



AVIENT CORPORATION

FOURTH QUARTER 2021 RESULTS
AND 2022 FINANCIAL GUIDANCE

(NYSE: AVNT)

FEBRUARY 8, 2022



DISCLAIMER

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 condition, performance and/or sales. In particular, these include statements relating to future actions; prospective changes in raw material costs, product pricing or product demand; future performance; estimated capital expenditures; results of current and anticipated market conditions and market strategies; sales efforts; expenses; the outcome of contingencies such as legal proceedings and environmental liabilities; and financial results.

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;
- The current and potential future impact of the COVID-19 pandemic on our business, results of operations, financial position or cash flows, including without any limitation, any supply chain and logistics issues;
- Changes in polymer consumption growth rates and laws and regulations regarding plastics in jurisdictions where we conduct business;
- 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;
- Our ability to pay regular quarterly cash dividends and the amounts and timing of any future dividends;
- Information systems failures and cyberattacks;
- Amounts for cash and non-cash charges related to restructuring plans that may differ from original estimates, including because of timing changes associated with the underlying actions; and
- Other factors described in our Annual Report on Form 10-K for the year ended December 31, 2020 under Item 1A, “Risk Factors.”

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, free cash flow and adjusted EBITDA.

Avient’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.

A reconciliation of each historical 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.avient.com.

The Company does not provide reconciliations of forward-looking non-GAAP financial measures, such as outlook for Adjusted EBITDA, Adjusted Earnings Per Share, Adjusted Operating Income and Free Cash Flow, to the most comparable GAAP financial measures on a forward-looking basis because the Company is unable to provide a meaningful or accurate calculation or estimation of reconciling items and the information is not available without unreasonable effort. This is due to the inherent difficulty of forecasting the timing and amount of certain items, such as, but not limited to, restructuring costs, environmental remediation costs, acquisition-related costs, and other non-routine costs. Each of such adjustments has not yet occurred, are out of the Company’s control and/or cannot be reasonably predicted. For the same reasons, the Company is unable to address the probable significance of the unavailable information.

Avient acquired the Clariant Color business on July 1, 2020 (the “Acquisition Date”). To provide comparable financial results, the Company references “pro forma” financial metrics, which include the business results of Clariant Color for periods prior to the Acquisition Date. Management believes this provides comparability of the performance of the combined businesses.

Unless otherwise stated, Adjusted Operating Income, Adjusted EBITDA and Adjusted EPS figures included in this presentation exclude the impact of special items as defined in our quarterly earnings releases.



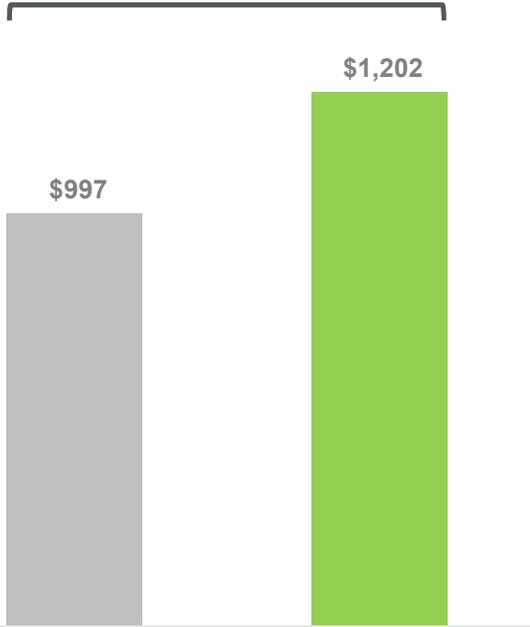
2021 PERFORMANCE

Q4 2021 PERFORMANCE

(TOTAL COMPANY)

Sales

+ 21%



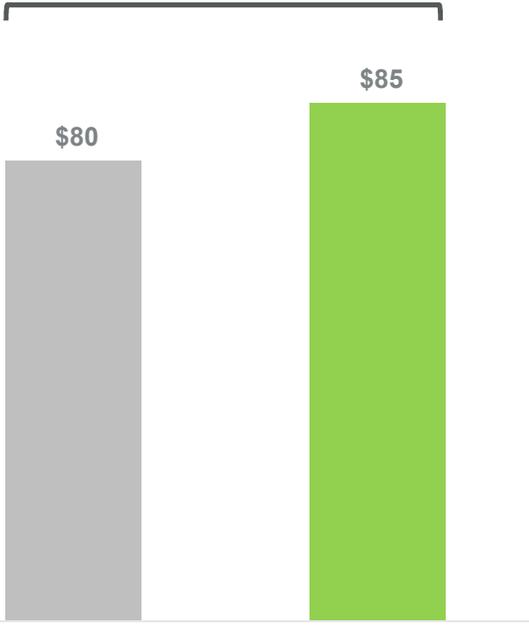
2020

2021

(in millions)

Adjusted Operating Income

+ 6%



2020

2021

(in millions)

Adjusted EPS

+ 12%



2020

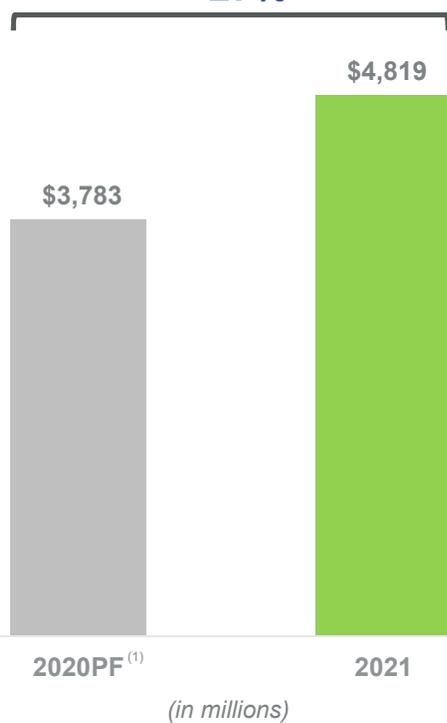
2021

FULL YEAR 2021 PERFORMANCE

(TOTAL COMPANY)

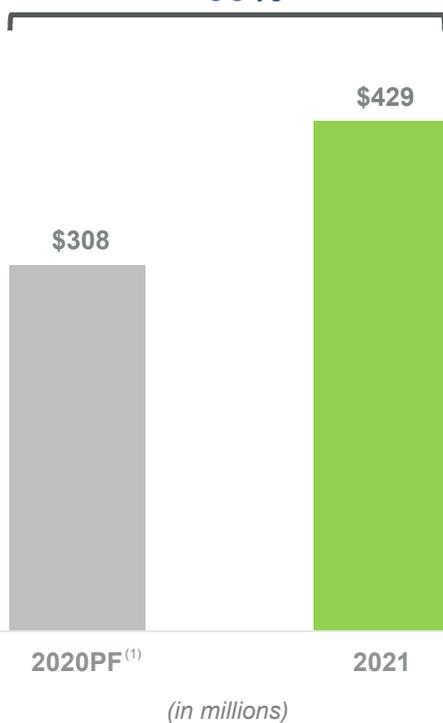
Sales

+ 27%



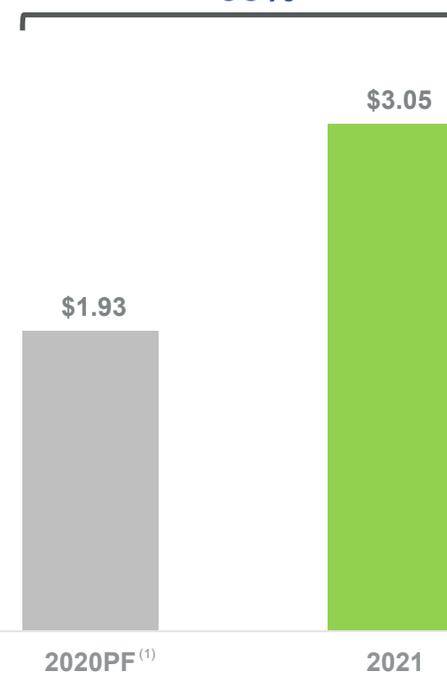
Adjusted Operating Income

+ 39%

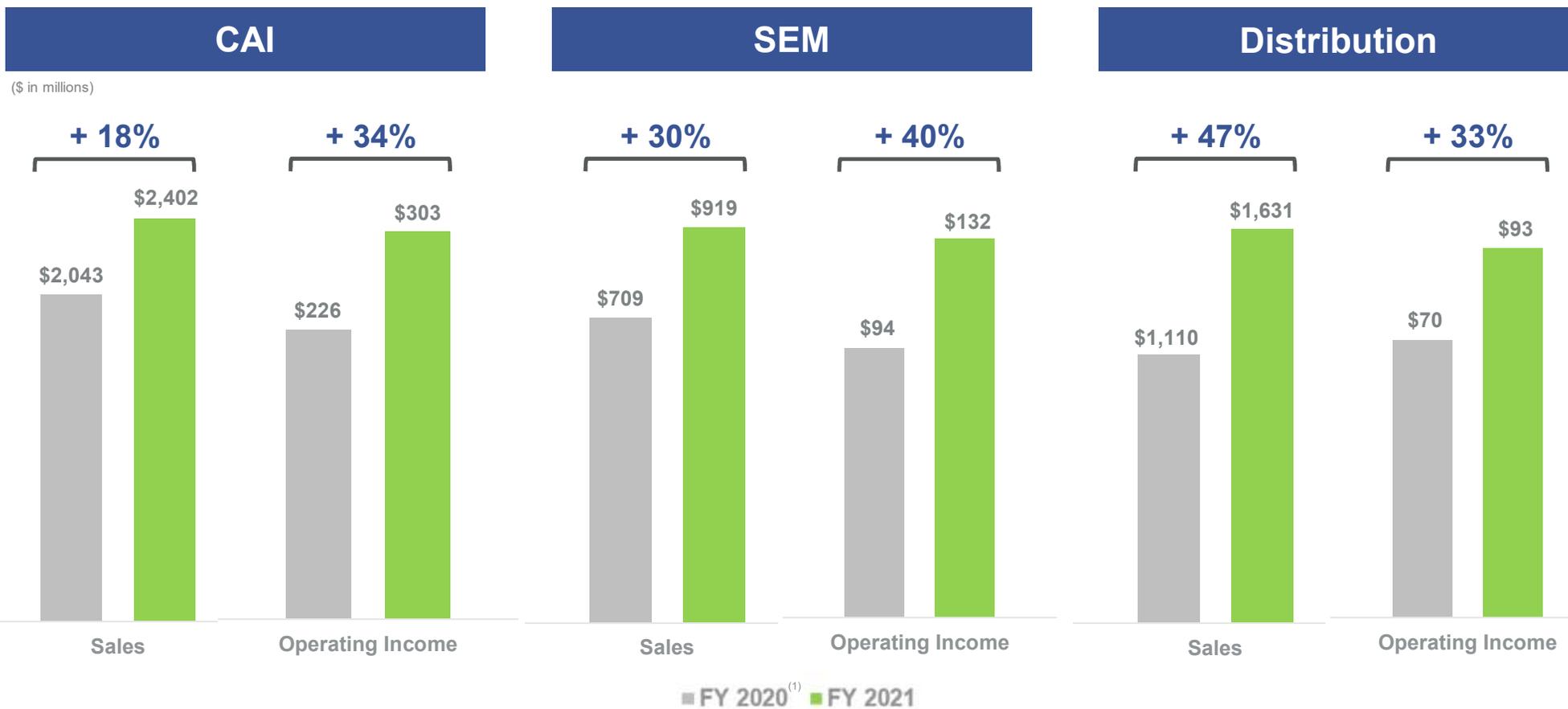


Adjusted EPS

+ 58%



FULL YEAR 2021 SEGMENT PERFORMANCE



FULL YEAR 2021 SALES AND OPERATING INCOME

(TOTAL COMPANY)

<i>\$ millions</i>	Sales	Growth Rate	Adjusted Operating Income
Full Year 2020 (Pro forma)⁽¹⁾	\$3,783		\$308
Sustainable Solutions	147	19%	60
Healthcare	143	28%	30
Composites	58	43%	29
Growth in Asia / LATAM	107	21%	26
Other	543	30%	58
Sub-total	\$4,781	26%	\$511
Wage Inflation and Overtime			(39)
Other Supply Chain Costs			(15)
COVID Response Applications	(22)		(12)
Synergies			44
FX, Incentives, Other Employee Costs	60		(60)
Full Year 2021	\$4,819	27%	\$429

(1) Financial information is pro forma to include a full year of Clariant Color business



FULL YEAR 2021 EBITDA BRIDGE

<i>\$ millions</i>	Adjusted EBITDA
Full Year 2020 (Pro forma)⁽¹⁾	\$ 457
Demand	135
<u>CAI:</u>	
<i>Price / Mix</i>	158 ✓
<i>Inflation</i>	(120)
<u>SEM:</u>	
<i>Price / Mix</i>	84 ✓
<i>Inflation</i>	(65)
<u>Distribution:</u>	
<i>Price / Mix</i>	318 ✓
<i>Inflation</i>	(304)
Net Price Benefit	71
Wage Inflation and Overtime	(39)
Other Supply Chain Costs	(15)
COVID Response Applications	(12)
Synergies	44
Incentives, FX, Other Employee Costs	(60)
Full Year 2021	\$ 581

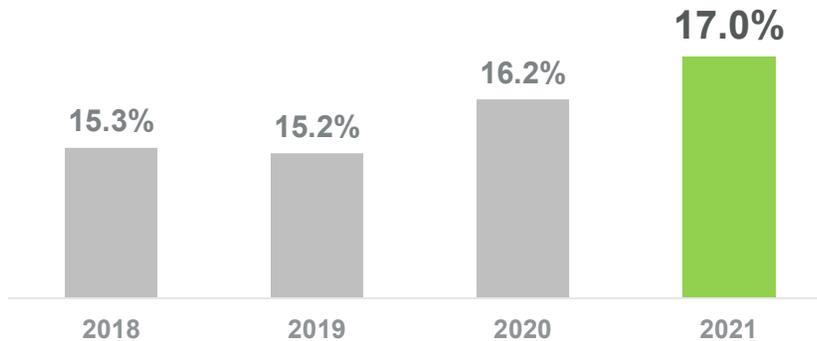
- Demand impact driven by growth in key focus areas: sustainable solutions, healthcare, composites and growth in Asia / LATAM

- Price increases more than offset raw material and supply chain impacts

(1) Financial information is pro forma to include a full year of Clariant Color business

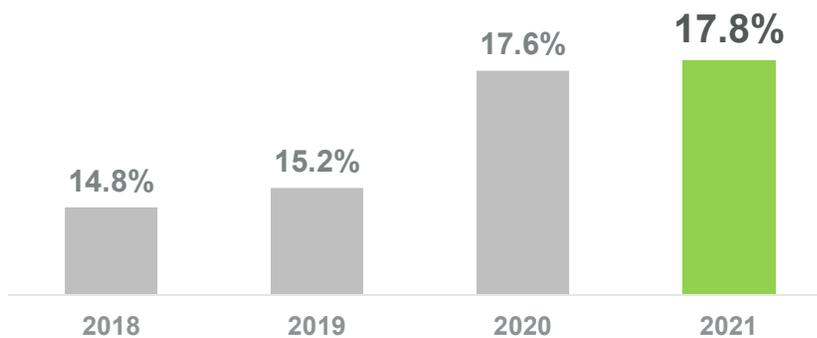
SPECIALTY EBITDA MARGIN EXPANSION

CAI ⁽¹⁾



- Record margins in 2021 despite unprecedented supply chain challenges
- Continued portfolio transformation to high-growth end markets and sustainable solutions

SEM

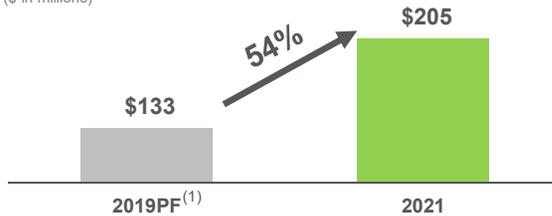


- Clariant Color synergy realization
- Investments in composites and outdoor high performance applications drove growth and mix improvements

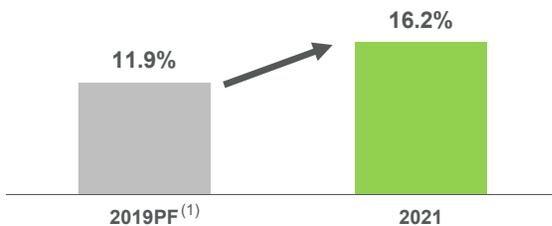
CLARIANT COLOR: TRANSFORMATIONAL ACQUISITION

Clariant Color EBITDA Growth

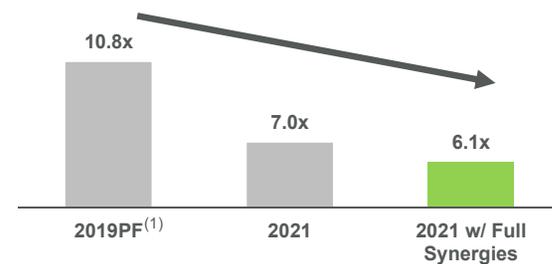
(\$ in millions)



EBITDA Margins



Purchase Price Multiple



- Acquisition of Clariant Color business significantly expanded presence in healthcare, packaging and consumer end markets
- Strength of portfolio – double-digit annual EBITDA growth since acquisition
- \$54 million of synergies realized in 2021
- Acquisition completed on July 1, 2020 for \$1.45 billion. Purchase price multiple rapidly declining on strength of business and synergy capture

(1) Financial information is pro forma to include a full year of Clariant Color business



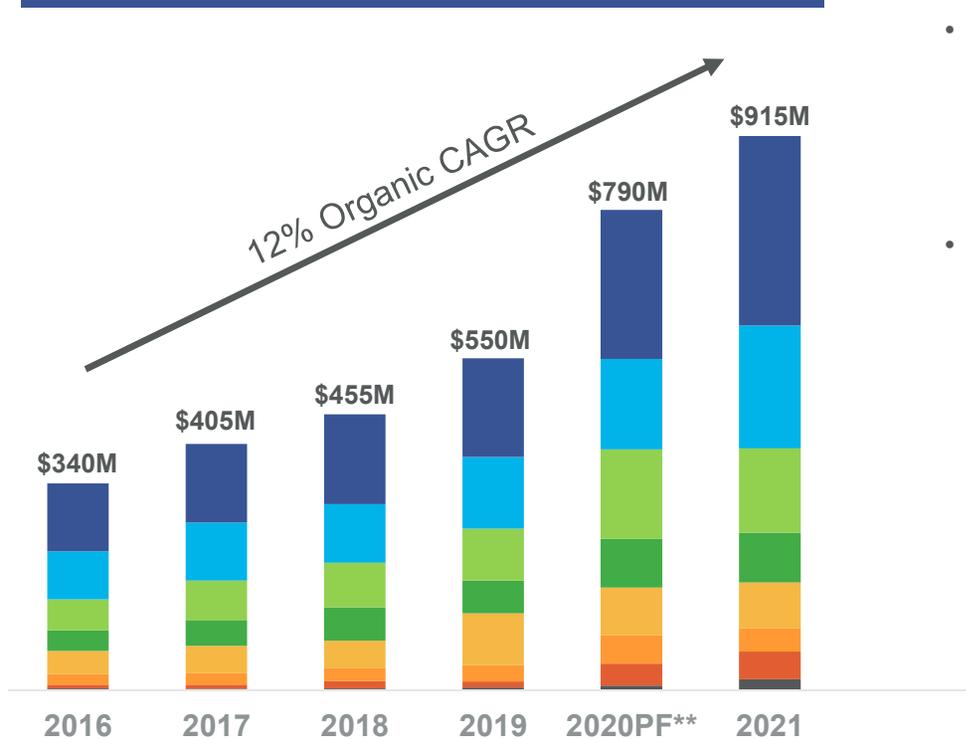
CLARIANT COLOR INTEGRATION & COST SYNERGIES UPDATE

<i>(\$ millions)</i>	Initial Synergy Estimate	2021 Synergy Realization	Total Synergies Expected
Administrative	\$ 18	\$ 29	\$ 40
Sourcing	24	20	24
Operational	18	5	21
Total Synergies	\$ 60	\$ 54	\$ 85

- Integration going extremely well: synergy target increased to \$85 million at December 9th Investor Day
- Relentless focus on guiding principles of safety first, employee collaboration and exceeding customer expectations
- Future revenue synergies are not part of these estimates and represent additional growth over the long term

SUSTAINABILITY FOR A BETTER TOMORROW

Revenue From Sustainable Solutions* 2016-2021



- Revenue from sustainable solutions grew **16%** in 2021 and expected to grow **8-12%** in **2022** as our innovation efforts and collaboration with customers accelerates
- Investments centered around innovation and global sustainability megatrends
 - **Enabling a circular economy** – Technologies that allow for increased use of post-consumer recycled (PCR) material and improve recyclability of plastics
 - **Light-weighting** – Composites and CAI applications to reduce weight and material requirements, which minimize energy and carbon emissions
 - **Eco-Conscious** – Health and human safety applications as well as Avient's alternative materials to replace lead, PVC, halogens, BPA and other less eco-friendly options

*Avient Sustainable Solutions definitions aligned with FTC 2012 Guide for the Use of Environmental Marketing Claims ("Green Guides")
 **2020 is Pro Forma to include full year of the Clariant Color business

PEOPLE

CULTURE IS EVERYTHING

World-Class Safety



7x Safer
than Industry Average

Community Service



Over \$16 million
raised since 2010

Diversity & Inclusion



Leadership Development



**Great
Place
To
Work.®**

Certified

DEC 2021-DEC 2022

USA

TM

Q4 2021 SALES AND OPERATING INCOME

(TOTAL COMPANY)

<i>\$ millions</i>	Sales	Growth Rate	Adjusted Operating Income
Q4 2020	\$997		\$80
Sustainable Solutions	23	12%	8
Healthcare	53	43%	9
Composites	7	22%	2
Growth in Asia / LATAM	14	10%	3
Other	118	23%	2
Sub-total	\$1,212	22%	\$104
Wage Inflation and Overtime			(11)
Other Supply Chain Costs			(4)
Synergies			9
Incentives, FX, Other Employee Costs	(10)		(13)
Q4 2021	\$1,202	21%	\$85

Q4 EBITDA BRIDGE

<i>\$ millions</i>	Adjusted EBITDA									
Q4 2020	\$ 118									
Demand	-	<table border="0"> <tr> <td>Transportation</td> <td style="text-align: right;">\$ (5)</td> </tr> <tr> <td>Outdoor High Performance</td> <td style="text-align: right;">(3)</td> </tr> <tr> <td>Other</td> <td style="text-align: right;">8</td> </tr> <tr> <td>Total Demand</td> <td style="text-align: right;">-</td> </tr> </table>	Transportation	\$ (5)	Outdoor High Performance	(3)	Other	8	Total Demand	-
Transportation	\$ (5)									
Outdoor High Performance	(3)									
Other	8									
Total Demand	-									
<u>CAI:</u>										
<i>Price / Mix</i>	62	✓								
<i>Inflation</i>	(45)									
<u>SEM:</u>										
<i>Price / Mix</i>	25	✓								
<i>Inflation</i>	(20)									
<u>Distribution:</u>										
<i>Price / Mix</i>	114	✓								
<i>Inflation</i>	(109)									
Net Price Benefit	27									
Wage Inflation and Overtime	(11)									
Other Supply Chain Costs	(4)									
Synergies	9									
Incentives, FX, Other Employee Costs	(13)									
Q4 2021	\$ 126									

Price increases more than offsets raw material and supply chain impacts

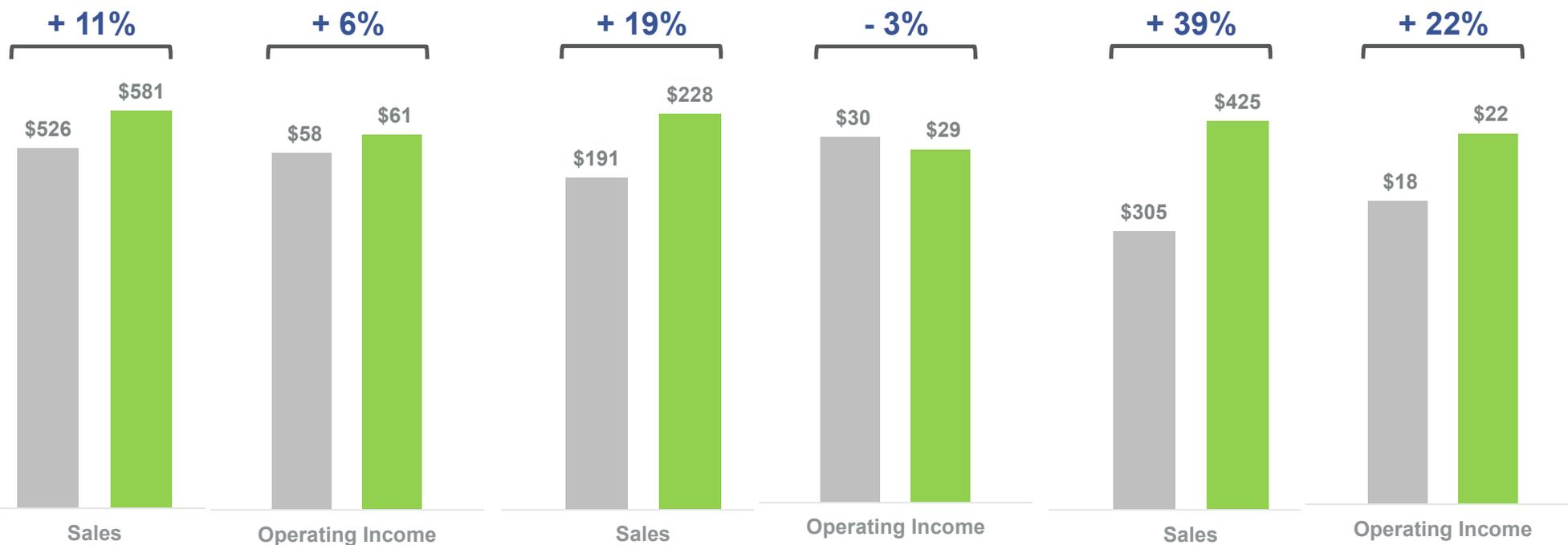
Q4 2021 SEGMENT PERFORMANCE

CAI

SEM

Distribution

(\$ in millions)



■ Q4 2020 ■ Q4 2021





2022 OUTLOOK



REVENUE GROWTH DRIVERS

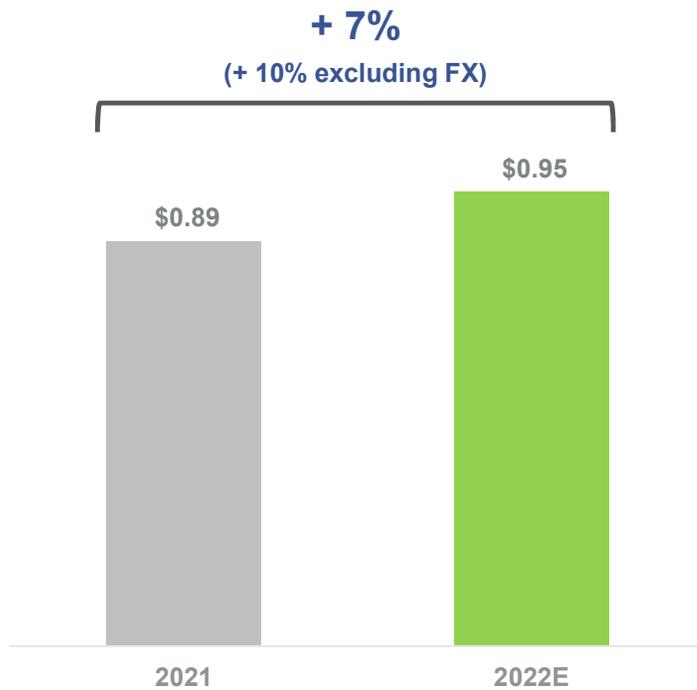
Growth Drivers	Long-Term Growth Rate	2022E Growth Rate
Sustainable Solutions	8–12%	12%
Healthcare	8–10%	10%
Composites	10%	3%
<i>Excluding Outdoor High Performance</i>		13%
Asia / LATAM	5%	6%
Other (GDP growth)	2–3%	2–3%
Avient	6.5%	6% <i>(7.5% excl. FX)</i>



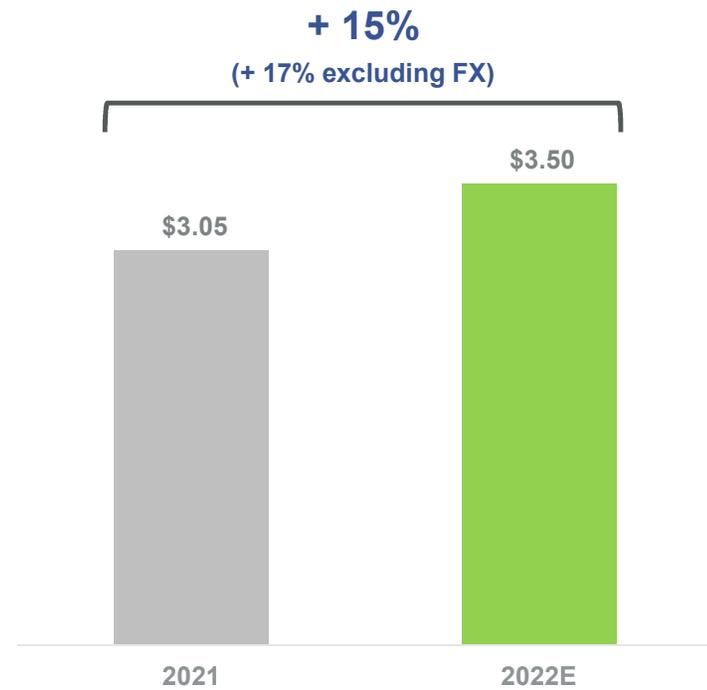
2022 GROWTH PROJECTIONS

(TOTAL COMPANY)

Q1 – Adjusted EPS



Full Year – Adjusted EPS



2022 SALES AND OI – Q1 AND FULL YEAR (TOTAL COMPANY)

(\$ millions)	Sales		Adjusted Operating Income	
	Q1	Full Year	Q1	Full Year
2021 - Actual	\$ 1,162	\$ 4,819	\$ 123	\$ 429
Sustainable Solutions	27	110	12	44
Healthcare	15	66	4	13
Composites (excl. Outdoor High Performance)	11	29	5	13
<i>Outdoor High Performance Applications</i>	(7)	(20)	(4)	(10)
Growth in Asia / LATAM	10	51	3	11
Other	57	115	9	12
Sub-total	\$ 1,275	\$ 5,170	\$ 152	\$ 512
Wage Inflation and Overtime			(12)	(18)
Other Supply Chain Costs			(4)	(7)
FX Impact	(25)	(70)	(4)	(8)
Synergies			4	15
Travel, Other Employee Costs			(1)	(4)
2022 - Estimated	\$ 1,250	\$ 5,100	\$ 135	\$ 490

CASH FLOW / LEVERAGE

(\$ millions)	2021	2022E
Cash Flow from Operating Activities	\$ 234	\$ 385
<u>Less:</u>		
<i>Run-Rate CapEx</i>	(86)	(90)
<i>CapEx for Clariant Integration</i>	(15)	(20)
<i>CapEx for IT System Upgrade</i>	-	(25)
Total CapEx	(101)	(135)
Free Cash Flow	\$ 133	\$ 250
Adjusted EBITDA	\$ 581	\$ 635
Net Debt / Adjusted EBITDA	2.2x	1.8x

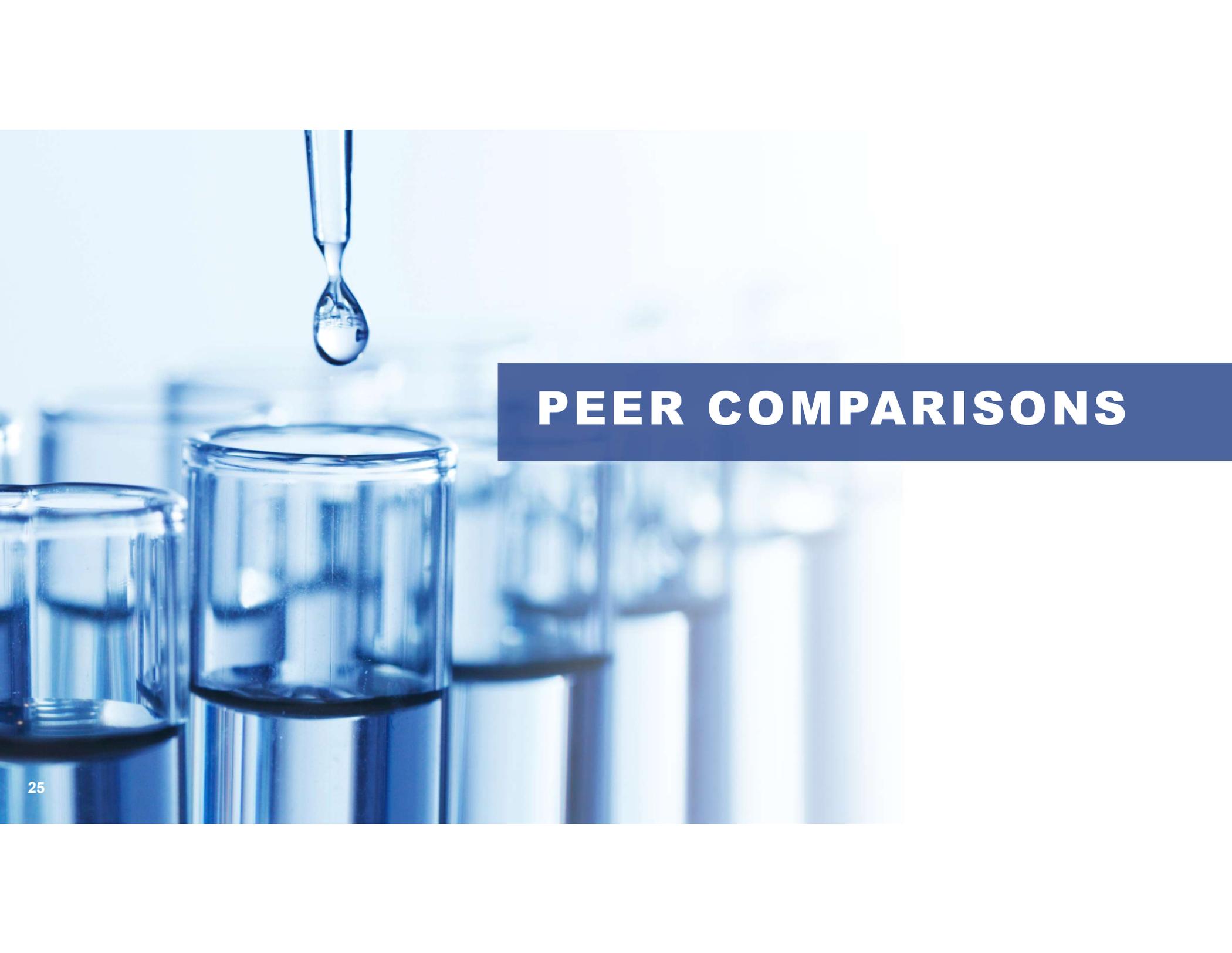
2021 HIGHLIGHTS

- **Record results** – highest level of sales (\$4.8B) and earnings (\$3.05 adjusted EPS) in company history
- **Successful Clariant Color integration** – net debt to adjusted EBITDA reduced to 2.2x, one-year ahead of schedule
- Recognized as one of **America's Most Responsible Companies** by Newsweek
- Earned 3rd consecutive **Great Place to Work** certification

2022 SUMMARY

- **15% adjusted EPS growth to \$3.50**, led by growth in sustainable solutions and increased synergy realization
- Continued strong synergy capture from the Clariant Color integration: **\$75M** anticipated run-rate synergies by the end of 2022
- **Adjusted EBITDA of \$635M** represents 9% growth above 2021 – 11% excluding the impact of foreign currencies
- Deleveraged to **1.8x** net debt to adjusted EBITDA by the end of 2022





PEER COMPARISONS

AVIENT IS ASSET LIGHT

As a specialty formulator, we don't require significant capital investment, as compared to the base resin raw material suppliers we purchase from. Even more, our manufacturing capabilities are flexible and easily adaptable to changing customer needs.

As we grow, we can add capacity with minimal investment. Whether an additional line at an existing manufacturing plant, or a new facility in a growing region, we ramp-up quickly and cost-efficiently.

Capex / Revenue
2022E (%)



Source: Peer data per Bloomberg market data as of February 15, 2022.
Avient reflects 2022 estimated revenue of \$5,100M and estimated CAPEX of \$90M (excludes IT system upgrade of \$25M and synergy capture CAPEX of \$20M)



HIGH FREE CASH FLOW CONVERSION

Free Cash Flow Conversion ⁽¹⁾
2022E (%)



Source: Peer data per Bloomberg market data as of February 15, 2022
Avient reflects 2021 estimated EBITDA of \$635M and estimated CAPEX of \$90M (excludes IT system upgrade of \$25M and synergy capture CAPEX of \$20M)

1. Free cash flow conversion calculated as (EBITDA – Capex) / EBITDA



Being asset light helps us to generate strong free cash flow that is in line with specialty formulators.

Our free cash flow supports shareholder value creation through investing in R&D for organic growth, completing bolt-on acquisitions, and returning cash to shareholders via our dividend program and opportunistic share repurchases.

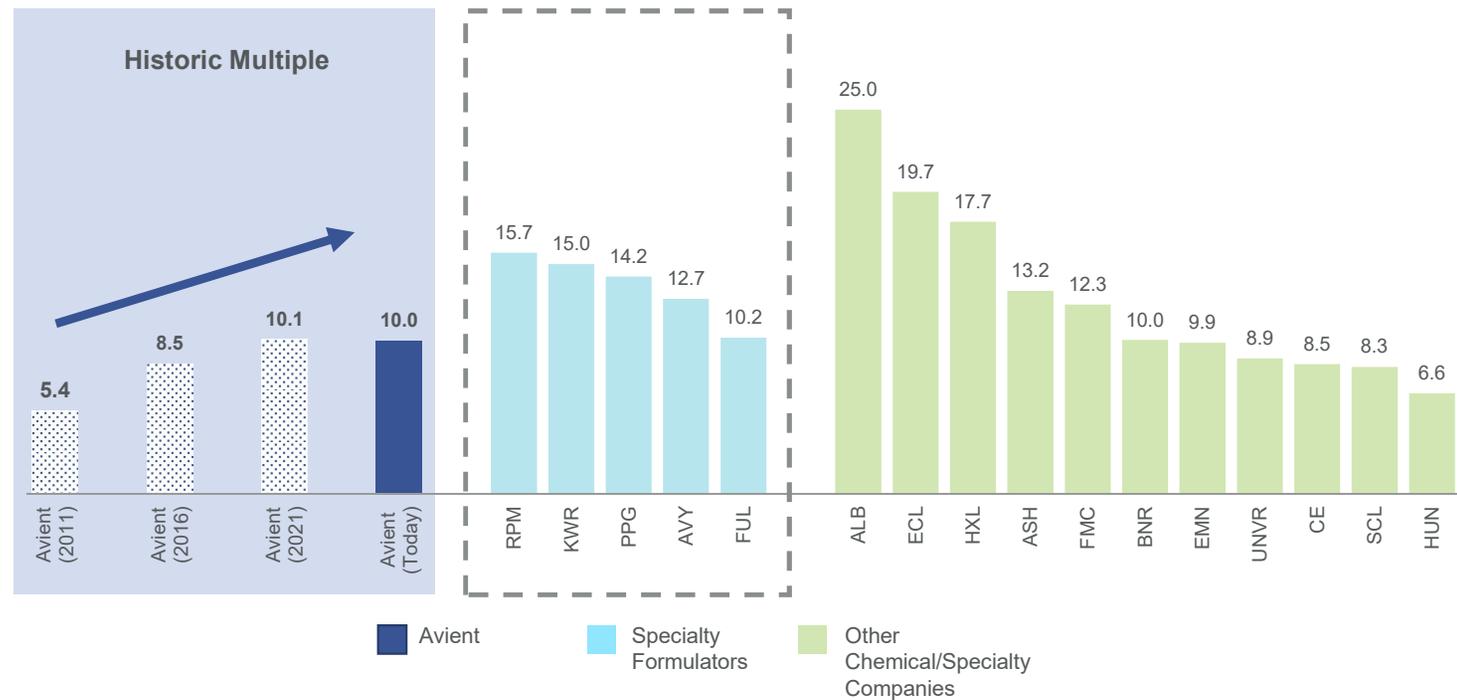
OUR VALUATION VERSUS PEERS

With the Clariant Color business acquisition and divestment of the PP&S business, our exposure is now concentrated in less-cyclical and **high-growth markets**.

Over the last 10 years, our multiple has expanded as we have progressed in our portfolio transformation.

As a **specialty formulator** we have more room to go. We expect this expansion to continue as we execute our strategy, increase margins and consistently grow earnings in excess of the market.

Total Enterprise Value / 2022E EBITDA



Source: Peer data per Bloomberg market data as of February 15, 2022

Avient reflects 2022 estimated EBITDA of \$635M

Past Avient valuations reflect forward 12 months EBITDA at December 31 of the respective years.





SUMMARY: WHY INVEST IN AVIENT?

We are a specialty formulator that enables many of the world's products through innovation and custom solutions. We take great pride in our essential role and responsibility—to our people, our customers, our planet and our shareholders.

In 2021, we delivered substantial earnings growth and strong cash flow generation as we emerged from the COVID-19 pandemic. We will deliver for our stakeholders through multiple value creation levers—many of which are unique to Avient:

- Demand for sustainable solutions, healthcare, and composites, together with Clariant Color revenue synergies, that will drive long-term revenue growth in excess of GDP
- Clariant color cost synergy capture will result in significant near-term benefit

In addition, we remain committed to increasing annual dividends in line with earnings growth and opportunistically buying back shares, all while remaining modestly levered.

Simply put...

We solve customers' most pressing material science challenges.

We create value for our stakeholders and we love to win.

We are Avient.

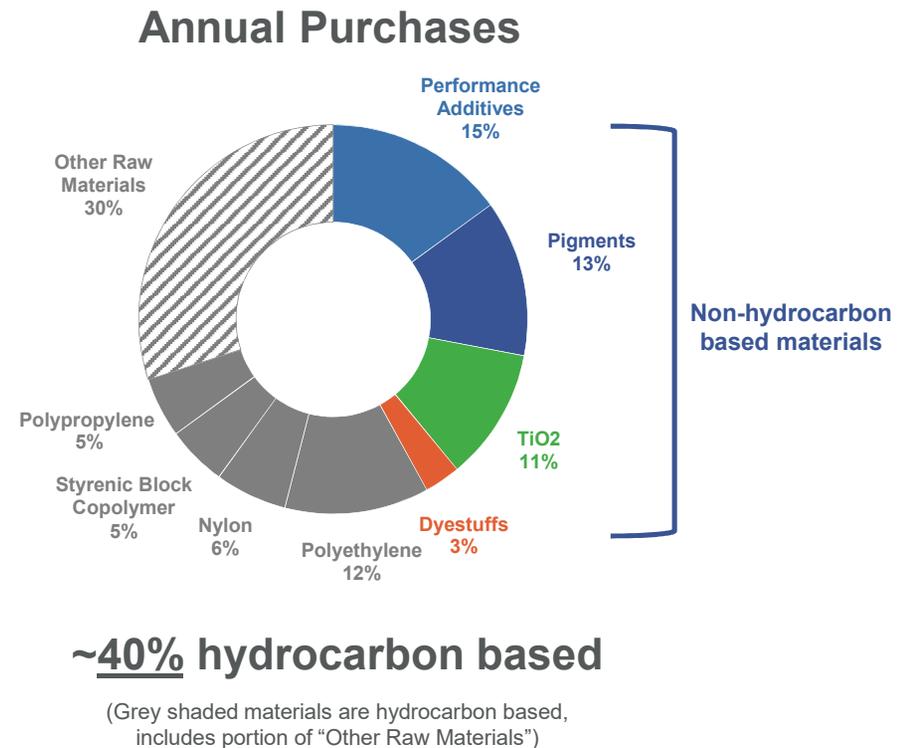




APPENDIX

RAW MATERIAL AND SUPPLY CHAIN UPDATE

- Significant raw material price inflation and tight inventory continued in Q4 2021
 - For the full year, the average cost of hydrocarbon based materials was up 50% in 2021
 - For the full year, the average cost of non-hydrocarbon based materials was up 12% in 2021
- Additionally, we continued to experience other supply chain challenges during Q4 related to raw material spot purchases, freight constraints and productivity loss as a result of these shortages



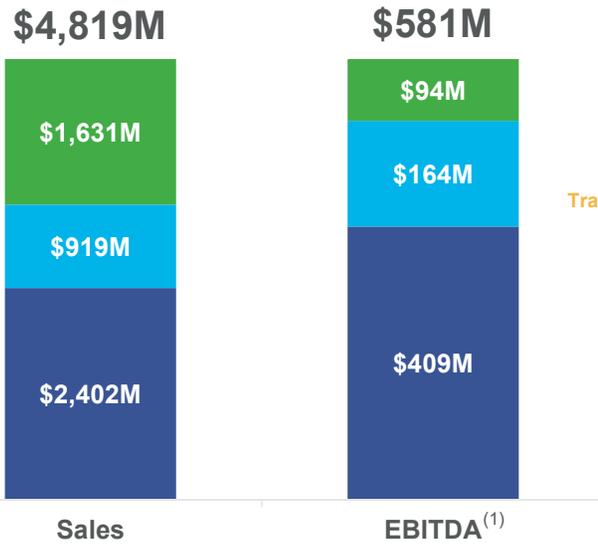
Based on 2021 purchases, excludes Distribution business

The background features a large, stylized 'X' shape composed of several diagonal bands with vibrant, multi-colored marbled patterns in shades of teal, red, yellow, and purple. A solid blue horizontal banner is positioned across the middle of the image, containing the text 'SEGMENT DATA' in white, bold, uppercase letters.

SEGMENT DATA

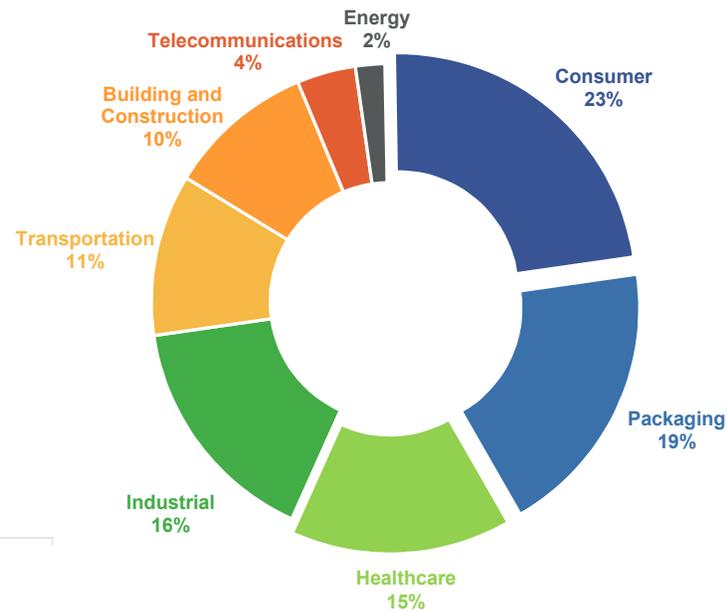
2021 SEGMENT, END MARKET AND GEOGRAPHY

SEGMENT FINANCIALS

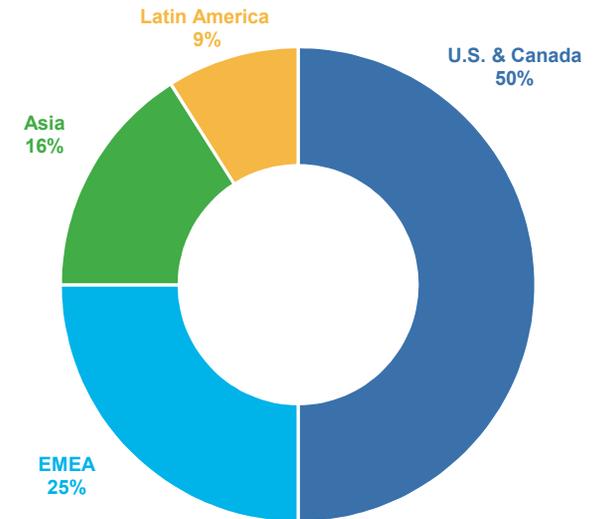


- Distribution
- Specialty Engineered Materials
- Color Additives and Inks

END MARKET REVENUE



GEOGRAPHY REVENUE

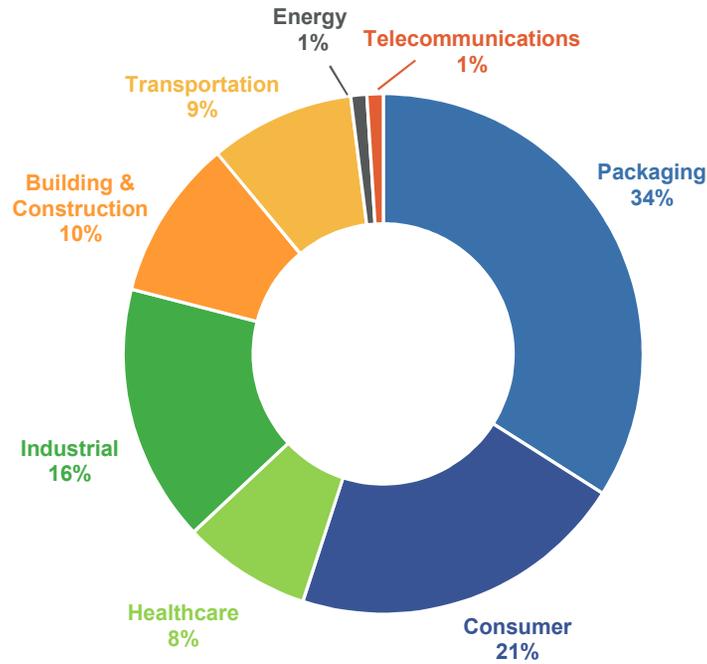


(1) Total company sales and adjusted EBITDA of \$4,819M and \$581M, respectively, include intercompany sales eliminations and corporate costs

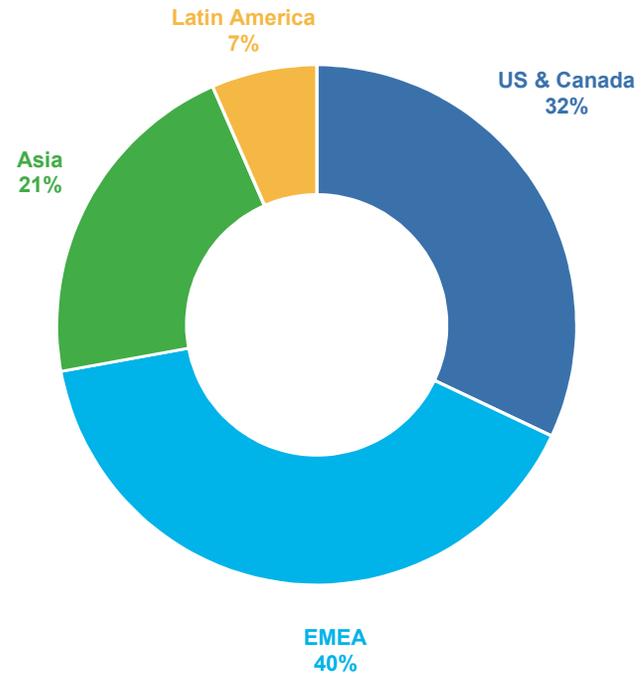
COLOR, ADDITIVES & INKS

2021 REVENUE | \$2.4 BILLION

END MARKET



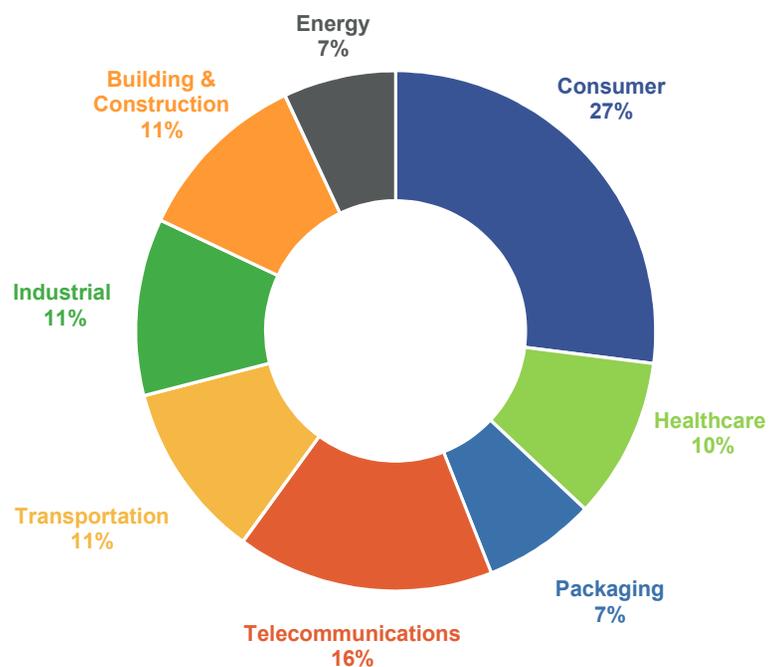
REGION



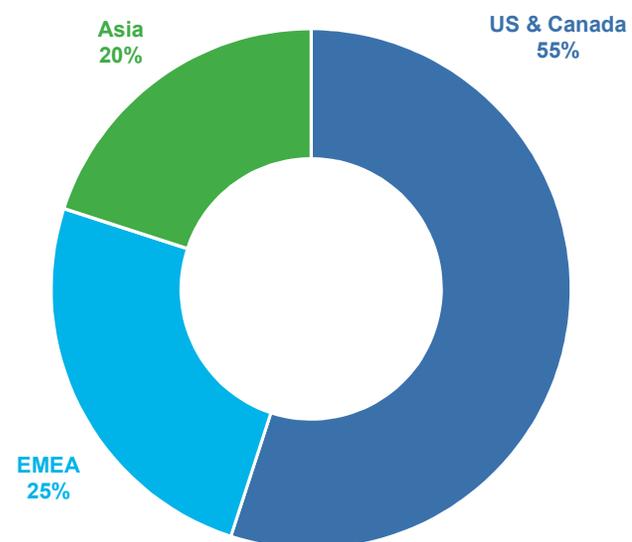
SPECIALTY ENGINEERED MATERIALS

2021 REVENUE | \$919 MILLION

END MARKET



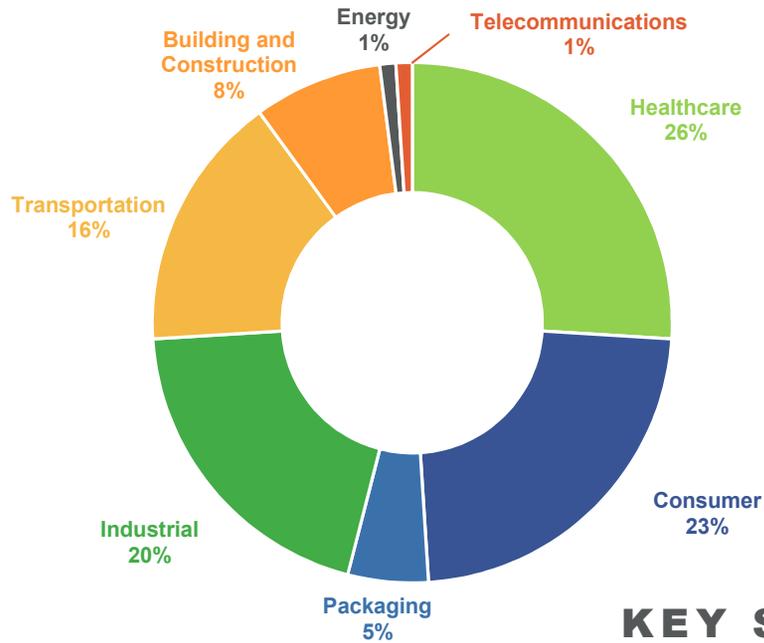
REGION



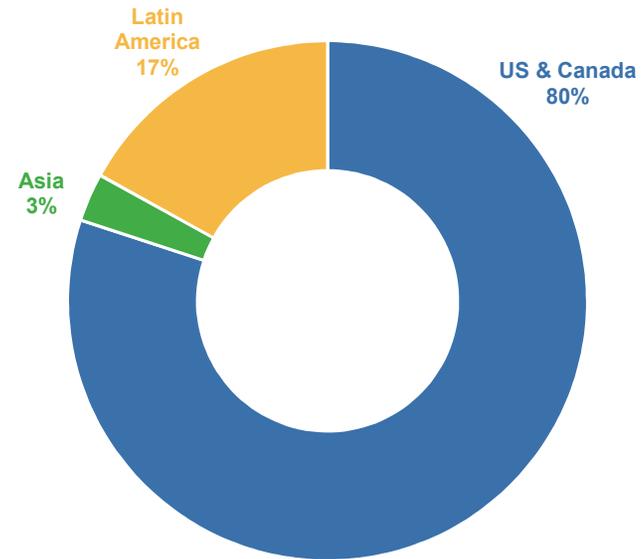
DISTRIBUTION

2021 REVENUE | \$1.6 BILLION

END MARKET



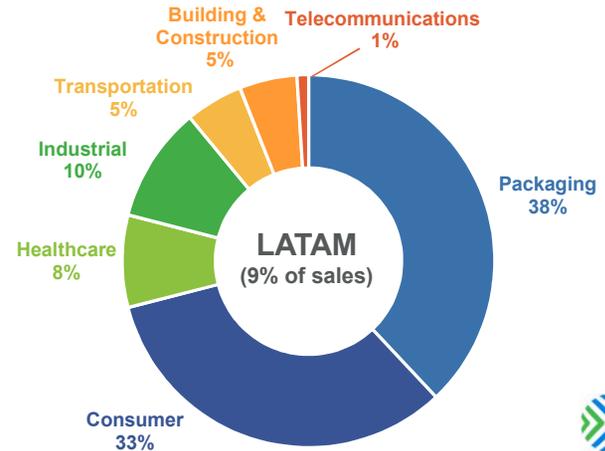
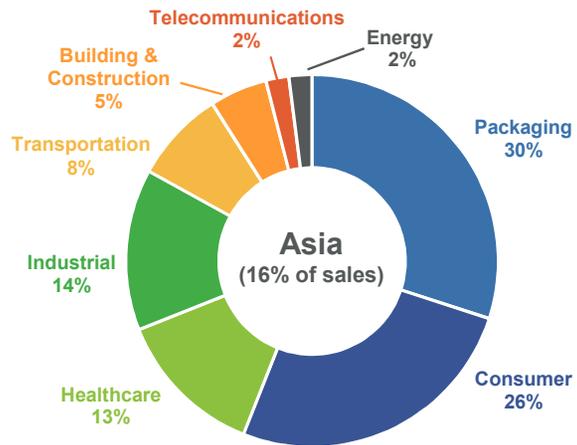
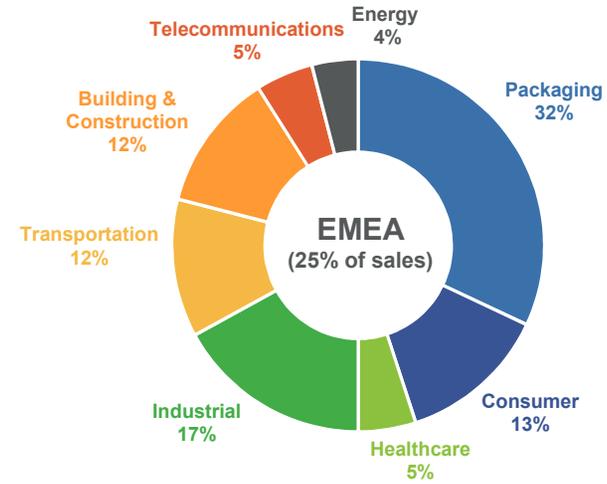
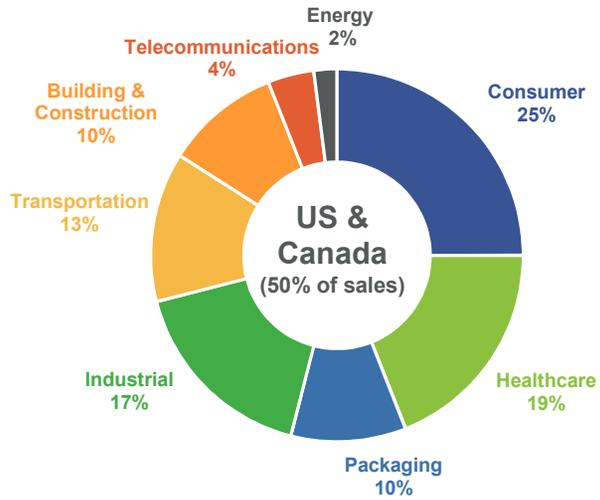
REGION



KEY SUPPLIERS



TOTAL COMPANY REGIONAL SALES BY END MARKET



All charts reflect 2021 financials



**Reconciliation of Non-GAAP Financial Measures
(Unaudited)**

(Dollars in millions, except for per share data)

Senior management uses comparisons of adjusted net income from continuing operations attributable to Avient shareholders and diluted adjusted earnings per share (EPS) from continuing operations attributable to Avient shareholders, excluding special items, to assess performance and facilitate comparability of results. Senior management also uses operating income before special items to assess performance and allocate resources because senior management believes that these measures are useful in understanding current profitability levels and how it may serve as a basis for future performance. In addition, operating income before the effect of special items is a component of Avient's annual and long-term employee incentive plans and is used in debt covenant computations. We also monitor earnings (defined as net income from continuing operations) before interest, taxes, depreciation and amortization (EBITDA) and adjusted EBITDA (EBITDA before the impact of special items) as a supplement to our GAAP measures. EBITDA and Adjusted EBITDA are non-GAAP financial measures that management uses in evaluating operating performance.

Avient acquired Clariant Color on July 1, 2020 (the "Acquisition Date"). To provide comparable financial results, the Company references "pro forma" financial metrics, which include the business results of CMB for periods prior to the Acquisition Date. Management believes this provides comparability of the performance of the combined businesses.

Senior management believes the measures described above are useful to investors because they allow for comparison to Avient's performance in prior periods without the effect of items that, by their nature, tend to obscure Avient's operating results due to the potential variability across periods based on timing, frequency and magnitude. The presentation of these non-GAAP measures is not intended to be considered in isolation from, as a substitute for, or as superior to, the financial information prepared and presented in accordance with U.S. GAAP. 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. The presentation of these measures may be different from non-GAAP financial measures used by other companies.

A reconciliation of these measures to their most directly comparable GAAP measures is provided in the tables below.

Reconciliation of EBITDA by Segment	Three Months Ended December 31,		Year Ended December 31,			
	2021	2020	2021	2020	2019	2018
Sales:						
Color, Additives and Inks	\$ 581.3	\$ 525.8	\$ 2,401.6	\$ 1,502.9	\$ 1,003.8	\$ 1,046.5
Specialty Engineered Materials	228.2	190.6	918.9	708.8	745.7	645.8
Distribution	425.0	305.1	1,630.9	1,110.3	1,192.2	1,265.4
Corporate and eliminations	(33.0)	(24.5)	(132.6)	(79.9)	(79.0)	(76.7)
Sales	<u>\$ 1,201.5</u>	<u>\$ 997.0</u>	<u>\$ 4,818.8</u>	<u>\$ 3,242.1</u>	<u>\$ 2,862.7</u>	<u>\$ 2,881.0</u>
Operating income:						
Color, Additives and Inks	\$ 61.2	\$ 57.5	\$ 303.1	\$ 180.8	\$ 147.4	\$ 158.5
Specialty Engineered Materials	28.8	30.4	132.0	94.4	83.7	72.3
Distribution	21.7	18.0	93.2	69.5	75.4	71.5
Corporate and eliminations	(37.7)	(40.9)	(147.1)	(155.4)	(149.7)	(123.7)
Operating Income	<u>\$ 74.0</u>	<u>\$ 65.0</u>	<u>\$ 381.2</u>	<u>\$ 189.3</u>	<u>\$ 156.8</u>	<u>\$ 178.6</u>
Items Below Operating Income in Corporate:						
Other income, net	\$ (5.4)	\$ 11.7	\$ (1.3)	\$ 24.3	\$ 12.1	\$ (12.9)
Depreciation & amortization:						
Color, Additives and Inks	\$ 26.4	\$ 27.3	\$ 105.7	\$ 75.1	\$ 42.7	\$ 44.3
Specialty Engineered Materials	8.0	7.4	31.7	30.0	29.5	23.2
Distribution	0.2	0.3	0.8	0.7	0.5	0.7
Corporate and eliminations	3.6	2.8	7.7	9.3	5.4	4.4
Depreciation & Amortization	<u>\$ 38.2</u>	<u>\$ 37.8</u>	<u>\$ 145.9</u>	<u>\$ 115.1</u>	<u>\$ 78.1</u>	<u>\$ 72.6</u>
EBITDA:						
Color, Additives and Inks	\$ 87.6	\$ 84.8	\$ 408.8	\$ 255.9	\$ 190.1	\$ 202.8
Specialty Engineered Materials	36.8	37.8	163.7	124.4	113.2	95.5
Distribution	21.9	18.3	94.0	70.2	75.9	72.2
Corporate and eliminations	(39.5)	(26.4)	(140.7)	(121.8)	(132.2)	(132.2)
EBITDA	<u>\$ 106.8</u>	<u>\$ 114.5</u>	<u>\$ 525.8</u>	<u>\$ 328.7</u>	<u>\$ 247.0</u>	<u>\$ 238.3</u>
EBITDA as a % of sales:						
Color, Additives and Inks	15.1 %	16.1 %	17.0 %	17.0 %	18.9 %	19.4 %
Specialty Engineered Materials	16.1 %	19.8 %	17.8 %	17.6 %	15.2 %	14.8 %
Distribution	5.2 %	6.0 %	5.8 %	6.3 %	6.4 %	5.7 %

Reconciliation of Pro Forma Sales, Operating Income and EBITDA - Color, Additives and Inks

	Year Ended December 31,		
	2020	2019	2018
Sales:			
Color, Additives and Inks	\$ 1,502.9	\$ 1,003.8	\$ 1,046.5
Clariant Color pro forma adjustments ⁽¹⁾	540.4	1,118.6	1,209.8
Pro forma sales	<u>\$ 2,043.3</u>	<u>\$ 2,122.4</u>	<u>\$ 2,256.3</u>
Operating income:			
Color, Additives and Inks	\$ 180.8	\$ 147.4	\$ 158.5
Clariant Color pro forma adjustments ⁽¹⁾	45.0	72.9	80.3
Pro forma operating income	<u>\$ 225.8</u>	<u>\$ 220.3</u>	<u>\$ 238.8</u>
Depreciation & amortization:			
Color, Additives and Inks	\$ 75.1	\$ 42.7	\$ 44.3
Clariant Color pro forma adjustments ⁽¹⁾	30.1	60.3	61.2
Pro forma depreciation & amortization	<u>\$ 105.2</u>	<u>\$ 103.0</u>	<u>\$ 105.5</u>
EBITDA			
Color, Additives and Inks	\$ 255.9	\$ 190.1	\$ 202.8
Clariant Color pro forma adjustments ⁽¹⁾	75.1	133.2	141.5
Pro forma EBITDA	<u>\$ 331.0</u>	<u>\$ 323.3</u>	<u>\$ 344.3</u>
Pro forma EBITDA as a % of Sales	16.2 %	15.2 %	15.3 %

	Three Months Ended December 31,		Year Ended December 31,		
	2021	2020	2021	2020	2019
Reconciliation to Adjusted EBITDA:					
Net income from continuing operations – GAAP	\$ 28.9	\$ 74.7	\$ 230.6	\$ 133.8	\$ 75.7
Income tax expense (benefit)	22.2	(17.3)	74.0	5.2	33.7
Interest expense	17.5	19.3	75.3	74.6	59.5
Depreciation and amortization from continuing operations	38.2	37.8	145.9	115.0	78.1
EBITDA	<u>\$ 106.8</u>	<u>\$ 114.5</u>	<u>\$ 525.8</u>	<u>\$ 328.6</u>	<u>\$ 247.0</u>
Special items, before tax	20.6	4.2	57.1	66.2	61.7
Interest expense included in special items	—	—	—	(10.1)	—
Depreciation and amortization included in special items	(1.6)	(0.70)	(1.7)	(3.2)	—
Adjusted EBITDA	<u>\$ 125.8</u>	<u>\$ 118.0</u>	<u>\$ 581.2</u>	<u>\$ 381.6</u>	<u>\$ 308.7</u>
Clariant Color pro forma adjustments ⁽¹⁾	—	33.4	—	75.1	133.2
Pro forma adjusted EBITDA	<u>\$ 125.8</u>	<u>\$ 113.1</u>	<u>\$ 581.2</u>	<u>\$ 456.7</u>	<u>\$ 441.9</u>

Free Cash Flow Calculation	December 31, 2021
Cash provided by operating activities	233.8
Capital expenditures	(100.6)
Free cash flow	<u>\$ 133.2</u>

Net Debt Calculation	December 31, 2021
Total long-term debt, net	\$ 1,850.3
Unamortized discount and debt issuance cost	14.4
Short-term and current portion of long term debt	8.6
Total debt	\$ 1,873.3
Cash	(601.2)
Net debt	\$ 1,272.1

	Three Months Ended December 31, 2021		
	Avient	Special Items	Adjusted Avient
Reconciliation of Adjusted Earnings per Share:			
Sales	\$ 1,201.5	\$ —	\$ 1,201.5
Operating income	\$ 74.0	\$ 11.2	\$ 85.2
Interest expense, net	(17.5)	—	(17.5)
Other income, net	(5.4)	9.4	4.0
Income taxes	(22.2)	3.4	(18.8)
Net income from continuing operations attributable to Avient shareholders	\$ 29.8	\$ 24.0	\$ 53.8
Weighted average diluted shares			92.1
Adjusted EPS - excluding special items			\$ 0.58
Reconciliation of Adjusted EBITDA from continuing operations:			
Operating income and other income, net	\$ 68.6	\$ 20.6	\$ 89.2
Depreciation and amortization	38.2	(1.6)	36.6
EBITDA from continuing operations	\$ 106.8	\$ 19.0	\$ 125.8
EBITDA as a % of sales			10.5 %

	Three Months Ended December 31, 2020		
	Avient	Special Items	Adjusted Avient
Reconciliation of Adjusted Earnings per Share:			
Sales	\$ 997.0	\$ —	\$ 997.0
Operating income	\$ 65.0	\$ 14.6	\$ 79.6
Interest expense, net	(19.3)	—	(19.3)
Other income, net	11.7	(10.4)	1.3
Income taxes	17.3	(30.9)	(13.6)
Net income from continuing operations attributable to Avient shareholders	\$ 74.2	\$ (26.7)	\$ 47.5
Weighted average diluted shares			92.1
Adjusted EPS - excluding special items			\$ 0.52
Reconciliation of Adjusted EBITDA from continuing operations:			
Operating income and other income, net	\$ 76.7	\$ 4.2	\$ 80.9
Depreciation and amortization	37.8	(0.7)	37.1
EBITDA from continuing operations	\$ 114.5	\$ 3.5	\$ 118.0
EBITDA as a % of sales			11.8 %

(1) - Pro forma adjustments for the periods prior to the acquisition date (July 1, 2020) and to give effects of the financing for the acquisition

**Year Ended
December 31, 2020**

Reconciliation of Pro Forma Adjusted Earnings per Share:	Avient	Special Items	Adjusted Avient	Clariant Color Pro Forma Adjustments⁽¹⁾	Pro Forma Adjusted Avient
Sales	\$ 3,242.1	\$ —	\$ 3,242.1	\$ 540.4	\$ 3,782.5
Operating income	\$ 189.3	\$ 73.7	\$ 263.0	\$ 45.0	\$ 308.0
Interest expense, net	(74.6)	10.1	(64.5)	(18.1)	(82.6)
Other income, net	24.3	(17.6)	6.7	—	6.7
Income taxes	(5.2)	(41.4)	(46.6)	(6.2)	(52.8)
Net income attributable to noncontrolling interests	(1.8)	—	(1.8)	—	(1.8)
Net income from continuing operations attributable to Avient shareholders	<u>\$ 132.0</u>	<u>\$ 24.8</u>	<u>\$ 156.8</u>	<u>\$ 20.7</u>	<u>\$ 177.5</u>
Weighted average diluted shares					90.6
Impact to diluted shares from January 2020 equity offering					1.5
Pro forma weighted average diluted shares					<u>92.1</u>
Pro forma adjusted EPS					<u>\$ 1.93</u>

Reconciliation of Pro Forma Adjusted EBITDA from continuing operations:

Operating income and other income, net	\$ 213.6	\$ 56.1	\$ 269.7	\$ 45.0	\$ 314.7
Depreciation and amortization	115.1	(3.2)	111.9	30.1	142.0
EBITDA from continuing operations	<u>\$ 328.7</u>	<u>\$ 52.9</u>	<u>\$ 381.6</u>	<u>\$ 75.1</u>	<u>\$ 456.7</u>
EBITDA as a % of sales					12.1 %

**Year Ended
December 31, 2019**

Reconciliation of Pro Forma Adjusted Earnings per Share:	Avient	Special Items	Adjusted Avient	Clariant Color Pro Forma Adjustments⁽¹⁾	Pro Forma Adjusted Avient
Sales	\$ 2,862.7	\$ —	\$ 2,862.7	\$ 1,118.6	\$ 3,981.3
Operating income	\$ 156.8	\$ 71.7	\$ 228.5	\$ 72.9	\$ 301.4
Interest expense, net	(59.5)	—	(59.5)	(33.4)	(92.9)
Other income, net	12.1	(10.0)	2.1	—	2.1
Income taxes	(33.7)	(5.9)	(39.6)	(9.1)	(48.7)
Net income attributable to noncontrolling interests	(0.2)	—	(0.2)	—	(0.2)
Net income from continuing operations attributable to Avient shareholders	<u>\$ 75.5</u>	<u>\$ 55.8</u>	<u>\$ 131.3</u>	<u>\$ 30.4</u>	<u>\$ 161.7</u>
Weighted average diluted shares					77.7
Impact to diluted shares from January 2020 equity offering					15.3
Pro forma weighted average diluted shares					<u>93.0</u>
Pro forma adjusted EPS					<u>\$ 1.74</u>

Reconciliation of Pro Forma Adjusted EBITDA from continuing operations:

Operating income and other income, net	\$ 168.9	\$ 61.7	\$ 230.6	\$ 72.9	\$ 303.5
Depreciation and amortization	78.1	—	78.1	60.3	138.4
EBITDA from continuing operations	<u>\$ 247.0</u>	<u>\$ 61.7</u>	<u>\$ 308.7</u>	<u>\$ 133.2</u>	<u>\$ 441.9</u>
EBITDA as a % of sales					11.1 %

(1) - Pro forma adjustments for the periods prior to the acquisition date (July 1, 2020) and to give effects of the financing for the acquisition

Reconciliation to Condensed Consolidated Statements of Income	Three Months Ended March 31, 2021		
	GAAP Results	Special Items	Adjusted Results
Operating income	\$ 120.4	\$ 2.4	\$ 122.8
Income from continuing operations before income taxes	\$ 102.6	\$ 2.4	\$ 105.0
Income tax expense - GAAP	(22.9)	—	(22.9)
Income tax impact of special items	—	(0.9)	(0.9)
Tax adjustments	—	1.1	1.1
Net income attributable to noncontrolling interests	(0.4)	—	(0.4)
Net income from continuing operations attributable to Avient shareholders	<u>\$ 79.3</u>	<u>\$ 2.6</u>	<u>\$ 81.9</u>
Net income / EPS	\$ 0.86	0.03	\$ 0.89
Weighted-average diluted shares	92.2	92.2	92.2

Reconciliation to Condensed Consolidated Statements of Income	Year Ended December 31, 2021		
	GAAP Results	Special Items	Adjusted Results
Operating income	\$ 381.2	\$ 47.8	\$ 429.0
Income from continuing operations before income taxes	\$ 304.6	\$ 57.1	\$ 361.7
Income tax expense - GAAP	(74.0)	—	(74.0)
Income tax impact of special items	—	(13.0)	(13.0)
Tax adjustments	—	5.9	5.9
Net income attributable to noncontrolling interests	0.2	—	0.2
Net income from continuing operations attributable to Avient shareholders	<u>\$ 230.8</u>	<u>\$ 50.0</u>	<u>\$ 280.8</u>
Net income / EPS	\$ 2.51	0.54	\$ 3.05
Weighted-average diluted shares	92.1	92.1	92.1

Reconciliation of pro forma sales, operating income, and EBITDA:	Three Months Ended December 31, 2019			Year Ended December 31, 2019		
	CAI	Clariant Color Pro Forma Adjustments ⁽¹⁾	Pro Forma CAI	CAI	Clariant Color Pro Forma Adjustments ⁽¹⁾	Pro Forma CAI
Sales	\$ 226.7	\$ 263.5	\$ 490.2	\$ 1,003.8	\$ 1,118.6	\$ 2,122.4
Operating income	\$ 27.2	\$ 13.2	\$ 40.4	\$ 147.4	\$ 72.9	\$ 220.3
EBITDA	\$ 37.9	\$ 28.3	\$ 66.2	\$ 190.1	\$ 133.2	\$ 323.3
EBITDA as a % of sales			13.5 %			15.2 %

(1) - Pro forma adjustments for the periods prior to the acquisition date (July 1, 2020) and to give effects of the financing for the acquisition

**Year Ended
December 31, 2020**

Reconciliation of pro forma sales, operating income, and EBITDA:	Clariant Color Pro Forma Adjustments⁽¹⁾		
	CAI	Pro Forma Adjustments⁽¹⁾	Pro Forma CAI
Sales	\$ 1,502.9	\$ 540.4	\$ 2,043.3
Operating income	\$ 180.8	\$ 45.0	\$ 225.8
EBITDA	\$ 255.9	\$ 75.1	\$ 331.0
EBITDA as a % of sales			16.2 %

(1) - Pro forma adjustments for the periods prior to the acquisition date (July 1, 2020) and to give effects of the financing for the acquisition