



ASTEC

1Q21 Earnings Presentation

May 5, 2021

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. Risk Factors thereof, and in other reports filed subsequently 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 Financial 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 provides useful information to investors. These non-GAAP financial 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 of our News Release of first quarter 2021 earnings which can be located at www.astecindustries.com.



Astec Overview & 1Q21 Highlights

Barry Ruffalo | President & CEO



Today's Key Messages

01

First quarter performance negatively impacted by pricing pressure and challenging labor market; backlog remains strong with orders up 72% compared to 1Q20

02

Positioning our business to meet strong and increasing customer demand; providing customers with industry-leading technology solutions that deliver value and support our Rock to Road initiatives

03

Well-positioned for future growth and to execute in all economic scenarios with a streamlined organizational structure, a strong balance sheet and ample liquidity

04

Our strategic transformation journey to Simplify, Focus and Grow the business continues with an increased focus on 'Grow' pillar; focused organic and inorganic strategic growth opportunities

05

Continued focus on operational excellence and profitable growth to drive long-term stakeholder value creation

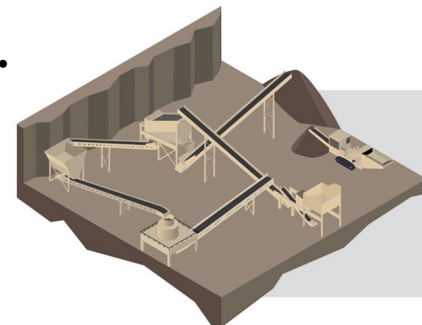
Rock to Road™ Simplified Two Segment Structure

Materials Solutions: 29%

Key Products

Crushing and Screening • Washing and Classifying • Material Handling • Rock Breaker Technology • Plants and Systems

Leading Brands



Infrastructure Solutions: 71%

Key Products

Roadbuilding • Paving • Forestry • Recycling • Asphalt Plants • Concrete Plants • Burners and Heaters • Silos and Storage Tanks

Leading Brands



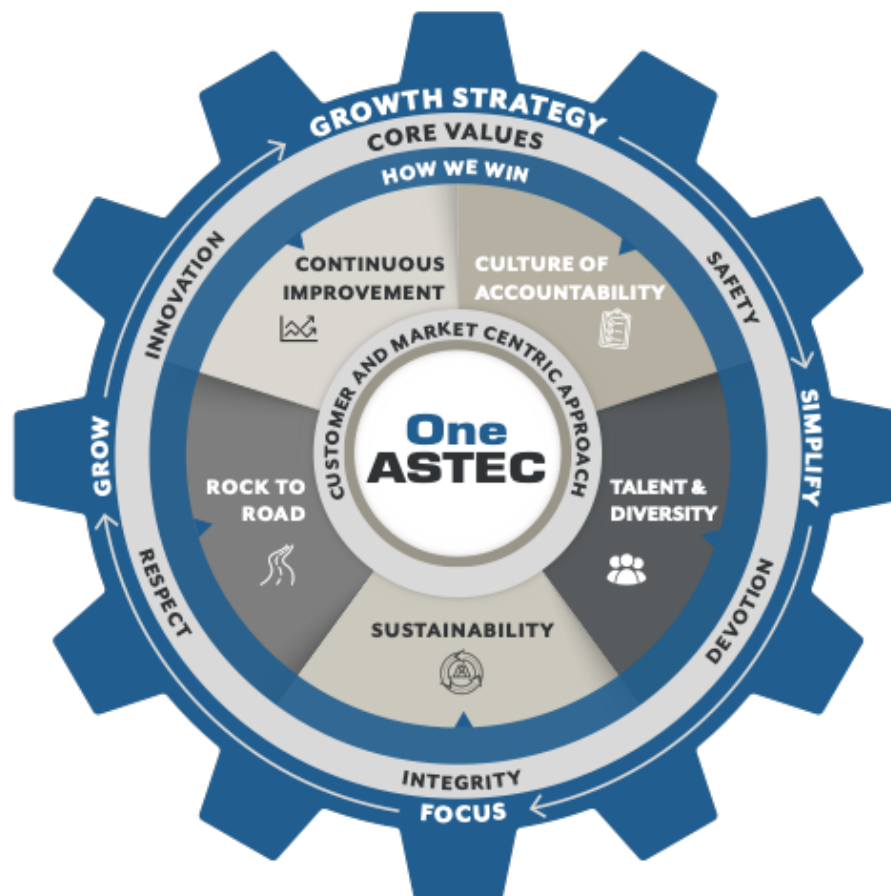
ENABLING MORE EFFECTIVE MANAGEMENT

Note: Percentages are a % of total company Net Sales for 1Q21 Net Sales.

The OneASTEC Business Model is a Competitive Advantage

Operational Excellence and Supply Chain Update

- ✓ **All of our factories are operating**, flexing operations as needed
- ✓ **Remaining close to customers** and adapting accordingly to serve their needs
- ✓ **Leveraging footprint** to reduce lead times and manage costs
- ✓ **Optimizing revenue** within footprint
- ✓ **No supply shortages to date**; identifying multiple supply sources in anticipation of potential tightness in our supply chain



PROACTIVELY MANAGING THROUGH THE RECOVERY

Business Dynamics and Observations

Reduced Organizational Structure Complexity has Enabled More Efficient Response and Sharing of Best Practices

- ✓ **Early innings of upcycle in North America**; strong residential / non-residential markets
- ✓ **Strong construction equipment demand** with positive customer outlook in 2021; focused initiatives to meet increased demand
- ✓ Strong support for **U.S. infrastructure construction**
- ✓ Expect **labor shortages and commodity inflation** to continue through 2021; focused pricing efforts in order to offset inflation
- ✓ Increased **transportation and logistics costs**



ADAPTING TO CHANGES IN DEMAND AND FLUID MACRO CONDITIONS

Early Stages of Our ESG Journey

ESG Highlights

- ✓ **49 years** of conducting business ethically & responsibly
- ✓ Internal focus **on reducing carbon footprint** of products and facilities
- ✓ Enable **customer energy savings & carbon footprint reduction**
- ✓ **Empowering employees to support communities** where we operate and live through partnerships
- ✓ **Driving Social initiatives** (e.g., D&I, human rights, conflict minerals) team



EHS Program

- Safety-first culture with stringent internal processes and procedures in place
- Goal: Zero harm



Sustainability Initiatives

- History of sustainable products
- Reduce carbon footprint through energy efficiency upgrades



Supply Chain Management

- Comply with all applicable environmental laws, regulations and standards
- Supplier Code of Conduct
- Conflict Minerals reporting



Employee Development

- Focus on D&I
 - Signed CEO pledge to advance D&I
- Equitable pay
- Continuous learning & training



Corporate Citizenship

- Five members of ELT on charitable/community boards
- Employee support
 - Local schools, churches and community centers
 - Salvation Army, food banks



Corporate Governance

- Engaged board of directors; oversight of ESG
- Compensation of mgmt. & board aligned with shareholder interests
- Further automation of financial reporting

DEMONSTRATED COMMITMENT TO ETHICAL VALUES AND A SUSTAINABLE FUTURE



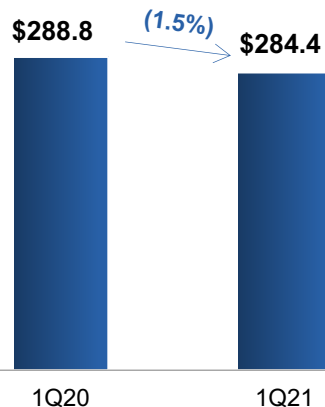
Total Company & Segment Results

Becky Weyenberg | Chief Financial Officer

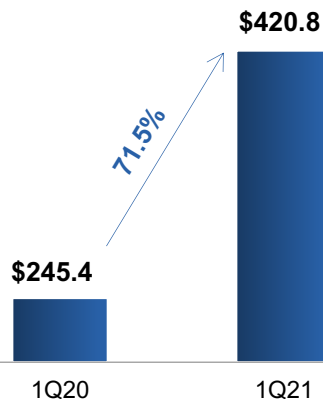


1Q21 Financial Results (\$M, except per share data)

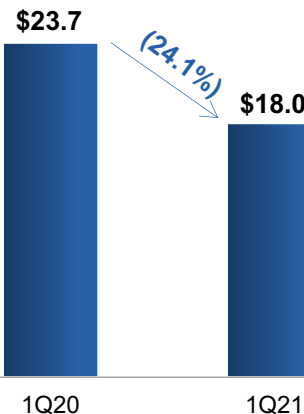
NET SALES



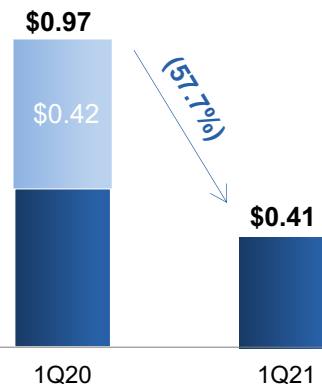
BACKLOG



ADJ. EBITDA¹



ADJ. EPS¹



- New Equipment sales decreased \$0.4M or 0.2%
- Parts sales increased \$1.7M or 1.9%
- Used equipment sales decreased \$4.8M or 55.8%
- Domestic sales decreased \$8.2M or 3.5%
- International sales increased \$3.8M or 6.9%

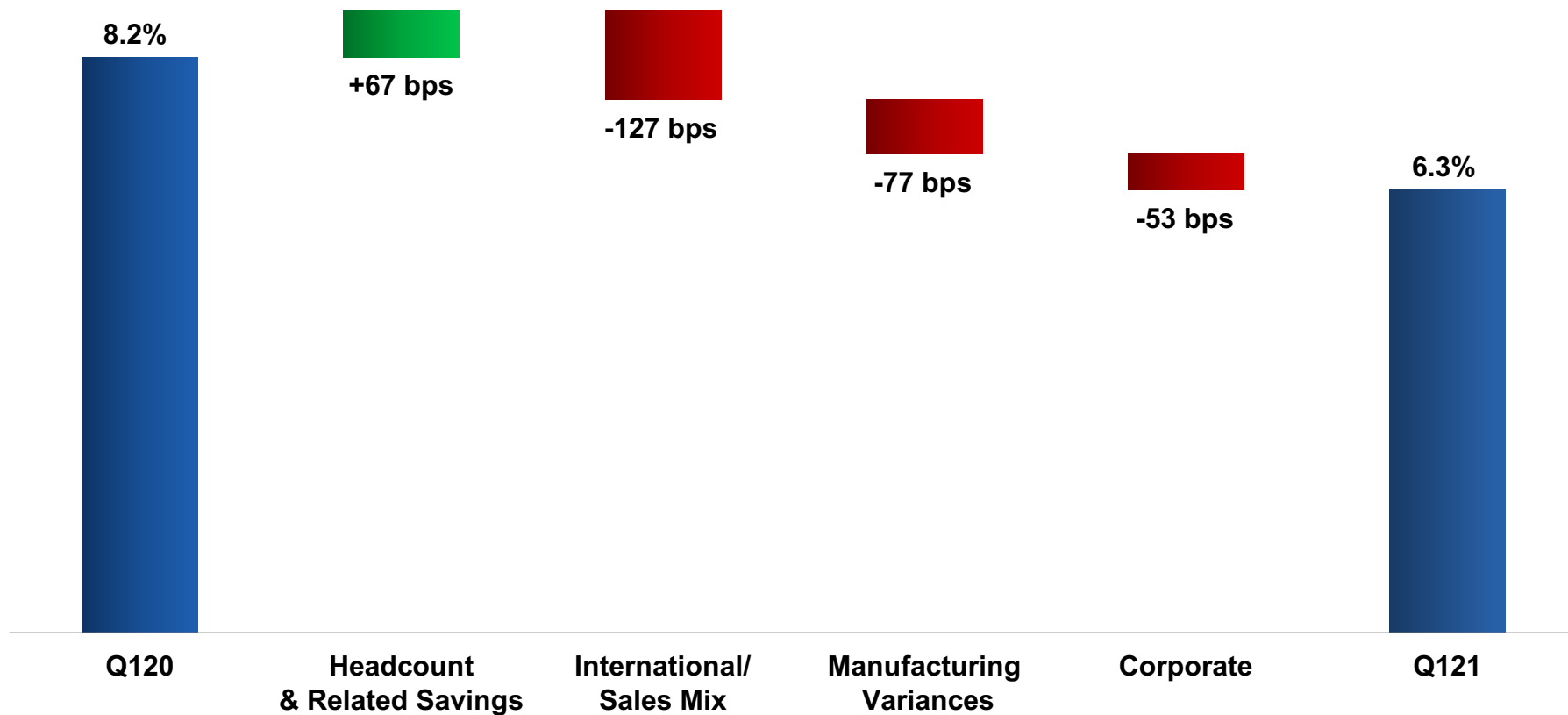
- Materials Solutions backlog increased \$79.0M or 90.6%
- Infrastructure Solutions backlog increased \$96.4M or 60.9%
- Domestic backlog increased \$137.7M or 74.4%
- International backlog increased \$37.7M or 62.6%
- Customers planning for future needs

- Adjusted EBITDA decreased due to strategic sales at lower margin and under absorption
- Adj. EBITDA margin of 6.3% decreased 190 bps
- SGA increased 4% or \$2.0M driven primarily by increased costs for centralization and infrastructure efforts associated with our transformation initiatives

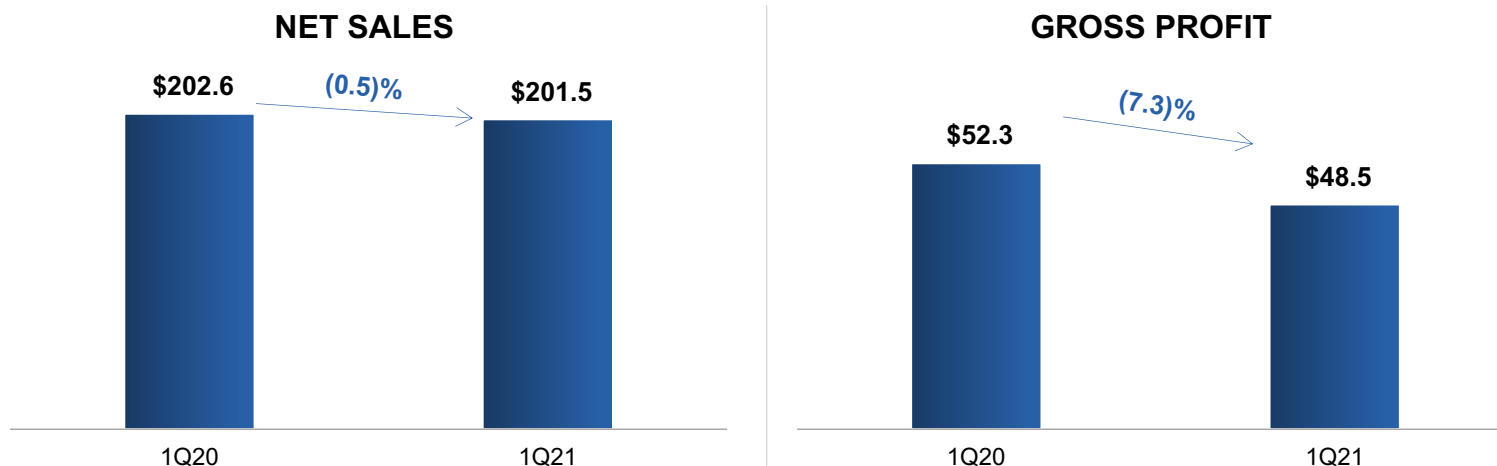
- Cares Act favorable impact of \$0.42 in Q1 2020
- 1Q21 Net effective tax rate adjusted for the quarter was 9.7% driven by stock compensation tax deduction in excess of book expense; \$1.3M benefit; FY projection 16-17%

1. See Astec's 1Q21 earnings release for the reconciliations of GAAP to Non-GAAP measures

1Q21 Adjusted EBITDA Margin Bridge



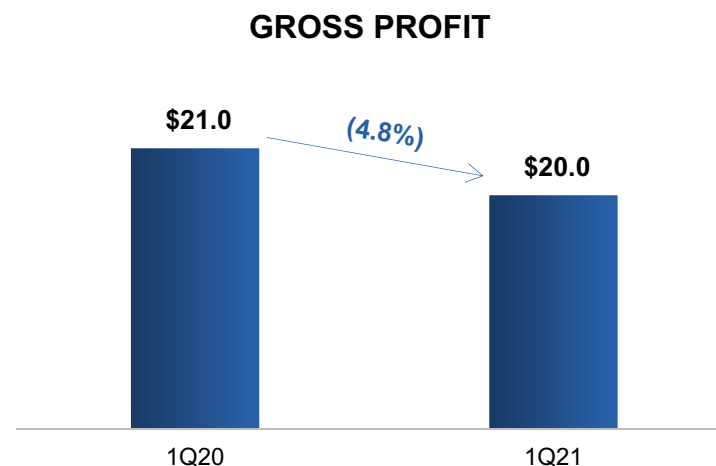
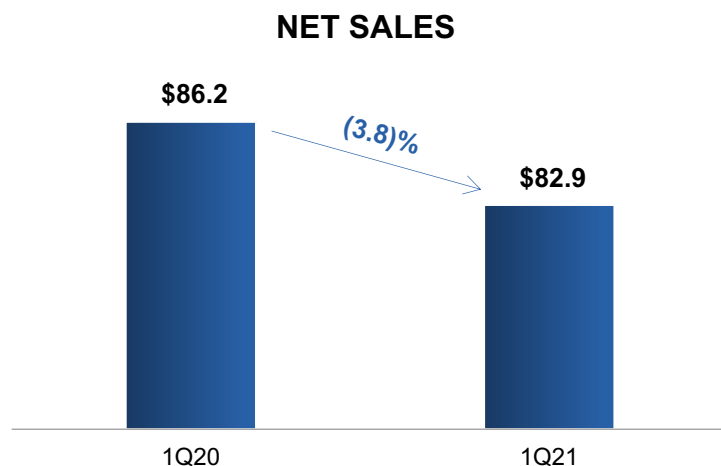
Infrastructure Solutions | 1Q21 Financial Performance (\$M)



1Q PERFORMANCE DRIVERS

- Infrastructure new equipment sales up slightly; International sales grew 22.5% YOY; Domestic sales down 4.5% YOY primarily due to a strategic reduction in used equipment during 2020
- Parts sales grew 6.7% in 1Q21, less favorable margin mix vs PY quarter
- 2021 delivery of orders booked during competitive COVID-era negatively impacted margins

Materials Solutions | 1Q21 Financial Performance (\$M)



1Q PERFORMANCE DRIVERS

- Performance down primarily due to transition of Mequon product lines to other Astec sites
- New equipment sales down 2.0%; International sales down 11.5%; Domestic sales down slightly; Parts sales down 8.6%
- Reduced International sales primarily COVID related
- Backlog at the end of the quarter increased \$79.0M or 90.6%
- Gross Profits lower than prior year driven by the softer volumes and under absorption

Maintain Strong, Flexible Balance Sheet with Ample Liquidity

SUMMARY BALANCE SHEET

(\$M)	3/31/21
Cash and Cash Equivalents	164.6
Total Current Assets	592.0
Total Assets	868.3
Total Current Liabilities	185.1
Total Debt	1.7
Total Liabilities and Equity	868.3

(\$M)	3/31/21
Cash and Cash Equivalents	164.6
Available Credit	154.4
Total Available Liquidity	319.0

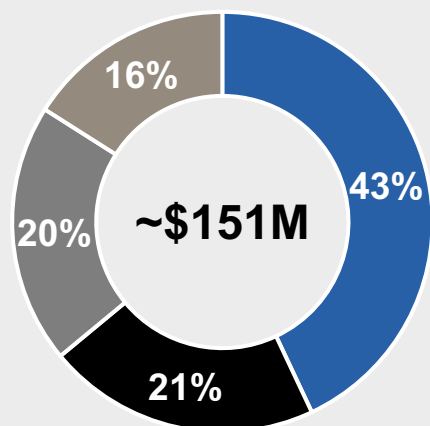
COMMENTARY

- Operating activities were a \$14.6M source of cash in the first quarter of 2021
- Cash and liquidity increased 4% and 2%, respectively, compared to 12/31/20

REMAIN DISCIPLINED WITH A LONG-TERM NET DEBT TO EBITDA RANGE OF 1.5X TO 2.5X

Disciplined Capital Deployment Framework

Use of Cash Last 3 Years



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

Plant, Property & Equipment

- Internal investments meeting return objectives of >14% ROIC

Acquisitions

- Future acquisitions to align with growth strategy and meet financial criteria

Returns to Shareholders

- Dividend of \$0.11 per share
- \$126M remaining in authorized share repurchase program

Adjustments Given Current Environment

Continue to target > 14% ROIC for new investments

Continue to focus on strategic alignment and financial discipline

No buybacks expected in near term

CONTINUALLY EVALUATE STRATEGY TO ENSURE A BALANCED APPROACH

Strategic M&A Approach Aligns to Our Growth Strategy



Financial Criteria

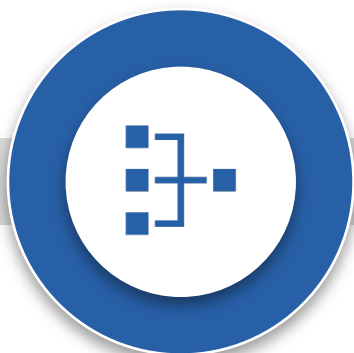
EPS Accretion in First Full Year ✓

Meet or Exceed
Long-term Financial Metrics ✓

CONTINUE TO FOCUS ON STRATEGIC ALIGNMENT AND FINANCIAL DISCIPLINE

Our Profitable Growth Strategy Remains Consistent

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

- 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

- Reinvigorate innovation with a new product development approach
- Leverage technology and digital connectivity to enhance customer experience
- Capitalize on global growth opportunities
- Allocate capital effectively to drive greatest shareholder value

Key Organic Growth Opportunities

**International /
Global Growth**

**Growth in Parts
and Service**

**New Product
Development**

**Dealer
Expansion**

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

**Strategic
Accounts**



Update on Our Transformation Progress

2019 - 2020

2019 - 2021

2020 - 2021+

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
- ✓ 1Q20 re-segmentation to two segment reporting structure
- ✓ Within Infrastructure Solutions, integrated five service teams into a unified service and construction team; one support call center
- ✓ Rationalizing three sites in Hameln, Germany, Albuquerque, NM and Mequon, WI to further streamline operations
- ✓ Announced closure of Tacoma facility

FOCUS

- ✓ Hired SVP of Operational Excellence and Chief Information Officer
- ✓ Aligned financial metrics to management incentives
- ✓ Implementing Enterprise Data Analytic Platform system to consolidate reporting
- ✓ Completed divestiture of GEFCO (Enid; O&G products)
 - Further drive operational excellence across organization
 - Optimize product portfolio with ongoing rationalization
 - Improve working capital turns – clear action plan in place

GROW

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

✓ **Completed** ▪ **In-Process**

Key Investment Highlights

1

Leadership positions within attractive niche markets in industries benefitting 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, high-margin aftermarket revenue driven by a large global installed base



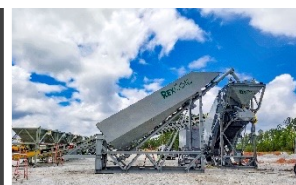
4

Strong balance sheet and liquidity with net cash position to execute through challenging market conditions; our products are essential for building infrastructure



5

Strategic transformation with Simplify, Focus, and Grow pillars; cost savings initiatives underway and new organizational structure to drive profitable growth



Progressing on Our Long-Term Goals through Simplify, Focus, Grow Strategy

LONG-TERM GOALS

5% - 10%
REVENUE GROWTH

> 12%
EBITDA MARGIN

> 10%
EPS GROWTH

> 100%
Net Income
FCF CONVERSION¹

> 14%
ROIC



Create Value for Shareholders



Alignment to Incentive Plan

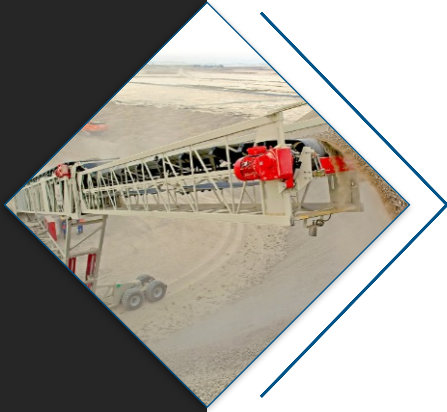


Stand through Cycles

THE ONEASTEC BUSINESS MODEL TO FUEL STRONG FUTURE OPERATIONAL AND FINANCIAL PERFORMANCE

¹ Calculated by dividing LTM Adjusted FCF by Adjusted Net Income.

Q&A



Contact Information

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