

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



An Indorama Ventures Company



# 2024 Fourth Quarter Financial Review

March 6, 2025

למסמך נגיש

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# 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 life.*

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

 <p><b>HYGIENE MARKET</b> Baby Diapers Feminine Care Adult Incontinence PPE and Medical</p>	 <p><b>RAW MATERIAL</b> Mainly Polypropylene</p>	 <p><b>TECHNOLOGY</b> Spunmelt Meltblown</p>	 <p><b>CONSUMER FOCUS</b> Working together with our customer to bring innovative solutions to the consumer</p>
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<p><b>6</b> Production Sites</p>	<p><b>915</b> Employees</p>	<p><b>+30</b> Countries Served</p>	<p><b>+50</b> Primary Customers</p>
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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



Mocksville, NC <b>USA</b>	Tula <b>Russia</b>	Dimona <b>Israel</b>	Jingmen, Hubei <b>China</b>	Mandideep, Bhopal <b>India</b>	Halol, Gujarat <b>India</b>
98K MT(*)	28K MT	18K MT	39K MT	10K MT	10K MT

(\*) Including the new RF5 line.



*Our first Environment, Social and Governance (ESG) report is published, marking a significant milestone in our journey towards sustainability.*

*“This report not only reflects our commitment to environmental stewardship and social responsibility but also establishes a framework for accountability and transparency with all our stakeholders, extending beyond merely meeting regulatory requirements.”*

**SIVAN YEDIDSION, CEO, AVGOL**

# Analyst Conference | USA Expansion – Project Update



*We have celebrated the commissioning of our brand-new high-speed, high-capacity, multiple beam nonwovens production line at our facility in Mocksville, NC. This milestone underscores the company’s commitment to excellence and innovation.*

Diego Boeri, Executive President of Indorama Ventures’ Fibers Segment including Avgol, attended the opening and said: “This is a very nice example of how our strategy to collaborate closely with leading industry players pays off. Thanks to our team’s customer intimacy, we are able to deliver market-driven innovation that meets current industry trends and helps our customers to respond to the needs of many end consumers in the baby diaper, adult incontinence and feminine care industry.”

The inauguration event in Mocksville, attended by industry leaders, partners, and other key stakeholders, showcased live demonstrations of the new line’s capabilities and highlighted the company’s forward-thinking approach to manufacturing excellence. Avgol anticipates that the new production line will boost production efficiency and drive innovation in product development and market responsiveness.



TOTAL PLANNED INVESTMENT



\$90M

ACTUAL INVESTMENT UP TO DEC 31, 2024



\$76M

*Diego Boeri, Executive President of Indorama Ventures’ Fibers Segment, cutting the ribbon during the line opening event in Mocksville. Avgol’s CEO Sivan Yedidsion (3rd from left), Will Marklin, Mocksville’s Mayor (3rd from right) and employees joined the celebration.*



# Analyst Conference | Quarter Key Highlights

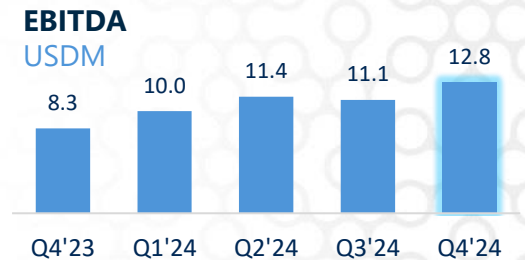
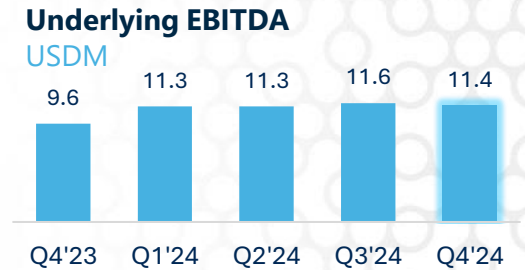
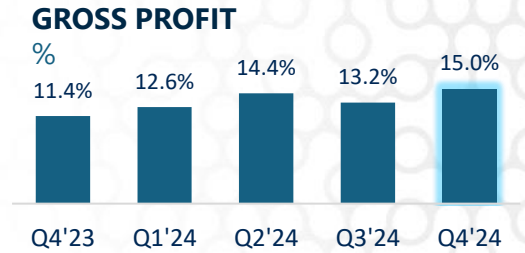
Q4'24 <b>\$12.8M</b>	Q4'23 <b>\$8.3M</b>	Q4'24 <b>\$11.4M</b>	Q4'23 <b>\$9.6M</b>	Q4'24 vs. Q4'23 <b>+11.8%</b>	NET DEBT TO EBITDA <b>2.99</b>
EBITDA		UL EBITDA		SALES VOLUME	LEVERAGE

- ✓ Market is still over supplied and very competitive, particularly in the Asia. However, efforts to expand our market share in North America, as well as our actions to recover sales in Russia, since the Russia-Ukraine crisis, are evident in the results
- ✓ New RF5 line in USA in advanced commissioning stages and expected to be fully commercialized in the first quarter of 2025
- ✓ Russia's strongest quarter of 2024 in terms of capacity utilization and sales volume
- ✓ Increased sales in North America are supported by shipments from our other locations
- ✓ Revised agreements with suppliers and customers to reduce lag exposure mostly renewed for 2025
- ✓ Net loss of \$3M due to one-time tax expenses of \$5.4M related to years 2017-2023

# Analyst Conference | Quarterly Financial Performance



	\$Mn	Q4'24	Q3'24	%	Key Highlights
<b>Revenues</b>		91.2	79.5	▲ 14.7	Driven mainly by an increase of 11.8% in sales volume
<b>Gross Profit</b>		13.7	9.1	▲ 50.1	The Gross Profit in Q4'24 includes a positive lag impact of \$1.3M, compared to a negative impact of \$1.3M in Q4'23
<b>SG&amp;A Expenses</b>		7.4	7.0	▲ 5.7	Maintained at a flat level, increase is due to logistics expenses mainly due to increase in sales volumes
<b>EBITDA</b>		12.8	8.3	▲ 54.2	EBITDA in Q4'24 includes a positive lag impact of \$1.3M, compared to a negative impact of \$1.3M in Q4'23
<b>Underlying EBITDA</b>		11.4	9.6	▲ 18.8	Increase in volumes and better operational efficiency, partially offset by increase in COGS and volume rebates to customers
<b>Net Finance Expenses</b>		2.9	3.5	▼ 17.1	Lower FX expenses, offset by increase in interest cost
<b>Net Profit</b>		-3.0	-1.8	▼ 66.7	Mainly impact of a one-time tax expense of \$5.4M
<b>Operating CF</b>		11.1	8.6	▲ 29.0	Supported mainly by improving working capital





# Analyst Conference | Balance Sheet



	\$Mn	31.12.2024	%	31.12.2023	%
CASH AND CASH EQUIVALENTS		60.9	13%	49.8	11%
TRADE RECEIVABLES		34.0	7%	33.6	8%
INVENTORY		38.5	8%	33.6	8%
OTHER CURRENT ASSETS		5.3	1%	6.8	2%
<b>TOTAL CURRENT ASSETS</b>		<b>138.7</b>	<b>30%</b>	<b>123.8</b>	<b>28%</b>
<b>NON-CURRENT ASSETS</b>		<b>330.3</b>	<b>70%</b>	<b>317.8</b>	<b>72%</b>
<b>TOTAL ASSETS</b>		<b>469.0</b>	<b>100%</b>	<b>441.6</b>	<b>100%</b>
CREDIT FROM BANKS AND OTHERS		88.0	19%	71.3	16%
TRADE PAYABLES		37.9	8%	25.6	6%
OTHER CURRENT LIABILITIES		22.3	5%	17.4	4%
<b>TOTAL CURRENT LIABILITIES</b>		<b>148.2</b>	<b>32%</b>	<b>114.3</b>	<b>26%</b>
LONG-TERM LOANS FROM BANKS AND BONDS		107.3	23%	107.7	24%
OTHER LONG-TERM LIABILITIES		21.9	5%	20.6	5%
<b>TOTAL LONG-TERM LIABILITIES</b>		<b>129.1</b>	<b>28%</b>	<b>128.3</b>	<b>29%</b>
<b>EQUITY</b>		<b>191.7</b>	<b>41%</b>	<b>199.0</b>	<b>45%</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>469.0</b>	<b>100%</b>	<b>441.6</b>	<b>100%</b>

**EQUITY TO TOTAL BALANCE SHEET**

**+40%**

**CASH ON HAND**

**\$61M**

**INVENTORY INCREASE**

**\$5M**

Mainly finished goods inventory due to increased sales

**TRADE PAYABLES INCREASE**

**\$12M**

Due to increase in purchase of raw materials and improved payment terms

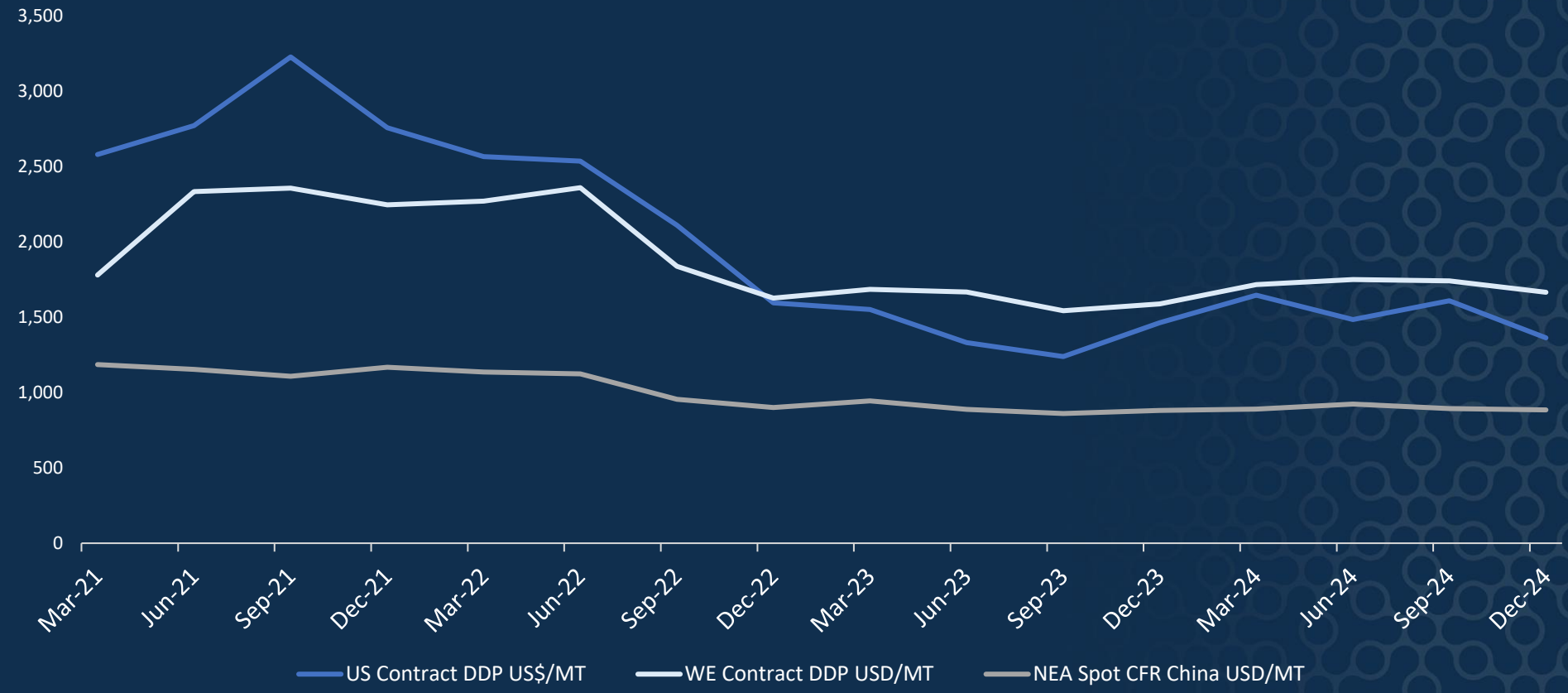
**NET WORKING CAPITAL**

**\$46M**

Tightly maintained and \$2M lower than at the end of 2023

# Analyst Conference | Polypropylene Index Trend

Raw material indices decreased during the fourth quarter of 2024 but corrected in the beginning of 2025, to date. If price levels remain, the Company expects this to have a negligible impact on the results of the first 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.**



# 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](http://avgol.com) or contact us at: [avgolinfo@avgol.com](mailto:avgolinfo@avgol.com)

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