



**AMERICAN  
VANGUARD®**

***NYSE: AVD***

# ***2023 FY Earnings Call***

***March 14, 2024***

**Eric Wintemute** ..... *Chairman & Chief Executive Officer*

**David Johnson** ..... Chief Financial Officer

**Bob Trogele** ..... Chief Operating Officer

**Tim Donnelly** ..... Chief Information Officer

**Don Gualdoni** ..... Chief Transformation Officer

**William Kuser** ..... *Director, Investor Communications*

The Company, from time to time, may discuss forward-looking information. Except for the historical information contained in this release, all forward-looking statements are estimates by the Company's management and are subject to various risks and uncertainties that may cause results to differ from management's current expectations.

Such factors include weather conditions, changes in regulatory policy and other risks as detailed from time-to-time in the Company's SEC reports and filings. All forward-looking statements, if any, in this release represent the Company's judgment as of the date of this release.

## AVD Performance 4Q23 & FY 23

- **Net Sales+8% 4Q23 VS 4Q22**
- **Inventory Reduction**
- **Net Debt Reduction**
- **Increased Credit Availability**

## Current Ag Market Conditions

- **Corn Price Decline**
- **Biologicals Gaining Traction**
- **Procurement Normalizing**

## Business Fundamentals

- **Outperformed AgChem Sector in 2023**
- **No Overhang of AVD Products**
- **2024 Targets**
  - **Net Sales up 8-12%**
  - **Adj EBITDA \$70M-\$80M**

## Profitability & Growth Initiatives

- **Transformation**
- **Core Innovation, SIMPAS, & Green Solutions**

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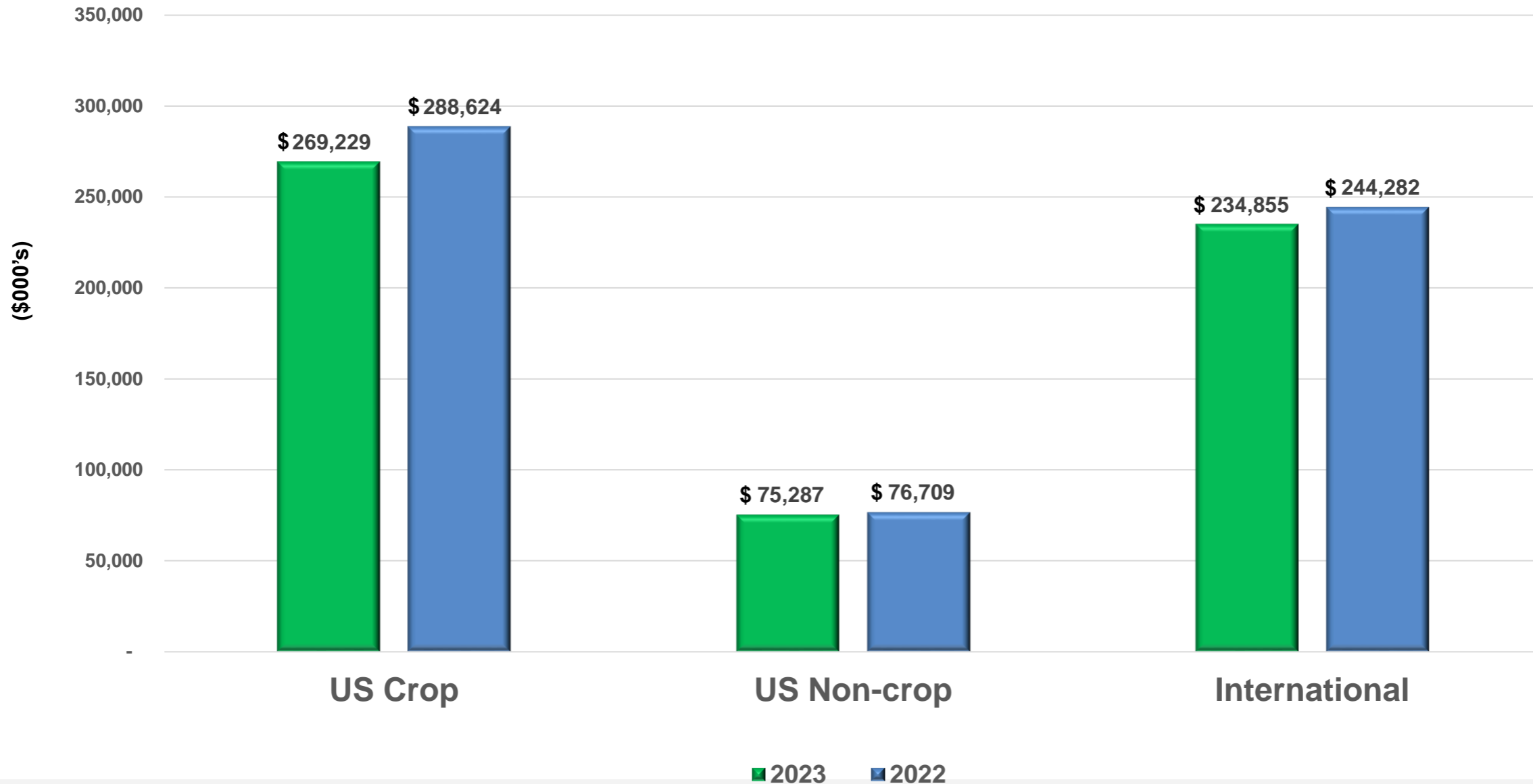
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# 2023 Sales

Overall sales 2023 \$579m vs \$610m in 2022 (down 5.0%)  
International 40.5% of total in 2023 vs 40.1% of total in 2022



### Net Sales, 12 months Ended Dec 31, 2023 & 2022





# 2023 Gross Profit Performance

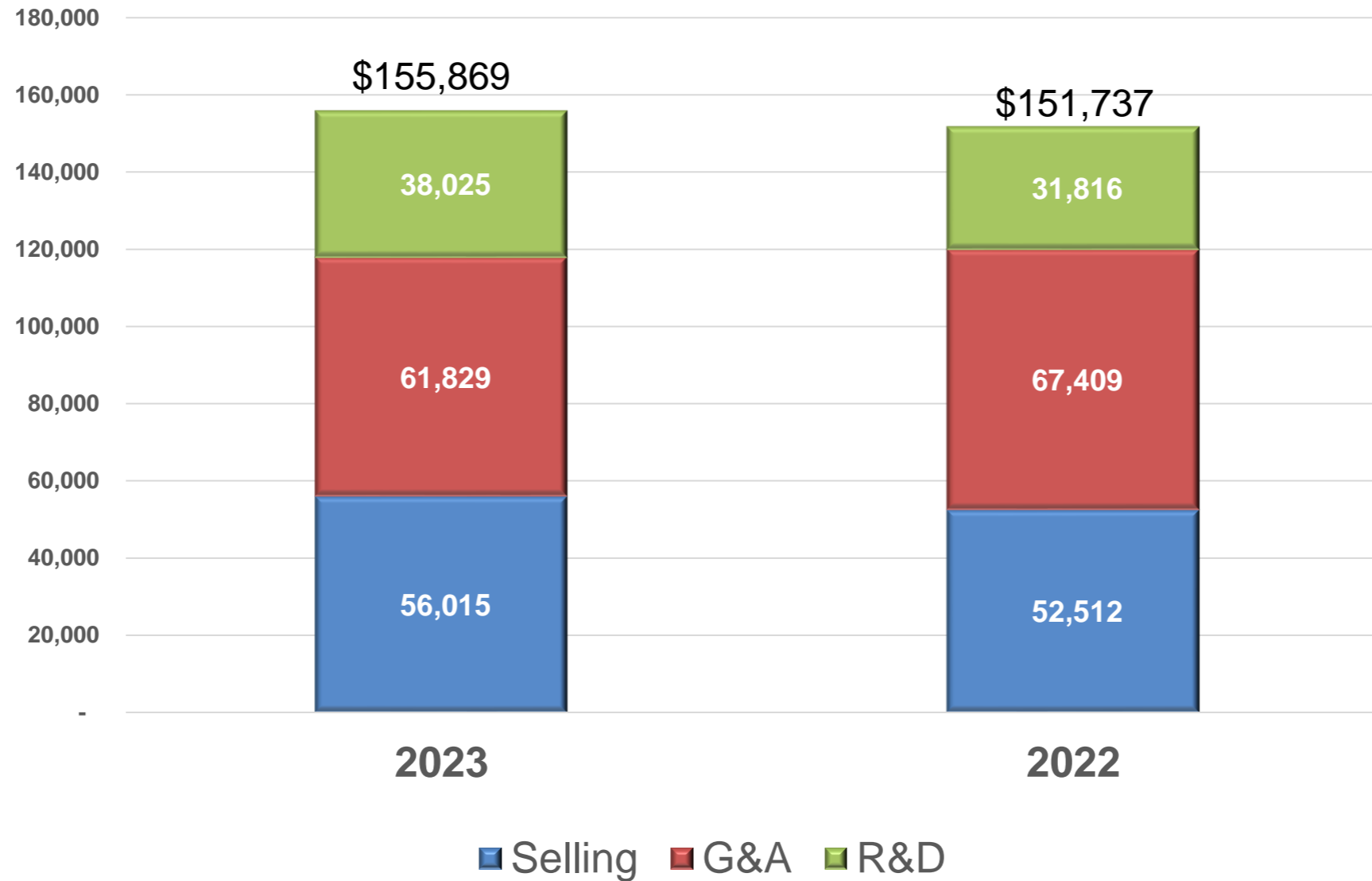


(\$000's)

	12-months Ended Dec 31,		
	<u>2023</u>	<u>2022</u>	<u>Change</u>
US Crop	\$269,229	\$288,624	-7%
US Non-crop	75,287	76,709	-2%
<b>US</b>	<b>344,516</b>	<b>365,333</b>	<b>-6%</b>
International	234,855	244,282	-4%
<b>Total Net Sales</b>	<b>\$579,371</b>	<b>\$609,615</b>	<b>-5%</b>
<b>Total Cost of Sales</b>	<b>(\$400,207)</b>	<b>(\$417,227)</b>	<b>-4%</b>
<b>Total Gross Profit</b>	<b>179,164</b>	<b>192,388</b>	<b>-7%</b>
<b>Total Gross Margin</b>	<b>31%</b>	<b>32%</b>	

# 2023 Operating Expenses

Operating expenses are 26.9% of sales in 2023 vs 24.9% in 2022



# 2023 Cash Flow



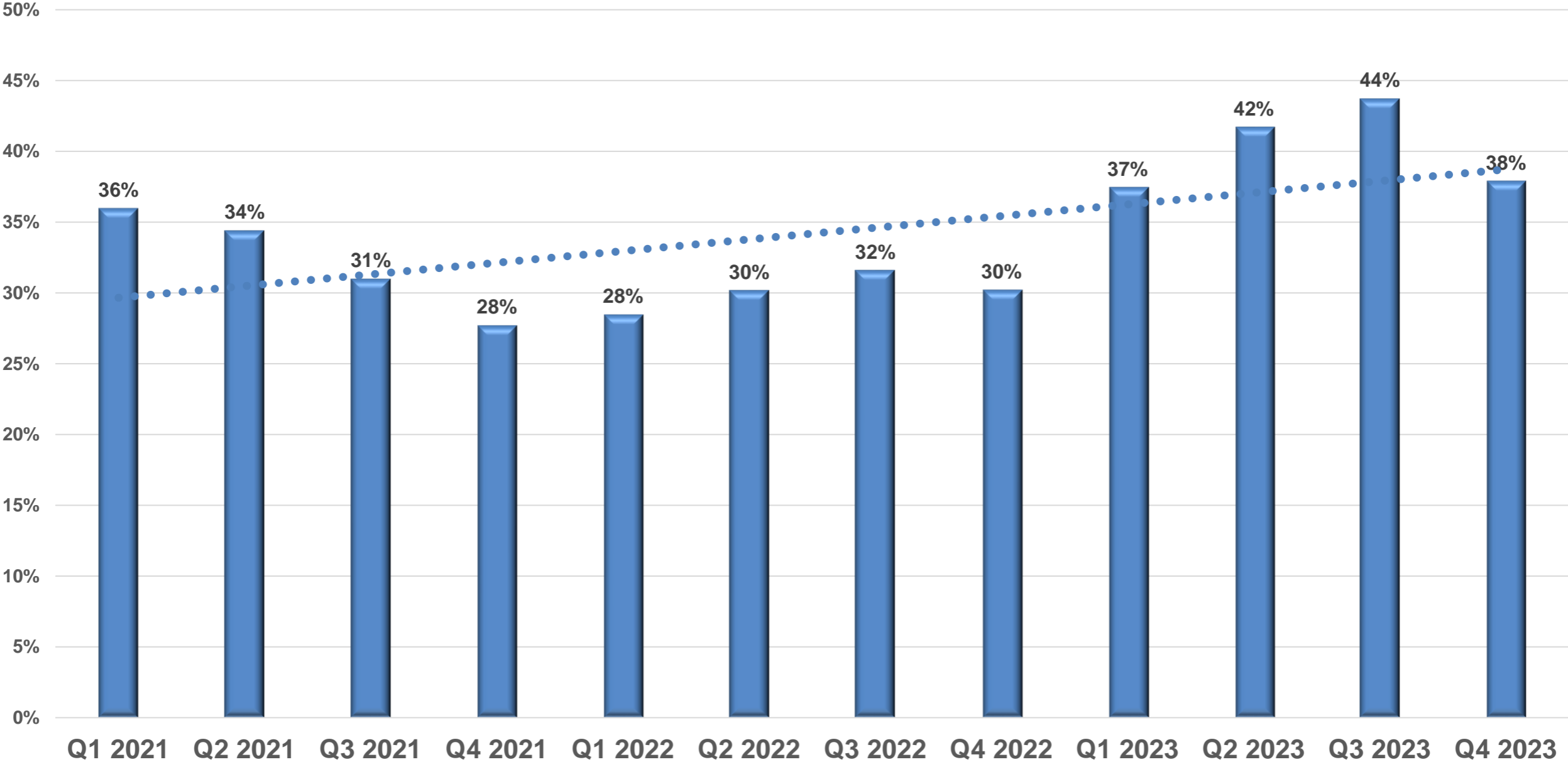
	(\$000's)	
	12-months Ended Dec 31,	
	2023	2022
Cash from Operations	\$ 29,713	\$ 55,529
Change in Working Capital	(88,461)	1,576
<b>Net Cash (used in) / from Operations</b>	<b>(58,748)</b>	<b>57,105</b>
Cash used in Investing	(17,017)	(14,470)
Cash from Financing	66,737	(38,260)
<b>Total Net Change</b>	<b>(9,028)</b>	<b>4,375</b>
FX Effect	116	(332)
Beginning Cash	20,328	16,285
<b>End Cash</b>	<b>\$ 11,416</b>	<b>\$ 20,328</b>

# 2023 Statements of Operations, 12 months

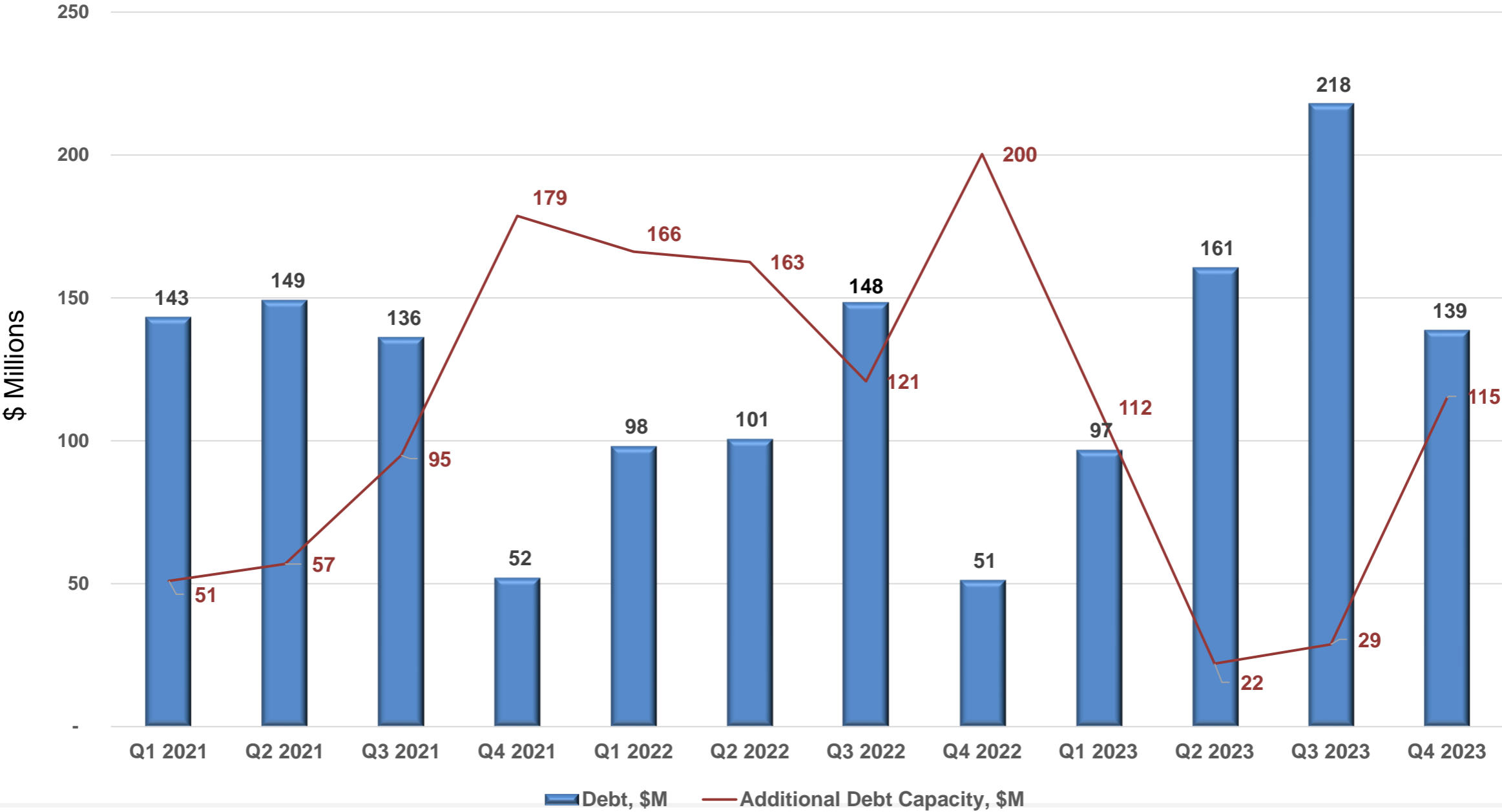


	(\$000's)		
	12 months Ended Dec 31,		
Statements of Operations	2023	2022	Change
Net Sales	\$579,371	\$609,615	(\$30,244)
<b>Gross profit</b>	<b>179,164</b>	<b>192,388</b>	<b>(13,224)</b>
Operating costs	(155,869)	(151,737)	(4,132)
<b>Operating Income</b>	<b>23,295</b>	<b>40,651</b>	<b>(17,356)</b>
Equity investment MTM	(359)	(732)	373
Interest Expense	(12,639)	(3,954)	(8,685)
<b>Income before Tax</b>	<b>10,297</b>	<b>35,965</b>	<b>(25,668)</b>
Income Taxes	(2,778)	(8,561)	5,783
<b>Net income for AVD</b>	<b>\$7,519</b>	<b>\$27,404</b>	<b>(\$19,885)</b>
Diluted shares	28,533	29,872	
EPS	\$0.26	\$0.92	

# Inventory as a Percentage of Sales (TTM)



# Debt & Borrowing Capacity



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## Pathfinder transformation Vision

- Unleash AMVACs full potential
- Return to a 15%+ EBITDA company and improve quality of earnings



### Why Now

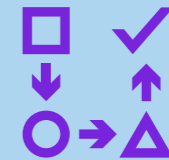


Now is the time to integrate all the acquisitions into a **single, well aligned global enterprise platform** to take advantage of scale

Minimal **data transparency and inefficient processes** is limiting full value capture potential

**Growth requires business reinvestment;** transformation can free up cash to fund that journey

### What will be different



**Unifying business transformation plan** in place

**Company-wide communications** connecting employees to transformation

**Redesigned organization** optimized to deliver company objectives

Operating as **One Team** focused on the immediate and long-term needs of AMVAC

**Empowered decision making and accountability** with clearly defined and publicized **KPIs**

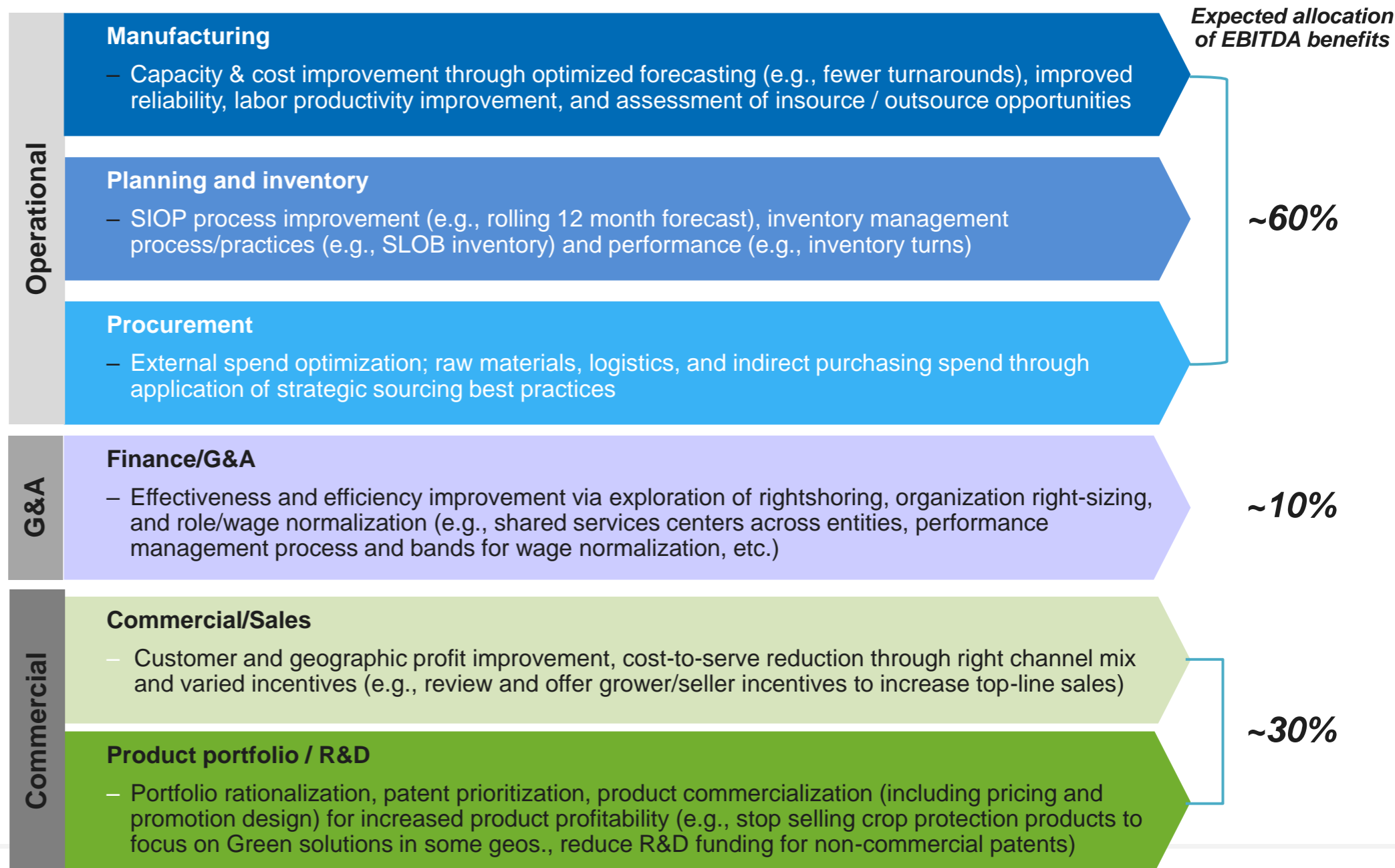


# Value drivers across workstreams

Under evaluation in Pathfinder Project



Reaching the ambition requires AMVAC to reimagine how the business operates and design of a structure optimized to support that model



- **Core** ..... **New Launches / Mixtures & Formulations**
- **Green Solutions** .... **Up 10% 2023**
- **SIMPAS** ..... **Fully Validated**

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**Q & A**