



Jefferies Virtual Industrials Conference
August 6, 2020
Investor Presentation



Forward Looking Statements

Forward-looking statements involve known and unknown risks, uncertainties, assumptions, and other important factors that could cause the actual results, performance or our achievements, or industry results, to differ materially from historical results, any future results, or performance or achievements expressed or implied by such forward-looking statements. Such risks, uncertainties and factors include, but are not limited to: not completing, or not completely realizing the anticipated benefits from, the sale of our stake in AMAK; general economic and financial conditions domestically and internationally; insufficient cash flows from operating activities; our ability to attract and retain key employees; feedstock, product and mineral prices; feedstock availability and our ability to access third party transportation; competition; industry cycles; natural disasters or other severe weather events, health epidemics and pandemics (including COVID-19) and terrorist attacks; our ability to consummate extraordinary transactions, including acquisitions and dispositions, and realize the financial and strategic goals of such transactions; technological developments and our ability to maintain, expand and upgrade our facilities; regulatory changes; environmental matters; lawsuits; outstanding debt and other financial and legal obligations (including having to return the amounts borrowed under the Paycheck Protection Program or failing to qualify for forgiveness of such loans, in whole or in part); difficulties in obtaining additional financing on favorable conditions, or at all; local business risks in foreign countries, including civil unrest and military or political conflict, local regulatory and legal environments and foreign currency fluctuations; and other risks detailed in our latest Annual Report on Form 10-K, including but not limited to: "Part I, Item 1A. Risk Factors" and "Part II, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" therein, and in our other filings with the Securities and Exchange Commission (the "SEC"). Many of these risks and uncertainties are currently amplified by and will continue to be amplified by, or in the future may be amplified by, the COVID-19 pandemic.

There may be other factors of which we are currently unaware or deem immaterial that may cause our actual results to differ materially from the forward-looking statements. In addition, to the extent any inconsistency or conflict exists between the information included in this report and the information included in our prior releases, reports and other filings with the SEC, the information contained in this report updates and supersedes such information.

Forward-looking statements are based on current plans, estimates, assumptions and projections, and, therefore, you should not place undue reliance on them. Forward-looking statements speak only as of the date they are made, and we undertake no obligation to update them in light of new information or future events.

Non-GAAP Measures

This presentation includes the use of both U.S. generally accepted accounting principles ("GAAP") and non-GAAP financial measures. The Company believes certain financial measures, such as EBITDA from continuing operations and Adjusted EBITDA from continuing operations, which are non-GAAP measures, provide users of our financial statements with supplemental information that may be useful in evaluating our operating performance. The Company believes that such non-GAAP measures, when read in conjunction with our operating results presented under GAAP, can be used to better assess our performance from period to period and relative to performance of other companies in our industry, without regard to financing methods, historical cost basis or capital structure. These measures are not measures of financial performance or liquidity under GAAP and should be considered in addition to, and not as a substitute for, analysis of our results under GAAP.

These non-GAAP measures have been reconciled to the nearest GAAP measure in the tables below entitled Reconciliation of Selected GAAP Measures to Non-GAAP Measures.

We define EBITDA from continuing operations as net income (loss) from continuing operations plus interest expense (benefit), income taxes, depreciation and amortization. We define Adjusted EBITDA from continuing operations as EBITDA from continuing operations plus share-based compensation, plus restructuring and severance expenses, plus or minus equity in AMAK's earnings and losses, plus impairment losses and plus or minus gains or losses on disposal of assets..

Trecora Overview

Specialty Petrochemicals (SHR)

Prime Products include

- isopentane, normal pentane, isohexane and hexane
- Market leader (one of two producers in the U.S.)
- Used in the production of polyethylene, packaging, polypropylene, expandable polystyrene, poly-iso/urethane foams, crude oil from the Canadian tar sands, and in the catalyst support industry
- Growth driven by chemical industry investment and U.S. GDP

Byproducts

- Aromatic compounds widely used to make other chemicals including dyes and plastic products
- Results from production of prime products
- Growth driven by higher reliability of new Advanced Reformer

Specialty Waxes (TC)

Specialty Waxes include

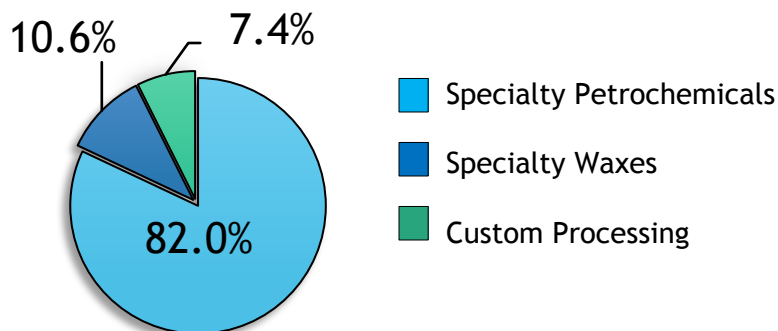
- specialty polyethylene and poly alpha olefin waxes used in paints, inks, adhesives, coatings, and PVC lubricants and are used in applications such as toner in printers and hot melt adhesives
- Growth driven by our development of higher value waxes

Custom Processing Services

Custom Processing services provide a range of specialized capabilities to chemical and industrial customers including synthesis, hydrogenation, distillation, forming and propoxylation in addition to a number of other chemical processes

- Growth driven by our investment in new capabilities and U.S. chemical industry investment

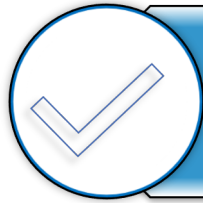
Product, Manufacturing and Processing Revenue Contribution (Q2'20 TTM)



Recent Highlights



Q2 Adjusted EBITDA from continuing ops:
\$4.2MM



Q2 operating cash flow from cont. ops: \$16.5MM;
+\$12.1MM increase from Q1'20



Total consolidated cash: \$29.9MM at end of June



Outstanding debt reduced to \$78.2MM
(excluding PPP loans); lowest level since Q3'16



Growth initiatives launched in Q1 on track to
achieve approx. \$4MM of incremental EBITDA
value creation on go-forward run-rate basis

Q2 Trecora Performance Summary

	Q2'20	Q1'20	Q4'19	Q3'19	Q2'19		1H'20	1H'19
Diluted EPS from continuing operations	\$(0.07)	\$0.23	\$(0.61)	\$0.06	\$0.10		\$0.16	\$0.17
Net Income (Loss) from continuing operations	(\$1.9)	\$5.9	\$(18.7)	\$1.6	\$2.4		\$4.0	\$4.3
Adjusted EBITDA from continuing operations ⁽¹⁾	\$4.2	\$5.5	\$6.4	\$6.9	\$9.2		\$9.7	\$17.7
Gross Margin	15.2%	13.0%	13.5%	15.3%	15.2%		13.9%	15.3%
Cap Ex	\$5.7	\$1.9	\$3.8	\$2.5	\$1.8		\$7.6	\$3.8
Total Bank Debt	\$78.2	\$102.2	\$83.3	\$89.3	\$98.4		\$78.2	\$98.4

(1) See non-GAAP reconciliations included in the accompanying financial tables for the reconciliation of each non-GAAP measure to its more directly comparable GAAP measure.

- Total outstanding bank debt, excluding Paycheck Protection Program loans, reduced to \$78.2 million, the lowest level since third quarter 2016
- Operating cash flow from continuing operations of \$16.5 million in Q2'20, a \$12.1 million improvement from Q1'20
- Lag in inventory costs saw feedstock prices bottom in June. Gross margin for the quarter was 15.2%
- Q2 capex incl. approx. \$3.6 million for maintenance and upkeep of our GSPL Pipeline

Q2 Business Segment Performance Summary

	Specialty Petrochemicals Sales Volume (million gallons)				
	Q2'20	Q1'20	Q4'19	Q3'19	Q2'19
All Products	15.3	19.7	20.3	20.5	21.4
Prime Products	13.1	16.2	16.3	16.4	17.7
By-products	2.3	3.5	4.0	4.1	3.7

	Specialty Waxes				
	Q2'20	Q1'20	Q4'19	Q3'19	Q2'19
Wax Revenue (\$mm)	\$5.5	\$6.8	\$6.0	\$5.8	\$6.7
Wax Sales Volume (mm lbs)	8.4	10.2	7.9	8.6	10.0
Avg. Wax Sales Price (\$/lb)	\$0.65	\$0.66	\$0.75	\$0.67	\$0.67
Custom Processing Revenue (\$mm)	\$2.8	\$3.6	\$2.9	\$2.4	\$2.5

Debt and Cash Summary



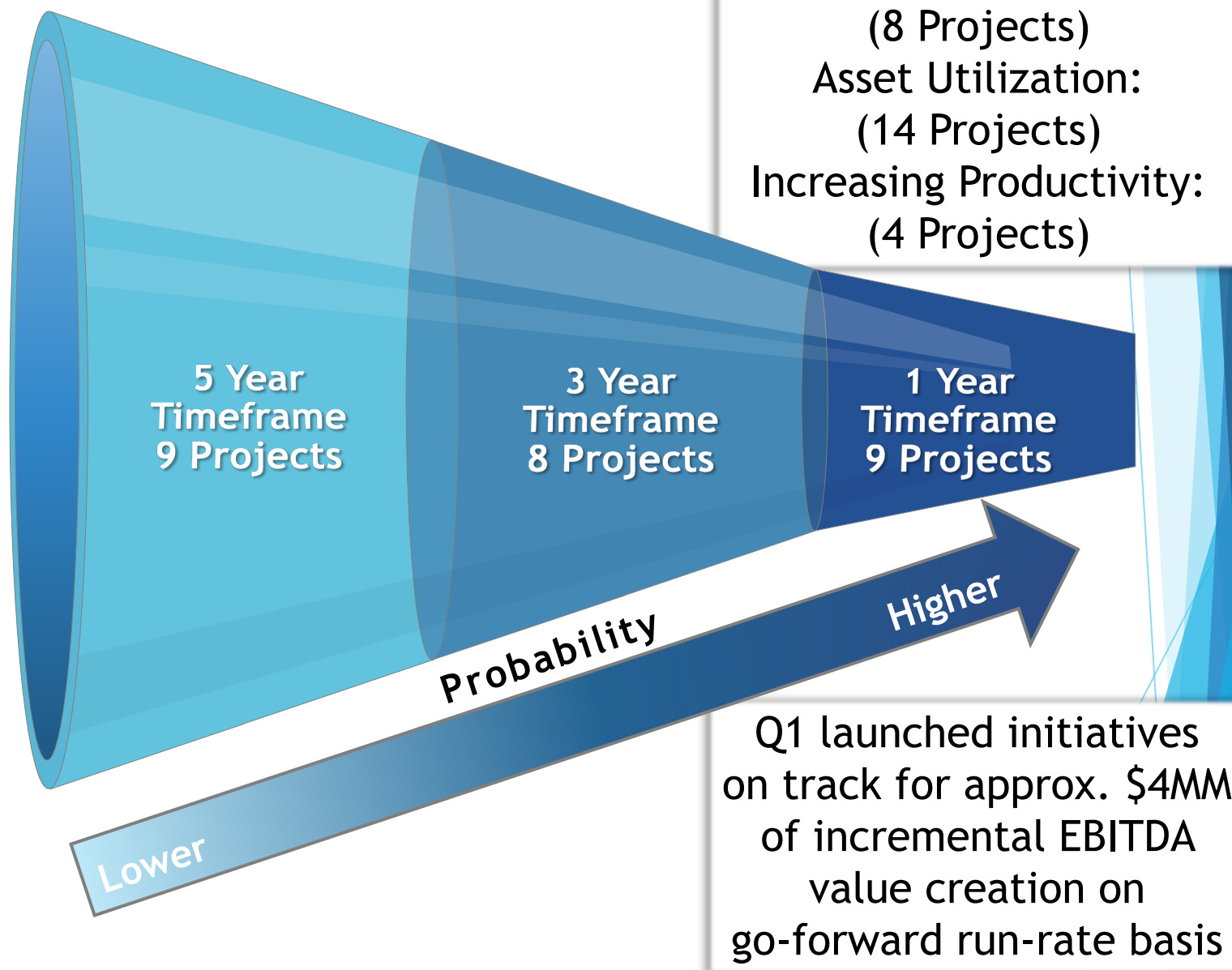
Strong
Balance
Sheet

\$ millions	March 31, 2020	June 30, 2020
Revolver Balance	\$23.0	\$0.0
Term Loan	\$79.2	\$78.2
Total Bank Debt	\$102.2	\$78.2
PPP Loans	\$0.0	\$6.1
Total Debt	\$102.2	\$84.3
Cash on Balance Sheet	\$37.5	\$29.9
Total Debt Net of Cash	\$64.7	\$54.4

Ample
Liquidity

\$ millions	Pro Forma	Note
Cash Balance	\$29.9	As of June 30, 2020
Tax Refunds (CARES Act)	\$16.5	\$14.1 1 st tranche expected in Q3
AMAK Sale Net Proceeds	\$43.5	Expected Sept 2020
Pro Forma Cash Balance	\$89.9	
Total Pro Forma Net Debt	\$(5.6)	

Growth Execution Funnel



Investment Summary



Solvents business is a highly-valued franchise with differentiated market position and profitability



Dramatic deleveraging through sale of non-core AMAK interest by Q3



Well-defined and disciplined growth program

**For more information,
please visit our website:**

<http://www.trecora.com>