



An Indorama Ventures Company

Financial Results

Q1/2023

Sivan Yedidsion – Interim CEO and CFO

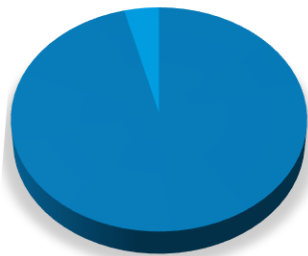
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AVGOL Market



■ Hygiene ■ Other



An Indorama Ventures Company

Analyst Conference | Who We Are

AVGOL is a world leader in the development, manufacturing and marketing of nonwoven fabrics for diapers, adult incontinence products, disposable feminine hygiene products, disposable medical products, wipes, fabrics used to produce masks, gowns and additional medical products.

The Company also manufactures nonwoven fabrics used as raw or component materials in various non-hygiene products.

Our products are based on polyolefin resins, specifically those in the Polypropylene (PP) family.



Analyst Conference | Who We Are

Our Vision: We Aspire to Create Nonwoven Innovations to Enhance Quality of Life



Our team

~800 employees in the Global commercial and technical team



Global

6 production sites in Israel, USA, China, Russia and India supplying more than 30 countries.



Quality

Committed to serve our customers with on-time, in full supply of materials to specification



Strategy

Global leader in the Nonwovens industry, with broad application and end-use touch points

Indorama Ventures LTD
65.97%

+

The Public
34.03%

=



Analyst Conference | Who we are

Hygiene Market



Covering Baby diapers , Feminine Care, Adult Incontinence, PPE and medical

Raw Material



Mainly Polypropylene

Technology



Spunmelt / Meltblown

Sustainability



Biodegradable NW

We aspire to:

- Grow and strengthen our position by expanding production capacity to meet the continuous growth in the hygiene market
- Bring innovative nonwoven products that will bring better solutions to regional trends and preferences
- Be the definitive leader in the commercialization of nonwoven spunlaid materials that have reduced impact on the environment

Analyst Conference | What We Do

Spunbond



Provides strength and base performance

Meltblown



Structure useful in filtration and wipe materials

"SMS"



Combination of one or more Spunbond beams and one or more Meltblown beams



An Indorama Ventures Company

USA Expansion | Project Update

In December 2022, the company's Board of Directors decided to establish a new production line in our **North Carolina, USA** facility, as an alternative to the originally planned expansion in Russia.

The addition of this new Reicofill 5 machine will expand the company's existing production capacity by 20KMT annually, offering better efficiency and more advanced products to serve the growing North American market.

Total planned investment : USD 90 million

Commissioning planned during Q4/2024



Financial Results

Q1-2023



Analyst Conference | Quarterly Financials Highlights

USD Mn	Q1'23	Q4'22	Q3'22	Q2'22	Q1'22
Revenues, net	80	103	110	100	115
Gross Profit	12	19	18	13	26
	14.8%	18.6%	16.8%	13.4%	22.5%
EBIT	4	9.7	9	5	17
	5%	9.5%	7.8%	5.3%	14.7%
Net Profit	1	5	6	5	12
	1.0%	4.6%	5.0%	5.1%	10.5%
EBITDA	11	18	16	12	23
	13.1%	17.1%	14.7%	12.0%	20.1%
EBITDA Underlying	10	9	9	14	16
	12.5%	9.2%	7.9%	14.4%	13.5%
Net Debt/EBITDA	2.20	1.82	1.87	2.15	2.22

AVGOL[®]
Nonwovens

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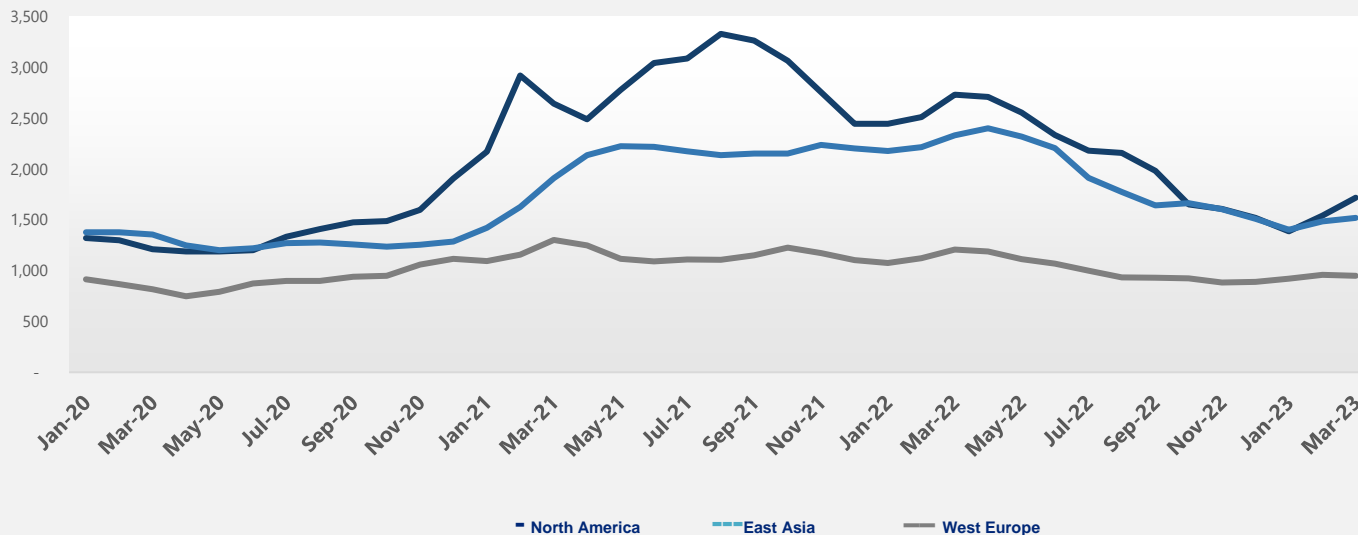
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Raw Material | Polypropylene Index

During the first quarter of 2023 the raw materials prices in the United States were on upward trend , which is expected to negatively affect Company's results during the second quarter of 2023.

During April and correct to the publication date of this report, the raw materials price indices began falling in the United States. If this trend indeed continues, the Company expects it to have a positive impact on its results during the second half of 2023

\$/Ton



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Financial Results

PL Results

Q1'23

Key highlights

Revenues

\$80.0M vs \$114.7M in Q1'2022

- Drop in polypropylene prices, to which our sales prices are linked.
- 8.3% Lower sales volumes in Russia due to the geo-political situation and soft demands in the Asian markets.

Gross Profit

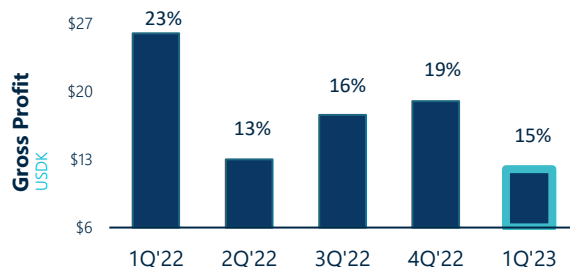
\$11.9M vs \$26.0M in Q1'2022

- The Gross Profit in Q1'23 includes a positive impact of about **\$0.5M** in lag effect, compared to a positive impact of **\$7.5M** in Q1'22.
- The gross profit was impacted mainly by lower sales volumes and hikes in manufacturing costs, due to high rates of inflation.

SG&A expenses

\$7.8M vs \$9.10M in Q1'2022

- Driven by significant decrease in logistic costs.



Financial Results

PL Results

Q1'23

Key highlights

EBITDA

\$10.5M vs \$23.2M in Q1'2022

- EBITDA includes a positive impact of about \$0.5M in lag, compared to a positive impact of \$7.5M in Q1'22.

Underlying EBITDA

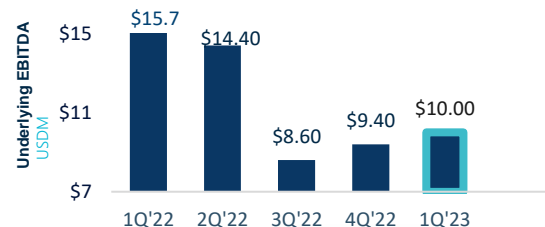
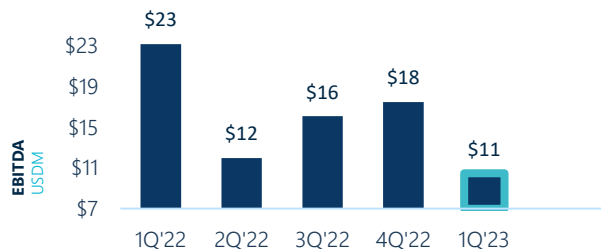
\$10.0M vs \$15.7M in Q1'2022

- Global economic slowdown together with decline in sales quantities.

Net Financing Expense

\$2.6M vs \$1.1M in Q1'2022

- Sharp interest rate hikes along with a decrease in exchange-rate differential income of about USD 0.7 million compared to the corresponding period last year



Financial Results

PL Results	Q1'23	Key highlights
Net Profit	\$0.8M vs \$12.3M in Q1'2022	<ul style="list-style-type: none">• Mainly affected by the decrease in the operating profit and increase in the financing expense, partially offset by the decrease in income tax expenses.
Operating Cash Flow	\$14.6M vs \$4.2M in Q1'2022	<ul style="list-style-type: none">• Strong operating Cashflow, Driven by a decrease in working capital balances.
Net Working Capital	\$45M vs \$52M in Q1'2022	<ul style="list-style-type: none">• Mainly as a result of decrease in the balances of trade receivables and the increase in the balances of trade payables.
Leverage Ratio	2.2 vs 1.8 in Q4'2022	<ul style="list-style-type: none">• Mainly affected by investment CAPEX and the decrease in the Trailing twelve months EBITDA

Analyst Conference | Balance Sheet

	As on Mar 31 2023 K'USD	As on Dec 31 2022 K'USD
CURRENT ASSETS		
Cash and cash equivalents	57,670	61,511
Trade receivables	36,306	47,719
Other receivables and debit balances	3,906	3,913
Current tax assets	366	64
Derivatives	814	1,267
Inventories	40,499	29,918
Total Current Assets	139,561	144,392
NON-CURRENT ASSETS		
Property, plant and equipment, net	311,735	310,077
Derivatives	779	1,212
Deferred tax assets	522	489
Long –term Tax balances	4,202	4,346
Intangible assets	1,917	1,910
Long-term debit balances	3,331	3,255
Total Non-current Assets	322,486	321,289
TOTAL ASSETS	462,047	465,681

	As on Mar 31 2023 K'USD	As on Dec 31 2022 K'USD
CURRENT LIABILITIES		
Short-term credit and current maturities of long-term loans from banking corporations	13,532	13,017
Nonbank short-term credit	27,182	27,671
Liabilities in respect of derivatives	104	22
Current maturities of long-term bonds	33,807	34,382
Trade payables	32,011	23,450
Current tax liabilities	1,283	1,288
Other payables and credit balances	20,186	21,856
Total Current Liabilities	128,105	121,686
NON-CURRENT LIABILITIES		
long term payables	2,589	2,679
Long-term loans from banking corporations	62,053	66,217
Bonds	44,600	45,244
Employee benefit liabilities	165	161
Deferred tax liabilities	18,636	19,844
Total Non-current Liabilities	128,043	134,145
EQUITY		
Equity attributable to shareholders of the parent company	205,527	209,484
Noncontrolling interests	372	366
Total Equity	205,899	209,850
Total LIABILITIES AND EQUITY	462,047	465,681



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**We Aspire to Create Nonwoven Innovations
to Enhance the Quality of Life**

AVGOL®
Nonwovens

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ISRAEL

UNITED STATES

RUSSIA

CHINA

INDIA