



POLYONE
INVESTOR
PRESENTATION
AUGUST 2018

PolyOne[™]

FORWARD LOOKING STATEMENTS

In this presentation, statements that are not reported financial results or other historical information are “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements give current expectations or forecasts of future events and are not guarantees of future performance. They are based on management’s expectations that involve a number of business risks and uncertainties, any of which could cause actual results to differ materially from those expressed in or implied by the forward-looking statements. They use words such as “will,” “anticipate,” “estimate,” “expect,” “project,” “intend,” “plan,” “believe,” and other words and terms of similar meaning in connection with any discussion of future operating or financial performance and/or sales.

Factors that could cause actual results to differ materially from those implied by these forward-looking statements include, but are not limited to:

- Disruptions, uncertainty or volatility in the credit markets that could adversely impact the availability of credit already arranged and the availability and cost of credit in the future;
- The effect on foreign operations of currency fluctuations, tariffs and other political, economic and regulatory risks;
- Changes in polymer consumption growth rates and laws and regulations regarding the disposal of plastic in jurisdictions where we conduct business;
- Changes in global industry capacity or in the rate at which anticipated changes in industry capacity come online;
- Fluctuations in raw material prices, quality and supply and in energy prices and supply; production outages or material costs associated with scheduled or unscheduled maintenance programs;
- Unanticipated developments that could occur with respect to contingencies such as litigation and environmental matters;
- An inability to raise or sustain prices for products or services;
- Information systems failures and cyber attacks; and
- Other factors affecting our business beyond our control, including, without limitation, changes in the general economy, changes in interest rates and changes in the rate of inflation.

The above list of factors is not exhaustive.

We undertake no obligation to publicly update forward-looking statements, whether as a result of new information, future events or otherwise. You are advised to consult any further disclosures we make on related subjects in our reports on Form 10-Q, 8-K and 10-K that we provide to the Securities and Exchange Commission.

USE OF NON-GAAP MEASURES

- This presentation includes the use of both GAAP (generally accepted accounting principles) and non-GAAP financial measures. The non-GAAP financial measures include: adjusted EPS, adjusted operating income, and return on invested capital.
- PolyOne's chief operating decision maker uses these financial measures to monitor and evaluate the ongoing performance of the Company and each business segment and to allocate resources. In addition, operating income before special items and adjusted EPS are components of various PolyOne annual and long-term employee incentive plans.
- A reconciliation of each non-GAAP financial measure with the most directly comparable GAAP financial measure is attached to this presentation which is posted on our website at www.polyone.com.

CORE VALUES

Collaboration Innovation Excellence

STRATEGY

Commercial Excellence

Operational Excellence

Globalization

Specialization

PERSONAL VALUES

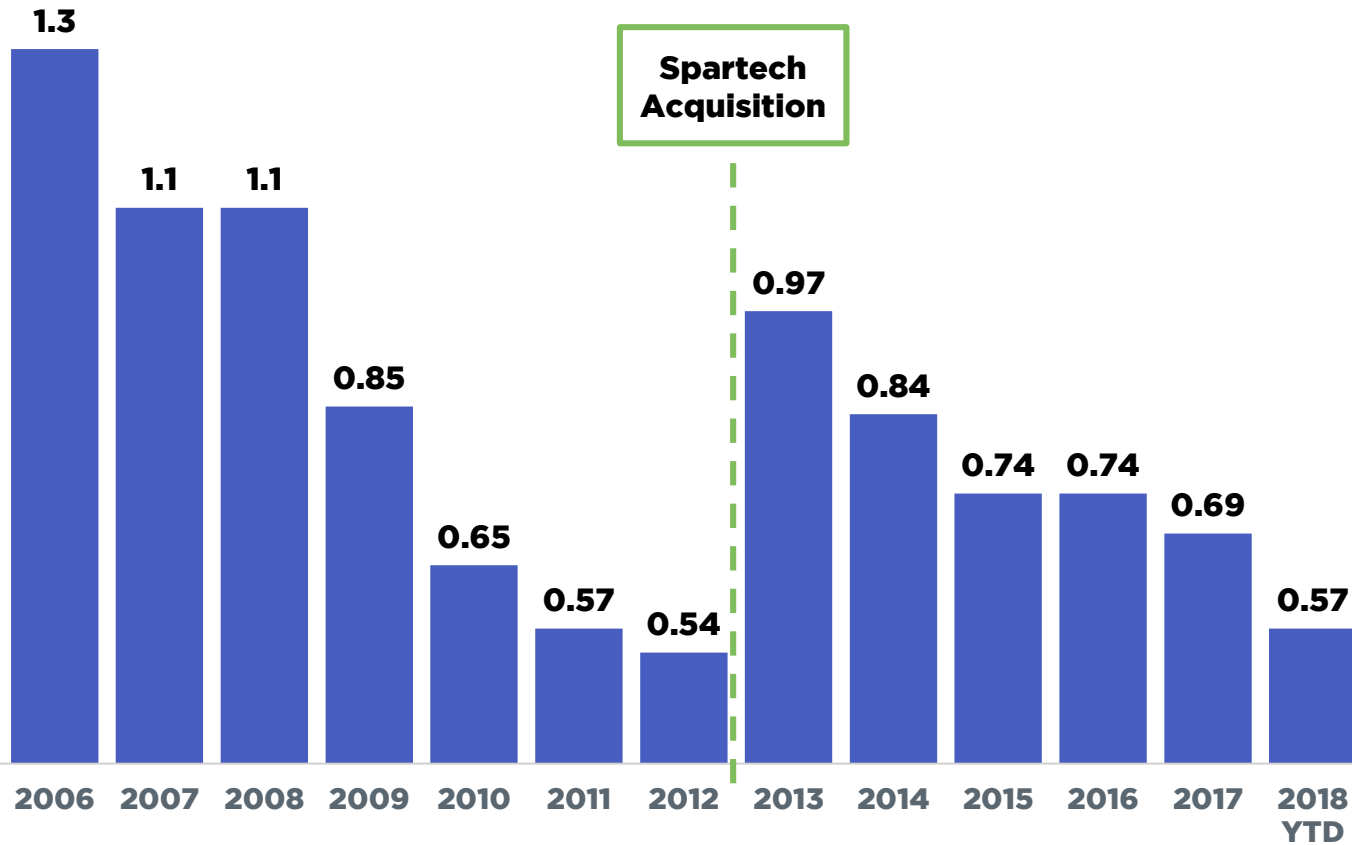
Honesty Respect Integrity

VISION

To be the world's premier provider of specialized polymer materials, services and solutions

SAFETY FIRST

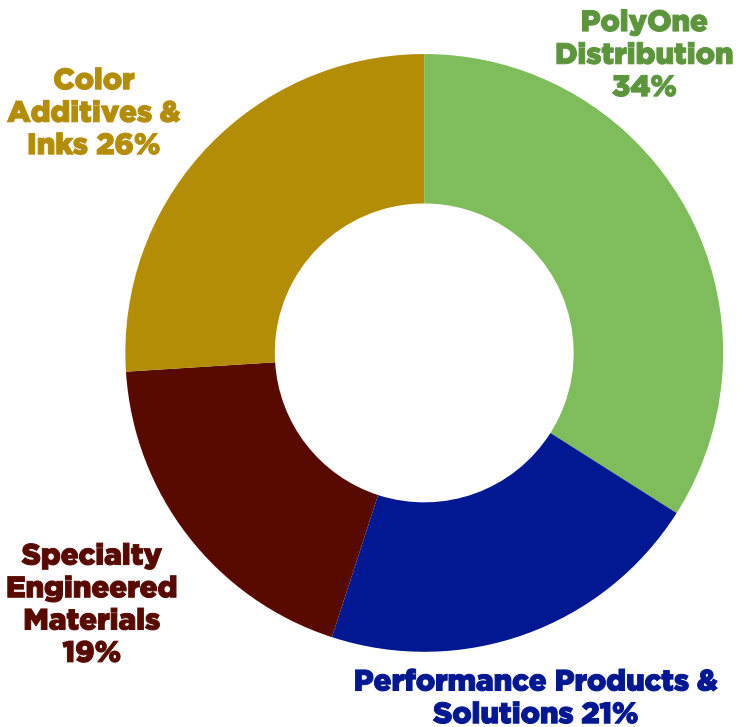
Injuries per 100 Workers



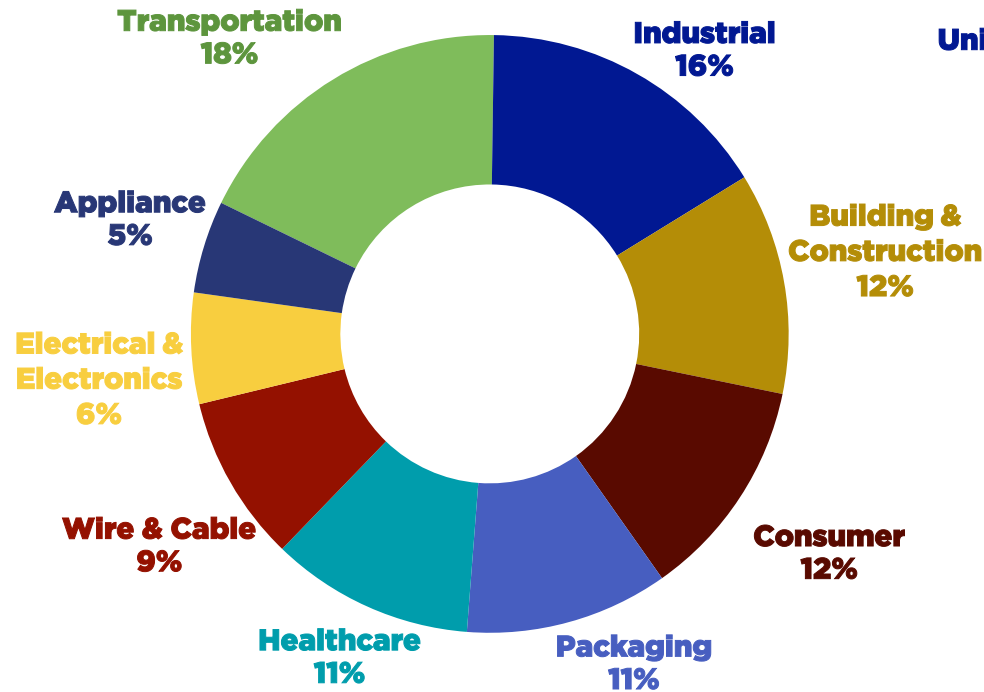
POLYONE

2017 REVENUE | \$3.2 BILLION

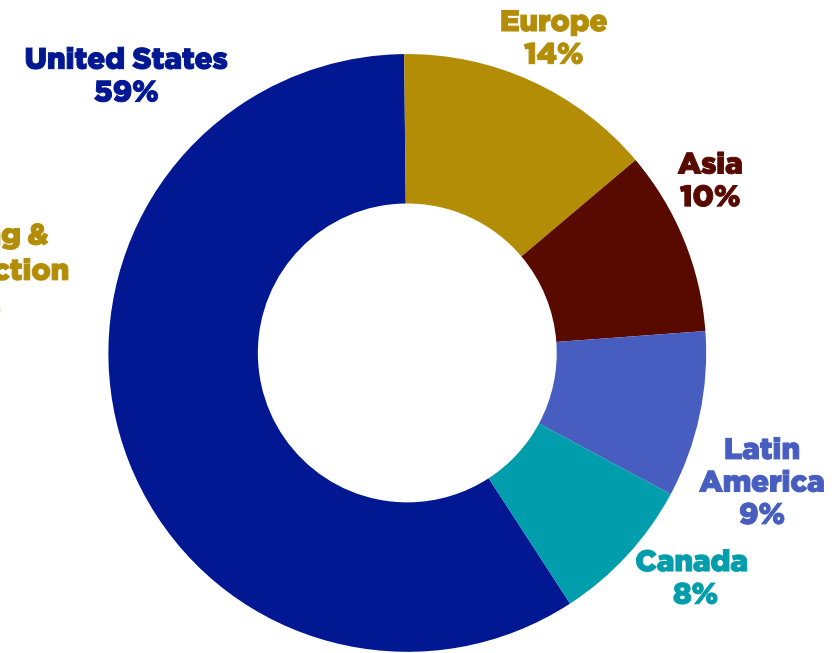
Segment



End Market

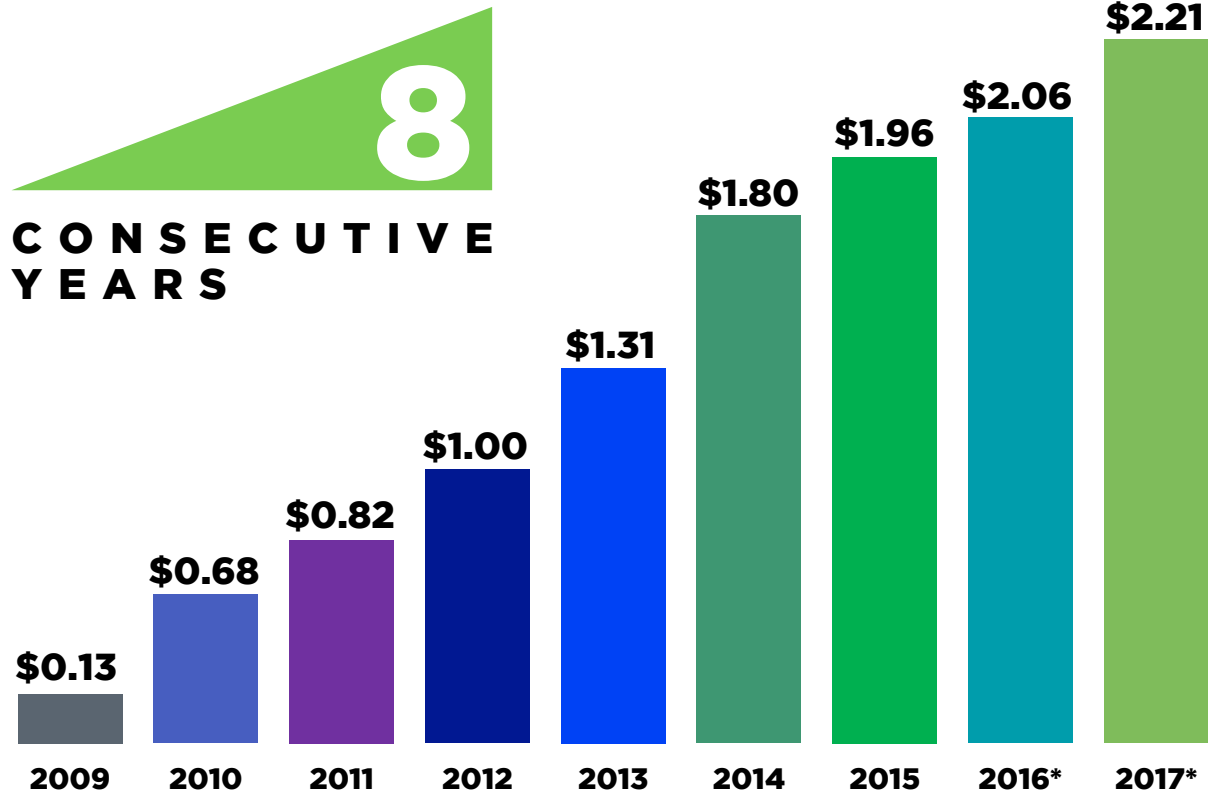


Geography



PROOF OF PERFORMANCE

ADJUSTED EPS EXPANSION

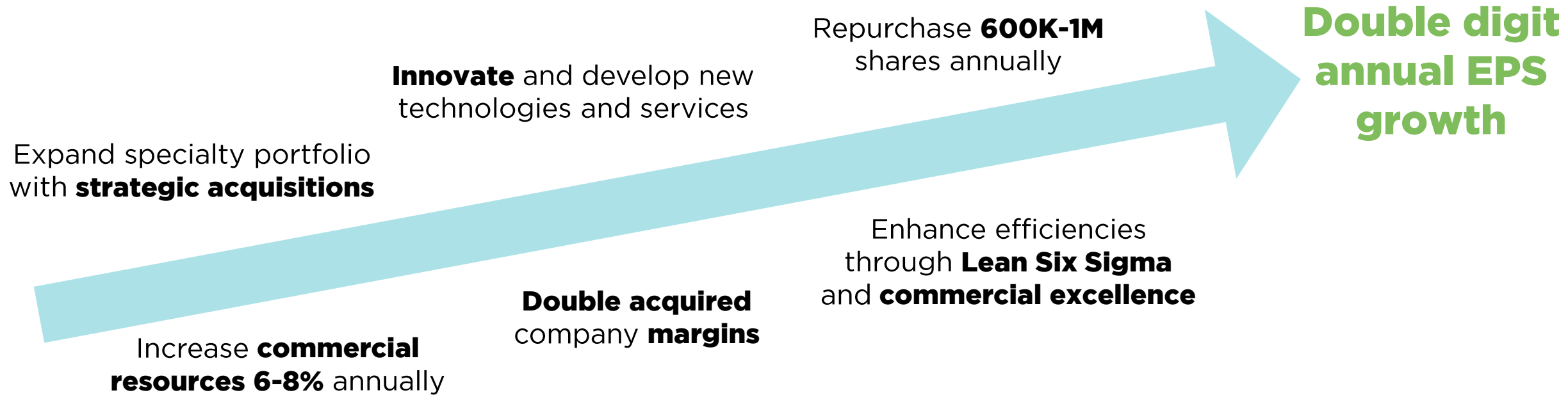


	2006 “Where we were”	2017 “Where we are”
ROIC**	5.0%	14.0%
Operating Income % of Sales		
Color, Additives & Inks	1.7%	15.5%
Specialty Engineered Materials	1.1%	12.1%
Performance Products & Solutions	4.3%	10.7%
Distribution	2.6%	6.3%

*Pro Forma for sale of DSS

**ROIC is defined as TTM adjusted OI after tax divided by the sum of average debt and equity less cash over a 5 quarter period

SUSTAINABLE PATH TO DOUBLE-DIGIT EPS GROWTH



PEOPLE



PRODUCTS



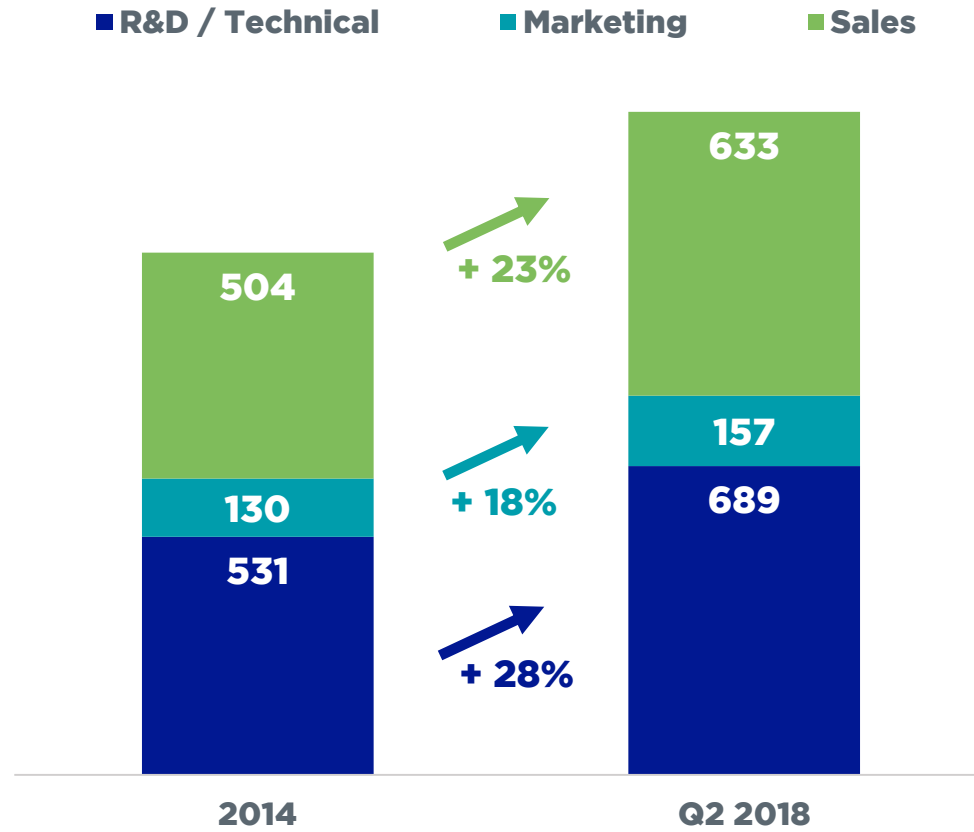
PLANET



PERFORMANCE

INVESTMENT IN COMMERCIAL RESOURCES DRIVING GROWTH

Increased commercial headcount



Generating opportunities

35%

more sales calls

25%

more marketing campaigns

1,000

new customers, expanding customer base by 5%

\$1.0B

increase in new opportunities

Enhancing efficiency

8%

reduction of average territory size, enabling greater customer focus

20%

more prospecting calls

THE EVOLVING CUSTOMER RELATIONSHIP

Traditional Path



Customer Service



**Strategic Accounts/
Field Sales**



Business Development

Expanded Path



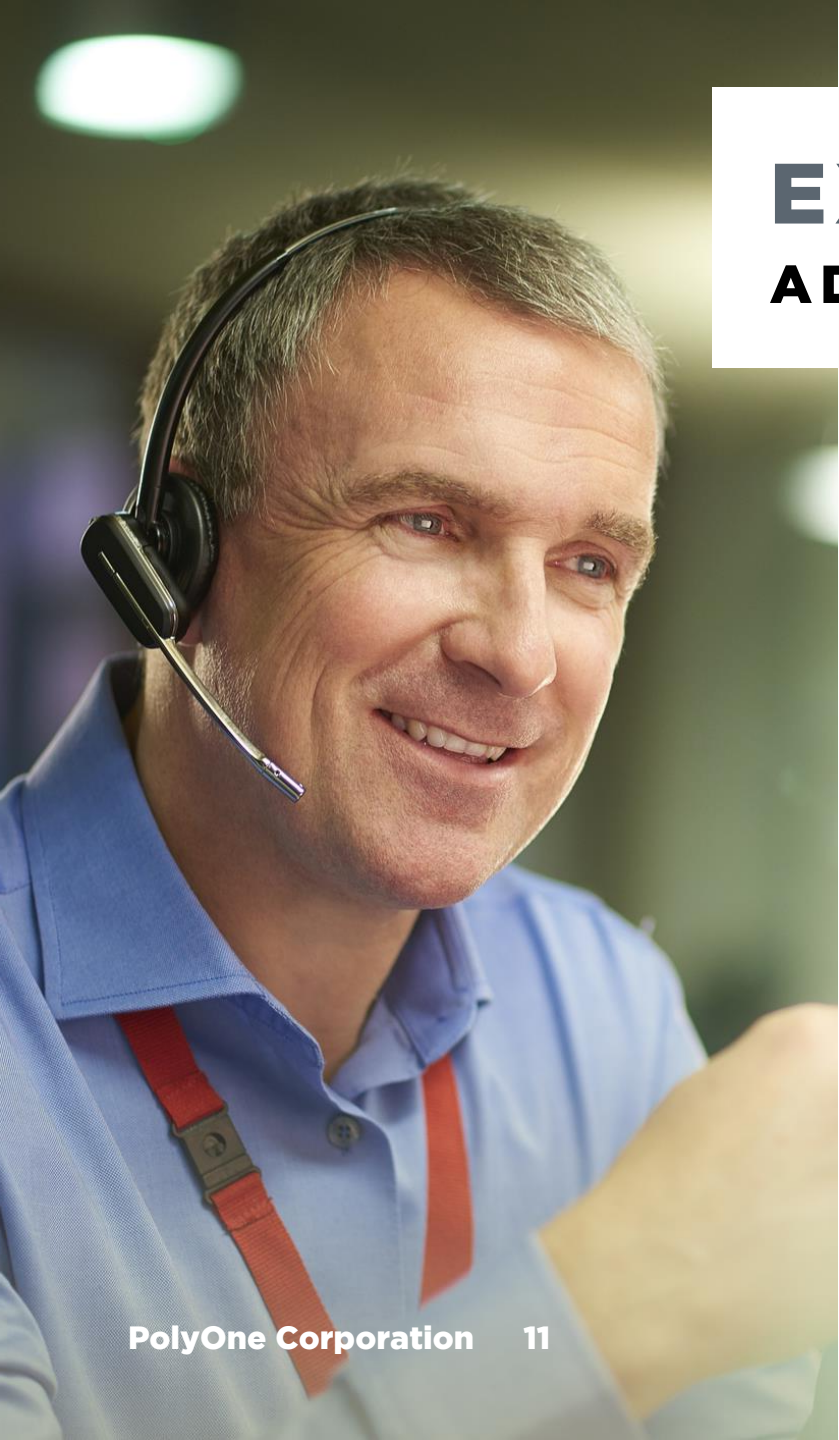
Lead Specialists



Inside Sales



Web and Social Media

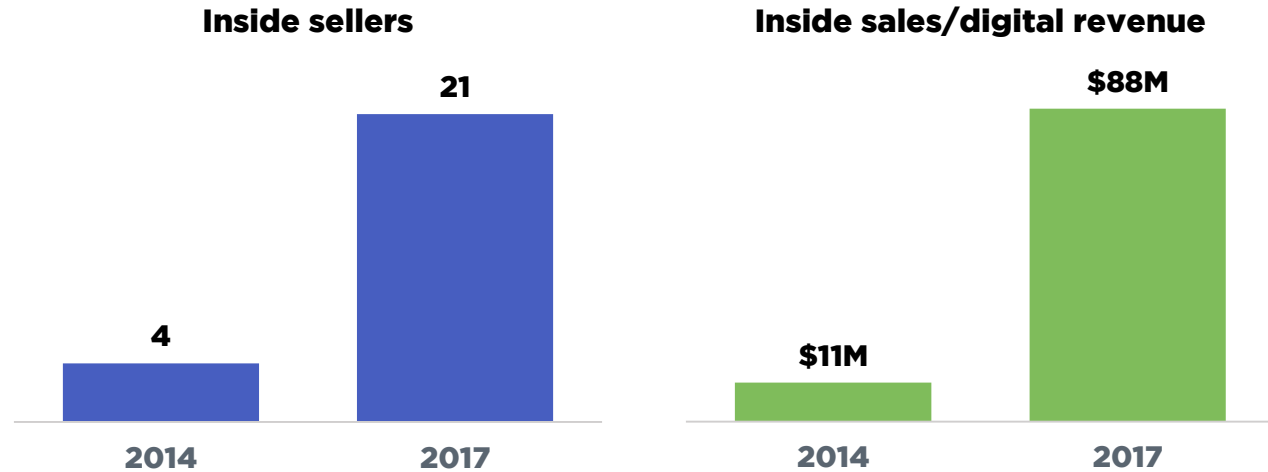


EXPANDED PATH

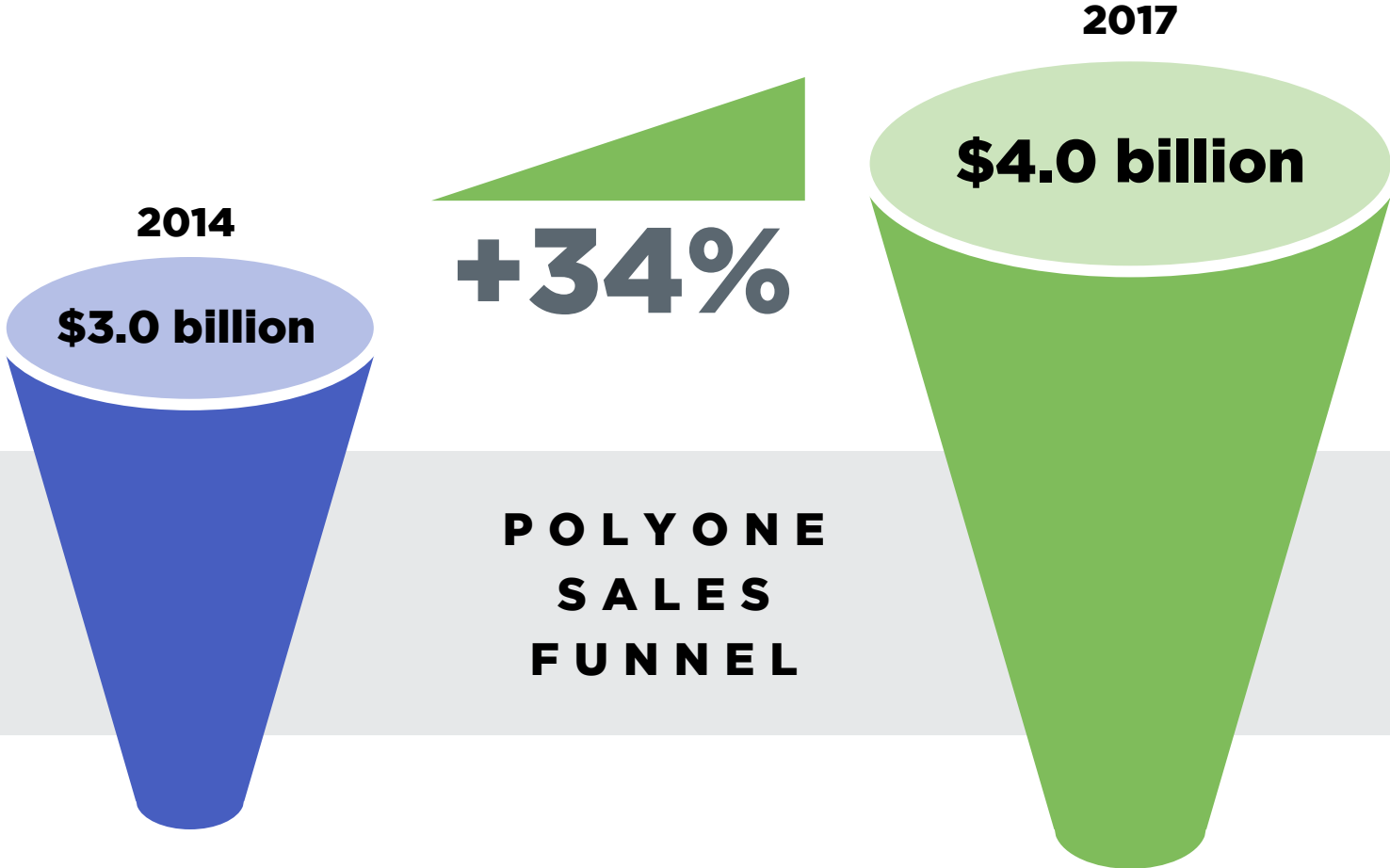
ADDING CUSTOMER TOUCHPOINTS

Investments in digital and dedicated inside sales to improve customer experience

80% increase in leads (from 6,000 to 11,000) driven by website, phone, and online chat



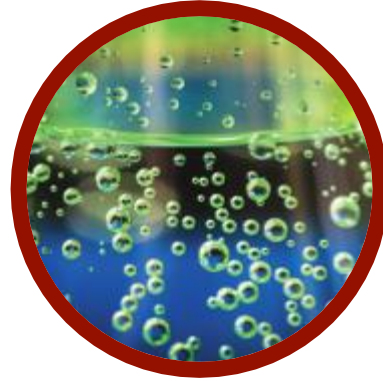
NEW RESOURCES FUELING THE FUTURE



ALIGNING WITH TRENDS FOR GROWTH



TRANSPORTATION



PACKAGING



HEALTHCARE



CONSUMER

Light-weighting

Facilitate alternative energy solutions

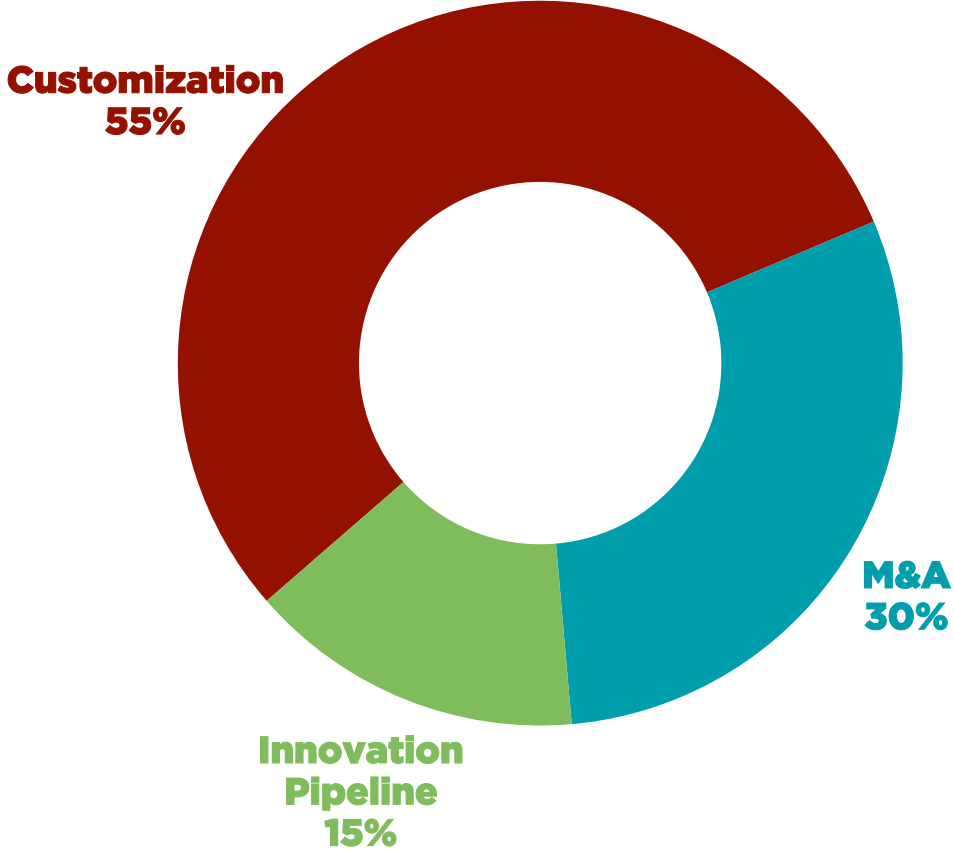
Reduce packaging materials

Improve recyclability

Reduce spread of infection

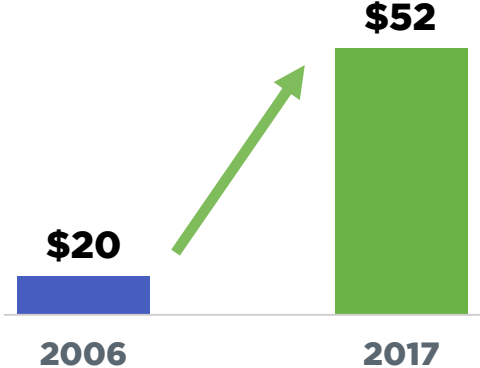
INNOVATION

Innovation comes from



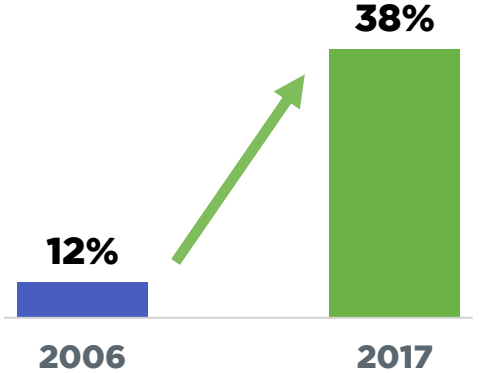
Research & Development Spend

(\$ millions)



Vitality Index

% of sales from products launched last 5 years



3 HORIZONS OF DEVELOPMENT

INNOVATION

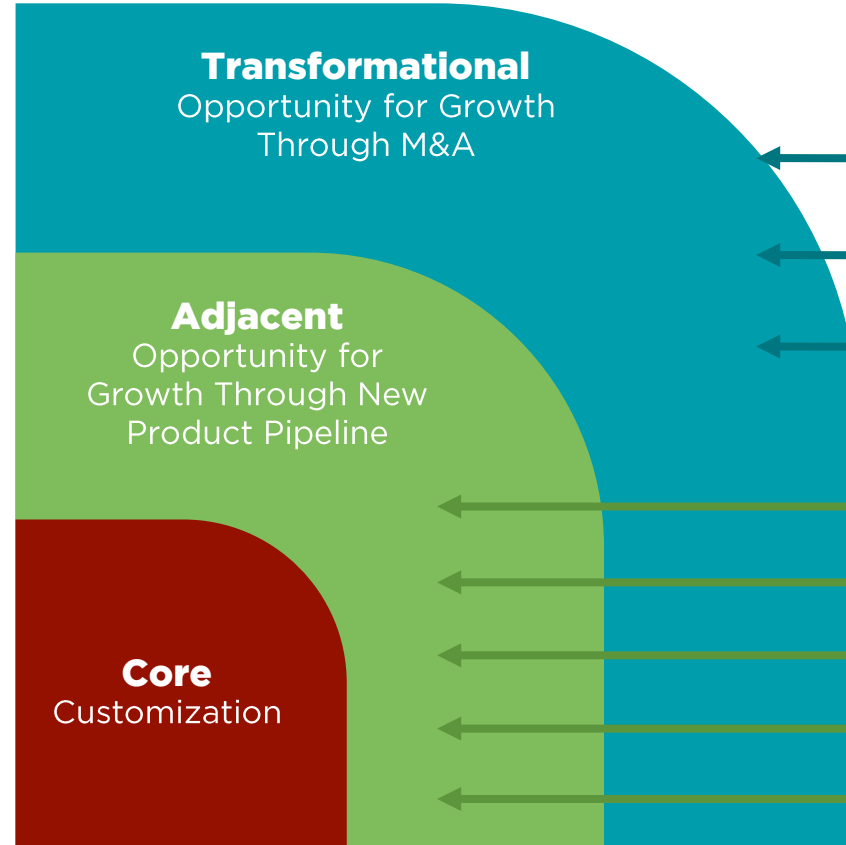
Market

Create new markets, target new customer needs

Service adjacent markets and customers

Service existing markets and customers

Technical



Transformational
Opportunity for Growth
Through M&A

Adjacent
Opportunity for
Growth Through New
Product Pipeline

Core
Customization

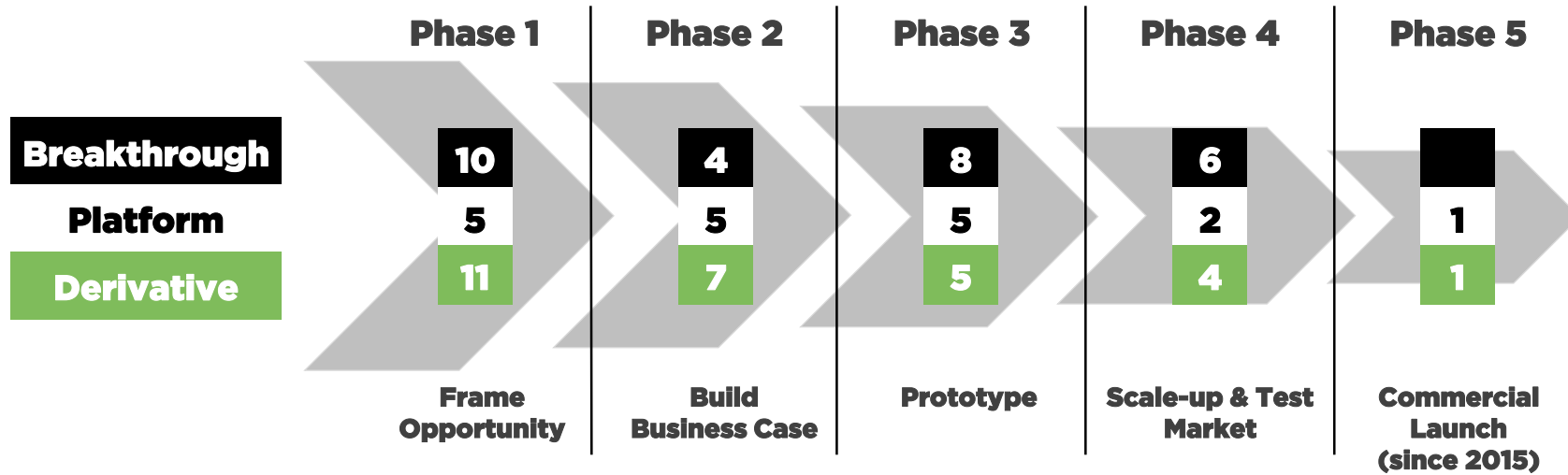
- ColorMatrix - Liquid Color & Additives
- Gordon Composites/ Polystrand - Composites
- GLS - Thermoplastic Elastomers
- Non-Halogen Flame Retardants
- Barrier Technologies
- Fiber Colorants
- Advanced Composites
- Thermoplastic Elastomers

New technology development outside of and with our current base

Incremental development from existing base of technology

New development adjacent to current technology

INNOVATION PIPELINE



Number of Projects	26	16	20	15	2	79
Total Addressable Market (\$ millions)	-	-	\$1,230	\$1,170	\$440	\$2,840



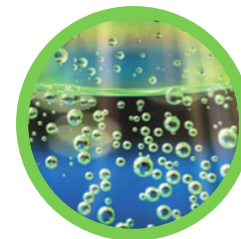
ADVANCED COMPOSITES



THERMOPLASTIC ELASTOMERS



FLAME RETARDANT POLYMERS



BARRIER MATERIALS

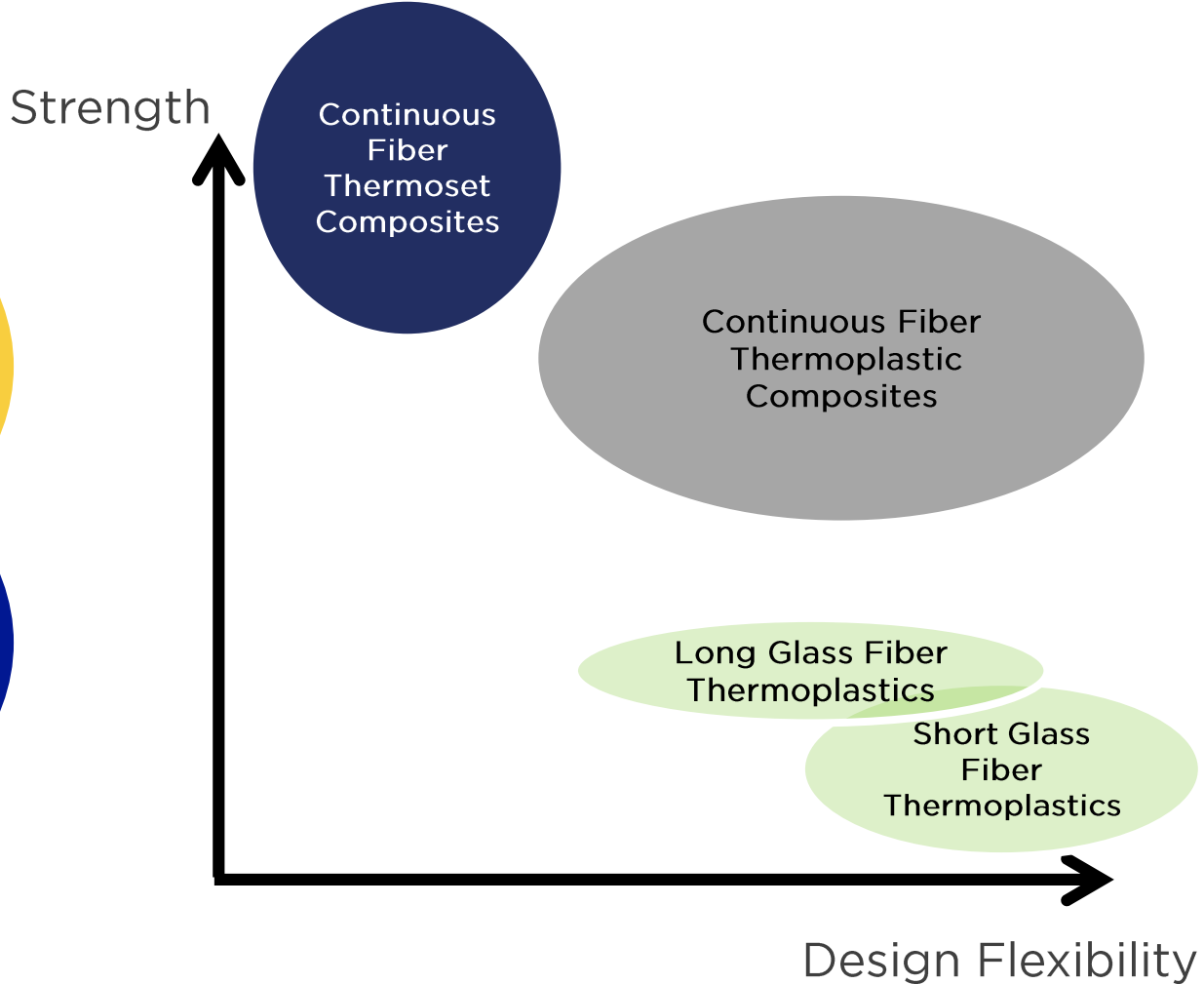
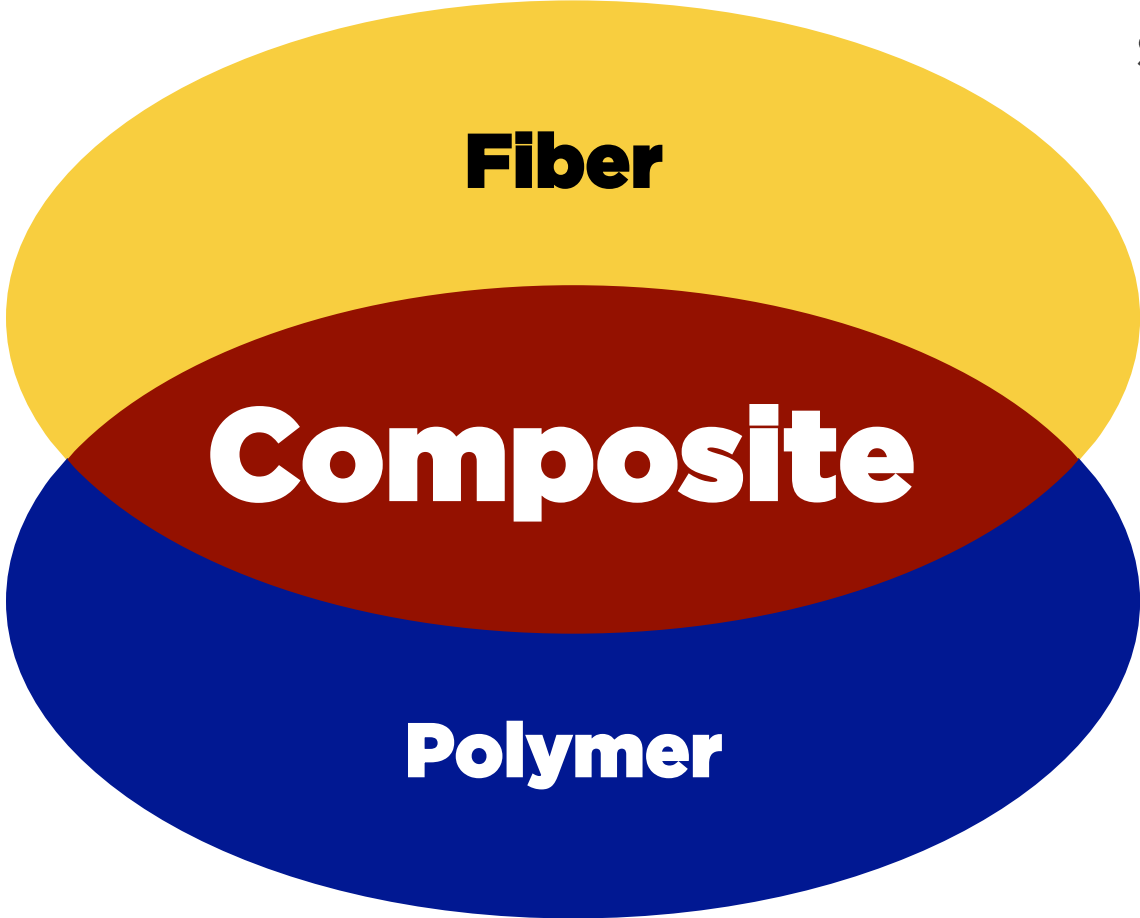


COLORANT TECHNOLOGIES

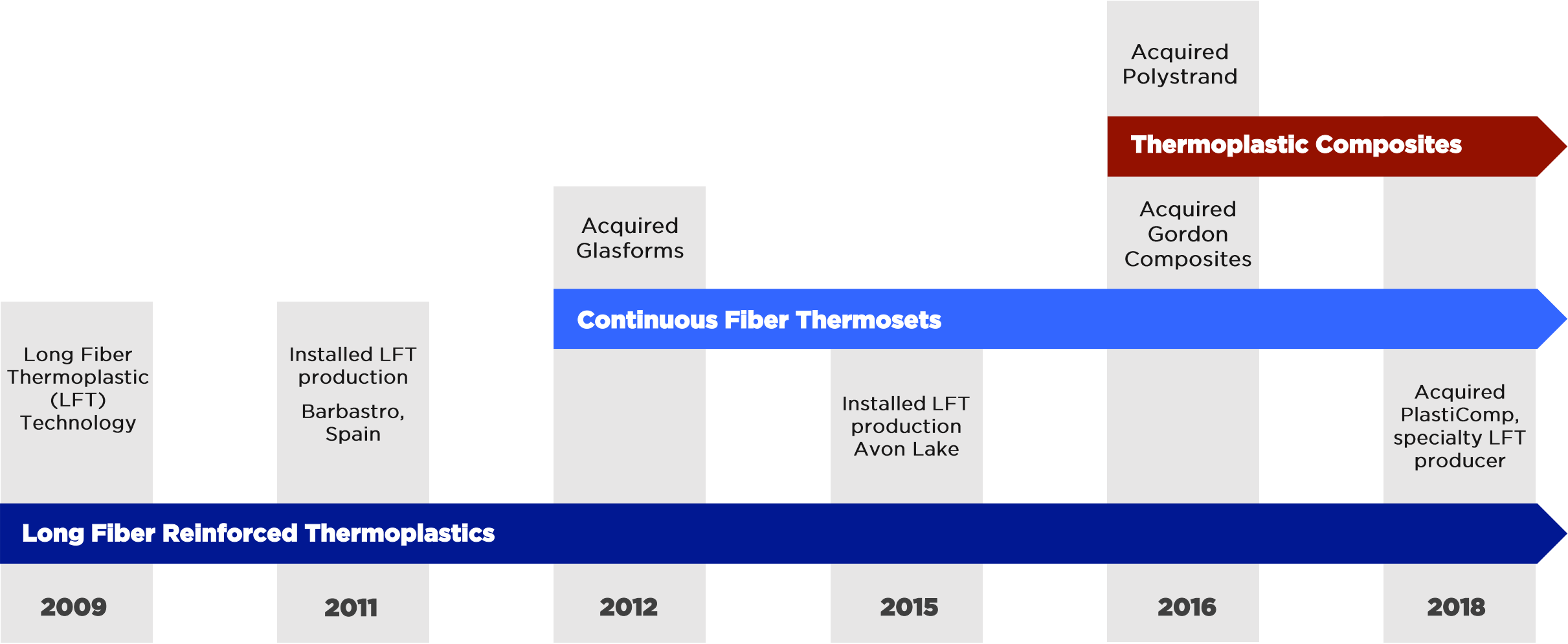
A man is windsurfing on a blue sea. He is shirtless and wearing dark shorts. The sail is red and yellow. The water is splashing around him. The sky is blue with some clouds.

INNOVATION SPOTLIGHT: COMPOSITES

COMPOSITES REFRESHER



STRATEGIC INVESTMENT HISTORY



COMPOSITES IN TRANSPORTATION



RAIL

Flooring
Door Panels
Side Walls

HAMMERHEAD™
MARINE COMPOSITE PANELS



WATERCRAFT

Bulkheads and Transoms
Ceilings and Hatches
Doors and Cabinetry



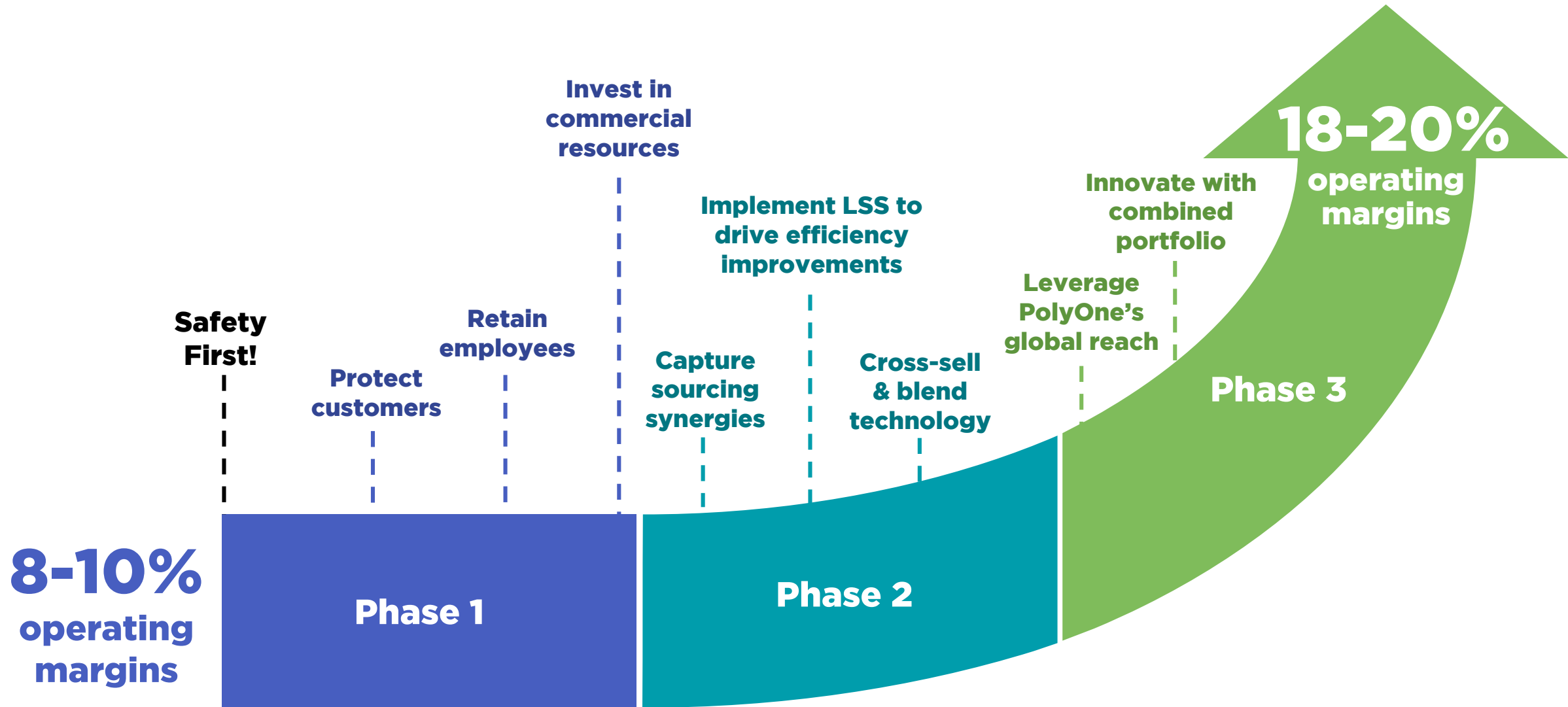
HEAVY TRUCK

Flooring & Side Panels
Aerodynamic Fairings
Seat and Bunk
Reinforcements

INVEST-TO-GROW M & A STRATEGY

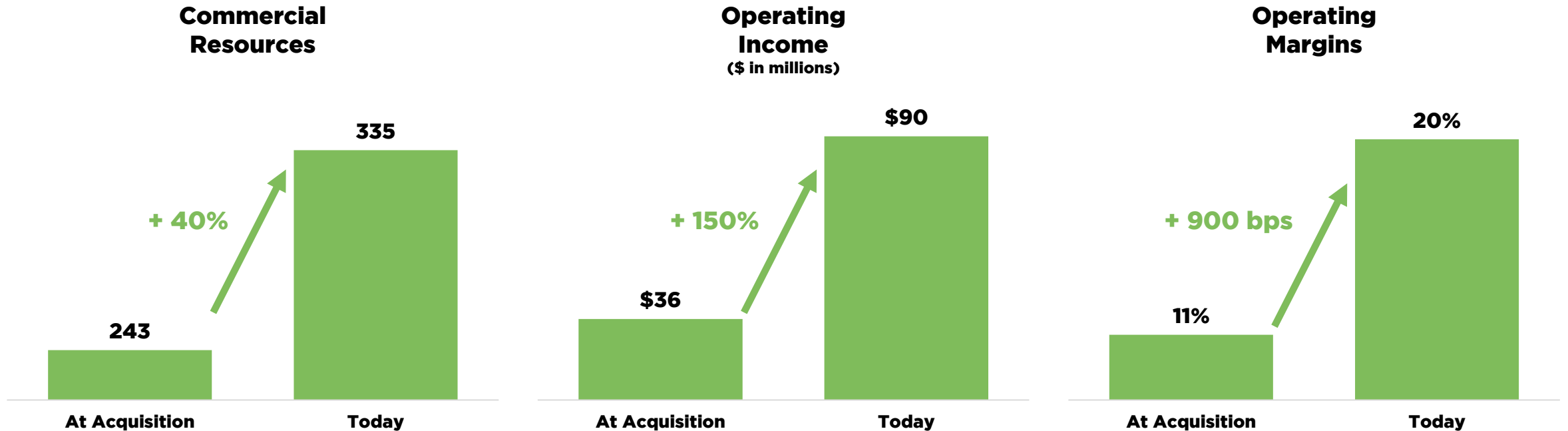


INVEST-TO-GROW M&A PLAYBOOK



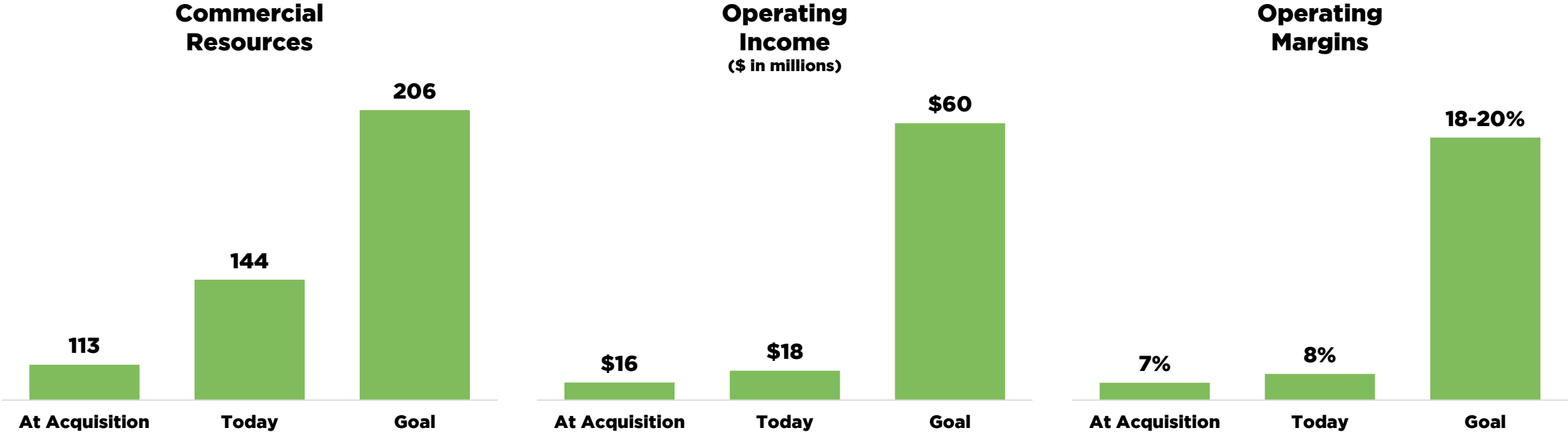
INVEST-TO-GROW PROOF OF PERFORMANCE

Established Acquisitions (> 7 years)



INVEST-TO-GROW DRIVING THE FUTURE

Recent Acquisitions



STRONG PIPELINE

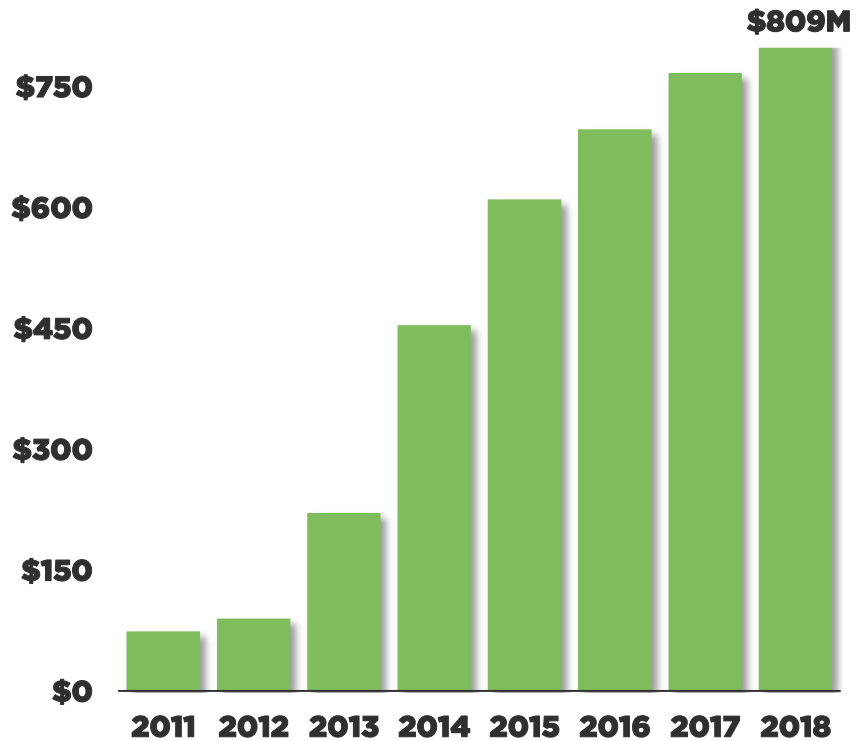
DRIVEN BY FRAGMENTED MARKET

Average Company Size	# of Possibilities	Rationale
<\$50M	>250	<ul style="list-style-type: none">• Local to regional footprint• Niche technology focus• Concentrated customer base
\$50M-\$200M	150	<ul style="list-style-type: none">• Regional to global footprint• 1-3 specialty technologies• Diversified customer base
>\$200M	30	<ul style="list-style-type: none">• Global footprint with local service• Diverse specialty technologies• Highly diversified customer & market portfolio

RETURNING CASH TO SHAREHOLDERS OVER \$1 BILLION SINCE 2011

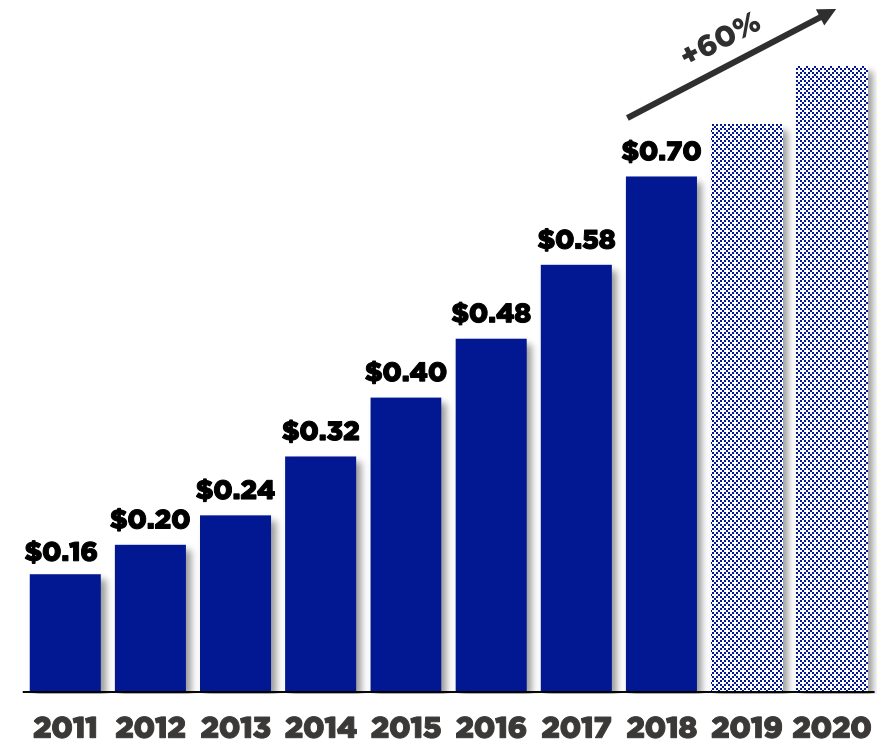
Cumulative Share Repurchases

(In millions)

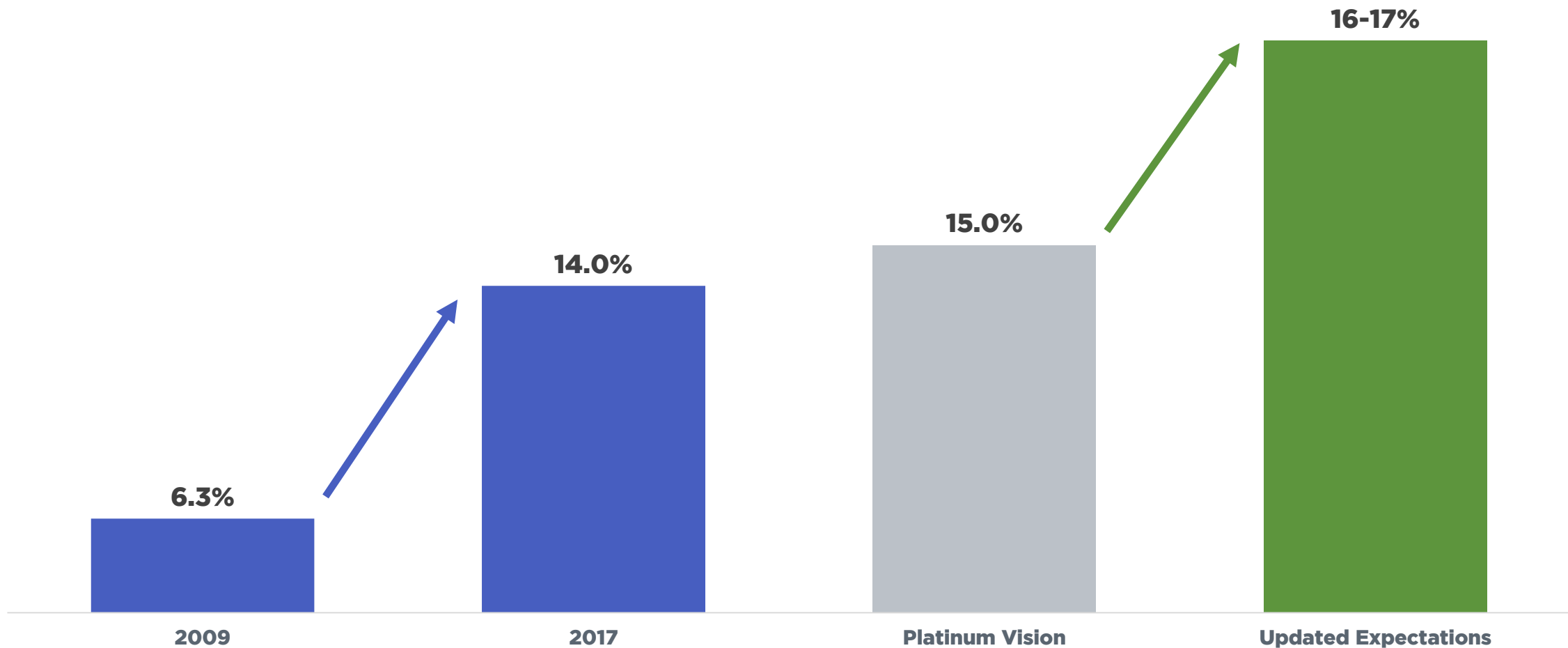


Increasing Annual Dividend

3-Year Dividend Plan



ROIC DRIVES SHAREHOLDER RETURN



WHY INVEST IN POLYONE?

THE NEW POLYONE: A SPECIALTY GROWTH COMPANY

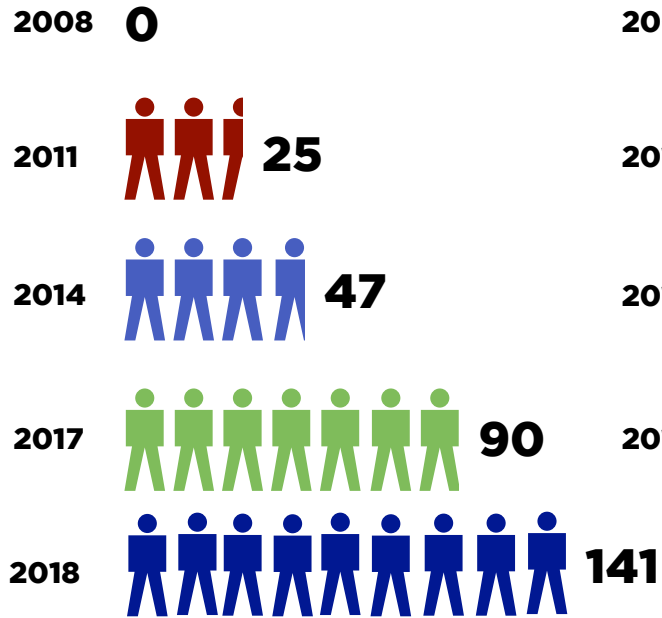
- Growing leadership position in attractive markets
- Innovation, technology and service are differentiators
- Capital management is a strength: Record-setting cash generation to continue for years
- Expand ROIC while increasing invested capital
- Proven acquisition strategy with robust pipeline
- Commercial investments are fueling momentum and generating organic growth



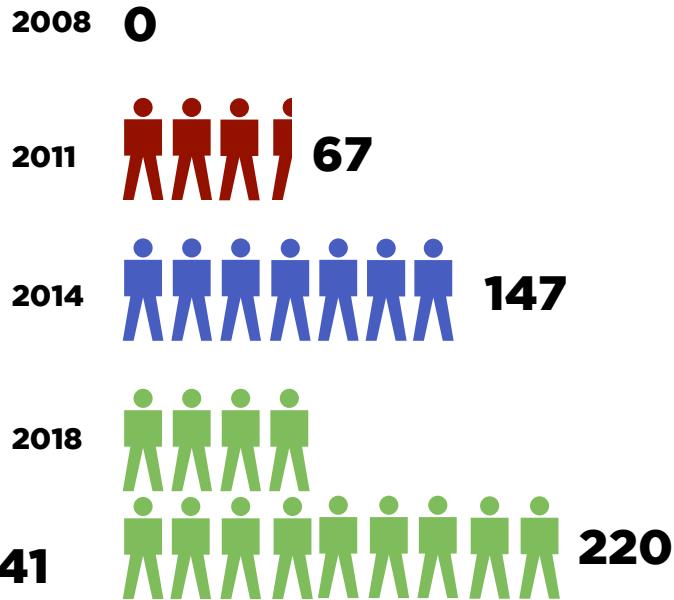
**SERVICE:
THE TIMELESS
DIFFERENTIATOR**

TALENT DEVELOPMENT

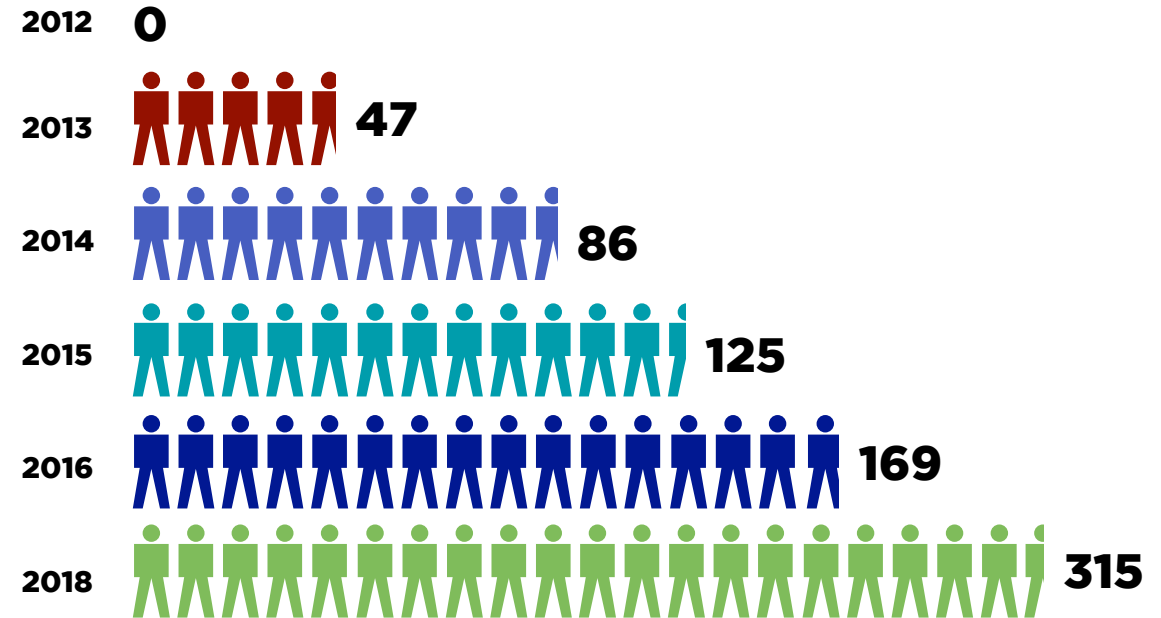
Campus Hires



PolyOne LSS Blackbelts



Leadership Program Participants

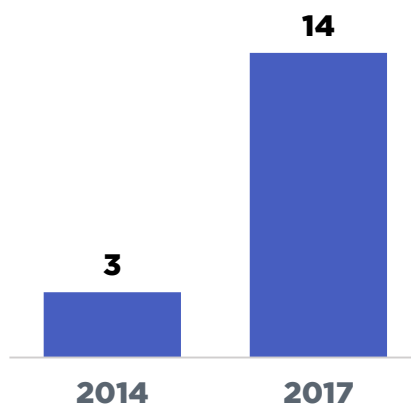


IQ DESIGN LABS

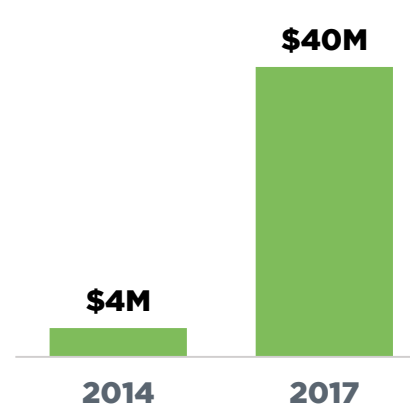


A UNIQUE CUSTOMER EXPERIENCE

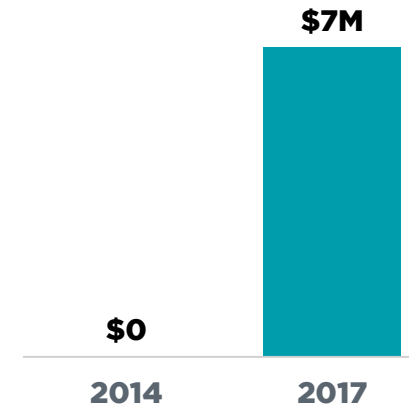
Industrial designers



Opportunity funnel



New business revenue





LSS CUSTOMER FIRST

Enables sales growth by building more intimate customer relationships, giving us insight to customers' needs, with a service that is not easily replicated

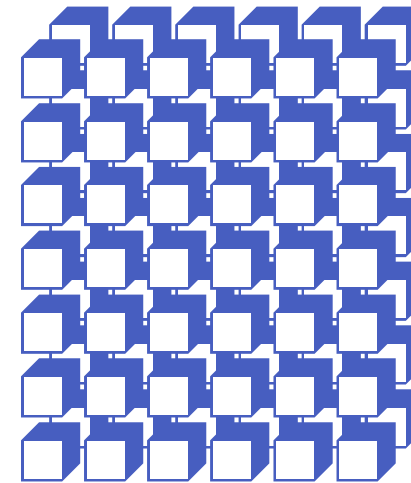
Customer Projects

2014



2

2017



85



3D PRINTING **BRINGING NEW IDEAS TO LIFE**

Enables validation of fit and function

Shortens design cycle and time to market

Avoids tooling rework

Drives innovation

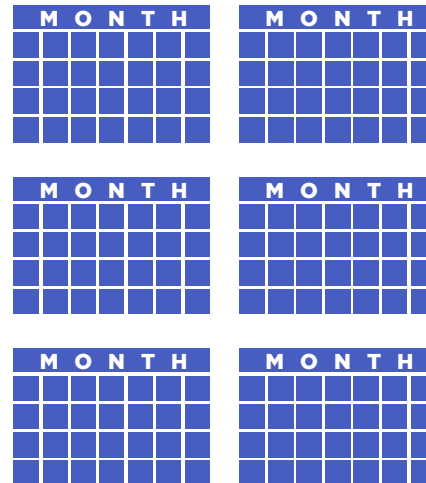
Delivers substantial customer value

COLORMATRIX SELECT™


Innovative system for processors and OEMs to develop colors in real time

Complete system that provides customers with the freedom to match, prototype and produce color entirely within their own facility

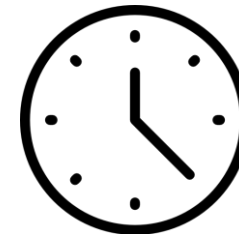
From concept to production



Traditional Timeline
up to 24 weeks



99.9%
Reduction in
turnaround time



PolyOne ColorMatrix
Select™

6 hours

“Being able to create color and produce parts in 1 day is **unheard of in this industry**”

-CEO, Industry Leader

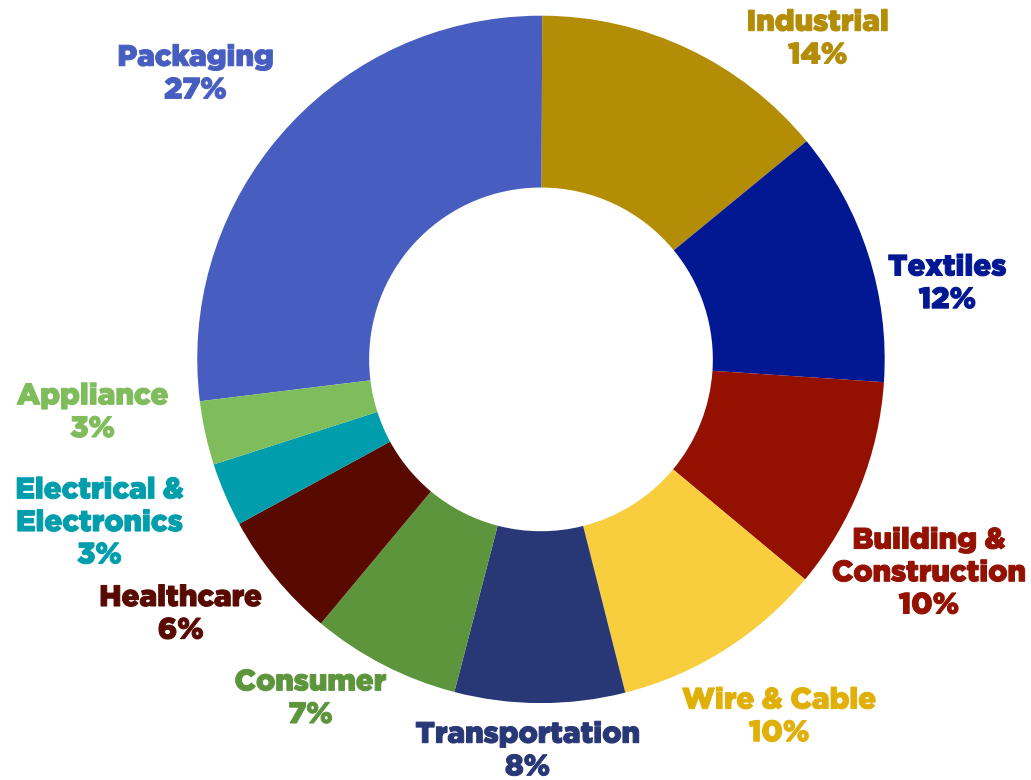


SEGMENT HIGHLIGHTS

INNOVATING WITH POLYONE

COLOR, ADDITIVES & INKS

END MARKETS & SOLUTIONS



**Solid
Colorants**



**Liquid
Colorants**



**Performance
Additives**

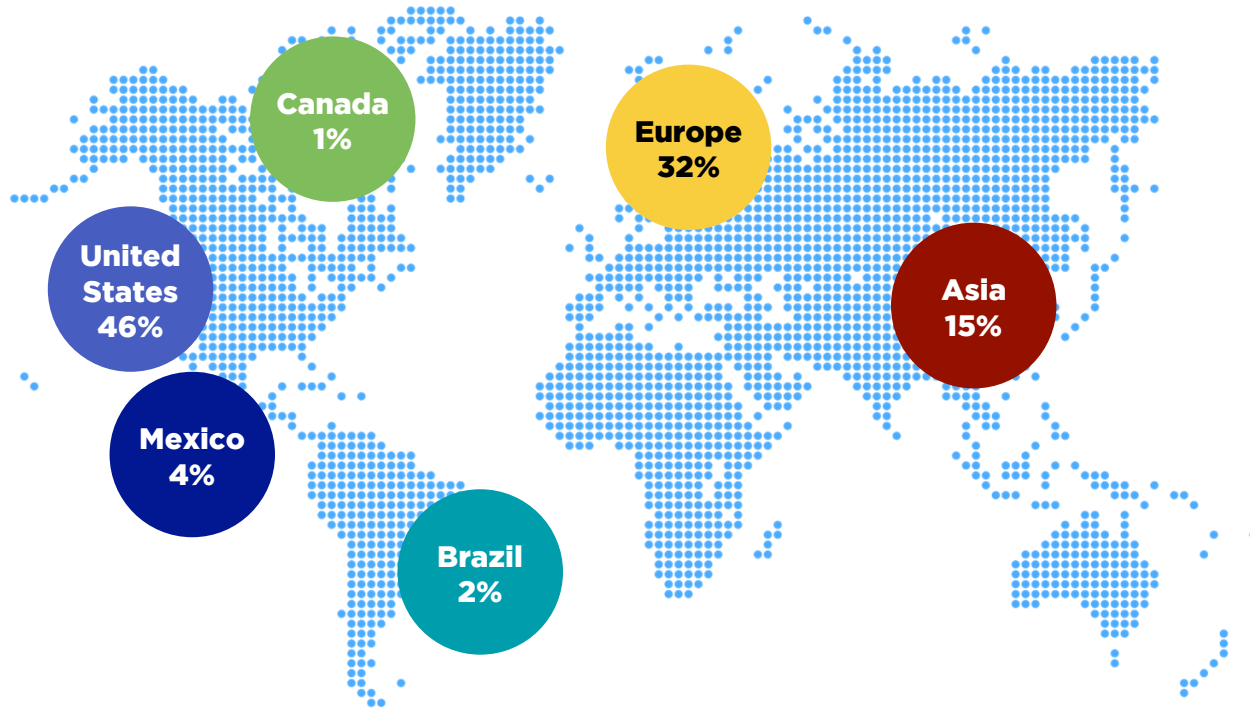


**Screen
Printing Inks**

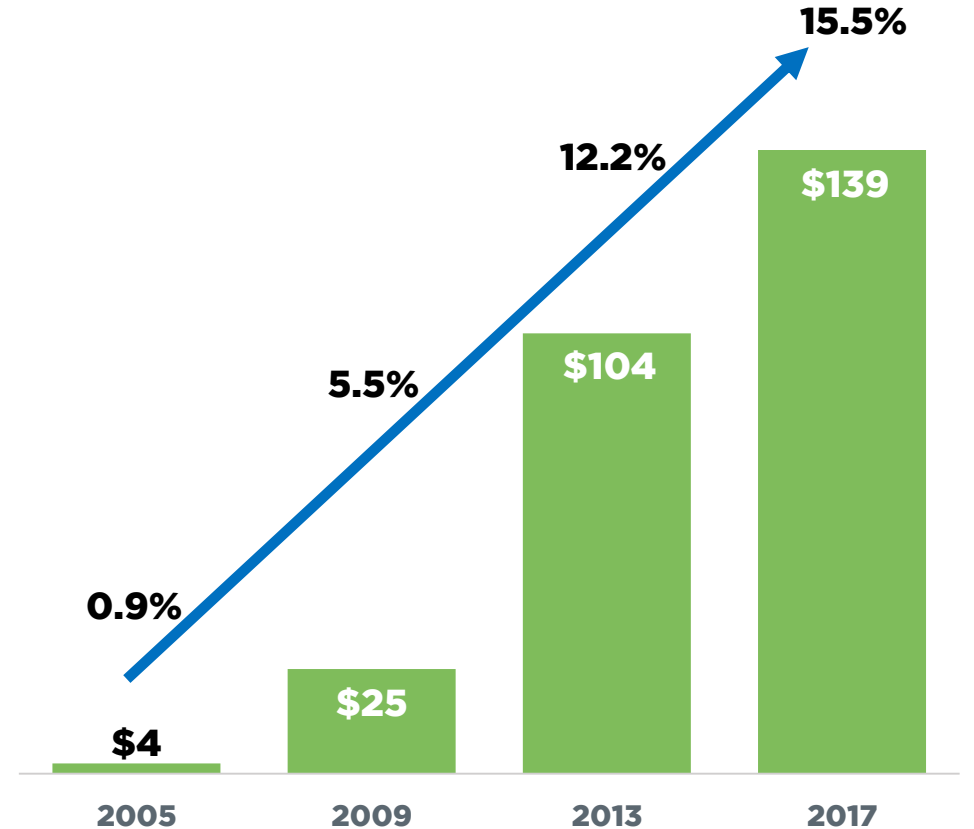
COLOR, ADDITIVES & INKS

2017 REVENUE | \$893 MILLION

Revenue by Region

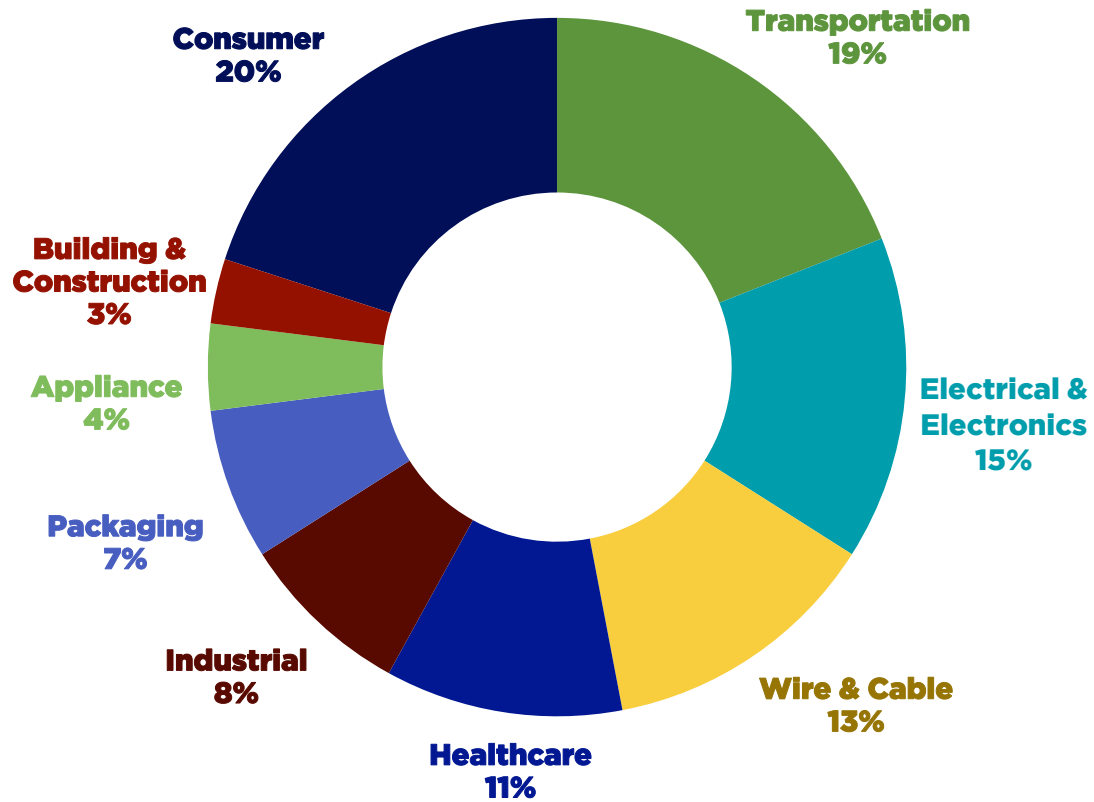


Operating Income & Margin



SPECIALTY ENGINEERED MATERIALS

END MARKETS & SOLUTIONS



Engineered Formulations



Advanced Composites

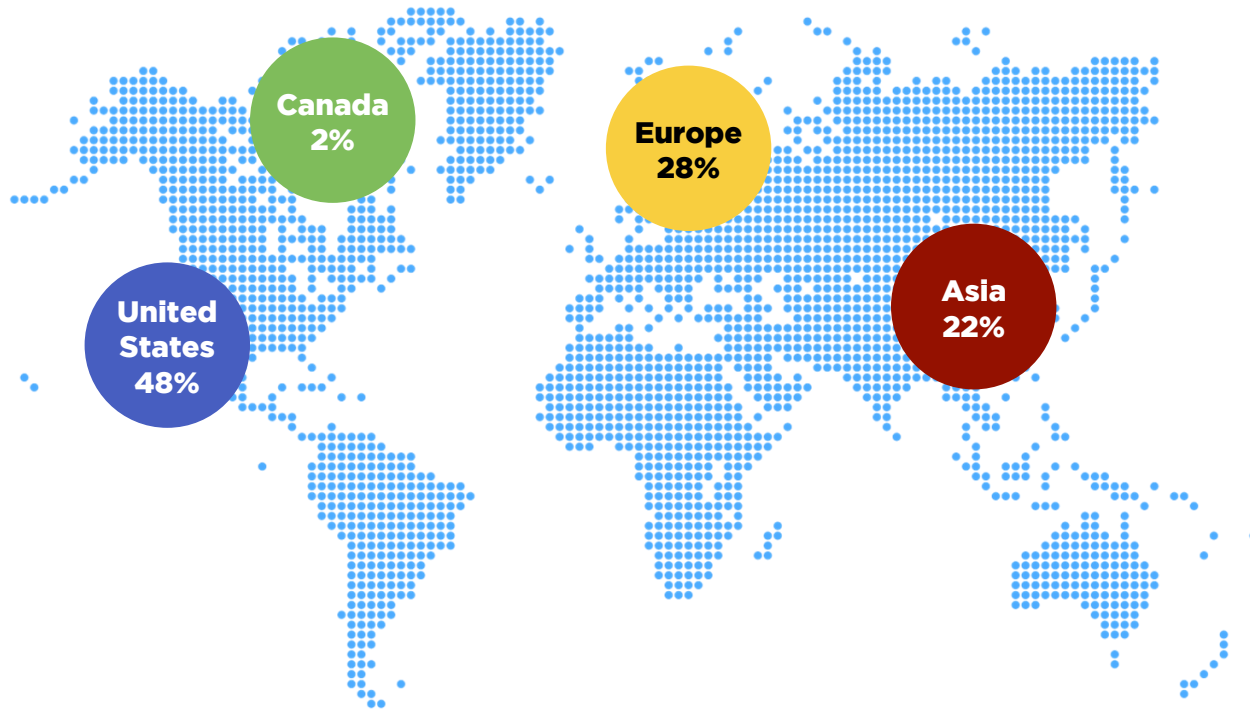


Thermoplastic Elastomers

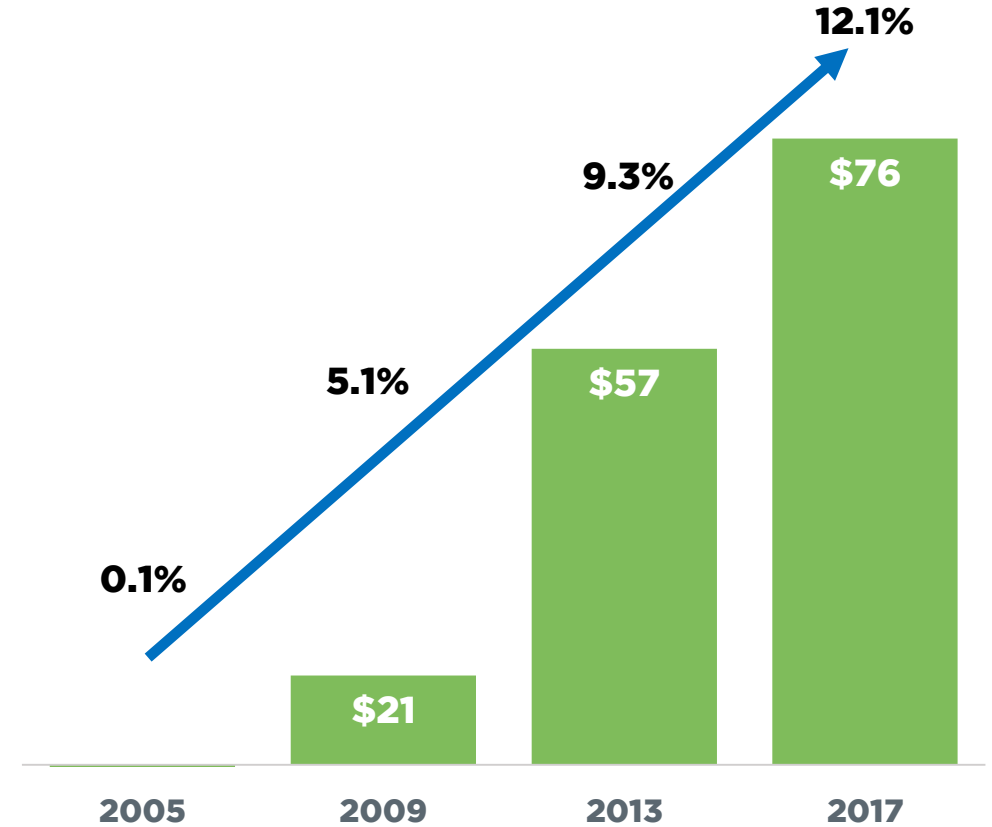
SPECIALTY ENGINEERED MATERIALS

2017 REVENUE | \$624 MILLION

Revenue by Region

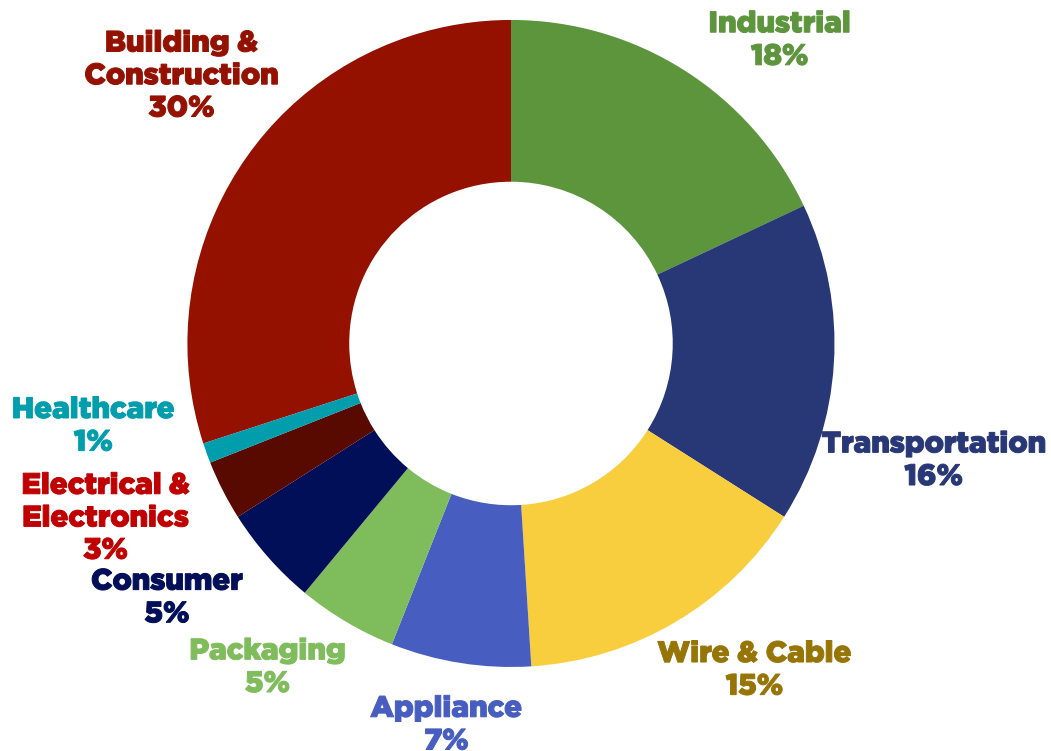


Operating Income & Margin

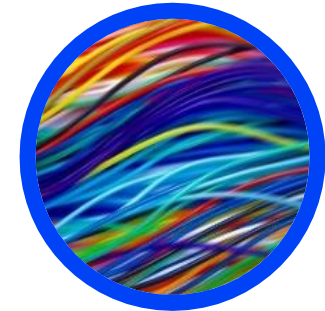


PERFORMANCE PRODUCTS & SOLUTIONS

END MARKETS & SOLUTIONS



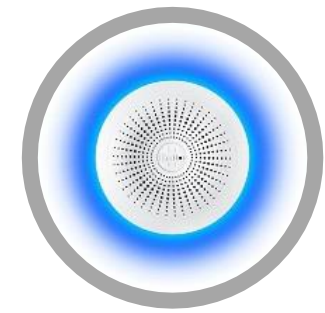
Specialty Vinyl Solutions



Flame Retardant Polymers



Healthcare Formulations

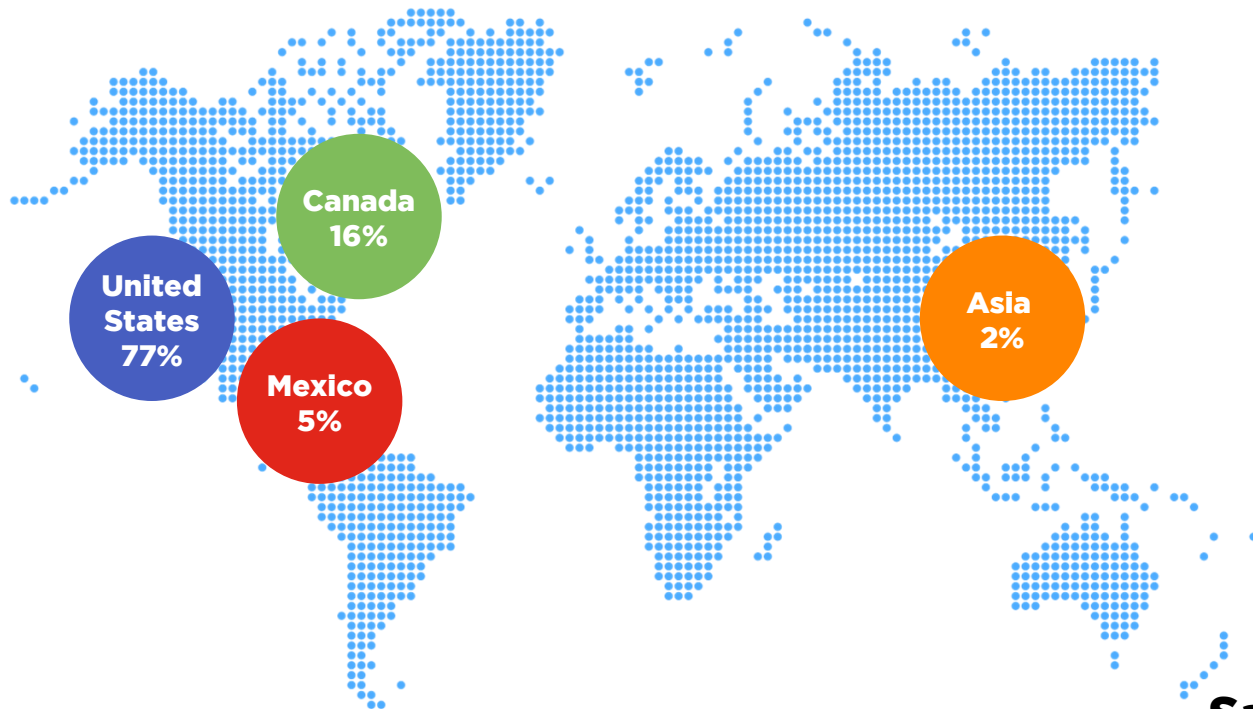


Smart Device Materials

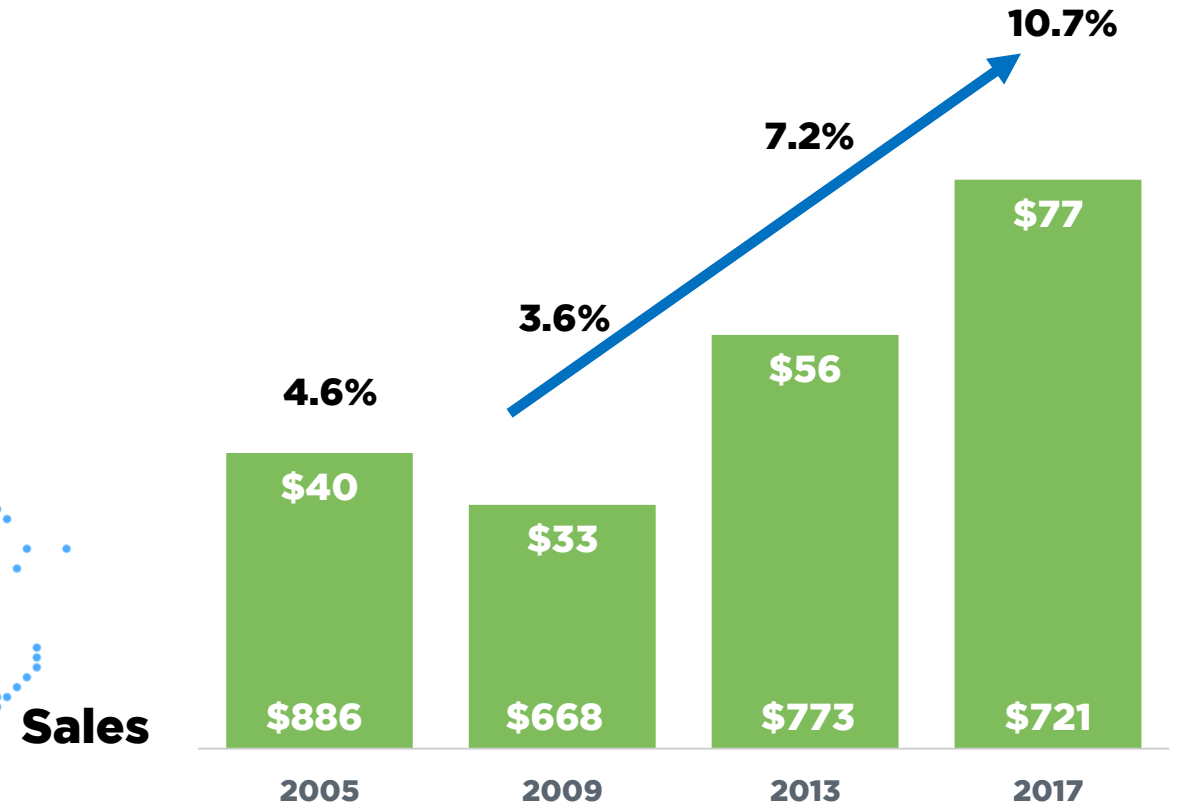
PERFORMANCE PRODUCTS & SOLUTIONS

2017 REVENUE | \$721 MILLION

Revenue by Region



Operating Income & Margin

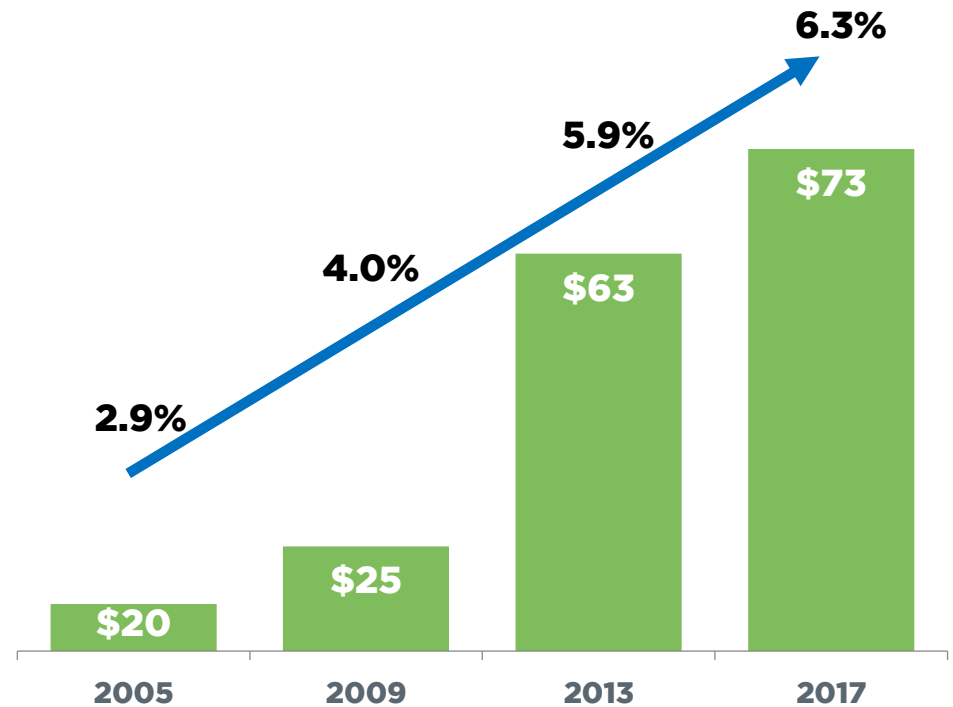
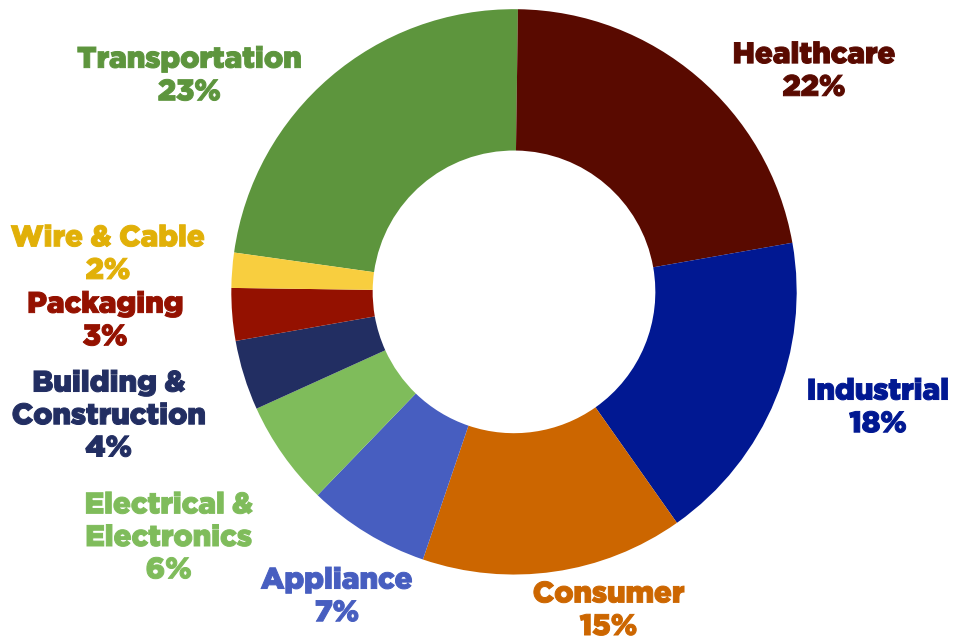


DISTRIBUTION

END MARKETS & SUPPLIERS

2017 Revenue | \$1.2 Billion

Operating Income & Margin





TARGET END MARKETS & APPLICATION EXAMPLES

Target End Markets... Healthcare

Structural Composites

**Elastomeric Grips and
Handles**

Antimicrobial Technologies

**Thermally Conductive
Technologies**

**Anti-Counterfeiting
Technologies**

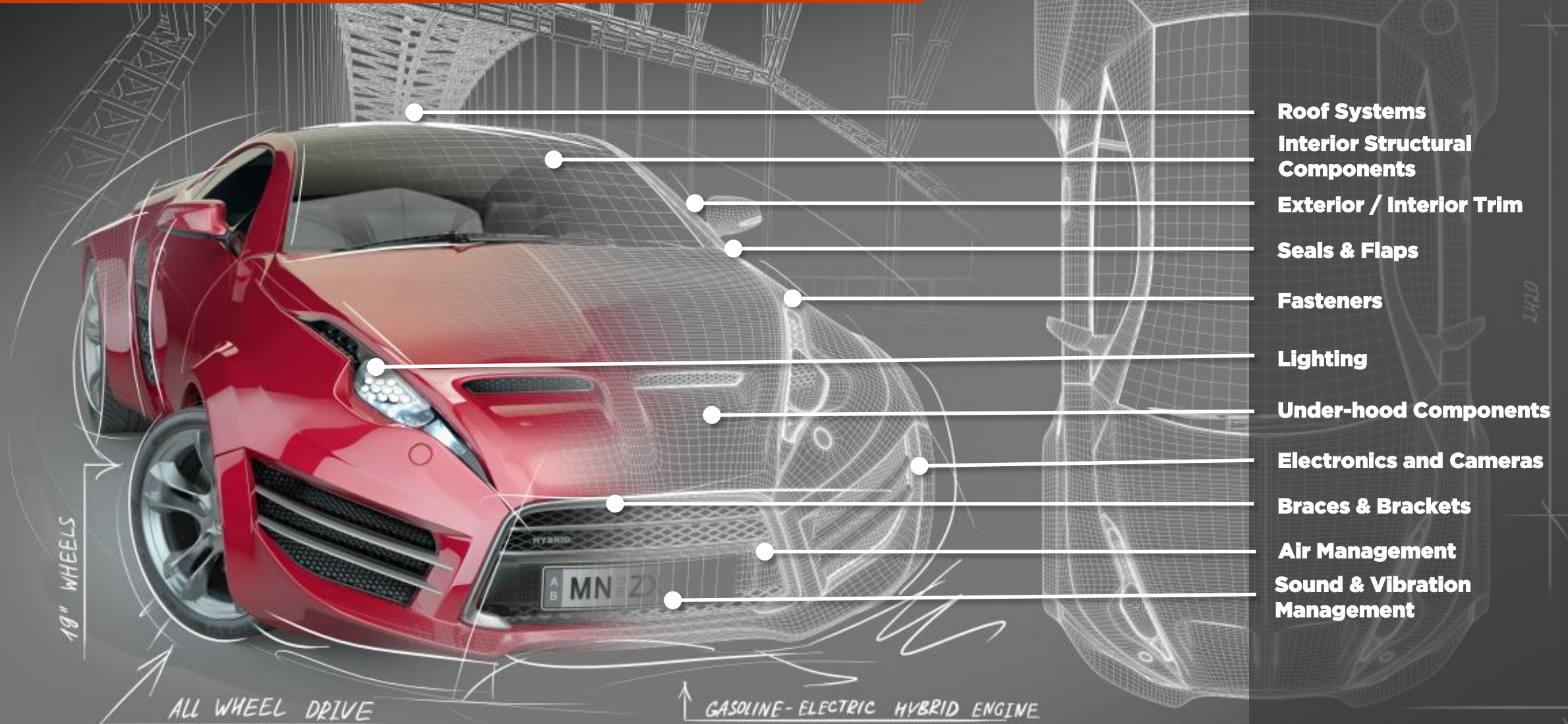
Catheter Technologies

**Chemical Resistant
Technologies**

Polymer Colorants



Target End Markets... Automotive



Target End Markets... Consumer

Elastomeric Grips and Handles

Polymer Colorants

Thermally Conductive Components

Structural Composite Components



Target End Markets... Packaging

UV Light Barrier Technologies

Cap & Closure Colorants

Laser Marking Additives

**Oxygen Scavenger
Technologies**

Antistatic Technologies

**Process Optimization
Technologies**

Antioxidant Technologies

**Density Modified
Technologies**



Gravitech™ Density Modified Polymers

Luxury Packaging

- Impart weight, sound and metallic finish to caps and closures for cosmetics and spirits applications
- Elevate quality and prestige perceptions among high-end consumers
- Eliminate time and cost associated with secondary operations and assembly



OnColor™ Super Concentrates

Optimize Color Usage

- **Eliminate costs by increasing pigment density**
- **Enhance color performance without altering form and formulation**
- **Increase design capabilities by reducing weight and layer thickness**



WithStand™ Antimicrobial Technology

Combat Bacteria Formation

- **Inhibit microbial growth on polymer surfaces**
- **Enhance value of products and devices**
- **Highly versatile concentrate with the ability to be incorporated into a wide variety of products**



A close-up, slightly blurred photograph of medical equipment, likely an infusion pump or similar device. The image shows a clear plastic housing, a digital display screen, and various control buttons and dials. The background is a soft-focus view of the device's interface, featuring teal and white colors. The overall scene is brightly lit, emphasizing the clean and professional nature of the medical equipment.

Chemically Resistant Engineered Polymers

Medical Device Housings

- **Durable, long-lasting products stand up to the most aggressive disinfectants**
- **Minimize environmental stress cracking and discoloration**
- **One of the broadest medically approved polymer and colorant portfolios**



Color & Design Services

- Greater control of color development and supply chain
- Work across entire design process from concept to commercialization
- Inspire creativity in the use of polymer materials, colors, and effects
- Innovative brand differentiation
- Faster development timelines

Outdoor Applications

- Leading provider of high performance specialty materials for the recreational and sports & leisure industry
- Well positioned across all segments to address market needs
 - ✓ Metal to Polymer Conversion
 - ✓ Lightweighting
 - ✓ Thermal Management
 - ✓ Impact Performance



Fiber Colorants



- **ColorMatrix Fiber Colorant Solutions**

- ✓ Proprietary advanced liquid color formulations and equipment enable greater efficiency and productivity
- ✓ Eliminates aqueous dyeing and its associated wastewater treatment

- **Solid Color Concentrates**

- ✓ Extrusion-spun fibers colored via solid masterbatch

Smart Home Devices

- High flame retardancy to meet strict UL standards
- Greater processing and design flexibility
- Specialized additives provide long term color stability
- Diffusive lens materials improve light dispersion



Reconciliation of Non-GAAP Financial Measures (Unaudited)

(Dollars in millions, except per share data)

Senior management uses comparisons of adjusted net income from continuing operations attributable to PolyOne shareholders and diluted adjusted earnings per share (EPS) from continuing operations attributable to PolyOne shareholders, excluding special items, to assess performance and facilitate comparability of results. Senior management believes these measures are useful to investors because they allow for comparison to PolyOne's performance in prior periods without the effect of items that, by their nature, tend to obscure PolyOne's operating results due to the potential variability across periods based on timing, frequency and magnitude. Non-GAAP financial measures have limitations as analytical tools and should not be considered in isolation from, or solely as alternatives to, financial measures prepared in accordance with GAAP. Below is a reconciliation of these non-GAAP financial measures to their most directly comparable financial measures calculated and presented in accordance with GAAP.

Adjusted EPS attributable to PolyOne common shareholders is calculated as follows:

	2009*	2010*	2011*	2012*	2013*	2014*	2015*	2016	2017
Net income from continuing operations attributable to PolyOne common shareholders	\$ 106.7	\$ 152.5	\$ 153.4	\$ 53.3	\$ 94.0	\$ 78.0	\$ 144.6	\$ 166.4	\$ 173.5
Joint venture equity earnings, after tax	(19.0)	(14.7)	(3.7)	—	—	—	—	—	—
Special items, before tax ⁽¹⁾	(48.7)	24.2	(48.1)	55.1	46.3	164.2	87.6	23.8	32.9
Special items, tax adjustments ⁽¹⁾	(27.2)	(96.7)	(24.7)	(18.9)	(13.7)	(73.7)	(58.7)	(15.9)	(24.8)
Adjusted net income from continuing operations attributable to PolyOne common shareholders	\$ 11.8	\$ 65.3	\$ 76.9	\$ 89.5	\$ 126.6	\$ 168.5	\$ 173.5	\$ 174.3	\$ 181.6
Diluted shares	93.4	96.0	94.3	89.8	96.5	93.5	88.7	84.6	82.1
Adjusted EPS attributable to PolyOne common shareholders	\$ 0.13	\$ 0.68	\$ 0.82	\$ 1.00	\$ 1.31	\$ 1.80	\$ 1.96	\$ 2.06	\$ 2.21

* Historical results are shown as presented in prior filings and have not been updated to reflect subsequent changes in accounting principle, discontinued operations or the related resegmentation.

(1) Special items include charges related to specific strategic initiatives or financial restructuring such as: consolidation of operations; debt extinguishment costs; costs incurred directly in relation to acquisitions or divestitures; employee separation costs resulting from personnel reduction programs, plant realignment costs, executive separation agreements; asset impairments; mark-to-market adjustments associated with actuarial gains and losses on pension and other post-retirement benefit plans; environmental remediation costs, fines, penalties and related insurance recoveries related to facilities no longer owned or closed in prior years; gains and losses on the divestiture of operating businesses, joint ventures and equity investments; gains and losses on facility or property sales or disposals; results of litigation, fines or penalties, where such litigation (or action relating to the fines or penalties) arose prior to the commencement of the performance period; one-time, non-recurring items; and the effect of changes in accounting principles or other such laws or provisions affecting reported results. Tax adjustments include the net tax (expense) benefit from one-time income tax items, the set-up or reversal of uncertain tax position reserves and deferred income tax valuation allowance adjustments.