
**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): **November 5, 2020**

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:

<u>Title of Each Class</u>	<u>Trading symbol</u>	<u>Name of Exchange on which registered</u>
Ordinary Shares, par value \$0.01 per share	TSE	New York Stock Exchange

ITEM 2.02 Results of Operations and Financial Condition

On November 5, 2020, 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 third quarter ended September 30, 2020. 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, November 6, 2020 at 10 AM Eastern Time. Ahead of this call the Company is also making available on its website an investor presentation, which will be discussed on the call and is furnished as Exhibit 99.2 hereto.

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 November 5, 2020
99.2	Investor Presentation, dated November 5, 2020
104	Cover Page Interactive Data File (formatted in Inline XBRL and contained in Exhibit 101)

EXHIBIT INDEX

**Exhibit
Number**

Description

99.1

[Press Release, dated November 5, 2020](#)

99.2

[Investor Presentation, dated November 5, 2020](#)

104

Cover Page Interactive Data File (formatted in Inline XBRL and contained in Exhibit 101)

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/ David Stasse
Name: David Stasse
Title: Executive Vice President and Chief Financial Officer

Date: November 5, 2020



News Release

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Trinseo Reports Third Quarter 2020 Financial Results

Third Quarter 2020 and Other Highlights

- Net income of \$106 million and diluted EPS of \$2.75
- Adjusted EBITDA* of \$102 million, including a \$2 million favorable impact from net timing, and Adjusted EPS* of \$2.87
- COVID-19 pre-tax impact of \$65 million to \$70 million in the first half of the year with an expected second half pre-tax benefit of \$10 million to \$15 million from restocking volume and margin benefits, resulting in a full-year anticipated pre-tax impact of \$55 million
- Improved market conditions and continued actions in response to COVID-19, including reduced capital spending and operating expenses, resulted in third quarter cash from operations of \$52 million, Free Cash Flow* of \$39 million, and quarter-ending cash and cash equivalents of \$503 million

Smillions, except per share data	Three Months Ended	
	September 30,	
	2020	2019
Net Sales	\$ 752	\$ 922
Net Income	106	22
EPS (Diluted) (\$)	2.75	0.56
Adjusted Net Income*	110	27
Adjusted EPS (\$)*	2.87	0.67
EBITDA*	97	74
Adjusted EBITDA*	102	88

**For a reconciliation of EBITDA, Adjusted EBITDA, and Adjusted Net Income, all of which are non-GAAP measures, to Net Income, as well as a reconciliation of Free Cash Flow and Adjusted EPS, see Notes 2 and 3 to the financial statements included below.*

BERWYN, Pa — November 5, 2020 — Trinseo (NYSE: TSE), a global materials company and manufacturer of plastics, latex binders and synthetic rubber, today reported its third quarter 2020 financial results. Net sales of \$752 million in the third quarter decreased 18% versus prior year mainly due to the pass through of lower raw materials. Total Company sales volume was similar to prior year, the result of a strong recovery in demand in automotive, tires, construction, and appliance applications. Third quarter net income of \$106 million was \$84 million above prior year while third quarter Adjusted EBITDA of \$102 million was \$14 million above prior year. The increase in year-over-year profitability was due to both higher margins in most segments and cost reduction initiatives. In addition, the third quarter net income included a tax benefit of \$50 million which represents a year-to-date normalization due to the improved full-year outlook for the estimated annual effective tax rate.

Cash provided by operating activities for the third quarter was \$52 million and capital expenditures were \$13 million, resulting in Free Cash Flow for the quarter of \$39 million. In July, the Company fully repaid the outstanding \$100 million revolver borrowing which was drawn in April. The cash balance at the end of the quarter was \$503 million. For a reconciliation of Free Cash Flow to cash provided by operating activities, see Note 3 below.

Commenting on the Company's third quarter performance, Frank Bozich, President and Chief Executive Officer of Trinseo, said, "During the third quarter we observed significant demand recovery in many of our end markets. In addition, tighter market conditions led to higher year-over-year margins for styrene, polystyrene, polycarbonate and ABS. I want to thank our employees for their continued dedication and there's no doubt that our improved performance is a byproduct of both their hard work and the speed at which our management group was able to adjust."

Third quarter Results and Commentary by Business Segment

- **Latex Binders** net sales of \$183 million for the quarter decreased 20% versus prior year due almost entirely to the pass through of lower raw material costs. Volumes were slightly lower than prior year due to continued headwinds in graphical paper, but that was largely offset by positive volume trends in board packaging, CASE applications, and textile, as well as higher volumes from the Rheinmuenster acquisition. Adjusted EBITDA of \$20 million was \$1 million lower than prior year due to a negative net timing variance of \$3 million, partially offset by cost reduction initiatives. Sales volume to CASE applications in the third quarter and year-to-date third quarter increased 3% in comparison to prior year.
- **Synthetic Rubber** net sales of \$79 million for the quarter decreased 24% versus prior year due mainly to the pass through of lower raw material costs. Demand in the tire market improved versus the low levels observed during the second quarter, which were caused by COVID-19 shutdowns. Adjusted EBITDA of negative \$2 million was \$10 million below prior year from both lower margins, including the impact of higher spot sales in ESBR, and lower fixed cost absorption from inventory reduction initiatives.
- **Performance Plastics** net sales of \$290 million for the quarter decreased 11% versus prior year due mainly to the pass through of lower raw material costs. Adjusted EBITDA of \$51 million was \$15 million higher than prior year due to cost reduction initiatives as well as expanded margins in polycarbonate and ABS from tighter market conditions and improved customer mix. Sales volume to Engineered Materials applications in the third quarter decreased approximately 3% in comparison to prior year.
- **Polystyrene** net sales of \$167 million for the quarter were 15% below prior year. Lower pricing from the pass through of lower raw material costs negatively impacted net sales by 25%. This was partially offset by higher sales volume due to higher demand to essential applications such as packaging and appliances. Adjusted EBITDA of \$21 million represents the highest Adjusted EBITDA in the segment since 2015. This result was \$4 million higher than prior year due to higher volume, particularly to appliance applications, as well as expanded margins in Asia and Europe from high demand and industry utilization rates.
- **Feedstocks** net sales of \$32 million for the quarter were 51% below prior year due to lower styrene pricing as well as lower styrene-related sales volume. Higher styrene margin and production led to Adjusted EBITDA of \$11 million compared to breakeven in the prior year.

The Company previously announced that it was evaluating strategic options for its styrene monomer plant in Boehlen, Germany. As part of this effort, a new raw material agreement was negotiated that is expected to make the plant economically feasible along with the added benefit of operational flexibility. Therefore, we are no longer evaluating strategic options.

- **Americas Styrenics** Adjusted EBITDA of \$18 million for the quarter was \$7 million below prior year due mainly to lower styrene margins in North America as well as volume-related impacts from COVID-19.

Change to Business Segmentation

Starting in the fourth quarter of 2020, the Company will change its segment reporting to provide increased clarity within its Performance Plastics segment. The number of reporting segments will increase from six to seven. Five of the segments will be unchanged: Latex Binders, Synthetic Rubber, Feedstocks, Polystyrene and Americas Styrenics. Performance Plastics will be reorganized into two separate reporting segments: Engineered Materials and Base Plastics. The new Engineered Materials segment includes compounds and blends products sold into applications such as consumer electronics and medical, as well as thermoplastic elastomer products sold into a variety of applications including footwear and automotive. The new Base Plastics segment will include the results of the remaining product lines, including ABS and polycarbonate as well as compounds and blends for automotive and other applications.

This new structure is aligned with the Company's strategy to invest its efforts and resources into product offerings serving applications that tend to be less cyclical and offer significantly higher growth and margin potential. In 2019 and thus far in 2020, Engineered Materials delivered margins that were more than two times the average of products serving all applications within the Performance Plastics segment. A summary of historical results for the new segmentation is available in the appendix of the slide presentation.

Outlook

Commenting on the outlook for the remainder of 2020, Bozich said, “We have seen demand momentum continue in October and we are cautiously optimistic that this will continue through the end of the year. We expect to end the year with a strong balance sheet and liquidity position which will enable us to continue to invest in areas that will provide value to our shareholders including focusing on higher margin, more resilient applications and the exciting opportunities emerging in polystyrene circularity.”

Conference Call and Webcast Information

Trinseo will host a conference call to discuss its third quarter 2020 financial results on Friday, November 6, 2020 at 10 a.m. Eastern Time.

Commenting on results will be Frank Bozich, President and Chief Executive Officer, David Stasse, Executive Vice President and Chief Financial Officer, and Andy Myers, Director of Investor Relations. To register for this conference call, please use the following links:

- Conference Call Registration – for those interested in asking questions during the Q&A session
- Webcast Registration – for those interested in listening only

After registering, you will receive a confirmation email with a meeting invitation and information for entry. Registration is open through the live call, but it is advised that you register at least one day in advance to ensure you are connected for the full call.

Trinseo has posted its third quarter 2020 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 November 6, 2021.

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 \$3.8 billion in net sales in 2019, with 17 manufacturing sites around the world and approximately 2,700 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 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.

Cautionary Note on Forward-Looking Statements

This press release may contain “forward-looking statements” including, without limitation, statements concerning plans, objectives, goals, projections, expectations, strategies, future events or performance, and underlying assumptions and other statements, which are not statements of historical facts. Forward-looking statements may be identified by the use of words like “expect,” “estimate,” “will,” “may,” or expressions of similar meaning. Forward-looking statements reflect management’s evaluation of information currently available and are based on the Company’s current expectations and assumptions regarding the impact from the COVID-19 pandemic, the Company’s business, the economy and other future conditions. Specific factors that could cause future results to differ from those expressed by the forward-looking statements include, but are not limited to, risks related to the ongoing impact of the COVID-19 pandemic and those discussed in the Company’s Annual Report for the year ended December 31, 2019 filed with the Securities and Exchange Commission (“SEC”), in subsequent Quarterly Reports on Form 10-Q and in other filings and furnishings made by the Company with the SEC from time to time. Other unknown or unpredictable factors could also have material adverse

effects on the Company's performance. As a result of these or other factors, the Company's actual results may differ materially from those contemplated by the forward-looking statements. The forward-looking statements included in this press release are made only as of the date hereof and are not a guarantee of future performance. The Company undertakes 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.

TRINSEO S.A.

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

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2020	2019	2020	2019
Net sales	\$ 752.1	\$ 922.1	\$ 2,175.3	\$ 2,887.0
Cost of sales	648.8	836.9	2,009.3	2,618.1
Gross profit	103.3	85.2	166.0	268.9
Selling, general and administrative expenses	53.7	67.6	189.6	208.0
Equity in earnings of unconsolidated affiliates	18.3	25.7	42.5	98.2
Impairment charges	—	—	38.3	—
Operating income (loss)	67.9	43.3	(19.4)	159.1
Interest expense, net	10.0	9.2	32.0	29.3
Other expense, net	1.6	2.3	4.1	7.7
Income (loss) before income taxes	56.3	31.8	(55.5)	122.1
Provision for (benefit from) income taxes	(49.5)	9.3	3.3	35.8
Net income (loss)	\$ 105.8	\$ 22.5	\$ (58.8)	\$ 86.3
Weighted average shares- basic	38.3	40.1	38.4	40.7
Net income (loss) per share- basic	\$ 2.77	\$ 0.56	\$ (1.53)	\$ 2.12
Weighted average shares- diluted	38.4	40.4	38.4	41.2
Net income (loss) per share- diluted	\$ 2.75	\$ 0.56	\$ (1.53)	\$ 2.09

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Condensed Consolidated Balance Sheets
(In millions)
(Unaudited)

	September 30, 2020	December 31, 2019
Assets		
Cash and cash equivalents	\$ 503.3	\$ 456.2
Accounts receivable, net	527.6	570.8
Inventories	311.6	438.2
Other current assets	20.7	25.9
Investments in unconsolidated affiliates	230.6	188.1
Property, plant, equipment, goodwill, and other intangible assets, net	835.7	885.0
Right-of-use assets - operating	75.0	71.4
Total other assets	142.3	123.2
Total assets	<u>\$ 2,646.8</u>	<u>\$ 2,758.8</u>
Liabilities and shareholders' equity		
Current liabilities	457.8	527.6
Long-term debt, net	1,159.7	1,162.6
Noncurrent lease liabilities - operating	62.6	58.0
Other noncurrent obligations	419.1	341.7
Shareholders' equity	547.6	668.9
Total liabilities and shareholders' equity	<u>\$ 2,646.8</u>	<u>\$ 2,758.8</u>

TRINSEO S.A.

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

Nine Months Ended
September 30,

	2020	2019
Cash flows from operating activities		
Cash provided by operating activities	\$ 127.7	\$ 274.9
Cash flows from investing activities		
Capital expenditures	(60.9)	(71.2)
Net cash received (paid) for asset and business acquisitions, net of cash acquired	0.1	(6.4)
Proceeds from the sale of businesses and other assets	11.9	0.7
Proceeds from the settlement of hedging instruments	51.6	—
Cash provided by (used in) investing activities	2.7	(76.9)
Cash flows from financing activities		
Short-term borrowings, net	(8.2)	(4.8)
Purchase of treasury shares	(25.0)	(98.7)
Dividends paid	(46.5)	(50.0)
Proceeds from exercise of option awards	0.4	0.9
Withholding taxes paid on restricted share units	(0.6)	(3.9)
Repayments of 2024 Term Loan B	(5.2)	(5.3)
Net proceeds from draw on 2022 Revolving Facility	100.0	—
Repayments of 2022 Revolving Facility	(100.0)	—
Cash used in financing activities	(85.1)	(161.8)
Effect of exchange rates on cash	1.3	(4.0)
Net change in cash, cash equivalents, and restricted cash	46.6	32.2
Cash, cash equivalents, and restricted cash—beginning of period	457.4	452.3
Cash, cash equivalents, and restricted cash—end of period	\$ 504.0	\$ 484.5
Less: Restricted cash, included in "Other current assets"	(0.7)	(1.2)
Cash and cash equivalents—end of period	\$ 503.3	\$ 483.3

TRINSEO S.A.

Notes to Condensed Consolidated Financial Information
(Unaudited)

Note 1: Net sales by Segment

(In millions)	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2020	2019	2020	2019
Latex Binders	\$ 183.2	\$ 229.7	\$ 567.3	\$ 683.8
Synthetic Rubber	79.5	104.2	217.5	340.9
Performance Plastics	290.1	324.8	784.3	1,041.7
Polystyrene	167.3	197.6	505.9	633.2
Feedstocks	32.0	65.8	100.3	187.4
Americas Styrenics*	—	—	—	—
Total Net Sales	\$ 752.1	\$ 922.1	\$ 2,175.3	\$ 2,887.0

* 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, which is defined as income from continuing operations before interest expense, net; income tax provision; depreciation and amortization expense. We refer to EBITDA 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 benefits, 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	
	September 30,	
	2020	2019
Net income	\$ 105.8	\$ 22.5
Interest expense, net	10.0	9.2
Provision for (benefit from) income taxes	(49.5)	9.3
Depreciation and amortization	30.7	33.0
EBITDA	\$ 97.0	\$ 74.0
Restructuring and other charges (a)	2.0	0.2
Acquisition transaction and integration net costs	—	0.6
Other items (b)	2.6	13.3
Adjusted EBITDA	\$ 101.6	\$ 88.1
<u>Adjusted EBITDA to Adjusted Net Income:</u>		
Adjusted EBITDA	101.6	88.1
Interest expense, net	10.0	9.2
Provision for (benefit from) income taxes - Adjusted (c)	(49.3)	19.7
Depreciation and amortization - Adjusted (d)	30.6	32.0
Adjusted Net Income	\$ 110.3	\$ 27.2
Adjusted EPS	\$ 2.87	\$ 0.67
<u>Adjusted EBITDA by Segment:</u>		
Latex Binders	\$ 19.6	\$ 21.0
Synthetic Rubber	(2.2)	7.4
Performance Plastics	50.9	36.3
Polystyrene	20.7	16.3
Feedstocks	10.8	0.1
Americas Styrenics	18.3	25.7
Corporate unallocated	(16.5)	(18.7)
Adjusted EBITDA	\$ 101.6	\$ 88.1

- (a) Restructuring and other charges for the three months ended September 30, 2020 primarily relate to charges incurred in connection with the Company's corporate and other restructuring programs. Restructuring and other charges for the three months ended September 30, 2019 primarily relate to decommissioning 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.
- (b) Other items for the three months ended September 30, 2020 and 2019 primarily relate to fees incurred in conjunction with certain of the Company's strategic initiatives as well as advisory and professional fees incurred in conjunction with our initiative to transition business services from Dow, including certain administrative services such as accounts payable, logistics, and IT services.
- (c) Adjusted to remove the tax impact of the items noted in (a), (b), and (d). 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. The three months ended September 30, 2019 excludes a \$7.4 million tax benefit related to the re-measurement of the Company's deferred tax assets and liabilities in Switzerland due to changes in the Swiss Federal tax rules enacted in August 2019.
- (d) For the three months ended September 30, 2019 the amount excludes accelerated depreciation of \$1.0 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 (b) above).

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

The Company uses certain measures, such as Free Cash Flow as non-GAAP measures, 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 useful analytical indicators 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 alternatives 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 following detail, which is determined in accordance with GAAP.

(In millions)	Free Cash Flow			
	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2020	2019	2020	2019
Cash provided by operating activities	\$ 51.9	\$ 40.9	\$ 127.7	\$ 274.9
Capital expenditures	(12.7)	(23.6)	(60.9)	(71.2)
Free Cash Flow	<u>\$ 39.2</u>	<u>\$ 17.3</u>	<u>\$ 66.8</u>	<u>\$ 203.7</u>



Third Quarter 2020 Financial Results

November 5, 2020

™Trademark of Trinseo S.A. or its affiliates

Introductions & Disclosure Rules

Introductions

- Frank Bozich, President & CEO
- David Stasse, Executive Vice President & CFO
- Andy Myers, Director of 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 the impact from the Covid-19 pandemic, 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 and liquidity position 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.

Summary

Q3 2020 Results

- Recovery gained momentum through the quarter, led by automotive, appliances and tires
- Healthy demand led to expanded year-over-year margins in styrene, polystyrene, polycarbonate and ABS
- Strongest earnings quarter for polystyrene since 2015

Cash and Liquidity

- Q3 cash from operations of \$52 million led to Free Cash Flow* of \$39 million
- Q3 ending cash and cash equivalents of \$503 million
- Year-to-date cash from operations of \$128 million with Free Cash Flow* of \$67 million

Outlook

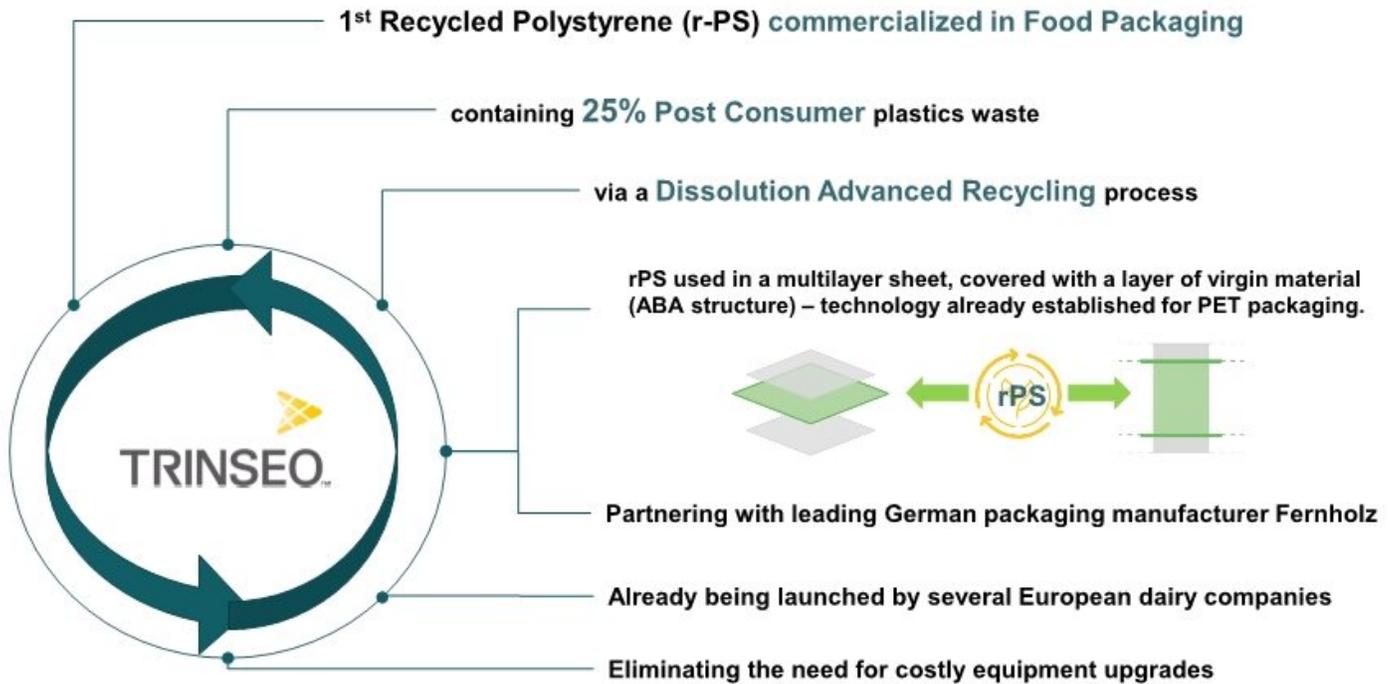
- Strong demand conditions continued through October in all segments
- Full year COVID-19 pre-tax impact expected to be unfavorable \$55 million, including \$15 million favorable second half
- Effective October 1, Performance Plastics segment split into Base Plastics and Engineered Materials

Key Initiatives

- Evaluation of Boehlen site complete and will continue operations; new raw material agreements help to create economic feasibility for plant along with greater operational flexibility
- Milestones reached on sustainability initiatives in polystyrene and synthetic rubber

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

Advances in Polystyrene Sustainability Initiatives



Help the plastics industry conserve resources and reduce oil consumption by offering companies a tangible solution for more sustainable packaging

Sustainability Initiatives – TRS and Mass Balance Certification



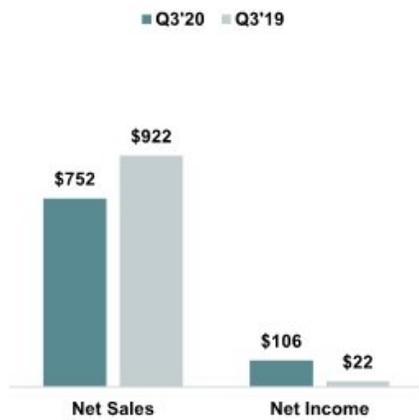
Two Sustainability initiatives announced in support of goal of 40% of product portfolio sustainably advantaged by 2030

1. Mass Balance certification from the International Sustainability & Carbon Certification (ISCC), representing the first step towards achieving true circularity in synthetic rubber
 - Enables cost effective, transparent tracking of sustainably advantaged materials at a large scale
 - Applies to polystyrene from Tessenderlo, Belgium, polycarbonate produced in Stade, Germany and synthetic rubber from Schkopau, Germany
2. Reached definitive agreement with Tyre Recycling Solutions (TRS) on a commercial collaboration and an equity investment in TRS
 - Collaboration in R&D to help tire manufacturers develop more sustainable tire formulations, aiding the long-term goal of creating a sustainable outlet for end-of-life tires
 - Provides ability to offer a circular solution to tire manufacturers with recycled tire powder content without compromising performance



Trinseo Q3 2020 Financial Results

Net Sales & Net Income (\$MM)



EPS (\$)



Adjusted EBITDA* (\$MM)



Net Sales

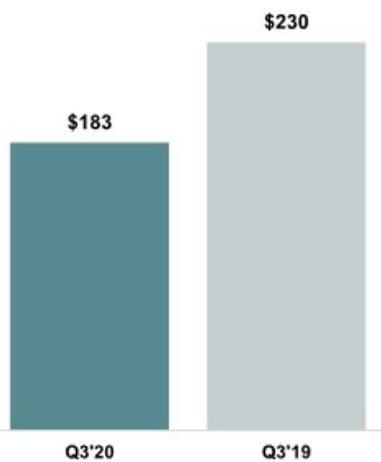
Vol	Price	FX	Total
(1%)	(19%)	2%	(18%)

- Demand recovery in applications such as automotive, appliances, tires and construction
- Lower net sales attributed to the pass through of lower priced raw materials
- Net income improvement attributed to expanded margins in most segments, cost reduction initiatives and a tax benefit to adjust for year-to-date earnings and outlook

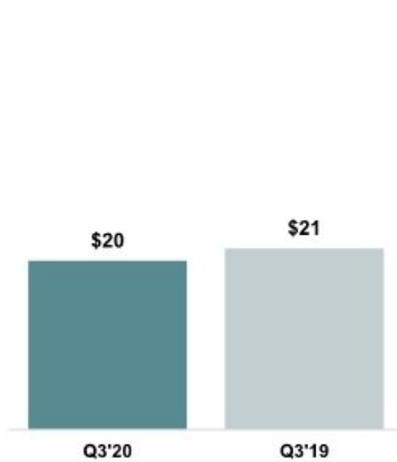
* See Appendix for a reconciliation of non-GAAP measures.

Latex Binders

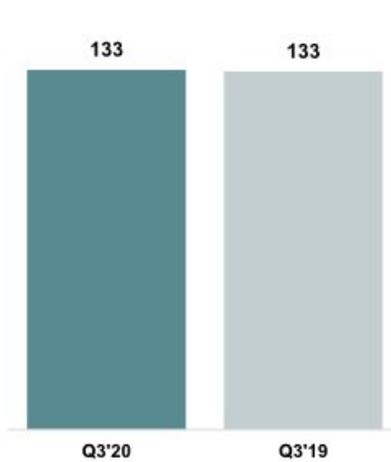
Net Sales (\$MM)



Adjusted EBITDA (\$MM)



Volume (kt)



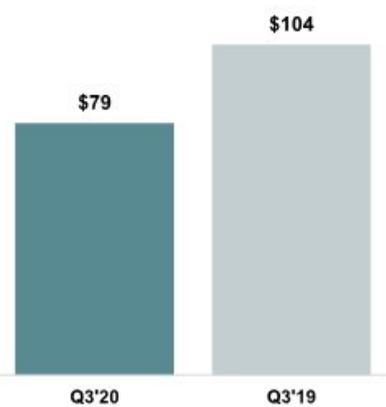
Vol	Price	FX	Total
(2%)	(20%)	1%	(20%)



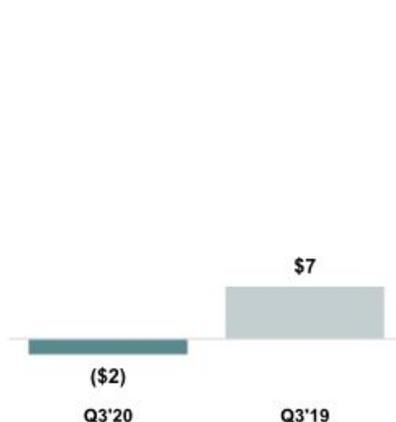
- Sales decline versus prior year due to pass through of lower priced raw materials
- Lower Adj EBITDA due to \$3 million negative net timing variance, partially offset by higher margin
- CASE sales volume up 3% vs prior year in Q3 and YTD

Synthetic Rubber

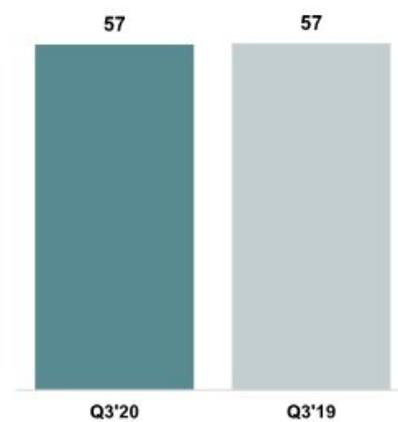
Net Sales (\$MM)



Adjusted EBITDA (\$MM)



Volume (kt)



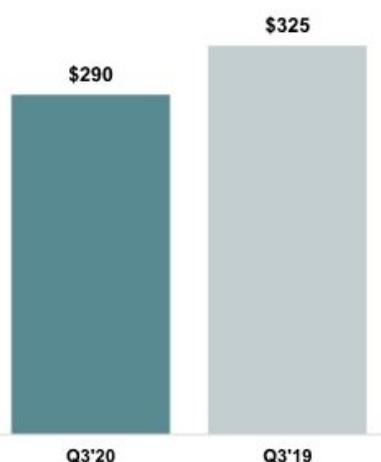
Vol	Price	FX	Total
(3%)	(24%)	3%	(24%)



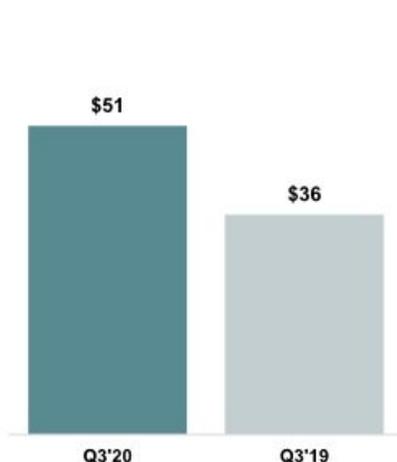
- Lower sales versus prior year due mainly to the pass through of lower priced raw materials
- Demand recovery paced by Asia and North America
- Lower earnings caused by unfavorable mix as well as less fixed cost absorption (\$4 million) from inventory reduction

Performance Plastics

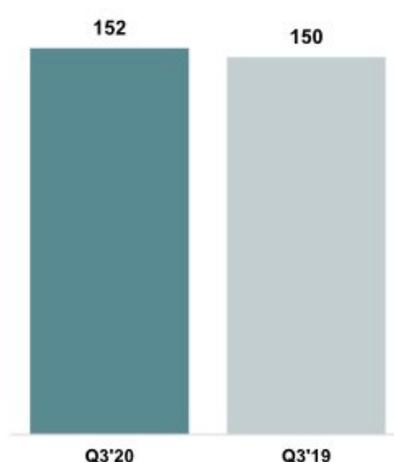
Net Sales (\$MM)



Adjusted EBITDA (\$MM)



Volume (kt)

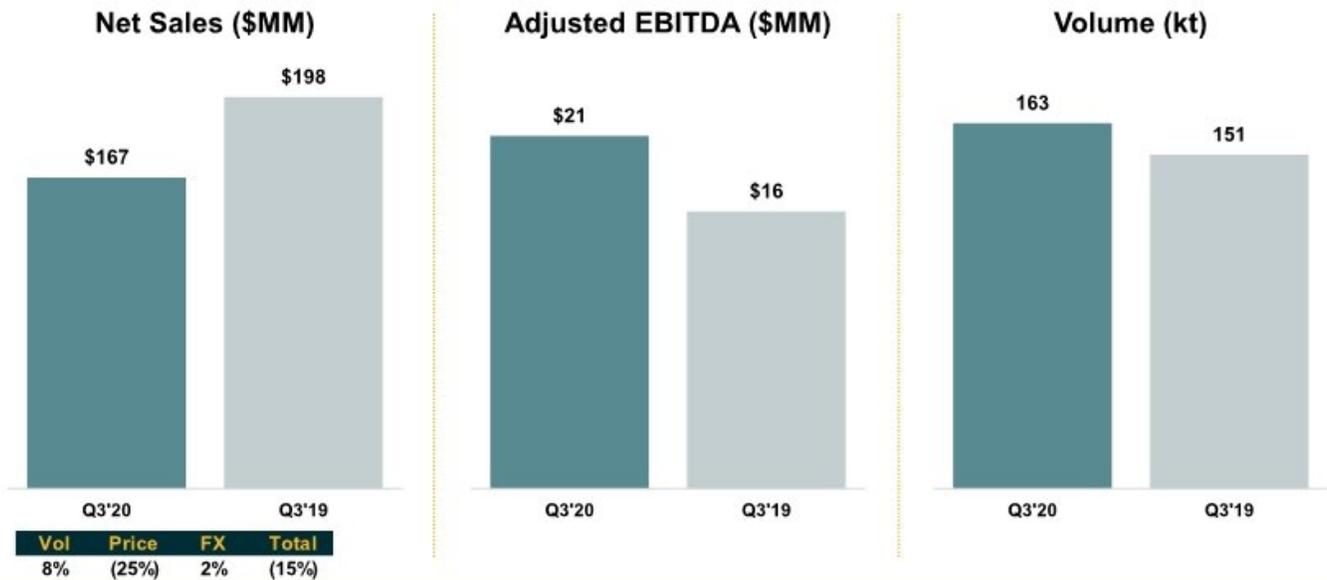


Vol	Price	FX	Total
(1%)	(11%)	2%	(11%)



- Adj EBITDA improvement versus prior year from higher margins in polycarbonate and ABS as well as from cost reductions
- Auto volume improved to 14% lower than prior year after a 65% decline in Q2
- Polycarbonate volume increased mainly due to resilient demand

Polystyrene



- Strong demand in packaging and appliances led to an 8% volume increase versus prior year as well as expanded margins in Asia
- Lower net sales caused by the pass through of lower styrene
- Recycled polystyrene in Form Fill Seal food packaging beginning to be adopted by some European customers at greater margin than normal grade

Feedstocks & Americas Styrenics

FEEDSTOCKS

Adjusted EBITDA (\$MM)



AMERICAS STYRENICS

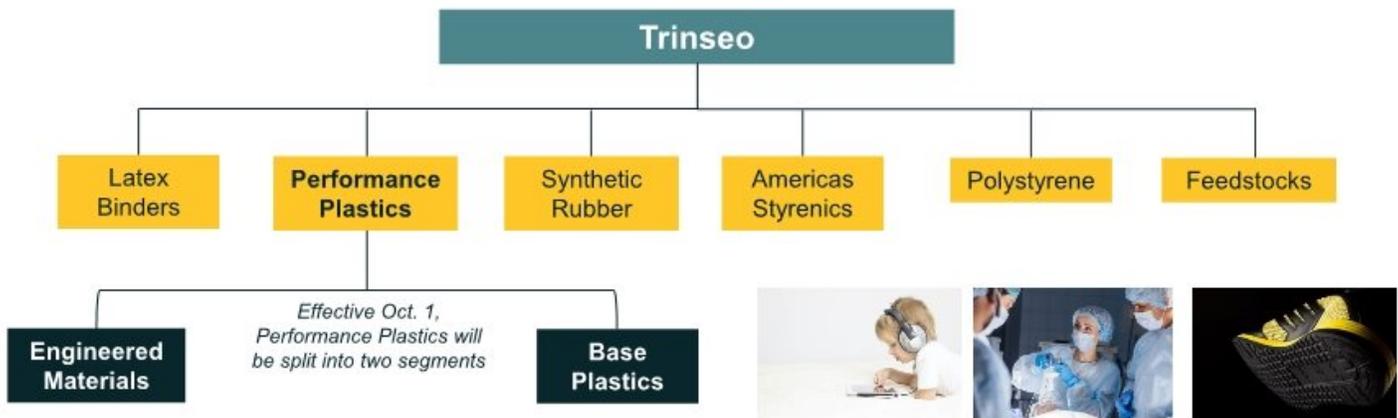
Adjusted EBITDA (\$MM)



- Increased earnings from higher margins and increased production after turnarounds in prior year
- Plentiful naphtha in Europe led to lower benzene cost

- Lower earnings versus prior year due mainly to weaker styrene margins in North America
- Sequential demand improvement in polystyrene
- No Q3 dividend

New Business Segmentation



- Engineered Materials includes:
 - Rigid compounds including PC/ABS compounds supporting mainly consumer electronics and medical applications
 - Soft plastic compounds including Thermoplastic Elastomers (TPE) supporting applications such as footwear, personal care and automotive
- Base Plastics includes:
 - ABS and polycarbonate
 - Compounds and blends for automotive and other applications

Engineered Materials Highlights

- 17% TTM EBITDA Margin
- 2020 volume resiliency despite COVID pandemic
- 16% of expected full year 2020 volume in post-consumer-containing resins

Demand recovery momentum has extended through October

Q4 Expectations versus Prior Quarter

- Synthetic Rubber volume up 10%
- Latex Binders volume slightly lower due to seasonality
- Continuation of strong margins in polystyrene, particularly in Asia
- Europe styrene margin decline ~\$40/MT due to end of turnarounds and higher benzene costs

Full Year and Cash Assumptions

- Free Cash Flow* Assumptions:
 - Interest: \$40 million
 - Taxes: \$15-\$20 million
 - Turnarounds: \$30 million
 - Corporate Restructuring: \$20 million
 - Dow Transition Expense: \$17 million
 - Capital Expenditures: \$80-\$85 million
- Book tax expense of \$30-\$35 million
- Americas Styrenics Q4 dividend expected ~\$15MM

• Appendix

US GAAP to Non-GAAP Reconciliation

<i>(in Millions, unless noted)</i>	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19	Q2'19	Q3'19	Q4'19	Q1'20	Q2'20	Q3'20	2018	2019
Net Income (Loss)	120.3	98.3	74.7	(0.9)	35.8	28.0	22.5	5.7	(36.3)	(128.4)	105.8	292.5	92.0
Interest expense, net	14.9	10.8	10.1	10.6	10.2	9.9	9.2	10.0	10.3	11.7	10.0	46.4	39.3
Provision for (benefit from) income taxes	24.9	20.4	19.2	7.3	10.8	15.7	9.3	(23.2)	(11.9)	64.7	(49.5)	71.8	12.6
Depreciation and amortization	31.9	32.3	31.8	34.2	33.9	34.7	33.0	34.3	36.4	34.8	30.7	130.2	136.0
EBITDA	192.0	161.8	135.8	51.2	90.7	88.3	74.0	26.8	(1.5)	(17.2)	97.0	540.9	279.9
Loss on extinguishment of long-term debt	-	0.2	-	-	-	-	-	-	-	-	-	0.2	-
Other items	2.7	6.8	6.1	7.4	11.1	14.1	13.3	16.9	18.7	3.0	2.6	22.8	55.4
Restructuring and other charges	0.5	1.2	0.9	5.6	0.4	(0.3)	0.2	17.9	1.8	6.3	2.0	8.2	18.1
Net gain on disposition of businesses and assets	(0.5)	-	-	(0.5)	(0.2)	-	-	(0.5)	(0.4)	-	-	(1.0)	(0.7)
Acquisition transaction and integration net costs	0.3	0.2	0.1	-	-	0.7	0.6	(2.2)	0.1	(0.4)	-	0.6	(0.9)
Asset impairment charges or write-offs	-	-	-	1.5	-	-	-	-	38.3	-	-	1.5	-
Adjusted EBITDA	195.0	170.2	142.9	65.2	102.0	102.8	88.1	58.9	57.0	(8.3)	101.6	573.2	351.8
Adjusted EBITDA to Adjusted Net Income (Loss)													
Adjusted EBITDA	195.0	170.2	142.9	65.2	102.0	102.8	88.1	58.9	57.0	(8.3)	101.6	573.2	351.8
Interest expense, net	14.9	10.8	10.1	10.6	10.2	9.9	9.2	10.0	10.3	11.7	10.0	46.4	39.3
Provision for (benefit from) income taxes - Adjusted	26.0	22.3	21.9	10.8	12.7	19.1	19.7	1.3	1.7	59.3	(49.3)	81.0	52.8
Depreciation and amortization - Adjusted	31.7	32.1	31.5	34.0	33.4	33.1	32.0	33.9	35.0	33.6	30.6	129.1	132.4
Adjusted Net Income (Loss)	122.4	105.0	79.4	9.8	45.7	40.7	27.2	13.7	10.0	(112.9)	110.3	316.7	127.3
<i>Wtd Avg Shares - Diluted (000)</i>	<i>44,430</i>	<i>43,810</i>	<i>43,347</i>	<i>43,269</i>	<i>41,762</i>	<i>41,104</i>	<i>40,410</i>	<i>39,434</i>	<i>38,632</i>	<i>38,243</i>	<i>38,421</i>	<i>43,666</i>	<i>40,710</i>
Adjusted EPS - Diluted (\$)	2.76	2.40	1.83	0.23	1.09	0.99	0.67	0.35	0.26	(2.95)	2.87	7.25	3.13
Adjustments by Statement of Operations Caption													
Loss on extinguishment of long-term debt	-	0.2	-	-	-	-	-	-	-	-	-	0.2	-
Cost of sales	-	1.2	-	0.6	-	-	-	0.4	-	-	-	1.8	0.4
SG&A and Impairment Charges	3.5	6.5	7.1	13.8	11.5	14.5	14.1	34.6	58.9	9.3	3.6	30.8	74.7
Other expense (income), net	(0.5)	0.5	-	(0.5)	(0.2)	-	-	(3.0)	(0.4)	(0.4)	1.0	(0.5)	(3.2)
Total EBITDA Adjustments	3.0	8.4	7.1	14.0	11.3	14.5	14.1	32.1	58.5	8.9	4.6	32.3	71.9
Free Cash Flow Reconciliation													
Cash provided by (used in) operating activities	40.8	141.6	56.1	128.0	153.2	80.8	40.9	47.6	(5.8)	81.6	51.9	366.5	322.5
Capital expenditures	(30.6)	(28.9)	(31.5)	(30.5)	(25.0)	(22.6)	(23.6)	(38.9)	(24.3)	(23.8)	(12.7)	(121.4)	(110.1)
Free Cash Flow	10.2	112.7	24.6	97.5	128.2	58.2	17.3	9.7	(30.1)	57.8	39.2	245.1	212.4

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 accompanying press release furnished as Exhibit 99.1 to our Form 8-K dated November 5, 2020. Totals may not sum due to rounding.

Selected Segment Information

<i>(in Millions, unless noted)</i>	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19	Q2'19	Q3'19	Q4'19	Q1'20	Q2'20	Q3'20	2018	2019
Latex Binders	124	131	129	125	126	128	133	129	135	115	133	510	516
Synthetic Rubber	74	73	64	62	65	58	57	57	60	26	57	273	238
Performance Plastics	159	160	165	151	164	158	150	156	143	110	152	636	628
Polystyrene	140	173	154	161	174	149	151	144	152	171	163	627	619
Feedstocks	65	85	107	80	77	57	77	78	59	49	57	336	289
Trade Volume (kt)	563	621	619	579	606	551	567	565	549	471	563	2,382	2,288
Latex Binders	255	281	278	255	224	230	230	219	219	165	183	1,069	903
Synthetic Rubber	149	155	138	130	125	112	104	100	102	36	79	573	441
Performance Plastics	403	413	401	361	369	347	325	325	305	189	290	1,578	1,366
Polystyrene	239	286	252	240	228	207	198	176	183	156	167	1,017	809
Feedstocks	75	102	131	79	67	55	66	69	45	24	32	387	256
Net Sales	1,122	1,237	1,200	1,065	1,013	952	922	889	854	570	752	4,623	3,776
Latex Binders	27	36	25	22	18	21	21	22	22	17	20	110	81
Synthetic Rubber	26	31	15	5	9	13	7	12	15	(28)	(2)	77	41
Performance Plastics	66	49	44	31	36	34	36	29	37	(6)	51	189	135
Polystyrene	10	14	5	6	17	16	16	5	12	15	21	34	55
Feedstocks	42	32	40	(7)	17	(1)	0	(10)	(16)	(4)	11	107	7
Americas Styrenics	46	33	35	31	32	40	26	21	10	14	18	144	119
Corporate	(20)	(25)	(21)	(22)	(26)	(21)	(19)	(20)	(22)	(18)	(17)	(88)	(85)
Adjusted EBITDA*	195	170	143	65	102	103	88	59	57	(8)	102	573	352
Adj EBITDA Variance Analysis													
<u>Net Timing** Impacts - Fav/(Unfav)</u>													
Latex Binders	(4)	4	(3)	4	(0)	(1)	1	1	(3)	(2)	(1)	1	1
Synthetic Rubber	2	7	3	(3)	(5)	1	(2)	(0)	1	(15)	(1)	9	(6)
Performance Plastics	(0)	(3)	(1)	(5)	(1)	0	0	(0)	(1)	(15)	2	(9)	(0)
Polystyrene	(2)	1	(2)	(7)	2	(0)	2	(3)	(4)	(3)	1	(9)	0
Feedstocks	(3)	0	(2)	(17)	3	1	4	(5)	(7)	(8)	2	(21)	3
Net Timing** Impacts - Fav/(Unfav)	(7)	10	(4)	(28)	(1)	1	6	(8)	(15)	(43)	2	(30)	(2)

**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.

Selected Segment Information – New Segmentation

<i>(in \$Millions, unless noted)</i>	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19	Q2'19	Q3'19	Q4'19	Q1'20	Q2'20	Q3'20	2018	2019
Latex Binders	124	131	129	125	126	128	133	129	135	115	133	510	516
Synthetic Rubber	74	73	64	62	65	58	57	57	60	26	57	273	238
Engineered Materials	14	13	12	13	12	13	14	15	12	10	13	52	53
Base Plastics	146	147	153	138	152	145	136	141	131	101	139	584	575
Polystyrene	140	173	154	161	174	149	151	144	152	171	163	627	619
Feedstocks	65	85	107	80	77	57	77	78	59	49	57	336	289
Trade Volume (kt)	563	621	619	579	606	551	567	565	549	471	563	2,382	2,288
Latex Binders	255	281	278	255	224	230	230	219	219	165	183	1,069	903
Synthetic Rubber	149	155	138	130	125	112	104	100	102	36	79	573	441
Engineered Materials	55	52	50	54	49	51	53	57	48	38	50	212	210
Base Plastics	348	360	351	307	320	296	272	268	257	151	240	1,366	1,156
Polystyrene	239	286	252	240	228	207	198	176	183	156	167	1,017	809
Feedstocks	75	102	131	79	67	55	66	69	45	24	32	387	256
Net Sales	1,122	1,237	1,200	1,065	1,013	952	922	889	854	570	752	4,623	3,776
Latex Binders	27	36	25	22	18	21	21	22	22	17	20	110	81
Synthetic Rubber	26	31	15	5	9	13	7	12	15	(28)	(2)	77	41
Engineered Materials	3	3	4	6	5	8	10	11	8	5	9	15	33
Base Plastics	63	46	40	24	30	27	27	18	29	(10)	41	174	102
Polystyrene	10	14	5	6	17	16	16	5	12	15	21	34	55
Feedstocks	42	32	40	(7)	17	(1)	0	(10)	(16)	(4)	11	107	7
Americas Styrenics	46	33	35	31	32	40	26	21	10	14	18	144	119
Corporate	(20)	(25)	(21)	(22)	(26)	(21)	(19)	(20)	(22)	(18)	(17)	(88)	(85)
Adjusted EBITDA*	195	170	143	65	102	103	88	59	57	(8)	102	573	352
Adj EBITDA Variance Analysis													
Net Timing** Impacts - Fav/(Unfav)													
Latex Binders	(4)	4	(3)	4	(0)	(1)	1	1	(3)	(2)	(1)	1	1
Synthetic Rubber	2	7	3	(3)	(5)	1	(2)	(0)	1	(15)	(1)	9	(6)
Engineered Materials	0	(1)	0	(1)	(0)	(0)	0	(0)	(0)	(1)	0	(0)	(1)
Base Plastics	(1)	(2)	(1)	(5)	(0)	0	0	(0)	(1)	(15)	2	(9)	0
Polystyrene	(2)	1	(2)	(7)	2	(0)	2	(3)	(4)	(3)	1	(9)	0
Feedstocks	(3)	0	(2)	(17)	3	1	4	(5)	(7)	(8)	2	(21)	3
Net Timing** Impacts - Fav/(Unfav)	(7)	10	(4)	(28)	(1)	1	6	(8)	(15)	(43)	2	(30)	(2)

**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.