TEREX CORPORATION



J.P. Morgan Industrials Conference

March 15, 2021

EXECUTE • INNOVATE • GROW

Forward Looking Statements

Certain information in this presentation includes forward-looking statements (within the meaning of Section 27A of the Securities Act of 1933, Section 21E of the Securities Exchange Act of 1934 and the Private Securities Litigation Reform Act of 1995) regarding future events or our future financial performance that involve certain contingencies and uncertainties, including those discussed in our Annual Report on Form 10-K for the year ended December 31st, 2020, in the sections entitled “Management’s Discussion and Analysis of Financial Condition and Results of Operations – Contingencies and Uncertainties.” In addition, when included in this presentation or in documents incorporated herein by reference, the words “may,” “expects,” “should,” “intends,” “anticipates,” “believes,” “plans,” “projects,” “estimates,” "will" and the negatives thereof and analogous or similar expressions are intended to identify forward-looking statements. However, the absence of these words does not mean that the statement is not forward-looking. We have based these forward-looking statements on current expectations and projections about future events. These statements are not guarantees of future performance. Such statements are inherently subject to a variety of risks and uncertainties that could cause actual results to differ materially from those reflected in such forward-looking statements. Such risks and uncertainties, many of which are beyond our control, include, among others:

- our business has been, and could be further, adversely impacted by global health pandemics such as the outbreak of a new strain of coronavirus (“COVID-19”);
- our business is highly competitive and is affected by our cost structure, pricing, product initiatives and other actions taken by competitors;
- we are dependent upon third-party suppliers, making us vulnerable to supply shortages and price increases;
- our operations are subject to a number of potential risks that arise from operating a multinational business, including compliance with changing regulatory environments and political instability;
- a material disruption to one of our significant facilities;
- our business is sensitive to government spending;
- our business is affected by the cyclical nature of markets we serve;
- our financial results could be adversely impacted by the United Kingdom’s (“U.K.”) departure from the European Union (“E.U.”);
- changes affecting the availability of the London Interbank Offered Rate ("LIBOR") may have consequences on us that cannot yet reasonably be predicted;
- our need to comply with restrictive covenants contained in our debt agreements;
- our ability to generate sufficient cash flow to service our debt obligations and operate our business;
- our ability to access the capital markets to raise funds and provide liquidity;
- the financial condition of suppliers and customers, and their continued access to capital;
- exposure from providing financing and credit support for some of our customers;
- we may experience losses in excess of recorded reserves;
- our business is global and subject to changes in exchange rates between currencies, commodity price changes, regional economic conditions and trade restrictions;
- our retention of key management personnel;
- possible work stoppages and other labor matters;
- changes in import/export regulatory regimes and the escalation of global trade conflicts could continue to negatively impact sales of our products and our financial results;
- compliance with changing laws and regulations, particularly environmental and tax laws and regulations;
- litigation, product liability claims and other liabilities;
- our compliance with the U.S. Foreign Corrupt Practices Act and similar worldwide anti-corruption laws;
- increased regulatory focus on privacy and data security issues and expanding laws;
- our ability to comply with an injunction and related obligations imposed by the United States Securities and Exchange Commission (“SEC”);
- our ability to successfully implement our strategy:
- disruption or breach in our information technology systems and storage of sensitive data; and
- other factors.

Actual events or our actual future results may differ materially from any forward-looking statement due to these and other risks, uncertainties and material factors. The forward-looking statements contained herein speak only as of the date of this presentation and the forward-looking statements contained in documents incorporated herein by reference speak only as of the date of the respective documents. We expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained or incorporated by reference in this presentation to reflect any change in our expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

Zero Harm Culture & Terex Way Values





Safety is an absolute way of life whether you work for us, supply us, use our equipment, or receive our services

Global team members are social distancing and following safety protocols to **safely serve customers**

2021 Strategic Operational Priorities

Operational Excellence



- Continue strengthening company processes and execution discipline
- Actively manage SG&A expense base to achieve full-year SG&A percent to sales of ~12.5%
- Improve cost competitiveness while maintaining growth orientation

Purposeful Innovation



- Reliable products that are competitively priced and deliver high value to customers
- Customer-centric product and service deployment
- Robust service offerings that enable superior ownership experience

Growth



- Strengthen market position with superior commercial execution
- Grow global adoption of working safely at height and mobile crushing & screening
- Position to benefit from anticipated replacement cycle tailwinds

EXECUTING AND INNOVATING TO ENABLE VALUE-ADDING GROWTH

2021 Disciplined Capital Allocation

1. **Cash Flow:** Full-year free cash flow of **~$100 million**

2. **Capital Structure:** **Ample liquidity of greater than $1 billion** at beginning of the year. In Q1 2021, sold TFS On-Book Portfolio for proceeds of $100 million and initiated repayment of ~$200 million of Term Loans

3. **Restructuring Investments:** Maintain right-sized cost structure while continuing to **align production with market environment**

4. **Growth:** Investing for **growth opportunities** whether organic or potentially inorganic

5. **Efficient Return of Capital to Shareholders:** Reinstated dividend to **provide yield to investors**

STRONG LIQUIDITY AND CAPITAL STRUCTURE

Summary

- Improving commercial demand environment
- Efficiently managing production while safely meeting customer demand
- Improved cost structure to enable achievement of targeted incremental margins and absolute margins
- Continue to aggressively manage working capital to achieve strong free cash flow and liquidity
- Business portfolio is well-positioned for growth

