



2Q24 Results Presentation

August 7, 2024



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2Q24 FINANCIAL PERFORMANCE

Momentum from strategic execution drives growth, margin expansion and robust cash flow generation



Strategic execution supports sustainable margin growth and above-market net sales growth through new project wins

- Adjusted EBITDA margins improved to 12.0% during Q2 due to organic sales growth, pricing improvement and operating leverage improvement
- Continued to deliver strong free cash flow generation because of MBX net working capital initiatives

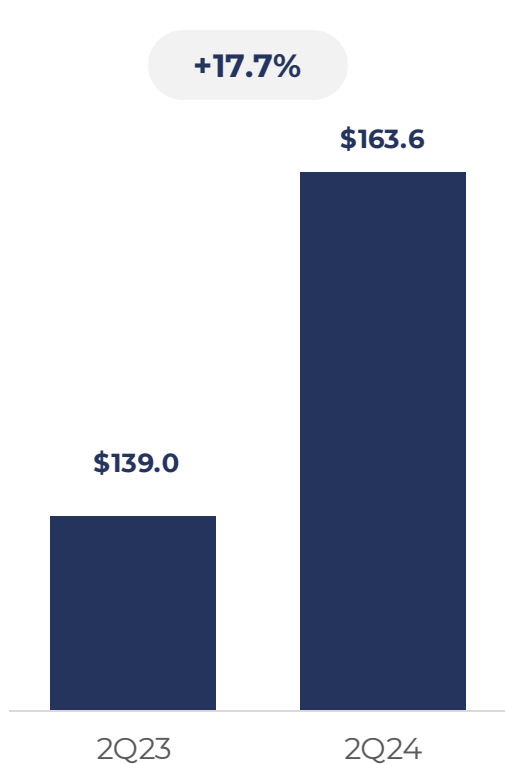
2Q24 Performance Highlights

- Net sales +17.7% y/y including organic growth of 6.9% y/y, due to the acquisition of MSA, market share gains and new project volumes
- Adjusted EBITDA increased 28.4% y/y to \$19.6 million primarily due to the impact of the MSA acquisition, MEC Business Excellence (MBX) initiatives and commercial pricing initiatives
- Adjusted EBITDA margins of 12.0%, an increase of 100 basis points y/y driven by successful strategic execution on MBX, organic revenue growth and commercial pricing initiatives
- Adjusted EPS of \$0.26, an increase of 30.0% from \$0.20 in Q2 2023
- Delivered seasonally strong quarterly Free Cash Flow of \$19.2 million and repaid \$17.8 million of debt during the quarter resulting in a net leverage of 1.7x
- Raised FY 2024 free cash flow guidance to between \$45 - \$55 million

SECOND QUARTER FINANCIAL PERFORMANCE



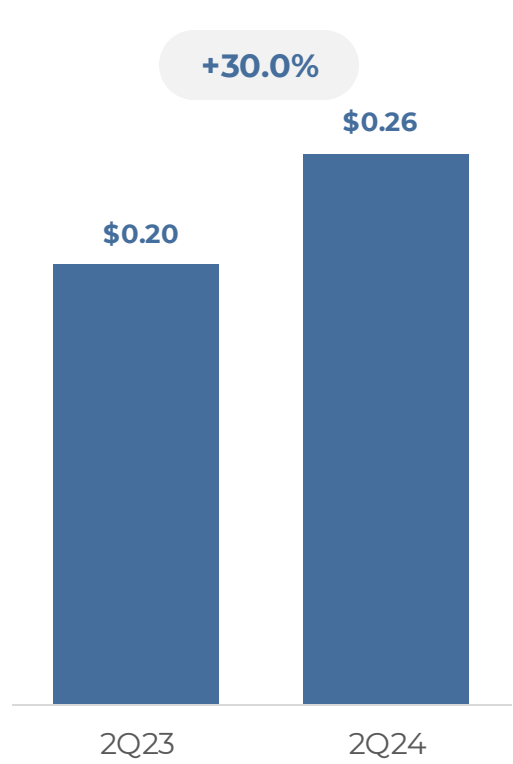
Net Sales (\$MM)



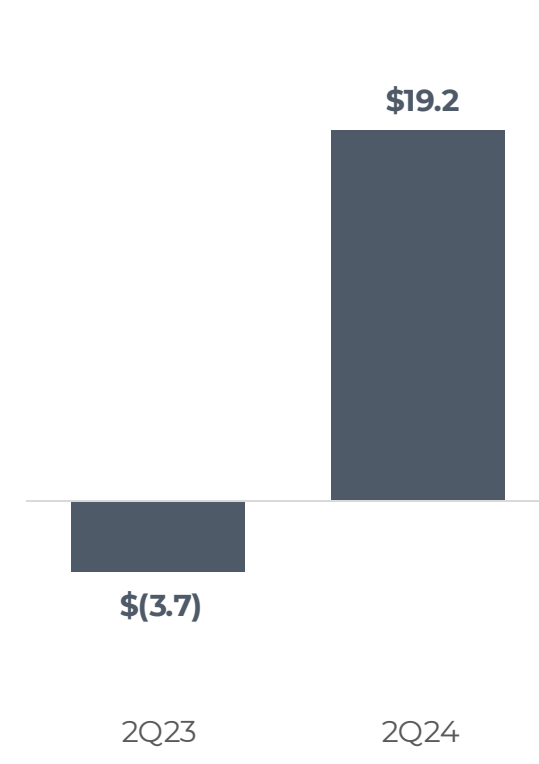
Adj. EBITDA & Margin (\$MM & % of Net Sales)



Adjusted Diluted EPS (\$/share)

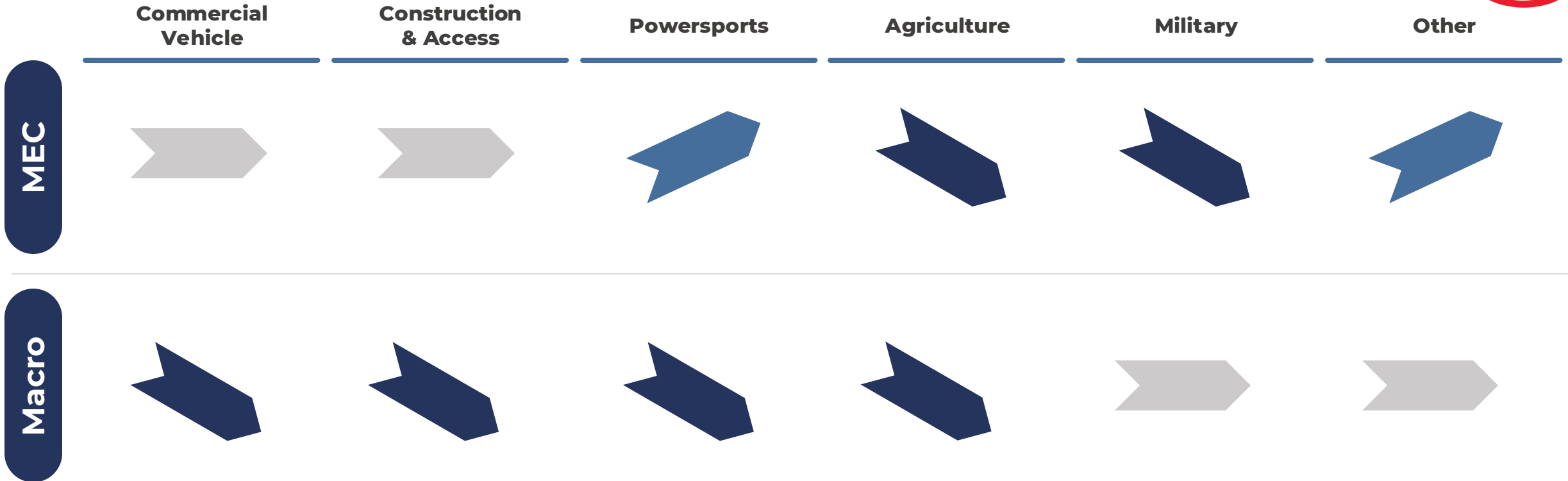


Free Cash Flow (\$MM)



2024 END-MARKET OUTLOOK

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



- | Assumptions: | Assumptions: | Assumptions: | Assumptions: | Assumptions: | Assumptions: |
|---|--|---|---|--|--|
| <ul style="list-style-type: none"> Demand softening in 2024 as the industry navigates an emissions regulation change along with general slowing in economic activity offset by Company new project launches 2024 ACT projections reflect 9.4% y-o-y decline to 308K units | <ul style="list-style-type: none"> Soft residential construction demand Demand remains steady across non-residential and public infrastructure | <ul style="list-style-type: none"> Growth deceleration with cautious customer sentiment and high interest rates Recent share gains, including new customer programs on high-end models, outpacing softness occurring due to discretionary nature of consumer spending | <ul style="list-style-type: none"> Softening demand to overall ag industry with lower crop prices and elevated inventory levels partially offset by Company market share gains | <ul style="list-style-type: none"> Solid backlog for U.S. government contracts and strong volumes based on new program introductions Volume down due to expected roll-off of certain aftermarket programs at the end of 2023 | <ul style="list-style-type: none"> Incremental MSA acquisition revenues New business development focus in energy transition related technologies |

MARKET SHARE GAINS YIELD ABOVE-MARKET GROWTH

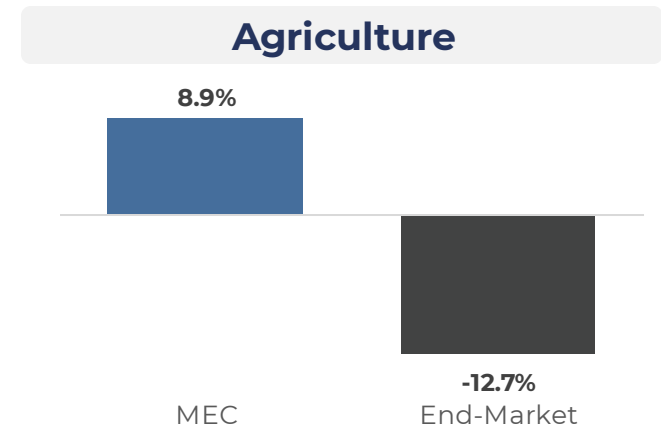
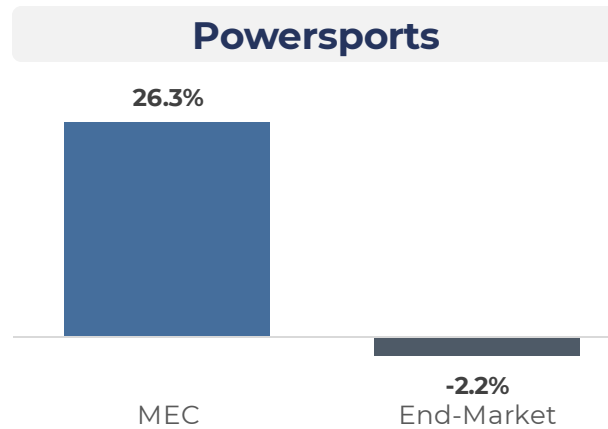
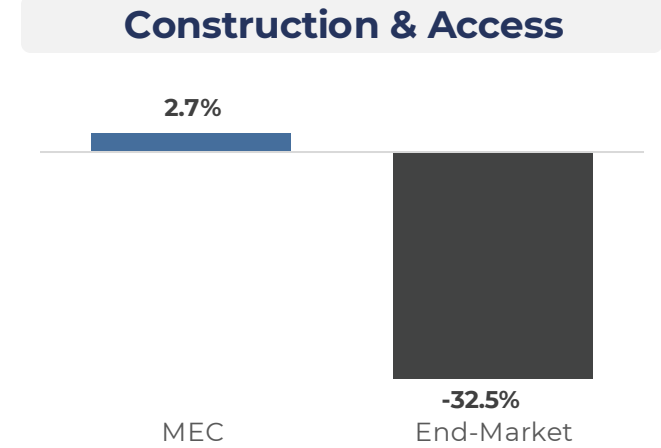
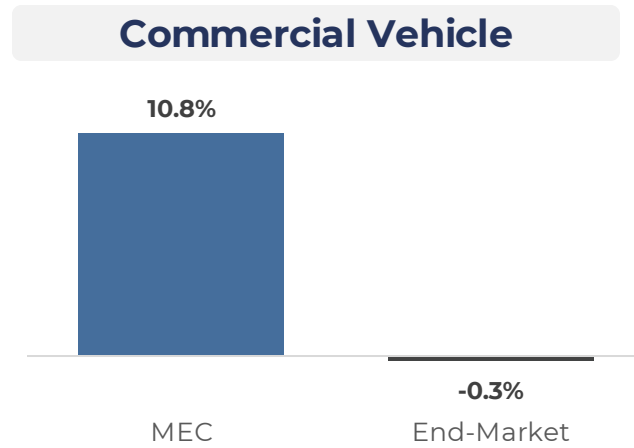
MEC share gains more than offset softening end-market demand across all key end-markets



New project wins support strong topline performance in 2Q24, including 6.9% y/y organic net sales growth

- New project volumes are most notable in the Commercial Vehicle and Powersports end-markets
- 2H24 end market demand is expected to soften further in Commercial Vehicle, Powersports and Agriculture end markets but new project activity will continue to accelerate through the end of the year

2Q End-Market⁽¹⁾ Net Sales Performance vs. Total End-Market Demand
% Change vs. prior year



Source: U.S. Census Bureau, ACT Research and U.S. Bureau of Economic Analysis

(1) MEC net sales includes sales from Mid-States Aluminum (MSA), which was acquired in 3Q23.

2Q NET SALES & ADJUSTED EBITDA PERFORMANCE HIGHLIGHTS



Strategic execution resulting in improved operating leverage, better cost absorption and above-market growth

Stable Organic Volume Trends

Net sales grew 17.7% y/y during 2Q, driven by new project volumes in Powersports and Commercial Vehicle, along with infrastructure related demand in the Construction & Access end-market. Net sales to the military end-market was expectedly down y/y due to aftermarket projects that ended at the end of 2023. Legacy Agriculture related volumes were also soft due to falling demand in the large ag market.

MBX Margin Momentum Continues

The ongoing enterprise-wide focus on lean daily management and continuous improvement has built momentum and resulted in 60bps of margin improvement y/y in Q2. The improvement was most particularly the result of sourcing optimization, improved labor efficiencies and improved utilization.

Value-based pricing beginning to take effect

The implementation of a uniform and programmatic value-based pricing model has been ongoing since last year. During 2Q24, the improved pricing structure drove revenue growth and over 30bps of margin expansion, net of inflation, as new projects continue to be launched under the value-based model.

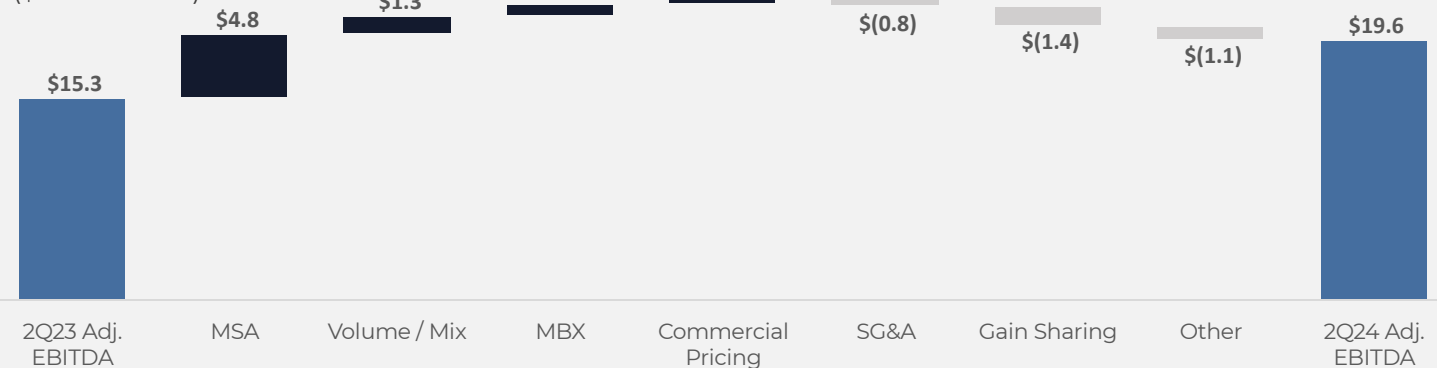
2Q Net Sales Reconciliation

(\$s in Millions)



2Q Adjusted EBITDA Reconciliation

(\$s in Millions)



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 of 1.7x as of June 30, 2024
- Expect to be near the low-end of 1.5x – 2.0x range by year-end 2024

Return-of-capital program

- Repurchased \$1M of shares in 2Q24, with \$24M remaining under current authorization
- Evaluating structured approach to repurchases going forward

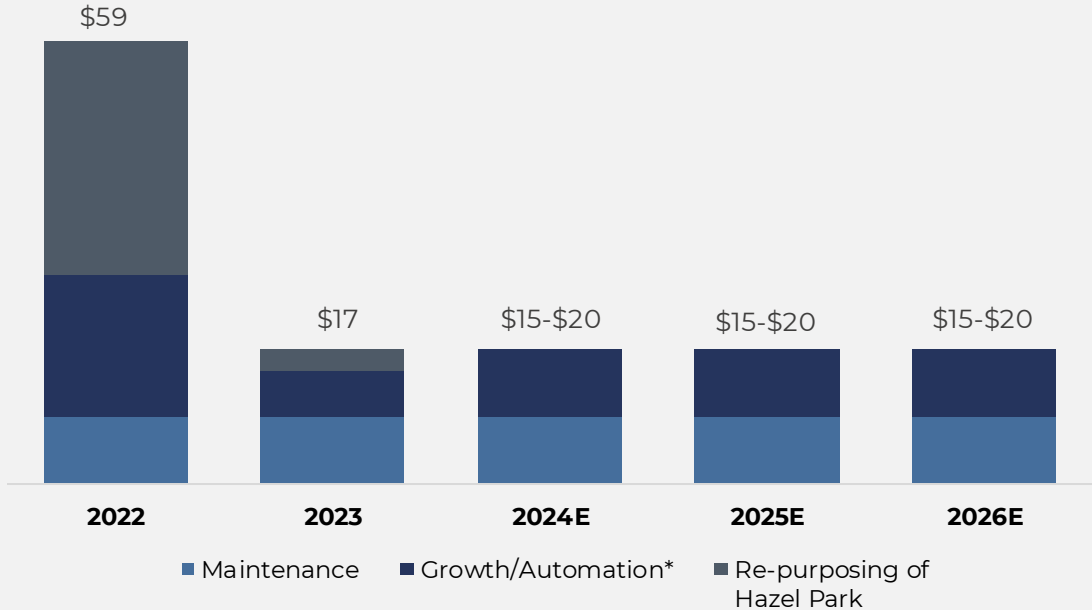
Bolt-on acquisitions in complementary vertical markets

Targeting immediately accretive opportunities in complementary markets such as aluminum, other lightweight capabilities, and opportunistic additions to entrench our position in steel fabrication

Sustaining growth investments

Prioritizing \$7M – \$10M of investment in numerous high-return, capital-light growth/automation advancements with payback periods of less than 18 months

Capital Expenditures (\$MM)



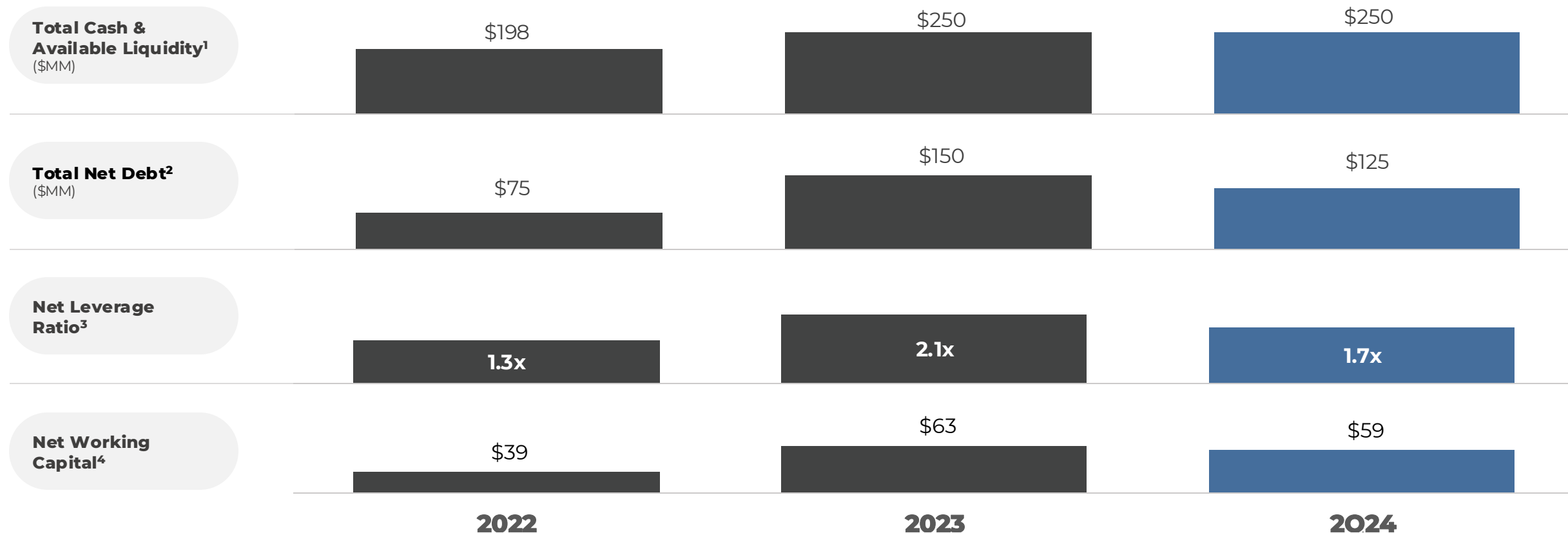
Targeted Growth/Automation Investment (\$MM)



* Includes Capital Expenditures associated with MSA

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 minus cash and cash equivalents

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 current assets minus current liabilities

2024 FINANCIAL GUIDANCE

As of August 6, 2024



Business Outlook

- End-market demand is expected to soften in the second half of the year in many key end-markets
- Continued discipline in executing organic commercial growth initiatives and project launches
- Continue to maintain balance sheet optionality to support growth
- Leveraging newly acquired aluminum extrusion capabilities to drive multi-year growth through revenue synergies
- Driving price discipline and operational enhancements to support continued margin improvement

Financial Assumptions

- Organic net sales growth of 1.5% to 2.5% due to new project launches, including the ramp-up of Hazel Park, offset by slowing macro-demand and project end-of-life
- MSA pro-rata contribution of \$20 to \$30 million in net sales and \$4 to \$6 million in Adj. EBITDA
- Capital expenditures of \$15 to \$20 million
- Strategic value-based pricing initiatives totaling \$1 to \$2 million, net of inflationary pressures in Adj. EBITDA
- MBX/labor productivity initiatives totaling \$2 to \$4 million in Adj. EBITDA

(\$MM)	2023A	2024E	YoY Change (%)
Revenue	\$588.4	\$620 – \$640	5% – 9%
Adjusted EBITDA	\$66.1	\$72 – \$76	9% – 15%
Free cash flow	\$23.8	\$45 – \$55	89% – 131%

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

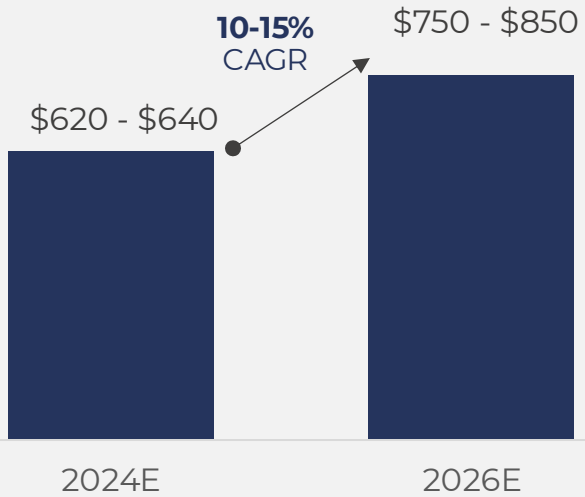
Value Creation Roadmap (1)

MBX Framework expected to drive substantial financial value and shareholder returns



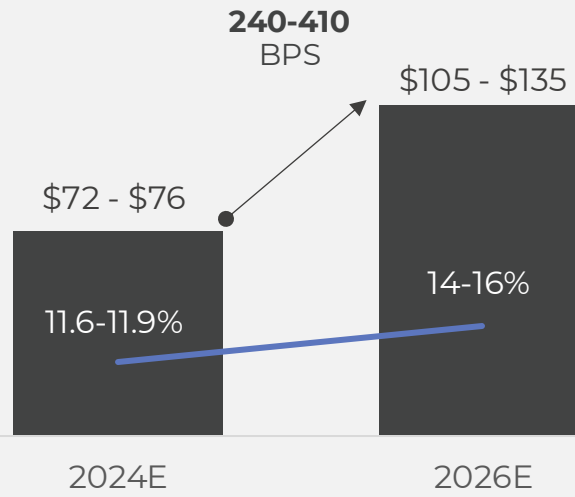
Sales Performance

\$s in Millions



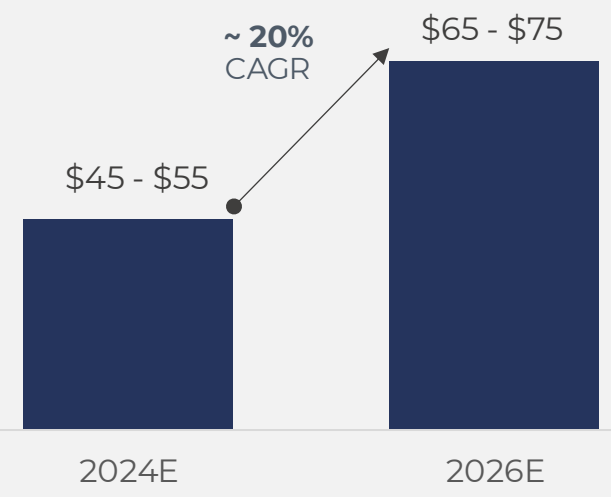
Adjusted EBITDA Performance

\$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

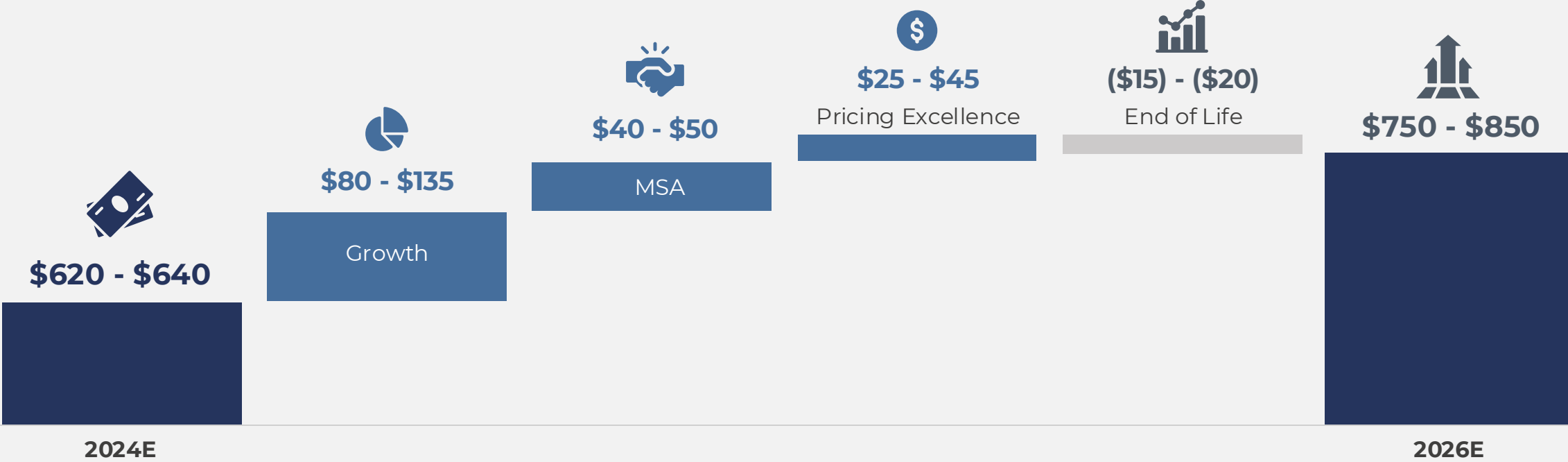
Organic Growth Acceleration (1)

2-Year Organic Revenue CAGR of 10% - 15%, before incremental M&A



Two Year Sales Reconciliation (1)

\$s in Millions



(1) Inclusive of Mid-States Aluminum

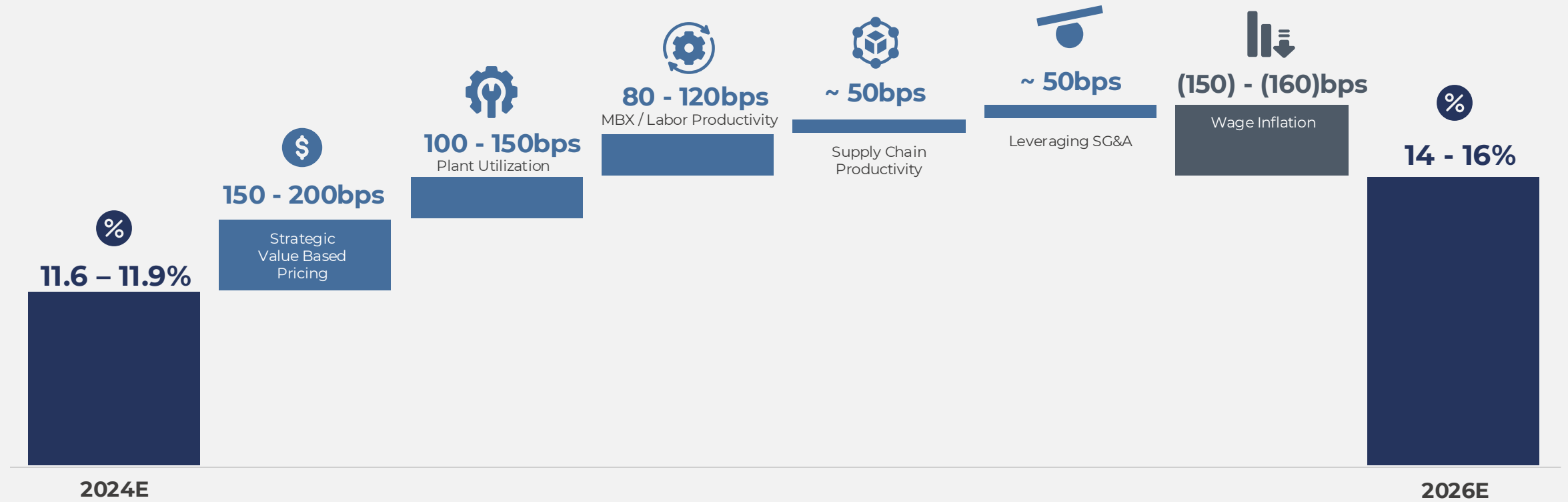
Accelerated Margin Expansion

Targeting 2-Year Adjusted EBITDA margin expansion of 250bps – 400bps



2-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	
2022	\$	14.6	\$	10.4	\$	2.5	\$	0.5	\$	28.0
2023	\$	(9.9)	\$	(8.3)	\$	(0.5)	\$	(0.4)	\$	(19.1)
2024	\$	—	\$	(1.1)					\$	(1.1)

Non-GAAP Reconciliation of Adjusted EBITDA



(\$MM)	Q2	
	2024	2023
Net income and comprehensive income	\$ 3.8	\$ 1.6
Interest expense	3.0	2.0
Provision for income taxes	1.4	0.5
Depreciation and amortization	9.4	8.0
EBITDA	\$ 17.5	\$ 12.1
Loss on extinguishment of debt	—	0.2
MSA acquisition related costs	—	0.9
Stock-based compensation expense	1.3	1.4
Field replacement claim	—	0.5
Legal costs due to former fitness customer	0.8	0.3
Adjusted EBITDA	\$ 19.6	\$ 15.3
Net sales	\$ 163.6	\$ 139.0
EBITDA margin	10.7%	8.7%
Adjusted EBITDA margin	12.0%	11.0%

Non-GAAP Reconciliation of Adjusted Net Income & Diluted EPS



	Q2			
	2024		2023	
(\$MM, except share amounts and per share values)				
Net income and comprehensive income	\$	3.8	\$	1.6
Loss on extinguishment of debt		—		0.2
MSA acquisition related costs		—		0.9
Stock-based compensation expense		1.3		1.4
Field replacement claim		—		0.5
Legal costs due to former fitness customer		0.8		0.3
Tax affect of above the adjustments		(0.4)		(0.8)
Adjusted net income and comprehensive income	\$	5.5	\$	4.1
Adjusted Diluted EPS	\$	0.26	\$	\$0.20
Weighted average diluted shares outstanding		21,034,780		20,827,728

Non-GAAP Reconciliation of Free Cash Flow



	Q2			
(\$MM)	2024		2023	
Net cash provided by operating activities	\$	23.3	\$	0.2
Purchase of property, plant and equipment		(4.1)		(3.9)
Free cash flow	\$	19.2	\$	(3.7)