

AMERICAN VANGUARD®

Q1 2025 Earnings

June 2025

Safe Harbor Statement

During this presentation, the Company may discuss forward-looking information. Except for the historical information contained in this release, all forward-looking statements are estimates by the Company's management and are subject to various risks and uncertainties that may cause results to differ from management's current expectations.

Such factors include weather conditions, changes in regulatory policy and other risks as detailed from time-to-time in the Company's SEC reports and filings. All forward-looking statements, including statements about the transformation, organization, and liquidity initiatives, in this release represent the Company's judgment as of the date of this release and such information will not necessarily be updated by the company.

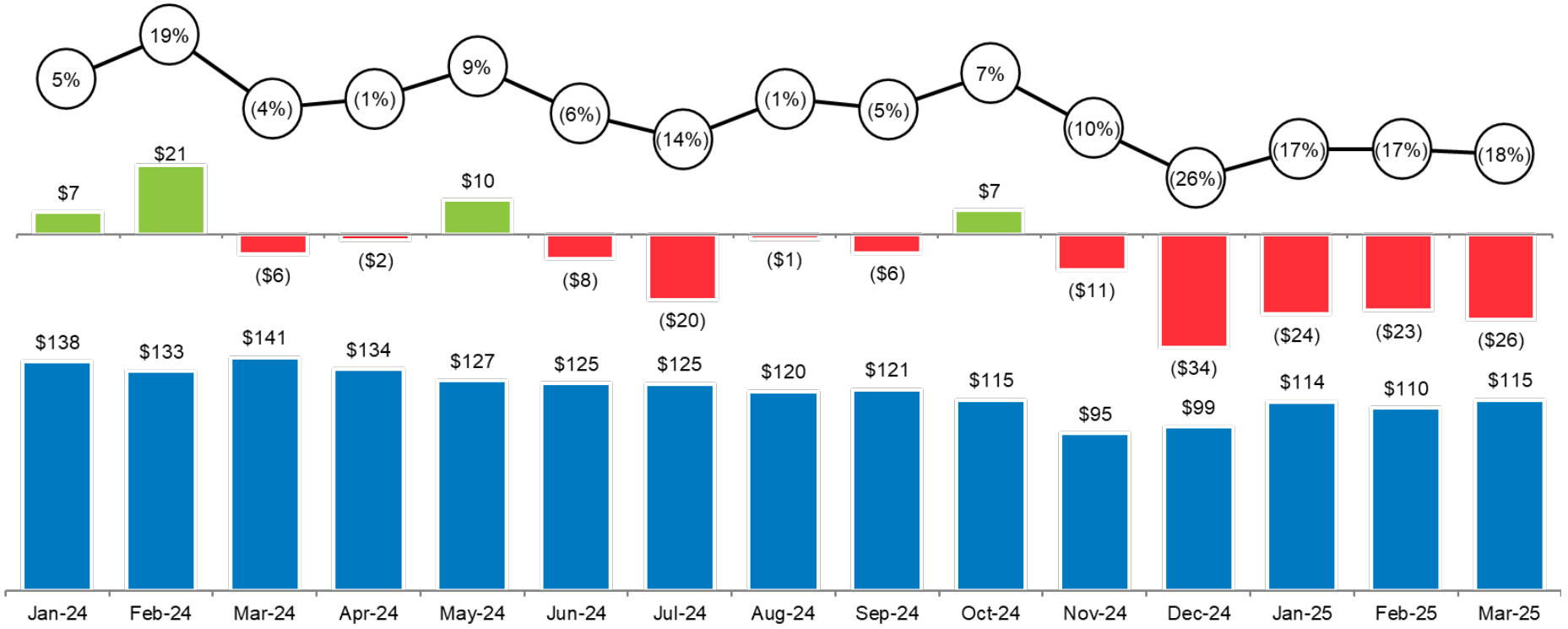
This presentation is meant to be read in conjunction with the earnings release.

Executive Summary - Key Messages

- Underlying demand for our products has remained well supported. This has not translated into better sales performance due to customer destocking.
- AVD continues to realize the benefits of its commercial and operational improvements.
- Decreased operating expenses by $5 million, including a $2 million decline in R&D coupled with a $3 million decline in SG&A, compared to the prior year, excluding non-recurring charges.
- The Company is adjusting its full year adjusted EBITDA target to $40 - $44 million and its full year Revenue target to $535 million - $545 million
- The company expects to spend $8 - $9 million on capex, thus 2025 should be a strong free cash flow year.
- Reduced net working capital by $85 million year-over-year

Why do we expect a strong 2H? Customer Inventories have been drawn down

- Industry data indicates that American Vanguard products continue to be applied in the field, yet customers destocking led to sales being down year over year.
- Customer destocking accounts for a large portion of the weakness in the first quarter of 2025.
- Inventories have been depleted to critical levels, and while restocking may not be eminent, buying patterns matching up with in-field applications should lead to a stronger second half of the year.



Q1’25 Highlights

Q1 2025 Revenue Results

- The reduction in revenue was driven by weakness in the Mexican agave market and first quarter 2024 results including a non-recurring item
- U.S. Crop sales down 18% year-over-year –
  - The decline was driven by the absence of an herbicide product that was voluntarily canceled last year
  - The company had to provide some incentives to our customers in order to match discounts that were offered by our competitors.

In $M	Q1 2025	Q1 2024
U.S. Crop	$57.2	$69.8
U.S. Non-Crop	$15.6	$17.8
Total U.S.	$72.7	$87.5
International	$43.0	$50.1
Total Net Revenue	$115.8	$135.1

Q1 2025 Financial Results

- Declines in revenue were impacted by weakness in Mexico, customer destocking and the cancellation of a herbicide product.

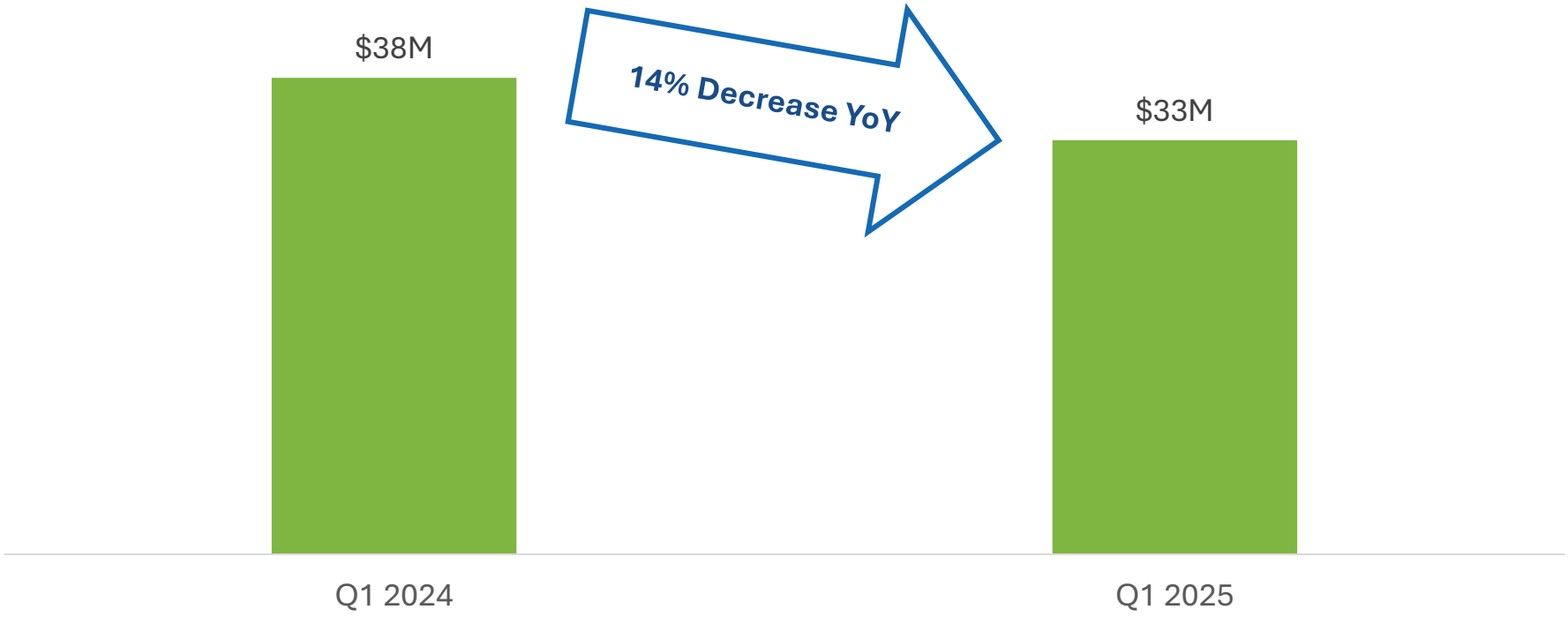
- Adj. EBITDA was negatively effected by the 14% decline in revenue, as well as the impact of the implementation of incentive programs, which were created to compete with similar programs used by competitors

In $M	Q1 2025	Q1 2024
Revenue	**$115.8**	**$135.1**
Adjusted EBITDA	**$3.0**	**$15.5**
Adjusted EBITDA Margin	**2.6%**	**11.3%**

Q1’25 Operating Expenses

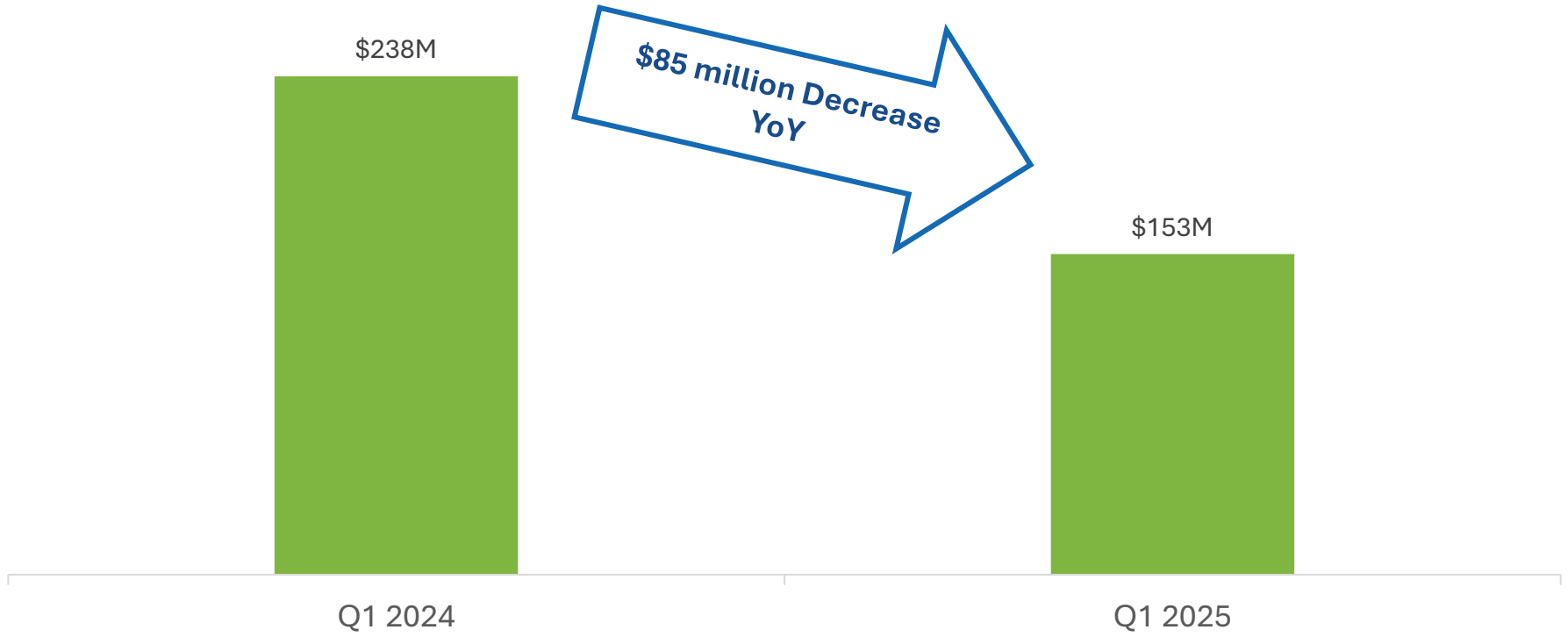
- The Company continues to be focused on cost-cutting initiatives. On an non-GAAP, or like-for-like basis, total operating expenses declined by $5.0 million or 14% this quarter compared to the year ago period.

- In the quarter, the company extracted $2.2 million of selling and marketing expenses and $2.1 million of research and development costs. We also decreased G&A expense by $700,000. This is a strong start to the transformation plan and the Company expects to further decrease costs out of the business.



Q1’25 Net Working Capital

- Implementing a SIOP (sales, inventory and operations planning) process – to better utilize data to anticipate and better manage around customer buying patterns
- Hiring a dedicated purchasing and procurement team – focusing, among other things, on managing and optimizing inventory levels and extending DPO days



**Adjusted results exclude recalled items, transformation costs, and asset impairment charges*

Transformation Acceleration

Transformation Initiatives (Update)

- Operating Expenses declined $5 million as the Company cut $2.2 million of selling and marketing expenses and $2.1 million of R&D expenses. G&A costs declined $700,000 in the quarter as the Company continues to extract additional costs out of the business.
- The Company continues to expect Free Cash Flow improvements, and we plan on allocating the excess Free Cash Flow towards debt reduction.
- With the transformation, the Company expects future margin improvement and a return to margin expansion in 2026 and beyond.

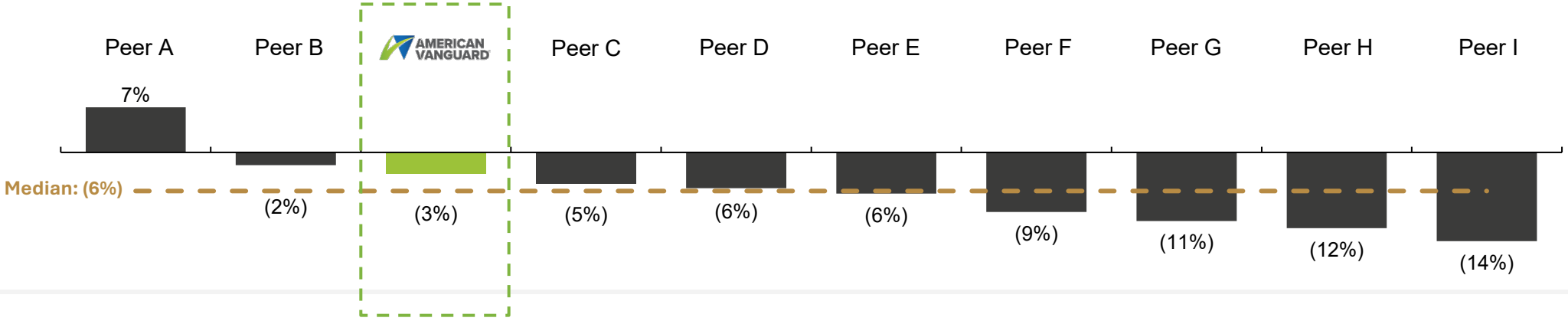
Branded, Diversified Products Support Market Resilience

Extensive product offering coupled with numerous applications…

AVD's Top 10 Products (2024)

	Metam Sodium	Phorate / Thimet	Aztec	Counter	Naled	Bromacil	Mocap	Bidrin	Impact	Smartchoice
Applications	✓ Weed Control ✓ Nematode Control ✓ Soilborne Disease Management ✓ Soil Treatment	✓ Plant Health ✓ Resistance Management ✓ Pest Control	✓ Pest Control ✓ Soil Application ✓ Pest Suppression ✓ Resistance Management	✓ Pest Control ✓ Nematicide Activity ✓ Soil Application	✓ Mosquito Control ✓ Pest Management ✓ Poultry Protection ✓ Public Health	✓ Long-Term Weed Control ✓ Industrial ✓ Perennial Crops	✓ Nematode Control ✓ Insect Pest Management ✓ Food & Beverage	✓ Insect Pest Control ✓ Cotton ✓ Tree Nut & Pecan Protection	✓ Weed Control ✓ Crop Emergence ✓ Crop Safety	✓ Crop Safety ✓ Pest Control ✓ Plant Yields
% of 2024 Net Sales	~15%	~6%	~6%	~6%	~4%	~3%	~3%	~3%	~3%	~3%

…enabling market leading resilience through unprecedented market downturns



Appendix

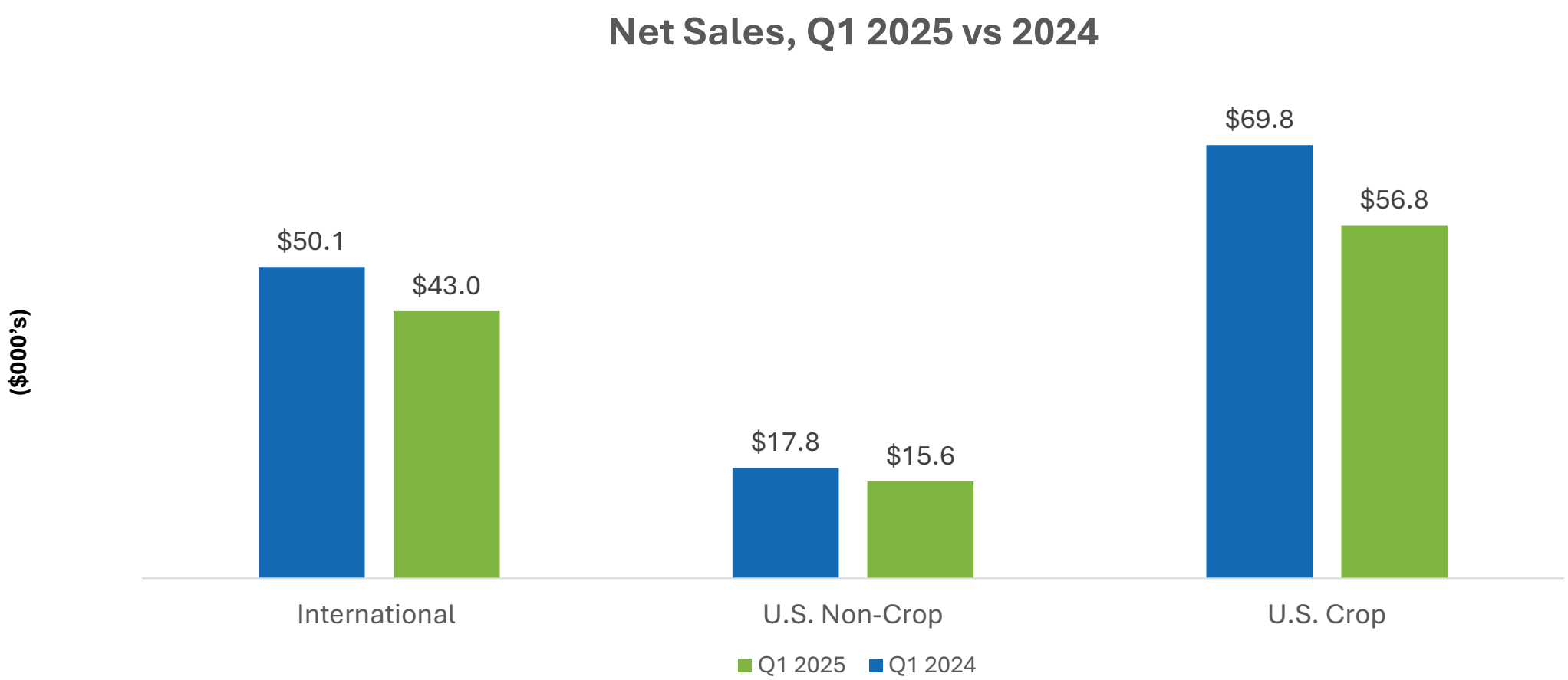
FY 2025 Guidance

- Demand for the remainder of the year is expected to remain strong, as the headwinds of customer pull through in Q4 2024 have subsided.
- EBITDA is expected to benefit from the continued realization of commercial and operational improvements.
- Declines in operating expenses should more than offset gross margin declines.

Metric	Target
Adjusted EBITDA	$40 - $44 million
Revenue	$535 - $545 Million

Q1 2025 Revenue

Overall revenue Q1 2025 $115.8M vs $137.6M in 2024 (down -16%), International 37% of total in Q1 2025 vs 36% of total in 2024



Q1 2025 Gross Profit

($000's)	Q1 2025	Q1 2024	Change**
U.S Crop	$57.2	$69.8	(18%)
U.S. Non-Crop	$15.6	$17.8	(12%)
Total U.S.	$72.7	$87.5	(17%)
International	$43.0	$50.1	(14%)
Total Net Revenue	$115.8	$135.1	(14%)
Total Cost of Sales	($85.6)	($92.7)	(8%)
Total Gross Profit	$30.2	$42.4	(29%)
Total Gross Margin	26%	31%	(500 bps)

**Adjusted results exclude recalled items*
***Change metrics are adjusted 2025 vs 2024 results*