



THERMON GROUP HOLDINGS, INC. EARNINGS PRESENTATION

FIRST QUARTER FISCAL YEAR 2026

AUGUST 7, 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.



Trailing Twelve Months Highlights

\$492MM

Total Revenue

45%

Gross Margin

22%

Adj. EBITDA Margin

\$1.85

Adjusted EPS

\$53MM

Free Cash Flow

\$30MM

Share Repurchases

\$529MM

Total Bookings

1.08x

Book-to-Bill

71%

Diverse Mkt. Sales

\$93M

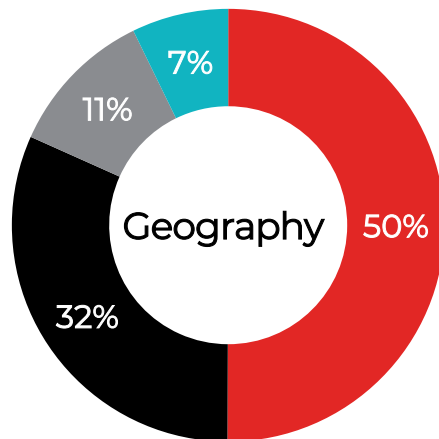
3D Initiatives Revenue

28

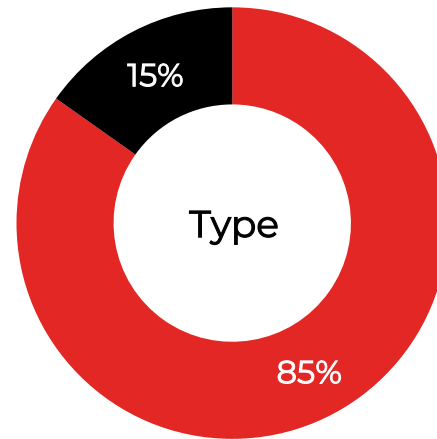
New Products

1.0x

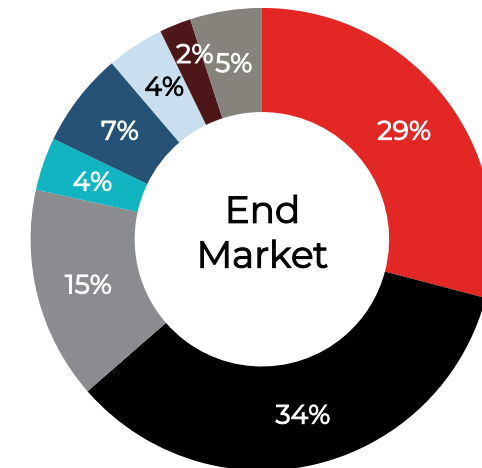
Net Leverage



USLAM CAN
EMEA APAC



OPEX Sales¹
CAPEX Sales²



O&G General Industries & Other
Chemical / Petrochemical Commercial
Renewables Strategic Adjacencies³
Power Rail & Transit

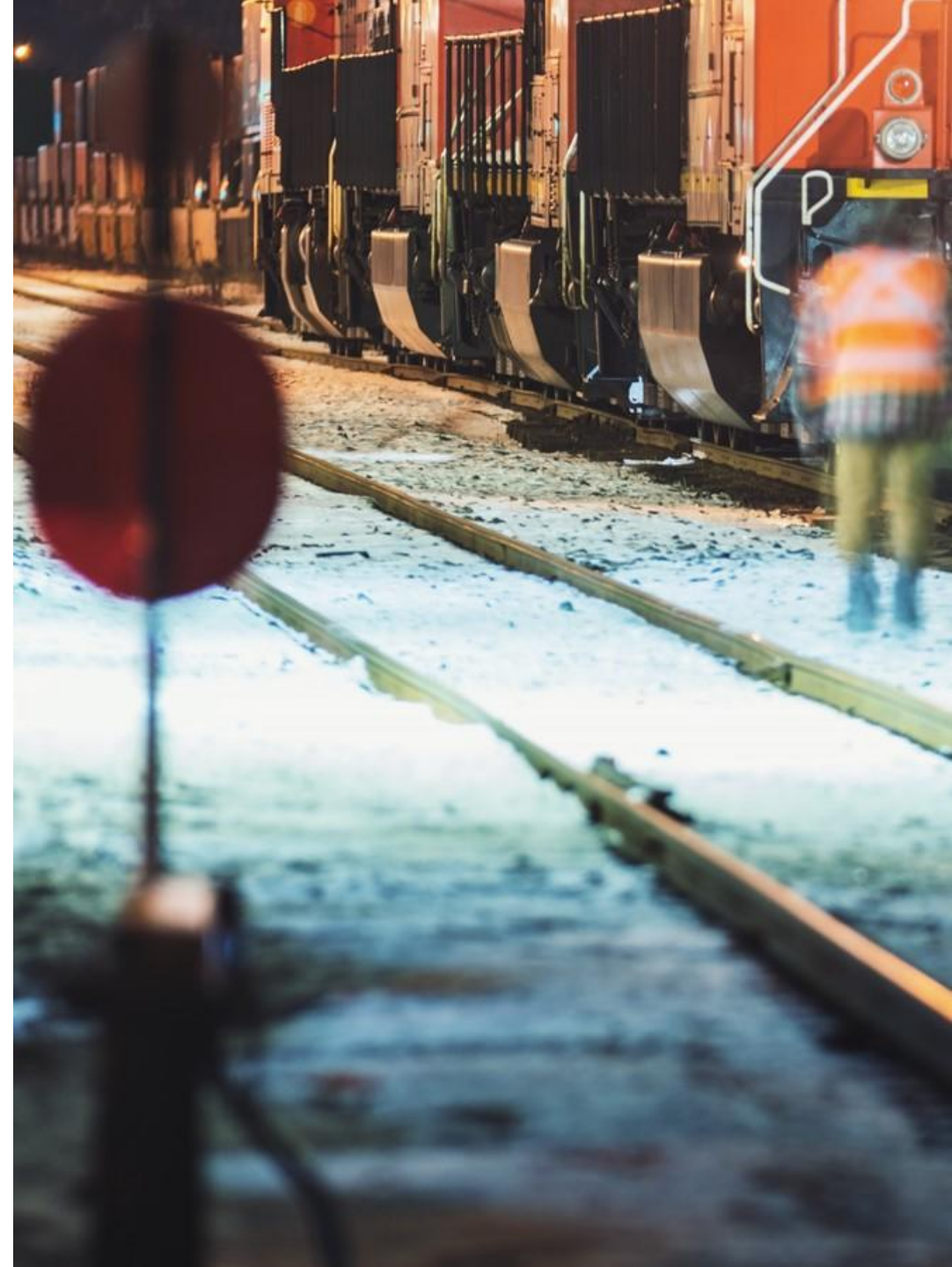


Q1 FY2026 Earnings | 3

1. "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."
2. "CAPEX sales" represents large projects tied to our customers' capital expenditure budgets and are comprised of more than \$0.5 million in total revenue
3. Includes Mining & Mineral Processing, Maritime / Shipbuilding, Semiconductors, Pharmaceutical & Biotechnology, Food & Beverage, and Data Centers

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



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 reducing earnings volatility through economic cycles



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 recent Vapor Power and FATI acquisitions
- Actively returning capital to shareholders via refreshed \$50MM share repurchase authorization
- Target 1.5x – 2.0x Net Debt to Adjusted EBITDA leverage under normal conditions

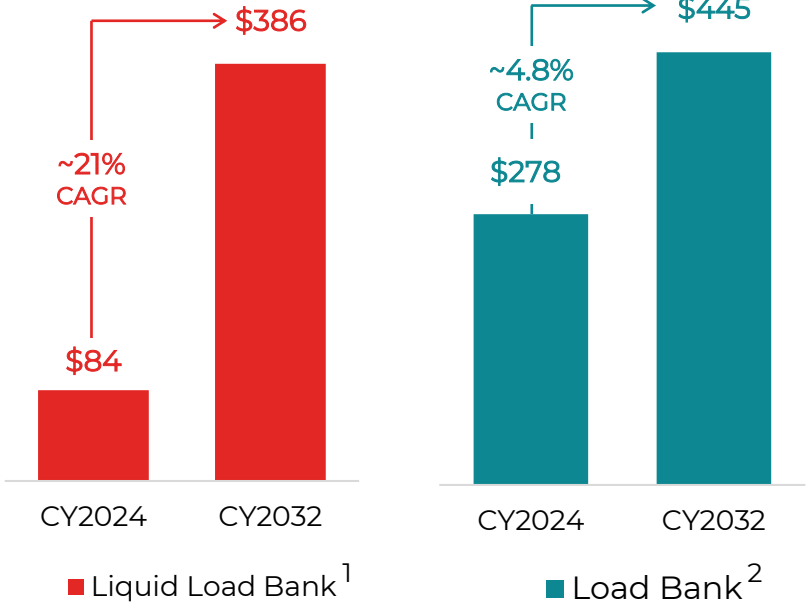
Execution on strategic pillars combined with dedicated focus on operational excellence drive long-term shareholder value creation



Positioned to Serve the Rapidly Growing Data Center Market

Market Size

USD in Millions



Market Demand

Structural shifts in technology to liquid-cooled data centers and higher load demands driving unprecedented growth:

- Liquid load banks simulate thermal and electrical loads to validate HVAC cooling systems and power distribution
- Stringent reliability requirements are driving investments in testing
- The global surge in liquid cooled data center commissioning is fueling demand

Thermon Solutions for Data Centers

- Liquid Load Banks
- Electric Heat Tracing
- Environmental Heaters
- Immersion Heaters
- CEMS/Tubing Bundles
- Removable (Blanket) Heat

Newly Launched Liquid Load Banks

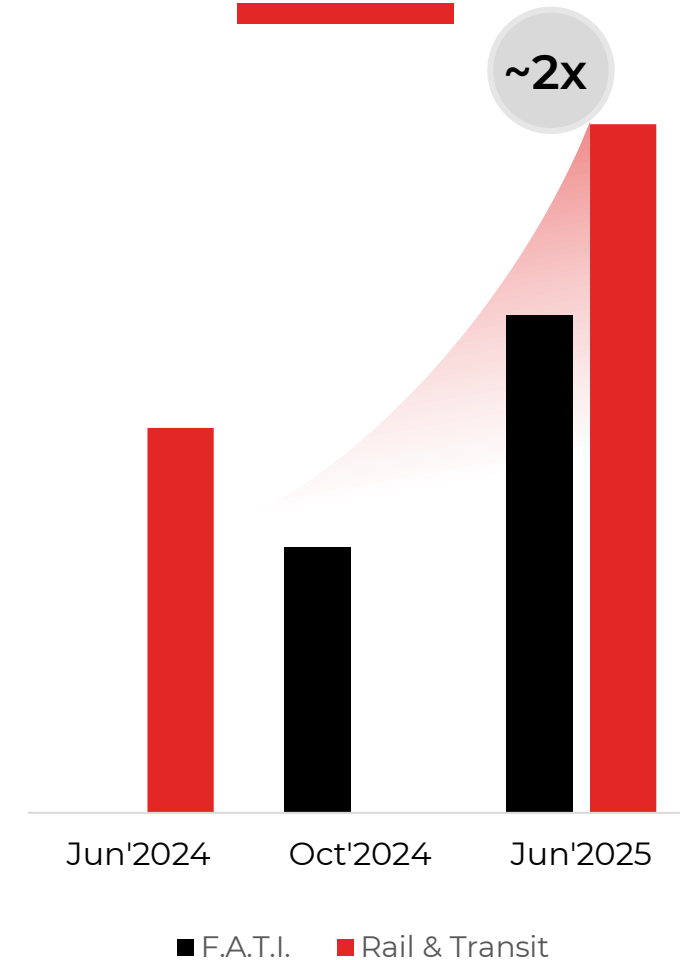


1. Thermon internal market study
2. Zion Research Market Study

Key Areas of Opportunity: Rail and Transit and F.A.T.I.

- Government subsidies driving modernization of public transit and passenger rail driving strong momentum with backlog doubling in the last 12 months.
- Through our F.A.T.I. acquisition, we are strategically positioned to capture electrification tailwinds across Europe—doubling our backlog in just six months and validating strong market momentum.
- By applying the Theron Business System, we are working diligently to unlock capacity constraints driven by strong demand and position the business for sustained, profitable, long-term growth.

Backlog Growth



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

| <i>USD in millions, except per share data</i> | 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

| <i>USD in millions,</i> | 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

| <i>USD in millions,</i> | 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

| <i>USD in millions, except per share data</i> | 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% |



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 Growth Opportunities in high-growth energy transition and decarbonization, chemicals/petrochemicals, power, data centers, onshoring in North America and government stimulus

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



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 | \$ 30,600 | \$ 38,360 |
| Total Sales | \$ 108,898 | \$ 115,126 |
| Point-in-Time Sales | 78,298 | 76,766 |
| Over Time - Small Projects | 14,996 | 20,737 |
| OPEX Sales (non-GAAP) | \$ 93,294 | \$ 97,503 |
| 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.





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