

We Aspire to Create Nonwoven Innovations to Enhance Quality of Life

AVGOL[®]
Nonwovens

An Indorama Ventures Company

2025 Second Quarter Results

August 11, 2025

למסמך נגיש

Disclaimer

This presentation was created by Avgol Industries 1953 Ltd. (the "Company") and serves as a brief and general overview of the company's activities. It does not provide a comprehensive and detailed description of the company's activities and is not intended to replace a review of the company's financial statements. To gain a complete understanding of the company's operations and the risks it faces, as outlined in the disclosure requirements under the Securities Law, it is essential to refer to its immediate and periodic reports published by the company.

This presentation includes data and information that may be presented, characterized, edited, or segmented differently from the data in the financial statements. It is emphasized that in any case of a discrepancy between the information in the financial statements and the information in this presentation, the information in the financial statements shall prevail.

It is important to clarify that this presentation does not constitute an offer to buy or sell the company's securities, nor does it serve as an invitation to solicit such offers. The information provided herein should not be considered as a basis for making investment decisions, recommendations, or opinions, and it does not replace the investor's own judgment or the review of the company's financial statements.

This presentation may include forecasts, estimates, and data related to future events whose realization is uncertain and/or beyond the company's control, as well as information about the company's intentions or plans. Such information constitutes "forward-looking information," as defined in the Securities Law. The forward-looking information is based on the company's subjective assessment, made in good faith, drawing on experience and professional knowledge acquired by the company. It also relies on facts and data concerning the current state of the company's business, as well as published macroeconomic and/or statistical information from third parties (which the company has not independently verified and for which it is not responsible). This information is presented as it was known to the company at the time of preparing this presentation. However, the company's estimates and plans may not materialize, in whole or in part, or may materialize in a manner different from what was expected (including significantly), as they could be influenced by factors that cannot be predicted in advance and are beyond the company's control.

Analyst Conference | Who We Are



AVGOL® is a global leader in the development, manufacturing, and marketing of nonwoven fabrics, specializing in the hygiene sector.

We also serve a diverse range of industries, including medical, filtration, and construction, providing innovative and high-quality solutions for various applications.

AVGOL® aspires to continue to grow and strengthen its market position by expanding production capacity to meet the continued growth of the hygiene market.

Our aspiration is to base our growth on developing innovative nonwoven products that will bring a solution to the fast changes in trends and preferences, with the goal to enhance the quality of the **AVGOL®** line.

Indorama continues to focus on the Hygiene segment while exploring other niches within the nonwovens industry which are synergetic to our expertise and technology.

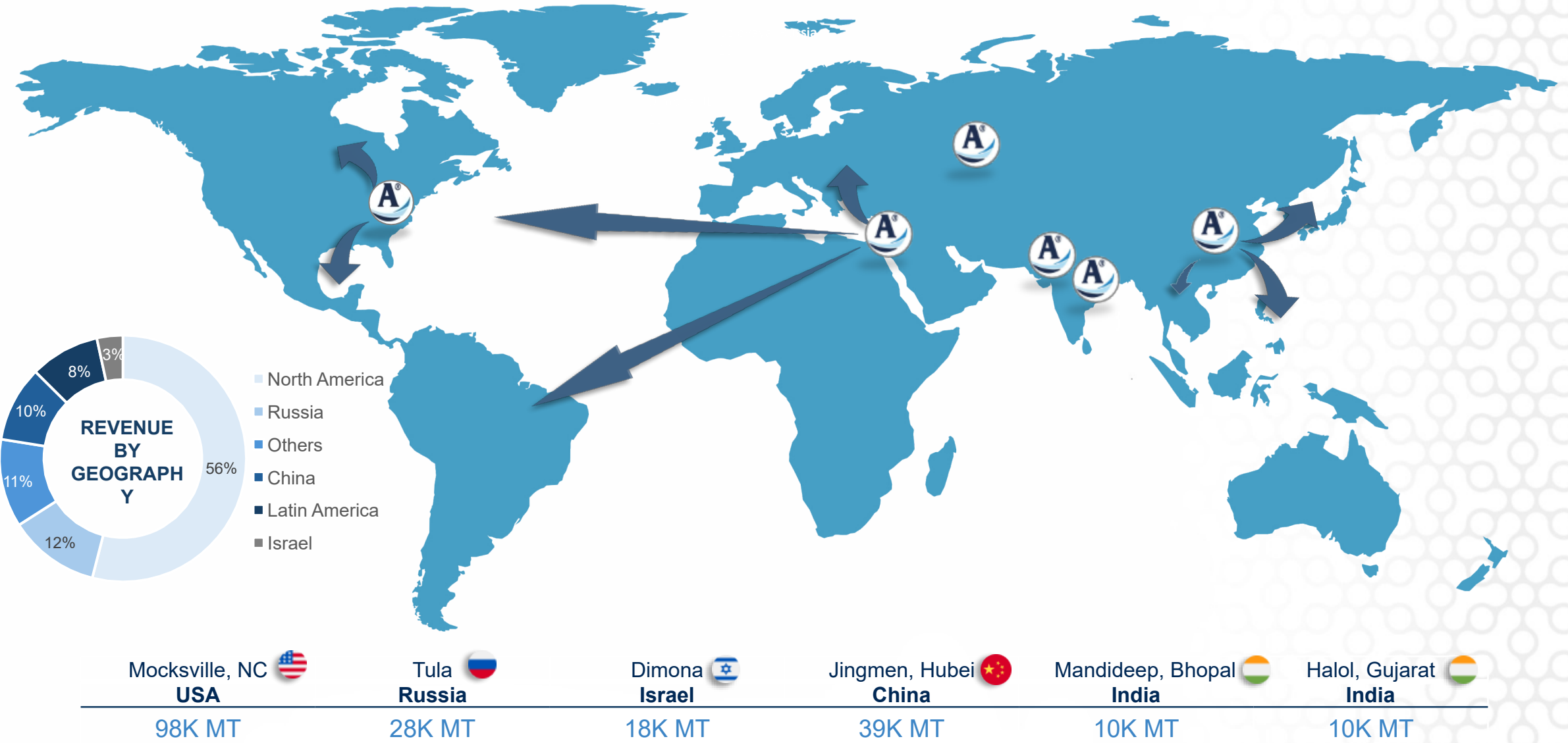


6	+900	+30	+50
Production Sites	Employees	Countries Served	Primary Customers



In 2018 Indorama Ventures acquired the majority stake in Avgol, holding 65.97% of the shares and voting rights and creating a strong strategic partnership

Analyst Conference | Strong Footprint to Serve The Global Market



How we are planning to do things better:



Partner with others that share the 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 unrenueable resins with alternate materials which minimize negative environmental impact



Recycle PP Waste streams

Analyst Conference | USA Expansion – Project Update



We're excited to announce the successful launch of commercial operations of our state-of-the-art multi-beam production line at our Mocksville, NC facility. This milestone, achieved at the end of Q1'25, underscores our unwavering commitment to innovation, operational excellence and delivering superior value to our customers.

During the second quarter of 2025, basic and relatively simple products were produced on the line, partially utilizing its full capabilities, while progressively ramping up output. In the coming months, we will continue to carry out various product qualifications, leveraging the line's full capabilities and further enhance performance, ensuring the highest standards of quality and efficiency.

This expansion, completed on-time and within the planned USD 90 million budget, strengthens our ability to respond quickly to market needs and deliver cutting-edge solutions. Our strategic partnerships and deep customer engagement remain at the core of this success, enabling us to bring market-driven innovations that align with evolving consumer demands in baby care, adult incontinence, and feminine hygiene.

As we move forward, our focus remains clear: driving innovation, increasing capacity, and empowering our customers to succeed in a dynamic marketplace.



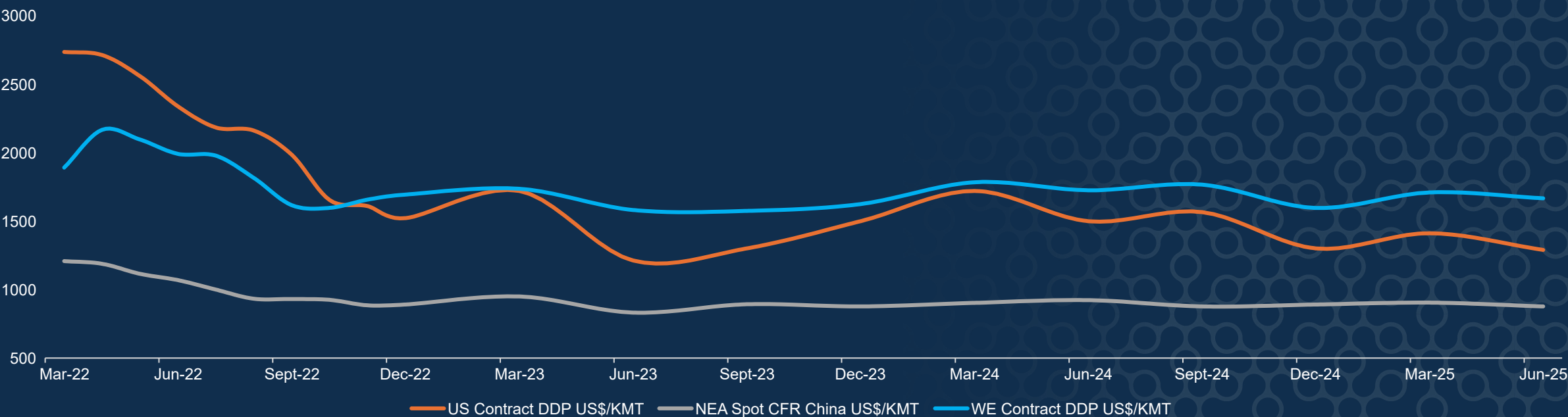
Analyst Conference | Quarter Key Highlights

Q2-25	Q2-24	Q2-25	Q2-24	Q2-25 vs. Q2-24	Q2-25	Q2-24	NET DEBT TO EBITDA
\$11.5M	\$11.4M	\$10.9	\$11.2M	+12.1%	\$(2.0M)	\$1.8M	2.77
EBITDA		UL EBITDA		SALES VOLUME	Net Profit (Loss)		LEVERAGE

- ✓ Sales volume increased 12% and driven by stronger demands in North America and Asia.
- ✓ Underlying EBITDA declined 2.9%, primarily driven by unfavorable product mix and reduced operational efficiency, partly resulting from the commercial launch of the new production line in the USA. This impact was partially mitigated by the higher sales volumes.
- ✓ Commissioning of the new RF5 line in the USA was completed towards the end of the first quarter and commercial operations have since commenced. The next phase includes various product qualifications, along with evaluating and optimizing its operational performance.
- ✓ The estimated net impact of the newly implemented tariffs is approximately USD 1M per year, though discussions with both customers and suppliers are still underway.
- ✓ Net Loss of USD 2.0M is driven mainly by higher finance expenses due to the strengthening of the ILS against the USD.

Analyst Conference | Polypropylene Index Trend

Raw material indices decreased during the second quarter of 2025, especially in North America, although a slight increase took place in July. The Company anticipates this will have a minor negative impact on the results of the third quarter of 2025.



This information is forward-looking information, which is based on the information known by the Company at the time 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.

Analyst Conference | Quarterly Financial Performance

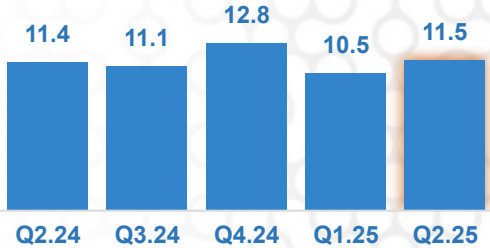


\$Mn	Q2-25	Q2-24	%	Key Highlights
Revenues	93.1	85.4	▲ 9.0%	Driven mainly by an increase of 12% in sales volume
Gross Profit	11.0	12.3	▼ 10.5%	The gross profit includes a positive lag impact of \$0.6M, compared to a positive lag impact of \$0.2M in Q2'24
SG&A Expenses	7.1	7.4	▼ 4.0%	Maintained at a flat level. The decrease is attributed to lower labor and consulting expenses, offset by higher R&D expenses
EBITDA	11.5	11.4	▲ 0.7%	EBITDA includes a positive lag impact of \$0.6M, compared to a positive lag impact of \$0.2M in Q2'24
Underlying EBITDA	10.9	11.2	▼ 2.9%	Decrease due to unfavorable product mix and lower operational efficiency, partially offset by increase in sales volumes
Net Finance Expenses	6.6	1.6	▲ 320.0%	Primarily higher FX expenses due to the strengthening of the ILS against the USD
Net Profit (Loss)	(2.0)	1.8	▼ 215.6%	Driven mainly by higher finance expenses
Operating CF	16.3	14.4	▲ 13.6%	Remains strong, mainly supported by improving of working capital changes

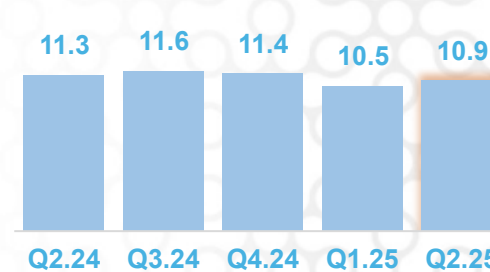
GROSS PROFIT %



EBITDA USDM



Underlying EBITDA USDM



Analyst Conference | Balance Sheet



\$Mn	30.06.2025	%	31.12.2024	%
CASH AND CASH EQUIVALENTS	65.6	13.7	60.9	13.0
TRADE RECEIVABLES	27.0	5.6	34.0	7.2
INVENTORY	38.0	7.9	38.5	8.2
OTHER CURRENT ASSETS	6.0	1.2	5.3	1.1
TOTAL CURRENT ASSETS	136.6	28.5	138.7	29.6
NON-CURRENT ASSETS	343.1	71.5	330.3	70.4
TOTAL ASSETS	479.7	100.0	469.0	100.0
CREDIT FROM BANKS AND OTHERS	83.6	17.4	88.0	18.8
TRADE PAYABLES	40.2	8.4	37.9	8.0
OTHER CURRENT LIABILITIES	19.5	4.1	22.3	4.8
TOTAL CURRENT LIABILITIES	143.3	29.9	148.2	31.6
LONG-TERM LOANS FROM BANKS AND BONDS	107.3	22.3	107.3	22.9
OTHER LONG-TERM LIABILITIES	24.4	5.1	21.9	4.7
TOTAL LONG-TERM LIABILITIES	131.7	27.4	129.1	27.5
EQUITY	204.7	42.7	191.7	40.9
TOTAL LIABILITIES AND EQUITY	479.7	100.0	469.0	100.0

EQUITY TO TOTAL BALANCE SHEET

+40%

CASH ON HAND

\$66M

NET WORKING CAPITAL

\$43M



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 Quality of Life

INDORAMA
VENTURES

AVGOL™ LTD

9 Shimshon St. Lexus House, 7th floor,
Petah Tikva, 4952707 Israel

ISRAEL

AMERICA

RUSSIA

CHINA

INDIA