PYXUS®

3rd Quarter Fiscal Year 2024 Results

February 14, 2024



Our Presenters



Pieter Sikkel
President & CEO



Flavia Landsberg
Chief Financial Officer

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; risks and uncertainties related to geopolitical conflicts, including the armed conflict between Israel and Hamas and disruptions affecting Red Sea shipping; 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 and other cybersecurity risks; 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 pandemics or other widespread health crises and any related 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.

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.

Broad-based Improvements in Key Financial Metrics



Revenue & margin gains on improved mix, strong customer demand, & favorable pricing; seasonal shift favors 1st half shipments.



Third consecutive quarter of positive Net Income & ongoing strong Adjusted EBITDA performance.



Working capital efficiency gains & faster seasonal cycle times, evidenced by flat net interest expense despite increased working capital deployment.



Strong financial policy driving improved business mix, higher margins, accelerated cycles, & increased returns on invested working capital.



Strengthening credit profile evident in improving liquidity ratios, 4.8x leverage ratio, & ability to offset global interest rate headwinds.

Selected YTD Income Statement Data

(in millions, except per share data)	Nine Months Ended December 31, 2023	2022	Change $	Change %
Sales and other operating revenues	$ 1,631.2	$ 1,507.7	$ 123.5	8.2%
Cost of goods and services sold	1,376.8	1,311.9	64.9	4.9%
Gross profit	254.4	195.9	58.5	29.9%
Selling, general, and administrative expenses	116.5	106.7	9.8	9.2%
Other expense, net	6.0	9.1	(3.1)	-34.1%
Restructuring and asset impairment charges	1.4	4.4	(3.0)	-68.2%
Operating income	130.5	75.7	54.8	72.4%
Loss on deconsolidation/disposition of subsidiaries	—	0.6	(0.6)	-100.0%
Loss on pension settlement	12.0	2.6	9.4	361.5%
Interest expense, net	95.8	85.6	10.2	11.9%
Income (loss) before income taxes and other items	22.7	(13.2)	35.9	271.9%
Income tax expense	16.4	15.8	0.6	3.8%
Income from unconsolidated affiliates	6.5	10.7	(4.2)	-39.3%
Net income (loss)	12.8	(18.3)	31.1	170.0%
Net income attributable to noncontrolling interests	0.1	0.2	(0.1)	-50.0%
Net income (loss) attributable to Pyxus International,	$ 12.7	$ (18.5)	$ 31.2	168.6%

Net Interest Expense Steady on Increased Capital Deployment

	Q3 FY24	Q3 FY23	Change	
Trade and other receivables, net	$ 239.5	$ 222.3	$ 17.2	
Inventories, net	779.8	696.6	83.2	
Supplier advances, net	87.8	79.7	8.1	
Prepaids	36.8	31.5	5.3	
Assets	**$ 1,143.9**	**$ 1,030.1**	**$ 113.8**	**11.0%**
Notes payable	$ 473.0	$ 492.3	$ (19.3)	
Trade payables and accrued expenses	214.5	230.2	(15.7)	
Customer advances	42.6	30.8	11.8	
Liabilities	**$ 730.1**	**$ 753.3**	**$ (23.2)**	**-3.1%**
Net deployed working capital	**$ 413.8**	**$ 276.8**	**$ 137.0**	**49.5%**
Net interest expense	**$ 32.0**	**$ 31.4**	**$ 0.6**	**2.0%**

Making Strides Toward Achieving our ESG Targets

Reduced our water withdrawal by ~13%*

Managed waste responsibly

19% reduction of waste sent to landfills

55% consumer packaging reusable, recyclable or compostable

41% waste recycled, reused or repurposed



Upheld human rights and labor standards in our supply chain

100% contracted farmers monitored for Agricultural Labor Practices code compliance

100% contracted farmers trained on good agricultural practices



Protected & supported our employees

0.41 LTI rate achieved, continuing our downward trend



Achieved 99.5% completion of Code of Business Conduct training



Exceeded community support target

603,323 people benefited this year



Reduced emissions by

11%**



Promoted sustainable agricultural development on

48% more acreage to replace wood used in our supply chain**

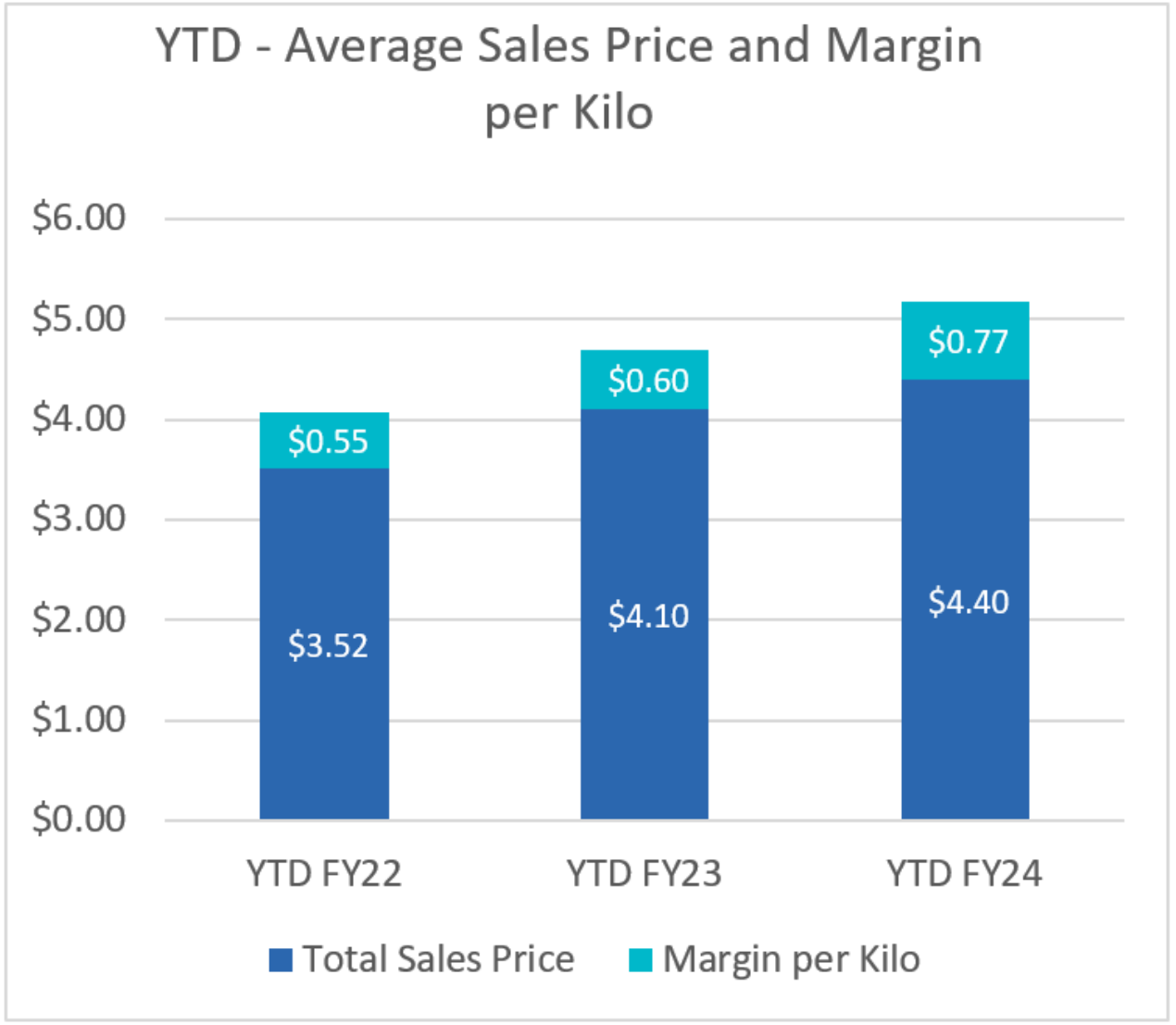
*Since 2021 base year
**Compared to previous year

Pyxus Q3 2024 YTD at a Glance - Revenue

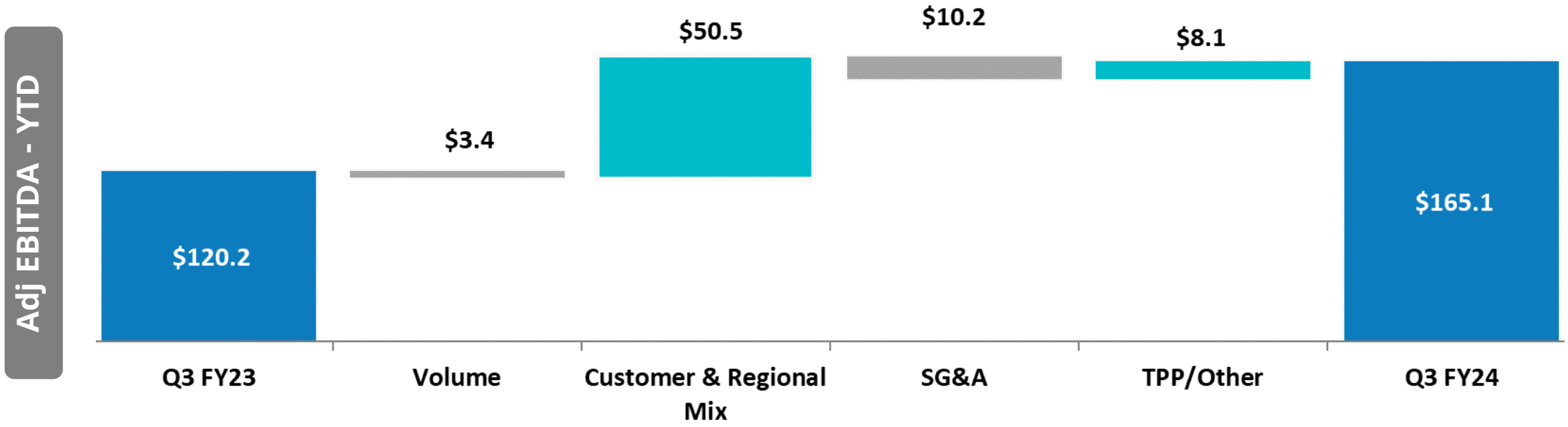


Revenue improved by $123.5 million year-over-year primarily due to larger crop volumes in Africa, the timing of shipments in South America, and higher average price per kilo from increased tobacco prices.

YTD Margin Per Kilo Up 28.3%, Up 40% vs. FY 2022



Pyxus Q3 2024 YTD at a Glance – Adjusted EBITDA

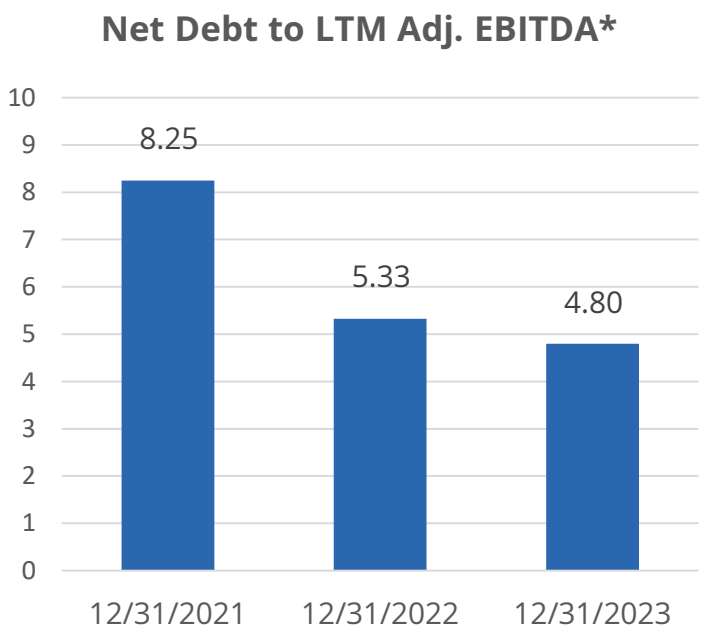


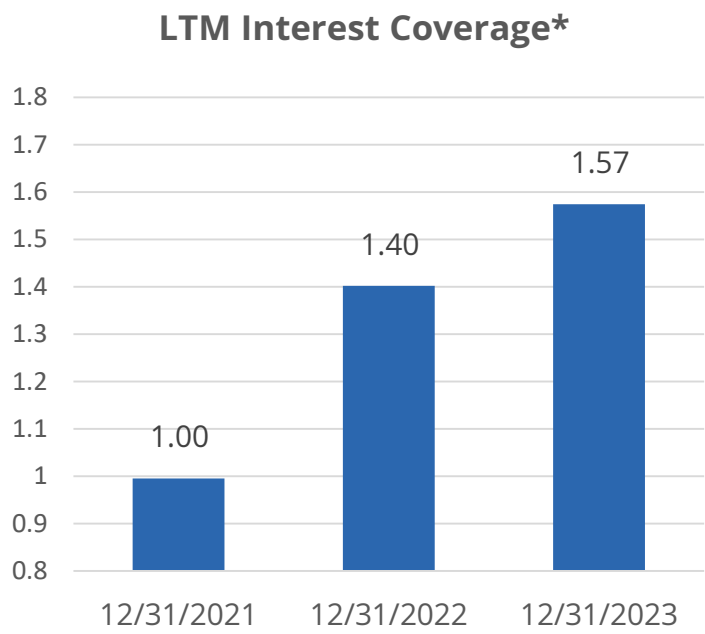
Adjusted EBITDA improved by $44.9 million year-over-year primarily due to more favorable customer and regional mix.

Improving Credit Profile

IMPROVING PYXUS' CREDIT PROFILE

- Consistently improved net-debt-to-LTM adjusted EBITDA to 4.8X
- Grew LTM interest coverage for third straight year to 1.57X





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

Increasing full-year Adjusted EBITDA guidance

Full-year Revenue guidance tightened to $2.0 billion to $2.1 billion

- Continuation of generally underserved market
- Tightened to high end of original range of $1.9 billion to $2.0 billion
- New range exceeds FY23 from 7.1% to 9.7%

Full-year Adjusted EBITDA guidance now $185 million to $195 million

- Have exceeded FY23 total with $165 million through first nine months
- $15 million lift to prior range of $170 million to $180 million
- New range exceeds FY23 from 16.5% to 22.8%

Q&A



Pieter Sikkel
President & CEO



Flavia Landsberg
Chief Financial Officer

APPENDIX



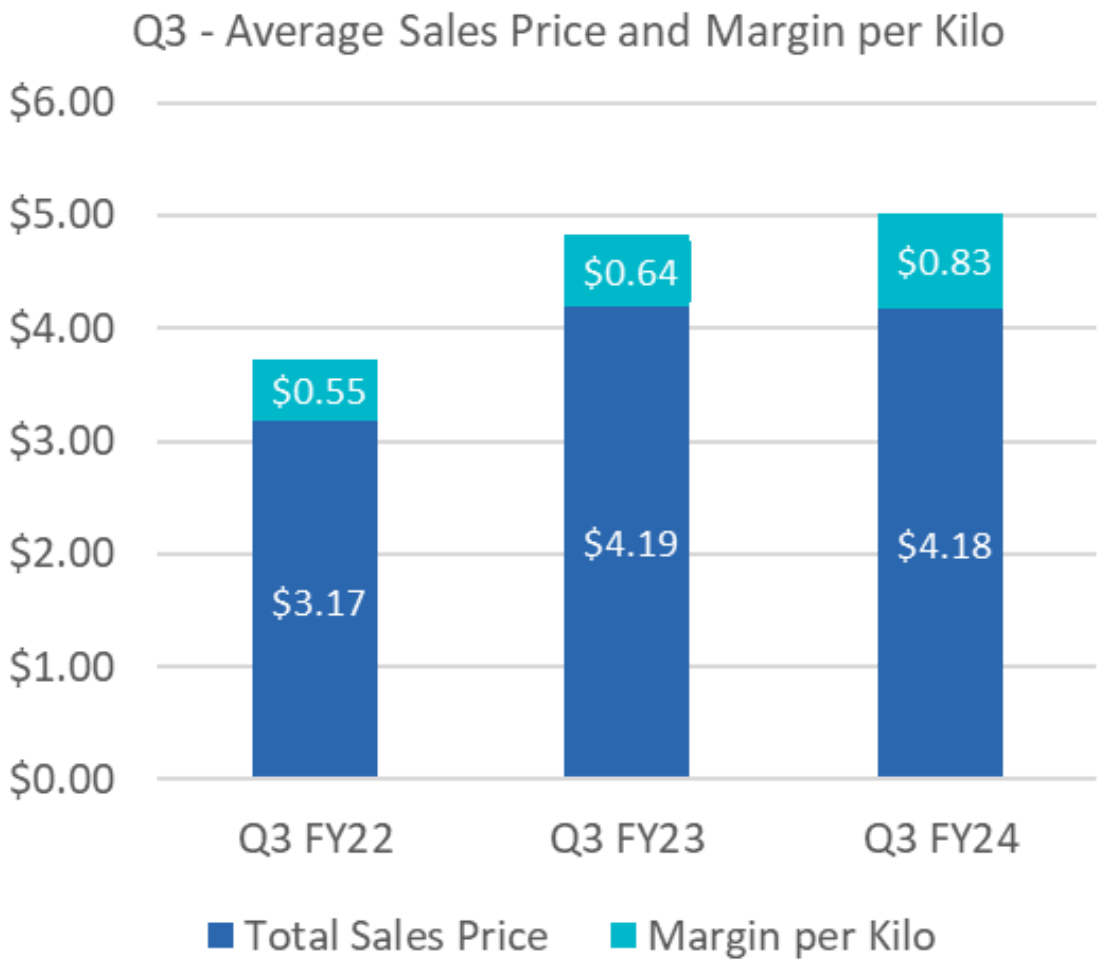
Selected Q3 Income Statement Data

(in millions, except per share data)	Three Months Ended December 31, 2023	2022	Change $	Change %
Sales and other operating revenues	$ 529.8	$ 655.6	$ (125.8)	-19.2%
Cost of goods and services sold	437.3	567.8	(130.5)	-23.0%
Gross profit	92.6	87.8	4.8	5.5%
Selling, general, and administrative expenses	42.4	37.1	5.3	14.3%
Other expense, net	2.3	9.0	(6.7)	-74.4%
Restructuring and asset impairment charges	0.1	—	0.1	100.0%
Operating income	47.8	41.6	6.2	14.9%
Loss on deconsolidation/disposition of subsidiaries	—	—	—	0.0%
Loss on pension settlement	12.0	—	12.0	100.0%
Interest expense, net	32.0	31.4	0.6	1.9%
Income (loss) before income taxes and other items	3.8	10.2	(6.4)	-62.7%
Income tax expense	6.2	17.9	(11.7)	-65.4%
Income from unconsolidated affiliates	6.6	5.4	1.2	22.2%
Net income (loss)	4.2	(2.2)	6.4	290.9%
Net income attributable to noncontrolling interests	0.3	0.1	0.2	200.0%
Net income (loss) attributable to Pyxus International,	$ 3.8	$ (2.3)	$ 6.1	265.2%

Selected Balance Sheet Data

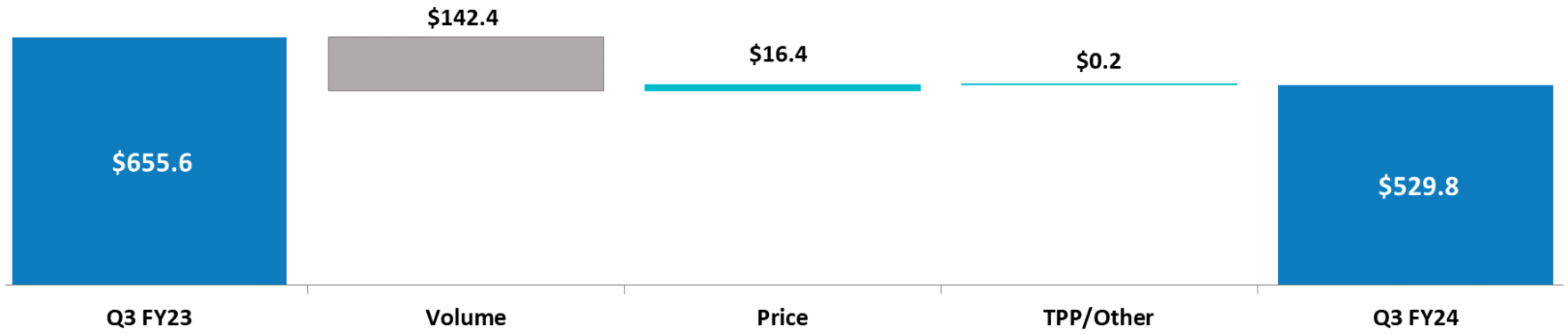
(in millions)	December 31, 2023	December 31, 2022	Change $	Change %
Assets				
Current assets				
Cash and cash equivalents	$ 90.2	$ 216.4	$ (126.2)	-58.3%
Restricted cash	4.4	1.9	2.5	129.4%
Trade receivables, net	227.5	206.0	21.5	10.5%
Other receivables	12.0	16.3	(4.3)	-26.6%
Inventories, net	779.8	696.6	83.2	12.0%
Advances to tobacco suppliers, net	87.8	79.7	8.1	10.2%
Recoverable income taxes	4.6	7.1	(2.4)	-34.7%
Prepaid expenses	36.8	31.5	5.3	16.7%
Other current assets	15.9	15.6	0.2	1.5%
Total current assets	1,259.1	1,271.2	(12.1)	-1.0%
Total noncurrent assets	342.3	359.5	(17.2)	-4.8%
Total assets	$ 1,601.4	$ 1,630.7	$ (29.3)	-1.8%
Liabilities and Stockholders' Equity				
Current liabilities				
Notes payable	$ 473.0	$ 492.3	$ (19.4)	-3.9%
Accounts payable	136.4	135.1	1.3	1.0%
Advances from customers	42.6	30.8	11.8	38.2%
Accrued expenses and other current liabilities	78.2	95.3	(17.1)	-17.9%
Income taxes payable	6.9	6.7	0.3	3.9%
Operating leases payable	8.1	9.1	(1.0)	-11.1%
Current portion of long-term debt	20.3	97.3	(77.0)	-79.2%
Total current liabilities	765.5	866.6	(101.1)	-11.7%
Long-term debt	574.1	496.6	77.4	15.6%
Other noncurrent liabilities	104.2	111.7	(7.5)	-6.7%
Total liabilities	1,443.7	1,474.9	(31.2)	-2.1%
Total stockholders' equity	157.7	155.7	1.9	1.2%
Total liabilities and stockholders' equity	$ 1,601.4	$ 1,630.7	$ (29.3)	-1.8%

Q3 Margin Per Kilo Up 29.7%, Up 51% vs. Q3 FY 2022



Pyxus Q3 2024 at a Glance

Revenue



Adj EBITDA



Appendix – Q3 Adjusted EBITDA

	Three Months Ended		
(in thousands)	12/31/2023	12/31/2022	12/31/2021
Net income (loss) attributable to Pyxus International, Inc.	$ 3,835	$ (2,333)	$ (30,100)
Plus: Interest expense	34,379	32,053	27,818
Plus: Income tax expense	6,156	17,887	31,809
Plus: Depreciation and amortization expense	4,909	4,394	3,814
EBITDA [1]	$ 49,279	$ 52,001	$ 33,341
Plus: Reserves for doubtful customer receivables	540	(139)	377
Plus: Other expense (income), net	2,323	9,040	(163)
Plus: Restructuring and asset impairment charges [2]	85	245	560
Plus: Goodwill impairment	-	-	372
Plus: Debt restructuring [3]	-	63	1,006
Plus: Pension retirement expense [4]	12,008	-	-
Plus: Development of and exit from non-leaf-tobacco businesses [5]	-	18	7,150
Plus: Other adjustments [6]	276	41	368
Adjusted EBITDA [1]	$ 64,511	$ 61,269	$ 43,011

Appendix – Q3 YTD Adjusted EBITDA

	Nine Months Ended			
(in thousands)	12/31/2023	12/31/2022	12/31/2021	12/31/2020*
Net income (loss) attributable to Pyxus International, Inc.	$ 12,734	$ (18,533)	$ (51,289)	$ 5,559
Plus: Interest expense	100,779	89,805	84,376	79,717
Plus: Income tax expense (benefit)	16,360	15,810	9,242	(5,799)
Plus: Depreciation and amortization expense	14,228	14,678	11,984	29,881
EBITDA [1]	$ 144,101	$ 101,760	$ 54,313	$ 109,358
Plus: Reserves for doubtful customer receivables	791	(129)	3,268	697
Plus: Other expense (income), net	6,036	9,106	1,491	(2,197)
Plus: Fully reserved recovery of tax [7]	-	-	-	2,938
Plus: Restructuring and asset impairment charges [2]	1,379	5,855	7,652	9,557
Plus: Goodwill impairment	-	-	372	-
Plus: Reorganization items [8]	-	-	-	(105,984)
Plus: Debt restructuring [3]	26	713	3,286	21,814
Plus: Pension retirement expense [4]	12,008	2,724	-	-
Plus: Development of and exit from non-leaf-tobacco businesses [5]	3	697	12,306	30,794
Plus: Other adjustments [6]	785	(554)	942	2,687
Adjusted EBITDA [1]	$ 165,129	$ 120,172	$ 83,630	$ 69,664

* Combined (Non-GAAP) for the five months ended August 31, 2020 (Predecessor Period) and for the four months ended December 31, 2020 (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 nine months ended December 31, 2020 is included in the Company's Quarterly Report on Form 10-Q for the period ended December 31, 2020 filed with the Securities and Exchange Commission.

Appendix – Q3 Adjusted EBITDA Footnotes

(1) Earnings before interest, taxes, depreciation and amortization ("EBITDA"), 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 related to the following items: (i) for the three and nine months ended December 31, 2023 related to changes in the Corporate organizational structure and the continued restructuring of certain leaf operations, (ii) for the three and nine months ended December 31, 2022 related to the restructuring of certain non-leaf agriculture operations, (iii) for the three and nine months ended December 31, 2021 related to inventory write-offs classified within cost of goods and services sold in the Company's condensed consolidated statements of operations, the write-off of the Company’s remaining industrial hemp cannabidiol extraction equipment, and the continued restructuring of certain leaf operations, and (iv) for the nine months ended December 31, 2020 related to the commencement of actions to exit operations of the industrial hemp businesses, including the production and sale of products containing extracts of industrial hemp by its Criticality LLC subsidiary.

(3) Amounts incurred includes the following items: (i) for the three nine months ended December 31, 2023 included legal and professional fees incurred in connection with the February 2023 debt exchange, (ii) for the three and nine months ended December 31, 2022 included legal and professional fees incurred for the amendment and extension of the delayed-draw term loan, (iii) for the three and nine months ended December 31, 2021 included legal and professional fees incurred in connection with the implementation of process improvements required in connection with the Company’s delayed-draw term loan credit facility established in Q1 of fiscal year 2022, and (iv) for the nine months ended December 31, 2020 included 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 three months ended December 31, 2023, the Company terminated one of its defined benefit pension plans in the U.K. (“U.K. Pension Plan”). The Company recorded a noncash pension settlement charge which included the disposition of the U.K. Pension Plan assets and the reclassification of unrecognized net pension losses within accumulated other comprehensive income (loss) into the Company’s condensed consolidated statements of operations. 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.

Appendix – Q3 Adjusted EBITDA Footnotes (continued)

(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 income (included in Other expense (income), net) from cash received in the period presented from the sale of Brazilian intrastate trade tax credits that had been generated by intrastate purchases of tobacco primarily in prior crop years. The Brazilian states of Rio Grande do Sul and Santa Catarina permit the sale or transfer of excess credits to third parties subject to approval by the related tax authorities. The Company has long-term agreements with these Brazilian state governments regarding the amounts and timing of credits that can be sold. Intrastate trade tax credits that are not able to be sold under existing agreements are capitalized into the cost of the current crop and are expensed as cost of goods and services sold as that crop is sold.

(8) 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 – Q3 LTM Adjusted EBITDA

	Last Twelve Months		
(in thousands)	12/31/2023*	12/31/2022*	12/31/2021**
Net (loss) attributable to Pyxus International, Inc.	$ (7,874)	$ (49,363)	$ (174,497)
Plus: Interest expense	129,432	116,472	107,999
Plus: Income tax expense	34,677	19,208	28,548
Plus: Depreciation and amortization expense	18,687	19,370	10,522
EBITDA [1]	$ 174,922	$ 105,687	$ (27,428)
Plus: Reserves for doubtful customer receivables	1,346	1,007	7,234
Plus: Other expense, net	7,953	10,964	13,842
Plus: Restructuring and asset impairment charges [2]	1,684	6,234	10,478
Plus: Goodwill impairment	-	31,814	1,454
Plus: Debt restructuring [3]	4,809	977	5,062
Plus: Pension retirement expense [4]	12,008	2,724	-
Plus: Development of and exit from non-leaf-tobacco businesses [5]	19	1,980	95,466
Plus: Other adjustments [6]	1,023	1,851	1,382
Adjusted EBITDA [1]	$ 203,764	$ 163,238	$ 107,490

* Items for the twelve months ended December 31, 2023 and 2022 are derived by adding the items for the nine months ended December 31, 2023 and 2022 and the fiscal year ended March 31, 2023 and 2022 and subtracting the items for the nine months ended December 30, 2022 and 2021, respectively.

** Items for the twelve months ended December 31, 2021 are derived by adding the items for the nine months ended December 31, 2021 and the combined fiscal year ended March 31, 2021 and subtracting the items for the combined five months ended August 31, 2020 (Predecessor period) and the four months ended December 31, 2020 (Successor period).

Appendix – Q3 LTM Adjusted EBITDA Footnotes

(1) EBITDA and Adjusted EBITDA are not measures of results of operations under 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 related to the following items: (i) for the three and nine months ended December 31, 2023 related to changes in the Corporate organizational structure and the continued restructuring of certain leaf operations, (ii) for the three and nine months ended December 31, 2022 related to the restructuring of certain non-leaf agriculture operations, and (iii) for the three and nine months ended December 31, 2021 related to inventory write-offs classified within cost of goods and services sold in the Company's condensed consolidated statements of operations, the write-off of the Company’s remaining industrial hemp cannabidiol extraction equipment, and the continued restructuring of certain leaf operations.

(3) Amounts incurred includes the following items: (i) for the nine months ended December 31, 2023 included legal and professional fees incurred in connection with the February 2023 debt exchange, (ii) for the three and nine months ended December 31, 2022 included legal and professional fees incurred for the amendment and extension of the delayed-draw term loan, and (iii) for the three and nine months ended December 31, 2021 included legal and professional fees incurred in connection with the implementation of process improvements required in connection with the Company’s delayed-draw term loan credit facility established in Q1 of fiscal year 2022.

(4) During the three months ended December 31, 2023, the Company terminated one of its defined benefit pension plans in the U.K. (“U.K. Pension Plan”). The Company recorded a noncash pension settlement charge which included the disposition of the U.K. Pension Plan assets and the reclassification of unrecognized net pension losses within accumulated other comprehensive income (loss) into the Company’s condensed consolidated statements of operations. 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).

Appendix – Adjusted EBITDA – Fiscal Year

	Fiscal Year Ended		
(in thousands)	3/31/2023	3/31/2022	3/31/2021*
Net loss attributable to Pyxus International, Inc.	$ (39,141)	$ (82,119)	$ (117,649)
Plus: Interest expense	118,458	111,043	103,340
Plus: Income tax expense	34,127	12,640	13,507
Plus: Depreciation and amortization expense	19,137	16,676	28,419
EBITDA [1]	$ 132,581	$ 58,240	$ 27,617
Plus: Reserves for doubtful customer receivables	426	4,404	4,663
Plus: Other expense, net	11,023	3,349	10,154
Plus: Restructuring and asset impairment charges [2]	6,160	8,031	12,383
Plus: Goodwill impairment	-	32,186	1,082
Plus: Reorganization items [3]	-	-	(105,984)
Plus: Debt restructuring [4]	5,496	3,550	23,590
Plus: Pension retirement expense [5]	2,724	-	-
Plus: Development of and exit from non-leaf-tobacco businesses [6]	713	13,589	113,954
Plus: Other adjustments [7]	(316)	3,347	6,065
Adjusted EBITDA [1]	$ 158,807	$ 126,696	$ 93,524

* 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. 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.

[1] EBITDA and Adjusted EBITDA are not measures of results of operations, cash flows from operations or indebtedness under 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 or operating cash flows 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.

Appendix – Adjusted EBITDA Fiscal Year Footnotes

(2) Amounts incurred during the twelve months ended March 31, 2023 included employee separation and asset impairment charges primarily related to the restructuring of certain non-leaf agriculture operations and related inventory write-offs classified within cost of goods and services sold in the Company's condensed consolidated statements of operations.

(3) 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 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.

(4) Amounts incurred during the fiscal year ended March 31, 2023 included legal and professional fees incurred in connection with the debt exchange transactions completed in February 2023 and with the amendment and extension of the delayed-draw term loan. Amounts incurred during the fiscal year ended March 31, 2022 included consulting fees incurred in connection with the implementation of process improvements required in connection with the Company's delayed-draw term loan credit facility established in the prior fiscal year. Amounts incurred during fiscal year ended March 31, 2021 included Legal and professional fees incurred in connection with the Chapter 11 Cases, including the preparation for the commencement of the Chapter 11 Cases.

(5) During the twelve months ended March 31, 2023, the Company settled benefits with vested participants in the 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 twelve months 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.

(6) 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.

(7) 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, (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), (vi) the addition of non-cash employee stock-based compensation, (vii) the addition of expenses incurred associated with the internal reorganization of legal entities within the leaf tobacco segments of the company to align with operations, including legal, strategic and tax consulting expenses, (viii) income (included in Other (expense) income, net) from cash received in the period presented from the sale of Brazilian intrastate trade tax credits that had been generated by intrastate purchases of tobacco primarily in prior crop years, and (ix) debt retirement expense of $2.0 million incurred during the twelve months ended March 31, 2022. The Brazilian states of Rio Grande do Sul and Santa Catarina permit the sale or transfer of excess credits to third parties subject to approval by the related tax authorities. The Company has long-term agreements with these Brazilian state governments regarding the amounts and timing of credits that can be sold. Intrastate trade tax credits that are not able to be sold under existing agreements are capitalized into the cost of the current crop and are expensed as cost of goods and services sold as that crop is sold.

Appendix – Net Debt to Adjusted EBITDA and Interest Coverage

	Last Twelve Months		
(in thousands)	12/31/2023	12/31/2022	12/31/2021
Total debt	$ 1,067,300	$ 1,086,244	$ 1,033,013
Less: Cash and cash equivalents	90,245	216,449	146,083
Net Debt [(1)]	$ 977,055	$ 869,795	$ 886,930
Net Debt / Adjusted EBITDA [(1)]	4.80x	5.33x	8.25x
Adjusted EBITDA [(1)]	$ 203,764	$ 163,238	$ 107,490
Interest expense	129,432	116,472	107,999
Interest coverage	1.57x	1.40x	1.00x

[(1)] Adjusted EBITDA and Net Debt are not measures of results of operations or indebtedness under 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 – Adjusted Free Cash Flow

	Three Months Ended		
(in thousands)	12/31/2023	12/31/2022	12/31/2021
Net cash provided by operating activities	$ 38,586	$ 176,069	$ 46,313
Capital expenditures	(5,126)	(4,505)	(3,633)
Collections from beneficial interests in securitized trade receivables [1]	48,002	46,429	72,577
Adjusted Free Cash Flow [2]	$ 81,462	$ 217,993	$ 115,257

[1] 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.

[2] Adjusted Free Cash Flow is not a measure of cash flows from operations under U.S. GAAP and should not be considered as an alternative to cash provided by operating activities or other U.S. GAAP measurements. We have presented Adjusted 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. Adjusted Free Cash Flow is not necessarily comparable to similarly-titled measures used by other companies or appearing in our debt obligations or agreements.


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