



NEWS RELEASE

## Ecolab Comments on Effects of Texas/Gulf Coast Winter Freeze

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ST. PAUL, MN / ACCESSWIRE / March 11, 2021 / Ecolab commented on the effects of the recent winter freeze in Texas and the Gulf Coast region as well as the resulting short-term business disruptions, saying that excluding this one-time event, the prior outlook for 2021 earnings to exceed 2019's earnings per share from continuing operations remains unchanged.

Christophe Beck, Ecolab's President and Chief Executive Officer said, "As outlined in our recent fourth quarter 2020 earnings release, we continue to expect strong year-on-year earnings per share growth in 2021 as the developing recovery in our Institutional division is complemented by continued growth in the balance of our businesses, benefiting from our new business wins, product and service innovation, pricing, and investments in new hygiene and digital technologies. These are expected to help drive strong sales growth in the second quarter and through the balance of the year, with earnings further benefiting from profit initiatives we have undertaken.

"The subsequent winter freeze in Texas and the Gulf Coast region interrupted significant sources of supply and impacted certain larger customer locations, including refineries, as well as several of our own plants. Our facilities are back online, and customer and supplier facilities are generally expected to recover operations over the next several weeks, but the impact from supplier force majeure and product restrictions have continued. We currently expect the effect of the freeze will be a one-time event and short-term challenge, with the negative impacts from these combined factors expected to be approximately \$0.15 per share, primarily impacting the first quarter.

"Importantly, we believe the impact from the freeze should be limited in time and impact, similar to those seen in prior weather events like hurricanes, and that the fundamental strengthening trends within our sales and margins will continue through the year and be reflected in our results going forward. Further, we are undertaking actions to

ensure our raw material supply as well as taking appropriate pricing for our products to reflect the higher input costs. As such, we continue to expect strong year-on-year growth in 2021, with earnings per share that would be above 2019's earnings per share from continuing operations excluding the effects of this weather impact."

## About Ecolab

A trusted partner at nearly three million customer locations, Ecolab (ECL) is the global leader in water, hygiene and infection prevention solutions and services. With annual sales of \$12 billion and more than 44,000 associates, Ecolab delivers comprehensive solutions, data-driven insights and personalized service to advance food safety, maintain clean and safe environments, optimize water and energy use, and improve operational efficiencies and sustainability for customers in the food, healthcare, hospitality and industrial markets in more than 170 countries around the world. [www.ecolab.com](http://www.ecolab.com)

## Cautionary Statements Regarding Forward-Looking Information

This communication contains certain statements relating to future events and our intentions, beliefs, expectations and predictions for the future which are forward-looking statements as that term is defined in the Private Securities Litigation Reform Act of 1995. Words or phrases such as "will likely result," "are expected to," "will continue," "is anticipated," "we believe," "we expect," "estimate," "project," "may," "will," "intend," "plan," "believe," "target," "forecast" (including the negative or variations thereof) or similar terminology used in connection with any discussion of future plans, actions or events generally identify forward-looking statements. These forward-looking statements include, but are not limited to, statements regarding the impact of the winter freeze in Texas and the Gulf Coast region and our first quarter and full year 2021 results. These statements are based on the current expectations of management of the company. There are a number of risks and uncertainties that could cause actual results to differ materially from the forward-looking statements included in this communication.

Additional risks and uncertainties that may affect operating results and business performance are set forth under Item 1A of our most recent Form 10-K, and our other public filings with the Securities and Exchange Commission (the "SEC") and include the effects and duration of the COVID-19 pandemic, the vitality of the markets we serve; the impact of economic factors such as the worldwide economy, capital flows, interest rates, foreign currency risk, and reduced sales and earnings in our international operations resulting from the weakening of local currencies versus the U.S. dollar; our ability to execute key business initiatives, including restructurings and our Enterprise Resource Planning system upgrades; potential information technology infrastructure failures or breaches in data security; potential to incur significant tax liabilities or indemnification liabilities relating to the separation and split-off of our ChampionX business; our ability to attract, retain and develop high caliber management talent to lead our business and successfully execute organizational change; our ability to successfully compete with respect to value, innovation and customer support; exposure to global economic, political and legal risks related to our international

operations; difficulty in procuring raw materials or fluctuations in raw material costs; pressure on operations from consolidation of customers or vendors; the costs and effects of complying with laws and regulations, including those relating to the environment and to the manufacture, storage, distribution, sale and use of our products, as well as to the conduct of our business generally, including labor and employment and anti-corruption; restraints on pricing flexibility due to contractual obligations; our ability to acquire complementary businesses and to effectively integrate such businesses; changes in tax laws and unanticipated tax liabilities; potential loss of deferred tax assets; our indebtedness, and any failure to comply with covenants that apply to our indebtedness; public health outbreaks, epidemics or pandemics, such as the current outbreak of COVID-19; potential losses arising from the impairment of goodwill or other assets; potential chemical spill or release; the occurrence of litigation or claims, including class action lawsuits; the loss or insolvency of a major customer or distributor; repeated or prolonged government and/or business shutdowns or similar events; acts of war or terrorism; natural or man-made disasters; water shortages; severe weather conditions; and other uncertainties or risks reported from time to time in our reports to the SEC. In light of these risks, uncertainties, assumptions and factors, the forward-looking events discussed in this communication may not occur. We caution that undue reliance should not be placed on forward-looking statements, which speak only as of the date made. Ecolab does not undertake, and expressly disclaims, any duty to update any forward-looking statement whether as a result of new information, future events or changes in expectations, except as required by law.

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