



# Second Quarter 2025

## EARNINGS CONFERENCE CALL

August 6, 2025

**ESAB** CORPORATION

# Forward-Looking Statements & Non-GAAP Disclaimer

## Forward-Looking Statements

This presentation includes forward-looking statements, including forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. Such forward-looking statements include, but are not limited to, statements concerning the Company's plans, goals, objectives, outlook, expectations, and intentions, including statements that are not historical or current fact. Forward-looking statements are based on the Company's current expectations and involve risks and uncertainties that could cause actual results to differ materially from those expressed or implied in such forward-looking statements, including general risks and uncertainties such as market conditions, economic conditions, geopolitical events, changes in laws, regulations or accounting rules, fluctuations in interest rates, terrorism, wars or conflicts, major health concerns, natural disasters or other disruptions of expected business conditions. Factors that could cause the Company's results to differ materially from current expectations include, but are not limited to, risks related to the impact of the war in Ukraine and the conflict in the Middle East and the resulting escalating geopolitical tensions; impact of supply chain disruptions; the impact of creditworthiness and financial viability of customers; impact of inflationary pressures, tariff and trade policies, foreign exchange fluctuations and commodity prices; other impacts on the Company's business and ability to execute business continuity plans; and the other factors detailed in the Company's Annual Report on Form 10-K and subsequent quarterly reports on Form 10-Q, as filed with the U.S. Securities and Exchange Commission ("SEC"). In addition, these statements are based on assumptions that are subject to change. This document speaks only as of the date hereof. The Company disclaims any duty to update the information herein.

## Non-GAAP Financial Measures

This document includes a presentation of adjusted EBITA, adjusted EBITA margin, adjusted EBITDA, adjusted EBITDA margin, organic sales growth, and adjusted free cash flow and other financial measures that are not calculated in accordance with generally accepted accounting principles in the United States ("GAAP"), which ESAB uses to measure the performance of its business. The non-GAAP financial measures provided herein are adjusted for certain items as presented in the Appendix and should be considered in addition to, and not as a replacement for or superior to, the comparable GAAP measures, and may not be comparable to similarly titled measures reported by other companies. ESAB presents some of these non-GAAP financial measures including and excluding Russia due to economic and political volatility caused by the Russia and Ukraine conflict, which results in enhanced investor interest in this information. Core non-GAAP financial measures excludes Russia for the three and six months ended July 4, 2025, and June 28, 2024. Management believes that these non-GAAP financial measures provide useful information to investors by offering additional ways of viewing ESAB's results, and represent the following:

- Organic sales growth (presented with and without Russia or "Core") excludes the impact of acquisitions and foreign exchange rate fluctuations;
- Adjusted EBITA (presented with and without Russia or "Core") represents net income excluding the effect of Restructuring and other related charges, acquisition due diligence and transaction expenses, amortization of intangibles and fair value charges on acquired inventories and Pension settlement loss, income tax expense, and interest expense and other, net;
- Adjusted EBITDA (presented with and without Russia or "Core") represents Adjusted EBITA excluding the effect of depreciation and other amortization;
- Adjusted EBITA and adjusted EBITDA margins are subject to the same adjustments as adjusted EBITA and adjusted EBITDA, respectively;
- Adjusted net income from continuing operations (presented with and without Russia or "Core") represents net income from continuing operations attributable to ESAB Corporation excluding Restructuring and other related charges, acquisition due diligence and transaction expenses, amortization of intangibles and fair value charges on acquired inventories and Pension settlement loss. Adjusted net income includes the tax effect of non-GAAP adjusting items at applicable tax rates;
- Adjusted net income per share from continuing operations (presented with and without Russia or "Core") is a calculation of adjusted net income from continuing operations over the weighted-average diluted shares outstanding;
- Adjusted free cash flow represents cash flows from operating activities excluding cash outflows related to discontinued operations and acquisition related due diligence and transaction payments, less purchases of property, plant and equipment net of proceeds from sale of certain properties.
- Cash conversion represents Adjusted free cash flow divided by Core Adjusted net income from continuing operations.

Management also believes that presenting these measures allows investors to view its performance using the same measures that ESAB uses in evaluating our financial and business performance and trends. See the Appendix to this presentation for a reconciliation of these non-GAAP measures to their closest equivalent GAAP measures. Refer to information about the non-GAAP measures contained in this presentation. Additional information regarding non-GAAP measures can be found in our most recent Form 10-K and our Form 8-K furnished as of the date of this presentation with the SEC, which are available at [www.ESABcorporation.com](http://www.ESABcorporation.com).

# 2Q 2025 Highlights

- Stellar performance in high-growth markets
- Tariff related softness in Mexico & Automation
- Record core adjusted EBITDA margin
- Completed two Gas Control and signed one Fabtech acquisition
- Raised full year 2025 guidance

## 2Q 2025 results:

**\$679M**

Sales<sup>1</sup>



**+2%**

Total Core Sales Growth<sup>1</sup>



**\$138M**

aEBITDA<sup>1</sup>



**+3%**

Year-over-Year



**20.4%**

aEBITDA Margin<sup>1</sup>



**+30bps**

Year-over-Year



**Strong execution by the ESAB team**



# ESAB Investing In Talent

Flame Trainee  
Internship Program



Established Flame Internship Program in Brazil



Trained over 100 leaders in fabrication technology



Designed to accelerate professional growth



Investing in the next generation of fabrication technology leaders



Expanding program globally

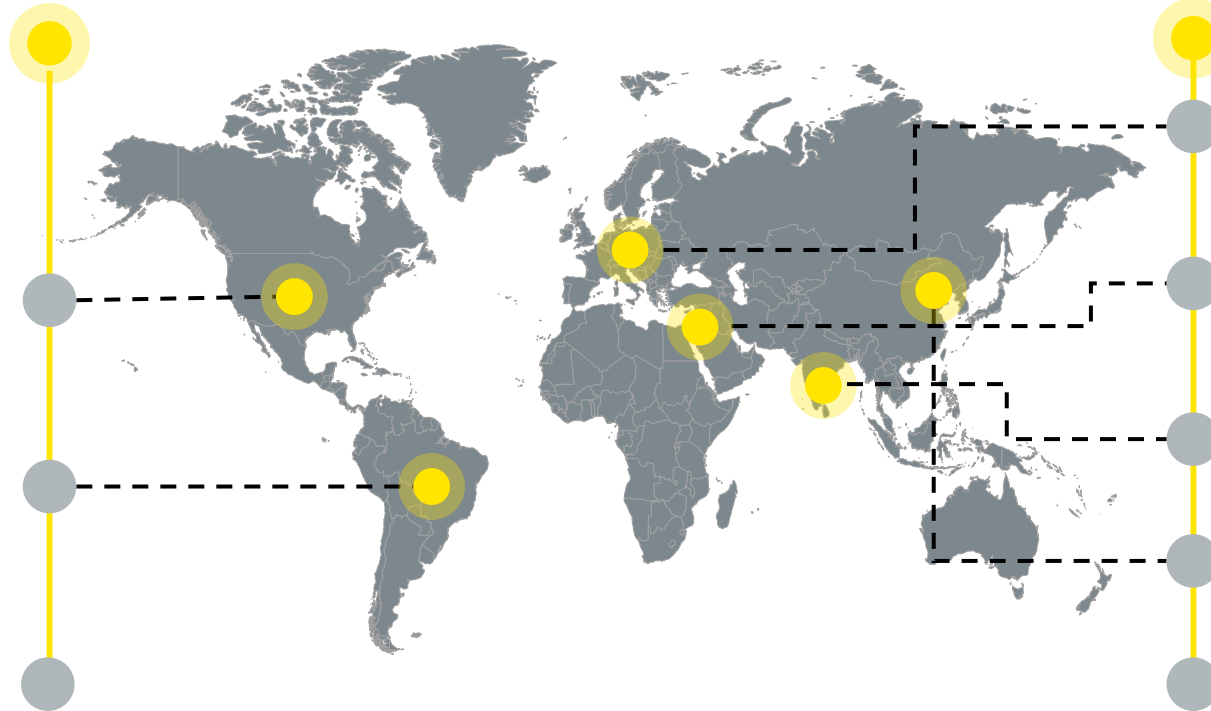
Developing the future leadership for Fabrication Technology

# Benefiting From Our Unmatched Global Footprint

## AMERICAS

## EMEA & APAC

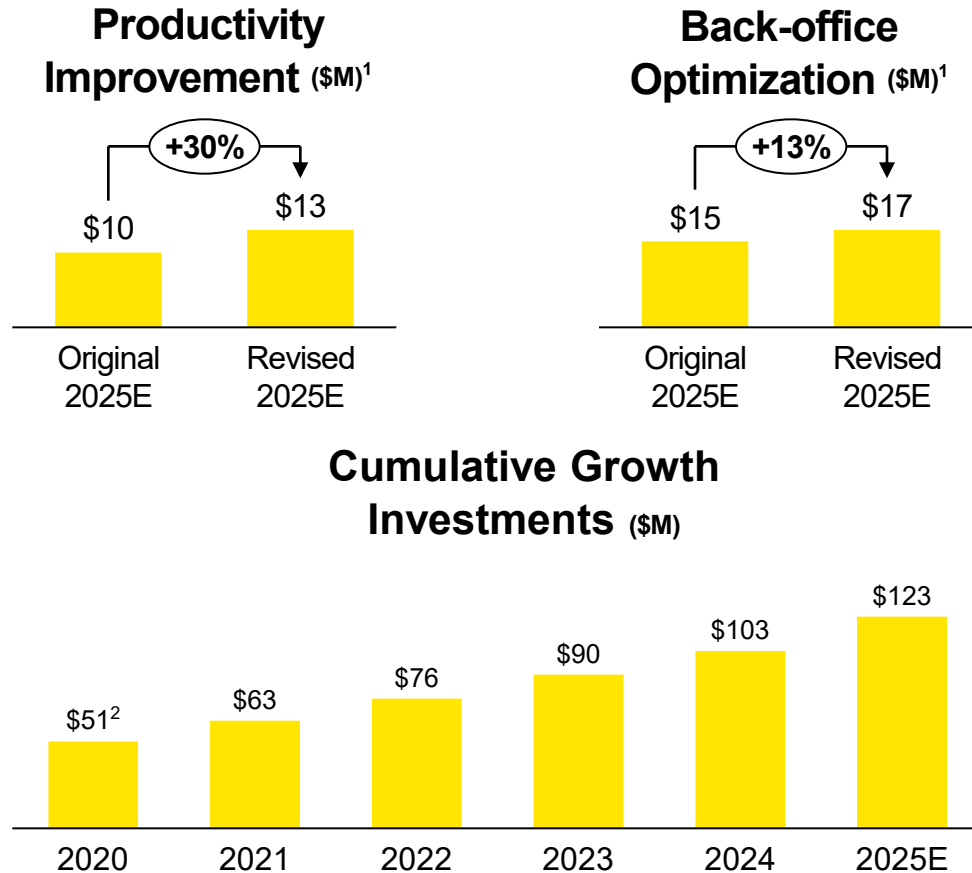
- Equipment and Gas Control sales resilient across the region
- Tariffs in **NAM** impacted volumes ~500 bps
  - Delayed customer automation orders to 2H
  - Pause in orders in Mexico
- **SAM** economies experienced modest growth
- SUMIG and Sager acquisitions performing well



- **Europe** remains steady; well placed to capture announced EU stimulus. Bavaria acquisition off to a good start
- **MEA** is achieving double-digit growth, aided by diversification investments in the region
- **India** continues to see high single-digit growth, rising infrastructure investments
- **China & SE Asia** grew mid-single-digit, fueled by higher capital expenditure and has a positive outlook for the rest of 2025

**ESAB positioned to benefit from investments; Expected to fuel growth over the next decade**

# Using EBX & AI to Accelerate Long-Term Growth



- Delivering \$30M of savings
- Leveraging EBX and AI to:
  - Automate back-office processes
  - Streamline factory efficiency
  - Improve pricing effectiveness
  - Reduce inventory
- Increasing growth investments
  - Funding university research
  - Commercial excellence investment to grow light-automation & equipment
  - Deploying additional investment in AI

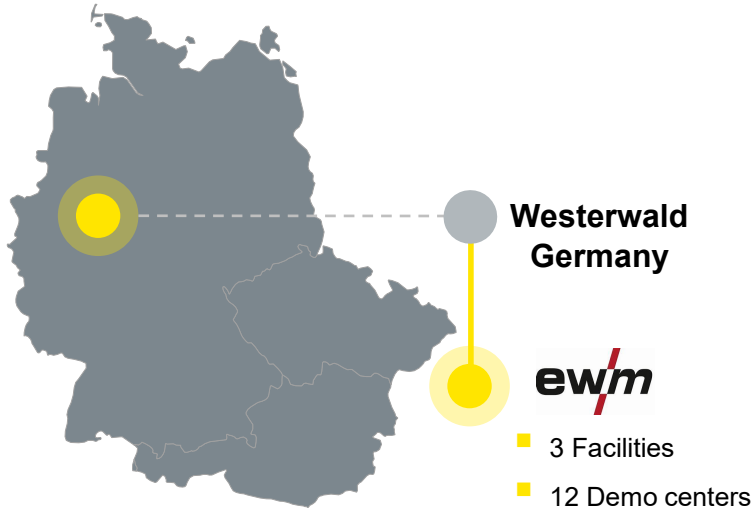
Continuing to raise the bar with EBX

# EWM Strengthens Equipment & Robotics Portfolio



A leading provider of premium arc welding and robotic technology solutions

Leader in Germanic region



Automation  
and Robotics



Welding  
Equipment



Full year sales of €120M & aEPS accretive in year one



Brings advanced technology, a highly respected brand, & a strong team



Highly complementary customer bases & channel partners








Expected to close in 4Q 2025

Accelerates global equipment growth strategy

# EWM Extends ESAB's Premium Workflow Solution

## End-to-end workflow solution



-  EWM fills product gaps
-  Advances equipment & robotics technology
-  Accelerates product development roadmap
-  Strengthens ESAB's end-to-end workflow solution
-  Combination is highly complementary & synergistic

Improving and expanding our end-to-end workflow solution



# Expands & Grows Medical Gas Control Portfolio



European based manufacturer of medical central gas systems (MCGS), manifolds & AVSUs

- Strengthens European medical gas position
- Highly complementary with existing business
- ~\$10M sales and 40%+ gross margins

**MCGS**



**Manifolds**



India based medical central gas system, flowmeter & regulator manufacturer

- Provides entry into fast growing India market
- Adds capacity & capability to support global growth
- ~\$5M sales and 40%+ gross margins

**Aktiv Product Lines**



**DeltaP and Aktiv accelerate & strengthen ESAB's gas control business**

# DeltaP & Aktiv Extend Medical Gas Control Portfolio

Hospital gas system

#	Solution	ECE <sup>®</sup>	DELTA <sup>®</sup> Medical Gas Equipment	Aktiv <sup>®</sup> Power To Delight
1	Air /Vac Syst & Oxygen Gen		+	+
2	Manifolds & AVSUs	+	+	+
3	Valves & regulators	+	+	+
4	Terminal units	+	+	+
5	Regulators & flowmeters	+	+	+
6	Ambulance panels & valves	++		

Additions of DeltaP & Aktiv highly complementary

# ESAB 2Q 2025 Financial Summary

(\$ Millions)	2Q 2025 <sup>1</sup>	2Q 2024 <sup>1</sup>	YoY
Total Sales	\$679	\$666	↑ 2%
aEBITA	\$129	\$125	↑ 3%
aEBITA Margin %	19.0%	18.8%	↑ 20 bps
aEBITDA	\$138	\$134	↑ 3%
aEBITDA Margin %	20.4%	20.1%	↑ 30 bps

## 2Q Highlights:

- High-growth markets performed strongly
- Tariffs impacted NAM performance
- Robust margin performance driven by EBX
- Acquisitions performing well

## 2Q 2025 Sales Growth<sup>1,2</sup>:

Organic	(1)%
Price	1%
Volume	(2)%
FX Translation	(0)%
Acquisitions	3%
<b>Total</b>	<b>2%</b>

**Continuing to execute well in a challenging environment**

# ESAB 2Q 2025 Americas

(\$ Millions)	2Q 2025	2Q 2024	YoY
Total Sales	\$283	\$310	↓ (9)%
aEBITDA	\$57	\$65	↓ (12)%
aEBITDA Margin %	20.1%	20.9%	↓ (80) bps

## 2Q Highlights:

- NAM Automation & Mexico volumes impacted by tariffs
- Automation expected to rebound in H2
- Disciplined price management
- EBX focused on price, productivity & efficiency

## 2Q 2025 Sales Growth<sup>1</sup>:

Organic	(7)%
Price	4%
Volume	(11)%
FX Translation	(4)%
Acquisitions	3%
<b>Total</b>	<b>(9)%</b>

**Focused on executing our growth funnel and mix shift**

# ESAB 2Q 2025 EMEA and APAC<sup>1</sup>

(\$ Millions)	2Q 2025 <sup>1</sup>	2Q 2024 <sup>1</sup>	YoY
Total Sales	\$396	\$357	↑ 11%
aEBITDA	\$82	\$69	↑ 18%
aEBITDA Margin %	20.6%	19.5%	↑ 110 bps

## 2Q Highlights:

- Strong results achieved
- Abundant pipeline of opportunities in 2H
- EBX contributing to robust margins
- Integration of Bavaria acquisition proceeding well

## 2Q 2025 Sales Growth<sup>1,2</sup>:

Organic	4%
Price	(1)%
Volume	6%
FX Translation	3%
Acquisitions	4%
<b>Total</b>	<b>11%</b>

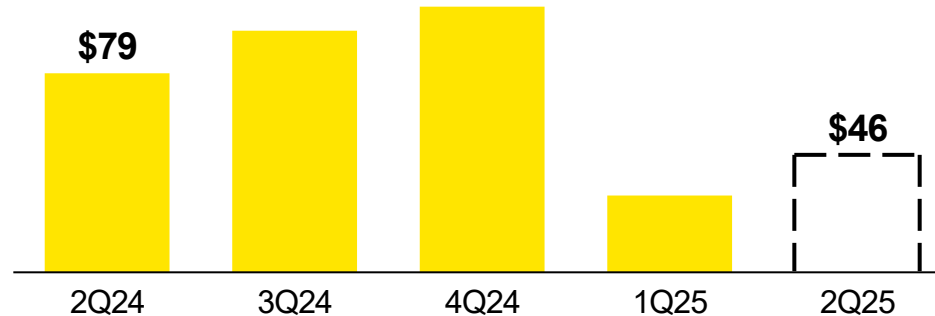
**Favorable outlook for H2**



# Financial Flexibility To Execute Compounder Strategy

## Cash

Adjusted  
Free Cash Flow (\$M)

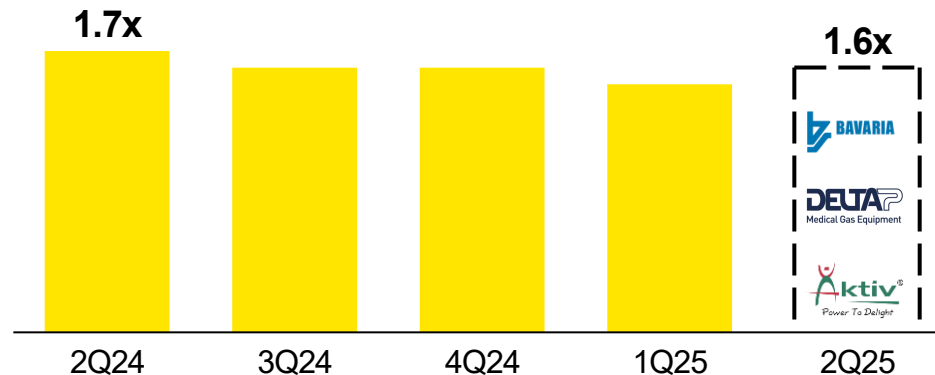


## Full Year Conversion ~100%

- TTM adjusted free cash flow conversion 88%
- First half cash flow reflects:
  - Inventory acquired in advance of tariffs
  - Working capital to support growth in EMEA and APAC
- Expect strong free cash flow in 2H, aligning with typical seasonality and reduced inventory levels

## Net Leverage

Net Debt to Adjusted  
EBITDA (TTM)



## Strong Balance Sheet

- Net leverage at 1.6x, includes acquisitions of Bavaria and DeltaP, excludes EWM
- Well placed to support further M&A

Strong balance sheet supports compounder strategy

# Raising 2025 Outlook

Financial Metrics	Prior FY 2025 Guidance <sup>1,2</sup>	FY 2025 Guidance <sup>1,2</sup>
Sales	\$2.57–\$2.63	\$2.63–\$2.68
Core Organic Growth %	0%–2%	0%–2%
aEBITDA	\$520–\$530M	\$525–\$535M
aEPS	\$5.10–\$5.25	\$5.15–\$5.30
aFCF Conversion %	~100%	~100%

- Total Sales guidance increased:
  - M&A guidance increased to ~2.5%; DeltaP & Aktiv acquisitions included
  - Foreign exchange outlook improved to ~(1)%
  - Seasonality: 3Q ~24.75%, 4Q ~25.25%
- aEBITDA increased by \$5 million
- aEPS increased 5 cents
- Free cash flow remains on track

Successfully executing our plan for 2025

# Summary



- Raised 2025 guidance
- Q3 off to a good start
- Expect NAM Automation to improve in 2H
- EBX driving margin expansion
- Closed DeltaP & Aktiv; Signed EWM
- Strong balance sheet supports compounder strategy

**S**hared  
Success

**H**elp Each  
Other Win

**A**lways  
Improving

**P**urposeful  
Leadership

**E**very Voice  
Valued

Executing on long-term strategic plan

# Appendix



ESAB CORPORATION

# Full Year 2025 Outlook

ESAB	Prior 2025 Guidance <sup>1</sup>	2025 Guidance <sup>1</sup>
Sales (\$B)	2.57 – 2.63	2.63 – 2.68
Total Growth	(1.0)% - 1.5%	1.5% - 3.5%
Core Organic Growth	0.0% - 2.0%	0.0% - 2.0%
FX	~(3.0)%	~(1.0)%
M&A	2.0% - 2.5%	~2.5%
aEBITDA (\$M)	520 – 530	525 – 535
Interest Expense & Other (\$M)	65 – 70	70 – 75
Adjusted Tax Rate	22% – 23%	21% – 22%
NCI (\$M)	~8	~8
aEPS (\$)	5.10 – 5.25	5.15 – 5.30
ESAB Total Diluted Shares (M)	~61.5	~61.5

**Seasonality: 3Q ~24.75% and 4Q ~25.25%**



# Non-GAAP Reconciliation EBITA – 2Q '25 Total & Segments<sup>1</sup>

(\$ Millions)	Three Months Ended July 4, 2025					
	Americas	% of NSV	EMEA & APAC	% of NSV	Total ESAB	% of NSV
<b>Net Sales</b>	\$ 282.7		\$ 432.9		\$ 715.6	
Net Sales attributable to Russia	—		37.1		37.1	
<b>Core Net Sales</b>	\$ 282.7		\$ 395.7		\$ 678.5	
<b>Operating Income</b>	\$ 42.4	15.0 %	\$ 66.7	15.4 %	\$ 109.1	15.2 %
Restructuring and other related charges	0.5		0.9		1.4	
Acquisition amortization and other related charges	10.0		11.5		21.6	
<b>Adjusted EBITA</b>	\$ 52.9	18.7 %	\$ 79.1	18.3 %	\$ 132.1	18.5 %
Adjusted EBITA attributable to Russia	—		3.0		3.0	
<b>Core Adjusted EBITA</b>	\$ 52.9	18.7 %	\$ 76.1	19.2 %	\$ 129.1	19.0 %

# Non-GAAP Reconciliation EBITDA – 2Q '25 Total & Segments<sup>1</sup>

(\$ Millions)	Three Months Ended July 4, 2025					
	Americas	% of NSV	EMEA & APAC	% of NSV	Total ESAB	% of NSV
<b>Net Sales</b>	<b>\$ 282.7</b>		<b>\$ 432.9</b>		<b>\$ 715.6</b>	
Net Sales attributable to Russia	—		37.1		37.1	
<b>Core Net Sales</b>	<b>\$ 282.7</b>		<b>\$ 395.7</b>		<b>\$ 678.5</b>	
<b>Operating Income</b>	<b>\$ 42.4</b>	15.0 %	<b>\$ 66.7</b>	15.4 %	<b>\$ 109.1</b>	15.2 %
Restructuring and other related charges	0.5		0.9		1.4	
Acquisition amortization and other related charges	10.0		11.5		21.6	
<b>Adjusted EBITA</b>	<b>\$ 52.9</b>	18.7 %	<b>\$ 79.1</b>	18.3 %	<b>\$ 132.1</b>	18.5 %
Depreciation and other amortization	3.8		7.6		11.4	
<b>Adjusted EBITDA</b>	<b>\$ 56.8</b>	20.1 %	<b>\$ 86.7</b>	20.0 %	<b>\$ 143.5</b>	20.1 %
Adjusted EBITDA attributable to Russia	—		5.0		5.0	
<b>Core Adjusted EBITDA</b>	<b>\$ 56.8</b>	20.1 %	<b>\$ 81.7</b>	20.6 %	<b>\$ 138.5</b>	20.4 %

# Non-GAAP Reconciliation EBITA – 2Q '24 Total & Segments<sup>1</sup>

(\$ Millions)	Three Months Ended June 28, 2024					
	Americas	% of NSV	EMEA & APAC	% of NSV	Total ESAB	% of NSV
<b>Net Sales</b>	\$ 309.8		\$ 397.3		\$ 707.1	
Net Sales attributable to Russia	—		40.7		40.7	
<b>Core Net Sales</b>	\$ 309.8		\$ 356.6		\$ 666.3	
<b>Operating Income</b>	\$ 55.9	18.0 %	\$ 63.4	16.0 %	\$ 119.4	16.9 %
Restructuring and other related charges	0.8		4.0		4.8	
Acquisition amortization and other related charges	4.3		3.3		7.7	
<b>Adjusted EBITA</b>	\$ 61.0	19.7 %	\$ 70.7	17.8 %	\$ 131.9	18.7 %
Adjusted EBITA attributable to Russia	—		6.5		6.5	
<b>Core Adjusted EBITA</b>	\$ 61.0	19.7 %	\$ 64.2	18.0 %	\$ 125.4	18.8 %

# Non-GAAP Reconciliation EBITDA – 2Q '24 Total & Segments<sup>1</sup>

(\$ Millions)	Three Months Ended June 28, 2024					
	Americas	% of NSV	EMEA & APAC	% of NSV	Total ESAB	% of NSV
<b>Net Sales</b>	<b>\$ 309.8</b>		<b>\$ 397.3</b>		<b>\$ 707.1</b>	
Net Sales attributable to Russia	—		40.7		40.7	
<b>Core Net Sales</b>	<b>\$ 309.8</b>		<b>\$ 356.6</b>		<b>\$ 666.3</b>	
<b>Operating Income</b>	<b>\$ 55.9</b>	18.0 %	<b>\$ 63.4</b>	16.0 %	<b>\$ 119.4</b>	16.9 %
Restructuring and other related charges	0.8		4.0		4.8	
Acquisition amortization and other related charges	4.3		3.3		7.7	
<b>Adjusted EBITA</b>	<b>\$ 61.0</b>	19.7 %	<b>\$ 70.7</b>	17.8 %	<b>\$ 131.9</b>	18.7 %
Depreciation and other amortization	3.7		5.5		9.1	
<b>Adjusted EBITDA</b>	<b>\$ 64.7</b>	20.9 %	<b>\$ 76.3</b>	19.2 %	<b>\$ 141.0</b>	19.9 %
Adjusted EBITDA attributable to Russia	—		6.9		6.9	
<b>Core Adjusted EBITDA</b>	<b>\$ 64.7</b>	20.9 %	<b>\$ 69.3</b>	19.5 %	<b>\$ 134.0</b>	20.1 %

# Non-GAAP Reconciliation – Net Income to Adjusted EPS<sup>1</sup>

(\$ Millions, except Per Share Data)	Three months ended	
	July 4, 2025	June 28, 2024
<b>Net income from continuing operations</b>	<b>\$ 69.8</b>	<b>\$ 85.5</b>
Income attributable to noncontrolling interest, net of taxes	1.2	1.5
<b>Net income from continuing operations attributable to ESAB Corporation</b>	<b>\$ 68.6</b>	<b>\$ 84.0</b>
Restructuring and other related charges - pretax	1.4	4.8
Acquisition amortization and other related charges - pretax	21.6	7.7
Tax effect on above items	(5.3)	(3.2)
Discrete tax adjustments	—	(6.7)
<b>Adjusted net income from continuing operations</b>	<b>\$ 86.2</b>	<b>\$ 86.6</b>
Adjusted net income from continuing operations attributable to Russia	2.3	5.2
<b>Core adjusted net income from continuing operations</b>	<b>\$ 84.0</b>	<b>\$ 81.4</b>
<b>Net income per share - diluted from continuing operations</b>	<b>\$ 1.12</b>	<b>\$ 1.37</b>
Restructuring and other related charges - pretax	0.02	0.08
Acquisition - amortization and other related charges - pretax	0.35	0.12
Tax effect on above items	(0.09)	(0.05)
Discrete tax adjustments	—	(0.11)
<b>Adjusted net income per share - diluted from continuing operations</b>	<b>\$ 1.40</b>	<b>\$ 1.41</b>
Adjusted net income per share - diluted from continuing operations attributable to Russia	0.04	0.09
<b>Core adjusted net income per share – diluted from continuing operations</b>	<b>\$ 1.36</b>	<b>\$ 1.32</b>



# Non-GAAP Reconciliation – Adj. Free Cash Flow<sup>1</sup>

(\$ Millions)	Three months ended		Six months ended	
	July 4, 2025	June 28, 2024	July 4, 2025	June 28, 2024
<b>Net cash provided by operating activities</b>	<b>\$ 46.6</b>	<b>\$ 83.0</b>	<b>\$ 82.0</b>	<b>\$ 127.5</b>
Purchases of property, plant and equipment	(9.2)	(9.0)	(16.5)	(16.4)
Payments related to discontinued operations	4.9	4.8	7.2	8.5
Acquisition-related payments	4.0	—	4.0	—
<b>Adjusted free cash flow</b>	<b>\$ 46.4</b>	<b>\$ 78.8</b>	<b>\$ 76.8</b>	<b>\$ 119.5</b>