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

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2021

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from __________ to __________

Commission File Number: 001-36473

Trinseo S.A.
(Exact name of registrant as specified in its charter)

Luxembourg	**N/A**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification Number)**

1000 Chesterbrook Boulevard
Suite 300
Berwyn, PA 19312
(Address of Principal Executive Offices)

(610) 240-3200
(Registrant's telephone number)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐		
Non-accelerated filer	☐	Smaller reporting company	☐	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. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

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

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

As of May 3, 2021, there were 38,739,042 of the registrant's ordinary shares outstanding.

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Trinseo S.A.
Quarterly Report on Form 10-Q
For the quarterly period ended March 31, 2021

Unless otherwise indicated or required by context, as used in this Quarterly Report on Form 10-Q ("Quarterly Report"), the term "Trinseo" refers to Trinseo S.A. (NYSE: TSE), a public limited liability company (société anonyme) existing under the laws of Luxembourg, and not its subsidiaries. The terms "Company," "we," "us" and "our" refer to Trinseo and its consolidated subsidiaries, taken as a consolidated entity. All financial data provided in this Quarterly Report is the financial data of the Company, unless otherwise indicated. Prior to the formation of the Company, our business was wholly owned by The Dow Chemical Company (together with other affiliates, "Dow").

Definitions of capitalized terms not defined herein appear within our Annual Report on Form 10-K for the year ended December 31, 2020 ("Annual Report") filed with the Securities and Exchange Commission ("SEC") on February 22, 2021. The Company may distribute cash to shareholders under Luxembourg law via repayments of equity or an allocation of statutory profits. All distributions prior to 2020 were considered repayments of equity under Luxembourg law.

Cautionary Note on Forward-Looking Statements

This Quarterly Report 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. Forward-looking statements may be identified by the use of words like "expect," "anticipate," "intend," "forecast," "estimate," "see," "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.

Specific factors that may impact performance or other predictions of future actions have, in many but not all cases, been identified in connection with specific forward-looking statements. Factors that might cause such a difference include, but are not limited to, those discussed in our Annual Report filed with the SEC on February 22, 2021 under Part I, Item IA— "Risk Factors," within this Quarterly Report and in other filings and furnishings made by the Company with the SEC from time to time.

As a result of these or other factors, our actual results may differ materially from those contemplated by the forward-looking statements. They are neither statements of historical fact nor guarantees or assurances of future performance. Therefore, we caution you against relying on these forward-looking statements. The forward-looking statements included in this Quarterly Report 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.

Available Information

Our annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K, and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, are available free of charge through the Investor Relations section of our website, www.trinseo.com, as soon as reasonably practicable after the reports are electronically filed or furnished with the SEC. We provide this website and information contained in or connected to it for informational purposes only. That information is not a part of this Quarterly Report.

PART I —FINANCIAL INFORMATION

Item 1. Financial Statements

TRINSEO S.A.

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

	March 31, 2021	December 31, 2020
Assets		
Current assets		
Cash and cash equivalents	$ 618.4	$ 588.7
Restricted cash	450.0	—
Accounts receivable, net of allowance for doubtful accounts (March 31, 2021: $4.9; December 31, 2020: $5.8)	657.8	529.2
Inventories	463.0	384.1
Other current assets	15.8	15.1
Total current assets	2,205.0	1,517.1
Investments in unconsolidated affiliates	248.1	240.1
Property, plant and equipment, net of accumulated depreciation (March 31, 2021: $823.5; December 31, 2020: $831.5)	570.2	601.4
Other assets		
Goodwill	70.9	74.2
Other intangible assets, net	171.5	182.8
Right-of-use assets - operating, net	76.6	78.3
Deferred income tax assets	81.2	90.2
Deferred charges and other assets	56.6	61.1
Total other assets	456.8	486.6
Total assets	$ 3,480.1	$ 2,845.2
Liabilities and shareholders' equity		
Current liabilities		
Short-term borrowings and current portion of long-term debt	$ 13.7	$ 12.3
Accounts payable	482.5	355.4
Current lease liabilities - operating	16.3	15.8
Income taxes payable	15.4	10.0
Accrued expenses and other current liabilities	149.7	139.8
Total current liabilities	677.6	533.3
Noncurrent liabilities		
Long-term debt, net of unamortized deferred financing fees	1,605.1	1,158.7
Noncurrent lease liabilities - operating	62.8	65.7
Deferred income tax liabilities	62.8	60.7
Other noncurrent obligations	395.5	436.5
Total noncurrent liabilities	2,126.2	1,721.6
Commitments and contingencies (Note 11)		
Shareholders' equity		
Ordinary shares, $0.01 nominal value, 50,000.0 shares authorized (March 31, 2021: 48.8 shares issued and 38.7 shares outstanding; December 31, 2020: 48.8 shares issued and 38.4 shares outstanding)	0.5	0.5
Additional paid-in-capital	578.5	579.6
Treasury shares, at cost (March 31, 2021: 10.1 shares; December 31, 2020: 10.4 shares)	(530.0)	(542.9)
Retained earnings	807.3	739.2
Accumulated other comprehensive loss	(180.0)	(186.1)
Total shareholders' equity	676.3	590.3
Total liabilities and shareholders' equity	$ 3,480.1	$ 2,845.2

The accompanying notes are an integral part of these condensed consolidated financial statements.

TRINSEO S.A.

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

	Three Months Ended March 31,	
	2021	2020
Net sales	$ 1,092.6	$ 853.5
Cost of sales	890.6	783.8
Gross profit	202.0	69.7
Selling, general and administrative expenses	62.6	77.5
Equity in earnings of unconsolidated affiliates	22.9	9.8
Impairment charges	—	38.3
Operating income (loss)	162.3	(36.3)
Interest expense, net	12.0	10.3
Acquisition purchase price hedge loss	55.0	—
Other expense, net	2.7	1.6
Income (loss) before income taxes	92.6	(48.2)
Provision for (benefit from) income taxes	21.1	(11.9)
Net income (loss)	$ 71.5	$ (36.3)
Weighted average shares- basic	38.5	38.5
Net income (loss) per share- basic	$ 1.86	$ (0.94)
Weighted average shares- diluted	39.5	38.5
Net income (loss) per share- diluted	$ 1.81	$ (0.94)

The accompanying notes are an integral part of these condensed consolidated financial statements.

TRINSEO S.A.

Condensed Consolidated Statements of Comprehensive Income (Loss)
(In millions)
(Unaudited)

	Three Months Ended March 31, 2021	2020
Net income (loss)	$ 71.5	$ (36.3)
Other comprehensive income, net of tax:		
Cumulative translation adjustments	0.4	10.7
Net gain (loss) on cash flow hedges	4.6	(3.7)
Pension and other postretirement benefit plans:		
Net gain arising during period (net of tax of $0.0 and $0.1)	—	0.6
Amounts reclassified from accumulated other comprehensive income	1.1	0.6
Total other comprehensive income, net of tax	6.1	8.2
Comprehensive income (loss)	$ 77.6	$ (28.1)

The accompanying notes are an integral part of these condensed consolidated financial statements.

TRINSEO S.A.

Condensed Consolidated Statements of Shareholders’ Equity
(In millions, except per share data)
(Unaudited)

	Shares		Shareholders' Equity					
	Ordinary Shares Outstanding	Treasury Shares	Ordinary Shares	Additional Paid-In Capital	Treasury Shares	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Total
Balance at December 31, 2020	38.4	10.4	$ 0.5	$ 579.6	$ (542.9)	$ (186.1)	$ 739.2	$ 590.3
Net income	—	—	—	—	—	—	71.5	71.5
Other comprehensive income	—	—	—	—	—	6.1	—	6.1
Share-based compensation activity	0.3	(0.3)	—	(1.1)	12.9	—	—	11.8
Dividends on ordinary shares ($0.08 per share)	—	—	—	—	—	—	(3.4)	(3.4)
Balance at March 31, 2021	38.7	10.1	$ 0.5	$ 578.5	$ (530.0)	$ (180.0)	$ 807.3	$ 676.3
Balance at December 31, 2019	39.0	9.8	$ 0.5	$ 574.7	$ (524.9)	$ (162.4)	$ 781.0	668.9
Net loss	—	—	—	—	—	—	(36.3)	(36.3)
Other comprehensive income	—	—	—	—	—	8.2	—	8.2
Share-based compensation activity	—	—	—	1.0	1.7	—	—	2.7
Purchase of treasury shares	(0.8)	0.8	—	—	(25.0)	—	—	(25.0)
Dividends on ordinary shares ($0.40 per share)	—	—	—	—	—	—	(15.5)	(15.5)
Balance at March 31, 2020	38.2	10.6	$ 0.5	$ 575.7	$ (548.2)	$ (154.2)	$ 729.2	$ 603.0

The accompanying notes are an integral part of these condensed consolidated financial statements.

TRINSEO S.A.

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

	Three Months Ended March 31, 2021	Three Months Ended March 31, 2020
Cash flows from operating activities		
Net income (loss)	$ 71.5	$ (36.3)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities		
Depreciation and amortization	32.9	36.4
Amortization of deferred financing fees, issuance discount, and excluded component of hedging instruments	1.2	0.4
Deferred income tax	6.6	(11.5)
Share-based compensation expense	3.5	3.2
Earnings of unconsolidated affiliates, net of dividends	(7.9)	(9.8)
Unrealized net gain on foreign exchange forward contracts	(21.8)	(11.5)
Acquisition purchase price hedge loss	55.0	—
Gain on sale of businesses and other assets	(0.2)	(0.4)
Asset impairment charges or write-offs	—	38.3
Changes in assets and liabilities		
Accounts receivable	(138.8)	(12.7)
Inventories	(89.5)	26.8
Accounts payable and other current liabilities	114.9	(28.9)
Income taxes payable	4.9	(3.3)
Other assets, net	4.1	(6.9)
Other liabilities, net	14.6	10.4
Cash provided by (used in) operating activities	51.0	(5.8)
Cash flows from investing activities		
Capital expenditures	(12.6)	(24.3)
Net cash received for asset and business acquisitions	—	0.2
Proceeds from the sale of businesses and other assets	—	11.6
Proceeds from the settlement of hedging instruments	—	51.6
Cash provided by (used in) investing activities	(12.6)	39.1
Cash flows from financing activities		
Deferred financing fees	(1.3)	—
Short-term borrowings, net	(2.8)	(3.5)
Purchase of treasury shares	—	(25.0)
Dividends paid	(3.3)	(15.9)
Proceeds from exercise of option awards	9.0	—
Withholding taxes paid on restricted share units	(0.8)	(0.6)
Repayments of 2024 Term Loan B	—	(1.7)
Net proceeds from issuance of 2029 Senior Notes	450.0	—
Cash provided by (used in) financing activities	450.8	(46.7)
Effect of exchange rates on cash	(9.5)	(2.7)
Net change in cash, cash equivalents, and restricted cash	479.7	(16.1)
Cash, cash equivalents, and restricted cash—beginning of period	588.7	457.4
Cash, cash equivalents, and restricted cash—end of period	$ 1,068.4	$ 441.3
Less: Restricted cash	(450.0)	(1.2)
Cash and cash equivalents—end of period	$ 618.4	$ 440.1

The accompanying notes are an integral part of these condensed consolidated financial statements.

TRINSEO S.A.

Notes to Condensed Consolidated Financial Statements
(Dollars in millions, unless otherwise stated)
(Unaudited)

NOTE 1—BASIS OF PRESENTATION

The unaudited interim condensed consolidated financial statements of Trinseo S.A. and its subsidiaries (the “Company”) as of and for the periods ended March 31, 2021 and 2020 were prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”) and reflect all adjustments, consisting only of normal recurring adjustments, which, in the opinion of management, are considered necessary for the fair statement of the results for the periods presented. Because they cover interim periods, the statements and related notes to the financial statements do not include all disclosures normally provided in annual financial statements, and therefore, these statements should be read in conjunction with the 2020 audited consolidated financial statements included within the Company’s Annual Report on Form 10-K (“Annual Report”) filed with the Securities and Exchange Commission (“SEC”) on February 22, 2021. The Company’s condensed consolidated financial statements presented herein reflect the latest estimates and assumptions made by management that affect the reported amounts and related disclosures as of and for the period ended March 31, 2021. However, actual results could differ from these estimates and assumptions.

The December 31, 2020 condensed consolidated balance sheet data presented herein was derived from the Company’s December 31, 2020 audited consolidated financial statements, but does not include all disclosures required by GAAP for annual periods.

Certain prior year amounts have been reclassified to conform to the current year presentation. These reclassifications pertain primarily to the Company’s resegmentation effective October 1, 2020. Refer to Notes 3 and 15 for further information.

NOTE 2—RECENT ACCOUNTING GUIDANCE

In December 2019, the FASB issued guidance that simplifies the accounting for income taxes. The amended guidance includes removal of certain exceptions to the general principles of Accounting Standards Codification 740, Income Taxes, and simplification in several other areas such as accounting for a franchise tax (or similar tax) that is partially based on income. The Company adopted the guidance effective January 1, 2021, noting that adoption did not have a material impact on its condensed consolidated financial statements.

NOTE 3—NET SALES

Refer to the Annual Report for information on the Company's accounting policies and further background related to its net sales.

The following table provides disclosure of net sales to external customers by primary geographical market (based on the location where sales originated), by segment for the three months ended March 31, 2021 and 2020. Prior period balances in this table have been recast in conjunction with the resegmentation that occurred during the fourth quarter of 2020. Refer to Note 15 for further information.

Three Months Ended	Latex Binders	Synthetic Rubber	Engineered Materials	Base Plastics	Polystyrene	Feedstocks	Total
March 31, 2021							
United States	$ 67.8	$ —	$ 10.3	$ 62.5	$ —	$ 3.4	$ 144.0
Europe	117.5	111.5	21.0	197.9	149.3	52.5	649.7
Asia-Pacific	63.8	12.7	34.2	48.8	117.6	—	277.1
Rest of World	1.8	—	0.3	19.7	—	—	21.8
Total	$ 250.9	$ 124.2	$ 65.8	$ 328.9	$ 266.9	$ 55.9	$ 1,092.6
March 31, 2020							
United States	$ 62.2	$ —	$ 9.9	$ 60.7	$ —	$ 2.6	$ 135.4
Europe	101.9	99.8	14.9	150.1	109.8	29.1	505.6
Asia-Pacific	52.3	1.9	22.9	26.8	73.0	13.1	190.0
Rest of World	2.7	—	—	19.8	—	—	22.5
Total	$ 219.1	$ 101.7	$ 47.7	$ 257.4	$ 182.8	$ 44.8	$ 853.5

NOTE 4—INVESTMENTS IN UNCONSOLIDATED AFFILIATES

The Company is currently supplemented by one joint venture, Americas Styrenics LLC (“Americas Styrenics,” a styrene and polystyrene joint venture with Chevron Phillips Chemical Company LP), which is accounted for using the equity method. The results of Americas Styrenics are included within its own reporting segment.

Americas Styrenics is a privately held company; therefore, a quoted market price for its equity interests is not available. The summarized financial information of the Company’s unconsolidated affiliate is shown below.

	Three Months Ended March 31,	
	2021	2020
Sales	$ 423.0	$ 322.2
Gross profit	$ 65.4	$ 7.2
Net income (loss)	$ 51.1	$ (8.3)

As of March 31, 2021 and December 31, 2020, the Company’s investment in Americas Styrenics was $248.1 million and $240.1 million, respectively, which was $13.7 million and $16.3 million greater than the Company’s 50% share of the underlying net assets of Americas Styrenics, respectively. This amount represents the difference between the book value of assets contributed to the joint venture at the time of formation (May 1, 2008) and the Company’s 50% share of the total recorded value of the joint venture’s assets and certain adjustments to conform with the Company’s accounting policies. This difference is being amortized over the weighted average remaining useful life of the contributed assets of approximately 3.0 years as of March 31, 2021. The Company received dividends of $15.0 million from Americas Styrenics during the three months ended March 31, 2021, while no dividends were received during the three months ended March 31, 2020.

NOTE 5—INVENTORIES

Inventories consisted of the following:

	March 31, 2021	December 31, 2020
Finished goods	$ 193.5	$ 174.0
Raw materials and semi-finished goods	229.5	169.1
Supplies	40.0	41.0
Total	$ 463.0	$ 384.1

NOTE 6—DEBT

Refer to the Annual Report for definitions of capitalized terms not included herein and further background on the Company's debt structure discussed below. The Company was in compliance with all debt related covenants as of March 31, 2021 and December 31, 2020.

As of March 31, 2021 and December 31, 2020, debt consisted of the following:

			March 31, 2021			December 31, 2020		
	Interest Rate as of March 31, 2021	Maturity Date	Carrying Amount	Unamortized Deferred Financing Fees	Total Debt, Less Unamortized Deferred Financing Fees	Carrying Amount	Unamortized Deferred Financing Fees [1]	Total Debt, Less Unamortized Deferred Financing Fees
Senior Credit Facility								
2024 Term Loan B	2.109%	September 2024	$ 677.3	$ (10.2)	$ 667.1	$ 677.3	$ (10.8)	$ 666.5
2022 Revolving Facility[2]	Various	September 2022	—	—	—	—	—	—
2029 Senior Notes	5.125%	April 2029	450.0	(2.2)	447.8	—	—	—
2025 Senior Notes	5.375%	September 2025	500.0	(5.9)	494.1	500.0	(6.2)	493.8
Accounts Receivable Securitization Facility[3]	Various	September 2021	—	—	—	—	—	—
Other indebtedness	Various	Various	9.8	—	9.8	10.7	—	10.7
Total debt			$ 1,637.1	$ (18.3)	$ 1,618.8	$ 1,188.0	$ (17.0)	$ 1,171.0
Less: current portion[4]					(13.7)			(12.3)
Total long-term debt, net of unamortized deferred financing fees					$ 1,605.1			$ 1,158.7

(1) This caption does not include deferred financing fees related to the Company's revolving facilities, which are included within "Deferred charges and other assets" on the condensed consolidated balance sheets.

(2) As of March 31, 2021, under the 2022 Revolving Facility, the Company had a capacity of $375.0 million and funds available for borrowing of $360.0 million (net of $15.0 million outstanding letters of credit). Additionally, the Company is required to pay a quarterly commitment fee in respect of any unused commitments under this facility equal to 0.375% per annum.

(3) As of March 31, 2021, this facility had a borrowing capacity of $150.0 million, and the Company had approximately $150.0 million of accounts receivable available to support this facility, based on the pool of eligible accounts receivable. In regard to outstanding borrowings, fixed interest charges are 1.95% plus variable commercial paper rates, while for available, but undrawn commitments, fixed interest charges are 1.00%.

(4) As of March 31, 2021 and December 31, 2020, the current portion of long-term debt was primarily related to $8.7 million and $7.0 million, respectively, of the scheduled future principal payments on the 2024 Term Loan B.

2029 Senior Notes

On March 24, 2021, Trinseo Materials Operating S.C.A. and Trinseo Materials Finance, Inc. (together, the "Issuers"), each an indirect, wholly-owned subsidiary of the Company, executed an indenture pursuant to which they issued $450.0 million aggregate principal amount of 5.125% senior notes due 2029 (the "2029 Senior Notes") in a 144A private transaction exempt from the registration requirements of the Securities Act of 1933, as amended. Interest on the 2029 Senior Notes is payable semi-annually on February 15 and August 15 of each year, commencing on August 15, 2021. The 2029 Senior Notes mature on April 1, 2029. The net proceeds from the 2029 Senior Notes offering were used as a portion of the funding needed for the Company's acquisition (the "Acquisition") of the Arkema S.A. ("Arkema") polymethyl methacrylates ("PMMA") and activated methyl methacrylates ("MMA") businesses (together, referred to herein as the "PMMA business"), in addition to fees and expenses related to the offering and the Acquisition. Pending consummation of the Acquisition, the $450.0 million gross proceeds from the 2029 Senior Notes offering were deposited into a segregated escrow account for the benefit of the holders of the 2029 Senior Notes, which was included within "Restricted cash" on the condensed consolidated balance sheet as of March 31, 2021. The gross proceeds from the 2029

Senior Notes offering were released upon satisfaction of certain escrow release conditions, including closing of the Acquisition, which was completed on May 3, 2021.

At any time prior to April 1, 2024, the Issuers may redeem the 2029 Senior Notes in whole or in part, at their option, at a redemption price equal to 100% of the principal amount of such notes plus the relevant applicable premium as of, and accrued and unpaid interest to, but not including, the redemption date. At any time and from time to time after April 1, 2024, the Issuers may redeem the 2029 Senior Notes, in whole or in part, at a redemption price equal to the percentage of principal amount set forth below plus accrued and unpaid interest, if any, on the notes redeemed to, but not including, the redemption date:

12-month period commencing April 1 in Year	Percentage
2024	102.563 %
2025	101.281 %
2026 and thereafter	100.000 %

At any time prior to April 1, 2024, the Issuers may redeem up to 40% of the aggregate principal amount of the 2029 Senior Notes at a redemption price equal to 105.125%, plus accrued and unpaid interest to, but not including, the redemption date, with the aggregate gross proceeds from certain equity offerings.

The 2029 Senior Notes are the Issuers' senior unsecured obligations and rank equally in right of payment with all of the Issuers' existing and future indebtedness that is not expressly subordinated in right of payment thereto. The 2029 Senior Notes will be senior in right of payment to any future indebtedness that is expressly subordinated in right of payment thereto and effectively junior to (a) the Issuers' existing and future secured indebtedness, including the Company's accounts receivable facility and the Issuers' Credit Facility, to the extent of the value of the collateral securing such indebtedness and (b) all existing and future liabilities of the Issuers' non-guarantor subsidiaries.

The Indenture contains customary covenants, including restrictions on the Issuers' and certain of its subsidiaries' ability to incur additional indebtedness and guarantee indebtedness; pay dividends on, redeem or repurchase capital stock; make investments; prepay certain indebtedness; create liens; enter into transactions with the Issuers' affiliates; designate the Issuers' subsidiaries as Unrestricted Subsidiaries (as defined in the Indenture); and consolidate, merge, or transfer all or substantially all of the Issuers' assets. The covenants are subject to a number of exceptions and qualifications. Certain of these covenants, excluding without limitation those relating to transactions with the Issuers' affiliates and consolidation, merger, or transfer of all or substantially all of the Issuers' assets, will be suspended during any period of time that (1) the 2029 Senior Notes have Investment Grade Status (as defined in the Indenture) and (2) no default has occurred and is continuing under the Indenture. In the event that the 2029 Senior Notes are downgraded to below an Investment Grade Status, the Issuers and certain subsidiaries will again be subject to the suspended covenants with respect to future events. As of March 31, 2021, the Company was in compliance with all debt covenant requirements under the Indenture.

As of March 31, 2021, fees and expenses incurred in connection with the issuance of the 2029 Senior Notes were $2.2 million, which were capitalized and recorded within "Long-term debt, net of unamortized deferred financing fees" on the condensed consolidated balance sheet, and are being amortized into "Interest expense, net" in the condensed consolidated statements of operations over their eight year term using the effective interest method.

In addition to proceeds from the 2029 Senior Notes, the remainder of the purchase price of the Acquisition was funded with $750.0 million in incremental term loan borrowings ("2028 Term Loan B") entered into on May 3, 2021 under the Company's existing senior secured credit facility, and available cash. The 2028 Term Loan B bears an interest rate of the London Interbank Offered Rate ("LIBOR") plus 2.50%, subject to a 0.00% LIBOR floor, and matures in May 2028. Concurrent with the closing of the Acquisition on May 3, 2021, the Company also extended the term of its 2022 Revolving Facility through May 2026.

NOTE 7—GOODWILL

The following table shows changes in the carrying amount of goodwill, by segment, from December 31, 2020 to March 31, 2021:

	Latex Binders	Synthetic Rubber	Engineered Materials	Base Plastics	Polystyrene	Feedstocks	Americas Styrenics	Total
Balance at December 31, 2020	$ 17.1	$ 12.1	$ 16.0	$ 24.2	$ 4.8	$ —	$ —	$ 74.2
Foreign currency impact	(0.8)	(0.5)	(0.7)	(1.1)	(0.2)	—	—	(3.3)
Balance at March 31, 2021	$ 16.3	$ 11.6	$ 15.3	$ 23.1	$ 4.6	$ —	$ —	$ 70.9

NOTE 8—DERIVATIVE INSTRUMENTS

The Company's ongoing business operations expose it to various risks, including fluctuating foreign exchange rates and interest rate risk. To manage these risks, the Company periodically enters into derivative financial instruments, such as foreign exchange forward contracts and interest rate swap agreements. The Company does not hold or enter into financial instruments for trading or speculative purposes. All derivatives are recorded on the condensed consolidated balance sheets at fair value.

Foreign Exchange Forward Contracts

Certain subsidiaries have assets and liabilities denominated in currencies other than their respective functional currencies, which creates foreign exchange risk. The Company's principal strategy in managing its exposure to changes in foreign currency exchange rates is to naturally hedge the foreign currency-denominated liabilities on its balance sheet against corresponding assets of the same currency, such that any changes in liabilities due to fluctuations in exchange rates are offset by changes in their corresponding foreign currency assets. In order to further reduce this exposure, the Company also uses foreign exchange forward contracts to economically hedge the impact of the variability in exchange rates on assets and liabilities denominated in certain foreign currencies. The Company entered into a specific such foreign exchange forward contract in December 2020 in order to economically hedge the euro-denominated purchase price of the Arkema PMMA business, which was acquired on May 3, 2021, as discussed in Note 14. These derivative contracts are not designated for hedge accounting treatment.

As of March 31, 2021, the Company had open foreign exchange forward contracts with a notional U.S. dollar equivalent absolute value of $819.0 million. The following table displays the notional amounts of the most significant net foreign exchange hedge positions outstanding as of March 31, 2021:

Buy / (Sell)	March 31, 2021
Euro (1)	$ 665.2
Chinese Yuan	$ (53.9)
Swiss Franc	$ 27.9
New Taiwan Dollar	$ 20.4
Indonesian Rupiah	$ (12.6)

(1) Amount includes $1.2 billion of notional for the forward currency hedge arrangement on the euro-denominated purchase price of the Arkema PMMA business, offset by $0.5 billion of notional for foreign currency hedges to sell euros.

Open foreign exchange forward contracts as of March 31, 2021 had maturities occurring over a period of three months.

Foreign Exchange Cash Flow Hedges

The Company also enters into forward contracts with the objective of managing the currency risk associated with forecasted U.S. dollar-denominated raw materials purchases by one of its subsidiaries whose functional currency is the euro. By entering into these forward contracts, which are designated as cash flow hedges, the Company buys a designated amount of U.S. dollars and sells euros at the prevailing market rate to mitigate the risk associated with the fluctuations in the euro-to-U.S. dollar foreign currency exchange rates. The qualifying hedge contracts are marked-to-market at each reporting date and any unrealized gains or losses are included in Accumulated Other Comprehensive Income ("AOCI") to the extent effective, and reclassified to cost of sales in the period during which the transaction affects earnings or it becomes probable that the forecasted transaction will not occur.

Open foreign exchange cash flow hedges as of March 31, 2021 had maturities occurring over a period of nine months, and had a net notional U.S. dollar equivalent of $72.0 million.

Interest Rate Swaps

On September 6, 2017, the Company issued the 2024 Term Loan B, which currently bears an interest rate of LIBOR plus 2.00%, subject to a 0.00% LIBOR floor. In order to reduce the variability in interest payments associated with the Company's variable rate debt, during 2017 the Company entered into certain interest rate swap agreements to convert a portion of these variable rate borrowings into a fixed rate obligation. These interest rate swap agreements are designated as cash flow hedges, and as such, the contracts are marked-to-market at each reporting date and any unrealized gains or losses are included in AOCI to the extent effective, and reclassified to interest expense in the period during which the transaction affects earnings or it becomes probable that the forecasted transaction will not occur.

As of March 31, 2021, the Company had open interest rate swap agreements with a net notional U.S. dollar equivalent of $200.0 million which had an effective date of September 29, 2017 and mature in September 2022. Under the terms of the swap agreements, the Company is required to pay the counterparties a stream of fixed interest payments at a rate of 1.81%, and in turn, receives variable interest payments based on 1-month LIBOR (0.11% as of March 31, 2021) from the counterparties.

Net Investment Hedge

The Company accounts for its cross currency swaps ("CCS") under the spot method, meaning that changes in the fair value of the hedge included in the assessment of effectiveness (changes due to spot foreign exchange rates) are recorded within AOCI, where they remain until either the sale or substantially complete liquidation of the subsidiary subject to the hedge. Additionally, the initial value of any component excluded from the assessment of effectiveness is recognized in income using a systematic and rational method over the life of the hedging instrument and any difference between the change in the fair value of the excluded component and amounts recognized in income under that systematic and rational method is recognized in AOCI. The Company amortizes any initial excluded component value of a CCS as a reduction of "Interest expense, net" in the condensed consolidated statements of operations using the straight-line method over the remaining term of the related CCS. Additionally, interest receipts and payments are accrued under the terms of the Company's CCS and are recognized within "Interest expense, net" in the condensed consolidated statements of operations.

The Company entered into a CCS arrangement (the "2017 CCS") on September 1, 2017, swapping U.S. dollar principal and interest payments of $500.0 million at an interest rate of 5.375% on its 2025 Senior Notes for euro-denominated payments of €420.0 million at a weighted average interest rate of 3.45% for approximately five years. The 2017 CCS was initially designated under the forward method and then redesignated under the spot method effective April 1, 2018. At the time of redesignation, the 2017 CCS had a cumulative foreign currency translation loss in AOCI of $38.0 million. The excluded component value related to the 2017 CCS at April 1, 2018 was $23.6 million, which was being amortized over its remaining term. On February 26, 2020, the Company settled its 2017 CCS and replaced it with a new CCS arrangement (the "2020 CCS") that carried substantially the same terms as the 2017 CCS. Upon settlement of the 2017 CCS, the Company realized net cash proceeds of $51.6 million. The remaining $13.8 million unamortized balance of the initial excluded component related to the 2017 CCS at the time of settlement will remain in AOCI until either the sale or substantially complete liquidation of the relevant subsidiaries. Under the 2020 CCS, the Company notionally exchanged $500.0 million at an interest rate of 5.375% for €459.3 million at a weighted average interest rate of 3.672% for approximately 2.7 years, with a final maturity of November 3, 2022. The cash flows under the 2020 CCS are aligned with the Company's principal and interest obligations on its 5.375% 2025 Senior Notes.

Summary of Derivative Instruments

The following table presents the effect of the Company's derivative instruments, including those not designated for hedge accounting treatment, on the condensed consolidated statements of operations for the three months ended March 31, 2021 and 2020:

	Location and Amount of Gain (Loss) Recognized in Statements of Operations							
	Three Months Ended March 31, 2021				Three Months Ended March 31, 2020			
	Cost of sales	Interest expense, net	Acquisition purchase price hedge loss	Other expense, net	Cost of sales	Interest expense, net	Acquisition purchase price hedge loss	Other expense, net
Total amount of income and (expense) line items presented in the statements of operations in which the effects of derivative instruments are recorded	$ (890.6)	$ (12.0)	$ (55.0)	$ (2.7)	$ (783.8)	$ (10.3)	$ —	$ (1.6)
Effects of cash flow hedge instruments:								
Foreign exchange cash flow hedges								
Amount of gain (loss) reclassified from AOCI into income	$ (0.3)	$ —	$ —	$ —	$ 0.2	$ —	$ —	$ —
Interest rate swaps								
Amount of loss reclassified from AOCI into income	$ —	$ (0.8)	$ —	$ —	$ —	$ (0.1)	$ —	$ —
Effects of net investment hedge instruments:								
Cross currency swaps								
Amount of gain excluded from effectiveness testing (1)	$ —	$ 1.9	$ —	$ —	$ —	$ 3.4	$ —	$ —
Effects of derivatives not designated as hedge instruments:								
Foreign exchange forward contracts								
Amount of gain (loss) recognized in income (2)	$ —	$ —	$ (55.0)	$ 19.7	$ —	$ —	$ —	$ 13.8

(1) Amount for the three months ended March 31, 2020 represents both the 2017 CCS through its settlement on February 26, 2020 and the 2020 CCS from when it was entered into on February 26, 2020 through March 31, 2021.

(2) The $55.0 million loss incurred from the change in fair value of the forward currency hedge arrangement on the euro-denominated purchase price of the Arkema PMMA business during the three months ended March 31, 2021 is presented separately in the condensed consolidated statements of operations from the gains recorded on the Company's other foreign exchange forward contracts.

The following table presents the effect of cash flow and net investment hedge accounting on AOCI for the three months ended March 31, 2021 and 2020:

	Gain (Loss) Recognized in AOCI on Balance Sheet Three Months Ended March 31, 2021	2020
Designated as Cash Flow Hedges		
Foreign exchange cash flow hedges	$ 3.7	$ 2.1
Interest rate swaps	0.9	(5.8)
Total	$ 4.6	$ (3.7)
Designated as Net Investment Hedges		
Cross currency swaps (CCS) (1)	$ 26.2	$ 22.9
Total	$ 26.2	$ 22.9

(1) Amount for the three months ended March 31, 2020 represents both the 2017 CCS through its settlement on February 26, 2020 and the 2020 CCS from when it was entered into on February 26, 2020 through March 31, 2020.

The Company recorded gains of $19.7 million and $13.8 million during the three months ended March 31, 2021 and 2020, respectively, from settlements and changes in the fair value of outstanding forward contracts (not designated as hedges), not including the loss of $55.0 million recorded from the change in fair value of the forward currency hedge arrangement on the euro-denominated purchase price of the Arkema PMMA business during the three months ended March 31, 2021. The gains from the Company's forward contracts offset net foreign exchange transaction losses of $19.9 million and $14.0 million during the three months ended March 31, 2021 and 2020, respectively, which resulted from the re-measurement of the Company's foreign currency-denominated assets and liabilities. The cash settlements of these foreign exchange forward contracts are included within operating activities in the condensed consolidated statements of cash flows.

The Company expects to reclassify in the next twelve months an approximate $1.7 million net loss from AOCI into earnings related to the Company's outstanding foreign exchange cash flow hedges and interest rate swaps as of March 31, 2021 based on current foreign exchange rates.

The following tables summarize the gross and net unrealized gains and losses, as well as the balance sheet classification, of outstanding derivatives recorded in the condensed consolidated balance sheets:

Balance Sheet Classification	March 31, 2021 Foreign Exchange Forward Contracts	Foreign Exchange Cash Flow Hedges	Interest Rate Swaps	Cross Currency Swaps	Total
Asset Derivatives:					
Accounts receivable, net of allowance	$ 16.1	$ 1.6	$ —	$ 4.1	$ 21.8
Deferred charges and other assets	—	—	—	—	—
Gross derivative asset position	16.1	1.6	—	4.1	21.8
Less: Counterparty netting	(7.3)	—	—	—	(7.3)
Net derivative asset position	$ 8.8	$ 1.6	$ —	$ 4.1	$ 14.5
Liability Derivatives:					
Accounts payable (1)	$ (49.5)	$ —	$ (3.3)	$ —	$ (52.8)
Other noncurrent obligations	—	—	(1.6)	(39.4)	(41.0)
Gross derivative liability position	(49.5)	—	(4.9)	(39.4)	(93.8)
Less: Counterparty netting	7.3	—	—	—	7.3
Net derivative liability position	$ (42.2)	$ —	$ (4.9)	$ (39.4)	$ (86.5)
Total net derivative position	**$ (33.4)**	**$ 1.6**	**$ (4.9)**	**$ (35.3)**	**$ (72.0)**

Balance Sheet Classification	December 31, 2020 Foreign Exchange Forward Contracts	Foreign Exchange Cash Flow Hedges	Interest Rate Swaps	Cross Currency Swaps	Total
Asset Derivatives:					
Accounts receivable, net of allowance (1)	$ 8.2	$ —	$ —	$ 5.0	$ 13.2
Deferred charges and other assets	—	—	—	—	—
Gross derivative asset position	8.2	—	—	5.0	13.2
Less: Counterparty netting	(6.5)	—	—	—	(6.5)
Net derivative asset position	$ 1.7	$ —	$ —	$ 5.0	$ 6.7
Liability Derivatives:					
Accounts payable	$ (8.3)	$ (2.1)	$ (3.4)	$ —	$ (13.8)
Other noncurrent obligations	—	—	(2.5)	(66.5)	(69.0)
Gross derivative liability position	(8.3)	(2.1)	(5.9)	(66.5)	(82.8)
Less: Counterparty netting	6.5	—	—	—	6.5
Net derivative liability position	$ (1.8)	$ (2.1)	$ (5.9)	$ (66.5)	$ (76.3)
Total net derivative position	**$ (0.1)**	**$ (2.1)**	**$ (5.9)**	**$ (61.5)**	**$ (69.6)**

(1) Balances as of March 31, 2021 and December 31, 2020 include a $47.7 million payable and a $7.3 million receivable, respectively, representing the fair value of the forward currency hedge arrangement on the euro-denominated purchase price of the Arkema PMMA business.

Forward contracts, interest rate swaps, and cross currency swaps are entered into with a limited number of counterparties, each of which allows for net settlement of all contracts through a single payment in a single currency in the event of a default on or termination of any one contract. As such, in accordance with the Company's accounting policy, these derivative instruments are recorded on a net basis by counterparty within the condensed consolidated balance sheets.

Refer to Notes 9 and 17 of the condensed consolidated financial statements for further information regarding the fair value of the Company's derivative instruments and the related changes in AOCI.

NOTE 9—FAIR VALUE MEASUREMENTS

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Assets and liabilities measured at fair value are classified using the following hierarchy, which is based upon the transparency of inputs to the valuation as of the measurement date.

Level 1—Valuation is based upon quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2—Valuation is based upon quoted prices for similar assets and liabilities in active markets, or other inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

Level 3—Valuation is based upon other unobservable inputs that are significant to the fair value measurement.

The following table summarizes the basis used to measure certain assets and liabilities at fair value on a recurring basis in the condensed consolidated balance sheets as of March 31, 2021 and December 31, 2020:

	March 31, 2021			
Assets (Liabilities) at Fair Value	Quoted Prices in Active Markets for Identical Items (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Foreign exchange forward contracts—Assets	$ —	$ 8.8	$ —	$ 8.8
Foreign exchange forward contracts—(Liabilities)	—	(42.2)	—	(42.2)
Foreign exchange cash flow hedges—Assets	—	1.6	—	1.6
Interest rate swaps—(Liabilities)	—	(4.9)	—	(4.9)
Cross currency swaps—Assets	—	4.1	—	4.1
Cross currency swaps—(Liabilities)	—	(39.4)	—	(39.4)
Total fair value	$ —	$ (72.0)	$ —	$ (72.0)

	December 31, 2020			
Assets (Liabilities) at Fair Value	Quoted Prices in Active Markets for Identical Items (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Foreign exchange forward contracts—Assets	$ —	$ 1.7	$ —	$ 1.7
Foreign exchange forward contracts—(Liabilities)	—	(1.8)	—	(1.8)
Foreign exchange cash flow hedges—(Liabilities)	—	(2.1)	—	(2.1)
Interest rate swaps—(Liabilities)	—	(5.9)	—	(5.9)
Cross currency swaps—Assets	—	5.0	—	5.0
Cross currency swaps—(Liabilities)	—	(66.5)	—	(66.5)
Total fair value	$ —	$ (69.6)	$ —	$ (69.6)

The Company uses an income approach to value its derivative instruments, utilizing discounted cash flow techniques, considering the terms of the contract and observable market information available as of the reporting date, such as interest rate yield curves and currency spot and forward rates. Significant inputs to the valuation for these derivative instruments are obtained from broker quotations or from listed or over-the-counter market data, and are classified as Level 2 in the fair value hierarchy.

Nonrecurring Fair Value Measurements

There were no financial assets or liabilities measured at fair value on a nonrecurring basis during the three months ended March 31, 2021. The Company measured certain financial assets at fair value on a nonrecurring basis during the year ended December 31, 2020, which were still held as of March 31, 2021. These financial assets represent the Company's styrene monomer assets in Boehlen, Germany, which it continues to operate, and its polybutadiene rubber ("PBR," specifically nickel and neodymium PBR) assets in Schkopau, Germany, which were mothballed in 2020. These assets were measured at fair value using underlying fixed asset records in conjunction with the use of industry experience and available market data, which are classified as Level 3 significant unobservable inputs in the fair value hierarchy. As a result of the fair value measurements performed, the Company recorded impairment charges on the Boehlen styrene monomer assets and the Schkopau PBR assets of $10.3 million and $28.0 million, respectively, during the first quarter of 2020. Refer to the Company's Annual Report for further information. As of March 31, 2021 and December 30, 2020, the value of the Boehlen styrene monomer assets was $3.5 million and $3.7 million, respectively, and the value of the Schkopau PBR assets was $1.5 million and $1.6 million, respectively, which are included in the Company's condensed consolidated balance sheets herein.

There were no other financial assets or liabilities measured at fair value on a nonrecurring basis as of December 31, 2020.

Fair Value of Debt Instruments

The following table presents the estimated fair value of the Company's outstanding debt not carried at fair value as of March 31, 2021 and December 31, 2020:

	As of March 31, 2021	As of December 31, 2020
2029 Senior Notes	$ 463.0	$ —
2025 Senior Notes	514.1	513.5
2024 Term Loan B	673.1	674.0
Total fair value	$ 1,650.2	$ 1,187.5

The fair value of the Company's debt facilities above (each Level 2 securities) is determined using over-the-counter market quotes and benchmark yields received from independent vendors.

There were no other significant financial instruments outstanding as of March 31, 2021 and December 31, 2020.

NOTE 10—PROVISION FOR INCOME TAXES

	Three Months Ended March 31,	
	2021	2020
Effective income tax rate	22.8 %	24.6 %

Provision for income taxes for the three months ended March 31, 2021 totaled $21.1 million, resulting in an effective tax rate of 22.8%. Benefit from income taxes for the three months ended March 31, 2020 totaled $11.9 million, resulting in an effective tax rate of 24.6%.

The effective tax rate for 2020 was impacted by the tax benefit related to the impairment charges recorded during the period related to the Company's assets in Boehlen and Schkopau, Germany. Refer to Note 9 for further information.

NOTE 11—COMMITMENTS AND CONTINGENCIES

Environmental Matters

Accruals for environmental matters are recorded when it is probable that a liability has been incurred and the amount of the liability can be reasonably estimated based on current law, existing technologies and other information. Pursuant to the terms of the agreement associated with the Company's formation, the pre-closing environmental liabilities were retained by Dow, and Dow agreed, subject to temporal, monetary, and other limitations to indemnify the Company from and against environmental liabilities incurred or relating to the predecessor periods. No environmental claims have been asserted or threatened against the Company, and the Company is not a potentially responsible party at any Superfund Sites. As of March 31, 2021 and December 31, 2020, the Company had no accrued obligations for environmental remediation or restoration costs.

Inherent uncertainties exist in the Company's potential environmental liabilities primarily due to unknown conditions, whether future claims may fall outside the scope of the indemnity, changing governmental regulations and legal standards regarding liability, and evolving technologies for handling site remediation and restoration. In connection with the Company's existing indemnification, the possibility is considered remote that environmental remediation costs will have a material adverse impact on the condensed consolidated financial statements over the next 12 months.

Purchase Commitments

In the normal course of business, the Company has certain raw material purchase contracts where it is required to purchase certain minimum volumes at current market prices. These commitments range from one to seven years. In certain raw material purchase contracts, the Company has the right to purchase less than the required minimums and pay a liquidated damages fee, or, in case of a permanent plant shutdown, to terminate the contracts. In such cases, these obligations would be less than the annual commitment as disclosed in the Notes to Consolidated Financial Statements included in the Annual Report.

Litigation Matters

From time to time, the Company may be subject to various legal claims and proceedings incidental to the normal conduct of business, relating to such matters as employees, product liability, antitrust/competition, past waste disposal practices and release of chemicals into the environment. While it is impossible at this time to determine with certainty the ultimate outcome of these routine claims, the Company does not believe that the ultimate resolution of these claims will have a material adverse effect on the Company's results of operations, financial condition or cash flow. Legal costs, including those legal costs expected to be incurred in connection with a loss contingency, are expensed as incurred.

European Commission Request for Information

On June 6, 2018, Trinseo Europe GmbH, a subsidiary of the Company, received a Request for Information in the form of a letter from the European Commission Directorate General for Competition (the "European Commission") related to styrene monomer commercial activity in the European Economic Area. The Company subsequently commenced an internal investigation into these commercial activities and discovered instances of inappropriate activity.

On October 28, 2019, a supplemental request for information was received from the European Commission. This request was limited to historical employment, entity, and organizational structures, along with certain financial, styrene purchasing, and styrene market information, as well as certain spot styrene purchase contracts. The Company has provided this information and continues to fully cooperate with the European Commission.

The proceedings with the European Commission continue and its outcome remains open. Based on its findings, the European Commission may decide to: (i) require further information; (ii) conduct unannounced raids of the Company's premises; (iii) adopt a decision imposing fines, and/or request certain behavioral or structural commitments from the Company; or (iv) in view of defense arguments by the Company close the proceedings. As a result of the above factors, the Company is unable to predict the ultimate outcome of this matter or estimate the range of reasonably possible losses that could be incurred. However, any potential losses incurred could be material to the Company's results of operations, balance sheet, and cash flows for the period in which they are resolved or become probable and reasonably estimable.

NOTE 12—PENSION PLANS AND OTHER POSTRETIREMENT BENEFITS

The components of net periodic benefit costs for all significant plans were as follows:

	Three Months Ended March 31,	
	2021	2020
Defined Benefit Pension Plans		
Service cost	$ 5.4	$ 4.3
Interest cost	0.5	0.8
Expected return on plan assets	(0.1)	(0.3)
Amortization of prior service credit	(0.2)	(0.3)
Amortization of net loss	1.8	1.2
Net periodic benefit cost	$ 7.4	$ 5.7

The Company had less than $0.1 million of net periodic benefit costs for its other postretirement plans for the three months ended March 31, 2021 and 2020.

Service cost related to the Company's defined benefit pension plans and other postretirement plans is included within "Cost of sales" and "Selling, general and administrative expenses," whereas all other components of net periodic benefit cost are included within "Other expense, net" in the condensed consolidated statements of operations. As of March 31, 2021 and December 31, 2020, the Company's benefit obligations included primarily in "Other noncurrent obligations" in the condensed consolidated balance sheets were $326.0 million and $337.5 million, respectively.

The Company made cash contributions and benefit payments to unfunded plans of approximately $1.6 million during the three months ended March 31, 2021. The Company expects to make additional cash contributions, including benefit payments to unfunded plans, of approximately $4.7 million to its defined benefit plans for the remainder of 2021.

NOTE 13—SHARE-BASED COMPENSATION

Refer to the Annual Report for definitions of capitalized terms not included herein and further background on the Company's share-based compensation programs included in the tables below.

The following table summarizes the Company's share-based compensation expense for the three months ended March 31, 2021 and 2020, as well as unrecognized compensation cost as of March 31, 2021:

	Three Months Ended March 31,		As of March 31, 2021	
	2021	2020	Unrecognized Compensation Cost	Weighted Average Years
RSUs	$ 1.8	$ 1.7	$ 12.9	2.2
Options	1.2	1.0	3.9	1.5
PSUs	0.5	0.5	5.0	2.3
Total share-based compensation expense	$ 3.5	$ 3.2		

The following table summarizes awards granted and the respective weighted average grant date fair value for the three months ended March 31, 2021:

	Three Months Ended March 31, 2021	
	Awards Granted	Weighted Average Grant Date Fair Value per Award
RSUs	109,748	$ 61.11
Options	161,769	23.04
PSUs	49,463	61.06

Option Awards

The following are the weighted average assumptions used within the Black-Scholes pricing model for the Company's option awards granted during the three months ended March 31, 2021:

	Three Months Ended March 31, 2021
Expected term (in years)	5.50
Expected volatility	48.76 %
Risk-free interest rate	0.64 %
Dividend yield	1.75 %

The expected volatility assumption is determined based on the historical volatility of the Company's publicly traded ordinary shares. The expected term of option awards represents the period of time that option awards granted are expected to be outstanding. For the option awards granted during the three months ended March 31, 2021, the simplified method was used to calculate the expected term, given the Company's limited historical exercise data. The risk-free interest rate for the periods within the expected term of option awards is based on the U.S. Treasury yield curve in effect at the time of grant. The dividend yield is estimated based on historical and expected dividend activity.

Performance Share Units (PSUs)

The following are the weighted average assumptions used within the Monte Carlo valuation model for PSUs granted during the three months ended March 31, 2021:

	Three Months Ended March 31, 2021
Expected term (in years)	3.00
Expected volatility	58.00 %
Risk-free interest rate	0.20 %
Share price	$ 61.06

Determining the fair value of PSUs requires considerable judgment, including estimating the expected volatility of the price of the Company's ordinary shares, the correlation between the Company's share price and that of its peer companies, and the expected rate of interest. The expected volatility for each grant is determined based on the historical volatility of the Company's ordinary shares. The expected term of PSUs represents the length of the performance period. The risk-free interest rate is based on the U.S. Treasury yield curve in effect at the time of grant for a duration equivalent to the performance period. The share price is the closing price of the Company's ordinary shares on the grant date.

NOTE 14—ACQUISITIONS AND DIVESTITURES

Acquisition of the Arkema PMMA Business

On March 19, 2021, pursuant to the terms of the Put Option Agreement the Company entered into with Arkema on December 14, 2020 to acquire Arkema's PMMA business, as described in the Annual Report, and following Arkema's exercise of its put option right under the Put Option Agreement on March 17, 2021, the Company and Arkema entered into a securities purchase agreement (the "SPA") relating to the transfer of the PMMA business, and a warranty agreement relating thereto. Pursuant to the SPA, the Company agreed to acquire the PMMA business from Arkema for an initial purchase price of €1.137 billion (approximately $1.36 billion), subject to customary working capital and other closing adjustments. PMMA is a transparent and rigid plastic with a wide range of end uses, and is an attractive adjacent chemistry which complements Trinseo's existing offerings across several end markets including automotive, building & construction, medical and consumer electronics.

The Acquisition closed on May 3, 2021 and was funded using the net proceeds from the Company's new financing arrangements, including $450.0 million from its 2029 Senior Notes issued on March 24, 2021 and $750.0 million of incremental term loan borrowings under the 2028 Term Loan B entered into in conjunction with closing of the transaction, as well as available cash. Refer to Note 6 for further information on the financing arrangements used to fund the Acquisition.

NOTE 15—SEGMENTS

As discussed in the Annual Report, the Company realigned its reporting segments effective October 1, 2020, as a result of which the Company's former Performance Plastics segment was reorganized into two standalone reporting segments: Engineered Materials and Base Plastics. There were no changes to the Company's remaining five segments. Refer to the Annual Report for further information on the resegmentation. The information in the tables below has been retroactively adjusted to reflect the changes in reporting segments.

The Latex Binders segment produces styrene-butadiene latex ("SB latex") and other latex polymers and binders, primarily for coated paper and packaging board, carpet and artificial turf backings, as well as a number of performance latex binders applications, such as adhesive, building and construction and the technical textile paper market. The Synthetic Rubber segment produces synthetic rubber products used predominantly in high-performance tires, impact modifiers and technical rubber products, such as conveyer belts, hoses, seals and gaskets. The Engineered Materials segment includes the Company's compounds and blends products sold into higher growth and value applications, such as consumer electronics and medical, as well as the Company's thermoplastic elastomers ("TPEs") products which are sold into a variety of applications including footwear and automotive. The Base Plastics segment contains the results of the acrylonitrile-butadiene-styrene ("ABS"), styrene-acrylonitrile ("SAN"), and polycarbonate ("PC") businesses, as well as compounds and blends for automotive and other applications. The Polystyrene segment includes a variety of general purpose polystyrenes ("GPPS") and polystyrene that has been modified with polybutadiene rubber to increase its impact resistant properties ("HIPS"). The Feedstocks segment includes the Company's production and procurement of styrene monomer outside of North America, which is used as a key raw material in many of the Company's products, including polystyrene, SB latex, ABS resins, and solution styrene-butadiene rubber ("SSBR"). Lastly, the Americas Styrenics segment consists solely of the operations of the Company's 50%-owned joint venture, Americas Styrenics, a producer of both styrene monomer and polystyrene in North America.

The following table provides disclosure of the Company's segment Adjusted EBITDA, which is used to measure segment operating performance and is defined below, for the three months ended March 31, 2021 and 2020. Asset and intersegment sales information by reporting segment is not regularly reviewed or included with the Company's reporting to the chief operating decision maker. Therefore, this information has not been disclosed below. Refer to Note 3 for the Company's net sales to external customers by segment for the three months ended March 31, 2021 and 2020.

Three Months Ended [1]	Latex Binders	Synthetic Rubber	Engineered Materials	Base Plastics	Polystyrene	Feedstocks	Americas Styrenics
March 31, 2021	$ 17.7	$ 14.2	$ 8.1	$ 66.1	$ 47.7	$ 46.6	$ 22.9
March 31, 2020	$ 21.5	$ 15.3	$ 8.2	$ 28.5	$ 11.8	$ (16.2)	$ 9.8

(1) The Company's primary measure of segment operating performance is Adjusted EBITDA, which is defined as income from continuing operations before interest expense, net; provision for income taxes; 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. Segment Adjusted EBITDA is a key metric that is used by management to evaluate business performance in comparison to budgets, forecasts, and prior year financial results, providing a measure that management believes reflects core operating performance by removing the impact of transactions and events that would not be considered a part of core operations. Other companies in the industry may define segment Adjusted EBITDA differently than the Company, and as a result, it may be difficult to use segment Adjusted EBITDA, or similarly named financial measures, that other companies may use to compare the performance of those companies to the Company's segment performance.

The reconciliation of income before income taxes to segment Adjusted EBITDA is as follows:

	Three Months Ended March 31, 2021	Three Months Ended March 31, 2020
Income (loss) before income taxes	$ 92.6	$ (48.2)
Interest expense, net	12.0	10.3
Depreciation and amortization	32.9	36.4
Corporate Unallocated[2]	22.4	21.9
Adjusted EBITDA Addbacks[3]	63.4	58.5
Segment Adjusted EBITDA	$ 223.3	$ 78.9

(2) Corporate unallocated includes corporate overhead costs and certain other income and expenses.
(3) Adjusted EBITDA addbacks for the three months ended March 31, 2021 and 2020 are as follows:

	Three Months Ended March 31, 2021	Three Months Ended March 31, 2020
Net gain on disposition of businesses and assets	$ (0.2)	$ (0.4)
Restructuring and other charges (Note 16)	0.4	1.8
Acquisition transaction and integration net costs (Note 14)	6.0	0.1
Acquisition purchase price hedge loss (Note 8)	55.0	—
Asset impairment charges or write-offs (Note 9)	—	38.3
Other items[a]	2.2	18.7
Total Adjusted EBITDA Addbacks	$ 63.4	$ 58.5

(a) Other items for the three months ended March 31, 2021 primarily relate to fees incurred in conjunction with certain of the Company's strategic initiatives. Other items for the three months ended March 31, 2020 primarily relate to advisory and professional fees incurred in conjunction with the Company's initiative to transition business services from Dow, including certain administrative services such as accounts payable, logistics, and IT services, which was substantially completed in 2020, as well as fees incurred in conjunction with certain of the Company's strategic initiatives.

NOTE 16—RESTRUCTURING

Refer to the Annual Report for further details regarding the Company's previously announced restructuring activities included in the tables below. Restructuring charges are included within "Selling, general and administrative expenses" in the condensed consolidated statements of operations.

The following table provides detail of the Company's restructuring charges for the three months ended March 31, 2021 and 2020:

	Three Months Ended March 31, 2021	Three Months Ended March 31, 2020	Cumulative Life-to-date Charges	Segment
Corporate Restructuring Program				
Accelerated depreciation	$ —	$ 1.3	$ 2.9	
Employee termination benefits	0.3	0.3	19.8	
Contract terminations	—	1.2	2.8	
Decommissioning and other	—	—	0.2	
Corporate Program Subtotal	$ 0.3	$ 2.8	$ 25.7	N/A(1)
Other Restructurings	0.1	0.3		Various
Total Restructuring Charges	$ 0.4	$ 3.1		

(1) In November 2019, the Company announced a corporate restructuring program associated with the Company's shift to a global functional structure and business excellence initiatives to drive greater focus on business process optimization and efficiency, which continued through the three months ended March 31, 2021. The Company expects to incur a limited amount of incremental employee termination benefit charges through the end of 2021, and the majority of these benefits are expected to be paid by the end of 2021. As this was identified as a corporate-related activity, the charges related to this restructuring program were not allocated to a specific segment, but rather included within corporate unallocated.

The following table provides a roll forward of the liability balances associated with the Company's restructuring activities as of March 31, 2021. Employee termination benefit and contract termination charges are primarily recorded within "Accrued expenses and other current liabilities" in the condensed consolidated balance sheets.

	Balance at December 31, 2020	Expenses	Deductions(1)	Balance at March 31, 2021
Employee termination benefits	$ 8.4	$ 0.3	$ (3.5)	$ 5.2
Contract terminations	0.1	—	—	0.1
Decommissioning and other	—	0.1	(0.1)	—
Total	$ 8.5	$ 0.4	$ (3.6)	$ 5.3

(1) Primarily includes payments made against the existing accrual, as well as immaterial impacts of foreign currency remeasurement.

NOTE 17—ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

The components of AOCI, net of income taxes, consisted of:

Three Months Ended March 31, 2021 and 2020	Cumulative Translation Adjustments	Pension & Other Postretirement Benefit Plans, Net	Cash Flow Hedges, Net	Total
Balance as of December 31, 2020	$ (109.0)	$ (71.9)	$ (5.2)	$ (186.1)
Other comprehensive income	0.4	—	3.5	3.9
Amounts reclassified from AOCI to net income[1]	—	1.1	1.1	2.2
Balance as of March 31, 2021	$ (108.6)	$ (70.8)	$ (0.6)	$ (180.0)
Balance as of December 31, 2019	$ (106.7)	$ (56.3)	$ 0.6	$ (162.4)
Other comprehensive income (loss)	10.7	0.6	(3.6)	7.7
Amounts reclassified from AOCI to net income (loss)[1]	—	0.6	(0.1)	0.5
Balance as of March 31, 2020	$ (96.0)	$ (55.1)	$ (3.1)	$ (154.2)

(1) The following is a summary of amounts reclassified from AOCI to net income (loss) for the three months ended March 31, 2021 and 2020:

AOCI Components	Three Months Ended March 31, 2021	Three Months Ended March 31, 2020	Statements of Operations Classification
Cash flow hedging items			
Foreign exchange cash flow hedges	$ 0.3	$ (0.2)	Cost of sales
Interest rate swaps	0.8	0.1	Interest expense, net
Total before tax	1.1	(0.1)	
Tax effect	—	—	Provision for (benefit from) income taxes
Total, net of tax	$ 1.1	$ (0.1)	
Amortization of pension and other postretirement benefit plan items			
Prior service credit	$ (0.2)	$ (0.3)	(a)
Net actuarial loss	1.8	1.2	(a)
Total before tax	1.6	0.9	
Tax effect	(0.5)	(0.3)	Provision for (benefit from) income taxes
Total, net of tax	$ 1.1	$ 0.6	

(a) These AOCI components are included in the computation of net periodic benefit costs (see Note 12).

NOTE 18—EARNINGS PER SHARE

Basic earnings per ordinary share ("basic EPS") is computed by dividing net income available to ordinary shareholders by the weighted average number of the Company's ordinary shares outstanding for the applicable period. Diluted earnings per ordinary share ("diluted EPS") is calculated using net income available to ordinary shareholders divided by diluted weighted average ordinary shares outstanding during each period, which includes unvested RSUs, option awards, and PSUs. Diluted EPS considers the impact of potentially dilutive securities except in periods in which there is a loss because the inclusion of the potential ordinary shares would have an anti-dilutive effect.

The following table presents basic EPS and diluted EPS for the three months ended March 31, 2021 and 2020:

(in millions, except per share data)	Three Months Ended March 31, 2021	Three Months Ended March 31, 2020
Earnings:		
Net income (loss)	$ 71.5	$ (36.3)
Shares:		
Weighted average ordinary shares outstanding	38.5	38.5
Dilutive effect of RSUs, option awards, and PSUs[1]	1.0	—
Diluted weighted average ordinary shares outstanding	39.5	38.5
Income (loss) per share:		
Income (loss) per share—basic	$ 1.86	$ (0.94)
Income (loss) per share—diluted	$ 1.81	$ (0.94)

(1) Refer to Note 13 for discussion of RSUs, option awards, and PSUs granted to certain Company directors and employees. There were 0.5 million anti-dilutive shares that have been excluded from the computation of diluted earnings per share for the three months ended March 31, 2021. As the Company recorded a net loss for the three months ended March 31, 2020, potential shares related to equity-based awards have been excluded from the calculation of diluted EPS, as doing so would be anti-dilutive.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

2021 Year-to-Date Highlights

During the three months ended March 31, 2021, Trinseo recognized net income of $71.5 million and Adjusted EBITDA of $200.9 million, representing one of the highest quarterly net income and Adjusted EBITDA results in Trinseo's history. These results were due mainly to higher margins, primarily in Base Plastics, Polystyrene and especially Feedstocks, as well as higher sales volumes in Engineered Materials and Synthetic Rubber. Refer to the discussion below for further information and refer to "Non-GAAP Performance Measures" for discussion of our use of non-GAAP measures in evaluating our performance and a reconciliation of these measures. Other highlights for the year are described below.

Acquisition of the Arkema PMMA Business

On May 3, 2021, the Company closed on the previously-announced acquisition of the Arkema S.A. ("Arkema") polymethyl methacrylates ("PMMA") and activated methyl methacrylates ("MMA") businesses (together, referred to herein as the "PMMA business") for an initial purchase price of €1.137 billion (approximately $1.36 billion), in addition to customary working capital and other closing adjustments. The transaction was announced on December 14, 2020, when the Company and Arkema entered into a Put Option Agreement. On March 17, 2021, Arkema exercised its put option right under the Put Option Agreement, pursuant to which the Company and Arkema entered into a securities purchase agreement (the "SPA") on March 19, 2021 relating to the transfer of the PMMA business, and a warranty agreement relating thereto (the "Acquisition"). The Acquisition was funded primarily using proceeds from new debt financing arrangements as described below. PMMA is a transparent and rigid plastic with a wide range of end uses, and complements Trinseo's existing offerings across several end markets including automotive, building & construction, medical and consumer electronics.

New Financing Arrangements

On March 24, 2021, the Company issued $450.0 million aggregate principal amount of 5.125% senior notes due 2029 (the "2029 Senior Notes"). Further, on May 3, 2021, in conjunction with the closing of the Acquisition, the Company entered into $750.0 million in incremental term loan borrowings ("2028 Term Loan B") under our existing senior secured credit facility. The net proceeds from the 2029 Senior Notes and the 2028 Term Loan B, as well as available cash, were used to fund the Acquisition. Refer to Note 6 in the condensed consolidated financial statements for further details on these new financing arrangements.

Exploration of Potential Divestiture of Synthetic Rubber Business

In December 2020, the Company announced that we are exploring the potential divestiture of our Synthetic Rubber business. While we are evaluating the best strategy to pursue for our Synthetic Rubber business, we continue to believe that this business remains a valuable asset with potential for growth in the global tire market.

Results of Operations
Results of Operations for the Three Months Ended March 31, 2021 and 2020

(in millions)	Three Months Ended March 31, 2021	%	2020	%
Net sales	$ 1,092.6	100 %	$ 853.5	100 %
Cost of sales	890.6	82 %	783.8	92 %
Gross profit	202.0	18 %	69.7	8 %
Selling, general and administrative expenses	62.6	6 %	77.5	9 %
Equity in earnings of unconsolidated affiliates	22.9	2 %	9.8	1 %
Impairment charges	—	— %	38.3	4 %
Operating income (loss)	162.3	14 %	(36.3)	(4)%
Interest expense, net	12.0	1 %	10.3	1 %
Acquisition purchase price hedge loss	55.0	5 %	—	— %
Other expense, net	2.7	— %	1.6	— %
Income (loss) before income taxes	92.6	8 %	(48.2)	(6)%
Provision for (benefit from) income taxes	21.1	2 %	(11.9)	(1)%
Net income (loss)	$ 71.5	6 %	$ (36.3)	(4)%

Three Months Ended – March 31, 2021 vs. March 31, 2020

Net Sales

Of the 28% increase in net sales, 16% was attributable to increased selling prices, mainly due to the pass through of higher raw material costs, and 7% was due to increased volumes. An additional 4% increase was due to currency impacts as the euro strengthened in comparison to the U.S. dollar during the period.

Cost of Sales

The 14% increase in cost of sales was attributable to a 3% increase in raw material costs, a 5% increase in volumes, a 4% increase due to currency impacts and a 2% increase in utility costs.

Gross Profit

The increase in gross profit of 190% was primarily attributable to higher margins, primarily in Base Plastics, Polystyrene, and Feedstocks, where March styrene margins were the highest observed in over twenty years. See the segment discussion below for further information.

Selling, General and Administrative Expenses (SG&A)

The $14.9 million, or 19%, decrease in SG&A was due to several factors. Lower advisory and professional fees, mainly related to the Company’s transition of business and technical services from Dow, which was largely completed in the first quarter of 2020, resulted in a $16.8 million decrease. Also contributing to the decrease was a $2.2 million reduction in bad debt expense and a $1.4 million decrease in restructuring costs. Partially offsetting these decreases was an increase of $5.9 million due to transaction and integration costs incurred related to the acquisition of the Arkema PMMA business.

Equity in Earnings of Unconsolidated Affiliates

The increase in equity earnings of $13.1 million was due to equity earnings from Americas Styrenics, mainly attributable to increased sales volume and higher styrene margins in North America.

Impairment Charges

Impairment charges for the three months ended March 31, 2020 were related to the impairment charges recorded on the Boehlen styrene monomer assets and Schkopau PBR assets during the period.

Interest Expense, Net

The increase in interest expense, net of $1.7 million, or 17%, was primarily attributable to the Company's issuance of the 2029 Senior Notes during the first quarter of 2021. Refer to Note 6 in the condensed consolidated financial statements for further information.

Acquisition Purchase Price Hedge Loss

The $55.0 million acquisition purchase price hedge loss for the three months ended March 31, 2021 was due to the change in fair value of the Company's forward currency hedge arrangement on the euro-denominated purchase price of the Arkema PMMA business.

Other Expense, Net

Other expense, net for the three months ended March 31, 2021 was $2.7 million, which included $2.0 million of expense related to the non-service cost components of net periodic benefit cost as well as foreign exchange transaction losses of $0.2 million. Net foreign transaction losses included $19.9 million of foreign exchange transaction losses primarily from the remeasurement of our euro denominated payables due to the relative changes in rates between the U.S. dollar and the euro during the period, offset by $19.7 million of gains from our foreign exchange forward contracts, excluding the acquisition purchase price hedge.

Other expense, net for the three months ended March 31, 2020 was $1.6 million, which included $1.4 million of expense related to the non-service cost components of net periodic benefit cost, as well as foreign exchange transaction losses of $0.2 million. Net foreign transaction losses included $14.0 million of foreign exchange transaction losses primarily from the remeasurement of our euro denominated payables due to the relative changes in rates between the U.S. dollar and the euro during the period, offset by $13.8 million of gains from our foreign exchange forward contracts.

Provision for (Benefit from) Income Taxes

Provision for income taxes for the three months ended March 31, 2021 totaled $21.1 million, resulting in an effective tax rate of 22.8%. Benefit from income taxes for the three months ended March 31, 2020 totaled $11.9 million, resulting in an effective tax rate of 24.6%.

The increase in provision for income taxes is primarily driven by the $140.8 million increase in income before income taxes.

Outlook

Following a year in which there were challenging economic conditions due to the adverse impacts of the COVID-19 pandemic, particularly in the first half of 2020, the Company observed continued market recovery in the first quarter of 2021. As a result of the strong market conditions and the Company's continued focus on our business excellence program, the Company had one of our highest quarterly net income results and our highest quarterly Adjusted EBITDA in our history during the first quarter of 2021. As discussed above in "2021 Highlights," on May 3, 2021 the Company completed the acquisition of the Arkema PMMA business, which is the first step in our transformation into an advanced specialty and sustainable solutions provider. With one of our best profitability quarters ever in the first quarter, a similar outlook for the second quarter, the PMMA business acquisition and continued focus on business excellence initiatives, we expect very strong profitability in 2021.

Selected Segment Information

The following sections describe net sales, Adjusted EBITDA, and Adjusted EBITDA margin by segment for the three months ended March 31, 2021 and 2020. Inter-segment sales have been eliminated. Refer to Note 15 in the condensed consolidated financial statements for further information on our segments, as well as for a detailed definition of Adjusted EBITDA and a reconciliation of income before income taxes to segment Adjusted EBITDA. Prior period segment amounts herein have been recast in conjunction with the Company's segment realignment that occurred during the fourth quarter of 2020, as described in Note 15 of the condensed consolidated financial statements.

Latex Binders Segment

Our Latex Binders segment produces styrene-butadiene latex ("SB latex") and other latex polymers and binders primarily for coated paper and packaging board, carpet and artificial turf backings, as well as a broad range of performance latex binders products, including SB latex, styrene-acrylate latex ("SA latex"), and vinylidene chloride latex for coatings, adhesives, sealants, and elastomers ("CASE") applications.

($ in millions)	Three Months Ended March 31, 2021	Three Months Ended March 31, 2020	% Change
Net sales	$ 250.9	$ 219.1	15 %
Adjusted EBITDA	$ 17.7	$ 21.5	(18)%
Adjusted EBITDA margin	7 %	10 %	

Three Months Ended – March 31, 2021 vs. March 31, 2020

The 15% increase in net sales was primarily due to a 9% increase in pricing from the pass through of raw material costs. Additionally, there was an increase of 4% due to foreign exchange rate impacts and an increase of 2% due to increased sales volume for the period, which was attributable to higher sales to CASE, textile, board and specialty paper applications, partially offset by lower sales to graphical paper applications.

The $3.8 million, or 18%, decrease in Adjusted EBITDA was primarily due to lower margins of $7.0 million, or 33%, which was a result of unfavorable net timing caused by an unfavorable price lag from the sharp increase in styrene prices in March. These decreases were partially offset by an increase of $2.1 million, or 10%, due to foreign exchange rate impacts and an increase of $1.8 million, or 8%, attributable to increased sales volume, as noted above.

Synthetic Rubber Segment

Our Synthetic Rubber segment produces styrene-butadiene and polybutadiene-based rubber products used predominantly in high-performance tires, impact modifiers and technical rubber products, such as conveyor belts, hoses, seals and gaskets. We have a broad synthetic rubber technology and product portfolio, focusing on specialty products, such as solution styrene-butadiene rubber ("SSBR"), while also producing core products, such as emulsion styrene-butadiene rubber ("ESBR").

($ in millions)	Three Months Ended March 31, 2021	Three Months Ended March 31, 2020	% Change
Net sales	$ 124.2	$ 101.7	22 %
Adjusted EBITDA	$ 14.2	$ 15.3	(7)%
Adjusted EBITDA margin	11 %	15 %	

Three Months Ended – March 31, 2021 vs. March 31, 2020

Of the 22% increase in net sales, 11% of the increase was due to foreign exchange rate impacts and 10% of the increase was due to increased sales volume, particularly in SSBR due to growth initiatives and improvement in tire market demand.

The $1.1 million, or 7%, decrease in Adjusted EBITDA was primarily due to lower margins, including an unfavorable impact from net timing, which resulted in a $5.8 million, or 38%, decrease, as well as higher fixed costs, which resulted in a $3.4 million, or 22%, decrease, and which were attributable to a prior year inventory build recognized in the current period. These decreases were partially offset by increased sales volume, as described above, which resulted in a $6.0 million, or 39%, increase. Further offsetting these decreases was an increase of $2.1 million, or 14%, due to foreign exchange rate impacts.

Engineered Materials Segment

Our Engineered Materials segment consists of rigid thermoplastic compounds and blends products sold into high growth and high value applications in markets such as consumer electronics and medical, as well as soft thermoplastic elastomers (“TPEs”) products which are sold into markets such as footwear and automotive.

	Three Months Ended March 31,		
($ in millions)	**2021**	**2020**	**% Change**
Net sales	$ 65.8	$ 47.7	38 %
Adjusted EBITDA	$ 8.1	$ 8.2	(1)%
Adjusted EBITDA margin	12 %	17 %	

Three Months Ended – March 31, 2021 vs. March 31, 2020

The 38% increase in net sales was primarily due to increased sales volume of 35%, due mainly to higher sales volume to consumer electronics applications in Asia and TPE applications in Europe. Additionally, there was an increase of 4% due to foreign exchange rate impacts. These increases were partially offset by a decrease of 2% due to lower pricing.

The $0.1 million, or 1%, decrease in Adjusted EBITDA was primarily due to a decrease of $8.9 million, or 109%, attributable to lower margins resulting from higher raw material costs, primarily polycarbonate, which were partially offset by increased sales volume resulting in a $7.6 million, or 93%, increase as discussed above, and an additional increase of $0.9 million, or 11%, due to lower fixed costs.

Base Plastics Segment

Our Base Plastics segment consists of a variety of compounds and blends, the majority of which are for automotive applications. The segment also includes our acrylonitrile-butadiene-styrene (“ABS”), styrene-acrylonitrile (“SAN”), and polycarbonate (“PC”) businesses.

	Three Months Ended March 31,		
($ in millions)	**2021**	**2020**	**% Change**
Net sales	$ 328.9	$ 257.4	28 %
Adjusted EBITDA	$ 66.1	$ 28.5	132 %
Adjusted EBITDA margin	20 %	11 %	

Three Months Ended – March 31, 2021 vs. March 31, 2020

Of the 28% increase in net sales, 12% was due to higher pricing from the pass through of raw material costs, primarily styrene. An additional 8% increase was attributable to increased sales volume to applications such as construction, and a 7% increase was due to foreign exchange rate impacts.

The $37.6 million, or 132%, increase in Adjusted EBITDA was primarily due to higher margins of $21.9 million, or 77%, particularly in ABS and polycarbonate, as well as an increase of $8.5 million, or 30%, due to foreign exchange rate impacts. Also contributing to the increase was a $5.3 million, or 19%, decrease in fixed costs primarily from the Company's cost reduction initiatives as well as an increase of $1.9 million, or 7%, due to increased sales volume.

Polystyrene Segment

Our product offerings in our Polystyrene segment include a variety of general purpose polystyrenes ("GPPS") and polystyrene that has been modified with polybutadiene rubber to increase its impact resistant properties ("HIPS"). These products provide customers with performance and aesthetics at a low cost across applications, including appliances, packaging, including food packaging and food service disposables, consumer electronics, and building and construction materials. In April 2021, the Company announced our plans to build a full commercial scale polystyrene recycling plant in Tessenderlo, Belgium, which is expected to be operational in 2023.

	Three Months Ended March 31,		
($ in millions)	**2021**	**2020**	**% Change**
Net sales	$ 266.9	$ 182.8	46 %
Adjusted EBITDA	$ 47.7	$ 11.8	304 %
Adjusted EBITDA margin	18 %	6 %	

Three Months Ended – March 31, 2021 vs. March 31, 2020

Of the 46% increase in net sales, 39% of the increase was due to higher pricing primarily from the pass through of higher styrene costs to our customers, and 7% of the increase was due to increased sales volume, particularly in appliances and consumer goods applications.

The $35.9 million, or 304%, increase in Adjusted EBITDA was primarily due to higher margins, particularly in Asia, resulting from commercial excellence initiatives, strong market conditions, and favorable net raw material timing, which resulted in an increase of $32.3 million, or 273%. Additionally, increased sales volume resulted in a $2.2 million, or 19%, increase, and lower fixed costs resulted in a $1.8 million, or 15%, increase. These effects were partially offset by a $1.0 million, or 8%, decrease due to foreign exchange rate impacts.

Feedstocks Segment

The Feedstocks segment includes the Company's production and procurement of styrene monomer outside of North America, which is used as a key raw material for the production of polystyrene, expandable polystyrene, SAN resins, SA latex, SB latex, ABS resins, unsaturated polyethylene resins, and styrene-butadiene rubber.

	Three Months Ended March 31,		
($ in millions)	**2021**	**2020**	**% Change**
Net sales	$ 55.9	$ 44.8	25 %
Adjusted EBITDA	$ 46.6	$ (16.2)	388 %
Adjusted EBITDA margin	83 %	(36)%	

Three Months Ended – March 31, 2021 vs. March 31, 2020

Of the 25% increase in net sales, 38% was due to higher pricing from the pass through of higher styrene prices. This effect was partially offset by a 13% decrease due to lower styrene-related sales volume.

The increase of $62.8 million in Adjusted EBITDA was primarily due to higher styrene margins in Europe from strong demand and tight supply, particularly in March, which resulted in an increase of $67.0 million, or 413%. Partially offsetting this effect was a decrease of $2.7 million, or 16%, due to foreign exchange rate impacts.

Americas Styrenics Segment

This segment consists solely of the equity earnings from of our 50%-owned joint venture, Americas Styrenics, a producer of both styrene monomer and polystyrene in North America. Styrene monomer is a basic building block of plastics and a key input to many of the Company's products, as well as a key raw material for the production of polystyrene. Major applications for the polystyrene products Americas Styrenics produces include appliances, food packaging, food service disposables, consumer electronics, and building and construction materials.

	Three Months Ended March 31,		
($ in millions)	**2021**	**2020**	**% Change**
Adjusted EBITDA*	$ 22.9	$ 9.8	134 %

**The results of this segment are comprised entirely of earnings from Americas Styrenics, our equity method investment. As such, Adjusted EBITDA related to this segment is included within "Equity in earnings of unconsolidated affiliates" in the condensed consolidated statements of operations.*

Three Months Ended – March 31, 2021 vs. March 31, 2020

The increase in Adjusted EBITDA was mainly due to increased sales volume and higher styrene margins in North America, including impacts from industry outages caused by weather related and other events.

Non-GAAP Performance Measures

We present Adjusted EBITDA as a non-GAAP financial performance measure, which we define as income from continuing operations before interest expense, net; provision for income taxes; 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.

There are limitations to using the financial performance measures such as Adjusted EBITDA. This performance measure is not intended to represent net income or other measures of financial performance. As such, it should not be used as an alternative to net income as an indicator of operating performance. Other companies in our industry may define Adjusted EBITDA 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 performance of those companies to our performance. We compensate for these limitations by providing a reconciliation of this performance measure to our net income, which is determined in accordance with GAAP.

Adjusted EBITDA is calculated as follows for the three months ended March 31, 2021 and 2020:

(in millions)	Three Months Ended March 31, 2021	2020
Net income (loss)	**$ 71.5**	**$ (36.3)**
Interest expense, net	12.0	10.3
Provision for (benefit from) income taxes	21.1	(11.9)
Depreciation and amortization	32.9	36.4
EBITDA[a]	$ 137.5	$ (1.5)
Net gain on disposition of businesses and assets	(0.2)	(0.4)
Restructuring and other charges[b]	0.4	1.8
Acquisition transaction and integration net costs[c]	6.0	0.1
Acquisition purchase price hedge loss[d]	55.0	—
Asset impairment charges or write-offs[e]	—	38.3
Other items[f]	2.2	18.7
Adjusted EBITDA	$ 200.9	$ 57.0

(a) 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 and credit agencies 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. Other companies in our industry may define EBITDA differently than we do. As a result, it may be difficult to use EBITDA, 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 our EBITDA results to our net income, which is determined in accordance with GAAP.

(b) Restructuring and other charges for the three months ended March 31, 2021 and 2020 primarily relate to employee termination benefit charges as well as contract termination charges incurred in connection with the Company's corporate restructuring program announced in the fourth quarter of 2019, as well as charges incurred for the other restructuring programs. Refer to Note 16 in the condensed consolidated financial statements for further information regarding restructuring activities.

(c) Acquisition transaction and integration net costs for the three months ended March 31, 2021 relate to expenses incurred for the Company's acquisition of the Arkema PMMA business.

(d) Acquisition purchase price hedge loss for the three months ended March 31, 2021 was due to the change in fair value of the Company's forward currency hedge arrangement on the euro-denominated purchase price of the Arkema PMMA business.

(e) Asset impairment charges or write-offs for the three months ended March 31, 2020 relate to the impairment of the Company's styrene monomer assets in Boehlen, Germany and PBR assets in Schkopau, Germany. Refer to Note 9 in the condensed consolidated financial statements for further information.

(f) Other items for the three months ended March 31, 2021 primarily relate to fees incurred in conjunction with certain of the Company's strategic initiatives. Other items for the three months ended March 31, 2020 primarily relate to 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, which was substantially completed in 2020, as well as fees incurred in conjunction with certain of the Company's strategic initiatives.

Liquidity and Capital Resources

Cash Flows

The table below summarizes our primary sources and uses of cash for the three months ended March 31, 2021 and 2020. We have derived the summarized cash flow information from our unaudited financial statements.

	Three Months Ended March 31,	
(in millions)	**2021**	**2020**
Net cash provided by (used in):		
Operating activities	$ 51.0	$ (5.8)
Investing activities	(12.6)	39.1
Financing activities	450.8	(46.7)
Effect of exchange rates on cash	(9.5)	(2.7)
Net change in cash, cash equivalents, and restricted cash	$ 479.7	$ (16.1)

Operating Activities

Net cash provided by operating activities during the three months ended March 31, 2021 totaled $51.0 million, driven by very strong earnings during the quarter, and inclusive of a dividend received from Americas Styrenics of $15.0 million. Net cash used in operating assets and liabilities for the three months ended March 31, 2021 totaled $89.8 million, noting an increase in accounts receivable of $138.8 million as well as an increase in inventories of $89.5 million. These effects were partially offset by an increase in accounts payable and other current liabilities of $114.9 million, an increase in other liabilities of $14.6 million, and an increase in income taxes payable of $4.9 million. The increases in accounts receivable, inventories, and accounts payable and other current liabilities during the period were primarily attributable to increased sales volume across all segments except for Feedstocks as well as increased prices, including both raw material prices and selling prices due to our pass through pricing arrangements.

Net cash used in operating activities during the three months ended March 31, 2020 totaled $5.8 million. Net cash used in operating assets and liabilities for the three months ended March 31, 2020 totaled $14.6 million, noting an increase in accounts receivable of $12.7 million, a decrease in accounts payable and other current liabilities of $28.9 million, and a decrease in income taxes payable of $3.3 million. This activity was partially offset by a decrease in inventories of $26.8 million. Accounts receivable at the end of the first quarter increased relative to the end of 2019 primarily due to higher selling prices in the Engineered Materials, Base Plastics and Polystyrene segments during the period. The decrease in accounts payable and other current liabilities was due to timing of vendor payments, while the decrease in income taxes payable was primarily due to the overall reduction in earnings before income taxes. The decrease in inventories was primarily due to actions taken to reduce inventory levels as well as decreased raw material prices.

Investing Activities

Net cash used in investing activities during the three months ended March 31, 2021 totaled $12.6 million, which was entirely attributable to capital expenditures.

Net cash provided by investing activities during the three months ended March 31, 2020 totaled $39.1 million, primarily resulting from proceeds from the settlement of hedging instruments of $51.6 million as well as proceeds from the sale of businesses and other assets (primarily our land in Livorno, Italy) of $11.6 million. These impacts were partially offset by capital expenditures of $24.3 million.

Financing Activities

Net cash provided by financing activities during the three months ended March 31, 2021 totaled $450.8 million. This activity was primarily due to $450.0 million in proceeds from the issuance of the 2029 Senior Notes as well as $9.0 million in proceeds from the exercise of option awards. This activity is partially offset by $3.3 million of dividend payments, $2.8 million of net repayments of short-term borrowings, and $1.3 million of deferred financing fees primarily related to the issuance of our 2029 Senior Notes during the period.

Net cash used in financing activities during the three months ended March 31, 2020 totaled $46.7 million. This activity was primarily due to $25.0 million of payments related to the repurchase of ordinary shares, $15.9 million of dividends paid, $3.5 million of net repayments of short-term borrowings, and $1.7 million of net principal payments related to our 2024 Term Loan B during the period.

Free Cash Flow

We use Free Cash Flow as non-GAAP measures to evaluate and discuss the Company's 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 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 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. We compensate for these limitations by providing a reconciliation to cash provided by operating activities, which is determined in accordance with GAAP.

(in millions)	Three Months Ended March 31, 2021	Three Months Ended March 31, 2020
Cash provided by (used in) operating activities	$ 51.0	$ (5.8)
Capital expenditures	(12.6)	(24.3)
Free Cash Flow	$ 38.4	$ (30.1)

Refer to the discussion above for significant impacts to cash provided by operating activities for the three months ended March 31, 2021 and 2020.

Capital Resources and Liquidity

We require cash principally for day-to-day operations, to finance capital investments and other initiatives, to purchase materials, to service our outstanding indebtedness, and to fund the return of capital to shareholders via dividend payments and ordinary share repurchases, when deemed appropriate. Our sources of liquidity include cash on hand, cash flow from operations, and amounts available under the Senior Credit Facility and the Accounts Receivable Securitization Facility (discussed further below).

As of March 31, 2021 and December 31, 2020, we had $1,637.1 million and $1,188.0 million, respectively, in outstanding indebtedness and $1,527.4 million and $983.8 million, respectively, in working capital. In addition, as of March 31, 2021 and December 31, 2020, we had $75.0 million and $172.8 million, respectively, of foreign cash and cash equivalents on our balance sheet, outside of our country of domicile of Luxembourg, all of which is readily convertible into other foreign currencies, including the U.S. dollar. Our intention is not to permanently reinvest our foreign cash and cash equivalents. Accordingly, we record deferred income tax liabilities related to the unremitted earnings of our subsidiaries.

As discussed in Note 6 of the condensed consolidated financial statements, the Company completed a senior note issuance during the first quarter of 2021, the results of which are reflected in the table below. For definitions of capitalized terms not included herein, refer to the Annual Report.

The following table outlines our outstanding indebtedness as of March 31, 2021 and December 31, 2020 and the associated interest expense, including amortization of deferred financing fees and debt discounts. Effective interest rates for the borrowings included in the table below exclude the impact of deferred financing fee amortization, certain other fees charged to interest expense (such as fees for unused commitment fees during the period), and the impacts of derivatives designated as hedging instruments. For definitions of capitalized terms not included herein, refer to our Annual Report.

($ in millions)	As of and for the Three Months Ended March 31, 2021 Balance	Effective Interest Rate	Interest Expense	As of and for the Year Ended December 31, 2020 Balance	Effective Interest Rate	Interest Expense
Senior Credit Facility						
2024 Term Loan B	$ 677.3	2.1 %	$ 5.1	$ 677.3	2.6 %	$ 23.3
2022 Revolving Facility	—	— %	0.7	—	—	3.7
2029 Senior Notes	450.0	5.1 %	0.4	—	—	—
2025 Senior Notes	500.0	5.4 %	5.1	500.0	5.4 %	19.5
Accounts Receivable Securitization Facility	—	—	0.4	—	—	1.5
Other indebtedness*	9.8	2.6 %	—	10.7	2.4 %	0.1
Total	$ 1,637.1		$ 11.7	$ 1,188.0		$ 48.1

**For the three months ended March 31, 2021, interest expense on "Other indebtedness" totaled less than $0.1 million.*

As of March 31, 2021, our Senior Credit Facility included the 2022 Revolving Facility, which was scheduled to mature in September 2022 and had a borrowing capacity of $375.0 million. As of March 31, 2021, the Company had $360.0 million of funds available for borrowing (net of $15.0 million outstanding letters of credit) under the 2022 Revolving Facility. Further, as of March 31, 2021, the Company is required to pay a quarterly commitment fee in respect of any unused commitments under the 2022 Revolving Facility equal to 0.375% per annum.

Also included in our Senior Credit Facility is our 2024 Term Loan B (with original principal of $700.0 million, maturing in September 2024), which requires scheduled quarterly payments in amounts equal to 0.25% of the original principal. The stated interest rate on our 2024 Term Loan B is London Interbank Offered Rate ("LIBOR") plus 2.00% (subject to a 0.00% LIBOR floor). The Company did not make net principal payments on the 2024 Term Loan B during the three months ended March 31, 2021. There is $8.7 million of scheduled future payments classified as current debt on the Company's condensed consolidated balance sheet as of March 31, 2021 related to the 2024 Term Loan B.

In conjunction with the closing of the acquisition of the Arkema PMMA business on May 3, 2021, the Company entered into $750.0 million of incremental term loan borrowings ("2028 Term Loan B") under our existing senior secured credit facility. The 2028 Term Loan B bears an interest rate of LIBOR plus 2.50%, subject to a 0.00% LIBOR floor, and matures in May 2028. Concurrent with the closing of the Acquisition, the Company also extended the term of our 2022 Revolving Facility through May 2026, noting no changes to the borrowing capacity of $375.0 million.

Our 2025 Senior Notes, as issued under the Indenture executed in 2017, include $500.0 million aggregate principal amount of 5.375% senior notes that mature on September 1, 2025. Interest on the 2025 Senior Notes is payable semi-annually on May 3 and November 3 of each year, which commenced on May 3, 2018. These Notes may be redeemed prior to their maturity at the option of the Company under certain circumstances at specific redemption prices. Refer to our Annual Report for further information.

Our 2029 Senior Notes, as issued under the Indenture executed in 2021, include $450.0 million aggregate principal amount of 5.125% senior notes that mature on April 1, 2029. Interest on the 2029 Senior Notes is payable semi-annually on February 15 and August 15 of each year, which commences on August 15, 2021. These Notes may be redeemed prior to their maturity at the option of the Company under certain circumstances at specific redemption prices. Refer to Note 6 of the condensed consolidated financial statements for further details.

We continue to maintain our Accounts Receivable Securitization Facility which has a borrowing capacity of $150.0 million and matures in September 2021. As of March 31, 2021, there were no amounts outstanding under this facility, and the Company had approximately $150.0 million of accounts receivable available to support this facility, based on the pool of eligible accounts receivable.

Our ability to raise additional financing and our borrowing costs may be impacted by short- and long-term debt ratings assigned by independent rating agencies, which are based, in significant part, on our performance as measured by certain credit metrics such as interest coverage and leverage ratios.

We and our subsidiaries, affiliates or significant shareholders may from time to time seek to retire or purchase our outstanding debt through cash purchases in the open market, privately negotiated transactions, exchange transactions or otherwise. Such repurchases or exchanges, if any, will depend on prevailing market conditions, our liquidity requirements, contractual restrictions and other factors. The amounts involved may be material.

Trinseo Materials Operating S.C.A. and Trinseo Materials Finance, Inc. (the “Issuers” of our 2029 Senior Notes and 2025 Senior Notes and “Borrowers” under our Senior Credit Facility) are dependent upon the cash generation and receipt of distributions and dividends or other payments from our subsidiaries and joint venture in order to satisfy their debt obligations. There are no known significant restrictions by third parties on the ability of subsidiaries of the Company to disburse or dividend funds to the Issuers and the Borrowers in order to satisfy these obligations. However, as the Company’s subsidiaries are located in a variety of jurisdictions, the Company can give no assurances that our subsidiaries will not face transfer restrictions in the future due to regulatory or other reasons beyond our control.

The Senior Credit Facility and Indentures also limit the ability of the Borrowers and Issuers, respectively, to pay dividends or make other distributions to Trinseo S.A., which could then be used to make distributions to shareholders. During the three months ended March 31, 2021, the Company declared dividends of $0.08 per ordinary share, totaling $3.4 million, all of which was accrued as of March 31, 2021 and which was paid in April 2021. These dividends are well within the available capacity under the terms of the restrictive covenants contained in the Senior Credit Facility and Indentures. Further, additional capacity continues to be available under the terms of these covenants to support expected future dividends to shareholders, should the Company continue to declare them.

Our ability to generate cash from operations to pay our indebtedness and meet other liquidity needs is subject to certain risks described herein and under Part I, Item 1A-“Risk Factors” of our Annual Report. As of March 31, 2021, we were in compliance with all the covenants and default provisions under our debt agreements. Refer to our Annual Report for further information on the details of the covenant requirements.

Contractual Obligations and Commercial Commitments

There have been no material revisions outside the ordinary course of business to our contractual obligations as described within “Management’s Discussion and Analysis of Financial Condition and Results of Operations – Contractual Obligations and Commercial Commitments” within our Annual Report, other than the items discussed herein related to our new financing arrangements entered into in connection with the acquisition of the Arkema PMMA business, including the $450.0 million 2029 Senior Notes issued on March 24, 2021 and the $750.0 million 2028 Term Loan B entered into on May 3, 2021 upon closing of the transaction. Refer to Notes 6 and 14 of the condensed consolidated financial statements and the “Capital Resources and Liquidity” section of Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations for details on these contractual obligations entered into subsequent to December 31, 2020.

Critical Accounting Policies and Estimates

Our unaudited interim condensed consolidated financial statements are based on the selection and application of significant accounting policies. The preparation of unaudited interim condensed consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and revenues and expenses at the date of and during the reporting period. Actual results could differ from those estimates. However, we are not currently aware of any reasonably likely events or circumstances that would result in materially different results.

We describe our significant accounting policies in Note 2, Basis of Presentation and Summary of Significant Accounting Policies, in the Notes to Consolidated Financial Statements included in our Annual Report, while we discuss our critical accounting policies and estimates in “Management’s Discussion and Analysis of Financial Condition and Results of Operations” within our Annual Report. There have been no material revisions to the significant accounting policies or critical accounting policies and estimates as filed in our Annual Report.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements.

Recent Accounting Pronouncements

We describe the impact of recent accounting pronouncements in Note 2 of our condensed consolidated financial statements, included elsewhere within this Quarterly Report.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

As discussed in "Quantitative and Qualitative Disclosures About Market Risk" within our Annual Report, we are exposed to changes in interest rates and foreign currency exchange rates as well as changes in the prices of certain commodities that we use in production. There have been no material changes in our exposure to market risks from the information provided within our Annual Report.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management is responsible for establishing and maintaining internal controls designed to provide reasonable assurance that information required to be disclosed by us in our reports that we file or submit under the Exchange Act (as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as amended) is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, with the participation of our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosures. Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of the Company's disclosure controls and procedures as of March 31, 2021. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures as of the end of the period covered by this Quarterly Report were effective to provide the reasonable level of assurance described above.

Changes in Internal Control over Financial Reporting

There was no change in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act) that occurred during the quarter ended March 31, 2021 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II — OTHER INFORMATION

Item 1. Legal Proceedings

From time to time we may be subject to various legal claims and proceedings incidental to the normal conduct of business, relating to such matters as product liability, antitrust, competition, waste disposal practices, release of chemicals into the environment and other matters that may arise in the ordinary course of our business. We currently believe that there is no litigation pending that is likely to have a material adverse effect on our business. Regardless of the outcome, legal proceedings can have an adverse impact on us because of defense and settlement costs, diversion of management resources and other factors.

Item 1A. Risk Factors

Our business faces various risks. Certain important factors may have a material adverse effect on our business prospects, financial condition and results of operations, and you should carefully consider them. Accordingly, in evaluating our business, we encourage you to consider the risk factors related to our ordinary shares as well those risk factors related to our business and industry which have been previously disclosed in Part 1, Item 1A of our Annual Report for the year ended December 31, 2020. Certain material updates to these risk factors are included below.

We encourage you to consider these risks, in their entirety, in addition to other information contained in or incorporated by reference into this Quarterly Report and our other public filings with the SEC. Other events that we do not currently anticipate or that we currently deem immaterial may also affect our business, prospects, financial condition and results of operations. Production at our manufacturing facilities could be disrupted for a variety of reasons. Disruptions could expose us to significant losses or liabilities.

Risks Related to Acquisitions and Dispositions

We may fail to realize the anticipated benefits of the Acquisition or such benefits may take longer to realize than expected. We may also encounter difficulty integrating the PMMA business into our operations.

On May 3, 2021, we announced the closing of our acquisition from Arkema S.A. ("Arkema") of its polymethyl methacrylates ("PMMA") and activated methyl methacrylates ("MMA") businesses (together, referred to herein as the "PMMA business") for a purchase price of €1.137 billion (the "Acquisition").

Our ability to realize the anticipated benefits of the Acquisition will depend on our ability to integrate the PMMA business into ours. Combining these businesses will be a complex and time-consuming process. As a result, we expect to devote significant attention and resources preparing for and then integrating the operations, systems, processes, procedures and personnel of the acquired PMMA business. This integration process may be disruptive to our ongoing business, and, if we fail to effectively integrate, or if integration takes longer or is more costly than expected, we could lose or diminish the expected benefits of the Acquisition. Even if we are able to integrate the PMMA business successfully, this integration may not result in the realization of the synergies and benefits that we currently expect, nor can we give assurances that these benefits will be achieved when expected or at all.

We also face risks that we fail to meet our financial and strategic goals, due to, among other things, inability to grow and manage growth profitability, maintain relationships with customers or retain key employees. We may also be adversely affected by other economic, business, and/or competitive factors which may not have existed at the time of closing. Such conditions could materially adversely impact our business and results of operations.

Risks Related to Our Indebtedness

Our current and future level of indebtedness of our subsidiaries, including the incurrence of additional indebtedness to fund the Acquisition, could adversely affect our financial condition.

As of December 31, 2020, our indebtedness totaled approximately $1.2 billion. Additionally, as of December 31, 2020, we had $360.0 million (net of $15.0 million outstanding letters of credit) of funds available for borrowings under our Senior Credit Facility, as well as $150.0 million of funds available for borrowings under our accounts receivable securitization facility (the "Accounts Receivable Securitization Facility").

Additionally, in connection with the Acquisition, our Trinseo Materials Operating S.C.A. and Trinseo Materials Finance Inc. subsidiaries issued $450.0 million principal amount of 5.125% Senior Notes due 2029 (the "2029 Senior Notes") and borrowed an additional $750.0 million in term loans under our Senior Credit Facility, the proceeds of which were used to pay a portion of the purchase price of the Acquisition.

Our current level of indebtedness, as well as future borrowings or other indebtedness, could have significant consequences for our business, including but not limited to:

- increasing our vulnerability to economic downturns and adverse industry, competitive, or market conditions;
- requiring a substantial portion of our cash flows from operations to be dedicated to the payment of principal and interest on our indebtedness, therefore reducing our ability to use our cash flow to fund capital expenditures and future business opportunities and returning cash to our shareholders in the form of dividends or share repurchases;

- limiting our ability to obtain additional financing for working capital, capital expenditures, acquisitions, and general corporate or other purposes;
- compromising our flexibility to capitalize on business opportunities or other strategic acquisitions, and to react to competitive pressures, as compared to our competitors, or forcing us to make nonstrategic divestitures;
- placing us at a disadvantage compared to other, less leveraged competitors or competitors with comparable debt at more favorable interest rates; and
- increasing our cost of borrowing.

Although the terms of our senior secured credit agreement (the "Credit Agreement") governing our senior secured financing facility of up to $1,075.0 million (the "Senior Credit Facility"), and the note indentures governing the 2029 Senior Notes and our 5.375% senior notes due 2025 (the "Indentures"), contain restrictions on the incurrence of additional indebtedness, these restrictions are subject to a number of qualifications and exceptions and the indebtedness incurred in compliance with these restrictions could be substantial. Also, we are not prevented from incurring obligations that do not constitute "indebtedness" as defined in the Senior Credit Facility or the Indentures, such as operating leases and trade payables. If new debt is added to our subsidiaries' current debt levels, the risks related to indebtedness that we now face could intensify.

In addition, a substantial portion of our subsidiaries' current indebtedness is secured by substantially all of our assets, which may make it more difficult to secure additional borrowings at reasonable costs. If we default or declare bankruptcy, after these obligations are met, there may not be sufficient funds or assets to satisfy our subordinate interests, including those of our shareholders.

The terms of our subsidiaries' indebtedness may restrict our current and future operations, particularly our ability to respond to change or to take certain actions.

The Indentures and the Credit Agreement governing our Senior Credit Facility contain a number of covenants imposing certain restrictions on our subsidiaries' businesses. These restrictions may affect our ability to operate our business and may limit our ability to take advantage of business opportunities. These agreements restrict, among other things, our subsidiaries' ability to:

- sell or assign assets;
- incur additional indebtedness;
- pay dividends to Trinseo S.A.;
- make investments or acquisitions;
- incur liens;
- repurchase or redeem capital shares;
- engage in mergers or consolidations;
- materially alter the business they conduct;
- engage in transactions with affiliates; and
- consolidate, merge or transfer all or substantially all of their assets.

The ability of our subsidiaries to comply with the covenants and financial ratios and tests contained in the Indenture and Credit Agreement, to pay interest on indebtedness, fund working capital, and make anticipated capital expenditures depends on our future performance, which is subject to general economic conditions and other factors, some of which are beyond our control. There can be no assurance that our business will generate sufficient cash flow from operations or that future borrowings will be available under our Senior Credit Facility to fund liquidity needs in an amount sufficient to enable them to service their indebtedness. Furthermore, if we need additional capital for general corporate purposes or to execute on an expansion strategy, there can be no assurance that this capital will be available on satisfactory terms or at all.

A failure to repay amounts owed under the Senior Credit Facility, or the notes issued under our Indentures, at maturity would result in a default. In addition, a breach of any of the covenants in the Credit Agreement or Indentures or our inability to comply with the required financial ratios or limits could result in a default. If a default occurs, lenders may refuse to lend us additional funds and the lenders or noteholders could declare all of the debt and any accrued interest and fees immediately due and payable. A default under one of our subsidiaries' debt agreements may trigger a cross-default under our other debt agreements.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

(a) Recent sales of unregistered securities

None.

(b) Use of Proceeds from registered securities

None.

(c) Purchases of Equity Securities by the Issuer and Affiliated Purchasers

Under shareholder authorization granted at our annual generally meeting held on June 9, 2020, the Company is authorized to repurchase up to 3.6 million ordinary shares over the next two years at a price per share of not less than $1.00 and not more than $1,000.00. In December 2020, the Company announced our decision to suspend the share repurchase program. There were no share repurchases during the three months ended March 31, 2021. There are 3.6 million ordinary shares available for repurchase under the 2020 share repurchase authorization as of March 31, 2021.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None.

Item 6. Exhibits

See Exhibit Index.

EXHIBIT INDEX

Exhibit No.	Description
2.1	Share Purchase Agreement, by and between Trinseo S.A. and Arkema S.A., dated March 19, 2021 (incorporated by reference to Exhibit 2.1 to the Current Report on Form 8-K filed March 22, 2021)
2.2†*	Amendatory Agreement dated May 3, 2021, in respect of the Share Purchase Agreement by and between Arkema S.A. and Arkema France S.A., on the one hand and Trinseo S.A. dated March 19, 2021
3.1	Amended and Restated Articles of Association of Trinseo S.A., as amended (incorporated herein by reference to Exhibit 3.1 to the Quarterly Report on Form 10-Q for the quarter ended June 30, 2018, filed August 3, 2018)
4.1	Form of Specimen Share Certificate of Trinseo S.A. (incorporated herein by reference to Exhibit 4.1 to Amendment No. 3 to the Registration Statement filed on Form S-1, File No. 333-194561, filed May 16, 2014)
4.2	Indenture among Trinseo Materials Operating S.C.A., Trinseo Materials Finance, Inc. and The Bank of New York Mellon, as Trustee, dated as of August 29, 2017 (incorporated herein by reference to Exhibit 4.1 to the Current Report on Form 8-K, filed September 5, 2017)
4.3	Indenture among Trinseo Materials Operating S.C.A., Trinseo Materials Finance, Inc. and The Bank of New York Mellon, as Trustee, dated as of March 24, 2021 (incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K filed March 24, 2021)
10.1	Warranty Agreement, by and between Trinseo S.A. and Arkema S.A., dated March 19, 2021 (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed March 22, 2021)
10.2†	Employment Agreement between Trinseo Europe GmbH and Andre Lanning, dated May 1, 2020
31.1†	Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2†	Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1†	Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2†	Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS†	XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
101.SCH†	XBRL Taxonomy Extension Schema Document
101.CAL†	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF†	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB†	XBRL Taxonomy Extension Label Linkbase Document
101.PRE†	XBRL Taxonomy Extension Presentation Linkbase Document
104†	Cover Page Interactive Data File (formatted in Inline XBRL and contained in Exhibit 101)

† Filed herewith.

* Certain schedules and similar attachments have been omitted pursuant to Item 601(b)(2) of Regulation S-K. Trinseo S.A. hereby agrees to furnish supplementally a copy of any omitted schedule to the SEC upon request.

SIGNATURES

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

Date: May 7, 2021

TRINSEO S.A.

By:	/s/ Frank Bozich
Name:	Frank Bozich
Title:	President, Chief Executive Officer (Principal Executive Officer)
By:	/s/ David Stasse
Name:	David Stasse
Title:	Executive Vice President, Chief Financial Officer (Principal Financial Officer)

Exhibit 2.2

AMENDATORY AGREEMENT
in respect of
the Share Purchase Agreement

BY AND BETWEEN

ARKEMA

and

ARKEMA FRANCE

on the one hand,

AND

TRINSEO

on the other hand,

Dated: May 3, 2021

Exhibit 2.2

AMENDATORY AGREEMENT

THIS AMENDATORY AGREEMENT, dated May 3, 2021 (as the same may be amended, supplemented or otherwise modified from time to time in accordance with its terms, this "Agreement") with retroactive effect as of April 30, 2021, is by and among:

(i) **Arkema**, a French *société anonyme* with its registered offices at 420, rue d'Estienne d'Orves, 92700 Colombes, France and registered with the registry of commerce and company of Nanterre under number 445 074 685 ("Arkema");

(ii) **Arkema France**, a French *société anonyme* with its registered offices at 420, rue d'Estienne d'Orves, 92700 Colombes, France and registered with the registry of commerce and company of Nanterre under number 319 632 790 ("Arkema France") acting, in its name and on its own behalf and, in its capacity as Sellers' Agent, in the name and on behalf of the Entities listed in **Annex A** (such Entities, together with Arkema France, the "Sellers");

on the one hand,

AND

(iii) **Trinseo S.A.**, a Luxembourg *société anonyme* with its registered offices at 26-28 rue Edward Steichen, L-2540, Luxembourg, Grand Duchy of Luxembourg and registered with the registry of commerce and company of Luxembourg under number B 153549 (the "Purchaser");

on the other hand.

RECITALS:

WHEREAS:

(A) On March 19, 2021, the parties hereto have entered into a certain share purchase agreement (as the same may be amended, supplemented or otherwise modified from time to time in accordance with its terms,the "Share Purchase Agreement"), pursuant to which the Purchaser has agreed to purchase the Transferred Shares and the Transferred Intellectual Property from the Sellers in accordance with and subject to the conditions set forth therein. Capitalized terms used herein and not otherwise defined in this Agreement shall have the meanings ascribed to them in the Share Purchase Agreement.

(B) Pursuant to the Share Purchase Agreement, Arkema S.r.l. has agreed to transfer, as part of the implementation of the Pre-Closing Reorganizations, all of its assets, properties and rights used primarily in the conduct of the Italian Business (referred to as the "Transferred Assets" under the Share Purchase Agreement), including the real property (including all volumes, buildings, easements, improvements and fixtures and all appartunances thereto) owned by Arkema S.r.l. for use primarily in respect of the Italian Business and located at the Porto Marghera Site (such real property, the "PM Real Property"), through a contribution in kind (as described in Annex N to the Share Purchase Agreement).

(C) However, while preparing for such contribution, Arkema S.r.l. identified certain inconsistencies between the *de facto* situation of certain portions of the PM Real Property identified in **Annex B** (the "Excluded PM Real Property") with the data currently registered with the local cadastral authority, *i.e. Agenzia delle Entrate - Catasto di Venezia* (the " PM Cadastral Authority"). Such inconsistencies would prevent, pursuant to Law Decree no. 78 of May 31, 2010 converted into the Law no. 122 of July 30, 2010, the transfer of ownership of the Excluded PM Real Property from Arkema S.r.l. to Italian NewCo, including in the context of the contribution in kind implementing the Pre-Closing Reorganization in Italy. Accordingly, (i) the update of the cadastral data relating to the Excluded PM Real Property and the conformity between the cadastral data and the floor plans filed with the PM Cadastral Authority with the *de facto* situation of the Excluded PM Real Property would be required in order to effect the transfer of ownership of the Excluded PM Real Property from Arkema S.r.l. to Italian NewCo (the "Cadastral Regularization") and (ii) such Cadastral Regularization would not be completed before the contemplated Closing Reference Date (April 30, 2021).

(D) Consequently, the parties hereto wish at this present time to amend, supplement and modify the Share Purchase Agreement to the limited extent and upon the terms set forth in this Agreement in order to, amongst other things, (i) proceed with the Closing on the contemplated Closing Date (May 3, 2021), although the ownership of the Excluded PM Real Property will not have been transferred to Italian NewCo on or prior to the Closing Reference Date, and (ii) set forth the transitional arrangements to be implemented in order to ensure the continuing access to and use of the Excluded PM Real Property by Italian NewCo from the Closing Reference Date to the date of its effective transfer thereto from Arkema S.r.l.

NOW, THEREFORE, the parties hereto do hereby agree as follows:

ARTICLE I
AMENDMENT TO THE SHARE PURCHASE AGREEMENT

1.1 Delayed Transfer of Ownership of the Excluded PM Real Property. The Parties hereby acknowledge and agree that:

(a) Notwithstanding anything to the contrary set forth in Annex D and Annex N of the Share Purchase Agreement, the Excluded PM Real Property shall be excluded from the Transferred Assets to be contributed to Italian NewCo as part of the Pre-Closing Reorganizations on or prior to the Closing Reference Date.

(b) Arkema S.r.l. shall sell, transfer and deliver to Italian NewCo, and Italian NewCo shall purchase and acquire from Arkema S.r.l., the Excluded PM Real Property, free and clear of any Encumbrances, upon the completion of the Cadastral Regularization, in accordance with the terms of (i) the preliminary real property transfer agreement (*contratto preliminare*) to be entered into by and between Arkema S.r.l. and Italian NewCo on the Closing Date substantially in the form attached as **Annex C** to this Agreement (the "Excluded PM Real Property Preliminary Transfer Agreement"), and (ii) the notarial definitive real property transfer agreement to be entered into by and between Arkema S.r.l. and Italian NewCo within 5 (five) Business Days following the completion of the Cadastral Regularization, substantially in the form attached as **Annex D** to this Agreement (the "Excluded PM Real Property Notarial Transfer Agreement"), for an aggregate consideration equal to a fixed amount of one million eight hundred forty-five thousand euros (1,845,000 €) (excluding VAT) (the "Excluded PM Real Property Purchase Price"). It is understood that, according to the information currently available, the transfer of the Excluded PM Real Property should not trigger any charge of Italian VAT on the Excluded PM Real Property Purchase Price, by virtue of the reverse charge mechanism; however, in the event that, upon the completion of the

Cadastral Regularization, it results that the Excluded PM Real Property includes items subject to Italian VAT (such as building lands - "aree edificabili"), then Italian VAT will be accordingly charged.

(c) Concurrently with the execution of the Excluded PM Real Property Preliminary Transfer Agreement, Arkema S.r.l. and Italian NewCo shall enter into a rent-free lease agreement (*comodato*) substantially in the form attached as **Annex E** to this Agreement (the "Excluded PM Lease Agreement"), pursuant to which Arkema S.r.l. shall make available the Excluded PM Real Property to Italian NewCo as from the Closing Reference Date at 23:59 pm (CET) and until the date on which the ownership of the Excluded PM Real Property is transferred from Arkema S.r.l. to Italian NewCo pursuant to the Excluded PM Real Property Notarial Transfer Agreement.

(d) Consequently, the following paragraphs shall be inserted as new Section 3.7 of Annex N of the Share Purchase Agreement:

"*3.7. On the Closing Reference Date and immediately after completion of the contribution referred to in Section 3.6 of this Annex N, Arkema S.r.l. shall, and shall cause Italian NewCo to, enter into:*

*(a) a real property preliminary transfer agreement substantially in the form attached as **Annex B** to the Amendatory Agreement in respect of this Agreement dated May 3, 2021 (the "Excluded PM Real Property Preliminary Transfer Agreement"), pursuant to which, upon the Cadastral Regularization (as defined in the Amendatory Agreement), Arkema S.r.l. shall sell, transfer and deliver to Italian NewCo, and Italian NewCo shall purchase and acquire from Arkema S.r.l., the Excluded PM Real Property pursuant to the terms and subject to the conditions set forth therein, for an aggregate consideration equal to a fixed amount of one million eight hundred forty-five thousand euros (1,845,000 €) (excluding VAT) (the "Excluded PM Real Property Purchase Price"); and*

*(b) a rent-free lease agreement substantially in the form attached as **Annex E** to the Amendatory Agreement in respect of this Agreement dated May 3, 2021 (the "Excluded PM Lease Agreement"), pursuant to which Arkema S.r.l. shall make available the Excluded PM Real Property to Italian NewCo as from the Closing Reference Date at 23:59 pm (CET) and until the date on which the ownership of the Excluded PM Real Property is transferred from Arkema S.r.l. to Italian NewCo in accordance with the Excluded PM Real Property Notarial Transfer Agreement.*"

(e) The following paragraph shall be inserted as new Section 11.8(c) to the Share Purchase Agreement:

"*(c) Within 5 (five) Business Days from the completion of the Cadastral Regularization, Arkema S.r.l. shall, and the Purchaser shall cause Italian Newco to, enter into a notarial definitive real property transfer agreement substantially in the form attached as **Annex D** to the Amendatory Agreement in respect of this Agreement dated May 3, 2021 (the "Excluded PM Real Property Notarial Transfer Agreement"), pursuant to which Arkema S.r.l. shall sell, transfer and deliver to Italian NewCo, and Italian NewCo shall purchase and acquire from Arkema S.r.l., the Excluded PM Real Property pursuant to the terms and subject to the conditions set forth therein, for the Excluded PM Real Property Purchase Price.*"

(f) Arkema S.r.l. shall use its best efforts to file or cause to be filed with the PM Cadastral Authority all such documents as may be required to obtain the Cadastral Regularization as promptly as possible as from the date hereof. As from the Closing Date, the Purchaser shall cause Italian NewCo to reasonably cooperate with Arkema S.r.l. for the purpose of obtaining the Cadastral Regularization as promptly as possible.

1.2 Consideration for the Excluded PM Real Property and Payment.

(a) The Base Purchase Price under the Share Purchase Agreement shall be reduced by the amount of the Excluded PM Real Property Purchase Price. Consequently, the following paragraph shall be inserted as a new Section 2.3(a)(viii) of the Share Purchase Agreement:

"*(viii) decreased by the Excluded PM Real Property Purchase Price, corresponding to the Parties' definitive evaluation (which shall not be adjusted or objected by any of them under this Agreement*, the Excluded PM Real Property *Preliminary Transfer Agreement, the Excluded PM Real Property Notarial Transfer Agreement, or otherwise) of the Excluded PM Real Property as of the Closing Reference Date.*"

(b) A line entitled "*minus the Excluded PM Real Property Purchase Price*" with the corresponding figure shall be inserted below the line entitled "*minus the Defined Benefit Obligation Amount*" in the form of Closing Statement in Annex F to the Share Purchase Agreement.

(c) A new paragraph (b)(ix) shall be added to Annex 2.4(a) (Allocation of the Purchase Price) of the Share Purchase Agreement as follows:

"*(ix) The Excluded PM Real Property Purchase Price shall be allocated to the Transferred Shares issued by Italian NewCo.*"

(d) The Purchaser shall pay the Excluded PM Real Property Purchase Price (together with any applicable VAT) to Arkema S.r.l. on behalf of Italian NewCo on the date on which the ownership of the Excluded PM Real Property is transferred from Arkema S.r.l. to Italian NewCo in accordance with the Excluded PM Real Property Notarial Transfer Agreement. If, upon the completion of the Cadastrial Registration, any Italian VAT is due, the Purchaser, on the behalf of Italian NewCo, or Italian NewCo, shall pay the Italian VAT to Arkema S.r.l. on the date of the signature of the Excluded PM Real Property Notarial Transfer Agreement. Consequently:

(i) the following paragraph shall be inserted as new Section 11.8(d) to the Share Purchase Agreement:

"*(d) The Purchaser shall, on behalf of Italian NewCo, pay the Excluded PM Real Property Purchase Price to Arkema S.r.l. by electronic funds transfer of immediately available funds to the bank account as shall have been notified by the Sellers' Agent to the Purchaser, with value date (date de valeur) on the the date of effective transfer of ownership of the Excluded PM Real Property to Italian NewCo in accordance with the terms of the PM Real Property Notarial Transfer Agreement."*

(ii) the following paragraph shall be inserted as new Section 11.8(e) to the Share Purchase Agreement:

"*(e) If, upon the completion of the Cadastrial Registration, any Italian VAT is due, the Purchaser shall pay, on the behalf of Italian NewCo, or shall cause Italian NewCo to pay, the Italian VAT applicable to the Excluded PM Real Property Purchase Price to Arkema S.r.l. on the date of effective transfer of ownership of the Excluded PM Real Property to Italian NewCo in accordance with the terms of the PM Real Property Notarial Transfer Agreement*."

1.3 **Insurance**. As from the Closing Date and until the date on which the ownership of the Excluded PM Real Property is transferred from Arkema S.r.l. to Italian NewCo in accordance with the Excluded PM Real Property Notarial Transfer Agreement, the Purchaser shall cause Italian NewCo (and/or any Purchaser's European subsidiary acting on behalf of Italian NewCo) to subscribe and maintain the following insurance policies with respect to Italian NewCo's activities on the Excluded PM Real Property: (i) a property policy (*police d'assurance dommages – polizza incendio e scoppio e altri eventi*) on RCV (replacement cost value) basis, (ii) a general liability insurance policy (*police d'assurance responsabilité civile exploitation – polizza responsabilità civile terzi*) with minimum limit of 10 M€ per claim (subject for the avoidance of doubt to any primary casualty limit and self-insured retention applicable under such policy).

1.4 Liabilities.

(a) Notwithstanding the delayed transfer of ownership of the Excluded PM Real Property, the parties hereto hereby acknowledge and agree that all Liabilities relating to, or arising out of, the Excluded PM Real Property shall be deemed to be Transferred Liabilities under the Share Purchase Agreement.

(b) Notwithstanding anything to the contrary in the foregoing, the Sellers shall pay to the Purchaser, and indemnify and hold harmless the Purchaser from and against, the amount of any and all Damages actually suffered by the Purchaser or any of the Transferred Companies in connection with the Excluded PM Real Property (but excluding any internal or external costs), to the extent such Damage would not have been suffered by the Purchaser or any of the Transferred Companies, or would otherwise have been indemnifiable under the Share Purchase Agreement, the Warranty Agreement or the W&I Insurance Policy, had the Excluded PM Real Property been contributed to Italian NewCo as part of the Pre-Closing Reorganizations on or prior to the Closing Reference Date, including for the avoidance of doubt any (i) Transfer Tax that may become payable as a result of the signing of this Agreement or the transfer of the Excluded PM Real Property pursuant hereto and (ii) any non-recoverable Italian VAT that may be charged in respect of the Excluded PM Real Property. In this respect, the provisions of Article IX of the Share Purchase Agreement are hereby incorporated by reference in this Section 1.4(b) with the same effect as if such provisions were set forth herein; provided, however, that the liability of the Sellers under this section 1.4(b) shall terminate on the date which is sixty (60) days following the end of the applicable statute of limitation.

1.5 Representations and Warranties. None of the representations and warranties made by the Sellers to the Purchaser under the Share Purchase Agreement or the Warrranty Agreement shall be deemed inaccurate or breached solely as a result of the absence of transfer of ownership of the Excluded PM Real Property on or prior to the Closing Reference Date as part of the Pre-Closing Reorganizations or the transactions contemplated by this Agreement.

1.6 Exception to the Non-Compete Undertaking. For the avoidance of doubt, nothing in the transactions contemplated by this Agreement shall constitute a breach of the non-compete undertakings of Arkema and the Sellers set forth in Section 11.4(a) of the Share Purchase Agreement. Consequently, the following paragraph shall be inserted as a new Section 11.4(b)(i)(D) of the Share Purchase Agreement:

"*(D) the ownership or lease of the Excluded PM Real Property by Arkema S.r.l. until its transfer to Italian NewCo in accordance with the PM Real Property Notarial Transfer Agreement and the Excluded PM Lease Agreement.*"

1.7 Transfer Taxes. Any Transfer Tax that may become payable as a result of the signing of this Agreement or the transfer of the Excluded PM Real Property pursuant hereto shall be borne by the Sellers and shall be paid on a timely basis in compliance with all statutory requirements.

1.8 Updated Annex C. **Annex F** to this Agreement contains an updated version of the Annex C (*Transferred Intellectual Property*) to the Share Purchase Agreement, which shall replace the version of such Annex C attached to the initial Share Purchase Agreement.

1.9 Mexican CBA.

(a) The Parties hereby acknowledge and agree that the employment substitution agreement entered into between Arkema Mexico Servicios and Mexican NewCo, pursuant to which Mexican NewCo assumed the rights and obligations relating to the collective bargaining agreements applicable to unionized Mexican Employees, has not been ratified by the competent Mexican labor authority on or prior to the Closing Reference Date, as contemplated in paragraph (iii) of item 2.7, Section 2, "Mexican Pre-Closing Reorganization" of Annex N "Pre-Closing Reorganizations" of the Share Purchase Agreement.

(b) The Purchaser hereby agrees to proceed with the Closing as contemplated under the Share Purchase Agreement notwithstanding the failure of the Sellers to obtain the ratification described in paragraph (a) above, and the Sellers hereby acknowledge and agree that such Purchaser's agreement shall not be interpreted as a waiver of claim in this respect, and that nothing in the Share Purchase Agreement or any document entered into in connection with the Transaction shall prevent, or limit the right of, the Purchaser to make a claim against the Sellers and to seek indemnification in respect of any liability suffered by the Purchaser or any of the Transferred Companies as a result of the failure of the Sellers to obtain such ratification.

(c) Arkema Mexico and Arkema Mexico Servicios shall use their respective best efforts to file the employment substitution agreement mentioned in paragraph (a) above as promptly as possible as from the date hereof, and the Purchaser shall cause Mexican NewCo to reasonably cooperate with Arkema Mexico and Arkema Mexico Servicios in such connection.

ARTICLE II
MISCELLANEOUS

The provisions of Sections 12.2 (*Further Actions*), 12.4 (*Brokers and Finders*), 12.5 (*Costs and Expenses*), 12.6 (*Professional Advice*), 12.7 (*Unforseebility*), 12.8 (*Specific Performance*), 12.9 (*Express Waivers*), 12.15 (*Severability*) and 12.18 (*Governing Law and Submission to Jurisdiction*) of the Share Purchase Agreement are hereby incorporated by reference in this Article II with the same effect as if such provisions were set forth herein; provided, however, that for purposes of such incorporation, the term this "Agreement" shall be deemed to mean this Agreement.

[*signature pages to follow*]

Made on the date indicated on the first page of this Agreement, in two (2) originals, allocated as follows:

- one (1) original, delivered to Arkema France, for Arkema and the Sellers, which acknowledge that they have a common interest for the purpose of article 1375 of the French Civil Code; and

- one (1) original for the Purchaser.

ARKEMA

By: /s/ Hélène Monceaux

Name: Hélène Monceaux

Title: Authorized Representative

ARKEMA FRANCE acting in its name and on its own behalf and in the name and on behalf of the other Sellers

By: /s/ Hélène Monceaux

Name: Hélène Monceaux

Title: Authorized Representative

Exhibit 2.2

[*Signature page of the Amendatory Agreement in respect of the Share Purchase Agreement*]

TRINSEO S.A.

By: /s/ Angelo Chaclas

Name: Angelo Chaclas

Title: Authorized Representative

[*Signature page of the Amendment Agreement n°1 to the Share Purchase Agreement*]

Exhibit 2.2

Annex A

Sellers

1. Arkema Inc., a Pennsylvania corporation with its registered offices at 900 First Avenue, King of Prussia, PA 19406, registered with the Commonwealth of Pennsylvania Department of State under entity number 274161 ("Arkema Inc.")

2. Arkema S.r.l., an Italian limited liability company, with its registered offices at via Pregnana no. 63, 20017 Rho, Milan, registered with the companies' register of Milan under number 10676490153 ("Arkema S.r.l.")

3. Arkema Mexico, S.A. de C.V., a Mexican *sociedad anónima de capital variable* incorporated under the Laws of the United Mexican States. ("Arkema Mexico")

4. Arkema Mexico Servicios, S.A. de C.V., a Mexican *sociedad anónima de capital variable* incorporated under the Laws of the United Mexican States. ("Arkema Mexico Servicios")

5. Arkema Europe SA, a French *société anonyme* with its registered offices at 420, rue d'Estienne d'Orves, 92700 Colombes, France and registered with the registry of commerce and company of Nanterre under number 429 608 342 ("Arkema Europe")

Annex B

Excluded PM Real Property

Comune di Venezia – **Porto Marghera, via dell'Elettricità n. 41**

- **foglio 192 – mappale 788 (settecentoottantotto)** – via dell'Elettricità n.41 – piano terreno – zona censuaria nona;
- **foglio 192 – mappale 1479 (millequattrocentosettantanove) e mappale 1480 (millequattrocentoottanta) – graffati** – via dell'Elettricità n.41 – piano terreno – zona censuaria nona – categoria D/1 – rendita catastale euro 334,00;
- **foglio 192 - mappale 260 (duecentosessanta) sub. 17 (diciassette)** (in catasto terreni identificati come segue:
- **foglio 192 – mappale 883 (ottocentoottantatre)** – ente urbano – superficie ha. 0.01.02
- **foglio 192 – mappale 884 (ottocentoottantaquattro) –** ente urbano – superficie ha. 0.04.68
- **foglio 192 – mappale 885 (ottocentoottantacinque)** – ente urbano – superficie ha. 0.01.30
- **foglio 192 – mappale 886 (ottocentoottantasei) –** ente urbano – superficie ha. 0.02.87
- **foglio 192 – mappale 887 (ottocentoottantasette) –** ente urbano – superficie ha. 0.01.68);
- **foglio 192 – mappale 790 (settecentonovanta) sub. 3 (tre)** (in catasto terreni identificato come segue:
- **foglio 192 – mappale 888 (ottocentoottantotto) –** ente urbano – superficie ha. 1.19.76)
- **foglio 192 – mappale 795 (settecentonovantacinque) sub. 3 (tre)** (in catasto terreni identificato come segue:
- **foglio 192 – mappale 889 (ottocentoottantanove) –** ente urbano – superficie ha. 0.07.68);
- **foglio 192 – mappale 843 (ottocentoquarantatré) sub. 2 (due)** (in catasto terreni identificato come segue:
- **foglio 192 – mappale 890 (ottocentonovanta) –** ente urbano – superficie ha. 0.07.11).

Exhibit 10.2

TRINSEO EUROPE GMBH

EMPLOYMENT AGREEMENT

EMPLOYMENT AGREEMENT (this "Agreement"), dated as of May 1, 2020, is among Trinseo Europe GmbH, a Swiss limited liability company (Gesellschaft mit beschrankter Haftung) (the "Company"), and Andre Lanning, Seestrasse 79C, 8800 Thalwil, Switzerland (the "Executive").

WITNESSETH

WHEREAS, the Company desires to continue to employ the Executive as Vice President, Strategy, Corporate Development & Marketing Communications of the Company and to pay all of the Executive's compensation and other benefits described in this Agreement; and

WHEREAS, the Company and the Executive desire to update the terms and conditions of such employment by entering into this Agreement which shall define the terms of the Executive's employment with the Company.

NOW, THEREFORE, in consideration of the foregoing, of the mutual promises contained herein and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. POSITION AND DUTIES.

(a) During the Employment Term (as defined in Section 2 hereof), the Executive shall serve as Vice President, Strategy, Corporate Development & Marketing Communications of the Company and its ultimate parent company, Trinseo S.A. ("Parent"). In this capacity, the Executive shall have the duties, authorities and responsibilities commensurate with the duties, authorities and responsibilities of persons in similar capacities in similarly sized companies, and such other executive duties, authorities and responsibilities as may reasonably be assigned to the Executive that are not inconsistent with the Executive's position as Vice President, Strategy, Corporate Development & Marketing Communications of the Company and the Parent. The Executive's principal place of employment with the Company shall be in Horgen, Switzerland, or such other location in Switzerland within 75 kilometers from Horgen as the Company may designate. However, the Executive is aware and accepts that he/she will be required to travel frequently for business purposes. The Executive shall report directly to the President and Chief Executive Officer or a named executive officer of the Parent.

(b) During the Employment Term, the Executive shall devote all of the Executive's business time, energy, business judgment, knowledge and skill and the Executive's reasonable best efforts to the performance of the Executive's duties with the Company and the Parent, provided that the foregoing shall not prevent the Executive from (i) serving on the boards of directors of non-profit organizations and, with the prior written approval of the Board of the Parent (the "Board"), other for profit companies1 (ii) participating in charitable, civic, educational, professional, community or industry affairs, and (iii) managing the Executive's passive persona(investments so long as such activities in the aggregate do not violate Section 10 hereof, interfere or conflict with the Executive's duties hereunder or create a business or fiduciary conflict. Any overtime worked by the Executive is fully compensated by the Base Salary (as defined in Section 3).

2. EMPLOYMENT TERM. The Company agrees to employ the Executive pursuant to the terms of this Agreement commencing on the date written above (the "Effective Date"). Either party may terminate this Agreement by giving six months' advance written notice. Notwithstanding the foregoing, the Executive's employment hereunder may be earlier terminated in accordance with Section 6 hereof, subject to Section 7 hereof. The period of time between the Effective Date and the termination of the Executive's employment hereunder shall be referred to herein as the "Employment Term." No trial period shall apply to the employment. This Agreement may be conditioned on any, or all of, the Executive: (i) passing a background check; (ii) passing a screening for illegal and controlled substances; and (iii) confirming employment eligibility; and (iv) providing the Company with the results of a recent physical examination or other evidence showing the absence of any conditions that would preclude the Executive from fulfilling the obligations contemplated in this Agreement.

3. BASE SALARY. During the Employment Term, the Company agrees to pay the Executive an annual base salary of not less than 458,191.50 CHF (Swiss francs) gross per annum, payable in accordance with the regular payroll practices of the Company, but not less frequently than monthly. The Executive's base salary shall be subject to annual review by the Board (or a committee thereof) during the first ninety (90) days of each calendar year, and the base salary in respect of such calendar year may be increased above, but not decreased below, its level for the preceding calendar year, by the Board. The base salary as determined herein and adjusted from time to time shall constitute "Base Salary" for purposes of this Agreement.

4. ANNUAL BONUS.

(a) During the Employment Term, the Executive shall be eligible for an annual discretionary cash performance bonus (an "Annual Bonus") in respect of each calendar year that ends during the Employment Term, to the extent earned based on performance against objective performance criteria. The performance criteria for any particular calendar year shall be determined in good faith by the Board, no later than ninety (90) days after the commencement of such calendar year. The Executive's targeted Annual Bonus for a calendar year shall equal 28% of the Executive's Base Salary for such calendar year (the "Target Bonus") if target levels of performance for such year are achieved, with greater or lesser amounts (including zero) paid for performance above and below target (such greater and lesser amounts to be determined by a formula established by the Board for such year when it establishes the targets and performance criteria for such year): provided that the Executive's maximum Annual Bonus for any calendar year during the Employment Term shall equal 200% of the Target Bonus for such calendar year.

(b) The Executive's Annual Bonus for a calendar year shall be determined by, and is subject to the discretion of, the Board after the end of the applicable calendar year based on the level of achievement of the applicable performance criteria, and shall be paid to the Executive in the calendar year following the calendar year to which such Annual Bonus relates at the same time annual bonuses are paid to other senior executives of the Company, subject to continued employment at the time of payment (except as otherwise provided in Section 7 hereof).

5. EMPLOYEE BENEFITS.

(a) **BENEFIT PLANS.** During the Employment Term, the Executive shall be entitled to participate in any employee benefit plan that the Company has adopted or may adopt, maintain or contribute to and which benefit any of the senior executives of the Company, on a basis no less favorable than that applicable to any such senior executives, subject to satisfying the applicable eligibility requirements, except to the extent such plans are duplicative of the benefits otherwise provided hereunder. The Executive's participation in any such employee benefit plan shall be subject to the terms of the applicable plan documents and generally applicable Company policies. Notwithstanding the foregoing, the Company may modify or terminate any employee benefit plan at any time, if and to the extent allowed pursuant to the terms of such plan, provided that any such amendment may have no more adverse effect on the Executive than on any other participant in such plan. The Company may provide perquisites to the Executive at the discretion of the Board.

(b) **VACATIONS.** During the Employment Term, the Executive shall be entitled to paid vacation in accordance with the Company's policy on accrual and use applicable to employees as in effect from time to time, currently calculated as twenty-seven (27) days annually for the Executive.

(c) **BUSINESS EXPENSES.** Upon presentation of reasonable substantiation and documentation as the Company may specify from time to time, the Executive shall be reimbursed in accordance with the Company's expense reimbursement policies as in effect from time to time, for all reasonable out-of-pocket business expenses incurred and paid by the Executive during the Employment Term and in connection with the performance of the Executive's duties hereunder.

6. TERMINATION. Notwithstanding Section 2 above, the Executive's employment and the Employment Term shall terminate on the first of the following to occur:

(a) **DEATH.** Automatically upon the date of death of the Executive.

(b) **CAUSE.** Immediately upon written notice by the Company to the Executive of a termination for cause *("wichtiger Grund")* as provided for in Swiss employment law ("Cause"). For the sake of clarity, to the extent not already provided for in Swiss law, Cause shall also include the following behaviors: (i) continued failure to follow the lawful and reasonable directives of the Board after written notice from the Board and a period of no less than thirty (30) days to cure such failure; (ii) willful misconduct or gross negligence in the performance of the Executive's duties; (iii) conviction of, or pleading of guilty or nolo contendere to, a non-vehicular felony; (iv) material violation of a material written Company or Parent policy that is not cured within fifteen (15) days of written notice from the Board; (v) performance of any material act of theft, embezzlement, fraud or misappropriation of or in respect of the Company's property; (vi) continued failure to cooperate in any audit or investigation of financial or business practices of the Company or Parent after written request for cooperation from the Board and a period of no less than ten (10) days to cure such failure; (vii) commission of any criminal act or other act involving moral turpitude, sexual harassment or drug violations (after an independent investigation concludes that such acts occurred and Executive has been presented with opportunity to participate in the investigation); (viii) commission of any willful act which brings public disrepute, contempt, scandal, or ridicule, or which shocks or offends the community or any group or class thereof, or which reflects unfavorably upon Company or Parent and, as a result of such act or involvement, reduces the commercial value of Company's or Parent's association with Executive; (ix) willful actions (other than legal action or arbitration arising out of this Agreement) or making or authorizing statements in derogation of Company or Parent or their products and such actions or statements become public during the Term that result in damage to the business of the Company; or (x) breach of any of the restrictive covenants set forth in Section 10 hereof or in any other written agreement between the Executive and the Company and/or its Affiliate that causes material and demonstrable harm to the Company or Parent and that is not cured within fifteen (15) days of written notice from the Board.

For purposes of this Section 6(b) , no act, or failure to act, on the part of the Executive shall be considered "willful" unless it is done, or omitted to be done, by the Executive in bad faith or without reasonable belief that the Executive's action or omission was in the best interests of the Company.

7. CONSEQUENCES OF TERMINATION.

(a) **DEATH.** In the event that the Executive's employment and the Employment Term ends on account of the Executive's death, the Executive or the Executive's estate, as the case may be, shall be entitled to the following (with the amounts due under Sections 7(a)(i) through 7(a)(v) hereof to be paid, unless otherwise provided below, within sixty (60) days following termination of employment, or such earlier date as may be required by applicable law):

(i) any unpaid Base Salary through the date of termination;

(ii) any Annual Bonus earned but unpaid with respect to the calendar year ending on or preceding the date of termination;

(iii) an amount equal to the pro-rata portion of the Executive's Target Bonus for the calendar year of termination (determined by multiplying the Target Bonus for the year of termination by a fraction, the numerator of which is the number of days during the calendar year of termination that the Executive is employed by the Company and the denominator of which is 365);

(iv) reimbursement for any unreimbursed business expenses incurred through the date of termination;

(v) payment in respect of any accrued but unused vacation time in accordance with Company policy;

(vi) all other payments, benefits or fringe benefits to which the Executive shall be entitled under the terms of any applicable compensation arrangement or benefit, or fringe benefit plan or program or grant or this Agreement (collectively, Sections 7(a)(i) through 7(a)(vi) hereof shall be hereafter referred to as the "Accrued Benefits") and

(vii) if the Executive is survived by a spouse, a registered partner, children who are minors or, in the absence of such heirs, other persons to whom he/she had a duty to provide support, the Base Salary for one month or, if the Executive had completed more than five years of service, for two months;

(b) **TERMINATION FOR CAUSE BY THE COMPANY; TERMINATION BY THE EXECUTIVE.** If the Executive's employment is terminated (x) by the Company for Cause or (y) by the Executive for whatsoever reason, the Company shall pay to the Executive the Accrued Benefits; except for Section 7(a) (iii). If the Executive terminates the Agreement, then the Company may elect to: (i) accelerate the Executive's termination date which shall not be considered a termination by the Company without Cause; and (ii) transition Executive's duties and responsibilities to others during the notice period. However, in the event that the Executive terminates the Agreement and the Company elects to accelerate the Executive's termination date, then the Executive will continue to receive Base Salary through the expiration of the notice period.

(c) **TERMINATION WITHOUT CAUSE.** If the Executive's employment by the Company is terminated by the Company other than for Cause, the Company shall pay or provide the Executive with the following, subject to the provisions of Section 24 hereof:

(i) the Accrued Benefits;

(ii) subject to the Executive's not engaging in a Material Covenant Violation as defined hereinafter or any other breach of Section 10 hereof that is not cured within fifteen (15) days of written notice from the Board (a "Material Cooperation Violation"), the Executive shall be entitled to an amount equal to one of the following (the applicable amount determined below to be referred to herein as the "Severance Amount"):

an amount equal to one (1.0) multiplied by the sum of the Executive's then current annual Base Salary and Target Bonus for the year of termination, paid in equal monthly installments for a period of eighteen (18) months following such termination. Payments and benefits provided in this Section 7(c) shall be offset by Base Salary payments made during (i) any notice period as defined in Section 2 where the Executive has been relieved of responsibilities, and (ii) any monthly extension that corresponds to the number of months by which the notice period is extended based art. 336c CO, provided that the aggregate severance benefits payable hereunder shall be no less than as required by applicable law.

A "Material Covenant Violation" shall mean a breach of any of the restrictive covenants set forth in Section 10 hereof or in any other written agreement between the Executive and the Company and/or any of the Company's or Parent's direct or indirectly controlled subsidiaries (each an "Affiliate") that causes material and demonstrable harm to the Company and/or any Affiliate.

(d) CHANGE IN CONTROL.

(i) This Section 7(d) shall apply if the Executive's employment by the Company is terminated (x) by the Company other than for Cause, or (y) by the Executive for good reason as defined in art. 340c para 2 CO, in either case, during the two (2)-year period commencing upon a Change in Control. Subject to the Executive's not engaging in a Material Covenant Violation or a Material Cooperation Violation, upon a termination described in the preceding sentence, the Executive shall receive the benefits set forth in Section 7(c) hereof, except that in lieu of receiving the Severance Amount in installments as contemplated under Section 7(c)(ii) hereof, the Executive shall receive a lump sum payment equal to the Severance Amount on the date of such termination.

(ii) For purposes of this Agreement, the term "Change in Control" shall mean the consummation off the first transaction following the Effective Date, whether in a single transaction or in a series of related transactions, in which any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the U.S. Securities Exchange Act of 1934, as amended) (A) acquires (whether by merger, consolidation, or transfer or issuance of equity interests or otherwise) equity interests of the Parent (or any surviving or resulting entity) representing more than fifty percent (50%) of the outstanding voting securities or economic value of the Parent (or any surviving or resulting entity), or (B) acquires assets constituting all or substantially all (more than eighty percent (80%)) of the assets of the Parent and its subsidiaries (as determined on a consolidated basis).

8. OTHER OBLIGATIONS. Upon any termination of the Executive's employment with the Company and at any time before at the request of the Board, the Executive shall promptly resign from any other position as an officer, director or fiduciary of the Company, Parent and any Affiliate.

9. RELEASE; NO MITIGATION; NO SET-OFF. Any and all amounts payable and benefits or additional rights provided pursuant to this Agreement beyond the Accrued Benefits shall only be payable if the Executive signs and delivers to the Company a general release of claims in favor of the Company in substantially the form of Exhibit A attached hereto not earlier than 1 month and 1 day, but not later than 60 days after his employment has ended and does not revoke such General Release. In no event shall the Executive be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to the Executive under any of the provisions of this Agreement, nor shall the amount of any payment hereunder be reduced by any compensation earned by the Executive as a result of employment by a subsequent employer. The Company's obligations to pay the Executive amounts hereunder shall not be subject to set-off, counterclaim or recoupment of amounts owed by the Executive to the Company or any Affiliates.

10. RESTRICTIVE COVENANTS.

(a) **CONFIDENTIALITY.** During the course of the Executive's employment with the Company, the Executive will learn confidential information regarding the Company. The Executive agrees that the Executive shall not, directly or indirectly, use, make available, sell, disclose or otherwise communicate to any person, other than in the course of the Executive's assigned duties and for the benefit of the Company, either during the period of the Executive's employment or at any time thereafter, any business and technical information or trade secrets, nonpublic, proprietary or confidential information, knowledge or data relating to the Company or any Affiliate, or received from third parties subject to a duty on the Company's or any Affiliates' part to maintain the confidentiality of such information and to use it only for certain limited purposes, in each case which shall have been obtained by the Executive during the Executive's employment by the Company. The foregoing shall not apply to information that (i) was known to the public prior to its disclosure to the Executive; (ii) becomes generally known to the public subsequent to disclosure to the Executive through no wrongful act of the Executive or any representative of the Executive; or (iii) the Executive is required to disclose by applicable law, regulation or legal process (provided that the Executive provides the Company with prior notice of the contemplated disclosure and cooperates with the Company at its expense in seeking a protective order or other appropriate protection of such information). The Executive shall keep the terms and conditions of this Agreement strictly confidential, and the Executive hereby agrees not to disclose the terms and conditions hereof to any person or entity, other than immediate family members, legal advisors or personal tax or financial advisors, or prospective future employers solely for the purpose of disclosing the limitations on the Executive's conduct imposed by the provisions of this Section 10 who, in each case, shall be instructed by the Executive to keep such information confidential.

(b) **NONCOMPETITION.** The Executive acknowledges that the Executive performs services of a unique nature for the Company that are irreplaceable, and that the Executive's performance of such services to a competing business will result in irreparable harm to the Company. Accordingly, during the Executive's employment hereunder and for a period of twenty four (24) months (this period referred to herein as the "Restricted Period"), the Executive agrees that the Executive will not, directly or indirectly, own, manage, operate, control, be employed by (whether as an employee, consultant, independent contractor or otherwise, and whether or not for compensation) or render services to any person, firm, corporation or other entity, in whatever form, engaged in competition with any material business of the Company or any Affiliate or in any other material business in which the Company or any Affiliate has taken material steps and has material plans, on or prior to the date or termination, to be engaged in on or after such date, in any locale of any country in which the Company or any Affiliate conducts business. Notwithstanding the foregoing, nothing herein shall prohibit the Executive from being a passive owner of not more than one percent (l%) of the equity securities of a publicly traded corporation engaged in a business that is in competition with the Company or any of its affiliates, so long as the Executive has no active participation in the business of such corporation.

(c) **NONSOLICITATION; NONINTERFERENCE.** During the Executive's employment with the Company and for the Restricted Period, the Executive agrees that the Executive shall not, except in the furtherance of the Executive's duties hereunder, directly or indirectly, individually or on behalf of any other person, firm, corporation or other entity, (i) solicit, aid or induce any customer of the Company or an Affiliate to purchase goods or services then sold by the Company or any Affiliate from another person, firm, corporation or other entity or assist or aid any other persons or entity in identifying or soliciting any such customer, (ii) solicit, aid or induce any employee, representative or agent of the Company or any Affiliate to leave such employment or retention or, in the case of employees, to accept employment with or render services to or with any other person, firm, corporation or other entity unaffiliated with the Company or any Affiliate, or hire or retain any such employee, or take any action to materially assist or aid any other person, firm, corporation or other entity in identifying, hiring or soliciting any such employee, or (iii) interfere, or aid or induce any other person or entity in interfering, with the relationship between the Company or any Affiliate and any of their respective vendors, joint ventures or licensors. An employee, representative or agent shall be deemed covered by this Section 10(c) while so employed or retained and for a period of six (6) months thereafter. Notwithstanding the foregoing, the provisions of this Section 10(c) shall not be violated by general advertising or solicitation not specifically targeted at Company or Affiliate-related individuals or entities.

(d) **INTELLECTUAL PROPERTY RIGHTS.** (i) The rights to inventions and de- signs made or conceived by the Executive individually or jointly while performing his employment activity and in performance of his contractual duties belong to the Company regardless of whether they are legally protected.

(ii) The rights to inventions and designs, made or conceived by the Executive while performing his employment activity, but not during the performance of his contractual duties, shall be assigned by the Executive to the Company as of their inception, regardless of whether they are legally protected. The Executive is obliged to inform the Company in writing of any such inventions or designs. The Company is entitled to grant the rights to these inventions and designs to the Executive. Should the Company retain such rights the Executive will be entitled to a special reasonable compensation.

(iii) Other rights to any work products and any know-how, which the Executive creates or in which creation he participates while performing his employment activity belong exclusively to the Company. To the extent that work products (e.g., software, reports, documentations) are protected by copyrights, the Executive hereby assigns to the Company any and all rights related to such work products, particularly the copyright and any and all rights of use, including the rights of production and duplication, of publishing, to use, to license or to sell, to distribute over data or online media, to modify and develop further as well to develop new products on the basis of the work product of the Executive or on the basis of parts of such work product.

(e) **RETURN OF COMPANY PROPERTY.** On the date of the Executive's termination of employment with the Company for any reason (or at any time prior thereto at the Company's request), the Executive shall return all property belonging to the Company or any Affiliate (including, but not limited to, any Company-provided laptops, computers, cell phones, wireless electronic mail devices or other equipment, or documents and property belonging to the Company). Any retention right is excluded.

(f) **REASONABLENESS OF COVENANTS.** In signing this Agreement, the Executive gives the Company assurance that the Executive has carefully read and considered all of the terms and conditions of this Agreement, including the restraints imposed under this Section 10. The Executive agrees that these restraints are necessary for the reasonable and proper protection of the Company and the Company and any Affiliate's trade secrets and confidential information and that each and every one of the restraints is reasonable in respect to subject matter, length of time and geographic area, and that these restraints, individually or in the aggregate, will not prevent the Executive from obtaining other suitable employment during the period in which the Executive is bound by the restraints. The Executive acknowledges that each of these covenants has a unique, very substantial and immeasurable value to the Company and its Affiliates and that the Executive has sufficient assets and skills to provide a livelihood while such covenants remain in force. It is also agreed that the Affiliates will have the right to enforce all of the Executive's obligations to such Affiliates under this Agreement, including without limitation pursuant to this Section10.

(g) **REFORMATION.** If it is determined by a court of competent jurisdiction in any state that any restriction in this Section10 is excessive in duration or scope or is unreasonable or unenforceable under applicable law, it is the intention of the parties that such restriction may be modified or amended by the court to render it enforceable to the maximum extent permitted by the laws of that state.

(h) **SURVIVAL OF PROVISIONS.** The obligations contained in Sections 10.10 and 11 hereof shall survive the termination or expiration of the Employment Term and the Executive's employment with the Company and shall be fully enforceable thereafter.

11. COOPERATION. Upon the receipt of reasonable notice from the Company (including through outside counsel), the Executive agrees that while employed by the Company and thereafter (to the extent it does not materially interfere with the Executive's employment or other business activities after employment by the Company), the Executive will respond and provide information with regard to matters in which the Executive has knowledge as a result of the Executive's employment with the Company, and will provide reasonable assistance to the Company, the Affiliates and their respective representatives in defense of all claims that may be made against the Company or the Affiliates, and will assist the Company and the Affiliates in the prosecution of all claims that may be made by the Company or the Affiliates, to the extent that such claims may relate to the period of the Executive's employment with the Company. The Executive also agrees to promptly inform the Board (to the extent that the Executive is legally permitted to do so) if the Executive is asked to assist in any investigation of the Company or the Affiliates (or their actions), regardless of whether a lawsuit or other proceeding has then been filed against the Company or Affiliates with respect to such investigation, and shall not do so unless legally required. Upon presentation of appropriate documentation, the Company shall pay or reimburse the Executive for all reasonable out-of-pocket travel, duplicating, telephonic, counsel and other expenses incurred by the Executive in complying with this Section 11.

12. EQUITABLE RELIEF AND OTHER REMEDIES. The Executive acknowledges and agrees that the Company's remedies at law for a breach or threatened breach of any of the provisions of Section 10 and 10 hereof or Section 11 hereof would be inadequate and, in recognition of this fact, the Executive agrees that, in the event of such a breach or threatened breach, in addition to any remedies at law, the Company shall be entitled to obtain equitable relief in the form of specific performance *(Realerfullung),* a temporary restraining order, a temporary or permanent injunction or any other equitable remedy which may then be available. In the event of a Material Covenant Violation or a Material Cooperation Violation by the Executive, any severance being paid to the Executive pursuant to this Agreement or otherwise shall immediately cease unless otherwise prohibited by applicable law. In case of a breach by the Executive of any of the covenants contained in Section 10 or Section 11 hereof (i) any Severance Amount payable by the Company, if any, shall be forfeited and (ii) the Executive shall pay to the Company a contractual penalty in an amount equal to (i) the Executive's last annual Base Salary for each individual breach of Sections 10(a), 10(b) and 10(c)(i), (ii) one twelfth (1/12th of the Executive's last annual Base salary for each individual breach of Sections 10(c)(ii), 10(c)(iii) and 11 and CHF 10,000 for each individual breach of Sections 10(e). In addition, the Executive shall have to compensate the Company for any damages and financial losses directly arising out of or relating to such breach. The Executive cannot disburden himself from the aforementioned prohibitions by the payment of the contractual penalty and/or damages.

13. NO ASSIGNMENTS. This Agreement is personal to each of the parties hereto. Except as provided in this Section 13 hereof, no party may assign or delegate any rights or obligations hereunder without first obtaining the written consent of the other party hereto. The Company shall assign this Agreement to any successor to all or substantially all of the business and/or assets of the Company or Parent, provided that the Company shall require such successor to expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place, and provided that the Company agrees to perform such obligations if such successor fails to do so in a timely manner. As used in this Agreement, "Company" shall mean the Company and any successor to all or substantially all of its business and/or assets, which assumes and agrees to perform the duties and obligations of the Company under this Agreement by operation of law or otherwise.

14. NOTICES. For purposes of this Agreement, notices and all other communications provided for in this Agreement shall be in writing and shall be deemed to have been duly given (a) on the date of delivery, if delivered by hand, (b) on the date of transmission, if delivered by confirmed facsimile or electronic mail, (e) on the first business day following the date of deposit, if delivered by guaranteed overnight delivery service, or (d) on the fourth business day following the date delivered or mailed with a national postal carrier by registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to the Executive:

At the address (or to the facsimile number) shown in the books and records of the Company.

If to the Company:

Trinseo Europe GmbH c/o Trinseo LLC Chief Legal Officer

1000 Chesterbrook Boulevard, Suite 300

Berwyn, Pennsylvania 19312

And

<u>With a copy (which shall not constitute notice hereunder) to:</u>

Trinseo Europe GmbH SVP Human Resources Zugerstrasse 231

881O Horgen, Switzerland

Or to such other address as either party may have furnished to the other in writing in accordance herewith, except that notices of change of address shall be effective only upon receipt.

15. SECTION HEADINGS; INCONSISTENCY. The section headings used in this Agreement are included solely for convenience and shall not affect, or be used in connection with, the interpretation of this Agreement. In the event of any inconsistency between the terms of this Agreement (including the Exhibits hereto) and any form, award, plan or policy of the Company, the terms of this Agreement shall govern and control.

16. SEVERABILITY. The provisions of this Agreement shall be deemed severable and the invalidity or unenforceability of any provision shall not affect the validity or enforceability of the other provisions hereof which shall be replace by such valid and enforceable provision that best reflects the Parties original intent.

17. SUPREMECY & COUNTERPARTS. This Agreement supersedes and replaces all prior agreements and understandings, whether oral or written, in connection with the subject matter hereof; including, but not limited to, the Employment Contract having an effective date of April 1, 2018. This

Agreement may be executed in several] counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instrument.

18. INDEMNIFICATION. The Company hereby agrees to indemnify the Executive and hold the Executive harmless to the fullest extent allowable under applicable law against and in respect of any and all actions, suits, proceedings, claims, demands, judgments, costs, expenses (including attorney's fees, and the advancement of such fees subject to any legally required re payment undertaking), losses, and damages resulting from the Executive's performance of the Executive's duties and obligations with the Company. This obligation shall survive the termination of the Executive's employment with the Company.

19. LIABILITY INSURANCE. The Company shall cover the Executive under directors' and officers' liability insurance both during and, while potential liability exists, after the Employment Term in the same amount and to the same extent as the Company covers its other officers and directors.

20. GOVERNING LAW. This Agreement, the rights and obligations of the parties hereto, and any claims or disputes relating thereto, shall exclusively be governed by and construed in accordance with the substantive laws of Switzerland.

21. DISPUTE RESOLUTION. Each of the parties agrees that any dispute between the parties shall be resolved only in the courts of Switzerland, in accordance with art. 34 of the Swiss Code of Civil Procedure.

22. MISCELLANEOUS. No provision of this Agreement may be modified, waived or discharged unless such waiver, modification or discharge is agreed to in writing and signed by the Executive and such officer or director as may be designated by the Board. No waiver by either party hereto at any time of any breach by the other party hereto of, or compliance with, any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. This Agreement together with all exhibits hereto sets forth the entire agreement of the parties hereto in respect of the subject matter contained herein and supersedes any and all prior agreements or understandings between the Executive and the Company with respect to the subject matter hereof, whether written or oral. No agreements or representations, oral or otherwise, express or implied, with respect to the subject matter hereof have been made by either party which are not expressly set forth in this Agreement.

23. REPRESENTATIONS; ACTIONS BY PRIOR EMPLOYERS. The Executive represents and warrants to the Company that (a) the Executive has used the Executive's best efforts to provide the Company with (i) each agreement with a predecessor employer which may have any bearing on the Executive 's legal right to enter into this Agreement and to perform all of the obligations on the Executive's part to be performed hereunder in accordance with its terms, or (ii) a summary of the applicable previsions of each such agreement which the Executive may not provide to the Company due to an existing confidentiality obligation, and (b) other than the agreements referenced in the preceding clause (a), the Executive is not a party to any agreement or understanding, whether written or oral, and is not subject to any restriction (including, without limitation, any non-competition restriction from a prior employer), which, in either case, could prevent the Executive from entering into this Agreement or performing all of the Executive's duties and obligations hereunder. The Executive understands that the foregoing representations are a material inducement to the Company entering into this Agreement, and to the extent that either of such representations is untrue in any material respect at any time or for any reason, this Agreement shall be voidable by the Company such that the parties hereunder shall be relieved of all of their respective duties and obligations hereunder; <u>provided</u> that any termination of the Executive's employment resulting from the Company exercising its rights pursuant to this sentence shall have the same consequences, especially financial consequences, as a termination of employment by the Executive without good reason as defined in art. 340c para 2 CO. If any prior employer of the Executive, or any affiliate of any such prior employer, challenges the Executive ‘s right to enter into this Agreement and to perform all of the Executive’s obligations hereunder (whether by action against the Executive, the Company, Parent and/or an Affiliate), the Company (on behalf of itself, Parent and all Affiliates) and the Executive each agree to use their reasonable best efforts to defend against such challenge.

24. WITHHOLDING. The Company will deduct from the Employee’s gross remuneration as provided for in this Agreement the applicable Employee contributions, respectively premiums to social security schemes (AHV IV, EO, ALV), the premiums for the pension fund (BVG), as well as applicable taxes, if any in accordance with the respective laws, regulations and plan documents.

25. FURTHER ASSURANCES. The parties hereto shall cooperate with each other and do, or procure the doing of, all acts and things, and execute, or procure the execution of, all documents, as may reasonably be required to give full effect to this Agreement.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

Trinseo Europe GmbH	**Executive**
Signature: /s/ Alice Heezen	Signature: /s/ Andre Lanning
Name: Alice Heezen	Name: Andre Lanning
Title: SVP Human Resources	
Date: 10 April 2020	Date: 25 April 2020

EXHIBIT A

GENERAL RELEASE

I, CANDIDATE NAME, in consideration of and subject to the performance by Trinseo Europe GmbH. (together with its Affiliates, the "Company"), of its obligations under the Employment Agreement, dated as of [-] (the "Agreement"), do hereby release and forever discharge as of the date hereof the Company and its respective Affiliates and all present, former and future directors, officers, employees, successors and assigns of the Company and its Affiliates and direct or indirect owners (collectively, the "Released Parties") to the extent provided below. The Released Parties are intended third-party beneficiaries of this General Release, and this General Release may be enforced by each of them in accordance with the terms hereof in respect of the rights granted to such Released Parties hereunder. Terms used herein but not otherwise defined shall have the meanings given to them in the Agreement.

1. I understand that any payments or benefits paid or granted to me under Section 7 of the Agreement represent, in part, consideration for signing this General Release and are not salary, wages or benefits to which I was already entitled. I understand and agree that I will not receive certain of the payments and benefits specified in Section 7 of the Agreement. Such payments and benefits will not be considered compensation for purposes of any employee benefit plan, program, policy or arrangement maintained or hereafter established by the Company or its affiliates.

2. Except as provided in paragraphs I above and 5 below and except for the provisions of the Agreement which expressly survive the termination of my employment with the Company, I knowingly and voluntarily (for myself, my heirs, executors, administrators and assigns) release and forever discharge the Company and the other Released Parties from any and all claims, suits, controversies, actions, causes of action, cross-claims, counter-claims, demands, debts, compensatory damages, liquidated damages, punitive or exemplary damages, other damages, claims for costs and attorneys' fees, or liabilities of any nature whatsoever in law and in equity, both past and present (through the date this General Release becomes effective and enforceable) and whether known or unknown, suspected, or claimed against the Company or any of the Released Parties which I, my spouse, or any of my heirs, executors, administrators or assigns, may have, which arise out of or are connected with my employment with, or my separation or termination from, the Company (all of the foregoing collectively referred to herein as the "Claims").

3. I represent that I have made no assignment or transfer of any right, claim, demand, cause of action, or other matter covered by paragraph 2 above.

4. I agree that this General Release does not waive or release any rights or claims that I may have which arise after the date I execute this General Release. I acknowledge and agree that my separation from employment with the Company in compliance with the terms of the Agreement shall not serve as the basis for any claim or action.

5. I agree that I hereby waive all rights to sue or obtain equitable, remedial or punitive relief from any or all Released Parties of any kind whatsoever in respect of any Claim, including, without limitation, reinstatement, back pay, front pay, and any form of injunctive relief. Notwithstanding the above, I further acknowledge that I am not waiving and am not being required to waive any right that cannot be waived under law at the time I sign this General Release, including the right to file an administrative charge or participate in an administrative investigation or proceeding; provided, however, that I disclaim and waive any right to share or participate in any monetary award resulting from the prosecution of such charge or investigation or proceeding. Additionally, I am not waiving any right to the Accrued Benefits or indemnity.

6. In signing this General Release, I acknowledge and intend that it shall be effective as a bar to each and every one of the Claims hereinabove mentioned or implied. I expressly consent that this General Release shall be given full force and effect according to each and all of its express terms and provisions, including those relating to unknown and unsuspected Claims (not withstanding any state or local statute that expressly limits the effectiveness of a general release of unknown, unsuspected and unanticipated Claims), if any, as well as those relating to any other Claims hereinabove mentioned or implied. I acknowledge and agree that this waiver is an essential and material term of this General Release and that without such waiver the Company would not have agreed to the terms of the Agreement. I further agree that in the event I should bring a Claim seeking damages against the Company, or in the event I should seek to recover against the Company in any Claim brought by a governmental agency on my behalf, this General Release shall serve as a complete defense to such Claims to the maximum extent permitted by law. I further agree that I am not aware of any pending claim of the type described in paragraph 2 above as of the execution of this General Release.

7. I agree that neither this General Release, nor the furnishing of the consideration for this General Release, shall be deemed or construed at any time to be an admission by the Company, any Released Party or myself of any improper or unlawful conduct.

8. I agree that if I violate this General Release by suing the Company or the other Released Parties, I will pay all costs and expenses of defending against the suit incurred by the Released Parties, including reasonable attorneys’ fees.

9. I agree that this General Release and the Agreement are confidential and agree not to dis close any information regarding the terms of this General Release or the Agreement, except to my immediate family and any tax, legal or other counsel I have consulted regarding the meaning or effect hereof or as required by law, and I will instruct each of the foregoing not to disclose the same to anyone. The Company agrees to disclose any such information only to any tax, legal or other counsel of the Company as required by law.

10. Any non-disclosure provision in this General Release does not prohibit or restrict me (or my attorney) from responding to any inquiry about this General Release or its underlying facts and circumstances by the Securities and Exchange Commission (SEC), the Financial Industry Regulatory Authority (FINRA), any other self-regulatory organization or any governmental entity.

11. I represent that I am not aware of any claim by me other than the claims that are released by this General Release. I acknowledge that I may hereafter discover claims or facts in addition to or different than those which I now know or believe to exist with respect to the subject matter of the release set forth in paragraph 2 above and which, if known or suspected at the time of entering into this General Release, may have materially affected this General Release and my decision to enter into it.

12. Notwithstanding anything in this General Release to the contrary, this General Release shall not relinquish, diminish, or in any way affect any rights or claims arising out of any breach by the Company or by any Released Party of the Agreement after the date hereof.

13. Whenever possible, each provision of this General Release shall be interpreted in, such manner as to be effective and valid under applicable law, but if any provision of this General Release is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision or any other jurisdiction, but this General Release shall be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein and if possible under applicable law, replaced by such valid, legal and enforceable provision that best reflects the intent of the invalid, illegal or

unenforceable provision.

14. This General release is subject to the substantive laws of Switzerland.

BY SIGNING THIS GENERAL RELEASE, I REPRESENT ANO AGREE THAT:

1. I HAVE READ 1T CAREFULL Y;

2. I UNDERSTAND ALL OF ITS TERMS AND KNOW THAT I AM GIVING UP IMPORTANT RIGHTS;

3. I VOLUNTARILY CONSENT TO EVERYTHING IN IT;

4. I HAVE SIGNED THIS GENERAL RELEASE KNOWINGL Y AND VOLUN TARILY; AND

5. I AGREE THAT THE PROVISIONS OF THIS GENERAL RELEASE MAY NOT BE AMENDED, WAIVED, CHANGED OR MODIFIED EXCEPT BY AN INSTRUMENT IN WR1TING SIGNED BY AN AUTHORIZED REPRE SENT TIVE OF THE COMPANY ANO BY ME.

SIGNED: /s/ Andre Lanning DATED: 25 April 2020

Exhibit 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, Frank Bozich, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Trinseo S.A.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal controls over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 7, 2021

By: /s/ Frank Bozich
Name: Frank Bozich
Title: Chief Executive Officer

Exhibit 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER

I, David Stasse, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Trinseo S.A.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal controls over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 7, 2021

By: /s/ David Stasse
Name: David Stasse
Title: Chief Financial Officer

Exhibit 32.1

Certification of CEO Pursuant to 18 U.S.C. Section 1350,

As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the quarterly report of Trinseo S.A. (the "Company") on Form 10-Q for the period ended March 31, 2021 (the "Report"), as filed with the Securities and Exchange Commission on the date hereof, I, the undersigned, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to the best of my knowledge, that:

(1) The Report fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 7, 2021

By:	/s/ Frank Bozich
Name:	Frank Bozich
Title:	Chief Executive Officer

Exhibit 32.2

Certification of CFO Pursuant to 18 U.S.C. Section 1350,

As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the quarterly report of Trinseo S.A. (the “Company”) on Form 10-Q for the period ended March 31, 2021 (the “Report”), as filed with the Securities and Exchange Commission on the date hereof, I, the undersigned, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to the best of my knowledge, that:

(1) The Report fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 7, 2021

By:	/s/ David Stasse
Name:	David Stasse
Title:	Chief Financial Officer