THERMON GROUP HOLDINGS, INC.
EARNINGS PRESENTATION

FIRST QUARTER FISCAL YEAR 2025

AUGUST 7, 2024

Cautionary Note Regarding Forward-looking Statements

This presentation includes forward-looking statements within the meaning of the U.S. federal securities laws in addition to historical information. These forward-looking statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements include, without limitation, statements regarding our industry, business strategy, plans, goals and expectations concerning our market position, future operations, margins, profitability, capital expenditures, liquidity and capital resources and other financial and operating information. When used in this discussion, the words "anticipate," "assume," "believe," "budget," "continue," "contemplate," "could," "should," "estimate," "expect," "intend," "may," "plan," "possible," "potential," "predict," "project," "will," "would," "future," and similar terms and phrases are intended to identify forward-looking statements in this release. Forward-looking statements reflect our current expectations regarding future events, results or outcomes. These expectations may or may not be realized. Some of these expectations may be based upon assumptions, data or judgments that prove to be incorrect. In addition, our business and operations involve numerous risks and uncertainties, many of which are beyond our control, which could result in our expectations not being realized or otherwise materially affect our financial condition, results of operations and cash flows.

Actual events, results and outcomes may differ materially from our expectations due to a variety of factors. Although it is not possible to identify all of these factors, they include, among others, (i) general economic conditions and cyclicality in the markets we serve; (ii) future growth of our key end markets and related capital investments; (iii) our ability to operate successfully in foreign countries; (iv) the outbreak of a global pandemic, including COVID-19 and its variants; (v) our ability to successfully develop and improve our products and successfully implement new technologies; (vi) competition from various other sources providing similar heat tracing and process heating products and services, or alternative technologies, to customers; (vii) our ability to deliver existing orders within our backlog; (viii) our ability to bid and win new contracts; (ix) the imposition of certain operating and financial restrictions contained in our debt agreements; (x) our revenue mix; (xi) our ability to grow through strategic acquisitions; (xii) our ability to manage risk through insurance against potential liabilities (xiii) changes in relevant currency exchange rates; (xiv) tax liabilities and changes to tax policy; (xv) impairment of goodwill and other intangible assets; (xvi) our ability to attract and retain qualified management and employees, particularly in our overseas markets; (xvii) our ability to protect our trade secrets; (xviii) our ability to protect our intellectual property; (xix) our ability to protect data and thwart potential cyber-attacks; (xx) a material disruption at any of our manufacturing facilities; (xxi) our dependence on subcontractors and third-party suppliers; (xxii) our ability to profit on fixed-price contracts; (xxiii) the credit risk associated to our extension of credit to customers; (xxiv) our ability to achieve our operational initiatives; (xxv) unforeseen difficulties with expansions, relocations, or consolidations of existing facilities; (xxvi) potential liability related to our products as well as the delivery of products and services; (xxvii) our ability to comply with foreign anti-corruption laws; (xxviii) export control regulations or sanctions; (xxix) changes in government administrative policy; (xxx) environmental and health and safety laws and regulations as well as environmental liabilities; (xxxi) climate change and related regulation of greenhouse gases; and (xxxii) those factors listed under Item 1A, “Risk Factors” included in our Annual Report on Form 10-K for the fiscal year ended March 31, 2024, filed with the Securities and Exchange Commission (the “SEC”) on May 29, 2024, and in any subsequent Quarterly Reports on Form 10-Q, Current Reports on Form 8-K or other filings that we have filed or may file with the SEC. Any one of these factors or a combination of these factors could materially affect our future results of operations and could influence whether any forward-looking statements contained or incorporated by reference in this release ultimately prove to be accurate. Our forward-looking statements are not guarantees of future performance, and actual results and future performance may differ materially from those suggested in any forward-looking statements. We do not intend to update these statements unless we are required to do so under applicable securities laws.

NON-GAAP FINANCIAL MEASURES

Disclosure in this release of "Adjusted EPS," "Adjusted EBITDA," "Adjusted EBITDA margin," "Adjusted Net Income/(loss)," "Free Cash Flow," "Organic Sales," "OPEX Sales" and "Net Debt," which are "non-GAAP financial measures" as defined under the rules of the Securities and Exchange Commission (the "SEC"), are intended as supplemental measures of our financial performance that are not required by, or presented in accordance with, U.S. generally accepted accounting principles ("GAAP"). "Adjusted Net Income/(loss)" and "Adjusted EPS" (or "Adjusted fully diluted EPS") represent net income/(loss) before the impact of restructuring and other charges/(income), ERP Implementation related cost, costs associated with impairments and other charges, acquisition costs, amortization of intangible assets, tax expense for impact of foreign rate increases, and any tax effect of such adjustments. "Adjusted EBITDA" represents net income before interest expense (net of interest income), income tax expense, depreciation and amortization expense, stock-based compensation expense, acquisition costs, costs associated with restructuring and other income/(charges), ERP Implementation related cost, and costs associated with impairments and other charges. "Adjusted EBITDA margin" represents Adjusted EBITDA as a percentage of total revenue. "Free Cash Flow" represents cash provided by operating activities less cash used for the purchase of property, plant, and equipment, net of sales of rental equipment and proceeds from sales of land and buildings. "Organic Sales" represents revenue excluding the impact of the Company's acquisition of Vapor Power. "OPEX Sales" represents Point-in-Time Sales plus Over-Time Small projects. "Net Debt" represents total outstanding principal debt less cash and cash equivalents on hand.

We believe these non-GAAP financial measures are meaningful to our investors to enhance their understanding of our financial performance and are frequently used by securities analysts, investors and other interested parties to compare our performance with the performance of other companies that report Adjusted EPS, Adjusted EBITDA, Adjusted EBITDA margin or Adjusted Net Income. Adjusted EPS, Adjusted EBITDA, Adjusted EBITDA margin, Adjusted Net Income, Organic Sales, OPEX Sales and Free Cash Flow should be considered in addition to, and not as substitutes for, revenue, income from operations, net income, net income per share and other measures of financial performance reported in accordance with GAAP. We provide Free Cash Flow as a measure of liquidity. Our calculation of Adjusted EPS, Adjusted EBITDA, Adjusted EBITDA margin, Adjusted Net Income, OPEX Sales and Free Cash Flow may not be comparable to similarly titled measures reported by other companies. For a description of how Adjusted EPS, Adjusted EBITDA, Adjusted EBITDA margin, Adjusted Net Income, OPEX Sales and Free Cash Flow are calculated and reconciliations to the corresponding GAAP measures, see the sections of this release titled "Reconciliation of Net Income to Adjusted EBITDA," "Reconciliation of Net Income to Adjusted Net Income and Adjusted EPS," "Reconciliation of Point-in-Time and Over-Time to OPEX Sales" and "Reconciliation of Cash Provided by Operating Activities to Free Cash Flow." We are unable to reconcile projected Fiscal 2025 Adjusted EBITDA and Adjusted EPS to the most directly comparable projected GAAP financial measure because certain information necessary to calculate such measures on a GAAP basis is unavailable or dependent on the timing of future events outside of our control. Therefore, because of the uncertainty and variability of the nature of and the amount of any potential applicable future adjustments, which could be significant, we are unable to provide a reconciliation for projected Fiscal 2025 Adjusted EBITDA and Adjusted EPS without unreasonable effort.

First Quarter 2025 Highlights

- **Balanced revenue model and diversified end market exposure offset large project delays**
  - Revenue increased 8% owing to Vapor Power and OPEX growth
  - Strong customer relationships and deep installed base drive strong short cycle revenue as customer priorities shift
  - Revenue declined only 5% organically despite 34% decline in large project revenue
- **Strong execution on strategic initiatives**
  - Achieved 70% diversification target, on trailing twelve-month basis, ahead of plan
  - Leverage declined to 1.1x providing significant flexibility to pursue growth objectives
- **Large Project Delays**
  - Elevated interest rates and election uncertainty continue to push out sales cycles
  - Expect improved large project trends to drive stronger second half results

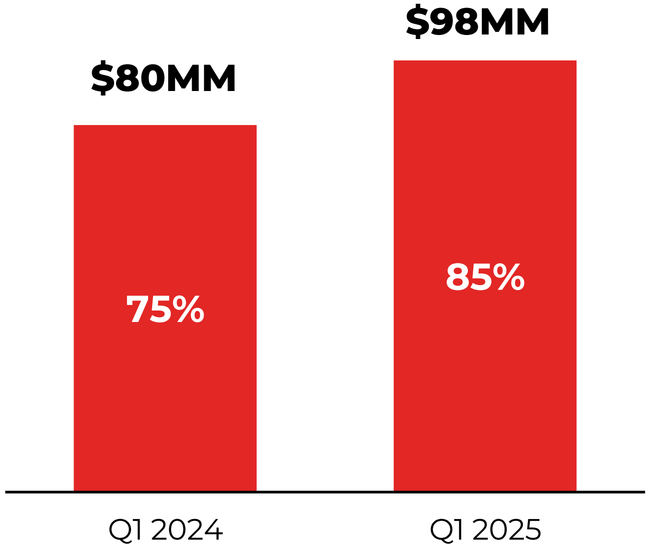
Q1 Fiscal 2025 Financial Summary

- Order intake growth driven by contribution from Vapor Power, partially offset by ongoing delays in large CAPEX spending
- YOY revenue growth driven by Vapor Power and diversified end markets, offset by large project weakness
- Vapor Power delivered $13.9MM in revenue with positive book-to-bill; THR organic revenue declined 5.3%
- Strong growth in short cycle revenue as customer priorities shifted away from large CAPEX projects
  - OPEX (Small Over-Time+ Point-In-Time) +22% YOY; +4% organically
  - CAPEX (Over Time – Large) (34)% YOY
- 1.1x book-to-bill driven by short cycle activity
- Maintained strong balance sheet and financial discipline
  - Net leverage of 1.1x provides strong financial flexibility

USD in millions, except per share data	FY25 Q1	FY24 Q1	YOY%
Orders	$127.2	$114.1	11.5%
Revenue	$115.1	$106.9	7.7%
GAAP Net Income	$8.5	$10.9	(22.0)%
Adjusted EBITDA	$23.2	$22.1	5.0%
Net Debt/Adj. EBITDA	1.1x	0.8x	
Free Cash Flow	$8.8	($1.9)	663.2%
GAAP EPS	$0.25	$0.32	(21.9)%
Adjusted EPS	$0.38	$0.40	(5.0)%

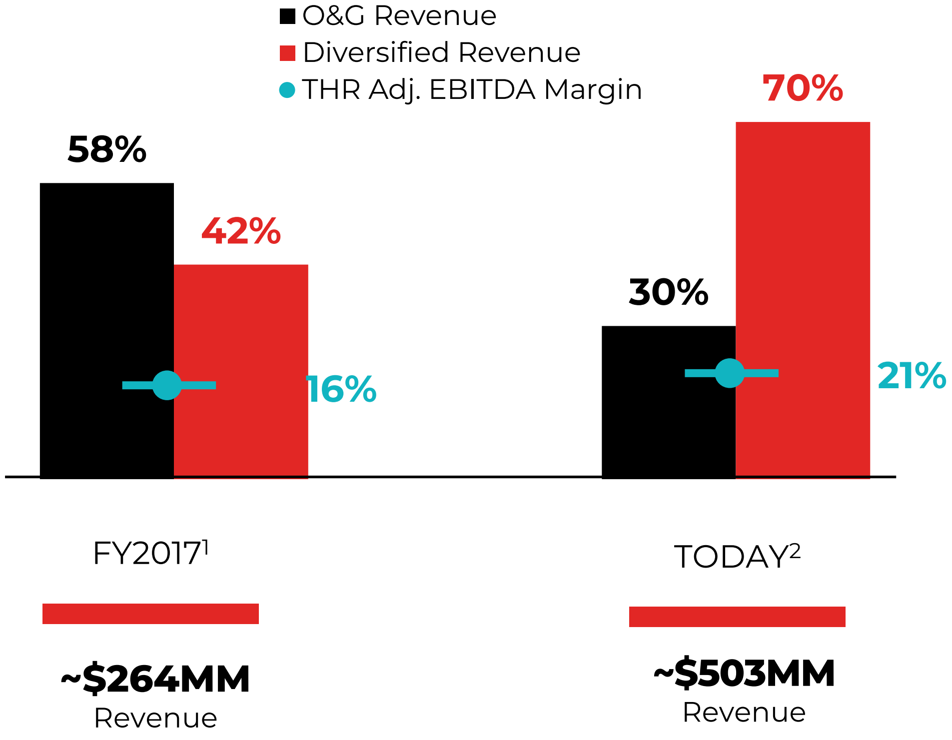
Strategy in Action - Revenue Balance and Diversification Drive Stability

OPEX/Short Cycle Revenue



- OPEX *(Small Over-Time + Point in Time)* +21.6%
- Revenue from CAPEX spending (34)%
- Vapor Power revenues considered Point-in-Time

End Market Diversification



1. Fiscal year ending March 31, 2017
2. Trailing twelve-months ending June 30, 2024

Thermon’s Strategic Pillars

Profitably Grow Installed Base

- Apply industry leading process heating technology to solve the world’s most difficult thermal engineering problems
- Support ongoing customer operations with upgrades, expansions and maintenance
- Deliver continuous improvement to drive margin expansion

Decarbonization, Digitization and Diversification

- Leverage existing Thermon solutions and new product development to meet customers’ decarbonization and electrification needs
- Industry-leading controls and monitoring to digitize and optimize maintenance
- Diversify end market exposure into higher growth and defensive markets to reduce volatility through the cycle

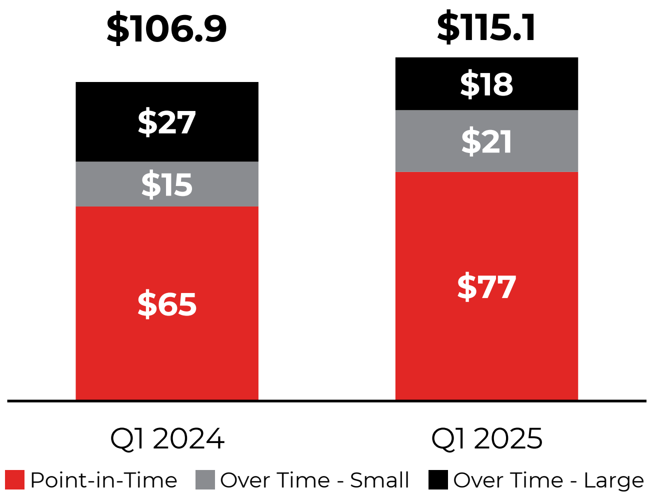
Disciplined Capital Allocation

- Drive organic growth through investments in technology and people
- Prioritize inorganic growth opportunities that exceed WACC by year 3 as well as paydown of debt
- Evaluate return of capital to shareholders via $50MM share repurchase authorization
- Target 1.5x – 2.0x Net Debt to Adjusted EBITDA leverage under normal operating conditions

Execution on strategic pillars combined with dedicated focus on operational excellence drive long-term shareholder value creation

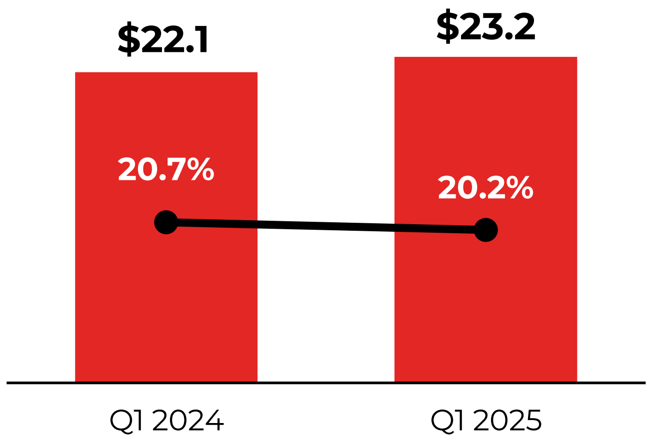
Q1 2025 vs. Q1 2024 Financial Performance *USD in Millions*

Revenue



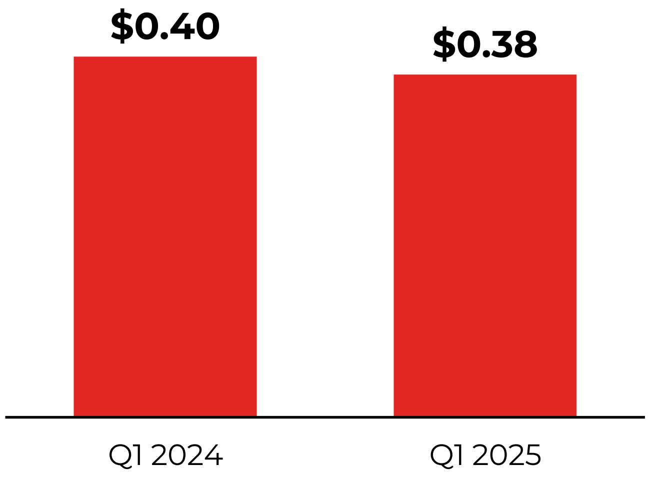
- **Revenue +7.7%**
- Revenue from diversified end markets +16%
- Revenue from O&G (7)%
- Vapor Power contributed $13.9MM; organic revenue declined 5%

Adj. EBITDA & Margin[1]



- **Adjusted EBITDA +5% YOY**
- Vapor Power benefit and strong Point-in-Time contribution
- Favorable Point-in-Time/material mix offset by lower margin maintenance service agreements
- Planned investments to support decarbonization, digitization and diversification strategy with disciplined cost management

Adj. EPS[2]



- **Adjusted EPS (5.0)%**
- Earnings accretion from Vapor Power offset by pressure from large project delays

1. See table, "Reconciliation of Net Income to Adjusted EBITDA."
2. See table, "Reconciliation of Net Income to Adjusted Net Income and Adjusted EPS."

Balance Sheet and Cash Flow

Selected Balance Sheet

USD in millions, except per share data	FY25 Q1	FY24 Q1	YOY
Cash and Cash Equivalents	$49.1	$33.2	47.9%
Total Debt	$169.1	$113.5	49.0%
Net Debt / Adjusted EBITDA	1.1x	0.8x	0.3x
Working Capital[1]	$158.0	$156.2	1.2%
WC % of TTM Revenue	31.4%	34.6%	(320) bps

- Strong Cash Flow generation of $8.8MM, +$11MM YoY
- Paid down $3MM of debt in Q1
- Decreased leverage to 1.1x from 1.5x after financing Vapor Power acquisition in Q3

Selected Cash Flow

USD in millions, except per share data	FY25 Q1	FY24 Q1	YOY
Net Income (GAAP)	$8.5	$10.9	(22.0)%
Depreciation & Amortization	$5.6	$4.4	27.3%
Change in Working Capital	$3.2	$(2.6)	Fav.
Other	$(4.6)	$(11.8)	Fav
CFOA	$12.7	$0.9	Fav.
CAPEX	$(3.9)	$(2.8)	39.3%
Free Cash Flow	$8.8	$(1.9)	663.2%
FCF % of GAAP NI	104%	(17)%	Fav.

1. Working Capital equals Accounts Receivable plus Inventory less Accounts Payable.

Fiscal 2025 Guidance

Full Year Guidance

- Vapor Power revenue: $55MM – $59MM
- CAPEX: 2.5% - 3.0% of revenue
- Depreciation and amortization: $21.5MM
- Effective tax rate of ~25%
- $2.6MM - $2.9MM in Restructuring Charges
- Remain focused on delivering FY2026 targets
  - $600M - $700M in Revenue
  - ~24% EBITDA Margins
  - >70% Revenue Mix from Diversified End Markets

USD in millions, except per share data	**FY24 Actual**	**FY25E**
Revenue	$494.6	$527 – $553
YOY%		7% – 12% Growth
Net Income	$51.6	-
GAAP EPS	$1.51	$1.57 – $1.73
Adjusted EPS	$1.82	$1.90 – $2.06
Adjusted EBITDA	$104.2	$112 - $120
YOY%		8% – 15% Growth
Adjusted EBITDA %	21.1%	21.2% - 21.9%
Free Cash Flow	$55.9	-

Compelling Investment Opportunity

Leading Global Brand in high value, diversified end markets with mission critical technology and high barriers to entry, supported by culture of operational excellence

Large Installed Base with loyal customers and resilient aftermarket franchise

Exposure to Sizeable Growth Opportunities in high-growth energy transition and decarbonization, chemicals/petrochemicals, power, onshoring in North America and government stimulus

Strong & Flexible Balance Sheet with high margin, low capital investment model that yields significant free cash flow

Financial Reconciliations

Reconciliation of Net Income to Adjusted EBITDA

Unaudited, in thousands

	Three Months Ended June 30, 2024	Three Months Ended June 30, 2023
Net income	$ 8,511	$ 10,938
Interest expense, net	2,847	1,584
Income tax expense/(benefit)	2,520	3,233
Depreciation and amortization expense	5,563	4,439
EBITDA (non-GAAP)	$ 19,441	$ 20,194
Stock compensation expense	1,065	1,238
Restructuring and other charges/(income)[1]	2,252	581
Transaction-related costs[2]	239	77
ERP implementation-related costs	156	—
Adjusted EBITDA (non-GAAP)	$ 23,153	$ 22,090
Adjusted EBITDA %	20.2 %	20.7 %

1 Cost associated with cost-cutting measures including reduction-in-force and facility consolidation, of which $0.1 million are in cost of sales
2 Vapor Power acquisition cost and the fiscal 2024 charges related to the Company's Russian subsidiary

Reconciliation of Net Income/(Loss) to Adjusted Net Income/(Loss) and Adjusted EPS

Unaudited, in thousands except per share amounts

	Three Months Ended June 30, 2024	Three Months Ended June 30, 2023	
GAAP Net income	$ 8,511	$ 10,938	
Amortization of intangible assets	3,397	2,387	Intangible amortization
Restructuring and other charges/(income)[1]	2,252	581	Operating expense and cost of sales
Transaction-related costs[2]	239	77	Operating expense
ERP implementation related costs	156	—	Operating expense
Tax effect of adjustments	(1,449)	(578)	
Adjusted Net Income (non-GAAP)	$ 13,106	$ 13,405	
Adjusted Fully Diluted Earnings per Common Share (Adjusted EPS) (non-GAAP)	$ 0.38	$ 0.40	
Fully-diluted common shares	34,075	33,863	

1 Cost associated with cost-cutting measures including reduction-in-force and facility consolidation, of which $0.1 million are in cost of sales
2 Vapor Power acquisition cost and the fiscal 2024 charges related to the Company's Russian subsidiary

Reconciliation of Cash Provided by Operating Activities to Free Cash Flow

Unaudited, in thousands

	Three Months Ended June 30, 2024	Three Months Ended June 30, 2023
Cash provided by operating activities	$ 12,659	$ 868
Cash provided by/(used in) by investing activities	(3,904)	(2,789)
Cash provided by/(used in) by financing activities	(8,002)	(1,853)
Cash provided by operating activities	$ 12,659	$ 868
Less: Cash used for purchases of property, plant and equipment	(3,923)	(2,801)
Plus: Sales of rental equipment	19	12
Free cash flow (non-GAAP)	$ 8,755	$ (1,921)

Reconciliation of Point-in-Time and Over-Time Sales to OPEX Sales

Unaudited, in thousands

	Three Months Ended June 30,	
	2024	2023
Point-in-Time Sales	$ 76,766	$ 65,145
Over Time - Small Projects	20,737	15,056
Over Time - Large Projects	17,623	26,688
Total Over-Time Sales[1]	$ 38,360	$ 41,744
Total Sales	$ 115,126	$ 106,889
Point-in-Time	76,766	65,145
Over Time - Small Projects	20,737	15,056
OPEX Sales	$ 97,503	$ 80,201
OPEX Sales %	84.7 %	75.0 %

1 Over Time sales were previously reported as a single figure and are now presented as Over Time - Small Projects and Over Time - Large Projects. Over Time - Small Projects are each less than $0.5 million in total revenue and Over Time - Large Projects are each equal to or greater than $0.5 million in total revenue.

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