



AVIENT CORPORATION

INVESTOR PRESENTATION

(NYSE: AVNT)

NOVEMBER 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;
- 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; and
- Other factors described in our Annual Report on Form 10-K for the year ended December 31, 2023 under Item 1A, "Risk Factors."

Any forward-looking statement speaks only as of the date on which such statement is made, and 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 Earnings Per Share, Adjusted Free Cash Flow, Adjusted EBITDA and Adjusted EBITDA margins.

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.

AVIENT OVERVIEW

Company Overview

9,300
Employees

102
Manufacturing
Sites

20,000+
Customers

- Innovating materials and processing solutions to solve our customers' challenges while enabling a sustainable world
- Broad portfolio of technologies with market leading positions and flexibility to anticipate and meet customer needs
- Focus is on organic revenue growth and margin expansion, following our successful portfolio transformation

2023 Financial Results

\$3.14B
Revenue

\$2.36
Adjusted EPS

\$502M
Adjusted EBITDA

16.0%
Adjusted EBITDA Margins

\$186M
Adjusted Free Cash Flow

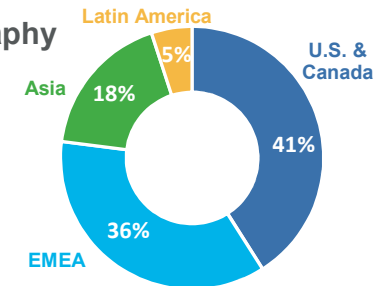
2024 Financial Guidance

\$525 to \$530 million
Adjusted EBITDA

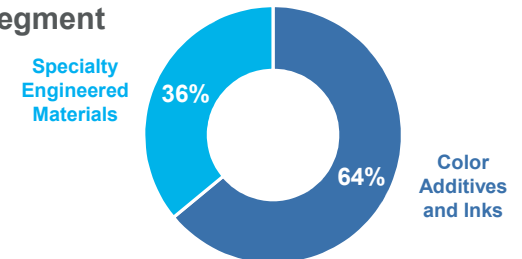
\$2.63 to \$2.67
Adjusted EPS

Revenue By:

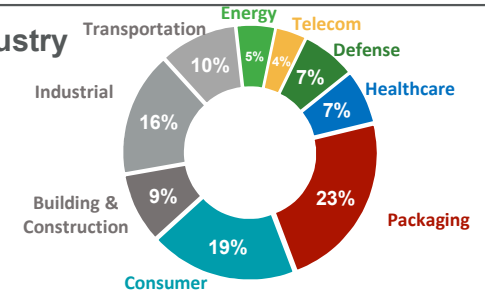
Geography



Segment



Industry



SUSTAINABILITY PERFORMANCE AND RECOGNITION

Industry Sustainability Standards



ESG Ratings Performance





**OCTOBER 31, 2024
WEBCAST
PRESENTATION**

Q3 2024 HIGHLIGHTS

- 8.5% organic sales growth driven by broad-based growth across all regions and most end markets in both CAI and SEM segments
- Growth stemmed from gaining share, winning new product specifications and restocking in certain end markets
- Both segments expanded YoY EBITDA margins by 40 bps each
- Adjusted EPS of \$0.65, an increase of 14% vs the prior year
- Successfully refinanced \$650M outstanding senior notes due 2025; extending maturity to 2031
- Increased dividend 5% to \$1.08 on an annualized basis; 14th consecutive increase

Net Sales
\$815 million

+8%
(+8.5% ex FX)

Adj. EBITDA
\$130 million

+6%
(+7% ex FX)

Adj. EPS
\$0.65

+14%
(+16% ex FX)

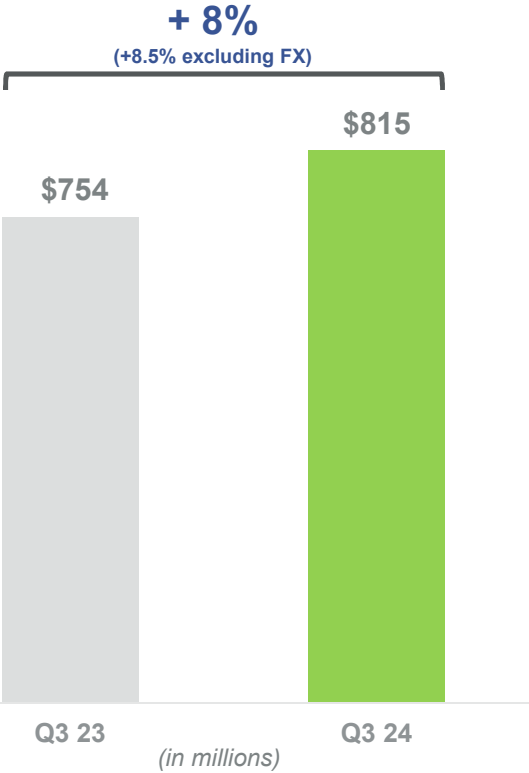


Q3 2024 RESULTS

TOTAL COMPANY

(Q3 2024 PERFORMANCE VS Q3 2023)

Sales



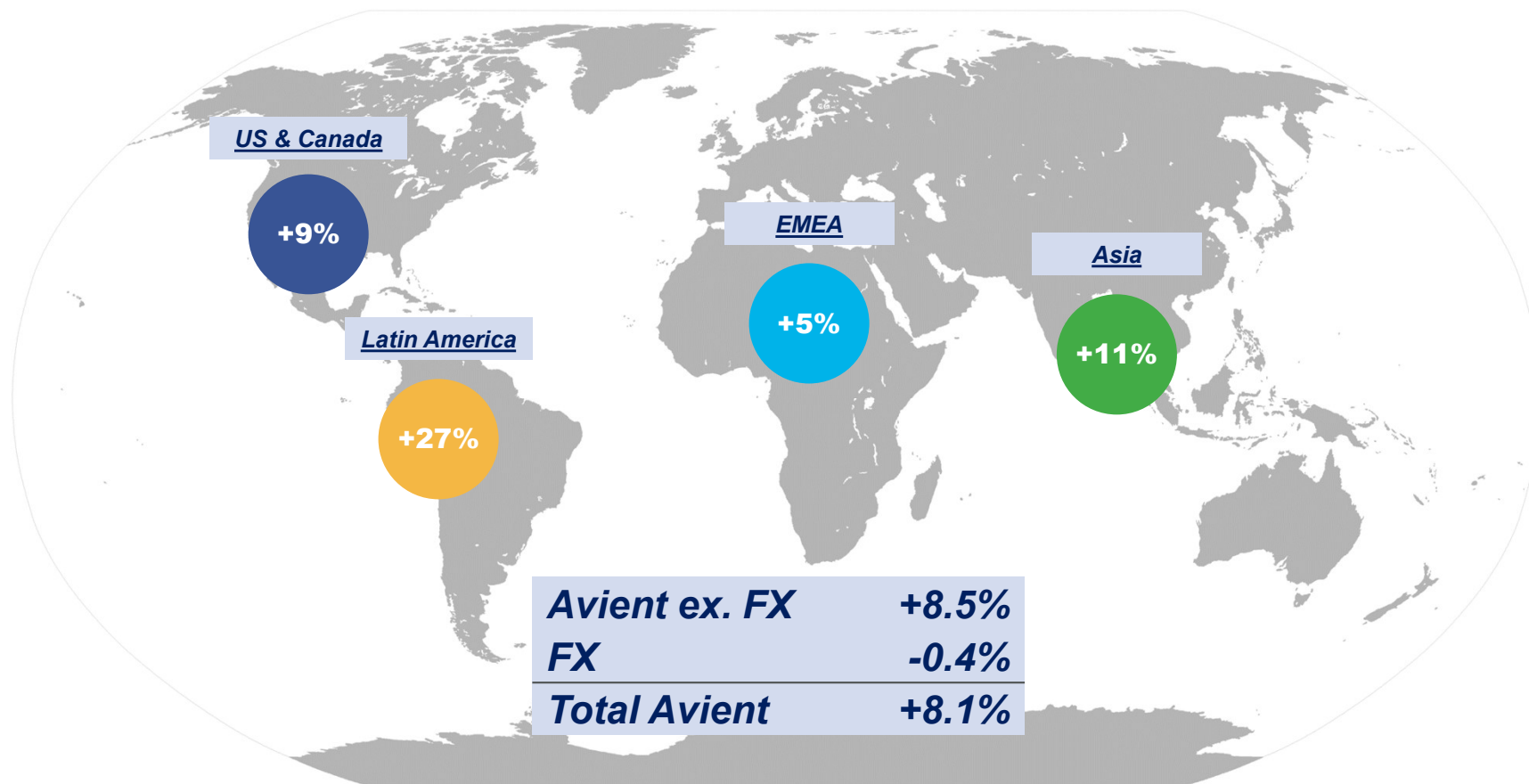
Adjusted EBITDA



Adjusted EPS



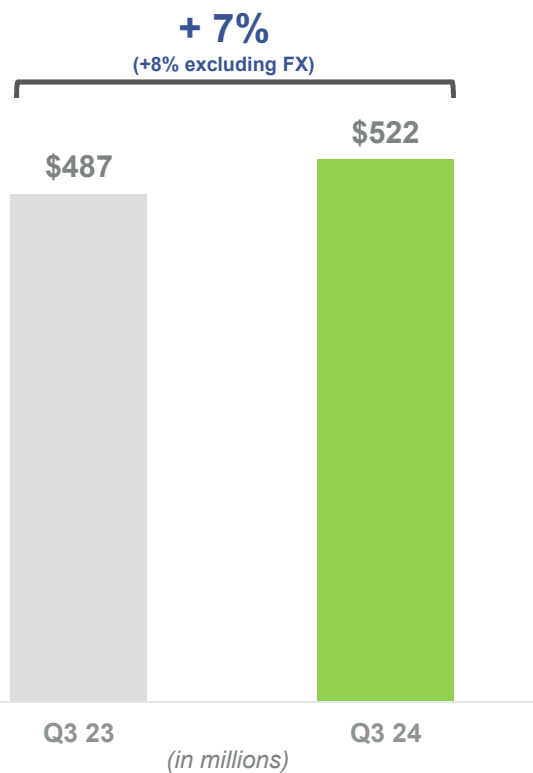
Q3 2024 RESULTS – ORGANIC REVENUE GROWTH BY REGION VS PY



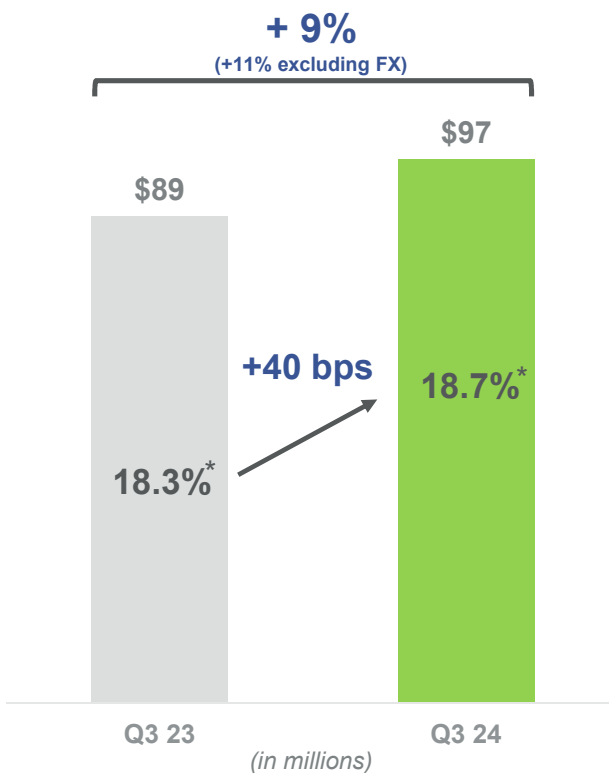
COLOR, ADDITIVES & INKS SEGMENT

(Q3 2024 PERFORMANCE VS Q3 2023)

Sales



Adjusted EBITDA

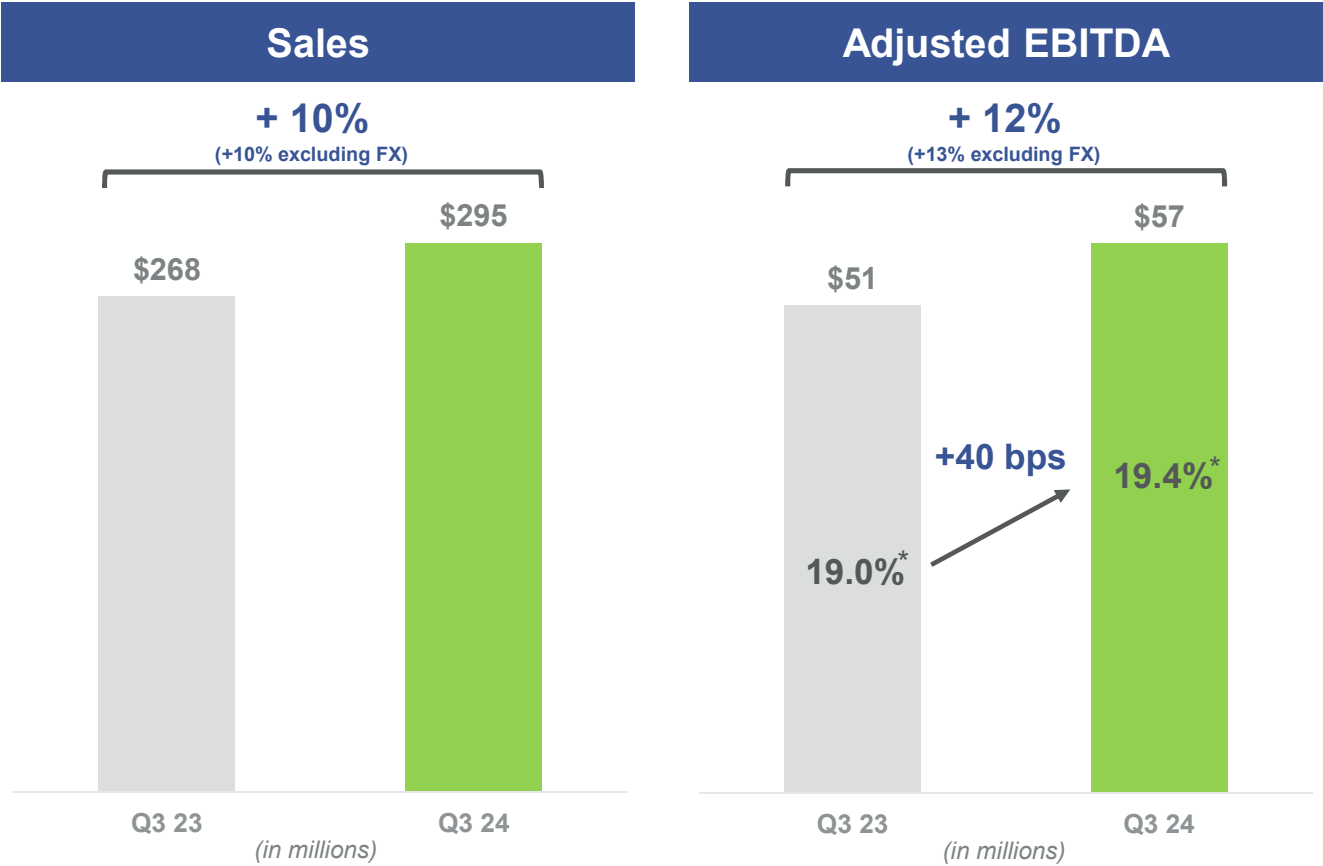


- Sales growth driven by winning new product specifications in consumer & packaging, strong underlying demand in healthcare and improving demand in building & construction
- Favorable mix and raw material deflation contributed to EBITDA margin expansion

* Adjusted EBITDA Margin %

SPECIALTY ENGINEERED MATERIALS SEGMENT

(Q3 2024 PERFORMANCE VS Q3 2023)



- Sales growth driven by restocking in healthcare & consumer end markets and strong underlying demand for composite applications used in building & construction, energy and defense end markets
- Favorable mix contributed to EBITDA margin expansion

* Adjusted EBITDA Margin %





2024 GUIDANCE

FY 2024 GUIDANCE

	Previous (Aug 6)	Current
Adjusted EPS	\$2.55 to \$2.70	\$2.63 to \$2.67
Adjusted EBITDA	\$515 to \$540 million	\$525 to \$530 million
Interest Expense	\$105 million	\$104 million
Adjusted Effective Tax Rate	23% to 25%	23% to 25%
Capital Expenditures & Investment in S/4 Hana	~\$140 million	~\$140 million



2024 AVIENT INVESTOR DAY

- Investor Day to be held December 4, 2024 at the NYSE, beginning at 10AM
- The focus will be to do a deep dive on the Company's strategy
- Registration available at www.avient.com/investors

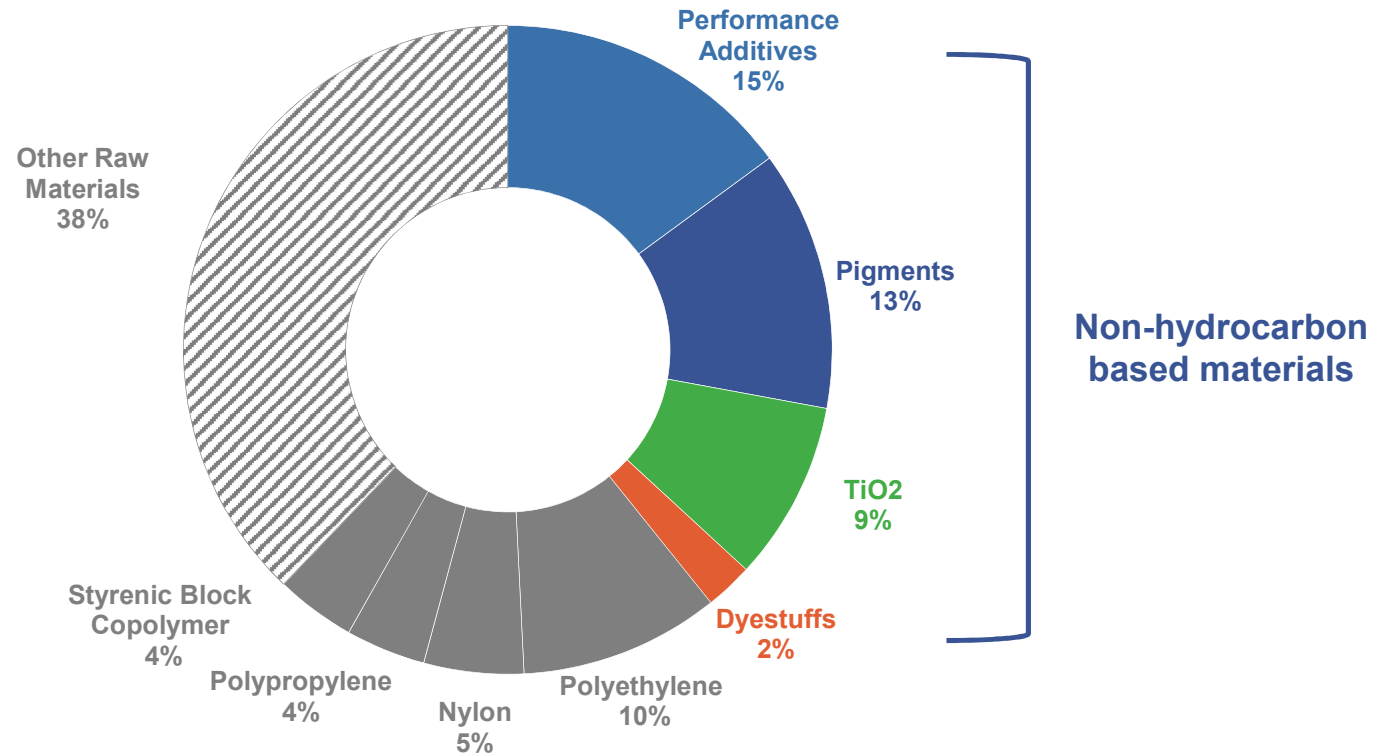




APPENDIX



RAW MATERIAL BASKET



~40% hydrocarbon based

(Grey shaded materials are hydrocarbon based, includes portion of "Other Raw Materials")



SEGMENT DATA

2023 SEGMENT, END MARKET AND GEOGRAPHY

SEGMENT FINANCIALS

\$3,143M



Sales

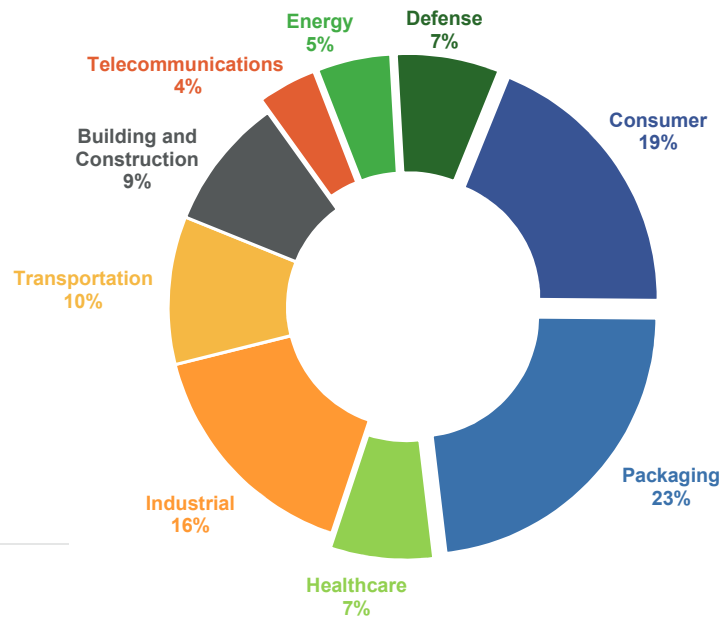
\$502M



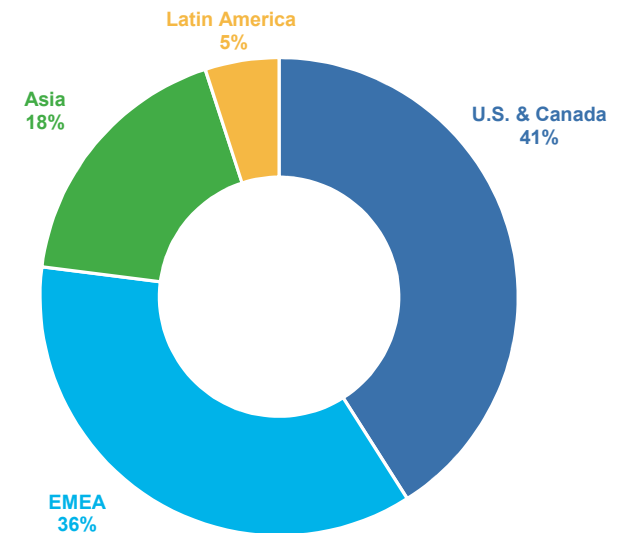
EBITDA⁽¹⁾

- Specialty Engineered Materials
- Color Additives and Inks

END MARKET REVENUE



GEOGRAPHY REVENUE

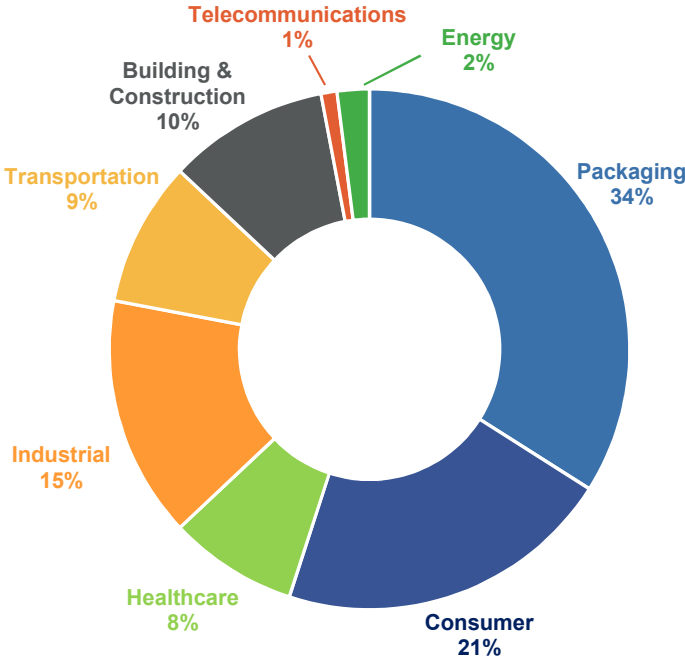


(1) Total company sales and adjusted EBITDA of \$3,143M and \$502M, respectively, include intercompany sales eliminations and corporate costs

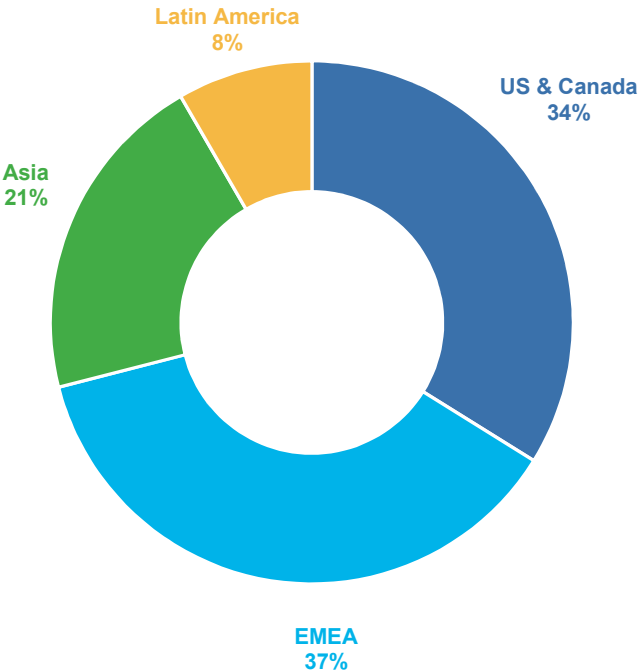
COLOR, ADDITIVES & INKS

2023 REVENUE | \$2.0 BILLION

END MARKET



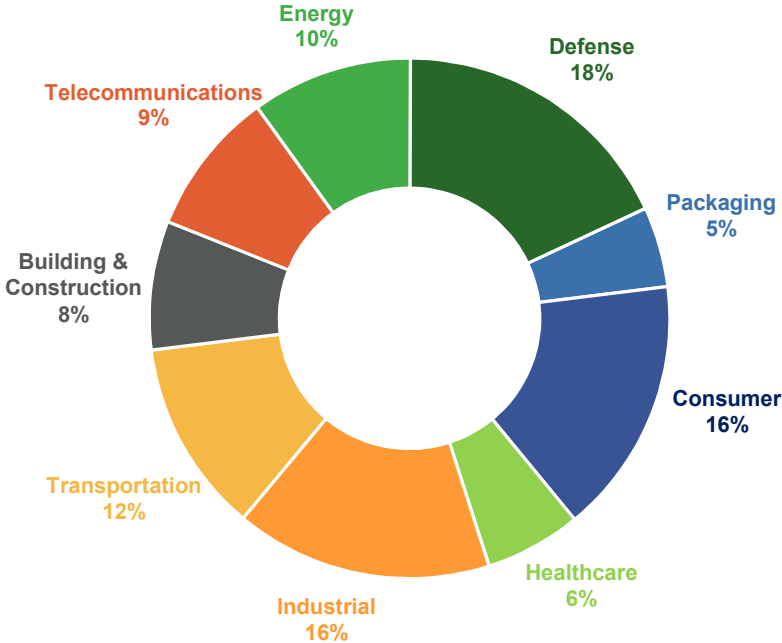
REGION



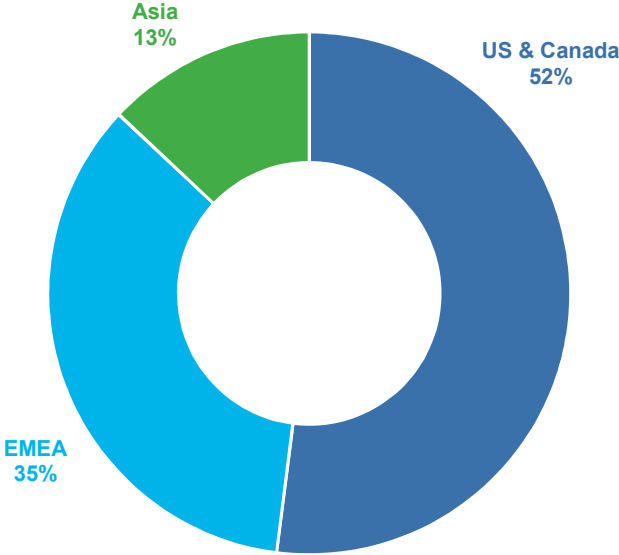
SPECIALTY ENGINEERED MATERIALS

2023 REVENUE | \$1.1 BILLION

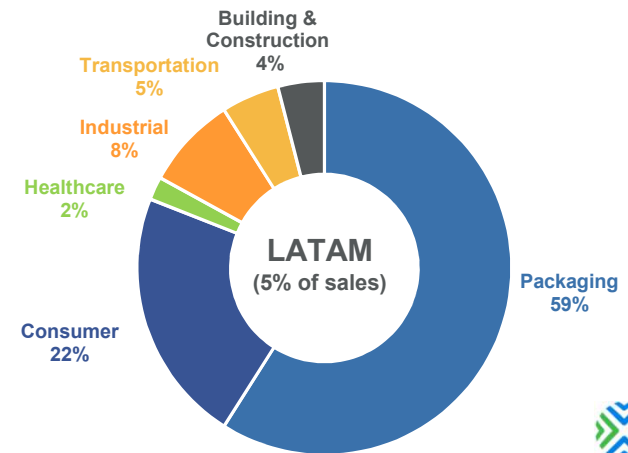
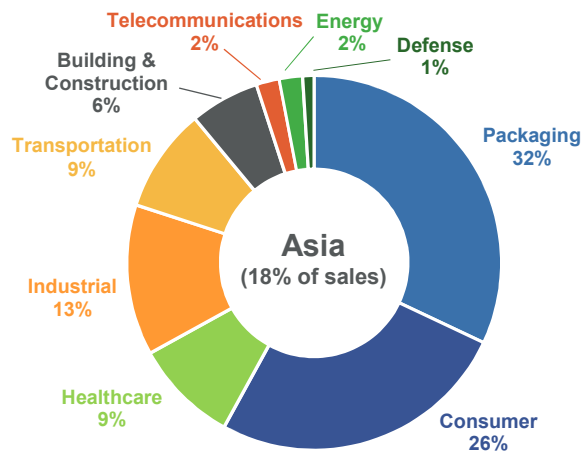
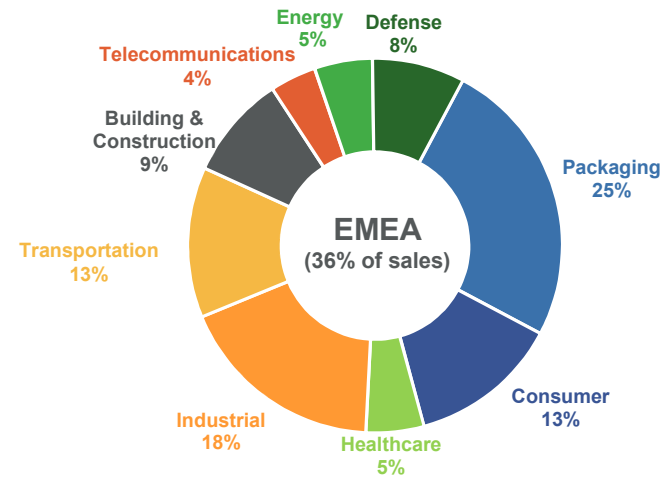
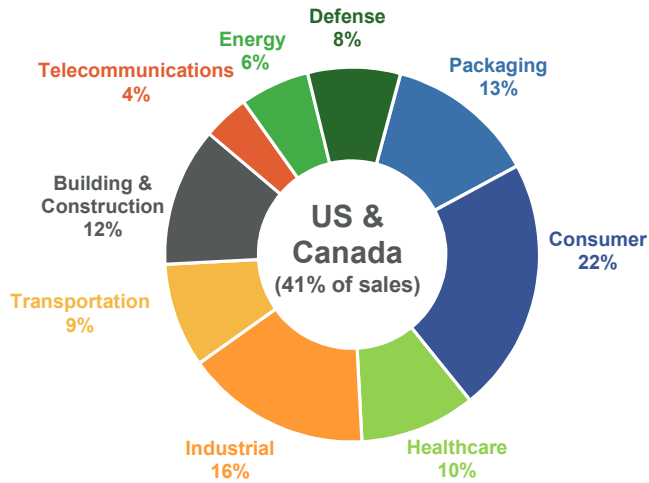
END MARKET



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.

Reconciliation to Condensed Consolidated Statements of Income	Three Months Ended September 30,			
	2024		2023	
	\$	EPS ⁽¹⁾	\$	EPS ⁽¹⁾
Net income from continuing operations attributable to Avient shareholders	\$ 38.2	\$ 0.41	\$ 5.1	\$ 0.06
Special items, after-tax	6.6	0.07	32.0	0.35
Amortization expense, after-tax	15.0	0.16	15.2	0.16
Adjusted net income / EPS	<u>\$ 59.8</u>	<u>\$ 0.65</u>	<u>\$ 52.3</u>	<u>\$ 0.57</u>

⁽¹⁾ Per share amounts may not recalculate from figures presented herein due to rounding

Reconciliation to EBITDA and Adjusted EBITDA:	Three Months Ended September 30,	
	2024	2023
Net income from continuing operations – GAAP	\$ 38.7	\$ 5.1
Income tax expense (benefit)	11.3	(0.1)
Interest expense, net	26.9	30.3
Depreciation & amortization	45.1	46.4
EBITDA from continuing operations	<u>\$ 122.0</u>	<u>\$ 81.7</u>
Special items, before tax	9.7	43.2
Interest expense included in special items	(1.3)	(2.2)
Depreciation & amortization included in special items	(0.4)	—
Adjusted EBITDA	<u>\$ 130.0</u>	<u>\$ 122.7</u>
Adjusted EBITDA as a percent of sales	15.9 %	16.3 %

	Three Months Ended September 30,	
	2024	2023
Sales:		
Color, Additives and Inks	\$ 521.5	\$ 486.5
Specialty Engineered Materials	294.6	267.9
Corporate	(0.9)	(0.7)
Sales	<u>\$ 815.2</u>	<u>\$ 753.7</u>
Operating income:		
Color, Additives and Inks	\$ 75.5	\$ 64.5
Specialty Engineered Materials	36.4	30.3
Corporate	(34.7)	(60.5)
Operating income	<u>\$ 77.2</u>	<u>\$ 34.3</u>
Depreciation & amortization:		
Color, Additives and Inks	\$ 21.9	\$ 24.6
Specialty Engineered Materials	20.7	20.5
Corporate	2.5	1.3
Depreciation & amortization	<u>\$ 45.1</u>	<u>\$ 46.4</u>
Earnings before interest, taxes, depreciation and amortization (EBITDA):		
Color, Additives and Inks	\$ 97.4	\$ 89.1
Specialty Engineered Materials	57.1	50.8
Corporate	(32.2)	(59.2)
Other (expense) income, net	(0.3)	1.0
EBITDA from continuing operations	\$ 122.0	\$ 81.7
Special items, before tax	9.7	43.2
Interest expense included in special items	(1.3)	(2.2)
Depreciation & amortization included in special items	(0.4)	—
Adjusted EBITDA	<u>\$ 130.0</u>	<u>\$ 122.7</u>
Adjusted EBITDA as a percent of sales:		
Color, Additives and Inks	18.7 %	18.3 %
Specialty Engineered Materials	19.4 %	19.0 %

	Year Ended December 31, 2023	
	\$	EPS
Reconciliation to Condensed Consolidated Statements of Income		
Net income from continuing operations attributable to Avient shareholders	\$ 75.8	\$ 0.83
Special items, after-tax	79.3	0.86
Amortization expense, after-tax	61.5	0.67
Adjusted net income / EPS	<u>\$ 216.6</u>	<u>\$ 2.36</u>

	December 31, 2023	
Adjusted Free Cash Flow Calculation		
Cash provided by operating activities	\$	201.6
Capital expenditures		(119.4)
Free cash flow		82.2
Taxes paid on gain on sale of business		104.1
Adjusted free cash flow	<u>\$</u>	<u>186.3</u>

	Year Ended December 31, 2023	
Sales:		
Color, Additives and Inks	\$	2,007.4
Specialty Engineered Materials		1,138.2
Corporate		(2.8)
Sales	<u>\$</u>	<u>3,142.8</u>

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

Depreciation & amortization:		
Color, Additives and Inks	\$	98.3
Specialty Engineered Materials		81.5
Corporate		9.0
Depreciation & amortization	<u>\$</u>	<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		391.4
Special items, before tax		114.6
Interest expense included in special items		(2.3)
Depreciation & amortization included in special items		(1.9)
Adjusted EBITDA	<u>\$</u>	<u>501.8</u>

Adjusted EBITDA as a percent of sales		16.0 %
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