



**ASTEC**

# Stifel 2020 Cross Sector Insight Conference

*Simplify • Focus • Grow*

June 2020





The information contained in this presentation and discussion contains “forward-looking statements” (within the meaning of the Private Securities Litigation Reform Act of 1995) regarding the future performance of the Company, including statements about the effects on the Company from (i) restructuring initiatives, (ii) changes in the business segments (iii) the effect of changes in backlog (iv) the potential sale of the Enid (GEFCO) business, (iii) increases in international demand, (iv) domestic and international product demand in North America , and (v) the impacts of the coronavirus (COVID-19) on the Company’s financial condition and business operations. These forward-looking statements reflect management’s expectations and are based upon currently available information, and the Company undertakes no obligation to update or revise such statements. These statements are not guarantees of performance and are inherently subject to risks and uncertainties, many of which cannot be predicted or anticipated. Future events and actual results, financial or otherwise, could differ materially from those expressed in or implied by the forward-looking statements. Important factors that could cause future events or actual results to differ materially include: general uncertainty in the economy, oil, gas and liquid asphalt prices, rising steel prices, decreased funding for highway projects, the relative strength/weakness of the dollar to foreign currencies, production capacity, general business conditions in the industry, demand for the Company’s products, seasonality and cyclicity in operating results, seasonality of sales volumes or lower than expected sales volumes, lower than expected margins on custom equipment orders, competitive activity, tax rates and the impact of future legislation thereon, and those other factors listed from time to time in the Company’s reports filed with the Securities and Exchange Commission, including but not limited to the Company’s annual report on Form 10-K for the year ended December 31, 2019.

# Key Messages



01

Leadership positions within attractive niche markets in industries benefitting from long-term secular trends including population growth, urbanization and aging infrastructure

02

Industry-leading reputation for innovation, high-quality products and superior customer service

03

Recurring, high-margin aftermarket revenue driven by a large global installed base

04

Strong balance sheet and liquidity with net cash position to execute through challenging market conditions

05

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





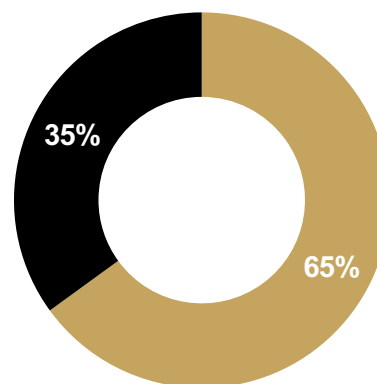
**Design, Manufacture and Provide Innovative, Productive, Reliable, Eco-friendly and Safe Equipment to Drive Value for Customers and Shareholders**

## KEY STATISTICS<sup>1</sup>

|                      |                 |
|----------------------|-----------------|
| Founded              | 1972            |
| Headquarters         | Chattanooga, TN |
| Employees            | ~3,900          |
| Global Locations     | 24              |
| Countries With Sites | 8               |
| Market-cap           | \$947M          |
| Product Categories   | 100+            |

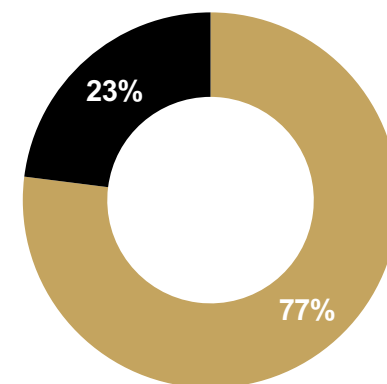
## 2019 REVENUE MIX: \$1.15B<sup>2</sup>

*By Segment*



■ Infrastructure Solutions  
■ Materials Solutions

*By Geography*



■ Domestic  
■ International

<sup>1</sup> As of 12/31/19; <sup>2</sup> Ex-pellets.



# Rock to Road™: Simplification of Our Business Segments

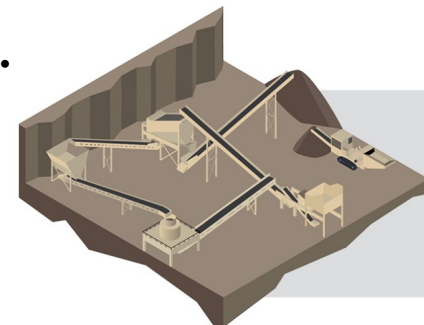


## Materials Solutions

### Key Products

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

### Leading Brands



## Infrastructure Solutions

### Key Products

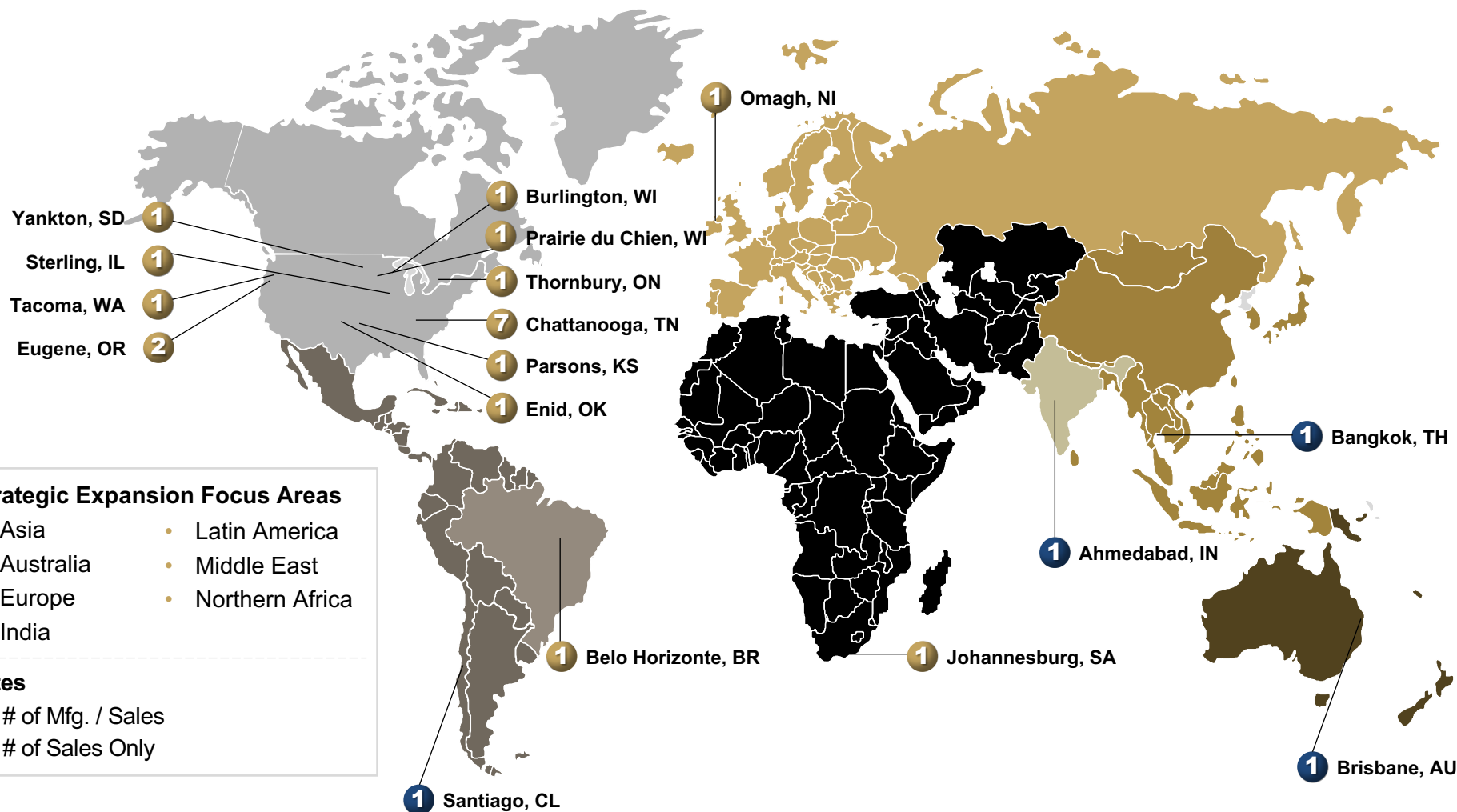
Asphalt Plants • Concrete Plants • Burners and Heaters • Silos and Storage Tanks • Roadbuilding • Paving • Forestry • Recycling

### Leading Brands



NEW STRUCTURE FROM THREE SEGMENTS TO TWO FOR MORE EFFECTIVE MANAGEMENT

# Our Global Footprint



WELL POSITIONED TO LEVERAGE AND GROW



## New Organizational Structure Has Enhanced Company-wide Communication

- ✓ In early March 2020, formed a **COVID-19 task force**, which continually monitors information from our sites, government agencies and other sources
- ✓ **Continue to manufacture, sell and service our products** with appropriate precautions
- ✓ **Reinforced good hygiene practices** at all facilities including frequent handwashing, social distancing and regular cleaning of surfaces, in accordance with U.S. Center of Disease Control and Prevention (CDC) and World Health Organization (WHO) guidelines to reduce health risks
- ✓ **Enacted policies to keep our employees, customers and suppliers safe** by greatly reducing travel and utilizing technology to meet virtually as business permits
- ✓ Introduced health screening procedures for on-site, essential employees and visitors, including **temperature screenings**
- ✓ **COVID-19 playbook in place** with senior leaders sharing best practices, processes and tools across organization

**PROACTIVELY MANAGING THROUGH THE PANDEMIC WITH NO SIGNIFICANT DISRUPTIONS**





## Current Transformation to Simplify, Focus, and Grow Strategy Has Reduced Organizational Structure Complexity and Enabled More Efficient COVID-19 Response and Sharing of Best Practices

- ✓ Bipartisan support for **U.S. infrastructure construction**; both House and Senate calling for funding increases (House: ~40% / Senate: ~27% increase compared to FAST-Act)
- ✓ **Customers are still working and need our solutions**; some have discussed postponing capex decisions and delaying shipments to future quarters
- ✓ **All factories** are open; **temporary closures of two Materials Solutions sites** due to preemptive government mandates in South Africa (reopened on 5/4/20) and Northern Ireland (reopened on 5/11/20)
- ✓ **Limited impact in Q1** and situation remains fluid for the remainder of 2020



ACTIVELY RUNNING SCENARIO ANALYSES TO ENSURE PREPAREDNESS FOR CHANGES IN DEMAND

# Downturn Playbook with Additional Levers to Pull



## Status Commentary

### Self-Adjusting

- ✓ Metrics-based incentive plan

- Revised annual and long-term incentive plans

### Discretionary

- ✓ Professional services / consulting
- ✓ Tradeshows / marketing
- ✓ 4-day work weeks
- Delayed / freeze hiring
- Suspend merit increases / other compensation benefits

- Accelerating centralization efforts
- Implemented travel restrictions; reduced number of exhibits and promotional items
- Standardizing commission / pay structures

### Investments

- ✓ Investment reprioritization, deferrals
- Product line rationalization

- Focused investments on transformation activities including centralized corporate functions
- Accelerated Strategic Procurement / Operational Excellence projects

### Cash Preservation

- ✓ Headcount reduction
- Standardization of payment terms

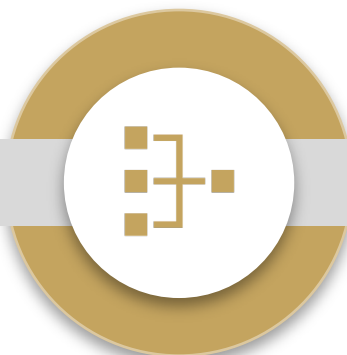
- Improve inventory turns
- Focused on cash management
- Continued focus on centralizing business processes

✓ **Activated**   ○ **In-Process**   ▪ **Additional Levers, If Needed**

# Our Profitable Growth Strategy Remains Consistent



## SIMPLIFY



- 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



- 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



- 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



# 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

## 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
- ✓ Announced divestiture of GEFCO (Oil & Gas products)
  - Further drive operational excellence across organization
  - Optimize product portfolio with ongoing rationalization
  - Improve working capital turns – clear action plan in place

## GROW

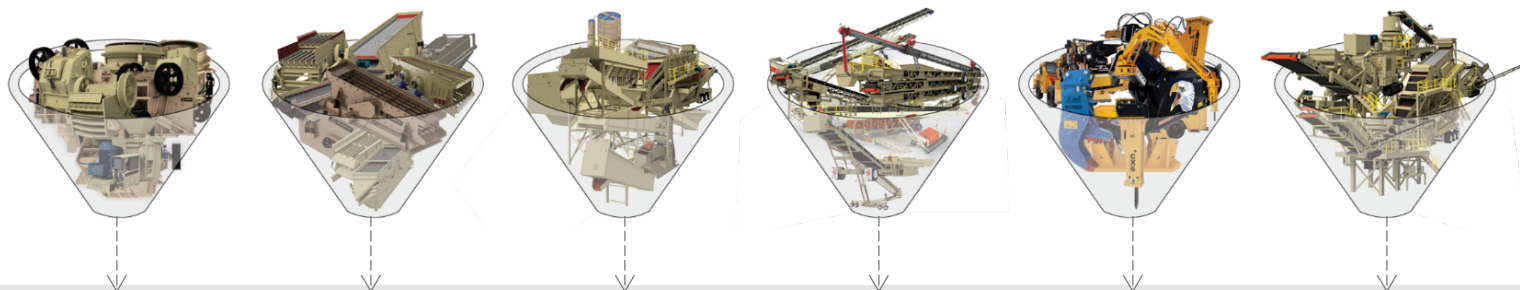
- ✓ Reinvigorate focus on innovation; new Innovation Council
  - Enhance customer engagement
  - Global expansion
  - Profitable growth
  - Margin improvement
  - Disciplined and strategic acquisitions

✓ **Completed**    ▪ **In-Process**

# Product Line Rationalization Example



## Simplified Materials Solutions Offerings to 6 Product Families



### *Product Families with Additional Innovations Underway*



Crushers



Screening



Washing &  
Classifying



Material  
Handling



Rock Breaker  
Technology



Plants &  
Systems

## KEY BENEFITS

### Operational

- ✓ Manufacturing Centers of Excellence (CoE) – consolidation and focused manufacturing will drive efficiency improvements
- ✓ Improved capacity planning and load leveling in order to meet just in time fulfillment
- ✓ Global product portfolio built closer to our customers resulting in improved overall customer satisfaction with decreased lead times, lower logistics cost and localized product support

### Financial

- ✓ Gross margin improvement
- ✓ Optimized manufacturing footprint
- ✓ Revenue growth - Rapid NPD will increase velocity of new products to market with focus and standardization
- ✓ Improved working capital turns due to fewer products and CoE model

# Sales Leverage Example



## INFRASTRUCTURE SOLUTIONS:

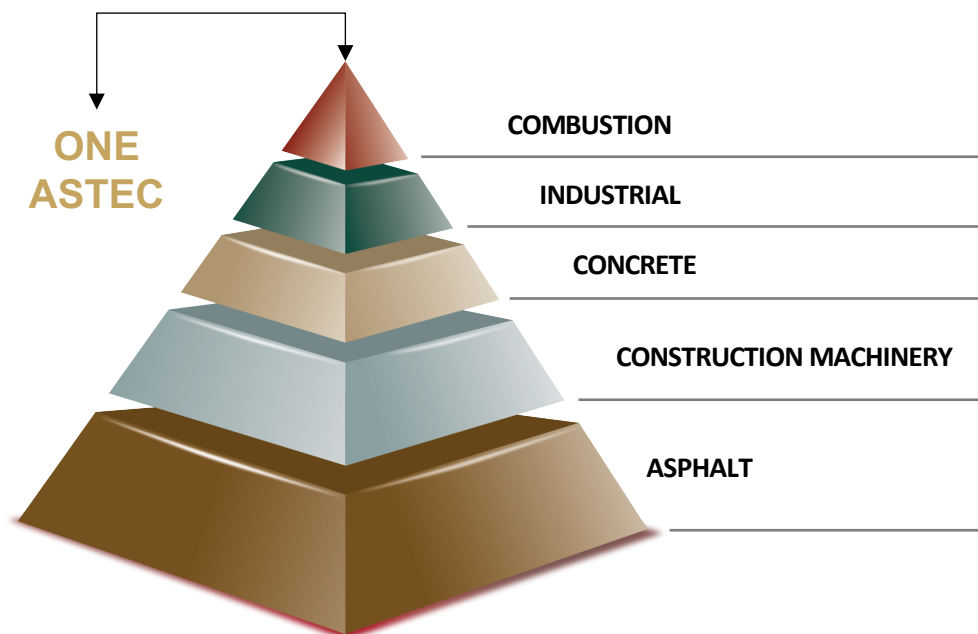
- **Simplify** structure by joining capital, parts and service teams into one unified team
- **Focus** sales and service teams providing new, industry-wide integrated solutions
- **Grow** equipment and parts sales for all product lines; leveraging strong asphalt reputation and salesforce to grow complementary businesses

## SUMMARY – ONE SOURCE:

- Integrated salesforce, selling across product lines, services and solutions to capture greater market coverage and gain efficiencies

## STRONG FOUNDATION

FOR ONE SOURCE SOLUTIONS



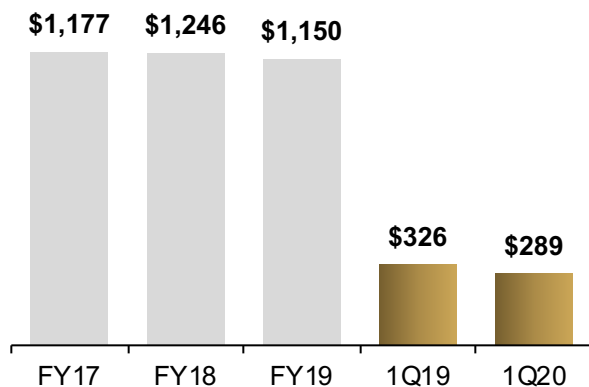
REVENUE GROWTH THROUGH CROSS SELLING



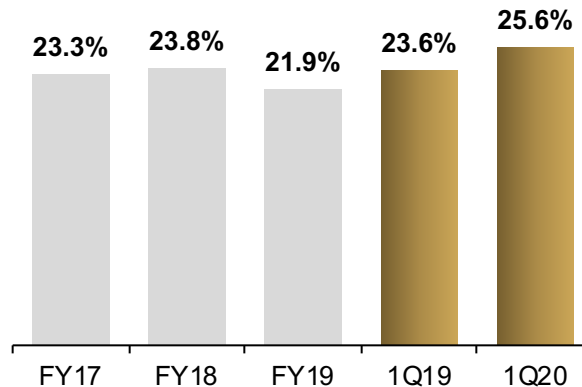
# Recent Financial Highlights (\$M except EPS, as Adjusted)



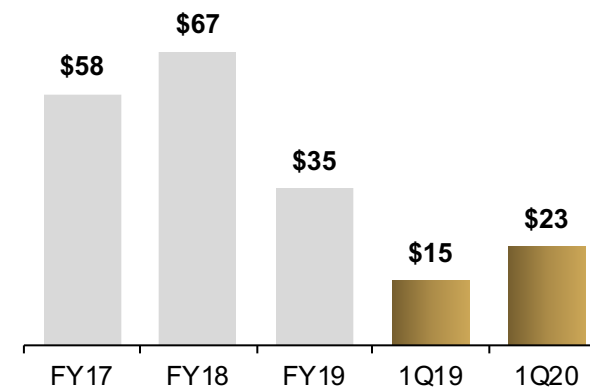
## REVENUES<sup>1</sup>



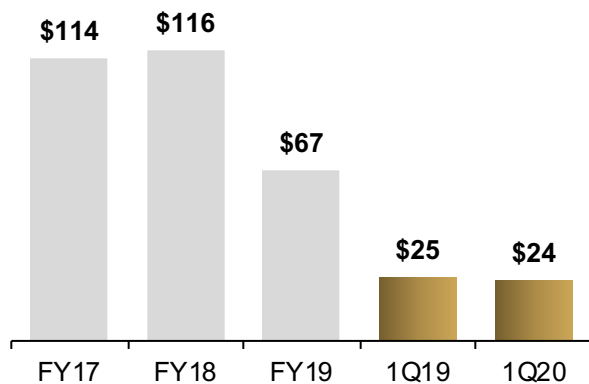
## GROSS MARGIN<sup>1</sup>



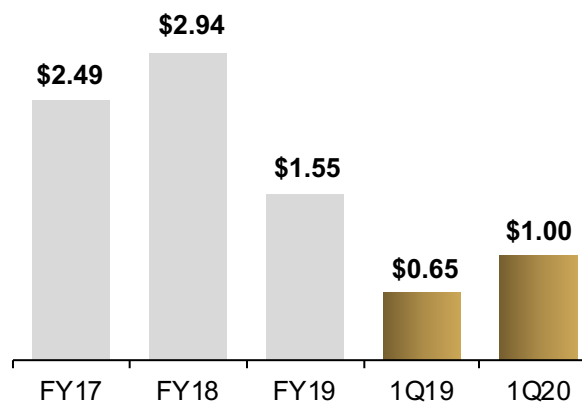
## NET INCOME<sup>1</sup>



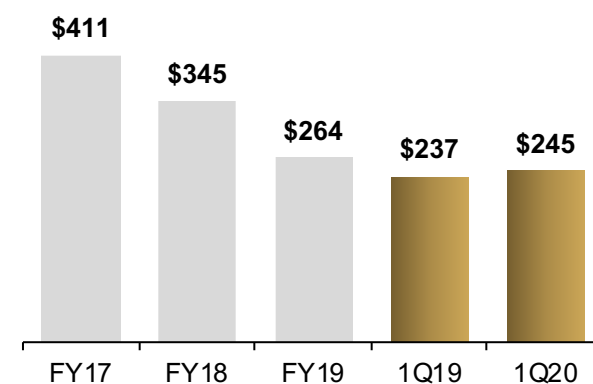
## ADJUSTED EBITDA<sup>1</sup>



## ADJUSTED EPS<sup>1</sup>



## BACKLOG



<sup>1</sup> See Appendix for Non-GAAP to GAAP reconciliation table.

# Maintain Strong, Flexible Balance Sheet with Ample Liquidity



## SUMMARY BALANCE SHEET

| (\$M)                        | 3/31/20 |
|------------------------------|---------|
| Cash and Cash Equivalents    | \$ 44   |
| Total Current Assets         | \$ 534  |
| Total Assets                 | \$ 805  |
| Total Current Liabilities    | \$ 169  |
| Total Debt                   | \$ 1    |
| Total Liabilities and Equity | \$ 805  |

| (\$M)                     | 3/31/20 |
|---------------------------|---------|
| Cash and Cash Equivalents | \$ 44   |
| Available Credit          | \$ 142  |
| Total Available Liquidity | \$ 186  |

### COMMENTARY

- Gross inventory decreased \$124M; net inventory decreased \$72M both from 1Q19
- \$26M in cash expected from income tax refund due to CARES Act

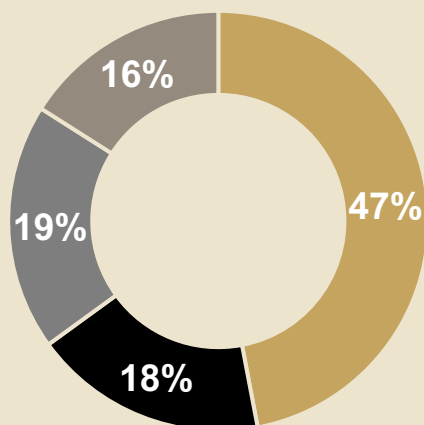
REMAIN DISCIPLINED WITH A LONG-TERM NET DEBT TO EBITDA RANGE OF 1.5X – 2.5X

# Disciplined Capital Deployment Framework



Use of Cash Over Last 3 Years

**~\$150M**



- 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
- \$150M repurchase program authorized
- Repurchased \$24M in 2018

## 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**



## LONG-TERM GOALS

**5% - 10%**  
REVENUE GROWTH

**> 12%**  
EBITDA MARGIN

**> 10%**  
EPS GROWTH

**> 100%**  
**Net Income**  
FCF CONVERSION<sup>1</sup>

**> 14%**  
ROIC



Create Value for Shareholders



Alignment to Incentive Plan



Stand through Cycles

<sup>1</sup> Calculated by dividing LTM Adjusted FCF by Adjusted Net Income.

# 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





## Q&A



### STEVE ANDERSON

SVP of Administration & Investor Relations

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**Email:** [sanderson@astecindustries.com](mailto:sanderson@astecindustries.com)





## Appendix

# Income Statement



## Condensed Consolidated Statements of Income (In millions, except share and per share amounts; unaudited)

|   | Three Months Ended<br>March 31, |                |
|---|---------------------------------|----------------|
|   | 2020                            | 2019           |
| Net sales                                       | \$ 288.8                        | \$ 325.8       |
| Cost of sales                                   | 214.8                           | 248.9          |
| Gross profit                                    | <u>74.0</u>                     | <u>76.9</u>    |
| Operating expenses:                             |                                 |                |
| Selling, general and administrative             | 56.2                            | 58.2           |
| Restructuring and asset impairment charges      | 2.7                             | 0.5            |
| Total operating expenses                        | <u>58.9</u>                     | <u>58.7</u>    |
| Operating income                                | 15.1                            | 18.2           |
| Other income (expense):                         |                                 |                |
| Interest expense                                | --                              | (0.6)          |
| Miscellaneous, net                              | 0.4                             | 0.5            |
| Income before income taxes                      | 15.5                            | 18.1           |
| Provision (benefit) from income taxes           | (5.1)                           | 3.8            |
| Net income attributable to controlling interest | <u>\$ 20.6</u>                  | <u>\$ 14.3</u> |
| Earnings per common share                       |                                 |                |
| Basic   | \$ 0.92                         | \$ 0.63        |
| Diluted   | 0.91                            | 0.63           |
| Weighted-average shares outstanding             |                                 |                |
| Basic   | 22,545                          | 22,498         |
| Diluted   | 22,713                          | 22,646         |

# Segment Revenues and Profits



(In thousands; unaudited)

|                      | Three Months Ended March 31 |                        |           |            |
|----------------------|-----------------------------|------------------------|-----------|------------|
|                      | Infrastructure<br>Solutions | Materials<br>Solutions | Corporate | Total      |
| 2020 Revenues        | \$ 202,618                  | \$ 86,230              | --        | \$ 288,848 |
| 2019 Revenues        | 219,249                     | 106,531                | --        | 325,780    |
| Change \$            | (16,631)                    | (20,301)               | --        | (36,932)   |
| Change %             | (7.6%)                      | (19.1%)                |           | (11.3%)    |
| 2020 Gross profit    | 52,923                      | 21,005                 | 93        | 74,021     |
| 2020 Gross profit %  | 26.1%                       | 24.4%                  |           | 25.6%      |
| 2019 Gross profit    | 51,309                      | 25,545                 | (4)       | 76,850     |
| 2019 Gross profit %  | 23.4%                       | 24.0%                  |           | 23.6%      |
| Change %             | 1,614                       | (4,540)                | 97        | (2,829)    |
| 2020 Profit / (loss) | 17,220                      | 6,035                  | (2,923)   | 20,332     |
| 2019 Profit / (loss) | 18,070                      | 8,678                  | (12,908)  | 13,840     |
| Change \$            | (850)                       | (2,643)                | 9,985     | 6,492      |
| Change %             | (4.7%)                      | (30.5%)                | 77.4%     | 46.9%      |

Segment revenues are reported net of intersegment revenues. Segment gross profit is net of profit on intersegment revenues. A reconciliation of total segment profits to the Company's net income attributable to controlling interest is as follows (in thousands):

|   | Three Months Ended March 31, |           |           |
|---|------------------------------|-----------|-----------|
|   | 2020                         | 2019      | Change \$ |
| Total profit for all segments                     | \$ 20,332                    | \$ 13,840 | \$ 6,492  |
| Recapture of intersegment profit                  | 151                          | 377       | (226)     |
| Net loss attributable to non-controlling interest | 161                          | 57        | 104       |
| Net income attributable to controlling interest   | \$ 20,644                    | \$ 14,274 | \$ 6,370  |

# Balance Sheet



## Condensed Consolidated Balance Sheets (In millions; unaudited)

|                                    | March 31,<br>2020 | March 31,<br>2019 |
|------------------------------------|-------------------|-------------------|
| <b>Assets</b>                      |                   |                   |
| Current assets:                    |                   |                   |
| Cash and cash equivalents          | \$ 43.9           | \$ 28.6           |
| Investments                        | 2.1               | 1.6               |
| Receivables, net                   | 141.0             | 137.2             |
| Inventories, net                   | 294.8             | 366.8             |
| Other current assets               | 52.4              | 41.9              |
| Total current assets               | <u>534.2</u>      | <u>576.1</u>      |
| Property, plant and equipment, net | 185.3             | 192.1             |
| Other long-term assets             | 85.4              | 104.1             |
| Total assets                       | <u>\$ 804.9</u>   | <u>\$ 872.3</u>   |
| <b>Liabilities</b>                 |                   |                   |
| Current liabilities:               |                   |                   |
| Accounts payable                   | \$ 64.1           | \$ 76.5           |
| Other current liabilities          | 104.8             | 114.3             |
| Total current liabilities          | <u>168.9</u>      | <u>190.8</u>      |
| Long-term debt                     | 0.5               | 56.6              |
| Other long-term liabilities        | 23.0              | 25.6              |
| Total equity                       | <u>612.5</u>      | <u>599.3</u>      |
| Total liabilities and equity       | <u>\$ 804.9</u>   | <u>\$ 872.3</u>   |

# Cash Flow Statement



| (In thousands; unaudited)   | Three Months Ended March 31, |                  |
|---|------------------------------|------------------|
|   | 2020                         | 2019             |
| Cash flows from operating activities:   |                              |                  |
| Net income  | \$ 20,483                    | \$ 14,217        |
| Adjustments to reconcile net income to net cash provided by operating activities: |                              |                  |
| Depreciation and amortization   | 6,328                        | 6,551            |
| Provision for doubtful accounts   | 588                          | 56               |
| Provision for warranties  | 2,732                        | 2,746            |
| Deferred compensation expense (benefit)   | (343)                        | 411              |
| Stock-based compensation  | 1,134                        | 1,038            |
| Deferred income tax provision   | 13,494                       | 3,931            |
| (Gain) loss on disposition of fixed assets  | (694)                        | 251              |
| Asset impairment charge   | 1,646                        | --               |
| Distributions to SERP participants  | (136)                        | (312)            |
| Change in operating assets and liabilities:                                       |                              |                  |
| Sale (purchase) of trading securities, net  | (369)                        | 1,044            |
| Trade and other receivables   | (16,644)                     | (3,809)          |
| Inventories   | (315)                        | (10,891)         |
| Prepaid expenses and other assets   | 2,495                        | 1,156            |
| Accounts payable  | 7,792                        | 3,970            |
| Accrued payroll and related expenses  | (4,559)                      | (4,966)          |
| Accrued product warranty  | (2,129)                      | (2,643)          |
| Customer deposits   | (5,154)                      | (4,769)          |
| Prepaid and income taxes payable, net   | (18,469)                     | 594              |
| Other   | (2,319)                      | 3,412            |
| <b>Net cash provided by operating activities</b>                                  | <b>5,561</b>                 | <b>11,987</b>    |
| <b>Cash flows from investing activities:</b>                                      |                              |                  |
| Expenditures for property and equipment   | (5,774)                      | (3,723)          |
| Proceeds from sale of property and equipment                                      | 1,912                        | 40               |
| Other   | (186)                        | (91)             |
| <b>Net cash used by investing activities</b>                                      | <b>(4,048)</b>               | <b>(3,774)</b>   |
| <b>Cash flows from financing activities:</b>                                      |                              |                  |
| Payment of dividends  | (2,485)                      | (2,478)          |
| Bank loan repayments, net   | (696)                        | (3,213)          |
| Sale of Company shares held by SERP   | (38)                         | 263              |
| Withholding tax paid upon vesting of restricted stock units                       | (565)                        | (160)            |
| <b>Net cash used by financing activities</b>                                      | <b>(3,784)</b>               | <b>(5,588)</b>   |
| Effect of exchange rates on cash  | (2,732)                      | 160              |
| <b>Net change in cash and cash equivalents</b>                                    | <b>(5,003)</b>               | <b>2,785</b>     |
| Cash and cash equivalents, beginning of period                                    | 48,857                       | 25,821           |
| <b>Cash and cash equivalents at end of period</b>                                 | <b>\$ 43,854</b>             | <b>\$ 28,606</b> |

# Q1 GAAP to Non-GAAP Reconciliation Table



1Q20 GAAP to Non-GAAP Reconciliation Table

|   | As Reported<br>(GAAP) | Restructuring<br>Charges | As Adjusted<br>(Non-GAAP) |
|---|-----------------------|--------------------------|---------------------------|
| <b>Consolidated</b>                             |                       |                          |                           |
| Net sales                                       | \$ 288,848            | \$ -                     | \$ 288,848                |
| GP  | 74,021                | -                        | 74,021                    |
| GP%   | 25.6%                 |                          | 25.6%                     |
| Operating income                                | 15,143                | 2,711                    | 17,854                    |
| Provision (benefit) from income taxes           | (5,143)               | 636                      | (4,507)                   |
| Net income attributable to controlling interest | 20,644                | 2,075                    | 22,719                    |
| EPS   | 0.91                  | 0.09                     | 1.00                      |
| EBITDA  | 21,547                | 2,711                    | 24,258                    |
| <b>Infrastructure Solutions</b>                 |                       |                          |                           |
| Net sales                                       | 202,618               | -                        | 202,618                   |
| GP  | 52,923                | -                        | 52,923                    |
| GP%   | 26.1%                 |                          | 26.1%                     |
| EBITDA  | 22,241                | 2,679                    | 24,920                    |
| <b>Materials Solutions</b>                      |                       |                          |                           |
| Net sales                                       | 86,230                | -                        | 86,230                    |
| GP  | 21,005                | -                        | 21,005                    |
| GP%   | 24.4%                 |                          | 24.4%                     |
| EBITDA  | 8,360                 | 32                       | 8,392                     |

1Q19 GAAP to Non-GAAP Reconciliation Table

|                                 | As Reported<br>(GAAP) | Restructuring<br>Charges | As Adjusted<br>(Non-GAAP) |
|---------------------------------|-----------------------|--------------------------|---------------------------|
| <b>Consolidated</b>             |                       |                          |                           |
| Net sales                       | \$ 325,780            | \$ -                     | \$ 325,780                |
| GP                              | 76,850                | -                        | 76,850                    |
| GP%                             | 23.6%                 |                          | 23.6%                     |
| Operating income                | 18,178                | 512                      | 18,690                    |
| Provision (benefit) from i      | 3,781                 | -                        | 3,781                     |
| Net income attributable t       | 14,274                | 512                      | 14,786                    |
| EPS                             | 0.63                  | 0.02                     | 0.65                      |
| EBITDA                          | 24,938                | 512                      | 25,450                    |
| <b>Infrastructure Solutions</b> |                       |                          |                           |
| Net sales                       | 219,249               | -                        | 219,249                   |
| GP                              | 51,309                | -                        | 51,309                    |
| GP%                             | 23.4%                 |                          | 23.4%                     |
| EBITDA                          | 23,144                | 512                      | 23,656                    |
| <b>Materials Solutions</b>      |                       |                          |                           |
| Net sales                       | 106,531               | -                        | 106,531                   |
| GP                              | 25,545                | -                        | 25,545                    |
| GP%                             | 24.0%                 |                          | 24.0%                     |
| EBITDA                          | 11,184                | -                        | 11,184                    |

In its earnings release, Astec refers to various GAAP (U.S. generally accepted accounting principles) and non-GAAP financial measures. These non-GAAP measures may not be comparable to similarly titled measures being disclosed by other companies. Non-GAAP financial measures should be considered in addition to, and not in lieu of, GAAP financial measures. Nonetheless, this non-GAAP information can be useful in understanding the Company's operating results and the performance of its core businesses.

The amounts described above are unaudited, reported in thousands of U.S. Dollars (Except Share data), and as of or for the periods indicated.



# GAAP vs Non-GAAP Adj. EPS Reconciliation



(In thousands, except per share amounts; unaudited)

|  | Three Months Ended<br>March 31, |                  |
|--|---------------------------------|------------------|
|  | 2020                            | 2019             |
| Net income attributable to controlling interest          | \$ 20,644                       | \$ 14,274        |
| Plus: Restructuring                                      | 1,065                           | 512              |
| Plus: Goodwill impairment                                | 1,646                           | --               |
| Less: Provision from income taxes                        | (636)                           | --               |
| Adjusted net income attributable to controlling interest | <u>\$ 22,719</u>                | <u>\$ 14,786</u> |
|  |                                 |                  |
| Diluted EPS  | \$ 0.91                         | \$ 0.63          |
| Plus: Restructuring                                      | 0.05                            | 0.02             |
| Plus: Goodwill impairment                                | 0.07                            | --               |
| Less: Provision from income taxes                        | (0.03)                          | --               |
| Adjusted EPS   | <u>\$ 1.00</u>                  | <u>\$ 0.65</u>   |

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