



THERMON GROUP HOLDINGS, INC. INVESTOR PRESENTATION

NOVEMBER 2023

Cautionary Note Regarding Forward-looking Statements

This presentation includes forward-looking statements within the meaning of the U.S. federal securities laws in addition to historical information. These forward-looking statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements include, without limitation, statements regarding our industry, business strategy, plans, goals and expectations concerning our market position, future operations, margins, profitability, capital expenditures, liquidity and capital resources and other financial and operating information such as the anticipated financial performance of our Powerblanket acquisition, our execution of our strategic initiatives, our ability to complete the disposition of our Russian subsidiary and anticipated timing and associated charges and our ability to achieve our financial performance targets for Fiscal 2026 and our Fiscal 2023 full-year guidance. When used herein, the words "anticipate," "assume," "believe," "budget," "continue," "contemplate," "could," "should," "estimate," "expect," "intend," "may," "plan," "possible," "potential," "predict," "project," "will," "would," "future," and similar terms and phrases are intended to identify forward-looking statements in this presentation. Forward-looking statements reflect our current expectations regarding future events, results or outcomes. These expectations may or may not be realized. Some of these expectations may be based upon assumptions, data or judgments that prove to be incorrect. In addition, our business and operations involve numerous risks and uncertainties, many of which are beyond our control, which could result in our expectations not being realized or otherwise materially affect our financial condition, results of operations and cash flows.

Actual events, results and outcomes may differ materially from our expectations due to a variety of factors. Although it is not possible to identify all of these factors, they include, among others, (i) the outbreak of a global pandemic, including the current pandemic (COVID-19 and its variants); (ii) general economic conditions and cyclicalities in the markets we serve; (iii) future growth of energy, chemical processing and power generation capital investments; (iv) our ability to operate successfully in foreign countries; (v) our ability to successfully develop and improve our products and successfully implement new technologies; (vi) competition from various other sources providing similar heat tracing and process heating products and services, or alternative technologies, to customers; (vii) our ability to deliver existing orders within our backlog; (viii) our ability to bid and win new contracts; (ix) the imposition of certain operating and financial restrictions contained in our debt agreements; (x) our revenue mix; (xi) our ability to grow through strategic acquisitions; (xii) our ability to manage risk through insurance against potential liabilities (xiii) changes in relevant currency exchange rates; (xiv) tax liabilities and changes to tax policy; (xv) impairment of goodwill and other intangible assets; (xvi) our ability to attract and retain qualified management and employees, particularly in our overseas markets; (xvii) our ability to protect our trade secrets; (xviii) our ability to protect our intellectual property; (xix) our ability to protect data and thwart potential cyber-attacks; (xx) a material disruption at any of our manufacturing facilities; (xxi) our dependence on subcontractors and third-party suppliers; (xxii) our ability to profit on fixed-price contracts; (xxiii) the credit risk associated to our extension of credit to customers; (xxiv) our ability to achieve our operational initiatives; (xxv) unforeseen difficulties with expansions, relocations, or consolidations of existing facilities; (xxvi) potential liability related to our products as well as the delivery of products and services; (xxvii) our ability to comply with foreign anti-corruption laws; (xxviii) export control regulations or sanctions; (xxix) changes in government administrative policy; (xxx) the current geopolitical instability in Russia and Ukraine and related sanctions by the U.S. and Canadian governments and European Union; (xxxi) environmental and health and safety laws and regulations as well as environmental liabilities; and (xxxii) 2023 climate change and related regulation of greenhouse gases, and (xxxiii) those factors listed under Item 1A "Risk Factors" included in our Annual Report on Form 10-K for the fiscal year ended March 31, 2023 as filed with the Securities and Exchange Commission (the "SEC") on May 25, 2023 and in any subsequent Quarterly Reports on Form 10-Q, Current Reports on Form 8-K or other filings that we have filed or may file with the SEC. Any one of these factors or a combination of these factors could materially affect our future results of operations and could influence whether any forward-looking statements contained in this presentation ultimately prove to be accurate. Our forward-looking statements are not guarantees of future performance, and actual results and future performance may differ materially from those suggested in any forward-looking statements. We do not intend to update these statements unless we are required to do so under applicable securities laws.

NON-GAAP FINANCIAL MEASURES

Disclosure in this release of "Adjusted EPS," "Adjusted EBITDA," "Adjusted EBITDA margin," "Adjusted Net Income/(loss)," "Free Cash Flow," "Organic Sales" and "Net Debt," which are "non-GAAP financial measures" as defined under the rules of the Securities and Exchange Commission (the "SEC"), are intended as supplemental measures of our financial performance that are not required by, or presented in accordance with, U.S. generally accepted accounting principles ("GAAP"). "Adjusted Net Income/(loss)" and "Adjusted EPS" (or "Adjusted fully diluted EPS") represent net income/(loss) before the impact of restructuring and other charges/(income), costs associated with impairments and other charges, acquisition costs, amortization of intangible assets, tax expense for impact of foreign rate increases, and any tax effect of such adjustments. "Adjusted EBITDA" represents net income before interest expense (net of interest income), income tax expense, depreciation and amortization expense, stock-based compensation expense, acquisition costs, costs associated with restructuring and other income/(charges), and costs associated with impairments and other charges. "Adjusted EBITDA margin" represents Adjusted EBITDA as a percentage of total revenue. "Free Cash Flow" represents cash provided by operating activities less cash used for the purchase of property, plant, and equipment, net of sales of rental equipment and proceeds from sales of land and buildings. "Organic Sales" represents revenue excluding the impact of the Company's May 31, 2022 acquisition of Powerblanket. "Net Debt" represents total outstanding principal debt less cash and cash equivalents on hand.

We believe these non-GAAP financial measures are meaningful to our investors to enhance their understanding of our financial performance and are frequently used by securities analysts, investors and other interested parties to compare our performance with the performance of other companies that report Adjusted EPS, Adjusted EBITDA, Adjusted EBITDA margin or Adjusted Net Income. Adjusted EPS, Adjusted EBITDA, Adjusted EBITDA margin, Adjusted Net Income, Organic Sales and Free Cash Flow should be considered in addition to, and not as substitutes for, revenue, income from operations, net income, net income per share and other measures of financial performance reported in accordance with GAAP. We provide Free Cash Flow as a measure of liquidity. Our calculation of Adjusted EPS, Adjusted EBITDA, Adjusted EBITDA margin, Adjusted Net Income and Free Cash Flow may not be comparable to similarly titled measures reported by other companies. For a description of how Adjusted EPS, Adjusted EBITDA, Adjusted EBITDA margin, Adjusted Net Income and Free Cash Flow are calculated and reconciliations to the corresponding GAAP measures, see the sections of this release titled "Reconciliation of Net Income to Adjusted EBITDA," "Reconciliation of Net Income to Adjusted Net Income and Adjusted EPS" and "Reconciliation of Cash Provided by Operating Activities to Free Cash Flow."



This is Therman

We provide safe, reliable and innovative mission critical industrial process heating solutions that create value for our customers



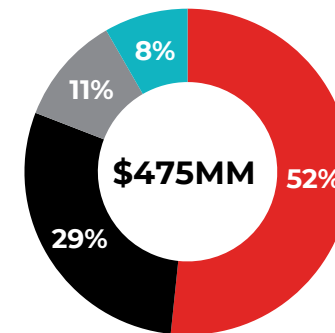
Company Background

Specialize in providing complete flow assurance, process heating, temperature maintenance, freeze protection and environmental monitoring solutions

- Founded in 1954, public company since 2011
- ~1,400 full-time employees
- Sales in 85 countries
- Facilities on four continents
- Industry-leading safety record

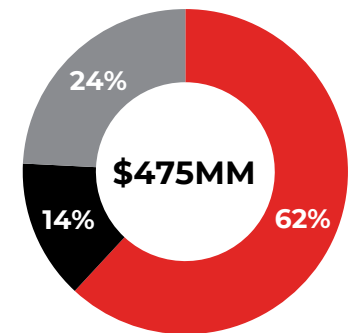
Trailing 12-Month Revenue

By Geography



■ USLAM ■ CAN
■ EMEA ■ APAC

By Type



■ Point-In-Time
■ Over Time - Small
■ Over Time - Large



Industry Leader in Industrial Process Heating

A Electric Heat Trace Systems

B Steam Trace Systems

C Tubing Bundled Solutions

D CEMS & Analytical Systems

E Temporary Power Systems

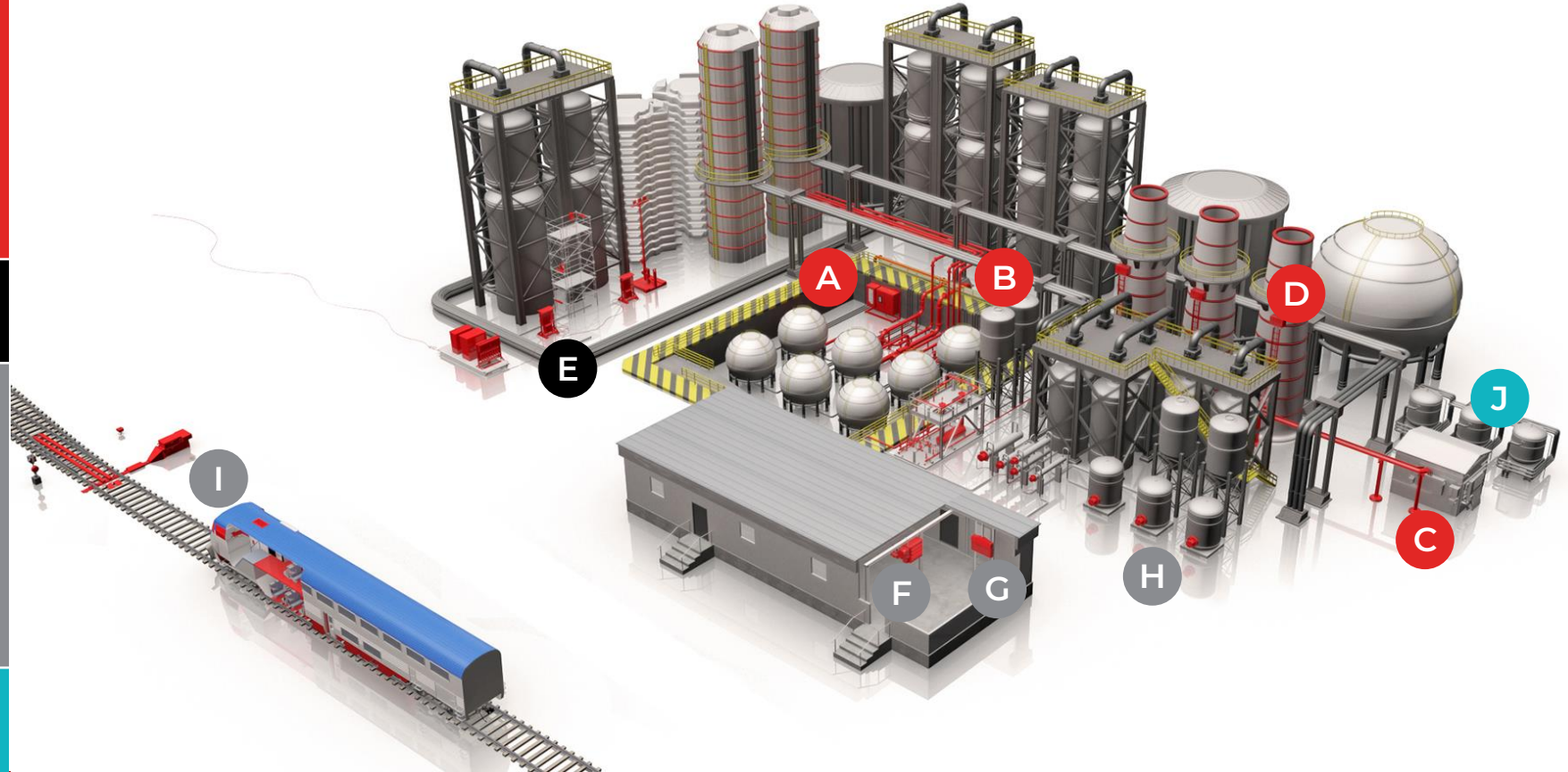
F Environmental Air & Space Heaters

G Gas Catalytic Heater

H Immersion / Circulation Heaters

I Rail & Transit Heaters

J Blanket Heaters



Thermon provides a full spectrum of mission-critical heating solutions to industrial customers in classified areas



Customers We Serve



External Market Drivers



Chemical and
Petrochemical
Demand Growth



Industrial
Electrification



Industrial
Internet of Things



Developing
Market Growth



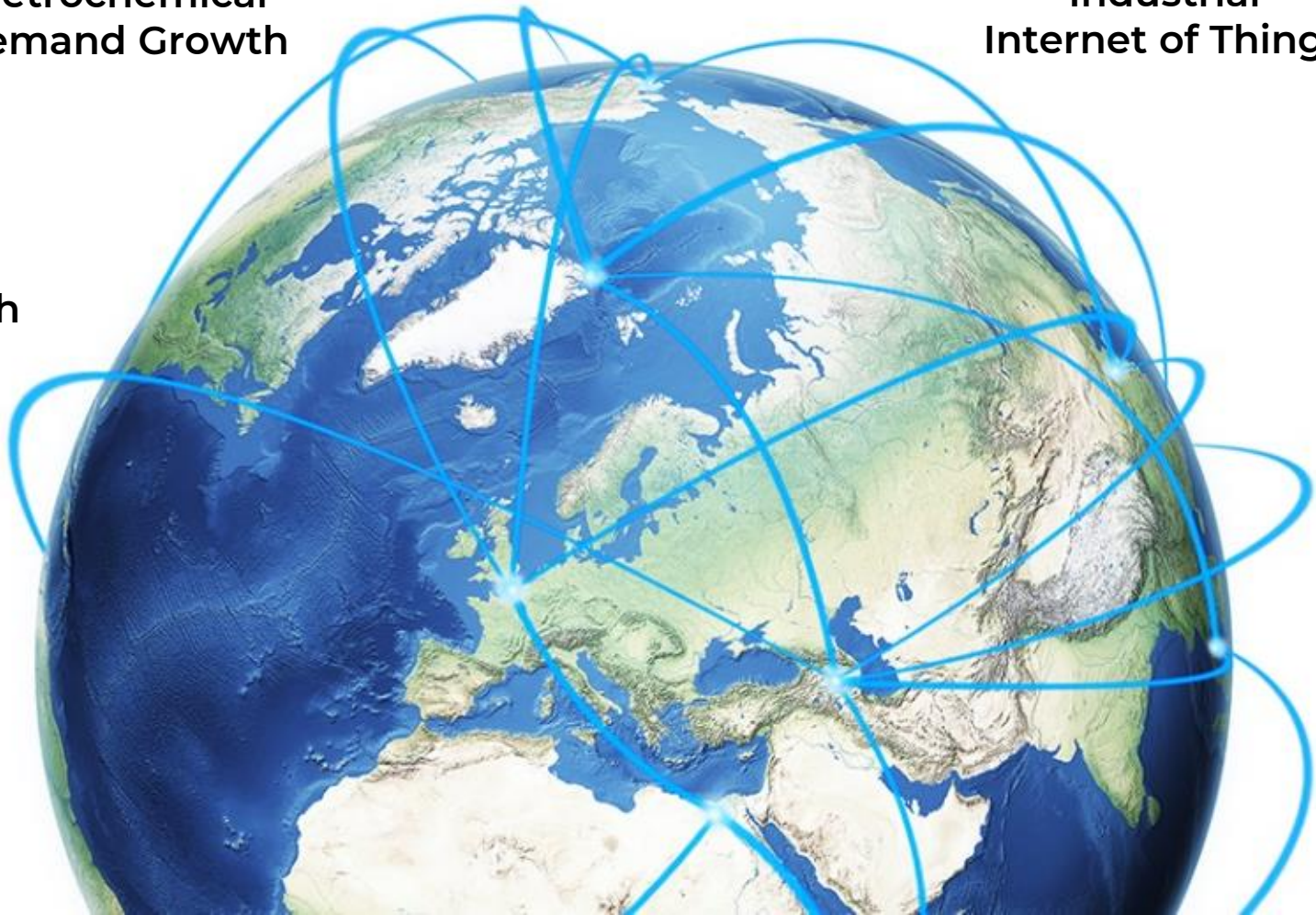
Natural Gas as
a Bridge Fuel



Renewable
Energy



Increasing
Environmental
Regulations



Thermon's Strategic Pillars



Profitably Grow Installed Base

- Apply industry leading process heating technology to solve the world's most difficult thermal engineering problems
- Support ongoing customer operations with upgrades, expansions and maintenance
- Deliver continuous improvement to drive margin expansion



Decarbonization, Digitization and Diversification

- Diversify end market exposure
- Industry leading controls and monitoring to digitize and optimize maintenance
- Leverage existing Thermon solutions and new product development to meet needs of customers focused on decarbonization and electrification



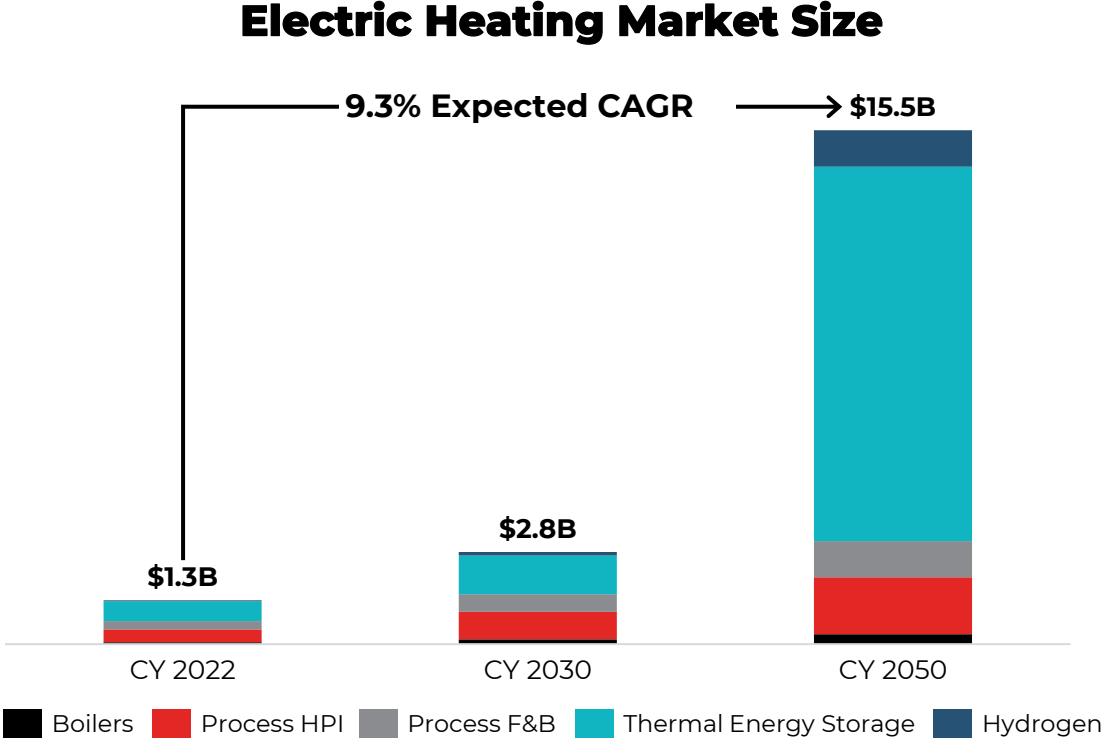
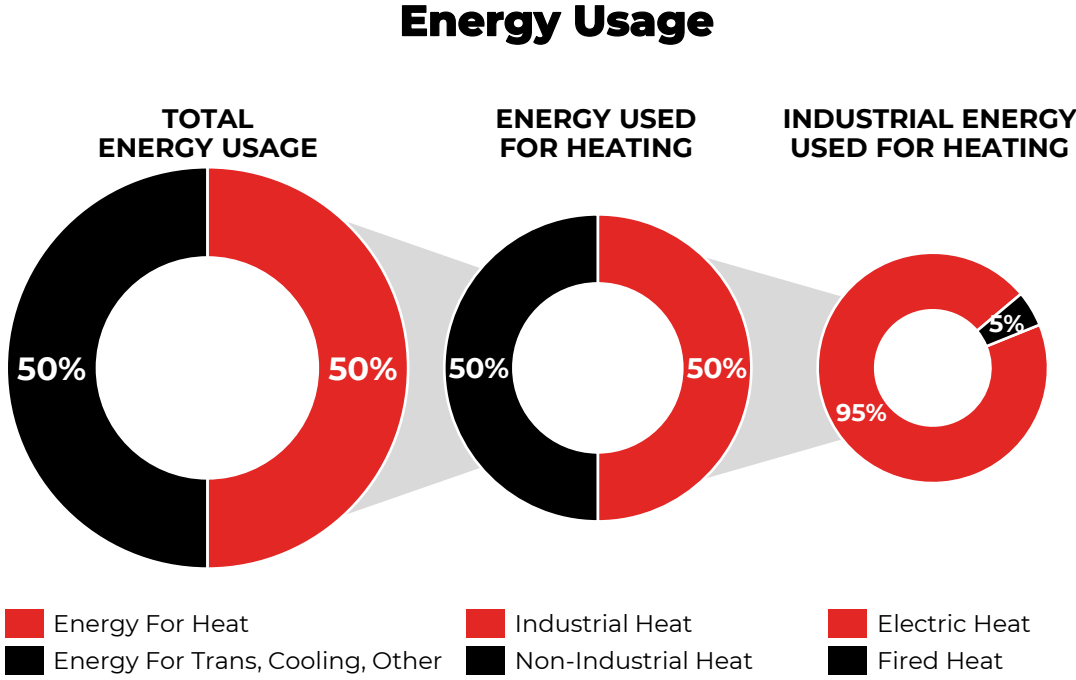
Disciplined Capital Allocation

- Invest in technology and people to drive organic growth
- Prioritize inorganic growth opportunities that exceed WAAC by year 3 and debt paydown while evaluating returning capital to shareholders
- Target 1.5x – 2.0x Net Debt to Adjusted EBITDA leverage under normal operating conditions

Delivering long-term shareholder value creation



Decarbonization Market Size



The addressable market more than doubles by 2030

Thermon's existing technology will address >80% of current market needs



Enabling the Energy Transition and Decarbonization

	Energy Transition							Decarbonization				
	Biofuels	Wind Power	Solar Power	Green/Blue Hydrogen	Battery Power / EVs	Nuclear Power	Thermal Energy Storage	Electrification	Carbon Capture & Storage	GHG Emissions Reduction	Emissions Monitoring & Analysis	Recycling (Plastic and Battery Material)
Commercial Boilers								✓				✓
Immersion Heaters	✓	✓	✓	✓	✓	✓	✓	✓	✓			✓
Environmental Heaters		✓										
Circulation Heaters	✓						✓	✓				
Heat Trace and Control	✓	✓	✓	✓					✓			✓
CEMS Bundles	✓										✓	
Removable (Blanket) Heat		✓	✓		✓			✓				
Catalytic Methane Heat	✓			✓						✓		



Strong Pipeline of Energy Transition and Decarbonization Business

End Market	Project Type	Size + Oppty	Status	Commentary
Carbon Capture	Greenfield Construction	\$1MM + \$10MM	Won, FY23	\$900K award on US carbon storage sites + winterization of 26 compression stations
Renewable Fuels	Plant Conversion	\$2MM + \$6MM	Won, FY23	Petroleum refinery conversion to biodiesel
Nuclear	Maintenance / Upgrade	\$6MM	Won, FY23	Refurbishment of nuclear power plant
Energy Storage	Greenfield Energy Storage	\$0.5MM + \$20MM	Won, FY23	Engineering for molten salt circulation heater + follow-on equipment package
Hydrogen	Greenfield Green & Blue Hydrogen	Multiple Opportunities	Pipeline	Global production creation and conversion of hydrogen fuels



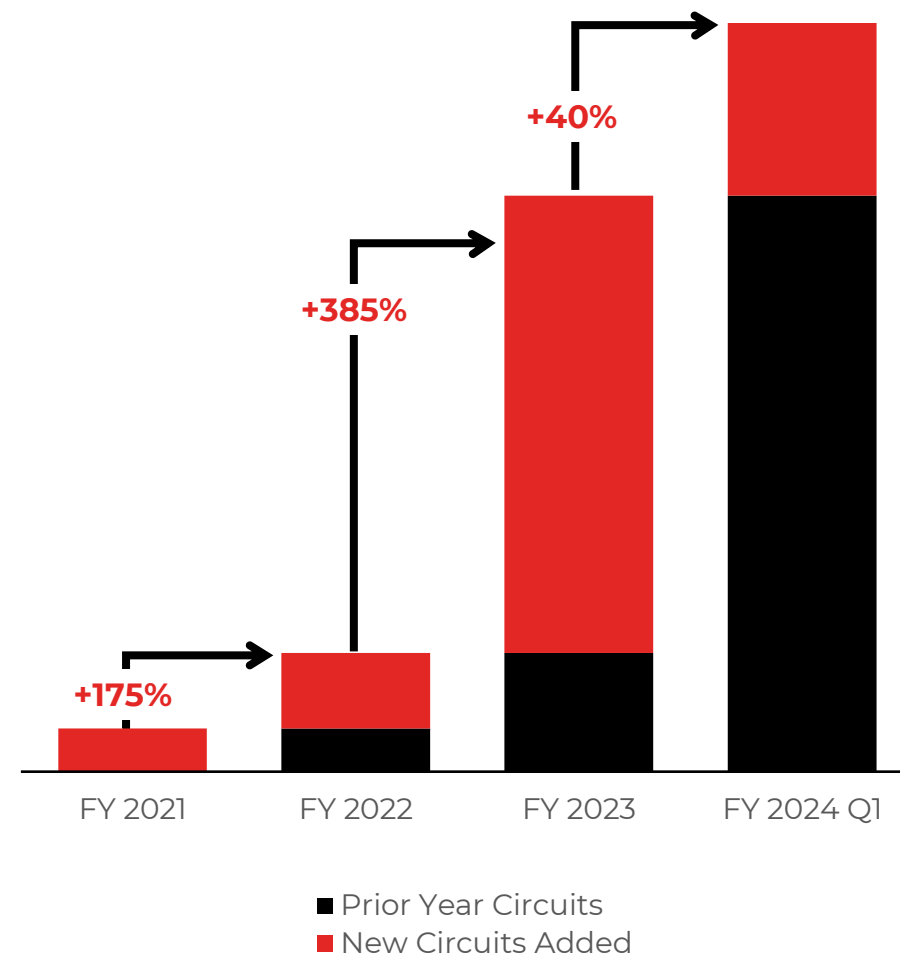
Progressing Digitization Strategy

Product Spotlight

- Solution that provides full operational awareness of heat trace systems using wireless mesh technology
- Customers using the Genesis Network save time and are more efficient in maintenance operations
- IIoT technology that delivers industry-leading benefits
- Released software update v1.7 in April 2023
- Winning in the market ... accelerating adoption including accounts where competition had been entrenched



Accelerating Adoption of Genesis Network



Fiscal 2024 Guidance

Raising Full Year Guidance

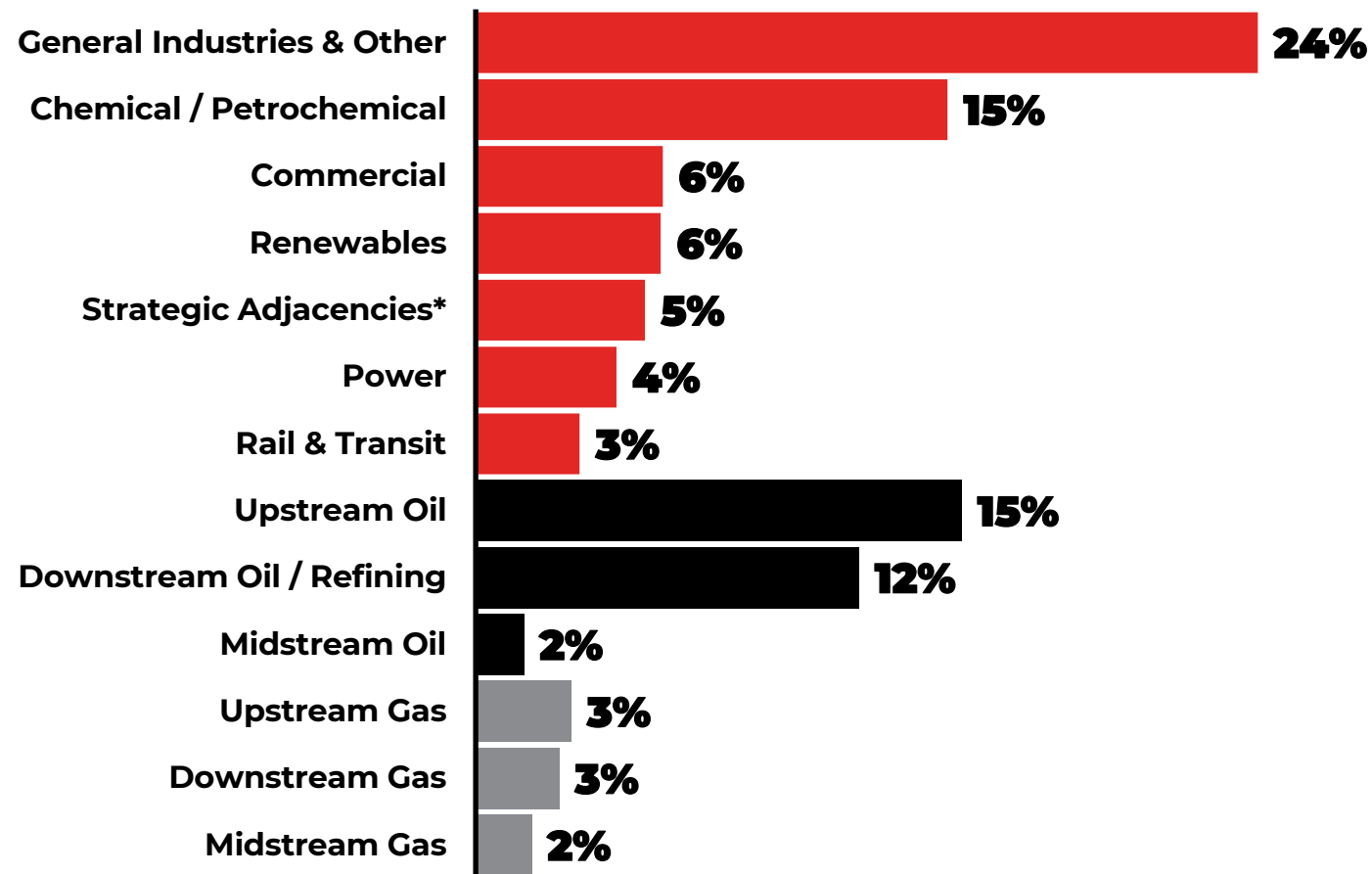
- Ongoing strength in Western Hemisphere and rebound in Europe and Asia Pacific
- Continuous improvement in operations and pricing offsetting inflationary pressures
- Capex ~3.0% of revenue ... investing in capacity
- Depreciation and amortization of \$20MM
- Effective tax rate of ~25%

USD in millions,
except per share data

	FY23	FY24E Prev	FY24E
Revenue	\$440.6	\$462 – \$488	\$478 – \$498
YOY%	24%	5% – 11% Growth	8% – 13% Growth
Net Income	\$33.7	-	-
GAAP EPS	\$1.00	\$1.48 – \$1.62	\$1.65 – \$1.68
Adjusted EPS	\$1.56	\$1.69 – \$1.83	\$1.86 – \$1.89
Adjusted EBITDA	\$93.3	Continued Margin Improvement	
Adjusted EBITDA %	21.2%		
Free Cash Flow	\$48.5	-	-



Revenue by End Market Trailing 12 Months



Highlights

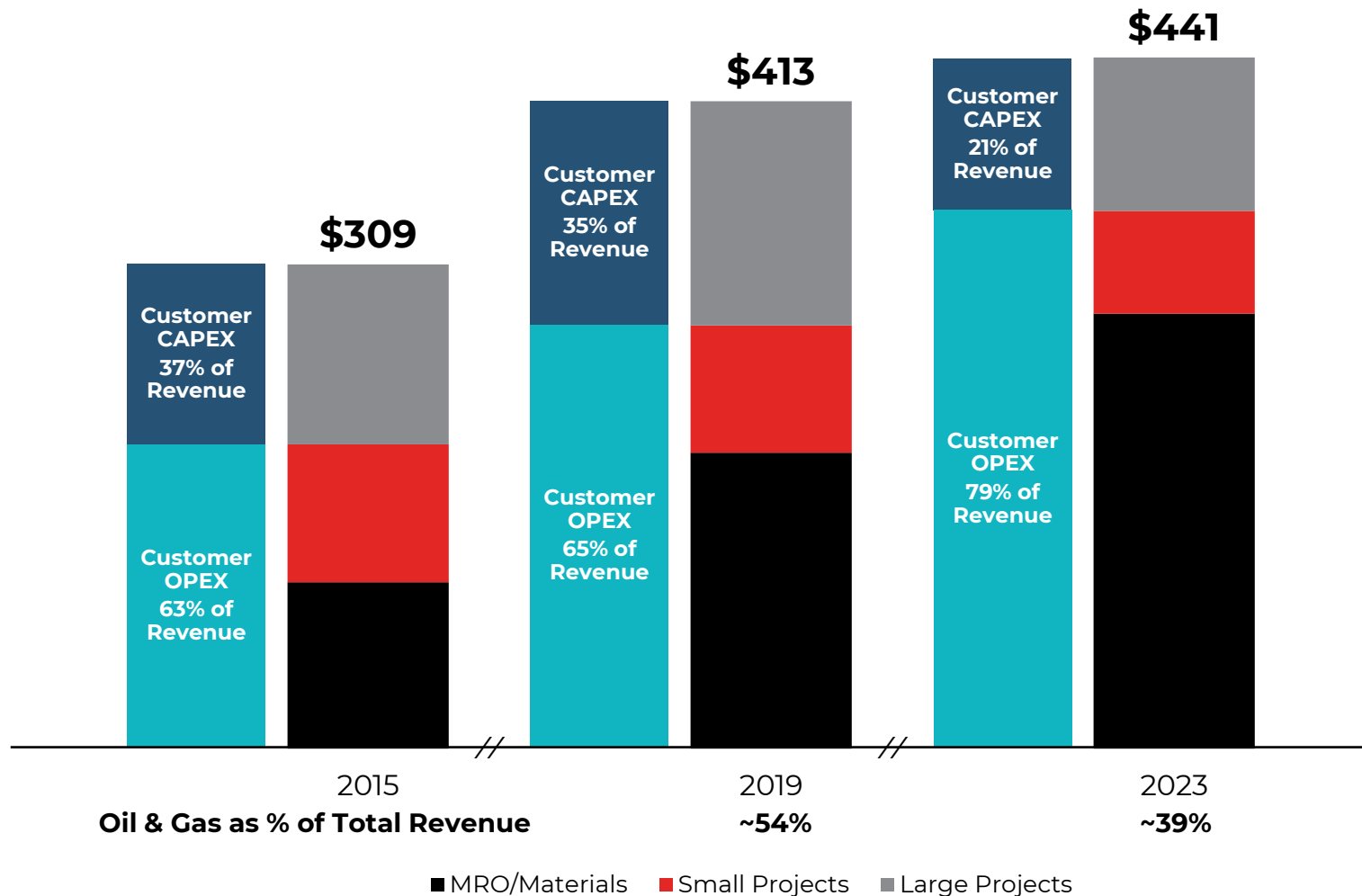
- Growing customer CAPEX spend
- Success in Food & Beverage globally
- Growing activity in Alternative Fuels, Hydrogen, Ammonia and LNG
- US power market upgrades and retrofits

~64% of revenues diversified,
non-Oil & Gas end markets



Reduced Cyclicalty Over Time

Total Revenue, USD in millions

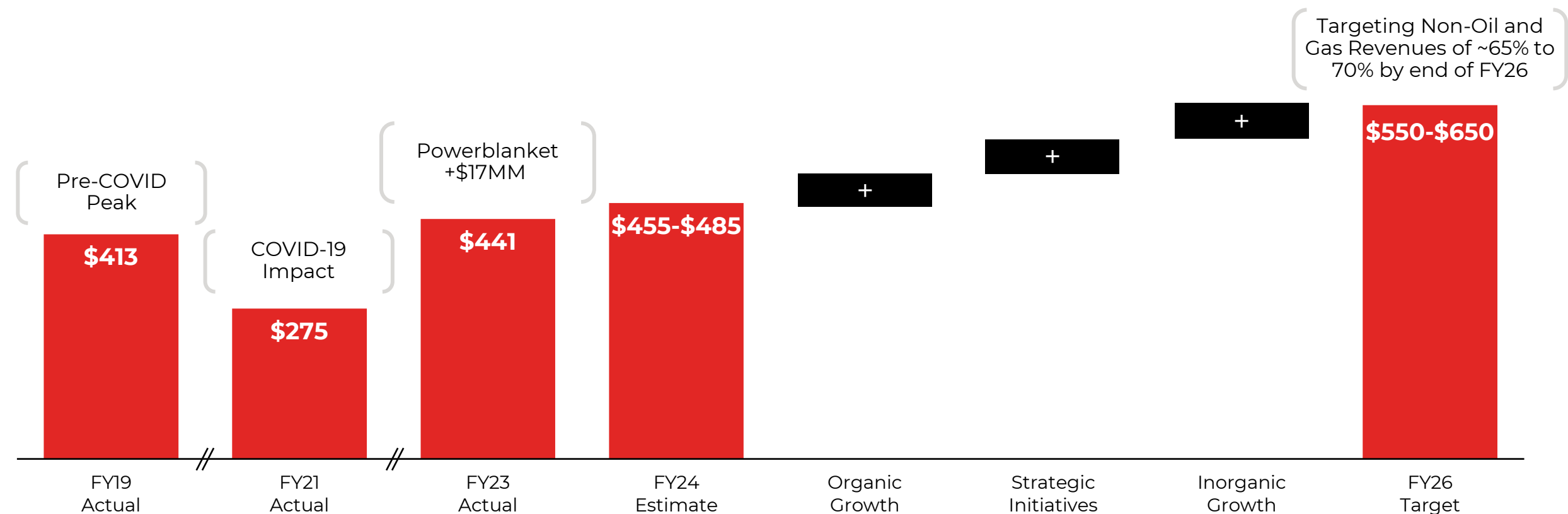


Repositioned business mix with less CAPEX exposure

- ~37% in 2015 has decreased to ~20% today
- Concurrently, we have increased our exposure to less cyclical end markets by ~15pts since 2019
- Oil & Gas exposure today weighted toward maintenance & upgrades ... return of capital spending represents opportunity
- **Thermon positioned for greater profitability with more stability**



Fiscal 2026 Revenue Goals: Update *USD in Millions*



Remain on track for FY26 growth goals ... +50% organic growth since FY21
Profitable Growth + Diversification = Long-Term Value Creation



Capital Allocation Priorities



Capital Structure

Target 1.5x – 2.0x Net Debt to Adjusted EBITDA leverage under normal conditions

- Maintain strong balance sheet through the cycle
- Prioritize growth while evaluating potential return of capital to shareholders



Organic Growth

Drive organic growth through investment in people, technology and continuous improvement

- Target 2% – 3% R&D expense as a percent of revenue

Strategic Initiatives:

- Decarbonization
- Digitization
- Diversification



Inorganic Growth

Pursue bolt-on acquisition opportunities

- Build the industrial process heating platform
- Expand and diversify addressable markets
- Target EPS accretive in year 1 with Return on Invested Capital in excess of WACC by Year 3

Compelling Investment Opportunity

Leading Global Brand

in high value, diversified end markets with mission critical technology and high barriers to entry

- Leading safety culture and results
- Polymers technology
- Advanced controls and network monitoring software

Large Installed Base

with loyal customers and a resilient aftermarket franchise

- High margin, recurring maintenance revenues
- Global installed base with blue-chip customers

Exposure to Sizeable Opportunity

in high-growth energy transition and decarbonization end markets via the electrification of industrial heat

- 25% of global energy demand is used for industrial heat
- Massive electrification opportunity with existing technology

Strong & Flexible Balance Sheet

with high margin, low capital investment model that yields significant free cash flow

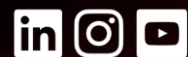
- 45% historical gross margins
- Investing in people and technology
- <1.0x leverage enables flexible capital allocation priorities





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Environmental, Social and Governance (ESG) Summary

Environmental

- Thermon solutions enabling the electrification of industry
- SASB metrics disclosed since Fiscal 2020
- Fiscal 2023 highlights include:
 - Total energy consumed decreased by 9%
 - Recycled 83% of hazardous waste
- Genesis family of solutions can reduce customer energy costs by over 50%
- Launched Thermon Enviro-Dyne in Q2 FY2022

Social

- Safety is a clear differentiator
 - 0.44 TRIR¹ substantially below industry average
- Diversity & Inclusion
 - FY 2024 short-term incentive to include enhanced D&I metric²
 - Updated IR website disclosure
- Talent development program
- Heart of Thermon
 - Supports our local communities
 - Educational scholarships

Governance

- The Board has adopted a framework for oversight of corporate social responsibility and sustainability matters through its standing committees
- Areas of oversight include:
 - Human capital matters
 - Reporting procedures and standards for the Company's ESG metrics



Sustainable Competitive Advantages



- Deep breadth of solutions from Process Heating, Electric Heat Tracing and Steam Heat Tracing
- Direct sales model and customer relationships
- Decades of engineering design expertise
- Substantial investment to build and maintain a robust certification portfolio
- Capacity and technology to execute the world's largest projects
- Global installed base
- Industry-leading safety record in hazardous areas
- Commitment to quality and reliability
- Top-tier on-time delivery and lead times



Heat Tracing Solutions



Electric and Steam

Thermon Heat Tracing solutions deliver heat to pipes, vessels, and instruments for the purposes of temperature maintenance, freeze protection, and environmental monitoring. Thermon systems are inherently trusted as well-engineered and deliver best-in-class reliability.

Controls

Sites typically have thousands of heat trace circuits that must operate seamlessly to keep the facility running. Networked controls that are robust, easy to use, and provide clear visibility and supervisory management to staff are a key part of a heat trace system. Thermon is emerging as a leader in next-generation controls.

Project Engineering

Combining state-of-the-art technologies and processes with experienced engineers and project professionals, Thermon delivers customized, value-added solutions to its customers from project initiation, through construction and on-going operation and maintenance.



Industrial Process Heating

Thermon Heating Systems is known throughout the process heating industry for the fastest delivery of highest quality, reliable products and best-in-class engineering support services



Cata-Dyne™

Market leading technology, low emissions, explosion-proof gas catalytic heaters available in stock for same day shipment.



Ruffneck™

Rugged, reliable and versatile heavy-duty explosion-proof heaters with global approvals.



Caloritech™

Electric heaters engineered for industrial processes and environments with global approvals.



Fastrax™

Highly efficient heat transfer for rail track and switch equipment.



3L Filters™

Provides a wide variety of process, advanced gas and liquid filtration systems.

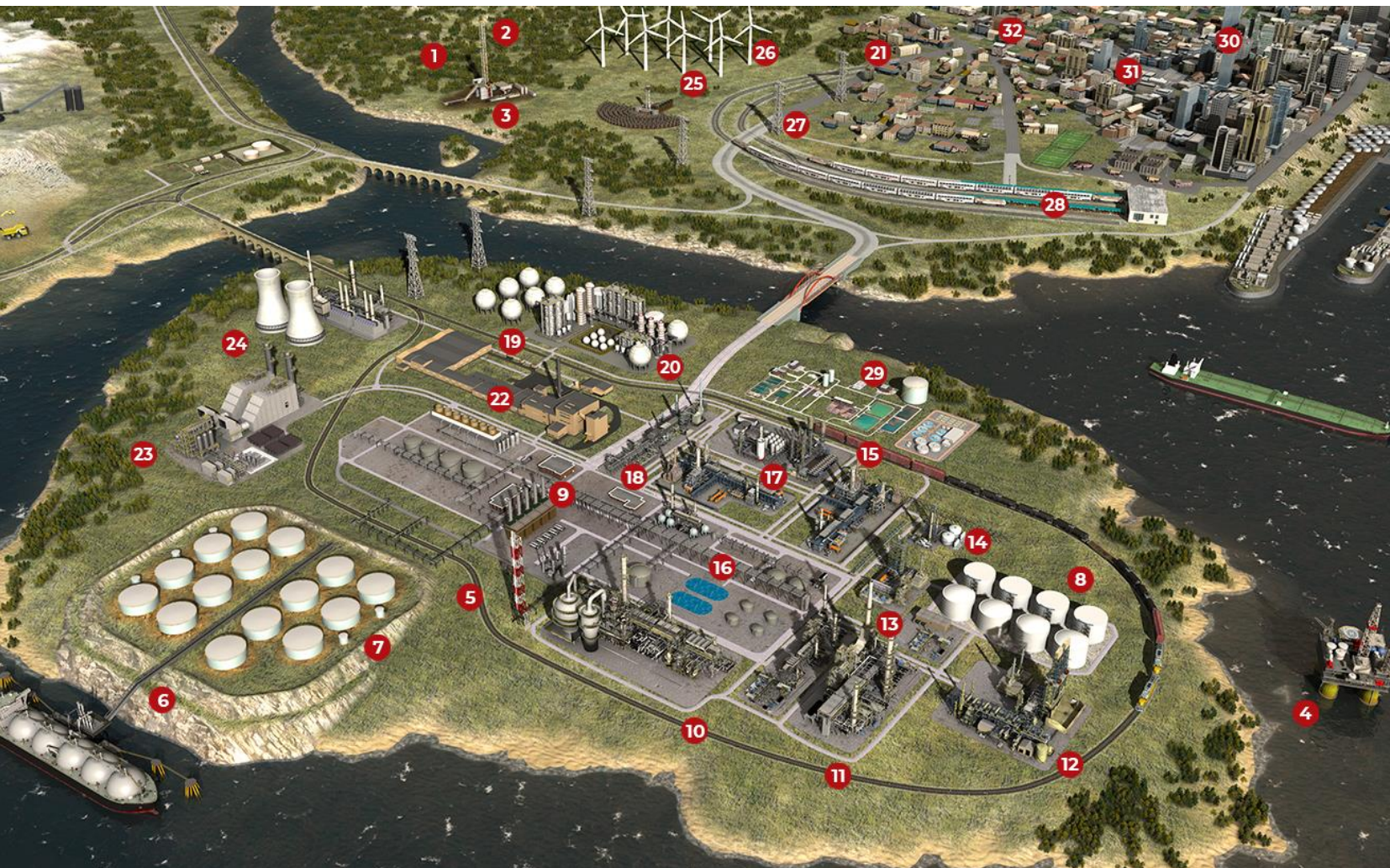


Norseman™

Rugged, reliable and versatile heavy-duty explosion-proof heaters with global approvals.



Addressable Markets



UPSTREAM SECTOR

- 1 Onshore Oil & Gas Production
- 2 Bitumen Production & Processing
- 3 Central Tank Batteries
- 4 Offshore Oil & Gas Facilities

MIDSTREAM SECTOR

- 5 Biogas Processing Plant
- 6 LNG Receiving Terminal
- 7 LNG Storage
- 8 Bulk Fluid/Gas Storage
- 9 Transmission Pipeline

DOWNSTREAM SECTOR

- 10 Renewable Gas Processing
- 11 Biofuels Distillation
- 12 Air Separation Unit
- 13 Continuous Catalytic Reforming
- 14 Sulfur Recovery Unit
- 15 Crude Oil Distillation
- 16 Fluid Catalytic Cracking
- 17 Blue Hydrogen/Ammonia (SMR)
- 18 Green Electrolysis Plant

CHEMICAL

- 19 Chemical Processing
- 20 Fertilizer Plant
- 21 Pharmaceutical
- 22 Food Processing

POWER GENERATION

- 23 Combined Cycle Power
- 24 Nuclear Power
- 25 Solar & Energy Storage
- 26 Wind Turbines

RAIL & TRANSIT

- 27 Train Switching
- 28 Commuter Train

COMMERCIAL

- 29 Wastewater Treatment
- 30 Hot Water Maintenance

INDUSTRIAL

- 31 Textiles
- 32 Pulp & Paper
- 33 Mining & Minerals

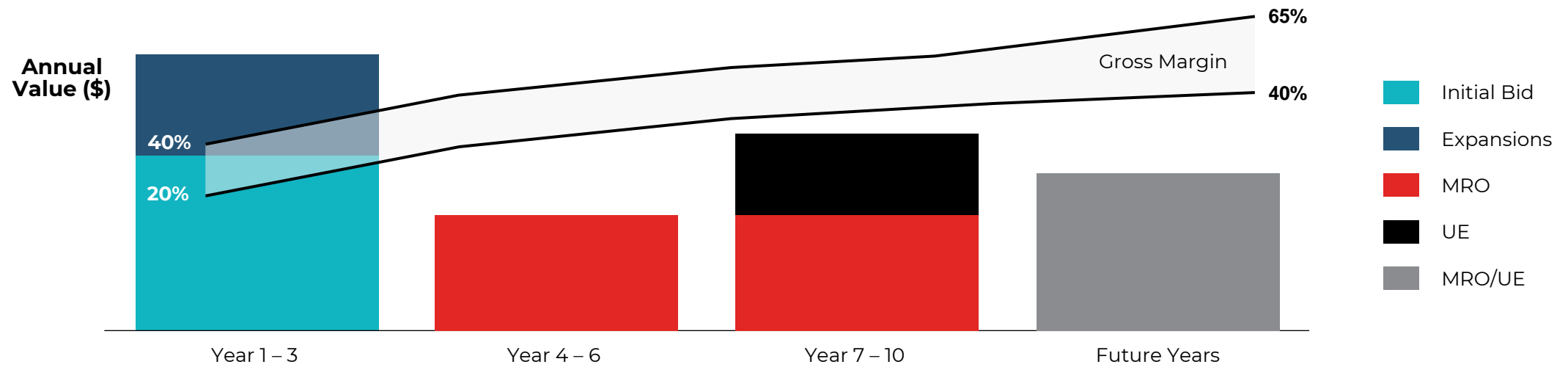


Attractive Mix Between Projects and Recurring Business

	OVER-TIME REVENUE (PROJECTS)	POINT-IN-TIME REVENUE (MATERIALS)	
FISCAL 2022 REVENUE SPLIT	40%	60%	
ESTIMATED MARGINS ¹	20% – 40%	Maintenance 50% – 60%	Upgrades 40% – 50%
PROJECT SIZE	More than \$1MM per project	Less than \$1MM	Less than \$1MM
PROJECT LENGTH	More than 6 months (1 – 2 years typical)	Less than 6 months	Less than 12 months
COMPETITION	Competitive bid process	Usually awarded to incumbent provider	Involves minimal bidding or is marginally competitive
COMMENTARY	<p>Drivers include energy demand and capital spending</p> <p>Turnkey solutions, global footprint, local presence, strong reputation and deep customer relationships are critical</p>	<p>Begins within 3 years after initial installation</p> <p>Lasts through the asset's useful life</p>	<p>~5 – 7 years after installation</p> <p>Local design, engineering, inventory and supply chain</p> <p>Installed base creates advantage</p>



Long Term Value Of A Project



Key Takeaways Year 1 – 3

Projects (Over-time revenue)

- Vary in size, scale, complexity and scope
- Early involvement to influence design and specifications
- Design and supply versus turn-key
- Largest installations can take +3 years, most complete within (12) months

Change Orders, Site Specs, Pull-through

- Incremental design and supply during installation

Key Takeaways Year 4+

Maintenance (Point-in-time revenue)

- Site maintenance begins within 3 years of commissioning
- Annuity-like value due to heat trace systems integrity, hazardous area and low % of overall system cost

Upgrades

- 5 – 7 years after commissioning
- Facility driven work, typically won by incumbent



Thermon Heat Tracing Case Studies



Over-Time Revenue: Power Plant

Total feet of heat tracing: **61,211**

Total feet of tubing bundles: **18,750**

Total number of control panels: **18**

Total heat tracing expenditure: **\$2.9MM**

Point-in-Time Revenue: Fertilizer Plant

Original contract value of **\$4.5MM** in 2015

Recurring revenue generated by small plant upgrades and maintenance

Annual revenue has averaged approximately **\$0.4MM**, or **~8%** of original contract value



Recent Investments in Technology



Connectivity, Analytics and Design

Created a new software + hardware development team in the Austin, TX tech community to develop modern, cloud and internet-of-things solutions for both control & monitoring and large project design automation.



Catalytic Technology

Explosion-Proof Gas Catalytic Heaters are the industry standard for space or spot heating applications in hazardous environments where electrical power is not available. This catalytic technology is the foundation for new product developments in adjacent markets.



Research & Development

Investing in equipment and measurement devices to rapidly iterate next-generation conductive polymers with improved performance.



Global Quality Programs And Certifications



ISO 9001:2015 Quality Management System
ISO/IEC 80079-34:2018 Ex Quality Management System



ASME Sections I, III, IV and VIII Div.1 Boilers and Pressure Vessels H, U and S Stamps and National Board Registration (1993)



Brazilian Certification Agency Approvals for producing Ex equipment (2002)



Compliance with European Directives (1988)



ASME Sections I, IV and VIII Div.1 and CSA Standard B51, Boiler, Pressure Vessel and Pressure Piping Code (1993)



Ex EAC Certifications to TR CU 012/2011 for producing Ex certified equipment in the TR CU (2014)



Compliance with European ATEX Directive for producing equipment intended for Explosive Atmospheres (1988)



ASME Section III Class 1, 2, 3 Nuclear Components to N285.0 Boilers and Pressure Vessel Code (2011)



Korean Equipment Approvals (2002)



Global Scheme producing certified equipment intended for Explosive Atmospheres (2005)



Chinese Safety Quality License for Import Boilers and Pressure Vessels



India Equipment Approvals (2002)



Nationally Recognized Test Labs accredited by OSHA and SCC for producing certified equipment in the US and Canada (1980, 1987, 1996)



ASME Nuclear Component Certification (2011)



Saudi Arabian Equipment Approvals (2018)



Nuclear Class and Non-Nuclear Class Heaters and Filtrations Components and Pressure Vessels (2018)



Maritime Approval Agencies (1998, 2000, 2002, 2016)

Almost 600 unique certifications + established leadership on standards development committees



Global Product Certifications Aligned With Strategy



PROFITABLY GROW THE INSTALLED BASE

HAZARDOUS AREAS

- EX & IECEx certified since the 1980s
- >60% of Therman revenue derived from hazardous and/or classified areas



DECARBONIZATION & DIVERSIFICATION

BOILERS

- ASME & TSSA certified since the 2000s
- Transition to electric boilers represents significant opportunity for growth



NUCLEAR

- One of six companies in the world with 'N' stamp for process heating applications in Nuclear facilities

