



**AMERICAN
VANGUARD[®]**

NYSE: AVD

Q3 2023 Earnings Call

November 8, 2023

Eric Wintemute *Chairman & Chief Executive Officer*

David Johnson *Chief Financial Officer*

Bob Trogele *Chief Operating Officer*

William Kuser *Director, Investor Communications*

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.

BUSINESS REVIEW

Eric Wintemute

Chairman & Chief Executive Officer

Operational Improvement Initiatives

- **Cost/Margin Improvement**
- **Digital Transformation**
- **Structural Design**

2023 Expectations

2024 Outlook



TWENTY-ONE
Countries where we operate



SIX
Manufacturing Plants



THREE
R&D Centers



FIVE HUNDRED
Patents



FIFTY
Serving over 50 countries



**\$15 Million
Operating Profit
& Interest Savings**

Improved

- Data Integrity
- Accounting Efficiency
- Management Reporting



1. SVP Human Resources
2. Chief Transformation Officer
3. Evaluate Business & Growth Initiatives
4. Establish KPI's

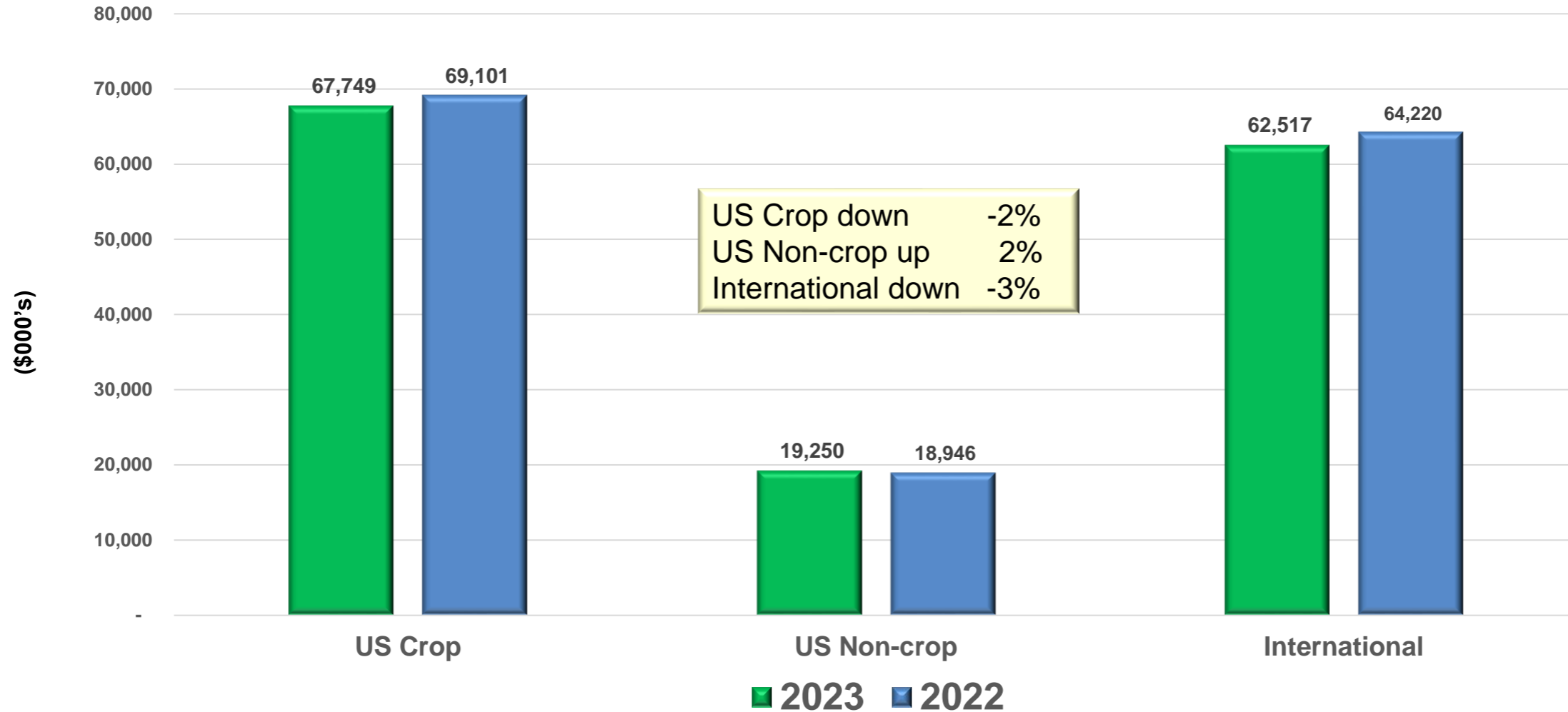
FINANCIAL REVIEW

David Johnson

Chief Financial Officer



Net Sales, 3 months Ended Sep 30, 2023 & 2022



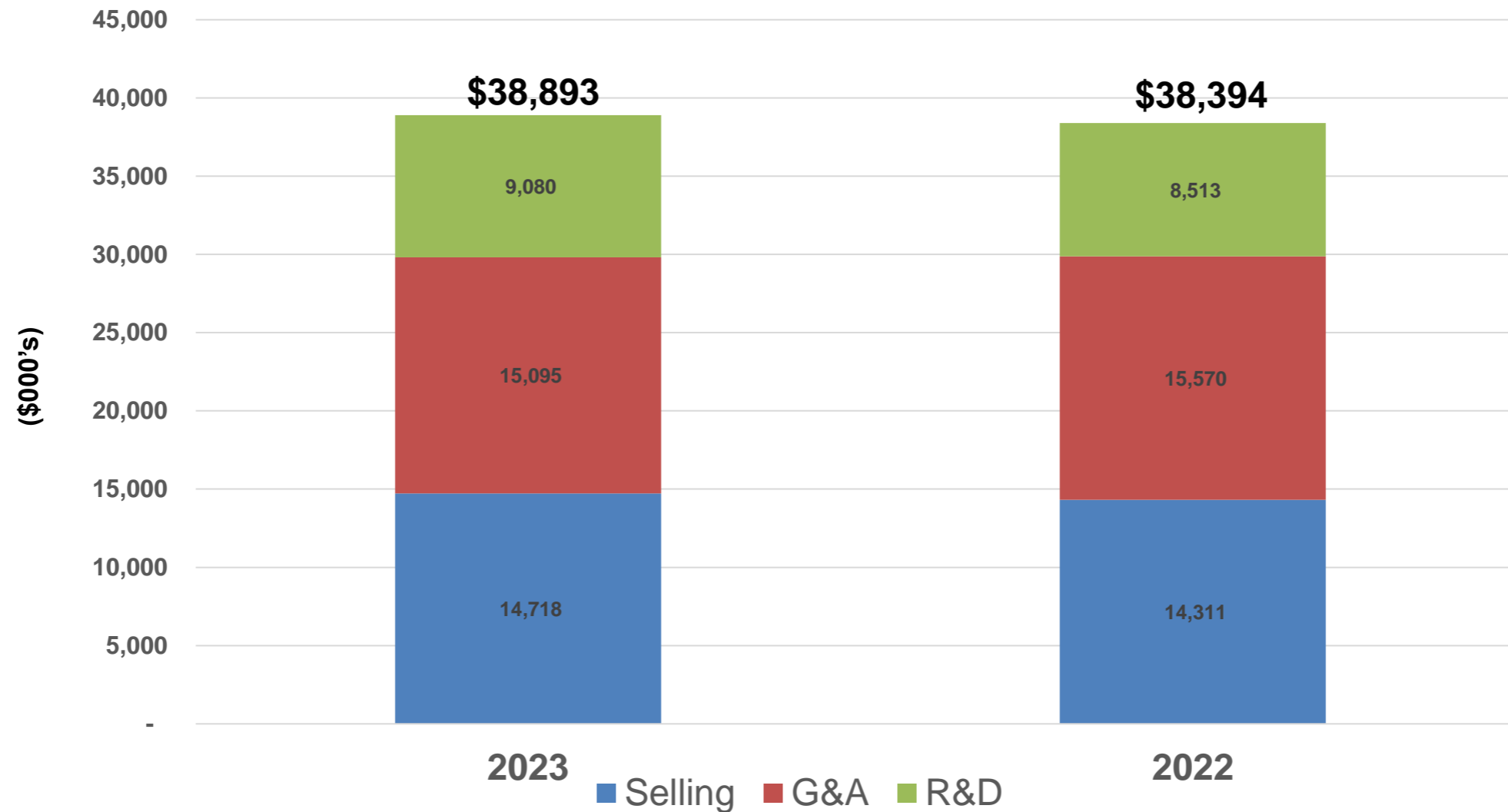
Q3 2023 Gross Profit Performance



| | (\$000's) | | |
|----------------------------|------------------------|------------------|---------------|
| | 3-months Ended Sep 30, | | |
| | <u>2023</u> | <u>2022</u> | <u>Change</u> |
| US Crop | 67,749 | 69,101 | -2% |
| US Non-crop | 19,250 | 18,946 | 2% |
| US | 86,999 | 88,047 | -1% |
| International | 62,517 | 64,220 | -3% |
| Total Net Sales | 149,516 | 152,267 | -2% |
| Total Cost of Sales | (106,432) | (102,629) | 4% |
| Total Gross Profit | 43,084 | 49,638 | -13% |
| Total Gross Margin | 29% | 33% | |

Q3 2023 Operating Expenses

Operating Expenses are 26.0% of sales in 2023 vs 25.2% in 2022



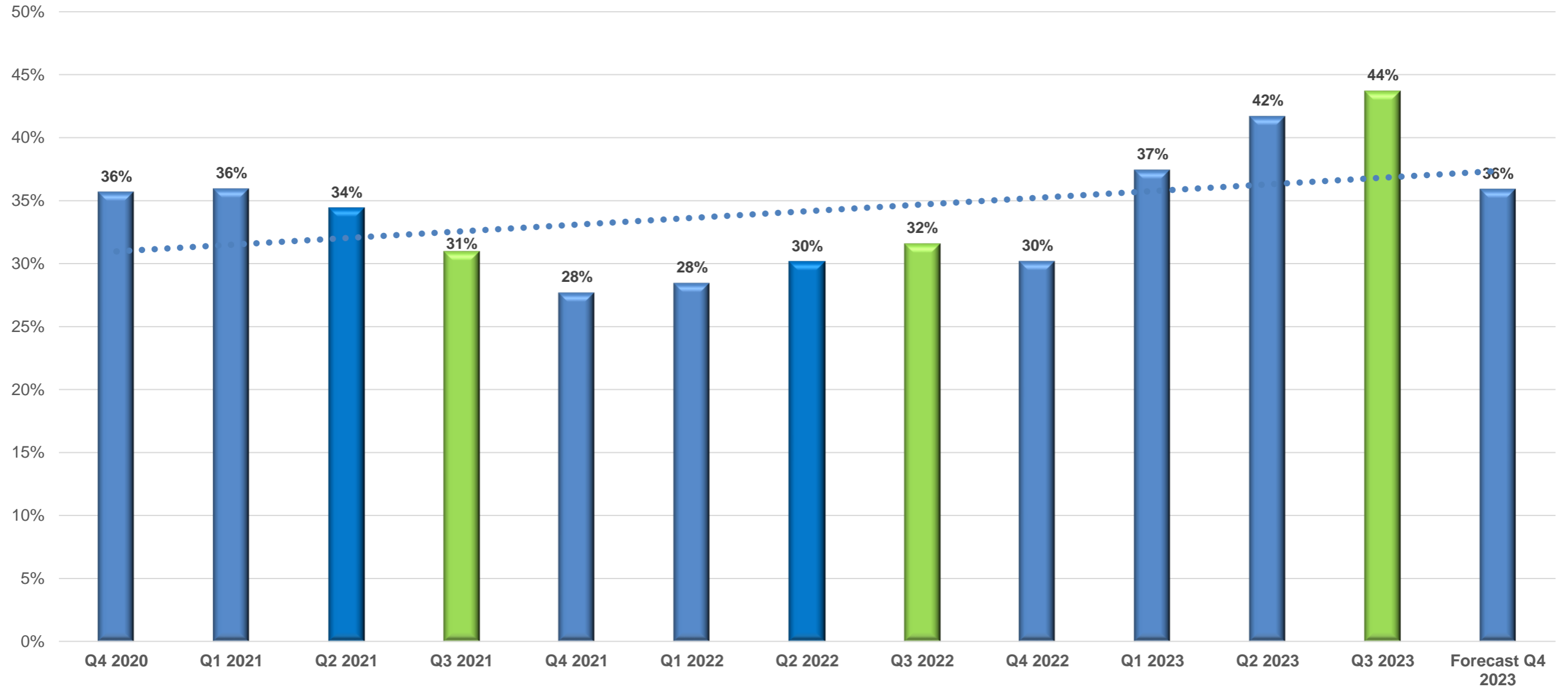
| | (\$000's) | | |
|---------------------------|------------------------|----------------|------------------|
| | 3 months Ended Sep 30, | | |
| Statements of Operations | 2023 | 2022 | Change |
| Net Sales | \$149,516 | \$152,267 | (\$2,751) |
| Gross profit | 43,084 | 49,638 | (6,554) |
| Operating costs | (38,893) | (38,394) | (499) |
| Operating Income | 4,191 | 11,244 | (7,053) |
| Equity investment MTM | (247) | (454) | 207 |
| Interest Expense | (3,384) | (1,086) | (2,298) |
| Income before Tax | 560 | 9,704 | (9,144) |
| Tax | (885) | (2,963) | 2,078 |
| Net income for AVD | (\$325) | \$6,741 | (\$7,066) |
| Diluted shares | 27,919 | 29,805 | |
| EPS | (\$0.01) | \$0.23 | |

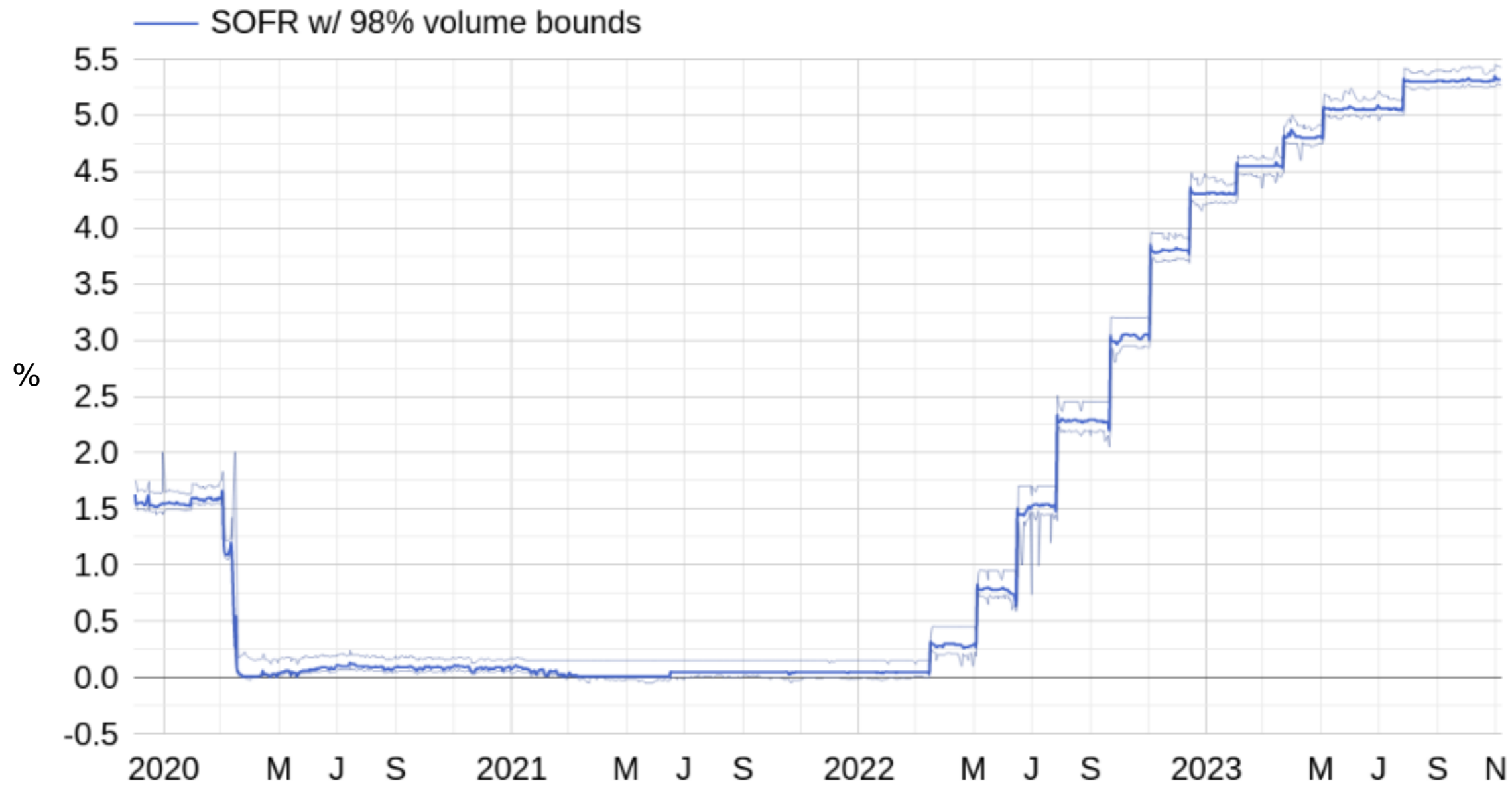
Q3 2023 Statements of Operations, 9 months



| | (\$000's) | | |
|---------------------------|------------------------|-----------------|-------------------|
| | 9 months Ended Sep 30, | | |
| Statements of Operations | 2023 | 2022 | Change |
| Net Sales | \$407,191 | \$450,063 | (\$42,872) |
| Gross profit | 124,529 | 150,365 | (25,836) |
| Operating costs | (113,317) | (113,559) | 242 |
| Operating Income | 11,212 | 36,806 | (25,594) |
| Equity investment MTM | (324) | (857) | 533 |
| Interest Expense | (8,282) | (2,256) | (6,026) |
| Income before Tax | 2,606 | 33,693 | (31,087) |
| Tax | (2,066) | (10,187) | 8,121 |
| Net income for AVD | \$540 | \$23,506 | (\$22,966) |
| Diluted shares | 28,656 | 30,128 | |
| EPS | \$0.02 | \$0.78 | |

Inventory as a Percentage of Sales (TTM)





Operational Improvement Initiatives

- **Cost/Margin Improvement**
- **Digital Transformation**
- **Structural Design**

2023 Expectations

- **Revenue \$580-\$590M**
- **Gross Margin 30-31%**
- **OPEX \$152-\$154M**
- **EBITDA \$55-\$59M**

2024 Outlook

Select Industry Peers



Q3 2023

Average Down: ~21%

Down 2%

YTD 2023

Average Down: ~13%

Down 10%

10% Growth Expectation

Highlights

- Strong field results for iNvigorate®
- Punte Verde acquisition in Ecuador
- 2024 BioWake™ Commercial launch in US
- NewLeaf Symbiotics® expanded distribution
 - Brazil, Argentina, Ukraine, China
- Expecting additional announcements this quarter

**More than 250 Systems in the US
First 18 Systems in Brazil**



Operational Improvement Initiatives

- **Cost/Margin Improvement**
- **Digital Transformation**
- **Structural Design**

2023 Expectations

- **Revenue \$580-\$590M**
- **Gross Margin 30-31%**
- **OPEX \$152-\$154M**
- **EBITDA \$55-\$59M**

2024 Outlook

- **Revenue Up 8-12%**
- **EBITDA Up 25-35%**

Q&A