



An Indorama Ventures Company

Financial Results

Q1/2024

למסמך נגיש



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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.

AVGOL 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.



Our team

~880 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%

=



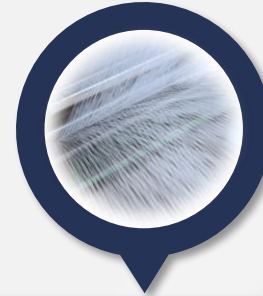
Analyst Conference | Technology & Markets



RAW MATERIAL

Polypropylene (PP)

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



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 lower costs

"SMS"

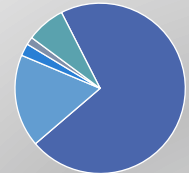
Fabrics comprised of one or more Spunbond beams and one or more Meltblown beams in a combination which improves barrier, absorbency, and structural performance

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



MARKETS



- Hygiene Baby Care
- Hygiene Adult Incontinence
- Hygiene Feminine Care
- Others (including Wipes)
- Medical

Analyst Conference | We Are Committed to Sustainability

How we are planning to do things better



Partner with others that share this same environmental obligation to achieve new, meaningful, and timely results



Improved Technologies to increase product performance in lighter weights



Being Proactive by Improving Efficiency and Reducing Environmental Impact in our operations



Replace unrenewable resins with alternate materials which minimize negative environmental impact



Recycle PP Waste streams

Analyst Conference | Strong footprint to serve the global market



Q1'24 Key highlights

EBITDA

Q1'24	Q1'23
\$10.0M	\$10.5M

Underlying EBITDA

Q1'24	Q1'23
\$11.3M	\$10.0M

Leverage

Net Debt/EBITDA

3.1

Sales Volume

Q1'24 vs. Q1'23

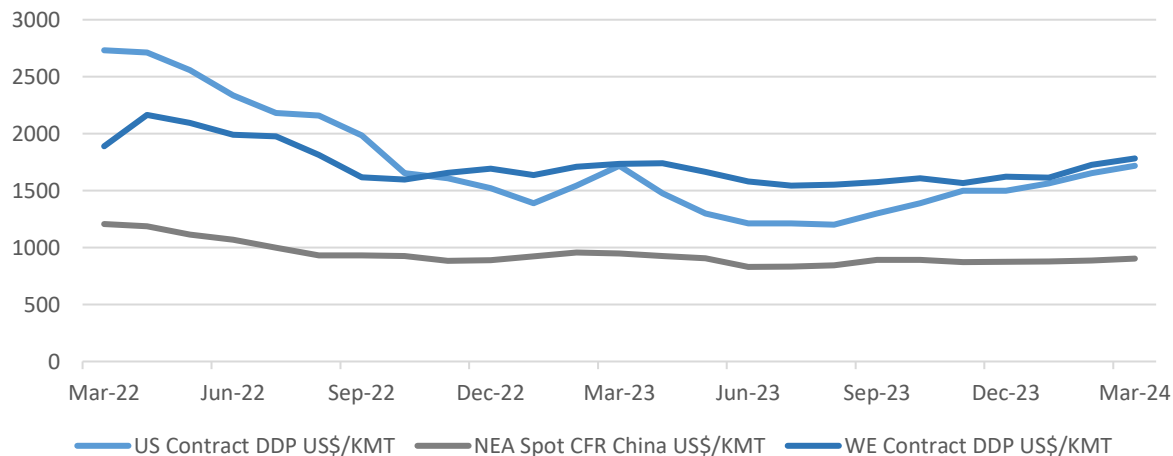
+13%

Key highlights

- 2024 first quarter sales volume is up 13% compared to the first quarter of 2023.
- Market seems to recover some what, but is still challenging with over-capacity and increased competition, especially in APAC.
- Increased sales in NA supported by shipments from other locations in anticipation of the expected additional capacity from Line 6.
- Sales and marketing and administrative costs showing a slight reduction despite inflationary pressures, through diligent cost control and ease in shipping rates.
- Polypropylene prices increased during the first quarter, but a downward trend started in April.

Raw Material | Polypropylene Indices Trend Per region

During the first quarter of 2024, and until the publication date of this report, there is a moderate downward trend in raw materials prices. The Company expects this to have a minor positive impact on its results for the second quarter of 2024.



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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.

\$90M

**TOTAL PLANNED
INVESTMENT**

Q4'24

**PLANNED
COMMISSIONING DATE**



Financial Results

Q1-2024



Analyst Conference | Quarterly Financial Highlights

USD Mn	Q1'24	Q4'23	Q3'23	Q2'23	Q1'23
Revenues, net	86.5	79.4	80.3	78.3	80.0
Gross Profit	10.9	9.1	13.6	10.9	11.9
	12.6%	11.4%	16.9%	13.9%	14.8%
EBIT	3.6	1.2	7.0	3.4	4.0
	3.4%	1.5%	8.8%	4.4%	5.0%
Net Profit	0.3	(1.8)	3.5	1.5	0.8
	0.3%	(2.3%)	4.3%	1.9%	1.0%
EBITDA	10	8.3	13.5	10.3	10.5
	11.6%	10.5%	16.8%	13.1%	13.1%
EBITDA Underlying	11.3	9.6	9.6	12.0	10.0
	13.1%	12.0%	11.9%	15.3%	12.5%
Net Debt/EBITDA	3.11	3.03	2.52	2.29	2.20

AVGOL[®]
Nonwovens

An Indorama Ventures Company

avgol.com

Financial Results

Results

Q1'24

Key highlights

Revenues

\$86.5M vs \$80M in Q1'2023

- Driven by an increase of **12.8%** in sales volumes.

Gross Profit

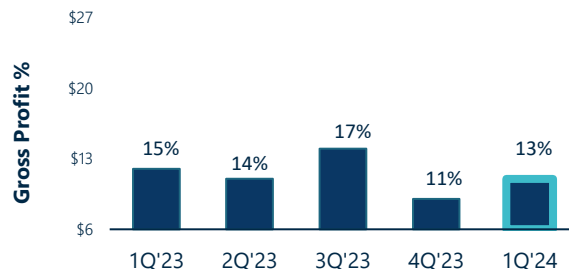
\$10.9M vs \$11.9M in Q1'2023

- The Gross Profit in Q1'24 includes a negative impact of about **\$1.3M** in lag effect, compared to a positive impact of **\$0.5M** in Q1'23.

SG&A expenses

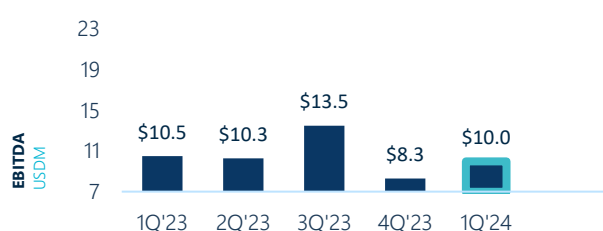
\$7.3M vs \$7.8M in Q1'2023

- Driven by a decrease in logistic costs across the board.



Financial Results

Results	Q1'24	Key highlights
EBITDA	\$10.0M vs \$10.5M in Q1'2023	<ul style="list-style-type: none"> EBITDA includes a negative impact of about \$1.3M in lag, compared to a positive impact of \$0.5M in Q1'23.
Underlying EBITDA	\$11.3M vs \$10.0M in Q1'2023	<ul style="list-style-type: none"> Mainly due to higher sales volumes across the board,
Net Financing Expenses	\$2.1M vs \$2.6M in Q1'2023	<ul style="list-style-type: none"> The company capitalized interest expenses of about \$0.7M during Q1'24.



Financial Results

Results	Q1'24	Key highlights
Net Profit	\$0.3M vs \$0.8M in Q1'2023	<ul style="list-style-type: none">• Mainly influenced by a decrease in operating profit, partially offset by lower finance expenses.
Operating Cash Flow	\$12.2M vs \$14.6M in Q1'2023	<ul style="list-style-type: none">• Mainly influenced by changes in working capital.
Net Working Capital	\$44M vs \$48M in Q4'2023	<ul style="list-style-type: none">• Mainly because of an increase in trade payables.
Leverage Ratio	3.1 vs 3.0 in Q4'2023	<ul style="list-style-type: none">• Net debt / EBITDA

Analyst Conference | Balance Sheet



An Indorama Ventures Company

	As on Mar 31	As on Dec 31
	2024	2023
	K'USD	K'USD
CURRENT ASSETS		
Cash and cash equivalents	45,847	49,804
Trade receivables	37,037	33,622
Other receivables and debit balances	3,661	4,013
Current tax assets	1,791	1,853
Derivatives	634	909
Inventories	33,547	33,623
Total Current Assets	122,517	123,824
NON-CURRENT ASSETS		
Property, plant and equipment, net	305,022	301,177
Right of use asset	4,270	3,817
Deferred tax assets	2,568	2,173
Long-term Tax balances	3,429	3,634
Intangible assets	2,662	2,171
Long-term debit balances	4,734	4,842
Total Non-current Assets	322,685	317,814
TOTAL ASSETS	445,202	441,638

	As on Mar 31	As on Dec 31
	2024	2023
	K'USD	K'USD
CURRENT LIABILITIES		
Short-term credit and current maturities of long-term loans from banking corporations	7,681	10,387
Nonbank short-term credit	27,008	27,150
Current maturities of long-term bonds	33,476	33,807
Trade payables	30,806	25,607
Current tax liabilities	618	14
Other payables and credit balances	20,659	17,343
Total Current Liabilities	120,248	114,308
NON-CURRENT LIABILITIES		
long term payables	2,297	2,047
Long-term loans from banking corporations	96,020	96,964
Bonds	10,763	10,747
Employee benefit liabilities	175	175
Deferred tax liabilities	18,040	18,384
Total Non-current Liabilities	127,295	128,317
EQUITY		
Equity attributable to shareholders of the parent company	197,341	198,694
Noncontrolling interests	318	319
Total Equity	197,659	199,013
Total LIABILITIES AND EQUITY	445,202	441,638



SAY HELLO!

Avgol is proud to support our clients with outstanding technical service and support

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

AVGOL®
Nonwovens

An Indorama Ventures Company

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ISRAEL

UNITED STATES

RUSSIA

CHINA

INDIA