



AVIENT CORPORATION

FIRST QUARTER 2024 RESULTS AND 2024
FINANCIAL GUIDANCE

(NYSE: AVNT)

MAY 7, 2024



DISCLAIMER

Forward-Looking Statements

Certain statements contained in or incorporated by reference into this presentation constitute “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. You can identify these statements by the fact that they do not relate strictly to historic or current facts. 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;
- Disruptions or inefficiencies in our supply chain, logistics, or operations;
- Changes in laws and regulations in jurisdictions where we conduct business, including with respect to plastics and climate change;
- Fluctuations in raw material prices, quality and supply, and in energy prices and supply;
- Demand for our products and services;
- 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;
- Our ability to achieve strategic objectives and successfully integrate acquisitions, including the implementation of a cloud-based enterprise resource planning system, S/4HANA; and
- Other factors affecting our business beyond our control, including without limitation, changes in the general economy, changes in interest rates, changes in the rate of inflation, geopolitical conflicts and any recessionary conditions

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 Earnings Per Share and Adjusted EBITDA.

Avient’s chief operating decision maker uses these financial measures to monitor and evaluate the ongoing performance of Avient 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.

When showing constant dollar figures on GAAP and non-GAAP financial measures, the foreign exchange impact is calculated by using current foreign exchange rates and applying them to the prior period results.

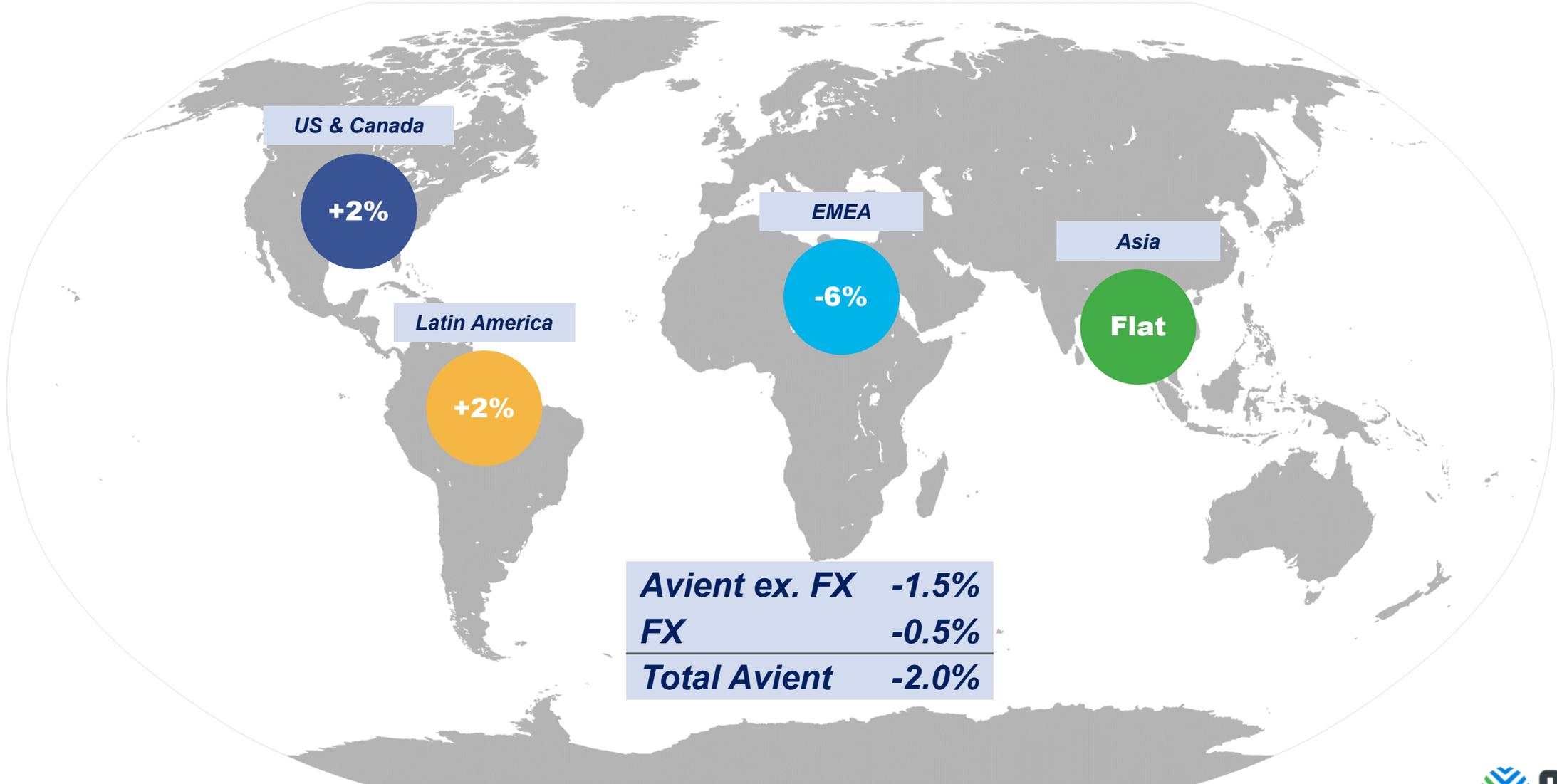
Avient does not provide reconciliations of forward-looking non-GAAP financial measures, such as outlook for Adjusted EBITDA and Adjusted Earnings Per Share, to the most comparable GAAP financial measures on a forward-looking basis because Avient is unable to provide a meaningful or accurate calculation 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 Avient’s control and/or cannot be reasonably predicted. For the same reasons, Avient is unable to address the probable significance of the unavailable information.

The background features a complex, abstract design with overlapping geometric shapes in shades of blue, white, and gold. These shapes contain various financial data visualizations, including candlestick charts, line graphs, and bar charts. The overall aesthetic is modern and professional, typical of a corporate or financial presentation.

OPENING REMARKS

REGIONAL DEMAND TRENDS-TOTAL COMPANY

Q1 SALES VS PY (EXCLUDING FX)





Q1 2024 RESULTS

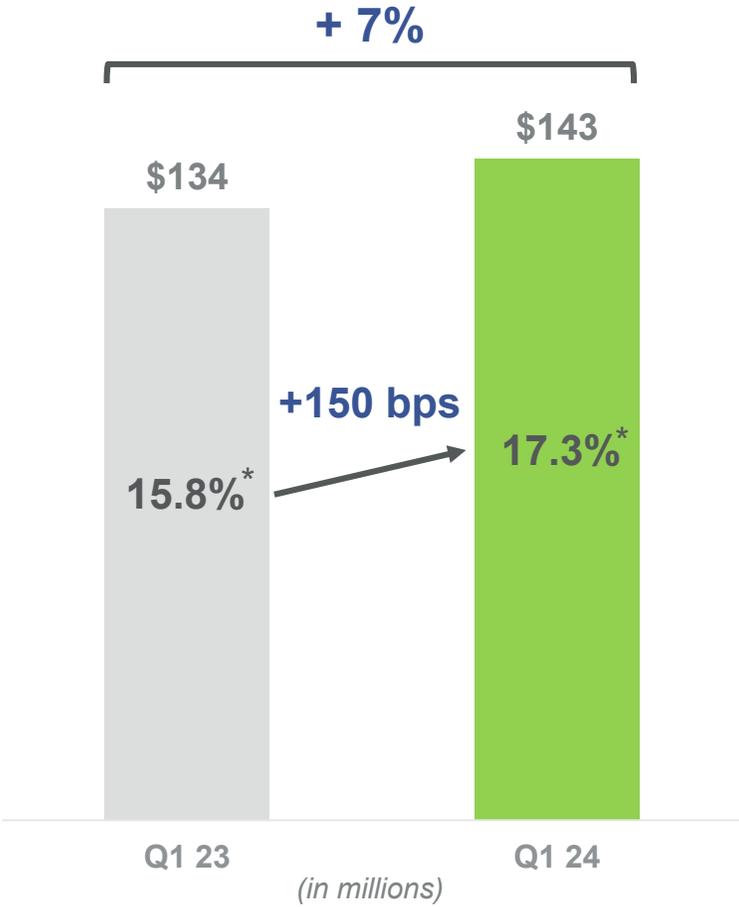
Q1 2024 PERFORMANCE VS. Q1 2023

(TOTAL COMPANY)

Sales



Adjusted EBITDA



Adjusted EPS



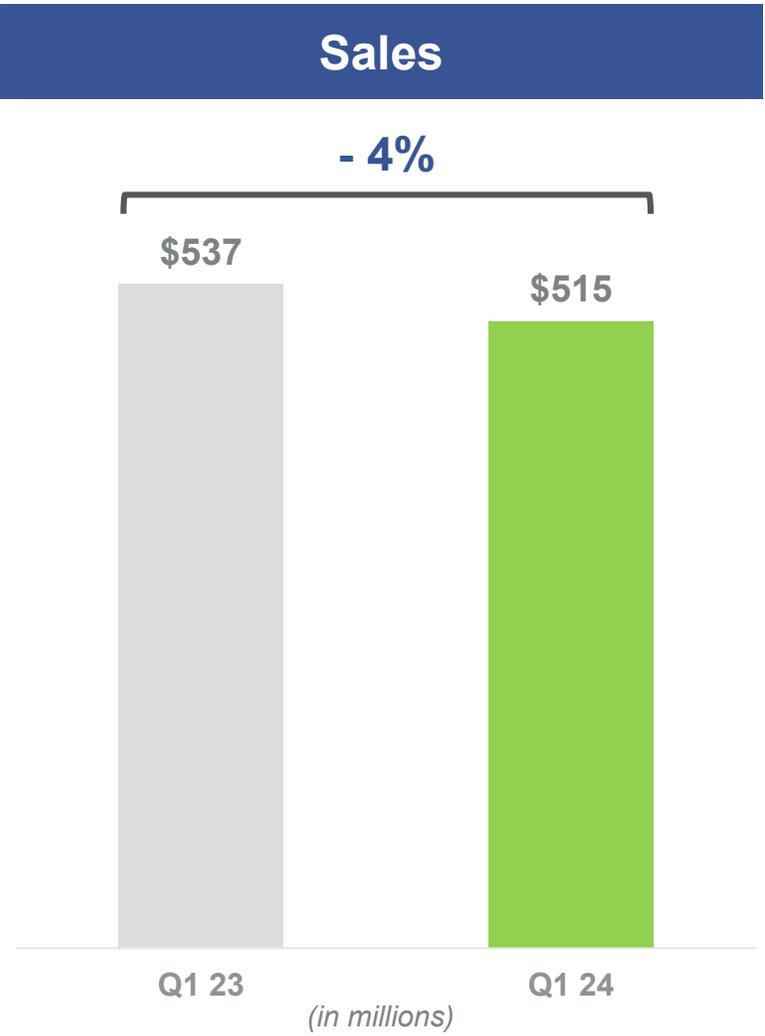
* Adjusted EBITDA Margin %



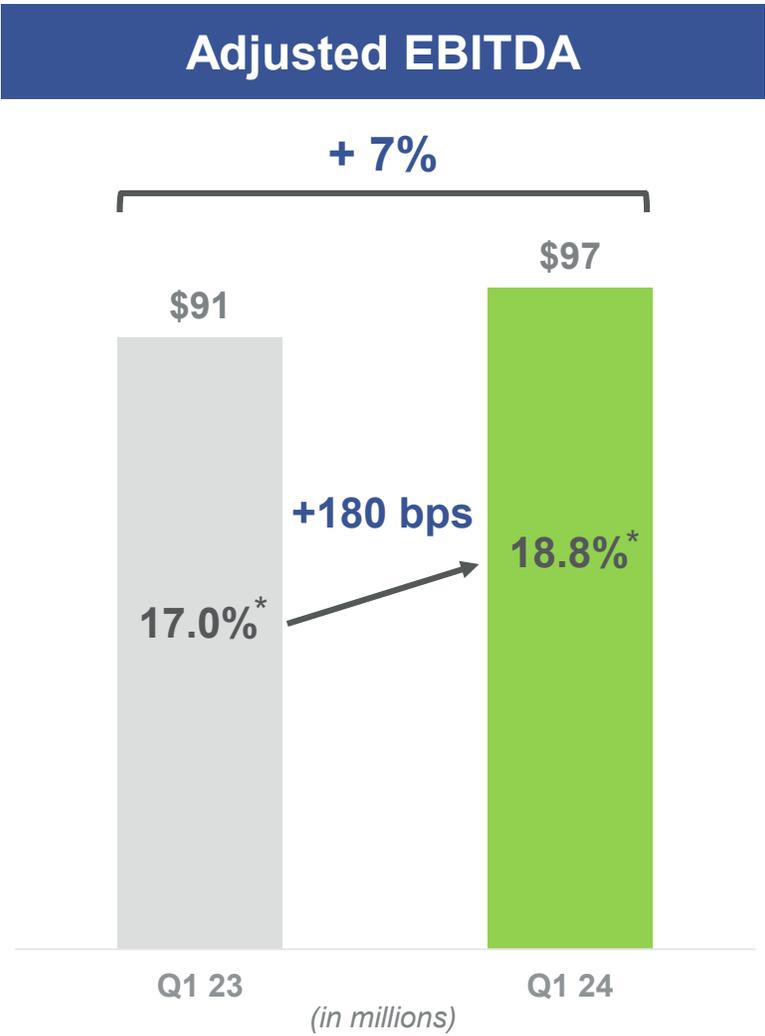
Q1 2024 SEGMENT PERFORMANCE

(COLORS, ADDITIVES & INKS)

Sales



Adjusted EBITDA



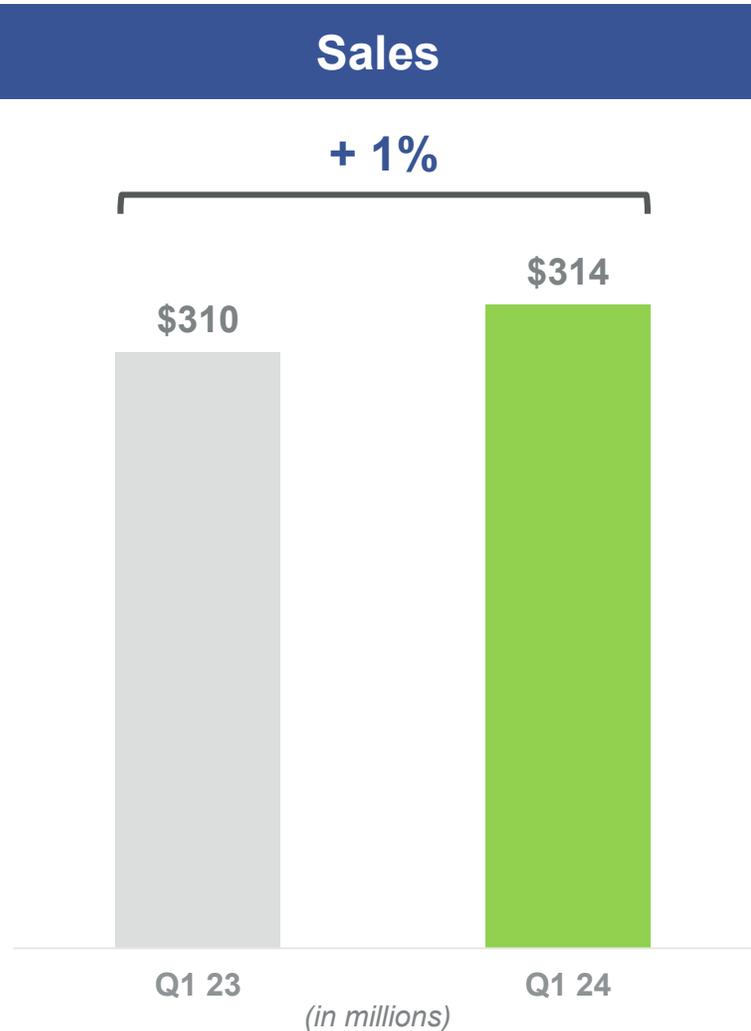
- Year over year demand continues to improve for the segment but slowly due to continued weakness in Europe
- Raw material deflation & cost reduction actions primary drivers of adjusted EBITDA growth and margin expansion of +180 bps vs Q1 2023

* Adjusted EBITDA Margin %

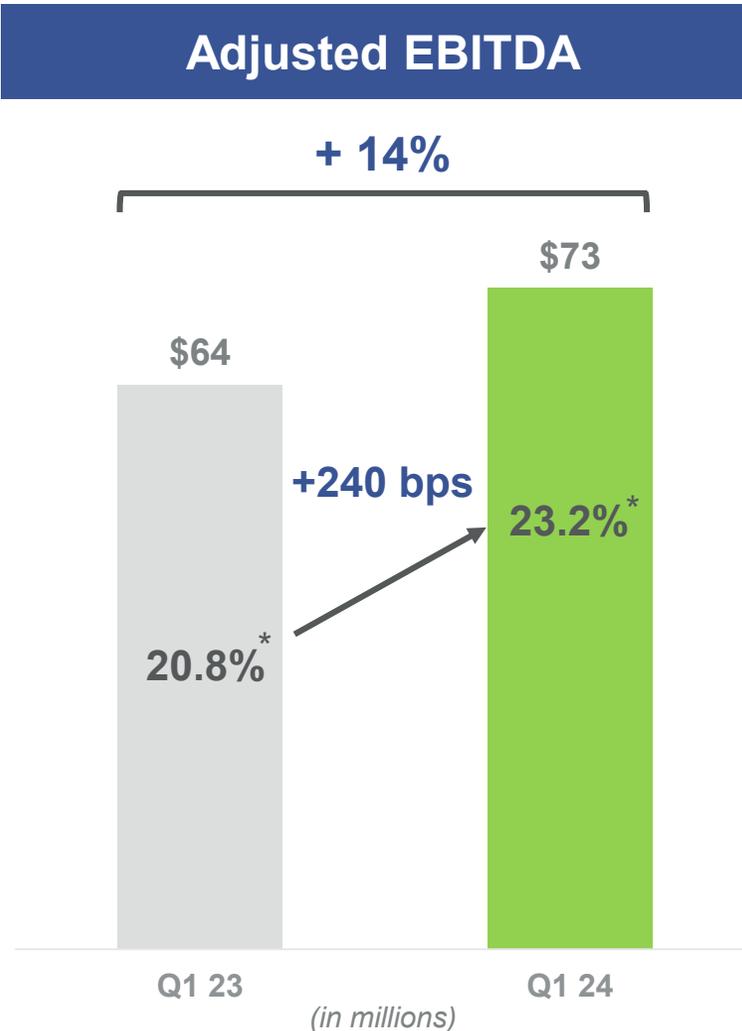
Q1 2024 SEGMENT PERFORMANCE

(SPECIALTY ENGINEERED MATERIALS)

Sales



Adjusted EBITDA



- Sales growth in defense end market offset by weaker demand in telecommunications end market
- Raw material deflation and favorable mix impact from defense sales primary drivers of adjusted EBITDA growth and margin expansion of +240 bps vs Q1 2023

* Adjusted EBITDA Margin %

Q1 EBITDA BRIDGE

(TOTAL COMPANY)

<i>\$ millions</i>	Adjusted EBITDA
Q1 2023	\$ 134
Demand	(6)
<u>CAI:</u>	
<i>Price / Mix</i>	<i>(1)</i>
<i>Deflation</i>	<i>16</i>
<u>SEM:</u>	
<i>Price / Mix</i>	<i>4</i>
<i>Deflation</i>	<i>7</i>
Net Price Benefit	26
Wage/Other Inflation	(9)
FX	(2)
Q1 2024	\$143

- Positive net price benefit:
 - Favorable raw material deflation in both segments

- Wage and other inflation more than offset cost reductions/synergies



2024 GUIDANCE

FY 2024 GUIDANCE

	Original	Revised
Adjusted EBITDA	\$505 to \$535 million	\$510 to \$535 million
Adjusted EPS	\$2.40 to \$2.65	\$2.50 to \$2.65
Interest Expense	\$105 to \$110 million	\$105 million
Adjusted Effective Tax Rate	23% to 25%	23% to 25%
Capital Expenditures	~\$140 million	~\$140 million

Q2 2024: Adjusted EPS of \$0.71



**CEO "TOP OF MIND"
FOCUS AREAS**

AREAS OF FOCUS



Drive Profitable Organic
Top-Line Growth with
Margin Expansion



Amplify Innovation



Build Leadership & Talent
Pipeline

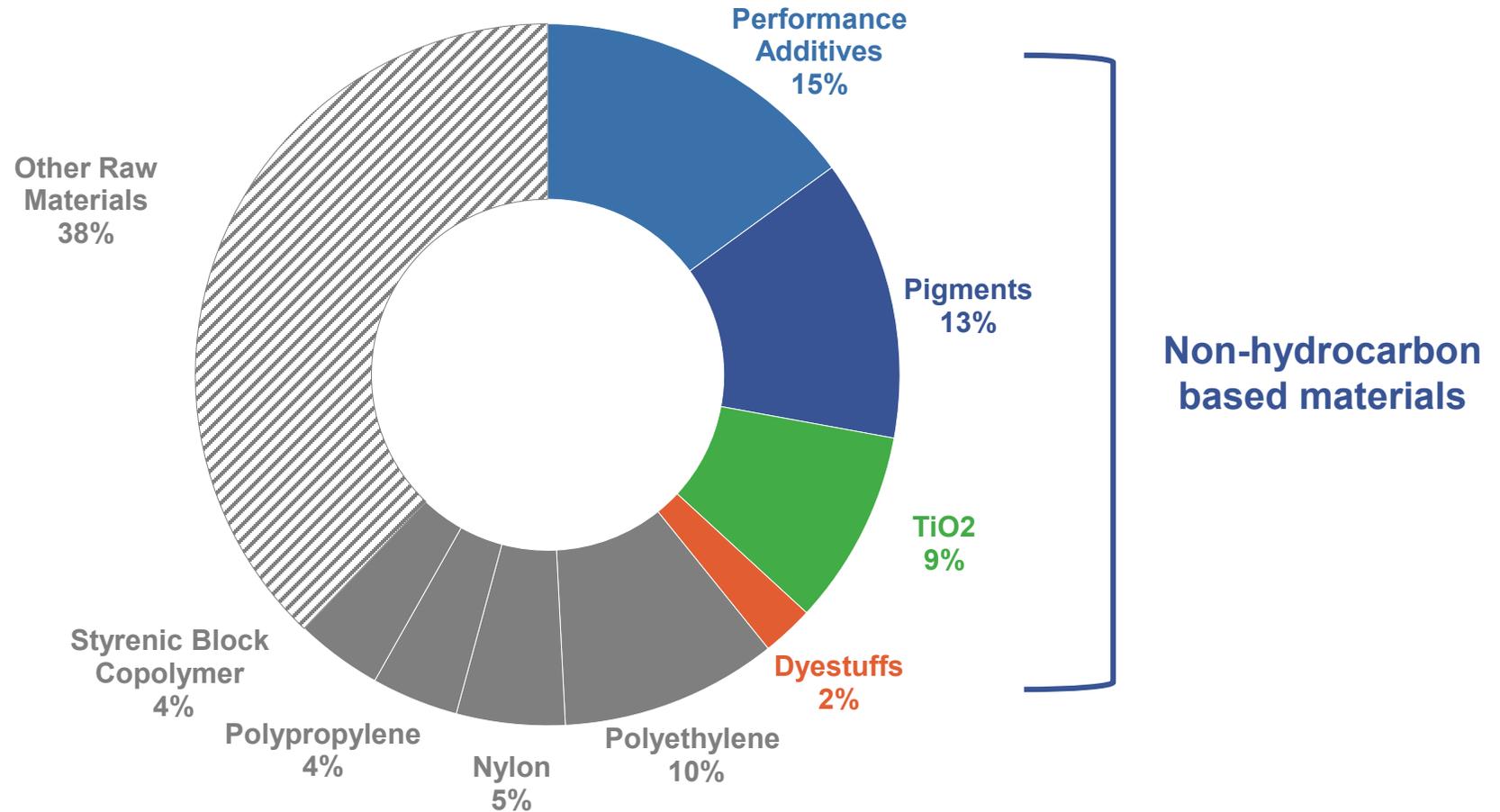






APPENDIX

RAW MATERIAL BASKET

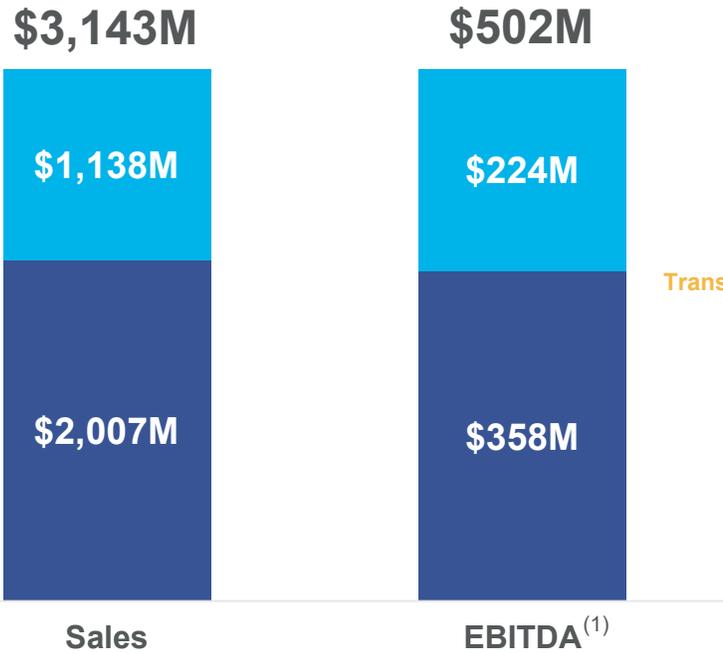




SEGMENT DATA

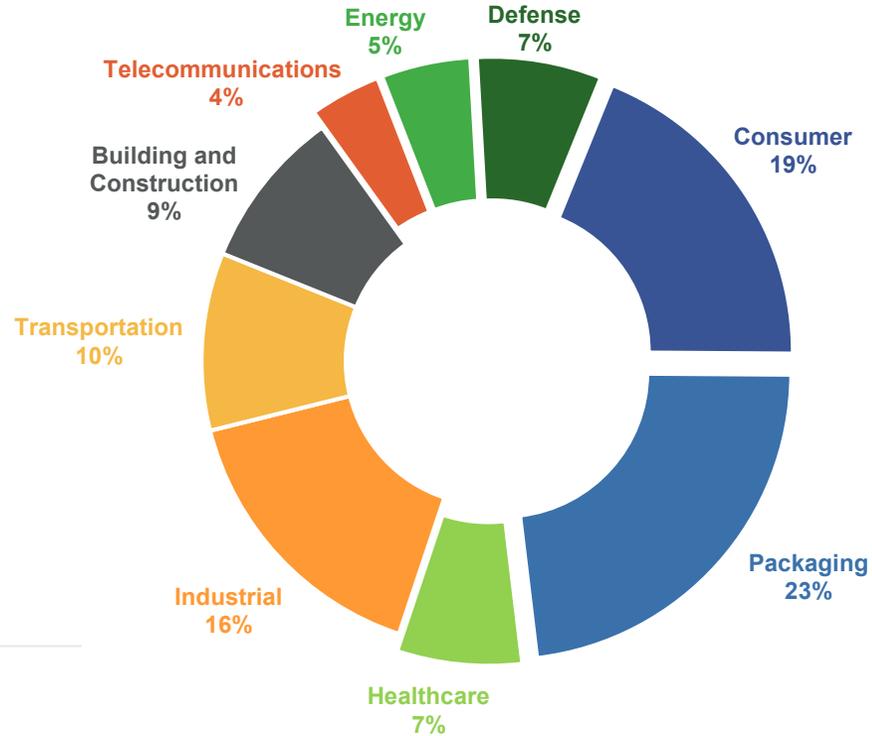
2023 SEGMENT, END MARKET AND GEOGRAPHY

SEGMENT FINANCIALS

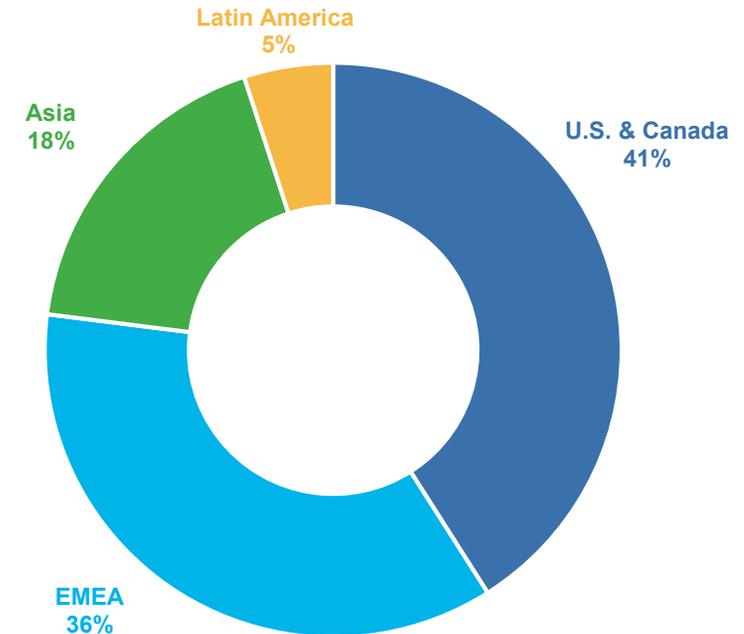


- Specialty Engineered Materials
- Color Additives and Inks

END MARKET REVENUE



GEOGRAPHY REVENUE

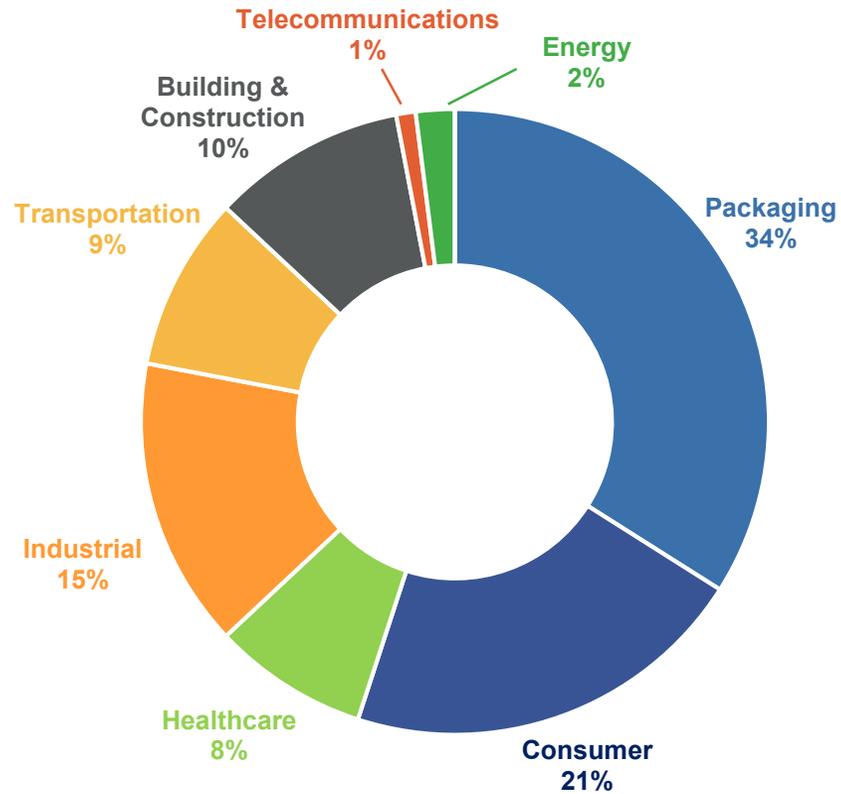


(1) Total company sales and adjusted EBITDA of \$3,143M and \$502M, respectively, include intercompany sales eliminations and corporate costs

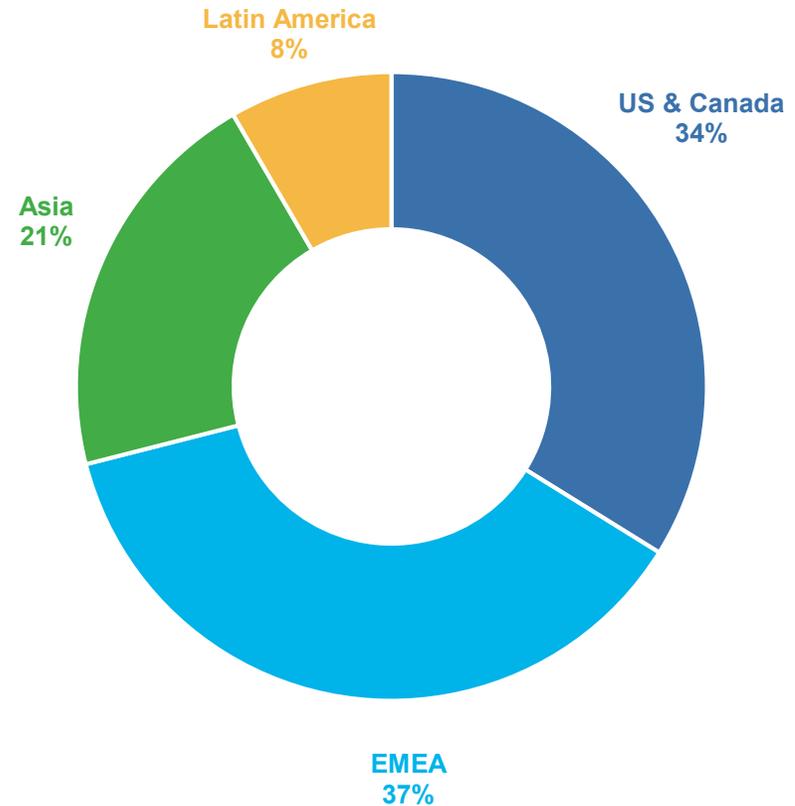
COLOR, ADDITIVES & INKS

2023 REVENUE | \$2.0 BILLION

END MARKET



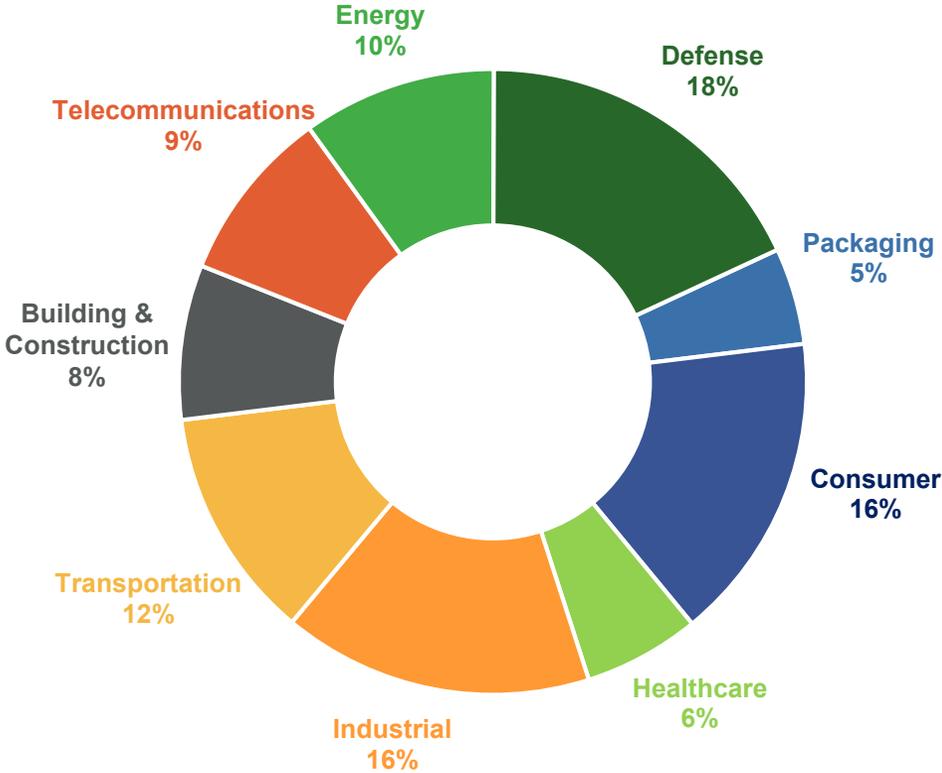
REGION



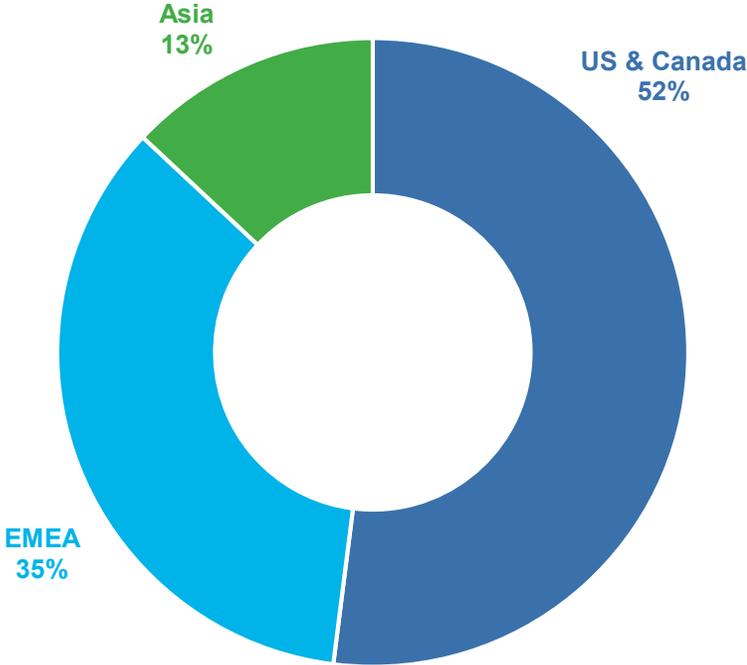
SPECIALTY ENGINEERED MATERIALS

2023 REVENUE | \$1.1 BILLION

END MARKET

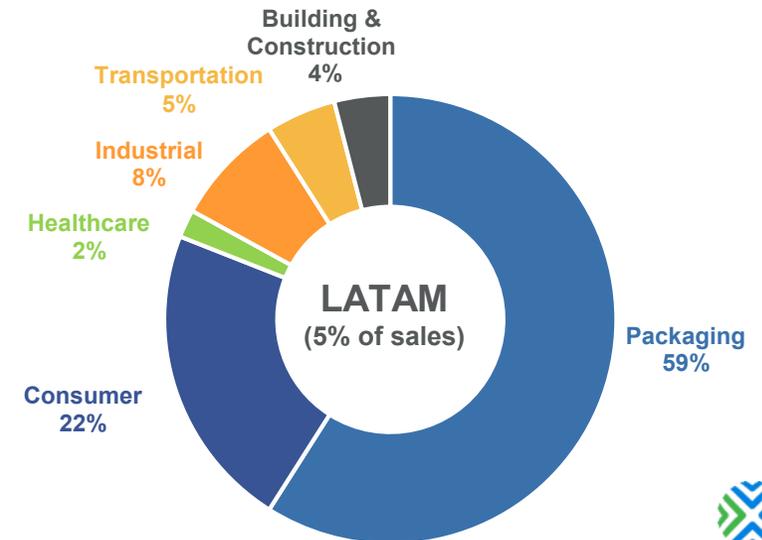
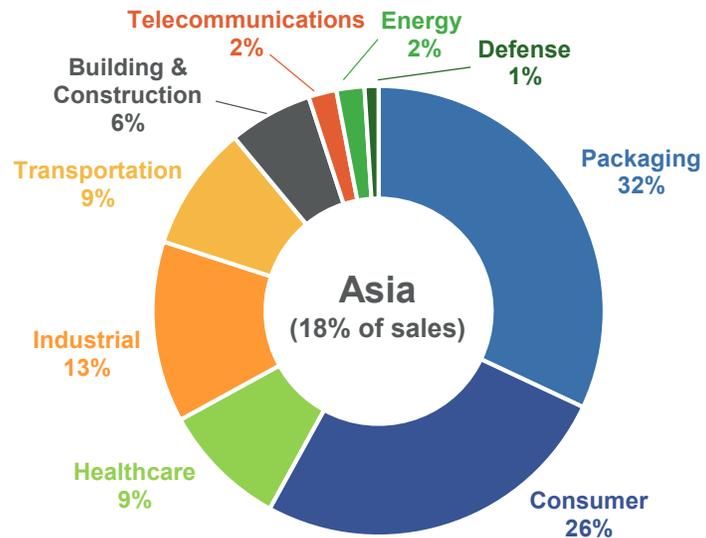
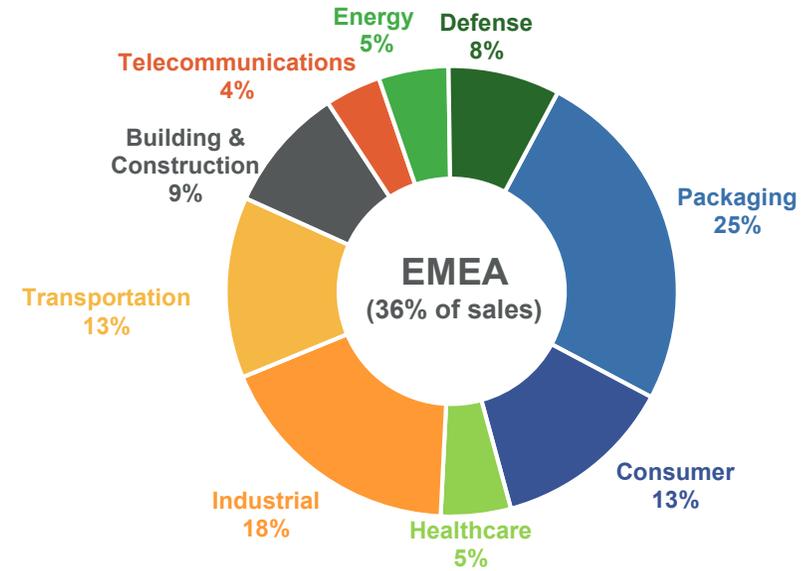
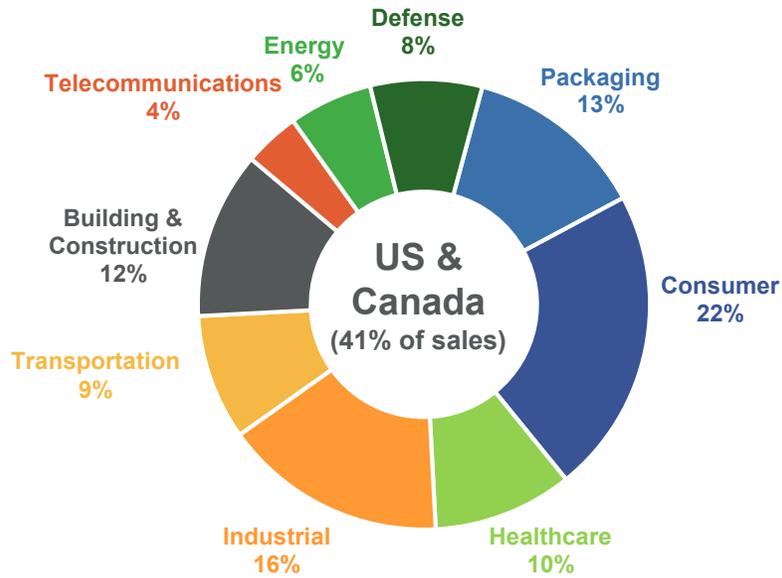


REGION



2023 AVIENT REGIONAL SALES

BY END MARKET



**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 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. Further, as a result of Avient's portfolio shift to a pure play specialty formulator, it has completed several acquisitions and divestitures which have resulted in a significant amount of intangible asset amortization. Management excludes intangible asset amortization from adjusted EPS as it believes excluding acquired intangible asset amortization is a useful measure of current period earnings per share.

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.

	Three Months Ended March 31,			
	2024		2023	
	\$	EPS	\$	EPS
Reconciliation to Condensed Consolidated Statements of Income				
Net income from continuing operations attributable to Avient shareholders	\$ 49.4	\$ 0.54	\$ 20.8	\$ 0.23
Special items, after-tax	5.5	0.06	22.3	0.24
Amortization expense, after-tax	14.9	0.16	15.1	0.16
Adjusted net income / EPS	<u>\$ 69.8</u>	<u>\$ 0.76</u>	<u>\$ 58.2</u>	<u>\$ 0.63</u>

	Three Months Ended March 31,	
	2024	2023
Reconciliation to EBITDA and Adjusted EBITDA:		
Net income from continuing operations – GAAP	\$ 49.7	\$ 21.3
Income tax expense	16.8	7.7
Interest expense, net	26.6	28.8
Depreciation and amortization	44.3	50.5
EBITDA from continuing operations	137.4	108.3
Special items, before tax	6.2	27.3
Depreciation and amortization included in special items	(0.5)	(1.8)
Adjusted EBITDA	<u>\$ 143.1</u>	<u>\$ 133.8</u>
Adjusted EBITDA as a percent of sales	17.3 %	15.8 %

**Three Months Ended
March 31,**

2024 2023

Sales:

Color, Additives and Inks	\$ 515.3	\$ 537.0
Specialty Engineered Materials	314.4	309.7
Corporate	(0.7)	(1.0)
Sales	\$ 829.0	\$ 845.7

Operating income:

Color, Additives and Inks	\$ 74.8	\$ 65.6
Specialty Engineered Materials	53.4	43.1
Corporate	(34.2)	(51.6)
Operating income	\$ 94.0	\$ 57.1

Depreciation & amortization:

Color, Additives and Inks	\$ 21.9	\$ 25.8
Specialty Engineered Materials	19.6	21.2
Corporate	2.8	3.5
Depreciation & amortization	\$ 44.3	\$ 50.5

Earnings before interest, taxes, depreciation and amortization (EBITDA):

Color, Additives and Inks	\$ 96.7	\$ 91.4
Specialty Engineered Materials	73.0	64.3
Corporate	(31.4)	(48.1)
Other (expense) income, net	(0.9)	0.7
EBITDA from continuing operations	137.4	108.3
Special items, before tax	6.2	27.3
Depreciation and amortization included in special items	(0.5)	(1.8)
Adjusted EBITDA	\$ 143.1	\$ 133.8

Adjusted EBITDA as a percent of sales:

Color, Additives and Inks	18.8 %	17.0 %
Specialty Engineered Materials	23.2 %	20.8 %

**Year Ended
December 31, 2023**

Sales:

Color, Additives and Inks	\$ 2,007.4
Specialty Engineered Materials	1,138.2
Corporate	(2.8)
Sales	<u>\$ 3,142.8</u>

Operating income:

Color, Additives and Inks	\$ 259.9
Specialty Engineered Materials	142.5
Corporate	(205.6)
Operating income	<u>\$ 196.8</u>

Depreciation & amortization:

Color, Additives and Inks	\$ 98.3
Specialty Engineered Materials	81.5
Corporate	9.0
Depreciation & amortization	<u>\$ 188.8</u>

Earnings before interest, taxes, depreciation and amortization (EBITDA):

Color, Additives and Inks	\$ 358.2
Specialty Engineered Materials	224.0
Corporate	(196.6)
Other income, net	5.8
EBITDA from continuing operations	<u>391.4</u>
Special items, before tax	114.6
Interest expense included in special items	(2.3)
Depreciation and amortization included in special items	(1.9)
Adjusted EBITDA	<u>\$ 501.8</u>