The LYCRA Company

Q2 Investor Presentation

September 12, 2023

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This presentation includes operational and financial results for the quarter ended June 30, 2023. 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, 2023, 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 March 31, 2023 and June 30, 2022 and the twelve months ended December 31, 2022.

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)

- Debt refinancing was completed during the second quarter.
- Q2 ‘23 EBITDA was $20 million, up $10 million vs prior quarter and down $10 million vs same quarter prior year.
- Modest EBITDA improvement in Q2 ‘23 compared to Q1 ’23 was primarily due to higher volumes in Q2 ‘23 as Q1 ‘23 was impacted by seasonality in Asia. In addition, although price is lower in Q2 '23 compared to Q1 '23, variable costs dropped slightly more driving an improvement in margin rates.
- Lower EBITDA in Q2 ‘23 compared to Q2 ‘22 was driven by lower volumes due to disappointing retail performance, a weak China export market, deterioration of markets in the West, and some weakness in our North American nylon business. This has been partly offset by an improvement in unit margins as lower raw materials have outpaced reductions in price.
- LYCRA® fiber price was down $0.78/kg and LYCRA HyFit® fiber price was down $0.26/kg as compared to Q1 ‘23. QTD prices were down due to mix in LYCRA® fiber and the pass through of lower cost PTMEG in LYCRA HyFit® fibers. There was a minimal unit margin impact as variable cost decreased accordingly. Compared to Q2 ‘22, LYCRA® and LYCRA HyFit® fiber prices were down due to mix in LYCRA® fiber, pass through of lower cost PTMEG on LYCRA HyFit® fiber, and FX.
- During this period of demand softness, management has continued to curtail production to avoid further inventory build, resulting in global production at approximately 70% utilization.
- Cash and cash equivalents as of June 30, 2023, were $54 million, down $18 million as compared to March 31, 2023, inclusive of semiannual Dollar Note interest payments of $26 million and Super Senior Term Loan upsizing cash of $29 million which was mostly used to cover financing costs related to the retirement of the 5.375% Euro Notes on May 2nd.

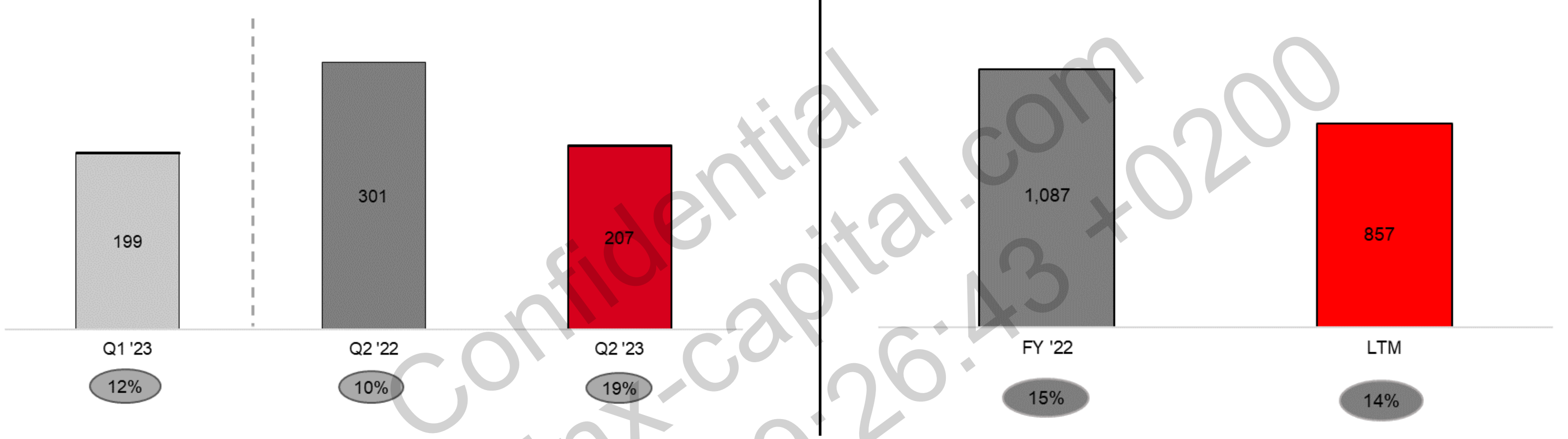
Key Financial Metrics

(Values in millions of USD unless noted)

Consolidated Total Sales & Gross Margin

Total Sales

Gross Margin %



Adjusted EBITDA

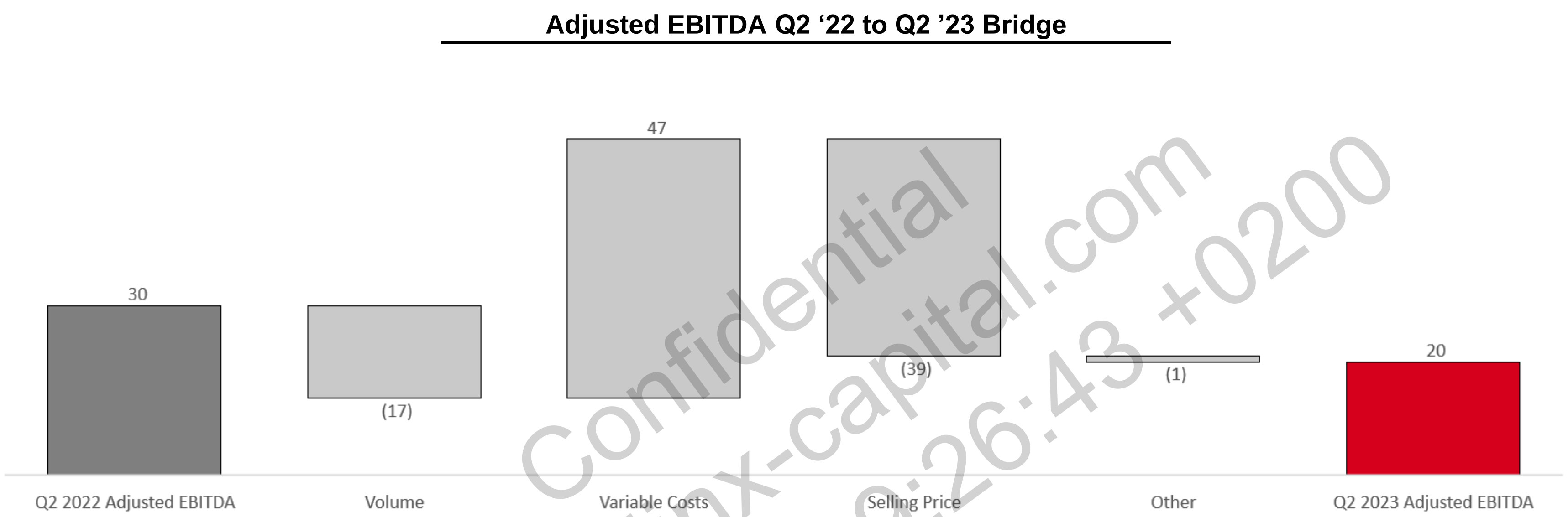
Adjusted EBITDA

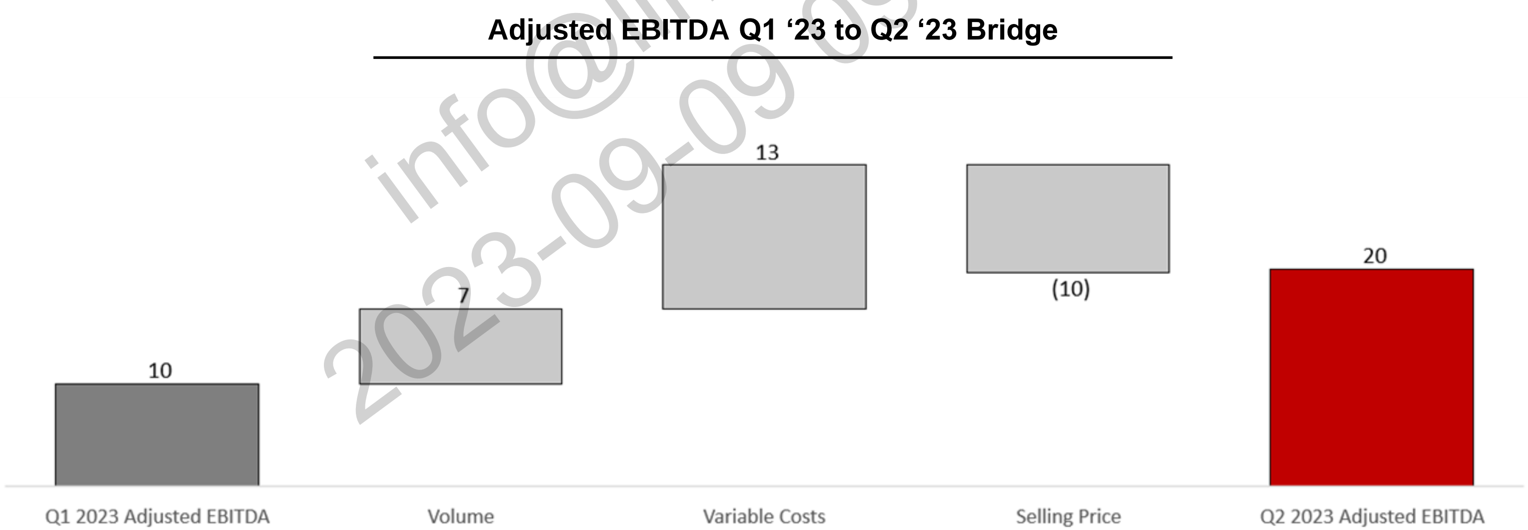
EBITDA %

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)



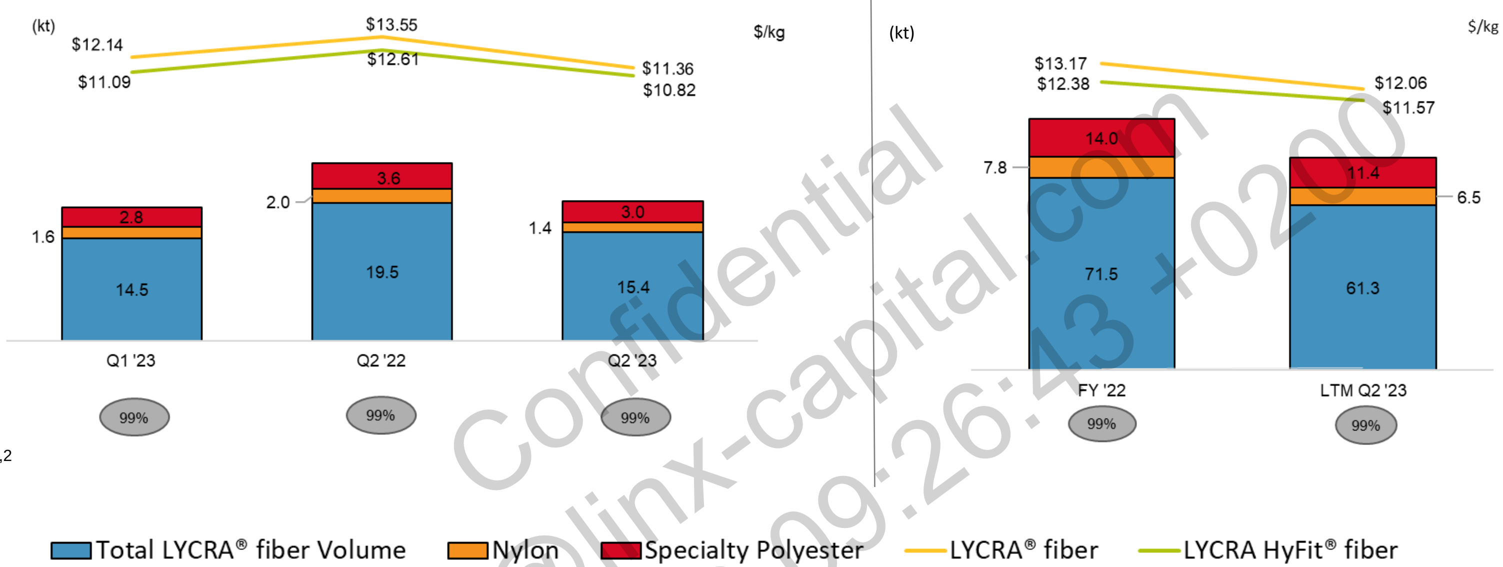


Note: EBITDA and Adjusted EBITDA are not required by or presented in accordance with GAAP or any other internationally accepted accounting principles.

Volume and Revenue

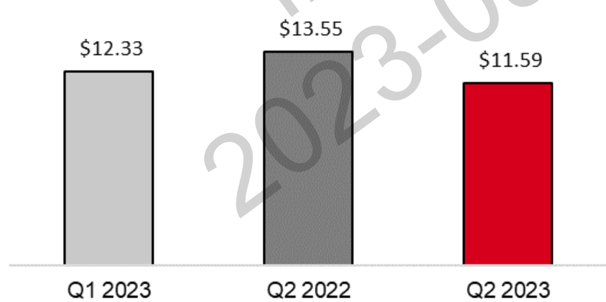
(Values in millions of USD unless noted)

Volume (kt) & LYCRA® fiber Concentration[1,2]



LYCRA® fiber Concentration[1,2]

Currency Adjusted LYCRA® fiber Prices ($/kg)



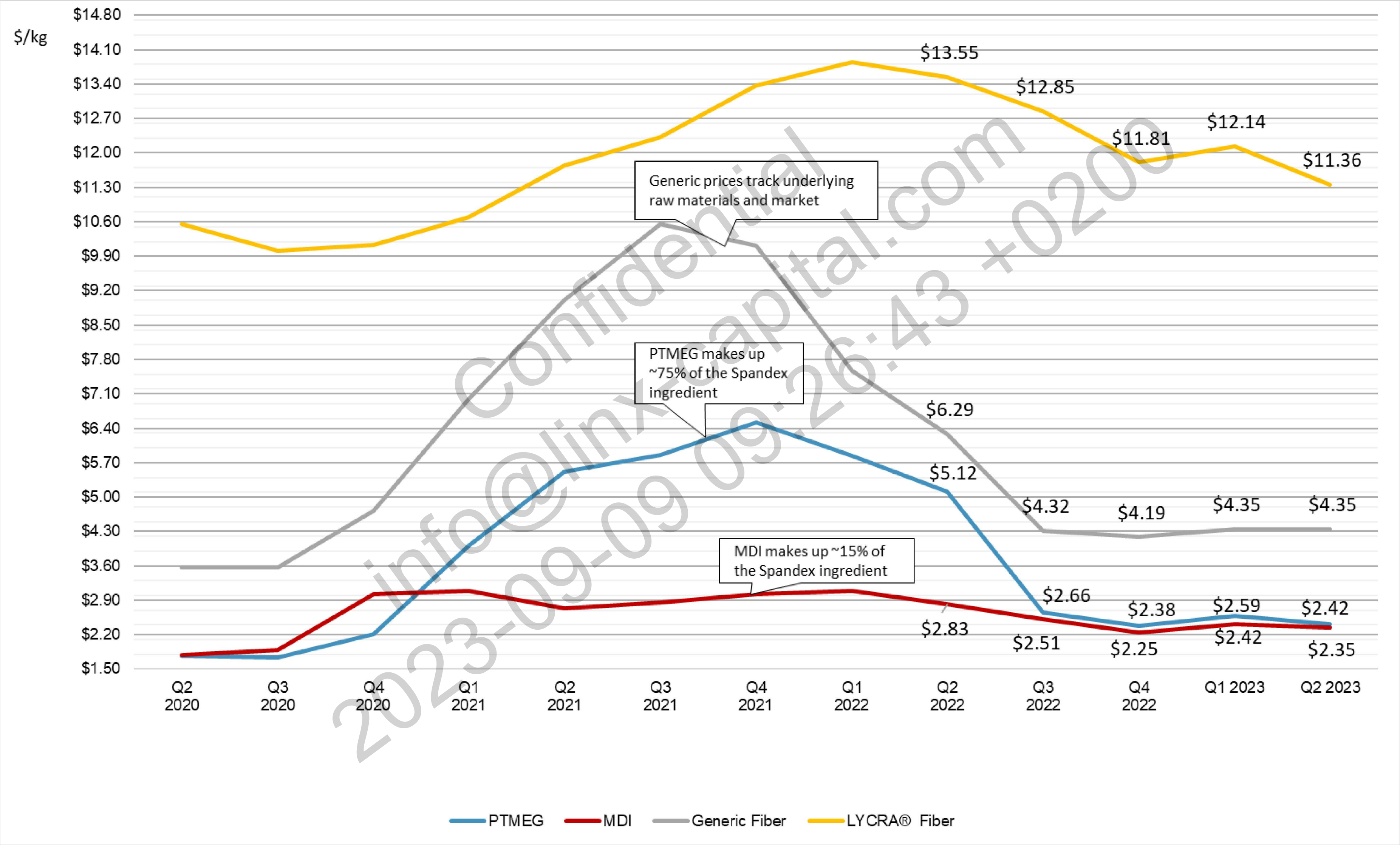
Constant currency prices measured against Q2 2022 FX rates.

Note: Volumes are unaudited management estimates.

[1] LYCRA® fiber concentration reflects LYCRA® fiber and LYCRA HyFit® fiber combined volumes as a percentage of Spandex volumes

[2] Prices exclude Entry Product and OEM Outsourced LYRCA ® fiber sales.

Key Margin Drivers



Source: CCF index

Q3 ‘23 Updates

(Values in USD unless noted)

- We do not anticipate a material improvement in demand in Q3 compared to Q2 '23. August is typically a seasonally low month due to holidays in West region. We are expecting to hold our strong unit margins by materially maintaining price while cost flowing through to the P&L continues to decline. We do expect to see improved market conditions for fiber companies in the 4th quarter of 2023 as fiber and fabric inventories are reducing, garment inventories should further reduce, and Western retailers move their focus to their Fall/Winter 2024 buying season. These market improvement signals have started to materialize in late August and September, especially in the East region.

- In the second half of 2023, we expect to see improved demand for our branded fibers in Apparel from a modest market recovery. As we capitalize on commercial efforts to defend and gain market share, we should also benefit from the scale up of innovations and a solid pipeline of new retail specifications.

- In Personal Care, we continue to experience challenging diaper market conditions in Europe and Asia, but continued improvements in the Americas.

- We expect our Q3 utilization to drop slightly from Q2 in order to reduce inventory levels and free up working capital.

- Cash balances are expected to marginally improve driven by lower working capital.

The LYCRA Company

Appendix

Consolidated Statement of Operations

(Values in millions of USD unless noted)

	For the three months ended June 30, 2023	For the three months ended June 30, 2022	For the six months ended June 30, 2023	For the six months ended June 30, 2022
Net sales	$ 206	$ 293	$ 404	$ 621
Sales to related parties	1	8	2	15
Total sales	207	301	406	636
Royalty and licensing income, net	1	1	2	3
Total revenue	208	302	408	639
Cost of goods sold and other operating expenses	168	255	345	528
Gross profit	40	47	63	111
Selling, general and administrative expenses	28	29	53	58
Research and development expenses	7	7	14	15
Restructuring (income) expense	5	21	7	25
Goodwill impairment	—	821	—	821
Other (income) expense, net	4	(22)	11	(34)
Operating income (loss)	(4)	(809)	(22)	(774)
Equity in (income) loss of affiliates	(2)	(2)	(3)	(4)
Pension non-service cost (benefit)	—	—	(2)	—
Interest expense, net	41	21	68	41
Income (loss) before income taxes	(43)	(828)	(85)	(811)
Income tax expense (benefit)	5	4	8	7
Consolidated net income (loss)	(48)	(832)	(93)	(818)
Net (income) loss attributable to noncontrolling interest	(1)	52	(1)	51
Net income (loss) attributable to The LYCRA Company	$ (49)	$ (780)	$ (94)	$ (767)

Consolidated Statement of Cash Flows

(Values in millions of USD unless noted)

	Three months ended June 30, 2023	Three months ended June 30, 2022	Six months ended June 30, 2023	Six months ended June 30, 2022
Cash flows from operating activities:				
Consolidated net income (loss)	$ (48)	$ (832)	$ (93)	$ (818)
Adjustments to reconcile consolidated net income to net cash provided by (used in) operating activities:				
Depreciation and amortization	12	17	26	34
Amortization of deferred financing costs and discounts	12	3	19	5
Employee stock-based compensation	—	—	—	1
Exchange rate changes on cash and cash equivalents and restricted cash	(1)	1	(3)	1
Undistributed loss (earnings) in investments in equity affiliates	—	(2)	—	(4)
Impairment of goodwill and other intangible assets	—	821	—	821
Disposals (Recoveries) of long-lived assets	—	—	—	1
Deferred income taxes	(1)	(2)	(2)	(3)
Return on investments from equity affiliates	—	4	3	4
Changes in assets and liabilities: (1)				
Receivables	4	17	2	11
Inventories	4	(22)	35	(24)
Other assets	6	2	(1)	8
Payables	1	(42)	7	(69)
Other liabilities	(22)	(20)	(6)	(8)
Net cash provided by (used in) operating activities	(33)	(55)	(13)	(40)
Cash flows from investing activities:				
Capital expenditures	(4)	(2)	(5)	(4)
Return of investment in equity affiliate	—	1	—	1
Net cash provided by (used in) investing activities	(4)	(1)	(5)	(3)
Cash flows from financing activities:				
Borrowings of revolvers	—	50	—	50
Repayments of revolvers (2)	—	—	(100)	—
Short-term bank borrowings	6	—	10	—
Payments of short-term debt	(6)	—	(11)	—
Proceeds from long-term debt (2)	293	—	394	—
Payment of long-term debt	(271)	—	(271)	—
Payment of deferred financing costs	(2)	—	(11)	—
Net cash provided by (used in) financing activities	20	50	11	50
Net increase (decrease) in cash and cash equivalents and restricted cash	(17)	(6)	(7)	7
Effect of exchange rate changes on cash and cash equivalents and restricted cash	—	(1)	—	(1)
Cash and cash equivalents and restricted cash at beginning of period	73	48	63	35
Cash and cash equivalents and restricted cash at end of period	$ 56	$ 41	$ 56	$ 41

(1) Net of effect of translation

(2) For the three months ended March 31, 2023, there was a noncash exchange whereby the Company used an agent to receive funds from a group of lenders that were then used to payoff an existing Revolving Credit Facility balance of $100. The RCF was terminated and replaced by a new Super Senior Term Loan. No proceeds were received by the Company in this transaction. This noncash exchange was presented net on the Condensed Interim Consolidated Statement of Cash Flows from financing activities for the period ended March 31, 2023 and has been included gross in the cash flows from financing activities for the six months ended June 30, 2023.

Consolidated Balance Sheet

(Values in millions of USD unless noted)

	June 30, 2023	December 31, 2022 (Audited)
Assets		
Current assets:		
Cash and cash equivalents	$ 54	$ 62
Restricted cash	2	1
Receivables, net	118	119
Inventories, net	213	248
Prepaid expenses and other current assets	16	15
Total current assets	403	445
Property, plant and equipment, net	258	274
Right of use lease assets, net	56	53
Goodwill	627	627
Other intangible assets, net	459	465
Investments in equity affiliates	167	167
Deferred income tax assets	7	6
Other assets	15	14
Total assets	$ 1,992	$ 2,051
Liabilities and Shareholder's Equity		
Current liabilities:		
Current debt	6	300
Lease liabilities, current portion	6	5
Payables	61	57
Accrued and other current liabilities	50	59
Total current liabilities	123	421
Long-term debt, net	1,122	784
Lease liabilities, long-term	32	29
Pension and other post-retirement benefit liabilities	6	5
Deferred income tax liabilities	39	39
Other liabilities	1	1
Total liabilities	$ 1,323	$ 1,279
Shareholder's equity:		
Shareholder's equity	592	686
Accumulated other comprehensive income	(6)	4
Total The LYCRA Company shareholder's equity	586	690
Noncontrolling interest	83	82
Total shareholder's equity	669	772
Total liabilities and shareholder's equity	$ 1,992	$ 2,051

Management Adjusted EBITDA

($ in millions of USD unless noted)

	For the three months ended June 30,		For the six months ended June 30,	
	2023	2022	2023	2022
Consolidated net income (loss)	$ (47.9)	(831.5)	(92.7)	(817.9)
Interest expense	41.0	21.3	68.2	41.0
Income tax expense	4.8	3.8	7.8	6.9
Depreciation and amortization	13.6	16.1	31.7	33.1
EBITDA	11.5	(790.3)	15.0	(736.9)
Joint venture EBITDA adjustment [a]	1.2	1.2	2.2	2.7
Noncontrolling interest EBITDA [b]	(1.0)	(1.0)	(1.8)	(2.3)
Foreign exchange adjustment [c]	0.4	(0.2)	0.3	—
Foreign exchange on bonds [d]	3.0	(10.0)	6.5	(19.5)
Other items [e]	(0.1)	(3.5)	(1.4)	(3.3)
La Porte restructuring [f]	—	(0.2)	—	(2.8)
Other restructuring [g]	3.8	21.2	5.2	28.2
Impact of PRC functional currency [h]	(8.2)	(8.1)	(5.8)	(7.6)
Financing costs [i]	9.7	—	9.7	—
Goodwill and other intangible assets impairment [j]	—	821.3	—	821.3
Adjusted EBITDA	$ 20.3	$ 30.4	$ 29.9	$ 79.8

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 remeasurement relating to income taxes, most significantly in the PRC, Brazil, Hong Kong, and Switzerland.

d) Represents the amount of foreign currency remeasurement loss (gain) on the Euro Notes and the Refinancing Notes.

e) Represents certain other unusual items in which the current year primarily represents a gain upon termination of the pension plan in Hong Kong. The prior year represents a gain upon extinguishment of a liability.

f) Represents a reversal of certain accrued liabilities at La Porte.

g) Represents costs primarily associated with the restructuring of financing arrangements. The prior year costs represent professional fees and other costs incurred due to the Enforcement Action and subsequent change of ownership.

h) Represents impacts from the foreign currency remeasurement (gains) losses primarily on intercompany activity with our operations in the PRC, whose functional currency is the Chinese yuan and whose currency translation impacts are reflected within Other Comprehensive Income.

i) Represents costs mainly upon extinguishment of the Euro Notes.

j) Represents management's preliminary estimate of impairment charges following the conclusion of the Enforcement Action in June 2022.

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