

Q3 2024 Earnings Conference Call

October 30, 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; we have a significant amount of debt outstanding and 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.

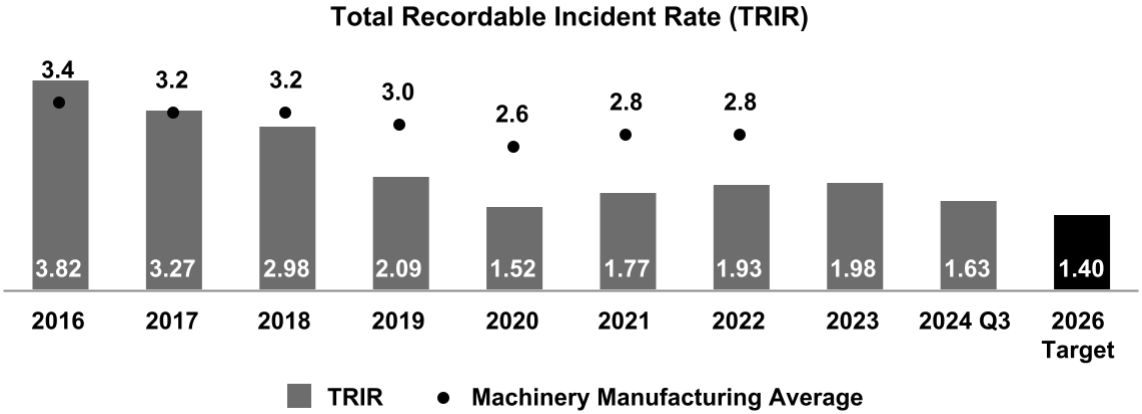
Actual events or our actual future results may differ materially from any forward-looking statement due to these and other risks, uncertainties and material factors. The forward-looking statements contained herein speak only as of the date of this presentation and the forward-looking statements contained 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 third 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, culture and inclusion, responsible environmental stewardship, and support for the communities where we live and work

Terex Completes ESG Acquisition

Compelling Strategic Logic

- Adds meaningful scale and significantly reduces cyclicality
- Growth, cash flow, EBITDA margin, and EPS accretive
- Tangible cost and revenue synergies ~$25M
- Market leader in waste and recycling solutions
- Adds attractive addressable market in North America
- Reduces capital intensity

Accretive Financials



Equipment ~72%

Aftermarket ~18%

Digital ~10%

$835M
Revenue
Q2 2024 LTM

+7%
Long-term Organic Revenue CAGR (2013A – 2023A)

~20%+
Adjusted EBITDA Margin[2]
Q2 2024 LTM

91%
Cash Flow Conversion[2]
Q2 2024 LTM

Further Diversifies Our End Markets

Adds ~$4B addressable market for waste and recycling equipment



1 Revenue split estimated as of LTM Q1'2024
2 Refer to the appendix for GAAP to non-GAAP reconciliation.

Q3 2024: Financial Highlights



$1.2B

Sales



10.5%

Adjusted Operating Margin*



11.6%

Adjusted EBITDA Margin*



23.7%

ROIC*



$1.46

Adjusted EPS*

EPS OUTLOOK **Full-Year Adjusted EPS Outlook of $5.85 to $6.25***

Market Strength in Infrastructure, Utilities, Manufacturing & Recycling

	Macro Tailwinds	Macro Headwinds
 **Waste & Recycling**	• The average American generates 4.9 pounds of trash per day[1] • Only 21% of U.S. waste is recycled[2]	• Economic weakness in Europe impacting scrap material handling demand
 **Utilities**	• Electrification and transmission investments continue to ramp up, spurred by IRA	• Slow permitting and approval processes causing some delays, impacting rental channel
 **Infrastructure**	• IIJA & IRA spending in the “early innings” • U.S. construction spending continues to grow and employment remains high	• Weakness continues in European markets • Lower U.S. non-residential starts driven by warehouses, garages, stores, food service
 **Industrial**	• Recent strength in U.S. durable goods led by fabricated metal and machinery • On-shoring manufacturing trend continues	• ISM, Chicago PMI readings, KC Fed Mfg surveys remain in contraction territory • Europe remains subdued
 **Commercial**	• Consumer spending on services continues to grow • Positive U.S. employment and wage growth	• U.S. election and higher interest rates impacting local construction projects

1 US EPA, National Overview: Facts and Figures on Materials, Wastes and Recycling
2 The Recycling Partnership, State of Recycling

Well-Positioned for Sustained Growth

…From Megatrends

Infrastructure Investments

>$49T Anticipated Investment from 2016–2030

Digitalization

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



Annual Global Grid Investments to Triple by 2030

Electrification

Global Recycling Services to Reach $220B/yr by 2027

Waste / Recycling

…From Government Investment

U.S. Bill	Total Associated Spending	Terex Opportunity
Infrastructure Investment and Jobs Act	$1.2T Over 10 Years	Roads & Bridges Airports and Waterways Railways Environmental Power Grids
Inflation Reduction Act	$369B, Anticipated to Spur $1.3T In Energy Spending	Clean Power Clean Energy Demonstration Clean Energy Manufacturing
Chips Act	$53B Over 5 Years Including $39B On Factories	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 – Continued progress at Monterrey
- Reduce fixed costs to improve through cycle performance

Innovate

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

Grow

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



To Maximize Through Cycle Performance and Shareholder Returns

Terex Equipment Doing Amazing Work

- **Terex Powerscreen building the world's highest roadway, 19,000 ft above sea level**
- **Zen Robotics & Terex Recycling delivering fully automated AI powered waste recycling**
- **Terex Utilities trucks on the front lines of Hurricane Helene power restoration efforts**







Q3 Financial Performance

USD Millions, except Earnings per Share	Q3 2024	Q3 2023
Net Sales	**$ 1,212**	**$ 1,290**
% Change vs 2023	*(6.0%)*	
Adj. Gross Profit*	**249**	**292**
% of Sales	*20.5%*	*22.6%*
Adj. SG&A*	**(122)**	**(129)**
% of Sales	*(10.1%)*	*(10.0%)*
Adj. Income (loss) from Operations*	**127**	**163**
Operating Margin	*10.5%*	*12.6%*
Adj. Interest & Other Income (Exp.)*	**(15)**	**(16)**
Effective Tax Rate	*12.5%*	*20.4%*
Adj. Earnings (loss) per Share*	**1.46**	**1.72**
Adj. EBITDA*	**141**	**175**
% Net Sales	*11.6%*	*13.6%*
Free Cash Flow*	**88**	**106**

Q3 2024	EPS
GAAP	**$1.31**
Accelerated vesting / severance	0.06
Deal related	0.09
Adjusted	**$1.46**



**Presented as Adjusted. Refer to the appendix for GAAP to non-GAAP reconciliation*

Returning to Normal Ordering Patterns

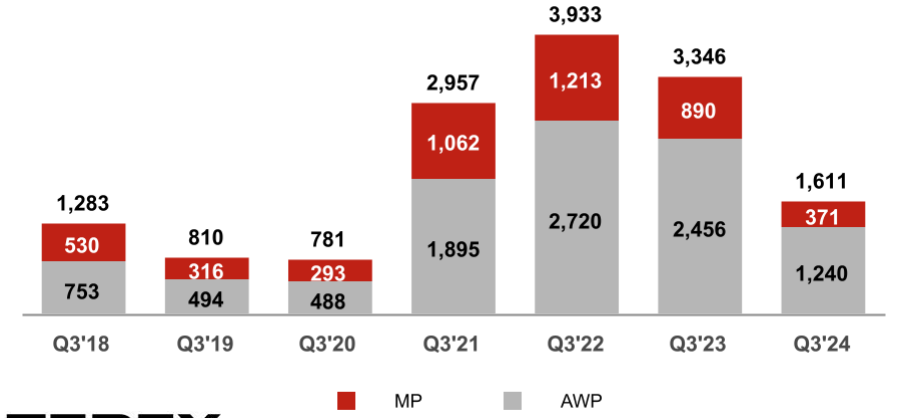
Backlog remains elevated at $1.6B

- Delivery schedules impacted by channel adjustments
- 2024 backlog coverage above historical norms

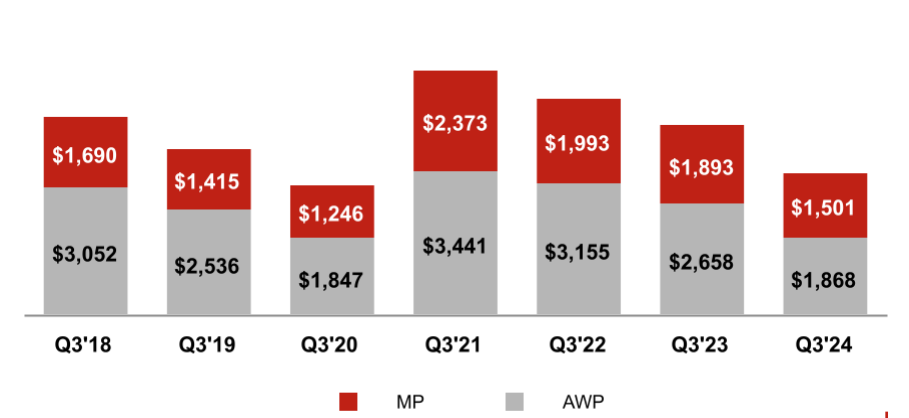
Bookings reflect return to more normal seasonality

- Channel activity reflecting macro factors including uncertainty in upcoming election and rate outlook
- Megatrends and replacement cycle dynamics support continuing demand

Backlog Trend



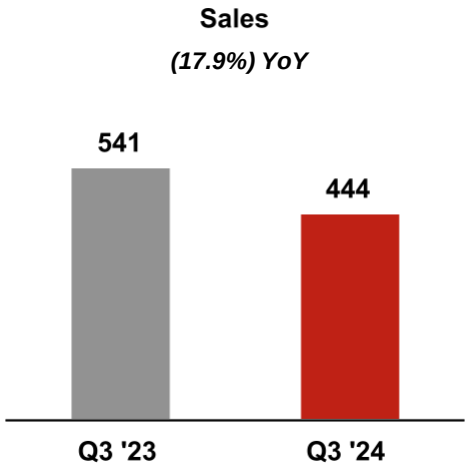
Bookings Trend (LTM)

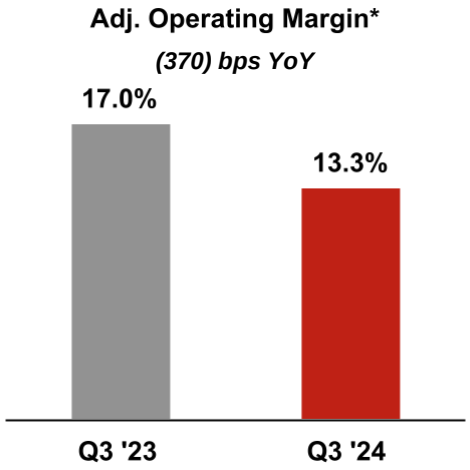


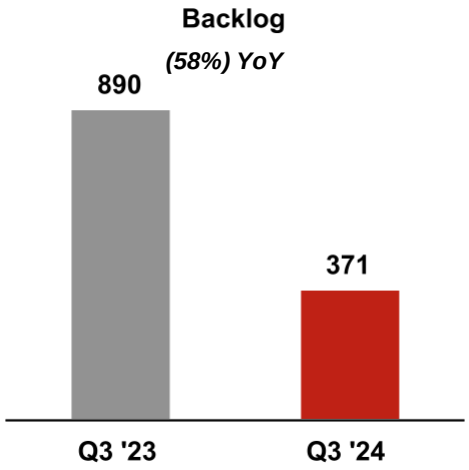
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Figures in USD Millions

Materials Processing Financial Highlights



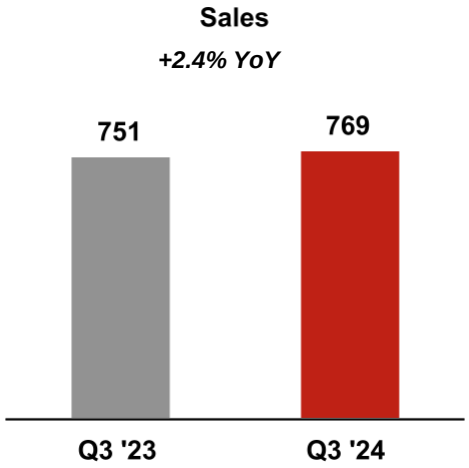


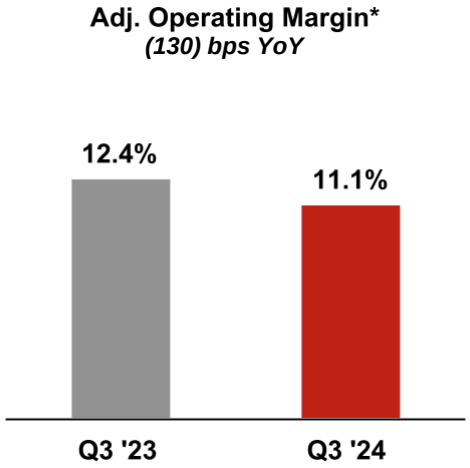


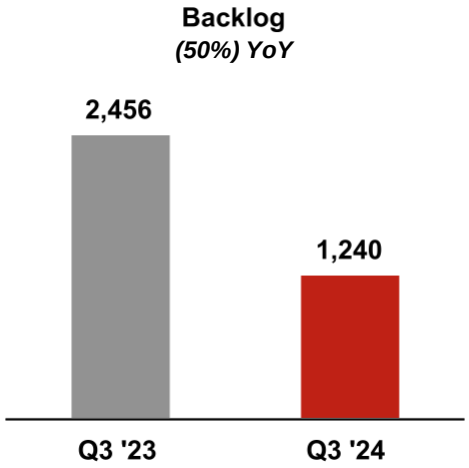
Results Drivers

- Lower sales due to softer demand and dealer inventory rebalancing across multiple businesses
- Q3 margins impacted by unfavorable product and geographic mix
- Backlog is broadly in line with historical, pre-pandemic levels

Aerial Work Platforms Financial Highlights







Results Drivers

- Q3 sales growth was less than anticipated due to channel adjustments and shorter delivery lead times
- Margins impacted by unfavorable product mix and higher freight costs
- Backlog remains elevated, trending towards historical norms

Strong Balance Sheet and Agile Capital Structure

2024 YTD Highlights

- Achieved ROIC* of 23.7% on a TTM basis
- Continued to invest in CAPEX, funding innovation and productivity across Terex
- Returned $66M to shareholders through share repurchases and dividends
- Q3 Net Leverage at 0.4x

Attractive ESG Financing & Capital Structure

- Flexible balance sheet, no maturities until 2029
- New $1,250M Term Loan priced at S+200, matures October 2031
- New $750M Senior Unsecured Notes, 3-Year Non-Call priced at 6.25%, matures October 2032
- New $800M Revolver with October 2029 maturity, replaces previous $600M with April 2026 maturity





*Refer to the appendix for GAAP to non-GAAP reconciliation.

Full-Year Adjusted EPS Outlook of $5.85 to $6.25

Terex Adjusted Outlook[2]	
Net Sales	$5.0 - $5.2 billion
Operating Margin	11.4% - 11.7%
EBITDA	$635 - $670
Interest / Other Expense	~$90
Tax Rate	~19%
EPS	$5.85 - $6.25
Share Count	~68
Depreciation / Amortization	~$65
Free Cash Flow[1,3]	~$200
Corp & Other OP	~($70)

Segment Adjusted Outlook[4]		
	Net Sales	Operating Margin
MP	~$1.9 billion	14.1% - 14.3%
AWP	~$3.0 billion	11.5% - 11.8%

ESG Included in Terex Outlook*



** ESG contribution to Outlook is post October 8, 2024 close*

1 Refer to the Glossary for GAAP to non-GAAP reconciliation.
2 Includes the impact of ESG post October 8, 2024 close. Excludes the impact of future acquisitions, divestitures, restructuring and other unusual items.
3 Capital expenditures, net of proceeds from sale of capital assets: ~$125 million.
4 Excludes the impact of future acquisitions, divestitures, restructuring and other unusual items.

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



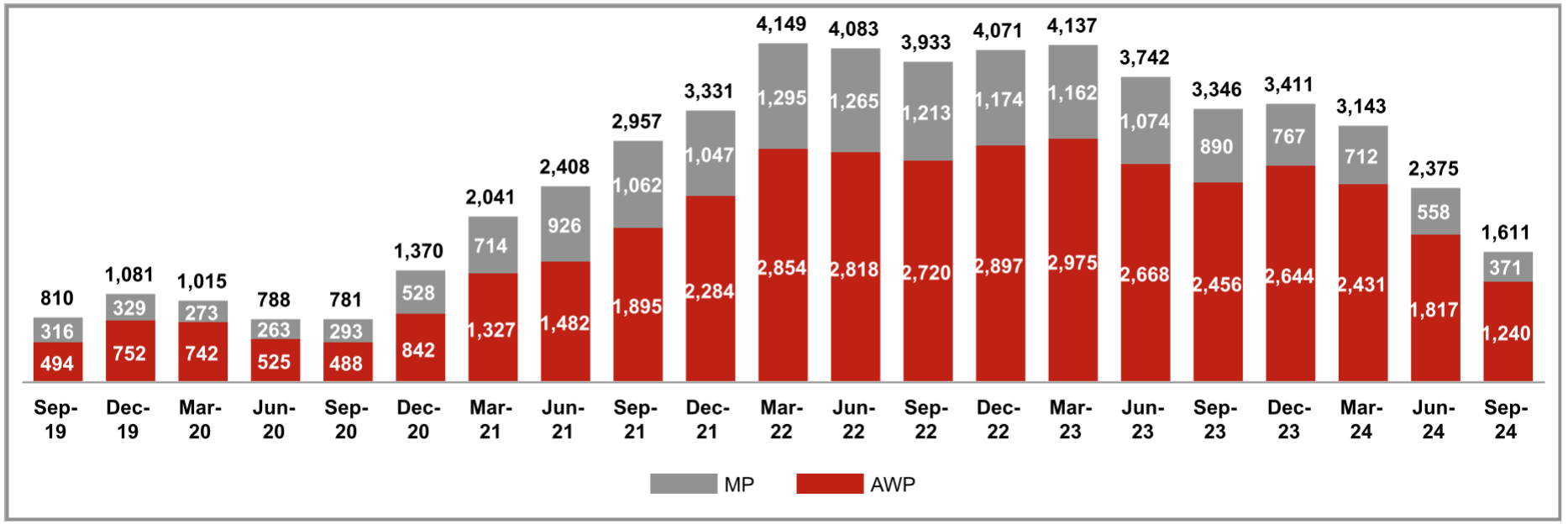







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Appendix

Backlog Trend



		Sequential			Year on Year	
MP	$	(187)	(34%)	$	(519)	(58%)
AWP		(577)	(32%)		(1,216)	(50%)
Total	**$**	**(764)**	**(32%)**	**$**	**(1,735)**	**(52%)**

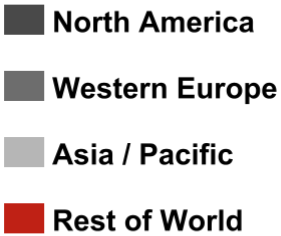
Backlog remains elevated, trending towards historical norms

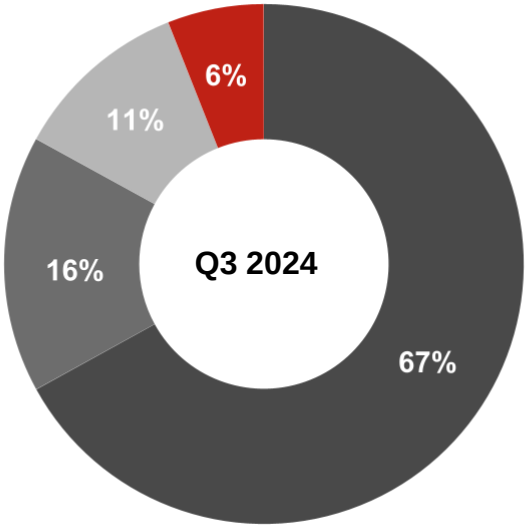
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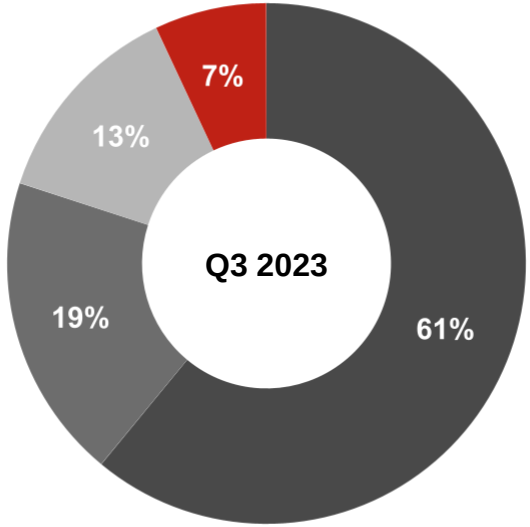
Figures in USD Millions; Backlog includes deliveries beyond 12 months which reflects continuing operations

Q3 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.
4%	4%	(23%)	(23%)	(24%)	(24%)	(13%)	(11%)







YTD Q3 Sales by Geography (2024 vs. 2023)

North America

Actual	FX-Adj.
8%	8%

Western Europe

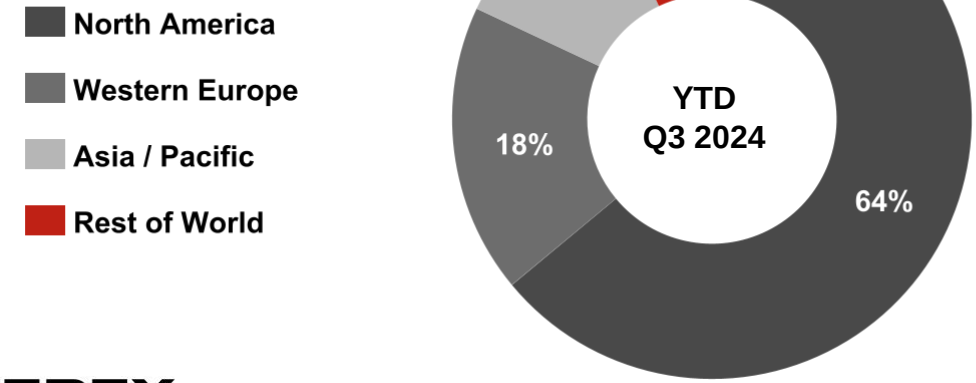
Actual	FX-Adj.
(15%)	(16%)

Asia-Pacific

Actual	FX-Adj.
(13%)	(13%)

Rest of World

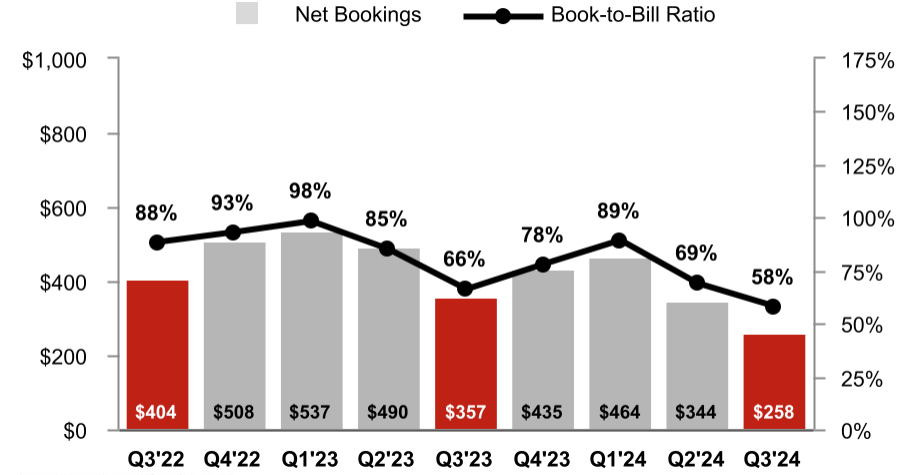
Actual	FX-Adj.
(12%)	(12%)



Segment Results

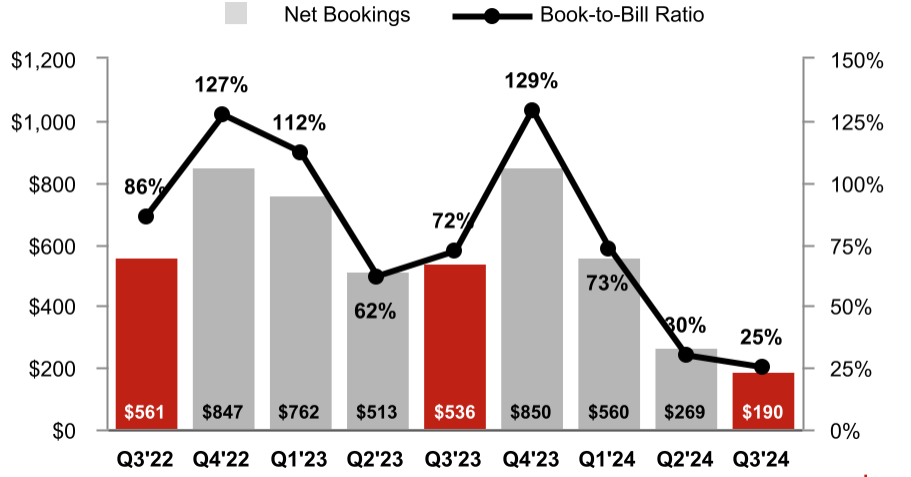
MATERIALS PROCESSING

	Q3 '24	Q3 '23	YTD' 24	YTD' 23
Net Sales	$444	$541	$1,463	$1,672
% Change vs. '23	*(17.9%)*		*(12.5%)*	
Adj. Operating Profit (Loss)*	$59	$92	$209	$275
*Adj. Operating Margin %**	*13.3%*	*17.0%*	*14.3%*	*16.4%*
Backlog	$371	$890		
% Change vs. '23	*(58%)*			



AERIAL WORK PLATFORMS

	Q3 '24	Q3 '23	YTD' 24	YTD' 23
Net Sales	$769	$751	$2,423	$2,262
% Change vs. '23	*2.4%*		*7.1%*	
Adj. Operating Profit (Loss)*	$85	$93	$327	$310
*Adj. Operating Margin %**	*11.1%*	*12.4%*	*13.5%*	*13.7%*
Backlog	$1,240	$2,456		
% Change vs. '23	*(50%)*			



Figures in USD Millions

**Refer to the appendix for GAAP to non-GAAP reconciliation. No adjustments applicable for prior year figures.*

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 September 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 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 September 30,		*Year Ended December 31,*
	2024	2023	2024 Outlook
Net cash provided by (used in) operating activities	$ 117	$ 139	$ 325
Capital expenditures, net of proceeds from sale of capital assets	(29)	(33)	(125)
Free cash flow (use)	$ 88	$ 106	$ 200

Glossary: Net Leverage

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

	September 30, 2024	
Net Debt	$	276
Divided by: Adjusted LTM EBITDA		679
Net Leverage		0.4x

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.

	September 30, 2024
Long-term debt, less current portion	$ 624
Current portion of long-term debt	4
Debt	628
Less: Cash and cash equivalents	(352)
Net Debt	$ 276

Glossary: EBITDA and Adjusted 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. Adjusted EBITDA is defined as EBITDA plus certain SG&A and other income/expenses.

Terex believes that disclosure of EBITDA and Adjusted 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.

Glossary: EBITDA and Adjusted EBITDA

	Three Months Ended September 30,		*LTM Ended September 30,*
	2024	*2023*	*2024*
Net income (loss)	**$88**	**$119**	**$464**
(Gain) loss on disposition of discontinued operations - net of tax	—	—	1
Income (loss) from continuing operations	88	119	465
Provision for (benefit from) income taxes	11	30	50
Interest & Other (Income) Expense	23	14	74
Income (loss) from operations	122	163	589
Depreciation	14	12	59
Amortization	1	1	4
Non-Cash Interest Costs	(1)	(1)	(2)
EBITDA	**$136**	**$175**	**$650**
Accelerated Vesting / Severance	5	—	25
Other	—	—	4
Adjusted EBITDA	**$141**	**$175**	**$679**
Net Sales	$1,212	$1,290	$5,109
EBITDA Margin %	11.2 %	13.6 %	12.7 %
Adjusted EBITDA Margin %	11.6 %	13.6 %	13.3 %

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 September 30, 2024 was 23.7%.

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.

	Sep '24	Jun '24	Mar '24	Dec '23	Sep '23
Annualized effective tax rate as adjusted[(1)]	17.3 %	17.3 %	17.3 %	18.2 %	
Income (loss) from operations	$ 122	$ 193	$ 158	$ 116	
Multiplied by: 1 minus annualized effective tax rate	82.7 %	82.7 %	82.7 %	81.8 %	
Net operating income (loss) after tax	$ 101	$ 160	$ 131	$ 95	
Debt	$ 628	$ 666	$ 724	$ 623	$ 709
Less: Cash and cash equivalents	(352)	(319)	(365)	(371)	(352)
Debt less Cash and cash equivalents	276	347	359	252	357
Stockholders' equity	1,957	1,824	1,732	1,672	1,496
Debt less Cash and cash equivalents plus Stockholders' equity	$ 2,233	$ 2,171	$ 2,091	$ 1,924	$ 1,853

(1) The annualized effective tax rate for Dec '23 period represents the adjusted full-year 2023 effective tax rate.

September 30, 2024 ROIC		23.7 %
NOPAT as adjusted (last 4 quarters)	$	487
Average Debt less Cash and cash equivalents plus Stockholders' equity (5 quarters)	$	2,054

Glossary: 2024 ROIC *Continued*

Nine Months Ended September 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	$ 410	$ (73)	17.8%
Effect of Adjustments:			
Tax related to full-year effective tax rate expectation	—	(5)	
Tax related to Swiss deferred tax asset	—	7	
As adjusted	$ 410	(71)	17.3%

GAAP to Non-GAAP Reconciliation: Q3 2024

	Q3 2024 GAAP	Accelerated Vesting / Other	Deal Related	Mark-to-Market	Q3 2024 Adjusted (non-GAAP)
Net Sales	**$1,212**	**$ —**	**$ —**	**$ —**	**$1,212**
Gross Profit	245	4	—	—	249
% of Sales	*20.2%*				*20.5%*
SG&A	(123)	1	—	—	(122)
% of Sales	*(10.1%)*				*(10.1%)*
Income (Loss) from Operations	**$122**	**$ 5**	**$ —**	**$ —**	**127**
Operating Margin	*10.1%*				*10.5%*
Net Interest (Expense)	(10)	—	—	—	(10)
Other (Expense)	(13)	—	8	—	(5)
Income (Loss) from Cont. Ops. Before Taxes	99	5	8	—	112
Benefit from (Provision for) Income Taxes	(11)	(1)	(2)	—	(14)
Effective Tax Rate	*11.1%*				*12.5%*
Income (Loss) from Continuing Operations	**$88**	**$ 4**	**$ 6**	**$ —**	**98**
Earnings (Loss) per Share	**$1.31**	**$ 0.06**	**$ 0.09**	**$ —**	**$1.46**

GAAP to Non-GAAP Reconciliation: YTD Q3 2024

	YTD Q3 2024 GAAP	Accelerated Vesting / Severance	Deal Related	Mark-to-Market	YTD Q3 2024 Adjusted (non-GAAP)
Net Sales	**$3,886**	**$—**	**$—**	**$—**	**$3,886**
Gross Profit	871	5	—	—	876
% of Sales	*22.4%*				*22.5%*
SG&A	(398)	6	—	—	(392)
% of Sales	*(10.2%)*				*(10.1%)*
Income (Loss) from Operations	**$473**	**$11**	**$—**	**$—**	**$484**
Operating Margin	*12.2%*				*12.5%*
Net Interest (Expense)	(35)	—	—	—	(35)
Other (Expense)	(28)	—	10	9	(9)
Income (Loss) from Cont. Ops. Before Taxes	410	11	10	9	440
Benefit from (Provision for) Income Taxes	(73)	(2)	(2)	(3)	(80)
Effective Tax Rate	*17.8%*				*18.2%*
Income (Loss) from Continuing Operations	**$337**	**$9**	**$8**	**$6**	**$360**
Earnings (Loss) per Share	**$4.98**	**$0.13**	**$0.12**	**$0.09**	**$5.32**

GAAP to Non-GAAP Reconciliation: Q3 2023

	Q3 2023 GAAP	Accelerated Vesting / Other	Deal Related	Mark-to-Market	Q3 2023 Adjusted (non-GAAP)
Net Sales	**$1,290**	**$ —**	**$ —**	**$ —**	**$1,290**
Gross Profit	292	—	—	—	292
% of Sales	*22.6%*				*22.6%*
SG&A	(129)	—	—	—	(129)
% of Sales	*(10.0%)*				*(10.0%)*
Income (Loss) from Operations	**$163**	**$ —**	**$ —**	**$ —**	**163**
Operating Margin	*12.6%*				*12.6%*
Net Interest (Expense)	(15)	—	—	—	(15)
Other (Expense)	1	—	—	(2)	(1)
Income (Loss) from Cont. Ops. Before Taxes	149	—	—	(2)	147
Benefit from (Provision for) Income Taxes	(30)	—	—	—	(30)
Effective Tax Rate	*20.0%*				*20.4%*
Income (Loss) from Continuing Operations	**$119**	**$ —**	**$ —**	**$ (2)**	**117**
Earnings (Loss) per Share	**$1.75**	**$ —**	**$ —**	**$ (0.03)**	**$1.72**

GAAP to Non-GAAP Reconciliation: YTD Q3 2023

	YTD Q3 2023 GAAP	Mark-to-Market	OKC Sale Gain	YTD Q3 2023 Adjusted (non-GAAP)
Net Sales	**$3,929**	**$ —**	**$ —**	**$3,929**
Gross Profit	914	—	—	914
% of Sales	*23.3%*			*23.3%*
SG&A	(393)	—	(2)	(395)
% of Sales	*(10.0%)*			*(10.1%)*
Income (Loss) from Operations	**$521**	**$ —**	(2)	**519**
Operating Margin	*13.3%*			*13.2%*
Net Interest (Expense)	(42)	—	—	(42)
Other (Expense)	(5)	(1)	—	(6)
Income (Loss) from Cont. Ops. Before Taxes	474	(1)	(2)	471
Benefit from (Provision for) Income Taxes	(85)	—	1	(84)
Effective Tax Rate	*18.0%*			*17.8%*
Income (Loss) from Continuing Operations	**$389**	**(1)**	**(1)**	**387**
Earnings (Loss) per Share	**$5.69**	**$ (0.01)**	**$ (0.01)**	**$5.67**

GAAP to Non-GAAP Reconciliation: Operating Income

	Three Months Ended September 30, 2024		*Nine Months Ended September 30, 2024*	
Consolidated operating income (GAAP)	$ 122	10.1 %	$ 473	12.2 %
MP Adjustments	3	0.3 %	4	0.1 %
AWP Adjustments	2	0.1 %	3	0.1 %
Corporate & Other Adjustments	—	— %	4	0.1 %
Adjusted consolidated operating income (non-GAAP)	127	10.5 %	484	12.5 %
Consolidated operating income (GAAP)	$ 122	10.1 %	$ 473	12.2 %
Accelerated Vesting / Severance	5	0.4 %	11	0.3 %
Adjusted consolidated operating income (non-GAAP)	127	10.5 %	484	12.5 %

ESG: Adjusted EBITDA Reconciliation

	2022	2023	YTD 6/30/2023	YTD 6/30/2024	LTM 6/30/2024
Net Income (Loss)	**$57**	**$73**	**$33**	**$51**	**$91**
Interest (Income) Expense	13	24	11	12	25
Income Taxes	16	23	11	16	29
Depreciation & Amortization	12	12	7	6	11
ESG Reported EBITDA	**$98**	**$132**	**$62**	**$85**	**$156**
1. Equipment Warranty Normalization	(1)	3	2	1	2
2. Q1'24 H&W Passback	—	—	—	1	1
3. Out of Period Adjustments	(2)	—	—	—	—
4. E&O Normalization	1	—	1	1	—
5. Non-operational (Income) Expense Items	—	—	—	—	—
6. Non-recurring Restructuring Costs	3	1	—	1	1
7. Corporate Allocations	12	13	6	7	14
8. Other	—	—	—	—	—
ESG Adjusted EBITDA	**$111**	**$149**	**$71**	**$96**	**$174**
ESG Revenue	**$661**	**$754**	**$358**	**$440**	**$835**
ESG Adjusted EBITDA Margin %	**16.7 %**	**19.8 %**	**19.8 %**	**21.8 %**	**20.8 %**
ESG Capital Expenditures	10	9	4	10	15
ESG Adjusted EBITDA - ESG Capital Expenditures	**101**	**140**	**67**	**86**	**159**
ESG Conversion %	**91.1 %**	**93.8 %**	**95.1 %**	**90.1 %**	**91.3 %**

1. ESG incurred elevated warranty expenses related to certain non-recurring issues in 2023. This adjustment normalizes warranty expense by using historical actual warranty settlements as a percentage of total equipment revenue

2. Adjusts timing of health and wellness insurance true up received from Dover in order to present historical financials on a comparable basis

3. Adjusts for certain out of period items resulting from liabilities recorded in purchase accounting that were subsequently reversed resulting in non-recurring gains in certain periods

4. Throughout the historical period, the ESG business had certain inventory reserve accruals / releases due to specifically identified inventory write-downs. This adjustment normalizes inventory reserve expenses using a historical percentage of the expense to cost of goods sold

5. Adjustment to remove non-operating gains and losses related to sale of fixed assets and sub-lease arrangements

6. Adjustment to remove non-recurring rightsizing and restructuring expenses

7. Adjustment to remove corporate allocations from Dover which are not related to the standalone ESG operations

8. Adjustment to exclude the P&L impact associated with entities (ESG China and UK Pension Ltd) that were outside the perimeter of the acquired business along with other immaterial reconciliation items