
TEREX
Q4 2023 Earnings Conference Call
February 9, 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:

- 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 integrate acquired businesses;
- 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 ("U.S.") 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 ("SEC"); and
- other factors.

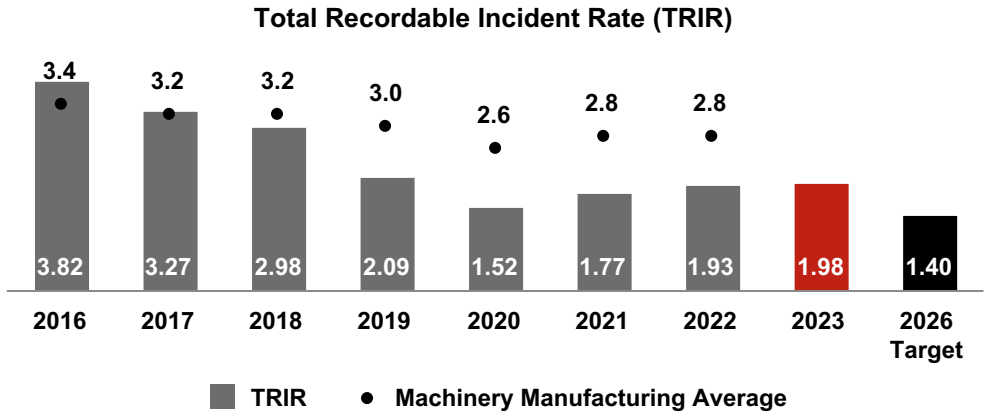
Actual events or our actual future results may differ materially from any forward-looking statement due to these and other risks, uncertainties and material factors. The forward-looking statements contained herein speak only as of the date of this presentation and the forward-looking statements contained 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 fourth quarter and year-end 2023 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

Full-Year 2023: Delivered on our Strategy

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EXECUTE

- **Achieved price cost neutrality and proactively managed supply constraints**
- **Increased AWP margins 480 bps** through strong execution and cost reduction initiatives
- **Ramping up Monterrey** as planned to improve cost competitiveness
- **Continued expense discipline**

INNOVATE

- **Introduced innovative new products** throughout the year
- **Increased electrified product offerings** to meet customer demand
- **Launched all-electric** recycling solution for complex waste stream
- **Numerous industry recognition** across multiple products for innovation and sustainability

GROW

- **Environmental and Aggregate recycling sales increased 23%**
- $151M invested while **generating 28.5% ROIC**
- Invested in Apptronik **robotics capabilities**
- Expanded **battery technology development** with Acculon

SALES	EPS (GAAP / Non-GAAP)*	ROIC
$5.2B ↑ 17%	$7.56 / $7.06 ↑ 75% / 63%	28.5% ↑ 720 bps

*Note: Arrows represent year-over-year change. * See the appendix for reconciliation of financial call-outs to U.S. GAAP.*

Terex Brands Recognized Around the World

Providing Greater Productivity, Efficiency and Safety

- Recognized globally for product quality and performance
- Delivering value to customers through our technology
- Maximizing customer return on investment in diverse end markets



Genie's GS E-Drive Lithium-Ion scissors received Rental magazine award



GTH-1256 Telehandler recognized by Equipment Today and Construction Equipment magazines



Cedarapids CRC1350 included in the Top 100 new products by the Construction Equipment magazine



Terex Recycling Systems recognized for innovative solutions by Confederation of Indian Industry

Terex Products Support Diverse End Markets

Leading Portfolio Supports Development Across the Globe

- Terex products used in diverse industrial and development applications
- Equipment used in all phases of project life cycle
- End market demand supported by global megatrends



Utilities maintaining and modernizing electrical grid in North Dakota



Genie scissor lift at an indoor harvesting facility in Denmark



Powerscreen and EvoQuip at the I-65 NW Indiana expansion project

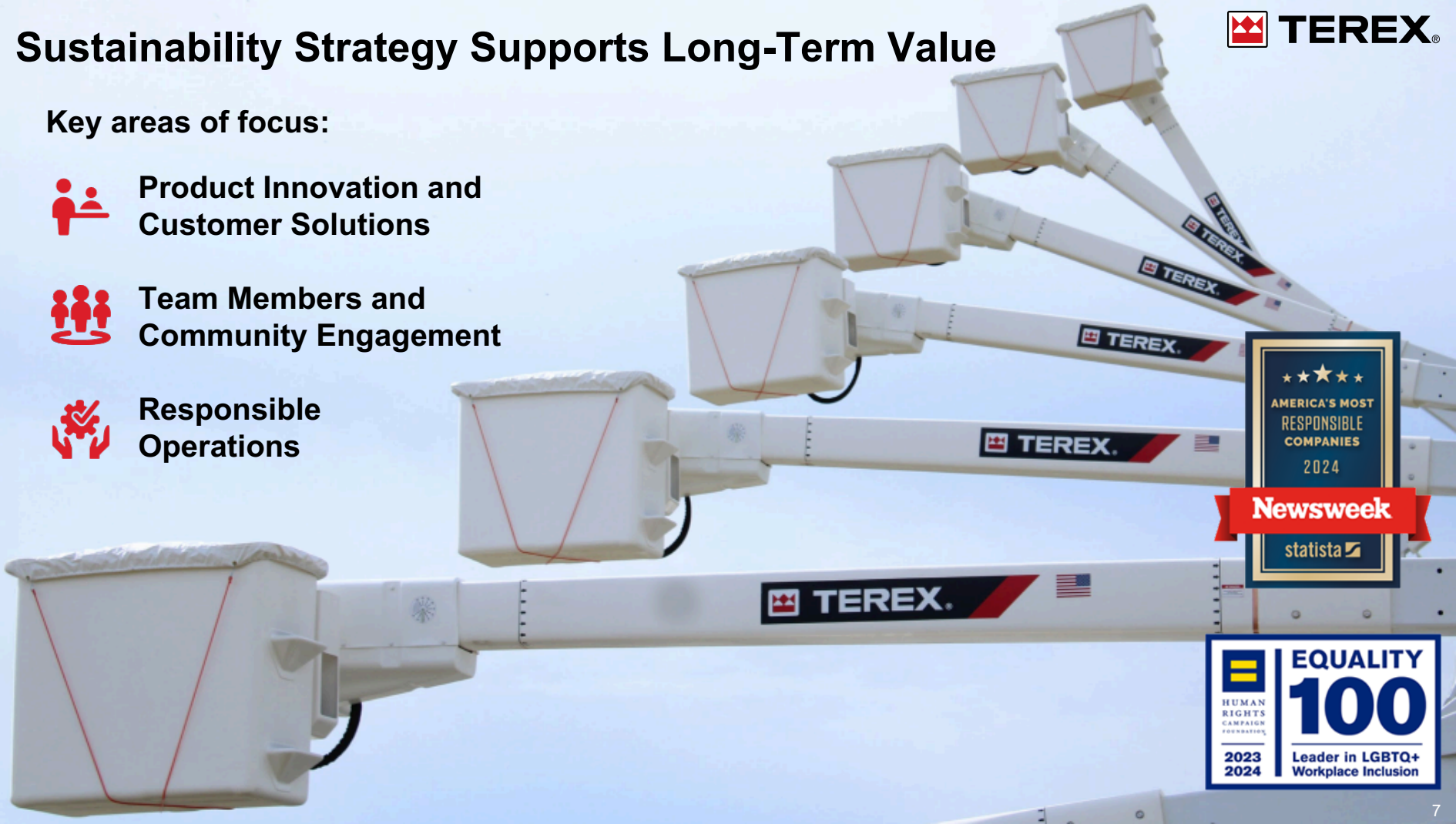


ZenRobotics technology sorting waste in Finland

Sustainability Strategy Supports Long-Term Value

Key areas of focus:

- **Product Innovation and Customer Solutions**
- **Team Members and Community Engagement**
- **Responsible Operations**



Well-Positioned To Benefit ...

From Megatrends

INFRASTRUCTURE INVESTMENTS

>$49TAnticipated Investment from 2016-2030[1]

DIGITALIZATION

Worldwide Data Center Construction Market Growing to >$350B by 2030[3]



Annual Global Grid Investments to Triple by 2030[2]

ELECTRIFICATION

Global Recycling Services to Reach $220B/Yr by 2027[4]

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







(1) Mckinsey Global Institute; (2) J.P. Morgan; (3) Precedence Research; (4) C&D Recycling Market: Municipal Waste Recycling Market

Strong Customer Demand

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USD Millions

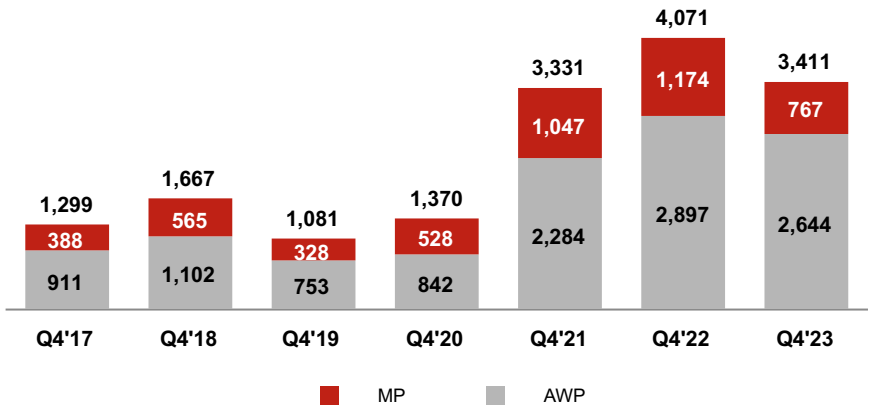
Backlog at $3.4B, ~3x historical average

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

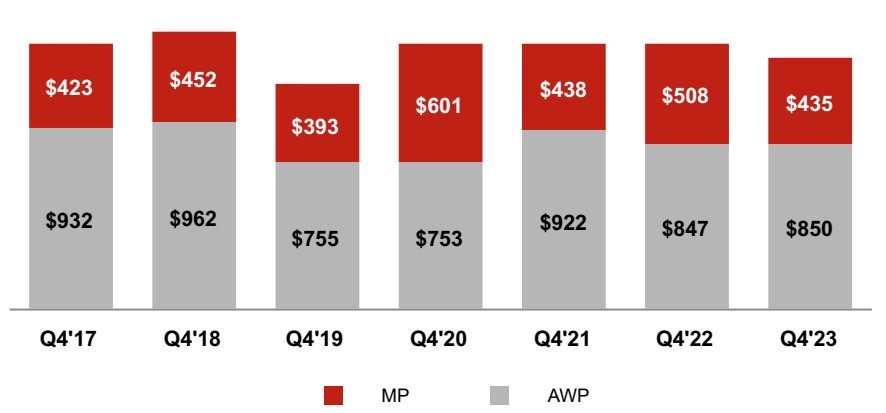
Book to Bill ratio of 105%

- Bookings reflect return to more normal seasonality with strong national account demand in Q4
- North America remains strong but Europe soft
- High utilization rates and growing North America non-res spending support robust demand

Backlog Trend



Bookings Trend



Robust 2024 Market Outlook

Diverse Portfolio Supports Performance

Infrastructure

- ✔ U.S. demand supported by $550B IIJA related spending
- ✔ >40,000 projects approved or awarded

Utilities

- ✔ Demand supported by investment in U.S. grid
- ✔ December power spending up 18% over the prior year

Industrial / Commercial

- ✔ Moderation in manufacturing spending growth after a strong 2023
- ✔ Impacted by soft economic growth in Europe



Scrap / Waste Recycling

- ✔ Strong long term growth drivers from regulatory and societal changes
- ✔ Economic weakness in Europe and scrap market

General Construction

- ✔ U.S. non-res remains strong; growth rate lower in 2024 than 2023
- ✔ Impacted by soft economic growth in Europe

Continued Strength in Infrastructure, Utilities, Manufacturing and Recycling Markets

(1) Estimated sales by end use

Continued Solid Operating Performance

USD Millions, except Earnings per Share	Q4 2023	Q4 2022
Net Sales	$ 1,222.6	$ 1,217.6
% Change vs 2022	*0.4%*	
Gross Profit	**262.5**	**235.4**
% of Sales	*21.5%*	*19.3%*
SG&A	**(146.8)**	**(114.6)**
% of Sales	*(12.0%)*	*(9.4%)*
Income (loss) from Operations	**115.7**	**120.8**
Operating Margin	*9.5%*	*9.9%*
Interest & Other Income (Expense)	**(10.0)**	**(15.0)**
Effective Tax Rate	*(21.0%)*	*13.0%*
Earnings (loss) per Share	**1.88**	**1.34**
EBITDA	**134.2**	**132.3**
% Net Sales	*11.0%*	*10.9%*
Free Cash Flow	**135.1**	**126.2**

Q4 2023 Financial Call-Outs	Inc. / (Exp.)	EPS
Operating Profit		
Accelerated vesting / other	**($13)**	**($0.17)**
Product liability verdict	**($4)**	**($0.05)**
Other Income		
Mark-to-market on third party investments	**$5**	**$0.07**
Tax Expense		
Swiss deferred tax asset	**$42**	**$0.62**



New products at the Utility Expo

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

Materials Processing: Consistent Strong Performance

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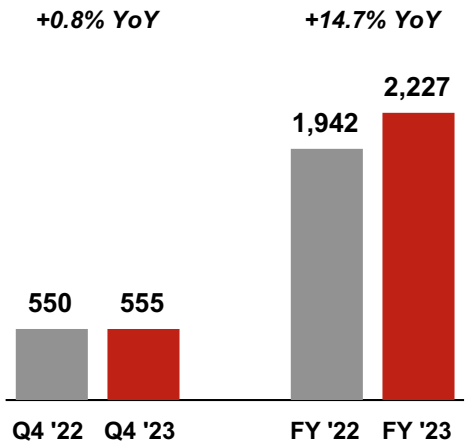
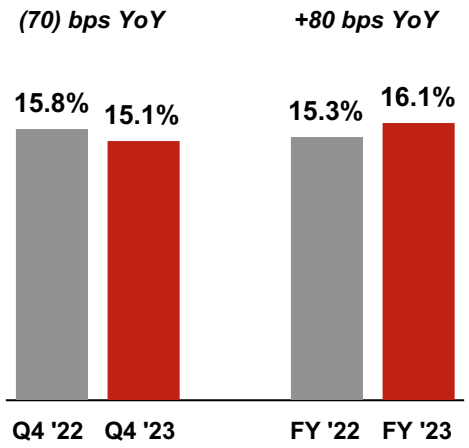
USD Millions

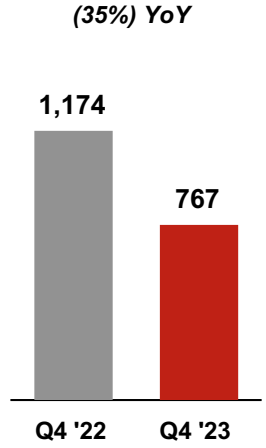
Sales



Operating Margin



Backlog



Results Drivers

- Solid sales and margin performance with effective price/cost management
- Q4 margin improved excluding call-outs; overcoming cost inflation and supply chain challenges
- Full-year sales up 15% with operating profit up 20%; incremental margin of 21%
- Bookings up 22% sequentially and backlog above historical norms

Aerial Work Platforms: Strong Margin Improvement

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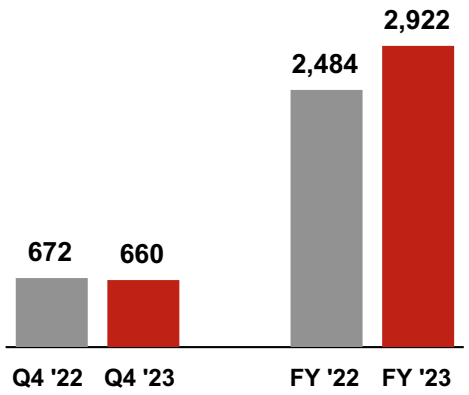
USD Millions

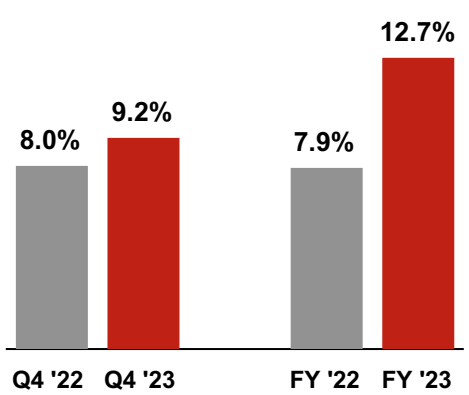
Sales

(1.8%) YoY *+17.6% YoY*



Operating Margin

+120 bps YoY *+480 bps YoY*



Backlog

(9%) YoY



Results Drivers

- Q4 sales steady with seasonal shipment patterns returning
- Q4 margin increased 120 bps as strict cost control partially offset Monterrey start up inefficiencies
- Full year sales up 18%, operating margin expanded 480 bps at an incremental margin of 40%
- Backlog >3x historical norms

Strong 2023 Performance in Dynamic Operating Environment

USD Millions, except Earnings per Share	FY 2023	FY 2022
Net Sales	**$ 5,151.5**	**$ 4,417.7**
% Change vs 2022	*16.6%*	
Gross Profit	**1,176.6**	**871.2**
% of Sales	*22.8%*	*19.7%*
SG&A	**(540.1)**	**(451.2)**
% of Sales	*(10.5%)*	*(10.2%)*
Income (loss) from Operations	**636.5**	**420.0**
Operating Margin	*12.4%*	*9.5%*
Interest & Other Income (Expense)	**(56.8)**	**(53.4)**
Effective Tax Rate	*10.9%*	*18.1%*
Earnings (loss) per Share	**7.56**	**4.32**
EBITDA	**690.9**	**465.0**
% Net Sales	*13.4%*	*10.5%*
Free Cash Flow	**365.7**	**151.8**

FY 2023 Financial Call-Outs	Inc. / (Exp.)	EPS
Operating Profit		
Accelerated vesting / other	**($13)**	**($0.17)**
Product liability verdict	**($4)**	**($0.05)**
Oklahoma City facility sale	**$2**	**$0.02**
Other Income		
Mark-to-market on third party investments	**$6**	**$0.08**
Tax Expense		
Swiss deferred tax asset	**$42**	**$0.62**



EvoQuip recently launched the new Falcon 820 inclined screen

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

Strong Balance Sheet and Liquidity Supports Growth

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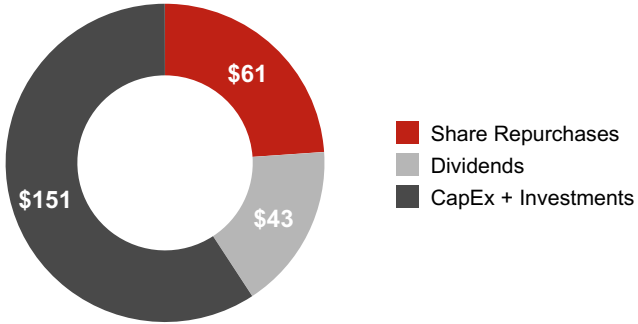
USD Millions

2023 Highlights

- **Ample liquidity of $971; Net leverage of 0.4x**
- **Free Cash Flow of $366 up 141%; conversion of 71%**
- **ROIC of 28.5%**
- **Dividend up 31% since start of 2023**

2023 Capital Deployment

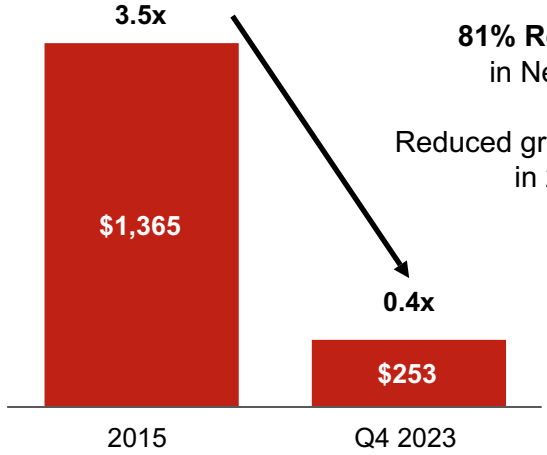


Note: Capital expenditures do not reflect proceeds from sale of capital assets primarily associated with the Oklahoma City facility sale with proceeds of $32.8 million in Q2

Q4 Liquidity

Undrawn Revolver	$600
Cash	$371
Total Liquidity	**$971**

Net Debt & Leverage



81% Reduction
in Net Debt

Reduced gross debt $152 in 2023

2024 Outlook: Expecting Another Strong Year

Operating Margin Expansion Offset by Higher Tax Rate

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USD Millions, except Earnings per Share

Terex Outlook [1]	FY 2023 GAAP / Non-GAAP	FY 2024 Outlook
Net Sales	$5,152	$5,100 - $5,300
Operating Margin*	12.4% / 12.7%	12.8% - 13.1%
Interest / Other Expense	$57	~$60
Tax Rate*	10.9% / 18.2%	~22%
EPS*	$7.56 / $7.06	$6.85 - $7.25
Share Count	68.3	~68
Depreciation / Amortization	$56	~$65
Free Cash Flow	$366	$325 - $375 [2]
Corp & Other OP*	($93) / ($84)	~($80)

Outlook [1]	FY 2023		FY 2024 Outlook	
	Net Sales	Operating Margin	Net Sales	Operating Margin
Materials Processing	$2,227	16.1%	$2,200 - $2,300	15.6% - 15.9%
Aerial Work Platforms	$2,922	12.7%	$2,900 - $3,000	13.4% - 13.7%



MP Environmental launches Green-Tec brand

(1) Excludes the impact of future acquisitions, divestitures, restructuring and other unusual items
(2) Capital expenditures ~$145 million

** See the appendix for reconciliation of financial call-outs to U.S. GAAP.*

Positioned to Deliver Long-Term Value

Diversified industrial leader well-positioned for profitable growth

Excellent portfolio of market-leading businesses positioned to benefit from secular 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





APPENDIX

Full-Year 2023: Financial Highlights

EPS $7.56*	**Sales $5.2 Billion**	**Backlog $3.4 Billion**
 *+75% YoY*	 *+17% YoY*	 *(16%) YoY*
SG&A % of Sales 10.5%*	**NWC % of Sales 20.4%**	**Operating Margin 12.4%***
 *+30 bps YoY*	 *+240 bps YoY*	 *+290 bps YoY*

*Note: Arrows represent year-over-year change. * Excluding the financial call-outs listed on slide 14, 2023 EPS of $7.06, SG&A % of Sales of 10.3%, Operating Margin of 12.7%. See the appendix for reconciliation of financial call-outs to U.S. GAAP.*

Backlog Trend

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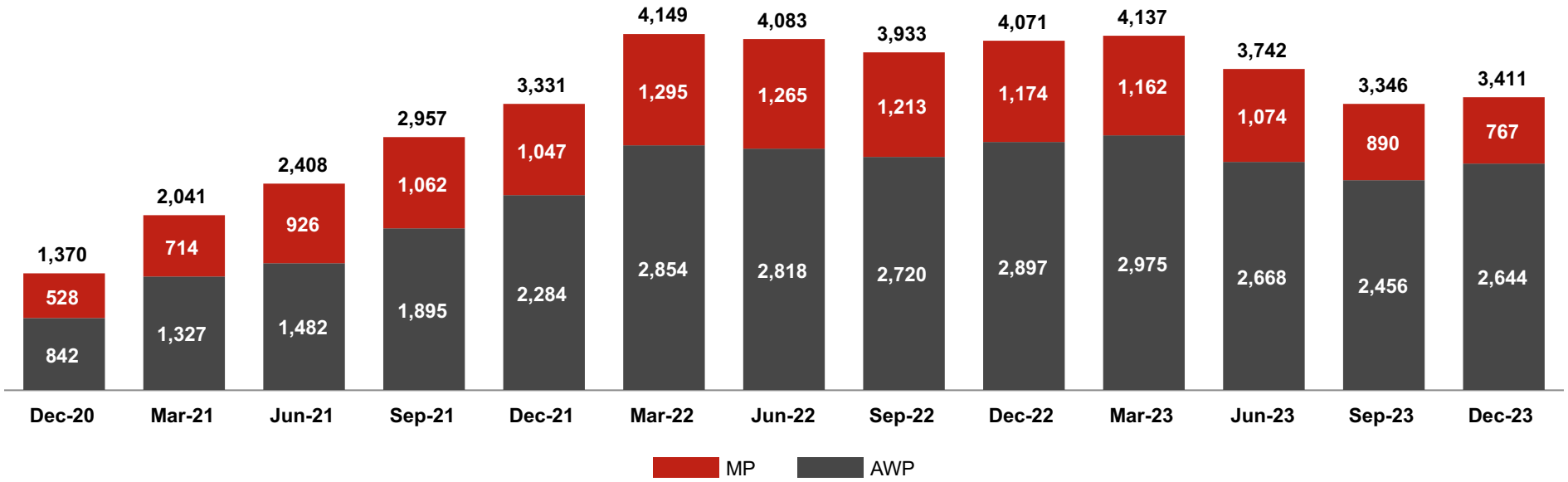
USD Millions

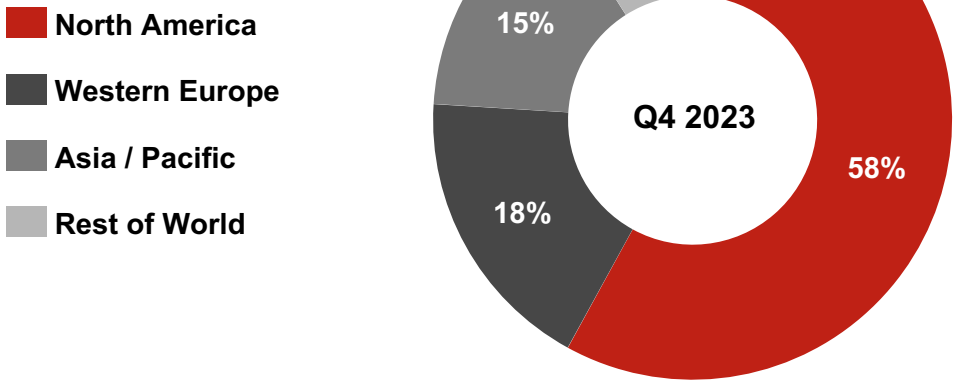


	Sequential		Year on Year	
	$	%	$	%
MP	(123)	(14%)	(407)	(35%)
AWP	188	8%	(253)	(9%)
Total	**65**	**2%**	**(660)**	**(16%)**

Note: Backlog includes deliveries beyond 12 months which reflects continuing operations.

Q4 Sales by Geography (2023 vs. 2022)

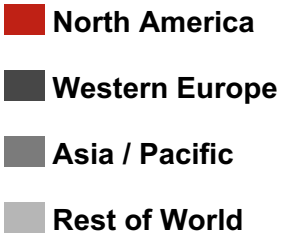
North America		Western Europe		Asia / Pacific		Rest of World	
Actual	FX-Adj.	Actual	FX-Adj.	Actual	FX-Adj.	Actual	FX-Adj.
3%	2%	(4%)	(10%)	7%	5%	(14%)	(18%)

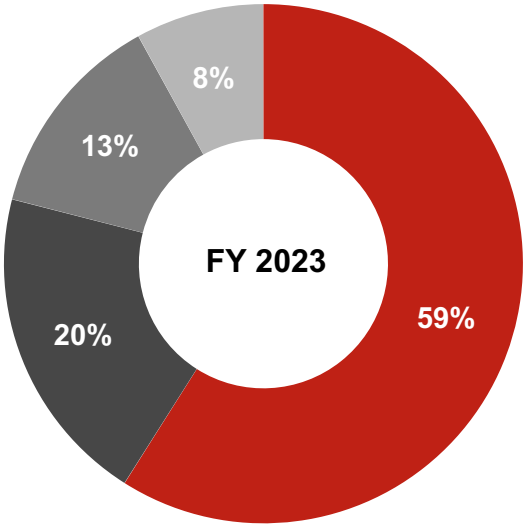


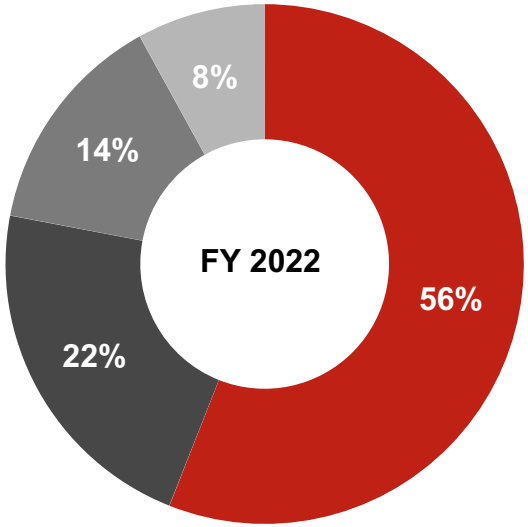
Note: Results shown are for Continuing Operations

Full-Year Sales by Geography (2023 vs. 2022)

North America		Western Europe		Asia / Pacific		Rest of World	
Actual	FX-Adj.	Actual	FX-Adj.	Actual	FX-Adj.	Actual	FX-Adj.
21%	21%	9%	9%	8%	11%	17%	16%







Note: Results shown are for Continuing Operations

Segment Results

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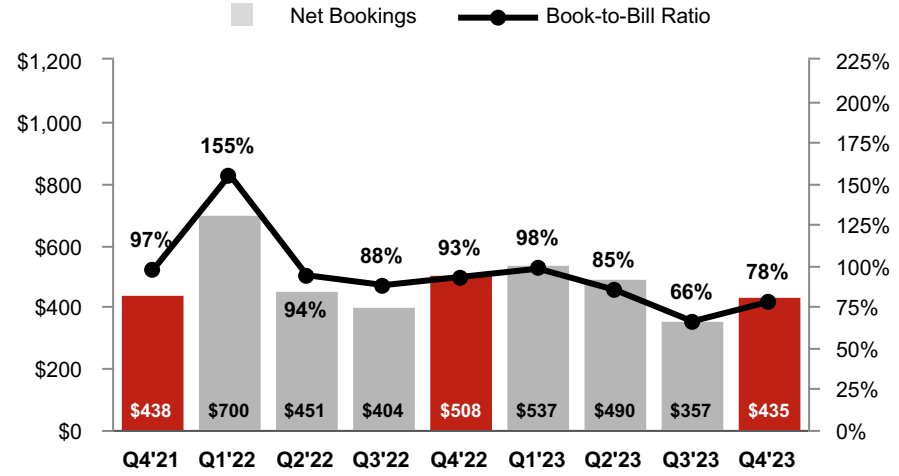
USD Millions

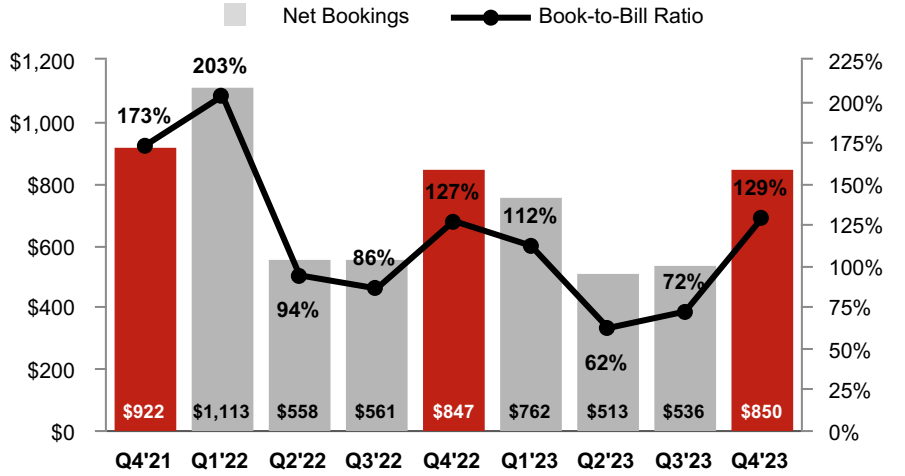
MATERIALS PROCESSING

	Q4 '23	Q4 '22	FY '23	FY '22
Net Sales	$554.7	$550.3	$2,227.0	$1,941.6
% Change vs. '22	*0.8%*		*14.7%*	
Operating Profit (Loss)	$83.8	$87.0	$358.6	$297.8
Operating Margin %	*15.1%*	*15.8%*	*16.1%*	*15.3%*
Backlog	$767	$1,174		
% Change vs. '22	*(35%)*			



AERIAL WORK PLATFORMS

	Q4 '23	Q4 '22	FY '23	FY '22
Net Sales	$659.9	$671.8	$2,921.7	$2,483.6
% Change vs. '22	*(1.8%)*		*17.6%*	
Operating Profit (Loss)	$61.0	$54.0	$371.3	$196.2
Operating Margin %	*9.2%*	*8.0%*	*12.7%*	*7.9%*
Backlog	$2,644	$2,897		
% Change vs. '22	*(9%)*			



Glossary

In an effort to provide investors with additional information regarding the Company's results, Terex 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 measures may not be comparable to similarly titled measures disclosed by other companies. In addition, the Company believes that non-GAAP financial measures should be considered in addition to, and not in lieu of, GAAP financial measures. Terex believes that this non-GAAP information is useful to understanding its operating results and the ongoing performance of its underlying businesses. Management of Terex 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.

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 December 31, 2023, 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 the fluctuation from the operational component. Similarly, the impact of changes in our results from acquisitions and divestitures that were not included in comparable prior periods may be subtracted from the absolute change in results to allow for better comparability of results between periods.

Glossary: Free Cash Flow

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USD Millions

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.

	Twelve Months Ended December 31,	
	2023	2022
Net cash provided by (used in) operating activities	$ 459.3	$ 261.2
Capital expenditures, net of proceeds from sale of capital assets	(93.6) [1]	(109.4)
Free cash flow (use)	$ 365.7	$ 151.8

(1) Amount includes $127.2 million of capital expenditures, net of $33.6 million of proceeds from sale of capital assets.

Glossary: Debt and Net Debt

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USD Millions

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.

	December 31, 2023	*December 31, 2022*
Long-term debt, less current portion	$ 620.4	$ 773.6
Current portion of long-term debt	2.8	1.9
Debt	623.2	775.5
Less: Cash and cash equivalents	(370.7)	(304.1)
Net Debt	$ 252.5	$ 471.4

Glossary: EBITDA

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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 December 31,		*Twelve Months Ended December 31,*	
	2023	*2022*	*2023*	*2022*
Net income (loss)	$126.9	$92.2	$518.0	$300.0
(Gain) loss on disposition of discontinued operations - net of tax	1.0	(0.2)	(1.3)	0.2
Income (loss) from continuing operations	127.9	92.0	516.7	300.2
Provision for (benefit from) income taxes	(22.2)	13.8	63.0	66.4
Interest & Other (Income) Expense	10.0	14.8	56.8	53.1
Loss on early extinguishment of debt	—	0.2	—	0.3
Income (loss) from operations	115.7	120.8	636.5	420.0
Depreciation	17.9	10.7	51.8	42.3
Amortization	1.1	1.3	4.6	4.9
Non-Cash Interest Costs	(0.5)	(0.5)	(2.0)	(2.2)
EBITDA	$134.2	$132.3	$690.9	$465.0

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 full year 2023 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 adjusted the effective tax rate for a one-time tax benefit derived from recording of a deferred tax asset in relation to our Swiss operations 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 December 31, 2023 was 28.5%.

Glossary: ROIC *Continued*

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USD Millions

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.

	Dec '23	Sep '23	Jun '23	Mar '23	Dec '22
Effective tax rate as adjusted	18.2 %	18.2 %	18.2 %	18.2 %	
Income (loss) from operations	$ 115.7	$ 163.2	$ 209.9	$ 147.7	
Multiplied by: 1 minus effective tax rate as adjusted	81.8 %	81.8 %	81.8 %	81.8 %	
Net operating income (loss) after tax	$ 94.6	$ 133.5	$ 171.7	$ 120.8	
Debt	$ 623.2	$ 708.7	$ 736.7	$ 777.0	$ 775.5
Less: Cash and cash equivalents	(370.7)	(352.3)	(297.7)	(254.2)	(304.1)
Debt less Cash and cash equivalents	252.5	356.4	439.0	522.8	471.4
Stockholders' equity	1,672.3	1,496.2	1,432.2	1,294.6	1,181.2
Debt less Cash and cash equivalents plus Stockholders' equity	$ 1,924.8	$ 1,852.6	$ 1,871.2	$ 1,817.4	$ 1,652.6

December 31, 2023 ROIC	28.5 %
NOPAT as adjusted (last 4 quarters)	$ 520.6
Average Debt less Cash and cash equivalents plus Stockholders' equity (5 quarters)	$ 1,823.7

Glossary: ROIC *Continued*

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USD Millions

Twelve Months Ended December 31, 2023	Income (loss) from continuing operations before income taxes	(Provision for) benefit from income taxes	Income tax rate
Reconciliation of the full year 2023 effective tax rate:			
As reported	$ 579.7	$ (63.0)	10.9%
Effect of Adjustments:			
Tax related to Swiss deferred tax asset	—	(42.3)	
As adjusted	$ 579.7	$ (105.3)	18.2%

Glossary: Working Capital

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USD Millions

Working Capital is calculated using the Consolidated Balance Sheet amounts for Receivables (net of allowance) plus Inventories less Trade accounts payable and Customer advances. The Company views excessive working capital as an inefficient use of resources, and seeks to minimize the level of investment without adversely impacting the ongoing operations of the business. For the periods below, working capital was:

	December 31, 2023
Inventories	$1,186.0
Receivables	547.8
Less: Trade Accounts Payables	(702.6)
Less: Customer Advances	(32.2)
Total Working Capital	$ 999.0

Trailing Three Months Annualized Net Sales is calculated using the net sales for the quarter multiplied by four.

3 months Sales		$1,222.6
Number of quarters	x	4.0
Annualized Quarterly Sales		$4,890.4

WC % of Annualized Quarterly Sales	20.4 %

The ratio is calculated by dividing working capital by trailing three months annualized net sales. The Company believes this measures its resource use efficiency.

Q4 2023 Adjustments

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USD Millions, except Earnings per Share

	Q4 2023 GAAP	Accelerated Vesting / Other	Product Liability Verdict	Mark-to-Market	Tax	Q4 2023 Non-GAAP
Net Sales	**$1,222.6**	**–**	**–**	**–**	**–**	**$1,222.6**
Gross Profit	262.5	0.2	4.0	–	–	266.7
% of Sales	*21.5%*					*21.8%*
SG&A	(146.8)	12.8	–	–	–	(134.0)
% of Sales	*(12.0%)*					*(11.0%)*
Income (Loss) from Operations	**$115.7**	**13.0**	**4.0**	**–**	**–**	**$132.7**
Operating Margin	*9.5%*					*10.9%*
Net Interest (Expense)	(13.6)	–	–	–	–	(13.6)
Other (Expense)	3.6	–	–	(4.7)	–	(1.1)
Income (Loss) from Cont. Ops. Before Taxes	105.7	13.0	4.0	(4.7)	–	118.0
Benefit from (Provision for) Income Taxes	22.2	(1.1)	(0.9)	–	(42.3)	(22.1)
Effective Tax Rate	*(21.0%)*					*18.7%*
Income (Loss) from Continuing Operations	**$127.9**	**11.9**	**3.1**	**(4.7)**	**(42.3)**	**$95.9**
Earnings (Loss) per Share	**$1.88**	**$0.17**	**$0.05**	**($0.07)**	**($0.62)**	**$1.41**
		Accelerated Vesting / Other				
Corp & Other OP	**($29.1)**	**9.5**				**($19.6)**

FY 2023 Adjustments

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USD Millions, except Earnings per Share

	FY 2023 GAAP	Accelerated Vesting / Other	Product Liability Verdict	OKC Sale Gain	Mark-to-Market	Tax	FY 2023 Non-GAAP
Net Sales	**$5,151.5**	**–**	**–**	**–**	**–**	**–**	**$5,151.5**
Gross Profit	1,176.6	0.2	4.0	–	–	–	1,180.8
% of Sales	*22.8%*						*22.9%*
SG&A	(540.1)	12.8	–	(1.8)	–	–	(529.1)
% of Sales	*(10.5%)*						*(10.3%)*
Income (Loss) from Operations	**$636.5**	**13.0**	**4.0**	**(1.8)**	**–**	**–**	**$651.7**
Operating Margin	*12.4%*						*12.7%*
Net Interest (Expense)	(55.7)	–	–	–	–	–	(55.7)
Other (Expense)	(1.1)	–	–	–	(5.7)	–	(6.8)
Income (Loss) from Cont. Ops. Before Taxes	579.7	13.0	4.0	(1.8)	(5.7)	–	589.2
Benefit from (Provision for) Income Taxes	(63.0)	(1.1)	(0.9)	0.4	(0.1)	(42.3)	(107.0)
Effective Tax Rate	*10.9%*						*18.2%*
Income (Loss) from Continuing Operations	**$516.7**	**11.9**	**3.1**	**(1.4)**	**(5.8)**	**(42.3)**	**$482.2**
Earnings (Loss) per Share	**$7.56**	**$0.17**	**$0.05**	**($0.02)**	**($0.08)**	**($0.62)**	**$7.06**
		Accelerated Vesting / Other					
Corp & Other OP	**($93.4)**	**9.5**					**($83.9)**