



Third Quarter Earnings

November 6, 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.



Third Quarter Highlights

JACO VAN DER MERWE
CEO AND PRESIDENT

Welcoming Brian Harris, Astec's New CFO



- Brian previously served for 10 years as Executive Vice President and Chief Financial Officer of Summit Materials, Inc. (NYSE: SUM), a leading producer of aggregates, ready mix, concrete and asphalt
- Prior to his role at Summit, Brian served as Executive Vice President and Chief Financial Officer of Bausch + Lomb Corporation, an eye health products company. Before Bausch + Lomb, Brian held positions in various capacities at the Gates Corporation
- Brian brings a valuable combination of executive experience and long-time participation in our industry whose leadership will continue to help guide our strong and deep finance organization

Third Quarter Overview

NET SALES

22.9%

GROSS MARGIN

\$19.9M

Free Cash Flow¹

1

Delivered **\$291.4M in net sales**, a decrease of 3.9% compared to 2023, and **gross margin of 22.9%**, a decrease of 10 bps compared to prior year

2

Positive **Free Cash Flow** driven by continued focus on working capital management

3

Infrastructure Solutions — The infrastructure construction market remains strong with healthy demand for asphalt and concrete plant deliveries

4

Materials Solutions — 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**

5

Backlog level of \$476M of which **\$351M is Infrastructure Solutions**, representing a stable trend, while **Materials Solutions at \$125M**, showed moderating market trends

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

Strategic Roadmap for 2024 and Beyond



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

- Infrastructure Investment Jobs Act (IIJA) bill: Approximately 50% of funds committed and only 27% disbursed. 2025/2026 expected to continue at a high level (*)
- Texas Governor announced record \$148B, ten-year investment for state transportation infrastructure
- FHWA released \$134 million (separate of IIJA) due to road damage caused by recent hurricanes in, North Carolina, Georgia and Tennessee
- Expect continued strong demand for asphalt road building and concrete production equipment moving forward
- Paving and Forestry products affected by the interest rate environment
- Parts bookings record in October

Materials Solutions

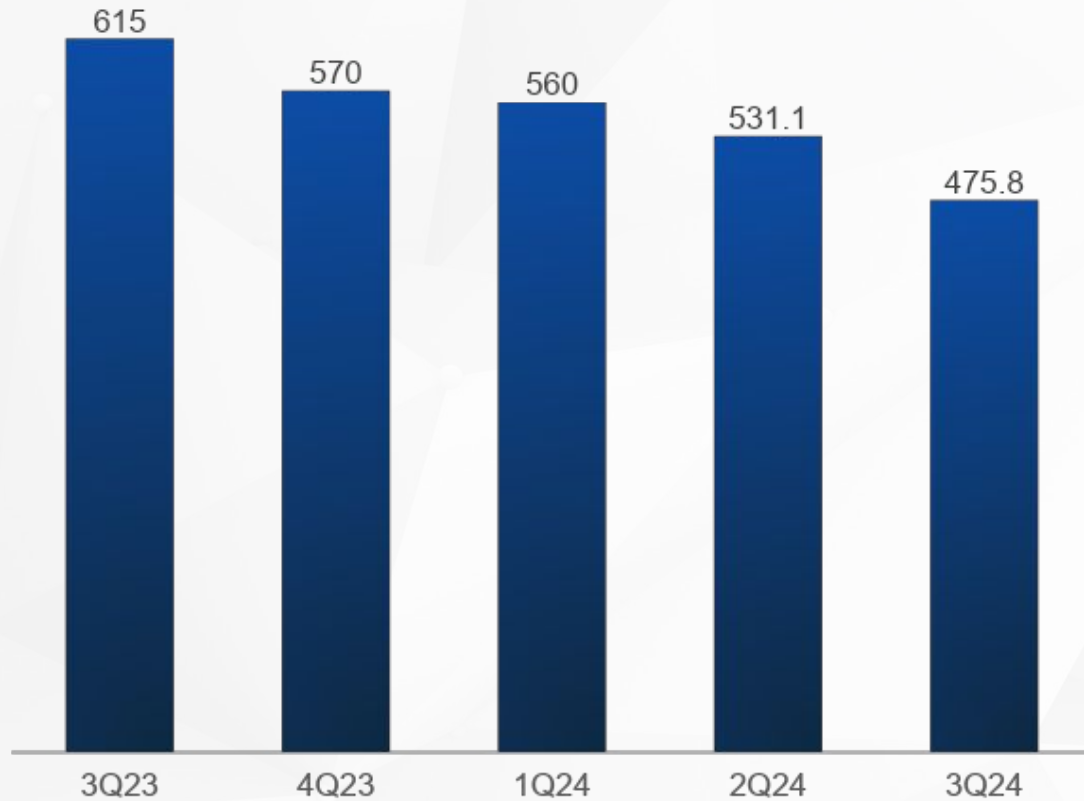
- Aggregates are a key ingredient for base material for roads, asphalt and concrete
- Construction activity is expected to grow in 2025 as work on projects supported by federal investment and state funding continues
- Dealer destocking expected to continue in the short term
- Lower interest rates relieve debt service requirements.
- Internal sharing of facility capacity is beneficial for absorption and workforce retention
- Parts bookings strong in October

(*) Source: American Road & Transportation Builders Association (ARTBA)

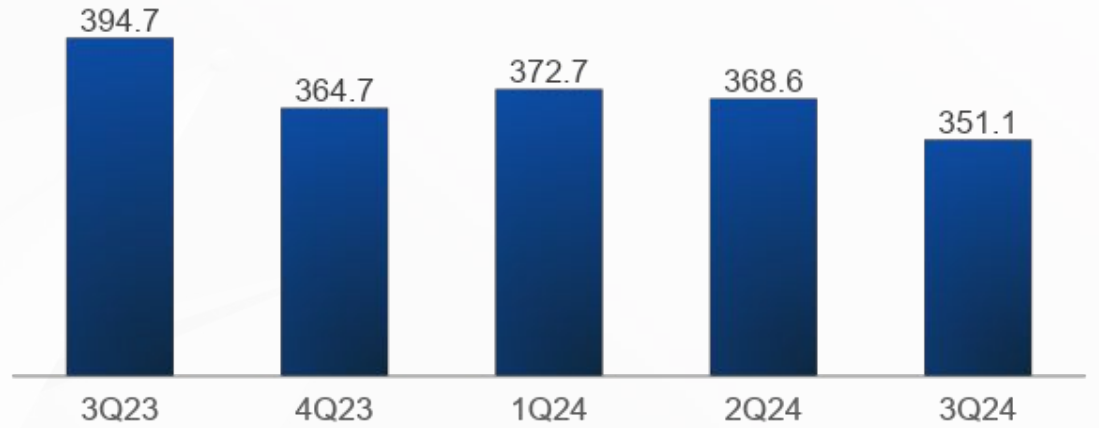


Backlog

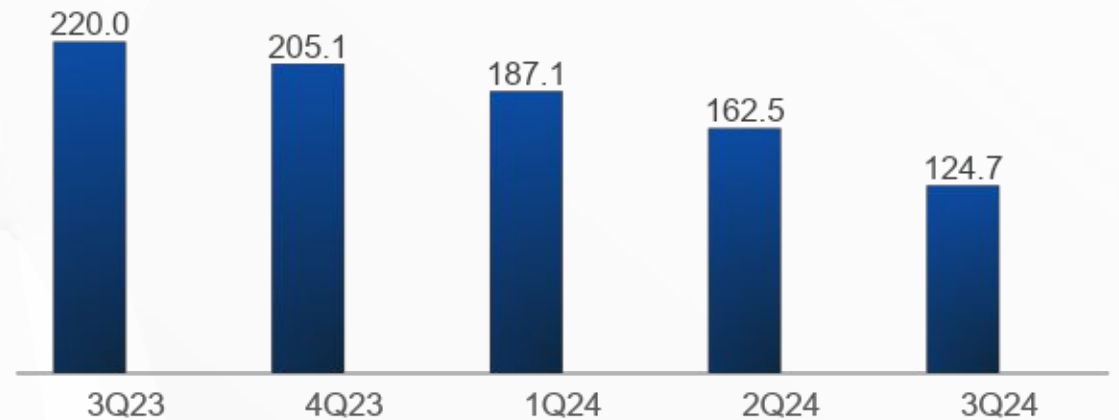
BACKLOG (\$M)



INFRASTRUCTURE SOLUTIONS BACKLOG (\$M)

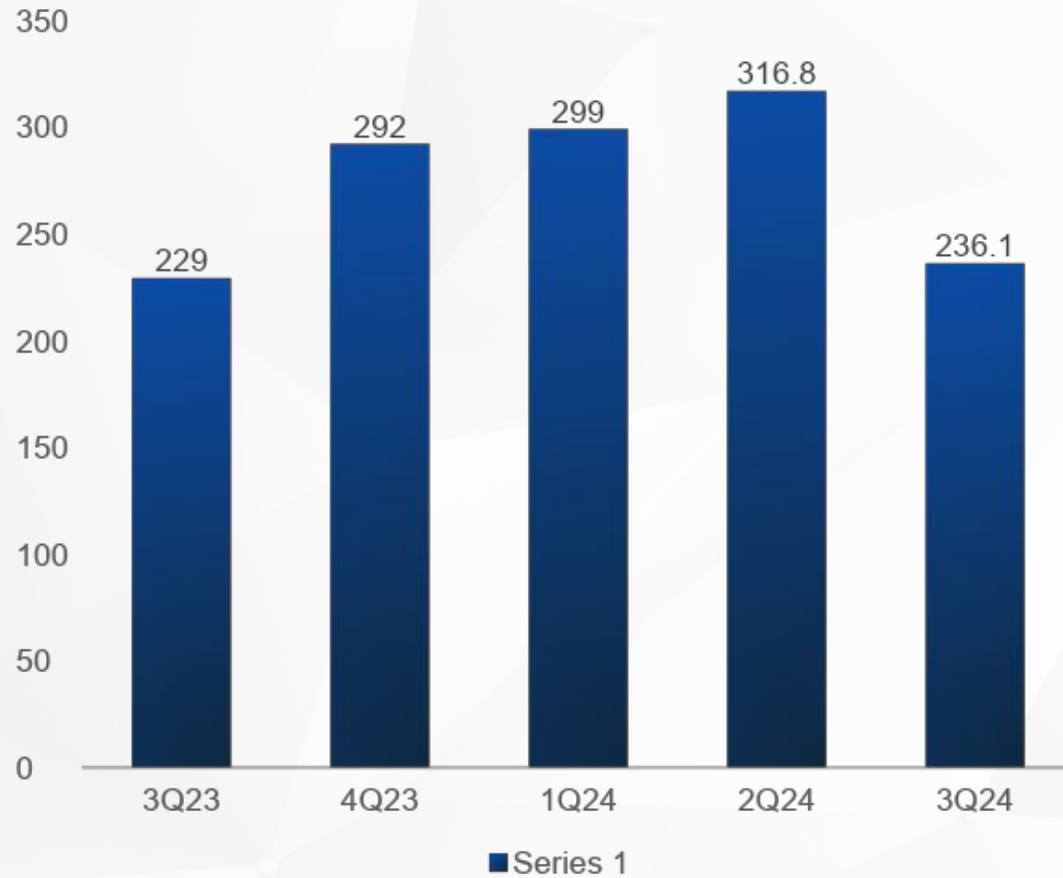


MATERIALS SOLUTIONS BACKLOG (\$M)

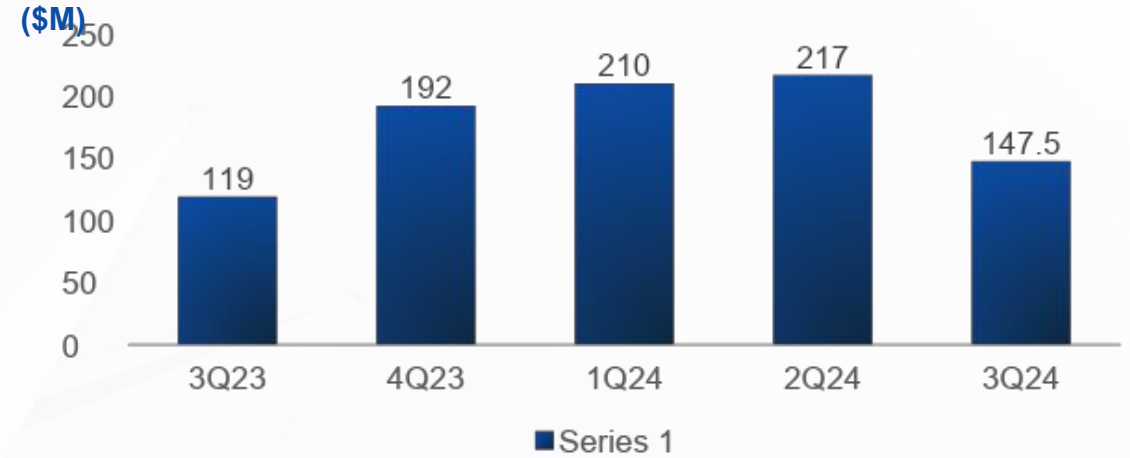


Implied Orders

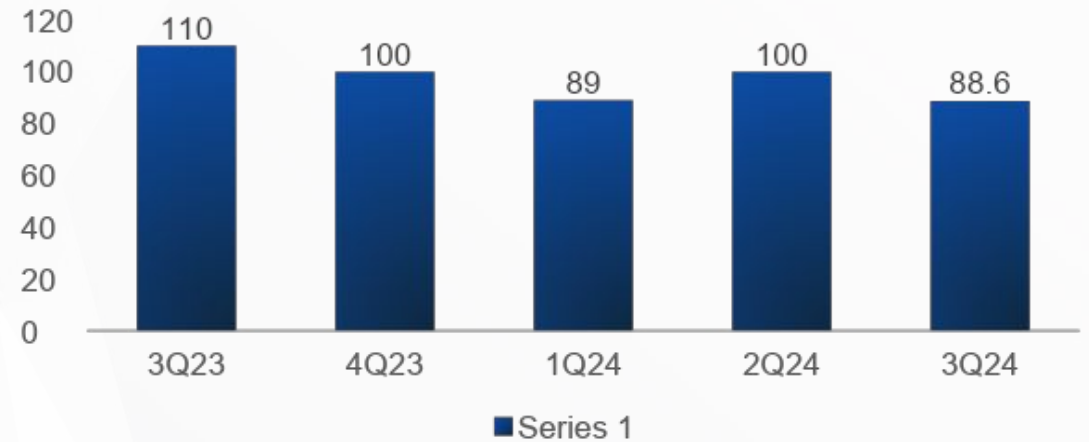
IMPLIED ORDERS (\$M)



INFRASTRUCTURE SOLUTIONS IMPLIED ORDERS (\$M)



MATERIALS SOLUTIONS IMPLIED ORDERS (\$M)



New Products



Astec ReMix™
A revolution in sustainable road construction. Turns reclaimed asphalt pavement stockpiles into usable cold recycle mix



Sustainability In Our Products

DOUBLE BARREL® XHR

The Double Barrel XHR continues to lead the industry by efficiently producing asphalt materials with up to 65% recycle content.



RX-405 COLD PLANNER

The RX-405 utilizes a Stage 5 engine to minimize emissions while facilitating the reclaiming and reuse of asphalt materials from existing roads.



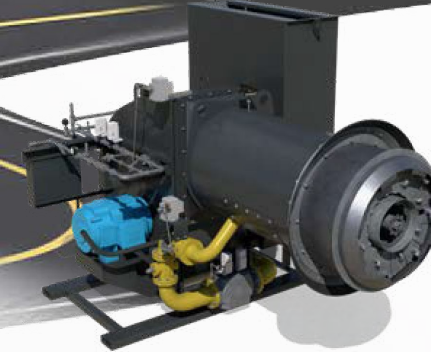
VARIABLE FREQUENCY SCREEN

Astec's Variable Frequency Screen boosts efficiency while supporting decarbonization by optimizing energy use and minimizing waste



WHISPER JET® BURNER

The Whisper Jet burner reduces potential carbon emissions through compatibility with hydrogen-enriched natural gas and other alternative fuels.



6750D WOOD GRINDER

The electrified Peterson 6750D enables high-volume recycling of organic waste and supports the production of alternative biomass fuels.



CONCRETE TILT MIXER

Converting a concrete plant from transit mix to central mix can reduce carbon emissions by accurately metering cement, reducing the need for cement overdesign.



TITAN® T400 CONE CRUSHER

The advanced TRAC10® controls on the Titan T400 Cone Crusher drive efficient crushing performance while optional equipment electrification reduces site-level emissions.





BRIAN HARRIS
CHIEF FINANCIAL OFFICER



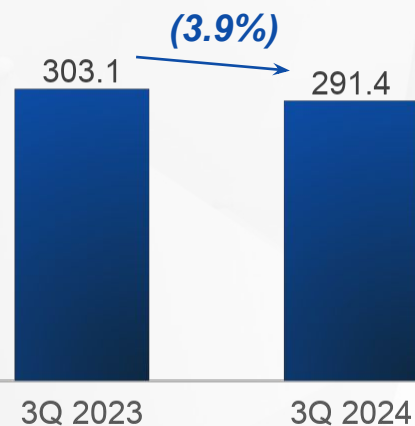
HEINRICH JONKER
VICE PRESIDENT
FINANCE –
INFRASTRUCTURE
SOLUTIONS

Third Quarter Financial Results

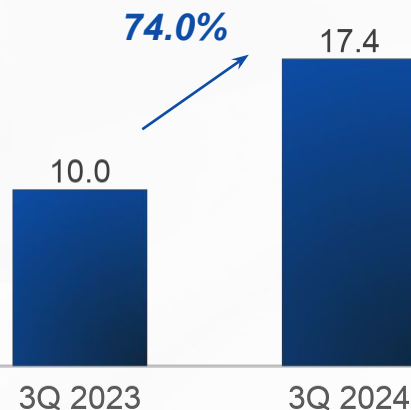
3Q24 Financial Results

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

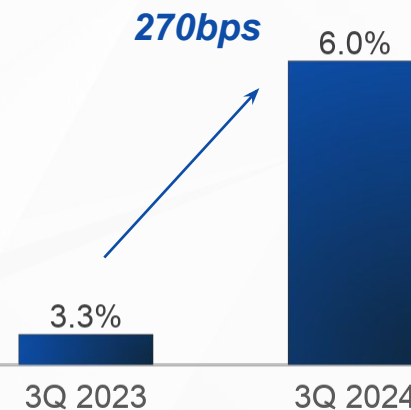
NET SALES



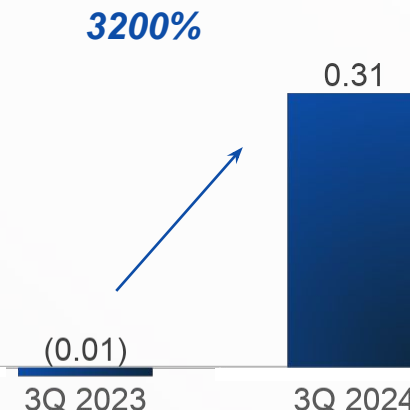
ADJ. EBITDA¹



ADJ. EBITDA MARGIN¹



ADJ. EPS¹



- Domestic sales decreased \$18.4M or 8.0%
- International sales increased \$6.7M or 9.1%
- Infrastructure Solutions net sales increased \$1.8M or 1.1%
- Material Solutions sales decreased \$13.5M or 9.6%

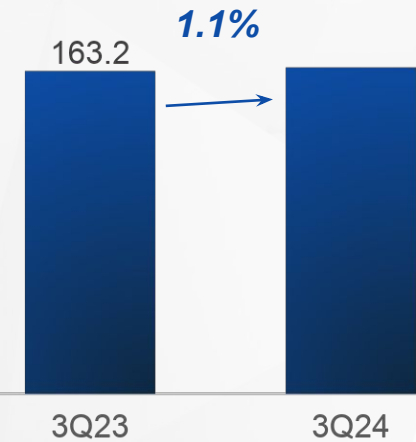
- Adj. EBITDA margin increased largely due to positive net volume, mix and pricing, lower SG&A costs from a favorable legal settlement, lower bad debt and employee related costs, offset by inflation and manufacturing inefficiencies

- Excludes transformation and other costs of \$0.58 in 3Q24 and \$0.28 in 3Q23
- Adjusted effective tax rate was 18.6%

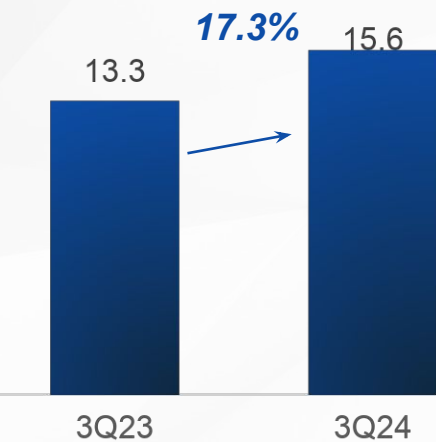
Infrastructure Solutions

3Q24 Financial Performance (\$M, except percentage data)

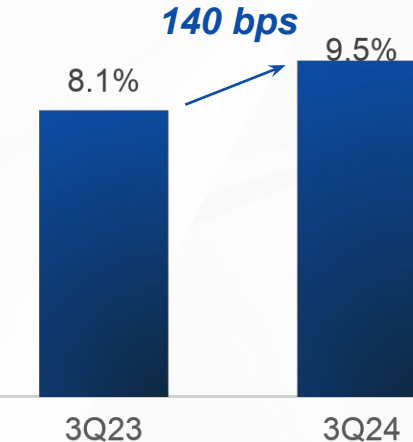
NET SALES



SEGMENT OPERATING ADJ. EBITDA



SEGMENT OPERATING ADJ. EBITDA MARGIN



PERFORMANCE DRIVERS

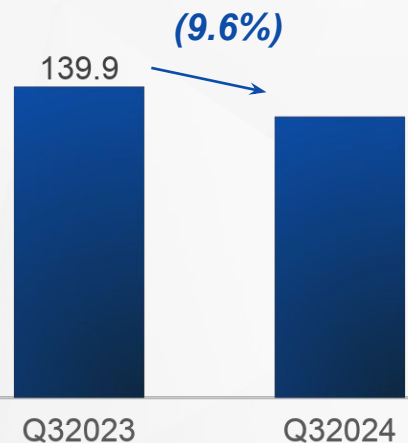
- Sales increased mainly due to strong performance from equipment sales and pricing actions, as the infrastructure construction market remains strong, partly offset with lower parts sales volume
 - Domestic sales +1.2%
 - International sales -1.2%
 - Equipment sales +8.5%
 - Parts sales -14.2%
- Segment Operating Adj. EBITDA margin increased 140 bps mainly due to positive net volume, mix and pricing, lower SG&A cost, offset by inflation and manufacturing inefficiencies



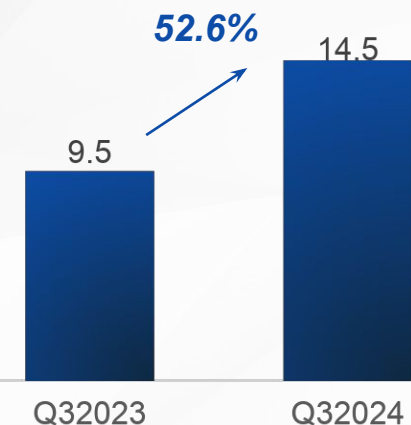
Materials Solutions

3Q24 Financial Performance (\$M, except percentage data)

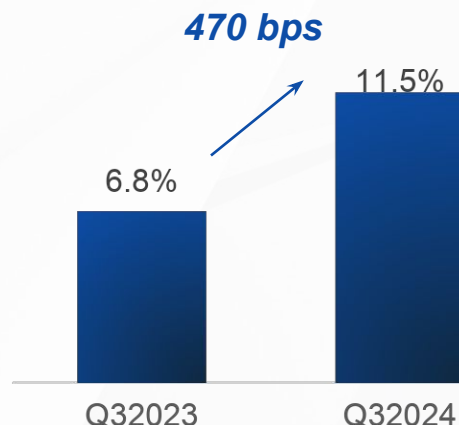
NET SALES



SEGMENT OPERATING ADJ. EBITDA



SEGMENT OPERATING ADJ. EBITDA MARGIN

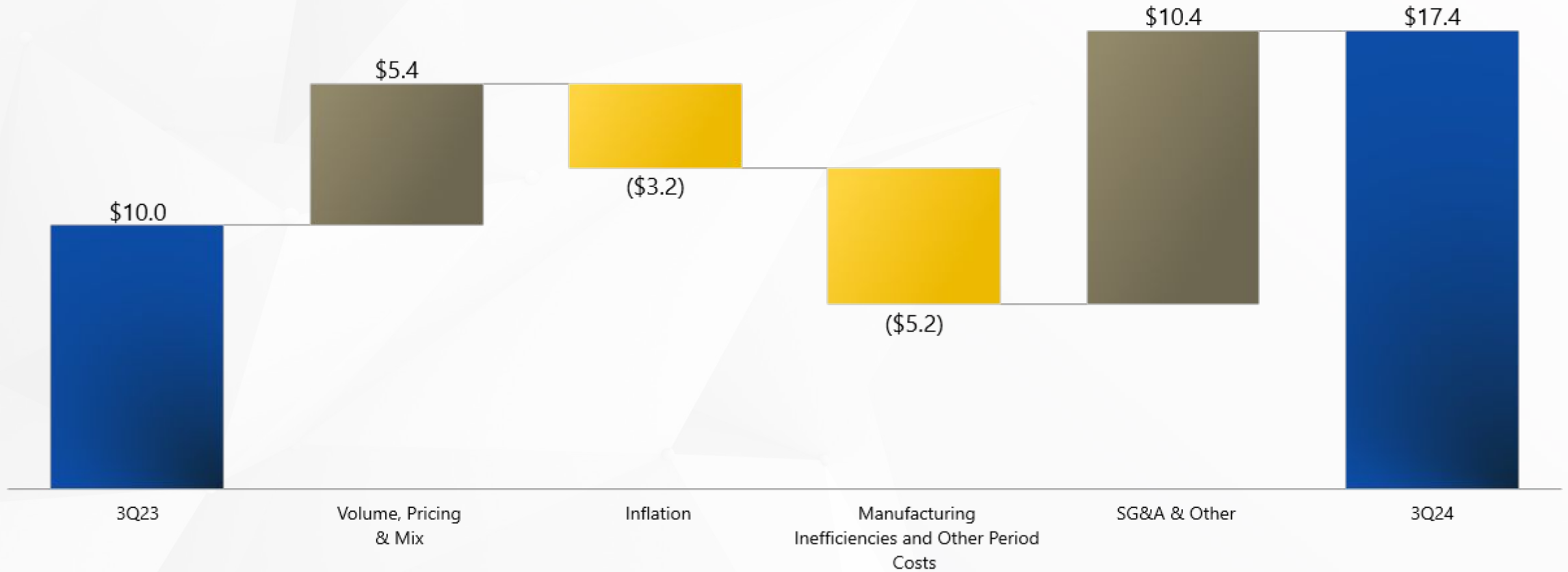


PERFORMANCE DRIVERS

- Sales decreased mainly due to lower equipment sales, attributable to finance capacity constraints with contractors and dealers, as well as longer product conversions offset by positive parts sales in the quarter
 - Domestic sales -27.1%
 - International sales +10.5%
 - Equipment sales -16.1%
 - Parts sales +9.6%
- Segment Operating Adjusted EBITDA of \$14.5 million increased 52.6% and Segment Operating Adjusted EBITDA margin of 11.5% increased 470 basis points, primarily due to a \$6.4 million legal charge in the prior year third quarter.

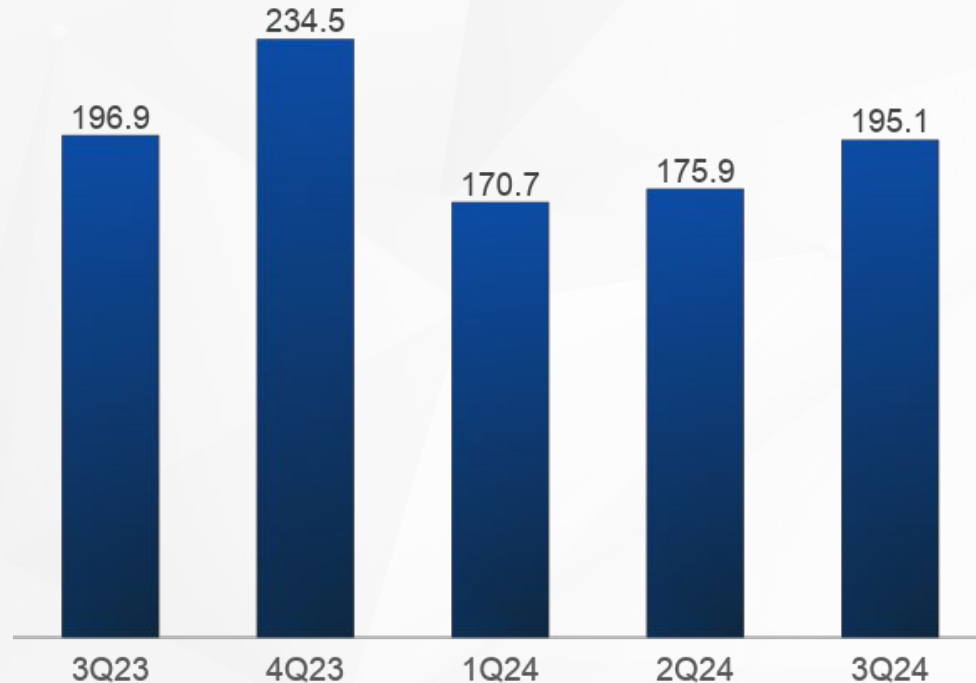
3Q24 Adjusted EBITDA¹ Bridge

(\$M)



Maintain Strong, Flexible Balance Sheet with Ample Liquidity

TOTAL LIQUIDITY (\$M)



LIQUIDITY

Cash and Cash Equivalents	\$52.7
Available Credit	\$142.4
Total Available Liquidity	\$195.1

COMMENTARY

- Operating activities were a \$22.5M source of cash for Q3 2024
- Available credit from a \$250M revolving credit facility
- In compliance with all covenants

\$19.9 Million Free Cash Flow¹ in Q3

3Q 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

Infrastructure Solutions

Infrastructure construction market remains strong with healthy demand for asphalt and concrete plant deliveries through the beginning of 2025, however forestry and mobile paving equipment sold through dealer channels face similar headwinds to Materials Solutions products.

Materials Solutions

Interest rates and dealer carrying costs continue to be headwinds however, dealers are cautiously optimistic about 2025 which is reflected in positive quoting activity.

Cross-site manufacturing at select sites to optimize demand and capacity

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 and strong global brand recognition to facilitate construction from Rock to Road™

2

Favorable Customer Sentiment — Customer backlogs stretching into 2025

3

Operational Excellence — Benefits from transformation efforts still to come.

4

Growth Drivers —

a) New Products: Excitement and momentum in our innovation pipeline

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

c) Stable Funding: Encouraged by increased federal and state highway funding

d) International: Expansion opportunities in current and future markets

e) Inorganic Growth: Future acquisitions focused on strategic alignment and financial discipline



Questions & Answers

STEVE ANDERSON

SVP OF ADMINISTRATION & INVESTOR RELATIONS

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Email: sanderson@astecindustries.com

APPENDIX

GAAP vs Non-GAAP Adjusted EPS Reconciliations

(in millions, except per share amounts; unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Net (loss) income attributable to controlling interest	\$ (6.2)	\$ (6.6)	\$ (16.8)	\$ 18.6
Adjustments:				
Transformation program	8.7	7.8	26.4	22.8
Restructuring and other related charges	8.4	0.1	9.4	7.6
Goodwill impairment	—	—	20.2	—
Asset impairment	—	—	—	0.8
Loss (gain) on sale of property and equipment, net	—	0.4	(1.1)	(3.1)
Income tax impact of adjustments	(3.9)	(1.9)	(9.3)	(6.5)
Adjusted net income (loss) attributable to controlling interest	<u>\$ 7.0</u>	<u>\$ (0.2)</u>	<u>\$ 28.8</u>	<u>\$ 40.2</u>
Diluted EPS	\$ (0.27)	\$ (0.29)	\$ (0.74)	\$ 0.82
Adjustments:				
Transformation program	0.38	0.34	1.16	1.00
Restructuring and other related charges ^(a)	0.37	—	0.41	0.34
Goodwill impairment	—	—	0.89	—
Asset impairment	—	—	—	0.04
Loss (gain) on sale of property and equipment, net	—	0.02	(0.05)	(0.14)
Income tax impact of adjustments	(0.17)	(0.08)	(0.41)	(0.29)
Adjusted EPS	<u>\$ 0.31</u>	<u>\$ (0.01)</u>	<u>\$ 1.26</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)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Net sales	\$ 291.4	\$ 303.1	\$ 946.1	\$ 1,001.0
Net (loss) income attributable to controlling interest	\$ (6.2)	\$ (6.6)	\$ (16.8)	\$ 18.6
Interest expense, net	2.1	1.9	6.9	4.9
Depreciation and amortization	7.0	7.1	20.1	19.6
Income tax (benefit) provision	(2.3)	(0.6)	(0.6)	6.5
EBITDA	0.6	1.8	9.6	49.6
EBITDA margin	0.2 %	0.6 %	1.0 %	5.0 %
Adjustments:				
Transformation program	8.4	7.7	25.8	22.5
Restructuring and other related charges	8.4	0.1	9.4	7.6
Goodwill impairment	—	—	20.2	—
Asset impairment	—	—	—	0.8
Loss (gain) on sale of property and equipment, net	—	0.4	(1.1)	(3.1)
Adjusted EBITDA	\$ 17.4	\$ 10.0	\$ 63.9	\$ 77.4
Adjusted EBITDA margin	6.0 %	3.3 %	6.8 %	7.7 %

Free Cash Flow Reconciliations

(in millions, except percentage data; unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Net cash provided by (used in) operating activities	\$ 22.5	\$ (16.3)	\$ (13.6)	\$ (18.8)
Expenditures for property and equipment	(2.6)	(7.9)	(16.0)	(25.0)
Free cash flow	<u>\$ 19.9</u>	<u>\$ (24.2)</u>	<u>\$ (29.6)</u>	<u>\$ (43.8)</u>