



# Town Hall

With Paul, Amy, and Bill

# We'll be starting momentarily!



## Meeting Agenda:

- 2024 Results / 2025 Goals and Key Targets
  - Our Commitments
  - Culture and Engagement
  - Business Excellence
  - Growth Levers
- Employee Growth and Development Process Overview
- Team Member “Cameo”: Jacob Davis
- Wrap Up & Summary

## OUR VISION

- Solve “challenging chemistry” needs
- Be a strong “niche” player
- Address customer pain points

**BY:** Leveraging technical expertise, flexibility, breadth of capabilities, and superior service



**RESULTING IN:**  
Doubling of our mid-  
cycle annual EBITDA  
every 10 years...

while maintaining a  
high return on  
investment and robust  
free cash flow

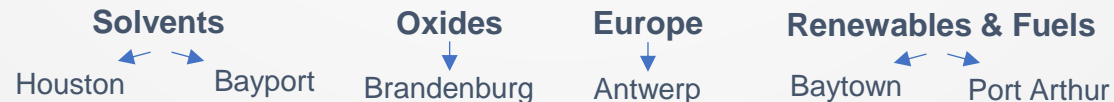
# 2025 Monument Pillars and Goals

## Our Vision

*Solve “challenging chemistry” needs in underserved markets, be a strong “niche” player in specialty chemistries across a range of markets, and address customer pain points of supply chain risk, constrained capability, or difficult to obtain products – resulting in mid-cycle EBITDA doubling every 10 years – while maintaining a high return on investment.*



### Business & Site Goals





# 2024 Highlights / Lowlights

## Our Commitments

### Health, Safety and Environmental

- **Two Recordable Injuries for the year** (correlates to an incident rate well below industry average)
  - Houston reached 1000 days without a recordable injury on December 23!
- **Zero Government Reportable Quantity LOPCs**
- **Renewables & Fuels:** Port Arthur achieved initial SOCMA ChemStewards certification
- **Oxides:** Brandenburg work stoppage execution was safe and orderly with no Recordables/RQs

### Sustainability and Compliance

- **EcoVadis Silver rating** for Monument North America and Antwerp; on track for global certification in 2025!
- **Zero overdue customer requests** for GHG or carbon footprint information
- **Renewables & Fuels:** Monument Port Arthur achieved coveted ISCC certification
- **Specific sustainability projects** have been scoped for Brandenburg, Houston, and Antwerp



# 2025 Goals Our Commitments

## COMPANY GOALS

### Health Safety & Environmental

Protect human health and the environment

Operate safely or not at all – with proactive focus on process, physical and mental safety

Top Quartile Safety and Environmental performance with special emphasis on Fire Protection and Utility Reliability

## KEY TARGETS

- HSE Scorecards & KPI's Defined (Sites and Governance Team)
- Root Cause Process Improvement Focus – Focus on Repeat Incidents
- Develop “Enhanced Compliance Plan” for Environmental Performance
- Complete Site Assessments (Functional Management )
- Corporate Crisis Response Process Finalized – GLT Roles / Drill Planning
- Facility Siting Packages / Plans Developed – Each Site EOY
- Document Site Assets Outside of Design Conditions – Risk Based Plan
- Risk Based Capital Definitions Implemented Into Capital Work Process
- Manage FM Action Item Expectations (Human Element & Capital)
- Complete Site Business Continuity & Security Plans for Heritage IT

### Sustainability & Compliance

Tangible improvements to our sustainability and governance practices in our operations, supply chain, and product offerings

- Achieve a Global MC Certification from Ecovadis – Mid Year Submittal
- Implement Chartered Strategy Pillar Teams – Continuous Improvement Driven
- Antwerp Site Meets All European Legislation & Reporting Requirements
- Site Abatement Surveys Completed – % Carbon Reduction Target Driver

# 2024 Results vs. Budget



## Products Material Margin (Favorable to budget)

- Solvents and Europe combined favorable to budget, overcoming short acetone supply and flat end market demand
- R&F close to budget as Specialty Fuels improvements offset Solvent weaknesses
- Oxides unfavorable to budget due to unfavorable margin on price, volume, and mix



## Custom Manufacturing Material Margin (Unfavorable to budget)

- Europe was only business favorable to budget due to strong core business, good location, and new business execution
- Other businesses combined unfavorable to budget due to weak core demand and slow new business growth



## Expenses (Favorable to budget)

- All sites on or favorable to budget due to very strong controllable spend execution, including large site procurement savings
- Achieved flat year-over-year costs in an inflationary period
- Successfully navigated a multiple-month strike at Brandenburg and achieved important work rule changes for the future



## Organization

- Completed integration of Port Arthur, Baytown, and Specialty Fuels organizations creating Renewable & Fuels
- Continued to evolve GLT and BMT roles and leadership focused on Governance, Functional Excellence, and Business Leadership



## Capex / Working Capital

- Maintenance, HS&E, and R&D CAPEX well managed to budget
- Limited growth CAPEX focused on very high return improvements to core assets

# 2024 Year in Review – Highlights/Lowlights

## Highlights

- Record Europe SAF processing fees and production enabled by dramatic Antwerp debottlenecking
- Record FlexSorb sales and production volume enabled by Bayport debottlenecking
- R&F expense savings with Baytown Advasol150 transfer to Port Arthur and exit of 3rd party tanks
- Brandenburg union ratification and monthly expense management
- Houston procurement projects such as waste management, 3<sup>rd</sup> party services and site supplies

## Lowlights

- Missed volume from core and recent customers such as Dow, Total, ChampionX, Fuji, and Rain Carbon
- New business commercialization / delays, such as Materia, Econic, and U.S. SAF
- S&OP misses in amination and flex polyols, resulting in lost sales
- Low Oxide product unit margins in 1H24
- Brandenburg strike sales and cost impacts

# Organization Update and Impacts

- In response to softening market demand, we are resizing our workforce and operations to align with our profitability and investment return goals.
- Following a thorough review of our structure late 2024, we identified areas where we can streamline operations and allocate resources more effectively.
- This month, we have implemented a small reduction in workforce across certain functions and sites, including Sales, Customer Service, Finance, Plant Operations, and Supply Chain. This impacts less than 5% of our existing workforce, including individual position eliminations and cancellation of budgeted positions for 2025.
- We have also announced the transition of our Baytown plant from production to terminal operations over the coming months.
- Conversations have been held with impacted employees at this time.
- We are committed to supporting impacted employees during this challenging time, and we have taken the necessary steps to provide them with severance packages and outplacement support to aid them during this transition.

# 2024 Company Goals Bonus Achievement

	KPIs	Target	Actual 2024 Performance
<b>Our Commitments</b>	OSHA Recordable	OSHA + LOPC ≤ 5	100%+ of Target Achieved
	LOPC Reportable Quantity		
<b>One Monument</b>	Key Engagement activities launched in 2024 (Monumental Leaders, Global/Local Town Halls, Delegation of Authority Launch)	90%	88% of Target Achieved
	Unplanned engagement related voluntary attrition <10%	100%	
	100% EG&D Participation	75%	
<b>Business Excellence</b>	Maintenance CAPEX and Carryover	26.43m	100% of Target
	Total CAPEX vs. Approved CARs	CAR	100% of Target
	Monument EBITDA	60.1M	88% of Target
<b>Individual &amp; Growth Levers</b>	Personal Goals	Assessed by Business and Individual	Payout scaled by Monument EBITDA performance

# 2025 Budget



## Products Material Margin (Improved)

- Up 4% vs 2024, primarily driven by expected Oxides volume and margin/unit improvements vs. 2024
- Opportunities: additional acetone feed, higher amination output, additional THF supply, and several others
- Risks: pressure on acetone derivative pricing, flex/PG volumes, and e-grade market softness



## Custom Manufacturing Material Margin (Unimproved)

- Total margin down 5% vs. 2024 forecast, driven by dramatic drop in Europe SAF custom manufacturing and U.S. SAF
- New business assumptions in Europe and R&F partially offsetting the SAF impact
- Opportunities: higher pricing and derisked terms (such as reservation and/or logistics fees) and higher demand from Dow, LYO, and BASF
- Risks: commercialization of new business at Antwerp and Port Arthur and lower volume due to increased pricing



## Expenses (Improved)

- Operational Excellence projects are embedded in budget to reduce expenses and create sellable capacity
- Budget reflects avoiding Brandenburg strike expenses, partially offset by inflation elsewhere



## Organization (Improved)

- Overall headcount positions down vs. 2024, consistent with organizational changes



## Capex / Working Capital / Cash Flow

- Overall Maintenance, HS&E, and R&D Capex budget is \$22M
- Growth CAPEX will be minimal and requires high returns, quick payback, and low project and commercial risks



# 2024 Highlights / Lowlights

## Culture and Engagement *(formerly One Monument)*

### Team Effectiveness (Increased Cross-Site Collaboration)

- E-grade **Solvent/Europe** collaboration for Fuji and DuPont
- Key account alignment between **Oxides/Solvents** for Lyondell
- Commercializing new business by optimizing cross business capabilities between **R&F/Solvents**
- Large cross-functional **Solvent** team effort to converting Lyondell “challenging” feed to tech grade IPA w/ 90%+ yield

### Employee Engagement (Engagement feedback from site operations)

- **71% participation**, slightly up from last survey and including Europe for the first time
- **54% Engagement score** – down 15% vs. 2023 due to site operations employees partially offset by improvements in other areas
- 2025 will focus on addressing site operations employees while continuing successful efforts in other areas

### Community Engagement (Wide outreach and impact across sites)

- Brandenburg: sponsorship of incident response system in Meade County schools and participation in local manufacturing expo
- Houston Area: Sponsorship/volunteerism for Yellow Jacket Space Program at Georgia Tech
- Antwerp: Port Clean Up Challenge 2024 of Port of Antwerp-Bruges

### Talent and Leadership

- **Solvents:** Over 20 promotions/step progressions globally
- **Workday:** Successful completion of Phase 1 implementation with Phase 2, including Talent and Learning, planned for 2H25
- **LinkedIn Learning:** We will continue to grow the training materials and curriculums available this year!



# 2025 Goals

## Culture and Engagement

### COMPANY GOALS

#### Team Effectiveness

Improve business team performance through effective communications, mutual business accountabilities and strategy execution, transparent metrics, and a high performance and results driven culture

#### Employee Engagement

Foster strong organization culture and employee engagement built on foundation of guiding principles and leadership behaviors. Motivate, reward and retain employees through effective rewards and strong manager relationships and coaching

#### Community Engagement

Support engagement in our communities with emphasis on education, environment, sustainability and health and wellness

#### Talent and Leadership

Effective talent management processes supporting talent for current and future needs – Right people in the right place at the right time

### KEY TARGETS

- Town Hall (2x) and Local Site meetings (2x) with all employees
- Quarterly Monumental Leaders Meetings
- Focus on communications and engagement with our site Operations
  
- Increase Engagement and Participation Scores 1% YoY
- Manage Unplanned Voluntary Attrition to <10%
- Promote Leadership Behaviors throughout organization
- Focus on employee growth and development at all levels in the organization
  
- Continued strong involvement at local site level with outreach activities and other involvement at least semi-annually in each major site
  
- Headcount to Budget Management
- Successful adoption of Unlocking Potential/Workday for Talent Processes
- Workforce Planning and Expertise Index processes in place in Houston and Brandenburg



# 2024 Highlights / Lowlights

## Business Excellence

### Commercial Excellence

- **Solvents** improved their CDT effectiveness by better alignment between functions
- **Oxides** cross functional teams aligned to product lines/operating to maximize margins
- **R&F** retained their CPChem business by transferring the production to Port Arthur improving quality AND profitability

### Operations Excellence

- **Trendminer implementation** at Brandenburg and Houston supports digitalization efforts to achieve “golden batches”
- **Customer Shipments:** Of the thousands of shipments to customers throughout the globe, **only 8** were off spec!
- **Europe** resolved two major product quality incidents (Hydrolysis and PMA) via outstanding communication and teamwork
- **Solvents'** Bayport and Houston sites executed multiple efficiency and cost savings projects to achieve record Flexsorb, DBAPA, panalene, and Afton polysulfide cycle times and combined material margin

### Financial Excellence

- Both expense and CAPEX categories were favorable to budget and well managed
- Aligned process fire risk priorities (Antwerp HO, Houston Hydrogenation) with our insurer (FM) to ensure an effective and feasible plan



# 2025 Goals

## Business Excellence

### COMPANY GOALS

### KEY TARGETS

#### Commercial Excellence

Execute projects that improve our customer alignment, pricing practices and profitability

- Sales Contract Excellence (Sales / Procurement)
- Salesforce/Pipeline – Identify and implement practices and tools that allow for global pipeline review in real-time
- Voice of Customer and Key Account Management alignment & execution

#### Operational Excellence

Stay within budgeted R&I Capex, continuous improvement objectives/projects

- Deliver on budgeted excellence projects & scope and deliver
- Unbudgeted Opportunity pipelines; Target capital payback <1 Year
- Integrations – Integrate several new business opportunities at PA and Antwerp
- Capital Effectiveness & Control – Target sustaining capex spend to \$22M. Effectively prioritize mechanical integrity items

#### Financial Excellence

Deliver 2025 planned EBITDA & Cash flow. Stay within covenant compliance

- Achieve EBITDA Target of \$55M, ROCE of 15%+, FCF of \$18M
- Expense Visibility & Control – Implement Purchase Order tool; manage discretionary spend
- Workforce Optimization & Cost Control
- Commercial Development Team (CDT) – Optimal resource prioritization and standardized processes
- Covenant compliance

#### Digitalization

Transform business process with systems that enable the workforce, drive business outcomes, and deliver meaningful customer experiences

- Roll out Monument Linqs (Logistics Tablet application)
- Contract management with existing or new tool(s)
- Demand planning / inventory management
- Expanding the use of Salesforce.com and Trendminer and eventual ERP for Monument



# 2024 Summary Growth Levers

## Core Investments

**Solvents:** New pharma industry business with MTBE and 2 methyl THF for Ozempic and Adderall

**Renewables & Fuels:** Won new contract for sequence fuel HF 295 and transitioned Specialty fuels blending and storage to Baytown; significant progress on key growth projects on DCPD, MCH, Hytreat

**Oxides:** Continued improvements in Polyol, Glycol, and Glycol Ether scheduling and execution minimizing inefficiencies from washes and transitions; 2024 Procurement savings \$726k

## Business Synergy

**Solvents and Europe:** Fuji names Monument “top choice” for e-grade solvents in North America; European e-grade business development in progress

**Oxides:** Working with Baybort to commercialize TBM byproduct of Flexorb process as a potential catalyst for polyurethane formulation – in testing with Monument customers now

## Innovation

**Solvents:** Cuma: 4 new products qualified; completion of: Eastman Ethyl Acetate, Viridis Ethyl Acetate, and Evonik

**Renewables & Fuels:** Successfully started up SV-100 unit for specialty product for Exxon ONB

**Oxides:** Continue to reduce the formation of benzene by reducing catalyst levels in balance with unreacted PO out of the reactor

## Sustainability

**Solvents:** Hazardous Secondary Material (HSM) opportunity (with Univar) using recycled cleaner for contact lenses

**Europe:** Big development with Lanzatech – a CO2 capture into Ethanol for many end-use applications

**Renewables & Fuels:** Onboarded Isobutanol for Shell Racing through Gevo

**Oxides:** Continued development with ECONIC on CO2 polyols – project due to launch Feb '25; global demand continues to grow



# 2025 Goals Growth Levers

## COMPANY GOALS

**Core** **Sell-Up and Sell Out** – pursue opportunities in higher-paying, technical segments while driving higher utilization on our core assets

**Synergy** Drive co-development, collaboration and knowledge sharing on key opportunities across businesses

**Innovation** Drive progress on “new-to-Monument” projects and innovation portfolios through resourcing and disciplined project management

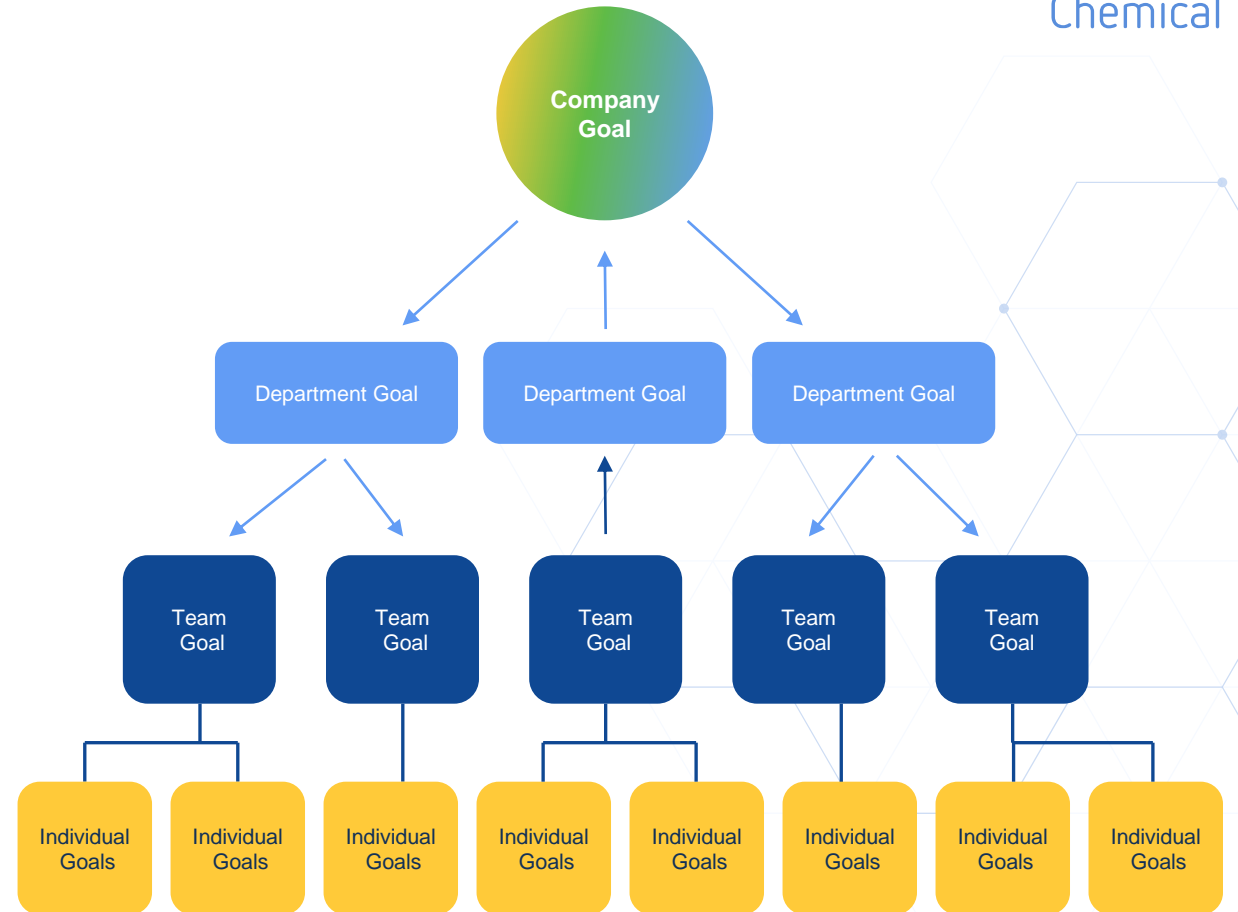
**Sustainability** Grow targeted platforms in circularity, sub-prime streams and renewable solutions

## KEY TARGETS

- **Solvents: Sell up** – 2-MeTHF, DPMAC, Bayport CuMa **Sell out** – Houston CuMa
- **Europe: Sell up** – High purity solvents/stainless-steel capacity, **Sell out** – excess carbon steel capacity
- **Oxides: Sell up** – amines, glycol ethers. **Sell out** – propylene glycol
- **MRF: Sell up** – Win RP1, JP10 contracts, **Sell out** – improve Port Arthur reliability and quality
- **Solvents and Europe:** Grow our high-purity solvents business in semiconductors, pharma, and other demanding segments
- **Solvents:** Bifunctional catalyst
- **Europe:** Evaluate high-pressure and scale-up capabilities
- **Oxides:** B-sides and surfactants market development
- **MRF:** SAF low-temp isomerization, Gevo isobutanol projects
- **Monument:** Establish innovation metrics to begin tracking in 2026; actively engage in THGs innovation council
- **Solvents:** Grow HSM Pipeline
- **Europe:** Realize pipeline of bio-chemistry and circularity opportunities – Lanzatech, Olus Plus
- **Oxides:** Launch Econic
- **MRF:** Launch SAF fractionation opportunities, Feed pre-treat startup for Ashcreek

# EG&D and 2025 Goal Setting

- 2024 Year End Review Discussions by mid February
- STI Bonus and Sales Incentive payments in mid March
- Salary increases effective April 1 (U.S.)
- 2025 Goal Setting Process starts now and runs through February 23
- Company goals will cascade to each BMT, Site, and Function to create their goals and share with the team
- Employees will create Individual Goals from the cascade
- 2025 STI Bonus targets tie back to Company goals and will be final by end of February





LET'S CHAT WITH  
**Jacob Davis**  
Director of Global Finance



### Areas of Expertise:

Finance, managing liquidity, banking relationship, business excellence and insurance risk management.

### Career Highlights

- Before joining Monument, I served as the Director of Corporate Finance and Accounting for The Heritage Group .
- Prior to that, I worked in public accounting and consulted with business regarding operational inefficiencies, fraud, and other special projects.

### Fun Facts

- My wife Amberly and I are just welcomed a baby girl Lily, who is two months old. We also have two adorable mastiffs.
- I enjoy shipwreck diving on my rebreather, beekeeping, motorcycles, and traveling with my family.





## Business Excellence Wins

- For 2024, we had a target of \$5MM in savings for Business Excellence (5% controllable spend); We achieved \$8MM
- Financial Reporting and Budgeting System
- Capital Reporting Process
- Houston Area Procurement Initiatives
- Trade Working Capital Program
- Kallo K102 & Cooling water capacity
- Yield Improvements (Wet IPA)





## Looking Forward

- Kris Sturgul and Matt Overaker will be joining the business excellence team in 2025.
- We are increasing our Business Excellence savings target to 7.5% of controllable spend (or \$6.8M) in 2025.
- Above and beyond, there are initiatives to focus on improvements and cost at three out of six plants.
- As an example, we just wrapped up a 3-day improvement ideation workshop with Bayport.





*Thank You*

for all that you do

# Town Hall

With Paul, Amy, and Bill



Questions?