

# Avient Corporation

NYSE: AVNT

## Investor Presentation

FEBRUARY 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](http://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.



# Avient at a glance...

A diversified global business with a rich portfolio of technologies

2024 SALES

**\$3.2B**

2024 ADJ. EBITDA

**\$526M**

2024 ADJ. EPS

**\$2.66**

DIVIDENDS SINCE

**2011**

**14 YEARS  
OF CONSECUTIVE  
DIVIDEND GROWTH**

SALES FROM

**80+**

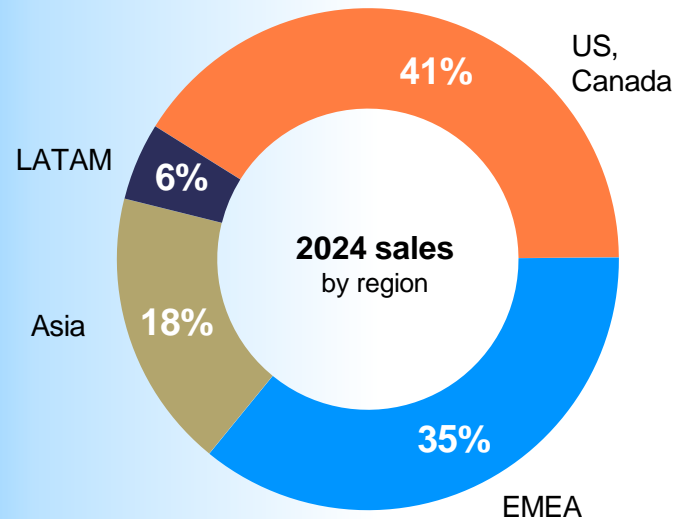
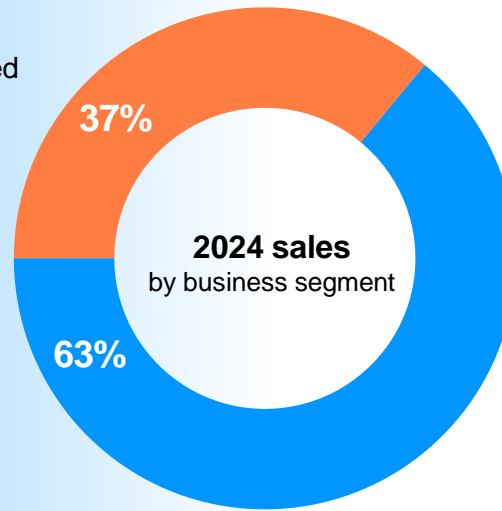
COUNTRIES

**100+**

MANUFACTURING SITES,  
LOCATED IN 34 COUNTRIES

Specialty  
Engineered  
Materials  
**SEM**

Color,  
Additives  
& Inks  
**CAI**



**2024 sales** by end market



**PACKAGING**  
23%



**CONSUMER**  
20%



**INDUSTRIAL**  
15%



**TRANSPORTATION**  
10%



**BUILDING & CONSTRUCTION**  
10%



**HEALTHCARE**  
8%



**DEFENSE**  
7%



**ENERGY**  
4%



**TELECOM**  
3%

# Key Messages

Avient is evolving to its next phase as **an innovator of materials solutions to help our customers succeed, while enabling a sustainable world**

## Our primary focus is on organic revenue growth and margin expansion

- ▶ Our approach is to **intersect secular trends and high growth markets with our technologies** to create product platforms of scale
- ▶ We have conducted extensive portfolio prioritization and identified growth vectors both to **catalyze growth in our core** and to **build businesses in high growth markets** supported by secular trends
- ▶ Margin expansion to be driven by higher volumes, profitable mix, productivity gains, use of digital tools/processes, and a pipeline of differentiated products enabled by **hybridization** of our technologies

## Our strategy is enabled and driven by our focus on

(a) portfolio prioritization, (b) amplifying innovation, (c) digital for operational excellence and growth, and (d) leadership, talent and culture for the Avient of the future



# 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 ▶



**Unwavering customer focus**  
Global reach with a local touch



**Diverse technology portfolio**



**Commercial excellence, financial rigor & prudence**



**Culture of safety and sustainability**

FOUNDATIONAL STRENGTHS ▶



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

**Housing shortage**

**Increased power generation and distribution needs**

driven by high performance computing and electric mobility

**Heightened geopolitical tensions**

**Move to sustainability solutions**

**Tightening regulatory environment**

**Personalized, self-administered healthcare solutions**

## AVIENT GROWTH VECTORS

Composites for building and construction

Composites for electrification and energy

Flame retardants

Composites for Defense and law enforcement

Non-PFAS functional additives

Plastic lightweighting

Engineered materials for healthcare

Drug delivery devices

# Strategic approach to drive sustainable growth

Avient sales growth  
Schematic illustration only

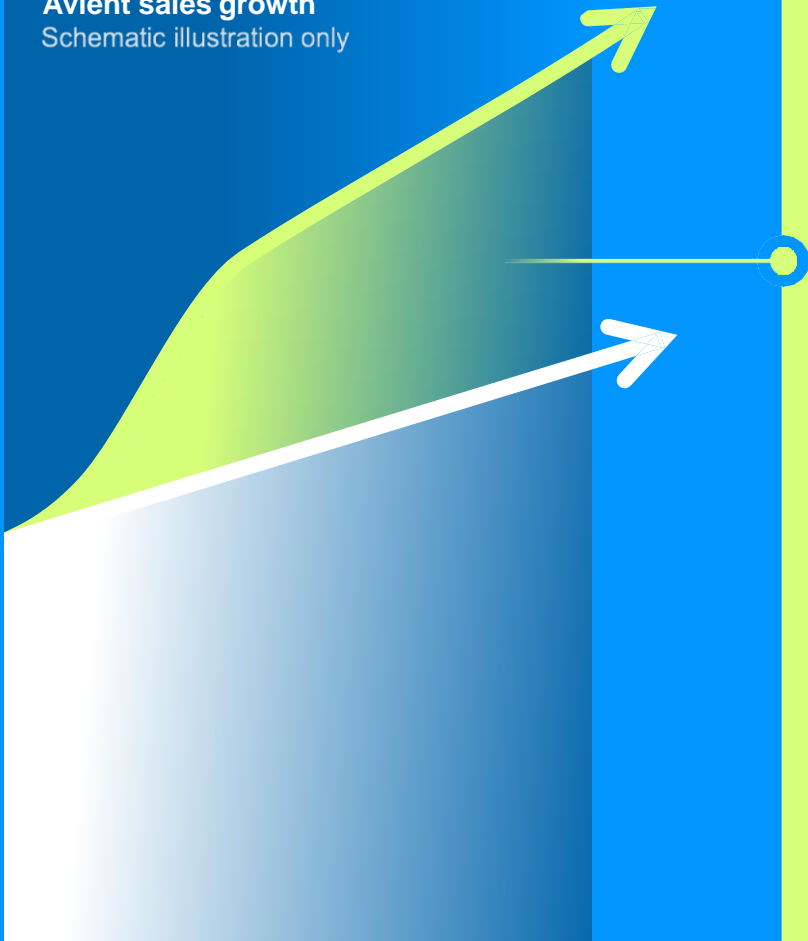
## Catalyze the core

1. Enhanced customer focus
2. Solutions from across **all Avient**
3. Eliminate complexity of portfolios, go-to-market models and organization
4. **Amplify innovation** to grow double-digits in prioritized businesses through key growth vectors
5. Digital for growth and operational excellence
6. Share gains and geographic penetration

GROW BUSINESS AT  
**GDP +**

# Strategic approach to drive sustainable growth

Avient sales growth  
Schematic illustration only



## Build new platforms of scale

1. Play bigger and bolder in high growth markets and portfolios supported by secular trends to create product platforms of scale
2. Prioritize company-level growth vectors meeting the four-point criteria

MARKETS

TECHNOLOGY

CUSTOMER

SCALE

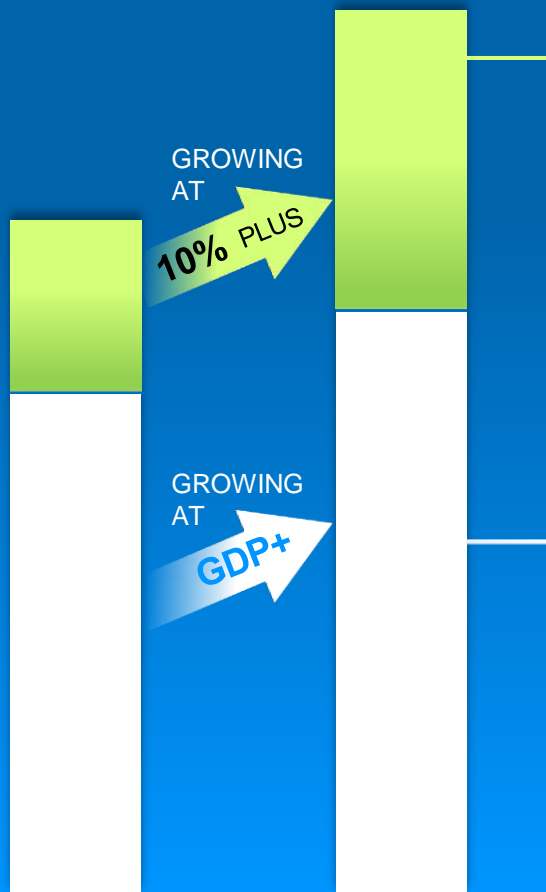
3. Moving up the value chain, and expanding addressable market size by providing materials solutions in select and prioritized areas

GROW BUSINESS AT  
**10%** PLUS CAGR



# Strategic approach to drive sustainable growth

Avient sales growth  
Schematic illustration only



**2** Portfolios in high growth markets grow faster than core – building sizeable businesses of scale rapidly

**BUILD NEW PLATFORMS OF SCALE**

**1** Core grows above macro driven by share wins and faster business development in prioritized portfolios (growth vectors)

**CATALYZE THE CORE**

- ▶ **Prioritizing** programs, portfolios, and resources
- ▶ Managing growth vectors **differently**
  - Dedicated/focused organizations
  - Right talent with new business building and scale up capability
  - Resourcing for success and playing to win
  - Have good processes and discipline
- ▶ **Creating “space”** for investments by reallocating resources from other portfolios and reducing costs
- ▶ More **focused front-end and back-end structures** and activities to ensure sustained commercial success

# Organic revenue growth with margin expansion

## LONG TERM FINANCIAL TARGETS

**+100 to +200bps**  
above GDP

Organic revenue growth

**20% +**

Adjusted EBITDA margin

**10% +**

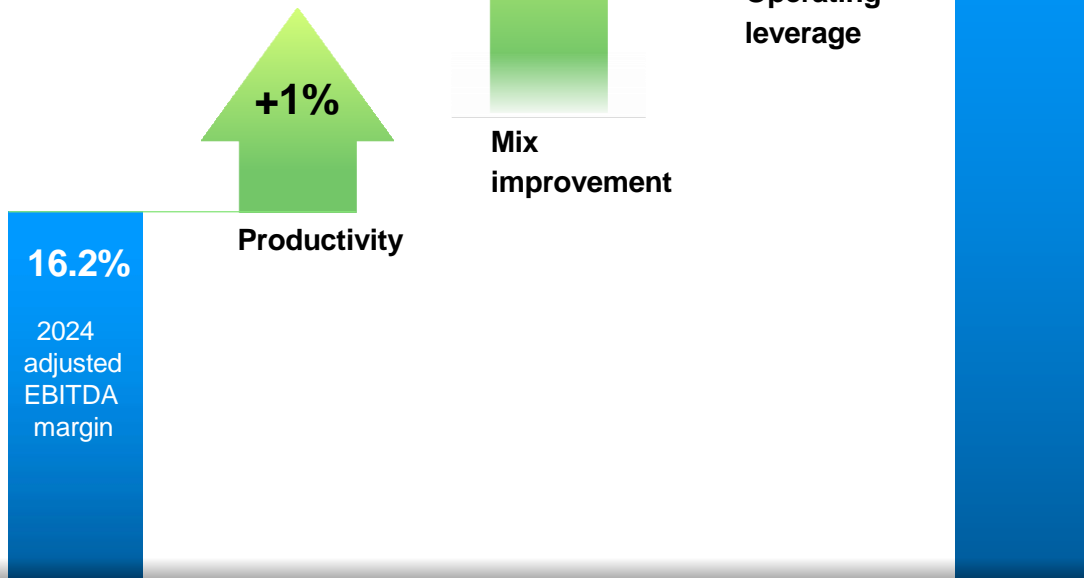
Adjusted EPS CAGR

# Pathway to 20%+ adjusted EBITDA margins

Avient margin expansion  
Schematic illustration only

**+400bps**  
margin expansion

**20%+**  
Strategic objective



**1**

**Operating leverage**

- Organic volume growth and SG&A efficiencies from prioritizing resources across the company

**2**

**Mix improvement**

- Increased sales in higher margin growth platforms

**3**

**Productivity**

- Manufacturing & sourcing efficiencies
- Footprint optimization
- Digital technologies

# Disciplined capital allocation

● <b>Capex</b>	Expected annual spend between 3-5% of revenue to support investment in organic growth
② <b>Dividends</b>	Increasing each year with underlying earnings growth
③ <b>Debt pay down</b>	Target net debt to adjusted EBITDA less than 2.5x
④ <b>Share repurchases</b>	Opportunistic buy backs
⑤ <b>M&amp;A</b>	De-emphasized in near term; complement organic growth strategy with M&A over time, as needed



# Avient is a compelling investment thesis



## Portfolio

aligned to high growth market segments and secular trends

## ORGANIC GROWTH

complemented by M&A over time as needed



## Innovation

differentiation by hybridizing technologies to create platforms at scale

## MARGIN EXPANSION

and sustainable growth



## Global reach with local touch

customer-centric focus across continents and cultures to serve locally and win globally

Broad customer base and

## COMPETITIVE ADVANTAGE



## Ability to adapt & pivot to deliver results

highly motivated team with track record of operational and commercial excellence

Strong **CASH GENERATION** and **EXECUTION**

# 2024 Results



# 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; 14<sup>th</sup> consecutive increase

# Full-year 2024 organic revenue growth - by region



US & Canada

▲ 5%



Europe, Middle East & Africa

▲ 1%



Asia

▲ 5%



Latin America

▲ 15%

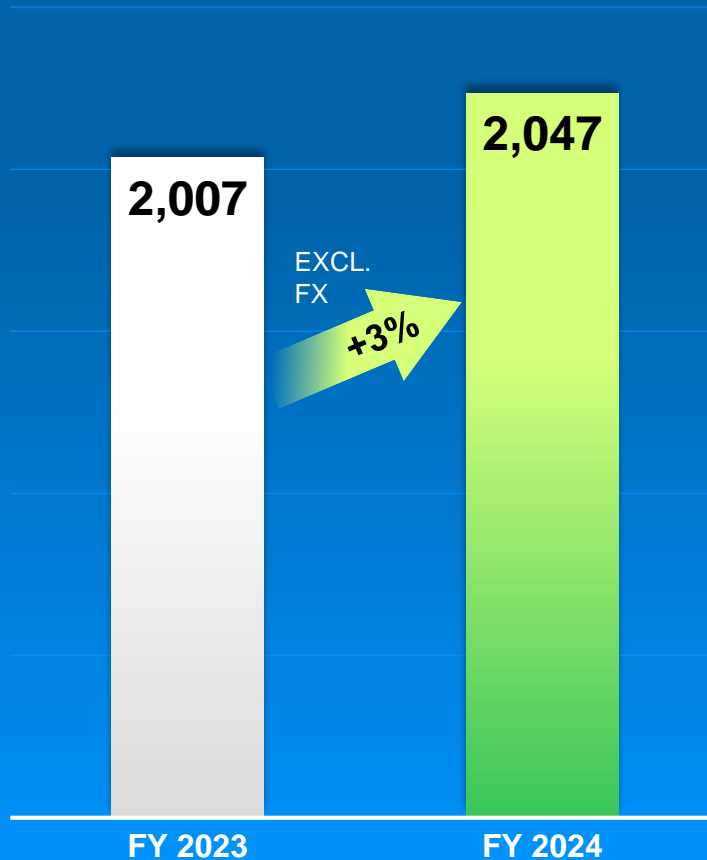
Year-over-year revenue growth, excludes the impact of foreign exchange



# Color, Additives & Inks – full year 2024 performance

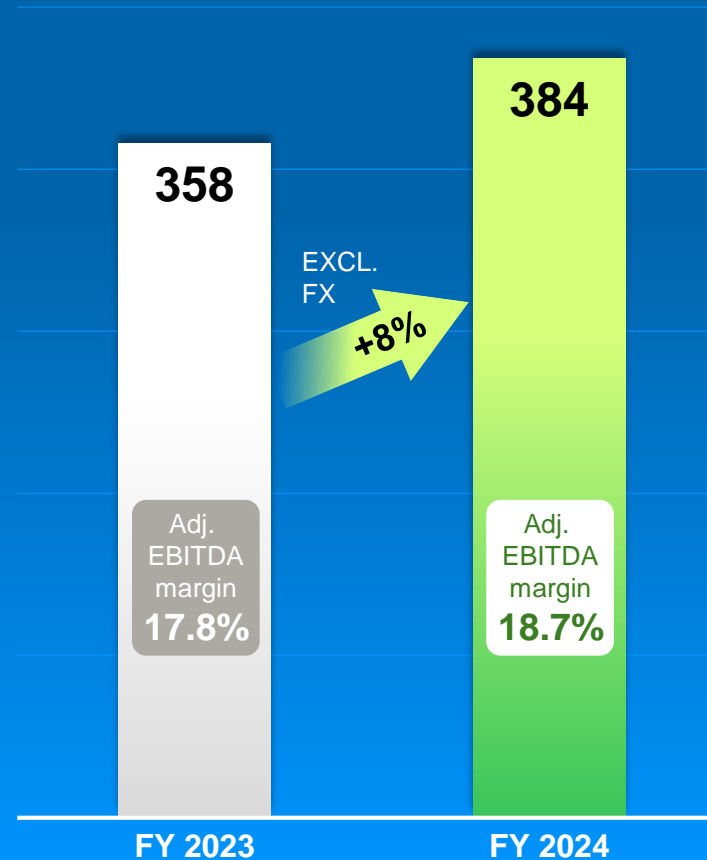
## Sales

\$ Millions



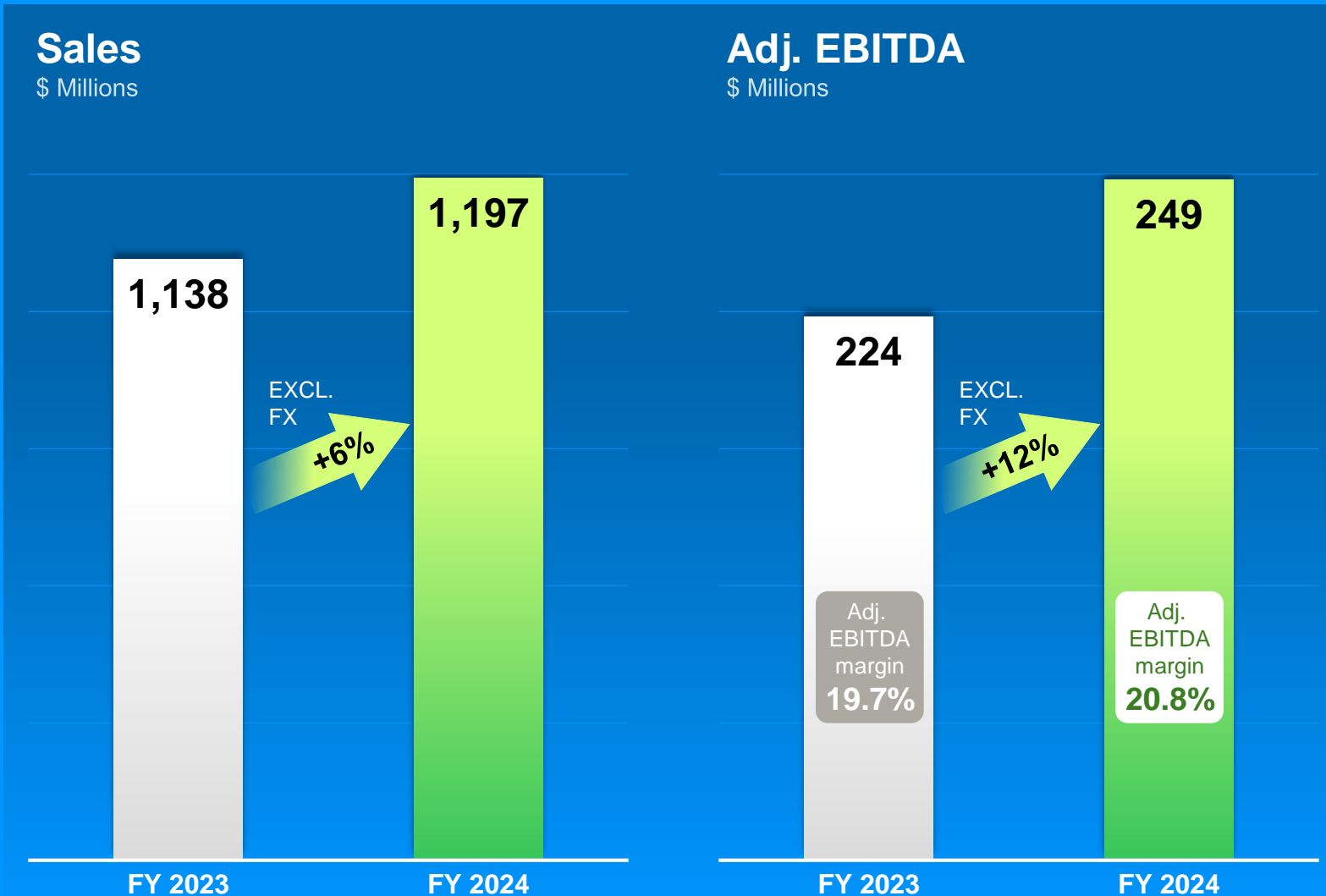
## Adj. EBITDA

\$ Millions



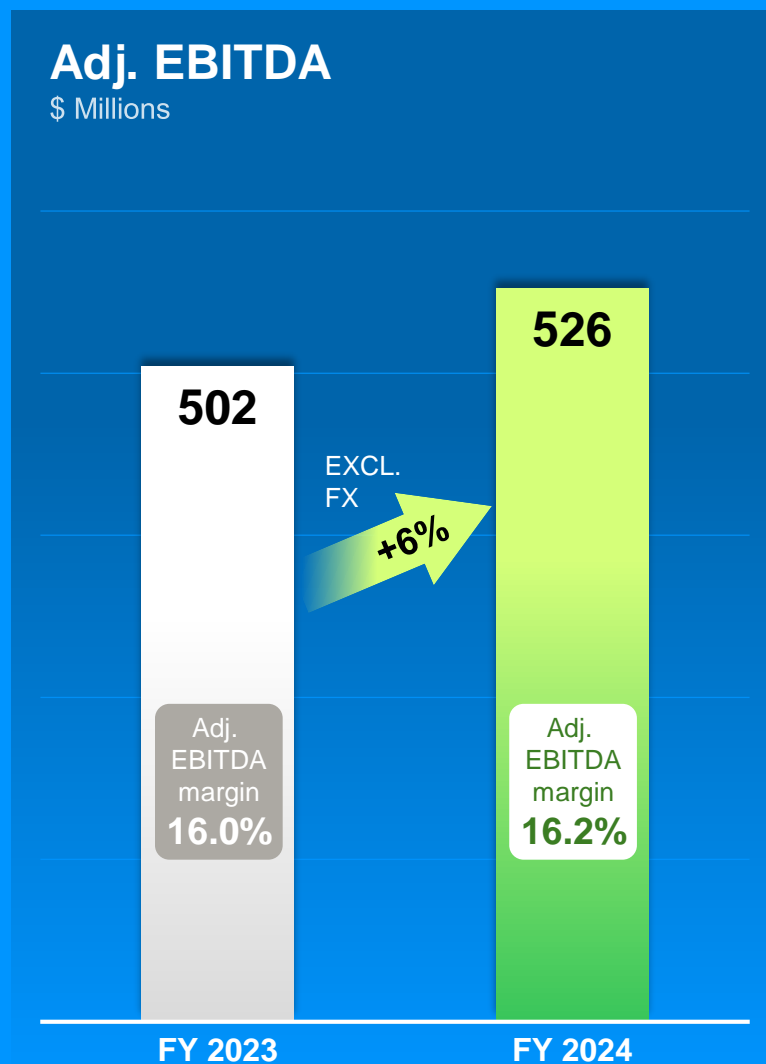
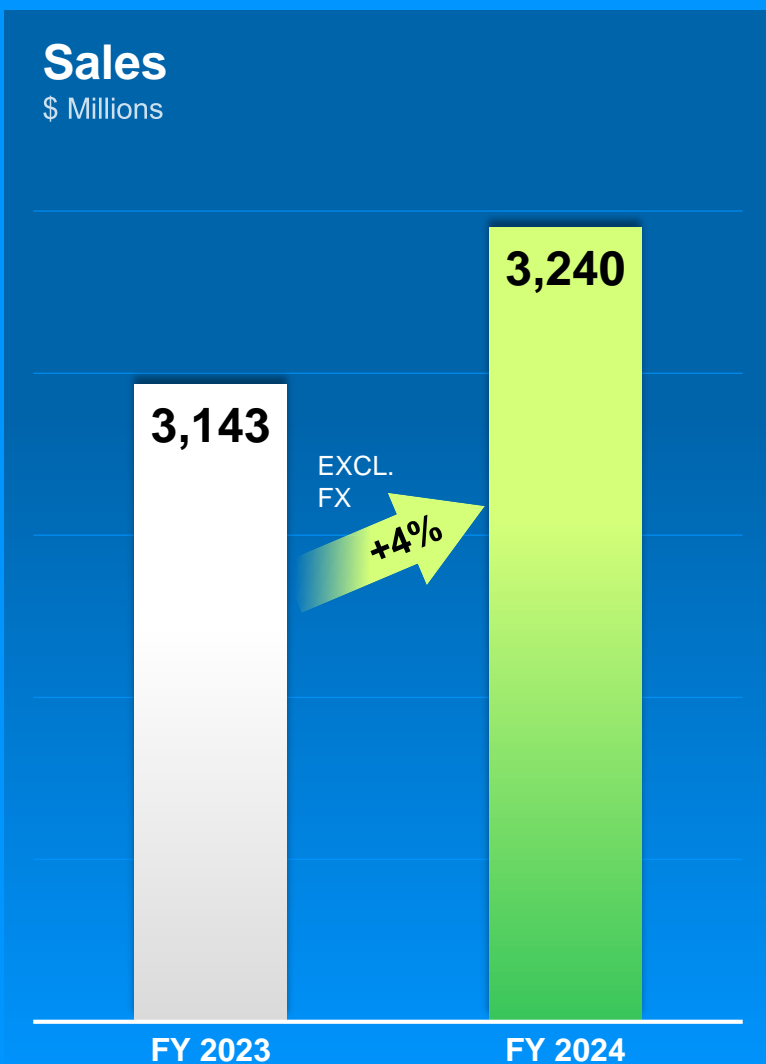
- Driven by new applications for drug delivery and building & construction as well as demand recovery in packaging and consumer
- Adjusted EBITDA margin expansion driven by higher sales and net price benefit

# 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 its index finger towards a glowing, multi-colored sphere of light trails and particles. The sphere is composed of numerous thin, overlapping lines in shades of blue, purple, and orange, creating a sense of depth and movement. The background is dark, filled with out-of-focus, colorful bokeh lights in shades of blue, green, and purple. 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

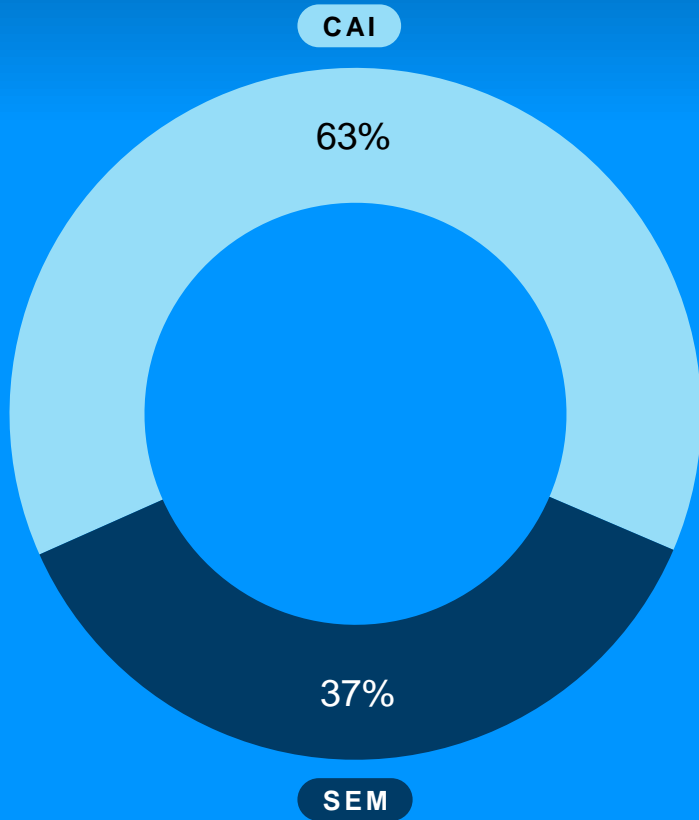


 **AVIENT**

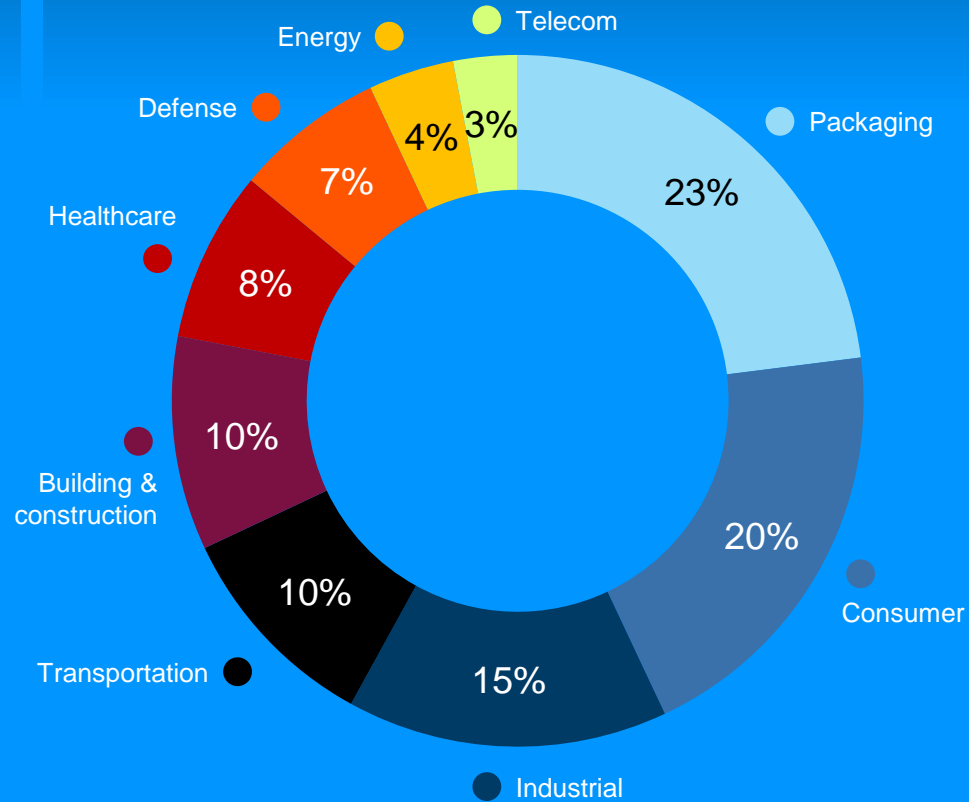
# Avient 2024 sales

By business segment, by end market and by region

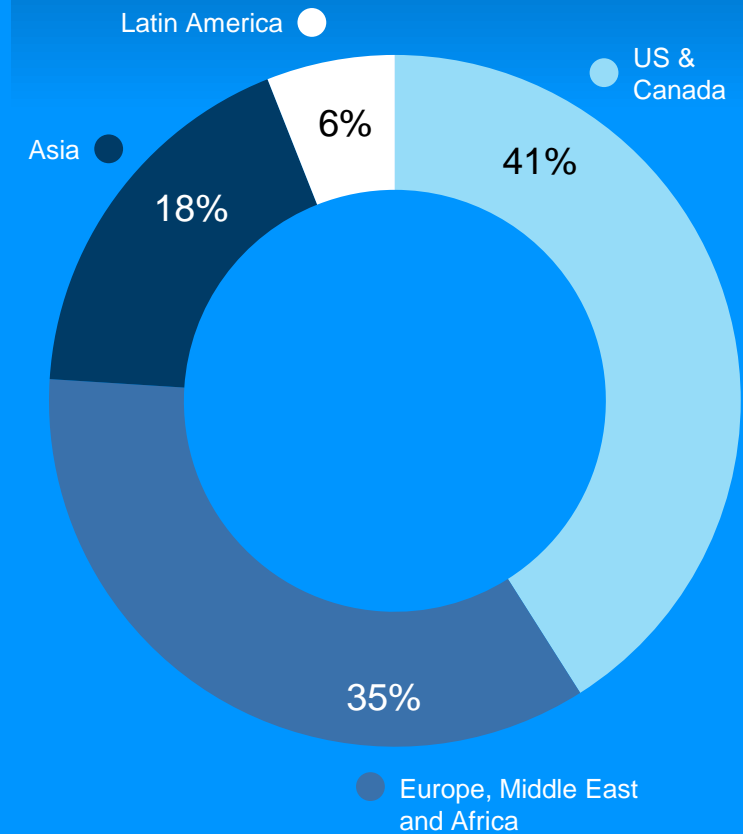
BUSINESS SEGMENTS



END MARKETS



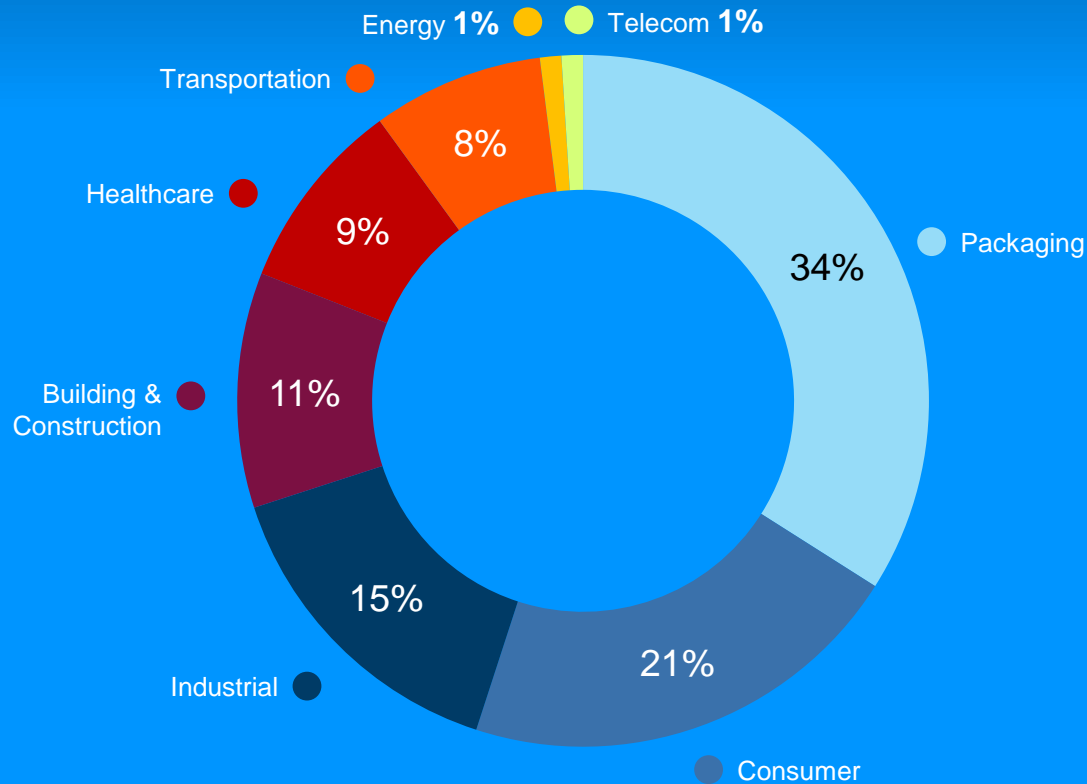
REGIONS



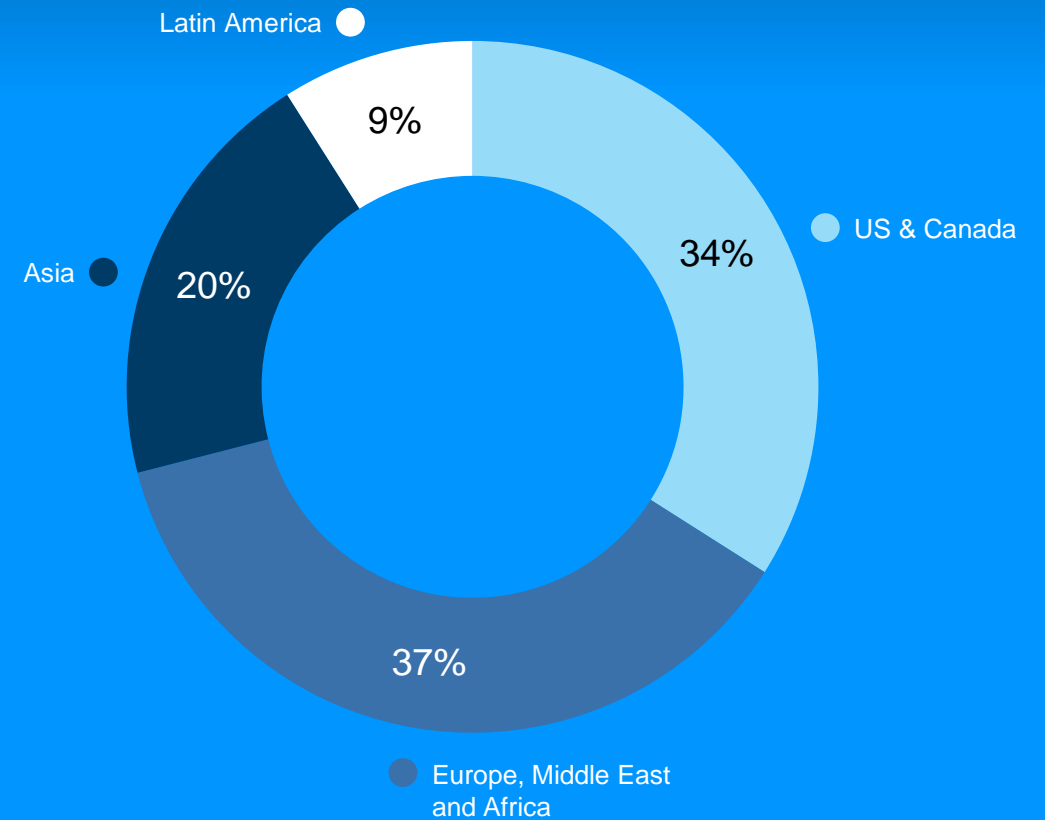
# Color, Additives & Inks

2024 revenue: \$2,047M

### END MARKETS



### REGIONS

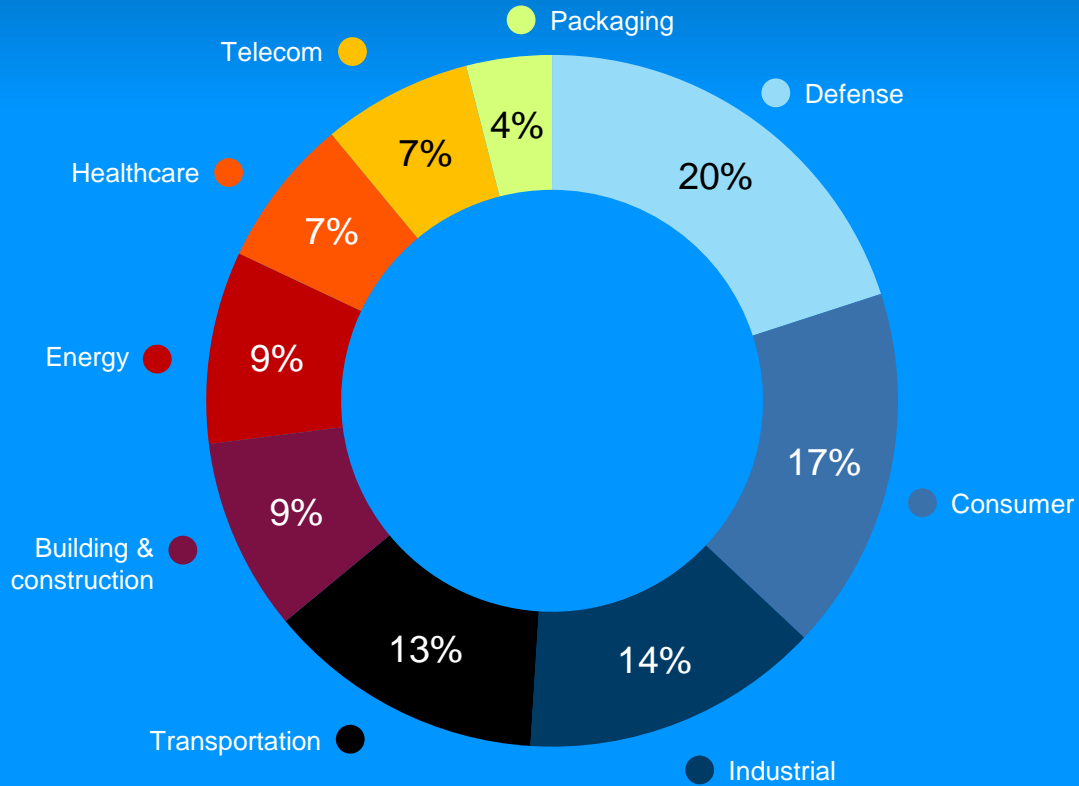




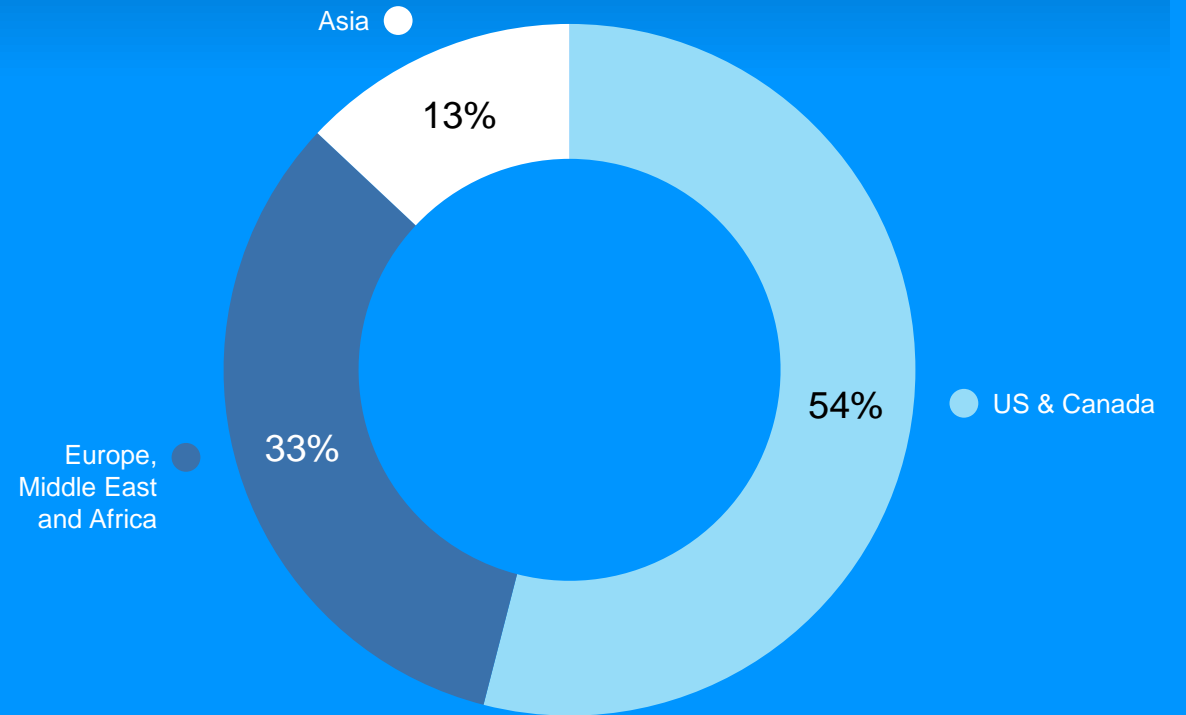
# Specialty Engineered Materials

2024 revenue: \$1,197M

### END MARKETS



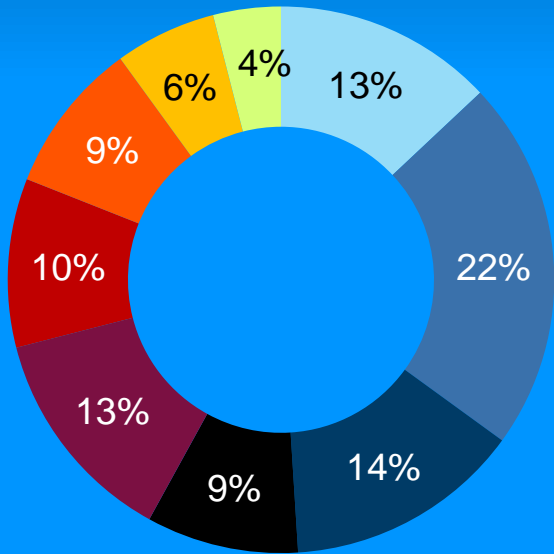
### REGIONS



# Avient 2024 regional sales, by end market

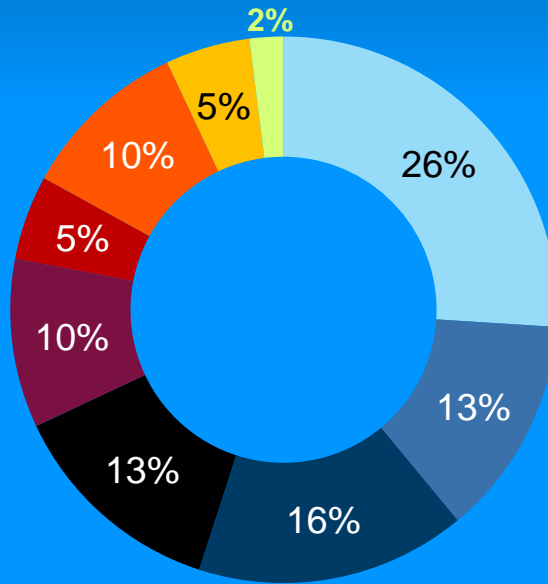
## US & CANADA

41% of sales



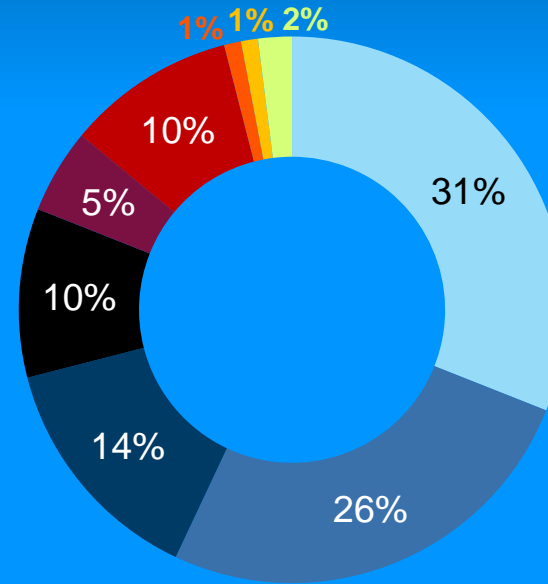
## EMEA

35% of sales



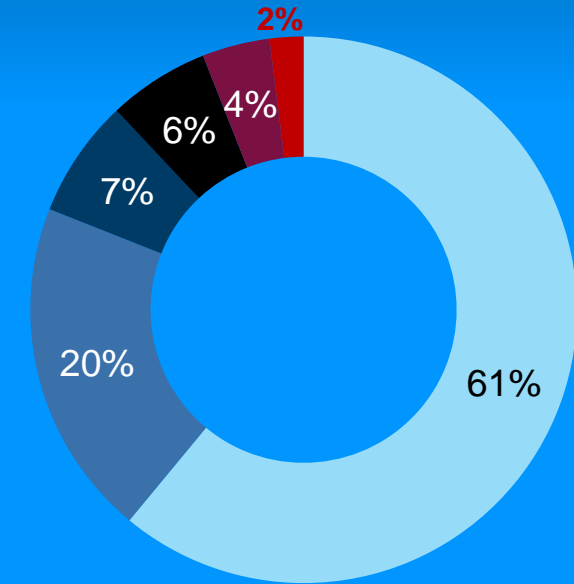
## ASIA

18% of sales

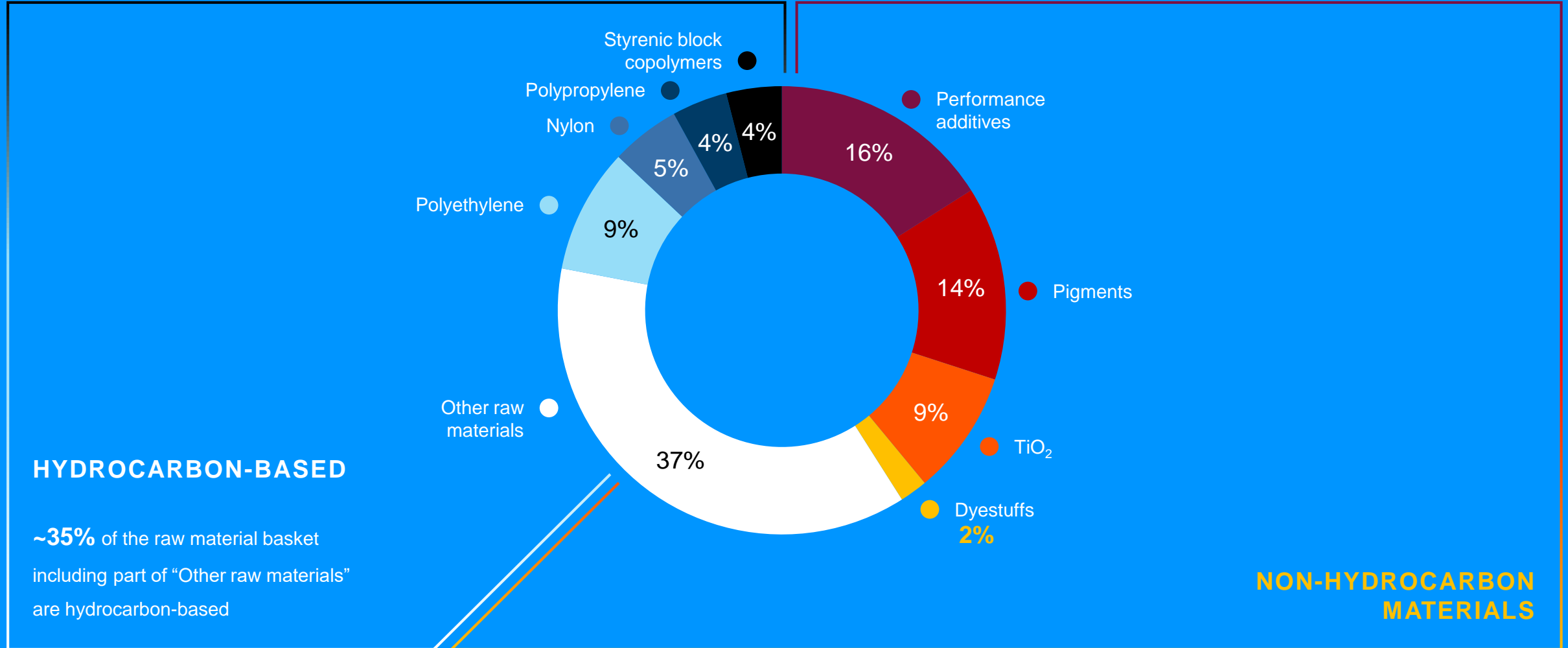


## LATIN AMERICA

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 <sup>(1)</sup>	\$	EPS <sup>(1)</sup>
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>

<sup>(1)</sup> 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 <sup>(1)</sup>	\$	EPS <sup>(1)</sup>
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>

<sup>(1)</sup> 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
<b>Sales:</b>				
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>
<b>Gross margin:</b>				
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>
<b>Selling and administrative expense:</b>				
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>
<b>Operating income:</b>				
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>
<b>Depreciation and amortization:</b>				
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>
<b>Earnings before interest, taxes, depreciation and amortization (EBITDA):</b>				
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>

<b>Adjusted Free Cash Flow Calculation</b>	<b>Year Ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
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

<b>Reconciliation to Condensed Consolidated Statements of Income</b>	<b>Three Months Ended March 31, 2024</b>	
	<b>\$</b>	<b>EPS<sup>(1)</sup></b>
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

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