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

FORM 8-K

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

May 5, 2022
Date of Report (Date of earliest event reported)

QUAKER CHEMICAL CORPORATION

(Exact name of registrant as specified in its charter)

Commission File Number 001-12019

PENNSYLVANIA	**No. 23-0993790**
(State or other jurisdiction of incorporation)	(I.R.S. Employer Identification No.)

901 E. Hector Street
Conshohocken, Pennsylvania 19428
(Address of principal executive offices)
(Zip Code)

(610) 832-4000
(Registrant's telephone number, including area code)

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $1 par value	KWR	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

INFORMATION TO BE INCLUDED IN THE REPORT

Item 2.02. Results of Operations and Financial Condition.

On May 5, 2022, Quaker Chemical Corporation announced its results of operations for the first quarter ended March 31, 2022 in a press release, the text of which is included as Exhibit 99.1 hereto. Supplemental information related to the same period is also included as Exhibit 99.2 hereto.

Item 9.01. Financial Statements and Exhibits.

The following exhibits are included as part of this report:

Exhibit No.	Description
99.1	Press Release of Quaker Chemical Corporation dated May 5, 2022 (furnished herewith).
99.2	Supplemental Information related to the first quarter ended March 31, 2022 (furnished herewith).
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

SIGNATURE

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 hereunto duly authorized.

QUAKER CHEMICAL CORPORATION

Date: May 5, 2022

By: /s/ SHANE W. HOSTETTER
Shane W. Hostetter
Senior Vice President, Chief Financial Officer

NEWS
Contact: Jeffrey Schnell
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For Release: Immediate

QUAKER HOUGHTON ANNOUNCES FIRST QUARTER 2022 RESULTS

- Record net sales of $474.2 million increased 10% compared to 1Q21 driven by higher selling prices
- Reported net income of $19.8 million and earnings per diluted share of $1.11
- Delivered $60.4 million of adjusted EBITDA and $1.42 of non-GAAP earnings per diluted share

May 5, 2022

CONSHOHOCKEN, PA – Quaker Houghton (“the Company”) (NYSE: KWR), the global leader in industrial process fluids, today announced its first quarter 2022 results.

	Three Months Ended March 31,	
($ in millions, except per share data)	**2022**	**2021**
Net sales	$ 474.2	$ 429.8
Net income attributable to Quaker Chemical Corporation	19.8	38.6
Earnings per diluted share attributable to Quaker Chemical Corporation	1.11	2.15
Non-GAAP net income *	25.5	37.9
Non-GAAP earnings per diluted share *	1.42	2.11
Adjusted EBITDA *	60.4	77.1

** Refer to the Non-GAAP Measures and Reconciliations section below for additional information*

First Quarter 2022 Consolidated Results

First quarter 2022 net sales were a record of $474.2 million, an increase of 10% compared to $429.8 million in the prior year quarter primarily due to an increase in selling price and product mix of approximately 17% and additional net sales from acquisitions of 2%, slightly offset by a 6% decrease in organic sales volumes and a 3% unfavorable impact from foreign currency translation. The increase in selling price and product mix was primarily attributable to broad-based price increases in response to ongoing and unprecedented raw material and other supply chain-related inflationary pressures. The decline in organic sales volumes was primarily attributable to the comparison to a very strong first quarter of 2021, where customers replenished their supply chains due to the continued economic recovery from COVID-19 and, also, in the current quarter the Company experienced lower volumes related to the tolling agreement on previously divested products associated with the Quaker Houghton combination and lower sales volumes attributable to the war in Ukraine. The Company’s organic sales volumes increased approximately 3% compared to the fourth quarter of 2021, as continued new business wins were partially offset by the Company’s actions to strategically reduce volumes in accordance with its ongoing value-based pricing initiatives.

The Company generated net income in the first quarter of 2022 of $19.8 million or $1.11 per diluted share, compared to the prior year quarter net income of $38.6 million or $2.15 per diluted share. Excluding non-recurring and non-core items in each period, the Company’s first quarter of 2022 non-GAAP earnings per diluted share was $1.42 compared to $2.11 in the prior year quarter. The Company’s first quarter of 2022 adjusted EBITDA of $60.4 million declined compared to $77.1 million in the first quarter of 2021, as the increase in net sales was more than offset by lower gross margins primarily attributable to significant increases in raw material and other costs, compared to the prior year period. Sequentially, the Company’s adjusted EBITDA was relatively flat.

Andy Tometich, Chief Executive Officer and President, commented, "We delivered record net sales in the first quarter of 2022 while navigating through significant supply chain disruptions, geopolitical issues and unprecedented inflationary pressures. Despite these broad market challenges, we continued to drive growth in the quarter by emphasizing the value of our expertise and differentiated offering. Our selling prices increased 17% compared to the first quarter of 2021 as we push to offset persistent cost pressures and ultimately recover our margins.

Looking ahead, we are implementing further aggressive and strategic pricing actions to mitigate the current and expected inflationary pressures on our business. While significant uncertainty exists, notably due to pandemic-related restrictions in China and the ongoing war in Ukraine, we are encouraged by the favorable demand profile and our ability to capture price. We are confident in our strategy and focused on executing our value enhancing initiatives aimed at improving our profitability, delivering our growth potential and generating solid free cash flow."

First Quarter 2022 Segment Results

The Company's first quarter 2022 operating performance in each of its four reportable operating segments: (i) Americas; (ii) Europe, Middle East and Africa ("EMEA"); (iii) Asia/Pacific; and (iv) Global Specialty Businesses, reflect similar drivers to that of its consolidated performance. First quarter performance of the Company's operating segments are further described below.

	Three Months Ended March 31,	
	2022	2021
Net Sales*		
Americas	$ 154.1	$ 134.9
EMEA	125.7	119.8
Asia/Pacific	104.2	96.7
Global Specialty Businesses	90.1	78.4
Segment operating earnings*		
Americas	$ 29.2	$ 32.2
EMEA	16.8	25.2
Asia/Pacific	21.9	27.5
Global Specialty Businesses	25.0	24.2

** Refer to the Segment Measures and Reconciliations section below for additional information*

All four segments had higher net sales in the first quarter of 2022 compared to the first quarter of 2021, as each of the segments benefited from double-digit increases in selling price and product mix and additional net sales from acquisitions. By segment, organic sales volumes increased approximately 2% in Global Specialty Businesses compared to the prior year period, while the other segments all declined due to the impacts on volumes mentioned above, and the EMEA segment was also impacted by the unfavorable impact of foreign currency translation. Operating earnings from the Global Specialty Businesses increased compared to the prior year whereas the other segments declined due to continued raw material and other inflationary cost pressures impacting each segment's operating margins. All four segments had higher net sales in the first quarter of 2022 compared to the fourth quarter of 2021, as selling price benefitted all segments. All segments also had higher organic sales volumes except Asia/Pacific due to lower sequential activity in China.

Cash Flow and Liquidity Highlights

The Company had a net operating cash outflow of $6.3 million during the first quarter of 2022, an improvement compared to a net operating cash outflow of $12.6 million during the first quarter of 2021. The improvement was largely driven by improved working capital outflows compared to the prior year period despite higher inventory related to raw material cost increases.

As of March 31, 2022, the Company's total gross debt was $926.9 million and its cash and cash equivalents was $161.6 million. The Company's net debt was $765.3 million, and its net debt divided by its trailing twelve months adjusted EBITDA was approximately 3.0x as of March 31, 2022 compared to approximately 2.7x at year-end 2021. The increase in the Company's leverage ratio compared to year-end 2021 was primarily attributable to lower adjusted EBITDA year-over-year as described above.

Recent Acquisition Activity

During the first quarter of 2022, the Company completed two small acquisitions. The first acquisition was a business that provides pickling inhibitor technologies for the steel industry, drawing lubricants and stamping oil for the metalworking industry, as well as various other lubrication, rust preventative, and cleaner applications. The second acquisition was a business that provides sealing and impregnation of metal castings for the automotive sector, as well as impregnation resin and impregnation systems for metal parts. These acquisitions increase our technological capabilities and extend our geographic presence. In total, the Company's initial aggregate purchase price for these acquisitions was approximately $9.4 million, which is subject to post-closing adjustments.

Non-GAAP Measures and Reconciliations

The information included in this press release 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.

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 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.

As it relates to 2022 projections for the Company, including the contributions from our recent acquisitions discussed under "Recent Acquisition Activity," as well as other forward-looking information described further above, 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 Company's reference to trailing twelve months adjusted EBITDA within this press release refers to the twelve month period ended March 31, 2022 adjusted EBITDA of $257.4 million, which includes (i) the three months ended March 31, 2022 adjusted EBITDA of $60.4 million, as presented in the non-GAAP reconciliations below, and (ii) the twelve months ended December 31, 2021 adjusted EBITDA of $274.1 million, as presented in the non-GAAP reconciliations included in the Company's fourth quarter and full year 2021 results press release dated February 24, 2022, less (iii) the three months ended March 31, 2021 adjusted EBITDA of $77.1 million, as presented in the non-GAAP reconciliations below.

The following tables reconcile the Company's non-GAAP financial measures (unaudited) to their most directly comparable GAAP (unaudited) financial measures (dollars in thousands unless otherwise noted, except per share amounts):

Non-GAAP Operating Income and Margin Reconciliations

	Three Months Ended March 31,	
	2022	2021
Operating income	$ 29,403	$ 44,894
Combination, integration and other acquisition-related expenses	4,053	6,230
Strategic planning and transformation expenses	3,088	—
Restructuring and related charges	820	1,175
Fair value step up of acquired inventory sold	—	801
Executive transition costs	539	504
Inactive subsidiary's non-operating litigation costs	92	51
Customer insolvency costs	1,166	—
Non-GAAP operating income	$ 39,161	$ 53,655
Non-GAAP operating margin (%)	8.3%	12.5%

EBITDA, Adjusted EBITDA, Adjusted EBITDA Margin and Non-GAAP Net Income Reconciliations

	Three Months Ended March 31,	
	2022	2021
Net income attributable to Quaker Chemical Corporation	$ 19,816	$ 38,615
Depreciation and amortization (a)(b)	20,727	22,448
Interest expense, net	5,345	5,470
Taxes on income before equity in net income of associated companies (c)	2,866	10,689
EBITDA	$ 48,754	$ 77,222
Equity loss (income) in a captive insurance company	244	(3,080)
Combination, integration and other acquisition-related expenses (a)	6,032	427
Strategic planning and transformation expenses	3,088	—
Restructuring and related charges	820	1,175
Fair value step up of acquired inventory sold	—	801
Executive transition costs	539	504
Inactive subsidiary's non-operating litigation costs	92	51
Customer insolvency costs	1,166	—
Pension and postretirement benefit income, non-service components	(479)	(124)
Currency conversion impacts of hyper-inflationary economies	188	172
Adjusted EBITDA	$ 60,444	$ 77,148
Adjusted EBITDA margin (%)	12.7%	18.0%
Adjusted EBITDA	$ 60,444	$ 77,148
Less: Depreciation and amortization - adjusted (a)(b)	20,727	22,033
Less: Interest expense, net	5,345	5,470
Less: Taxes on income before equity in net income of associated companies – adjusted (c)	8,902	11,739
Non-GAAP net income	$ 25,470	$ 37,906

Non-GAAP Earnings per Diluted Share Reconciliations

	Three Months Ended March 31,	
	2022	2021
GAAP earnings per diluted share attributable to Quaker Chemical Corporation common shareholders	$ 1.11	$ 2.15
Equity loss (income) in a captive insurance company per diluted share	0.01	(0.17)
Combination, integration and other acquisition-related expenses per diluted share (a)	0.25	0.04
Strategic planning and transformation expenses per diluted share	0.14	—
Restructuring and related charges per diluted share	0.03	0.05
Fair value step up of acquired inventory sold per diluted share	—	0.03
Executive transition costs per diluted share	0.02	0.02
Inactive subsidiary's non-operating litigation costs per diluted share	0.00	0.00
Customer insolvency costs per diluted share	0.06	—
Pension and postretirement benefit income, non-service components per diluted share	(0.02)	(0.00)
Currency conversion impacts of hyper-inflationary economies per diluted share	0.01	0.01
Impact of certain discrete tax items per diluted share	(0.19)	(0.02)
Non-GAAP earnings per diluted share	$ 1.42	$ 2.11

(a) The Company recorded $0.4 million of accelerated depreciation expense related to the Quaker Houghton combination during the three months ended March 31, 2021 all of which was recorded in cost of goods sold ("COGS"). These amounts recorded within COGS are included in the caption Combination, integration and other acquisition-related expenses in the reconciliation of Operating income to Non-GAAP operating income and GAAP earnings per diluted share attributable to Quaker Chemical Corporation common shareholders to Non-GAAP earnings per diluted share. In addition, the total amounts of such depreciation are included within the caption Depreciation and amortization in the reconciliation of Net income attributable to Quaker Chemical Corporation to Adjusted EBITDA; however, they are excluded in the reconciliation of Adjusted EBITDA to Non-GAAP net income. During the three months ended March 31, 2022, the Company recorded expenses of $2.0 million related to indemnification assets. During the three months ended March 31, 2021, the Company recognized a gain of $5.4 million associated with the sale of certain held-for-sale real property assets which was the result of the Company's manufacturing footprint integration plan. These amounts were recorded within Other (expense) income, net and therefore are included in the caption Combination, integration and other acquisition-related expenses in the reconciliation of Net income attributable to Quaker Chemical Corporation to Adjusted EBITDA and GAAP earnings per diluted share attributable to Quaker Chemical Corporation common shareholders to Non-GAAP earnings per diluted share, however it is excluded in the reconciliation of Operating income to Non-GAAP operating income.

(b) Depreciation and amortization for the three months ended March 31, 2022 and 2021 includes $0.3 million of amortization expense recorded within equity in net income of associated companies in the Condensed Consolidated Statement of Income, which is attributable to the amortization of the fair value step up for the Company's 50% interest in a Houghton joint venture in Korea as a result of required purchase accounting.

(c) Taxes on income before equity in net income of associated companies – adjusted includes the Company's tax expense adjusted for the impact of any current and deferred income tax expense (benefit), as applicable, of the reconciling items presented in the reconciliation of Net income attributable to Quaker Chemical Corporation to adjusted EBITDA, above, determined utilizing the applicable rates in the taxing jurisdictions in which these adjustments occurred, subject to deductibility. This caption also includes the impact of specific tax charges and benefits in the three months ended March 31, 2022 and 2021, which the Company does not consider core or indicative of future performance.

Segment Measures and Reconciliations

The Company's operating segments, which are consistent with its reportable segments, reflect the structure of the Company's internal organization, the method by which the Company's resources are allocated and the manner by which the chief operating decision maker assesses the Company's performance. The Company has four reportable segments: (i) Americas; (ii) EMEA; (iii) Asia/Pacific; and (iv) Global Specialty Businesses. The three geographic segments are composed of the net sales and operations in each respective region, excluding net sales and operations managed globally by the Global Specialty Businesses segment, which includes the Company's container, metal finishing, mining, offshore, specialty coatings, specialty grease and Norman Hay businesses. Segment operating earnings for each of the Company's reportable segments are comprised of the segment's net sales less directly related COGS and selling, general and administrative expenses. Operating expenses not directly attributable to the net sales of each respective segment, such as certain corporate and administrative costs, Combination, integration and other acquisition-related expenses, and Restructuring and related charges, are not included in segment operating earnings. Other items not specifically identified with the Company's reportable segments include interest expense, net and other (expense) income, net.

The following tables reconcile the Company's reportable operating segments performance to that of the Company (dollars in thousands):

	Three Months Ended March 31,	
Net Sales	**2022**	**2021**
Americas	$ 154,144	$ 134,871
EMEA	125,687	119,814
Asia/Pacific	104,234	96,706
Global Specialty Businesses	90,106	78,392
Total net sales	**$ 474,171**	**$ 429,783**
Segment operating earnings		
Americas	$ 29,220	$ 32,234
EMEA	16,766	25,244
Asia/Pacific	21,907	27,478
Global Specialty Businesses	25,035	24,169
Total segment operating earnings	**92,928**	**109,125**
Combination, integration and other acquisition-related expenses	(4,053)	(5,815)
Restructuring and related charges	(820)	(1,175)
Fair value step up of acquired inventory sold	—	(801)
Non-operating and administrative expenses	(43,463)	(40,992)
Depreciation of corporate assets and amortization	(15,189)	(15,448)
Operating income	**29,403**	**44,894**
Other (expense) income, net	(2,206)	4,687
Interest expense, net	(5,345)	(5,470)
Income before taxes and equity in net income of associated companies	**$ 21,852**	**$ 44,111**

Forward-Looking Statements

This press release 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, the Russia and Ukraine conflict, inflation and global supply chain constraints 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, expectations about future demand and raw material costs, and statements regarding the impact of increased raw material costs and pricing initiatives, on our current expectations about future events. 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 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," "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 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, 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, including the impacts of the military conflict between Russia and Ukraine, the economic and other sanctions imposed by other nations on Russia, 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. 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 including new variants, 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 of 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 press release, including expectations about business conditions during 2022 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, 2021, our Quarterly Report on Form 10-Q for the period ended March 31, 2022, 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.

Conference Call

As previously announced, the Company's investor conference call to discuss its first quarter 2022 performance is scheduled for May 6, 2022 at 8:30 a.m. ET. A live webcast of the conference call, together with supplemental information, can be accessed through the Company's Investor Relations website at investors.quakerhoughton.com. You can also access the conference call by dialing 877-269-7756.

About Quaker Houghton

Quaker Houghton is the global leader in industrial process fluids. With a presence around the world, including operations in over 25 countries, our customers include thousands of the world's most advanced and specialized steel, aluminum, automotive, aerospace, offshore, can, mining, and metalworking companies. Our high-performing, innovative and sustainable solutions are backed by best-in-class technology, deep process knowledge and customized services. With approximately 4,700 employees, including chemists, engineers and industry experts, we partner with our customers to improve their operations so they can run even more efficiently, even more effectively, whatever comes next. Quaker Houghton is headquartered in Conshohocken, Pennsylvania, located near Philadelphia in the United States. Visit quakerhoughton.com to learn more.

Quaker Chemical Corporation
Condensed Consolidated Statements of Income
(Dollars in thousands, except per share data)

	(Unaudited) Three Months Ended March 31,	
	2022	2021
Net sales	$ 474,171	$ 429,783
Cost of goods sold	328,100	273,589
Gross profit	146,071	156,194
%	30.8%	36.3%
Selling, general and administrative expenses	111,795	104,310
Restructuring and related charges	820	1,175
Combination, integration and other acquisition-related expenses	4,053	5,815
Operating income	29,403	44,894
%	6.2%	10.4%
Other (expense) income, net	(2,206)	4,687
Interest expense, net	(5,345)	(5,470)
Income before taxes and equity in net income of associated companies	21,852	44,111
Taxes on income before equity in net income of associated companies	2,866	10,689
Income before equity in net income of associated companies	18,986	33,422
Equity in net income of associated companies	835	5,210
Net income	19,821	38,632
Less: Net income attributable to noncontrolling interest	5	17
Net income attributable to Quaker Chemical Corporation	$ 19,816	$ 38,615
%	4.2%	9.0%
Share and per share data:		
Basic weighted average common shares outstanding	17,826,061	17,785,370
Diluted weighted average common shares outstanding	17,851,859	17,855,977
Net income attributable to Quaker Chemical Corporation common shareholders - basic	$ 1.11	$ 2.16
Net income attributable to Quaker Chemical Corporation common shareholders - diluted	$ 1.11	$ 2.15

Quaker Chemical Corporation
Condensed Consolidated Balance Sheets
(Dollars in thousands, except par value)

	(Unaudited) March 31, 2022	December 31, 2021
ASSETS		
Current assets		
Cash and cash equivalents	$ 161,552	$ 165,176
Accounts receivable, net	458,459	430,676
Inventories, net	299,795	264,531
Prepaid expenses and other current assets	67,853	59,871
Total current assets	987,659	920,254
Property, plant and equipment, net	197,115	197,520
Right of use lease assets	38,245	36,635
Goodwill	630,938	631,194
Other intangible assets, net	1,012,068	1,027,782
Investments in associated companies	90,003	95,278
Deferred tax assets	11,496	16,138
Other non-current assets	29,198	30,959
Total assets	$ 2,996,722	$ 2,955,760
LIABILITIES AND EQUITY		
Current liabilities		
Short-term borrowings and current portion of long-term debt	$ 61,385	$ 56,935
Accounts and other payables	261,339	234,083
Accrued compensation	26,396	38,197
Accrued restructuring	4,435	4,087
Other accrued liabilities	98,994	97,165
Total current liabilities	452,549	430,467
Long-term debt	858,287	836,412
Long-term lease liabilities	27,433	26,335
Deferred tax liabilities	170,622	179,025
Other non-current liabilities	92,131	95,599
Total liabilities	1,601,022	1,567,838
Equity		
Common stock, $1 par value; authorized 30,000,000 shares; issued and outstanding 2022 - 17,911,583 shares; 2021 - 17,897,033 shares	17,912	17,897
Capital in excess of par value	918,699	917,053
Retained earnings	528,716	516,334
Accumulated other comprehensive loss	(70,261)	(63,990)
Total Quaker shareholders' equity	1,395,066	1,387,294
Noncontrolling interest	634	628
Total equity	1,395,700	1,387,922
Total liabilities and equity	$ 2,996,722	$ 2,955,760

Quaker Chemical Corporation
Condensed Consolidated Statements of Cash Flows
(Dollars in thousands)

	(Unaudited) Three Months Ended March 31,	
	2022	2021
Cash flows from operating activities		
Net income	$ 19,821	$ 38,632
Adjustments to reconcile net income to net cash used in operating activities:		
Amortization of debt issuance costs	1,187	1,187
Depreciation and amortization	20,447	22,145
Equity in undistributed earnings of associated companies, net of dividends	2,135	(5,105)
Acquisition-related fair value adjustments related to inventory	-	801
Deferred compensation, deferred taxes and other, net	(3,778)	(9,888)
Share-based compensation	2,462	3,779
Gain on disposal of property, plant, equipment and other assets	(23)	(5,410)
Combination and other acquisition-related expenses, net of payments	(4,246)	(2,884)
Restructuring and related charges	820	1,175
Pension and other postretirement benefits	(1,316)	(1,034)
(Decrease) increase in cash from changes in current assets and current liabilities, net of acquisitions:		
Accounts receivable	(26,270)	(46,270)
Inventories	(33,873)	(24,994)
Prepaid expenses and other current assets	(6,506)	(8,315)
Change in restructuring liabilities	(408)	(3,034)
Accounts payable and accrued liabilities	23,249	26,597
Net cash used in operating activities	(6,299)	(12,618)
Cash flows from investing activities		
Investments in property, plant and equipment	(8,847)	(3,934)
Payments related to acquisitions, net of cash acquired	(9,383)	(26,655)
Proceeds from disposition of assets	-	14,744
Net cash used in investing activities	(18,230)	(15,845)
Cash flows from financing activities		
Payments of term loan debt	(14,112)	(9,551)
Borrowings on revolving credit facilities, net	43,000	30,000
Repayments on other debt, net	(102)	(188)
Dividends paid	(7,428)	(7,052)
Stock options exercised, other	(801)	(178)
Net cash provided by financing activities	20,557	13,031
Effect of foreign exchange rate changes on cash	348	(3,008)
Net decrease in cash, cash equivalents and restricted cash	(3,624)	(18,440)
Cash, cash equivalents and restricted cash at the beginning of the period	165,176	181,895
Cash, cash equivalents and restricted cash at the end of the period	$ 161,552	$ 163,455

Exhibit 99.2

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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 first quarter earnings news release, dated May 5, 2022, which has been furnished to the Securities and Exchange Commission ("SEC") on Form 8-K.

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, the Russia and Ukraine conflict, inflation and global supply chain constraints 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, expectations about future demand and raw material costs, and statements regarding the impact of increased raw material costs and pricing initiatives, on our current expectations about future events. 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 global supply chain constraints, and our current and future results and plans and statements that include the word "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 coul 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 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, 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 including the impacts of the military conflict between Russia and Ukraine, the economic and other sanctions imposed by other nations on Russia, 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. 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 including new variants, 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 of 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 remai 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 business conditions during 2022 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, 2021, our Quarterly Report on Form 10-Q for the period ended March 31, 2022, 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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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 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 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 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 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 2022 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 first quarter earnings news release dated May 5, 2022, which has been furnished to the Securities and Exchange Commission on Form 8-K, the Company's Annual Report for the year ended December 31, 2021, and the Company's 10-Q for the period ended March 31, 2022. These documents may contain additional explanatory language and information regarding certain of the items included in the following reconciliations.

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Speakers

Andy Tometich
Chief Executive Officer & President

Shane W. Hostetter
Senior Vice President, Chief Financial Officer

Robert T. Traub
Senior Vice President, General Counsel & Corporate Secretary

David A. Will
Vice President & Chief Accounting Officer

Jeffrey Schnell
Senior Director, Investor Relations

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Highlights

- **Delivered Q1'22 results in-line with expectations despite significant challenges**
  - Strong sales growth across all our segments driven by double-digit price capture
  - Stable gross margins compared to Q4'21 despite significant and persistent cost inflation
  - Organic sales volumes increased ~3% compared to Q4'21 due to a favorable demand environment
- **Executing on items within our control amid heightened uncertainty**
  - Advancing our strategic pricing initiatives to mitigate current and expected inflationary pressures
  - Focused on recovering margins to pre-pandemic levels and delivering on our growth potential
  - Taking steps to improve working capital management and enhance free cash flow generation
- **Well-positioned to accelerate growth and deliver shareholder value**
  - Deeper deployment of our customer intimate model and investing in our productivity and profitability initiatives
  - Advancing our growth initiatives including through innovation and breadth of product and service offerings
  - Disciplined capital allocation strategy including organic investments, M&A, debt reduction and shareholder returns

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Financial Snapshot

(dollars in millions, per share amounts)

	Q1 2022	Q1 2021	Variance (1)		Q4 2021	Variance (1)	
GAAP							
Net Sales	$ 474.2	$ 429.8	$ 44.4	10%	$ 447.0	$ 27.1	6%
Gross Profit	146.1	156.2	(10.1)	(6%)	138.9	7.2	5%
Gross Margin (%)	30.8%	36.3%	(5.5%)	(15%)	31.1%	(0.3%)	(1%)
Operating Income	29.4	44.9	(15.5)	(35%)	30.7	(1.3)	(4%)
Net Income	19.8	38.6	(18.8)	(49%)	18.1	1.7	9%
Earnings Per Diluted Share	1.11	2.15	(1.04)	(48%)	1.01	0.10	10%
Non-GAAP							
Non-GAAP Operating Income	$ 39.2	$ 53.7	$ (14.5)	(27%)	$ 39.3	$ (0.2)	(0%)
Non-GAAP Operating Margin (%)	8.3%	12.5%	(4.2%)	(34%)	8.8%	(0.5%)	(6%)
Adjusted EBITDA	60.4	77.1	(16.7)	(22%)	60.7	(0.3)	(0%)
Adjusted EBITDA Margin (%)	12.7%	18.0%	(5.2%)	(29%)	13.6%	(0.8%)	(6%)
Non-GAAP Earnings Per Diluted Share	1.42	2.11	(0.69)	(33%)	1.29	0.13	10%

(1) Certain amounts may not calculate due to rounding

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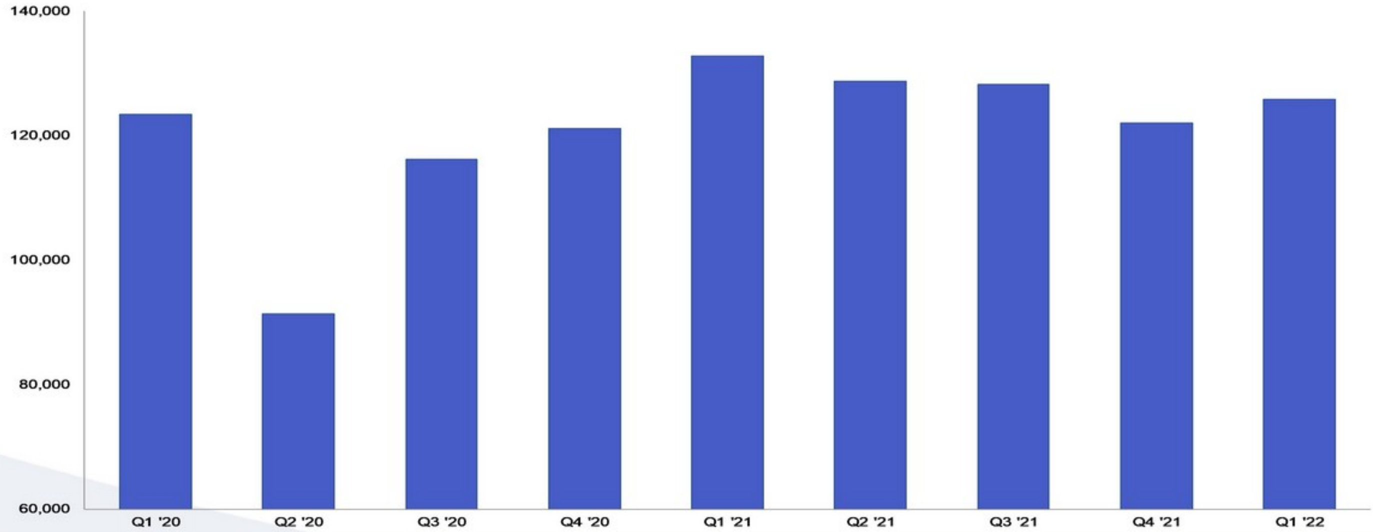
Total Company Volume Trend

(kilograms, in thousands)



Q1’22 sales volumes reflect the comparison to a strong Q1’21, where customers replenished their supply chains, lower volumes related to the tolling agreement on previously divested products and the current quarter impact of geopolitical events

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Adjusted EBITDA

(dollars in millions)

Adjusted EBITDA trend shows strong price capture offset by significant and persistent inflationary pressures in Q1'22

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(1) Results presented above for 2020, 2021 and 2022 are the actual results for Quaker Houghton, all other years are pro forma resu

Leverage and Liquidity Update

Leverage	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22
Reported	3.5x	3.4x	3.7x	3.4x	3.2x	3.1x	2.7x	2.7x	3.0x
Bank	2.9x	2.8x	3.1x	2.9x	2.8x	2.8x	2.5x	2.5x	2.8x

- **Total debt of $926.9 million and cash of $161.6 million resulted in net debt of $765.3 million**
- **Leverage[1] of 3.0x as of March 31, 2022**
  - Increase is primarily attributable to the comparison to a strong 1Q'21 which generated a higher adjusted EBITDA
- **Operating well within all bank covenants**
  - 2.8x net debt / TTM adjusted EBITDA as of Q1'22
  - Maximum permitted leverage[1] of 3.75x
- **Cost of debt on credit facility at the end of Q1'2 was ~1.7% compared to ~1.6% at the end of Q4'**

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[1] Leverage ratio defined as net debt divided by trailing twelve month adjusted EBITDA

Appendix

Actual and Non-GAAP Results

Quaker Houghton

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Non-GAAP Operating Income Reconciliation

(dollars in thousands, unless otherwise noted)

	Q1 2022	Q1 2021
Operating income	$ 29,403	$ 44,894
Combination, integration and other acquisition-related expenses	4,053	6,230
Strategic planning and transformation expenses	3,088	-
Restructuring and related charges	820	1,175
Fair value step up of acquired inventory sold	-	801
Executive transition costs	539	504
Inactive subsidiary's non-operating litigation costs	92	51
Customer insolvency costs	1,166	-
Non-GAAP operating income	$ 39,161	$ 53,655
Non-GAAP operating margin (%)	8.3%	12.5%

Quaker Houghton. Forward Together

Adjusted EBITDA & Non-GAAP Net Income Reconciliati

(dollars in thousands, unless otherwise noted)

	Q1 2022		Q1 2021	
Net income attributable to Quaker Chemical Corporation	$	19,816	$	38,615
Depreciation and amortization		20,727		22,448
Interest expense, net		5,345		5,470
Taxes on income before equity in net income of associated companies		2,866		10,689
EBITDA	$	48,754	$	77,222
Equity loss (income) in a captive insurance company		244		(3,080)
Combination, integration and other acquisition-related expenses		6,032		427
Strategic planning and transformation expenses		3,088		-
Restructuring and related charges		820		1,175
Fair value step up of acquired inventory sold		-		801
Executive transition costs		539		504
Inactive subsidiary's non-operating litigation costs		92		51
Customer insolvency costs		1,166		-
Pension and postretirement benefit income, non-service components		(479)		(124)
Currency conversion impacts of hyper-inflationary economies		188		172
Adjusted EBITDA	$	60,444	$	77,148
Adjusted EBITDA Margin (%)		12.7%		18.0%
Adjusted EBITDA	$	60,444	$	77,148
Less: Depreciation and amortization - adjusted		20,727		22,033
Less: Interest expense, net		5,345		5,470
Less: taxes on income before equity in net income of associated companies - adjusted		8,902		11,739
Non-GAAP Net Income	$	25,470	$	37,906

Quaker Houghton. Forward Together

Adjusted EBITDA Reconciliation

(dollars in thousands)

	FY 2020	FY 2021
Net income attributable to Quaker Chemical Corporation	$ 39,658	$ 121,369
Depreciation and amortization	84,494	87,728
Interest expense, net	26,603	22,326
Taxes on income before equity in net income of associated companies	(5,296)	34,939
EBITDA	$ 145,459	$ 266,362
Equity income in a captive insurance company	(1,151)	(4,993)
Combination, integration and other acquisition-related expenses	29,538	17,917
Restructuring and related charges	5,541	1,433
Fair value step up of acquired inventory sold	226	801
Executive transition costs	-	2,986
Inactive subsidiary's non-operating litigation costs	-	819
Customer insolvency costs	463	-
Facility remediation costs, net	-	2,066
Indefinite-lived intangible asset impairment	38,000	-
Pension and postretirement benefit costs (income), non-service components	21,592	(759)
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)
Currency conversion impacts of hyper-inflationary economies	450	564
Adjusted EBITDA	$ 221,974	$ 274,109
Adjusted EBITDA Margin (%)	15.7%	15.6%

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Adjusted EBITDA Reconciliation

Trailing Twelve Months Q1 2022

(dollars in thousands)

	A	B	C = B - A	D	E = C + D
	Q1 2021	Full Year 2021	Last Nine Months 2021	Q1 2022	TTM Q1 2022
Net income attributable to Quaker Chemical Corporation	$ 38,615	$ 121,369	$ 82,754	$ 19,816	$ 102,570
Depreciation and amortization	22,448	87,728	65,280	20,727	86,007
Interest expense, net	5,470	22,326	16,856	5,345	22,201
Taxes on income before equity in net income of associated companies	10,689	34,939	24,250	2,866	27,116
EBITDA	$ 77,222	$ 266,362	$ 189,140	$ 48,754	$ 237,894
Equity income (loss) in a captive insurance company	(3,080)	(4,993)	(1,913)	244	(1,669)
Combination, integration and other acquisition-related expenses	427	17,917	17,490	6,032	23,522
Strategic planning and transformation expenses	-	-	-	3,088	3,088
Restructuring and related charges	1,175	1,433	258	820	1,078
Fair value step up of acquired inventory sold	801	801	-	-	-
Executive transition costs	504	2,986	2,482	539	3,021
Inactive subsidiary's non-operating litigation costs	51	819	768	92	860
Customer insolvency costs	-	-	-	1,166	1,166
Facility remediation costs, net	-	2,066	2,066	-	2,066
Pension and postretirement benefit income, non-service components	(124)	(759)	(635)	(479)	(1,114)
Brazilian non-income tax credits	-	(13,087)	(13,087)	-	(13,087)
Currency conversion impacts of hyper-inflationary economies	172	564	392	188	580
Adjusted EBITDA	$ 77,148	$ 274,109	$ 196,961	$ 60,444	$ 257,405

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Non-GAAP EPS Reconciliation

	Q1 2022	Q1 2021
GAAP earnings per diluted share attributable to Quaker Chemical Corporation common shareholders	$ 1.11	$ 2.15
Equity loss (income) in a captive insurance company per diluted share	0.01	(0.17)
Combination, integration and other acquisition-related expenses per diluted share	0.25	0.04
Strategic planning and transformation expenses per diluted share	0.14	-
Restructuring and related charges per diluted share	0.03	0.05
Fair value step up of acquired inventory sold per diluted share	-	0.03
Executive transition costs per diluted share	0.02	0.02
Inactive subsidiary's non-operating litigation costs per diluted share	0.00	0.00
Customer insolvency costs per diluted share	0.06	-
Pension and postretirement benefit income, non-service components per diluted share	(0.02)	(0.00)
Currency conversion impacts of hyper-inflationary economies per diluted share	0.01	0.01
Impact of certain discrete tax items per diluted share	(0.19)	(0.02)
Non-GAAP earnings per diluted share	$ 1.42	$ 2.11

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Segment Performance

(dollars in thousands)

	Q1 2022	Q1 2021
Net sales		
Americas	$ 154,144	$ 134,871
EMEA	125,687	119,814
Asia/Pacific	104,234	96,706
Global Specialty Businesses	90,106	78,392
Total net sales	**$ 474,171**	**$ 429,783**
Segment operating earnings		
Americas	$ 29,220	$ 32,234
EMEA	16,766	25,244
Asia/Pacific	21,907	27,478
Global Specialty Businesses	25,035	24,169
Total segment operating earnings	**92,928**	**109,125**
Combination, integration and other acquisition-related expenses	(4,053)	(5,815)
Restructuring and related charges	(820)	(1,175)
Fair value step up of acquired inventory sold	-	(801)
Non-operating and administrative expenses	(43,463)	(40,992)
Depreciation of corporate assets and amortization	(15,189)	(15,448)
Operating income	**29,403**	**44,894**
Other (expense) income, net	(2,206)	4,687
Interest expense, net	(5,345)	(5,470)
Income before taxes and equity in net income of associated companies	**$ 21,852**	**$ 44,111**

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Appendix

Pro Forma Results

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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.

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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