



THERMON GROUP HOLDINGS, INC. INVESTOR PRESENTATION

AUGUST, 2025

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. When used in this discussion, 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 release. 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) future growth of our key end markets and related capital investments; (ii) our ability to operate successfully in foreign countries; (iii) uncertainty over and changes in administrative policy; (iv) general economic conditions and cyclicity in the markets we serve; (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 and incidents; (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) environmental and health and safety laws and regulations as well as environmental liabilities; (xxx) changes in government administrative policy and government sanctions, including the recently enacted tariffs on trade between the U.S. and Canada; (xxxi) climate change and related regulation of greenhouse gases, and (xxxii) those factors listed under Item 1A, "Risk Factors" included in our Annual Report on Form 10-K for the fiscal year ended March 31, 2025, filed with the Securities and Exchange Commission (the "SEC") on May 22, 2025, 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 or incorporated by reference in this quarterly report ultimately prove to be accurate.

NON-GAAP FINANCIAL MEASURES

Disclosure in this release of "Adjusted EPS," "Adjusted EBITDA," "Adjusted EBITDA margin," "Adjusted Net Income/(loss)," "Free Cash Flow," "Organic Sales," "OPEX Sales" and "Net Debt," which are "non-GAAP financial measures" as defined under the rules of the Securities and Exchange Commission (the "SEC"), are intended as supplemental measures of our financial performance that are not required by, or presented in accordance with, U.S. generally accepted accounting principles ("GAAP"). "Adjusted Net Income/(loss)" and "Adjusted EPS" (or "Adjusted fully diluted EPS") represent net income/(loss) before the impact of restructuring and other charges/(income), Enterprise Resource Planning ("ERP") system implementation related cost, costs associated with impairments and other charges, acquisition costs, amortization of intangible assets, tax expense for impact of foreign rate increases, and any tax effect of such adjustments. "Adjusted EBITDA" represents net income before interest expense (net of interest income), income tax expense, depreciation and amortization expense, stock-based compensation expense, acquisition costs, costs associated with restructuring and other income/(charges), ERP implementation related cost, 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. "Organic Sales" represent revenue excluding the impact of the Company's October 2024 acquisition of F.A.T.I. "OPEX Sales" represents Point-in-Time Sales plus Over-Time Small projects. "Net Debt" represents total outstanding principal debt less cash and cash equivalents.

We believe these non-GAAP financial measures are meaningful to our investors to enhance their understanding of our financial performance and are frequently used by securities analysts, investors and other interested parties to compare our performance with the performance of other companies that report Adjusted EPS, Adjusted EBITDA, Adjusted EBITDA margin or Adjusted Net Income. Adjusted EPS, Adjusted EBITDA, Adjusted EBITDA margin, Adjusted Net Income, Organic Sales, OPEX Sales and Free Cash Flow should be considered in addition to, and not as substitutes for, revenue, income from operations, net income, net income per share and other measures of financial performance reported in accordance with GAAP. We provide Free Cash Flow as a measure of liquidity. Our calculation of Adjusted EPS, Adjusted EBITDA, Adjusted EBITDA margin, Adjusted Net Income, OPEX Sales and Free Cash Flow may not be comparable to similarly titled measures reported by other companies. For a description of how Adjusted EPS, Adjusted EBITDA, Adjusted EBITDA margin, Adjusted Net Income, OPEX Sales and Free Cash Flow are calculated and reconciliations to the corresponding GAAP measures, see the sections of this release titled "Reconciliation of Net income to Adjusted EBITDA," "Reconciliation of Net income to Adjusted Net Income and Adjusted EPS," "Reconciliation of Point-in-Time and Over-Time Sales to OPEX Sales" and "Reconciliation of Cash Provided by Operating Activities to Free Cash Flow." We are unable to reconcile projected fiscal 2026 Adjusted EBITDA and Adjusted EPS to the most directly comparable projected GAAP financial measure because certain information necessary to calculate such measures on a GAAP basis is unavailable or dependent on the 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 for projected Fiscal 2026 Adjusted EBITDA and Adjusted EPS without unreasonable effort.



Thermon Today¹ (NYSE: THR)

1954
Year Founded
Public since 2011

10K+
Customers

12
Manufacturing
Facilities

19
Engineering and
Sales Offices

~1,500
Employees

~200
Engineers

\$492MM
Total Revenue

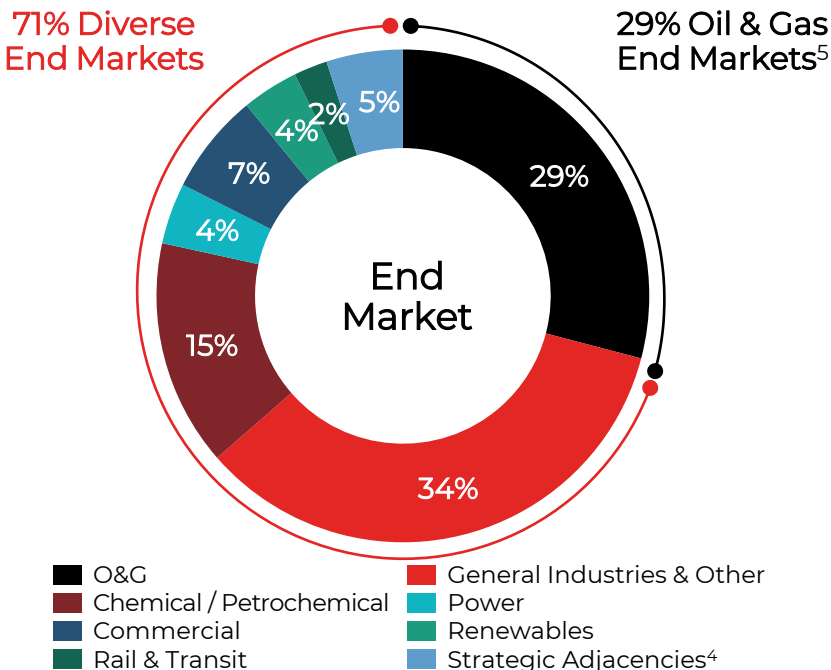
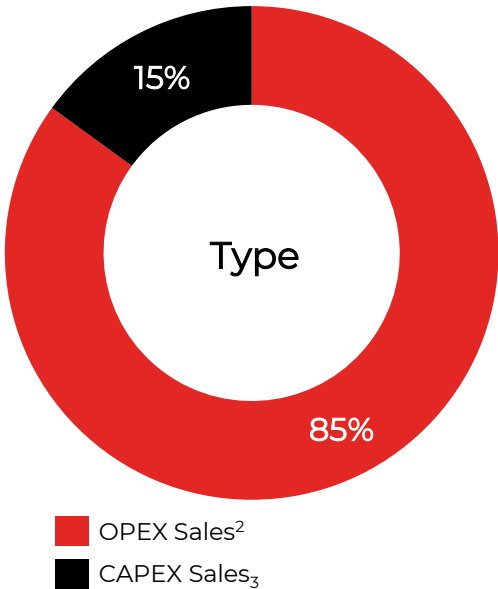
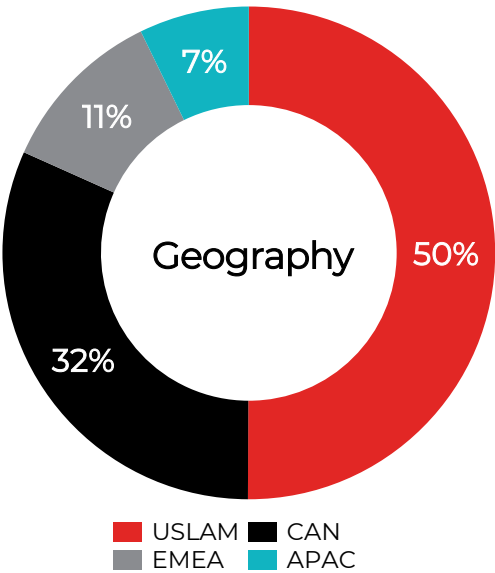
45%
Gross Margin

22%
Adj. EBITDA
Margin

\$1.85
Adj. EPS

\$53MM
Free Cash Flow

1.08x
Book-to-Bill



August 2025 | 3

1. Trailing twelve months as of June 30, 2026
2. "OPEX Sales" (non-GAAP) represents Point-in-Time Sales plus Over Time - Small Projects. See table "Reconciliation of Point-in-Time and Over-Time Sales to OPEX Sales."
3. "CAPEX sales" represents large projects tied to our customers' capital expenditure budgets and are comprised of more than \$0.5 million in total revenue
4. Includes Mining & Mineral Processing, Maritime / Shipbuilding, Semiconductors, Pharmaceutical & Biotechnology, Food & Beverage, and Data Centers.
5. Approximately 14% of sales to the Oil and Gas end market are to support our customers decarbonization efforts, which includes sales of electric heaters, emissions analyzers bundles and other electric products

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



Product Overview

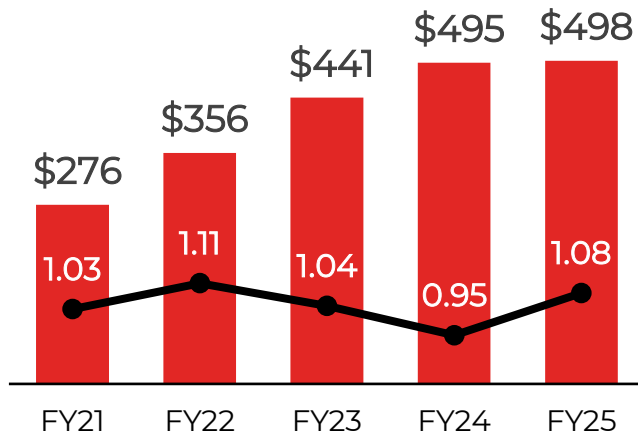
	Heat Tracing	Heating Systems	Transport Heating	Temp. Power Solutions	Tubing Bundles	Powerblanket
Total Revenue ¹	~55%	~28%	~17%			
Key Products	<ul style="list-style-type: none">• Cables• Heat Transfer Compounds• Steam Tracing Products• System Accessories• Heat Tracing Cables• Controls & Monitoring Systems• Tank & Hopper Heating Products	<ul style="list-style-type: none">• Liquid Load Banks• Electric Air and Space Heaters• Filtration Systems• Explosion Proof Gas Catalytic Heaters• Engineered Systems• Electric Explosion Proof Heaters• Proof Duct for Harsh Environments• Steam and Hot Water Boilers• Thermal Fluid Heaters and Supercritical Steam Generators	<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



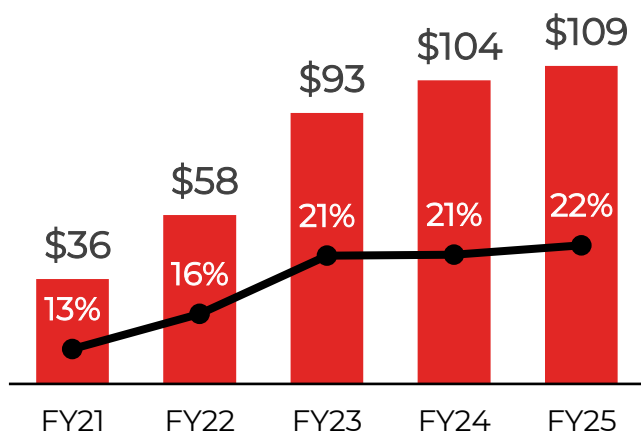
1. Trailing Twelve Months revenue of \$492MM, as of Q3 FY2025

Strong Historical Financial Performance

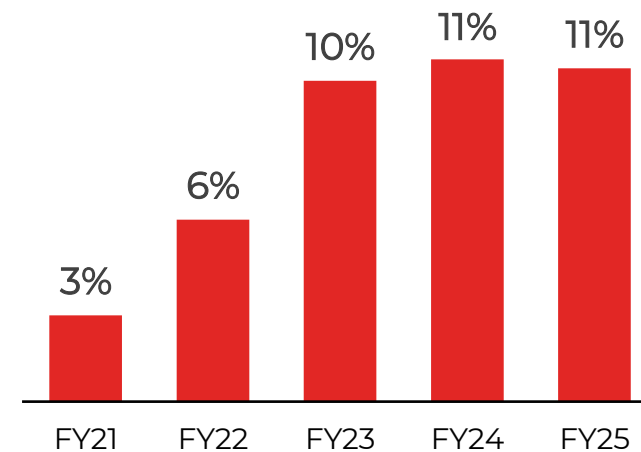
**Total Revenue (\$MM)
& Book-to-Bill**



**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

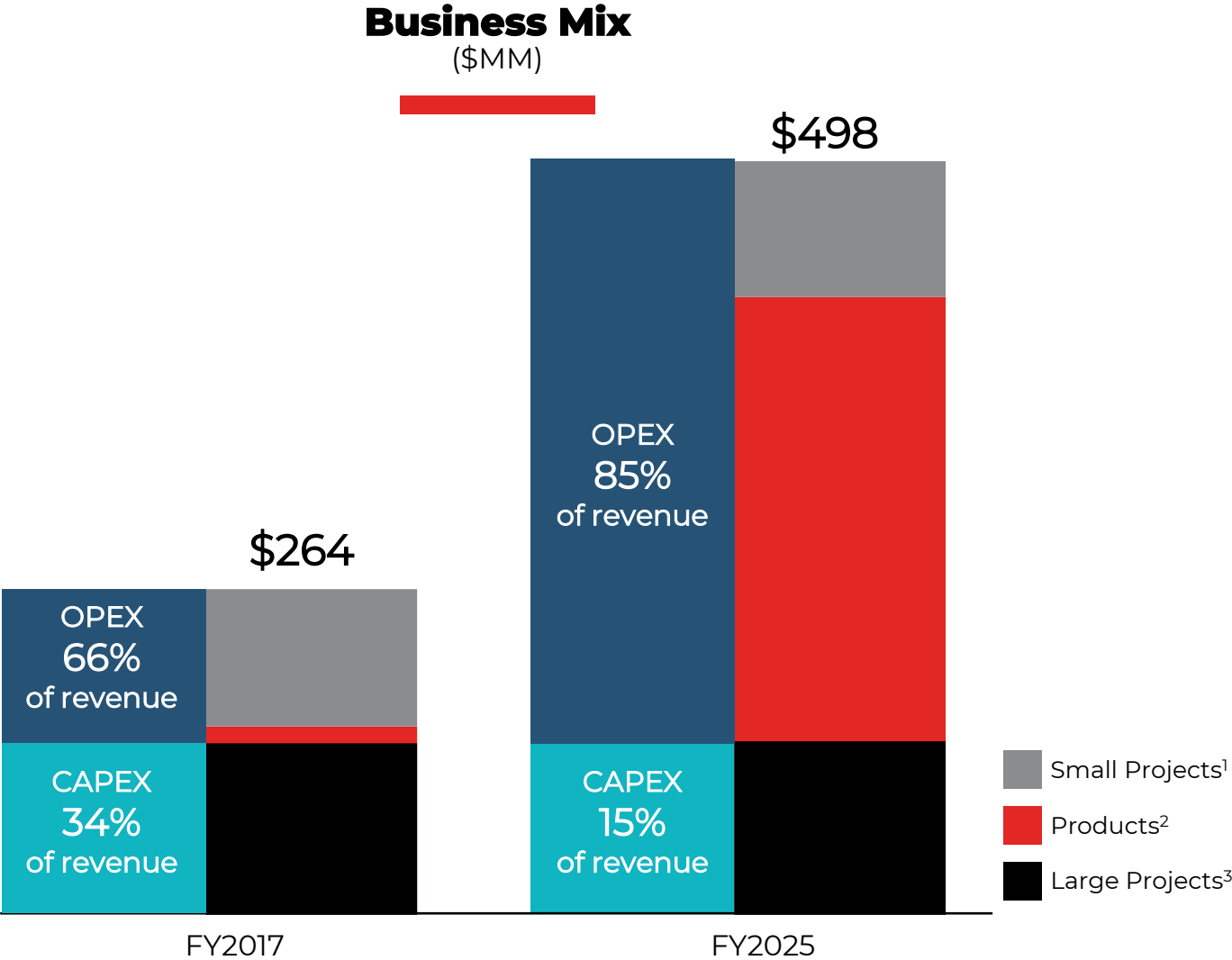
- Delivering value for investors
- Intend to deploy capital at attractive long-term returns
- Aligned investor returns with long-term management incentives



1. See table, "Reconciliation of Net Income to Adjusted EBITDA"

2. ROIC defined as net operating profit after taxes ("NOPAT") divided by average invested capital

Shifting Business Mix to Drive.....



Optimizing Mix

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

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

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 cyclicity 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%; FY2025 TTM Large Projects 16%, Small Projects 14%, Products 70%
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

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



Secular Growth Trends by End Market

	<u>Est. CAGR*</u>
Power – Energy demands from AI, Datacenters, and Electrification trends are accelerating. Renewed interest in Nuclear (SMRs) and energy security (winterization, grid instability) also key themes.	GDP++
Semiconductor – CHIPS Act driving investment in US manufacturing and AI advances spurring increased demand.	15-20%
Pharmaceutical – Microchip and biologic technologies expected to be growth drivers; AI accelerating drug development and improving efficiency.	10-12%
Petrochemical – Energy transition drives chemical demand; sustainability of feedstock, recycling also in focus.	4-6%
Oil & Gas – Startup of Trans Mountain pipeline expansion in Canada supporting near-term activity in Alberta. NA LNG export growth expected to continue over the next decade.	GDP
Rail & Transit – IIJA committed record amounts of funding for US passenger and freight rail projects through 2030	GDP+++

US Gov't Investments:

- IIJA (2021) - \$550bn invested in infrastructure and R&T
- CHIPS Act (2022) - \$53bn invested in semiconductor manufacturing
- IRA (2022) - \$750bn + invested in renewable power / energy projects



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 into higher growth and defensive markets to deliver above market growth while improving peak to trough earnings through the cycle



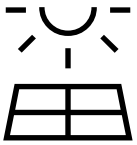
Disciplined Capital Allocation

- Drive organic growth through investments in technology and people
- Prioritize debt paydown and inorganic growth opportunities that exceed WACC by year 3 as evidenced by FATI acquisition in early October
- Actively returning of capital to shareholders via \$50MM share repurchase authorization
- Target 1.5x – 2.0x Net Debt to Adjusted EBITDA leverage under normal conditions

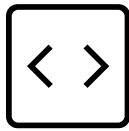
Execution on strategic pillars combined with dedicated focus on operational excellence drive long-term shareholder value creation



Uniquely Positioned to Grow Our Installed Base



Strategically positioned with Decarbonization initiatives



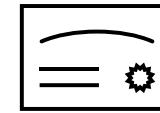
Technology-enabled end-to-end solutions are “one-stop-shop”



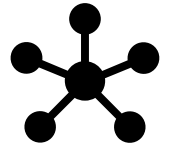
Provide solutions through product lifecycle to capture additional market share



Best-in-class reputation



Industry-leading portfolio of certifications



Current suite of solutions meet shifting requirements

Sustainable competitive advantages support long-term profitable growth



Global Installed Base Supports Strong Customer Relationships

85+

Countries with
Installed Assets

590+

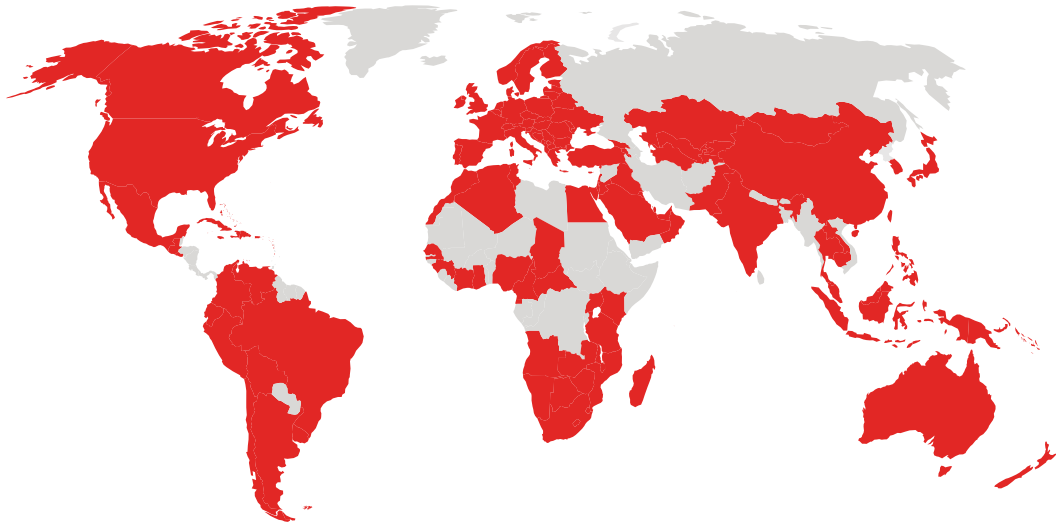
Global
Certifications

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:

+32MM meters of
heat tracing shipped

+17MM construction and
engineering hours

+\$510MM Large Project
sales



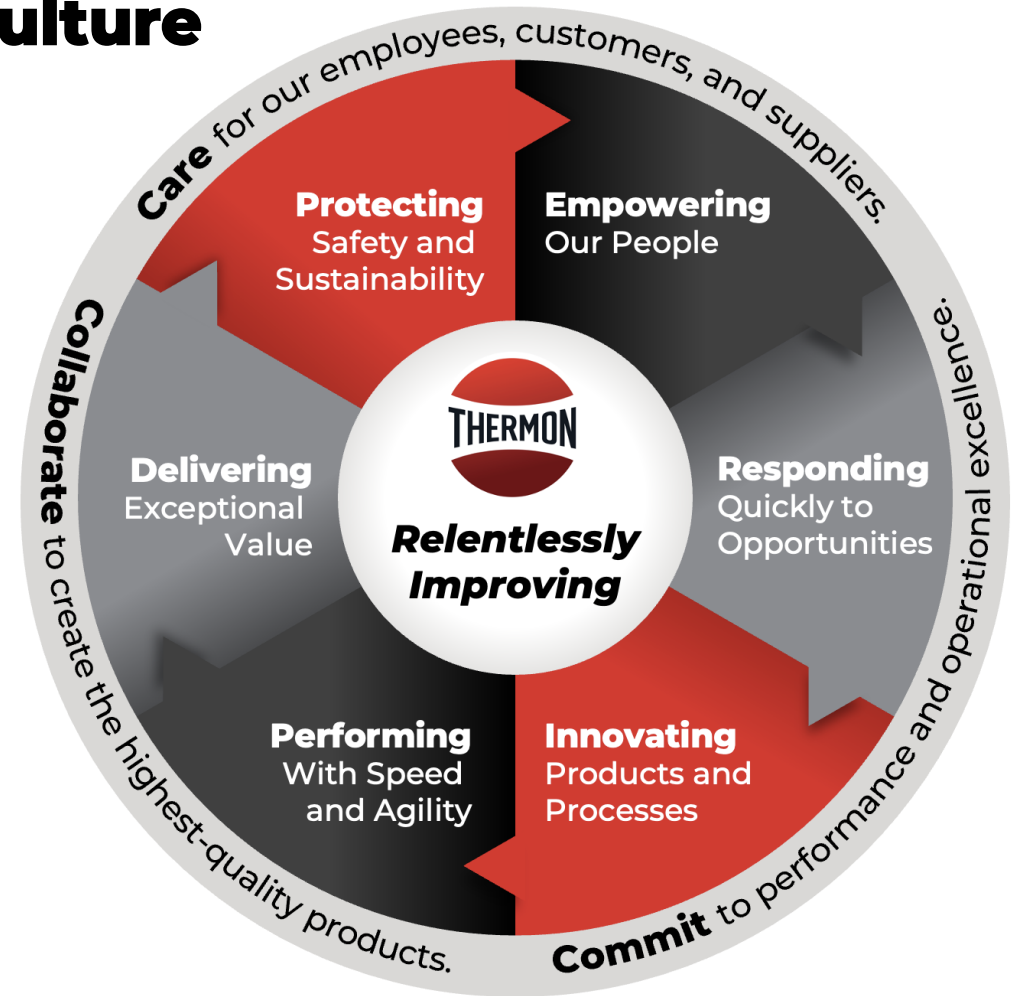
Customers We Serve



Operational Excellence Is Core to Our Culture

Purpose-driven Framework to Empower Continuous Improvement

- 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



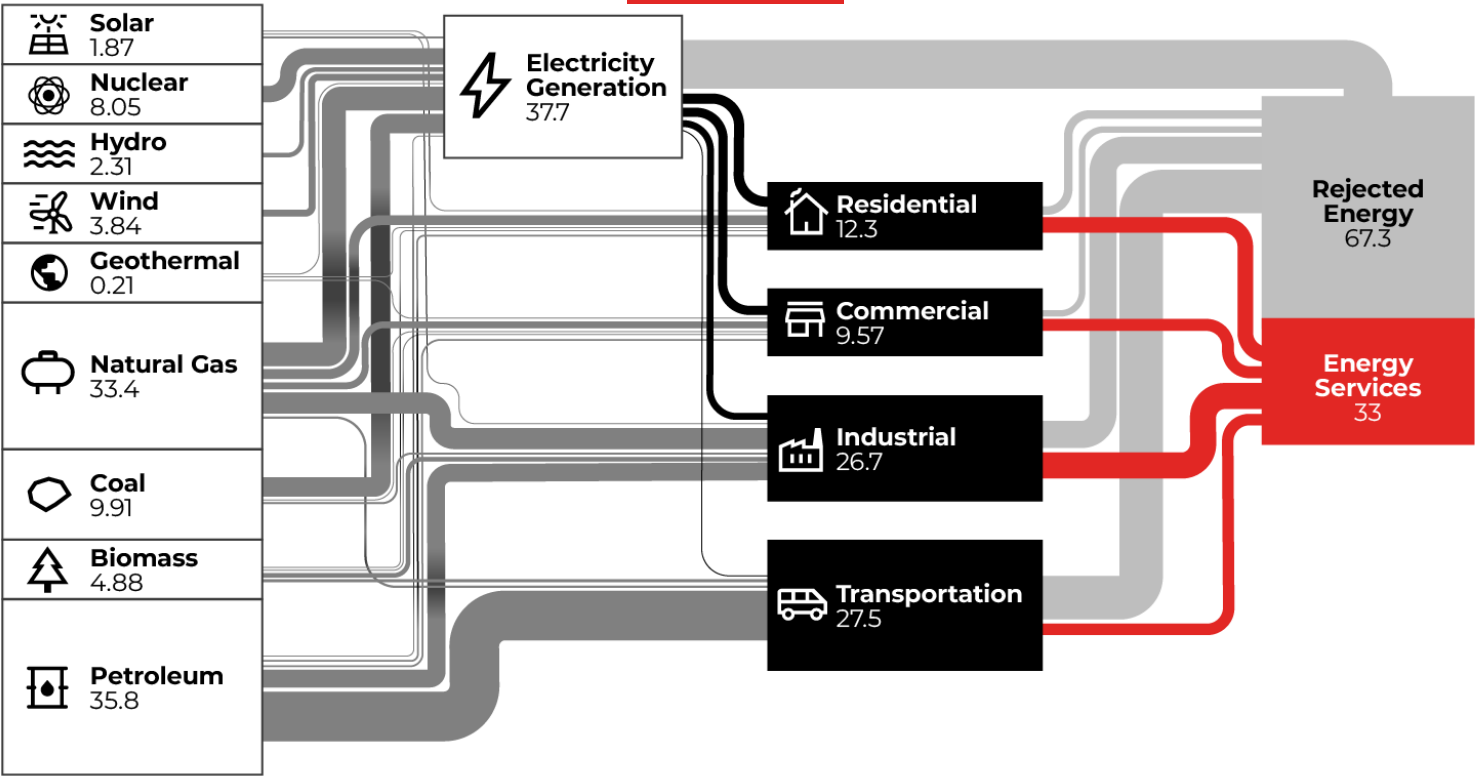
Driving a transformational shift to sustain improvements over time



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

Industrial Heating Applications

Applications in Typical Process Plant

	Shell & Tube Heat Exchangers	Steam Traced Piping systems	Gas-fired Process Heaters	Vaporizers	Fluid Reboilers	Preheating Service	Catalyst Regeneration	Bulk Fluid Storage Tanks	Analyzer Shelters	Warehouse & Maintenance
Electric/Electrode Boilers			✓		✓			✓		
Immersion Heaters	✓		✓	✓	✓	✓	✓	✓		
Environmental Heaters			✓					✓	✓	✓
Circulation Heaters	✓	✓	✓	✓	✓	✓	✓	✓		
Electric Heat Tracing	✓	✓	✓				✓	✓	✓	✓
CEMS Bundles		✓	✓				✓	✓	✓	
Removable (Blanket) Heat		✓	✓	✓		✓		✓	✓	✓

Opportunities

- Provide existing Thermon 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

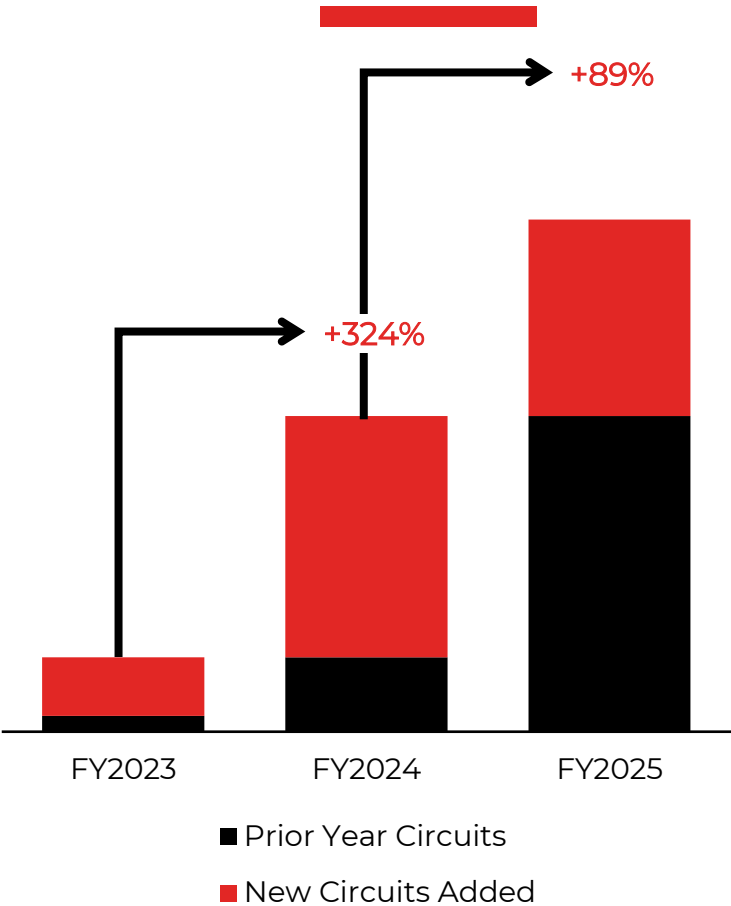


Strong Progress on Digitization Strategy

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
- Installed base growing to 58,000 circuits
- FY26 installed base growth projected at 50%

Accelerating Adoption of Genesis Network



1. New circuits added from April 1, 2024 to March 31, 2025

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 debt repayment and return of 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



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

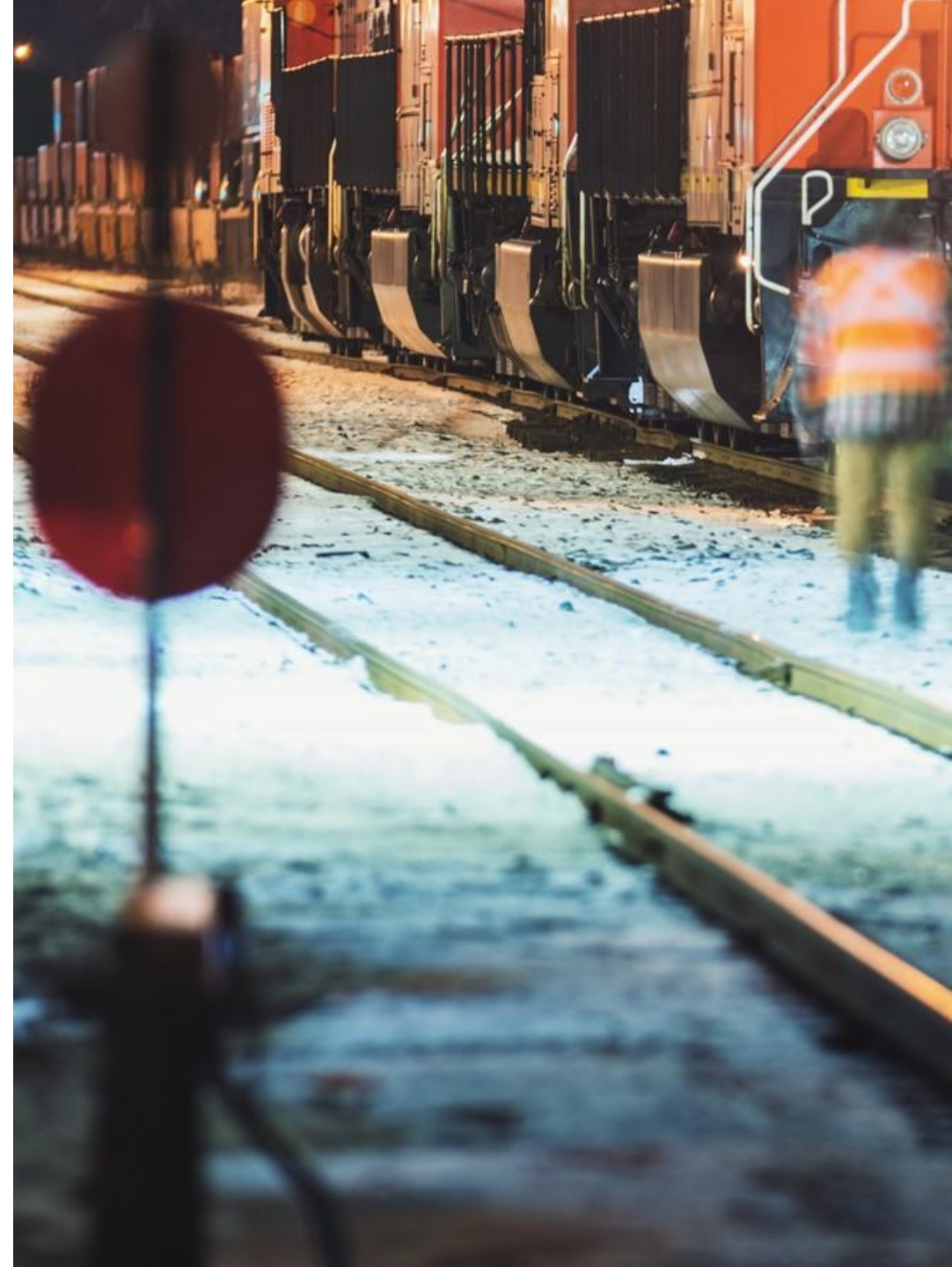
Exposure to Sizeable Opportunity in high-growth energy transition and decarbonization end markets via the electrification of industrial heat

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



First Quarter 2026 Highlights

- Revenue negatively impacted by tariff-driven booking softness and delayed backlog conversion
 - Revenues declined 5% on a reported basis and 11% organically
 - \$10 million in delayed backlog conversion expected to be recognized in coming quarters
 - FATI generated strong results with accelerating bookings momentum
- Decline in orders driven by uncertain trade environment; however, bookings momentum has turned positive with backlog growth and pipeline activity remaining robust
 - Backlog increased 27%, while total bid pipeline was up 43% from last year, largely driven by the addition of Vapor Power
- Improved mix and tariff mitigation measures offset volume declines to drive gross margin improvement
 - Improved mix, pricing actions and strong execution contributed to 30 basis point gross margin improvement
- Strong financial position and significant capital availability enables continued pursuit of growth initiatives and capital allocation priorities
 - Net leverage of only 1.0x and \$130.8 million of cash and available liquidity provide financial flexibility to pursue organic and inorganic growth
 - Returned \$9.8 million in capital through share repurchases during first quarter; \$44.5 million authorization remains



Q1 FY26 Operating Highlights

- Revenues decreased 11% organically driven by the delayed revenue conversion and tariff headwinds
 - OPEX² (Point-In-Time Sales + Over Time - Small Projects) -4.3% as reported and -11.3% organically
 - CAPEX³ (Over Time – Large Projects) -11.4% YOY
- Gross profit margin was 44.1% during the first quarter, up from 43.8% last year, owing to a more favorable revenue mix, improved profitability in OPEX sales, and productivity enhancements.
- Adjusted EBITDA was down 8.6% due to the revenue decline, combined with the continued investment in growth initiatives.
- Orders decreased 5.1% owing to the tariff headwinds; however, book-to-bill¹ for the quarter was 1.11x
- Backlog increased 27.1% as reported and was up 12.6% organically due to the recent bookings momentum and the delayed revenue conversion

USD in millions, except per share data			
	FY26 Q1	FY25 Q1	YOY%
Revenue	\$108.9	\$115.1	(5.4%)
Gross Profit	\$48.0	\$50.4	(4.7%)
Net Income	\$8.6	\$8.5	1.2%
Adjusted EBITDA	\$21.2	\$23.2	(8.6%)
EPS	\$0.26	\$0.25	4.0%
Adjusted EPS	\$0.36	\$0.38	(5.3%)
Orders	\$120.7	\$127.2	(5.1%)
Book-To-Bill ¹	1.11x	1.10x	0.01x
Backlog	\$252.2	\$198.5	27.1%



1. Book-to-bill ratio defined as orders/revenue

2. "OPEX Sales" (non-GAAP) represents Point-in-Time Sales plus Over Time - Small Projects. See table "Reconciliation of Point-in-Time and Over-Time Sales to OPEX Sales."

3. "CAPEX sales" represents large projects tied to our customers' capital expenditure budgets and are comprised of more than \$0.5 million in total revenue

Balance Sheet and Cash Flow

USD in millions,	FY26 Q1	FY25 Q1	YOY%
Cash and Cash Equivalents	\$36.5	\$49.1	(25.7%)
Total Debt	\$139.4	\$169.1	(17.6%)
Net Debt/Adj. EBITDA	1.0x	1.1x	(0.1)x
Working Capital ¹	\$172.3	\$158.0	9.1%
WC % of TTM Revenue	35.0%	31.4%	360 bps

- Free cash flow of \$8.3 million, down from last year owing to timing of collections and inventory build up for heating season
- Leverage of 1.0x down modestly from first quarter last year
- Conservative leverage and cash and available liquidity of \$131 million provide flexibility to pursue strategic initiatives

Selected Cash Flow

USD in millions,	FY26 Q1	FY25 Q1	YOY%
Net Income	\$8.6	\$8.5	1.2%
Depreciation & Amortization	\$5.7	\$5.6	1.8%
Change in Working Capital	\$0.0	\$3.2	(100.0%)
Other	(\$3.6)	(\$4.6)	(21.7%)
CFOA	\$10.7	\$12.7	(15.7%)
CAPEX	(\$2.4)	(\$3.9)	(38.5%)
Free Cash Flow	\$8.3	\$8.7	(4.6%)
FCF % of NI	97%	102%	(584) bps



Fiscal 2026 Guidance

Full Year Guidance

- CAPEX: 2.5% - 3.0% revenue
- Depreciation and amortization: ~\$23MM
- Effective tax rate: ~26%
- Assumptions:
 - Margin headwinds offset by price increases in H2
 - Strong backlog in H1 with growth slowing in H2
 - Current tariff regime remains in place with no notable improvement or escalation of trade war

USD in millions,
except per share data

FY25 Actual

FY26E

Revenue	\$498.2	\$495 – \$535
YOY%		(0.6)% – 7.4%
Net Income	\$53.5	-
EPS	\$1.57	\$1.35 – \$1.57
Adjusted EPS ¹	\$1.87	\$1.77 – \$1.99
Adjusted EBITDA ¹	\$109.2	\$104 - \$114
YOY%		(4.8)% – 4.4%
Adjusted EBITDA %	21.9%	21.0% - 21.3%



Financial Reconciliations



Reconciliation of Net Income to Adjusted EBITDA

Unaudited, in thousands

	Three Months Ended June 30,	
	2025	2024
Net income	\$ 8,581	\$ 8,511
Interest expense, net	1,961	2,847
Income tax expense	2,426	2,520
Depreciation and amortization expense	5,662	5,563
EBITDA (non-GAAP)	\$ 18,630	\$ 19,441
Stock compensation expense	1,482	1,065
Restructuring and other charges/(income) ¹	343	2,252
Transaction-related costs ²	—	239
ERP implementation-related costs	783	156
Adjusted EBITDA (non-GAAP)	\$ 21,238	\$ 23,153
Adjusted EBITDA %	19.5 %	20.1 %

¹ Fiscal 2026 charges associated with cost-cutting measures including reduction-in-force. Fiscal 2025 charges associated with cost-cutting measures including reduction-in-force and facility consolidation, of which \$0.1 million are in cost of sales.

² Fiscal 2025 charges relate to the Vapor Power acquisition.



Reconciliation of Net Income to Adjusted Net Income and Adjusted EPS

Unaudited, in thousands except per share amounts

	Three Months Ended June 30,		
	2025	2024	
Net income	\$ 8,581	\$ 8,511	
Amortization of intangible assets	3,489	3,397	Intangible amortization
Restructuring and other charges/(income) ¹	343	2,252	Operating expense and cost of sales
Transaction-related costs ²	—	239	Operating expense
ERP implementation related costs	783	156	Operating expense
Tax effect of adjustments	(1,130)	(1,449)	
Adjusted Net Income (non-GAAP)	\$ 12,066	\$ 13,106	
Adjusted Fully Diluted Earnings per Common Share (Adjusted EPS) (non-GAAP)	\$ 0.36	\$ 0.38	
Fully-diluted common shares	33,308	34,075	

¹ Fiscal 2026 charges associated with cost-cutting measures including reduction-in-force. Fiscal 2025 charges associated with cost-cutting measures including reduction-in-force and facility consolidation, of which \$0.1 million are in cost of sales.

² Fiscal 2025 charges relate to the Vapor Power acquisition.



Reconciliation of Cash Provided by Operating Activities to Free Cash Flow

Unaudited, in thousands

	Three Months Ended June 30,	
	2025	2024
Cash provided by operating activities	\$ 10,742	\$ 12,659
Cash provided by/(used in) by investing activities	(2,352)	(3,904)
Cash provided by/(used in) by financing activities	(12,640)	(8,002)
Cash provided by operating activities	\$ 10,742	\$ 12,659
Less: Cash used for purchases of property, plant and equipment	(2,421)	(3,923)
Free cash flow (non-GAAP)	\$ 8,321	\$ 8,736



Reconciliation of Point-in-Time and Over-Time Sales to OPEX Sales

Unaudited, in thousands

	Three Months Ended June 30,	
	2025	2024
Point-in-Time Sales	\$ 78,298	\$ 76,766
Over Time - Small Projects	14,996	20,737
Over Time - Large Projects	15,604	17,623
Total Over-Time Sales¹	<u>\$ 30,600</u>	<u>\$ 38,360</u>
Total Sales	<u>\$ 108,898</u>	<u>\$ 115,126</u>
Point-in-Time Sales	78,298	76,766
Over Time - Small Projects	14,996	20,737
OPEX Sales (non-GAAP)	<u>\$ 93,294</u>	<u>\$ 97,503</u>
OPEX Sales %	85.7 %	84.6 %

¹ Over Time Sales are presented as Over Time - Small Projects and Over Time - Large Projects. Over Time - Small Projects are each less than \$0.5 million in total revenue and Over Time - Large Projects are each equal to or greater than \$0.5 million in total revenue.



Appendix

Broad Range of Addressable Markets

FOOD & BEVERAGE

- 1 Bulk Food Processing & Drying
- 2 Dairy Processing
- 3 Distilling and Brewing

CHEMICAL

- 4 Chemical Processing
- 5 Fertilizer Plant
- 6 Pharmaceutical

POWER GENERATION

- 7 Combined Cycle Power

RENEWABLE ENERGY

- 8 Nuclear Power
- 9 Concentrated Solar
- 10 Wind Power
- 11 Hydrogen Plant
- 12 Biofuels
- 13 Sustainable Aviation Fuels
- 14 Thermal Energy Storage

OIL & GAS

- 15 Bitumen & Oil Production
- 16 LNG Liquification
- 17 LNG Terminal
- 18 Transmission Pipeline
- 19 Coking Unit
- 20 Distillation Units
- 21 Air Separation
- 22 Catalytic Reforming
- 23 Fluid & Gas Cracking
- 24 Sulfur Recovery
- 25 Carbon Capture

RAIL AND TRANSIT

- 26 Train Switching
- 27 Commuter Train

COMMERCIAL

- 28 Wastewater Treatment
- 29 Hot Water & Steam Systems
- 30 Fire Sprinkler Systems
- 31 Roof & Gutter Heating

STRATEGIC ADJACENCIES

- 32 Semiconductor
- 33 Mining & Minerals
- 34 EV Battery Manufacturing



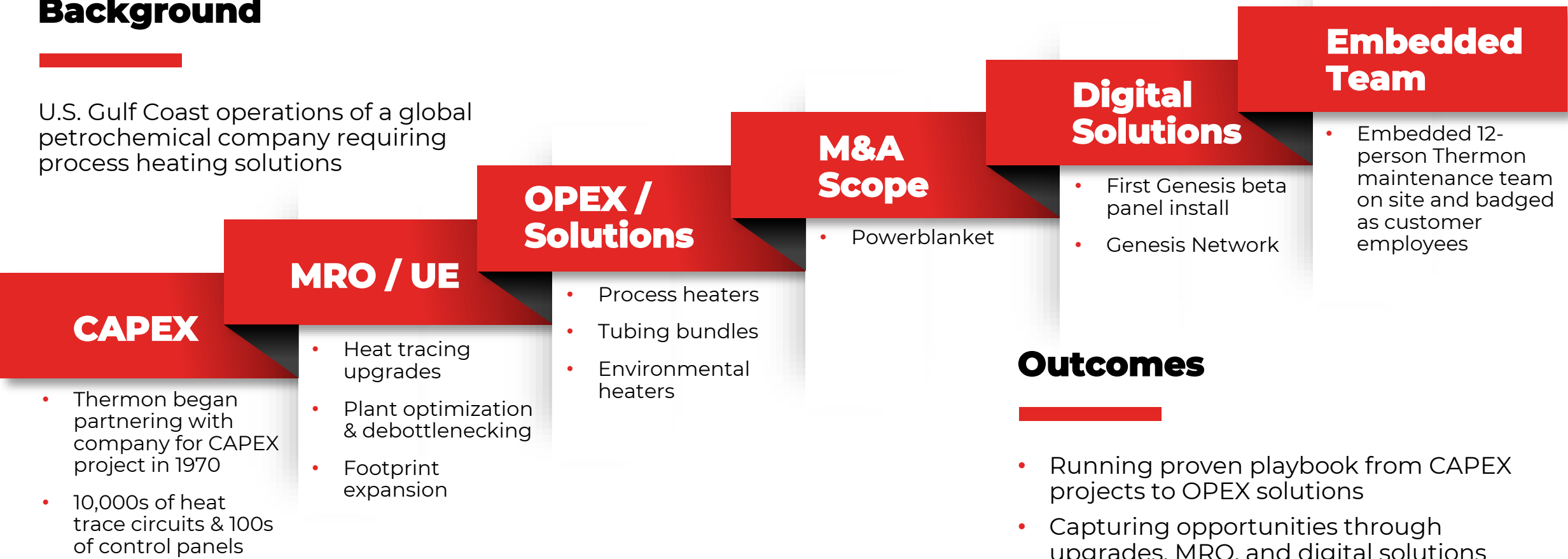
Decarbonization



Case Study | Deepening Customer Relationship

Background

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

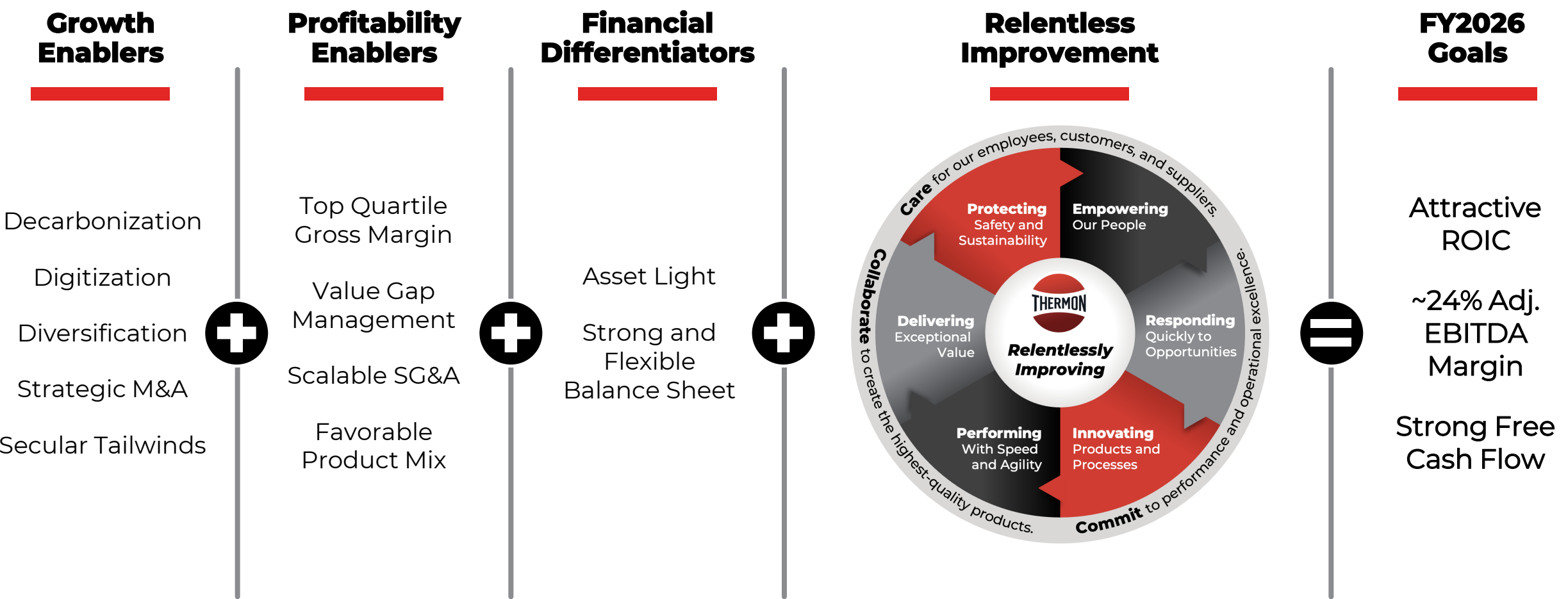


Outcomes

- 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

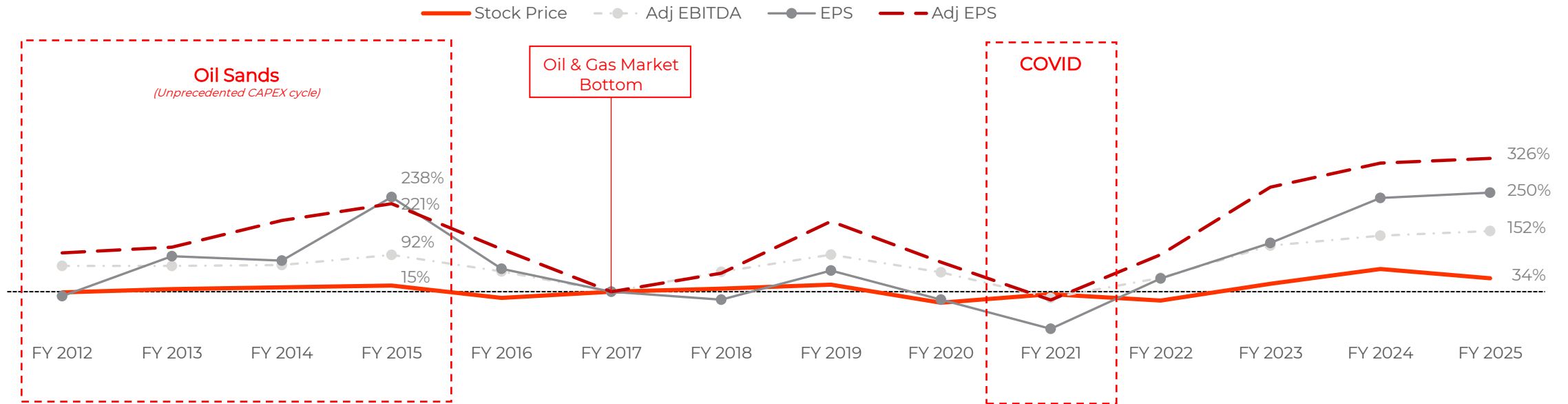


Sustainable Growth Strategy Enables Long-term Value Creation



Business Transformation Driving Earning

Financial Performance
Growth over FY2017



2011 – 2015

(Early Public Company)

- High O&G exposure(~65%) with high profitability from unprecedented **Canadian Oil Sands build out**
- High asset utilization and GM's
- High dependence on CAPEX sales

2017 – 2025

(Transformation)

- No Oil Sands projects
- Business Diversification (72% of sales non-O&G)/ Less Cyclical
- Continued expansion of installed base - strong MRO/UE business (OPEX) ~75% - 80% of sales
- Implemented Thermon business system driving improved margins

