



# ESAB Corporation

Eddyfi Acquisition Conference Call

**February 2, 2026**



ESAB CORPORATION



Eddyfi  
Technologies

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# 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 acquisition of Eddyfi, future results and leverage after the acquisition and funding of the acquisition, expected total addressable market, synergy opportunities, 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 period presented. 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 transaction, due diligence and integration 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;

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).



# Remaining True To ESAB's Purpose



**Shaping The World We Imagine**



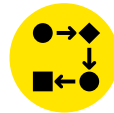
**Shaping ESAB for the Future**



**Shaping Value & Workflow For Our Customers**



# Creating Value For Customers And Shareholders



**Unrivalled provider of full workflow solution** from fabrication to inspection to monitoring



**Partner of choice** to our most important global customers for their inspection & monitoring needs



Expands ESAB's TAM by \$5B<sup>1</sup>, unlocking **faster growth, higher margins, and less cyclicality**

**Eddyfi increases ESAB's TAM while accelerating growth and expanding margins**

# Eddyfi at a Glance

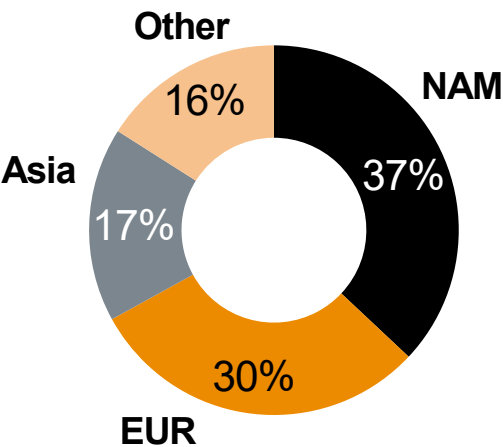
## Eddyfi Overview

- Global leader in inspection & monitoring technologies for mission-critical applications
- Serves fast-growing end markets such as Aerospace & Defense and Nuclear

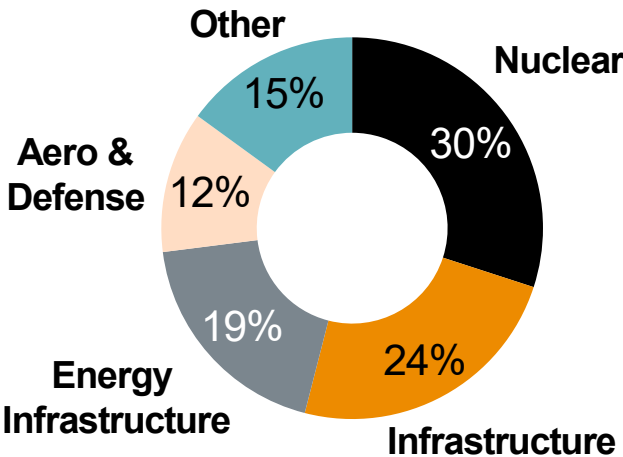
## Premier Financial Profile<sup>1</sup>

|  |   |
|--|---|
| <b>~\$270M / HSD</b><br>2026E Sales / Growth | <b>~65%+</b><br>2026E Adj. Gross Margin |
| <b>~55%</b><br>Recurring Sales               | <b>~30%+</b><br>2026E aEBITDA Margin    |

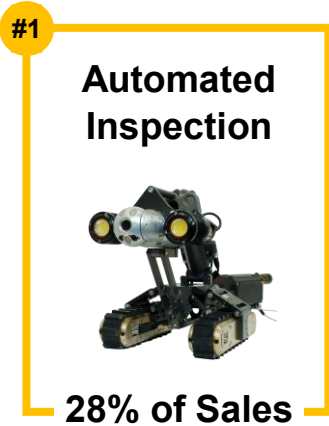
## Sales By Region<sup>1,2</sup>



## Sales By End Market<sup>1,2</sup>



## Best-In-Class Technology<sup>1,2</sup>



A strategic asset accelerating ESAB's journey to a premier industrial compounder

# ESAB's Unrivaled Workflow Solution



## Weld Management & Traceability



## Inspection & Continuous Monitoring

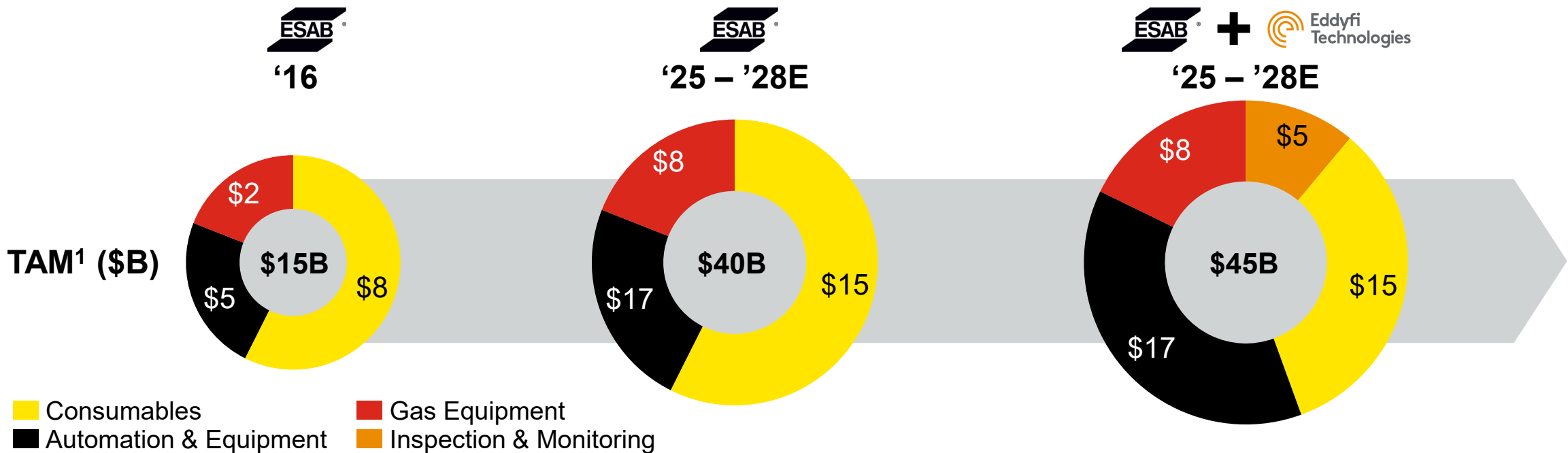


|              |      |      |
|--------------|------|------|
| Sales Growth | LSD  | HSD  |
| Gross Margin | 35%+ | 65%+ |

Uniquely positions ESAB into higher growth and higher margin solutions



# Expanding ESAB's Total Addressable Markets



## How We Are Expanding the TAM



Strengthening mission critical product offering



Leveraging ESAB's geographic scale



Additional opportunities for compounding

Eddyfi provides access to a rich pipeline for future bolt-on opportunities

# Significant Synergy Opportunities

## EBXai – Our Values, Process & Tools



## ~\$20M<sup>1</sup> of Cost Synergies



EBXai to Drive Sourcing & Productivity Efficiencies



Back Office Optimization to Streamline Operations



ESAB's Shared Service Centers to Provide Leverage

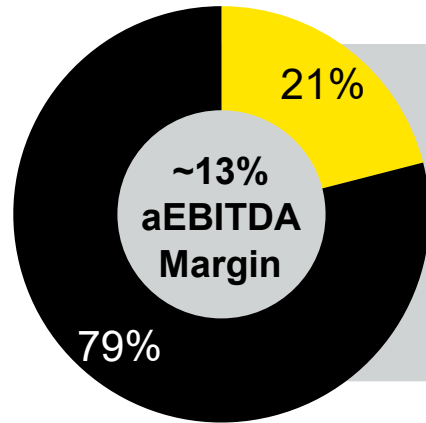
Leveraging our proven EBXai business system to deliver long-term value



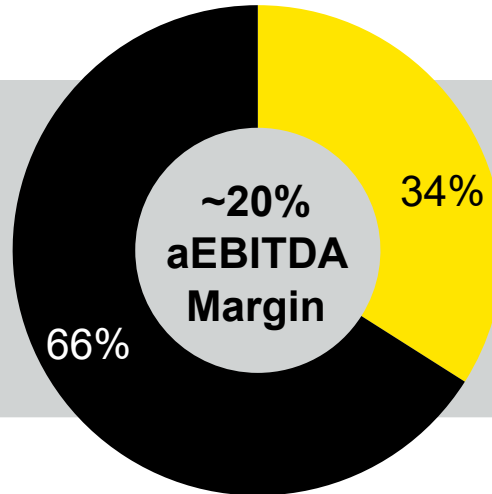
# A Stronger And More Resilient ESAB



'16 Revenue: \$1.7B<sup>1</sup>



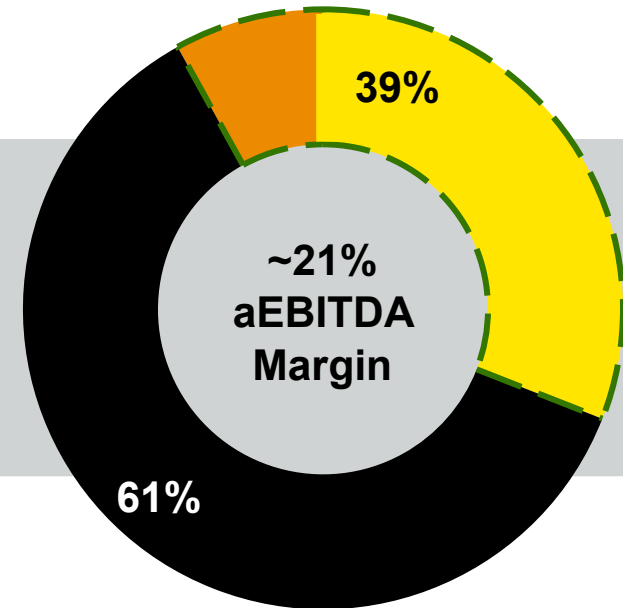
'25 Revenue: ~\$2.7B<sup>1</sup>






+



'25 Combined Revenue: ~\$3B<sup>1</sup>



-  Eddyfi Equipment
-  ESAB Equipment
-  Consumables

Accelerating our mix to higher growth and higher margin equipment portfolio

# Transaction Summary

## Overview

- Acquisition of Eddyfi Holdings, a market-leader in inspection and monitoring technologies
  - ~\$270M 2026E Revenue
  - ~30%+ 2026E aEBITDA margin
- Currently expected to close in mid-2026

## Transaction Consideration

- TEV of \$1.45B on a cash-free, debt-free basis
  - ~14.5x 2026E aEBITDA assuming run-rate synergies
  - ~18.0x 2026E aEBITDA
- Funded with cash on hand, debt, and \$318M of MCPS and common equity

## Financial Impact

- Accretive to core growth (+50 bps impact in 2027E+)
- Accretive to aEBITDA margins (+200 bps impact in 2027E+)
- Expect net leverage of <3.0x by year end 2026

**On track to achieve 22%+ EBITDA margins by 2027E**

# 4Q 2025 Highlights

- Strong execution
- Softer December sales due to customer shutdowns
- EBXai delivering margins
- Acquisitions performing as expected
- Initiating 2026 guidance

## 4Q 2025 Results<sup>1</sup>:

**\$687 - 689M**

Sales



**~8.5%**

Total Core Growth<sup>2</sup>

~(2%) Organic Core Growth<sup>2</sup>



**\$139 - 141M**

aEBITDA



**~9.0%**

Year-over-Year<sup>2</sup>



**20.2 - 20.5%**

aEBITDA Margin



**~10bps**

Year-over-Year<sup>2</sup>



## EBXai driving strong margin performance

# Full Year 2025 Highlights

| Metric <sup>1</sup> | Original '25 Guide | 1Q '25 Guide     | 2Q '25 Guide     | 3Q '25 Guide     | Preliminary 2025 <sup>1</sup> | Delivered |
|---------------------|--------------------|------------------|------------------|------------------|-------------------------------|-----------|
| Sales               | \$2.54-\$2.59B     | ↑ \$2.57-\$2.63B | ↑ \$2.63-\$2.68B | ↑ \$2.71-\$2.73B | ~\$2.70B                      | ✓         |
| aEBITDA             | \$515-\$530M       | ↑ \$520-\$530M   | ↑ \$525-\$535M   | ↑ \$535-\$540M   | \$539-\$541M                  | ✓         |
| aEPS                | \$5.10-\$5.25      | ▬ \$5.10-\$5.25  | ↑ \$5.15-\$5.30  | ↑ \$5.20-\$5.30  | \$5.25-\$5.27                 | ✓         |

Delivering on our commitments

# 2026 Outlook

## Core Financial Metrics

## FY 2026 Guidance *(Excludes Eddyfi)*

**Sales**

\$2.85–\$2.95B

**Organic Growth %**

2.0%–4.0%

**aEBITDA**

\$575–\$595M

**aEPS**

\$5.70–\$5.90

**aFCF Conversion %**

~90%



- Sales guidance assumes:
  - M&A benefit ~4%
  - FX tailwind 0-1%
- Seasonality: 1Q ~24.5%, 2Q ~25.5%, 3Q ~25.0% and 4Q ~25.0%
- aEBITDA margin expansion and aEPS growth continues
- Expecting another year of robust cash flow

**Focused on delivering another year of strong results**



# Eddyfi: A Compelling Strategic Fit for ESAB



Positions ESAB to provide an unrivaled workflow solution



Accelerates journey to a premier industrial compounder



Increases exposure to Aerospace & Defense and Nuclear



Generates ~\$20M<sup>1</sup> of synergies



**aEBITDA accretive immediately; aEPS accretive in 2027**

**S**hared  
Success

**H**elp Each  
Other Win

**A**lways  
Improving

**P**urposeful  
Leadership

**E**very Voice  
Valued

**Creating significant long-term shareholder value**

# Appendix



ESAB CORPORATION



# Non-GAAP Reconciliation – Adjusted EBITDA (Unaudited)

| (\$ Millions)                                      | Three Months Ended  | Year Ended              |
|--|---------------------|-------------------------|
|  | December 31, 2025   | December 31, 2025       |
| <b>Net Sales</b>                                   | <b>\$ 720 - 722</b> | <b>\$ 2,842 - 2,844</b> |
| Net Sales attributable to Russia                   | 33                  | 142                     |
| <b>Core Net Sales</b>                              | <b>\$ 687 - 689</b> | <b>\$ 2,700 - 2,702</b> |
| <b>Operating Income</b>                            | <b>\$ 86 - 88</b>   | <b>\$ 411 - 413</b>     |
| Restructuring and other related charges            | 18                  | 28                      |
| Acquisition-amortization and other related charges | 24                  | 72                      |
| Depreciation and other amortization                | 14                  | 48                      |
| <b>Adjusted EBITDA</b>                             | <b>\$ 142 - 144</b> | <b>\$ 559 - 561</b>     |
| Adjusted EBITDA attributable to Russia             | 3                   | 20                      |
| <b>Core Adjusted EBITDA</b>                        | <b>\$ 139 - 141</b> | <b>\$ 539 - 541</b>     |

# Non-GAAP Reconciliation – Adjusted EPS<sup>1</sup> (Unaudited)

| (\$ Millions, except Per Share Data)  | Three Months Ended    | Year Ended            |
|---|-----------------------|-----------------------|
|   | December 31, 2025     | December 31, 2025     |
| <b>Net income per share - diluted from continuing operations</b>                          | <b>\$ 0.81 - 0.83</b> | <b>\$ 4.08 - 4.10</b> |
| Restructuring and other related charges - pretax  | 0.29                  | 0.45                  |
| Acquisition - amortization and other related charges - pretax                             | 0.40                  | 1.18                  |
| Tax effect on above items   | (0.21)                | (0.41)                |
| Discrete tax adjustments  | 0.06                  | 0.10                  |
| <b>Adjusted net income per share - diluted from continuing operations</b>                 | <b>\$ 1.35 - 1.37</b> | <b>\$ 5.39 - 5.41</b> |
| Adjusted net income per share - diluted from continuing operations attributable to Russia | (0.01)                | (0.14)                |
| <b>Core adjusted net income per share – diluted from continuing operations</b>            | <b>\$ 1.34 - 1.36</b> | <b>\$ 5.25 - 5.27</b> |