



ASTECTM

**4Q21 Earnings
Presentation**

February 28, 2022

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 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.





4Q21 Highlights

Barry Ruffalo | President & Chief Executive Officer



Today's Key Messages

01

Strong top-line growth with Q4 revenues increasing 12.1% YoY on strong market demand as customer sentiment remains positive; record backlog positions us for continued growth in 2022

02

Q4'21 performance impacted primarily by industry-wide supply chain and logistics constraints and pandemic related labor restrictions; expect these challenges to continue in Q1'22

03

Laser-focused on operational and commercial excellence to provide our customers with exceptional value, superior service and innovative industry-leading solutions

04

Remain well-positioned to execute and grow with a strong balance sheet and continued focus on operational excellence

05

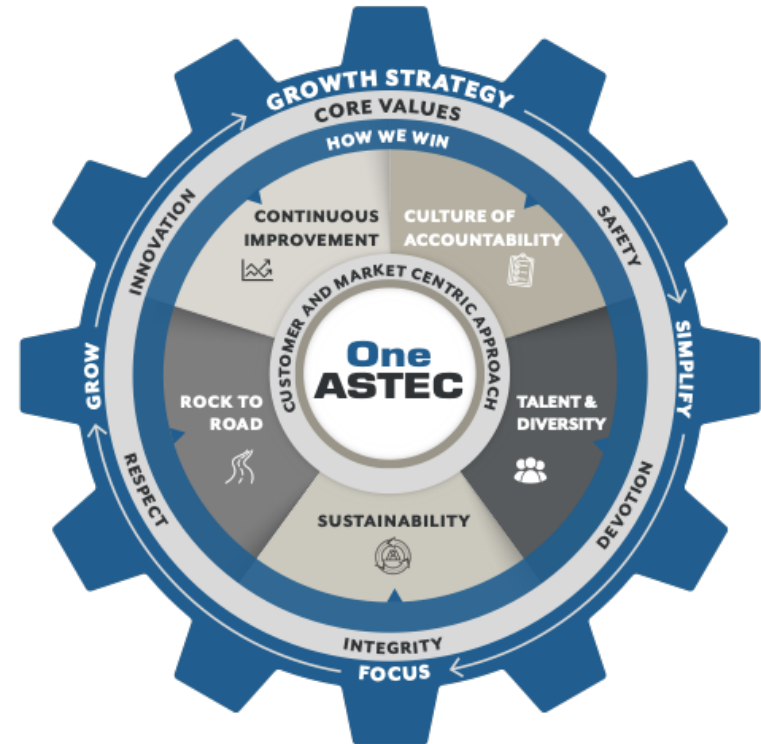
Continue to position our business for future, profitable growth and drive long-term stakeholder value by executing our Simplify, Focus, Grow strategy, while addressing near-term macro-driven headwinds



The OneASTEC Business Model is a Competitive Advantage

Operational Excellence and Supply Chain Update

- ✓ Focusing on the **Rock-to-Road** Value Chain
- ✓ **Hiring and training new employees** to meet continued strong demand
- ✓ Leveraging footprint to **reduce lead times, optimize revenue and manage costs**
- ✓ **Mitigating supply and logistic disruptions** by
 - Driving efficiencies in Operational Excellence
 - Identifying and validating multiple supply sources for critical components



OneASTEC BUSINESS MODEL ENABLING US TO ADDRESS INDUSTRY HEADWINDS



Business Dynamics and Observations

Industry Trend

Astec Response / Impact

Strong demand continues with positive customer sentiment in 2022

- ✓ Fifth consecutive quarter of record backlog
- ✓ Conversations with customers indicate positive demand trends likely to continue
- ✓ Initiatives in place to expand capacity and throughput

Federal Highway Bill a long-term tailwind

- ✓ Added benefit, we see significant optimism for future demand for our products

Labor shortages continuing across industry; pandemic-related employee restrictions

- ✓ Continued success with hiring initiatives; increased headcount by 14% YoY¹
- ✓ Expect pandemic-related employee restrictions to continue in Q1'22

Supply chain and logistics disruptions

- ✓ Manufacturing challenges due to supply chain and logistics disruptions
- ✓ Mitigating impact through operational excellence initiatives

Commodity and logistics inflation expected to continue across the industry through 1H'22

- ✓ Focused pricing efforts to offset inflation; leveraging pricing power in the market to pass through higher costs



POSITIONING OUR BUSINESS FOR FUTURE GROWTH, WHILE ADDRESSING NEAR-TERM HEADWINDS

¹ See slide 7 for Talent Acquisition Actions



Initiatives in Place to Hire and Retain Key Talent

Actions Have Been Taken to Address Talent Needs

Targeted Recruitment

- ✓ In-house recruiter
- ✓ Salaried focused recruiters
- ✓ Shop focused recruiters

Improved Engagement & Retention

- ✓ Enhanced benefits
- ✓ Retention & referral bonus
- ✓ Voice of OneASTEC company-wide
- ✓ Townhalls
- ✓ Shift differentials
- ✓ Culture emphasis
- ✓ Leadership & skills training

Improved Attraction

- ✓ Sign-on bonuses
- ✓ Flexible work arrangements
- ✓ Open houses
- ✓ Expedited background checks

Outsourced Recruitment Process

- ✓ Virtual hiring events
- ✓ Enhanced social marketing
- ✓ Supplemental local HR activities

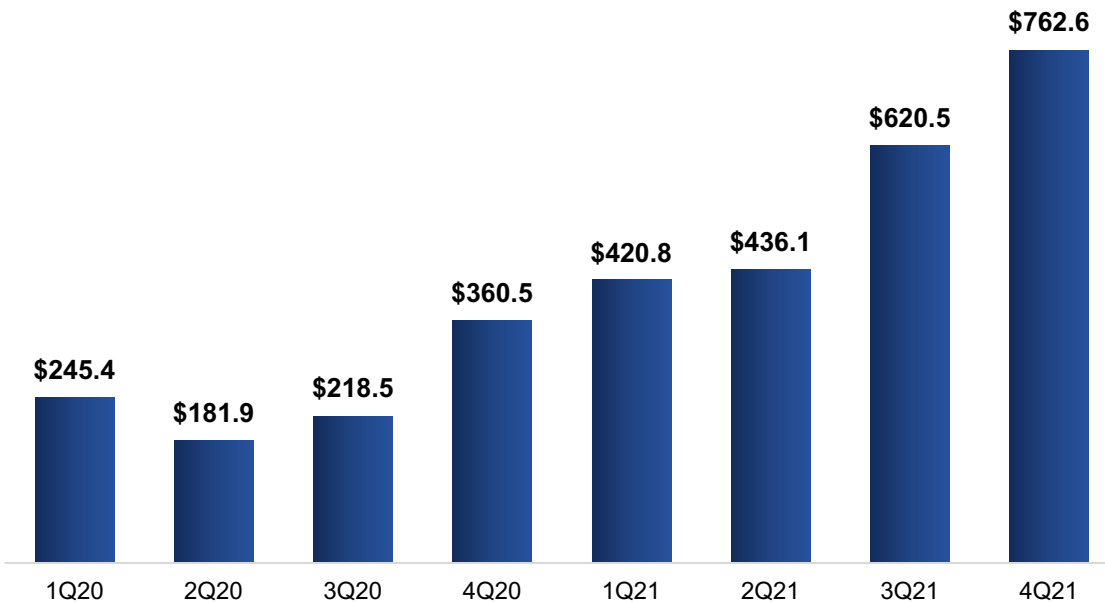
+14%

Increase in Headcount
Q4'21 vs. Q4'20



Significant Backlog Growth Over Time

Backlog (\$M)



Initiatives in place to increase capacity to meet higher demand

- Increasing headcount in manufacturing facilities
- Increased Project Management (Manufacturing Engineers)
- Capital Expenditures for facility expansion and automation
- Cross site manufacturing

CONTINUED STRONG DEMAND RESULTED IN 5TH CONSECUTIVE QUARTER OF RECORD BACKLOG



Progress on ESG Journey to Create Stakeholder Value

Key Focus Areas for 2022

✓ Invest in resources to accelerate Environmental initiatives

- Establish KPI tracking and Assessments (GHG, utilities, etc.)
- Perform Life Cycle Assessments on major product categories
- Create ESG digital footprint review and management process
- Finalize Sustainable Operations Guidelines Playbook
- Continue to reduce carbon footprint

✓ Continue to advance Social initiatives

- Maintain focus on employee safety and welfare
- Support Diversity, Equity and Inclusion internally and in our communities
- Contribute to Charitable organizations
- Enhance employee engagement

✓ Maintain sound Governance practices

- Board oversight
- Cybersecurity
- Audit discipline



SUSTAINABILITY IS A KEY ELEMENT OF OUR OneASTEC BUSINESS MODEL





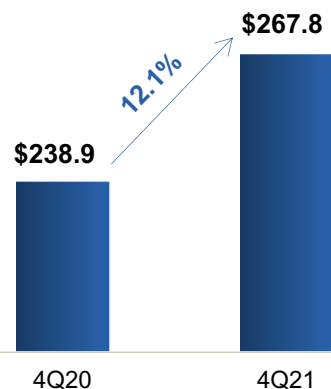
Total Company & Segment Financial Results

Becky Weyenberg | Chief Financial Officer

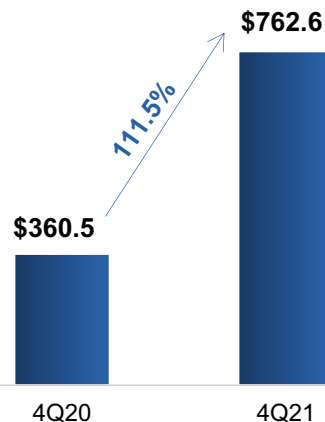


4Q21 Financial Results (\$M, except per share data)

NET SALES



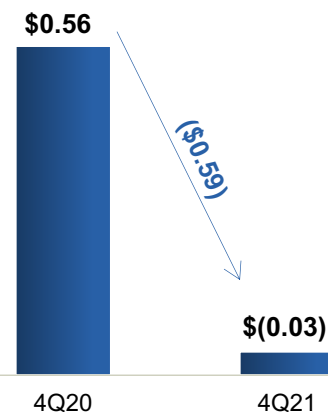
BACKLOG



ADJ. EBITDA



ADJ. EPS



- Equipment sales increased \$15.0M or 9.8%
- Parts sales increased \$12.0M or 16.8%
- Domestic sales increased \$32.9M or 18.2%
- International sales decreased \$4.0M or 6.8%

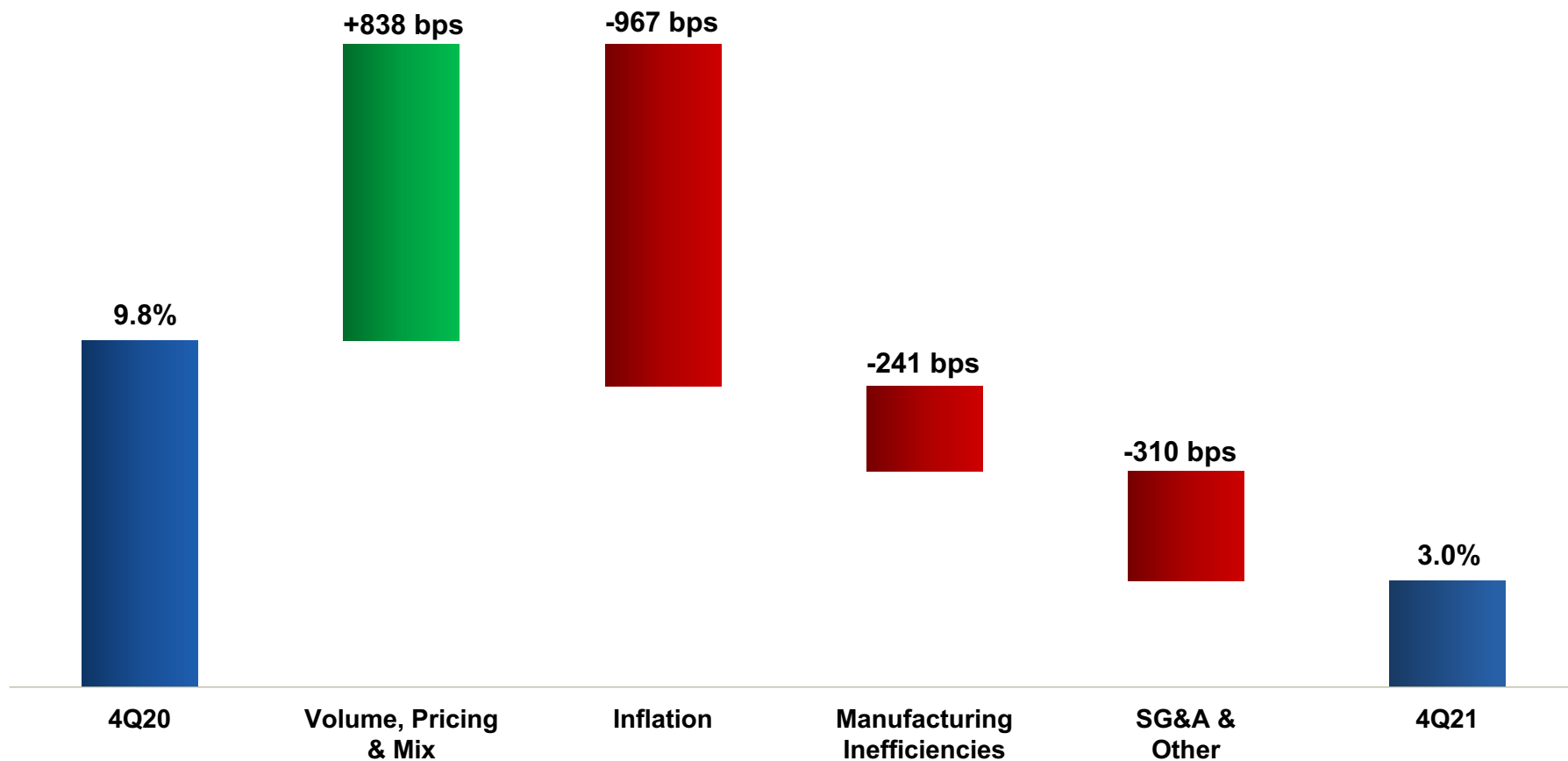
- Materials Solutions backlog increased \$171.0M or 120.2%
- Infrastructure Solutions backlog increased \$231.1M or 105.9%
- Domestic backlog increased \$346.4M or 123.4%
- International backlog increased \$55.7M or 69.7%

- Adjusted EBITDA decrease largely driven by increased SG&A and by manufacturing challenges related to supply chain disruptions and COVID-19 related employee restrictions as well as higher inflation net of volume/pricing/mix
- Adj. EBITDA margin of 3.0% decreased 680 bps
- Adj. SG&A increased 27.0% or \$9.9M driven primarily by an increase in personnel costs related to centralization initiatives

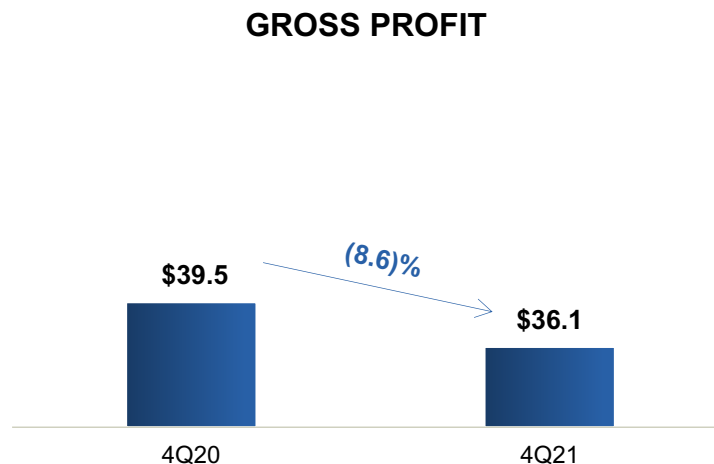
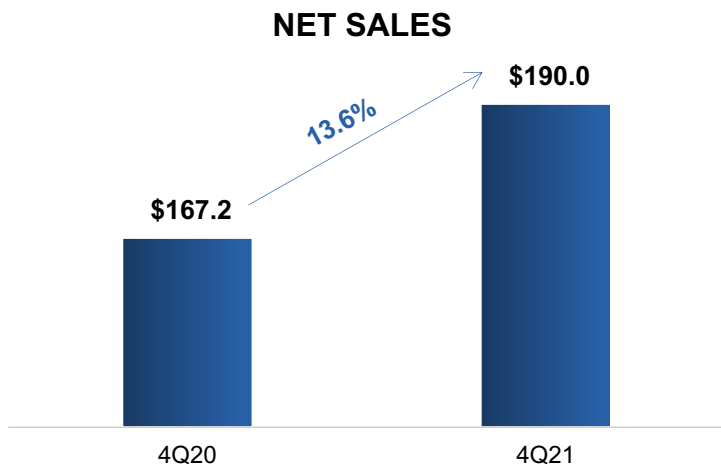
- \$8.6M, or \$0.37, of transformation, pension termination and other costs in 4Q21
 - Transformation program: \$5.7M
 - Pension/OPEB: \$4.7M
 - Other net: \$0.7M
 - Income taxes: \$(2.5)M
- 4Q21 Net effective tax rate adjusted for the quarter was 350.0%



4Q21 Adjusted EBITDA Margin Bridge



Infrastructure Solutions | 4Q21 Financial Performance (\$M)

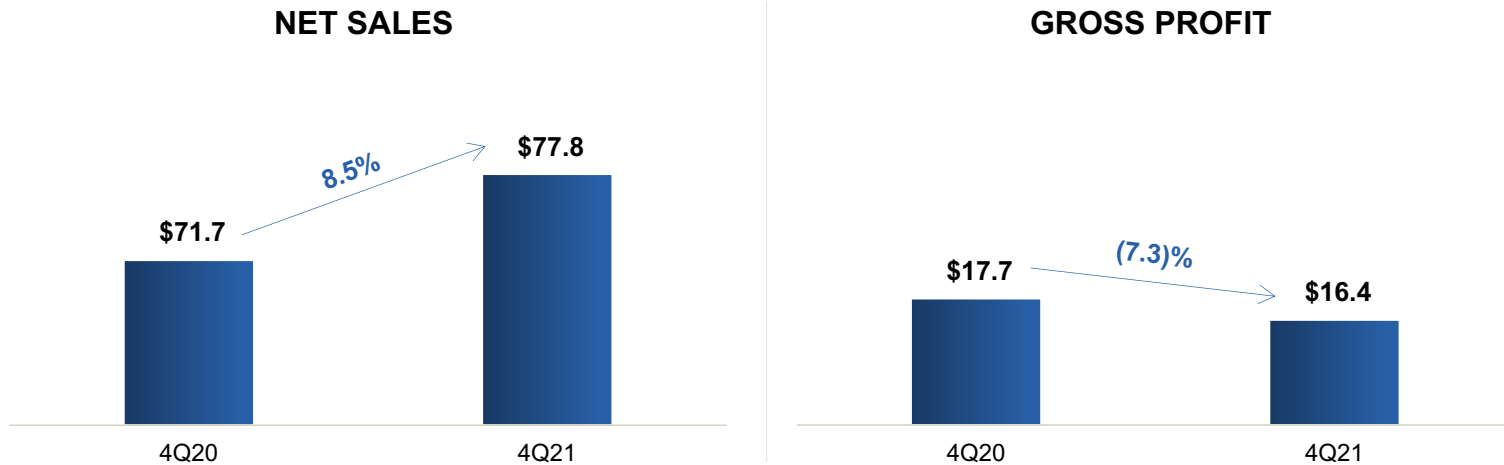


4Q PERFORMANCE DRIVERS

- Infrastructure sales increased mainly due to increased customer demand, throughput and pricing
- Domestic sales grew 23.4% YoY, while International sales fell 19.4% YoY
- Equipment sales grew 13.0% in 4Q21 and Parts sales grew 9.9%
- Backlog at the end of the quarter increased \$231.1M or 105.9%
- Gross Profits lower than prior year driven by supply chain disruptions and COVID-19 related employee restrictions



Materials Solutions | 4Q21 Financial Performance (\$M)



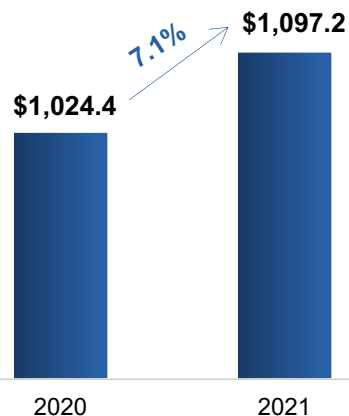
4Q PERFORMANCE DRIVERS

- Strong top-line growth driven by pricing and increased demand across product lines
- Domestic sales grew 5.3% YoY; International sales up 16.7%
- Equipment sales grew 2.9% in 4Q21 and Parts sales grew 36.0%
- Backlog at the end of the quarter increased \$171.0M or 120.2%
- Gross Profits lower than prior year driven higher inflation net of volume/pricing/mix, partially offset by manufacturing efficiencies

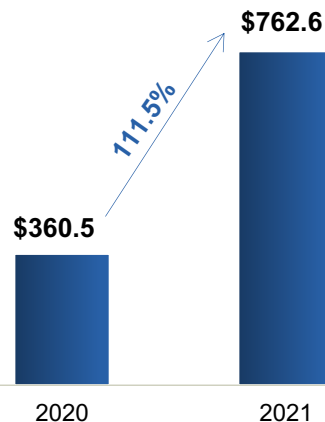


Full Year 2021 Adjusted Financial Results (\$M, except per share data)

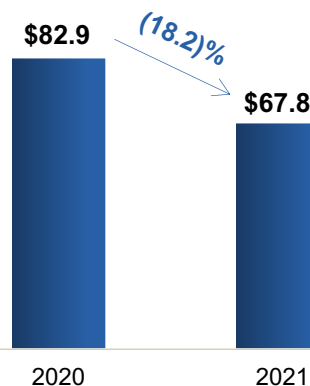
NET SALES



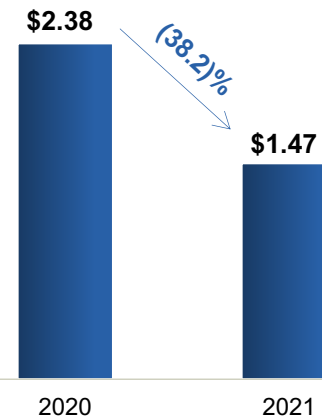
BACKLOG



ADJ. EBITDA



ADJ. EPS



- Equipment sales increased \$58.4M or 9.1%
- Parts sales increased \$31.1M or 10.3%
- Domestic sales increased \$25.1M or 3.1%
- International sales increased \$47.7M or 23.0%

- Materials Solutions backlog increased \$171.0M or 120.2%
- Infrastructure Solutions backlog increased \$231.1M or 105.9%
- Domestic backlog increased \$346.4M or 123.4%
- International backlog increased \$55.7M or 69.7%

- Adjusted EBITDA decreased largely driven by increased SG&A and higher inflation net of volume/pricing/mix
- Adj. EBITDA margin of 6.2% decreased 190 bps
- Adj. SG&A increased 12.2% or \$20.3M primarily driven by increase in personnel costs associated with centralization initiatives

- \$15.9M, or \$0.69, of transformation, pension termination, restructuring and other costs
 - Transformation program: \$13.4M
 - Pension/OPEB: \$4.7M
 - Facility closures: \$2.9M
 - Other: \$(0.4)M
 - Income taxes: \$(4.7)M
- Adjusted effective tax rate for year to date was 8.9%



Maintain Strong, Flexible Balance Sheet with Ample Liquidity

SUMMARY BALANCE SHEET

(\$M)	12/31/21
Cash and Cash Equivalents	134.4
Total Current Assets	641.7
Total Assets	911.3
Total Current Liabilities	225.3
Total Debt	2.9
Total Liabilities and Equity	911.3

(\$M)	12/31/21
Cash and Cash Equivalents	134.4
Available Credit	147.5
Total Available Liquidity	281.9

COMMENTARY

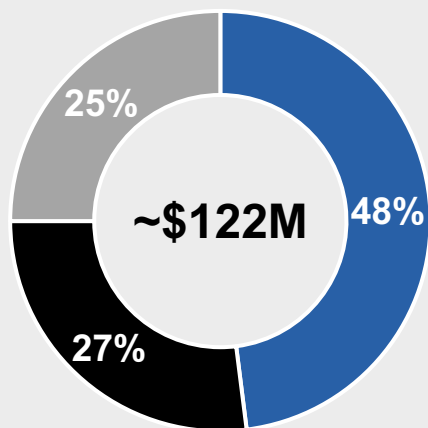
- Operating activities were a \$7.4M source of cash YTD 2021
- Cash decreased 15% and liquidity decreased 10%, respectively, compared to 12/31/20

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

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 \$0.12 per share in Q4 2021; dividends of \$0.11 per share in every other quarter in 2021
- \$126M remaining in authorized share repurchase program

CONTINUALLY EVALUATE STRATEGY TO ENSURE A BALANCED APPROACH



Continuing to Pursue Key Organic Growth Opportunities

**International /
Global Growth**

**Growth in Parts
and Service**

**Dealer
Expansion**

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

**Strategic
Accounts**

**New Product
Development**



ORGANIC GROWTH INITIATIVES GAINING TRACTION



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





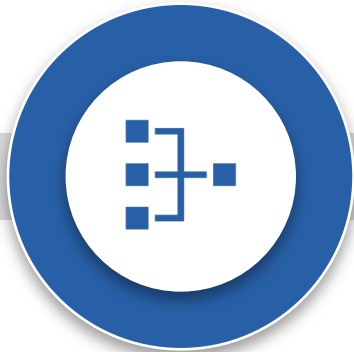
Q & A



APPENDIX

Our Profitable Growth Strategy

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



Strong Execution of Simplify & Focus Leads to Strategic Focus on Growth

2019 – 2020+

2019 – 2021+

2020 - 2022+

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
- ✓ Within Infrastructure Solutions, integrated five service teams into a unified service and construction team; one support call center
- ✓ Announced closure of Tacoma facility
- ✓ Launched OneASTEC new brand

FOCUS

- ✓ Hired SVP of Operational Excellence and Chief Information Officer
- ✓ Aligned financial metrics to management incentives
- ✓ Completed divestiture of GEFCO (Enid; O&G products)
 - Further drive operational excellence across organization
 - Refine product portfolio with ongoing rationalization
 - Optimize working capital turns – clear action plan in place
- Standardizing ERP system across global organization to streamline operations

GROW

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

✓ **Completed** ▪ **In-Process**

CLEAR STRATEGIC INITIATIVES IN PLACE TO DRIVE FUTURE GROWTH



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



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



4Q 2021 GAAP to Non-GAAP Reconciliation Table

(in millions, except per share amounts; unaudited)

4Q 2021 GAAP to Non-GAAP Reconciliation Table						
	As Reported (GAAP)	Restructuring, Impairment, and Other Charges, Net	Transformation Program	Pension and OPEB Loss, Net	As Adjusted (Non-GAAP)	
Consolidated						
Net sales	\$ 267.8	\$ —	\$ —	\$ —	\$ 267.8	
Gross profit	53.9	—	—	—	53.9	
Gross profit %	20.1%				20.1%	
Selling, general and administrative expenses	52.3	—	(5.7)	—	46.6	
Operating (loss) income	(5.6)	0.7	5.7	—	0.8	
Other (expenses), net of income	(4.8)	—	—	4.7	(0.1)	
Income taxes	(1.8)	0.1	1.3	1.1	0.7	
Net (loss) attributable to controlling interest	(9.2)	0.6	4.4	3.6	(0.6)	
Diluted EPS	(0.40)	0.03	0.19	0.15	(0.03)	
Infrastructure Solutions						
Net sales	190.0	—	—	—	190.0	
Gross profit	36.1	—	—	—	36.1	
Gross profit %	19.0%				19.0%	
Materials Solutions						
Net sales	77.8	—	—	—	77.8	
Gross profit	16.4	—	—	—	16.4	
Gross profit %	21.1%				21.1%	



FY2021 GAAP to Non-GAAP Reconciliation Table

(in millions, except per share amounts; unaudited)

FY2021 GAAP to Non-GAAP Reconciliation Table					
	As Reported (GAAP)	Restructuring, Impairment, and Other Charges, Net	Transformation Program	Pension and OPEB Loss, Net	As Adjusted (Non-GAAP)
Consolidated					
Net sales	\$ 1,097.2	\$ —	\$ —	\$ —	\$ 1,097.2
Gross profit	251.7	—	—	—	251.7
Gross profit %	22.9%				22.9%
Selling, general and administrative expenses	200.6	—	(13.4)	—	187.2
Operating income	22.1	2.5	13.4	—	38.0
Other (expenses), net of income	(4.5)	—	—	4.7	0.2
Income taxes	(1.4)	0.5	3.1	1.1	3.3
Net income attributable to controlling interest	17.8	2.0	10.3	3.6	33.7
Diluted EPS	0.78	0.09	0.45	0.15	1.47
Infrastructure Solutions					
Net sales	748.0	—	—	—	748.0
Gross profit	164.1	—	—	—	164.1
Gross profit %	21.9%				21.9%
Materials Solutions					
Net sales	349.2	—	—	—	349.2
Gross profit	86.2	—	—	—	86.2
Gross profit %	24.7%				24.7%



4Q 2020 GAAP to Non-GAAP Reconciliation Table

(in millions, except per share amounts; unaudited)

4Q 2020 GAAP to Non-GAAP Reconciliation Table			
	As Reported (GAAP)	Restructuring, Impairment, and Other Charges, Net	As Adjusted (Non-GAAP)
Consolidated			
Net sales	\$ 238.9	\$ —	\$ 238.9
Gross profit	56.9	—	56.9
Gross profit %	23.8%		23.8%
Selling, general and administrative expenses	36.7	—	36.7
Operating income	17.9	(2.2)	15.7
Other income, net of expenses	1.4	(1.0)	0.4
Income taxes	3.3	(0.6)	2.7
Net income attributable to controlling interest	15.4	(2.6)	12.8
Diluted EPS	0.67	(0.11)	0.56
Infrastructure Solutions			
Net sales	167.2	—	167.2
Gross profit	39.5	—	39.5
Gross profit %	23.6%		23.6%
Materials Solutions			
Net sales	71.7	—	71.7
Gross profit	17.7	—	17.7
Gross profit %	24.7%		24.7%



FY2020 GAAP to Non-GAAP Reconciliation Table

(in millions, except per share amounts; unaudited)

FY2020 GAAP to Non-GAAP Reconciliation Table			
	As Reported (GAAP)	Restructuring, Impairment, and Other Charges, Net	As Adjusted (Non-GAAP)
Consolidated			
Net sales	\$ 1,024.4	\$ —	\$ 1,024.4
Gross profit	240.1	4.4	244.5
Gross profit %	23.4%		23.9%
Selling, general and administrative expenses	166.9	—	166.9
Operating income	43.0	12.5	55.5
Other income, net of expenses	3.4	(2.1)	1.3
Income taxes	(1.2)	2.8	1.6
Net income attributable to controlling interest	46.9	7.6	54.5
Diluted EPS	2.05	0.33	2.38
Infrastructure Solutions			
Net sales	702.8	—	702.8
Gross profit	159.6	4.4	164.0
Gross profit %	22.7%		23.3%
Materials Solutions			
Net sales	321.6	—	321.6
Gross profit	80.5	—	80.5
Gross profit %	25.0%		25.0%



GAAP vs Non-GAAP Adjusted EPS Reconciliations

(in millions, except per share amounts; unaudited)

Astec Industries Inc. GAAP vs Non-GAAP Adjusted EPS Reconciliations (In millions, except per share amounts; unaudited)

	Three Months Ended December 31,		Year Ended December 31,	
	2021	2020	2021	2020
Net (loss) income attributable to controlling interest	\$ (9.2)	\$ 15.4	\$ 17.8	\$ 46.9
Adjustments:				
Transformation program	5.7	—	13.4	—
Curtailment and settlement loss on pension and postretirement benefits, net	4.7	—	4.7	—
Facility closures, reduction in force and inventory adjustments	0.8	2.0	2.9	13.8
Asset impairment	—	0.3	0.2	4.4
Gain on sale of property, equipment and business, net	(0.1)	(5.5)	(0.6)	(7.8)
Income taxes	(2.5)	0.6	(4.7)	(2.8)
Adjusted net (loss) income attributable to controlling interest	\$ (0.6)	\$ 12.8	\$ 33.7	\$ 54.5
Diluted EPS	\$ (0.40)	\$ 0.67	\$ 0.78	\$ 2.05
Adjustments:				
Transformation program	0.25	—	0.58	—
Curtailment and settlement loss on pension and postretirement benefits, net ^(a)	0.20	—	0.20	—
Facility closures, reduction in force and inventory adjustments ^(a)	0.03	0.09	0.13	0.60
Asset impairment	—	0.01	0.01	0.19
Gain on sale of property, equipment and business, net	—	(0.24)	(0.03)	(0.34)
Income taxes	(0.11)	0.03	(0.20)	(0.12)
Adjusted EPS	\$ (0.03)	\$ 0.56	\$ 1.47	\$ 2.38

^(a) Calculation includes the impact of a rounding adjustment



EBITDA and Adjusted EBITDA Reconciliations

(in millions; unaudited)

Astec Industries Inc. EBITDA and Adjusted EBITDA Reconciliations (In millions; unaudited)

	Three Months Ended December 31,		Year Ended December 31,	
	2021	2020	2021	2020
Net sales	\$ 267.8	\$ 238.9	\$ 1,097.2	\$ 1,024.4
Net (loss) income attributable to controlling interest	\$ (9.2)	\$ 15.4	\$ 17.8	\$ 46.9
Interest expense (income), net	0.4	0.3	0.6	(0.1)
Depreciation and amortization	7.6	7.5	30.2	26.9
(Benefit from) provision for income taxes	(1.8)	3.3	(1.4)	(1.2)
EBITDA	(3.0)	26.5	47.2	72.5
EBITDA margin	(1.1)%	11.1 %	4.3 %	7.1 %
Adjustments:				
Transformation program	5.7	—	13.4	—
Curtailment and settlement loss on pension and postretirement benefits, net	4.7	—	4.7	—
Facility closures, reduction in force and inventory adjustments	0.8	2.0	2.9	13.8
Asset impairment	—	0.3	0.2	4.4
Gain on sale of property, equipment and business, net	(0.1)	(5.5)	(0.6)	(7.8)
Adjusted EBITDA	\$ 8.1	\$ 23.3	\$ 67.8	\$ 82.9
Adjusted EBITDA margin	3.0 %	9.8 %	6.2 %	8.1 %



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