CMC MATERIALS

SLIDES & REMARKS

Fourth Quarter and Full Year Fiscal 2021 Earnings

NOVEMBER 10, 2021

SAFE HARBOR STATEMENT

The information contained in and discussed in these slides and prepared remarks may include "forward-looking statements" within the meaning of federal securities regulations. These forward-looking statements include a number of risks, uncertainties, and other factors, including those described in CMC Materials' filings with the Securities and Exchange Commission (SEC), that could cause actual results to differ materially from those described by these forward-looking statements. CMC Materials assumes no obligation to update this forward-looking information.

These slides and prepared remarks should be read in conjunction with CMC's earnings press release, which was posted on CMC's website on November 10, 2021. In addition, these prepared remarks supplement the commentary that the company will make on its earnings conference call on November 11, 2021.

PRESIDENT & CEO REMARKS

DAVID LI

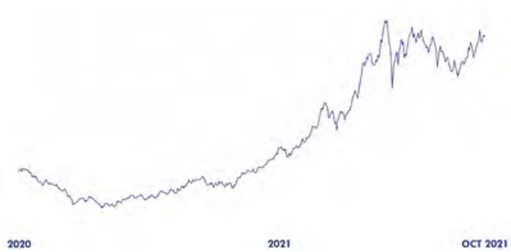
Fiscal year 2021 represents our fifth consecutive year of record revenue, driven by growth in our Electronic Materials segment, particularly in CMP slurries. Our team showed resilience in delivering these results while navigating a challenging operating environment, especially during the second half of our fiscal year.

In today's earnings release, we announced two key initiatives to mitigate cost challenges and enhance our financial performance. First, the company implemented global price increases, which took effect during the first quarter of fiscal year 2022. As mentioned last quarter, we are experiencing significant cost increases for raw materials, freight and logistics, as illustrated by the examples below.

EC KEY RAW MATERIAL FEEDSTOCK PRICE

SOURCE: MARKET INSIDER 10-22-2021

PIM KEY RAW MATERIAL PRICE



SOURCE: CME GROUP

GLOBAL CONTAINER FREIGHT PRICE

SOURCE: DREWRY, THE ECONOMIST

The impact from these headwinds began late in our third quarter, increased further into the fiscal fourth quarter, and are expected to continue to rise into fiscal year 2022. We currently believe the pricing actions will offset the expected higher costs for raw materials, freight and logistics. We are prepared to take further actions if needed to offset additional inflationary headwinds.

In addition, we initiated an enterprise-wide optimization program named "Future Forward." The program is designed to implement structural changes to reduce expenses and enhance operational efficiencies, while maintaining a strong focus on technology innovation and customer partnerships. These actions include targeted position eliminations, strategic evaluation of operating locations, and reductions in outside services and discretionary spending, as well as other actions to reduce costs. The "Future Forward" program is targeted to drive savings of approximately $15 million in fiscal year 2022, which should be a direct benefit to the company's Adjusted EBITDA, and ongoing annualized savings in the range of $20 million-$25 million by approximately the end of fiscal year 2023.

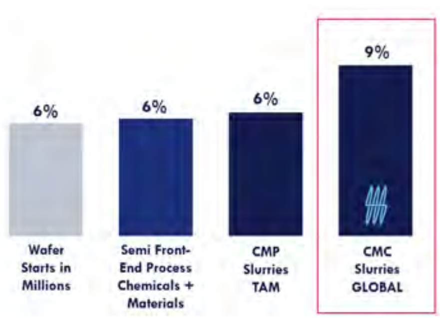
While we are confident these actions will help optimize our overall cost structure, we also remain committed to investing in product development, operations, and quality across our businesses to drive organic earnings growth. The outlook for our Electronic Materials segment remains strong, driven by a healthy semiconductor industry, as customers continue to invest in their infrastructure and operate at near maximum utilization levels. Longer term, our Electronic Materials segment will continue to benefit from IC technology advances and increased customer capacity. With the transition to smaller dimensions, additional layers and more complex circuit structures, advanced nodes require planarization of a wider range of materials and tighter tolerances around defects, driving the need for more advanced CMP products. Also, as new fabs come online across the globe, we expect to significantly expand our opportunities after announced customer capacity is built out.

PRESIDENT & CEO REMARKS (continued)

CMC Materials is a pioneer of the CMP process, and for more than 30 years, we have built a differentiated slurries business, offering the industry's broadest and deepest portfolio of solutions. Developing emerging, advanced solutions is our specialty. We are the leader in tungsten and dielectrics, the largest and fastest growing CMP slurries sectors, and are well positioned to innovate materials for any application. We invest approximately 10% of slurries revenue back into R&D to maintain our technological advantage as we partner with our customers to strengthen our participation and extend our differentiation. As a result, during the quarter we were awarded several new customer wins, including two breakthrough positions. In the logic space, we developed and won a position based on a new, emerging material on the most advanced logic node. We also won an advanced 3DNAND memory position using one of our advanced dielectrics slurries which will begin to ramp in the next several quarters.

One measure of our continued leadership in CMP slurries is our growth rate versus the industry. Based on industry and our internal estimates, we believe the CMP slurries sector grew approximately 9% in fiscal year 2021 while our slurries business increased 14%, demonstrating our customer position gains throughout the year. We have also seen similar trends historically, as our slurries business has grown at approximately a 9% CAGR over the past five years against the overall CMP slurries CAGR of mid-single digits. This outperformance reflects our highly formulated and broad product portfolio, commitment to technological innovation, close customer partnerships, global infrastructure, and ability to manage complex requirements across global supply chains.

2016 - 2021 5-YEAR CAGR



CMC SLURRIES ARE GROWING FASTER THAN THE MARKET

Another measure of our leadership in CMP slurries is our performance and growth in emerging markets like China. China has grown into a significant geography for us, increasing nearly 40% in fiscal year 2021 alone. While the performance of our CMP slurries business was strong during the year, it was impacted by order pattern variation with some domestic customers in China. The volumes observed in the first half of the fiscal year reflected a change in order timing, likely due to uncertainty regarding geopolitical and global supply chain issues, resulting in the desire to secure access to critical slurries product inventory. As expected, we are already seeing order patterns normalize and our outlook for the first fiscal quarter of 2022 indicates a return to a positive trajectory sequentially. We continue to work to improve our visibility into customer forecasts, which will help us better understand the underlying demand trends going forward. Some quarter-to-quarter variability is not uncommon due to seasonality or the timing of orders. For example, our second fiscal quarter is historically weaker than the first fiscal quarter because of the impacts of fewer shipment days and the Lunar New Year holiday.

Our confidence in maintaining and growing our CMP slurries business has never been stronger. We are winning new positions across all nodes because customers recognize CMC Materials as the performance and technology leader in CMP solutions.

In addition to CMP slurries, our CMP pads and electronic chemicals businesses delivered strong year-over-year growth. All our Electronic Materials businesses continue to benefit from a healthy semiconductor industry environment and our expertise to innovate and scale products to meet evolving customer requirements. The long-term opportunities for each of these businesses are compelling as we partner with our customers to enable their most challenging technologies.

PRESIDENT & CEO REMARKS (continued)

In the Performance Materials segment, our wood treatment and QED businesses both posted strong growth in fiscal year 2021. While pipeline and industrial materials (PIM) increased year-over-year, the business remains challenged and underperformed against our expectations. PIM continues to stabilize from the ongoing impacts and related factors of the COVID-19 Pandemic ("Pandemic"), but the recovery has been uneven and difficult to forecast. Our team has worked to expand our market presence, resulting in several new wins with domestic and international customers, however, orders have ramped slower than expected as customers have delayed the implementation of these projects. The profitability of PIM has also been challenged as the cost of a key raw material for our drag reducing agents (DRAs) has increased significantly over the past year. To offset these costs, we are working to improve profitability through product innovation and we have made significant progress on developing new products with alternative raw materials.

Looking forward to fiscal year 2022:

In Electronic Materials, which represents more than 80% of revenue, we expect customer demand to remain strong, driven by continued healthy semiconductor industry demand. As a result, for the first quarter of fiscal 2022, we expect the Electronics Materials segment to be up low to mid single digits sequentially. Beyond this quarter, we believe we are well positioned to grow with the industry given our positions across all technology nodes and applications.

In Performance Materials, the wind down of our wood treatment business remains on track, with the exit occurring by approximately the end of the second quarter. Our QED business has entered fiscal year 2022 with a strong backlog of orders. For PIM, the macroeconomic backdrop remains challenged, but we continue to focus on driving results in this business. As a reminder, demand for DRAs is not correlated with oil price and is primarily driven by oil production and transportation. Although steadily increasing, demand for oil still remains below pre-Pandemic levels. U.S. domestic supply has not increased due to continued slow utilization of drilling assets and restrained capital spending for exploration and production activities. Moving forward, we remain focused on executing on our strategic initiatives, including new customer wins ramping over the next several quarters and making additional progress on developing new products that deliver profitability improvement.

In closing, we are optimistic about the future of CMC Materials. As a leading electronic materials supplier with a robust product portfolio, serving all applications and technology nodes, we are poised to grow faster than the market given our industry-leading positions and our ability to innovate for the increasing complexity of semiconductor manufacturing.

VICE PRESIDENT & CFO REMARKS
SCOTT BEAMER

In fiscal year 2021, we generated record total company revenue, growth of 7.5% versus the prior year.

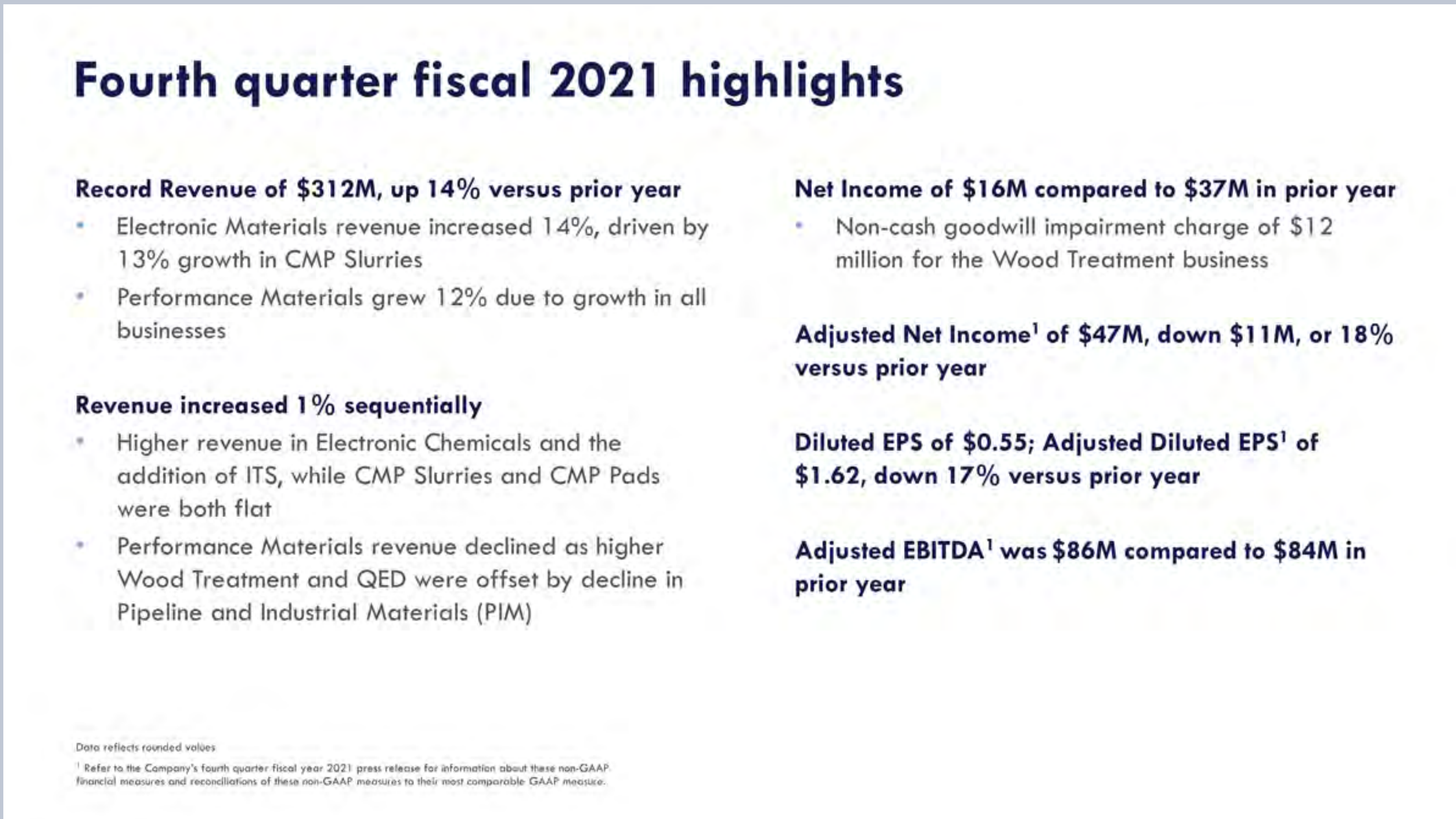
In particular, revenue in Electronic Materials grew 12% versus the prior year, led by CMP slurries which grew 14%, and outperformed sector growth. CMP pads increased 11% and electronic chemicals was up 5%, all compared to prior year's results.

We acquired International Test Solutions (ITS) during the year. The transaction has been immediately accretive and has now expanded our semiconductor participation into the attractive packaging and test segments at leading edge device manufacturers and foundries.

Within Performance Materials, our PIM business has not recovered to pre-Pandemic levels. We have optimized the wood treatment business, and the exit continues to proceed according to plan.

While our first half profitability trended with our performance at the end of fiscal year 2020, our second half profitability was negatively impacted as we absorbed higher costs, primarily from raw materials, freight and logistics. For the full year, Adjusted EBITDA margin was 29.9%.

Our cash position continues to be strong. We generated $229 million of free cash flow and maintained net debt to Adjusted EBITDA of approximately 2x. We expanded our revolver during the year, and also returned $173 million of cash to shareholders through $53 million in dividends and $120 million in share repurchases.



Total fourth quarter revenue was $312 million, an increase of 14% compared to the same period last year.

Adjusted EBITDA[1] was $86 million, up 2% compared to last year.

Diluted EPS was $0.55 compared to $1.25 in the same quarter last year. Adjusted Diluted EPS was $1.62, 17% lower compared to the same quarter last year.

Full year fiscal 2021 highlights

Record Revenue of $1.2B, up 7% versus prior year

- Electronic Materials revenue increased 12%, which represents more than 80% of annual revenue
- CMP Slurries grew 14%, CMP Pads increased 11% and Electronic Chemicals grew 5%
- The acquisition of ITS closed on April 1, 2021 and is reported under Materials Technologies
- Performance Materials declined 8% as growth in Wood Treatment and QED was more than offset by lower revenue in PIM

Net Loss of $69M compared to net income of $143M in prior year

- Non-cash impairment charges of $230M for the PIM and Wood Treatment businesses

Adjusted Net Income[1] of $210M, down $11M, or 5% versus prior year

Loss per Share of $2.35; Adjusted Diluted EPS[1] of $7.11, down 5% versus prior year

Adjusted EBITDA[1] of $358M was essentially flat versus prior year

Data reflects rounded values

[1] Refer to the Company's fourth quarter fiscal year 2021 press release for information about these non-GAAP financial measures and reconciliations of these non-GAAP measures to their most comparable GAAP measure.

Total revenue was $1.2 billion, an increase of 7% compared to last year.

Adjusted EBITDA[1] was $358 million, essentially flat compared to last year.

Diluted loss per share was $2.35 compared to diluted earnings per share of $4.83 last year. Adjusted Diluted EPS was $7.11, 5% lower compared to last year.

Fourth quarter financial details

	Reported		Adjusted results[1]			
	2021 Q4	2020 Q4	**2021 Q4**	2020 Q4		**Comments on adjusted results**
Revenue	**$312M**	$274M	**$312M**	$274M	▲	Both Electronic Materials (+14%) and Performance Materials (+12%) contributed to growth
Gross margin	**39%**	43%	**40%**	44%	▼	(-) Raw materials cost increases (-) Freight and logistics cost increases
Net income	**$16M**	$37M	**$47M**	$58M	▼	
Diluted EPS	**$0.55**	$1.25	**$1.62**	$1.96	▼	
EBITDA	**$70M**	$78M	**$86M**	$84M	▲	
EBITDA margin	**22%**	29%	**28%**	31%	▼	(-) Lower gross margin (+) Lower operating expenses as a percent of sales

Data reflects rounded values

[1] Refer to the Company's fourth quarter fiscal year 2021 press release for information about these non-GAAP financial measures and reconciliations of these non-GAAP measures to their most comparable GAAP measure.

Total company revenue in the fourth fiscal quarter increased 14% versus last year, representing the fourth consecutive quarter of record revenue. Revenue increased in both the Electronic Materials and Performance Materials segments.

Gross margin was 39% versus 43% in the prior year. Adjusted gross margin was 40%, versus 44% in the prior year. This decline was primarily due to higher raw materials, freight and logistics costs across both segments. These headwinds more than offset the benefit from revenue growth.

Net income of $16 million was impacted by a non-cash, pre-tax goodwill impairment charge of $12 million for wood treatment related to the previously announced strategic decision to exit this business. As the company approaches the closure date of the facilities in this business, we will incur future impairments of goodwill.

Adjusted net income was $47 million, down $11 million compared to a year ago.

Total company Adjusted EBITDA in the quarter increased 2% year-over-year to $86 million. As a percent of revenue, adjusted EBITDA was 28% compared to 31%, the decrease was attributable to lower gross margin. Operating expenses as a percent of sales were down slightly year-over-year.

Electronic Materials (EM) fourth quarter segment Revenue and Adjusted EBITDA

- CMP Slurries increased due to growth across all product lines from both existing positions and new customer wins
- CMP Pads revenue grew due to semiconductor industry demand and new customer wins
- Electronic Chemicals revenue reflects continued demand strength in U.S. and Europe
- Adjusted EBITDA margin declined primarily due to increased raw materials, freight and logistics costs across the segment

$ millions	2021 Q4	2020 Q4	
Total Company Revenue	**$312**	**$274**	▲
EM Revenue	**$254**	**$223**	▲
CMP Slurries	$136	$121	▲
CMP Pads	$25	$20	▲
Electronic Chemicals	$87	$82	▲
Materials Technologies[1]	$6	$—	▲
EM Adjusted EBITDA[2]	$79	$71	▲
EM Adjusted EBITDA Margin[3]	31%	32%	▼

Data reflects rounded values
[1] Comprises the ITS business which we acquired on April 1, 2021.
[2] Adjusted EBITDA for the Electronic Materials and Performance Materials segments is presented in conformity with Accounting Standards Codification Topic 280, Segment Reporting. This measure is reported to the chief operating decision maker for purposes of making decisions about allocating resources to the segments and assessing their performance. For these reasons, this measure is excluded from the definition of non-GAAP financial measures under the SEC's Regulation G and Item 10(e) of R
[3] Refer to the Company's fourth quarter fiscal year 2021 press release for information about these non-GAAP financial measures and reconciliations of these non-GAAP measures to their most comparable GAAP measure.

Revenue in Electronic Materials increased 14% compared to the prior year. This was driven by growth across all businesses due to healthy semiconductor demand, as well as the inclusion of ITS, which we acquired on April 1, 2021. For the quarter, CMP slurries increased 13%, CMP pads grew 24%, and electronic chemicals was up 6% year-over-year.

Sequentially, revenue for the Electronic Materials segment was up 1% driven by 3% growth in electronic chemicals.

As expected, CMP slurries revenue was flat quarter-over-quarter as robust global demand for the company's products was offset by order pattern variation from certain domestic customers in China. This dynamic is not a result of customer position losses. Our CMP slurries business in China has normalized and our forecast shows our total CMP slurries business returning to sequential growth in the first quarter of fiscal year 2022.

Revenue from CMP pads was flat sequentially given the timing of orders.

Electronic Materials delivered $79 million of Adjusted EBITDA during the quarter, an increase of 11% compared to the prior year. Adjusted EBITDA margin was 31%, down from 32% a year ago. This decline is primarily due to higher costs for raw materials, freight and logistics, which more than offset the benefit from higher revenue from all businesses in the segment.

Performance Materials (PM) fourth quarter segment Revenue and Adjusted EBITDA

- Higher revenue in Wood Treatment and QED
- PIM grew modestly but was negatively impacted by ongoing effects and related factors of the COVID-19 Pandemic ("Pandemic"), logistics constraints and slower than expected ramps of new customer positions
- Adjusted EBITDA declined due to increases in raw material cost
- Non-cash, pre-tax goodwill impairment charge of $12 million was recorded in the quarter for Wood Treatment

$ millions	2021 Q4	2020 Q4	
Total Company Revenue	**$312**	**$274**	▲
PM Revenue	**$58**	**$51**	▲
PM Adjusted EBITDA[1]	$21	$22	▼
PM Adjusted EBITDA Margin[2]	36%	44%	▼

Data reflects rounded values

[1] Adjusted EBITDA for the Electronic Materials and Performance Materials segments is presented in conformity with Accounting Standards Codification Topic 280, Segment Reporting. This measure is reported to the chief operating decision maker for purposes of making decisions about allocating resources to the segments and assessing their performance. For these reasons, this measure is excluded from the definition of non-GAAP financial measures under the SEC's Regulation G and Item 10(e) of Regulation S-K.

[2] Refer to the Company's fourth quarter fiscal year 2021 press release for information about these non-GAAP financial measures and reconciliations of these non-GAAP measures to their most comparable GAAP measure.

Performance Materials revenue increased 12% during the fourth quarter versus the prior year primarily driven by growth in our wood treatment and QED businesses. PIM increased modestly as the business continues to stabilize from the effects and related factors of the Pandemic, but was negatively impacted by supply chain constraints and slower than expected ramps of new domestic and international customer position wins.

Sequentially, Performance Materials revenue decreased 1%, as strength in the wood treatment and QED business was partially offset by a decline in PIM.

Adjusted EBITDA was $21 million, or 36% of segment revenue, versus $22 million and 44% reported in the prior year. Adjusted EBITDA declined primarily as a result of a significant increase in the cost of a key raw material in our PIM business.

In the fourth quarter, the company recorded a non-cash, pretax goodwill impairment charge of $12 million related to the previously announced strategic decision to exit the wood treatment business. As previously stated, we expect future impairments related to this business each quarter as we approach the closure dates of the facilities.

Balance sheet and cash flow

as of September 30, 2021

Cash balance of $186M

FY operating cash flow was $271M

- FY capital expenditures were $42M

FY free cash flow[1,2] was $229M

Net debt[2] of $730M

- 2.0x Net debt/adjusted EBITDA[3]

Returns to stockholders totaled $173M in the fiscal year, comprised of $53M of dividends and $120M in share repurchases

- $105M in share repurchases during the fiscal fourth quarter

Data reflects rounded values

[1] Free Cash flow is operating cash flow less capital expenditures.

[2] Refer to the Company's fourth quarter fiscal year 2021 press release for information about these non-GAAP financial measures and reconciliations of these non-GAAP measures to their most comparable GAAP measure.

[3] Refer to the Appendix of this document for the calculation of net debt/adjusted EBITDA.

We ended the quarter with $186 million of cash on hand, and total debt of $916 million, for a net debt position of $730 million. Our net debt is currently 2x our Adjusted EBITDA for the trailing twelve months.

During fiscal year 2021, we generated cash flow from operations of $271 million, and free cash flow of $229 million.

We invested $42 million in Capex for the full year ended September 30, 2021. We reduced Capex for the fiscal year due to the uneven operating environment in the second half of the year, however, investing in future organic growth of our businesses, particularly Electronic Materials, remains our top capital deployment priority.

We paid $53 million in dividends during the fiscal year.

We repurchased $105 million in shares during the fourth quarter. During fiscal year 2021, we repurchased $120 million of our common stock.

During fiscal year 2021, we returned a total of $173 million to stockholders through share repurchases and dividends.

Current financial guidance

		FY2022 Q1	FY2022
Segment	Electronic Materials Revenue	Up low to mid single digits[1]	
	Performance Materials Revenue	Down approximately 10%[1]	
Total company	Revenue	Up low to mid single digits[1]	
	Adjusted EBITDA[2]		**$355M-$385M**
	Depreciation and amortization[3]		**$50M-$55M**
	Interest expense	**$8M-$9M**	**$33M-$35M**
	Tax rate[4]		**20%-23%**
	Capital spending		**$60M-$80M**

Data reflects rounded values
[1] Based on sequential changes compared to fourth quarter fiscal year 2021.
[2] Refer to the Company's fourth quarter fiscal year 2021 press release for information about these non-GAAP financial measures and reconciliations of these non-GAAP measures to their most comparable GAAP measure.
[3] Excludes approximately $85 million in amortization of intangibles related to acquisitions.
[4] Excludes tax impact from acquisition-related expenses.

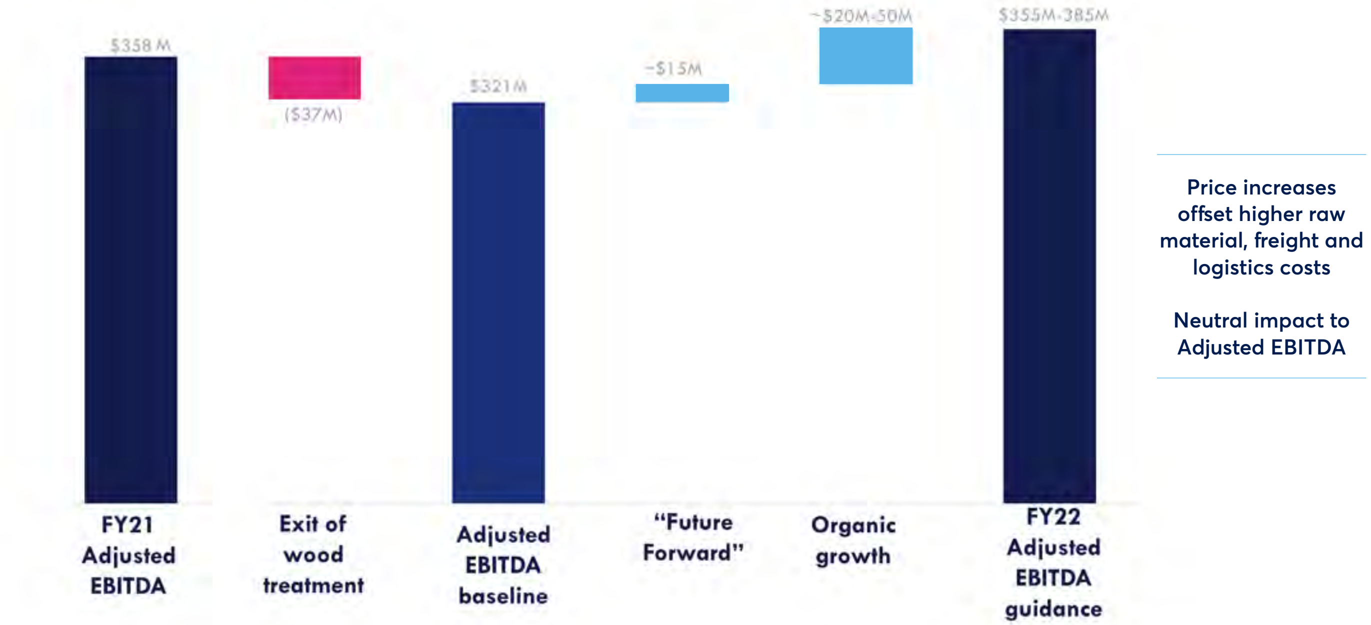
For the first quarter of fiscal year 2022, we forecast total company revenue to be up low to mid single digits sequentially.

Similarly, we expect Electronic Materials revenue to be up low to mid single digits compared to the fourth quarter of fiscal year 2021. The sequential increase is expected to be driven by the impacts of both pricing and volume.

For the Performance Materials segment, we expect revenue to be down approximately 10% sequentially primarily due to lower wood treatment revenue as we begin exiting this business.

Please refer to page 20 in the appendix for additional details on the exit of wood treatment.

Illustrative FY22 Adjusted EBITDA guidance bridge



Turning to our guidance for the fiscal year, we currently anticipate full year Adjusted EBITDA in the range of $355 million-$385 million. There are several drivers impacting our expectations.

First, we will be exiting wood treatment by approximately the end of the second quarter of fiscal 2022, which we anticipate will result in an approximate $37 million year-over-year decline in Adjusted EBITDA. Please refer to page 20 in the appendix for additional details on the exit of wood treatment.

We also anticipate Adjusted EBITDA to benefit from strong organic growth, primarily from Electronic Materials. Furthermore, we expect to deliver the initial benefits of the "Future Forward" optimization program in fiscal year 2022. Together, organic growth and the "Future Forward" program are targeted to deliver Adjusted EBITDA in the range of $35 million-$65 million, of which approximately $15 million is from cost reductions from the program.

As a reminder, this program is targeted to drive ongoing annualized savings in the range of $20 million-$25 million by approximately the end of fiscal year 2023, which should be a direct benefit to the company's Adjusted EBITDA.

Next, we have implemented price increases throughout our global customer base, which began early in the first quarter of fiscal year 2022. We currently believe the pricing actions will offset the expected higher costs for raw materials, freight and logistics. We may choose to take further actions if needed to offset additional inflationary headwinds.

In terms of Capex, we are guiding to $60 million-$80 million for the year. As previously mentioned, we constrained Capex in fiscal year 2021. For fiscal year 2022, we are prioritizing projects that are expected to drive revenue growth.

With respect to our guidance, we note continued uncertainty as to the ongoing macroeconomic environment and the impact of the Pandemic on the industries in which the company participates.

Future Forward:
CMC Materials' strategic cost optimization program

Designed to implement structural changes to enhance operational efficiencies, while maintaining strong focus on technology innovation and customer partnerships.

Actions likely to include:
- Targeted position eliminations
- Footprint optimization
- Other actions to reduce structural expenses.

Charges may include cash and non-cash items and will be recorded in future quarters, which we are not able to quantify at this time

Targeted impacts	**FY22**	**Run rate by end of FY23**
Favorable impact to EBITDA (combination of COGS and OPEX)	**Approximately $15M**	**$20M-$25M**

For fiscal year 2021, revenue in our Electronic Materials segment grew 12% compared to last year and continued to outpace industry growth in the markets in which we participate.

From a profitability perspective, our Adjusted EBITDA margin for the first half of the fiscal year 2021 trended around 30.5%, in line with our performance at the end of fiscal year 2020. However, Adjusted EBITDA margin was 29.3% in the second half of fiscal year 2021 as we absorbed higher costs, primarily from raw materials, freight and logistics.

During our last quarterly earnings call, we stated that actions were underway to mitigate these increasing costs. Now, we are sharing more details about these actions.

In particular, we implemented price increases during the fiscal first quarter to offset the expected higher costs for raw materials, freight and logistics in fiscal year 2022.

Additionally, through our newly announced "Future Forward" program, we will strategically reduce structural costs in order to improve our profitability, while also maintaining our commitment to areas such as R&D that will enable us to continue to innovate and deliver the solutions that solve our customers' most demanding challenges.

We provided guidance for fiscal year 2022 Adjusted EBITDA to be between $355 million and $385 million. The graph on page 14 illustrates that we expect to offset the loss of earnings from the exit of wood treatment primarily through a combination of organic growth and the favorable impact of the "Future Forward" program.

Also as mentioned, our pricing actions are expected to offset the additional impact of higher raw material, freight and logistics costs.

In conclusion, we continue to be optimistic about the semiconductor industry and the markets in which we operate. We remain confident in our competitive differentiators, including a highly formulated and broad product portfolio, commitment to technological innovation, close customer partnerships, global infrastructure and ability to manage complex requirements across global supply chains. We understand the challenges heading into fiscal year 2022, and we remain committed to executing against ongoing actions to improve profitability.

Appendix

Full year financial details

	Reported		Adjusted results[1]			
	FY2021	FY2020	**FY2021**	FY2020		**Comments on adjusted results**
Revenue	**$1,200M**	$1,116M	**$1,200M**	$1,116M	▲	(+) Higher revenue in Electronic Materials and the addition of ITS (-) Performance Materials
Gross margin	**42%**	44%	**43%**	45%	▼	(-) Raw materials cost increases (-) Freight and logistics cost increases (+) Addition of ITS
Net (loss) income	**($69M)**	$143M	**$210M**	$221M	▼	
Diluted (loss) earnings per share	**($2.35)**	$4.83	**$7.11**	$7.47	▼	(+) Lower interest expense (-) Higher tax expense
EBITDA	**$116M**	$343M	**$358M**	$358M	▲	(-) Higher expenses to support current operations and future growth investments (-) Raw materials cost increases
EBITDA margin	**10%**	31%	**30%**	32%	▼	

Data reflects rounded values

[1] Refer to the Company's fourth quarter fiscal year 2021 press release for information about these non-GAAP financial measures and reconciliations of these non-GAAP measures to their most comparable GAAP measure.

Full year segment Revenue and Adjusted EBITDA

$ millions	**FY2021**	FY2020	
Total Company Revenue	**$1,200**	**$1,116**	▲

$ millions	**FY2021**	FY2020	
EM Revenue	**$985**	**$883**	▲
CMP Slurries	$547	$481	▲
CMP Pads	$95	$86	▲
Electronic Chemicals	$331	$316	▲
Materials Technologies	$12	$—	▲
EM Adjusted EBITDA[1]	$324	$299	▲
EM Adjusted EBITDA Margin[2]	33%	34%	▼

$ millions	**FY2021**	FY2020	
PM Revenue	**$215**	**$233**	▼
PIM	$107	$142	▼
Wood Treatment	$73	$63	▲
QED	$35	$29	▲
PM Adjusted EBITDA[1]	$88	$107	▼
PM Adjusted EBITDA Margin[2]	41%	46%	▼

Data reflects rounded values

[1] Adjusted EBITDA for the Electronic Materials and Performance Materials segments is presented in conformity with Accounting Standards Codification Topic 280, Segment Reporting. This measure is reported to the chief operating decision maker for purposes of making decisions about allocating resources to the segments and assessing their performance. For these reasons, this measure is excluded from the definition of non-GAAP financial measures under the SEC's Regulation G and Item 10(e) of Regulation S-K.

[2] Refer to the Company's fourth quarter fiscal year 2021 press release for information about these non-GAAP financial measures and reconciliations of these non-GAAP measures to their most comparable GAAP measure.

Reconciliation of selected GAAP financial data to adjusted financial data

(in thousands, except percentage and per share data)	Three months ended September 30, 2021	2020
Reported gross profit	**$122,323**	**$117,063**
Reported gross margin	39.2%	42.7%
Adjustments[1]	3,806	3,699
Adjusted gross profit	**$126,129**	**$120,762**
Adjusted gross margin	40.4%	44.0%
Operating expenses	**$85,108**	**$70,995**
Adjustments[1]	(33,104)	(23,508)
Adjusted operating expenses	**$52,004**	**$47,487**
Net income	**$16,059**	**$36,855**
Adjustments[1]	31,273	21,124
Adjusted net income	**$47,332**	**$57,979**
Reported diluted earnings per share	**$0.55**	**$1.25**
Adjustments[1]	1.07	0.71
Adjusted diluted earnings per share	**$1.62**	**$1.96**
EBITDA	**$69,607**	**$78,179**
Adjustments[1]	16,343	5,816
Adjusted EBITDA	**$85,950**	**$83,995**

[1]Primarily reflects the elimination of the impact of impairment charges, acquisition and integration related costs, acquisition-related amortization expenses, net costs of restructuring related to the wood treatment business, costs related to the Pandemic, net of grants received, costs related to the KMG-Bernuth warehouse fire, net of insurance recoveries, an environmental accrual and the effect of the enactment of the Tax Cuts and Jobs Act in December 2017 in the United States and the newly issued final regulations related to the tax act. Refer to the Company's fourth quarter fiscal year 2021 press release for information about these non-GAAP financial measures and reconciliations of these non-GAAP measures to their most comparable GAAP measure.

Reconciliation of selected GAAP financial data to adjusted financial data

(in thousands, except percentage and per share data)	Twelve months ended September 30, 2021	2020
Reported gross profit	**$498,169**	**$488,601**
Reported gross margin	41.5%	43.8%
Adjustments[1]	14,146	14,920
Adjusted gross profit	**$512,315**	**$503,521**
Adjusted gross margin	42.7%	45.1%
Operating expenses	**$513,473**	**$271,696**
Adjustments[1]	(309,514)	(85,507)
Adjusted operating expenses	**$203,959**	**$186,189**
Net (loss) income	**($68,577)**	**$142,828**
Adjustments[1]	278,632	78,018
Adjusted net income	**$210,055**	**$220,846**
Reported diluted (loss) earnings per share	**($2.35)**	**$4.83**
Adjustments[1]	9.46	2.64
Adjusted diluted earnings per share	**$7.11**	**$7.47**
EBITDA	**$115,736**	**$342,924**
Adjustments[1]	242,577	14,877
Adjusted EBITDA	**$358,313**	**$357,801**

[1]Primarily reflects the elimination of the impact of impairment charges, acquisition and integration related costs, acquisition-related amortization expenses, net costs of restructuring related to the wood treatment business, costs related to the Pandemic, net of grants received, costs related to the KMG-Bernuth warehouse fire, net of insurance recoveries, an environmental accrual and the effect of the enactment of the Tax Cuts and Jobs Act in December 2017 in the United States and the newly issued final regulations related to the tax act. Refer to the Company's fourth quarter fiscal year 2021 press release for information about these non-GAAP financial measures and reconciliations of these non-GAAP measures to their most comparable GAAP measure.

Reconciliation of Cash Flow from Operations to Free Cash Flow and GAAP Debt to Net Debt

(in thousands)	Twelve months ended September 30, 2021
Net cash provided by operating activities	**$270,613**
Less: Capital expenditures	(42,103)
Free cash flow	**$228,510**
Net cash used in investing activities	**($166,360)**
Net cash used in financing activities	**($175,336)**

(in thousands)	September 30, 2021
Total short-term and long-term debt	**$916,344**
Less: Cash and cash equivalents	185,979
Total net debt	**$730,365**
Last Twelve Months (LTM) Adjusted EBITDA	**$358,313**
Net Debt to Adjusted EBITDA	**2.0**

	Three months ended				LTM
(in thousands)	December 31, 2020	March 31, 2021	June 30, 2021	September 30, 2021	September 30, 2021
EBITDA	**$80,552**	**($124,133)**	**$89,710**	**$69,607**	**$115,736**
Adjustments[1]	11,004	208,937	6,293	16,343	242,577
Adjusted EBITDA	**$91,556**	**$84,804**	**$96,003**	**$85,950**	**$358,313**

[1] Primarily reflects the elimination of the impact of impairment charges, acquisition and integration related costs, acquisition-related amortization expenses, net costs of restructuring related to the wood treatment business, costs related to the Pandemic, net of grants received, costs related to the KMG-Bernuth warehouse fire, net of insurance recoveries, an environmental accrual and the effect of the enactment of the Tax Cuts and Jobs Act in December 2017 in the United States and the newly issued final regulations related to the tax act. Refer to the Company's the quarterly press releases for fiscal year 2021for information about these non-GAAP financial measures and reconciliations of these non-GAAP measures to their most comparable GAAP measure.

Reconciliation of Fiscal Year 2022 Adjusted EBITDA Guidance

(in thousands)	Fiscal Year 2022 Low	Fiscal Year 2022 High
Net income	**$137,000**	**$166,000**
Interest expense, net[1]	34,000	34,000
Provision for income taxes[1]	46,000	47,000
Depreciation[1]	53,000	53,000
Amortization	85,000	85,000
Adjusted EBITDA Guidance - Consolidated	**$355,000**	**$385,000**

Above is a reconciliation of our indicated full year net income to our Adjusted EBITDA. The amounts above may not reflect certain future charges costs and/or gains that are inherently difficult to predict and estimate due to their unknown timing, effect and/or significance, including impairment charges associated with the anticipated closure of our wood treatment business.

[1] Amounts represent the mid-point of the current financial guidance provided on slide 9 of this presentation.

Current illustrative exit of the wood treatment business

Background

- The strategic decision to exit the wood treatment business was announced in November 2019
- Our Matamoros, Mexico facility will continue to produce an intermediate product until it ceases operations by December 31, 2021. The intermediate product then ships to our Tuscaloosa, Alabama plant, where is it processed and then sold to customers
- Tuscaloosa operations are estimated to cease around the end of the second quarter of fiscal 2022

Anticipated financial impact

- CMC will recognize wood treatment revenue in the first and second quarters of fiscal year 2022 of approximately $15 million and $9 million, respectively
- We anticipate wood treatment will contribute approximately $11 million and $6 million in Adjusted EBITDA for the first and second quarters of fiscal year 2022, respectively
- The net impact of the wood treatment exit is anticipated to result in an approximate $50 million decline in revenue and $37 million decline in Adjusted EBITDA in fiscal year 2022 compared to fiscal year 2021

	FY2021	2022 Q1	2022 Q2	FY2022	FY2022 vs. FY2021
Revenue	$73M	$15M	$9M	$23M	($50M)
Adj. EBITDA	$54M	$11M	$6M	$17M	($37M)

CMC MATERIALS

Thank you for your interest in CMC Materials

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