

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

**AVGOL<sup>®</sup>**  
Nonwovens

An Indorama Ventures Company

# 2025 First Quarter Results

May 15, 2025

# 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.

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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.



6

Production Sites

915

Employees

+30

Countries Served

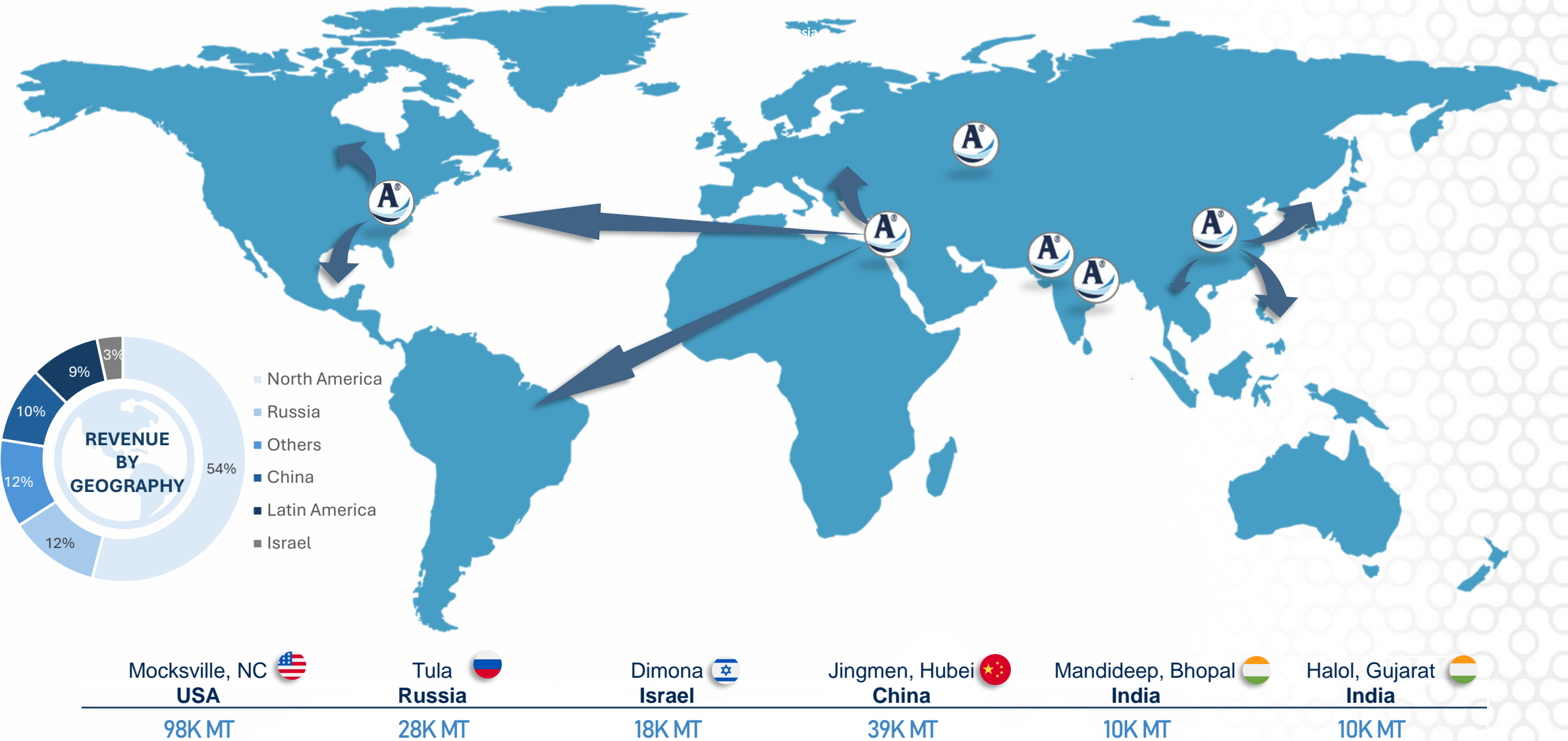
+50

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 unrenewable resins with alternate materials which minimize negative environmental impact



Recycle PP Waste streams

# Analyst Conference | USA Expansion – Project Update

*We proudly celebrated the commissioning of our state-of-the-art, high-speed, high-capacity multi-beam nonwovens production line at our Mocksville, NC facility at the beginning of the year – a milestone that reflects our ongoing commitment to excellence and innovation.*

***Commissioning of the new line was successfully completed towards the end of the first quarter of 2025, and the line is now ready for commercial operation. In the coming months, we will focus on product qualifications and operational ramp-up to further strengthen our capabilities in innovation and responsiveness to market needs.***

*Our strategic approach of close collaboration with leading industry partners continues to yield strong results. Thanks to our team's deep customer engagement, we are delivering market-driven innovations aligned with current industry trends, supporting our customers in meeting the evolving demands of end consumers in the baby diaper, adult incontinence, and feminine care markets.*

***The expansion project was executed on schedule and within the original budget of USD 90 million.***





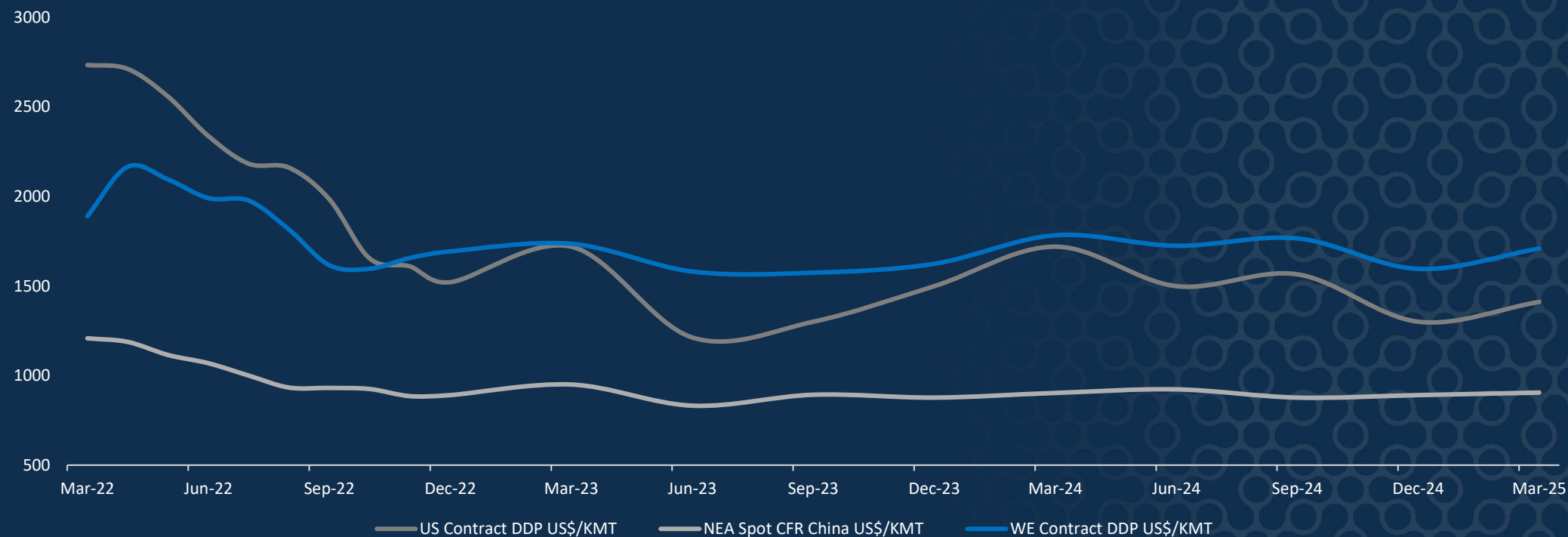
# Analyst Conference | Quarter Key Highlights

|        |         |           |         |                 |            |        |                    |
|--------|---------|-----------|---------|-----------------|------------|--------|--------------------|
| Q1-25  | Q1-24   | Q1-25     | Q1-24   | Q1-25 vs. Q1-24 | Q1-25      | Q1-24  | NET DEBT TO EBITDA |
| 10.5M  | \$10.0M | 10.5      | \$11.3M | +4              | 2.1M       | \$0.3M | 3.0                |
| EBITDA |         | UL EBITDA |         | SALES VOLUME    | Net Profit |        | LEVERAGE           |

- ✓ Sales volume increased 4% and driven by stronger demands in Latin America and Asia.
- ✓ Underlying EBITDA decreased 7% due to less favorable product mix and lower operational efficiency, partially offset by the increase in sales volumes.
- ✓ Commissioning of the new RF5 line in USA was completed towards the end of the quarter and it is now ready for commercial operation. Next steps includes product qualifications and operational ramp-up.
- ✓ Demands in North America still supported by shipments from our other locations.
- ✓ Revised agreements with suppliers and customers to reduce lag exposure renewed for 2025.
- ✓ Net profit at USD 2.1M, driven mainly by lower finance expenses.

# Analyst Conference | Polypropylene Index Trend

Raw material indices increased during the first quarter of 2025 but began trending downward in March, a decline that has continued into April. The Company expects this to have a non-material positive impact on the results of the second quarter of 2025.

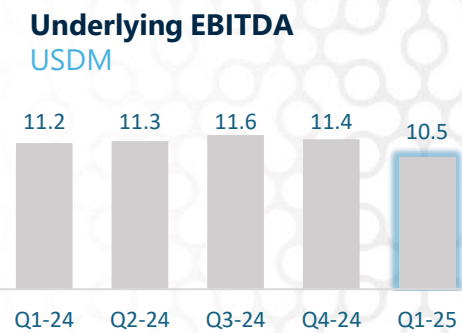
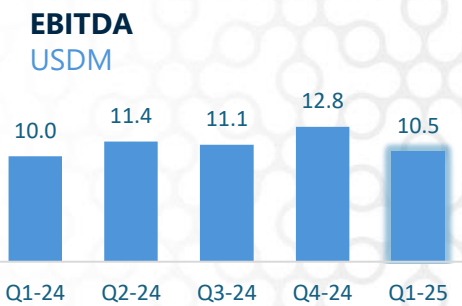
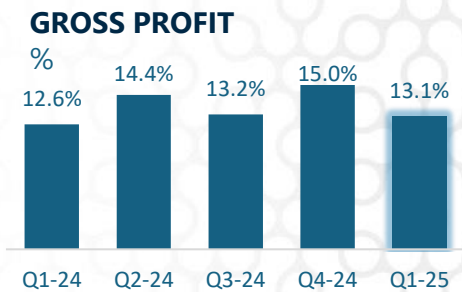


This information is forward-looking information, which is based on the information known by the Company at the time this report is being published. This information might not materialize or might materialize in a way that differs from that anticipated, inter alia, if a material change in trend occurs, or due to other parameters that affect the Company’s manufacturing costs or the Company’s selling prices.

# Analyst Conference | Quarterly Financial Performance



| \$Mn                 | Q1-25 | Q1-24 | %        | Key Highlights                                                                                                        |
|----------------------|-------|-------|----------|-----------------------------------------------------------------------------------------------------------------------|
| Revenues             | 87.3  | 86.5  | ▲ 0.9%   | Driven mainly by an increase of 4% in sales volume                                                                    |
| Gross Profit         | 11.5  | 10.9  | ▲ 5.5%   | The gross profit includes a positive lag impact of \$0.1M, compared to a negative lag impact of \$1.3M in Q1-24       |
| SG&A Expenses        | 7.6   | 7.3   | ▲ 4.1%   | Maintained at a flat level, increase is attributed to logistics expenses mainly due to increase in sales volumes      |
| EBITDA               | 10.5  | 10.0  | ▲ 5.0%   | EBITDA in Q1'25 includes a positive lag impact of \$0.1M, compared to a negative lag impact of \$1.3M in Q1'24        |
| Underlying EBITDA    | 10.5  | 11.3  | ▼ 7.3%   | Decrease due to product mix and lower operational efficiency, partially offset by increase in sales volumes           |
| Net Finance Expenses | 0.3   | 2.1   | ▼ 84.8%  | Primarily lower FX expenses due to favorable movement of the RUB and ILS against the USD                              |
| Net Profit           | 2.1   | 0.3   | ▲ 613.3% | Driven mainly by lower finance expenses and other income, in contrast to other expenses recorded in the previous year |
| Operating CF         | 10.1  | 12.2  | ▼ 17.7%  | Remains strong, supported by higher net profit, offset by working capital changes, including unusual tax payments     |



| \$Mn                                 | 31.03.2025   | %            | 31.12.2024   | %            |
|--------------------------------------|--------------|--------------|--------------|--------------|
| CASH AND CASH EQUIVALENTS            | 61.0         | 12.7         | 60.9         | 13.0         |
| TRADE RECEIVABLES                    | 30.1         | 6.3          | 34.0         | 7.2          |
| INVENTORY                            | 38.0         | 7.9          | 38.5         | 8.2          |
| OTHER CURRENT ASSETS                 | 6.7          | 1.4          | 5.3          | 1.1          |
| <b>TOTAL CURRENT ASSETS</b>          | <b>135.8</b> | <b>28.3</b>  | <b>138.7</b> | <b>29.6</b>  |
| <b>NON-CURRENT ASSETS</b>            | <b>344.2</b> | <b>71.7</b>  | <b>330.3</b> | <b>70.4</b>  |
| <b>TOTAL ASSETS</b>                  | <b>480.0</b> | <b>100.0</b> | <b>469.0</b> | <b>100.0</b> |
|                                      |              |              |              |              |
| CREDIT FROM BANKS AND OTHERS         | 87.9         | 18.3         | 88.0         | 18.8         |
| TRADE PAYABLES                       | 35.6         | 7.4          | 37.9         | 8.0          |
| OTHER CURRENT LIABILITIES            | 22.5         | 4.7          | 22.3         | 4.8          |
| <b>TOTAL CURRENT LIABILITIES</b>     | <b>146.0</b> | <b>30.4</b>  | <b>148.2</b> | <b>31.6</b>  |
| LONG-TERM LOANS FROM BANKS AND BONDS | 107.3        | 22.4         | 107.3        | 22.9         |
| OTHER LONG-TERM LIABILITIES          | 23.7         | 4.9          | 21.9         | 4.7          |
| <b>TOTAL LONG-TERM LIABILITIES</b>   | <b>131.0</b> | <b>27.3</b>  | <b>129.1</b> | <b>27.5</b>  |
| <b>EQUITY</b>                        | <b>203.0</b> | <b>42.3</b>  | <b>191.7</b> | <b>40.9</b>  |
| <b>TOTAL LIABILITIES AND EQUITY</b>  | <b>480.0</b> | <b>100.0</b> | <b>469.0</b> | <b>100.0</b> |

**EQUITY TO TOTAL BALANCE SHEET** **+40%**

**CASH ON HAND** **\$61M**

**NET WORKING CAPITAL** **\$47M**  
Tightly maintained and \$1M lower than at the end of 2024



# 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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