3Q23 Results Presentation

November 1, 2023



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Safe Harbor Statement under the U.S. Private Securities Litigation Reform Act of 1995: This presentation contains statements that are forward-looking in nature which express the beliefs and expectations of management including statements regarding the Company's expected results of operations or liquidity; statements concerning projections, predictions, expectations, estimates or forecasts as to our business, financial and operational results and future economic performance; and statements of management's goals and objectives and other similar expressions concerning matters that are not historical facts. In some cases, you can identify forward-looking statements by terminology such as "anticipate," "estimate," "plan," "project," "continuing," "ongoing," "expect," "we believe," "we intend," "may," "will," "should," "could," and similar expressions. Such statements are based on current plans, estimates and expectations and involve a number of known and unknown risks, uncertainties and other factors that could cause the Company's future results, performance or achievements to differ significantly from the results, performance or achievements expressed or implied by such forward-looking statements. These factors and additional information are discussed in the Company's filings with the Securities and Exchange Commission and statements in this presentation should be evaluated in light of these important factors. Although we believe that these statements are based upon reasonable assumptions, we cannot guarantee future results. Forward-looking statements speak only as of the date on which they are made, and the Company undertakes no obligation to update publicly or revise any forward-looking statement, whether as a result of new information, future developments
or otherwise.



3Q23 FINANCIAL PERFORMANCE

Successful strategic execution delivers margin expansion and continued organic revenue growth



Beginning to see early benefits from MBX framework while continuing strategic execution amid stable end-market demand

- Demand and market share growth, driven by MBX initiatives, generated continued revenue growth and margin expansion
- Excluding Hazel Park, delivered adjusted EBITDA margin of 13.2%, consistent with expectations

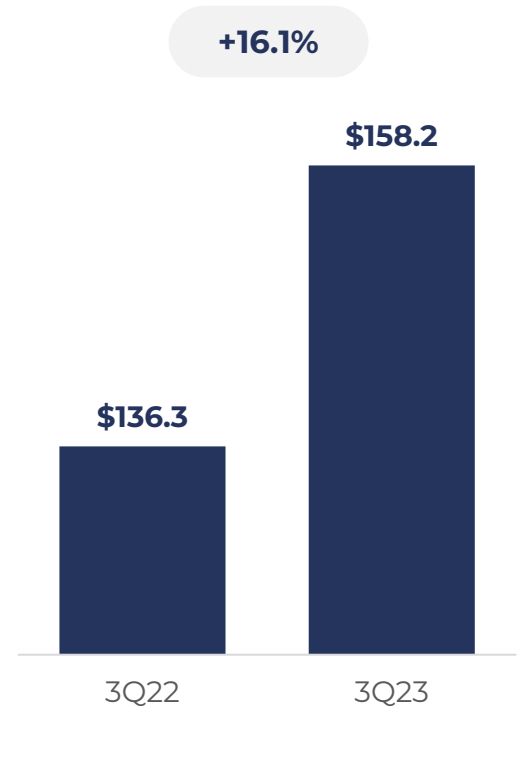
3Q23 Performance Highlights

- Net sales +16.1% y/y including organic growth of 6.2% y/y, due to the acquisition of MSA and supported by stable demand and new project volumes
- Adjusted EBITDA increased 19% y/y to $19.2 million primarily due to improved organic volumes and the impact of the MSA acquisition
- The ramp-up of production at the Hazel Park facility unfavorably impacted Adjusted EBITDA by $1.7 million during 3Q23, as compared to an impact of $1.3 million in 3Q22
- Adjusted EBITDA margin was 12.1% for the third quarter and reflects a 110 basis point impact from the ramp of the Hazel Park facility
- Delivered record quarterly Free Cash Flow of $16.1 million and free cash flow conversion of 84%
- Repaid $17.1 million of debt during the quarter resulting in net leverage at September 30, 2023 of slightly below 2.5x
- Secured the first commitment for volumes from a legacy MEC customer for MSA aluminum extrusion products
- MSA integration progressing on-track with expectations

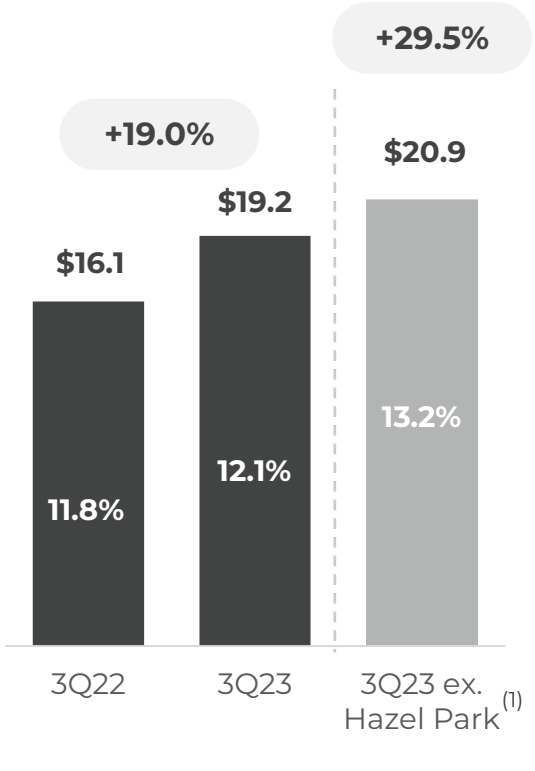
See the appendix for a reconciliation of Adjusted EBITDA and Free Cash Flow to their most directly comparable GAAP financial measure.

THIRD QUARTER FINANCIAL PERFORMANCE

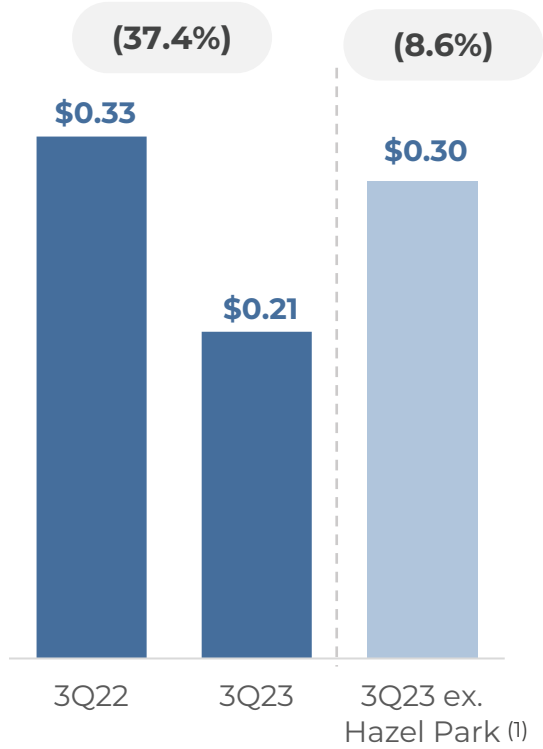
Net Sales
($MM)



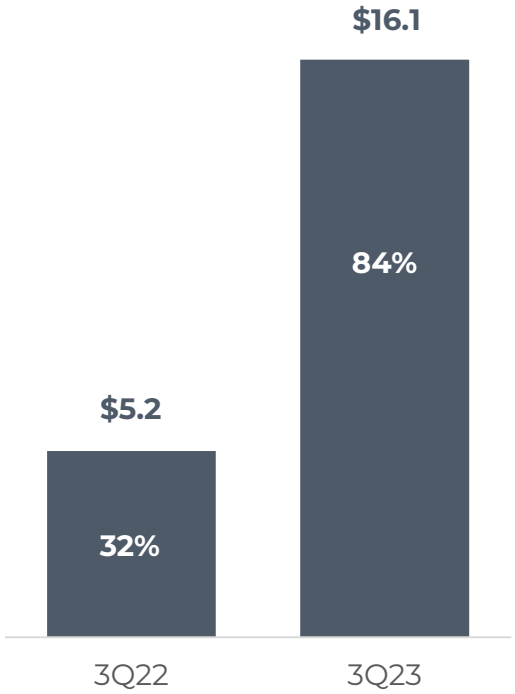
Adj. EBITDA & Margin
($MM & % of Net Sales)



Adj. Diluted EPS
($/share)



Free Cash Flow
($MM & % of Adj. EBITDA)



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

See the appendix for reconciliations of Adjusted EBITDA, Adjusted Diluted EPS and Free Cash Flow to their most directly comparable GAAP financial measures.

2024 END-MARKET OUTLOOK

End-market demand is softening but market-share gains will offset in 2024

	Commercial Vehicle	Construction & Access	Powersports	Agriculture	Military	Other
MEC						
Macro						

Assumptions:

- Demand slowing in 4Q23 and into 2024 as the industry navigates an emissions regulation change along with general slowing in economic activity
- 2024 ACT projections reflect 18% y-o-y decline

Assumptions:

- Soft residential new construction demand
- Demand remains steady across non-residential, infrastructure and energy markets

Assumptions:

- Growth deceleration as dealer inventories have normalized
- Recent share gains outpacing softness occurring due to discretionary nature of consumer spending

Assumptions:

- Elevated crop prices and global food stocks remain tight
- Softening demand in small ag and turf with modest growth in large ag

Assumptions:

- Solid backlog for U.S. government contracts and strong volumes based on new program introductions
- Volume growth moderating due to expiration of legacy projects

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

Organic sales and profitability growth highlight early success of MBX framework

Strong Organic Growth in Key End Markets

Revenues grew 6.2% organically y/y as Commercial Vehicle, Powersports & Military net sales increased Y-o-Y by 6.6%, 7.6% and 70.3%, respectively. Growth was driven by strong end market demand and elevated build rates in CV and new program launches in Powersports and Military end-markets.

MBX Improving Operating Leverage

While 3Q23 continued to be burden by on-going cost under-absorption from the ramp-up of Hazel Park, MBX self-help initiatives drove margin expansion through improved pricing and cost efficiencies.

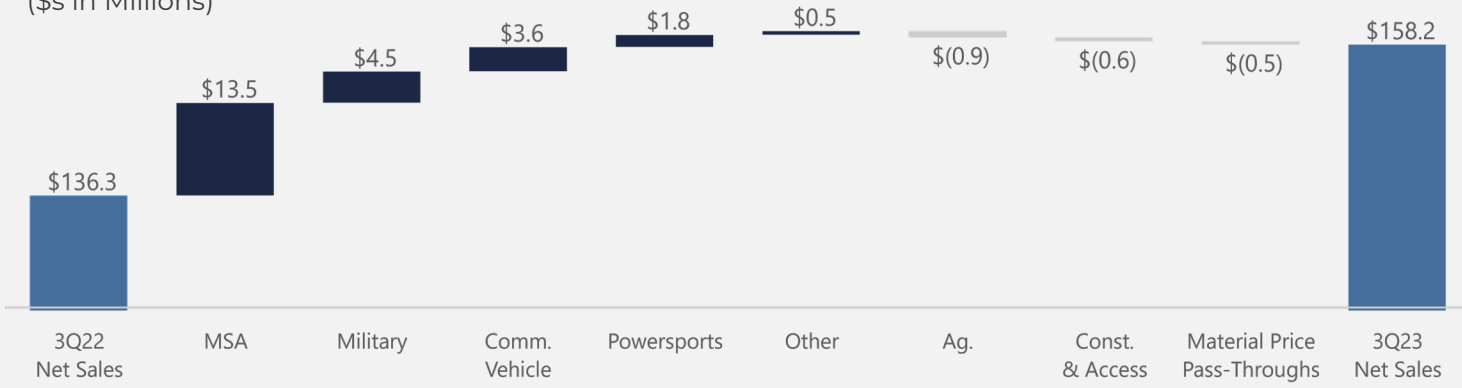
SG&A Costs at New Normal

SG&A costs grew $2.1 million due to higher professional fees associated with the acquisition, legal expenses relating to former fitness customer and increased salaries, wages and benefits. SG&A is targeted to be in the range of 4.5% to 5.5% of net sales in the near term and 4.5% - 5.0% by 2026.

Raw Material Pass-Through:
Net sales growth reflects $0.5 million Y-o-Y decrease in material price pass-throughs.

3Q Net Sales Reconciliation

($s in Millions)



3Q Adjusted EBITDA Reconciliation

($s in Millions)



See the appendix for a reconciliation of Adjusted EBITDA to the most directly comparable GAAP financial measure.

CAPITAL ALLOCATION PRIORITIES

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

Balanced approach to capital allocation

Consistent Debt Paydown

- Net leverage slightly below 2.5x as of September 30, 2023
- Targeting leverage of 1.5x – 2.0x by year-end 2024

Return-of-capital program

- Renewed our share repurchase authorization program allowing up to $25M of shares through 2026
- Repurchased $2.0M of Company stock over the last 12 months
- Evaluating additional, potential opportunities to return capital to shareholders

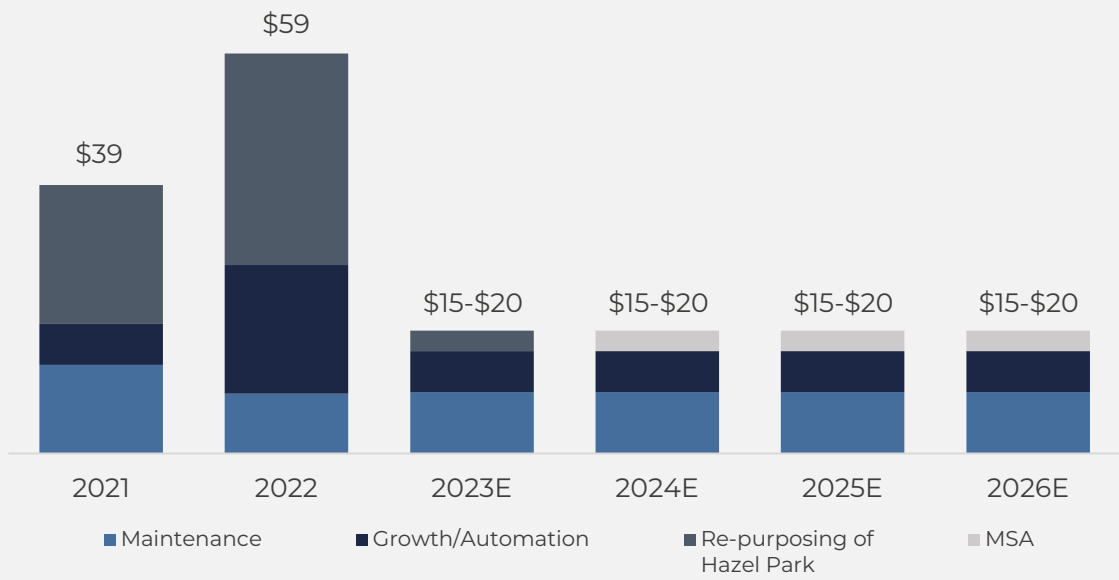
Sustaining growth investments

Intend to reduce CXAPEX by more than 50% to $15-$20M

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

Capital Expenditures
($MM)



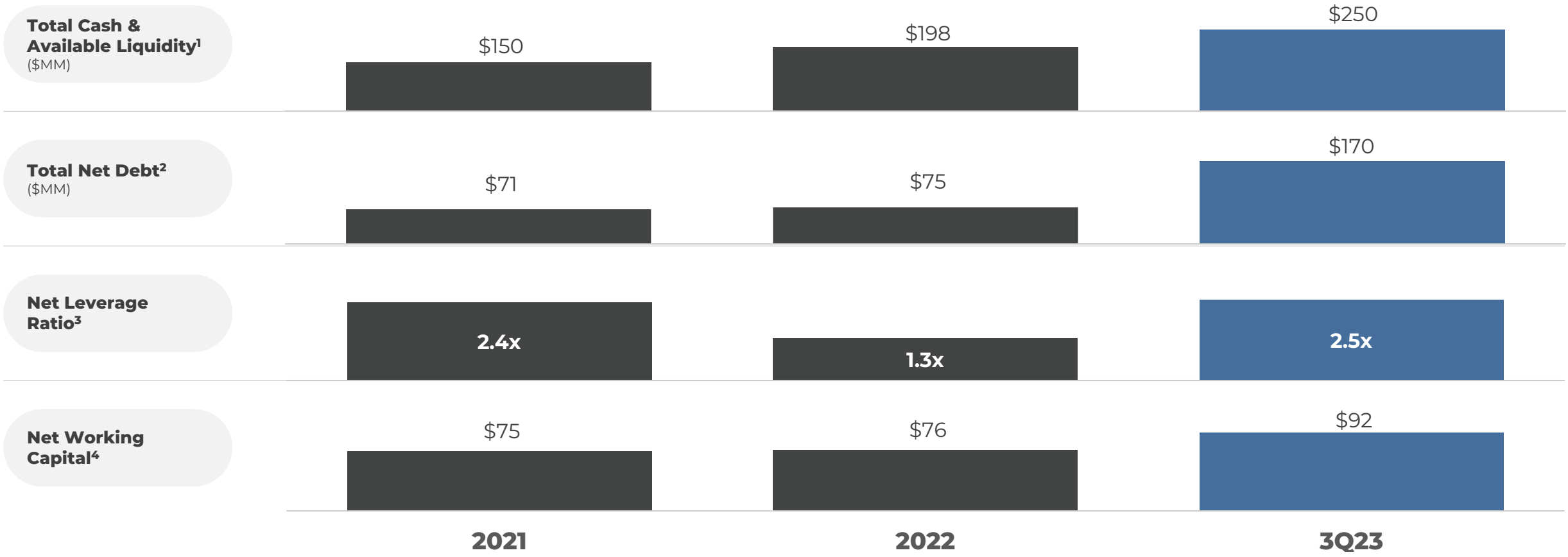
Hazel Park Capital Expenditures

($MM)

FY21	FY22	FY23E
$20	$31	$2-4

DISCIPLINED CAPITAL MANAGEMENT

Flexible balance sheet with ample liquidity to support long term growth



1) Assumes continued compliance with covenants associated with the current Credit Agreement. This amount would be reduced by the Company's outstanding borrowings under the Credit Agreement 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. See the appendix for a reconciliation of Adjusted EBITDA to the most directly comparable GAAP financial measure.
4) The Company calculates Net Working Capital as accounts receivable plus inventory minus accounts payable

2023 FINANCIAL GUIDANCE

As of November 1, 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

Financial Assumptions

- Raw-material price pass-throughs reduce revenue by 4% – 5% Y/Y in 2023 due to stabilized market prices
- Improved plant utilization to drive 100-200bps of Adj. EBITDA margin improvement in 2H23 vs. 1H23
- Scrap income to increase $1 – $3 million in 2023 as compared to 2022
- Hazel Park to have a dilutive impact of $5 – $7 million on Adj. EBITDA
- MBX initiatives contributing 40 – 70 basis points in 2023 to Adjusted EBITDA margin
- Excludes UAW strikes within CV and Auto industries estimated to impact sales by $6-$7M and Adj. EBITDA by $1-$2M a month starting November

					2H23E	
($MM)	**2022A**	**2023E**	**YoY Change (%)**	**1H23A**	**Legacy MEC**	**MSA**
Revenue	$539	$580 – $610	8% – 13%	$282	$268 - $293	$30 - $35
Adjusted EBITDA	$61	$66 – $71	9% – 17%	$29	$33 - $36	$4 - $6
Capital Expenditures	$59	$15 – $20	(66%) – (74%)	$6	$8 - $13	~$1

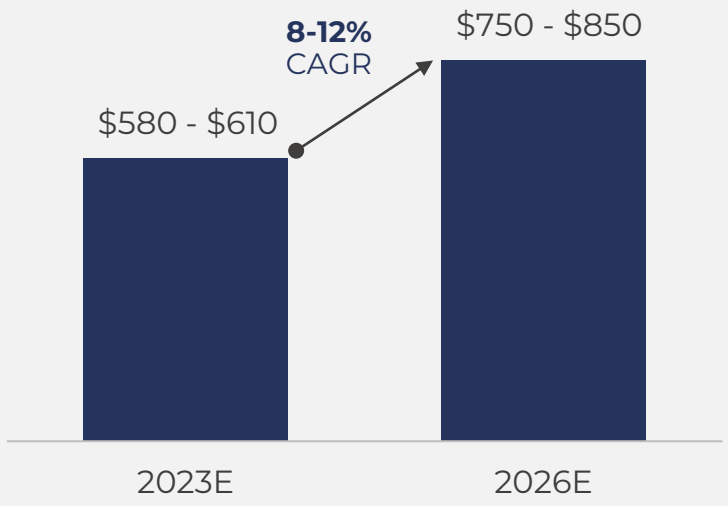
See the appendix for a reconciliation of Adjusted EBITDA to the most directly comparable GAAP financial measure.

Value Creation Roadmap (1)

MBX Framework expected to drive substantial financial value and shareholder returns

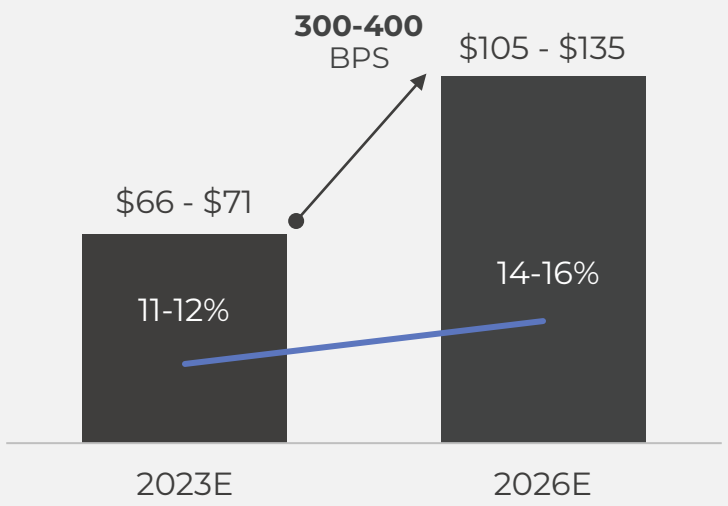
Sales Performance

$s in Millions



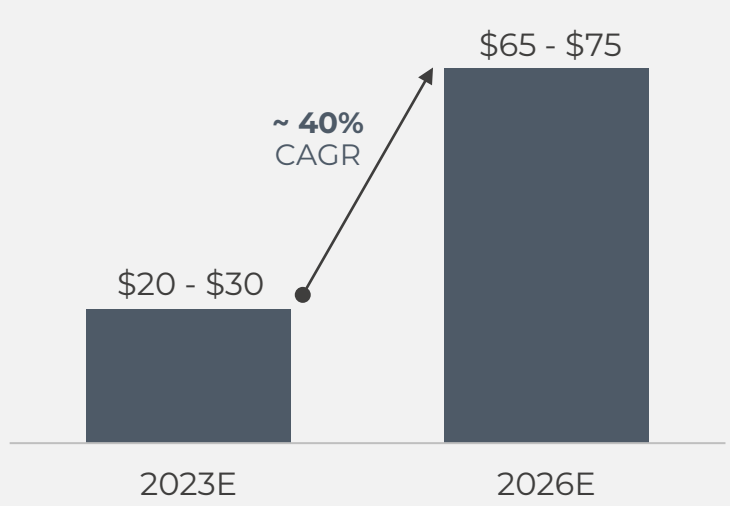
Adjusted EBITDA Performance

$s in Millions and as a % of Sales



Free Cash Flow Performance

$s in Millions



MBX value creation framework | **Organic revenue acceleration** | **Adj. EBITDA margin expansion** | **Cash flow & capital deployment strategy**

1. Inclusive of Mid-States Aluminum

Organic Growth Acceleration [1]

3-Year Organic Revenue CAGR of 8% - 12%, before incremental M&A

Three Year Sales Reconciliation [1]

$s in Millions



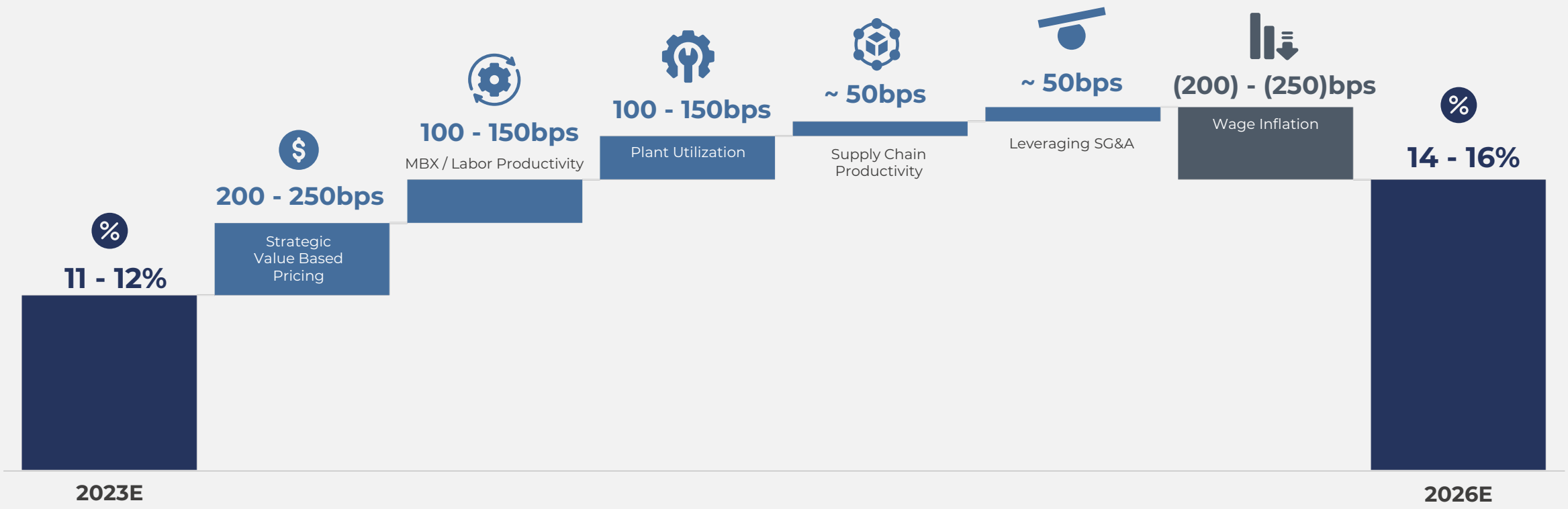
(1) Inclusive of Mid-States Aluminum

Accelerated Margin Expansion

Targeting 3-Year Adjusted EBITDA margin expansion of 300bps – 400bps

3-Year Adjusted EBITDA Margin Reconciliation

Adjusted EBITDA as a % of Sales



Note: Assumes stable material pricing (CRU of $700-$900/ton)

INVESTMENT THESIS

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



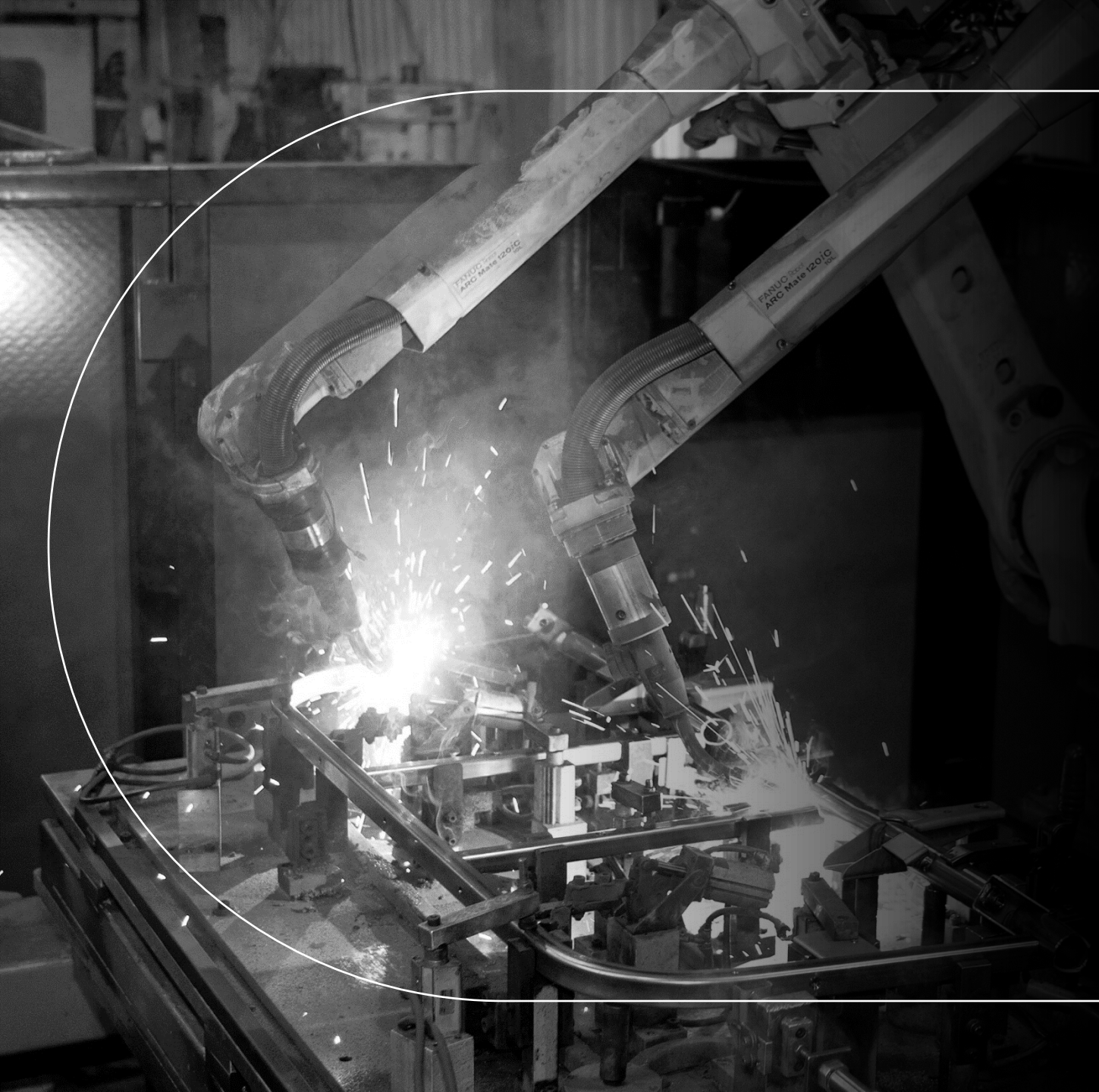
Business Transformation to Drive Margin Expansion & Profitable Growth

Strategic Business Transformation

- Strong demand fundamentals across our end markets, supporting profitable growth
- Value creation platform expected to drive Adjusted EBITDA margins to 14% - 16% and organic revenue growth of 8% - 12% per year over the next 3-years
- Evaluating opportunistic, bolt-on acquisitions in complementary adjacent markets, in support of energy transition and renewables demand
- Attractive free cash flow profile to support de-leveraging and 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

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)	$ (8.3)	$ (0.5)	$ —	**$ (18.7)**

Non-GAAP Reconciliation of Adjusted EBITDA

	Q3	
($MM)	2023	2022
Net income and comprehensive income	$ 1.4	$ 6.6
Interest expense	3.9	0.8
Provision for income taxes	0.6	1.5
Depreciation and amortization	9.6	7.1
EBITDA	**$ 15.5**	**$ 16.0**
CEO transition costs	—	0.9
MSA acquisition related costs	0.5	—
Stock-based compensation expense	1.3	0.1
Hazel Park transition and legal costs due to former fitness customer	1.0	0.9
Costs recognized on step-up of MSA acquired inventory	0.9	—
Impairment of long-lived assets and gain on contracts	—	(1.7)
Adjusted EBITDA	**$ 19.2**	**$ 16.1**
Net sales	$ 158.2	$ 136.3
EBITDA margin	9.8%	11.8%
Adjusted EBITDA margin	12.1%	11.8%

Non-GAAP Reconciliation of Adjusted Net Income & Diluted EPS

	Q3	
($MM, except share amounts and per share values)	2023	2022
Net income and comprehensive income	$ 1.4	$ 6.6
CEO transition costs	—	0.9
MSA acquisition related costs	0.5	—
Stock-based compensation expense	1.3	0.1
Hazel Park transition and legal costs due to former fitness customer	1.0	0.9
Costs recognized on step-up of MSA acquired inventory	0.9	—
Impairment of long-lived assets and gain on contracts	—	(1.7)
Tax affect of above the adjustments	(0.9)	(0.0)
Adjusted net income and comprehensive income	**$ 4.2**	**$ 6.7**
Adjusted Diluted EPS	**$ 0.21**	**$ $0.33**
Weighted average diluted shares outstanding	**20,622,864**	**20,394,386**

Non-GAAP Reconciliation of Free Cash Flow

	Q3	
($MM)	2023	2022
Net cash provided by operating activities	$ 19.6	$ 17.6
Purchase of property, plant and equipment	(3.5)	(12.5)
Free cash flow	**$ 16.1**	**$ 5.2**
Adjusted EBITDA	$ 19.2	$ 16.1
Free cash flow conversion[1]	84%	32%

1) Free cash flow conversion is calculated as free cash flow divided by Adjusted EBITDA