



# Quarterly Earnings Call

November 9, 2020

## Safe Harbor

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.

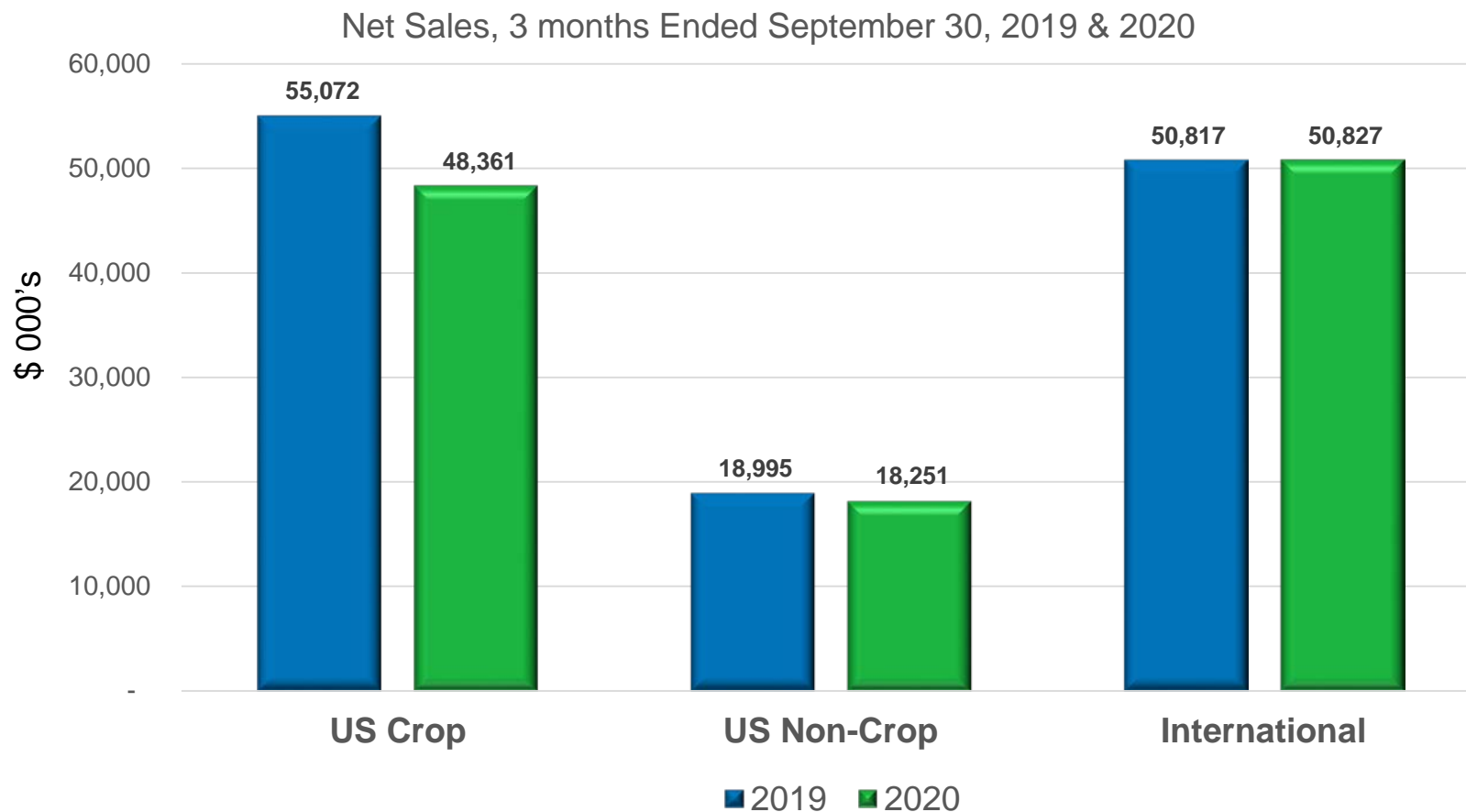
# Speakers



- Mr. David Johnson      Chief Financial Officer
- Mr. Eric Wintemute      Chairman & Chief Executive Officer
- Mr. Bob Trogele      Chief Operating Officer

# Three-months sales

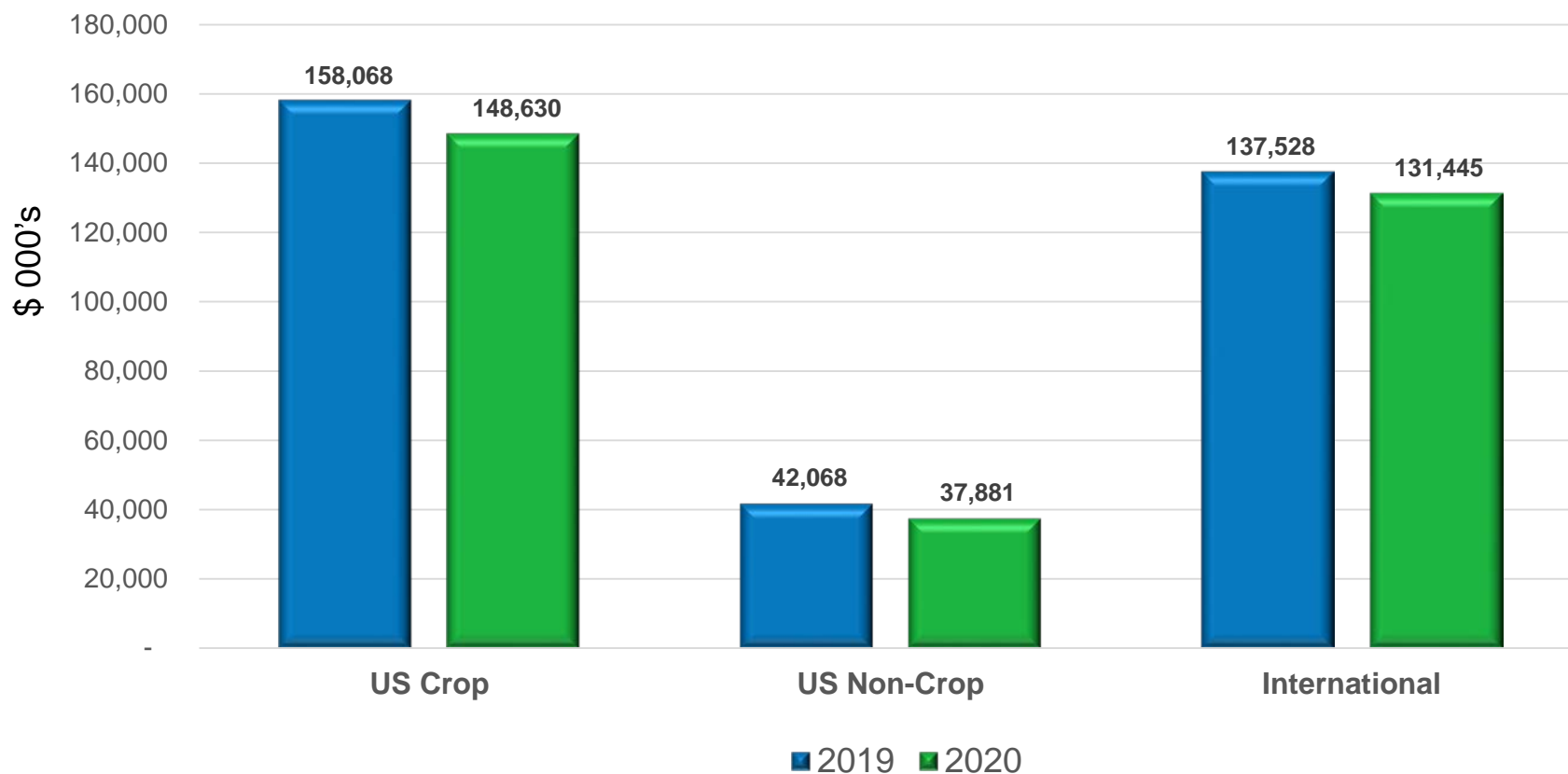
International 43% of total in 2020, 41% of total in 2019



# Nine-months sales

International 41% of total in both 2020 and 2019

Net Sales, nine-months Ended September 30, 2019 & 2020



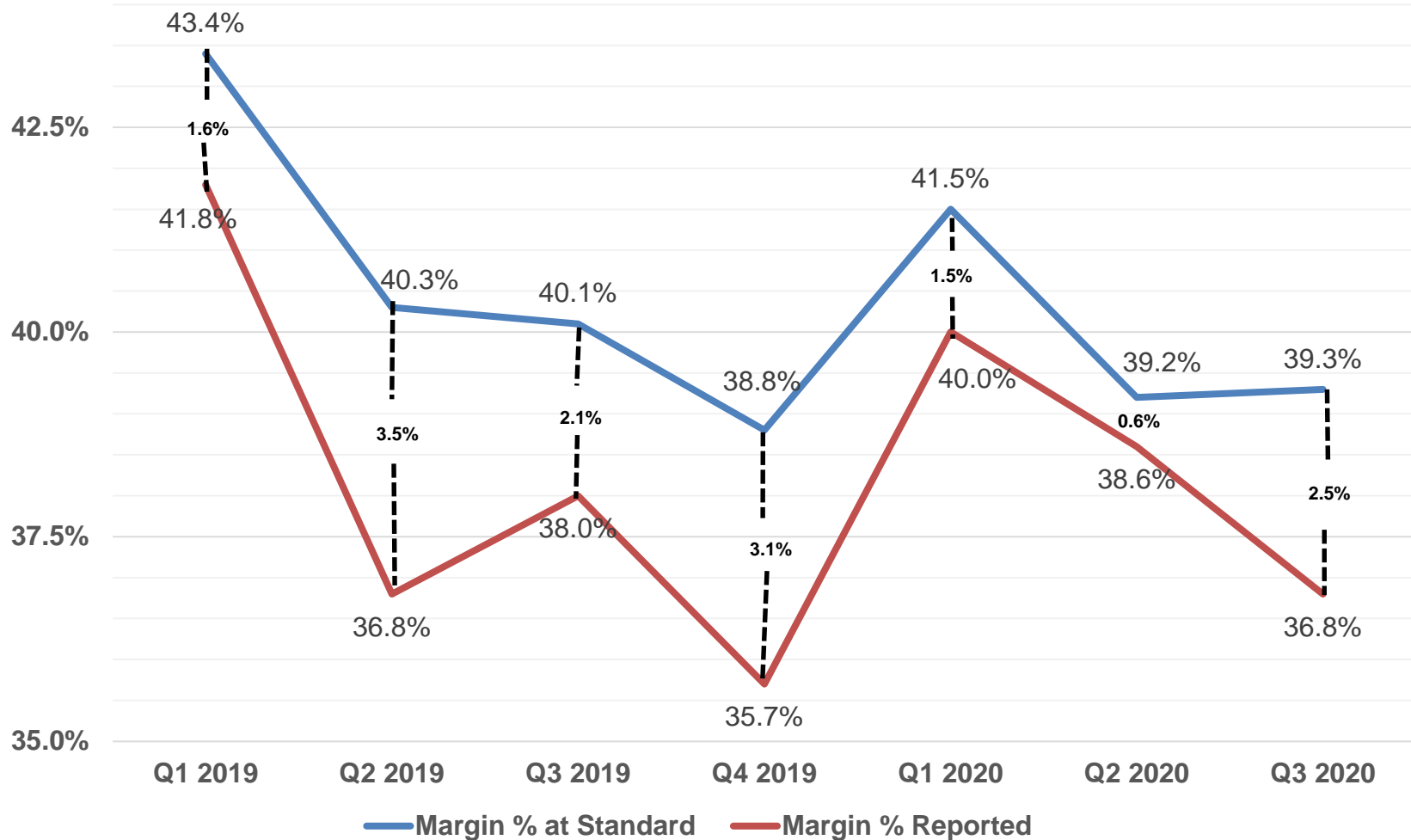
# Gross Profit Performance

(\$000's)

	3Q			9 Months		
<b>Gross Profit</b>	2020	2019	Change	2020	2019	Change
US Crop	20,146	23,710	-15%	68,119	69,059	-1%
US Non-crop	8,758	9,860	-11%	18,535	21,444	-14%
<b>US</b>	<b>28,904</b>	<b>33,570</b>	<b>-14%</b>	<b>86,654</b>	<b>90,503</b>	<b>-4%</b>
International	14,361	13,893	3%	35,298	40,315	-12%
<b>Total</b>	<b>43,265</b>	<b>47,463</b>	<b>-9%</b>	<b>121,952</b>	<b>130,818</b>	<b>-7%</b>

	3Q		9 Months	
<b>Gross Margin %</b>	2020	2019	2020	2019
US Crop	42%	43%	46%	44%
US Non-crop	48%	52%	49%	51%
<b>US</b>	<b>43%</b>	<b>45%</b>	<b>47%</b>	<b>45%</b>
International	28%	27%	27%	29%
<b>Total</b>	<b>37%</b>	<b>38%</b>	<b>38%</b>	<b>39%</b>

# Factory Recovery Performance

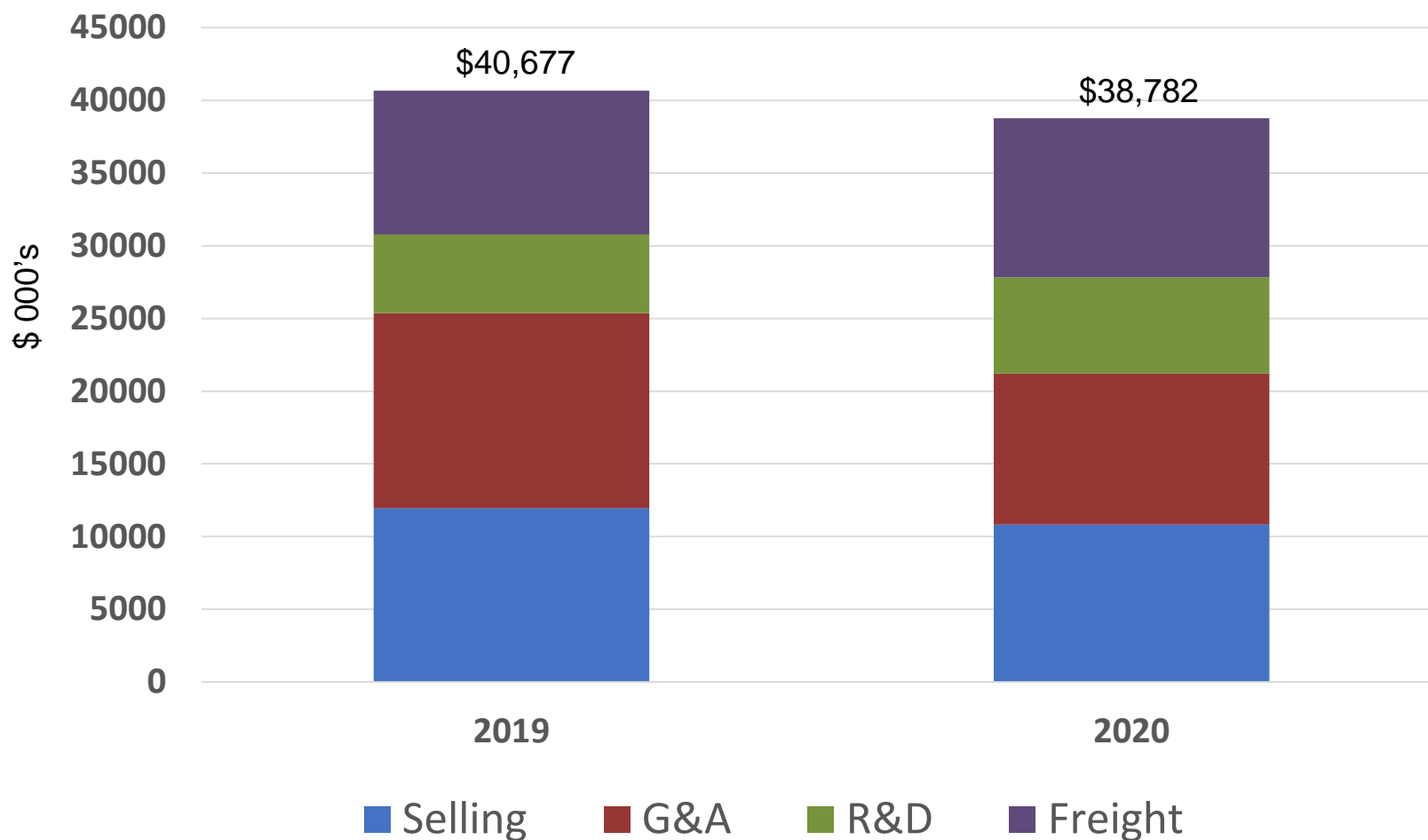


*Our Long-term target is to have net factory cost at approximately 2.5% of sales*

# Operating Expenses

Operating expenses are 33% of sales in both 2019 and 2020

3 months Ended September 30, 2019 and 2020

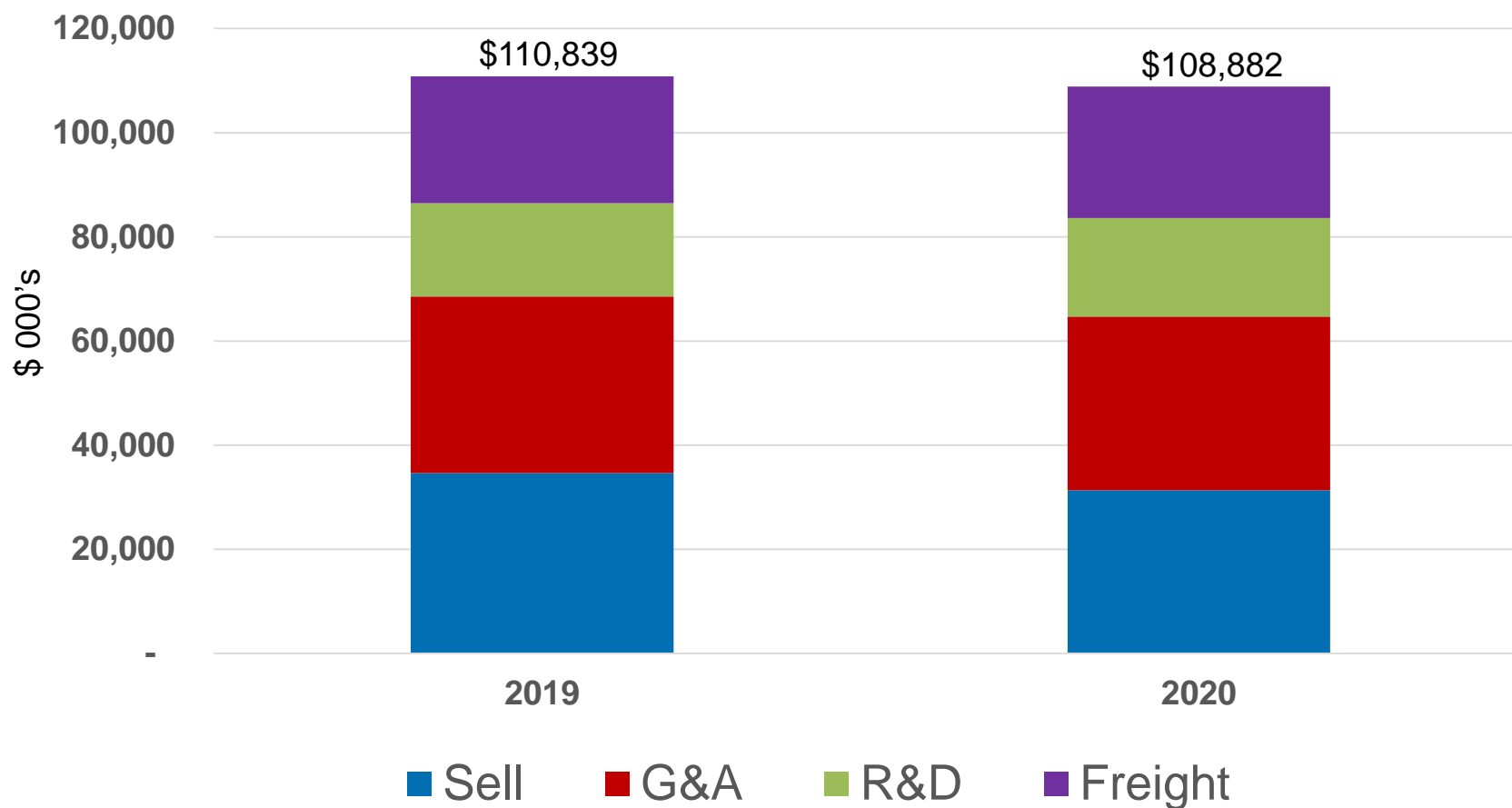




# Operating Expenses

Operating expenses are 33% of sales in 2019 and 34% in 2020

9 months Ended September 30, 2019 and 2020

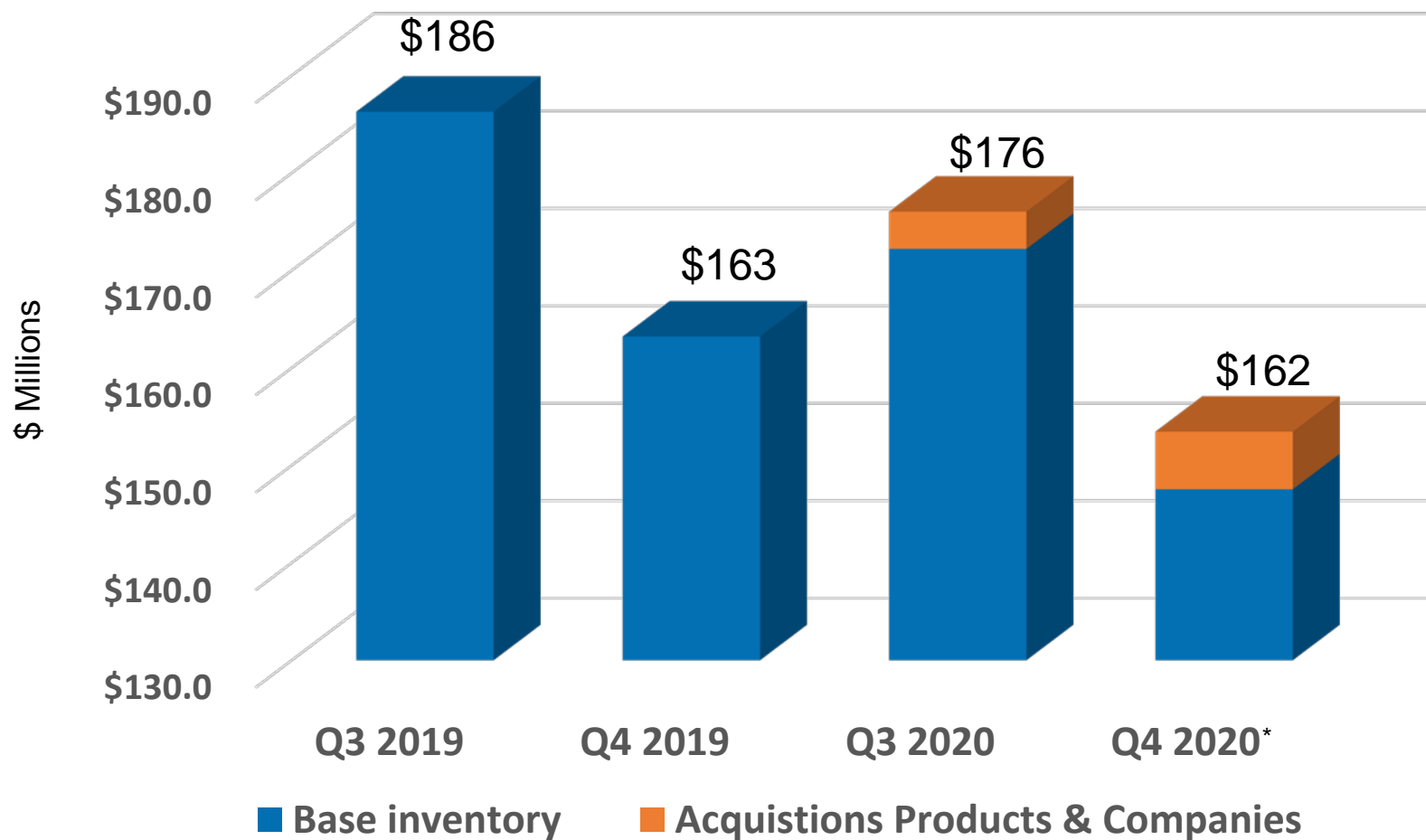


# Statements of Operations

\$ 000's

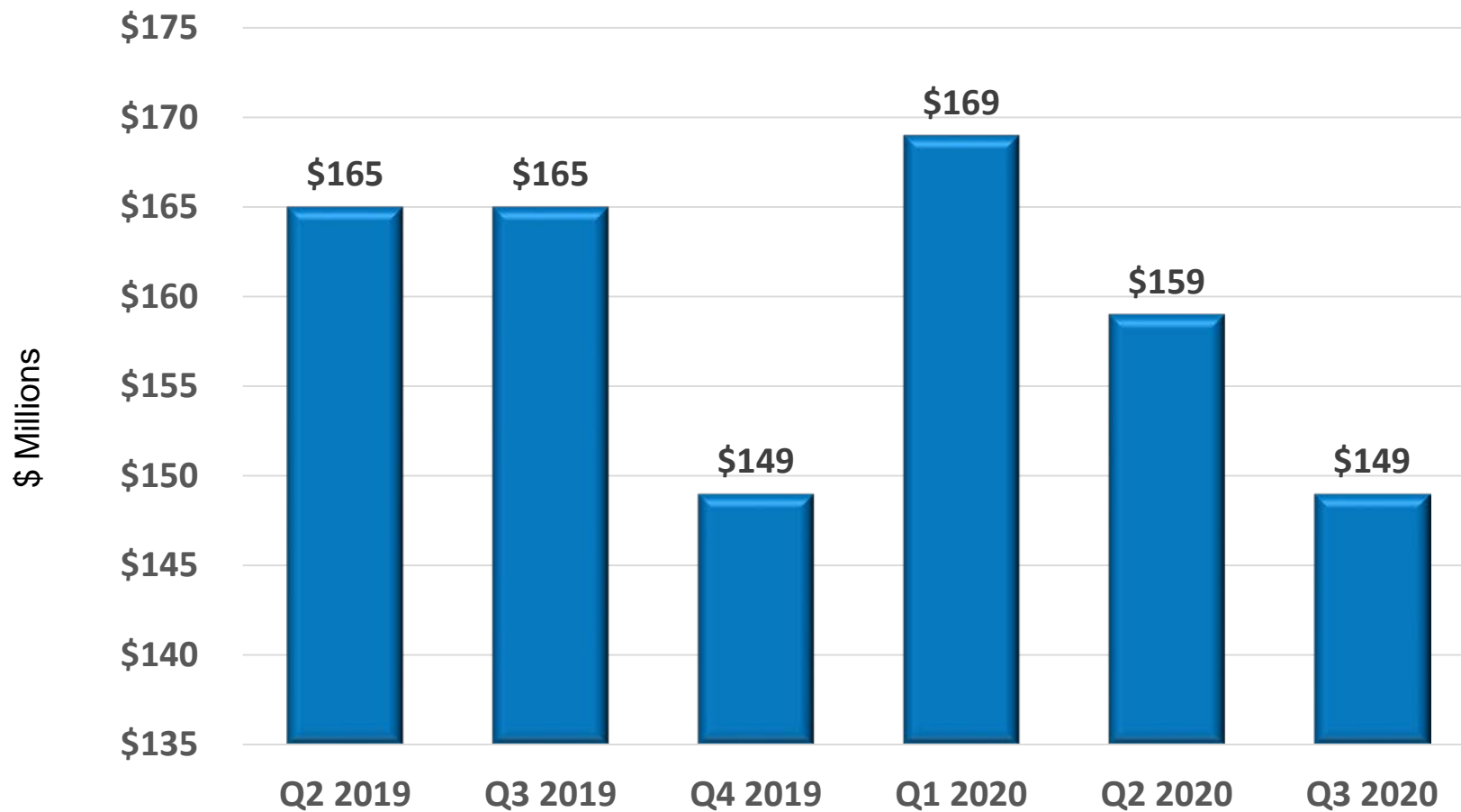
Statements of Operations	3 months Ended Sept 30,			9 months Ended Sept 30,		
	2020	2019	Change	2020	2019	Change
Net Sales	\$117,439	\$124,884	(\$7,445)	\$317,956	\$337,664	(\$19,708)
<b>Gross profit</b>	<b>43,265</b>	<b>47,463</b>	<b>(4,198)</b>	<b>121,952</b>	<b>130,818</b>	<b>(8,866)</b>
Operating costs	(38,782)	(40,677)	1,895	(108,882)	(110,839)	1,957
<b>Operating Income</b>	<b>4,483</b>	<b>6,786</b>	<b>(2,303)</b>	<b>13,070</b>	<b>19,979</b>	<b>(6,909)</b>
Interest Expense	(1,022)	(2,070)	1,048	(3,804)	(5,606)	1,802
Income before Tax	3,461	4,716	(1,255)	9,266	14,373	(5,107)
Tax	(492)	(1,474)	982	(1,852)	(4,059)	2,207
<b>Income before equity method</b>	<b>2,969</b>	<b>3,242</b>	<b>(273)</b>	<b>7,414</b>	<b>10,314</b>	<b>(2,900)</b>
Equity method investment	(42)	(89)	47	(80)	(149)	69
<b>Net income for AVD</b>	<b>\$2,927</b>	<b>\$3,153</b>	<b>(\$226)</b>	<b>\$7,334</b>	<b>\$10,165</b>	<b>(\$2,831)</b>
Diluted shares	29,973	29,650		29,926	29,591	
EPS	\$0.10	\$0.11		\$0.25	\$0.34	

# Inventory



*\*Estimated*

# Debt



# Overall Financial Performance of Operations

*Overall, during a period of significant disruption and economic uncertainty, we have continued to run a profitable business, generated cash and, during the last quarter, came close to achieving the same level of profitability on lower sales.*

# Strategic Growth Initiatives

## Core Business

- Current Business
- New Product Pipeline
- Additional Product Acquisitions, Licenses, & Geographic Expansion

## Green Solutions: Protectants & Nutritionals

- Biorational Offerings AgriCenter & OHP
- Agrinos BioStimulants (Soil Health/Nutritional Facilitators)
- Envance Essential Oil Solutions (Insecticides, Herbicides)

## Precision AG Technologies

- Prescription Application System(s) SIMPAS™; SmartBox Plus  
Targeted deposition for maximum yield, minimum cost, environmental benefits
- Ultimus™ Data Retention / Treatment Documentation  
Records for food treatment compliance & carbon sequestration tabulation

# Core Business

Fumigants  
Growth  
Regulators

Insecticides

Granular  
Insecticides

Herbicides

Fungicides

**vapam HL**

**DIBROM 8 EMULSIVE**

**AZTEC HC**  
Higher Concentration Granules

**DACTHAL FLOWABLE**

**BLOCKER 4F**

**FOLEX 6 EC** COTTON DEFOLIANT

**Bidrin 8**

**mocap 15G**  
nematicide • insecticide

**IMPACT**  
Herbicide

**Turfcide 400**  
TURF FUNGICIDE

**k-pam HL**

**Abba ULTRA**  
Miticide/Insecticide

**Thimet 20-G**  
SmartBox

**Assure II**  
HERBICIDE

**EQUUS**  
720 SST Fungicide

**CITRUS FIX**

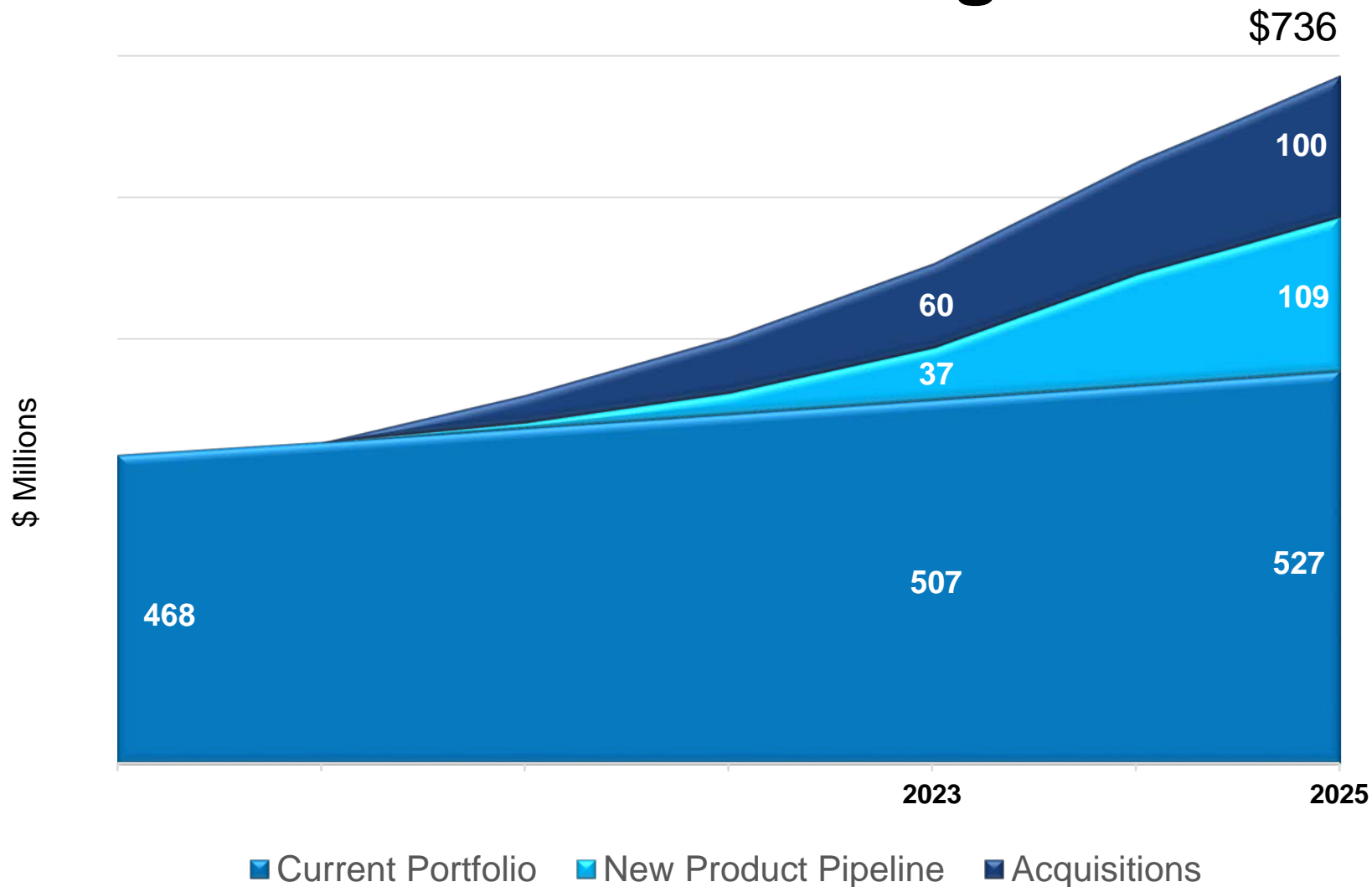
**NUVAN**  
PROSTRIPS

**COUNTER 20G**  
SMARTBOX

**FirstRate**  
HERBICIDE

**PARAZONE**  
3SL Herbicide

# Core Business Targets

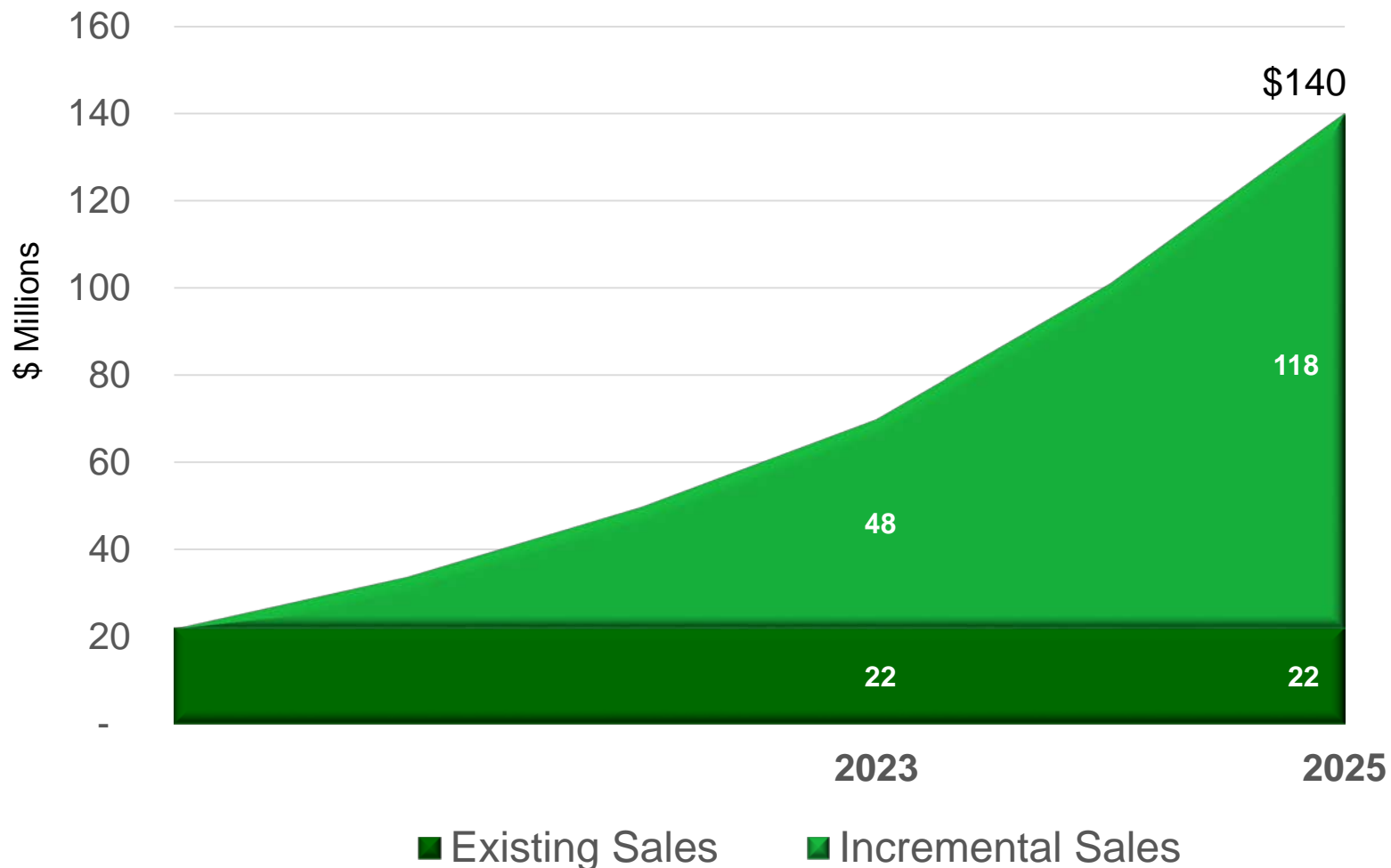




 Agrinos®

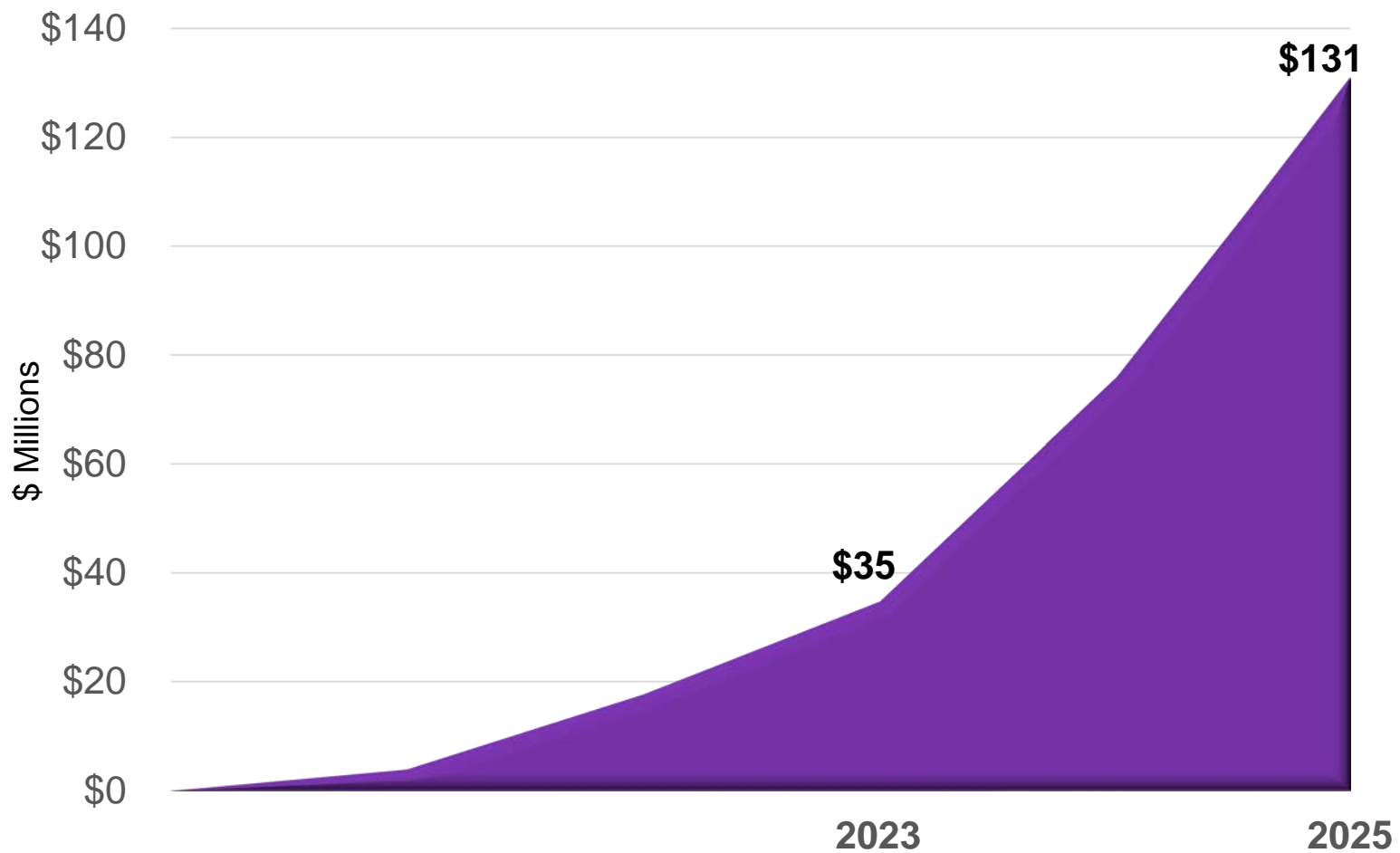
ENVANCE  
TECHNOLOGIES  
An American Vanguard Company

# Green Solutions Target

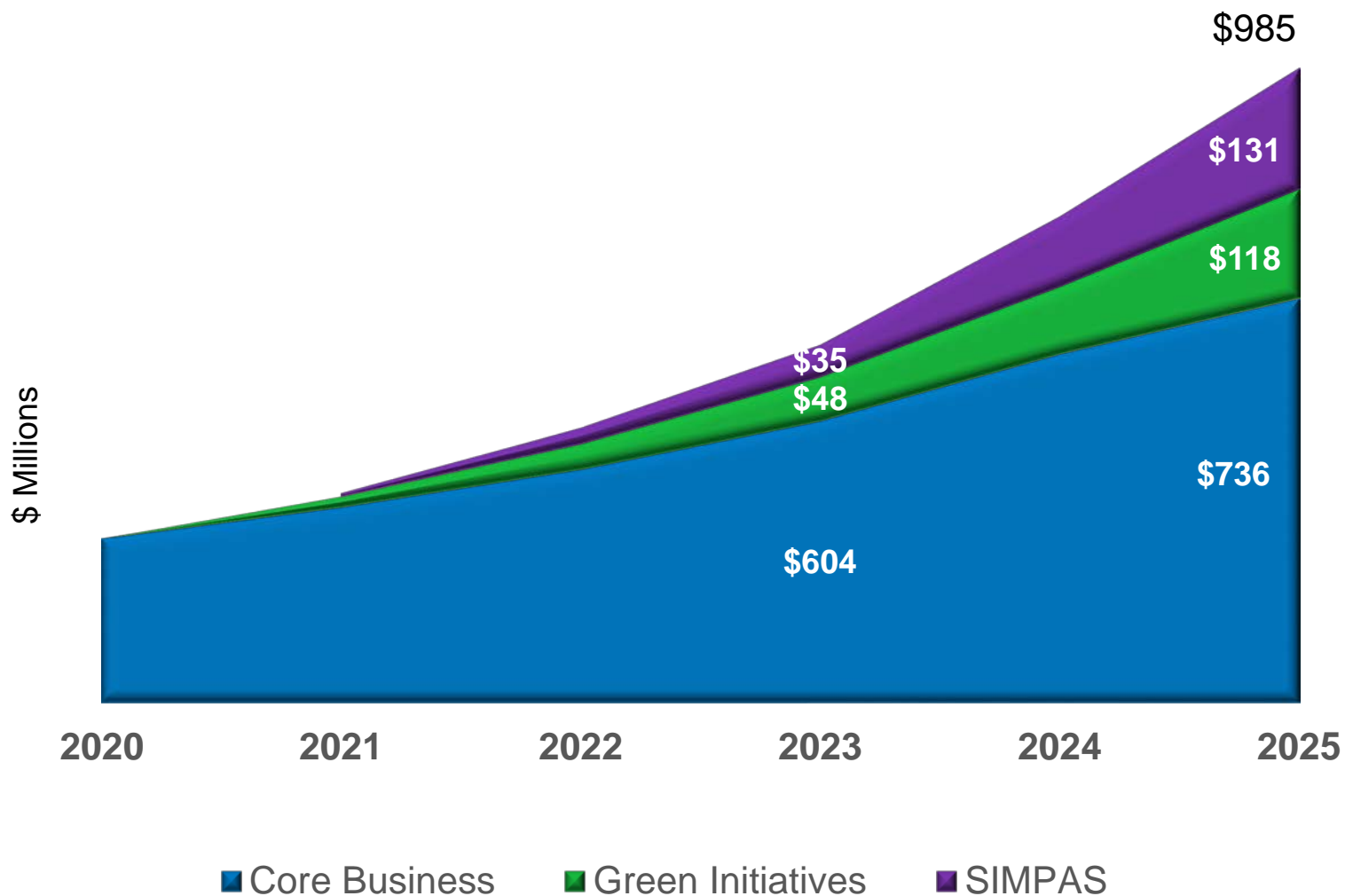




# SIMPAS: Value Capture Target



# Strategic Growth Targets





# Questions