



Q1 2021 Earnings Call  
May 6, 2021

# Speakers



Mr. Eric Wintemute

Chairman & Chief Executive Officer

Mr. David Johnson

Chief Financial Officer

Mr. Bob Trogele

Chief Operating Officer

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.



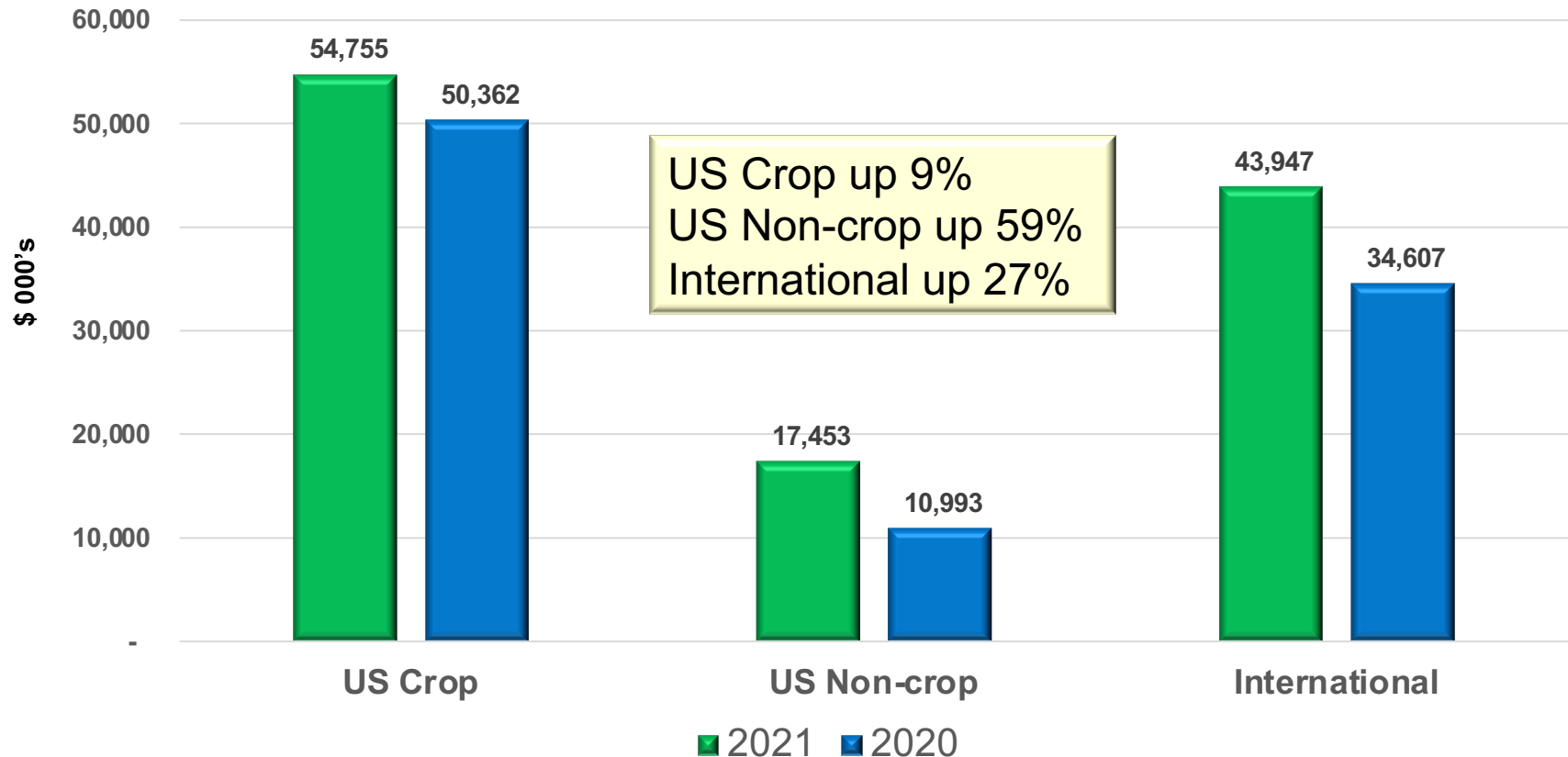
Q1 2021 Earnings Call  
May 6, 2021

Mr. David Johnson    Chief Financial Officer

# Q1 2021 Sales

Overall sales Q1 2021 \$116m vs \$96m in 2020 (up 21%)  
International 38% of total in 2021, 36% of total in 2020

## Net Sales, 3 months Ended March 31, 2021 & 2020





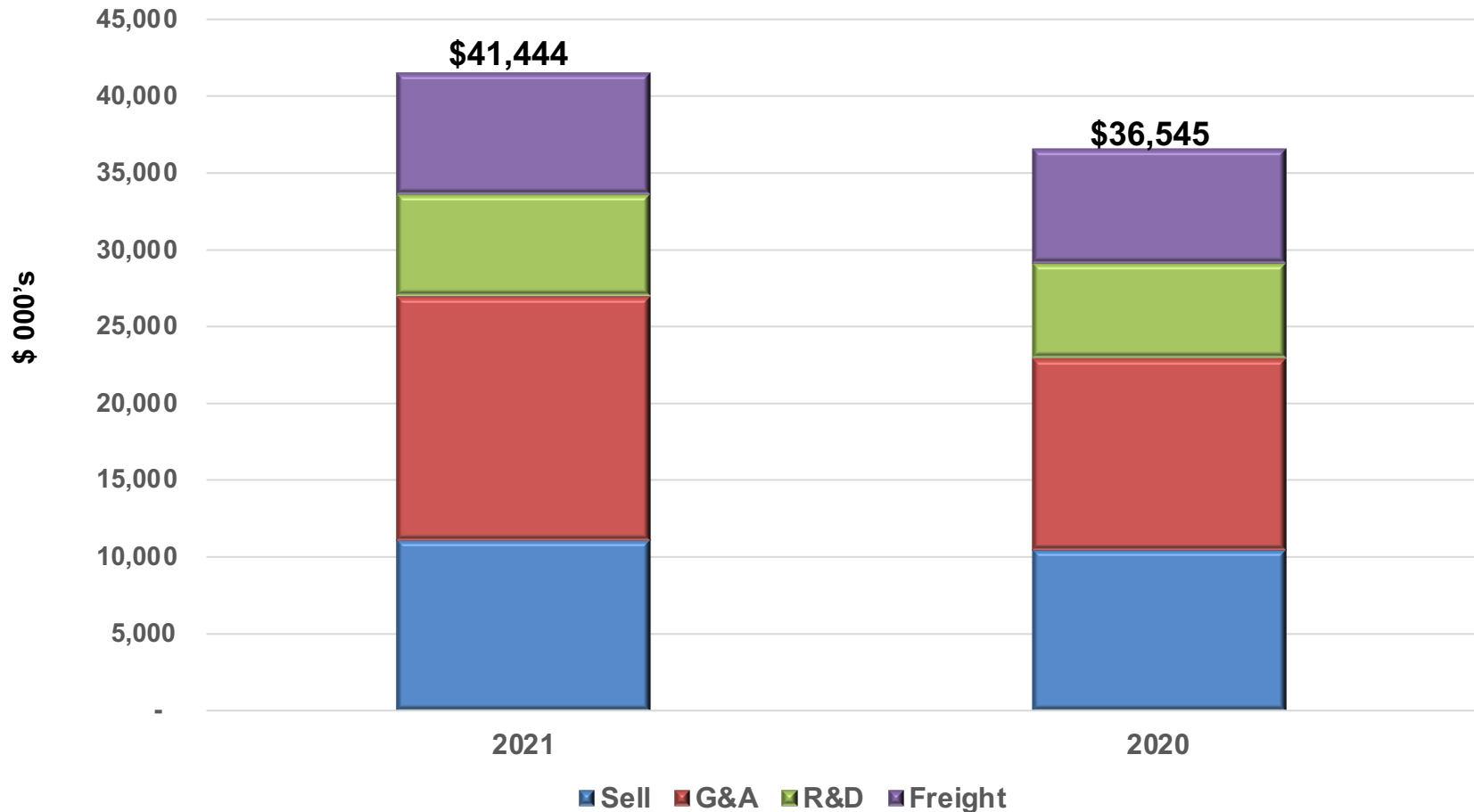
# Q1 2021 Gross Profit Performance

(\$000's)

	3-months Ended March 31,		
Gross Profit	2021	2020	Change
US Crop	21,271	24,245	-12%
US Non-crop	9,383	4,719	99%
<b>US</b>	<b>30,654</b>	<b>28,964</b>	<b>6%</b>
International	14,477	9,417	54%
<b>Total</b>	<b>45,131</b>	<b>38,381</b>	<b>18%</b>
Gross Margin %	2021	2020	
US Crop	39%	48%	
US Non-crop	54%	43%	
<b>US</b>	<b>42%</b>	<b>47%</b>	
International	33%	27%	
<b>Total</b>	<b>39%</b>	<b>40%</b>	

# Q1 2021 Operating Expenses

Operating expenses are 36% of sales in 2021 and 38% in 2020





# Q1 2021 Statements of Operations

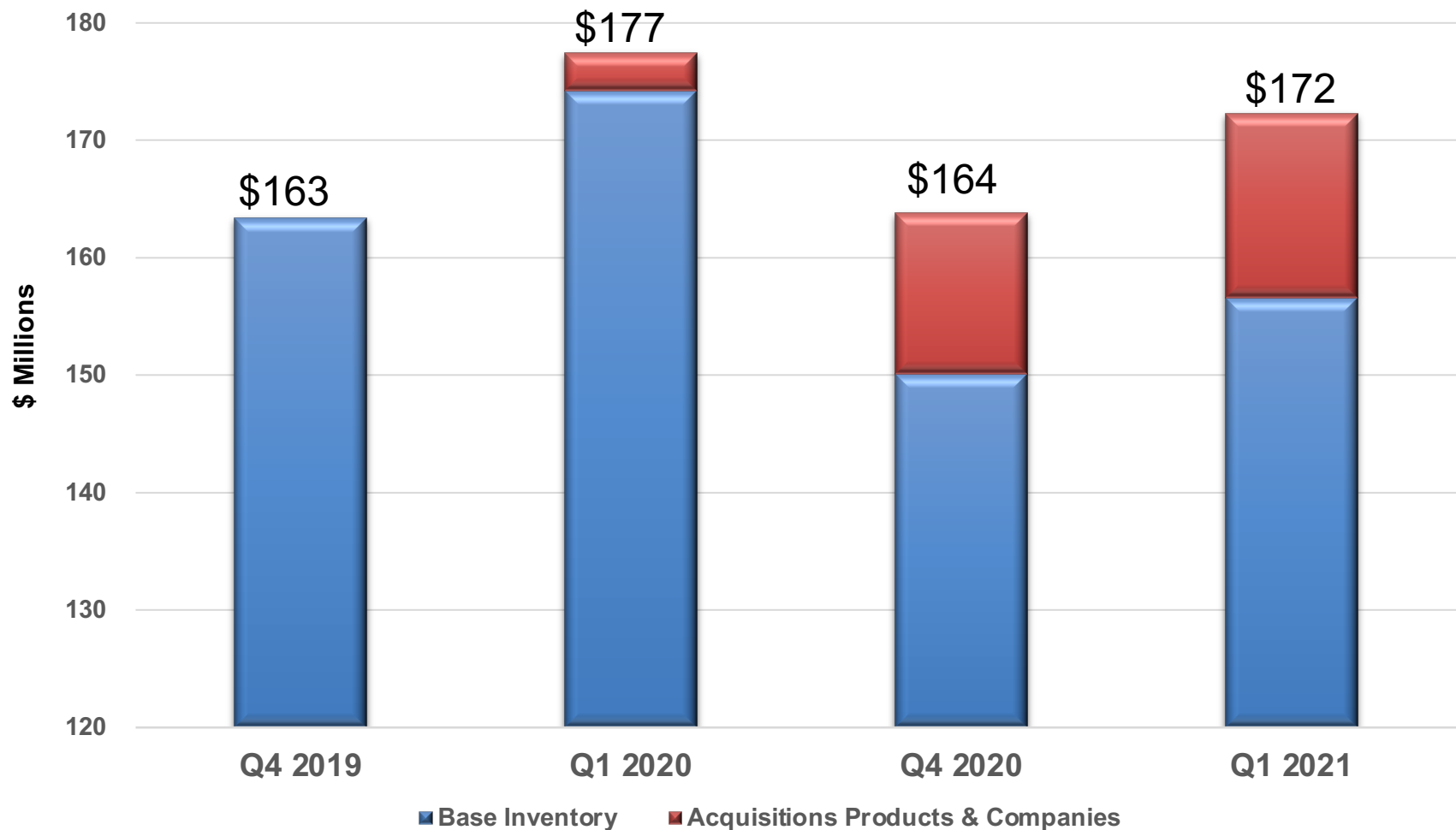
	\$ 000's		
	3 months Ended March 31,		
Statements of Operations	2021	2020	Change
Net Sales	\$116,155	\$95,962	\$20,193
<b>Gross profit</b>	<b>45,131</b>	<b>38,381</b>	<b>6,750</b>
Operating costs	(41,444)	(36,545)	(4,899)
Bargain purchase gain	(33)	0	(33)
<b>Operating Income</b>	<b>3,654</b>	<b>1,836</b>	<b>1,818</b>
Equity investment MTM	1,066	0	1,066
Other income	672	0	672
Interest Expense	(946)	(1,508)	562
<b>Income before Tax</b>	<b>4,446</b>	<b>328</b>	<b>4,118</b>
Tax	(1,362)	205	(1,567)
<b>Income before equity method</b>	<b>3,084</b>	<b>533</b>	<b>2,551</b>
Equity method investment	(13)	(13)	0
<b>Net income for AVD</b>	<b>\$3,071</b>	<b>\$520</b>	<b>\$2,551</b>
Diluted shares	30,523	29,948	
EPS	\$0.10	\$0.02	

# Cash Generation and Uses

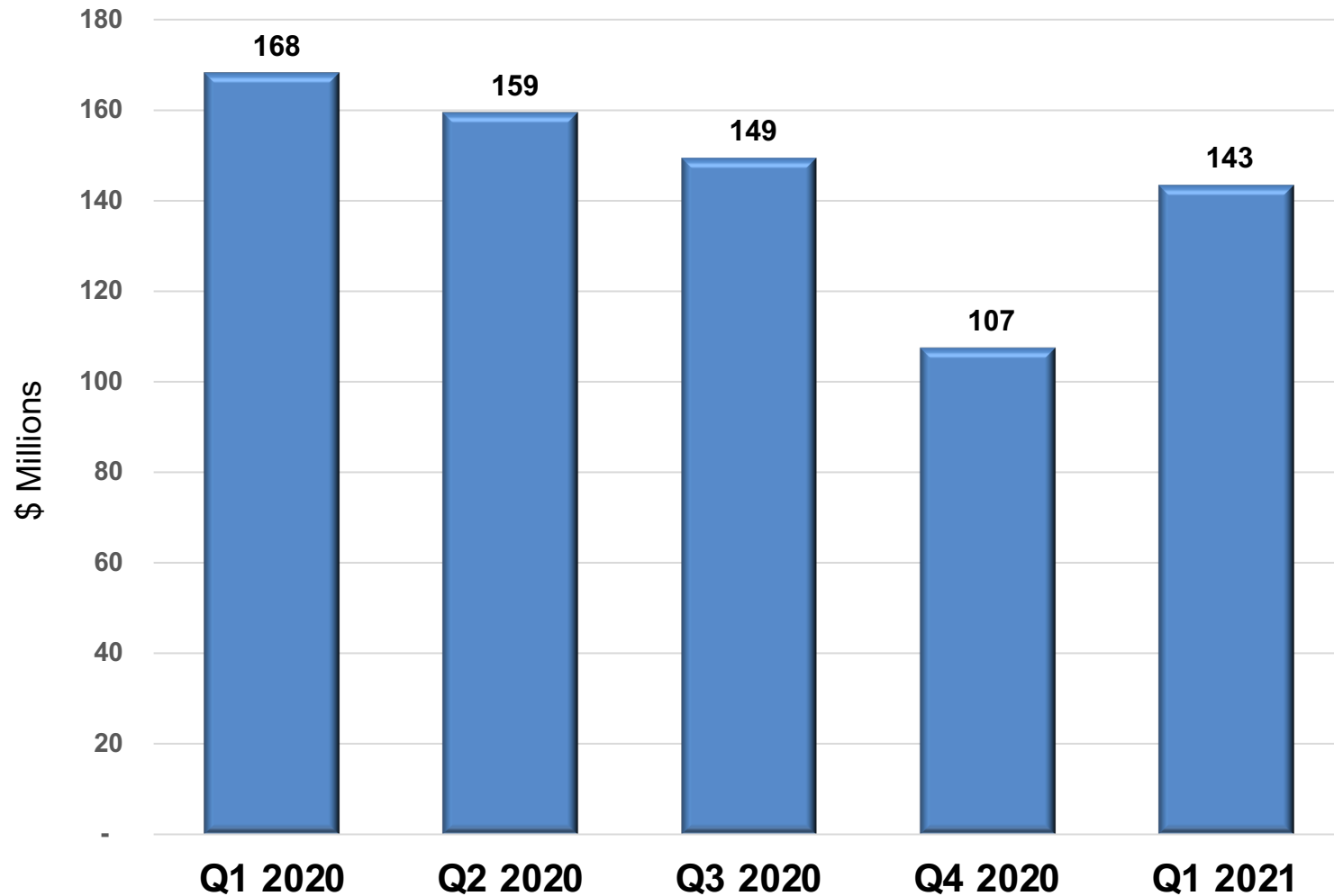
\$ 000's

	<b>3-months Ended March 31,</b>		
	<b>2021</b>	<b>2020</b>	<b>2019</b>
Cash from Operations	\$ 10,286	\$ 7,131	\$ 10,027
Change in Working Capital	(42,886)	(21,200)	(30,290)
<b>Net Cash from Operations</b>	<b>(32,600)</b>	<b>(14,069)</b>	<b>(20,263)</b>
Cash used in Investing	(2,945)	(2,980)	(27,615)
Cash from Financing	32,853	16,641	48,865
<b>Total Net Change</b>	<b>(2,692)</b>	<b>(408)</b>	<b>987</b>
FX Effect	534	(629)	(498)
Beginning Cash	15,923	6,581	6,168
<b>End Cash</b>	<b>\$ 13,765</b>	<b>\$ 5,544</b>	<b>\$ 6,657</b>

# Inventory



# Debt

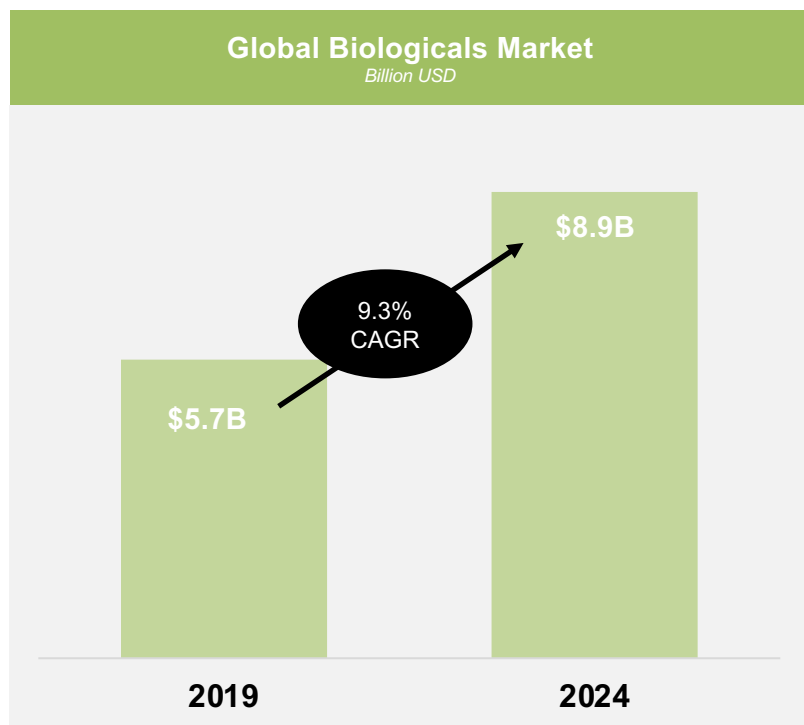


*Overall, during the first quarter of 2021, we have seen very strong sales in all three of our reporting categories. We managed inventory well, and our overall margins have held up. We have reported a 14-fold increase in pre-tax income and a 6-fold increase in the bottom line.*

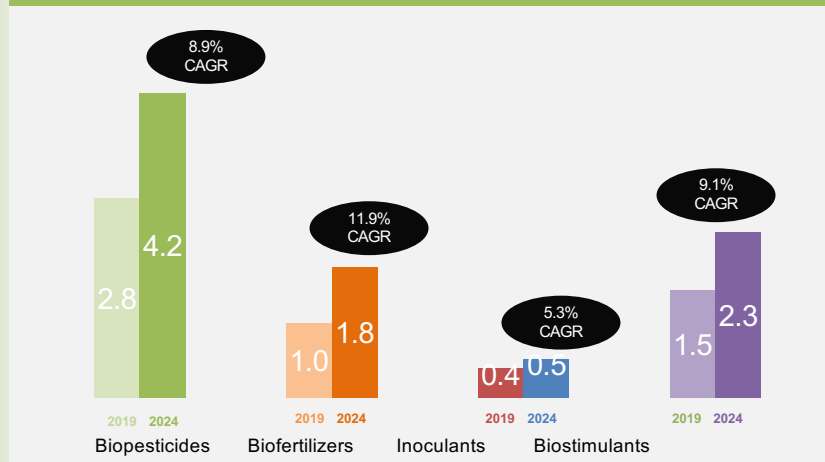
# Growing Global Biological Profile



# The global market is expected to continue to grow rapidly in the next 5 years



**Biofertilizers** are showing exceptionally strong growth potential and have joined Biopesticides and Biostimulants as significant industry drivers  
*Billion USD*



Source: Context estimates



# AVD Has Over 80 Biological Solutions Globally

## 13 Biofertilizers

- Boro
- Copper 25%
- Humic and fulvic Acid
- K Citrate
- Nutrients Mix
- Pentahydrate Copper sulphate
- Phosphorus + Potassium

## 17 Biostimulants

- Ascophillum nodosum
- Brassinosteroids
- Caolin
- G3, Fosfate
- Marine Bioactive
- Mo, Zn, Carboxilic Acids
- NAA/NAD

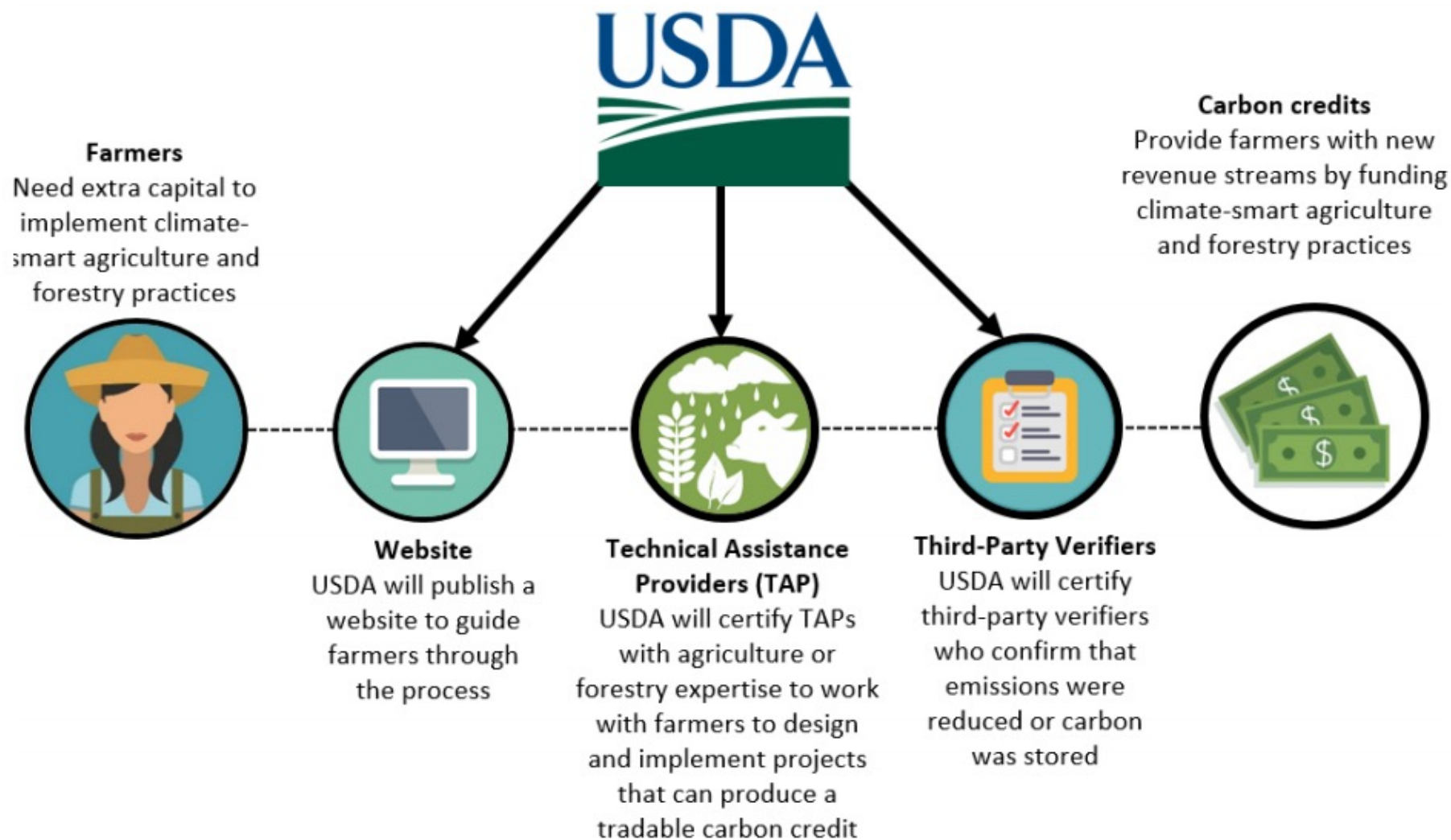
## 20 Microbials

- *Bacillus amylolyquefasciens*
- *Bacillus thurigiensis*
- *Bacillus thurigiensis* v. *kurstaki*
- *Bauveria bassiana*
- *Bacillus subtilis*
- *Gluconacetobacter diazotrophicus*
- *Trichoderma harzianum*

## 30 Biochemicals

- 3-decen-3-one
- Azadirachtin
- Botanical Extract
- Cinnamon Oil
- Copper Hydroxide
- Essential Oil Combinations
- Neem Oil

# Growing Climate Solutions Act of 2020







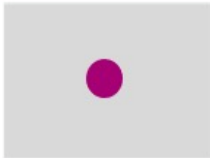
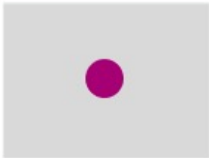

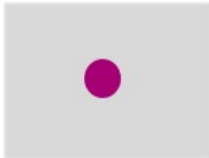
# EU Guidance on Need for Verification in Carbon Farming

“[Monitoring, Reporting, Verification] is integral to result-based carbon farming schemes, as it is the step that quantifies the impact of climate actions, i.e., the result.”



# ULTIMUS™

*Ultimus enables validated traceability of all SIMPAS-applied Solutions, but Ultimus technology can be employed to enable traceability of ALL crop inputs.*

	Right Product	Right Time	Right Place	Right Rate
<b>SIMPAS®</b> <i>Applies</i>				
<b>ULTIMUS™</b> <i>Records</i>				

**ULTIMUS™**

# SIMPAS – Asmus Farms 2020



# Ultimus

ULTIMUS is an electronic verification system that will revolutionize the recording and reporting process for essentially anything that's applied to a field in which crops are being grown.



# iNvigorate®

0-0-0.5




# Agrinos®





# SMARTFILL

# ZINC

10% MICRONUTRIENT

**SMART**  
**CARTRIDGE**

# THE AMERICAN VANGUARD ECOSYSTEM: OUR CLIMATE COMMITMENT

Technology | Innovation | Sustainability



## SUSTAINABILITY

At the center of our Environmental, Social and Governance (ESG) commitment is the principle of Sustainable Agriculture. American Vanguard is committed to providing a variety of beneficial solutions that bring abundant yields and quality of life, and also have minimal impact on the surrounding ecosystem, from manufacturing to farming.



## GREEN SOLUTIONS

With Envance Technologies, our proprietary screening method is used to identify plant-based active ingredients that provide consumers, businesses, and growers with the safest, most effective pest control solutions on the market.



## PLANT AND SOIL HEALTH

Our Agrinos® platform enhances soil health by delivering High Yield Technology that helps in rebuilding soil organic matter and restoring degraded soil biodiversity. Greenplants, an American Vanguard company, supplies biostimulant alternatives that counteract the effects of climate change by improving plant and soil health, increasing nitrogen utilization, and aiding in carbon sequestration.



## PRESCRIPTIVE DELIVERY

From SmartBox®+ to SIMPAS®, we are relentlessly developing new application systems focusing on "micro-placement" of the right chemicals and microbes to maximize yields, deliver sustainability and maximize performance.

**THE GREEN PATH  
FORWARD TO  
REGENERATIVE AGRICULTURE**

**AMERICAN  
VANGUARD®**

# Continuous Corn Futures





# Continuous Soybean Futures



**BLOCKER® 4F**

**BLOCKER® 10G**



***Turfside® 10G***  
**TURF & ORNAMENTAL FUNGICIDE**

# 2021 Outlook

Revenue . . . . . Low Double-Digit Increase

Gross Profit Margin . . . . Similar to recent years

Operating Expenses . . . . Modest increase driven by growth initiatives

Interest Expense . . . . . Similar to 2020

Tax Rate . . . . . Expected Mid 20% Range

Debt-to-EBITDA Target . 2.0-2.5X

*Net Income . . . . . Faster Rate than Revenue Growth*

