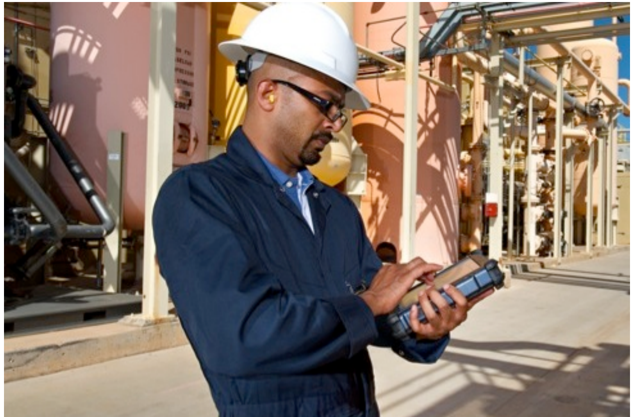


May 2018 | Investor Presentation

AdvanSix


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 like "expect," "anticipate," "estimate," "outlook", "project," "strategy," "intend," "plan," "target," "goal," "may," "will," "should" and "believe" or other variations or similar terminology. Although we believe forward-looking statements are based upon reasonable assumptions, such statements involve known and unknown risks, uncertainties and other factors, 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; growth rates and cyclicality of the industries we serve; 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, and natural disasters; price fluctuations and supply of raw materials; our operations requiring substantial capital; 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, store 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; cybersecurity incidents; failure to maintain effective internal controls; our inability to achieve some or all of the anticipated benefits of the spin-off from Honeywell including uncertainty regarding qualification for expected tax treatment and indebtedness incurred in connection with the spin-off; fluctuations in our stock price; and tax reform or other 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 release. 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, including our Annual Report on Form 10-K for the year ended December 31, 2017.

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 the appendix of the presentation. 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.

**Certain slides reflect 1Q 2018 earnings presentation dated May 4, 2018*

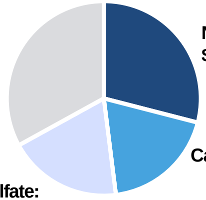
AdvanSix At A Glance

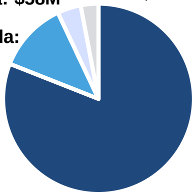
AdvanSix is a Leading Global Producer of Nylon 6 and Associated Products

2017 Revenue Breakdown

By Product

By Region





Total Revenue: ~$1.5B

Facilities and Employees

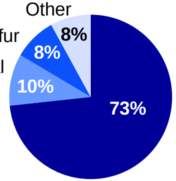
	1 Frankford, PA	2 Hopewell, VA	3 Chesterfield, VA
Product	Phenol, Intermediates	Caprolactam, Amm. Sulfate	Nylon
Facility Size (Acres)	46	489	357
Employees	~180	~750	~330

Total Employees(1): ~1,510

Key Inputs

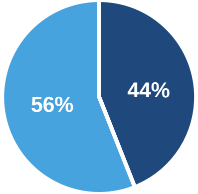
- Security of direct materials through multiple supplier contracts
- Pricing tracks key commodity inputs

Direct Raw Material Spend



Customers

- Top 10 customers span all product categories
- Most sales contracts have 1-2 year terms with standard renewal / notice provisions
- Customer relationships strong – average 20 year relationships across top 10 customers
- Primarily mitigate commodity price risk through formula price agreements



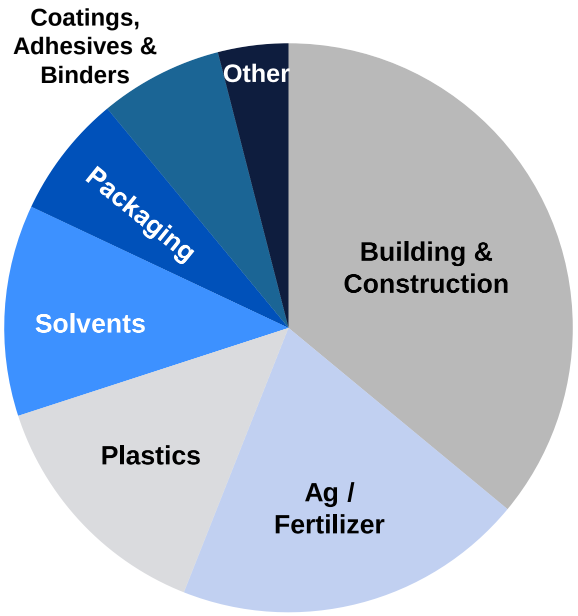
(1) *Includes HQ employees and shared sites*

Diverse End Market Coverage

Mitigates Exposure to Any Single End-Use Application or Product Cycle

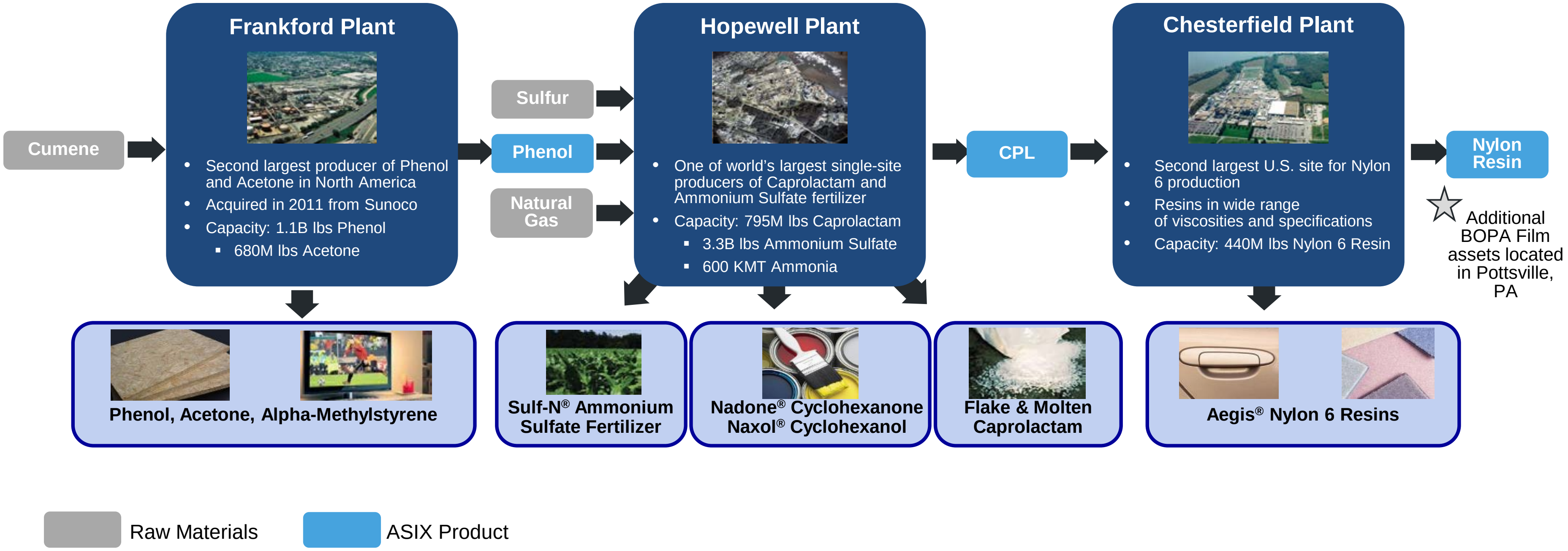
- Serving multiple end markets with attractive long-term growth rates
- Seasonality limited to Ammonium Sulfate application; mitigated by North and South American reach
- Product management teams focused on value optimization
- Tech marketing aligned to key end-use applications for new product development
- Diversity of our co-product sales mitigates, to some extent, the cyclicality in the caprolactam and nylon resin markets

ASIX Revenue By End Market



Vertically Integrated Manufacturing Sites

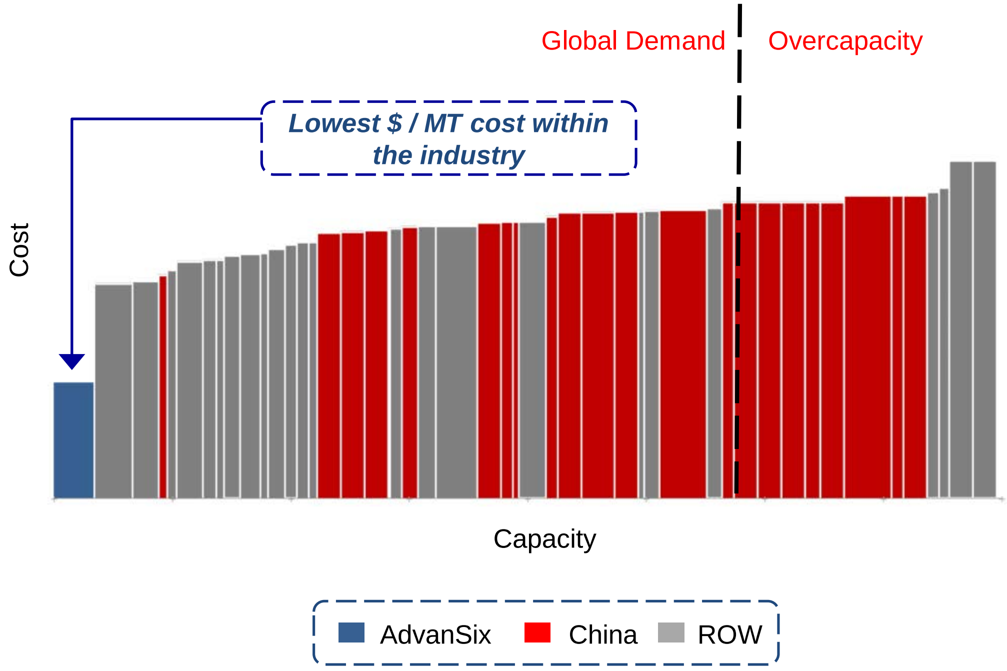
Competitive Advantage Derived from Significant Scale, Integration and Diverse Revenue Streams



Sustainable Lowest Cost Position

Vertical Integration	• Fully backward integrated into several key feedstock materials
Industry-Leading Scale	• One of world's largest single-site producers of Caprolactam • Significant operating leverage • Scale purchasing leverage
Net Back Optimization	• Strong Ammonium Sulfate position optimizes Caprolactam cost • Strong Acetone position optimizes Phenol cost
Advantaged Location	• U.S. footprint provides access to world's lowest cost natural gas • Access to high value end markets
High Utilization	• Long-term contracts provide significant base load • Demand for high quality intermediates further maximizes utilization

Global Caprolactam Supply / Cost Landscape



Source: PCI Wood Mackenzie, Tecnon OrbiChem, AdvanSix Management

Investment Highlights

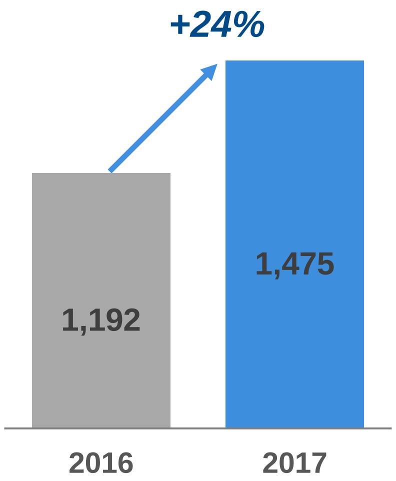
- Sustainable Low Cost Position
  - Vertical Integration And Scale
  - Advantaged Location – Raw Materials, Access To High Value End Markets
  - Net Back Optimization
- Diverse Revenue Sources And Strong Customer Relationships With Global Reach
  - Serving Multiple End Markets With Attractive Long-Term Growth Rates
  - ~500 Customers In 40+ Countries; Average 20 Year Relationships Across Top 10 Customers
- Continuous Investment In R&D, Technology And Operations
  - Focus On Growth-Oriented R&D While Maintaining Manufacturing Technology Excellence
- Improving Cash Flow Generation; Maturing Capital Deployment Strategies
  - Amended Credit Facility Provides Improved Optionality
  - Capex Focused On Safe And Stable Operations, And High-Return Growth And Cost Savings Projects – $20-30M Incremental Investment In 2018 Toward High-Return Project Pipeline
  - Authorization Of $75M Share Repurchase Program

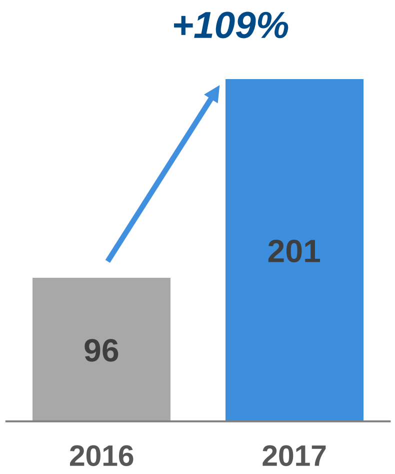
Full Year 2017 Financial Summary

Strong Volume, Earnings and Cash Flow With Record Safety Performance

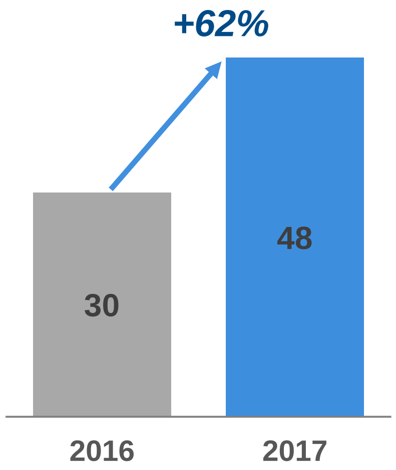
Sales | **EBITDA*** | **Free Cash Flow**

($M)





Margin % *8.1%* *13.6%*



- Volume +9%
- Market Pricing +3%
- Raw Material Pass Through +12%

- Margin Up 550 bps
- Strong Operational Performance
- Improved Market Conditions

- Operating Cash Flow +$21M
- Capex Up $2M to $86M
- Generated $80M+ FCF Since Spin

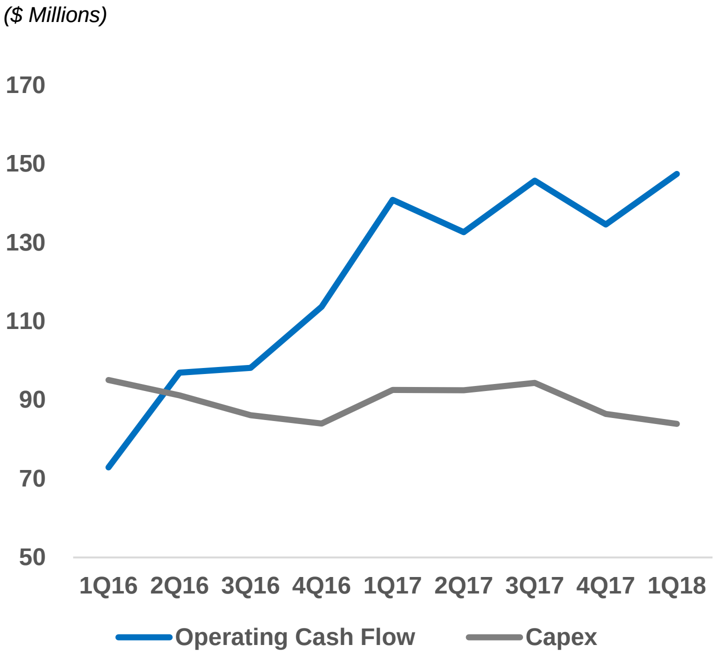
** 2016 includes (~$44M) unfavorable impact of unplanned outages partially offset by ~$15.5M one-time benefit related to the termination of a long-term supply agreement*

See "Non-GAAP Reconciliations" in this presentation for a reconciliation of EBITDA, EBITDA Margin, and Free Cash Flow, which are non-GAAP measures; Free cash flow = net cash provided by operating activities less capital expenditures

Cash Flow

Maturing Deployment Strategies

Trailing 12-Month Cash Flow



Cash Generation and Deployment

- **Improved free cash flow generation expected to continue**
  - High plant operating rates; Driving higher-value product mix
  - Efficient working capital performance
  - Amended credit facility provides improved optionality
  - Tax Cuts and Jobs Act benefits income and cash flow
- **Quarterly considerations:**
  - Timing of planned plant turnarounds
  - Deployment timing of committed capex vs. cash outflow
  - 4Q Ammonium Sulfate pre-buy advances for spring season
- **ASIX well positioned to generate incremental value through capital deployment**
  - Base capex driving returns through safe, stable operations
  - High-return growth and cost savings capex initiated in 2018 – developing longer-term pipeline
- **Further expanding capital deployment with authorization of $75M share repurchase program**
- **Longer-term disciplined M&A framework to build on ASIX core strengths**

AdvanSix Strategy And Priorities

Well Positioned for Strong Operational and Financial Performance Over Long Term

Focused Strategy	*Delivered In 2017*	*2018 Priorities*
• Rigorous commitment to operational and HSE excellence • Drive high value product and regional mix • Continuous enhancement of R&D capabilities • Upgrade current chemistry via new product pipeline • Balanced and disciplined capital allocation	✓ Robust production output, sales volume up 9% ✓ Achieved record safety performance ✓ $201M EBITDA – optimizing results in dynamic market environment ✓ Successfully built up standalone company functions ✓ Funded pension provides flexibility in future periods ✓ Free cash flow up $18M to $48M	• High operating rates to continue • Continued strong working capital management • Final NOx controls system installed • Maximize high value product mix • Execute high-return growth and cost savings capex projects • Fully exit Honeywell transition services

See "Non-GAAP Reconciliations" in this presentation for a reconciliation of EBITDA, EBITDA Margin, and Free Cash Flow, which are non-GAAP measures; Free cash flow = net cash provided by operating activities less capital expenditures

1Q 2018 Earnings Recap

1Q 2018 Financial Summary

Strong Underlying Performance While Managing Through Weather-Related Event

($ Millions, Except Per Share Amounts)	1Q 2017	1Q 2018	Comments
Sales	$376.7	$359.2	• Sales Down (5%): Volume (8%), Price +3% – Market Pricing +2%, Raw Material Pass Through +1% – (9%) Unfavorable Impact From 1Q18 Weather-Related Event
EBITDA *Margin %*	$57.1 *15.2%*	$30.8 *8.6%*	• 1Q18 Weather-Related Event (~$30M Unfavorable Impact) • Favorable Market Pricing
Net Income	$27.3	$11.6	• Interest Expense Up $1.6M Driven By One-Time Write-Off Of Financing Fees • Tax Rate 23.5% – Benefits From Tax Reform
EPS (Diluted)	$0.88	$0.37	• Share Count 31.3 Million
Free Cash Flow	($2.0)	$13.4	• Cash Flow From Operations $44M, Up $13M vs. Prior Year • Capex $31M, Down ($3M) vs. Prior Year

See "Non-GAAP Reconciliations" in this presentation for a reconciliation of EBITDA, EBITDA Margin, and Free Cash Flow, which are non-GAAP measures;
Free cash flow = net cash provided by operating activities less capital expenditures

**Slide as of 1Q 2018 earnings presentation dated May 4, 2018*

Nylon Industry Outlook

Industry Spreads Fluctuating Near Marginal Producer Cost

Nylon

What We're Seeing

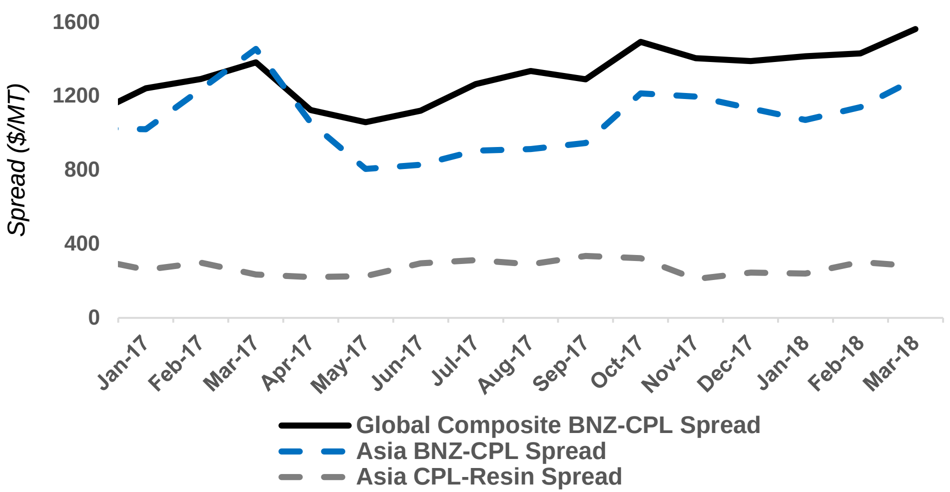
- North America supply/demand generally in balance following industry outages
- Feedstock restrictions and environmental policy driving China supply/price dynamics

What We're Expecting

- Announced 2Q18 CPL industry turnarounds in China and Europe keep supply snug
- Continued dynamic China supply environment
- Steady nylon end market demand growth

Key Industry Spreads (1)

	1Q18 YoY	1Q18 vs. 4Q17
Global Composite BNZ-CPL	12%	3%
Asia BNZ-CPL	(6%)	(1%)
Asia CPL-Resin	4%	6%



(1) Sources: Tecnon OrbiChem and PCI Wood Mackenzie
Asia = Caprolactam Asia Import Contract (Taiwan & S. Korea)
Global Composite = Weighted Avg Spreads From U.S., Europe, China, Other Asia

**Slide as of 1Q 2018 earnings presentation dated May 4, 2018*

Ammonium Sulfate (AS) Industry Outlook

1Q Seasonal Improvement; Late Start to Planting Season Due to Weather

Ammonium Sulfate

What We're Seeing

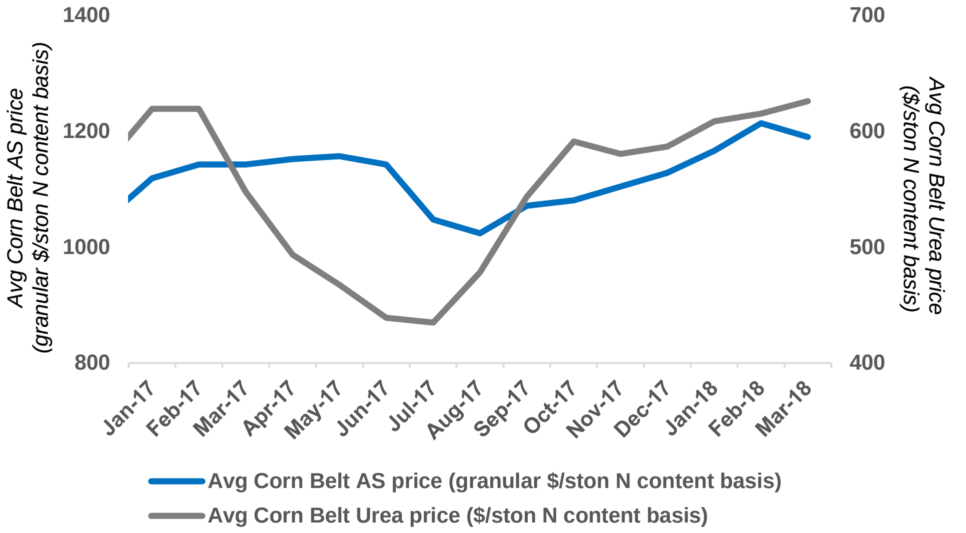
- Cold / wet weather in U.S. driving late start to planting season
- China urea utilization remains low with reduction in exports supporting firmer global pricing

What We're Expecting

- Well positioned to execute on spring demand
- Monitoring key indicators ahead of fall season
- Sustain AS value proposition on sulfur nutrition

Key Industry Prices (1)

	1Q18 YoY	1Q18 vs. 4Q17
Corn Belt Granular AS	5%	8%
Corn Belt Urea	4%	5%



(1) As reported in Blue, Johnson

*Slide as of 1Q 2018 earnings presentation dated May 4, 2018

Chemical Intermediates Industry Outlook

Stabilizing End Market Environment – Continuing to Track Input Costs

Chemical Intermediates

What We're Seeing

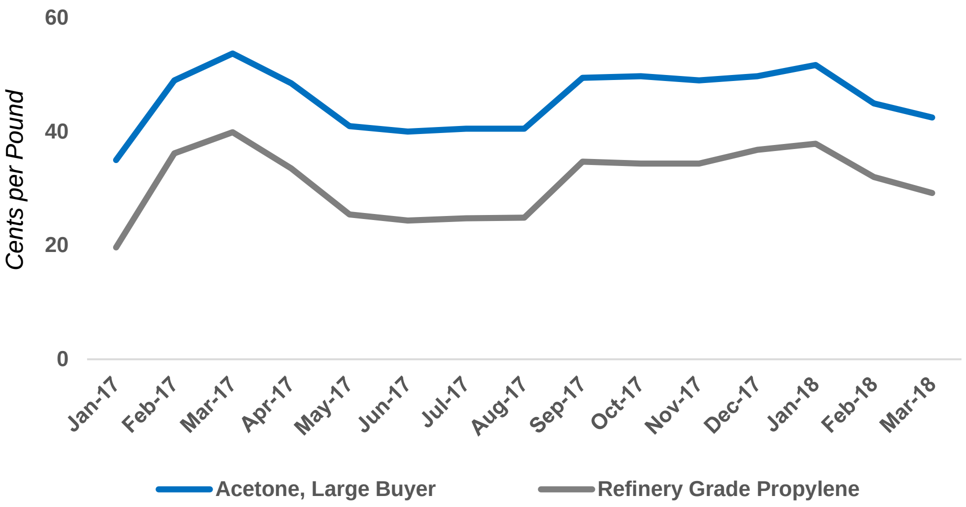
- Global phenol demand strengthens
- North America acetone industry supply rationalization; Elevated imports

What We're Expecting

- End market demand to remain favorable
- Global markets rebalancing with shifts in trade flows

Key Industry Prices (1)

	1Q18 YoY	1Q18 vs. 4Q17
Acetone, Large Buyer	1%	(6%)
Refinery Grade Propylene	4%	(6%)



(1) As reported in IHS Markit

**Slide as of 1Q 2018 earnings presentation dated May 4, 2018*

ADVANSIX

2018 Outlook

Expect Current Industry Conditions to Continue

Commercial

- Nylon: industry spreads fluctuating near marginal producer cost
- Ammonium Sulfate: cold/wet weather in U.S. drives late start to planting season
- Chemical Intermediates: stabilizing North America market environment

Operational

- Planned turnarounds expected to be consistent with historical levels in total ($30-35M)
  - ~2/3rd impact in 3Q18, ~30% in 2Q18 and remainder in 1Q18
- Continued proactive maintenance to support high utilization rates

Cash / Other

- Capex expected to be $110-$120M, including $20-$30M incremental investment toward high-return growth and cost savings project pipeline
- Continue to expect ~25% estimated effective tax rate
- Announced authorization of $75M share repurchase program

**Slide as of 1Q 2018 earnings presentation dated May 4, 2018*

Non-GAAP Reconciliations

Reconciliation Of Net Cash Provided By Operating Activities To Free Cash Flow

(in $ thousands)	Three Months Ended December 31, 2017	Three Months Ended December 31, 2016	Twelve Months Ended December 31, 2017	Twelve Months Ended December 31, 2016
Net cash provided by operating activities	$ 36,136	$ 47,273	$ 134,607	$ 113,740
Expenditures for property, plant and equipment	(19,232)	(27,150)	(86,438)	(84,009)
Free cash flow (1)	$ 16,904	$ 20,123	$ 48,169	$ 29,731

(1) Free cash flow is a non-GAAP measure and 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.

Reconciliation Of Net Cash Provided By Operating Activities To Free Cash Flow

(in $ thousands)	Three Months Ended March 31, 2018		Three Months Ended March 31, 2017	
Net cash provided by operating activities	$	44,067	$	31,206
Expenditures for property, plant and equipment		(30,713)		(33,214)
Free cash flow [1]	$	13,354	$	(2,008)

(1) Free cash flow is a non-GAAP measure and 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.

Reconciliation Of Net Income To EBITDA

(in $ thousands)

	Three Months Ended December 31, 2017	Three Months Ended December 31, 2016	Twelve Months Ended December 31, 2017	Twelve Months Ended December 31, 2016
Net income	$ 72,366	$ (24,714)	$ 146,699	$ 34,147
Interest expense, net	2,343	1,847	7,716	1,847
Income tax expense (benefit)	(48,870)	(17,084)	(2,067)	19,628
Depreciation and amortization	12,931	10,365	48,455	40,329
EBITDA (2)	$ 38,770	$ (29,586)	200,803	95,951
Prior year one-time benefit (3)			—	15,500
EBITDA excluding prior year one-time benefit			$ 200,803	$ 80,451
Sales	$ 370,389	$ 259,323	$ 1,475,194	$ 1,191,524
EBITDA margin (4)	10.5%	(11.4)%	13.6%	8.1%
EBITDA margin excluding prior year one-time benefit			13.6%	6.8%

(2) EBITDA is a non-GAAP measure and defined as Net Income before Interest, Income Taxes, Depreciation and Amortization

(3) Prior year one-time benefit reflects the $15.5 million one-time benefit in 1Q 2016 related to the termination of a long-term supply agreement

(4) EBITDA margin is defined as EBITDA divided by Sales

The Company believes these non-GAAP financial measures 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 EBITDA

(in $ thousands)

	Three Months Ended March 31, 2018		Three Months Ended March 31, 2017	
Net income	$	11,593	$	27,293
Interest expense, net		3,089		1,539
Income taxes		3,566		16,948
Depreciation and amortization		12,542		11,296
EBITDA (2)	$	30,790	$	57,076
Sales	$	359,238	$	376,704
EBITDA margin (3)		8.6%		15.2%

(2) EBITDA is a non-GAAP measure and defined as Net Income before Interest, Income Taxes, Depreciation and Amortization

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

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Reconciliation of Net Income and Diluted EPS to Net Income and Diluted EPS Excluding One-Time Net Tax Benefit

(in $ thousands)

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2017	2016	2017	2016
Net income	$ 72,366	$ (24,714)	$ 146,699	$ 34,147
One-time net tax benefit [5]	(53,424)	—	(53,424)	—
Net income excluding one-time net tax benefit	$ 18,942	$ (24,714)	$ 93,275	$ 34,147
Diluted EPS	$ 2.31	$ (0.81)	$ 4.72	$ 1.12
One-time net tax benefit [5]	(1.71)	—	(1.72)	—
Diluted EPS excluding one-time net tax benefit	$ 0.60	$ (0.81)	$ 3.00	$ 1.12

(5) Reflects 4Q17 one-time net tax benefit primarily related to re-measurement of net deferred tax liability at a lower corporate tax rate

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Appendix

Portfolio Overview

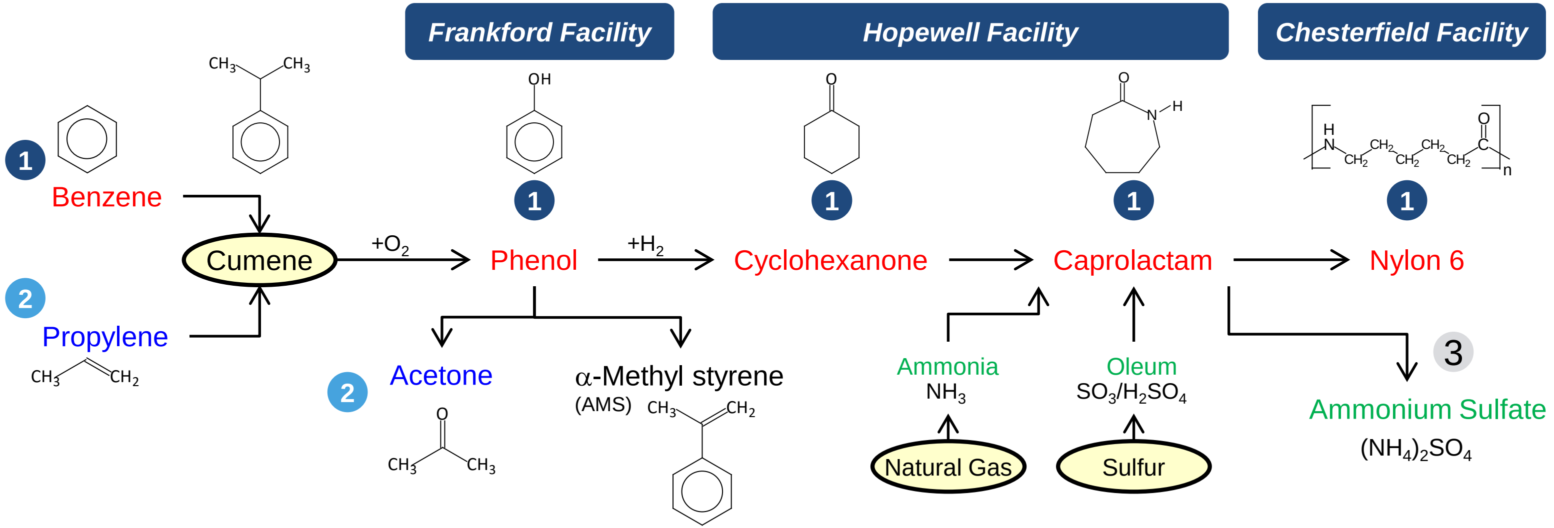
Leading North American Position Across Industries Served

	Nylon	*Ammonium Sulfate*	*Chemical Intermediates*
2017 Revenue	$711M	$277M	$487M
% of Total	*48%*	*19%*	*33%*
Description	• Resin used to manufacture many products, including packaging plastics, textiles and carpets • Nylon based films for food and industrial applications • Caprolactam (CPL) key ingredient	• Co-product of Caprolactam used for crop and lawn fertilizer	• Co-products of Caprolactam and Phenol used in the production of many chemicals
End-Use Applications	• Carpets • Plastics • Packaging • Textiles • Other 	• Fertilizer 	• Paints / Coatings • Construction Materials • Engineered Resins • Adhesives • Other 
Market Size (Global)	~$9B	~$3.5B	~$12B
Select Competitors	UBE Chinese Entrants domo CHEMICALS BASF The Chemical Company	MMA Producers Steel Mills Chinese Entrants BASF The Chemical Company PCI NITROGEN	INEOS Olin Shell
Select Key Customers	Shaw KINGFA HYOSUNG INVISTA Lexmark carpet mills, inc. Bemis	FERTILIZANTES HERINGER CHS Crop Production Services GROWMARK SOUTHERN STATES Farmer owned since 1923.	EASTMAN Lucite International Dow Monument Chemical HEXION UNIVAR

Source: Form 10, PCI Wood Mackenzie, Profercy, CRU, IHS Markit, AdvanSix Management

AdvanSix Chemistry

Nylon 6, a Downstream Petrochemical Value Chain



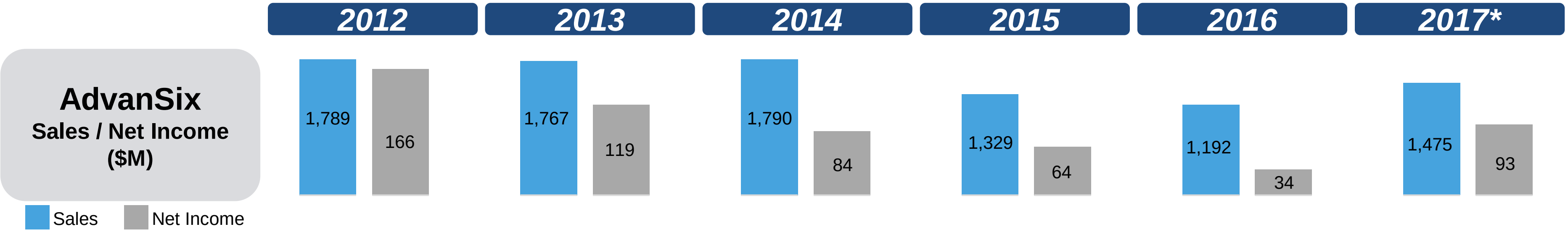
1 **Key molecules in manufacturing process derived from benzene**

2 **Acetone key co-product from Phenol production; molecule derived from propylene**

3 **Ammonium Sulfate key co-product from Caprolactam production; AdvanSix technology ~4:1**

AdvanSix Financial Drivers

Raws and Industry Pricing/Spreads Key Performance Considerations



	2012	2013	2014	2015	2016	2017*
WTI Crude Oil *($/bbl)*	$95	$100	$90	$50	$45	$50
Natural Gas *($/MMBTU)*	$2.80	$3.65	$4.40	$2.65	$2.45	$3.10
Sulfur *($/lton)*	$175	$125	$125	$130	$75	$80
Asia BNZ-CPL Spread *($/MT)*	$1330	$1100	$1005	$900	$725	$1050
Corn Belt AS Price *($/ston)*	$390	$330	$285	$295	$240	$235
Acetone Large Buyer Price *(c/lb)*	$0.50	$0.65	$0.65	$0.35	$0.30	$0.45

**2017 Net Income excludes ~$53M one-time net tax benefit*
Industry inputs represent approximate annual averages; Sources: IHS Markit, Tecnon OrbiChem, Blue, Johnson

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