



An Indorama Ventures Company

Financial Results

Q3/2023

Sivan Yedidsion –CEO

David Peretz –CFO

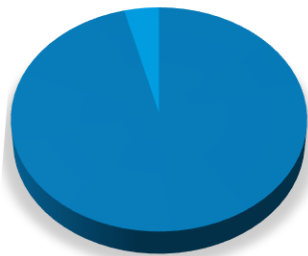
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 - This presentation is based on the Company financial reports.
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AVGOL Market



■ Hygiene ■ Other



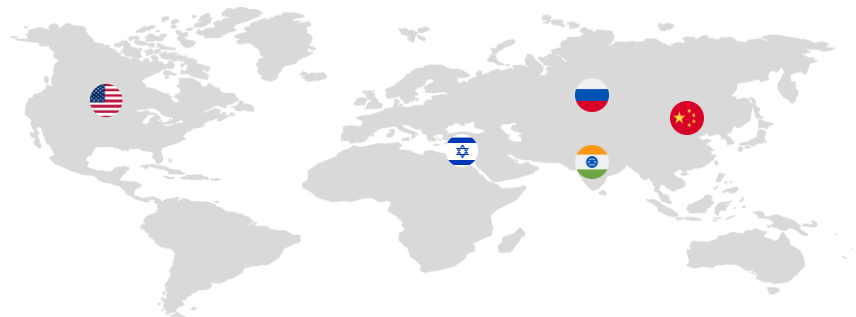
An Indorama Ventures Company

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

Who We Are | Pushing Technology Bounds



RAW MATERIAL

Polypropylene (PP)

Thermoplastic “addition polymer” made from the combination of propylene monomers and used in a variety of applications, such as packaging for consumer products, plastic parts for various industries, and textiles



MARKETS

TECHNOLOGY

Spunbond

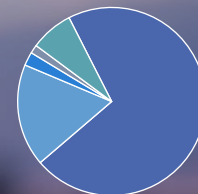
One continuous process in which fibers are spun and then directly dispersed into a web by deflectors or with air stream. This technology leads to faster belt speeds and cheaper costs

“SMS”

Fabrics comprised of one or more Spunbond beams and one or more Meltblown beams in a combination which improves barrier, absorbency, and structural performance

Meltblown

High-velocity air blows molten thermoplastic resin from an extruder die tip onto a conveyor to create random laid nonwoven fabric, a structure useful for filtration and wipes



Hygiene Baby Care
Hygiene Adult Incontinence
Hygiene Feminine Care
Other
Medical

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 Reicofil 5 machine will expand the company's existing production capacity by 20K MT 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

Q3-2023



Analyst Conference | Quarterly Financial Highlights

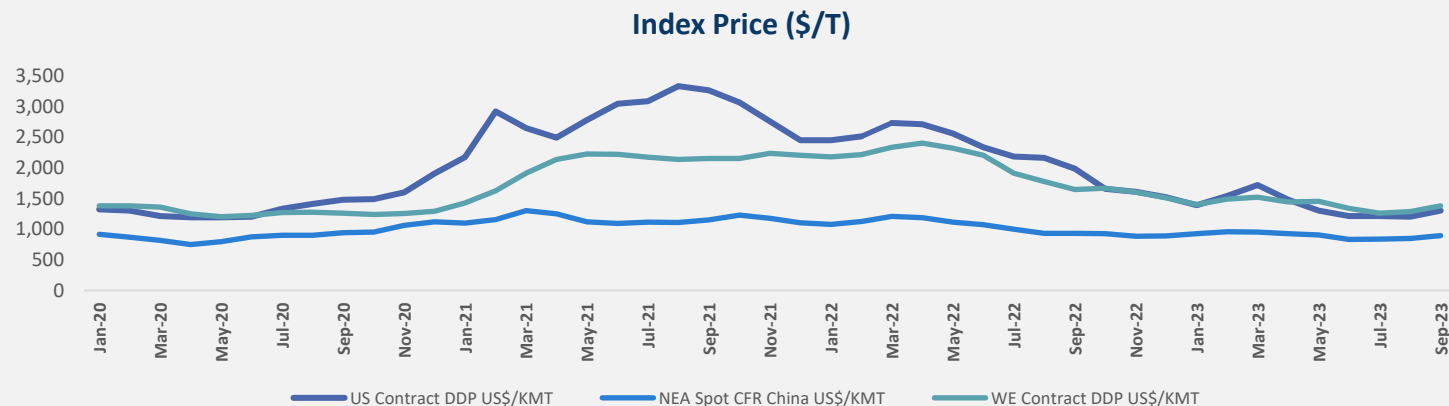
USD Mn	Q3'23	Q2'23	Q1'23	Q4'22	Q3'22
Revenues, net	80.0	78.3	80.0	102.5	109.8
Gross Profit	13.6	10.9	11.9	19.1	18.4
	16.9%	13.9%	14.8%	18.6%	16.8%
EBIT	7.1	3.4	4.0	9.7	8.6
	8.8%	4.4%	5.0%	9.5%	7.8%
Net Profit	3.5	1.5	0.8	4.7	5.5
	4.3%	2.0%	1.0%	4.6%	5.0%
EBITDA	13.5	10.3	10.5	17.6	16.2
	16.8%	13.1%	13.1%	17.1%	14.7%
EBITDA Underlying	9.6	12.0	10.0	9.4	8.6
	11.9%	15.3%	12.5%	9.2%	7.9%
Net Debt/EBITDA	2.50	2.29	2.20	1.82	1.87

AVGOL®
Nonwovens

An Indorama Ventures Company

avgol.com

During the third quarter of 2023 and according to the publication date of this report, there is a moderate upward trend in the raw materials price indices. The Company expects this to have a moderate negative impact on its results during the fourth quarter of 2023.



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Financial Results

Results

Q3'23

Key highlights

Revenues

\$80M vs \$110M in Q3'2022

- Decrease in polypropylene prices, to which our sales prices are linked.
- A decrease of 4.4% in sales volumes .

Gross Profit

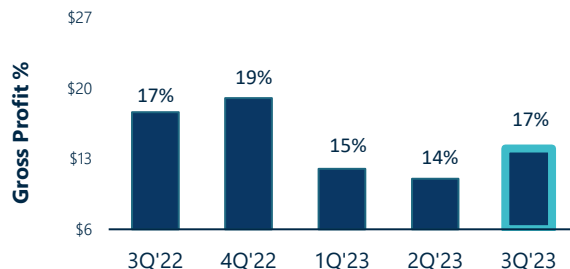
\$13.5M vs \$18.4M in Q3'2022

- The Gross Profit in Q3'23 includes a positive impact of about **\$3.9M** in lag effect, compared to a positive impact of **\$7.5M** in Q3'22.
- The gross profit was impacted mainly by lower sales volumes and subsequent efficiency rates resulted from lower asset utilization

SG&A expenses

\$6.5M vs \$9.0M in Q3'2022

- Driven by significant decrease in logistic rates around the globe and diligent control of fixed costs.



Financial Results

Results

Q3'23

Key highlights

EBITDA

\$13.5M vs \$16.2M in Q3'2022

- EBITDA includes a positive impact of about \$3.9M in lag, compared to a positive impact of \$7.5M in Q3'22.

Underlying EBITDA

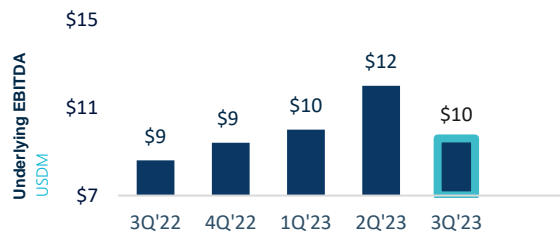
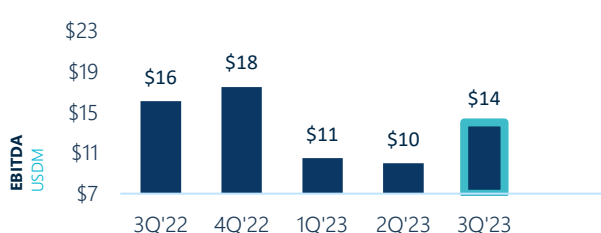
\$9.6M vs \$8.6M in Q3'2022

- Mainly due to global decrease in logistics rates ; improved RM purchase conditions across the board, partially offset lower efficiency rates

Net Financing, Expense

\$2.3M vs \$1.2M in Q3'2022

- The increase is a result of a ~\$1.7M decrease in FOREX income
- The global increase in interest rates had a moderate impact on the company's financing expenses due to fixed interest rates on its debt



Financial Results

Results	Q3'23	Key highlights
Net Profit	\$3.5M vs \$5.5M in Q3'2022	<ul style="list-style-type: none"> Mainly influenced by the decrease in the operating profit and an increase in net financing expense , partially offset by lower income tax expenses.
Operating Cash Flow	\$5.1M vs \$7.2M in Q3'2022	<ul style="list-style-type: none"> Mainly influenced by decrease in profits.
Net Working Capital	\$49M vs \$64M in Q3'2022	<ul style="list-style-type: none"> Mainly as a result of decrease in the balances of trade receivable and Inventory value partially offset by trade payables.
Leverage Ratio	2.5 vs 1.8 in Q4'2022	<ul style="list-style-type: none"> Net debt / EBITDA

Analyst Conference | Balance Sheet

	As on Sep 30 2023 K'USD	As on Dec 31 2022 K'USD
CURRENT ASSETS		
Cash and cash equivalents	45,340	61,511
Trade receivables	33,709	47,719
Other receivables and debit balances	4,087	3,913
Current tax assets	797	64
Derivatives	159	1,267
Inventories	35,679	29,918
Total Current Assets	119,771	144,392
NON-CURRENT ASSETS		
Property, plant and equipment, net	296,578	306,275
Right of use asset	4,836	3,802
Derivatives	149	1,212
Deferred tax assets	2,000	489
Long-term Tax balances	3,695	4,346
Intangible assets	2,162	1,910
Long-term debit balances	3,941	3,255
Total Non-current Assets	313,361	321,289
TOTAL ASSETS	433,132	465,681

	As on Sep 30 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	11,696	13,017
Nonbank short-term credit	26,653	27,671
Liabilities in respect of derivatives	544	22
Current maturities of long-term bonds	32,541	34,382
Trade payables	23,790	23,450
Current tax liabilities	22	1,288
Other payables and credit balances	20,234	21,856
Total Current Liabilities	115,480	121,686
NON-CURRENT LIABILITIES		
long term payables	2,086	2,679
Long-term loans from banking corporations	58,380	66,217
Bonds	43,422	45,244
Employee benefit liabilities	155	161
Deferred tax liabilities	17,925	19,844
Total Non-current Liabilities	121,968	134,145
EQUITY		
Equity attributable to shareholders of the parent company	195,369	209,484
Noncontrolling interests	315	366
Total Equity	195,684	209,850
Total LIABILITIES AND EQUITY	433,132	465,681



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

AVGOL®
Nonwovens

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UNITED STATES

RUSSIA

CHINA

INDIA