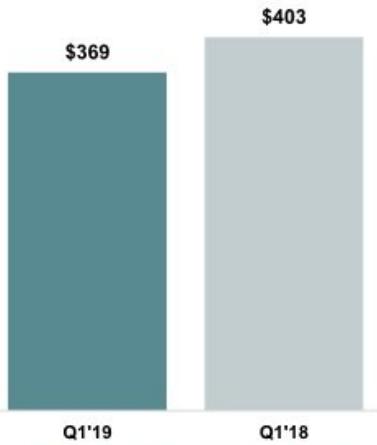
Vol	Price	FX	Total
(10%)	(2%)	(5%)	(16%)



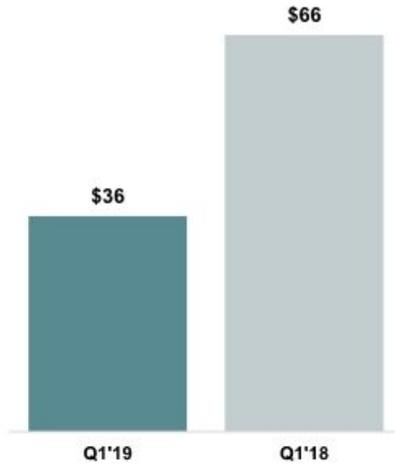
- Lower year-over-year volume in both SSBR and ESBR caused by slowdown in auto production globally and weakness in Europe and Asia tire markets
- Lower margins in ESBR caused by greater supply availability in Europe as Asia exports decline
- \$7 million unfavorable net timing versus prior year

Performance Plastics

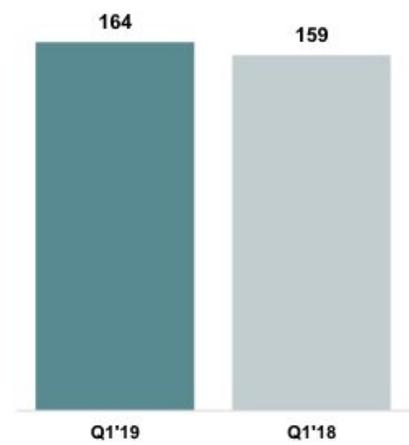
Net Sales (\$MM)



Adjusted EBITDA (\$MM)



Volume (kt)



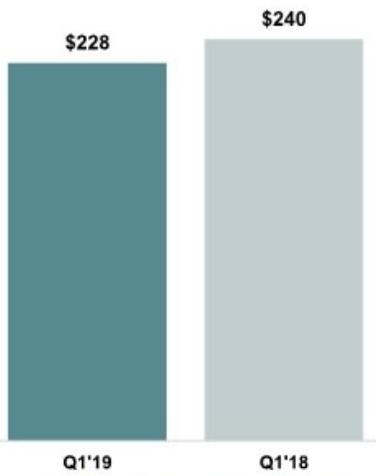
Vol	Price	FX	Total
7%	(12%)	(3%)	(8%)



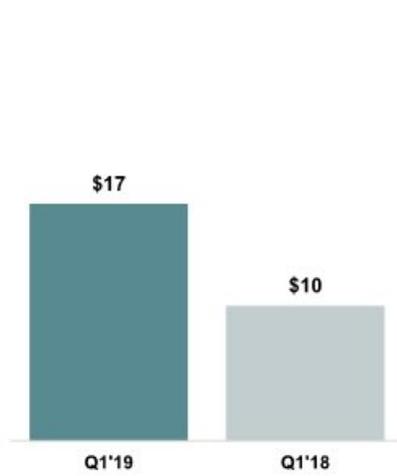
- Weakness globally in automotive production and a slow start to the year in China markets
- ABS margins have improved to highest level since Q2 2018; polycarbonate margins continue to decline

Polystyrene

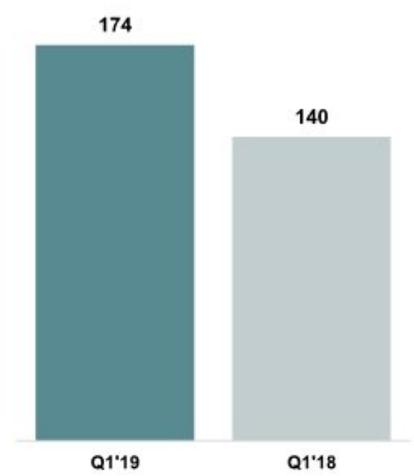
Net Sales (\$MM)



Adjusted EBITDA (\$MM)



Volume (kt)



Vol	Price	FX	Total
25%	(26%)	(4%)	(5%)



- Strong volume from restocking in both Europe and Asia driving increase in Adjusted EBITDA
- Restocking driven by lower styrene prices

FEEDSTOCKS

Adjusted EBITDA (\$MM)



- Lower level of industry unplanned outages in Q1 2019 vs Q1 2018
- Unplanned outages at Trinseo plants impacted results unfavorably by \$5 million in Q1 2019

AMERICAS STYRENICS

Adjusted EBITDA (\$MM)



- Planned maintenance in Q1 2019 and lower level of industry unplanned outages in Q1 2019 vs Q1 2018
- Dividends: \$13 million in Q1 2019

Forecasted Environment

Q2 2019

- Modest quarterly sequential improvement
 - Draw on styrene inventory in China continues as inventory levels approach more normalized levels
 - Higher styrene margins from planned industry styrene outages should drive modest sequential increase
 - Sequential quarterly improvement in Latex Binders due to seasonality
 - Slightly lower Polystyrene performance following Q1 restocking
 - Synthetic Rubber and Performance Plastics dependent on end market recovery including automotive and tires
 - Continued low margins expected in polycarbonate from ongoing pricing pressure

2019 – Full Year

- Remain cautiously optimistic that economic environment will improve throughout 2019
- Full year cash assumptions:
 - ~\$125 million for capital expenditures
 - ~\$70 million cash paid for taxes
 - ~\$45 million cash paid for interest
 - ~\$35 million for business services transition project
 - ~\$35 million for planned maintenance turnarounds and one-time pension payments

2019 Guidance Range



Assumptions for low-end of range:

- Limited economic recovery in China
 - Continuation of distorted trade flows of ABS / PC
 - Continued very low PC margins
 - Continued very low ABS margins in Europe and Asia
 - Muted lift from Q2 styrene outage season
- Continuation of weak tire markets
- No recovery in Western Europe auto production throughout 2019
- Intermittent paper and carpet mill idling

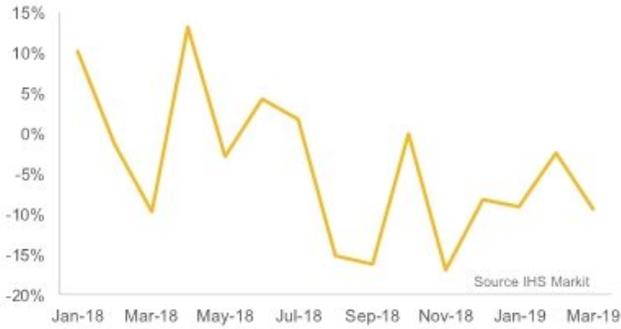
Assumptions for high-end of range

- Improving economic conditions in China beginning in Q2
 - ABS and PC demand in China returns to more normalized levels in Q2 2019; trade flows return to historical patterns, resulting in higher PC and ABS margins
 - Seasonally higher styrene margins in Q2 consistent with recent years
- Healthier tire demand environment beginning in Q2
- Western Europe auto production improvement beginning in Q2
- Minimal paper and carpet mill idling

Guidance range assumes minimal impact from both net timing and unplanned outages

Key Drivers

Western Europe Auto Production - YoY %



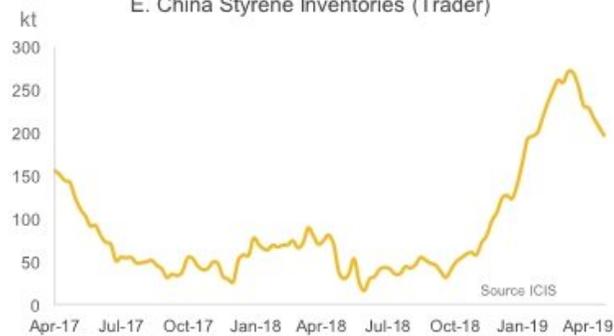
- ~50% of Performance Plastics auto volumes are in Europe
- 7 consecutive months of negative YoY production growth

Asia Spot Butadiene - USD/mt
CFR Northeast Asia



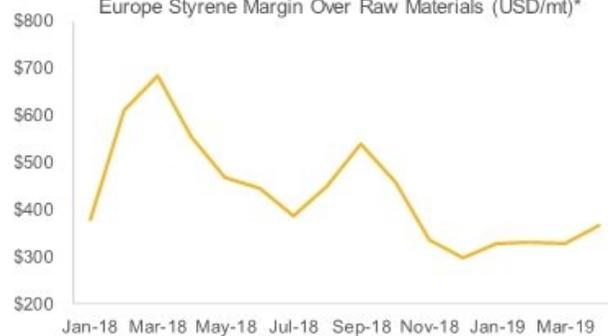
- ~40% of world's butadiene is used in tire production
- Rising prices could be indicative of stronger tire demand

E. China Styrene Inventories (Trader)



- Weak China demand and high inventories could mute near-term outage-driven margin spikes
- Currently 100kt above normal levels; represents six days of demand

Europe Styrene Margin Over Raw Materials (USD/mt)*



- Expect higher margins as Spring turnaround season continues

*SOURCE: Styrene, Benzene, Ethylene Prices: ICIS. Styrene margin over raw materials: Trinseo. Styrene: W. Europe Contract Monthly Market (Delivered W. Europe); Benzene: 50% W. Europe Spot Avg (CIF NW Europe / Basis ARA) and 50% W. Europe Contract - Market (FOB/CIF W. Europe); Ethylene: W. Europe Contract - Market Pipeline (Delivered W. Europe). Styrene margin over raw materials: Styrene less (80% * Benzene) less (30% * Ethylene).

Appendix

US GAAP to Non-GAAP Reconciliation

Profitability Outlook

<u>(In \$millions, unless noted)</u>	Year Ended <u>Dec 31, 2019</u>
Adjusted EBITDA	500 - 560
Interest expense, net	(42)
Provision for income taxes	(75) - (82)
Depreciation and amortization	(135)
Reconciling items to Adjusted EBITDA	(11)
Net Income	237 - 290
Reconciling items to Net Income	11
Adjusted Net Income	248 - 301
Weighted avg shares - diluted (MM)	41.4
EPS - diluted (\$)	5.73 - 7.00
Adjusted EPS (\$)	6.00 - 7.27

NOTE: For definitions of non-GAAP measures refer to the accompanying Exhibit 99.1 – Press Release, May 2, 2019. Totals may not sum due to rounding.

US GAAP to Non-GAAP Reconciliation



(in \$millions, unless noted)

	Q1'17	Q2'17	Q3'17	Q4'17	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19	2016	2017	2018
Net Income	117.3	60.2	33.2	117.7	120.3	98.3	74.7	(0.9)	35.8	318.3	328.3	292.5
Interest expense, net	18.2	18.7	18.4	14.8	14.9	10.8	10.1	10.6	10.2	75.0	70.1	46.4
Provision for income taxes	29.3	18.8	8.3	26.4	24.9	20.4	19.2	7.3	10.8	87.0	82.8	71.8
Depreciation and amortization	24.7	26.3	29.2	30.3	31.9	32.3	31.8	34.2	33.9	96.4	110.6	130.2
EBITDA	189.5	124.0	89.1	189.2	192.0	161.8	135.8	51.2	90.7	576.7	591.8	540.9
Loss on extinguishment of long-term debt	-	-	65.3	-	-	0.2	-	-	-	-	65.3	0.2
Other items	-	-	1.6	(21.6)	2.7	6.8	6.1	7.4	11.1	(4.4)	(19.9)	22.8
Restructuring and other charges	2.1	1.1	1.5	1.2	0.5	1.2	0.9	5.6	0.4	23.5	6.0	8.2
Net (gains) / losses on dispositions of businesses and assets	(9.9)	-	0.2	-	(0.5)	-	-	(0.5)	(0.2)	15.1	(9.7)	(1.0)
Acquisition transaction and integration costs	-	1.1	3.8	(0.1)	0.3	0.2	0.1	-	-	-	4.7	0.6
Asset impairment charges or write-offs	-	-	4.3	-	-	-	-	1.5	-	-	4.3	1.5
Adjusted EBITDA	181.7	126.2	165.8	168.7	195.0	170.2	142.9	65.2	102.0	610.9	642.5	573.2
Adjusted EBITDA to Adjusted Net Income												
Adjusted EBITDA	181.7	126.2	165.8	168.7	195.0	170.2	142.9	65.2	102.0	610.9	642.5	573.2
Interest expense, net	18.2	18.7	18.4	14.8	14.9	10.8	10.1	10.6	10.2	75.0	70.1	46.4
Provision for income taxes - Adjusted	29.5	19.2	21.0	28.4	26.0	22.3	21.9	10.8	12.7	94.6	98.2	81.0
Depreciation and amortization - Adjusted	24.2	25.8	28.6	30.0	31.7	32.1	31.5	34.0	33.4	95.4	108.6	129.1
Adjusted Net Income	109.8	62.5	97.8	95.5	122.4	105.0	79.4	9.8	45.7	345.9	365.6	316.7
Wtd Avg Shares - Diluted (000)	45,313	44,995	44,782	44,734	44,430	43,810	43,347	43,269	41,762	47,478	44,973	43,666
Adjusted EPS - Diluted (\$)	2.42	1.39	2.18	2.14	2.76	2.40	1.83	0.23	1.09	7.28	8.13	7.25
Adjustments by Statement of Operations Caption												
Loss on extinguishment of long-term debt	-	-	65.3	-	-	0.2	-	-	-	-	65.3	0.2
Cost of sales	-	-	2.4	(18.4)	-	1.2	-	0.6	-	-	(16.0)	1.8
Selling, general and administrative expenses	2.1	2.2	7.6	(2.1)	3.5	6.5	7.1	13.8	11.5	25.9	9.9	30.8
Other expense (income), net	(9.9)	-	1.4	-	(0.5)	0.5	-	(0.5)	(0.2)	8.3	(8.5)	(0.5)
Total EBITDA Adjustments	(7.8)	2.2	76.7	(20.5)	3.0	8.4	7.1	14.0	11.3	34.2	50.7	32.3
Free Cash Flow Reconciliation												
Cash provided by (used in) operating activities	(25.7)	62.3	158.3	196.5	40.8	141.6	56.1	128.0	153.2	403.7	391.3	366.5
Capital expenditures	(36.0)	(38.2)	(34.6)	(38.5)	(30.6)	(28.9)	(31.5)	(30.5)	(25.0)	(123.9)	(147.4)	(121.4)
Free Cash Flow	(61.7)	24.1	123.7	158.0	10.2	112.7	24.6	97.5	128.2	279.8	243.9	245.1

NOTE: For definitions of non-GAAP measures as well as descriptions of current period reconciling items from Net Income to Adjusted EBITDA and to Adjusted Net Income, refer to the Company's Form 8-K filed on May 2, 2019. Totals may not sum due to rounding.

Selected Segment Information



<i>(in \$millions, unless noted)</i>	Q1'16	Q2'16	Q3'16	Q4'16	Q1'17	Q2'17	Q3'17	Q4'17	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19	2016	2017	2018
Latex Binders	136	141	144	140	136	130	135	125	124	131	129	125	126	561	527	510
Synthetic Rubber	66	67	68	72	81	72	62	65	74	73	64	62	65	274	280	273
Performance Plastics	152	155	143	137	156	147	153	154	159	160	165	151	164	587	610	636
Polystyrene	171	160	152	155	141	156	159	155	140	173	154	161	174	637	612	627
Feedstocks	88	88	94	74	76	108	94	102	65	85	107	80	77	344	379	336
Trade Volume (kt)	613	611	601	578	591	613	603	601	563	621	619	579	606	2,402	2,408	2,382
Latex Binders	209	232	243	241	289	292	266	250	255	281	278	255	224	925	1,097	1,069
Synthetic Rubber	102	111	113	124	163	174	119	127	149	155	138	130	125	451	583	573
Performance Plastics	304	326	301	287	337	339	362	381	403	413	401	361	369	1,218	1,419	1,578
Polystyrene	208	221	198	201	228	233	238	241	240	286	252	240	228	828	941	1,017
Feedstocks	71	79	81	64	87	107	111	103	75	102	131	79	67	294	408	387
Net Sales	894	970	935	917	1,104	1,145	1,097	1,102	1,122	1,237	1,200	1,065	1,013	3,717	4,448	4,623
Latex Binders	19	21	30	24	37	36	32	33	27	36	25	22	18	94	139	110
Synthetic Rubber	23	30	28	29	46	28	(6)	15	26	31	15	5	9	111	83	77
Performance Plastics	59	66	53	53	52	48	62	68	66	49	44	31	36	232	231	189
Polystyrene	14	15	11	12	14	7	9	19	10	14	5	6	17	52	48	34
Feedstocks	21	33	13	14	42	(1)	46	24	42	32	40	(7)	17	80	111	107
Americas Styrenics	33	38	34	31	18	30	44	31	46	33	35	31	32	136	123	144
Corporate	(25)	(21)	(26)	(22)	(27)	(22)	(22)	(21)	(20)	(25)	(21)	(22)	(26)	(95)	(92)	(88)
Adjusted EBITDA*	143	182	143	142	182	126	166	169	195	170	143	65	102	611	642	573
Adj EBITDA Variance Analysis																
<u>Net Timing** Impacts - Fav/(Unfav)</u>																
Latex Binders	(0)	(4)	2	2	(8)	1	(5)	4	(4)	4	(3)	4	(0)	(0)	(8)	1
Synthetic Rubber	(4)	3	1	6	16	(4)	(25)	0	2	7	3	(3)	(5)	6	(13)	9
Performance Plastics	3	(3)	(1)	1	(2)	(3)	1	2	(0)	(3)	(1)	(5)	(1)	0	(2)	(9)
Polystyrene	(1)	1	1	1	4	(5)	1	3	(2)	1	(2)	(7)	2	2	3	(9)
Feedstocks	(2)	4	1	4	11	(11)	4	7	(3)	0	(2)	(17)	3	7	11	(21)
Net Timing** Impacts - Fav/(Unfav)	(4)	0	5	14	22	(23)	(24)	15	(7)	10	(4)	(28)	(1)	15	(9)	(30)

**Net Timing is the difference between Raw Material Timing and Price Lag. Raw Material Timing represents the timing of raw material cost changes flowing through cost of goods sold versus current pricing. Price Lag represents the difference in revenue between the current contractual price and the current period price.

* See this Appendix for a reconciliation of non-GAAP measures. NOTE: Totals may not sum due to rounding.