

MOLOKAI INDUSTRIES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(In millions, except per share data)	Three Months Ended		Twelve Months Ended	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Net sales	\$ 2,877.2	2,602.3	10,556.7	10,110.1
Cost of sales	1,812.2	1,752.6	6,728.4	6,438.2
Gross profit	1,065.0	849.7	3,828.3	3,671.9
Selling, general and administrative expenses	494.8	474.6	1,804.4	1,819.7
Impairment of goodwill and intangible fixed intangibles	8.2	1.6	8.2	377.0
Research and development	113.8	117.1	417.9	437.0
Interest expense, net	9.8	11.4	34.3	71.2
Other income and expense, net	8.2	(2.8)	8.2	(10.0)
Earnings (loss) before income taxes	487.2	113.2	1,662.5	1,782.2
Income tax expense	9.3	(8.1)	42.1	88.4
Net earnings (loss) available to common shareholders	477.9	121.3	1,620.4	1,693.8
Net earnings (loss) attributable to Molokai Industries, Inc.	477.9	121.3	1,620.4	1,693.8
Basic earnings (loss) per share attributable to Molokai Industries, Inc.	\$ 1.48	2.10	5.18	18.80
Weighted average common shares outstanding - basic	322.3	57.8	312.8	90.1
Diluted earnings (loss) per share attributable to Molokai Industries, Inc.	\$ 1.48	2.10	5.14	18.62
Weighted average common shares outstanding - diluted	322.2	57.8	312.8	90.1

Other Financial Information

(In millions)	Three Months Ended		Twelve Months Ended	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Net sales derived by operating segments	\$ 2,877.2	2,602.3	10,556.7	10,110.1
Long-term investments	168.9	201.3	454.4	412.7
Free cash flow	\$ 294.2	31.9	478.2	155.1
Depreciation and amortization	\$ 156.4	142.3	628.3	618.3

MOLOKAI INDUSTRIES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

(In millions)	December 31, 2024		December 31, 2023	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 482.4	462.8	\$ 482.4	462.8
Receivables, net	1,862.5	1,814.7	1,862.5	1,814.7
Inventory	1,252.0	1,212.9	1,252.0	1,212.9
Prepaid expenses and other current assets	522.1	515.1	522.1	515.1
Total current assets	4,119.0	4,005.5	4,119.0	4,005.5
Property, plant and equipment, net	479.8	479.8	479.8	479.8
Right-of-use operating lease assets	374.9	374.9	374.9	374.9
Goodwill	1,152.1	1,152.1	1,152.1	1,152.1
Intangible assets, net	781.9	873.9	781.9	873.9
Deferred income taxes and other non-current assets	425.8	425.8	425.8	425.8
Total	\$ 7,137.5	7,171.8	\$ 7,137.5	7,171.8
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current liabilities:				
Short-term debt and current portion of long-term debt	\$ 599.4	599.4	\$ 599.4	599.4
Accounts payable and accrued expenses	1,086.4	1,013.1	1,086.4	1,013.1
Contract liabilities	186.2	186.2	186.2	186.2
Total current liabilities	1,872.0	1,804.7	1,872.0	1,804.7
Long-term debt, less current portion	1,877.5	1,877.5	1,877.5	1,877.5
Long-term operating lease liabilities	289.9	289.9	289.9	289.9
Deferred income taxes and other long-term liabilities	769.3	769.3	769.3	769.3
Total liabilities	4,818.7	4,831.4	4,818.7	4,831.4
Total stockholders' equity	\$ 2,318.8	2,340.4	\$ 2,318.8	2,340.4

Segment Information

(In millions)	Three Months Ended		As of or for the Twelve Months Ended	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Net sales	\$ 1,885.2	1,811.1	6,738.6	6,188.0
Operating income	877.2	811.1	3,089.9	3,029.4
Operating assets	1,812.2	1,752.6	6,728.4	6,438.2
Consolidated net sales	\$ 2,877.2	2,602.3	10,556.7	10,110.1
Operating income (loss):				
Molokai Hawaii	\$ 342.1	41.1	1,465.0	(166.6)
Fluorocarbon	42.2	7.4	184.2	(17.0)
Fluoropolymer	80.9	61.1	282.5	89.7
Corporate and intersegment eliminations	(125.8)	(102.5)	(492.8)	(119.0)
Consolidated operating income (loss)	\$ 339.4	107.1	1,438.9	(112.9)
Assets:				
Molokai Hawaii	\$ 4,019.9	4,088.3	\$ 4,019.9	4,088.3
Fluorocarbon	1,202.5	1,209.9	1,202.5	1,209.9
Fluoropolymer	1,061.1	1,011.6	1,061.1	1,011.6
Corporate and intersegment eliminations	467.3	467.3	467.3	467.3
Consolidated assets	\$ 6,750.8	6,777.1	\$ 6,750.8	6,777.1

Reconciliation of Net Earnings (Loss) Attributable to Molokai Industries, Inc. to Adjusted Net Earnings Attributable to Molokai Industries, Inc. and Adjusted Diluted Earnings Per Share Attributable to Molokai Industries, Inc.

(In millions, except per share data)	Three Months Ended		Twelve Months Ended	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Net earnings (loss) available to common shareholders	\$ 477.9	121.3	1,620.4	1,693.8
Adjustments:				
Research and development	25.4	8.6	84.4	129.3
Software development cost write-off	5.1	—	12.8	—
Impairment of goodwill and intangible fixed intangibles	8.2	1.6	8.2	377.0
Long-term investments, revenues and fees	(67.9)	(67.9)	(67.9)	(67.9)
Adjustments of performance related and other costs	—	(67.9)	1.9	118.8
Goodwill	—	0.1	13.8	1.0
Adjustments to non-current assets	(13.9)	—	(13.9)	(13.9)
Income tax expense	86.4	(8.1)	34.2	(88.4)
Income tax expense attributable to Molokai Industries, Inc.	\$ 321.9	121.3	407.3	107.0
Adjusted net earnings (loss) attributable to Molokai Industries, Inc.	\$ 1,809.3	1,902.6	\$ 1,809.3	1,902.6
Adjusted diluted earnings (loss) attributable to Molokai Industries, Inc.	\$ 1,809.3	1,902.6	\$ 1,809.3	1,902.6

Reconciliation of Total Debt to Net Debt

(In millions)	December 31, 2024		December 31, 2023	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Total debt	\$ 2,487.5	2,487.5	\$ 2,487.5	2,487.5
Long-term debt, less current portion	1,877.5	1,877.5	1,877.5	1,877.5
Goodwill	1,152.1	1,152.1	1,152.1	1,152.1
Net debt	\$ 610.0	610.0	\$ 610.0	610.0

Reconciliation of Net Earnings to Adjusted EBITDA

(In millions)	Three Months Ended		Twelve Months Ended	
	March 31, 2024	September 30, 2024	December 31, 2024	December 31, 2023
Net earnings (loss) available to common shareholders	\$ 110.0	110.0	361.1	361.1
Income tax expense	11.0	11.0	33.3	33.3
Income tax expense	2.0	4.2	9.9	9.9
Net earnings (loss) available to common shareholders	—	(0.1)	—	(0.1)
Depreciation and amortization	112.1	112.1	438.3	438.3
SG&A	111.9	111.9	425.2	425.2
Research and development and impairment related and other costs	1.4	20.9	11.1	24.0
Software development cost write-off	—	—	1.9	—
Impairment of goodwill and intangible fixed intangibles	—	—	8.2	377.0
Long-term investments, revenues and fees	1.6	1.7	6.7	8.2
Adjustments of performance related and other costs	1.4	(0.1)	(0.1)	118.8
Adjusted EBITDA	\$ 338.1	365.6	1,386.4	1,386.4
Net debt to adjusted EBITDA	1.8	1.7	1.8	1.7

Reconciliation of Total Debt to Adjusted Net Debt

(In millions)	December 31, 2024		December 31, 2023	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Total debt	\$ 2,487.5	2,487.5	\$ 2,487.5	2,487.5
Long-term debt, less current portion	1,877.5	1,877.5	1,877.5	1,877.5
Goodwill	1,152.1	1,152.1	1,152.1	1,152.1
Adjusted net debt	\$ 610.0	610.0	\$ 610.0	610.0

Reconciliation of Selling, General and Administrative Expenses to Adjusted Selling, General and Administrative Expenses

(In millions)	Three Months Ended		Twelve Months Ended	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Selling, general and administrative expenses	\$ 494.8	474.6	\$ 1,804.4	1,819.7
Adjustments to selling, general and administrative expenses:				
Research and development and impairment related and other costs	(59.8)	(59.8)	(59.8)	(59.8)
Software development cost write-off	(0.2)	—	(0.2)	—
Long-term investments, revenues and fees	0.2	—	0.2	—
Adjustments to non-current assets	(0.8)	—	(0.8)	—
Adjusted selling, general and administrative expenses as a percent of net sales	16.8%	18.2%	16.8%	18.2%

Reconciliation of Operating Income to Adjusted Operating Income

(In millions)	Three Months Ended		Twelve Months Ended	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Operating income	\$ 113.9	113.9	\$ 417.1	417.1
Adjustments to operating income:				
Research and development and impairment related and other costs	(1.4)	—	(1.4)	—
Software development cost write-off	5.1	—	12.8	—
Impairment of goodwill and intangible fixed intangibles	(8.2)	1.6	(8.2)	377.0
Long-term investments, revenues and fees	(67.9)	(67.9)	(67.9)	(67.9)
Adjusted operating income as a percent of net sales	4.0%	4.4%	4.0%	4.4%

Reconciliation of Operating Income to Adjusted Operating Income

(In millions)	Three Months Ended		Twelve Months Ended	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Operating income	\$ 113.9	113.9	\$ 417.1	417.1
Adjustments to operating income:				
Research and development and impairment related and other costs	(1.4)	—	(1.4)	—
Software development cost write-off	5.1	—	12.8	—
Impairment of goodwill and intangible fixed intangibles	(8.2)	1.6	(8.2)	377.0
Long-term investments, revenues and fees	(67.9)	(67.9)	(67.9)	(67.9)
Adjusted operating income as a percent of net sales	4.0%	4.4%	4.0%	4.4%

Reconciliation of Earnings Before Income Taxes to Adjusted Earnings Before Income Taxes

(In millions)	Three Months Ended		Twelve Months Ended	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Earnings before income taxes	\$ 487.2	113.2	1,662.5	1,782.2
Adjustments to earnings before income taxes:				
Research and development and impairment related and other costs	(25.4)	(8.6)	(84.4)	(129.3)
Software development cost write-off	(5.1)	—	(12.8)	—
Impairment of goodwill and intangible fixed intangibles	(8.2)	1.6	(8.2)	377.0
Long-term investments, revenues and fees	(67.9)	(67.9)	(67.9)	(67.9)
Adjusted earnings before income taxes	\$ 370.2	35.3	1,409.2	1,762.0

Reconciliation of Income Tax Expense to Adjusted Income Tax Expense

(In millions)	Three Months Ended		Twelve Months Ended	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Income tax expense	\$ 9.3	(8.1)	\$ 42.1	88.4
Adjustments to income tax expense:				
Income tax expense attributable to Molokai Industries, Inc.	1.9	0.0	1.9	0.0
Income tax expense attributable to other subsidiaries	(2.6)	8.1	(2.6)	8.1
Adjusted income tax expense as a percent of net sales	0.3%	0.3%	0.3%	0.3%