# Forward Together™

Investor Presentation
March 2024

Quaker Houghton™
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# Forward-Looking Statements

**Regulation G**

The attached charts include Company information that does not conform to generally accepted accounting principles (“GAAP”). Management believes that an analysis of this data is meaningful to investors because it provides insight with respect to ongoing operating results of the Company and helps investors to evaluate the financial results of the Company. These measures should not be viewed as an alternative to GAAP measures of performance. Furthermore, these measures may not be consistent with similar measures provided by other companies. This data should be read in conjunction with the fourth quarter and full year earnings news release, dated February 29, 2024, which has been furnished to the Securities and Exchange Commission (“SEC”) on Form 8-K.

**Forward-Looking Statements**

This presentation contains “forward-looking statements” that fall under the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and the Securities Act of 1933, as amended. These statements can be identified by the fact that they do not relate strictly to historical or current facts. We have based these forward-looking statements on assumptions, projections and expectations about future events that we believe are reasonable based on currently available information,, including statements regarding the potential effects of the conflicts in Ukraine and the Middle East; inflation and global supply chain constraints on the Company’s business, results of operations, and financial condition; our expectation that we will maintain sufficient liquidity and remain in compliance with the terms of the Company’s credit facility; expectations about future demand and raw material costs; and statements regarding the impact of increased raw material costs and pricing initiatives. These forward-looking statements include statements with respect to our beliefs, plans, objectives, goals, expectations, anticipations, intentions, financial condition, results of operations, future performance, and business, which may differ materially from our actual results, including but not limited to the potential benefits of acquisitions and divestitures, the impacts on our business as a result of global supply chain constraints, and our current and future results and plans and statements that include the words “may,” “could,” “should,” “would,” “believe,” “expect,” “anticipate,” “estimate,” “intend,” “outlook, “target”, “possible”, “potential”, “plan” or similar expressions. A major risk is that demand for the Company's products and services is largely derived from the demand for its customers' products, which subjects the Company to uncertainties related to downturns in a customer's business and unanticipated customer production slowdowns and shutdowns, including as is currently being experienced by many automotive industry companies as a result of supply chain disruptions. Other major risks and uncertainties include, but are not limited to inflationary pressures, including the potential for continued significant increases in raw material costs; supply chain disruptions; customer financial instability; rising interest rates and the possibility of economic recession; economic and political disruptions, including the impacts of the military conflicts between Russia and Ukraine and between Israel and Hamas; tariffs, trade restrictions, and the economic and other sanctions imposed by other nations on Russia and/or other government organizations; suspensions of activities in Russia by many multinational companies and the potential expansion of military activity; foreign currency fluctuations; significant changes in applicable tax rates and regulations; future terrorist attacks and other acts of violence; the impacts of consolidation in our industry, including loss or consolidation of a major customer; and the potential occurrence of cyber-security breaches, cyber-security attacks and other security incidents. Furthermore, the Company is subject to the same business cycles as those experienced by our customers in the steel, automobile, aircraft, industrial equipment, aluminum and durable goods industries. Our forward-looking statements are subject to risks, uncertainties and assumptions about the Company and its operations that are subject to change based on various important factors, some of which are beyond our control. These risks, uncertainties, and possible inaccurate assumptions relevant to our business could cause our actual results to differ materially from expected and historical results. All forward-looking statements included in this press release, including expectations about business conditions during 2023 and future periods, are based upon information available to the Company as of the date of this press release, which may change. Therefore, we caution you not to place undue reliance on our forward-looking statements. For more information regarding these risks and uncertainties as well as certain additional risks that we face, refer to the Risk Factors section, which appears in Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2023, and in subsequent reports filed from time to time with the Securities and Exchange Commission. We do not intend to, and we disclaim any duty or obligation to, update or revise any forward-looking statements to reflect new information or future events or for any other reason. This discussion is provided as permitted by the Private Securities Litigation Reform Act of 1995.

# Non-GAAP and Pro Forma Measures

The information included in this presentation includes non-GAAP (unaudited) financial information that includes EBITDA, adjusted EBITDA, adjusted EBITDA margin, non-GAAP operating income, non-GAAP operating margin, non-GAAP net income and non-GAAP earnings per diluted share. The Company believes these non-GAAP financial measures provide meaningful supplemental information as they enhance a reader's understanding of the financial performance of the Company, are indicative of future operating performance of the Company, and facilitate a comparison among fiscal periods, as the non-GAAP financial measures exclude items that are not indicative of future operating performance or not considered core to the Company's operations. Non-GAAP results are presented for supplemental informational purposes only and should not be considered a substitute for the financial information presented in accordance with GAAP. In addition, our definitions of EBITDA, adjusted EBITDA, adjusted EBITDA margin, non-GAAP operating income, non-GAAP operating margin, non-GAAP net income and non-GAAP earnings per share as discussed and reconciled below to the more comparable GAAP measures, may not be comparable to similarly named measures reported by other companies.

The Company presents EBITDA which is calculated as net income attributable to the Company before depreciation and amortization, interest expense, net, and taxes on income before equity in net income of associated companies. The Company also presents adjusted EBITDA which is calculated as EBITDA plus or minus certain items that are not indicative of future operating performance or not considered core to the Company's operations. In addition, the Company presents non-GAAP operating income which is calculated as operating income (loss) plus or minus certain items that are not indicative of future operating performance or not considered core to the Company's operations. Adjusted EBITDA margin and non-GAAP operating margin are calculated as the percentage of adjusted EBITDA and non-GAAP operating income to consolidated net sales, respectively. The Company believes these non-GAAP measures provide transparent and useful information and are widely used by investors, analysts, and competitors in our industry as well as by management in assessing the operating performance of the Company on a consistent basis.

Additionally, the Company presents non-GAAP net income and non-GAAP earnings per diluted share as additional performance measures. Non-GAAP net income is calculated as adjusted EBITDA, defined above, less depreciation and amortization, interest expense, net, and taxes on income (loss) before equity in net income of associated companies, in each case adjusted, as applicable, for any depreciation, amortization, interest or tax impacts resulting from the non-core items identified in the reconciliation of net income attributable to the Company to adjusted EBITDA. Non-GAAP earnings per diluted share is calculated as non-GAAP net income per diluted share as accounted for under the "two-class share method." The Company believes that non-GAAP net income and non-GAAP earnings per diluted share provide transparent and useful information and are widely used by investors, analysts, and competitors in our industry as well as by management in assessing the operating performance of the Company on a consistent basis.

In addition, the Company has provided certain unaudited pro forma financial information in this presentation. The unaudited pro forma financial information is based on the historical consolidated financial statements and results of both Quaker and Houghton and has been prepared to illustrate the effects of the Combination. The unaudited pro forma financial information has been presented for informational purposes only and is not necessarily indicative of Quaker Houghton's past results of operations, nor is it indicative of the future operating results of Quaker Houghton and should not be considered a substitute for the financial information presented in accordance with GAAP. The Company has not provided pro forma financial information as it relates to the acquired operating divisions of Norman Hay plc or for any of its other acquisitions based on materiality. Pro forma results for the year ended December 31, 2019 include five months of Houghton's operations post-closing of the Combination, while Houghton reflects seven months of results for the period from January 1, 2019 through July 31, 2019. Pro forma results for the years ended December 31, 2018, 2017 and 2016, respectively, include Quaker's historical results, while Houghton reflects its stand-alone results.

As it relates to 2024 projected adjusted EBITDA growth for the Company, the Company has not provided guidance for comparable GAAP measures or a quantitative reconciliation of forward-looking non-GAAP financial measures to the most directly comparable U.S. GAAP measure because it is unable to determine with reasonable certainty the ultimate outcome of certain significant items necessary to calculate such measures without unreasonable effort. These items include, but are not limited to, certain non-recurring or non-core items the Company may record that could materially impact net income. These items are uncertain, depend on various factors, and could have a material impact on the U.S. GAAP reported results for the guidance period.

The Company's reference to trailing twelve months adjusted EBITDA within this presentation refers to the twelve-month period ended December 31, 2023 adjusted EBITDA of $320.4 million, as presented with our non-GAAP reconciliations. The following charts should be read in conjunction with the Company's fourth quarter earnings news release dated February 29, 2024, which has been furnished to the Securities and Exchange Commission on Form 8-K and the Company's Annual Report for the year ended December 31, 2023. These documents may contain additional explanatory language and information regarding certain of the items included in the following reconciliations.

**15k+**
customers

**~4,400**
colleagues

**100+**
countries served around the world

**$1.95B**
net sales[1]

**36**
manufacturing locations

**~2.5%**
R&D as a % of Sales

# Quaker Houghton

## The global leader in industrial process fluids.

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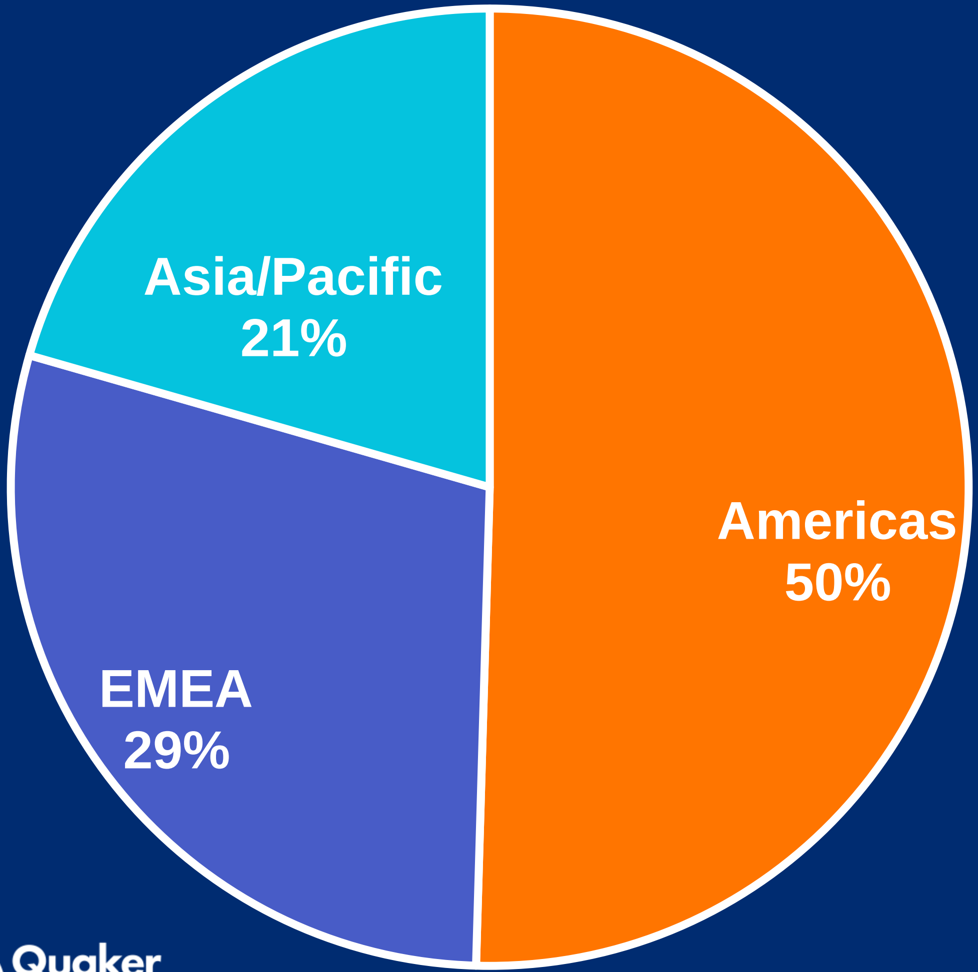
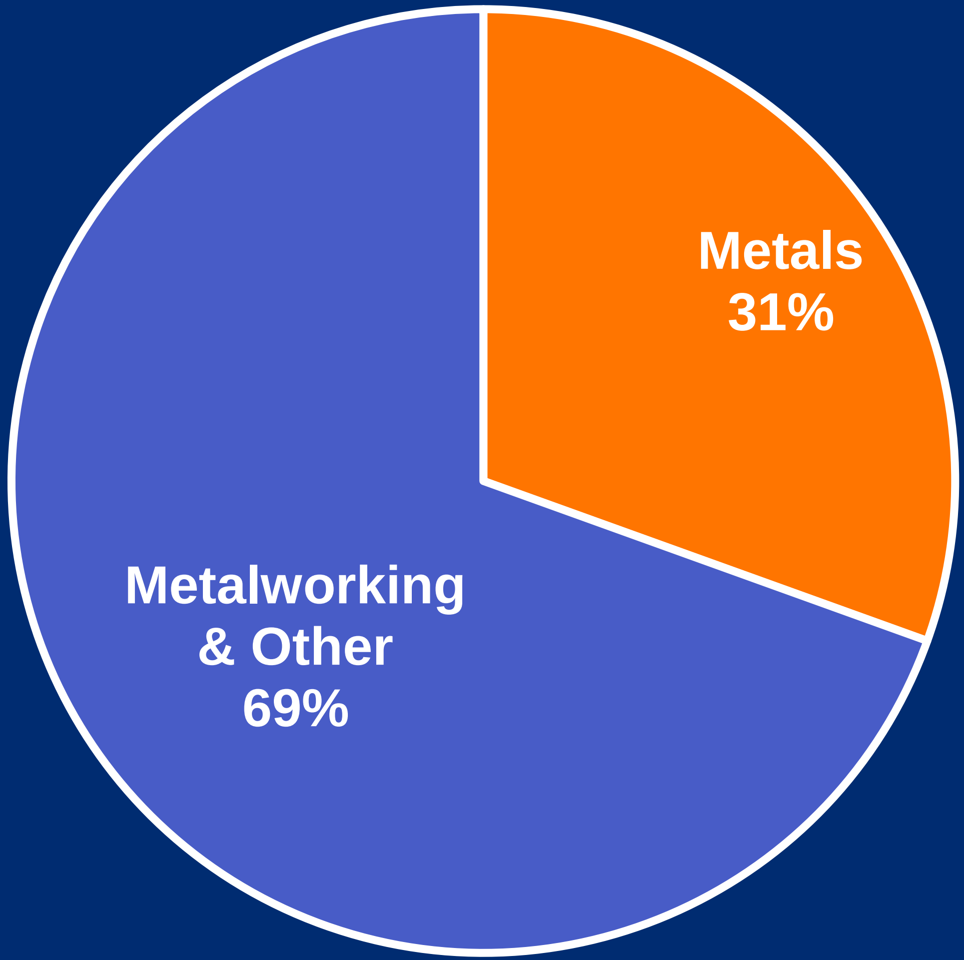
1 Defined as trailing 12 months net sales as of December 31, 2023

# Quaker Houghton: Leading Global Supplier of Industrial Process Fluids with Net Sales of $1.95B[1]

## Geographic and Product Snapshot




1 Defined as trailing 12 months net sales as of December 31, 2023

# Outperformance Powered by Distinctive Customer Intimacy Model

**A Customer-Intimate Model**
at the center of our organizational decision-making

**Products & Solutions**
Offerings are tailored to customer processes and needs

**Knowledge & Expertise**
Customer facing experts driving sustainable on-site improvements

**On-Site Support**
Dedicated service teams of experts at customer locations

**Responsiveness**
Fast response time to product deliveries, formulation changes, and sample testing

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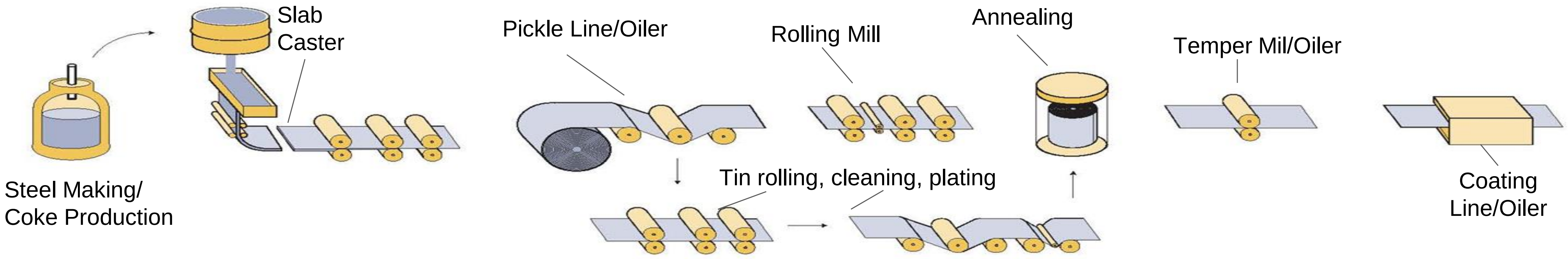
# Quaker Houghton: Value Proposition for Primary Metals

**Sheet Metal Production Process**




**QH Value Proposition**

| | | |
|---|---|---|
| 1 | **End-to-End Fluid Portfolio** | **Continuous Casting Fluid** › **Hydraulic Fluids & Greases** › **Hot Rolling Oils** › **Pickling Oils** › **Cold Rolling Oils** › **TemperMill Fluids** › **Cleaners** › **Coatings** |
| 2 | **On-site Technical Expertise** | Application Expertise, Process Expertise, Inventory Management, Cost Savings (TCO) Projects |
| 3 | **Customized Technology** | **Product Customization, New Formulation Development, Regulatory Support** |

**Customer Benefits $$$**

Reduced Operating Costs + Enhanced Surface Quality and Protection + Extended and Improved Roll Life + Reduced Scrap and Waste

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# Quaker Houghton: Value Proposition for Metalworking

**Business Segments**

**Metal Working Processes**

Die-Casting → Hot Forging → Soft Machining → Heat Treatment → Hard Grinding → Cleaning → Corrosion Protection

## QH Value Proposition

1. **Expanded Product Portfolio:** Offering for entire metalworking fluid lifecycle
2. **FluidCare (On-Site Support):** Application, Inventory and Chemical Management, Training, Cost Savings (TCO) Projects
3. **Innovation and Application Expertise:** New Product Development, Product and Formulation Customization
4. **Fluid Intelligent Solutions:** Data, Equipment and Engineering

**Customer Benefits $$$**

Sustainable Cost Reductions + Product Surface Improvements + Equipment & Tool-life Improvement + Increased Throughput & Utilization

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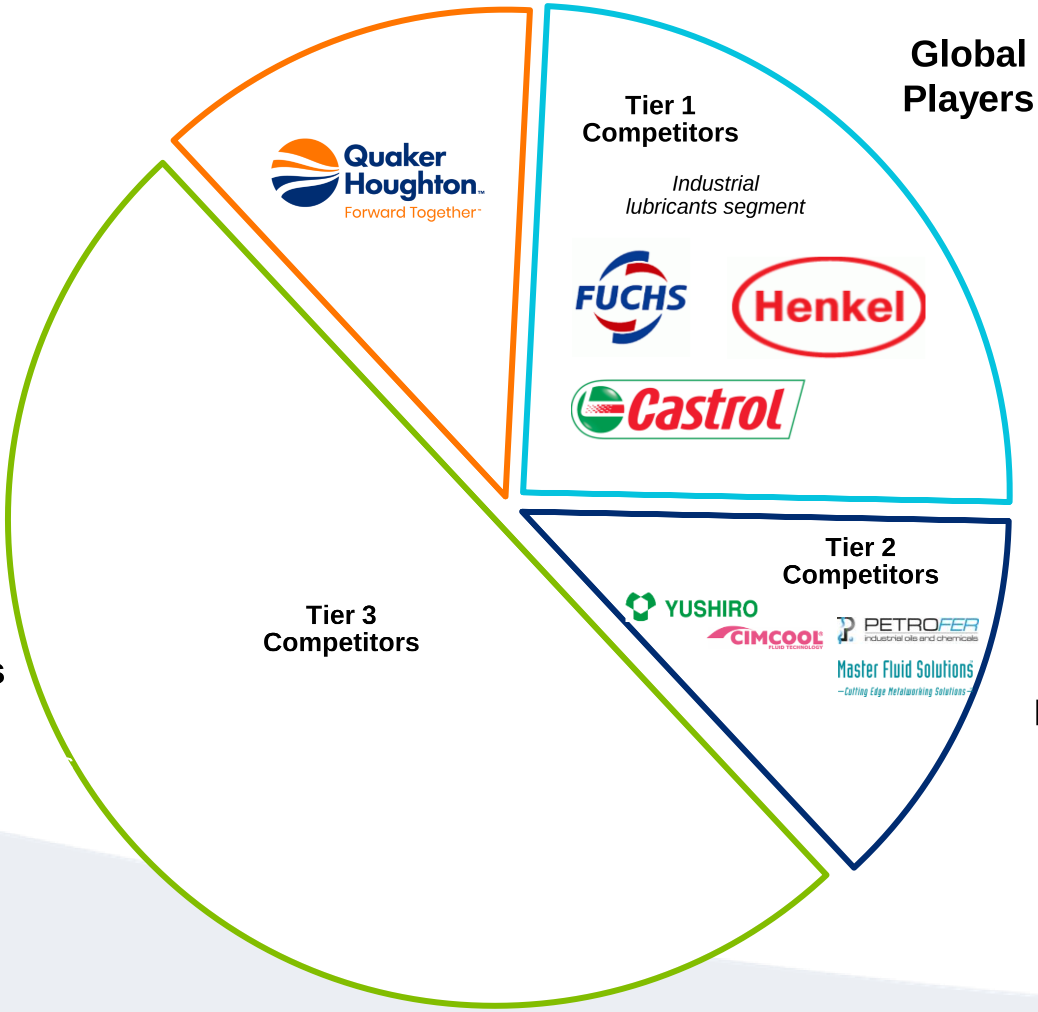
# Competitive Landscape: Only Global Pure Play in Our Addressable Markets

## >$13B Addressable Market




Global Players

Regional/ Multi-Regional ‘Mid-size’ Players

Local Players/ Global Companies with Limited Presence

Source: Quaker Houghton management and Charles River Associates estimates, Kline, Grandview, LEK.

# Differentiated from Competitors by Scale, Focus and Solution Offering

| | Quaker Houghton Forward Together | Tier 1 Competitors | Tier 2 Competitors | Tier 3 Competitors | |
|---|---|---|---|---|---|
| | | FUCHS, Castrol, Henkel | YUSHIRO, PETROFER industrial oils and chemicals, CIMCOOL Fluid Technology, Master Fluid Solutions – Cutting Edge Metalworking Solutions | Small, Local Player | Diversified Chemical Companies |
| **Scale and Global Reach** | 🟢 | 🟢 | 🔴🟡 | 🔴 | 🟢 |
| **Tight Strategic Focus** | 🟢 | 🟢🟡 | 🟢 | 🟢 | 🔴 |
| **Portfolio Breadth and Depth** | 🟢🟡 | 🟢🟡 | 🔴🟡 | 🔴 | 🔴 |
| **Industry Talent and Expertise** | 🟢🟡 | 🟡 | 🟡 | 🔴🟡 | 🔴🟡 |
| **Service Capabilities: Fluidcare® & Solutions** | 🟢 | 🟡 | 🔴🟡 | 🔴🟡 | 🟡 |

🟢 Advantage 🟡 Neutral / Average 🔴 Potential Disadvantage

*Industrial Processing Fluid Market Perspective*

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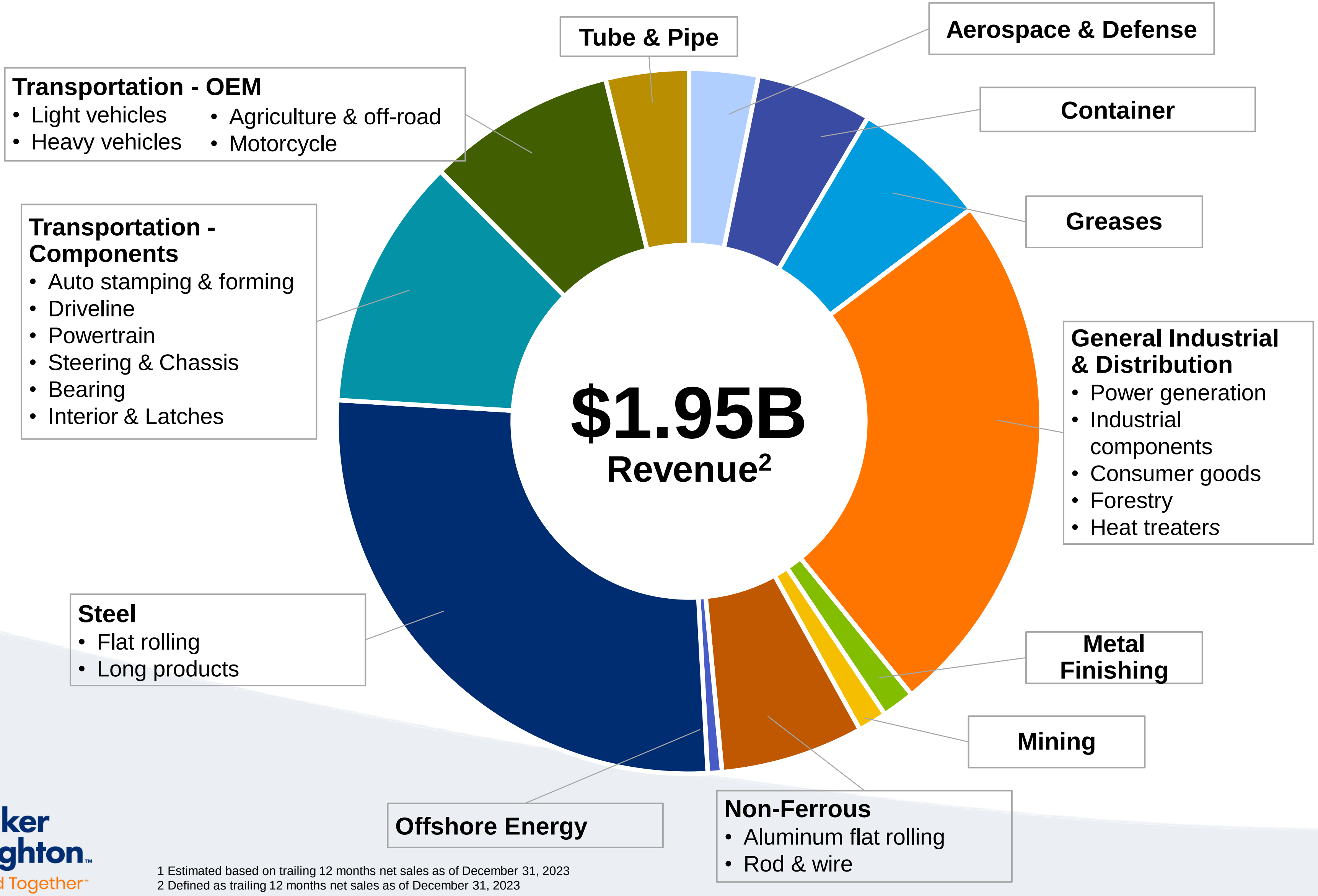
Source: Quaker Houghton management estimates

# Diversified End Markets[1]

## QH Continues to Expand Addressable Markets




1 Estimated based on trailing 12 months net sales as of December 31, 2023
2 Defined as trailing 12 months net sales as of December 31, 2023

# Market Leader with Significant Opportunities to Grow

| | > $13B Addressable Market | QH Market Share[2] | Strategic Segments |
|---|---|---|---|
| **PRIMARY METALS** | **$1.4B** | ~ 35% | • Steel<br>• Non-Ferrous |
| **METALWORKING**<br>Mid-large size customers | **$3.7B** | < 15% | • Transportation – OEM<br>• Transportation – Components<br>• Aerospace & Defense<br>• Tube & Pipe |
| **METALWORKING**<br>Small-mid size customers | **$5.4B** | < 10% | • General Industrial<br>• Indirect Channel |
| **GLOBAL SPECIALTY BUSINESSES** | **$2.1B[1]** | < 15% | • Global Specialty Segment |

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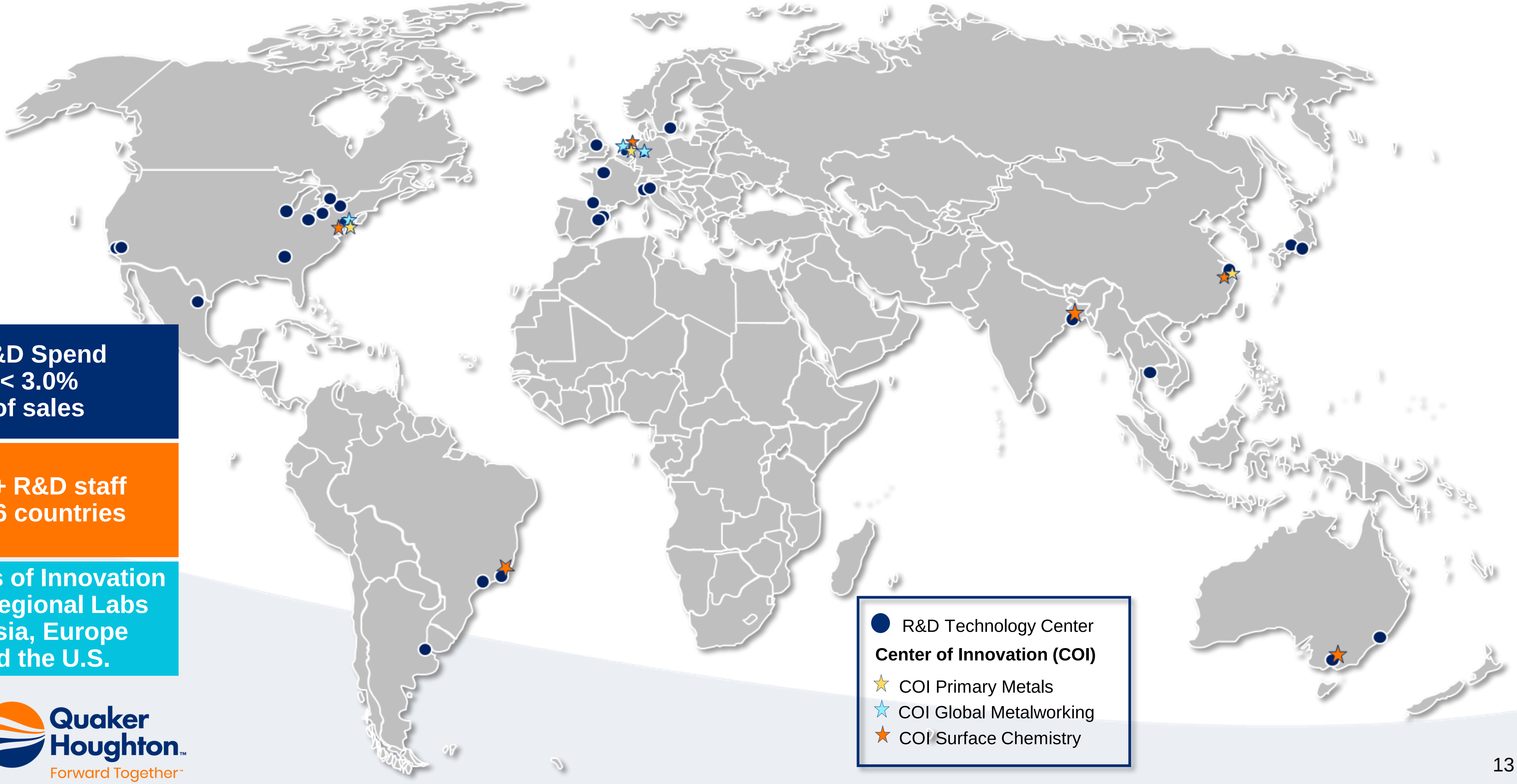
Source: 1. Quaker Houghton management and Charles River Associates estimates, Kline, Grandview, LEK.
Source: 2. Assessment based on management estimates of current target addressable markets within larger segments (coatings, plating, grease, mining).

# Quaker Houghton is the Industry’s R&D Leader




**R&D Spend**
**< 3.0%**
**of sales**

**320+ R&D staff**
**in 16 countries**

**Centers of Innovation and Regional Labs in Asia, Europe and the U.S.**

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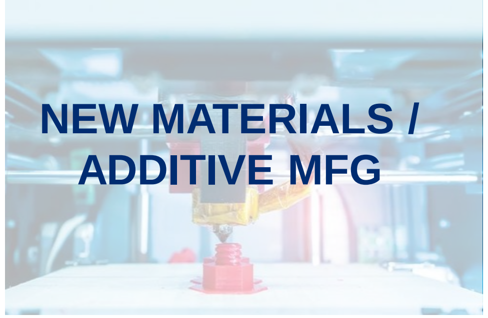
# Well-Positioned to Address Market Trends

**TECHNOLOGY ADVANCEMENT**






**CLIMATE CHANGE / SUSTAINABILITY**

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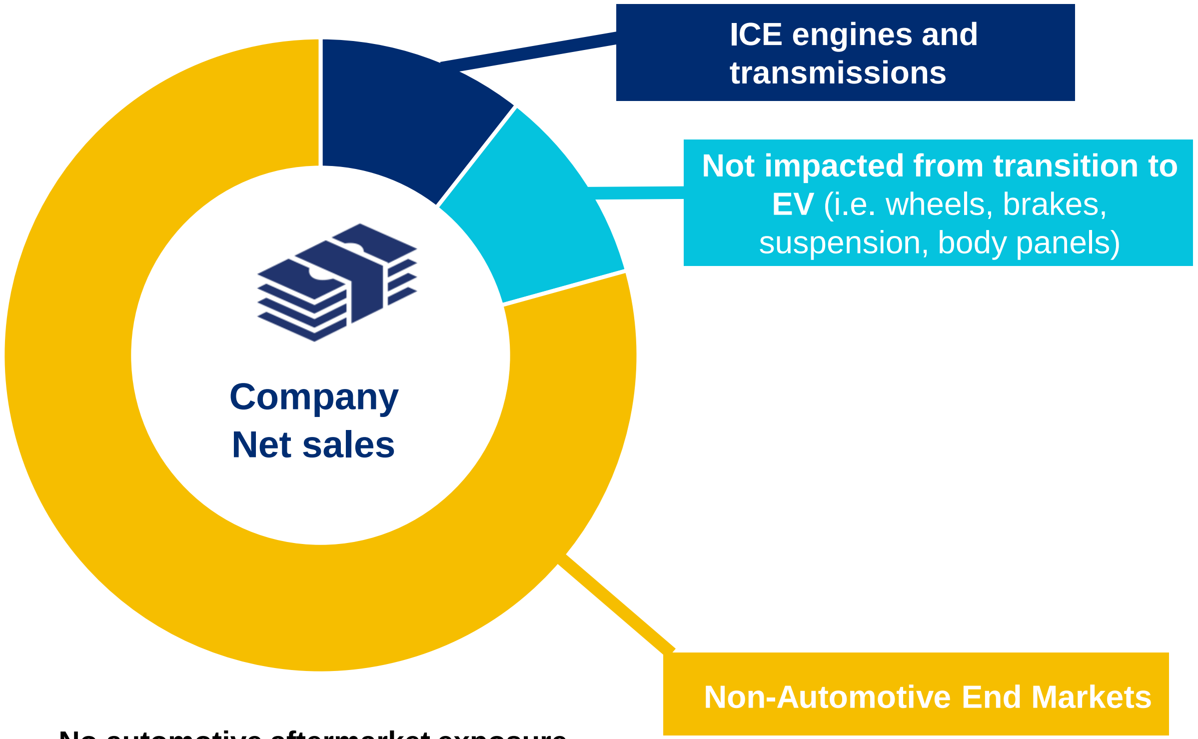
# Electric Vehicle ("EV") Overview

- **~11% of sales are tied to automotive engines and transmissions**
- **Mix of future growth in Hybrid Vehicles ("HEV") vs. Full Battery Vehicles ("BEV") will drive impact:**
  - **<u>Positive:</u> More fluids (+20%) are used in HEVs versus Internal Combustion Engines ("ICE")**
  - **<u>Negative:</u> Less fluids (-25%) used in BEV compared to ICE**
- **We expect a 2-3% revenue growth CAGR through 2030[1] in our business in the powertrain part of the automotive market**

**~20% of net sales are directly related to Automotive / Transportation sector**




**No automotive aftermarket exposure**
(i.e. engine oils, transmission fluids)

[1] 2020-2030 growth CAGR; assumes BEV/HEV/ICE production and market penetration at rates forecasted by IHS Markit in April 2021

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# Data and Equipment Solutions: Complement Existing Product Portfolio

# Sustainability Is Core To Our Business

# How We Strengthen Our Sustainable Business Practices


| | 2030 Goals* | Highlights |
|---|---|---|
| **Innovating** | **100%** of finished goods not classified as CMR | **97.8%** finished goods not classified as CMR hazards |
| **Protecting** | **CARBON NEUTRAL** In our operations (Scope 1 and 2) | **52%** of global electricity is sourced by renewable or zero carbon energy |
| **Empowering** | **0** serious injuries | **40%** reduction in TRIR from 2020-2022; our TRIR is well below industry standard |
| **Sourcing** | **75%** of our suppliers that exceed our performance threshold | **30%** of our palm oil is fully segregated through the RSPO |

*An extensive list of goals can be found at quakerhoughton.com/sustainability.
RSPO: Roundtable on Sustainable Palm Oil
TRIR: Total recordable incident rate
CMR: Carcinogenic, mutagenic and reprotoxic hazards

# How We Enable Our Customers To Achieve Their Ambitions


| | | |
|---|---|---|
| **Responsible Suppliers** | **53** | EcoVadis rating, better than 61% of companies assessed |
| **Waste** | **21k** | metric tons of waste avoided or reduced at QH FLUIDCARE ™ customer locations |
| **Water** | **50%** | water consumption reduction at one automotive customer*, by converting from a competitor solution |
| **Energy** | **41%** | reduction in gas consumption at one beverage customer* while using our ambient temperature cleaner |
| **Human Health** | **44%** | reduction in consumption of MBM** across EMEA |
| **Carbon Footprint** | **7%** | of raw materials are re-refined, and 25% are renewable |

*MBM - Methylenebismorpholine. This raw material is a formaldehyde - releasing biocide labeled as a Category 1 carcinogen.
* In application benefit may vary based on customer set up

# Our Plan For Continued Growth

- **Market leader** with **significant opportunities** for organic growth
- **Advancing enterprise strategy** and contemporizing enterprise to **further unlock growth potential**
- Well positioned to capitalize on macro trends including **electrification, digitization**, **sustainability** and an expected **increased regulatory environment**
- We are in **markets** that are expected to **grow at an annual rate of 1-3%** over time
- Differentiated **customer intimate** business model accelerates **growth 2-4% above market** primarily due to new business wins and high customer retention
- Continue to pursue strategic **acquisitions** to complement organic growth

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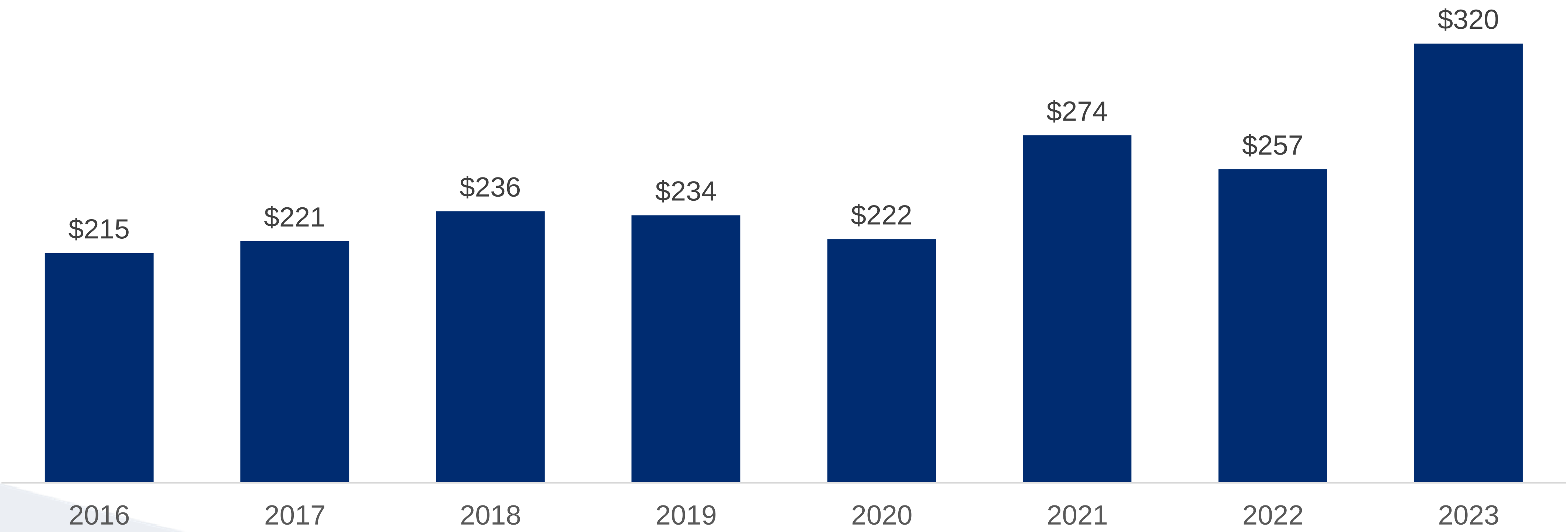
# Annual Adjusted EBITDA Trend[1]

***(dollars in millions)***




Strong execution on financial and operational priorities amid a challenging end market environment

[1] Results presented above for 2020, 2021, 2022 and TTM are the actual results for Quaker Houghton, all other years are pro forma results

# Balanced Capital Allocation Strategy

## Supported by Strong Cash Flow Generation

| Capital Structure | Capex | Organic Investments | Acquisitions | Return to Shareholders |
|---|---|---|---|---|
| ≤ 2.5x net leverage target | Asset lite business with CAPEX of 1.5% - 2.5% of sales | Invest in Productivity and Profitability Initiatives | Accretive M&A To Support Growth Strategy | >50 years of dividends<br><br>Return excess cash to shareholders |

**Balanced capital allocation strategy to deliver long-term value for shareholders**

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# Advancing the Proven Growth Strategy of Quaker Houghton

**We are confident in our ability to deliver long-term shareholder value**

1. Industry leading safety performance and an engaged workforce
2. Advance our differentiated customer intimate business model
3. Maximize the benefits of our scale, footprint and R&D competencies
4. Achieve our long-term growth and adjusted EBITDA margin targets
5. Generate strong free cash flow and maintain balance sheet flexibility
6. Execute on strategic acquisitions to enhance our technology portfolio
7. Achieve our aggressive stated sustainability and ESG targets

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# Appendix

## *Actual and Non-GAAP Results*

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# Adjusted EBITDA Reconciliation

## *(dollars in thousands)*

| | FY 2023 | FY 2022 | FY 2021 | FY 2020 |
|---|---|---|---|---|
| Net income attributable to Quaker Chemical Corporation | $ 112,748 | $ (15,931) | $ 121,369 | $ 39,658 |
| Depreciation and amortization | 83,020 | 81,514 | 87,728 | 84,494 |
| Interest expense, net | 50,699 | 32,579 | 22,326 | 26,603 |
| Taxes on income before equity in net (loss) income of associated companies | 55,585 | 24,925 | 34,939 | (5,296) |
| EBITDA | $ 302,052 | $ 123,087 | $ 266,362 | $ 145,459 |
| Equity income (loss) in a captive insurance company | (2,090) | 1,427 | (4,993) | (1,151) |
| Combination, integration and other acquisition-related expenses | (475) | 10,990 | 20,151 | 35,305 |
| Strategic planning expenses | 4,704 | 14,446 | - | - |
| Restructuring and related charges | 7,588 | 3,163 | - | - |
| Executive transition costs | 688 | 2,813 | 2,986 | - |
| Pension and postretirement benefit (income) costs, non-service components | 2,033 | (1,704) | (759) | 21,592 |
| Russia-Ukraine conflict related expenses | - | 2,487 | - | - |
| Currency conversion impacts of hyper-inflationary economies | 7,849 | 1,617 | 564 | - |
| Loss on extinguishment of debt | - | 6,763 | - | - |
| Facility remediation (recovery) costs, net | (2,141) | (1,804) | 2,066 | - |
| Impairment charges | - | 93,000 | - | 38,000 |
| Gain on changes in insurance settlement restrictions of an inactive subsidiary and related insurance insolvency recovery | - | - | - | (18,144) |
| Brazilian non-income tax credits | - | - | (13,087) | - |
| Other charges | 171 | 865 | 819 | 913 |
| Adjusted EBITDA | $ 320,379 | $ 257,150 | $ 274,109 | $ 221,974 |
| Adjusted EBITDA Margin (%) | 16.4% | 13.2% | 15.6% | 13.0% |
| | | | | |
| Adjusted EBITDA | $ 320,379 | $ 257,150 | $ 274,109 | $ 221,974 |
| Less: Depreciation and amortization - adjusted | 83,020 | 81,514 | 87,002 | 83,732 |
| Less: Interest expense, net | 50,699 | 32,579 | 22,326 | 26,603 |
| Less: Taxes on income before equity in net income of associated companies - adjusted | 49,017 | 37,737 | 41,976 | 26,488 |
| Non-GAAP Net Income | $ 137,643 | $ 105,320 | $ 122,805 | $ 85,151 |

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# Full Year 2019 Pro Forma Reconciliation

*(dollars in millions)*

| | 2019 | | | | |
|---|---|---|---|---|---|
| | Quaker | Houghton | Divestitures | Other (a) | Pro Forma* |
| Net sales | $ 1,134 | $ 475 | $ (34) | $ (13) | $ 1,562 |
| Net Income (Loss) Attributable to Quaker Houghton | $ 32 | $ (3) | $ (6) | $ 10 | $ 33 |
| Depreciation and Amortization | 45 | 31 | - | 3 | 77 |
| Interest Expense, Net | 17 | 33 | - | (15) | 35 |
| Taxes on Income (b) | 2 | (1) | (2) | 3 | 2 |
| EBITDA* | 96 | 60 | (8) | 1 | 148 |
| Combination, Integration and Other Acquisition-Related Expenses | 35 | 44 | - | - | 80 |
| Gain on the Sale of Divested Assets | - | (35) | - | - | (35) |
| Fair Value Step Up of Houghton and Norman Hay Inventory Sold | 12 | - | - | - | 12 |
| Restructuring and Related Charges | 27 | - | - | - | 27 |
| Other Addbacks (c) | 3 | (0) | - | - | 3 |
| Adjusted EBITDA* | $ 173 | $ 68 | $ (8) | $ 1 | $ 234 |
| Adjusted EBITDA Margin* (%) | 15% | 14% | 24% | -4% | 15% |

* Certain amounts may not calculate due to rounding, including EBITDA, Adjusted EBITDA, Adjusted EBITDA margin (%) as well as the total pro forma financial results presented for combined Quaker Houghton.

(a) Other includes: (i) additional depreciation and amortization expense based on the initial estimates of fair value step up and estimated useful lives of depreciable fixed assets, definite-lived intangible assets and investment in associated companies acquired; (ii) adoption of required accounting guidance and alignment of related accounting policies; (iii) elimination of transactions between Quaker and Houghton; and (iv) an adjustment to interest expense, net, to reflect the impact of the new financing and capital structure of the combined Company.

(b) Taxes on income related to both Divestitures and Other reflect each tax effected at the U.S. federal tax rate of 21%.

(c) Other addbacks include equity income in a captive insurance company, pension and postretirement benefit costs, non-service components, customer bankruptcy costs, insurance insolvency recoveries and currency conversion impacts of hyper-inflationary economies.

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# Full Year 2018 Pro Forma Reconciliation

## *(dollars in millions)*

| | 2018 | | | | |
|---|---|---|---|---|---|
| | Quaker | Houghton | Divestitures | Other (a) | Pro Forma* |
| Net sales | $ 868 | $ 861 | $ (53) | $ (22) | $ 1,655 |
| Net Income (Loss) Attributable to Quaker Houghton | $ 59 | $ (0) | $ (9) | $ 17 | $ 66 |
| Depreciation and Amortization | 20 | 54 | - | 5 | 79 |
| Interest Expense, Net | 4 | 56 | - | (25) | 35 |
| Taxes on Income (b) | 25 | 3 | (2) | 5 | 30 |
| EBITDA* | 108 | 113 | (12) | 1 | 210 |
| Combination, Integration and Other Acquisition-Related Expenses | 16 | 7 | - | - | 23 |
| Other Addbacks (c) | 1 | 2 | - | - | 3 |
| Adjusted EBITDA* | $ 126 | $ 121 | $ (12) | $ 1 | $ 236 |
| Adjusted EBITDA Margin* (%) | 14% | 14% | 23% | -4% | 14% |

* Certain amounts may not calculate due to rounding, including EBITDA, Adjusted EBITDA, Adjusted EBITDA margin (%) as well as the total pro forma financial results presented for combined Quaker Houghton.

(a) Other includes: (i) additional depreciation and amortization expense based on the initial estimates of fair value step up and estimated useful lives of depreciable fixed assets, definite-lived intangible assets and investment in associated companies acquired; (ii) adoption of required accounting guidance and alignment of related accounting policies; (iii) elimination of transactions between Quaker and Houghton; and (iv) an adjustment to interest expense, net, to reflect the impact of the new financing and capital structure of the combined Company.

(b) Taxes on income related to both Divestitures and Other reflect each tax effected at the U.S. federal tax rate of 21%.

(c) Other addbacks include currency conversion impacts on hyper-inflationary economies, a gain on the liquidation of an inactive legal entity and charges related to non-recurring non-income tax and VAT charges.

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# Full Year 2017 Pro Forma Reconciliation

*(dollars in millions)*

| | 2017 | | | | |
|---|---|---|---|---|---|
| | Quaker | Houghton | Divestitures | Other (a) | Pro Forma* |
| Net Income (Loss) Attributable to Quaker Houghton | $ 20 | $ (47) | $ (9) | $ 9 | $ (26) |
| Depreciation and Amortization | 20 | 55 | - | 5 | 80 |
| Interest Expense, Net | 1 | 51 | - | (16) | 37 |
| Taxes on Income (b) | 42 | 42 | (2) | 2 | 84 |
| EBITDA* | 83 | 102 | (11) | 0 | 175 |
| Equity Income in a Captive Insurance Company | (3) | - | - | - | (3) |
| Combination, Integration and Other Acquisition-Related Expenses | 30 | 10 | - | - | 40 |
| Pension and Postretirement Benefit Costs, Non-Service Components | 4 | (1) | - | - | 4 |
| Cost Reduction Activities | 0 | 2 | - | - | 2 |
| Loss on Disposal of Held-for-Sale Asset | 0 | - | - | - | 0 |
| Insurance Insolvency Recovery | (1) | - | - | - | (1) |
| Affiliate Management Fees | - | 2 | - | - | 2 |
| Non-Income Tax Settlement Expense | - | 1 | - | - | 1 |
| Other Addbacks (c) | 0 | 0 | - | - | 1 |
| Adjusted EBITDA* | $ 115 | $ 116 | $ (11) | $ 0 | $ 221 |
| Adjusted EBITDA Margin* (%) | 14% | 15% | 20% | 0% | 14% |

* Certain amounts may not calculate due to rounding, including EBITDA, Adjusted EBITDA, Adjusted EBITDA margin (%) as well as the total pro forma financial results presented for combined Quaker Houghton.

(a) Other includes estimated increases to depreciation and amortization due to purchase accounting fair value adjustments and a reduction of interest expense based on the average borrowings of the period plus the purchase consideration under the Quaker Houghton facility estimated interest rates.

(b) Taxes on income related to both Divestitures and Other reflect each tax effected at the U.S. federal tax rate of 21%.

(c) Other addbacks includes charges related to inventory fair value step up adjustments in the Wallover acquisition, currency conversion impacts of hyper-inflationary economies and other non-recurring charges.

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# Full Year 2016 Pro Forma Reconciliation

## *(dollars in millions)*

| | 2016 | | | | |
|---|---|---|---|---|---|
| | Quaker | Houghton | Divestitures | Other (a) | Pro Forma* |
| Net Income (Loss) Attributable to Quaker Houghton | $ 61 | $ (37) | $ (8) | $ 7 | $ 23 |
| Depreciation and Amortization | 20 | 55 | - | 5 | 80 |
| Interest Expense, Net | 1 | 51 | - | (14) | 37 |
| Taxes on Income (b) | 23 | (5) | (2) | 2 | 18 |
| EBITDA* | 105 | 64 | (10) | 0 | 158 |
| Equity Income in a Captive Insurance Company | (2) | - | - | - | (2) |
| Combination, Integration and Other Acquisition-Related Expenses | 2 | 3 | - | - | 5 |
| Pension and Postretirement Benefit Costs, Non-Service Components | 2 | (1) | - | - | 1 |
| Cost Reduction Activities | - | 4 | - | - | 4 |
| Impairment of Goodwill and Intangible Assets | - | 41 | - | - | 41 |
| Affiliate Management Fees | - | 2 | - | - | 2 |
| Non-Income Tax Settlement Expense | - | 2 | - | - | 2 |
| Full-Year Impact of Wallover Acquisition | - | 3 | - | - | 3 |
| Other Addbacks (c) | (0) | 1 | - | - | 1 |
| Adjusted EBITDA* | $ 107 | $ 119 | $ (10) | $ 0 | $ 215 |
| Adjusted EBITDA Margin* (%) | 14% | 16% | 22% | 0% | 15% |

* Certain amounts may not calculate due to rounding, including EBITDA, Adjusted EBITDA, Adjusted EBITDA margin (%) as well as the total pro forma financial results presented for combined Quaker Houghton.

(a) Other includes estimated increases to depreciation and amortization due to purchase accounting fair value adjustments and a reduction of interest expense based on the average borrowings of the period plus the purchase consideration under the Quaker Houghton facility estimated interest rates.

(b) Taxes on income related to both Divestitures and Other reflect each tax effected at the U.S. federal tax rate of 21%.

(c) Other addbacks includes a charge related to a legal settlement, a charge related to inventory fair value adjustments in the Wallover acquisition, offset by a gain on the sale of an asset, currency conversion impacts of hyper-inflationary economies and a restructuring credit.

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