



August 2, 2024

2Q 2024 Earnings Presentation



Forward Looking Statements

This presentation contains certain statements that may be deemed “forward-looking statements” within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended. All statements, other than statements of historical fact, that address activities, events or developments that our management intends, expects, projects, believes or anticipates will or may occur in the future are forward-looking statements. Forward-looking statements may be identified by words such as "expect," "anticipate," "estimate," "outlook," "project," "strategy," "intend," "plan," "target," "goal," "may," "will," "should" and "believe" and other variations or similar terminology and expressions. Although we believe forward-looking statements are based upon reasonable assumptions, such statements involve known and unknown risks, uncertainties and other factors, many of which are beyond our control and difficult to predict, which may cause the actual results or performance of the Company to be materially different from any future results or performance expressed or implied by such forward-looking statements. Such risks and uncertainties include, but are not limited to: general economic and financial conditions in the U.S. and globally; the potential effects of inflationary pressures, labor market shortages and supply chain issues; instability or volatility in financial markets or other unfavorable economic or business conditions caused by geopolitical concerns, including as a result of the conflict between Russia and Ukraine, the conflict in Israel and Gaza, and the possible expansion of such conflicts; the effect of the foregoing on our customers' demand for our products and our suppliers' ability to manufacture and deliver our raw materials, including implications of reduced refinery utilization in the U.S.; our ability to sell and provide our goods and services; the ability of our customers to pay for our products; any closures of our and our customers' offices and facilities; risks associated with increased phishing, compromised business emails and other cybersecurity attacks, data privacy incidents and disruptions to our technology infrastructure; risks associated with operating with a reduced workforce; risks associated with our indebtedness including compliance with financial and restrictive covenants, and our ability to access capital on reasonable terms, at a reasonable cost, or at all, due to economic conditions or otherwise; the impact of scheduled turnarounds and significant unplanned downtime and interruptions of production or logistics operations as a result of mechanical issues or other unanticipated events such as fires, severe weather conditions, natural disasters, pandemics and geopolitical conflicts and related events; price fluctuations, cost increases and supply of raw materials; our operations and growth projects requiring substantial capital; growth rates and cyclicity of the industries we serve including global changes in supply and demand; failure to develop and commercialize new products or technologies; loss of significant customer relationships; adverse trade and tax policies; extensive environmental, health and safety laws that apply to our operations; hazards associated with chemical manufacturing, storage and transportation; litigation associated with chemical manufacturing and our business operations generally; inability to acquire and integrate businesses, assets, products or technologies; protection of our intellectual property and proprietary information; prolonged work stoppages as a result of labor difficulties or otherwise; failure to maintain effective internal controls; our ability to declare and pay quarterly cash dividends and the amounts and timing of any future dividends; our ability to repurchase our common stock and the amount and timing of any future repurchases; disruptions in supply chain, transportation and logistics; potential for uncertainty regarding qualification for tax treatment of our spin-off; fluctuations in our stock price; and changes in laws or regulations applicable to our business. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this presentation. Such forward-looking statements are not guarantees of future performance, and actual results, developments and business decisions may differ from those envisaged by such forward-looking statements. We identify the principal risks and uncertainties that affect our performance in our filings with the Securities and Exchange Commission (SEC), including the risk factors in Part 1, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2023, as updated in subsequent reports filed with the SEC.

Non-GAAP Financial Measures

This presentation includes certain non-GAAP financial measures intended to supplement, not to act as substitutes for, comparable GAAP measures. Reconciliations of non-GAAP financial measures to GAAP financial measures are provided in this presentation, except with respect to forward-looking non-GAAP measures, where such reconciliation is not available without unreasonable effort as the Company is unable to predict with reasonable certainty the occurrence or amount of all adjustments or other potential adjustments that may arise, which can be dependent on future events. Investors are urged to consider carefully the comparable GAAP measures and the reconciliations to those measures provided. Non-GAAP measures in this presentation may be calculated in a way that is not comparable to similarly-titled measures reported by other companies.

Overview

Operational Performance and Captured Commercial Tailwinds Drive Robust 2Q24 Performance

2Q24 Sales
\$453M

2Q24 Adjusted
EBITDA
\$78M

2Q24 Adjusted
EBITDA Margin
17.2%

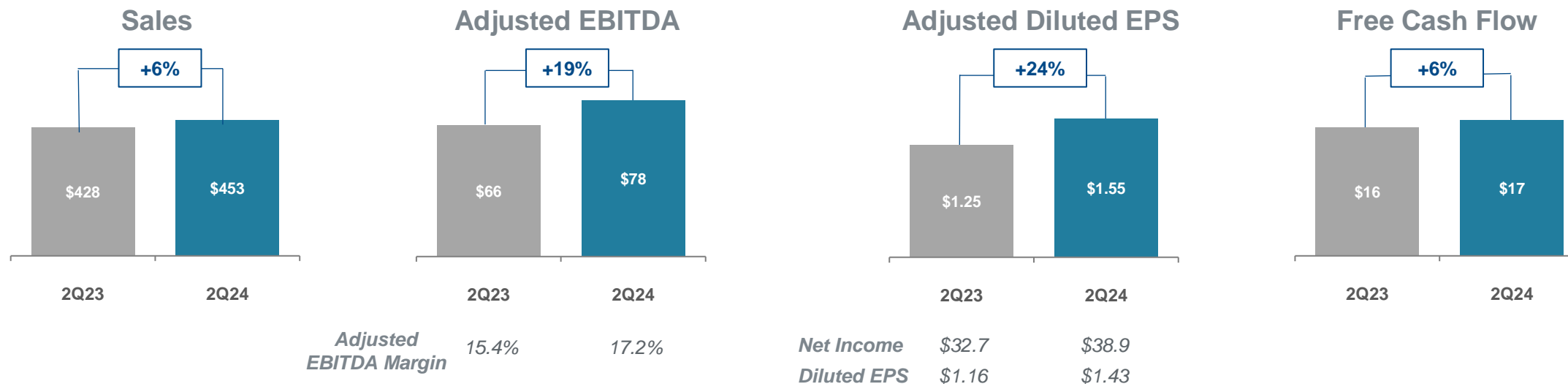
2Q24 Free Cash Flow
\$17M

- ✓ **Strong Sales, Earnings, Margin Rate and Cash Flow Results**
 - 2Q24 Net Income of \$39M, Cash Flow from Operations of \$50M
 - 6% improvement in sales reflecting higher domestic nylon volumes, a robust domestic application season for ammonium sulfate and continued strength in acetone pricing
- ✓ **Returned to targeted plant utilization rates across our integrated value chain**
 - Delivered our second highest quarter of granular ammonium sulfate production
- ✓ **Disciplined Capex to address critical enterprise risk mitigation and growth projects including our SUSTAIN (Sustainable U.S. Sulfate to Accelerate Increased Nutrition) program**
- ✓ **Returned \$8M of cash to shareholders through dividends and share repurchases in 2Q24**
- ✓ **Performance across diversified portfolio supports favorable earnings outlook**

2Q 2024 Financial Summary

Year-Over-Year Improvement in Sales, Earnings and Cash Flow

(\$M, except per share amounts)



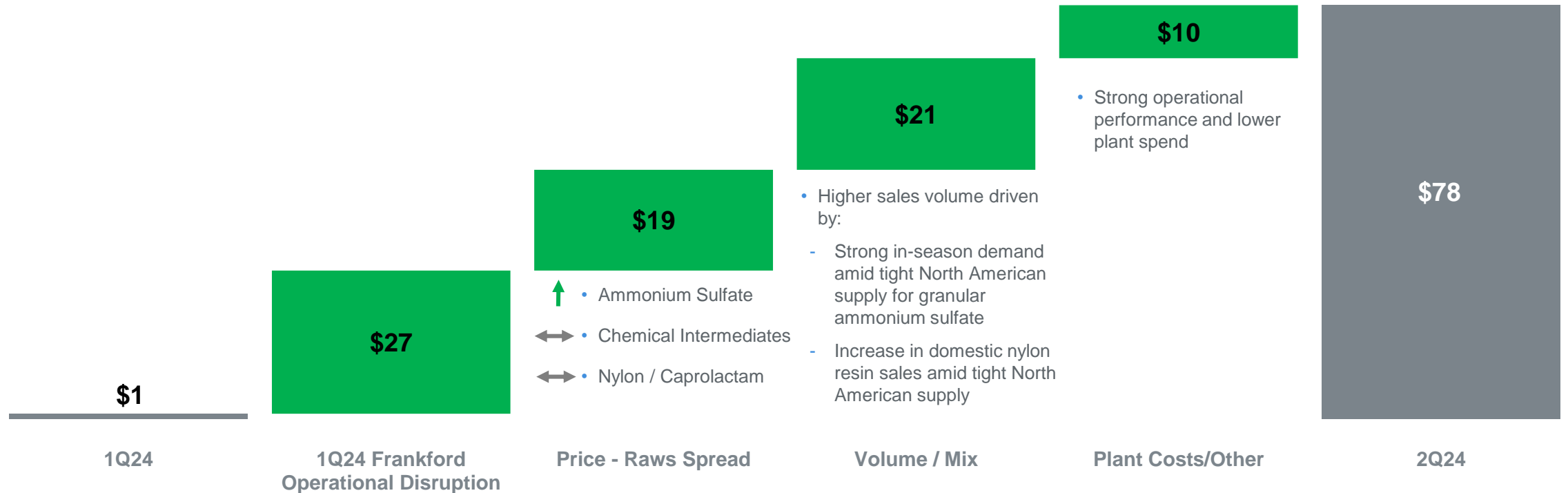
Highlights

- Sales up 6%
 - Volume +5%
 - Price +1%: Raw Materials Pass Through ~1%, Market-Based (~1%)
- Adjusted EBITDA increase driven primarily by higher domestic sales of nylon and ammonium sulfate and continued strength in acetone pricing
- Cash Flow from Operations of \$50M, up \$15M vs. prior year primarily due to higher net income and the favorable impact of changes in working capital
- Capex of \$33M, up \$14M vs. prior year primarily reflecting planned increased spend on maintenance and enterprise programs

2Q 2024 Adjusted EBITDA Sequential Bridge

Improved Sequential Pricing and Volume, Return to Targeted Utilization Rates

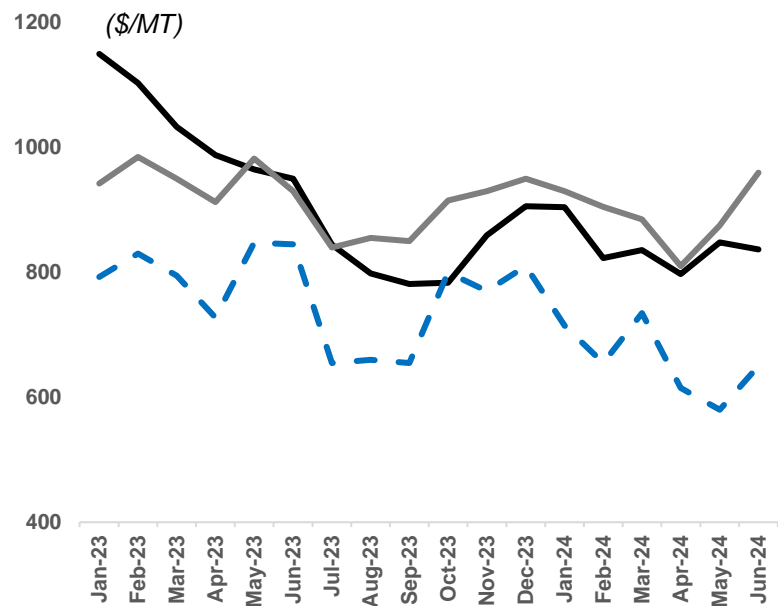
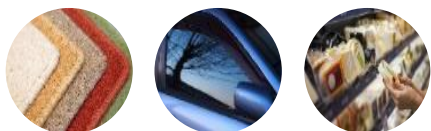
(\$M)



Industry Pricing and Spreads

Nylon

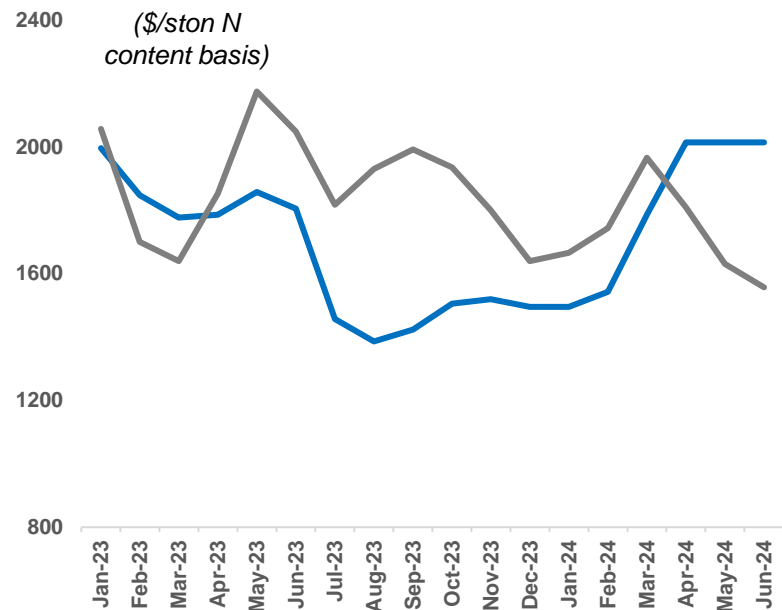
Global Pricing Stable Sequentially



	2Q24 YoY	2Q24 vs. 1Q24
Global Composite CPL-BNZ Spread	(15%)	(3%)
Asia CPL-BNZ Spread	(24%)	(12%)
Asia Resin-BNZ Spread	(6%)	(3%)

Ammonium Sulfate

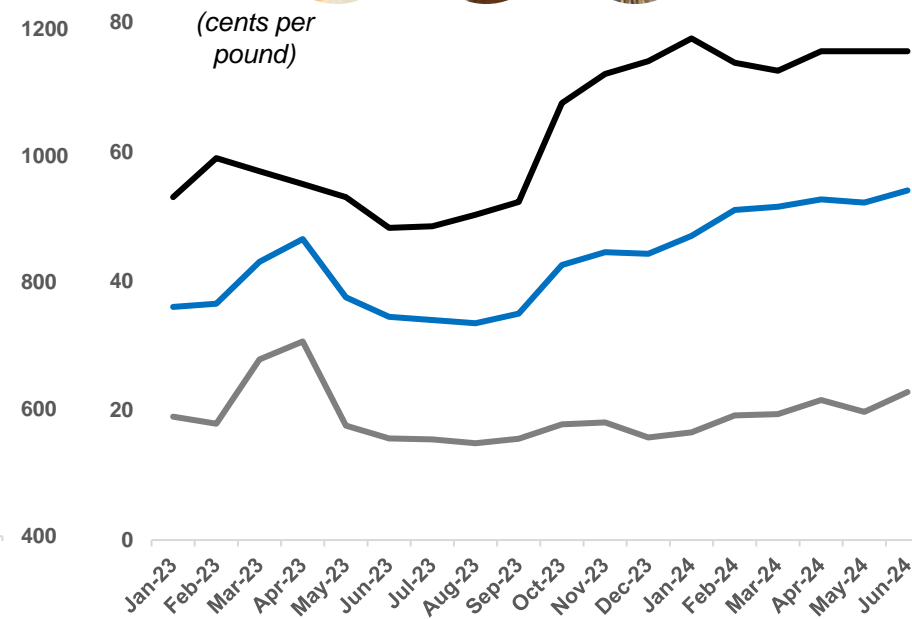
Strong In-Season Demand and Ammonium Sulfate Pricing



	2Q24 YoY	2Q24 vs. 1Q24
Corn Belt AS price - Left Axis	11%	25%
Corn Belt Urea price - Right Axis	(18%)	(7%)

Chemical Intermediates

Tight Global Acetone Supply and Demand

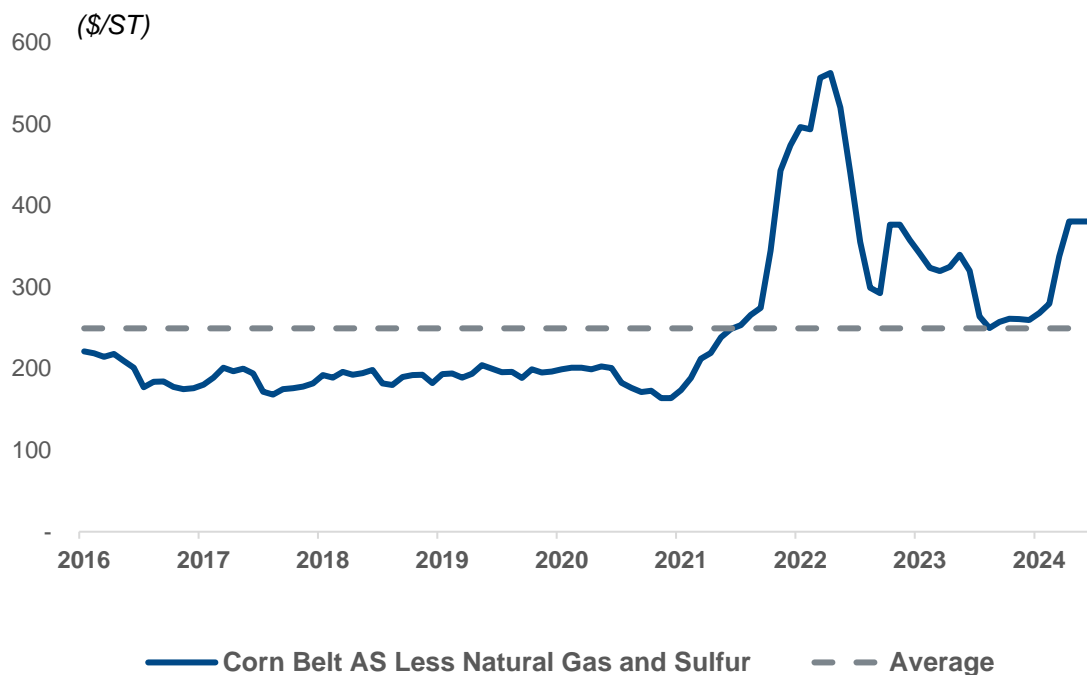


	2Q24 YoY	2Q24 vs. 1Q24
Acetone, Sm/Med Buyer Price	45%	1%
Acetone, Large Buyer Price	34%	6%
Refinery Grade Propylene Costs	0%	16%

Plant Nutrients Update

Fundamentals Remain Strong With Tight North American Supply / Demand Supporting Favorable Outlook

Ammonium Sulfate Spreads



Market Dynamics

- **Strong in-season demand and strengthening Ammonium Sulfate pricing into 2Q24**
 - Ammonium sulfate pricing has trended more favorable compared to Urea, reflecting tighter supply and sulfur value proposition
 - Anticipate higher ammonium sulfate pricing in 3Q24 year-over-year reflecting robust demand and higher pricing levels entering fall fill
 - Typical North American AS seasonality expected to drive 3Q24 sequential domestic pricing decline
- **Latest WASDE* data has signaled caution around crop prices**

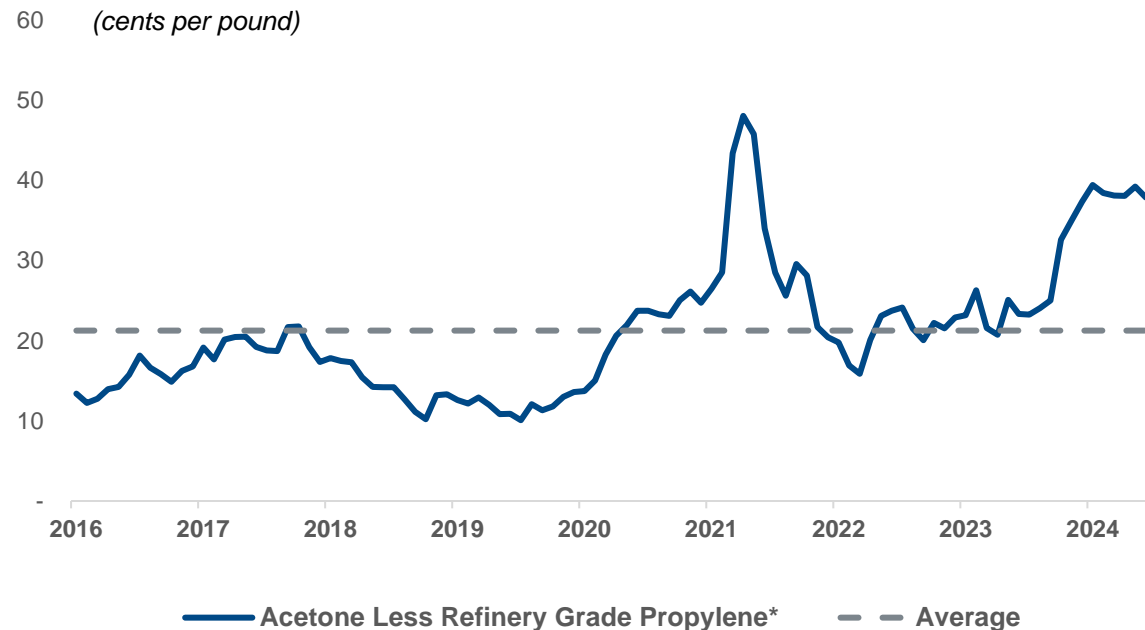
Value/Growth Drivers

- **Executing SUSTAIN (Sustainable U.S. Sulfate to Accelerate Increased Nutrition) program, which is expected to add ~200,000 tons per year of granular AS predominately through increased conversion**
 - Anticipate ~75% granular conversion by completion of project (2Q24 YTD ~68%; targeting ~70% conversion by end of 2024)
 - IRR approximating our 20%+ target hurdle for capex growth projects
- **Expect sulfur nutrition demand to grow 3-4% per year**
- **Adoption of AS on soybeans providing industry demand improvement**
- **Anti-dumping duties in place in U.S. against imports of Chinese ammonium sulfate**

Chemical Intermediates (CI) Update

Continued Favorable Outlook

Acetone Spreads



*Weighted Average Margin Assumes Large Buyer 2/3 Share of Market
Adjusted For Discounts, Small / Medium 1/3 Share of Market

Market Dynamics

- Acetone pricing and margins near historical highs amid tight global supply and demand conditions
- Global phenol operating rates remain depressed driven by continued softness in building and construction and other industrial end markets
- Other intermediates end market demand remains mixed overall

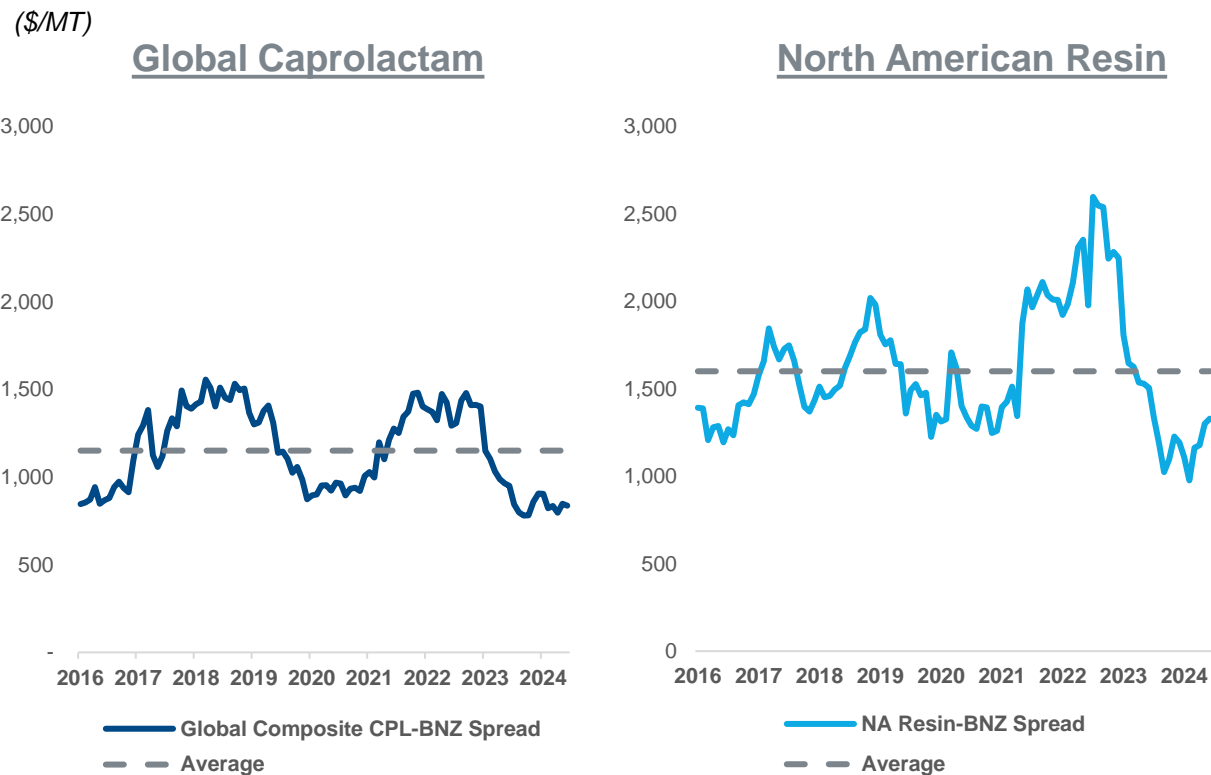
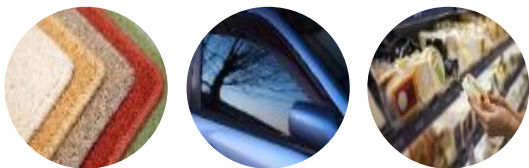
Strategic Drivers

- Diverse end market exposure aligning to favorable long-term trends (paints and coatings, adhesives, electronics, pharma, ag chemicals)
- Acetone and Phenol (~60% of CI portfolio) optimizing end market mix
 - Logistics and terminal/warehouse networks support differentiated offerings with strong channels to market
- Rest of Chemical Intermediates (~40% of CI portfolio) represents platforms serving high-value applications
 - Nadone® cyclohexanone for electronics
 - Alpha-methylstyrene (AMS) for tackifier and acrylic resins
 - EZ-Blox® for alkyd-based paints and coatings
 - Specialty amines for ag, pharma and industrial applications

Nylon Solutions Update

Tighter North American Supply / Demand Supporting Domestic Improvement

Nylon Spreads



Market Dynamics

- **Operating in third Nylon industry cycle since spin**
 - Global industry spreads bouncing off prior trough levels
 - Operating rates in China at multi-year highs despite slower global recovery; Low-priced import offerings in other regions creating competitive intensity
 - Monitoring for further supply rationalization globally
- **Global nylon demand remains mixed across most major end-uses**
 - High interest rate environment unfavorably impacting building and construction
 - Stabilization in Packaging applications and stronger outlook for rest of 2024
 - Engineering Plastics demand stable as auto industry has remained resilient
- **Constrained North American industry supply supporting regional outperformance**
 - ASIX export mix back to historical averages (~12% of total sales volume in 2Q24)

Through-Cycle Profitability Drivers

- **Low-cost caprolactam cost position enables higher utilization rates through the cycle; Productivity key to long-term performance**
- **North American production and supply chain, providing consistency and reliability for domestic customer base**
- **Selling value proposition of AdvanSix differentiated nylon products and focus on sustainability offerings**

Capital Allocation Framework

Disciplined Capital Deployment to Support Long-Term Shareholder Value

Capital Allocation Framework

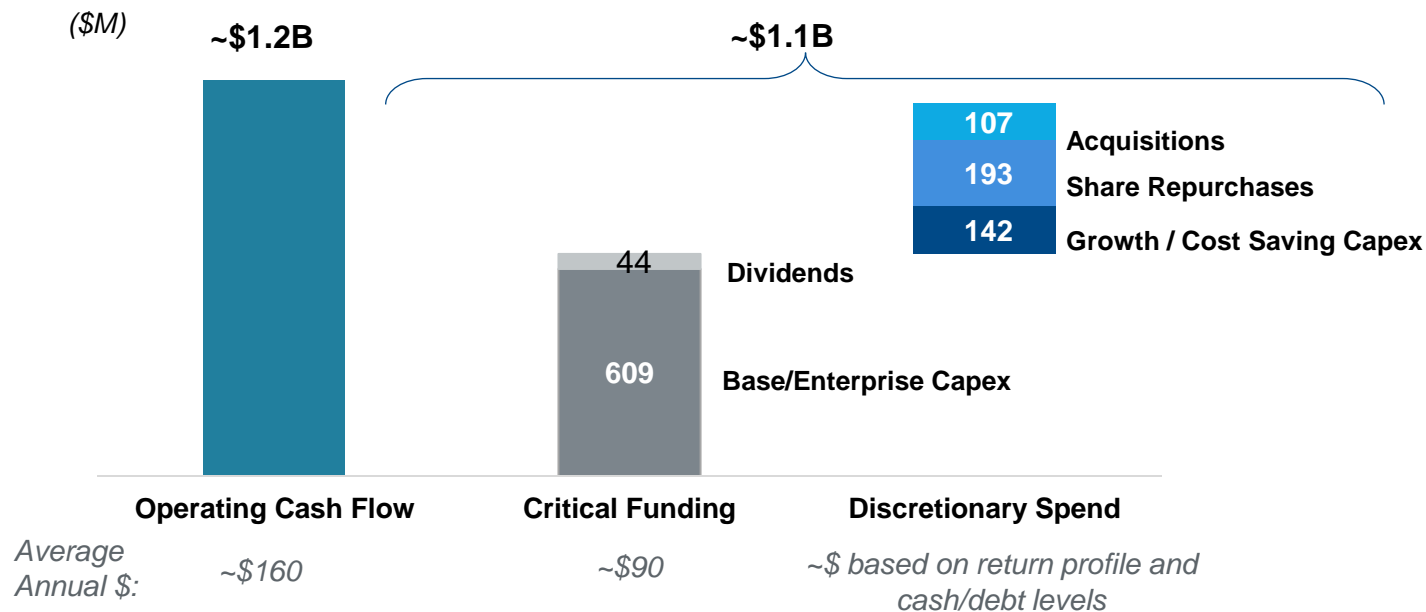
Critical Funding

- **Base Capex including maintenance and HSE* spend** to support safe, stable and sustainable operations
- **Enterprise Programs:** Larger multi-year projects to support long-term operational excellence and risk mitigation
- **Shareholder Dividends:** Initiated in 2021 and increased in 2022 and 2023; ~2.3% current dividend yield

Discretionary Cash Allocation

- **Growth and Cost Saving Capex** projects focused on improving rate, yield, quality, and cost; Targeting 20%+ IRR
- **Acquisitions:** Disciplined framework targeting bolt-on opportunities with robust cash and margin profiles
- **Share Repurchases:** Over \$60M of capacity remaining on current authorization

Capital Allocation (2017-2Q24)



- Generating ample cash from operations to fund critical deployment including base capex, enterprise programs, and shareholder dividends
- Healthy balance sheet and cash flow provides flexibility to invest through the cycle in discretionary growth projects while returning cash to shareholders
- Managing within target debt leverage range of 1x - 2.5x; Debt leverage of 2.2x in 4Q16 → 1.8x as of 2Q24

Well Positioned To Deliver Attractive Returns Over Long-Term as a Diversified Chemistry Company

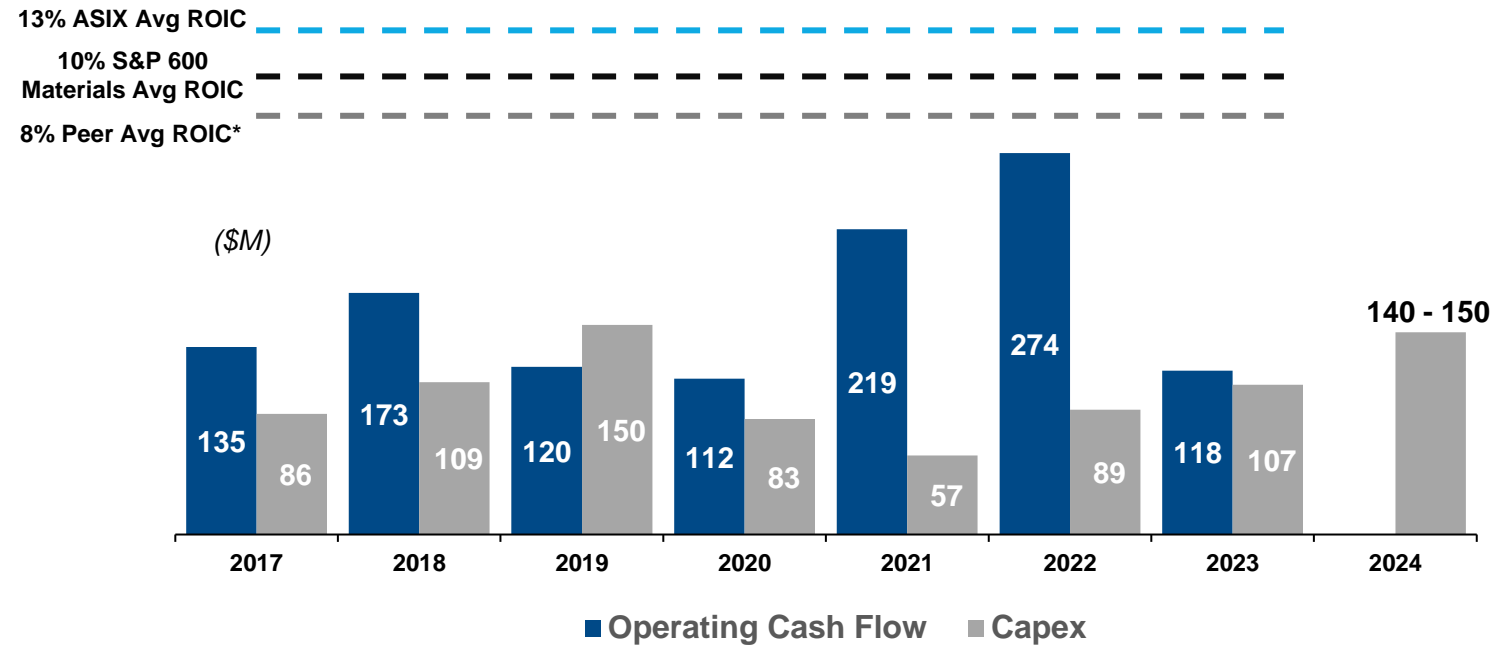
Growth Strategy & Investment Thesis

- **Advantaged Business Model Supports Strong Operating Leverage**
 - Integrated, efficient and low-cost business model
 - Customer focus on reliable, local supply
 - Significant exposure to advantaged North American region: ~90% of sales, 100% of manufacturing
- **Improved Through Cycle Profitability Since Spin**
 - Significant structural improvement in base earnings power
 - Ongoing investment to improve profitability including execution of high-return growth and cost savings capex
 - Enhanced sales mix including differentiated product portfolio
- **Enhanced Capital Allocation Strategy**
 - Significant firepower for capital reinvestment and shareholder returns while maintaining prudent debt leverage levels
 - M&A pipeline focused on bolt-ons with robust cash and margin profiles

Return on Invested Capital (ROIC)

Generating strong returns on capital investments

Double-Digit % average ROIC through the cycle and outperforming peers





APPENDIX

2H 2024 Outlook Considerations

Performance Across Diversified Portfolio Supports Favorable Earnings Outlook

Tailwinds

- Tighter domestic supply and higher ammonium sulfate pricing levels entering 3Q24
- Increased ammonium sulfate granular conversion – anticipate ~70% conversion by end of 2024
- Balanced to tight global acetone supply and demand conditions

Neutral

- Stable nylon outlook on tighter North American supply with pockets of resilient demand in engineered plastics and packaging applications
- Stable demand for electronics, paints and coatings supporting other chemical intermediates

Headwinds

- Soft demand persists in building and construction end markets for nylon and chemical intermediates

*Safe, Stable,
and
Sustainable
Operations*

- Continue to expect FY 2024 Capex of \$140-\$150M
- Continue to expect pre-tax income impact of planned plant turnarounds to be \$38-\$43M in FY 2024

Planned Plant Turnarounds

Pre-Tax Income Impact by Quarter ⁽¹⁾

	1Q	2Q	3Q	4Q	FY	Primary Unit Operation
2017	--	~\$10M	~\$4M	~\$20M	~\$34M	Sulfuric Acid
2018	~\$2M	~\$10M	~\$30M	--	~\$42M	Ammonia
2019	--	~\$5M	~\$5M	~\$25M	~\$35M	Sulfuric Acid
2020	~\$2M	~\$7M	~\$20M	~\$2M	~\$31M	Ammonia
2021	~\$3M	~\$8M	--	~\$18M	~\$29M	Sulfuric Acid
2022	~\$1M	~\$5M	~\$44M	--	~\$50M	Ammonia
2023	~\$2M	~\$1M	~\$27M	--	~\$30M	Sulfuric Acid
2024E	~\$5M	~\$3M	~\$3M	\$27-\$32M	\$38-\$43M	Ammonia

- Timing driven by compliance, inspection and sustaining asset base
- Critical to supporting high utilization rates
- Dedicated teams to improve effectiveness
- Staggered across unit operations to maintain output
- Proactive maintenance capex prioritized to mitigate risk and support safe, stable and sustainable operations

(1) Primarily reflects the impact of fixed cost absorption, maintenance expense, and the purchase of feedstocks which are normally manufactured by the Company



Reconciliation of Non-GAAP Measures to GAAP Measures

Reconciliation of Net Cash Provided by Operating Activities to Free Cash Flow

(in \$ thousands)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Net cash provided by operating activities	\$ 50,200	\$ 35,004	\$ 13,998	\$ 36,579
Expenditures for property, plant and equipment	(33,495)	(19,291)	(68,883)	(43,894)
Free cash flow ⁽¹⁾	\$ 16,705	\$ 15,713	\$ (54,885)	\$ (7,315)

(1) Free cash flow is a non-GAAP measure defined as Net cash provided by operating activities less Expenditures for property, plant and equipment

The Company believes that this metric is useful to investors and management as a measure to evaluate our ability to generate cash flow from business operations and the impact that this cash flow has on our liquidity.

The Company believes the non-GAAP financial measures included in this presentation provide meaningful supplemental information as they are used by the Company's management to evaluate the Company's operating performance, enhance a reader's understanding of the financial performance of the Company, and facilitate a better comparison among fiscal periods and performance relative to its competitors, as these non-GAAP measures exclude items that are not considered core to the Company's operations.

Reconciliation of Net Income to Adjusted EBITDA

(in \$ thousands)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Net income	\$ 38,927	\$ 32,728	\$ 21,531	\$ 67,682
Non-cash stock-based compensation	2,193	2,436	4,404	4,449
Non-recurring, unusual or extraordinary expenses (income) ⁽²⁾	1,200	—	1,200	—
Non-cash amortization from acquisitions	532	532	1,064	1,064
Non-recurring M&A costs	—	—	—	—
Benefit from income taxes relating to reconciling items	(762)	(498)	(1,227)	(933)
Adjusted Net Income	42,090	35,198	26,972	72,262
Interest expense, net	3,514	1,954	6,213	3,221
Income tax expense - Adjusted	13,907	11,053	8,351	20,763
Depreciation and amortization - Adjusted	18,630	17,580	37,200	34,893
Adjusted EBITDA	<u>\$ 78,141</u>	<u>\$ 65,785</u>	<u>\$ 78,736</u>	<u>\$ 131,139</u>
Sales	<u>\$ 453,479</u>	<u>\$ 427,940</u>	<u>\$ 790,308</u>	<u>\$ 828,484</u>
Adjusted EBITDA Margin ⁽³⁾	<u>17.2%</u>	<u>15.4%</u>	<u>10.0%</u>	<u>15.8%</u>

(2) Includes a pre-tax loss of approximately \$1.2 million related to the reduction of the Company's anticipated receivable related to the gain on the termination fee recorded upon the exit from the Oben alliance during the third quarter of 2023

(3) Adjusted EBITDA margin is defined as Adjusted EBITDA divided by Sales

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Reconciliation of Earnings Per Share to Adjusted Earnings Per Share

(in \$ thousands except share and per share amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Net income	\$ 38,927	\$ 32,728	\$ 21,531	\$ 67,682
Adjusted Net income (non-GAAP)	42,090	35,198	26,972	72,262
Weighted-average number of common shares outstanding - basic	26,839,429	27,494,555	26,859,044	27,547,874
Dilutive effect of equity awards and other stock-based holdings	310,918	618,847	392,282	800,392
Weighted-average number of common shares outstanding - diluted	27,150,347	28,113,402	27,251,326	28,348,266
EPS - Basic	\$ 1.45	\$ 1.19	\$ 0.80	\$ 2.46
EPS - Diluted	\$ 1.43	\$ 1.16	\$ 0.79	\$ 2.39
Adjusted EPS - Basic (non-GAAP)	\$ 1.57	\$ 1.28	\$ 1.00	\$ 2.62
Adjusted EPS - Diluted (non-GAAP)	\$ 1.55	\$ 1.25	\$ 0.99	\$ 2.55

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