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): March 22, 2019

PQ Group Holdings Inc.
(Exact name of Registrant as specified in its charter)

Delaware	001-38221	81-3406833
(State or other jurisdiction of incorporation or organization)	(Commission File Number)	(I.R.S. Employer Identification No.)

300 Lindenwood Drive Malvern, Pennsylvania	19355
(Address of principal executive offices)	(Zip Code)

(610) 651-4400
(Registrant's telephone number, including area code)

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))

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.

In order to assist investors who may want to consider the effects of the prior announcement by PQ Group Holdings Inc. (the "Company") that, effective March 1, 2019, it would change the structure of its internal organization, the Company made available on March 22, 2019 the recasting of certain segment information as of December 31, 2018 and unaudited financial information for segments for the years ended December 31, 2018 and 2017 and each of the fiscal quarters included therein. A copy of such financial information is furnished with this Current Report on Form 8-K as Exhibit 99.1 and is incorporated herein by reference.

Previously, the Company had two reportable segments, Environmental Catalysts and Services and Performance Materials and Chemicals. The reorganization results in the recognition of four operating and reportable segments as follows:

- Refining Services
- Catalysts (including the Zeolyst Joint Venture)
- Performance Materials
- Performance Chemicals

The change in structure aligns with how the Company's Chief Operation Decision Maker (its President and Chief Executive Officer) will regularly review financial information and assess the performance and allocated resources of the business.

The changes in the reportable segment structure discussed above affect only the manner in which the results of the Company's reportable segments were previously reported. This Form 8-K does not restate the Company's previously reported consolidated balance sheet, statement of operations or cash flows.

The information in this Current Report on Form8-K (including the exhibit attached hereto) shall not be deemed "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that Section. The information in this Current Report on Form 8-K (including the exhibit attached hereto) shall not be deemed incorporated by reference into any filing or other document under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing or document.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

Exhibit No.	Description
99.1	Certain unaudited segment financial information of PQ Group Holdings Inc. for the years ended December 31, 2018 and 2017 and each of the fiscal quarters included therein

EXHIBIT INDEX

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SIGNATURE

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.

PQ GROUP HOLDINGS INC.

Date: March 22, 2019	By:	/s/ MICHAEL CREWS
	Name:	Michael Crews
	Title:	Executive Vice President and Chief Financial Officer

Exhibit 99.1

QUARTERLY SALES, ADJUSTED EBITDA & ADJUSTED EBITDA MARGIN

Year 2018 and 2017

	Three Months Ended				Year Ended	Three Months Ended				Year Ended
($ in millions except %, unaudited)	March 31, 2018	June 30, 2018	September 30, 2018	December 31, 2018	December 31, 2018	March 31, 2017	June 30, 2017	September 30, 2017	December 31, 2017	December 31, 2017
Sales:										
Refining Services	100.7	112.1	123.4	119.4	455.6	94.2	103.9	100.4	99.9	398.4
Silica Catalysts	16.5	17.3	16.3	22.0	72.1	17.1	20.1	15.1	23.0	75.3
Performance Materials	62.7	126.5	115.4	73.7	378.3	53.8	99.5	104.4	66.5	324.2
Performance Chemicals	190.0	183.8	174.7	168.8	717.3	170.9	169.0	175.5	172.2	687.6
Inter-company sales eliminations	(3.7)	(5.0)	(2.6)	(3.8)	(15.1)	(3.1)	(3.2)	(3.6)	(3.5)	(13.4)
Total sales	**366.2**	**434.7**	**427.2**	**380.1**	**1,608.2**	**332.9**	**389.3**	**391.8**	**358.1**	**1,472.1**
Zeolyst joint venture net sales	38.3	49.5	32.3	36.6	156.7	32.7	30.7	37.6	42.8	143.8
Adjusted EBITDA:										
Refining Services	35.5	41.3	49.6	50.1	176.5	36.5	41.9	40.4	35.4	154.2
Catalysts[1]	22.9	23.6	15.7	18.9	81.1	19.9	22.4	21.5	25.6	89.4
Performance Materials	12.1	28.6	21.3	10.5	72.5	9.7	24.1	22.4	13.5	69.7
Performance Chemicals	45.1	44.8	41.8	39.2	170.9	42.8	42.3	43.5	41.9	170.5
Total Segment Adjusted EBITDA[1]	**115.6**	**138.3**	**128.4**	**118.7**	**501.0**	**108.9**	**130.7**	**127.8**	**116.4**	**483.8**
Corporate	(7.7)	(9.4)	(10.3)	(9.6)	(37.0)	(7.7)	(7.9)	(7.9)	(7.0)	(30.5)
Total Adjusted EBITDA[1]	**107.9**	**128.9**	**118.1**	**109.1**	**464.0**	**101.2**	**122.8**	**119.9**	**109.4**	**453.3**
Adjusted EBITDA Margin:										
Refining Services	35.3%	36.8%	40.2%	42.0%	38.7%	38.7%	40.3%	40.2%	35.4%	38.7%
Catalysts[2]	41.8%	35.3%	32.3%	32.3%	35.4%	40.0%	44.1%	40.8%	38.9%	40.8%
Performance Materials	19.3%	22.6%	18.5%	14.2%	19.2%	18.0%	24.2%	21.5%	20.3%	21.5%
Performance Chemicals	23.7%	24.4%	23.9%	23.2%	23.8%	25.0%	25.0%	24.8%	24.3%	24.8%
Total Adjusted EBITDA Margin[2]	**26.7%**	**26.6%**	**25.7%**	**26.2%**	**26.3%**	**27.7%**	**29.2%**	**27.9%**	**27.3%**	**28.1%**

This presentation includes certain non-GAAP financial measures, including Adjusted EBITDA and Adjusted EBITDA margin, which are provided to assist in an understanding of our business and its performance. These non-GAAP financial measures should be considered only as supplemental to, and not as superior to, financial measures prepared in accordance with GAAP. Non-GAAP financial measures should be read only in conjunction with consolidated financials prepared in accordance with GAAP. Reconciliations of non-GAAP measures to the relevant GAAP measures are provided on slide 2.

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(1) Adjusted EBITDA reflects our share of the earnings of our Zeolyst joint venture that has been recorded as equity in net income from affiliated companies in our consolidated statements of operations for such periods and includes Zeolyst joint venture adjustments on a proportionate basis based on our 50% ownership interest.
(2) Adjusted EBITDA margin calculation includes proportionate 50% share of net sales from Zeolyst joint venture.

RECONCILATION OF NET INCOME (LOSS) TO SEGMENT ADJUSTED EBITDA

Year 2018 and 2017

($ in millions, unaudited)	Three Months Ended March 31, 2018	June 30, 2018	September 30, 2018	December 31, 2018	Year Ended December 31, 2018	Three Months Ended March 31, 2017	June 30, 2017	September 30, 2017	December 31, 2017	Year Ended December 31, 2017
Reconciliation of net income (loss) attributable to PQ Group Holdings Inc. to Segment Adjusted EBITDA										
Net income (loss) attributable to PQ Group Holdings Inc.	0.2	15.8	14.2	28.1	58.3	(2.5)	(1.6)	(3.4)	65.1	57.6
Provision for (benefit from) income taxes	(0.5)	13.6	8.5	7.4	29.0	(2.9)	3.0	5.2	(124.5)	(119.2)
Interest expense	29.2	27.2	28.2	29.1	113.7	46.8	48.2	49.1	34.9	179.0
Depreciation and amortization	48.5	47.0	43.8	45.9	185.2	40.6	42.6	45.9	48.0	177.1
EBITDA	**77.4**	**103.6**	**94.7**	**110.5**	**386.2**	**82.0**	**92.2**	**96.8**	**23.5**	**294.5**
Joint venture depreciation, amortization and interest [a]	3.3	2.6	3.3	3.4	12.6	2.6	2.9	2.6	3.0	11.1
Amortization of investment in affiliate step-up [b]	1.7	1.7	1.7	1.5	6.6	3.5	1.7	1.7	1.7	8.6
Amortization of inventory step-up [c]	1.6	—	—	—	1.6	0.9	—	—	—	0.9
Debt extinguishment costs	5.9	—	0.9	1.0	7.8	—	—	0.5	61.4	61.9
Net loss on asset disposals [d]	1.2	4.8	5.2	(4.6)	6.6	0.3	2.6	3.5	(0.6)	5.8
Foreign currency exchange loss [e]	5.1	6.8	3.5	(1.6)	13.8	2.0	14.4	5.3	4.1	25.8
LIFO expense [f]	4.9	0.1	0.9	2.5	8.4	2.4	—	0.8	0.5	3.7
Management advisory fees [g]	—	—	—	—	—	1.3	1.3	1.3	—	3.8
Transaction related costs [h]	0.4	0.3	0.2	—	0.9	1.4	3.0	1.0	2.0	7.4
Equity-based and other non-cash compensation	3.8	3.8	4.3	7.6	19.5	1.7	1.2	1.0	4.9	8.8
Restructuring, integration and business optimization expenses [i]	1.1	2.4	2.2	8.3	14.0	1.7	1.4	5.0	5.1	13.2
Defined benefit plan pension cost [j]	0.6	(0.4)	0.1	(1.1)	(0.8)	0.7	0.7	0.8	0.7	2.9
Gain on contract termination [k]	—	—	—	(20.6)	(20.6)	—	—	—	—	—
Other [l]	0.9	3.2	1.1	2.2	7.4	0.7	1.4	(0.4)	3.1	4.9
Adjusted EBITDA	**107.9**	**128.9**	**118.1**	**109.1**	**464.0**	**101.2**	**122.8**	**119.9**	**109.4**	**453.3**
Unallocated corporate costs	7.7	9.4	10.3	9.6	37.0	7.7	7.9	7.9	7.0	30.5
Total Segment Adjusted EBITDA[1]	**115.6**	**138.3**	**128.4**	**118.7**	**501.0**	**108.9**	**130.7**	**127.8**	**116.4**	**483.8**
EBITDA Adjustments by Line Item										
EBITDA	**77.4**	**103.6**	**94.7**	**110.5**	**386.2**	**82.0**	**92.2**	**96.8**	**23.5**	**294.5**
Cost of goods sold	7.3	2.6	2.1	4.3	16.3	4.0	0.7	2.3	0.9	7.9
Selling, general and administrative expenses	4.9	4.8	5.4	7.9	23.0	2.3	2.1	2.0	6.8	13.2
Other operating expense, net	2.4	7.2	7.3	(17.8)	(0.9)	4.7	9.0	9.1	8.7	31.5
Equity in net (income) loss from affiliated companies	1.7	1.7	1.7	1.5	6.6	3.5	1.7	1.6	1.8	8.6
Other expense (income), net[2]	10.9	6.4	3.6	(0.7)	20.2	2.1	14.2	5.5	64.7	86.5
Joint venture depreciation, amortization and interest(a)	3.3	2.6	3.3	3.4	12.6	2.6	2.9	2.6	3.0	11.1
Adjusted EBITDA	**107.9**	**128.9**	**118.1**	**109.1**	**464.0**	**101.2**	**122.8**	**119.9**	**109.4**	**453.3**

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(1) For additional information with respect to each adjustment, see "Reconciliation of Non-GAAP Financial Measures"
(2) Other expense (income), net includes debt extinguishment costs

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES
Descriptions to PQ Non-GAAP Reconciliations

Descriptions to PQ Non-GAAP Reconciliations

a) We use Adjusted EBITDA as a performance measure to evaluate our financial results. Because our Catalysts segment includes our 50% interest in our Zeolyst Joint Venture, we include an adjustment for our 50% proportionate share of depreciation, amortization and interest expense of our Zeolyst Joint Venture.

b) Represents the amortization of the fair value adjustments associated with the equity affiliate investment in our Zeolyst Joint Venture as a result of the Business Combination. We determined the fair value of the equity affiliate investment and the fair value step-up was then attributed to the underlying assets of our Zeolyst Joint Venture. Amortization is primarily related to the fair value adjustments associated with inventory, fixed assets and intangible assets, including customer relationships and technical know-how.

c) As a result of the Sovitec acquisition and the combination of the businesses of PQ Holdings Inc. and Eco Services Operations LLC, there was a step-up in the fair value of inventory, which is amortized through cost of goods sold in the statement of operations.

d) We do not have a history of significant asset disposals. However, when asset disposals occur, we remove the impact of net gain/loss of the disposed asset because such impact primarily reflects the non-cash write-off of long-lived assets no longer in use.

e) Reflects the exclusion of the negative or positive transaction gains and losses of foreign currency in the income statement primarily related to the Euro denominated term loan (which was settled as part of the February 2018 term loan refinancing) and the non-permanent intercompany debt denominated in local currency translated to U.S. dollars.

f) Represents non-cash adjustments to the Company's LIFO reserves for certain inventories in the U.S. that are valued using the LIFO method, which we believe provides a means of comparison to other companies that may not use the same basis of accounting for inventories.

g) Reflects consulting fees paid to CCMP and affiliates of INEOS for consulting services that include certain financial advisory and management services. These payments ceased as of the closing of our initial public offering.

h) Relates to certain transaction costs described in our condensed consolidated financial statements as well as other costs related to several transactions that are completed, pending or abandoned and that we believe are not representative of our ongoing business operations.

i) Includes the impact of restructuring, integration and business optimization expenses which are incremental costs that are not representative of our ongoing business operations.

j) Represents adjustments for defined benefit pension plan costs in our statement of operations. More than two-thirds of our defined benefit pension plan obligations are under defined benefit pension plans that are frozen, and the remaining obligations primarily relate to plans operated in certain of our non-U.S. locations that, pursuant to jurisdictional requirements, cannot be frozen. As such, we do not view such expenses as core to our ongoing business operations.

k) Represents a non-cash gain on the write-off of the remaining liability under a contractual supply arrangement. As part of Eco's acquisition of substantially all of the assets of Solvay USA Inc's sulfuric acid refining services business unit on December 1, 2014, we recognized a liability as part of business combination accounting related to our obligation to serve a customer under a pre-existing unfavorable supply agreement. In December 2018, the customer who was party to the agreement closed its facility, and as a result, we were relieved from our obligation to continue to supply the customer on the below market contract. Because the fair value of the unfavorable contract liability was recognized as part of the application of business combination accounting, and since the write-off of the remaining liability was non-cash in nature, we believe this gain is a special item that is not representative of our ongoing business operations.

l) Other costs consist of certain expenses that are not core to our ongoing business operations, including environmental remediation-related costs associated with the legacy operations of our business prior to the Business Combination, capital and franchise taxes, non-cash asset retirement obligation accretion and the initial implementation of procedures to comply with Section 404 of the Sarbanes-Oxley Act. Included in this line-item are rounding discrepancies that may arise from rounding from dollars (in thousands) to dollars (in millions).