



# Shaping a Sustainable Future

(NYSE: AVNT)

Investor Day 2021



December 9, 2021



# Agenda

**8:00 WELCOME BREAKFAST**

**9:00 WE ARE AVIENT:** Bob Patterson

**9:15 BETTER TOGETHER AND CUSTOMER EXPERIENCE:** Norbert Merklein

**9:45 LONG-TERM ORGANIC GROWTH DRIVERS:**

**Sustainable Solutions:** Michael Garratt and Walter Ripple

**Healthcare:** Cathy Dodd

**10:45 BREAK**

**11:00 Composites:** Chris Pederson and Matt Reinhardt

**Growth in Asia and Latin America:** Woon Keat Moh

**INNOVATION: Where Are We Going Next?** Vinod Purayath

**12:00 SUMMARY:** Jamie Beggs

**12:20 AVIENT – AN INVESTMENT IN SUSTAINABLE GROWTH:** Bob Patterson

**12:30 Q&A**

**1:00 LUNCH**

# 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, return on invested capital 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.

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.



Investor Day 2021



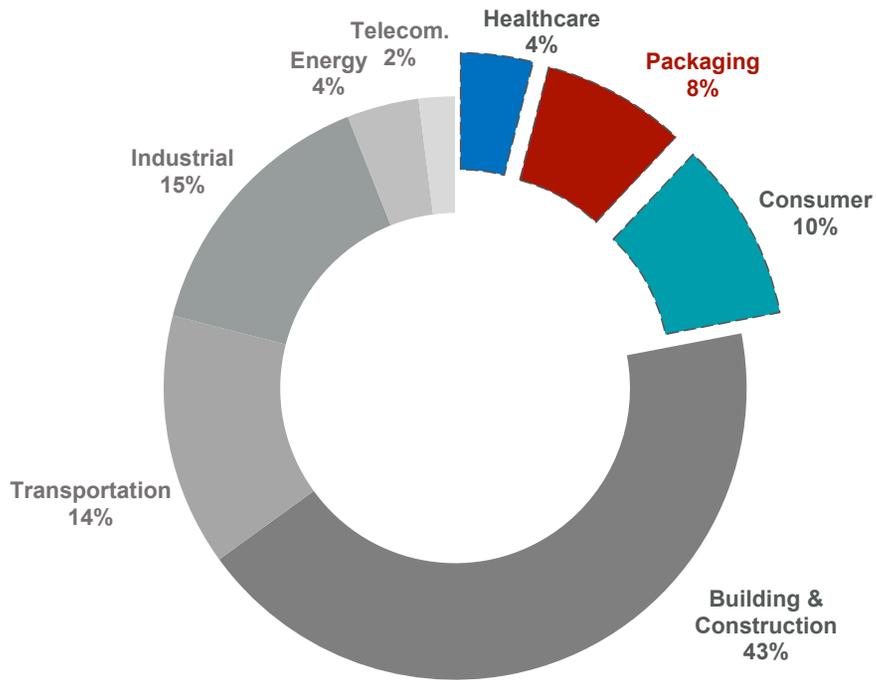
# Shaping a Sustainable Future

Bob Patterson

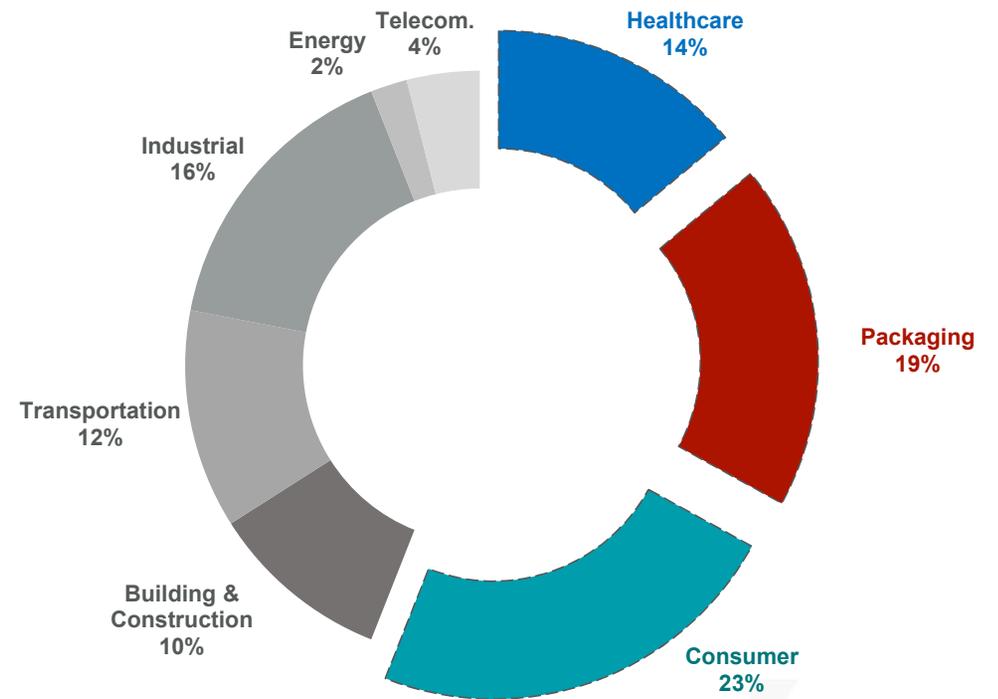


# End Market Transformation

2006



2021E



# Avient: Who We Are

Key Financial Data	
2021E Sales	\$4.75 billion
2021E EBITDA	\$580 million
2021E EPS	\$3.00
87% of EBITDA from specialty applications	

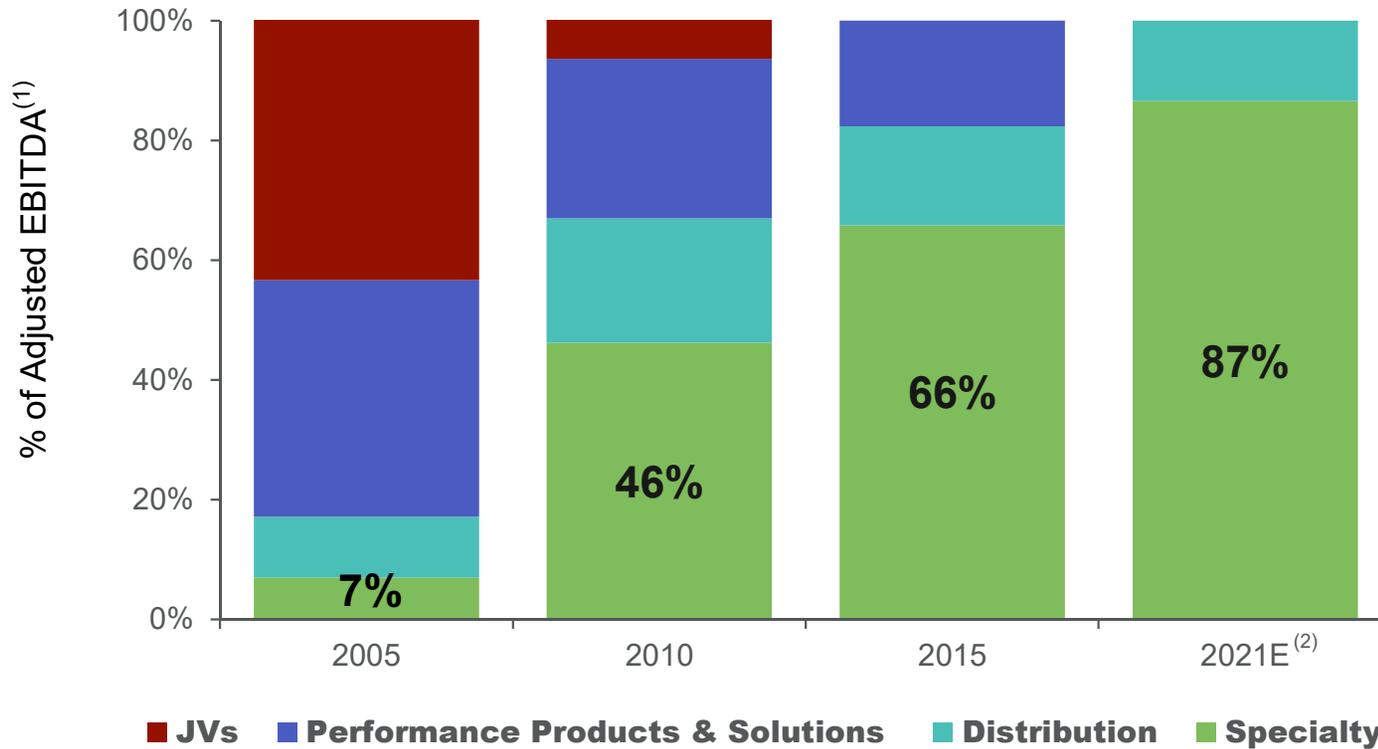
**25,000+**  
CUSTOMERS

**>70%** of sales  
ARE CUSTOMIZED SOLUTIONS  
TO UNIQUE SPECIFICATIONS

Headquartered in Avon Lake, OH  
(Cleveland)  
8,600+ employees  
100+ manufacturing plants



# Specialty Transformation

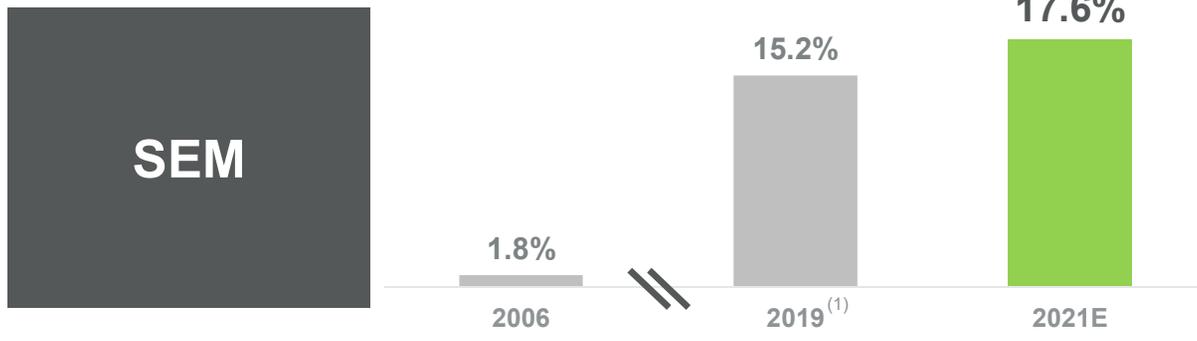
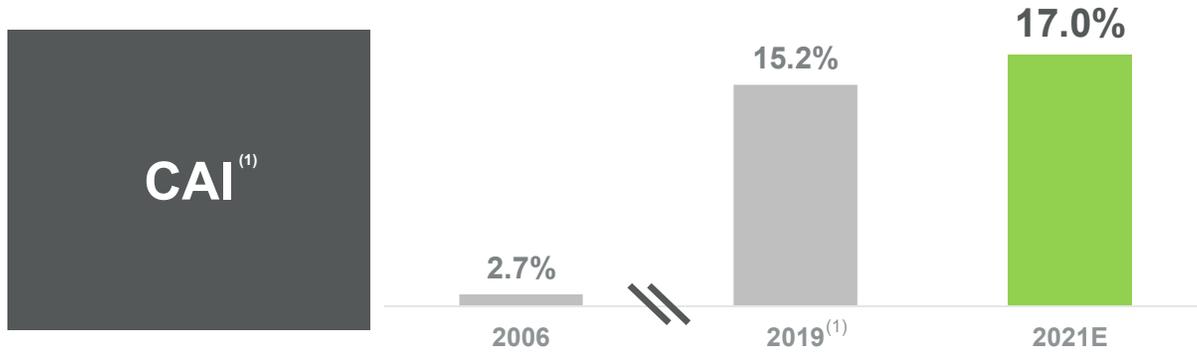


(1) Adjusted EBITDA is EBITDA excluding corporate costs and special items

(2) 2021 includes full synergies from Clariant color acquisition



# Specialty EBITDA Margin Expansion

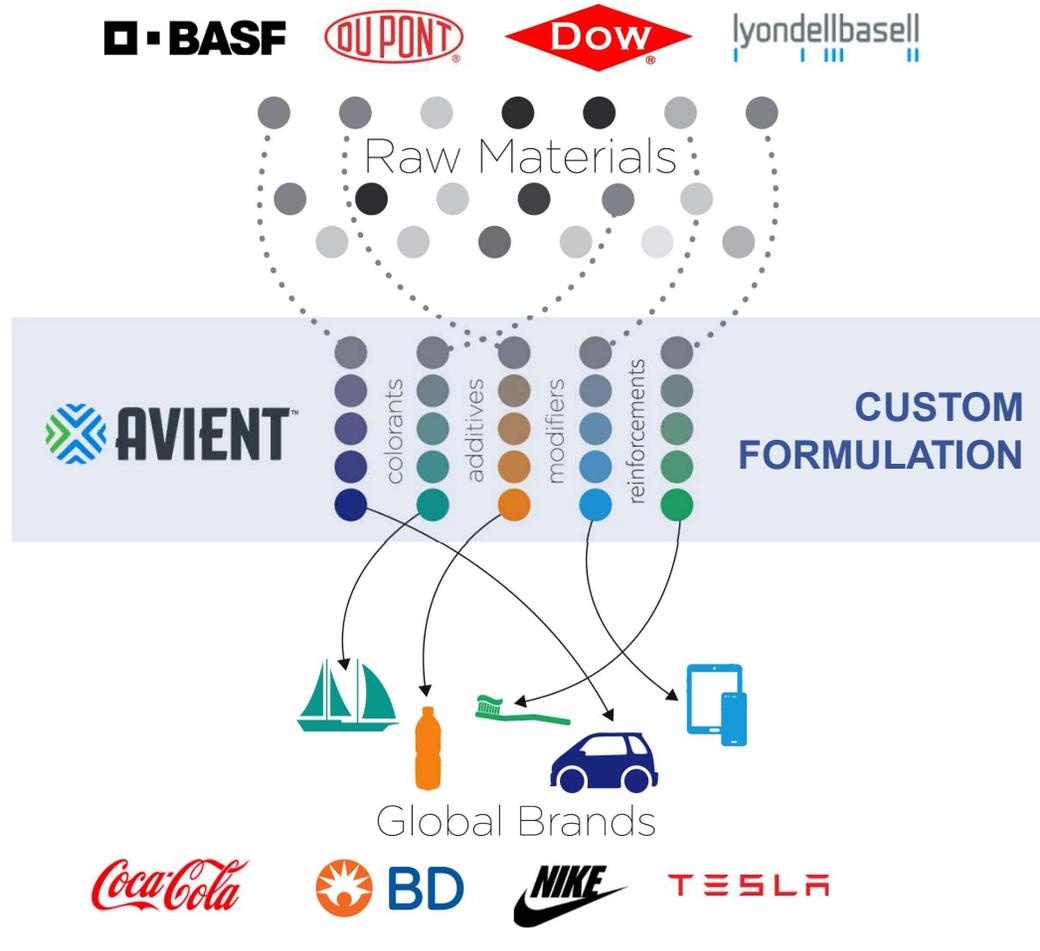


- Continued portfolio transformation to high-growth end markets and sustainable solutions
- Clariant synergy realization
- Investments in composites and outdoor high performance applications drive growth and mix improvements

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



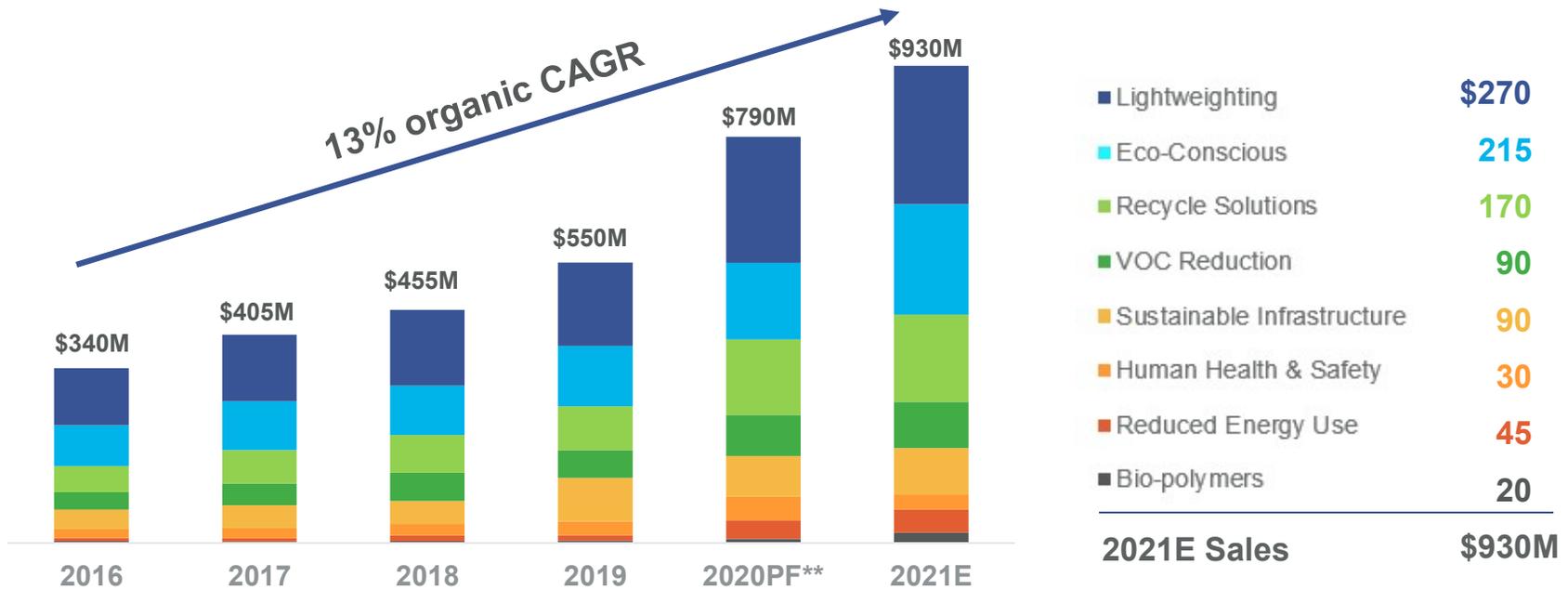
# We are a Formulator



# Sustainability for a Better Tomorrow

## Revenue From Sustainable Solutions\* 2016-2021

(\$ in millions)

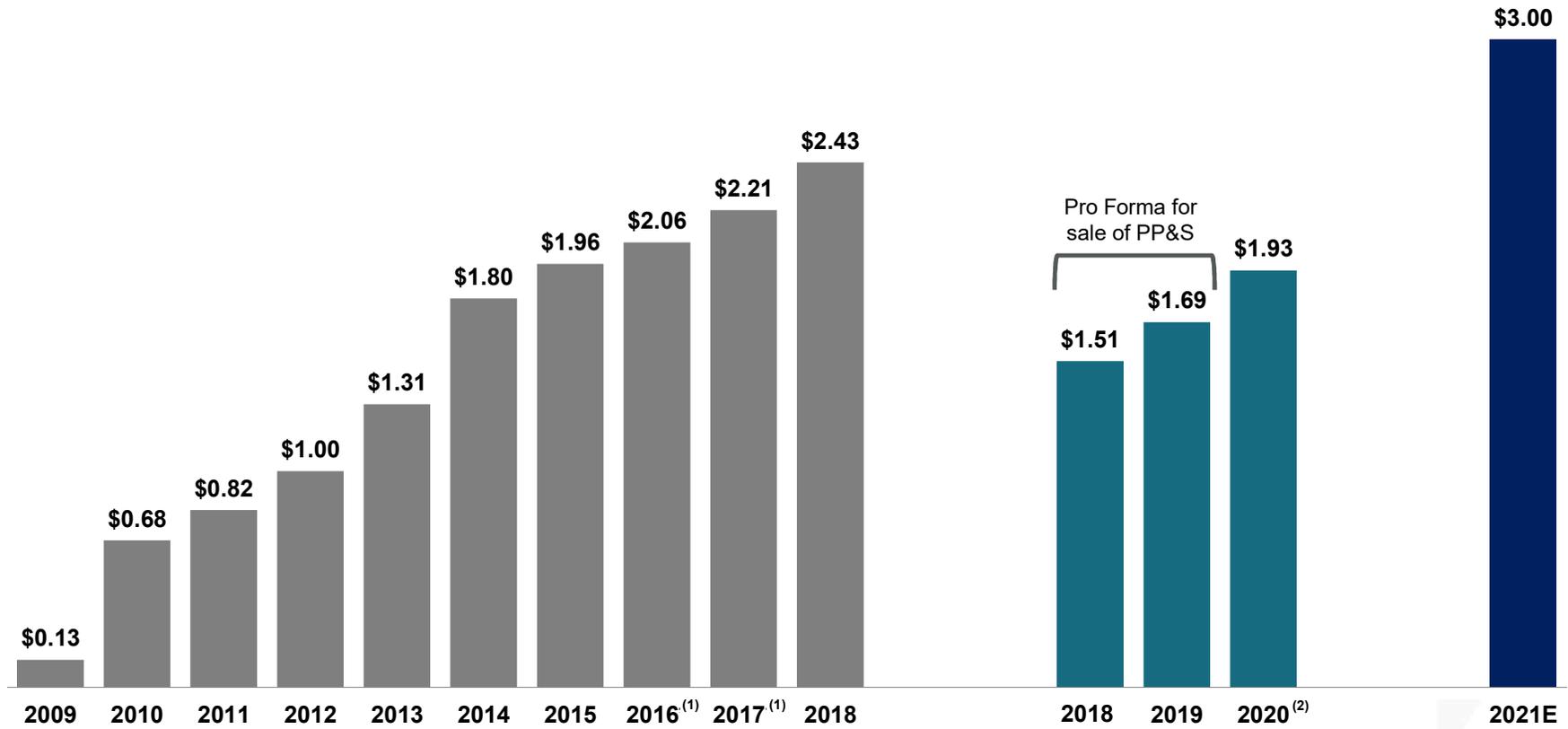


\*Avient Sustainable Solutions definitions aligned with FTC 2012 Guide for the Use of Environmental Marketing Claims ("Green Guides")

\*\*2020 is Pro Forma to include full year of the Clariant Color business



# Adjusted EPS Growth



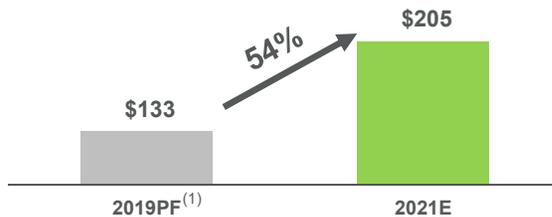
(1): Pro Forma for sale of DSS  
 (2): Pro Forma for full year of the Clariant Color acquisition



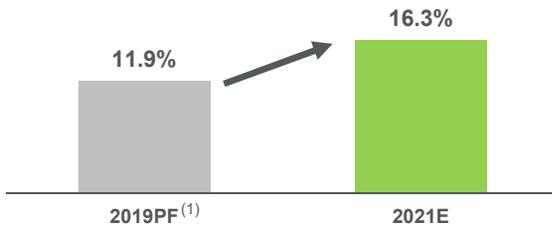
# Clariant Color: Transformational Acquisition

## Clariant Color EBITDA Growth

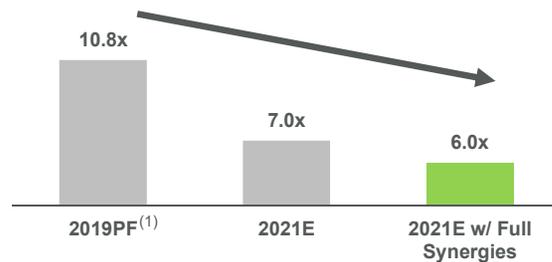
(\$ in millions)



## EBITDA Margins



## Purchase Price Multiple



- Acquisition of Clariant Color business significantly expanded presence in healthcare, packaging and consumer end markets
- Strength of portfolio – double-digit annual EBITDA growth since acquisition
- On-track to realize \$52 million of expected synergies in 2021
- Acquisition completed on July 1, 2020 for \$1.45 billion. Purchase price multiple rapidly declining on strength of business and synergy capture

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



# People

CULTURE IS EVERYTHING

## World-Class Safety



**7x Safer**  
than Industry Average

## Community Service



**Over \$16 million**  
raised since 2010

## Diversity & Inclusion



## Leadership Development





# Future Growth in Excess of GDP is Driven By:

Our company is positioned to sustainably **grow at a rate that exceeds GDP**. We will do so through our investments and focus on sustainable solutions for high-growth markets, including healthcare, consumer, packaging and composites. These investments also consider our global footprint, and we are positioned very well and strategically from a regional perspective.

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>





# Clariant: Better Together

Norbert Merklein

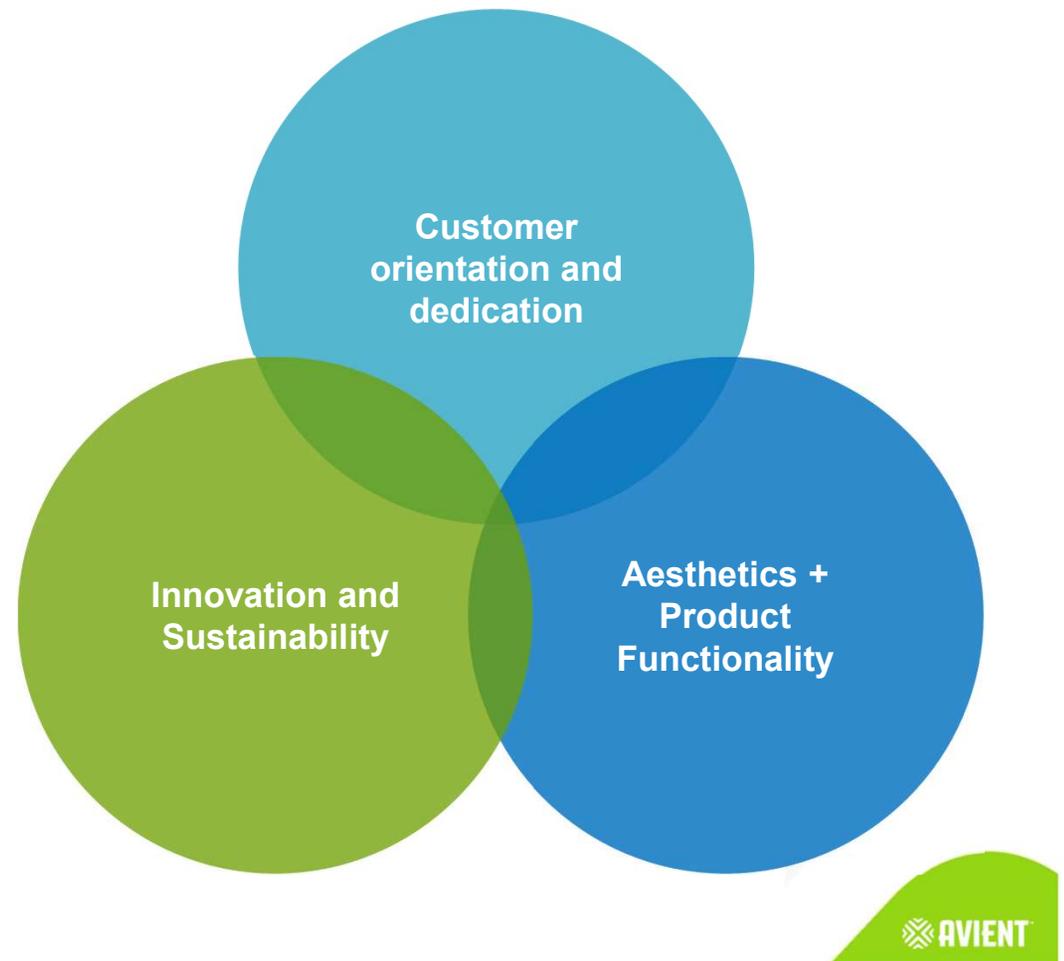


## An Excellent Fit

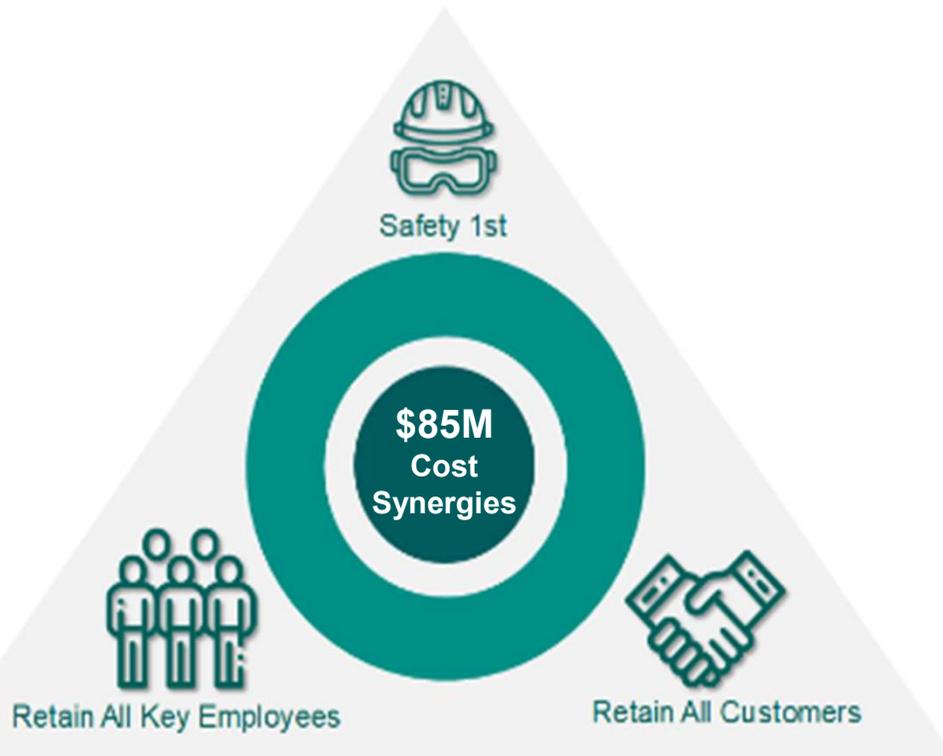
- **Geographic footprint –**  
Complementary not overlapping. Truly global
- **Technology platform and expertise –**  
Combining the best from two global leaders creates an unmatched portfolio of products and solutions
- **Global and local accounts –**  
Combining our legacies' business, dealing with large key accounts and a broad base of regional customers, creates ample opportunities for growth and industry partnering
- **Talent acquisition and retention –**  
Our 'best of both worlds' leadership position helps us to attract and retain the best people in the industry
- **Cost and performance synergies –**  
Alignment of site structures and technical & commercial organizations is driving a positive cost position

# What Legacy Clariant Color Brings

- Dedicated global organization
- Full suite of performance products
- Excellent product stewardship expertise
- High quality technical organization
- Strong focus on innovation and sustainability
- Strong customer relationships and global industry partnerships
- Global footprint



# Principles of Integration



## Safety First

- Both ACC Responsible Care® companies
- Legacy and continued focus on safety

## Retain All Customers and Existing Business

- Minimize integration disruptions
- Broadened portfolio of specialty solutions
- World class products and service

## Retain All Key Employees

- Talented, passionate, and collaborative
- Supportive, high-performance culture

# Clariant Revenue Synergies

The complementary aspects of our combined businesses are unquestionable. From technology portfolios to end markets to geographies and distribution channels, this acquisition made perfect sense. It's at the heart of why we are better together.

- Barrier technology
- Functional additives
- Processing aids
- Flame retardants
- Light-weighting additives

## Complementary Technologies



- Clariant's approved formulations and certified facilities
- Legacy PolyOne's leading share in distribution channels

## Healthcare Solutions



- Clariant's position in SE Asia, Latin America, Germany & Italy
- Legacy PolyOne's position in U.S., Canada and China

## Regional Strengths



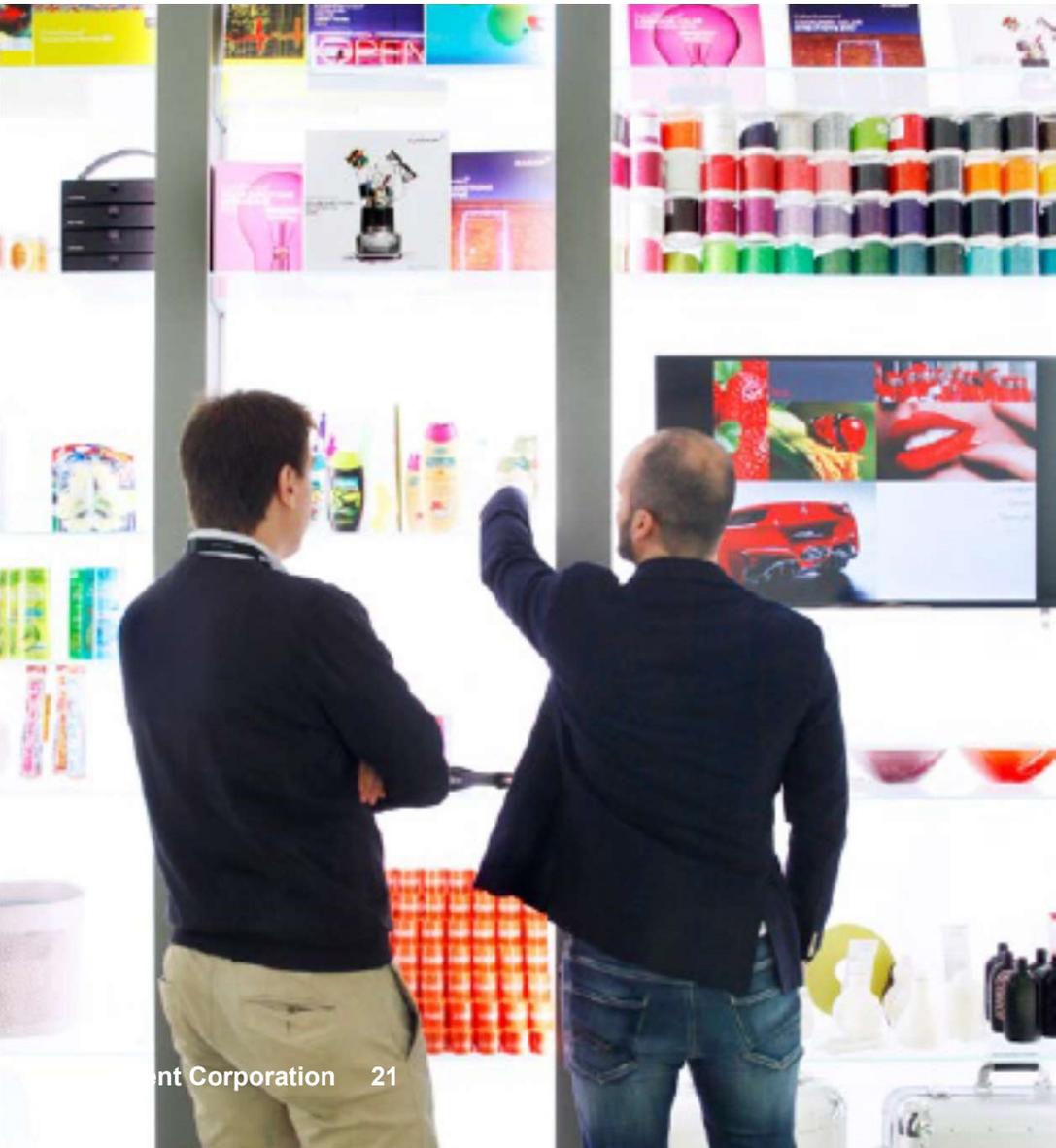
- Solutions with Avient's engineered materials customers
- Avient's distribution channels

## Segment Cross-selling



Revenue synergy opportunities of \$75M

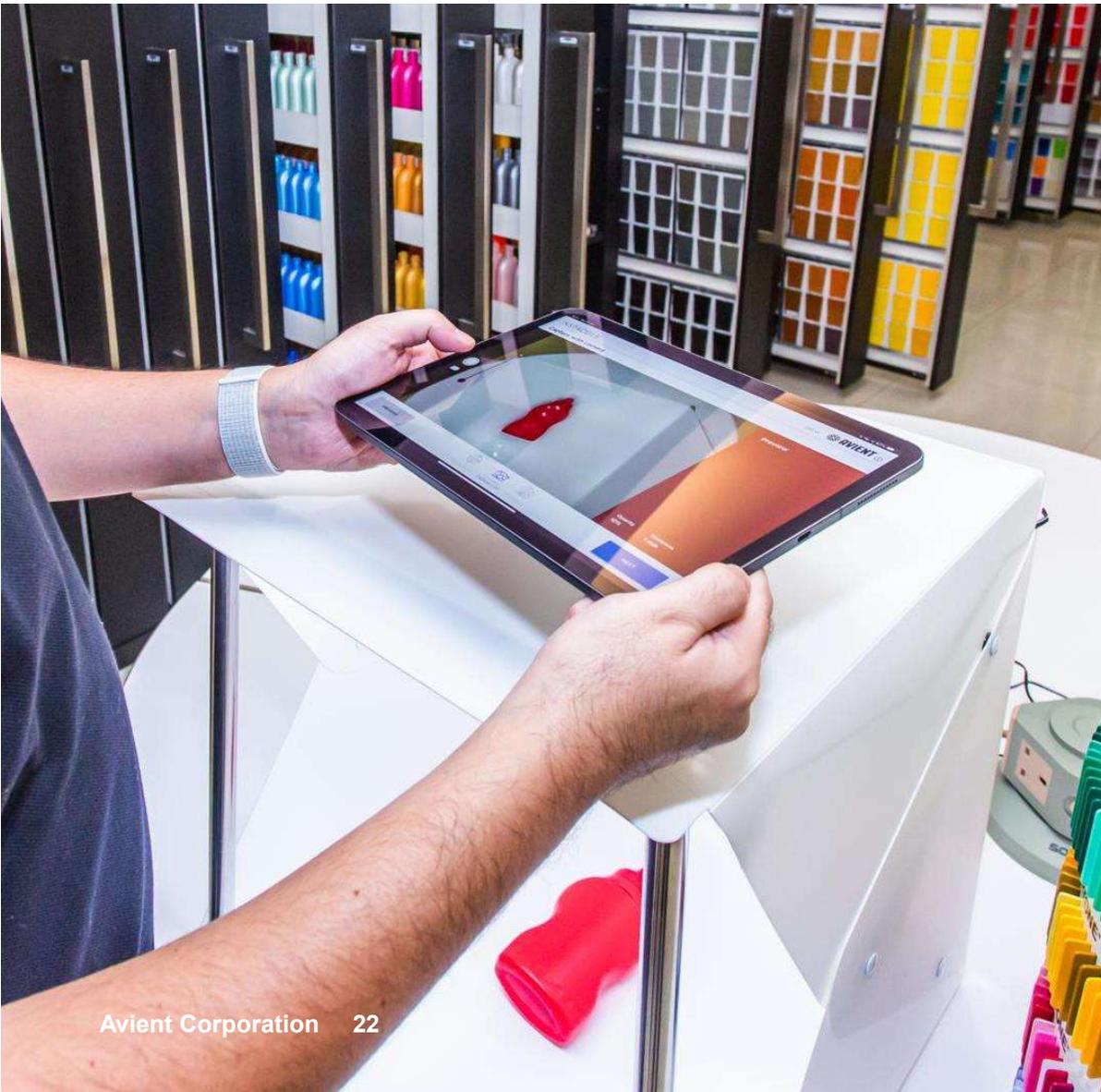
# Customer Experience



# ColorWorks

INSPIRATION.  
INNOVATION.  
CO-CREATION.

- Fostering imagination
- Enabling creative exploration
- Focus on customers' sustainability
- Driving long-term revenue growth



# InstaColr

CUSTOMER-FOCUSED  
COLOR FORMULATION

- Rapid customer response
- Immediate color measurement and quotation
- Fast track product development to “now”
- Specialized labs for fast sample delivery
- Optimized formulations leveraging cost effective raw materials





# CycleWorks

ADVANCING THE  
CIRCULAR ECONOMY

- Laboratory mimics real-world circular recycling in a research environment
- Conducts chemistry testing to improve plastics recycling for customers
- Screening and evaluation of additive and colorant systems during recycling
- Collaboration platform for customers and value chain partners



# Sustainable Solutions

Michael Garratt and Walter Ripple

A graphic featuring the UN Global Compact logo, which consists of a blue globe with white grid lines, flanked by two olive branches. The words "UN GLOBAL COMPACT" are written in a semi-circle above the globe. The graphic is overlaid on a background image of a modern city skyline with glass skyscrapers and greenery.

UN Global Compact Commitment

## Our Sustainability Promise

As the world's premier provider of specialized polymer materials, services and solutions,

**Avient is committed to meeting the needs of the present without compromising future generations' ability to meet their needs.**

We are committed to creating value for our customers, employees, communities and shareholders through our dedication to ethical, sustainable and fiscally responsible principles.

# Sustainability Report



## Continuous ESG Improvement

- Updated 2030 Sustainability Goals
- Further disclosure on key Environmental, Social, and Governance impacts
- Joined U.N. Global Compact and identified alignment with U.N. Sustainable Development Goals
- Emphasized climate change commitment
  - Announced 2050 operational carbon neutrality and RE100 commitment
  - Alignment to Science Based Targets



# 2030 Sustainability Targets

-  Enable 100% of products manufactured for packaging applications to be recyclable or reusable.
-  Deliver cumulative annual revenue growth from our Sustainable Solutions portfolio of 8–12%.
-  Reduce Scope 1 & 2 greenhouse gas emissions by 60% by 2030, and operations carbon neutral by 2050.
-  Reduce waste to landfill by 35%.
-  Obtain 60% of electricity demand from renewable sources by 2030, and 100% by 2050.
-  Assess top 90% of supplier spend for alignment with Avient Sustainability objectives.
-  Develop and implement solutions to end plastic waste while supporting AEPW \$1.5B investment in key initiatives.

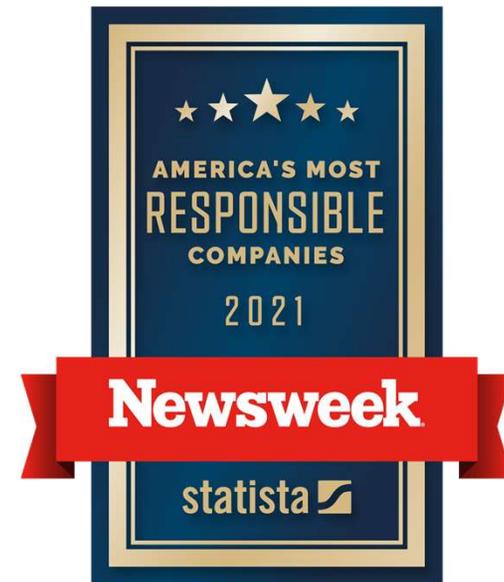
# Avient ESG Ratings

## ISS November 2021 ESG Scores

	SCORE (1 = Best, 10 = Worst)
Environmental	2
Social	1
Governance	4

## Sustainalytics 2021 ESG Risk Ranking

	RANK (1 <sup>st</sup> = lowest risk)	PERCENTILE (1 <sup>st</sup> – lowest risk)
Chemicals INDUSTRY	75/449	17 <sup>th</sup>
Specialty Chemicals SUBINDUSTRY	21/124	17 <sup>th</sup>





# Products

## 8 WAYS WE HELP CUSTOMERS BE MORE SUSTAINABLE



Lightweighting



Bio-polymers



Reduced Energy Use



Eco-conscious



VOC Reduction



Sustainable Infrastructure



Recycle Solutions



Human Health & Safety



# Enabling Customers' Recycling Goals



Recycle Solutions

RESOUND™ R RECYCLED-CONTENT TPE



**62%**  
recycle content



Reduce waste with  
refillable features



High performance  
and quality



# Lightweighting Commercial Trucks



Lightweighting

POLYSTRAND™ THERMOPLASTIC COMPOSITE LAMINATES



**60%**

Weight reduction in box  
truck panels



Improve fuel  
economy



**100%**

recyclable



# Enabling Customers to Conserve Resources, Reduce Waste

RENOL™ SPIN DYE COLORING METHOD



Eco-conscious



**75%**  
less water



**30%**  
less energy



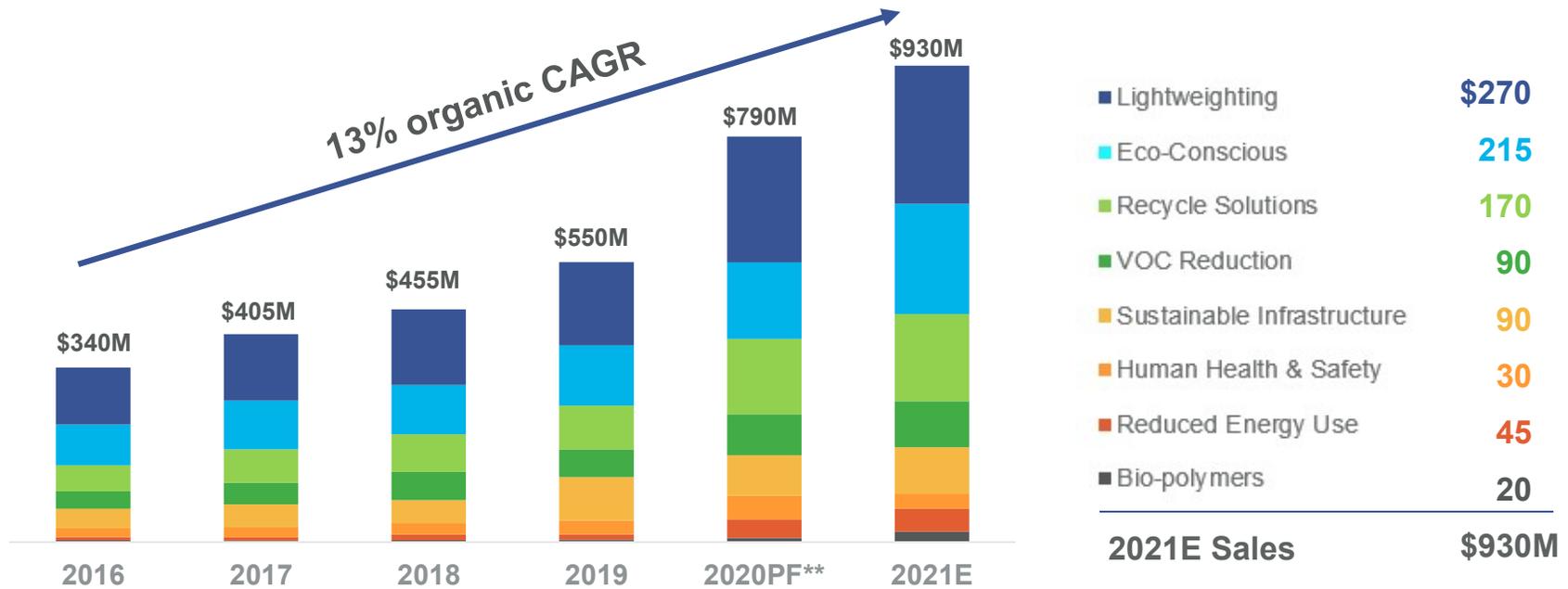
**25%**  
lower carbon footprint



# Sustainability for a Better Tomorrow

## Revenue From Sustainable Solutions\* 2016-2021

(\$ in millions)



An aerial photograph of a landfill. The ground is covered in a dense layer of multi-colored waste, including plastic bottles, bags, and other debris. A yellow excavator is positioned in the lower-left quadrant, facing towards the center of the frame. The excavator's arm and bucket are visible, and it appears to be working on the waste. The overall scene depicts a large-scale waste management operation.

## The Challenge and the Opportunity

# Plastic is Part of the Solution

## PLASTIC ALTERNATIVE PACKAGING (GLASS & ALUMINUM)

Requires...



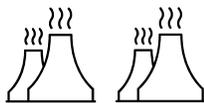
**6x more**  
Water



**5x more**  
Weight



**2x more**  
Energy



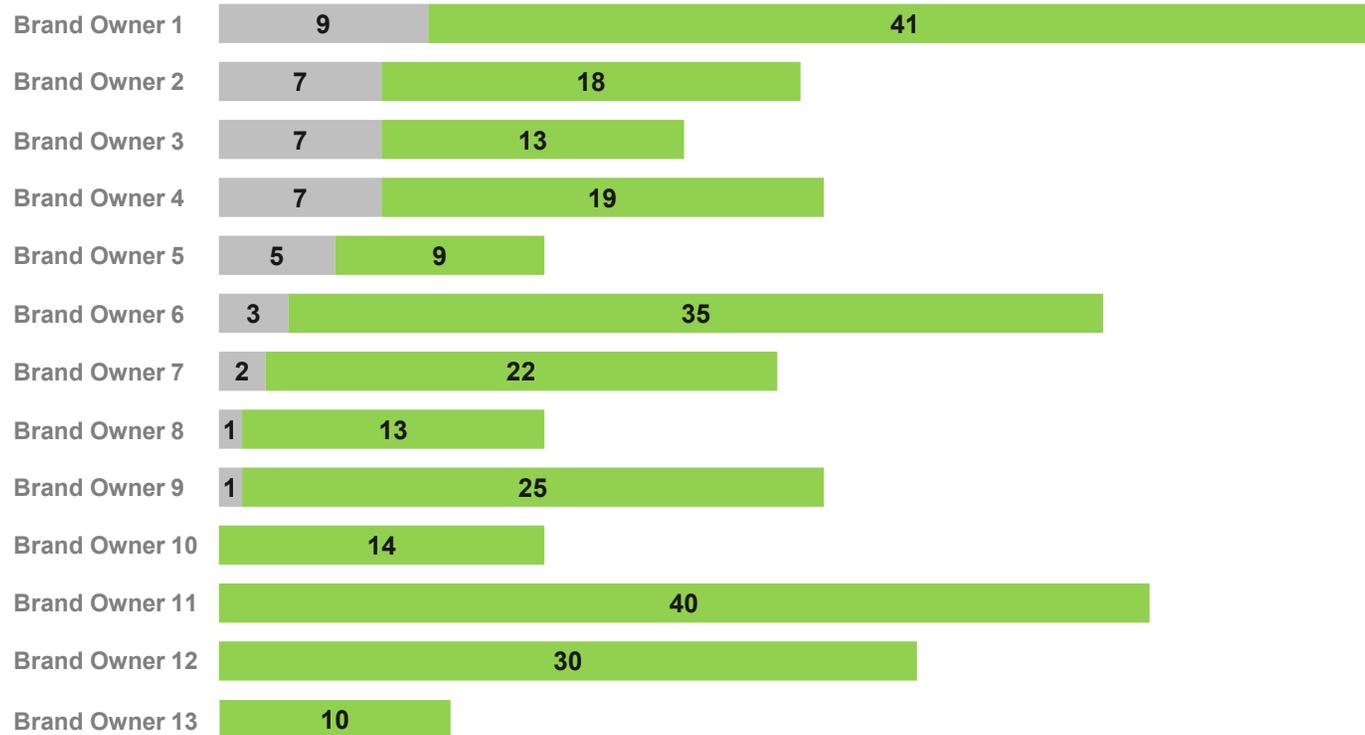
**2x more**  
Greenhouse gas  
emissions



# Brand Owners Goals: Substantially Increase 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





## **Sustainable Solutions Live Here.**

At Avient, we create specialized and sustainable material solutions that transform customer challenges into opportunities, bringing new products to life for a better world.



# Improving 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



# 1: Color Management



## CHALLENGES

- Inconsistent base color of recycled materials
- Lightest color recycled material in high demand for all applications (\$\$)
- Even with clear/transparent materials, color degrades over repeated processing

## OPPORTUNITIES

- Stabilization of color fluctuation driven by variable recycled polymer
- In-line color correction to optimize customer manufacturing efficiency

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## Our Solutions

- **Optica™ Toners** and Super-concentrated colorants to reduce and mask recycled material discoloration
- **SmartHeat™** reduces heat history to minimize yellowing
- **Color Simulation Tool** to assist with color space design

 AVIENT

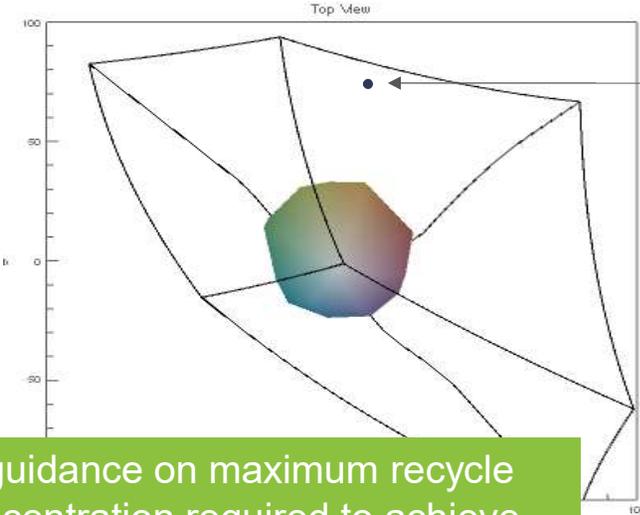
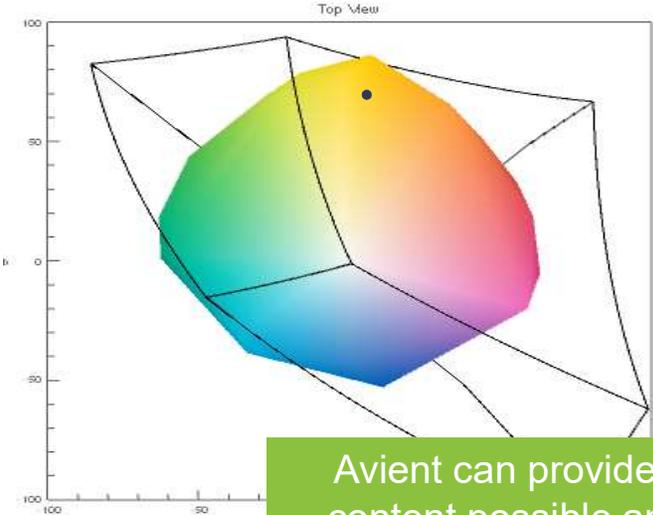
# Recycled Material Restricts Color Options



With **virgin material**, we can design across a broad color spectrum



The **darker the recycled materials**, the more color design freedom is restricted



This bright yellow is not achievable with high concentrations of dark recycled materials

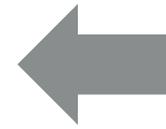
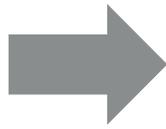
Avient can provide customer guidance on maximum recycle content possible and color concentration required to achieve desired color



# Case Study with Brand Owner



Virgin Resin  
=  
Clean Color Base



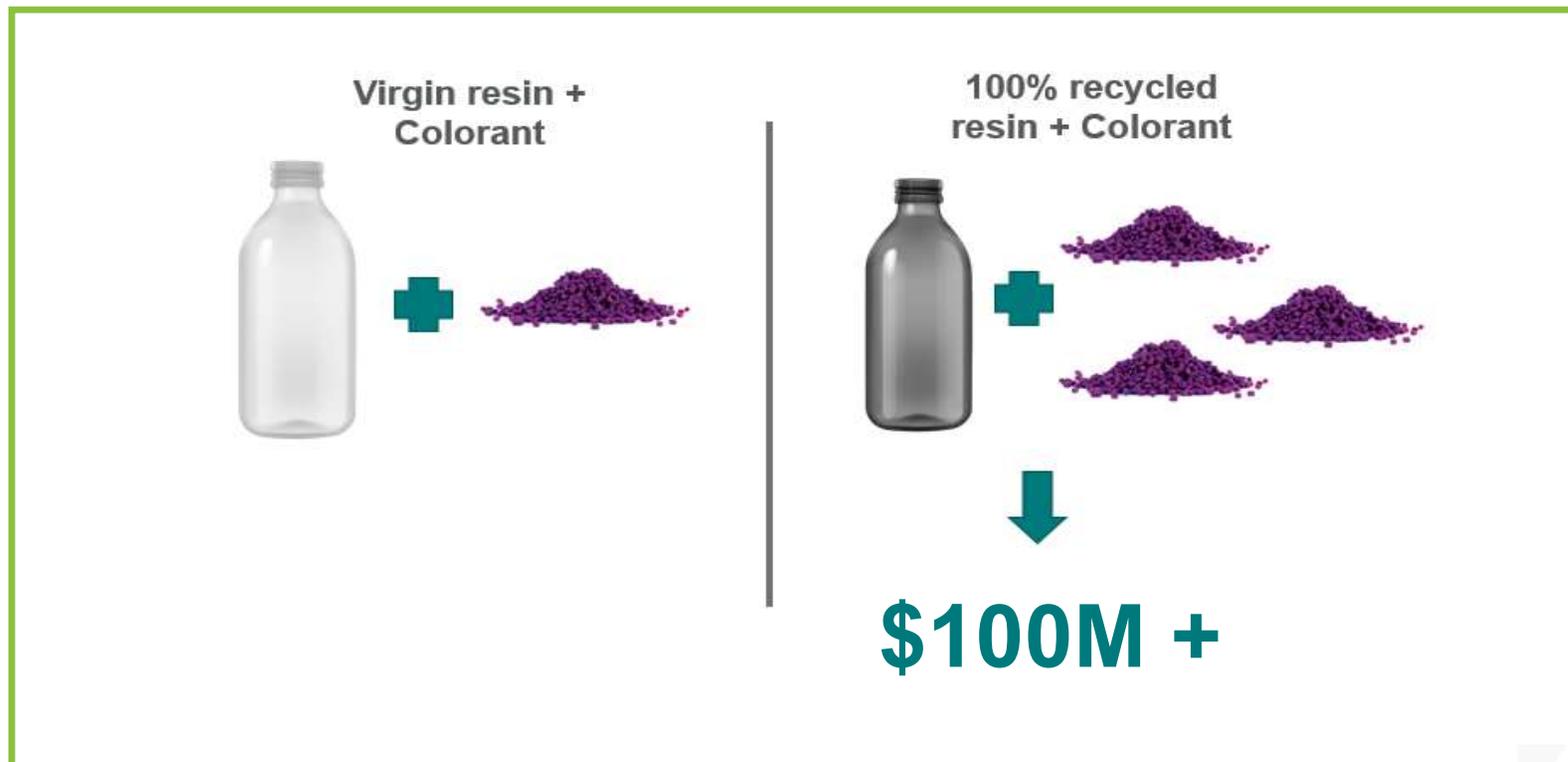
Recycled Resin  
=  
Discolored Base

Degree of base discoloration limits recycle content



# The Plus Factor Opportunity

INCREASED USE OF RECYCLED MATERIAL  
REQUIRES MORE COLORANT AND ADDITIVES



## 2: Decontamination

### CHALLENGES

#### Recycled material feedstocks are contaminated

- Feedstock variability supplies the recycle process
- Insufficient washing at recycler
- Residual labels and printing inks cause quality and NIAS issues
- Unpleasant recycled material odor (in processing and the final application)
- Clean, food grade, recycled material availability in high demand

### OPPORTUNITIES

- Reliable decontamination to reduce NIAS concerns
- Full odor removal

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NIAS = Non Intentionally Added Substances



### Our Solutions

- **CESA™ Laser Marking** to eliminate contaminating printing inks, labels and glue
- **AAzure™** process aids and scavengers to enable food and beverage taste purity in PET packaging
- **Prosure™** range of formulations to enable NIAS compliance and security (customer peace of mind)

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# 3: Maintaining Mechanical Properties



## CHALLENGES

- Mechanical properties of recycled materials degrade after multiple heat cycles
- Today's recycling protocols only focus on one recycle loop...in reality, there will be several
- Legislation and brand owners are targeting higher recycled material ratio incorporation and full circularity

## OPPORTUNITIES

- Polymer quality stability over multiple loops to deliver circular recyclability
- Stress cracking of recycled bottles
- Upgrading performance of lower quality recycled materials
- Specification and guided selection amongst highly variable recycled materials

## Our Solutions

- **CESA™** antioxidants and process aids to enhance physical properties
- **SmartHeat™** reduces heat history to minimize yellowing
- **rePrize™** for PET polymer chain repair and extension

# 4: Mono-Material Construction



## CHALLENGES

### Multi-material packaging is harder to recycle

- Contamination of polymer streams
- Issues in sorting
- Issues in separation

## OPPORTUNITIES

- Trend is to restrict multi-material systems in favor of mono-material constructions
- Improve recyclability of PET gas barriers
- Barrier system development for Polyolefins
- Recyclable barrier systems for film and sheet

## Our Solutions

- Portfolio of compatibilizers to enable multilayer constructions
- **Amosorb™** to extend beverage shelf life by scavenging oxygen through the bottle wall
- **Capture™** to extend product shelf life through oxygen scavenging but without contaminating the bottle
- **Lactra SX™** to prevent light-induced oxidation in liquid dairy products stored at higher temperatures

# 5: Consistent Recycle Material Quality



## CHALLENGES

### Brand Owners require a consistent brand identity

- Inconsistent quality streams pose a challenge to delivering homogeneous product quality and aesthetics to the consumer
- Brands demand recycled content, but with color/property consistency
- Recyclers are challenged to fulfill needs from brand owners and converters

## OPPORTUNITIES

### Closer customer collaboration to support recycle efforts

- Specification and selection of recycled material grades for targeted applications
- Simulation of recycled material performance in the end-use application
- Leverage re-formulation expertise to provide a consistent packaging product (color and mechanical properties)

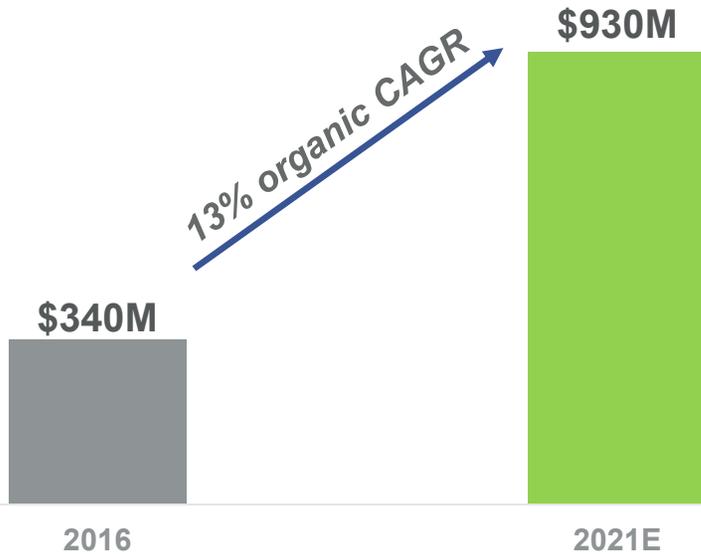
## Our Solutions

Our Service and Color Expertise differentiate Avient and allow us to support customers throughout the entire design process

- Design for use: Color matching, Color design options
- Recycle lot selection
- Improving mechanical properties
- Improving material processing

# Growth in Sustainable Solutions

## Revenue From Sustainable Solutions\*



## Future Revenue Growth Assumptions

**8-12%  
CAGR**

\*Avient Sustainable Solutions definitions aligned with FTC 2012 Guide for the Use of Environmental Marketing Claims ("Green Guides")



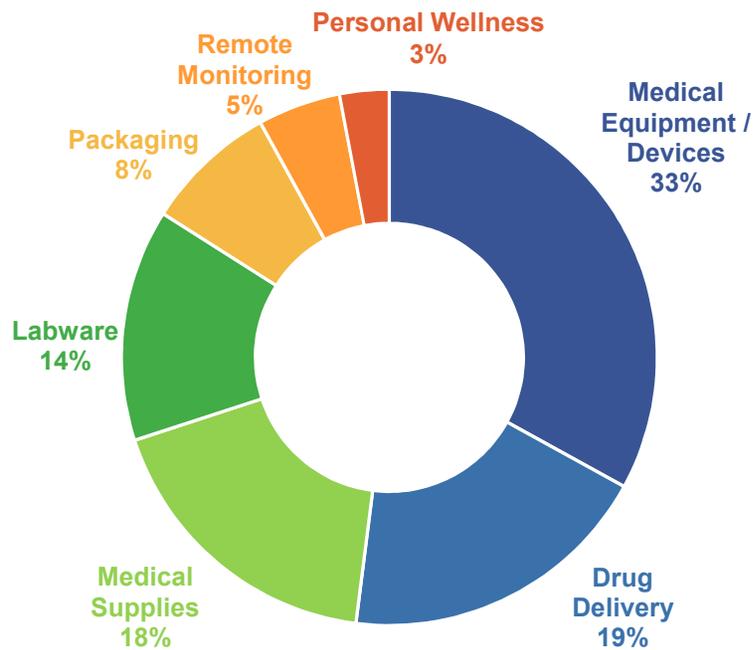


# Healthcare

Cathy Dodd

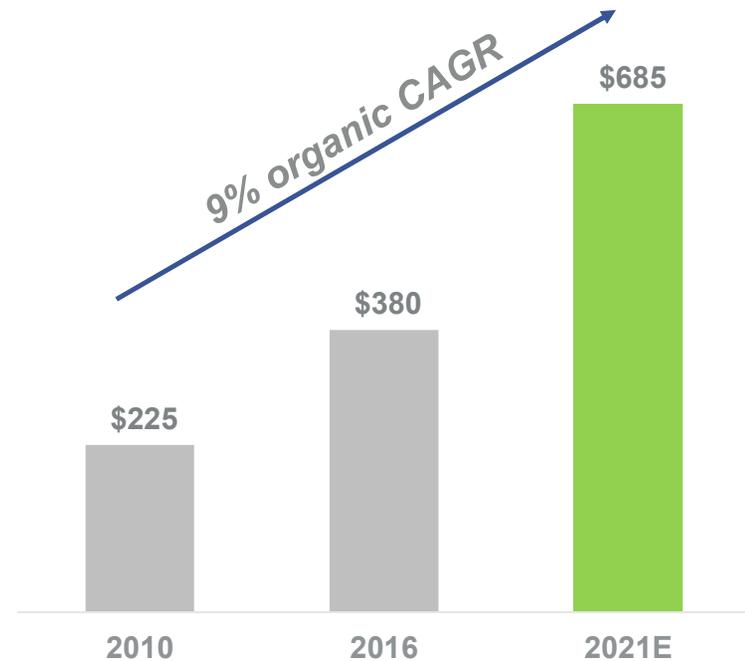
# High-Impact, High-Growth Industry

## Healthcare Submarkets (2021E)



## Track Record of Sales Growth

(\$ millions)



# Our Foundation

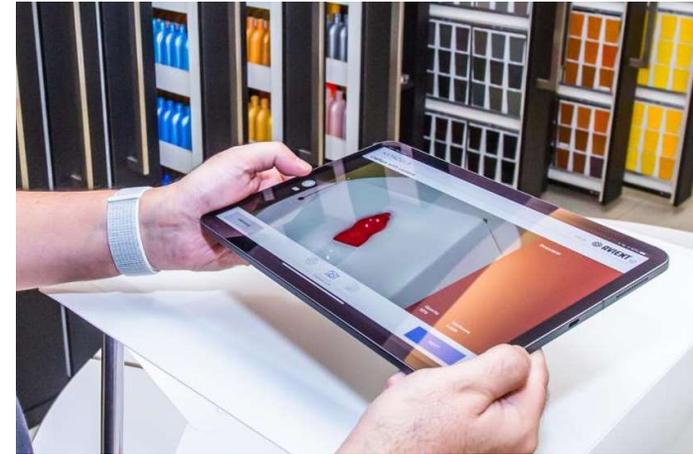
WE ARE POSITIONED TO WIN



Relationships



Innovative Solutions

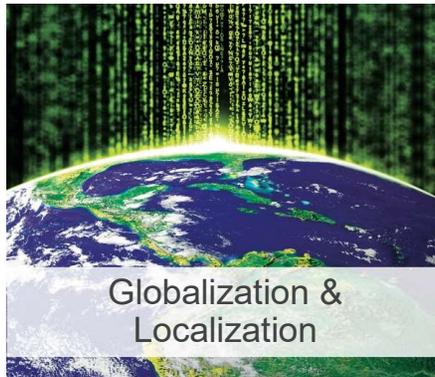


Differentiated Services



# Trends in Healthcare

SHAPING INNOVATION & SOLUTIONS



# COVID - 19 Protection

AVIENT WAS SET AND READY



- Deep, trusted customer relationships
- Well-positioned and entrenched in the Healthcare supply chain
- Broad & differentiated capabilities
- Positioned to respond & execute quickly

# Aging Population

TREATING CHRONIC CONDITIONS



Of the U.S. population is aged **65 or older**... and this number is growing



**3 OUT OF 4**

Suffer from one or more **chronic health conditions**

# Aging Population

## TREATING CHRONIC CONDITIONS



Increasing Life Expectancy

### Cardiology

- 47% of Americans having at least one of three major risk factors for heart disease

### Diabetes

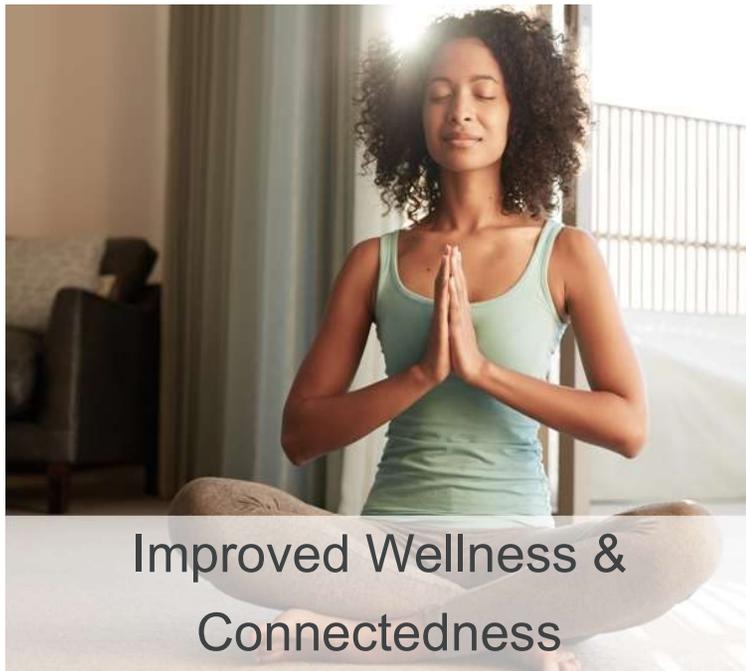
- 193 million people with Type 2 diabetes and will grow to 252 million by 2026 at a 5% CAGR

### Neurology

- Neurological disorders are the second leading cause of death globally, second only to heart disease

# Connected Health

## EXPANSION OF MEDICAL WEARABLE DEVICES



### Application Opportunities

- Flexible components to provide design aesthetics & proper functionality
- Robust designs to meet regulatory requirements and perform over long product lifecycles
- Patient comfort to promote ongoing use

# Remote Patient Monitoring

TRANSLATING DEVICES FROM HOSPITAL SETTINGS TO HOME



## Application Opportunities

- Durable, chemically-resistant devices to withstand impact in a home environment and exposure to a variety of household cleaners
- Miniaturization of devices to fit into limited space in the home, while maintaining maximum functionality
- Innovative, user-friendly designs and long-term aesthetics to provide patients with easy-to-use, high-quality, attractive devices in the home

# Self Management & Self Administration

ENABLING PATIENTS TO MANAGE HEALTH



Self Management & Self Administration

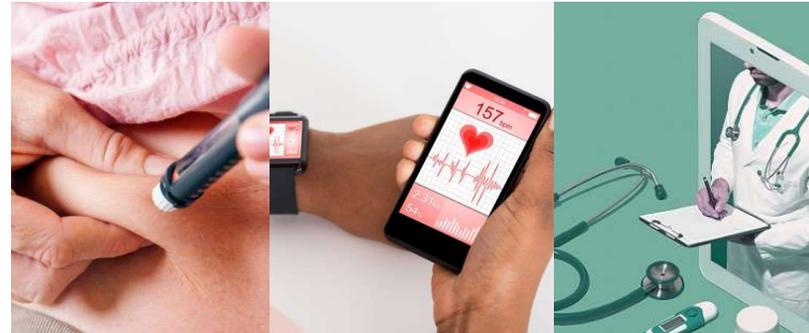
## Application Opportunities

- Combination of rigid & flexible materials to realize design potential and optimize device functionality
- Superior chemical resistance to cleaners, disinfectants, hand oils, UV rays, and drugs to extend life of device
- Reduced abrasion between mating components to ensure proper dosing
- Regulatory-approved colorant and additives to provide branding and drug identification

# Trends are Shaping Innovation



Professional / Clinic



Patient / Home



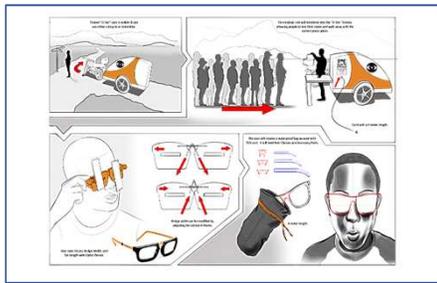
# Avient Design

## DIFFERENTIATED SERVICE



- Global product development support from industrial design through engineering and product launch
- Extensive material, manufacturing, industry and value chain knowledge
- Human-centric design skill, aligning product innovations with ergonomic needs
- Product tear-down capabilities to provide customers with product optimization and cost reduction insights
- 3D-printed prototypes and samples to accelerate product development

# Accelerating Speed to Market with Avient design



IDEA

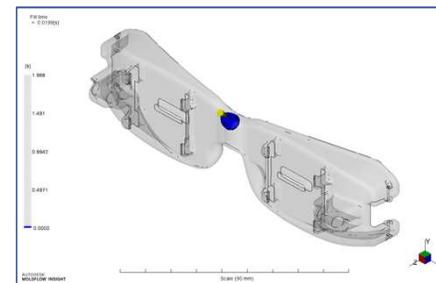
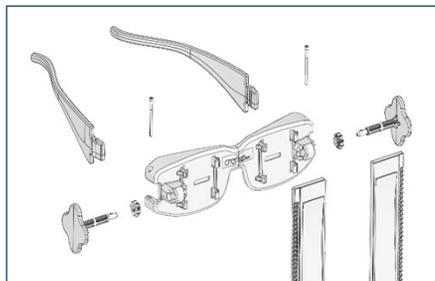
PROOF OF CONCEPT

DESIGN

TOOLING

EVALUATION

LAUNCH & DELIVERY



# Avient Design

AUTO INJECTOR



# Avient Design

## AUTO-INJECTOR TEAR-DOWN



Defined haptics and soft touch

Stringent regulatory requirements

Strict change control

Lasermarking and laserwelding compatible

Drug contact, mechanical sensitivity for dosing accuracy



# Avient Design

AUTO INJECTOR INNOVATION



# Avient Design

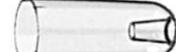
## AUTO INJECTOR INNOVATION



Easy to use

Safe

Quality



Protect Ingredients

Compliant

Temperature  
Management



# Avient Design

## AUTO INJECTOR INNOVATION



Easy to use

Safe

Quality

Protect Ingredients

Compliant

Temperature Management



Medical Grade TPE

Healthcare Colorants

High-Density Polymer

Laser weldable formulation

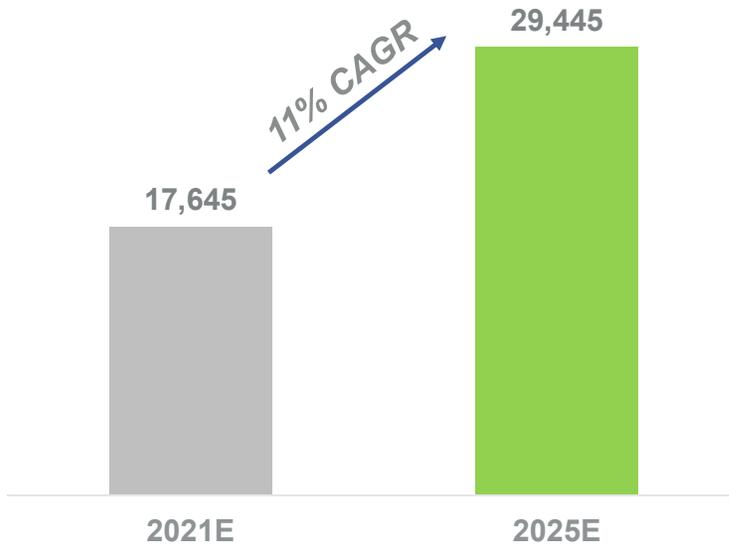
Laser marking additives

Lubricated polymers

# Healthcare Growth Outlook

## Market for Medical Plastics

(LBS millions)



Source: BCC Research, Nov. 2020

## Future Revenue Growth Assumptions

**8-10%  
CAGR**





**Break**

Investor Day 2021



# Composites

Chris Pederson



# Spotlight: Growth in Composites

## Composites

(\$ in millions)

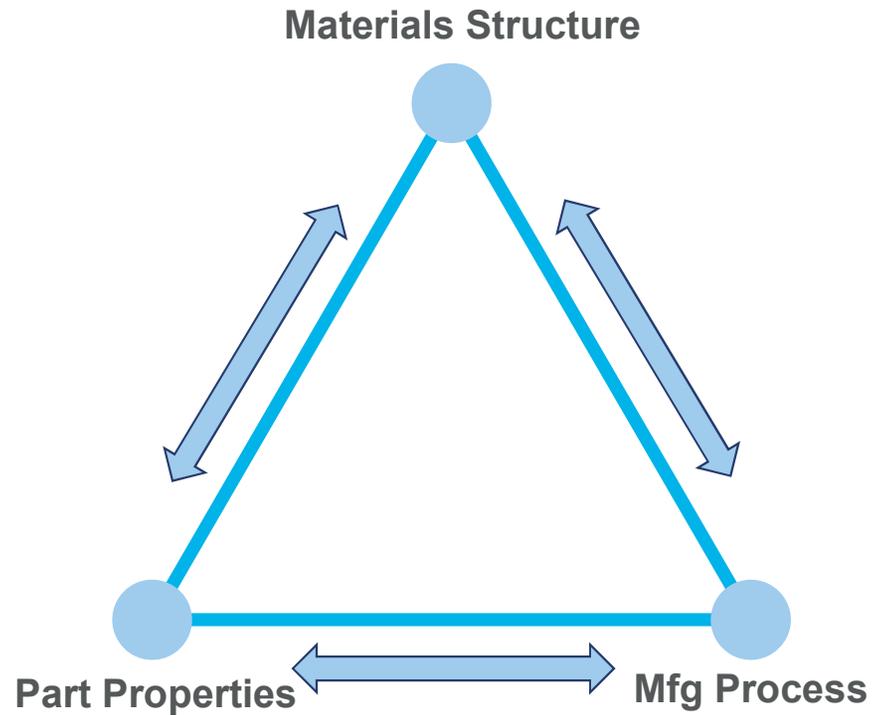


- Prior investments in composites platform and outdoor high performance applications continue to pay off driving substantial growth in 2021
- Composites will also drive our ability to deliver future revenue growth in excess of GDP

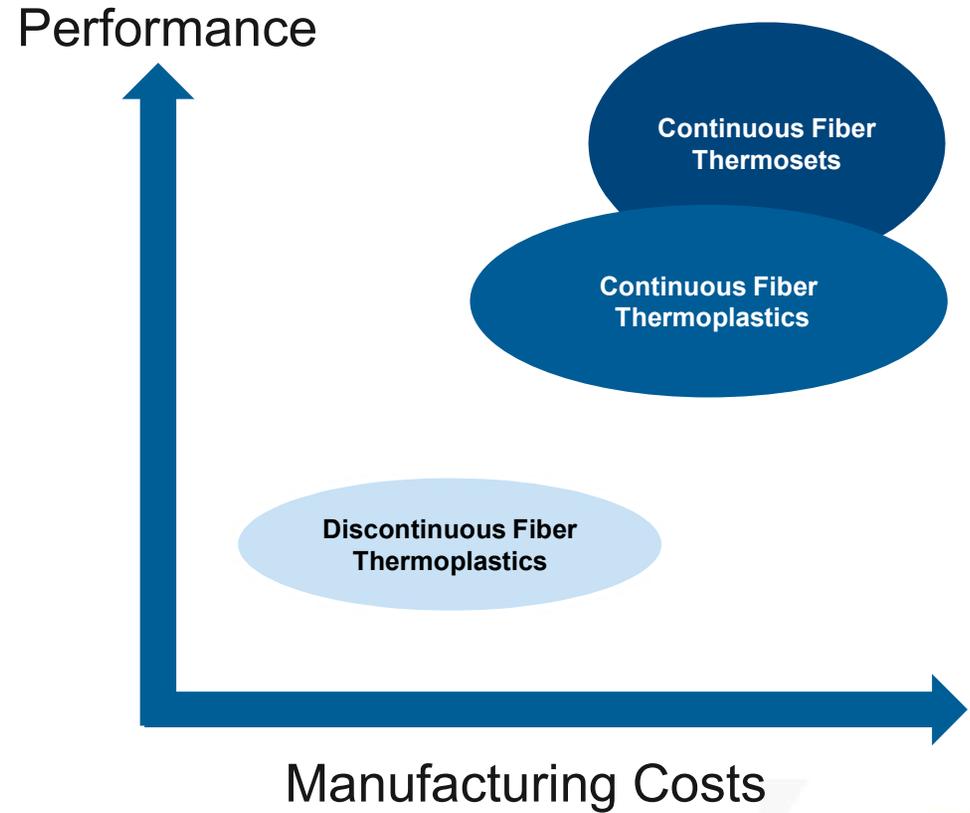
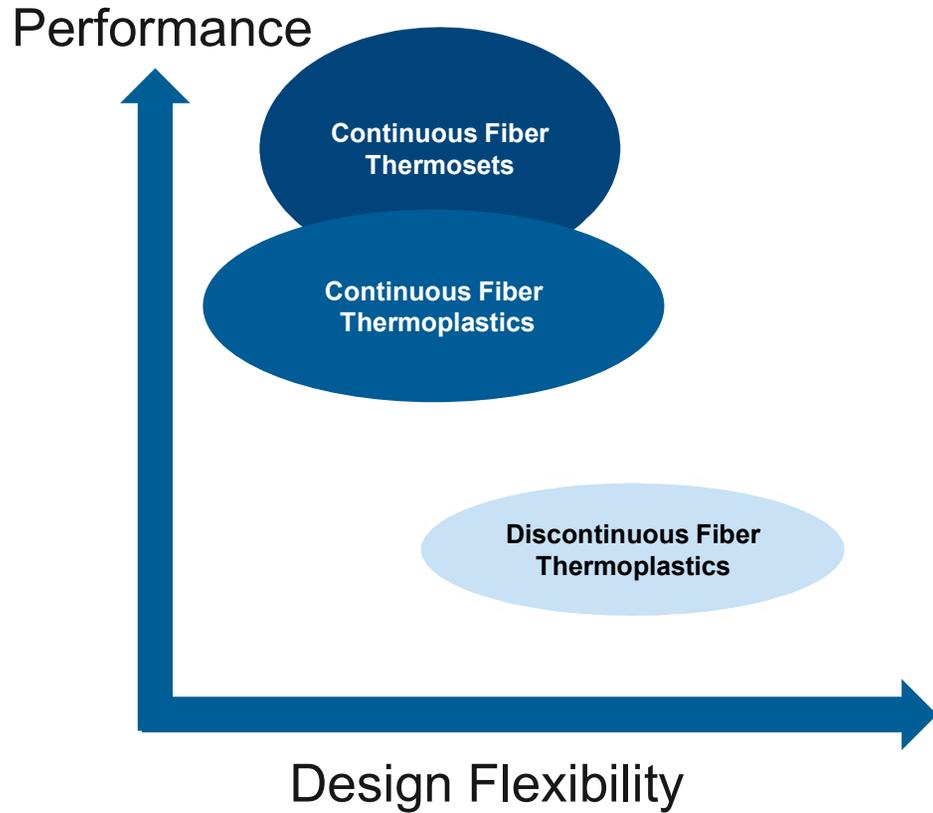


# Composite Material Design

Lower weight  
Corrosion resistance  
Fatigue performance  
Tailor-ability  
Design flexibility

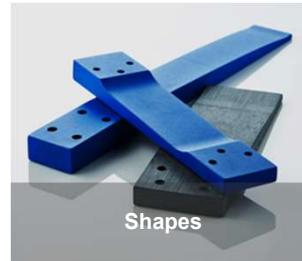


# Composite Material Forms



# Composites Portfolio

DIVERSE CAPABILITIES AND SOLUTIONS SERVING  
MANUFACTURERS AND OEMS



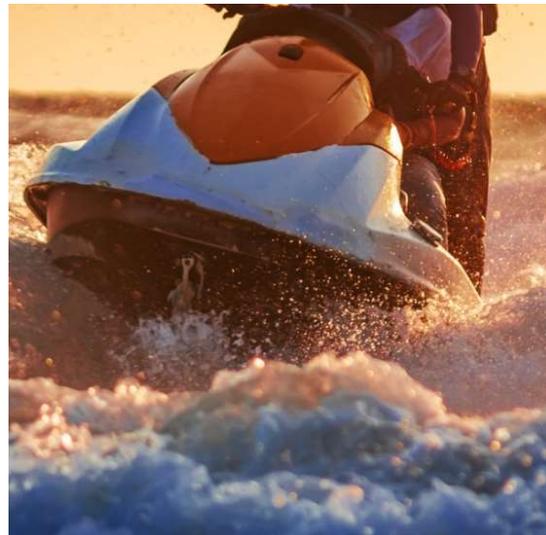
# Powersports & Outdoor Gear

## BENEFITS OF COMPOSITES



### STRUCTURAL COMPONENTS

Material Replacement • Weight Reduction •  
Temperature Resistance • Impact Resistance



### BODY PANELS

Paint Replacement • Weight  
Reduction • Scratch Resistance



### ADVENTURE GEAR

Fatigue Resistance • Lightweight •  
Temperature Resistance • Impact  
Resistance



# Industrial & Energy

## BENEFITS OF COMPOSITES



### HIGH PRESSURE PIPE

Burst Strength • Corrosion Resistance •  
Lighter Weight



### GPS TRACKABLE PALLETS

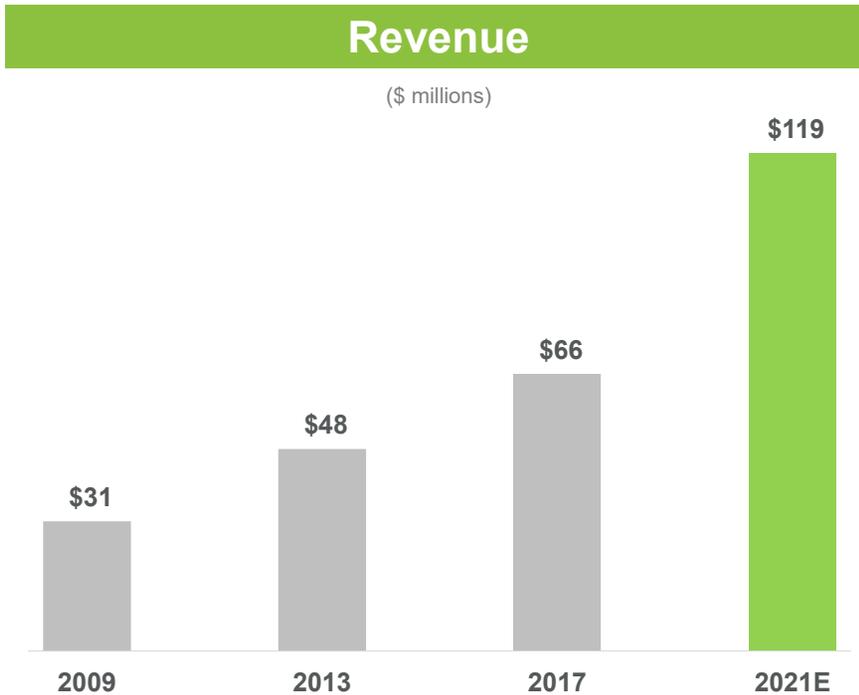
Weight Reduction • Increased Load •  
Stiffness



### POWER INFRASTRUCTURE

Corrosion Resistance • Electrical  
Insulation • Weight Reduction

# Spotlight: Growth at Fiber-Line

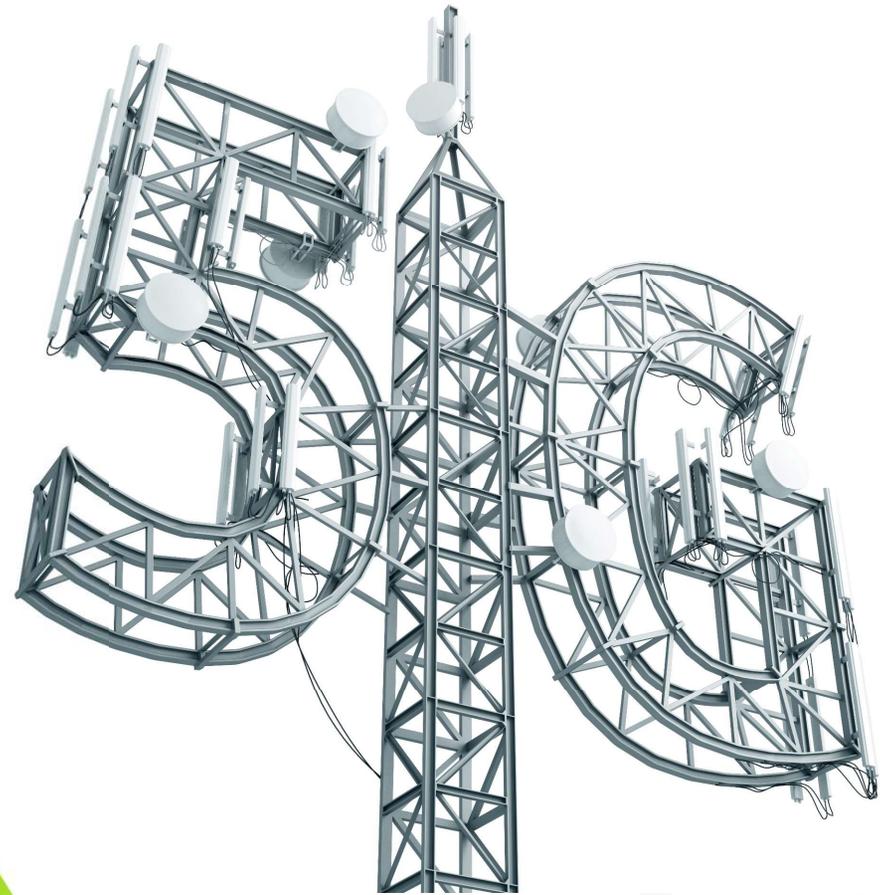


- Fiber-Line business acquired on January 2, 2019 for \$120 million
- Specialty portfolio of fiber-optic cable applications primarily serving telecommunications end-market
- Deep formulation expertise, innovative culture and global commercial presence will accelerate growth related to 5G infrastructure build out



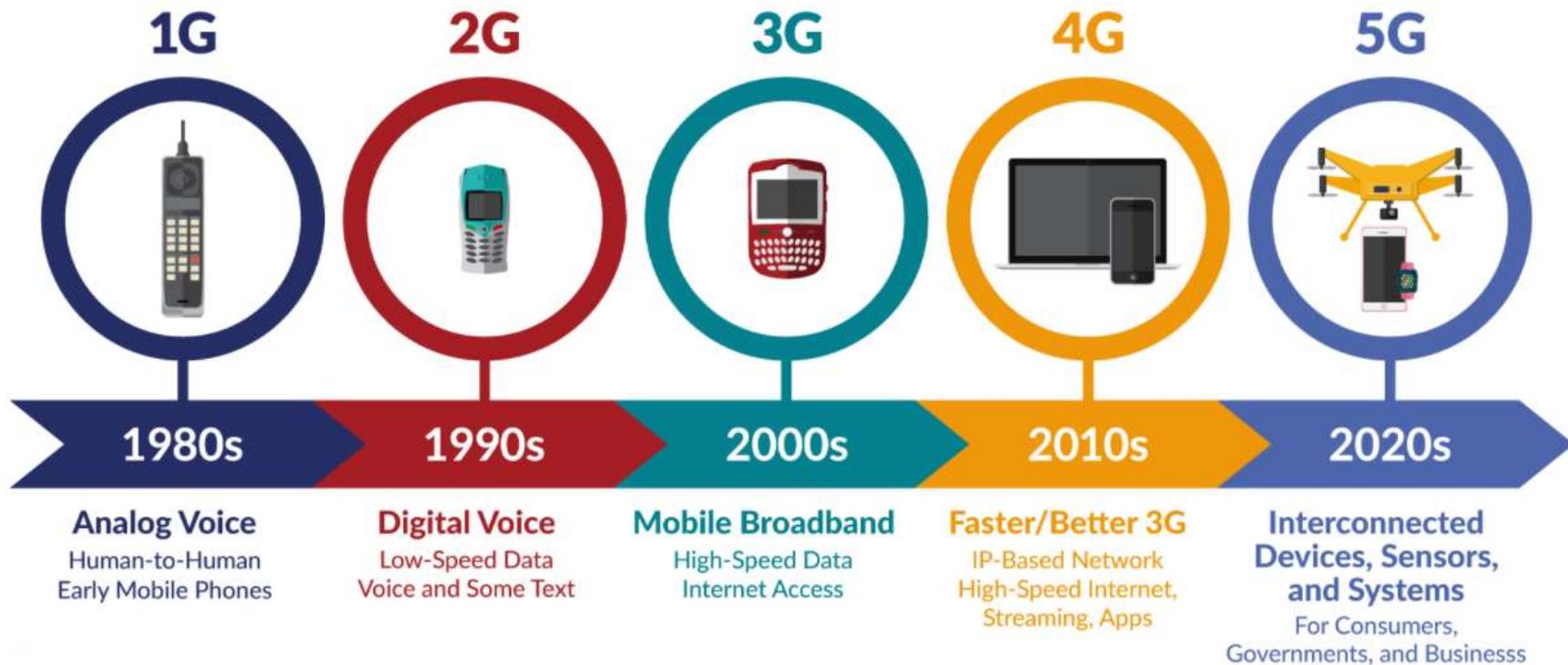
# 5G Technology

Matt Reinhardt



# Evolution of 5G

MEETING SIGNIFICANTLY EXPANDING CONNECTIVITY NEEDS



# How FAST IS 5G?

Time needed to download a 2 hour movie



**3G**  
384 Kbps  
(2001)



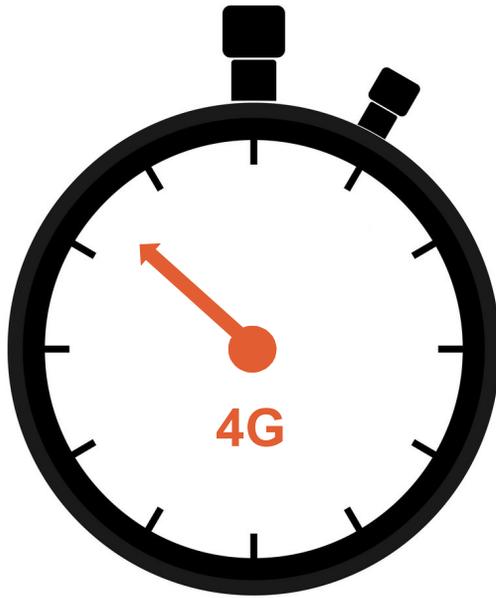
**4G**  
100 Mbps  
(2003)



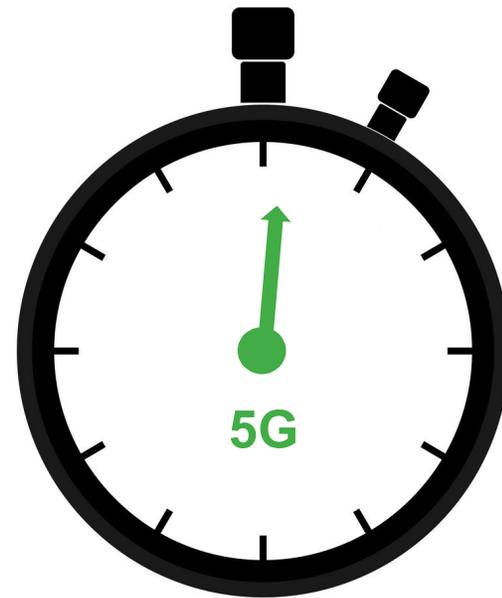
**5G**  
10 Gbps  
(2020)

# Low Latency

REDUCING THE TIME FOR DATA TO TRAVEL



**300**  
**milliseconds**



**3**  
**milliseconds**

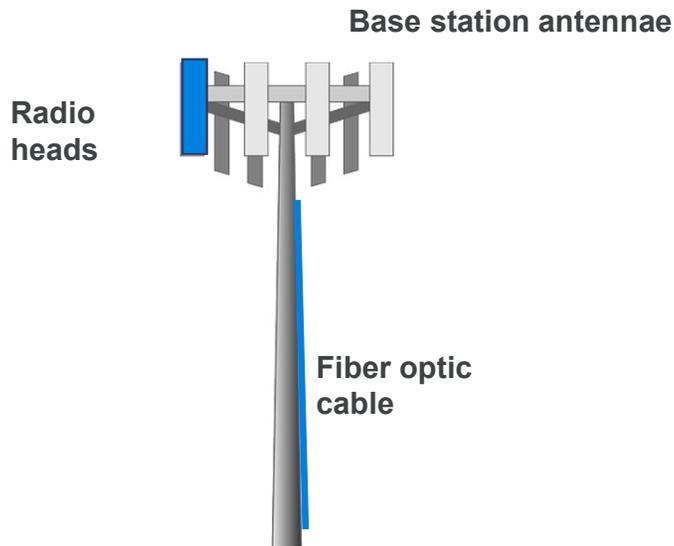


# Infrastructure

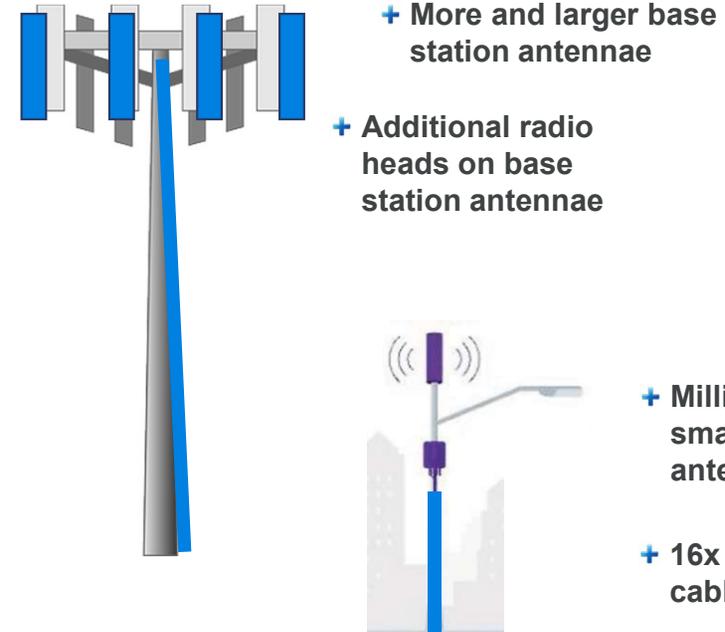
## 5G REQUIRES MORE EQUIPMENT

Global 5G infrastructure demand will grow 50% CAGR through 2028

4G



5G

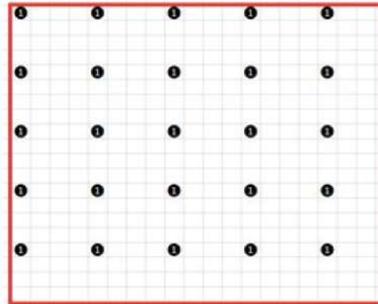


# Infrastructure

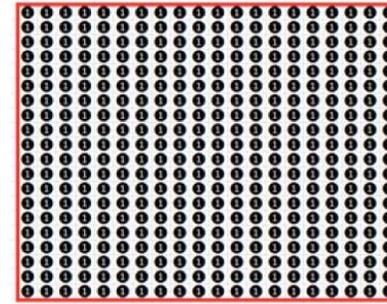
## 5G ANTENNAE DENSITY



3G  
1 site every 10 km  
Cell density=1 cell/100 km<sup>2</sup>



4G  
1 site every 2km  
Cell density= 5 x 5  
= 25 cells/100 km<sup>2</sup>



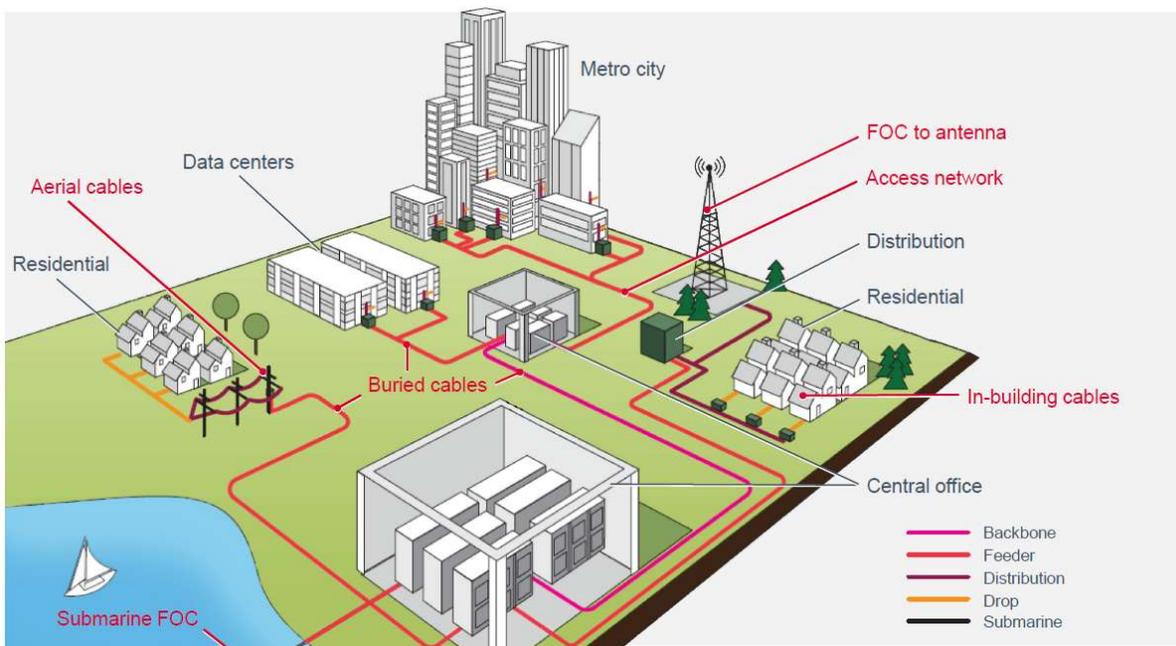
5G  
1 site for every 0.5 km  
Cell density= 20 x 20  
= 400 cells

→  
3G to 4G =  
**25x** more antennae

→  
4G to 5G =  
**16x** more antennae

# Infrastructure

## 5G REQUIRES MORE CABLE

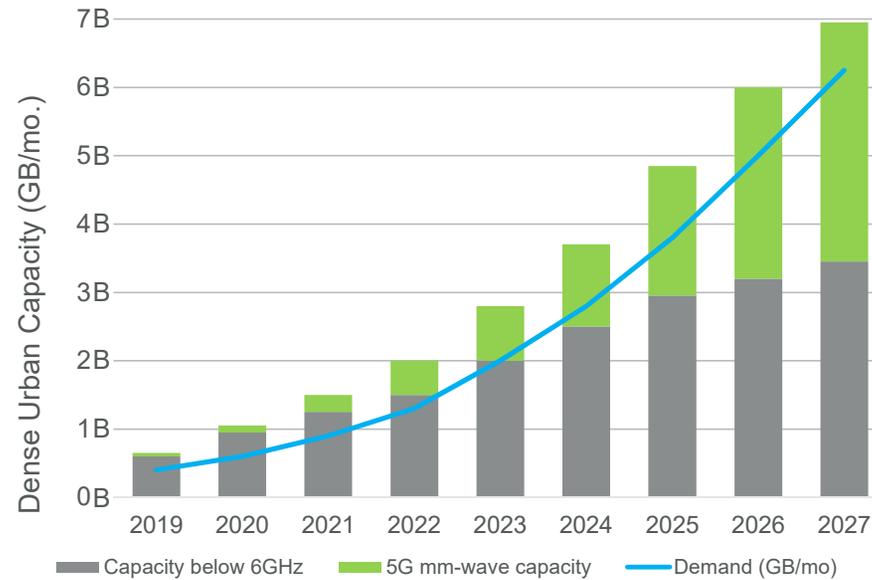


- Overall broadband expansion will require **28 million km** of fiber optic cable over next 5 years
- U.S. Infrastructure Bill earmarks **\$65 billion** for broadband buildout
- US RDOF (Rural Digital Opportunity Fund) to support continued investment in fiber-to-the-home (FTTx)
- Rapid data center growth to support exponential data consumption growth

Telecom operators will invest up to  
**\$1.5 Trillion**  
 to roll out 5G globally

# 5G Rollout: 3 Waves

## 5G Capacity and Demand<sup>1</sup>



## Rollout Stages

2018 - 2022	2021 - 2024	2022 - 2027
Co-locate radios with 4G towers	5G towers in new locations (<6GHz)	5G densification via small cell antennae

<sup>1</sup> Source: Mobile Experts: 5G Millimeter Wave 2019: Radio Architecture and Outlook, March 2019



# Avient in 5G Ecosystem

Antenna  
Phase Shifters



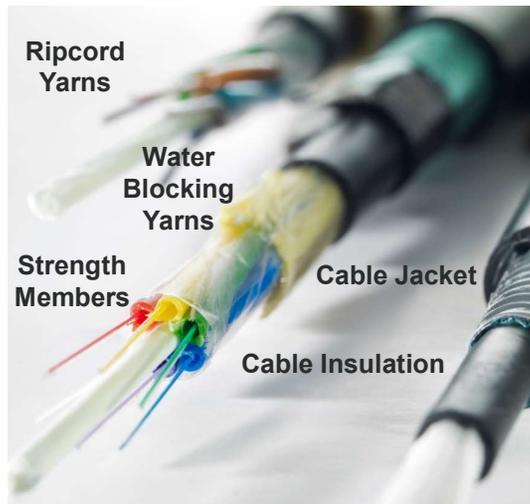
Smart  
Home



Autonomous  
Cars

## INFRASTRUCTURE

Complete Cable  
Construction



## IOT DEVICES

Healthcare  
Wearables



Smart  
Phones

Virtual  
Reality

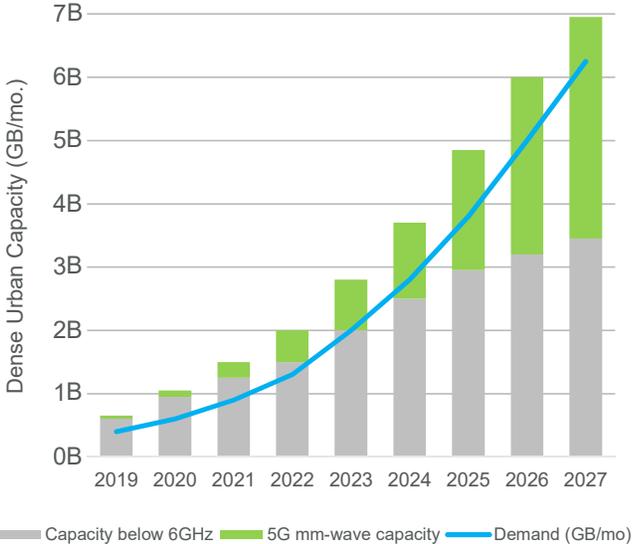


# Composites Growth Outlook

## Megatrend Growth Rate

## Future Revenue Growth Assumptions

### 5G Capacity and Demand



**10% CAGR**

Source: Mobile Experts: 5G Millimeter Wave 2019: Radio Architecture and Outlook, March 2019



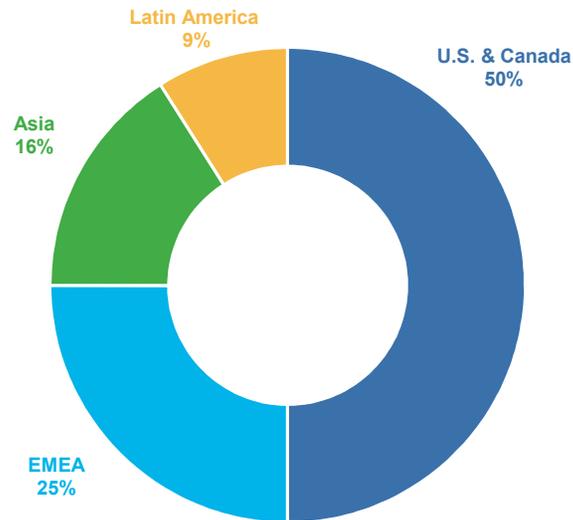
A background graphic featuring a network of stylized human figures in various colors (blue, orange, pink, white) connected by thin white lines, set against a dark blue background. The left side of the image is dominated by a large, semi-transparent green shape with a wavy bottom edge, containing the text.

# Growth in Asia, Latin America

Woon Keat Moh

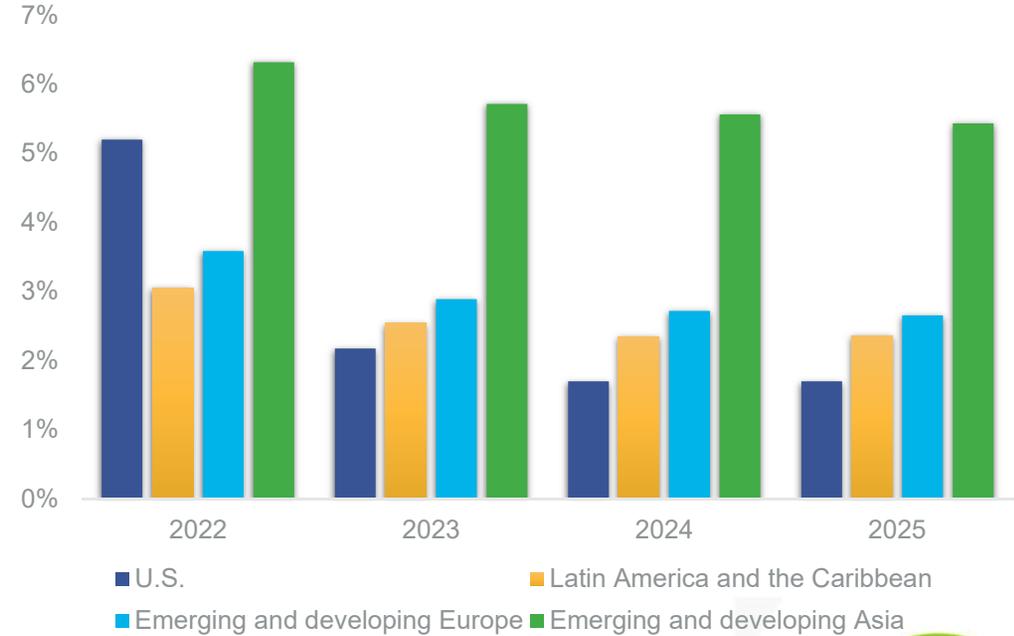
# Regional View

## AVIENT GEOGRAPHY REVENUE



## REGIONAL ECONOMIC GROWTH

GDP, Percent Change



# Asia





## China Landscape

GDP growth forecast of 6% (2022 – 2025)

14<sup>th</sup> 5-year plan (2021 – 2025)

Infrastructure – 5G networks

Sustainability – renewable energy,  
electric vehicles

“Dual Circulation” strategy will drive  
domestic consumption





## Southeast Asia Landscape

GDP growth forecast of 6% (2022 – 2025)

“China plus One” strategy driving investment in manufacturing sites

Growing middle class population driving the consumption and need for better quality healthcare.



# China and Southeast Asia

TRACK RECORD OF GROWTH & EXPANSION



**2X**  
18 plants

**> 2.5X**  
500 commercial resources

**> 3X**  
\$680M revenue

Regional headquarters and innovation center established in 2015

Built largest manufacturing site within Avient in 18 months and commissioned in 2021

Expand and increase Healthcare accredited (ISO 13485) sites





## India Landscape

Most populous country in the world by 2030

One of the youngest population in the world feeding the talent pool

Growing middle class driving the need for better quality goods and services

“Made In India” and “Digital India” initiative driving foreign and domestic investments

# India

M O M E N T U M   T O   E X P A N D



**4X**  
4 plants

**> 10X**  
100 commercial  
resources

**> 20X**  
\$70M revenue

Establishing an Innovation Center to support local technology needs and global R&D efforts

Investment in resources, capacity, and capability to support growth and geographic expansion to North and South



# Latin America





## Latin America Landscape

Region's economy expected to double by 2030

Top 6 countries contribute 75% of the region's GDP

Mexico remains a manufacturing hub for North America

Growing middle class population



# Latin America

## LEVERAGE AND EXPAND



**2X**  
9 plants

**> 5X**  
200 commercial  
resources

**> 20X**  
\$400M revenue

Investment in capacity, and capability to support domestic growth

Grow commercial resources to support geographic expansion



# Asia and Latin America Growth Outlook

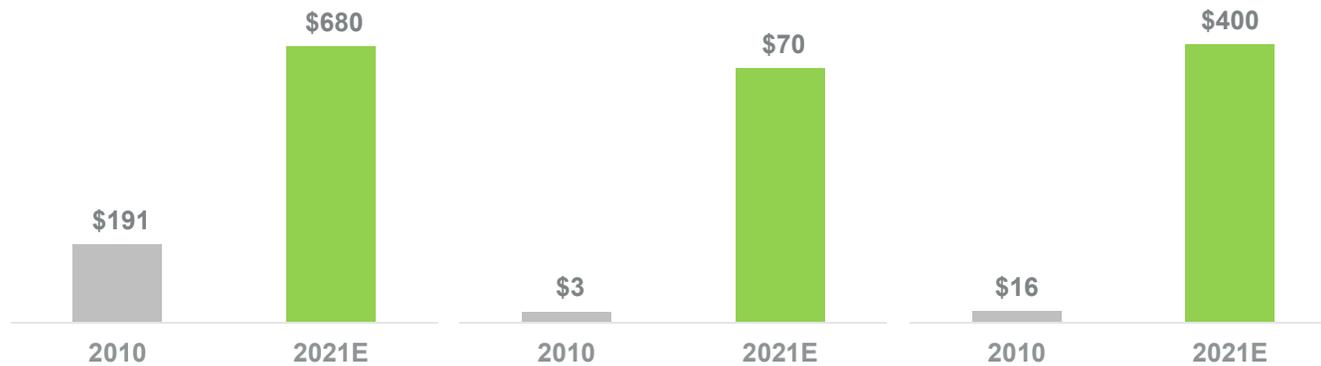
12% Organic Sales Growth

Future Revenue Growth Assumptions

Asia (ex. India)

India

LATAM



8-10%  
CAGR

(5% CAGR excluding Sustainable Solutions)

(Sales in \$ millions)

Figures above include sustainable solutions, healthcare and composites sales





## **We have talked about:**

...Sustainable Solutions

...Healthcare

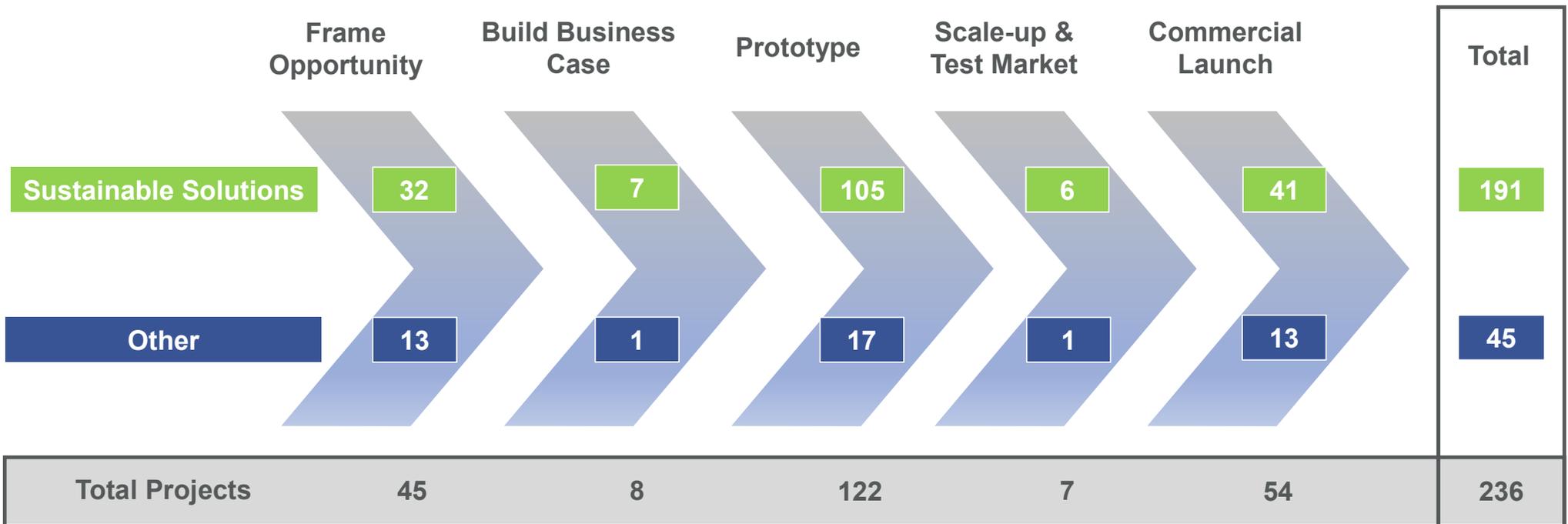
...Composites / 5G

...Growth in Asia and Latin America



# Growth Through Innovation

NEW PRODUCT DEVELOPMENTS & PHASED OFFER LAUNCHES



**80% of innovation projects for Sustainable Solutions**

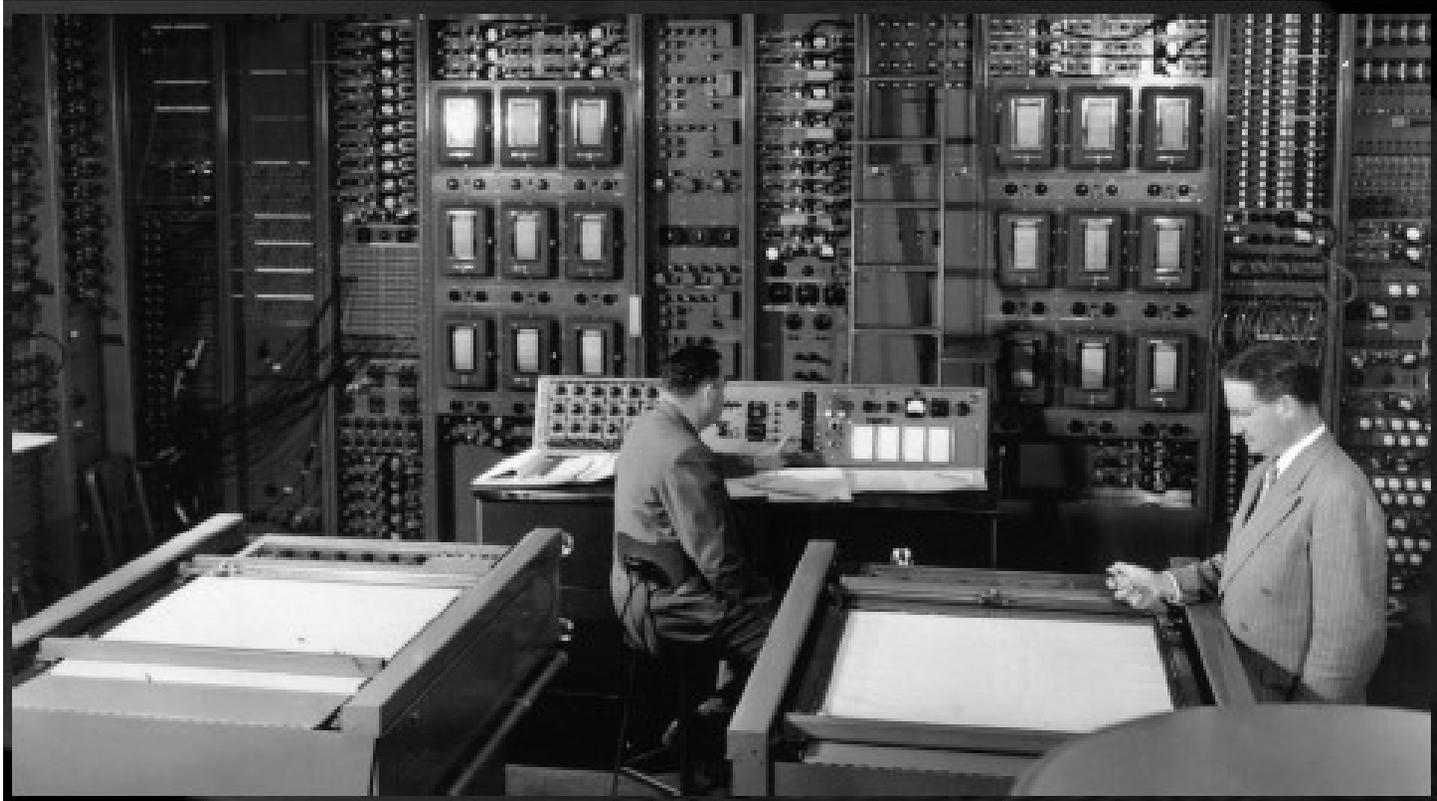


# Paradigm Shift

*Almost every **great advancement in technology** can be attributed to a **breakthrough in material science.***



# Electronics THEN...



# Electronics NOW...

The infographic features a central square with a glowing border containing the Apple logo and 'M2'. Surrounding this are various feature tiles: '5 nanometer process' (orange text), 'Machine learning accelerators' (neural network diagram), '16-core Neural Engine' (blue text, '11 trillion operations per second'), 'Thunderbolt / USB 4 controller' (lightning bolt icon), 'Media encode and decode engines' (play button icon), '16 billion transistors' (grid background), 'Up to 8-core GPU' (pink text), '8-core CPU' (blue text), 'Advanced image signal processor' (camera icon), 'Secure Enclave' (lock icon), 'Unified memory architecture' (memory icon), and 'Industry-leading performance per watt' (purple text).

**5 nanometer process**

Machine learning accelerators

**16-core Neural Engine**  
11 trillion operations per second

Thunderbolt / USB 4 controller

Media encode and decode engines

**16 billion transistors**

Up to **8-core GPU**

**8-core CPU**

Advanced image signal processor

Secure Enclave

Unified memory architecture

**Industry-leading performance per watt**



# Meta Materials

**A rationally designed composite material aiming at effective material parameters that go beyond those of the ingredient materials.**



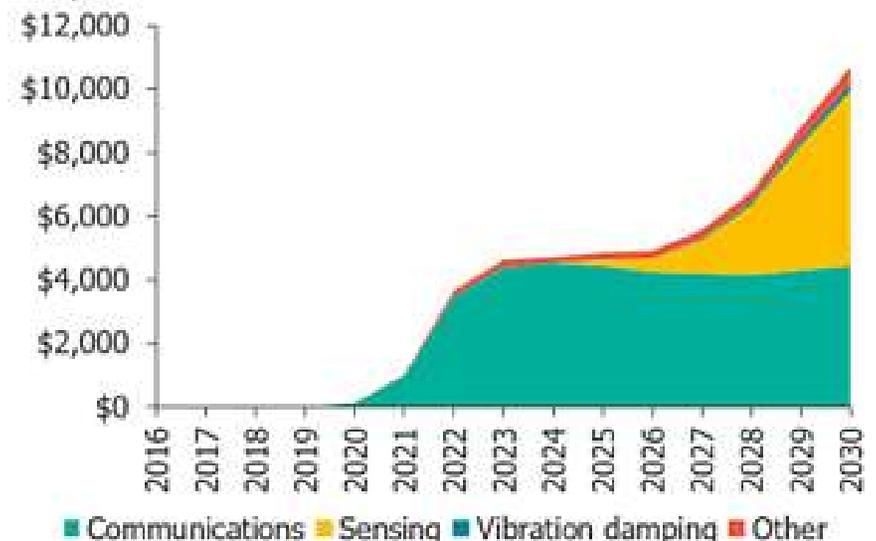
# Unprecedented Market Opportunity

## \$3 Billion Market

- 5G Infrastructure
- Vehicle Electrification
- IoT, Wearables
- Home Health & Consumer Medical Devices

Metamaterials Market Forecast

US\$ Millions



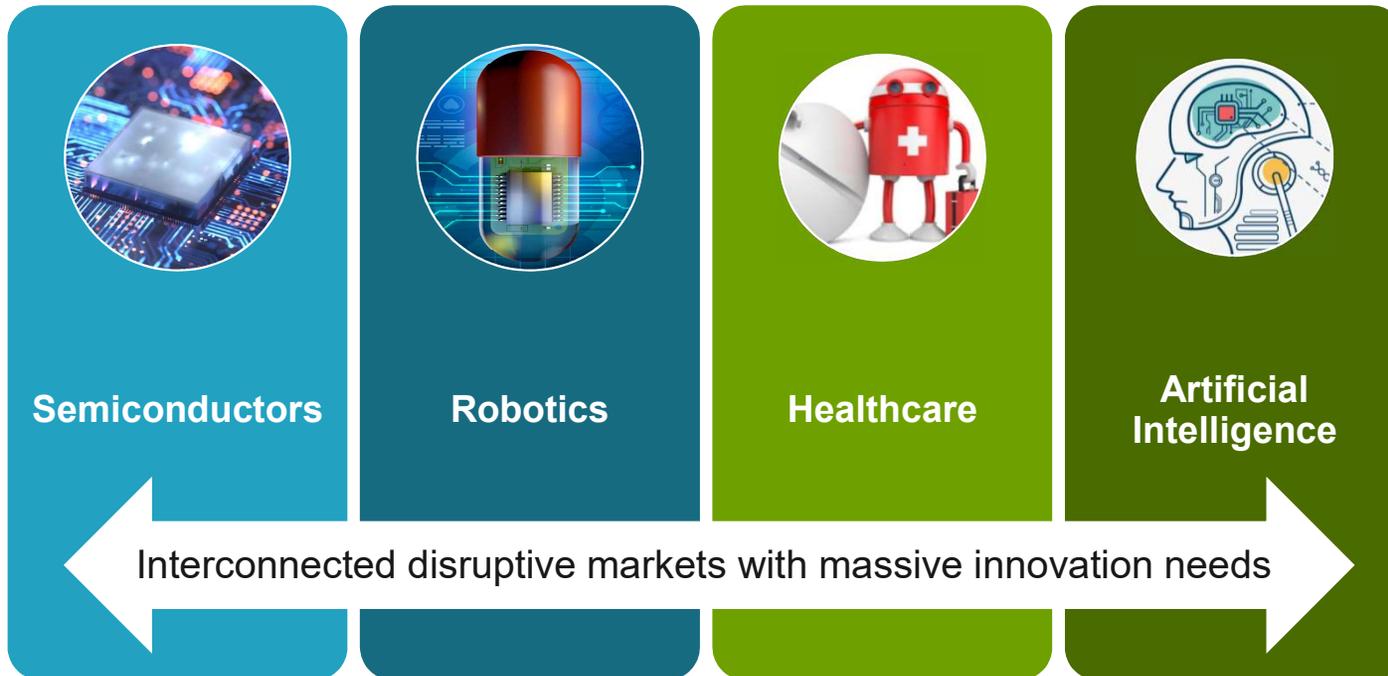
Source: Lux Research Inc.,

How can Avient “capture & create” value in this segment?

Engineered Materials: Revolutionary Adaptation

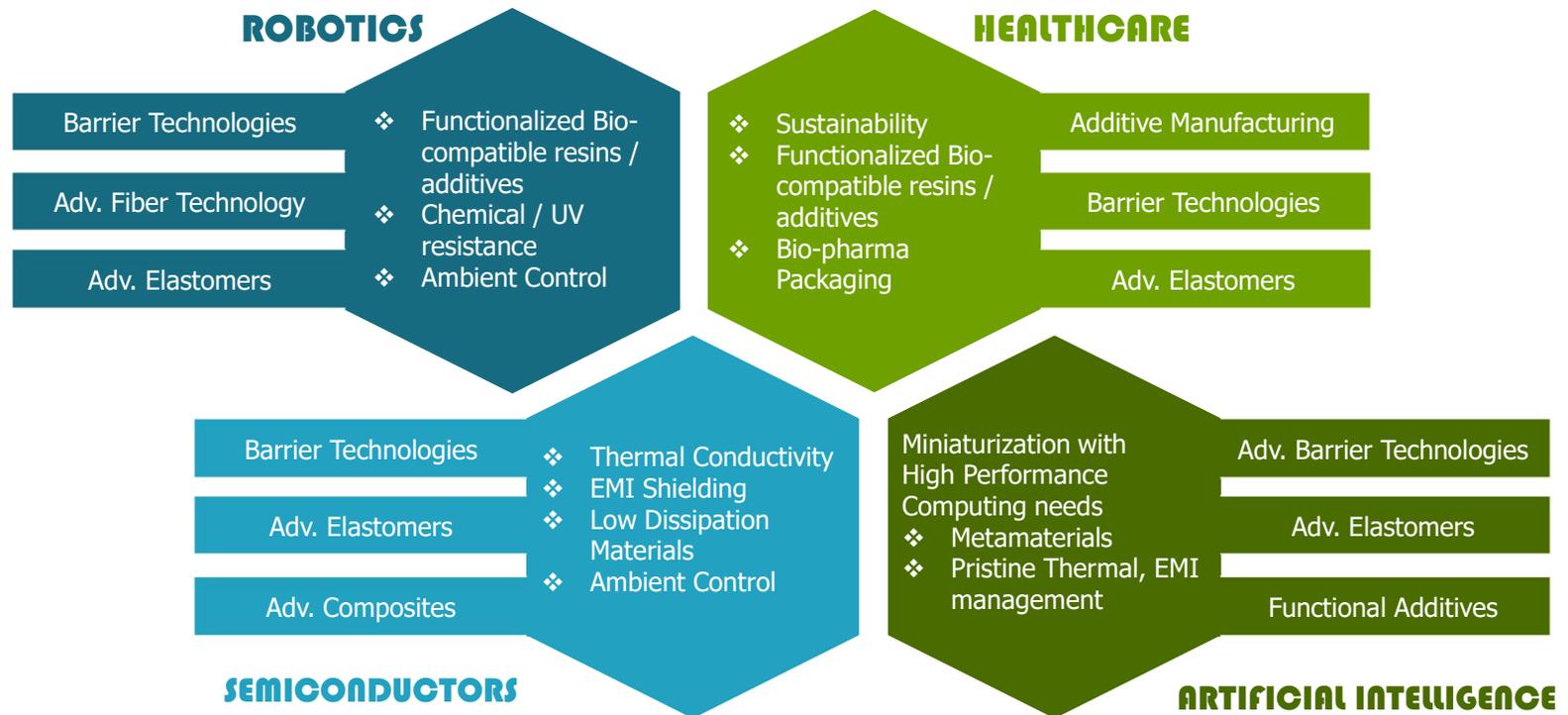


# Potential Disruptive Markets



How do we find / create potential opportunities in these markets?

# Potential Opportunities



- ✓ Adapting existing capabilities to new markets
- ✓ Developing new capabilities as needed to create & capture value



# India Innovation Center

## Innovative Sustainable Holistic Accelerator (ISHA)

We are breaking ground on a new innovation center adjacent to our manufacturing facility in Pune

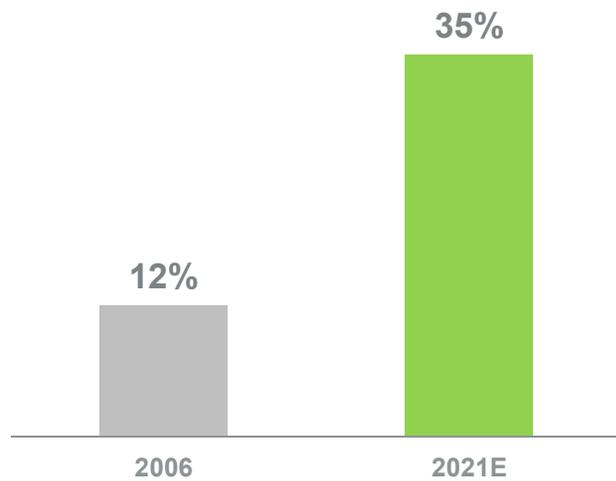


- Focused on investments in both R&D resource additions and capital investments
- Platform development in new disruptive markets to support core business and strategy

# Growth Through Innovation

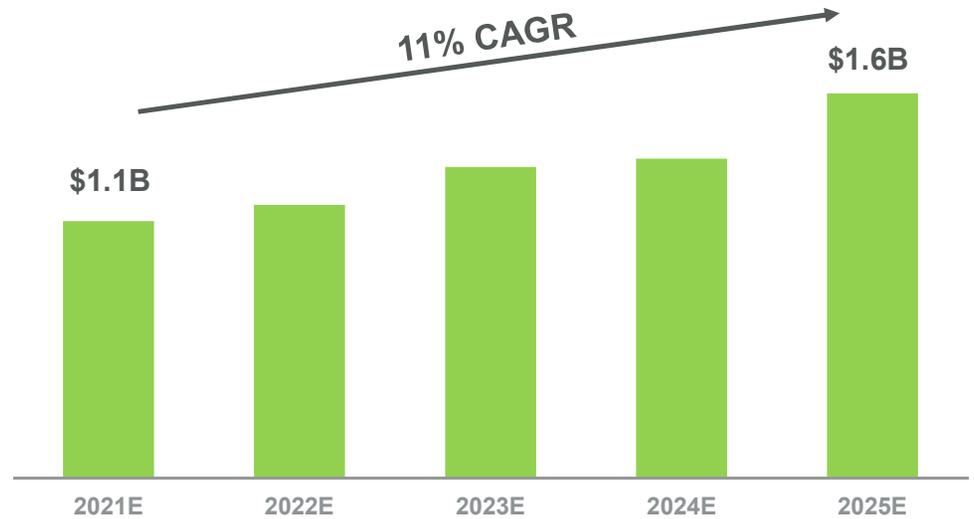
## World-Class Vitality Index

% of revenue from products launched last five years



## Total CAI and SEM

Revenue from new products



Investor Day 2021



# Summary

Jamie Beggs

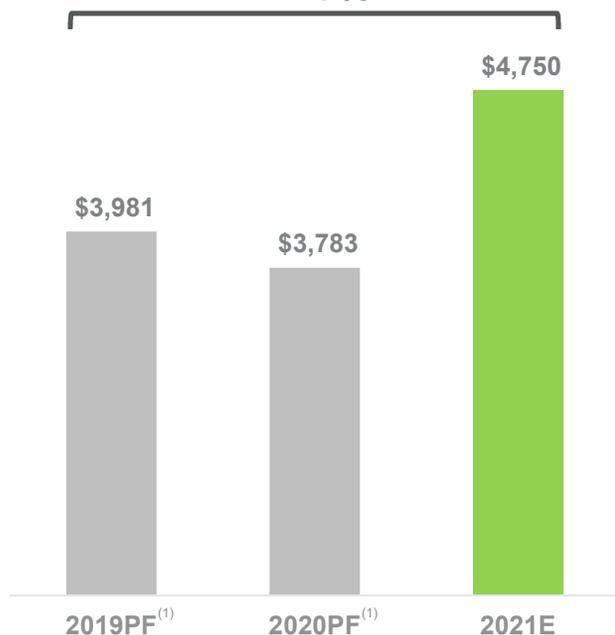


# Full Year 2019 – 2021 Organic Growth

(TOTAL COMPANY)

## Sales

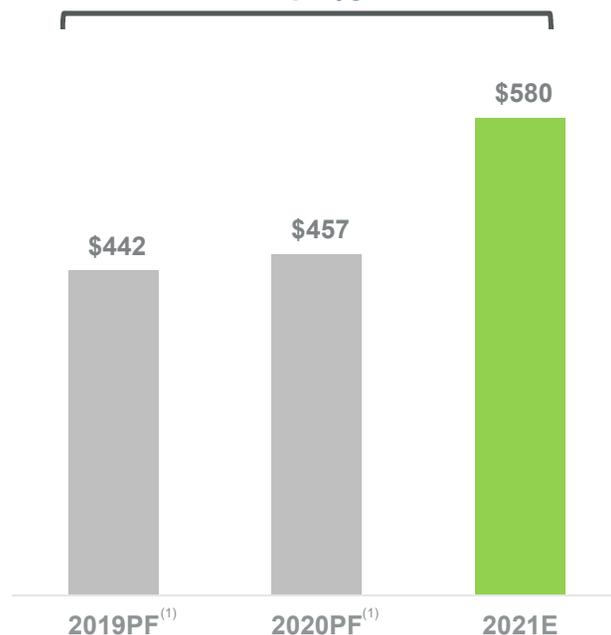
+ 19%



(in millions)

## Adjusted EBITDA

+ 31%



(in millions)

## Adjusted EPS

+ 72%



# 2021 Sales Growth Summary

## Key Growth Drivers

	Sales	Growth Rate
<b>2020 Proforma<sup>(1)</sup></b>	<b>\$ 3,783</b>	
Sustainable Solutions	140	18%
Healthcare	150	31%
Composites	44	33%
Growth in Asia / LATAM	103	21%
Other	530	28%
<b>2021 Estimated</b>	<b>\$ 4,750</b>	<b>26%</b>

## Segments

	Sales	Growth Rate
<b>2020 Proforma<sup>(1)</sup></b>	<b>\$ 3,783</b>	
Color, Additives & Inks	330	16%
Specialty Engineered Materials	195	28%
Distribution	495	45%
Corporate & Eliminations	(53)	
<b>2021 Estimated</b>	<b>\$ 4,750</b>	<b>26%</b>

# Year-to-date EBITDA Bridge

(\$ millions)	Adjusted EBITDA
<b>2020 September YTD <sup>(1)</sup></b>	<b>\$ 339</b>
<b>Demand</b>	<b>132</b>
<u>CAI:</u>	
<i>Price / Mix</i>	96
<i>Inflation</i>	(74)
<u>SEM:</u>	
<i>Price / Mix</i>	61
<i>Inflation</i>	(45)
<u>Distribution:</u>	
<i>Price / Mix</i>	204
<i>Inflation</i>	(195)
<b>Net Price Benefit</b>	<b>47</b>
<b>Supply Chain Disruptions</b>	<b>(38)</b>
<b>COVID Response Applications</b>	<b>(11)</b>
<b>Synergies</b>	<b>34</b>
<b>Incentives, Travel, FX, Other</b>	<b>(48)</b>
<b>2021 September YTD</b>	<b>\$ 455</b>

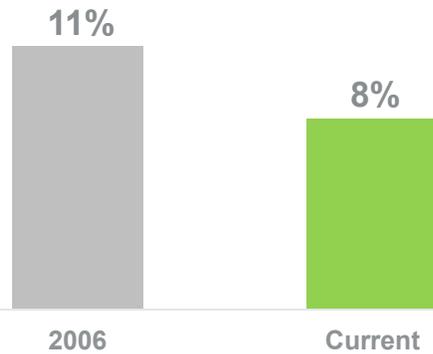
- Demand driven by growth in sustainable solutions, healthcare and consumer applications
- Price increases have more than covered raw material and freight inflation impacts of \$300M year-to-date compared to 2020
- Synergy capture on pace to achieve **\$52M** in annual savings in 2021



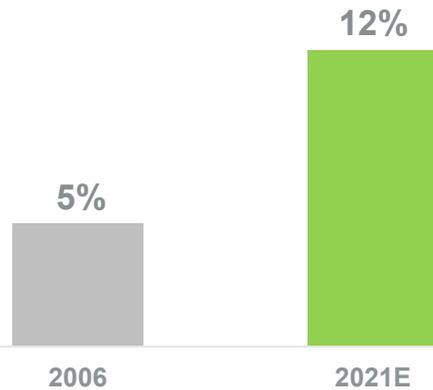
(1) Financial information is pro forma to include a full year of Clariant Color business acquisition

# Return on Invested Capital

## Cost of Capital

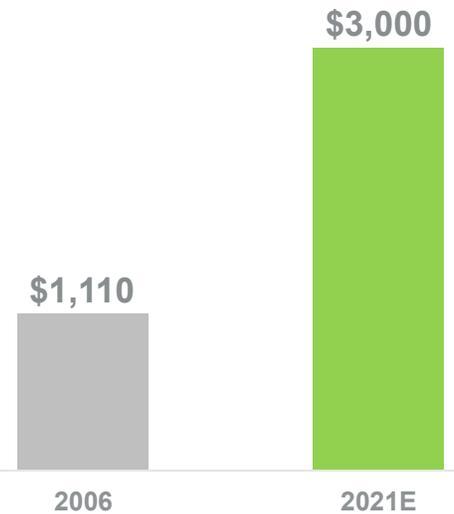


## ROIC (after-tax)



## Invested Capital

(\$ millions)

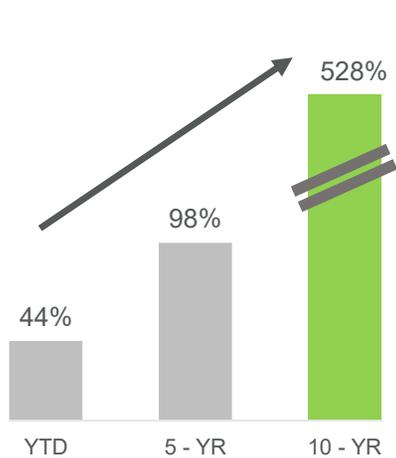


# Creating Value for Shareholders

## Share Performance

**~\$4.3Bn**

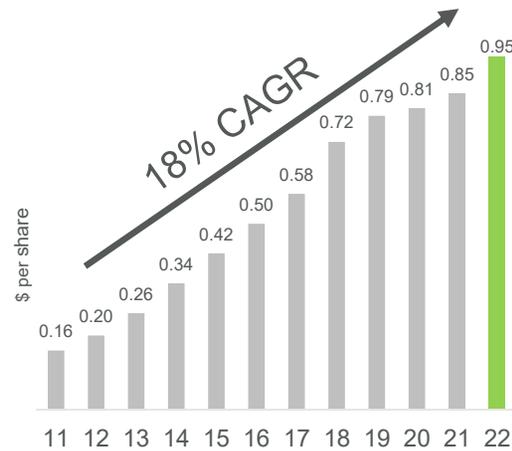
**MARKET CAP INCREASE  
OVER LAST 10 YEARS**



## Dividends

**~\$450MM**

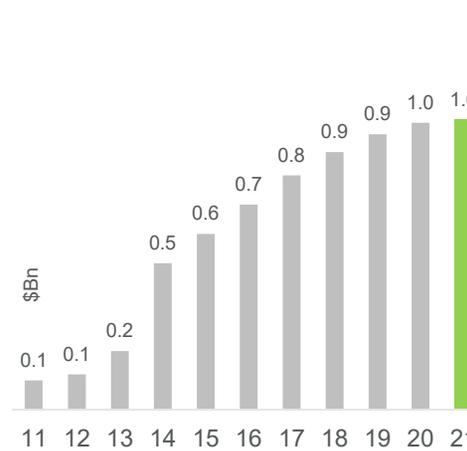
**PAID OVER LAST 11 YEARS**



## Share Repurchases

**~\$1 Bn**

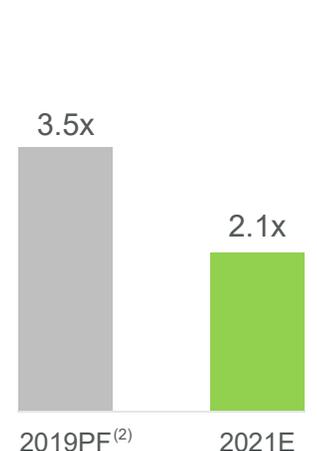
**REPURCHASED  
OVER LAST 10 YEARS**



## Deleveraging

**2.1x**

**Q4 NET LEVERAGE**



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

**Growing Dividend**

**Cumulative Buybacks**

**Net Leverage**

(1) Share performance includes reinvested dividends and is as of December 2, 2021  
 (2) Financial information is pro forma to include a full year of Clariant Color acquisition



# Shaping a Sustainable Future...

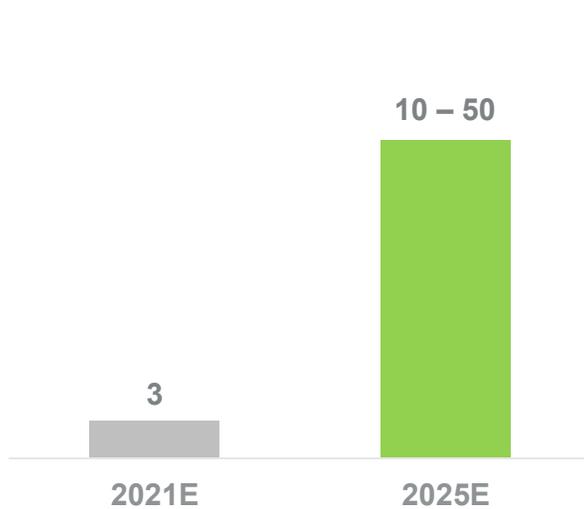


# What We Shared Today

## SUSTAINABLE SOLUTIONS

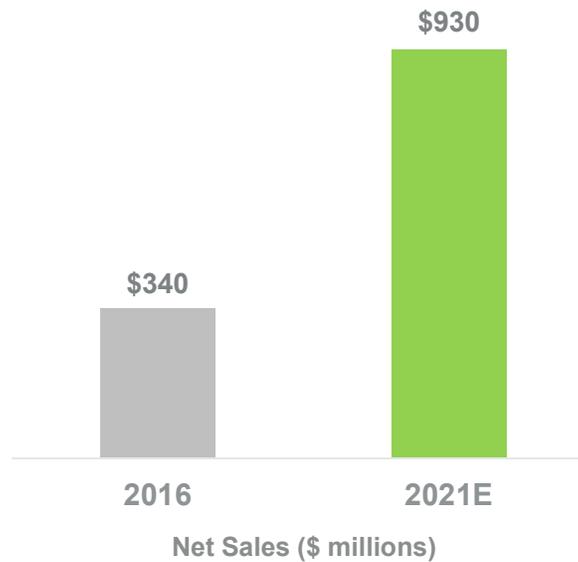
### Brand Owner Commitment

Percent of recycled plastic used



### Avient Historic Growth

13% organic CAGR



### Future Growth Assumptions

8-12%  
CAGR

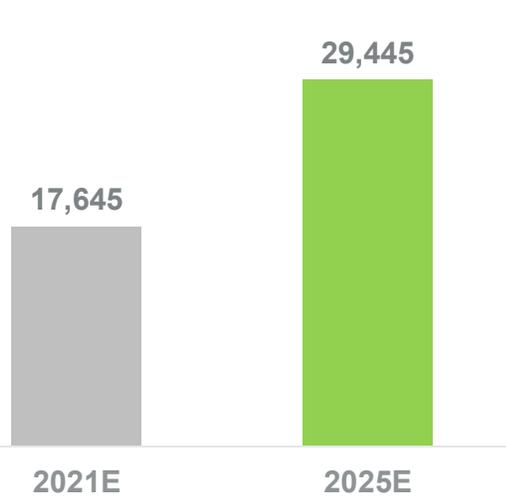


# What We Shared Today

## HEALTHCARE

### Megatrend Growth Rate

**11% CAGR**

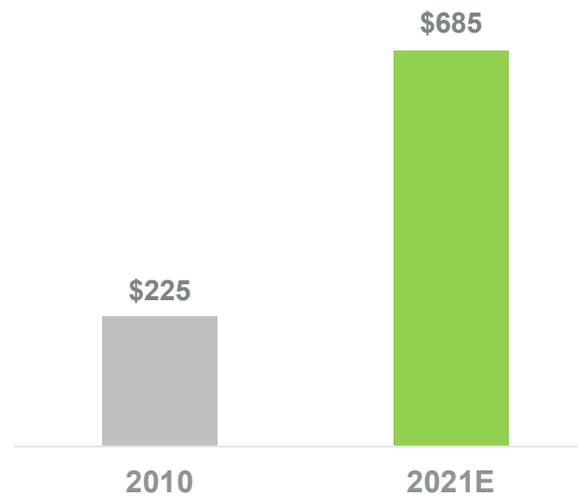


Market for Medical Plastics  
(millions of LBs)

Source: BCC Research, Nov. 2020

### Avient Historic Growth

**9% organic CAGR**



Net Sales (\$ millions)

### Future Growth Assumptions

**8-10%  
CAGR**



# What We Shared Today

## COMPOSITES

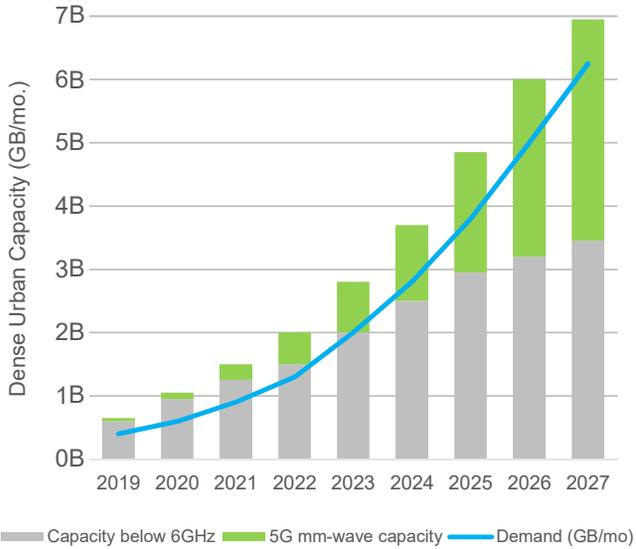
### Megatrend Growth Rate

### Avient Historic Growth

### Future Growth Assumptions

#### 5G Capacity and Demand

11% organic CAGR



10% CAGR

Source: Mobile Experts: 5G Millimeter Wave 2019: Radio Architecture and Outlook, March 2019

Net Sales (\$ millions)

Figures above include relevant Sustainable Solutions sales



# What We Shared Today

## ASIA AND LATIN AMERICA

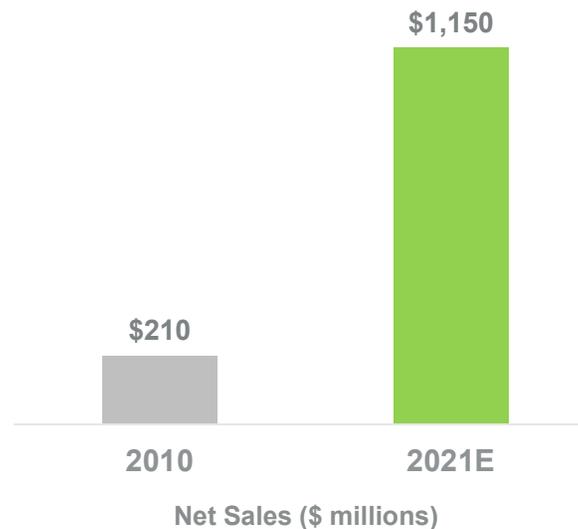
Weighted Avg. GDP Growth

Global Avient:  
**2.7%**

Asia / LATAM:  
**5.0%**

Avient Historic Growth

**12% organic CAGR**



Future Growth Assumptions

**8-10%  
CAGR**

**(5% CAGR excluding  
Sustainable Solutions)**

Source: International Monetary Fund, World Economic Outlook Database (April 2021)



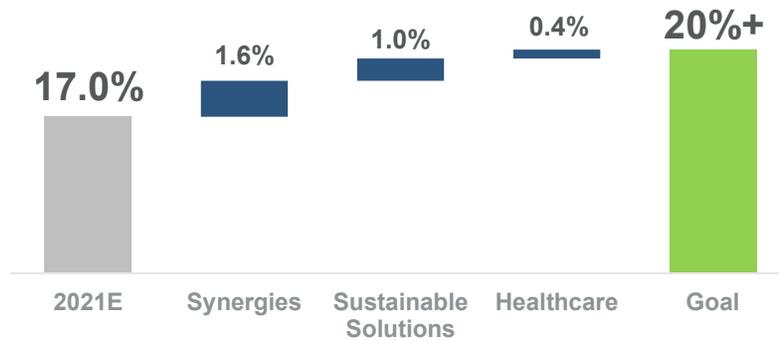
## Summary: Long-term Revenue Growth Drivers

Growth Drivers (\$ millions)	2021 Sales Estimate (Drivers)	Overlap	2021 Sales Estimate	Annual Growth Rate
Sustainable Solutions	930	-	930	8–12%
Healthcare	685	(45)	640	8–10%
Composites	260	(80)	180	10%
Asia / LATAM	1,150	(310)	840	5%
Other (GDP growth)			2,160	2–3%
<b>Avient</b>			<b>\$4,750</b>	<b>6.5%</b>



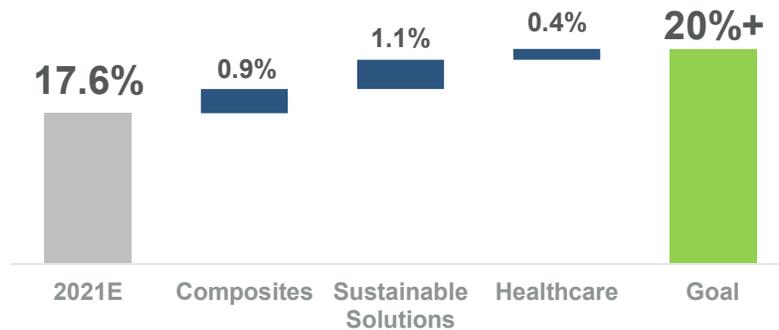
# EBITDA Margin Expansion Goals

## CAI



- Continued portfolio transformation to high-growth end markets and sustainable solutions
- Clariant Color synergy realization

## SEM



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



# Sustainable Path to Double Digit Earnings Growth

Growth Drivers	Long-Term Sales 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>



**10%+**  
**Adjusted EBITDA growth**

**15%+**  
**Adjusted EPS growth**



Investor Day 2021



# An Investment in Sustainable Growth

Bob Patterson



# M&A Brings Avient New Technologies

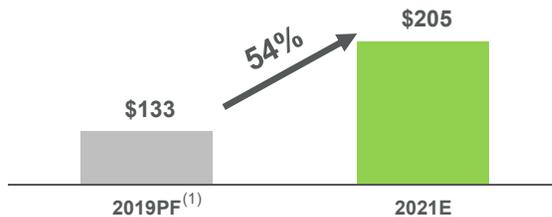
Technology	Acquisition	Technology	Acquisition
Thermoplastic Elastomers	 	Silicone Colorants & Formulations	
Liquid Color Concentrates & Additives		Long Fiber Reinforced (LFT) Thermoplastic Composites	
Continuous Fiber Composites	 	Fiber Solutions	
Thermoplastic Composites		Fiber & Healthcare Expertise, Liquid Additive Processing Aids, FR Additives, Recycling Innovations & More	
High-temperature Polymers & Fluoropolymers		Water-based Inks	



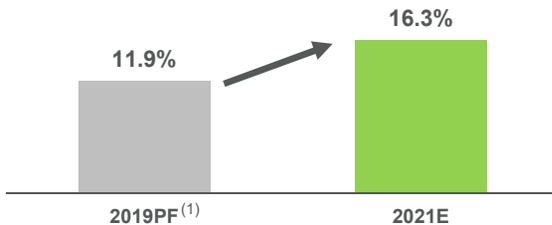
# Clariant Color: Transformational Acquisition

## Clariant Color EBITDA Growth

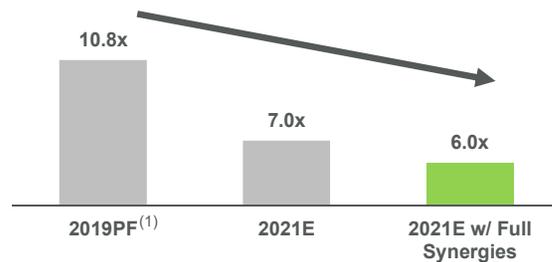
(\$ in millions)



## EBITDA Margins



## Purchase Price Multiple



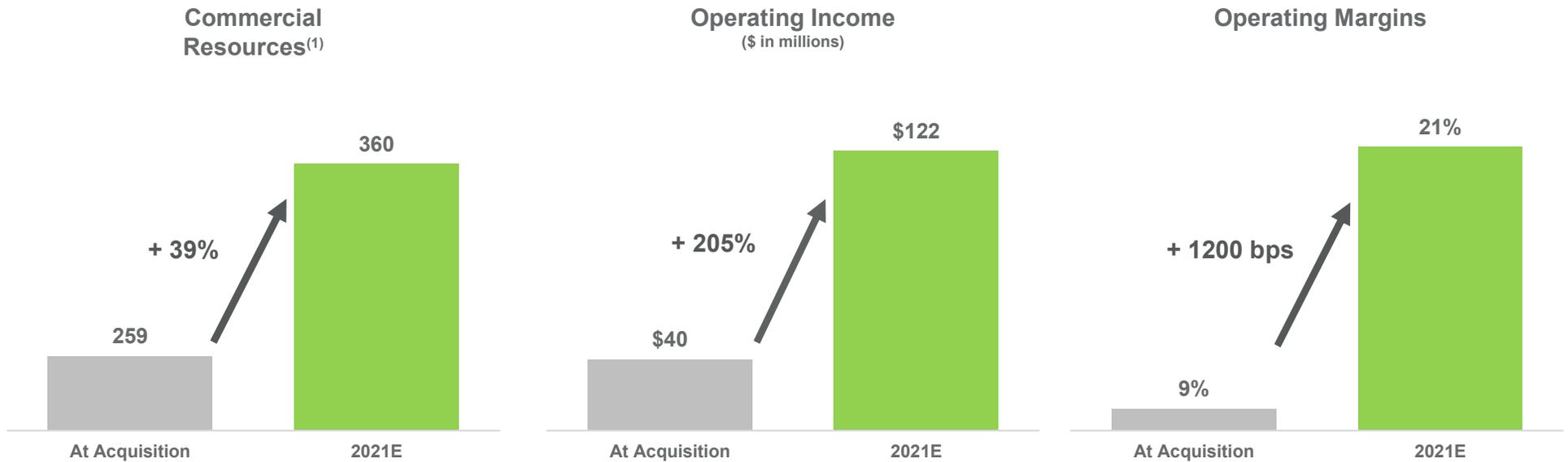
- Acquisition of Clariant Color business significantly expanded presence in healthcare, packaging and consumer end markets
- Strength of portfolio – double-digit annual EBITDA growth since acquisition
- On-track to realize \$52 million of expected synergies in 2021
- Acquisition completed on July 1, 2020 for \$1.45 billion. Purchase price multiple rapidly declining on strength of business and synergy capture

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



# Bolt-On Acquisition History

## Established Acquisitions (> 7 years)



(1) Commercial Resources include associate headcount in R&D / Technical, Marketing and Sales



**We are a specialty formulator**

**AND**

**We are a sustainable solutions company**

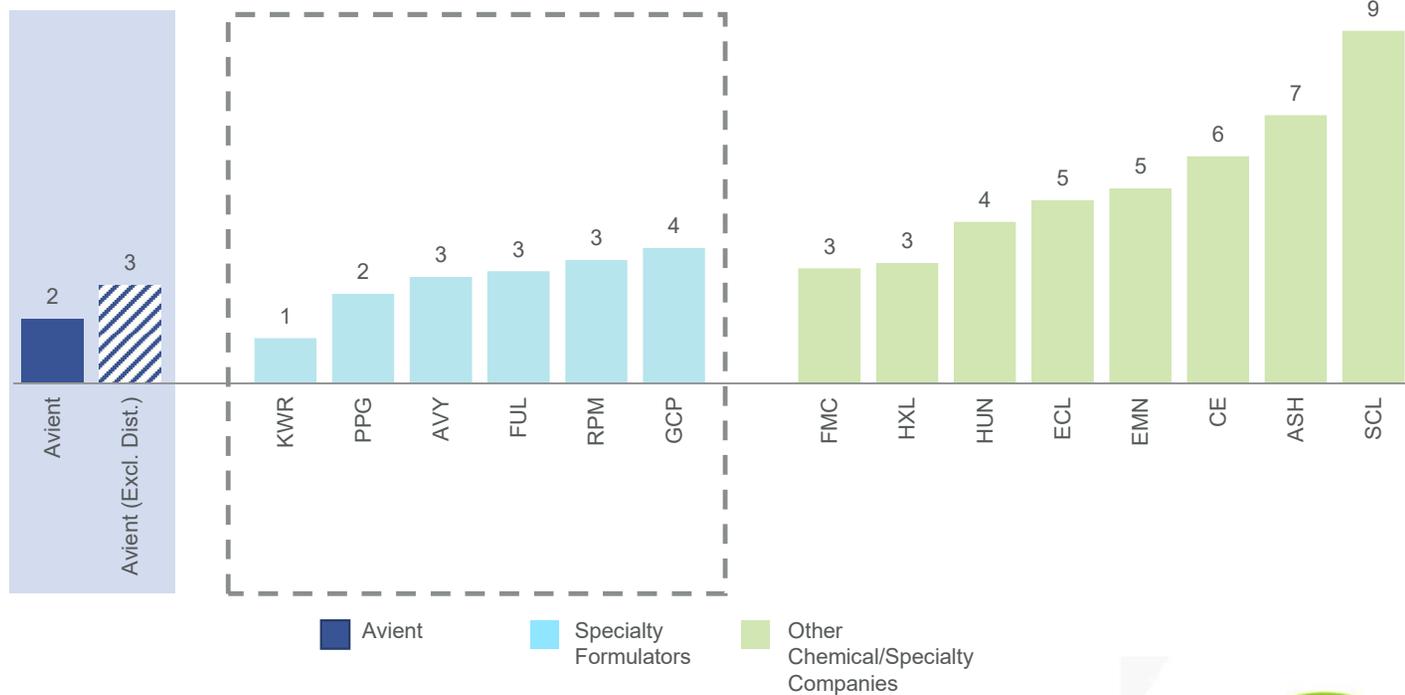


# Avient is Asset Light

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 December 2, 2021  
Avient reflects 2021 estimated revenue of \$4,750M and estimated CAPEX of \$80M (excludes one-time synergy capture CAPEX of \$20M)



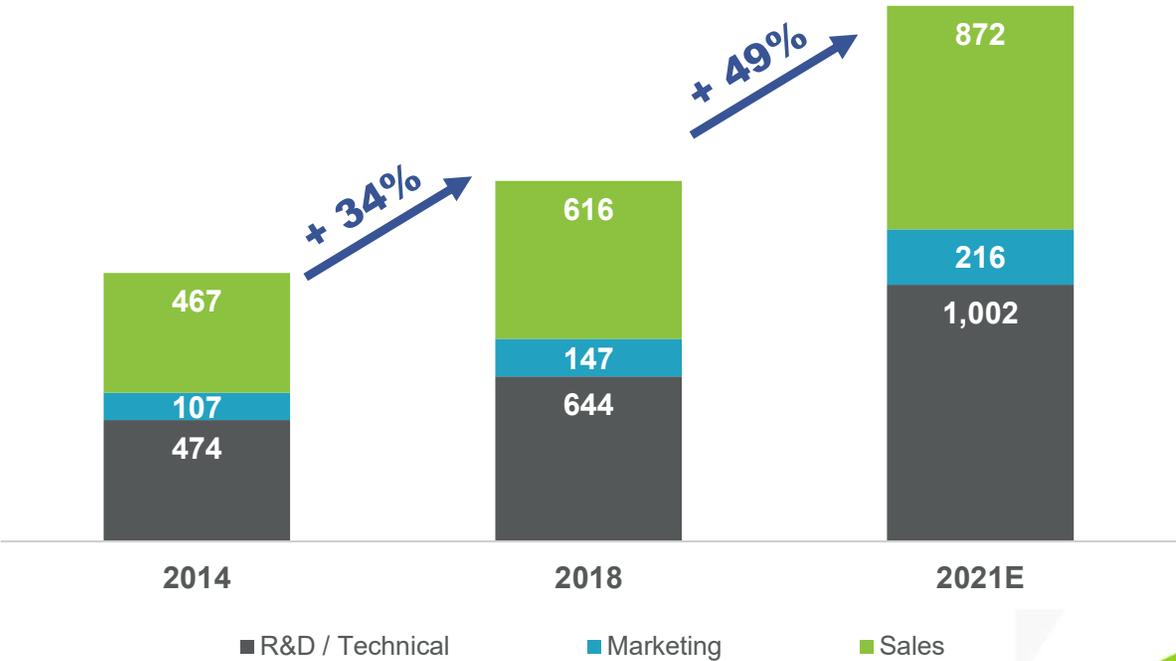
# Avient is High Touch

Our world-class vitality index of **35%** represents sales from products introduced in the last five years. This performance is not by chance. Rather, it's reflective of consistent, strategic investments in our portfolio...and people.

Commercial Excellence is part of our four-pillar strategy, and we invest, hire, train and measure performance accordingly. We leverage a high-touch, collaborative customer service model, driving rapid customer response and customization.

It's how we innovate best for them. **It's why we win.**

## Commercial Resources

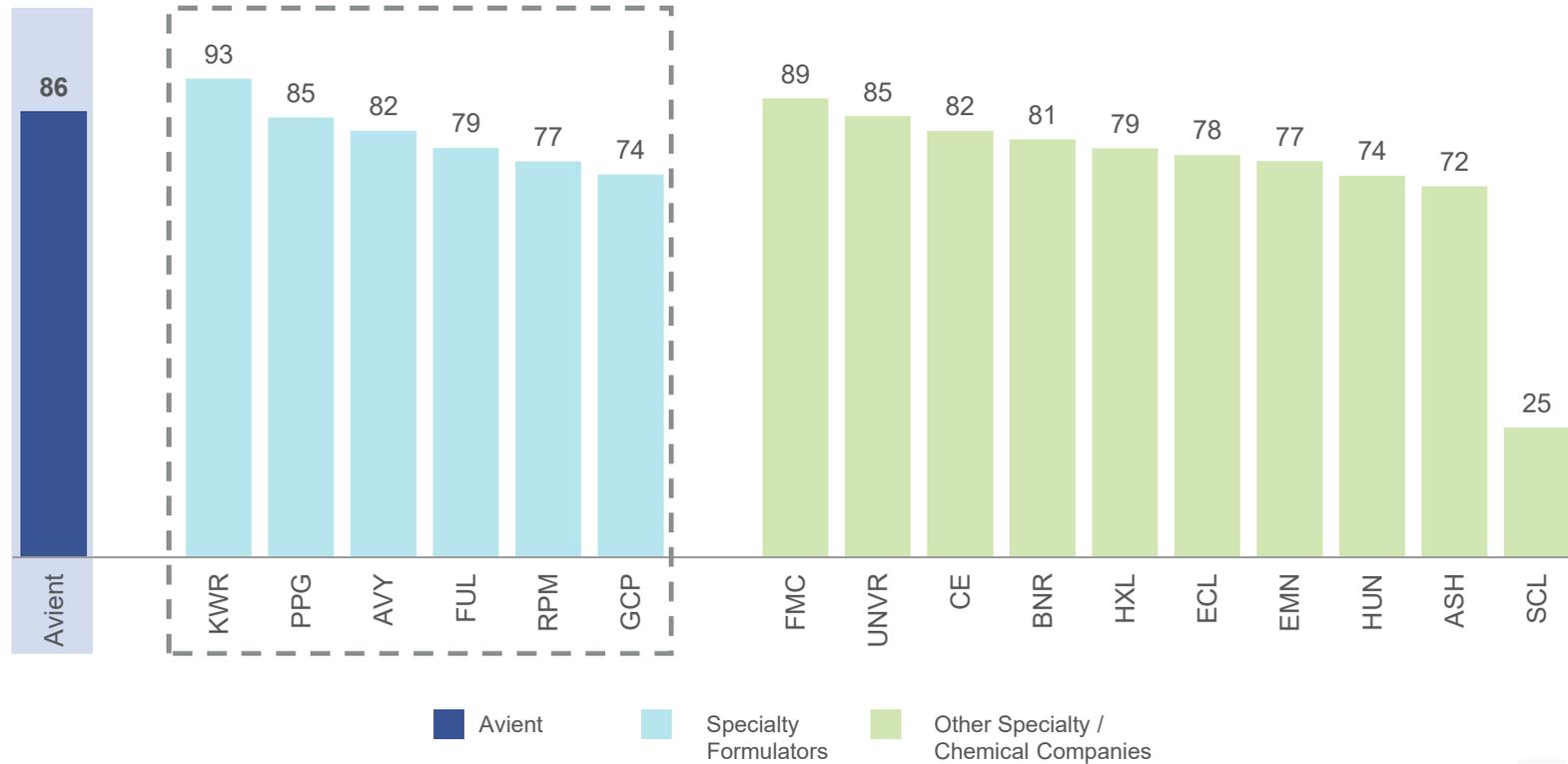


Headcount figures all Pro Forma for sale of Designed Structures and Solutions (DSS) and Performance Products and Solutions (PP&S) segments. 2021E data as of October 31, 2021.



# High Free Cash Flow Conversion

2021E (%)

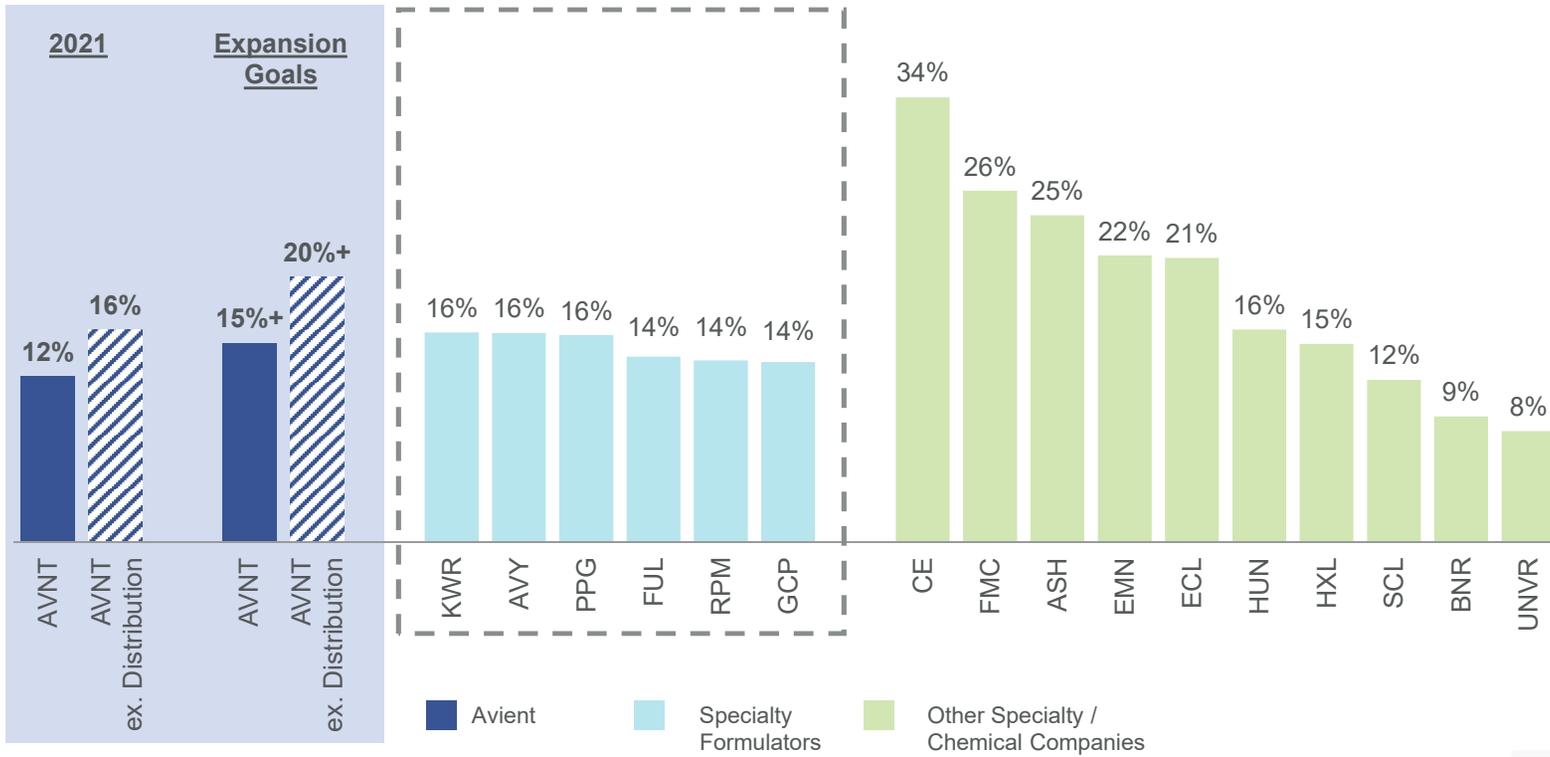


Source: Peer data per Bloomberg market data as of December 2, 2021  
 Avient reflects 2021 Adjusted EBITDA of \$580M and estimated CAPEX of \$80M (excludes one-time synergy capture CAPEX of \$20M)

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



# EBITDA Margins



Avient reflects 2021 Adjusted EBITDA of \$580M and guided revenue of \$4,750M.  
Peer data per Bloomberg market data as of December 2, 2021.



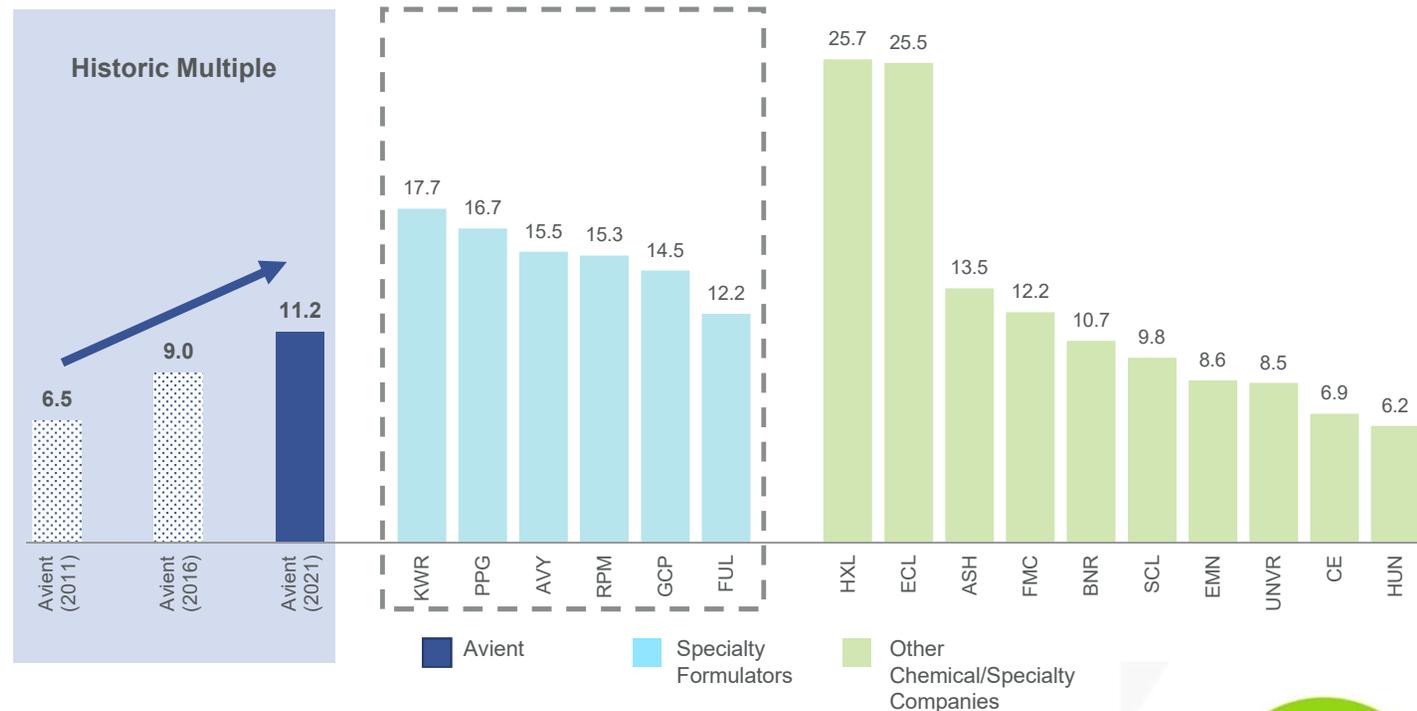
# Multiple Expansion

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**.

Over the last 10 years, our multiple has expanded as we have progressed in our portfolio transformation.

As a **specialty formulator** we have more room to go. We expect this expansion to continue as we execute our strategy, increase margins and consistently grow earnings in excess of the market.

Total Enterprise Value / 2021E EBITDA



Source: Peer data per Bloomberg market data as of December 2, 2021  
 Avient 2011 and 2016 valuations reflect trailing 12 months EBITDA at December 31 of the respective years.  
 Avient reflects 2021 Adjusted EBITDA of \$580M



# Key Takeaways

- **Culture** is everything – we are a high performing company *and* great place to work
- We are a **specialty formulator** of sustainable solutions
- We are well positioned to **consistently** deliver double digit growth from key mega trends and to increase ROIC
- We have and will continue to generate a high level of **Free Cash Flow**
- We will expand our portfolio with **select acquisitions** focused on composites *and* sustainable solutions
- Cash will be returned to shareholders with annual increases in dividends *and* opportunistic share repurchases



Investor Day 2021



**Thank You.**



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

<b>Reconciliation of EBITDA by Segment</b>	<b>Year Ended December 31, 2019</b>
<b>Sales:</b>	
Color, Additives and Inks	\$ 1,003.8
Specialty Engineered Materials	745.7
Distribution	1,192.2
Corporate and eliminations	(79.0)
Sales	<u>\$ 2,862.7</u>
<b>Operating income:</b>	
Color, Additives and Inks	\$ 147.4
Specialty Engineered Materials	83.7
Distribution	75.4
Corporate and eliminations	(149.7)
Operating income	<u>\$ 156.8</u>
<b>Items below OI in Corporate:</b>	
Other income, net	\$ 12.1
<b>Depreciation &amp; amortization:</b>	
Color, Additives and Inks	\$ 42.7
Specialty Engineered Materials	29.5
Distribution	0.5
Corporate and eliminations	5.4
Depreciation & Amortization	<u>\$ 78.1</u>
<b>EBITDA:</b>	
Color, Additives and Inks	\$ 190.1
Specialty Engineered Materials	113.2
Distribution	75.9
Corporate and eliminations	(132.2)
EBITDA	<u>\$ 247.0</u>
<b>EBITDA as a % of Sales:</b>	
Color, Additives and Inks	18.9 %
Specialty Engineered Materials	15.2 %
Distribution	6.4 %

<b>Reconciliation of Pro Forma EBITDA - Color, Additives and Inks</b>	<b>Year Ended December 31, 2019</b>
<b>Sales:</b>	
Color, Additives and Inks	\$ 1,003.8
Clariant Color pro forma adjustments <sup>(1)</sup>	1,118.6
Pro forma sales	<u>\$ 2,122.4</u>
<b>Operating income:</b>	
Color, Additives and Inks	\$ 147.4
Clariant Color pro forma adjustments <sup>(1)</sup>	72.9
Pro forma operating income	<u>\$ 220.3</u>
<b>Depreciation &amp; amortization:</b>	
Color, Additives and Inks	\$ 42.7
Clariant Color pro forma adjustments <sup>(1)</sup>	60.3
Pro forma depreciation & amortization	<u>\$ 103.0</u>
<b>EBITDA</b>	
Color, Additives and Inks	\$ 190.1
Clariant Color pro forma adjustments <sup>(1)</sup>	133.2
Pro forma EBITDA	<u>\$ 323.3</u>
<b>Pro forma EBITDA as a % of Sales</b>	<b>15.2 %</b>

(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

	2009*	2010*	2011*	2012*	2013	2014	2015	2016**	2017	2018	2018***	2019***	2020
Net income from continuing operations attributable to Avient common shareholders	\$106.7	\$152.5	\$153.4	\$ 53.3	\$ 94.0	\$ 78.0	\$144.6	\$166.4	\$173.5	\$161.1	\$ 87.7	\$ 75.5	\$ 152.7
Joint venture equity earnings, after tax	(19.0)	(14.7)	(3.7)	—	—	—	—	—	—	—	—	—	—
Special items, before tax <sup>(1)</sup>	(48.7)	24.2	(48.1)	55.1	46.3	164.2	87.6	23.8	32.9	59.5	58.7	61.7	66.2
Special items, tax adjustments <sup>(1)</sup>	(27.2)	(96.7)	(24.7)	(18.9)	(13.7)	(73.7)	(58.7)	(15.9)	(24.8)	(25.3)	(25.1)	(5.9)	(41.4)
Adjusted net income from continuing operations attributable to Avient common shareholders	<u>\$ 11.8</u>	<u>\$ 65.3</u>	<u>\$ 76.9</u>	<u>\$ 89.5</u>	<u>\$126.6</u>	<u>\$168.5</u>	<u>\$173.5</u>	<u>\$174.3</u>	<u>\$181.6</u>	<u>\$195.3</u>	<u>\$ 121.3</u>	<u>\$ 131.3</u>	<u>\$ 177.5</u>
Diluted shares	93.4	96.0	94.3	89.8	96.5	93.5	88.7	84.6	82.1	80.4	80.4	77.7	92.1
Adjusted EPS attributable to Avient common shareholders	\$ 0.13	\$ 0.68	\$ 0.82	\$ 1.00	\$ 1.31	\$ 1.80	\$ 1.96	\$ 2.06	\$ 2.21	\$ 2.43	\$ 1.51	\$ 1.69	\$ 1.93

\* Historical results have been updated to reflect subsequent changes to accounting principle and discontinued operations, excluding any changes as a result of discontinued operations from the sale of the Designed Structures and Solutions segment (DSS) and the Performance Products and Solutions segment (PP&S).

\*\* Pro Forma for sale of DSS.

\*\*\* Pro Forma for sale of PP&S.

\*\*\* Pro Forma for full year of the Clariant Color acquisition

Reconciliation to Pro Forma Adjusted EBITDA	Nine Months Ended September 30,		Year Ended December 31,	
	2020	2021	2020	2019
Net income from continuing operations – GAAP	\$ 59.1	\$ 201.7	\$ 133.8	\$ 75.7
Income tax expense	22.5	51.8	5.2	33.7
Interest expense	55.3	57.8	74.6	59.5
Depreciation and amortization from continuing operations	77.3	107.7	115.1	78.1
EBITDA	\$ 214.2	\$ 419.0	\$ 328.7	\$ 247.0
Special items, before tax	62.0	36.5	66.2	61.7
Interest expense included in special items	(10.1)	—	(10.1)	—
Depreciation and amortization included in special items	(2.5)	(0.1)	(3.2)	—
Adjusted EBITDA	\$ 263.6	\$ 455.4	\$ 381.6	\$ 308.7
Clariant MB pro forma adjustments <sup>(1)</sup>	75.1	—	75.1	133.2
Pro forma adjusted EBITDA	\$ 338.7	\$ 455.4	\$ 456.7	\$ 441.9

<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 Pro Forma Adjusted Earnings per Share	Year Ended December 31, 2020				
	Avient	Special Items	Adjusted Avient	Clariant MB Pro Forma Adjustments <sup>(1)</sup>	Pro Forma Adjusted Avient
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	\$ 132.0	\$ 24.8	\$ 156.8	\$ 20.7	\$ 177.5
Weighted average diluted shares					90.6
Impact to diluted shares from January 2020 equity offering					1.5
Pro forma weighted average diluted shares					92.1
Pro forma adjusted EPS					\$ 1.93

<sup>(1)</sup> - 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

<b>Return on Invested Capital</b>	<b>Year Ended December 31, 2006</b>
Short term debt	\$ 5.2
Current portion of long term debt	22.5
Long term debt	567.7
Shareholder's equity	574.5
Invested capital	\$ 1,169.9
Cash	66.2
Current invested capital (net)	<u>\$ 1,103.7</u>
Adjusted operating income	87.5
Current tax rate	0.33
Return on invested capital	5.3 %

<b>Reconciliation to Enterprise Value / Adjusted EBITDA</b>	<b>Year Ended December 31,</b>	
	<b>2011</b>	<b>2016</b>
Net income from continuing operations – GAAP	\$ 172.6	\$ 165.0
Income tax expense	26.1	57.3
Interest expense	33.7	59.8
Depreciation and amortization from continuing operations	57.5	105.9
EBITDA	\$ 289.9	\$ 388.0
Special items, before tax	(46.7)	35.3
SunBelt equity income	(5.7)	—
Depreciation and amortization included in special items	—	(5.4)
Adjusted EBITDA	<u>\$ 237.5</u>	<u>\$ 417.9</u>
Enterprise value <sup>(2)</sup>	\$ 1,542.0	\$ 3,763.0
Enterprise value / adjusted EBITDA	6.5	9.0

(2) - Enterprise value is defined as market capitalization plus net debt