



NEWS RELEASE

American Vanguard Reports First Quarter 2022 Results

2022-05-04

American Vanguard Corporation (NYSE: AVD) today announced financial results for the first quarter ended March 31, 2022.

Fiscal 2022 First Quarter Financial Highlights – versus Fiscal 2021 First Quarter:

- Net sales were \$149.4 million in 2022, compared to \$116.2 million in 2021.
- Net income was \$9.9 million in 2022, compared to \$3.1 million in 2021.
- Earnings per diluted share of \$0.33 in 2022, compared to \$0.10 in 2021.
- EBITDA¹ of \$22.9 million in 2022, compared to \$13.9 million in 2021.

Note: Further details are available in the financial schedules attached to this press release

Eric Wintemute, Chairman and CEO of American Vanguard stated: “We are pleased to report an extremely strong start to 2022 at both the top and bottom lines. We exceeded our first quarter financial targets, growing net sales by 29% and delivering gross profit margin of 41% resulting from a company-wide focus on profitability driven by pricing actions designed to offset inflationary cost escalations. Further, we reduced operating expense as a percentage of sales to 31% in the first quarter of 2022 from 36% in the first quarter of 2021. These efforts helped more than triple net income for the quarter compared to the prior year period. Additionally, we continue to focus on balance sheet priorities regarding inventory levels, working capital control and debt management.”

Mr. Wintemute continued: “After seven years of relatively stagnant crop prices, during the last year we have seen higher commodity prices, which have helped spur demand for our crop protection solutions. Midwest procurement of our corn soil insecticides and Impact herbicide has eclipsed expectations, while our expanding portfolio of



soybean herbicides continued to diversify our market position in row crops. In addition, we experienced steady demand for products in mosquito control, horticulture, and commercial/consumer pest control markets. Internationally, we delivered strong performance in Mexico, Central America, while expanding our position in Australia, Brazil, China and India with Green Solutions products.”

Mr. Wintemute commented further: “Importantly, we reliably produced solidly profitable results while self-funding the SIMPAS prescription application system, the Ultimus tracing/verification software platform, and the biological alternative Green Solutions portfolio, all three of which are critical investments in the future of American Vanguard that we expect will create long-term value for our shareholders.”

Mr. Wintemute concluded, “As we have previously indicated, looking forward, we believe that our company is situated well in both domestic and international markets. Our performance targets for 2022 include 8-11% revenue growth, profit margins of 38-40% and operating expenses of between 31% and 33% of net sales. On a solid core business foundation, we will continue to develop our key strategic growth initiatives in Green Solutions and SIMPAS/Ultimus technologies. We look forward to providing additional detail on market conditions, profitability, working capital considerations and our innovation initiatives during our upcoming earnings call.”

1 Earnings before interest, taxes, depreciation, amortization and non-cash stock compensation. 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 income (loss), operating income (loss) or any other financial measure so calculated and presented, nor as an alternative to cash flow from operating activities as a measure of liquidity. We provide these measures because we believe that they provide helpful comparisons to other companies in our industry and peer group. The items excluded from Adjusted EBITDA are detailed in the reconciliation attached to this news release, and reflect an elimination of taxes, interest, depreciation, amortization and the effects of equity compensation. Other companies (including the Company’s competitors) may define EBITDA differently.

About American Vanguard

American Vanguard Corporation is a diversified specialty and agricultural products company that develops and markets products for crop protection and management, turf and ornamentals management and public and animal health. American Vanguard is included on the Russell 2000® and Russell 3000® Indexes and the Standard & Poor’s Small Cap 600 Index. To learn more about American Vanguard, please reference the Company’s web site at www.american-vanguard.com.

Forward-Looking Statements

Certain information set forth in this release may constitute “forward looking statements” within the meaning of federal and applicable state securities laws. All statements herein that are not statements of historical fact are

forward looking statements. These statements include statements regarding management's expectations for future performance, as well as descriptions of plans and strategies and the expected results thereof. These statements reflect the current expectations of American Vanguard's management based on currently known facts and circumstances, and should not be construed as assurances of performance or as guaranties of the actual outcomes. Actual results may differ from those expressed in forward looking statements, and those differences may be material and adverse. Factors that could cause actual results to differ from expectations include the ongoing effects of the COVID-19 pandemic and government responses and economic conditions resulting therefrom; increasing costs and diversion of management attention associated with our pending activist campaign and the response thereto; the effect of international exchange rates and other local, national and foreign economic conditions; weather and climate conditions; changes in regulatory policy and in specific regulations and permitting processes that affect our products, and other risks as detailed from time-to-time in the Company's SEC reports and filings. The Company's quarterly report on Form 10-Q for the fiscal quarter ended March 31, 2022, filed with the SEC on May 4, 2022, contains a list of risk factors that may cause results to differ from expectations. These risk factors will be updated from time to time in accordance with the requirements of the Securities Exchange Act of 1934, as amended, and the regulations thereunder ("Exchange Act"), or otherwise in our Exchange Act filings. The statements in this release speak only as of the date hereof, and the Company undertakes no duty to update such statements to reflect future events or developments.

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