



Second Quarter Earnings

August 7, 2024

BUILT TO CONNECT

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.



Second Quarter Highlights

JACO VAN DER MERWE

CEO AND PRESIDENT

Second Quarter Overview

\$345.5M

NET SALES

23.5%

GROSS MARGIN

+5.9%

IMPLIED ORDERS
(sequentially)

1

Infrastructure Solutions segment saw **continued solid performance overall** with **implied orders up 3.4%** sequentially as the infrastructure construction market remains strong with healthy demand for asphalt and concrete plant deliveries anticipated through the beginning of 2025

2

Materials Solutions, **implied orders are up 11.8%** sequentially. Interest rates continue to influence the segment however, substantial federal infrastructure funding and healthy state and local budgets are expected to drive multi-year demand

3

Delivered **\$345.5M in net sales**, a decrease of 1.3% compared to a record second quarter in 2023, and **gross margin of 23.5%**, a decrease of 20 bps compared to prior year

4

Backlog level of \$531.1 is continuing to approach historic range due to solid IS performance, supporting our ability to **meet demand for products and increase sales moving forward**

5

Positive improvement in inventory with a **reduction of \$28.7M/-5.9%** sequentially

Strategic Roadmap for 2024 and Beyond

STRATEGIC PILLARS



EMPOWERED, ENABLED & ENGAGED EMPLOYEES

Develop high performance talent through competitive market based compensation and benefits, ongoing leadership and technical skills development and a values based culture.

Being an employer of choice, giving employees the tools they need to succeed and creating life changing opportunities is key to our joint success



CUSTOMER FOCUSED

Strong customer focus means driving commercial and operational excellence and simplifying product offering and production process, among others



INDUSTRY CHANGING INNOVATION

A central cornerstone of success is industry changing innovation

Rolling out new product development approach that increases market competitiveness and better leverages technology and digital connectivity

Execution on strategic pillars to **drive sustainable value creation**

Business Dynamics and Observations

INFRASTRUCTURE SOLUTIONS

- Net sales of \$221.4M increased 11.0%: *Strong performance from equipment sales and pricing actions, the infrastructure construction market remains strong.*
- Segment Operating Adjusted EBITDA margin of 12.3% decreased 60 basis points: *Primarily due to manufacturing inefficiencies and higher SG&A costs*

MATERIALS SOLUTIONS

- Net sales of \$124.1M decreased by 17.7%: *Due to lower equipment sales, attributable to finance capacity constraints with contractors and dealers, as well as longer product conversions*
- Segment Operating Adjusted EBITDA margin of 8.2% decreased 390 basis points: *Impacted by lower net volume/mix, manufacturing inefficiencies, and slightly higher SG&A costs*

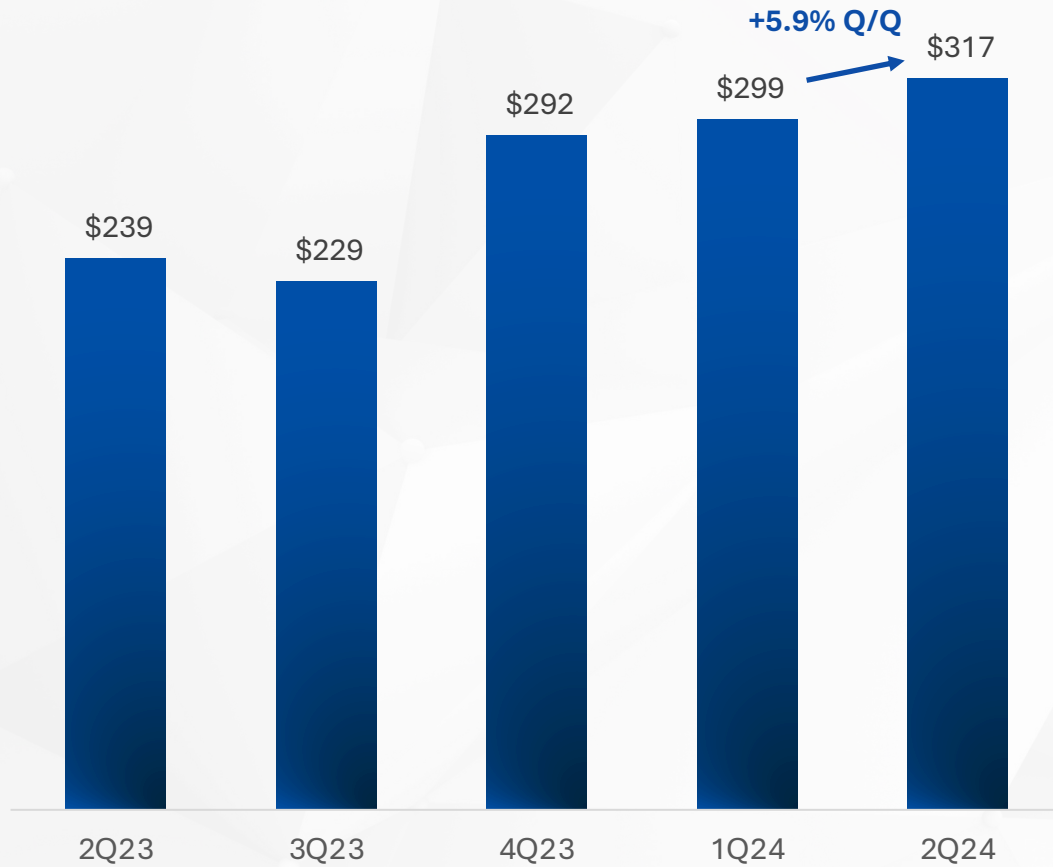
DOMESTIC ROAD BUILDING UPDATE

- Federal Infrastructure Investment Jobs Act bill in place through September 2026.
- Total state budgets up 12% year-over-year
- Expect continued strong demand for asphalt road building and concrete production equipment moving forward

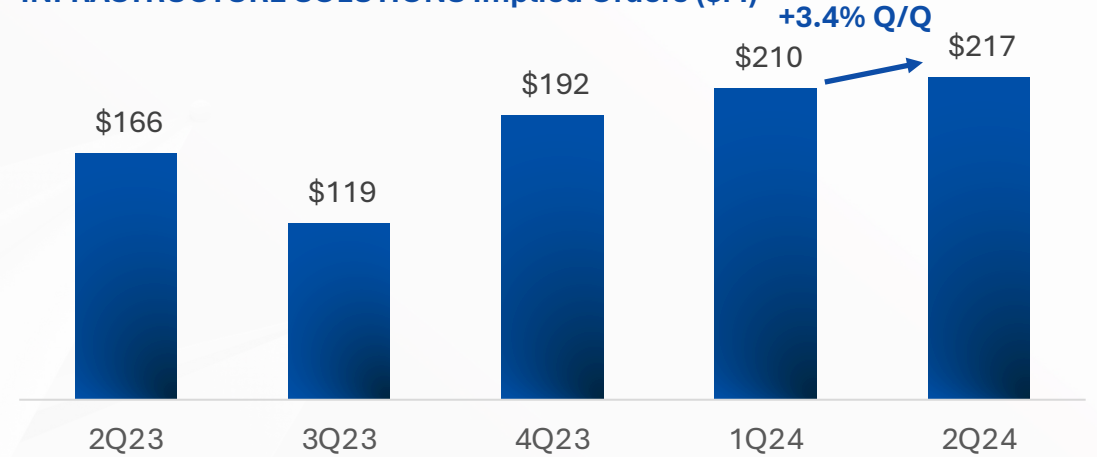


Q2 24 Implied Orders

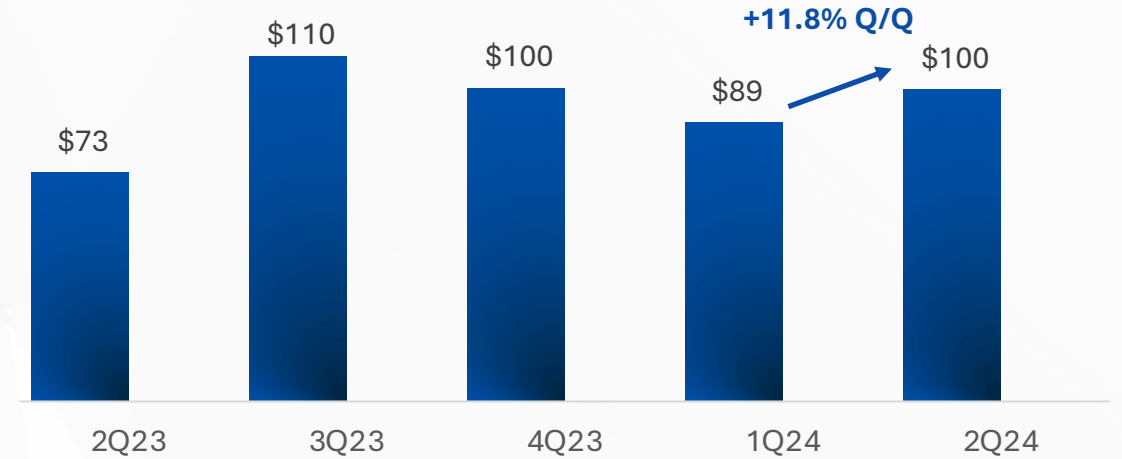
Implied Orders (\$M)



INFRASTRUCTURE SOLUTIONS Implied Orders (\$M)



MATERIALS SOLUTIONS Implied Orders (\$M)



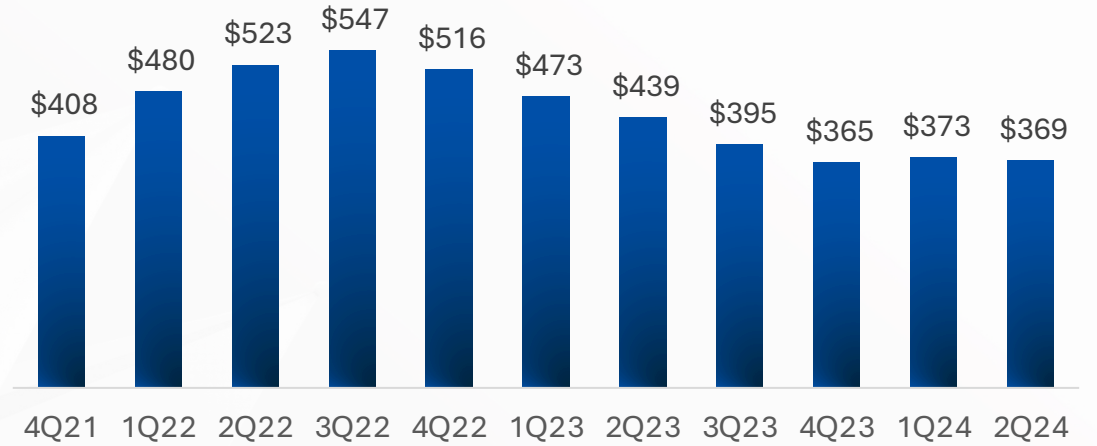
Encouraging Order Patterns

Historical Backlog

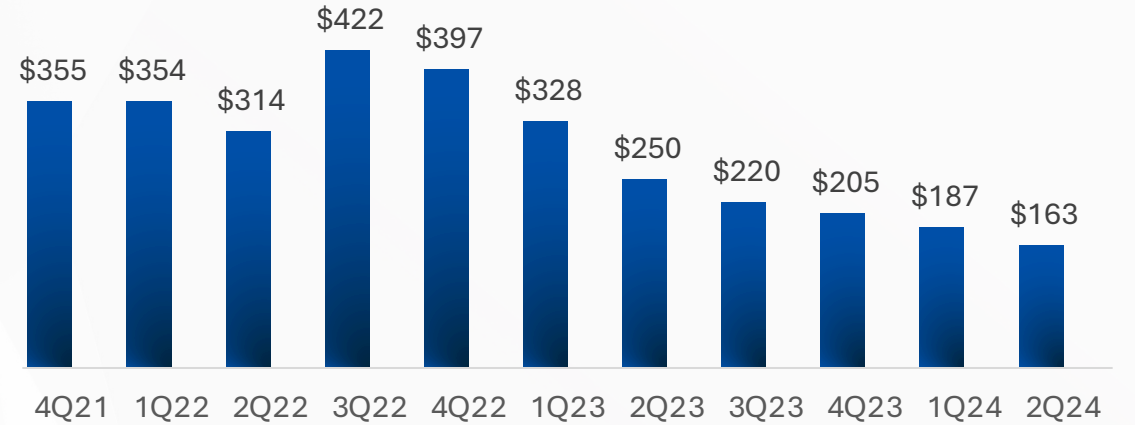
BACKLOG (\$M)



INFRASTRUCTURE SOLUTIONS BACKLOG (\$M)



MATERIALS SOLUTIONS BACKLOG (\$M)



Approaching Our Historical Orders Backlog Range



Hillhead 2024 Overview

Quarrying, Construction & Recycling
June 25-27 2024 | Hillhead Quarry | Buxton | UK



SIXTEEN PRODUCTS DISPLAYED

19,500+ ATTENDEES
A Record-Breaking Year

LIVE DEMONSTRATIONS
FT4250 HSI Plant • GT205 Screen Plant

OVER TEN
Media Mentions For MS Products



KOLBERG 9225SP
SAND PLANT



TELESTACK TSR40
RADIAL TELESCOPIC
CONVEYOR



SF20 MOBILE
INCLINE SCREEN



NEW PRODUCTS

REVEALED AT



Interest in Road Building Remains Strong



Second Quarter Financial Results

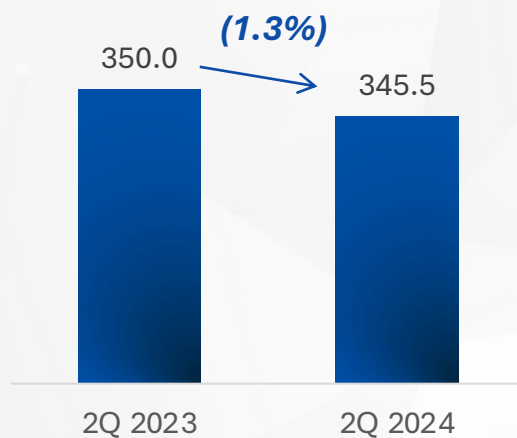
HEINRICH JONKER

VICE PRESIDENT FINANCE –
INFRASTRUCTURE SOLUTIONS AND INTERIM CHIEF FINANCIAL OFFICER

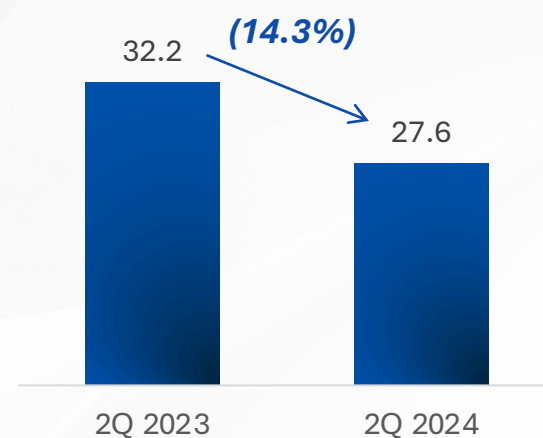
2Q24 Financial Results

(\$M, except per share and percentage data)

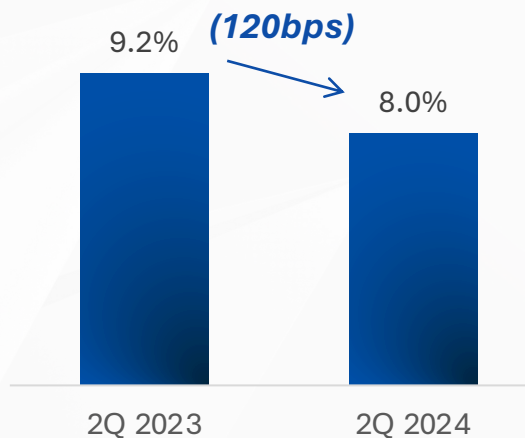
NET SALES



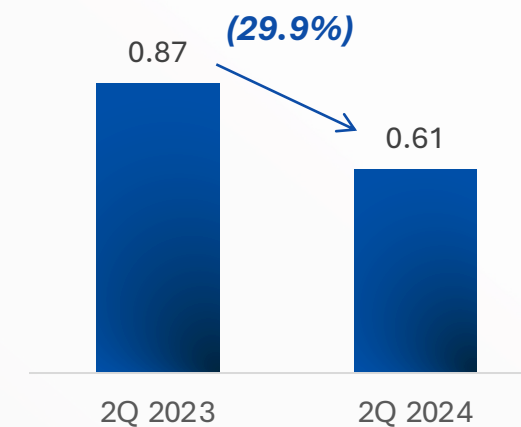
ADJ. EBITDA¹



ADJ. EBITDA MARGIN¹



ADJ. EPS¹



- Domestic sales decreased \$14.3M or 5.0%
- International sales increased \$9.8M or 15.4%
- Infrastructure Solutions net sales increased \$22.0M or 11.0%
- Material Solutions sales decreased \$26.7M or 17.7%

Adj. EBITDA margin decreased largely due to:

- Lower volumes which impacted manufacturing efficiencies at select sites
- Higher SG&A costs

- Excludes transformation and other costs of \$1.22 in 2Q24 (\$0.89 is related to the Goodwill impairment) and \$0.29 in 2Q23
- Adjusted effective tax rate was 23.9%

Infrastructure Solutions

2Q24 Financial Performance (\$M, except percentage data)

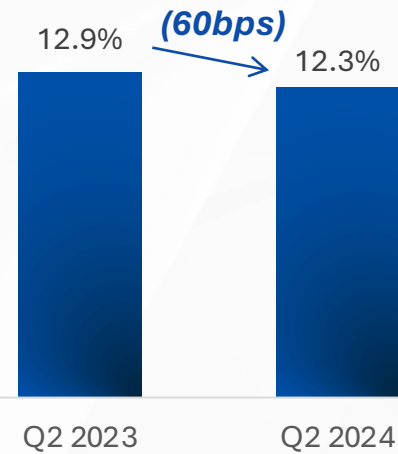
NET SALES



SEGMENT OPERATING ADJ. EBITDA



SEGMENT OPERATING ADJ. EBITDA MARGIN



PERFORMANCE DRIVERS

- Sales increased mainly due to strong performance from equipment sales and pricing actions, as the infrastructure construction market remains strong
 - Domestic sales +9.5%
 - International sales +39.2%
 - Equipment sales +32.2%
 - Parts sales -4.6%
- Segment Operating Adj. EBITDA margin decreased 60 bps due to manufacturing inefficiencies and higher SG&A costs



Materials Solutions

2Q24 Financial Performance (\$M, except percentage data)

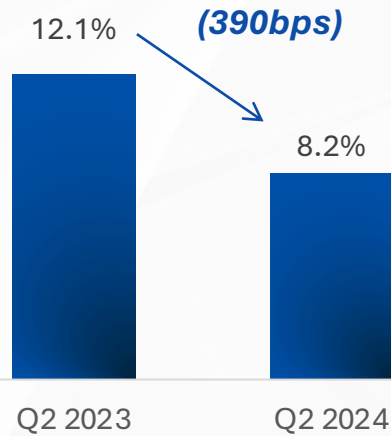
NET SALES



SEGMENT OPERATING ADJ. EBITDA



SEGMENT OPERATING ADJ. EBITDA MARGIN



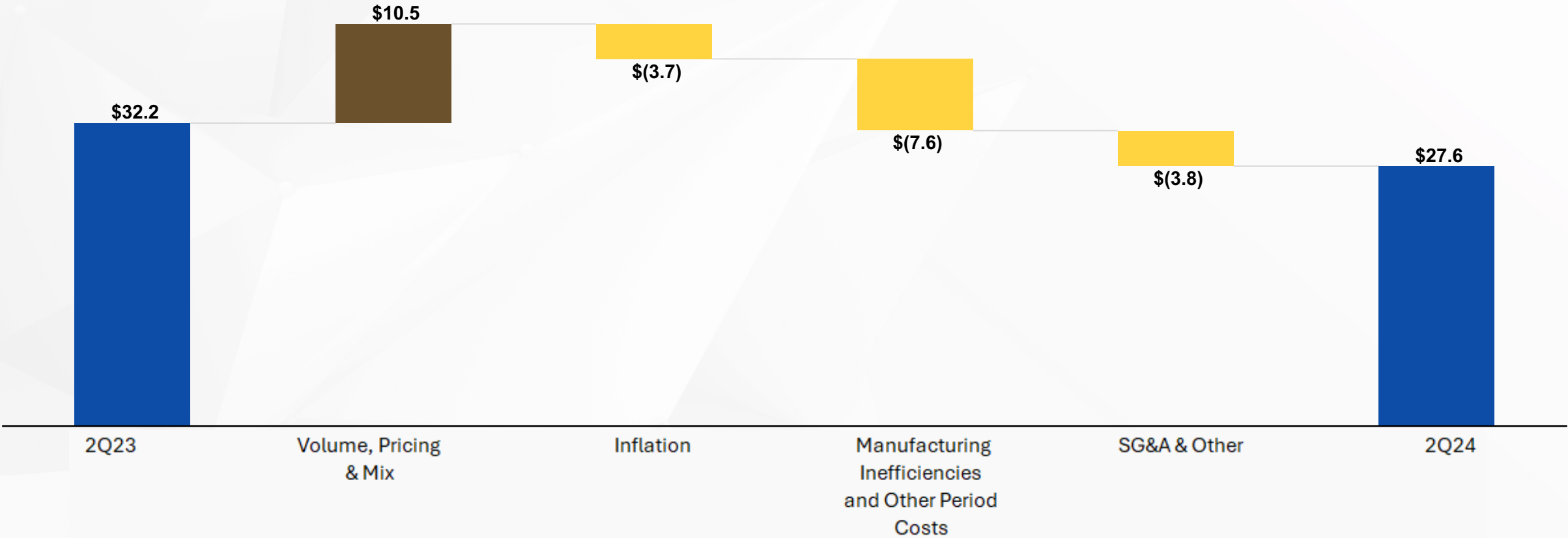
PERFORMANCE DRIVERS

- Sales decreased mainly due to lower equipment sales, attributable to finance capacity constraints with contractors and dealers, as well as longer product conversions
 - Domestic sales -33.4%
 - International sales +10.9%
 - Equipment sales -23.4%
 - Parts sales -2.3%
- Segment Operating Adj. EBITDA margin decreased 390 bps due to lower net volume/mix, manufacturing inefficiencies, and higher SG&A costs



2Q24 Adjusted EBITDA¹ Bridge

(\$M)



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

Maintain Strong, Flexible Balance Sheet with Ample Liquidity

SUMMARY BALANCE SHEET

(\$M)	6/30/24
Cash and Cash Equivalents	\$60.6
Total Current Assets	\$778.8
Total Assets	\$1,107.0
Total Current Liabilities	\$311.2
Total Long-Term Debt	\$125.0
Total Liabilities and Equity	\$1,107.0

LIQUIDITY

(\$M)	6/30/24
Cash and Cash Equivalents	\$60.6
Available Credit	\$115.2
Total Available Liquidity	\$175.8

COMMENTARY

- Operating activities were a \$10.9M source of cash for Q2 2024
- Cash available for operations increased 1.3% and liquidity decreased 25.0% compared to 12/31/23
- Available credit from a \$250M revolving credit facility

Expect positive liquidity momentum in 2H

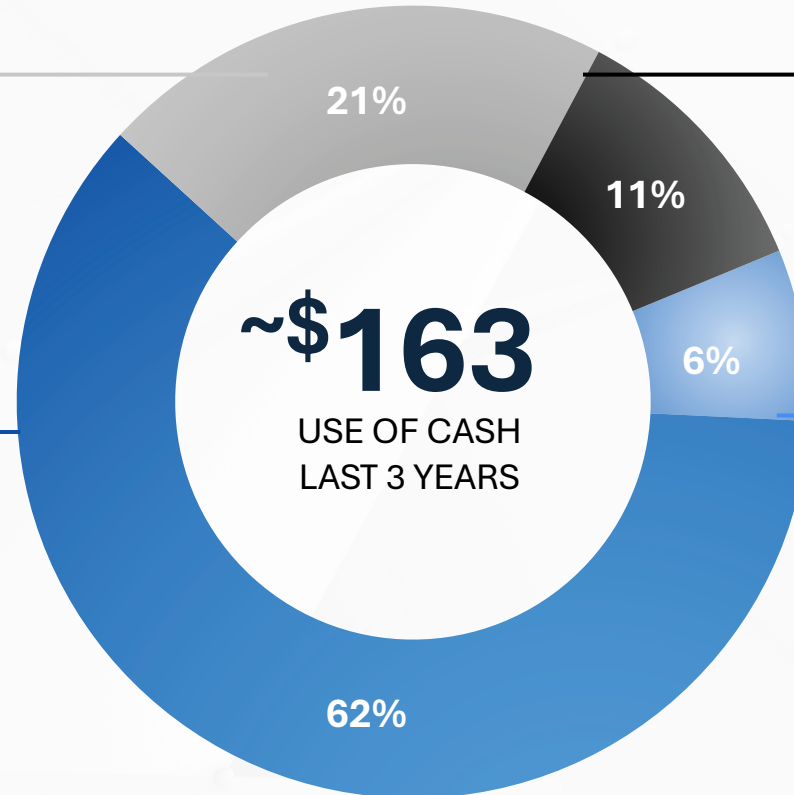
Disciplined Capital Deployment Framework

Returns to Shareholders

Dividend of \$0.13 per share in 2Q 2024

Capital Allocation

Capital expenditure investments to increase capacity and improve efficiency were \$7.6 million in 2Q 2024



Acquisitions

Disciplined M&A approach to identify acquisitions that align with growth strategy and meet financial criteria

Share Repurchases

~\$116M remaining in authorized share repurchase program, positioning us for additional opportunistic share repurchases subject to market conditions

Continually evaluate strategy to ensure a balanced approach

2Q 2024 Summary

Despite continued challenging market dynamics, **business fundamentals remain strong and well-positioned to drive sustainable growth**

Focused on delivering consistent results for our customers and driving further cost efficiencies to enhance value creation for all stakeholders

Restructuring program implemented at select sites during the quarter due to lower volumes and to address manufacturing inefficiencies across the organization

- **Infrastructure Solutions**

Infrastructure construction market remains strong with healthy demand for asphalt and concrete plant deliveries through the beginning of 2025

- **Materials Solutions**

Dealer rental activity remains strong, however, interest rates and carrying costs continue to be headwinds

Taking actions to drive further cost efficiencies coupled with pricing actions and operational enhancements to support our continued focus on margin improvement



Investment Highlights

1

Trusted source -High-quality solutions to facilitate construction from Rock to Road™

2

Stable Funding – Encouraged by increased federal and state highway funding

3

Positive Customer Sentiment - Strong customer backlogs stretching into 2025

4

Recurring Parts Revenue – Growing aftermarket parts business consistently represents 25% to 30% of total revenue

5

Operational Excellence - Benefits from transformation efforts still to come.

6

New Products – Excitement and momentum in our innovation pipeline.



Questions & Answers

STEVE ANDERSON

SVP OF ADMINISTRATION & INVESTOR RELATIONS

Phone: 423-553-5934

Email: sanderson@astecindustries.com

APPENDIX

BUILT TO CONNECT



GAAP vs Non-GAAP Adjusted EPS Reconciliations

(in millions, except per share amounts; unaudited)

Astec Industries Inc.
GAAP vs Non-GAAP Adjusted EPS Reconciliations
(In millions, except per share amounts; unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Net (loss) income attributable to controlling interest	\$ (14.0)	\$ 13.1	\$ (10.6)	\$ 25.2
Adjustments:				
Transformation program	11.2	7.8	17.7	15.0
Restructuring and other related charges	0.9	0.4	1.0	7.5
Goodwill impairment	20.2	—	20.2	—
Other impairment charges	—	0.8	—	0.8
Gain on sale of property and equipment, net	(0.2)	(0.1)	(1.1)	(3.5)
Income tax impact of adjustments	(4.1)	(2.1)	(5.4)	(4.6)
Adjusted net income attributable to controlling interest	<u>\$ 14.0</u>	<u>\$ 19.9</u>	<u>\$ 21.8</u>	<u>\$ 40.4</u>
Diluted EPS	\$ (0.61)	\$ 0.58	\$ (0.47)	\$ 1.11
Adjustments:				
Transformation program	0.49	0.34	0.78	0.66
Restructuring and other related charges ^(a)	0.03	0.01	0.05	0.32
Goodwill impairment	0.89	—	0.89	—
Asset impairment ^(a)	—	0.03	—	0.03
Gain on sale of property and equipment, net	(0.01)	—	(0.05)	(0.15)
Income tax impact of adjustments	(0.18)	(0.09)	(0.24)	(0.20)
Adjusted EPS	<u>\$ 0.61</u>	<u>\$ 0.87</u>	<u>\$ 0.96</u>	<u>\$ 1.77</u>

^(a) Calculation includes the impact of a rounding adjustment

EBITDA and Adjusted EBITDA Reconciliations

(in millions, except percentage data; unaudited)

Astec Industries Inc.
EBITDA and Adjusted EBITDA Reconciliations
(In millions, except percentage data; unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Net sales	\$ 345.5	\$ 350.0	\$ 654.7	\$ 697.9
Net (loss) income attributable to controlling interest	\$ (14.0)	\$ 13.1	\$ (10.6)	\$ 25.2
Interest expense, net	2.7	1.5	4.8	3.0
Depreciation and amortization	6.6	6.2	13.1	12.5
Income tax provision	0.3	2.7	1.7	7.1
EBITDA	(4.4)	23.5	9.0	47.8
EBITDA margin	(1.3)%	6.7 %	1.4 %	6.8 %
Adjustments:				
Transformation program	11.1	7.6	17.4	14.8
Restructuring and other related charges	0.9	0.4	1.0	7.5
Goodwill impairment	20.2	—	20.2	—
Other impairment charges	—	0.8	—	0.8
Gain on sale of property and equipment, net	(0.2)	(0.1)	(1.1)	(3.5)
Adjusted EBITDA	\$ 27.6	\$ 32.2	\$ 46.5	\$ 67.4
Adjusted EBITDA margin	8.0 %	9.2 %	7.1 %	9.7 %