



INVESTOR DAY

NOVEMBER 14, 2023

Welcome and Opening Remarks

Ivonne Salem | VP, IR and FP&A



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 our execution of our strategic initiatives and our ability to achieve our financial performance targets for Fiscal 2026 and our Fiscal 2024 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 cyclicity 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 presentation of "Adjusted EBITDA," "Adjusted EBITDA margin," "Free Cash Flow," 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 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. "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 EBITDA or Adjusted EBITDA margin. Adjusted EBITDA, Adjusted EBITDA margin and Free Cash Flow should be considered in addition to, and not as substitutes for, revenue, income from operations, net income 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 EBITDA, Adjusted EBITDA margin and Free Cash Flow may not be comparable to similarly titled measures reported by other companies. For a description of how Adjusted EBITDA, Adjusted EBITDA margin and Free Cash Flow are calculated and reconciliations to the corresponding GAAP measures, see the sections of this presentation titled "Reconciliation of Net Income to Adjusted EBITDA" and "Reconciliation of Cash Provided by Operating Activities to Free Cash Flow." We are unable to reconcile our targeted fiscal 2026 Adjusted EBITDA margin to the most directly comparable projected GAAP measure because certain information necessary to calculate such measures on a GAAP basis is unavailable or dependent on timing of future events outside of our control. Therefore because of the uncertainty and variability of the nature of and the amount of any potential applicable future adjustments, which could be significant, we are unable to provide a reconciliation of targeted fiscal 2026 Adjusted EBITDA margin without unreasonable effort.



Today's Agenda



2023 Investor Day | 4

9:00 AM

Welcome and Opening Remarks

Ivonne Salem | VP, IR and FP&A

Building a Diversified, Industrial Technology Company

Bruce Thames | President and CEO

Creating Value through Strong Company Culture

Candace Peterson | VP, Human Resources

Supporting Our Strategy and Transformation through Operational Excellence

Roberto Kuahara | SVP, Operations

Profitably Growing the Installed Base

Thomas Cerovski | SVP, Global Sales

10:15 AM

Q&A

10:30 AM

Break

10:40 AM

Enabling the Energy Transition

Mark Roberts | SVP, Thermon Heating Systems & Engineering

Driving Growth through Innovation and New Product Development

David Buntin | SVP, Thermon Heat Tracing

Financial Overview and Long-term Outlook

Kevin Fox | SVP, CFO

Closing Remarks

Bruce Thames | President and CEO

11:35 AM

Q&A

12:00 PM

Leadership Luncheon

Building a Diversified, Industrial Technology Company

Bruce Thames | President and CEO



Key Messages

1

Extending position as industry-leading provider of safe, mission critical, and innovative industrial process heating solutions

2

Progressing end market diversification strategy to optimize mix

3

Delivering growth and profitability through strategic initiatives and operational excellence

4

Enabling customers to achieve sustainability goals while operating responsibly ourselves, developing our people, and giving back to our communities

5

Driving long-term value creation through disciplined capital deployment



Leadership Team with Deep Industry Experience



Bruce Thames

President and
Chief Executive Officer
*Strategy Development & Execution
Operations / Continuous Improvement*
2016



Kevin Fox

Senior Vice President,
Chief Financial Officer
*Finance,
Strategy & M&A*
2019



Thomas Cerovski

Senior Vice President,
Global Sales
*Commercial
P&L Leadership*
2019



Roberto Kuahara

Senior Vice President,
Operations
*Toyota Production System / Lean / Six Sigma
Process Discipline*
2022



Mark Roberts

Senior Vice President,
Thermon Heating Systems & Engineering
*Engineering Services
Product Line Management*
2016



David Buntin

Senior Vice President,
Thermon Heat Tracing
*Controls, Communications, & Software
NPD & Commercialization*
2017



Candace Peterson

Vice President,
Human Resources
*Talent Acquisition & Development
Business Partnering*
2017



Ryan Tarkington

Senior Vice President, General
Counsel and Corporate Secretary
*Risk Management
M&A*
2019



Experienced and Diverse Board of Directors



Bruce Thames

President and
Chief Executive
Officer
2016



John U. Clarke

Non-Executive Chairman;
Senior Advisor & Partner,
Turnbridge Capital
2019



Linda A. Dalgetty

CFO, Shock Trauma Air
Rescue Service; Former
CFO, Saxon Energy Services
2018



Roger L. Fix

Former CEO & COO,
Standex
International
2019



Marcus J. George

Co-founder & Partner,
Onward Capital; Former
Partner, CHS Capital
2010



Kevin J. McGinty

Special Limited Partner,
Ursula Capital
Partners
2012



John T. Nesser III

Former COO,
McDermott
International
2012



Dr. Angela Strzelecki

Senior Executive, IFF;
Former Senior Executive,
DuPont de Nemours
2022

100% Global Experience

100% Financial Expertise

88% Industries, End Markets,
and Growth Areas

88% Corporate Strategy and
Business Development

75% Manufacturing and
Operations

75% Senior Leadership
Experience

75% Governance

75% Regulatory /
Risk Management

63% Innovation and Technology

63% Sales and Marketing

65
Avg. Age

38%
Gender /
Ethnic Diversity

88%
Independent

7 Years
Avg. Tenure



Thermon Evolution: Overview of Our Company Legacy

1954

Richard Burdick founded Thermon with introduction of heat transfer cement

1970s

Introduction of cost-effective, cut-to-length heat tracing field fabrication

Entered European and Asian markets

1990s

Introduction of first ISO9001 Registered Heat Trace power-limiting heating technology for electric heat tracing systems

2011

Thermon goes public

2018

Significantly enhanced R&D capabilities and scalable back-office processes

2021

Introduced Genesis Network software offering for monitoring and controlling heat trace

2023 and Beyond

Continue to implement long-term strategic initiatives

1960s

Packaged steam tracing systems, including complete design, circuit layout, and installation drawings

Introduced electric heat tracing as an alternative to steam tracing

1980s

Introduction of first electric heat tracing design software

2000s

Introduction of high-performance, high temperature, self-regulating heating technology

2017

Established Global Engineering Center of Excellence with standardized, scalable processes

Acquired CCI¹ for \$206MM: expanded TAM with process heating technology

2020

Introduced long-term strategic initiatives of Decarbonization, Digitization, and Diversification

2022

Acquired Powerblanket for \$35MM: expanded portfolio and diversified end-market exposure



Strong Progress and Gaining Momentum

	FY2017 ¹	Today ²
Total Revenue	\$264MM	\$475MM
Adj. EBITDA Margin	16%	22%
Gross Margin	42%	43%
Non-O&G Portfolio (as % of revenue)	42%	64%
Recurring Revenue ³	61%	76%

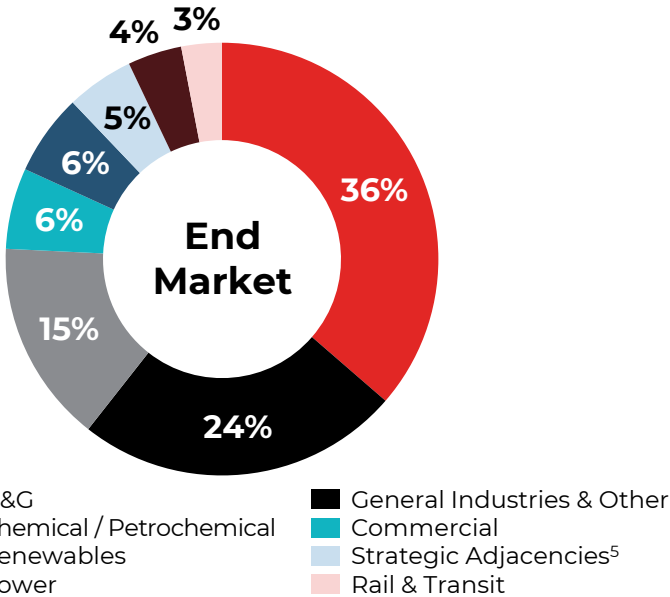
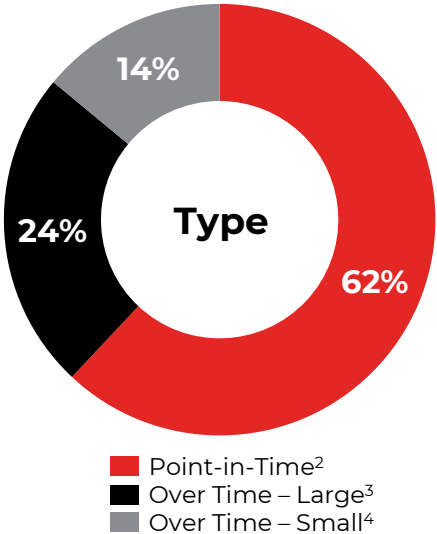
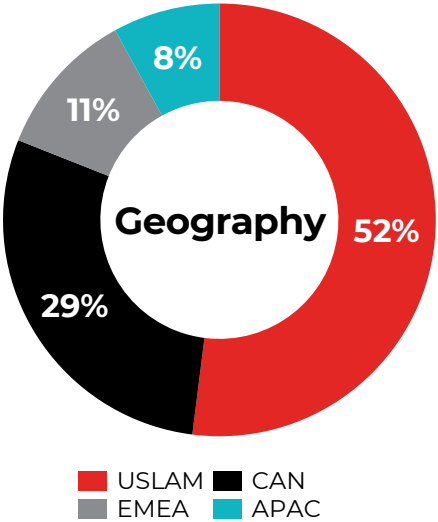
Scalable business purposefully positioned for continued success



Thermon Today¹ (NYSE: THR)

1954 Year Founded Public since 2011	10K+ Customers	10 Manufacturing Facilities	19 Engineering and Sales Offices	~1,400 Employees	~200 Engineers
\$475MM Total Revenue	43% Gross Margin	22% Adj. EBITDA Margin	2% CAPEX as % of Revenue	~20% Product Vitality Index	1.03x Book-to-Bill

Trailing 12-Month Revenue



1. Trailing Twelve Months, as of Q2 FY2024
2. Products: materials, maintenance, repair, and small upgrades on our installed base
3. Large Projects: >\$500K, aligned with customers' capital spending budgets
4. Small Projects: <\$500K, maintenance, repair, and small upgrades on our installed base
5. Includes Mining & Mineral Processing, Maritime / Shipbuilding, Semiconductors, Pharmaceutical & Biotechnology, Food & Beverage, and Data Centers

Broad Range of Addressable Markets



UPSTREAM SECTOR

- 1 Onshore Oil & Gas Production
- 2 Bitumen Production & Processing
- 3 Coal-Bed Methane
- 4 Offshore Oil & Gas Facilities

MIDSTREAM SECTOR

- 5 LNG Liquification
- 6 LNG Receiving Terminal
- 7 LNG Storage
- 8 Fuel Storage
- 9 Transmission Pipeline

DOWNSTREAM SECTOR

- 10 Hydro Treating
- 11 Alkylation Plant
- 12 Coking Unit
- 13 Continuous Catalytic Reforming
- 14 Sulfur Recovery
- 15 Crude Oil Distillation
- 16 Fluid Catalytic Cracking
- 17 Hydrogen Plant
- 18 Hydro Cracking

CHEMICAL

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

POWER GENERATION

- 23 Combined Cycle Power
- 24 Nuclear Power
- 25 Concentrated Solar
- 26 Wind Power

RAIL & TRANSIT

- 27 Train Switching
- 28 Commuter Train

COMMERCIAL

- 29 Wastewater Treatment
- 30 Hot Water Temperature

INDUSTRIAL

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



Product Overview

	Heat Tracing	Heating Systems	Transport Heating	Temp. Power Solutions	Tubing Bundles	Powerblanket
Total Revenue ¹	~60%	~20%	~20%			
Key Products	<ul style="list-style-type: none"> • Cables • Heat Transfer Compounds • Steam Tracing Products • System Accessories • Heat Tracing Cables • Controls & Monitoring Systems • Tank & Hopper Heating Products 	<ul style="list-style-type: none"> • Electric Air and Space Heaters • Filtration Systems • Explosion Proof Gas Catalytic Heaters • Engineered Systems • Electric Explosion Proof Heaters • Proof Duct for Harsh Environments 	<ul style="list-style-type: none"> • Forced Air Heaters • Strip Heaters • Rail Heating • Track and Switch Heaters • Control Panels • Air Curtains 	<ul style="list-style-type: none"> • Main Distribution Centers • Temp. Power Distribution for Hazardous Areas • LED Light Towers • General Purpose Cords • Stepdown Transformers 	<ul style="list-style-type: none"> • Electric Heating Tubing Bundles • Pre-insulated Tubing Bundles • Steam of Fluid Heated Tubing Bundles 	<ul style="list-style-type: none"> • Container Temperature Control • Flat Heated Blankets • Snow Melting Mats • Customized Heaters • Gas Cylinder Warmers
TAM ²	\$1.8B – \$2.4B	\$2.5B – \$3.5B	\$0.1 – \$0.2B	\$0.1 – \$0.2B	\$0.5 – \$0.8B	\$0.1B

\$5.1B – \$7.2B TAM



Customers We Serve



Our Purpose, Vision, and Values

We Provide Safe, Reliable, and Innovative
Mission Critical Industrial Process Heating Solutions
that Create Value for Our Customers

Purpose

We transfer the *warmth*
needed to make life work

Vision

To be the world leader
in industrial process
heating solutions

Values

Care
Commit
Collaborate



Taking Care of Our People and the Environment in Which We Operate

Environmental and Technology

- Climate Change Resilience
- Products & Services
- Energy & GHSS¹
- Water Management²
- Product Lifecycle & Waste Management²

Social and Human Interaction

- Employee Health & Safety
- Inclusion & Diversity
- Organizational Capability
- Performance Culture
- Impact on Communities

Outreach and Economic Resilience

- Corporate Governance
- Ethics
- Social Responsibility
- Cyber Security & Privacy
- Human Rights

Where We Will Go Together



Zero-Incident Workplace
with Best-in-class
Safety Record



Risk Reduction
and Mitigation



Sustainability
Monitoring and
Measurement



Water
Management



Employee Engagement
at all Levels



Strong
Community Presence



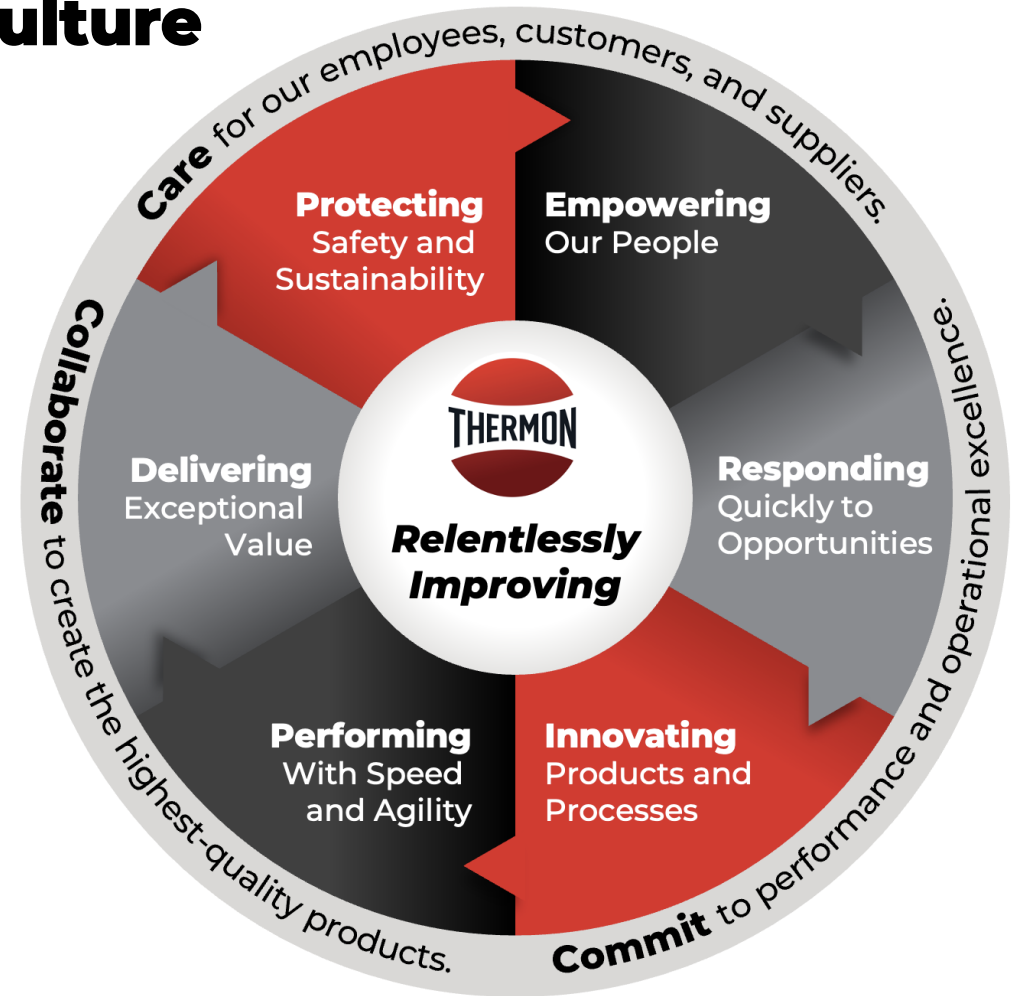
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1. Gestamp Health & Safety System
2. Future initiatives

Operational Excellence Is Core to Our Culture

Purpose-driven Framework to Empower Continuous Improvement

- ~18 months into transformation
- Significantly reduced lead times and now an industry leader
- Transformation is constantly ongoing with continuous improvement
- Becoming a best-in-class operations leader
- Maximizing value for all stakeholders



Driving a transformational shift to sustain improvements over time



Key Secular Trends Provide Long-term Tailwinds for Growth

Energy Transition
~10% CAGR¹

Developing Market Growth
~5% CAGR²

Chemical and Petrochemical Demand Growth
~5% CAGR¹

Industrial Internet of Things
~25% CAGR³

Sustainable Competitive Advantages



Substantial investment to build and maintain a robust certification portfolio



Capacity and technology to execute world's largest projects



Investing to continue to lead



Direct sales model and customer relationships



Well-positioned to pursue inorganic growth



Commitment to innovation through R&D and M&A



Global installed base



Deep breadth of end-to-end solutions



Software, engineering, and technical services expand our moat



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1. 9-Year Compound Annual Growth Rate (CAGR); 3rd party industry research
2. 10-Year CAGR; Goldman Sachs; Developing Markets excludes U.S., Euro Area, and Japan
3. 7-Year CAGR; Statista

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

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



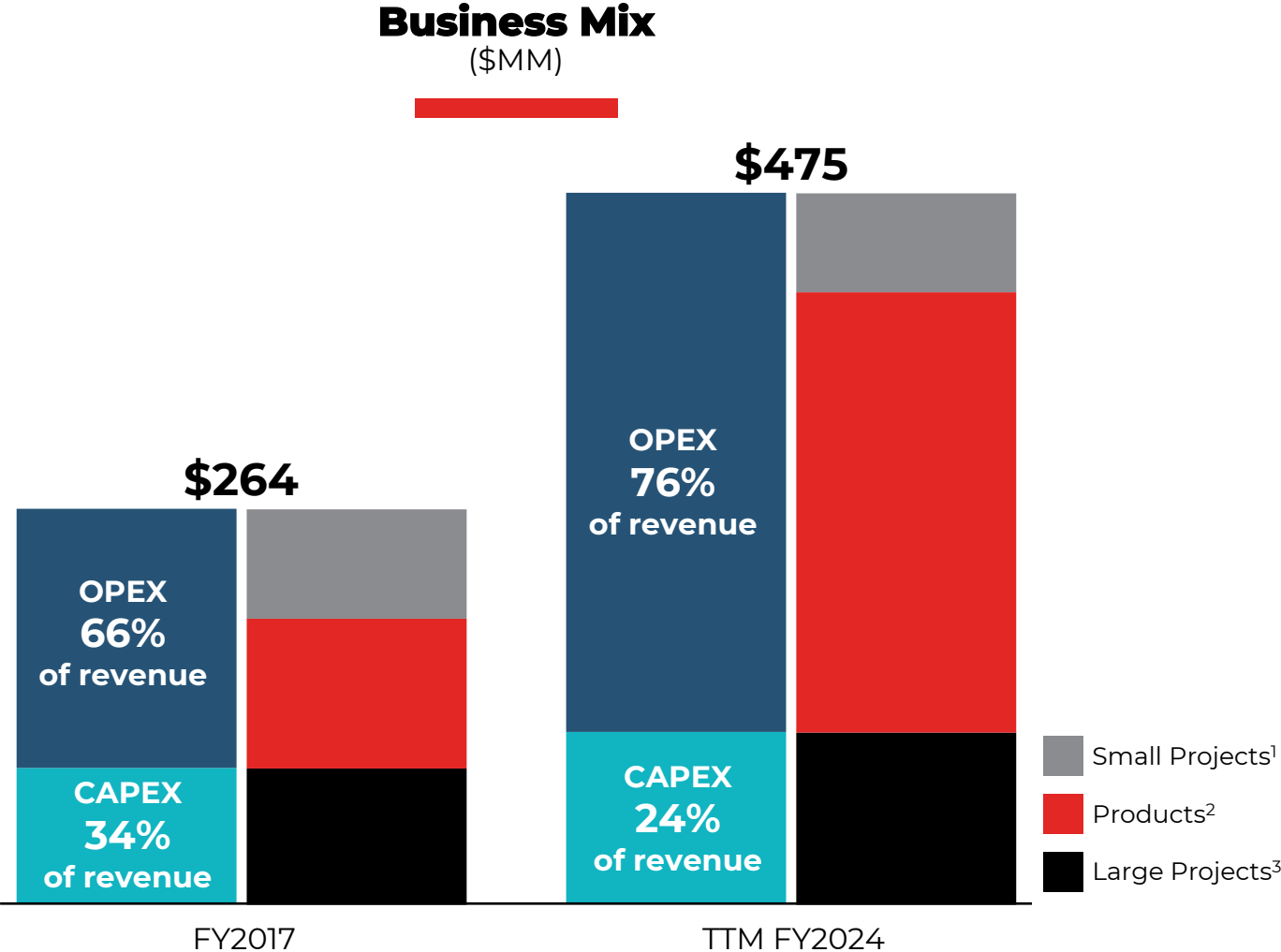
Disciplined Capital Allocation

- Invest in technology and people to drive organic growth
- Prioritize inorganic growth opportunities that exceed WACC¹ 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

Creating long-term shareholder value



Key Initiatives to Profitably Grow the Installed Base



Optimizing Mix

- Shifting to higher margin projects and solutions
- Maximizing profitability
- Mitigating cyclical

Driving Growth through LTSIs

- **Decarbonization:** Providing energy transition solutions to existing customers, expanding environmentally friendly products, and empowering customers to meet sustainability goals
- **Digitization:** Driving margin expansion and enabling recurring licensing revenue
- **Diversification:** Investing into strategic end markets, increasing presence in adjacencies, and displacing incumbents through product differentiation and service levels

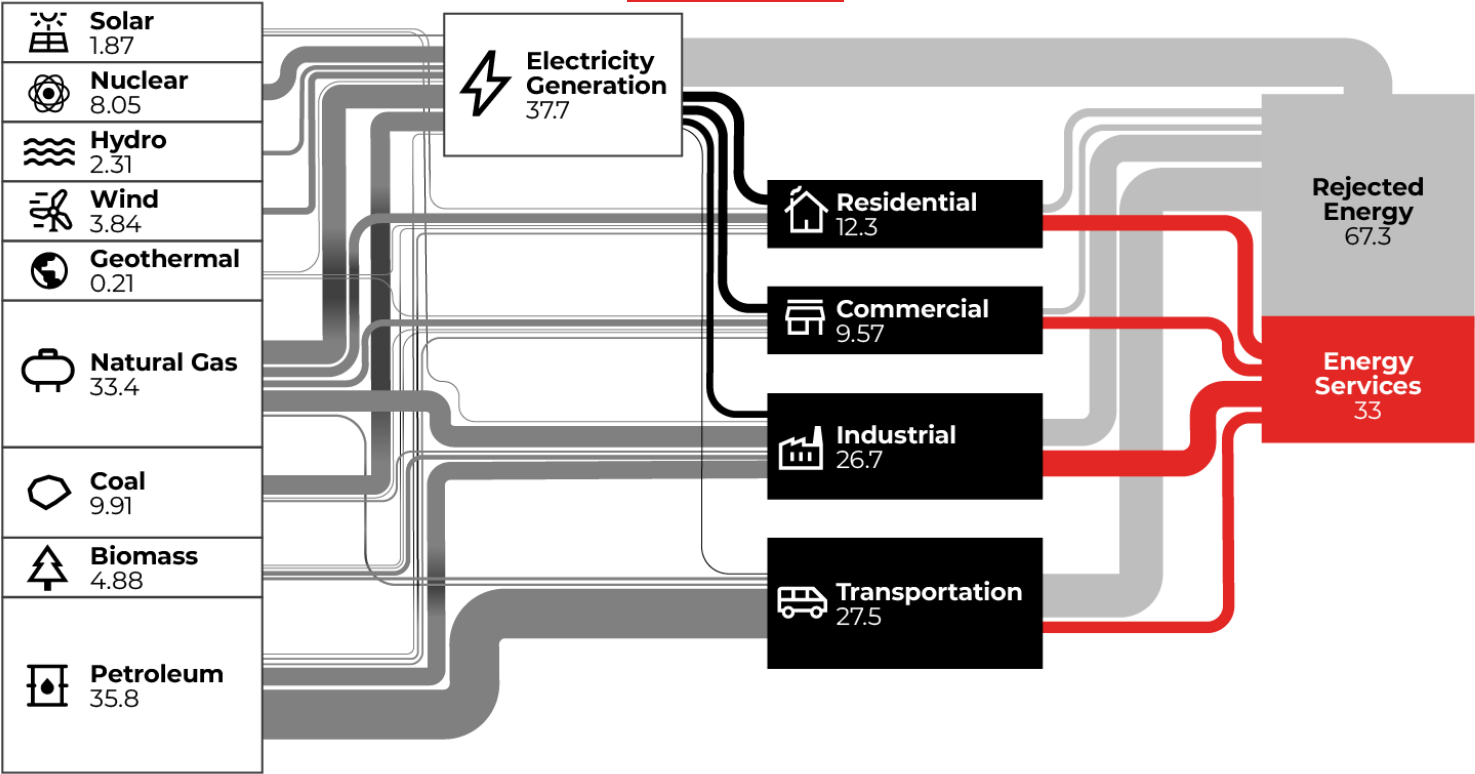


1. Over Time – Small: <\$500K, maintenance, repair, and small upgrades on our installed base
2. Point-in-Time: materials, maintenance, repair, and small upgrades on our installed base
3. Over Time – Large: >\$500K, aligned with customers' capital spending budgets

The Energy Transition is a Significant Opportunity...

Estimated U.S. Energy Consumption in 2022¹

100.3 Quads (1 quad = 1 quadrillion BTUs)



Substantial Runway

35%

Of U.S. energy in 2022 consumed by all Industrial applications (largely unchanged since 2010)

13%

Of energy for Industrial applications came from electricity

95%

Of energy used for Industrial heat comes from non-electric sources²

Very early stages of decarbonization and electrification for Industrial heating applications



1. Lawrence Livermore National Laboratory and the Department of Energy
2. Thermon market study, as of 2020

...that We're Poised to Capture through Our Existing Decarbonization Solutions

Decarbonization Solutions

	Electrification	Carbon Capture and Storage	GHG Emissions Reduction	Emissions Monitoring and 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			✓		

Opportunities

- Provide existing Therman products to a growing market
- Support diversification strategy through decarbonization solutions
- Enable customers to meet their sustainability goals

Broad portfolio of solutions to enable the energy transition through decarbonization and electrification

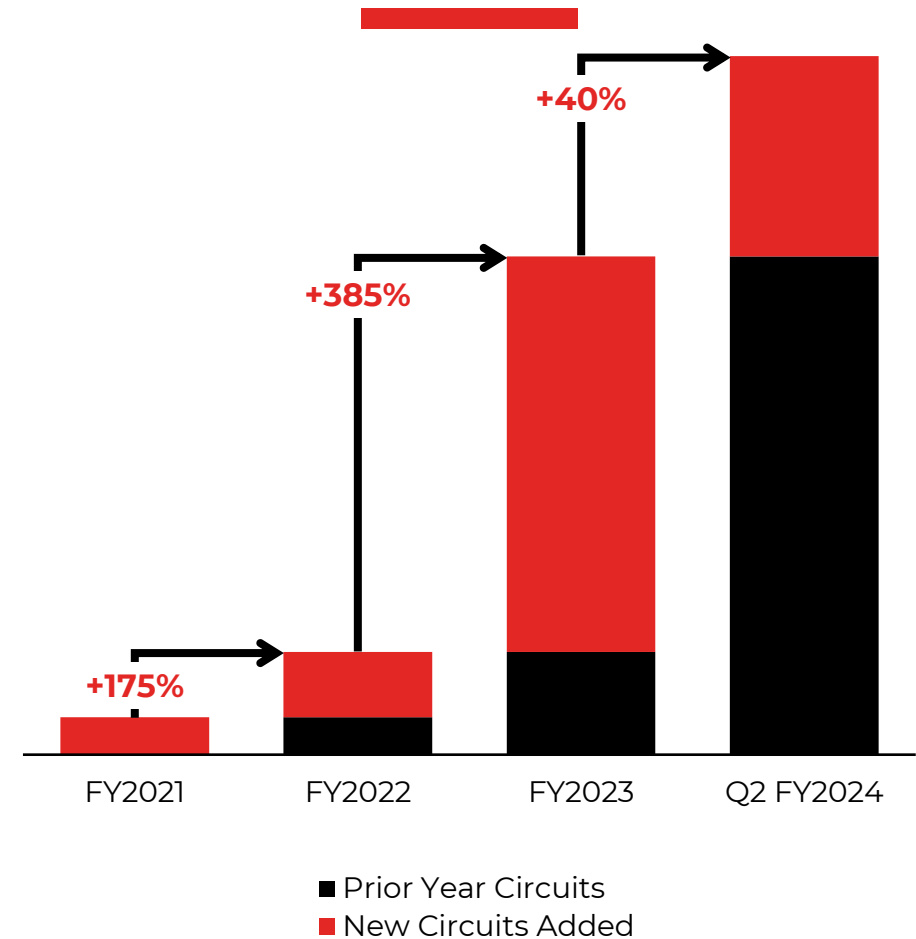


Strong Progress on Digitization Strategy

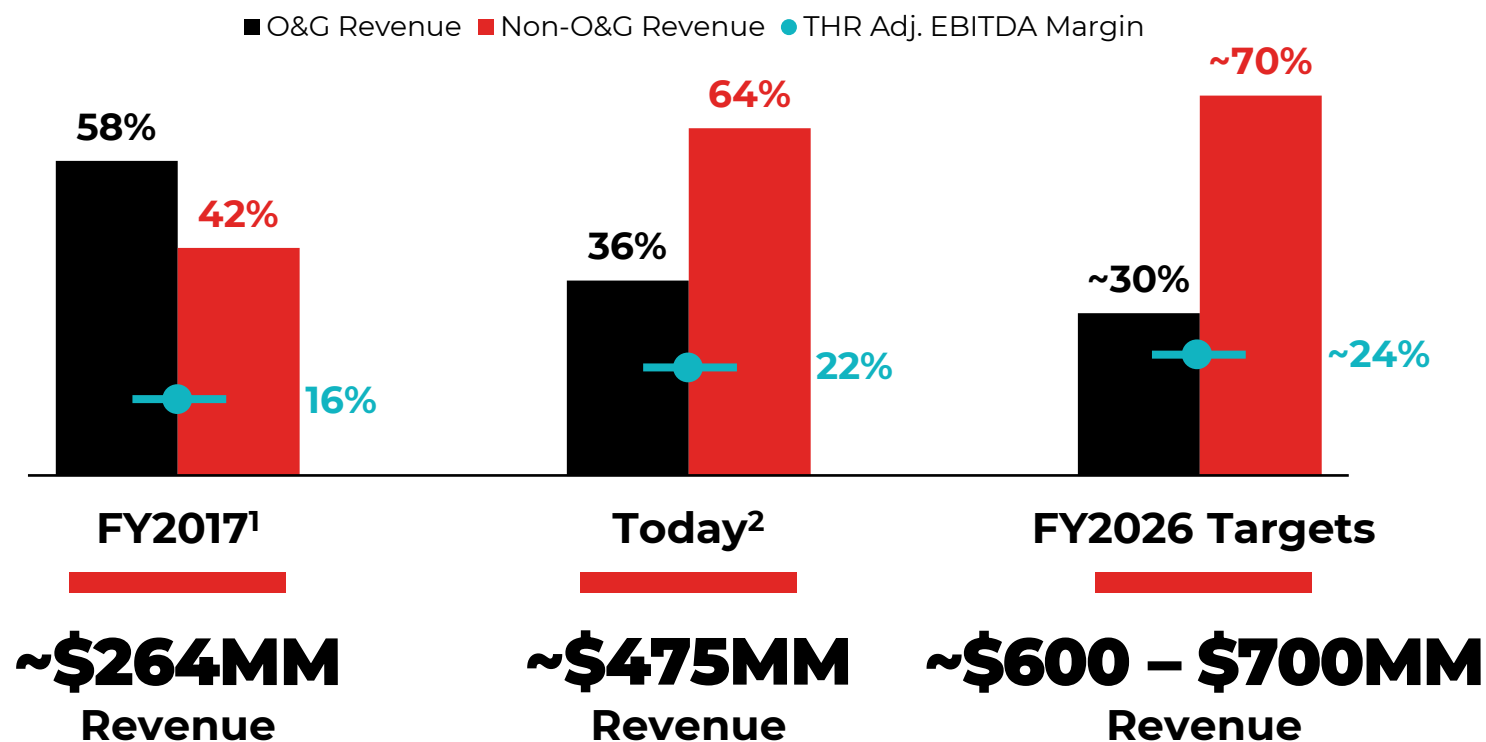
Opportunities

- Digitize and optimize maintenance enhanced by strengths in controls and monitoring
- Improved hardware to promote communication and monitoring
- Recurring software offering
- Growing Genesis Network and other installed services

Accelerating Adoption of Genesis Network



Diversification Reduces Cyclicalty and Enables Growth



Priority Opportunities

- Rail & Transit
- Commercial
- Food & Beverage
- Renewables

Strategic Adjacencies

- Mining & Mineral Processing
- Semiconductors
- Pharmaceutical & Biotechnology
- Aerospace & Defense
- Maritime & Shipbuilding



Clear and Disciplined Capital Allocation Priorities

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 accretion in year 1 with ROIC¹ in excess of WACC² by year 3

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



Positioned to Deliver on New Long-term Outlook | Increasing FY2026 Targets

\$600 – \$700

Total Revenue (MM)

~70%

Non-O&G Revenue

~24%

Adj. EBITDA Margin



Creating Value through Strong Company Culture

Candace Peterson | VP, Human Resources



Key Messages

1

Fostering a strong culture from the top down,
driven by our foundational values:
Care, Commit, Collaborate

2

Sustaining a proven track record as an
Employer of Choice

3

Attracting talent with a compelling purpose
and strategy gives us the right to win

4

Training, promoting, and retaining
industry-leading talent drives outperformance



Leading the Industry with a Strong and Diverse Team

~1,400
Total Employees



Retention Rate (Global)
+17 pts above Benchmark¹

7.7 Years
Average Tenure

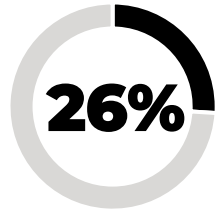


Ethnic Diversity (US)

7.2 Years
Engineering

10.8 Years
Commercial

11.5 Years
Management²



Gender Diversity (Global)

8.0

Engagement Score³

+0.2 above True Benchmark[®]

“Thermon gives employees an impressive amount of ownership. What I do makes a difference. I love the ownership I have and appreciate the feedback I’ve been given.”

-Mark B.

“People value your work, people are recognized for working hard, and you want to take the initiative. I have been able to grow and get ahead in my career and explore other opportunities in my career here at Thermon.”

-Princy G.



Our Culture is Anchored in Our Core Values

We transfer the WARMTH needed to make life Work.

At Thermon, we don't just create jobs; we develop careers. Thermon has become a global leader in industrial heating due, in no small part, to our employees' hard work and dedication.

Thermon CORE

- Designed to create identity, alignment, and connection to Thermon through business simulations, champion certification, and a culture of accountability
- The mid- to long-term objectives of the CORE program include:
 - Aligned global management base
 - High potential and emerging leader development
 - More robust internal pipeline for succession management



Our Values



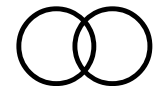
Care

We give back to our fellow employees and the communities in which we work



Commit

We bring passion, energy, and positivity each day, always with integrity



Collaborate

We solve problems by collaborating with our customers to find innovative solutions that ensure their success

Care | Heart of Therman Charitable Giving

Background

Employees Impacted by Hurricane Harvey

- Therman's Gulf Coast plants and facilities shut down
- Some construction employees were not able to work and could have lost income
- Employees' homes were damaged, forcing the demolition of some homes

Unique Therman Solution

Emergency Response Team

- Houston safety manager mobilized team to provide rescue and evacuation
- Therman funded our construction teams to clean residences and demolish employee homes to avoid long wait times with insurance
- Therman purchased and delivered supplies to impacted employees and their families
- Charitable collection supported by nearly every global location
- Therman increased the usual 1:1 match to a 2:1 match

Outcomes

- Raised \$192K to support our employees
- Construction employees maintained steady income while helping their coworkers
- Employees had qualified, safe, and immediate access to clean up and demolition services



Commit | Safety Event

Background

Workplace Safety

- Workplace safety is a general issue in our industry, where people are often working in hazardous conditions
- Safety records are key drivers of reputation among customers, employees, communities, and suppliers
- Theron is a trusted partner to a multinational chemical corporation, an industry leader in site safety

Unique Theron Solution

Unwavering Commitment to Safety

- Theron's TRIR¹ and LTIR² are significantly below the industry average³
- Theron employees embedded at customer site
- Daily field and manufacturing safety meetings
- Collaboration on near-miss preventative identification
- Safety bulletins
- STOP work authority rights issues to every employee

Outcomes

- While assessing the worksite, a live wire had arced
- Theron employees immediately stopped work and reported the incident to operations personnel
- Without Theron safety commitment, incident could have resulted in a major unplanned event
- Our customer's manager recognized Theron employees in incident report and investigation



1. Rolling 12-month Total Recordable Incident Rate of 0.28 as of October 2023
2. Rolling 12-month Lost Time Incident Rate of 0.06 as of October 2023
3. Rolling 12-month average Total Recordable Incident Rate of 1.4 and rolling 12-month average Lost Time Incident Rate of 0.8 for Manufacturing Industry, as of October 2023; Bureau of Labor Statistics



Collaborate | Rail & Transit Customer Experience

Background

Talent Sourcing and Retention

- Rail & Transit industry has seen a drain in U.S. talent, which has been exacerbated by market growth
- Customers require a partner with deep technical expertise for support and problem solving

Unique Thermon Solution

Supporting Customer Journeys

- Investing to develop deep technical bench with strong expertise
- Customers trust us because of our robust track record
- Our engineers engage early in the process and become an extension of the customer

Outcomes

- Collaborative approach with the right technical knowledge
- Customers view us as an integrated partner
- Orders increased 86% YOY¹



Key Takeaways

- 1 Fostering a strong culture from the top down, driven by our foundational values: Care, Commit, Collaborate
- 2 Sustaining a proven track record as an Employer of Choice
- 3 Attracting talent with a compelling purpose and strategy gives us the right to win
- 4 Training, promoting, and retaining industry-leading talent drives outperformance



Supporting Our Strategy and Transformation through Operational Excellence

Roberto Kuahara | SVP, Operations



Key Messages

1

Embarking on extensive operations transformation to connect and integrate the enterprise from end-to-end

2

Enhancing productivity by understanding the Voice of the Customer

3

Prioritizing supply chain optimization to minimize lead time and costs

4

Leveraging the Therman Business System to sustain relentless improvement

5

Enabling enterprise strategic objectives through the pursuit of operational excellence



Early Stages of Operational Excellence Transformation

Where We Were

- Historically local and independently managed
- Lack of operations and sales optimization
- Operating by department rather than value stream

Where We Are

- ~18 months into transformation
- Customer-driven value stream mapping and layout redesign
- Significantly reduced lead times
- Engaging our people to drive execution
- Developing strategic sourcing

Where We're Going

- Ongoing transformation through continuous improvement
- Becoming best-in-class operations leader
- Implementing the Therman Business System



Introducing the Therman Business System

Core Values drive our behaviors, mold our culture, and deliver results

Protecting Safety and Sustainability

- Emphasizing our commitment to safety and championing sustainability
- Dedicating ourselves to provide engineered solutions for renewable energy production

Empowering Our People

- Achieving the highest possible performance
- Driving exceptional results

Responding Quickly to Opportunities

- Innovating on razor's edge of technology
- Providing heating solutions that reflect local, national, and international market needs

Innovating Products and Processes

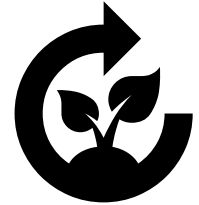
- Staying ahead of the technology curve
- Continuing to bring top quality, innovative solutions to market

Performing with Speed and Agility

- Embracing new challenges head on

Delivering Exceptional Value

- Employing proven techniques to maximize value for all stakeholders



Sustainability



Profitable Growth



Leveraging Our People and Processes to Unlock Value

Strategy

- Define market need
- Develop strategic plan
- Aspire to become best-in-class

Transformation

- Value stream mapping
- Understand Voice of Customer
- Target solutions that create value

Kaizen

- Team-based approach
- Idea generation and prioritization
- Execute strategic improvement plan
- Share best practices

Sustainment

- Implement daily management system
- Execute process control
- Identify and solve problems

Evaluation

- Audit process effectiveness
- Adjust process to deliver results
- Align with customer needs and long-term strategy

Plan

Do

Check

Act (Continuous Improvement)



Operational Excellence Supports Strategy Execution

Key Focus Areas



Performance

On-time delivery and lead-time



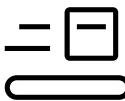
Cost

Productivity and savings



People

Unleashing efficiency and productivity



Supply Chain

Sourcing and procurement

Relentless and ongoing improvement enables sustainable value creation for all stakeholders



Executing Operational Excellence Playbook |

Wire Plant Case Study

Challenge

Improving Performance

- Thermon's backlog and extended delivery lead times represented chance to improve on-time delivery
- Opportunity to deliver productivity improvements through lean manufacturing approach

Unique Thermon Solution

Lean Improvement

- Business redesign focused on productivity
- Kaizens developed stocking strategy for high usage items
- Value stream mapping identified opportunities for improvement plan
- Implemented pull concepts
- Plant layout analysis identified material flow improvements
- Additional kaizens addressed improvements from value stream mapping

Outcomes¹

- Optimized order backlog to healthy levels
- Improved on-time delivery to above 90%
- Reduced past due lines by 98%
- Achieved best-in-class lead times
- Delivered 30% productivity improvement
- Increased first pass yield to >90%

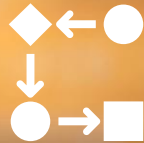


Driving Margin Expansion through Operational Excellence



Redefine Center of Excellence

- Reducing overhead
- Increasing productivity
- Improving investments
- Streamlining inventory
- Consolidating footprint



Create Flow

- Optimizing manufacturing through operational transformation
- Eliminating non-value add processes to maximize productivity



Engage Our People

- Emphasizing safety behavior through people engagement
- Driving teamwork, collaboration, accountability, empowerment
- Employing cross-functional engagements globally
- Implementing best practices



Optimize Supply Chain

- Sourcing from OEMs, replacing distributors
- Consolidating sourcing from local, to regional, to global
- Developing dual sourcing for all critical commodities
- Enhancing our freights
- Expanding sourcing to low-cost countries

**Initiatives Supporting
~24% Adj. EBITDA
Margin Target**



Control Panel Case Study | Margin Expansion Driven by Operational Excellence

Customer Need

Control Panel at a Competitive Price

- Customer required control panels to be delivered on time and on spec
- Different segmentation to accommodate various needs
- Agility and flexibility to accommodate timeline and modifications
- Improved communication on lead times

Unique Thermon Solution

Implementing Thermon Business System

- Expanded product offering
- Redesigned from series to parallel processes to reduce lead time
- Reorganized plant layout to co-locate operations
- Warehouse reorganization and inventory improvement
- Reduced non-productive activities to improve productivity

Outcomes¹

- Improved productivity by 60% by reducing the build hours / panel
- Improved on-time delivery by 70%
- Improved labor and overhead variances by \$1.6MM
- Increased throughput by 77%
- Reduced late lines by 90%
- Reduced labor rate per hour by 4.5%
- Reduced panel costs by 6%, despite inflation and increase in labor wages and benefits



Summary of Our Opportunity

- 1 Embarking on extensive operations transformation to connect and integrate the enterprise from end-to-end
- 2 Enhancing productivity by understanding the Voice of the Customer
- 3 Prioritizing supply chain optimization to minimize lead time and costs
- 4 Leveraging the Therman Business System to sustain relentless improvement
- 5 Enabling enterprise strategic objectives through the pursuit of operational excellence

What's Next

Increased savings and expanded margins

Best-in-class lead times

Improved productivity and vertical integration



Profitably Growing the Installed Base

Thomas Cerovski | SVP, Global Sales



Key Messages

1

Elevating our industry-leading position in industrial process heating solutions

2

Executing our business model to scale organically

3

Innovating and investing for strategic expansion

4

Capturing incremental revenue through diversification



Global Installed Base Supports Strong Customer Relationships

85+

Countries with
Installed Assets

590+

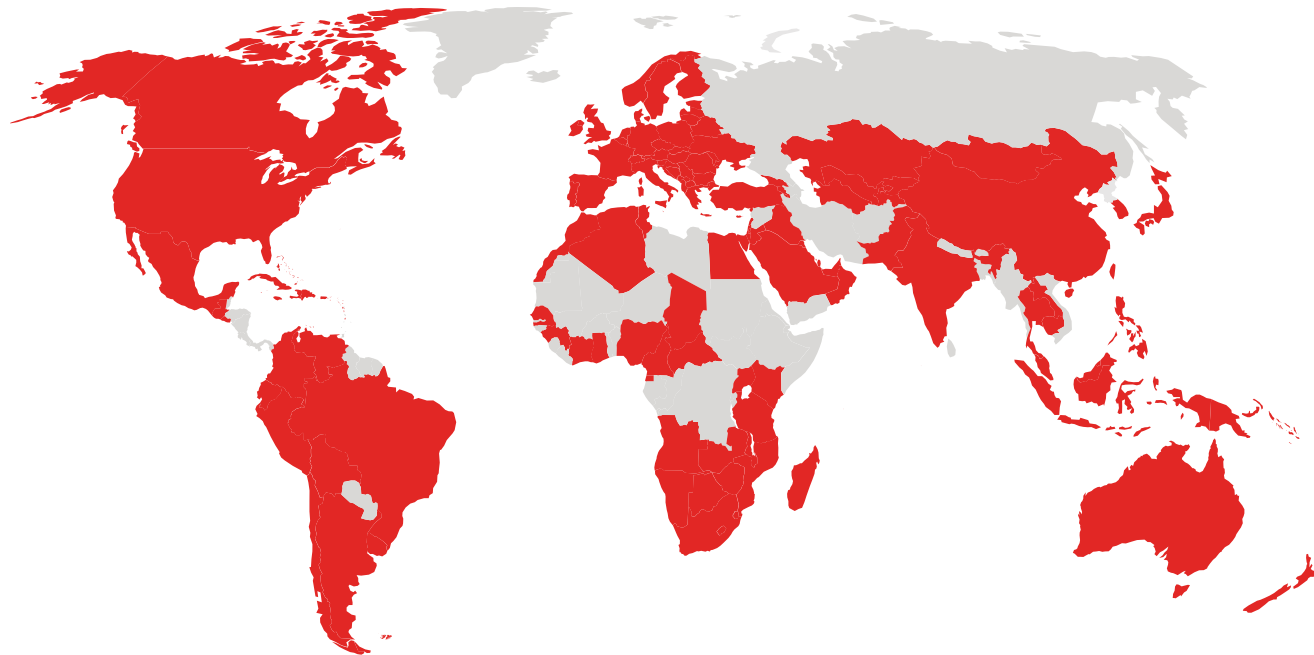
Global
Certifications

9K+

Projects Over
Past 4 Years

~200

Engineers, Designers,
& Project Personnel



■ Installed base requiring ongoing maintenance, repair, overhaul, and upgrades, generating annual OPEX revenue

By the Numbers

Value of Installed Base

>10,000 active customers

>210 global
channel partners

Since 2018:

+28MM meters of
heat tracing shipped

+17MM construction and
engineering hours

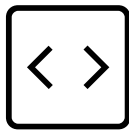
+\$490MM Large Project
sales



Uniquely Positioned to Grow Our Installed Base



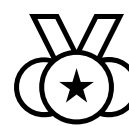
Strategically positioned with Decarbonization initiatives



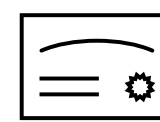
Technology-enabled end-to-end solutions are “one-stop-shop”



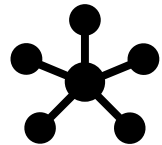
Provide solutions through product lifecycle to capture additional market share



Best-in-class reputation



Industry-leading portfolio of certifications



Current suite of solutions meet shifting requirements

Sustainable competitive advantages support long-term profitable growth



Expanding The Installed Base



Organic Growth

- Supported by long-term strategic initiatives
- Expanding breadth of solutions



Geographic Expansion

- Emerging Asia middle class providing consumption in target markets
- Evolving regulatory requirements are a tailwind



Adjacent Market Segments

- Targeting growing end markets where we are positioned to win
- Differentiation by digitization

Maximizing Profitability by Optimizing Mix

	CAPEX	OPEX		
	Large Projects ² (>\$500K)	Small Projects ³ (<\$500K)	Materials (Upgrades / Expansions)	Services (Maintenance)
Revenue Split ¹	~25%	~15%	——— ~60% ———	
Avg. Gross Margin	20 – 30%	30 – 45%	40 – 50%	50 – 65%
	CAPEX / OPEX			
Digital Solutions	50 – 60% Avg. Margin	Hardware + Install Services	Software Monitoring + Maintenance	Additional Materials Controller Upgrades / Analytics

Highlights

- Business mix shifting to higher margin projects and solutions
- Mitigating project cyclicalty with MRO focus
- Targeting 90K Genesis Network Remote Monitoring & Diagnostics circuits by FY2026

Consistent, stable, high margin OPEX revenue overlayed with substantial CAPEX projects



1. Approximates current business performance, rounded to nearest 5%; FY2024 TTM Large Projects 24%, Small Projects 14%, Products 62%
2. Over Time – Large: >\$500K, aligned with customers’ capital spending budgets
3. Over Time – Small: <\$500K, maintenance, repair, and small upgrades on our installed base

Case Study | Deepening Customer Relationship

Background

U.S. Gulf Coast operations of a global petrochemical company requiring process heating solutions

CAPEX

- Thermon began partnering with company for CAPEX project in 1970
- 10,000s of heat trace circuits & 100s of control panels

MRO / UE

- Heat tracing upgrades
- Plant optimization & debottlenecking
- Footprint expansion

OPEX / Solutions

- Process heaters
- Tubing bundles
- Environmental heaters

M&A Scope

- Powerblanket

Digital Solutions

- First Genesis beta panel install
- Genesis Network

Embedded Team

- Embedded 12-person Thermon maintenance team on site and badged as customer employees

Outcomes

- Running proven playbook from CAPEX projects to OPEX solutions
- Capturing opportunities through upgrades, MRO, and digital solutions
- “Operationally Entangled” with customer
- Higher ROI for customer
- Drives margins and recurring revenue





Driving Growth through Strategic Initiatives

Decarbonization

- Providing energy transition solutions to existing customers
- Expanding environmentally friendly product solutions
- Empowering customers to meet their sustainability goals

Digitization

- Widening product portfolio to meet customer demand
- Driving efficiency through automation
- Optimizing maintenance enhanced by controls and monitoring

Diversification

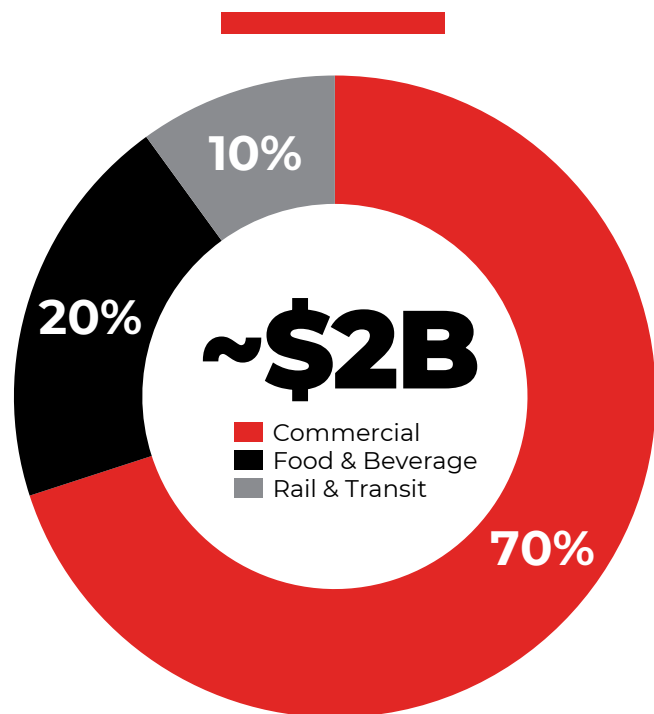
- Investing into strategic end markets
- Increasing presence in key market adjacencies
- Utilizing digital controls platform to accelerate entry into diverse markets

Long-term strategic initiatives sustain profitable growth



Diversifying Across End Markets

Combined TAM¹ Across Key End Markets



Strategic Priorities

- Continuing to target end markets expanding above GDP+ growth levels
- Opportunities to displace incumbents through product differentiation and service levels

How We Execute

- Investments in products, people, and certifications
- Aligning the compensation plan to strategic priorities
- Measuring progress monthly

Targeted investments provide opportunity to capture meaningful incremental revenue



Case Study | U.S.-based Seed Oil Plant

Customer Need

Process Quality Solution

- Efficient heating solution to improve flow rates for seed oil movement in facility
- Precise temperature management for product quality
- Reduced waste and longer equipment life

Unique Theron Solution

Customized Heat Tracing

- Design, supply, and installation of heat tracing with proprietary temperature control
- Process heating solution to maintain desired temperature on storage tanks for long-term maintenance of final product

Customer Outcomes

- Enabled customer to meet sustainability objectives
 - Energy savings reduced electricity costs
 - Higher product yield decreased waste
 - Better process flow extended equipment life

Theron Outcomes

- Outstanding client feedback, customer reference
- Incremental scopes of work, margin growth
- Aligns with Diversification long-term strategic initiative



Summary of Our Opportunity

- 1 Elevating our industry-leading position in industrial process heating solutions
- 2 Executing our business model to scale organically
- 3 Innovating and investing for strategic expansion
- 4 Capturing incremental revenue through diversification

What's Next

Drive margin and recurring revenue

Increase revenue from diversified end markets

Expand footprint in high-growth regions



Q&A

Break

Enabling the Energy Transition

Mark Roberts | SVP, Thermon Heating Systems & Engineering



Key Messages

1

Leveraging position as technology leader to benefit from decarbonization trend and grow customer base

2

Expanding an already comprehensive portfolio of decarbonization and electrification solutions

3

Enabling our customers to achieve their sustainability goals

4

Achieving long-term strategic initiatives through support of the energy transition



Process Heating Solutions for Energy Transition

Rail & Transit

Heaters and blowers

Commercial

Boilers and freeze protection

Renewable Gas

Freeze protection, gas conditioning

Carbon Capture

Heaters, heat trace and control, heated tubing bundles, MDUs

Food & Beverage

Boilers, flange and unit heaters, control panels

Biofuels

Heaters, heat trace and control, heated tubing bundles, MDUs

Hydrogen / Ammonia

Heaters, heat trace and control, MDUs

Chemical

Immersion and circulation heaters

Nuclear

Immersion heaters and filters

Thermal Energy Storage

Heat trace, immersion and circulation heaters

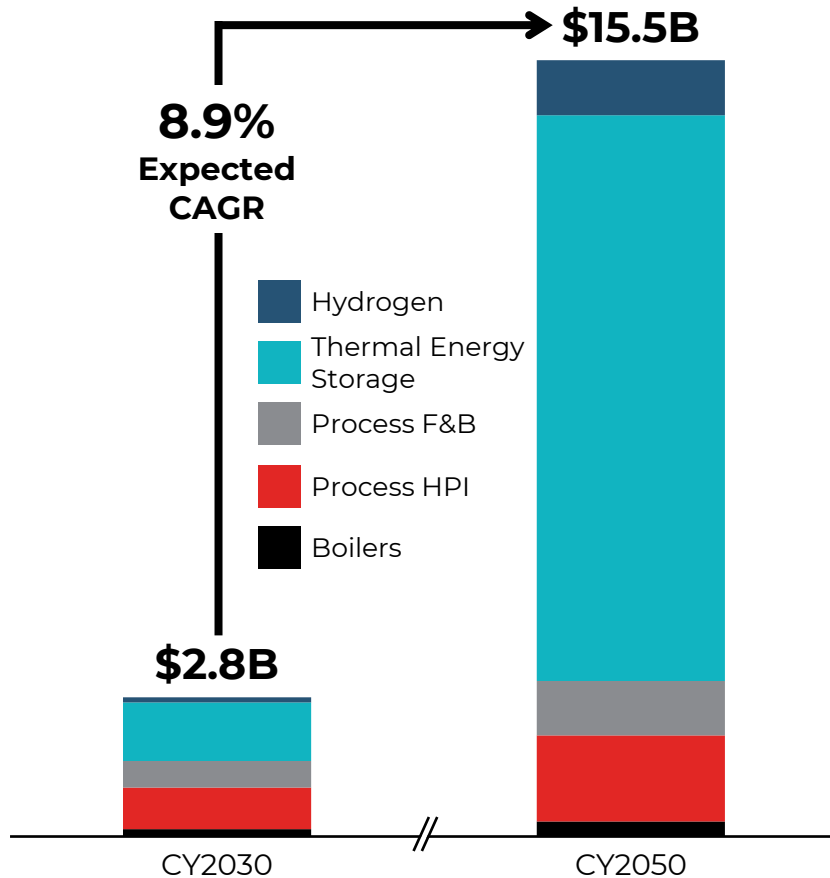
Wind

Immersion heaters, space heaters



Thermon is a Key Enabler of the Energy Transition

Future Electric Heating Market Size¹



Decarbonization

Near-term transition from fossil fuel-based heat sources to clean electricity:

- **Electrification**
Replacement of steam and gas-fired heating with electric
- **Diversification**
Renewable fuels, hydrogen, carbon capture, green ammonia, recycling, wind, solar, and thermal energy storage







Expansion of Electric Solutions

Enables decarbonization technologies:

- New product development
- Material and controls improvement
- Investment in capacity expansion
- More efficient heat transfer
- Higher temperatures and voltages



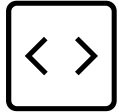
Comprehensive Products Portfolio to Enable Electrification and Decarbonization

					
Immersion / Circulation Heaters	Heat Tracing	Electric Boilers	Methane Destruction	Radiant / Space Electric Heaters	Tubing Bundles
<ul style="list-style-type: none"> • 100% heat transfer efficiency • Power provided by renewable generation • Retrofit / replaced gas-fired and steam heated systems 	<ul style="list-style-type: none"> • Critical in process flow-assurance • Replaced steam heating systems • Improved controls and savings 	<ul style="list-style-type: none"> • Replaced fuel-fired boilers • Improved response time and energy savings 	<ul style="list-style-type: none"> • Eliminates up to 98% of fugitive emissions • Used in remote areas without electrical power 	<ul style="list-style-type: none"> • Replaced gas-fired steam heaters • 100% efficiency yields energy savings 	<ul style="list-style-type: none"> • Efficient monitoring and emission control • Replaced steam heating systems • Electric heating and insulation

Our suite of currently available solutions empowers customers to reach their sustainability goals

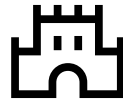


Our Sustainable Competitive Advantages



Technology Leader

- Comprehensive engineering approach to technology development ensures highest quality solutions



Competitive Moat

- Substantial portfolio of certifications
- Extensive approved vendor lists
- Best-in-class lead times



Global Installed Base

- “One-stop-shop” for decarbonization and electrification solutions
- Capacity to meet increased demand



Operational Excellence

- Culture of continuous improvement
- Market-driven new product development process

Driving the energy transition through our differentiated solutions



Design Optimization Philosophy

Market-driven Product Need

- Voice of Customer

Engineering Concept

- Multi-disciplinary design approach (inter- and intra-company)
- Follows stage-gate philosophy

Advanced Engineering Models

- Partner with Heat Transfer Research, Inc. (HTRI)
- Utilize ANSYS, industry-leading 3rd party design software

Empirical Testing

- Validate results based on real-life data
- Empirical data feedback improves modeling
- Design for Manufacturing and Assembly (DFMA)

Optimized Design

- Improve heat flux and heater and vessel sizing
- Extend service life
- Drive margin growth

Technological capabilities enable better design and higher quality products

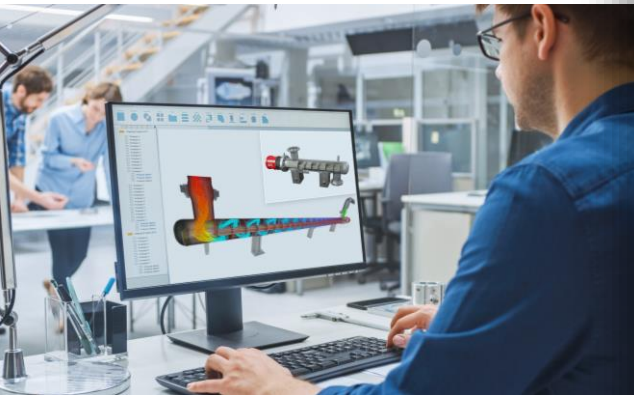


Case Study | Therman Heater Technology

Challenge

Novel Design for Electric Heater

- Optimize heat transfer
- Reduce pressure drop
- Extend element life



Unique Therman Solution

Implement Design Optimization Philosophy

- Advanced engineering models supported by HTRI¹ software
- ANSYS CFD² validation of TruFlo design ensures effective cooling at the baffles
- Empirical testing and validation improves modeling
- DFMA³ assures low cost and ease of manufacturing

Customer Outcomes

- Heat flux optimized for efficient, compact design
- Elimination of “hot spots” at baffle locations

Therman Outcomes

- ~50% cost reduction
- Higher margin



Case Study | Enabling Customer's Sustainability Journey

Customer Need

Direct Electrification

- European refiner needed to electrify its heating system to meet its sustainability goals
- Eliminate GHG emissions for upstream and midstream production sites
- Custom designed to match existing dimensions and retrofit in the field quickly (during turnaround)
- Limit downtime to improve yield from the facility
- Support load balancing for electrical requirements across the plant
- Increase the heat duty to meet future demands of the plant's capacity increase

Unique Theron Solution

Designed Sustainable Alternative

- Developed electric solution to replace three of customer's gas-fired heaters
- Improved metallurgy selection to prolong the life of the system
- Implemented controls to improve system efficiency, compared to traditional gas-fired method
- Eliminated all hazardous gas train appliances and future maintenance and inspection for the fired equipment
- Utilized extra spares for future performance and capacity increase in the plant

Customer Outcomes

Electrification Partner

- Mitigate over 1,100kg of CO₂ per day
- Increase flexibility of heating system with better turndown and control
- Improve throughput and increase end product sales
- Smaller footprint and lower operational maintenance
- Opportunity to electrify more gas-fired equipment in the plant

Theron Outcome

- Proven track record to service market growing 4x¹ over next two years



Strong Pipeline of Energy Transition and Decarbonization Projects

	Decarbonization Project Type	% of Pipeline
Renewable Fuels	Biodiesel, renewable diesel, renewable natural gas, or similar commodity that originates from a renewable feedstock	~25%
Power-to-Heat	Includes construction of electrolysis unit for production of green hydrogen and/or further downstream green commodities	~25%
Carbon Capture & Storage	Capture, transport, and store CO ₂	~15%
Recycling	Plastics, batteries, metals, and similar commodities that can be processed back to a valued commercial commodity	~10%
Energy Storage	Battery storage, hydro pumped storage, compressed air energy storage, flywheel, ice energy storage, and others	~5%
Greenhouse Gas Reduction	Electrification, process technology improvement, carbon capture, fuel conversions from coal to natural gas or natural gas to hydrogen	~5%
Nuclear SMR	Small, safe, and scalable for clean electricity generation for diverse applications and reduced emissions	~5%
Other	Green investment projects to support ESG and sustainability goals	~10%

Tracking Our Progress

- Opportunities ranging from immediate to new product development stage
- Goal of expanding pipeline by 20%+ per year
- Longer-term opportunities enabled by certifications (e.g., Small Modular Nuclear Reactors)

Winning in growing end markets with clear runway ahead



Achieving Long-term Strategic Goals through Decarbonization Solutions

Digitization

- Monitor and Control are essential as customers electrify and decarbonize (especially on “core” processes)
- Tying electric boilers into the overall “Asset Management” system across end markets
- Assessing acquisition opportunities to augment our technology offering

Diversification

- Active M&A pipeline footprint to fill holes in supply chain and ease-of-delivery
- Inorganic growth enables capacity expansion in key geographies
- Food & Beverage, Commercial, and Energy Storage are key end markets for decarbonization

Long-term strategic initiatives interconnect to drive sustainable, profitable growth



Summary of Our Opportunity

- 1 Leveraging position as technology leader to benefit from decarbonization trend and grow customer base
- 2 Expanding an already comprehensive portfolio of decarbonization and electrification solutions
- 3 Enabling our customers to achieve their sustainability goals
- 4 Achieving long-term strategic initiatives through support of the energy transition

What's Next

Greater than 2x revenue growth¹

Continue margin expansion

Solutions for new end markets



Driving Growth through Innovation and New Product Development

David Buntin | SVP, Thermon Heat Tracing



Key Messages

1

Proven track record of successful product development driving organic growth

2

Deploying capital intentionally and efficiently to grow profitability

3

Building competitive advantage through strategic investments and capabilities

4

Fueling our strategic initiatives through innovation and new product development

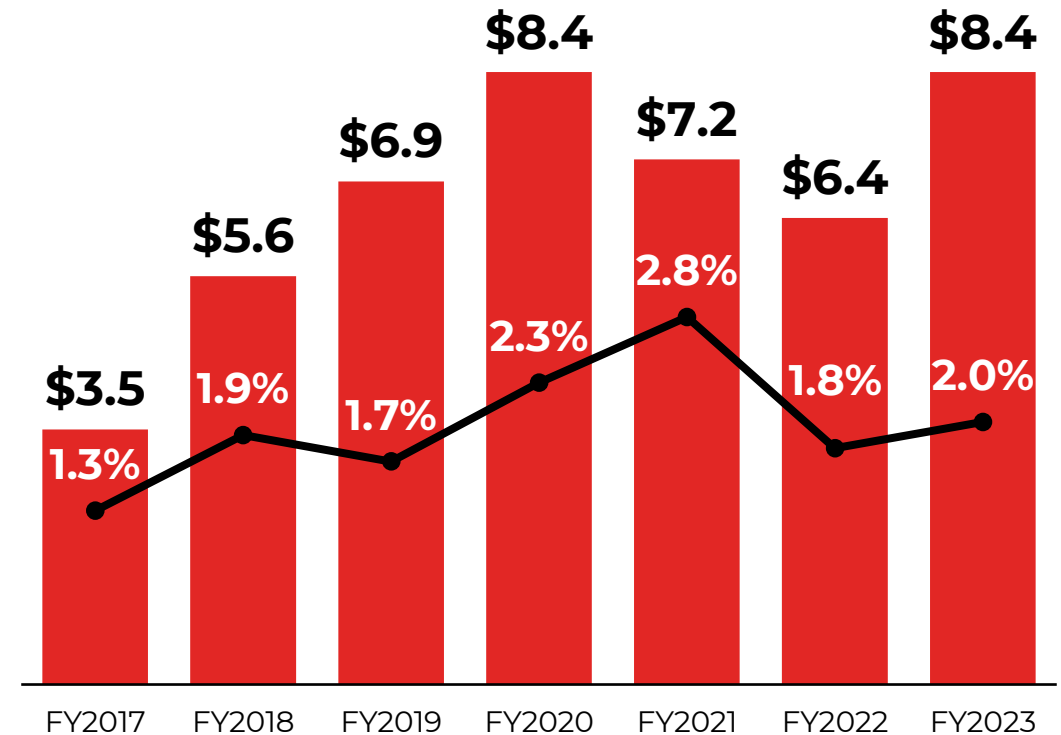


Innovation and New Product Development | Overview

R&D Highlights

- Strategic decision to increase investment in FY2017
 - Dramatically increased pace of new product development
- Dedicated R&D teams in San Marcos, TX; Austin, TX; and Oakville, ON
- Target spending ~2% – 3% of revenues on R&D through the cycle
- ~20% product vitality rate¹

R&D Yearly Spend (\$MM) and Percent of Revenue



Track Record of Driving Growth Outcomes

Recent Investment Strategy

Controls, Connected Solutions, and Software

- New software and hardware development team in Austin, TX
- Developing IoT solutions for controls / monitoring
- Building automation tools for large project execution

Materials Science and Process Development

- Polymer and material science experts
- Compounding and wire process equipment for R&D
- Alternative materials, higher temperatures / voltages, longer circuit lengths, and higher power density

Outcomes

Industry-leading Controls

- Multi-point IoT Control Panel
- Dual-point IoT Controller
- Supervisory & Monitoring App

Industry-leading Heaters

- Highest temp and lowest cost heat trace
- Next generation space and rail heaters
- Paradigm shift in immersion heater power density

Large Project Design Automation

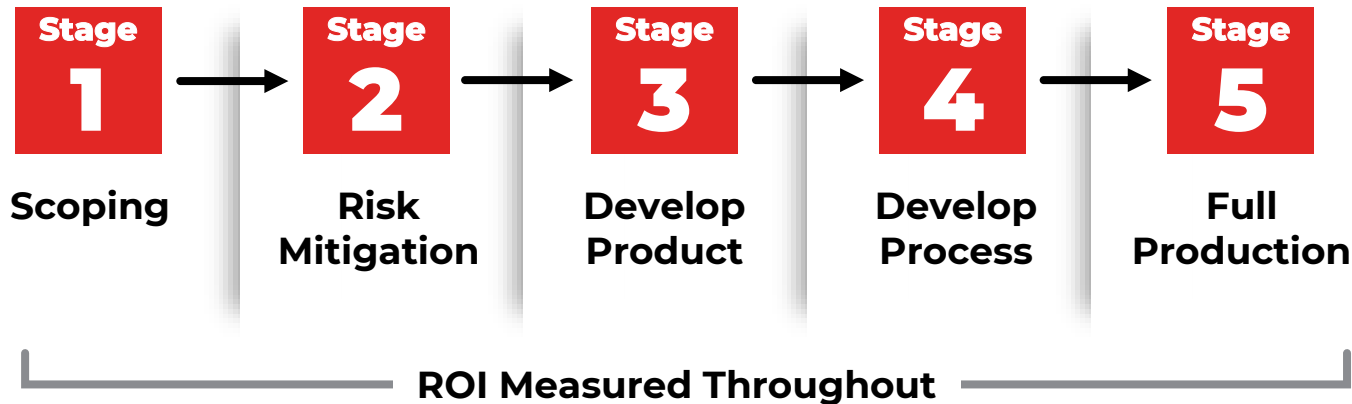
- Tools for high-speed heat transfer calculations and BOM generation
- 3D CAD system for construction drawing automation



Efficient and Intentional Process

Stage-Gate Process

- Ensures cross-functional engagement and full launch execution
- Identifies and eliminates risk early before cost-of-change is high
- Prioritizes projects by business case and financial return



Product Success Examples

Genesis Multi-point Controller

- 12-month project
- 20% margin increase
- Now ~80% of panel sales

USX – Ultra High-Temp Heat Trace

- 18-month project
- 11% margin increase
- Now 2.5x revenue projected at launch

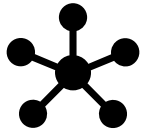
Hellfire 905 – Blizzard Duty

- 15-month project
- Key enabler in LTSl¹ plan to double Rail & Transit revenue
- New production line in San Marcos, TX to satisfy demand

Disciplined process efficiently deploys capital to drive profitable projects



Building Competitive Advantages and Strategic Capabilities



IoT development team delivering industry-leading controls and monitoring



Material science and process experts with dedicated capital equipment for rapid innovation



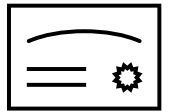
Software tools automating large project design drawing execution



Disciplined stage-gate process driving ROI-based priority and rapid pace



Track record of profitability enabling consistent NPD investment



590+ unique certifications and established presence on key standards development committees

Leveraging key differentiators to widen our moat



Fueling Strategic Initiatives | Decarbonization

Customer Need

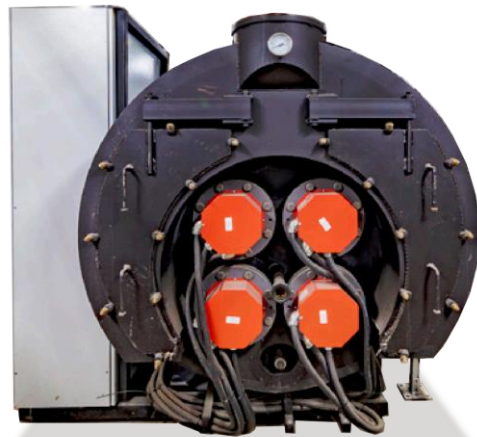
Increasing Demand for High-Capacity Electric Boilers

- Replacement of gas fired boilers with hybrid solutions
- Integration into plant systems for industrial applications
- Desire to capitalize on cost savings through off-peak energy and subsidies

Unique Thermon Solution

Differentiated Boiler Design

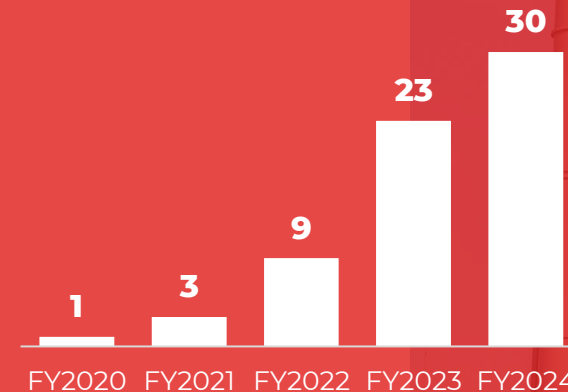
- Partnered with large OEM for cost effective redesigns of its higher capacity boilers
- Added digital connectivity to integrate into plant systems
- Integration of electric heating with Thermon's Caloritech™ solution into OEM's multi-fuel hybrid boiler



Outcomes

- 7 Projects: OEM Multifuel Boilers
- Increased request for quote and win rate of higher megawatt capacity boilers for OEM customer

High-Capacity Boiler Quote Activity



Fueling Strategic Initiatives | Diversification

Customer Need

Reliability in Extreme Cold

- Must keep switches free of snow and ice in extreme cold, especially with high winds
- Cannot allow train delays
- In dense switch yards, noise abatement is a plus



Unique Thermon Solution

Hellfire 905 Blizzard Duty

- Most powerful switch heater available in North America
- 2x air flow versus prior model
- Internally heated components assure reliable startup
- High efficiency with up to 75% fuel cost savings
- Low noise operation



Outcomes

- Customers see ROI
- Reliability, efficiency, and noise improvements are key differentiators
- Converted largest U.S. operator to Thermon
- 35% lower total cost of ownership than competitor equivalent



Fueling Strategic Initiatives | Digitization

Customer Need

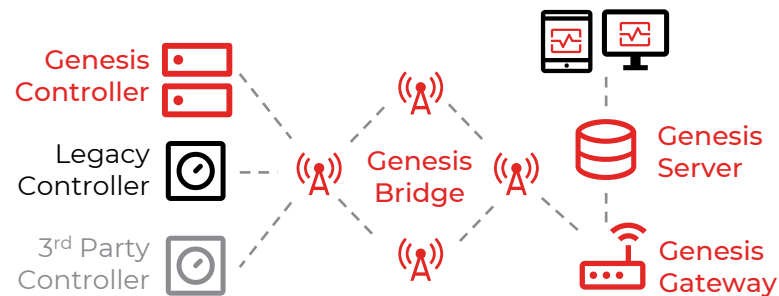
Maintenance Ease and Efficiency

- Centralized monitoring of all heat trace systems from various vendors
- Visibility throughout panel upgrades and maintenance efforts
- Less maintenance staff and operational cost

Unique Thermon Solution

Genesis Network

- Vendor agnostic monitoring and control
- Web app accessible from anywhere in the site
- Source of truth for maintenance operations
- Custom reporting via PowerBI



Outcomes

- Accelerating adoption
- Operational entanglement
- Subscription, service, and MRO revenue on track for FY2026 Digitization growth goal



Summary of Our Opportunity

- 1 Proven track record of successful product development driving organic growth
- 2 Deploying capital intentionally and efficiently to grow profitability
- 3 Building competitive advantage through strategic investments and capabilities
- 4 Fueling our strategic initiatives through innovation and new product development

What's Next

New Commercial
End Market Product
Offering

Semi-annual
Software Releases

Continued Adoption of
Genesis Network



Financial Overview and Long-term Outlook

Kevin Fox | SVP, CFO



Key Messages

1

Establishing track record of financial execution to fuel profitable growth

2

Attractive margin profile with clear path to margin expansion

3

Executing strategic initiatives to achieve our long-term targets

4

Driving value creation through strong and flexible balance sheet and optimized capital deployment

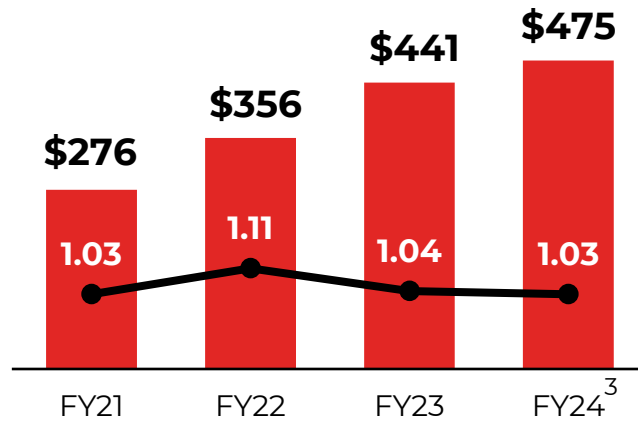
5

Sustaining significant cash generation through the cycle with high margin, low capex business model

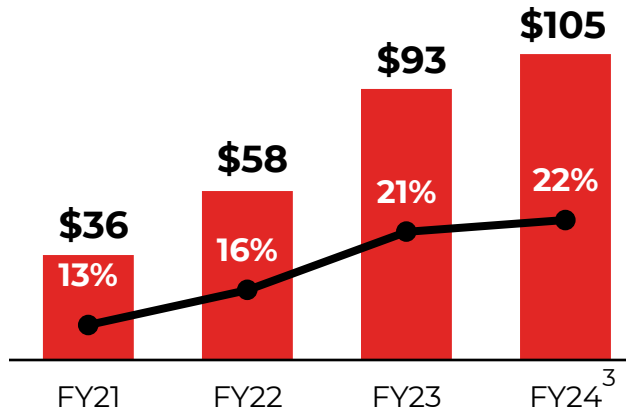


Strong Historical Financial Performance

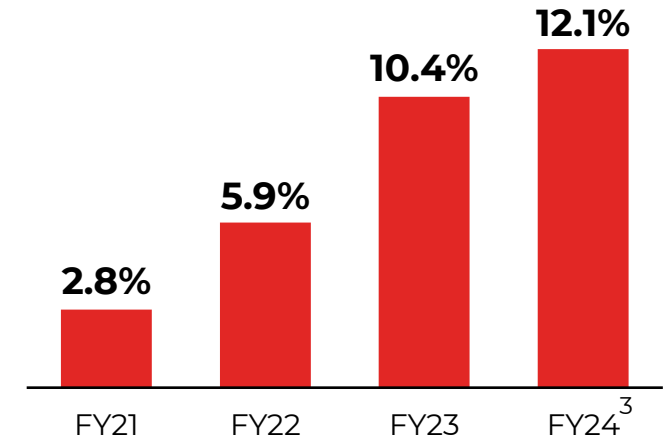
**Total Revenue (\$MM)
& Book-to-Bill**



**Adj. EBITDA¹ (\$MM)
& Margin (%)**



ROIC²



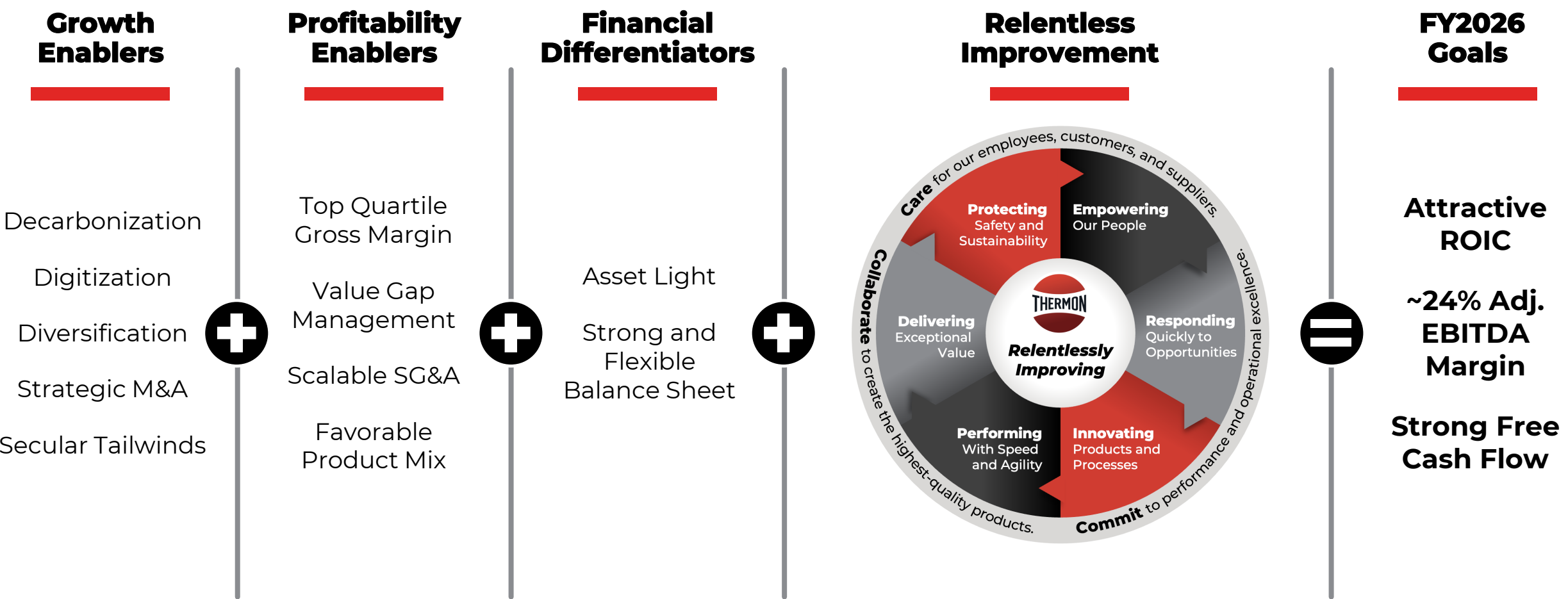
- Western Hemisphere momentum continues to drive recent growth
- Backlog remains near record levels with attractive margins
- Small projects and maintenance revenues driven by customer OPEX spending

- Executing on commitment to profitably grow the business
- Recent and continuing investment in R&D, centers of excellence, and digital transformation enabling OPEX leverage

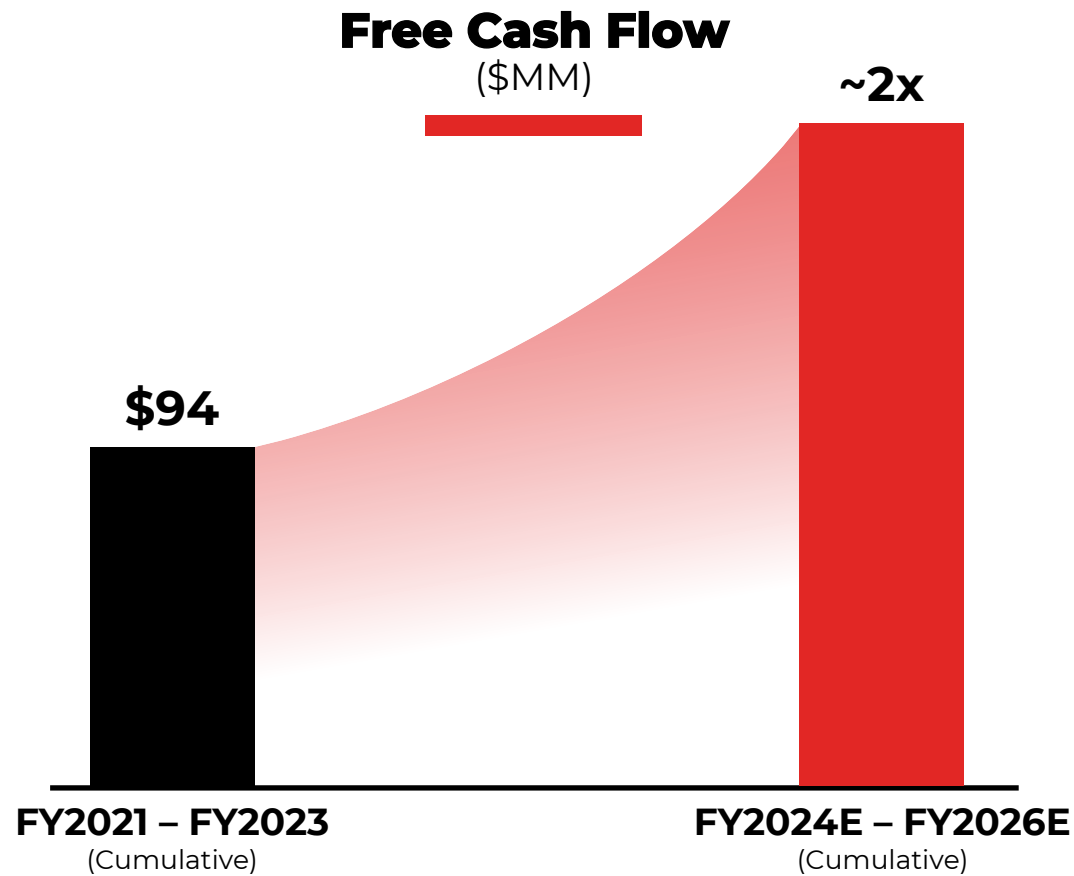
- Delivering value for investors
- Intend to deploy capital at attractive long-term returns
- Aligned investor returns with long-term management incentives



Sustainable Growth Strategy Enables Long-term Value Creation



Significant FCF Generation Supports Value Creation



Key Drivers

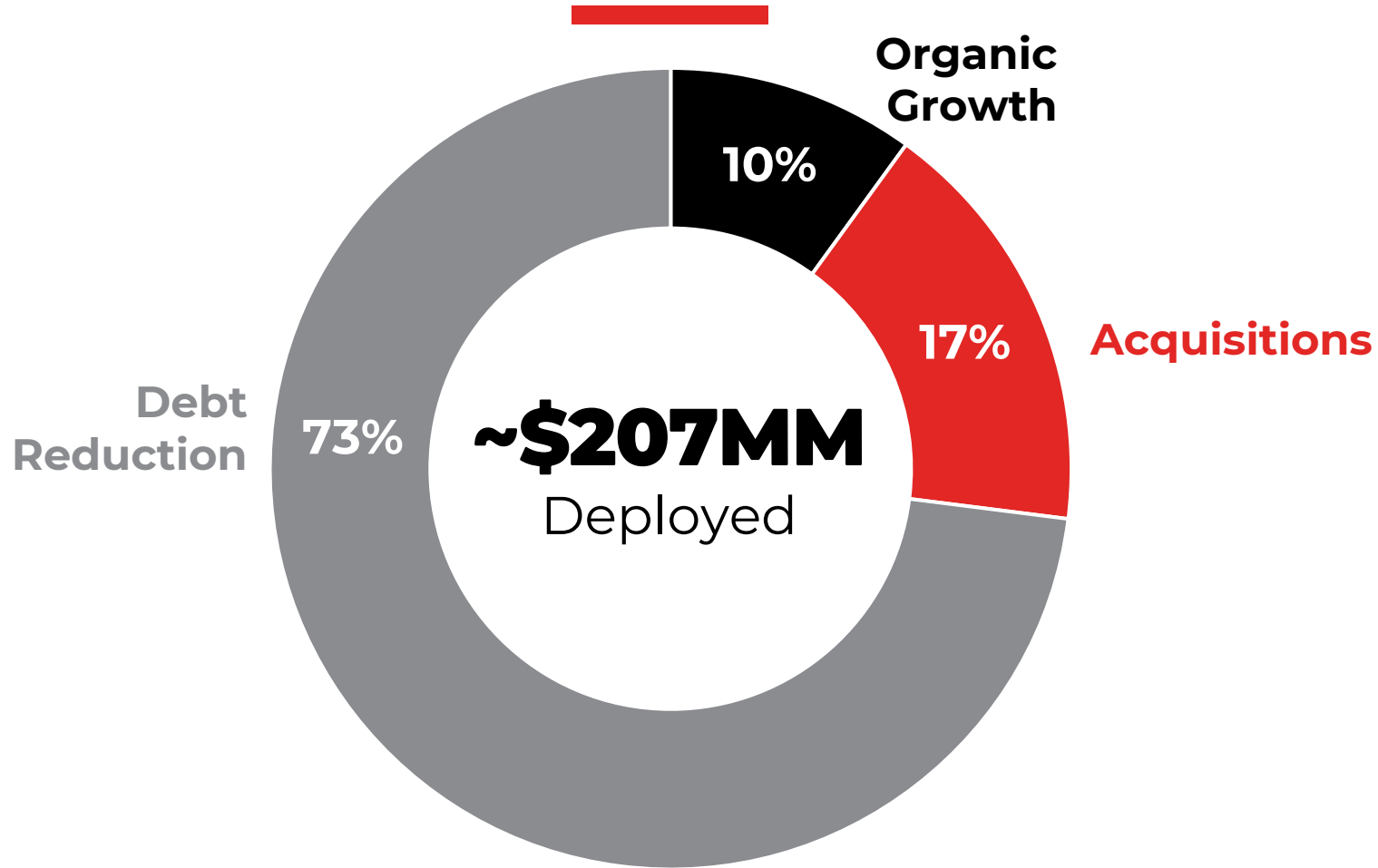
- Strong growth trends across regions, end markets, and strategic initiatives
- Scaling the business with intentional organic investments
- Additional dry powder via existing credit agreement

Enables flexibility to reinvest in the business and pursue bolt-on M&A



Disciplined Capital Allocation Priorities

3-Year¹ Historical Use of Cash



Future Priorities

Organic Growth

- Investment in people, technology, and continuous improvement
- Strategic initiatives
- Target ~2% – 3% R&D expense as percent of revenue

Inorganic Growth

- Pursue bolt-on acquisition opportunities
- Build the industrial process heating platform
- Expand and diversify addressable markets

Capital Structure

- Maintain strong balance sheet through the cycle
- Debt paydown

Evaluate Opportunities to Return Capital to Shareholders



Targeted Approach to M&A Augments Our Growth Engine

Aligned with Long-term Strategy

- Expand and diversify addressable markets
- Catalyze growth in non-Oil & Gas end markets
- Continue to build global installed base

Industrial Technology

- Differentiated, engineered solutions that solve a heat transfer problem
- Enhance Thermon's legacy of innovation
- High barriers to entry

Well-positioned for Future Growth

- Enabling the energy transition
- Secular tailwinds
- Strong management team with a culture of accountability

Financial Criteria

- ROIC > WACC by year 3
- Accretive EPS in year 1



Strong Track Record of Value Creation through M&A | Thermon Heating Systems (THS)

Transaction Overview

- Acquisition closed October 30, 2017, for \$206MM
- THS engineers and manufactures advanced industrial heating and filtration solutions that serve clients globally

Diversification

- Strengthened industrial process heating business
- Strong brands in new product categories, complementary blue chip industrial customer base

Platform for Growth

- Provided high quality, reliable products with best-in-class customer service model
- Significantly expanded TAM with incorporation of broader process heating market
- Diversified end markets through increasing Natural Gas and Power exposure, and introduced Rail & Transit to product mix
- Solutions are critical technologies for the energy transition
- Introduced THS products to new geographies through existing global channels

Results

Enhanced Profitability and Financial Profile

- TTM Revenue¹ of \$105MM, ~52% higher than at the time of acquisition
- TTM EBITDA¹ of 29%, more than 450bps of margin expansion from time of acquisition
- ROIC ~10.5%



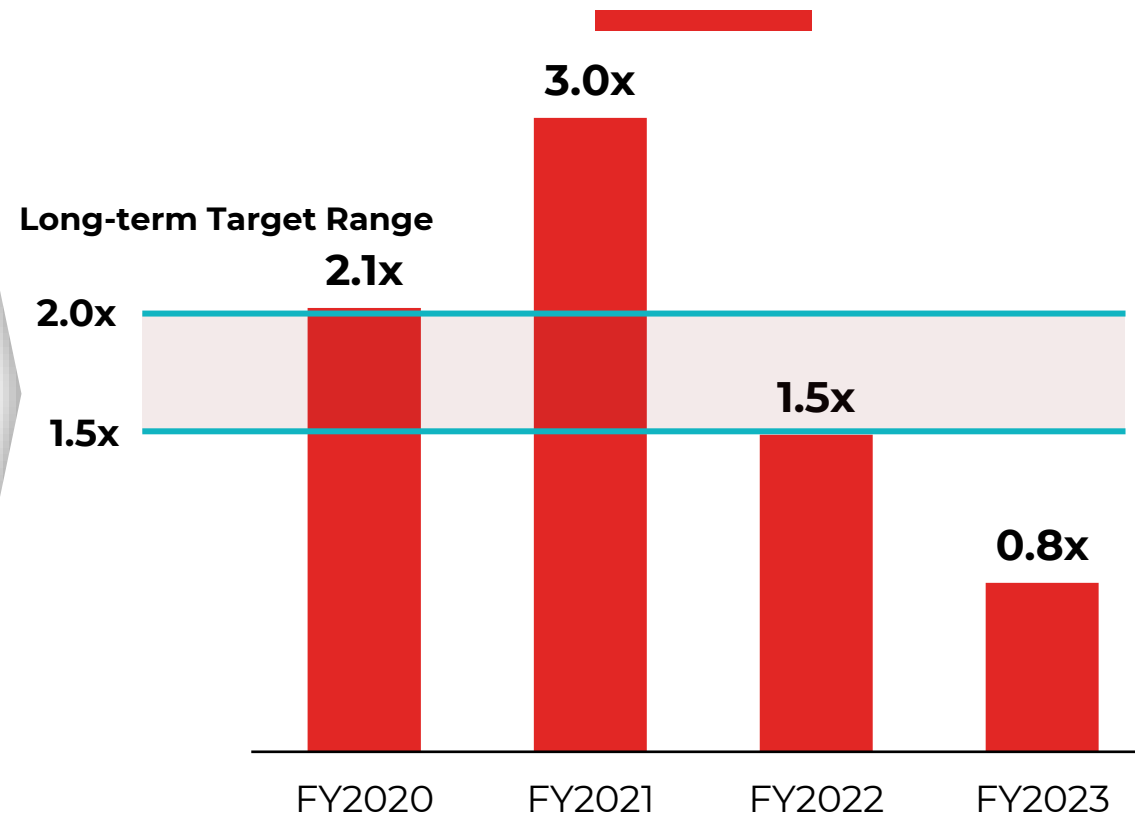
Strong and Flexible Balance Sheet

Capital Summary & Financial Highlights

(\$MM, 09/30/2023)

Cash & Cash Equivalents	\$30.5
Total Assets	\$663.7
Total Debt	\$110.6
Net Debt / Adj. EBITDA	0.8x
Working Capital ¹	\$159.5
WC % of TTM Revenue	33.6%
Next Credit Maturity ²	Oct. 2026

Net Debt to Adj. EBITDA



Significant dry powder to optimize capital deployment and drive value creation



Confidence in Achieving Our FY2026 Financial Targets

\$600 – \$700

Total Revenue (MM)

~70%

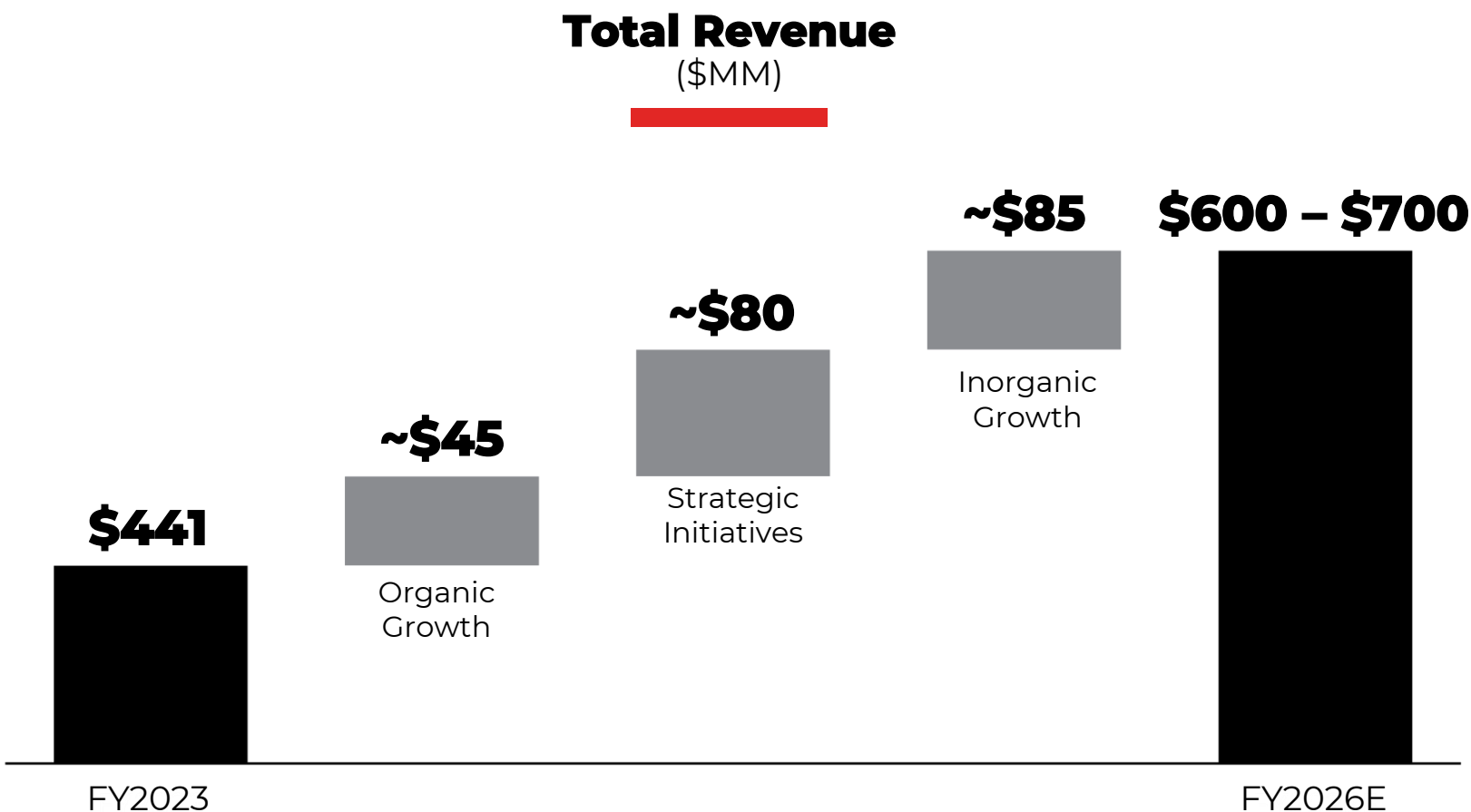
Non-O&G Revenue

~24%

Adj. EBITDA Margin



Revenue Growth Bridge



Key Drivers

Organic Growth

- Continued growth in Small Projects and Products

Strategic Initiatives

- Emerging opportunities in electrification and energy transition
- Growth in Food & Beverage, Rail & Transit, and Commercial

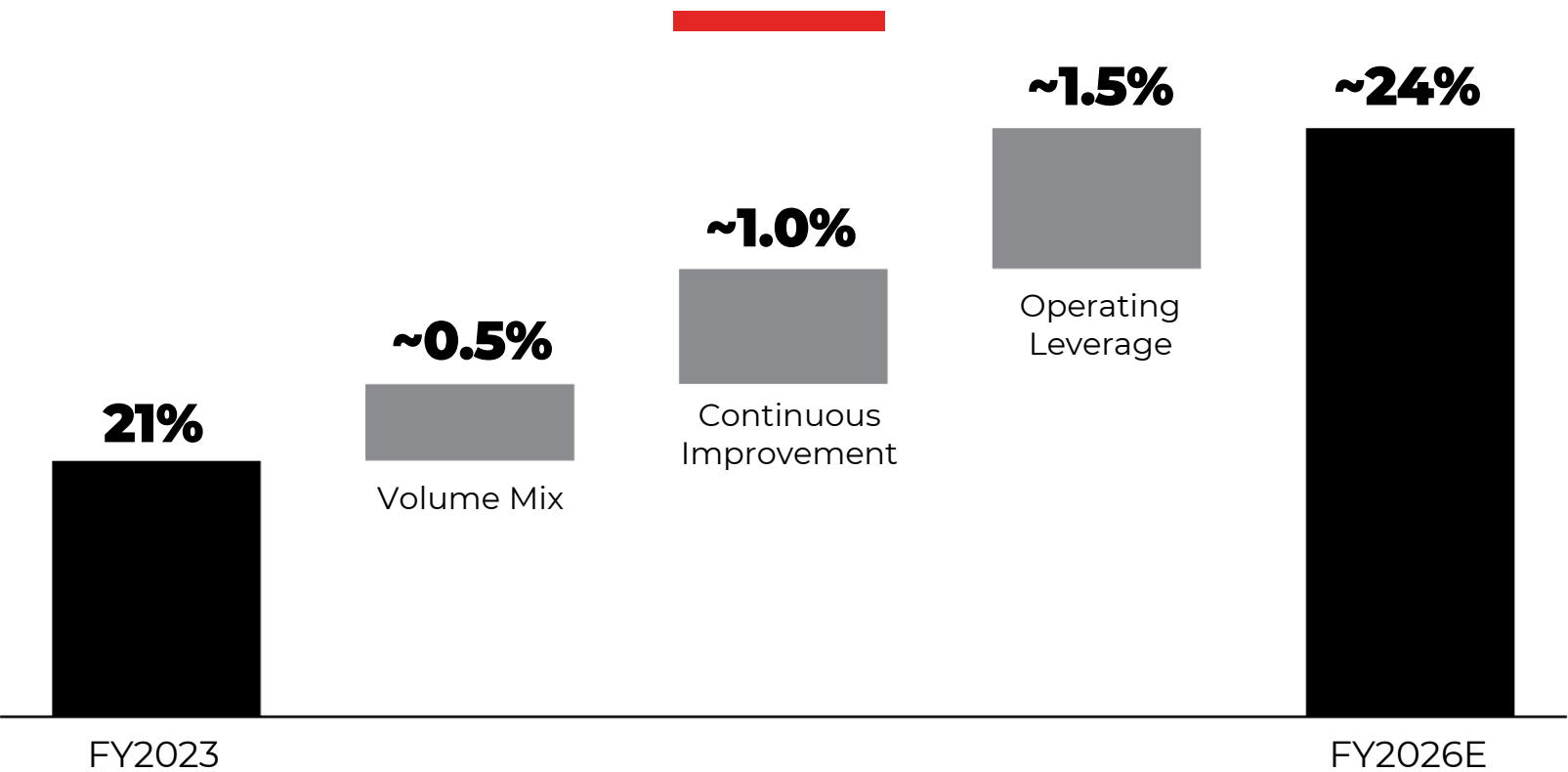
Inorganic Growth

- Bolt-on acquisition opportunities
- Diversification into strategic end markets



Delivering Profitable Growth

Adj. EBITDA Margin
(%)



Key Drivers

Volume Mix

- Capitalize on growing installed base
- Expansion of customer base via diversification

Continuous Improvement

- Operational efficiency
- Supply chain optimization

Disciplined Cost Management



Playbook to Manage Across Economic Scenarios

FY2026 Targets

\$600MM – \$700MM

Total Revenue

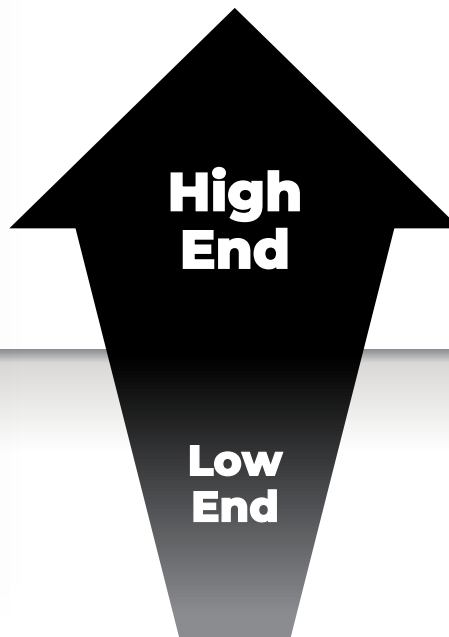
~70%

Non-O&G Revenue

~24%

Adj. EBITDA Margin

Revenue Range



Scenarios

- Stable or accelerating economic conditions
- No significant decline in Oil & Gas prices
- Pace of energy transition remains steady

Levers

- Execute strategic initiatives
- Innovate and invest to scale organically
- Utilize flexible balance sheet and dry powder to drive growth, including opportunistic M&A

Scenarios

- Significant global GDP contraction
- Substantial weakening in commodity price environment
- Severe global supply chain disruption

Levers

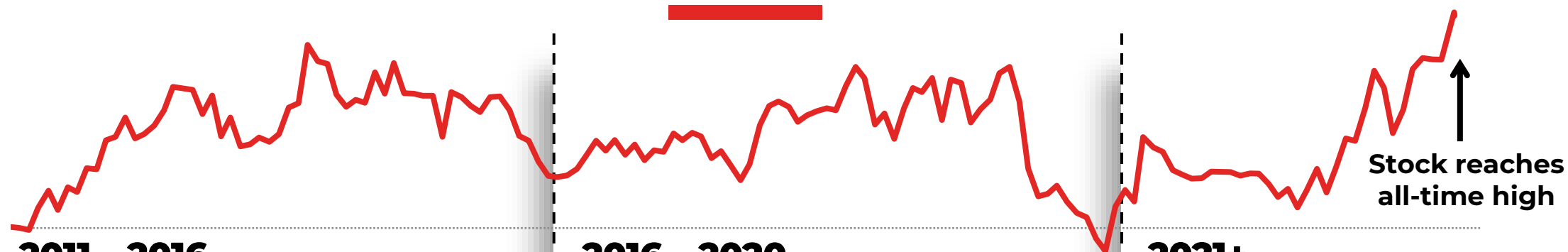
- Deploy proven downturn playbook
- Exercise diligent control over costs and expense timing

Well-positioned to meet or exceed goals across various economic scenarios



Strong Momentum with Clear Runway Ahead

THR Relative Performance through the Cycle



2011 – 2016

(Early Public Company)

- GDP-like growth
- High profitability from Oil Sands
- Dependent on small number of larger projects

2016 – 2020

(Weak O&G Cycle + COVID)

- Lower growth
- Shifted to LNG, Chemical & Power markets, and growing installed base
- Built scalable processes in R&D and Project Engineering

2021+

(Transformation)

- Growing above market
- Improved profitability
- Diversified, less cyclical

Stock reaches all-time high

	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	TTM FY24
Revenue (MM)	\$272	\$284	\$277	\$309	\$282	\$264	\$309	\$413	\$384	\$276	\$356	\$441	\$475
Adj. EBITDA (MM)	\$72	\$71	\$72	\$83	\$65	\$43	\$65	\$84	\$64	\$36	\$58	\$93	\$104.5
EV/Adj. EBITDA	15.9x	10.7x	12.8x	9.4x	8.6x	14.3x	19.0x	12.5x	10.7x	16.3x	15.3x	11.7x	10.5x



Key Takeaways

- 1 Establishing track record of financial execution to fuel profitable growth
- 2 Attractive margin profile with clear path to margin expansion
- 3 Executing strategic initiatives to achieve our long-term targets
- 4 Driving value creation through strong and flexible balance sheet and optimized capital deployment
- 5 Sustaining significant cash generation through the cycle with high margin, low capex business model



A Compelling Investment Opportunity

Leading Global Brand in high value, diversified end markets with mission critical technology and high barriers to entry, supported by culture of operational excellence

Large Installed Base with loyal customers and resilient aftermarket franchise

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

Strong & Flexible Balance Sheet with high margin, low capital investment model that yields significant free cash

Driving Value Creation

\$600MM – \$700MM

Total Revenue

~70%

Non-O&G Revenue

~24%

Adj. EBITDA Margin



Q&A

Speaker Bios



Bruce Thames
President and CEO

Bruce Thames joined the Company in April 2015 as Executive Vice President and Chief Operating Officer. He was promoted to President and Chief Executive Officer and appointed as a member of the Board on April 1, 2016.

Prior to joining Therman, Bruce was Senior Vice President and Chief Operating Officer of TD Williamson in Tulsa, Oklahoma, a position he held since 2012. TD Williamson manufactures and delivers a portfolio of solutions to the owners and operators of pressurized piping systems for onshore and offshore applications. He joined TD Williamson in 2005 as Vice President, North America and also served as Vice President and General Manager, Eastern Hemisphere from 2010 to 2012.

Bruce began his career with Cooper Industries (formerly Intool), where he spent twelve years in various roles within the product engineering, marketing, and operations groups. Bruce then joined GE Energy (formerly Dresser Flow Solutions) ("Dresser") and served primarily as the Director of North American Operations and Product Director for Ball Valves globally for Dresser's Valve Group during his tenure from 2002 to 2005.

Bruce holds a Bachelor's degree in Mechanical Engineering from The University of Texas at Austin. Bruce brings extensive leadership skills, international acumen, product innovation, operational experience in lean six / sigma, and industry knowledge to the Board.





Candace Peterson

Vice President,
Human Resources

Candace Peterson joined Thermon in January 2017 as Vice President of Human Resources. Prior to joining Thermon, Candace was the Senior Business Partner, Global Sales and Services for TD Williamson, a global solutions provider to the owners and operators of pressurized piping systems for onshore and offshore applications.

In that role, Candace led a diverse HR team that was responsible for designing and implementing people strategies that aligned with the company's five-year plan. Candace held several Human Resources positions of increasing responsibility during her ten-year tenure at TD Williamson and was instrumental in building talent development programs and implementing an HRIS system.

Before joining TD Williamson, Candace served as an HR Generalist for the Salt Lake City School District.

Candace holds a Bachelor's degree in Organizational Leadership from Chapman University in Orange, California.





Roberto Kuahara
Senior Vice President,
Operations

Roberto Kuahara joined the Company in February 2022 as Senior Vice President, Operations.

Prior to joining the Company, Roberto served as the Vice President of Manufacturing and Supply Chain, Continuous Improvement, and EHS of SPM Oil & Gas, Inc., a subsidiary of Caterpillar, Inc.

From 2011 to February 2021, Roberto held various positions at the oil and gas division of Weir Group plc, including the Divisional Vice President of Manufacturing and Supply Chain, Continuous Improvement and EHS until the sale of the oil and gas division to Caterpillar, Inc. in 2021. Prior to joining the Weir Group plc, Roberto held various positions in the automotive manufacturing industry, including a division of the Toyota Motor Company. Roberto brings over 30 years of experience in global multi-site manufacturing operations.

Roberto holds a Bachelor's degree in Mechanical Engineering from Mackenzie University.





Thomas Cerovski
Senior Vice President,
Global Sales

Thomas Cerovski brings more than 25 years of energy industry leadership experience in positions ranging from engineering, product management, sales, business development, and business unit management. In this role, he manages the Company's overall commercial organization and also spearheads Thermon's expansion into new geographic and end-use markets, especially with the Company's latest products and solutions.

Prior to joining Thermon, Tom held executive positions with General Electric, Wayne Fueling Systems, Dover Fueling Solutions, and Trojan Battery Company.

Tom holds a Bachelor's degree in Engineering from Montana State University, a Master of Science degree in Engineering from Purdue University, and a Master of Business Administration from George Washington University.





Mark Roberts
Senior Vice President,
Thermon Heating
Systems & Engineering

Mark Roberts joined Thermon October 2016 as Senior Vice President of Global Engineering and Project Services. Prior to joining Thermon, Mark served as VP, Executive VP, and ultimately President of Audubon Engineering.

During his 35-year career in the energy industry he has held executive and management positions within Technical Sales, Business Development, Engineering, and Business Unit Management.

Mark holds a Bachelor's degree in Chemical Engineering from The University of Texas at Austin.





David Buntin
Senior Vice President,
Thermon Heat Tracing

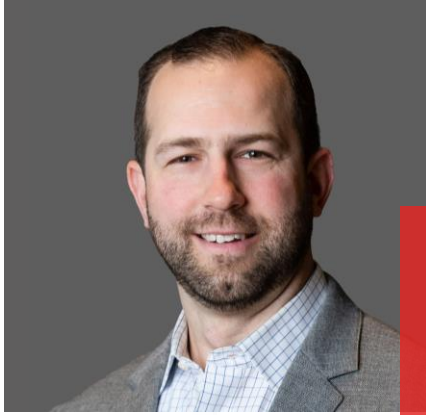
David Buntin joined Thermon January 2017 as Senior Vice President of Research and Development, and in May 2019 was promoted to Senior Vice President, Thermon Heat Tracing. David brings over 20 years of experience in the development and commercialization of new products and technologies to Thermon.

Prior to joining Thermon, he served as Chief Operating Officer for Enovation Controls where he led a global multi-disciplinary team for a company that provides instrumentation, displays, controls, and fuel systems for natural gas engines and compressors.

Before joining Enovation Controls, David served as the VP of Engineering for Secure Logix and in various Engineering roles of increasing responsibility with Southwest Research Institute.

David holds a Bachelor's degree in Electrical Engineering from Baylor University and a Master of Science degree in Electrical Engineering from Texas A&M University.





Kevin Fox
Senior Vice President,
Chief Financial Officer

Kevin Fox joined the Company in March 2019 as Vice President, Corporate Development, in which he managed the Corporate Development, Investor Relations, and the global Marketing activities of the Company. He was promoted to Senior Vice President, Chief Financial Officer in February 2021. Prior to joining Thermon, Kevin served in various roles of increasing responsibility in strategy, corporate development, and finance with General Electric from 2006 to 2019.

Kevin holds a Bachelor's degree in History from Boston College and a Master of Business Administration from Northwestern University's Kellogg School of Management.



Financial Appendix

Reconciliation of Net Income to Adjusted EBITDA

(Unaudited, in thousands)

	Year Ended March 31,											
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Net income available to Thermon Group Holdings, Inc.	\$ 12,030	\$ 26,974	\$ 25,799	\$ 49,386	\$ 23,009	\$ 14,641	\$ 11,913	\$ 22,756	\$ 11,938	\$ 877	\$ 20,092	\$ 33,666
Interest expense, net	19,462	15,113	9,773	4,105	3,719	2,952	8,754	15,476	14,027	10,185	5,815	5,871
Income tax expense/(benefit)	7,468	14,576	6,964	13,176	8,716	4,098	5,170	9,973	5,142	(1,521)	8,333	15,567
Depreciation and amortization	13,971	13,831	14,178	14,143	17,409	17,832	24,420	29,965	28,275	20,722	20,205	19,231
EBITDA (non-GAAP)	52,931	70,494	56,714	80,810	52,853	39,523	50,257	78,170	59,382	30,263	54,445	74,335
Stock-based compensation	6,514	1,341	2,203	3,295	3,749	3,402	3,519	4,148	4,960	3,728	3,803	5,954
Management fees to private equity sponsors	8,105	-	-	-	-	-	-	-	-	-	-	-
Loss on debt extinguishment	3,825	-	15,485	-	-	-	-	-	-	-	2,569	-
Secondary offering expenses	-	536	-	-	-	-	-	-	-	-	-	-
Gain on settlement of CHS Transactions	-	-	-	(931)	-	-	-	-	-	-	-	-
Income/(loss) attributable to non-controlling interest	-	-	-	-	641	343	1,306	413	(2)	-	-	-
Sumac acquisition related contingent consideration	-	-	-	-	5,706	-	-	-	-	-	-	-
Cost of restructuring Canadian operations	-	-	-	-	578	-	-	-	-	-	-	-
Impairment of intangible assets and goodwill related to Unitemp acquisition	-	-	-	-	1,713	-	-	-	-	-	-	-
THS acquisition related foreign exchange losses	-	-	-	-	-	-	5,594	—	-	-	-	-
THS acquisition related expenses	-	-	-	-	-	-	4,093	—	-	-	-	-
Consolidation of operating footprint in Canada	-	-	-	-	-	-	-	757	-	-	-	-
Restructuring and other charges/(income)	-	-	-	-	-	-	-	-	-	8,623	(414)	3,695
Canadian Emergency Wage Subsidy	-	-	-	-	-	-	-	-	-	(6,412)	(1,952)	-
Transaction-related cost	-	-	-	-	-	-	-	-	-	-	-	335
Impairment and other charges/(income)	-	-	-	-	-	-	-	-	-	-	-	8,945
Adjusted EBITDA (non-GAAP)	\$ 71,375	\$ 72,371	\$ 74,402	\$ 83,174	\$ 65,240	\$ 43,268	\$ 64,769	\$ 83,488	\$ 64,340	\$ 36,202	\$ 58,451	\$ 93,264



Reconciliation of Trailing Twelve Months Net Income to Adjusted EBITDA

(Unaudited, in thousands)

	FY23'Q3		FY23'Q4		FY24'Q1		FY24'Q2		TTM
GAAP Net income	\$	8,425	\$	7,701	\$	10,938	\$	14,730	\$ 41,794
Interest expense, net		1,877		1,751		1,584		1,925	7,137
Income tax expense/(benefit)		4,419		4,930		3,233		4,762	17,344
Depreciation and amortization expense		4,705		4,674		4,439		4,363	18,180
EBITDA (non-GAAP)		19,426		19,056		20,194		25,780	84,456
Stock compensation expense		1,994		1,516		1,238		1,450	6,198
Transaction-related costs ¹		-		209		77		190	476
Restructuring and other charges/(income) ¹		2,668		1,025		581		304	4,578
Other impairment charges/(income)		5,666		3,279		-		-	8,945
Adjusted EBITDA (non-GAAP)	\$	29,754	\$	25,085	\$	22,090	\$	27,724	\$ 104,654



Net Debt to Trailing Twelve Months Adjusted EBITDA

Net Debt / TTM Adjusted EBITDA <i>in Thousands</i>	Three Months Ended September 30,		
	2023	2022	% Change
Cash	\$ 30,500	\$ 31,866	-4.3%
Total Debt	110,639	143,538	-22.9%
TTM Adjusted EBITDA	104,654	77,473	-22.9%
Net Debt ¹ / TTM Adjusted EBITDA	0.8 x	1.4 x	(0.6) x

1) Total company debt, net of cash and cash equivalents.



Free Cash Flow (non-GAAP)

Free Cash Flow ⁽¹⁾	Year Ended March 31,		
	2021	2022	2023
Cash provided by/(used in) operating activities	\$ 30,289	\$ 28,754	\$ 57,714
Less: Cash provided by/(used for) purchases of property, plant, and equipment	(8,132)	(5,220)	(9,453)
Plus: Sales of rental equipment	300	689	197
Plus: Proceeds from the sale of property, plant and equipment	—		
Free Cash Flow (non-GAAP)	\$ 22,457	\$ 24,223	\$ 48,458

1) "Free Cash Flow" is a non-GAAP financial measure, which we define as net 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. Free Cash Flow is one measure management uses internally to assess liquidity. Our calculation may not be comparable to similarly titled measures reported by other companies.

