

Avient Corporation

NYSE: AVNT

**Fourth quarter and
full year 2024 results
&
2025 financial guidance**

FEBRUARY 13, 2025



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 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. Items, 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;
- our ability to service our indebtedness and restrictions on our current and future operations due to our indebtedness;
- 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;
- 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 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: Organic Performance (which excludes the impact of foreign exchange), Adjusted Earnings Per Share, Adjusted EBITDA, Adjusted EBITDA margins, Free Cash Flow and Adjusted Free Cash Flow. 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.

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.



Our purpose and strategic framework

PURPOSE ▶

Innovator of materials solutions to help our customers succeed, while enabling a sustainable world

STRATEGIC APPROACH ▶

Intersecting high growth markets and secular trends with our technologies to create product platforms of scale

Catalyze the core

GROWING AT **GDP+**

Build new platforms of scale

GROWING AT **10% PLUS CAGR**

STRATEGIC DRIVERS ▶



FOUNDATIONAL STRENGTHS ▶

Unwavering customer focus
Global reach with a local touch

Diverse technology portfolio

Commercial excellence, financial rigor & prudence

Culture of safety and sustainability

Full-year 2024 organic revenue growth - by region



US & Canada

▲ 5%



Europe, Middle East & Africa

▲ 1%



Asia

▲ 5%



Latin America

▲ 15%

Year-over-year revenue growth, excludes the impact of foreign exchange

Full-year 2024 highlights

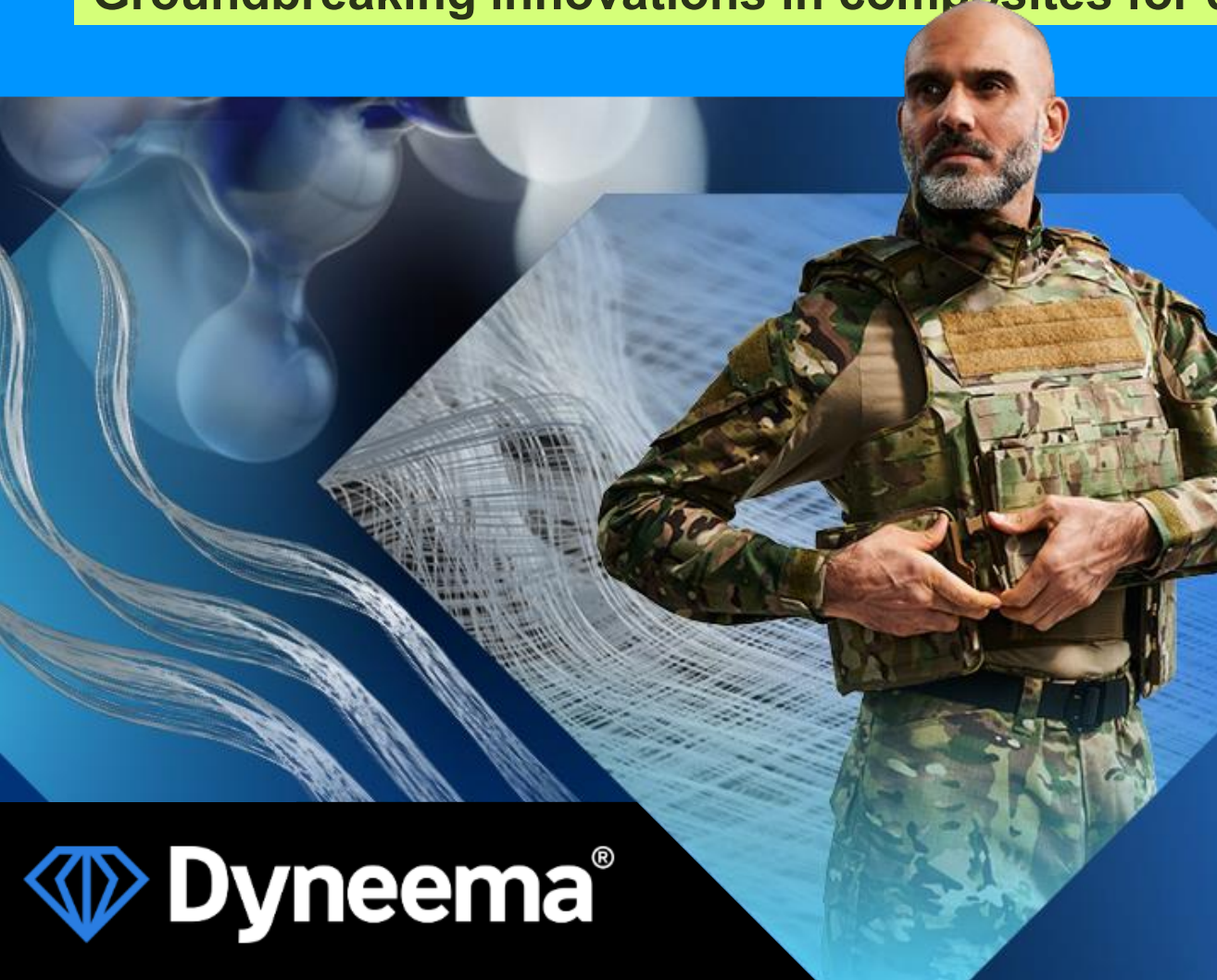
Achieved organic revenue growth with adj. EBITDA margin expansion

	FY 2024 results	FULL YEAR 2024 VS. FULL YEAR 2023		
		ORGANIC * <small>* excludes the impact of foreign exchange</small>	FX	AS REPORTED
Sales	\$3,240M	4.0%	(0.9%)	3.1%
Adj. EBITDA	\$526M	6.4%	(1.5%)	4.9%
Adj. EPS	\$2.66	15.2%	(2.5%)	12.7%

- ▶ **4% organic revenue growth for Avient;** 3% for CAI and 6% for SEM
- ▶ **Adjusted EBITDA margin expanded 20 bps for Avient;** 90 bps for CAI and 110 bps for SEM
- ▶ **New strategy in execution**
Leadership team strengthened with a new CTO, CIO, General Counsel, SVP (New business development & marketing) in place
- ▶ New compensation plan rolled out in January 2025, in direct alignment with the strategy
- ▶ 2024 was our safest year on record
- ▶ Increased dividend 5% to \$1.08 on an annualized basis; 14th consecutive increase

Innovating for those who protect and serve...

Groundbreaking innovations in composites for defense and law enforcement



Dyneema® HB330, HB332

Advanced hard ballistic unidirectional materials for personal and vehicle armor

◆ Unmatched ballistic protection

Maximum V50 ballistic performance to stop high-velocity threats

◆ Ultra-light strength

Lightest solution without compromising protection

Law enforcement: enabling up to

45% weight savings

compared to Dyneema® gen-1 materials currently used

Defense: enabling up to

20% weight savings

compared to Dyneema® gen-2 materials currently used

◆ Outstanding thermal behavior

Retains performance in extreme conditions

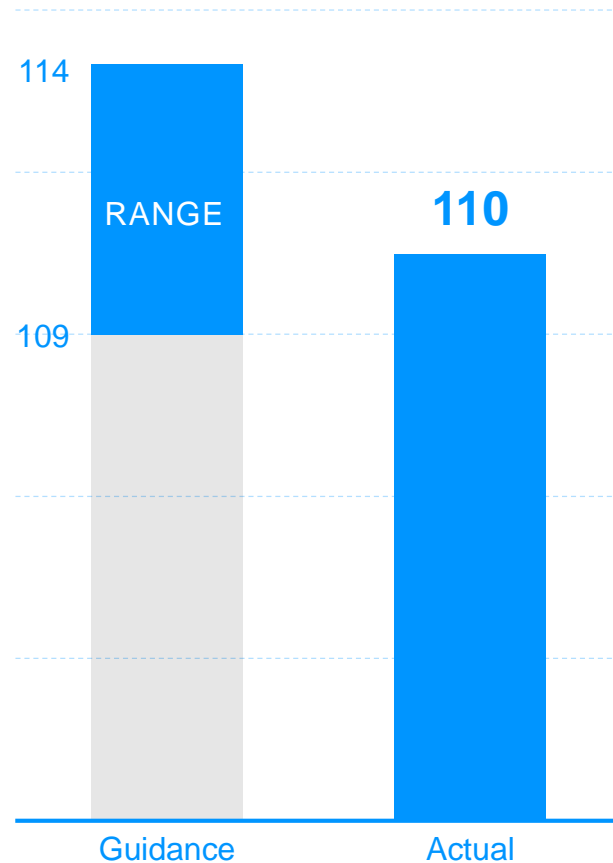
 **Dyneema®**

Q4 2024 results

Q4 2024 performance vs guidance

Adj. EBITDA

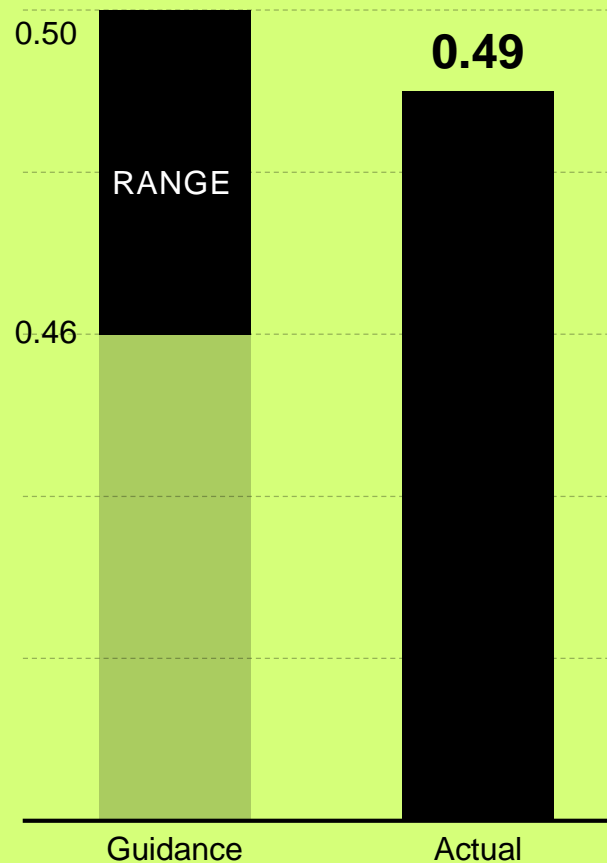
\$ Millions



- Adjusted EBITDA of \$110M includes unfavorable FX of \$2M

Adj. EPS

\$ Millions



- Adjusted EPS of \$0.49 includes unfavorable FX of \$0.01
- Unfavorable FX was more than offset by favorable effective tax rate and interest expense

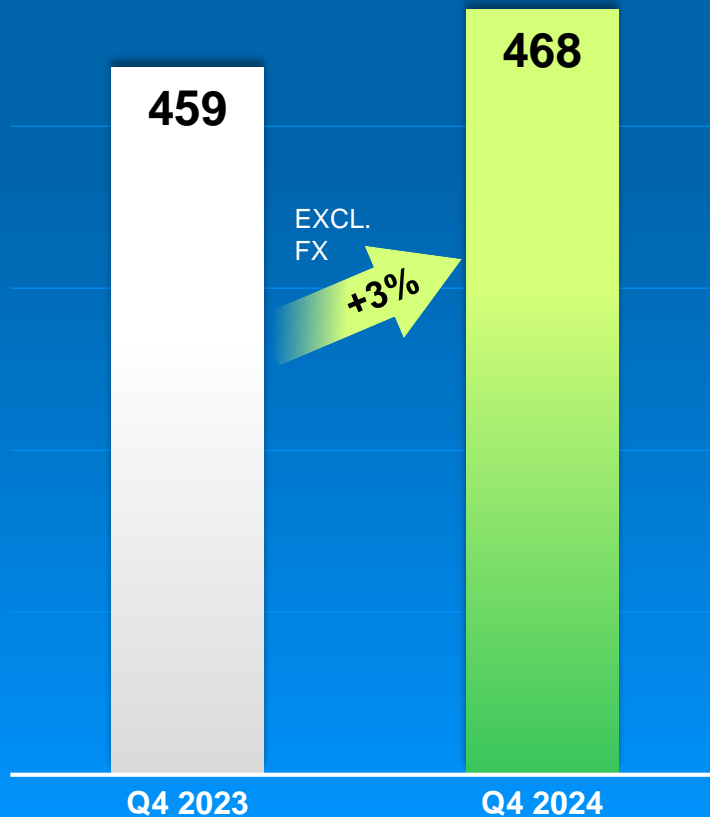
Avient Q4 2024 performance vs. Q4 2023

	Q4 2024 results	Q4 2024 VS. Q4 2023		
		ORGANIC * <small>* excludes the impact of foreign exchange</small>	FX	AS REPORTED
Sales	\$747M	4.8%	(1.0%)	3.8%
Adj. EBITDA	\$110M	(1.9%)	(1.5%)	(3.4%)
Adj. EPS	\$0.49	(3.9%)	(1.9%)	(5.8%)

Color, Additives & Inks - Q4 2024 performance

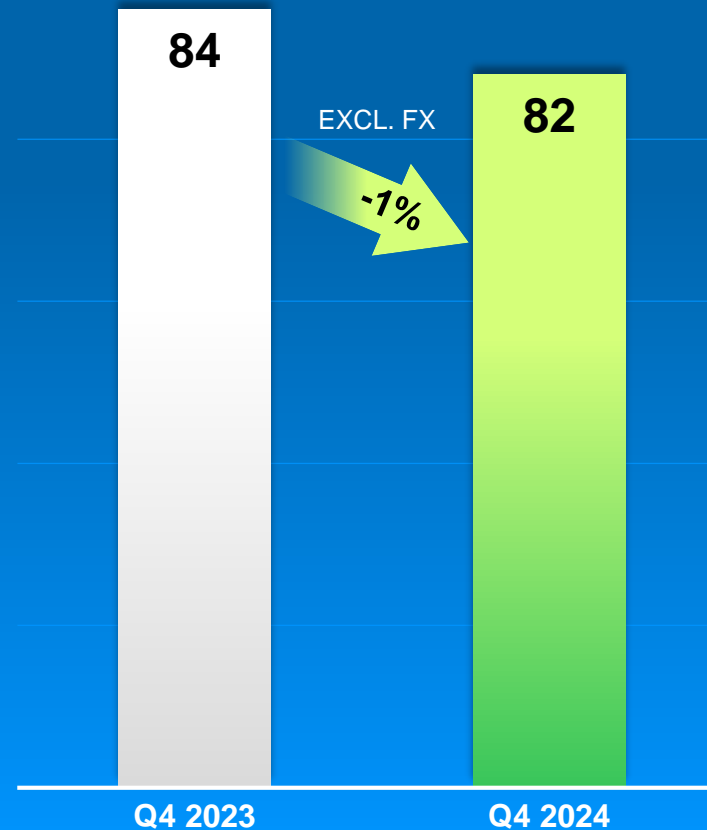
Sales

\$ Millions



Adj. EBITDA

\$ Millions

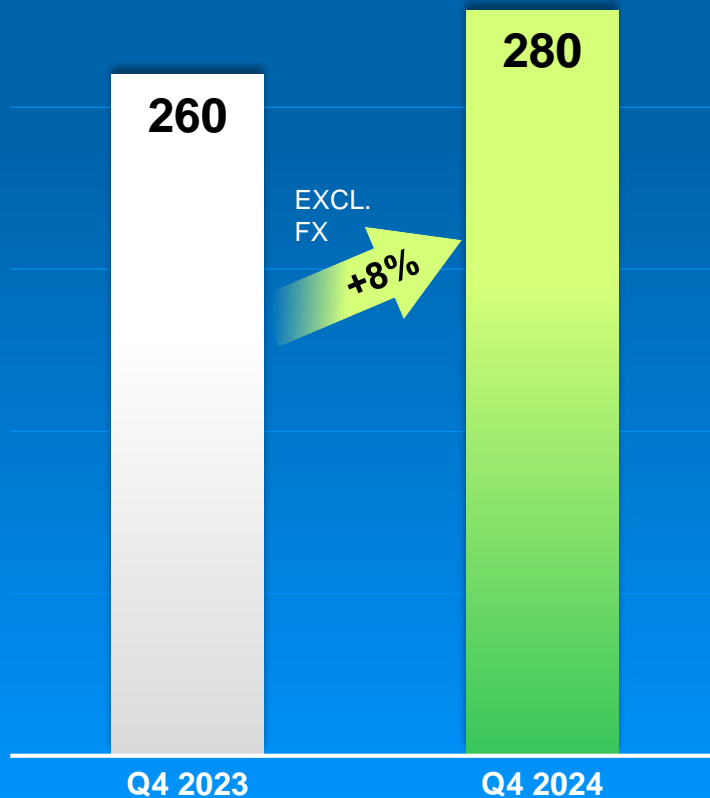


- Driven by strong drug delivery sales, new business wins in building & construction and consumer
- Higher sales and favorable mix more than offset by variable compensation reset resulting in lower adjusted EBITDA

Specialty Engineered Materials - Q4 2024 performance

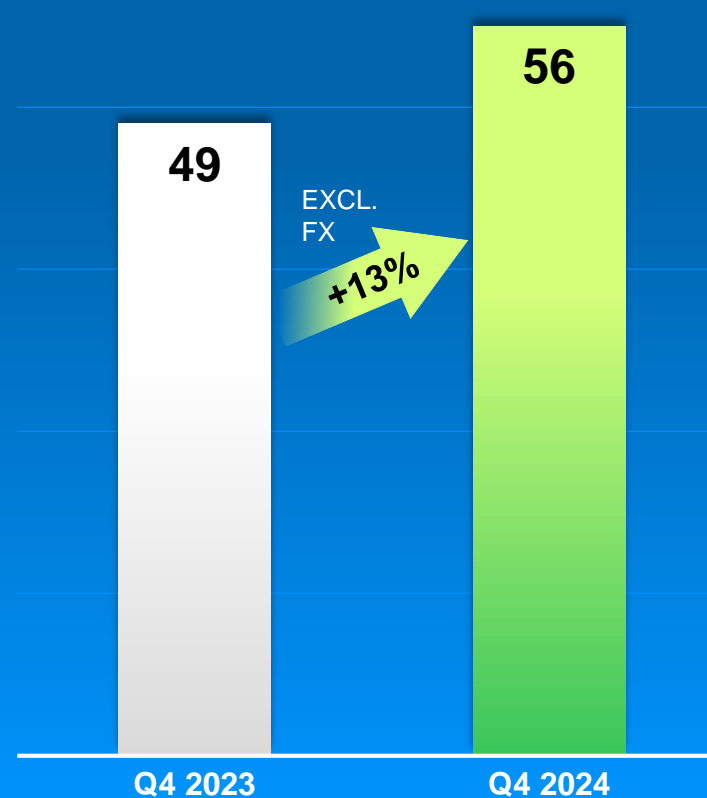
Sales

\$ Millions



Adj. EBITDA

\$ Millions



- Growth headlined by healthcare, including engineered materials in remote monitoring devices, as well as composites for building & construction, wind energy, and defense applications
- Higher sales and favorable mix contributed to adjusted EBITDA growth which more than offset unfavorable impact of variable compensation

FY 2024 results

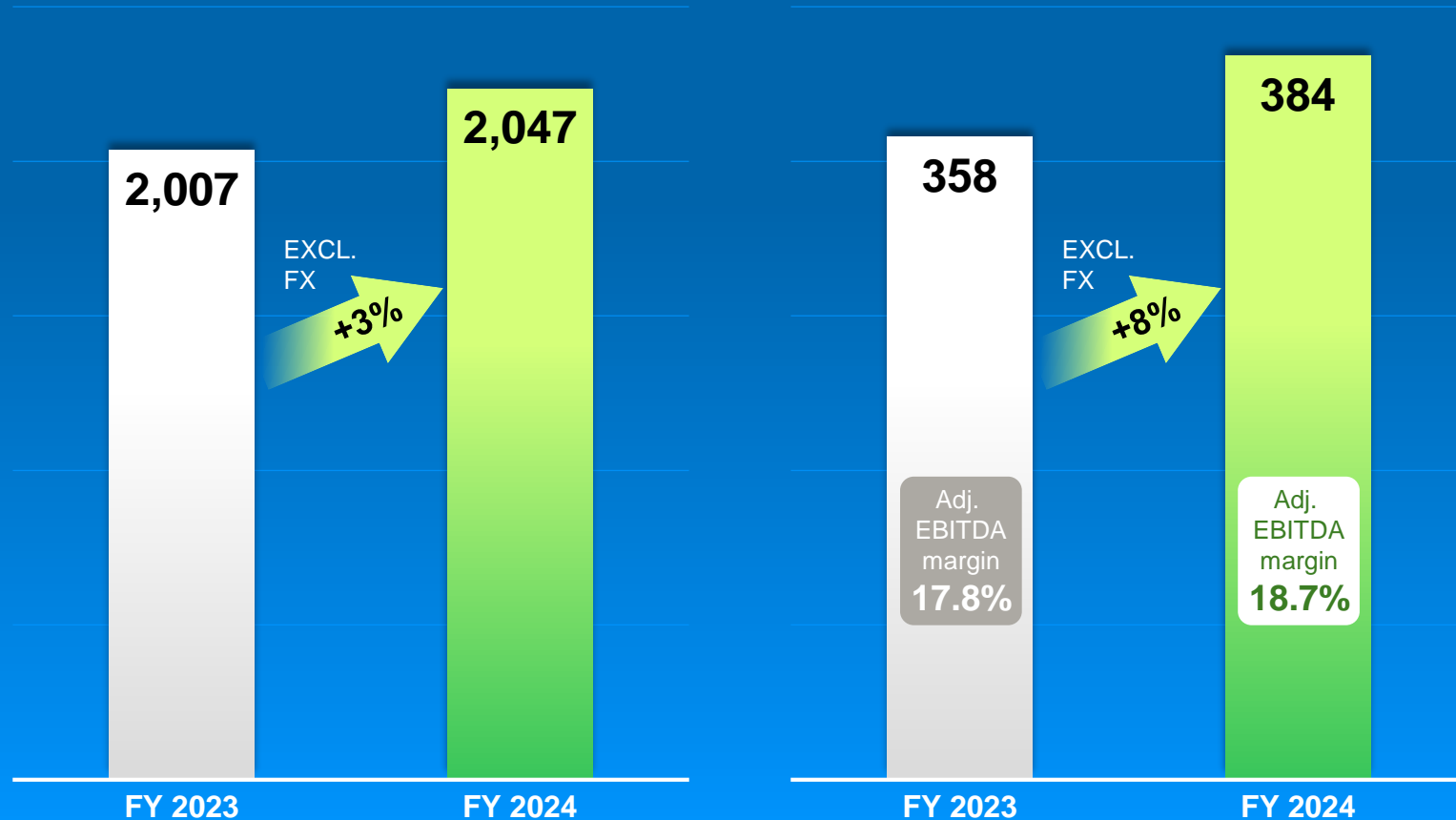
Color, Additives & Inks – full year 2024 performance

Sales

\$ Millions

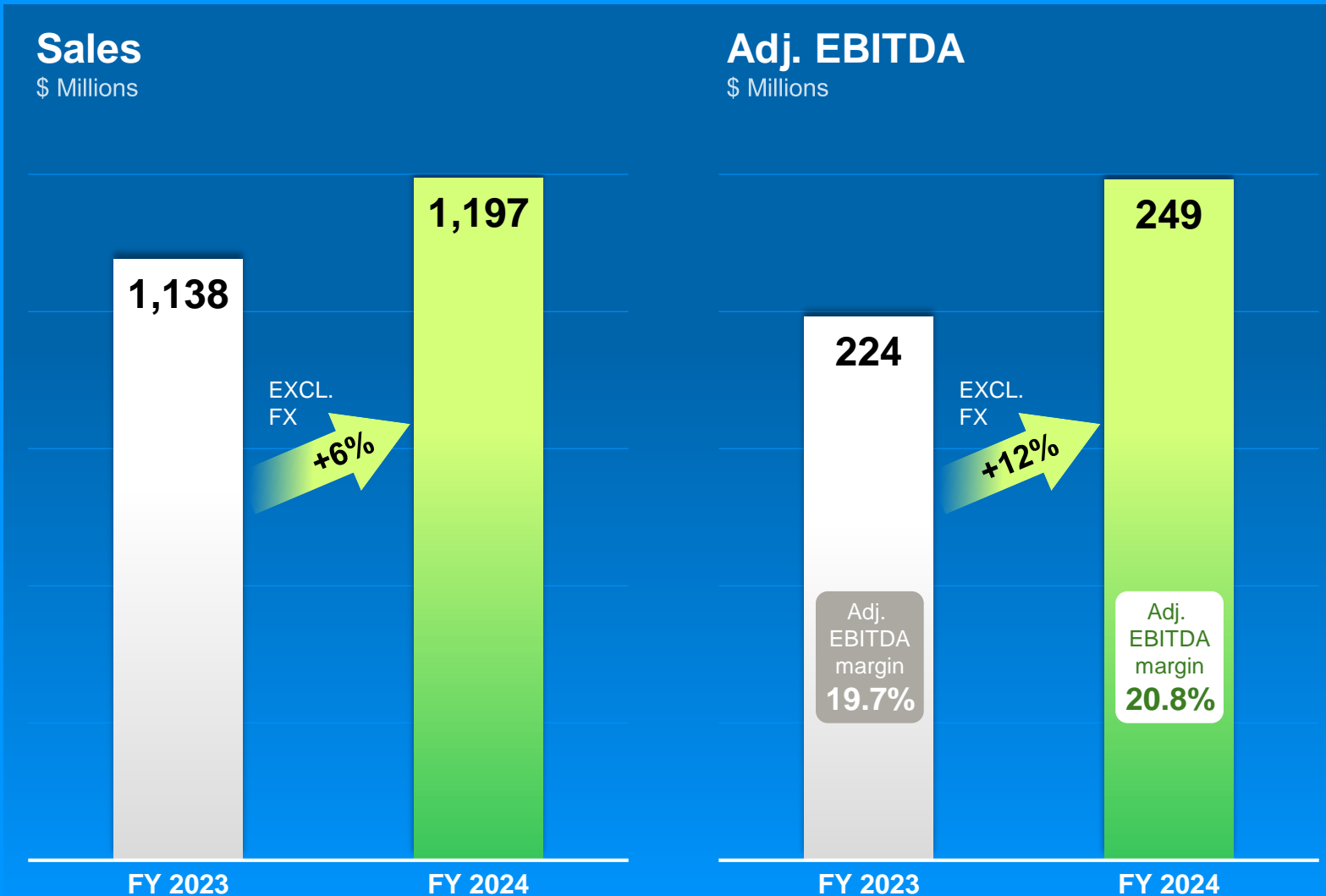
Adj. EBITDA

\$ Millions



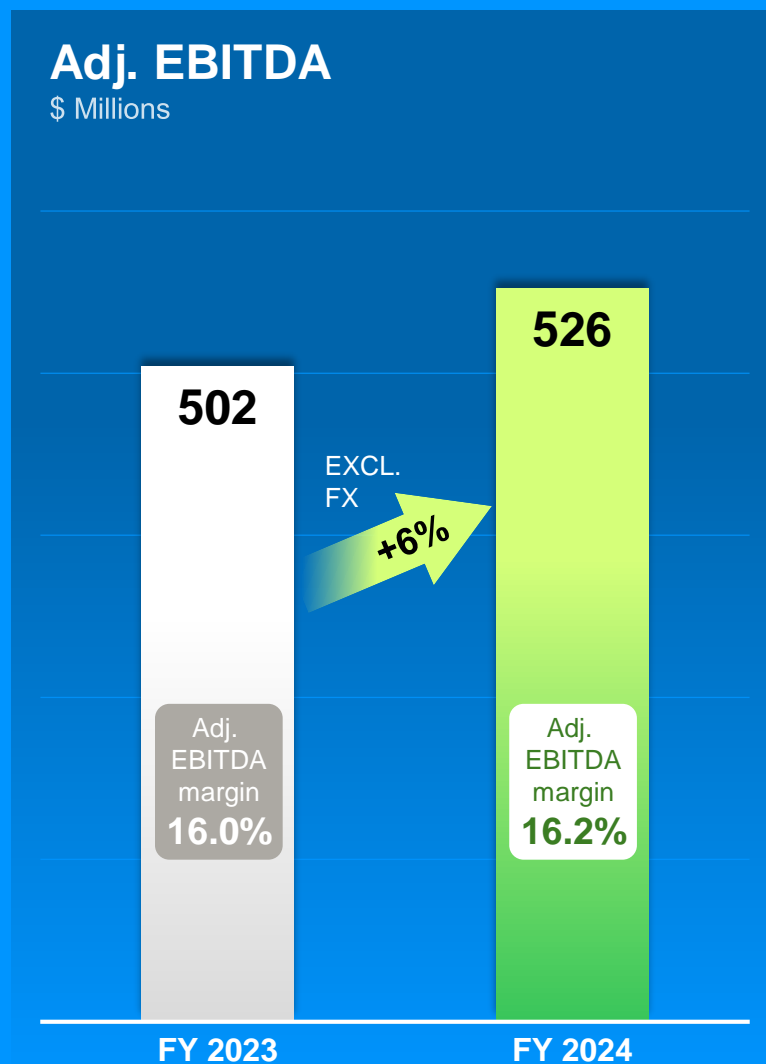
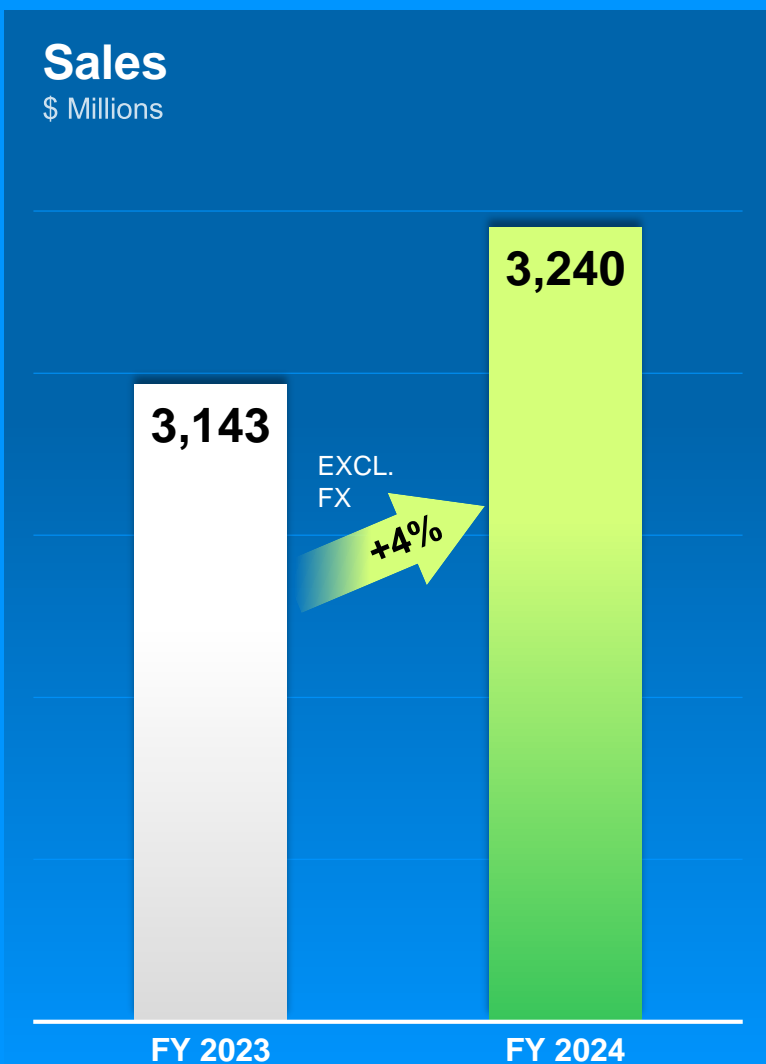
- Driven by new applications for drug delivery and building & construction as well as demand recovery in packaging and consumer
- Adjusted EBITDA margin expansion driven by higher sales and net price benefit

Specialty Engineered Materials – full year 2024 performance



- Growth headlined by strong demand for applications in defense end market and composites used in building & construction and engineered materials used in healthcare
- Adjusted EBITDA margin expansion driven by higher sales and favorable mix

Avient full year 2024 performance vs. full year 2023



A hand is shown in the lower-left corner, pointing towards a glowing, multi-colored sphere of light trails and particles. The sphere is composed of numerous thin, curved lines in shades of blue, purple, and orange, creating a sense of motion and energy. The background is dark with scattered, out-of-focus light spots in various colors, including blue, green, and red. The overall aesthetic is futuristic and digital.

2025 guidance

2025 financial guidance

ADJ. EBITDA - Full year 2025

\$540 to 570M

▲6% to ▲12% growth excluding FX

ADJ. EPS - Full year 2025

\$2.70 to \$2.94

▲6% to ▲16% growth excluding FX

Q1 2025

\$0.76

adj. EPS guidance

MACRO ASSUMPTIONS INFLUENCING RANGE

- ▲ Further Fed rate cuts
- ▲ Chinese stimulus
- ▲ Economic recovery in Europe
- ▲ Continued strength in defense applications for both military and local law enforcement
- ▼ Policy uncertainty and changes
- ▼ Persistent inflation impacting consumer spending / slowdown of US economy
- ▼ Further deterioration of Europe economy
- ▼ FX volatility

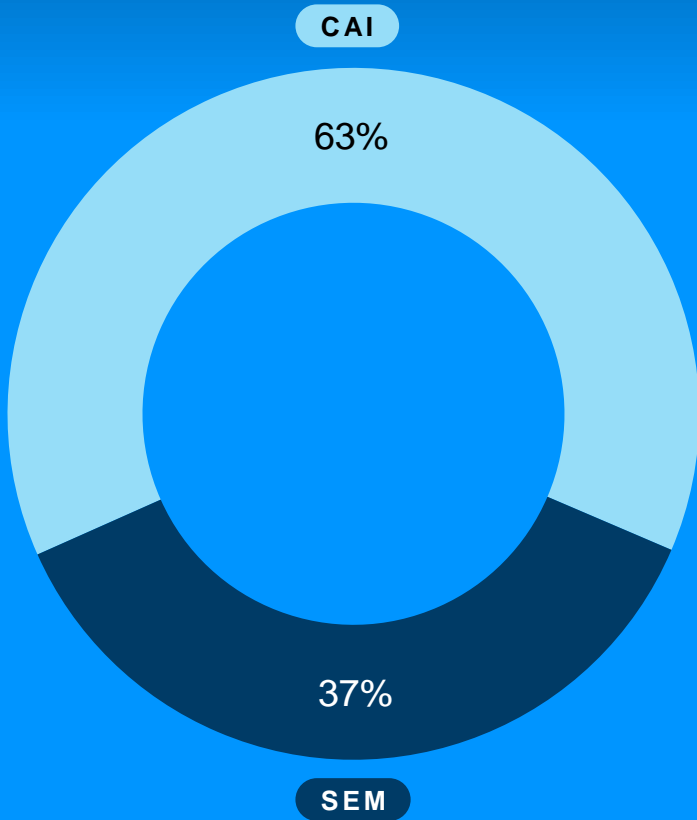


 **AVIENT**

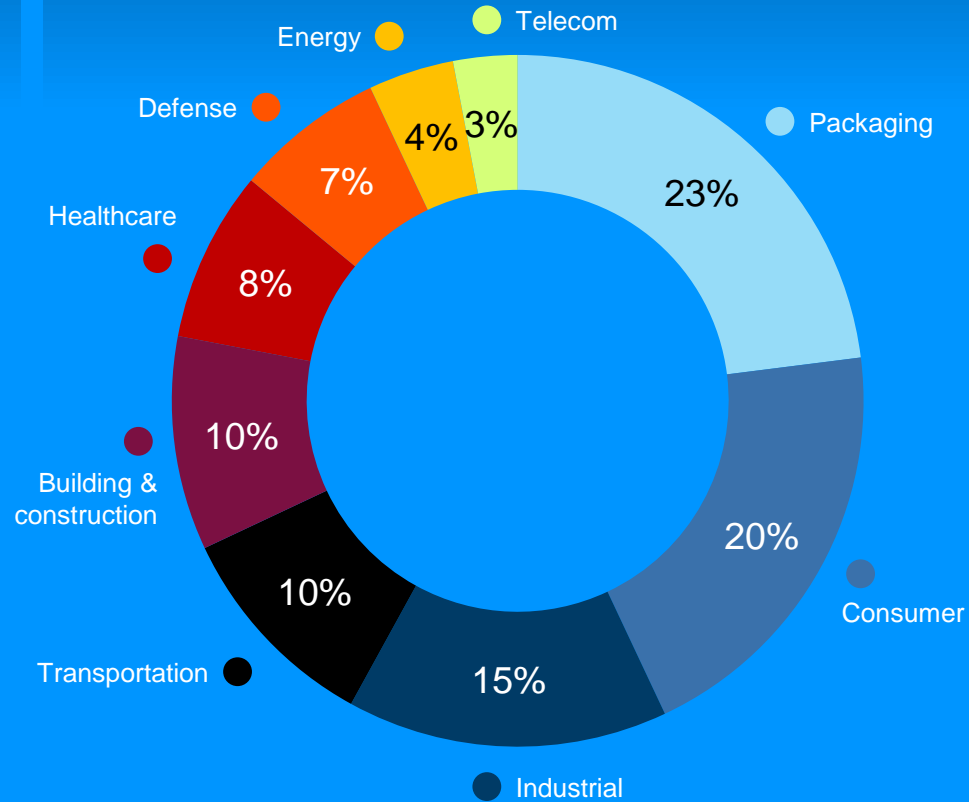
Avient 2024 sales

By business segment, by end market and by region

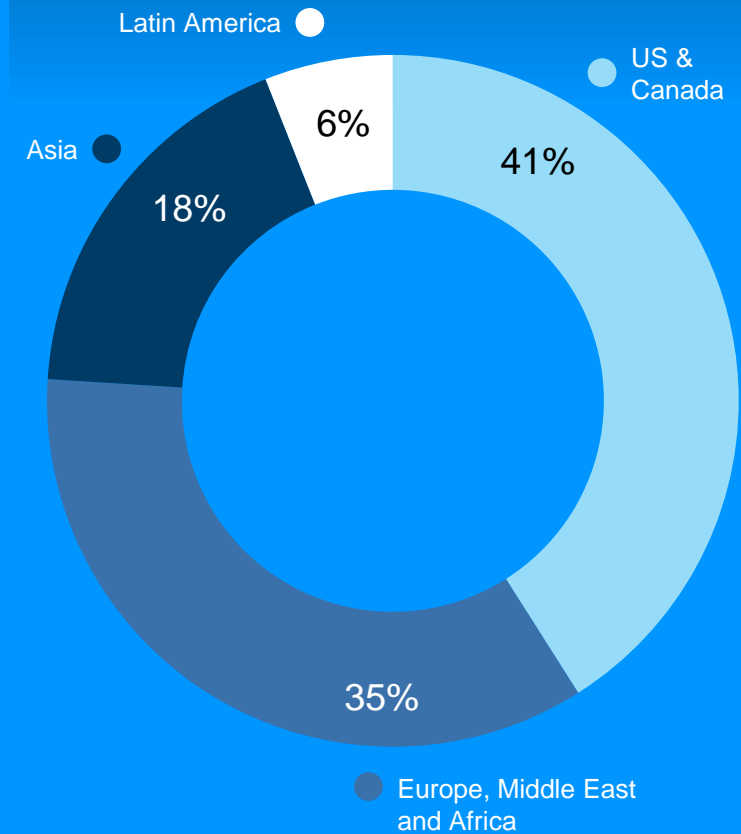
BUSINESS SEGMENTS



END MARKETS



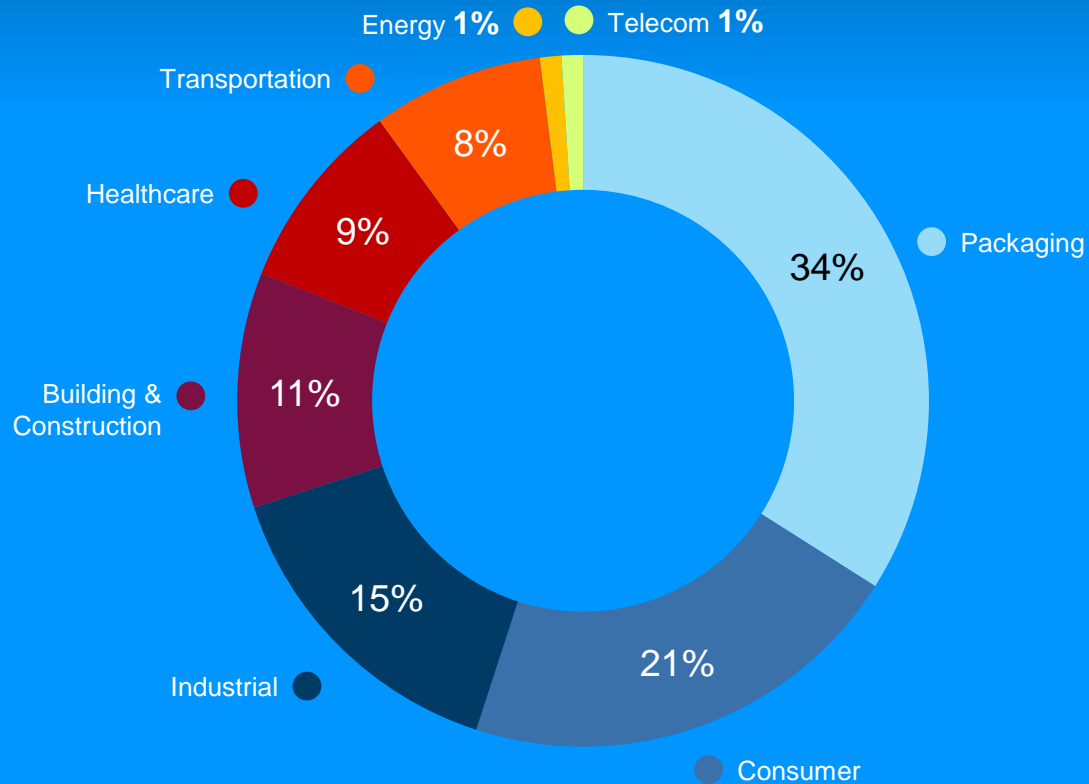
REGIONS



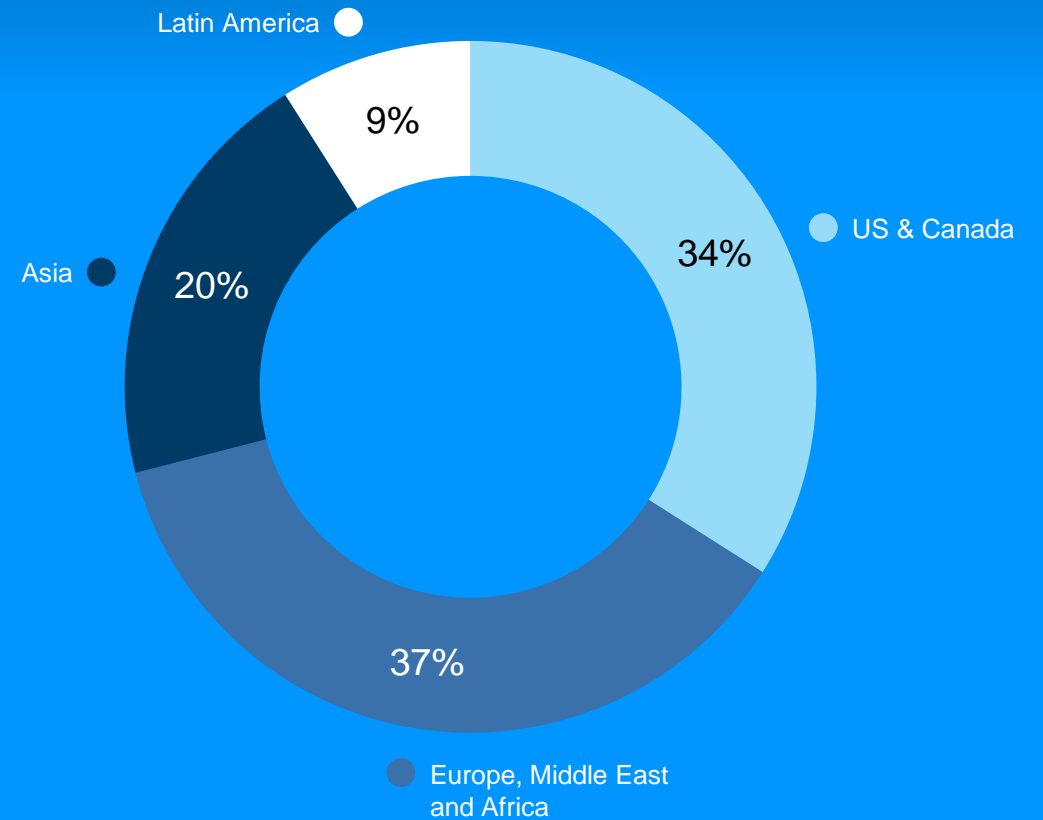
Color, Additives & Inks

2024 revenue: \$2,047M

END MARKETS



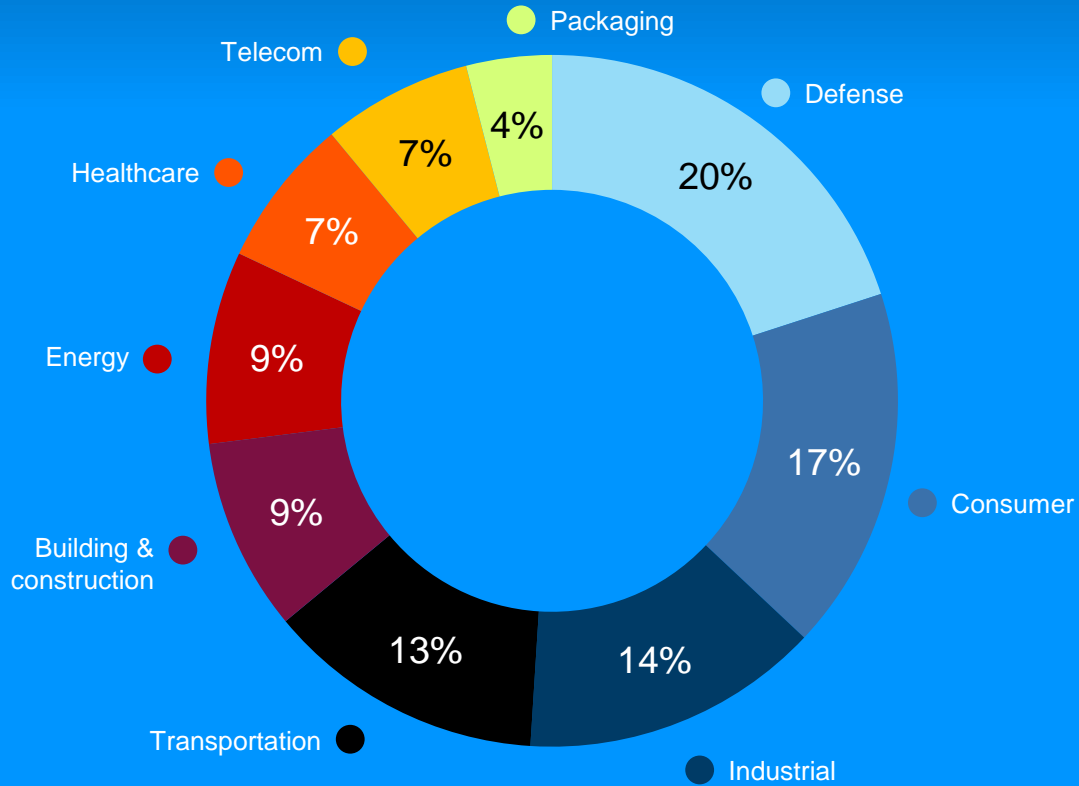
REGIONS



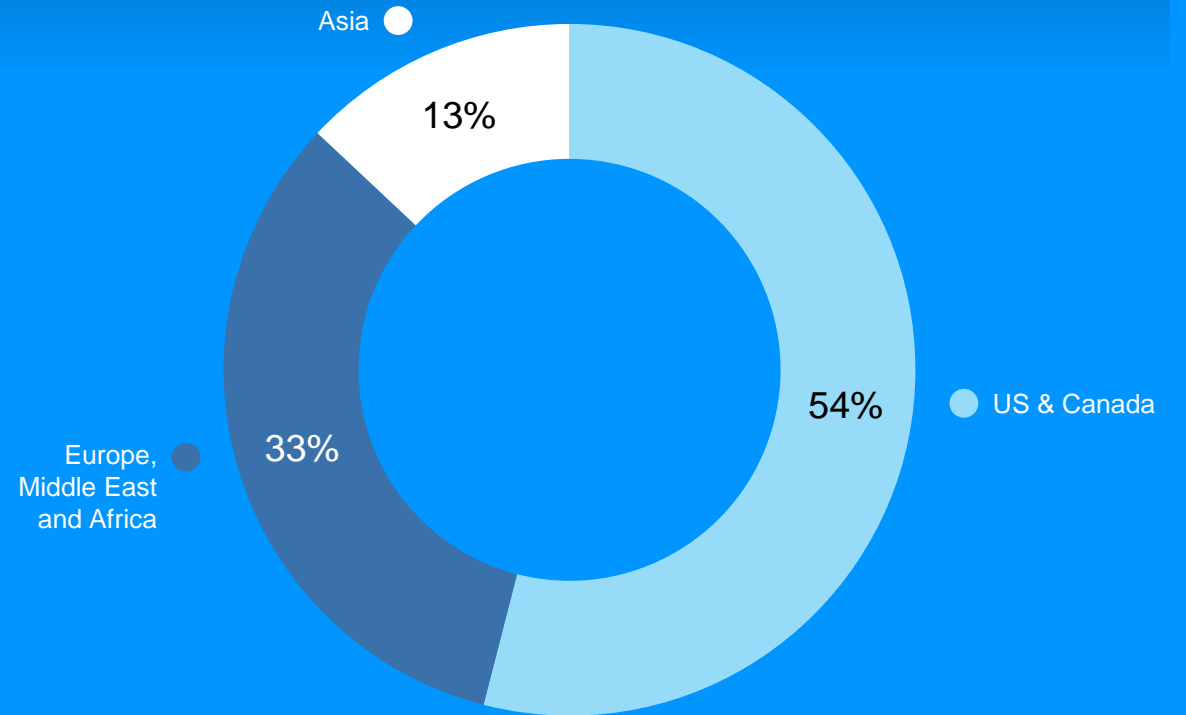
Specialty Engineered Materials

2024 revenue: \$1,197M

END MARKETS



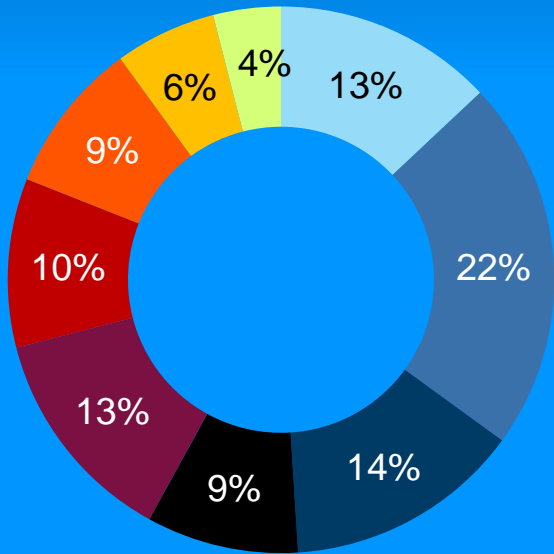
REGIONS



Avient 2024 regional sales, by end market

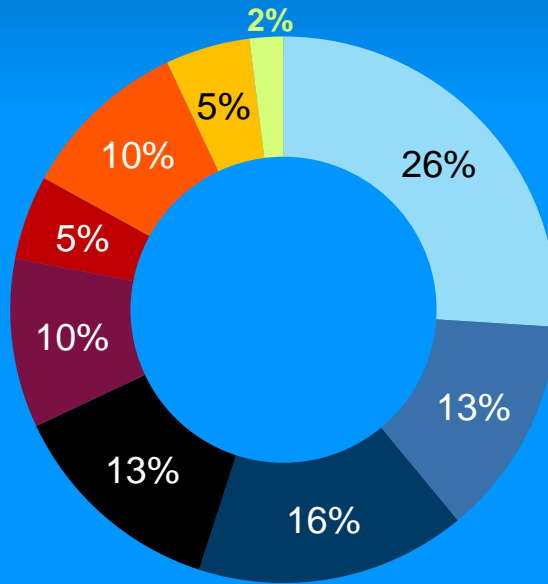
US & CANADA

41% of sales



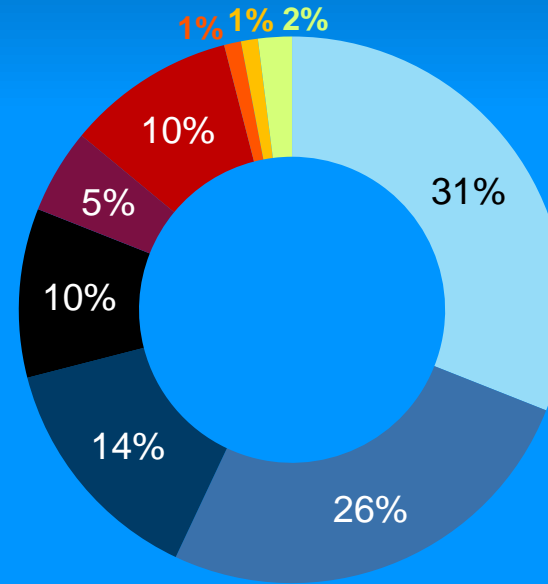
EMEA

35% of sales



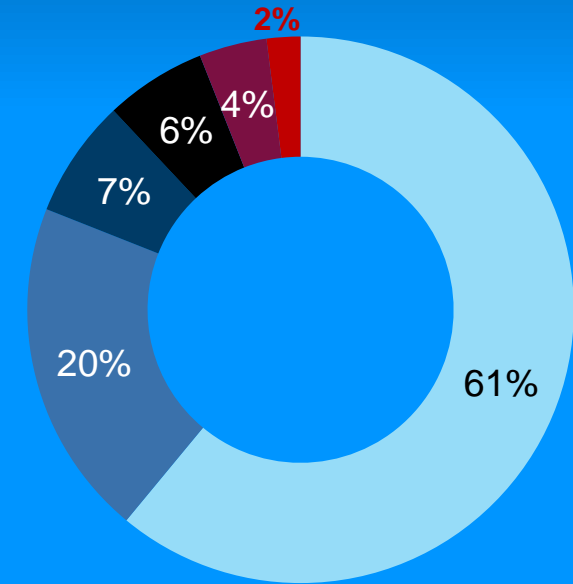
ASIA

18% of sales

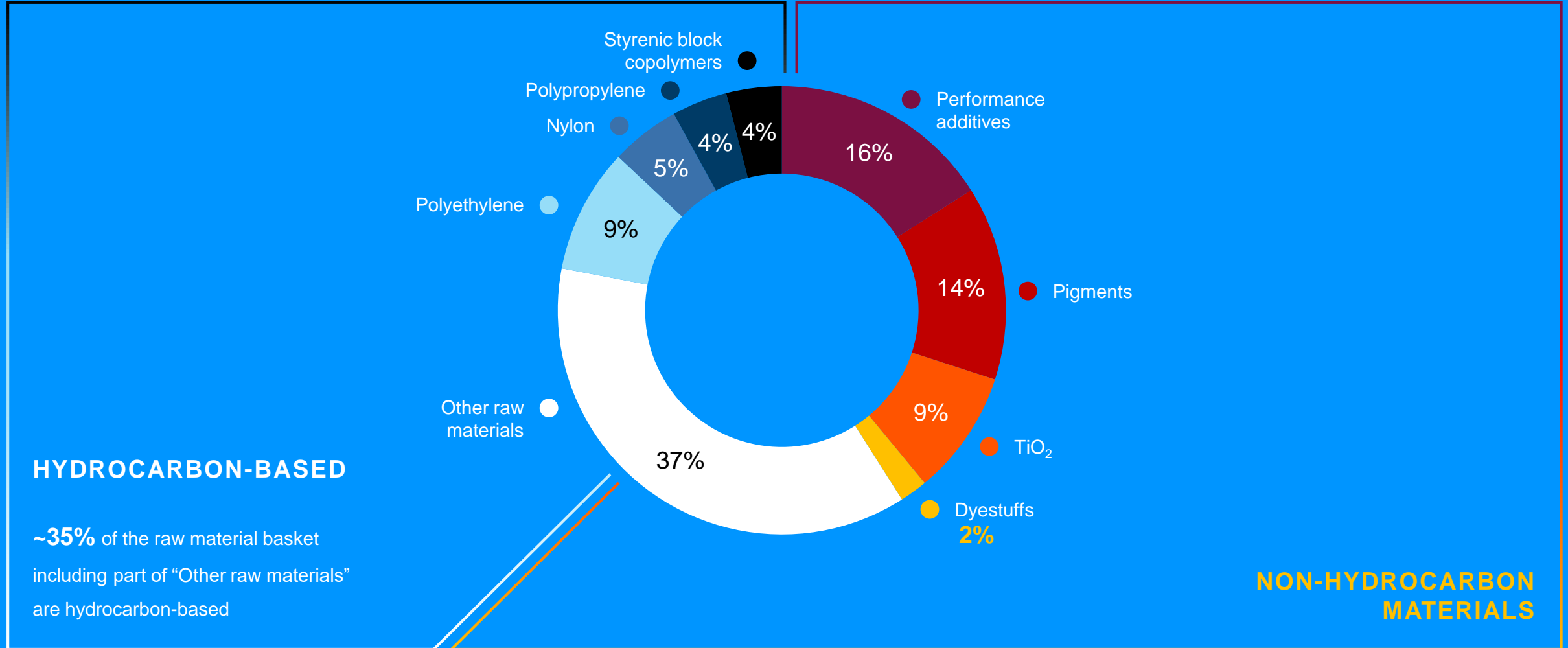


LATIN AMERICA

6% of sales



Raw material basket



**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. Further, as a result of Avient's strategic shift to an innovator of materials solutions, 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 these measures 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. Below is a reconciliation of these non-GAAP financial measures to their most directly comparable financial measures calculated and presented in accordance with GAAP.

Reconciliation to Condensed Consolidated Statements of Income	Three Months Ended December 31,			
	2024		2023	
	\$	EPS ⁽¹⁾	\$	EPS ⁽¹⁾
Net income from continuing operations attributable to Avient shareholders	\$ 48.3	\$ 0.52	\$ 27.8	\$ 0.30
Special items, after-tax	(18.0)	(0.20)	5.4	0.06
Amortization expense, after-tax	14.8	0.17	15.0	0.16
Adjusted net income / EPS	<u>\$ 45.1</u>	<u>\$ 0.49</u>	<u>\$ 48.2</u>	<u>\$ 0.52</u>

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

Reconciliation to Condensed Consolidated Statements of Income	Year Ended December 31,			
	2024		2023	
	\$	EPS ⁽¹⁾	\$	EPS ⁽¹⁾
Net income from continuing operations attributable to Avient shareholders	\$ 169.5	\$ 1.84	\$ 75.8	\$ 0.83
Special items, after-tax	15.9	0.17	79.3	0.86
Amortization expense, after-tax	59.5	0.65	61.5	0.67
Adjusted net income / EPS	<u>\$ 244.9</u>	<u>\$ 2.66</u>	<u>\$ 216.6</u>	<u>\$ 2.36</u>

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

Reconciliation to EBITDA and Adjusted EBITDA:	Three Months Ended December 31,		Year Ended December 31,	
	2024	2023	2024	2023
	Net income from continuing operations – GAAP	\$ 48.5	\$ 27.6	\$ 170.7
Income tax expense (benefit)	14.8	(7.0)	54.1	11.0
Interest expense	25.5	26.8	105.6	115.3
Depreciation and amortization from continuing operations	45.4	44.2	179.7	188.8
EBITDA from continuing operations	<u>\$ 134.2</u>	<u>\$ 91.6</u>	<u>\$ 510.1</u>	<u>\$ 391.4</u>
Special items, before tax	(23.9)	22.4	20.1	114.6
Interest expense included in special items	—	(0.1)	(2.3)	(2.3)
Depreciation and amortization included in special items	(0.3)	—	(1.5)	(1.9)
Adjusted EBITDA	<u>\$ 110.0</u>	<u>\$ 113.9</u>	<u>\$ 526.4</u>	<u>\$ 501.8</u>
Adjusted EBITDA as a percent of sales	14.7 %	15.8 %	16.2 %	16.0 %

	Three Months Ended December 31,		Year Ended December 31,	
	2024	2023	2024	2023
Sales:				
Color, Additives and Inks	\$ 467.7	\$ 459.4	\$ 2,046.5	\$ 2,007.4
Specialty Engineered Materials	279.7	259.8	1,196.8	1,138.2
Corporate	(0.9)	(0.2)	(2.9)	(2.8)
Sales	<u>\$ 746.5</u>	<u>\$ 719.0</u>	<u>\$ 3,240.4</u>	<u>\$ 3,142.8</u>
Gross margin:				
Color, Additives and Inks	\$ 152.6	\$ 148.3	\$ 681.1	\$ 631.2
Specialty Engineered Materials	84.2	78.1	374.9	341.8
Corporate	22.7	(17.5)	0.7	(80.5)
Gross margin	<u>\$ 259.5</u>	<u>\$ 208.9</u>	<u>\$ 1,056.7</u>	<u>\$ 892.5</u>
Selling and administrative expense:				
Color, Additives and Inks	\$ 92.8	\$ 86.5	\$ 384.9	\$ 371.3
Specialty Engineered Materials	49.6	48.7	207.7	199.3
Corporate	31.5	30.6	134.8	125.1
Selling and administrative expense	<u>\$ 173.9</u>	<u>\$ 165.8</u>	<u>\$ 727.4</u>	<u>\$ 695.7</u>
Operating income:				
Color, Additives and Inks	\$ 59.8	\$ 61.8	\$ 296.2	\$ 259.9
Specialty Engineered Materials	34.6	29.4	167.2	142.5
Corporate	(8.8)	(48.1)	(134.1)	(205.6)
Operating income	<u>\$ 85.6</u>	<u>\$ 43.1</u>	<u>\$ 329.3</u>	<u>\$ 196.8</u>
Depreciation and amortization:				
Color, Additives and Inks	\$ 21.9	\$ 22.2	\$ 87.5	\$ 98.3
Specialty Engineered Materials	21.0	19.8	82.1	81.5
Corporate	2.5	2.2	10.1	9.0
Depreciation and amortization	<u>\$ 45.4</u>	<u>\$ 44.2</u>	<u>\$ 179.7</u>	<u>\$ 188.8</u>
Earnings before interest, taxes, depreciation and amortization (EBITDA):				
Color, Additives and Inks	\$ 81.7	\$ 84.0	\$ 383.7	\$ 358.2
Specialty Engineered Materials	55.6	49.2	249.3	224.0
Corporate	(6.3)	(45.9)	(124.0)	(196.6)
Other income, net	3.2	4.3	1.1	5.8
EBITDA from continuing operations	\$ 134.2	\$ 91.6	\$ 510.1	\$ 391.4
Special items, before tax	(23.9)	22.4	20.1	114.6
Interest expense included in special items	—	(0.1)	(2.3)	(2.3)
Depreciation and amortization included in special items	(0.3)	—	(1.5)	(1.9)
Adjusted EBITDA	<u>\$ 110.0</u>	<u>\$ 113.9</u>	<u>\$ 526.4</u>	<u>\$ 501.8</u>

Adjusted Free Cash Flow Calculation	Year Ended December 31,	
	2024	2023
Cash provided by operating activities	\$ 256.8	\$ 201.6
Taxes paid on gain on sale of business	—	104.1
One-time payout associated with deferred compensation plans	20.8	—
Adjusted cash provided by operating activities	\$ 277.6	\$ 305.7
Capital expenditures	(121.9)	(119.4)
Adjusted free cash flow	\$ 155.7	\$ 186.3

Reconciliation to Condensed Consolidated Statements of Income	Three Months Ended March 31, 2024	
	\$	EPS⁽¹⁾
Net income from continuing operations attributable to Avient shareholders	\$ 49.4	\$ 0.54
Special items, after-tax	5.5	0.06
Amortization expense, after-tax	14.9	0.16
Adjusted net income / EPS	\$ 69.8	\$ 0.76

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