



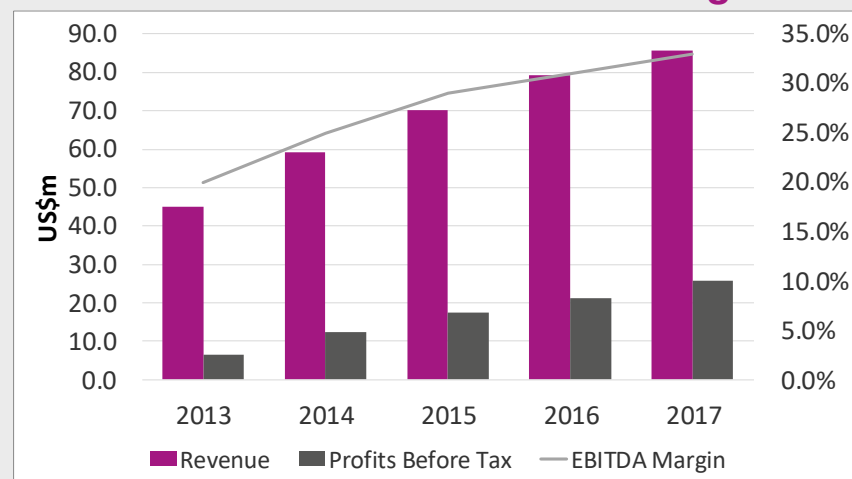
2017 RESULTS PRESENTATION

March 2018

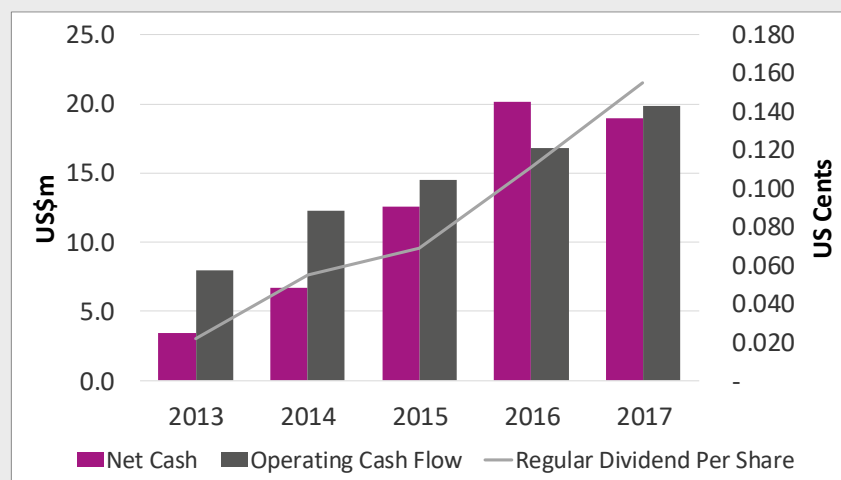
2017 IN REVIEW

- Record year of profitable growth ahead of market expectations
 - margin expansion
 - strong cash generation
 - debt free balance sheet
- Increased dividend payout ratio to 50% of adjusted earnings and adopted a supplementary dividend policy
- Meaningful growth opportunities in 2018, on track to achieve 5-year Plan

Profitable Growth & Attractive Margins



Strong Cash Generation



OPERATIONAL HIGHLIGHTS

- Growing contribution from international markets and healthy demand across entire product line:
 - Four of six regions grew in 2017 led by Europe, North America, Latin America and Rest of World territories
 - Sales of Ride-on screeds grew 29% to US\$ 18.6m (2016: US\$ 14.4m)
 - 3-D Profiler System® revenues grew 11% to US\$6.8m (2016:US\$ 6.1m)
 - Other revenues, driven by sales of parts and accessories grew 12% to US\$18.7m (2016:US\$ 16.7m)
- New products contributed meaningfully to growth
- Planned move into a new leased facility in Chesterfield, UK in Q2 2018 to accommodate growth

SALES BY TERRITORY

US\$ MILLIONS	2017	2016	CHANGE \$	CHANGE %
North America	\$ 57.8	\$ 56.6	\$ 1.2	2%
Europe	12.2	8.0	4.2	53%
China	5.5	6.4	(0.9)	-14%
Middle East	2.1	2.9	(0.8)	-28%
Latin America	2.3	1.7	0.6	35%
Rest of World ⁽¹⁾	<u>5.7</u>	<u>3.8</u>	<u>1.9</u>	<u>50%</u>
TOTAL	\$ 85.6	\$ 79.4	\$ 6.2	8%

Notes:
Includes Australia, India, Southeast Asia, Scandinavia, Korea and Russia.

SALES BY PRODUCT

US\$ MILLIONS	2017	2016	CHANGE \$	CHANGE %
Boomed screeds	\$ 35.9	\$ 36.3	\$ (0.4)	-1%
Ride-on screeds	18.6	14.4	4.2	29%
Remanufactured machines	5.6	5.9	(0.3)	-5%
3-D Profiler System	6.8	6.1	0.7	11%
Other ⁽¹⁾	<u>18.7</u>	<u>16.7</u>	<u>2.0</u>	<u>12%</u>
TOTAL	\$ 85.6	\$ 79.4	\$ 6.2	8%

Notes:

Other revenues include Includes US\$ 11.5m and US\$ 9.8m in parts and accessories for 2017 and 2016 respectively, sales of Materials Placement equipment such as the STS-11M, sales of lightweight equipment such as the Copperhead and Min Screed C, as well as services revenue, freight, and other miscellaneous items.

FINANCIAL HIGHLIGHTS

	2017	2016	% INCREASE
Revenue	\$ 85.6m	\$ 79.4m	8%
Adjusted EBITDA ^(1,2)	\$ 28.0m	\$ 24.6m	14%
Adjusted EBITDA margin ^(1,2)	33%	31%	200 BPS
Profits before tax	\$ 25.7m	\$ 21.3m	21%
Adjusted net income ^(1,3)	\$ 17.5m	\$ 15.6m	12%
Diluted adjusted net income per share ^(1,3)	\$ 0.31	\$ 0.27	15%
Cash flow from operations	\$ 19.8m	\$ 17.0m	16%
Net cash ⁽⁴⁾	\$ 19.0m	\$ 20.2m	(6%)
Ordinary dividend per share	\$ 0.155	\$ 0.111	40%
Supplemental dividend per share	\$ 0.036	-	N/A

Notes:

1. The Company uses non-US GAAP financial measures to provide supplemental information regarding the Company's operating performance.

2. 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, and stock based compensation.

3. Adjusted net income as used herein 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.

OPERATING RESULTS

US\$ IN MILLIONS	2017	2016
Revenue	\$ 85.6	\$ 79.4
Cost of sales	<u>36.8</u>	<u>34.3</u>
Gross profit	48.8	45.1
Operating expenses:		
Selling, marketing & customer support	10.4	10.1
Engineering & product development	1.2	1.0
General and administrative	<u>11.7</u>	<u>12.8</u>
Total operating expenses	<u>23.3</u>	<u>23.9</u>
Operating income	25.4	21.2
Other income (expense)	<u>0.3</u>	<u>0.1</u>
Income before income taxes	25.7	21.3
Provision for income taxes	<u>7.3</u>	<u>7.0</u>
Net income	<u>\$ 18.4</u>	<u>\$ 14.3</u>
Other data:		
Adjusted EBITDA ⁽¹⁾	28.0	24.6
Adjusted net income ⁽²⁾	17.5	15.6
Depreciation expense	1.2	1.1
Amortization expense	0.9	1.5
Capital expenditures	2.0	4.4

Highlights:

- Gross margin remained stable at 56.9% compared to 56.8% in 2016 supported by price increases, product cost reductions and productivity gains
- Operating expenses decreased due to lower amortization expense and effective cost management, offset partly by increased commissions and insurance from higher sales volume, as well as increased personnel costs
- 28% 2017 effective tax rate down from 33% in 2016 due primarily to the one-time tax benefit from settlement of stock options as well as tax credits obtained for research & development activities
- Capital expenditures of US\$2.0m declined from 2016 due to the completion of building construction projects in early 2017

BALANCE SHEET

US\$ IN MILLIONS	AS OF DECEMBER 31, 2017	AS OF DECEMBER 31, 2016
Cash and equivalents	\$ 19.0	\$ 21.2
Accounts receivable – net	11.0	6.3
Inventory	8.7	8.8
Prepaid expenses and other assets	<u>2.6</u>	<u>2.4</u>
Total current assets	41.3	38.7
Property, plant & equipment – net	12.3	11.6
Other assets	<u>4.8</u>	<u>7.4</u>
Total assets	<u>\$ 58.4</u>	<u>\$ 57.7</u>
Notes payable, current	\$ -	\$ -
Accounts payable	3.2	2.8
Accrued expenses	6.1	5.3
Income tax payable	<u>0.7</u>	<u>0.2</u>
Total current liabilities	10.0	8.3
Other liabilities	<u>0.5</u>	<u>1.2</u>
Total liabilities	10.5	9.5
Stockholders' equity	<u>47.9</u>	<u>48.2</u>
Total liabilities & stockholders' equity	<u>\$ 58.4</u>	<u>\$ 57.7</u>

Highlights:

- Cash and equivalents decreased by only US\$ 2.2m from 2016 due to strong operational cash flows that funded US\$ 13.9m in dividend payments and the retirement of all debt in 2017
- Increase in accounts receivable was driven by particularly strong December 2017 sales in North America and Europe to end the year
- Decrease in other assets attributable to amortization of intangible assets of US\$ 0.9m and a one-time non-cash reduction to the net deferred tax asset due to the change in the US tax laws at the end of the year

CASH FLOWS

US\$ IN MILLIONS	YEAR ENDED DECEMBER 31, 2017	YEAR ENDED DECEMBER 31, 2016
Net income	\$ 18.4	\$ 14.2
Adjustments to reconcile to cash provided by operating activities:		
Deferred taxes	1.8	0.2
Depreciation & amortization	2.1	2.7
Stock based compensation and other	0.6	1.2
Working capital changes	<u>(3.1)</u>	<u>(1.3)</u>
Net cash provided by operating activities	<u>19.8</u>	<u>17.0</u>
Net cash used in investing activities	(1.8)	(4.4)
Payment of dividends	(13.9)	(4.2)
Stock options and RSUs settled for cash	(5.3)	(0.5)
Borrowings (repayment) of debt	<u>(1.1)</u>	<u>(0.1)</u>
Net cash used in financing activities	(20.3)	(4.8)
Effect of exchange rates on cash	<u>0.1</u>	<u>(0.3)</u>
Increase in cash and equivalents	(2.2)	7.5
Beginning cash	<u>21.2</u>	<u>13.7</u>
Ending cash	<u>\$ 19.0</u>	<u>\$ 21.2</u>

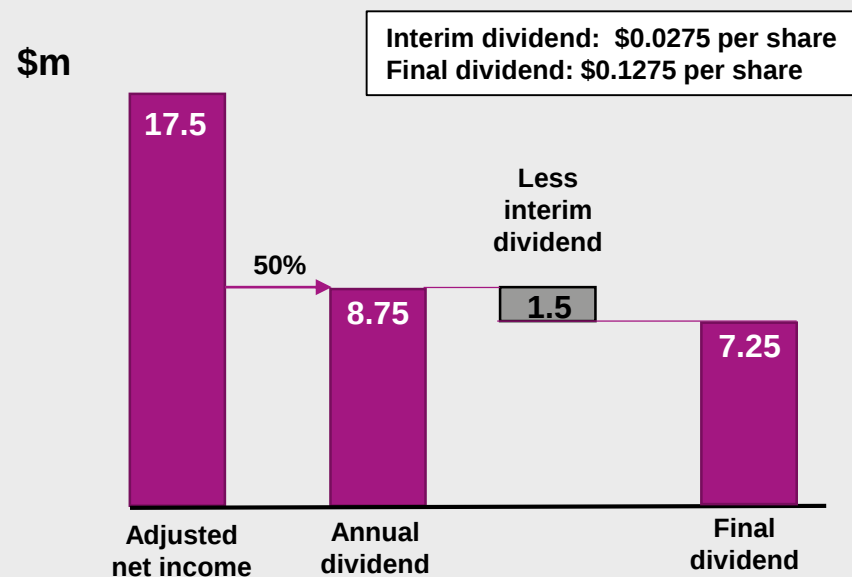
Highlights:

- Cash provided by operations increased 16% to US\$ 19.8m due to earnings growth and effective working capital management
- Cash used for investments primarily related to construction of the training facility for the Somero Concrete Institute in Fort Myers in early 2017
- Financing activity outflows increased in with US \$13.9m dividend payments that included the US \$7.5m special dividend in August 2017, settlement of substantially all outstanding stock options which totaled US \$4.9m, and retirement of all bank debt totaling US \$1.0m

DIVIDEND POLICY

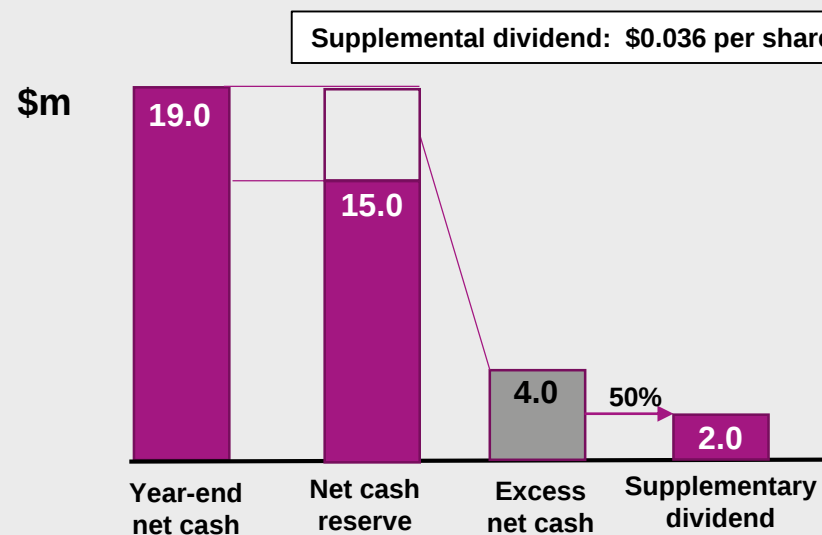
Ordinary Dividend:

The dividend payout ratio was increased to 50% of adjusted net income.



Supplementary Dividend:

50% of year-end net cash balance in excess targeted reserve of at least US \$15.0m to be paid as a supplementary dividend.



IMPACT OF US TAX LAW CHANGES

- The Tax Cuts and Jobs Act (TCJA) passed on December 22, 2017 lowered the US corporate tax rate to 21% from 35% effective January 1, 2018.
- **Recurring Earnings Impact:** As a result of this change in law, the Company expects its future after-tax earnings will be positively impacted and its go-forward effective tax rate will approximate 21%.
- **Revaluation of Deferred Tax Assets:** The lowering of the US corporate income tax rate to 21% requires revaluation of the Company's net deferred tax asset as of December 31, 2017. This resulted in a one-time non-cash tax charge of \$645,000 included in the Company's 2017 results.
- **Deemed Foreign Profits Repatriation:** The Company will be assessed a one-time cash tax on its cumulative unrepatriated foreign profits. The deemed repatriation tax will be primarily driven by historical profits earned by the Company's UK entity. The Company will have the option to pay the assessed tax over an eight-year period. The Company is still assessing the final amount of the tax, but the amount is expected to not exceed US \$0.75M, will be one-time in nature, and will be more than offset by tax savings from the lowered US tax rate.

CURRENT TRADING AND OUTLOOK

- Positive momentum in North America has continued in 2018, supported by customer confidence and expected positive impact from US tax law changes.
- European trading activity expected to remain strong driven by demand for replacement equipment, technology upgrades, and new products.
- China expected to show further improvement in 2018 driven in part by our marketing and demand-generation initiatives.
- Expect to see significant opportunities in 2018 in Latin America, Middle East, and our Rest of World territories and are encouraged by the positive economic climate.
- Based on this positive outlook, the Board is confident that Somero is poised to deliver another year of profitable growth to shareholders in 2018.

STRATEGY UPDATE



ROADMAP FOR SUSTAINABLE GROWTH

Strategic priorities

Our strategy is to grow our business by expanding and deepening our global footprint and through continued product innovation.



International expansion

A key element of our growth strategy is to expand our global footprint and deepen our global market penetration.

Supporting this commitment to grow the business globally is our investment in hiring international employees. Since 2007, the vast majority of our staffing increases have been employees based outside of North America.



Product innovation

Since our beginning as a single product company in 1986, Somero has continued to develop proprietary designs and technology growing our portfolio to 13 innovative products with 62 patents and patent applications protecting these designs.

In late 2017, we introduced the S-22EZ which is just another example of funneling customer feedback into tangible improvements that increase the value proposition of our products.

STRATEGY IN ACTION:

A DEEPENING INTERNATIONAL FOOTPRINT

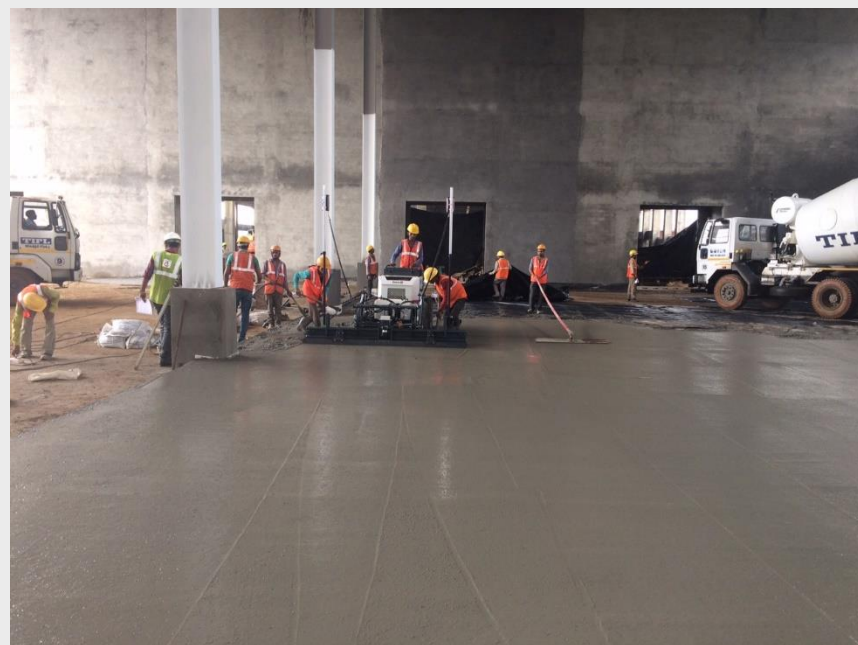


International expansion

Somero applies lessons learned from building a successful business in North America to our international markets.

While the world is full of many cultural differences, we believe the importance of quality, flat level floors and efficiency in the construction process applies to our customers, building owners and end-users in all our markets.

We also believe there is no substitute for having strong local teams who work closely with customers, understand the local market, and provide teaching and education to all stakeholders, including design firms, building owners, and building end-users, at our training facilities, in seminars, and at job-sites.



Petronas Lubricants International Pvt Ltd India Plant job site training event, Mumbai, India.

STRATEGY IN ACTION: A HISTORY OF PRODUCT LEADERSHIP



Product innovation

Product innovation for Somero means two things, new products and better products. In both cases, the effort is customer-driven.

We ask for and receive significant feedback from customers and funnel these ideas into new products solidly supported by a business case.

In late 2017 we introduced the S-22EZ with features and enhancements based on direct customer feedback which resulted in increased performance, ease of use, and efficiency of maintenance of the machine.

Also in 2017, we continued our effort to identify attractive new market segments and spent significant time with customer focus groups, such as the Somero Innovation Council, to develop our longer-term product roadmap.



S-22EZ, EZ Clean Screed Head designed to reduce clean-up time.



Somero Customer Innovation Council Meeting, Naples, Florida.

5-YEAR PLAN UPDATE

Progress Continues, Target in View

We have completed the fourth year of our five-year plan that targets reaching revenue of US\$ 90m in 2018.

With one year remaining on the plan, and with solid fundamentals in the US, Europe and meaningful growth opportunities across our remaining international markets, we remain confident in our ability to meet our strategic target in 2018.

US\$ MILLIONS	BASE YEAR 2013 REVENUES	2017 REVENUES	2018 TARGET
North America	\$ 25.5	\$ 57.8	
Europe	3.0	12.2	
China	6.6	5.5	
Remaining regions	<u>10.0</u>	<u>10.1</u>	
TOTAL	\$ 45.1	\$ 85.6	\$ 90.0

BUSINESS MODEL

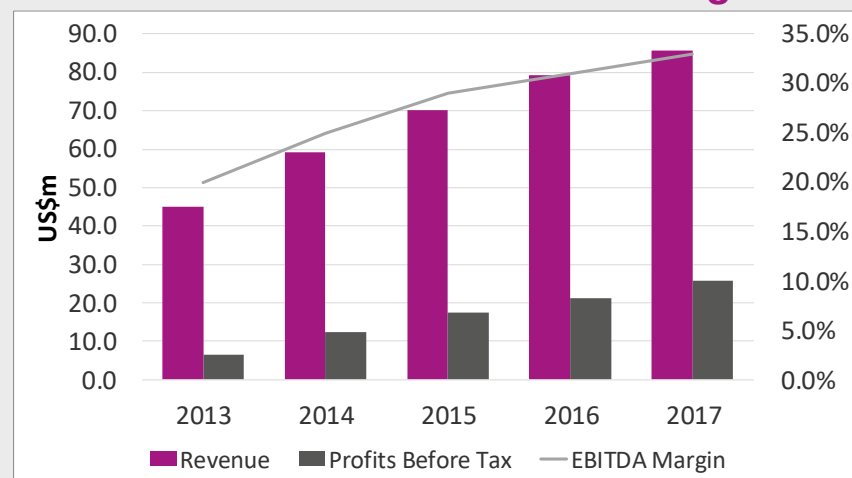


OVERVIEW

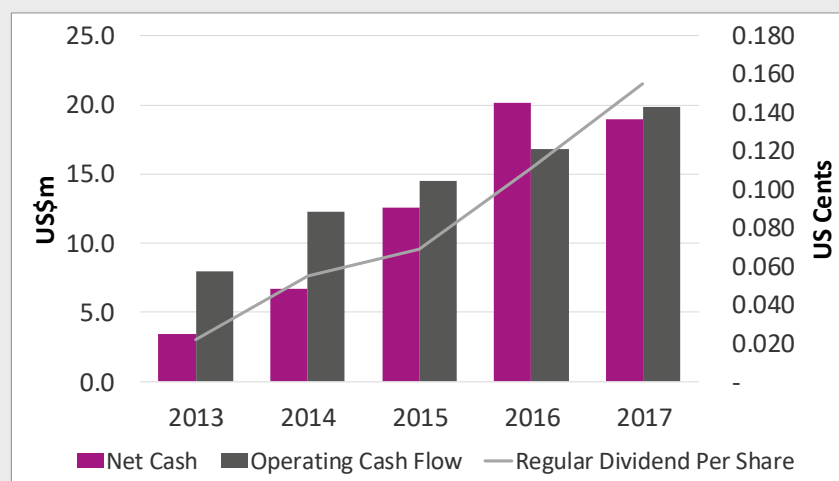
- Customer-focused provider of equipment used to place and screed the concrete floor in all commercial building types
- Using Somero technology benefits customers by increasing their productivity, quality and profitability as well as building owners by improving building operational efficiency, reducing operational costs
- Direct customer sales & support provides customers access to unparalleled industry expertise, training and support and enables efficient customer-driven product development
- Dominant market position with 13 innovative products supported by a portfolio of 62 patents and patent applications
- Strong financial profile:
 - Profitable growth with excellent margins
 - Highly cash-generative business
 - Strong, unleveraged balance sheet
 - Disciplined return of cash to shareholders through dividends
- Somero operates in the large, underpenetrated global commercial construction market
- Broad global reach with equipment sold in 90+ countries
- Equipment has been used in construction projects for a wide array of the world's largest organizations



Profitable Growth & Attractive Margins



Strong Cash Generation



OUR MISSION

Why

It all starts with “Why?” Our mission revolves around a simple question, “Why?”. For every Somero employee the answer is clear. We work hard to deliver world-class products and services because we’re passionate about our customers’ success and we strive to ensure our customers achieve their business and profitability goals.

Our customers see this passion day-in and day-out and as a result, we earn their loyalty and are able to retain them as a customer for life.

How

How we pursue our mission makes us unique.

Somero’s business is far more than simply selling equipment. Providing customers access to unparalleled industry expertise, training and support is core to our success as an educator and innovator in the concrete industry.

What

We provide Somero customers equipment with unsurpassed quality and performance combined with unparalleled global service, technical support, training and education.

Somero offers a wide portfolio of products that cover concrete slab placements in all types of construction projects.

In addition to equipment and software products, Somero also sells parts and accessories and provides service and training to customers to keep their machines up and running and operating optimally.

OUR BUSINESS MODEL

Somero Customers

Small, medium and large concrete contractors and self-performing general contractors. Somero operates in markets across the globe, selling products in 90+ countries with minimal direct competition.

Applications

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



Building owners and end users

Somero equipment has been used in construction projects for a wide array of the world's largest organizations.

MULTI-FACETED VALUE PROPOSITION



Key benefits to our customers

Increases quality ■ Productivity ■ Profit
■ Direct access to Somero expertise, training and support



Key outcomes for building owners/end users

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

What makes us different

Innovative Product Leadership

- Pioneered Laser Screed® machine market in 1986
- Product portfolio grown to 13 products
- Designs protected by 62 patents/applications
- Product development fueled 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

IMPORTANCE OF QUALITY, FLAT, LEVEL FLOORS

The concrete floor is the most critical component of any building. It carries the load of the entire business operation. The floor is the foundation from which all other trades start their work and, if improperly installed, will show in the finished product and the operational efficiency of the building.

Commercial construction projects have floor flatness and levelness requirements specified in the design. Failing to meet the specifications can result in a significant loss to the contractor.

The use of Somero technology and equipment allows contractors to rest assured that every installation will be completed faster, flatter, and with fewer people so they can efficiently and confidently meet these specifications.

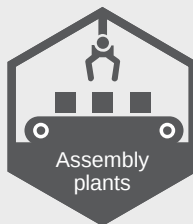
That is the value we provide our customers.



OUR APPLICATIONS

Our applications

Somero equipment is used to place and screed the concrete slab in all commercial building types, including all floors in multi-story buildings



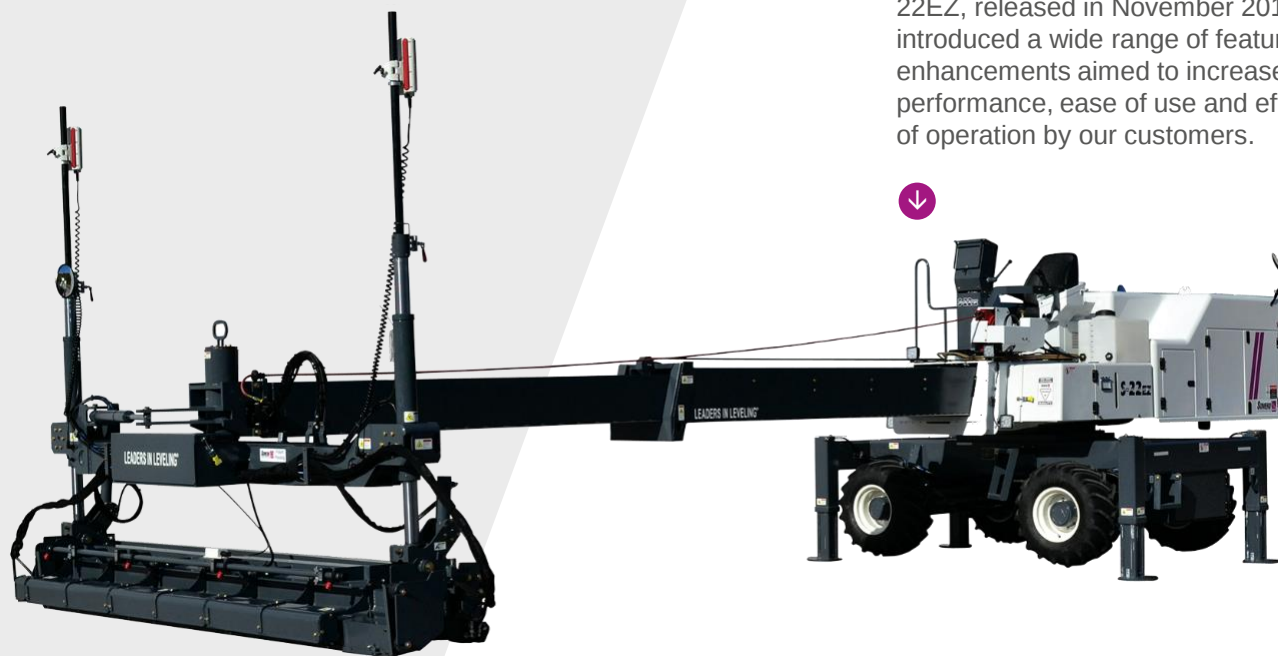
Patents and patent applications

62

Products in portfolio

13

Driven by customer feedback, the S-22EZ, released in November 2017, introduced a wide range of features and enhancements aimed to increase the performance, ease of use and efficiency of operation by our customers.



OUR PRODUCTS AND SERVICES



S-22EZ



S-15R



S-10A



S-940



S-485



3-D Profiler System



STS-11M



SP-16



Factory Certified Remanufactured

Machine	Applications
BOOMED MACHINES:	
S-22EZ	(25,000-50,000+ sq. ft. placements) warehouses, manufacturing assembly plants, agricultural buildings
S-15R	
S-10A	
RIDE-ON MACHINES:	
S-940	(5,000-30,000 sq. ft. placements) schools, medical centers, retail centers and multi-level commercial construction, agricultural buildings
S-485	
S-158C	
OTHER EQUIPMENT:	
3-D Profiler System ®	Exterior concrete paving and parking structures
SiteShape ® system	Exterior sub-grade
STS-11M	Projects requiring dry shake-on hardener
SP-16	Projects involving concrete hose pumps
Mini Screed ™	Small commercial, residential and multi- level placements
Somero Floor Levelness System ®	Operator performance improvement feedback system for the S-22E
Remanufactured Machines	Factory certified remanufactured machines in all categories

GLOBAL REACH

Somero provides industry-leading concrete-leveling equipment, training, education and support to customers in over 90 countries. By using Somero technology, our customers can install high-quality horizontal concrete floors faster, flatter and with fewer people.

Customers in

90+
countries

Revenue

US\$ 85.6m

Profits before tax

US\$ 25.7m

Net cash position of

US\$ 19.0m

Locations



North America

Fort Myers, Florida:
Global headquarters
and Somero Concrete
Institute training facility

Houghton, Michigan:
Production, operations
and support

United Kingdom

Chesterfield:
Sales and service office

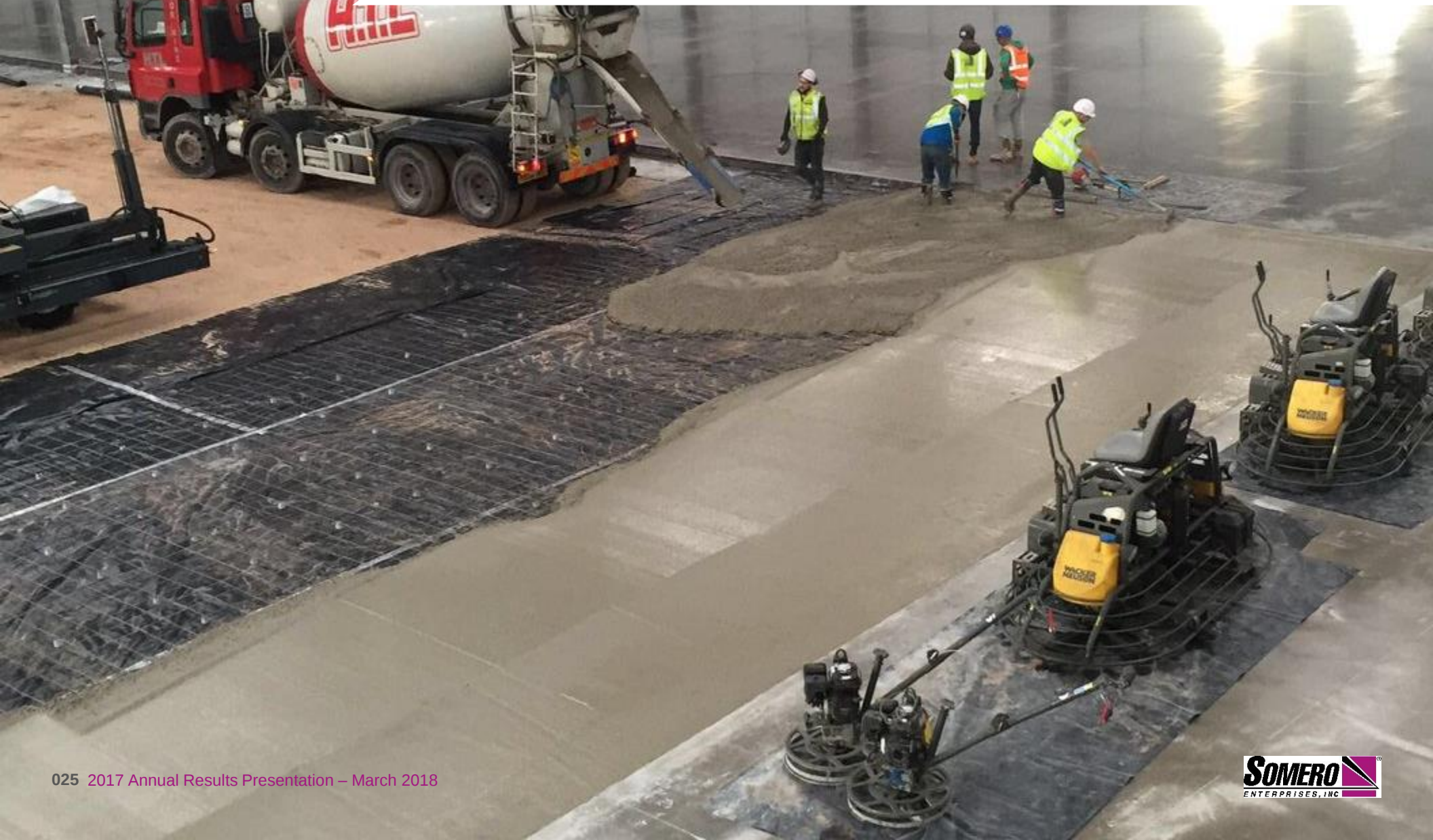
India

New Delhi:
Sales and service office

China

Shanghai:
Sales, service and
Somero Concrete
College training facility

ADDITIONAL SLIDES



FINANCIAL HIGHLIGHTS

US\$ Millions, except per share data	YEARS ENDED DECEMBER 31,										
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenue	66.4	51.9	24.2	21.0	21.9	32.2	45.1	59.3	70.2	79.4	85.6
Revenue growth	19%	-22%	-53%	-13%	4%	47%	40%	32%	18%	13%	8%
Cost of sales	28.8	23.1	12.5	11.2	11.7	16.5	21.6	27.3	31.0	34.3	36.9
Gross Profit	37.6	28.8	11.7	9.8	10.2	15.7	23.5	32.0	39.2	45.1	48.8
Gross profit %	57%	55%	48%	47%	47%	49%	52%	54%	56%	57%	57%
SG&A	24.3	26.0	27.4	11.5	12.0	14.3	17.1	19.4	21.6	23.9	23.3
Operating income/(loss)	13.3	2.8	-15.7	-1.7	-1.8	1.4	6.4	12.6	17.6	21.2	25.4
Interest expense	-1.5	-0.8	-1.0	-0.5	-0.4	-0.3	-0.2	-0.1	-0.2	-0.1	-0.1
Other income	-1.1	0.2	0.1	-0.2	-0.1	0.1	0.3	-0.1	-	0.2	0.4
Income before tax	10.7	2.2	-16.6	-2.4	-2.3	1.2	6.5	12.4	17.4	21.3	25.7
Tax	3.8	0.5	-1.2	-0.2	-	0.2	1.1	-2.1	5.8	7.0	7.3
Net income	6.9	1.7	-15.4	-2.2	-2.3	1.0	5.4	14.5	11.6	14.3	18.4
Other data:											
Adjusted EBITDA⁽¹⁾	16.5	6.0	0.8	1.0	0.9	4.2	9.0	15.0	20.0	24.6	28.0
Adjusted EBITDA margin	25%	12%	3%	5%	4%	13%	20%	25%	29%	31%	33%
Depreciation & amortization	2.8	2.7	2.7	2.6	2.6	2.6	2.4	2.0	2.3	2.7	2.1
Capital expenditures	0.5	0.6	-	-	0.1	0.6	0.8	1.2	4.2	4.4	2.2

Notes:

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 write-down of goodwill as applicable.

LEADERSHIP TEAM: STABILITY, EXPERIENCE, DEPTH

Name	Title	Age	Yrs. Somero experience
Management			
Jack Cooney	President, Chief Executive Officer and Director	71	20
Howard Hohmann	Executive Vice President of Sales and Director	56	29
John Yuncza	Chief Financial Officer and Director	47	3
Lance Holbrook	Vice President Sales, North America and International	47	17
Mark Pietila	Manager, Engineering	52	19
Jesse Aho	Director of Manufacturing Operations	36	10
Mathew Bennett	Vice President Sales, Europe & India	54	3
Dave Raasakka	Global Customer Support Manager	46	4
Adam Kruzich	Vice President Finance & Controller	44	2
Jennifer Oliver	Director of Legal, Corporate Affairs, IR, & HR	46	3
TR Kunesh	Business Development Manager	56	9
Dennis Mors	Inside Sales Manager	44	22
Janet Sauvola	Sale Administration Manager	52	22
Sudarshan Singh	Director Sales, India	57	1
Non Executive Directors			
Lawrence Horsch	Non-Executive Chairman of the Board	83	8
Thomas Anderson	Non-Executive Director	66	11
Robert Scheuer	Non-Executive Director	60	2



THANK YOU

Jack Cooney, President & CEO

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