MAYVILLE ENGINEERING COMPANY

Investor Presentation

August 2024



SAFE HARBOR STATEMENT

August 2024 Investor Presentation

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.



KEY MESSAGES



- Leading U.S. based provider of design, engineering, and fabrications solutions for established base of OEM customers across diverse end-markets
- Demonstrating strategic execution; high-value commercial expansion, increased operational efficiency, and balanced capital allocation
- Ongoing positive inflection in performance, as self-help actions support above-market growth through 2026
- Entering free-cash generative phase, positioning for rapid de-leveraging, increased balance sheet optionality and opportunistic inorganic growth
- In late 2023, introduced three-year performance targets that quantify the value creation roadmap through 2026

ABOUT MEC

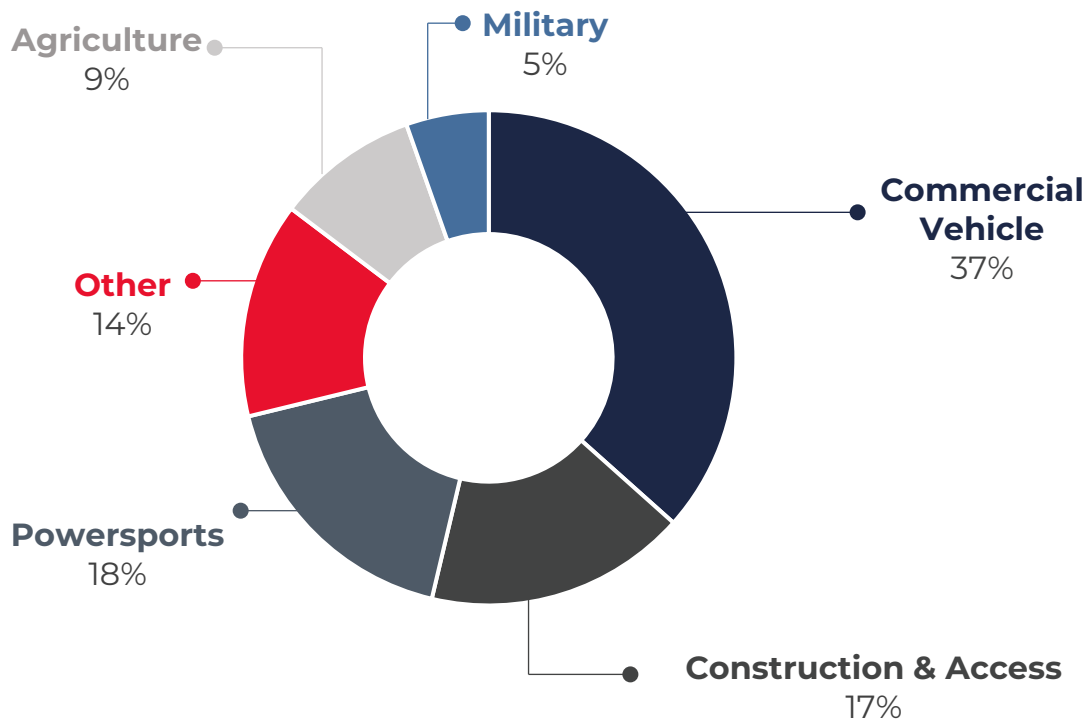
Vertically-integrated, value-added provider of design and fabrications solutions

We are the largest vertically-integrated, value-added provider of custom prototyping, design and fabrications services in the United States

- 23 Facilities Located in Continental US
- ~2,500 Employees
- Provider of Comprehensive Solutions Across Product Lifecycle
- Tier 1 Supplier with Long-Term OEM Customer Relationships
- Lengthy track-record of consolidation through M&A
- Disciplined capital investments; seek to achieve ROA >15%
- Long-term goal of net leverage below 2.5x
- Diverse end-market exposure

End Market Revenue Mix

Trailing Twelve-Months Ended June 30, 2024



~+7%	~+12%	~+110%	1.7x
2023-2024E* Revenue Growth	2023-2024E* Adj. EBITDA Growth	2023-2024E* Free cash flow Growth	6/30/24 Net Leverage

* **Note:** Revenue, Adj. EBITDA and Free Cash Flow growth figures are calculated at the mid-point of the guidance ranges provided as of August 6, 2024.

STRATEGIC DOMESTIC MANUFACTURING FOOTPRINT

Geographically positioned to meet customers' needs

Founded in Mayville, WI in 1945

Beaver Dam, WI [2]
Description of use: Manufacturing
Ownership: Owned

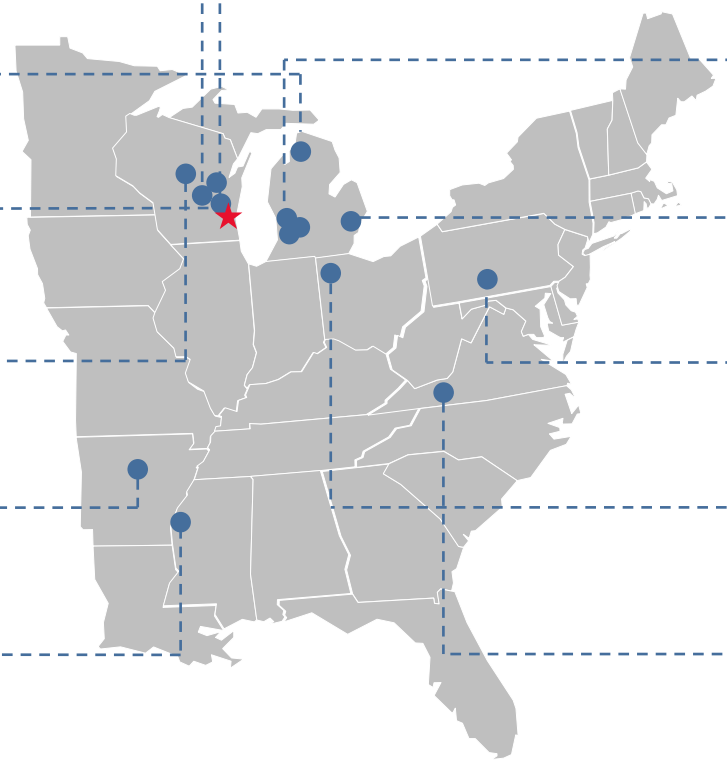
Vanderbilt, MI [2]
Description of use: Manufacturing
Ownership: Owned

Fond du Lac, WI [2]
Description of use: Manufacturing
Ownership: Owned

Neillsville, WI [3]
Description of use: Manufacturing
Ownership: Owned

Heber Springs, AR [1]
Description of use: Manufacturing
Ownership: Owned

Greenville, MS [1]
Description of use: Manufacturing
Ownership: Leased



Mayville, WI [2]
Description of use: Manufacturing
Ownership: Owned

Byron Center, MI [3]
Description of use: Manufacturing
Ownership: Leased

Hazel Park, MI [1]
Description of use: Manufacturing
Ownership: Leased

Bedford, PA [1]
Description of use: Manufacturing
Ownership: Leased

Defiance, OH [3]
Description of use: Manufacturing
Ownership: Owned

Atkins, VA [1]
Description of use: Manufacturing
Ownership: Owned

[X] - Number of facilities

★ **Milwaukee, WI (Corporate Headquarters)**

MANAGEMENT TEAM

Seasoned management team with deep industry experience



Jag A. Reddy
President & CEO

- W.R Grace
- Pentair
- ITT/Xylem
- United Technologies
- Danaher Corporation
- Denso Corporation

2 yrs At MEC

25+ yrs Industry Experience



Todd M. Butz
Chief Financial Officer

- Mercury Marine (a Brunswick Company)
- Schenck Business Solutions

16 yrs At MEC

25+ yrs Industry Experience



Ryan F. Raber
EVP, Strategy, Sales & Marketing

- Morton Metalcraft Co.

15 yrs At MEC

15+ yrs Industry Experience



Sean P. Leuba
SVP, Corporate Development & General Counsel

- Caterpillar Inc.
- Arnold & Porter

1+ yr At MEC

25+ yrs Industry Experience



Rachele M. Lehr
Chief Human Resources Officer

- Briggs & Stratton
- Bar-S Foods (A Sigma Company)
- Pricewaterhouse Coopers, LLP

1+yr At MEC

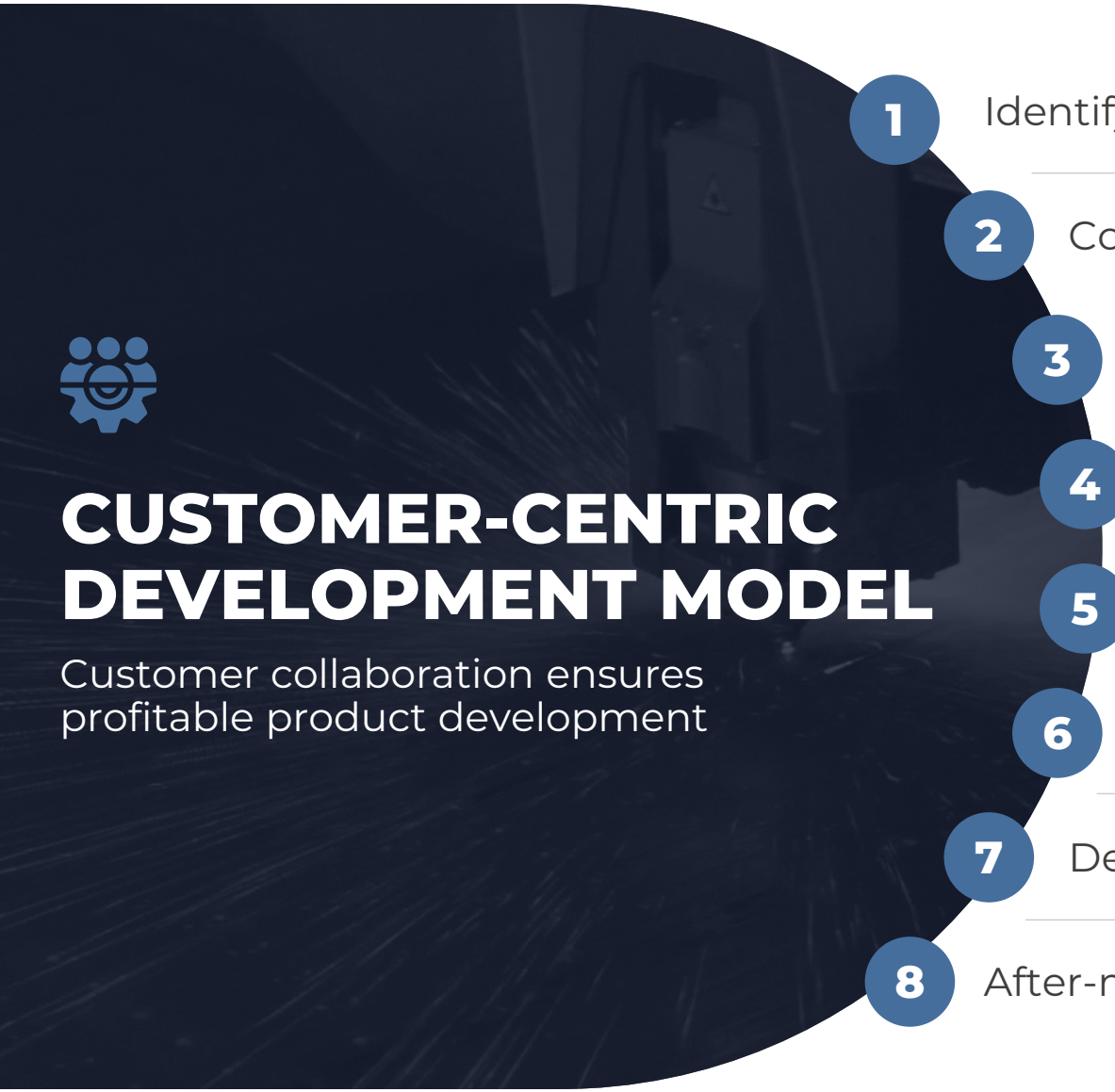
15+ yrs Industry Experience

TIER-1 SUPPLIER TO GLOBAL OEMs

End-to-end solutions suite supports long-term, blue-chip relationships

Commercial Vehicles					PACCAR 20+ yrs		CVG 30+ yrs	NAVISTAR 35+ yrs	VOLVO 40+ yrs	Cummins 45+ yrs
Powersports	Kawasaki 3+ yrs	POLARIS 10+ yrs	SP 15+ yrs		HARLEY-DAVIDSON 25+ yrs		Honda 30+ yrs			MERCURY 45+ yrs
Construction & Access					CAT 25+ yrs		JLG 30+ yrs			JOHN DEERE 45+ yrs
Agriculture			CNH INDUSTRIAL 15+ yrs		WCI WORLD CLASS 25+ yrs					JOHN DEERE 45+ yrs
Military			OSHKOSH 15+ yrs						AM General 40+ yrs	

MEC is an integral member of the supply chain for major OEMs



CUSTOMER-CENTRIC DEVELOPMENT MODEL

Customer collaboration ensures profitable product development

1. Identify customer-defined concept for production evaluation
2. Collaborate with customer to design and develop product
3. Prototyping, tooling and pre-production development
4. Manufacturing process planning
5. Manufacturing process refinement
6. Mass production
7. Delivery
8. After-market & end-of-life program management

OUR UNIQUE CUSTOMER VALUE PROPOSITION

MEC's value added service offerings has resulted in a long track record of strong customer acquisition and retention

Why Customers Choose MEC

- We provide end-to-end prototyping, design and manufacturing expertise
- We offer complex assembly & high-volume production capabilities
- We have an experienced, highly skilled workforce focused on producing the highest quality components using complex processes at the lowest cost
- 100% of our operational footprint is based in the continental US, mitigating supply chain disruption risk
- We are an experienced project management partner, drawing on deep product and engineering knowledge

Why Customers Stay With MEC

- As the largest vertically-integrated fabricator in the U.S, we have the scale to meet all our customers' manufacturing needs
- We maintain operational alignment with our customers' strategy and production activities as they evolve, allowing us to remain agile in response to market fluctuations
- Our engineering expertise and technical know-how allows us to add value through every product redevelopment cycle (generally every three to five years for our customers)
- We are not limited to specific end-market applications – we adapt to the requirements of our customers

OUR VALUE CREATION FRAMEWORK

Transforming business performance through MBX and investing in growth

High Performance Culture

Enable teams to drive profitable growth

Operational Excellence

Strategy deployment and implementing a lean culture

Commercial Excellence

Implement strategic and value-based pricing

Disciplined Capital Deployment

Generating free cash flow allowing to de-leverage, strategic M&A and shareholder returns

Human Resource Optimization

Attracting and retaining top talent



M&A Acquisition Guidelines

Strategic opportunities expanding expertise within light-weight and next generation materials

Acquisition Criteria

Revenue:
$50 - $150M

EBITDA Margin:
Accretive to MEC

Geography:
North America, with a primary focus on the U.S.

Industry Focus

- Alternative/Renewable Energy
- Electrification Infrastructure
- Industrial Infrastructure
- Additional products to existing customers

Capabilities

Light-Weighting:
- Aluminum
- Plastics
- Composites

- Design & Prototype Services
- 3-D Printing

CASE STUDY: MSA STRATEGIC RATIONALE

Industry leading manufacturer of custom aluminum extrusions and fabrications with value added capabilities

About Mid-States Aluminum

Fond du Lac, Wisconsin
HQ

1964
Family Owned and Founded in

2 manufacturing facilities
Both in Fond du Lac, WI

~325k sq ft
Manufacturing Space

~250
Non-union Employees

- Acquired July 1st 2023
- Capitalize on existing customer demand for light-weight materials fabrication
- Paid total net consideration of $90M or ~6x trailing Adj. EBITDA
- Projected IRR >15% with projected 2026 post-synergy revenues of $100-$110M

MSA's platform creates immediate opportunity to pursue cross-selling revenue synergies and cost synergy realization through MBX application

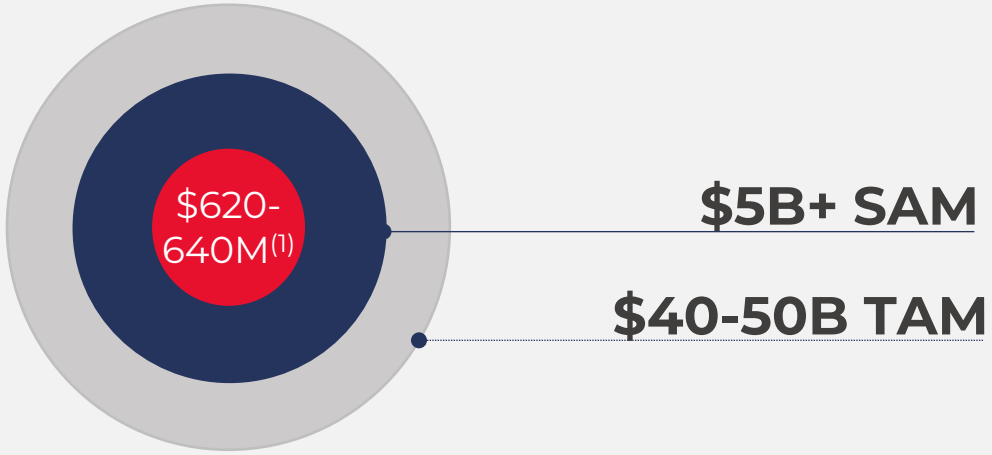
COMMERCIAL EXCELLENCE

Leveraging scale and our unique product offerings to capture market share amid multi-year secular demand trends

Revenue Expansion Strategies

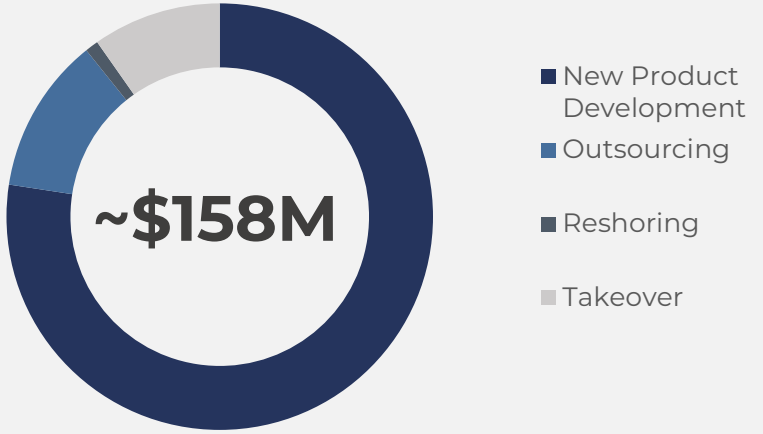
- New Product Development
- Customer Outsourcing and Reshoring
- Customer Supplier Consolidation
- Cross-Selling

Total End Market Potential



2023 & 2022 New Business Wins

($s in Millions)



1) Represents MEC's market-share based on 2024 net sales guidance as of August 6, 2024.

CASE STUDY: COMMERCIAL PRICING & REVENUE CAPTURE

Maximizing revenue capture through pricing and commercial excellence

Commercial Excellence Targets

150 to 200 bps

Adj. EBITDA Expansion ’24E vs. ’26E

Value Pricing and Elimination of Price Leakage through Process Improvement and Automation

Pricing Philosophy

- Value Based Pricing Model
- Capture Cost to Serve
- Technology Investment in Process Improvements

Transactional Process Improvement Kaizens and MBX Implementation driving Commercial Excellence

MARGIN EXPANSION THROUGH OPERATIONAL EXCELLENCE

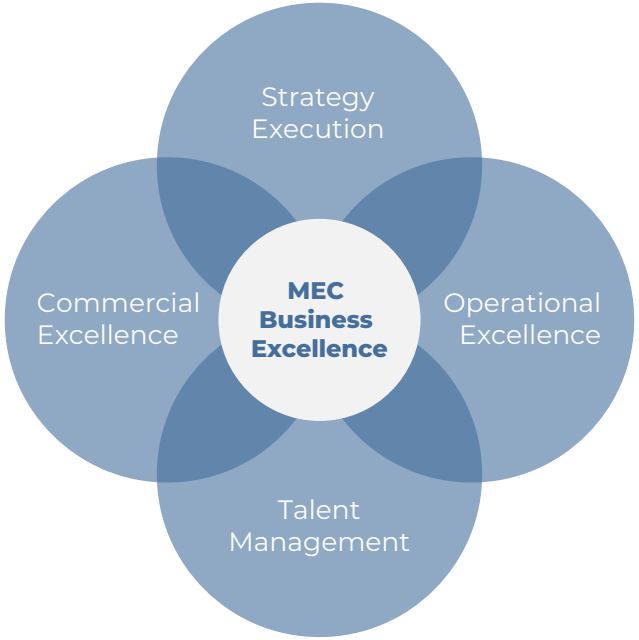
Established in September of 2022, MBX is MEC's Lean initiative to drive excellence across the entire organization

Strategy Execution

- Strategy Deployment Process
- Breakthrough Thinking
- Daily Lean Management (KPI Reviews, VSM, 5S)
- Root Cause Countermeasures

Commercial Excellence

- Value Pricing
- Quote to Order Process
- Product & Market Analytics
- Branding & Communications



Operational Excellence

- Lean Value Stream Mapping & Kaizen Culture
- Sales, Inventory & Operations Planning (SIOP)
- Sourcing Optimization

Talent Management

- Talent Attraction and Retention
- Supervisor and Key Resource Development
- Executive Coaching
- Succession Planning

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

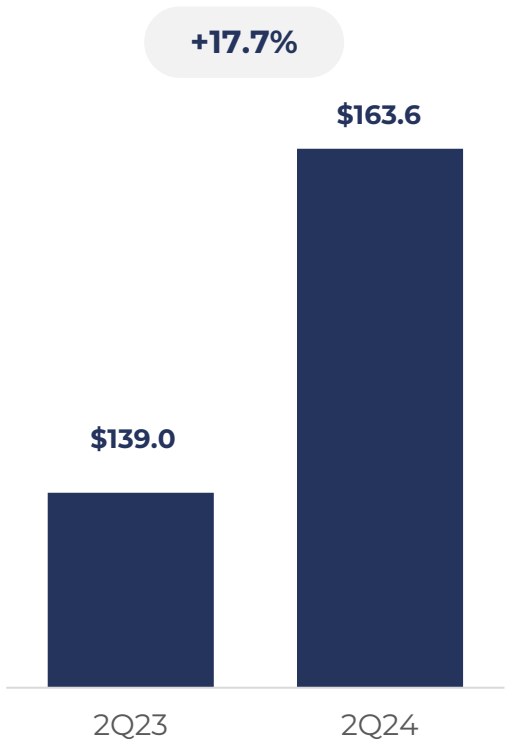
2Q24 Performance Highlights

- 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

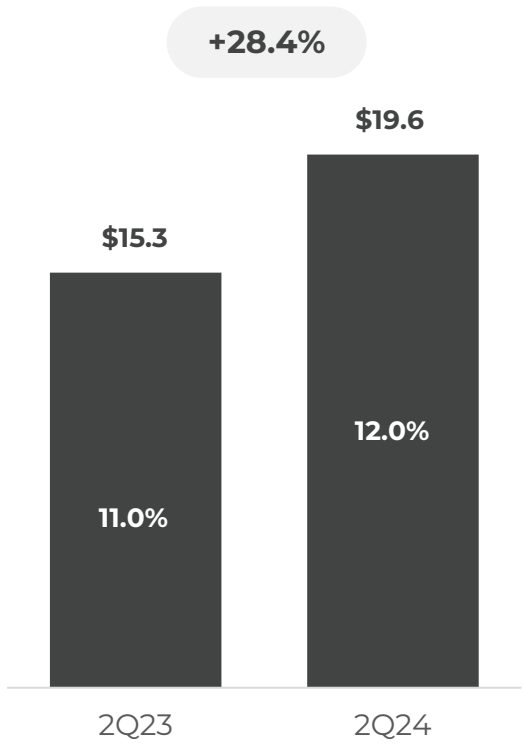
See the appendix for a reconciliation of Adjusted EBITDA and Free Cash Flow to their most directly comparable GAAP financial measure.

SECOND QUARTER FINANCIAL PERFORMANCE

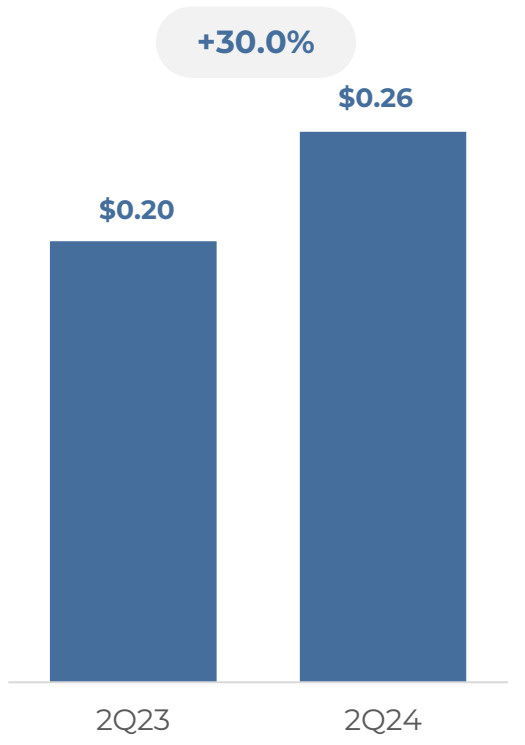
Net Sales
($MM)



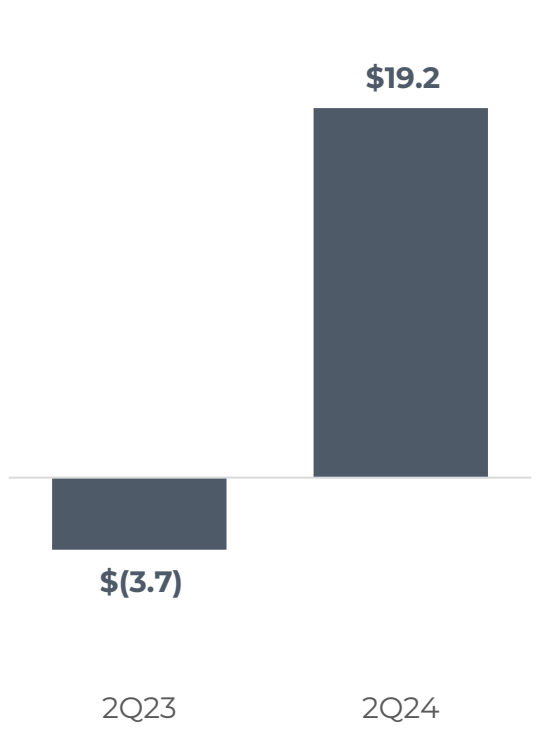
Adj. EBITDA & Margin
($MM & % of Net Sales)



Adjusted Diluted EPS
($/share)



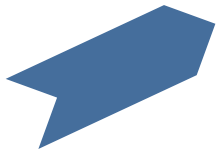
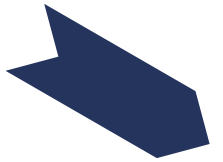
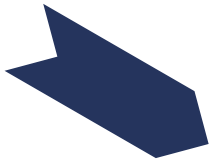
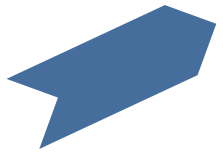
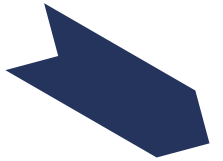
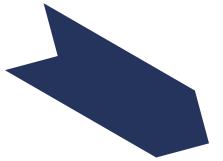
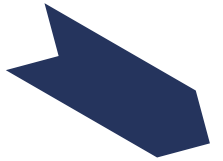
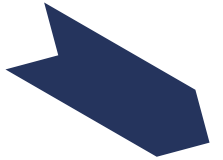
Free Cash Flow
($MM)



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

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 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

Assumptions:

- Soft residential construction demand
- Demand remains steady across non-residential and public infrastructure

Assumptions:

- 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

Assumptions:

- Softening demand to overall ag industry with lower crop prices and elevated inventory levels partially offset by Company market share gains

Assumptions:

- 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

Assumptions:

- Incremental MSA acquisition revenues
- New business development focus in energy transition related technologies

MARKET SHARE GAINS YIELD ABOVE-MARKET GROWTH

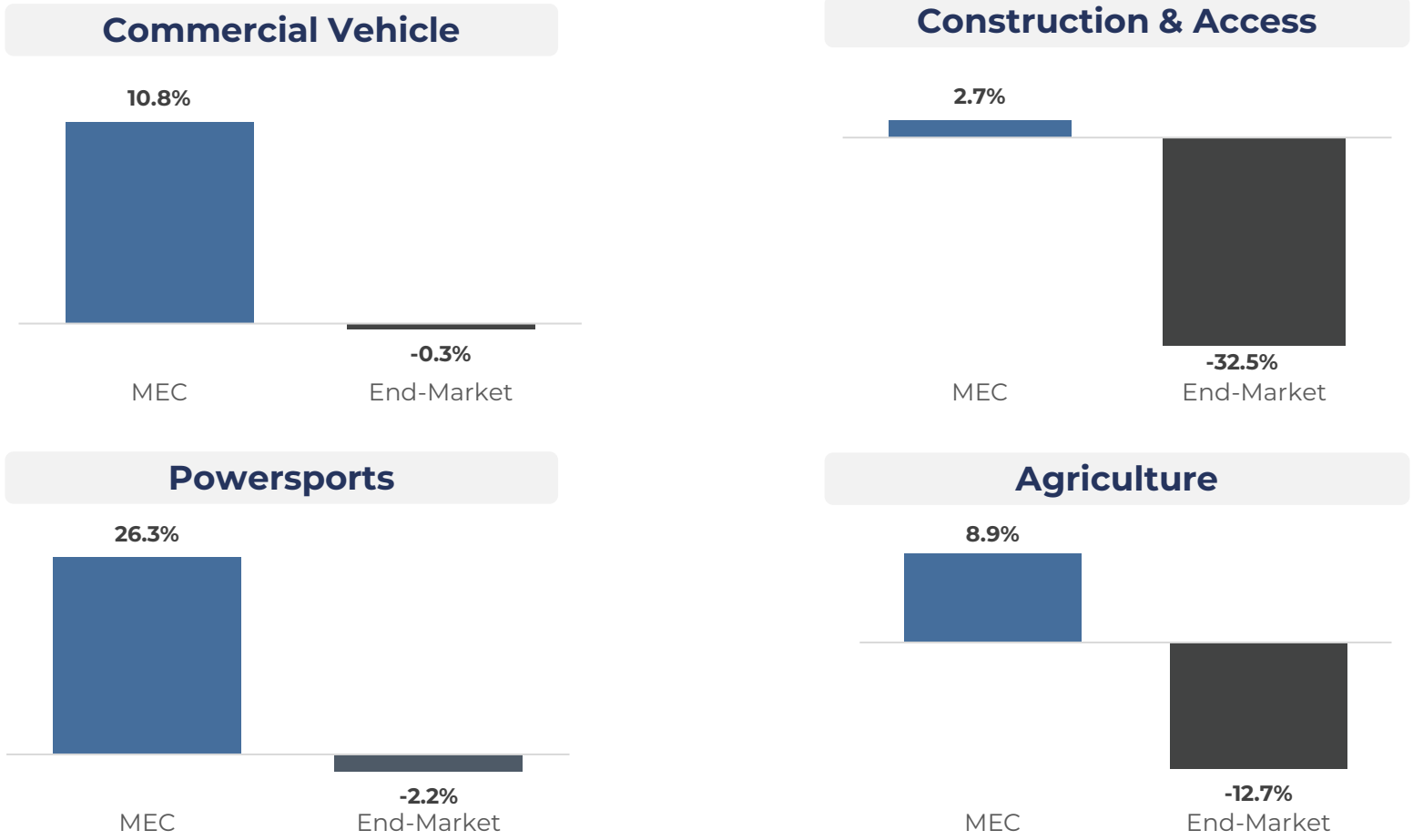
MEC share gains more than offset softening end-market demand across all key end-markets

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.

TRACK-RECORD OF CYCLICAL DURABILITY

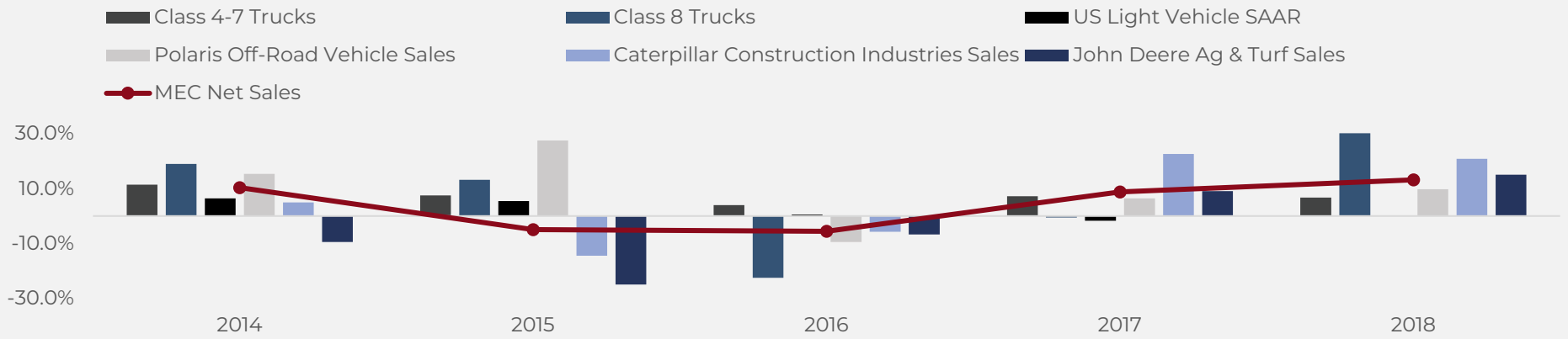
Diverse business mix and flexible business model limit MEC's cyclical volatility

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

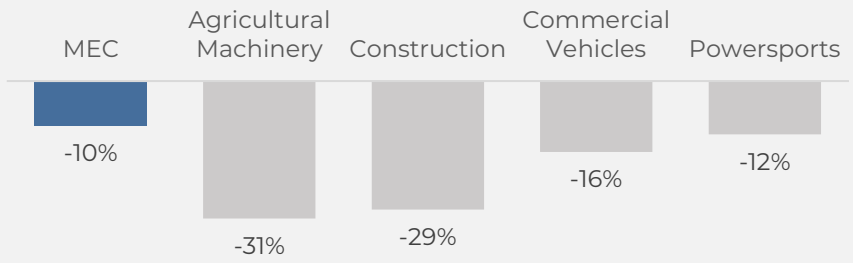
Alignment
MEC's value-add process closely aligns with customer supply chains, giving us visibility to pending shifts in customer demand

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

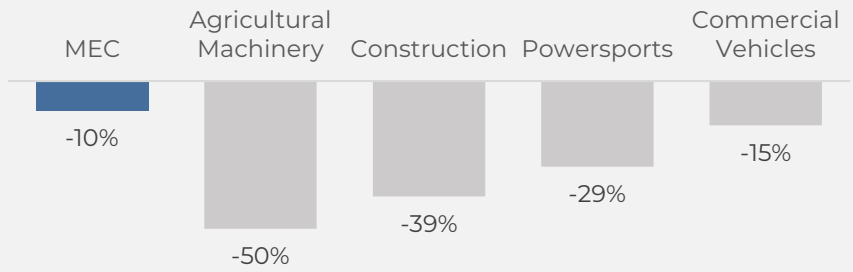


Max Peak-to-Trough Decline Since 2013
(Maximum Annual Y-o-Y % Change)

Sales



EBITDA



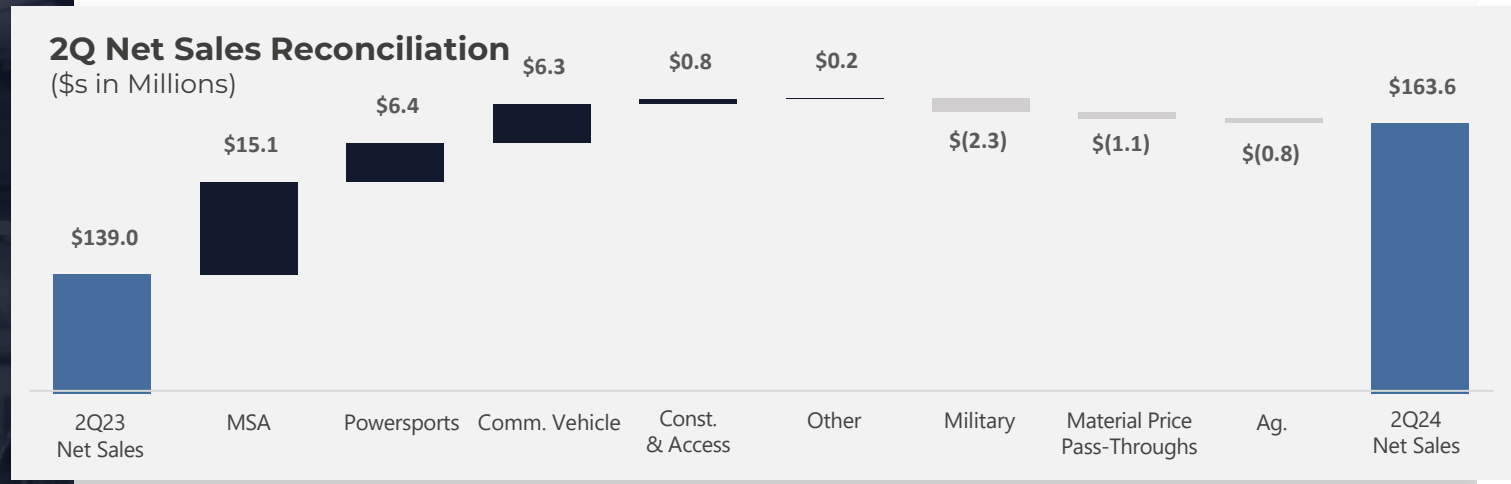
2Q NET SALES & ADJUSTED EBITDA PERFORMANCE HIGHLIGHTS

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.





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 1.7x 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

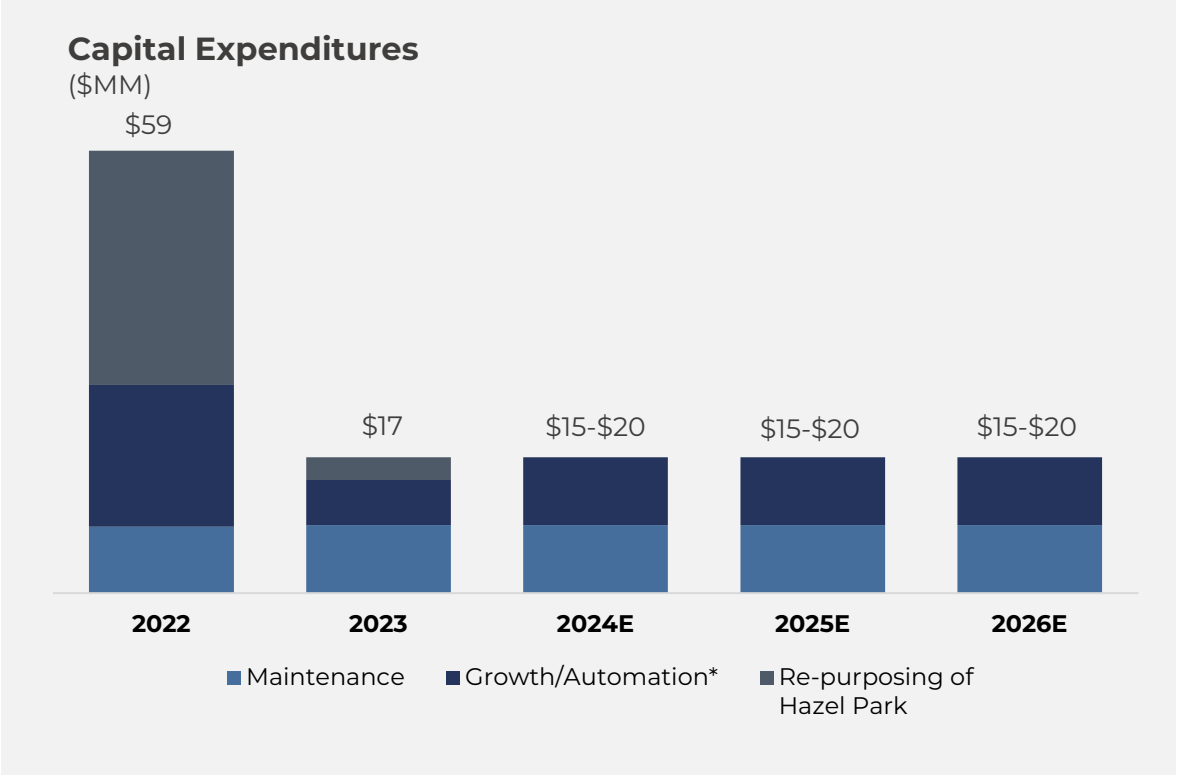
- Repurchased $1M of shares in 2Q24, with $24M remaining under current authorization
- Evaluating structured approach to repurchases going forward

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



Targeted Growth/Automation Investment

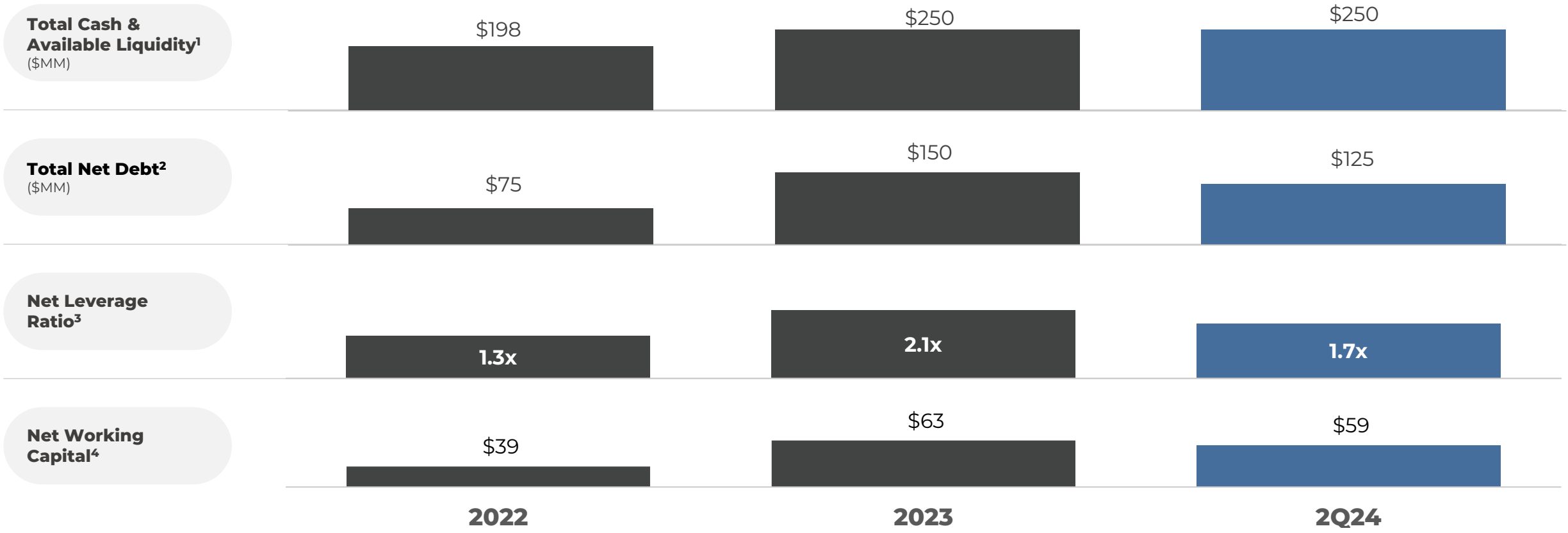
($MM)

FY22	FY23	FY24E
$19	$6	$7 - $10

* 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%

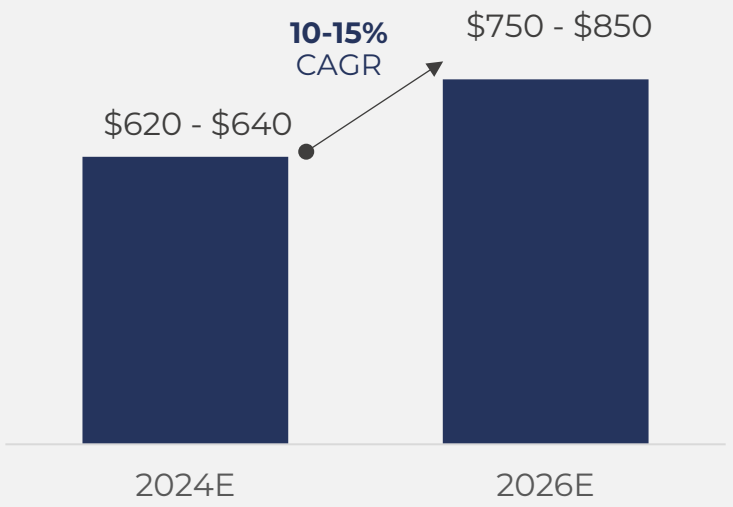
See the appendix for a reconciliation of Adjusted EBITDA and Free Cash Flow to the most directly comparable GAAP financial measure.

Value Creation Roadmap [1]

MBX Framework expected to drive substantial financial value and shareholder returns

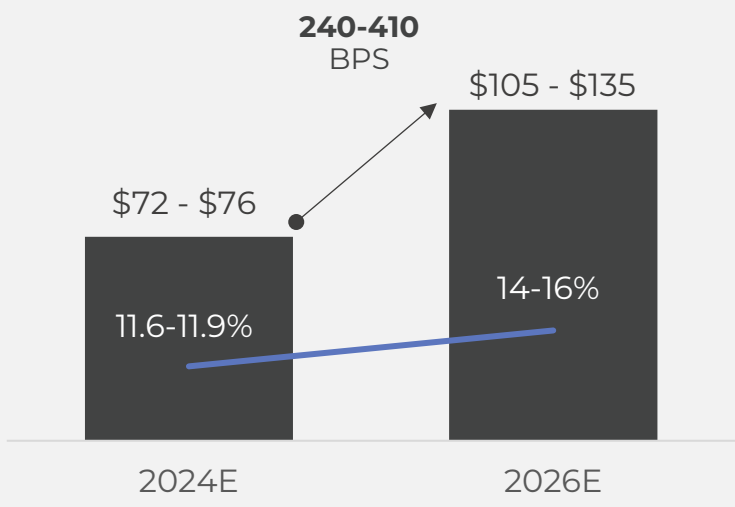
Sales Performance

$s in Millions



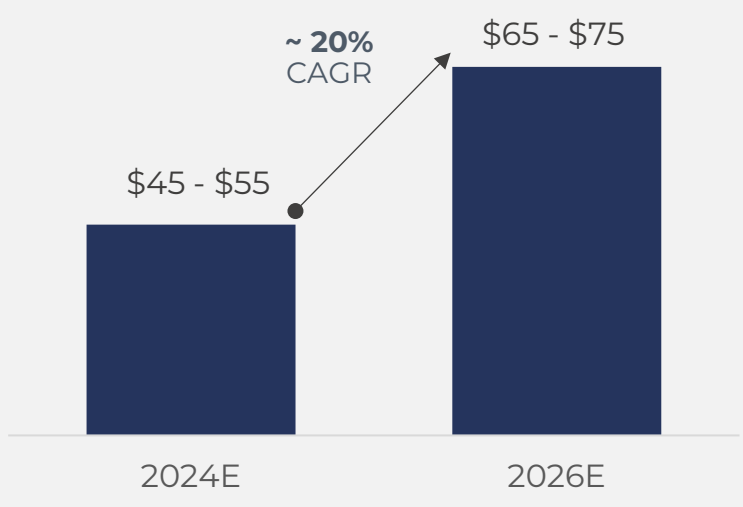
Adjusted EBITDA Performance

$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



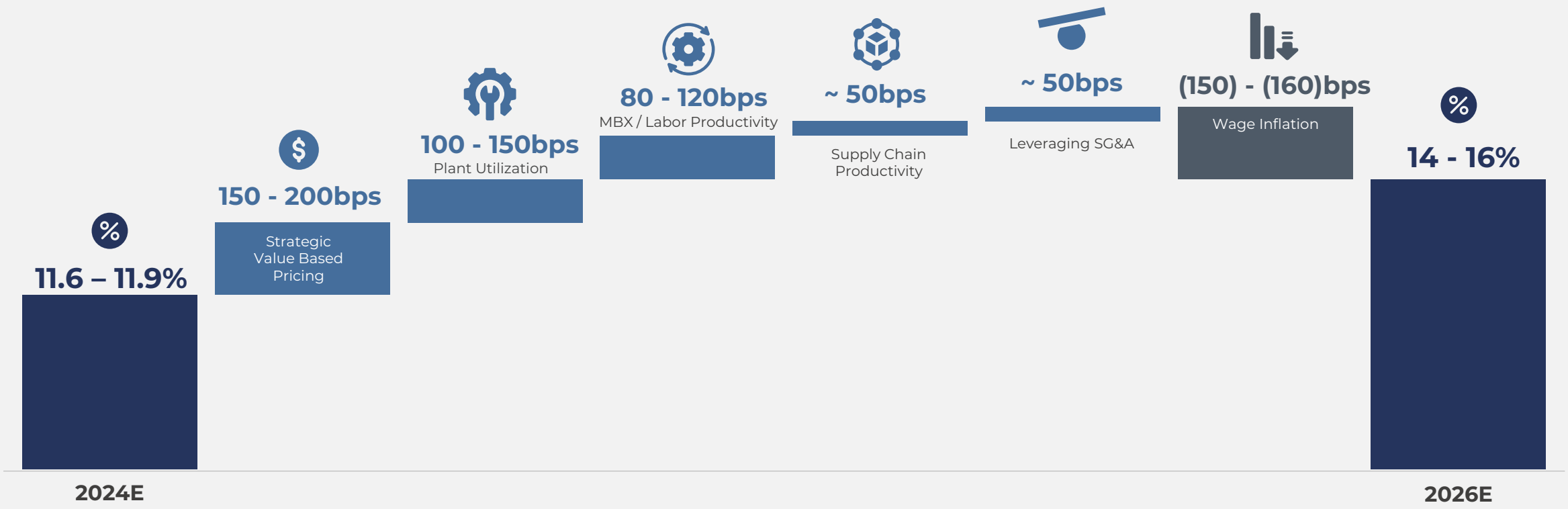
(1) Inclusive of Mid-States Aluminum

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

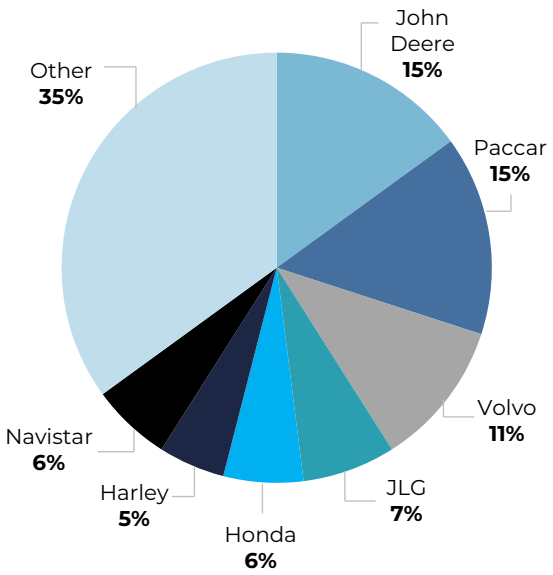
- Our robust domestic manufacturing footprint positions MEC to capitalize on multi-year reshoring and outsourcing trends by OEMs
- Our skilled workforce provides a one stop on-demand solution for OEMs
- Well positioned to capitalize on incremental energy transition and renewables fabrication solutions

APPENDIX

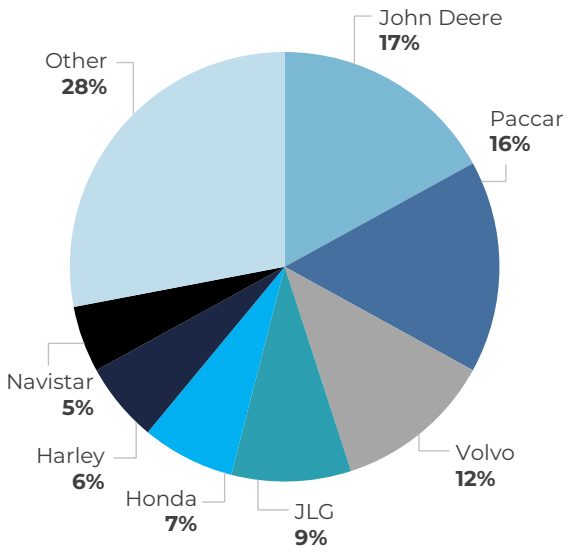


SALES BY CUSTOMER

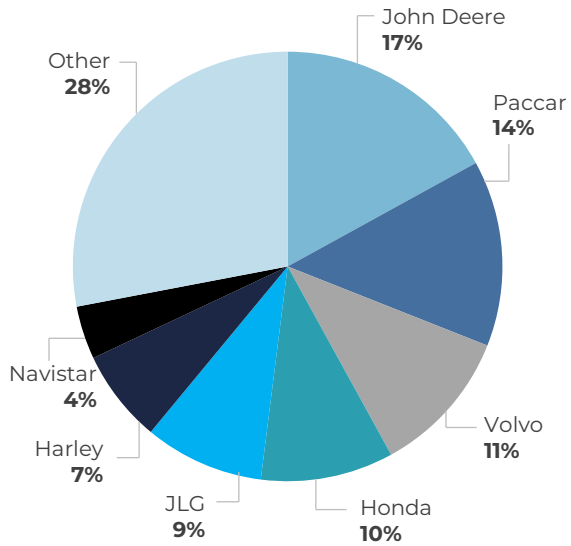
2023



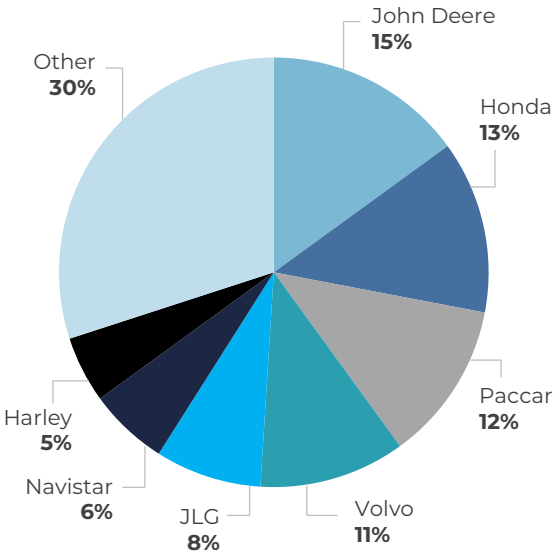
2022



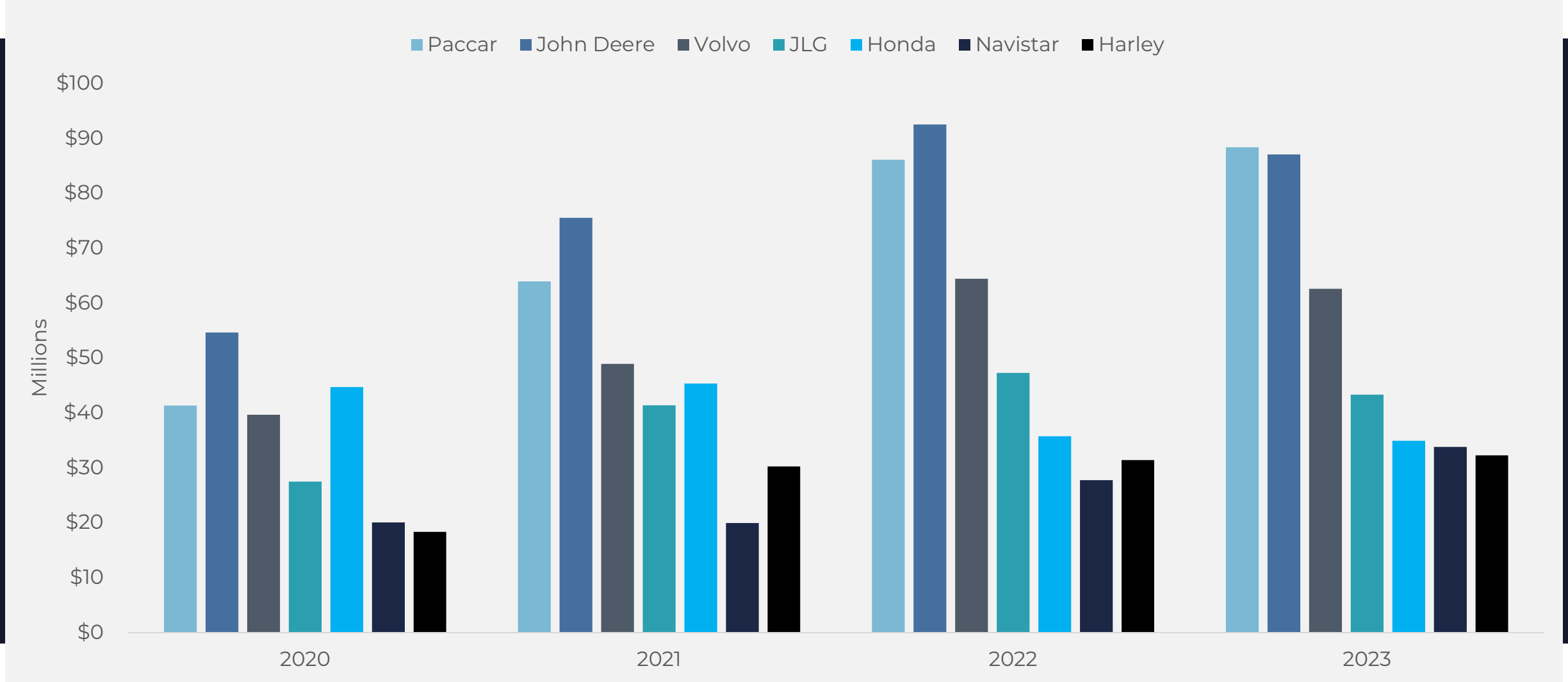
2021



2020



Sales to Individual Customer



Non-GAAP Reconciliation of Adjusted EBITDA

	Q2	
($MM)	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

($MM, except share amounts and per share values)	Q2 2024	Q2 2023
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

($MM)	Q2 2024	Q2 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)**