

LASER FOCUSED GROWTH

SOMERO
ENTERPRISES, INC.

2022 RESULTS PRESENTATION



2022 IN REVIEW



2022 HIGHLIGHTS

Revenue

US\$ 133.6m

2021 133.3

2020 88.6

Adjusted EBITDA¹

US\$ 46.0m

2021 47.8

2020 26.1

Ordinary dividend per share

US\$ 0.28

2021 0.31

2020 0.17

- Record setting revenue surpassing extraordinary 2021 result driven by a healthy, active North American market
- Record contribution from Europe and Australia reflects added selling & customer support staff, introducing new products to market
- Exceptional operational performance to reliably deliver equipment and convert strong demand into revenue
- Investments for growth including Houghton expansion to add operational & engineering capacity, addition of global sales and customer support positions
- Generated strong profits and operating cash flow to fund investment and record 2022 dividend payments, and to provide secure year-end financial position

1. Adjusted EBITDA as used herein is a calculation of the Company's net income plus tax provision, interest expense, interest income, foreign exchange loss, other expense, depreciation, amortization stock-based compensation and non-cash lease expense.

2022 RESULTS

FINANCIAL HIGHLIGHTS

US\$ MILLIONS (EXCEPT PER SHARE DATA)	2022	2021	CHANGE \$	CHANGE %
Revenue	133.6	133.3	0.3	23bps
Adjusted EBITDA ^(1,2)	46.0	47.8	(1.8)	-3.8%
Adjusted EBITDA margin ^(1,2)	34%	36%		-200bps
Profit before tax	40.8	44.6	(3.8)	-8.5%
Adjusted net income ^(1,3)	31.0	34.8	(3.8)	-11%
Diluted adjusted net income per share ^(1,3)	\$0.55	\$0.61	\$(0.06)	-9.8%
Cash flow from operations	27.8	36.9	(9.1)	-25%
Net cash ⁽⁴⁾	33.7	42.1	(8.4)	-20%
Ordinary dividend per share	\$0.2778	\$0.3102	\$(0.0324)	-10%
Supplemental dividend per share	\$0.0770	\$0.1970	\$(0.1200)	-61%

Notes:

(1) Non-US GAAP financial measures are used to provide supplemental information regarding operating performance. Further information regarding non-GAAP measures is below.

(2) Adjusted EBITDA is defined as Company net income plus tax provision, interest expense, interest income, foreign exchange loss, other expense, depreciation, amortization, and stock-based compensation.

(3) Adjusted net income is a calculation of net income plus amortization of intangibles and excluding the tax impact of stock option and RSU settlements and other special items.

(4) Net cash is defined as cash and cash equivalents less borrowings under bank obligations exclusive of deferred financing costs.

SALES BY TERRITORY



US\$ MILLIONS	2022	2021	CHANGE \$	CHANGE %
North America ⁽¹⁾	\$ 101.8	\$ 106.6	\$ (4.8)	-5%
Europe	14.9	12.1	2.8	23%
Australia	8.4	6.1	2.3	38%
Rest of World ⁽²⁾	<u>8.5</u>	<u>8.5</u>	<u>-</u>	<u>-</u>
TOTAL⁽³⁾	\$ 133.6	\$ 133.3	\$ 0.3	23bps

Notes:

(1) H1 2022 revenues in North America were US\$ 55.6m (H1 2021: US\$ 50.9m), while H2 2022 revenues were US\$ 46.2m (H2 2021: US\$ 55.7m)

(2) ROW includes Latin America, India, Southeast Asia, Korea, Middle East and China

(3) H1 2022 total revenues were US\$ 68.5m (H1 2021: US\$ 64.4m), while H2 2022 revenues were US\$ 65.1m (H2 2021: US\$ 68.9m)

SALES BY PRODUCT



US\$ MILLIONS	2022	2021	CHANGE \$	CHANGE %
Boomed screeds ⁽¹⁾	\$ 67.2	\$ 65.4	\$ 1.8	3%
Ride-on screeds ⁽²⁾	19.5	21.3	(1.8)	-8%
Remanufactured machines	6.9	4.8	2.1	44%
3-D Profiler System®	8.7	10.0	(1.3)	-13%
Somero Line Dragon®	1.7	4.2	(2.5)	-60%
SkyScreed®	1.1	0.9	0.2	22%
Other ⁽³⁾	<u>28.5</u>	<u>26.7</u>	<u>1.8</u>	<u>7%</u>
TOTAL	\$ 133.6	\$ 133.3	\$ 0.3	23bps

Notes:

(1) Boomed Screeds include the S-28EZ, S-22EZ, S-15R, SRS-4, and S-10A.

(2) Ride-On Screeds include the S-940, S-485, and S-158.

(3) Other includes parts, accessories, services and freight, as well as other equipment such as the Broom+Cure™, STS-11M Topping Spreader, CopperHead®, Mini Screed® C, SkyStrip® and S-PS50

OPERATING RESULTS



US\$ MILLIONS	2022	2021
Revenue	\$ 133.6	\$ 133.3
Gross profit	76.2	76.9
Operating expenses:		
Selling, marketing & customer support	14.3	12.6
Engineering & product development	2.6	2.1
General & administrative	<u>16.2</u>	<u>17.0</u>
Total operating expenses	<u>33.1</u>	<u>31.7</u>
Operating income	43.1	45.1
Other income (expense)	<u>(2.3)</u>	<u>(0.5)</u>
Income before income taxes	40.8	44.6
Provision for income taxes	<u>9.7</u>	<u>9.8</u>
Net income	<u>\$ 31.1</u>	<u>\$ 34.8</u>

Commentary:

- Healthy gross margin reflects price increases that offsets inflationary cost increases and higher mix of remanufactured equipment sales
- Higher operating costs due to '21-'22 hires in sales, customer support and product development functions, increased travel and marketing, offset partly by reduced incentive compensation, and non-recurring China reorganization expenses
- Includes foreign currency impacts on intercompany transactions
- Effective tax rate increased to 23.8% from 22.0% reduced foreign income credits and new tax rules requiring capitalization of R&D expense

FINANCIAL POSITION



US\$ MILLIONS	DECEMBER 31, 2022	DECEMBER 31, 2021	Commentary:
Cash	\$ 33.7	\$ 42.1	<ul style="list-style-type: none"> • Cash decreased due to record 2022 dividend payments and increased working capital requirements
Accounts receivable, net	10.3	7.7	
Inventory	18.8	14.3	
Prepaid & other	<u>2.1</u>	<u>1.6</u>	<ul style="list-style-type: none"> • Accounts receivable increase relates to timing of year end sales to be collected in early 2023
Total current assets	64.9	65.7	
Other assets	<u>34.1</u>	<u>31.7</u>	<ul style="list-style-type: none"> • Higher inventory necessary to stock growing international operations and mitigate risks of supply chain shortages
Total assets	<u>\$ 99.0</u>	<u>\$ 97.4</u>	
Current liabilities	18.7	17.9	<ul style="list-style-type: none"> • No significant change in liabilities, in line with volume of business
Other liabilities	<u>3.2</u>	<u>3.8</u>	
Total liabilities	21.9	21.7	
Stockholders' equity	<u>77.1</u>	<u>75.7</u>	
Total liabilities & equity	<u>\$ 99.0</u>	<u>\$ 97.4</u>	

CASH FLOWS



US\$ MILLIONS	2022	2021
Net income	\$ 31.1	\$ 34.8
Adjustments to reconcile to cash provided by operating activities	2.0	3.1
Working capital changes	<u>(5.3)</u>	<u>(1.0)</u>
Net cash provided by operating activities	<u>27.8</u>	<u>36.9</u>
Net cash used in investing activities	(5.2)	(6.2)
Payment of dividends	(29.0)	(22.4)
Payment under financing leases	(0.2)	(0.2)
Share buy-back	(1.4)	(1.0)
RSUs settled for cash	<u>(1.1)</u>	<u>(0.7)</u>
Net cash used in financing activities	(31.7)	(24.3)
Effect of exchange rates on cash	<u>0.7</u>	<u>0.4</u>
Net increase (decrease) in cash	<u>\$ (8.4)</u>	<u>\$ 6.8</u>

Commentary:

- Cash from operations declined due to increased working capital requirements tied primarily to inventory and modestly reduced net income
- Capital investment decreased compared to '21 due to completion of \$9.5m Houghton facility expansion with no significant projects planned for '23
- Record '22 dividend payments included US\$ 12.4m '21 final ordinary dividend, US\$ 11.1m '21 supplemental dividend, and US\$ 5.5m '22 interim dividend
- Repurchased US\$ 1.4m of common stock under the Company's share buy-back program

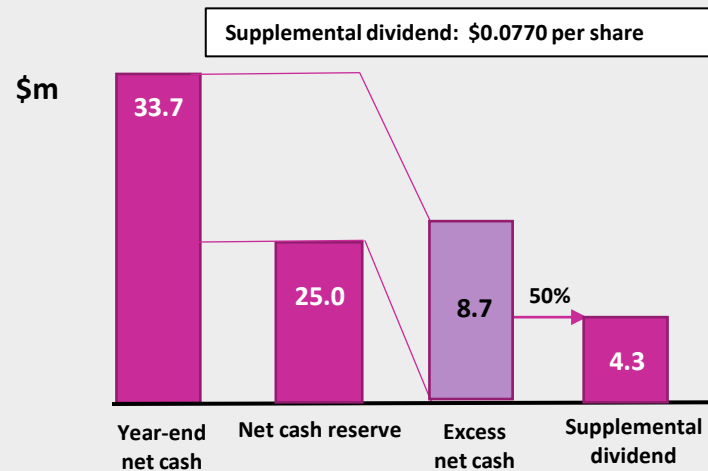
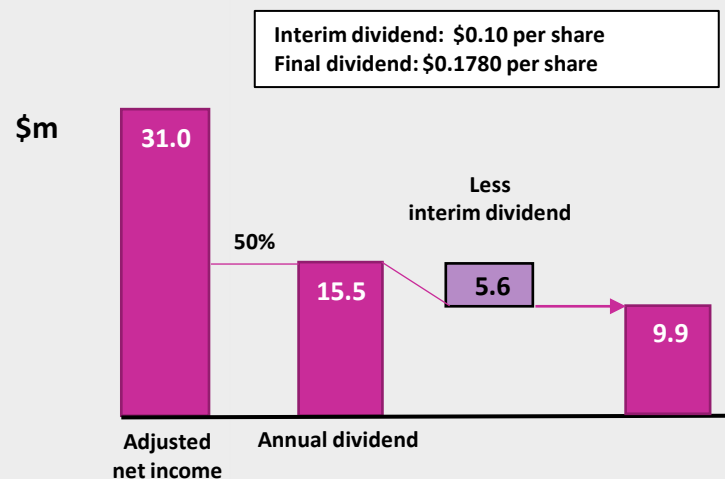
DIVIDEND

Ordinary Dividend:

The dividend payout ratio is 50% of adjusted net income.

Supplemental Dividend:

50% of net cash in excess of US\$ 25.0m year-end reserve target is paid as a supplemental dividend alongside the final ordinary dividend.



STRATEGY UPDATE & OUTLOOK

LONG-TERM GROWTH



PRODUCT INNOVATION

Pushing the industry forward with innovative solutions to help customers increase speed, productivity & safety and deliver the high-quality concrete slabs for building owners.

- S-28EZ significantly contributed to 2022 boomed screed growth
- Growing contribution from new products
- Active period of jobsite visits, customer innovation councils – sets stage for next round of new products

2022 New Product Revenues*

US\$ 4.2m

* SkyScreed® 36, SkyStrip™, Broom+Cure™ & S-PS50®

Patents & Applications

100+



INTERNATIONAL MARKETS

Growing our presence in targeted global markets by promoting wide-placement theory & quality concrete flooring standards and increasing penetration across our range of products.

- Increased Australia & European teams by a combined 7 positions in H2 '21 through '22
- Introduced SkyScreed to Australia & Europe in H2 '22
- Introduced EcoScreed, entry-level ride-on screed to EU in H2 '22

Non-Operational Staff Based Outside US

25%

2022 International Revenue Growth %

19%

PRODUCT DEVELOPMENT

The **S-28EZ** introduced an innovative active counter-weighting system to support a 25 foot boom design, an extra 5 feet from the S-22EZ, increasing productivity for customers. The success of the S-28EZ in '22 was the primary driver of boomed screed sales growth this year.



S-28EZ

New products in the portfolio targeting new markets (SkyScreed® 36, SkyStrip™, Broom+Cure™ & S-PS50®) combined for US\$ 4.2m in '22 revenue. These products expand our market to provide long-term growth opportunities, and we continue to make measured progress toward broader, global market acceptance.



'22 was an active year setting the stage for **future development**. Customers continue to guide the company to identify solutions to address customer pain points, to explore new technologies that improve machine performance and the ease of operation & maintenance.



PRODUCTS & APPLICATIONS



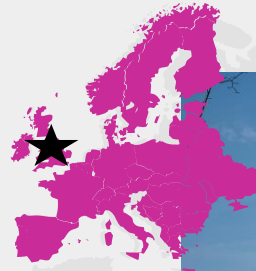
RELEASE	PRODUCT	APPLICATION	MARKET
BOOMED SCREEDS:			
2022	S-PS50	25,000-50,000+ ft ² placements warehouses, manufacturing assembly plants, tilt-panel and agricultural buildings	SLAB ON GRADE
2022	S-28EZ		
2014	S-22EZ (re-launch in '23)		CAST-IN- PLACE
2012	S-15R		
2015	S-10A		
2020	SRS-4		
RIDE-ON SCREEDS:			
2016	S-940	5,000-30,000 ft ² placements schools, medical and retail centers, multi-level commercial construction, agricultural buildings	SLAB ON GRADE
2014	S-485		SLAB ON DECK
2018	S-158C		
WALK-BEHIND SCREEDS:			
2009	Mini Screed™	Small commercial, residential and multi-level placements	SLAB ON GRADE
2002	CopperHead® XD™ 3.0		SLAB ON DECK
MATERIAL APPLICATION:			
2012	STS-11M	Projects involving concrete hose pumps, projects requiring dry shake-on hardener, applying curing agents and texture to exterior concrete slabs	SLAB ON GRADE
2017	Somero Line Dragon		SLAB ON DECK
2020	Somero Broom + Cure™		
GRADING / EXTERIOR PAVING:			
2004	SiteShape® System	Exterior concrete paving and parking structures, exterior sub-grade	SLAB ON GRADE
2000	3-D Profiler System®		
SKYLINE:			
2020	SkyScreed® 36	Screeding on structural high- rise and slab-on grade applications	HIGH-RISE STRUCTURAL
2021	SkyStrip®		

INTERNATIONAL GROWTH EUROPE



Europe

- ❖ US\$ 14.9m in revenue in 2022, growing 23% from US\$ 12.1m in 2021, and over 270% from the US\$ 8.6m in 2020
- ❖ 14-person European team grew 40% in H2 '21 and '22
- ❖ 75% of '22 growth came from target countries within region
- ❖ Sold 10 different types of equipment in '22 vs. 8 in '20



INTERNATIONAL GROWTH AUSTRALIA



Australia

- ❖ US\$ 8.4m in revenue in 2022, growing 38% from US\$ 6.1m in 2021, and over 800% from the US\$ 1.1m in 2020
- ❖ 7-person Australian team grew 75% in H2 '21 and '22
- ❖ SkyScreed® 36 introduced to market in late 2022, first demos expected in Q1 '23
- ❖ Sold 7 different types of equipment in '22 vs. 4 in '20



2023 OUTLOOK



Healthy, active US non-residential construction market - customers reporting extended project backlogs well into 2023

Momentum in Europe & Australia capitalizing on positive market conditions with added selling and support staff, introducing products new to markets

Significant long-term growth opportunities from new products and new market segments

Targeted hiring of global sales & support staff and product development positions increasing near-term costs for benefit in future years

Board expects 2023 will be highly cash generative with revenues comparable to 2022, EBITDA down modestly with added positions for future growth, and year-end cash comparable to 2022

QUESTIONS



APPENDICES

OUR PURPOSE



Driven by a passion for our customers' success, we strive to ensure our customers achieve their business and profitability goals through our hard work to deliver world-class products and services



VISION

For our innovative technology to be deployed whenever horizontal concrete slabs are placed. We remain focused on developing customer solutions that expand the market segments and applications we address.

VALUES

We believe in a set of core values for how we do business, how we innovate, how we treat our customers and employees. Our values include:

1. Commitment to teaching & learning
2. Ability to solve problems creatively
3. Accountability & taking ownership
4. A sense of urgency
5. Proactive honest communication
6. Embracing & driving change
7. Expressing passion through amazing service
8. Having fun

CULTURE

At Somero, we are always striving to be great ... providing great equipment and service for our customers and creating a great place to work for our employees. Our culture, from the very beginning, is shaped by the shared commitment to our core values across our entire organization.

OUR PROVEN MODEL



WHAT WE DO

Somero's laser-guided technology and wide-placement methods have been specified for use in a wide range of construction projects.

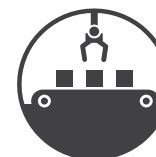
WHO WE WORK WITH

Somero operates in markets across the globe and has sold products in 90+ countries.

We work with small, medium and large concrete contractors and self-performing general contractors. Our equipment has been used in construction projects for a wide array of the world's largest organizations.



Warehousing



Assembly plants



Parking structures



Commercial construction



Exterior paving



Retail centers

WHAT MAKES US DIFFERENT

INNOVATIVE PRODUCT LEADERSHIP

- Pioneered Laser Screed® machine market in 1986
- Product portfolio grown to 20+ products
- Designs protected by 92 patents/applications
- Product development fuelled by customer engagement

INDUSTRY EXPERTISE, TRAINING AND SUPPORT

- Proven commitment to exceptional classroom/job-site training
- 24/7 direct global support (in 10 minutes, all major languages).
- Overnight spare parts delivery, next-day world travel
- Somero Concrete College & Institute

CUSTOMERS

- Quality
- Productivity
- Profit
- Direct access to Somero expertise, training and support

BUILDING OWNERS AND END-USERS

- Operational efficiency
- Improved physical appearance
- Lower floor maintenance cost
- Lower forklift repair cost

OUR BENEFICIARIES

EMPLOYEES

- Challenging and rewarding work environment full of opportunity
- Investment in training to help each employee reach their full potential

INVESTORS

- Strong, consistent financial performance
- Significant growth opportunity in new and existing markets
- Strong, unleveraged financial position
- Disciplined return of cash to shareholders

TRAINING AND EXPERTISE



Somero does more than sell equipment. The Company helps customers grow profitable businesses by providing access to world class training and concrete placement & finishing expertise. In 2021, because of restrictions brought on by the pandemic, Somero leveraged its on-demand and virtual training capabilities to meet our customers needs.

In-Person at the Somero Concrete Institute in Fort Myers, FL which has a 48-person multi-media classroom and a 10,000 ft concrete placing center which is a controlled venue to place, screed, finish and test concrete slabs on a daily basis

On demand training through Somero's Learning Management System (LMS) provides a vast catalogue of training materials in over 12 languages to enable a trainee to complete fundamental training in the absence of a physical trainer.

Virtual training through Somero's platform enables trainees to interact in a live format with Somero trainers regardless of geographic or time zone constraints.

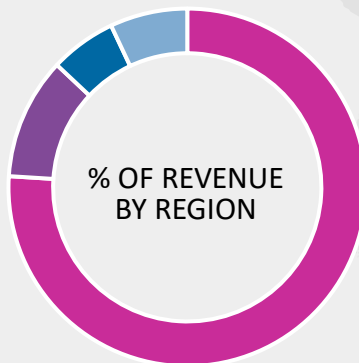
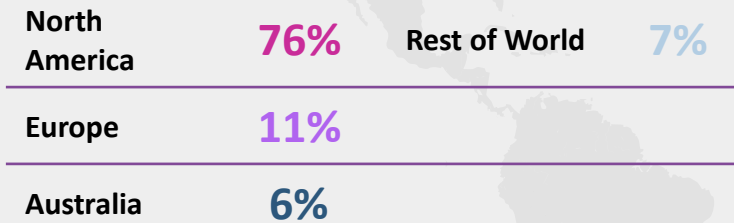


GLOBAL REACH

LEADERS IN LEVELLING

At Somero we provide industry-leading concrete levelling equipment, training, education and support to customers in over 90+ countries.

Our innovative technology allows contractors to complete every concrete floor installation faster, flatter and with fewer people, resulting in a platform for successful businesses to grow.



CUSTOMERS IN
90+
COUNTRIES

OUR LOCATIONS

North America

Fort Myers, Florida:

Global headquarters and Somero Concrete Institute training facility

Houghton, Michigan:

Production, operations and support

UK, Chesterfield:

Sales and service office

Australia, Melbourne:

Sales and service office

India, New Delhi:

Sales and service office

China, Shanghai:

Sales, service and Somero Concrete College training facility

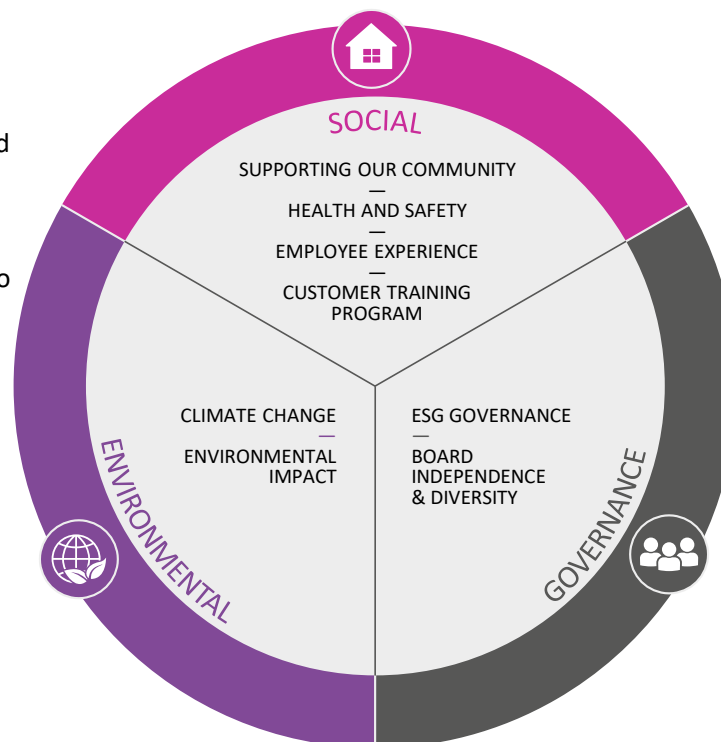
OUR ESG FRAMEWORK



Our goal is to strike the right balance between shareholder expectations and the needs and concerns of our employees and customers, the communities we live in, and the environment. In 2022, we made meaningful progress in the early stages of our long-term ESG journey

SOCIAL

Somero is dedicated to fostering an open and inclusive working environment for our employees, ensuring their safety and wellbeing at all times, supporting a training program for our customers and giving back to the community in which we operate.



ENVIRONMENTAL

Somero is committed to making a lasting positive impact on the environment in which we operate and doing our bit to reduce our environmental footprint.

GOVERNANCE

Maintaining strong, diverse leadership and accountability on ESG issues is critical and Somero takes this responsibility seriously in how we manage ESG across our business.

ESG IN ACTION



SOCIAL

SUPPORTING OUR COMMUNITY
HEALTH AND SAFETY
EMPLOYEE EXPERIENCE
CUSTOMER TRAINING PROGRAM

Industry Support
Charitable Donations
Employee Volunteering PTO
Employee Training
Somero Concrete Institute

Concrete Industry
Management S-485
Donation

With your help, the 2023 CIM Auction raised a record-breaking

\$2.1 MILLION

Keweenaw Trail Clearing



Customer Training



Harry Chapin Food Bank



31 Backpacks



ESG IN ACTION



Environmental Study Phase I: *2021 Middle Tennessee State University research study identified environmental benefits from the use of Somero laser screed equipment over traditional manual methods.*

Environmental Study Phase II: *Colorado State University study to be completed in 2023 will quantify the impacts identified in the phase I study.*



Investments and actions to reduce waste, energy and water consumption:

- Cardboard recycling baler
- LED lighting retrofit
- Water usage monitoring

HISTORICAL RESULTS



YEARS ENDED DECEMBER 31,														
<i>US\$ Millions (except per share data)</i>	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenue	24.2	21.0	21.9	32.2	45.1	59.3	70.2	79.4	85.6	94.0	89.3	88.6	133.3	133.6
Revenue growth	-53%	-13%	4%	47%	40%	32%	18%	13%	8%	10%	-5%	-1%	51%	23bps
Cost of sales	12.5	11.2	11.7	16.5	21.6	27.3	31.0	34.3	36.9	40.4	38.6	39.8	56.5	57.4
Gross Profit	11.7	9.8	10.2	15.7	23.5	32.0	39.2	45.1	48.8	53.6	50.7	48.8	76.8	76.2
Gross profit %	48%	47%	47%	49%	52%	54%	56%	57%	57%	57%	57%	55%	58%	57%
SG&A	27.4	11.5	12.0	14.3	17.1	19.4	21.6	23.9	23.3	24.5	24.1	24.9	31.7	33.1
Operating income/(loss)	(15.7)	(1.7)	(1.8)	1.4	6.4	12.6	17.6	21.2	25.4	29.2	26.6	23.9	45.1	43.1
Interest expense	(1.0)	(0.5)	(0.4)	(0.3)	(0.2)	(0.1)	(0.2)	(0.1)	(0.1)	(0.1)	-	-	-	-
Other income	0.1	(0.2)	(0.1)	0.1	0.3	(0.1)	-	0.2	0.4	-	0.4	0.7	(0.5)	(2.3)
Income before tax	(16.6)	(2.4)	(2.3)	1.2	6.5	12.4	17.4	21.3	25.7	29.1	27.0	24.6	44.6	40.8
Tax	(1.2)	(0.2)	-	0.2	1.1	(2.1)	5.8	7.0	7.3	7.5	5.9	5.8	9.8	9.7
Net income	(15.4)	(2.2)	(2.3)	1.0	5.4	14.5	11.6	14.3	18.4	21.5	21.1	18.8	34.8	31.1
Other data:														
Adjusted EBITDA⁽¹⁾	0.8	1.0	0.9	4.2	9.0	15.0	20.0	24.6	28.0	30.8	28.7	26.1	47.8	46.0
Adjusted EBITDA margin	3%	5%	4%	13%	20%	25%	29%	31%	33%	33%	32%	29%	36%	34%
Depreciation & amortization	2.7	2.6	2.6	2.6	2.4	2.0	2.3	2.7	2.1	1.2	1.1	1.1	1.3	1.4
Capital expenditures	-	-	0.1	0.6	0.8	1.2	4.2	4.4	2.2	0.8	3.0	3.7	6.2	5.2

THANK YOU