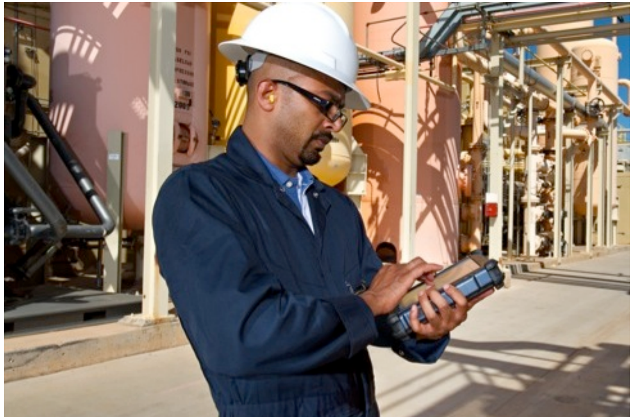


August 9, 2018

Jefferies Industrials Conference

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 and data privacy 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 and our subsequent Quarterly Reports on Form 10-Q.

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.

AdvanSix At A Glance

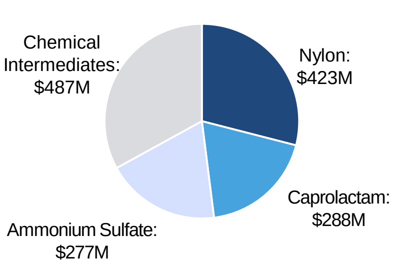
AdvanSix is a Leading Producer of Nylon 6 and Intermediate Chemicals

Profile

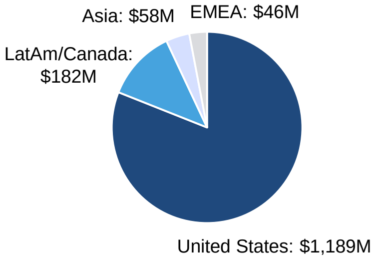
- **NYSE: ASIX**
- **Spin-off from Honeywell: October 1, 2016**
- **Market Cap: ~$1B** (1)
- **2017 Revenue: ~$1.5B**
- **Employees: ~1,510**
- **Four U.S. Manufacturing Sites**

2017 Revenue Breakdown

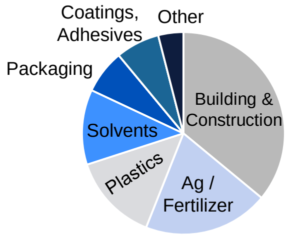
By Product



By Region



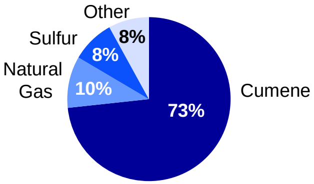
By End Market



Key Inputs

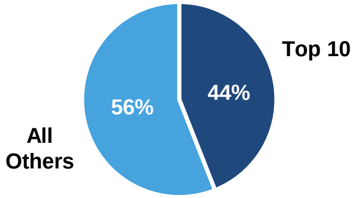
- Security of direct materials through multiple supplier contracts
- Pricing tracks key commodity inputs

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) As of August 7, 2018

Investment Highlights

Sustainable Low Cost Position

- Vertical integration and scale
- Advantaged location – raw materials, access to high value end markets
- Co-product net back optimization

Diverse Revenue Sources And Strong Customer Relationships With Global Reach

- Three product lines 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 Operations, R&D, And Technology

- Operational excellence key to driving safe, stable operations and higher returns
- 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
- Authorization and execution of $75M share repurchase program

Vertically Integrated Manufacturing Sites

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

Cumene

Frankford Plant

Cumene is converted into Phenol, Acetone & Alpha-Methylstyrene

- Second largest producer of Phenol and Acetone in North America
- Acquired in 2011 from Sunoco
- Capacity: 1.1B lbs Phenol
  - 680M lbs Acetone

Sulfur

Phenol

Natural Gas

Hopewell Plant

75%-80% of Phenol produced at Frankford transported to Hopewell

- One of world's largest single-site producers of Caprolactam and Ammonium Sulfate fertilizer
- Capacity: 795M lbs Caprolactam
  - 3.3B lbs Ammonium Sulfate
  - 600 KMT Ammonia

CPL

Chesterfield Plant

~60% of the Caprolactam produced at Hopewell shipped to Chesterfield

- Second largest U.S. site for Nylon 6 production
- Resins in wide range of viscosities and specifications
- Capacity: 440M lbs Nylon 6 Resin

Nylon Resin

☆ Additional Nylon Film assets located in Pottsville, PA

Phenol, Acetone, Alpha-Methylstyrene

Sulf-N® Ammonium Sulfate Fertilizer

Nadone® Cyclohexanone
Naxol® Cyclohexanol

Flake & Molten Caprolactam

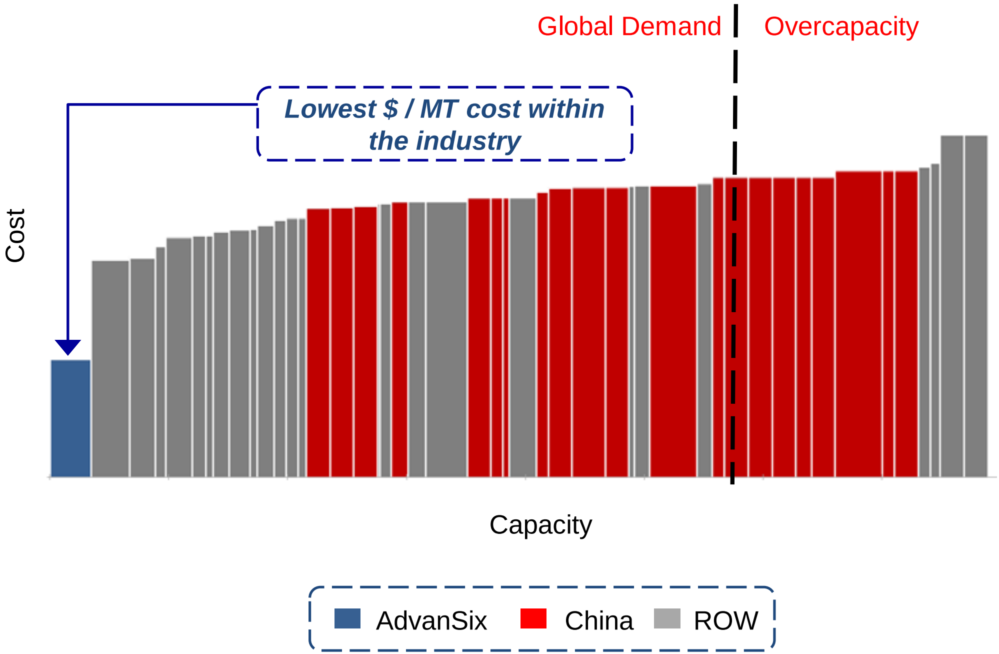
Aegis® Nylon 6 Resins

Raw Materials | ASIX Product

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	• Ammonium Sulfate & Acetone position optimizes Caprolactam & Phenol cost, respectively • Go to market strategy / mix management to optimize netback
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

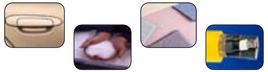
Nylon Overview

Leading Vertically Integrated Nylon 6 Producer

Highlights

- **Nylon 6 Demand Growth In-Line With GDP**
  - Engineered plastics and packaging faster growing segments
- **Industry Conditions Remain Improved Year-Over-Year**
  - North America supply/demand generally in balance
  - Environmental policy and feedstock constraints driving China dynamics
- **Flexible Assets Enabling Mix Upgrade to High Value Applications**
  - Capacity across multiple polymer trains and viscosity spectrum
  - Chesterfield investments enable production of copolymer Nylon 6 / 6.6
- **Technology Focus on Application Development**
  - Leverage customer intimacy with new technical marketing team
  - Pilot plant enabling improved scale-up
- **Asset Utilization 90%+**

Business Characteristics

% of 2017 Total Revenue	~48%
Products	• Caprolactam (Flake and Molten) • Nylon 6 Resin • BOPA Films
End-Use Applications	• Carpets • Plastics • Packaging • Textiles • Other 
Market Size (Global)	~$9B
Select Competitors	UBE, Sinopec, domo Chemicals, BASF The Chemical Company
Select Key Customers	Shaw, Lexmark carpet mills, inc., Toray, Hyosung, DuPont, Bemis
Historical Revenue ($M)	

Source: PCI Wood Mackenzie, AdvanSix Management

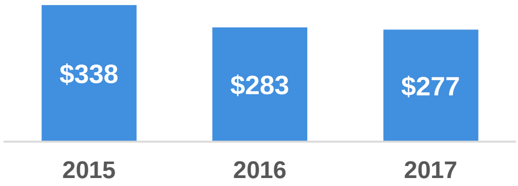
Ammonium Sulfate Overview

Key Co-Product Portfolio Delivers On Sulfur Nutrition Value Proposition

Highlights

- **Ammonium Sulfate ~5% of Nitrogen Fertilizer Market**
  - Urea has underlying influence on all nitrogen nutrient products, but Ammonium Sulfate has its own supply/demand fundamentals
- **Improved Market Dynamics as New ’18/’19 Season Begins**
- **Industry Leading Technology**
  - 4:1 Raschig technology
  - High granular conversion (>60%)
- **Differentiated Go-To-Market**
  - Over 70% of North America sales to co-ops and integrated retailers
  - Unique expertise, dedicated regional agronomists
  - Connection with the grower enables value add pricing
- **Access to Top North and South American Markets Enables Participation in “Year-round” Growing Season**

Business Characteristics

% of 2017 Total Revenue	~19%
Products / End-Use Applications	• Ammonium Sulfate Fertilizer – Granular – Mid Grade – Standard  
Market Size (Global)	~$3.5B
Select Competitors	MMA Producers Steel Mills BASF The Chemical Company LANXESS Energizing Chemistry PCI Nitrogen
Select Key Customers	Fertilizantes Heringer CHS GROWMARK Nutrien Ag Solutions Southern States Farmer owned since 1923
Historical Revenue ($M)	

Source: Profercy, CRU, AdvanSix Management

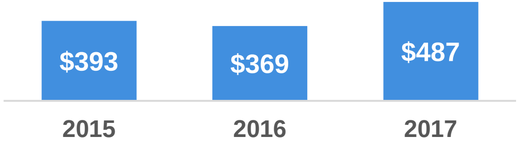
Chemical Intermediates Overview

Range of Portfolio Enables Diversity of Revenue Sources

Highlights

- **Manufacture, Market and Sell Chemical Products Derived From the Processes Within our Integrated Chain**
  - Integration enables full asset utilization
  - Dedicated sales and product marketing team enables product mix optimization to maximize value
  - Acetone represents ~50% of Chemical Intermediates sales
- **Robust Demand Across End-Use Applications**
  - High Phenol industry utilization rates lengthening Acetone supply
- **Well-Positioned and Growing Portfolio**
  - Advantaged geography, distribution footprint and quality
  - Robust Acetone portfolio to reach high-purity specialty applications
  - Significant scale in several differentiated coatings, resins and solvents applications
- **Maturing pipeline of high-return investments further supports longer-term growth and performance**

Business Characteristics

% of 2017 Total Revenue	~33%
Products	• Acetone • Phenol • Cyclohexanone / Cyclohexanol • Alpha-Methylstyrene • Oximes • Sulfuric Acid, Carbon Dioxide
End-Use Applications	• Paints / Coatings • Construction Materials • Engineered Resins • Adhesives • Other 
Market Size (Global)	~$12B
Select Competitors	INEOS, Olin, Shell, Altivia
Select Key Customers	Eastman, Hexion, Monument Chemical, Lucite International, Univar, Dow
Historical Revenue ($M)	

Source: IHS Markit, AdvanSix Management

2H 2018 Framework

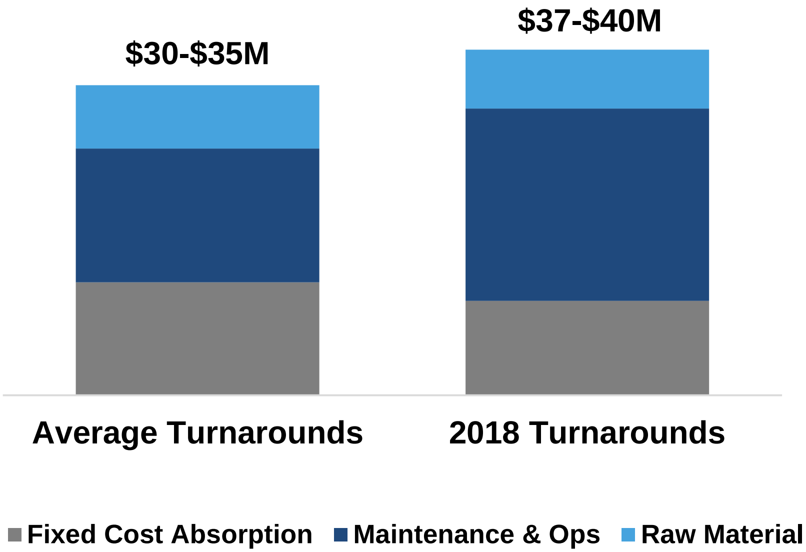
3Q18 Planned Plant Turnaround Key Consideration

	2H18 vs. 1H18 Expectations
Nylon	• Continued favorable industry conditions globally • Environmental policy and feedstock constraints to continue influencing China dynamics
Ammonium Sulfate	• New season starting with improved pricing year-over-year • Typical seasonality driving 3Q18 sequential pricing decline ($10-$15M pre-tax income impact)
Chemical Intermediates	• North America acetone imports leveling off but near-term pricing headwind remains • Phenol end market demand to remain favorable
Operations	• 3Q18 planned turnaround impact to pre-tax income of $25-$28M • Continued proactive maintenance to support high utilization rates
Capital Expenditures	• 1H18 capex ~$53M, expect $110-$115M FY18 • Initiating high-return growth and cost savings projects

Operational Excellence – Planned Plant Turnarounds

Key to Safe, Sustainable and Improved Operations

Annual Turnarounds
Pre-Tax Income Impact



Considerations and Priorities

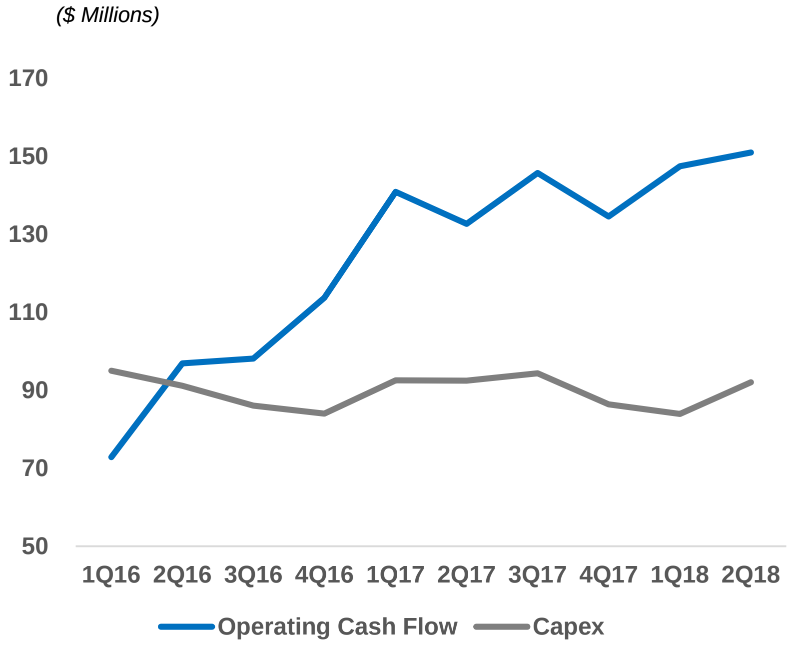
- **Timing driven by compliance, inspection and sustaining asset base**
  - Critical to supporting high utilization rates
  - Typically deploy committed replacement maintenance and high-return capital projects during turnarounds
- **Dedicated teams to improve effectiveness**
  - Reducing risks and complexity across supply chain
  - Minimizing overall impact from start of planning process through re-start of the asset
- **Staggered across unit operations to maintain product output**
  - Hopewell: Semi-annual (typically Spring and Fall); Frankford: Annual
  - Turnarounds may not occur in the same quarter from year to year
  - Scope, complexity and timing of specific turnarounds may differ
- **Average annual turnarounds $30-$35M pre-tax income impact**
  - Inclusive of repair and maintenance expense, fixed cost absorption and incremental purchases of feedstocks we normally manufacture ourselves

Average Turnarounds = Total annual average turnaround impact across sites from 2012-2017

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 net 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 – maturing longer-term pipeline
- **Further expanding capital deployment by initiating share repurchases under currently authorized $75M 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

- 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

Delivered In 2017

- ✓ 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

2018 Priorities

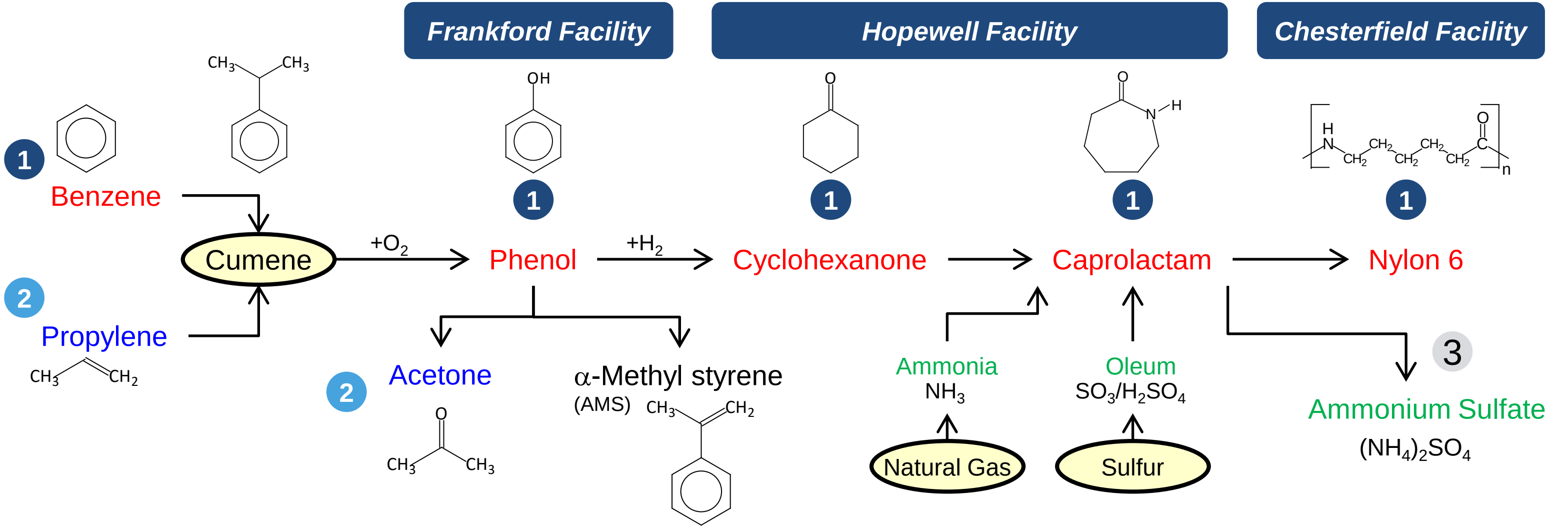
- High operating rates to continue
- Continued strong working capital management
- Final NOx controls system installed
- Maximize high value product mix
- Execute high-return growth and cost savings capex projects
- Fully exit Honeywell transition services

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

Appendix

AdvanSix Chemistry

Nylon 6, a Downstream Petrochemical Value Chain



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

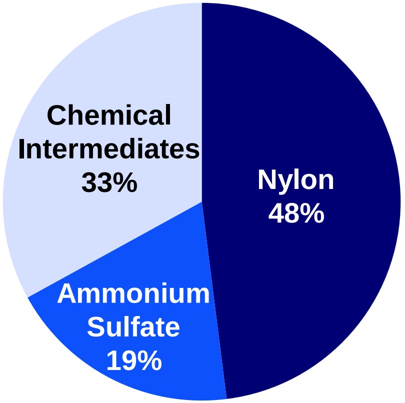
2 **Acetone key co-product from Phenol production; molecule derived from propylene**

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

Pricing Mechanisms

Mitigate Commodity Price Risk Through Formula Price Agreements

2017 Sales By Product



~50%

Formula / Index Pricing

- Pricing Linked to Input Raw Materials and/or Published Industry Indices
- Moves in Underlying Raw Materials Typically in Tandem With Sales Price
- "Adders" or Spreads Separately Negotiated

~50%

Market Based Pricing

- Influenced By:
  - Supply / Demand Dynamics
  - Marginal Producer Economics
  - Underlying Raw Materials
  - Negotiated Prices Can Lag 30-60 Days With Movement in Raw Materials

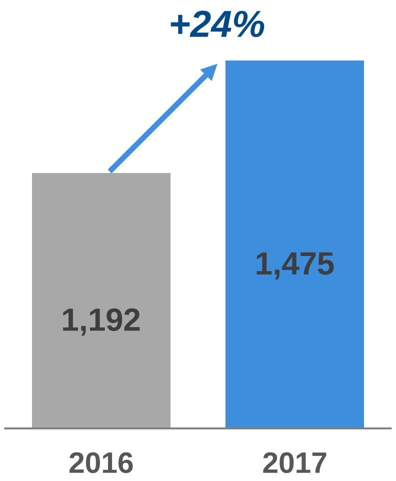
Nylon Chemical Intermediates Ammonium Sulfate

Full Year 2017 Financial Summary

Strong Volume, Earnings and Cash Flow With Record Safety Performance

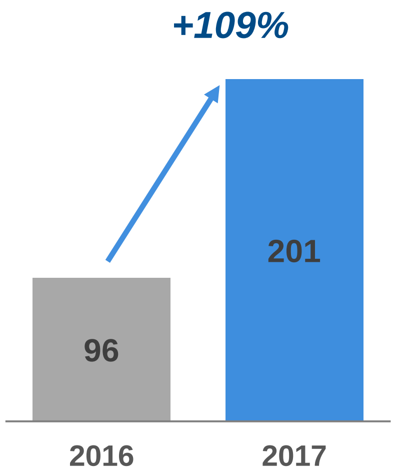
Sales

($M)



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

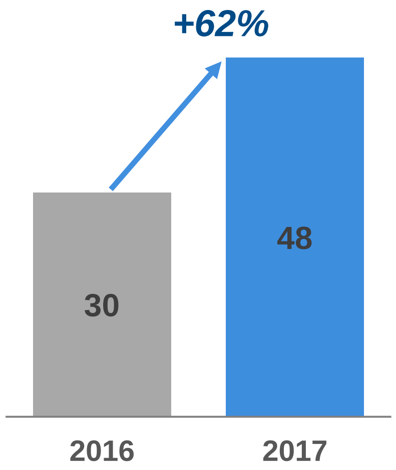
*EBITDA**



Margin % *8.1%* *13.6%*

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

Free Cash Flow



- Operating Cash Flow +$21M
- Capex Up $2M to $86M
- Efficient Working Capital Performance

** 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

AdvanSix

2Q 2018 Financial Summary

Higher Sales, Net Income, and Cash Flow From Operations

($ Millions, Except Per Share Amounts)	2Q 2017	2Q 2018	Comments
Sales	**$361.4**	**$400.5**	• **Sales Up 11%: Volume +4%, Price +7%** – **Raw Material Pass Through +7%, Market Pricing ~Flat**
EBITDA ***Margin %***	**$54.6** *15.1%*	**$53.0** *13.2%*	• **Near Record Plant Performance in Prior Year Period** • **Higher Raw Material Pass Through Impacts Margin %**
Net Income	**$25.8**	**$28.4**	• **Tax Rate 25.2% – Benefits From Tax Reform** • **Interest Expense Down ($0.3M)**
EPS (Diluted)	**$0.83**	**$0.91**	• **Share Count 31.3 Million**
Free Cash Flow	**$15.0**	**$10.4**	• **Cash Flow From Operations $33M, Up $4M vs. Prior Year** • **Capex $23M, Up $8M 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

Nylon Industry Outlook

Continued Favorable Industry Conditions Globally

Nylon

What We're Seeing

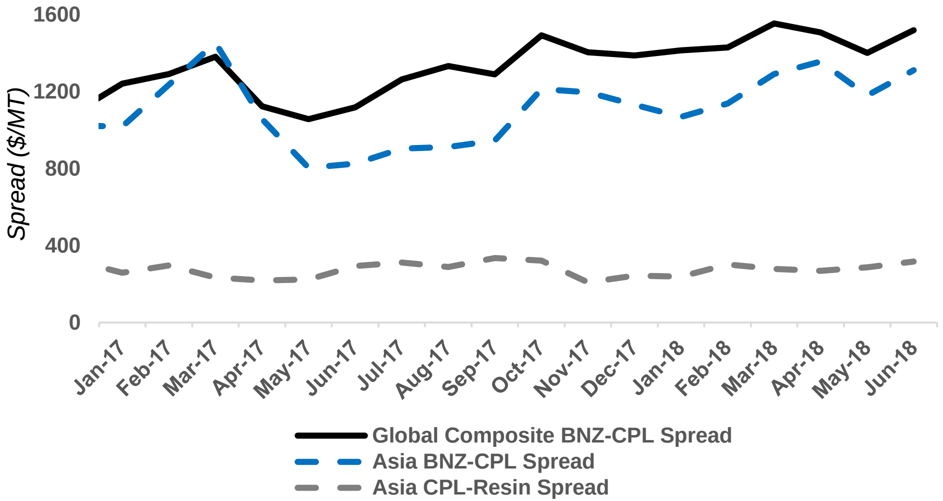
- North America supply/demand generally in balance
- Environmental policy and feedstock constraints driving China dynamics
- Industry conditions remain improved year-over-year

What We're Expecting

- Continued dynamic China supply environment
- Steady nylon end market demand growth
- Formula based pricing mitigates raw material increases

Key Industry Spreads (1)

	2Q18 YoY	2Q18 vs. 1Q18
Global Composite BNZ-CPL	34%	1%
Asia BNZ-CPL	43%	10%
Asia CPL-Resin	18%	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

Ammonium Sulfate (AS) Industry Outlook

Improved Market Dynamics as New ’18/’19 Season Begins

Ammonium Sulfate

What We’re Seeing

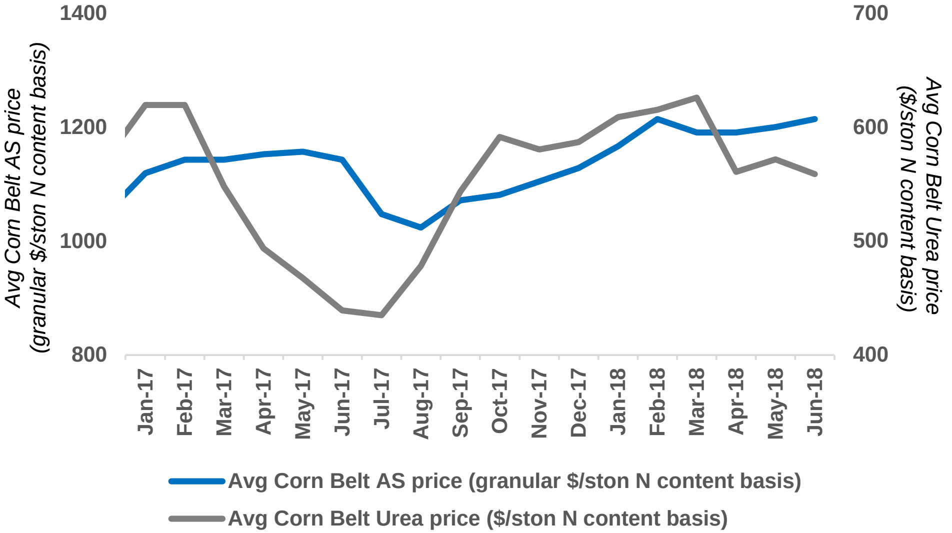
- Late start to planting season supported strong 2Q18 demand
- AS price movement modest relative to recent nitrogen pricing
- Firm global urea pricing supported by China utilization and higher energy costs

What We’re Expecting

- New season fill pricing ~10% above last year
- 3Q18 seasonal price decline
- Continued demand growth for sulfur nutrition

Key Industry Prices (1)

	2Q18 YoY	2Q18 vs. 1Q18
Corn Belt Granular AS	4%	1%
Corn Belt Urea	21%	(9%)



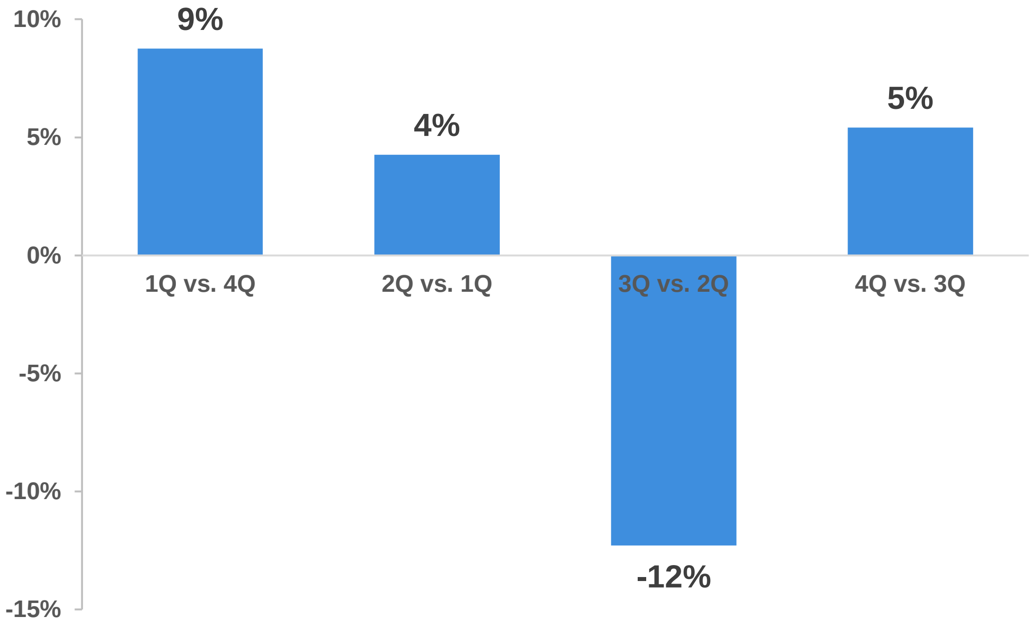
(1) As reported in Blue, Johnson

Ammonium Sulfate Seasonality

Typically See Seasonal Decline 2Q to 3Q

Cornbelt AS Price

(Avg sequential price change 2010-2017)



- New North America fertilizer season commencing 3Q
- Pricing typically declines with new season fill in 3Q and strengthens into Spring planting season
- Domestic ammonium sulfate prices typically strongest during 2Q fertilizer application
- ASIX overall volume relatively steady on a quarterly basis
  - Higher export volume 2H vs. 1H
  - Expect $10-$15M pre-tax income impact in 3Q vs. 2Q

Source: Green Markets; Cornbelt Ammonium Sulfate prices (4Q 2009 – 4Q 2017)

Chemical Intermediates Industry Outlook

Strong Global Phenol Demand, North America Acetone Imports Pressuring Price

Chemical Intermediates

What We're Seeing

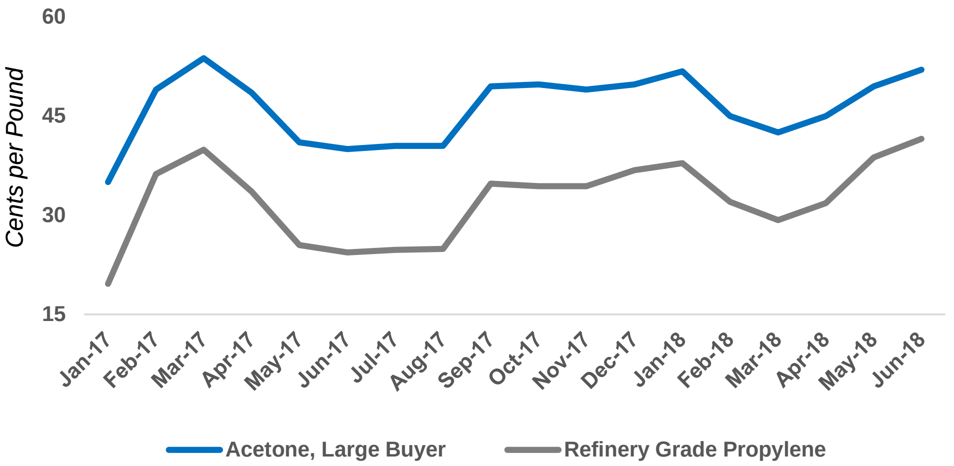
- Global phenol demand remains strong, high industry utilization rates lengthening acetone supply
- Refinery grade propylene (RGP) input price up significantly

What We're Expecting

- Phenol end market demand to remain favorable
- North America acetone imports to level off but near-term pricing headwind remains

Key Industry Prices [1]

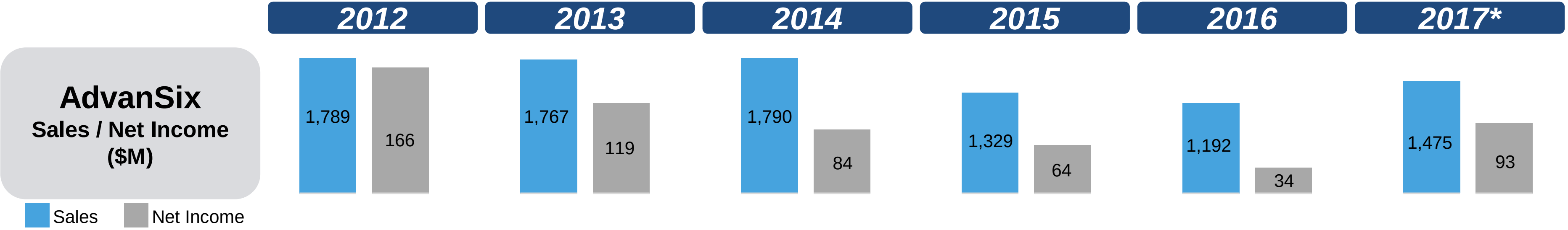
	2Q18 YoY	2Q18 vs. 1Q18
Acetone, Large Buyer	13%	5%
Refinery Grade Propylene	34%	13%



(1) As reported in IHS Markit

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, See "Non-GAAP Reconciliations" for Net Income ex- one-time net tax benefit*
Industry inputs represent approximate annual averages; Sources: IHS Markit, Tecnon OrbiChem, Blue, Johnson

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Non-GAAP Reconciliations

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

(in $ thousands)

	Twelve Months Ended December 31, 2017	Twelve Months Ended December 31, 2016
Net cash provided by operating activities	$ 134,607	$ 113,740
Expenditures for property, plant and equipment	(86,438)	(84,009)
Free cash flow [(1)]	$ 48,169	$ 29,731

(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.

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

(in $ thousands)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
Net cash provided by operating activities	$ 33,154	$ 29,586	$ 77,221	$ 60,792
Expenditures for property, plant and equipment	(22,710)	(14,571)	(53,423)	(47,785)
Free cash flow [1]	$ 10,444	$ 15,015	$ 23,798	$ 13,007

(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.

Reconciliation Of Net Income To EBITDA

(in $ thousands)

	Twelve Months Ended December 31, 2017	Twelve Months Ended December 31, 2016
Net income	$ 146,699	$ 34,147
Interest expense, net	7,716	1,847
Income tax expense (benefit)	(2,067)	19,628
Depreciation and amortization	48,455	40,329
EBITDA [(1)]	200,803	95,951
Prior year one-time benefit [(2)]	—	15,500
EBITDA excluding prior year one-time benefit	$ 200,803	$ 80,451
Sales	$ 1,475,194	$ 1,191,524
EBITDA margin [(3)]	13.6%	8.1%
EBITDA margin excluding prior year one-time benefit	13.6%	6.8%

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

(2) 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

(3) 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 June 30,		Six Months Ended June 30,	
	2018	**2017**	**2018**	**2017**
Net income	$ 28,410	$ 25,766	$ 40,003	$ 53,059
Interest expense, net	1,598	1,873	4,688	3,412
Income taxes	9,590	15,317	13,156	32,265
Depreciation and amortization	13,371	11,663	25,913	22,959
EBITDA (1)	$ 52,969	$ 54,619	$ 83,760	$ 111,695
Sales	$ 400,459	$ 361,441	$ 759,697	$ 738,145
EBITDA margin (2)	13.2%	15.1%	11.0%	15.1%

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

(2) 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 and Diluted EPS to Net Income and Diluted EPS Excluding One-Time Net Tax Benefit

(in $ thousands)	Twelve Months Ended December 31, 2017	Twelve Months Ended December 31, 2016
Net income	$ 146,699	$ 34,147
One-time net tax benefit (1)	(53,424)	—
Net income excluding one-time net tax benefit	$ 93,275	$ 34,147
Diluted EPS	$ 4.72	$ 1.12
One-time net tax benefit (1)	(1.72)	—
Diluted EPS excluding one-time net tax benefit	$ 3.00	$ 1.12

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

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.