



ASTEC™

Third Quarter Earnings Presentation

BUILT TO **CONNECT**

November 2, 2022



Safe Harbor



Certain statements contained in this presentation contain forward-looking statements within the meaning of the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, and the Private Securities Litigation Reform Act of 1995. Such statements relate to, among other things, income, earnings, cash flows, changes in operations, operating improvements, businesses in which we operate and the United States and global economies. Statements in the presentation that are not historical are hereby identified as “forward-looking statements” and may be indicated by words or phrases such as “anticipates”, “supports”, “plans”, “projects”, “expects”, “believes”, “should”, “would”, “could”, “hope”, “forecast”, “management is of the opinion”, use of the future tense and similar words or phrases. These forward-looking statements are based largely on management’s expectations, which are subject to a number of known and unknown risks, uncertainties and other factors discussed and described in our most recent Annual Report on Form 10-K, including those risks described in Part I, Item 1A thereof, and in other reports subsequently filed by us with the Securities and Exchange Commission, which may cause actual results, financial or otherwise, to be materially different from those anticipated, expressed or implied by the forward-looking statements. All forward-looking statements included in this document are based on information available to us on the date hereof, and we assume no obligation to update any such forward-looking statements to reflect future events or circumstances, except as required by law.

Non-GAAP Measures

In an effort to provide investors with additional information regarding the Company’s results, the Company refers to various GAAP (U.S. generally accepted accounting principles) and non-GAAP financial measures which management believes provide useful information to investors. These non-GAAP measures have no standardized meaning prescribed by U.S. GAAP and therefore are unlikely to be comparable to the calculation of similar measures for other companies. Management of the Company does not intend these items to be considered in isolation or as a substitute for the related GAAP measures. Nonetheless, this non-GAAP information can be useful in understanding the Company’s operating results and the performance of its core business. Management of the Company uses both GAAP and non-GAAP financial measures to establish internal budgets and targets and to evaluate the Company’s financial performance against such budgets and targets. A reconciliation of these non-GAAP measures to the most directly comparable GAAP measure is included in the appendix.

Third Quarter Highlights



Barry Ruffalo

President & Chief Executive Officer



TODAYS Key Messages



1

Market demand remains robust across both segments, with positive customer sentiment; record backlog supports confidence in continued growth as we wrap up 2022 and head into 2023

2

Continuous improvement culture helping navigate challenging manufacturing environment to mitigate persistent supply chain and labor market constraints

3

Remain well-positioned to execute and grow with a strong balance sheet and continued focus on OneASTEC operating model to drive operational excellence across the organization

4

Committed to technology enhancements to unify existing systems, standardize processes, integrate solutions to better leverage automation and process efficiency

5

Continue to position our business for future, profitable growth and drive long-term stakeholder value by executing our Simplify, Focus, and Grow strategy, while addressing near-term macro-driven headwinds

50 Years of Connecting the World



Founded in 1972 by inventor and entrepreneur Dr. J. Don Brock

Innovative products have revolutionized the Rock-to-Road value chain

Launched Simplify, Focus and Grow initiative in 2019 to enhance stakeholder value



Business Dynamics and Observations



Industry Trend	Astec Response / Impact
Strong infrastructure demand for asphalt roadbuilding, aggregate processing and concrete production	<ul style="list-style-type: none"> ✓ Continue to maintain record backlog levels ✓ Conversations with customers indicate sustainable positive demand ✓ Initiatives in place to expand capacity and throughput
Funding for Federal Highway Bill beginning to be deployed	<ul style="list-style-type: none"> ✓ Added benefit as we see significant optimism for future demand for our products
Labor shortages continuing across industry and broader market	<ul style="list-style-type: none"> ✓ Tight labor market contributes to supply chain delays ✓ Hiring and training expenses impacting short-term profitability as we invest to increase operations personnel
Supply chain and logistics disruptions	<ul style="list-style-type: none"> ✓ Manufacturing challenges due to supply chain and logistics disruptions ✓ Mitigating impact through operational excellence initiatives
Inflationary pressures experienced in 2022; expect current levels into 2023	<ul style="list-style-type: none"> ✓ Offsetting inflation through positive net volume, price and mix ✓ Continue to leverage pricing power to capture value

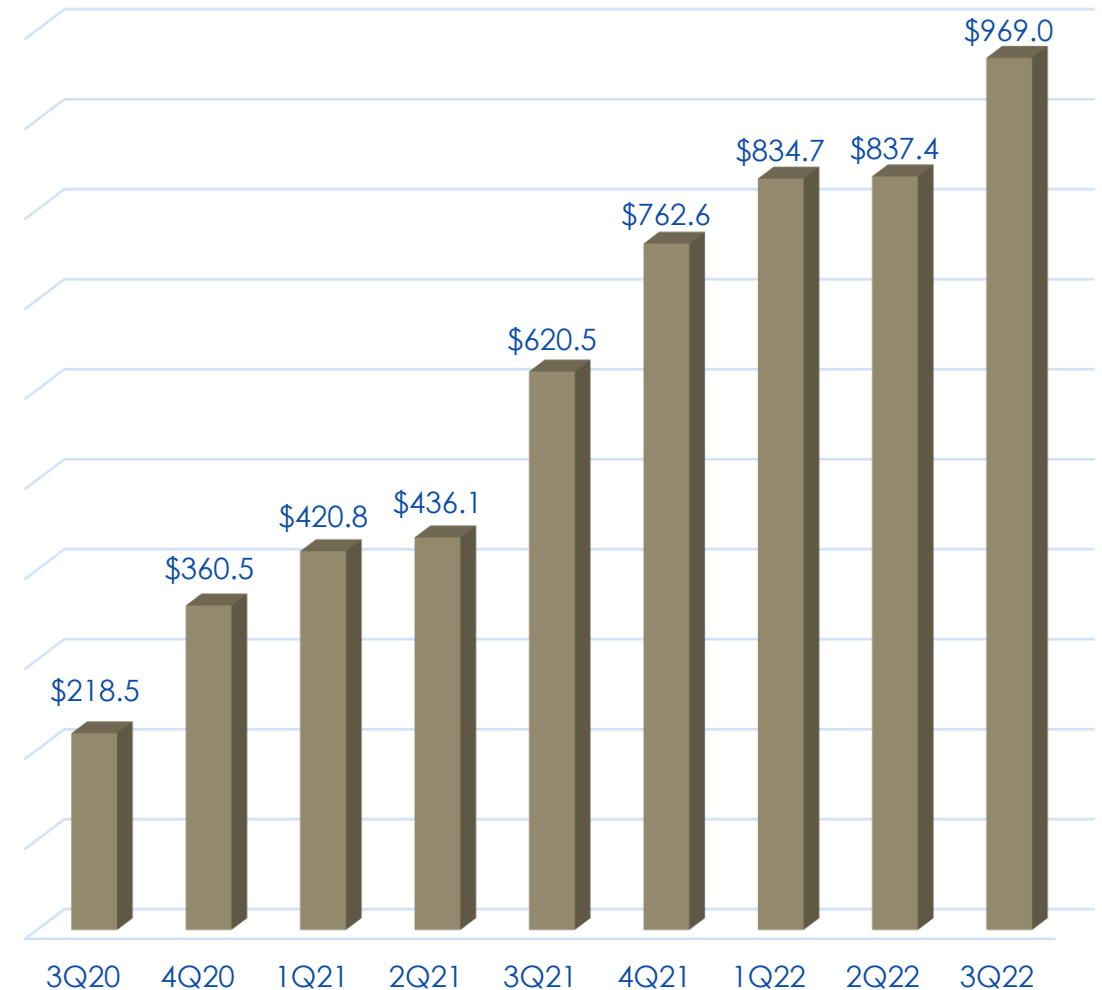
Positioning our business for future growth, while addressing near-term headwinds

Initiatives to Convert Growing Backlog

- Increasing capacity to meet higher demand
- Adding headcount in manufacturing facilities
- Increased Project Management (Manufacturing Engineers)
- Capital Expenditures for facility expansion, automation, productivity and throughput
- Cross site manufacturing

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Backlog (\$M)

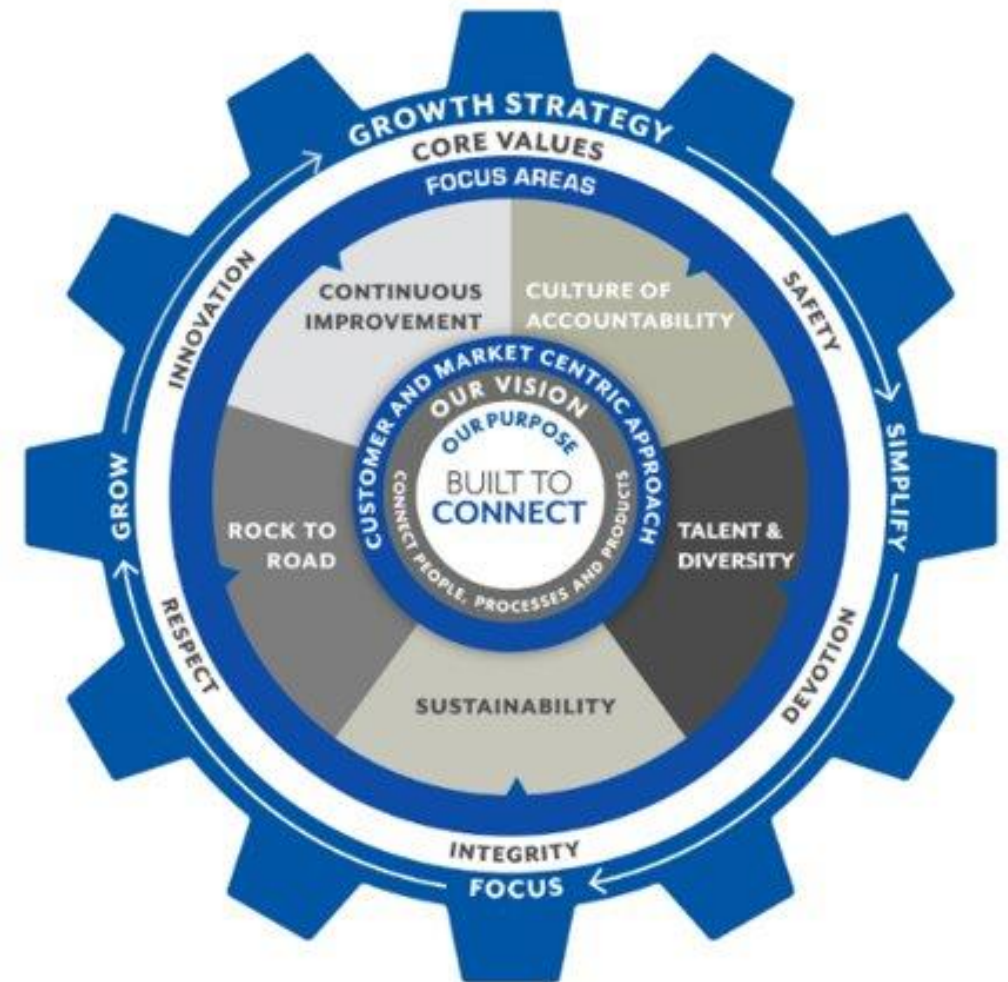


Continued strong demand resulted in 8th consecutive quarter of record backlog

Operating As OneASTECC

- Customers at the center of everything we do
- Focusing on the Rock-to-Road Value Chain
- Hiring and training new employees to meet continued strong demand
- Leveraging footprint to reduce lead times, optimize revenue and manage costs
- Mitigating supply and logistic disruptions by
 - Driving efficiencies in Operational Excellence
 - Identifying and validating multiple supply sources for critical components

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OneASTECC business model enabling us to address industry headwinds

Our Profitable Growth Strategy



SIMPLIFY

Leverage Actions Taken to Further Simplify the Business

- Leverage global footprint and scale while maintaining strong customer relationships
- Reduce organizational structure complexity
- Consolidate and rationalize footprint and product portfolio
- Optimize supply chain by leveraging size and scale of business



FOCUS

Utilize OneASTEC Business Model to Enhance Efficiency across the Organization

- Strengthen customer-centric approach by providing a holistic set of solutions
- Drive commercial excellence
- Embrace and streamline operational excellence processes
- Enhance accountability through a performance-based culture with aligned KPIs and incentives



GROW

Drive Growth through Organic and Inorganic Opportunities (Rock to Road)

- Reinvigorate innovation with a new product development approach
- Leverage technology and digital connectivity to enhance customer experience
- Capitalize on global growth opportunities

Total Company and Segment Financial Results



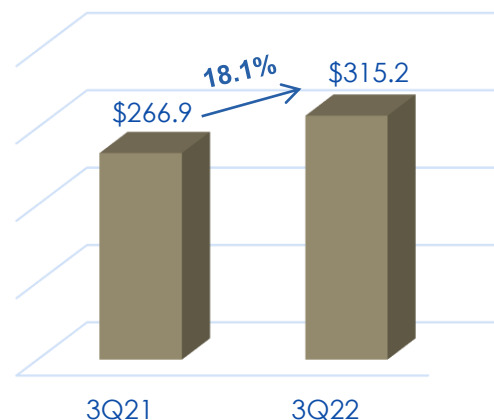
Becky Weyenberg
Chief Financial Officer



3Q22 Financial Results (\$M, except per share data)

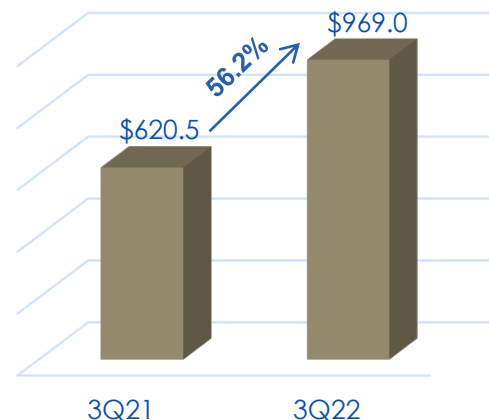


NET SALES



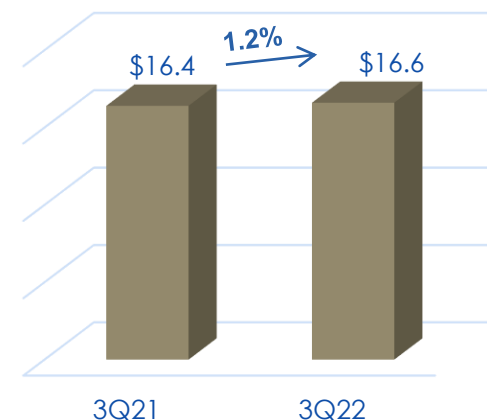
- Equipment sales increased \$34.7M or 19.9%
- Parts sales increased \$8.8M or 11.1%
- Domestic sales increased \$47.6M or 23.6%
- International sales increased \$0.7M or 1.1%

BACKLOG



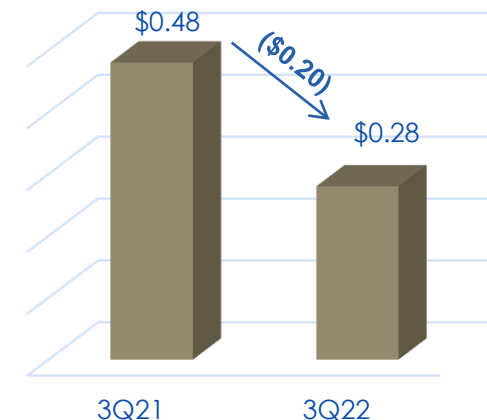
- Materials Solutions backlog increased \$87.2M or 31.2%
- Infrastructure Solutions backlog increased \$258.8M or 75.8%
- Domestic backlog increased \$304.1M or 59.8%
- International backlog increased \$44.4M or 39.7%

ADJ. EBITDA¹



- Adjusted EBITDA increased due to pricing outpacing inflation partially offset by manufacturing inefficiencies and increased SG&A
- Adj. EBITDA margin of 5.3% declined 80 bps
- Adj. SG&A increased 2.8% due to higher consulting fees, travel costs and incremental costs from acquired business

ADJ. EPS¹



- Excludes transformation and other costs of \$0.25 in 3Q22 and \$0.09 in 3Q21
- Adjusted effective tax rate was 28.4%
- 3Q21 includes tax benefit of \$0.21 for valuation allowance release in Brazil and net R&D credits

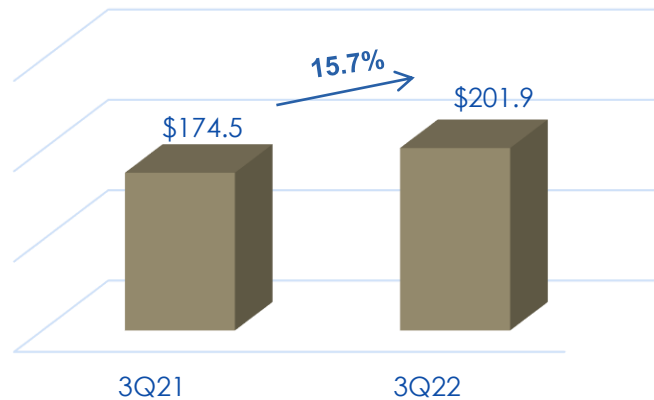
¹ See appendix for the reconciliation of GAAP to Non-GAAP measures.

Infrastructure Solutions

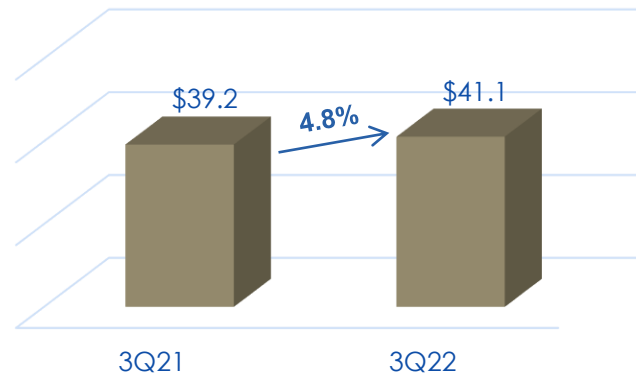
3Q22 Financial Performance (\$M)



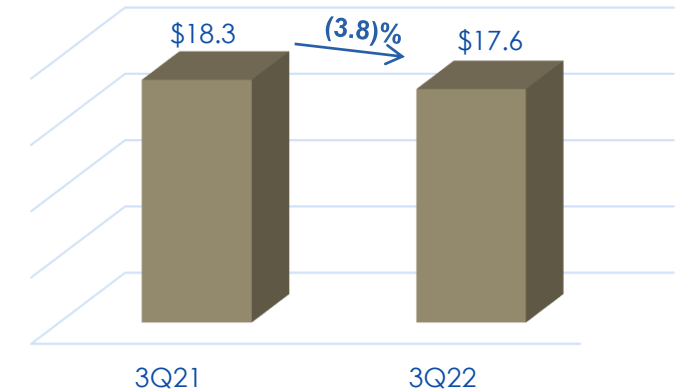
NET SALES



GROSS PROFIT



SEGMENT OPERATING ADJ. EBITDA¹



3Q PERFORMANCE DRIVERS

- Sales increased on strong domestic demand and favorable net volume, pricing and mix
- Domestic sales grew 16.0%, while International sales increased 14.4%
- Equipment sales grew 12.8% and Parts sales grew 15.1%
- Gross margin decreased 210 bps due to inflation and we incurred higher manufacturing costs due to supply chain disruptions partially offset by favorable net volume, price and mix
- Segment Operating Adj. EBITDA margin decreased 180 bps due to gross margin impact and increased SG&A expense

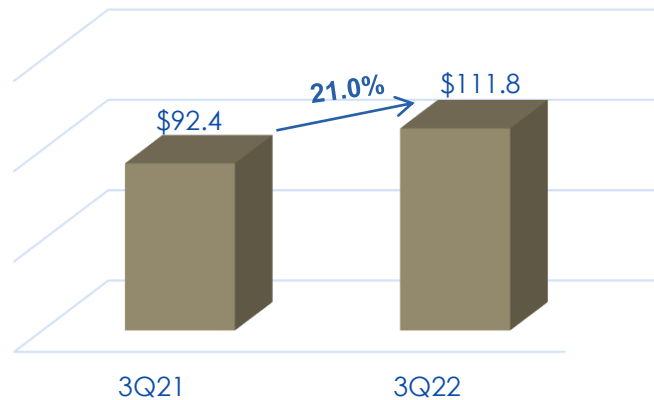
¹ See appendix for the reconciliation of GAAP to Non-GAAP measures.

Materials Solutions

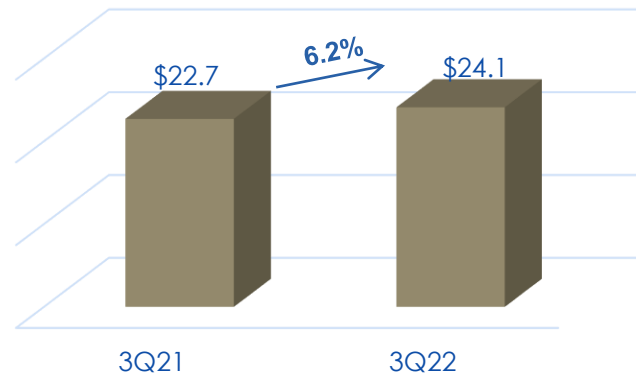
3Q22 Financial Performance (\$M)



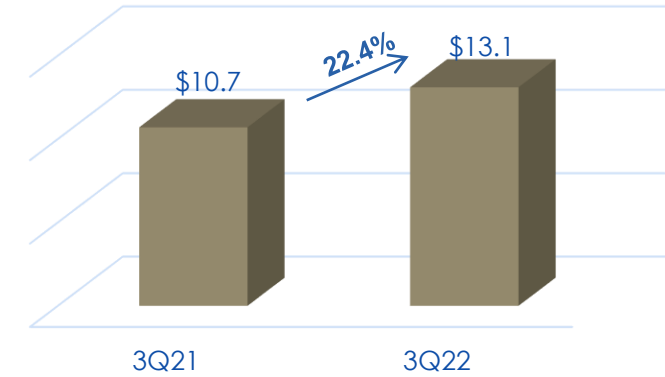
NET SALES



GROSS PROFIT



SEGMENT OPERATING ADJ. EBITDA¹

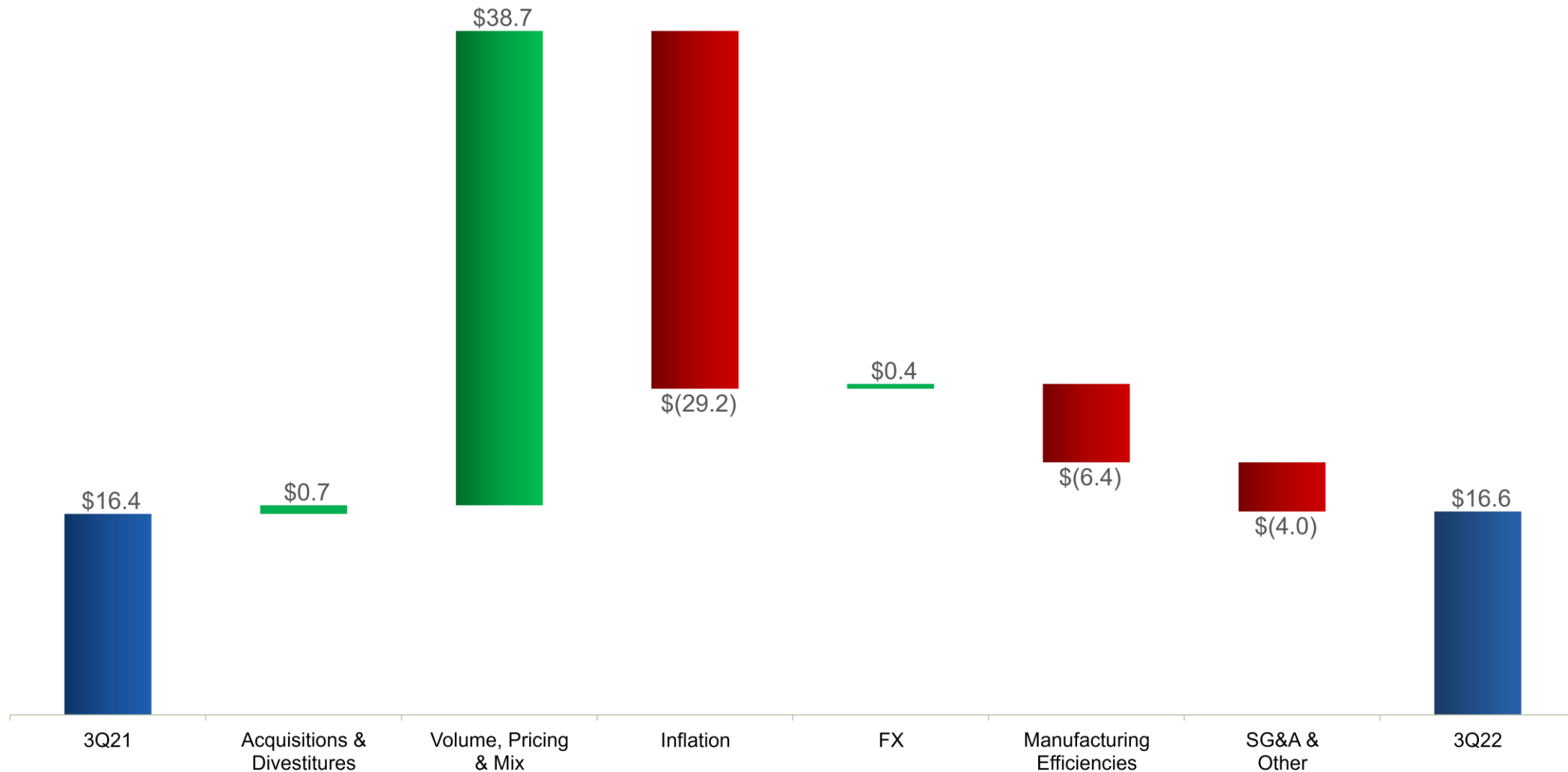


3Q PERFORMANCE DRIVERS

- Sales growth due to net volume, pricing and mix primarily in equipment and parts sales
- Domestic sales grew 40.4%; International sales declined 12.7%
- Equipment sales grew 31.8% and Parts sales grew 4.3%
- Gross margin decreased 300 bps due to inflation and we incurred higher manufacturing costs due to supply chain disruptions partially offset by favorable net volume, price and mix
- Segment Operating Adj. EBITDA margin was stable

¹ See appendix for the reconciliation of GAAP to Non-GAAP measures.

3Q22 Adjusted EBITDA Bridge



Maintain Strong, Flexible Balance Sheet with Ample Liquidity



SUMMARY BALANCE SHEET

(\$M)	9/30/22
Cash and Cash Equivalents	\$18.4
Total Current Assets	\$649.6
Total Assets	\$944.6
Total Current Liabilities	\$283.9
Total Debt	\$10.3
Total Liabilities and Equity	\$944.6

(\$M)	9/30/22
Cash and Cash Equivalents	\$18.4
Available Credit	\$146.3
Total Available Liquidity	\$164.7

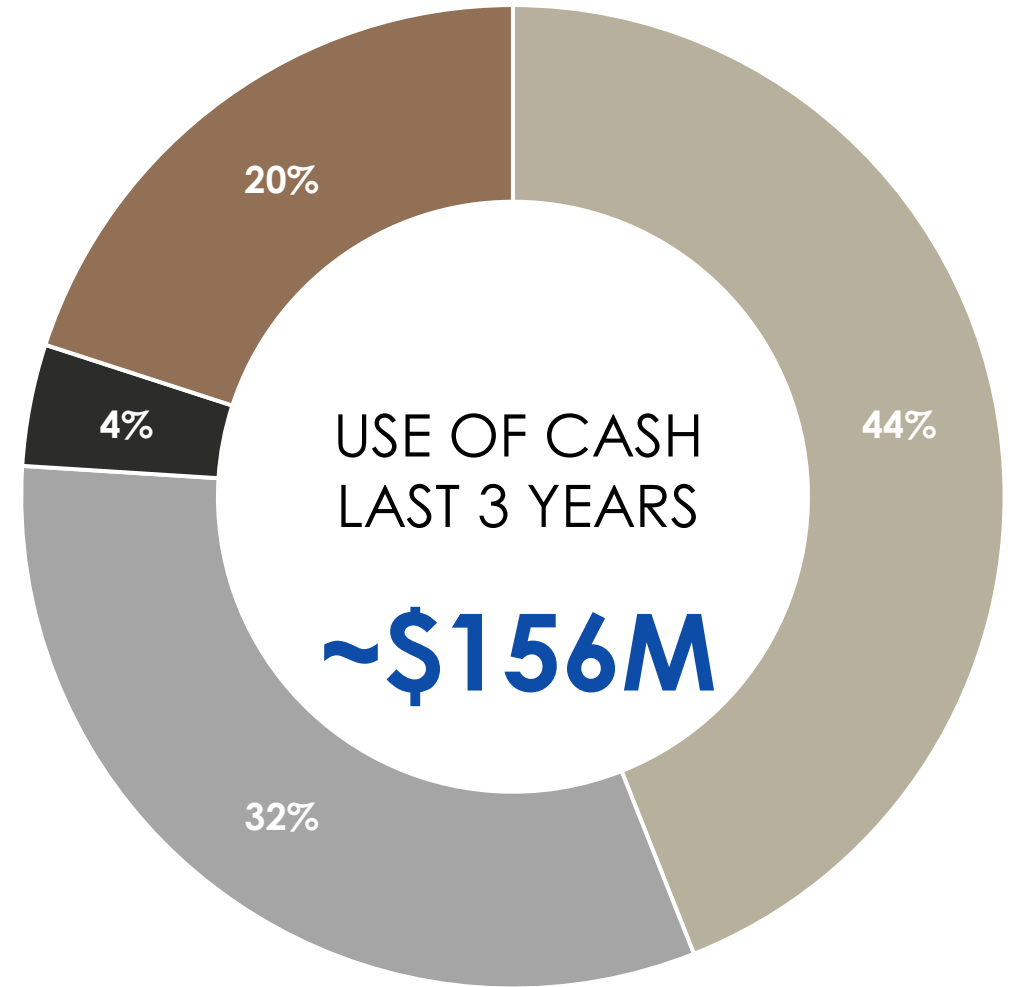
COMMENTARY

- Operating activities were a \$56.8M use of cash YTD 2022
- Cash available for operations decreased 86% and liquidity decreased 42% compared to 12/31/21

Remain disciplined with a long-term net debt to EBITDA range of 1.5x to 2.5x

Disciplined Capital Deployment Framework

Plant, Property & Equipment	<ul style="list-style-type: none"> Internal investments targeting return objectives of >14% ROIC
Acquisitions	<ul style="list-style-type: none"> Acquired MINDS Automation 3/22/22 (\$19.3M purchase price) to build digital platform Future acquisitions to align with growth strategy and meet financial criteria
Returns to Shareholders	<ul style="list-style-type: none"> Dividend of \$0.12 per share in 3Q22
Returns to Shareholders	<ul style="list-style-type: none"> Repurchased \$6.1M in shares in 3Q22; \$120M remaining in authorized share repurchase program, positioning us for additional opportunistic share repurchases subject to market conditions



- Plant, Property & Equipment
- Acquisitions
- Share Repurchases
- Dividends

Continually evaluate strategy to ensure a balanced approach

BUILT TO CONNECT

Oracle Suite of Solutions Enabling Transformation



OUR VISION



OneASTEC

To transform how we connect people, products, and processes to operate more efficiently and effectively as OneASTEC.

OUR SOLUTIONS



Enterprise Resource Planning (ERP)

One source of truth for all business data to improve efficiency and accuracy.



Human Capital Management (HCM)

One platform for all people processes and an improved employee experience.



Customer Experience (CX)

A combination of several systems to improve service to customers & dealers.

Realizing benefits in 2023 with 1st wave of solutions implementation

Long-Term Goals



The OneASTEC business model to fuel strong future operational and financial performance



Create Value for Shareholders

Alignment to Incentive Plan

Stand Through Cycles

¹ Calculated by dividing LTM Adjusted FCF by Adjusted Net Income

Key Investment Highlights



- 1** Leadership positions within attractive niche markets in industries benefiting from long-term secular trends including population growth, urbanization and aging infrastructure
- 2** Industry-leading reputation for innovation, high-quality products and superior customer service
- 3** Recurring, profitable aftermarket revenue driven by a large global installed base
- 4** Strong balance sheet and liquidity with net cash position to execute through challenging market conditions; our products are essential for building infrastructure
- 5** Strategic evolution with Simplify, Focus and Grow pillars; cost savings initiatives underway to drive profitable growth



Questions and Answers



Appendix

3Q 2022 GAAP to Non-GAAP Reconciliation Table

(in millions, except per share amounts; unaudited)

	As Reported (GAAP)	Restructuring, Impairment, and Other Charges, Net	Transformation Program	Transaction Costs	As Adjusted (Non-GAAP)
Consolidated					
Net sales	\$ 315.2	\$ —	\$ —	\$ —	\$ 315.2
Gross profit	65.4	—	—	—	65.4
Gross profit %	20.7%				20.7%
Selling, general and administrative expenses	55.0	—	(7.0)	(0.5)	47.5
Restructuring, impairment and other asset charges, net	0.1	(0.1)	—	—	—
Operating income	1.8	0.1	7.0	0.5	9.4
Income taxes	0.7	—	1.7	0.1	2.5
Net income attributable to controlling interest	0.7	0.1	5.3	0.4	6.5
Diluted EPS	0.03	—	0.23	0.02	0.28
Infrastructure Solutions					
Net sales	201.9	—	—	—	201.9
Gross profit	41.1	—	—	—	41.1
Gross profit %	20.4%				20.4%
Materials Solutions					
Net sales	111.8	—	—	—	111.8
Gross profit	24.1	—	—	—	24.1
Gross profit %	21.6%				21.6%



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3Q 2021^(a) GAAP to Non-GAAP Reconciliation Table

(in millions, except per share amounts; unaudited)

	As Reported (GAAP)	Restructuring, Impairment, and Other Charges, Net	Transformation Program	As Adjusted (Non- GAAP)
Consolidated				
Net sales	\$ 266.9	\$ —	\$ —	\$ 266.9
Gross profit	61.9	—	—	61.9
Gross profit %	23.2%			23.2%
Selling, general and administrative expenses	48.6	—	(2.4)	46.2
Restructuring, impairment and other asset charges, net	0.3	(0.3)	—	—
Operating income	6.3	0.3	2.4	9.0
Income taxes	(2.9)	0.1	0.5	(2.3)
Net income attributable to controlling interest	9.0	0.2	1.9	11.1
Diluted EPS	0.39	0.01	0.08	0.48
Infrastructure Solutions				
Net sales	174.5	—	—	174.5
Gross profit	39.2	—	—	39.2
Gross profit %	22.5%			22.5%
Materials Solutions				
Net sales	92.4	—	—	92.4
Gross profit	22.7	—	—	22.7
Gross profit %	24.6%			24.6%

(a) Certain prior period amounts have been revised to correct immaterial errors related to the overstatement of work-in-process inventory and an overstatement of "Net sales" and Cost of sales" as a result of over-time revenue recognition calculation errors. These errors caused the overstatement of "Net sales" by \$0.1 million and \$0.5 million in the three and nine month periods ended September 30, 2021, respectively, and the net understatement of "Cost of sales" by \$0.3 million and \$1.1 million in the three and nine months periods ended September 30, 2021, respectively.



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GAAP vs Non-GAAP Adjusted EPS Reconciliations

(in millions, except per share amounts; unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021 ^(a)	2022	2021 ^(a)
Net income attributable to controlling interest	\$ 0.7	\$ 9.0	\$ 0.9	\$ 25.8
Adjustments:				
Transformation program	7.0	2.4	18.7	7.7
Facility closures and reduction in force	0.1	0.5	1.5	2.1
Asset impairment	0.4	—	3.4	0.2
Gain on sale of property, equipment and business, net	(0.4)	(0.2)	(0.4)	(0.5)
Transaction costs	0.5	—	1.9	—
Income tax impact of adjustments	(1.8)	(0.6)	(5.8)	(2.2)
Adjusted net income attributable to controlling interest	<u>\$ 6.5</u>	<u>\$ 11.1</u>	<u>\$ 20.2</u>	<u>\$ 33.1</u>
Diluted EPS	\$ 0.03	\$ 0.39	\$ 0.04	\$ 1.13
Adjustments:				
Transformation program	0.31	0.10	0.82	0.34
Facility closures and reduction in force ^(b)	—	0.03	0.06	0.08
Asset impairment	0.02	—	0.15	0.01
Gain on sale of property, equipment and business, net	(0.02)	(0.01)	(0.02)	(0.02)
Transaction costs	0.02	—	0.08	—
Income tax impact of adjustments	(0.08)	(0.03)	(0.25)	(0.10)
Adjusted EPS	<u>\$ 0.28</u>	<u>\$ 0.48</u>	<u>\$ 0.88</u>	<u>\$ 1.44</u>

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(b) Calculation includes the impact of a rounding adjustment



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EBITDA and Adjusted EBITDA Reconciliations

(in millions, except per share amounts; unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021 ^(a)	2022	2021 ^(a)
Net sales	\$ 315.2	\$ 266.9	\$ 924.6	\$ 828.9
Net income attributable to controlling interest	\$ 0.7	\$ 9.0	\$ 0.9	\$ 25.8
Interest expense (income), net	0.3	0.1	0.9	0.2
Depreciation and amortization	7.3	7.5	20.9	22.6
Income tax provision (benefit)	0.7	(2.9)	0.8	—
EBITDA	9.0	13.7	23.5	48.6
EBITDA margin	2.9 %	5.1 %	2.5 %	5.9 %
Adjustments:				
Transformation program	7.0	2.4	18.7	7.7
Facility closures and reduction in force	0.1	0.5	1.5	2.1
Asset impairment	0.4	—	3.4	0.2
Gain on sale of property, equipment and business, net	(0.4)	(0.2)	(0.4)	(0.5)
Transaction costs	0.5	—	1.9	—
Adjusted EBITDA	\$ 16.6	\$ 16.4	\$ 48.6	\$ 58.1
Adjusted EBITDA margin	5.3 %	6.1 %	5.3 %	7.0 %

(a) Certain prior period amounts have been revised to correct immaterial errors related to the overstatement of work-in-process inventory and an overstatement of "Net sales" and Cost of sales" as a result of over-time revenue recognition calculation errors. These errors caused the overstatement of "Net sales" by \$0.1 million and \$0.5 million in the three and nine month periods ended September 30, 2021, respectively, and the net understatement of "Cost of sales" by \$0.3 million and \$1.1 million in the three and nine months periods ended September 30, 2021, respectively.



BUILT TO CONNECT

The ROCK to ROAD **PORTFOLIO**

Infrastructure Solutions

ASPHALT & CONCRETE PROCESSING,
INDUSTRIAL HEATING and
CONSTRUCTION MACHINERY



Materials Solutions

CRUSHING & SCREENING
FOR RAW MATERIALS



CORE VALUES



DEVOTED



INTEGRITY



RESPECT



INNOVATION



SAFETY

Continuing to Pursue Key Organic Growth Opportunities



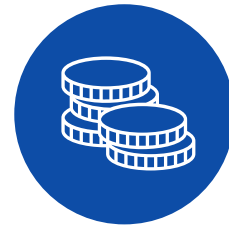
International /
Global Growth



Growth in Parts
and Service



Dealer
Expansion



Cross-selling
Opportunities
(i.e., asphalt and concrete products)



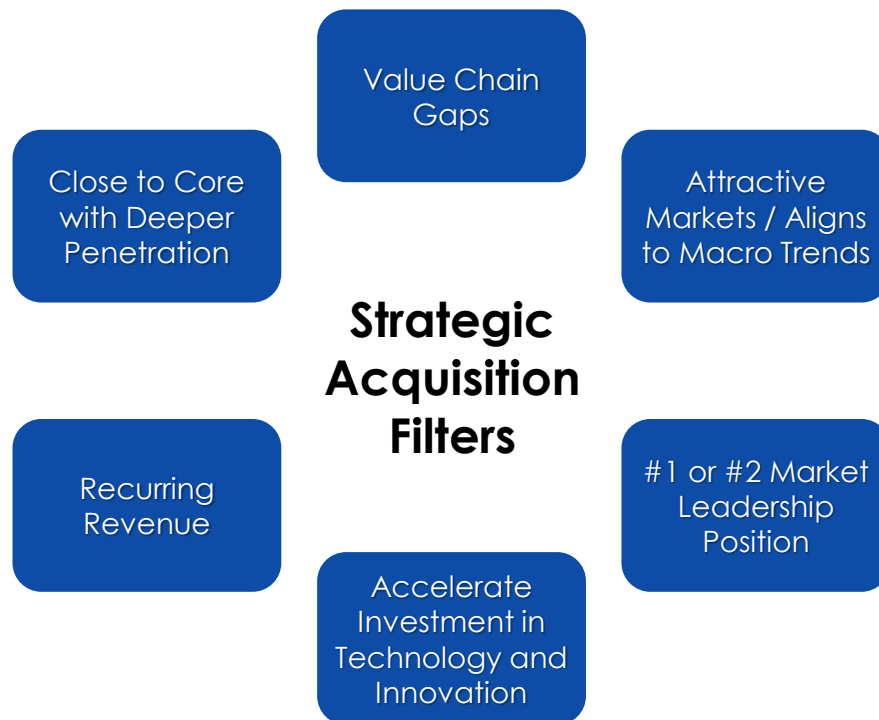
Strategic
Accounts



New Product
Development

Organic growth initiatives gaining traction

Strategic M&A Approach To Our Growth Strategy



Financial Criteria



EPS Accretion
in First Full Year



Meet or Exceed
Long-term Financial Metrics

Progress on ESG Journey to Create Stakeholder Value

Key Focus Areas



Invest in Resources to Accelerate Environmental Initiatives

- Establish KPI tracking and assessments (GHG, utilities, etc.)
- Perform life cycle assessments on major product categories
- Create ESG digital footprint review and management process
- Finalize sustainable operations guidelines playbook
- Continue to reduce carbon footprint



Continue to Advance Social Initiatives

- Maintain focus on employee safety and welfare
- Support diversity, equity and inclusion internally and in our communities
- Contribute to charitable organizations
- Enhance employee engagement



Maintain Sound Governance Practices

- Board oversight
- Cybersecurity
- Audit discipline

ASTECC DIGITAL

Simplify solutions for asphalt, concrete and aggregate controls

Enhance customer experience

Provide technology solutions to the Industry



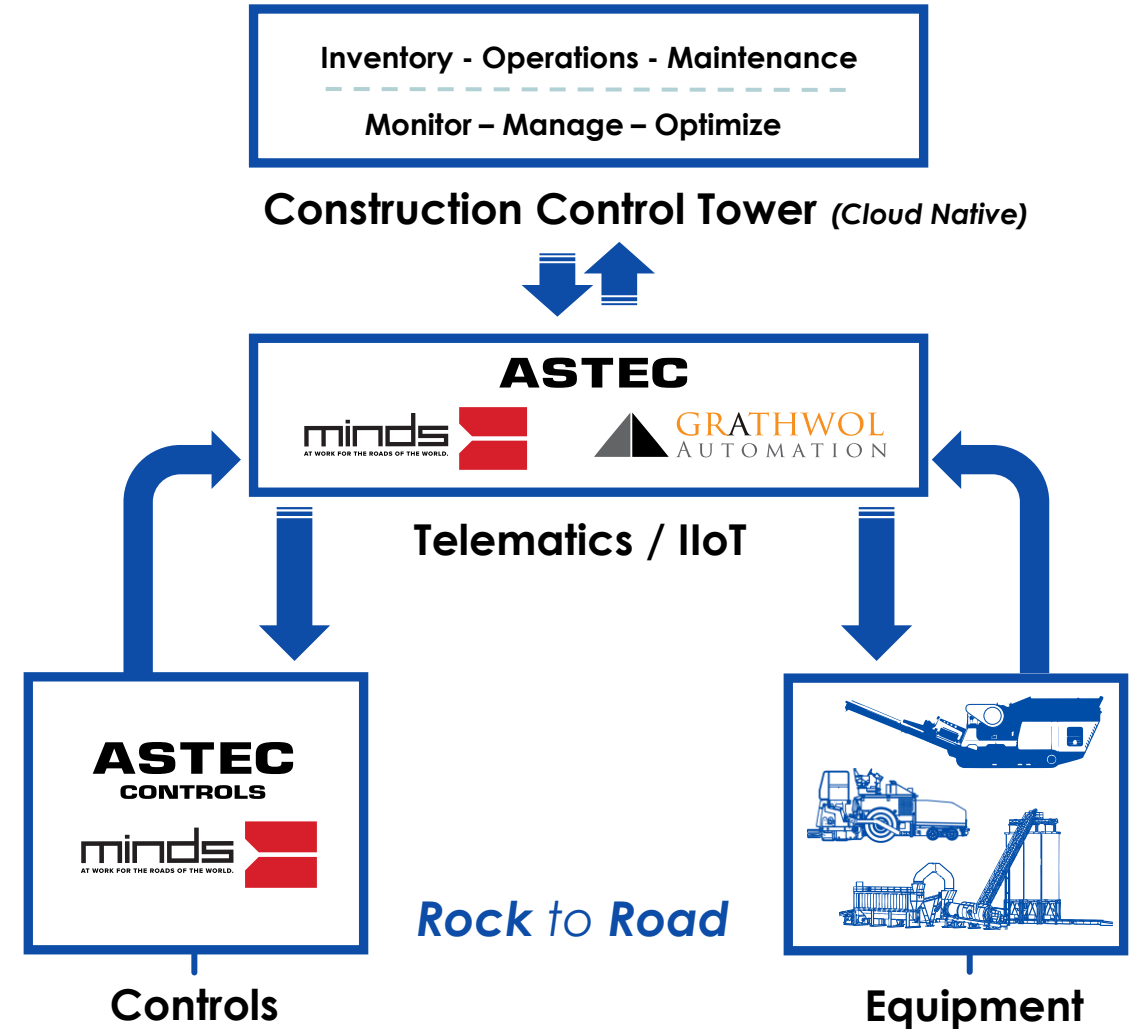
Astec is a market leader with significant customer reach to deploy technology with scale



As an OEM Astec brings intimate knowledge of equipment to marry up with technology to create an integrated system



Technology builds connected relationships with customers/dealers, elevating parts and service revenue



Strong Execution of Simplify & Focus Leads to Strategic Focus on Growth



2019 – 2020+

2019 – 2021+

2020 - 2022+

SIMPLIFY

- Changed from subsidiary structure to align by product groups
- Refreshed executive leadership team and board members
- Executed Astec Strategic Procurement initiative consolidating supply chain
- Within Infrastructure Solutions, integrated five service teams into a unified service and construction team; one support call center
- Closure of Tacoma facility
- Launched OneASTEC new brand

FOCUS

- Hired SVP of Operational Excellence and Chief Information Officer
- Aligned financial metrics to management incentives
- Completed divestiture of GEFCO (Enid; O&G products)
- Further drive operational excellence across organization
- Refine product portfolio with ongoing rationalization
- Optimize working capital turns – clear action plan in place
- Standardizing ERP system across global organization to streamline operations

GROW

- Focus on innovation; new Innovation Council
- Hired SVP of Corporate Development
- Enhance customer engagement
- Global expansion
- Profitable growth
- Disciplined and strategic acquisitions
- Hired Chief Technology Officer



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