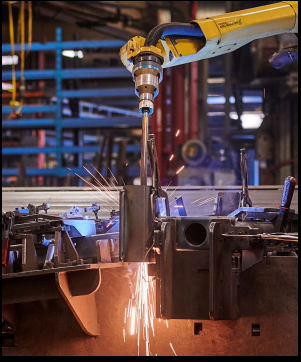




4Q 2022 Earnings Call

March 1, 2023

mecinc.com

Disclaimer

Forward-Looking Statements

This presentation contains forward-looking statements that involve risks and uncertainties. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as “seek,” “anticipate,” “plan,” “continue,” “estimate,” “expect,” “may,” “will,” “project,” “predict,” “potential,” “targeting,” “intend,” “could,” “might,” “should,” “believe” and similar expressions or their negative. Forward-looking statements should not be read as a guarantee of future performance or results and will not necessarily be accurate indications of the times at, or by, which such performance or results will be achieved. Forward-looking statements are based on management’s belief, based on currently available information, as to the outcome and timing of future events. These statements involve estimates, assumptions, known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those expressed in such forward-looking statements. Forward-looking statements should not be unduly relied upon.

Important factors that could cause actual results or events to differ materially from those expressed in forward-looking statements include, but are not limited to: macroeconomic conditions, including inflation, rising interest rates and recessionary concerns, as well as ongoing supply chain challenges, labor availability and cost pressures, and the COVID-19 pandemic, have had, and may continue to have, a negative impact on our business, financial condition, cash flows and results of operations (including future uncertain impacts); risks relating to developments in the industries in which our customers operate; risks related to scheduling production accurately and maximizing efficiency; our ability to realize net sales represented by our awarded business; the COVID 19 pandemic continues to negatively affect our business, financial condition, cash flows, results of operations, supply chain (including the supply chain issues encountered by our original equipment manufacturer customers) and raw material availability, as well as customer demand (including future uncertain effects); failure to compete successfully in our markets; our ability to maintain our manufacturing, engineering and technological expertise; the loss of any of our large customers or the loss of their respective market shares; risks related to entering new markets; our ability to recruit and retain our key executive officers, managers and trade-skilled personnel; volatility in the prices or availability of raw materials critical to our business; manufacturing risks, including delays and technical problems, issues with third-party suppliers, environmental risks and applicable statutory and regulatory requirements; our ability to successfully identify or integrate acquisitions; our ability to develop new and innovative processes and gain customer acceptance of such processes; risks related to our information technology systems and infrastructure; geopolitical and economic developments, including foreign trade relations and associated tariffs; results of legal disputes, including product liability, intellectual property infringement and other claims; risks associated with our capital-intensive industry; risks related to our treatment as an S Corporation prior to the consummation of our initial public offering; risks related to our employee stock ownership plan’s treatment as a tax-qualified retirement plan; and other factors described in “Risk Factors” in Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2021, as such may be amended or supplemented in our subsequently filed Quarterly Reports on Form 10-Q. This discussion should be read in conjunction with our audited consolidated financial statements included in the Company’s previously filed Annual Report on Form 10-K for the year ended December 31, 2021, and our to be filed Annual Report on Form 10-K for the year ended December 21, 2022. We undertake no obligation to update or revise any forward-looking statements after the date on which any such statement is made, whether as a result of new information, future events or otherwise, except as required by federal securities laws.

Non-GAAP Financial Measures

Included in this presentation are certain non-GAAP financial measures designed to complement the financial information presented in accordance with generally accepted accounting principles in the United States of America because management believes such measures are useful to investors. Investors should not consider non-GAAP financial measures in isolation or as substitutes for financial information presented in compliance with GAAP. These non-GAAP financial measures are not based on any standardized methodologies prescribed by GAAP and are not necessarily comparable to similarly titled measures presented by other companies. Non-GAAP measures that may be contained in this presentation include EBITDA, EBITDA Margin, Adjusted EBITDA and Adjusted EBITDA Margin. EBITDA represents net income (loss) before interest expense, provision (benefit) for income taxes, depreciation, and amortization. EBITDA Margin represents EBITDA as a percentage of net sales for each period. Adjusted EBITDA represents EBITDA before stock-based compensation expense, Hazel Park transition costs due to the former fitness customer, impairment charges on inventory and long-lived assets and gain on contracts specifically purchased to meet obligations under the agreement with our former fitness customer, and CEO transition costs. Adjusted EBITDA Margin represents Adjusted EBITDA as a percentage of net sales for each period. We present Adjusted EBITDA and Adjusted EBITDA Margin as management uses these measures as key performance indicators, and we believe they are measures frequently used by securities analysts, investors and other parties to evaluate companies in our industry.

These metrics are supplemental measures of our operating performance that are neither required by, nor presented in accordance with, GAAP. These measures should not be considered as an alternative to net income (loss) or any other performance measure derived in accordance with GAAP. We present Adjusted EBITDA and Adjusted EBITDA Margin as management uses these measures as key performance indicators, and we believe they are measures frequently used by securities analysts, investors and other parties to evaluate companies in our industry. These measures have limitations as analytical tools and should not be considered in isolation or as substitutes for analysis of our results as reported under GAAP.



Key Performance Highlights

Fourth Quarter 2022 Highlights

- Net sales of \$128.5 million, increased 13.8% compared to 4Q21 due to an increase in commercial sales volume and continued price discipline, partially offset by supply chain disruptions affecting some of our customers.
- Adjusted EBITDA of \$11.6 million, increased 26.2% compared to 4Q21 due the increase in net sales, improvements in manufacturing margin, improved fixed cost absorption and commercial price actions, but were offset by lower scrap income and the planned impact from the ramp-up of the Hazel Park facility.
- The Company continued the successful roll-out of it's MBX initiatives and during the fourth quarter identified multiple opportunities for margin expansion and profitable growth through a focus on operational excellence and commercial execution.

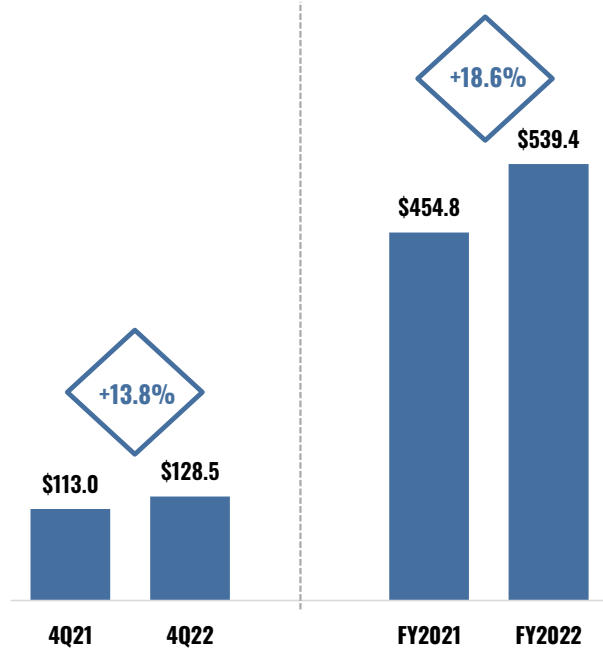
Full Year 2022 Highlights

- Net sales of \$539.4 million, increased 18.6% compared to 2021 due to strong demand in Commercial Vehicles and Construction & Access end-markets. The strong demand was the result of historically low customer inventories, restocking demand and higher raw material price pass-throughs, partially offset by disruptions to customer supply chains.
- Adjusted EBITDA of \$60.8 million, increased 31.5% relative to 2021 due to stronger volumes (+\$18.2M) and better commercial pricing (+\$8.5M), partially offset by inflationary pressures (-\$8.0M) and the adverse impact from the ramp-up of Hazel Park (-\$3.3M).
- During 2022, the Company launched its transformative MBX strategy and commenced production at its Hazel Park, Michigan facility, which are key milestones in the Company's long term value creation framework.

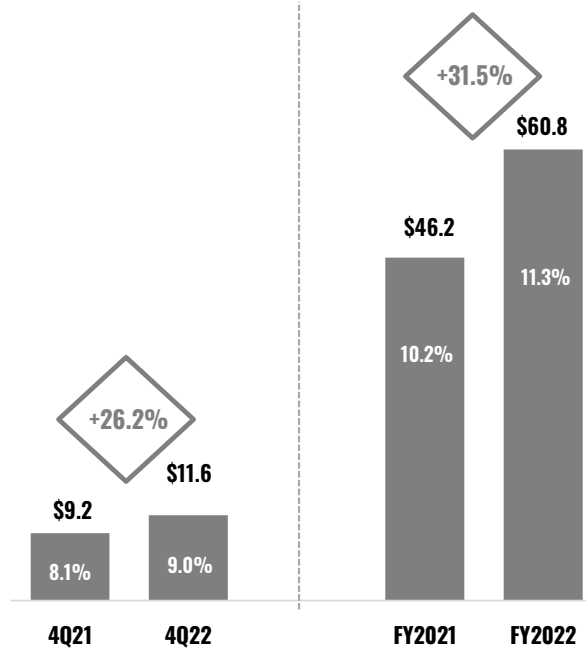


Fourth Quarter and Full Year Financial Performance

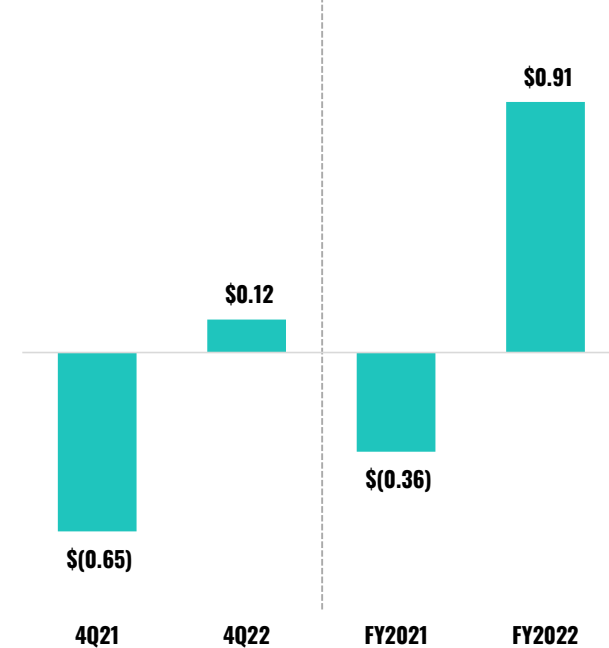
Net Sales (\$MM)



Adj. EBITDA (\$MM)



Diluted EPS (\$/share)



End Market Outlook

	Commercial Vehicle	Construction & Access	Powersports	Agriculture	Military	Other
% of Sales*	2023E 37% - 40% 2022 39% 2021 34%	2023E 18% - 20% 2022 21% 2021 20%	2023E 19% - 22% 2022 16% 2021 20%	2023E 8% - 10% 2022 11% 2021 11%	2023E 4% - 6% 2022 5% 2021 5%	2023E 6% - 8% 2022 8% 2021 10%
Market Outlook						
MEC Outlook Assumptions	Assumptions: 1H23 steady demand slowing in 2H23 as the industry navigates an emissions regulation change - Sizable OEM backlogs	Assumptions: - Soft residential new construction demand - Volume growth across non-residential, infrastructure and energy markets	Assumptions: Recent share gains outpacing potential softness that may occur due to discretionary nature of consumer spending	Assumptions: Elevated crop prices and inventory levels of new and used machinery remain low supporting demand	Assumptions: Continue to see good volumes based on new vehicle introductions and related programs	Assumptions: - New business development focus in EV and Renewables - End of life production parts replaced with service part orders





MBX Execution – Q4 President’s Kaizen Results

Welding Kaizen

- Generates approximately \$105K in annual savings
- 48% increase in parts per machine hour (PPMH)
- Decreased WIP inventory from 131 pieces to 38 pieces

Coil Fed Press SMED Kaizen

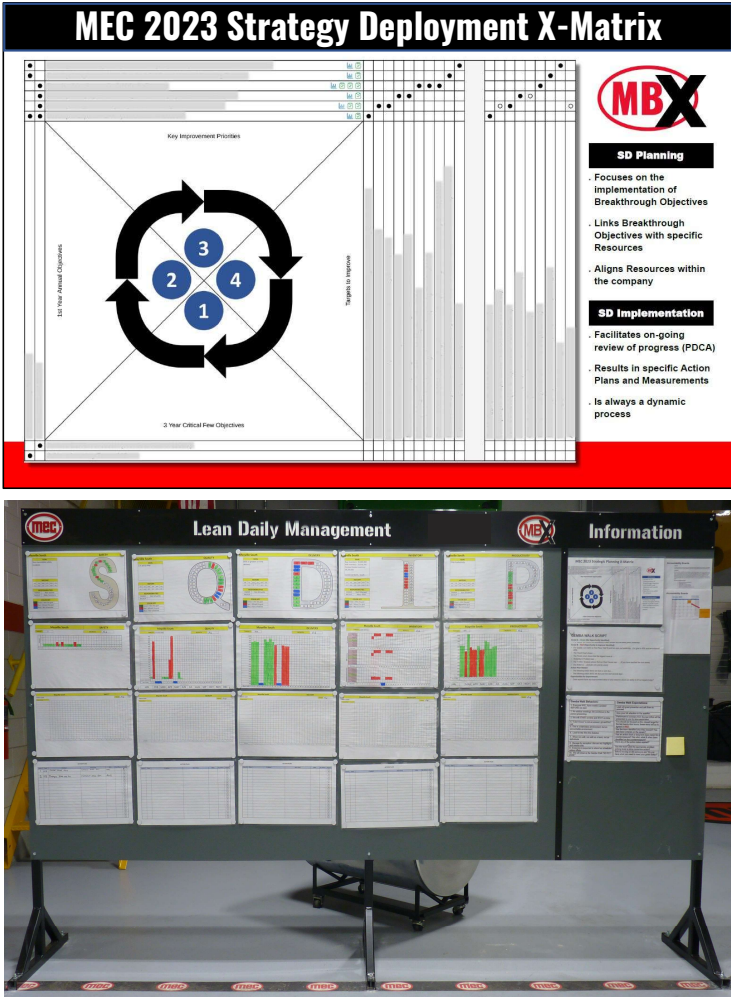
- Generates approximately \$74K in annual savings
- 50% reduction in setup time going from 68 minutes to 34 minutes

Lean Daily Management (LDM)

- Implemented department KPI boards
- Mapped daily Gemba Walk process and trained staff
- Implemented Root Causes & Corrective Action Process (RCCA)

Purchasing / Strategic Sourcing

- Identified targets to exceed 2023 annual savings plan and cash flow improvement
- 45 cost reduction items identified



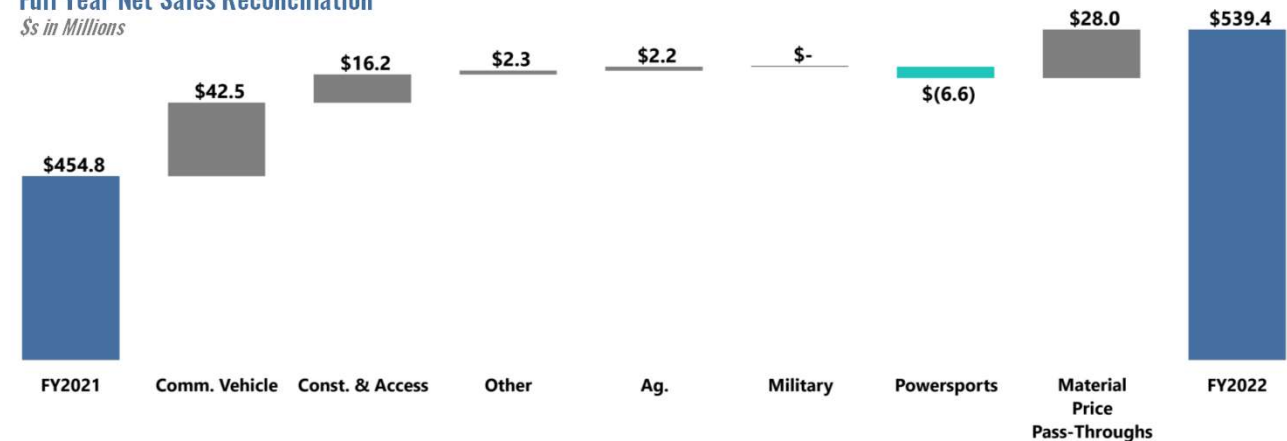
Net Sales Performance Highlights

- Commercial Vehicle** demand was strong in 4Q and FY22 due to freight strength and fleets upgrading vehicles, tempered by ongoing customer supply chain challenges.
- Construction & Access** sales increased modestly due to fleet restock demand but were also tempered by rising interest rates impacting the residential market and ongoing customer supply chain challenges.
- Powersports** were challenged as the result of softening consumer discretionary spending with some offset through dealer restocking. In 4Q, demand softness was slightly offset by new project wins from new and existing customers.
- Agriculture** sales grew in large ag as a result of elevated crop prices which drove strong demand for new equipment.
- Military** sales grew, particularly in 4Q, due to new awards with existing customers.
- Raw Material Pass-Throughs:**
 - 4Q22:** \$0.5 million of the Y-o-Y increase was attributable to higher material price pass-throughs.
 - FY22:** \$28 million of the Y-o-Y increase was attributable to higher material price pass-throughs.

4Q Net Sales Reconciliation
\$s in Millions



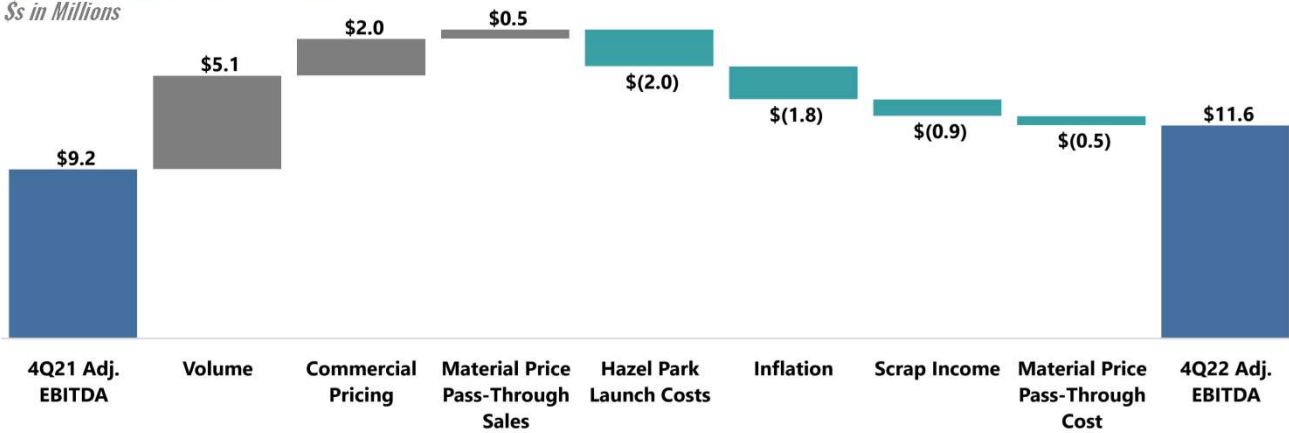
Full Year Net Sales Reconciliation
\$s in Millions



Adjusted EBITDA Performance Highlights

- Volume growth was the primary driving factor for the increase in Adjusted EBITDA for both 4Q and the full year.
- Material price pass-throughs have a net neutral impact due to the contractual ability MEC possesses to pass through variability in commodity prices.
- Targeted commercial pricing increases more than offset general inflationary pressures on labor and other product content.
- Unfavorable impacts of \$2.0 million in 4Q and \$3.3 for the full year associated with launch costs at our Hazel Park facility
- Scrap income declined as steel prices returned to more normalized levels.

4Q Adjusted EBITDA Reconciliation
\$s in Millions

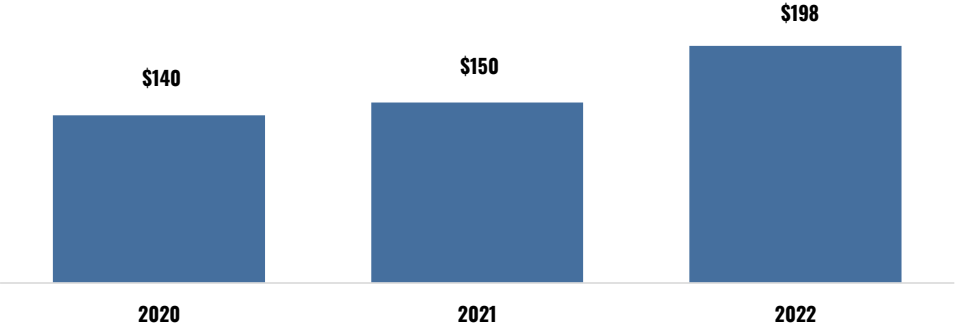


Full Year Adjusted EBITDA Reconciliation
\$s in Millions

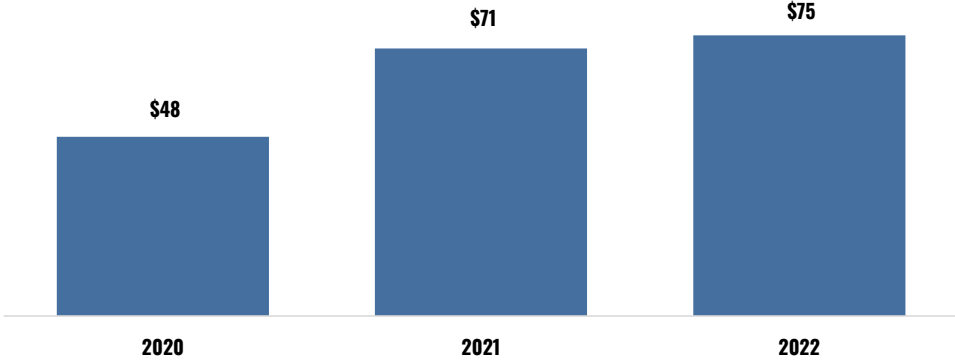


Disciplined Capital Management

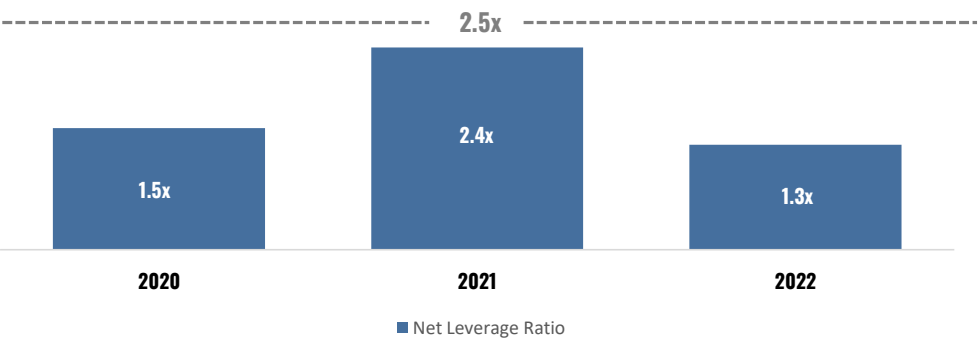
Total Cash & Available Liquidity¹ (\$MM)



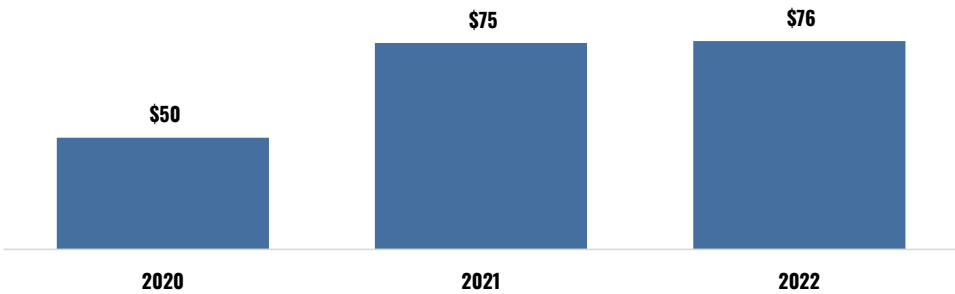
Total Net Debt² (\$MM)



Net Leverage Ratio³



Net Working Capital⁴



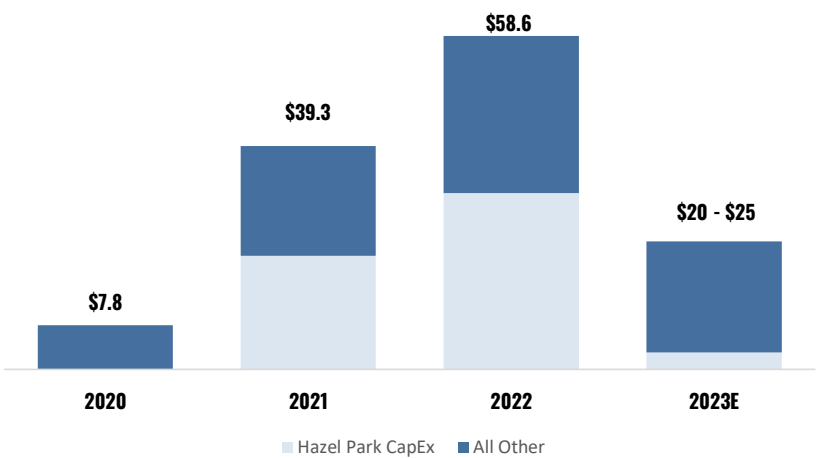
1 Assumes continued compliance with covenants associated with the current Credit Agreement. This amount is reduced by the Company's outstanding borrowings under the Credit Agreement as of December 31 and is exclusive of the \$100M accordion feature.
2 Comprised of the Company's revolver, finance lease liabilities, and equipment financing agreements
3 Net Leverage Ratio equals Net Debt divided by Adjusted EBITDA
4 The Company calculates Net Working Capital as accounts receivable plus inventory minus accounts payable

Capital Allocation Priorities

Balanced approach to capital allocation

- **Bolt-on acquisitions in complementary vertical markets**
 - Targeting immediately accretive opportunities in complementary markets such as aluminum, plastics, composites fabrications capabilities, and opportunistic additions to entrench our position in steel fabrication.
- **Sustaining growth investments**
 - Intend to reduce CAPEX by more than 50% to \$20-\$25 million
- **Return-of-capital program**
 - \$18.6 million remains on current \$25 million share repurchase authorization program
 - Evaluating additional, potential opportunities to return capital to shareholders, consistent with our focus on total shareholder return
- **Maintain balance sheet optionality**
 - Current leverage is 1.3x
 - Intend to maintain net leverage at or below 2.5x

Capital Expenditures (\$MM)



Hazel Park Capital Expenditures (\$MM)



2023 Financial Guidance

As of March 1, 2023

Business Outlook

- General stability in end-market demand, but considers the potential for some macro-economic softening as the year progresses
- Supply chain constraints and disruptions continue to impact some customers but expect continued improvement as the year progresses.
- Improve upon existing relationships while building new and adjacent growth opportunities

Included Financial Assumptions

- Raw-material price pass-throughs will negatively impact revenue by 4% – 5% as compared to a positive 5% – 6% in 2022 due to stabilized market prices
- Scrap income to decrease \$4 – \$6 million in 2023 as compared to 2022, impacting Adjusted EBITDA margin by 90 basis points at the mid-point
- Hazel Park to have a dilutive impact of \$4 – \$6 million (70 – 100 basis point EBITDA margin impact) due to low fixed cost absorption at the facility as production ramps throughout 2023
- MBX initiatives contributing 40 – 70 basis points in 2023 to Adjusted EBITDA margin

<i>(\$MM)</i>	2022A	2023E	YoY Change (%)
Revenue	\$539.4	\$540 – \$580	0% – 8%
Adjusted EBITDA	\$60.8	\$62 – \$71	2% – 16%
Capital Expenditures	\$58.6	\$20 – \$25	(57%) – (66%)



Investment Thesis – Business Transformation to Drive Margin Expansion & Profitable Growth

Strategic Business Transformation

- During a period of market volatility, underlying demand fundamentals remain strong across most of our end-markets, supporting profitable growth
- Intensely focused on targeted commercial expansion, operational productivity improvements, and disciplined capital allocation under the MBX value creation framework
- Introduction of the MBX value creation framework to drive approximately a 40 - 70 basis point improvement in Adjusted EBITDA margin in 2023
- Evaluating opportunistic, bolt on acquisitions in complementary adjacent markets that include high growth, light-weight commercial materials such as aluminum, plastics and composites in support of energy transition and renewables markets
- Net leverage below long-term target; strong liquidity profile and improved free cash will provide capacity for self-funded growth

Favorable Macro-Secular Trends

- Our robust domestic manufacturing footprint positions MEC to capitalize on multi-year reshoring and outsourcing trends by OEMs
- Our skilled workforce provides a one stop on demand solution for OEMs
- Well positioned to capitalize on incremental energy transition and renewables fabrication solutions





Appendix

Supplemental Materials

P&L Performance

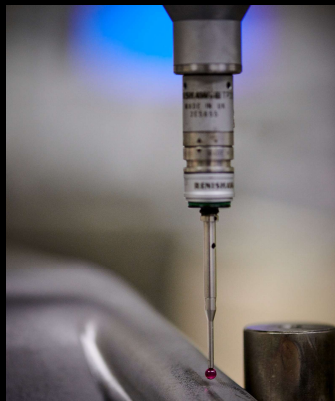
(\$MM except for share data)	Q4		Full-Year	
	2022	2021	2022	2021
Net sales	\$ 128.5	\$ 113.0	\$ 539.4	\$ 454.8
Cost of sales	115.5	103.6	478.3	403.5
Amortization of intangible assets	1.7	2.7	7.0	10.7
Profit sharing, bonuses, and deferred compensation	4.1	3.5	8.0	11.5
Employee stock ownership plan expense (income)	(1.7)	(0.8)	—	—
Other selling, general and administrative expenses	6.0	5.0	24.7	20.4
Impairment of long-lived assets and (gain) loss on contracts	—	16.2	(4.3)	16.2
Income (loss) from operations	\$ 2.8	\$ (\$17.1)	\$ 25.8	\$ (7.4)
Interest expense	(1.2)	(0.4)	(3.4)	(2.0)
Income (loss) before taxes	1.6	(17.6)	22.4	(9.4)
Income tax expense (benefit)	(0.8)	(4.0)	3.7	(1.9)
Net income (loss) and comprehensive (loss) income	\$ 2.4	\$ (13.6)	\$ 18.7	\$ (7.5)
Earnings (loss) per share:				
Basic	\$ 0.12	\$ (0.66)	\$ 0.92	\$ (0.37)
Diluted	\$ 0.12	\$ (0.65)	\$ 0.91	\$ (0.36)
Weighted average shares outstanding:				
Basic	20,229,811	20,460,361	20,399,737	20,404,543
Diluted	20,552,054	20,885,930	20,682,628	20,830,977



EBITDA and Adjusted EBITDA Reconciliation

(\$MM)	Q4		Full-Year	
	2022	2021	2022	2021
Net income (loss) and comprehensive income (loss)	\$ 2.4	\$ (13.6)	\$ 18.7	\$ (7.5)
Interest expense	1.2	0.4	3.4	2.0
Provision (benefit) for income taxes	(0.8)	(4.0)	3.7	(1.9)
Depreciation and amortization	7.8	8.2	29.3	31.8
EBITDA	\$ 10.6	\$ (8.9)	\$ 55.1	\$ 24.4
CEO transition costs	—	—	1.5	—
Hazel Park transition costs due to former fitness customer	0.1	—	4.8	—
Stock based compensation expense	0.9	1.2	3.8	5.0
Impairment of inventory and loss on contracts	—	0.7	—	0.7
Impairment of long-lived assets and (gain) loss on contracts	—	16.2	(4.3)	16.2
Adjusted EBITDA	\$ 11.6	\$ 9.2	\$ 60.8	\$ 46.2
Net sales	\$ 128.5	\$ 113.0	\$ 539.4	\$ 454.8
EBITDA margin	8.2%	-7.9%	10.2%	5.4%
Adjusted EBITDA margin	9.0%	8.1%	11.3%	10.2%





THANK YOU
Q4 2022 Earnings Call