

INVESTOR PRESENTATION

THIRD QUARTER 2024 RESULTS SUMMARY

OCTOBER 2024



SAFE HARBOR STATEMENT

This presentation and related conference call contain “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are not historical facts and represent only the Company’s beliefs and expectations. Forward-looking statements involve known and unknown risks and uncertainties, which may cause the Company’s actual results in future periods to differ materially from forecasted results. Among those factors which could cause actual results to differ materially are the following: market demand, supply chain disruptions, labor shortages, competition, weather, disease outbreaks, seasonality, changes in U.S. trade policy, negative economic impacts resulting from geopolitical events, including the war in Ukraine and the Middle East, acquisition risks, financial issues, and other risks and uncertainties, including (but not limited to) those described under the captions “Forward-Looking Information” in Part I, Item 1 and “Risk Factors” in Item 1A of the Company’s Annual Report on Form 10-K for the year ended December 31, 2023, as well as other risks and uncertainties listed from time to time in the Company’s SEC filings. The Company does not undertake any obligation to update the information contained herein, which reflects management’s beliefs and expectations only as of this date. More information about factors that potentially could affect Alamo Group’s financial results are included in the Company’s public filings.

Non-GAAP Measures

This presentation also contains non-GAAP financial measures. These measures are included to facilitate meaningful comparisons of our results to those in prior periods and future periods and to allow a better evaluation of our operating performance, in management’s opinion. Our reference to these non-GAAP measures should not be considered as a substitute for results that are presented in a manner consistent with GAAP. These non-GAAP measures are provided to enhance investors’ overall understanding of our financial performance.

ALAMO GROUP

AT A GLANCE

Alamo Group, the parent company of over 40 global brands, operates through two divisions: Industrial Equipment and Vegetation Management.

We specialize in manufacturing equipment that is vital for the maintenance of agricultural land, greenspaces, forests, and physical infrastructure.

We are deeply committed to providing our customers with innovative products that perform these essential maintenance activities safely and efficiently for the betterment of communities worldwide.



Founded in
1969



Headquartered in
Seguin, Texas USA



3,950
Employees

Publicly traded since 1993
(NYSE: ALG)

Quarterly dividend paid continuously
since going public

28 manufacturing locations
North and South America, and Europe

Two operating divisions
Vegetation Management and
Industrial Equipment

OUR BRAND SOLUTIONS

Our customers count on us to provide high-quality, high-performance equipment to maintain forests, fields, farmlands and infrastructure, no matter the time of year or the weather conditions.

As we continue to expand our portfolio of brands, we are careful to select those which bring added value to both customers and shareholders while carrying out our commitment to improve places where people live, work and gather socially.

- ▶ Forestry, Tree Care, Recycling
- ▶ Biomass Production
- ▶ Agricultural Land Maintenance
- ▶ Landscaping & Turf Maintenance
- ▶ Roadside Mowing, Hedge and Brush Control
- ▶ Metal Mill & Mine Maintenance
- ▶ Street and Parking Lot Sweeping and Leaf, Brush and Debris Collection
- ▶ Highway Safety
- ▶ Storm Sewer Cleaning
- ▶ Vacuum and Hydro-Excavation
- ▶ Specialty Excavation and Storm Debris Removal
- ▶ Snow and Ice Removal
- ▶ Canal and Waterway Vegetation Management
- ▶ Specialty Construction Forms
- ▶ Spare Parts, Wear Parts and Technical Services
- ▶ Operator Safety Training



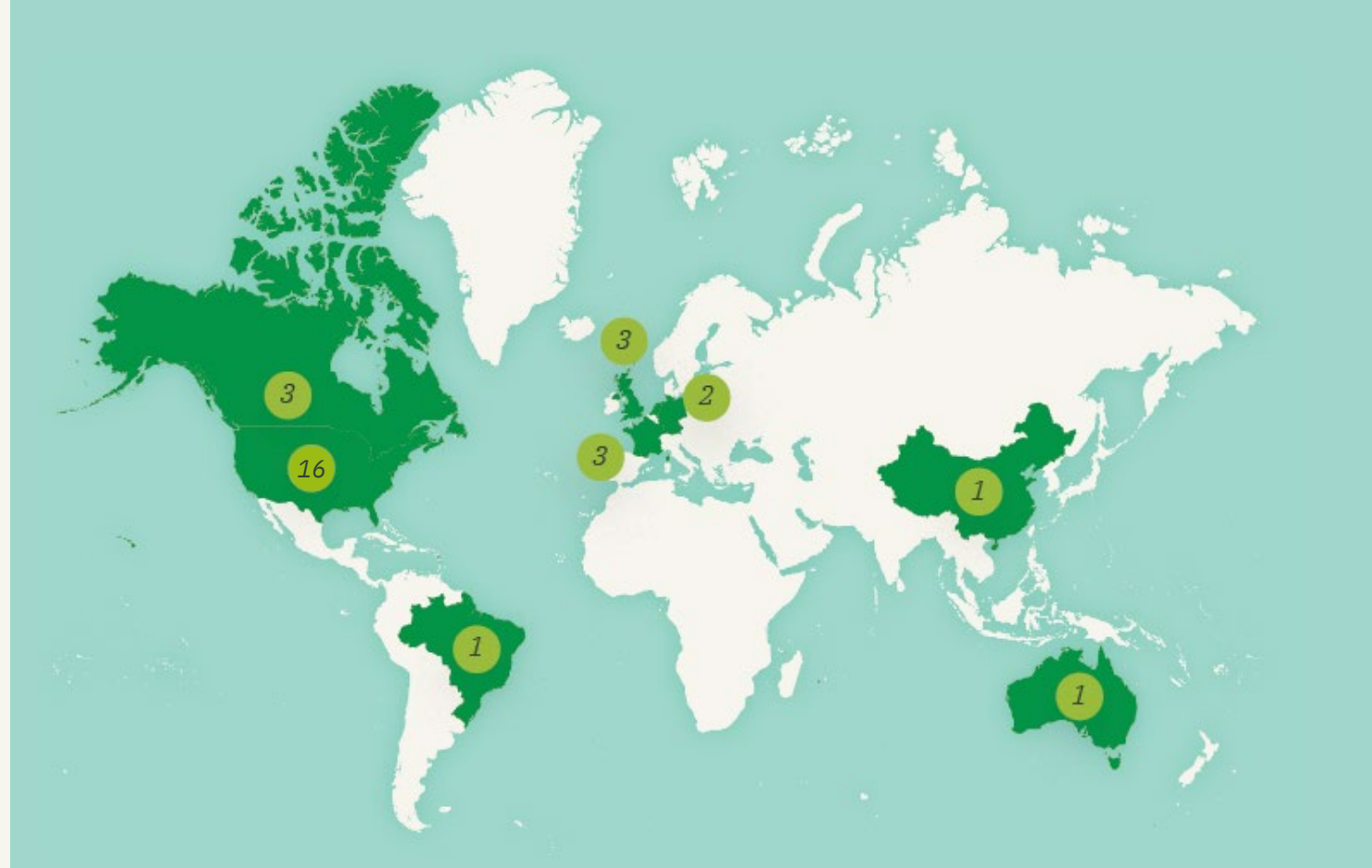
MANUFACTURING OPERATIONS

Global Reach and Operational Scale

With a portfolio of 40+ brands, the Group operates 28 manufacturing locations worldwide.

This extensive network enables Alamo Group to deliver its equipment, parts, and services across six continents.

The Group's commitment to quality, innovation and sustainability supports its ability to meet a wide range of needs, demonstrating its role as a key player in the global market.



Global Locations:

- United States **16**
- Canada **3**
- Brazil **1**
- France **3**
- United Kingdom **3**
- Netherlands **2**
- Australia **Sales Office**
- China **Sourcing Office**

FINANCIAL HIGHLIGHTS

3Q24

- ▶ Net sales of \$401.3 million decreased 4.4% compared to \$419.6 million in 3Q2023
 - Industrial Equipment Division net sales of \$211.2 million grew 22.3%
 - Vegetation Management Division net sales of \$190.1 million declined 23.0%
- ▶ Operating Income margin softened by 187 basis points
 - Governmental and industrial markets continue to display significant strength
 - Sustained weakness in forestry and agriculture
- ▶ Executed cost savings actions to yield \$25-30 million of annualized savings; \$1.6 million of workforce reduction expenses incurred in 3Q24

\$401.3M ↓ 4.4% from 3Q23
Net Sales

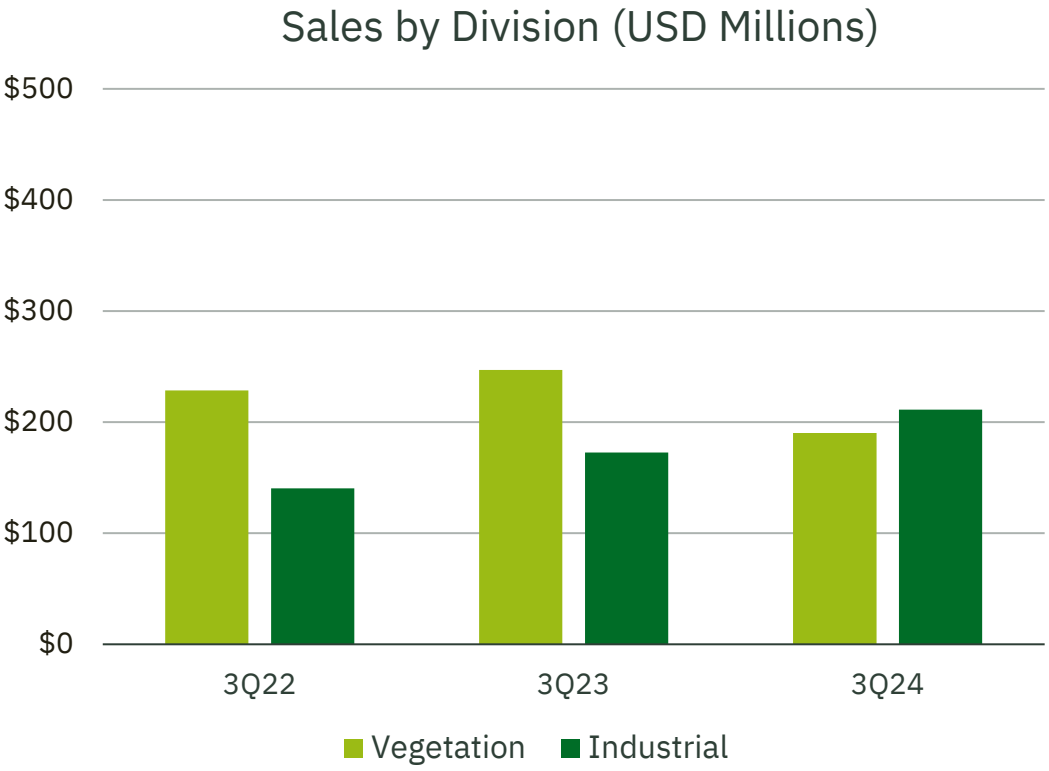
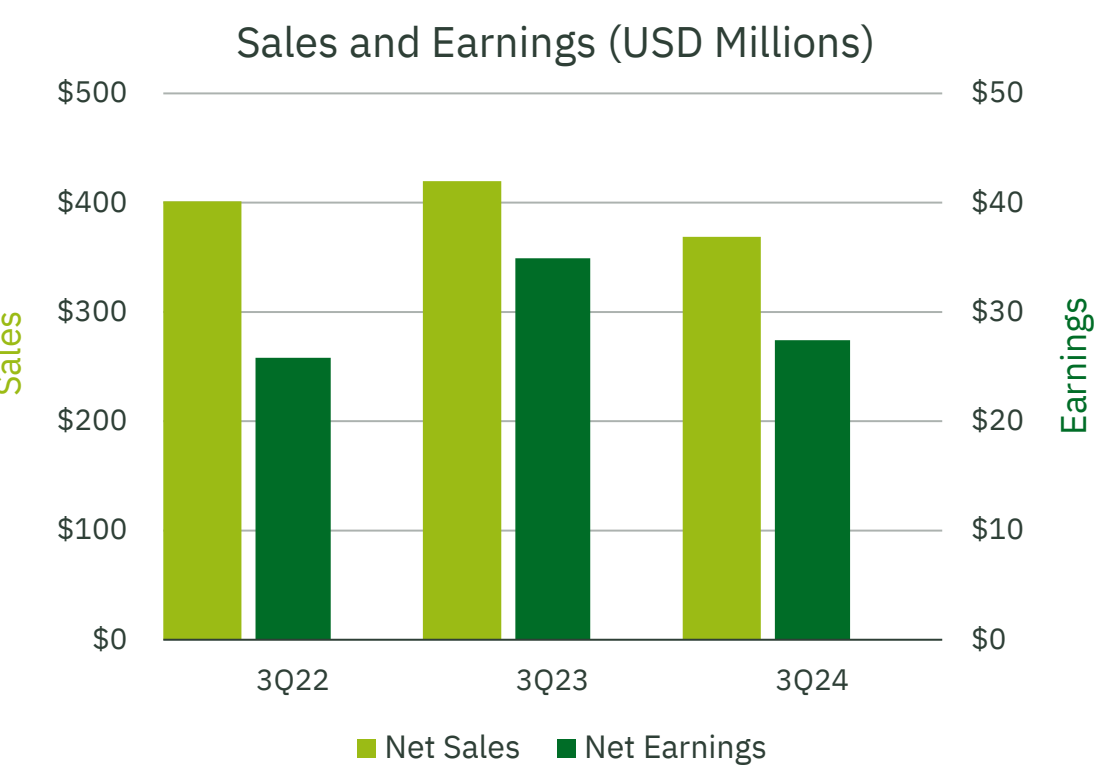
10.0% ↓ 1.9% from 3Q23
Operating Income

\$ 2.28 ↓ \$0.63 from 3Q23
Earnings Per Share
EPS excluding separation costs \$2.38¹

(1) This is a non-GAAP financial measure or other information relating to our GAAP financial measures that we have provided to investors in order to allow greater transparency and a deeper understanding of our financial condition and operating results. For a reconciliation of the non-GAAP financial measure or for a more detailed explanation of financial results, refer to "Non-GAAP Financial Measure Reconciliation" below and the Attachments thereto.

SALES AND EARNINGS

OVERVIEW



BALANCE SHEET

Quarter Ended September 30			
(In USD Thousands)	2024	2023	2022
Current Assets	879,604	873,365	727,210
Total Assets	1,481,341	1,455,514	1,308,508
Current Liabilities	212,016	219,329	190,506
Working Capital	667,588	654,036	536,704
Total Debt	224,166	323,900	301,952
Total Debt Net of Cash	84,128	210,366	254,936
Shareholders' Equity	1,017,720	887,734	1,308,508
Debt as a % of Capitalization	18.1%	26.7%	18.7%
Debt Net of Cash as % of Capitalization	7.6%	19.2%	16.3%
Net Cash from Operating Activities	96,326	39,847	22,210
Capital Expenditures	7,927	8,813	8,534
Dividends Paid	3,115	2,624	2,139



INCOME STATEMENT

Quarter Ended September 30			
(In USD Thousands)	2024	2023	2022
Revenue	401,301	419,644	368,793
Gross Margin	100,887	114,143	92,365
% of Revenue	25.1%	27.2%	25.0%
Operating Expenses	60,808	64,390	56,525
Operating Income	40,079	49,753	35,840
% of Revenue	10.0%	11.9%	9.7%
Depreciation - PP&E	6,748	5,934	5,659
Depreciation - Rental	2,443	2,211	1,900
Amortization	4,237	4,002	3,968
Net Income	27,405	34,915	25,821
Diluted Earnings Per Share	2.28	2.91	2.16
EBITDA ⁽¹⁾	53,507	61,900	47,367

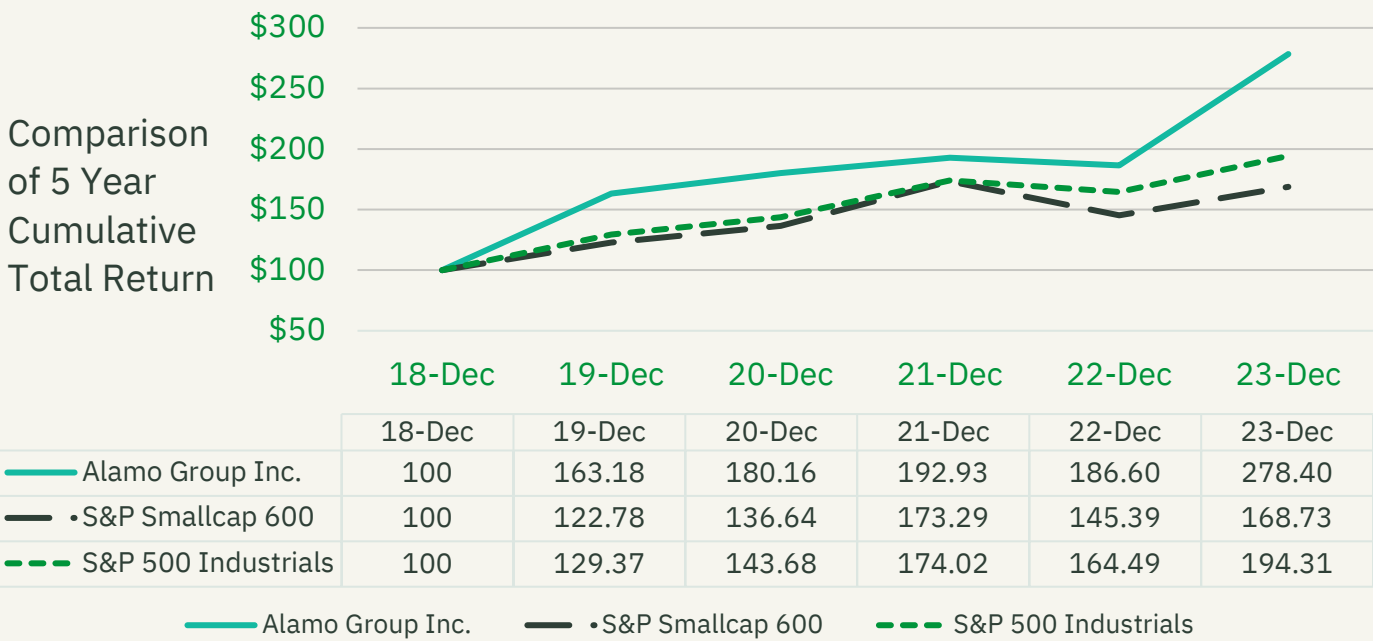
(1) EBITDA is a non-GAAP financial measure defined for this purpose as the sum of operating income and depreciation and amortization. See reconciliation in the Appendix.



OUR COMMITMENT

DRIVING SHAREHOLDER VALUE

Alamo Group is well positioned to capitalize on its strong order backlog and sustained demand across most of its served markets to maintain its historic track record of long-term growth and total shareholder returns.



Targeted Long-Term
Performance Metrics

5-10%
Revenue Growth

>12%
Operating Income

>14%
ROIC

Outlook

2024

- ▶ Continued optimism in the strength of governmental markets, modestly tempered by the fact National elections are imminent in the U.S., and future direction of Federal fiscal policy is uncertain
- ▶ No expectation for significant improvement in the agricultural equipment market until late 2025 while outlook in forestry and tree care is better driven by storm activity and optimism that additional interest rate reductions will improve the housing market
- ▶ Actions to improve profitability through capacity reductions are ongoing and include facility consolidations and associated personnel reductions

We remain focused on the Company's strategy and positive about our future performance



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Additional details about Alamo Group's financial news and reports can be located on our website in the following documents:

Earning Release can be found at [alamo-group.com](https://www.alamo-group.com) > Investors > Financial News Release:
<https://www.alamo-group.com/2024-financial-news-release/>

10-Q can be found at [alamo-group.com](https://www.alamo-group.com) > Investors > Financial Reports:
<https://www.alamo-group.com/2024-financial-reports/>

Appendix



Reconciliations

EBITDA

Three Months Ended September 30			
(In USD Thousands)	2024	2023	2022
Operating Income	40,079	49,753	35,840
Depreciation - PP&E	6,748	5,934	5,659
Depreciation - Rental	2,443	2,211	1,900
Amortization	4,237	4,002	3,968
EBITDA ⁽¹⁾	53,507	61,900	47,367

(1) We define EBITDA as the total of Operating Income, Depreciation, and Amortization. We believe this non-GAAP measure is useful to investors as it provides greater transparency in regards to the information used by management in its financial and operational decision-making. The EBITDA presented may not be comparable to similarly titled measures of other companies.



Reconciliations

Impact of Non-recurring Items

Three Months Ended September 30			
(In USD Thousands)	2024	2023	2022
Operating Income – GAAP	40,079	49,753	35,840
(add: workforce reduction)	1,607	–	–
Adjusted Operating Income – non-GAAP	41,686	49,753	35,840
Net Income – GAAP	27,405	34,915	25,821
(add: workforce reduction)	1,226	–	–
Adjusted Net Income – non-GAAP	28,631	34,915	25,821
Diluted EPS – GAAP	\$2.28	\$2.91	\$2.16
(add: workforce reduction)	\$0.10	–	–
Adjusted Diluted EPS – non-GAAP	\$2.38	\$2.91	\$2.16



Year-to-Date Results



BALANCE SHEET

Three Months Ended September 30				Nine Months Ended September 30		
(In USD Thousands)	2024	2023	2022	2024	2023	2022
Current Assets	879,604	873,365	727,210	879,604	873,365	727,210
Total Assets	1,481,341	1,455,514	1,308,508	1,481,341	1,455,514	1,308,508
Current Liabilities	212,016	219,329	190,506	212,016	219,329	190,506
Working Capital	667,588	654,036	536,704	667,588	654,036	536,704
Total Debt	224,166	323,900	301,952	224,166	323,900	301,952
Total Debt Net of Cash	84,128	210,366	254,936	84,128	210,366	254,936
Shareholders' Equity	1,017,720	887,734	1,308,508	1,017,720	887,734	1,308,508
Debt as a % of Capitalization	18.1%	26.7%	18.7%	18.1%	26.7%	18.7%
Debt Net of Cash as % of Capitalization	7.6%	19.2%	16.3%	7.6%	19.2%	16.3%
Net Cash from Operating Activities	96,326	39,847	22,210	130,642	77,031	(21,179)
Capital Expenditures	7,927	8,813	8,534	18,988	27,051	23,499
Dividends Paid	3,115	2,624	2,139	9,329	7,861	6,411



INCOME STATEMENT

Three Months Ended September 30				Nine Months Ended September 30		
(In USD Thousands)	2024	2023	2022	2024	2023	2022
Revenue	401,301	419,644	368,793	1,243,190	1,272,109	1,127,012
Gross Margin	100,887	114,143	92,365	320,700	344,724	278,723
% of Revenue	25.1%	27.2%	25.0%	25.8%	27.1%	24.7%
Operating Expenses	60,808	64,390	56,525	190,333	191,555	172,848
Operating Income	40,079	49,753	35,840	130,367	153,169	105,875
% of Revenue	10.0%	11.9%	9.7%	10.5%	12.0%	9.4%
Depreciation - PP&E	6,748	5,934	5,659	20,027	17,204	16,307
Depreciation - Rental	2,443	2,211	1,900	7,257	6,470	5,665
Amortization	4,237	4,002	3,968	12,702	11,992	11,981
Net Income	27,405	34,915	25,821	87,849	104,638	72,763
Diluted Earnings Per Share	2.28	2.91	2.16	7.30	8.73	6.1
EBITDA ⁽¹⁾	53,507	61,900	47,367	170,353	188,835	139,828

(1) EBITDA is a non-GAAP financial measure defined for this purpose as the sum of operating income and depreciation and amortization. See reconciliation in the Appendix.



Reconciliations

EBITDA

Three Months Ended September 30			
(In USD Thousands)	2024	2023	2022
Operating Income	40,079	49,753	35,840
Depreciation - PP&E	6,748	5,934	5,659
Depreciation - Rental	2,443	2,211	1,900
Amortization	4,237	4,002	3,968
EBITDA ⁽¹⁾	53,507	61,900	47,367

Nine Months Ended September 30		
2024	2023	2022
130,367	153,169	105,875
20,027	17,204	16,307
7,257	6,470	5,665
12,702	11,992	11,981
170,353	188,835	139,828

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Reconciliations

Impact of Non-recurring Items

Three Months Ended September 30		
(In USD Thousands)	2024	2023
Operating Income – GAAP	40,079	49,753
(add: workforce reduction)	1,607	–
Adjusted Operating Income – non-GAAP	41,686	49,753
Net Income – GAAP	27,405	34,915
(add: workforce reduction)	1,226	–
Adjusted Net Income – non-GAAP	28,631	34,915
Diluted EPS – GAAP	\$2.28	\$2.91
(add: workforce reduction)	\$0.10	–
Adjusted Diluted EPS – non-GAAP	\$2.38	\$2.91

Nine Months Ended September 30	
2024	2023
130,367	153,169
3,226	–
133,593	153,169
87,849	104,638
2,461	–
90,310	104,638
\$7.30	\$8.73
\$0.20	–
\$7.50	\$8.73

