orion ENGINEERED CARBONS

INVESTOR PRESENTATION
BAIRD 2019 GLOBAL INDUSTRIAL CONFERENCE

NOVEMBER 6, 2019



Note Regarding Forward-Looking Statements; Non-GAAP Measures

This presentation contains and refers to certain forward-looking statements with respect to our financial condition, results of operations and business. These statements constitute forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Forward-looking statements are statements of future expectations that are based on management's current expectations and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in these statements. 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", "assures", "believe," "confident", "could," "estimate," "expect," "intend," "may," "plan," "objectives," "outlook," "probably," "project," "will," "seek," "strong", "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) strengthening our position in specialty carbon blacks and rubber carbon blacks, (ii) increasing our rubber carbon black margins and (iii) strengthening the competitiveness of our operations; • the ability to pay dividends at current dividend levels or at all; • cash flow projections; • the installation of pollution control technology in our U.S. manufacturing facilities pursuant to our USEPA consent decree; • the outcome of any in-progress, pending or possible litigation or regulatory proceedings; and • our expectation that the markets we serve will continue to grow.

All these forward-looking statements are based on estimates and assumptions that, although believed to be reasonable, are inherently uncertain. Therefore, undue reliance should not be placed upon any forward-looking statements. There are important factors that could cause actual results to differ materially from those contemplated by such forward-looking statements. These factors include, among others: • negative or uncertain worldwide economic conditions;• volatility and cyclicality in the industries in which we operate; • operational risks inherent in chemicals manufacturing, including disruptions as a result of severe weather conditions and natural disasters; • our dependence on major customers; • our ability to compete in the industries and markets in which we operate; • our ability to develop new products and technologies successfully and the availability of substitutes for our products; • our ability to implement our business strategies; • volatility in the costs and availability of raw materials (including but not limited to any and all effects from restrictions imposed by the MARPOL convention and respective International Maritime Organization (IMO) regulations in particular to reduce sulphur oxides (SOx) emissions from ships) and energy; • our ability to respond on changes in feedstock prices and EBITDA as well as Adj. EBITDA, as being the basis of our cashflow projections • our ability to realize benefits from investments, joint ventures, acquisitions or alliances; • our ability to realize benefits from planned plant capacity expansions and site development projects and the potential delays to such expansions and projects; • 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; • our ability to recruit or retain key management and personnel; • our exposure to political or country risks inherent in doing business in some countries; • geopolitical events in the European Union, and in particular a "no-deal Brexit" which may impact the Euro; • environmental, health and safety regulations, including nanomaterial and greenhouse gas emissions regulations, and the related costs of maintaining compliance and addressing liabilities; • possible future investigations and enforcement actions by governmental or supranational agencies; • our operations as a company in the chemical sector, including the related risks of leaks, fires and toxic releases; • market and regulatory changes that may affect our ability to sell or otherwise benefit from co-generated energy; • litigation or legal proceedings, including product liability and environmental 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; • fluctuations in foreign currency exchange and interest rates; • the availability and efficiency of hedging; • changes in international and local economic conditions, including with regard to the Euro, dislocations in credit and capital markets and inflation or deflation; • potential impairments or write-offs of certain assets; • required increases in our pension fund contributions; • the adequacy of our insurance coverage; • changes in our jurisdictional earnings mix or in the tax laws or accepted interpretations of tax laws in those jurisdictions; • our indemnities to and from Evonik ; • challenges to our decisions and assumptions in assessing and complying with our tax obligations; • our status as a foreign private issuer; and • potential difficulty in obtaining or enforcing judgments or bringing actions against us in the United States.

You should not place undue reliance on forward-looking statements. We present certain financial measures that are not prepared in accordance with Generally Accepted Accounting Standards (US GAAP) or the accounting standards of any other jurisdiction and may not be comparable to other similarly titled measures of other companies. These non-GAAP measures are Contribution Margin, Contribution Margin per Metric Ton, Adjusted EBITDA, Adjusted EPS, Net Working Capital and Capital Expenditures. Adjusted EBITDA, Adjusted EPS, Contribution Margins and Net Working Capital are not measures of performance under US GAAP and should not be considered in isolation or construed as substitutes for revenue, consolidated profit (loss) for the period, operating result (EBIT), gross profit or other US GAAP measures as an indicator of our operations in accordance with US GAAP. For a reconciliation of these non-GAAP financial measures to the most directly comparable US GAAP measures, see Appendix.

We have not provided reconciliations of forward-looking Adjusted EBITDA and Adjusted EPS to the most comparable GAAP measures of net income and EPS. Providing net income and EPS guidance is potentially misleading and not practical given the difficulty of projecting event-driven transactional and other non-core operating items that are included in net income and EPS. Reconciliations of these non-GAAP measures with the most comparable GAAP measures for historical periods are indicative of the reconciliations that will be prepared upon completion of the periods covered by the non-GAAP guidance.

Orion Appoints Chief Financial Officer

Lorin Crenshaw

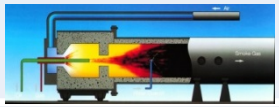
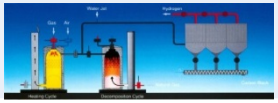
- Brings 20+ years of diversified financial experience in positions of increasing responsibility to Orion
- Most recently held the position of Vice President and CFO for Albemarle Corporation's Global Lithium business unit
- Also served as Treasurer and Vice President, Investor Relations at Albemarle and spent ten years at Wall Street investment management firms Citigroup Asset Management and Prudential Capital Group
- Holds an MBA from Columbia University and a BS in Business Administration from Florida A&M University



The Leader in Carbon Black Technology…

OEC is a leading producer of highly customized and diverse carbon black products.

Production Technologies and Applications

Furnace Black	Gas Black	Lamp Black	Thermal Black	Acetylene	After Treating
					
Tires				Tires	
MRG	MRG	MRG	MRG	MRG	
Plastics	Plastics	Plastics		Plastics	
Printing Inks	Printing Inks				Printing Inks
Coatings	Coatings	Coatings			Coatings
Adhesives & Sealants	Adhesives & Sealants				
Batteries	Batteries			Batteries	

Growth and Innovation

Conductive Carbon Black	High Jetness Black	Business models
		

Strengthening Competitiveness

Procurement Excellence	"Orion Design" Reactors and Energy Recovery	High Performance Organization Initiative and Cultural Transformation
		

Q3 2019 Overview and Full Year

Strong cash generation and realized Rubber Carbon Black pricing. Maintaining quality in Specialty Carbon Black.

- ✓ Strong cash generation despite trading conditions at weaker end of our expectations
- ✓ Q3 Adjusted EBITDA of $68.1 million. Adjusted for FX versus prior year $71.0 million
- ✓ Well positioned for 2020; expect to continue to deliver positive cashflow with capital program and maintain a stable dividend even in a weak economy
- ✓ Continue to expect a seasonally slower fourth quarter
- ✓ Guidance range for FY 2019 tightened to $265 to $275 million
- ✓ Key Position Filled – Lorin Crenshaw stepping into CFO role

*Comments regarding sales are based on region where sold

Orion Q3 2019 Development versus Prior Year

Resilience in challenging economy validates quality of franchise

Q3 2019 to Q3 2018 Comparison

- Realized pricing gains principally in Rubber
- Volume softness in all regions in Specialty as well as MRG
- Stronger US Dollar drives negative translation FX impact
- Surcharges unable to fully offset negative feedstock differentials
- Planned reduction in inventory reduces inventory absorption
- Higher maintenance levels increases fixed costs

	In million $
Q3 2018 Adjusted EBITDA	72.6
Base Price and Mix	11.6
Volume Impacts	-6.7
Foreign Exchange Translation Impacts	-2.9
Feedstock Differentials	-5.4
Overhead Absorption	-0.8
Other (includes fixed costs and energy impacts)	-0.3
Q3 2019 Adjusted EBITDA	68.1

* Based on development of key economic indicators summarized on slide 31 with oil prices assumed to remain at average levels experienced in Q3 2019

Strong Net Cash Provided by Operating Activities

Cash Roadmap

($millions)	Actual YTD 2019		Lower End of FY 2019 Guidance[1)]	Upper End of FY 2019 Guidance[1)]
Adjusted EBITDA	204		265	275
Change in Cash before EPA Capex and Dividend[2)]	**+68**		**+106**	**+113**
Less: EPA Capex	-29		-50	-55
Change in Cash before Dividend	**+39**		**+56**	**+58**
Less: Dividends	-36		-48	-48
Change in Cash before Debt	**+3**		**+8**	**+10**
Plus: Short Term Financing	**4**		**0**	**0**
Less: Debt Service	**-6**		**-7**	**-7**
Change in Cash before FX	**+1**		**+1**	**+3**

1) Refers to updated guidance as of November 1, 2019
2) Assumed net working capital flat for FY 2019 given current trends

Commitment to Maintain Cash Dividend:

Management and Board are committed to maintaining our current dividend level (@ $0.80 per share)*, representing currently about a 6% yield

We currently expect to generate approximately of $50m free cash flow before paying dividends in 2019 and 2020, consistent with a projected leverage ratio of around 2.5x net debt to last twelve months (LTM) adjusted EBITDA.

⇒ Our leverage ratio at end of Q3 2019 was 2.30x
⇒ Even if our leverage ratio were to increase to between 3.30x and 4.00x, our current annual dividend payment (total $48m) could be paid for at least 4 years under our lending agreements
⇒ Only if our leverage ratio were to exceed 4.00x would our dividend be restricted to a total of $20m under our lending agreements

Note that the maximum leverage ratio permitted under our lending agreements is 5.50x, if drawings under the Revolving Credit Facility (RCF) were to exceed 35% of the total RCF (EUR250 million).

Capital Allocation

Measured and efficient capital allocation remains top priority

- Leverage target of 2.0 to 2.5x ratio [1)]
- Modest Cash Interest and Debt Service of $25 million per annum
- Maintain Stable Dividend

(EURO millions/$millions)	2014 EURO	2015 USD	2016 USD	2017 USD	2018 USD	YTD 2019 USD
Adjusted EBITDA	207.7	231.6	246.7	257.0	294.1	204.1
Dividends Paid	40.0	44.3	44.1	45.7	47.7	36.0
% of Adj EBITDA Paid	19.3%	19.1%	17.9%	17.8%	16.2%	17.6%

- EPA
  - Evonik arbitration filed
  - Decision by arbitrators not expected for several years
  - Settlement during arbitration possible

1) Net debt compared to Adjusted EBITDA

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QUESTIONS



Specialty Business Results and Expectations

Q3 2019 to Q3 2018 Comparison

- Some improvement in mix
- Volumes reflect current trading environment
- Stronger US Dollar drives negative translation FX impact
- Unfavorable feedstock differentials

Expectations for remaining quarter of 2019*

- Similar market strength allowing for seasonal holidays impact
- Negative feedstock impacts to largely persist for remainder of current year
- Continued tight cost control
- FX assumed at Q3 level

	In million $
Q3 2018 Adjusted EBITDA	34.7
Base Price and Mix	3.2
Volume Impacts	-4.4
Foreign Exchange Translation Impacts	-1.6
Feedstock Differentials	-1.4
Overhead Absorption	0.4
Other (includes fixed costs)	-0.9
Q3 2019 Adjusted EBITDA	30.0

* Based on development of key economic indicators summarized on slide 31 with oil prices assumed to remain at average levels experienced in Q3 2019

Rubber Business Results and Expectations

Q3 2019 to Q3 2018 Comparison

- Price increases realized
- Stronger US Dollar drives negative translation FX impact
- Increased negative feedstock differentials
- Planned reduction in inventory reduces inventory absorption
- Adjusted EBITDA holding steady as a result

Expectations for remaining quarter of 2019*

- Stable Gross Profit/mT
- Continued tight cost control
- FX assumed at Q3 level
- Negative feedstock impacts to largely persist for remainder of current year

	In million $
Q3 2018 Adjusted EBITDA	37.9
Base Price and Mix	8.4
Volume Impacts	-2.3
Foreign Exchange Translation Impacts	-1.3
Feedstock Differentials	-4.0
Overhead Absorption	-1.3
Other (includes fixed costs and energy impacts)	0.7
Q3 2019 Adjusted EBITDA	38.1

* Based on development of key economic indicators summarized on slide 31 with oil prices assumed to remain at average levels experienced in Q3 2019

Historical Non-GAAP Metrics Reconciliation

Historical Non-GAAP Metrics Reconciliation ($million unless otherwise stated)		
	Three Months Ended September 30,	
	2018	2019
Revenue	**394**	**370**
Variable costs [1]	-251	-235
Contribution Margin	**143**	**135**
Sales volume (in kmt)	267	256
Contribution Margin per Metric Ton	**536**	**528**
Net Income	**26**	**24**
Income tax expense	10	8
Equity in Earnings of Affiliated companies	0	0
Income from Operations before Income Taxes and Equity in Earnings of Affiliated Companies	**36**	**32**
Finance costs, net [2]	6	6
Income from Operations (EBIT)	**42**	**38**
Depreciation and amortization	23	22
EBITDA	**65**	**60**
Consulting fees related to group strategy [3]	2	0
Other non-operating [4]	6	8
Adjusted EBITDA	**73**	**68**
Thereof Adjusted EBITDA Specialty Carbon Black	*35*	*30*
Thereof Adjusted EBITDA Rubber Carbon Black	*38*	*38*
Historical Non-GAAP Metrics Reconciliation in $ per share		
EPS	**0.43**	**0.40**
Long Term Incentive Plan	0.06	0.03
Other Adjustments including restructuring	0.08	0.10
Amortization of Acquired Intangible Assets	0.04	0.02
Foreign Exchange Rate Impacts to Financial Results	-0.01	0.01
Amortization of Transaction Costs	0.00	0.01
USGAAP conversion impact	0.00	0.00
Tax Effect on Add Back Items	-0.05	-0.05
Adjusted EPS	**0.55**	**0.52**

1 Includes costs such as raw materials, packaging, utilities and distribution - Variable manufacturing costs are assigned to products based on actual cost of consumption. Fixed manufacturing costs are assigned to products based on production line time. SG&A costs are assigned to products based on designated personnel costs or consistently allocated based on the drivers of these costs

2 Finance costs, net consists of Finance income and Finance costs

3 Consulting fees related to the Group strategy include external consulting fees from establishing and implementing our operating, tax and organizational strategies including merger and acquisition strategies.

4 Other non-operating is primarily restructuring related and includes expenses related to Long Term Incentive Plan

Historical Non-GAAP Metrics Reconciliation

Historical Non-GAAP Metrics Reconciliation ($million unless otherwise stated)		
	Nine Months Ended September 30,	
	2018	2019
Revenue	**1192**	**1154**
Variable costs [1]	-744	-739
Contribution Margin	**448**	**415**
Sales volume (in kmt)	828	780
Contribution Margin per Metric Ton	**541**	**526**
Net Income	**106**	**68**
Income tax expense	41	26
Equity in Earnings of Affiliated companies	0	0
Income from Operations before Income Taxes and Equity in Earnings of Affiliated Companies	**147**	**94**
Finance costs, net [2]	23	21
Income from Operations (EBIT)	**170**	**115**
Depreciation and amortization	71	71
EBITDA	**241**	**186**
Consulting fees related to group strategy [3]	3	2
Other non-operating [4]	-14	16
Adjusted EBITDA	**230**	**204**
Thereof Adjusted EBITDA Specialty Carbon Black	120	90
Thereof Adjusted EBITDA Rubber Carbon Black	110	114
Historical Non-GAAP Metrics Reconciliation in $ per share		
EPS	**1.77**	**1.13**
Long Term Incentive Plan	0.16	0.12
Other Adjustments including restructuring	-0.33	0.18
Amortization of Acquired Intangible Assets	0.17	0.10
Foreign Exchange Rate Impacts to Financial Results	0.03	0.02
Amortization of Transaction Costs	0.01	0.03
USGAAP conversion impact	-0.01	0.00
Tax Effect on Add Back Items	-0.01	-0.13
Adjusted EPS	**1.79**	**1.45**

1 Includes costs such as raw materials, packaging, utilities and distribution - Variable manufacturing costs are assigned to products based on actual cost of consumption. Fixed manufacturing costs are assigned to products based on production line time. SG&A costs are assigned to products based on designated personnel costs or consistently allocated based on the drivers of these costs

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Non-US GAAP Metric Definitions

In this presentation we refer to Adjusted EBITDA, Contribution Margin, Contribution Margin per ton, Net Working Capital, Capital Expenditures and Adjusted EPS, which are financial measures that have not been prepared in accordance with Generally Accepted Accounting Standards (US GAAP) or the accounting standards of any other jurisdiction and may not be comparable to other similarly titled measures of other companies. We refer to these measures as "non-GAAP" financial measures. Adjusted EBITDA is defined as operating result (EBIT) before depreciation and amortization, adjusted for acquisition related expenses, restructuring expenses, consulting fees related to group strategy, share of profit or loss of joint venture and certain other items. Adjusted EBITDA is used by our management to evaluate our operating performance and make decisions regarding allocation of capital because it excludes the effects of certain items that have less bearing on the performance of our underlying core business. Our use of Adjusted EBITDA has limitations as an analytical tool, and you should not consider it in isolation or as a substitute for analysis of our financial results as reported under US GAAP. Some of these limitations are: (a) although Adjusted EBITDA excludes the impact of depreciation and amortization, the assets being depreciated and amortized may have to be replaced in the future and thus the cost of replacing assets or acquiring new assets, which will affect our operating results over time, is not reflected; (b) Adjusted EBITDA does not reflect interest or certain other costs that we will continue to incur over time and will adversely affect our profit or loss, which is the ultimate measure of our financial performance and (c) other companies, including companies in our industry, may calculate Adjusted EBITDA or similarly titled measures differently. Because of these and other limitations, you should consider Adjusted EBITDA alongside our other US GAAP-based financial performance measures, such as consolidated profit or loss for the period.

Contribution Margin is calculated by subtracting variable costs (such as raw materials, packaging, utilities and distribution costs) from our revenue. We believe that Contribution Margin and Contribution Margin per Metric Ton are useful because we see these measures as indicating the portion of revenue that is not consumed by such variable costs and therefore contributes to the coverage of all other costs and profits.

Adjusted EPS is defined as profit or loss for the period adjusted for acquisition related expenses, restructuring expenses, consulting fees related to group strategy, certain other items (such as amortization expenses related to intangible assets acquired from our predecessor and foreign currency revaluation impacts) and assumed taxes, divided by the weighted number of shares outstanding. Adjusted EPS provides guidance with respect to our underlying business performance without regard to the effects of (a) foreign currency fluctuations, (b) the amortization of intangible assets which other companies may record as goodwill having an indefinite lifetime and thus no amortization and (c) our start-up and initial public offering costs. Other companies may use a similarly titled financial measure that is calculated differently from the way we calculate Adjusted EPS.

We define Net Working Capital as the total of inventories and current trade receivables, less trade payables. 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.

We have not provided reconciliations of forward-looking Adjusted EBITDA and Adjusted EPS to the most comparable GAAP measures of net income and EPS. Providing net income and EPS guidance is potentially misleading and not practical given the difficulty of projecting event-driven transactional and other non-core operating items that are included in net income and EPS. Reconciliations of these non-GAAP measures with the most comparable GAAP measures for historical periods are indicative of the reconciliations that will be prepared upon completion of the periods covered by the non-GAAP guidance.

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