



POLYONE
INVESTOR
PRESENTATION
MARCH 2018

PolyOne[™]

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 performance and/or sales.

Factors that could cause actual results to differ materially from those implied by these forward-looking statements include, but are not limited to:

- Our ability to identify and evaluate acquisition targets and consummate acquisitions;
- The ability to successfully integrate acquired companies into our operations, retain the management teams of acquired companies, retain relationships with customers of acquired companies, and achieve the expected results of such acquisitions, including whether such businesses will be accretive to our earnings;
- 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;
- Our ability to achieve new business gains;
- The effect on foreign operations of currency fluctuations, tariffs and other political, economic and regulatory risks;
- Changes in polymer consumption growth rates and laws and regulations regarding the disposal of plastic in jurisdictions where we conduct business;
- Changes in global industry capacity or in the rate at which anticipated changes in industry capacity come online;
- 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 or delays in achieving or achievement of less than the anticipated financial benefit from initiatives related to working capital reductions, cost reductions and employee productivity goals;
- Information systems failures and cyber attacks;
- Our ability to continue to pay regular cash dividends and the amounts and timing of any future dividends; and
- Other factors affecting our business beyond our control, including, without limitation, changes in the general economy, changes in interest rates and changes in the rate of inflation.

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, Specialty platform operating income percentage, adjusted operating income, and return on invested capital.
- PolyOne'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. In addition, operating income before special items and adjusted EPS are components of various PolyOne annual and long-term employee incentive plans.
- A reconciliation of each 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.polyone.com.

CORE VALUES

Collaboration Innovation Excellence

VISION

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

STRATEGY

Commercial Excellence

Specialization

Globalization

Operational Excellence

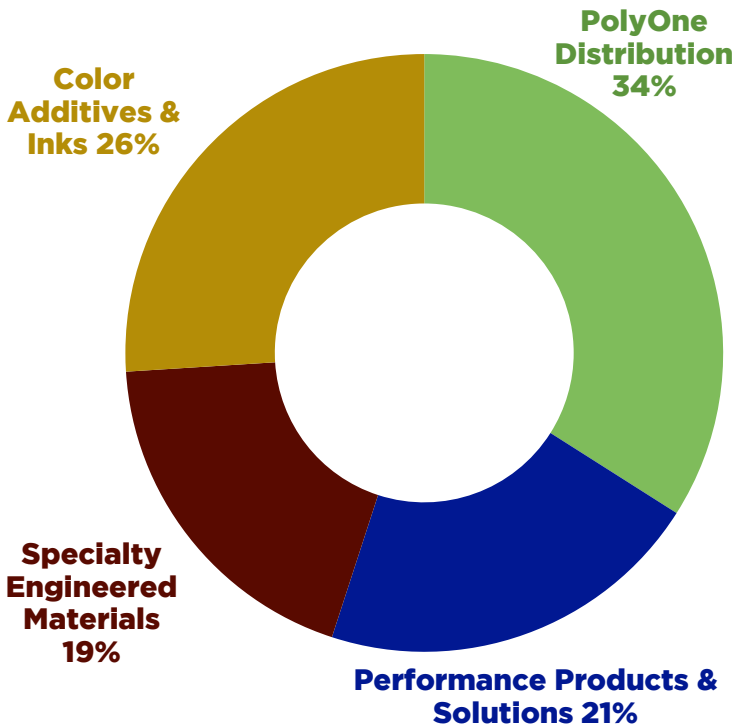
PERSONAL VALUES

Honesty Respect Integrity

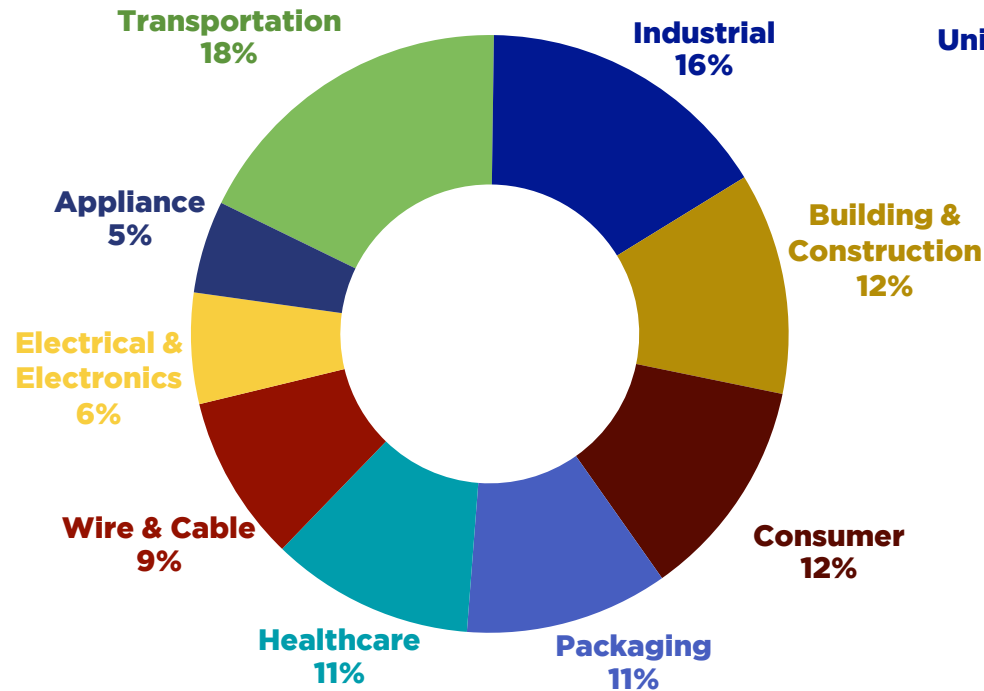
POLYONE

2017 REVENUE | \$3.2 BILLION

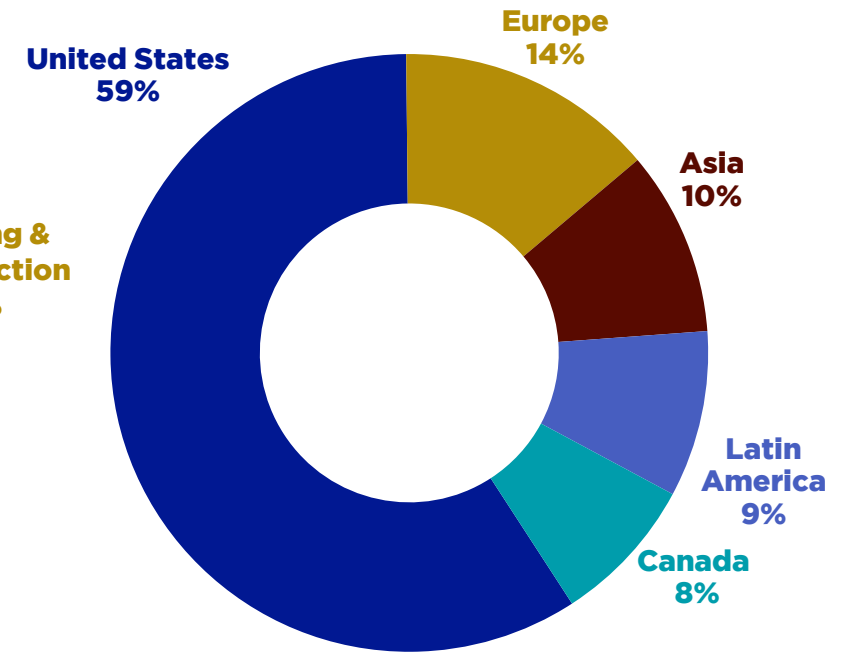
Segment



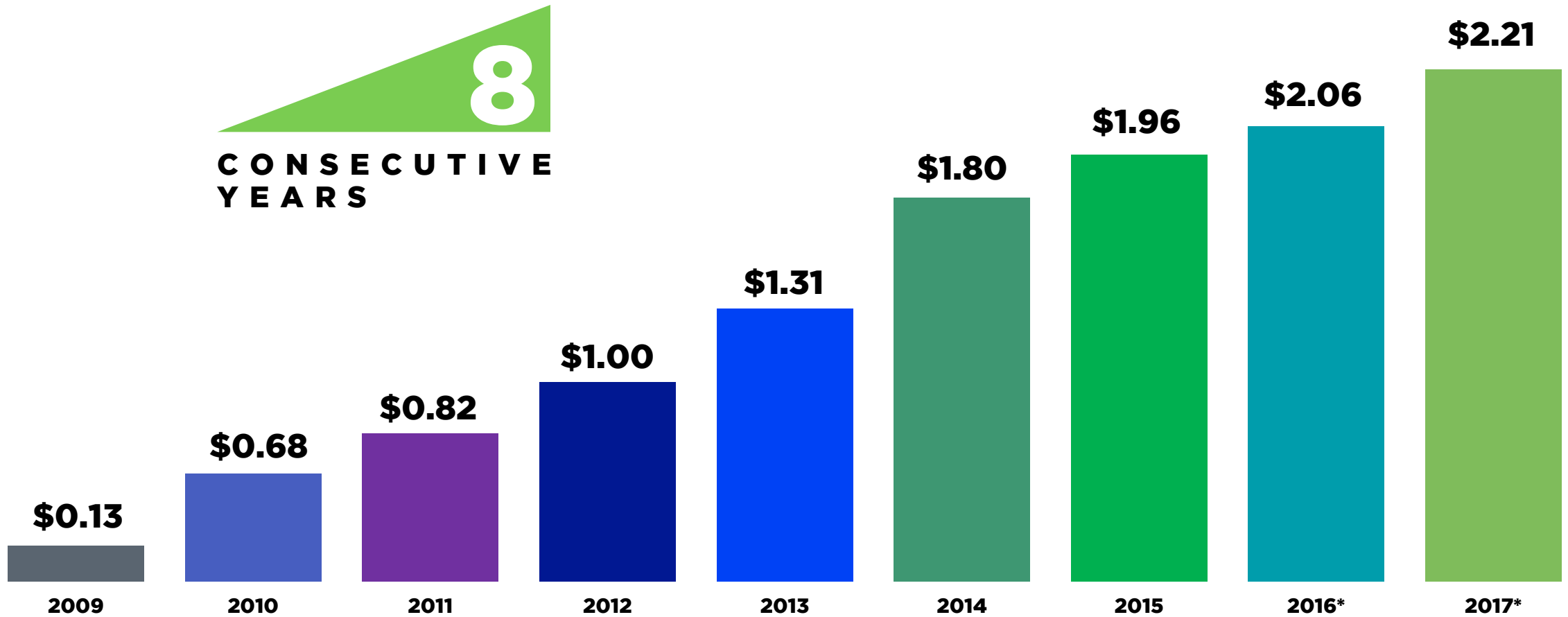
End Market



Geography

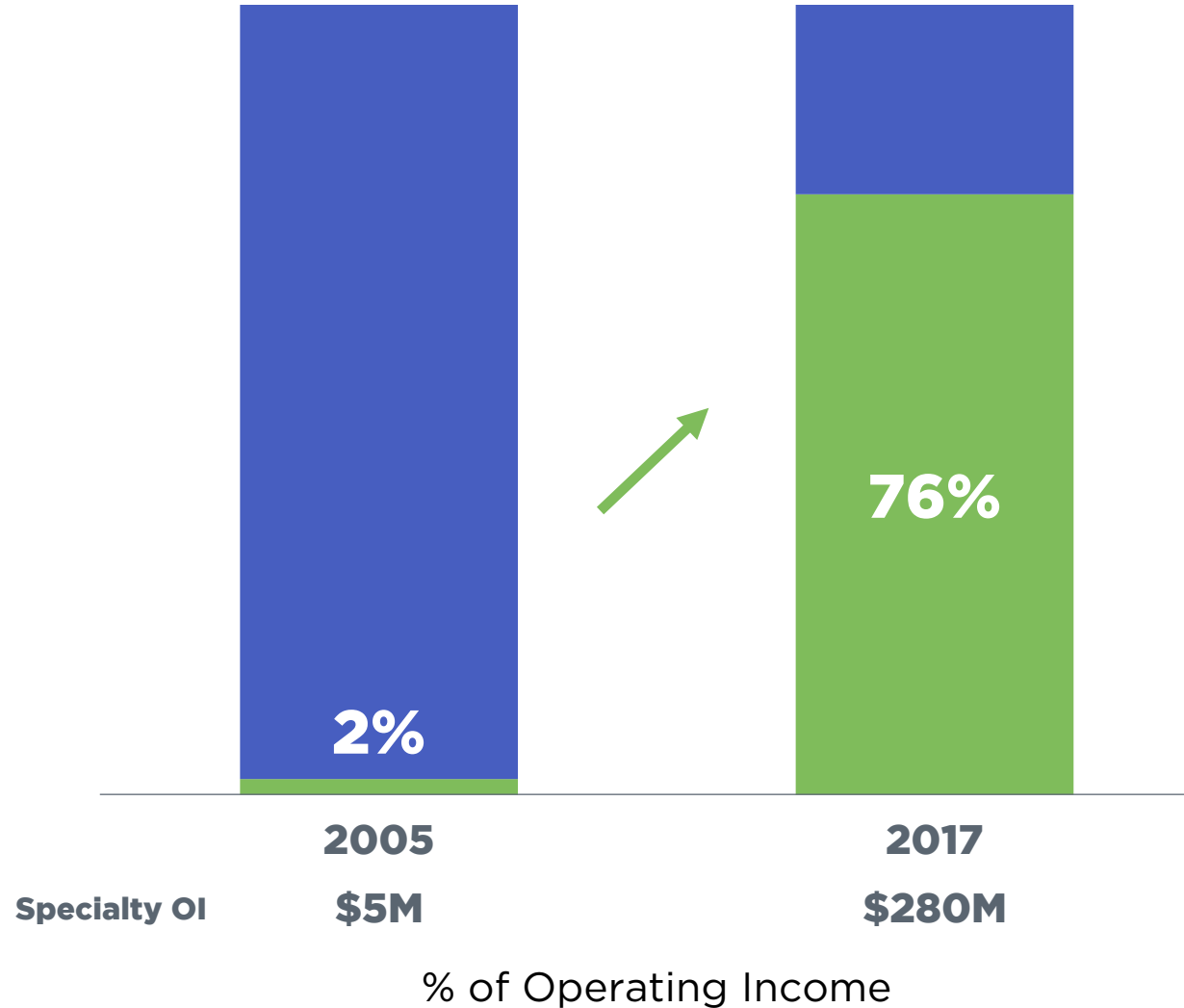


ADJUSTED EPS EXPANSION



*Pro Forma for sale of DSS

EARLY YEARS DEFINED BY SPECIALTY MIX IMPROVEMENT



PROOF OF PERFORMANCE & PLATINUM VISION

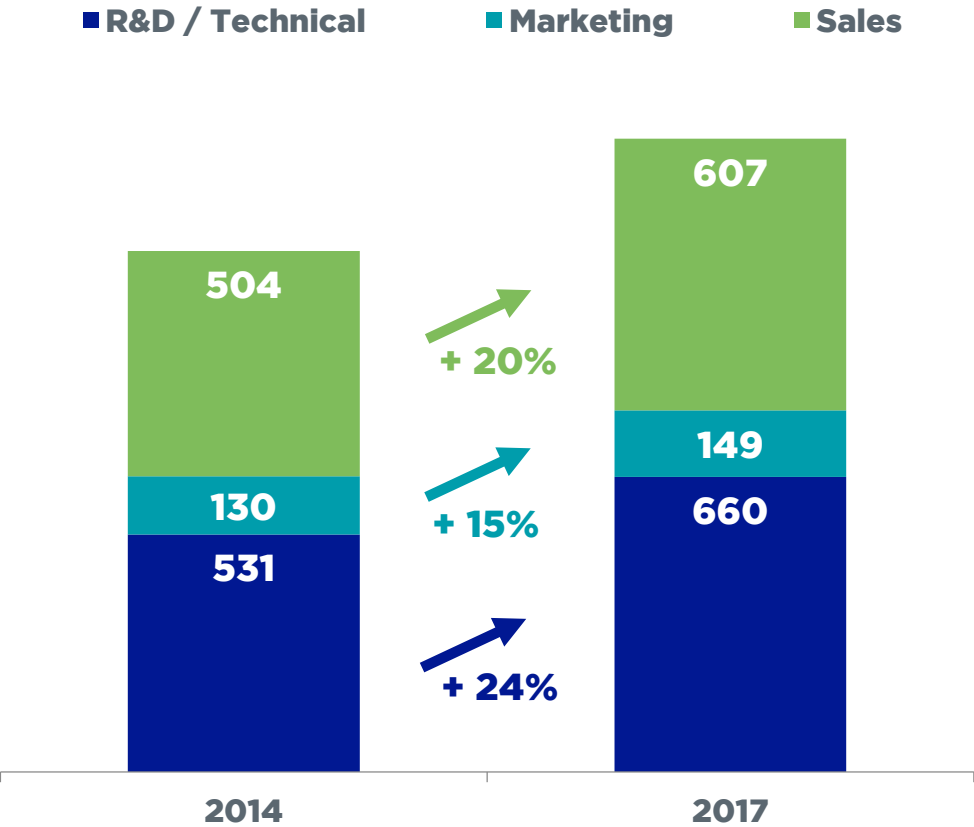
	2006 “Where we were”	2017 “Where we are”	2020 Platinum Vision
ROIC*	5.0%	14.0%	15.0%
Operating Income % of Sales			
Color, Additives & Inks	1.7%	15.5%	20%+
Specialty Engineered Materials	1.1%	12.5%	20%+
Performance Products & Solutions	5.5%	10.7%	12-14%
Distribution	2.6%	6.3%	6.5-7.5%

Consistently Deliver Double Digit Annual EPS Growth

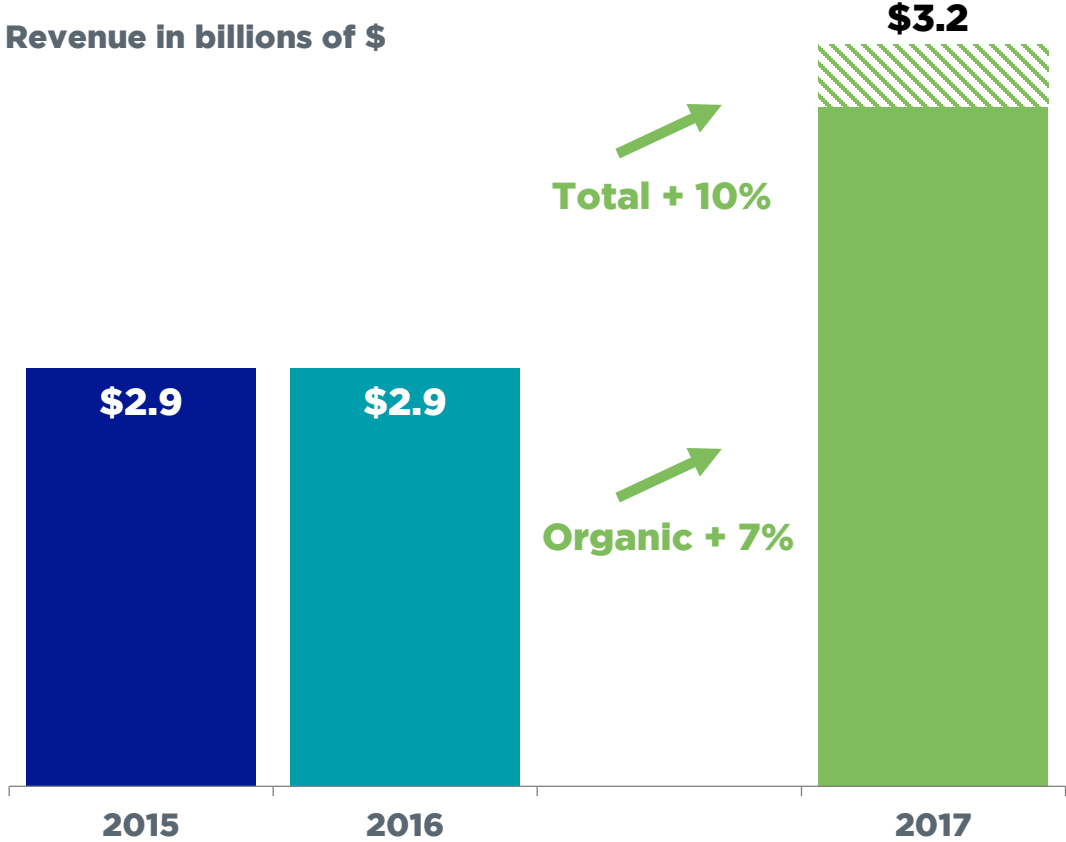
*ROIC is defined as TTM adjusted OI after tax divided by the sum of average debt and equity less cash over a 5 quarter period

INVESTMENT IN COMMERCIAL RESOURCES DRIVING GROWTH

Increased commercial headcount



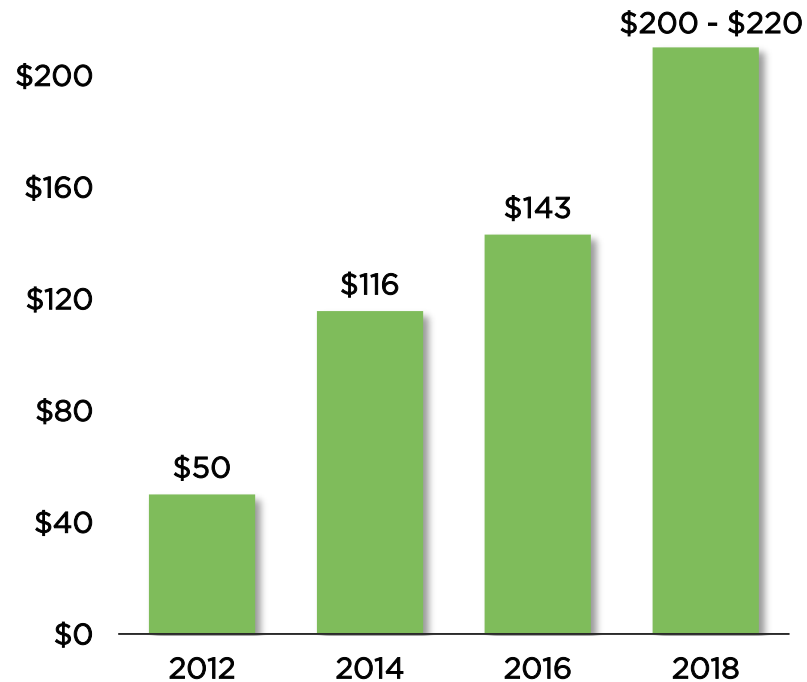
Largest organic revenue growth since recession



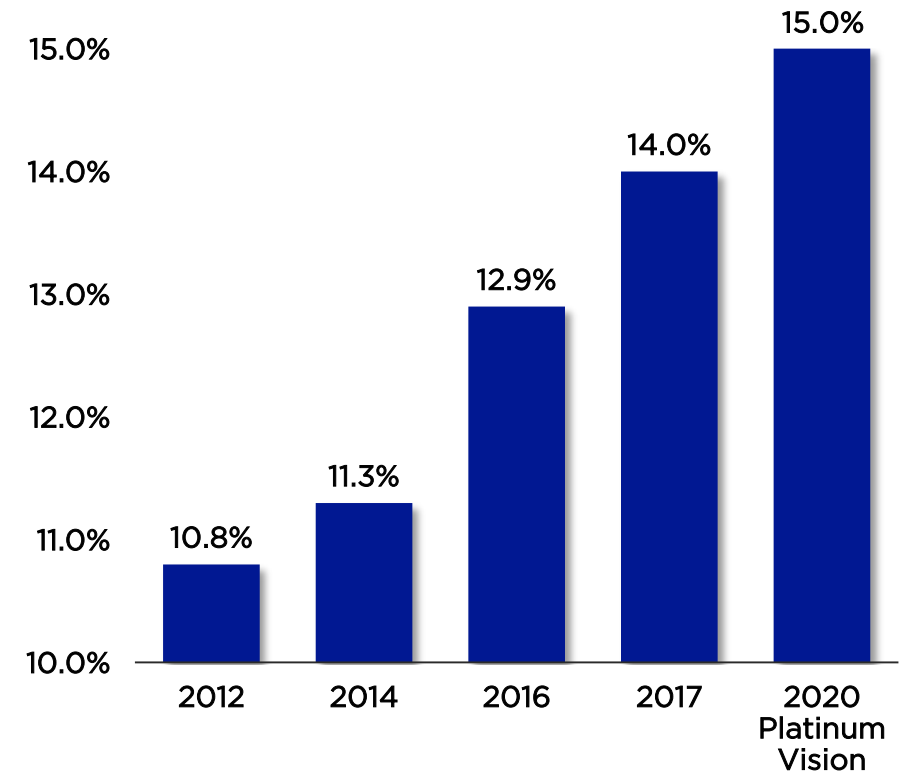
FREE CASH FLOW AND IMPROVING RETURNS

Free Cash Flow

(In millions)



ROIC*



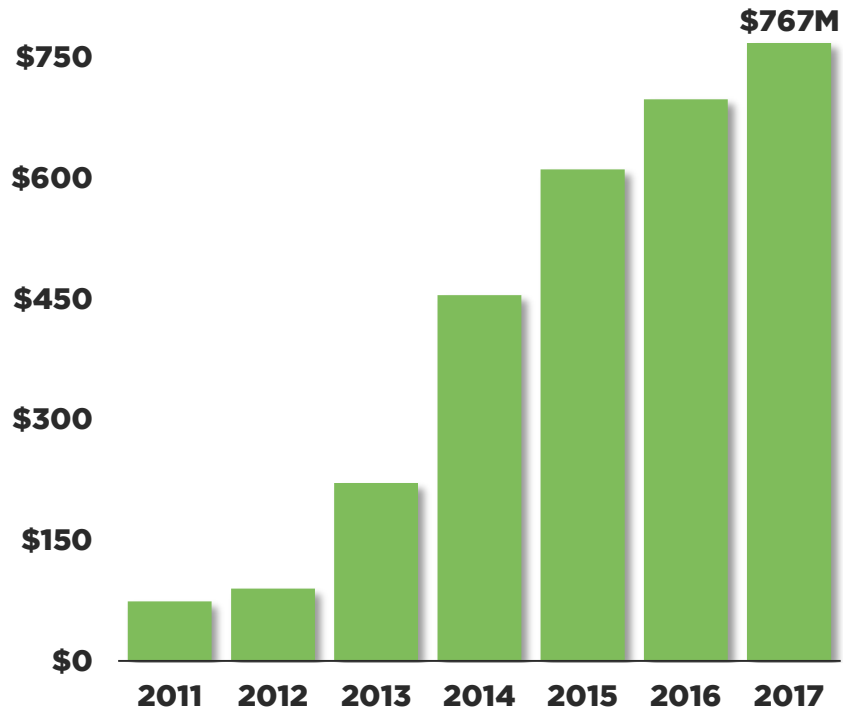
*ROIC is defined as TTM adjusted OI after tax divided by the sum of average debt and equity less cash over a 5 quarter period

RETURNING CASH TO SHAREHOLDERS

OVER \$950 MILLION SINCE 2011

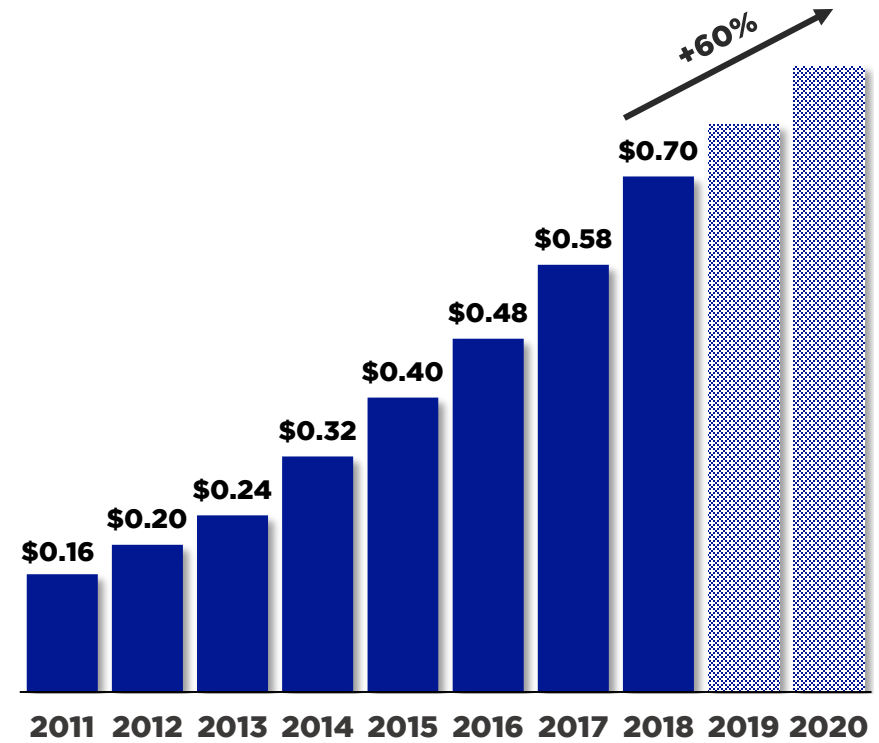
Cumulative Share Repurchases

(In millions)



Increasing Annual Dividend

3-Year Dividend Plan



3 HORIZONS OF DEVELOPMENT

INNOVATION

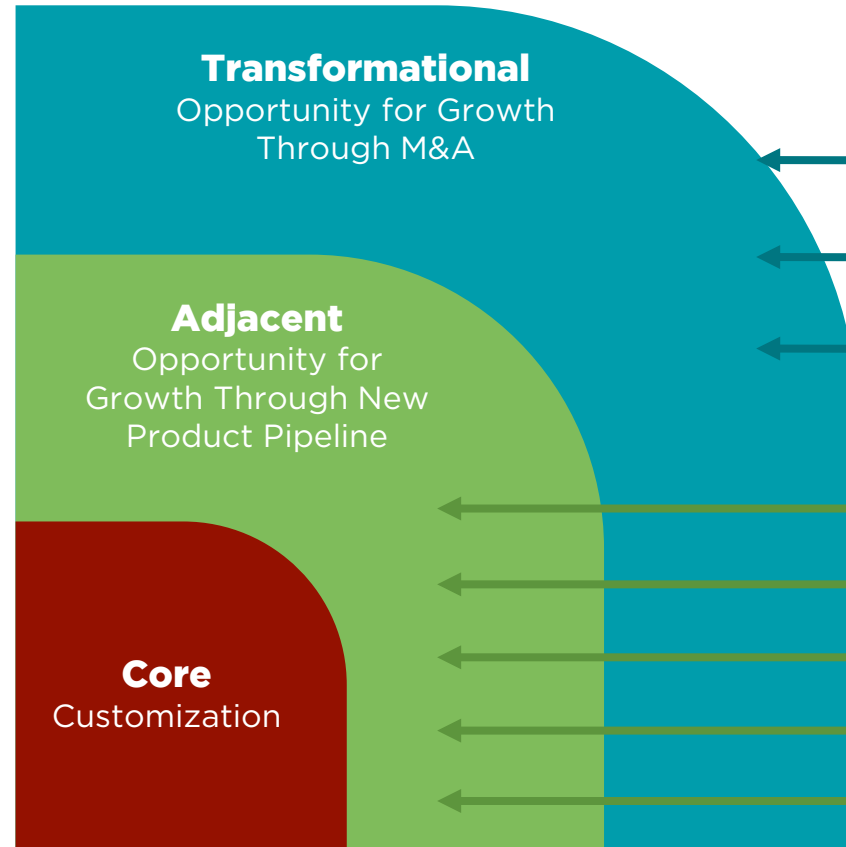
Market

Create new markets, target new customer needs

Service adjacent markets and customers

Service existing markets and customers

Technical



Transformational
Opportunity for Growth Through M&A

Adjacent
Opportunity for Growth Through New Product Pipeline

Core
Customization

New technology development outside of and with our current base

Incremental development from existing base of technology

New development adjacent to current technology

ColorMatrix - Liquid Color & Additives

Gordon Composites/ Polystrand - Composites

GLS - Thermoplastic Elastomers

Non-Halogen Flame Retardants

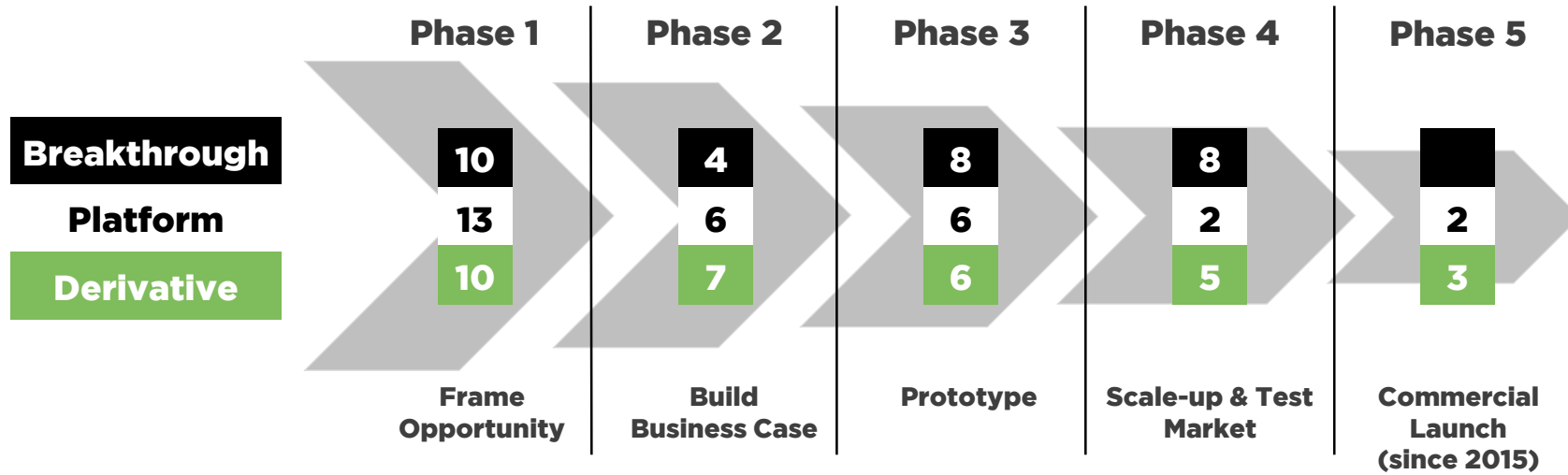
Barrier Technologies

Fiber Colorants

Advanced Composites

Thermoplastic Elastomers

INNOVATION PIPELINE



Number of Projects	33	17	20	15	5	90
Total Addressable Market (\$ millions)	-	-	\$800	\$1,400	\$600	\$2,800



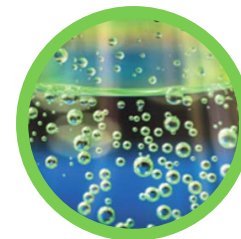
**ADVANCED
COMPOSITES**



**THERMOPLASTIC
ELASTOMERS**



**FLAME
RETARDANT
POLYMERS**



**BARRIER
MATERIALS**



**COLORANT
TECHNOLOGIES**

IQ DESIGN LABS

Launched in 2014, IQ Design Labs is our in-house industrial design team that focuses on material selection and processing expertise to help with problem solving, enabling our clients to develop higher performance products.

2014		2017	
3	to	14	industrial designers
\$0	to	\$7M	new business revenue
\$4M	to	\$40M	opportunities identified



A UNIQUE CUSTOMER EXPERIENCE



LSS CUSTOMER FIRST

Enables sales growth by building more intimate customer relationships, giving us insight to customers' needs, with a service that is not easily replicated

Customer Projects

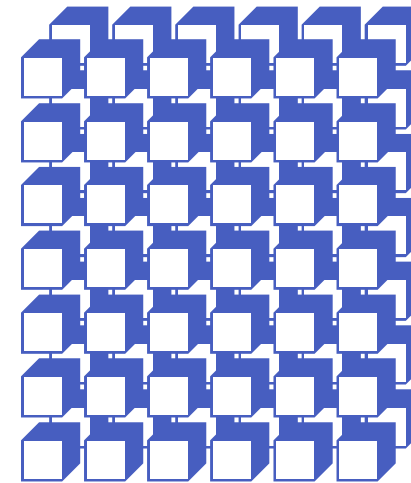
Cumulative LSS Projects

2014



2

2017



85

WHY INVEST IN POLYONE?

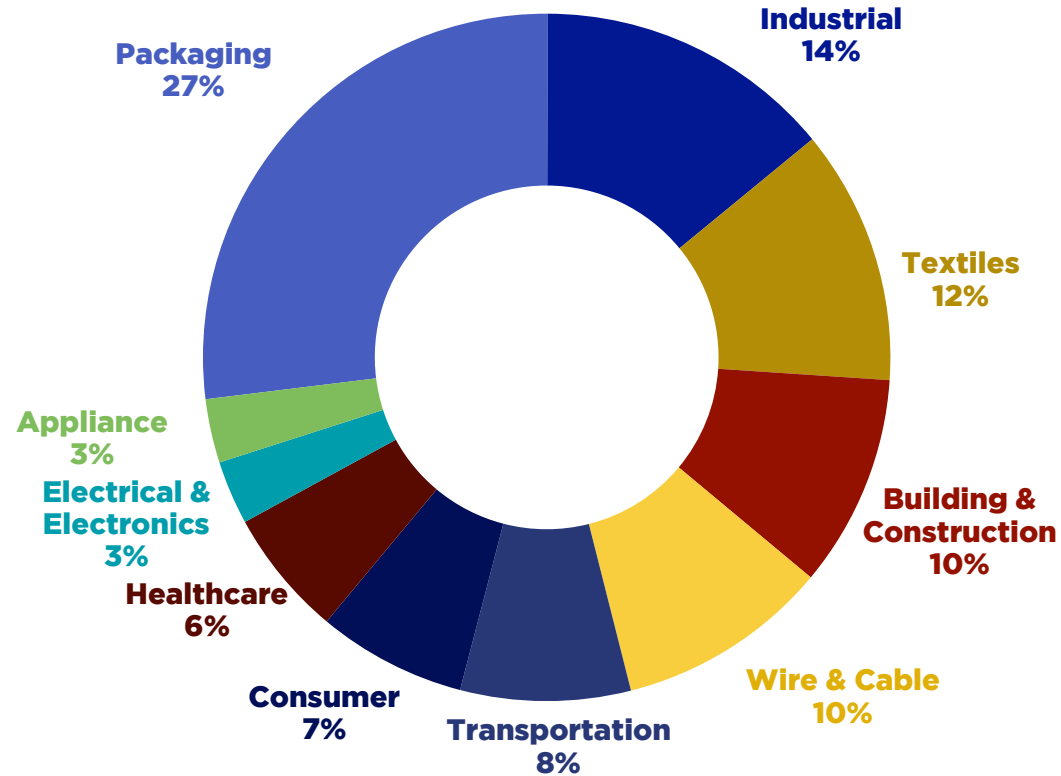
THE NEW POLYONE: A SPECIALTY GROWTH COMPANY

- Growing leadership position in attractive markets
- Innovation, technology and service are differentiators
- Capital management is a strength: Record-setting cash generation to continue for years
- Expand ROIC while increasing invested capital
- Proven acquisition strategy with robust pipeline
- Commercial investments are fueling momentum and generating organic growth

SEGMENT HIGHLIGHTS

COLOR, ADDITIVES & INKS

END MARKETS & SOLUTIONS



**Solid
Colorants**



**Liquid
Colorants**



**Performance
Additives**

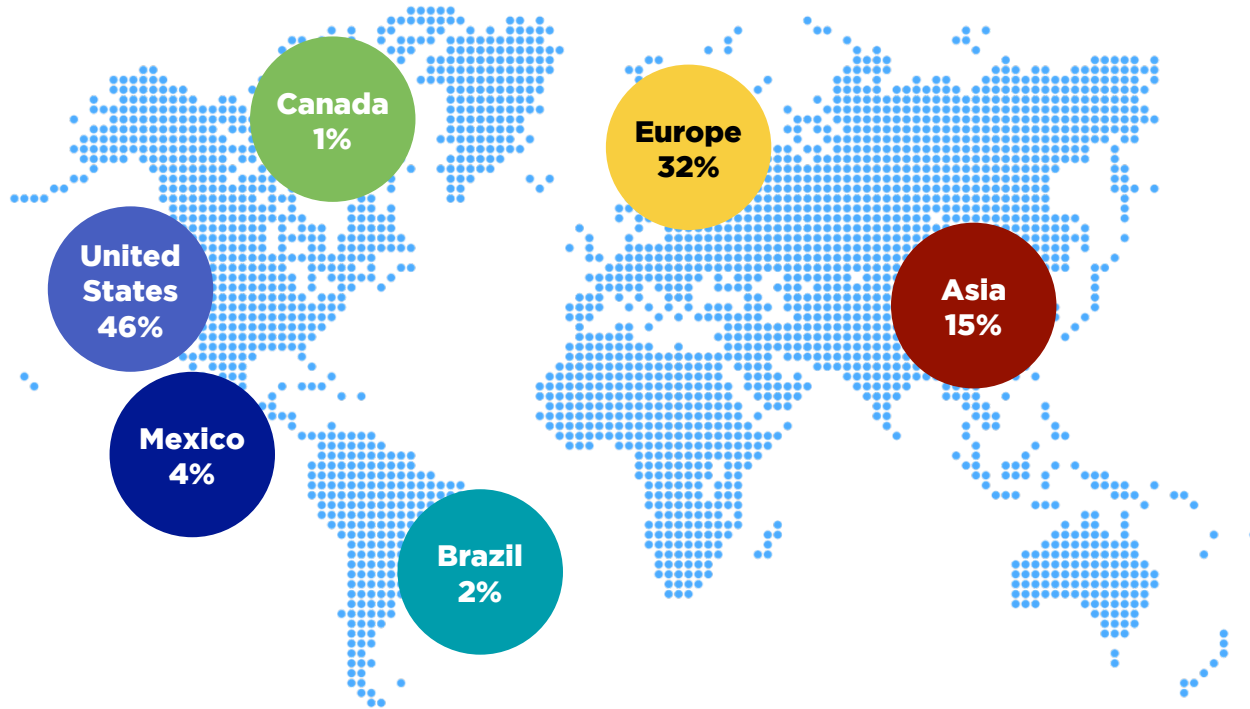


**Screen
Printing Inks**

COLOR, ADDITIVES & INKS

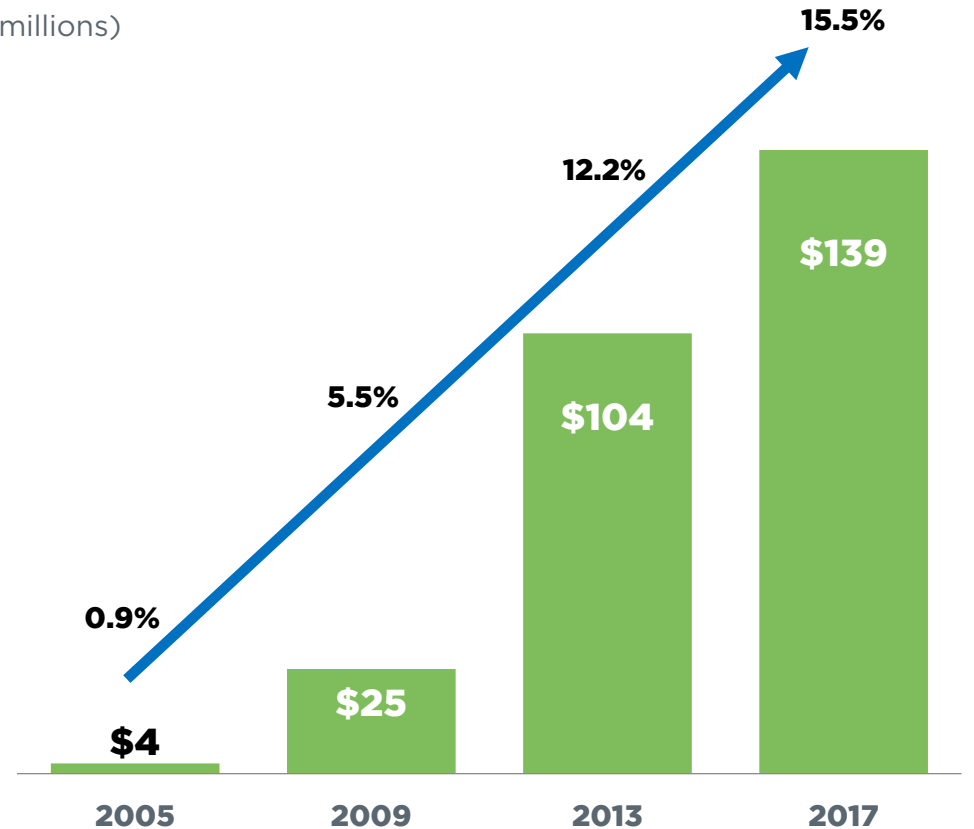
2017 REVENUE | \$893 MILLION

Revenue by Region



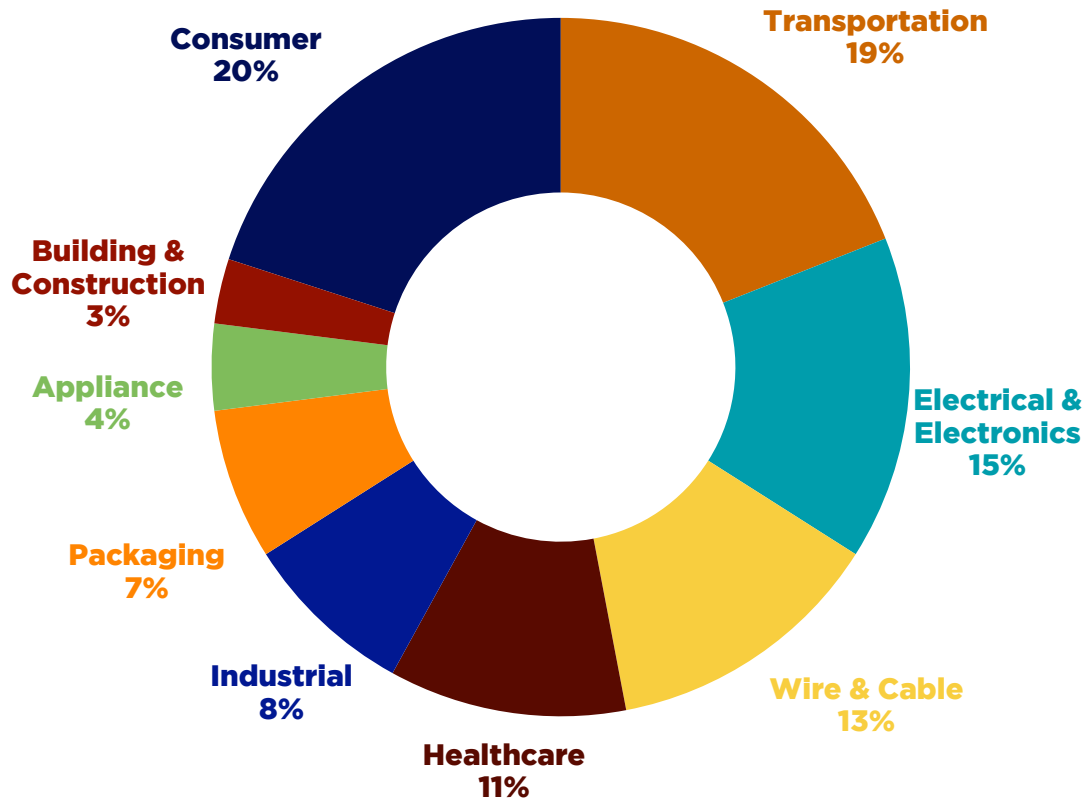
Operating Income & Margin

(in millions)



SPECIALTY ENGINEERED MATERIALS

END MARKETS & SOLUTIONS



Engineered Formulations



Advanced Composites

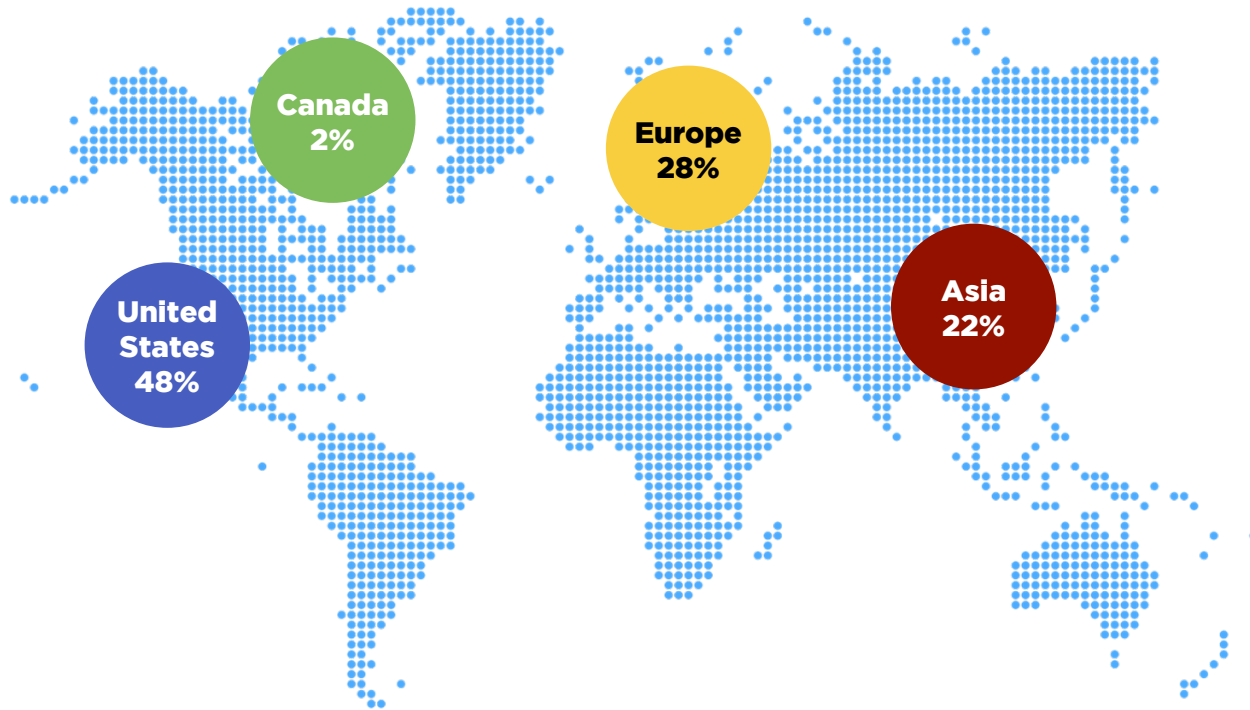


Thermoplastic Elastomers

SPECIALTY ENGINEERED MATERIALS

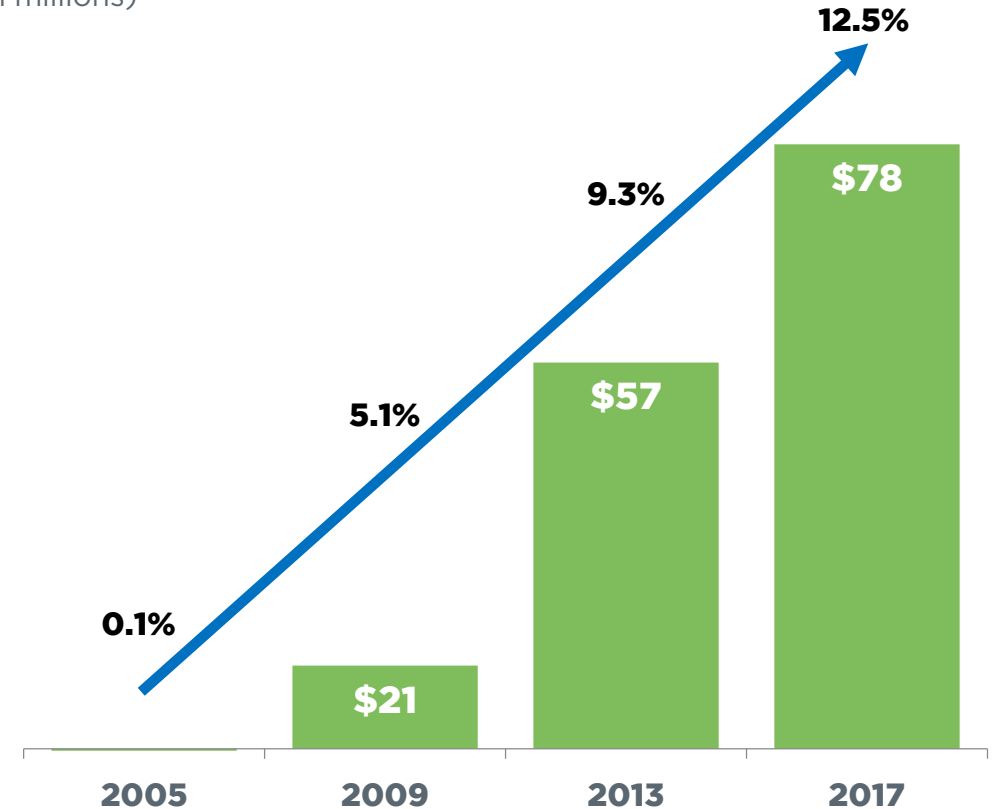
2017 REVENUE | \$624 MILLION

Revenue by Region



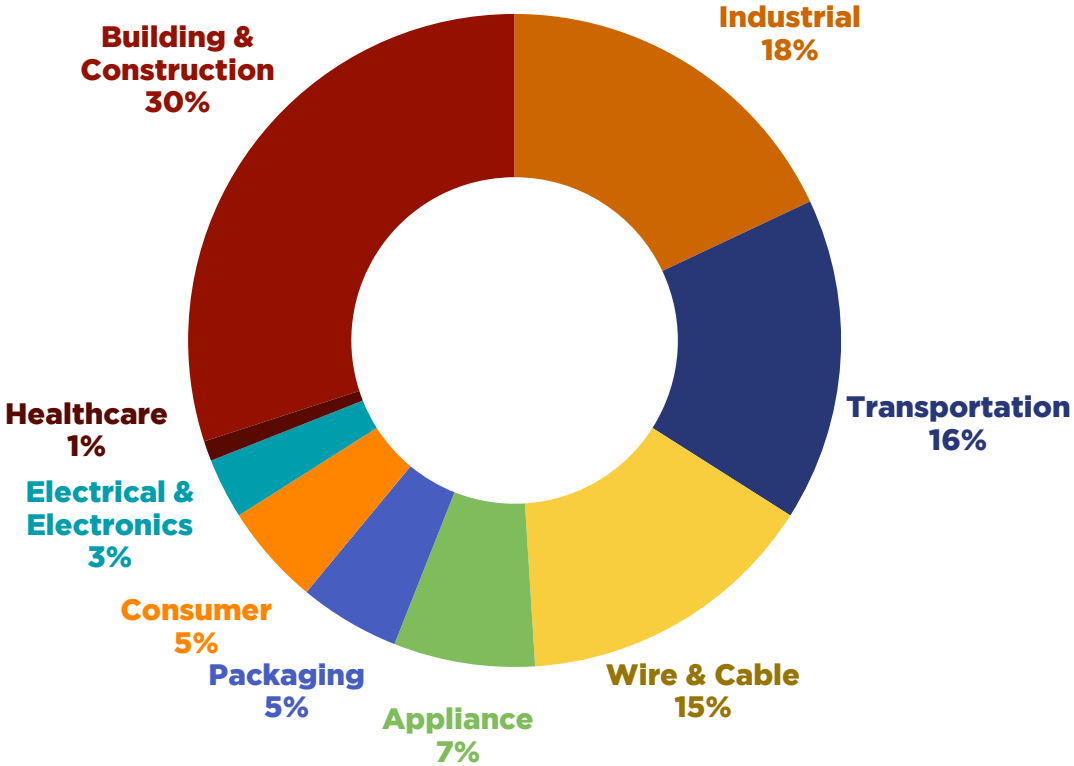
Operating Income & Margin

(in millions)



PERFORMANCE PRODUCTS & SOLUTIONS

END MARKETS & SOLUTIONS



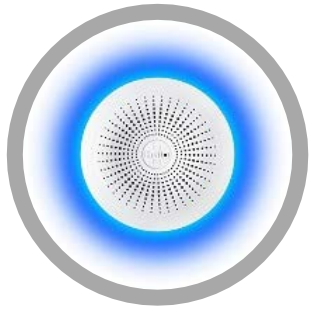
Specialty Vinyl Solutions



Flame Retardant Polymers



Healthcare Formulations

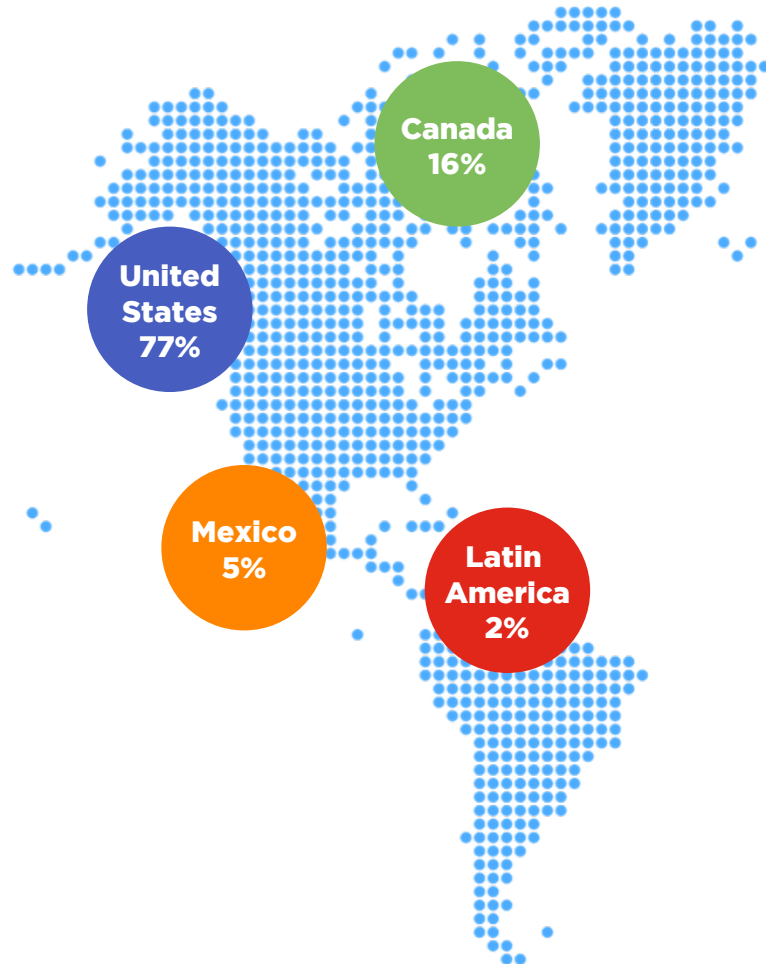


Smart Device Materials

PERFORMANCE PRODUCTS & SOLUTIONS

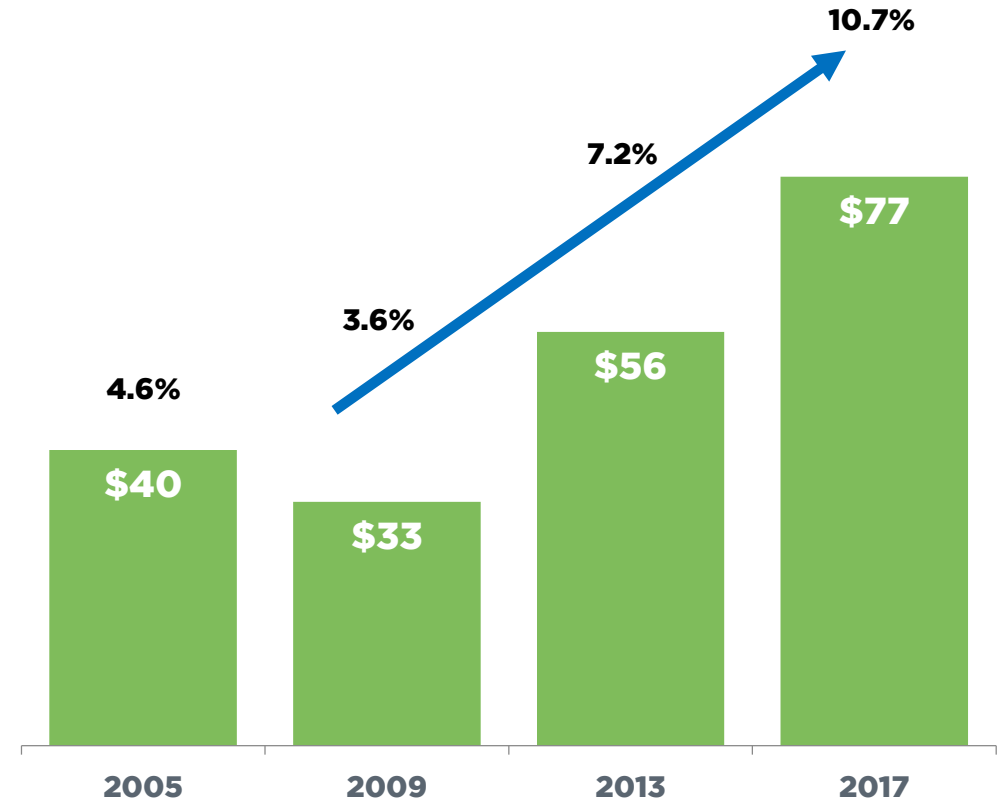
2017 REVENUE | \$721 MILLION

Revenue by Region



Operating Income & Margin

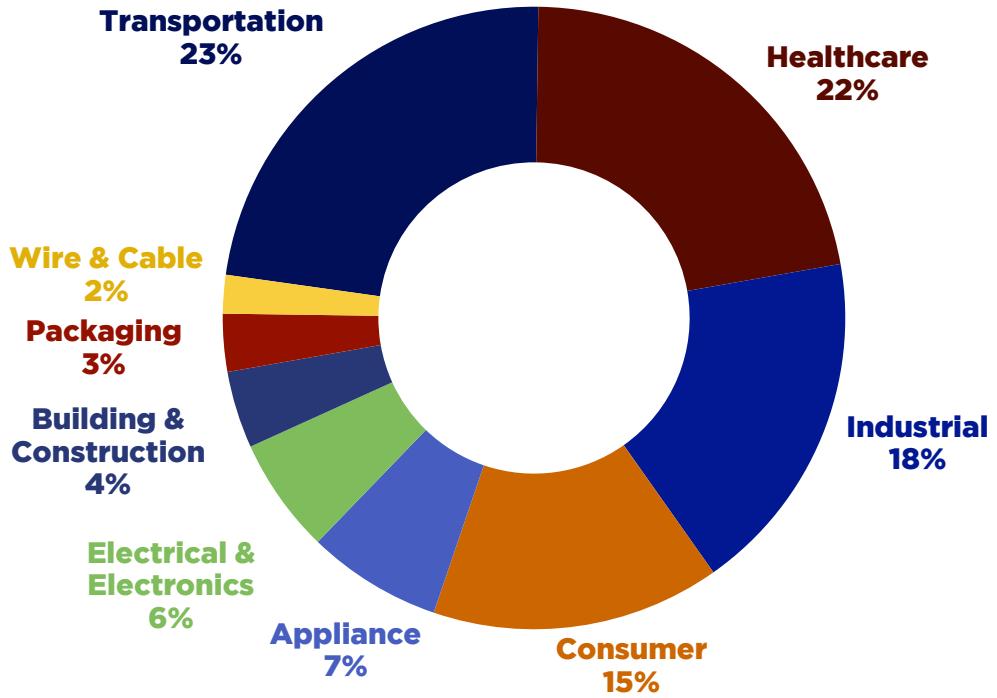
(in millions)



DISTRIBUTION

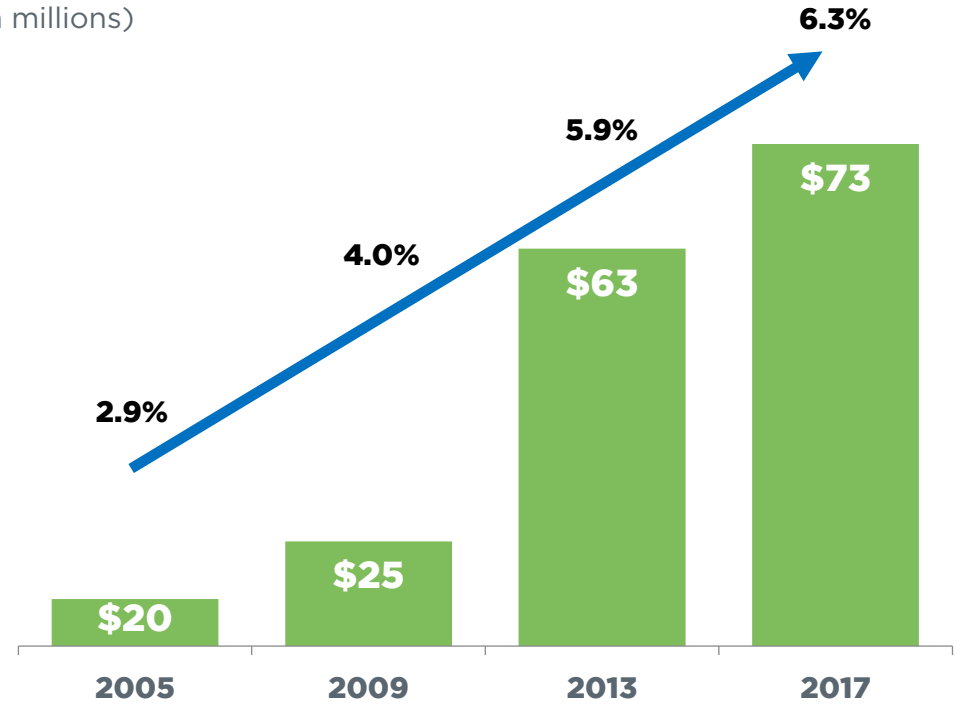
END MARKETS & SUPPLIERS

2017 Revenue | \$1.2 Billion



Operating Income & Margin

(in millions)





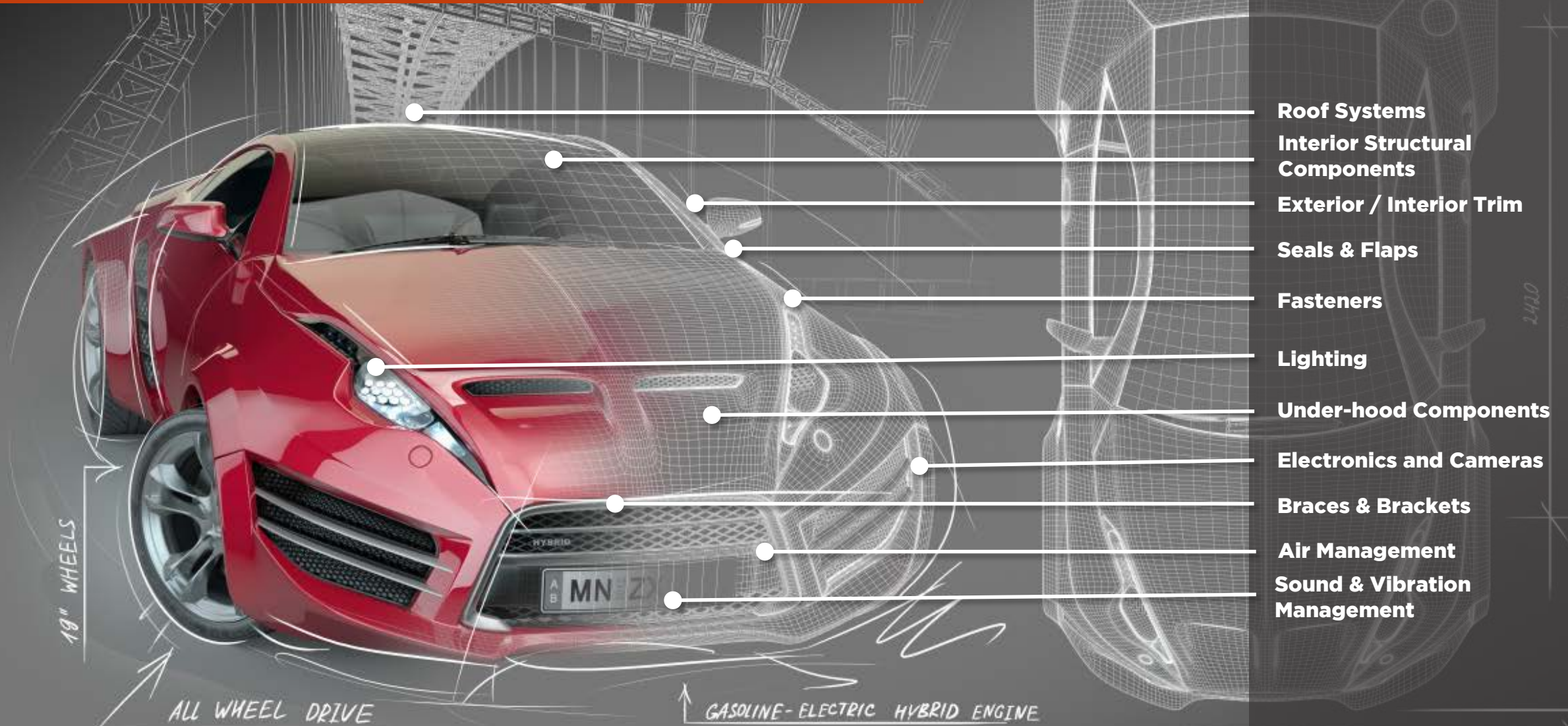
TARGET END MARKETS & APPLICATION EXAMPLES

Target End Markets... Healthcare

- Structural Composites
- Elastomeric Grips and Handles
- Antimicrobial Technologies
- Thermally Conductive Technologies
- Anti-Counterfeiting Technologies
- Catheter Technologies
- Chemical Resistant Technologies
- Polymer Colorants



Target End Markets... Automotive



Target End Markets... Consumer

Elastomeric Grips and Handles

Polymer Colorants

Thermally Conductive Components

Structural Composite Components



Target End Markets... Packaging

UV Light Barrier Technologies

Cap & Closure Colorants

Laser Marking Additives

**Oxygen Scavenger
Technologies**

Antistatic Technologies

**Process Optimization
Technologies**

Antioxidant Technologies

**Density Modified
Technologies**



Gravitech™ Density Modified Polymers

Luxury Packaging

- Impart weight, sound and metallic finish to caps and closures for cosmetics and spirits applications
- Elevate quality and prestige perceptions among high-end consumers
- Eliminate time and cost associated with secondary operations and assembly



OnColor™ Super Concentrates

Optimize Color Usage

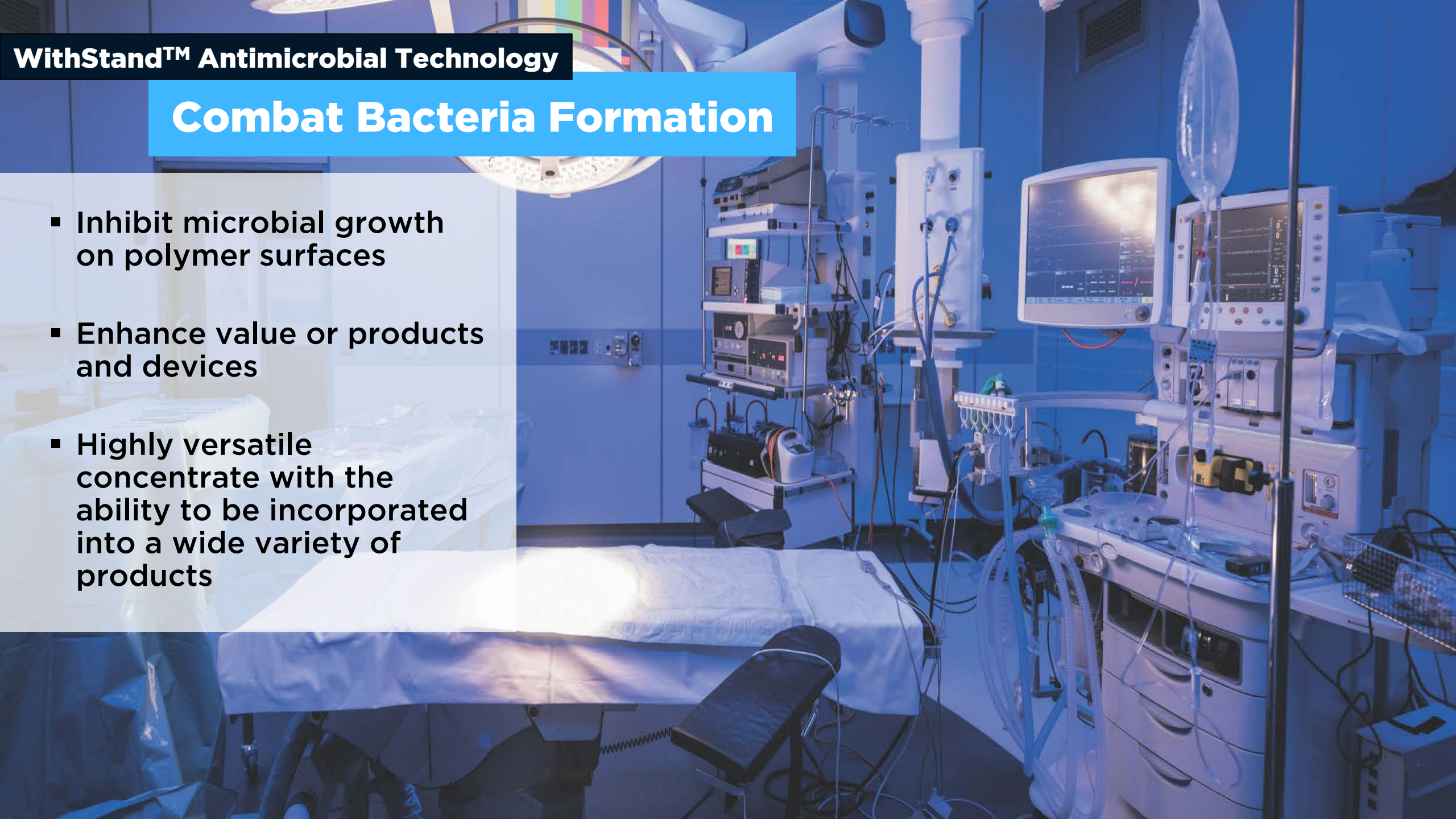
- **Eliminate costs by increasing pigment density**
- **Enhance color performance without altering form and formulation**
- **Increase design capabilities by reducing weight and layer thickness**



WithStand™ Antimicrobial Technology

Combat Bacteria Formation

- **Inhibit microbial growth on polymer surfaces**
- **Enhance value of products and devices**
- **Highly versatile concentrate with the ability to be incorporated into a wide variety of products**



A close-up, slightly blurred photograph of medical equipment, likely an infusion pump or similar device. The image shows a clear plastic housing, a digital display screen, and various control buttons and dials. The background is a soft-focus view of the device's control panel, featuring several circular buttons and a larger display area. The overall color palette is dominated by light blues, greys, and whites, with some yellow and red accents on the buttons.

Chemically Resistant Engineered Polymers

Medical Device Housings

- **Durable, long-lasting products stand up to the most aggressive disinfectants**
- **Minimize environmental stress cracking and discoloration**
- **One of the broadest medically approved polymer and colorant portfolios**

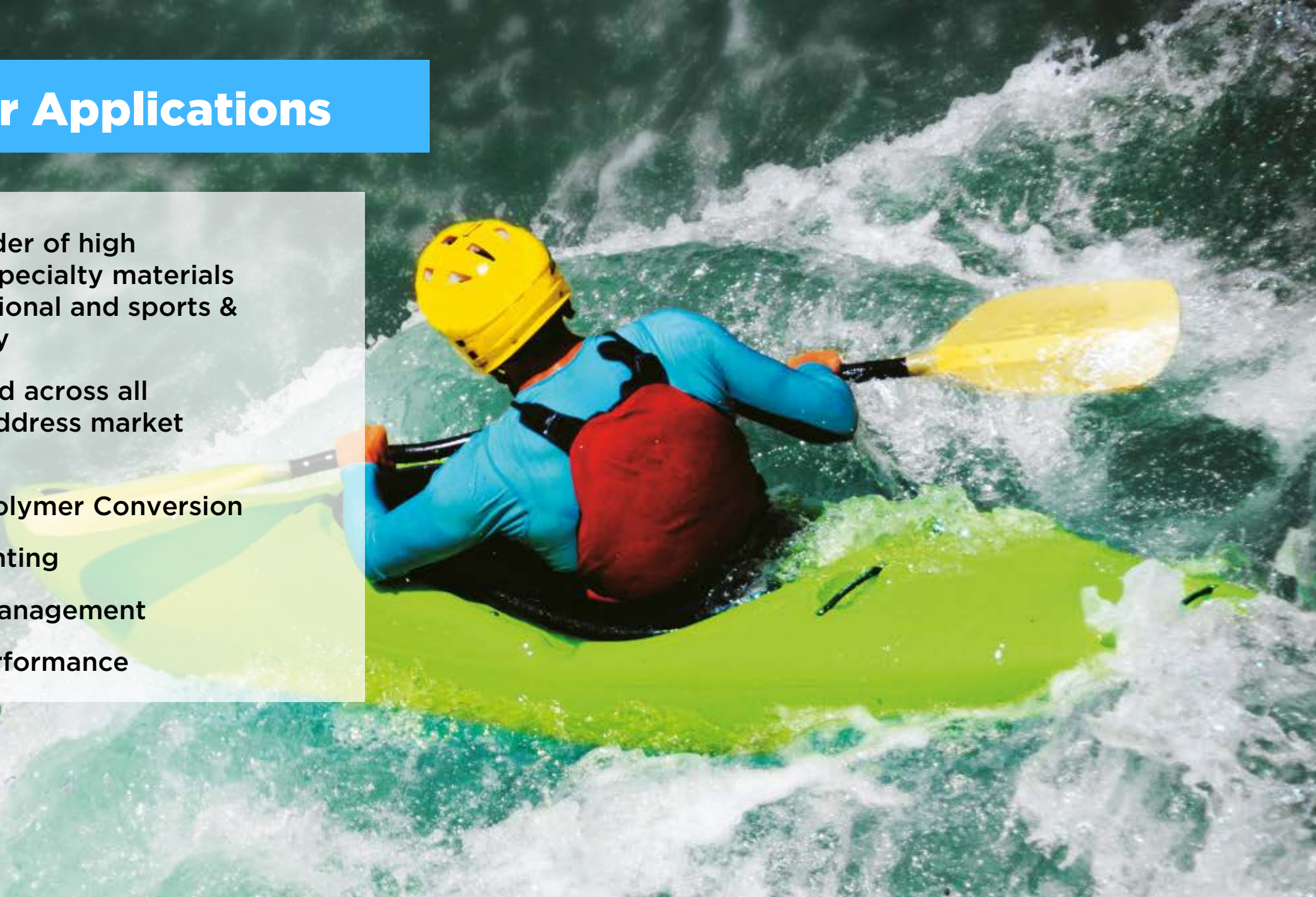
Color & Design Services

A circular color palette with a central metal fastener, showing a spectrum of colors from red to blue. The palette is divided into several sections, each containing a range of color swatches. The colors transition from red on the left, through orange, yellow, green, and finally to blue on the right. The swatches are arranged in a radial pattern, creating a sense of depth and movement.

- Greater control of color development and supply chain
- Work across entire design process from concept to commercialization
- Inspire creativity in the use of polymer materials, colors, and effects
- Innovative brand differentiation
- Faster development timelines

Outdoor Applications

- Leading provider of high performance specialty materials for the recreational and sports & leisure industry
- Well positioned across all segments to address market needs
 - ✓ Metal to Polymer Conversion
 - ✓ Lightweighting
 - ✓ Thermal Management
 - ✓ Impact Performance



Fiber Colorants



▪ ColorMatrix Fiber Colorant Solutions

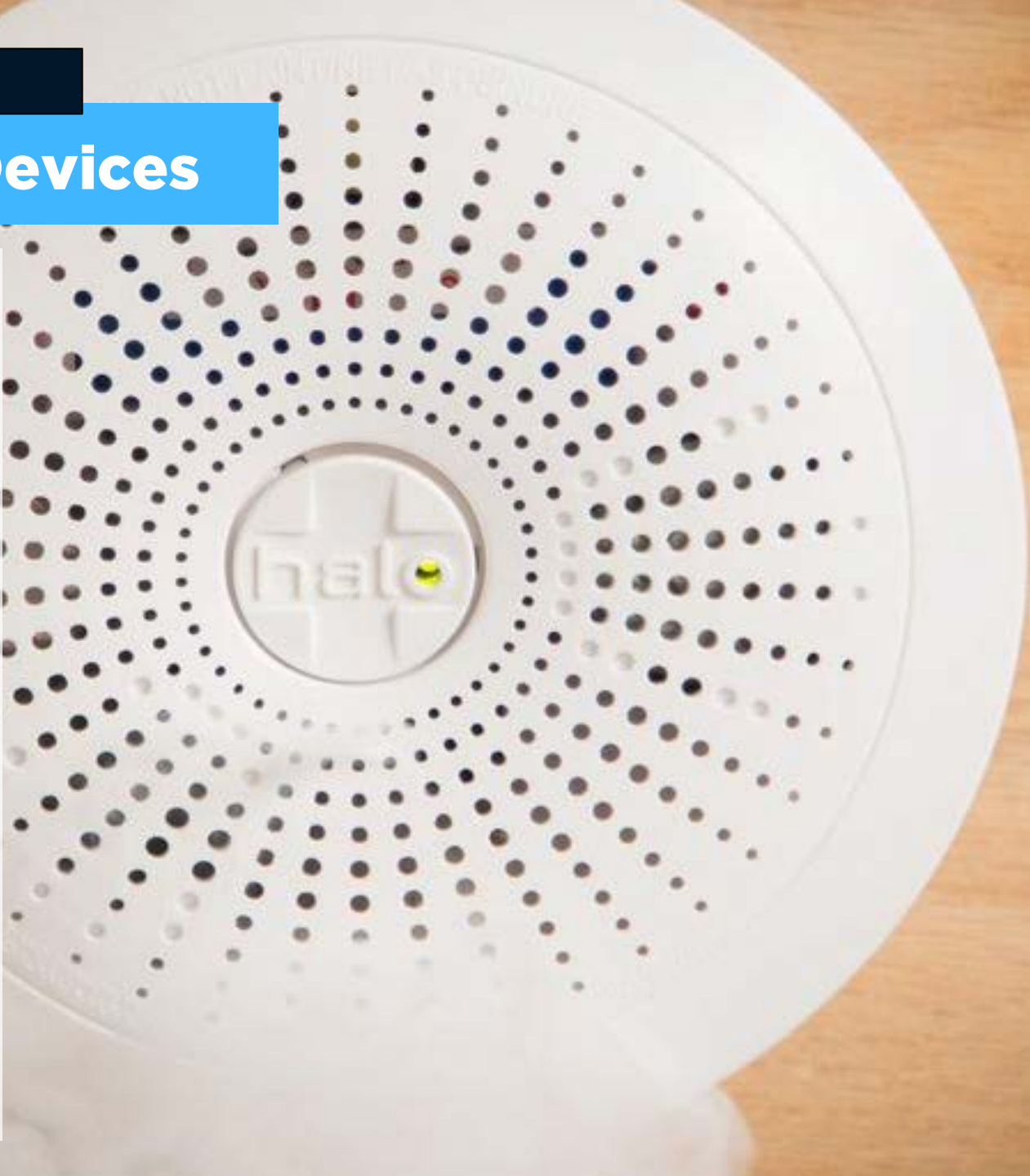
- ✓ Proprietary advanced liquid color formulations and equipment enable greater efficiency and productivity
- ✓ Eliminates aqueous dyeing and its associated wastewater treatment

▪ Solid Color Concentrates

- ✓ Extrusion-spun fibers colored via solid masterbatch

Smart Home Devices

- High flame retardancy to meet strict UL standards
- Greater processing and design flexibility
- Specialized additives provide long term color stability
- Diffusive lens materials improve light dispersion



Reconciliation of Non-GAAP Financial Measures (Unaudited)

(Dollars in millions, except per share data)

Senior management uses comparisons of adjusted net income from continuing operations attributable to PolyOne common shareholders, adjusted earnings per share (EPS) attributable to PolyOne common shareholders and adjusted earnings before interest, taxes, depreciation and amortization (EBITDA) to assess performance and allocate resources because senior management believes that these measures are useful in understanding current profitability levels and that current levels may serve as a base for future performance. Senior management believes these measures are useful to investors because they allow for comparison to PolyOne's performance in prior periods without the effect of items that, by their nature, tend to obscure PolyOne's operating results due to the potential variability across periods based on timing, frequency and magnitude. 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. Below is a reconciliation of these non-GAAP financial measures to their most directly comparable financial measures calculated and presented in accordance with GAAP for each fiscal year end.

Adjusted EPS attributable to PolyOne common shareholders is calculated as follows:

	2009*	2010*	2011*	2012*	2013*	2014*	2015*	2016	2017
Net income from continuing operations attributable to PolyOne common shareholders	\$ 106.7	\$ 152.5	\$ 153.4	\$ 53.3	\$ 94.0	\$ 78.0	\$ 144.6	\$ 166.4	\$ 173.5
Joint venture equity earnings, after tax	(19.0)	(14.7)	(3.7)	—	—	—	—	—	—
Special items, before tax ⁽¹⁾	(48.7)	24.2	(48.1)	55.1	46.3	164.2	87.6	23.8	32.9
Special items, tax adjustments ⁽¹⁾	(27.2)	(96.7)	(24.7)	(18.9)	(13.7)	(73.7)	(58.7)	(15.9)	(24.8)
Adjusted net income from continuing operations attributable to PolyOne 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>
Diluted shares	93.4	96.0	94.3	89.8	96.5	93.5	88.7	84.6	82.1
Adjusted EPS attributable to PolyOne common shareholders	\$ 0.13	\$ 0.68	\$ 0.82	\$ 1.00	\$ 1.31	\$ 1.80	\$ 1.96	\$ 2.06	\$ 2.21

* Historical results are shown as presented in prior filings and have not been updated to reflect subsequent changes in accounting principle, discontinued operations or the related resegmentation.

(1) Special items include charges related to specific strategic initiatives or financial restructuring such as: consolidation of operations; debt extinguishment costs; costs incurred directly in relation to acquisitions or divestitures; employee separation costs resulting from personnel reduction programs, plant realignment costs, executive separation agreements; asset impairments; mark-to-market adjustments associated with actuarial gains and losses on pension and other post-retirement benefit plans; environmental remediation costs, fines, penalties and related insurance recoveries related to facilities no longer owned or closed in prior years; gains and losses on the divestiture of operating businesses, joint ventures and equity investments; gains and losses on facility or property sales or disposals; results of litigation, fines or penalties, where such litigation (or action relating to the fines or penalties) arose prior to the commencement of the performance period; one-time, non-recurring items; the effect of changes in accounting principles or other such laws or provisions affecting reported results and tax adjustments. Tax adjustments include the net tax expense/benefit from one-time income tax items, the set-up or reversal of uncertain tax position reserves and deferred income tax valuation allowance adjustments.