



**Origin Materials, Inc.**  
**4Q24 Earnings Conference Call Script**  
**March 13, 2025**

**Operator**

---

Thank you for standing by, this is the conference operator. Welcome to the Origin Materials Fourth Quarter and Full Year 2024 Earnings Call. As a reminder, all participants are in listen-only mode and the conference is being recorded. After the presentation, there will be an opportunity to ask questions. To join the question queue, you may press \* then 1 on your telephone keypad. Should you need assistance during the conference call you may signal an operator by pressing \* and 0.

At this time, for opening remarks and introductions, I would like to turn the call over to Ryan Smith, Co-Founder and Chief Product Officer. Please go ahead.

**Ryan Smith, Co-Founder and Chief Product Officer, Origin Materials**

---

Thank you. Good afternoon and thank you for joining us, everyone. Speaking first today is Origin's CEO and Co-Founder, John Bissell, followed by CFO & COO Matt Plavan. Then we will open the call to questions from analysts and discuss questions submitted as part of this quarter's "Ask Origin" campaign.

Ahead of this call, Origin has issued its 2024 fourth quarter and full year press release and presentation. These can be found on the Investor Relations section of our website at [originmaterials.com](https://originmaterials.com).

Please note that during our discussion today we will be making forward-looking statements based on current expectations and assumptions, which are subject to risks and uncertainties. These statements reflect our views as of today, should not be relied upon as representative about views of any subsequent date, and we undertake no obligation to revise or publicly release the results of any revision to these forward-looking statements in light of new information or future events. These statements are subject to a variety of risks and uncertainties that could cause actual results to differ materially from expectations. For further discussion on the material



**Origin Materials, Inc.**  
**4Q24 Earnings Conference Call Script**  
**March 13, 2025**

risks and other important factors that could affect our financial results, please refer to our filings with the SEC including our Annual Report on Form 10-K filed today. During today's call, we will discuss non-GAAP financial measures, which we believe are useful as supplemental measures of Origin Materials' performance. These non-GAAP measures should be considered in addition to and not as substitutes for, or in isolation from GAAP results. You will find additional disclosures regarding the non-GAAP financial measures discussed on today's call in our press release issued this afternoon and our filings with the SEC, which will be posted to our website. The webcast of this call will also be available on the Investor Relations section of our company website.

With that, I will turn the call over to John.

**John Bissell, CEO, Origin Materials**

---

Thank you, Ryan. Good afternoon.

This quarter was both a success and an inflection point for Origin. We stood up our first caps manufacturing line, turned on commercial production in February, and are now shipping product to a growing list of customers for qualification as we continue our transformation into a technology-driven manufacturing organization on the path to substantial revenue and healthy margins.

We are solving a really big problem. A bottle cap, made from PET, that fits in the palm of your hand may seem like a small thing, but it's the key to a \$65 billion dollar market that has been seeking the solution we offer for decades. To our customers, this solution means better performing products with extended shelf life. It means sustainability. It means product circularity and recycling that really works. For everyday people, it means starting to fix a broken recycling system by simplifying it, streamlining it, and making recycled products more valuable.



**Origin Materials, Inc.**  
**4Q24 Earnings Conference Call Script**  
**March 13, 2025**

The solution has been out of reach. Nobody could solve the technology problem. Nobody could even see the problem in a way that would lead to a solution that works. Until now.

In February 2025, we were pleased to announce we'd begun commercial production from the world's first commercial PET cap manufacturing line. CapFormer line 1 is up and running. To date, this is arguably our most important milestone, as it is tangible proof of the CapFormer System's commercial scale production capability — proof that is critical to our stakeholders: strategic partners, financiers, customers, and investors. We want to acknowledge the perseverance, dedication, and sacrifice made by the Origin team to achieve this historic first. This week, we released a video showing the CapFormer System operating in our Reed City, Michigan, manufacturing center. I encourage everyone to watch that video as it showcases the CapFormer in action and illustrates why we believe in this technology and the business it enables.

We also announced that three new CapFormer lines are nearing completion, and we expect them to finish factory acceptance testing during Q2 of this year. And, we confirmed prior guidance that we expect to have eight CapFormer lines online by the end of 2025. We are now engaged in delivering caps for qualification, and we expect to have the first beverage products with Origin caps on shelves in Q3 or perhaps as early as late Q2.

From this point forward, continuous improvement is the rule. We have design modifications that we expect to implement both in future CapFormers and that we can use to retrofit existing CapFormers. We expect those modifications to substantially increase cap throughput per line and to enable new cap design features and add new formats to our product catalog. Naturally, increased throughput should equate to even better unit economics per line. To help quantify the extent of these improvements, we anticipate the output for CapFormer line 8



**Origin Materials, Inc.**  
**4Q24 Earnings Conference Call Script**  
**March 13, 2025**

will be roughly double that of CapFormer line 1, with additional upgrades planned for lines thereafter.

And although we expect CapFormer line 1 will produce tens of millions of 1881 caps every month, it's important to keep in mind that our PET cap technology is a platform, which means it's a base for growing many different product formats and SKUs, for many different applications. We started with the 1881 format because it's a massive market. Last year, we announced a tethered version of it, designed to keep the cap connected to the bottle and comply with cap tethering mandates in the EU. In time, we're looking forward to announcing a variety of cap types, including not only beverage caps but food container closures and more.

We expect to introduce our first larger format cap in 2026, and we expect that larger cap formats will drive better margins because our manufacturing technology is particularly advantaged over the incumbent technology for making large caps. Today, caps are made by injection molding. With injection molding, the bigger the cap, the longer it takes to inject plastic resin into the circular mold. We make caps differently. Part of our technology advantage is that we use thermoforming. Instead of injecting molten plastic, we form it out of a hot sheet—similar to stamping the caps out. So no matter how wide the cap, it doesn't take extra time to fill the diameter of the mold. In this industry, production economics is about speed, and our technology is capable of going faster. But cap economics is also about cap weight. PET is a more dense material than current cap materials, but it's also stronger. We take advantage of that strength in a way that injection molding cannot, because our CapForming technology excels at making thinner caps. Stronger materials enable thinner caps, and thinner caps use less material. That's a fundamental advantage for Origin – capturing more and more value, the larger the format.



**Origin Materials, Inc.**  
**4Q24 Earnings Conference Call Script**  
**March 13, 2025**

Another advantage of our platform is flexibility. Our CapFormers can be retrofitted with new molds reasonably quickly. That means we can make different products from the same line and that we can retrofit existing lines with higher throughput technology, enabling us to be nimble both in responding to customer demand moving forward and in deploying new technology across lines that are already operating.

Lastly: eight lines is just the beginning. Our intention is to stand up additional Origin CapFormer lines in 2026 at a roughly similar pace to our deployment in 2025, accelerating as capital allows.

Now, let me turn to demand.

Demand is incredibly strong and we anticipate it will only grow stronger. Multiple customers have signed MOUs to purchase our caps. With our first production line up and running, we are now in the process of delivering caps to a growing list of customers for qualification, with many additional customers in our pipeline. Despite not having publicly named our customers, we continue to accumulate substantial and accelerating demand for our caps. And there are beneficial reasons for our discretion, as we'll discuss later. The reality is that we are increasingly in the enviable position of having indicative demand that significantly exceeds our fulfillment capability for several years to come. Our bigger challenge is to bring supply online as fast as practical to better meet demand and gain market share.

We are assembling a mélange of customers and partners that we believe balances volume, margin, deployment flexibility, technical expertise, credibility, and ability to grow Origin. And all of these different customer types are currently represented in our pipeline. We've found the caps market to be quite dynamic with a variety of customer types. This market dynamism means cap pricing is, pleasantly, more variable than we had expected when we began commercializing this technology. As the only commercial producer of PET caps currently in the market, we are



**Origin Materials, Inc.**  
**4Q24 Earnings Conference Call Script**  
**March 13, 2025**

naturally aiming to price to the differentiated and unique value of our product. Volumes and expected delivery rates are different for each customer. Some customers are flexible on delivery times. Others are not. Some customers require large inventory build—multiple months of production from a single line—before they will switch to a new cap type, while others need smaller shipments and consequently require less inventory. We are slotting customer deliveries in a way that satisfies customers’ needs while allowing us to continue to onboard new customers and set realistic expectations around delivery times as well. We, of course, aim for our near-term tactical decisions to enable our long-term strategy.

Beyond the production lines we plan to own and either operate or contract for operation, we continue to lay the groundwork for partnerships, such as licensing, in which we can supply technology to further enable the scale-up of overall PET cap supply. Standing up our first production line supports that effort. We now have a proven, intellectual property-protected technology platform, we have demand from large companies for the technology, and we have the ability to ramp deployment of our CapFormer lines to meet the massive supply needs of large customers. We’re also pleased to share today that we’ve successfully expanded our CapFormer manufacturing relationships to ensure redundancy and additional capacity. All of these efforts are strategic for expanding supply generally, including in support of potential partnerships.

We look forward to revealing the names of the customers who have already signed MOUs and of those in our pipeline, but our customers generally want to keep the time between an announcement and their product with our caps on shelves as short as possible. With that in mind, we do anticipate announcing some initial customer names in the coming weeks or months.

In summary: Market interest is strong and increasing. Our sales pipeline is growing, and more customers are progressing through the pipeline as time goes on. We continue to believe we can sell every cap we make, and we are just getting started



**Origin Materials, Inc.**  
**4Q24 Earnings Conference Call Script**  
**March 13, 2025**

in pursuing the massive opportunity presented by the \$65 billion dollar caps and closures market.

And now I'll hand it over to Matt for a review of the impact of these commercial dynamics on our expected near-term financial performance.

**Matt Plavan, CFO and COO, Origin Materials**

---

Thanks, John, and good afternoon everyone.

I'd like to speak to the financials of the cap business specifically before I turn to cover financials at the full company level.

First, a little commentary on cap margins and CapFormer line economics. For competitive reasons, we'll continue to refrain from sharing granular pricing information, but we do want to reiterate and expand on our previous guidance around the caps business at a macro level to help investors connect the dots on the value creation potential of this business. Margins per CapFormer line will vary due to a number of factors including cap format, special features on the cap, and customer volume commitments, just to name a few. That said, we expect the aggregate gross margins for the cap business to fall in the mid double-digits range. Additionally, our average capital cost per line is in the mid-single digit millions, separate from the cost of any extruders we may purchase along the way. We expect the payback period for the average line including extrusion to be less than 18 months.

Second, a few words about our financing strategy. As we've indicated previously, we believe our stock is significantly undervalued today, and therefore we believe debt is the optimal way to finance our near-term growth. Thus, we are in the process of securing debt financing to fund our capital equipment build-out and our working capital needs to maintain a healthy minimum cash floor at all times. The



**Origin Materials, Inc.**  
**4Q24 Earnings Conference Call Script**  
**March 13, 2025**

expected short payback period per line makes for an attractive financing opportunity for lenders, and we are curating a number of financing proposals for all lines we have on order and in production.

Third, let me speak to the timing for realizing revenue this year. Our first CapFormer has produced millions of caps, many of which are in the hands of some of the largest and most famous brands in the world to continue their qualification procedures and although these qualification shipments will not count as sales, they do demonstrate significant and important commercial pull-through. As for when we can expect revenue generation to begin in earnest this year, it will be concurrent with our next three lines commencing production and customer order fulfillment during Q3, with meaningful revenue generation by Q4 of this year and a strong 2025 revenue exit run-rate.

Fourth, I'll speak to our view on 2026 revenue. With an expected strong revenue run-rate entering the year, we anticipate adding a number of new CapFormer lines on a regular cadence during 2026, which we believe will result in a range of revenue for the full-year between \$110 and \$140 million, separate from any potential licensing revenue.

Fifth, we are updating guidance on expected profitability timing due primarily to the delayed start to line 1's commercial production and the subsequent impact on timing for lines 2 through 8: We now expect to achieve EBITDA positive results on a run-rate basis by the end of 2026, updated from our first half of 2026 prior guidance.

And now, for a few highlights on our quarterly and full year results.

We ended the year with \$103 million in cash, cash equivalents, and securities, and when compared to the balance at the end of 2023 of \$158 million, the difference is \$55 million, which is at the low end of our cash burn guidance range for 2024 of \$55 to \$65 million.



**Origin Materials, Inc.**  
**4Q24 Earnings Conference Call Script**  
**March 13, 2025**

Origin's fourth quarter revenue was \$9.2 million dollars, compared to \$13.1 million in the prior year quarter. Annual 2024 revenue of \$31.3 million was well within our guidance for the year of \$25 to \$35 million dollars. Also as expected, these revenues are comprised of what we refer to as supply chain activation revenue.

Turning now to our operating expenses for the fourth quarter – they were \$16.2 million compared to \$19.8 million in the prior-year period, a decrease of \$3.6 million. This decrease consisted primarily of \$2.7 million in lower research and development expenses and \$1.3 million lower general and administrative expenses.

For the full year 2024, operating expenses were \$85.3 million dollars compared to \$60.1 million in the prior-year period, an increase of \$25.2 million dollars. A significant component of this increase is the \$15.2 million dollar non-cash impairment charge of asset expense recognized in the third quarter of 2024, along with \$7.4 million higher depreciation expense, primarily associated with Origin 1.

With that, I will pass it back to John for concluding remarks.

**John Bissell, CEO, Origin Materials**

---

Thanks, Matt.

I want to take a moment to emphasize that Origin's intellectual property portfolio is substantial, growing, and increasingly valuable in our view, deepening Origin's technology advantage. Our portfolio now comprises over 70 issued patents, as well as dozens of pending applications. In January 2025, five applications published covering single and double-walled closures, knurled and threaded closures, and methods of making our closures via thermoforming. Origin's IP lets us make a new, lighter, better-performing cap than our competitors can make, using a proprietary



**Origin Materials, Inc.**  
**4Q24 Earnings Conference Call Script**  
**March 13, 2025**

CapForming method our competitors can't duplicate. In short, we believe we have created a defensible moat for this business.

In the near future, millions of our caps will be in consumers' hands. Although we do not sell directly to consumers, we recognize the importance of the consumer experience to our success. From the tactile experience of twisting the cap and breaking the seal, to the sound of the seal breaking, to the hand feel of the cap itself, to the visual and physical design possibilities available to us with our technology – it all leads to that critical first-use experience and the visceral response that determines if someone “likes” the experience or not. We're happy to report that we've seen a lot of smiles so far. It really is a very satisfying experience. We've been encouraged by the consumer feedback we've received thus far and are looking forward to all of you – and millions of others – getting to have your first experience with Origin PET caps in the near future.

Finally, I want to reiterate that we are building a product, but more importantly we are building a platform. I'm proud of the work we're doing. And at the same time, I think it's important to have our team, including our investors, look up from where we are now and stay oriented on where we're going. Success for Origin is not making a billion caps, it is not launching one CapFormer line, or even 8 CapFormer lines. Success for us is building a platform that can grow smoothly and scalably to accommodate hundreds of caps lines over time, one that is capable of converting a significant share of the \$65 billion dollar cap and closures market to PET caps in the coming years. We're just getting started.

With that, I'll open up the call for questions. Operator, may we have the first question, please?