



AVIENT CORPORATION

FIRST QUARTER 2023 RESULTS

(NYSE: AVNT)

MAY 3, 2023



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;
- Changes in 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 achieve strategic objectives and successfully integrate acquisitions, including Avient Protective Materials (APM);
- An inability to raise or sustain prices for products or services;
- 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 affecting our business beyond our control, including without limitation, changes in the general economy, changes in interest rates, changes in the rate of inflation 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, Free Cash Flow, Net Debt/Adjusted EBITDA 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, Adjusted Earnings Per Share, Net Debt/Adjusted EBITDA and Free Cash Flow 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, mark-to-market adjustments associated with benefit plans, 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.

Pro Forma Financial Information

The Company acquired Avient Protective Materials (“Dyneema”) on September 1, 2022 (the “Acquisition Date”) and sold the Distribution segment on November 1, 2022. To provide comparable results, the company references “pro forma” financial metrics, which include the business results of Avient Protective Materials for periods prior to the Acquisition Date, as if the transaction occurred on January 1, 2021 and reflect Distribution as a discontinued operation. Management believes this provides comparability of the performance of the combined businesses.

Unless otherwise stated, Adjusted EBITDA figures included in this presentation exclude the impact of special items as defined in our quarterly earnings releases. Additionally, Adjusted EPS excludes the impact of special items and amortization expense associated with intangible assets.

AVIENT PROTECTIVE MATERIALS INTEGRATION



Keeping Safety First

- Relentless focus on **best-in-class safety** performance as an ACC Responsible Care® organization

Exceeding Customer Expectations

- Complementary technologies and customer relationships offer opportunity for future **revenue synergies**
- Proven innovation-led commercial strategy with strong brands and participation across the full value chain

Collaboration in Innovation

- Leveraging Dyneema®, the world's strongest fiber™, to accelerate growth of **sustainable, ultralight and high performance** applications

People – Culture is Everything

- Talented, passionate and collaborative associates drive an **effective integration strategy**
- Strong Great Places to Work® scores reflect positive integration efforts in first year

AVIENT PROTECTIVE MATERIALS

KEY INDUSTRIES



PERSONAL PROTECTION

Military • Law Enforcement • First Responders • Body Armor • Helmets • Vehicle Protection

50%



MARINE & SUSTAINABLE INFRASTRUCTURE

Towing / Mooring • Aquaculture • Floating Wind • Offshore Cranes

30%



CONSUMER

Consumer • Outdoor High Performance • Safety Equipment

20%

Figures reflect approximate proportions of 2022 sales





Q1 PERFORMANCE

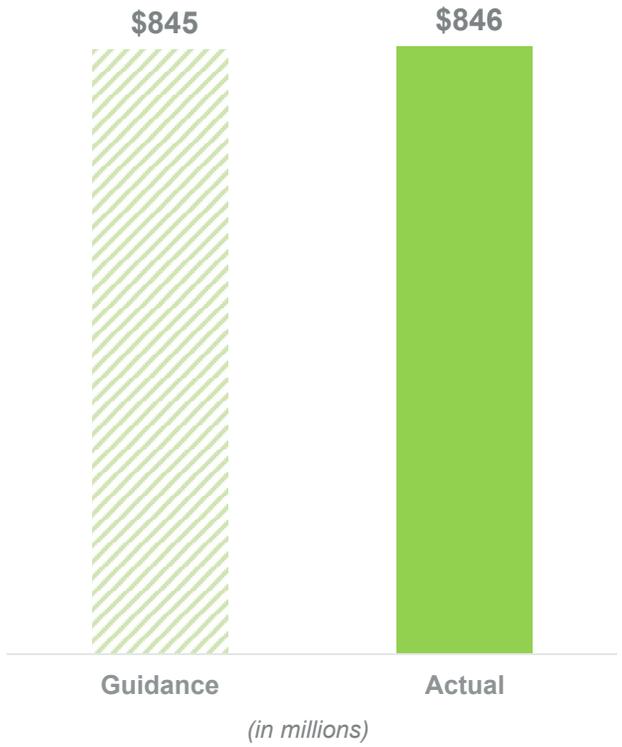
Q1 2023 PERFORMANCE VS. GUIDANCE

(TOTAL COMPANY)

Sales

Adjusted EBITDA

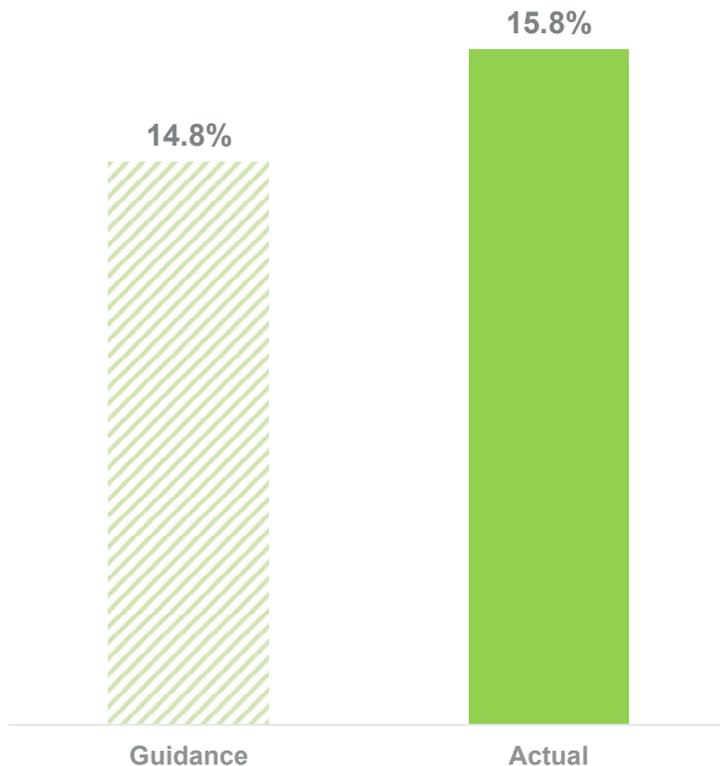
Adjusted EPS



Q1 2023 PERFORMANCE VS. GUIDANCE

(TOTAL COMPANY)

Adjusted EBITDA Margin %



Better-than-expected margins driven by:

- Resilient demand for composites and sustainable solutions which improved mix of higher margin applications
- Deceleration of raw material inflation
- Cost reduction activities

Q1 EBITDA BRIDGE

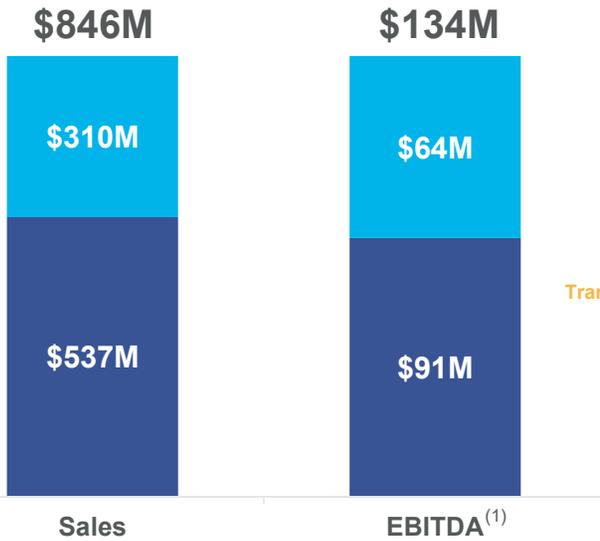
(TOTAL COMPANY)

<i>\$ millions</i>	Adjusted EBITDA
Q1 2022 Pro Forma	\$ 176
Demand	(48)
<u>CAI:</u>	
<i>Price / Mix</i>	19
<i>Inflation</i>	(4)
<u>SEM:</u>	
<i>Price / Mix</i>	6
<i>Inflation</i>	(4)
Net Price Benefit	17
Wage and Energy Inflation	(13)
Cost Reductions	8
FX	(6)
Q1 2023 Actual	\$134

- Weak demand conditions in-line with previous expectations
- Pricing continues to cover inflation of raw materials, wages and energy

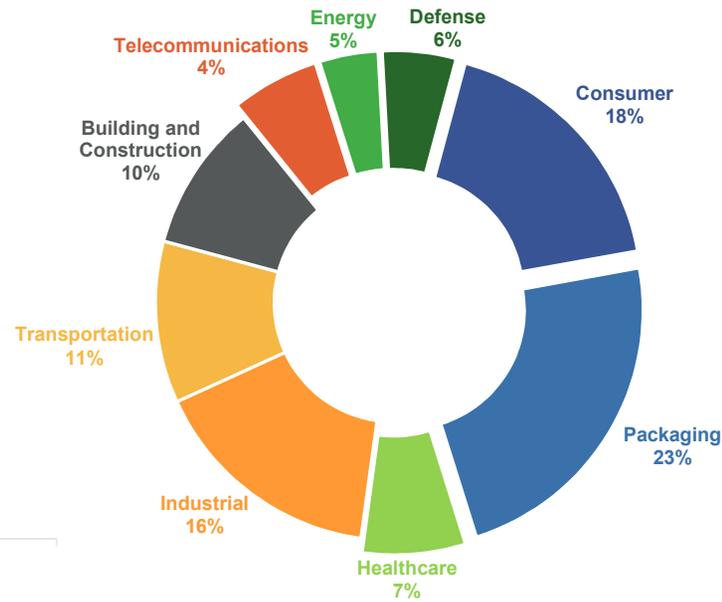
Q1 2023 SEGMENT, END MARKET AND GEOGRAPHY

SEGMENT FINANCIALS

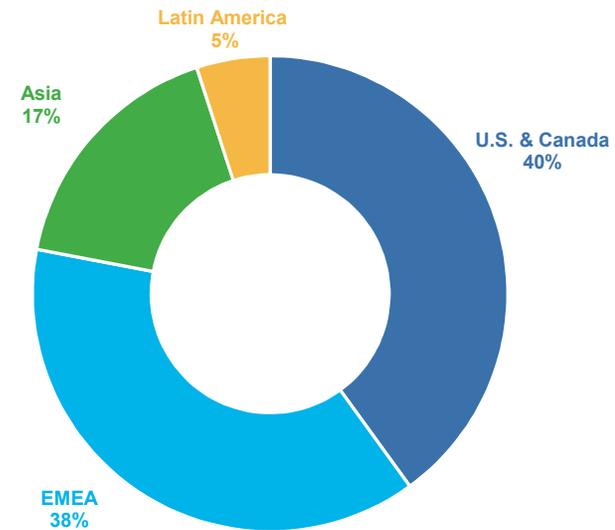


- Specialty Engineered Materials
- Color Additives and Inks

END MARKET REVENUE



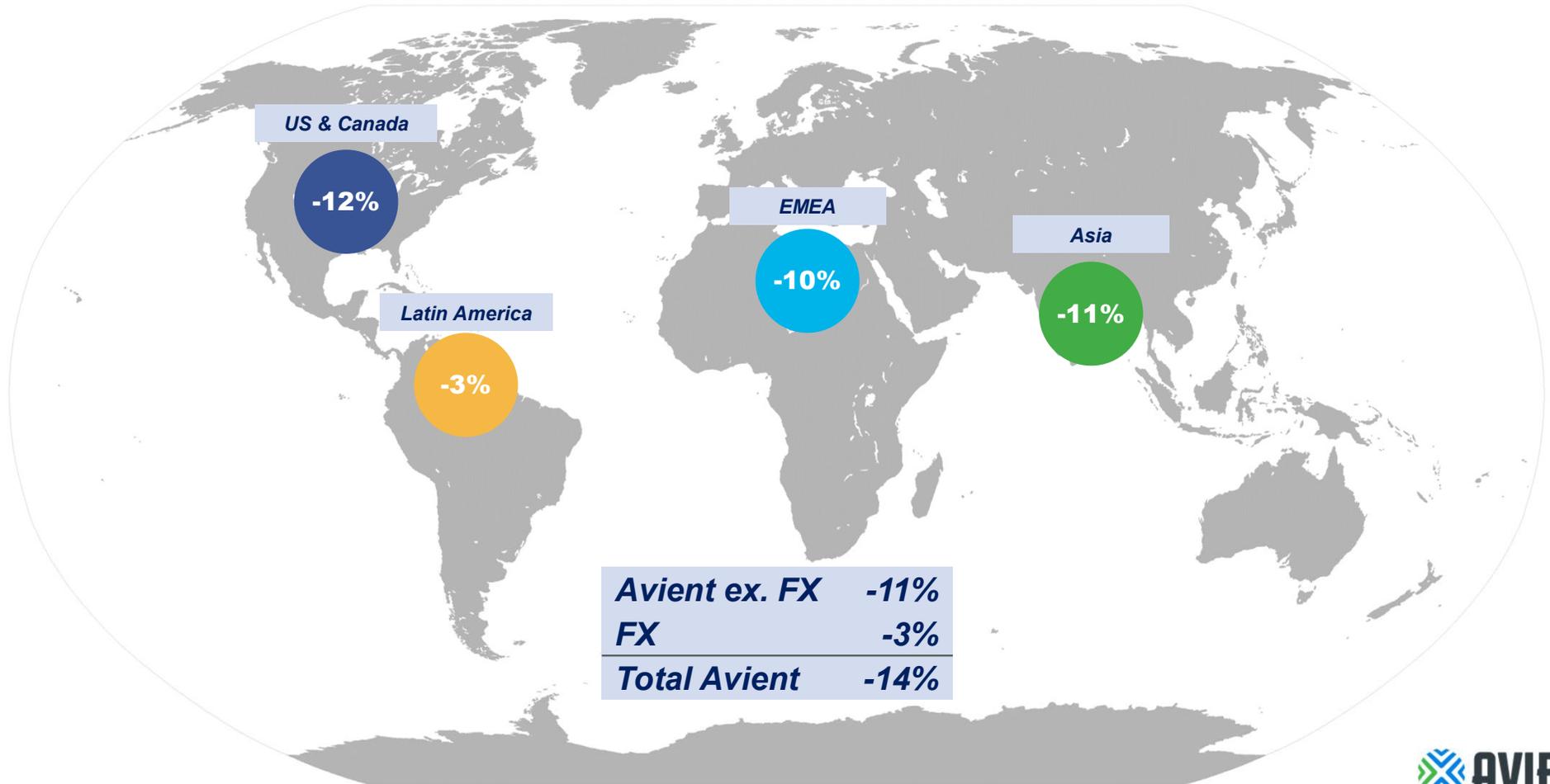
GEOGRAPHY REVENUE



(1) Total company sales and adjusted EBITDA of \$846M and \$134M, respectively, include intercompany sales eliminations and corporate costs

Q1 2023 SALES BY REGION

YoY CHANGE (EXCL. FX)





ENERGY

- Aging infrastructure driving need for greater technological advancements and upgrades
- Increased focus on strength and capacity of electrical grid plays into further adoption of composites into the market

Where Avient Wins:

- ✓ UV, weather-resistance, customized capabilities
- ✓ Best-in-class customer responsiveness
- ✓ Local high-quality manufacturing, unparalleled breadth of portfolio
- ✓ Expanding position in insulators, utility poles, crossarms, and wind energy



TELECOMMUNICATIONS

- Fiber-optic investments from AT&T, Corning, Commscope continue to drive industry toward innovation
- \$42B BEAD program in Infrastructure Bill to increase cable deployments; well-positioned to capitalize on “Made in America” requirement and “last mile” buildout

Where Avient Wins:

- ✓ Flame retardance, weather-resistance enables faster, safer, more reliable connections
- ✓ Local manufacturing, unparalleled breadth of portfolio
- ✓ Expanding position in insulation for wire jacketing, 5G buildout





DEFENSE

- Fiscal Year 2024 U.S. National Defense budget of \$842 billion submitted to Congress in Q1 2023
- European NATO members annual defense spend expected to increase by up to 20%

Where Avient Wins:

- ✓ Dyneema® is the world's strongest fiber™
- ✓ One of the highest strength to weight ratios of any material on Earth
- ✓ Direct relationships with industry leading armor manufacturers
- ✓ Resistant to most chemicals, UV, and moisture to handle any environment

Source: US Department of Defense, [defense.gov](https://www.defense.gov), NATO



TRANSPORTATION



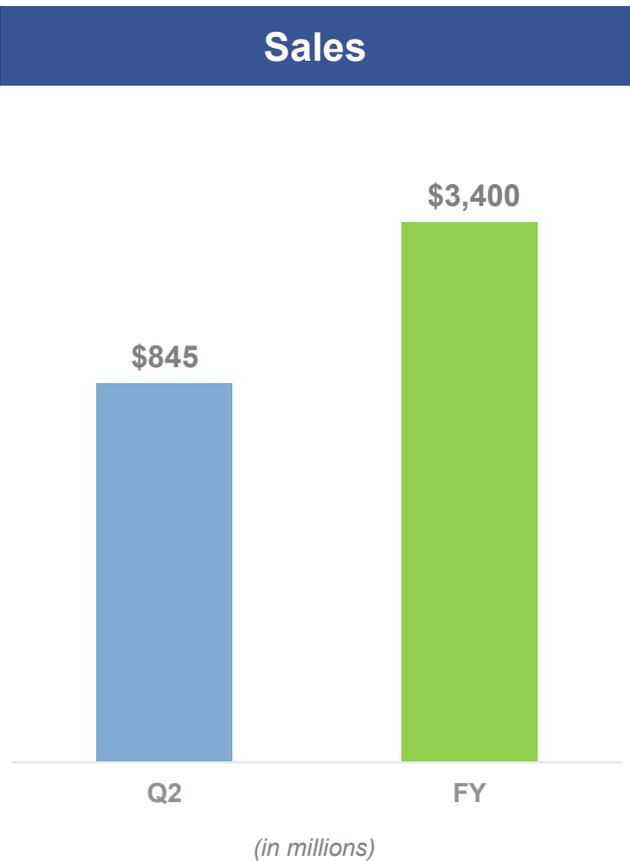
- Increased EPA regulations requiring improved fuel efficiency, enabled in part by lower-weight vehicles
- Automakers preparing for 2/3 of U.S. vehicles to be 100% electric by 2032

Where Avient Wins:

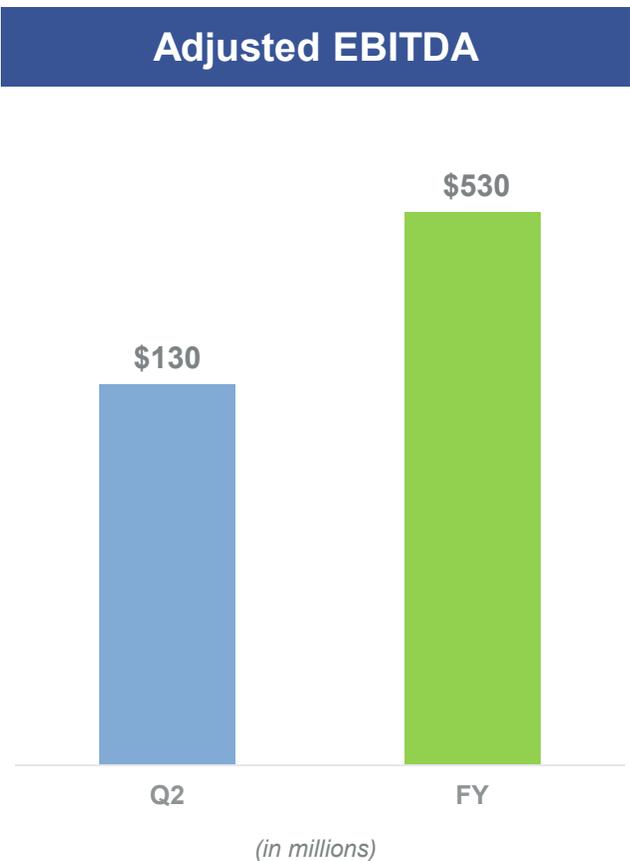
- ✓ Lightweight panels that establish both strength and stiffness resulting in decreased energy usage, lower emissions
- ✓ Long-lasting Color applications to resist UV exposure, temperature fluctuations and exceed the stylistic requirements of global automakers

2023 GUIDANCE

Sales



Adjusted EBITDA



Adjusted EPS



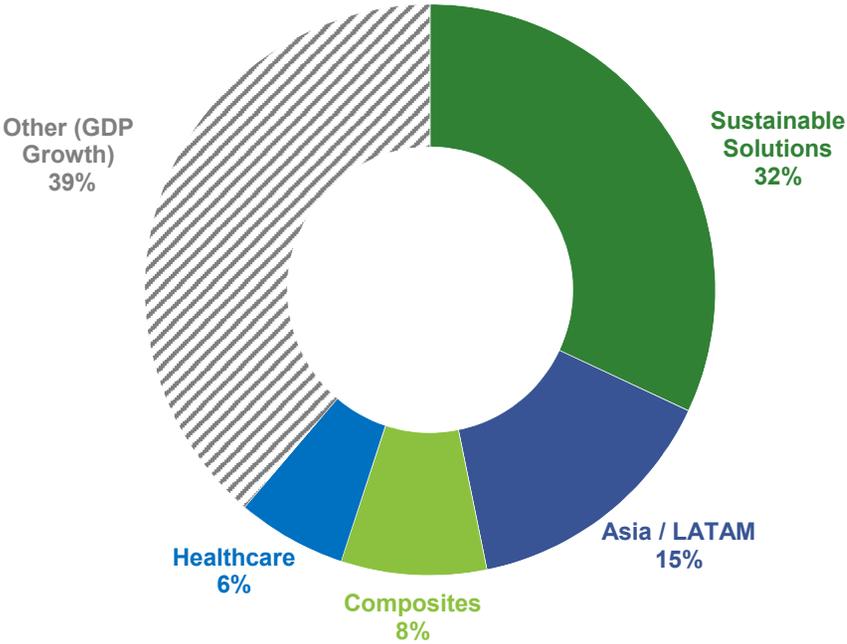
CASH FLOW / LEVERAGE

(\$ millions)	2023E	
Cash Flow from Operating Activities	\$	350
<u>Less:</u>		
<i>Run-Rate CapEx</i>		(110)
<i>CapEx for IT System Upgrade</i>		(25)
<i>CapEx for Restructuring</i>		(15)
Total CapEx		(150)
Free Cash Flow	\$	200
Adjusted EBITDA	\$	530
Net Debt / Adjusted EBITDA		2.9x

- Maintaining free cash flow and leverage guidance from February earnings call
- IT investment to further integrate acquired businesses and capture operational efficiencies
- Restructuring actions to streamline operations and improve profitability, primarily in Europe

LONG-TERM REVENUE GROWTH DRIVERS

Growth Drivers	Long-Term Growth Rate
Sustainable Solutions	8–12%
Healthcare	8–10%
Composites	10%
Asia / LATAM	5%
Other (GDP growth)	2–3%
Avient	6.5%





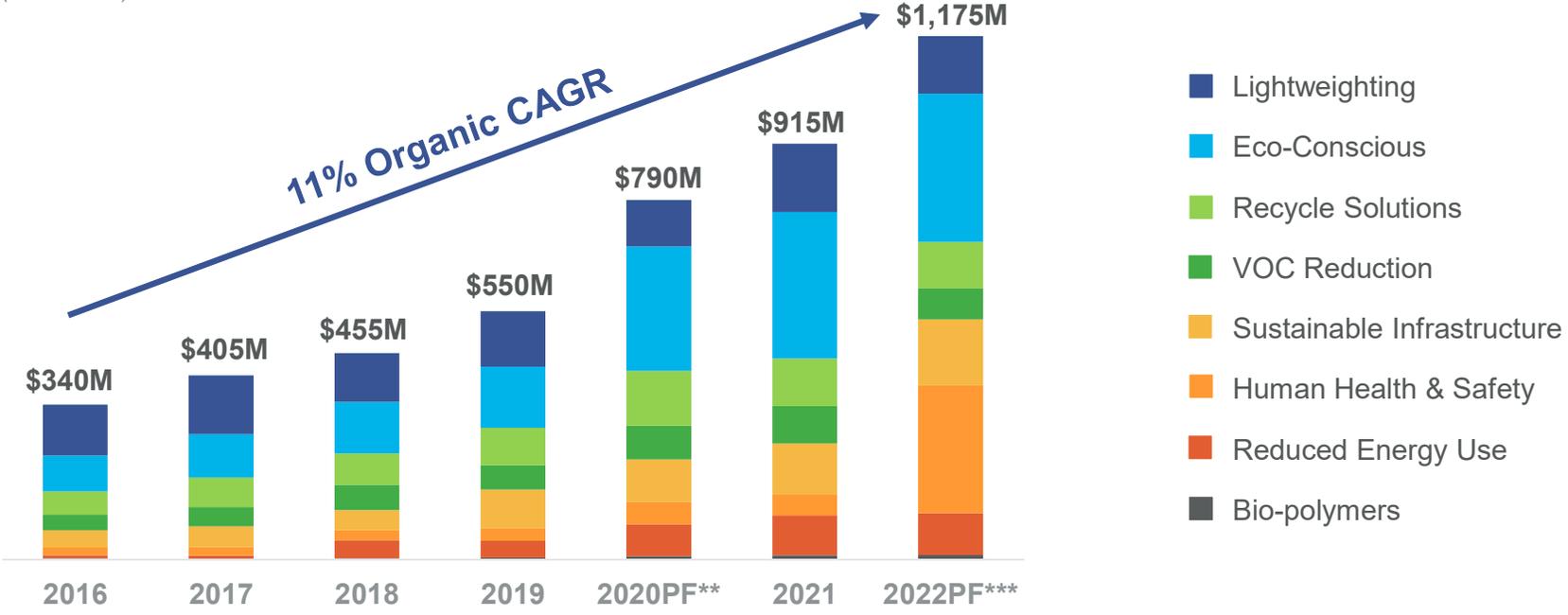
SUSTAINABILITY INVESTOR DAY

- Virtual presentation to be held September 20, 2023
- The company will be conducting an investor-focused presentation around our sustainability solutions portfolio

SUSTAINABILITY FOR A BETTER TOMORROW

Revenue From Sustainable Solutions* 2016-2022

(\$ in millions)



Organic Future Growth Revenue Assumptions From Sustainable Solutions: 8 - 12%

*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
 ***2022 is Pro Forma for the acquisition of Avient Protective Materials and the divestiture of Distribution



SUSTAINABILITY NEEDS BY MARKET



B&C

- Eco-Conscious
- Carbon footprint
- Resource conservation

Healthcare

- Carbon footprint
- Bio based content
- Eco-Conscious

Automotive

- Light weighting
- Recycled Content
- VOC reduction

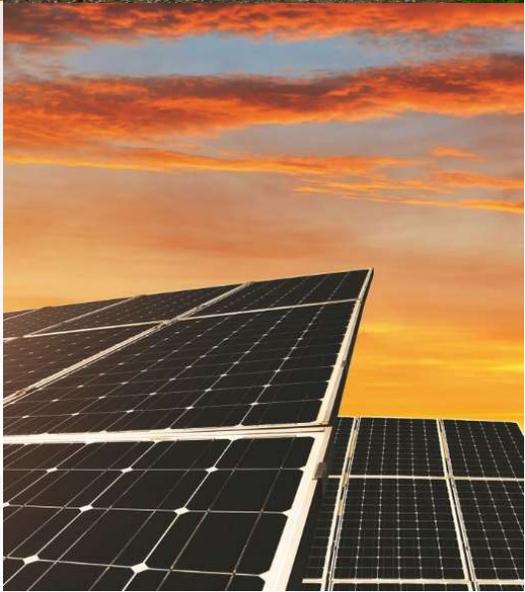
Consumer

- Recycle Solutions
- Light weighting
- Carbon Footprint

Packaging

- Recycle Solutions
- Light weighting
- Food waste reduction

Common Theme: CO₂ Emission Goals



INVESTING IN INNOVATION

SUSTAINABILITY PORTFOLIO



Lightweighting



Bio-polymers



Reduced Energy Use



Eco-conscious



VOC Reduction



Sustainable Infrastructure



Recycle Solutions



Human Health & Safety



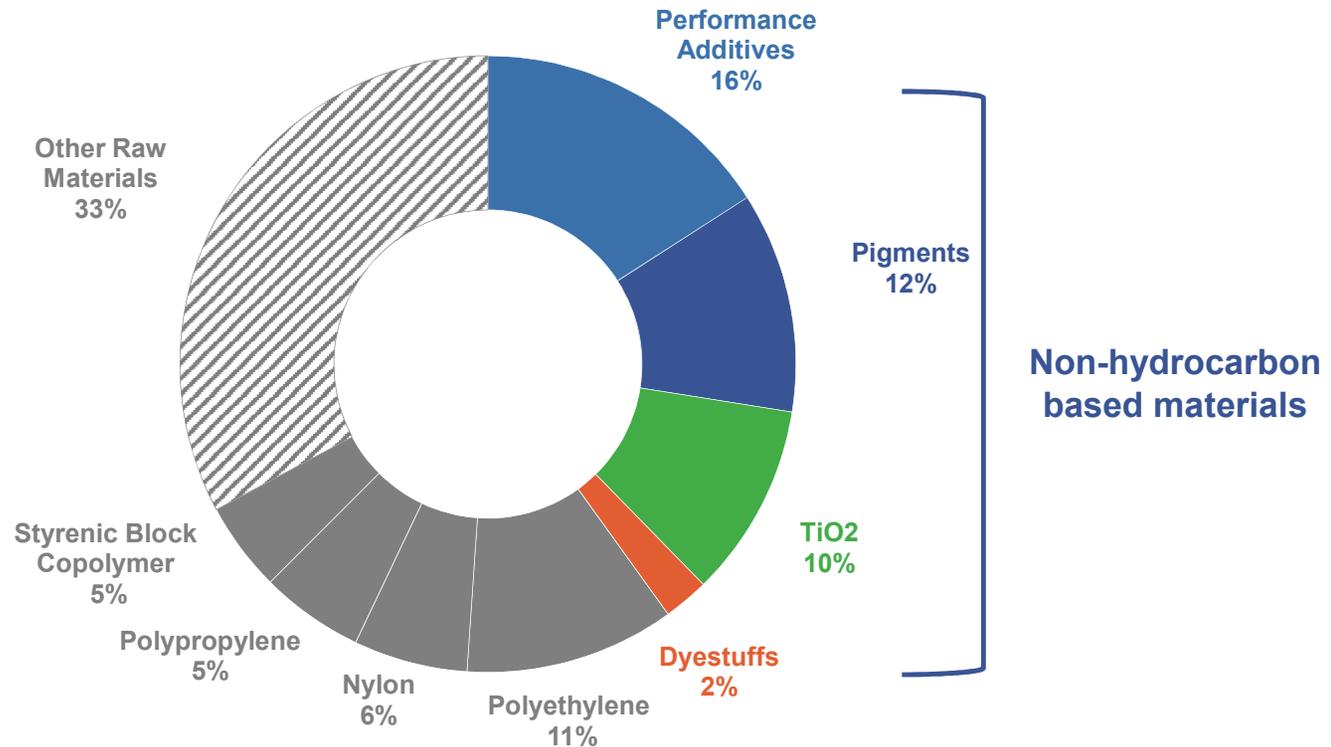




APPENDIX

RAW MATERIAL 2022 ANNUAL PURCHASES

- Cost inflation decelerating, particularly for hydrocarbon-based raw materials



~40% hydrocarbon based

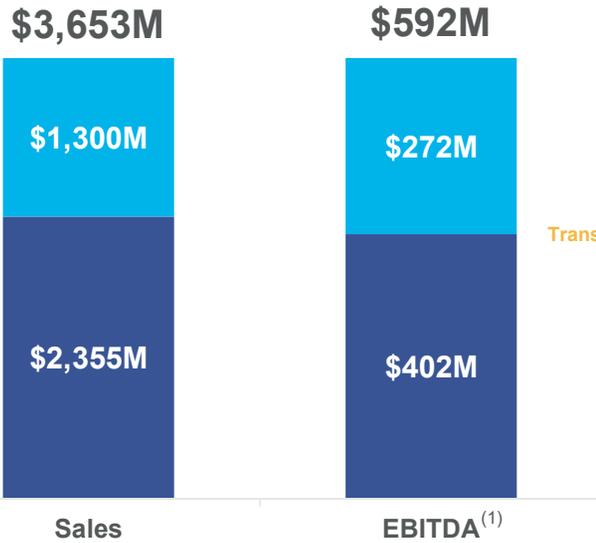
(Grey shaded materials are hydrocarbon based, includes portion of "Other Raw Materials")

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

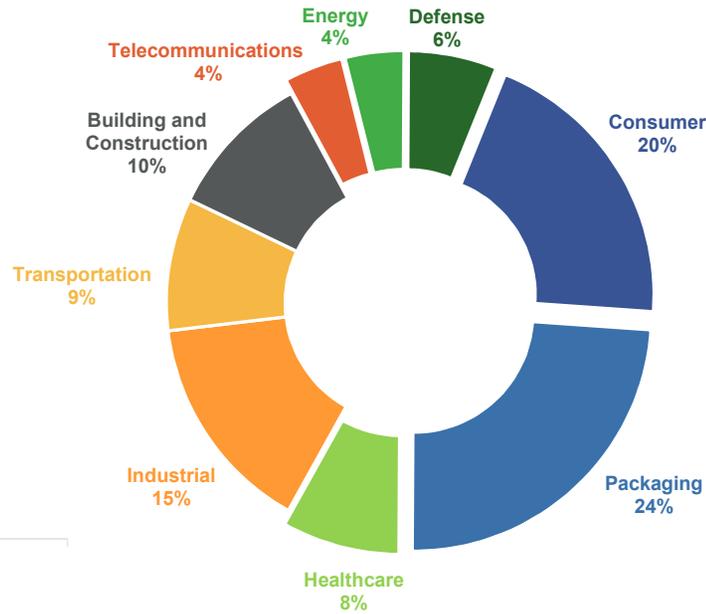
2022 PRO FORMA SEGMENT, END MARKET AND GEOGRAPHY

SEGMENT FINANCIALS

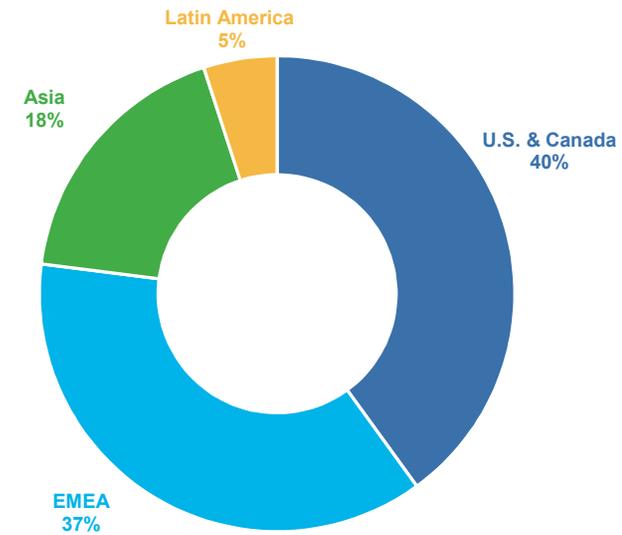


- Specialty Engineered Materials
- Color Additives and Inks

END MARKET REVENUE



GEOGRAPHY REVENUE

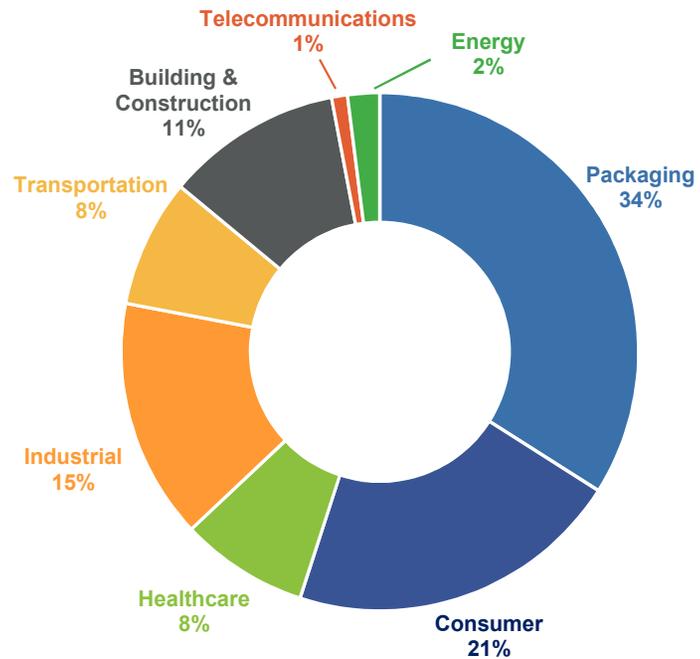


(1) Total company sales and adjusted EBITDA of \$3,653M and \$592M, respectively, include intercompany sales eliminations and corporate costs

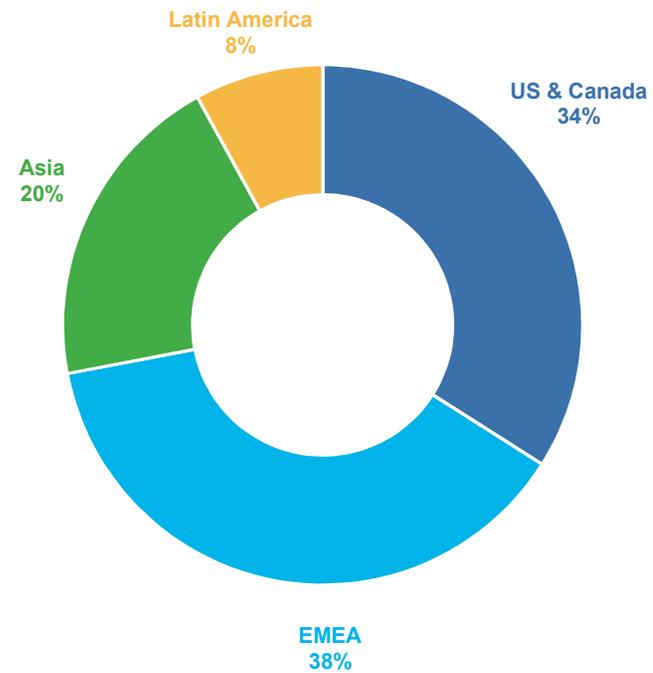
COLOR, ADDITIVES & INKS

2022 REVENUE | \$2.4 BILLION

END MARKET



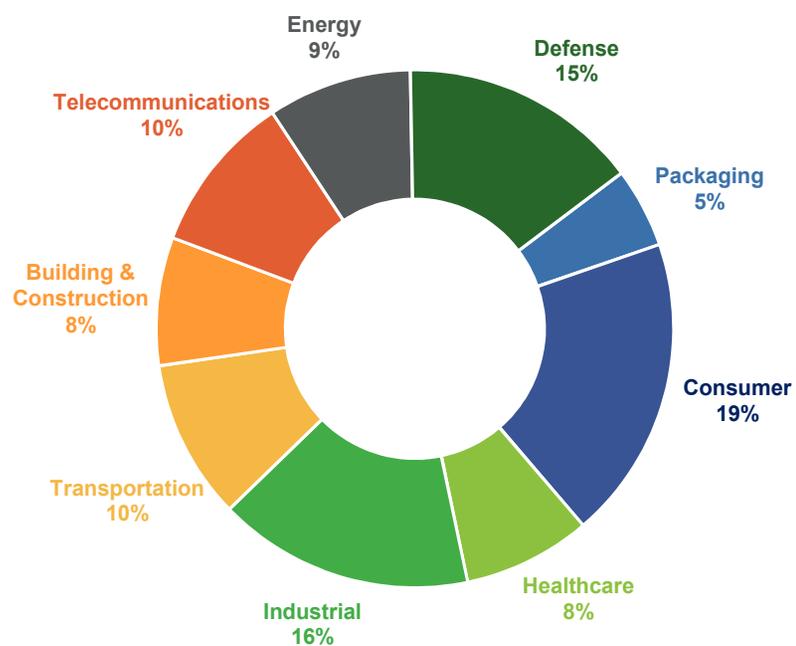
REGION



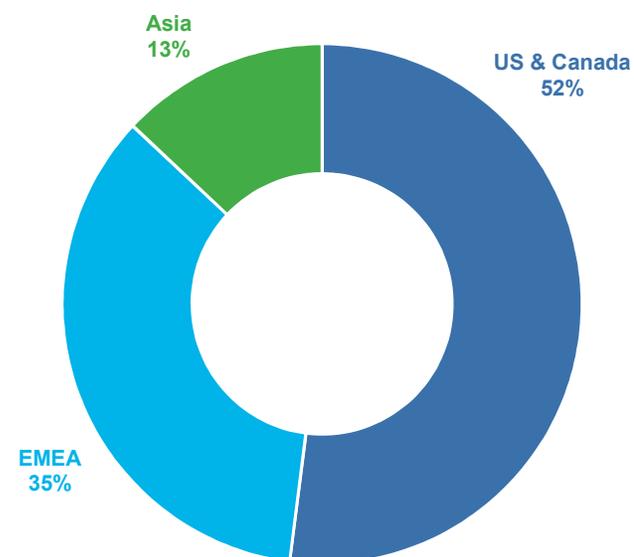
SPECIALTY ENGINEERED MATERIALS

2022 PRO FORMA REVENUE | \$1.3 BILLION

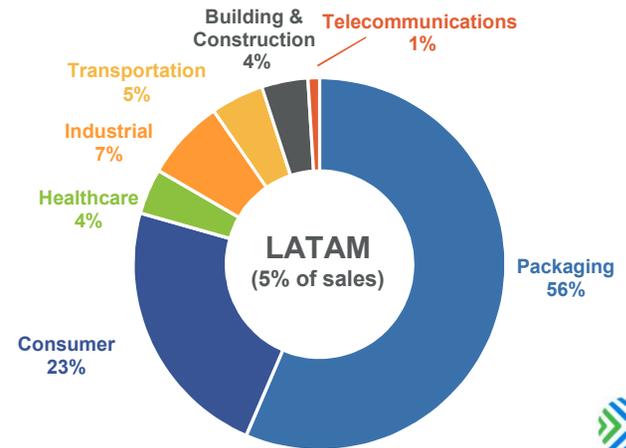
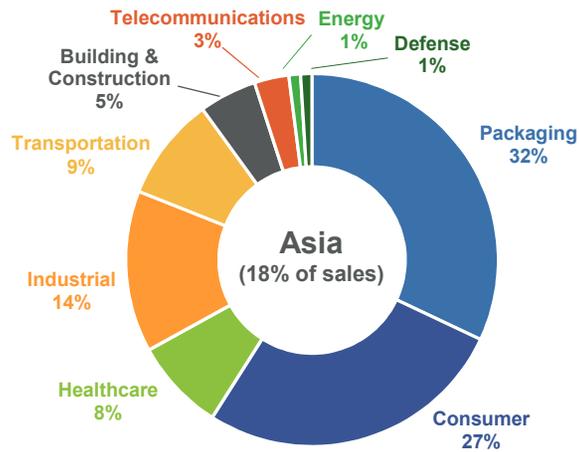
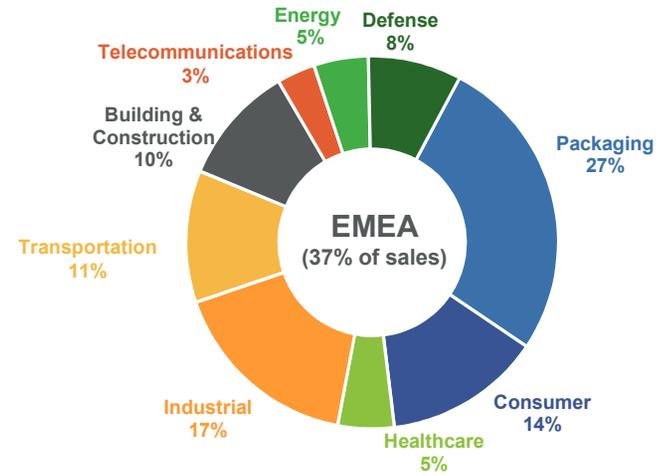
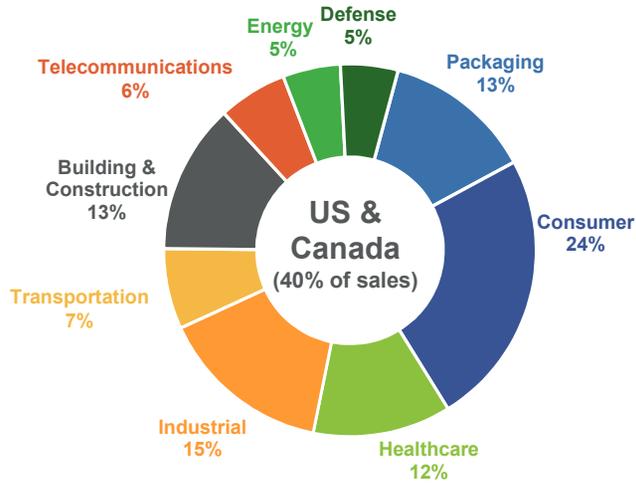
END MARKET



REGION



2022 PROFORMA AVIENT REGIONAL SALES BY END MARKET

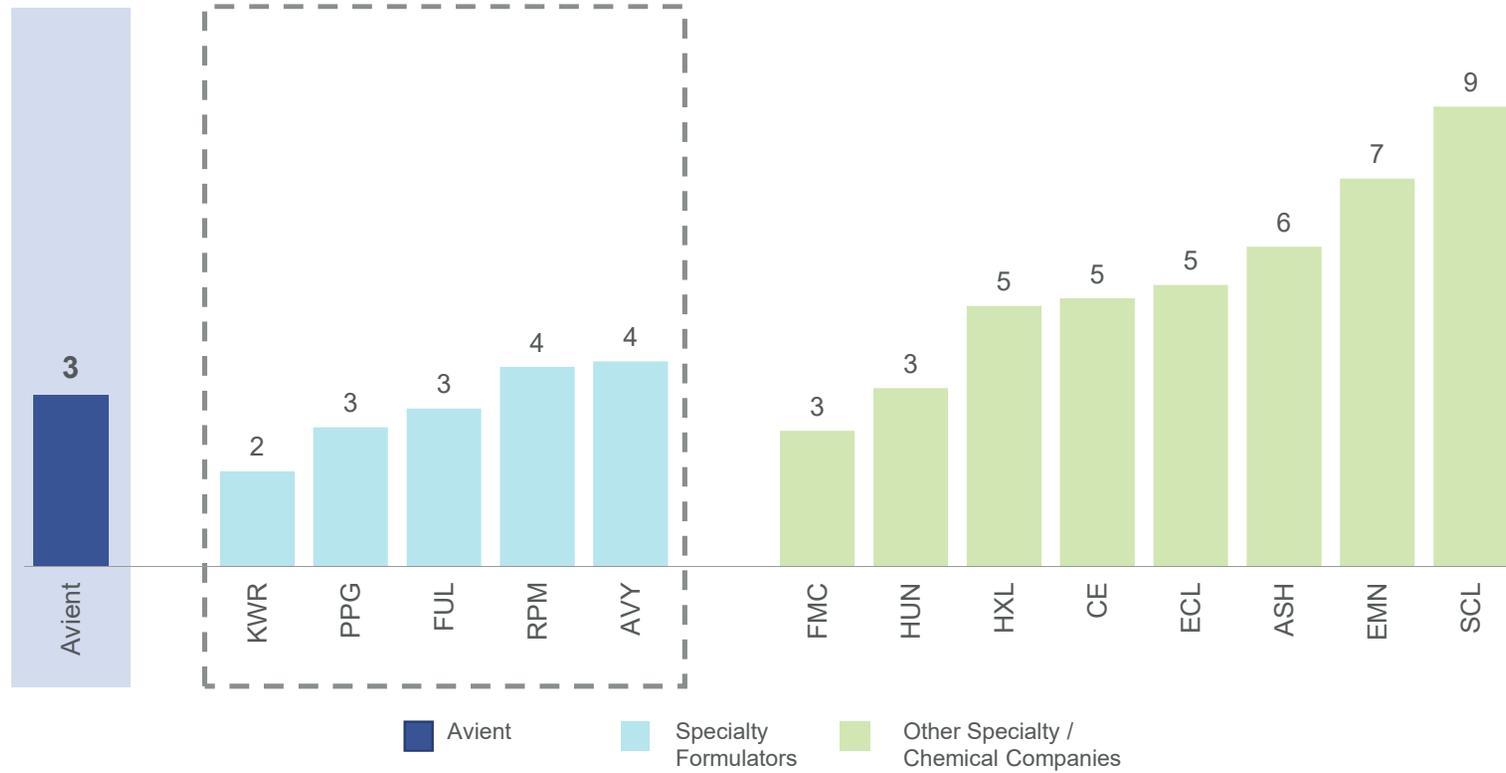




PEER COMPARISONS

AVIENT IS ASSET LIGHT

Capex / Revenue
2023E (%)



Source: Peer data per Bloomberg as of April 28, 2023

Note: Avient reflects 2023 estimated revenue of \$3,400 and estimated run-rate CAPEX of \$110M.

FREE CASH FLOW CONVERSION



Source: Peer data per Bloomberg as of April 28, 2023

Note: Free cash flow conversion calculated as (Adjusted EBITDA – Capex) / Adjusted EBITDA. Avient reflects 2023 adjusted EBITDA guidance of \$530M and estimated run-rate CAPEX of \$110M.

MULTIPLE EXPANSION

EV / 2023E EBITDA



Source: Peer data per Bloomberg as of April 28, 2023

Note: Avient reflects 2023 adjusted EBITDA guidance of \$530M and closing share price of \$38.51. Avient 2011 and 2018 valuations reflect trailing 12 months EBITDA at December 31 of the respective years.

**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 March 31, 2023		Three Months Ended March 31, 2022	
	\$	EPS	\$	EPS
Net income from continuing operations attributable to Avient shareholders	\$ 20.8	\$ 0.23	\$ 64.4	\$ 0.70
Special items, after tax	22.3	0.24	6.4	0.07
Amortization expense, after-tax	15.1	0.16	\$ 10.8	\$ 0.12
Adjusted net income / EPS	<u>\$ 58.2</u>	<u>\$ 0.63</u>	<u>\$ 81.6</u>	<u>\$ 0.89</u>

Reconciliation of Pro Forma Sales	Three Months Ended March 31,	
	2023	2022
Sales	\$ 845.7	\$ 892.2
APM pro forma adjustments	—	94.9
Pro forma sales	<u>\$ 845.7</u>	<u>\$ 987.1</u>

	Three Months Ended March 31,	
	2023	2022
Reconciliation to EBITDA and Adjusted EBITDA:		
Net income from continuing operations – GAAP	\$ 21.3	\$ 64.7
Income tax expense	7.7	20.0
Interest expense, net	28.8	16.9
Depreciation and amortization	50.5	37.6
EBITDA from continuing operations	\$ 108.3	\$ 139.2
Special items, before tax	27.3	6.7
Depreciation and amortization included in special items	(1.8)	(2.1)
Adjusted EBITDA	\$ 133.8	\$ 143.8
Pro forma APM adjustments	—	32.0
Pro forma adjusted EBITDA	\$ 133.8	\$ 175.8
Pro forma adjusted EBITDA as a % of sales	15.8 %	17.8 %

	Three Months Ended March 31,	
	2023	2022
Sales:		
Color, Additives and Inks	\$ 537.0	\$ 649.5
Specialty Engineered Materials	309.7	243.1
Corporate	(1.0)	(0.4)
Sales	\$ 845.7	\$ 892.2
Operating income:		
Color, Additives and Inks	\$ 65.6	\$ 94.5
Specialty Engineered Materials	43.1	38.3
Corporate	(51.6)	(30.6)
Operating income	\$ 57.1	\$ 102.2
Depreciation & amortization:		
Color, Additives and Inks	\$ 25.8	\$ 26.0
Specialty Engineered Materials	21.2	7.8
Corporate	3.5	3.8
Depreciation & Amortization	\$ 50.5	\$ 37.6
Earnings before interest, taxes, depreciation and amortization (EBITDA):		
Color, Additives and Inks	\$ 91.4	\$ 120.5
Specialty Engineered Materials	64.3	46.1
Corporate	(48.1)	(26.8)
Other income (expense), net	0.7	(0.6)
EBITDA	\$ 108.3	\$ 139.2