


# Q2 2024 Earnings Conference Call

July 31, 2024

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 (the "Exchange Act") 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 31, 2023, and subsequent reports we file with the U.S. Securities and Exchange Commission from time to time, 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, 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:

We may be unable to successfully integrate acquired businesses, including the Environmental Solutions Group ("ESG") business; we may not realize expected benefits for any acquired businesses within the timeframe anticipated or at all; our operations are subject to a number of potential risks that arise from operating a multinational business, including political and economic instability and compliance with changing regulatory environments; changes in the availability and price of certain materials and components, which may result in supply chain disruptions; consolidation within our customer base and suppliers; our business may suffer if our equipment fails to perform as expected; a material disruption to one of our significant facilities; our business is sensitive to general economic conditions, government spending priorities and the cyclical nature of markets we serve; our consolidated financial results are reported in U.S. dollars while certain assets and other reported items are denominated in the currencies of other countries, creating currency exchange and translation risk; 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 customers and their continued access to capital; exposure from providing credit support for some of our customers; we may experience losses in excess of recorded reserves; our industry is highly competitive and subject to pricing pressure; our ability to successfully implement our strategy and the actual results derived from such strategy; increased cybersecurity threats and more sophisticated computer crime; increased regulatory focus on privacy and data security issues and expanding laws; our ability to attract, develop, engage and retain team members; possible work stoppages and other labor matters; litigation, product liability claims and other liabilities; changes in import/export regulatory regimes, imposition of tariffs, escalation of global trade conflicts and unfairly traded imports, particularly from China, could continue to negatively impact our business; compliance with environmental regulations could be costly and failure to meet sustainability expectations or standards or achieve our sustainability goals could adversely impact our business; our compliance with the United States Foreign Corrupt Practices Act and similar worldwide anti-corruption laws; our ability to comply with an injunction and related obligations imposed by the U.S. Securities and Exchange Commission; and other factors.

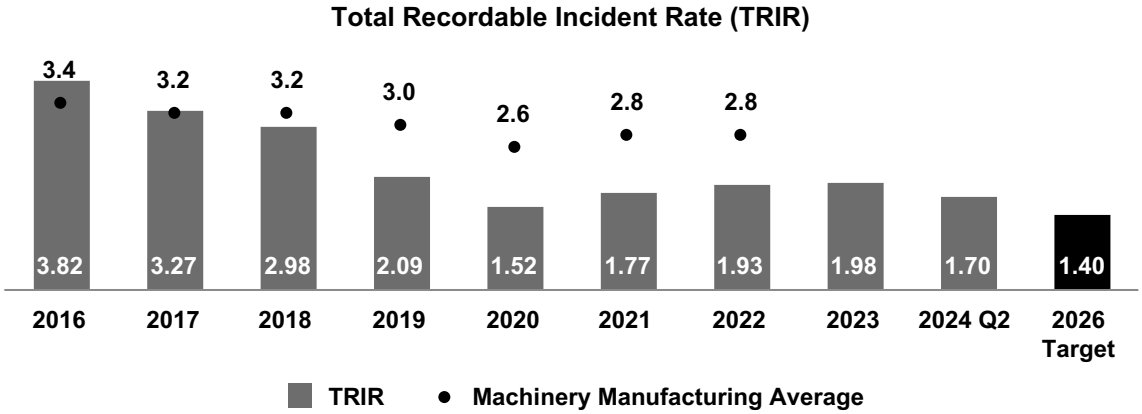
Actual events or our actual future results may differ materially from any forward-looking statement due to these and other risks, uncertainties and material factors. The forward-looking statements contained herein speak only as of the date of this presentation and the forward-looking statements contained 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.

Non-GAAP Measures: Terex from time to time refers to various non-GAAP (generally accepted accounting principles) financial measures in this presentation. Terex believes that this information is useful to understanding its operating results and the ongoing performance of its underlying businesses without the impact of special items. See the appendix at the end of this presentation as well as the Terex second quarter 2024 earnings release on the Investor Relations section of our website www.terex.com for a description and/or reconciliation of these measures.

Total amounts in tables of this presentation may not add due to rounding.

# Strong Commitment to Zero Harm Culture and Terex Values




## TEREX WAY VALUES...

**Integrity**
**Respect**
**Improvement**
**Servant Leadership**
**Courage**
**Citizenship**

## SUPPORT A STRONG COMPANY CULTURE

- Guide team members' actions with all stakeholders, so the Company performs at the highest level
- Drive our unwavering focus on Zero Harm safety, strong governance, Diversity, Equity & Inclusion, responsible environmental stewardship, and support for the communities where we live and work

# Q2 2024: Strong Execution by the Terex Team



**$1.4B**

Sales




**$193.1M**

Operating Profit




**14.0%**

Operating Margin



**25.9%**

ROIC



**$2.08 / $2.16**

**(GAAP / Adjusted)***

EPS

**EPS OUTLOOK** **Full-Year Adjusted EPS Outlook of $7.15 to $7.45**

# Market Strength in Infrastructure, Utilities, Manufacturing & Recycling

| | Macro Tailwinds | Macro Pressure |
|---|---|---|
|  **Infrastructure** | ✔ U.S. demand supported by $550B IIJA related spending<br>✔ >63,000 projects approved or awarded | ✔ Weakness in EU markets |
|  **Utilities** | ✔ May power spending up 11% over the prior year<br>✔ Legislation to speed up project approvals | ✔ Slight project delays due to supply and labor issues |
|  **Commercial / Industrial** | ✔ U.S. manufacturing spending remains strong; up >20%, PMI improving now >50<br>✔ UK starting to improve May PMI >50 | ✔ EU PMI < 50 |
|  **Scrap / Waste Recycling** | ✔ Germany increased steel production YOY in June by 8.9% | ✔ Economic weakness in Europe and scrap market |
|  **General Construction** | ✔ U.S. non-res remains strong; growth rate lower in 2024 than 2023 | ✔ EU construction confidence indicator trending down |

# Well-Positioned for Sustained Growth

## *Megatrends*

### Digitalization

*Worldwide Data Center Construction Market Growing to >$350B by 2030*



### Infrastructure Investments

*>$49T Anticipated Investment from 2016-2030*





### Electrification

*Annual Global Grid Investments to Triple by 2030*



### Waste/Recycling

*Global Recycling Services to Reach $220B/Yr by 2027*

## *Government Investment*

### U.S. Bill



Infrastructure Investment and Jobs Act



Inflation Reduction Act



Chips Act

### Total Allocated Spending

| Infrastructure Investment and Jobs Act | Inflation Reduction Act | Chips Act |
|---|---|---|
| $1.2T Over 10 Years | $369B, Anticipated to Spur $1.3T In Energy Spending | $53B Over 5 Years Including $39B On Factories |

### Terex Opportunity

| Infrastructure Investment and Jobs Act | Inflation Reduction Act | Chips Act |
|---|---|---|
| Roads & Bridges<br>Airports and Waterways<br>Railways<br>Environmental<br>Power Grids | Clean power<br>Clean Energy Demonstration<br>Clean Energy Manufacturing | Chip Manufacturing |



*Sources: Mckinsey Global Institute; J.P. Morgan; Precedence Research; C&D Recycling Market: Municipal Waste Recycling Market*

# Strategic Priorities

## Build on Strong Foundation and Accelerate Profitable Growth

### Execute

- Leverage Terex Operating System
- Optimize footprint – Monterrey project progressing as planned
- Fixed cost management to manage through cycle performance

### Innovate

- Bring new products and services to market that maximize customer ROI
- Leverage digital to continue to improve operational efficiency
- Investments in robotics and electrification

### Grow

- Leverage diverse portfolio to enter new geographies, new customer segments
- Add strong businesses in attractive markets through disciplined M&A
- Announced agreement to purchase ESG




**To Maximize Through Cycle Performance and Shareholder Returns**

# Innovation: UK's First All Electric Modular Minerals Processing Plant

- First Terex MPS (Minerals Processing System) fully electric large modular setup, 4 plants
- Customer is a leader in sustainable building materials, road contracting, and building products
- Reduced dust emissions and lowered diesel costs while improving material shape and throughput
- Eco-conscious solutions have a positive impact in the quarrying/construction industry







# ESG Accelerates Long-Term Shareholder Value

Environmental Solutions Group
a DOVER company

- Adds meaningful scale and significantly reduces cyclicality ✓
- Financially accretive ✓
- Tangible cost and revenue synergies ✓
- Market leader in waste recycling ✓
- Adds attractive addressable market in North America ✓
- Reduces capital intensity ✓

# Q2 Financial Performance

| *USD Millions, except Earnings per Share* | Q2 2024 | Q2 2023 |
|---|---|---|
| **Net Sales** | **$ 1,381.7** | **$ 1,403.1** |
| *% Change vs 2023* | *(1.5%)* | |
| **Gross Profit** | **328.4** | **342.9** |
| *% of Sales* | *23.8%* | *24.4%* |
| **SG&A** | **(135.3)** | **(133.0)** |
| *% of Sales* | *(9.8%)* | *(9.5%)* |
| **Income (loss) from Operations** | **193.1** | **209.9** |
| *Operating Margin* | *14.0%* | *15.0%* |
| **Interest & Other Income (Expense)** | **(19.0)** | **(18.1)** |
| *Effective Tax Rate* | *19.2%* | *16.7%* |
| **Earnings (loss) per Share (GAAP)** | **2.08** | **2.35** |
| **EBITDA** | **207.7** | **222.3** |
| *% Net Sales* | *15.0%* | *15.8%* |
| **Free Cash Flow** | **42.4** | **134.8** |

| Q2 2024 | EPS |
|---|---|
| **GAAP** | **$2.08** |
| Accelerated vesting / severance | 0.03 |
| Deal related | 0.03 |
| Mark-to-market on third party investments | 0.02 |
| **Adjusted (non-GAAP)** | **$2.16** |

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*Note: Results shown are for Continuing Operations. See the appendix for reconciliation of EBITDA and Free Cash Flow to U.S. GAAP*

# Returning to Normal Ordering Patterns

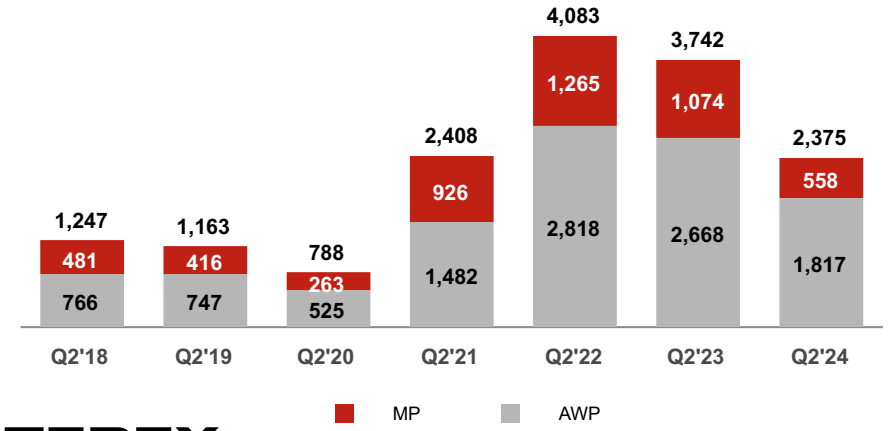
## Backlog elevated at $2.4B, ~2.0x historical average

- Improved customer deliveries and lead times have allowed us to reduce backlog from peak levels
- 2024 backlog coverage above historical norms

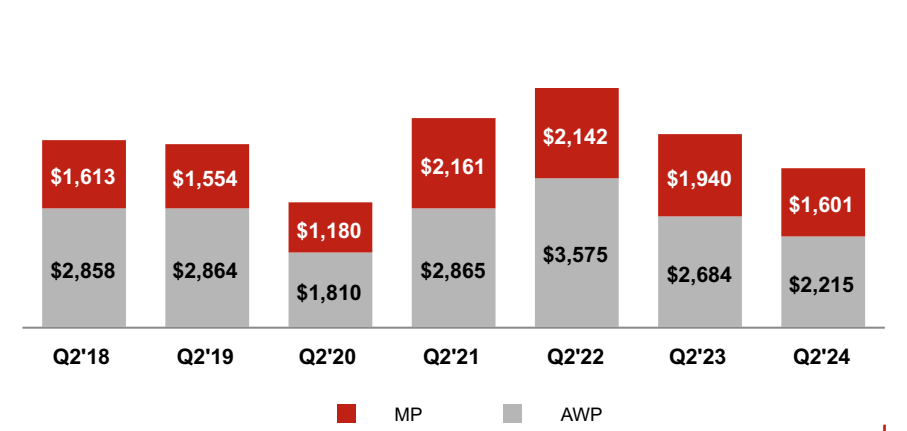
## Bookings reflect return to more normal seasonality

- North America healthy, but Europe remains soft
- Megatrends and replacement cycle dynamics support continuing demand

**Backlog Trend**




**Bookings Trend (LTM)**

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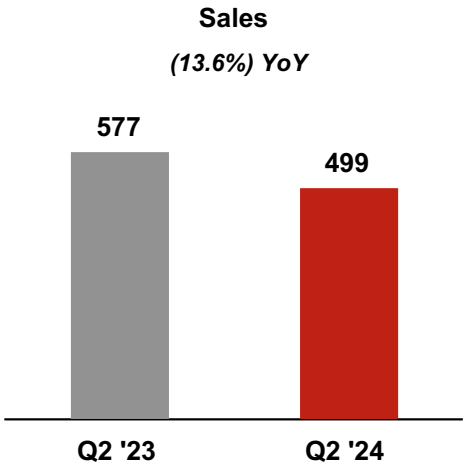
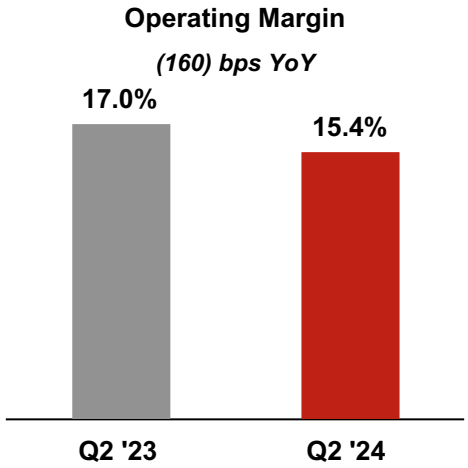
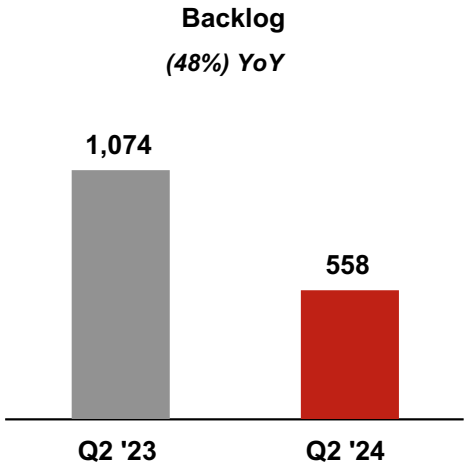
*Note: Figures in USD Millions*

# Materials Processing: Resilient in a Dynamic Market



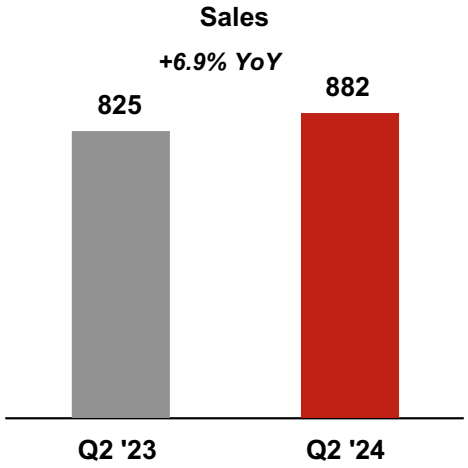



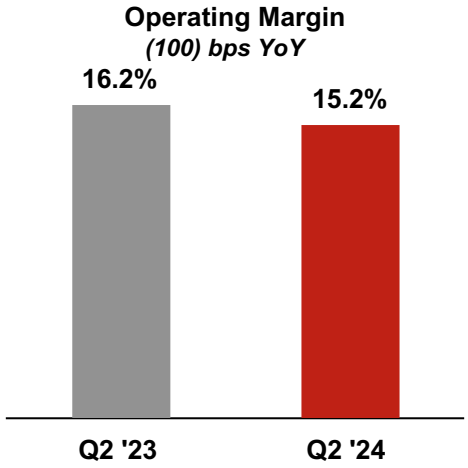

## Results Drivers

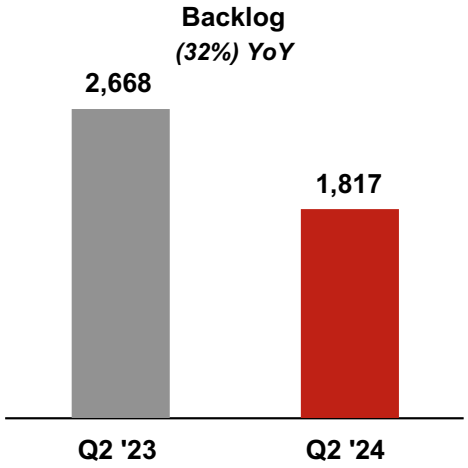
- Lower sales driven by softer demand and dealer inventory rebalancing across multiple businesses
- Q2 margins impacted by unfavorable product mix, partially offset by cost discipline
- Backlog slightly elevated from historical norms; returning to pre-pandemic levels

**Strong full year margin performance expected again this year**

# Aerial Work Platforms: Strong Performance




## Results Drivers

- Q2 sales growth driven by higher North American demand at Genie
- Q2 margins impacted by Monterrey start-up inefficiencies, and one time facility sale gain in Q2 2023
- Backlog >2x historical norms

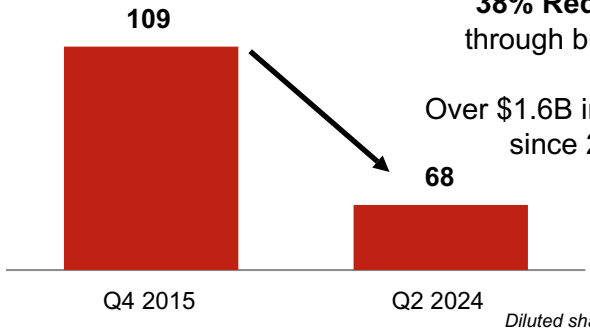
**Expecting 2024 incremental margins of greater than 25%**

# Strong Balance Sheet and Free Cash Flow Generation

## Highlights

- **Reaffirming 2024 FCF Outlook of $325 - $375**
- **Ample liquidity of $879; Net leverage of 0.5x**
- **ROIC of 25.9% on a TTM basis**
- **Dividend up 31% since start of 2023**

## Shares Outstanding



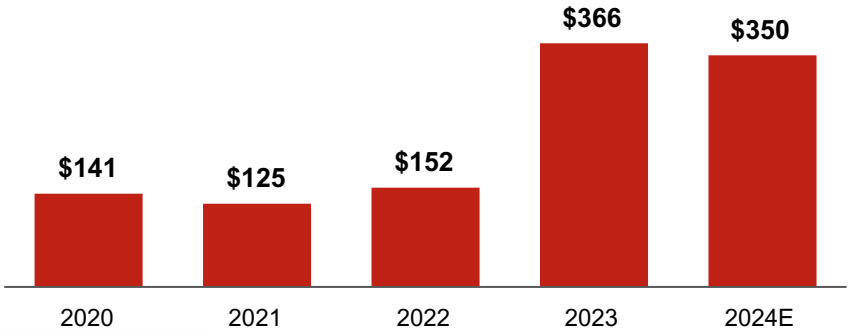

**38% Reduction**
through buybacks

Over $1.6B in buybacks since 2015

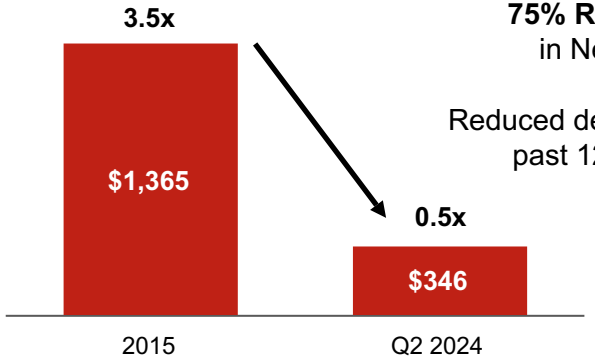
*Diluted shares outstanding (M)*

## Free Cash Flow

**>$1.1B of free cash flow generation**




## Net Debt & Leverage




**75% Reduction**
in Net Debt

Reduced debt $71M over past 12 months

*Note: Figures in USD Millions; 2024 Outlook free cash flow outlook represents the mid-point of the range*

# Full-Year Adjusted EPS Outlook of $7.15 to $7.45

| Terex Outlook [1] | Previous Outlook | Updated Outlook Adjusted |
|---|---|---|
| Net Sales | $5,200 - $5,400 | $5,100 - $5,300 |
| Operating Margin | 12.8% - 13.1% | 12.9% - 13.2% |
| Interest / Other Expense | ~$65 | ~$55 |
| Tax Rate | ~22% | ~21% |
| EPS | $6.95 - $7.35 | $7.15 - $7.45 |
| Share Count | ~68 | ~68 |
| Depreciation / Amortization | ~$65 | ~$65 |
| Free Cash Flow [2] | $325 - $375 | $325 - $375 |
| Corp & Other OP | ~($85) | ~($70) |

| Outlook [1] | Previous Outlook | | Updated Outlook Adjusted | |
|---|---|---|---|---|
| | Net Sales | Operating Margin | Net Sales | Operating Margin |
| MP | $2,200 - $2,300 | 15.6% - 15.9% | $1,950 - $2,050 | 15.1% - 15.4% |
| AWP | $3,000 - $3,100 | 13.5% - 13.8% | $3,150 - $3,250 | 13.7% - 14.0% |



*(1) Excludes the impact of the Environmental Solutions Group acquisition, future acquisitions, divestitures, restructuring and other unusual items*

*(2) Capital expenditures: ~$145 million*

*Note: Figures in USD Millions, except Earnings per Share*

# Positioned to Deliver Long-Term Value

- Diversified industrial leader well-positioned for profitable growth
- Excellent portfolio of market-leading business positioned to benefit from megatrends
- Operating system enables profitability through cycles and high ROIC
- Strong balance sheet and cash flow support future growth and return of capital to shareholders
- Team with deep industry experience and proven ability to create value











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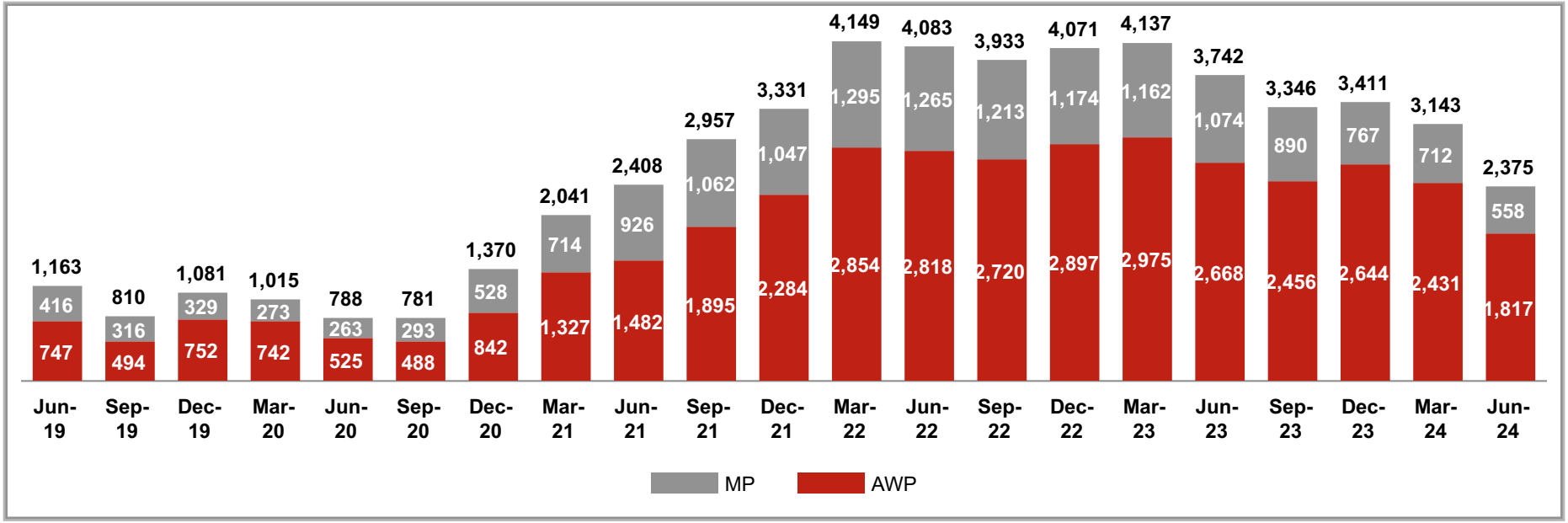
Appendix
TMS 320
TWH 220

# Backlog Trend




| | Sequential | | | Year on Year | | |
|---|---|---|---|---|---|---|
| MP | $ | (154) | (22%) | $ | (516) | (48%) |
| AWP | | (614) | (25%) | | (851) | (32%) |
| **Total** | **$** | **(768)** | **(24%)** | **$** | **(1,367)** | **(37%)** |

**Backlog ~2.0x historical average**

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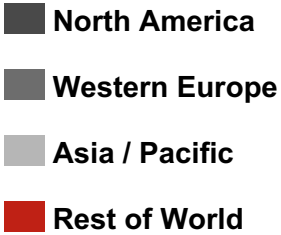
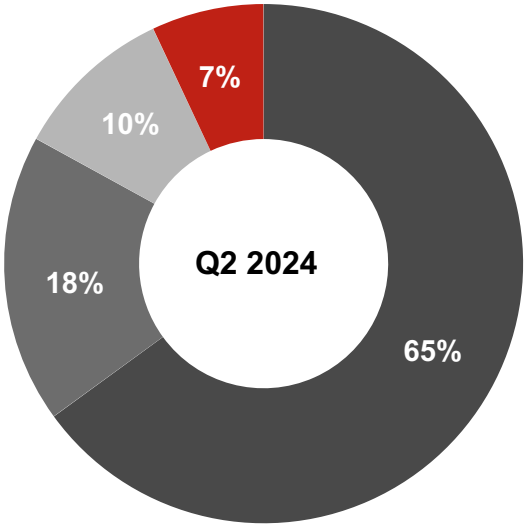
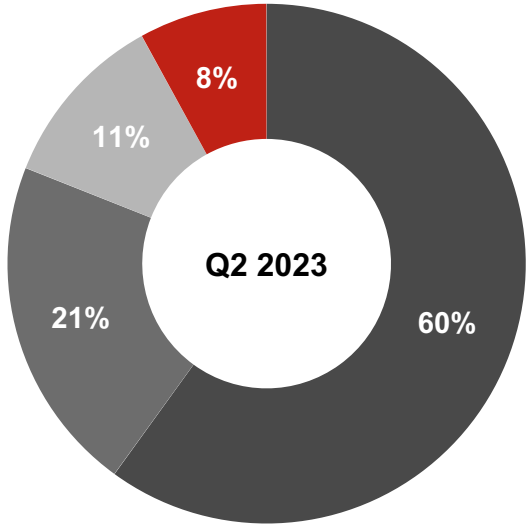
*Note: Figures in USD Millions; Backlog includes deliveries beyond 12 months which reflects continuing operations*

# Q2 Sales by Geography (2024 vs. 2023)

| North America | | Western Europe | | Asia-Pacific | | Rest of World | |
|---|---|---|---|---|---|---|---|
| Actual | FX-Adj. | Actual | FX-Adj. | Actual | FX-Adj. | Actual | FX-Adj. |
| 5% | 5% | (14%) | (14%) | (11%) | (10%) | (6%) | (5%) |

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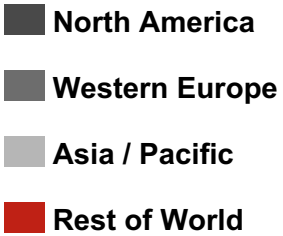
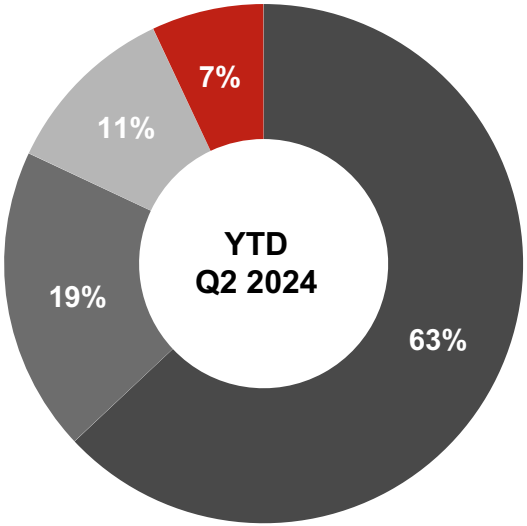
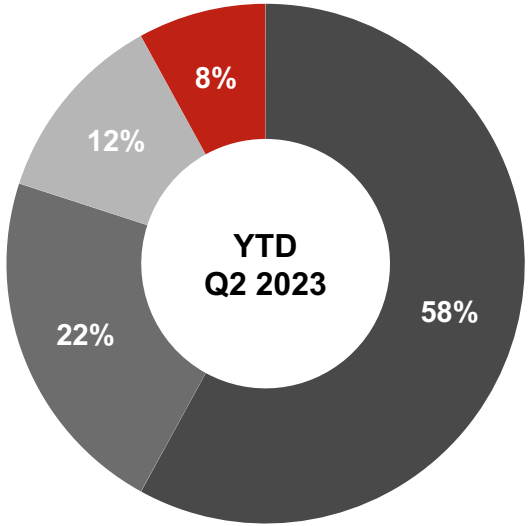
*Note: Results shown are for Continuing Operations*

# YTD Q2 Sales by Geography (2024 vs. 2023)

| North America | | Western Europe | | Asia-Pacific | | Rest of World | |
|---|---|---|---|---|---|---|---|
| Actual | FX-Adj. | Actual | FX-Adj. | Actual | FX-Adj. | Actual | FX-Adj. |
| 10% | 10% | (12%) | (13%) | (7%) | (6%) | (12%) | (12%) |

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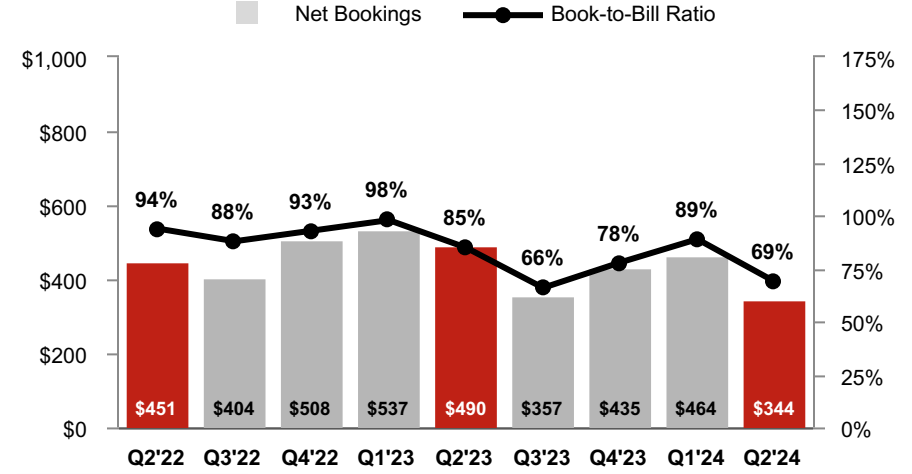
*Note: Results shown are for Continuing Operations*

# Segment Results

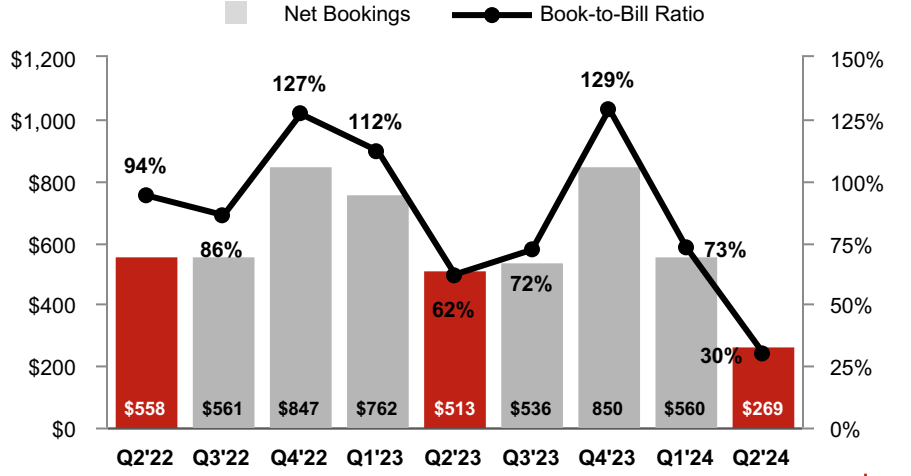
## MATERIALS PROCESSING

| | Q2 '24 | Q2 '23 | YTD' 24 | YTD' 23 |
|---|---|---|---|---|
| **Net Sales** | $498.6 | $577.4 | $1,018.6 | $1,131.2 |
| *% Change vs. '23* | *(13.6%)* | | *(10.0%)* | |
| **Operating Profit (Loss)** | $77.0 | $98.2 | $149.1 | $183.5 |
| *Operating Margin %* | *15.4%* | *17.0%* | *14.6%* | *16.2%* |
| **Backlog** | $558 | $1,074 | | |
| *% Change vs. '23* | *(48%)* | | | |




## AERIAL WORK PLATFORMS

| | Q2 '24 | Q2 '23 | YTD' 24 | YTD' 23 |
|---|---|---|---|---|
| **Net Sales** | $881.8 | $824.9 | $1,654.5 | $1,510.8 |
| *% Change vs. '23* | *6.9%* | | *9.5%* | |
| **Operating Profit (Loss)** | $133.8 | $133.6 | $241.1 | $216.7 |
| *Operating Margin %* | *15.2%* | *16.2%* | *14.6%* | *14.3%* |
| **Backlog** | $1,817 | $2,668 | | |
| *% Change vs. '23* | *(32%)* | | | |




*Note: Figures in USD Millions*

# Glossary

In this document, Terex 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. Management believes that presenting these non-GAAP financial measures provide investors with additional analytical tools which are useful in evaluating our operating results and the ongoing performance of our underlying businesses because they (i) provide meaningful supplemental information regarding financial performance by excluding impact of one-time items and other items affecting comparability between periods, (ii) permit investors to view performance using the same tools that management uses to budget, make operating and strategic decisions, and evaluate our core operating performance across periods, and (iii) otherwise provide supplemental information that may be useful to investors in evaluating our financial results.

The amounts described below are unaudited, are reported in millions of U.S. dollars (except per share data and percentages), and are as of or for the period ended June 30, 2024, unless otherwise indicated.

As changes in foreign currency exchange rates have a non-operating impact on our financial results, we believe excluding effects of these changes assists in assessment of our business results between periods. We calculate the translation effect of foreign currency exchange rate changes by translating current period results using rates that the comparable prior periods were translated at to isolate the foreign exchange component of fluctuation from the operational component.

2024 Outlook

Terex's 2024 outlook for earnings per share is a non-GAAP financial measure because it excludes the impact of the Environmental Solutions Group acquisition, potential future acquisitions, divestitures, restructuring, and other unusual items. We are not able to reconcile this forward-looking non-GAAP financial measure to its most directly comparable forward-looking GAAP financial measures without unreasonable efforts because we are unable to predict with a reasonable degree of certainty the exact timing and impact of such items. The unavailable information could have a significant impact on Terex's full-year 2024 GAAP financial results. This forward looking information provides guidance to investors about our EPS expectations excluding unusual items that we do not believe is reflective of its ongoing operations.

# Glossary: Free Cash Flow

**Free Cash Flow -** We calculate a non-GAAP measure of free cash flow. We define free cash flow as Net cash provided by (used in) operating activities less Capital expenditures, net of proceeds from sale of capital assets. We believe this measure of free cash flow provides management and investors further useful information on cash generation or use in our primary operations.

| | *Three Months Ended June 30,* | |
|---|---|---|
| | 2024 | 2023 |
| Net cash provided by (used in) operating activities | $ 66.5 | $ 120.7 |
| Capital expenditures, net of proceeds from sale of capital assets | (24.1) | 14.1 |
| Free cash flow (use) | $ 42.4 | $ 134.8 |

# Glossary: Free Cash Flow *Continued*

| | *Year Ended December 31,* | | | | |
|---|---|---|---|---|---|
| | 2020 | 2021 | 2022 | 2023 | 2024 Outlook |
| Net cash provided by (used in) operating activities | $ 225.4 | $ 293.4 | $ 261.2 | $ 459.3 | $ 495.0 |
| Increase (decrease) in TFS Assets | (40.1) | (110.6) | — | — | — |
| Capital expenditures, net of proceeds from sale of capital assets | (44.0) | (57.8) | (109.4) | (93.6) | (145.0) |
| Free cash flow (use) | $ 141.3 | $ 125.0 | $ 151.8 | $ 365.7 | $ 350.0 |

*Note: Figures in USD Millions; Note: 2024 Outlook free cash flow outlook represents the mid-point of the range*

# Glossary: Net Leverage

**Net Leverage** is defined as Net Debt divided by last twelve months (LTM) EBITDA. We believe that this measure reflects its ability to cover its net debt obligations with results from core operations.

| | *June 30, 2024* |
|---|---|
| Net Debt | $ 346.3 |
| Divided by: LTM EBITDA | 689.7 |
| Net Leverage | 0.5x |

# Glossary: Debt & Net Debt

**Debt** is calculated using the Condensed Consolidated Balance Sheet amounts for Current portion of long-term debt plus Long-term debt, less current portion plus debt from liabilities held for sale.

**Net Debt** is calculated as Debt less Cash and cash equivalents, including amounts in assets held for sale. These measures aid in the evaluation of the Company's financial condition.

| | *June 30, 2024* | *June 30, 2023* | *December 31, 2015* |
|---|---|---|---|
| Long-term debt, less current portion | $ 662.2 | $ 734.3 | $ 1,751.0 |
| Current portion of long-term debt | 3.4 | 2.4 | 80.2 |
| Debt | 665.6 | 736.7 | 1,831.2 |
| Less: Cash and cash equivalents | (319.3) | (297.7) | (466.5) |
| Net Debt | $ 346.3 | $ 439.0 | $ 1,364.7 |

# Glossary: EBITDA

**EBITDA** is defined as earnings, before interest, other non-operating income (loss), income (loss) attributable to non-controlling interest, taxes, depreciation and amortization. The Company calculates this by subtracting the following items from Net income (loss): (Gain) loss on disposition of discontinued operations- net of tax; and (Income) loss from discontinued operations – net of tax. Then adds the Provision for (benefit from) income taxes; Interest & Other (Income) Expense; the Depreciation and Amortization amounts reported in the Consolidated Statement of Cash Flows less amortization of debt issuance costs that are recorded in Interest expense.

Terex believes that disclosure of EBITDA will be helpful to those reviewing its performance, as EBITDA provides information on Terex's ability to meet debt service, capital expenditure and working capital requirements, and is also an indicator of profitability.

| | *Three Months Ended June 30,* | | *LTM Ended June 30,* |
|---|---|---|---|
| | *2024* | *2023* | *2024* |
| Net income (loss) | $140.7 | $159.4 | $495.3 |
| (Gain) loss on disposition of discontinued operations - net of tax | — | 0.4 | 1.0 |
| Income (loss) from continuing operations | 140.7 | 159.8 | 496.3 |
| Provision for (benefit from) income taxes | 33.4 | 32.0 | 69.0 |
| Interest & Other (Income) Expense | 19.0 | 18.1 | 65.0 |
| Income (loss) from operations | 193.1 | 209.9 | 630.3 |
| Depreciation | 14.0 | 11.8 | 57.0 |
| Amortization | 1.1 | 1.1 | 4.4 |
| Non-Cash Interest Costs | (0.5) | (0.5) | (2.0) |
| EBITDA | $207.7 | $222.3 | $689.7 |

# Glossary: ROIC

ROIC and other Non-GAAP Measures (as calculated below) assist in showing how effectively we utilize capital invested in our operations. ROIC is determined by dividing the sum of NOPAT for each of the previous four quarters by the average of Debt less Cash and cash equivalents plus Stockholders' equity for the previous five quarters. NOPAT for each quarter is calculated by multiplying Income (loss) from operations by one minus the annualized effective tax rate as adjusted. Debt is calculated using amounts for Current portion of long-term debt plus Long-term debt, less current portion. We calculate ROIC using the last four quarters' NOPAT as this represents the most recent 12-month period at any given point of determination. In order for the denominator of the ROIC ratio to properly match the operational period reflected in the numerator, we include the average of five quarters' ending balance sheet amounts so that the denominator includes the average of the opening through ending balances (on a quarterly basis) thereby providing, over the same time period as the numerator, four quarters of average invested capital.

In the calculation of ROIC, we adjust the annualized effective tax rate to reflect management's expectation of the full-year effective tax rate and amortize the one-time tax benefit derived from recording of a deferred tax asset in relation to our Swiss operations in 2023 to create a measure that is more useful to understanding our operating results and the ongoing performance of our underlying business as shown in the tables below. Our management and Board of Directors use ROIC as one measure to assess operational performance, including in connection with certain compensation programs. We use ROIC as a metric because we believe it measures how effectively we invest our capital and provides a better measure to compare ourselves to peer companies to assist in assessing how we drive operational improvement. We believe ROIC measures return on the amount of capital invested in our businesses and is an accurate and descriptive measure of our performance. We also believe adding Debt less Cash and cash equivalents to Stockholders' equity provides a better comparison across similar businesses regarding total capitalization, and ROIC highlights the level of value creation as a percentage of capital invested. As the tables below show, our ROIC at June 30, 2024 was 25.9%.

# Glossary: 2024 ROIC *Continued*

Amounts described below are reported in millions of U.S. dollars, except for the effective tax rate. Amounts are as of and for the three months ended for the periods referenced in the tables below.

| | Jun '24 | Mar '24 | Dec '23 | Sep '23 | Jun '23 |
|---|---|---|---|---|---|
| Annualized effective tax rate as adjusted[(1)] | 19.1 % | 19.1 % | 18.2 % | 18.2 % | |
| Income (loss) from operations | $ 193.1 | $ 158.3 | $ 115.7 | $ 163.2 | |
| Multiplied by: 1 minus annualized effective tax rate | 80.9 % | 80.9 % | 81.8 % | 81.8 % | |
| Net operating income (loss) after tax | $ 156.2 | $ 128.1 | $ 94.6 | $ 133.5 | |
| Debt | $ 665.6 | $ 724.1 | $ 623.2 | $ 708.7 | $ 736.7 |
| Less: Cash and cash equivalents | (319.3) | (364.9) | (370.7) | (352.3) | (297.7) |
| Debt less Cash and cash equivalents | 346.3 | 359.2 | 252.5 | 356.4 | 439.0 |
| Stockholders' equity | 1,823.9 | 1,731.9 | 1,672.3 | 1,496.2 | 1,432.2 |
| Debt less Cash and cash equivalents plus Stockholders' equity | $ 2,170.2 | $ 2,091.1 | $ 1,924.8 | $ 1,852.6 | $ 1,871.2 |

(1) The annualized effective tax rate for each 2023 period represents the adjusted full-year 2023 effective tax rate.

| June 30, 2024 ROIC | 25.9 % |
|---|---|
| NOPAT as adjusted (last 4 quarters) | $ 512.4 |
| Average Debt less Cash and cash equivalents plus Stockholders' equity (5 quarters) | $ 1,982.0 |

# Glossary: 2024 ROIC *Continued*

| Six Months Ended June 30, 2024 | Income (loss) from continuing operations before income taxes | (Provision for) benefit from income taxes | Income tax rate |
|---|---|---|---|
| Reconciliation of annualized effective tax rate: | | | |
| As reported | $ 310.6 | $ (61.4) | 19.8% |
| Effect of Adjustments: | | | |
| Tax related to full-year effective tax rate expectation | — | (3.7) | |
| Tax related to Swiss deferred tax asset | — | 5.8 | |
| As adjusted | $ 310.6 | $ (59.3) | 19.1% |

# GAAP to Non-GAAP Reconciliation: Q2 2024

| | Q2 2024 GAAP | Accelerated Vesting / Other | Deal Related | Mark-to-Market | Q2 2024 Adjusted (non-GAAP) |
|---|---|---|---|---|---|
| **Net Sales** | **$1,381.7** | **–** | **–** | **–** | **$1,381.7** |
| Gross Profit | 328.4 | 0.2 | – | – | 328.6 |
| *% of Sales* | *23.8%* | | | | *23.8%* |
| SG&A | (135.3) | 2.0 | – | – | (133.3) |
| *% of Sales* | *(9.8%)* | | | | *(9.6%)* |
| **Income (Loss) from Operations** | **$193.1** | **2.2** | **–** | **–** | **$195.3** |
| *Operating Margin* | *14.0%* | | | | *14.1%* |
| Net Interest (Expense) | (13.6) | – | – | – | (13.6) |
| Other (Expense) | (5.4) | – | 2.3 | 1.4 | (1.7) |
| Income (Loss) from Cont. Ops. Before Taxes | 174.1 | 2.2 | 2.3 | 1.4 | 180.0 |
| Benefit from (Provision for) Income Taxes | (33.4) | (0.5) | (0.5) | (0.3) | (34.7) |
| *Effective Tax Rate* | *(19.2%)* | | | | *(19.3%)* |
| **Income (Loss) from Continuing Operations** | **$140.7** | **1.7** | **1.8** | **1.1** | **$145.3** |
| **Earnings (Loss) per Share** | **$2.08** | **$0.03** | **$0.03** | **$0.02** | **$2.16** |

# GAAP to Non-GAAP Reconciliation: YTD Q2 2024

| | YTD Q2 2024 GAAP | Accelerated Vesting / Severance | Deal Related | Mark-to-Market | YTD Q2 2024 Adjusted (non-GAAP) |
|---|---|---|---|---|---|
| **Net Sales** | **$2,674.2** | **–** | **–** | **–** | **$2,674.2** |
| Gross Profit | 625.7 | 0.2 | – | – | 625.9 |
| *% of Sales* | *23.4%* | | | | *23.4%* |
| SG&A | (274.3) | 6.2 | – | – | (268.1) |
| *% of Sales* | *(10.3%)* | | | | *(10.0%)* |
| **Income (Loss) from Operations** | **$351.4** | **6.4** | **–** | **–** | **$357.8** |
| *Operating Margin* | *13.1%* | | | | *13.4%* |
| Net Interest (Expense) | (25.0) | – | – | – | (25.0) |
| Other (Expense) | (15.8) | – | 2.3 | 8.8 | (4.7) |
| Income (Loss) from Cont. Ops. Before Taxes | 310.6 | 6.4 | 2.3 | 8.8 | 328.1 |
| Benefit from (Provision for) Income Taxes | (61.4) | (1.0) | (0.5) | (2.1) | (65.0) |
| *Effective Tax Rate* | *(19.8%)* | | | | *(19.8%)* |
| **Income (Loss) from Continuing Operations** | **$249.2** | **5.4** | **1.8** | **6.7** | **$263.1** |
| **Earnings (Loss) per Share** | **$3.68** | **$0.08** | **$0.03** | **$0.10** | **$3.89** |