

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-Q

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2024

OR

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

For the transition period from _____ to _____

Commission File Number: 001-36563

ORION S.A.


(Exact name of registrant as specified in its charter)

Grand Duchy of Luxembourg

(State or other jurisdiction of incorporation or organization)

00-0000000

(I.R.S. Employer Identification No.)

1700 City Plaza Drive, Suite 300

Spring

Texas

77389

(Address of Principal Executive Offices)

(Zip Code)

(281) 318-2959

Registrant's telephone number, including area code

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 Shares, no par value	OEC	New York Stock Exchange

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports); and (2) has been subject to such filing requirements for the past 90 days.

Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer", "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

☒

Accelerated filer

☐

Non-accelerated filer

☐

Smaller reporting company

☐

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. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

The registrant had 58,307,933 shares of common stock outstanding as of April 26, 2024.

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Orion S.A.
PART I - Financial Information
Item 1. Financial Statements and Supplementary Data (Unaudited)

Condensed Consolidated Statements of Operations

	Three Months Ended March 31,	
	2024	2023
	(In millions, except share and per share data)	
Net sales	\$ 502.9	\$ 500.7
Cost of sales	380.7	364.3
Gross profit	122.2	136.4
Selling, general and administrative expenses	61.5	57.7
Research and development costs	6.6	6.2
Other (income) expenses, net	1.3	(1.0)
Income from operations	52.8	73.5
Interest and other financial expense, net	12.7	15.2
Reclassification of actuarial gain from AOCI	—	(2.2)
Income before earnings in affiliated companies and income taxes	40.1	60.5
Income tax expense	13.5	18.3
Earnings in affiliated companies, net of tax	0.1	0.1
Net income	\$ 26.7	\$ 42.3
Weighted-average shares outstanding (in thousands):		
Basic	58,640	60,287
Diluted	59,229	60,623
Earnings per share:		
Basic	\$ 0.46	\$ 0.70
Diluted	\$ 0.45	\$ 0.70

See accompanying Notes to these Condensed Consolidated Financial Statements.

Orion S.A.
Condensed Consolidated Statements of Comprehensive Income

	Three Months Ended March 31,	
	2024	2023
	(In millions)	
Net income	\$ 26.7	\$ 42.3
Other comprehensive income (loss), net of tax		
Foreign currency translation adjustments	(6.4)	(7.3)
Net losses on derivatives	(0.5)	(1.8)
Defined benefit plans, net	0.1	(1.4)
Other comprehensive loss	(6.8)	(10.5)
Comprehensive income	\$ 19.9	\$ 31.8

See accompanying Notes to these Condensed Consolidated Financial Statements.

Orion S.A.
Condensed Consolidated Balance Sheets

	March 31, 2024	December 31, 2023
	(In millions, except share data)	
ASSETS		
Current assets		
Cash and cash equivalents	\$ 43.9	\$ 37.5
Accounts receivable, net	269.7	241.0
Inventories, net	277.5	287.1
Income tax receivables	8.5	6.1
Prepaid expenses and other current assets	77.9	74.4
Total current assets	677.5	646.1
Property, plant and equipment, net	897.5	900.1
Right-of-use assets	111.3	110.6
Goodwill	74.4	76.1
Intangible assets, net	23.4	25.5
Investment in equity method affiliates	5.1	5.1
Deferred income tax assets	43.1	30.0
Other assets	42.3	39.9
Total non-current assets	1,197.1	1,187.3
Total assets	\$ 1,874.6	\$ 1,833.4
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	\$ 183.8	\$ 183.7
Current portion of long-term debt and other financial liabilities	144.8	137.0
Accrued liabilities	36.7	41.7
Income taxes payable	41.3	34.2
Other current liabilities	62.2	43.7
Total current liabilities	468.8	440.3
Long-term debt, net	668.7	677.3
Employee benefit plan obligation	59.8	60.4
Deferred income tax liabilities	75.3	66.3
Other liabilities	109.8	110.6
Total non-current liabilities	913.6	914.6
Commitments and contingencies		
Stockholders' equity		
Common stock		
Authorized: 65,035,579 and 65,035,579 shares with no par value		
Issued – 60,992,259 and 60,992,259 shares with no par value		
Outstanding – 58,307,933 and 57,898,772 shares	85.3	85.3
Treasury stock, at cost, 2,684,326 and 3,093,487	(63.5)	(70.1)
Additional paid-in capital	74.0	85.6
Retained earnings	443.1	417.6
Accumulated other comprehensive loss	(46.7)	(39.9)
Total stockholders' equity	492.2	478.5
Total liabilities and stockholders' equity	\$ 1,874.6	\$ 1,833.4

See accompanying Notes to these Condensed Consolidated Financial Statements.

Orion S.A.
Condensed Consolidated Statements of Cash Flows

	Three Months Ended March 31,	
	2024	2023
	(In millions)	
Cash flows from operating activities:		
Net income	\$ 26.7	\$ 42.3
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation of property, plant and equipment and amortization of intangible assets and right of use assets	28.9	25.7
Amortization of debt issuance costs	0.4	0.6
Share-based compensation	3.5	2.1
Deferred tax provision	(4.3)	1.1
Foreign currency transactions	(0.5)	0.8
Reclassification of actuarial gain from AOCI	—	(2.2)
Changes in operating assets and liabilities, net:		
Trade receivables	(33.2)	35.4
Inventories	3.5	5.7
Trade payables	4.2	1.4
Other provisions	(3.3)	(12.7)
Income tax liabilities	7.5	(4.1)
Other assets and liabilities, net	(1.0)	12.0
Net cash provided by operating activities	32.4	108.1
Cash flows from investing activities:		
Acquisition of property, plant and equipment	(33.1)	(30.5)
Net cash used in investing activities	(33.1)	(30.5)
Cash flows from financing activities:		
Proceeds from long-term debt borrowings	—	1.8
Repayments of long-term debt	(0.8)	(0.8)
Payments for debt issue costs	(0.1)	—
Cash inflows related to current financial liabilities	49.7	30.8
Cash outflows related to current financial liabilities	(40.6)	(63.7)
Dividends paid to shareholders	(1.2)	(1.3)
Repurchase of common stock under Stock repurchase programs	—	(29.3)
Net cash provided by (used in) financing activities	7.0	(62.5)
Increase in cash, cash equivalents and restricted cash	6.3	15.1
Cash, cash equivalents and restricted cash at the beginning of the period	40.2	63.4
Effect of exchange rate changes on cash	(1.0)	0.9
Cash, cash equivalents and restricted cash at the end of the period	45.5	79.4
Less restricted cash at the end of the period	1.6	2.6
Cash and cash equivalents at the end of the period	\$ 43.9	\$ 76.8

See accompanying Notes to these Condensed Consolidated Financial Statements.

Orion S.A.
Condensed Consolidated Statements of Changes in Stockholders' Equity

(In millions, except share and per share amounts)	Common stock		Treasury shares	Additional paid-in capital	Retained earnings	Accumulated other comprehensive loss	Total
	Number	Amount					
Balance at January 1, 2024	57,898,772	\$ 85.3	\$ (70.1)	\$ 85.6	\$ 417.6	\$ (39.9)	\$ 478.5
Net income	—	—	—	—	26.7	—	26.7
Other comprehensive loss, net of tax	—	—	—	—	—	(6.8)	(6.8)
Dividends \$0.02 per share	—	—	—	—	(1.2)	—	(1.2)
Repurchases of Common stock	(294,000)	—	(6.8)	—	—	—	(6.8)
Share based compensation	—	—	—	3.5	—	—	3.5
Issuance of stock under equity compensation plans	703,161	—	13.4	(15.1)	—	—	(1.7)
Balance at March 31, 2024	58,307,933	\$ 85.3	\$ (63.5)	\$ 74.0	\$ 443.1	\$ (46.7)	\$ 492.2
Balance at January 1, 2023	60,571,556	\$ 85.3	\$ (8.8)	\$ 76.4	\$ 319.0	\$ (12.5)	\$ 459.4
Net income	—	—	—	—	42.3	—	42.3
Other comprehensive loss, net of tax	—	—	—	—	—	(10.5)	(10.5)
Dividends \$0.02 per share	—	—	—	—	(1.3)	—	(1.3)
Share buyback	(1,286,915)	—	(29.3)	—	—	—	(29.3)
Share based compensation	—	—	—	2.1	—	—	2.1
Issuance of stock under equity compensation plans	131,550	—	2.9	(4.6)	—	—	(1.7)
Balance at March 31, 2023	59,416,191	\$ 85.3	\$ (35.2)	\$ 73.9	\$ 360.0	\$ (23.0)	\$ 461.0

See accompanying Notes to these Condensed Consolidated Financial Statements.

Orion S.A
Notes to the Condensed Consolidated Financial Statement (Unaudited)

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Orion S.A
Notes to the Condensed Consolidated Financial Statements—(continued)

Note A. Organization, Description of the Business and Summary of Significant Accounting Policies

Orion S.A.’s unaudited Condensed Consolidated Financial Statements include Orion S.A. and its subsidiaries (“Orion” or the “Company”). The unaudited Condensed Consolidated Financial Statements have been prepared in accordance with the United States (“U.S.”) Generally Accepted Accounting Principles (“GAAP”) and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by GAAP for annual financial statements. These financial statements should be read in conjunction with the Consolidated Financial Statements included in our Annual Report in Form 10-K for the year ended December 31, 2023.

The accompanying unaudited Condensed Consolidated Financial Statements include all adjustments that are necessary for the fair presentation of our results for the interim periods presented. These statements contain some amounts that are based upon management estimates and judgments. Future actual results could differ from such current estimates. Results for interim periods are not necessarily indicative of results to be expected for the full year.

Summary of Significant Accounting Policies—Accounting Standards Not Yet Adopted

Income Taxes—In December 2023, the FASB issued ASU No. 2023-09, Income Taxes (Topic 740) Improvements to Income Tax Disclosures. This ASU:

- Establishes new income tax disclosure requirements in addition to modifying and eliminating certain existing requirements.
- Requires disaggregated information about a reporting entity’s effective tax rate reconciliation.
- Requires disaggregated information about a reporting entity’s information on income taxes paid.
- Requires all entities to disclose annually income taxes paid (net of refunds received) disaggregated by federal (national), state and foreign taxes and to disaggregate the information by jurisdiction based on a quantitative threshold.
- Is effective for fiscal years beginning after December 15, 2024. Early adoption is permitted.

We believe, the adoption of this ASU will not materially impact our Condensed Consolidated Financial Statements, however will require additional disclosures in future Annual Reports.

Segment—In November 2023, the Financial Account Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2023-07, *Segment Reporting (Topic 280), Improvements to Reportable Segment*. This ASU:

- Introduces a new requirement to disclose significant segment expenses regularly provided to the Chief Operating Decision Maker (“CODM”),
- Extends certain annual disclosures to interim periods,
- Permits more than one measure of segment profit or loss to be reported under certain conditions, and
- Requires disclosure of the title and position of the CODM. However, but does not change how the CODM is identified.
- This ASU is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. Early adoption is permitted.

We believe, the adoption of this ASU will not materially impact our Condensed Consolidated Financial Statements, however will require additional segment disclosures in *Note K. Financial Information by Segment*.

Note B. Accounts Receivable

Accounts receivable, net of allowance for credit losses, are as follows:

	March 31, 2024	December 31, 2023
	(In millions)	
Accounts receivable	\$ 271.3	\$ 242.2
Expected credit losses	(1.6)	(1.2)
Accounts receivable, net	\$ 269.7	\$ 241.0

Accounts Receivable Factoring Facilities—For the three months ended March 31, 2024, and 2023 the gross amount of receivables sold were \$107.6 million and \$68.9 million, respectively.

In the Condensed Consolidated Statements of Operations, the loss on receivables sold is reflected in Other expenses, net. For the three months ended March 31, 2024 and 2023 the loss on receivables sold was approximately \$1.1 million and less than \$0.5 million.

Orion S.A
Notes to the Condensed Consolidated Financial Statements—(continued)

Note C. Inventories

Inventories, net of reserves, are as follows:

	March 31, 2024	December 31, 2023
	(In millions)	
Raw materials, consumables and supplies, net	\$ 102.6	\$ 113.8
Work in process	0.1	0.2
Finished goods, net	174.8	173.1
Inventories, net	\$ 277.5	\$ 287.1

Note D. Debt and Other Obligations

Debt and other obligations are as follows:

	March 31, 2024	December 31, 2023
	(In millions)	
Current		
Current portion of Term-Loan	\$ 3.0	\$ 3.1
Deferred debt issuance costs - Term-Loan	(0.8)	(0.8)
Other short-term debt and obligations	142.6	134.7
Current portion of long-term debt and other financial liabilities	144.8	137.0
Non-current		
Term-Loan	613.8	621.8
Deferred debt issuance costs - Term-Loan	(2.7)	(3.1)
China Term-Loan	57.6	58.6
Long-term debt, net	668.7	677.3
Total	\$ 813.5	\$ 814.3

a. Revolving credit facility

As of March 31, 2024, total capacity under our senior secured revolving credit facility (the “RCF”) and Ancillary facilities is €300 million. There were no borrowings under the RCF as of March 31, 2024 or December 31, 2023.

As of March 31, 2024 and December 31, 2023, availability under the RCF and Ancillary facilities is \$192.6 million and \$221.6 million, respectively.

b. Other Short-Term borrowings and Obligations

Other short-term debt and obligations are as follows:

	March 31, 2024	December 31, 2023
	(In millions)	
Revolving Credit Facility	\$ —	\$ —
Ancillary Credit Facilities		
OEC GmbH outstanding borrowings	119.9	88.8
OEC LLC outstanding borrowings	5.8	21.1
Brazil Uncommitted Local Lines of Credit (capacity \$3.2 million)	—	—
Korea Working Capital Loan (capacity \$38.9 million)		
Uncommitted	1.9	1.9
Committed	15.0	20.1
China Working Capital Loan	—	2.8
Total of Other Short-term Debt and Obligations	\$ 142.6	\$ 134.7
Supplemental information:		
Total ancillary capacity - EUR	€ 234.0	€ 214.0
Total ancillary capacity - U.S. Dollars	\$ 253.0	\$ 236.5

Orion S.A
Notes to the Condensed Consolidated Financial Statements—(continued)

As of March 31, 2024, we are in compliance with our debt covenants.

For additional information relating to our debt, see “*Note J. Debt and Other Obligations*”, included in our Annual Report in Form 10-K for the year ended December 31, 2023.

Note E. Financial Instruments and Fair Value Measurement

Risk management

We have policies governing the use of derivative instruments and do not enter into financial instruments for trading or speculative purposes.

By using derivative instruments, we are subject to credit and market risk. To minimize counterparty credit (or repayment) risk, we enter into transactions primarily with investment grade financial institutions. The market risk exposure is not hedged in a manner to completely eliminate the effects of changing market conditions on earnings or cash flow.

No significant concentration of credit risk existed as of March 31, 2024 or December 31, 2023.

Fair value measurement

The following table summarizes outstanding financial instruments that are measured at fair value on a recurring basis:

	March 31, 2024		December 31, 2023		Balance Sheet Classification
	Notional Amount	Fair Value	Notional Amount	Fair Value	
	(In millions)				
Assets					
Derivatives designated as hedges:					
Cross currency swaps	\$ 197.0	\$ 36.0	\$ 197.0	\$ 31.3	Other financial assets (non-current)
Interest rate swaps	297.3	2.6	303.9	4.6	Other financial assets (non-current)
Total	\$ 494.3	\$ 38.6	\$ 500.9	\$ 35.9	

All financial instruments in the table above are classified as Level 2. We present the gross assets and liabilities of our derivative financial instruments in the Condensed Consolidated Balance Sheets.

For financial assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period. There were no transfers of assets measured at fair value between Level 1 and Level 2 and there were no Level 3 investments during 2024 or 2023.

The following table presents the carrying value and estimated fair value of our financial instruments that are not measured at fair value on a recurring basis for the periods presented. Short-term and Long-term debt are recorded at amortized cost in the Condensed Consolidated Balance Sheets.

	March 31, 2024		December 31, 2023	
	Notional Amount	Fair Value	Notional Amount	Fair Value
	(In millions)			
Non-derivatives:				
Liabilities:				
Term-Loan	\$ 616.8	\$ 609.8	\$ 624.9	\$ 617.0
China Term-Loan	57.6	57.4	58.6	57.1
Total	\$ 674.4	\$ 667.2	\$ 683.5	\$ 674.1

The Term-Loan and China Term-Loan in the table above are classified as Level 2.

At both March 31, 2024 and December 31, 2023, the fair values of cash and cash equivalents, accounts receivable, accounts payable, accrued liabilities, short term borrowings and variable rate debt approximated their carrying values due to the short-term nature of these instruments.

Orion S.A
Notes to the Condensed Consolidated Financial Statements—(continued)

The following tables summarize the pre-tax effect of derivative and non-derivative instruments recorded in Accumulated other comprehensive income (loss) (“AOCI”), the gains (losses) reclassified from AOCI to earnings and additional gains (losses) recognized directly in earnings:

	Effect of Financial Instruments					
	Three Months Ended Mar 31,					
	Gain (Loss) Recognized in AOCI		Gain (Loss) Reclassified from AOCI to Income		Income Statement Classification	
	2024	2023	2024	2023		
	(In millions)					
Derivatives designated as hedges:						
Cross currency swaps	\$ 0.7	\$ (2.2)	\$ 0.4	\$ 0.4	Interest and other financial expense, net	
Interest rate swaps	(2.0)	(0.9)	—	—	Interest and other financial expense, net	
Total	\$ (1.3)	\$ (3.1)	\$ 0.4	\$ 0.4		

Our cross currency swaps and interest rate swaps are designated as cash flow hedges of principal and interest payments related to our Term-Loan and mature in September 2028.

In the next twelve months, approximately \$0.4 million recognized in AOCI related to cash flow hedges will be reclassified to the Condensed Consolidated Statement of Operations.

See “*Note K. Financial Instruments and Fair Value Measurement*”, included in our Annual Report in Form 10-K for the year ended December 31, 2023, for additional information relating to our derivatives instruments.

Note F. Employee Benefit Plans

Provisions for pensions are established to cover benefit plans for retirement, disability and surviving dependents’ pensions. The benefit obligations vary depending on the legal, tax and economic circumstances in various countries in which the Company operates. Generally, the level of benefit depends on the length of service and the remuneration.

Net periodic defined benefit pension costs include the following:

	Three Months Ended March 31,	
	2024	2023
	(In millions)	
Service cost	\$ 0.3	\$ 0.3
Interest cost	0.4	0.6
Amortization of actuarial (gain)	—	(2.2)
Net periodic pension cost	\$ 0.7	\$ (1.3)

Service costs were recorded in Income from operations in Selling, general and administrative expenses, and interest costs were recorded in Interest and other financial expense, net.

The amortization of actuarial (gain) losses, associated with the pension obligations recorded in prior years, in Accumulated other comprehensive income exceeding 10% of the defined benefit obligation are recorded ratably in the Condensed Consolidated Statements of Operations.

Orion S.A
Notes to the Condensed Consolidated Financial Statements—(continued)

Note G. Accumulated Other Comprehensive Income (Loss)

Changes in each component of AOCI, net of tax, are as follows:

	Currency Translation Adjustments	Hedging Activities Adjustments	Pension and Other Postretirement Benefit Liability Adjustment	Total
	(In millions)			
Balance at January 1, 2024	\$ (55.1)	\$ 16.1	\$ (0.9)	\$ (39.9)
Other comprehensive loss before reclassifications	(6.3)	(0.4)	0.2	(6.5)
Income tax effects before reclassifications	(0.1)	0.1	(0.1)	(0.1)
Amounts reclassified from AOCI	—	0.4	—	0.4
Income tax effects on reclassifications	—	(0.1)	—	(0.1)
Currency translation AOCI	—	(0.5)	—	(0.5)
Balance at March 31, 2024	\$ (61.5)	\$ 15.6	\$ (0.8)	\$ (46.7)
Balance at January 1, 2023	\$ (47.5)	\$ 24.4	\$ 10.6	\$ (12.5)
Other comprehensive income before reclassifications	(7.8)	(3.3)	—	(11.1)
Income tax effects before reclassifications	0.5	1.0	—	1.5
Amounts reclassified from AOCI	—	0.4	(2.2)	(1.8)
Income tax effects on reclassifications	—	(0.1)	0.7	0.6
Currency translation AOCI	—	0.2	0.1	0.3
Balance at March 31, 2023	\$ (54.8)	\$ 22.6	\$ 9.2	\$ (23.0)

Note H. Earnings Per Share

Basic earnings per share (“EPS”) is computed by dividing Net income attributable to Orion by the weighted average number of common stock outstanding during the period. Diluted EPS equals Net income attributable to Orion divided by the weighted average number of common stock outstanding during the period, adjusted for the dilutive effect of our stock-based and other equity compensation awards.

The following table reflects the income and share data used in the basic and diluted EPS computations:

	Three Months Ended March 31,	
	2024	2023
	(In millions, except share and per share data)	
Net income attributable to ordinary equity holders	\$ 26.7	\$ 42.3
Weighted average number of Common stock (in thousands)	58,640	60,287
Basic EPS	\$ 0.46	\$ 0.70
Dilutive effect of share based payments (in thousands)	589	336
Weighted average number of diluted Common stock (in thousands)	59,229	60,623
Diluted EPS	\$ 0.45	\$ 0.70

Note I. Income Taxes

The Company records its tax provision or benefit on an interim basis using an estimated annual effective tax rate. This rate is applied to the current period ordinary income to determine the income tax provision or benefit allocated to the interim period. Losses from jurisdictions for which no benefit can be recognized and the income tax effects of unusual and infrequent items are excluded from the estimated annual effective tax rate and are recognized in the impacted interim period as discrete items. Valuation allowances are provided against any future tax benefits that arise from losses in jurisdictions for which no benefit can be recognized. The estimated annual effective tax rate may be significantly impacted by nondeductible expenses and by the Company’s projected earnings mix by tax jurisdiction. Adjustments to the estimated annual effective income tax rate are recognized in the period when such estimates are revised.

Income tax expense for the three months ended March 31, 2024 and 2023 were \$13.5 million and \$18.3 million, respectively.

Orion S.A
Notes to the Condensed Consolidated Financial Statements—(continued)

Our effective income tax rates were as follows:

	Three Months Ended March 31,	
	2024	2023
Effective income tax rates	33.7 %	30.2 %

The change in our effective tax rate for the three months ended March 31, 2024 as compared to the three months ended March 31, 2023 was primarily attributable to changes in projected pre-tax income mix in countries with varying statutory tax rates.

Note J. Commitments and Contingencies

Legal Proceedings—We are subject to various lawsuits and claims including, but not limited to, matters involving contract disputes, environmental damages, personal injury and property damage. We vigorously defend ourselves and prosecute these matters as appropriate. We regularly assess the adequacy of legal accruals based on our professional judgment, experience and the information available regarding our cases.

The outcome of legal proceedings is inherently uncertain, and we offer no assurances as to the outcome of any of these matters or their effect on the Company.

Based on consideration of all relevant facts and circumstances, we do not believe the ultimate outcome of any currently pending lawsuit against us will have a material adverse effect upon our operations, financial condition or the Condensed Consolidated Financial Statements.

Pledges and guarantees

The Company has pledged the majority of its assets (amongst others shares in affiliates, bank accounts and receivables) within the different regions in which it operates excluding China as collateral under its debt agreements. As of March 31, 2024, the Company had guarantees totaling \$32.2 million issued by various financial institutions.

Note K. Financial Information by Segment

Segment information

We disclose the results of each of our operating segments in accordance with ASC 280, *Segment Reporting*. We manage our business in two operating segments as follows:

- *Rubber Carbon Black*—Used in the reinforcement of rubber in tires and mechanical rubber goods, and
- *Specialty Carbon Black*—Used for protection, colorization and conductivity in coatings, polymers, batteries, printing and other special applications.

Corporate includes income and expenses that cannot be directly allocated to the business segments or that are managed at the corporate level. This includes finance income and expenses, taxes and items with less bearing on the underlying core business.

Discrete financial information is available for each of the segments, and the CODM uses operating results of each operating segment for performance evaluation and resource allocation.

Our CODM uses Adjusted EBITDA as the primary measure for reviewing our segment profitability. We define Adjusted EBITDA as Income from operations before depreciation and amortization, share-based compensation, and non-recurring items (such as restructuring expenses, legal settlements gains, etc.) plus Earnings in affiliated companies, net of tax.

The CODM does not review reportable segment asset or liability information for purposes of assessing performance or allocating resources.

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Notes to the Condensed Consolidated Financial Statements—(continued)

Segment operating results for the three months ended March 31, 2024 and 2023 are as follows:

	Rubber	Specialty	Corporate	Total
	(In millions)			
2024				
Net sales from external customers	\$ 332.0	\$ 170.9	\$ —	\$ 502.9
Depreciation and amortization of intangible assets, right of use assets, and property, plant and equipment	16.7	12.2	—	28.9
Equity in earnings of affiliated companies, net of tax	0.1	—	—	0.1
Interest and other financial expense, net			(12.7)	(12.7)
Adjusted EBITDA	57.4	27.9	—	85.3
2023				
Net sales from external customers	\$ 338.7	\$ 162.0	\$ —	\$ 500.7
Depreciation and amortization of intangible assets, right of use assets, and property, plant and equipment	15.8	9.9	—	25.7
Equity in earnings of affiliated companies, net of tax	0.1	—	—	0.1
Interest and other financial expense, net			(15.2)	(15.2)
Reclassification of actuarial gain from AOCI			2.2	2.2
Adjusted EBITDA	63.8	37.3	—	101.1

A reconciliation of Income before earnings in affiliated companies and income taxes to Adjusted EBITDA for each of the periods presented is as follows:

	Three Months Ended March 31,	
	2024	2023
	(In millions)	
Income before earnings in affiliated companies and income taxes	\$ 40.1	\$ 60.5
Corporate charges	3.5	1.8
Depreciation and amortization of intangible assets, right of use assets, and property, plant and equipment	28.9	25.7
Equity in earnings of affiliated companies, net of tax	0.1	0.1
Interest and other financial expense, net	12.7	15.2
Reclassification of actuarial gain from AOCI	—	(2.2)
Adjusted EBITDA	\$ 85.3	\$ 101.1

Corporate charges include the following:

	Three Months Ended March 31,	
	2024	2023
	(In millions)	
Long term incentive plan	\$ 3.5	\$ 2.1
Other non-operating	—	(0.3)
Corporate Charges	\$ 3.5	\$ 1.8

Orion S.A.
Management's Discussion and Analysis of Financial Condition and Results of Operation

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis summarizes the significant factors affecting our results of operations and financial condition during the three months ended March 31, 2024 and 2023 and should be read in conjunction with the information included under Item 1. Financial Statements and Supplementary Data (Unaudited) elsewhere in this report. We prepare our financial statements in accordance with accounting principles generally accepted in the United States ("GAAP").

PRESENTATION OF CERTAIN FINANCIAL AND OTHER INFORMATION

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, Gross profit per metric ton, Adjusted EBITDA, Net Working Capital, Capital Expenditures and Segment Adjusted EBITDA Margin (in percentage).

We define:

- *Gross profit per metric ton*—Gross profit divided by volume measured in metric tons.
- *Adjusted EBITDA*—Income from operations before depreciation and amortization, stock-based compensation, and non-recurring items (such as, restructuring expenses, legal settlement gain, etc.) plus Earnings in affiliated companies, net of tax.
- *Net Working Capital*—Inventories, net plus Accounts receivable, net minus Accounts payable.
- *Capital Expenditures*—Cash paid for the acquisition of property, plant and equipment.
- *Segment Adjusted EBITDA Margin (in percentage)*—Segment Adjusted EBITDA divided by segment revenue.

Adjusted EBITDA is used by our chief operating decision maker ("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. We believe these measures are useful measures of financial performance in addition to Net income, Income from operations and other profitability measures under GAAP, because they facilitate operating performance comparisons from period to period. 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. 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.

However, 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.

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Management's Discussion and Analysis of Financial Condition and Results of Operation

Reconciliation of Non-GAAP Financial Measures

The following tables present a reconciliation of each Non-GAAP measure to the most directly comparable GAAP measure:

Reconciliation of Gross profit per metric ton:

(In millions, except volume and per metric ton data)	Three Months Ended March 31,			
	2024	2023	Delta	
Net sales	\$ 502.9	\$ 500.7	\$ 2.2	0.4
Cost of sales	(380.7)	(364.3)	(16.4)	4.5
Gross profit	\$ 122.2	\$ 136.4	\$ (14.2)	(10.4)
Volume (in kmt)	248.4	233.5	14.9	6.4
Gross profit per metric ton	\$ 491.9	\$ 584.2	\$ (92.3)	(15.8)

Reconciliation of Net income to Adjusted EBITDA:

	Three Months Ended March 31,			
	2024	2023	Delta	
	(In millions)			%
Net income	\$ 26.7	\$ 42.3	\$ (15.6)	(36.9)
Add back Income tax expense	13.5	18.3	(4.8)	(26.2)
Add back Equity in earnings of affiliated companies, net of tax	(0.1)	(0.1)	—	—
Income before earnings in affiliated companies and income taxes	40.1	60.5	(20.4)	(33.7)
Add back Interest and other financial expense, net	12.7	15.2	(2.5)	(16.4)
Add back Reclassification of actuarial gain from AOCI	—	(2.2)	2.2	(100.0)
Income from operations	52.8	73.5	(20.7)	(28.2)
Add back Depreciation of property, plant and equipment and amortization of intangible assets and right of use assets	28.9	25.7	3.2	12.5
EBITDA	81.7	99.2	(17.5)	(17.6)
Equity in earnings of affiliated companies, net of tax	0.1	0.1	—	—
Long term incentive plan	3.5	2.1	1.4	66.7
Other adjustments	—	(0.3)	0.3	(100.0)
Adjusted EBITDA	\$ 85.3	\$ 101.1	\$ (15.8)	(15.6)
<i>Adjusted EBITDA Specialty Carbon Black</i>	<i>\$ 27.9</i>	<i>\$ 37.3</i>	<i>\$ (9.4)</i>	<i>(25.2)</i>
<i>Adjusted EBITDA Rubber Carbon Black</i>	<i>\$ 57.4</i>	<i>\$ 63.8</i>	<i>\$ (6.4)</i>	<i>(10.0)</i>

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Management's Discussion and Analysis of Financial Condition and Results of Operation

Operating Results

The table below presents our historical results derived from our Condensed Consolidated Financial Statements for the periods indicated.

	Three Months Ended March 31,		Year-Over Year	
	2024	2023	Delta	
	(In millions)			%
Net sales	\$ 502.9	\$ 500.7	\$ 2.2	0.4
Cost of sales	380.7	364.3	16.4	4.5
Gross profit	122.2	136.4	(14.2)	(10.4)
Selling, general and administrative expenses	61.5	57.7	3.8	6.6
Research and development costs	6.6	6.2	0.4	6.5
Other (income) expenses, net	1.3	(1.0)	2.3	(230.0)
Income from operations	52.8	73.5	(20.7)	(28.2)
Interest and other financial expense, net	12.7	15.2	(2.5)	(16.4)
Reclassification of actuarial gain from AOCI	—	(2.2)	2.2	(100.0)
Income before earnings in affiliated companies and income taxes	40.1	60.5	(20.4)	(33.7)
Income tax expense	13.5	18.3	(4.8)	(26.2)
Earnings in affiliated companies, net of tax	0.1	0.1	—	—
Net income	26.7	42.3	(15.6)	(36.9)
Other comprehensive income (loss), net of tax				
Foreign currency translation adjustments	(6.4)	(7.3)	0.9	(12.3)
Net losses on derivatives	(0.5)	(1.8)	1.3	(72.2)
Defined benefit plans, net	0.1	(1.4)	1.5	(107.1)
Total other comprehensive (loss) income, net of tax	(6.8)	(10.5)	3.7	(35.2)
Comprehensive income	\$ 19.9	\$ 31.8	\$ (11.9)	(37.4)

Net sales

Net sales for the three months ended March 31, 2024 increased by \$2.2 million, or 0.4%, to \$502.9 million, year over year, primarily driven by higher volume in both segments. Those were partially offset by the pass-through effect of declining oil prices in both segments and lower cogeneration price due to European electricity prices.

Volume for the three months ended March 31, 2024 increased in aggregate by 14.9 kmt to 248.4 kmt, year over year, primarily due to higher volume in both segments. Specialty volume recovery was across all regions and end markets.

Cost of sales

Cost of sales for the three months ended March 31, 2024 increased by \$16.4 million, or 4.5%, to \$380.7 million year over year, primarily due to higher volume in both segments and associated costs. Those were partially offset by declining oil prices.

Gross profit

Gross profit for the three months ended March 31, 2024 decreased by \$14.2 million, or 10.4%, to \$122.2 million, year over year. The decrease was primarily driven by favorable timing items in the prior year, North American rubber volume, higher fixed costs and lower cogeneration pricing in Europe. Those were partially offset by higher volume in both segments.

Gross profit per metric ton decreased by 15.8% to \$491.9, year over year, driven by lower margin in both segments.

Selling, general and administrative expenses

Selling, general and administrative expenses for the three months ended March 31, 2024 increased by \$3.8 million, or 6.6% to \$61.5 million, year over year, due to higher personnel costs.

Provision for income taxes

For the three months ended March 31, 2024, and 2023 the Company recognized Income before earnings in affiliated companies and income taxes of \$40.1 million, compared to \$60.5 million, respectively. The provision for income taxes was an expense of \$13.5 million and \$18.3 million for the three months ended March 31, 2024 and 2023, respectively. The effective tax rate for the three months ended March 31, 2024, and 2023 was 33.7% and 30.2%, respectively. The increase in effective tax rate for three months ended March 31, 2024,

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Management's Discussion and Analysis of Financial Condition and Results of Operation

as compared to the three months ended March 31, 2023, was primarily attributable to changes in projected pre-tax income mix in countries with varying statutory tax rates.

Adjusted EBITDA (A Non-GAAP Financial Measure)

Adjusted EBITDA decreased in the first quarter of 2024 by \$15.8 million, or 15.6%, to \$85.3 million, year over year.

The decrease was driven by favorable timing items in the prior year, North American rubber volume, higher fixed costs and lower cogeneration pricing in Europe.

Comprehensive Income

Comprehensive income decreased in the first quarter of 2024 by \$11.9 million to \$19.9 million, year over year. The components of Comprehensive income are discussed below:

Net income decreased by \$15.6 million in the first quarter of 2024 compared to the first quarter of 2023. These were partially offset by,

- \$0.9 million of net impacts of unrealized changes in foreign currency translation adjustments.
- \$1.3 million of net impacts related to financial derivative instruments primarily driven by net periodic changes in cross currency and interest rate swaps, and
- \$1.5 million of net changes in defined pension and other post-retirement benefits.

Segment Discussion

Our operations are managed through two reportable segments, *Specialty Carbon Black* and *Rubber Carbon Black*. We use Segment Adjusted EBITDA as the measure of segment performance and profitability.

The table below presents our segment results derived from our unaudited Condensed Consolidated Financial Statements for the periods indicated.

(In millions, except volume and percentage data)	Three Months Ended March 31,			
	2024	2023	Delta	
Specialty Carbon Black				
Net sales	\$ 170.9	\$ 162.0	\$ 8.9	5.5
Cost of sales	129.2	109.9	19.3	17.6
Gross profit	\$ 41.7	\$ 52.1	\$ (10.4)	(20.0)
Volume (kmt)	63.3	53.0	10.3	19.4
Adjusted EBITDA	\$ 27.9	\$ 37.3	\$ (9.4)	(25.2)
Adjusted EBITDA margin (%)	16.3	23.0	(6.7)	(29.1)
Rubber Carbon Black				
Net sales	\$ 332.0	\$ 338.7	\$ (6.7)	(2.0)
Cost of sales	251.5	254.4	(2.9)	(1.1)
Gross profit	\$ 80.5	\$ 84.3	\$ (3.8)	(4.5)
Volume (kmt)	185.1	180.5	4.6	2.5
Adjusted EBITDA	\$ 57.4	\$ 63.8	\$ (6.4)	(10.0)
Adjusted EBITDA margin (%)	17.3	18.8	(1.5)	(8.0)

Specialty Carbon Black

Net sales for the three months ended March 31, 2024 increased by \$8.9 million, or 5.5%, year over year, to \$170.9 million, primarily driven by higher volume, partially offset by pass-through effect of declining oil prices.

Volume for the three months ended March 31, 2024 increased by 10.3 kmt, or 19.4%, year over year, to 63.3 kmt, primarily due to volume recovery across all regions and end markets.

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Gross profit for the three months ended March 31, 2024 decreased by \$10.4 million, or 20.0%, year over year, to \$41.7 million, primarily driven by lower margin and lower cogeneration pricing in Europe, partially offset by higher volume.

Adjusted EBITDA for the three months ended March 31, 2024 decreased by \$9.4 million, or 25.2%, year over year, to \$27.9 million, primarily due to lower margin and lower cogeneration pricing in Europe, partially offset by higher volume across all regions and end-markets.

Adjusted EBITDA margin for the three months ended March 31, 2024 decreased by 670 basis points, year over year, to 16.3%.

Rubber Carbon Black

Net sales for the three months ended March 31, 2024 decreased by \$6.7 million, or 2.0%, year over year, to \$332.0 million. The decrease was primarily due to the pass-through effect of declining oil prices, partially offset by higher volume.

Volume for the three months ended March 31, 2024 increased by 4.6 kmt, or 2.5%, year over year, to 185.1 kmt, due to higher demand in Europe/Middle East/Africa and Asia/Pacific regions.

Gross profit for the three months ended March 31, 2024 decreased by \$3.8 million, or 4.5%, year over year, to \$80.5 million. The decrease was primarily due to lower margin and lower cogeneration pricing in Europe, partially offset by and higher volume.

Adjusted EBITDA for the three months ended March 31, 2024 decreased by \$6.4 million, or 10.0%, year over year, to \$57.4 million. The decrease was primarily driven by favorable timing items in the prior year, North American Rubber volume and lower cogeneration pricing in Europe, partially offset by higher European and Asian volume.

For the three months ended March 31, 2024, Adjusted EBITDA margin decreased 150 basis points to 17.3%, year over year.

Liquidity and Capital Resources

Historical Cash Flows

The tables below present our historical cash flows derived from our unaudited Condensed Consolidated Financial Statements for the periods indicated.

	Three Months Ended March 31,	
	2024	2023
	(In millions)	
Net cash provided by operating activities	\$ 32.4	\$ 108.1
Net cash used in investing activities	(33.1)	(30.5)
Net cash provided by (used in) financing activities	7.0	(62.5)

2024

Net cash provided by operating activities during the three months ended March 31, 2024 was \$32.4 million. The cash provided by operating activities primarily reflects changes in working capital. Change in working capital includes \$107.6 million sale of certain accounts receivables, discussed in *Note B. Accounts Receivable*.

Net cash used in investing activities in the three months ended March 31, 2024 amounted to \$33.1 million. The expenditures were primarily related to safety and maintenance investments.

Net cash provided by financing activities during the three months ended March 31, 2024 amounted to \$7.0 million. These inflows primarily consisted of \$37.5 million related to other short-term debt borrowings, partially offset by \$28.4 million, net related to repayment of our ancillary credit facilities.

2023

Net cash provided by operating activities for the three months ended March 31, 2023, amounted to \$108.1 million. The cash provided by operating activities primarily reflects changes in working capital and higher Net income. Change in working capital includes \$68.9 million sale of certain accounts receivables, discussed in *Note B. Accounts Receivable*.

Net cash used in investing activities for the three months ended March 31, 2023, amounted to \$30.5 million. These expenditures were comprised of a combination of safety, maintenance-related and growth investments, as well as \$8.4 million of expenditures associated with our, now completed, installation of emissions reduction technology to meet EPA requirements in the U.S.

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Management's Discussion and Analysis of Financial Condition and Results of Operation

Net cash used in financing activities for the three months ended March 31, 2023, amounted to \$62.5 million. These outflows primarily consisted of \$32.9 million related to repayment of our ancillary credit facilities and \$29.3 million for repurchase of common stock under the Stock Repurchase Program.

Sources of Liquidity

Our principal sources of liquidity are the net cash generated (i) from operating activities, primarily driven by our operating results and changes in working capital requirements and (ii) from financing activities, primarily driven by borrowing amounts available under our committed multicurrency, senior secured revolving credit facility (the "RCF") and related ancillary facilities, various uncommitted local credit lines, and, from time to time, term loan borrowings and Accounts receivable factoring.

We believe our anticipated future operating cash flows, the capacity under our existing credit facilities and uncommitted bilateral lines of credit, along with access to surety bonds, will be sufficient to finance our planned Capital expenditures, settle our commitments and contingencies, and address our normal anticipated working capital needs for the foreseeable future.

As of March 31, 2024, the company had total liquidity of \$261.7 million, including cash and equivalents of \$43.9 million, \$192.6 million availability under our revolving credit facility, including ancillary lines, and \$25.2 million of capacity under other available credit lines. Net debt was \$773.1 million, and Net leverage was 2.44x.

Net working capital (A Non-GAAP Financial Measure)

We define Net working capital as the sum total of current Accounts receivable, net and Inventories, net less Accounts payable. Net working capital is a non-GAAP financial measure and other companies may use a similarly titled financial measure that is calculated differently from the way we calculate Net working capital. The following table sets forth the principal components of our Net working capital as of the dates indicated.

	March 31, 2024	December 31, 2023
	(In millions)	
Accounts receivable, net	\$ 269.7	\$ 241.0
Inventories, net	277.5	287.1
Accounts payable	(183.8)	(183.7)
Net working capital	\$ 363.4	\$ 344.4

Our Net working capital position can vary significantly from month to month, mainly due to fluctuations in oil prices and receipts of carbon black oil shipments. In general, increases in the cost of raw materials lead to an increase in our Net working capital requirements, as our inventories and trade receivables increase as a result of higher carbon black oil prices and related sales levels. These increases are partially offset by related increases in trade payables. Due to the quantity of carbon black oil that we typically keep in stock, such increases in Net working capital occur gradually over a period of two to three months. Conversely, decreases in the cost of raw materials lead to a decrease in our Net working capital requirements over the same period of time.

Our Net working capital increased from \$344.4 million as of December 31, 2023, to \$363.4 million as of March 31, 2024. The drivers of the changes in working capital over the periods were:

- *Accounts receivable, net*—Increase driven by higher sales were partially offset by improved payment terms.
- *Inventories, net*—The primary driver for inventory decreases were lower oil prices.

Capital expenditures (A Non-GAAP Financial Measure)

We define Capital expenditures as cash paid for the acquisition of property, plant and equipment. We plan to finance our Capital expenditures with cash generated by our operating activities and/or by utilizing existing debt capacity. We currently do not have any material commitments to make Capital expenditures and do not plan to make Capital expenditures outside the ordinary course of our business.

Off-Balance Sheet Arrangements

As of March 31, 2024, we did not have any off-balance sheet arrangements.

Cautionary Statement for the Purposes of the “Safe Harbor” Provisions of the Private Securities Litigation Reform Act of 1995

This report 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. Forward-looking statements include, among others, statements concerning the potential exposure to market risks, statements expressing management’s expectations, beliefs, estimates, forecasts, projections and assumptions and statements that are not limited to statements of historical or present facts or conditions.

Forward-looking statements are typically identified by words such as “anticipate,” “assume,” “assure,” “believe,” “confident,” “could,” “estimate,” “expect,” “intend,” “may,” “plan,” “objectives,” “outlook,” “probably,” “project,” “will,” “seek,” “target,” “to be” and other words of similar meaning. These forward-looking statements include, without limitation, statements about the following matters:

- our strategies for (i) maintaining or strengthening our position in Specialty Carbon Black or Rubber Carbon Black, (ii) maintaining or increasing our Specialty or Rubber Carbon Black margins and (iii) maintaining or strengthening the competitiveness of our operations;
- our profit and cash flow projections;
- the outcome of any in-progress, pending or possible litigation or regulatory proceedings;
- the expectations regarding environmental-related costs and liabilities;
- the expectations regarding the performance of our industry and the global economy, including foreign currency rate fluctuations;
- the sufficiency of our cash on hand, cash provided by operating activities and borrowings to pay our operating expenses, satisfy our debt obligations and fund capital expenditures;
- the ability to pay dividends;
- our anticipated spending on, and the timely completion and anticipated impacts of, capital projects including growth projects, and the construction of new plants;
- our projections and expectations for pricing, financial results and performance in 2024 and beyond;
- the status of contract negotiations with counterparties and the impact of new contracts on our business; and
- our expectation that the markets we serve will continue to demand our products.

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:

- possible negative or uncertain worldwide economic conditions and developments;
- the volatility and cyclicity of the industries in which we operate;
- the operational risks inherent in chemicals manufacturing, including disruptions due to technical facilities, severe weather conditions or natural disasters;
- our dependence on major customers and suppliers;
- unanticipated fluctuations in demand for our products, including due to factors beyond our control;
- our ability to compete in the industries and markets in which we operate;
- changes in the nature of transportation in the future, which may impact our customers and our business;
- our ability to successfully develop new products and technologies;
- the availability of substitutes for our products;
- our ability to implement our business strategies;
- our ability to respond to changes in feedstock prices and quality;
- our ability to realize benefits from investments, joint ventures, acquisitions or alliances;
- our ability to negotiate satisfactory terms with counterparties, the satisfactory performance by such counterparties of their obligations to us, as well as our ability to meet our performance obligations towards such counterparties;
- our ability to realize benefits from planned plant capacity expansions and site development projects and the impacts of potential delays to such expansions and development projects;
- any information technology systems failures, network disruptions and breaches of data security;
- our relationships with our workforce, including negotiations with labor unions, strikes and work stoppages;

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- our ability to recruit or retain key management and personnel;
- our exposure to political or country risks inherent in doing business globally;
- any and all impacts from the Russia-Ukraine war and the Hamas-Israel conflict and/or any escalation thereof related energy costs, raw material availability or other economic disruptions;
- geopolitical events in the United States (“U.S.”), Middle-East, European Union (“EU”) and China, relations amongst Western countries and their neighbors, as well as future relations between the U.S., EU, China, and other countries and organizations;
- all environmental, health and safety laws and regulations, including nanomaterial and greenhouse gas emissions regulations, and the related costs of maintaining compliance and addressing liabilities;
- any possible future investigations and enforcement actions by governmental, supranational agencies or other organizations;
- 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 market and 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;
- our ability to generate the funds required to service our debt and finance our operations;
- any fluctuations in foreign currency exchange and interest rates;
- the availability and efficiency of hedging;
- any changes in international and local economic conditions, dislocations in credit and capital markets and inflation or deflation;
- 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 changes in our jurisdictional earnings mix or in the tax laws or accepted interpretations of tax laws in those jurisdictions;
- any challenges to our decisions and assumptions in assessing and complying with our tax obligations;
- 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; and
- any current or future changes to disclosure requirements and obligations, including but not limited to new ESG-related disclosures, related audit requirements and our ability to comply with such obligations and requirements.

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 the Purposes of the “Safe Harbor” Provisions of the Private Securities Litigation Reform Act of 1995*” and “*Risk Factors*” and in “*Note Q. Commitments and Contingencies*” to our audited Consolidated Financial Statements regarding contingent liabilities, including litigation in our Annual Report in Form 10-K for the year ended December 31, 2023 and in our quarterly reports in Form 10-Q and the unaudited Condensed Consolidated Financial Statements contained therein. 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.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Information about market risks for the period ended March 31, 2024 does not differ materially from “*Item 7A*” in our Annual Report in Form 10-K for the year ended December 31, 2023.

Item 4. Controls and Procedures

As of March 31, 2024, we carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer and our Chief Financial Officer, of the effectiveness of our disclosure controls and procedures pursuant to Rule 13a-15 under the Securities Exchange Act of 1934, as amended. Based upon that evaluation, our principal executive officer and our principal financial officer concluded that our disclosure controls and procedures were effective as of that date.

There were no changes in our internal control over financial reporting that occurred during the quarter ended March 31, 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II



Item 1. Legal Proceedings

We become involved from time to time in various claims and lawsuits arising from special projects or in the ordinary course of our business, such as employment related claims or asbestos litigation. Some matters involve claims for large amounts of damages as well as other relief. We believe, based on currently available information, that the results of the proceedings we are subject to, in the aggregate, will not have a material adverse effect on our financial condition, but may be material to our operating results and cash flows for any particular period when the relevant costs are incurred. We note that the outcome of legal proceedings is inherently uncertain, and we offer no assurances as to the outcome of any of these matters or their effect on the Company.

Information regarding our litigation and legal proceedings can be found in Note J. *Commitments and Contingencies* to the Condensed Consolidated Financial Statements, which is incorporated into this Item 1 by reference.

Item 1A. Risk Factors

There have been no material changes to risk factors associated with our business previously disclosed in “Item A. *Risk Factors*” in our Annual Report in Form 10-K for the year ended December 31, 2023.

Item 2. Unregistered Sales of Equity Securities, Use of Proceeds, and Issuer Purchases of Equity Securities.

On May 5, 2023, our Board of Directors approved a new stock repurchase program with authorization to management to purchase up to approximately 6.9 million shares of our outstanding common stock from time to time through open market purchases or public tender offers, including through the use of trading plans intended to qualify under Rule 10b5-1 under the Securities Exchange Act of 1934, as amended, in accordance with applicable securities laws and other restrictions, at any time through June 2027 (“6.9 million of Common Stock Repurchase Program”). This new stock repurchase program supplements our existing stock repurchase program, which was adopted by our Board of Directors in 2022 and authorizes management to purchase up to \$50 million of our common stock (“\$50 million of Stock Repurchase Program”).

The maximum number of shares of our common stock that may yet be purchased under both programs is not necessarily an indication of the number of shares that will ultimately be purchased. Each authorization may be suspended or discontinued at any time and does not obligate us to acquire any specific amount of common stock.

We did not repurchase any shares of common stock during the three months ended March 31, 2024.

Item 3. Defaults Upon Senior Securities

None

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None



Item 6. Exhibits

<u>Exhibit Number</u>	<u>Description</u>
31.1 *	Certification of Principal Executive Officer required by Rule 13a-14(a) or Rule 15d-14(a) of the Exchange Act.
31.2 *	Certification of Principal Financial Officer required by Rule 13a-14(a) or Rule 15d-14(a) of the Exchange Act.
32.1 **	Certification of the Principal Executive Officer pursuant to 18 U.S.C. Section 1350.
32.2 **	Certification of the Principal Financial Officer pursuant to 18 U.S.C. Section 1350.
101.INS	Inline XBRL Instance Document.
101.SCH	Inline XBRL Taxonomy Extension Schema.
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase.
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase.
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase.
101.DEF	Inline XBRL Taxonomy Extension Definition Document.
104.0	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

* Filed herewith

** Furnished herewith

† Management compensatory arrangement

Orion S.A.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

ORION S.A.

May 2, 2024

By /s/ Jeffrey Glajch

Name: Jeffrey Glajch

Title: Chief Financial Officer



Exhibit 31.1 Certification by Corning F. Painter pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934.

I, Corning Painter, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Orion S.A.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 2, 2024

/s/ Corning Painter

Chief Executive Officer

Exhibit 31.2 Certification by Jeffrey Glajch pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934.

I, Jeffrey Glajch, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Orion S.A.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 2, 2024

/s/ Jeffrey Glajch

Chief Financial Officer

Exhibit 32.1 Certification by Corning F. Painter pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

CERTIFICATION

In connection with the Quarterly Report of Orion S.A. on Form 10-Q for the quarterly period ended March 31, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Corning Painter, Chief Executive Officer, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 2, 2024

/s/ Corning Painter

Chief Executive Officer

Exhibit 32.2 Certification by Jeffrey Glajch pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

CERTIFICATION

In connection with the Quarterly Report of Orion S.A. on Form 10-Q for the quarterly period ended March 31, 2024 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Jeffrey Glajch, Chief Financial Officer, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 2, 2024

/s/ Jeffrey Glajch

Chief Financial Officer