



2Q22 Earnings Call

August 9, 2022

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.

Agenda

Opening Remarks

Eric Wintemute
Chairman and CEO

Financial Review

David Johnson - CFO

Strategic Growth Initiatives

- Core Business Programs
- Green Solutions Expansion
- SIMPAS

Eric Wintemute

Questions & Answers

Eric Wintemute
David Johnson
Bob Trogele

2022 Performance Target

1st Half

Revenue Growth	8% - 11%	+19%
Gross Profit Margin	38-40%	41%
Operating Expenses	OPEX as % of Sales (31-33%)	32%
Interest Expense	Similar to 2021	\$1,170 vs \$1,959 (Down 40%)
Tax Rate	Mid 20% Range (Expected Full Year)	30%
Debt-to-EBITDA Target . . .	<1.0X without Acquisitions <2.5X with Acquisitions	1.33X
Net Income	60 - 70% Increase	+104%
EBITDA*	24-28% Increase	+40%

*Adjusted EBITDA includes earnings before interest, taxes, depreciation, amortization, non-cash stock compensation and proxy contest activities

1st Half 2022 Highlights

Revenue up \$47M

45% Price vs 55% Volume

Gross Margin improved from 39% to 41% (up 2%)

Factory Performance 1.5% of the 2% GM Improvement

Addressing Supply Chain Challenges

Availability, Cost, and Logistics

- **Order Early**
Raw Material Inventory Double that of 6/30/21
- **Forecast cost and timely price increase**
- **Air Freight**
- **In-Season Factory Production Adjustments**

1st Half 2022

Sales	Q1	Q2
Domestic	+41%	Flat
International	+9%	+26%

Full Year 2022 Target (Core Products Growth)

Herbicides Up 40%

10 New products in last 4 years

6 Crops

Cotton, Corn, Rice, Sugarcane, Soybean, Canola

Soil Insecticides Up 17%

Cotton Up 29%

U.S. In-Channel Inventory

- **Retail inventory up**
- **Distributor inventory down**

**Overall In-Channel Inventory looks to be down,
signals strong 2023**

Financial Review

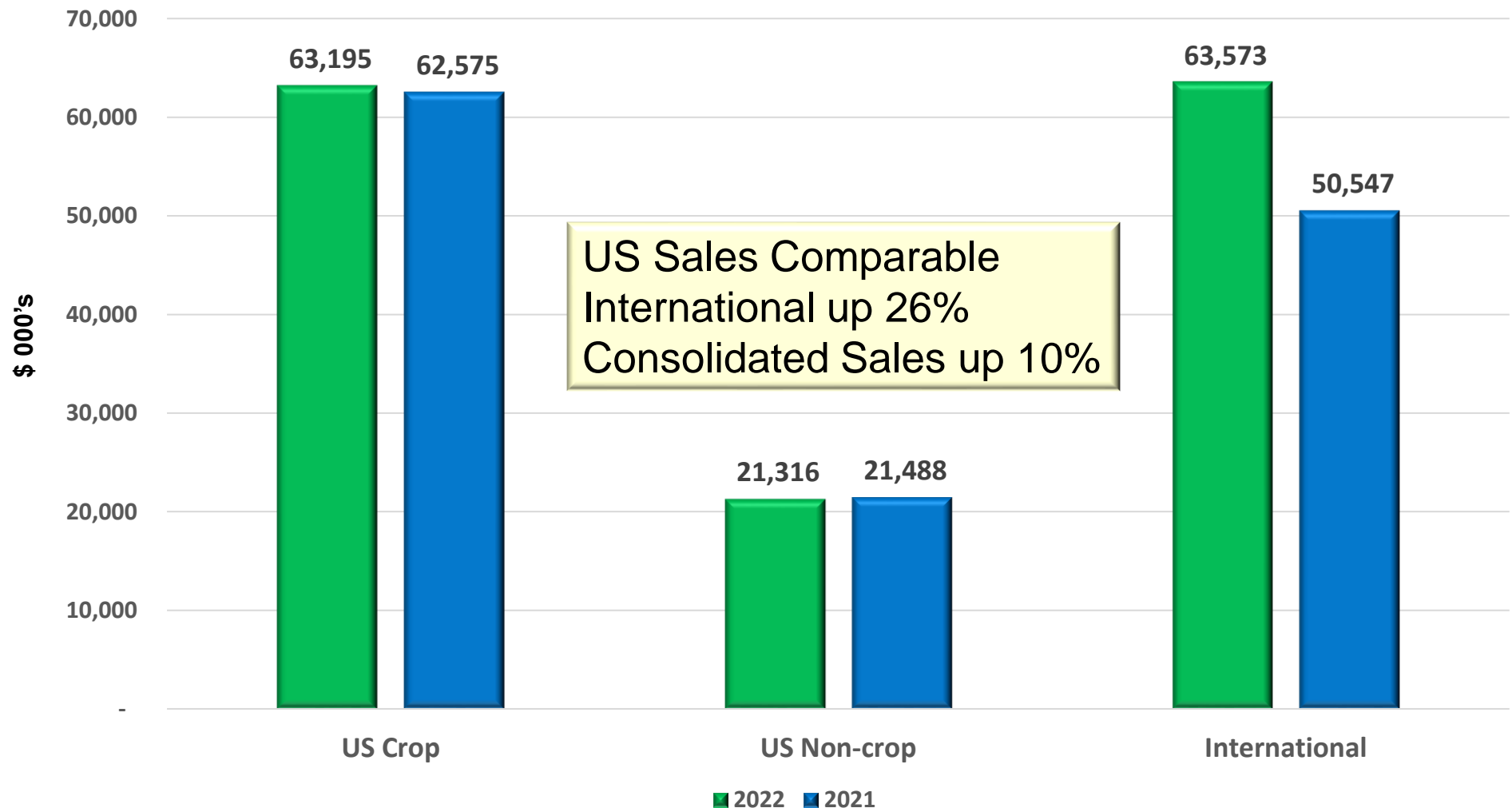


Mr. David Johnson Chief Financial Officer

Q2 2022 Sales

Overall sales Q2 2022 \$148m vs \$135m in 2022 (up 10%)
International 43% of total in 2022 vs 38% of total in 2021

Net Sales, 3 months Ended June 30, 2022 & 2021

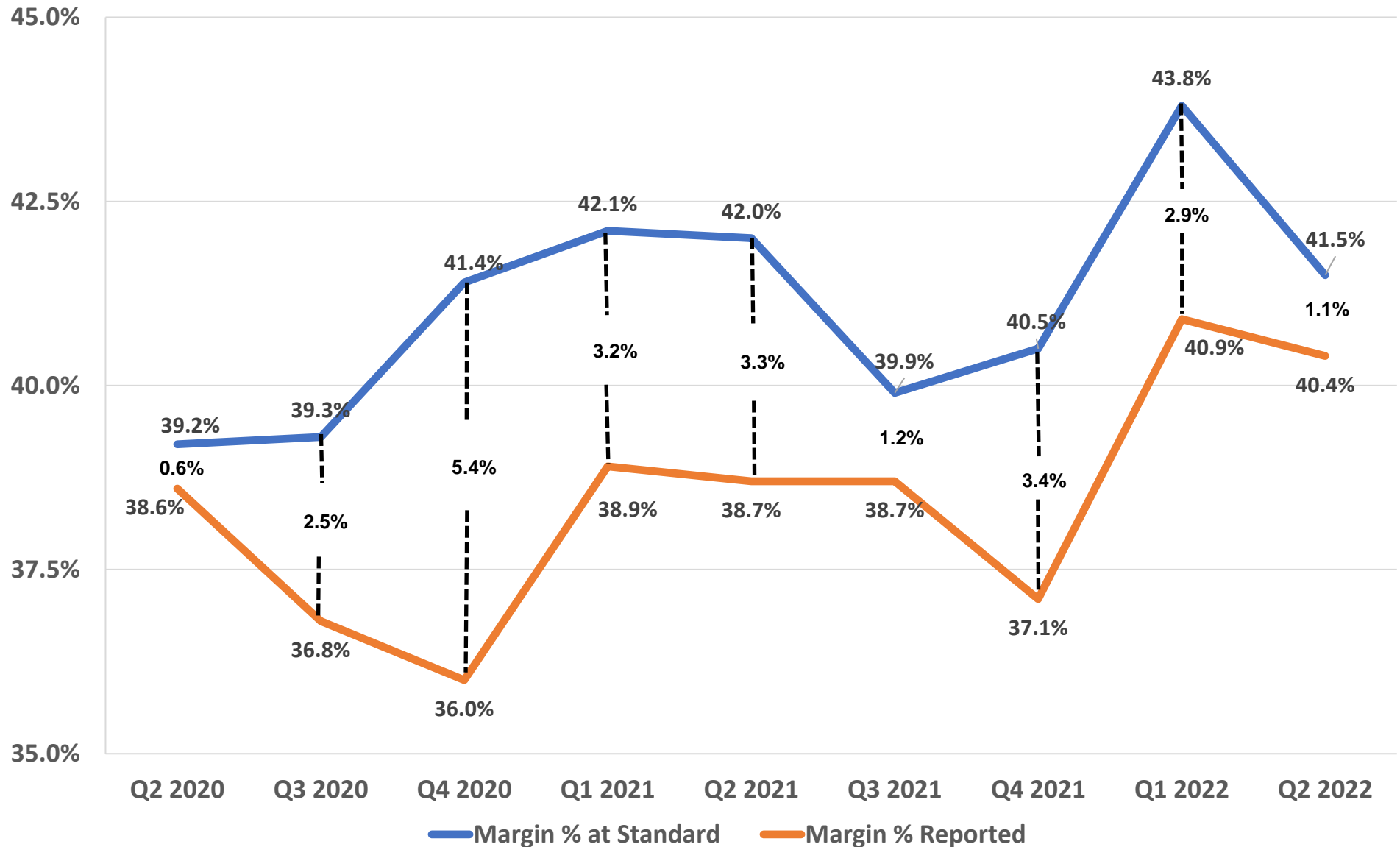


Q2 2022 Gross Profit Performance

(\$000's)

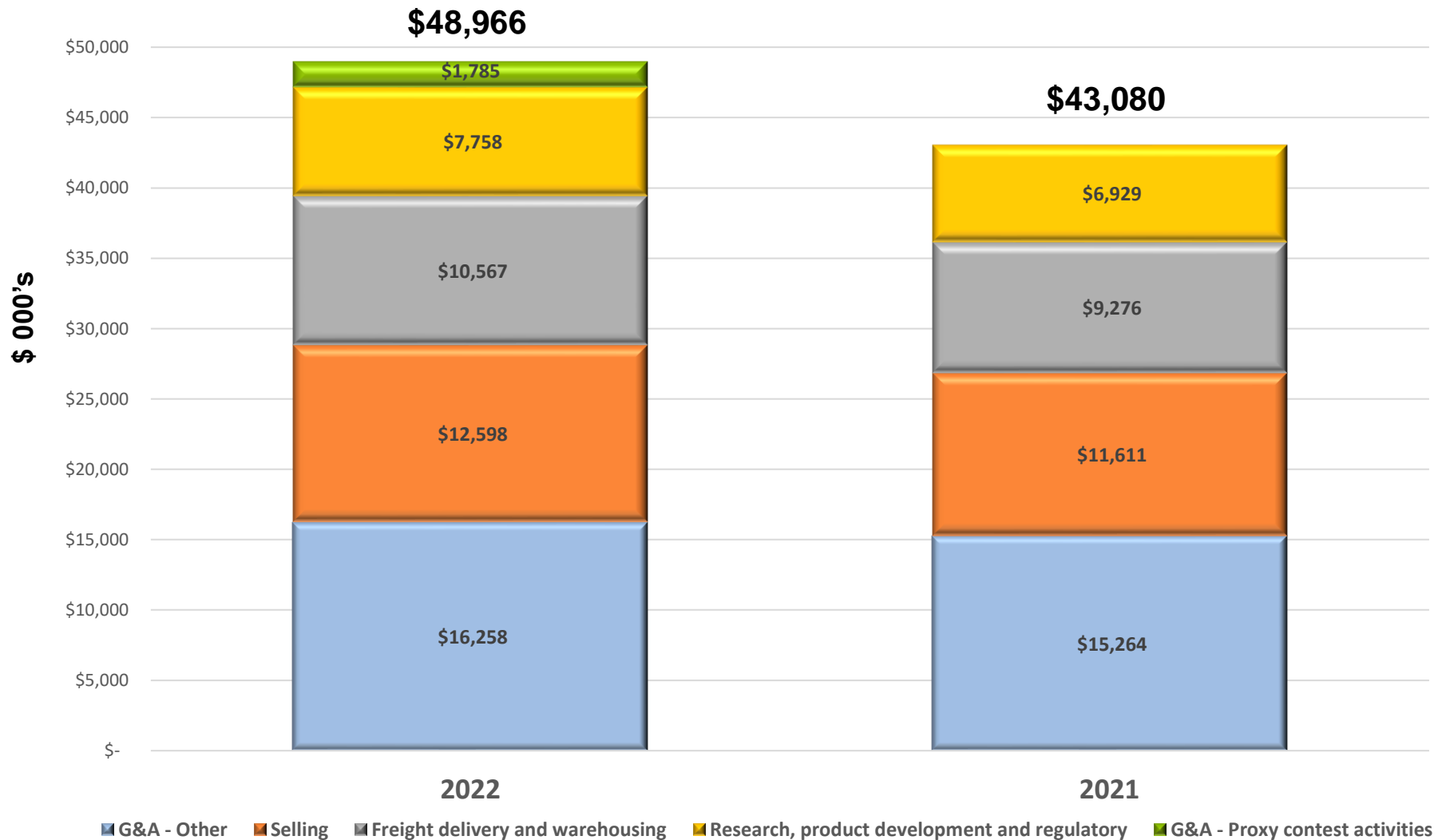
	3-months Ended Jun 30,		
Gross Profit	2022	2021	Change
US Crop	29,753	26,805	11%
US Non-crop	10,049	9,782	3%
US	39,802	36,587	9%
International	19,977	15,552	28%
Total	59,779	52,139	15%
Gross Margin %	2022	2021	
US Crop	47%	43%	
US Non-crop	47%	46%	
US	47%	44%	
International	31%	31%	
Total	40%	39%	

Impact of Net Factory Costs on Margins



Q2 2022 Operating Expenses

Operating expenses are 33% of sales in 2022 vs 32% in 2021



Q2 2022 Statements of Operations *3 months*

\$ 000's

Statements of Operations	3 months Ended Jun 30,			
in \$000's	2022	2021	Change	% Change
Net Sales	\$148,084	\$134,610	\$13,474	10%
Gross profit	59,779	52,139	7,640	15%
Operating costs	(48,966)	(43,080)	(5,886)	14%
Bargain purchase gain		(88)	88	
Operating Income	10,813	8,971	1,842	21%
Equity investment MTM	(486)	(295)	(191)	
Interest Expense	(772)	(1,013)	241	
Income before Tax	9,555	7,663	1,892	25%
Tax	(2,725)	(2,445)	(280)	
Income before equity method	6,830	5,218	1,612	31%
Equity method investment		(74)	74	
Net income for AVD	\$6,830	\$5,144	\$1,686	33%
Diluted shares	30,225	30,499		
EPS	\$0.23	\$0.17		

Q2 2022 Statements of Operations *6 months*

\$ 000's

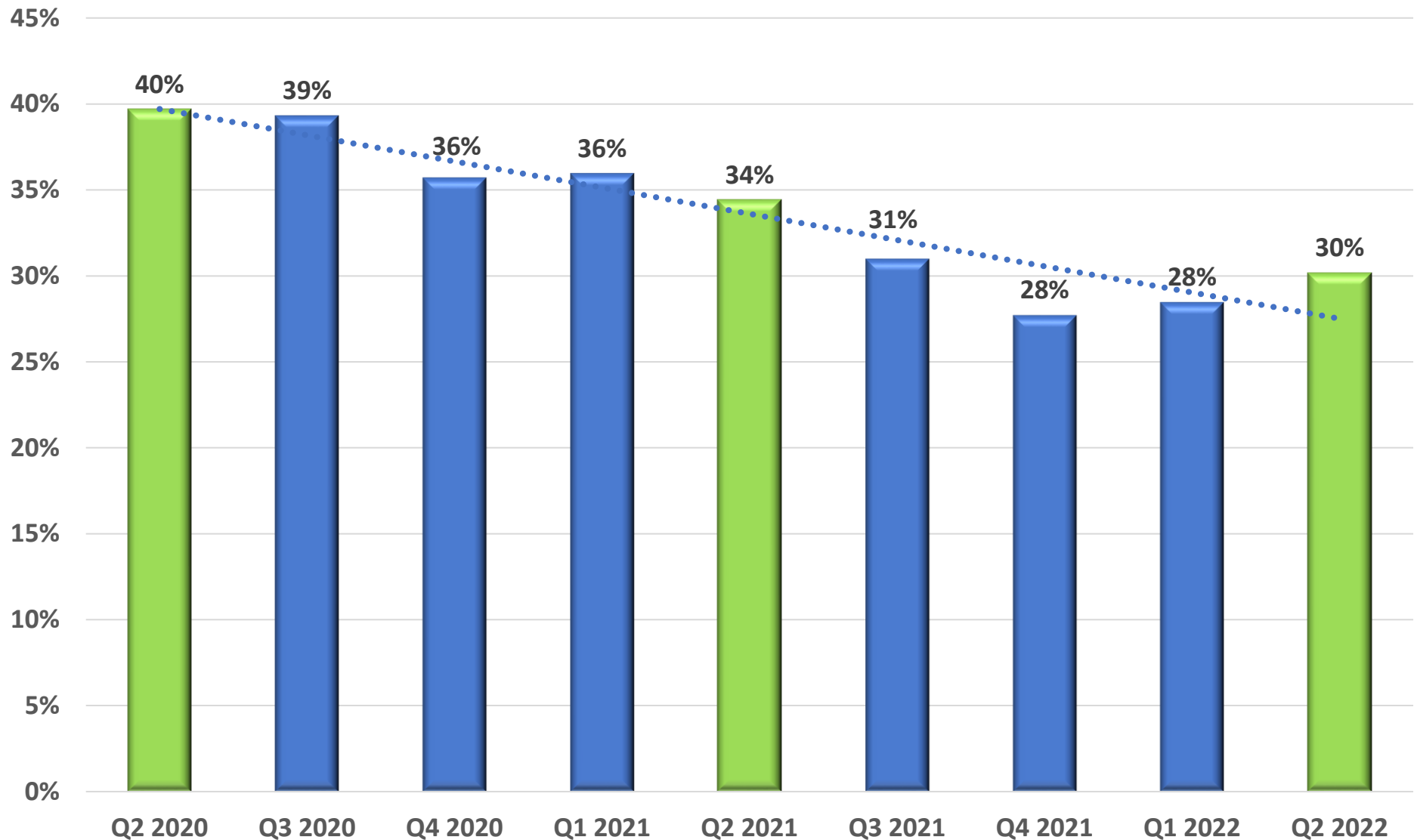
Statements of Operations	6 months Ended Jun 30,			
in \$000's	2022	2021	Change	% Change
Net Sales	\$297,519	\$250,765	\$46,754	19%
Gross profit	120,972	97,270	23,702	24%
Operating costs	(95,410)	(84,524)	(10,886)	13%
Bargain purchase gain		(121)	121	
Operating Income	25,562	12,625	12,937	102%
Equity investment MTM	(403)	771	(1,174)	
Interest Expense	(1,170)	(1,959)	789	
Income before Tax	23,989	12,109	11,880	98%
Tax	(7,224)	(3,807)	(3,417)	
Income before equity method	16,765	8,302	8,463	102%
Equity method investment		(87)	87	
Net income for AVD	\$16,765	\$8,215	\$8,550	104%
Diluted shares	30,289	30,511		
EPS	\$0.55	\$0.27		

Q2 2022 Cash Generation and Uses

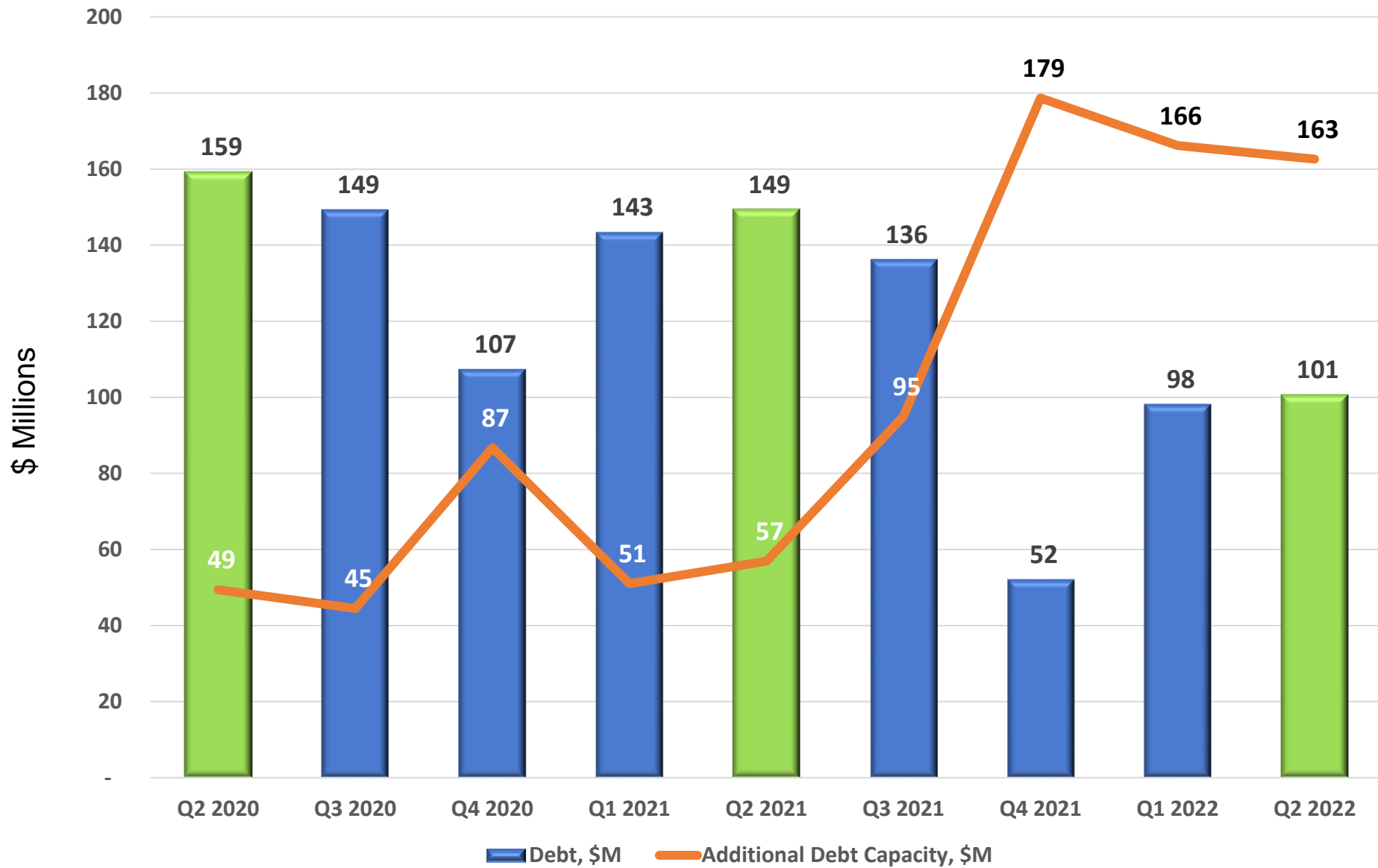
\$ 000's

	3-months Ended Jun 30,		
	2022	2021	2020
Cash from Operations	\$ 15,344	\$ 14,450	\$ 11,059
Change in Working Capital	(10,259)	(819)	9,925
Net Cash from Operations	5,085	13,631	20,984
Cash used in Investing	(2,421)	(12,555)	(8,485)
Stock Repurchase + Dividends	(749)	(596)	(586)
Cash from Financing	3,327	5,685	(10,071)
Total Net Change	5,242	6,165	1,842
FX Effect	(1,026)	(371)	1,214
Beginning Cash	17,841	13,765	5,544
End Cash	\$ 22,057	\$ 19,559	\$ 8,600

Inventory as a Percentage of Sales (TTM)

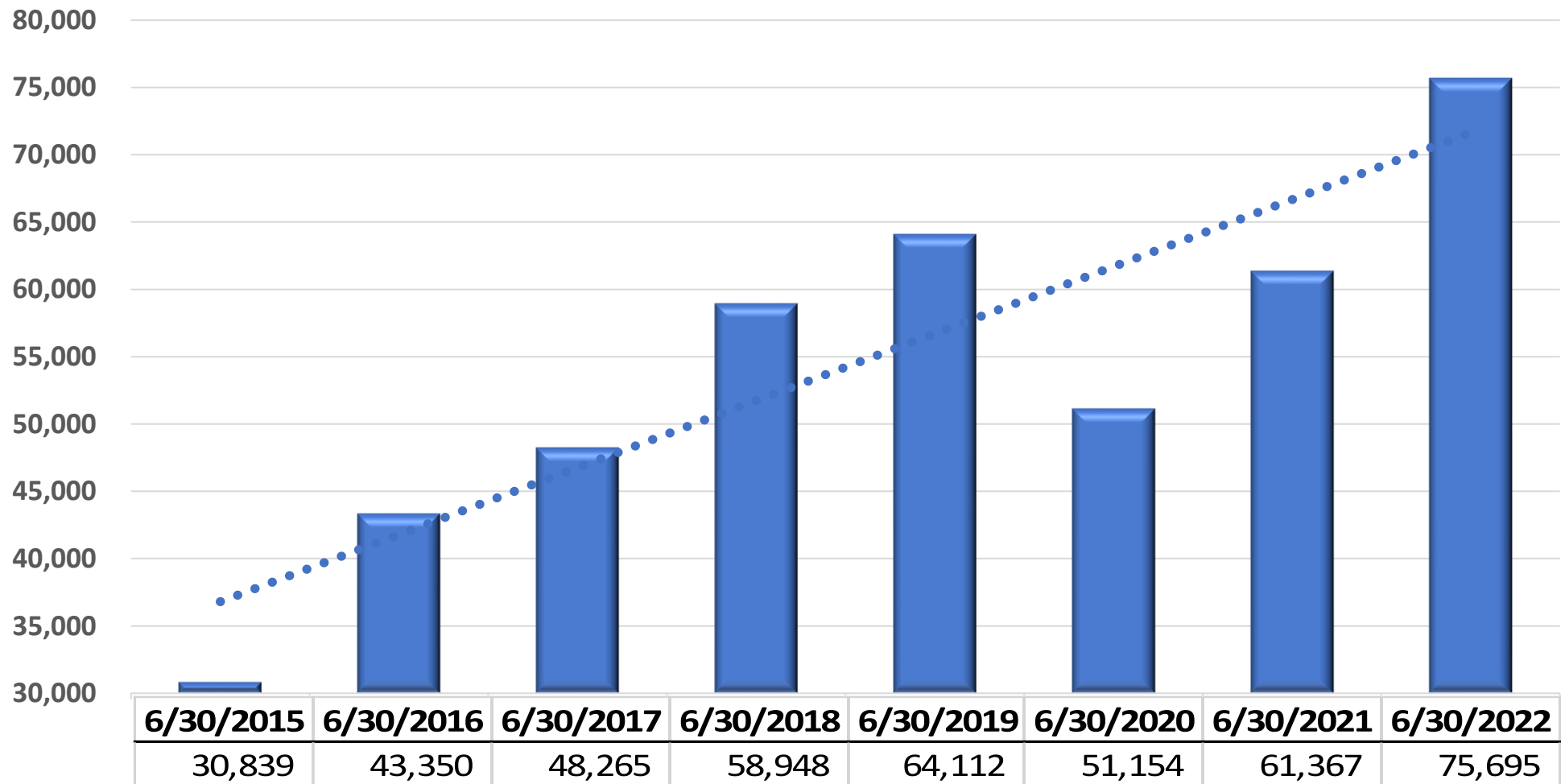


Debt & Borrowing Capacity



Adjusted EBITDA History

Rolling 12 months Adjusted EBITDA*



*Adjusted EBITDA includes earnings before interest, taxes, depreciation, amortization, non-cash stock compensation and proxy contest activities

Overall Financial Performance of Operations



Overall, the first half of 2022 continued the strong start to what is shaping up to be an exciting year for the Company. Sales and gross margins are up. Operating Expenses improved as compared to sales. Operating Income and net income both increased strongly. Finally, average debt is down and availability on our credit facility has improved dramatically.

SIMPAS 2022





81 New Systems in Use

Target 150-200 New Systems in Operation for 2023

On Path to Achieve 2023 and 2025 Revenue Projections



SIMPAS Portfolio Pipeline

Crop	2021	2022	2023	2024
	Aztec HC Counter Force 10G HL Zinc	iNvigate liquid SmartChoice HC Humic Acid granular N-fixing (Azotic Envita)	Additional micronutrients Biostimulant Mycorrhizae Testing alternate biological carriers	Broad spectrum fungicide Corn insecticide Liquid CRW insecticide
	Zinc	iNvigate liquid N-fixing (Azotic Envita) MicroSync Iron IDC Humic acid granular Thimet Pythium fungicide	2 MOA G Fungicide Additional micronutrients Biostimulant Mycorrhizae Soybean inoculants Testing alternate biological carriers	Broad spectrum fungicide Soybean cyst nematocide
	Zinc	iNvigate liquid N-fixing (Azotic Envita) Thimet Humic Acid granular	Additional micronutrients Liquid humic acid Biostimulant Mycorrhizae Testing alternate biological carriers	Broad spectrum fungicide Nematicide candidates
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Green Solutions Update – Q2 2022

Q2 2022 GS product revenues up 62% vs. Q2 2021

Strong performance by – LATAM, India, Australia, Mexico

Full-year \$52M on track with organic growth



Green Solutions Update – Q2 2022

Several Biological companies looking for commercial partnership or M&A

SIMPAS pipeline of GS products growing

- **Azotic Envita and Invigorate available in SIMPAS – liquid filling in Clackamas**

AMGUARD/Envance

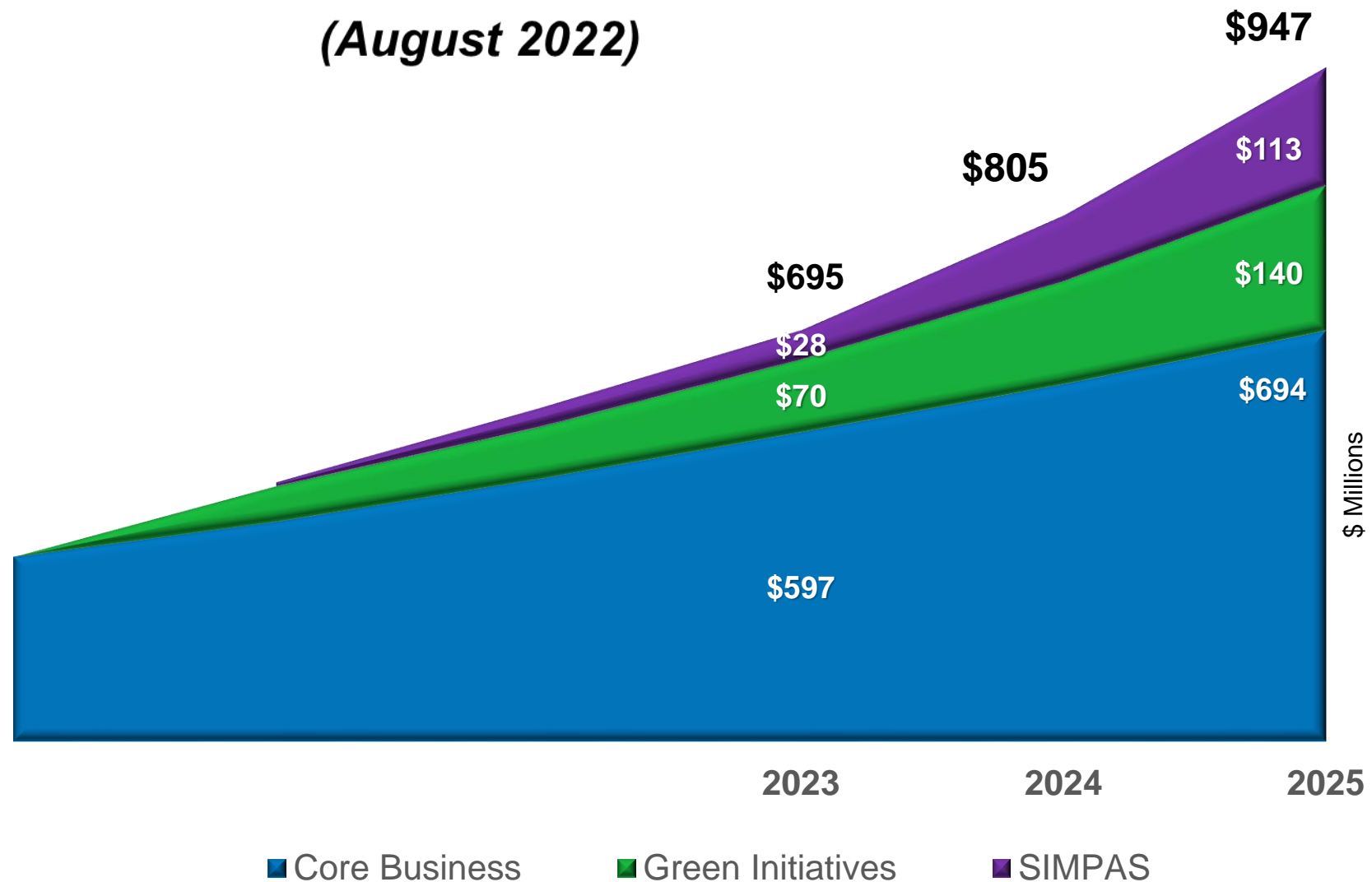
- **Consumer bioherbicide trials underway. Professional bioherbicide trial complete with very positive initial results**

Greenplants expansion continues to make progress

- **Sales in China, Spain completed, with more growth initiatives scheduled for 2023**

Strategic Growth Targets

(August 2022)





Questions and Answers