



# Second Quarter 2023 Earnings Presentation

August 2023

# 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, including Elevate 2.0, acquisition strategies, long-term goals, and financial framework and guidance, 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.

We provide non-GAAP financial measures in order to increase transparency in our operating results and trends. These non-GAAP measures eliminate certain costs or benefits from, or change the calculation of, a measure as calculated under U.S. GAAP. By eliminating these items, we believe we provide a more meaningful comparison of our ongoing operating results, consistent with how management evaluates performance. Management uses these non-GAAP measures in financial and operational evaluation, planning and forecasting.

# Second Quarter 2023 Results from Continuing Operations

## Key Takeaways

- Executed on strategy to become a pure-play food and beverage solutions provider with the sale of AeroTech; transaction closed on August 1, 2023
- AeroTech results were transitioned to discontinued operations, and prior period financial results were recast accordingly
- Year-over-year revenue growth primarily driven by acquisitions and a continued increase in recurring revenue demand
- Meaningful adjusted EBITDA margin expansion driven by price-cost realization, higher mix of recurring revenue, lower discretionary costs, and benefits from restructuring
- Excluding corporate related costs of approximately \$13 million, adjusted EBITDA margin for FoodTech operations was 19.7%, which exceeded the previous guidance range of 18.0 – 18.75% and prior year margin of 17.2%

Q2 2023

YoY

vs. Q1 2023

(\$ Millions Except EPS)

## Results from Continuing Operations

Orders	\$445	13%	10%
Backlog	\$697	4%	3%
Revenue	\$428	9%	10%
Income from Continuing Ops.	\$28	8%	69%
Adjusted EBITDA <sup>(1)</sup>	\$71	34%	31%
Adjusted EBITDA Margin <sup>(1)</sup>	16.7%	320 bps	270 bps
GAAP EPS	\$0.87	9%	74%
Adjusted EPS <sup>(1)</sup>	\$0.97	11%	62%

# Executed on Pure-Play Strategy with Sale of AeroTech for \$800M

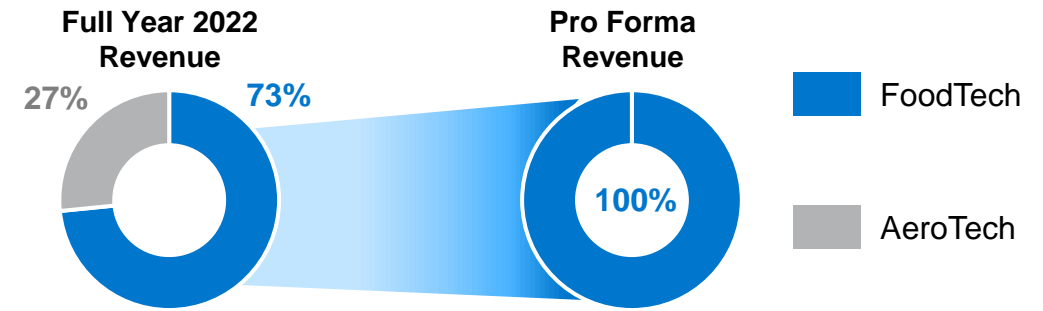
## Strategic Rationale

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- 1 Aligns with JBT's Elevate 2.0 Strategy to become a pure-play food and beverage technology solutions provider
  - 2 Enables a focused path to grow and enhance JBT's leading FoodTech franchise
  - 3 Generates cash proceeds to pursue further organic & inorganic growth in FoodTech to build a compelling portfolio of solutions for food & beverage customers
  - 4 Expected use of net proceeds consistent with stated capital allocation priorities, including repaying higher cost debt and continued deployment to strategic M&A
  - 5 Solidifies AeroTech's market leading position by combining with Oshkosh, a leading innovator of purpose-built vehicles and equipment

## Transaction Highlights

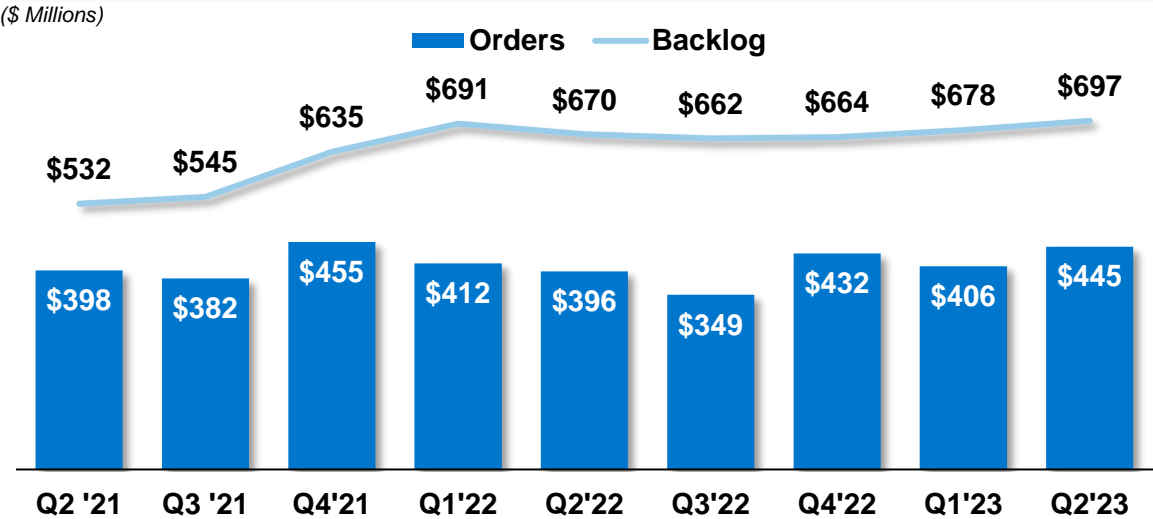
- ✓ \$800M transaction value
- ✓ 14.7x adj. EBITDA multiple (LTM as of March 31, 2023)
- ✓ All-cash consideration
- ✓ Closed on August 1, 2023
- ✓ Expected cash taxes of ~\$130M; net proceeds after taxes and transaction costs estimated to be ~\$650M
- ✓ Pro forma net leverage ratio <1.0x (as of June 30, 2023) <sup>(1)</sup>

## Pro Forma Financial Profile

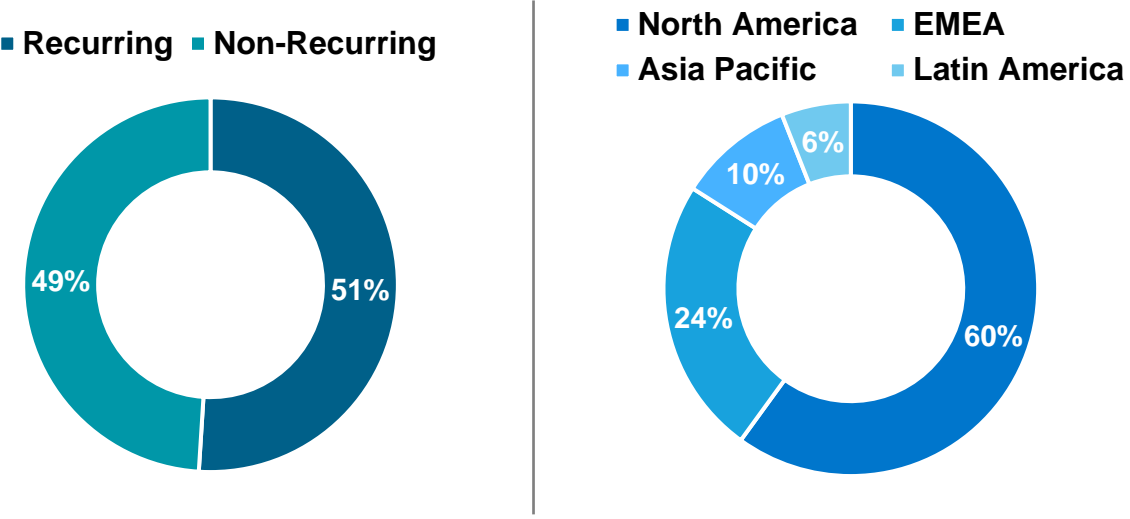


# Pure-Play Strategy Benefits: Healthy Demand from Product / End Market Diversification and Resilient Recurring Business Model

## Continuing Operations: Orders and Backlog Trend



## Continuing Operations: Q2 2023 Revenue Breakdown

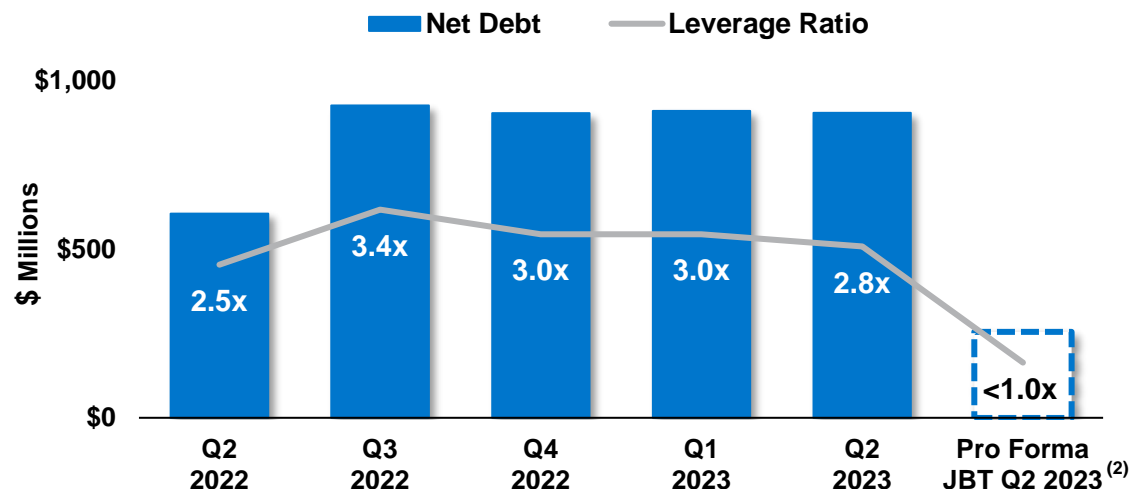


## Key Takeaways

- Q2 2023 orders totaled \$445M and were driven by healthy demand in several diverse end markets, including pharmaceuticals, nutraceuticals, and AGV
- Protein processing customers continued to experience a weak price-cost and demand environment, impacting their profitability and investment decisions
- Q2 2023 recurring revenue was 51% vs. 46% in prior year, which was an increase of \$36M
- In terms of geography, the largest revenue contribution was from North America

# Strong Balance Sheet to Support JBT Initiatives

## Net Debt and Leverage Ratio <sup>(1)</sup>



## Key Metrics as of June 30, 2023

Total Net Debt / TTM Pro Forma Adj. EBITDA <sup>(3)</sup>	2.8x
Financial Liquidity <sup>(4)</sup>	~\$600M
YTD Free Cash Flow from Continuing Operations <sup>(3)</sup>	\$29M

## Key Takeaways

- Approximately \$650M of total outstanding debt (as of June 30, 2023) is at low-cost, fixed rates with remainder of debt at variable rates
- AeroTech sale provides approximately \$650M of net cash proceeds after taxes and transaction costs; expect to pay down approximately \$300M of higher-cost, variable rate debt with the remaining portion expected to be held in short-term securities until redeployed to strategic M&A
- Ability to deploy approximately \$1B for strategic M&A while maintaining disciplined financial leverage

Note: Figures may have immaterial differences due to rounding.

(1) Leverage ratio represents net debt to TTM pro forma adjusted EBITDA, which is inclusive of EBITDA related to acquisitions in the prior twelve months.

(2) Pro forma JBT leverage as of Q2 2023 reflects the net impacts from the sale of AeroTech, which includes adjusted EBITDA from continuing operations, adjusted EBITDA from acquired businesses, and net cash proceeds from the sale of AeroTech.

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

(4) Financial liquidity is defined as cash plus borrowing capacity under our credit facilities as of June 30, 2023.

# 2023 Outlook

## Continuing Operations Updated Guidance

\$ millions except EPS	YTD Actuals June 30, 2023	Q3 2023 Guidance	FY 2023 Guidance
Revenue	\$816	\$410 – \$425	\$1,670 – \$1,720
Income from Continuing Ops.	\$44	\$21 – \$26	\$104 – \$112
Adjusted EBITDA <sup>(1)</sup>	\$126	\$63 – \$68	\$263 – \$278
GAAP EPS	\$1.37	\$0.65 – \$0.80	\$3.25 – \$3.50
Adjusted EPS <sup>(1)</sup>	\$1.57	\$0.90 – \$1.05	\$3.80 – \$4.05

## Previous FY 2023 Guidance Bridge

\$ millions except EPS	Previous Total JBT Guidance	Previous AeroTech Guidance	Implied Previous Continuing Ops.
Revenue	\$2,315 – \$2,385	(\$645 – \$655)	\$1,670 – \$1,730
Net income	\$145 – \$161	(\$56 – \$59)	\$89 – \$102
Adjusted EBITDA	\$330 – \$360	(\$77 – \$82)	\$253 – \$278
GAAP EPS	\$4.50 – \$5.00	(\$1.75 – \$1.85)	\$2.75 – \$3.15
Adjusted EPS	\$5.00 – \$5.50	(\$1.75 – \$1.85)	\$3.25 – \$3.65

*Note: The table above provides a bridge from the previous FY 2023 JBT guidance provided on April 25, 2023, to the implied continuing operations guidance, which removes previous AeroTech guidance. It does not include any other impacts from the sale of AeroTech, including any go forward stranded costs, allocated interest expense, and transaction related expenses.*

## Additional Modeling Details for Updated Outlook

### Q3 2023 Continuing Operations

- Included in adjusted EBITDA is approximately \$16M in corporate related costs
- Interest expense is anticipated to be approximately \$2M, which includes the benefits from the net proceeds from the AeroTech sale; additionally, JBT expects to incur approximately \$7 – \$8M in restructuring expense, \$1M in LIFO expense, and \$2 – \$3M in M&A related costs; the tax rate is estimated to be 22 – 23%

### Full Year 2023 Continuing Operations

- Included in adjusted EBITDA is approximately \$57 – \$60M in corporate related costs
- Interest expense is anticipated to be approximately \$14M, which includes the benefits from the net proceeds from the AeroTech sale; additionally, JBT expects to incur approximately \$11 – \$13M in restructuring expense, \$4M in LIFO expense, and \$7M in M&A related costs; the tax rate is estimated to be 22 – 23%
- Pursuing additional restructuring actions in 2023 to further optimize cost structure; JBT now expects total cost of the restructuring program, which was initiated in 2H 2022, to be \$16 – \$18M; restructuring actions are expected to generate annualized run-rate savings of \$18 - \$20M by mid-2024



*Note: Figures may have immaterial differences due to rounding.  
(1) Non-GAAP figures. Please see appendix for reconciliation.*



# Appendix

## Non-GAAP Reconciliations



# Non-GAAP Financial Measures

- *Free cash flow:* We define free cash flow as cash provided by operating activities, less capital expenditures, plus proceeds from sale of fixed assets and pension contributions. For free cash flow purposes, we consider contributions to pension plans to be more comparable to payment of debt, and therefore exclude these contributions from the calculation of free cash flow.
- *Adjusted net income and Adjusted diluted earnings per share:* We adjust earnings for restructuring related costs, LIFO expense, and M&A related costs, which include the amortization of inventory step-up from business combinations.
- *EBITDA and Adjusted EBITDA:* We define EBITDA as earnings before income taxes, interest expense and depreciation and amortization. We define adjusted EBITDA as EBITDA before restructuring, LIFO expense, pension expense other than service cost, and M&A related costs.

# Reconciliation of Income from Continuing Operations to Adjusted EBITDA

(In millions)	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022
Income from continuing operations	\$ 27.7	\$ 16.4	\$ 29.7	\$ 25.7	\$ 25.7	\$ 19.9
Income tax provision	8.4	4.4	4.0	5.8	4.2	1.3
Interest expense, net	7.1	6.5	5.5	3.2	2.1	1.8
Depreciation and amortization	23.5	22.7	20.8	18.8	18.0	18.6
EBITDA from continuing operations	66.7	50.0	60.0	53.5	50.0	41.6
Restructuring related costs <sup>(1)</sup>	2.5	0.8	4.2	1.5	0.8	0.8
Pension expense, other than service cost	0.2	0.2	(0.1)	0.1	-	-
M&A related costs <sup>(2)</sup>	1.1	2.5	2.7	4.4	1.9	2.6
LIFO expense	0.9	0.9	1.9	1.1	0.5	0.1
Adjusted EBITDA from continuing operations	<u>\$ 71.4</u>	<u>\$ 54.4</u>	<u>\$ 68.7</u>	<u>\$ 60.6</u>	<u>\$ 53.2</u>	<u>\$ 45.1</u>
Total revenue	\$ 427.7	\$ 388.5	\$ 441.2	\$ 398.8	\$ 394.0	\$ 356.3
Adjusted EBITDA %	16.7%	14.0%	15.6%	15.2%	13.5%	12.7%

(1) Includes restructuring expense as well as any charges reported in cost of products for restructuring related inventory write-offs.

(2) 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.

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
(In millions, except per share data)				
Income from continuing operations	\$ 27.7	\$ 25.7	\$ 44.1	\$ 45.6
Non-GAAP adjustments				
Restructuring related costs	2.5	0.8	3.3	1.6
M&A related costs	1.1	1.9	3.6	4.5
LIFO expense	0.9	0.5	1.8	0.6
Impact on tax provision from Non-GAAP adjustments	(1.2)	(0.9)	(2.3)	(2.0)
Adjusted income from continuing operations	<u>\$ 31.0</u>	<u>\$ 28.0</u>	<u>\$ 50.5</u>	<u>\$ 50.3</u>
Income from continuing operations	\$ 27.7	\$ 25.7	\$ 44.1	\$ 45.6
Total shares and dilutive securities	32.1	32.1	32.1	32.1
Diluted earnings per share from continuing operations	<u>\$ 0.87</u>	<u>\$ 0.80</u>	<u>\$ 1.37</u>	<u>\$ 1.42</u>
Adjusted income from continuing operations	\$ 31.0	\$ 28.0	\$ 50.5	\$ 50.3
Total shares and dilutive securities	32.1	32.1	32.1	32.1
Adjusted diluted earnings per share from continuing operations	<u>\$ 0.97</u>	<u>\$ 0.87</u>	<u>\$ 1.57</u>	<u>\$ 1.57</u>

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

(In millions)	Q2 2023	
	QTD	YTD
Cash provided by operating activities	\$ 51.2	\$ 62.6
Less: Capital expenditures	19.0	35.3
Plus: Proceeds from disposal of assets	0.4	0.5
Plus: Pension contributions	1.2	1.5
Free cash flow	<u>\$ 33.8</u>	<u>\$ 29.3</u>
Income from continuing operations	\$ 27.7	\$ 44.1
<i>Free cash flow %</i>	<i>122%</i>	<i>66%</i>

# Leverage Ratio Calculations

(In millions)

	Q2 2023
Total debt	\$ 950.5
Cash and cash equivalents <sup>(1)</sup>	(44.7)
Net debt	905.8
Other items considered debt under the credit agreement	17.7
Consolidated total indebtedness <sup>(2)</sup>	<u>\$ 923.5</u>
Trailing twelve months Adjusted EBITDA from continuing operations	\$ 255.1
Trailing twelve months Adjusted EBITDA from discontinued operations	\$ 62.8
Pro forma EBITDA of recent acquisitions <sup>(3)</sup>	3.1
Trailing twelve months pro forma Adjusted EBITDA	321.0
Other adjustments net to earnings under the credit agreement	(5.4)
Consolidated EBITDA <sup>(2)</sup>	<u>\$ 315.6</u>
Bank total net leverage ratio (Consolidated Total Indebtedness / Consolidated EBITDA)	2.9x
Total net debt to trailing twelve months pro forma Adjusted EBITDA	2.8x

(1) Cash and cash equivalents includes cash amounts reported in assets held for sale.

(2) As defined in the credit agreement.

(3) Pro forma EBITDA related to the acquisitions in the prior twelve months.

# Recurring vs. Non-recurring Revenue

Type of Good or Service	As of June 30, 2023	
	QTD	YTD
Recurring <sup>(1)</sup>	\$ 217.1	\$ 436.4
Non-recurring <sup>(1)</sup>	210.6	379.8
Total	<u>\$ 427.7</u>	<u>\$ 816.2</u>
<i>% of recurring</i>	<i>51%</i>	<i>53%</i>

(1) 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.

# Reconciliation of Diluted Earnings Per Share from Continuing Operations to Adjusted Diluted Earnings Per Share Guidance

(In cents)	Guidance Q3 2023	Guidance Full Year 2023
Diluted earnings per share from continuing operations	\$0.65 - \$0.80	\$3.25 - \$3.50
Non-GAAP adjustments:		
Restructuring related costs <sup>(1)</sup>	0.23	0.37
M&A related costs <sup>(2)</sup>	0.06	0.22
LIFO expense <sup>(3)</sup>	0.03	0.11
Impact on tax provision from Non-GAAP adjustments <sup>(4)</sup>	(0.07)	(0.15)
Adjusted diluted earnings per share from continuing operations	<u>\$0.90 - \$1.05</u>	<u>\$3.80 - \$4.05</u>

(1) Restructuring related costs is estimated to be approximately \$7 - \$8 million and \$11 - \$13 million for the third quarter and full year 2023, respectively. The mid-point amount has been divided by our estimate of 32.1 million total shares and dilutive securities to derive earnings per share.

(2) M&A related costs are estimated to be \$1.5 million and \$7 million for the third quarter and full year 2023, respectively. The mid-point has been divided by our estimate of 32.1 million total shares and dilutive securities to derive earnings per share.

(3) LIFO expense is estimated to be approximately \$1 million and \$4 million for the third quarter 2023 and full year 2023, respectively. The mid-point amount has been divided by our estimate of 32.1 million total shares and dilutive securities to derive earnings per share.

(4) Impact on tax provision was calculated using the Company's effective tax rate of approximately 22-23%.

# Reconciliation of Income from Continuing Operations to Adjusted EBITDA Guidance

(In millions)	Guidance Q3 2023	Guidance Full Year 2023
Income from continuing operations	\$21.0 - \$26.0	\$104.0 - \$112.0
Income tax provision	~7.0	31.0 - 33.0
Interest expense, net	~2.0	~14.0
Depreciation and amortization	~23.0	90.0 - 95.0
EBITDA from continuing operations	53.0 - 58.0	239.0 - 254.0
Restructuring related costs	~7.5	~12.0
Pension expense, other than service cost	-	~1.0
M&A related costs	~1.5	~7.0
LIFO expense	~1.0	~4.0
Adjusted EBITDA from continuing operations	<u>\$63.0 - \$68.0</u>	<u>\$263.0 - \$278.0</u>