



**ASTEC**

# 3Q20 Earnings Presentation

November 4, 2020





Certain statements contained in this presentation relate to future events and expectations and are “forward-looking statements” (within the meaning of the Private Securities Litigation Reform Act of 1995) regarding the future performance of the Company. Words such as “believe,” “estimate,” “will be,” “will,” “would,” “may,” “expect,” “anticipate,” “plan,” “project,” “intend,” “could,” “should” or other similar words or expressions often identify forward-looking statements. However, the absence of these words does not mean that the statement is not forward-looking. All statements other than statements of historical fact are forward-looking statements, including, without limitation, statements regarding our outlook, projections, forecasts or trend descriptions. These statements do not guarantee future performance and speak only as of the date they are made, and we do not undertake to update our forward-looking statements.

Because forward-looking statements involve risks and uncertainties, actual results could differ materially. Such risks and uncertainties, many of which are beyond the control of the Company, include among others: the impact of the COVID-19 pandemic on the global demand for the Company’s products; the impacts of the COVID-19 pandemic on the Company’s financial condition and business operations; general uncertainty in the economy; pricing, demand and availability of steel, oil and liquid asphalt; 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 cyclicalities 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, risks and uncertainties that are more specifically set forth 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.

**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.





# Astec Overview & 3Q20 Highlights

Barry Ruffalo | President & CEO



# Today's Key Messages



01

Strong 3Q20 performance driven by continued execution against our transformation plan and increased focus on driving operational excellence across the organization

02

Customer demand for Astec's essential solutions remains resilient; supporting our customers with high-quality and innovative products and superior customer service

03

Well-positioned to execute in all market conditions with a strong balance sheet and liquidity with a net cash position

04

Strategic transformation under Simplify, Focus and Grow pillars continues with strong execution; focused organic and inorganic strategic growth opportunities

05

Ability to execute against our strategy and drive operational excellence is a competitive advantage; continuing to build upon our strong foundation



# Rock to Road™: Simplification of Our Business Segments

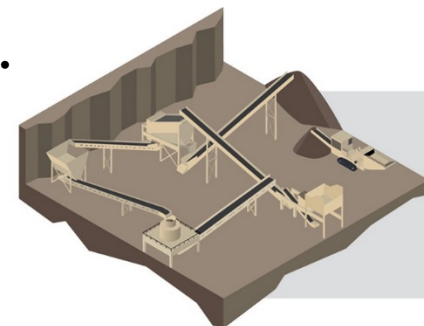


## Materials Solutions: 35%

### Key Products

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

### Leading Brands



## Infrastructure Solutions: 65%

### Key Products

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

### Leading Brands



*Acquired in 3Q'20*



## ENABLING MORE EFFECTIVE MANAGEMENT WITH TWO SEGMENT STRUCTURE

Note: Percentages are a % of total company revenue for 3Q20 Adjusted Revenues. See Appendix for GAAP to Non-GAAP reconciliation table.



## Operational Excellence is a Competitive Advantage

- ✓ **COVID-19 Task Force continues to actively manage the pandemic situation** with a focus on keeping our employees, customers and suppliers safe
- ✓ **Following on-site precautions** such as frequent handwashing, social distancing, regular cleaning of surfaces and health screening procedures, including temperature checks
- ✓ **Remain focused on manufacturing, selling and servicing our products** with appropriate precautions
- ✓ Currently, **30% of office staff is working remotely**; intent to bring all employees back to the office once the pandemic subsides
- ✓ **All of our factories are open**, with limited disruption to operations

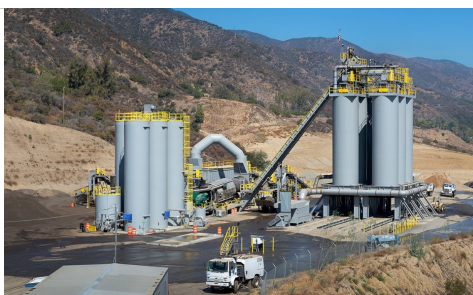
PROACTIVELY MANAGING THROUGH THE PANDEMIC WITH NO SIGNIFICANT DISRUPTIONS

# Business Dynamics and Observations



## 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

- ✓ Recent **12-month extension of FAST Act** driving increased customer confidence and visibility
- ✓ Bipartisan support for **U.S. infrastructure construction**; both House and Senate calling for funding increases
- ✓ **Customers are still working and need our solutions**; some have discussed caution with capex decisions
- ✓ **Limited impact YTD** and situation remains fluid for the remainder of 2020



PROACTIVELY MONITORING THE ENVIRONMENT TO QUICKLY REACT TO CHANGES IN DEMAND





# Total Company & Segment Results

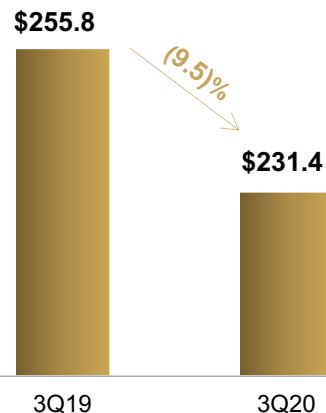
Becky Weyenberg | Chief Financial Officer



# 3Q20 Financial Results vs 3Q19 (\$M, except per share data)

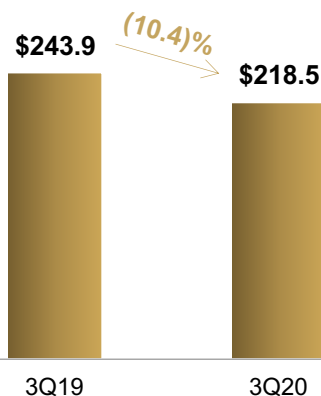


## NET SALES



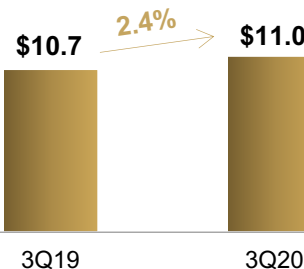
- Equipment sales decreased \$26.3M or 16.1%
- Parts sales increased \$1.1M or 1.5%
- Used equipment sales increased \$1.0M or 23.8%
- Domestic sales decreased \$8.5M or 4.5%
- International sales decreased \$15.9M or 24.1%

## BACKLOG



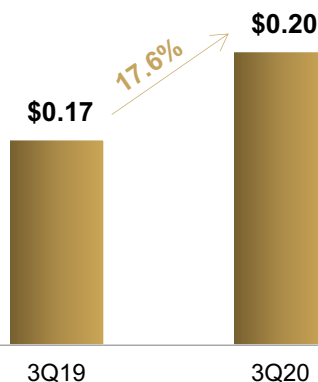
- Materials Solutions backlog decreased \$6.5M or 8.5%
- Infrastructure Solution backlog decreased \$19.0M or 11.3%
- Domestic backlog decreased \$6.8M or 4.3%
- International backlog decreased \$18.7M or 21.8%

## ADJ. EBITDA<sup>1</sup>



- Adjusted EBITDA increased due to favorable mix, improvements in Mfg. performance and right sizing initiatives, offset by a decrease in sales volume
- Adj. EBITDA margin of 4.8% increased 60 bps
- SG&A increased 2.5% or \$1.2M, driven by acquisitions

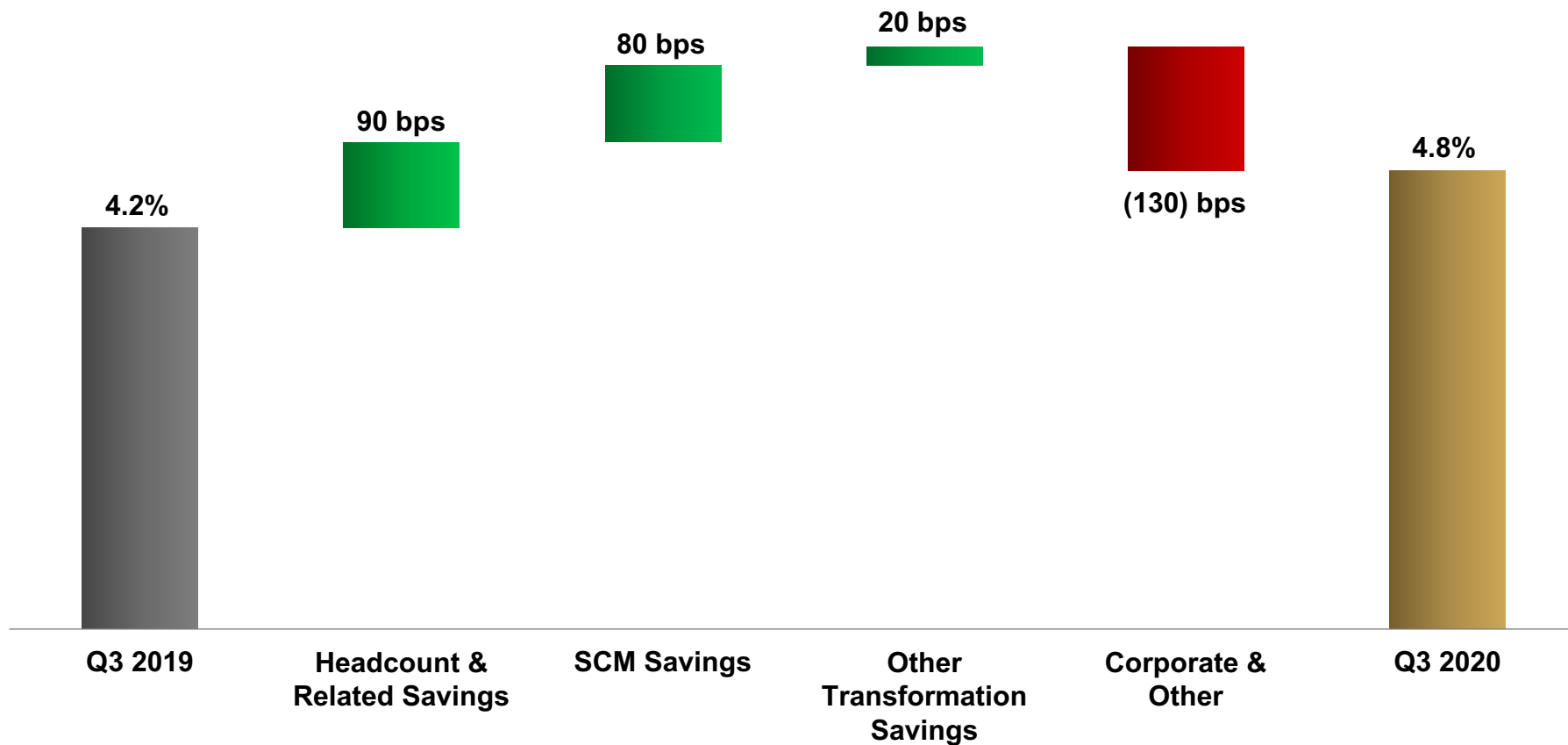
## ADJ. EPS<sup>1</sup>



- \$3.9M of restructuring and other in 3Q20
  - Asset impairment: \$(1.3)M
  - Reduction in force: \$2.6M
  - Inventory write-down: \$2.5M
- Net effective tax rate adjusted for the quarter was negative 6.7%

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

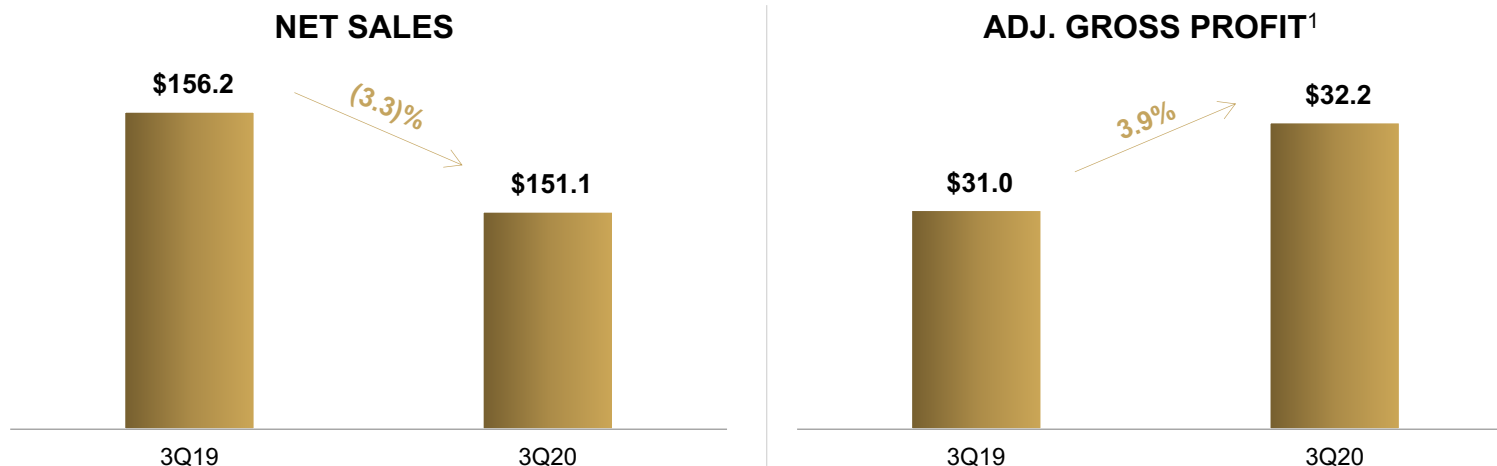
## 3Q20 Adjusted EBITDA Margin Bridge<sup>1</sup>



OVERALL COST SAVINGS DROVE 60 BPS OF YOY MARGIN IMPROVEMENT



# Infrastructure Solutions | 3Q20 Financial Performance (\$M)

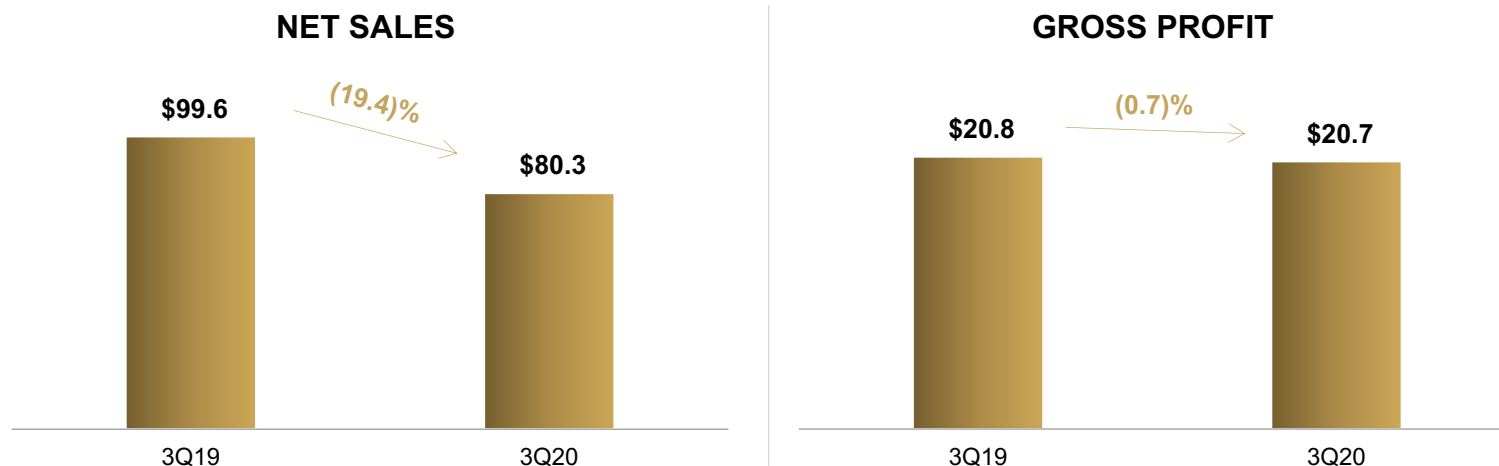


## 3Q PERFORMANCE DRIVERS

- Strong performance overall from good product mix particularly in asphalt plant and part sales and associated margins; parts sales up 15% year over year
- Improved quality of earnings from right sizing, pricing initiatives, plant efficiencies and controlled spending

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

# Materials Solutions | 3Q20 Financial Performance (\$M)



## 3Q PERFORMANCE DRIVERS

- Strong domestic order intake coming out of 3Q
- Right sizing initiatives taken in 2019 and 2020 to maximize utilization of our manufacturing footprint capacity improving margin despite declining revenue
- Additional earnings improvement from controlled spending
- Efforts underway to further leverage global footprint for deliveries to end customer

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

# YTD20 Financial Results vs YTD19 (\$M, except per share data)



## ADJ. NET SALES<sup>1</sup>



YTD19 YTD20

## BACKLOG



YTD19 YTD20

## ADJ. EBITDA<sup>1</sup>



YTD19 YTD20

## ADJ. EPS<sup>1</sup>



YTD19 YTD20

- Equipment sales decreased \$77.7M or 13.7%
- Parts sales decreased \$10.5M or 4.4%
- Used equipment sales increased \$10.5M or 87.7%
- Domestic sales decreased \$42.1M or 6.2%
- International sales decreased \$38.7M or 20.6%

- Materials Solutions backlog decreased \$6.5M or 8.5%
- Infrastructure Solutions backlog decreased \$19.0M or 11.3%
- Domestic backlog decreased \$6.8M or 4.3%
- International backlog decreased \$18.7M or 21.8%

- Adjusted EBITDA increased due to favorable mix and improvements in Mfg. performance, offset by a decrease in sales volume
- Adj. EBITDA margin of 7.7% increased 170 bps
- SG&A decreased 6.8% or \$10.8M driven by reductions in consulting fees, travel and employee expenses

- \$14.5M of restructuring and other in YTD20
  - Asset impairment \$4.0M
  - Inventory write-down \$4.4M
  - Reduction in force \$6.3M
- Use of CARES Act NOL carryback for a \$9.5M tax reduction, or \$0.42 impact; net effective tax rate adjusted for the year to date was negative 2.5%

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



# Maintain Strong, Flexible Balance Sheet with Ample Liquidity



## SUMMARY BALANCE SHEET

(\$M)	9/30/20
Cash and Cash Equivalents	\$ 108.5
Total Current Assets	\$ 533.2
Total Assets	\$ 819.7
Total Current Liabilities	\$ 161.2
Total Debt	\$ 0.9
Total Liabilities and Equity	\$ 819.7

(\$M)	9/30/20
Cash and Cash Equivalents	\$ 108.5
Available Credit	\$ 151.5
Total Available Liquidity	\$ 260.0

### COMMENTARY

- Total Gross Inventory decreased \$98.9M compared to YTDQ19
- Total Net Inventory decreased \$95.4M compared to YTDQ19
- Cash decreased \$11.3M in the quarter, largely driven by acquisitions

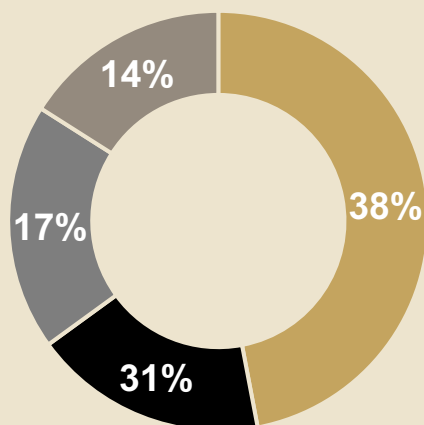
FOCUSED ON MAINTAINING A STRONG BALANCE SHEET

# Disciplined Capital Deployment Framework



Use of Cash Over Last 3 Years

**~\$175M**



- 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

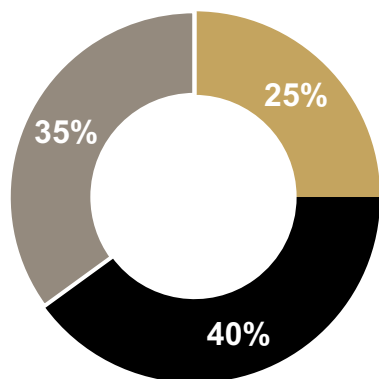


# Recent Tuck-in Acquisitions Strengthen Infrastructure Portfolio

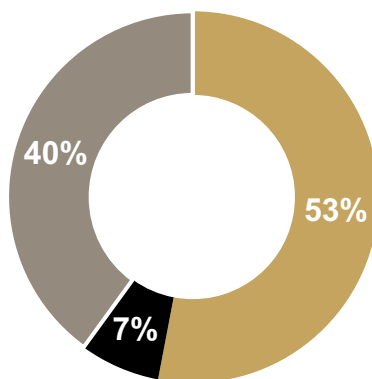


## 2019 PRODUCT REVENUE MIX BY COMPANY

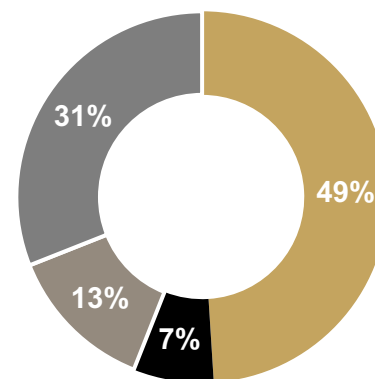
**CON-E-CO**



**REXCON**



**BMH**  
SYSTEMS



■ Central Mix ■ Dry Batch Mix ■ Parts & Service ■ Other <sup>1</sup>

## COMMENTARY

- Financial results reported and included in Q3 results
- Payroll and benefits transition complete
- Clearly defined synergy and integration projects
- Project leaders designated for each key activity
- Sales team integration is in process

<sup>1</sup> Includes: Bagging, paste-fill, etc.

# 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

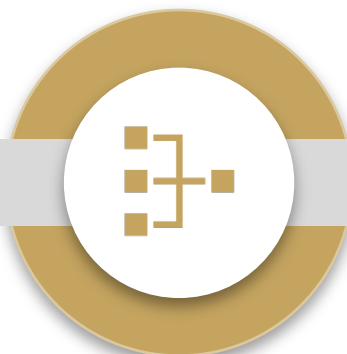
- Improve inventory turns
- Focused on cash management
- Continued focus on centralizing business processes

✓ **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
- ✓ 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

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

✓ **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





## Q&A





### STEVE ANDERSON

SVP of Administration & Investor Relations, Secretary

**Phone:** 423-553-5934

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



## Appendix



## 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.

# Income Statement



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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Net sales	\$ 231.4	\$ 255.8	\$ 785.6	\$ 886.4
Cost of sales	181.0	203.9	601.5	674.4
Gross profit	50.4	51.9	184.1	212.0
Operating expenses:				
Selling, general and administrative	48.8	47.6	147.8	158.6
Restructuring and asset impairment charges	2.4	0.9	11.1	1.4
Total operating expenses	51.2	48.5	158.9	160.0
Operating income (loss)	(0.8)	3.4	25.2	52.0
Other income (expense):				
Interest expense	(0.1)	(0.2)	(0.3)	(1.3)
Other income, net of expenses	1.3	0.4	2.1	1.3
Income before income taxes	0.4	3.6	27.0	52.0
Provision (benefit) from income taxes	(1.2)	0.6	(4.5)	11.4
Net income	1.6	3.0	31.5	40.6
Net loss attributable to non-controlling interest	—	—	0.1	0.1
Net income attributable to controlling interest	\$ 1.6	\$ 3.0	\$ 31.6	\$ 40.7
Earnings per common share				
Basic	\$ 0.07	\$ 0.13	\$ 1.40	\$ 1.81
Diluted	0.07	0.13	1.38	1.79
Weighted-average shares outstanding				
Basic	22,615	22,523	22,593	22,510
Diluted	22,946	22,684	22,838	22,666

Note: Numbers may not foot or cross-foot due to rounding.

# Balance Sheet



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

	<b>September 30, 2020</b>	<b>December 31, 2019</b>
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 108.5	\$ 48.9
Investments	3.8	1.5
Receivables, net	132.8	124.9
Inventories, net	261.5	294.5
Other current assets	26.6	36.5
Total current assets	533.2	506.3
Property, plant and equipment, net	182.8	190.4
Other long-term assets	103.7	103.8
Total assets	<u>\$ 819.7</u>	<u>\$ 800.5</u>
<b>Liabilities</b>		
Current liabilities:		
Accounts payable	\$ 53.1	\$ 57.2
Other current liabilities	108.1	115.6
Total current liabilities	161.2	172.8
Long-term debt	0.4	0.7
Other long-term liabilities	34.8	24.5
Total equity	623.3	602.5
Total liabilities and equity	<u>\$ 819.7</u>	<u>\$ 800.5</u>

Note: Numbers may not foot or cross-foot due to rounding.

# Cash Flow Statement



(In thousands; unaudited)

	Nine Months Ended September 30,	
	2020	2019
<b>Cash flows from operating activities:</b>		
Net income	\$ 31,475	\$ 40,535
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	19,370	19,698
Provision for doubtful accounts	559	1,086
Provision for warranties	7,094	7,020
Deferred compensation expense	503	74
Stock-based compensation	4,814	2,118
Deferred income tax provision	14,012	9,193
(Gain) loss on disposition of fixed assets	(826)	309
Asset impairment charge	4,146	—
Distributions to SERP participants	(1,234)	(2,067)
Change in operating assets and liabilities, net of effects of acquisitions:		
(Purchase) sale of trading securities, net	(534)	883
Trade and other receivables	(1,964)	18,150
Inventories	43,170	(1,261)
Prepaid expenses and other assets	5,805	849
Accounts payable	(7,952)	(8,899)
Accrued payroll and related expenses	1,009	—
Accrued product warranty	(7,328)	(8,004)
Customer deposits	(17,966)	(4,247)
Prepaid and income taxes payable, net	8,604	8,964
Other	553	(226)
<b>Net cash provided by operating activities</b>	<b>103,310</b>	<b>84,175</b>
<b>Cash flows from investing activities:</b>		
Business acquisitions, net of cash acquired	(28,252)	—
Expenditures for property and equipment	(10,934)	(17,924)
Proceeds from sale of property and equipment	2,881	268
Proceeds from sale of assets held for sale	3,084	—
Other	285	1,407
<b>Net cash used by investing activities</b>	<b>(32,936)</b>	<b>(16,249)</b>
<b>Cash flows from financing activities:</b>		
Payment of dividends	(7,457)	(7,436)
Borrowings under bank loans	175	164,850
Repayments of bank loans	(518)	(223,984)
Sale of Company shares held by SERP	214	176
Withholding tax paid upon vesting of restricted stock units	(739)	(312)
<b>Net cash used by financing activities</b>	<b>(8,325)</b>	<b>(66,706)</b>
Effect of exchange rates on cash	(2,377)	(752)
<b>Net change in cash and cash equivalents</b>	<b>59,672</b>	<b>468</b>
Cash and cash equivalents, beginning of period	48,857	25,821
<b>Cash and cash equivalents at end of period</b>	<b>\$ 108,529</b>	<b>\$ 26,289</b>



# Q3 GAAP to Non-GAAP Reconciliation Table



3Q20 GAAP to Non-GAAP Reconciliation Table

	As Reported (GAAP)	Restructuring Charges and Other	As Adjusted (Non-GAAP)
<b>Consolidated</b>			
Net sales	\$ 231,404	\$ —	\$ 231,404
GP	50,437	2,507	52,944
GP%	21.8 %		22.9 %
Operating income (loss)	(808)	4,924	4,116
Benefit from income taxes	(1,242)	953	(289)
Net income attributable to controlling interest	1,648	2,921	4,569
EPS	0.07	0.13	0.20
<b>Infrastructure Solutions</b>			
Net sales	151,096	—	151,096
GP	29,645	2,507	32,152
GP%	19.6 %		21.3 %
<b>Material Solutions</b>			
Net sales	80,308	—	80,308
GP	20,692	—	20,692
GP%	25.8 %		25.8 %

YTD 3Q20 GAAP to Non-GAAP Reconciliation Table

	As Reported (GAAP)	Restructuring Charges and Other	As Adjusted (Non-GAAP)
<b>Consolidated</b>			
Net sales	\$ 785,551	\$ —	\$ 785,551
GP	184,073	4,416	188,489
GP%	23.4 %		24.0 %
Operating income	25,194	15,538	40,732
Benefit from income taxes	(4,517)	3,498	(1,019)
Net income attributable to controlling interest	31,550	10,990	42,540
EPS	1.38	0.48	1.86
<b>Infrastructure Solutions</b>			
Net sales	535,565	—	535,565
GP	120,857	4,416	125,273
GP%	22.6 %		23.4 %
<b>Material Solutions</b>			
Net sales	249,986	—	249,986
GP	62,911	—	62,911
GP%	25.2 %		25.2 %

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 share and per share amounts; unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Net income attributable to controlling interest	\$ 1,648	\$ 3,010	\$ 31,550	\$ 40,662
Plus: Restructuring and other	3,874	875	12,842	(18,569)
Plus: Goodwill impairment	—	—	1,646	—
Less: Benefit (provision) from income tax	(953)	(132)	(3,498)	4,598
Adjusted net income attributable to controlling interest	<u>\$ 4,569</u>	<u>\$ 3,753</u>	<u>\$ 42,540</u>	<u>\$ 26,691</u>
Diluted EPS	\$ 0.07	\$ 0.13	\$ 1.38	\$ 1.79
Plus: Restructuring and other	0.17	0.04	0.56	(0.81)
Plus: Goodwill impairment	—	—	0.07	—
Less: Benefit (provision) from income taxes	(0.04)	—	(0.15)	0.20
Adjusted EPS	<u>\$ 0.20</u>	<u>\$ 0.17</u>	<u>\$ 1.86</u>	<u>\$ 1.18</u>

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 EBITDA & Adjusted EBITDA Reconciliation



(In thousands, except share and per share amounts; unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Net income attributable to controlling interest	\$ 1,648	\$ 3,010	\$ 31,550	\$ 40,662
Interest income (expense) and other	(99)	(202)	(360)	155
Depreciation and amortization	6,823	6,429	19,370	19,698
Provision from income taxes	(1,242)	632	(4,517)	11,420
EBITDA	7,130	9,869	46,043	71,935
Restructuring charges and other	3,874	875	14,488	(18,569)
Adjusted EBITDA	\$ 11,004	\$ 10,744	\$ 60,531	\$ 53,366

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