
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

**Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934
Date of Report (Date of earliest event reported): November 4, 2022**

PERIMETER SOLUTIONS, SA

(Exact name of registrant as specified in its charter)

Grand Duchy of Luxembourg
(State or other jurisdiction
of incorporation)

001-41027
(Commission
File Number)

98-1632942
(IRS. Employer
Identification No.)

**12E rue Guillaume Kroll, L-1882 Luxembourg
Grand Duchy of Luxembourg
352 2668 62-1**
(Address of principal executive offices, including zip code)

(314) 396-7343
Registrant's telephone number, including area code

Not Applicable
(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

| Title of each class | Trading Symbol(s) | Name of each exchange on which registered |
|---|----------------------|--|
| Ordinary Shares, nominal value \$1.00 per share | PRM | New York Stock Exchange |
| Warrants for Ordinary Shares | PRMFF | OTC Markets Group Inc. |

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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.

Item 2.02 Results of Operations and Financial Condition.

On November 4, 2022, Perimeter Solutions, SA issued a press release announcing its financial results for its fiscal quarter ended September 30, 2022. A copy of the press release is furnished as Exhibit 99.1.

The information furnished under this Item 2.02, including Exhibit 99.1, is being furnished and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or incorporated by reference in any filing under the Securities Act of 1933, as amended or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

The following exhibit is being furnished as part of this Current Report on Form 8-K.

| Exhibit No. | Description |
|----------------|--|
| 99.1 | Press release issued by Perimeter Solutions, SA on November 4, 2022. |

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: November 4, 2022

Perimeter Solutions, SA

By: /s/ Charles Kropp
Charles Kropp
Chief Financial Officer

Perimeter Solutions Reports Third Quarter 2022 Financial Results

November 4, 2022

Net sales decreased 18% in Q3-2022 as compared to Q3-2021 driven by the mild North America fire season

Fire Safety Q3 Adjusted EBITDA of \$60.4 million; Specialty Products Q3 Adjusted EBITDA of \$15.3 million

Year-to-date net income of \$123.7 million and consolidated Adjusted EBITDA of \$123.3 million

*New \$100.0 million share repurchase authorization **

Clayton, Missouri, November 4, 2022 – Perimeter Solutions, SA (NYSE: PRM) (“Perimeter” or the “Company”), a leading provider of mission-critical firefighting products and services, as well as specialty products used in several end markets, today reported financial results for the three and nine months ended September 30, 2022.

Year-to-Date 2022 Results

- Net sales increased 1% to \$319.2 million during the year-to-date period, as compared to \$316.5 million in the prior-year period.
 - Fire Safety sales decreased 13% to \$207.0 million, as compared to \$237.3 million in the prior year.
 - Specialty Products sales increased 42% to \$112.2 million, as compared to \$79.2 million in the prior year.
- Net income during the year-to-date period was \$123.7 million, or \$0.70 per diluted share, an increase of \$94.1 million from \$29.6 million, or \$0.56 per diluted share, for the same period of 2021.
- Adjusted EBITDA decreased 8% to \$123.3 million during the year-to-date period, as compared to \$134.6 million in the prior-year period.
 - Fire Safety Adjusted EBITDA decreased 30% to \$81.2 million, as compared to \$116.7 million in the prior year.
 - Specialty Products Adjusted EBITDA increased 135% to \$42.0 million, as compared to \$17.9 million in the prior year.

Third Quarter 2022 Results

- Net sales decreased 18% to \$160.5 million in the third quarter, as compared to \$195.4 million in the prior-year quarter.
 - Fire Safety sales decreased 29% to \$122.0 million, as compared to \$172.4 million in the prior year.
 - Specialty Products sales increased 68% to \$38.5 million, as compared to \$23.0 million in the prior year.
- Net income during the third quarter was \$78.7 million, or \$0.45 per diluted share, an increase of \$26.7 million from \$52.0 million, or \$0.98 per diluted share, for the same period of 2021.
- Adjusted EBITDA decreased 25% to \$75.6 million in the third quarter, as compared to \$100.4 million in the prior-year quarter.
 - Fire Safety Adjusted EBITDA decreased 38% to \$60.4 million, as compared to \$97.9 million in the prior year.
 - Specialty Products Adjusted EBITDA increased 512% to \$15.3 million, as compared to \$2.5 million in the prior year.

* On November 3, 2022, the Company’s board of directors approved the repurchase of up to \$100.0 million of the Company’s ordinary shares during the next 24 months.

Conference Call and Webcast

As previously announced, Perimeter Solutions management will hold a conference call at 8:30 a.m. ET on Friday, November 4, 2022 to discuss financial results for the third quarter 2022. The conference call can be accessed by dialing (877) 407-9764 (toll-free) or (201) 689-8551 (toll).

The conference call will also be webcast simultaneously on Perimeter's website (<https://ir.perimeter-solutions.com/>), accessed under the Investor Relations page. The webcast link will be made available on the Company's website prior to the start of the call; go to the investor relations page of our website to the News & Events menu and click on "Events & Presentations."

A slide presentation will also be available for reference during the conference call; go to the investor relations page of our website to the News & Events menu and click on "Events & Presentations."

Following the live webcast, a replay will be available on the Company's website. A telephonic replay will also be available approximately two hours after the call and can be accessed by dialing (877) 660-6853 (toll-free) or (201) 612-7415 (toll). The telephonic replay will be available until December 4, 2022.

About Perimeter Solutions

Perimeter Solutions is a leading global solutions provider, providing high-quality firefighting products and specialty products used in several end markets. The Company's business is organized and managed in two reporting segments: Fire Safety and Specialty Products, formerly Oil Additives.

The Fire Safety segment consists of formulating, manufacture and sale of fire retardants and firefighting foams that assist in combating various types of fires, including wildland, structural, flammable liquids and others. Our Fire Safety segment also offers specialized equipment and services, typically in conjunction with our fire management products, to support our customers' firefighting operations. Our specialized equipment includes airbase retardant storage, mixing, and delivery equipment; mobile retardant bases; retardant ground application units; mobile foam equipment; and equipment that we custom design and manufacture to meet specific customer needs. Our service network can meet the emergency resupply needs of over 150 air tanker bases in North America, as well as many other customer locations in North America and internationally. The segment is built on the premise of superior technology, exceptional responsiveness to our customers' needs, and a "never-fail" service network. The segment sells products to government agencies and commercial customers around the world.

In June 2022, the Oil Additives segment, which produces and sells Phosphorus Pentasulfide ("P₂S₅"), was renamed the Specialty Products segment to better reflect the current and expanding applications for P₂S₅ in several end markets and applications, including lubricant additives, various agricultural applications, various mining applications, and emerging electric battery technologies. Within the lubricant additive end market, currently our largest end market application, P₂S₅ is primarily used in the production of a family of compounds called Zinc Dialkyldithiophosphates ("ZDDP"), which is considered an essential component in the formulation of engine oils with its main function to provide anti-wear protection to engine components.

Forward-looking Information

This press release may contain "forward-looking statements" within the meaning of the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those in the forward-looking statements. Forward-looking statements can be identified by words such as: "anticipate," "intend," "plan," "goal," "seek," "believe," "project," "estimate," "expect," "strategy," "future," "likely," "may," "should," "will" and similar references to future periods.

Any such forward-looking statements are not guarantees of performance or results, and involve risks, uncertainties (some of which are beyond the Company's control) and assumptions. Although Perimeter believes any forward-looking statements are based on reasonable assumptions, you should be aware that many factors could affect Perimeter's actual financial results and cause them to differ materially from those anticipated in any forward-looking statements, including the risk factors described from time to time by us in our filings with the Securities and Exchange Commission ("SEC"), including, but not limited to, the Company's Annual Report on Form 10-K for the year ended December 31, 2021 filed with the SEC on March 31, 2022. Shareholders, potential investors and other readers should consider these factors carefully in evaluating the forward-looking statements.

Any forward-looking statement made by Perimeter in this press release speaks only as of the date on which it is made. Perimeter undertakes no obligation to update any forward-looking statement, whether as a result of new information, future developments or otherwise, except as may be required by law.

SOURCE: Perimeter Solutions, SA.

CONTACT:

ir@perimeter-solutions.com

PERIMETER SOLUTIONS, SA AND SUBSIDIARIES
Condensed Consolidated Statements of Operations and Comprehensive Income (Loss)
(in thousands, except share and per share data)
(Unaudited)

| | Successor | Predecessor | Successor | Predecessor |
|---|--|--|---|---|
| | Three Months Ended September 30, 2022 | Three Months Ended September 30, 2021 | Nine Months Ended September 30, 2022 | Nine Months Ended September 30, 2021 |
| Net sales | \$ 160,509 | \$ 195,414 | \$ 319,232 | \$ 316,460 |
| Cost of goods sold | 74,707 | 86,081 | 191,757 | 159,895 |
| Gross profit | 85,802 | 109,333 | 127,475 | 156,565 |
| Operating expenses: | | | | |
| Selling, general and administrative expense | 22,381 | 15,333 | 64,803 | 42,544 |
| Amortization expense | 13,738 | 13,276 | 41,395 | 39,818 |
| Founders advisory fees - related party | (73,713) | — | (154,026) | — |
| Other operating expense | (51) | 313 | 405 | 1,066 |
| Total operating expenses | (37,645) | 28,922 | (47,423) | 83,428 |
| Operating income | 123,447 | 80,411 | 174,898 | 73,137 |
| Other expense (income): | | | | |
| Interest expense, net | 9,944 | 8,065 | 32,582 | 23,951 |
| (Gain) loss on contingent earn-out | (3,644) | — | (13,042) | 2,763 |
| Unrealized foreign currency loss | 4,705 | 1,634 | 8,741 | 3,892 |
| Other (income) expense, net | (785) | 66 | (820) | (252) |
| Total other expense, net | 10,220 | 9,765 | 27,461 | 30,354 |
| Income before income taxes | 113,227 | 70,646 | 147,437 | 42,783 |
| Income tax expense | (34,516) | (18,637) | (23,692) | (13,151) |
| Net income | 78,711 | 52,009 | 123,745 | 29,632 |
| Other comprehensive loss, net of tax: | | | | |
| Foreign currency translation adjustments | (18,181) | (2,020) | (34,426) | (2,424) |
| Total comprehensive income | \$ 60,530 | \$ 49,989 | \$ 89,319 | \$ 27,208 |
| Earnings per share: | | | | |
| Basic | \$ 0.48 | \$ 0.98 | \$ 0.76 | \$ 0.56 |
| Diluted | \$ 0.45 | \$ 0.98 | \$ 0.70 | \$ 0.56 |
| Weighted average number of ordinary shares outstanding: | | | | |
| Basic | 162,635,592 | 53,045,510 | 161,943,492 | 53,045,510 |
| Diluted | 176,777,958 | 53,045,510 | 176,085,858 | 53,045,510 |

PERIMETER SOLUTIONS, SA AND SUBSIDIARIES
Condensed Consolidated Balance Sheets
(in thousands, except share and per share data)

| | September 30, 2022 | December 31, 2021 |
|--|--------------------|-------------------|
| Assets | (Unaudited) | |
| Current assets: | | |
| Cash and cash equivalents | \$ 166,256 | \$ 225,554 |
| Accounts receivable, net | 85,612 | 24,319 |
| Inventories | 120,467 | 110,087 |
| Income tax receivable | 655 | 816 |
| Prepaid expenses and other current assets | 4,876 | 14,161 |
| Total current assets | 377,866 | 374,937 |
| Property, plant, and equipment, net | 57,187 | 62,247 |
| Goodwill | 1,019,387 | 1,041,325 |
| Customer lists, net | 715,829 | 753,459 |
| Technology and patents, net | 233,861 | 247,368 |
| Tradenames, net | 95,047 | 100,005 |
| Other assets, net | 1,877 | 2,219 |
| Total assets | \$ 2,501,054 | \$ 2,581,560 |
| Liabilities and Shareholders Equity | | |
| Current liabilities: | | |
| Accounts payable | \$ 31,856 | \$ 27,469 |
| Accrued expenses and other current liabilities | 124,429 | 19,025 |
| Founders advisory fees payable - related party | 9,836 | 53,547 |
| Deferred revenue | 1,272 | 445 |
| Total current liabilities | 167,393 | 100,486 |
| Long-term debt | 664,986 | 664,128 |
| Deferred income taxes | 222,952 | 298,633 |
| Founders advisory fees payable - related party | 134,598 | 312,242 |
| Redeemable preferred shares | 100,263 | 96,867 |
| Redeemable preferred shares - related party | 3,245 | 3,699 |
| Other non-current liabilities | 8,951 | 22,195 |
| Total liabilities | 1,302,388 | 1,498,250 |
| Commitments and contingencies | | |
| Shareholders' equity: | | |
| Ordinary shares, \$1 nominal value per share; 4,000,000,000 shares authorized; 163,234,542 and 157,237,435 shares issued; 162,316,326 and 157,237,435 shares outstanding at September 30, 2022 and December 31, 2021, respectively | 163,235 | 157,237 |
| Treasury shares, at cost; 918,216 shares at September 30, 2022 and no shares at December 31, 2021 | (7,572) | — |
| Additional paid-in capital | 1,697,644 | 1,670,033 |
| Accumulated other comprehensive loss | (41,561) | (7,135) |
| Accumulated deficit | (613,080) | (736,825) |
| Total shareholders' equity | 1,198,666 | 1,083,310 |
| Total liabilities and shareholders' equity | \$ 2,501,054 | \$ 2,581,560 |

PERIMETER SOLUTIONS, SA AND SUBSIDIARIES
Condensed Consolidated Statements of Cash Flows
(in thousands)
(Unaudited)

| | Successor | Predecessor |
|--|---|---|
| | Nine Months Ended September 30, 2022 | Nine Months Ended September 30, 2021 |
| Cash flows from operating activities: | | |
| Net income | \$ 123,745 | \$ 29,632 |
| Adjustments to reconcile net income to net cash (used in) provided by operating activities: | | |
| Founders advisory fees - related party (change in accounting fair value) | (154,026) | — |
| Depreciation and amortization expense | 49,536 | 45,593 |
| Interest and payment-in-kind on preferred shares | 4,903 | — |
| Share-based compensation | 19,297 | — |
| Deferred income taxes | (72,441) | (5,195) |
| Amortization of deferred financing costs | 1,196 | 2,432 |
| Amortization of acquisition related inventory step-up | 27,973 | — |
| (Gain) loss on contingent earn-out | (13,042) | 2,763 |
| Unrealized loss on foreign currency | 8,741 | 3,892 |
| Loss on disposal of assets | 9 | — |
| Changes in operating assets and liabilities, net of acquisitions: | | |
| Accounts receivable | (63,838) | (72,103) |
| Inventories | (40,759) | (5,554) |
| Prepaid expenses and other current assets | 9,058 | 3,104 |
| Other assets | — | 346 |
| Accounts payable | 4,975 | 12,971 |
| Deferred revenue | 889 | 831 |
| Income taxes payable, net | 88,673 | 11,180 |
| Accrued expenses and other current liabilities | 15,547 | 2,725 |
| Founders advisory fees - related party (cash settled) | (53,547) | — |
| Other liabilities | (73) | (200) |
| Net cash (used in) provided by operating activities | <u>(43,184)</u> | <u>32,417</u> |
| Cash flows from investing activities: | | |
| Purchase of property and equipment | (6,024) | (5,149) |
| Purchase price adjustment under Business Combination Agreement | (1,638) | — |
| Purchase of businesses, net of cash acquired | — | (7,464) |
| Net cash used in investing activities | <u>(7,662)</u> | <u>(12,613)</u> |
| Cash flows from financing activities: | | |
| Ordinary shares repurchased | (7,572) | — |
| Proceeds from exercise of warrants | 529 | — |
| Proceeds from revolving credit facility | — | 19,500 |
| Repayments of revolving credit facility | — | (19,500) |
| Repayments of long-term debt | — | (4,211) |
| Net cash used in financing activities | <u>(7,043)</u> | <u>(4,211)</u> |
| Effect of foreign currency on cash and cash equivalents | (1,409) | 1,510 |
| Net change in cash and cash equivalents | <u>(59,298)</u> | <u>17,103</u> |
| Cash and cash equivalents, beginning of period | 225,554 | 22,478 |
| Cash and cash equivalents, end of period | <u>\$ 166,256</u> | <u>\$ 39,581</u> |
| Supplemental disclosures of cash flow information: | | |
| Cash paid for interest | \$ 18,299 | \$ 21,502 |
| Cash paid for income taxes | \$ 7,588 | \$ 7,092 |
| Non-cash investing and financing activities: | | |
| Liability portion of founders advisory fees - related party reclassified to additional paid in capital | \$ 13,783 | \$ — |

Non-GAAP Financial Metrics

Adjusted EBITDA

The computation of Adjusted EBITDA is defined as net income plus income tax expense, net interest and other financing expenses, and depreciation and amortization, adjusted on a consistent basis for certain non-recurring, unusual or non-operational items in a balanced manner. These items include (i) expenses related to the Business Combination, (ii) founder advisory fee expenses, (iii) stock compensation expense, (iv) non-cash impact of purchase accounting on the cost of inventory sold, (v) contingent future payment related to an acquired business, (vi) management fees related to the services provided by SK Capital Partners IV-A, L.P. and SK Capital Partners IV-B, L.P. (collectively, the “Sponsor”) when acting in a management capacity and (vii) unrealized foreign currency loss (gain). To supplement the Company's consolidated financial statements presented in accordance with U.S. GAAP, Perimeter is providing a summary to show the computations of Adjusted EBITDA, which is a non-U.S.GAAP measure used by the Company's management and by external users of Perimeter's financial statements, such as investors, commercial banks and others, to assess the Company's operating performance as compared to that of other companies, without regard to financing methods, capital structure or historical cost basis. Adjusted EBITDA should not be considered an alternative to net income (loss), operating income (loss), cash flows provided by (used in) operating activities or any other measure of financial performance or liquidity presented in accordance with U.S. GAAP (in thousands).

| (Unaudited) | Successor | Predecessor | Successor | Predecessor |
|--|--|--|---|---|
| | Three Months Ended September 30, 2022 | Three Months Ended September 30, 2021 | Nine Months Ended September 30, 2022 | Nine Months Ended September 30, 2021 |
| Income before income taxes | \$ 113,227 | \$ 70,646 | \$ 147,437 | \$ 42,783 |
| Depreciation and amortization | 16,450 | 15,212 | 49,536 | 45,593 |
| Interest and financing expense | 9,944 | 8,065 | 32,582 | 23,951 |
| Founders advisory fees - related party | (73,713) | — | (154,026) | — |
| Non-recurring expenses ¹ | 1,168 | 3,855 | 4,788 | 12,805 |
| Share-based compensation expense | 6,832 | — | 19,297 | — |
| Non-cash purchase accounting impact ² | 658 | — | 27,973 | — |
| (Gain) loss on contingent earn-out | (3,644) | — | (13,042) | 2,763 |
| Management fees ³ | — | 313 | — | 937 |
| Contingent future payments ⁴ | — | 625 | — | 1,875 |
| Unrealized foreign currency loss | 4,705 | 1,634 | 8,741 | 3,892 |
| Adjusted EBITDA | \$ 75,627 | \$ 100,350 | \$ 123,286 | \$ 134,599 |
| Net sales | \$ 160,509 | \$ 195,414 | \$ 319,232 | \$ 316,460 |

(1) Adjustment to reflect non-recurring professional fees and integration costs including expenses related to the business combination with Perimeter Solutions.

(2) Represents the non-cash impact of purchase accounting on the cost of inventory sold in connection with the business combination with Perimeter Solutions. The inventory acquired received a purchase accounting step-up in basis, which is a non-cash adjustment to the cost.

(3) Adjustment to reflect fees pertaining to services provided by the Sponsor when acting in a management capacity on strategic and other non-operational matters which do not represent expenses incurred in the normal course of our operations. These fees did not continue following the closing of the business combination.

(4) Adjustment to reflect deferred consideration paid with respect to a 2019 acquisition.