



# AVIENT CORPORATION

INVESTOR PRESENTATION

(NYSE: AVNT)

**JUNE 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, 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](http://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 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 OVERVIEW

**OUR VISION:** Creating specialized and sustainable material solutions that transform customer challenges into opportunities, bringing new products to life for a better world

Company Overview		
<b>9,700</b> Employees	<b>104</b> Manufacturing Sites	<b>20,000+</b> Customers
<p><b>Key Highlights</b></p> <ul style="list-style-type: none"> <li>■ Premier formulator of specialized and sustainable material solutions</li> <li>■ Asset-light business model, with flexibility to adapt to customer needs</li> <li>■ Best-in-class technology and service (140+ PhDs / 2,500+ patents)</li> <li>■ History of transformation through successful M&amp;A while consistently returning cash to shareholders</li> <li>■ Poised for continued future growth in excess of GDP</li> </ul>		

2023 Financial Guidance	
<b>\$3.4B</b> Revenue	<b>\$2.40</b> Adjusted EPS
<p><b>\$530M</b> Adjusted EBITDA</p> <hr/> <p><b>15.6%</b> Adjusted EBITDA Margins</p>	
<b>\$200M</b> Free Cash Flow	<b>2.9x</b> Net Leverage
Over <b>\$1B</b> in share buybacks since 2011	Raised dividend for <b>12</b> consecutive years, a <b>16%</b> CAGR since 2011

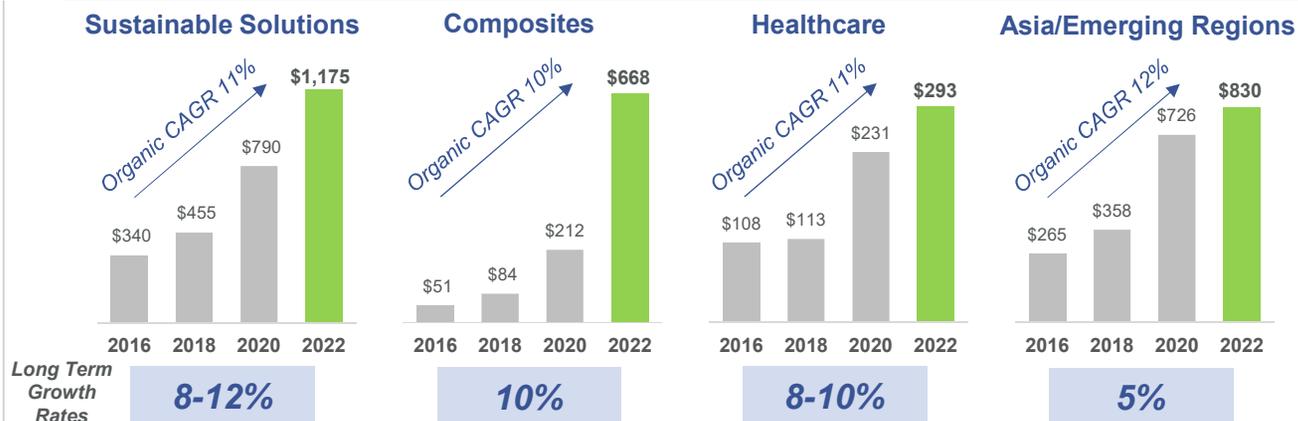
2022 Pro Forma Revenue By:	
<p><b>Geography</b></p>	
<p><b>Segment</b></p>	
<p><b>Industry</b></p>	

# CREATING A WORLD-CLASS SUSTAINABLE ORGANIZATION

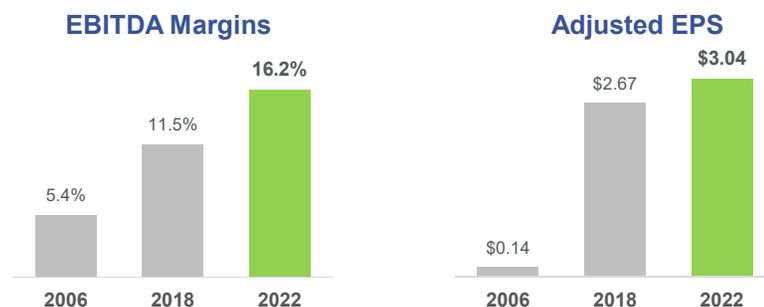
## Strategic Objectives

1. **6.5% annualized long term sales growth** leveraging sustainable solutions, composites, healthcare and emerging regions
2. Expand **EBITDA margins to 20%**
3. Deliver **annual EBITDA** and **EPS growth** of **10%** and **15%**
4. Maintain **asset-light**, 80% free cash flow conversion profile and be valued as a **specialty formulator**
5. Continue fostering our **Great Place to Work®** culture

## Growth Drivers



## Profitable Growth



## Great Place to Work



# TOP-TIER SUSTAINABILITY PERFORMANCE AND RECOGNITION

## Industry Sustainability Standards



90<sup>th</sup>  
percentile



## ESG Ratings Performance

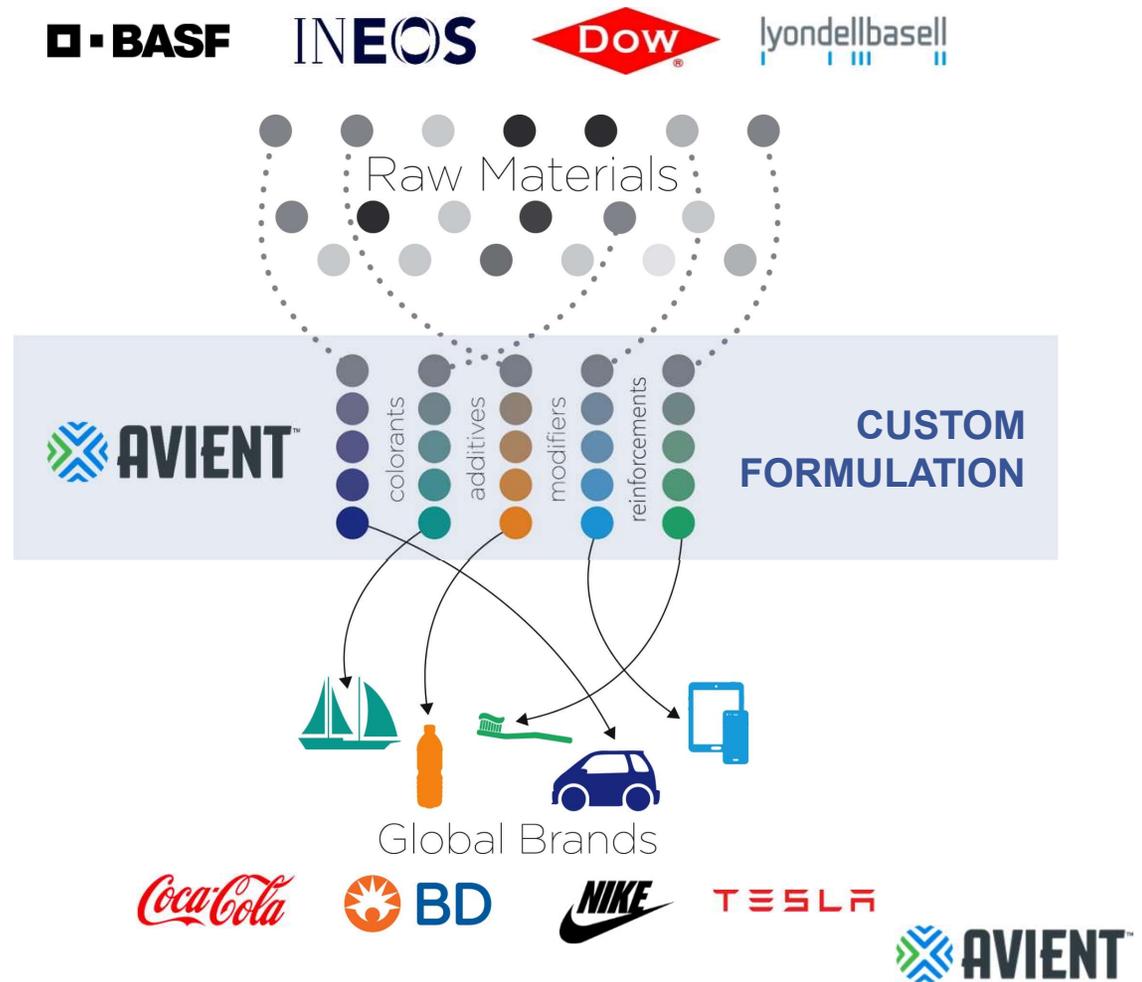


# WHAT WE DO: WE ARE A FORMULATOR

Innovation is the lifeblood of a specialty company. We create specialized and sustainable material solutions that transform customer challenges into opportunities, bringing new products to life for a better world.

We partner with Brand Owners / OEMs, processors and assemblers to enable their goals in applications like packaging, healthcare, consumer goods, transportation, wire & cable, building & construction and textiles. Our customers value the breadth of our solutions as we can tap into a broad array of raw materials to solve their specific needs. Our formulation expertise supports material science decisions, while our processing expertise guides customers to use the materials properly. Lastly, our design capabilities ensure that the application is designed perfectly for the specific end use.

**Challenge Accepted.**



A large, stylized white 'X' graphic is centered on the page. The background is a dark blue gradient with various financial charts, including candlestick patterns and bar graphs, overlaid on it. The 'X' is formed by four thick, white, rounded arms that intersect in the center. The charts are rendered in a light, semi-transparent style, allowing the 'X' to stand out prominently.

**MAY 3, 2023**  
**WEBCAST**

# 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**

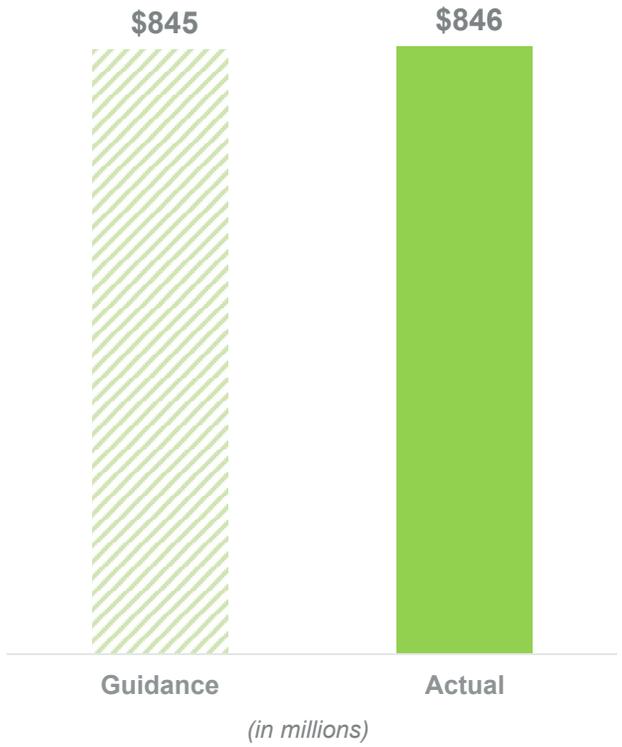
# Q1 2023 PERFORMANCE VS. GUIDANCE

(TOTAL COMPANY)

## Sales

## Adjusted EBITDA

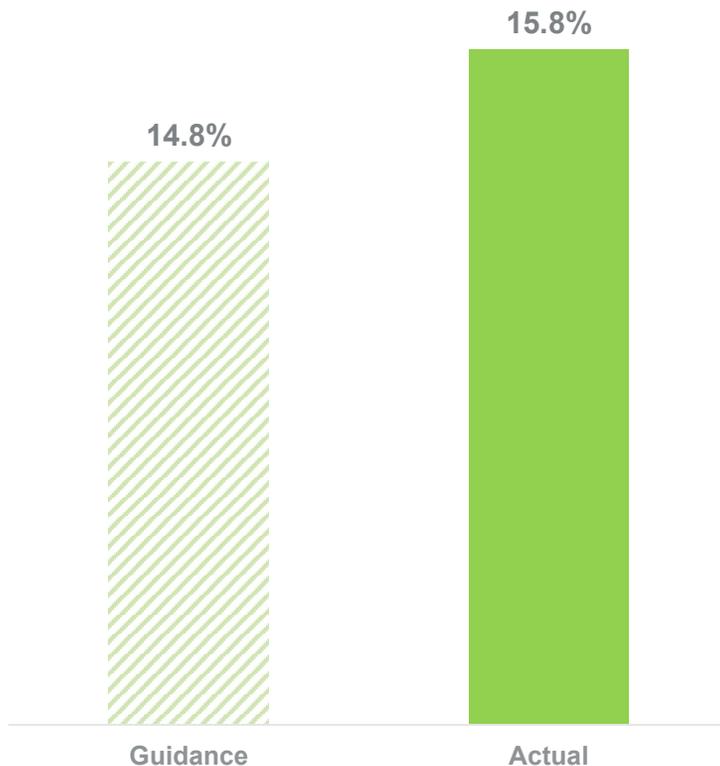
## Adjusted EPS



# 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

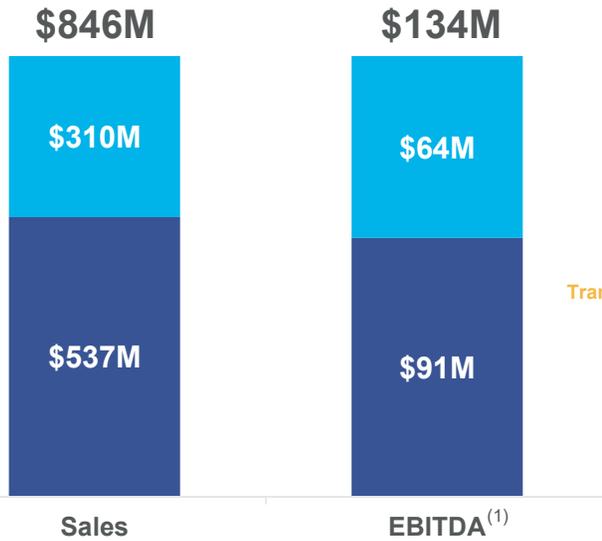
(TOTAL COMPANY)

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

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

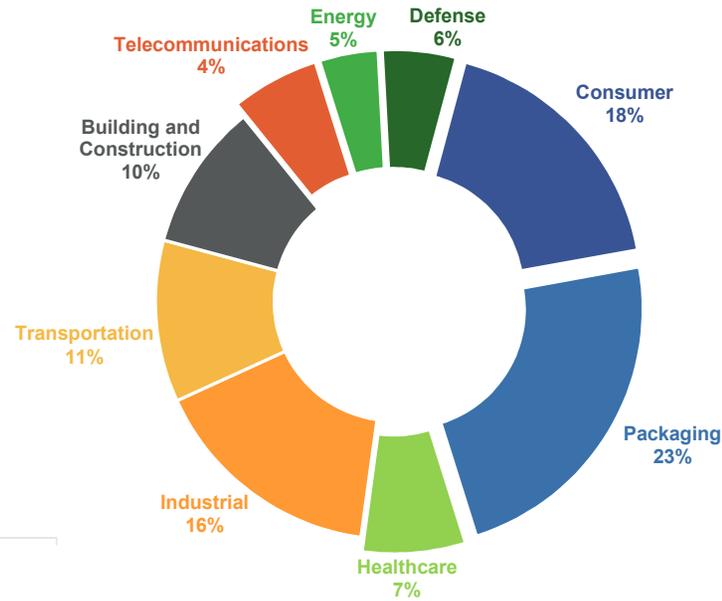
# Q1 2023 SEGMENT, END MARKET AND GEOGRAPHY

## SEGMENT FINANCIALS

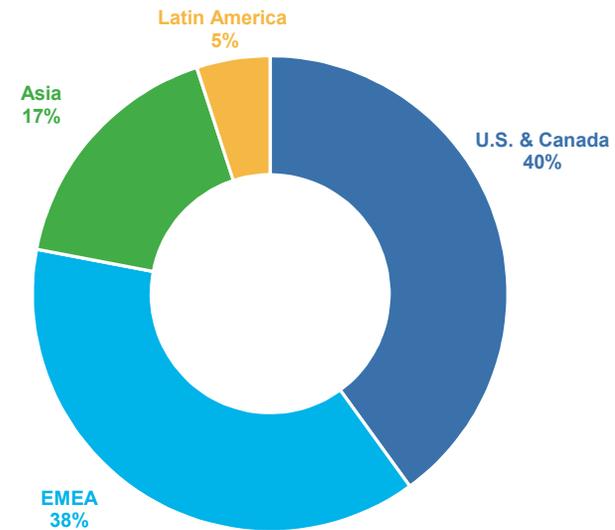


- Specialty Engineered Materials
- Color Additives and Inks

## END MARKET REVENUE



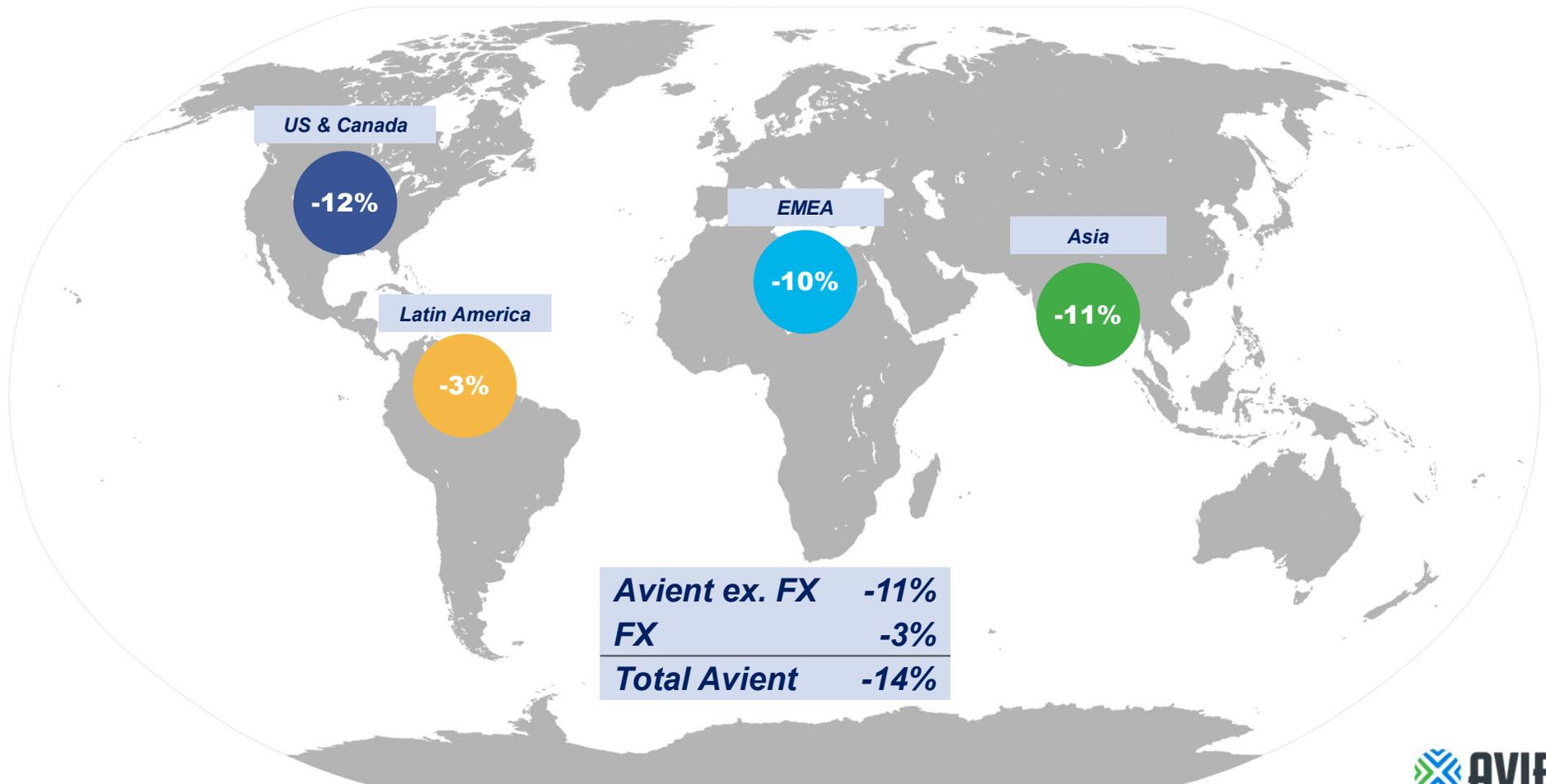
## GEOGRAPHY REVENUE



(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

**Source:** U.S. Chamber of Commerce; BEAD refers to Broadband Equity, Access, and Deployment Program





# 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, NATO



# TRANSPORTATION



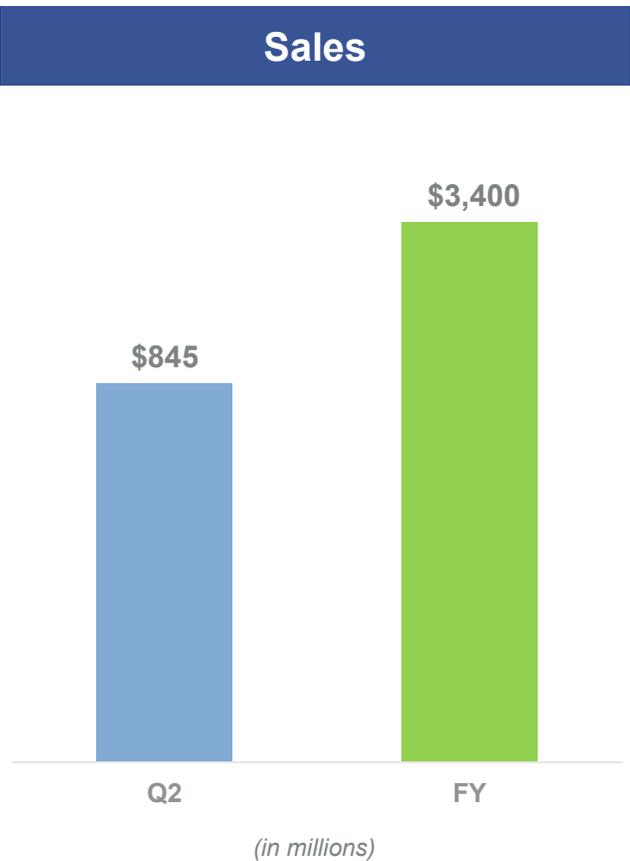
- Increased EPA regulations requiring improved fuel efficiency, enabled in part by lower-weight vehicles
- Automakers preparing for 2/3 of U.S. vehicles to be 100% electric by 2032

## 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

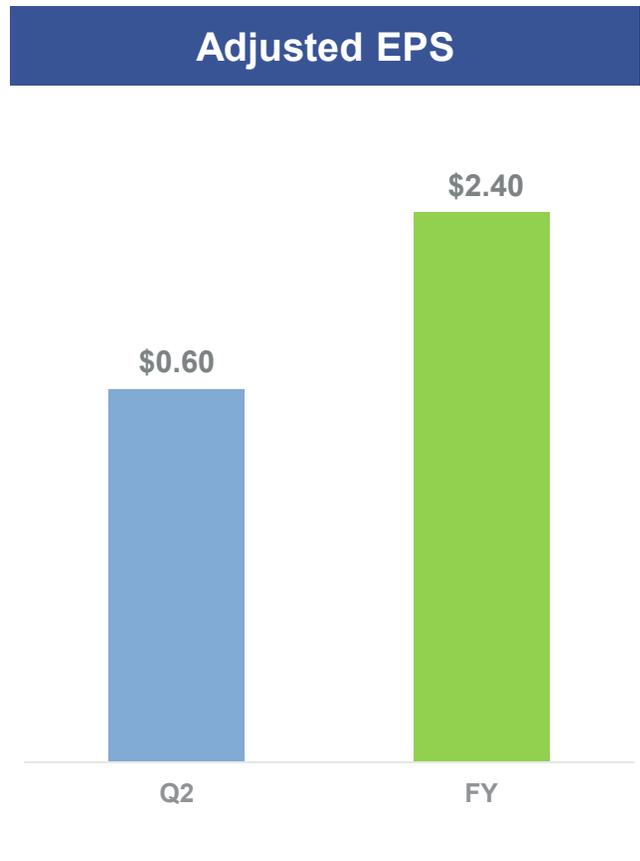
## Sales



## Adjusted EBITDA



## Adjusted EPS



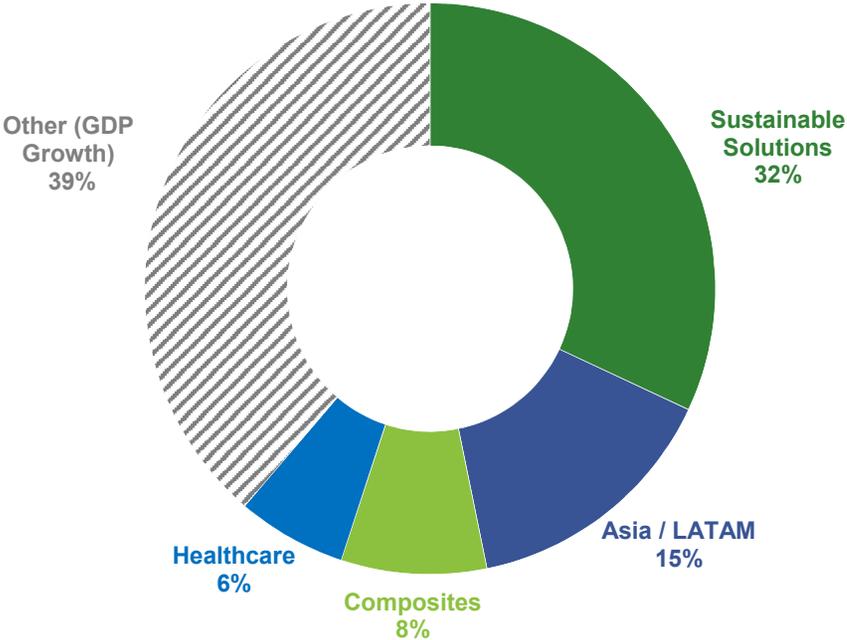
# CASH FLOW / LEVERAGE

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

- 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%
<b>Avient</b>	<b>6.5%</b>





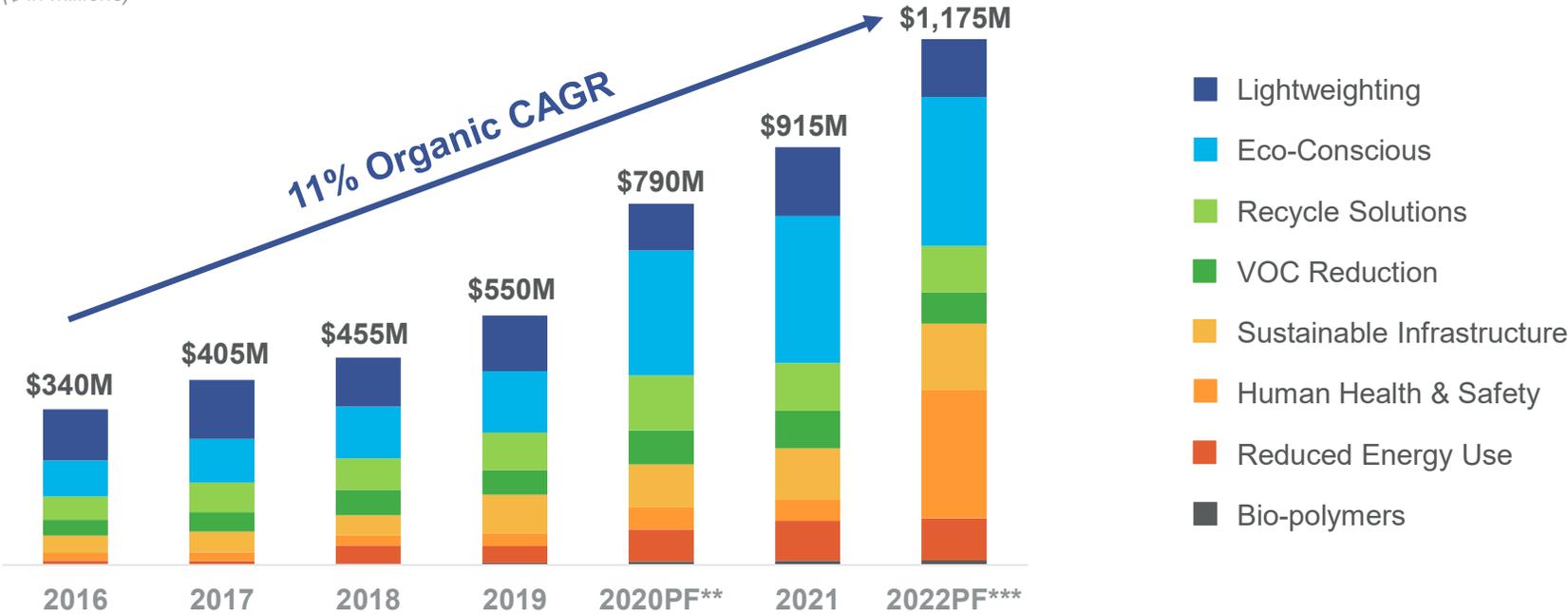
# SUSTAINABILITY INVESTOR DAY

- 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

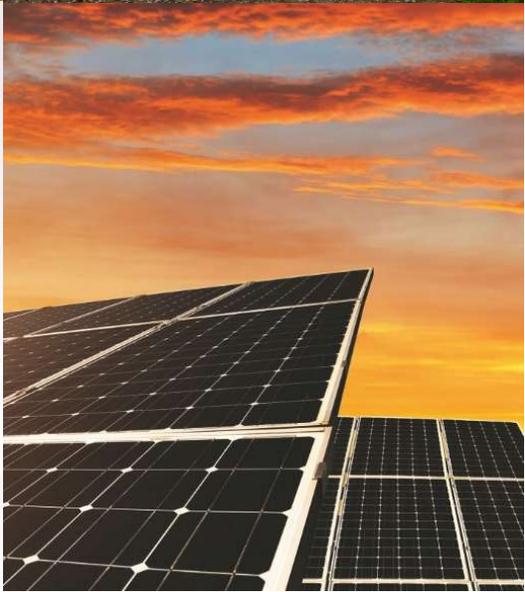
## Consumer

- Recycle Solutions
- Light weighting
- Carbon Footprint

## Packaging

- Recycle Solutions
- Light weighting
- Food waste reduction

Common Theme: CO<sub>2</sub> Emission Goals



# INVESTING IN INNOVATION

## SUSTAINABILITY PORTFOLIO



Lightweighting



Bio-polymers



Reduced Energy Use



Eco-conscious



VOC Reduction



Sustainable Infrastructure



Recycle Solutions



Human Health & Safety



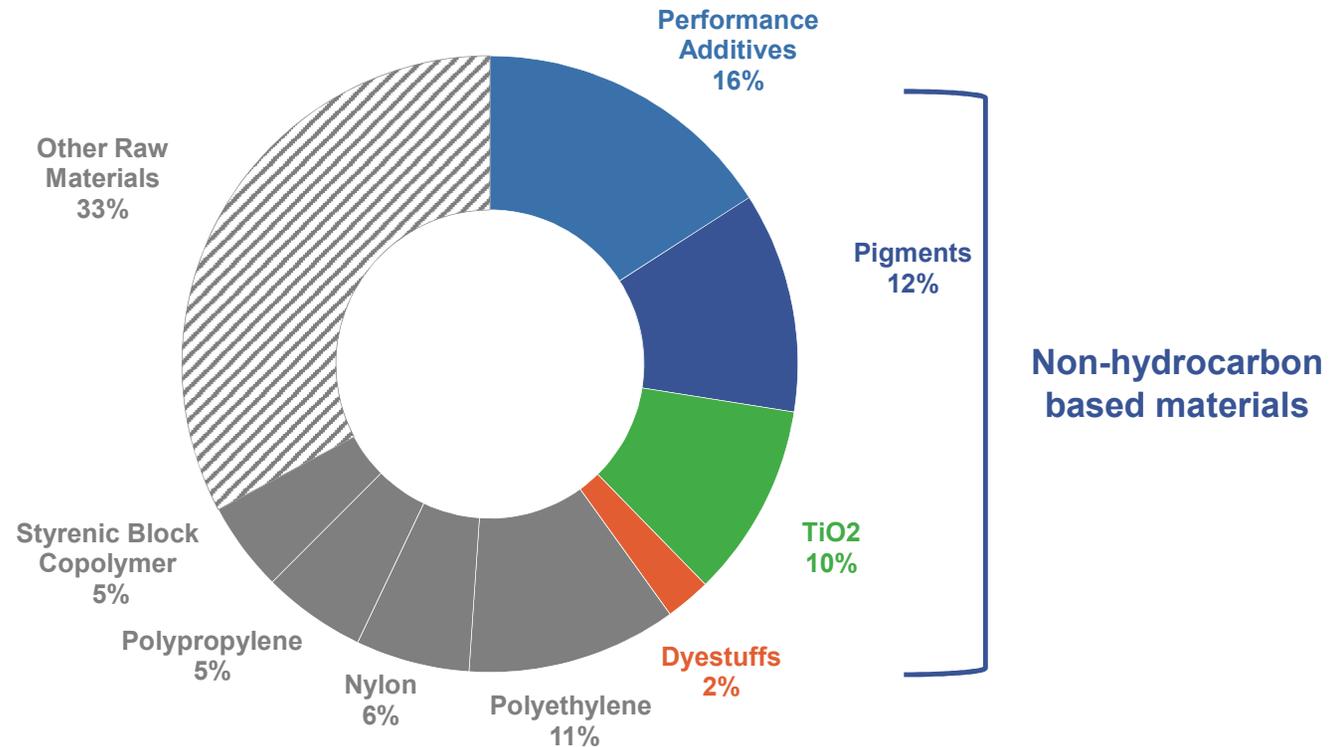




# APPENDIX

# 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")

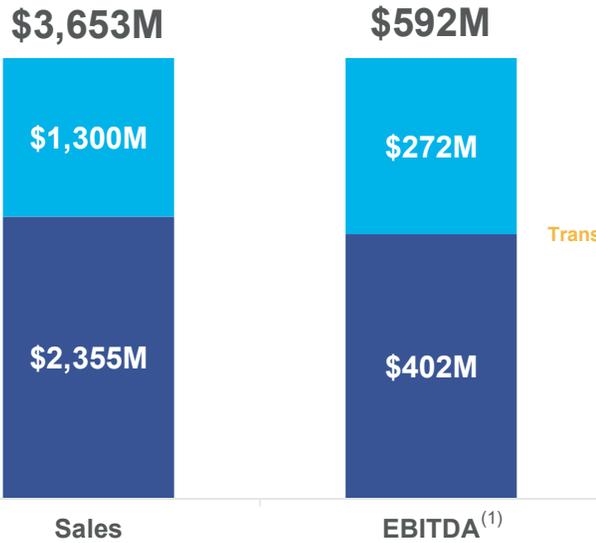




# SEGMENT DATA

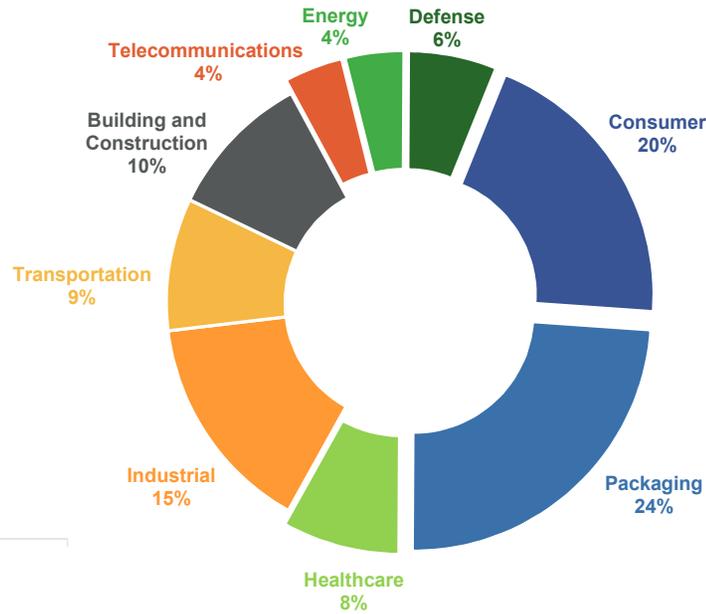
# 2022 PRO FORMA SEGMENT, END MARKET AND GEOGRAPHY

## SEGMENT FINANCIALS

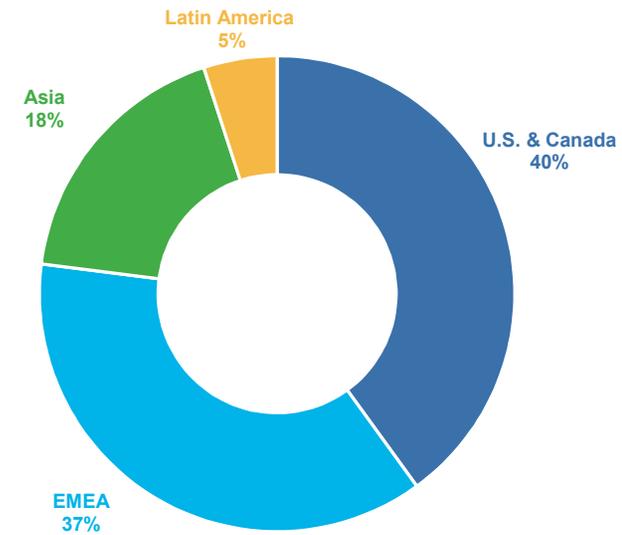


- Specialty Engineered Materials
- Color Additives and Inks

## END MARKET REVENUE



## GEOGRAPHY REVENUE

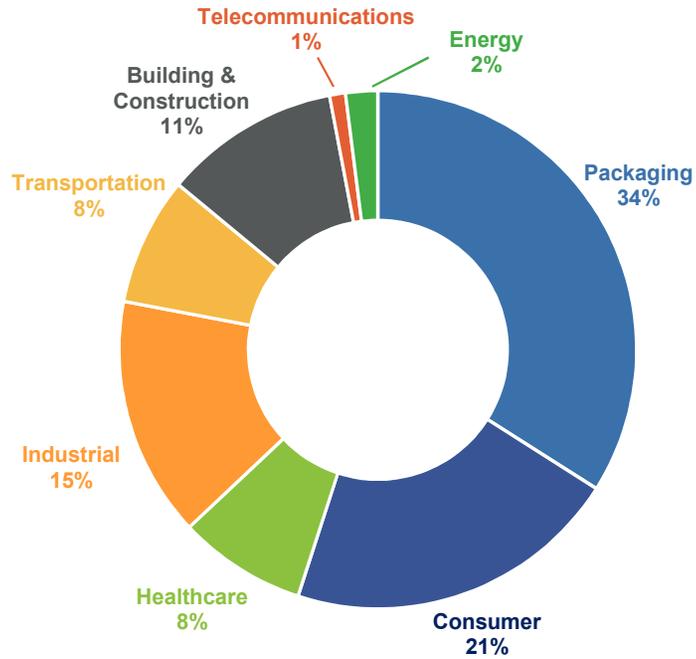


(1) Total company sales and adjusted EBITDA of \$3,653M and \$592M, respectively, include intercompany sales eliminations and corporate costs

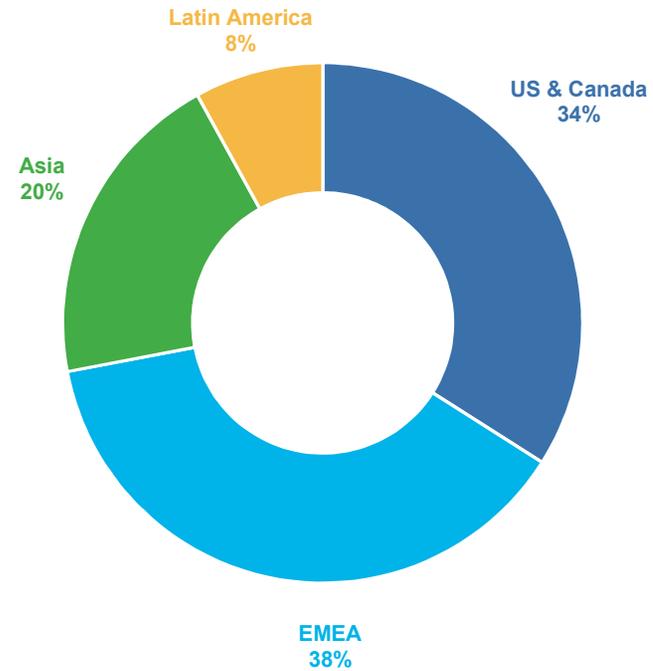
# COLOR, ADDITIVES & INKS

## 2022 REVENUE | \$2.4 BILLION

### END MARKET



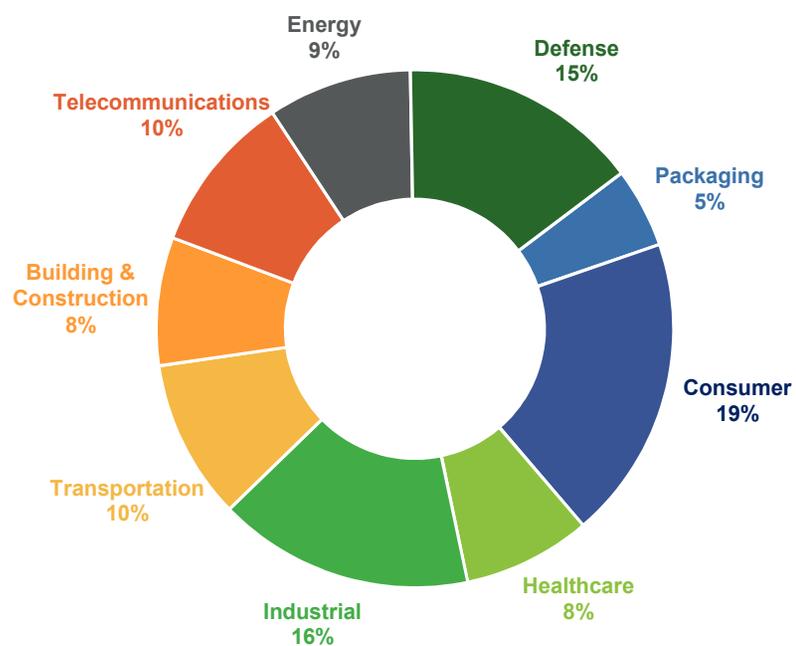
### REGION



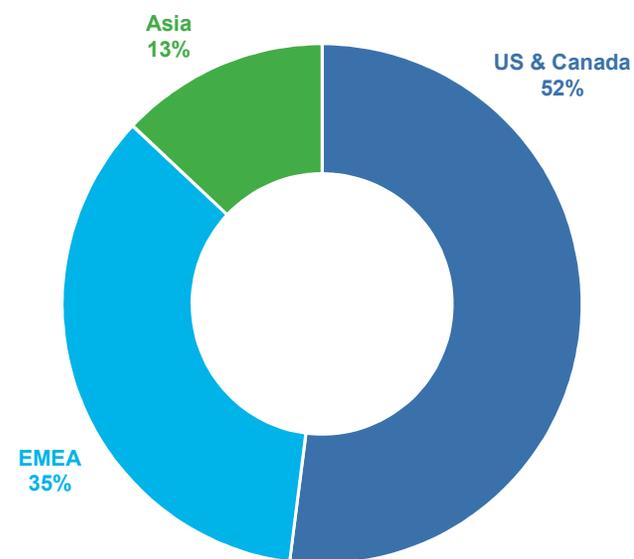
# SPECIALTY ENGINEERED MATERIALS

2022 PRO FORMA REVENUE | \$1.3 BILLION

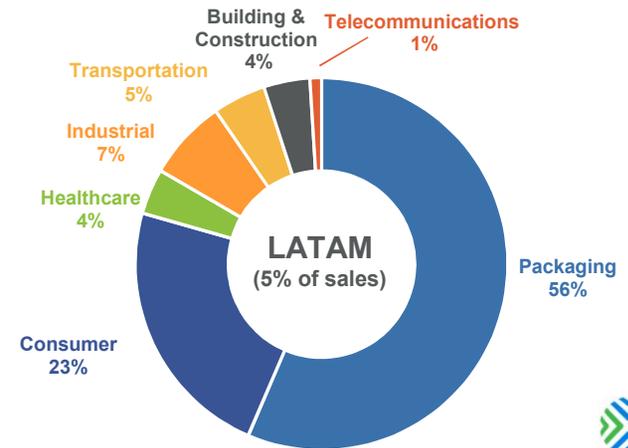
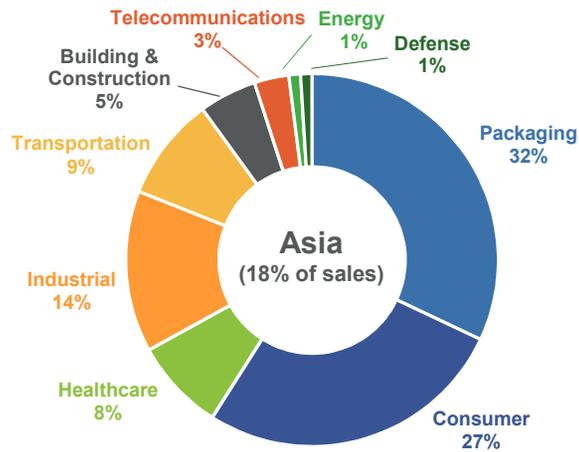
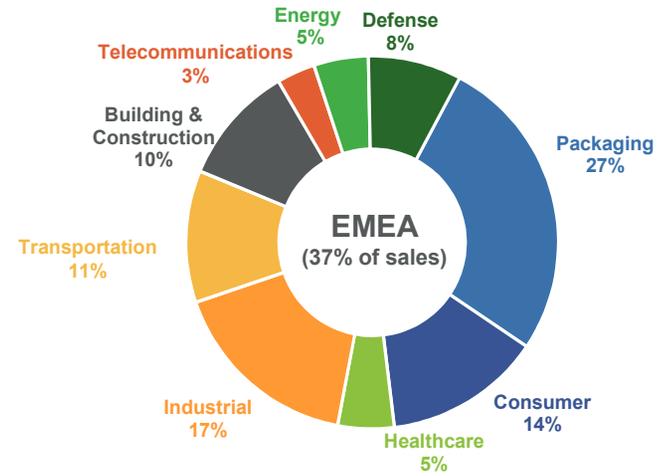
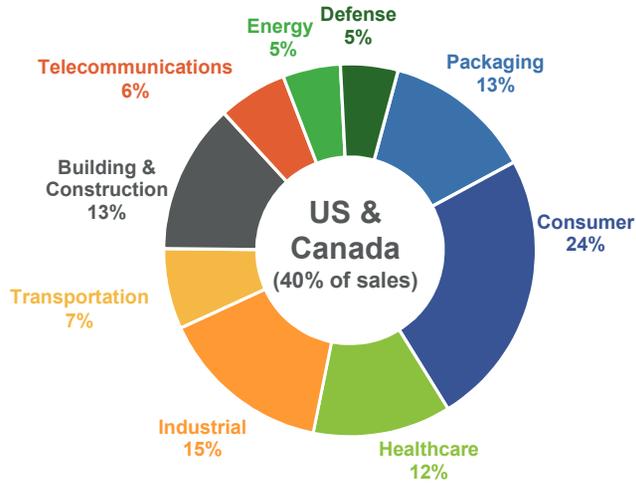
## END MARKET



## 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 May 31, 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 May 31, 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 May 31, 2023

Note: Avient reflects 2023 adjusted EBITDA guidance of \$530M and closing share price of \$36.50. 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
<b>Reconciliation to EBITDA and Adjusted EBITDA:</b>		
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
<b>Sales:</b>		
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
<b>Operating income:</b>		
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
<b>Depreciation &amp; amortization:</b>		
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
<b>Earnings before interest, taxes, depreciation and amortization (EBITDA):</b>		
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