PYXUS®

1st Quarter of Fiscal Year 2024 Results

August 10, 2023



Forward-looking statements and other matters

Cautionary Statement Regarding Forward-Looking Statements.
This presentation includes statements regarding expectations of our performance or other matters that may affect our business, results of operations, or financial condition are "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. These statements, which are based on current expectations of future events, may be identified by the use of words such as "strategy," "expects," "continues," "plans," "anticipates," "believes," "will," "estimates," "intends," "projects," "goals," "targets," and other words of similar meaning. These statements also may be identified by the fact that they do not relate strictly to historical or current facts. If underlying assumptions prove inaccurate, or if known or unknown risks or uncertainties materialize, actual results could vary materially from those anticipated, estimated, or projected. These risks and uncertainties include those discussed in our Annual Report on Form 10-K for the year ended March 31, 2023, our most recent Quarterly Report on Form 10-Q, and in our other filings with the Securities and Exchange Commission. These risks and uncertainties include: our reliance on a small number of significant customers; continued vertical integration by our customers; global shifts in sourcing customer requirements; shifts in the global supply and demand position for tobacco products; variation in our financial results due to growing conditions, customer indications and other factors; loss of confidence in us by our customers, farmers and other suppliers; migration of suppliers who have historically grown tobacco and from whom we have purchased tobacco toward growing other crops; risks related to our advancement of inputs to tobacco suppliers to be settled upon the suppliers delivering us unprocessed tobacco at the end of the growing season; risks that the tobacco we purchase directly from suppliers will not meet our customers' quality and quantity requirements; weather and other environmental conditions that can affect the marketability of our inventory; international business risks, including unsettled political conditions, uncertainty in the enforcement of legal obligations, including the collection of accounts receivable, fraud risks, expropriation, import and export restrictions, exchange controls, inflationary economies, currency risks and risks related to the restrictions on repatriation of earnings or proceeds from liquidated assets of foreign subsidiaries; many of our operations are located in jurisdictions that pose a high risk of potential violations of the Foreign Corrupt Practices Act; impacts of international sanctions on our ability to sell or source tobacco in certain regions; exposure to foreign tax regimes in which the rules are not clear, are not consistently applied and are subject to sudden change; fluctuations in foreign currency exchange and interest rates; competition with the other primary global independent leaf tobacco merchant and independent leaf merchants; disruption, failure or security breaches of our information technology systems; continued high inflation; we have identified material weaknesses related to our internal controls in certain prior years, and there can be no assurance that material weaknesses will not be identified in the future; regulations regarding environmental matters; risks related to our capital structure, including risks related to our significant debt and our ability to continue to finance our non-U.S. local operations with uncommitted short-term operating credit lines at the local level; our ability to continue to access capital markets to obtain long-term and short-term financing; potential failure of foreign banks in which our subsidiaries maintain deposits or the failure by such banks to transfer funds or honor withdrawals; the risk that, because our ability to generate cash depends on many factors beyond our control, we may be unable to generate the significant amount of cash required to service our indebtedness; our ability to refinance our current credit facilities at the same availability or at similar interest rates; failure to achieve our stated goals, which may adversely affect our liquidity; developments with respect to our liquidity needs and sources of liquidity; the volatility and disruption of global credit markets; failure by counterparties to derivative transactions to perform their obligations; increasing scrutiny and changing expectations from governments, as well as other stakeholders such as investors and customers, with respect to our environmental, social and governance policies, including sustainability policies; inherent risk of exposure to product liability claims, regulatory action and litigation facing our e-liquids business if its products are alleged to have caused significant loss, injury, or death; certain shareholders have the ability to exercise controlling influence on various corporate matters; reductions in demand for consumer tobacco products; risks and uncertainties related to effects from the COVID-19 pandemic, including shipping constraints, labor shortages and supply-chain impacts; legislative and regulatory initiatives that may reduce consumption of consumer tobacco products and demand for our services and increase regulatory burdens on us or our customers; government actions that significantly affect the sourcing of tobacco, including governmental actions to identify and assess crop diversification initiatives and alternatives to leaf tobacco growing in countries whose economies depend upon tobacco production; governmental investigations into, and litigation concerning, leaf tobacco industry buying and other payment practices; and impact of potential regulations to prohibit the sale of cigarettes in the United States other than low-nicotine cigarettes. We do not undertake to update any forward-looking statements that we may make from time to time except to the extent required by law.

Non-GAAP Financial Information.
This presentation contains financial measures that have not been prepared in accordance with generally accepted accounting principles in the United States ("GAAP"). They include EBITDA, Adjusted EBITDA, Free Cash Flow, Adjusted Free Cash Flow, and Net Debt. Tables showing the reconciliation of historical non-GAAP financial measures are included in the Appendix to this presentation. The range of Adjusted EBITDA anticipated for fiscal year ending March 31, 2024 is calculated in a manner consistent with the presentation of Adjusted EBITDA in the attached tables. Because of the forward-looking nature of the estimated range of Adjusted EBITDA, it is impractical to present a quantitative reconciliation of such measure to a comparable GAAP measure, and accordingly no such GAAP measure is being presented.

Strong Start to FY24



Delivered positive Net Income and improved adjusted EBITDA



Grew sales and increased margins due to strong global demand, accelerated shipments, and favorable customer mix



Accelerated purchasing ahead of plan

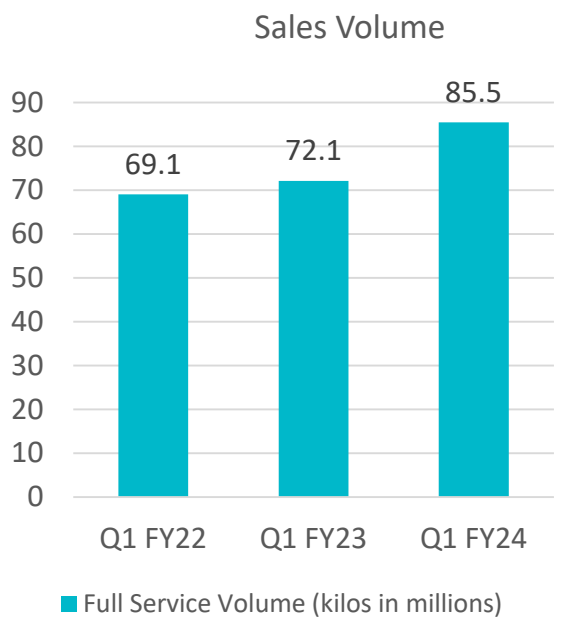


Enhanced liquidity through aggressive working capital management and use of seasonal credit lines



Improved credit profile and liquidity ratios

Stronger Sales Volumes, Prices and Margins



Regional Volume Increases/Decreases

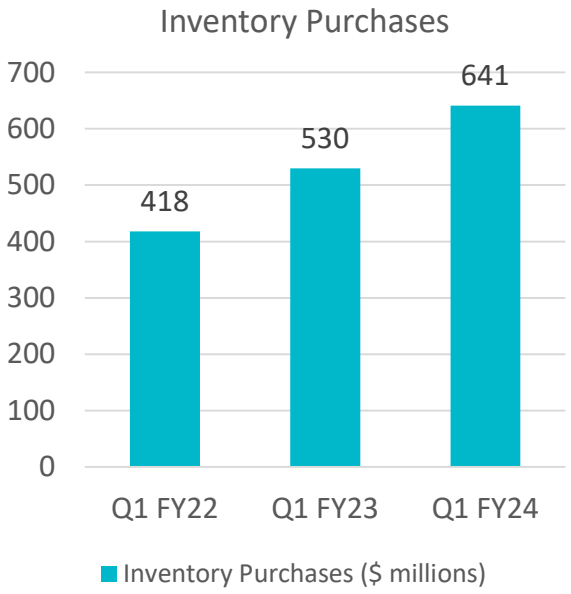
Africa	↑
Asia	↑
Europe	↑
North America	↓
South America	↑

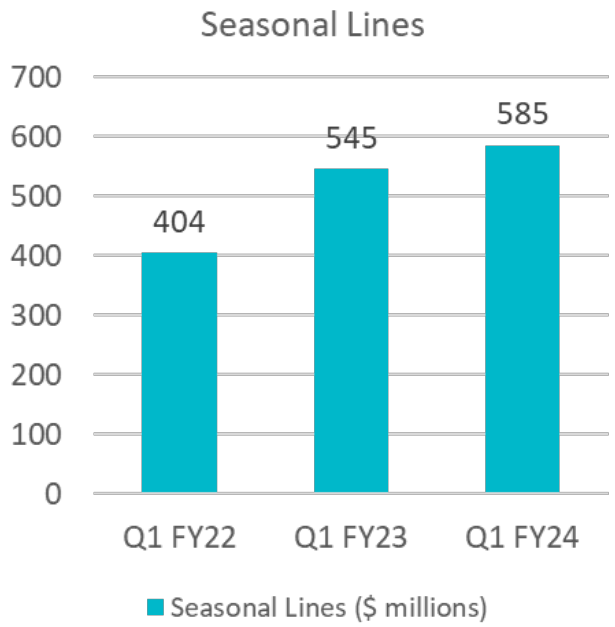


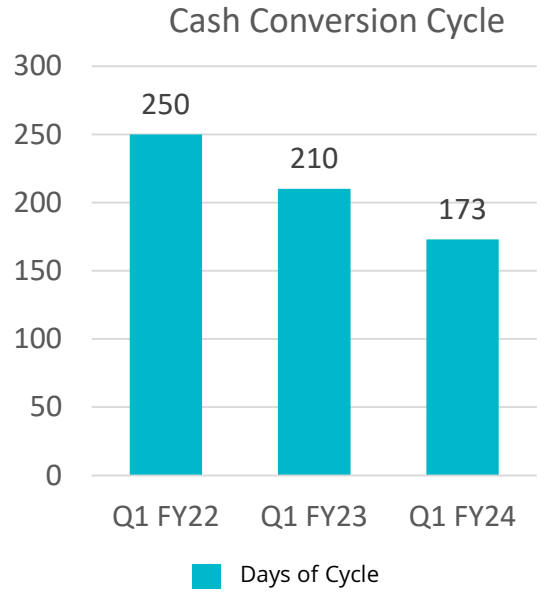
Sales Volume
Up 18.6 % YoY

Margin per Kilo
Up 55% YoY

Stronger, More Efficient Purchasing







Purchased $111M
more in inventory *

Used only $40M
more in seasonal lines

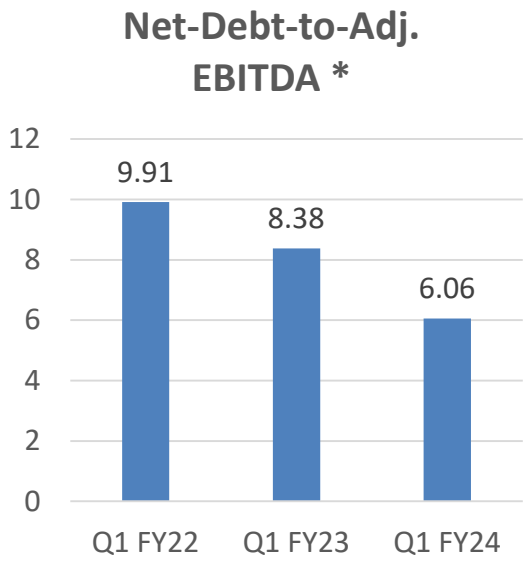
Reduced cash cycle
to fund inventory purchases

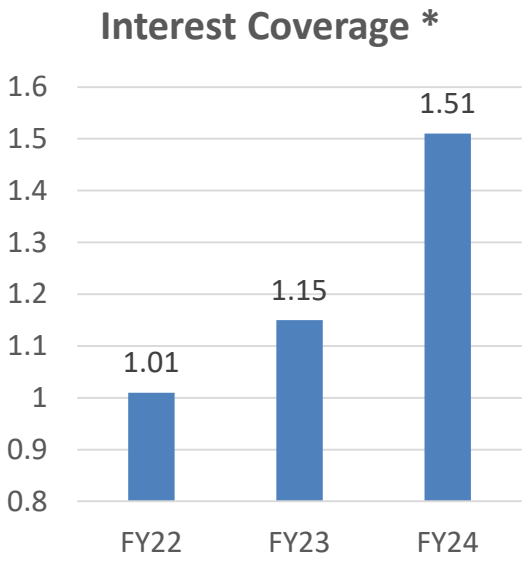
* Purchase data estimated using the change in inventories and the cost of goods and services sold for the related periods.

Improving Credit Profile Through Seasonality of Business

IMPROVING PYXUS' CREDIT PROFILE

- Improved YoY Q1 net-debt-to-adjusted EBITDA for three consecutive twelve-month periods. Q1 has higher leverage due to seasonality of business.
- Improved interest coverage for third straight year to 1.5X in Q1 2024.





* Non-GAAP measure presented on a last twelve months basis. See Appendix for a reconciliation to the most comparable GAAP measure.

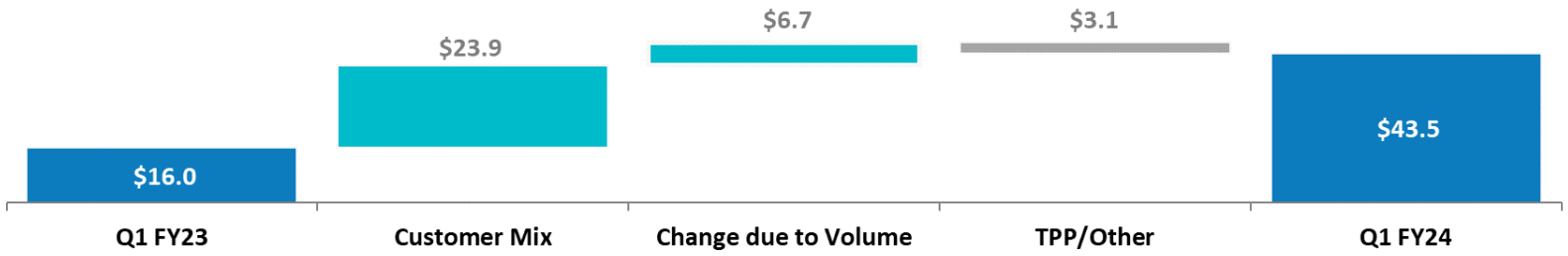
Revenue and Adjusted EBITDA Bridge

Revenue -QTD



- Revenue improved by $133.2 million YoY
- Volume increase primarily due to accelerated shipments from Africa and South America
- Price increase primarily due to higher tobacco prices

Adj EBITDA – QTD *



- Adjusted EBITDA* improved by $27.5 million YoY
- Drivers for volume and prices improvements are consistent with revenue

* Non-GAAP measure. See Appendix for a reconciliation to the most comparable GAAP measure.

APPENDIX



Appendix – Adjusted EBITDA - LTM

	Last Twelve Months		
(in thousands)	6/30/2023	6/30/2022	6/30/2021*
Net income (loss) attributable to Pyxus International, Inc.	$ (23,674)	$ (85,274)	$ (36,996)
Plus: Interest expense	123,297	111,143	99,505
Plus: Income tax expense (benefit)	37,640	20,212	13,236
Plus: Depreciation and amortization expense	17,814	18,539	22,459
EBITDA [1]	$ 155,077	$ 64,620	$ 98,204
Plus: Reserves for doubtful customer receivables	1,391	3,356	5,918
Plus: Other expense (income), net	14,732	2,426	7,600
Plus: Restructuring and asset impairment charges [2]	5,900	8,098	12,543
Plus: Reorganization items [7]	-	-	(132,850)
Plus: Goodwill impairment	-	32,186	1,082
Plus: Debt restructuring [3]	5,522	2,335	7,569
Plus: Pension retirement expense [4]	2,724	-	-
Plus: Development of and exit from non-leaf-tobacco businesses [5]	137	12,853	97,397
Plus: Other adjustments [6]	831	2,103	3,127
Adjusted EBITDA [1]	$ 186,314	$ 127,977	$ 100,590

*Combined (Non-GAAP) for the five months ended August 31, 2020 (Predecessor period) and the seven months ended March 31, 2021 (Successor period), which periods were presented separately in light of the resolution of the Chapter 11 cases (the "Chapter 11 Cases") of the Company's predecessor and certain of its subsidiaries commenced in June 2020. A presentation of these combined results for the twelve-month period ended March 31, 2021 is included in the Company's Annual Report on Form 10-K for the fiscal year ended March 31, 2021 filed with the Securities and Exchange Commission. Items for the twelve months ended June 30, 2023 and 2022 are derived by adding the items for the three months ended June 30, 2023 and 2022 and the fiscal year ended March 31, 2023 and 2022 and subtracting the items for the three months ended June 30, 2022 and 2021, respectively. Items for the twelve months ended June 30, 2021 are derived by adding the items for the three months ended June 30, 2021 and the combined fiscal year ended March 31, 2021 and subtracting the items for the three months ended June 30, 2020 (Predecessor period).

Appendix – Adjusted EBITDA - LTM (continued)

(1) Earnings before interest, taxes, depreciation and amortization ("EBITDA") and adjusted earnings before interest, taxes, depreciation and amortization ("Adjusted EBITDA") are not measures of results of operations under generally accepted accounting principles in the United States ("U.S. GAAP") and should not be considered as an alternative to other U.S. GAAP measurements. We have presented EBITDA and Adjusted EBITDA to adjust for the items identified above because we believe that it would be helpful to the readers of our financial information to understand the impact of these items on our reported amounts. This presentation enables readers to better compare our results to similar companies that may not incur the impact of various items identified above. Management acknowledges that there are many items that impact a company's reported results and these lists are not intended to present all items that may have impacted these items. EBITDA, Adjusted EBITDA and any ratios calculated based on these measures are not necessarily comparable to similarly-titled measures used by other companies or appearing in our debt obligations or agreements. EBITDA and Adjusted EBITDA as presented may not equal column or row totals due to rounding.

(2) Amounts incurred included employee separation and asset impairment charges primarily related to the restructuring of certain non-leaf operations and related inventory write-offs classified within cost of goods and services sold in the Company's condensed consolidated statements of operations.

(3) Amounts incurred includes the following items: (i) legal and professional fees incurred in connection with the February 2023 debt exchange and with the amendment and extension of the delayed-draw term loan, which transactions were completed in the fiscal year ended March 31, 2023, and (ii) legal and professional fees incurred in connection with the Chapter 11 Cases, including in preparation for the commencement of the Chapter 11 Cases, not otherwise included in “Reorganization items”.

(4) During the fiscal year ended March 31, 2023, the Company settled benefits with vested participants in the U.S. defined benefit pension plan ("U.S. Pension Plan") that elected a lump sum payout and made a cash contribution to fully fund the U.S. Pension Plan's liabilities in preparation to purchase a group annuity contract to administer future payments to the remaining U.S. Pension Plan participants. This adjustment includes pension settlement charges incurred during the fiscal year ended March 31, 2023 and were classified as loss on pension settlement expense and selling, general, and administration expenses in the Company's condensed consolidated statements of operations.

(5) Includes the aggregate amount of certain items related to the Company's development of and subsequent exits from its non-leaf-tobacco businesses (that is, the production and sale of legal cannabis in Canada, the production and sale of industrial hemp products, including CBD extracted from industrial hemp, and the production and sale of tobacco e-liquids) to the extent such items are included in the Company's consolidated results of operations, which includes all items separately reported for such businesses in the presentation by the Company of its adjusted EBITDA in prior periods. Such items include, to the extent reflected in consolidated results, the adjusted EBITDA of the Canadian cannabis and industrial hemp operations otherwise calculated on the same basis as Adjusted EBITDA is presented in this table, loss incurred on the deconsolidation or disposition of certain of these non-leaf tobacco businesses, as applicable, and write-offs of inventory and equipment related to certain of these businesses.

(6) Includes the following items: (i) the addition of amortization of basis difference related to a former Brazilian subsidiary that is now deconsolidated following the completion of a joint venture in March 2014, (ii) the subtraction of the Adjusted EBITDA of the Company's former green leaf sourcing operation in Kenya, which is calculated on the same basis as Adjusted EBITDA presented in this table (in fiscal year 2016 the Company decided to exit green leaf sourcing in the Kenyan market as part of our restructuring program), (iii) the addition of debt retirement expense, (iv) the subtraction of a one-time interest receipt related to a legal settlement in South America, and (v) the addition of unrecovered amounts expensed directly to cost of goods and services sold in the income statement for abnormal yield adjustments or unrecovered amounts from prior crops (normal yield adjustments are capitalized into the cost of the current crop and are expensed as cost of goods and services sold as that crop is sold)

(7) Represents expenditures, gains, and losses that were realized or incurred subsequent to the commencement of the Chapter 11 Cases and as a direct result of the Chapter 11 Cases, which are reported as reorganization items in the condensed consolidated statements of operations, and are primarily composed of write-off of unamortized debt issuance costs and discount, fresh start reporting adjustments, legal, valuation, and consulting professional fees pertaining to the Chapter 11 Cases, United States trustee fees, and debtor-in-possession financing fees.

Appendix – Adjusted EBITDA

	Three Months Ended	
(in thousands)	6/30/2023	6/30/2022
Net income (loss) attributable to Pyxus International, Inc.	$ 804	$ (14,663)
Plus: Interest expense	32,366	27,527
Plus: Income tax expense (benefit)	2,646	(867)
Plus: Depreciation and amortization expense	4,606	5,929
EBITDA [1]	$ 40,422	$ 17,926
Plus: Reserves for doubtful customer receivables	135	(830)
Plus: Other expense (income), net	2,624	(1,085)
Plus: Restructuring and asset impairment charges [2]	40	300
Plus: Debt restructuring [3]	26	-
Plus: Development of and exit from non-leaf-tobacco businesses [4]	43	619
Plus: Other adjustments [5]	250	(897)
Adjusted EBITDA [1]	$ 43,540	$ 16,033

[1] Earnings before interest, taxes, depreciation and amortization ("EBITDA"), adjusted earnings before interest, taxes, depreciation and amortization ("Adjusted EBITDA") and Free Cash Flow are not measures of results of operations or cash flows from operations under generally accepted accounting principles in the United States ("U.S. GAAP") and should not be considered as an alternative to other U.S. GAAP measurements. We have presented EBITDA, Adjusted EBITDA and Free Cash Flow to adjust for the items identified above because we believe that it would be helpful to the readers of our financial information to understand the impact of these items on our reported amounts. This presentation enables readers to better compare our results to similar companies that may not incur the impact of various items identified above. Management acknowledges that there are many items that impact a company's reported results or operating cash flows and these lists are not intended to present all items that may have impacted these items. EBITDA, Adjusted EBITDA, Free Cash Flow and any ratios calculated based on these measures are not necessarily comparable to similarly-titled measures used by other companies or appearing in our debt obligations or agreements. EBITDA, Adjusted EBITDA and Free Cash Flow as presented may not equal column or row totals due to rounding.

Appendix – Adjusted EBITDA (continued)

(2) Amounts incurred during the three months ended June 30, 2023 and 2022 included employee separation and asset impairment charges primarily related to the restructuring of certain non-leaf operations and related inventory write-offs classified within cost of goods and services sold in the Company's condensed consolidated statements of operations.

(3) Amounts incurred during the three months ended June 30, 2023 included legal and professional fees incurred in connection with the debt exchange and with the amendment and extension of the delayed-draw term loan, which transactions were completed in the fiscal year ended March 31, 2023.

(4) Includes the aggregate amount of certain items related to the Company's development of and subsequent exits from its non-leaf-tobacco businesses (that is, the production and sale of legal cannabis in Canada, the production and sale of industrial hemp products, including CBD extracted from industrial hemp, and the production and sale of tobacco e-liquids) to the extent such items are included in the Company's consolidated results of operations, which includes all items separately reported for such businesses in the presentation by the Company of its adjusted EBITDA in prior periods. Such items include, to the extent reflected in consolidated results, the adjusted EBITDA of the Canadian cannabis and industrial hemp operations otherwise calculated on the same basis as Adjusted EBITDA is presented in this table, loss incurred on the deconsolidation or disposition of certain of these non-leaf tobacco businesses, as applicable, and write-offs of inventory and equipment related to certain of these businesses.

(5) Includes the following items: (i) the addition of amortization of basis difference related to a former Brazilian subsidiary that is now deconsolidated following the completion of a joint venture in March 2014, (ii) the subtraction of the Adjusted EBITDA of the Company's former green leaf sourcing operation in Kenya, which is calculated on the same basis as Adjusted EBITDA presented in this table (in fiscal year 2016 the Company decided to exit green leaf sourcing in the Kenyan market as part of our restructuring program), (iii) the addition of debt retirement expense, and (iv) the subtraction of a one-time interest receipt related to a legal settlement in South America.

Appendix – Net Debt to Adjusted EBITDA and Interest Coverage

	Last Twelve Months		
(in thousands)	6/30/2023	6/30/2022	6/30/2021*
Total debt	$ 1,229,258	$ 1,237,782	$ 1,076,271
Less: Cash	100,045	165,441	79,593
Net Debt [(1)]	$ 1,129,213	$ 1,072,341	$ 996,678
Net Debt / Adjusted EBITDA [(1)]	6.06x	8.38x	9.91x
Adjusted EBITDA [(1)]	$ 186,314	$ 127,977	$ 100,590
Interest expense	123,297	111,143	99,505
Interest coverage	1.51x	1.15x	1.01x

*Combined (Non-GAAP) for the five months ended August 31, 2020 (Predecessor period) and the seven months ended March 31, 2021 (Successor period), which periods were presented separately in light of the resolution of the Chapter 11 cases (the "Chapter 11 Cases") of the Company's predecessor and certain of its subsidiaries commenced in June 2020. A presentation of these combined results for the twelve-month period ended March 31, 2021 is included in the Company's Annual Report on Form 10-K for the fiscal year ended March 31, 2021 filed with the Securities and Exchange Commission. Items for the twelve months ended June 30, 2023 and 2022 are derived by adding the items for the three months ended June 30, 2023 and 2022 and the fiscal year ended March 31, 2023 and 2022 and subtracting the items for the three months ended June 30, 2022 and 2021, respectively. Items for the twelve months ended June 30, 2021 are derived by adding the items for the three months ended June 30, 2021 and the combined fiscal year ended March 31, 2021 and subtracting the items for the three months ended June 30, 2020 (Predecessor period).

(1) Adjusted earnings before interest, taxes, depreciation and amortization ("Adjusted EBITDA") and Net Debt are not measures of results of operations or indebtedness under generally accepted accounting principles in the United States ("U.S. GAAP") and should not be considered as an alternative to other U.S. GAAP measurements. We have presented Adjusted EBITDA and Net Debt to adjust for the items identified above because we believe that it would be helpful to the readers of our financial information to understand the impact of these items on our reported amounts. This presentation enables readers to better compare our results to similar companies that may not incur the impact of various items identified above. Adjusted EBITDA, Net Debt, and any ratios calculated based on these measures are not necessarily comparable to similarly-titled measures used by other companies or appearing in our debt obligations or agreements.

Appendix – Free Cash Flow

	Three Months Ended	
(in thousands)	6/30/2023	6/30/2022
Net cash used in operating activities	$ (285,674)	$ (242,490)
Capital expenditures	(3,661)	(2,210)
Collections from beneficial interests in securitized trade receivables [2]	30,419	45,468
Free Cash Flow [1]	$ (258,916)	$ (199,232)

(1) Free Cash Flow is not a measure of cash flows from operations under generally accepted accounting principles in the United States ("U.S. GAAP") and should not be considered as an alternative to other U.S. GAAP measurements. We have presented Free Cash Flow to adjust for the items identified above because we believe that it would be helpful to the readers of our financial information to understand the impact of these items on our reported amounts. This presentation enables readers to better compare our results to similar companies that may not incur the impact of various items identified above. Management acknowledges that there are many items that impact a company's operating cash flows and this is not intended to present all items that may have impacted these items. Free Cash Flow is not necessarily comparable to similarly-titled measures used by other companies or appearing in our debt obligations or agreements.

(2) Represents cash receipts from the beneficial interests in sold receivables under the Company's accounts receivable securitization programs and were classified as investing activities within the condensed consolidated statements of cash flows.


PYXUS™