

YEARS STRONG

ESAB CORPORATION

Second Quarter 2024 EARNINGS CONFERENCE CALL August 2, 2024



Forward-Looking Statements & Non-GAAP Disclaimer

DISCLAIMER

This document has been prepared by ESAB Corporation, a Delaware corporation (the "Company" or "ESAB"), solely for informational purposes. References herein to the terms "ESAB" and the "Company" when used in the historical context prior to April 4, 2022, refer to the carve-out financials derived from Colfax Corporation's ("Colfax") accounting records before giving effect to the separation of Colfax's fabrication technology business into an independent publicly traded company on April 4, 2022 (the "Separation"). References to the terms "ESAB" and the "Company" when used in the future tense or the historical context after April 4, 2022, refer to ESAB Corporation and its consolidated subsidiaries after the Separation.

Forward-Looking Statements

This presentation includes forward-looking statements, including forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. Such forward-looking statements include, but are not limited to, statements concerning the Company's plans, goals, objectives, outlook, expectations, and intentions, including statements that are not historical or current fact. Forward-looking statements are based on the Company's current expectations and involve risks and uncertainties that could cause actual results to differ materially from those expressed or implied in such forward-looking statements, including general risks and uncertainties such as market conditions, economic conditions, geopolitical events, changes in laws, regulations or accounting rules, fluctuations in interest rates, terrorism, wars or conflicts, major health concerns, natural disasters or other disruptions of expected business conditions. Factors that could cause the Company's results to differ materially from current expectations include, but are not limited to, risks related to the impact of the wars in Ukraine and Middle East and the resulting escalating geopolitical tensions; impact of supply chain disruptions; the impact of creditworthiness and financial viability of customers; impact of inflationary pressures, foreign exchange fluctuations and commodity prices; other impacts on the Company's business and ability to execute business continuity plans; and the other factors detailed in the Company's Annual Report on Form 10-K and subsequent quarterly reports on Form 10-Q, as filed with the U.S. Securities and Exchange Commission. In addition, these statements are based on assumptions that are subject to change. This document speaks only as of the date hereof. The Company disclaims any duty to update the information herein.

Non-GAAP Financial Measures

This document includes a presentation of adjusted EBITA, adjusted EBITA margin, adjusted EBITDA, adjusted EBITDA margin, organic sales growth, and adjusted free cash flow and other financial measures that are not calculated in accordance with generally accepted accounting principles in the United States ("GAAP"), which ESAB uses to measure the performance of its business. The non-GAAP financial measures provided herein are adjusted for certain items as presented in the Appendix and should be considered in addition to, and not as a replacement for or superior to, the comparable GAAP measures, and may not be comparable to similarly titled measures reported by other companies. ESAB presents some of these non-GAAP financial measures including and excluding Russia due to economic and political volatility caused by the Russia and Ukraine conflict, which results in enhanced investor interest in this information. Core non-GAAP financial measures excludes Russia for the six months ended June 28, 2024, and June 30, 2023. Management believes that these non-GAAP financial measures provide useful information to investors by offering additional ways of viewing ESAB's results, and represent the following:

- Organic sales growth (presented with and without Russia or "Core") excludes the impact of acquisitions and foreign exchange rate fluctuations;
- Adjusted EBITA (presented with and without Russia or "Core") represents net income excluding the effect of restructuring and other related charges, acquisition-related amortization and other non-cash charges, separation costs, pension settlement gains, income tax expense, and interest expense (income) and other, net;
- Adjusted EBITDA (presented with and without Russia or "Core") represents Adjusted EBITA excluding the effect of depreciation and other amortization;
- Adjusted EBITA and adjusted EBITDA margins are subject to the same adjustments as adjusted EBITA and adjusted EBITDA, respectively;
- Adjusted net income from continuing operations (presented with and without Russia or "Core") represents net income from continuing operations attributable to ESAB Corporation excluding restructuring and other related charges, acquisition-related amortization and other non-cash charges, pension settlement losses and separation costs. Adjusted net income includes the tax effect of non-GAAP adjusting items at applicable tax rates;
- Adjusted net income per share from continuing operations (presented with and without Russia or "Core") is a calculation of adjusted net income from continuing operations over the weighted-average diluted shares outstanding;
- Adjusted free cash flow represents cash flows from operating activities excluding cash outflows related to the ESAB's separation from Colfax and discontinued operations, less purchases of property, plant and equipment net of proceeds from sale of certain properties.
- Cash conversion represents Adjusted free cash flow divided by Adjusted net income from continuing operations.

Management also believes that presenting these measures allows investors to view its performance using the same measures that ESAB uses in evaluating our financial and business performance and trends. See the Appendix to this presentation for a reconciliation of these non-GAAP measures to their closest equivalent GAAP measures. Refer to information about the non-GAAP measures contained in this presentation. Additional information regarding non-GAAP measures can be found in our most recent Form 10-K and our Form 8-K furnished as of the date of this presentation with the SEC, which are available at www.ESABcorporation.com.

2Q 2024 Highlights

- Strong execution in 2Q
- Equipment & automation up HSD
- Record margin performance
- EBX driving record free cash flow
- Acquired welding business of Linde Bangladesh



2Q 2024 results:

\$666M

Sales¹



+1%

Organic Sales Growth¹



\$134M

aEBITDA¹



+6%

Year-over-Year



20.1%

aEBITDA Margin¹








+150bps

Year-over-Year



Delivering growth, margin expansion and higher cash flow

Successfully Executing Our 2028 Strategy

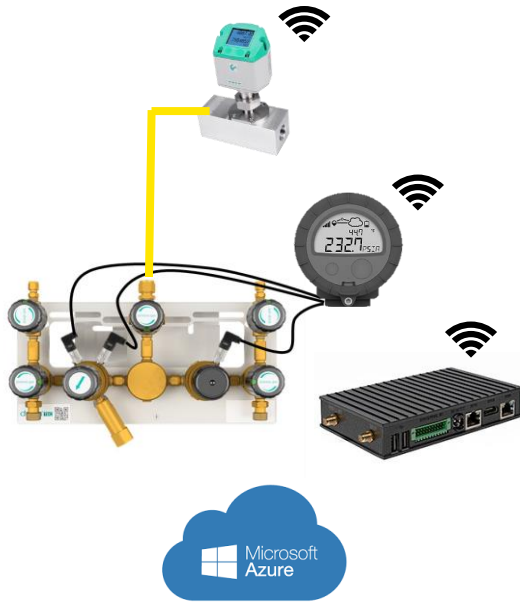
	Strategy	Progress in H1 2024	Delivering
	Reducing cyclicality	Improving product & end-market mix	✓
	Investing in High-Growth markets	Accelerated investment driving outperformance	✓
	Digital solutions	Providing differentiated workflow solutions	✓
	Leveraging EBX	Delivering share gains, record EBITDA & cash flow	✓
	Compounder strategy	Three margin accretive acquisitions	✓

ESAB is a less cyclical and higher margin enterprise

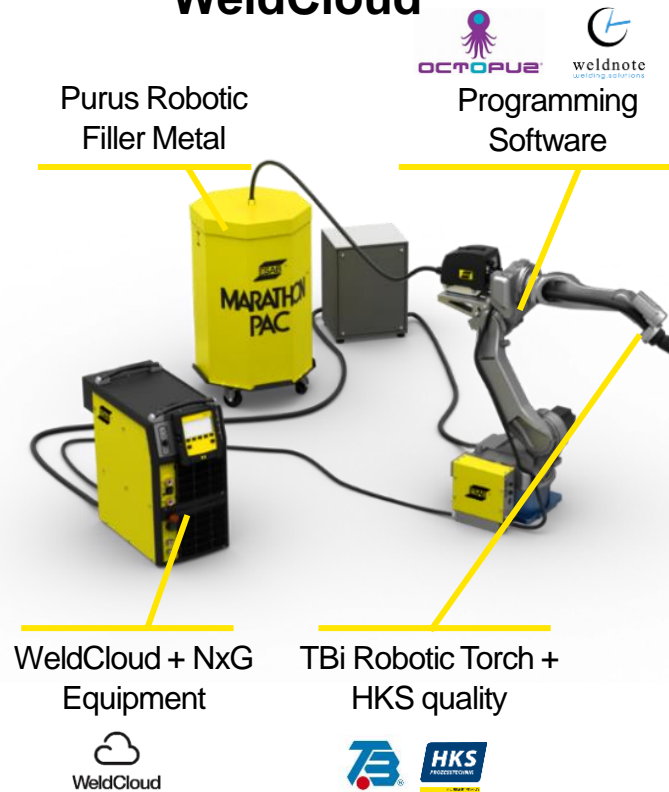
InduSuite Digital Solutions Gaining Momentum

FloCloud

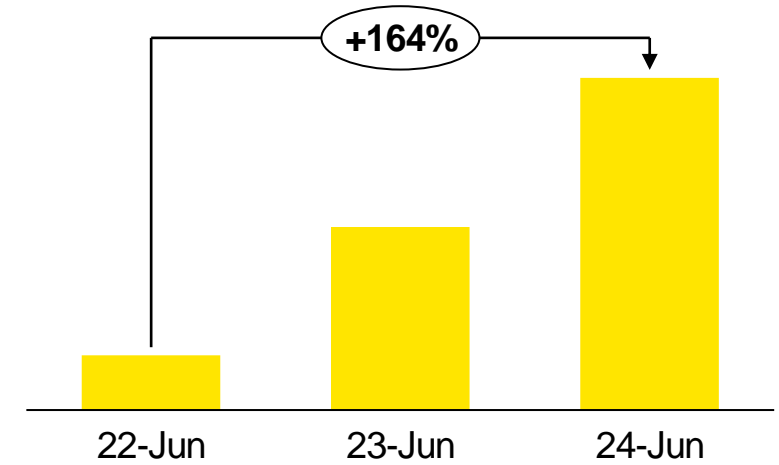
Wireless Solution



WeldCloud



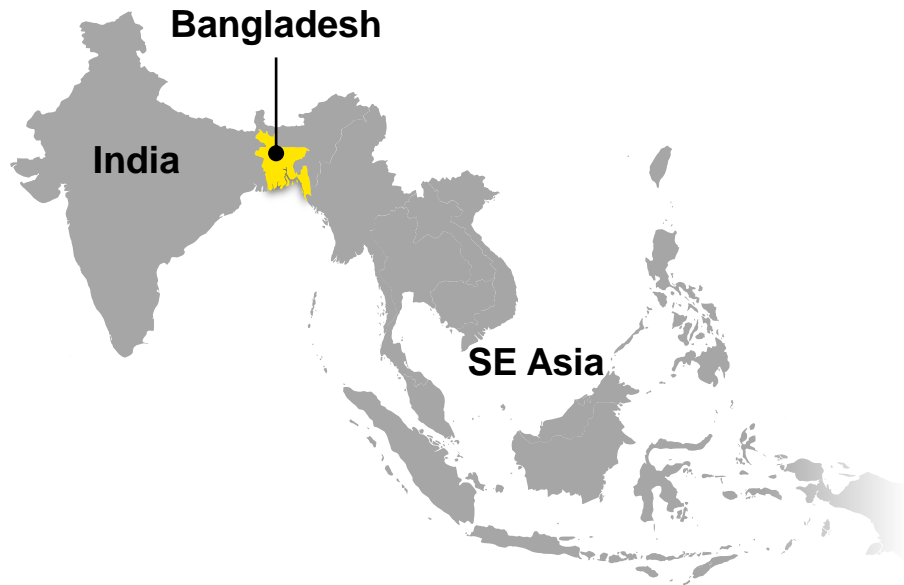
Licenses



- InduSuite pulling through equipment, automation and filler metal revenue
- Gross margin ~50%

Digital Solutions differentiating ESAB

Acquisitions Increasing Exposure To High Growth Markets



Linde Bangladesh²:

- #1 Fabtech business in Bangladesh
- Long-term HSD growth opportunity
- Significant synergies with ESAB
- ~\$20 million TTM sales; aEBITDA accretive

	India	Bangladesh	SE Asia	Total
Population ²	~1.4B	~0.2B	~0.9B	~2.5B
GDP ²	~\$4.1T	~\$0.4T	~\$3.0T	~\$7.5T
GDP Growth ^{1,2}	~8.0%	~7.0%	~6.0%	~6.0%

Cements ESAB's position as the leading Fabtech company in South Asia

ESAB 2Q 2024 Financial Summary

(\$ Millions)	2Q 2024 ¹	2Q 2023 ¹	YoY
Sales	\$666	\$680	↓ (2)%
aEBITA	\$125	\$118	↑ 6%
aEBITA Margin %	18.8%	17.3%	↑ 150 bps
aEBITDA	\$134	\$127	↑ 6%
aEBITDA Margin %	20.1%	18.6%	↑ 150 bps

2Q Highlights:

- Strength in high-growth markets
- Developed markets slower
- Equipment & standard automation up HSD
 - Cobots up DD YTD
- EBX driving record margin expansion

2Q 2024 Sales Growth¹:

Organic	1%
Price	0%
Volume	1%
FX Translation	(3)%
Acquisitions	0%
Total	(2)%

Strong execution delivering organic growth and margin expansion

ESAB 2Q 2024 Americas

(\$ Millions)	2Q 2024 ¹	2Q 2023 ¹	YoY
Sales	\$310	\$310	↔ 0%
aEBITDA	\$65	\$58	↑ 11%
aEBITDA %	20.9%	18.8%	↑ 210 bps

2Q Highlights:

- Organic growth positive
- EBX delivering share gain
 - End-market and automation strategy dampening cyclicality
 - Improving product mix in North America
 - Gas control benefiting from HVAC and energy transition
- Strong execution driving record margin performance

2Q 2024 Sales Growth¹:

Organic	4%
Price	3%
Volume	1%
FX Translation	(5)%
Acquisitions	1%
Total	0%²

New equipment and EBX delivering a differentiated performance

ESAB 2Q 2024 EMEA and APAC¹

(\$ Millions)	2Q 2024 ¹	2Q 2023 ¹	YoY
Sales	\$357	\$370	↓ (4)% ²
aEBITDA	\$69	\$68	↑ 2%
aEBITDA %	19.5%	18.4%	↑ 110 bps

2Q Highlights:

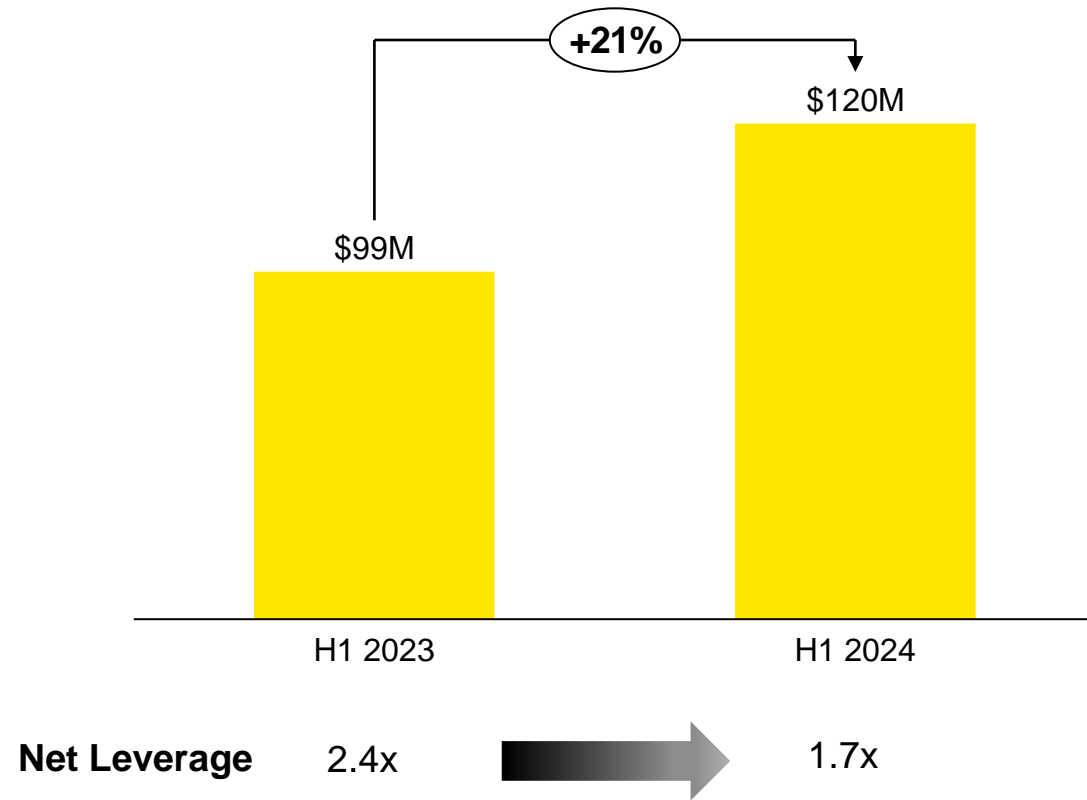
- Volume positive
- Maintaining net pricing discipline
- European end-markets softer
- High-growth markets remain strong
- Strong execution driving record margin expansion

2Q 2024 Sales Growth¹:

Organic	(2)%
Price	(3)%
Volume	1%
FX Translation	(1)%
Acquisitions	0%
Total	(4)%²

High growth markets and equipment driving volume growth

Strong Free Cash Flow Reducing Net Leverage



- Robust 2Q cash flow performance
- Cash flow strengthening balance sheet
- Raised quarterly dividend 33% to \$0.08
- Positioned well to execute compounder strategy

Cash flow increasing financial flexibility

Updating Full Year 2024 Guidance

Financial Metrics	Old FY 2024 Guidance ^{1,2}	New FY 2024 Guidance ^{1,2}
Sales	\$2.66–\$2.71B	\$2.56–\$2.61B
Core Organic Growth %	~LSD	~Flat
aEBITDA	\$500–\$520M	\$495–\$515M
aEPS	\$4.75–\$4.95	\$4.75–\$4.95
aFCF Conversion %	> 95%	> 95%

- Sales guidance assumes:
 - Flat price and volume
 - FX of ~(2.5)%
 - M&A of ~1.0% including Linde Bangladesh³
- aEBITDA margin expansion
 - 19.5% at midpoint
 - Accelerating restructuring actions
- Free cash flow conversion remains on track

Strong execution on all factors within our control

Summary

First cohort at Welder Underground®



- Strong performance in more challenging markets
- EBX and AI initiatives delivering margin and cash flow improvement
- Successfully executing our M&A strategy
- ESAB is a less cyclical, higher margin and stronger cash flow generating enterprise

Shared
Success

Help Each
Other Win

Always
Improving

Purposeful
Leadership

Every Voice
Valued

Focused on delivering our 2028 goals



Appendix



ESAB CORPORATION

Full Year 2024 Guidance

ESAB	Old 2024 Outlook ¹	New 2024 Outlook ¹
Sales (\$B)	2.66 - 2.71	2.56 - 2.61
Total Growth	1.5% - 3.5%	(2.5)% - (0.5)%
Core Organic Growth	2.5% - 4.5%	(1.0)% - 1.0%
FX	(1.5)%	~(2.5)%
M&A	0.5%	1.0%
aEBITDA (\$M)	500 - 520	495 - 515
Interest Expense & Other (\$M)	71 - 74	68 - 71
Adjusted Tax Rate	23% - 24%	23% - 24%
NCI (\$M)	~7	~7
aEPS (\$)	4.75 - 4.95	4.75 - 4.95
ESAB Total Dil Shares (M)	~61.5	~61.5

Expected sales seasonality: ~24% in 3Q and ~25% in 4Q

Non-GAAP Reconciliation EBITA – 2Q '24 Total & Segments¹

(\$ Millions)	Three Months Ended June 28, 2024					
	Americas	% of NSV	EMEA & APAC	% of NSV	Total ESAB	% of NSV
Net Sales	\$ 309.8		\$ 397.3		\$ 707.1	
Net Sales attributable to Russia	\$ —		\$ 40.7		\$ 40.7	
Core Net Sales	\$ 309.8		\$ 356.6		\$ 666.3	
Operating Income	\$ 55.9	18.0 %	\$ 63.4	16.0 %	\$ 119.4	16.9 %
Restructuring and other related charges	\$ 0.8		\$ 4.0		\$ 4.8	
Acquisition amortization and other related charges	\$ 4.3		\$ 3.3		\$ 7.7	
Adjusted EBITA	\$ 61.0	19.7 %	\$ 70.7	17.8 %	\$ 131.9	18.7 %
Adjusted EBITA attributable to Russia	\$ —		\$ 6.5		\$ 6.5	
Core Adjusted EBITA	\$ 61.0	19.7 %	\$ 64.2	18.0 %	\$ 125.4	18.8 %

Non-GAAP Reconciliation EBITDA – 2Q '24 Total & Segments¹

(\$ Millions)	Three Months Ended June 28, 2024					
	Americas	% of NSV	EMEA & APAC	% of NSV	Total ESAB	% of NSV
Net Sales	\$ 309.8		\$ 397.3		\$ 707.1	
Net Sales attributable to Russia	\$ —		\$ 40.7		\$ 40.7	
Core Net Sales	\$ 309.8		\$ 356.6		\$ 666.3	
Operating Income	\$ 55.9	18.0 %	\$ 63.4	16.0 %	\$ 119.4	16.9 %
Restructuring and other related charges	\$ 0.8		\$ 4.0		\$ 4.8	
Acquisition amortization and other related charges	\$ 4.3		\$ 3.3		\$ 7.7	
Adjusted EBITA	\$ 61.0	19.7 %	\$ 70.7	17.8 %	\$ 131.9	18.7 %
Depreciation and other amortization	\$ 3.7		\$ 5.5		\$ 9.1	
Adjusted EBITDA	\$ 64.7	20.9 %	\$ 76.2	19.2 %	\$ 141.0	19.9 %
Adjusted EBITDA attributable to Russia	\$ —		\$ 6.9		\$ 6.9	
Core Adjusted EBITDA	\$ 64.7	20.9 %	\$ 69.3	19.5 %	\$ 134.0	20.1 %

Non-GAAP Reconciliation EBITA – 2Q '23 Total & Segments¹

(\$ Millions)	Three Months Ended June 30, 2023					
	Americas	% of NSV	EMEA & APAC	% of NSV	Total ESAB	% of NSV
Net Sales	\$ 310.3		\$ 410.1		\$ 720.4	
Net Sales attributable to Russia	\$ —		\$ 40.3		\$ 40.3	
Core Net Sales	\$ 310.3		\$ 369.8		\$ 680.1	
Operating Income	\$ 46.1	14.9 %	\$ 62.6	15.3 %	\$ 108.6	15.1 %
Restructuring and other related charges	\$ 3.0		\$ 2.2		\$ 5.2	
Acquisition amortization and other related charges	\$ 5.4		\$ 3.8		\$ 9.3	
Adjusted EBITA	\$ 54.5	17.6 %	\$ 68.6	16.7 %	\$ 123.1	17.1 %
Adjusted EBITA attributable to Russia	\$ —		\$ 5.2		\$ 5.2	
Core Adjusted EBITA	\$ 54.5	17.6 %	\$ 63.4	17.1 %	\$ 117.9	17.3 %

Non-GAAP Reconciliation EBITDA – 2Q '23 Total & Segments¹

(\$ Millions)	Three Months Ended June 30, 2023					
	Americas	% of NSV	EMEA & APAC	% of NSV	Total ESAB	% of NSV
Net Sales	\$ 310.3		\$ 410.1		\$ 720.4	
Net Sales attributable to Russia	\$ —		\$ 40.3		\$ 40.3	
Core Net Sales	\$ 310.3		\$ 369.8		\$ 680.1	
Operating Income	\$ 46.1	14.9 %	\$ 62.6	15.3 %	\$ 108.6	15.1 %
Restructuring and other related charges	\$ 3.0		\$ 2.2		\$ 5.2	
Acquisition amortization and other related charges	\$ 5.4		\$ 3.8		\$ 9.3	
Adjusted EBITA	\$ 54.5	17.6 %	\$ 68.6	16.7 %	\$ 123.1	17.1 %
Depreciation and other amortization	\$ 3.8		\$ 5.2		\$ 9.0	
Adjusted EBITDA	\$ 58.3	18.8 %	\$ 73.8	18.0 %	\$ 132.1	18.3 %
Adjusted EBITDA attributable to Russia	\$ —		\$ 5.6		\$ 5.6	
Core Adjusted EBITDA	\$ 58.3	18.8 %	\$ 68.2	18.4 %	\$ 126.5	18.6 %

Non-GAAP Reconciliation – Net Income to Adjusted EPS¹

(\$ Millions, except Per Share Data)	Three months ended			
		2Q 2024		2Q 2023
Net income from continuing operations	\$	85.5	\$	68.8
Income attributable to noncontrolling interest, net of taxes	\$	1.5	\$	1.7
Net income from continuing operations attributable to ESAB Corporation	\$	84.0	\$	67.2
Restructuring and other related charges - pretax	\$	4.8	\$	5.2
Acquisition amortization and other related charges - pretax	\$	7.7	\$	9.3
Tax effect on above items	\$	(3.2)	\$	(3.6)
Discrete tax adjustments	\$	(6.7)	\$	—
Adjusted net income from continuing operations	\$	86.6	\$	78.1
Adjusted net income from continuing operations attributable to Russia	\$	5.2	\$	3.9
Core adjusted net income from continuing operations	\$	81.4	\$	74.2
Net income per share - diluted from continuing operations	\$	1.37	\$	1.10
Restructuring and other related charges - pretax	\$	0.08	\$	0.09
Acquisition - amortization and other related charges - pretax	\$	0.12	\$	0.15
Tax effect on above items	\$	(0.05)	\$	(0.06)
Discrete tax adjustments	\$	(0.11)	\$	—
Adjusted net income per share - diluted from continuing operations	\$	1.41	\$	1.28
Adjusted net income per share - diluted from continuing operations attributable to Russia	\$	0.09	\$	0.06
Core adjusted net income per share – diluted from continuing operations	\$	1.32	\$	1.21

Non-GAAP Reconciliation – Adj. Free Cash Flow

(\$ Millions)	Three months ended				Six months ended			
	2Q 2024		2Q 2023		2Q 2024		2Q 2023	
Net cash provided by operating activities	\$	83.0	\$	62.6	\$	127.5	\$	100.7
Purchases of property, plant and equipment	\$	(9.0)	\$	(9.3)	\$	(16.4)	\$	(17.0)
Proceeds from the sale of certain properties	\$	—	\$	0.9	\$	—	\$	0.9
Payments related to the Separation	\$	—	\$	—	\$	—	\$	4.4
Payments related to discontinued operations	\$	4.8	\$	4.4	\$	8.5	\$	9.7
Adjusted free cash flow	\$	78.8	\$	58.6	\$	119.5	\$	98.7