
**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): **August 2, 2018**

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. ☐

ITEM 2.02 Results of Operations and Financial Condition

On August 2, 2018, 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 second quarter ended June 30, 2018. 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, August 3, 2018 at 10 AM Eastern Time. Ahead of this call the Company is also providing investors with prepared remarks and a copy of the investor presentation materials, which will be discussed on the call and are furnished hereto as Exhibits 99.2 and 99.3, respectively.

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

Exhibit Number	Description
99.1	Press Release, dated August 2, 2018
99.2	Management Commentary, dated August 2, 2018
99.3	Investor Presentation, dated August 2, 2018

EXHIBIT INDEX

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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: August 2, 2018



News Release

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Trinseo Reports Second Quarter 2018 Financial Results; Affirms 2018 Full Year Outlook

Second Quarter 2018 Highlights

- Net Income of \$98 million and diluted EPS of \$2.24
- Adjusted EPS of \$2.40
- Adjusted EBITDA of \$170 million
- Cash provided by operating activities of \$142 million; Free Cash Flow of \$113 million

Smillions, except per share data	Three Months Ended	
	June 30,	
	2018	2017
Net Sales	1,237	1,145
Net Income	98	60
EPS(Diluted) (\$)	2.24	1.34
Adjusted Net Income*	105	63
Adjusted EPS (\$)*	2.40	1.39
EBITDA*	162	124
Adjusted EBITDA*	170	126

**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 — August 2, 2018 — Trinseo (NYSE: TSE), a global materials company and manufacturer of plastics, latex binders and synthetic rubber, today reported its second quarter 2018 financial results with net sales of \$1,237 million, net income of \$98 million, and earnings per diluted share of \$2.24. Second quarter Adjusted EPS was \$2.40 and Adjusted EBITDA was \$170 million.

Net sales in the second quarter increased 8% versus prior year due to higher sales volume across all segments except for Feedstocks as well as favorable currency, as the euro strengthened in comparison to the U.S. dollar, which had a positive impact across all segments. These impacts were partially offset by lower prices due to the pass through of lower butadiene cost, which was partially offset by the pass through of higher styrene cost. Second quarter net income of \$98 million was \$38 million higher than prior year. Second quarter Adjusted EBITDA of \$170 million was \$44 million higher than prior year. The higher profitability was from higher styrene margins, favorable currency impacts, as well as favorable net timing in the current year, due to increasing raw material costs, in comparison to unfavorable net timing in the prior year. Lower margins outside of the Feedstocks segment, including impacts from raw material costs, were more than offset by higher sales volume across nearly all segments except Feedstocks.

Commenting on the Company's performance, Chris Pappas, Trinseo President and Chief Executive Officer, said, "We started the year with record profitability in the first quarter and continued that momentum with strong profitability in the second quarter, with total company performance in line with guidance. In addition, we had strong cash generation and returned \$52 million to shareholders via share repurchases and dividends."

Second Quarter Results and Commentary by Business Segment

- **Latex Binders** net sales of \$281 million for the quarter decreased 4% versus prior year. Higher sales volume to the carpet and adhesives & construction markets was more than offset by the pass through of lower butadiene cost. Adjusted EBITDA of \$36 million was flat to prior year. Higher sales volume as well as favorable currency impacts were offset by unfavorable raw material impacts, including increasing butadiene cost in Asia.
- **Synthetic Rubber** net sales of \$155 million for the quarter decreased 11% versus prior year. Higher SSBR and ESBR sales volumes as well as favorable currency impacts were more than offset by the pass through of lower butadiene cost. Adjusted EBITDA of \$31 million was \$3 million above prior year. Favorable net timing impacts were partially offset by lower margins across several products, including impacts from higher raw material and utility costs.
- **Performance Plastics** net sales of \$413 million for the quarter was 22% above prior year due to higher sales volume, mainly from our China ABS expansion, as well as favorable currency impacts. In addition, API Plastics contributed a 4% increase in net sales. Adjusted EBITDA of \$49 million was \$1 million above prior year, and included an approximate \$10 million unfavorable impact from planned maintenance activities.
- **Polystyrene** net sales of \$286 million for the quarter was 22% above prior year due primarily to higher sales volume in Asia, currency, as well as the pass through of higher raw material costs. Adjusted EBITDA of \$14 million was \$7 million above prior year due to favorable net timing impacts as well as higher sales volume in Asia.
- **Feedstocks** net sales of \$102 million for the quarter was 5% below prior year due to lower styrene related sales volume. This was partially offset by currency impacts as well as the pass through of higher styrene prices. Adjusted EBITDA of \$32 million was \$33 million above prior year due mainly to higher styrene margins as well as favorable net timing.
- **Americas Styrenics** Adjusted EBITDA of \$33 million for the quarter was \$3 million above prior year due mainly to higher styrene margin, including an unfavorable impact in the prior year from lower margin spot sales following a maintenance outage.

Second Quarter Cash Generation

Cash provided by operating activities for the quarter was \$142 million and capital expenditures were \$29 million, resulting in Free Cash Flow for the quarter of \$113 million. Second quarter cash from operations and Free Cash Flow included approximately \$13 million of lower working capital. At the end of the quarter, the Company had \$451 million of cash after \$37 million of share repurchases during the quarter. For a reconciliation of Free Cash Flow to cash provided by operating activities, see note 3 below.

Outlook

- Third quarter 2018 net income of \$88 million to \$96 million and earnings per diluted share of \$2.00 to \$2.19
- Third quarter 2018 Adjusted EBITDA of \$150 million to \$160 million and Adjusted EPS of \$2.00 to \$2.19
- Full year 2018 net income of \$393 million to \$410 million and earnings per diluted share of \$8.95 to \$9.32
- Full year 2018 Adjusted EBITDA of \$665 million to \$685 million and Adjusted EPS of \$9.15 to \$9.52

Commenting on the outlook for the third quarter and full year 2018 Pappas said, “While we expect continued solid performance and cash generation in the third quarter, profitability should be sequentially lower due to seasonality, a lower level of planned styrene outages resulting in decreasing styrene margins, and a somewhat softer tire market demand.”

Pappas continued, “Looking ahead to the full year performance, we are affirming our previous guidance and we remain focused on strong cash generation.”

For a reconciliation of third quarter and full year 2018 net income to Adjusted EBITDA and Adjusted EPS, see note 2 below. Additionally, refer to the appendix within Exhibit 99.3 of our Form 8-K, dated August 2, 2018, 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 second quarter 2018 financial results on Friday, August 3, 2018 at 10 AM Eastern Time.

Commenting on results will be Chris Pappas, 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: +1 866-393-4306
Participant International Dial-In Number: +1 734-385-2616
Conference ID: 1082289

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 second quarter 2018 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 August 3, 2019.

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 \$4.4 billion in net sales in 2017, with 16 manufacturing sites around the world, and approximately 2,200 employees. For more information visit www.trinseo.com.

Recast of Financial Statements for New Accounting Standard

On January 1, 2018, the Company adopted pension accounting guidance that requires employers to present the service cost component of net periodic benefit cost in the same statement of operations line item as other employee compensation costs arising from services rendered during the period. As a result of this adoption, for the three and six months ended June 30, 2017, the Company reclassified net periodic benefit cost of \$1.3 million and \$2.5 million, respectively, from "Cost of sales", and \$0.7 million and \$1.5 million, respectively, from "Selling, general, and administrative expenses", to "Other expense (income), net" within the condensed consolidated statement of operations.

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, Adjusted EBITDA, 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,” “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 growth, net sales, business activity, acquisitions, financings 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. 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		Six Months Ended	
	June 30, 2018	June 30, 2017	June 30, 2018	June 30, 2017
Net sales	\$ 1,236.6	\$ 1,145.2	\$ 2,358.1	\$ 2,249.7
Cost of sales	1,073.9	1,018.7	2,020.2	1,924.2
Gross profit	162.7	126.5	337.9	325.5
Selling, general and administrative expenses	61.7	54.7	126.1	114.3
Equity in earnings of unconsolidated affiliates	33.2	29.9	78.8	49.2
Operating income	134.2	101.7	290.6	260.4
Interest expense, net	10.8	18.7	25.7	36.9
Loss on extinguishment of long-term debt	0.2	—	0.2	—
Other expense (income), net	4.5	4.0	0.8	(2.1)
Income before income taxes	118.7	79.0	263.9	225.6
Provision for income taxes	20.4	18.8	45.3	48.1
Net income	\$ 98.3	\$ 60.2	\$ 218.6	\$ 177.5
Weighted average shares- basic	43.1	43.9	43.3	44.0
Net income per share- basic	\$ 2.28	\$ 1.37	\$ 5.05	\$ 4.03
Weighted average shares- diluted	43.8	45.0	44.2	45.2
Net income per share- diluted	\$ 2.24	\$ 1.34	\$ 4.95	\$ 3.93
Dividends per share	\$ 0.40	\$ 0.36	\$ 0.76	\$ 0.66

TRINSEO S.A.

Condensed Consolidated Balance Sheets
(In millions, except per share data)
(Unaudited)

	June 30, 2018	December 31, 2017
Assets		
Current assets		
Cash and cash equivalents	\$ 451.4	\$ 432.8
Accounts receivable, net of allowance for doubtful accounts	763.3	685.5
Inventories	531.7	510.4
Other current assets	28.9	17.5
Total current assets	<u>1,775.3</u>	<u>1,646.2</u>
Investments in unconsolidated affiliates	163.8	152.5
Property, plant and equipment, net of accumulated depreciation	600.4	627.0
Other assets		
Goodwill	70.2	72.5
Other intangible assets, net	197.3	207.5
Deferred income tax assets	32.6	35.5
Deferred charges and other assets	35.2	30.8
Total other assets	<u>335.3</u>	<u>346.3</u>
Total assets	<u><u>\$ 2,874.8</u></u>	<u><u>\$ 2,772.0</u></u>
Liabilities and shareholders' equity		
Current liabilities		
Short-term borrowings and current portion of long-term debt	\$ 7.0	\$ 7.0
Accounts payable	448.3	436.8
Income taxes payable	15.8	35.9
Accrued expenses and other current liabilities	146.7	146.9
Total current liabilities	<u>617.8</u>	<u>626.6</u>
Noncurrent liabilities		
Long-term debt, net of unamortized deferred financing fees	1,162.6	1,165.0
Deferred income tax liabilities	44.7	49.2
Other noncurrent obligations	247.9	256.4
Total noncurrent liabilities	<u>1,455.2</u>	<u>1,470.6</u>
Commitments and contingencies		
Shareholders' equity		
Ordinary shares, \$0.01 nominal value, 50,000.0 shares authorized (June 30, 2018: 48.8 shares issued and 43.0 shares outstanding ; December 31, 2017: 48.8 shares issued and 43.4 shares outstanding)	0.5	0.5
Additional paid-in-capital	569.1	578.8
Treasury shares, at cost (June 30, 2018: 5.8 shares; December 31, 2017: 5.4 shares)	(333.3)	(286.8)
Retained earnings	713.4	527.9
Accumulated other comprehensive loss	(147.9)	(145.6)
Total shareholders' equity	<u>801.8</u>	<u>674.8</u>
Total liabilities and shareholders' equity	<u><u>\$ 2,874.8</u></u>	<u><u>\$ 2,772.0</u></u>

TRINSEO S.A.

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

	Six Months Ended June 30,	
	2018	2017
Cash flows from operating activities		
Cash provided by operating activities	\$ 182.4	\$ 36.6
Cash flows from investing activities		
Capital expenditures	(59.5)	(74.3)
Proceeds from capital expenditures subsidy	1.0	—
Proceeds from the sale of businesses and other assets	1.8	43.7
Distributions from unconsolidated affiliates	—	0.9
Cash used in investing activities	(56.7)	(29.7)
Cash flows from financing activities		
Deferred financing fees	(0.6)	—
Short-term borrowings, net	(0.1)	(0.1)
Purchase of treasury shares	(60.5)	(56.4)
Dividends paid	(31.8)	(26.5)
Proceeds from exercise of option awards	2.3	6.0
Withholding taxes paid on restricted share units	(8.3)	(0.3)
Net proceeds from issuance of 2024 Term Loan B	696.5	—
Repayments of 2024 Term Loan B	(700.0)	—
Repayments of 2021 Term Loan B	—	(2.5)
Cash used in financing activities	(102.5)	(79.8)
Effect of exchange rates on cash	(4.6)	7.7
Net change in cash and cash equivalents	18.6	(65.2)
Cash and cash equivalents—beginning of period	432.8	465.1
Cash and cash equivalents—end of period	\$ 451.4	\$ 399.9

TRINSEO S.A.

Notes to Condensed Consolidated Financial Information
(Unaudited)

Note 1: Net sales by Segment

(In millions)	Three Months Ended		Six Months Ended	
	June 30, 2018	June 30, 2017	June 30, 2018	June 30, 2017
Latex Binders	\$ 280.8	\$ 291.5	\$ 536.1	\$ 580.5
Synthetic Rubber	155.3	174.0	304.5	337.4
Performance Plastics	412.8	339.2	815.6	676.2
Polystyrene	285.6	233.5	525.2	461.7
Feedstocks	102.1	107.0	176.7	193.9
Americas Styrenics*	—	—	—	—
Total Net Sales	\$ 1,236.6	\$ 1,145.2	\$ 2,358.1	\$ 2,249.7

* 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 statement 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.

	Three Months Ended		
	June 30, 2018	June 30, 2017	
(In millions, except per share data)			
Net income	\$ 98.3	\$ 60.2	
Interest expense, net	10.8	18.7	
Provision for income taxes	20.4	18.8	
Depreciation and amortization	32.3	26.3	
EBITDA	\$ 161.8	\$ 124.0	
Loss on extinguishment of long-term debt	0.2	—	Loss on extinguishment of long-term debt
Restructuring and other charges (a)	1.2	1.1	Selling, general, and administrative expenses
Acquisition transaction and integration costs (b)	0.2	1.1	Selling, general, and administrative expenses
Other items (c)	6.8	—	Cost of sales, Selling, general, and administrative expenses; Other expense (income), net
Adjusted EBITDA	170.2	\$ 126.2	
<u>Adjusted EBITDA to Adjusted Net Income :</u>			
Adjusted EBITDA	\$ 170.2	\$ 126.2	
Interest expense, net	10.8	18.7	
Provision for income taxes — Adjusted (d)	22.3	19.2	
Depreciation and amortization — Adjusted (e)	32.1	25.8	
Adjusted Net Income	\$ 105.0	\$ 62.5	
Adjusted EPS	\$ 2.40	\$ 1.39	
<u>Adjusted EBITDA by Segment :</u>			
Latex Binders	\$ 36.0	\$ 36.1	
Synthetic Rubber	30.6	27.7	
Performance Plastics	48.9	48.5	
Polystyrene	13.7	6.8	
Feedstocks	32.4	(1.2)	
Americas Styrenics	33.2	29.9	
Corporate unallocated	(24.6)	(21.6)	
Adjusted EBITDA	\$ 170.2	\$ 126.2	

- (a) Restructuring and other charges primarily relate to charges incurred in connection with the upgrade and replacement of the Company's compounding facility in Terneuzen, The Netherlands as well as the Company's decision to cease manufacturing activities at our latex binders manufacturing facility in Livorno, Italy.

Note that the accelerated depreciation charges incurred 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.

- (b) Acquisition transaction and integration costs for the periods presented above relate to advisory and professional fees incurred in conjunction with the Company's acquisition of API Plastics.
- (c) Other items for the three months ended June 30, 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, as well as fees incurred in conjunction with the Company's term loan repricing which was completed during the second quarter of 2018.
- (d) Adjusted to remove the tax impact of the items noted in (a),(b),(c) and (e). 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 June 30, 2018 excludes a

\$1.2 million discrete tax benefit related to certain legal entity restructuring, partially offset by \$0.6 million in tax expense related to adjustments in reserves for uncertain tax positions.

- (e) For the three months ended June 30, 2018 and 2017 the amounts exclude accelerated depreciation of \$0.3 million and \$0.6 million, respectively, 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 three months ended September 30, 2018, as well as for the full year ended December 31, 2018. See "Note on Forward-Looking Statements" above for a discussion of the limitations of these forecasts.

	Three Months Ended September 30, 2018	Year Ended December 31, 2018
(In millions, except per share data)		
Adjusted EBITDA	\$ 150 - 160	\$ 665 - 685
Interest expense, net	(11)	(48)
Provision for income taxes	(19) - (21)	(84) - (87)
Depreciation and amortization	(32)	(129)
Reconciling items to Adjusted EBITDA (f)	—	(11)
Net Income	88 - 96	393 - 410
Reconciling items to Adjusted Net Income (f)	—	9
Adjusted Net Income	88 - 96	402 - 419
Weighted average shares- diluted (g)	43.8	44.0
EPS - diluted	\$ 2.00 - 2.19	\$ 8.95 - 9.32
Adjusted EPS	\$ 2.00 - 2.19	\$ 9.15 - 9.52

- (f) 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 three months ended September 30, 2018 and full year ended December 31, 2018, we have not included estimates for these items.
- (g) Weighted average shares calculated for the purpose of forecasting Adjusted EPS do not forecast significant future share transactions or events, such as repurchases, significant stock-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		Six Months Ended	
(in millions)	June 30, 2018	June 30, 2017	June 30, 2018	June 30, 2017
Cash provided by operating activities	\$ 141.6	\$ 62.3	\$ 182.4	\$ 36.6
Capital expenditures	(28.9)	(38.2)	(59.5)	(74.3)
Free Cash Flow	\$ 112.7	\$ 24.1	\$ 122.9	\$ (37.7)



Second Quarter 2018 Earnings Management Commentary

August 2, 2018

We are pleased to announce that Trinseo had second quarter net income of \$98 million and Adjusted EBITDA of \$170 million. In addition, earnings per diluted share was \$2.24 and Adjusted EPS was \$2.40. These results included \$10 million of favorable net timing impacts, on a pre-tax basis, and were in line with guidance from the Q1 2018 earnings call.

Highlights

- Released 2017 Sustainability and Corporate Social Responsibility Report
- Second quarter total company profitability in line with guidance
- Strong cash generation: cash provided by operating activities for the quarter was \$142 million and Free Cash Flow was \$113 million
- Utilized \$37 million during the second quarter to repurchase nearly 500,000 shares

Sustainability and Corporate Social Responsibility Report

We recently published our eighth annual Sustainability and Corporate Social Responsibility Report, which showcases how we are reducing our environmental footprint and developing innovative material solutions that help make our customers' products more sustainable. This year's report is significant because it was granted status as a GRI-Referenced report — under the GRI™ Global Reporting Initiative framework. GRI is a leading independent organization that provides a common language and framework for public sustainability reporting. This move is consistent with Trinseo's commitment to increase transparency and accountability in reporting. Since our first report in 2011, we have achieved significant reductions in waste, water consumption, electricity use and emissions. Even with a 4% increase in production volume from 2016 to 2017, our employees were able to reduce greenhouse emissions and total electricity usage by 2%, year over year.

Segment Results and Cash Generation

In Latex Binders, we continued to see strong results as we shift our portfolio to more diversified chemistries, value-added product offerings, and new markets. Second quarter Adjusted EBITDA of \$36 million, which included \$4 million of favorable timing impacts, was essentially in line with guidance excluding net timing.

Synthetic Rubber's second quarter Adjusted EBITDA of \$31 million was essentially in line with guidance when excluding a \$7 million favorable net timing impact. Year-to-date SSBR sales volume was 6% higher than prior year, although slightly less than expected due to some softening in the tire market.

Performance Plastics second quarter Adjusted EBITDA of \$49 million included approximately \$10 million of impacts from our planned maintenance outages. This result was below guidance due to higher than expected maintenance, raw material and logistics costs, as well as \$3 million of unfavorable net timing impacts. We had another strong quarter of sales volume, as we continue to ramp up our new ABS plant in China. In addition, API Plastics continues to perform in line with our expectations.

Polystyrene second quarter Adjusted EBITDA was \$14 million, slightly above guidance. As expected, sales volumes increased sequentially due to seasonality as well as first quarter destocking from higher styrene prices.

Feedstocks second quarter Adjusted EBITDA was \$32 million including a minimal net timing impact. This result was above our guidance of \$25 million as styrene margins declined at a slower rate than expected during the quarter following planned maintenance outages.

Americas Styrenics second quarter Adjusted EBITDA was \$33 million. This result was below guidance due to styrene monomer production issues that were resolved late in the quarter.

Cash provided by operating activities for the quarter was \$142 million and capital expenditures were \$29 million, resulting in Free Cash Flow for the quarter of \$113 million. Second quarter cash from operations and Free Cash Flow included an impact of approximately \$13 million from lower working capital. At the end of the quarter, we had \$451 million of cash after \$37 million of share repurchases during the quarter.

Guidance

In total for Trinseo we expect third quarter net income of \$88 million to \$96 million, Adjusted EBITDA of \$150 million to \$160 million, and diluted EPS and Adjusted EPS of \$2.00 and \$2.19, respectively. This expectation is sequentially lower due to seasonality, lower styrene margins as more capacity comes online following planned outages, and a somewhat softer tire market. We expect higher profitability in the Performance Plastics segment following the planned second quarter major maintenance activities. This estimate assumes minimal impact from net timing.

We are affirming full year 2018 guidance, estimating net income of \$393 million to \$410 million and Adjusted EBITDA of \$665 million to \$685 million. In aggregate, these estimates assume minimal impact from net timing. Segment commentary as follows:

- Latex Binders: Steady performance with improving end market and geographic mix
- Synthetic Rubber: Lowering full year guidance due to slower than expected growth in tire market demand
- Performance Plastics: Decreasing guidance due to higher than expected maintenance, raw material, and logistics costs
- Polystyrene: Continued steady performance
- Feedstocks: Increasing guidance with fourth consecutive year of Adjusted EBITDA improvement as operating rates continue to improve with steady demand increases and limited supply additions
- Americas Styrenics: Full year impacted by second quarter styrene monomer production issues

In addition, we are estimating diluted EPS of \$8.95 to \$9.32 and Adjusted EPS of \$9.15 to \$9.52. This updated diluted EPS and Adjusted EPS guidance is above the prior guidance due to lower expected interest and tax expense as well as lower share count from share repurchases.

Importantly, we continue to make progress toward our growth objectives in Latex Binders, Synthetic Rubber, and Performance Plastics, which includes growth in polycarbonate. At our Investor Day in November 2016, we outlined a goal of \$75 million of EBITDA growth from 2016 to 2019 from organic projects and \$25 million of EBITDA growth from 2016 to 2019 primarily from expected M&A. We currently expect to achieve approximately \$90 million of Adjusted EBITDA growth across these segments — the \$75 million target from organic projects and approximately half of the \$25 million target from executed M&A.

We expect to achieve approximately one-third of this \$90 million growth in 2018 and the remainder in 2019. From our current full year 2018 outlook, we expect this 2019 growth will be comprised of approximately \$10 million in Latex Binders, at least \$20 million in Synthetic Rubber, and \$30 million in Performance Plastics.

Also for 2019, we expect stable year-over-year performance in Polystyrene and Americas Styrenics, as well as continued strong performance in Feedstocks excluding the approximately \$20 million of favorable unplanned styrene outage impacts that we've seen so far in 2018.

Finally, for the full year 2018, we expect cash from operations of \$450 million and capital expenditures of \$150 million, resulting in \$300 million of Free Cash Flow. This assumes cash paid for interest of \$50 million and cash paid for taxes of \$95 million.

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 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 Form 8-K filing for this commentary in Exhibit 99.1-Press Release, dated August 2, 2018.

Note on Forward-Looking Statements

This commentary 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,” “anticipate,” “target,” “outlook,” “guidance,” “intend,” “plan,” “may,” “will,” “could,” “should,” “see,” “assume,” “believes,” “predicts,” “potential,” “continue,” and similar expressions are intended to identify such forward-looking statements. Forward-looking statements in this commentary may include, without limitation, forecasts of growth, net sales, business activity, acquisitions, financings 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 commentary. Such factors include, among others: conditions in the global economy and capital markets; the inability of the company to execute 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 commentary. 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.



August 2, 2018

Second Quarter 2018 Financial Results

Introductions

- **Chris Pappas, 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," "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.

Q2 Total Company Profitability in line with Guidance

- Net income of \$98 million and Adj EBITDA* of \$170 million
- Results in line with prior guidance with better than expected performance in Feedstocks, Polystyrene, and Latex Binders which were offset by lower performance in Performance Plastics and Americas Styrenics

Continued Progress on 2016 to 2019 Growth Initiatives

- Expect to achieve approximately \$90 million of Adj EBITDA growth across the Latex Binders, Synthetic Rubber and Performance Plastics segments, including improvement in Polycarbonate
 - Entire \$75 million target from organic projects
 - Approximately half of \$25 million target from expected M&A
- Approximately one-third of this growth expected in 2018

Q3 2018 Outlook

- Net income of \$88 million to \$96 million, Diluted EPS of \$2.00 to \$2.19
- Adj EBITDA* of \$150 million to \$160 million, Adj EPS* of \$2.00 to \$2.19
- Assumes no impact from net timing and no impact from unplanned styrene outages beyond our current visibility for the quarter

Full Year 2018 Outlook

- Net income of \$393 million to \$410 million, Diluted EPS of \$8.95 to \$9.32
- Adj EBITDA* of \$665 million to \$685 million, Adj EPS* of \$9.15 to \$9.52
- Outlook excludes additional unplanned styrene outages and assumes minimal net timing impacts

* See Appendix for reconciliation of non-GAAP measures.

2017 Sustainability Report

Operational Performance

Since 2011, Trinseo has reduced:



Total waste by **41%**



Water consumption by **29%**



GHG emissions (from sources owned or controlled by the company) by **24%**



Electricity use by **10%**



Volatile Organic Compounds (VOC) emissions by **42%**



Nitrogen oxide (NOx) emissions by **26%**

Materials Innovations

Plastics



- Acquired API and introduced portfolio of APINAT® biodegradable and compostable bioplastics used in coffee capsules



- Opened the Plastics Research Center in Terneuzen, the Netherlands

Synthetic Rubber



- Advanced green tire technology with SPRINTAN™ Advanced S-SBR and Nd-BR

Latex Binders



- Increased bridge durability with Modifier A™/NA Latex concrete additive



- Developed white roof coatings with LIGOST™ binders that improve energy efficiency of buildings

Social Responsibility



Trinseo's employee Engagement Survey found safety to be one of the highest-rated areas of the Company



Trinseo introduced the new Safety on Purpose behavior-based safety program across the globe

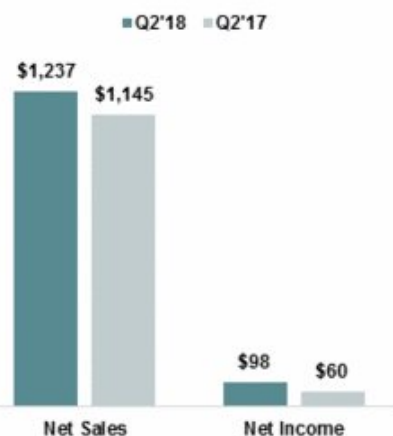


20 locations worldwide participated in Trinseo's annual Volunteer Days, with employees logging **3,284** total hours of service


TRINSEO™

Trinseo Q2 2018 Financial Results

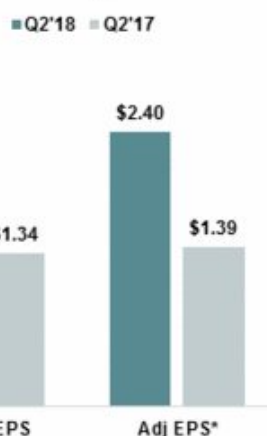
Net Sales & Net Income (\$MM)



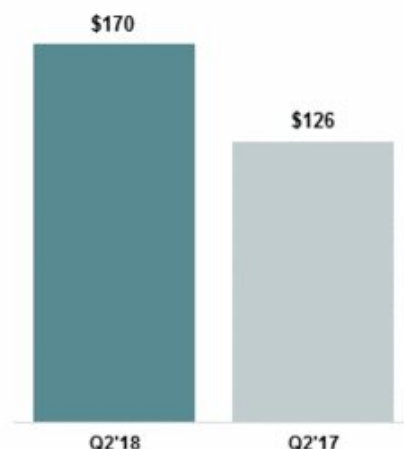
Net Sales

Vol	Price	FX	Portfolio	Total
3%	(3%)	7%	1%	8%

EPS (\$)



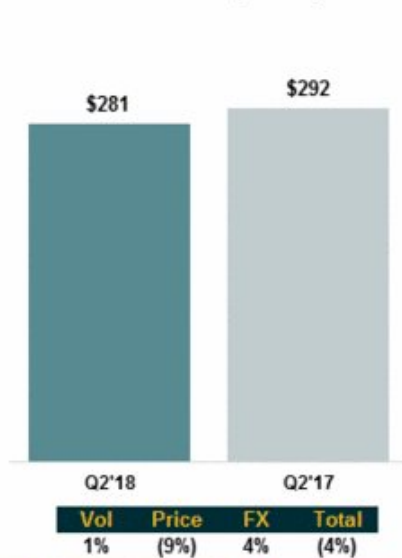
Adjusted EBITDA* (\$MM)



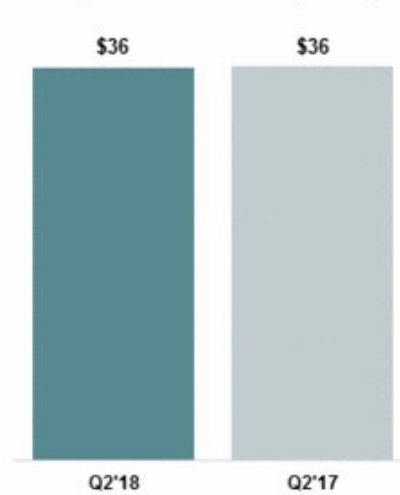
- Profitability in line with guidance and significantly above prior year
- Net income and Adjusted EBITDA* included a favorable net timing impact of about \$10 million on a pre-tax basis
- Cash from operations of \$142 million and Free Cash Flow* of \$113 million included \$13 million of lower working capital; \$37 million of share repurchases during the quarter

Latex Binders

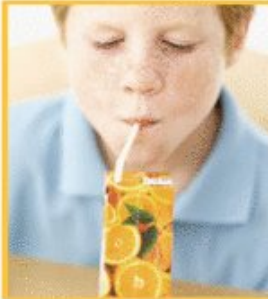
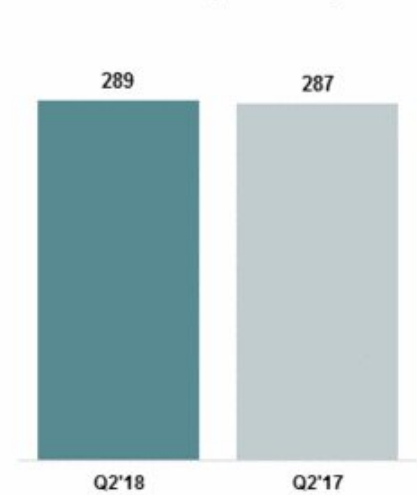
Net Sales (\$MM)



Adjusted EBITDA (\$MM)



Volume (MM Lbs)



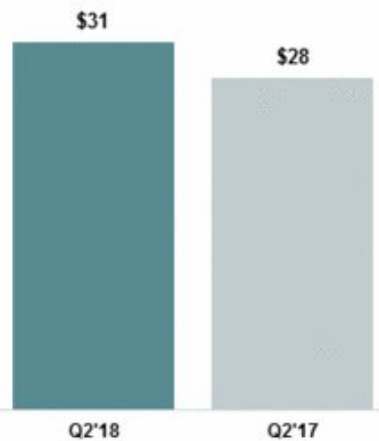
- Continued mix shift improvement through volume growth in carpet and adhesives & construction
- Adjusted EBITDA flat as higher volumes and favorable net timing were offset by raw material dynamics including higher cost in Asia

Synthetic Rubber

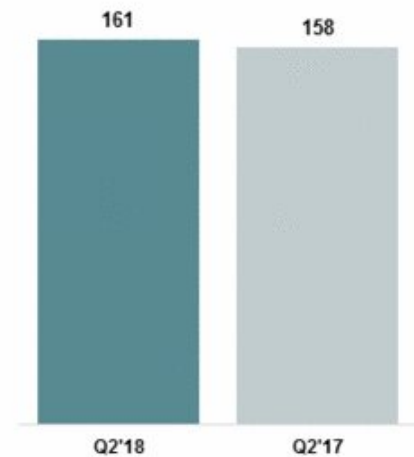
Net Sales (\$MM)



Adjusted EBITDA (\$MM)



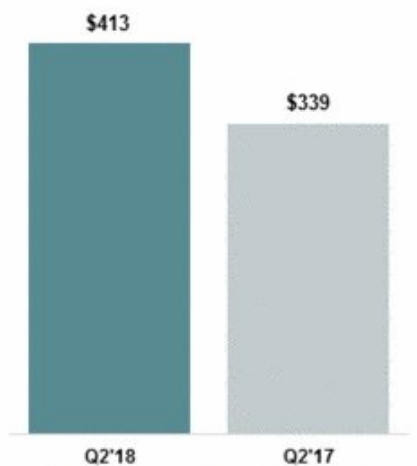
Volume (MM Lbs)



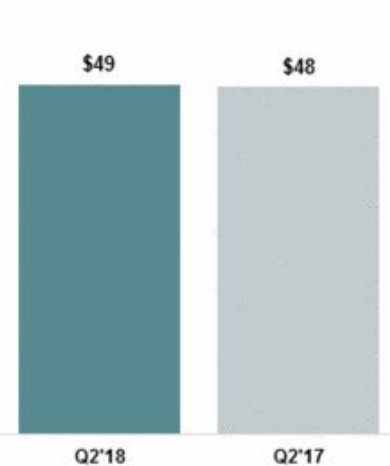
- Higher sales volume and currency impacts increasing net sales versus prior year, but were more than offset by raw material pass through
- Adjusted EBITDA higher versus prior year as favorable net timing impacts were partially offset by lower margins

Performance Plastics

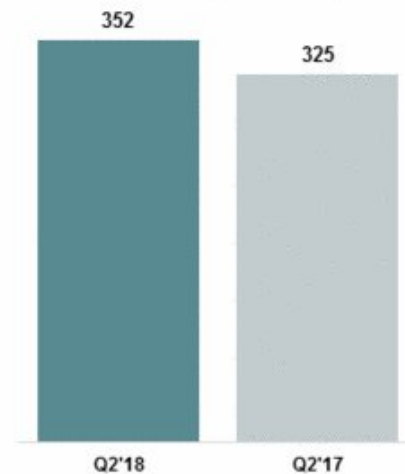
Net Sales (\$MM)



Adjusted EBITDA (\$MM)



Volume (MM Lbs)



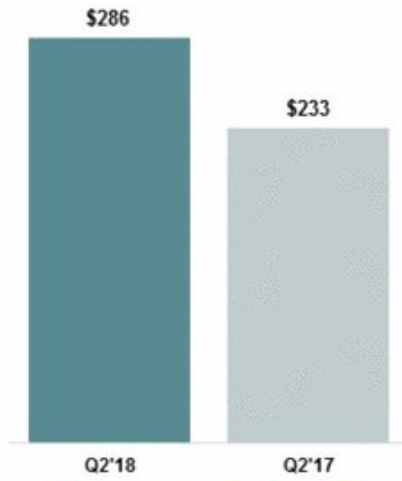
Vol	Price	FX	Portfolio	Total
9%	1%	8%	4%	22%



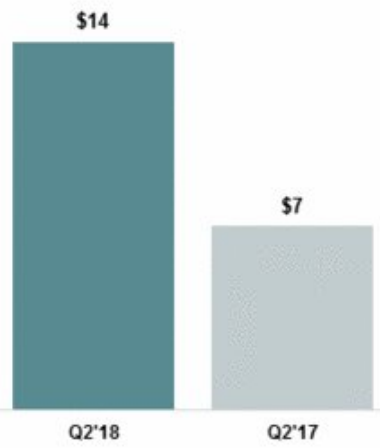
- Net sales increase vs prior year driven by new China ABS capacity, API Plastics, and currency impacts
- Adjusted EBITDA includes \$10 million unfavorable impact from planned major maintenance activities

Polystyrene

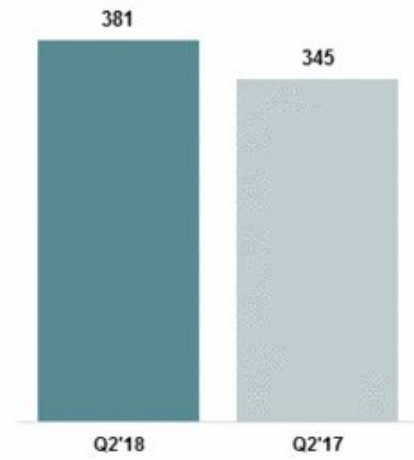
Net Sales (\$MM)



Adjusted EBITDA (\$MM)



Volume (MM Lbs)



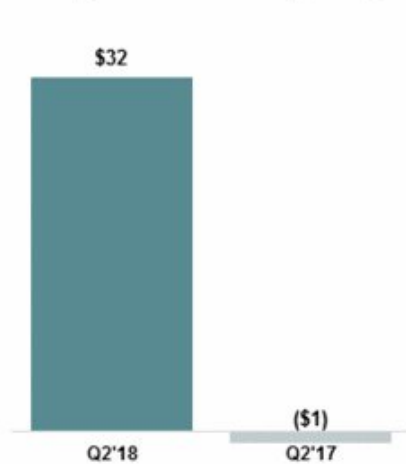
Vol	Price	FX	Total
10%	5%	7%	22%



- Net sales increase versus prior year due mainly to higher sales volume in Asia
- Adjusted EBITDA higher due to sales volume and favorable net timing impacts

FEEDSTOCKS

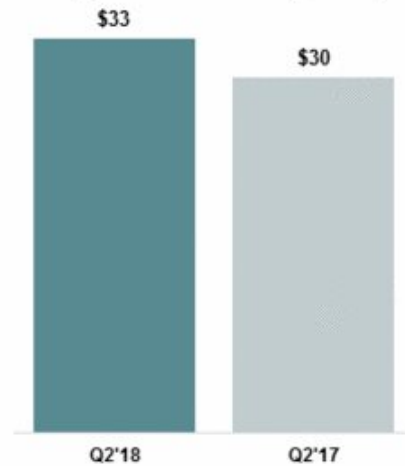
Adjusted EBITDA (\$MM)



- Year-over-year increase due primarily to higher styrene margins as well as favorable net timing impacts

AMERICAS STYRENICS

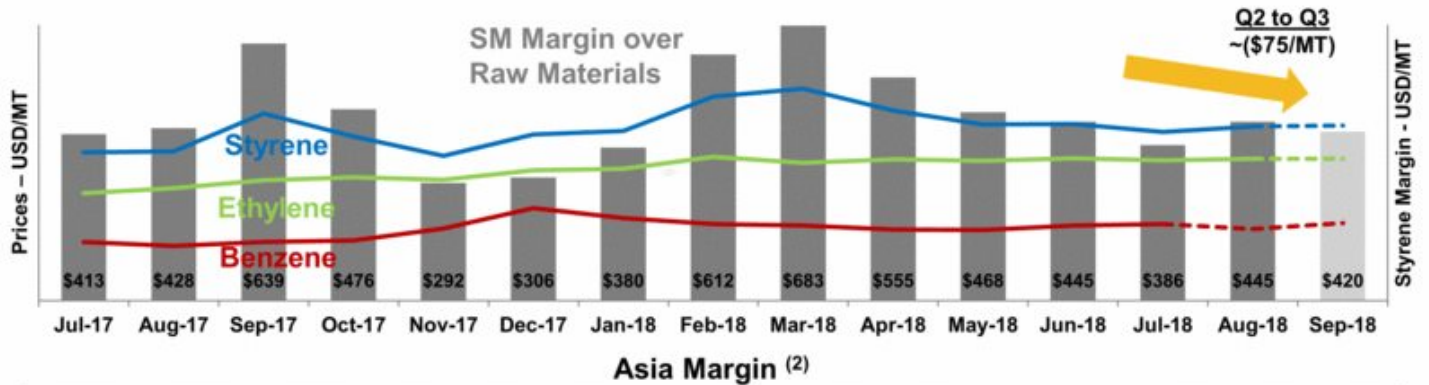
Adjusted EBITDA (\$MM)



- Year-over-year increase due to higher styrene margins including prior year spot sales at lower margin following a maintenance outage
- Dividends: \$38 million in Q2 2018

Western Europe and Asia Styrene Margin Trends

Western Europe Margin (1)



Asia Margin (2)



Trinseo's Feedstocks reporting segment captures styrene monomer margin through both internally produced and cost-based purchases of styrene. In 2018, we estimate that we will produce approximately 700 kilotons of styrene in Western Europe and purchase approximately 185 kilotons of styrene in Asia with cost-based economics. With all other inputs remaining equal, a \$50 per metric ton change in styrene margins would be expected to impact the Feedstocks reporting segment's annual Adjusted EBITDA by approximately \$35 million in Europe and approximately \$9 million in Asia. Other factors that could impact the Feedstocks segment Adjusted EBITDA include, but are not limited to, utilities, freight, manufacturing costs, overhead costs, production outages, currency, discounts of styrene, benzene, and ethylene, as well as raw material timing.

SOURCE: Western Europe Styrene, Benzene, Ethylene Prices: ICIS. Asia Styrene, Benzene, Ethylene prices: IHS. Styrene margin over raw materials: Trinseo. (1) 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). (2) Styrene: NE Asia Avg Spot Posting (CFR China); Benzene: NE Asia Spot Avg (FOB S. Korea); Ethylene: NE Asia Spot Avg (CFR NE Asia). Styrene margin over raw materials: Styrene less (80% * Benzene) less (30% * Ethylene).

Q3 and Full Year 2018 Outlook



	Q3 Adj EBITDA* (\$MM)	FY Adj EBITDA*	Assumptions
Latex Binders	~\$30	~\$120	<ul style="list-style-type: none"> Continued steady performance
Synthetic Rubber	~\$20	~\$100	<ul style="list-style-type: none"> Softer than expected tire markets, ramp of new SSBR capacity slower than expected FY includes ~\$9 million favorable net timing impacts
Performance Plastics	\$60 - \$65	~\$240	<ul style="list-style-type: none"> Raw material competitive dynamics driving lower annual Adj EBITDA expectation Full year growth driven by ABS capacity, API Plastics
Polystyrene	~\$12	~\$47	<ul style="list-style-type: none"> Full year performance roughly flat YoY
Feedstocks	~\$20	~\$115	<ul style="list-style-type: none"> Q3 sequentially lower as styrene supply returns after seasonal outage period FY incl ~\$20 million unplanned outage impacts in H1
Americas Styrenics	\$30 - \$35	~\$140	<ul style="list-style-type: none"> FY includes known unplanned outage impacts
Corporate	~(\$23)	~(\$90)	<ul style="list-style-type: none"> Effective tax rate of ~18% Cash Paid for Interest of ~\$50 million, Cash Paid for Income Taxes of ~\$95 million, CapEx of ~\$150 million
Net Income	\$88 - \$96	\$393 - \$410	
Adjusted EBITDA*	\$150 - \$160	\$665 - \$685	
EPS (diluted)	\$2.00 - \$2.19	\$8.95 - \$9.32	
Adj EPS*	\$2.00 - \$2.19	\$9.15 - \$9.52	

* See Appendix for reconciliation of non-GAAP measures.

Appendix

US GAAP to Non-GAAP Reconciliation

Profitability Outlook

(In \$millions, unless noted)	Three Months Ended	Year Ended
	Sep 30, 2018	Dec 31, 2018
Adjusted EBITDA	150 - 160	665 - 685
Interest expense, net	(11)	(48)
Provision for income taxes	(19) - (21)	(84) - (87)
Depreciation and amortization	(32)	(129)
Reconciling items to Adjusted EBITDA	--	(11)
Net Income	88 - 96	393 - 410
Reconciling items to Net Income	--	9
Adjusted Net Income	88 - 96	402 - 419
Weighted avg shares - diluted (MM)	43.8	44.0
EPS - diluted (\$)	2.00 - 2.19	8.95 - 9.32
Adjusted EPS (\$)	2.00 - 2.19	9.15 - 9.52

NOTE: For definitions of non-GAAP measures as well as descriptions of reconciling items from Net Income to Adjusted EBITDA and to Adjusted Net Income, refer to the accompanying Exhibit 99.1 – Press Release, August 2, 2018. Totals may not sum due to rounding.

US GAAP to Non-GAAP Reconciliation

(in \$millions, unless noted)

	Q1'16	Q2'16	Q3'16	Q4'16	Q1'17	Q2'17	Q3'17	Q4'17	Q1'18	Q2'18	2015	2016	2017
Net Income	76.7	95.8	67.3	78.5	117.3	60.2	33.2	117.7	120.3	98.3	133.6	318.3	328.3
Interest expense, net	18.9	18.8	18.8	18.4	18.2	18.7	18.4	14.8	14.9	10.8	93.2	75.0	70.1
Provision for income taxes	21.9	28.6	16.0	20.5	29.3	18.8	8.3	26.4	24.9	20.4	70.2	87.0	82.8
Depreciation and amortization	23.2	24.9	23.8	24.7	24.7	26.3	29.2	30.3	31.9	32.3	96.8	96.4	110.6
EBITDA	140.7	168.1	125.9	142.1	189.5	124.0	89.1	189.2	192.0	161.8	393.8	576.7	591.8
Loss on extinguishment of long-term debt	-	-	-	-	-	-	65.3	-	-	0.2	95.2	-	65.3
Other items	1.8	0.3	0.3	(6.8)	-	-	1.6	(21.6)	2.7	6.8	2.2	(4.4)	(19.9)
Restructuring and other charges	0.7	1.1	16.8	4.9	2.1	1.1	1.5	1.2	0.5	1.2	0.8	23.5	6.0
Net (gains) / losses on dispositions of businesses and assets	-	12.9	0.3	1.8	(9.9)	-	0.2	-	(0.5)	-	-	15.1	(9.7)
Acquisition transaction and integration costs	-	-	-	-	-	1.1	3.8	(0.1)	0.3	0.2	-	-	4.7
Asset impairment charges or write-offs	-	-	-	-	-	-	4.3	-	-	-	-	-	4.3
Adjusted EBITDA	143.2	182.4	143.3	142.0	181.7	126.2	165.8	168.7	195.0	170.2	492.0	610.9	642.5
Adjusted EBITDA to Adjusted Net Income													
Adjusted EBITDA	143.2	182.4	143.3	142.0	181.7	126.2	165.8	168.7	195.0	170.2	492.0	610.9	642.5
Interest expense, net	18.9	18.8	18.8	18.4	18.2	18.7	18.4	14.8	14.9	10.8	93.2	75.0	70.1
Provision for income taxes - Adjusted	22.4	28.8	21.4	22.0	29.5	19.2	21.0	28.4	26.0	22.3	84.9	94.6	98.2
Depreciation and amortization - Adjusted	22.6	24.9	23.3	24.7	24.2	25.8	28.6	30.0	31.7	32.1	89.3	95.4	108.6
Adjusted Net Income	79.3	109.9	79.8	76.9	109.8	62.5	97.8	95.5	122.4	105.0	224.6	345.9	365.6
<i>Wtd Avg Shares - Diluted (000)</i>	<i>49,086</i>	<i>47,857</i>	<i>46,961</i>	<i>45,754</i>	<i>45,313</i>	<i>44,995</i>	<i>44,782</i>	<i>44,734</i>	<i>44,430</i>	<i>43,810</i>	<i>48,970</i>	<i>47,478</i>	<i>44,973</i>
Adjusted EPS - Diluted (\$)	1.62	2.30	1.70	1.68	2.42	1.39	2.18	2.14	2.76	2.40	4.59	7.28	8.13
Adjustments by Statement of Operations Caption													
Loss on extinguishment of long-term debt	-	-	-	-	-	-	65.3	-	-	0.2	95.2	-	65.3
Cost of sales	-	-	-	-	-	-	2.4	(18.4)	-	1.2	-	-	(16.0)
Selling, general and administrative expenses	2.5	1.4	17.1	4.9	2.1	2.2	7.6	(2.1)	3.5	6.5	3.0	25.9	9.9
Other expense (income), net	-	12.9	0.3	(5.0)	(9.9)	-	1.4	-	(0.5)	0.5	-	8.3	(8.5)
Total EBITDA Adjustments	2.5	14.3	17.4	(0.1)	(7.8)	2.2	76.7	(20.5)	3.0	8.4	98.2	34.2	50.7
Free Cash Flow Reconciliation													
Cash provided by (used in) operating activities	84.9	94.8	145.0	79.0	(25.7)	62.3	158.3	196.5	40.8	141.6	421.9	403.7	391.3
Capital expenditures	(26.4)	(26.7)	(29.5)	(41.2)	(36.0)	(38.2)	(34.6)	(38.5)	(30.6)	(28.9)	(109.3)	(123.9)	(147.4)
Free Cash Flow	58.4	68.1	115.5	37.8	(61.7)	24.1	123.7	158.0	10.2	112.7	312.6	279.8	243.9

NOTE: 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	2016	2017	Q2'18 LTM
Latex Binders	299	310	318	309	301	287	298	276	274	289	1,236	1,161	1,137
Synthetic Rubber	146	148	150	159	179	158	137	144	164	161	604	617	606
Performance Plastics	335	342	314	302	344	325	337	339	351	352	1,293	1,345	1,380
Polystyrene	377	352	335	341	311	345	351	342	308	381	1,404	1,349	1,382
Feedstocks	194	195	207	163	168	238	206	224	143	187	759	836	760
Trade Volume (MMLbs)	1,352	1,347	1,324	1,273	1,302	1,352	1,329	1,325	1,241	1,370	5,296	5,308	5,265
Latex Binders	209	232	243	241	289	292	266	250	255	281	925	1,097	1,053
Synthetic Rubber	102	111	113	124	163	174	119	127	149	155	451	583	550
Performance Plastics	304	326	301	287	337	339	362	381	403	413	1,218	1,419	1,559
Polystyrene	208	221	198	201	228	233	238	241	240	286	828	941	1,005
Feedstocks	71	79	81	64	87	107	111	103	75	102	294	408	391
Net Sales	894	970	935	917	1,104	1,145	1,097	1,102	1,122	1,237	3,717	4,448	4,557
Latex Binders	19	21	30	24	37	36	32	33	27	36	94	139	129
Synthetic Rubber	23	30	28	29	46	28	(6)	15	26	31	111	83	66
Performance Plastics	59	66	53	53	52	48	62	68	66	49	232	231	245
Polystyrene	14	15	11	12	14	7	9	19	10	14	52	48	51
Feedstocks	21	33	13	14	42	(1)	46	24	42	32	80	111	144
Americas Styrenics	33	38	34	31	18	30	44	31	46	33	136	123	153
Corporate	(25)	(21)	(26)	(22)	(27)	(22)	(22)	(21)	(20)	(25)	(95)	(92)	(88)
Adjusted EBITDA*	143	182	143	142	182	126	166	169	195	170	611	642	700
Adj EBITDA Variance Analysis													
Net Timing* Impacts - Fav/(Unfav)													
Latex Binders	(0)	(4)	2	2	(8)	1	(5)	4	(4)	4	(0)	(8)	(1)
Synthetic Rubber	(4)	3	1	6	16	(4)	(25)	0	2	7	6	(13)	(15)
Performance Plastics	3	(3)	(1)	1	(2)	(3)	1	2	(0)	(3)	0	(2)	(0)
Polystyrene	(1)	1	1	1	4	(5)	1	3	(2)	1	2	3	3
Feedstocks	(2)	4	1	4	11	(11)	4	7	(3)	0	7	11	8
Net Timing** Impacts - Fav/(Unfav)	(4)	0	5	14	22	(23)	(24)	15	(7)	10	15	(9)	(5)

*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.