



An Indorama Ventures Company

Financial Results

Q2/2024

למסמך נגיש



Analyst Conference | Disclaimer

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- This information is forward-looking information, which is based on the information known by the Company at the time of this report is being published. This information might not materialize or might materialize in a way that differs from that anticipated, inter alia, if a material change in trend occurs, or due to other parameters that affect the Company's manufacturing costs or the Company's selling prices.
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 - There is no data in this presentation that isn't presented in the public financial reports.
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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%

=



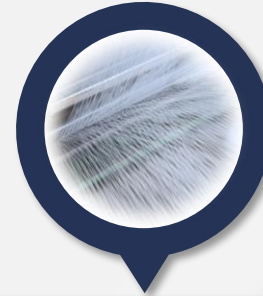
Analyst Conference | Technology & Markets



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"

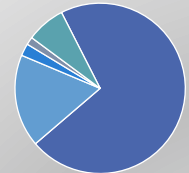
Fabrics comprised of one or more Spunbond beams and one or more Meltblown beams in a combination which improves barrier, absorbency, and structural performance

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



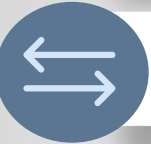
Partner with others that share this same environmental obligation to achieve new, meaningful, and timely results



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



Q2'24 Key highlights

EBITDA

Q2'24	Q2'23
\$11.4M	\$10.3M

Underlying EBITDA

Q2'24	Q2'23
\$11.3M	\$12.0M

Leverage

Net Debt/EBITDA

3.09

Sales Volume

Q2'24 vs. Q2'23

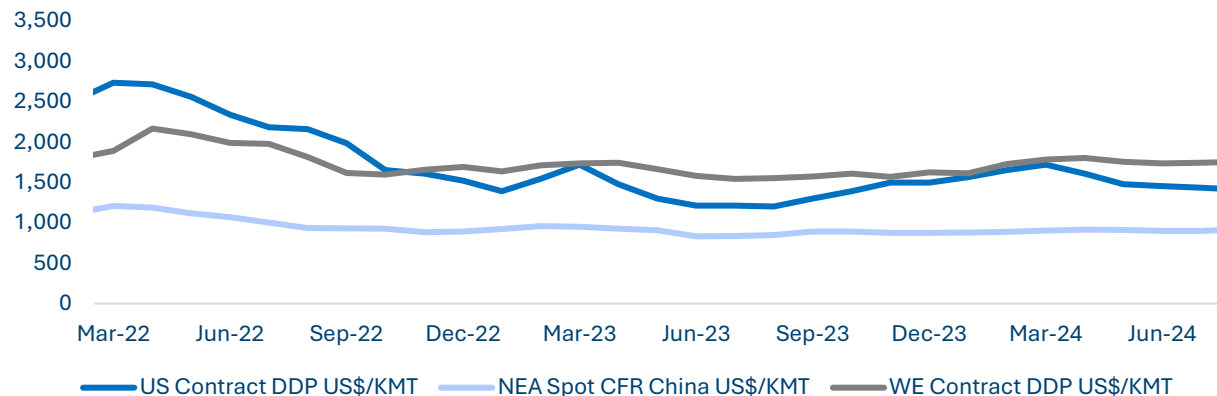
+12%

Key highlights

- 2024 second quarter sales volume is up 12% compared to the second quarter of 2023.
- The market is showing signs of recovery, but still facing the challenges of over-capacity and high level of competition, particularly in the Asia-Pacific region.
- Increased sales in North America are supported by shipments from other locations in anticipation of the expected additional capacity from Line 6.
- Polypropylene prices in the US decreased during the second quarter.

Raw Material | Polypropylene Indices Trend Per region

During the second quarter, the raw material indices in the United States are in a downtrend. If this trend continues, the Company expects it to have a moderate positive impact on the results of the third 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**

\$62M

**ACTUAL INVESTMENT UP
TO JUNE 30, 2024**

Q4'24

**PLANNED
COMMISSIONING DATE**





An Indorama Ventures Company

Financial Results

Q2-2024



Analyst Conference | Quarterly Financial Highlights

USD Mn	Q2'24	Q1'24	Q4'23	Q3'23	Q2'23
Revenues, net	85.4	86.5	79.5	80.3	78.3
Gross Profit	12.3	10.9	9.1	13.6	10.9
	14.4%	12.6%	11.4%	16.9%	13.9%
EBIT	4.9	2.9	1.2	7.0	3.4
	5.7%	3.4%	1.5%	8.8%	4.4%
Net Profit	1.8	0.3	(1.8)	3.5	1.5
	2.1%	0.3%	(2.3%)	4.4%	1.9%
EBITDA	11.4	10.0	8.3	13.5	10.3
	13.3%	11.6%	10.4%	16.8%	13.2%
EBITDA Underlying	11.3	11.3	9.6	9.6	12.0
	13.2%	13.1%	12.1%	12.0%	15.3%
Net Debt/EBITDA	3.09	3.11	3.03	2.52	2.29

AVGOL[®]
Nonwovens

An Indorama Ventures Company

avgol.com

Financial Results

Results

Q2'24

Key highlights

Revenues

\$85.4M vs \$78.3M in Q2'2023

- Driven mainly by an increase of 12% in sales volumes.

Gross Profit

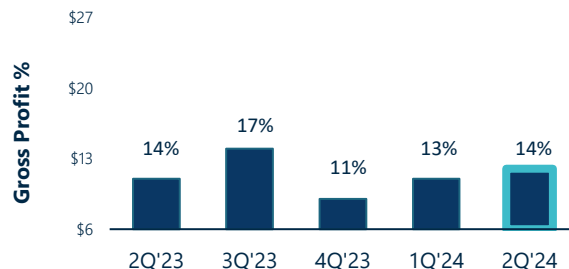
\$12.3M vs \$10.9M in Q2'2023

- The Gross Profit in Q2'24 includes a positive lag impact of about \$0.2M, compared to a negative impact of \$1.7M in Q2'23.

SG&A expenses

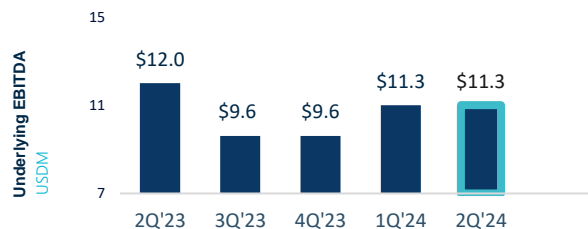
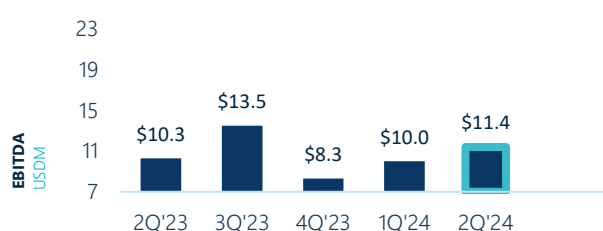
\$7.4M vs \$7.4M in Q2'2023

- Despite inflationary pressures SG&A expenses are maintained at a flat level.



Financial Results

Results	Q2'24	Key highlights
EBITDA	\$11.4M vs \$10.3M in Q2'2023	<ul style="list-style-type: none"> EBITDA includes a positive lag impact of about \$0.2M, compared to a negative impact of \$1.7M in Q2'23.
Underlying EBITDA	\$11.3M vs \$12.0M in Q2'2023	<ul style="list-style-type: none"> Attributed to an increase in manufacturing costs and discounts given to customers in return for volumes.
Net Financing Expenses	\$1.6M vs \$1.3M in Q2'2023	<ul style="list-style-type: none"> Mainly increase in net debt to support CAPEX investments.



Financial Results

Results	Q2'24	Key highlights
Net Profit	\$1.8M vs \$1.5M in Q2'2023	<ul style="list-style-type: none">• Mainly influenced by increase in operating profit, partially offset by an increase in finance and tax expenses.
Operating Cash Flow	\$14.4M vs \$2.8M in Q2'2023	<ul style="list-style-type: none">• Mainly influenced by changes in working capital.
Net Working Capital	\$43M vs \$44M in Q2'2023	<ul style="list-style-type: none">• Tightly maintained despite the increase in sales, to lower financing costs.
Leverage Ratio	3.09 vs 2.29 in Q2'2023	<ul style="list-style-type: none">• Net debt / EBITDA

Analyst Conference | Balance Sheet

	As on Jun 30 2024 K'USD	As on Dec 31 2023 K'USD
CURRENT ASSETS		
Cash and cash equivalents	39,617	49,804
Trade receivables	31,332	33,622
Other receivables and debit balances	3,975	4,013
Current tax assets	761	1,853
Derivatives	355	909
Inventories	34,440	33,623
Total Current Assets	110,480	123,824
NON-CURRENT ASSETS		
Property, plant and equipment, net	320,102	301,177
Right of use asset	4,186	3,817
Deferred tax assets	1,877	2,173
Long-term Tax balances	3,369	3,634
Intangible assets	2,711	2,171
Long-term debit balances	4,680	4,842
Total Non-current Assets	336,925	317,814
TOTAL ASSETS	447,405	441,638

	As on Jun 30 2024 K'USD	As on Dec 31 2023 K'USD
CURRENT LIABILITIES		
Short-term credit and current maturities of long-term loans from banking corporations	7,763	10,387
Nonbank short-term credit	26,811	27,150
Current maturities of long-term bonds	33,020	33,807
Trade payables	32,094	25,607
Current tax liabilities	294	14
Other payables and credit balances	19,294	17,343
Total Current Liabilities	119,276	114,308
NON-CURRENT LIABILITIES		
long term payables	2,123	2,047
Long-term loans from banking corporations	94,654	96,964
Bonds	10,772	10,747
Employee benefit liabilities	175	175
Deferred tax liabilities	17,621	18,384
Total Non-current Liabilities	125,345	128,317
EQUITY		
Equity attributable to shareholders of the parent company	202,499	198,694
Noncontrolling interests	285	319
Total Equity	202,784	199,013
Total LIABILITIES AND EQUITY	447,405	441,638



SAY HELLO!

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

To find out more about how Avgol can support your baby care diaper range developments, please visit avgol.com or contact us at: avgolinfo@avgol.com

**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

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