



**AMERICAN
VANGUARD[®]**

NYSE: AVD

2024 Q1 Earnings Call

May 9, 2024

Call Participants



- 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
- Anthony Young** *Director, Investor Relations*

Safe Harbor Statement



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.

1Q24 Meeting Highlights



AVD Performance 1Q24

- Improved operating Leverage
 - Adjusted EBITDA up 32%
 - Operating Income up 87%
- Net Sales up 8% 1Q24 vs 1Q23

Current Market Conditions

- Stable Corn and Soybean Prices
- Distribution move from destocking to conservative inventory positions
- Strong US dollar

2024 Financial Targets

- Net Sales up 6% - 9%
- Adj EBITDA \$60 - \$70M
 - 19% increase over 2023

Transformation Initiatives

- Digital: Several weeks into technical ERP upgrade
- Structural: Targeting commercial, operational and G&A for \$15M in annualized adjusted EBITDA by 2026
- Human Capital: Talent management and monthly KPI score card

Improved Operating Leverage

Adjusted EBITDA Up 32%

Operating Income Up 87%

Sales Up 8%

1Q24 Sales Update – Total Sales up 8%



US Crop Sales up 9%

- Higher demand for corn soil insecticides, herbicides and peanut crop inputs

US NonCrop Sales up 28%

- Increased mosquito adulticide sales, pest strips, and ornamental/nursery products

International Sales up 2%

- Mexico and APAC led the segment

Financial Review



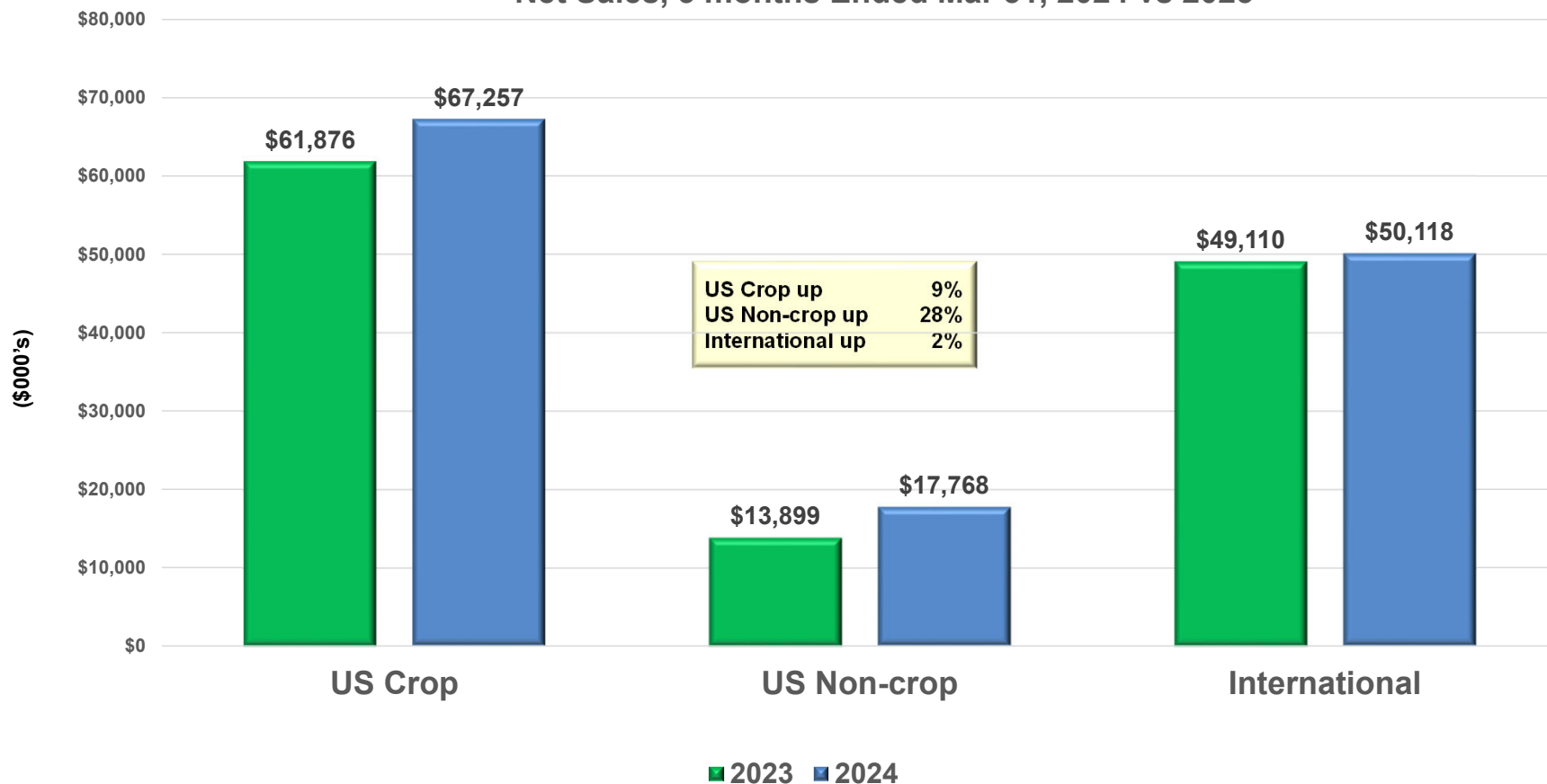
Mr. David Johnson Chief Financial Officer

1Q24 Sales

Overall sales Q1 2024 \$135m vs \$125m in 2023 (up 8%)
International 37.1.5% of total in Q1 2024 vs 39.3% of total in 2023



Net Sales, 3 months Ended Mar 31, 2024 vs 2023



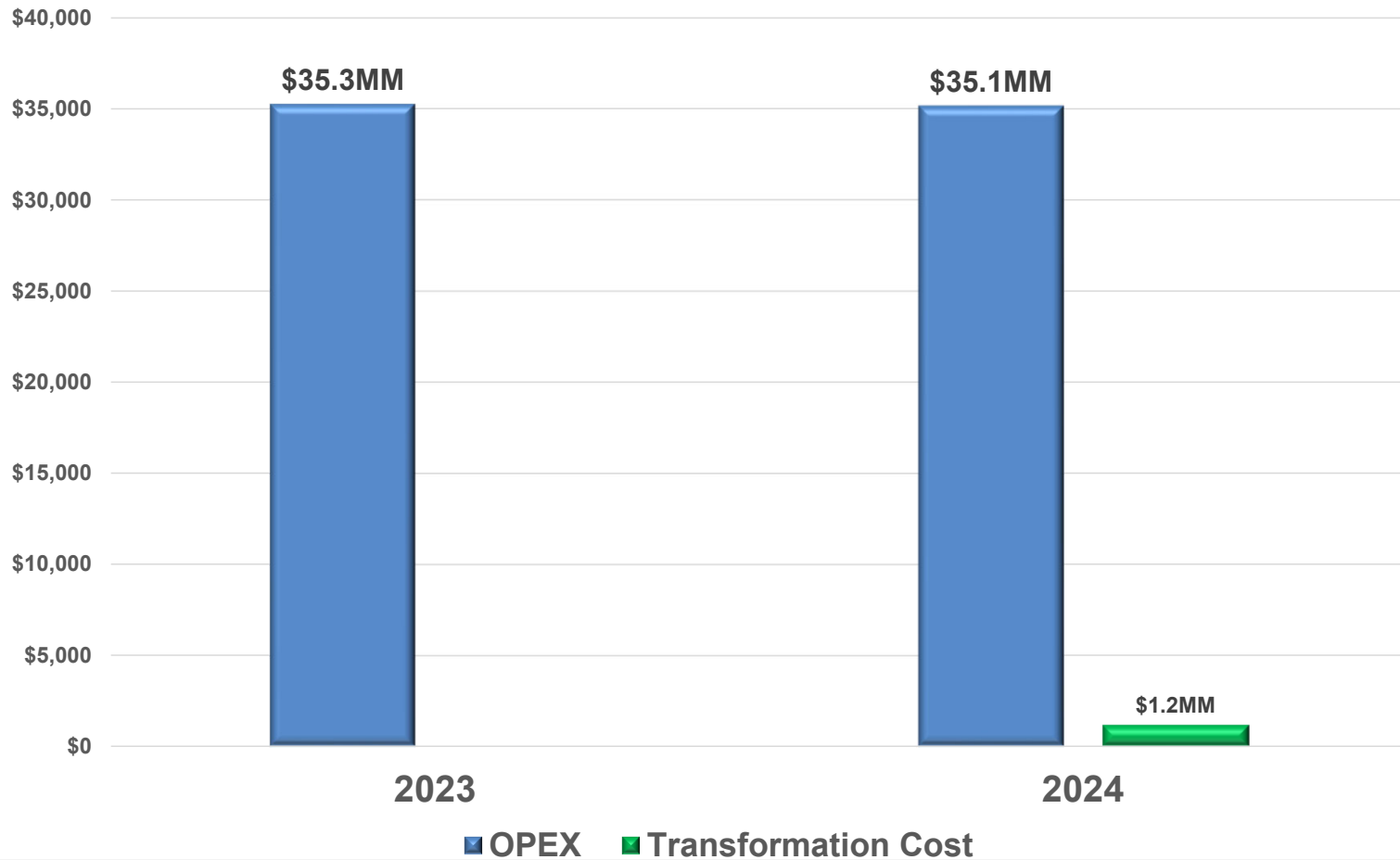
1Q24 Gross Profit Performance



	(\$000's)		
	3-months Ended Mar 31,		
	<u>2024</u>	<u>2023</u>	<u>Change</u>
US Crop	\$ 67,257	\$ 61,876	9%
US Non-crop	\$ 17,768	\$ 13,899	28%
US	\$ 85,025	\$ 75,775	12%
International	\$ 50,118	\$ 49,110	2%
Total Net Sales	\$ 135,143	\$ 124,885	8%
Total Cost of Sales	\$ (92,725)	\$ (86,348)	7%
Total Gross Profit	\$ 42,418	\$ 38,537	10%
Total Gross Margin	31%	31%	

1Q24 Operating Expenses

Operating expenses are 28.2% of sales in 2023 vs 26.9% in 2024



Q1 2024 Cash Flow



	(\$000's)	
	3-months Ended Mar 31,	
	2024	2023
Cash from Operations	\$ 7,676	\$ 10,367
Change in Working Capital	\$ (50,305)	\$ (51,819)
Net Cash (used in) / from Operations	\$ (42,629)	\$ (41,452)
Cash used in Investing	\$ (3,567)	\$ (3,308)
Dividends	\$ (834)	\$ (851)
Cash from Financing	\$ 48,533	\$ 44,628
Total Net Change	\$ 1,503	\$ (983)
FX Effect	\$ 790	\$ 223
Beginning Cash	\$ 11,416	\$ 20,328
End Cash	\$ 13,709	\$ 19,568

Q1 2024 Statements of Operations, 3 months

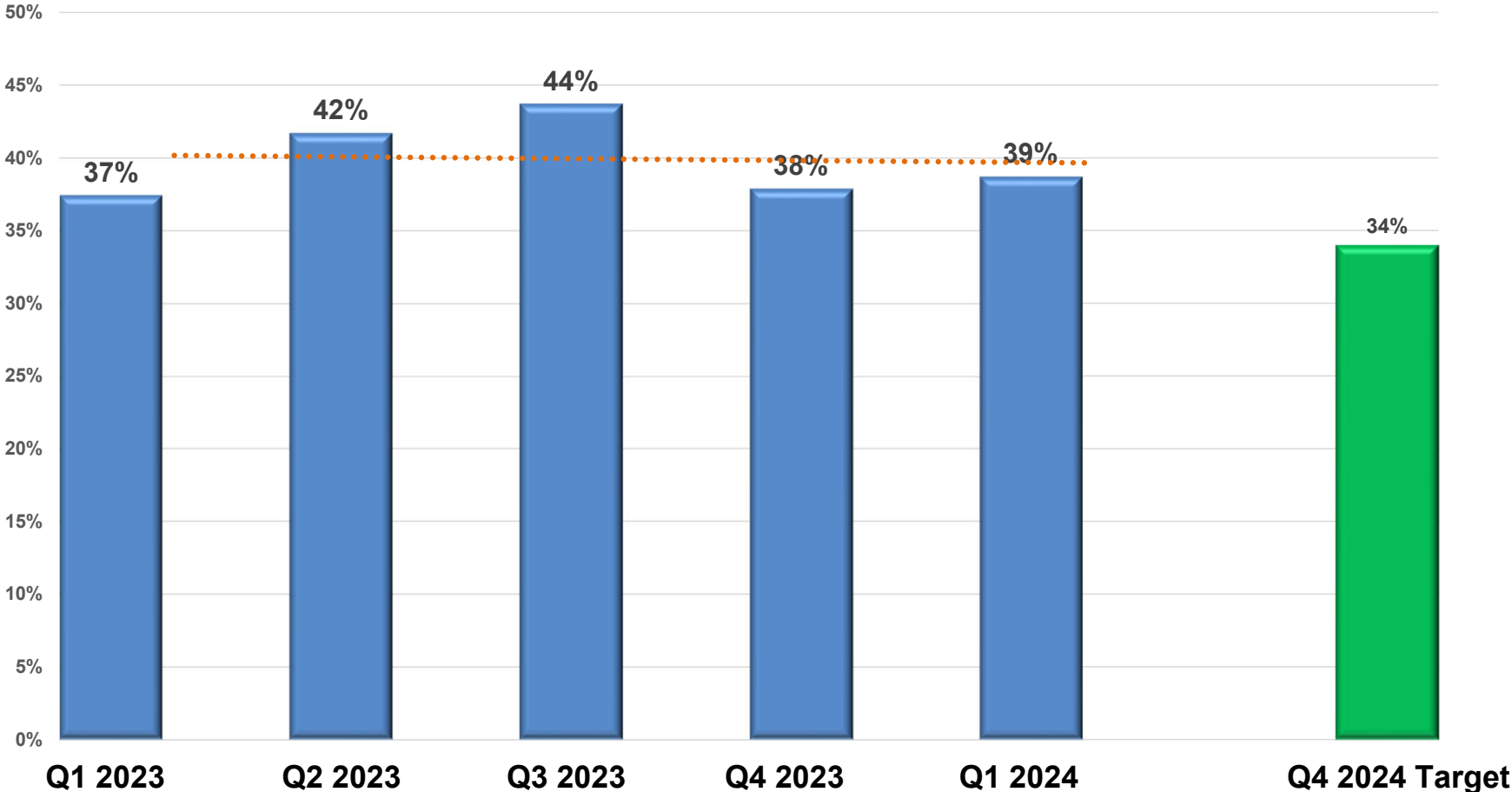


(\$000's)

3 months Ended Mar 31,

Statements of Operations	2024	2023	Change
Net Sales	\$ 135,143	\$ 124,885	\$ 10,258
Gross profit	\$ 42,418	\$ 38,537	\$ 3,881
Operating costs	\$ (36,327)	\$ (35,272)	\$ (1,055)
Operating Income	\$ 6,091	\$ 3,265	\$ 2,826
Equity investment MTM	\$ 638	\$ (22)	\$ 660
Interest Expense	\$ (3,693)	\$ (1,686)	\$ (2,007)
Income before Tax	\$ 3,036	\$ 1,557	\$ 1,479
Tax	\$ (1,484)	\$ 361	\$ (1,845)
Net income for AVD	\$ 1,552	\$ 1,918	\$ (366)
Diluted shares	28,128	29,073	
EPS	\$0.06	\$0.07	

Inventory as a Percentage of Sales (TTM)



1Q124 Meeting Highlights



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Current Market Conditions

- **Stable Corn and Soybean Prices**
- **Distribution move from destocking to conservative inventory positions**
- **Strong US dollar**

1Q124 Meeting Highlights



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Q & A