# AVIENT CORPORATION

## INVESTOR PRESENTATION

(NYSE: AVNT)

JANUARY 2024

AVIENT™

# 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, any recessionary conditions, and terrorism or hostilities

## 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, Adjusted EBITDA and Adjusted EBITDA Margin.

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 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.



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# 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

| 9,700 | 104 | 20,000+ |
|---|---|---|
| Employees | Manufacturing Sites | Customers |

### *Key Highlights*

- Premier formulator of specialized and sustainable material solutions
- Asset-light business model, with flexibility to adapt to customer needs
- Best-in-class technology and service (140+ PhDs / 2,500+ patents)
- History of transformation through successful M&A while consistently returning cash to shareholders
- Poised for continued future growth in excess of GDP

## 2023 Financial Guidance

| $3.13B | $2.30 |
|---|---|
| Revenue | Adjusted EPS |

**$500M**
Adjusted EBITDA

**16.0%**
Adjusted EBITDA Margins

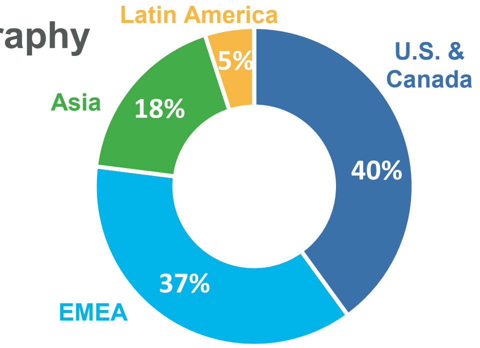
**$180M**
Free Cash Flow

Over **$1B** in share buybacks since 2011

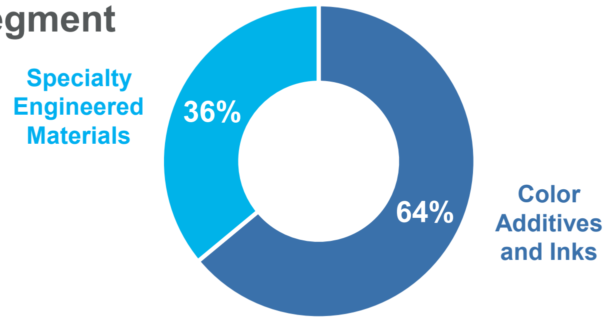
Raised dividend for **13** consecutive years, a **15%** CAGR since 2011

## Revenue By:

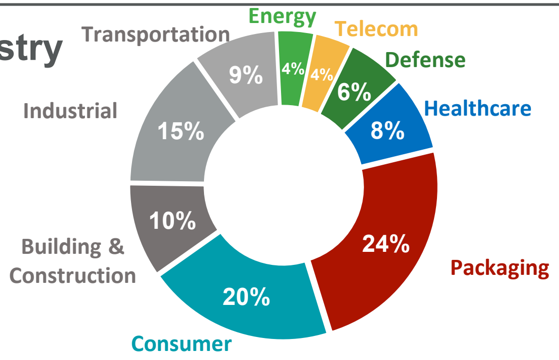
Geography




Segment




Industry

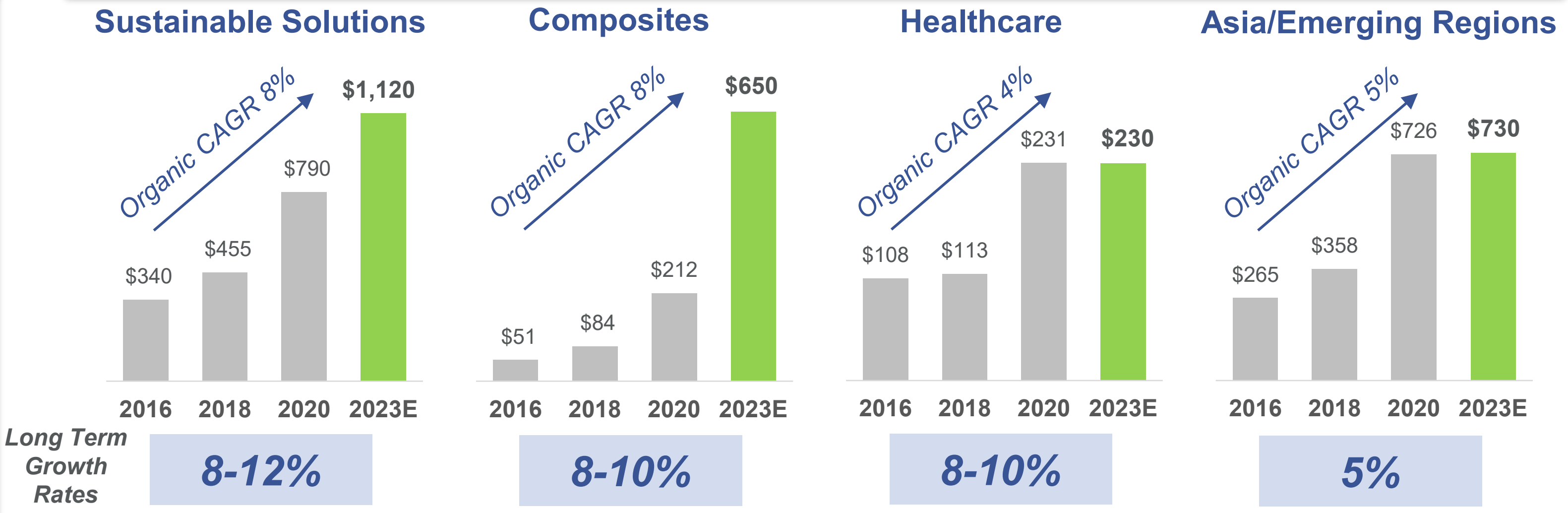


# CREATING A WORLD-CLASS SUSTAINABLE ORGANIZATION

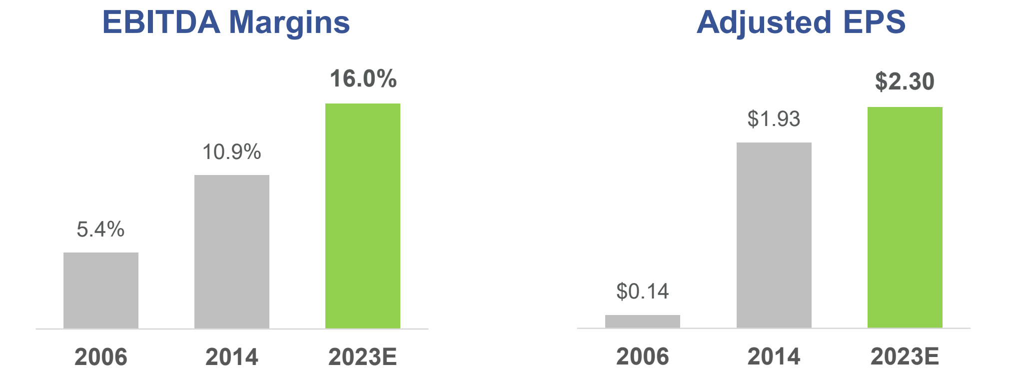
## Strategic Objectives

1. **6% 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

Great Place To Work® Certified DEC 2023-DEC 2024 USA ™

# TOP-TIER SUSTAINABILITY PERFORMANCE AND RECOGNITION

## Industry Sustainability Standards

UN GLOBAL COMPACT

SUSTAINABLE DEVELOPMENT GOALS

RESPONSIBLE CARE®
OUR COMMITMENT TO SUSTAINABILITY

GOLD 2023 ecovadis Sustainability Rating
94th percentile

CDP
Avient CDP Score: B

## ESG Ratings Performance

Rated
MORNINGSTAR | SUSTAINALYTICS
87th PERCENTILE in Specialty Chemicals

MSCI ESG RATINGS
A

CCC | B | BB | BBB | A | AA | AAA

ISS ESG Quality Score

| | |
|---|---|
| ENVIRONMENTAL | 1 |
| SOCIAL | 3 |
| GOVERNANCE | 5 |

AMERICA'S MOST RESPONSIBLE COMPANIES 2023
Newsweek
statista

BARRON'S
100 Most Sustainable Companies
2023

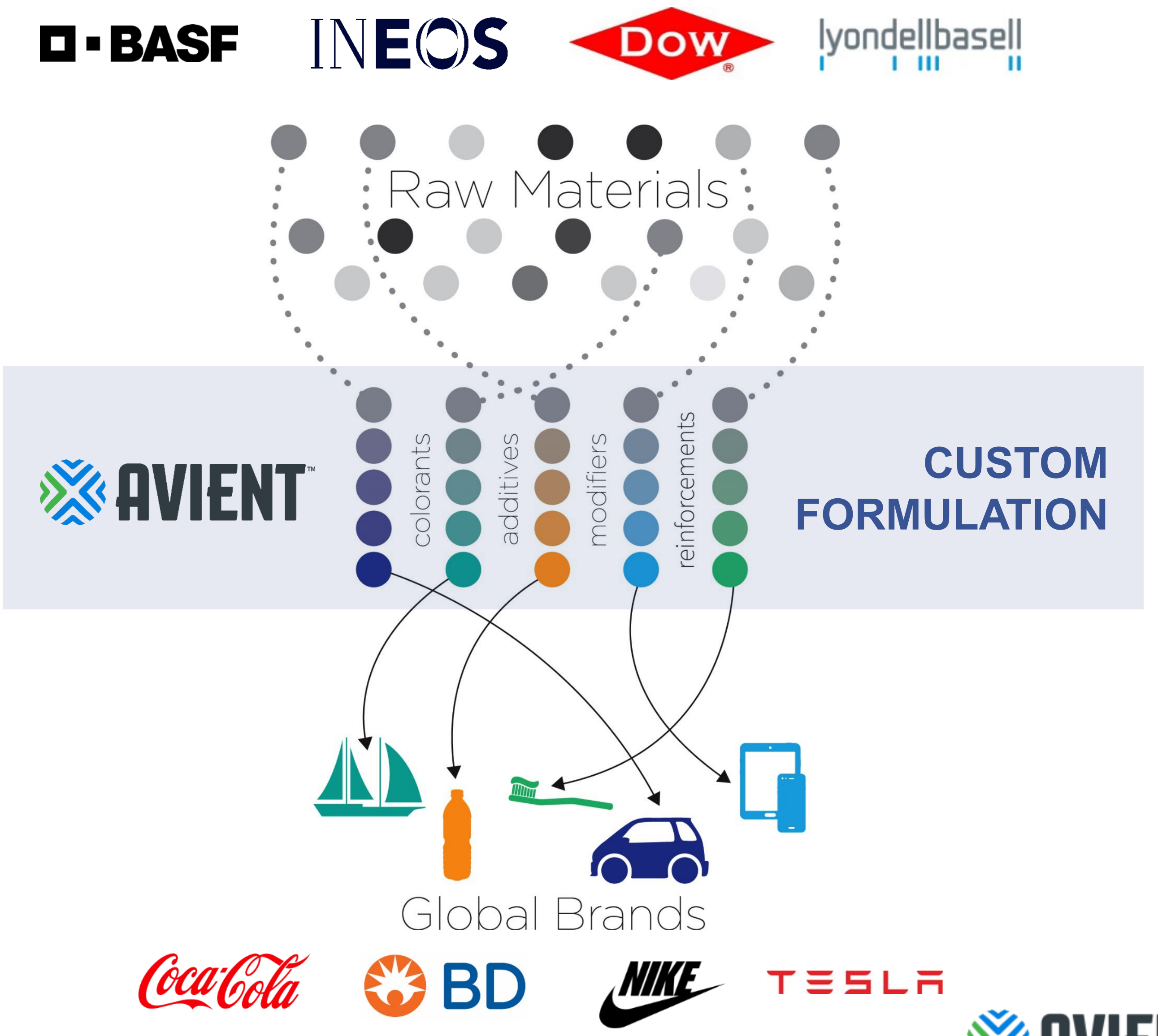
WSJ MANAGEMENT TOP 250
AS RANKED BY DRUCKER INSTITUTE

# 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.

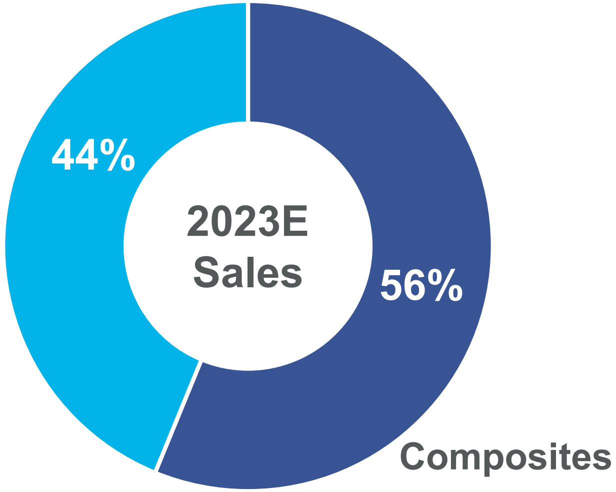
**Challenge Accepted.**



NOVEMBER 2, 2023
WEBCAST
PRESENTATION

# AVIENT PROTECTIVE MATERIALS FIRST YEAR

## Composites as a % of SEM




Composites comprises over half of Specialty Engineered Materials, compared to 9% in 2016

Proven history of success in areas such as outdoor high performance, defense and sustainable solutions

## Collaboration & Innovation

Complementary technologies and customer relationships offer opportunity to advance commercial strategy

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

## People & Culture

Talented, passionate, and creative associates drive continued integration success and allow two cultures to come together as one Avient



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# AVIENT PROTECTIVE MATERIALS

## CROSS SELLING OPPORTUNITIES

Lightweight Protective Laminates:
**PROJECTILE PROTECTION**
Dyneema® Fiber Solutions

Strength + Durability + Light-Weighting:
**SOLID MOUNTING BRACKETS**
Nymax™ Bergamid™ Complēt™ Engineered Materials

Color Consistency and Weatherability
**CUSTOMIZED SPECIFICATIONS**
Avient Color and Additive Solutions

Cushioning + Fit + Comfort:
**LONG-TERM WEAR**
reSound™ Versaflex™ Thermoplastic Elastomers

Antennae Performance
**FAST, RELIABLE CONNECTIONS**
PREPERM™ Low-Loss Dielectric Thermoplastics

Durability + Lubricity:
**HELMET LATCHES**
Lubri-One™ Internally Lubricated Polymers

Wired Connections
**CONSTANT COMMUNICATION**
Syncure™ Cross-linkable Wire & Cable Formulations

# AVIENT PROTECTIVE MATERIALS

## CROSS SELLING OPPORTUNITIES





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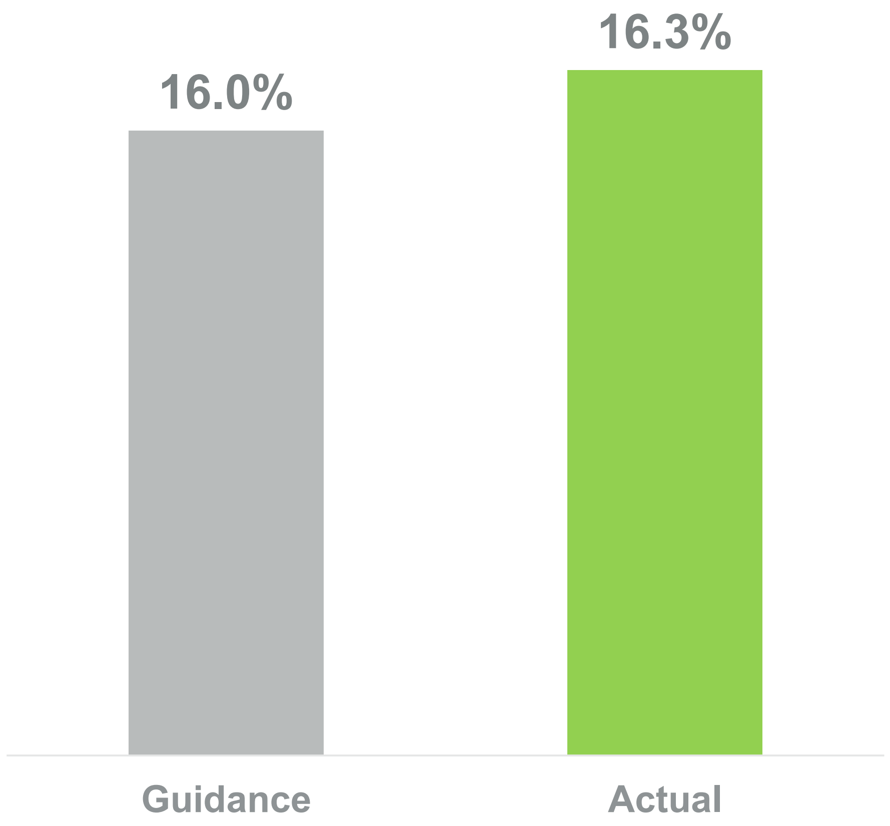
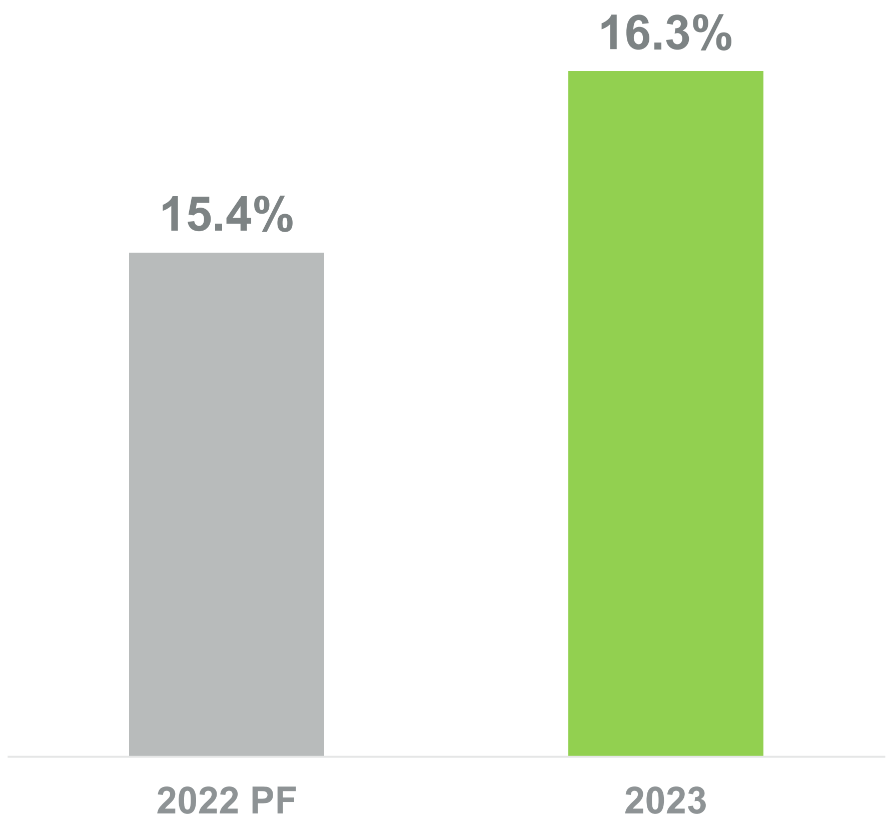
# Q3 PERFORMANCE

# Q3 2023 ADJ. EBITDA MARGIN PERFORMANCE

## Results vs. Guidance

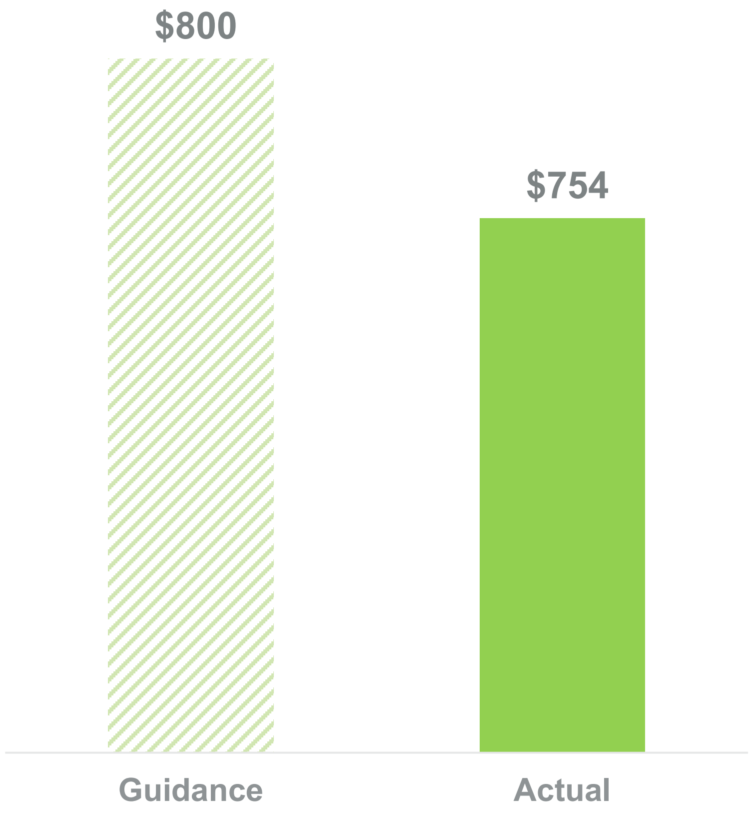



## Results vs. Prior Year



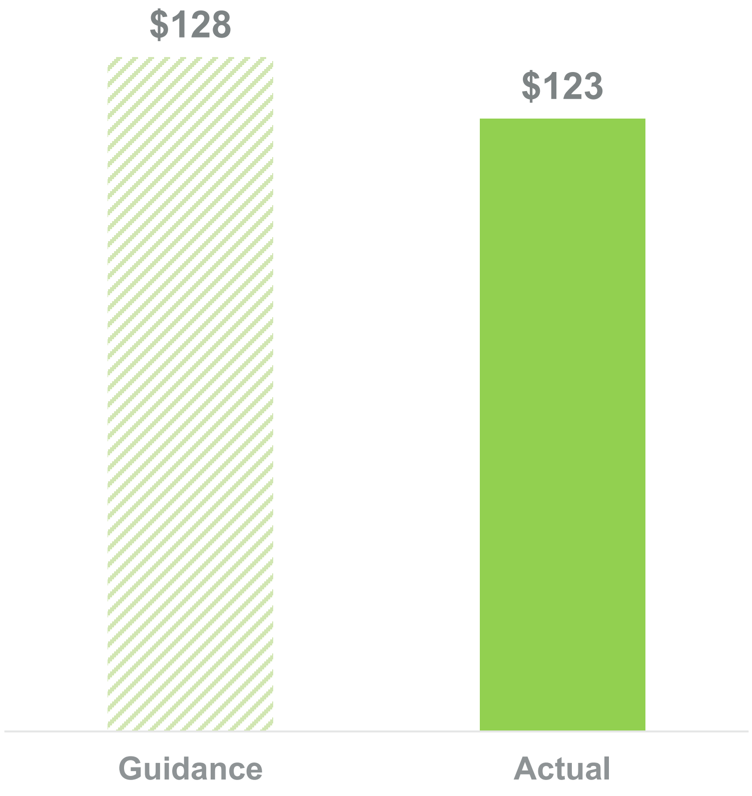
# Q3 2023 PERFORMANCE VS. GUIDANCE

## Sales




(in millions)

## Adjusted EBITDA




(in millions)

## Adjusted EPS

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# Q3 EBITDA BRIDGE

| ($ millions) | Adjusted EBITDA |
|---|---|
| **Q3 2022 Pro Forma** | **$ 137** |
| **Demand** | **(49)** |
| CAI: | |
| *Price / Mix* | *-* |
| *Deflation* | *22* |
| SEM: | |
| *Price / Mix* | *(6)* |
| *Deflation* | *13* |
| **Net Price Benefit** | **29** |
| **Cost Reductions** | **13** |
| **Wage Inflation** | **(8)** |
| **FX** | **1** |
| **Q3 2023 Actual** | **$ 123** |

- Demand impacted by destocking and cautious customer sentiment
- Positive net price benefit:
  - CAI - Pricing flat and raw material deflation
  - SEM - Pricing flat with unfavorable mix related to healthcare, more than offset with raw material deflation
- Cost reductions driven by Clariant synergies and reduced administrative costs



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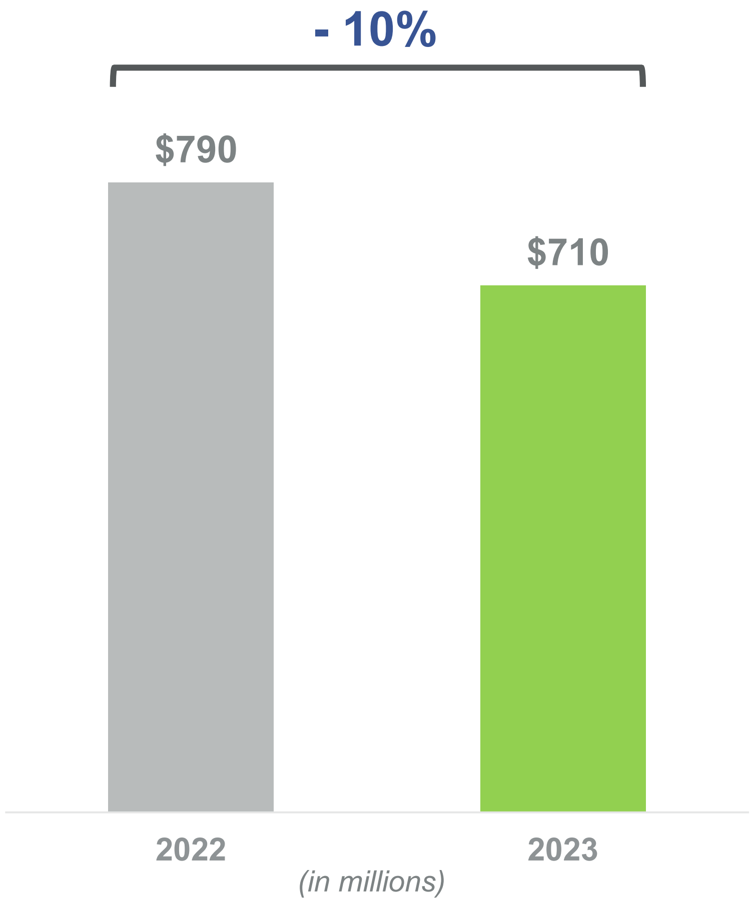
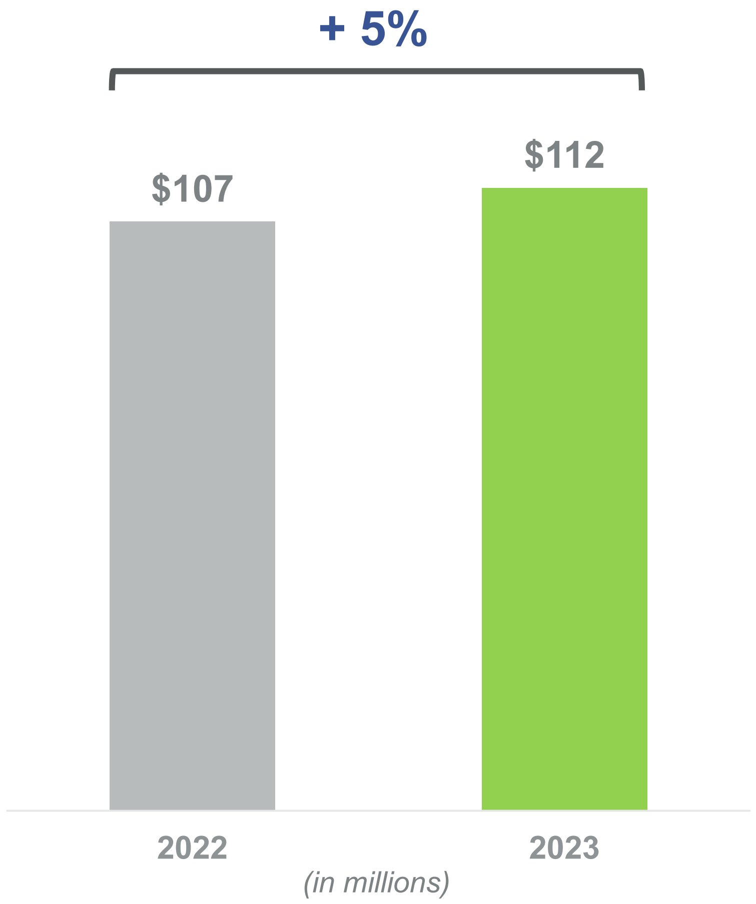
# 2023 GUIDANCE

# Q4 2023 GUIDANCE VS. PRIOR YEAR

## Sales



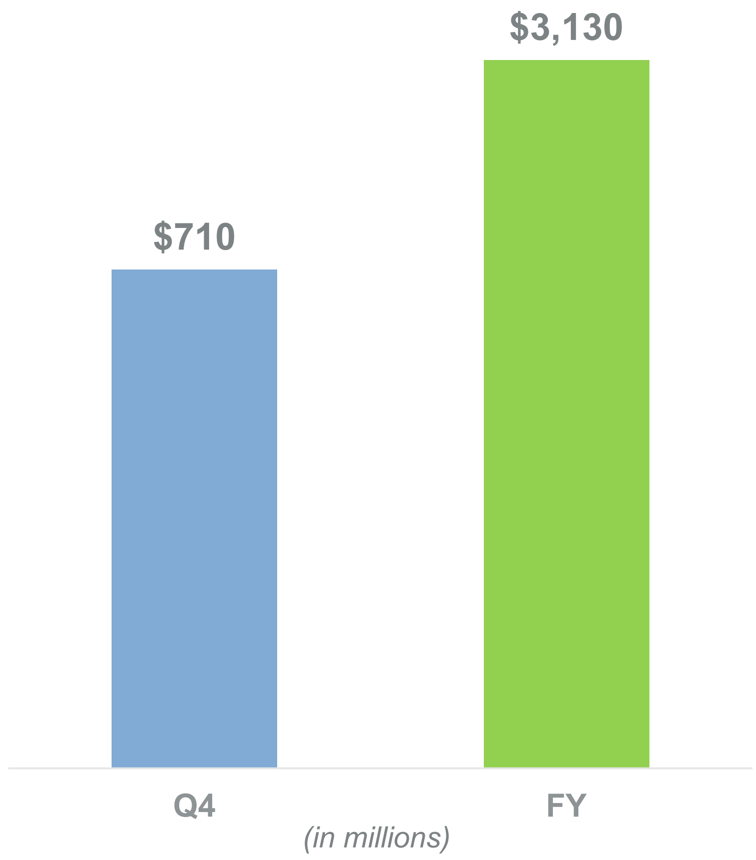

## Adjusted EBITDA



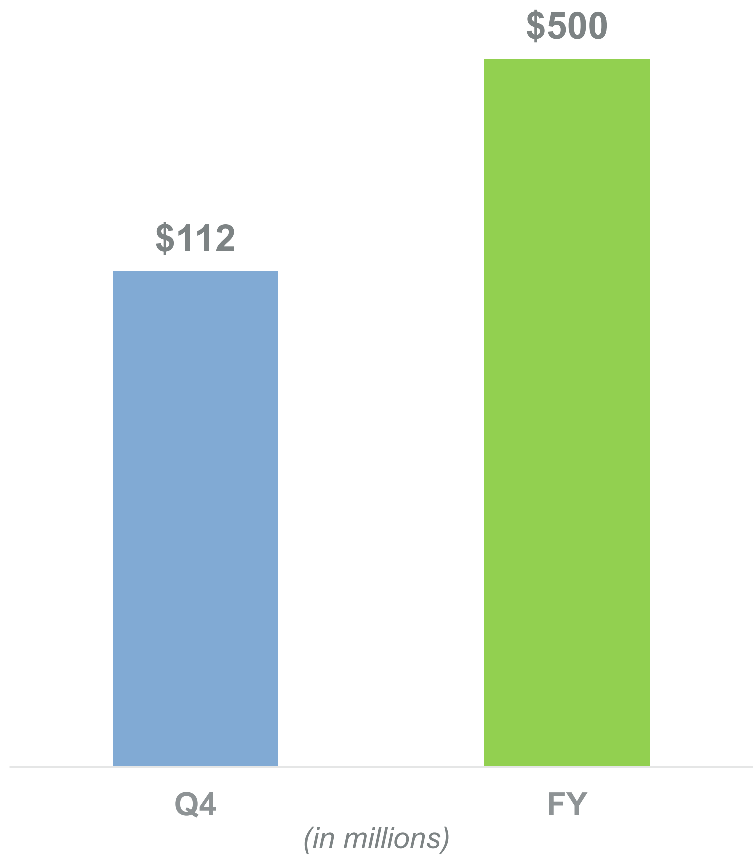

## Adjusted EPS

# Q4 AND FULL YEAR 2023 GUIDANCE

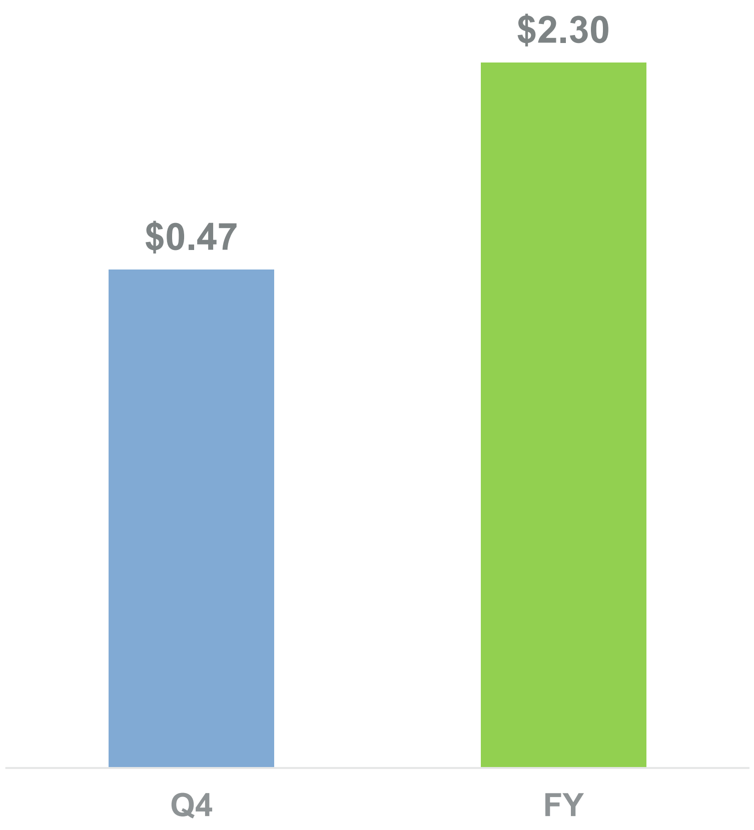
## Sales




## Adjusted EBITDA



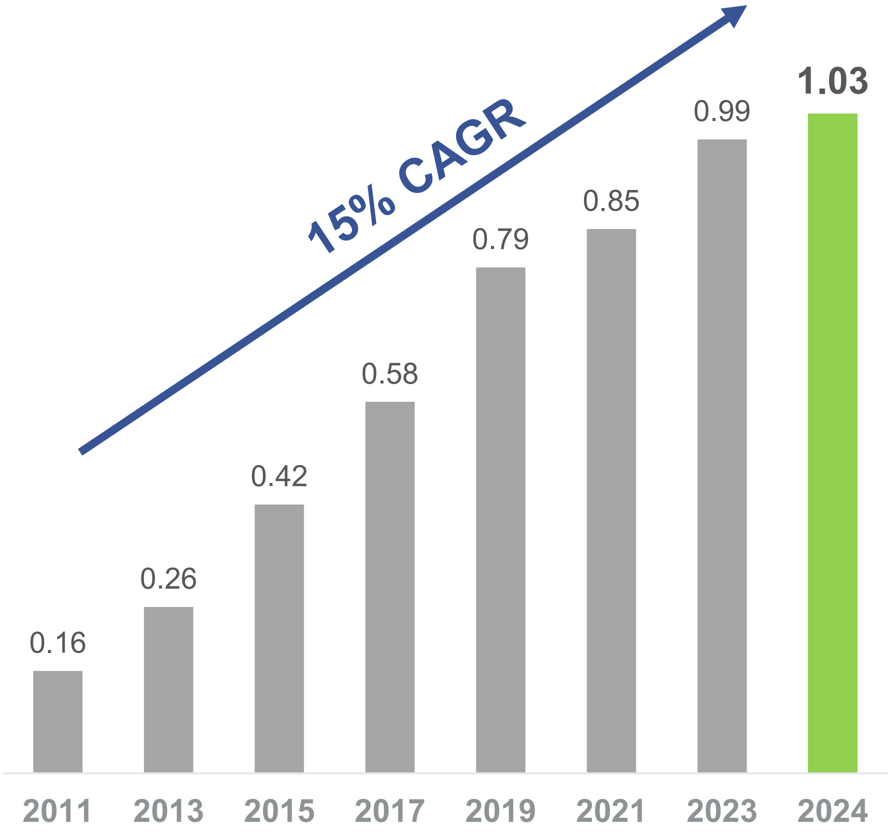

## Adjusted EPS



# FREE CASH FLOW & INCREASED DIVIDEND

## Guidance: Free Cash Flow

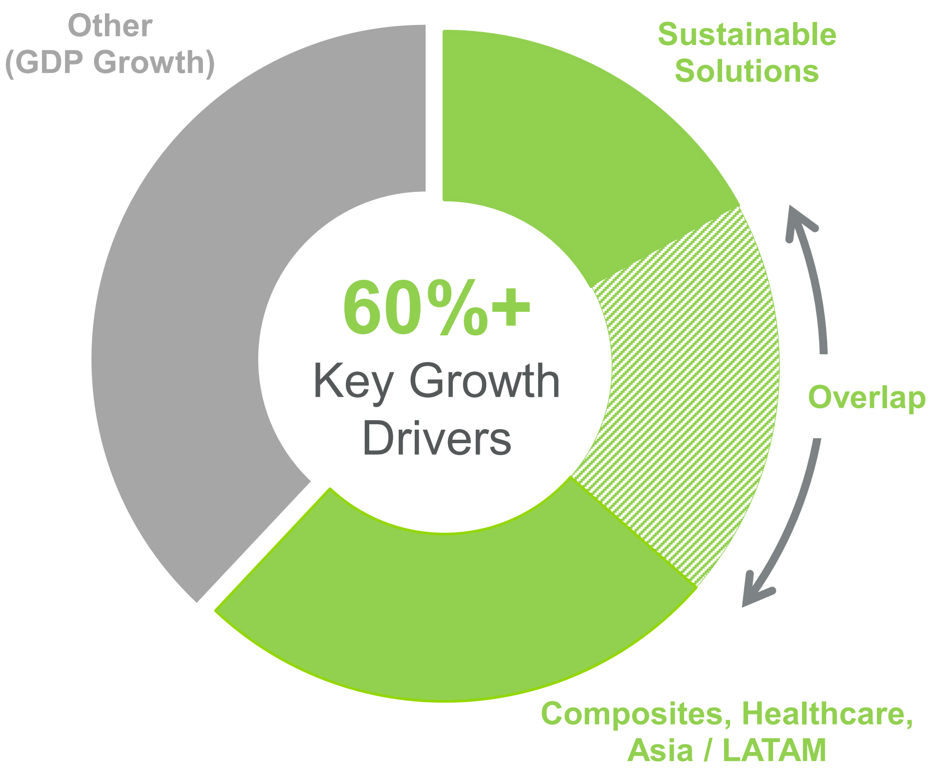

## 13th Consecutive Dividend Increase



# SUSTAINABILITY DAY RECAP

# LONG-TERM REVENUE GROWTH DRIVERS

## Total Company Revenue




| Growth Drivers | Long-Term Growth Rate |
|---|---|
| Sustainable Solutions | 8–12% |
| Composites | 8–10% |
| Healthcare | 8–10% |
| Asia / LATAM | 5% |
| Other (GDP growth) | 0–2% |
| **Avient** | **6%** |



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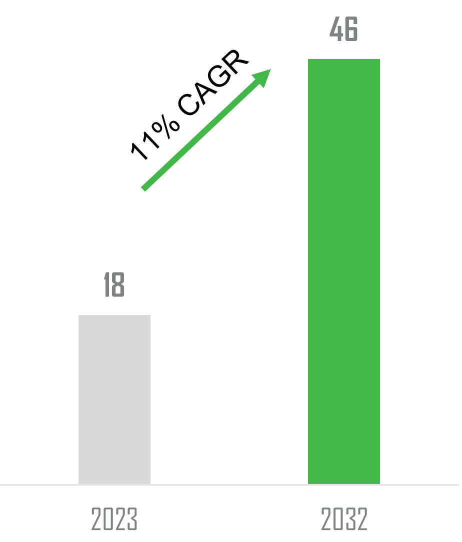
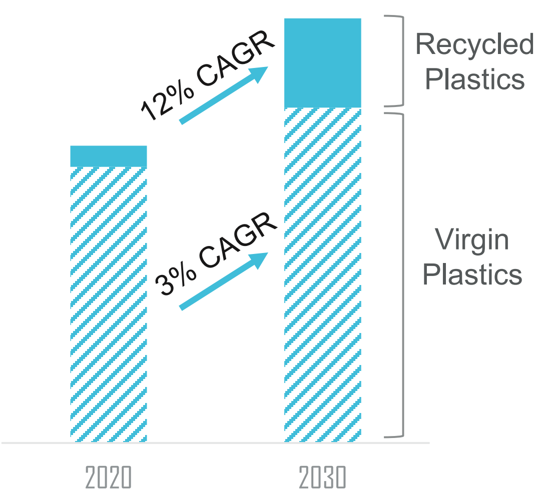
# SUSTAINABILITY TRENDS DRIVE LONG-TERM GROWTH

**Global Offshore Annual Wind Installations**
(in Gigawatts)



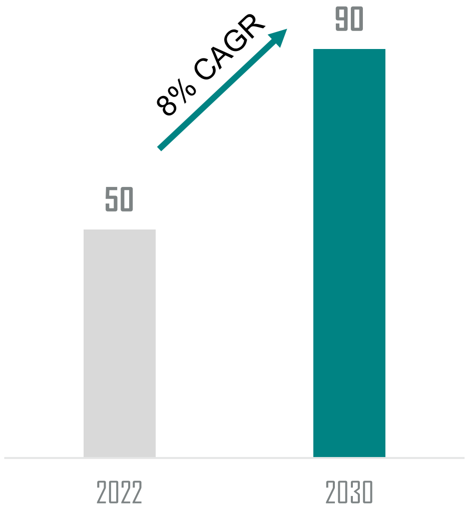


**Growing Demand for Recycled Content**





**Medical Plastics Market Size**
(in $Billions)





**Avient Sustainable Solutions**

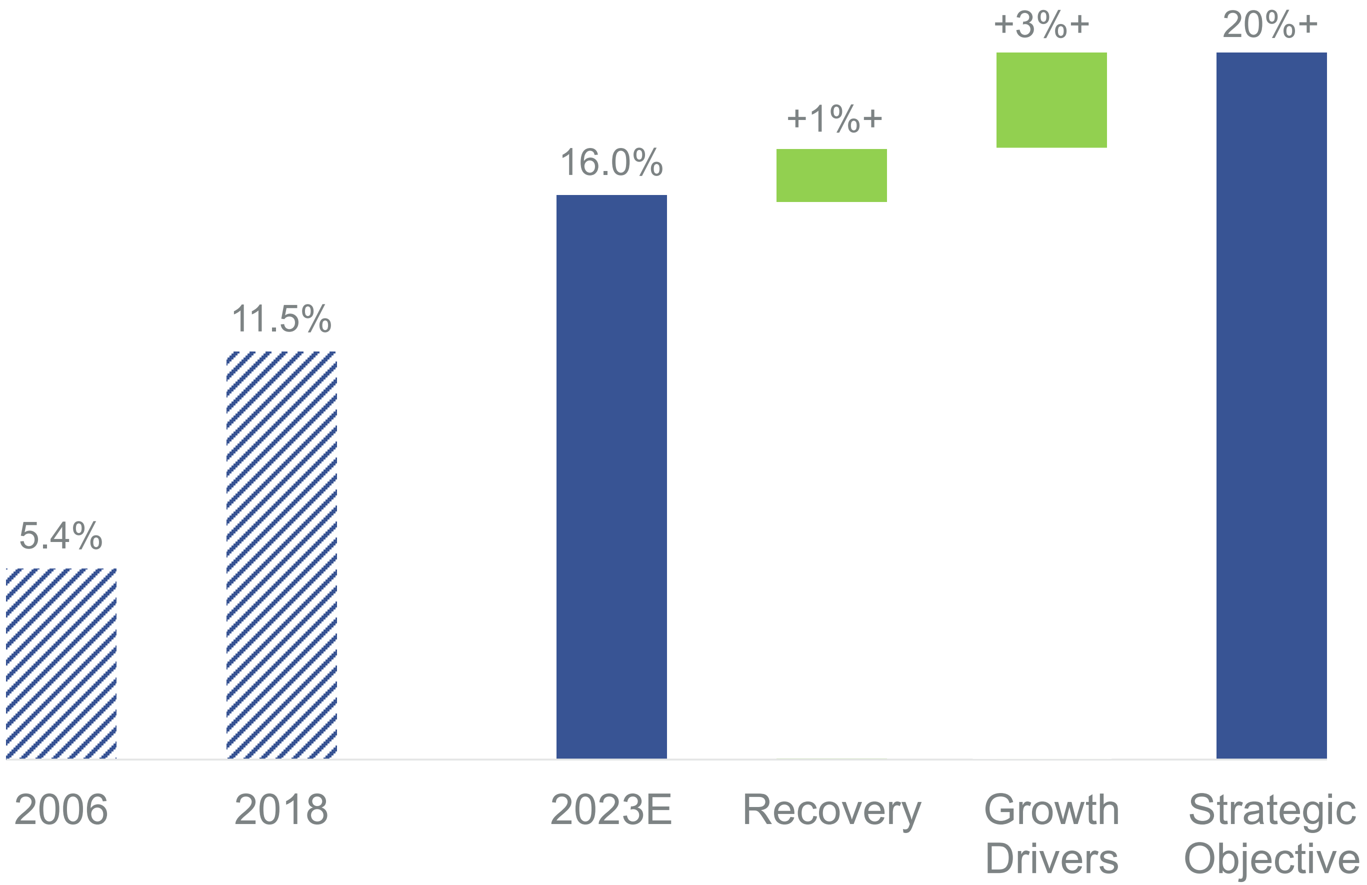
# 8-12%

## Long Term Growth



Sources: McKinsey, Bloomberg, Grand View Research

# ADJUSTED EBITDA MARGIN EXPANSION




- Transformative acquisitions combined with divestitures of more cyclical businesses have improved margins over 400 bps since 2018
- 20% long-term margin goal to be driven by key growth drivers, with sustainable solutions playing a meaningful role

# CREATING A WORLD-CLASS SUSTAINABLE ORGANIZATION

- **6% annualized long-term sales growth** leveraging sustainable solutions, composites, healthcare, and emerging regions
- Expand **EBITDA margins to 20%**
- Deliver **annual EBITDA** and **EPS growth** of **10%** and **15%**
- Maintain **asset-light**, 80% free cash flow conversion profile and be valued as a **specialty formulator**
- Continue fostering our **Great Place to Work® culture**

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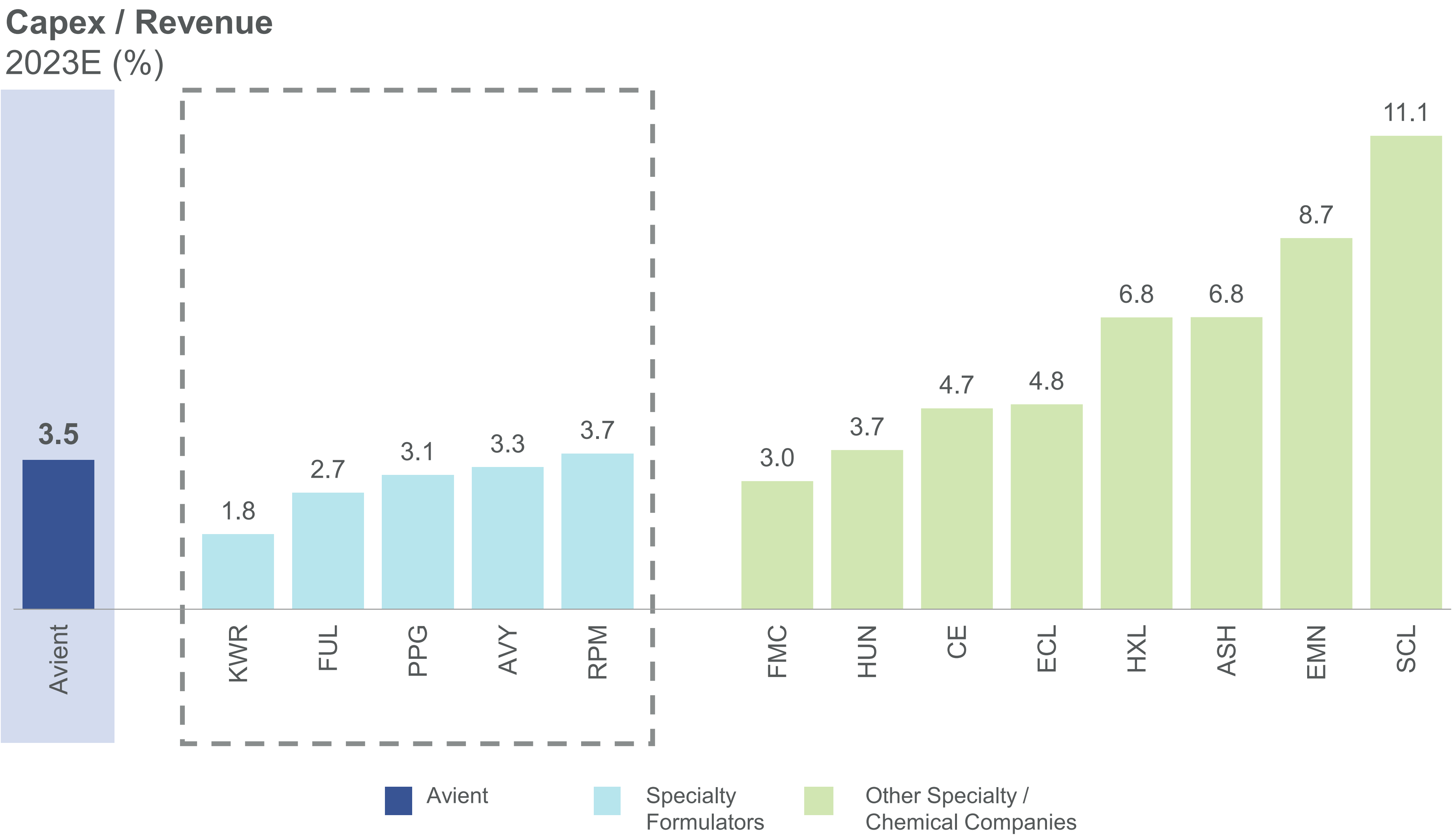
# PEER COMPARISONS

# AVIENT IS ASSET LIGHT




Source: Peer data per Bloomberg as of December 29, 2023

Note: Avient reflects 2023 estimated revenue of $3,130 and estimated run-rate CAPEX of $110M.

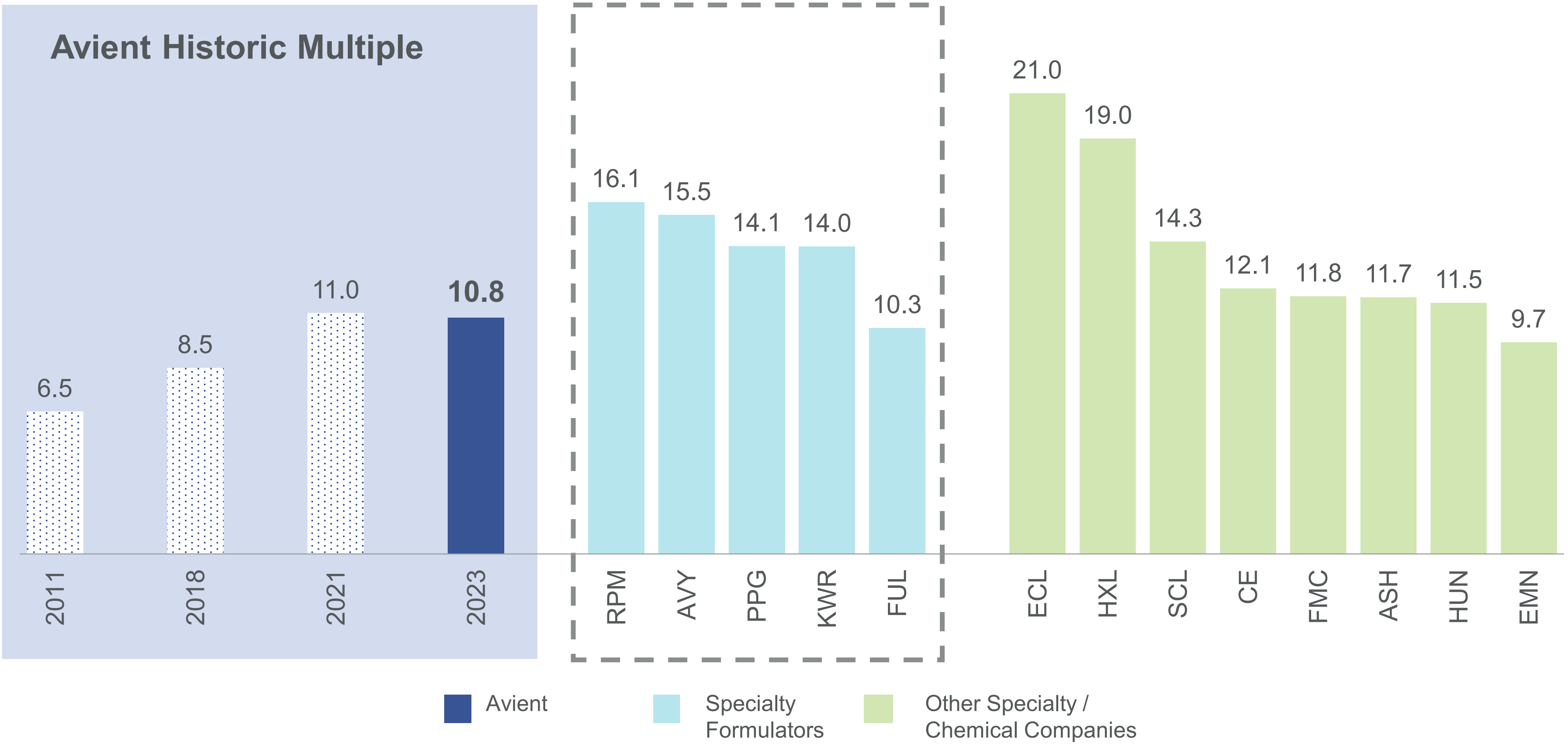
# FREE CASH FLOW CONVERSION


Source: Peer data per Bloomberg as of December 29, 2023

Note: Free cash flow conversion calculated as (Adjusted EBITDA – Capex) / Adjusted EBITDA. Avient reflects 2023 adjusted EBITDA guidance of $500M and estimated run-rate CAPEX of $110M.

# MULTIPLE EXPANSION

## EV / 2023E EBITDA

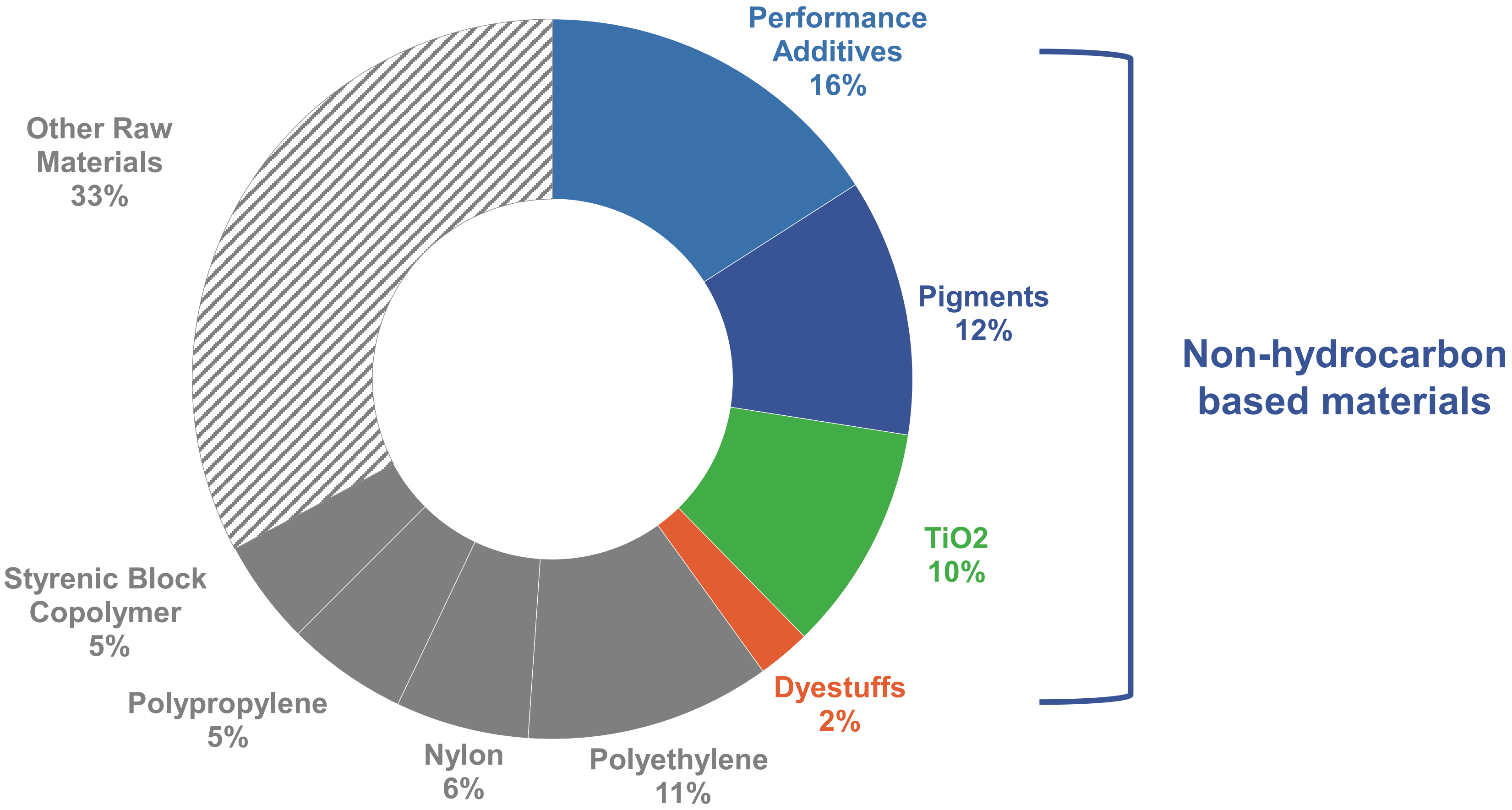



Source: Peer data per Bloomberg as of December 29, 2023

Note: Avient reflects 2023 adjusted EBITDA guidance of $500M and closing share price of $41.57. Avient 2011, 2018 and 2021 multiples reflect trailing 12 months EBITDA at December 31.

# APPENDIX

# RAW MATERIAL BASKET




## ~<u>40%</u> hydrocarbon based

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

*2022 pro forma results for the acquisition of Avient Protective Materials*

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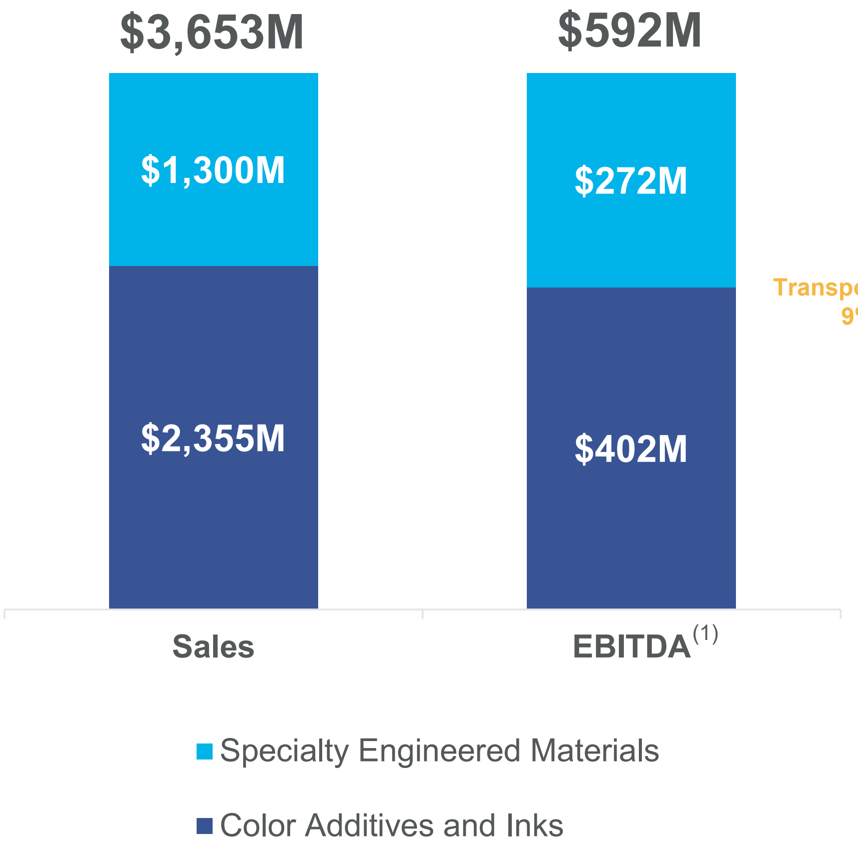
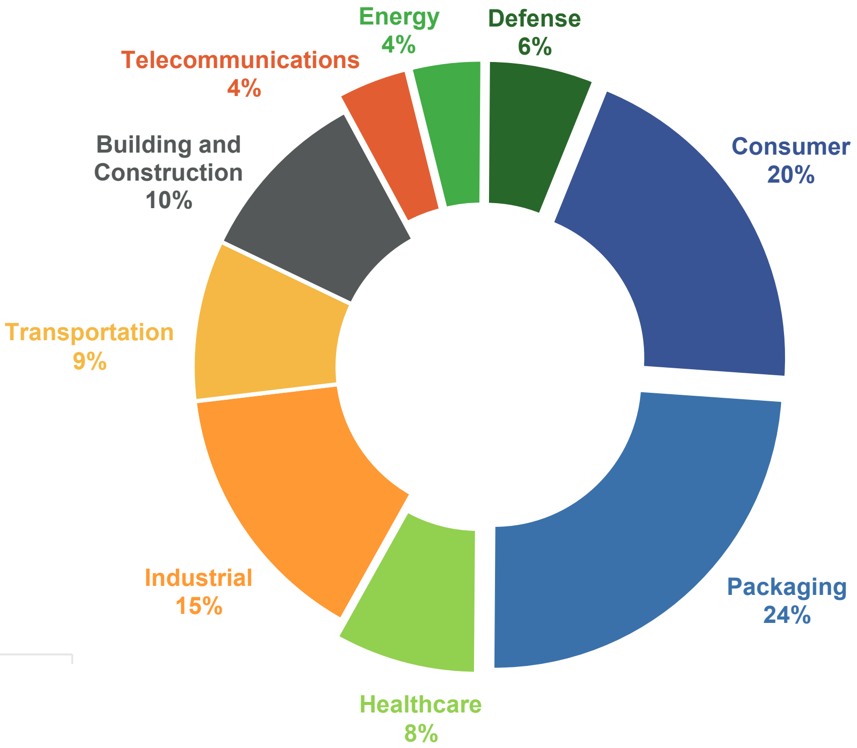
# SEGMENT DATA

# 2022 PRO FORMA SEGMENT, END MARKET AND GEOGRAPHY

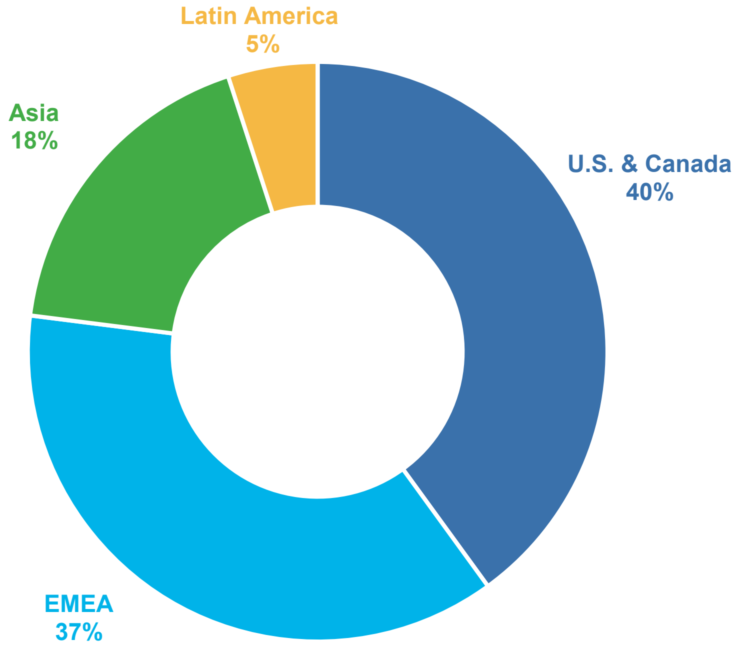
## SEGMENT FINANCIALS




## 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



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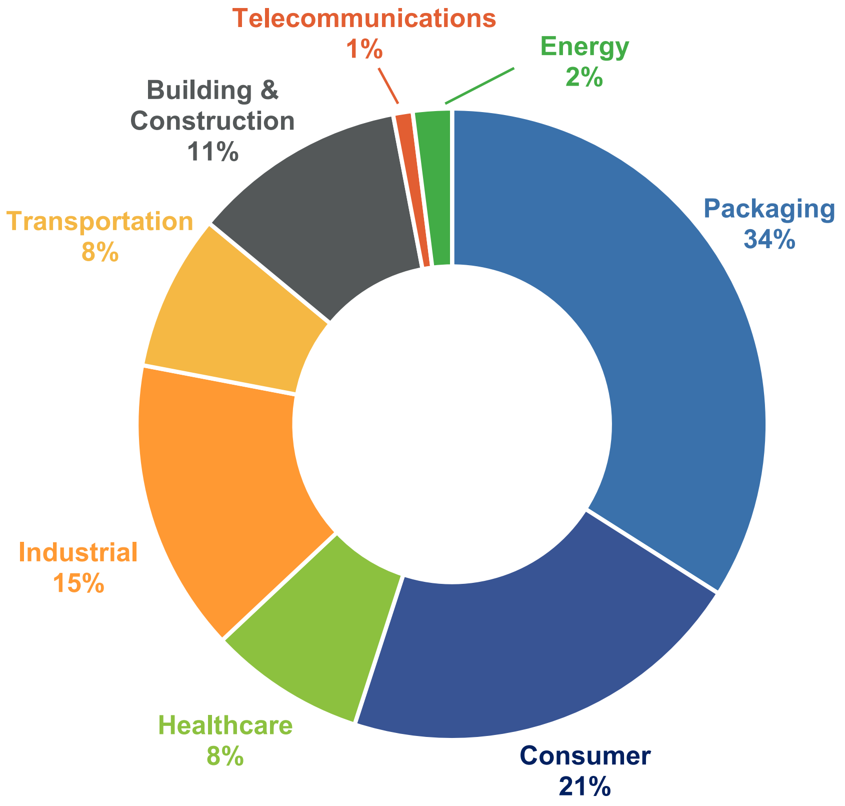
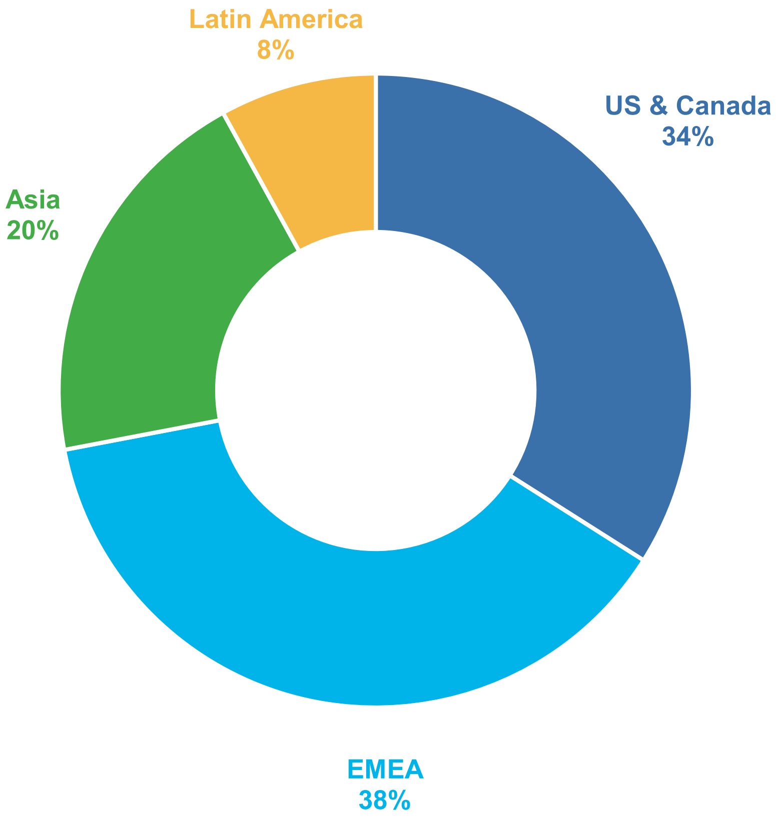
# COLOR, ADDITIVES & INKS

## 2022 REVENUE | $2.4 BILLION

### END MARKET



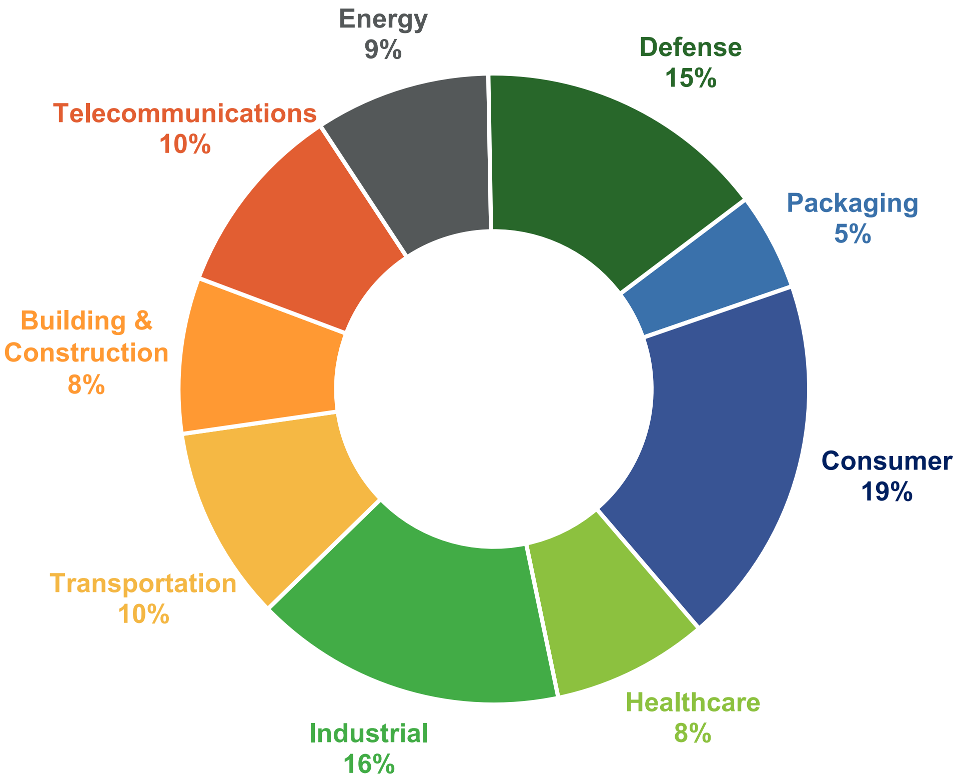

### REGION



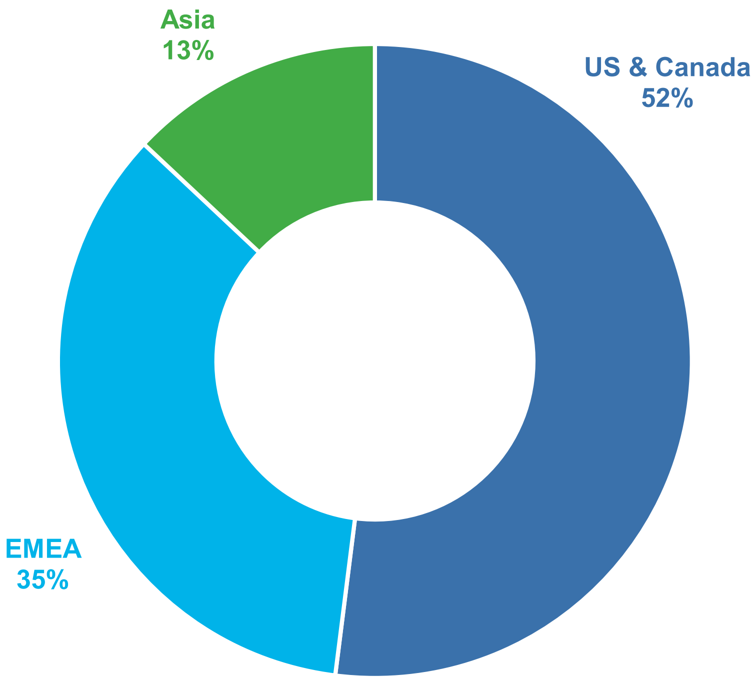
# SPECIALTY ENGINEERED MATERIALS

## 2022 PRO FORMA REVENUE | $1.3 BILLION

### END MARKET




### REGION



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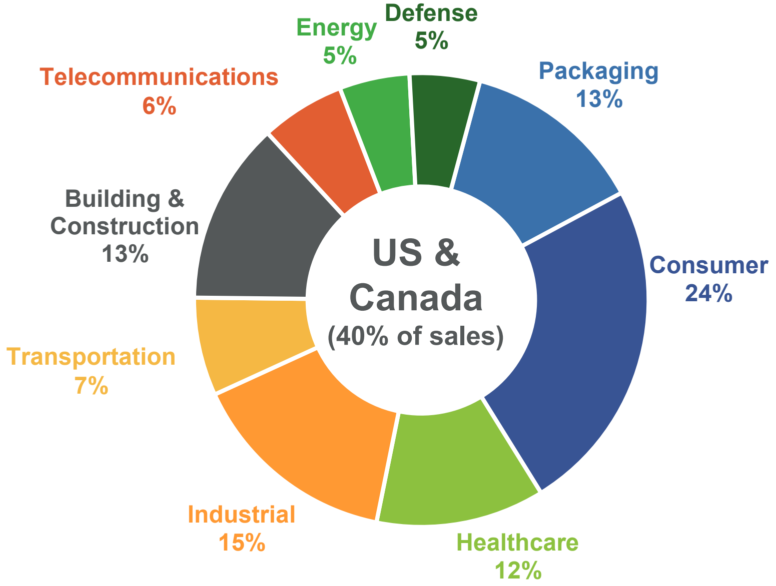
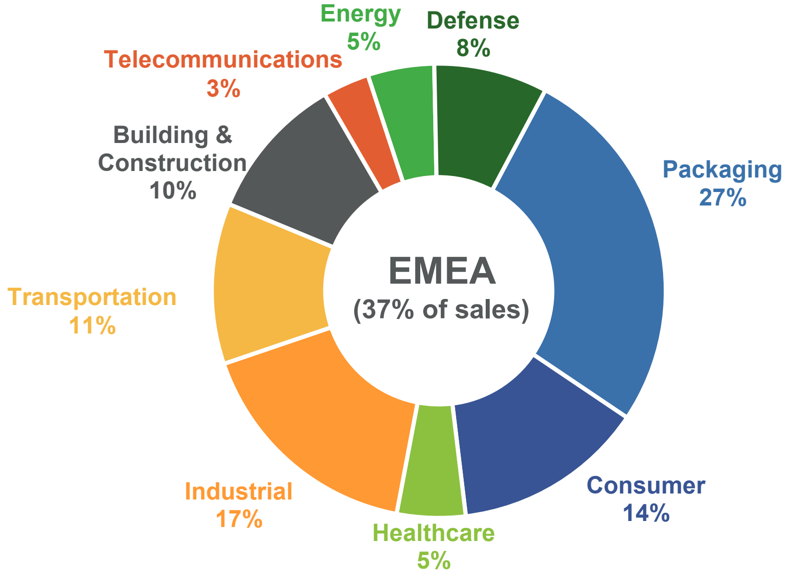
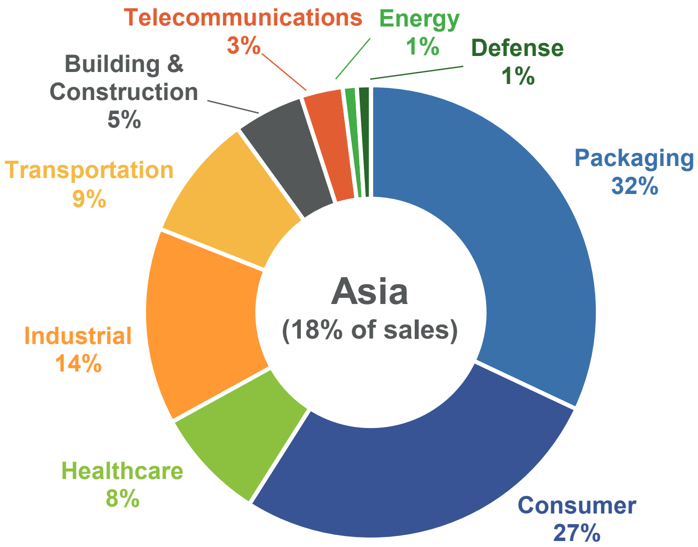
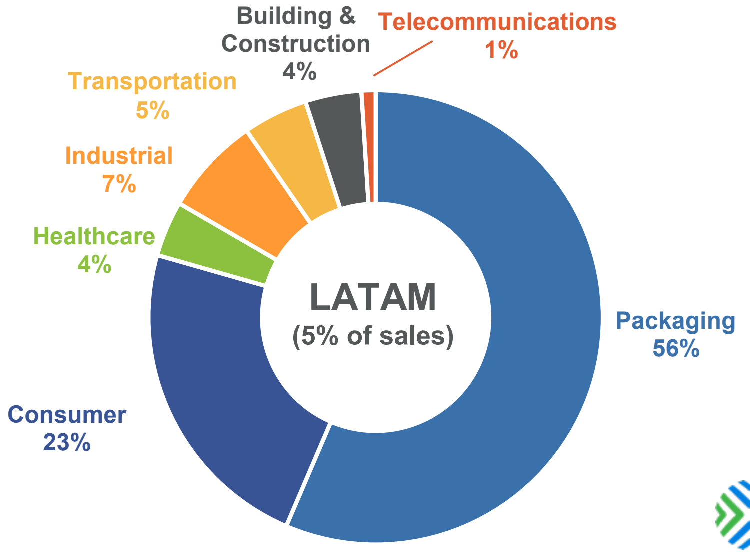
# 2022 PROFORMA AVIENT REGIONAL SALES

## BY END MARKET



**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.

| | Three Months Ended September 30, 2023 | | Three Months Ended September 30, 2022 | |
|---|---|---|---|---|
| **Reconciliation to Condensed Consolidated Statements of Income:** | **$** | **EPS** | **$** | **EPS** |
| Net income (loss) from continuing operations attributable to Avient shareholders | $ 5.1 | $ 0.06 | $ (27.4) | $ (0.30) |
| Special items, after tax | 32.0 | 0.35 | 68.3 | 0.75 |
| Amortization expense, after-tax | 15.2 | 0.16 | $ 13.4 | $ 0.14 |
| Adjusted net income / EPS | $ 52.3 | $ 0.57 | $ 54.3 | $ 0.59 |

| | Three Months Ended September 30, | |
|---|---|---|
| **Reconciliation to EBITDA and Adjusted EBITDA:** | **2023** | **2022** |
| Sales - GAAP | $ 753.7 | $ 823.3 |
| Pro Forma APM adjustments | — | 60.7 |
| Pro forma adjusted sales | $ 753.7 | $ 884.0 |
| | | |
| Net income from continuing operations – GAAP | $ 5.1 | $ (27.8) |
| Income tax (benefit) expense | (0.1) | (1.2) |
| Interest expense, net | 30.3 | 37.3 |
| Depreciation and amortization | 46.4 | 39.8 |
| EBITDA from continuing operations | $ 81.7 | $ 48.1 |
| Special items, before tax | 43.2 | 82.0 |
| Interest expense included in special items | (2.2) | (10.0) |
| Depreciation and amortization included in special items | — | (0.8) |
| Adjusted EBITDA | $ 122.7 | $ 119.3 |
| Pro forma APM adjustments | — | 17.2 |
| Pro forma adjusted EBITDA | $ 122.7 | $ 136.5 |
| | | |
| Pro forma adjusted EBITDA as a % of sales | 16.3 % | 15.4 % |

| Reconciliation to EBITDA and Adjusted EBITDA: | Year Ended December 31, 2006 | Year Ended December 31, 2018 |
|---|---|---|
| Sales | $ 2,622.4 | $ 3,533.4 |
| | | |
| Net income from continuing operations – GAAP | $ 133.5 | $ 160.8 |
| Income tax expense | 29.7 | 36.4 |
| Interest expense, net | 63.1 | 62.8 |
| Depreciation and amortization | 57.1 | 91.5 |
| EBITDA from continuing operations | $ 283.4 | $ 351.5 |
| Special items, before tax | (34.0) | 59.5 |
| Depreciation and amortization included in special items | — | (3.0) |
| JV - equity income | (107.0) | — |
| Adjusted EBITDA | $ 142.4 | $ 408.0 |
| | | |
| Adjusted EBITDA as a % of sales | 5.4 % | 11.5 % |

| Reconciliation to EBITDA and Adjusted EBITDA: | Three Months Ended December 31, 2022 |
|---|---|
| Net loss from continuing operations – GAAP | $ (16.6) |
| Income tax benefit | (60.8) |
| Interest expense, net | 49.4 |
| Depreciation and amortization | 48.6 |
| EBITDA from continuing operations | $ 20.6 |
| Special items, before tax | 104.3 |
| Interest expense included in special items | (16.0) |
| Depreciation and amortization included in special items | (1.5) |
| Adjusted EBITDA | $ 107.4 |

| Reconciliation of Pro Forma Adjusted Earnings per Share: | Three Months Ended December 31, 2022 |
|---|---|
| Net loss from continuing operations attributable to Avient shareholders | $ (17.0) |
| Special items, after tax | 38.3 |
| Amortization expense, after-tax | 14.6 |
| Adjusted net income from continuing operations excluding special items | 35.9 |
| Pro forma adjustments* | 2.5 |
| Pro forma adjusted net income from continuing operations attributable to Avient shareholders | $ 38.4 |
| | |
| Weighted average diluted shares | 91.7 |
| | |
| Pro forma adjusted EPS - excluding special items pro forma for APM acquisition | $ 0.42 |

** Pro forma adjustment to reflect APM results for the period before Avient ownership including the impacts of debt financing and paydown of debt with net proceeds from the Distribution sale.*