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Quaker Houghton Investor Presentation

June 2021

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Risks and Uncertainties Statement

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 allows investors to better 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.

Forward-Looking Statements

This presentation contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, 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, including statements regarding the potential effects of the COVID-19 pandemic on the Company’s business, results of operations, and financial condition, our expectations that we will maintain sufficient liquidity and remain in compliance with the terms of the Company’s credit facility, statements regarding remediation of our material weaknesses in internal control over financial reporting on our current expectations about future events, 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, including but not limited to the potential benefits of the Combination and other acquisitions, the impacts on our business as a result of the COVID-19 pandemic and any projected global economic rebound or anticipated positive results due to Company actions taken in response to the pandemic, and our current and future results and plans and statements that include the words "may," "could," "should," "would," "believe," "expect," "anticipate," "estimate," "intend," "plan" or similar expressions. These forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those projected in such statements. 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 shutdowns, including as is currently being experiences by many automotive industry companies. Other major risks and uncertainties include, but are not limited to, the primary and secondary impacts of the COVID-19 pandemic, including actions taken in response to the pandemic by various governments, which could exacerbate some or all of the other risks and uncertainties faced by the Company, including the potential for significant increases in raw material costs, supply chain disruptions, customer financial instability, worldwide economic and political disruptions, foreign currency fluctuations, significant changes in applicable tax rates and regulations, future terrorist attacks and other acts of violence. Furthermore, the Company is subject to the same business cycles as those experienced by our customers in the steel, automobile, aircraft, industrial equipment, and durable goods industries. The ultimate impact of COVID-19 on our business will depend on, among other things, the extent and duration of the pandemic, the severity of the disease and the number of people infected with the virus, the continued uncertainty regarding availability, administration and long-term efficacy of a vaccine, or other treatments, including on new strands or mutations of the virus, the continued uncertainty regarding global availability, administration acceptance and long-term efficacy of vaccines, or other treatments for COVID-19 or its variants, the longer-term effects on the economy by the pandemic, including the resulting market volatility, and by the measures taken by governmental authorities and other third parties restricting day-to-day life and business operations and the length of time that such measures remain in place, as well as laws and other governmental programs implemented to address the pandemic or assist impacted businesses, such as fiscal stimulus and other legislation designed to deliver monetary aid and other relief. Other factors could also adversely affect us, including those related to the Combination and other acquisitions and the integration of acquired businesses. 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 presentation, including expectations about the improvements in business conditions during 2021 and future periods, are based upon information available to the Company as of the date of this presentation, 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, 2020, 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.

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Quaker Houghton.

Combination of Two Iconic Companies Specializing in Industrial Process Fluids.

Quaker Chemical 1918
Houghton International 1865
Headquartered in PA

~15k customers

~4k colleagues

$1.4b 2020 net sales

115+ countries served around the world

31 manufacturing locations

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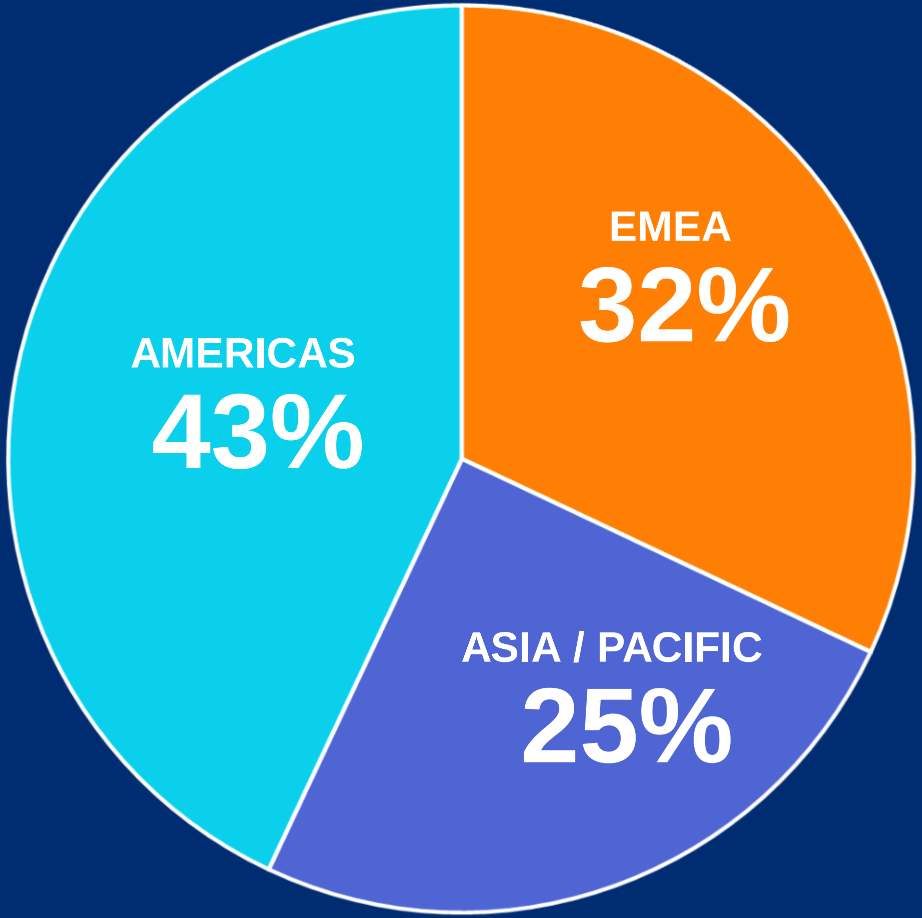
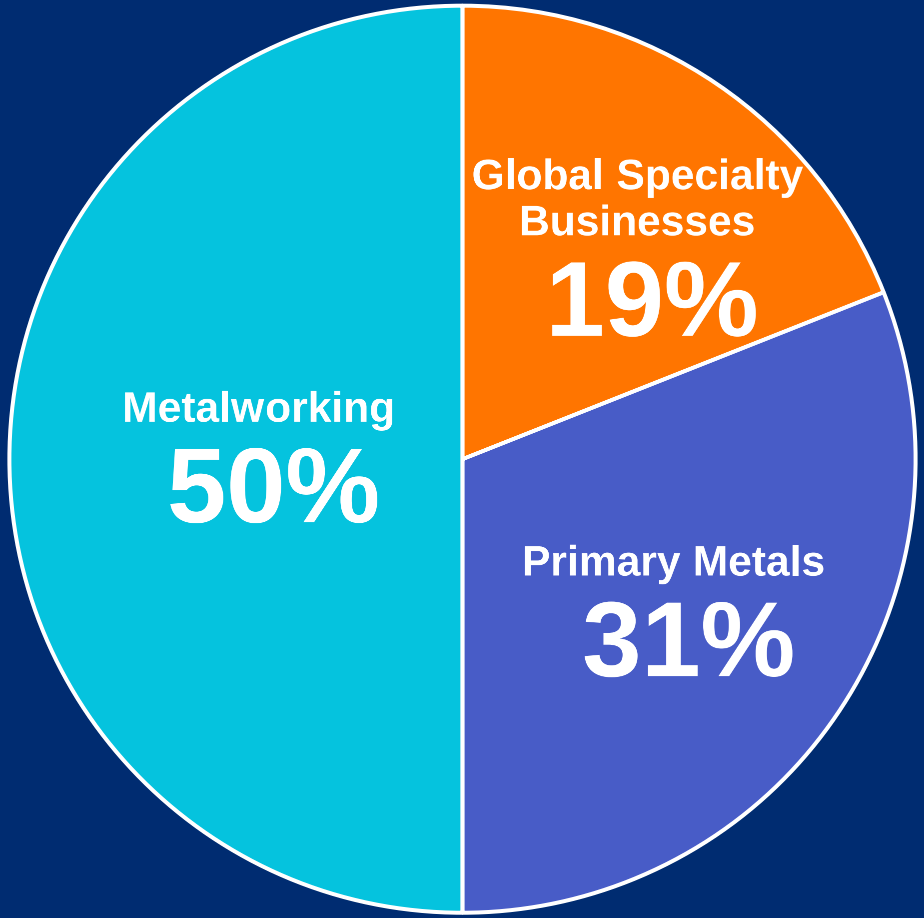
Quaker Houghton: Leading Global Supplier of Industrial Process Fluids with 2020 Net Sales of $1.4B

Geographic and Product Snapshot





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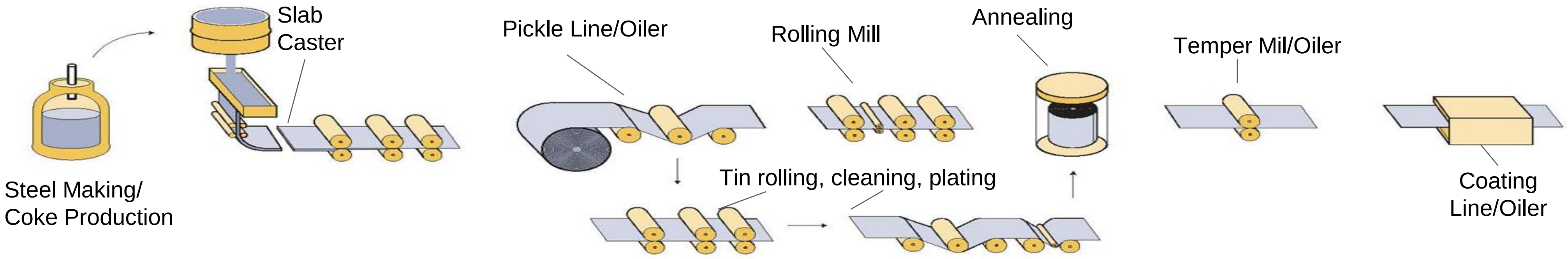
Quaker Houghton: Value Proposition for Primary Metals

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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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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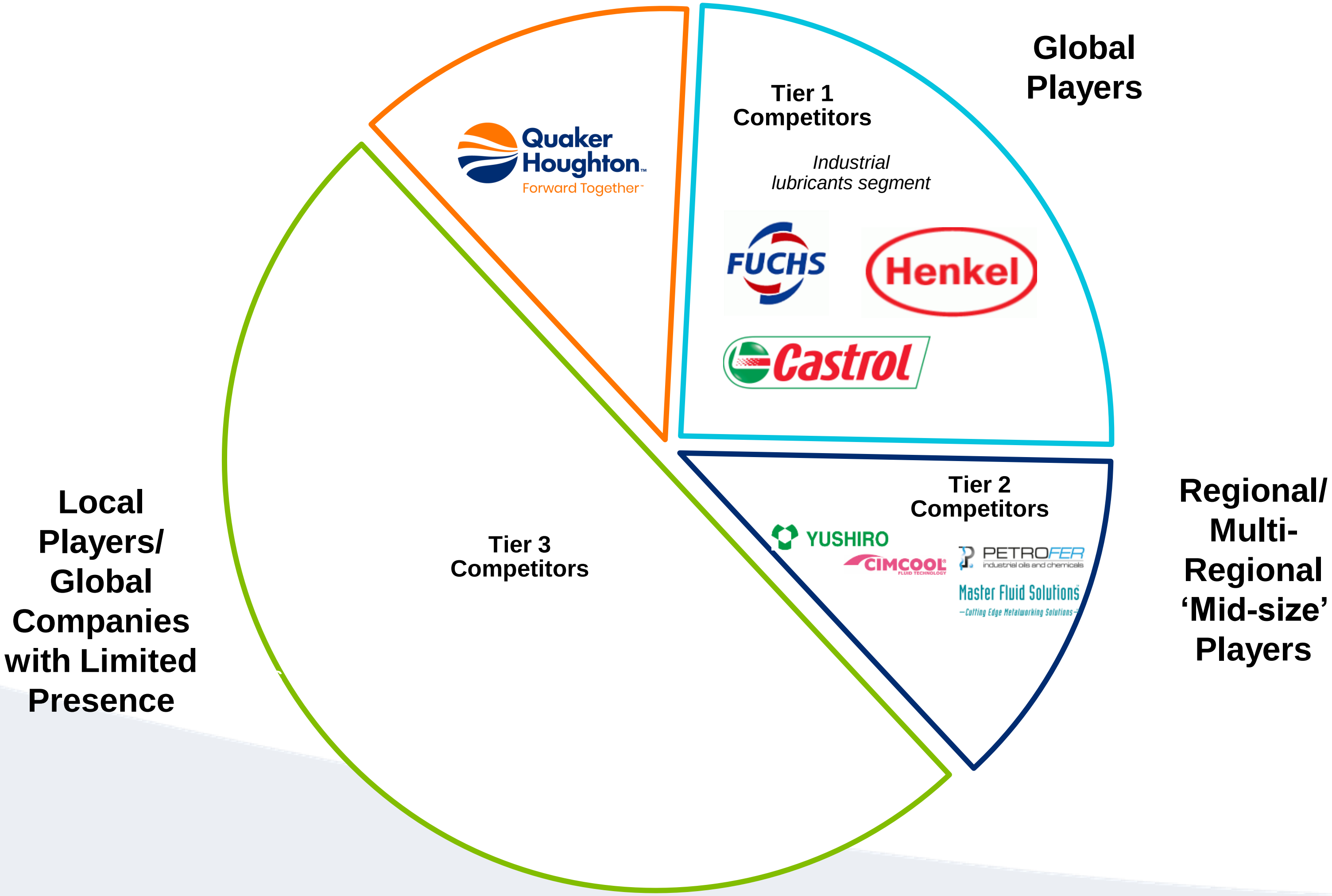
Competitive Landscape: Only Global Pure Play in Our Addressable Markets

~$13B Addressable Market



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, Master Fluid 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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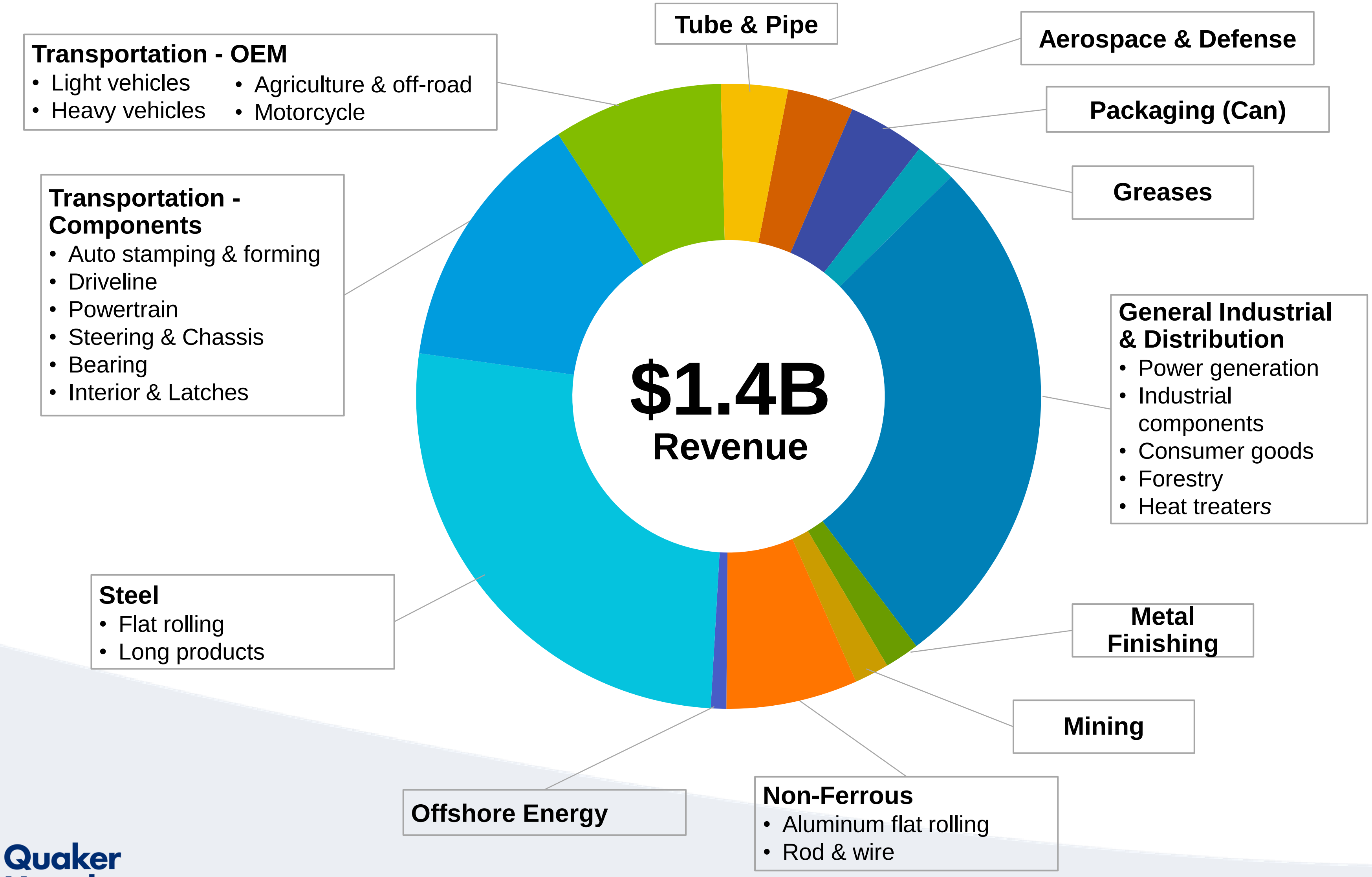
Diversified End Markets

QH Continues to Expand Addressable Markets



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~13% Market Share in ~$13B Addressable Market

Significant Opportunities to Grow

~$12.6B Addressable Market		QH Market Share[2]	Strategic Segments
PRIMARY METALS	**$1.4B**	~38%	• Steel • Non-Ferrous
METALWORKING Mid-large size customers	**$3.7B**	~13%	• Transportation – OEM • Transportation – Components • Aerospace & Defense • Tube & Pipe
METALWORKING Small-mid size customers	**$5.4B**	~7%	• General Industrial • Indirect Channel
GLOBAL SPECIALTY BUSINESSES	**$2.1B[1]**	~13%	• Global Specialty Segment

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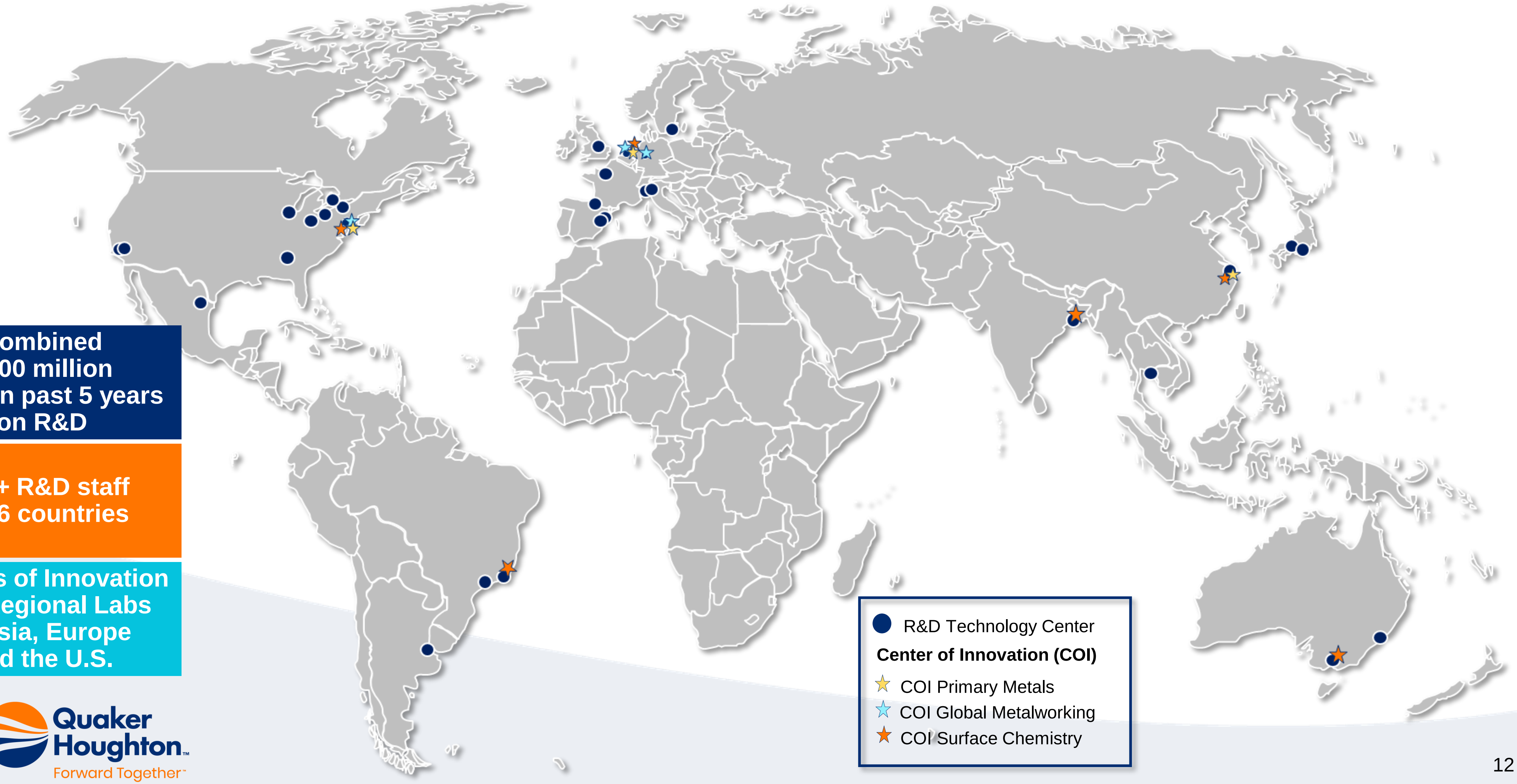
Source: 1. Quaker Houghton management and Charles River Associates estimates, Kline, Grandview, LEK.
Source: 2. Assessment based on management estimates of current target addressable markets within larger segments (coatings, plating, grease, mining).

Quaker Houghton is the Industry's R&D Leader

Combined
$200 million
spent in past 5 years
on R&D

320+ R&D staff
in 16 countries

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



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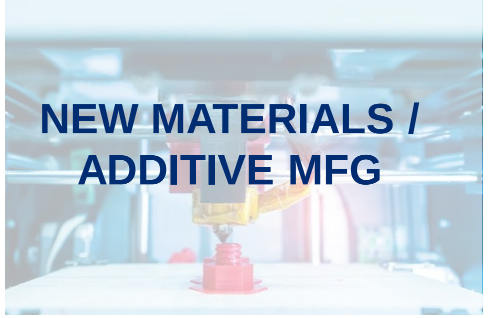
Well-Positioned to Address Market Trends

TECHNOLOGY ADVANCEMENT



CLIMATE CHANGE / SUSTAINABILITY

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Data and Equipment Solutions: Complement Existing Product Portfolio

Growing Pipeline of Customer Opportunities and Interest

EATON
FCA FIAT CHRYSLER AUTOMOBILES
WALKER DIE CASTING, INC.
BOEING
Ford
Allison Transmission
Danfoss
ARCONIC Innovation, engineered.
GKN

Our Plan to Grow

- Mid-teens **market share** allows plenty of **room to grow**
- Combination provides unique opportunities to **cross-sell** products to **expanded customer base** and **end markets**
- Well positioned to take advantage of macro trends like **electrification, digitization**, and an expected **increased regulatory environment**
- We are in **markets** that are expected to **grow at a rate of 1-3%** over time
- Differentiated **customer intimate** business model will enable **share gains above market at 2-4%** into the future
- Continue to pursue strategic **acquisitions**

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Impact of COVID-19

- Top priority continues to be to protect the health and safety of our employees and our customers, while working to ensure business continuity to meet customers' needs

- All 31 production facilities worldwide are open and operating

- Acted quickly to conserve cash and reduce costs during 2020, including eliminating discretionary spending, hiring freezes, selective furloughs and planned capital expenditures reduced by 30%

- Operating cash flow during 2020 was a record $178 million; have not had and do not expect any liquidity or bank covenant issues

- Expect continued improvement in our markets as we progress through the next two years and get back to pre-COVID-19 volume levels

- In 2021, we expect to see at least a 20+% increase in Adjusted EBITDA compared to 2020

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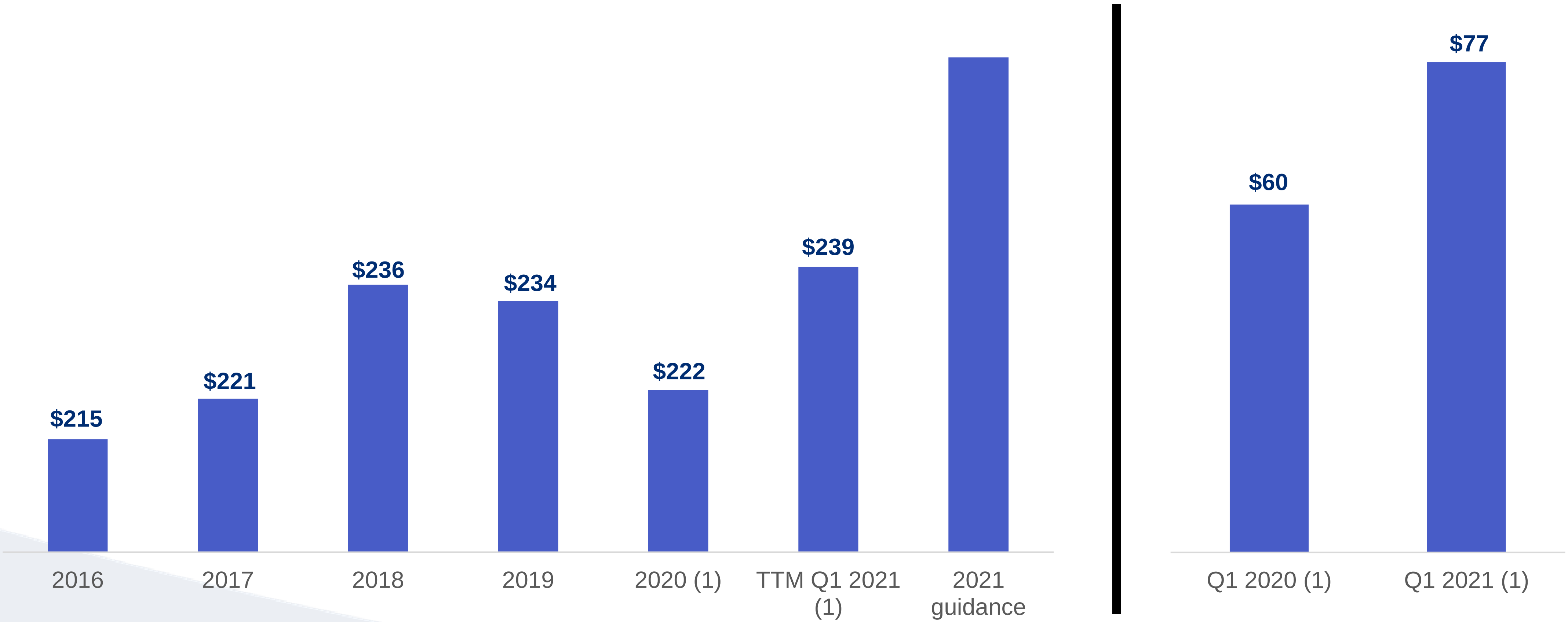
Adjusted EBITDA Trend

(dollars in millions)



Record quarter and TTM adjusted EBITDA; Still expect FY’21 to be at least 20%+ above FY’20

(1) Results presented above for 2020 and 2021 are the actual results for Quaker Houghton, all other years are pro forma results

Balanced Capital Allocation Strategy

Supported by Strong Free Cash Flow with adjustments for COVID-19

Capital Structure	**Net Leverage Target ≤ 2.5x**	Post COVID-19 focus on reducing leverage while maintaining strong liquidity and compliance with bank covenants
Capex	**Houghton Integration**	Post COVID-19 reduction in capex to $18 million in 2020; expect 2021 to be approximately $30 – $35 million; preserves integration related capex
	Long-term	~1.5% of sales after integration plan completed in ~ two years
Return to Shareholders	**Dividends**	Maintain/increase dividends consistent with Quaker's practice over 48 years
	Share Repurchase	Return excess cash to shareholders through opportunistic buybacks
Acquisitions	**Support Growth Strategy**	Bolt-ons will support core growth near term; larger opportunities considered post leverage reduction in ~ two years

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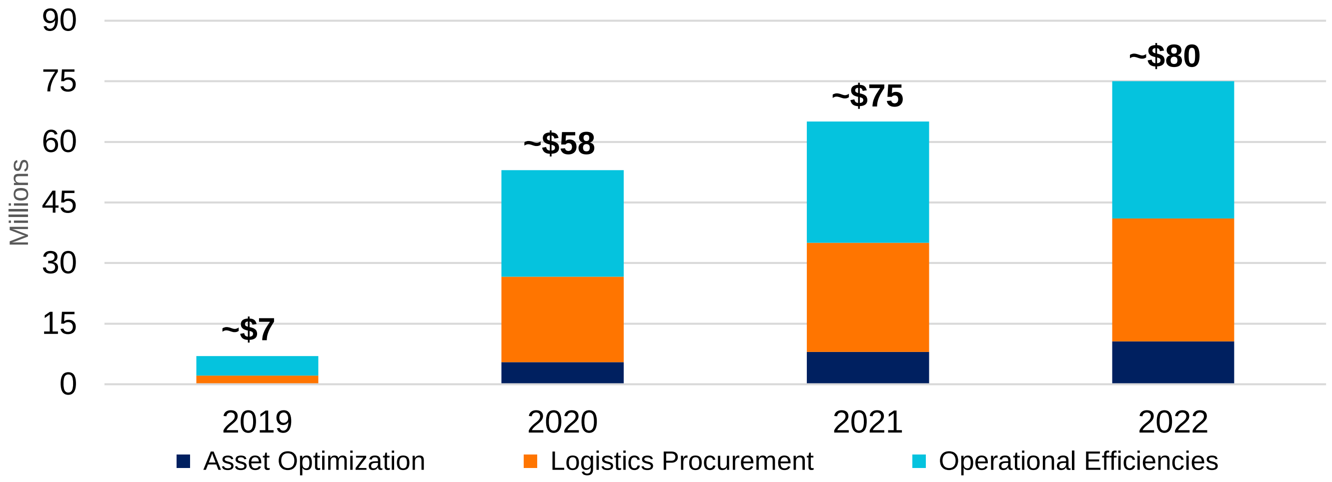
Estimated Cost Synergies Increased

Estimated Synergy Realization Timing



Synergy Updates

- Realized ~$7 million in 2019 and ~$58 million in 2020 (up from initial estimate of $35 million)
- Continues to expect to achieve synergies of ~$75 million in 2021 (up from $50 million) and ~$80 million in 2022 (up from $60 million)

Sources of Synergy

Asset Optimization (~15%)

- Manufacturing footprint optimization
- Optimize IT platforms

Logistics & Procurement (~40%)

- Raw material purchasing
- Freight / warehousing
- Ester production

Operational Efficiencies (~45%)

- Organizational redundancies
- Non-labor cost savings

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Success: What Does it Look Like?

We are highly confident in our ability to deliver our Integration Plan

1. We will have industry leading safety performance
2. We will have retained our customers
3. We will have achieved our targets and increased Adjusted EBITDA margin by ~4% pts
4. We will be growing above the market by 2 to 4%
5. We will have reduced our debt to targeted level of ≤ 2.5x net debt to Adjusted EBITDA
6. We will have made strategic “bolt-on” acquisitions and will be positioned for more sizable acquisitions by the end of our integration
7. We will have an engaged and happy workforce

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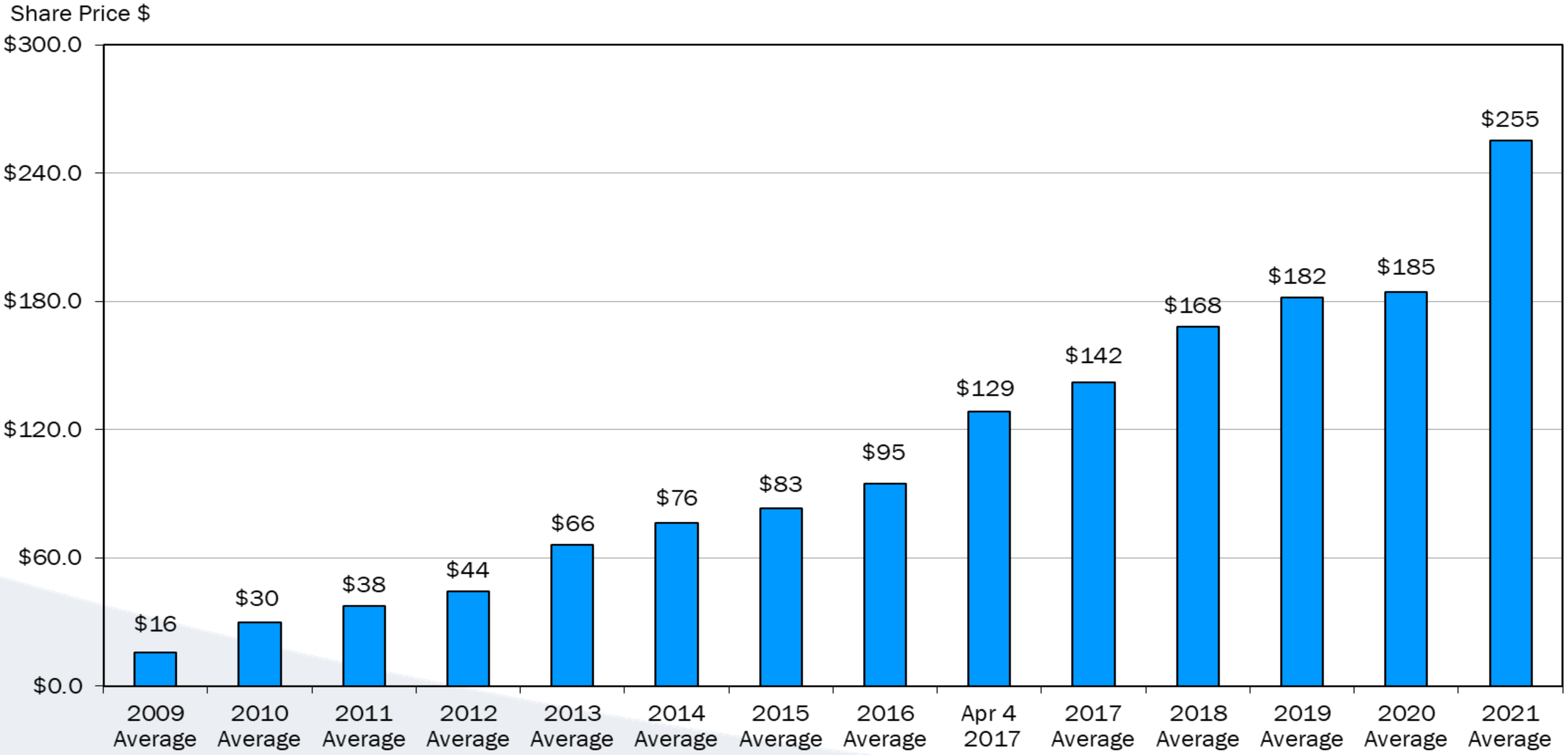
Creating Shareholder Value Is Our Priority



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Appendix

Actual and Non-GAAP Results

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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, non-GAAP earnings per diluted share, and pro forma net sales, net income (loss) attributable to Quaker Houghton, EBITDA, adjusted EBITDA, and adjusted EBITDA margin. 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 and pro forma information are presented for supplemental informational purposes only and should not be considered a substitute for the financial information presented in accordance with GAAP.

The Company presents EBITDA which is calculated as net income (loss) attributable to the Company before depreciation and amortization, interest expense, net, and taxes on income (loss) 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 analysts, investors, 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 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 analysts, investors, 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 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 2021 projected adjusted EBITDA growth for the Company, including as a result of our recent acquisitions, 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, as well as the impact of COVID-19. 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 following charts should be read in conjunction with the Company's fourth quarter and full year earnings news release dated February 25, 2021, 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, 2020 as well the first quarter earnings news release dated May 6, 2021, which has been furnished to the Securities and Exchange Commission on Form 8-K, and the Company's 10-Q for the quarter ended March 31, 2021. These documents may contain additional explanatory language and information regarding certain of the items included in the following reconciliations.

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Adjusted EBITDA Reconciliation

Trailing Twelve Months Q1 2021

(dollars in thousands)

	A Q1 2020	B Full Year 2020	C = B - A Last Nine Months 2020	D Q1 2021	E = C + D TTM Q1 2021
Net (loss) income attributable to Quaker Chemical Corporation	$ (28,381)	$ 39,658	$ 68,039	$ 38,615	$ 106,654
Depreciation and amortization	21,584	84,494	62,910	22,448	85,358
Interest expense, net	8,461	26,603	18,142	5,470	23,612
Taxes on (loss) income before equity in net income of associated companies	(13,070)	(5,296)	7,774	10,689	18,463
EBITDA	$ (11,406)	$ 145,459	$ 156,865	$ 77,222	$ 234,087
Equity loss (income) in a captive insurance company	327	(1,151)	(1,478)	(3,080)	(4,558)
Houghton combination, integration and other acquisition-related expenses	7,803	29,538	21,735	427	22,162
Restructuring and related charges	1,716	5,541	3,825	1,175	5,000
Fair value step up of acquired inventory sold	-	226	226	801	1,027
CEO transition costs	-	-	-	504	504
Inactive subsidiary's non-operating litigation costs	-	-	-	51	51
Customer bankruptcy costs	463	463	-	-	-
Indefinite-lived intangible asset impairment	38,000	38,000	-	-	-
Pension and postretirement benefit costs, non-service components	23,525	21,592	(1,933)	(124)	(2,057)
Gain on changes in insurance settlement restrictions of an inactive subsidiary and related insurance insolvency recovery	-	(18,144)	(18,144)	-	(18,144)
Currency conversion impacts of hyper-inflationary economies	51	450	399	172	571
Adjusted EBITDA	$ 60,479	$ 221,974	$ 161,495	$ 77,148	$ 238,643

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Appendix

Pro Forma Results

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.

Quaker Houghton
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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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