1Q23 Results Presentation

May 3, 2023



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1Q23 FINANCIAL PERFORMANCE

New project volumes and strong demand across key end-markets support organic sales growth

Demonstrated further execution on commercial growth and operational excellence priorities, while capitalizing on pockets of demand growth across diverse end-market portfolio

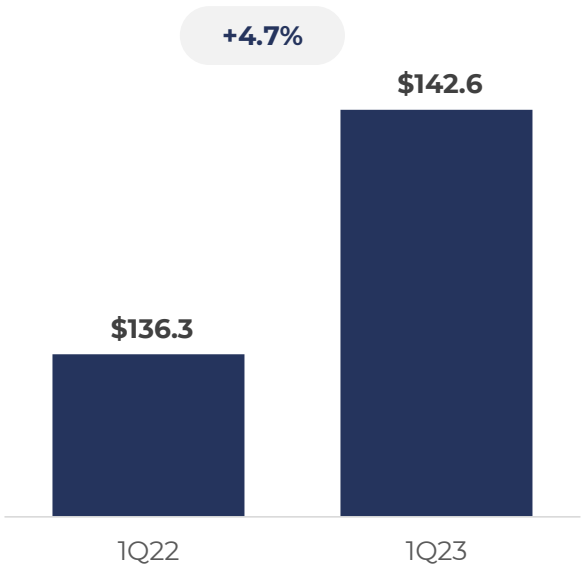
- MBX-related performance initiatives served to partially offset mixed end-market demand, while maintaining both price and margin discipline
- Excluding Hazel Park, delivered adjusted EBITDA margin of 10.9%, consistent with expectations

1Q23 Performance Highlights

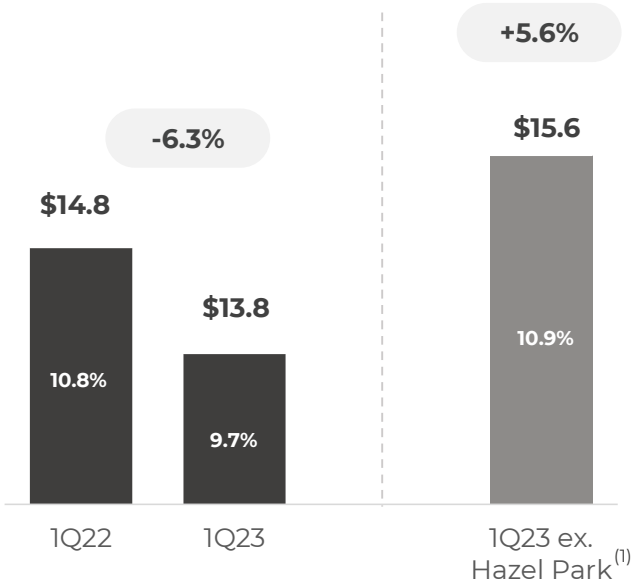
- Net sales +4.7% y/y, supported by strong demand and new project volumes, partially offset by $9.9 million y/y headwind from material price pass-through
- Adjusted EBITDA declined 6% y/y $13.8 million primarily due to the $1.8 million impact from cost under-absorption associated with the ramp-up of production at the Hazel Park, Michigan facility. Excluding this impact, Adjusted EBITDA would have increased 5.6% y/y in 1Q23
- MBX implementation on-track with all key facilities launching uniform KPI roll-out in 1Q23; on pace to meet expected MBX contributions in 2023
- Reiterating full-year 2023 financial guidance that accounts for anticipated demand softening in the second half of 2023
- Anticipate significant y/y growth in free cash flow generation during the full-year
- Ample liquidity of $196 million and net leverage of 1.4x as of 3/31/23

FIRST QUARTER FINANCIAL PERFORMANCE

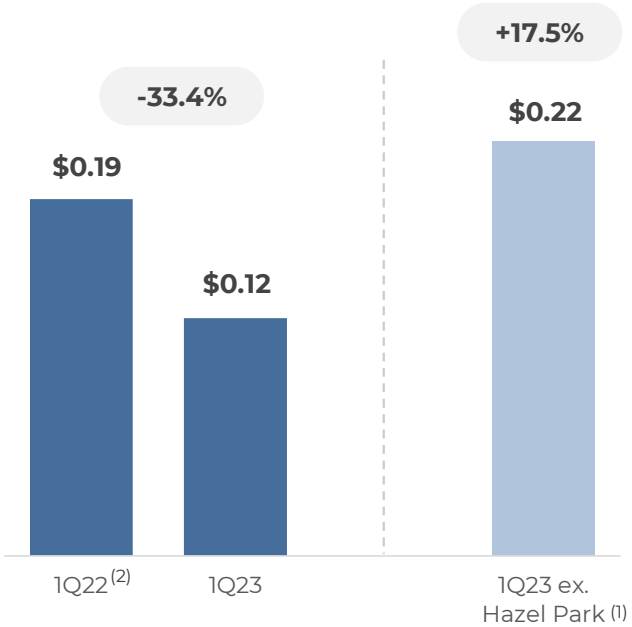
Net Sales
($MM)



Adj. EBITDA & Margin
($MM & % of Net Sales)



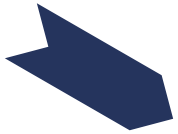
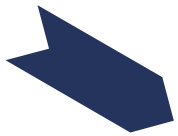
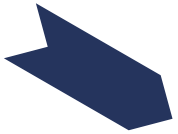
Diluted EPS
($/share)



1) Excludes the non-recurring impact of under-absorbed fixed costs associated with the ramp-up of production at the Hazel Park, Michigan facility.
2) 1Q22 GAAP Diluted EPS included a $0.06 non-recurring gain on sale of equipment associated with the former fitness customer.

END-MARKET OUTLOOK

2023 End Market Demand Remains Generally Stable Despite Recessionary Concerns

	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 17%-20% 2022 16% 2021 20%	2023E 8%-10% 2022 11% 2021 11%	2023E 5%-7% 2022 5% 2021 5%	2023E 7%-9% 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

NET SALES & ADJUSTED EBITDA PERFORMANCE HIGHLIGHTS

Demonstrated sustained profitability despite transitory margin headwinds

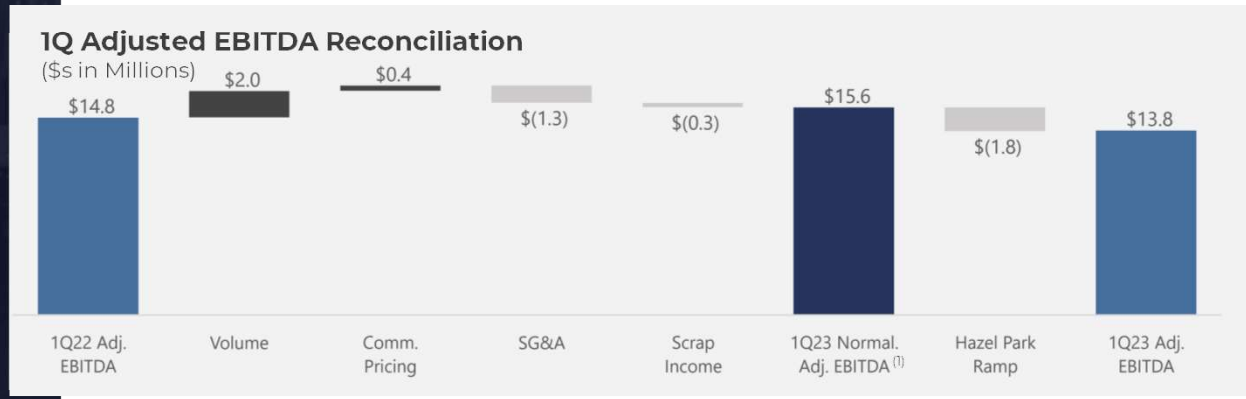
Strong Demand in Key End Markets
Commercial Vehicle, Powersports & Military net sales increased Y-o-Y by 16.3%, 6.7% and 66%, respectively. Growth was driven by strong end market demand in CV and new program launches in Powersports and Military end-markets.

Transitory Margin Pressures
Adjusted EBITDA and Adjusted EBITDA margin were negatively impact by $1.8 million (120bps) in fixed cost-under absorption from the production ramp-up at Hazel Park facility.

SG&A Costs at New Normal
SG&A costs grew $1.3 million due to higher salaries, wages and benefits and higher professional fees associated with achieving SOX 404(b) compliance for 2024 and recruiting fees. SG&A is targeted to be in the range of 4.5% to 5.5% of net sales going forward.

Raw Material Pass-Through:
Net sales growth reflects $9.9 million Y-o-Y decrease in material price pass-throughs.





1) 1Q23 Normalized Adjusted EBITDA Excludes the non-recurring impact of under-absorbed fixed costs associated with the ramp-up of production at the Hazel Park, Michigan facility.

MBX Execution

Key 1Q23 Progress Summary

High Performance Culture
Implementing key performance metric reviews and other daily lean management routines.

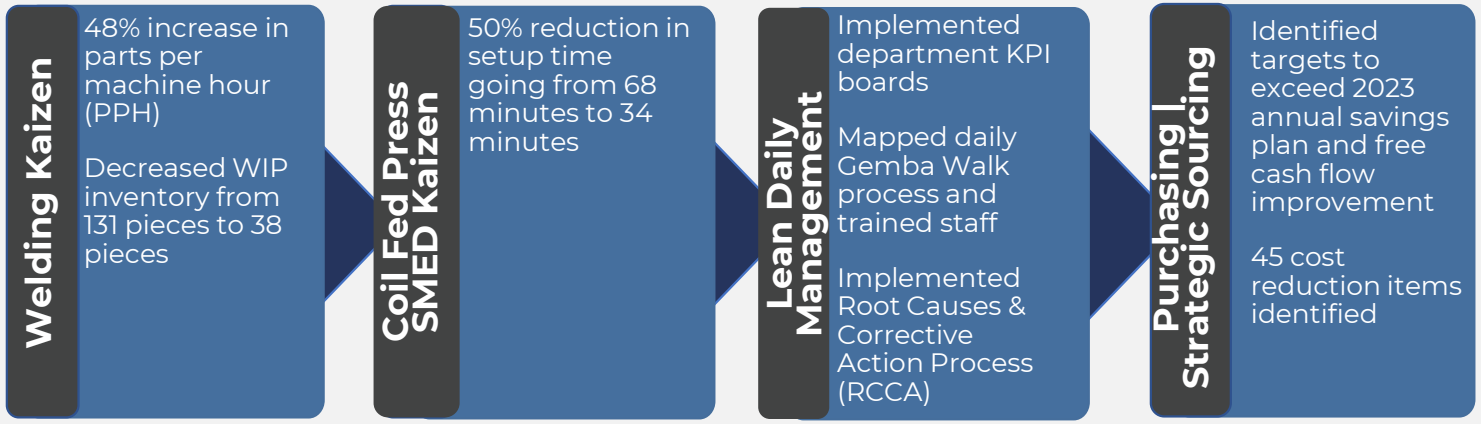
Operational Excellence
Improved productivity and utilization.

Commercial Excellence
Capturing growth opportunities by moving up the value chain through utilization of design, prototyping and after-market services.

Disciplined Capital Deployment
On boarded experienced M&A leadership in January 2023.

Human Resource Optimization
Maximizing labor productivity through tactical recruitment and retention of skilled trades. On boarded experienced HR leadership in March 2023.

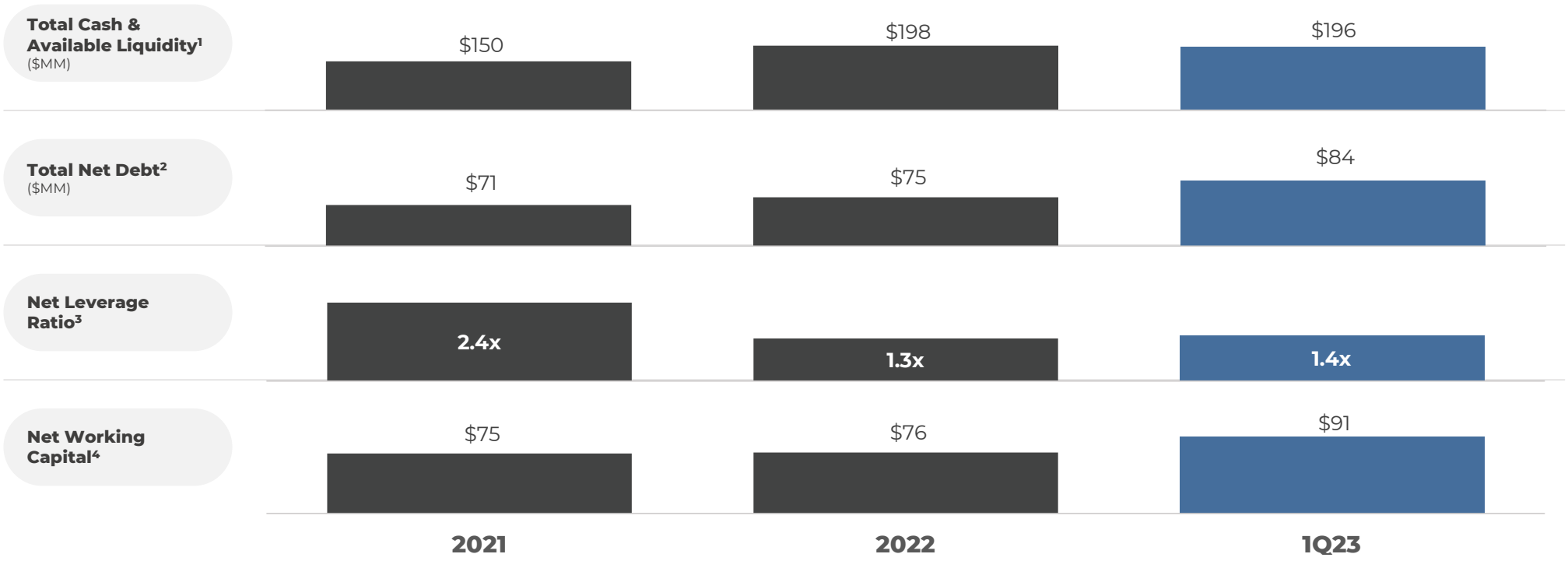
Q1 2023 President's Kaizens



Key Operational and Commercial Performance Indicators Tracking to 2023 Targets

DISCIPLINED CAPITAL MANAGEMENT

Low net leverage, ample liquidity to support growth



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 March 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

Capital allocation priorities focused on maximizing cash flow and return on invested capital

Balanced approach to capital allocation

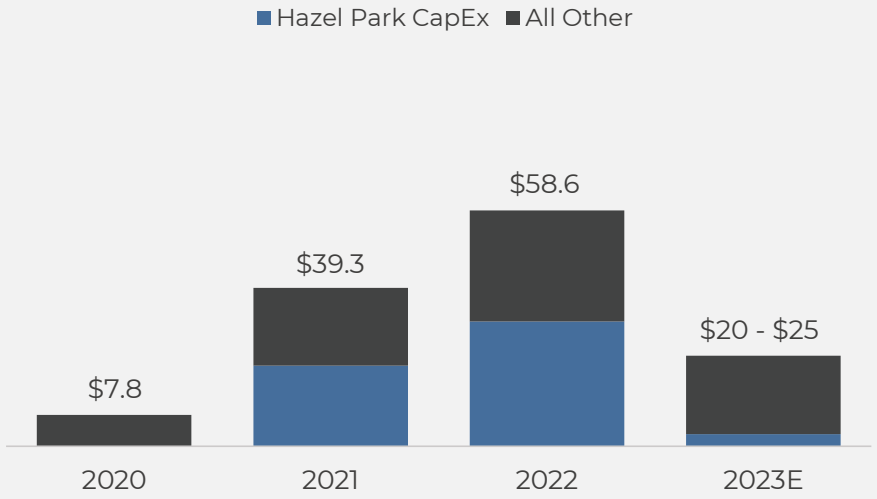
Bolt-on acquisitions in complementary vertical markets
Targeting immediately accretive opportunities in complementary markets such as aluminum, plastics, composites fabrications capabilities, and opportunistic additions to entrench our position in steel fabrication.

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 1.4x
- Intend to maintain net leverage at or below 2.5x

Capital Expenditures
($MM)



Hazel Park Capital Expenditures
($MM)

FY21	FY22	FY23E
$20	$31	$2-4

2023 FINANCIAL GUIDANCE

As of May 3, 2023

Business Outlook

- General stability in end-market demand, but considers the potential for demand softening as the year progresses
- Supply chain constraints and disruptions continue to impact some customers, yet anticipate ratable improvement in market conditions over the medium term
- Improve upon existing relationships while building new and adjacent growth opportunities
- Driving price discipline and operational enhancements to support improved margin realization
- Continue to maintain balance sheet optionality to support growth

Included Financial Assumptions

- Raw-material price pass-throughs reduce revenue by 4% – 5% Y/Y in 2023 due to stabilized market prices
- Scrap income to decrease $4 – $6 million in 2023 as compared to 2022.
- Hazel Park to have a dilutive impact of $4 – $6 million, or 70 – 100 basis point EBITDA margin impact
- MBX initiatives contributing 40 – 70 basis points in 2023 to Adjusted EBITDA margin

($MM)	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

Strategic evolution story supported by attractive re-shoring and outsourcing mega trends



Business Transformation to Drive Margin Expansion & Profitable Growth

Strategic Business Transformation

- Demand fundamentals remain strong across our end markets, supporting profitable growth
- MBX value creation framework – expected to drive approximately a 40 - 70 basis point improvement in Adjusted EBITDA margin in 2023
- Evaluating opportunistic, bolt-on acquisitions in complementary adjacent markets, in support of energy transition and renewables demand
- Net leverage below long-term target; strong liquidity profile and improved free cash flow 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

TRACK-RECORD OF CYCLICAL DURABILITY

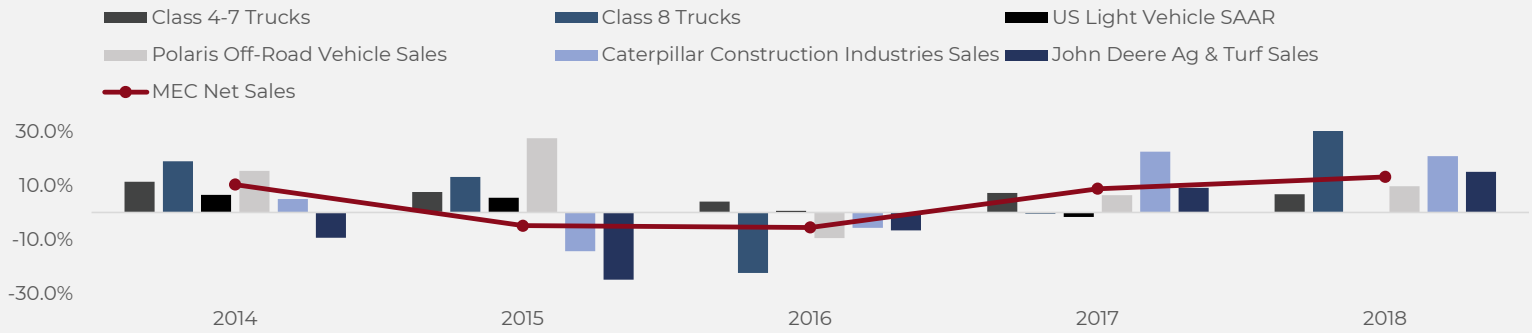
Diverse business mix and flexible business model limit MEC's cyclical volatility

Agility
Our technology enabled manufacturing processes give us ability to quickly pivot to meet changing customer needs

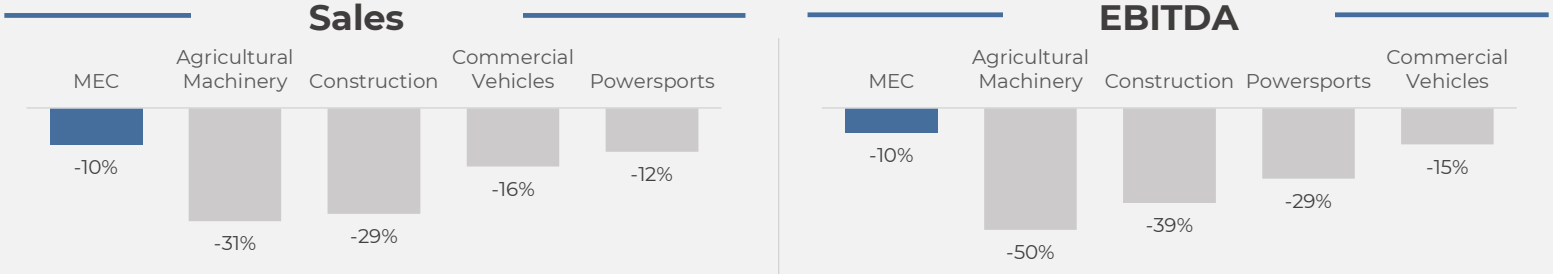
Adaptability
State-of-the art technology allows MEC to leverage equipment across multiple customer projects and on-board new customers quickly as suppliers consolidate

Alignment
MEC's value-add process closely aligns with customer supply chains, giving us visibility to pending shifts in customer demand

Performance Through End Market Volatility
(% Y-o-Y Change in Sales)

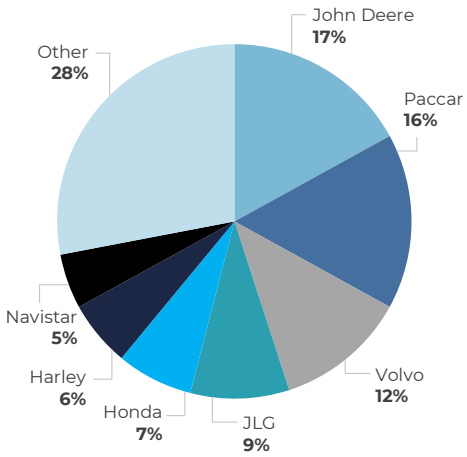


Max Peak-to-Trough Decline Since 2013
(Maximum Annual Y-o-Y % Change)

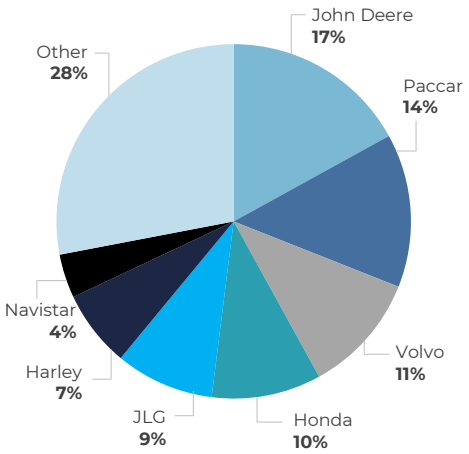


SALES BY CUSTOMER

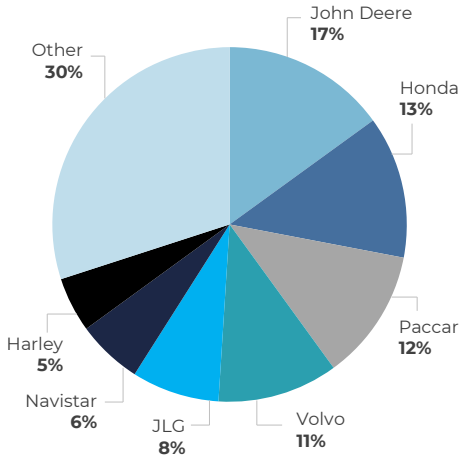
2022



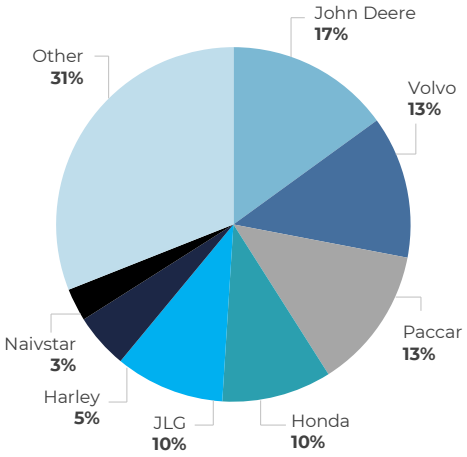
2021



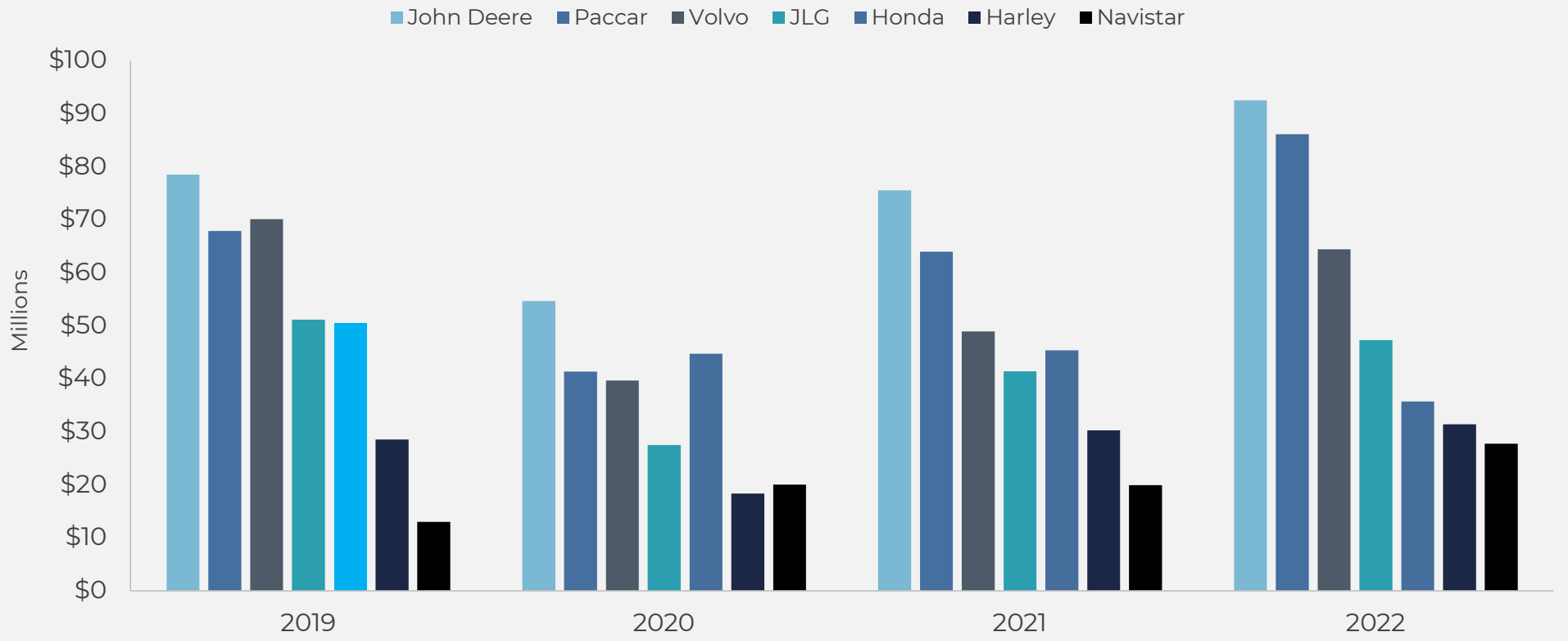
2020



2019



Sales to Individual Customer



HISTORICAL REVENUE BY END-MARKET



($s in Millions)	1Q	2Q	3Q	4Q	Full Year
Commercial Vehicle	$ 39.5	$ 42.8	$ 36.2	$ 38.1	$ 156.6
Construction & Access	20.0	24.1	25.3	22.9	92.3
Powersports	25.1	22.9	20.4	21.8	90.2
Agriculture	11.8	12.9	12.5	12.6	49.8
Military	6.2	6.3	5.9	5.7	24.1
Other	10.0	11.2	8.7	11.9	41.8
Total	**$ 112.6**	**$ 120.2**	**$ 109.0**	**$ 113.0**	**$ 454.8**

	1Q	2Q	3Q	4Q	Full Year
Commercial Vehicle	$ 50.9	$ 55.1	$ 53.7	$ 53.3	$ 213.0
Construction & Access	29.7	29.4	26.9	25.5	111.5
Powersports	22.6	22.4	23.3	19.2	87.5
Agriculture	15.2	15.4	14.4	12.4	57.4
Military	5.2	5.4	6.4	7.9	24.9
Other	12.6	10.7	11.5	10.3	45.1
Total	**$ 136.2**	**$ 138.4**	**$ 136.2**	**$ 128.6**	**$ 539.4**

HISTORICAL MATERIAL PRICE PASS-THROUGH

(Y-o-Y Change in $MMs)	Material Price Pass-Throughs				
	1Q	2Q	3Q	4Q	Full Year
2021	$ —	$ 2.8	$ 5.6	$ 15.0	**$ 23.4**
2022	$ 14.6	$ 10.4	$ 2.5	$ 0.5	**$ 28.0**
2023	$ (9.9)				

Reconciliation of Non-GAAP Measures

	Q1	
($MM)	2023	2022
Net income (loss) and comprehensive income (loss)	$ 2.6	$ 3.8
Interest expense	1.7	0.6
Provision (benefit) for income taxes	0.4	1.2
Depreciation and amortization	7.9	7.2
EBITDA	**$ 12.6**	**$ 12.8**
Hazel Park transition and legal costs due to former fitness customer	0.2	1.9
Stock based compensation expense	1.0	1.3
Impairment of inventory and loss on contracts	—	(1.2)
Adjusted EBITDA	**$ 13.8**	**$ 14.8**
Net sales	$ 142.6	$ 136.2
EBITDA margin	8.8%	9.4%
Adjusted EBITDA margin	9.7%	10.8%