Orion S.A.

4Q and Full Year 2025 Earnings Conference Call

February 17, 2026

Forward-Looking Statements

Forward-Looking Statements

This presentation contains and refers to certain forward-looking statements with respect to our financial condition, results of operations and business. These statements constitute forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Forward-looking statements are statements of future expectations that are based on management's current expectations and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in these statements. You should not place undue reliance on forward-looking statements. Forward-looking statements are typically identified by words such as "anticipate," "assume," "assure," "believe," "confident," "could," "estimate," "expect," "guidance," "intend," "may," "objectives," "outlook," "plan," "probably," "project," "seek," "target," "to be," "upside," "will" and other words of similar meaning. These forward-looking statements include, without limitation, statements about the following matters: our guidance, expectations and assumptions for the 2026 fiscal year; demand for tires; our expectations on free cash flow and inventory; and carbon black and U.S. tire imports.

All these forward-looking statements are based on estimates and assumptions that, although believed to be reasonable, are inherently uncertain. Therefore, undue reliance should not be placed upon any forward-looking statements. There are important factors that could cause actual results to differ materially from those contemplated by such forward-looking statements. These factors include, among others: negative or uncertain worldwide economic conditions and developments; the operational risks inherent in chemicals manufacturing, including but not limited to disruptions due to technical difficulties, severe weather conditions or natural disasters, pandemics (such as COVID-19), or otherwise; unanticipated impacts of our plans and strategies, including possible future decisions to discontinue or reduce production at certain facilities; our dependence on major customers and suppliers; further changes and uncertainty in the geopolitical environment or government policy, including related to tariffs, counter-tariffs and other trade barriers; our ability to compete in the industries and markets in which we operate; our ability to successfully develop new products and technologies; our ability to effectively implement our business strategies; the volatility of costs, quality and availability of raw materials and energy; our ability to realize benefits from investments, joint ventures, acquisitions or alliances; our ability to realize benefits from, and changes in plan with respect to, plant capacity expansions and capital investments such as site development projects; any information technology systems failures, network disruptions and breaches of data security, including via third-party systems or using emerging technologies such as artificial intelligence; our exposure to political or country risks inherent in doing business globally; rapidly changing geopolitical environment, conflicts, growing tension between U.S. and other countries, and/or any other escalations may impact energy costs, raw material availability or other economic disruptions; our ability to comply with complex environmental, health and safety laws and regulations, and current and any possible future investigations and enforcement actions by governmental, supranational agencies or other organizations; environmental, social and governance matters, including regulations requiring a reduction of greenhouse gas emissions or that impose additional taxes or fees on emissions as well as increased awareness and adverse publicity about potential impacts on climate change by us; changes in regulations for carbon black as a nano-scale material; our operations as a company in the chemical sector, including the related risks of leaks, fires and toxic releases as well as other accidents; any changes in European Union regulations or similar international regulations on chemical carbon that will affect our ability to market and sell our products; any market or regulatory changes that may affect our ability to sell or otherwise benefit from co-generated energy; any litigation or legal proceedings, including product liability, environmental or asbestos related claims; our ability to protect our intellectual property rights and know-how; risks associated with our financial leverage; restrictive effects of the covenants in our debt instruments; any deterioration in our financial position or downgrade of our ratings by credit rating agencies; any disruptive changes in international and local economic conditions, dislocations in credit and capital markets and inflation or deflation; our ability to generate the funds required to service our debt and finance our operations; any fluctuations in foreign currency exchange or interest rates; the availability and efficiency of hedging for certain risks; any potential impairments or write-offs of certain assets; any required increases in our pension fund or retirement-related contributions; the adequacy of our insurance coverage; any challenges to our decisions and assumptions in assessing and complying with our tax obligations; any changes in our jurisdictional earnings mix or in the tax laws or accepted interpretations of tax laws in those jurisdictions; the ability to pay dividends on our Common stock at historical rates or at all; the difference between our stockholders' rights and rights of stockholders of a U.S. corporation; the potential difficulty in obtaining or enforcing judgments or bringing legal actions against Orion S.A. (a Luxembourg incorporated entity) in the U.S. or elsewhere outside Luxembourg; the difference between Luxembourg & European insolvency and bankruptcy laws from U.S. insolvency laws; our relationships with our workforce, including negotiations with labor unions, strikes and work stoppages; and our ability to recruit or retain key management and personnel.

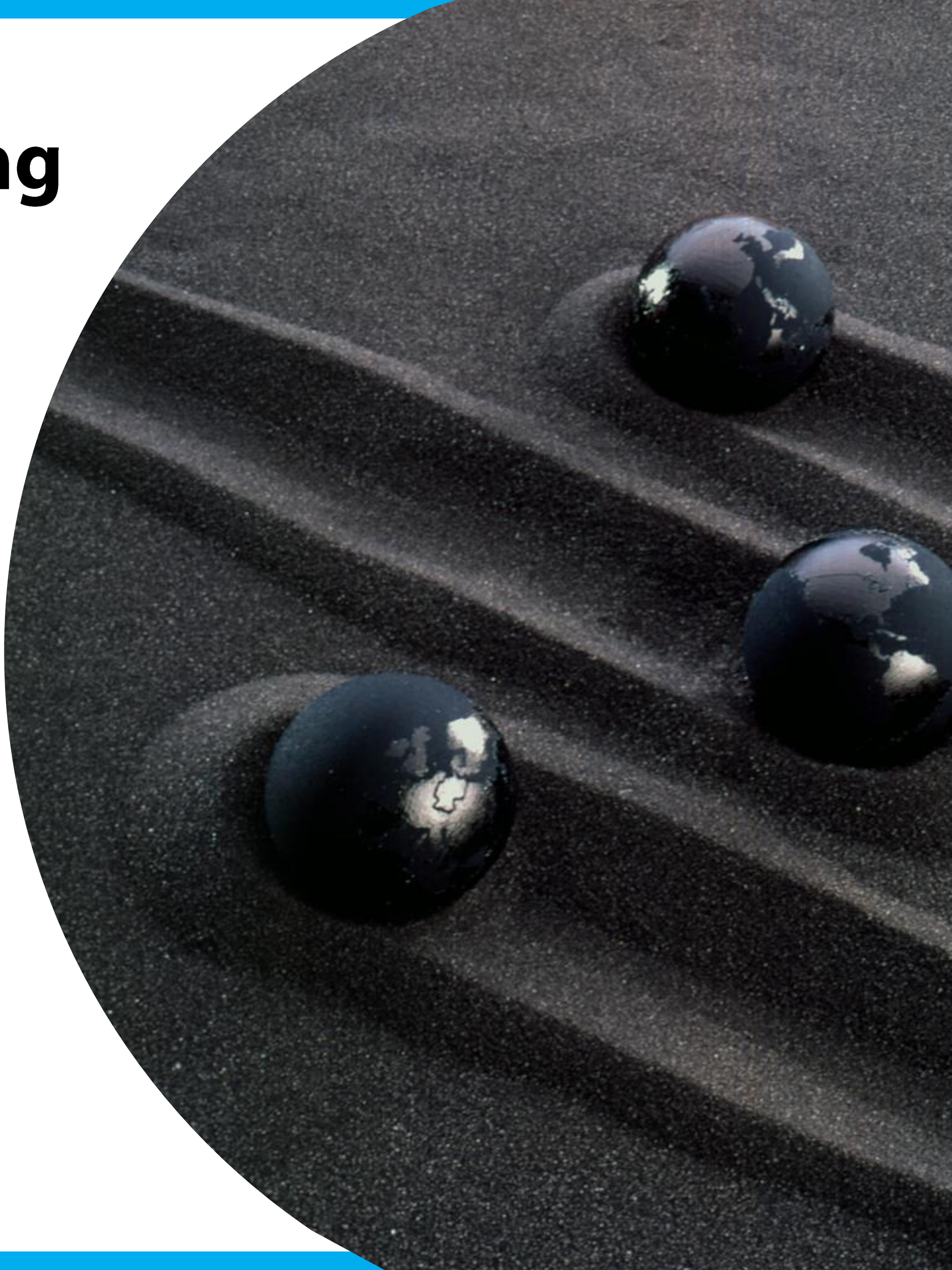
Factors that could cause our actual results to differ materially from those expressed or implied in such forward-looking statements include those factors detailed under the captions "Cautionary Statement for Purposes of the "Safe Harbor" Provisions of the Private Securities Litigation Reform Act of 1995" and "Risk Factors" in our Annual Report in Form 10-K for the year ended December 31, 2025 and in Note Q. *Commitments and Contingencies* to our audited Consolidated Financial Statements. It is not possible for our management to predict all risk factors and uncertainties, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. We undertake no obligation to publicly update or revise any forward-looking statement as a result of new information, future events or other information, other than as required by applicable law.

Fiscal 2025 and 4Q Highlights

- 4Q EBITDA of $55M, better than implied guidance on less severe demand trends
- Full year free cash flow of $55M
  Working capital efforts key enabler
- Record safety performance globally
- Plant reliability improved sharply, on continued operational excellence progress

2025 Backdrop Proved Challenging

- Tire Imports Surged to Record Levels
- Consumer Traded Down to Tier 3/4 Brands
- Freight Activity Dropped Below 2020 Levels
- Specialty Demand Soft On Persistently Weak PMI
- Broad Uncertainty; Delayed Restocking
- Led to Challenging Negotiations for 2026 Supply Agreements



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Resilience – Key Actions Executed

Cost and Cash Focus

- Headcount actions, efficiency & procurement projects ~$20M in savings
- Lower capex, continued working capital efficiency → Expect positive FCF

Rationalized Footprint

- Consolidated 3 to 5 lines to optimize operations

Manufacturing Excellence

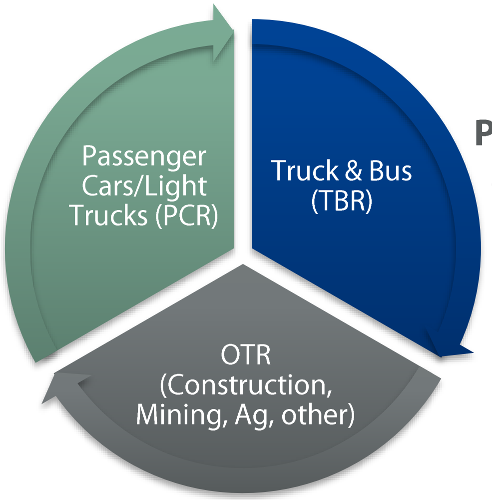
- Momentum behind broad operational excellence initiatives
- Substantial improvement in plant reliability, on-time customer orders

Strengthened Partnerships with Global Tire Players

- Supplier rationalization, preference for dependable local suppliers persists
- Well positioned to address spot volume opportunities

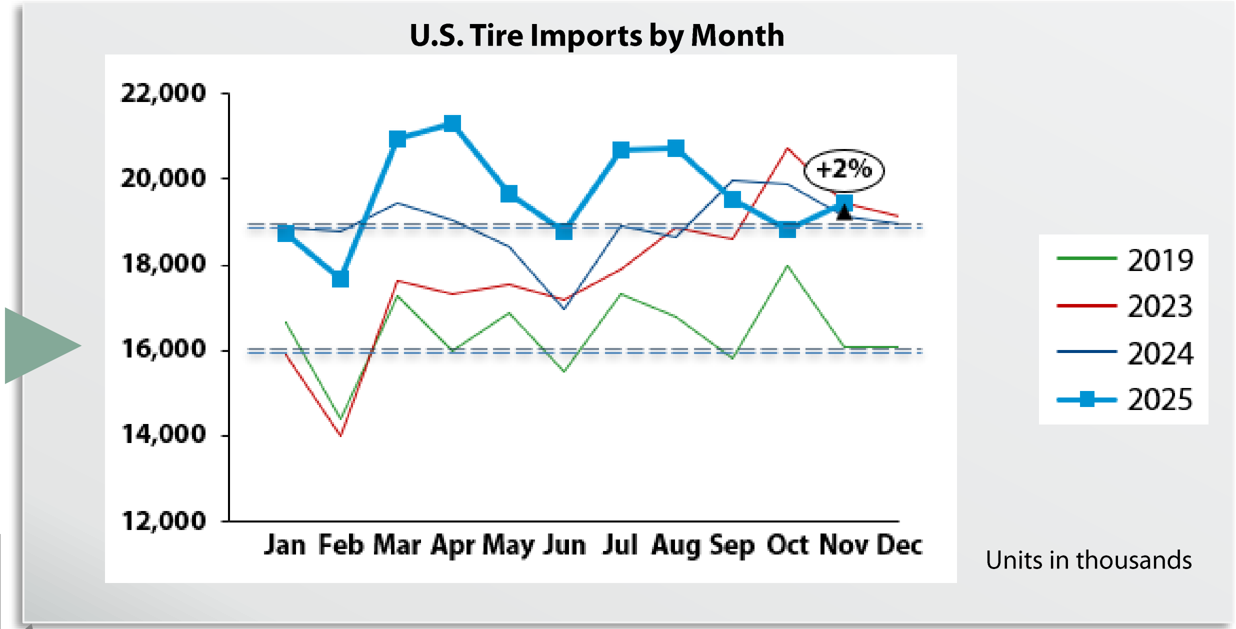
Amended Credit Agreement

Improving Tire Trade Flow



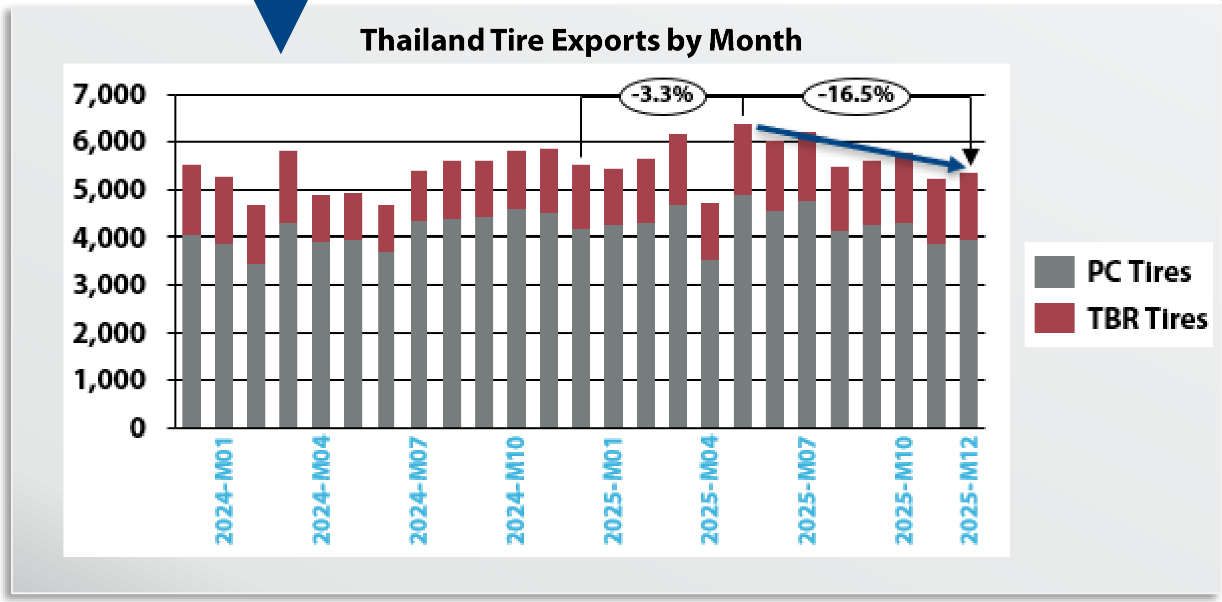
PCR, TBR and OTR segments each consume about one third of carbon black volumes deployed in tire markets globally

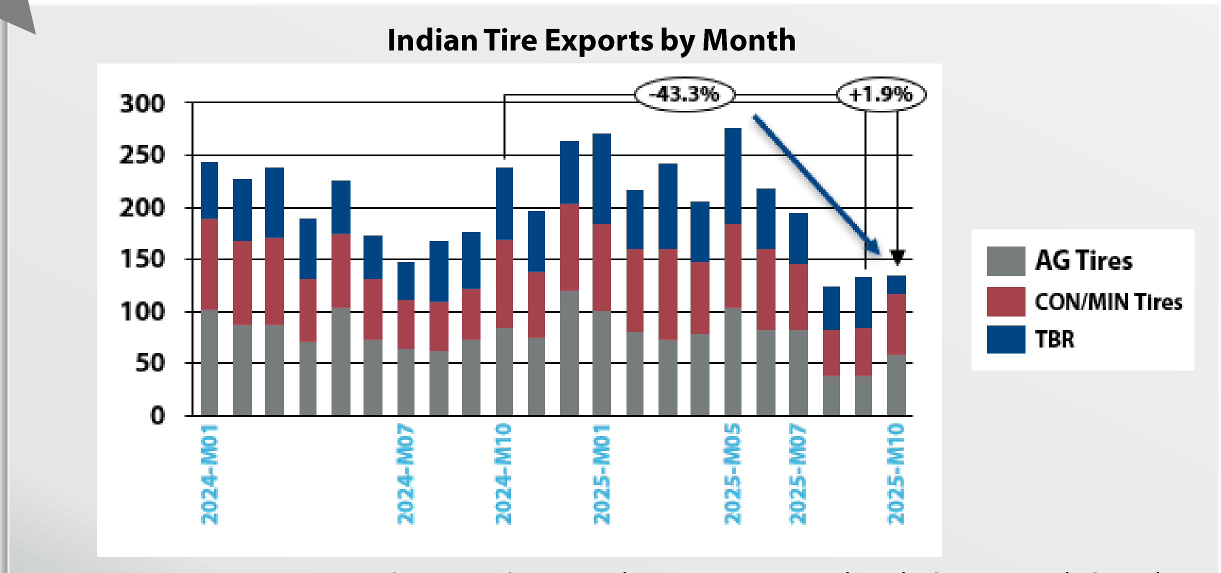
U.S. tire imports have subsided, but channel inventories elevated



Exports from Thailand, the largest tire exporter to U.S., have been declining

Exports from India, a major OTR producer, have reduced sharply

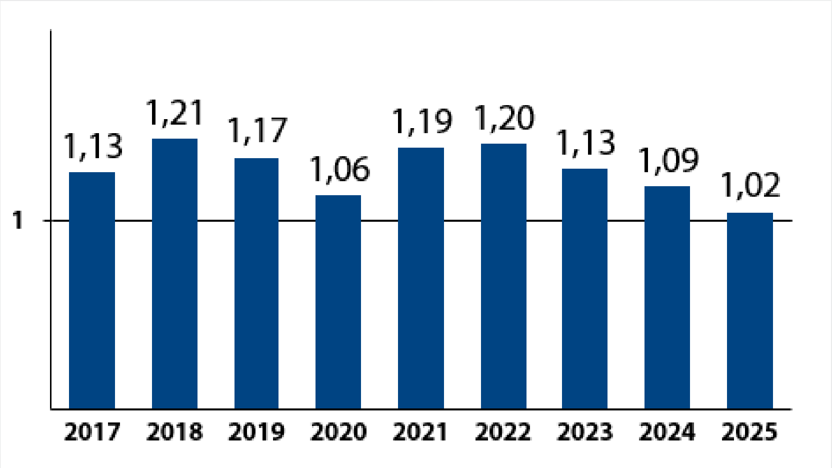




Sources: USTMA, Trade Map, International Trade Centre, Notch Consulting

Key Freight End Market Poised for Gradual Cyclical Recovery

CASS Freight Shipment Index – To Dec 2025



Source: Cass Information Systems

Full Year Orion Results

Total Adj EBITDA $248M, down 18% YoY; Volumes up 1.5%;
4Q 2025 customer production curtailments, inventory drawdowns
not as severe as had been indicated or expected

Rubber Adj EBITDA of $155M down 20% YoY, despite 4% higher volumes;
Lower Western market tire production levels, pricing, lower oil, and adverse regional mix all contributed; Elevated tire imports was key issue

Specialty Adj EBITDA of $94M down 14% YoY
Volume decline of 5%, adverse regional mix → major factors
Soft end markets globally, but downstream inventories very lean

Free Cash Flow of $55M, after capex of $161M; Working capital was $69M source of cash in 2025, bolstered by self-help, lower oil

Rubber Segment

4Q 2025 Results

- **Adj EBITDA of $29M**, down 22% year over year, reflecting more than seasonal softness in key markets
- Volume dipped just 1% including beneficial spot sales, but regional mix was a major factor on lower Western tire demand
- Key regional tire production levels still well below normal, owing to elevated imports, soft freight activity, and surplus channel inventories

Basis for Guidance

- Tire build rates remain subdued, despite positive emerging import data trends; Freight market stable
- Segment volumes more than 20% below pre-Covid levels
- Challenging pricing negotiations reflected in guidance
- Preserved strong relationships with major tire customers; Well positioned to service PC or TBR driven recovery, as well as broader spot opportunities



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Specialty Segment

4Q 2025 Results

- **Adj EBITDA of $27M** improved ~$2M (+6%) year over year, despite 12% lower volumes
- Favorable price/mix, FX translation, and other items including a greater co-gen contributions were key drivers
- Sequentially, Adj EBITDA improved $5M (+23%), despite 14% lower volumes, partly seasonal

Basis for Guidance

- Key end-markets remain soft, with no improvement in relevant PMI readings
- No restocking: Smaller, higher frequency orders with JIT urgency; inventories very lean
- New product qualifications continue
- Flat/lower volumes; lower prices offset partly by better mix; EU regulatory framework unchanged

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Cash Flow, Balance Sheet & Leverage Improved

Cash Flow Highlights

- Net working capital nearly $70M source of cash in full year 2025, including $64 M during 4Q
- Operating cash flow of $216M; Capital expenditures of $161M
  → **Free cash flow of $55M**

Balance Sheet & Leverage

- Net Debt reduced ~$40M sequentially in 4Q to ~$920M
- Net debt-to-TTM Adjusted EBITDA ratio declined sequentially from 3.8x to 3.7x
- February 2026 credit agreement amendment ensures headroom while navigating business cycle trough

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Outlook / Sensitivities

Guidance – 2026 Full Year

- Adjusted EBITDA:

  FY26: \$160 - \$200M
  1H26: \$90 - \$110M
  based on historical trends

- Free Cash Flow:

  \$25 - \$50M

- Capital Expenditures:

  ~\$90M

Sensitivities

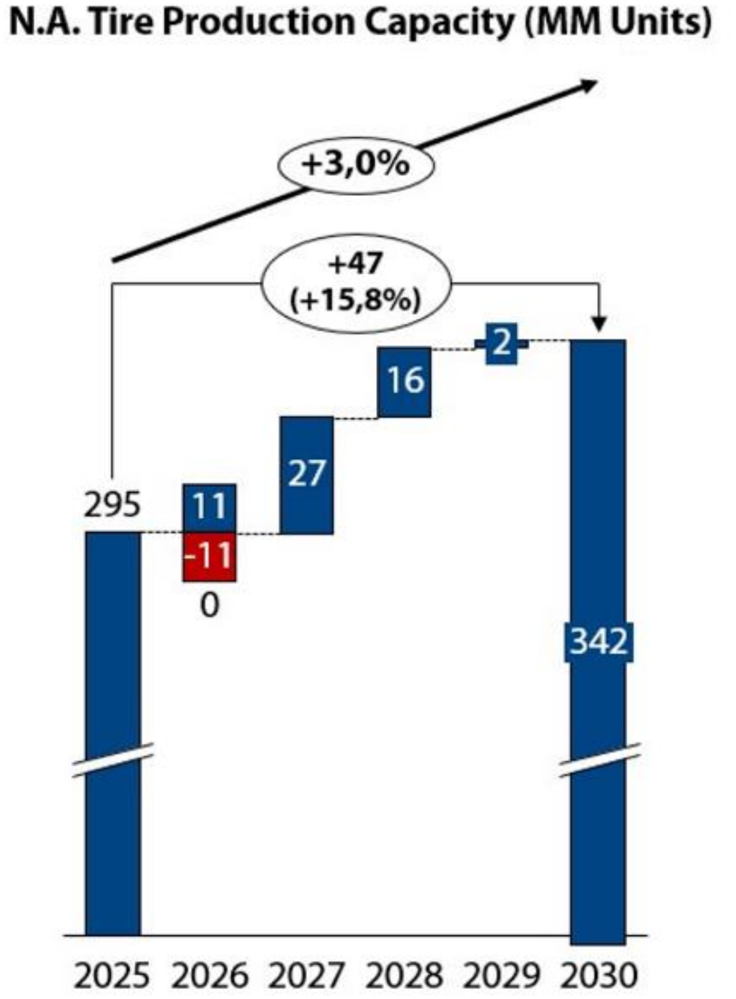
- Net Working Capital: \$10/bbl change in average feedstock prices changes NWC by \$25 - \$30M, over 3-4 months
- FX: 1% Change in EUR/USD amounts to ~\$2M EBITDA impact, over full year
- Oil Prices: \$1/bbl change in avg. feedstock cost over 12-month period has \$0.7 - \$1.0M FY EBITDA impact

Concluding Remarks

- 2025 Market Conditions Impacted 2026 Pricing
- Decisive Actions Taken to Navigate Trough Conditions
- Cost and Spending Actions Expected to Drive Positive Free Cash Flow in 2026
- Upside: Shifting Global Trade Flows, Reshoring Confers Advantage to Dependable Local Suppliers
- Upside: Freight Industry Recovery Not in Guidance

Appendix Slides

Reshoring Beneficiary: N.A. Tire Industry Production Capacity to 2030



- Net growth of 47 million tires/yr in N.A. production capacity from 2025 to 2030 (~3% CAGR)

Note: Investment capital totals shown with completion dates 2025 and beyond.
Sources: Global Data (Sept. 2025), Notch Report, ERJ, Trade Press, Orion Estimates.

Orion 2025 Company KPIs and Other Metrics

Metric [1]	2025	2024	Y/Y
Volume (kmt)	948.6	934.8	1.5%
Net Sales	$1,806.7	$1,877.5	(3.8)%
Gross Profit	$359.8	$428.8	(16.1)%
Gross Profit/ton [2]	$379.3	$458.7	(17.3)%
Adj. EBITDA	$248.0	$302.2	(17.9)%
Adj. EBITDA Margin [2]	13.7%	16.1%	-240bps
Adjusted Net Income	$28.0	$102.8	(72.8)%
Adjusted Diluted EPS	$0.50	$1.76	$(1.26)

($ in millions)

(1) See Appendix for reconciliation of non-GAAP measures to the most directly comparable US- GAAP measure.

(2) See "Non-GAAP Financial Measures" for definitions of margin and per ton measures.

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Orion 4Q 2025 Company KPIs and Other Metrics

Metric [1]	Q4 2025	Q4 2024	Y/Y	Q3 2025	Seq
Volume (kmt)	219.4	228.1	(3.8)%	237.5	(7.6)%
Net Sales	$411.7	$434.2	(5.2)%	$450.9	(8.7)%
Gross Profit	$77.7	$89.3	(13.0)%	$85.6	(9.2)%
Gross Profit/ton [2]	$354.1	$391.5	(9.6)%	$360.4	(1.8)%
Adj. EBITDA	$55.3	$61.7	(10.4)%	$57.7	(4.2)%
Adj. EBITDA Margin [2]	13.4%	14.2%	-80bps	12.8%	60bps
Adjusted Net Income (Loss)	$(19.3)	$20.1	n/a	$16.3	n/a
Adjusted Diluted Earnings (Loss) per share	$(0.34)	$0.35	n/a	$0.29	n/a

($ in millions)

(1) See Appendix for reconciliation of non-GAAP measures to the most directly comparable US- GAAP measure.

(2) See "Non-GAAP Financial Measures" for definitions of margin and per ton measures.

Rubber Segment 4Q 2025 KPIs and Other Metrics

Metric (1)	Q4 2025	Q4 2024	Y/Y	Q3 2025	Seq
Volume (kmt)	166.7	168.2	(0.9)%	176.3	(5.4)%
Net Sales	$272.0	$286.8	(5.2)%	$290.9	(6.5)%
Gross Profit	$42.1	$55.2	(23.7)%	$53.0	(20.6)%
Gross Profit/ton (1)	$252.5	$328.2	(23.0)%	$300.6	(16.0)%
Adj. EBITDA	$28.7	$36.7	(21.8)%	$36.1	(20.5)%
Adj. EBITDA/ton (1)	$172.2	$218.2	(21.1)%	$204.8	(15.9)%
Adj. EBITDA Margin (1)	10.6%	12.8%	-220bps	12.4%	-180bps

($ in millions)

(1) See "Non-GAAP Financial Measures" for definitions of margin and per ton measures.

Specialty Segment 4Q 2025 KPIs and Other Metrics

Metric (1)	Q4 2025	Q4 2024	Y/Y	Q3 2025	Seq
Volume (kmt)	52.7	59.9	(12.0)%	61.2	(13.9)%
Net Sales	$139.7	$147.4	(5.2)%	$160.0	(12.7)%
Gross Profit	$35.6	$34.1	4.4%	$32.6	9.2%
Gross Profit/ton (1)	$675.5	$569.3	18.7%	$532.7	26.8%
Adj. EBITDA	$26.6	$25.0	6.4%	$21.6	23.1%
Adj. EBITDA/ton (1)	$504.7	$417.4	20.9%	$352.9	43.0%
Adj. EBITDA Margin (1)	19.0%	17.0%	200bps	13.5%	550bps

($ in millions)

(1) See "Non-GAAP Financial Measures" for definitions of margin and per ton measures.

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Historical Non-GAAP Metrics Reconciliation

Historical Non-GAAP Metrics Reconciliation ($ million unless otherwise stated)

	Three Months Ended			Year Ended December 31,		
	Q4 2025	Q3 2025	Q4 2024	2025	2024	2023
Net sales	**412**	**451**	**434**	**1,807**	**1,878**	**1,894**
Cost of Sales	334	365	345	1,447	1,449	1,443
Gross Profit	**78**	**86**	**89**	**360**	**429**	**451**
Sales volume (in kmt)	219	238	228	949	935	932
Gross Profit per Metric Ton	**354**	**360**	**392**	**379**	**459**	**484**
Net income (loss)	**(21)**	**(67)**	**17**	**(70)**	**44**	**104**
Income tax expense (benefit)	23	(1)	(2)	36	10	60
Equity in Earnings of Affiliated companies	1	(1)	—	(1)	(1)	(1)
Income (loss) before earnings in affiliated companies and income taxes	**3**	**(68)**	**15**	**(35)**	**53**	**163**
Finance costs, net [(1)]	15	14	9	62	49	51
Reclassification of actuarial gain from AOCI	—	—	—	—	—	(9)
Income (loss) from Operations (EBIT)	**18**	**(54)**	**24**	**28**	**103**	**205**
Depreciation and amortization	35	34	35	132	125	113
EBITDA	**53**	**(20)**	**59**	**159**	**228**	**318**
Loss due to misappropriation of assets, net	—	(7)	(1)	(7)	59	—
Goodwill impairment	—	81	—	81	—	—
Other non-operating [(2)]	3	4	4	15	15	14
Adjusted EBITDA	**55**	**58**	**62**	**248**	**302**	**332**
Thereof Adjusted EBITDA Specialty Carbon Black	*27*	*22*	*25*	*94*	*108*	*111*
Thereof Adjusted EBITDA Rubber Carbon Black	*29*	*36*	*37*	*155*	*194*	*222*

(1) Finance costs, net consists of Interest expense, Finance income and Finance costs, and excludes Reclassification of actuarial gains out of AOCI.

(2) Other non-operating is primarily related to Long-term incentive plan for all periods presented.

Historical Non-GAAP Metrics Reconciliation

Reconciliation of FCF ($million)

		Year Ended December 31,	
		2025	2024
1	**Net cash provided by operating activities**	**$216**	**$125**
2	Net cash used in investing activities	(161)	(207)
3	Net cash provided by (used in) financing activities	(41)	89
	Free Cash Flows (1-2)	55	(82)

Historical Non-GAAP Metrics Reconciliation

Historical Non-GAAP Metrics Reconciliation in $ per share

Adjusted diluted Earnings (Loss) per share	Three Months Ended			Year Ended December 31,	
	Q4 2025	Q3 2025	Q4 2024	2025	2024
Diluted Earnings (Loss) per share	**$(0.38)**	**$(1.20)**	**$0.30**	**$(1.24)**	**$0.76**
Long Term Incentive Plan	0.06	0.07	0.07	0.24	0.26
Other Adjustments including restructuring	0.01	—	—	0.01	(0.02)
Amortization of Acquired Intangible Assets	0.04	0.04	0.03	0.15	0.13
Foreign Exchange Rate Impacts to Financial Results	(0.07)	0.08	(0.01)	0.13	0.02
Amortization of Transaction Costs	0.01	0.01	0.01	0.04	0.03
Loss (recovery) due to misappropriation of assets, net					
Misappropriation of assets, net	(0.03)	(0.13)	(0.06)	(0.16)	0.95
Professional fees related to misappropriation of assets	0.03	—	0.04	0.04	0.06
Goodwill impairment	—	1.44	—	1.43	—
Tax Effect on Add Back Items	(0.01)	(0.02)	(0.03)	(0.14)	(0.43)
Adjusted diluted Earnings (Loss) per share	**$(0.34)**	**$0.29**	**$0.35**	**$0.50**	**$1.76**

Historical Non-GAAP Metrics Reconciliation

Historical Non-GAAP Metrics Reconciliation ($million)

Adjusted Net Income	Three Months Ended			Year Ended December 31,	
	Q4 2025	Q3 2025	Q4 2024	2025	2024
Net income (loss)	**$ (21.1)**	**$ (67.1)**	**$ 17.2**	**$ (70.1)**	**$ 44.2**
add back long-term incentive plan	3.6	3.7	4.0	13.6	15.3
add back loss (recovery) due to misappropriation of assets, net	(1.9)	(7.3)	(3.5)	(9.2)	55.7
add back loss due to professional fees related to misappropriation of assets	1.5	—	2.1	2.3	3.6
add back goodwill impairment	—	80.8	—	80.8	—
add back other adjustment items	0.6	—	0.1	0.6	(1.0)
add back reclassification of actuarial gains from AOCI	—	—	—	—	—
add back intangible assets amortization	2.1	2.4	1.8	8.2	7.3
add back foreign exchange rate impacts	(4.1)	4.5	(0.8)	7.2	1.3
add back amortization of transaction costs	0.8	0.4	0.4	2.0	1.5
Tax effect on add back items at estimated tax rate	(0.8)	(1.1)	(1.2)	(7.4)	(25.1)
Adjusted Net income (loss)	**(19.3)**	**16.3**	**20.1**	**28.0**	**102.8**

Historical Non-GAAP Metrics Reconciliation

Historical Non-GAAP Metrics Reconciliation ($ million unless otherwise stated)

Capital Employed	2025		2024	2023	2022	2021	2020
	2025	2024					
Total Assets	1,930.7	1,857.3	1,857.3	1,833.4	1,888.7	1,631.0	1,389.8
LESS: Current Liabilities	(629.4)	(516.7)	(516.7)	(440.3)	(552.8)	(448.7)	(324.7)
Capital Employed	**1,301.3**	**1,340.6**	**1,340.6**	**1,393.1**	**1,335.9**	**1,182.3**	**1,065.1**
Average of:	Q4 2025 & Q4 2024		2024 & 2023	2023 & 2022	2022 & 2021	2021 & 2020	
Average Capital Employed	**1,321.0**		**1,366.9**	**1,364.5**	**1,259.1**	**1,123.7**	

Adjusted EBIT	2025			2024	2023	2022	2021	2020
	TTM [1]	2025	2024					
Adjusted EBITDA	248.0	248.0	302.2	302.2	332.3	312.3	268.4	
Add back Depreciation of property, plant and equipment and amortization of intangible assets and right of use assets	(131.9)	(131.9)	(125.3)	(125.3)	(113.0)	(105.7)	(104.1)	
Adjusted EBIT	**116.1**	**116.1**	**176.9**	**176.9**	**219.3**	**206.6**	**164.3**	
Return on Capital Employed [2]	**8.8%**			**12.9%**	**16.1%**	**16.4%**	**14.6%**	

(1) TTM or 'trailing twelve months' for P&L amounts are calculated as current quarter YTD plus full prior year less same quarter prior year YTD (e.g. TTM Adjusted EBIT for 20 is calculated as 2025 + full year 2024 YTD - 2024)

(2) Return on Capital Employed (ROCE) is calculated as Adjusted EBIT divided by Average capital employed.

Historical Non-GAAP Metrics Reconciliation

Historical Non-GAAP Metrics Reconciliation ($million)		
Net Debt and Debt ratio		**December 31, 2025**
Current portion of long-term debt and other financial liabilities	$	305.0
Long-term debt, net		674.5
Total debt as per Consolidated Balance Sheets		979.5
Add: Deferred debt issuance costs - Term loans		2.4
Less: Cash and cash equivalents		60.7
Net debt	**$**	**921.2**
TTM Adjusted EBITDA		248.0
Debt ratio		**3.71**

Historical Non-GAAP Metrics Reconciliation

Historical Non-GAAP Metrics Reconciliation						
	Rubber			Specialty		
	Sales volume (kmt)	Gross profit (in millions)	Quarterly (TTM) Gross profit /Ton	Sales volume (kmt)	Gross profit (in millions)	Quarterly (TTM) Gross profit /Ton
Q1 2023	180.5	84.3		53.0	52.1	
Q2 2023	173.7	74.5	403	53.6	42.6	862
Q3 2023	185.3	71.6	409	59.9	38.6	802
Q4 2023	171.3	60.3	**409**	54.9	27.0	**724**
Q1 2024	185.1	80.5	**401**	63.3	41.7	**647**
Q2 2024	170.2	70.3	**397**	62.9	39.5	**609**
Q3 2024	165.5	70.9	**407**	59.7	36.6	**601**
Q4 2024	168.2	55.2	**402**	59.9	34.1	**618**
Q1 2025	189.8	58.1	**367**	61.9	40.0	**615**
Q2 2025	182.0	65.8	**354**	58.0	32.6	**598**
Q3 2025	176.3	53.0	**324**	61.2	32.6	**578**
Q4 2025	166.7	42.1	**306**	52.7	35.6	**602**

Non-GAAP Financial Measures

Non-GAAP Financial Measures

We present certain financial measures that are not prepared in accordance with GAAP or the accounting standards of any other jurisdiction and may not be comparable to other similarly titled measures of other companies. For a reconciliation of these non-GAAP financial measures to their nearest comparable GAAP measures, see section *Reconciliation of Non-GAAP Financial Measures* below.

These non-GAAP measures include, but are not limited to Adjusted Net Income, EBITDA, Adjusted EBITDA, Adjusted Diluted EPS, Free Cash Flow, Net Debt and Segment Gross Profit.

We define Adjusted Net Income as Net income, stock-based compensation, and non-recurring items (such as, restructuring expenses, legal settlement gain, etc.). We define EBITDA as Income from operations before depreciation and amortization, stock-based compensation, and non-recurring items plus Earnings in affiliated companies, net of tax. We define Adjusted EBITDA as Income from operations before depreciation and amortization, stock-based compensation, and non-recurring items plus Earnings in affiliated companies, net of tax. We define Adjusted Diluted EPS as Adjusted Net Income divided by Diluted Weighted-average shares outstanding. We define Free Cash Flow as Net cash provided by operating activities plus net cash used in investing activities. We define Net debt as Total debt per Consolidated Balance Sheets plus Deferred debt issuance cost - Term loans minus Cash and cash equivalents. We define Segment Gross Profit as Segment Net sales minus Segment Cost of sales.

Our operations are managed by senior executives who report to our Chief Executive Officer ("CEO"), the chief operating decision maker ("CODM"). Adjusted EBITDA is used by our CODM to evaluate our operating performance and to make decisions regarding allocation of capital, because it excludes the effects of items that have less bearing on the performance of our underlying core business. We use this measure, together with other measures of performance under GAAP, to compare the relative performance of operations in planning, budgeting and reviewing our business. By eliminating potential differences in results of operations between periods caused by factors such as depreciation and amortization, historic cost and age of assets, financing and capital structures and taxation positions or regimes, we believe that Adjusted EBITDA provides a useful additional basis for evaluating and comparing the current performance of the underlying operations.

We believe our non-GAAP measures are useful measures of financial performance in addition to Net income, Income from operations, diluted EPS and other profitability measures under GAAP, because they facilitate operating performance comparisons from period to period. In addition, we believe these non-GAAP measures aid investors by providing additional insight into our operational performance and help clarify trends affecting our business.

Other companies and analysts may calculate non-GAAP financial measures differently, so making comparisons among companies on this basis should be done carefully. Non-GAAP measures are not performance measures under GAAP and should not be considered in isolation or construed as substitutes for Net sales, Net income, Income from operations, Gross profit and other GAAP measures as an indicator of our operations in accordance with GAAP.

With respect to Adjusted EBITDA, Adjusted Diluted EPS and Free Cash Flow guidance for 2026, we are not able to reconcile the forward-looking non-GAAP financial measures to the closest corresponding GAAP measure without unreasonable efforts because we are unable to predict the ultimate outcome of certain significant items. These items include, but are not limited to, significant legal settlements, tax and regulatory reserve changes, restructuring costs and acquisition and financing related impacts.