4Q24 Results Presentation

March 5, 2025



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or otherwise.



4Q24 FINANCIAL PERFORMANCE

Continued cost rationalization and operational discipline, while navigating a trough in customer demand

Operational focus on positioning the organization to capitalize on 2025 demand recovery and commercial growth

- Demand trends should improve in 2H25 due to the normalization of channel inventories and the ramp of new product launches
- Discussions with new and current customers should allow the business to diversify into high-value, emerging growth end-markets such as the ongoing data-center build-out

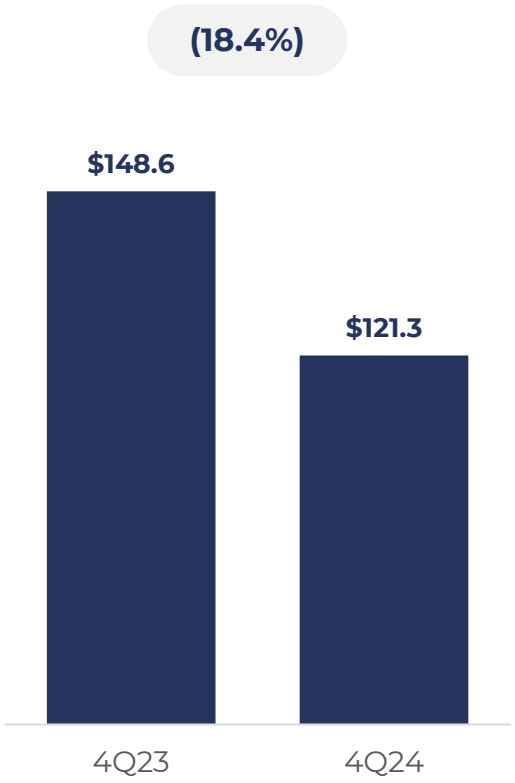
4Q24 Performance Highlights

- Net sales declined 18.4% y/y, due to customer de-stocking of channel inventory due to weak end-market demand, partially offset by new project ramp-ups
- Adjusted EBITDA decreased to $9.2 million primarily due to reduced capacity utilization amid soft customer demand, partially offset by cost rationalization efforts
- Adjusted EBITDA margins were 7.6% in 4Q24, compared to 11.9% in 4Q23. 4Q24 margins reflect reduced fixed cost absorption and capacity utilization
- Adjusted Diluted EPS of ($0.07), a decrease from $0.21 in 4Q23
- Generated Free Cash Flow of $35.6 million, supported by strong working capital management and the proceeds of a $25.5 million legal settlement
- Using cash on-hand, repaid $31.8 million of debt during the quarter resulting in net leverage of 1.3x, below targeted range of 1.5x – 2.0x for 12/31/24
- Opportunistically returned capital to shareholders through repurchase of $3.9 million of shares during the quarter

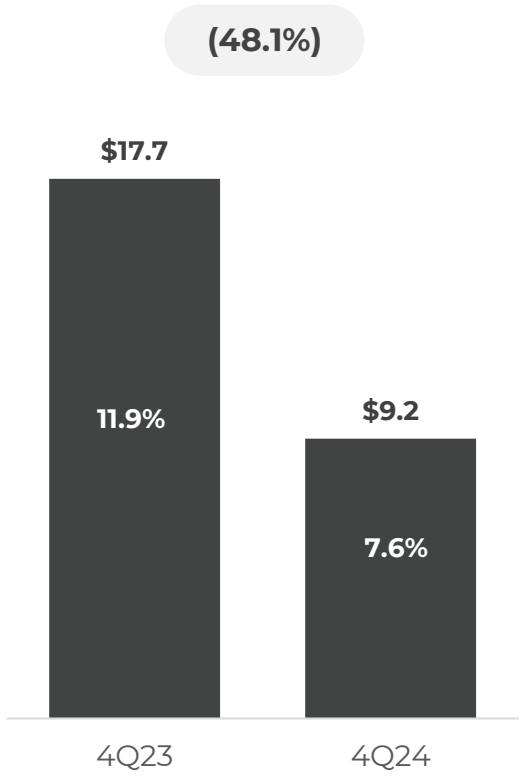
See the appendix for a reconciliation of Adjusted EBITDA and Free Cash Flow to their most directly comparable GAAP financial measure.

FOURTH QUARTER FINANCIAL PERFORMANCE

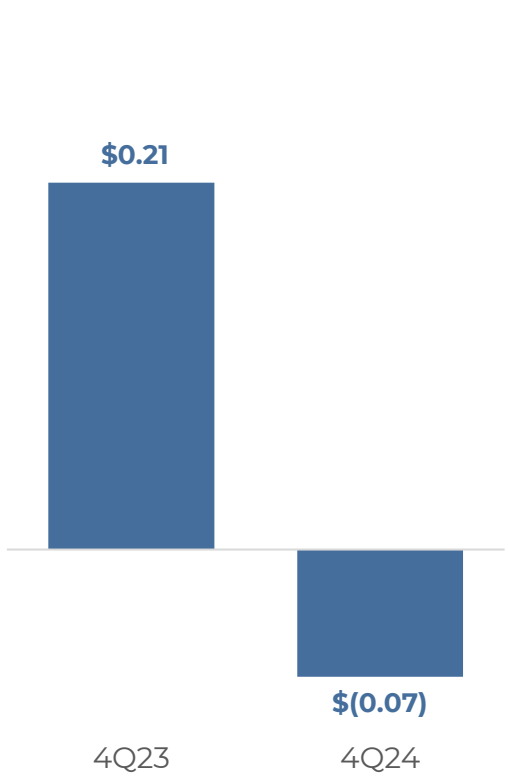
Net Sales
($MM)



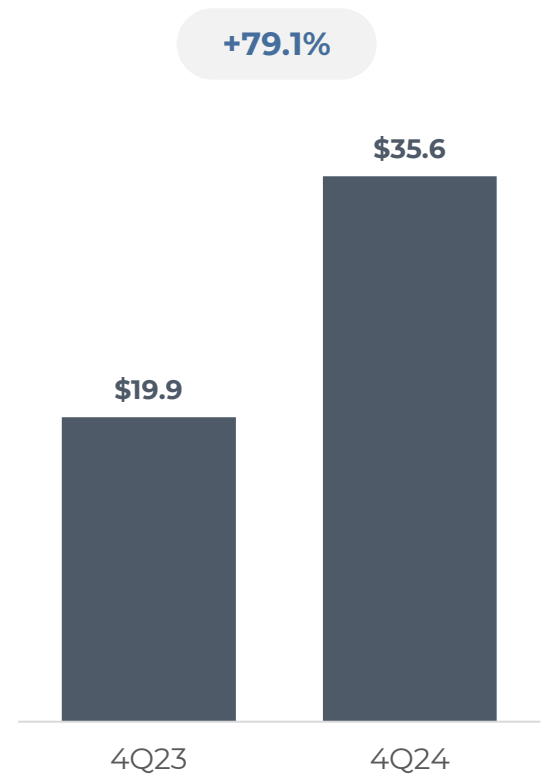
Adj. EBITDA & Margin
($MM & % of Net Sales)



Adjusted Diluted EPS
($/share)



Free Cash Flow
($MM)



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

FULL YEAR FINANCIAL PERFORMANCE

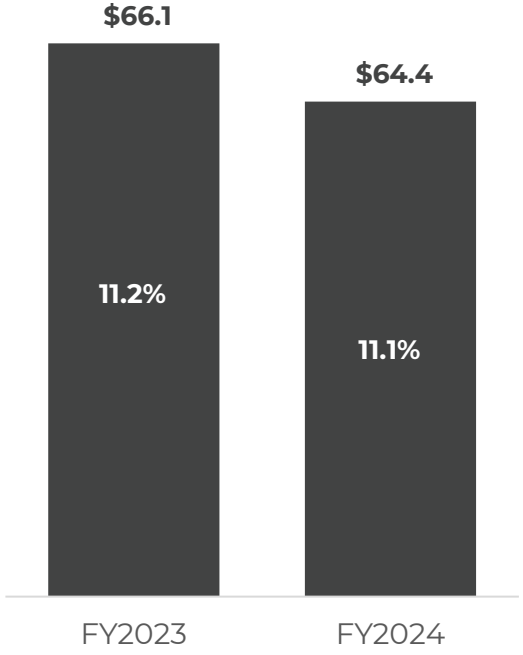
Net Sales
($MM)

(1.2%)



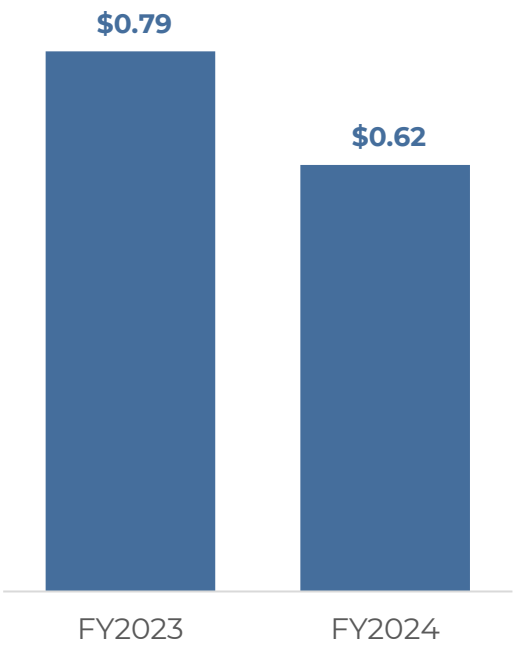
Adj. EBITDA & Margin
($MM & % of Net Sales)

(2.5%)



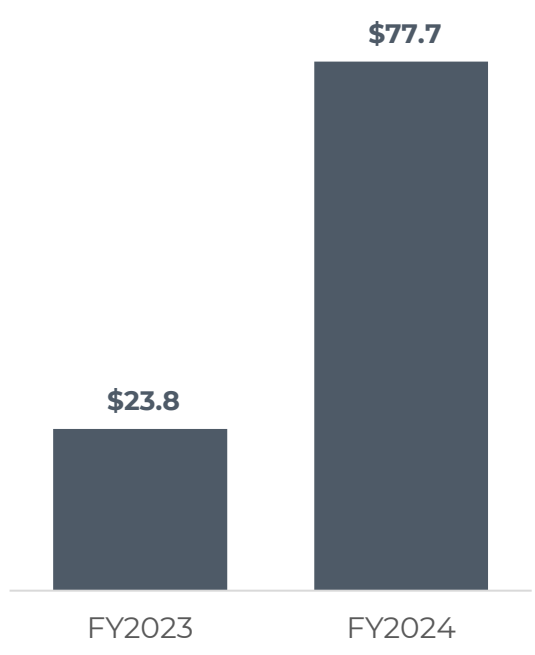
Adjusted Diluted EPS
($/share)

(21.5%)



Free Cash Flow
($MM)

+227.0%



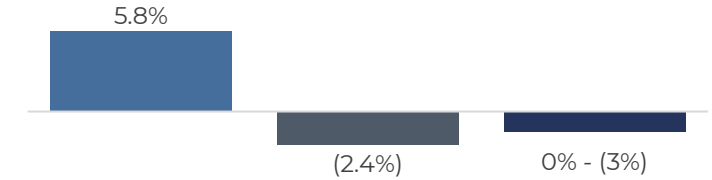
See the appendix for reconciliations of Adjusted EBITDA, Adjusted Diluted EPS and Free Cash Flow to their most directly comparable GAAP financial measures.

2025 END-MARKET OUTLOOK

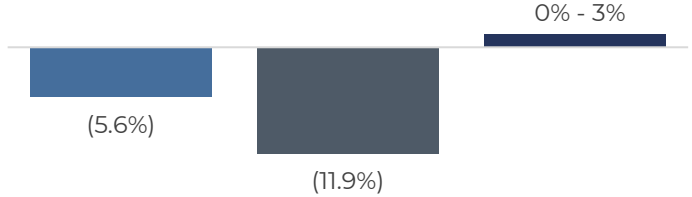
Customer demand remains subdued in 1H25, with gradual improvement throughout 2H25 as channel inventory levels normalize

MEC Net Sales % Change *(Year-Over-Year)*

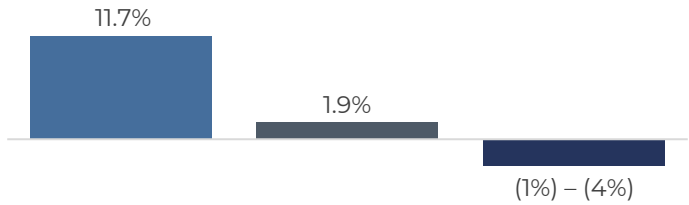
Commercial Vehicle



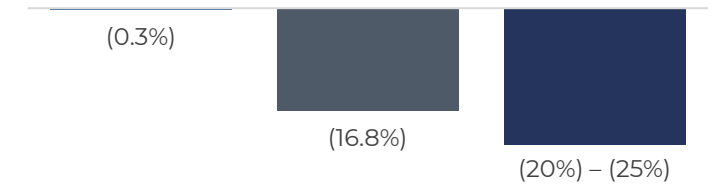
Construction & Access



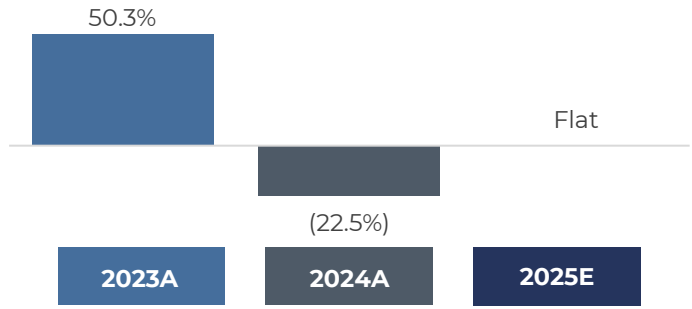
Powersports



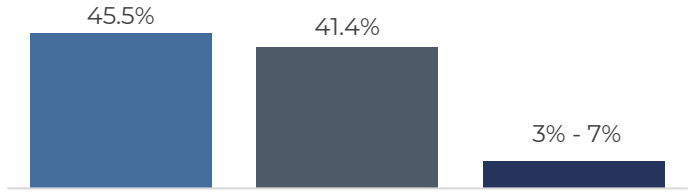
Agriculture



Military



Other



2025 Outlook Assumptions

Commercial Vehicle

- Fleets preparing for 2027 EPS regulations driving modest sequential demand increase in 2025 prior to recovery in 2026
- Continued outperformance of end market as continue to ramp new program wins
- 2025 ACT projections reflect 4.8% y-o-y decline

Construction & Access

- Soft residential construction demand as interest rates remain elevated
- Non-residential and public infrastructure remains soft with anticipation of increased demand in 2H25

Powersports

- Continued inventory channel de-stocking amid soft consumer demand due to elevated interest rates
- Market recovery correlated with a decline in interest rates
- Company market share gains offsetting demand softness

Agriculture

- Continued demand softness within large and small ag industry
- Anticipated recovery not until 2026 due to lower crop prices, inventory de-stocking and elevated interest rates

Military

- Solid backlog for U.S. government contracts and strong volumes based on new program introductions

Other

- New business development focused on energy transition and data center related technologies, including cooling, electrical infrastructure and stand-by power applications.

4Q NET SALES & ADJUSTED EBITDA PERFORMANCE HIGHLIGHTS

End-market demand stabilized through the quarter, while operational excellence preserved operating margin

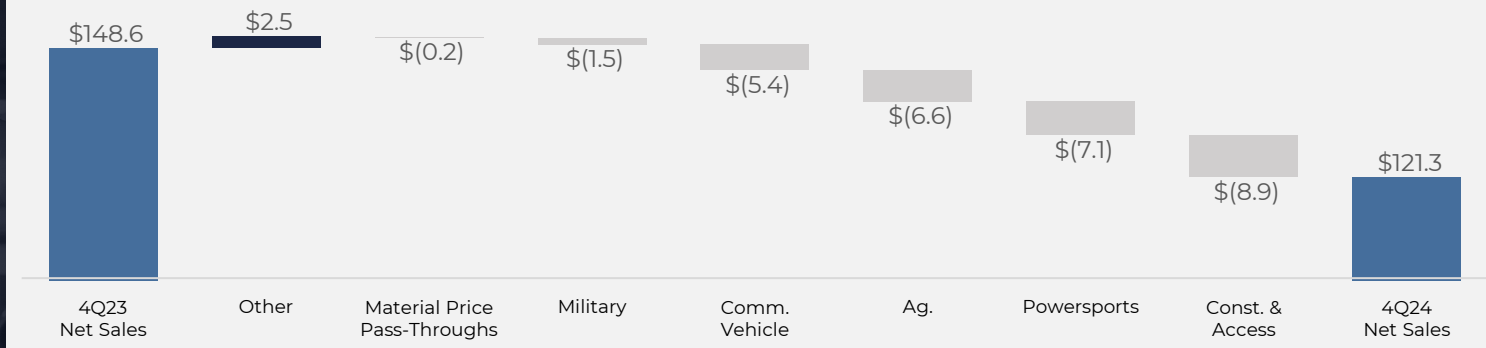
Customer demand remains muted
Net sales decreased 18.4% y/y in Q4, driven by soft end market demand across our segments due to the ongoing channel inventory rationalization and soft end-customer demand. Sales to the military end-market continued to reflect the expected roll-off of customer programs at the end of 2023. Growth in sales in our Other end-markets reflect increased demand for aluminum extrusions and new project volumes.

Strategic execution maximizes operating leverage
Along with the continued execution of the MBX initiatives, cost rationalization and operational flexibility allowed us to manage our cost structure while demand fell.

MBX Enables Decisive Footprint Rationalization
Operational excellence and strategic focus allowed for dynamic footprint rationalization in response to changes in customer orders. These actions resulted in approximately a 5% reduction to the Company's legacy manufacturing square footage space due to the closure of its facility in Wautoma, WI.

4Q Net Sales Reconciliation

($s in Millions)



4Q Adjusted EBITDA Reconciliation

($s in Millions)



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

2024 NET SALES & ADJUSTED EBITDA PERFORMANCE HIGHLIGHTS

Strategic execution created commercial growth and pricing momentum, despite softening demand in 2H24

2H demand softness offset commercial growth
Net sales decreased 1.2% y/y, due to soft demand late in the year although commercial growth initiatives resulted in higher sales in Other and Powersports end-markets for the full year. Channel inventory de-stocking drove lower sales particularly to Ag, Construction & Access, and Commercial Vehicle end-markets. Sales to Commercial Vehicle end-markets fell 2.4%, outpacing Class 8 Production for the year which fell 3.0%.

Commercial pricing continues to gain momentum
Even with softer than expected demand in the second half of the year, strategic value-based pricing initiatives well-outpaced expectations for the year. Pricing initiatives drove $2.9 million of incremental Adj. EBITDA in 2024, compared to initial expectations of $1-$2 million for the year. This momentum will carry forward amid a continued focus on execution through the commercial demand cycle.

MSA acquisition performing well
The 3Q23 acquisition of Mid-States Aluminum performed well through the year. Demand for Aluminum extrusion across new legacy customers grew by nearly 10% in the second half of 2024, partially offsetting broader demand softness.

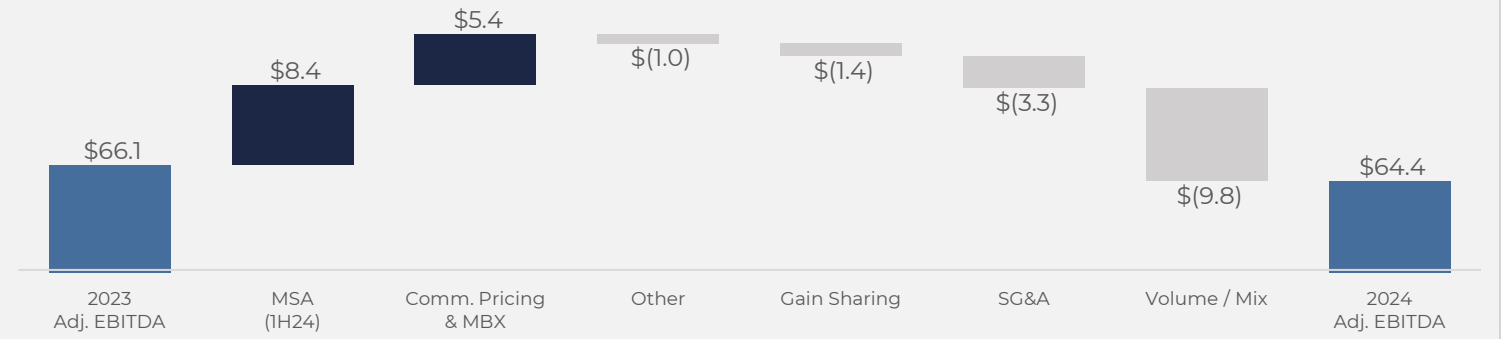
2024 Net Sales Reconciliation

($s in Millions)



2024 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 of 1.3x as of December 31, 2024
- Below the low-end of the 1.5x – 2.0x range by year-end 2024 due to cash received from customer legal settlement

Return-of-capital program

- Repurchased ~$6M of shares in 2024 offsetting dilution from shares awarded through the Company's stock-based compensation program
- $19M remaining under current authorization

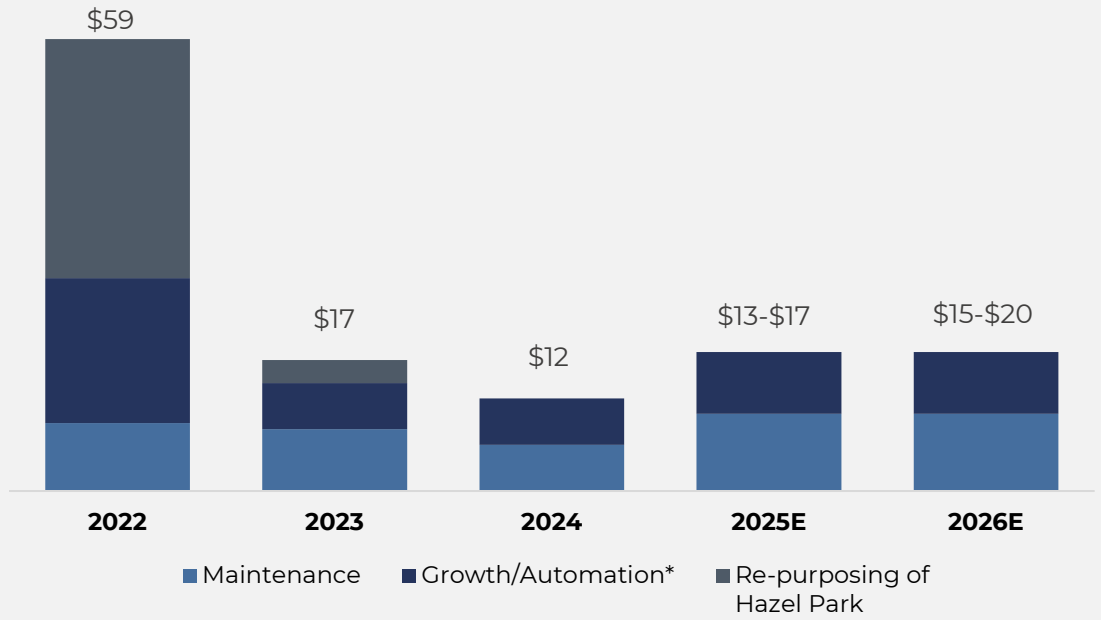
Bolt-on acquisitions in complementary vertical markets

- 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)



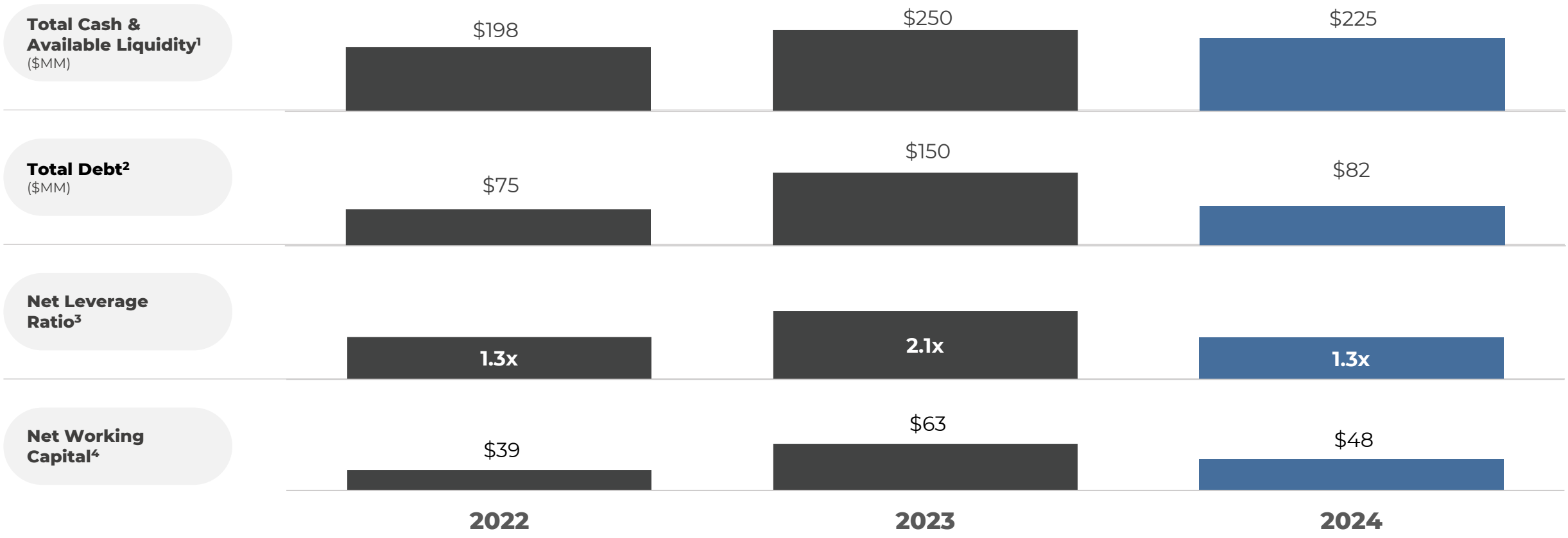
Targeted Growth/Automation Investment
($MM)

FY22	FY23	FY24
$19	$6	$6

* Includes Capital Expenditures associated with the acquisition of MSA completed in 2023

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, Fond du Lac term note and equipment financing agreements
3) Net Leverage Ratio equals 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

2025 FINANCIAL GUIDANCE

As of March 4, 2025

Business Outlook

- Ongoing demand softness expected to persist in all key end markets through 1H25, consistent with 2H24
- Demand conditions to gradually recover during 2H25 as customer channel inventories begin to normalize
- Continued discipline in executing organic commercial growth initiatives and project launches
- Continue to maintain balance sheet optionality to support inorganic growth and opportunistic share repurchases

Financial Assumptions

- Year-over-year revenue change by end market:
  - Commercial Vehicle: 0% – (3%)
  - Construction & Access: 0% – 3%
  - Powersports: (1%) – (4%)
  - Agriculture: (20%) – (25%)
  - Military – Flat
  - Other: 3% – 7%
- Capital expenditures of $13 to $17 million
- Strategic value-based pricing and MBX operational excellence initiatives totaling $1 to $3 million, net of inflationary pressures in Adj. EBITDA
- Core free cash flow (excluding non-recurring benefits) will be slightly down vs. 2024

($MM)	2024A	2025E	YoY Change (%)
Revenue	$581.6	$560 - $590	(4%) – 1%
Adjusted EBITDA	$64.4	$60 – $66	(7%) – 2%
Free cash flow	$77.7	$43 – $50	(45%) – (36%)

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

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

- Strategically positioned to capture available opportunities as the current environment evolves
- Value creation platform expected to drive multi-year Adjusted EBITDA margin improvement and organic revenue growth
- Evaluating opportunistic, bolt-on acquisitions in complementary adjacent markets, in support of energy transition 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
- 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)	$ (0.7)	$ (0.2)	**$ (2.0)**

Non-GAAP Reconciliation of Adjusted EBITDA

	Full Year		Q4	
($MM)	**2024**	**2023**	**2024**	**2023**
Net income and comprehensive income	$ 26.0	$ 7.8	$ 16.0	$ 2.2
Interest expense	11.0	11.1	2.0	3.6
Provision (benefit) for income taxes	7.6	1.0	5.1	(0.4)
Depreciation and amortization	37.6	35.1	9.5	9.6
EBITDA	**$ 82.1**	**$ 55.1**	**$ 32.5**	**$ 14.9**
Loss on extinguishment of debt	—	0.2	—	—
MSA acquisition related costs	—	1.4	—	0.0
Stock-based compensation expense	5.2	4.5	1.3	0.7
Field replacement claim	—	0.5	—	—
Legal costs due to former fitness customer	2.1	2.7	0.3	1.2
Costs recognized on step-up of MSA acquired inventory	—	0.9	—	—
COO restructuring costs	—	0.9	—	0.9
Wautoma restructuring costs	0.5	—	0.5	—
Gain on lawsuit settlement	(25.5)	—	(25.5)	—
Adjusted EBITDA	**$ 64.4**	**$ 66.1**	**$ 9.2**	**$ 17.7**
Net sales	$ 581.6	$ 588.4	$ 121.3	$ 148.6
EBITDA margin	14.1%	9.4%	26.8%	10.1%
Adjusted EBITDA margin	11.1%	11.2%	7.6%	11.9%

Note: Totals may not sum due to rounding.

Non-GAAP Reconciliation of Adjusted Net Income & Diluted EPS

($MM, except share amounts and per share values)	Full Year 2024	Full Year 2023	Q4 2024	Q4 2023
Net income and comprehensive income	$ 26.0	$ 7.8	$ 16.0	$ 2.2
Loss on extinguishment of debt	—	0.2	—	—
MSA acquisition related costs	—	1.4	—	0.0
Stock-based compensation expense	5.2	4.5	1.3	0.7
Field replacement claim	—	0.5	—	—
Legal costs due to former fitness customer	2.1	2.7	0.3	1.2
Costs recognized on step-up of MSA acquired inventory	—	0.9	—	—
COO restructuring costs	—	0.9	—	0.9
Wautoma restructuring costs	0.5	—	0.5	—
Gain on lawsuit settlement	(25.5)	—	(25.5)	—
Tax affect of the above adjustments	4.8	(2.5)	5.8	(0.6)
Adjusted net income and comprehensive income	**$ 13.0**	**$ 16.3**	**$ (1.6)**	**$ 4.4**
Adjusted Diluted EPS	**$ 0.62**	**$ $0.79**	**$ (0.07)**	**$ $0.21**
Weighted average diluted shares outstanding	**20,972,192**	**20,698,970**	**21,069,686**	**20,673,443**

Non-GAAP Reconciliation of Free Cash Flow

	Full Year		Q4	
($MM)	**2024**	**2023**	**2024**	**2023**
Net cash provided by operating activities	$ 89.8	$ 40.4	$ 38.0	$ 26.7
Purchase of property, plant and equipment	(12.1)	(16.6)	(2.3)	(6.8)
Free cash flow	**$ 77.7**	**$ 23.8**	**$ 35.6**	**$ 19.9**

Note: Totals may not sum due to rounding.