The LYCRA Company

Q4 2024 Investor Presentation

April 9, 2025

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This presentation includes operational and financial results for the quarter and year ended December 31, 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 and year ended December 31, 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 the three and twelve months ended December 31, 2023 and the three months ended September 30, 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)

- Q4 ‘24 EBITDA was $28 million, down $10 million vs prior quarter and up $8 million or 40% vs same quarter prior year.
- This improvement over the same quarter last year is largely due to enhanced margins from reduced raw material costs. Gross margins have increased from 21% in the same quarter last year to 28% in Q4.
- LYCRA® fiber and LYCRA HyFit® fiber prices showed some decline as compared to Q3 ‘24. Prices for LYCRA® fiber decreased by ~0.20 $/kg due to product and regional mix, and targeted price changes. LYCRA HyFit® fiber price declines of ~0.40 $/kg were driven by the pass-through of lower PTMEG costs as well as competitive pressures.
- In Q4, we launched our first capsule collection of bio-derived LYCRA® fiber in Brazil with brand LIVE. Adidas launched The Optime apparel collection powered by LYCRA® SPORT brand. H&M adopted a padded ski jacket and ski pants containing lightweight THERMOLITE® EcoMade insulation. Zara launched a Thermal Base layers and Leggings Ski Collection made with THERMOLITE® fiber.
- In Personal Care business, we observed weaker demand in Q4, particularly in the West. The market for baby diapers is fragmenting, with private labels gaining share and increasing pricing pressure from lower cost Chinese competitors, which is affecting volume and price in both Western and Asian markets.
- Cash and cash equivalents as of December 31, 2024, were $85 million. Cash paid for interest and income taxes in Q4 ’24 totaled $36 million.
- The remaining Shareholder Loan balance of $8 million was fully repaid in December 2024.

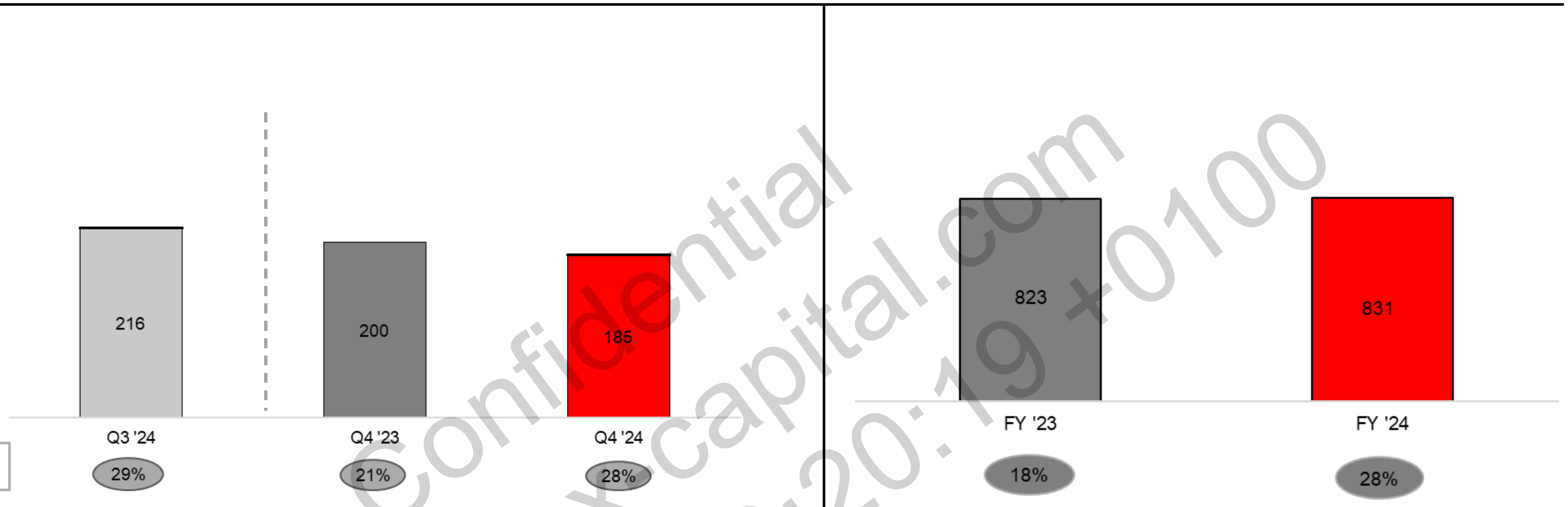
Key Financial Metrics

(Values in millions of USD unless noted)

Consolidated Total Sales & Gross Margin

Total Sales

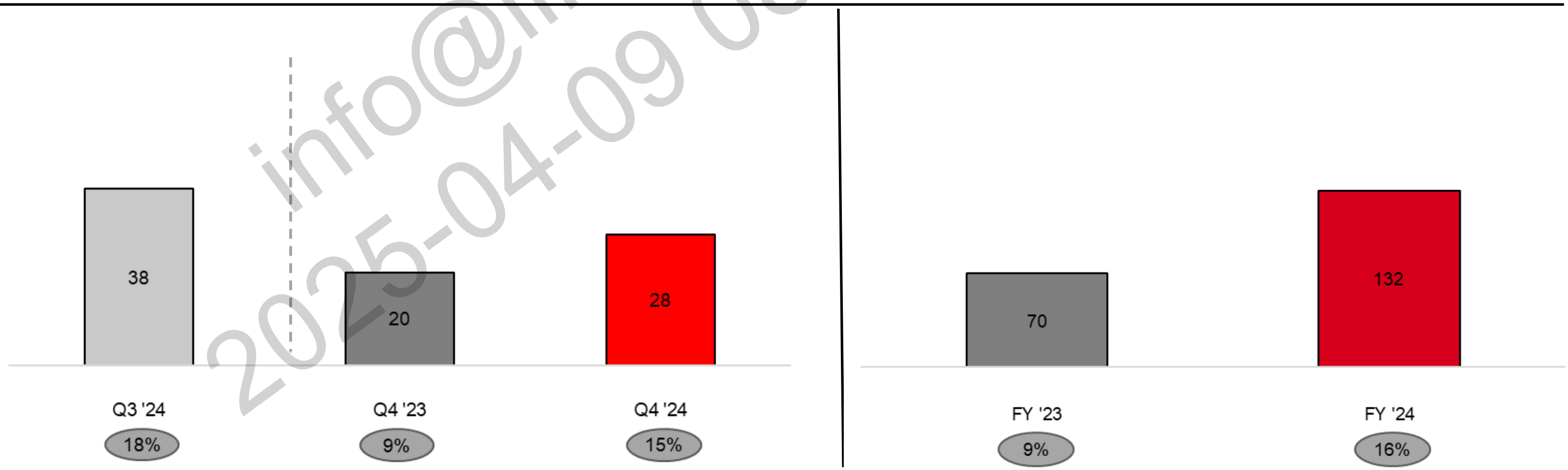
Gross Margin %



Adjusted EBITDA

Adjusted EBITDA

EBITDA %

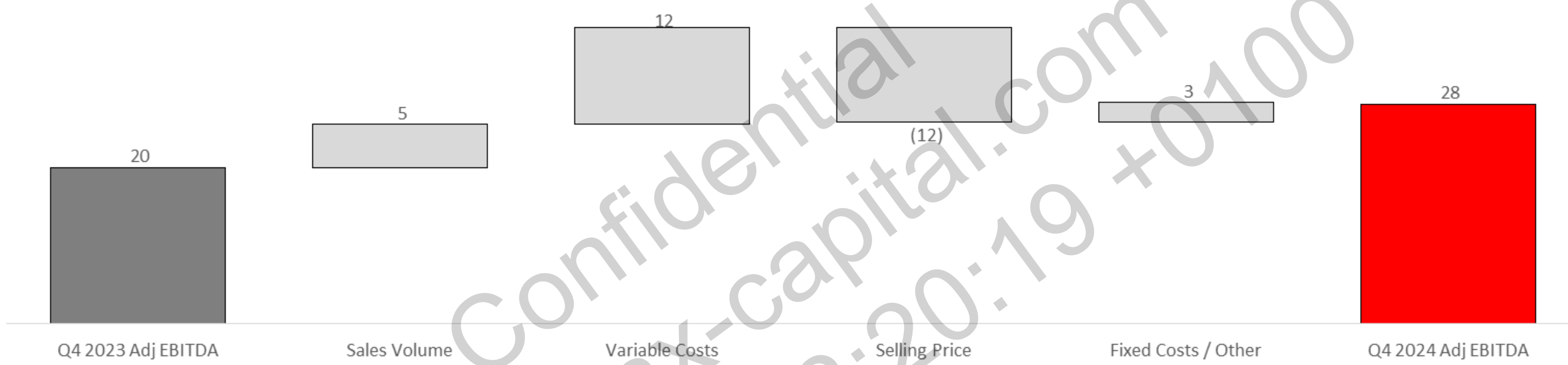


Note: EBITDA and Adjusted EBITDA are not required by or presented in accordance with GAAP or any other internationally accepted accounting principles.

Financial Performance

(Values in millions of USD unless noted)

Adjusted EBITDA Q4 ’23 to Q4 ’24 Bridge



Adjusted EBITDA Q3 ’24 to Q4 ’24 Bridge

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 FY ’23 to FY ’24 Bridge

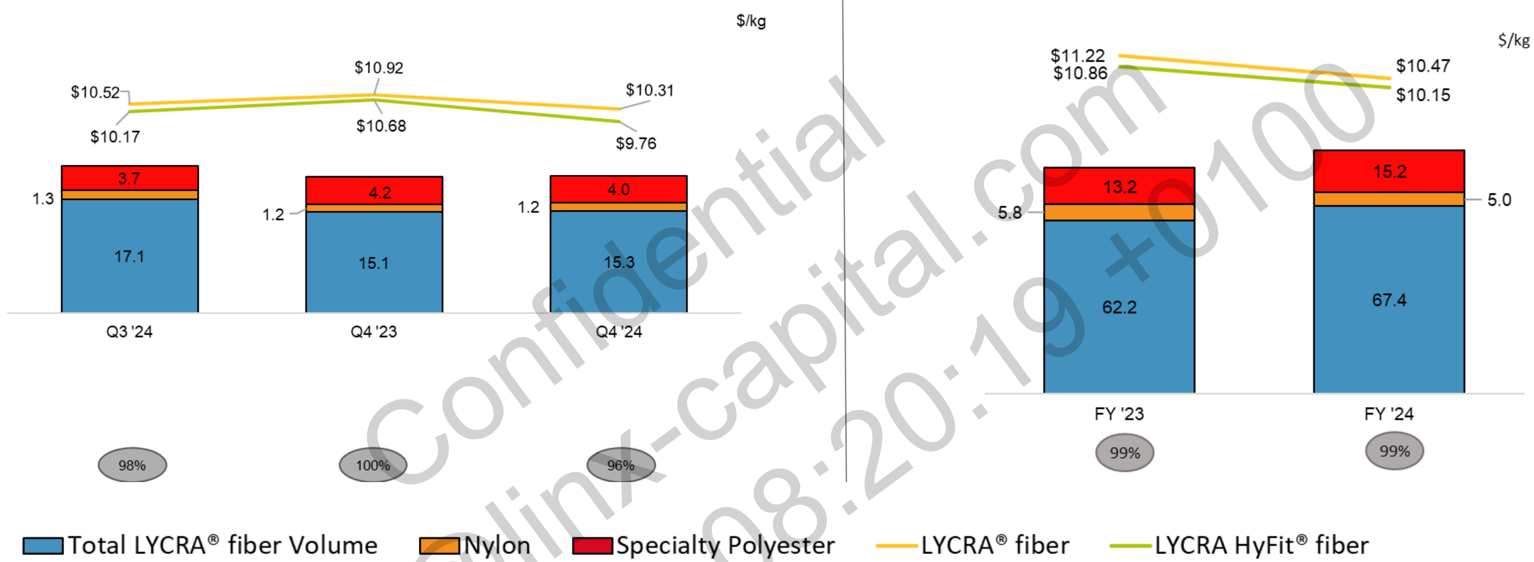
Note: EBITDA and Adjusted EBITDA are not required by or presented in accordance with GAAP or any other internationally accepted accounting principles.

Volume and Revenue

(Values in millions of USD unless noted)

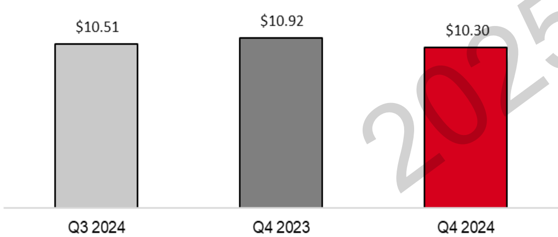
Volume (kt) & LYCRA® fiber Concentration[1,2]

LYCRA® fiber Concentration[1]



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

Constant currency prices measured against Q4 2023 FX rates.



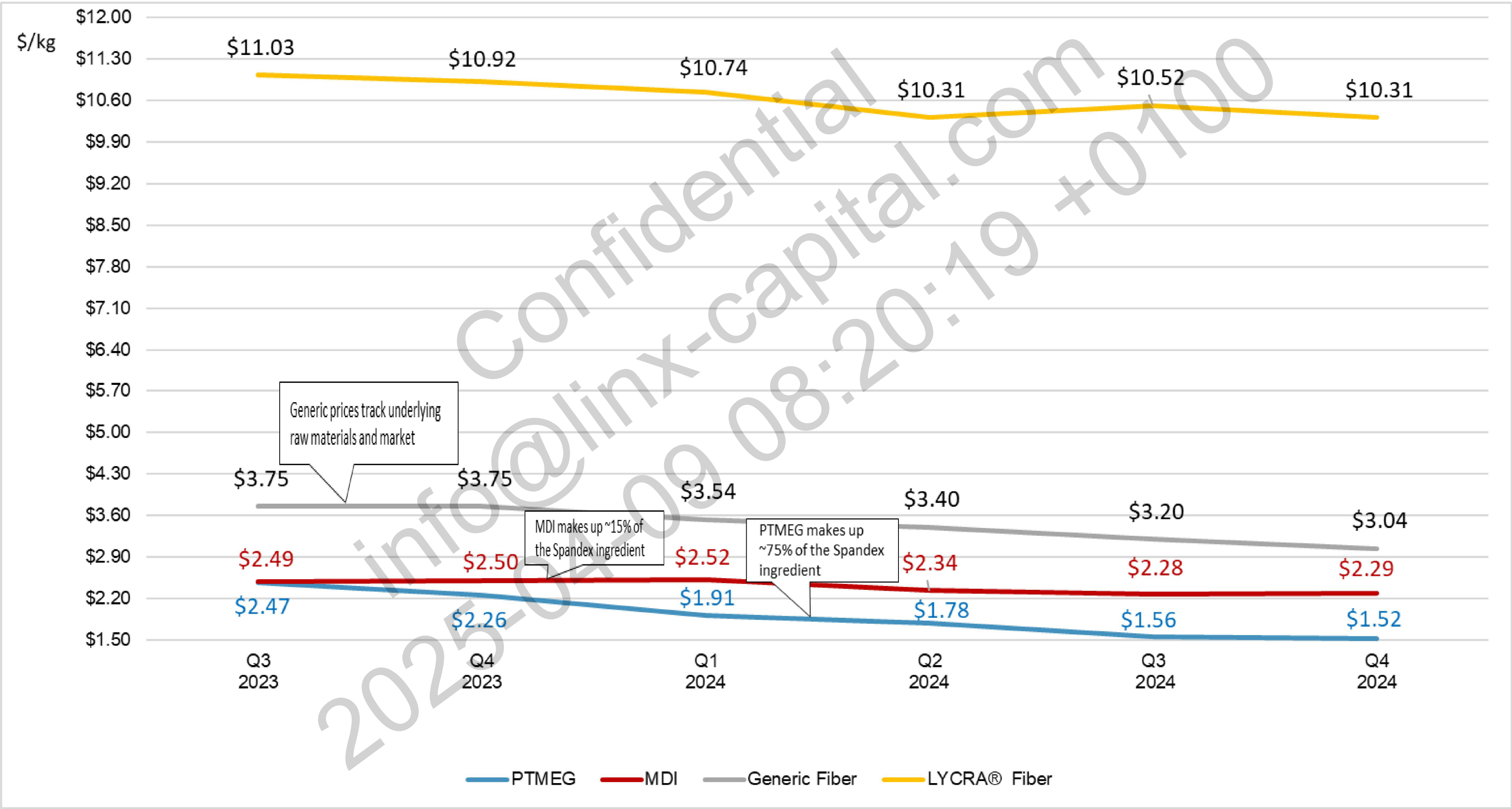
	FY '23		Q4 '23		Q3 '24		Q4 '24	
	Volume	Price	Volume	Price	Volume	Price	Volume	Price
LYCRA® fiber	37.9	$ 11.22	9.3	$ 10.92	11.6	$ 10.52	10.2	$ 10.31
LYCRA HyFit® fiber	24.3	$ 10.86	5.8	$ 10.68	5.5	$ 10.17	5.1	$ 9.76
ELASPAN® fiber	0.4	$ 6.44	0.1	$ 6.39	0.3	$ 5.06	0.7	$ 4.11
Specialty Polyester	13.2	$ 6.21	4.2	$ 5.72	3.7	$ 6.37	4.0	$ 6.00
Nylon	5.8	$ 6.91	1.2	$ 7.53	1.3	$ 6.83	1.2	$ 6.62

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

Q1 '25 Updates

(Values in USD unless noted)

- In Q1, we have seasonality due to Lunar New Year, but we have a positive outlook for the Asia Apparel business supported by our portfolio of customers in the West. In addition, we expect South America to continue with the same momentum we had in the 2H of 2024.
- In Personal Care, we expect volumes to be consistent with Q4 but with some additional price declines due to competition which has caused loss in market share.
- Construction on the Yinchuan facility in the PRC continues to make good progress with expectations of starting production in Q3 2025.
- Our Q1 ending cash and cash equivalent balances are around $60 million.

The LYCRA Company

Appendix

Consolidated Statement of Operations

(Values in millions of USD unless noted)

	Year ended December 31, 2024	2023
Net sales	$ 829	$ 820
Sales to related parties	2	3
Total sales	831	823
Royalty and licensing income, net	2	3
Total revenue	833	826
Cost of goods sold and other operating expenses	601	678
Gross profit	232	148
Selling, general and administrative expenses	114	109
Research and development expenses	27	28
Restructuring expense	19	12
Goodwill and other intangible assets impairment	334	411
Other (income) expense, net	10	22
Operating income (loss)	(272)	(434)
Equity in (income) loss of affiliates	(9)	(5)
Pension non-service cost (benefit)	1	(2)
Interest expense, net	200	164
Income (loss) before income taxes	(464)	(591)
Income tax expense (benefit)	25	15
Consolidated net income (loss)	(489)	(606)
Net (income) loss attributable to noncontrolling interest	20	22
Net income (loss) attributable to The LYCRA Company	$ (469)	$ (584)
Consolidated net income (loss)	$ (489)	$ (606)
Other comprehensive income (loss), net of tax		
Recognition of actuarial gains (loss)	2	(7)
Foreign currency translation adjustment	(4)	(5)
Comprehensive income (loss)	(491)	(618)
Net (income) loss attributable to noncontrolling interest	20	22
Comprehensive income (loss) attributable to The LYCRA Company	$ (471)	$ (596)

Consolidated Statement of Cash Flows

(Values in millions of USD unless noted)

	Year ended December 31, 2024	2023
Cash flows from operating activities:		
Consolidated net income (loss)	$ (489)	$ (606)
Adjustments to reconcile consolidated net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	44	51
Amortization of deferred financing costs and discounts	66	48
Net impact of leases	—	1
Exchange rate changes on cash and cash equivalents and restricted cash	1	(1)
Undistributed loss (earnings) in investments in equity affiliates	(9)	(5)
Impairment of goodwill and other intangible assets	334	411
Impairment and other loss of long-lived assets	12	2
Deferred income taxes	(1)	(4)
Pension expense, net of contributions	—	(1)
Return on investments from equity affiliates	3	6
Changes in assets and liabilities: [1]		
Receivables	19	2
Inventories	(10)	78
Other assets	12	6
Payables	(23)	15
Other liabilities	75	45
Net cash provided by (used in) operating activities	34	48
Cash flows from investing activities:		
Capital expenditures	(15)	(10)
Net cash provided by (used in) investing activities	(15)	(10)
Cash flows from financing activities:		
Repayments of revolvers	—	(100)
Short-term bank borrowings	18	22
Payments of short-term debt	—	(302)
Proceeds from long-term debt	—	394
Payment of long-term debt	(37)	(5)
Payment of deferred financing costs	(1)	(16)
Principal payment on finance leases	(1)	(1)
Contribution of capital from Yinchuan Shengrong	1	—
Net cash provided by (used in) financing activities	(20)	(8)
Net increase (decrease) in cash and cash equivalents and restricted cash	(1)	30
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	94	63
Cash and cash equivalents and restricted cash at end of period	$ 92	$ 94

[1] Net of effect of translation, disposition and acquisitions.

	2024	2023
Taxes paid	$ 21	$ 18
Interest paid	$ 64	$ 60
Non-cash investing activities:		
Commencement of leases	$ 1	$ 7

Consolidated Balance Sheet

(Values in millions of USD unless noted)

	December 31, 2024	December 31, 2023
Assets		
Current assets:		
Cash and cash equivalents	$ 85	$ 85
Restricted cash	7	9
Receivables, net	98	117
Inventories, net	179	170
Prepaid expenses and other current assets	8	11
Total current assets	377	392
Property, plant and equipment, net	217	245
Right of use lease assets, financing	6	7
Right of use lease assets, operating	44	45
Goodwill	—	334
Other intangible assets, net	323	335
Investments in equity affiliates	141	136
Deferred income tax assets	17	17
Other assets	5	11
Total assets	**$ 1,130**	**$ 1,522**
Liabilities and Shareholder's Equity		
Current liabilities:		
Current debt	1,279	26
Lease liabilities, financing, current portion	1	1
Lease liabilities, operating, current portion	4	4
Payables	67	67
Accrued and other current liabilities	63	52
Total current liabilities	1,414	150
Long-term debt, net	—	1,158
Lease liabilities, financing, long-term	4	5
Lease liabilities, operating, long-term	25	26
Pension and other post-retirement benefit liabilities	8	12
Deferred income tax liabilities	36	37
Other liabilities	1	1
Total liabilities	$ 1,488	$ 1,389
Shareholder's equity:		
Shareholder's equity	(389)	81
Accumulated other comprehensive income	(10)	(8)
Total The LYCRA Company shareholder's equity	(399)	73
Noncontrolling interest	41	60
Total shareholder's equity	(358)	133
Total liabilities and shareholder's equity	**$ 1,130**	**$ 1,522**

Management Adjusted EBITDA

($ in millions of USD unless noted)

	Year ended December 31, 2024	Year ended December 31, 2023
Consolidated net income (loss)	$ (489.3)	$ (606.5)
Interest expense	200.2	163.9
Income tax expense	25.0	15.2
Depreciation and amortization	44.0	56.8
EBITDA	(220.1)	(370.6)
Joint venture EBITDA adjustment [a]	3.7	4.1
Noncontrolling interest EBITDA [b]	(9.8)	(3.7)
Foreign exchange adjustment [c]	0.1	0.3
Foreign exchange on bonds [d]	(23.4)	8.5
Restructuring (e)	18.4	12.5
Yinchuan facility project costs (f)	2.6	—
Impact of PRC functional currency (g)	(3.3)	(3.4)
Financing costs (h)	14.8	16.9
Curtailments (i)	1.0	—
Other items (j)	3.5	(5.7)
Impairment of long-lived assets in Mexico [k]	10.6	—
Goodwill and other intangible assets impairment [l]	333.7	411.2
Adjusted EBITDA	$ 131.8	$ 70.1

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 LYCRA 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 LYCRA Singapore.

c) Represents foreign currency transaction (gains)/losses related to intercompany indebtedness between restricted subsidiaries and foreign currency remeasurement relating to lease liabilities and income taxes, most significantly in the PRC, Singapore, Brazil, and Switzerland.

d) Represents the amount of foreign currency remeasurement loss (gain) on our senior secured debt denominated in euros.

e) Represents costs mainly incurred to settle litigation for the Laika joint venture, severance and other costs associated with strategic projects.

f) Represents facility pre-opening costs incurred, net of service fees received, for our joint venture with Yinchuan Shengrong in the PRC.

g) 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.

h) Represents costs mainly incurred in connection with refinancing our senior secured borrowings coming due in 2025. The prior year is mainly a loss on extinguishment of the Euro Notes and certain legal and other fees associated with the Refinancing Notes.

i) Represents certain unplanned downtime or other disruption at our manufacturing facilities during the year due to uncontrollable water shortage, power failure, force majeure or other unusual event.

j) Represents certain other unusual items. The current year is primarily driven by long-term strategic consulting costs and losses from the write-off of certain non-operating assets. The prior year is primarily driven by a gain upon the sale of emission reduction credits and a gain upon termination of the pension plan in Hong Kong, partially offset by a strategic advisor fee and losses from the write-off of certain non-operating assets.

k) Represents impairment losses on long-lived assets at our manufacturing facility in Mexico following management's annual analysis.

l) Represents impairment losses following management's annual analysis of goodwill and other intangible assets.

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