



**ASTEC**

# Sidoti Virtual Investor Conference

March 25, 2021





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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 continued impact of the COVID-19 pandemic on the global demand for the Company’s products and on the Company’s financial condition and business operations; general economic conditions; 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 discussed and described in the Company’s most recent Annual Report on Form 10-K filed with the Securities and Exchange Commission (the “SEC”), including the risks described in Part 1, Item 1A, “Risk Factors” thereof, and in the other reports filed subsequently by the Company with the SEC.

**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

Barry Ruffalo | President & CEO



# Today's Key Messages



01

Strong 4Q20 and full year 2020 performance driven by our ongoing strategic transformation and our ability to gain traction on efficiency and strategic procurement initiatives

02

Customer demand for Astec's solutions remains resilient; providing our 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

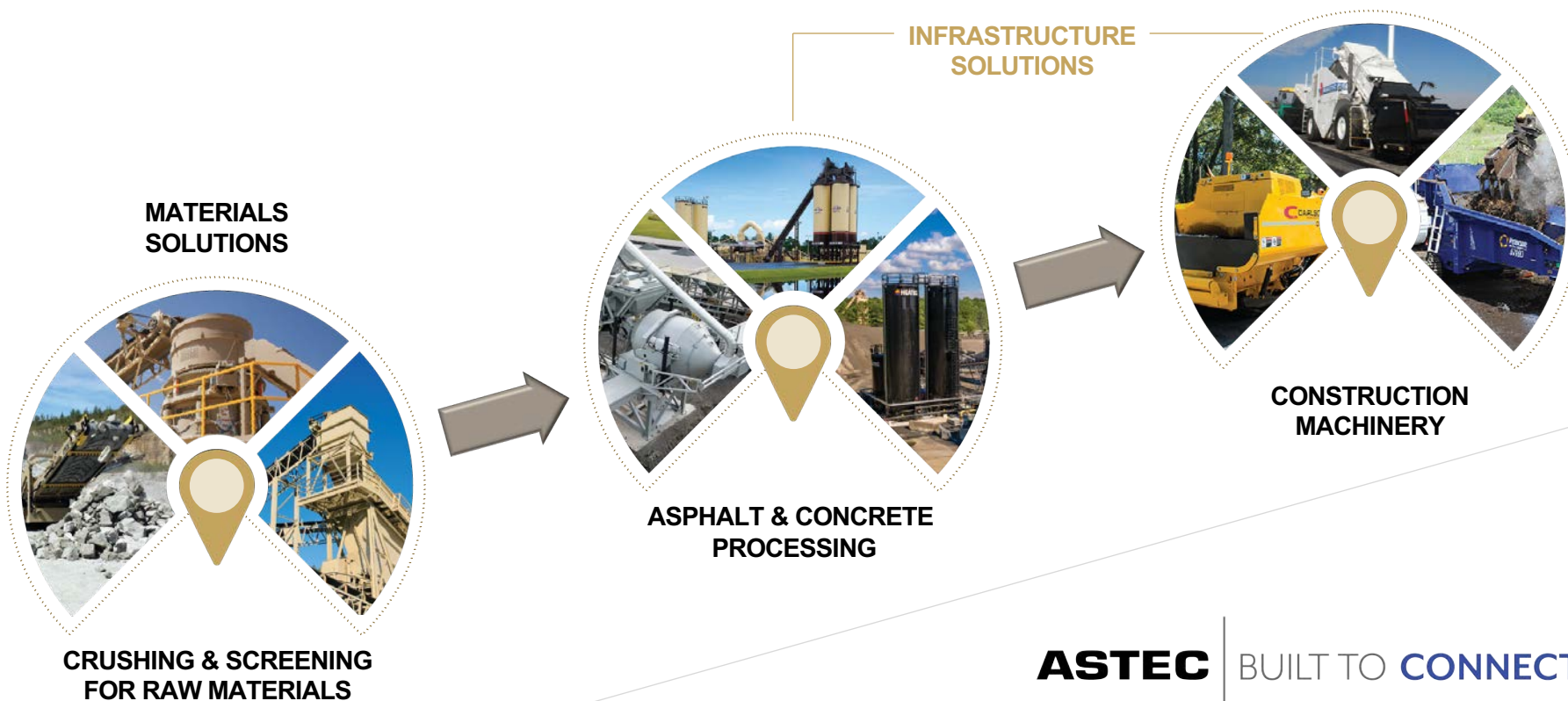
04

Simplify, Focus and Grow transformation will continue in 2021 with greater emphasis on Focus and Grow pillars; focused organic and inorganic strategic growth opportunities

05

Continuing to build on our positive momentum from 2020 and further transform the business with a focus on commercial and operational excellence, profitable growth and long-term stakeholder value creation

# OneASTEC Approach from Rock to Road



**ASTEC** | BUILT TO **CONNECT**

# Rock to Road™ Simplified Two Segment Structure

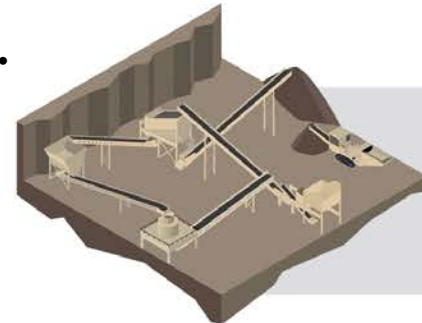


## Materials Solutions: ~30%

### Key Products

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

### Leading Brands



## Infrastructure Solutions: ~70%

### 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 FY2020

# Shifting to a Growth Mindset



## Strategic Growth in International Markets

- Improve Astec brand recognition through OneASTEC approach
- Build a strong distribution network
- Tailor NPD for international markets and customer needs

## Aftermarket Sales Growth

- Focus on higher capture rates to improve margin
- Increase percentage of aftermarket revenue

## Comm'l Excellence and Strategic Account Strategy

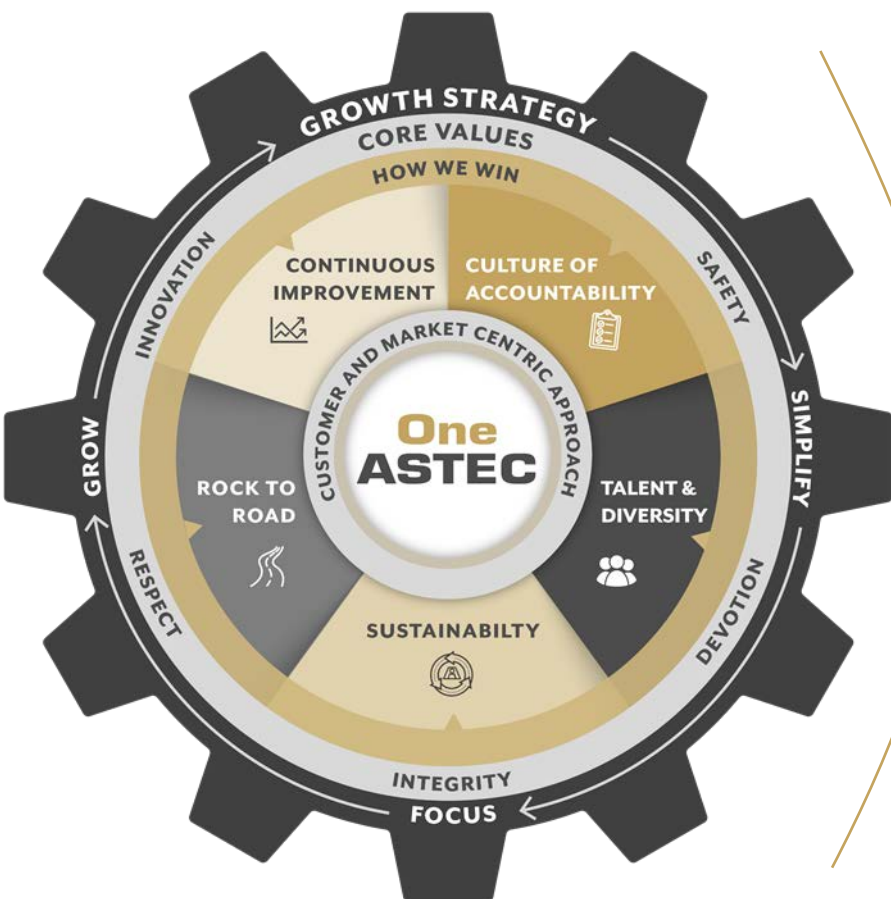
- Prioritize customer segments looking for a best-in-class solution
- Develop and enhance e-commerce platform

## Talent Development and Retention

- Training, individual development plans – enterprise-wide / opportunities across groups

**GOAL TO INCREASE INTERNATIONAL REVENUE OVER THE LONG-TERM**

# The OneASTEC Business Model is a Competitive Advantage



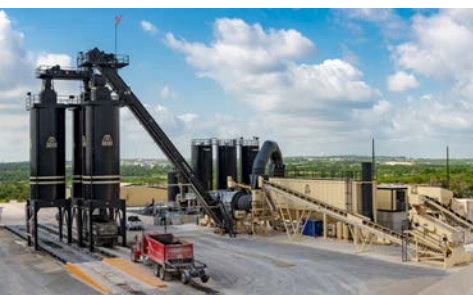
- 01** Leadership positions within attractive niche markets in industries benefitting from long-term secular trends including population growth, urbanization, and aging infrastructure
- 02** Industry-leading reputation for innovation, high-quality products and superior customer service
- 03** Recurring, high-margin aftermarket revenue driven by a large global installed base
- 04** Strong management team executing our **Simplify, Focus, and Grow** strategic pillars; investing in initiatives to drive profitable growth
- 05** Introducing the OneASTEC Business Model, our operating model for continuous improvement





## Reduced Organizational Structure Complexity has Enabled More Efficient COVID-19 Response and Sharing of Best Practices

- ✓ **Early innings of upcycle in North America**; strong residential / non-residential markets
- ✓ Construction equipment **demand is improving**; positive customer outlook for 2021
- ✓ Strong support for **U.S. infrastructure construction** under Biden's Build Back Better plan
- ✓ **25 states** introduced **new transportation funding measures** during January 2021
- ✓ **Limited COVID-19 impact in 2020**; situation remains actively managed and fluid for 2021
- ✓ **Commodity and logistics inflation** in 2021
- ✓ **Tight labor market** to support increase in backlog



PROACTIVELY MONITORING THE ENVIRONMENT TO QUICKLY REACT TO CHANGES IN DEMAND



## Innovation as a Competitive Advantage

# Key Messages | Innovation as a Competitive Advantage



Reinvigorating innovation and **leveraging technology to unlock value**

Leveraging leading-edge technologies to **enhance customer experience**

Increasing our competitive advantages through **talent** and **new product offerings and solutions**

Accelerating our innovation journey with a focus on **connectivity** and **operational excellence**



# Case Study | Connecting Innovation to the OneASTEC Business Model



## Background

- Provide customers with data to manage their crews and jobsite
- Reduce downtime and increase production and efficiency
- Monitor quality and thickness of asphalt



## Our Unique Approach and Innovative Solution

### OneASTEC Telematics

- **Roadtec Telematics System:** two-way communication platform for equipment managers and service teams to work directly with machines
- Monitor **paving and milling production in real-time**
- View machine status live for **quick diagnostics**, including data-logging for intermittent problems
- **Track component wear based on tons** through machine and fuel burned
- **Monitor** exact location, fuel consumption, fault codes, time-to-service intervals, machine speed, grade and slope settings, or hydraulic pressures from any location
- **Remotely upload custom machine software** over-the-air to change machine capabilities

## Outcomes

**90%**

Reduction in Repair Time

**>50%**

Increase in Equipment Utilization

**<1 Year**

Payback on Investment

*"Simple, quick permanent repairs were accomplished before the Project Manager was even aware of an issue. This is definitely a 'WIN/WIN' situation."*

Equipment Superintendent  
Midwestern Asphalt Company

LEVERAGE OneASTEC TELEMATICS ACROSS OTHER PRODUCTS; CONTINUE TO DEEPEN CUSTOMER RELATIONSHIPS





## ESG Overview

Steve Anderson | Senior Vice President



# Early Stages of Our ESG Journey



## Environmental



## Social



## Governance

- Continued respect for environment
  - Internal focus on reducing carbon footprint of products and facilities
  - LED Lighting Initiative
    - Eleven locations to date
  - Environmental initiatives team led by Greg Oswald, SVP of Operational Excellence
  - Dedicated Sustainability Manager
- Safety-first culture with stringent internal processes and procedures in place
    - Goal: Zero Harm
    - Recognition by Chattanooga, TN Chamber of Commerce for safety
  - Empowering employees to support communities where we operate and live through partnerships
    - Local high schools, technical schools, and community colleges
    - Local Chambers of Commerce, Rotary Club, and YMCAs
    - Salvation Army, Blood Assurance, Bethlehem Center, and food banks
  - Social initiatives (e.g., D&I, human rights, and conflict minerals) team led by Reuben Srinivasan, SVP of HR
- Remediated all prior period material weaknesses a year ahead of schedule
  - Further automation of financial reporting
  - Compensation of management and board aligned with shareholder interests
  - Engaged board of directors
  - Governance initiatives team led by Steve Anderson, SVP Administration and IR



**NEAR-TERM FOCUS ON ALIGNING EXISTING PRACTICES WITH ESG FRAMEWORK**

# History of Sustainable Products

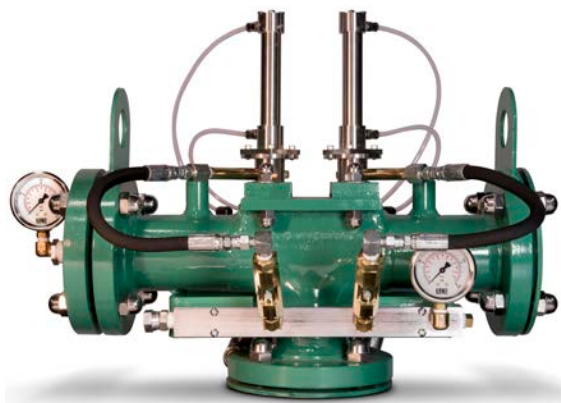


## Environmental



### Double Barrel Drum Mixer

- by virtue of the unique drum within a drum configuration, the Double Barrel pulls the maximum amount of heat from a single fuel source to dry aggregate and produce mix



### Warm Mix System

- allows the production of asphalt at much lower temperatures
- reduces fuel consumption by up to 14%
- allows the use of higher amounts of recycled material
- eliminates smoke and smell



CONTINUED DEVELOPMENT OF ENVIRONMENTALLY FRIENDLY PRODUCTS BUILDS UPON OUR RICH HISTORY OF SUCH EFFORTS



## Environmental

### Firestorm Water Heaters

- thermal efficiency of 99 percent, provides major savings in fuel costs



### FT 4250 Hybrid Track-Mounted Screen

- track-mounted screening plants use hybrid power options to reduce fuel usage



SEVERAL OF OUR PRODUCTS HAVE BEEN DEVELOPED WITH AN EYE TOWARDS REDUCING FUEL CONSUMPTION



# History of Sustainable Products



## Environmental



### Cold Planers

- remove and grind the old asphalt pavement producing reclaimed asphalt pavement or RAP for use in new mixes



### Material Transfer Vehicles

- Allows for continuous paving which can minimize truck waiting times, decrease temperature differentials, and reduce aggregate segregation

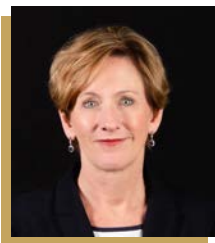


RECYCLE EXISTING ASPHALT PAVEMENT



# Financial Overview

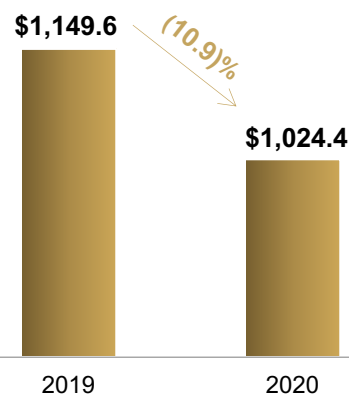
Becky Weyenberg | CFO



# Full Year 2020 Financial Results vs. 2019 (\$M, except per share data)

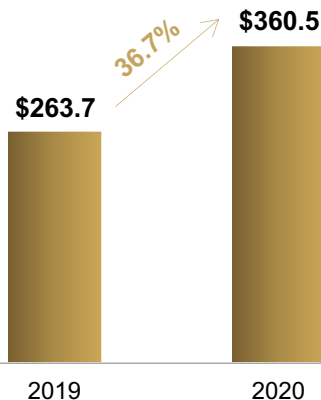


## ADJ. NET SALES<sup>1</sup>



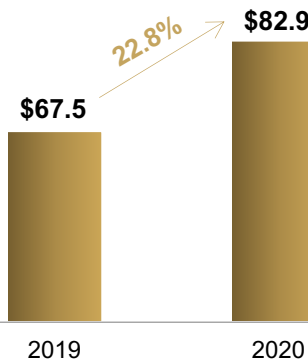
- Equipment sales decreased \$104.2M or 14.0%
- Parts sales decreased \$18.6M or 5.8%
- Domestic sales decreased \$71.5M or 8.0%
- International sales decreased \$53.7M or 20.6%

## BACKLOG



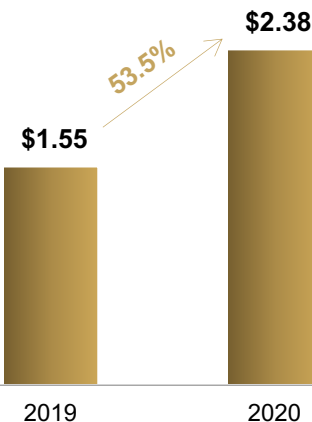
- Materials Solutions backlog increased \$68.2M or 92.0%
- Infrastructure Solutions backlog increased \$28.6M or 15.1%
- Domestic backlog increased \$86.2M or 44.3%
- International backlog increased \$10.6M or 15.4%

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



- Adjusted EBITDA increased due to favorable mix and improvements in Mfg. performance, offset by a decrease in sales volume impact
- Adj. EBITDA margin of 8.1% increased 220 bps
- SG&A decreased 10.5% or \$22.1M driven by reductions in consulting fees, travel and employee expenses

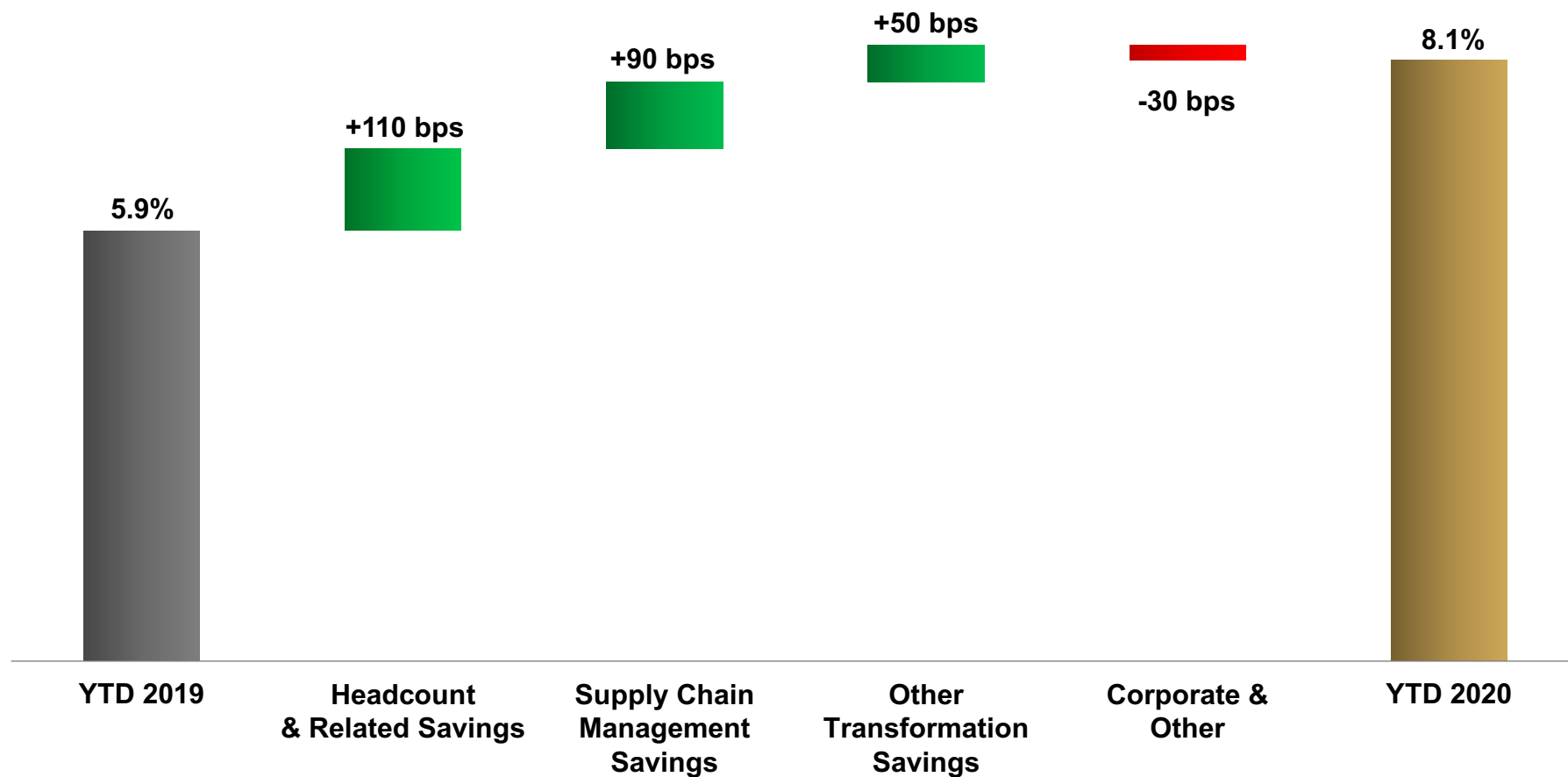
## ADJ. EPS<sup>1</sup>



- 2020 Diluted EPS of \$2.05 included \$0.33 or net \$7.6M from transformation actions
- Use of CARES Act NOL carryback for a \$9.5M tax reduction, or \$0.42 impact; net effective tax rate adjusted for the full year was a 2.9% benefit

<sup>1</sup> See Appendix for GAAP to Non-GAAP reconciliation table; Adj. Net Sales reflects \$20.0M reduction in 2019 for the sale of a wood pellet plant

# YTD20 Adjusted EBITDA Margin<sup>1</sup> Bridge



**OVERALL COST SAVINGS DROVE 220 BPS OF YOY MARGIN IMPROVEMENT**

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



# Maintain Strong, Flexible Balance Sheet with Ample Liquidity



## SUMMARY BALANCE SHEET

(\$M)	12/31/20
Cash and Cash Equivalents	158.6
Total Current Assets	565.8
Total Assets	848.2
Total Current Liabilities	170.3
Total Debt	2.0
Total Liabilities and Equity	848.2

(\$M)	12/31/20
Cash and Cash Equivalents	158.6
Available Credit	153.8
Total Available Liquidity	312.4

### COMMENTARY

- Operating activities were a \$141.5M source of cash in 2020
- Driven primarily by cash provided by net income (after book-to-cash adjustments) of \$93.6M and inventory reduction of \$44.7M
- Cash provided above was invested in strategic M&A and utilized to pay dividends

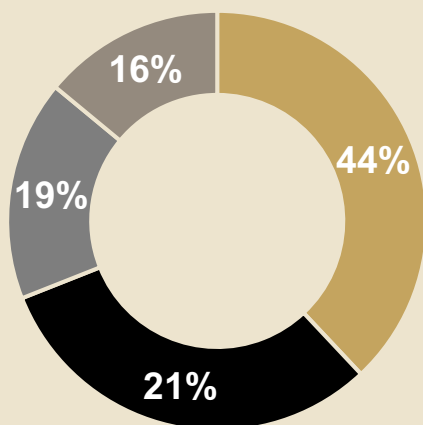
FOCUSED ON MAINTAINING A STRONG BALANCE SHEET

# Disciplined Capital Deployment Framework



Use of Cash Over Last 3 Years

**~\$152M**



- 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, per quarter
- \$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**



# Astec Overview

Barry Ruffalo | President & CEO



# Strategic M&A Approach Aligns to Our Growth Strategy



## Financial Criteria

EPS Accretion in First Full Year ✓

Meet or Exceed  
Long-term Financial Metrics ✓

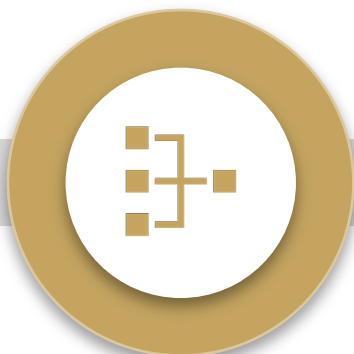
CONTINUE TO FOCUS ON STRATEGIC ALIGNMENT AND FINANCIAL DISCIPLINE



# 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

# 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
- ✓ Rationalized three sites in Hameln, Germany, Albuquerque, NM and Mequon, WI to further streamline operations
- Completing closure of Tacoma facility as part of ongoing rationalization

## 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**



## LONG-TERM GOALS

**5% - 10%**  
REVENUE GROWTH

**> 12%**  
EBITDA MARGIN

**> 10%**  
EPS GROWTH

**> 100%**  
**Net Income**  
FCF CONVERSION

**> 14%**  
ROIC



Create Value for Shareholders



Alignment to Incentive Plan



Stand through Cycles

# 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



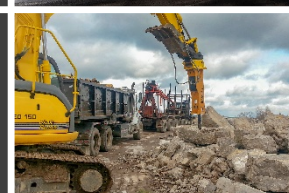
3

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



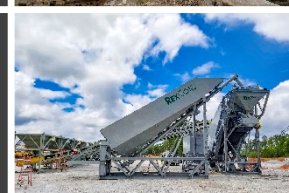
4

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 & IR

**Phone:** 423-553-5934

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



## Appendix

# Income Statement



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

	<b>Three Months Ended December 31,</b>		<b>Years Ended December 31,</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
Net sales	\$ 238.9	\$ 283.2	\$ 1,024.4	\$ 1,169.6
Cost of sales	182.0	255.8	784.3	930.2
Gross profit	56.9	27.4	240.1	239.4
Operating expenses:				
Selling, general, administrative and engineering	41.2	52.5	189.0	211.1
Restructuring, impairment and other asset charges, net	(2.2)	1.8	8.1	3.2
Total operating expenses	39.0	54.3	197.1	214.3
Operating income (loss)	17.9	(26.9)	43.0	25.1
Other income (expense):				
Interest expense	(0.5)	(0.1)	(0.7)	(1.4)
Other income, net of expenses	1.4	0.2	3.4	1.5
Income (loss) from operations before income taxes	18.8	(26.8)	45.7	25.2
Income tax provision (benefit)	3.3	(8.4)	(1.2)	3.0
Net income (loss)	15.5	(18.4)	46.9	22.2
Net (income) loss attributable to noncontrolling interest	(0.1)	—	—	0.1
Net income (loss) attributable to controlling interest	\$ 15.4	\$ (18.4)	\$ 46.9	\$ 22.3
Earnings (loss) per common share				
Basic	\$ 0.68	\$ (0.81)	\$ 2.08	\$ 0.99
Diluted	0.67	(0.81)	2.05	0.98
Weighted average shares outstanding				
Basic	22,603	22,531	22,586	22,515
Diluted	22,951	22,531	22,878	22,674

# Balance Sheet



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

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 158.6	\$ 48.9
Investments	4.3	1.5
Receivables, net	120.6	124.9
Inventories, net	249.7	294.5
Other current assets	32.6	36.5
Total current assets	<u>565.8</u>	<u>506.3</u>
Property, plant and equipment, net	172.8	190.4
Other long-term assets	109.6	103.8
Total assets	<u>\$ 848.2</u>	<u>\$ 800.5</u>
<b>Liabilities</b>		
Current liabilities:		
Accounts payable	\$ 52.7	\$ 57.2
Other current liabilities	117.6	115.6
Total current liabilities	<u>170.3</u>	<u>172.8</u>
Long-term debt	0.4	0.7
Other long-term liabilities	34.5	24.6
Total equity	<u>643.0</u>	<u>602.4</u>
Total liabilities and equity	<u>\$ 848.2</u>	<u>\$ 800.5</u>

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

# Cash Flow Statement



## Condensed Consolidated Statements of Cash Flows

(In millions; unaudited)

### Cash flows from operating activities:

Net income  
Adjustments to reconcile net income to net cash provided by operating activities:

Depreciation  
Amortization  
Provision for credit losses  
Provision for warranties  
Deferred compensation expense  
Share-based compensation  
Deferred tax provision  
(Gain) loss on disposition of property and equipment  
Curtailment gain on postretirement benefits  
Gain on disposition of subsidiary  
Asset impairment charges  
Distributions to SERP participants

Change in operating assets and liabilities, excluding the effects of acquisitions:

Sale (purchase) of trading securities, net  
Receivables and other contract assets  
Inventories  
Prepaid expenses  
Other assets  
Accounts payable  
Accrued retirement benefit costs  
Accrued loss reserves  
Other accrued liabilities  
Accrued product warranty  
Customer deposits  
Income taxes payable/prepaid  
Other

Net cash provided by operating activities

### Cash flows from investing activities

Acquisitions, net of cash acquired  
Proceeds from the sale of subsidiary  
Expenditures for property and equipment  
Proceeds from sale of property and equipment  
Sale of investments

Net cash used by investing activities

### Cash flows from financing activities

Payment of dividends  
Borrowings under bank loans  
Repayment of bank loans  
Sale of Company stock by SERP, net  
Withholding tax paid upon vesting of restricted stock units

Net cash used by financing activities

Effect of exchange rates on cash

Increase in cash and cash equivalents

Cash and cash equivalents, beginning of year

Cash and cash equivalents, end of year

Years Ended December 31,		
2020	2019	
\$	\$	
46.9	22.2	
20.8	21.4	
6.1	4.8	
0.9	1.2	
9.8	9.8	
0.7	0.6	
5.1	2.6	
8.6	1.7	
(6.2)	0.3	
(0.5)	—	
(1.6)	—	
4.4	0.3	
(1.4)	(2.2)	
0.2	(0.9)	
12.2	7.5	
44.7	61.3	
—	(2.3)	
(0.2)	0.2	
(8.6)	(13.0)	
—	(1.3)	
(4.8)	(1.1)	
9.8	2.0	
(10.2)	(10.5)	
(11.2)	(5.3)	
16.0	12.2	
—	1.1	
141.5	112.6	
(32.5)	—	
9.1	—	
(15.4)	(23.4)	
17.7	0.5	
0.2	1.3	
(20.9)	(21.6)	
(10.0)	(10.0)	
6.0	166.0	
(5.9)	(224.0)	
0.3	0.3	
(0.8)	(0.4)	
(10.4)	(68.1)	
(0.5)	0.2	
109.7	23.1	
48.9	25.8	
\$	\$	
158.6	48.9	



# Q4 GAAP to Non-GAAP Reconciliation Table



4Q20 GAAP to Non-GAAP Reconciliation Table			
	As Reported (GAAP)	Restructuring, Impairment, and Other Charges, Net	As Adjusted (Non-GAAP)
<b>Consolidated</b>			
Net sales	\$ 238.9	\$ —	\$ 238.9
GP	56.9	—	56.9
GP%	23.8%		23.8%
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
<b>Infrastructure Solutions</b>			
Net sales	167.2	—	167.2
GP	39.5	—	39.5
GP%	23.6%		23.6%
<b>Materials Solutions</b>			
Net sales	71.7	—	71.7
GP	17.7	—	17.7
GP%	24.7%		24.7%

4Q19 GAAP to Non-GAAP Reconciliation Table			
	As Reported (GAAP)	Restructuring, Impairment, and Other Charges, Net	As Adjusted (Non-GAAP)
<b>Consolidated</b>			
Net sales	\$ 283.2	\$ —	\$ 283.2
GP	27.4	32.6	60.0
GP%	9.7%		21.2%
Operating income (loss)	(26.9)	34.4	7.5
Other income, net of expenses	0.2	—	0.2
Income taxes	(8.4)	7.8	(0.6)
Net income (loss) attributable to controlling interest	(18.4)	26.6	8.2
Diluted EPS	(0.81)	1.17	0.36
<b>Infrastructure Solutions</b>			
Net sales	191.2	—	191.2
GP	12.7	28.3	41.0
GP%	6.6%		21.4%
<b>Materials Solutions</b>			
Net sales	92.0	—	92.0
GP	13.0	4.3	17.3
GP%	14.1%		18.8%

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# 2020 GAAP to Non-GAAP Reconciliation Tables



FY2020 GAAP to Non-GAAP Reconciliation Table				FY2019 GAAP to Non-GAAP Reconciliation Table			
	As Reported (GAAP)	Restructuring, Impairment, and Other Charges, Net	As Adjusted (Non-GAAP)		As Reported (GAAP)	Restructuring, Impairment, and Other Charges, Net	As Adjusted (Non-GAAP)
<b>Consolidated</b>				<b>Consolidated</b>			
Net sales	\$ 1,024.4	\$ —	\$ 1,024.4	Net sales	\$ 1,169.6	\$ (20.0)	\$ 1,149.6
GP	240.1	4.4	244.5	GP	239.4	12.6	252.0
GP%	23.4%		23.9%	GP%	20.5%		21.9%
Operating income	43.0	12.5	55.5	Operating income	25.1	15.8	40.9
Other income, net of expenses	3.4	(2.1)	1.3	Other income, net of expenses	1.5	—	1.5
Income taxes	(1.2)	2.8	1.6	Income taxes	3.0	2.9	5.9
Net income attributable to controlling interest	46.9	7.6	54.5	Net income attributable to controlling interest	22.3	12.9	35.2
Diluted EPS	2.05	0.33	2.38	Diluted EPS	0.98	0.57	1.55
<b>Infrastructure Solutions</b>				<b>Infrastructure Solutions</b>			
Net sales	702.8	—	702.8	Net sales	764.6	(20.0)	744.6
GP	159.6	4.4	164.0	GP	152.7	8.4	161.1
GP%	22.7%		23.3%	GP%	20.0%		21.6%
<b>Materials Solutions</b>				<b>Materials Solutions</b>			
Net sales	321.6	—	321.6	Net sales	405.0	—	405.0
GP	80.5	—	80.5	GP	84.9	4.3	89.2
GP%	25.0%		25.0%	GP%	21.0%		22.0%

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# GAAP vs Non-GAAP Adj. EPS Reconciliation



(In millions, except per share amounts; unaudited)

	Three Months Ended December 31,		Years Ended December 31,	
	2020	2019	2020	2019
Net income (loss) attributable to controlling interest	\$ 15.4	\$ (18.4)	\$ 46.9	\$ 22.3
Adjustments:				
Facility closures, reduction in force and inventory adjustments	2.0	34.1	13.8	15.5
Asset impairment	0.3	0.3	4.4	0.3
Gain on sale of property, equipment and business	(5.5)	—	(7.8)	—
Income taxes	0.6	(7.8)	(2.8)	(2.9)
Adjusted net income attributable to controlling interest	\$ 12.8	\$ 8.2	\$ 54.5	\$ 35.2
 Diluted EPS	 \$ 0.67	 \$ (0.81)	 \$ 2.05	 \$ 0.98
Adjustments:				
Facility closures, reduction in force and inventory adjustments	0.09	1.51	0.60	0.70
Asset impairment	0.01	0.01	0.19	0.01
Gain on sale of property, equipment and business	(0.24)	—	(0.34)	—
Income taxes	0.03	(0.35)	(0.12)	(0.14)
Adjusted EPS	\$ 0.56	\$ 0.36	\$ 2.38	\$ 1.55

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# GAAP vs Non-GAAP EBITDA & Adjusted EBITDA Reconciliation



(In millions, unaudited)

	Three Months Ended December 31,		Years Ended December 31,	
	2020	2019	2020	2019
Net income (loss) attributable to controlling interest	\$ 15.4	\$ (18.4)	\$ 46.9	\$ 22.3
Interest expense (income), net	0.3	(0.2)	(0.1)	0.2
Depreciation and amortization	7.5	6.4	26.9	26.2
Provision (benefit) from income taxes	3.3	(8.4)	(1.2)	3.0
EBITDA	26.5	(20.6)	72.5	51.7
Adjustments:				
Facility closures, reduction in force and inventory adjustments	2.0	34.1	13.8	15.5
Asset impairment	0.3	0.3	4.4	0.3
Gain on sale of property, equipment and business	(5.5)	—	(7.8)	—
Adjusted EBITDA	\$ 23.3	\$ 13.8	\$ 82.9	\$ 67.5

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