A. Schulman Fiscal 2017 Second Quarter Earnings Call Supplemental Slides

JOE GINGO – CHAIRMAN, PRESIDENT AND CEO
JOHN RICHARDSON – EVP AND CFO

APRIL 5, 2017

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Cautionary Note

A number of the matters discussed in this document that are not historical or current facts deal with potential future circumstances and developments may constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements can be identified by the fact that they do not relate strictly to historic or current facts and relate to future events and expectations. Forward-looking statements contain such words as "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. Forward-looking statements are based on management's current expectations and include known and unknown risks, uncertainties and other factors, many of which management is unable to predict or control, that may cause actual results, performance or achievements to differ materially from those expressed or implied in the forward-looking statements. Important factors that could cause actual results to differ materially from those suggested by these forward-looking statements, and that could adversely affect the Company's future financial performance, include, but are not limited to, the following:

- worldwide and regional economic, business and political conditions, including continuing economic uncertainties in some or all of the Company's major product markets or countries where the Company has operations;
- the effectiveness of the Company's efforts to improve operating margins through sales growth, price increases, productivity gains, and improved purchasing techniques;
- competitive factors, including intense price competition;
- fluctuations in the value of currencies in areas where the Company operates;
- volatility of prices and availability of the supply of energy and raw materials that are critical to the manufacture of the Company's products, particularly plastic resins derived from oil and natural gas;
- changes in customer demand and requirements;
- effectiveness of the Company to achieve the level of cost savings, productivity improvements, growth and other benefits anticipated from acquisitions, joint ventures and restructuring initiatives;
- escalation in the cost of providing employee health care;
- uncertainties and unanticipated developments regarding contingencies, such as pending and future litigation and other claims, including developments that would require increases in our costs and/or reserves for such contingencies;
- the performance of the global automotive market as well as other markets served;
- further adverse changes in economic or industry conditions, including global supply and demand conditions and prices for products;
- operating problems with our information systems as a result of system security failures such as viruses, cyber-attacks or other causes;
- our current debt position could adversely affect our financial health and prevent us from fulfilling our financial obligations; and
- failure of counterparties to perform under the terms and conditions of contractual arrangements, including suppliers, customers, buyers and sellers of a business and other third parties with which the Company contracts.

The risks and uncertainties identified above are not the only risks the Company faces. Additional risk factors that could affect the Company's performance are set forth in the Company's Annual Report on Form 10-K for the fiscal year ended August 31, 2016. In addition, risks and uncertainties not presently known to the Company or that it believes to be immaterial also may adversely affect the Company. Should any known or unknown risks or uncertainties develop into actual events, or underlying assumptions prove inaccurate, these developments could have material adverse effects on the Company's business, financial condition and results of operations.

Use of Non-GAAP Financial Measures

This presentation includes certain financial information determined by methods other than in accordance with accounting principles generally accepted in the United States (“GAAP”). The Company uses segment gross profit, SG&A expenses excluding certain items, segment operating income, operating income before certain items, net income excluding certain items, net income per diluted share excluding certain items and adjusted EBITDA to assess performance and allocate resources because the Company believes that these measures are useful to investors and management in understanding current profitability levels that may serve as a basis for evaluating future performance and facilitating comparability of results. In addition, segment operating income, operating income before certain items and net income excluding certain items are important to management as all are a component of the Company’s annual and long-term employee incentive plans. Non-GAAP measures are not in accordance with, nor are they a substitute for, GAAP measures, and tables included in this release reconcile each non-GAAP financial measure with the most directly comparable GAAP financial measure. The most directly comparable GAAP financial measures for these purposes are gross profit, SG&A expenses, operating income, net income and net income per diluted share. The Company's non-GAAP financial measures are not meant to be considered in isolation or as a substitute for comparable GAAP financial measures, and should be read only in conjunction with the Company's consolidated financial statements prepared in accordance with GAAP.

While the Company believes that these non-GAAP financial measures provide useful supplemental information to investors, there are very significant limitations associated with their use. These non-GAAP financial measures are not prepared in accordance with GAAP, may not be reported by all of the Company’s competitors and may not be directly comparable to similarly titled measures of the Company’s competitors due to potential differences in the exact method of calculation. The Company compensates for these limitations by using these non-GAAP financial measures as supplements to GAAP financial measures and by reviewing the reconciliations of the non-GAAP financial measures to their most comparable GAAP financial measures.

2017 Reset Year: Momentum in 2Q

Realign

- Realigned product families driving improved results.
- Savings of ~$6MM annually.

Refocus on Sales

- Regional sales reorganization, pricing discipline evolving.
- Additional global sales incentives for remainder of FY17.

Refocus on Innovation

- Innovation reporting to CEO to drive accountability/prioritization.
- Lite-gate innovation track developed for quick wins.
- Refresh product development to focus on cross-fertilization between regions.

Restructure

- Two plant closures/transfers (EMEA & USCAN) with expected annual savings ~$1.5MM beginning in late FY17.
- Potential cash proceeds of $6-8MM from sale of shuttered plants by end of FY17.

REINVIGORATED BUSINESS MODEL ACCELERATING GROWTH

Key Raw Material Trends

Raw Material	Current Trend/Outlook
Polyolefins	Polyolefins price increases began in FY17 2Q, forecast to continue into early FY17 3Q – Pricing trends similar between most regions – APAC beginning to decline
Engineered Resins	Engineered resin pricing up since January, driven by feedstocks and demand. Some easing of supply constraints and price moderation expected later in FY17 3Q
TiO2	TiO2 also saw price hike; expect further headwinds for FY17 2H
Other Materials	Other materials will remain stable in FY17 3Q

RAW MATERIAL PRICES EXPECTED TO STABILIZE IN FY17 3Q
— NO SHORTAGES FORESEEN THAT WOULD IMPACT PRODUCTION —

Financial Highlights – FY17 2Q vs. FY16 2Q

2Q FINANCIAL HIGHLIGHTS ($MM, $/SH)

	GAAP Comparison		Adjusted Comparison	
	FY17 2Q	**FY16 2Q**	**FY17 2Q**	**FY16 2Q**
REVENUE	568.7	591.8	568.7	591.8
OP INCOME	21.3	16.0	27.4*	28.7*
NET INCOME	3.2	(0.3)	9.3*	9.2*
EBITDA*			46.7	49.7
EPS - diluted	0.11	(0.01)	0.31*	0.31*

- Revenue decreased 3.9% – driven primarily by FX and volume shortfall in USCAN.
- Adjusted EPS flat with prior year.
- Excluding FX, adjusted net income increased 10.3%.

AGGRESSIVELY IMPLEMENTING REORGANIZATION OF PRODUCT FAMILIES AND SALES FORCE

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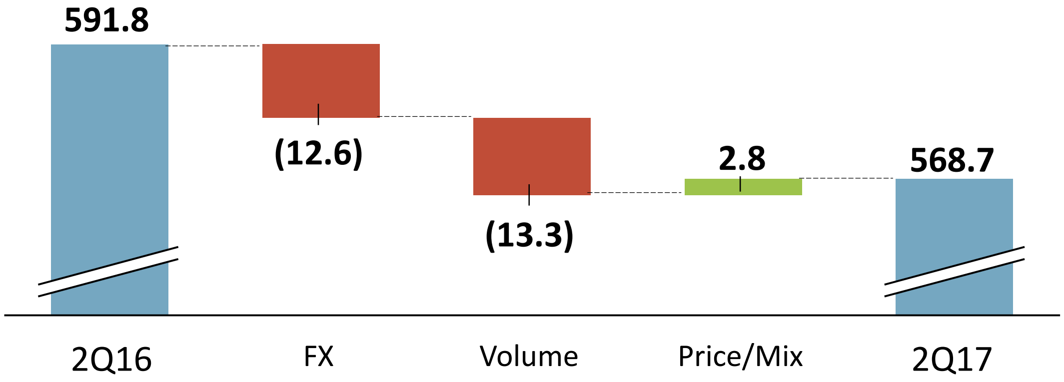
* Reflects Non-GAAP results. Refer to the Appendix for a reconciliation between GAAP and Non-GAAP results.

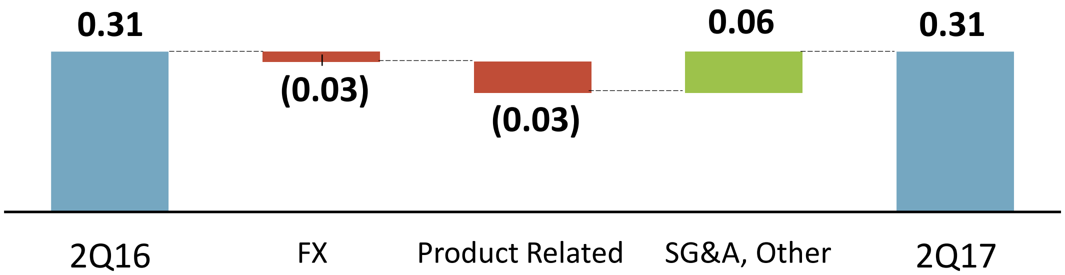
Financial Highlights – FY17 2Q vs. FY16 2Q

2Q REVENUE BRIDGE ($MM)



- Revenue impacted by strengthened USD.
- Majority of volume decline attributable to USCAN.
- Despite volume shortfall, modest price/mix improvement.

2Q EPS BRIDGE ($/SH)[1]



- FX reduced results by ($.03/sh).
- Product related volume shortfalls partially offset by favorable price/cost management.
- SG&A/other lower by 5% due to restructuring and interest reduction.

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1. Reflects Non-GAAP results. Refer to the Appendix for a reconciliation between GAAP and Non-GAAP results.

Segment Financial Highlights – FY17 2Q

EMEA ($MM)

	FY17 2Q	FY16 2Q
Revenue	276.9	290.3
Change (ex FX)	0%	
Operating Income[1]	16.5	15.6
Operating Margin[1]	6%	5.4%

Revenue

- FY17 2Q revenue (ex FX) stable; improvement from 7% decline in FY17 1Q. CCS/PM both contributed.
- Strength in building & construction and industrial markets offset in-sourcing and price-competitive actions.

Operating Income

- Price/cost spread widened linked to improved mix led by CCS.
- SG&A lower based on lower personnel costs as a result of restructuring and reorganization.

USCAN ($MM)

	FY17 2Q	FY16 2Q
Revenue	151.9	170.8
Change	(11%)	
Operating Income[1]	5.4	10.4
Operating Margin[1]	3.6%	6.1%

Revenue

- CCS revenues outperformed PM; consolidation complexity still hampering PM results.
- Increasing strength in lawn & garden customers.

Operating Income

- Price/cost spread lower at both businesses partially offset by SG&A declines.

1. Reflects Non-GAAP results. Refer to the Appendix for a reconciliation between GAAP and Non-GAAP results.

Segment Financial Highlights – 2Q17

LATAM ($MM)

	FY17 2Q	FY16 2Q
Revenue	39.7	38.2
Change (ex FX)	0%	
Operating Income[1]	5.5	4.2
Operating Margin[1]	13.9%	11%

APAC ($MM)

	FY17 2Q	FY16 2Q
Revenue	48.9	45.1
Change (ex FX)	12%	
Operating Income[1]	4.9	4.7
Operating Margin[1]	10%	10.4%

EC ($MM)

	FY17 2Q	FY16 2Q
Revenue	51.3	47.4
Change (ex FX)	8%	
Operating Income[1]	4.1	1.5
Operating Margin[1]	8%	3.2%

Revenue

- Revenues (ex FX) flat, compared with 7% drop in FY17 1Q.
- PM sales gains offset CCS reduced commodity products exposure.

Operating Income

- Lower plant cost drove margin gain; price/cost spread neutral.
- Lower SG&A helped by restructuring and reorganization.

Revenue

- Revenues (ex FX) improved 12%.
- Both families grew volume and price/mix, led by PM.

Operating Income

- Gross profit up – positive price/cost but higher plant costs.
- SG&A increased to pursue new regional opportunities.

Revenue

- Growth led by highly-specialized Quantum materials across several markets.
- Lower volume in bulk molding compounds and finished molded products.

Operating Income

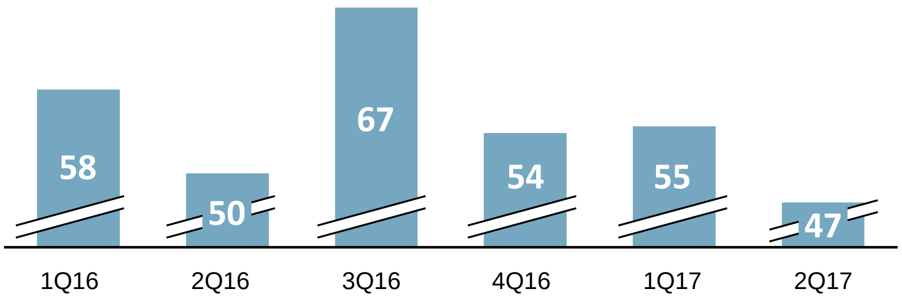
- Price/mix favorable as business shifts portfolio to higher margin products.
- SG&A reduction based on restructuring and reorganization.

1. Reflects Non-GAAP results. Refer to the Appendix for a reconciliation between GAAP and Non-GAAP results.

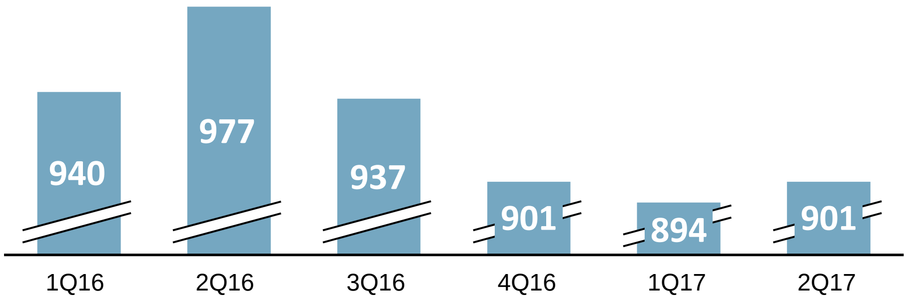
Cash Flow/Cash Deployment

- Working capital down on both a periodic and 12-month rolling basis.
- Capital spending in line with expectations.
- Cash flow priority is debt reduction; approximately $170MM debt reduction since 2015 Citadel purchase.
- Company paid $6MM dividends on common stock resulting in a current yield of approximately 2.7%.
- Company paid $1.9MM dividends on convertible special stock.

EBITDA ($MM)[1]



NET DEBT ($MM)[2]



POSITIONED FOR FURTHER DEBT REDUCTION IN FY17

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1. Reflects Non-GAAP results. Refer to the Appendix for a reconciliation between GAAP and non-GAAP results.
2. Net debt represents total debt less cash and cash equivalents and restricted cash.

SHLM 2017 Targets and Risk Factors

METRIC[1]	FY17
(excluding FX)	
REVENUE	$2.5 – $2.6B
EBITDA	$225 – $230MM
EPS	$2.08 – $2.18/sh
ROIC[2]	11% – 12.5%
NET LEVERAGE	3.5x – 3.8x

Currency Translation – Risk Factor

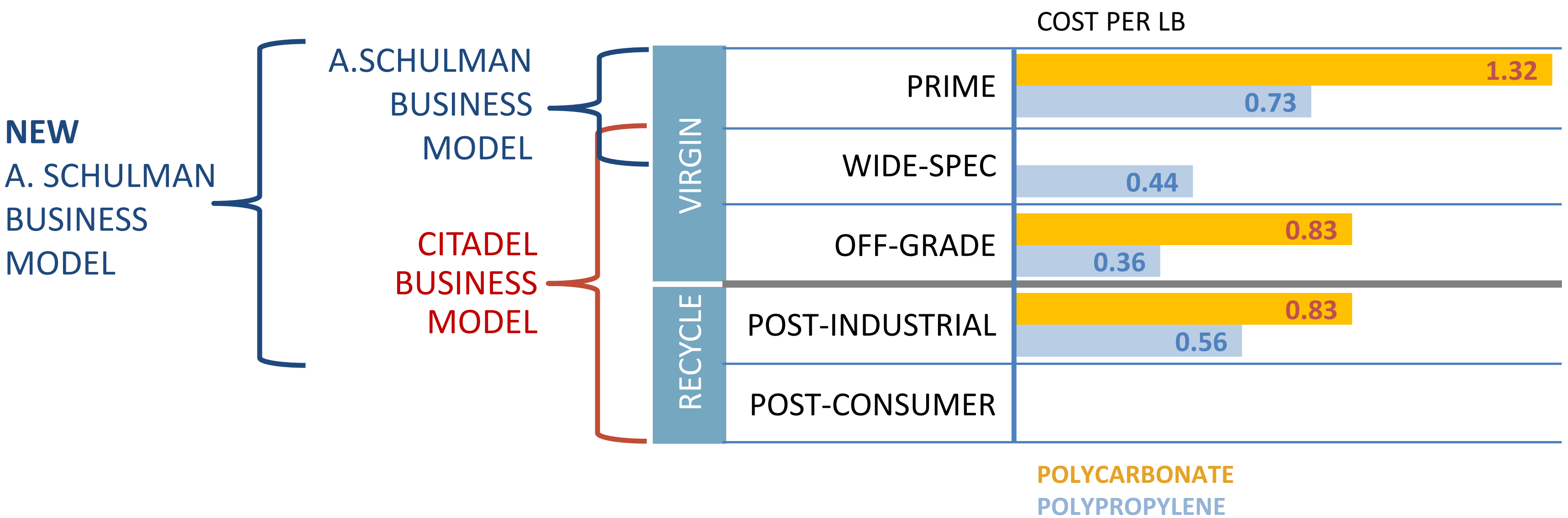
- Initial FY17 guidance assumed Euro rate of $1.13.
- If Euro were at $1.06 for the remainder of FY17 (with no changes in other world currencies) the negative impact on EPS could be approximately $0.15 per share.
- Potential adverse impact to sales approximately $90MM.
- Potential adverse impact to EBITDA approximately $8MM.

1. Metrics are on a non-GAAP basis. Refer to the reconciliation of GAAP and Non-GAAP financial measures for types of items excluded from our business outlook.
2. Trailing Twelve Month (TTM) Non-GAAP Operating Income After Tax (30% Tax Rate Assumed) Divided by 12 Month Average Invested Capital Defined as Total Shareholders' Equity minus Cash and Goodwill, plus Total Debt.

Complex Consolidation

- Merging two business models into one.
- Reconfiguring of plant footprint in Evansville including transferring certain products out of Evansville.
- Changing manufacturing processes (extra pre-blending step & equipment) and formulations to ensure products consistently meet A. Schulman specifications.
- Eliminating products with very low margin.

COMPETITIVE ADVANTAGE IN BUSINESS MODEL



2017 Reset Year: Momentum in FY17 2Q

- Reset year
- Deliver on expectations

- Continue business plan implementation
- Capture benefits of FY17 initiatives
- Regain growth momentum

- Continued growth under a new management team

Fiscal 2017 | Fiscal 2018 | Fiscal 2019 | Fiscal 2020 | Fiscal 2021

REINVIGORATED BUSINESS MODEL ACCELERATING GROWTH

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Appendix

A. SCHULMAN, INC.
Reconciliation of GAAP and Non-GAAP Financial Measures
Unaudited
(In thousands, except per share data)

Three months ended February 28, 2017	Cost of Sales	Gross Margin	SG&A	Restructuring Expense	Operating Income	Operating Income per pound	Non Operating (Income) Expense	Income Tax Expense (Benefit)	Net Income Available to ASI Common Stockholders	Diluted EPS
As Reported	$ 479,492	15.7%	65,967	1,878	21,341	$ 0.037	$ 14,862	1,143	3,155	$ 0.11
Certain Items:										
Asset impairment (8)	-		-	-	-		(1,623)	390	1,233	0.04
Accelerated depreciation (1)	(467)		-	-	467		-	112	355	0.01
Restructuring and related costs (3)	(871)		(2,221)	(1,878)	4,970		-	1,193	3,777	0.13
Lucent costs (4)	(1)		(596)	-	596		-	143	453	0.02
Accelerated amortization of debt issuance costs (6)	-		-	-	-		(21)	5	16	0.00
CEO transition costs (5)	-		(7)	-	7		-	2	5	0.00
Tax (benefits) charges (7)	-		-	-	-		-	(267)	267	0.01
Total Certain Items	$ (1,338)	0.2%	$ (2,823)	$ (1,878)	$ 6,039	$ 0.010	$ (1,644)	$ 1,577	$ 6,106	$ 0.21
As Adjusted	$ 478,154	15.9%	$ 63,144	$ -	$ 27,380	$ 0.047	$ 13,218	$ 2,720	$ 9,261	$ 0.31
Percentage of Revenue			11.1%		4.8%			19%	1.6%	

Three months ended February 29, 2016	Cost of Sales	Gross Margin	SG&A	Restructuring Expense	Operating Income	Operating Income per pound	Non Operating (Income) Expense	Income Tax Expense (Benefit)	Net Income Available to ASI Common Stockholders	Diluted EPS
As Reported	$ 501,937	15.2%	71,604	2,214	16,006	$ 0.027	$ 14,471	(487)	(283)	$ (0.01)
Certain Items:										
Accelerated depreciation (1)	(2,049)		(8)	-	2,057		-	479	1,578	0.05
Costs related to acquisitions and integrations (2)	(1,970)		(2,291)	-	4,261		-	1,022	3,239	0.11
Restructuring and related costs (3)	(455)		(3,100)	(2,214)	5,769		(265)	1,381	4,653	0.16
Lucent costs (4)	452		(1,063)	-	611		-	51	560	0.02
Accelerated amortization of debt issuance costs (6)	-		-	-	-		(164)	38	126	0.00
Tax Benefits (Charges)	-		-	-	-		-	498	(498)	(0.02)
Total Certain Items	$ (4,022)	0.7%	$ (6,462)	$ (2,214)	$ 12,698	$ 0.021	$ (429)	$ 3,469	$ 9,658	$ 0.32
As Adjusted	$ 497,915	15.9%	$ 65,142	$ -	$ 28,704	$ 0.048	$ 14,042	$ 2,982	$ 9,375	$ 0.31
Percentage of Revenue			11.0%		4.9%				1.6%	

Explanation of Adjustments

1. Accelerated depreciation is related to restructuring plans in the Company's USCAN and EMEA segments.
2. Costs related to acquisitions and integrations primarily include third party professional, legal, IT and other expenses associated with successful and unsuccessful full or partial acquisition and divestiture/dissolution transactions, as well as certain employee-related expenses such as travel, one-time bonuses and post-acquisition severance separate from a formal restructuring plan.
3. Restructuring and related costs include items such as employee severance charges, lease termination charges, curtailment gains/losses, other employee termination costs and charges related to the reorganization of the legal entity structure. Refer to Note 12 in the Company's Quarterly Report on Form 10-Q for further discussion.
4. Lucent costs primarily represent legal and investigation costs related to resolving the Lucent matter, product manufacturing costs for reworking existing Lucent inventory, obsolete Lucent inventory reserve costs, and dedicated internal personnel costs that would have otherwise been focused on normal operations.
5. CEO transition costs represent charges for deferred compensation granted to Bernard Rzepka.
6. Write off of debt issuance costs are related to prepayments of $56.0 million of Term Loan B. Refer to Note 3 in the Company's Quarterly Report on Form 10-Q for further discussion.
7. Tax (benefits) charges represent the Company's quarterly non-GAAP tax based on the overall estimated annual non-GAAP effective tax rates.
8. Asset impairment relates to the future cash settlement of a commitment to a local government.

A. SCHULMAN, INC. Reconciliation of GAAP and Non-GAAP Financial Measures Unaudited				
	Three months ended			
(In millions)	February 28, 2017		February 29, 2016	
Net income available to A. Schulman, Inc. common stockholders	**$**	**3.2**	**$**	**(0.3)**
Interest expense		13.1		13.8
Provision for U.S. and foreign income taxes		1.1		(0.5)
Depreciation and Amortization		19.9		23.0
Noncontrolling interests		0.3		0.4
Convertible special stock dividends		1.9		1.9
Other (1)		1.7		0.7
EBITDA, as calculated		**41.2**		**39.0**
Non-GAAP adjustments (2)		5.5		10.7
EBITDA, as adjusted	**$**	**46.7**	**$**	**49.7**

Explanation of Adjustments

1. Other includes Foreign currency transaction (gains) losses and Other (income) expense, net.
2. For details on Non-GAAP adjustments, refer to "Reconciliation of GAAP and Non-GAAP Financial Measures", items (2) - (8). Amounts are included in Operating Income. Accelerated depreciation on the "Reconciliation of GAAP and Non-GAAP Financial Measures" has been excluded as it is already included in Depreciation and amortization above.

A. SCHULMAN, INC.
SUPPLEMENTAL SEGMENT INFORMATION

	Three months ended	
	February 28, 2017	February 29, 2016
	Unaudited	
	(In thousands, except for %)	
Net sales to unaffiliated customers		
EMEA	$ 276,902	$ 290,330
USCAN	151,918	170,817
LATAM	39,662	38,158
APAC	48,914	45,063
EC	51,282	47,393
Total net sales to unaffiliated customers	**$ 568,678**	**$ 591,761**
Segment gross profit		
EMEA	$ 39,130	$ 38,953
USCAN	20,060	27,241
LATAM	9,595	8,466
APAC	8,908	8,199
EC	12,831	10,987
Total segment gross profit	**90,524**	**93,846**
Lucent Costs (1)	-	452
Accelerated depreciation and restructuring related	(1,338)	(2,504)
Cost Related to Acquisitions	-	(1,970)
Total gross profit	**$ 89,186**	**$ 89,824**

A. SCHULMAN, INC. SUPPLEMENTAL SEGMENT INFORMATION		
	Three months ended	
	February 28, 2017	February 29, 2016
	Unaudited	
	(In thousands, except for %)	
Segment operating income		
EMEA	$ 16,527	$ 15,612
USCAN	5,447	10,427
LATAM	5,459	4,229
APAC	4,901	4,670
EC	4,111	1,450
Total segment operating income	**36,445**	**36,388**
Corporate and other	(9,065)	(7,684)
Costs related to acquisitions	-	(4,261)
Restructuring related (2)	(4,970)	(5,769)
CEO Transition Costs	(6)	-
Accelerated depreciation	(467)	(2,057)
Lucent Costs (1)	(596)	(611)
Total operating income	**21,341**	**16,006**
Interest expense	(13,107)	(13,790)
Foreign currency transaction gains (losses)	(1,081)	(950)
Other income (expense), net	(674)	269
Income from continuing operations before taxes	**$ 6,479**	**$ 1,535**

Explanation of Adjustments

1. Refer to Note 13, Commitments and Contingencies, for additional discussion on this matter. Lucent costs in cost of sales include additional product and manufacturing operational costs for reworking inventory. Lucent costs in selling, general and administrative expenses include legal and investigative costs. In addition, in the three months ended February 29, 2016, Lucent costs in SG&A also include dedicated internal personnel costs that would have otherwise been focused on normal operations.

2. Restructuring related costs for the three months ended February 28, 2017 of $3.1 million and for the three months ended February 29, 2016 of $3.6 million primarily included in selling, general and administrative expenses in the Company's statements of operations, are costs associated with professional fees for outside strategic consultants regarding actions to improve the profitability of the organization and efficiency of its operations, and costs associated with reorganizations of the legal entity structure of the Company. Restructuring expenses included in restructuring expense in the Company's statement of operations include costs permitted under ASC 420, Exit or Disposal Obligations, such as severance costs, outplacement services and contract termination costs.