



Q'3 2024 Quarterly Earnings

November 2024

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.

- The Company is reiterating full-year 2024 guidance
 - 2024 Adjusted EBITDA Target (\$40-\$50 million)
 - Revenue (Excluding Dathal Recall) \$565-\$580 million
- Paid down \$32.5 million of debt in the quarter, improving AVD's liquidity position. Expect further debt reduction in fiscal fourth quarter
- Increasing projected EBITDA benefit from transformation plan from \$15 million annualized benefit to \$20 million. Continuing to execute on all important elements of this critical plan
- Overall Ag economy backdrop appears to be stabilizing after downturn seen over past 18 months
- Board making progress in CEO search

Q3'24 Highlights

Q3 2024 Revenue Results



- The reduction in revenue is largely due to a more normalized sales level of the Aztec granular soil insecticide product – adj. revenue was essentially flat year-over-year excluding Aztec, generic price pressure
- U.S. Non-Crop sales up 17% year-over-year –
 - Driven by OHP Sales up 45% year-over-year, benefitting from new distribution agreement, market share gains and end market growth
- Green Solutions continues to be a growth portfolio, as the products' sales grew 18% compared to Q3'23

<i>In \$M</i>	3Q24	3Q24 (Adj.**)	3Q23
U.S. Crop	\$35.5	\$47.3	\$67.7
U.S. Non-Crop	\$22.5	\$22.5	\$19.3
Total U.S.	\$58.0	\$69.8	\$87.0
International	\$60.3	\$60.9	\$62.5
Total Net Revenue	\$118.3	\$130.7	\$149.5
Green Solutions*	\$15.8	\$15.8	\$13.4

*Green Solutions Products are Sold in U. S. Crop, U. S. Non-Crop, and International

**Adjusted results exclude recalled items

Q3 2024 Financial Results



- Year-over-year adjusted revenue decline impacted by customer actions to restock in 2023 that did not happen in 2024, plus adverse impact of generic pressure on a small number of products.
- Adj. EBITDA negatively impacted by decline in Aztec sales and generic pressure vs prior year quarter
- The decrease in adjusted EBITDA margin is largely due to unfavorable product mix, driven mostly by lower Aztec sales, some generic pricing pressure and actions to move slow-moving inventory

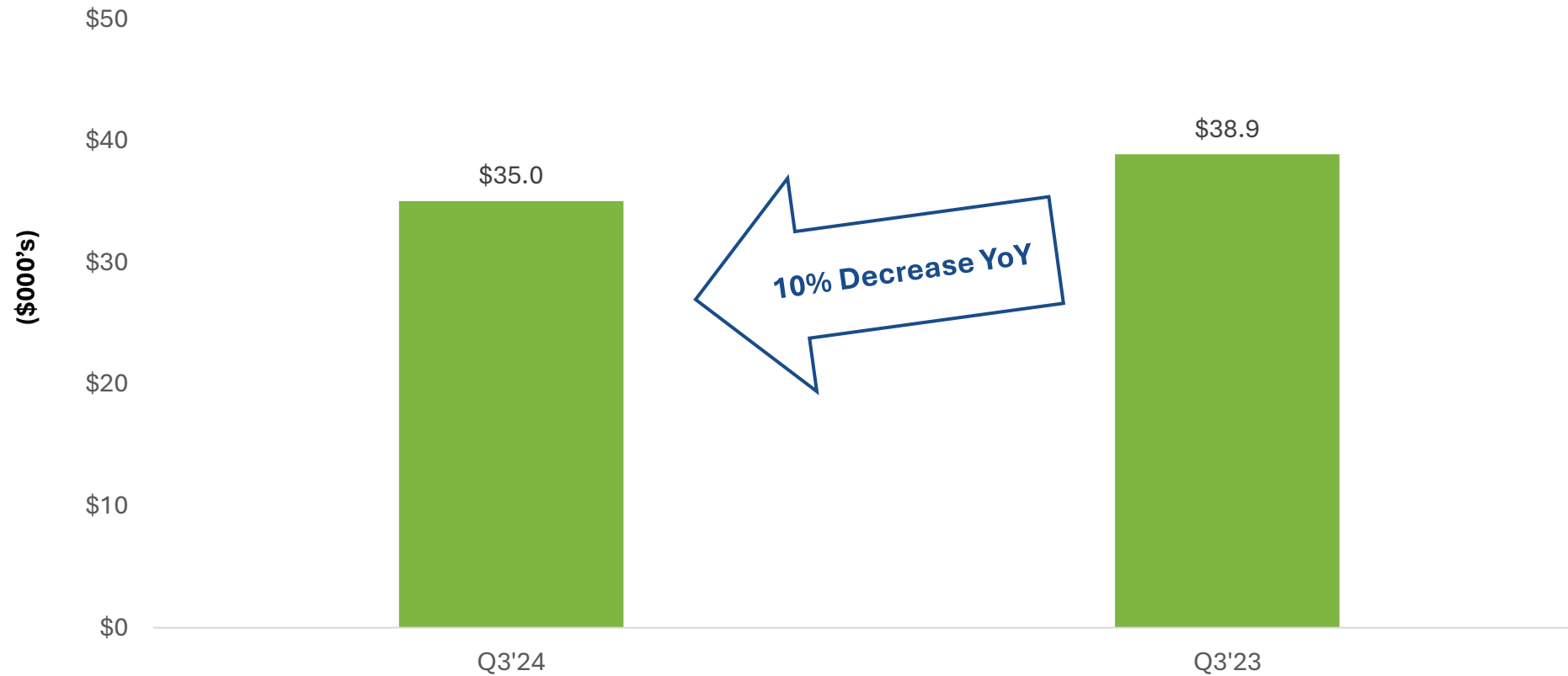
<i>In \$M</i>	Q3 24 (adjusted)	Q3 23
Revenue	\$130.7*	\$149.5
Adjusted EBITDA	\$1.8*	\$11.4
Adjusted EBITDA Margin	1.6%*	7.6%

**Adjusted results exclude recalled items*

Q3 2024 Operating Expenses

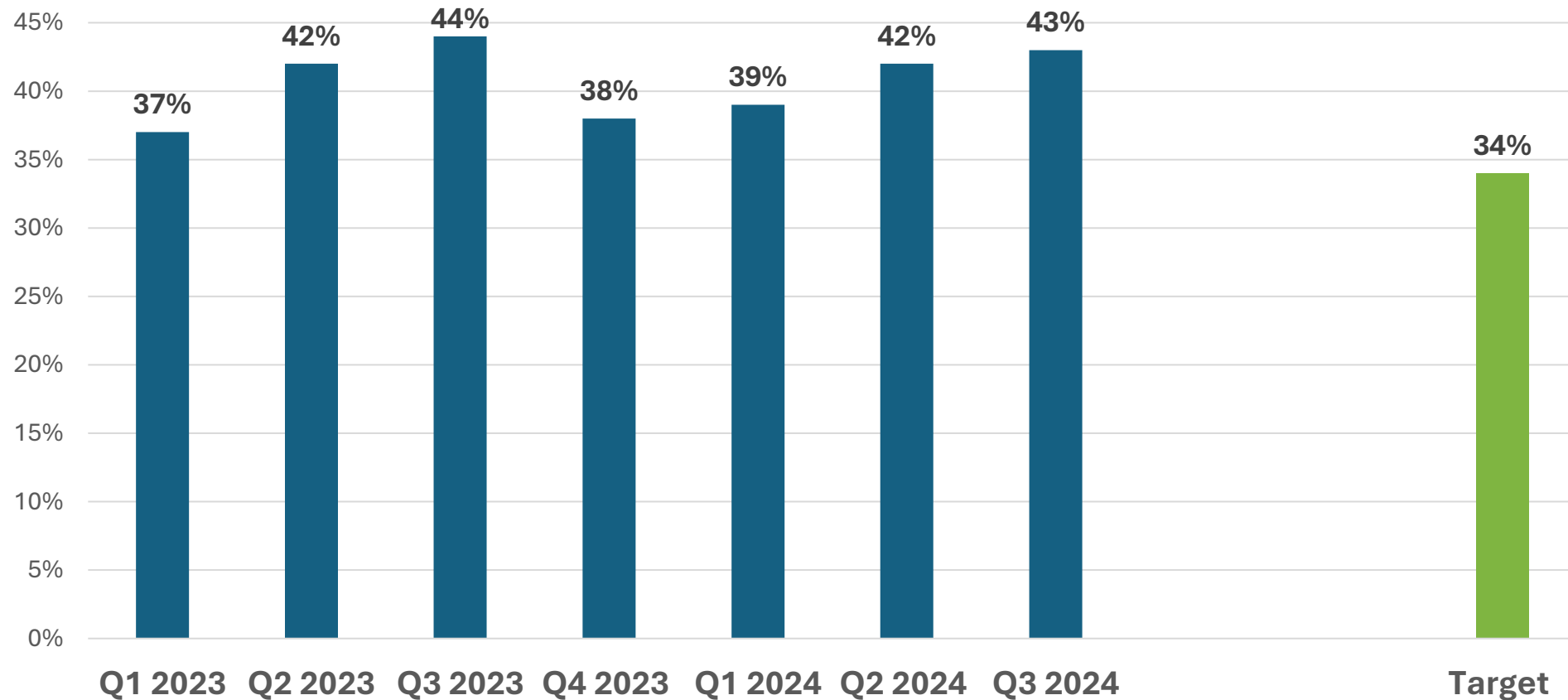


- We continue to be focused on our cost cutting initiatives. On an adjusted, or like-for-like basis, total operating expenses declined by \$3.9 million or 10% this quarter compared to the year ago period



**Adjusted results exclude recalled items*

- Debt paydown during Q3 24 - \$32.5 million. Further Debt paydown anticipated in Q4 24
- Focus on driving towards inventory/sales of 34% - \$25 million reduction in inventory



Transformation Acceleration

- The Company identified additional cost savings opportunities during the initial implementation process and is raising projected annual EBITDA benefit from \$15M to \$20M driven largely by increased savings from raw material and logistics procurement initiatives.
- As implementation continues, we are optimistic the earnings benefit will continue to grow.
 - Commercial initiatives are focused on aligning with strategic customers and finding ways to differentiate and create value to facilitate growth.
 - Organizational design will allow us to better align and leverage our capabilities globally accelerating growth, simplify the structure to drive efficiency, while also adding numerous strategic roles that currently don't exist to build on the initial earnings improvements.

Appendix

- The Company reiterated its guidance
- Transformation annualized EBITDA benefits raised from \$15 to \$20 million

Metric	Current Target
Adjusted EBITDA	\$40M - \$50M
Revenue*	\$565M - \$580M

**Adjusted results exclude recalled items*

Transformation Blueprint



Cultivate Our People

- Strengthen Communication
- Recognize Talent
- Develop our Team



Maintain Liquidity

- Lower Year-End Inventory
- Reduce Spending
- Identify Incremental Sales



Execute Transformation

- Identify Value Creation Opps
- Operate w/ Low Cost
- Build Efficient Processes & Systems



Drive Excellence

- Safety
- Commercial Organization
- Manufacturing & Supply Chain

Strategies

Outcomes

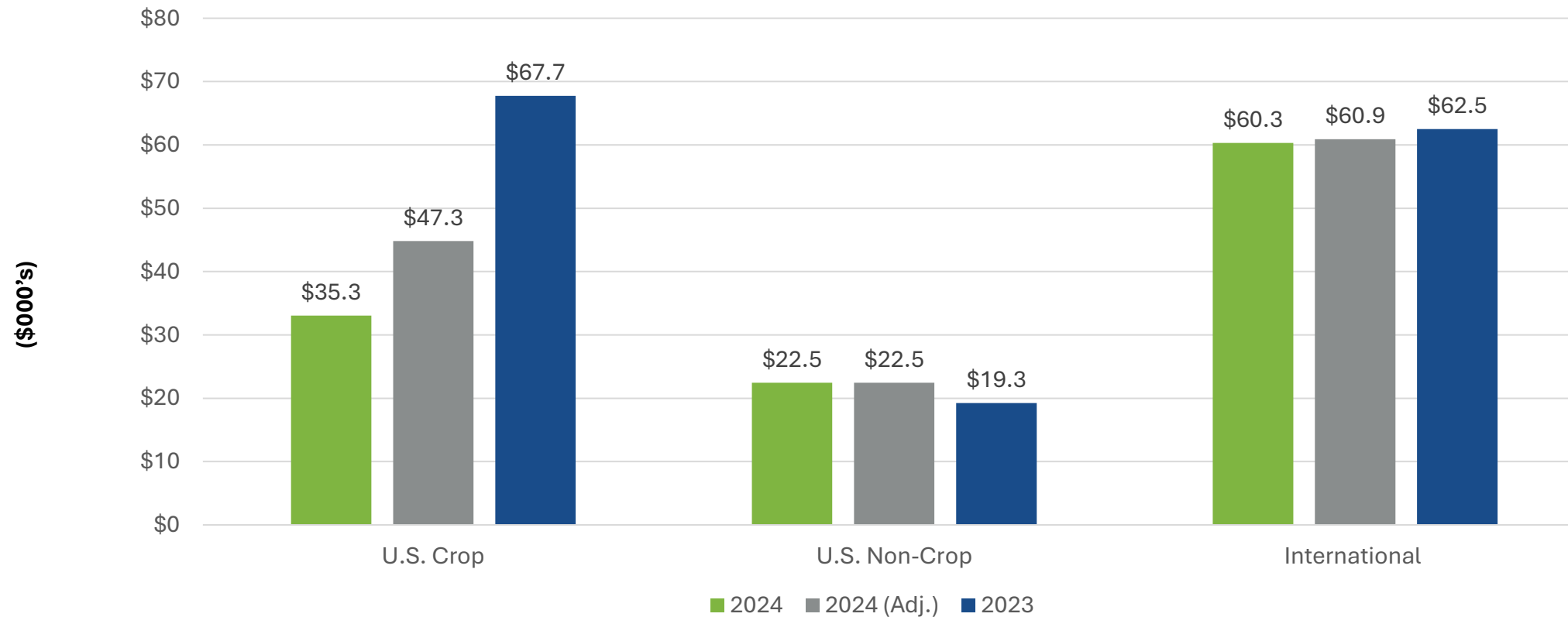
15% EBITDA Margin Across The Cycle & Greater Cash Flow Generation

Q3 2024 Revenue



Overall revenue Q3 2024 \$116M vs \$150M in 2023 (down -22.5%),

Net Sales, 3 months Ended Sept. 30, 2024 & 2023



*Adjusted results exclude recall items

Action	Description	Progress	Goal
Spending Reduction	<ul style="list-style-type: none"> Implementing stricter cost controls across company 	<ul style="list-style-type: none"> Spending with outside vendors Reducing travel and entertainment Limiting use of outside contractors 	<ul style="list-style-type: none"> A disciplined corporate spending approach, which cascades throughout the Company's culture and decision makers
Inventory Management	<ul style="list-style-type: none"> More efficiently manage inventory across the entire portfolio 	<ul style="list-style-type: none"> In Q3'24, Inventory as a % of sales was 41% vs 44% in Q3'23 Updated forecasting, S&OP, and supply chain teams 	<ul style="list-style-type: none"> 34% inventory as a percent of sales by year-end 2024 Goal to reduce by \$25 million in Q4'24 vs Q3'23
SIMPAS	<ul style="list-style-type: none"> The Company has proven concept of a multi-product prescribed application, but is looking for a partner to commercialize it. 	<ul style="list-style-type: none"> Continued search to identify the best partner to full realize benefits of the product. 	<ul style="list-style-type: none"> Eliminate any further spending on the technology

Q3 2024 Gross Profit



(\$000's)	2024	2024 (Adj.*)	2023	Change**
U.S Crop	\$35,532	\$47,315	\$67,749	(30%)
U.S. Non-Crop	\$22,454	\$22,454	\$19,250	17%
U.S.	\$57,986	\$69,769	\$86,999	(20%)
International	\$60,320	\$60,940	\$62,517	(3%)
Total Net Revenue	\$118,306	\$130,709	\$149,516	(13%)
Total Cost of Sales	(\$101,013)	(\$97,225)	(\$106,432)	(9%)
Total Gross Profit	\$17,293	\$33,484	\$43,084	(22%)
Total Gross Margin	15%	26%	29%	

*Adjusted results exclude recalled items

**Change metrics are adjusted 2024 vs 2023 results

- Working with Kincannon & Reed, a Premier Executive Search Firm
- Board of Directors Search Team Reviewing Lists of Candidates
- Candidates Must be Equipped to Move Transformation Forward
- Updates Forthcoming