

March 4, 2025



Ascent Industries Reports Fourth Quarter and Full Year 2024 Results

Ascent Finishes the Year with Strong Earnings Growth, a Healthy Cash Balance, Debt Free, and Nearly \$15 Million of Free Cash Flow Generated in 2024

SCHAUMBURG, Ill.--(BUSINESS WIRE)-- Ascent Industries Co. (Nasdaq: ACNT) (“Ascent” or the “Company”), an industrial company focused on the production of specialty chemicals and industrial tubular products, is reporting its results for the fourth quarter and full year ended December 31, 2024.

Fourth Quarter 2024 Summary¹

| <i>(in millions, except per share and margin)</i> | Q4 2024 | Q4 2023 | Change |
|---|----------------|----------------|---------------|
| Net Sales | \$40.7 | \$41.2 | (1.3)% |
| Gross Profit | \$7.3 | \$(2.1) | 438.4% |
| Gross Profit Margin | 17.9% | (5.2)% | 2310 bps |
| Net Income (Loss) | \$0.1 | \$(7.5) | 101.1% |
| Diluted Earnings (Loss) per Share | \$0.01 | \$(0.73) | 101.4% |
| Adjusted EBITDA | \$2.6 | \$(5.9) | 143.2% |
| Adjusted EBITDA Margin | 6.3% | (14.4)% | 2070 bps |

Full Year 2024 Summary¹

| <i>(in millions, except per share and margin)</i> | 2024 | 2023 | Change |
|---|-------------|-------------|---------------|
| Net Sales | \$177.9 | \$193.2 | (7.9)% |
| Gross Profit | \$22.1 | \$1.5 | 1349.3% |
| Gross Profit Margin | 12.4% | 0.8% | 1160 bps |
| Net (Loss) | \$(11.2) | \$(34.2) | 67.1% |
| Diluted (Loss) per share | \$(1.11) | \$(3.37) | 67.1% |
| Adjusted EBITDA | \$4.0 | \$(15.9) | 125.2% |
| Adjusted EBITDA Margin | 2.3% | (8.2)% | 1050 bps |

¹ On December 22, 2023, the Company closed on a transaction to sell substantially all of the assets of Specialty Pipe & Tube (“SPT”). As a result, financial results from SPT have been categorized into discontinued operations.

Management Commentary

“We closed out the year generating strong earnings growth and our fourth consecutive quarter of adjusted EBITDA margin expansion, primarily driven by the strategic self-improvement initiatives we implemented at the beginning of the year,” said Ascent CEO Bryan Kitchen. “As we expected, sales volume and overall demand in the fourth quarter remained muted across both segments. However, through aggressive cost management, product line optimization, and better operational efficiencies, we were still able to expand our gross margin on a lower sales base and deliver an improved bottom line.

“Overall, we’re proud of the transformation efforts we’ve implemented and executed

throughout 2024. Through the intentional recapitalization of SG&A combined with stabilizing the operations of both segments, we have established a stronger foundation to build off of in 2025. We are entering the new year with positive momentum on our side as we are seeing more favorable post-election market dynamics and a growing pipeline of opportunities that we believe can deliver organic growth in the coming quarters. We remain on track towards our goal of delivering a more predictable, reliable, and profitable business model that creates durable value for our shareholders.”

Fourth Quarter 2024 Financial Results

Net sales from continuing operations were \$40.7 million compared to \$41.2 million in the fourth quarter of 2023. The slight decline was a result of lower volume with higher pricing within the specialty chemicals segment, along with higher volume but lower pricing within the tubular products segment.

Gross profit from continuing operations increased 438% to \$7.3 million, or 17.9% of net sales, compared to \$(2.1) million, or (5.2)% of net sales, in the fourth quarter of 2023. The increase was primarily driven by continued cost management, improved strategic sourcing, and product line optimization.

Net income from continuing operations improved to \$0.1 million, or \$0.01 diluted earnings per share, compared to a net loss from continuing operations of \$7.5 million, or \$0.73 diluted loss per share, in the fourth quarter of 2023.

Adjusted EBITDA increased significantly to \$2.6 million compared to \$(5.9) million in the fourth quarter of 2023, with adjusted EBITDA margin increasing to 6.3% compared to (14.4)% in the prior year period. The improvement was primarily driven by the aforementioned cost and product mix optimization initiatives.

Full Year 2024 Financial Results

Net sales from continuing operations were \$177.9 million compared to \$193.2 million in 2023. The decrease was primarily attributable to soft demand dynamics throughout much of the year across both segments.

Gross profit from continuing operations improved significantly to \$22.1 million, or 12.4% of net sales, compared to \$1.5 million or 0.8% of net sales in 2023. The increase in gross profit was primarily driven by cost reduction measures for labor and materials combined with product line optimization, which the Company implemented throughout 2024.

Net loss from continuing operations was \$11.2 million, or \$1.11 diluted loss per share, compared to a net loss from continuing operations of \$34.2 million, or \$3.37 diluted loss per share, in 2023. During the year, the Company recorded a \$6.2 million non-cash, one-time tax charge related to a valuation allowance against the Company’s deferred tax assets.

Adjusted EBITDA increased significantly to \$4.0 million compared to \$(15.9) million in 2023. Adjusted EBITDA as a percentage of net sales was 2.3% compared to (8.2)% in the prior year. The increase is primarily attributable to continued gains in operational efficiencies and the aforementioned cost and product mix optimization initiatives.

Segment Results

Ascent Chemicals – net sales in the fourth quarter of 2024 were \$18.1 million compared to \$18.5 million in the fourth quarter of 2023. Operating income in the fourth quarter improved significantly to \$1.8 million compared to an operating loss of \$1.6 million in the prior year period. Adjusted EBITDA in the fourth quarter increased significantly to \$3.4 million compared to \$(0.4) million in the prior year period. As a percentage of segment net sales, adjusted EBITDA increased significantly to 18.7% compared to (2.3)% in the fourth quarter of 2023.

Net sales in 2024 were \$80.8 million compared to \$83.6 million in 2023. Operating income in 2024 increased significantly to \$1.1 million compared to an operating loss of \$12.6 million in the prior year. Adjusted EBITDA in 2024 increased 85% to \$6.3 million compared to \$3.4 million in the prior year. As a percentage of segment net sales, adjusted EBITDA increased 370 basis points to 7.8% compared to 4.1% in 2023.

Ascent Tubular – net sales from continuing operations in the fourth quarter of 2024 were \$22.5 million compared to \$22.8 million in the fourth quarter of 2023. Operating income from continuing operations in the fourth quarter increased significantly to \$1.6 million compared to an operating loss from continuing operations of \$4.0 million in the prior year period. Adjusted EBITDA from continuing operations in the fourth quarter increased significantly to \$2.3 million compared to \$(3.1) million in the prior year period. As a percentage of segment net sales, adjusted EBITDA increased significantly to 10.2% compared to (13.7)% in the fourth quarter of 2023.

Net sales from continuing operations in 2024 were \$97.1 million compared to \$109.5 million in 2023. Operating income from continuing operations in 2024 increased significantly to \$2.6 million compared to an operating loss of \$11.2 million in the prior year. Adjusted EBITDA from continuing operations in 2024 increased significantly to \$5.7 million compared to \$(7.8) million in the prior year. As a percentage of segment net sales, adjusted EBITDA increased significantly to 5.8% compared to (7.1)% in 2023.

Liquidity

As of December 31, 2024, the Company had \$16.1 million in cash and cash equivalents, no debt outstanding under its revolving credit facilities and had \$47.4 million in availability under its revolving credit facility.

For the year ended December 31, 2024, the Company repurchased 101,263 shares at an average cost of \$10.21 per share for approximately \$1.0 million.

Conference Call

Ascent will hold a conference call today at 5:00 p.m. Eastern time to discuss its financial results for the fourth quarter and full year ended December 31, 2024.

Ascent management will host the conference call, followed by a question and answer period.

Date: Tuesday, March 4, 2025

Time: 5:00 p.m. Eastern time

Live Call Registration Link: [Here](#)

Webcast Registration Link: [Here](#)

To access the call by phone, please register via the live call registration link above or [here](#) and you will be provided with dial-in instructions and details. If you have any difficulty connecting with the conference call, please contact Gateway Group at 1-949-574-3860.

The conference call will also be broadcast live and available for replay via the webcast registration link above or [here](#). The webcast will be archived for one year in the investor relations section of the Company's website at www.ascentco.com.

About Ascent Industries Co.

Ascent Industries Co. (Nasdaq: ACNT) is a company that engages in a number of diverse business activities including the production of specialty chemicals and industrial tubular products. For more information about Ascent, please visit its website at www.ascentco.com.

Forward-Looking Statements

This press release may include "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 and other applicable federal securities laws. All statements that are not historical facts are forward-looking statements. Forward looking statements can be identified through the use of words such as "estimate," "project," "intend," "expect," "believe," "should," "anticipate," "hope," "optimistic," "plan," "outlook," "should," "could," "may" and similar expressions. The forward-looking statements are subject to certain risks and uncertainties which could cause actual results to differ materially from historical results or those anticipated. Readers are cautioned not to place undue reliance on these forward-looking statements and to review the risks as set forth in more detail in Ascent Industries Co.'s Securities and Exchange Commission filings, including our Annual Report on Form 10-K, which filings are available from the SEC or on our website. Ascent Industries Co. assumes no obligation to update any forward-looking information included in this release.

Non-GAAP Financial Information

Financial statement information included in this earnings release includes non-GAAP (Generally Accepted Accounting Principles) measures and should be read along with the accompanying tables which provide a reconciliation of non-GAAP measures to GAAP measures.

Adjusted EBITDA is a non-GAAP financial measure that the Company believes is useful to investors in evaluating its results to determine the value of a company. An item is excluded in the measure if its periodic value is inconsistent and sufficiently material that not identifying the item would render period comparability less meaningful to the reader or if including the item provides a clearer representation of normalized periodic earnings. The Company excludes in Adjusted EBITDA two categories of items: 1) Base EBITDA components, including: interest expense, income taxes, depreciation and amortization, and 2) Material transaction costs including: goodwill impairment, asset impairment, gain on lease modification, stock-based compensation, non-cash lease cost, acquisition costs and other fees, shelf registration costs, loss on extinguishment of debt, retention costs and restructuring & severance costs from net income (loss).

Management believes that these non-GAAP measures are useful because they are key

measures used by our management team to evaluate our operating performance, generate future operating plans and make strategic decisions as well as allow readers to compare the financial results between periods. Non-GAAP measures should not be considered as an alternative to any measure of performance or financial condition as promulgated under GAAP, and investors should consider the Company's performance and financial condition as reported under GAAP and all other relevant information when assessing the performance or financial condition of the Company. Non-GAAP measures have limitations as analytical tools, and investors should not consider them in isolation or as a substitute for analysis of the Company's results or financial condition as reported under GAAP.

Ascent Industries Co.
Condensed Consolidated Balance Sheets
(in thousands, except par value and share data)

| | December 31, 2024 | December 31, 2023 |
|--|------------------------------|------------------------------|
| Assets | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 16,108 | \$ 1,851 |
| Accounts receivable, net of allowance for credit losses of \$345 and \$463, respectively | 23,880 | 26,604 |
| Inventories | 40,962 | 52,306 |
| Prepaid expenses and other current assets | 2,075 | 4,879 |
| Assets held for sale | — | 2,912 |
| Current assets of discontinued operations | 46 | 861 |
| Total current assets | 83,071 | 89,413 |
| Property, plant and equipment, net | 25,462 | 29,755 |
| Right-of-use assets, operating leases, net | 28,225 | 27,784 |
| Intangible assets, net | 7,009 | 8,496 |
| Deferred income taxes | — | 5,808 |
| Deferred charges, net | 309 | 104 |
| Other non-current assets, net | 3,174 | 1,935 |
| Total assets | \$ 147,250 | \$ 163,295 |
| Liabilities and Shareholders' Equity | | |
| Current liabilities: | | |
| Accounts payable | \$ 13,072 | \$ 16,416 |
| Accrued expenses and other current liabilities | 5,042 | 5,046 |
| Deferred revenue | 1,360 | 62 |
| Current portion of note payable | 369 | 360 |
| Current portion of operating lease liabilities | 1,513 | 1,140 |
| Current portion of finance lease liabilities | 334 | 292 |
| Current liabilities of discontinued operations | 590 | 1,473 |
| Total current liabilities | 22,280 | 24,789 |
| Long-term portion of operating lease liabilities | 30,039 | 29,729 |
| Long-term portion of finance lease liabilities | 1,015 | 1,307 |
| Deferred income taxes | 320 | — |
| Other long-term liabilities | 51 | 60 |
| Total non-current liabilities | 31,425 | 31,096 |
| Total liabilities | \$ 53,705 | \$ 55,885 |
| Commitments and contingencies | | |
| Shareholders' equity: | | |
| Common stock, par value \$1 per share; 24,000,000 shares authorized; 11,085,103 and 10,072,590 shares issued and outstanding, respectively | \$ 11,085 | \$ 11,085 |
| Capital in excess of par value | 47,339 | 47,333 |
| Retained earnings | 44,919 | 58,517 |
| | 103,343 | 116,935 |
| Less: cost of common stock in treasury - 1,012,513 and 990,282 shares, respectively | (9,798) | (9,525) |
| Total shareholders' equity | 93,545 | 107,410 |
| Total liabilities and shareholders' equity | \$ 147,250 | \$ 163,295 |

Note: The condensed consolidated balance sheets at December 31, 2024 have been derived from the audited consolidated financial statements at that date.

Ascent Industries Co.
Condensed Consolidated Statements of Income (Loss) - Comparative Analysis (Unaudited)
(\$ in thousands, except per share data)

| | Three Months Ended December 31, | | Year Ended December 31, | |
|--|------------------------------------|------------------|----------------------------|--------------------|
| | 2024 | 2023 | 2024 | 2023 |
| Net sales | | | | |
| Tubular Products | \$ 22,549 | \$ 22,765 | \$ 97,108 | \$ 109,513 |
| Specialty Chemicals | 18,122 | 18,451 | 80,764 | 83,616 |
| All Other | — | — | — | 50 |
| | <u>40,671</u> | <u>41,216</u> | <u>177,872</u> | <u>193,179</u> |
| Operating income (loss) from continuing operations | | | | |
| Tubular Products | 1,610 | (3,995) | 2,650 | (11,210) |
| Specialty Chemicals | 1,791 | (1,623) | 1,166 | (12,558) |
| All Other | (49) | (116) | (427) | (801) |
| Corporate | | | | |
| Unallocated corporate expenses | (3,297) | (2,704) | (8,367) | (12,018) |
| Acquisition costs and other | (132) | (569) | (185) | (843) |
| Gain on lease modification | — | — | 67 | — |
| Total Corporate | <u>(3,429)</u> | <u>(3,273)</u> | <u>(8,485)</u> | <u>(12,861)</u> |
| Operating loss | (77) | (9,007) | (5,096) | (37,430) |
| Interest expense, net | 95 | 1,021 | 418 | 4,238 |
| Other, net | (145) | (249) | (448) | (593) |
| Loss from continuing operations before income taxes | (27) | (9,779) | (5,066) | (41,075) |
| Income tax (benefit) provision | (111) | (2,244) | 6,159 | (6,924) |
| Income (loss) from continuing operations | 84 | (7,535) | (11,225) | (34,151) |
| (Loss) income from discontinued operations, net of tax | (1,111) | 18,674 | (2,373) | 7,522 |
| Net (loss) income | <u>\$ (1,027)</u> | <u>\$ 11,139</u> | <u>\$ (13,598)</u> | <u>\$ (26,629)</u> |
| Net income (loss) per common share from continuing operations | | | | |
| Basic | \$ 0.01 | \$ (0.75) | \$ (1.11) | \$ (3.37) |
| Diluted | \$ 0.01 | \$ (0.73) | \$ (1.11) | \$ (3.37) |
| Net (loss) income per common share from discontinued operations | | | | |
| Basic | \$ (0.11) | \$ 1.85 | \$ (0.23) | \$ 0.74 |
| Diluted | \$ (0.11) | \$ 1.80 | \$ (0.23) | \$ 0.74 |
| Net (loss) income per common share | | | | |
| Basic | \$ (0.10) | \$ 1.10 | \$ (1.34) | \$ (2.63) |
| Diluted | \$ (0.10) | \$ 1.07 | \$ (1.34) | \$ (2.63) |
| Average shares outstanding | | | | |
| Basic | 10,090 | 10,107 | 10,106 | 10,140 |
| Diluted | 10,337 | 10,374 | 10,106 | 10,140 |
| Other data: | | | | |
| Adjusted EBITDA ¹ | \$ 2,567 | \$ (5,941) | \$ 4,013 | \$ (15,934) |

¹ The term Adjusted EBITDA is a non-GAAP financial measure that the Company believes is useful to investors in evaluating its results to determine the value of a company. An item is excluded in the measure if its periodic value is inconsistent and sufficiently material that not identifying the item would render period comparability less meaningful to the reader or if including the item provides a clearer representation of normalized periodic earnings. The Company excludes in Adjusted EBITDA two categories of items: 1) Base EBITDA components, including: interest expense, income taxes, depreciation and amortization, and 2) Material transaction costs including: goodwill impairment, asset impairment, gain on lease modification, stock-based compensation, non-cash lease cost, acquisition costs and other fees, retention costs and restructuring & severance costs from net income. For a reconciliation of this non-GAAP measure to the most comparable GAAP equivalent, refer to the Reconciliation of Net Income (Loss) to Adjusted EBITDA.

Ascent Industries Co.
Consolidated Statements of Cash Flows
(\$ in thousands)

| | Year Ended December 31, | |
|---|--------------------------------|-----------------|
| | 2024 | 2023 |
| Operating activities | | |
| Net loss | \$ (13,598) | \$ (26,629) |
| (Loss) income from discontinued operations, net of tax | (2,373) | 7,522 |
| Net loss from continuing operations | (11,225) | (34,151) |
| Adjustments to reconcile net loss to net cash provided by operating activities: | | |
| Depreciation expense | 5,936 | 6,161 |
| Amortization expense | 1,488 | 1,505 |
| Amortization of debt issuance costs | 105 | 99 |
| Goodwill impairment | — | 11,389 |
| Deferred income taxes | 6,159 | (6,924) |
| Reduction of losses on accounts receivable | (118) | (180) |
| Loss on disposal of property, plant and equipment | 517 | 246 |
| Non-cash lease expense | 198 | 242 |
| Stock-based compensation expense | 767 | 1,023 |
| Changes in operating assets and liabilities: | | |
| Accounts receivable | 2,842 | 6,778 |
| Inventories | 11,344 | 15,563 |
| Other assets and liabilities | 1,187 | 515 |
| Accounts payable | (3,612) | 1,650 |
| Accrued expenses | (66) | (401) |
| Accrued income taxes | 1,485 | 3,129 |
| Net cash provided by operating activities - continuing operations | 17,007 | 6,644 |
| Net cash (used in) provided by operating activities - discontinued operations | (2,326) | 16,434 |
| Net cash provided by operating activities | 14,681 | 23,078 |
| Investing activities | | |
| Purchases of property, plant and equipment | (1,892) | (2,885) |
| Net cash used in investing activities - continuing operations | (1,892) | (2,885) |
| Net cash provided by investing activities - discontinued operations | 2,797 | 53,386 |
| Net cash provided by investing activities | 905 | 50,501 |
| Financing activities | | |
| Borrowings from credit facilities | 197,898 | 256,606 |
| Proceeds from note payable | 914 | 900 |
| Payments on credit facilities | (197,898) | (328,155) |
| Payments on note payable | (906) | (928) |
| Principal payments on finance lease obligations | (300) | (305) |
| Repurchase of common stock | (1,037) | (1,287) |
| Net cash used in financing activities | (1,329) | (73,169) |
| Increase in cash and cash equivalents | 14,257 | 410 |
| Cash and cash equivalents, beginning of period | 1,851 | 1,441 |
| Cash and cash equivalents, end of period | \$ 16,108 | \$ 1,851 |

Ascent Industries Co.
Non-GAAP Financial Measures Reconciliation
Reconciliation of Net Income (Loss) to Adjusted EBITDA (Unaudited)
(\$ in thousands)

| (\$ in thousands) | Three Months Ended December 31, | | Year Ended December 31, | |
|--|------------------------------------|------------|----------------------------|-------------|
| | 2024 | 2023 | 2024 | 2023 |
| Consolidated | | | | |
| Net income (loss) from continuing operations | \$ 84 | \$ (7,535) | \$ (11,225) | \$ (34,151) |
| Adjustments: | | | | |
| Interest expense, net | 95 | 1,021 | 418 | 4,238 |
| Income taxes | (111) | (2,244) | 6,159 | (6,924) |
| Depreciation | 1,447 | 1,527 | 5,936 | 6,161 |
| Amortization | 372 | 376 | 1,487 | 1,505 |
| EBITDA | 1,887 | (6,855) | 2,775 | (29,171) |
| Acquisition costs and other | 608 | 579 | 692 | 856 |
| Goodwill impairment | — | — | — | 11,389 |
| Gain on lease modification | — | — | (67) | — |
| Stock-based compensation | 45 | 224 | 204 | 594 |
| Non-cash lease expense | 27 | 52 | 198 | 242 |
| Retention expense | — | 20 | 3 | 26 |
| Restructuring and severance costs | — | 39 | 208 | 130 |
| Adjusted EBITDA | \$ 2,567 | \$ (5,941) | \$ 4,013 | \$ (15,934) |
| % sales | 6.3% | (14.4)% | 2.3% | (8.2)% |
| Specialty Chemicals | | | | |
| Net income (loss) | \$ 1,775 | \$ (1,644) | \$ 1,093 | \$ (12,619) |
| Adjustments: | | | | |
| Interest expense | 17 | 22 | 75 | 74 |
| Depreciation expense | 946 | 948 | 3,809 | 3,798 |
| Amortization expense | 174 | 158 | 695 | 634 |
| EBITDA | 2,912 | (516) | 5,672 | (8,113) |
| Acquisition costs and other | 477 | 10 | 477 | 12 |
| Goodwill impairment | — | — | — | 11,389 |
| Stock-based compensation | — | 21 | 7 | 8 |
| Non-cash lease expense | 9 | 19 | 66 | 88 |
| Restructuring and severance costs | — | 40 | 110 | 40 |
| Specialty Chemicals Adjusted EBITDA | \$ 3,398 | \$ (426) | \$ 6,332 | \$ 3,424 |
| % segment sales | 18.7% | (2.3)% | 7.8% | 4.1% |
| Tubular Products | | | | |
| Net income (loss) from continuing operations | \$ 1,609 | \$ (3,995) | \$ 2,649 | \$ (11,210) |
| Adjustments: | | | | |
| Interest expense | 1 | — | 1 | — |
| Depreciation expense | 485 | 557 | 2,052 | 2,274 |
| Amortization expense | 198 | 217 | 792 | 871 |
| EBITDA | 2,293 | (3,221) | 5,494 | (8,065) |
| Acquisition costs and other | — | — | 30 | — |
| Stock-based compensation | — | 74 | 10 | 58 |
| Non-cash lease expense | 13 | 25 | 88 | 118 |
| Retention expense | — | 8 | — | 8 |
| Restructuring and severance costs | — | — | 30 | 84 |
| Tubular Products Adjusted EBITDA | \$ 2,306 | \$ (3,114) | \$ 5,652 | \$ (7,797) |
| % segment sales | 10.2% | (13.7)% | 5.8% | (7.1)% |

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