



NEWS RELEASE

# American Vanguard Reports First Quarter 2026 Results

2026-05-06

First Quarter Revenue Growth of 7% to \$124 million

Gross Margin Expansion of 500 bps

Reaffirm Full-Year Outlook; Adjusted EBITDA \$44 million to \$48 million on Sales of \$530 million to \$550 million

NEWPORT BEACH, CA / **ACCESS Newswire** / May 6, 2026 / American Vanguard Corporation, a diversified specialty and agricultural products company that develops, manufactures, and markets solutions for crop protection and nutrition, turf and ornamental management and commercial pest control, today reported financial results for the first quarter ended March 31, 2026.

Financial and Operational Highlights First Quarter 2026 - versus First Quarter 2025:

- Net sales of \$124 million vs. \$116 million;
- Gross profit margin of 31% vs. 26%;
- Operating income of \$1.9 million vs. an operating loss of \$4.3 million;
- Net loss of \$4.1 million vs. \$8.5 million;
- Adjusted EBITDA<sup>1</sup> of \$10.3 million vs. \$3.0 million;



- EPS of \$(0.14) vs. (\$0.30);

Dak Kaye, CEO of American Vanguard, stated "American Vanguard got off to a good start in the first quarter of 2026, with Net Sales of \$124 million, up approximately 7% year-over-year, driven by strong demand in our domestic crop business. Adjusted EBITDA improved significantly year-over-year, reflecting better margins, cost discipline, and the benefits of the business improvements we have been implementing. While the agricultural environment remains challenging with farmers continuing to buy on a just-in-time basis and geopolitical uncertainty adding to that caution, we are controlling what we can control and executing our plan."

Mr. Kaye concluded, "As part of our business improvement initiative, we have begun the optimization of activities at our Los Angeles manufacturing facility and are relocating synthesis operations to build on the strengths of our Axis site. The manufacturing optimization initiative is progressing as planned, and we expect annualized savings of at least \$4 million. Our new capital structure, anchored by the two term loans, provides the longer-term financial foundation we need to execute our growth strategy without being constrained by seasonal working capital dynamics. Our growth strategy is focused on incremental increases in sales and margin improvement alongside balance sheet strengthening. This strategy is focused on improving our net working capital and lowering our net debt<sup>2</sup>, putting us in a position to refinance our debt by the end of 2028, if we chose to do so."

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<sup>1</sup>Adjusted earnings before interest, taxes, depreciation, and amortization (Adjusted EBITDA) is not a financial measure calculated and presented in accordance with U.S. generally accepted accounting principles (GAAP) and should not be considered as an alternative to net (loss) income, operating (loss) income or any other financial measure so calculated and presented, nor as an alternative to cash flow from operating activities as a measure of liquidity. The items excluded from adjusted EBITDA are detailed in the reconciliation attached to this news release. Other companies (including the Company's competitors) may define adjusted EBITDA differently.

<sup>2</sup>Net debt, a non-GAAP measure, is presented as supplemental disclosure because we believe it is useful in understanding our financial condition. Net debt is calculated as total outstanding indebtedness less cash.

David Johnson, Chief Financial Officer stated, "Our first quarter financial results reflect meaningful progress across the business. Gross margin reached 31%, up 500 basis points, as compared to the year-ago period, driven by a favorable mix of higher-margin domestic crop products, strong performance in our OHP Specialty business, and continued factory efficiency. Operating expenses ended the quarter slightly lower than prior year, when expressed as a percentage of net sales, a clear reflection of our continued cost discipline."

Mr. Johnson continued, "With the refinancing, the balance sheet included cash of \$71 million at quarter-end, as

compared to cash of \$12 million this time last year. Net debt at the end of the quarter was \$196 million. Our accounts receivable increased compared to the same time last year because of the lower level of customer prepayments in December 2025, as compared to the prior year. We expect to receive those payments in June and in July, thereby further strengthening our cash position. Inventories declined by nearly \$10 million year-over-year to \$175 million, demonstrating that our Sales and Inventory planning process ("SIOP") improvements and supply chain discipline are gaining traction. We remain focused on lowering our net trade working capital and reducing net debt."

#### Earnings Conference Call

The company will be hosting an earnings conference call on May 6, 2026 at 4:30 pm Eastern Time/1:30 pm Pacific Time.

The conference call will be webcast on the Company's website at <https://www.investors-american-vanguard.com/> or by going to the following link: <https://www.webcaster5.com/Webcast/Page/3070/53902>

If you are unable to listen live, the conference call will be archived for one year and may be accessed using the company's website: <https://www.investors-american-vanguard.com/>

#### About American Vanguard

American Vanguard Corporation is a diversified specialty and agriculture products company that develops and markets products for crop protection and management, turf and ornamentals management, and public health. Over the past 20 years, through product and business acquisitions, the Company has significantly expanded its operations and now has more than 1,000 product registrations worldwide. To learn more about the Company, please reference [www.american-vanguard.com](http://www.american-vanguard.com).

The Company, from time to time, may discuss forward-looking information. Except for the historical information contained in this release the matters set forth in this press release include forward-looking statements. These statements can be identified by the fact that they do not relate strictly to historical or current facts. Forward looking statements often use words such as "believe," "expect," "anticipate," "intend," "estimate," "project," "outlook," "forecast," "target," "trend," "plan," "goal," or other words of comparable meaning or future-tense or conditional verbs such as "may," "will," "should," "would," or "could." These forward-looking statements are based on the current expectations and 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 risks detailed from time-to-time in the Company's SEC reports and filings. All forward-looking statements, if any, in this release represent the Company's judgment as of the date of this release. The company disclaims any intent or obligation to update these forward-looking statements.

## Non-GAAP Financial Measures

In addition to providing results that are determined in accordance with accounting principles generally accepted in the United States of America (GAAP), we present Adjusted EBITDA and Net Debt, which are non-GAAP financial measures. These measures should not be considered in isolation or as an alternative to GAAP measures such as net income, or diluted earnings per share, as applicable, or other financial statement data presented in our financial statements as an indicator of our financial performance or liquidity.

We define Net Debt as outstanding indebtedness less cash and EBITDA as net (loss) income, adjusted for depreciation and amortization, provision for income taxes and interest expense. We define Adjusted EBITDA as EBITDA as further adjusted for stock compensation expense and for certain items management believe are not reflective of the underlying operations of our business, including but not limited to the exclusion of charges that are considered by management to be unusual and not representative of the Company's underlying performance and future prospects. In 2026 and 2025 that included non-recurring expenses. The resulting Adjusted EBITDA measure is aligned with the Company's metric for its credit facility agreement in the applicable periods.

We use Adjusted EBITDA to assess the operating results and effectiveness and efficiency of our business. We present this non-GAAP financial measure because we believe that investors consider Adjusted EBITDA to be an important supplemental measure of performance, and we believe that this measure is frequently used by securities analysts, investors and other interested parties in the evaluation of companies in our industry. As the Company continues to work through its transformation efforts, management believes that presenting Adjusted EBITDA provides an effective comparison between the Company and its industry peers. Non-GAAP financial measures as reported by us may not be comparable to similarly titled metrics reported by other companies and may not be calculated in the same manner. These measures have limitations as analytical tools, and you should not consider them in isolation or as substitutes for analysis of our results as reported under GAAP.

The Company is not able to provide a reconciliation without unreasonable efforts of its forward-looking guidance related to adjusted EBITDA to the most directly comparable GAAP financial measure due to the inherent difficulty in predicting with reasonable certainty the timing and amount of certain items that are excluded from Adjusted EBITDA, such as share-based compensation, acquisition-related expenses, and foreign exchange gains or losses, which could be material to the Company's results computed in accordance with GAAP.

Investor Representative

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CONDENSED CONSOLIDATED BALANCE SHEETS  
(In thousands, except share data) (Unaudited)

	March 31, 2026	December 31, 2025
ASSETS		
Current assets:	\$ 70,914	\$ 12,425
Cash		
Receivables:	179,336	160,511
Trade, net of allowance for credit losses of \$12,293 and \$11,733, respectively	7,372	7,278
Other	186,708	167,789
Total receivables, net	175,038	176,034
Inventories	7,687	9,668
Prepaid expenses	3,203	4,606
Income taxes receivable	443,550	370,522
Total current assets	51,721	53,036
Property, plant and equipment, net	16,031	16,793
Operating lease right-of-use assets, net	136,071	138,746
Intangible assets, net	3,369	2,637
Deferred income tax assets	14,501	14,803
Other assets	665,243	596,537
Total assets	665,243	596,537
Liabilities and Stockholders' Equity		
Current liabilities:	\$ 2,250	\$ -
Current portion of long-term debt	90,672	87,505
Accounts payable	14,438	33,094
Customer prepayments	46,099	52,227
Accrued program costs	30,436	28,261
Accrued expenses and other payables	5,517	5,765
Operating lease liabilities, current	1,118	1,000

	1,512	2,594
Income taxes payable	<u>190,924</u>	<u>209,446</u>
Total current liabilities	264,384	174,000
Long-term debt, net of current portion <sup>(2)</sup>	10,991	11,621
Operating lease liabilities, long-term	8,209	8,150
Deferred income tax liabilities	1,115	923
Other liabilities	<u>475,623</u>	<u>404,140</u>
Total liabilities	<u>                    </u>	<u>                    </u>
Commitments and contingent liabilities (Note 13)		
Stockholders' equity:	-	-
Preferred stock, \$0.10 par value per share; authorized 400,000 shares; none issued		
Common stock, \$0.10 par value per share; authorized 40,000,000 shares; issued 34,979,775 shares at March 31, 2026 and 34,923,562 shares at December 31, 2025	3,498	3,492
Additional paid-in capital	117,530	117,106
Accumulated other comprehensive loss	(11,062)	(12,000)
Retained earnings	150,855	155,000
	<u>260,821</u>	<u>263,598</u>
	(71,201)	(71,201)
Less treasury stock at cost, 5,915,182 shares at March 31, 2026 and December 31, 2025	<u>189,620</u>	<u>192,397</u>
Total stockholders' equity	<u>\$ 665,243</u>	<u>\$ 596,537</u>
Total liabilities and stockholders' equity	<u>                    </u>	<u>                    </u>

## CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(In thousands, except per share data)

(Unaudited)

	For the three months ended March 31	
	<u>2026</u>	<u>2025</u>
Net sales	\$ 123,568	\$ 115,800
	(85,151)	(85,609)

Cost of sales	38,417	30,191
Gross profit		
Operating expenses	(27,713)	(26,628)
Selling, general and administrative	(5,271)	(5,682)
Research, product development and regulatory	(81)	-
Product liability claims	(2,804)	(2,191)
Transformation	(659)	-
Asset impairments	1,889	(4,310)
Operating income (loss)	(120)	-
Change in fair value of an equity investment	(5,790)	(3,765)
Interest expense, net	(4,021)	(8,075)
Loss before provision for income taxes	(124)	(387)
Income tax expense	\$ (4,145)	\$ (8,462)
Net loss	\$ (0.14)	\$ (0.30)
Net loss per common share - basic	\$ (0.14)	\$ (0.30)
Net loss per common share - assuming dilution	28,649	28,271
Weighted average shares outstanding - basic	28,649	28,271
Weighted average shares outstanding - assuming dilution		

AMERICAN VANGUARD CORPORATION AND SUBSIDIARIES  
ANALYSIS OF SALES  
(In thousands)  
(Unaudited)

	For the three months ended March 31,		Change	% Change
	2026	2025		
Net sales:	\$ 28,649	\$ 28,271	\$ 378	1.3%

	\$ 67,028	\$ 57,176	\$ 9,852	17%
U.S. crop	16,502	15,601	901	6%
U.S. Specialty	<u>83,530</u>	<u>72,777</u>	<u>10,753</u>	15%
Total U.S.	40,038	43,023	(2,985)	-7%
International	<u>\$ 123,568</u>	<u>\$ 115,800</u>	<u>\$ 7,768</u>	7%
Total net sales	\$ (85,151)	\$ (85,609)	\$ 458	-1%
Total cost of sales	<u>\$ 38,417</u>	<u>\$ 30,191</u>	<u>\$ 8,226</u>	27%
Total gross profit	<u><u>31%</u></u>	<u><u>26%</u></u>		
Total gross margin				

## CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)

(Unaudited)

	For the three months ended March 31	
	2026	2025
Cash flows from operating activities:	\$ (4,145)	\$ (8,462)
Net loss		
Adjustments to reconcile net loss to net cash used in operating activities:	4,685	4,744
Depreciation and amortization of property, plant and equipment and intangible assets	5	5
Amortization of other long-term assets	444	1,056
Provision for estimated credit losses	186	559
Stock-based compensation	(204)	1,348
Deferred income taxes	(17)	90
Change in liabilities for uncertain tax positions or unrecognized tax benefits	120	-
Change in equity investment fair value	659	-
Impairment of assets	112	-
Payment-in-Kind interest	738	235



Cash at end of period

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AMERICAN VANGUARD CORPORATION AND SUBSIDIARIES  
RECONCILIATION OF NET LOSS TO ADJUSTED EBITDA  
(In thousands)  
(Unaudited)

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	For the three months ended March 31	
	2026	2025
	\$ (4,145)	\$ (8,462)
Net loss	124	387
Provision for income taxes	5,790	3,765
Interest expense, net	4,624	4,749
Depreciation and amortization	186	559
Stock compensation expense	2,804	2,191
Transformation costs	659	-
Asset impairments	217	(216)
Other		
	\$ 10,259	\$ 2,973
Adjusted EBITDA <sup>(1)</sup>		

AMERICAN VANGUARD CORPORATION AND SUBSIDIARIES  
RECONCILIATION OF TOTAL INDEBTEDNESS TO NET DEBT  
(In thousands)  
(Unaudited)

March 31,  
2026

December 31,  
2025

	\$ 2,250	\$ -
Current portion of long-term debt	264,384	174,000
Long-term debt, net of current portion	<u>\$ 266,634</u>	<u>\$ 174,000</u>
Total indebtedness	<u>(70,914)</u>	<u>(12,425)</u>
Less: Cash	<u>\$ 195,720</u>	<u>\$ 161,575</u>
Net Debt <sup>(2)</sup>	<u><u>          </u></u>	<u><u>          </u></u>

<sup>1</sup> Adjusted earnings before interest, taxes, depreciation, and amortization (Adjusted EBITDA) is not a financial measure calculated and presented in accordance with U.S. generally accepted accounting principles (GAAP) and should not be considered as an alternative to net (loss) income, operating (loss) income or any other financial measure so calculated and presented, nor as an alternative to cash flow from operating activities as a measure of liquidity. The items excluded from adjusted EBITDA are detailed in the reconciliation attached to this news release. Other companies (including the Company's competitors) may define adjusted EBITDA differently.

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SOURCE: American Vanguard

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