



# JBT Fourth Quarter and Full Year 2021 Earnings Call

February 2022



# Forward-Looking and Non-GAAP Statements

These slides and the accompanying presentation contain “forward-looking” statements, including statements about management’s expectations regarding trends in the food and air transportation markets, strategic initiatives, acquisition strategies and long-term goals, which represent management’s best judgment as of the date hereof, based on currently available information. Actual results may differ materially from those contained in such forward-looking statements.

JBT Corporation’s (the “Company”) most recent Annual Report on Form 10-K and subsequent Quarterly Reports on Form 10-Q, filed with the Securities and Exchange Commission, include information concerning risks and uncertainties, including the factors set forth under “Item 1A. Risk Factors”, that may cause actual results to differ from those anticipated by these forward-looking statements. The Company undertakes no obligation to update or revise these forward-looking statements to reflect new events or uncertainties.

Non-GAAP financial measures are provided to enhance investors’ overall understanding of JBT’s financial performance by eliminating effects of certain items that are not comparable from one period to the next. In addition, this information is used by management as a basis for evaluating performance and for the planning and forecasting of future periods. This information is not intended to be a substitute for, nor should it be considered in isolation of, financial measures prepared in accordance with U.S. GAAP.

# Consolidated JBT Fourth Quarter & FY 2021 Results



## Key Takeaways

- Robust commercial environment as evidenced by record year-end backlog and record orders
- Revenue growth driven by FoodTech, highlighting critical need for JBT solutions to increase customers' throughput and yield and automate food production
- Successfully closed three FoodTech acquisitions in 2021, which enhanced JBT's software solutions and expanded recurring revenue and product offerings in key adjacencies
- Margins in second half of 2021 were negatively impacted by supply chain disruptions, labor shortages, and material inflation
- Full year 2021 free cash flow conversion of 161%

	Q4 2021	YoY	FY 2021	YoY
<i>(\$ Millions Except EPS)</i>				
<b>Orders</b>	<b>\$587</b>	<b>19%</b>	<b>\$2,173</b>	<b>26%</b>
<b>Backlog (as of December 31)</b>	<b>\$1,007</b>	<b>41%</b>		
<b>Revenue</b>	<b>\$498</b>	<b>13%</b>	<b>\$1,868</b>	<b>8%</b>
<b>Operating Margin</b>	<b>6.9%</b>	<b>(300) bps</b>	<b>8.6%</b>	<b>(80) bps</b>
<b>Adjusted EBITDA <sup>(1)</sup></b>	<b>\$58</b>	<b>(12%)</b>	<b>\$252</b>	<b>(3)%</b>
<i>Adjusted EBITDA Margin</i>	<i>11.7%</i>	<i>(330) bps</i>	<i>13.5%</i>	<i>(150) bps</i>
<b>GAAP EPS</b>	<b>\$0.99</b>	<b>5%</b>	<b>\$3.69</b>	<b>9%</b>
<b>Adjusted EPS <sup>(1)</sup></b>	<b>\$0.92</b>	<b>(10%)</b>	<b>\$4.03</b>	<b>2%</b>
<b>YTD FCF <sup>(1)(2)</sup></b>			<b>\$190</b>	
<i>FCF % Conversion</i>			<i>161%</i>	

***JBT remains well positioned for growth in 2022 and beyond***

Note: Figures may have immaterial differences due to rounding.

(1) Non-GAAP figure. Please see appendix for reconciliation.

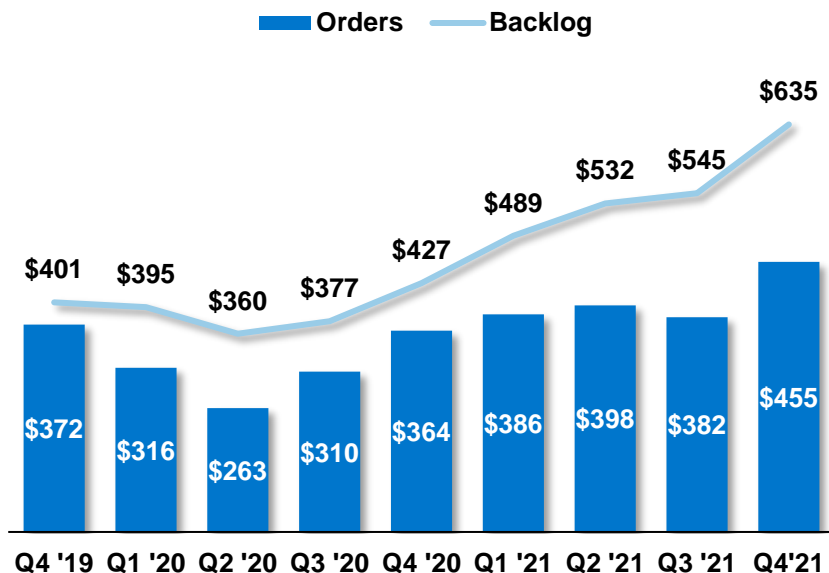
(2) Represents year to date free cash flow for the twelve months ended December 31, 2021.

# Continued Strength in Orders and Backlog



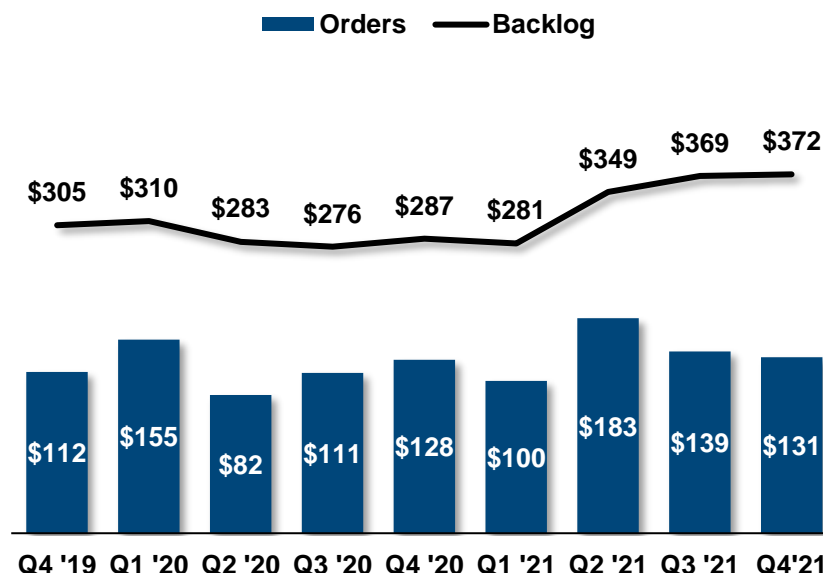
## FoodTech

(\$ Millions)



## AeroTech

(\$ Millions)



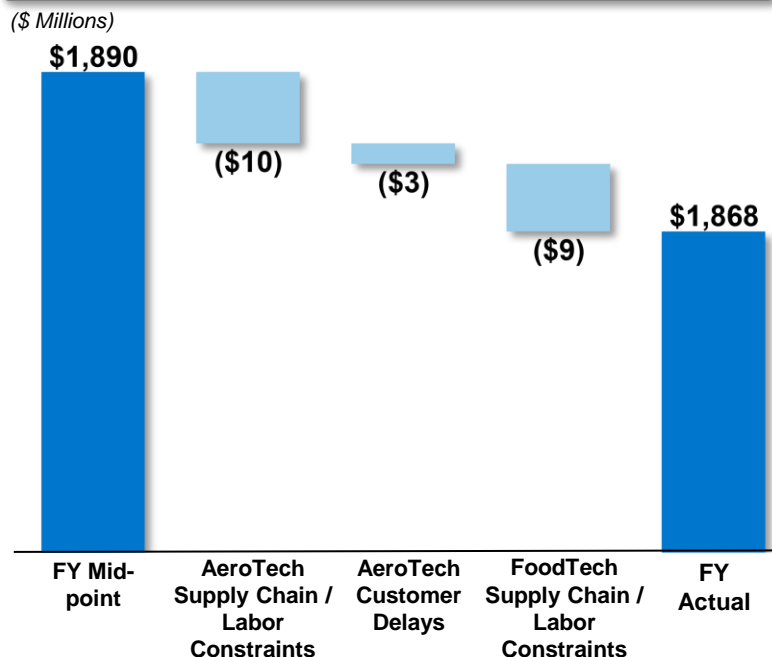
## Key Takeaways

- Outstanding commercial environment at FoodTech and continued recovery at AeroTech
- Year-end backlog totaled ~\$1 billion and order pipeline for both segments remains strong in 2022
- Achieved record orders at FoodTech during the quarter; full year orders increased 29% year over year and backlog increased 49% from year-end 2020
- FoodTech Q4 2021 orders driven by poultry, red meat, and plant-based applications as well as tray seal packaging, AGV, and convenience food/beverages; diversity of orders highlights JBT's broad participation in the food and beverage industry
- AeroTech orders showing signs of recovery in GSE and commercial airlines; full year orders increased 16% year over year and backlog increased 30% from year-end 2020

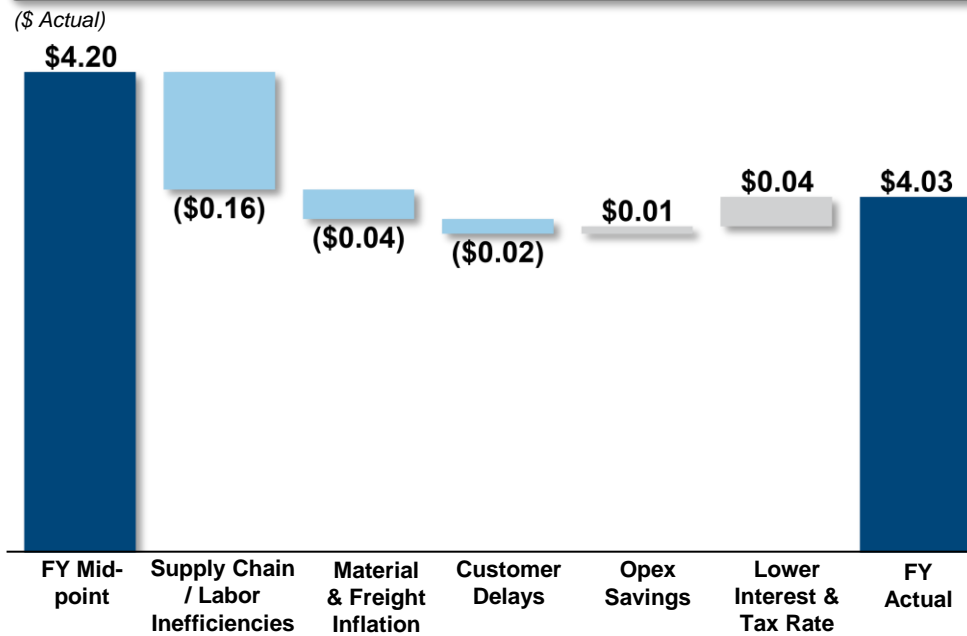
# Full Year 2021 Results Versus Previous Guidance



## FY 2021 Revenue



## FY 2021 Adjusted EPS <sup>(1)</sup>



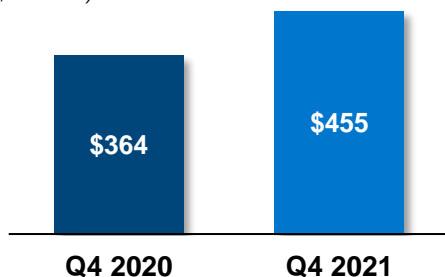
## Key Takeaways

- Results impacted by worsening supply chain constraints, labor availability challenges, and material inflation during Q4 2021
- Longer vendor lead times and overall manufacturing capacity constraints deferred revenue into future periods
- AeroTech and FoodTech experienced critical component shortages, leading to decreased productivity and constrained output
- Lower operating expenses, decreased interest expense, and lower tax rate partially offset volume and margin compression

## Orders

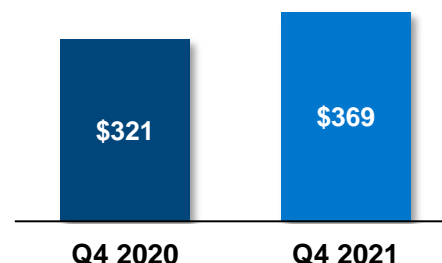
(\$ Millions)

Q4 Results



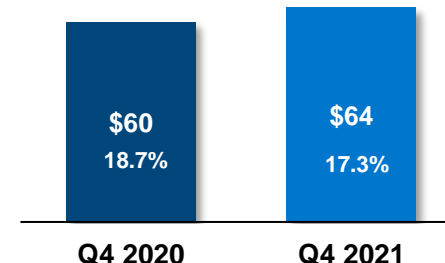
## Revenue

(\$ Millions)

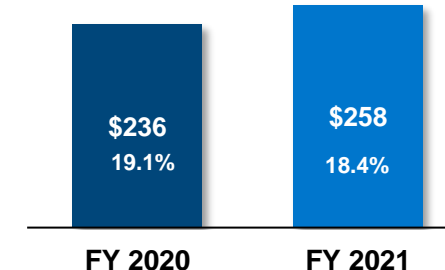
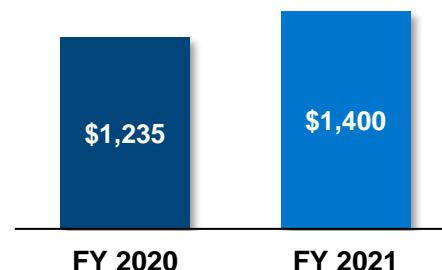
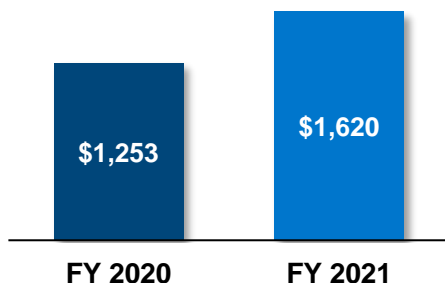


## Adj. EBITDA<sup>(1)</sup> & Margin

(\$ Millions)



FY Results



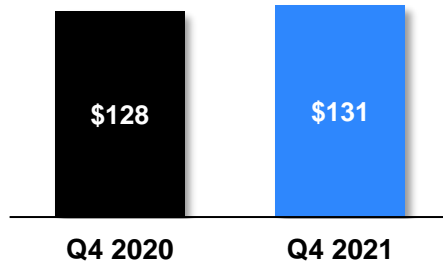
## Overview

- Record orders driven by customer needs for increased capacity, labor-saving automation solutions, and improved yield; geographically, strong demand from North America and Europe with slower conversions in Asia
- Full year 2021 FoodTech revenue increased 13% from full year 2020 driven by strong market trends
  - Revenue mix: 9% organic, 2% acquisitions, and 2% foreign currency translation
  - 47% recurring revenue; consistent with pre-pandemic levels as equipment revenue grew faster, as expected
- Full year 2021 adjusted EBITDA margins down slightly from prior year during challenging operating environment

## Orders

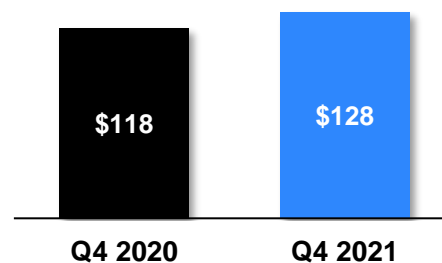
(\$ Millions)

Q4 Results



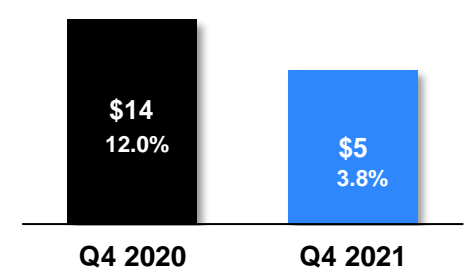
## Revenue

(\$ Millions)

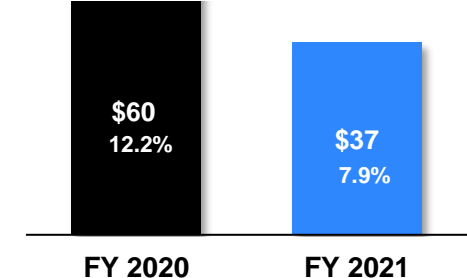
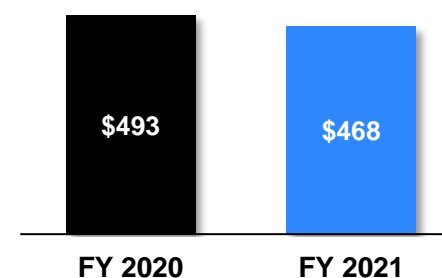
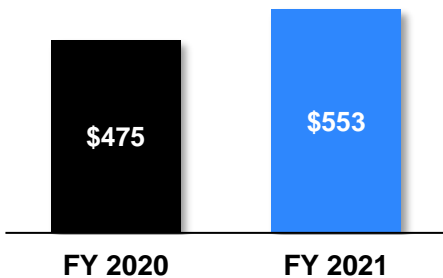


## Adj. EBITDA<sup>(1)</sup> & Margin

(\$ Millions)



FY Results



## Overview

- AeroTech orders expanded 16% from full year 2020, signaling improving conditions from pandemic lows and JBT's market leading position in ground support and airport infrastructure solutions
- Full year 2021 revenue declined 5% from prior year driven by supply chain challenges and labor shortages, which impacted ability to build and ship equipment
  - 38% recurring revenue, representing a 7-point increase from full year 2020
- Adjusted EBITDA margins were challenged; price increases taken during second half of 2021 expected to improve margins in second half of 2022

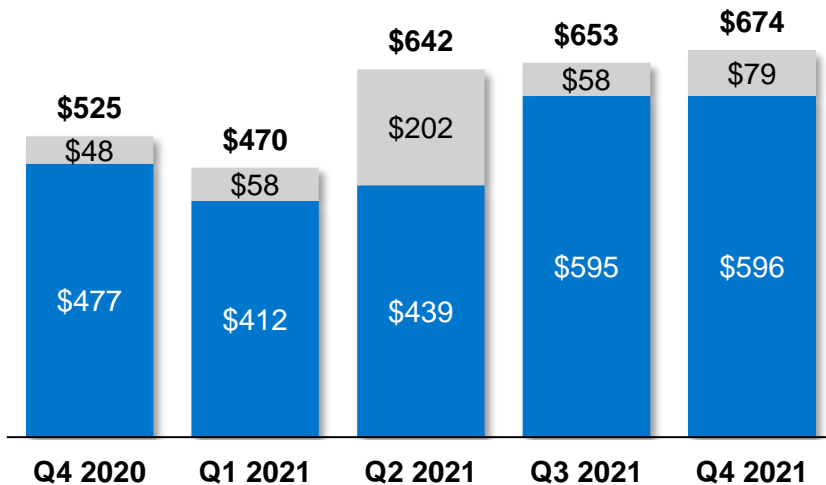


# Demonstrated Resiliency During Challenging Operating Environment

## Net Debt

(\$ Millions)

■ Net Debt ■ Cash



## Key Metrics as of December 31, 2021

<b>Total Net Debt / TTM Adjusted EBITDA <sup>(1)</sup></b>	<b>2.4x</b>
<b>Financial Liquidity <sup>(2)</sup></b>	<b>\$703M</b>
<b>Free Cash Flow - YTD</b>	<b>\$190M</b>
<b>Free Cash Flow Conversion - YTD</b>	<b>161%</b>

## 2021 Accomplishments

- Generated significant free cash flow of \$190 million, representing 161% conversion rate
- Completed three FoodTech acquisitions in attractive adjacencies, allowing JBT to leverage global presence to scale businesses
- Issued 5-year convertible senior notes and associated hedge transaction at historically low rates, generating net proceeds of ~\$350 million
- Renewed and upsized credit facility to \$1.3 billion; negotiated favorable terms that increase liquidity and flexibility to support strategic initiatives while improving pricing

Note: Figures may have immaterial differences due to rounding.

(1) Non-GAAP figure. Please see appendix for reconciliation.

(2) Financial Liquidity is defined as cash plus borrowing capacity under our credit facilities.



# Acquisition of Urtasun (Closed November 2, 2021)



Urtasun designs and manufactures machinery and solutions for fruit and vegetable processing

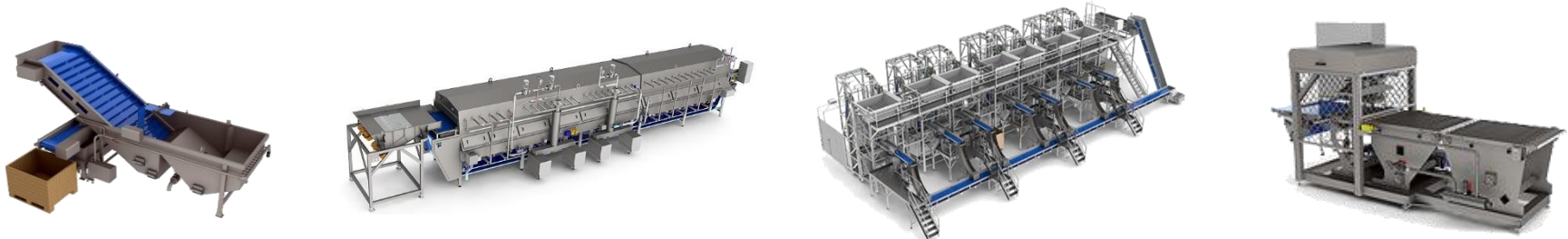
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## Strategic Fit / Rationale

- Expands JBT's presence in the fruit and vegetable processing equipment (adds raw material handling to JBT's strong existing offerings in cooling and freezing)
  - Brings JBT FoodTech a broad portfolio of products and patented technology
  - Urtasun has a strong portfolio of solutions for cutting vegetables with high pressure water jet technology
  - JBT's global footprint will provide Urtasun access to new markets (USA, LATAM, APAC)
- 

## Overview

- Founded in 1957 and headquartered in Navarra, Spain
- Purchase price of \$39 million
- 2021 revenue of ~\$25 million with EBITDA margins in the mid-to-high teens



# 2022 Outlook Commentary



## Full Year 2022

- Anticipate consolidated revenue growth in the mid-to-high teens
  - FoodTech: organic growth of ~12% – 15% and acquisition growth of ~3%
  - AeroTech: organic growth of ~15% – 20%
- Expect supply chain and labor availability challenges to constrain margin improvement in the first half of 2022; margins expected to improve in the second half
- Higher corporate costs due to a significant investment in digital strategy (~\$14 – \$15 million) coupled with rising labor costs and return to a normalized level of incentive compensation
- Tax rate: ~23% – 24%
- Interest expense: ~\$10 million
- Capex: ~\$90 – \$95 million, including ~\$45 million of capitalized investment in digital strategy efforts
- Depreciation and amortization: ~\$85 – \$90 million
- Free cash flow conversion expected to be below 100% due to higher capex and investment in working capital to support expected revenue growth

## First Quarter 2022

- Consolidated revenue growth forecast to decline to the low-double digits as compared to Q4 2021
- Anticipate consolidated margins will contract from Q4 2021
- Corporate costs expected to increase by ~\$3 million due to incentive compensation and higher costs associated with JBT's digital strategy efforts



JBT will host an Investor Day on Thursday, March 24, 2022, introducing the Elevate 2.0 Strategy

- The Elevate 2.0 strategy presentation will focus on JBT's:
  - ✓ innovative solutions, including labor-saving automation
  - ✓ transformational benefits of the digital strategy
  - ✓ broad participation in the food and beverage industry
  - ✓ multi-year framework for growth and financial targets
  - ✓ perspective on portfolio strategy
- Additional details will be provided on the JBT investor relations website in March



# JBT Fourth Quarter and Full Year 2021 Earnings Call – Appendix

Non-GAAP financial measures are provided to enhance investors' overall understanding of our financial performance by eliminating effects of certain items that are not comparable from one period to the next. In addition, this information is used by management as a basis for evaluating performance and for the planning and forecasting of future periods. This information is not intended to be a substitute for, nor should it be considered in isolation of, financial measures prepared in accordance with U.S. GAAP.



# Reconciliation of Operating Profit to Adjusted EBITDA

(In millions)

	JBT Consolidated				
	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020
Operating profit	\$ 34.5	\$ 40.5	\$ 47.3	\$ 37.8	\$ 43.5
Restructuring related costs					
Restructuring expense	2.5	1.1	1.0	1.0	0.9
Inventory impairment due to restructuring	0.2	-	-	-	-
M&A related cost <sup>1</sup>	0.7	3.6	3.5	1.4	1.4
Management succession costs <sup>2</sup>	-	-	-	-	1.3
Adjusted operating profit	37.9	45.2	51.8	40.2	47.1
Depreciation and amortization	20.2	20.0	18.3	18.3	18.6
Adjusted EBITDA	\$ 58.1	\$ 65.2	\$ 70.1	\$ 58.5	\$ 65.7
Total revenue	\$ 497.6	\$ 477.4	\$ 475.5	\$ 417.8	\$ 439.4
Operating profit %	6.9%	8.5%	9.9%	9.0%	9.9%
Adjusted operating profit %	7.6%	9.5%	10.9%	9.6%	10.7%
Adjusted EBITDA %	11.7%	13.7%	14.7%	14.0%	15.0%

<sup>1</sup> M&A related costs include integration costs, amortization of inventory step-up from business combinations, earn out adjustments to fair value, advisory and transaction costs for both potential and completed M&A transactions and strategy.

<sup>2</sup> In 2020, we adjusted certain of our non-GAAP financial measures for management succession costs relating to severance paid to our former CEO, net of the reversal of stock based compensation expense for forfeited equity awards and costs related to filling executive positions.



# Reconciliation of Operating Profit to Adjusted EBITDA

(In millions)

	JBT FoodTech				
	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020
Operating profit	\$ 45.1	\$ 48.9	\$ 51.5	\$ 41.5	\$ 43.0
Restructuring related costs					
Inventory impairment due to restructuring	0.2	-	-	-	-
M&A related cost	0.5	0.3	0.3	0.5	0.6
Adjusted operating profit	45.8	49.2	51.8	42.0	43.6
Depreciation and amortization	17.9	17.9	16.9	16.3	16.4
Adjusted EBITDA	\$ 63.7	\$ 67.1	\$ 68.7	\$ 58.3	\$ 60.0
Total revenue	\$ 368.8	\$ 359.1	\$ 360.7	\$ 311.8	\$ 321.0
Operating profit %	12.2%	13.6%	14.3%	13.3%	13.4%
Adjusted operating profit %	12.4%	13.7%	14.4%	13.5%	13.6%
Adjusted EBITDA %	17.3%	18.7%	19.0%	18.7%	18.7%



# Reconciliation of Operating Profit to Adjusted EBITDA

(In millions)

	JBT AeroTech				
	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020
Operating profit	\$ 3.6	\$ 7.0	\$ 12.1	\$ 9.9	\$ 12.7
Adjusted operating profit	3.6	7.0	12.1	9.9	12.7
Depreciation and amortization	1.3	1.2	0.6	1.4	1.5
Adjusted EBITDA	\$ 4.9	\$ 8.2	\$ 12.7	\$ 11.3	\$ 14.2
Total revenue	\$ 128.4	\$ 118.3	\$ 114.8	\$ 106.0	\$ 118.4
Operating profit %	2.8%	5.9%	10.5%	9.3%	10.7%
Adjusted operating profit %	2.8%	5.9%	10.5%	9.3%	10.7%
Adjusted EBITDA %	3.8%	6.9%	11.1%	10.7%	12.0%



# Reconciliation of Segment Operating Profit to Adjusted EBITDA

(In millions)	<u>For the three months ended December 31, 2021</u>		<u>For the twelve months ended December 31, 2021</u>	
	<u>FoodTech</u>	<u>AeroTech</u>	<u>FoodTech</u>	<u>AeroTech</u>
Operating profit	\$ 45.1	\$ 3.6	\$ 187.0	\$ 32.6
Inventory impairment due to restructuring	0.2	-	0.2	-
M&A related costs	0.5	-	1.6	-
Adjusted operating profit	45.8	3.6	188.8	32.6
Depreciation and amortization	17.9	1.3	69.0	4.5
Adjusted EBITDA	<u>\$ 63.7</u>	<u>\$ 4.9</u>	<u>\$ 257.8</u>	<u>\$ 37.1</u>

(In millions)	<u>For the three months ended December 31, 2020</u>		<u>For the twelve months ended December 31, 2020</u>	
	<u>FoodTech</u>	<u>AeroTech</u>	<u>FoodTech</u>	<u>AeroTech</u>
Operating profit	\$ 43.0	\$ 12.7	\$ 170.6	\$ 52.9
Inventory impairment due to restructuring	-	-	-	1.9
M&A related costs	0.6	-	1.6	-
Adjusted operating profit	43.6	12.7	172.2	54.8
Depreciation and amortization	16.4	1.5	63.6	5.5
Adjusted EBITDA	<u>\$ 60.0</u>	<u>\$ 14.2</u>	<u>\$ 235.8</u>	<u>\$ 60.3</u>





# Reconciliation of Diluted Earnings Per Share to Adjusted Diluted Earnings Per Share

(In millions)

	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020
Income from continuing operations as reported	\$ 31.6	\$ 29.3	\$ 30.5	\$ 27.0	\$ 30.1
Non-GAAP adjustments					
Restructuring related costs					
Restructuring expense	2.5	1.1	1.0	1.0	0.9
Inventory impairment due to restructuring	0.2	-	-	-	-
M&A related cost	0.7	3.6	3.5	1.4	1.4
Management succession costs	-	-	-	-	1.3
Impact on tax provision from Non-GAAP adjustments	(1.0)	(1.1)	(1.1)	(0.6)	(1.1)
Impact on tax provision from remeasurement of a deferred tax liability	(4.6)	-	-	-	-
Impact on tax provision from remeasurement of deferred taxes from material tax rate changes	-	-	4.4	-	-
Adjusted income from continuing operations	\$ 29.4	\$ 32.9	\$ 38.3	\$ 28.8	\$ 32.6
Income from continuing operations as reported	\$ 31.6	\$ 29.3	\$ 30.5	\$ 27.0	\$ 30.1
Total shares and dilutive securities	32.1	32.1	32.1	32.1	32.1
Diluted earnings per share from continuing operations	\$ 0.99	\$ 0.91	\$ 0.95	\$ 0.84	\$ 0.94
Adjusted income from continuing operations	\$ 29.4	\$ 32.9	\$ 38.3	\$ 28.8	\$ 32.6
Total shares and dilutive securities	32.1	32.1	32.1	32.1	32.1
Adjusted diluted earnings per share from continuing operations	\$ 0.92	\$ 1.02	\$ 1.19	\$ 0.90	\$ 1.02



# Reconciliation of Cash Provided by Continuing Operating Activities to Free Cash Flow

(In millions)

	<b>Q4 2021</b>	<b>FY 2021</b>	<b>FY 2020</b>	<b>FY 2019</b>	<b>FY 2018</b>	<b>FY 2017</b>
<b>Cash provided by continuing operating activities</b>	\$ 62.4	\$ 225.7	\$ 252.0	\$ 110.6	\$ 154.6	\$ 106.3
Less: Capital expenditures	20.2	54.1	34.3	37.9	39.8	37.9
Plus: Proceeds from disposal of assets	3.7	5.7	1.5	2.1	2.9	2.2
Plus: Pension contributions	0.8	13.1	12.5	8.0	19.5	11.2
<b>Free cash flow</b>	<b>\$ 46.7</b>	<b>\$ 190.4</b>	<b>\$ 231.7</b>	<b>\$ 82.8</b>	<b>\$ 137.2</b>	<b>\$ 81.8</b>
<b>Net income</b>	<b>\$ 31.6</b>	<b>\$ 118.4</b>	<b>\$ 108.8</b>	<b>\$ 129.0</b>	<b>\$ 104.1</b>	<b>\$ 80.5</b>
<b>Free cash flow %</b>	<b>148%</b>	<b>161%</b>	<b>213%</b>	<b>64%</b>	<b>132%</b>	<b>102%</b>



# Leverage Ratio Calculations

<b>(In millions)</b>	<b>As of</b>
	<b>December 31, 2021</b>
Total debt	\$ 674.4
Cash and cash equivalents	(78.8)
<b>Net debt</b>	<b>595.6</b>
Other items considered debt under the credit agreement	20.0
<b>Consolidated total indebtedness</b>	<b>\$ 615.6</b>
<b>Trailing twelve months Adjusted EBITDA</b>	<b>\$ 251.9</b>
Other adjustments net to earnings under the credit agreement	5.9
<b>Consolidated EBITDA</b>	<b>\$ 257.8</b>
<b>Bank total net leverage ratio (Consolidated Total Indebtedness / Consolidated EBITDA)</b>	<b>2.4x</b>
<b>Total Net Debt to TTM Adjusted EBITDA</b>	<b>2.4x</b>



## Recurring vs. Non-recurring Revenue

(In millions)	Three Months Ended December 31, 2021		Twelve Months Ended December 31, 2021	
	JBT	JBT	JBT	JBT
	FoodTech	AeroTech	FoodTech	AeroTech
Type of Good or Service				
Recurring <sup>1</sup>	177.4	47.3	661.6	178.2
Non-recurring <sup>1</sup>	191.4	81.1	738.8	289.3
Total	368.8	128.4	1,400.4	467.5

<sup>1</sup> Aftermarket parts and services and revenue from lease and long-term service contracts are considered recurring revenue. Non-recurring revenue includes new equipment and installation.