

The LYCRA Company

Q2 2024 Investor Presentation

September 6, 2024

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This presentation includes operational and financial results for the quarter ended June 30, 2024. Certain of this information is based solely on management accounts and has not been reviewed or subject to audit procedures. Our financial information contained in this presentation has been prepared on a good faith basis based on internal reporting for the periods presented. The financial and operational information included in this presentation has not been prepared in a manner consistent with the financial information and results of operations included in the final offering memorandum related to the 7.500% Senior Secured Notes due 2025 issued by Eagle Intermediate Global Holding B.V. and Eagle US Finance LLC (the “final offering memorandum”). Similarly, because the operational and financial results for the quarter ended June 30, 2024, included in this presentation are prepared based solely on management accounts and estimates and has not been subject to audit procedures, such information may not be prepared on a basis consistent with future bondholder reports.

The historical financial information included herein includes financial information that is not required by or presented in accordance with generally accepted accounting principles in the United States of America (“GAAP”) or any other internationally accepted accounting principles, including “EBITDA” and “Adjusted EBITDA,” and the Company’s consolidated financial information for each of the three months ended June 30, 2023 and March 31, 2024.

This presentation and the oral remarks made in connection therewith may contain financial projections and forward looking statements. Such projections and statements are based on estimates and assumptions of management of The LYCRA Company regarding the Company’s future performance and operations. These forward looking statements appear in a number of places in this presentation and include statements regarding the Company’s future financial position and results of operations, its strategy, plans, objectives, goals and targets, future developments in the markets in which it participates or is seeking to participate or anticipated regulatory changes in the markets in which it operates or intends to operate. In some cases, you can identify forward looking statements by terminology such as “aim,” “anticipate,” “assume,” “believe,” “continue,” “could,” “estimate,” “expect,” “forecast,” “guidance,” “intend,” “may,” “plan,” “potential,” “predict,” “projected,” “risk,” “seek,” “should,” “target” or “will” or the negative of such terms or other comparable terminology. When considering these forward looking statements, you should keep in mind that a number of factors that are beyond the Company’s control could cause actual results to differ materially from the results contemplated by any such forward looking statements including the risks detailed under the heading “Risk Factors” in the quarterly report and the preceding annual report. We believe that the expectations reflected in these forward looking statements are reasonable but we cannot assure you that these expectations will prove to be correct and such forward looking statements included in this presentation should not be unduly relied upon. These statements speak only as of the date made.

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Executive Summary

(Values in USD unless noted)

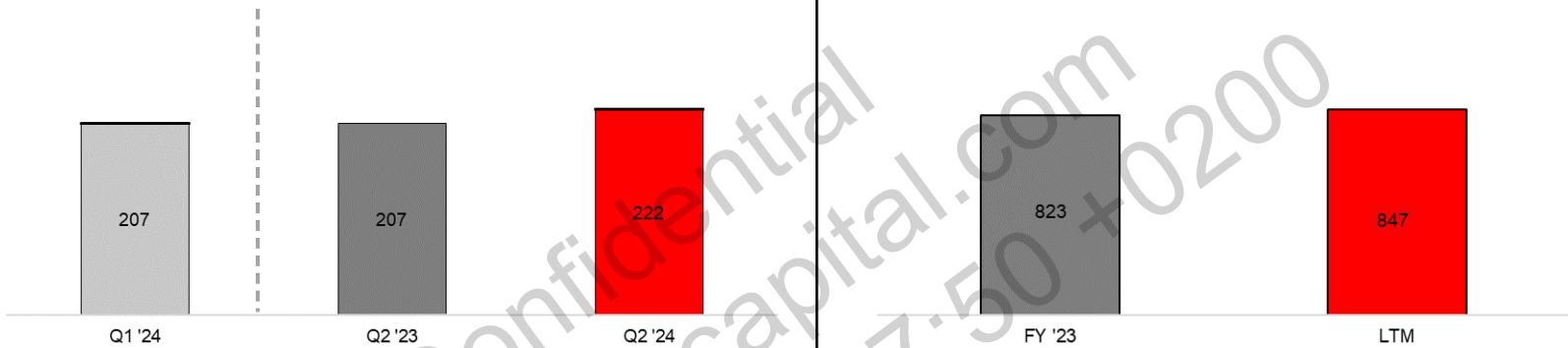
- Q2 '24 EBITDA was \$36 million, up \$6 million or 20% vs prior quarter and up \$16 million or 80% vs same quarter prior year.
- Higher EBITDA in Q2 '24 compared to Q2 '23 was driven by volume particularly in Asia for LYCRA® fiber and Specialty Polyester and unit margin improvement with the continued decline in raw material costs. Gross margin increasing to 29%
- LYCRA® fiber and LYCRA HyFit® fiber prices showed some decline as compared to Q1 '24 and Q2 '23. Prices for LYCRA® fiber decreased due to product and regional mix, and targeted price changes. LYCRA HyFit® fiber price declines were driven by the pass-through of lower PTMEG costs.
- During Q2 '24, a period of continued demand softness in western markets, management curtailed production at some facilities to conserve working capital . However global spandex production increased to 84% utilization, with facilities in Asia running above 90%.
- We continue to grow our differentiated LYCRA® fiber offerings - In Apparel, momentum on LYCRA® ADPATIV fiber remains very strong with additional programs at sports brands : Adidas, Puma, Lining (China) and pipeline growth is accelerating with new projects for coming seasons. The Penti brand in Turkey launched an athleisure line with LYCRA® FitSense™ technology. Our specialty polyester COOLMAX® EcoMade fiber was used in Brazil's volleyball team jerseys in Paris.
- Cash and cash equivalents as of June 30, 2024, were \$89 million, following interest payment on the Dollar Notes in May and the partial repayment of Shareholder Loan in June . Cash paid for interest and taxes in Q2 '24 totaled \$35 million.

Key Financial Metrics

(Values in millions of USD unless noted)

Consolidated Total Sales & Gross Margin

Total Sales

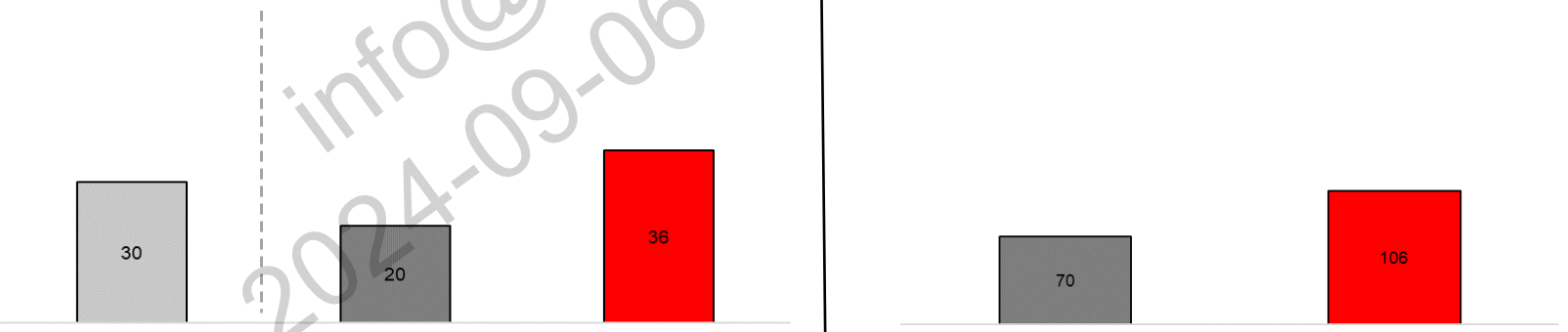


Gross Margin %

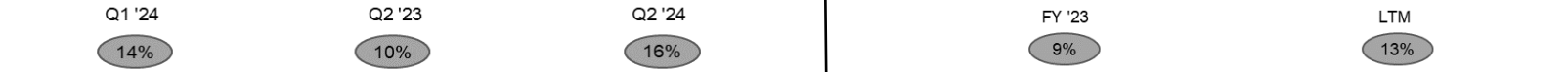


Adjusted EBITDA

Adjusted EBITDA



EBITDA %



Note: EBITDA and Adjusted EBITDA are not required by or presented in accordance with GAAP or any other internationally accepted accounting principles.

Financial Performance

(Values in millions of USD unless noted)

Adjusted EBITDA Q2 '23 to Q2 '24 Bridge



Adjusted EBITDA Q1 '24 to Q2 '24 Bridge

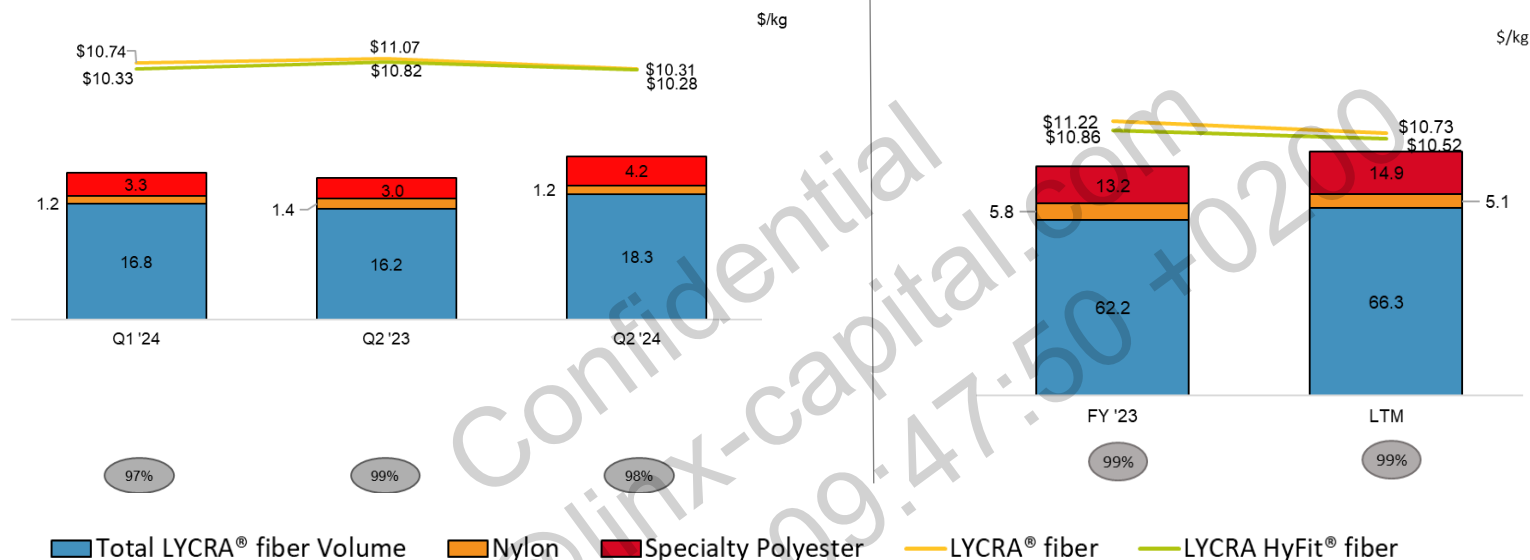


Note: EBITDA and Adjusted EBITDA are not required by or presented in accordance with GAAP or any other internationally accepted accounting principles.

Volume and Revenue

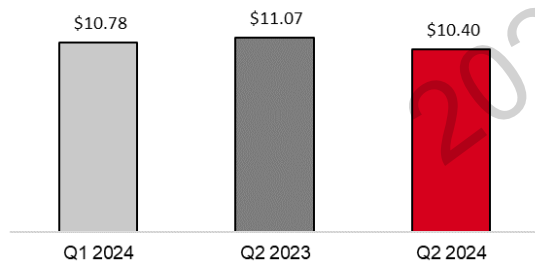
(Values in millions of USD unless noted)

Volume (kt) & LYCRA® fiber Concentration^{1,2}



Currency Adjusted LYCRA® fiber Prices (\$/kg) and all fiber volumes and prices for current and comparative quarters

Constant currency prices measured against Q2 2023 FX rates.



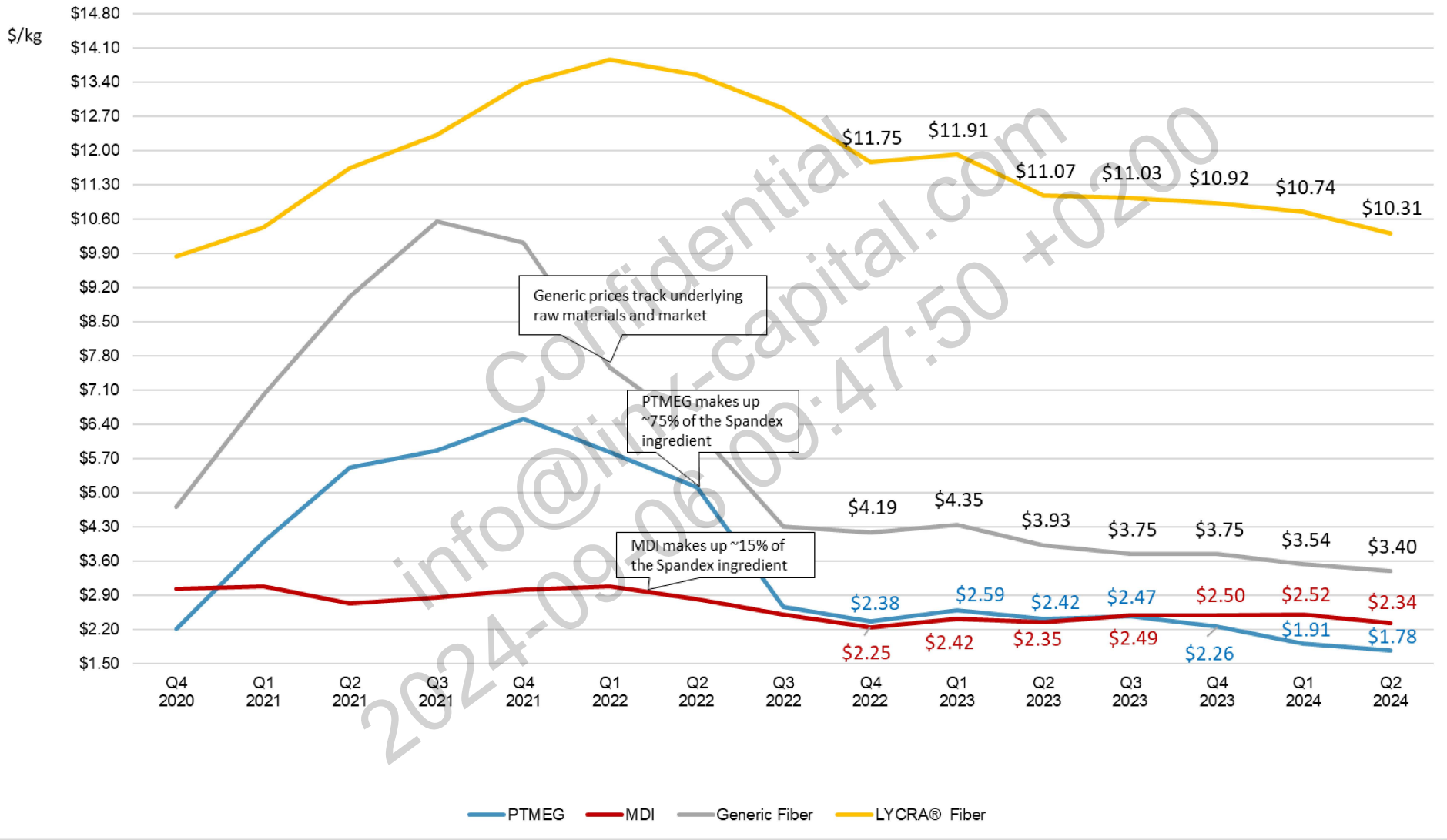
	FY '23		Q2 '23		Q1 '24		Q2 '24	
	Volume	Price	Volume	Price	Volume	Price	Volume	Price
LYCRA® fiber	37.9	\$ 11.22	9.9	\$ 11.07	10.6	\$ 10.74	12.2	\$ 10.31
LYCRA HyFit® fiber	24.3	\$ 10.86	6.3	\$ 10.82	6.1	\$ 10.33	6.2	\$ 10.28
ELASPAN® fiber	0.4	\$ 6.44	0.1	\$ 6.05	0.4	\$ 5.53	0.3	\$ 5.30
Specialty Polyester	13.2	\$ 6.21	3.0	\$ 6.58	3.3	\$ 6.21	4.2	\$ 6.08
Nylon	5.8	\$ 6.91	1.4	\$ 7.15	1.2	\$ 6.74	1.2	\$ 6.70

Note: Volumes are unaudited management estimates.

¹ LYCRA® fiber concentration reflects LYCRA® fiber and LYCRA HyFit® fiber combined volumes as a percentage of total spandex volumes

² Prices and volumes exclude OEM Outsourced LYCRA® fiber sales.

Key Margin Drivers



Source: CCF index

Q3 '24 Updates

(Values in USD unless noted)

- July and August are seasonally low for Apparel due to the holidays in the West and the season change in Asia. We expect a seasonal pickup in September and growth in Q4 as we capitalize on improvements in demand.
- In Personal Care, Q3 volumes will be slightly lower as the business enters the slower summer period for Asia and EMEA.
- We are expecting to hold our strong unit margins by materially maintaining price, while cost flowing through to the P&L stabilizes.
- We expect our Q3 utilization to remain consistent with Q2 levels.
- We continue to advance our joint venture with the Yinchuan local government in the PRC. Teams are being mobilized to resume construction of the asset and supporting infrastructure, we are actively recruiting for initial start up roles.
- Our Q3 ending cash and cash equivalent balances are expected to exceed \$100.

The LYCRA Company

Appendix

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Consolidated Statement of Operations

(Values in millions of USD unless noted)

	Three months ended		Six months ended	
	June 30,		June 30,	
	2024	2023	2024	2023
Net sales	\$ 221	\$ 206	\$ 428	\$ 404
Sales to related parties	1	1	1	2
Total sales	222	207	429	406
Royalty and licensing income, net	1	1	2	2
Total revenue	223	208	431	408
Cost of goods sold and other operating expenses	158	168	313	345
Gross profit	65	40	118	63
Selling, general and administrative expenses	31	28	58	53
Research and development expenses	7	7	14	14
Restructuring (income) expense	5	5	13	7
Other (income) expense, net	(2)	4	(5)	11
Operating income (loss)	24	(4)	38	(22)
Equity in (income) loss of affiliates	(3)	(2)	(4)	(3)
Pension non-service cost (benefit)	—	—	—	(2)
Interest expense, net	50	41	99	68
Income (loss) before income taxes	(23)	(43)	(57)	(85)
Income tax expense (benefit)	6	5	11	8
Consolidated net income (loss)	(29)	(48)	(68)	(93)
Net (income) loss attributable to noncontrolling interest	(2)	(1)	(4)	(1)
Net income (loss) attributable to The LYCRA Company	\$ (31)	\$ (49)	\$ (72)	\$ (94)

Consolidated Statement of Cash Flows

(Values in millions of USD unless noted)

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Cash flows from operating activities:				
Consolidated net income (loss)	\$ (29)	\$ (48)	\$ (68)	\$ (93)
Adjustments to reconcile consolidated net income to net cash provided by (used in) operating activities:				
Depreciation and amortization	11	12	22	26
Amortization of deferred financing costs and discounts	16	12	32	19
Exchange rate changes on cash and cash equivalents and restricted cash	—	(1)	—	(3)
Undistributed loss (earnings) in investments in equity affiliates	(3)	—	(4)	—
Deferred income taxes	(2)	(1)	(3)	(2)
Return on investments from equity affiliates	1	—	1	3
Changes in assets and liabilities: ⁽¹⁾				
Receivables	(6)	4	(10)	2
Inventories	3	4	10	35
Other assets	3	6	4	(1)
Payables	(9)	1	(11)	7
Other liabilities	14	(22)	45	(6)
Net cash provided by (used in) operating activities	(1)	(33)	18	(13)
Cash flows from investing activities:				
Capital expenditures	(1)	(4)	(4)	(5)
Net cash provided by (used in) investing activities	(1)	(4)	(4)	(5)
Cash flows from financing activities:				
Repayments of revolving	—	—	—	(100)
Short-term bank borrowings	5	6	10	10
Payments of short-term debt	(15)	(6)	(21)	(11)
Proceeds from long-term debt	—	293	—	394
Payment of long-term debt	—	(271)	—	(271)
Payment of deferred financing costs	—	(2)	—	(11)
Principal payment on finance leases	(1)	—	(1)	—
Net cash provided by (used in) financing activities	(11)	20	(12)	11
Net increase (decrease) in cash and cash equivalents and restricted cash	(13)	(17)	2	(7)
Cash and cash equivalents and restricted cash at beginning of period	109	73	94	63
Cash and cash equivalents and restricted cash at end of period	\$ 96	\$ 56	\$ 96	\$ 56

⁽¹⁾ Net of effect of translation

Consolidated Balance Sheet

(Values in millions of USD unless noted)

	June 30, 2024	December 31, 2023 (Audited)
Assets		
Current assets:		
Cash and cash equivalents	\$ 89	\$ 85
Restricted cash	7	9
Receivables, net	127	117
Inventories, net	160	170
Prepaid expenses and other current assets	14	11
Total current assets	397	392
Property, plant and equipment, net	234	245
Right of use lease assets, net	48	52
Goodwill	334	334
Other intangible assets, net	329	335
Investments in equity affiliates	139	136
Deferred income tax assets	18	17
Other assets	7	11
Total assets	\$ 1,506	\$ 1,522
Liabilities and Shareholder's Equity		
Current liabilities:		
Current debt	1,232	26
Lease liabilities, current portion	4	5
Payables	66	67
Accrued and other current liabilities	64	52
Total current liabilities	1,366	150
Long-term debt, net	—	1,158
Lease liabilities, long-term	28	31
Pension and other post-retirement benefit liabilities	12	12
Deferred income tax liabilities	36	37
Other liabilities	1	1
Total liabilities	\$ 1,443	\$ 1,389
Shareholder's equity:		
Shareholder's equity	9	81
Accumulated other comprehensive income	(10)	(8)
Total The LYCRA Company shareholder's equity	(1)	73
Noncontrolling interest	64	60
Total shareholder's equity	63	133
Total liabilities and shareholder's equity	\$ 1,506	\$ 1,522

Management Adjusted EBITDA

(\$ in millions of USD unless noted)

	For the three months ended June 30,		For the six months ended June 30,	
	2024	2023	2024	2023
Consolidated net income (loss)	\$ (29.3)	(47.9)	\$ (68.3)	\$ (92.7)
Interest expense	49.7	41.0	98.8	68.2
Income tax expense	5.9	4.8	11.2	7.8
Depreciation and amortization	11.1	13.6	23.4	31.7
EBITDA	37.4	11.5	65.1	15.0
Joint venture EBITDA adjustment ^(a)	1.2	1.2	2.2	2.2
Noncontrolling interest EBITDA ^(b)	(3.0)	(1.0)	(4.9)	(1.8)
Foreign exchange adjustment ^(c)	0.6	0.4	0.6	0.3
Foreign exchange on bonds ^(d)	(4.0)	3.0	(9.7)	6.5
Restructuring ^(e)	1.8	3.8	9.2	5.2
Yinchuan facility project costs ^(f)	1.5	—	1.5	—
Impact of PRC functional currency ^(g)	(1.1)	(8.2)	(1.1)	(5.8)
Financing costs ^(h)	1.2	9.7	2.1	9.7
Other items ⁽ⁱ⁾	0.6	(0.1)	0.8	(1.4)
Adjusted EBITDA	\$ 36.2	\$ 20.3	\$ 65.8	\$ 29.9

Note: EBITDA and Adjusted EBITDA are not required by or presented in accordance with GAAP or any other internationally accepted accounting principles.

Management Adjusted EBITDA (cont.)

(Values in millions of USD unless noted)

- a) Represents an adjustment to conform the Company's share of equity earnings associated with the Toray Opelontex Co., Ltd, ISH-Toray Pte. Ltd, and Shinpont Industry Inc. joint ventures from net income to EBITDA.
- b) Represents the share of EBITDA attributable to the noncontrolling interest of The LYCRA Company Singapore Pte. Ltd.
- c) Represents foreign currency transactions (gains)/losses relating to intercompany indebtedness between restricted subsidiaries and foreign currency remeasurement relating to income taxes, most significantly in the PRC, Hong Kong, Brazil, and Switzerland.
- d) Represents the amount of foreign currency remeasurement loss (gain) on the Refinancing Notes and the Euro Notes.
- e) Represents costs mainly incurred to settle litigation for the Laika joint venture, severance and other costs associated with strategic projects. The prior year represents expenses primarily associated with the restructuring of financing arrangements.
- f) Represents facility pre-opening costs incurred for our joint venture with Yinchuan Shengrong in the PRC.
- g) Represents impacts from the foreign currency transaction (gains) losses primarily on intercompany activity with our operations in the PRC, whose functional currency is the Chinese yuan and whose foreign currency translation impacts are reflected within Other Comprehensive Income.
- h) Represents costs mainly incurred in connection with debt refinancing activities. The prior year costs primarily represent the loss upon extinguishment of the Euro Notes.
- i) Represents certain other unusual items. The prior year is primarily a gain upon termination of the pension plan in Hong Kong.

Note: EBITDA and Adjusted EBITDA are not required by or presented in accordance with GAAP or any other internationally accepted accounting principles.