



**Q3 2021 Year Earnings Call**  
**November 8, 2021**

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. Eric Wintemute

Chairman & Chief Executive Officer

Mr. David Johnson

Chief Financial Officer

Mr. Bob Trogele

Chief Operating Officer

# 2021 Update

	<u>1<sup>st</sup> Half 2021 vs 2020</u>	<u>Q3 YTD 2021 vs 2020</u>
Revenue . . . . . Low Double-Digit Increase	25% Increase	25% Increase
Gross Profit Margin . . . . Similar to recent years	39% vs 39%	39% vs 38%
Operating Expenses . . . . Modest increase driven by growth initiatives	34% vs 35%	33% vs 34%
Interest Expense . . . . . Similar to 2020	Down 30%	Down 23%
Tax Rate . . . . . Expected Mid 20% Range	31% vs 23%	27% vs 20%
Debt-to-EBITDA Target . 2.0-2.5X	2.5X	2.1X
<i>Net Income . . . . . Faster Rate than Revenue Growth</i>	<i>86% Increase</i>	<i>87% Increase</i>
<i>EBITDA . . . . . Faster Rate than Revenue Growth</i>	<i>29% Increase</i>	<i>39% Increase</i>

# U.S. Ag Sector Tailwinds

## September 2020 – September 2021

	September	
	2020	2021
Cotton <i>(per pound)</i>	\$0.66	\$1.05
Soybeans <i>(per bushel)</i>	\$10.21	\$12.85
Corn <i>(per bushel)</i>	\$3.79	\$5.42

**AMVAC U.S. AG Q3 up 38%**

Source: [HTTPS://WWW.MACROTRENDS.NET](https://www.macrotrends.net)



# Remaining Sectors **AMVAC Remaining Sectors up avg. 17%**





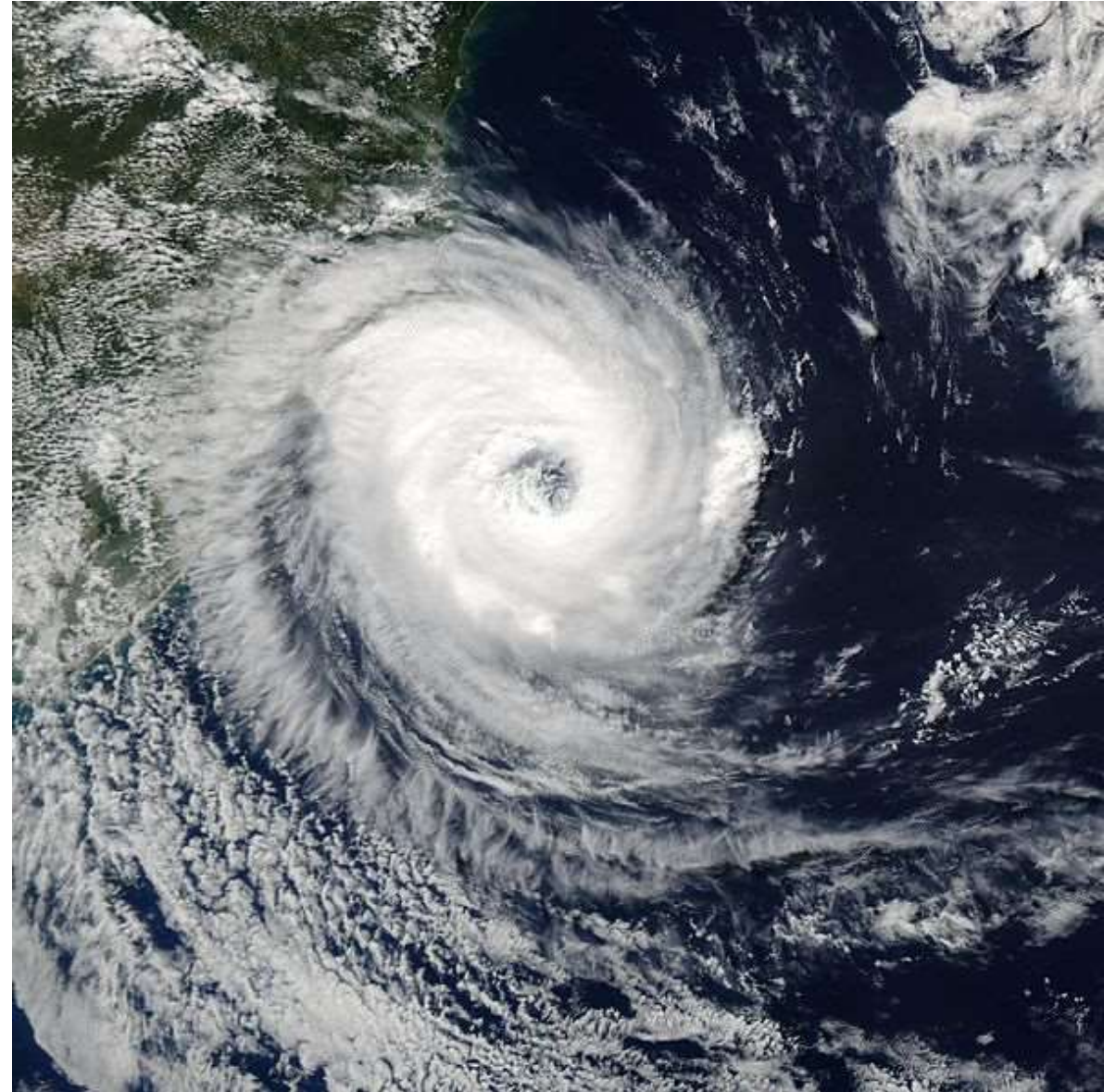
# Supply Chain





# Supply Chain's Perfect Storm

- Shift in Buying Pattern
- Limited Port Capacity
- Shortage of Containers
- Shortage of Truckers





# Supply Chain Disruption – Key Factors

- Production
- Logistics
- Cost of Goods

# Where Solutions are Made

AMVAC OWNED & OPERATED MANUFACTURING FACILITIES

## CLACKAMAS, OR

Fermentation Plant



## MARSING, ID

Manufacturers Navigator, Oximus,  
Impact and AbbA Ultra



## LOS ANGELES, CA

Manufacturers K-PAM, VAPAM,  
Equus, Citrus Fix and Dibrom



## SONORA, MX

Chitin Extraction Plant

## HANNIBAL, MO

Manufacturers Counter  
and Thimet



## AXIS, AL

Manufacturers Bidrin,  
Aztec, Folex and Mocap

# Financial Review



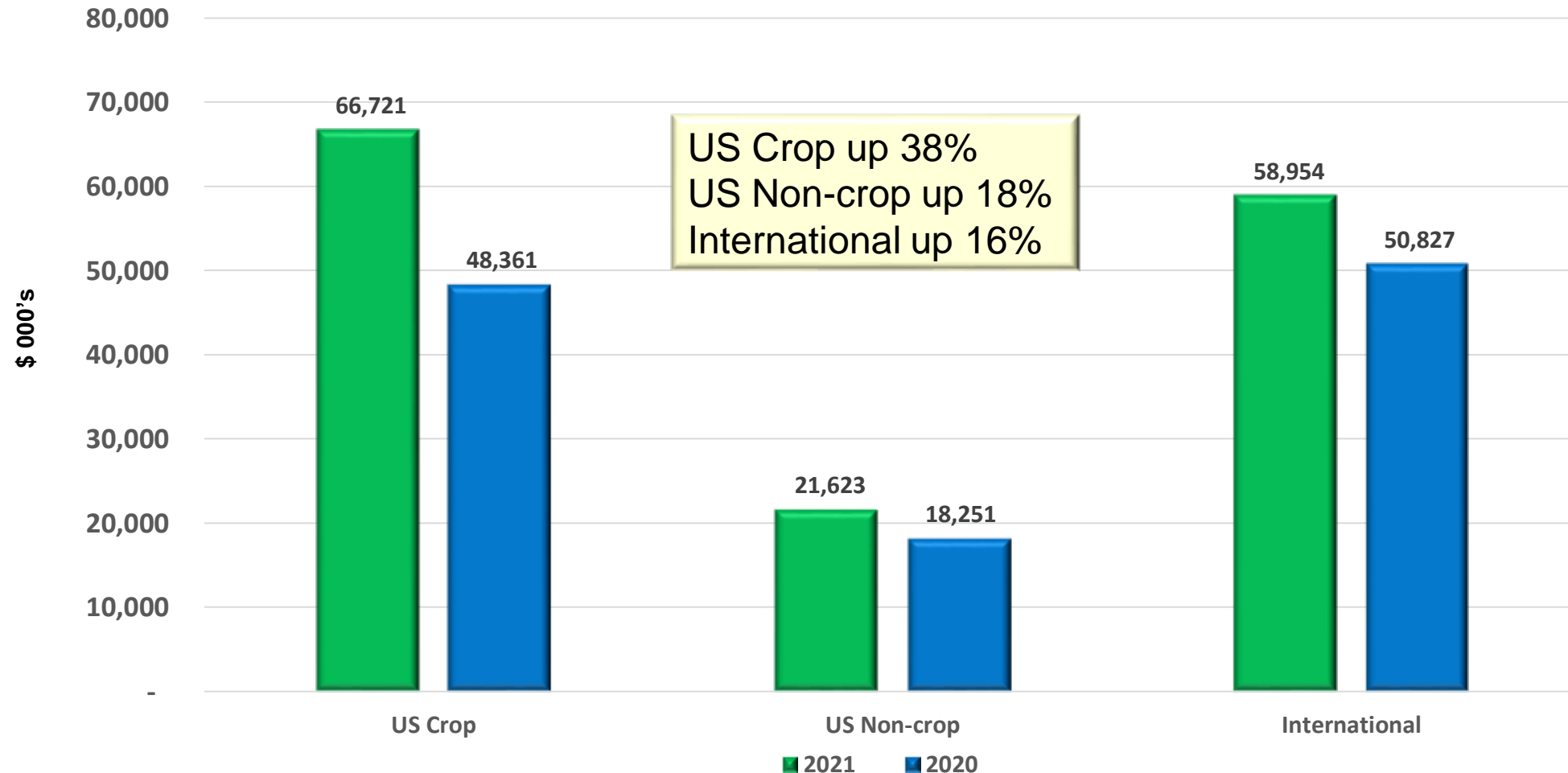
Mr. David Johnson   Chief Financial Officer



# Q3 2021 Sales

Overall sales Q3 2021 \$147m vs \$117m in 2020 (up 25%)  
International 40% of total in 2021 vs 43% of total in 2020

Net Sales, 3 months Ended September 30, 2021 & 2020

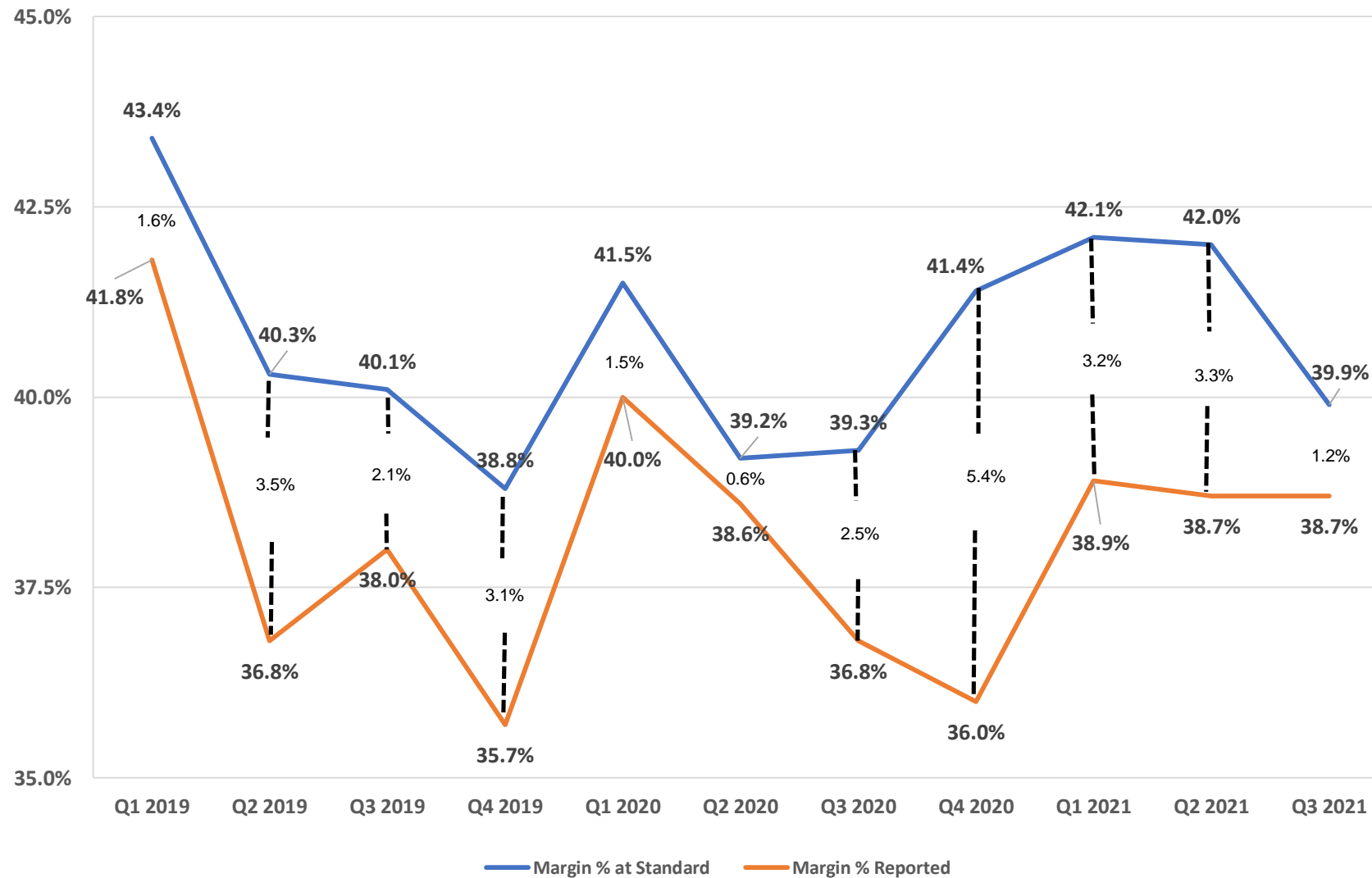


# Q3 2021 Gross Profit Performance

(\$000's)

	3-months Ended Sep 30,		
Gross Profit	2021	2020	Change
US Crop	30,234	20,146	50%
US Non-crop	8,885	8,758	1%
<b>US</b>	<b>39,119</b>	<b>28,904</b>	<b>35%</b>
International	17,945	14,361	25%
<b>Total</b>	<b>57,064</b>	<b>43,265</b>	<b>32%</b>
Gross Margin %	2021	2020	
US Crop	45%	42%	
US Non-crop	41%	48%	
<b>US</b>	<b>44%</b>	<b>43%</b>	
International	30%	28%	
<b>Total</b>	<b>39%</b>	<b>37%</b>	

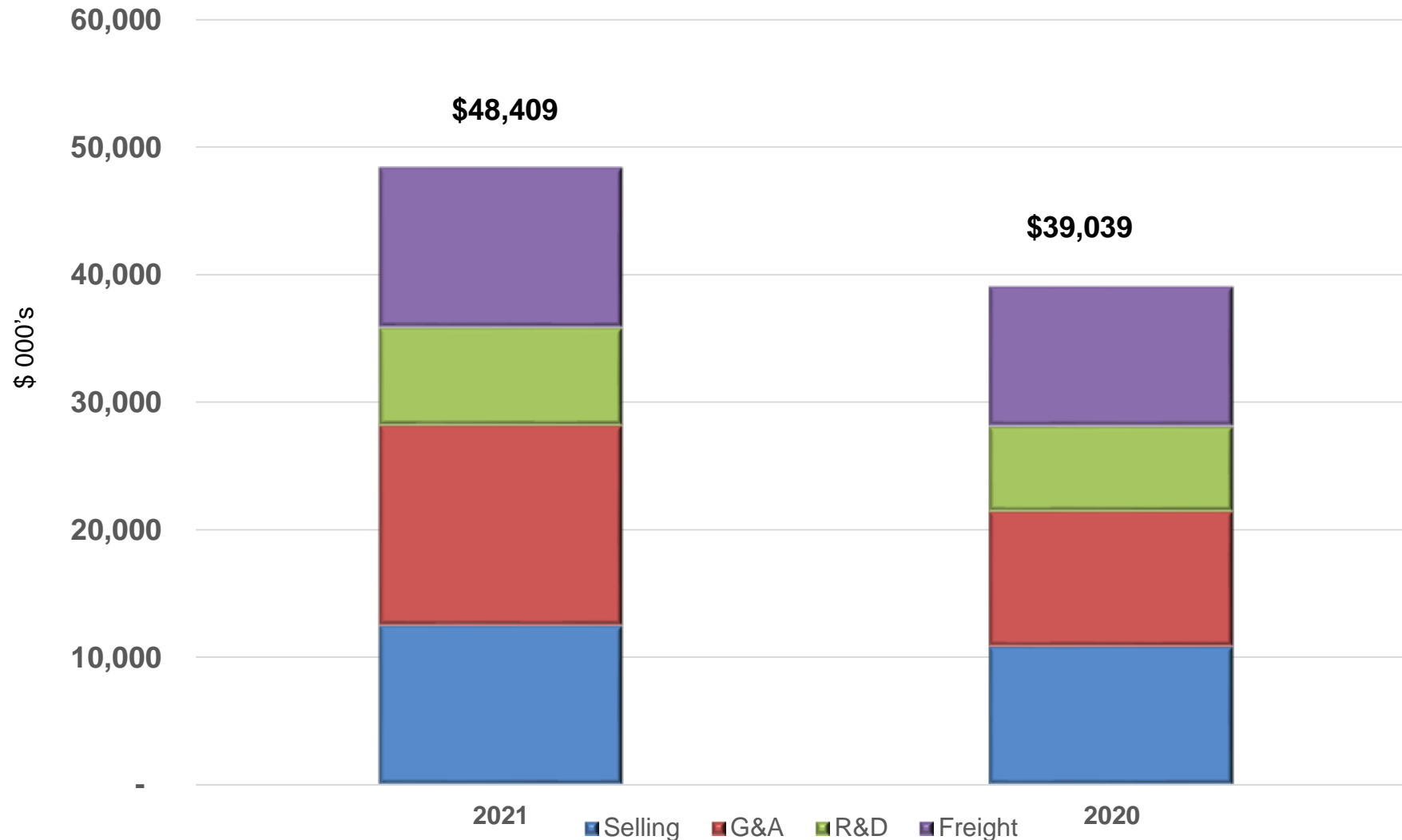
# Standard vs. Reported Margin





# Q3 2021 Operating Expenses

Operating expenses are 33% of sales  
in 2021 and in 2020



# Q3 2021 Statements of Operations

\$ 000's

	3 months Ended Sep 30,		
Statements of Operations	2021	2020	Change
Net Sales	\$147,298	\$117,439	\$29,859
<b>Gross profit</b>	<b>57,064</b>	<b>43,265</b>	<b>13,799</b>
Operating costs	(48,409)	(39,039)	(9,370)
Bargain purchase gain	292	0	292
<b>Operating Income</b>	<b>8,947</b>	<b>4,226</b>	<b>4,721</b>
Equity investment MTM	(668)	257	(925)
Other income	0	0	0
Interest Expense	(962)	(1,022)	60
<b>Income before Tax</b>	<b>7,317</b>	<b>3,461</b>	<b>3,856</b>
Tax	(1,518)	(492)	(1,026)
<b>Income before equity method</b>	<b>5,799</b>	<b>2,969</b>	<b>2,830</b>
Equity method investment	(301)	(42)	(259)
<b>Net income for AVD</b>	<b>\$5,498</b>	<b>\$2,927</b>	<b>\$2,571</b>
Diluted shares	30,390	29,973	

# Q3 2021 Statements of Operations

\$ 000's

	9 months Ended Sep 30,		
Statements of Operations	2021	2020	Change
Net Sales	\$398,063	\$317,956	\$80,107
<b>Gross profit</b>	<b>154,334</b>	<b>121,952</b>	<b>32,382</b>
Operating costs	(132,934)	(109,163)	(23,771)
Bargain purchase gain	171	0	171
<b>Operating Income</b>	<b>21,571</b>	<b>12,789</b>	<b>8,782</b>
Equity investment MTM	103	281	(178)
Other income	672	0	672
Interest Expense	(2,921)	(3,804)	883
<b>Income before Tax</b>	<b>19,425</b>	<b>9,266</b>	<b>10,159</b>
Tax	(5,324)	(1,852)	(3,472)
<b>Income before equity method</b>	<b>14,101</b>	<b>7,414</b>	<b>6,687</b>
Equity method investment	(388)	(80)	(308)
<b>Net income for AVD</b>	<b>\$13,713</b>	<b>\$7,334</b>	<b>\$6,379</b>
Diluted shares	30,470	29,926	
EPS	\$0.45	\$0.25	

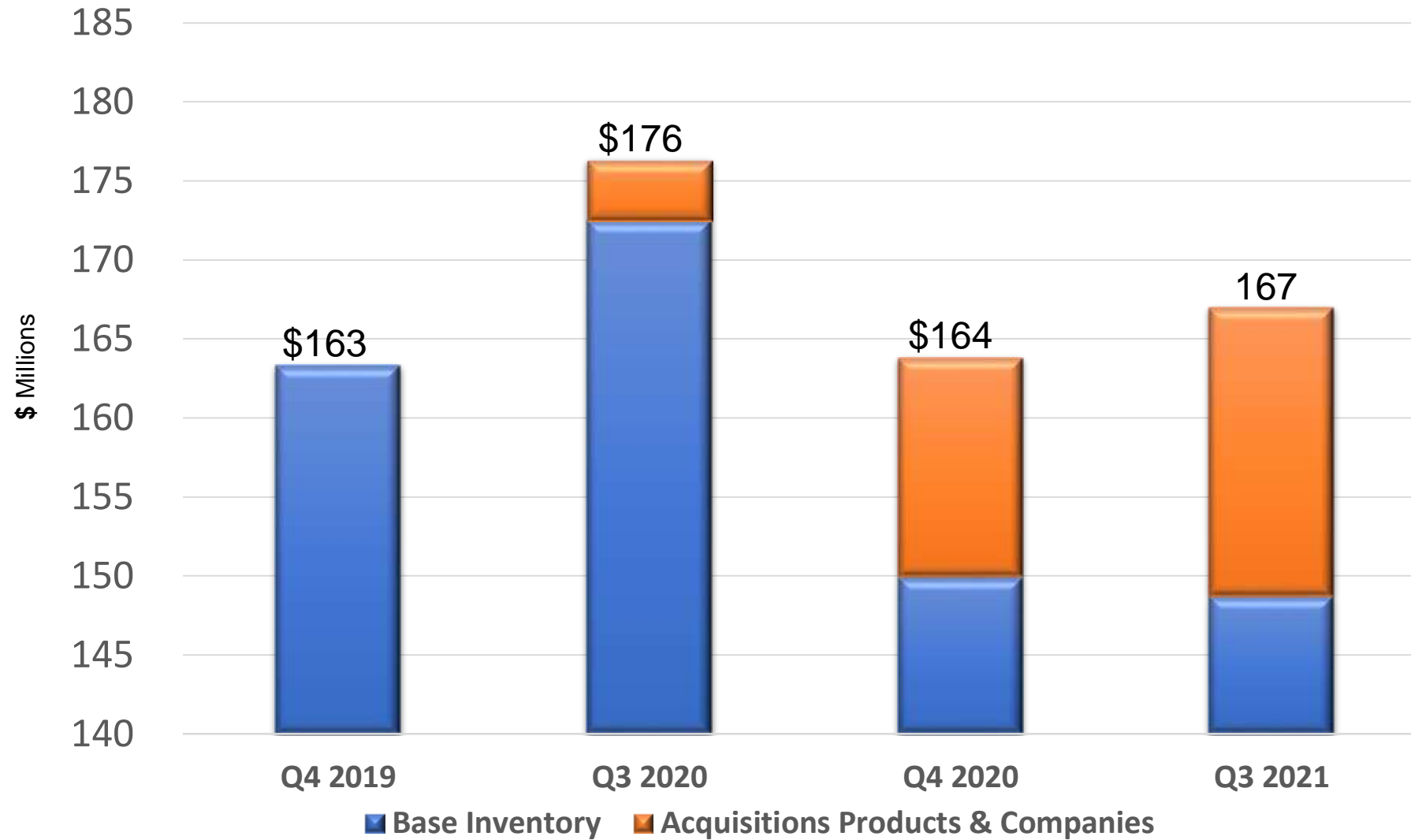


# Cash Generation and Uses – 3 months

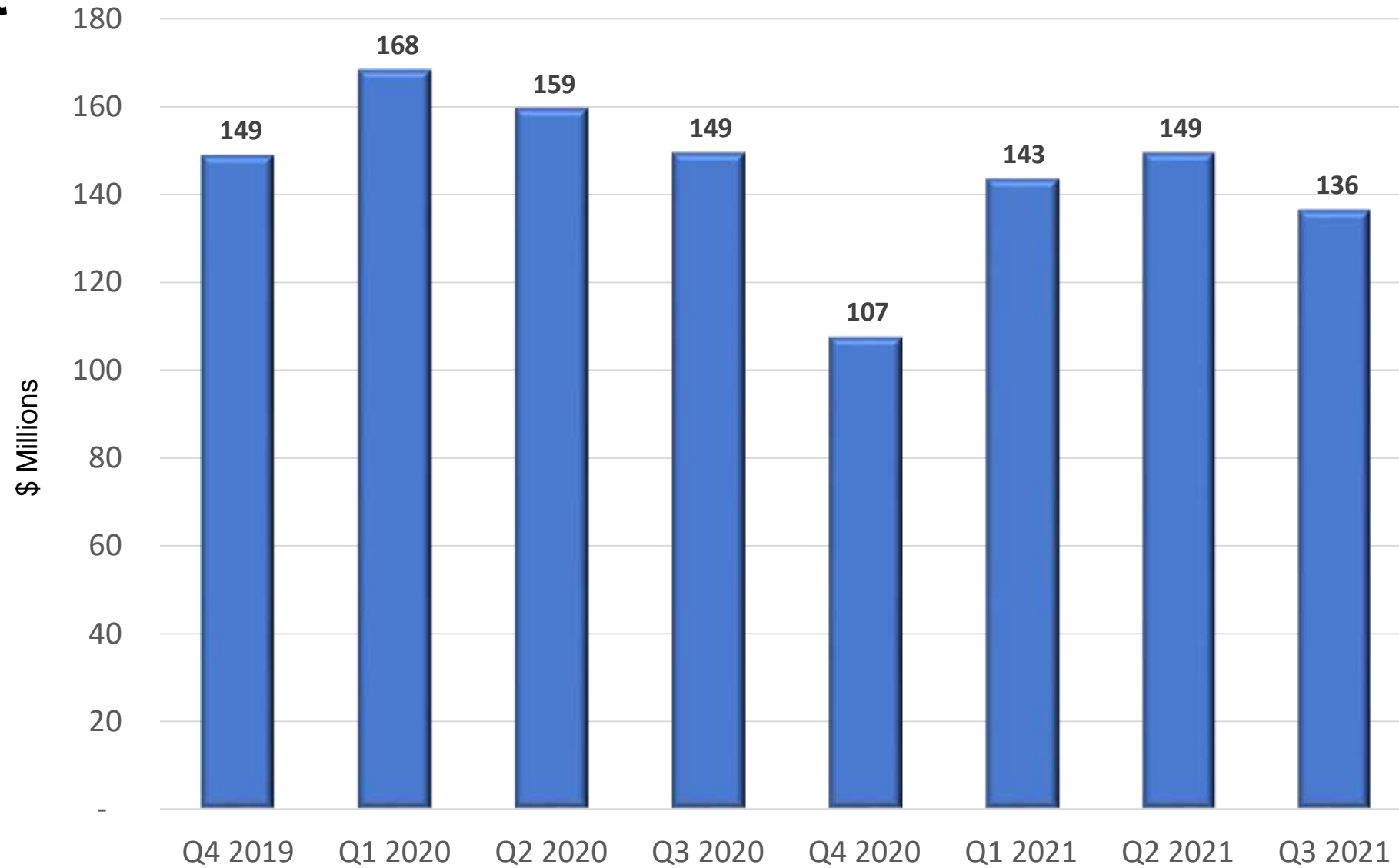
\$ 000's

	3-months Ended Sep 30,		
	2021	2020	2019
Cash from Operations	\$ 14,675	\$ 9,400	\$ 10,793
Change in Working Capital	4,055	4,564	(391)
<b>Net Cash from Operations</b>	<b>18,730</b>	<b>13,964</b>	<b>10,402</b>
Cash used in Investing	(2,931)	(2,655)	(10,864)
Cash from (used in) Financing	(17,968)	(10,293)	302
<b>Total Net Change</b>	<b>(2,169)</b>	<b>1,016</b>	<b>(160)</b>
FX Effect	(672)	(35)	(260)
Beginning Cash	19,559	8,600	6,307
<b>End Cash</b>	<b>\$ 16,718</b>	<b>\$ 9,581</b>	<b>\$ 5,887</b>

# Inventory



# Debt



# Overall Financial Performance of Operations



*Overall, during the third 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 an 88% increase in net income in the three months and an 87% increase in the nine months.*



# AVD Markets 100+ Green Solutions Globally



## Biofertilizers (12)

- Microbials to enhance nutrient uptake
- Nitrogen fixing bacteria
- Mobilizers of specific nutrients

## Biostimulants (35)

- Seaweed extracts
- Microbials that aid in nutrient assimilation
- Organic acids, e.g humic or fulvic acid

## Biopesticides (22)

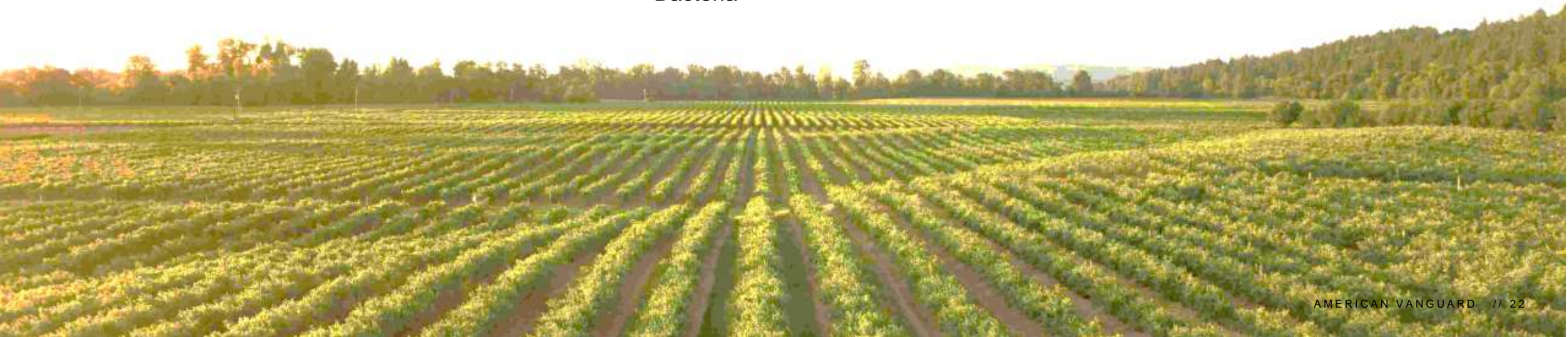
- Biochemical or Microbial
- Plant Extracts
- PGR
- Pheromones
- Bacteria

## Micro/Macro Nutrients (17)

- Essential minerals
- Trace elements

## Other (14)

- Solar Protection
- Adjuvants



## **Green Solutions (GS) Business Update – 3rd Quarter 2021**

- **Q3 GS revenue increased to \$9.7M, an increase of 26% from Q2 2021 revenue of \$7.7M**

Growth in Q3 attributed to increased sales in LATAM, Brazil, India, and Australia

- **YTD revenue as of Sept. 30, 2021 increased to \$26.9M**
- **Full Year GS Forecast is now expected in the \$35M-\$37M range up from previous forecast of \$32M-\$35M**

LATAM largest GS business at ~\$10M per year (\$2.9M in Q3)

# Top Green Solutions Priorities and Progress for 2021

## Expansion of Agrinos Product Distribution

- Registration process underway in LATAM. Colombia business transition completed.
- Pipeline building for further distribution into Europe, Africa
- Incremental US distribution opportunities in place for 2022 sales

## 1,500 Plot Trials in 2021 for 2022 scale

- SIMPAS trials nearly completed – Invigorate, nitrogen fixation products, other products in evaluation
- Turf and Ornamental trials nearing completion
- Large scale customer demo plots in the US in 2021 for sales in 2022

## AMGUARD/Envance

- Bioherbicide trials underway showing great promise

## Greenplants Expansion

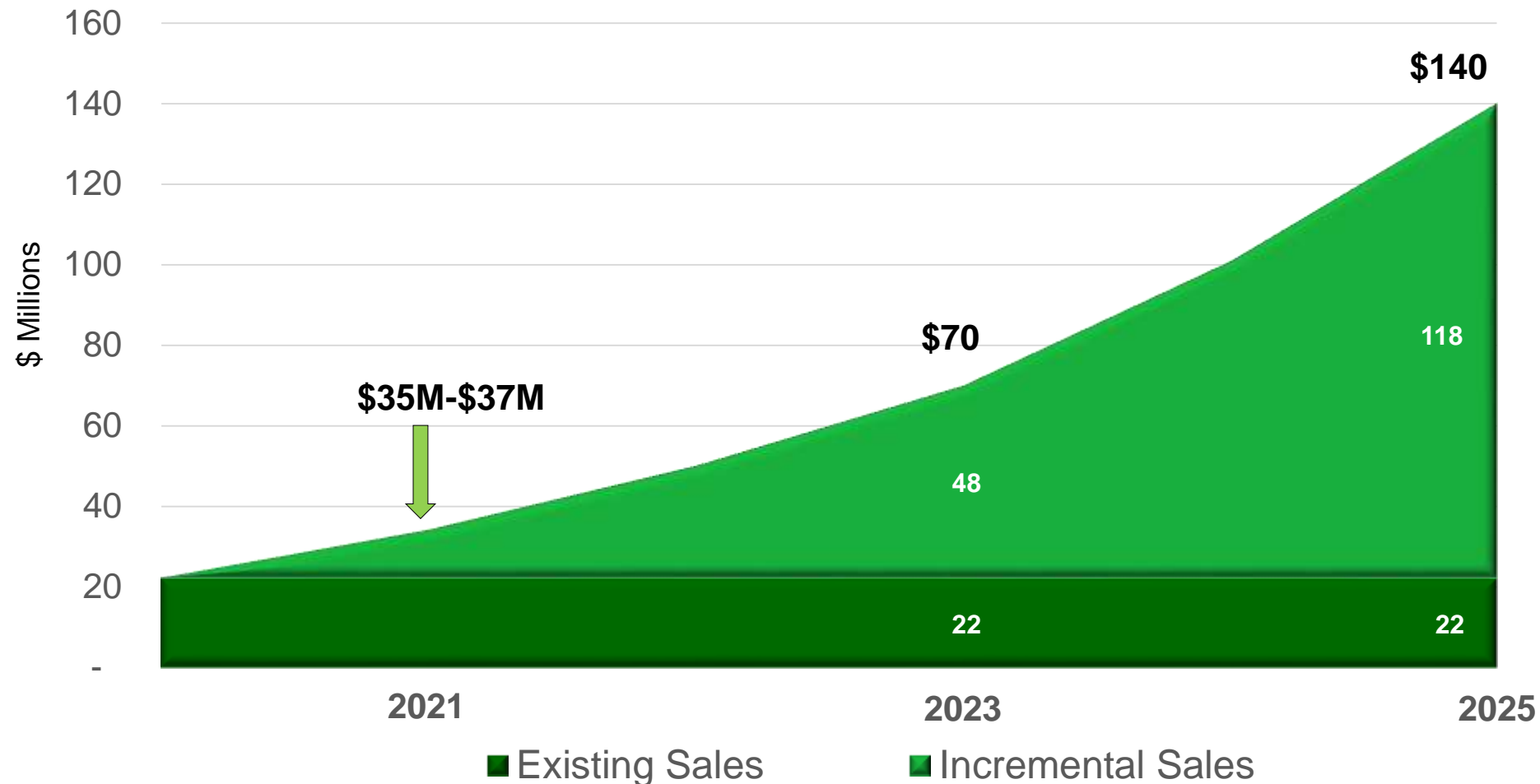
- Underway, with first sale in China in Q3 2021
- Further product evaluation and registration in other geographies

## Vintec/bi-pa

- Registration received in CA, allowing for new demos and evaluation (Almonds)
- Molecular testing also underway in LATAM countries (Bananas)

# Green Solutions Target

**Q3 2021 YTD Revenue at \$26.9M, Expected range \$35M-\$37M for 2021**



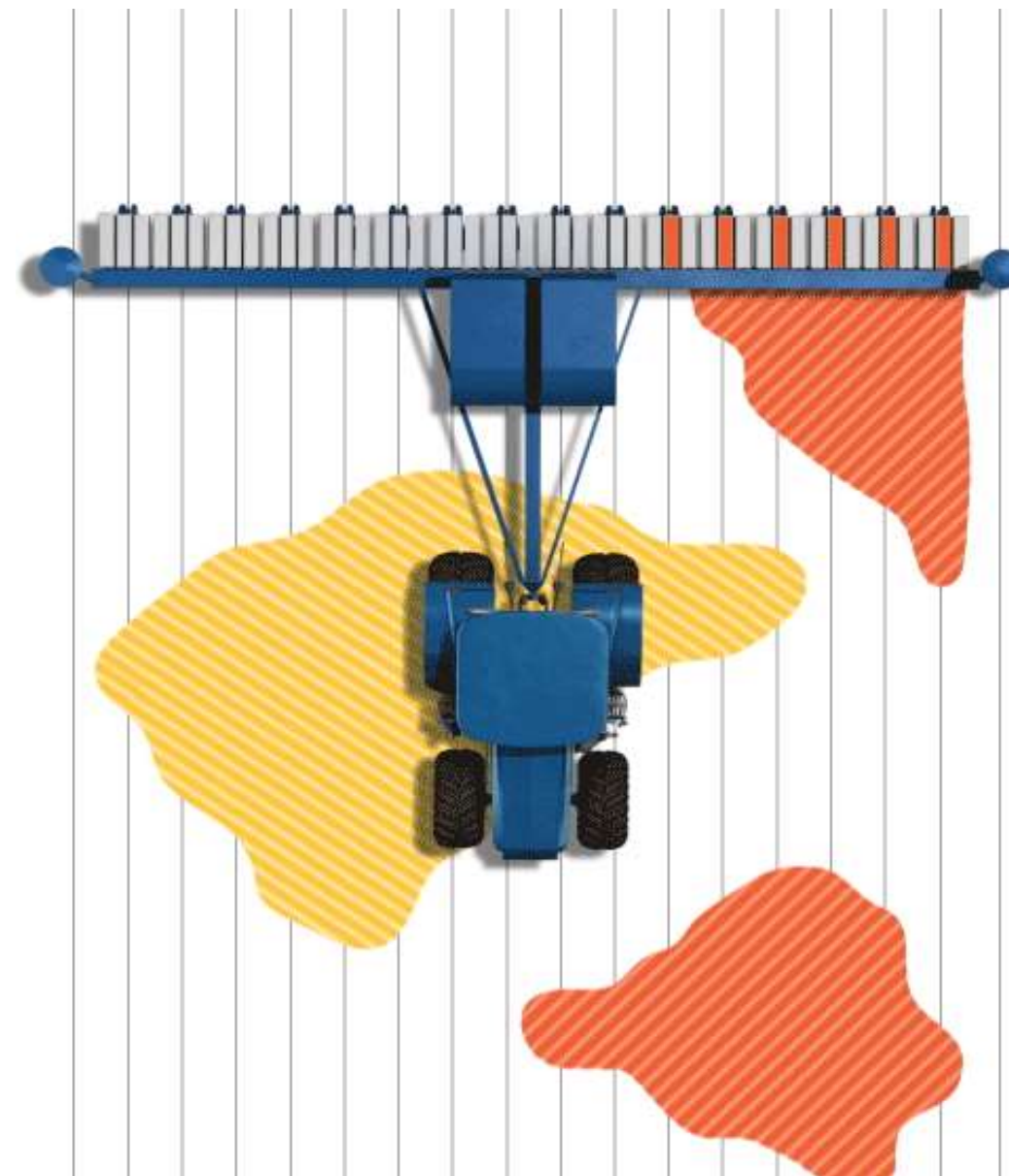




SIMPAS® Application System |

# Apply Multiple SIMPAS-applied Solutions Simultaneously

SIMPAS-applied Solutions are delivered according to the field's geospatial prescription.





# SIMPAS Retailer Locations





Business Builder |

## Retail Agent Benefits

SIMPAS-applied Solutions help retailers move from a transactional relationship into a partnership with the farmer by encouraging much more in-depth discussion around agronomics, prescriptions and iterative process, year after year.

### Additional agent benefits include:

- Retailer incentive for supporting SIMPAS-applied Solutions
- Agent secure margin vs. marketplace margin erosion
- Revenue and margin opportunities beyond program elements
- Reduce working capital needs for SIMPAS-applied Solutions
- SmartCartridge returns go back into AMVAC owned inventory



# Precision Ag Sustainability



**SIMPAS**<sup>™</sup>

**ULTIMUS**<sup>™</sup>



**Carbon Credits**

**Measure**  
**Record**  
**Validate**



# **Agriculture Innovation Center Program**

**Grant Applied 9-27-2021**

**Expect Decision by Q2 2022**

# ULTIMUS™ – patented technology platform that integrates:

- RFID tagged ag product containers
- Traceability software
- Customer accounting software
- Application equipment
- Precision ag/geospatial equipment
- Bitcoin enabled







SIMPAS® Application System |

## Apply Multiple SIMPAS Solut Simul

SIMPAS-ap  
according t



*The opportunities are endless. I can foresee in the future dozens of SIMPAS-applied Solutions being applied this way . . . This is going to change the way we producers look at in-furrow application*

*Jason Orr,  
Orr Farms, Iowa*





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