



# AVIENT CORPORATION

## THIRD QUARTER 2021 RESULTS

(NYSE: AVNT)

**OCTOBER 28, 2021**



# DISCLAIMER

## Forward-Looking Statements

In this presentation, statements that are not reported financial results or other historical information are “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. 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;
- The current and potential future impact of the COVID-19 pandemic on our business, results of operations, financial position or cash flows, including without any limitation, any supply chain and logistics issues;
- Our ability to achieve the strategic and other objectives relating to the acquisition of Clariant’s Color business, including any expected synergies;
- Changes in polymer consumption growth rates and 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;
- An inability to achieve the anticipated financial benefit from initiatives related to acquisition and integration working capital reductions, cost reductions and employee productivity goals;
- 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 consummate and successfully integrate acquisitions;
- 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 described in our Annual Report on Form 10-K for the year ended December 31, 2020 under Item 1A, “Risk Factors.”

The above list of factors is not exhaustive. We undertake no obligation to publicly update forward-looking statements, whether as a result of new information, future events or otherwise. You are advised to consult any further disclosures we make on related subjects in our reports on Form 10-Q, 8-K and 10-K that we provide to the Securities and Exchange Commission.

## Use of Non-GAAP Measures

This presentation includes the use of both GAAP (generally accepted accounting principles) and non-GAAP financial measures. The non-GAAP financial measures include: adjusted EPS, adjusted operating income, free cash flow and adjusted EBITDA.

Avient’s chief operating decision maker uses these financial measures to monitor and evaluate the ongoing performance of the Company 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).

The Company does not provide reconciliations of forward-looking non-GAAP financial measures, such as outlook for Adjusted EBITDA, Adjusted Earnings Per Share, Adjusted Operating Income and Free Cash Flow, to the most comparable GAAP financial measures on a forward-looking basis because the Company 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 the Company’s control and/or cannot be reasonably predicted. For the same reasons, the Company is unable to address the probable significance of the unavailable information.

Avient acquired the Clariant Color business on July 1, 2020 (the “Acquisition Date”). To provide comparable financial results, the Company references “pro forma” financial metrics, which include the business results of Clariant Color for periods prior to the Acquisition Date. Management believes this provides comparability of the performance of the combined businesses.

2 Unless otherwise stated, Adjusted Operating Income, Adjusted EBITDA and Adjusted EPS figures included in this presentation exclude the impact of special items as defined in our quarterly earnings releases.



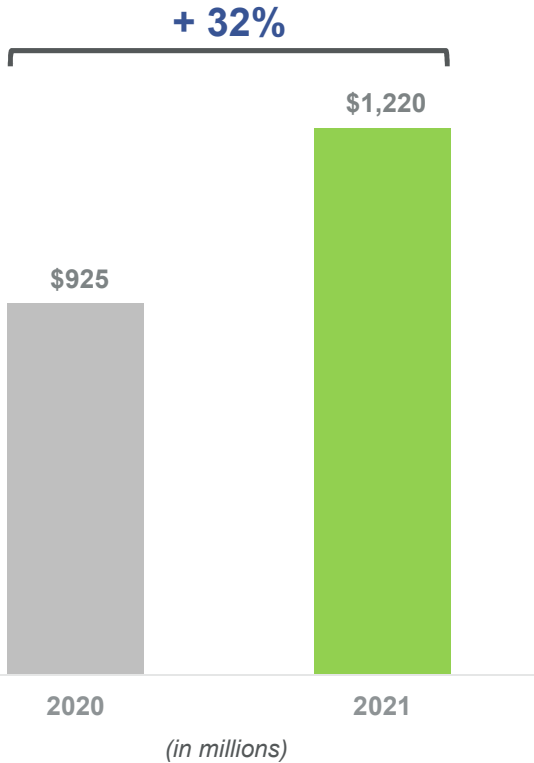
The background features a large, white, stylized 'X' shape that divides the space into four quadrants. Each quadrant contains a different type of financial chart: the top-left shows a candlestick chart with a white line; the top-right shows a candlestick chart with a white line and a dotted trend line; the bottom-left shows a bar chart with white bars; and the bottom-right shows a bar chart with white bars. The overall color scheme is dark blue and black with white and light blue accents.

**Q3 2021 PERFORMANCE  
UPDATE**

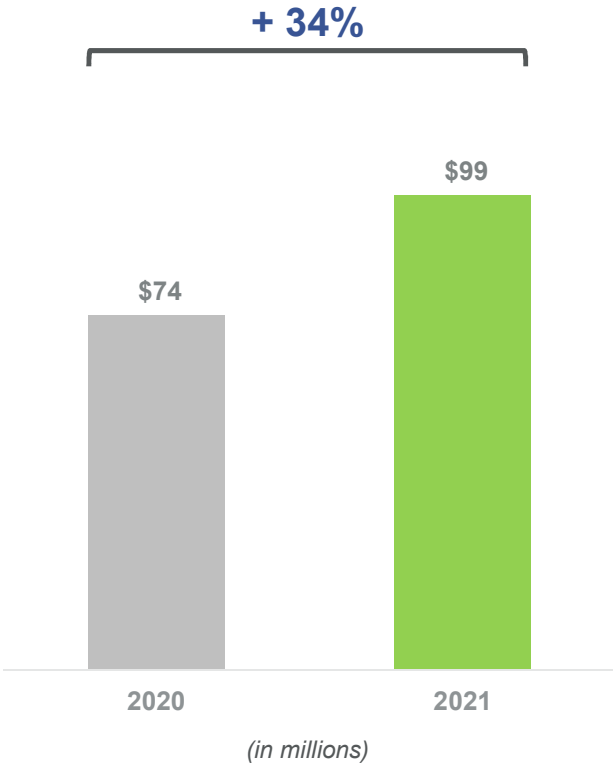
# Q3 2021 PERFORMANCE

(TOTAL COMPANY)

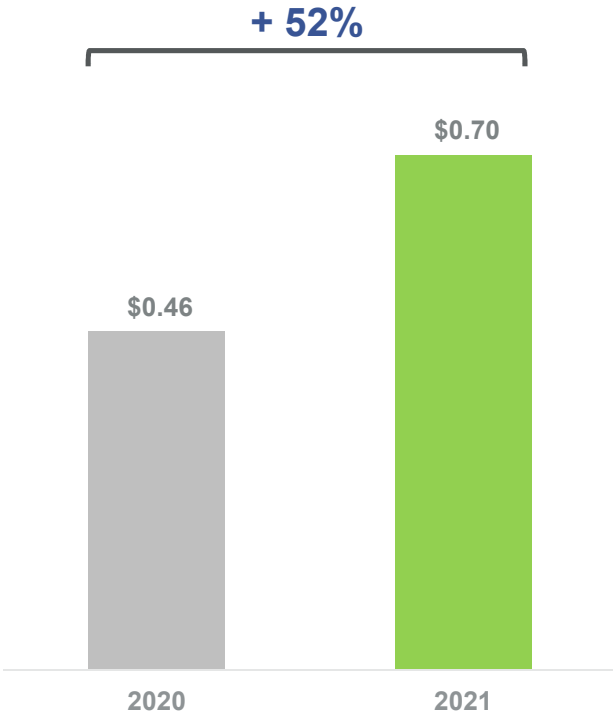
## Sales



## Adjusted Operating Income



## Adjusted EPS



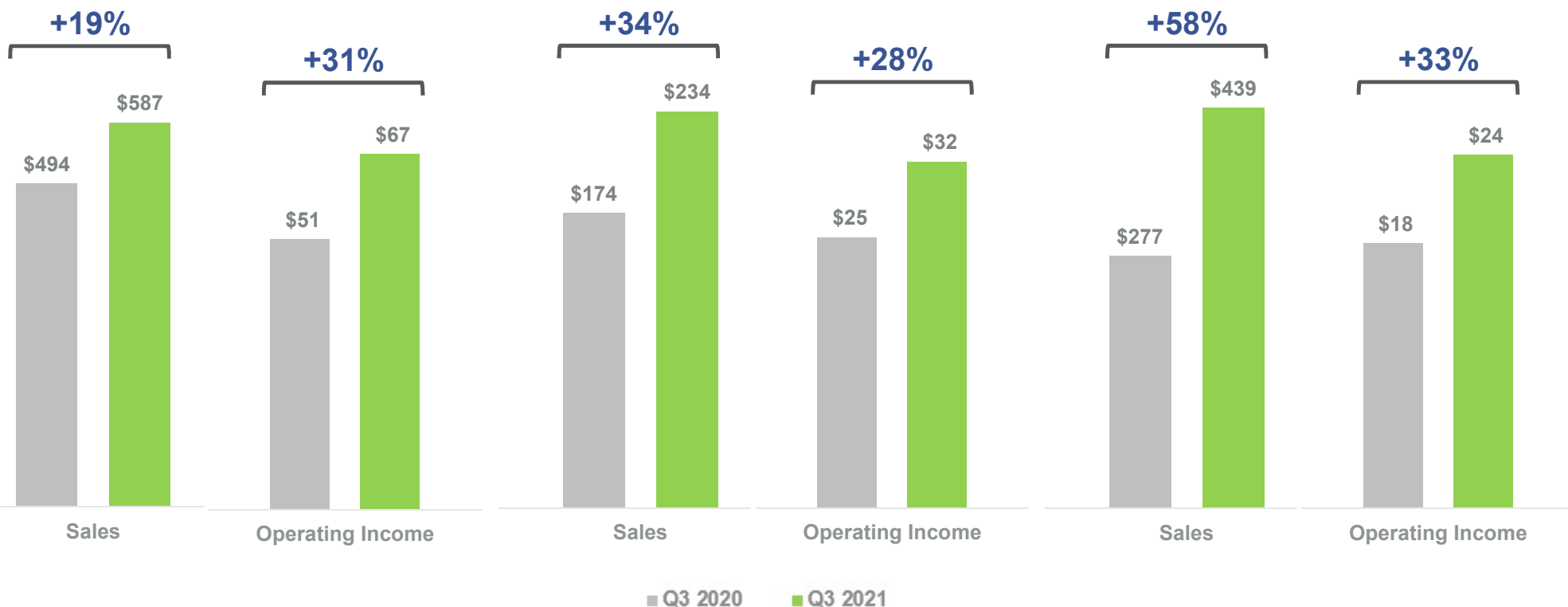
# Q3 2021 SEGMENT PERFORMANCE

CAI

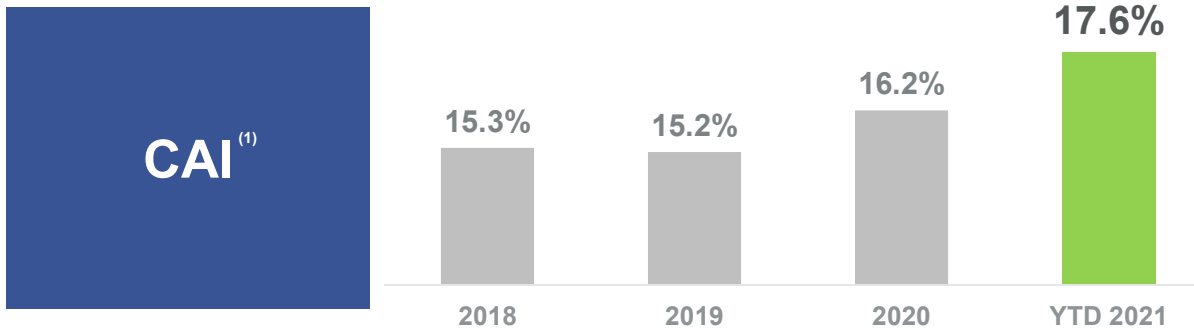
SEM

Distribution

(\$ in millions)

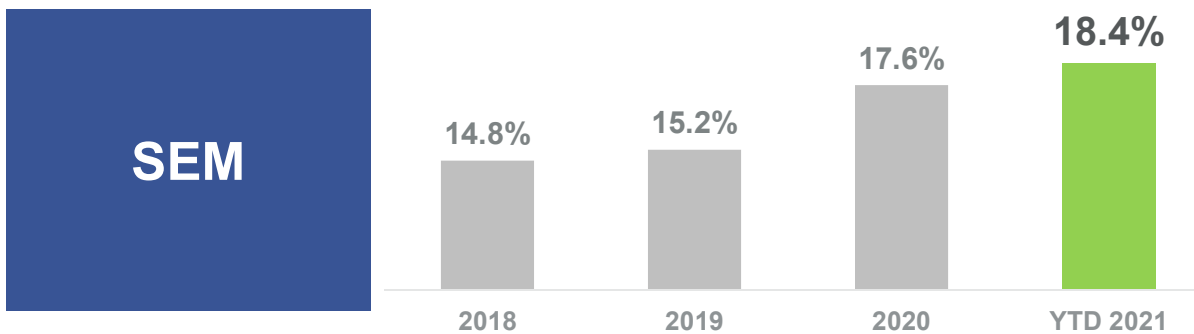


# SPECIALTY EBITDA MARGIN EXPANSION



- Continued portfolio transformation to high-growth end markets and sustainable solutions

- Clariant Color synergy realization

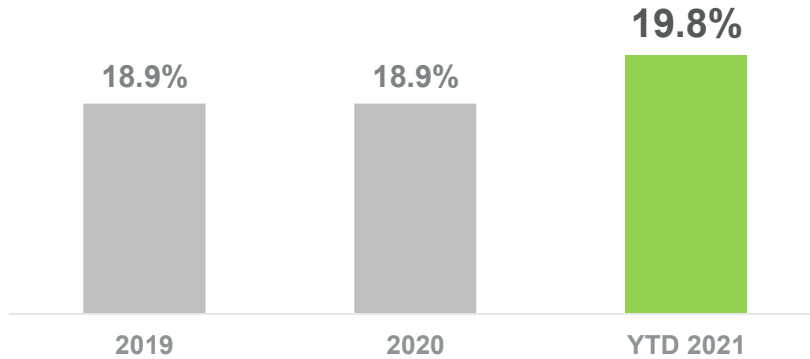


- Investments in composites and outdoor high performance applications drive growth and mix improvements

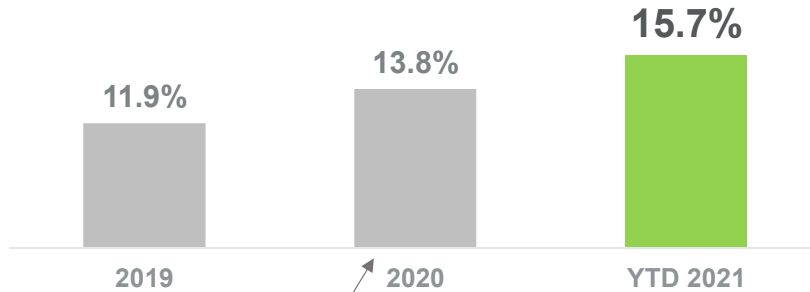
(1) 2018-2020 financial information is pro forma to include a full year of Clariant Color acquisition

# CAI EBITDA MARGIN EXPANSION

Legacy CAI



Legacy Clariant Color



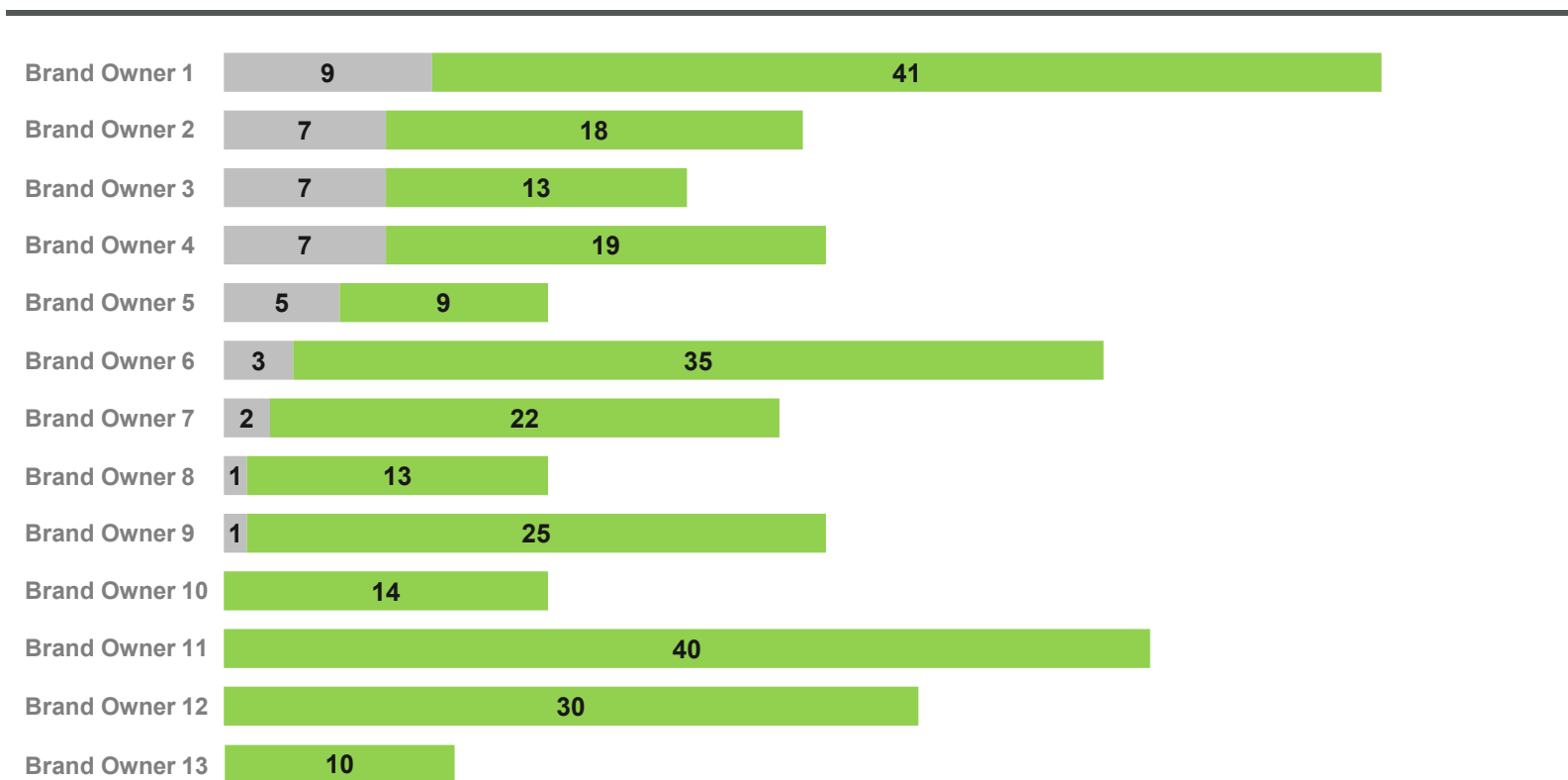
Clariant Color business acquired July 1, 2020

- Synergy capture driving margin improvement
- Favorable mix with growth in healthcare, consumer and packaging end-markets
- World-class vitality index of 35% represents sales from products introduced in the last five years. This innovation drives performance and is reflective of consistent, strategic investments in technology and people

# BRAND OWNERS COMMITTED TO INCREASING USE OF RECYCLED MATERIALS

Percent recycled plastic used:  
(examples and not exhaustive)

■ Current<sup>(1)</sup> ■ Additional share needed to reach 2025 target



(1) Latest year reported. Post-consumer recycled content as percentage of total plastic packaging volume, by weight





# ENABLING THE USE OF RECYCLED CONTENT

## TOP 5 GAPS THAT WE ARE ADDRESSING

1) COLOR MANAGEMENT



2) DECONTAMINATION



3) MAINTAINING MECHANICAL PROPERTIES



4) MONO-MATERIAL CONSTRUCTION



5) CONSISTENT RECYCLED MATERIAL QUALITY



# CASE STUDY WITH BRAND OWNER

GUIDING BRANDS TO WHAT IS POSSIBLE

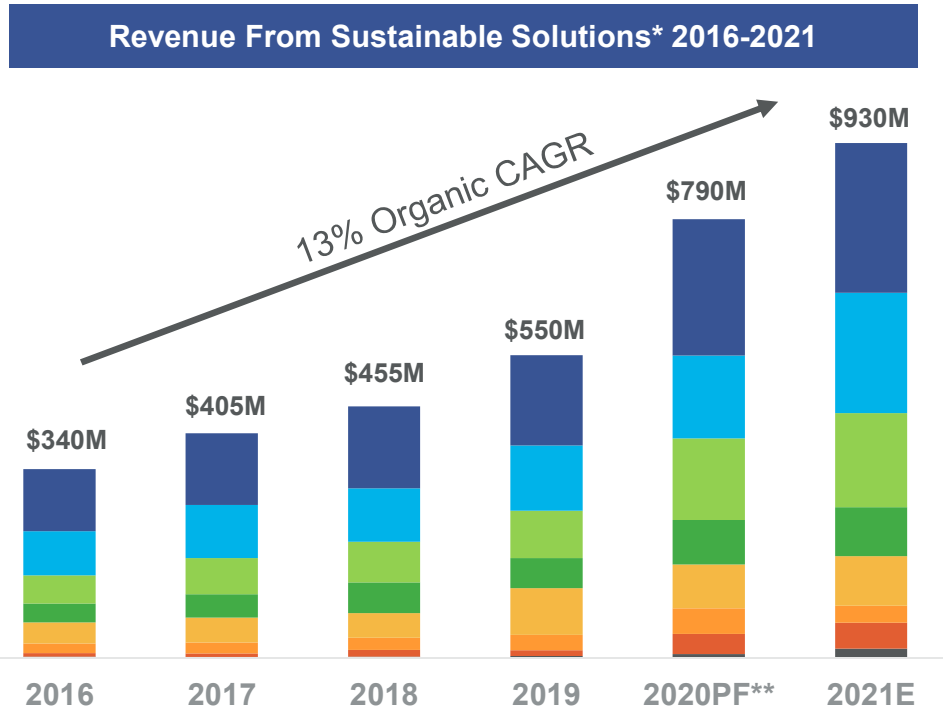


Virgin Resin



Recycled Resin

# SUSTAINABILITY FOR A BETTER TOMORROW



- Revenue from sustainable solutions expected to grow **18%** in 2021 as our innovation efforts and collaboration with customers continues to accelerate
- Investments centered around innovation and global sustainability megatrends
  - **Enabling a circular economy** – Technologies that allow for increased use of post-consumer recycled (PCR) material and improve recyclability of plastics
  - **Light-weighting** – Composites and CAI applications to reduce weight and material requirements, which minimize energy and carbon emissions
  - **Eco-Conscious** – Health and human safety applications as well as Avient’s alternative materials to replace lead, PVC, halogens, BPA and other less eco-friendly options

\*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

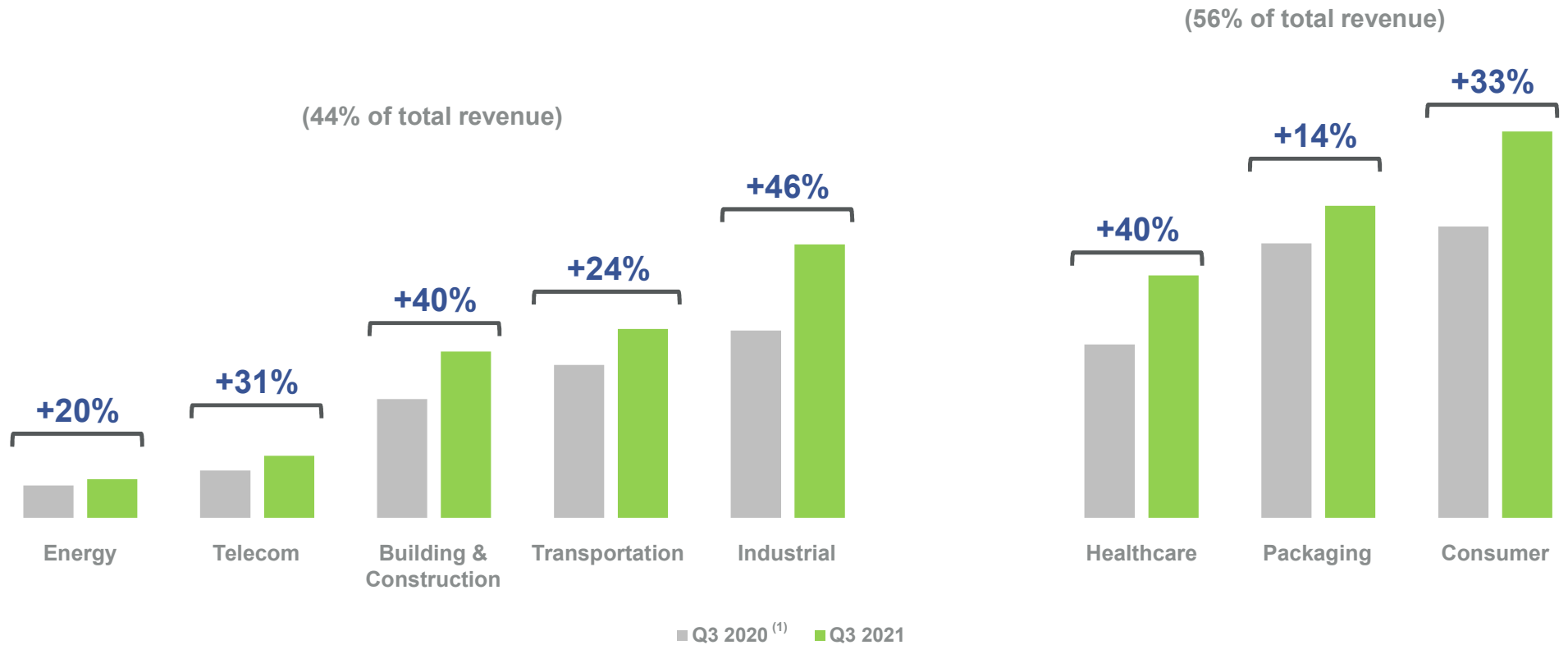
# Q3 2021 SALES AND OPERATING INCOME

## (TOTAL COMPANY)

<i>\$ millions</i>	Sales	Growth Rate	Adjusted Operating Income
<b>Q3 2020</b>	<b>\$925</b>		<b>\$74</b>
Sustainable Solutions	35	19%	14
Healthcare	51	44%	10
Composites	13	39%	6
Growth in Asia / LATAM	14	11%	3
Other	177	39%	16
<b>Sub-total</b>	<b>\$1,215</b>	<b>31%</b>	<b>\$123</b>
Supply Chain Disruption Costs			(19)
COVID Response Applications	(5)		(3)
FX Impact	10		2
Synergies			12
Incentives, Travel, Other Employee Costs			(16)
<b>Q3 2021</b>	<b>\$1,220</b>	<b>32%</b>	<b>\$99</b>



# Q3 END MARKET SALES PERFORMANCE



# Q3 YEAR-OVER-YEAR EBITDA BRIDGE

<i>\$ millions</i>	Adjusted EBITDA
<b>Q3 2020</b>	<b>\$ 111</b>
<b>Demand</b>	<b>29</b>
<u>CAI:</u>	
<i>Price / Mix</i>	51 ✓
<i>Inflation</i>	(37)
<u>SEM:</u>	
<i>Price / Mix</i>	25 ✓
<i>Inflation</i>	(22)
<u>Distribution:</u>	
<i>Price / Mix</i>	108 ✓
<i>Inflation</i>	(103)
<b>Net Price Benefit</b>	<b>22</b> ✓
<b>Supply Chain Disruption Costs</b>	<b>(19)</b>
<b>COVID Response Applications</b>	<b>(3)</b>
<b>Synergies</b>	<b>12</b>
<b>Incentives, FX, Other</b>	<b>(16)</b>
<b>Q3 2021</b>	<b>\$ 136</b>

- Demand driven by growth in sustainable solutions, healthcare and consumer applications
- Price increases more than offsets raw material and supply chain impacts
- Synergy capture on pace to achieve **\$50M** in annual savings in 2021



# Q2 TO Q3 SEQUENTIAL EBITDA BRIDGE

<i>\$ millions</i>	<b>Adjusted EBITDA</b>
<b>Q2 2021</b>	<b>\$ 159</b>
<u>CAI:</u>	
<i>Price / Mix</i>	17
<i>Inflation</i>	(8)
<u>SEM:</u>	
<i>Price / Mix</i>	6
<i>Inflation</i>	(5)
<u>Distribution:</u>	
<i>Price / Mix</i>	35
<i>Inflation</i>	(35)
<b>Net Price Benefit</b>	<b>10</b>
<b>Supply Chain Disruption Costs</b>	<b>(4)</b>
<b>Demand / Seasonality</b>	<b>(35)</b>
<b>Other</b>	<b>6</b>
<b>Q3 2021</b>	<b>\$ 136</b>

- Price increases have more than covered raw material and freight inflation impacts of \$300M year-to-date compared to 2020
- Demand impact driven by Q3 seasonality for the business

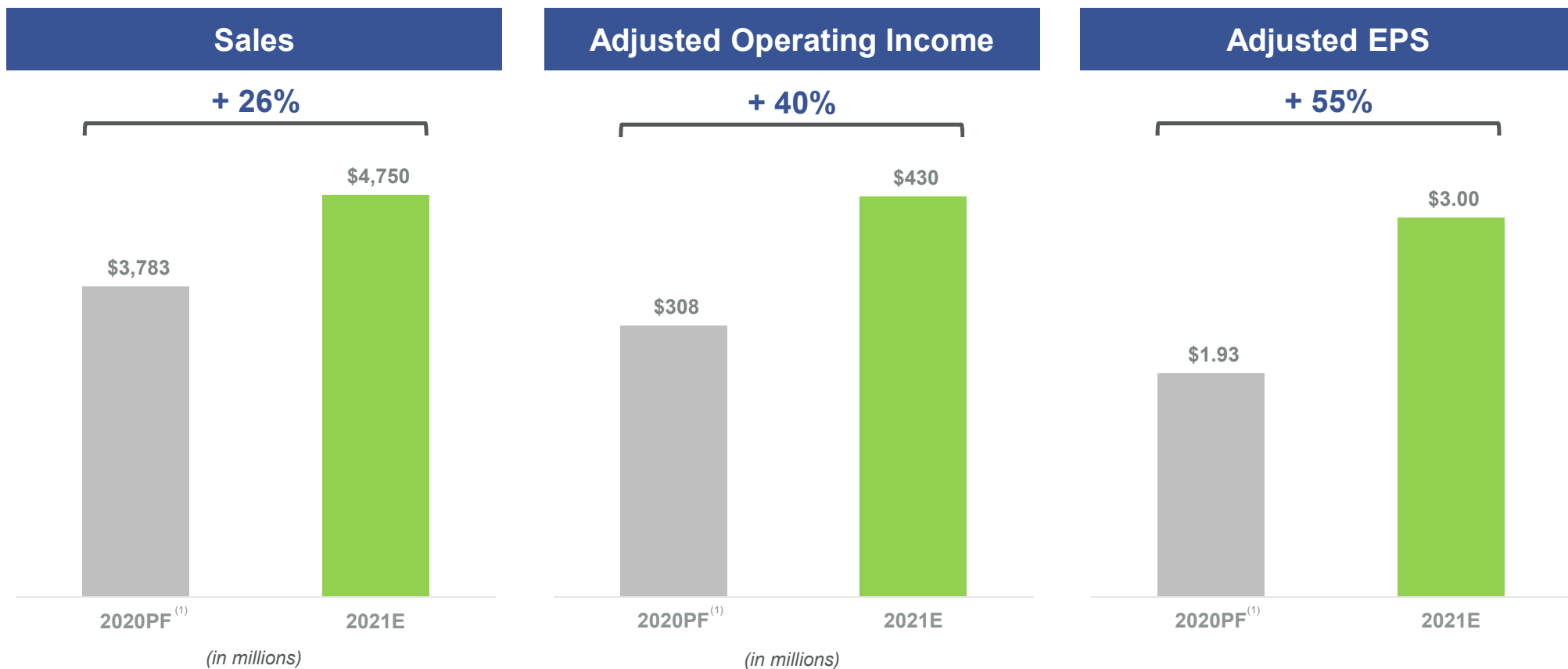
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**FULL YEAR 2021  
OUTLOOK**



# FULL YEAR GROWTH PROJECTIONS

(TOTAL COMPANY)



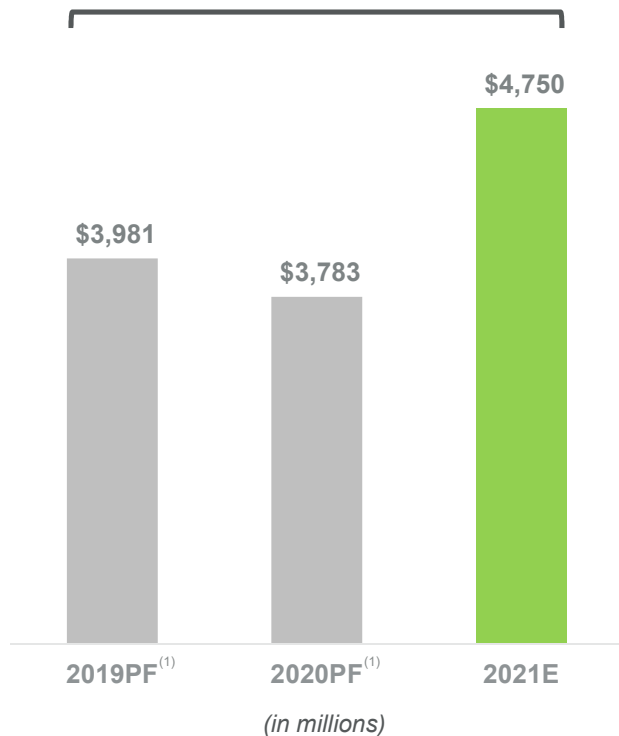
(1) Financial information is pro forma to include a full year of Clariant Color acquisition

# FULL YEAR 2019 – 2021 GROWTH

(TOTAL COMPANY)

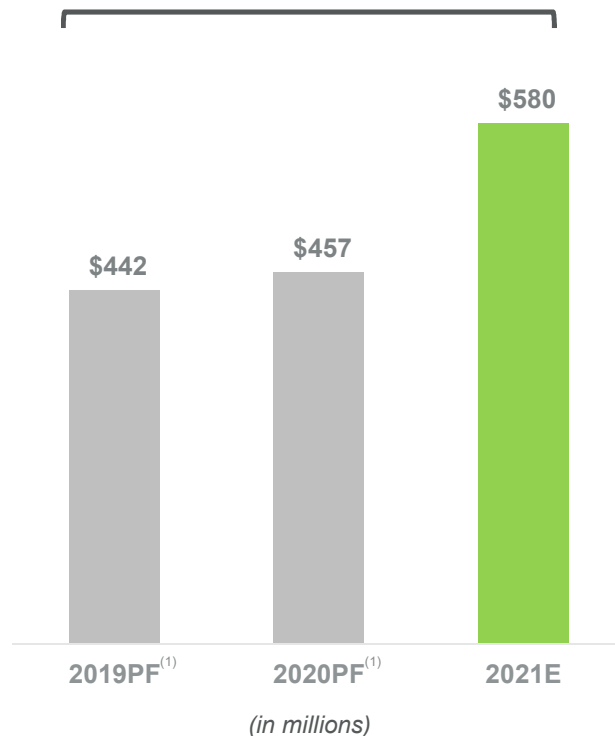
## Sales

+ 19%



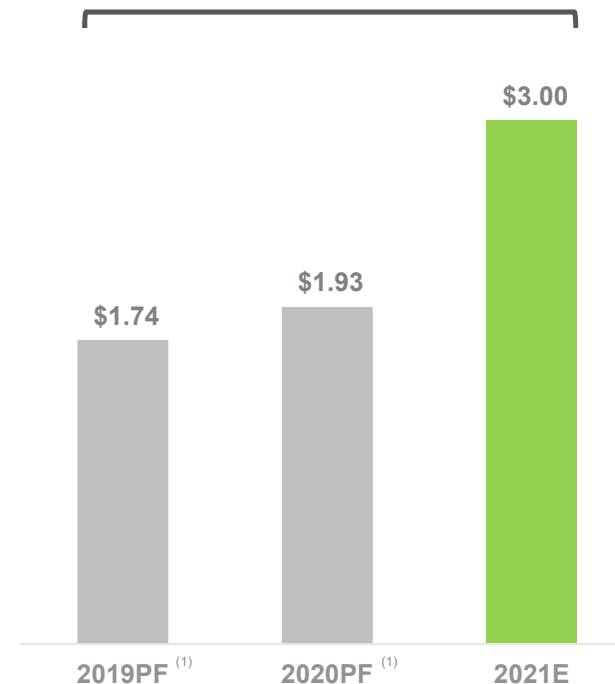
## Adjusted EBITDA

+ 31%



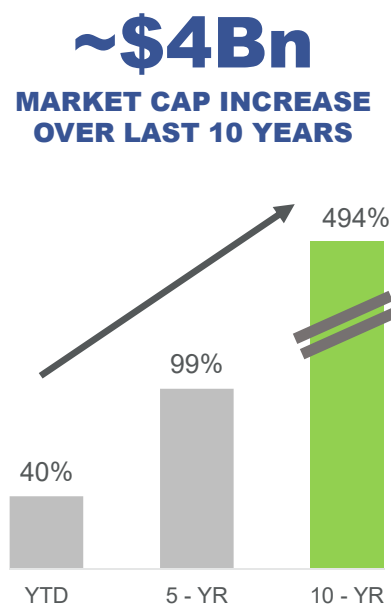
## Adjusted EPS

+ 72%

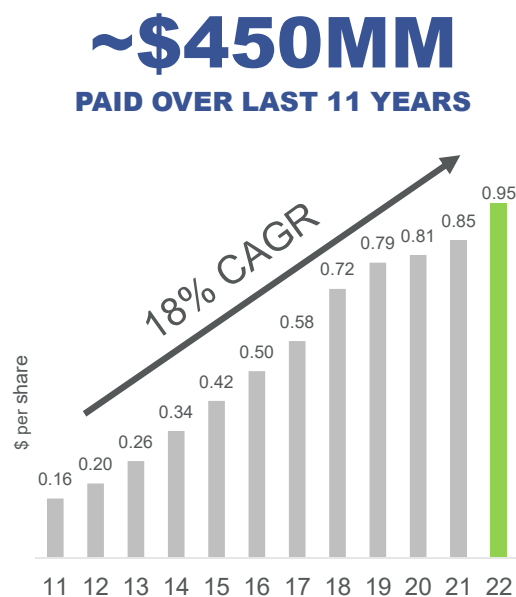


# CREATING VALUE FOR SHAREHOLDERS

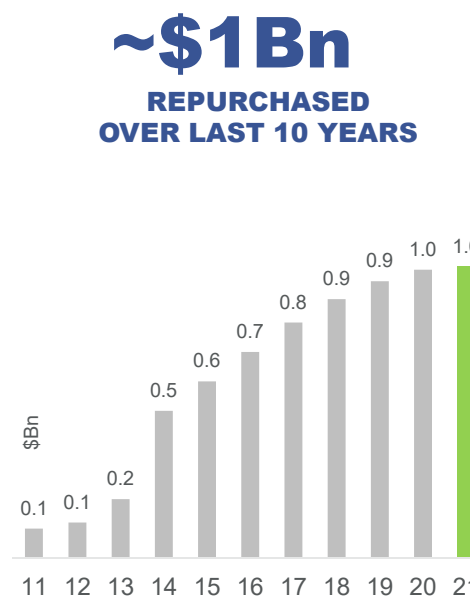
## Share Performance



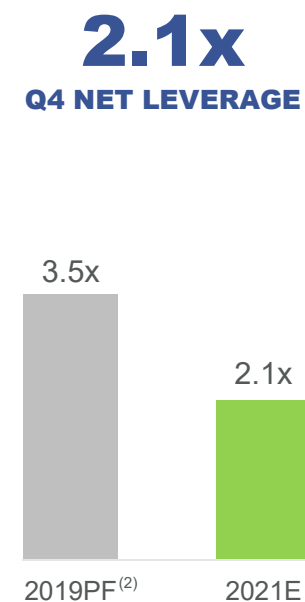
## Dividends



## Share Repurchases



## Deleveraging



Total Shareholder Return<sup>(1)</sup>

Growing Dividend

Cumulative Buybacks

Net Leverage



# 2021 AVIENT INVESTOR DAY

- Investor Day to be held December 9, 2021 in New York, NY
- The company will be doing a deep dive into its key long-term growth drivers with a particular focus on sustainable solutions

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

- Senior leadership team will also provide further details on the Clariant Color integration, as well as capital allocation priorities





# PEER COMPARISONS

# AVIENT IS ASSET LIGHT

As a specialty formulator, we don't require significant capital investment, as compared to the base resin raw material suppliers we purchase from. Even more, our manufacturing capabilities are flexible and easily adaptable to changing customer needs.

As we grow, we can add capacity with minimal investment. Whether an additional line at an existing manufacturing plant, or a new facility in a growing region, we ramp-up quickly and cost-efficiently.

**Capex / Revenue**  
2021E (%)



Source: Peer data per Bloomberg market data as of October 25, 2021  
Avient reflects 2021 estimated revenue of \$4,750M and estimated CAPEX of \$80M (excludes one-time synergy capture CAPEX of \$20M)



# HIGH FREE CASH FLOW CONVERSION

Free Cash Flow Conversion <sup>(1)</sup>  
2021E (%)



Source: Peer data per Bloomberg market data as of October 25, 2021  
Avient reflects 2021 estimated EBITDA of \$580M and estimated CAPEX of \$80M (excludes one-time synergy capture CAPEX of \$20M)

1. Free cash flow conversion calculated as (EBITDA – Capex) / EBITDA



Being asset light helps us to generate strong free cash flow that is in line with specialty formulators.

Our free cash flow supports shareholder value creation through investing in R&D for organic growth, completing bolt-on acquisitions, and returning cash to shareholders via our dividend program and opportunistic share repurchases.

# OUR VALUATION VERSUS PEERS

Our current valuation with updated guidance implies an EBITDA multiple that is below specialty formulator peers and the median of other selected chemical / specialty companies.

With the Clariant Color business acquisition and divestment of the PP&S business, our exposure is now concentrated in less-cyclical and high-growth markets, with increased geographic diversification and a more specialized portfolio that can significantly expand EBITDA margins.

Total Enterprise Value / 2021E EBITDA



Source: Peer data per Bloomberg market data as of October 25, 2021  
 Avient reflects 2021 estimated EBITDA of \$580M







## SUMMARY: WHY INVEST IN AVIENT?

We are a specialty formulator that enables many of the world's products through innovation and custom solutions. We take great pride in our essential role and responsibility—to our people, our customers, our planet and our shareholders.

In 2021, we expect substantial earnings growth and strong cash flow generation as we emerge from the COVID-19 pandemic. We will deliver for our stakeholders through multiple value creation levers—many of which are unique to Avient:

- Demand for sustainable solutions, healthcare, and composites, together with Clariant Color revenue synergies, that will drive long-term revenue growth in excess of GDP
- Clariant color cost synergy capture will result in significant near-term benefit

In addition, we remain committed to increasing annual dividends in line with earnings growth and opportunistically buying back shares, all while remaining modestly levered.

Simply put...

We solve customers' most pressing material science challenges.

We create value for our stakeholders and we love to win.

We are Avient.

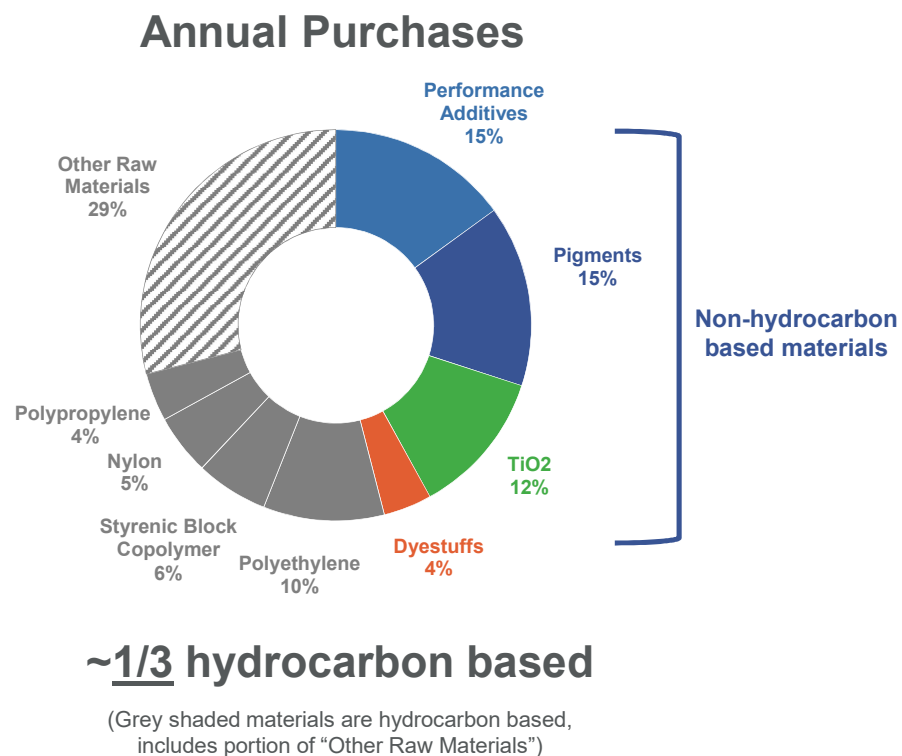




# APPENDIX

# RAW MATERIAL AND SUPPLY CHAIN UPDATE

- Significant raw material price inflation and tight inventory continued in Q3 2021
  - Average cost of hydrocarbon based materials was up 65% year-over-year and 10% sequentially
  - Average cost of non-hydrocarbon based materials was up 20% year-over-year and 3% sequentially
- Additionally, we continued to experience other supply chain challenges during Q3 related to raw material spot purchases, freight constraints and productivity loss as a result of these shortages



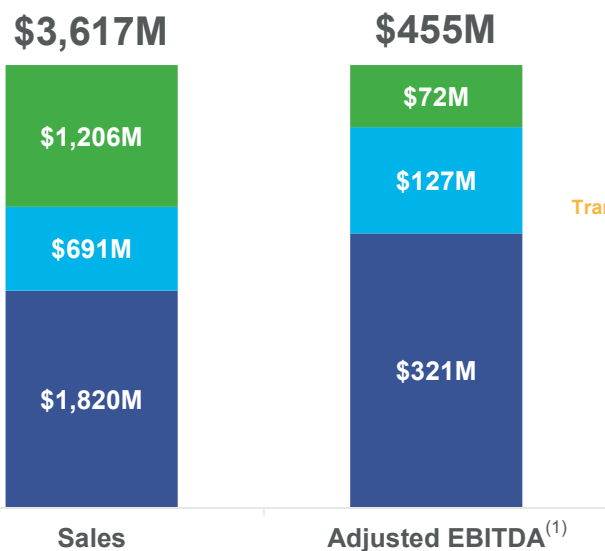
Based on 2020 pro forma purchases, excludes Distribution business



# SEGMENT DATA

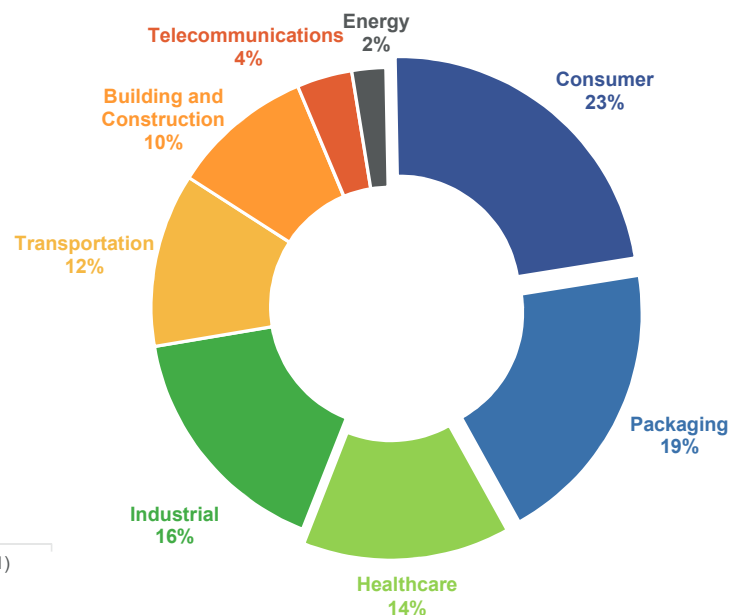
# 2021 YTD SEGMENT, END MARKET AND GEOGRAPHY

## SEGMENT FINANCIALS

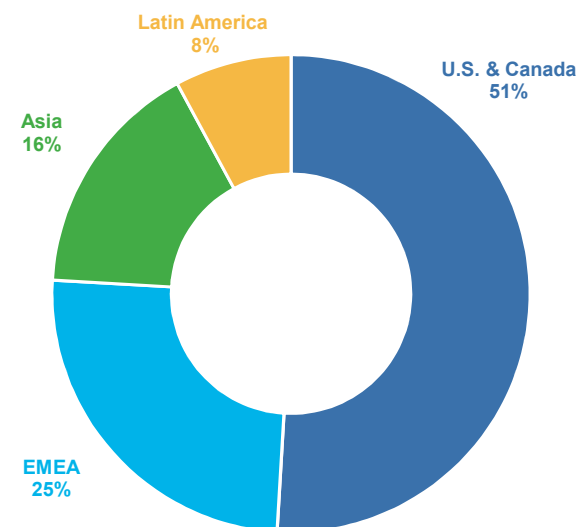


- Distribution
- Specialty Engineered Materials
- Color Additives and Inks

## END MARKET REVENUE



## GEOGRAPHY REVENUE



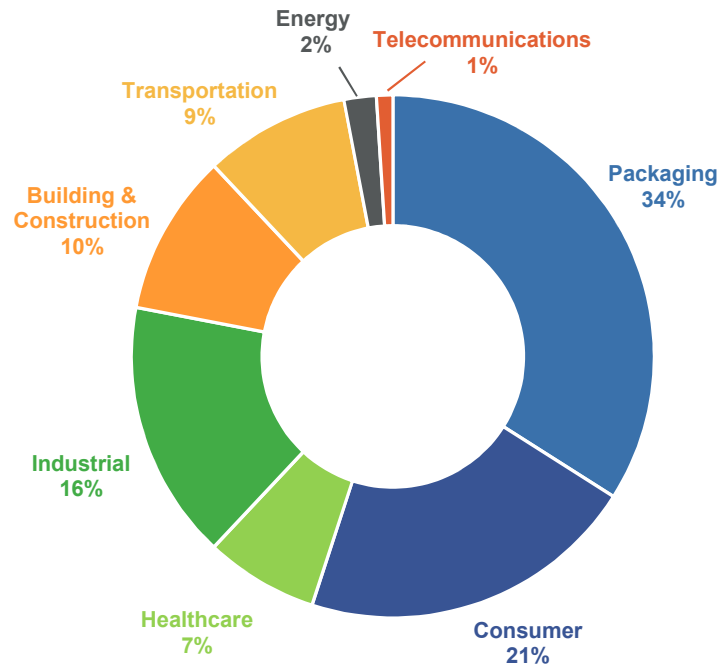
(1) Total company sales and EBITDA of \$3,617M and \$455M, respectively, include intercompany sales eliminations and corporate costs

All charts reflect YTD financials through September 30

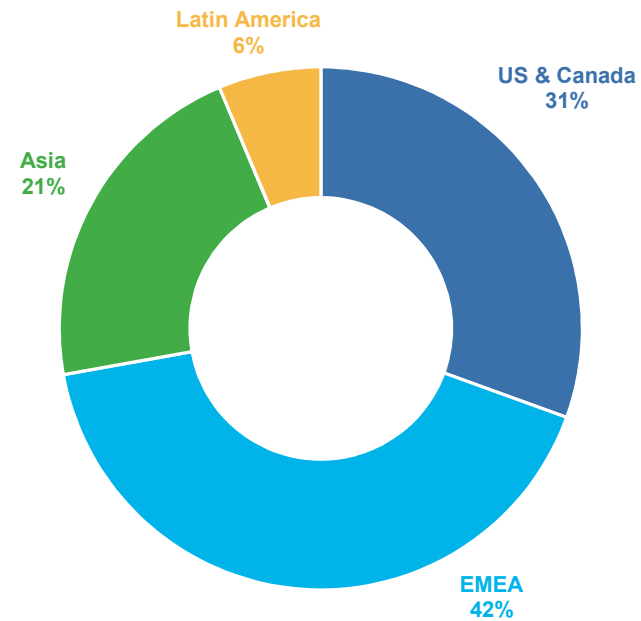
# COLOR, ADDITIVES & INKS

## 2021 YTD REVENUE | \$1.8 BILLION

### END MARKET



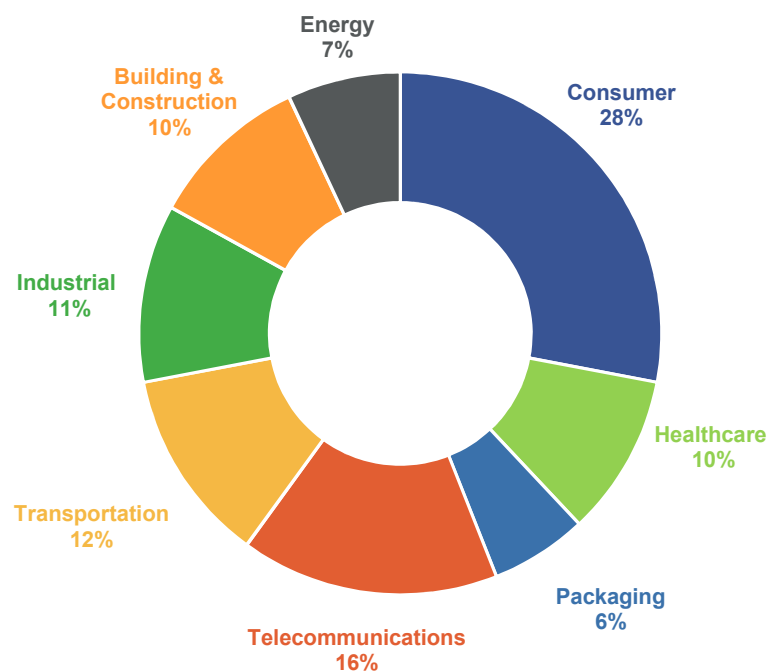
### REGION



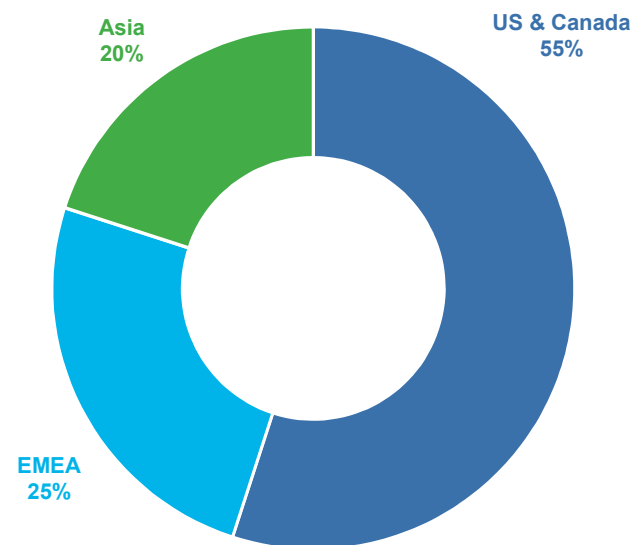
# SPECIALTY ENGINEERED MATERIALS

2021 YTD REVENUE | \$691 MILLION

## END MARKET



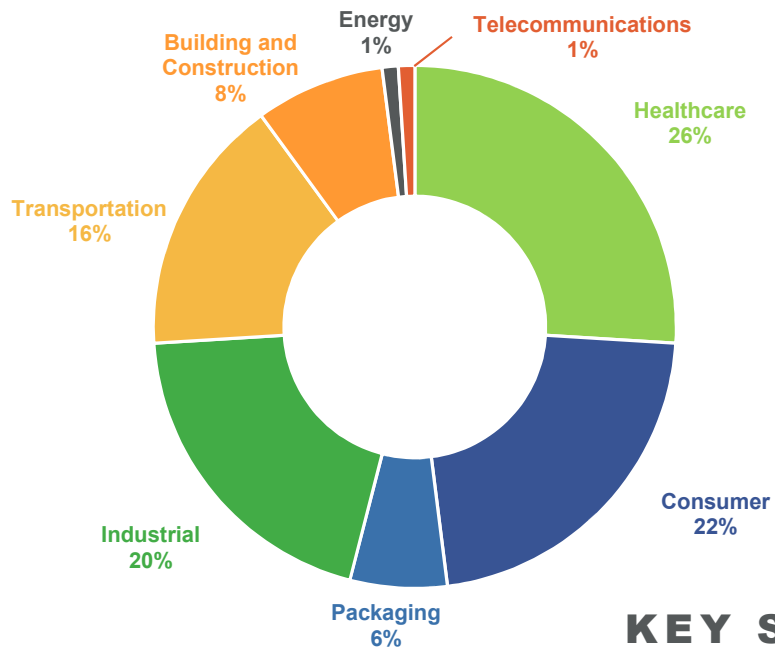
## REGION



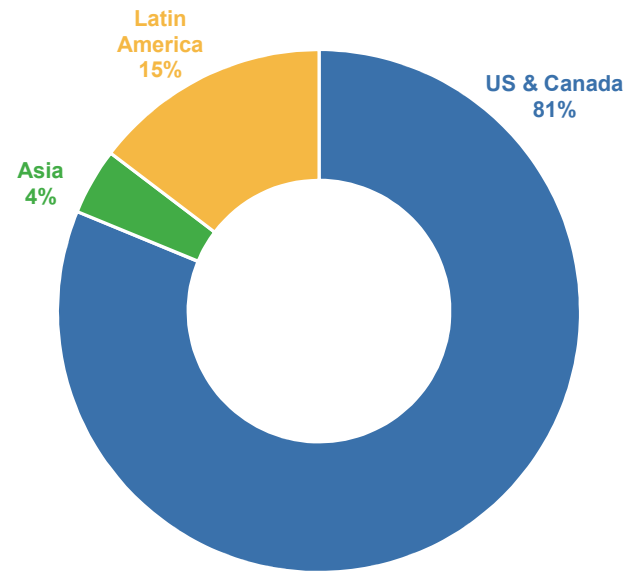
# DISTRIBUTION

2021 YTD REVENUE | \$1.2 BILLION

## END MARKET



## REGION

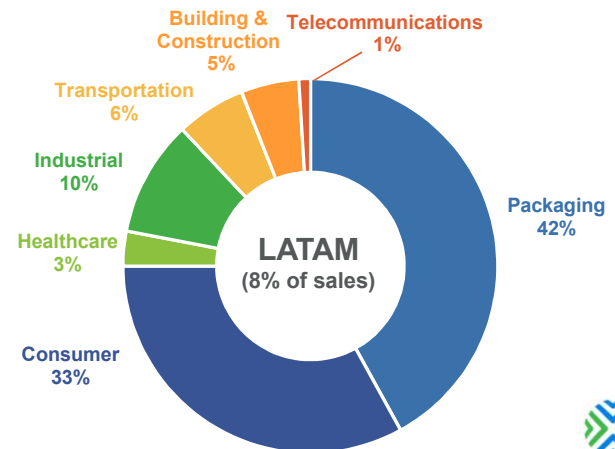
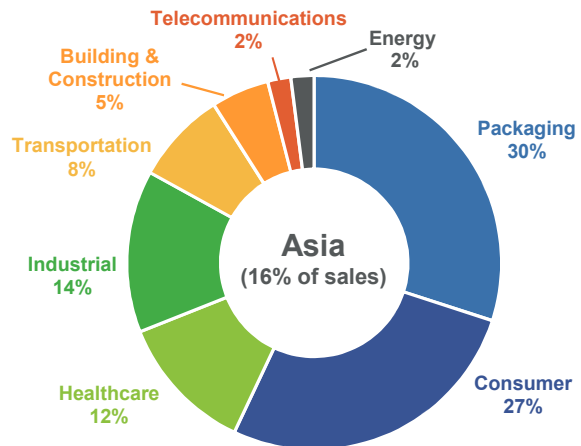
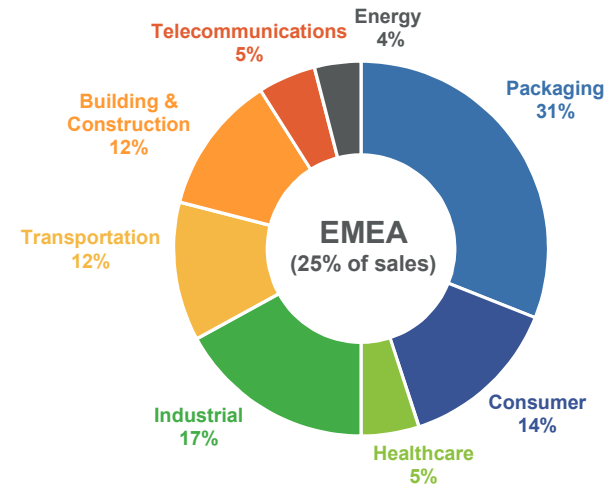
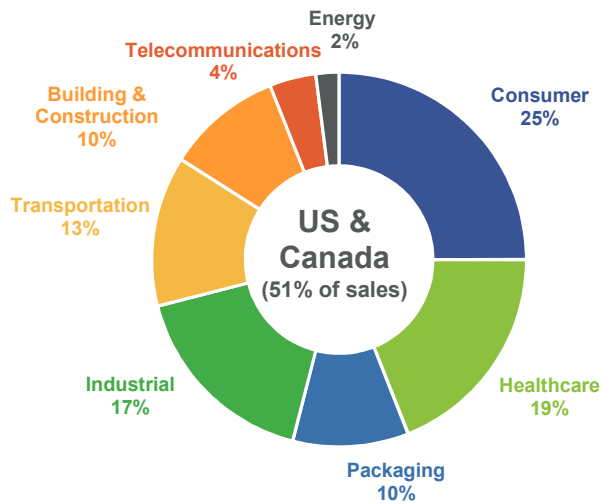


## KEY SUPPLIERS





# TOTAL COMPANY REGIONAL SALES BY END MARKET



All charts reflect 2021 YTD financials through September 30



**Reconciliation of Non-GAAP Financial Measures  
(Unaudited)**  
(Dollars in millions, except for per share data)

	<b>Three Months Ended September 30, 2021</b>		
	<b>GAAP Results</b>	<b>Special Items</b>	<b>Adjusted Results</b>
<b>Reconciliation to Condensed Consolidated Statements of Income</b>			
Operating income	\$ 78.7	\$ 20.0	\$ 98.7
Income from continuing operations before income taxes	\$ 61.1	\$ 19.9	\$ 81.0
Income tax expense - GAAP	(8.5)	—	(8.5)
Income tax impact of special items	—	(4.6)	(4.6)
Tax adjustments	—	(3.6)	(3.6)
Net income attributable to noncontrolling interests	0.3	—	0.3
Net income from continuing operations attributable to Avient shareholders	<u>\$ 52.9</u>	<u>\$ 11.7</u>	<u>\$ 64.6</u>
Net income / EPS	\$ 0.57	\$ 0.13	\$ 0.70
Weighted-average diluted shares	92.2	92.2	92.2

	<b>Three Months Ended September 30, 2020</b>		
	<b>GAAP Results</b>	<b>Special Items</b>	<b>Adjusted Results</b>
<b>Reconciliation to Condensed Consolidated Statements of Income</b>			
Operating income	\$ 33.5	\$ 40.4	\$ 73.9
Income from continuing operations before income taxes	\$ 5.3	\$ 50.0	\$ 55.3
Income tax expense - GAAP	(2.7)	—	(2.7)
Income tax impact of special items	—	(12.7)	(12.7)
Tax adjustments	—	3.0	3.0
Net income attributable to noncontrolling interests	(0.9)	—	(0.9)
Net income from continuing operations attributable to Avient shareholders	<u>\$ 1.7</u>	<u>\$ 40.3</u>	<u>\$ 42.0</u>
Net income / EPS	\$ 0.02	\$ 0.44	\$ 0.46
Weighted-average diluted shares	91.9	91.9	91.9

Reconciliation to Pro Forma Adjusted EBITDA	Three Months Ended September 30,		Three Months Ended	Nine Months Ended	Year Ended December 31,		
	2021	2020	June 30, 2021	September 30, 2021	2020	2019	2018
Net income from continuing operations – GAAP	\$ 52.6	\$ 2.6	\$ 69.4	\$ 201.7	\$ 133.8	\$ 75.7	\$ 87.4
Income tax expense	8.5	2.7	20.4	51.8	5.2	33.7	14.4
Interest expense	19.0	29.7	19.5	57.8	74.6	59.5	62.8
Debt extinguishment cost	—	—	—	—	—	—	1.1
Depreciation and amortization from continuing operations	36.8	36.5	33.8	107.7	115.0	78.1	72.6
EBITDA	\$ 116.9	71.5	\$ 143.1	\$ 419.0	\$ 328.6	\$ 247.0	\$ 238.3
Special items, before tax	19.9	50.0	14.2	36.5	66.2	61.7	59.5
Interest expense included in special items	—	(9.6)	—	—	(10.1)	—	—
Depreciation and amortization included in special items	(0.9)	(1.3)	1.4	(0.1)	(3.2)	—	(3.0)
Adjusted EBITDA	\$ 135.9	\$ 110.6	\$ 158.7	\$ 455.4	\$ 381.6	\$ 308.7	\$ 294.8
Clariant MB pro forma adjustments <sup>(1)</sup>	—	—	—	—	75.1	133.2	141.5
Pro forma adjusted EBITDA	<u>\$ 135.9</u>	<u>\$ 110.6</u>	<u>\$ 158.7</u>	<u>\$ 455.4</u>	<u>\$ 456.7</u>	<u>\$ 441.9</u>	<u>\$ 436.3</u>

<sup>(1)</sup> Pro forma adjustments for the periods prior to the acquisition date (July 1, 2020) and to give effects to the financing for the acquisition

Reconciliation of EBITDA by Segment	Three Months Ended September 30,		Nine Months Ended September 30,	Year Ended December 31,		
	2021	2020	2021	2020	2019	2018
<b>Sales:</b>						
Color, Additives and Inks	\$ 586.6	\$ 493.8	\$ 1,820.3	\$ 1,502.9	\$ 1,003.8	\$ 1,046.5
Specialty Engineered Materials	233.6	174.1	690.7	708.8	745.7	645.8
Distribution	438.8	276.9	1,205.9	1,110.3	1,192.2	1,265.4
Corporate and eliminations	(39.2)	(20.3)	(99.6)	(79.9)	(79.0)	(76.7)
Sales	<u>\$ 1,219.8</u>	<u>\$ 924.5</u>	<u>\$ 3,617.3</u>	<u>\$ 3,242.1</u>	<u>\$ 2,862.7</u>	<u>\$ 2,881.0</u>
<b>Operating income:</b>						
Color, Additives and Inks	\$ 66.8	\$ 50.5	\$ 241.9	\$ 180.8	\$ 147.4	\$ 158.5
Specialty Engineered Materials	31.7	24.7	103.2	94.4	83.7	72.3
Distribution	23.8	17.5	71.5	69.5	75.4	71.5
Corporate and eliminations	(43.6)	(59.2)	(109.4)	(155.4)	(149.7)	(123.7)
Operating income	<u>\$ 78.7</u>	<u>\$ 33.5</u>	<u>\$ 307.2</u>	<u>\$ 189.3</u>	<u>\$ 156.8</u>	<u>\$ 178.6</u>
<b>Items below OI in Corporate:</b>						
Other income, net	\$ 1.4	\$ 1.5	\$ 4.1	\$ 24.3	\$ 12.1	\$ (12.9)
<b>Depreciation &amp; amortization:</b>						
Color, Additives and Inks	\$ 26.6	\$ 26.3	\$ 79.2	\$ 75.1	\$ 42.7	\$ 44.3
Specialty Engineered Materials	7.9	7.5	23.8	30.0	29.5	23.2
Distribution	0.2	0.2	0.6	0.7	0.5	0.7
Corporate and eliminations	2.1	2.5	4.1	9.2	5.4	4.4
Depreciation & Amortization	<u>\$ 36.8</u>	<u>\$ 36.5</u>	<u>\$ 107.7</u>	<u>\$ 115.0</u>	<u>\$ 78.1</u>	<u>\$ 72.6</u>
<b>EBITDA:</b>						
Color, Additives and Inks	\$ 93.4	\$ 76.8	\$ 321.1	\$ 255.9	\$ 190.1	\$ 202.8
Specialty Engineered Materials	39.6	32.2	127.0	124.4	113.2	95.5
Distribution	24.0	17.7	72.1	70.2	75.9	72.2
Corporate and eliminations	(41.5)	(56.7)	(105.3)	(146.2)	(144.3)	(119.3)
EBITDA	<u>\$ 116.9</u>	<u>\$ 71.5</u>	<u>\$ 419.0</u>	<u>\$ 328.6</u>	<u>\$ 247.0</u>	<u>\$ 238.3</u>
<b>EBITDA as a % of Sales:</b>						
Color, Additives and Inks	15.9 %	15.6 %	17.6 %	17.0 %	18.9 %	19.4 %
Specialty Engineered Materials	17.0 %	18.5 %	18.4 %	17.6 %	15.2 %	14.8 %
Distribution	5.5 %	6.4 %	6.0 %	6.3 %	6.4 %	5.7 %

Reconciliation of Pro Forma EBITDA - Color, Additives and Inks	Year Ended December 31,		
	2020	2019	2018
<b>Sales:</b>			
Color, Additives and Inks	\$ 1,502.9	\$ 1,003.8	\$ 1,046.5
Clariant MB pro forma adjustments <sup>(1)</sup>	540.4	1,118.6	1,209.8
Pro forma sales	<u>\$ 2,043.3</u>	<u>\$ 2,122.4</u>	<u>\$ 2,256.3</u>
<b>Operating income:</b>			
Color, Additives and Inks	\$ 180.8	\$ 147.4	\$ 158.5
Clariant MB pro forma adjustments <sup>(1)</sup>	45.0	72.9	80.3
Pro forma operating income	<u>\$ 225.8</u>	<u>\$ 220.3</u>	<u>\$ 238.8</u>
<b>Depreciation &amp; amortization:</b>			
Color, Additives and Inks	\$ 75.1	\$ 42.7	\$ 44.3
Clariant MB pro forma adjustments <sup>(1)</sup>	30.1	60.3	61.2
Pro forma depreciation & amortization	<u>\$ 105.2</u>	<u>\$ 103.0</u>	<u>\$ 105.5</u>
<b>EBITDA</b>			
Color, Additives and Inks	\$ 255.9	\$ 190.1	\$ 202.8
Clariant MB pro forma adjustments <sup>(1)</sup>	75.1	133.2	141.5
Pro forma EBITDA	<u>\$ 331.0</u>	<u>\$ 323.3</u>	<u>\$ 344.3</u>
<b>Pro forma EBITDA as a % of Sales</b>	16.2 %	15.2 %	15.3 %

(1) - Pro forma adjustments for the periods prior to the acquisition date (July 1, 2020) and to give effects of the financing for the acquisition

**Year Ended  
December 31, 2020**

<b>Reconciliation of Pro Forma Adjusted Earnings per Share</b>	<b>Avient</b>	<b>Special Items</b>	<b>Adjusted Avient</b>	<b>Clariant MB Pro Forma Adjustments<sup>(1)</sup></b>	<b>Pro Forma Adjusted Avient</b>
Sales	\$ 3,242.1	\$ —	\$ 3,242.1	\$ 540.4	\$ 3,782.5
Operating income	\$ 189.3	\$ 73.7	\$ 263.0	\$ 45.0	\$ 308.0
Interest expense, net	(74.6)	10.1	(64.5)	(18.1)	(82.6)
Other income, net	24.3	(17.6)	6.7	—	6.7
Income taxes	(5.2)	(41.4)	(46.6)	(6.2)	(52.8)
Net income attributable to noncontrolling interests	(1.8)	—	(1.8)	—	(1.8)
Net income from continuing operations attributable to Avient shareholders	<u>\$ 132.0</u>	<u>\$ 24.8</u>	<u>\$ 156.8</u>	<u>\$ 20.7</u>	<u>\$ 177.5</u>
Weighted average diluted shares					90.6
Impact to diluted shares from January 2020 equity offering					1.5
Pro forma weighted average diluted shares					<u>92.1</u>
Pro forma adjusted EPS					<u>\$ 1.93</u>

(1) - Pro forma adjustments for the periods prior to the acquisition date (July 1, 2020) and to give effects of the financing for the acquisition

**Year Ended  
December 31, 2019**

<b>Reconciliation of Pro Forma Adjusted Earnings per Share</b>	<b>Avient</b>	<b>Special Items</b>	<b>Adjusted Avient</b>	<b>Clariant MB Pro Forma Adjustments<sup>(1)</sup></b>	<b>Pro Forma Adjusted Avient</b>
Sales	\$ 2,862.7	\$ —	\$ 2,862.7	\$ 1,118.6	\$ 3,981.3
Operating income	\$ 156.8	\$ 71.7	\$ 228.5	\$ 72.9	\$ 301.4
Interest expense, net	(59.5)	—	(59.5)	(33.4)	(92.9)
Other income, net	12.1	(10.0)	2.1	—	2.1
Income taxes	(33.7)	(5.9)	(39.6)	(9.1)	(48.7)
Net income attributable to noncontrolling interests	(0.2)	—	(0.2)	—	(0.2)
Net income from continuing operations attributable to Avient shareholders	<u>\$ 75.5</u>	<u>\$ 55.8</u>	<u>\$ 131.3</u>	<u>\$ 30.4</u>	<u>\$ 161.7</u>
Weighted average diluted shares					77.7
Impact to diluted shares from January 2020 equity offering					15.3
Pro forma weighted average diluted shares					<u>93.0</u>
Pro forma adjusted EPS					<u>\$ 1.74</u>

(1) - Pro forma adjustments for the periods prior to the acquisition date (July 1, 2020) and to give effects of the financing for the acquisition