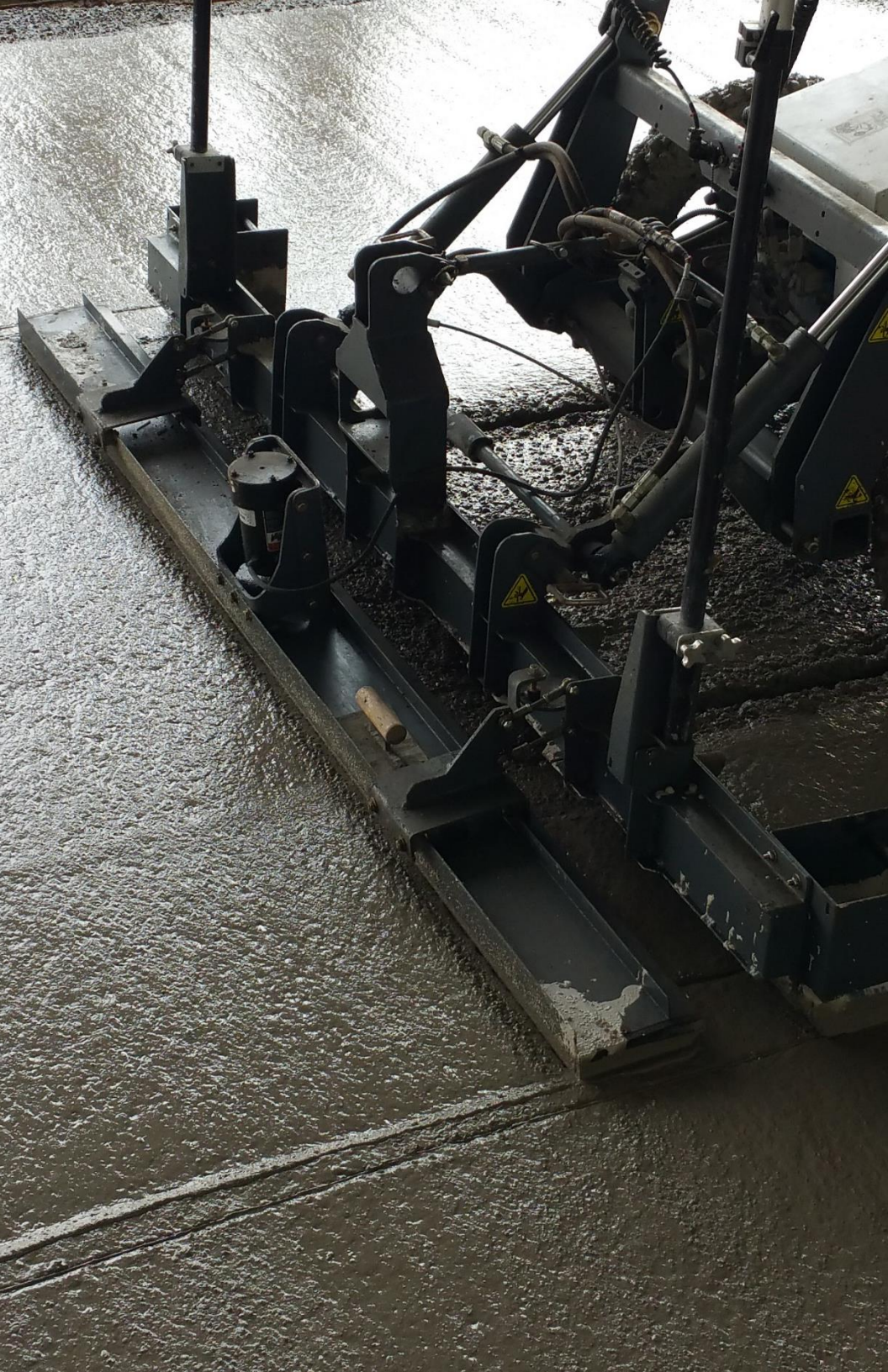




LEADERS IN LEVELING

2020 RESULTS PRESENTATION

2020 IN REVIEW



Revenue

US\$ 88.6m



Adjusted EBITDA¹

US\$ 26.1m



Ordinary dividend per share

US\$ 0.17



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..

2020 HIGHLIGHTS

Comprehensive response to COVID-19 pandemic prioritized health & welfare of employees and customers and preserved financial strength of business

Flexible cost structure, strong H2 trading delivered healthy profits and stable margins

Active North American market drove strong finish to 2020 trading carrying over to 2021

Extraordinary cash generation enabled significant return of cash to shareholders & led to highest year-end cash position in Company history

Disciplined execution of product development growth strategy, introduced 3 new products that contributed meaningfully to revenue

Outlined 2021 plans to add selling & field support staff to support future growth from new and existing products

2020 RESULTS

SOMERO
ENTERPRISES, INC.



FINANCIAL HIGHLIGHTS



US\$ MILLIONS (EXCEPT PER SHARE DATA)	2020	2019	CHANGE \$	CHANGE %
Revenue	88.6	89.3	(0.7)	-1%
Adjusted EBITDA ^(1,2)	26.1	28.7	(2.6)	-9%
Adjusted EBITDA margin ^(1,2)	29%	32%		-300bps
Profits before tax	24.6	27.0	(2.4)	-9%
Adjusted net income ^(1,3)	18.9	21.1	(2.2)	-10%
Diluted adjusted net income per share ^(1,3)	\$0.33	\$0.37	\$(0.04)	-11%
Cash flow from operations	30.6	18.9	11.7	62%
Net cash ⁽⁴⁾	35.4	23.8	11.6	49%
Ordinary dividend per share	\$0.1681	\$0.1875	\$(0.0194)	-10%
Supplemental dividend per share	\$0.1810	\$0.0770	\$0.1040	135%

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	2020	2019	CHANGE \$	CHANGE %
North America ⁽¹⁾	\$ 70.7	\$ 65.5	\$ 5.2	8%
Europe	8.6	10.0	(1.4)	-14%
China	3.9	5.6	(1.7)	-30%
Middle East	0.4	0.7	(0.3)	-43%
Latin America	1.1	2.0	(0.9)	-45%
Rest of World ⁽²⁾	<u>3.9</u>	<u>5.5</u>	<u>(1.6)</u>	<u>-29%</u>
TOTAL⁽³⁾	\$ 88.6	\$ 89.3	(0.7)	-1%

Notes:

(1) H1 2020 revenues in North America were US\$ 27.8m (H1 2019: US\$ 27.2m), while H2 2020 revenues were US\$ 42.9m (H2 2019: US\$ 38.3m)

(2) ROW includes Australia, India, Southeast Asia, Korea and Russia

(3) H1 2020 total revenues were US\$ 35.3m (H1 2019: US\$ 39.0m), while H2 2020 revenues were US\$ 53.3m (H2 2019: US\$ 50.3m)

SALES BY PRODUCT



US\$ MILLIONS	2020	2019	CHANGE \$	CHANGE %
Boomed screeds ⁽¹⁾	\$ 31.7	\$ 38.0	\$ (6.3)	-17%
Ride-on screeds ⁽²⁾	17.6	16.9	0.7	4%
Remanufactured machines	5.8	4.4	1.4	32%
3-D Profiler System [®]	7.5	6.2	1.3	21%
Somero Line Dragon [®] (3)	4.7	2.8	1.9	68%
SkyScreed [®]	1.0	1.0	-	-
Other ⁽⁴⁾	<u>20.3</u>	<u>20.0</u>	<u>0.3</u>	<u>2%</u>
TOTAL	\$ 88.6	\$ 89.3	\$ (0.7)	-1%

Notes:

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

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

(3) Formerly the SP-16 Line Pulling & Placing System

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

OPERATING RESULTS



US\$ MILLIONS

	2020	2019
Revenue	\$ 88.6	\$ 89.3
Gross profit	48.8	50.7
Operating expenses:		
Selling, marketing & customer support	10.3	11.1
Engineering & product development	1.8	1.8
General & administrative	<u>12.8</u>	<u>11.2</u>
Total operating expenses	<u>24.9</u>	<u>24.1</u>
Operating income	23.9	26.6
Other income (expense)	<u>0.7</u>	<u>0.4</u>
Income before income taxes	24.6	27.0
Provision for income taxes	<u>5.8</u>	<u>5.9</u>
Net income	<u>\$ 18.8</u>	<u>\$ 21.1</u>

Commentary:

- Gross margin of 55% declined from '19 due to lower volume inefficiencies in H1 '20, the impact of higher sales volume through dealers that complement the direct sales force, and higher volume of lower margin remanufactured equipment
- Operating expenses increased US\$ 0.8m due in part to higher salaried compensation expense (inclusive of incentive programs), increased IT cybersecurity & infrastructure costs, increased professional fees, partly offset by lower travel related costs due to COVID-19 restrictions
- Effective tax rate increased to 23.6% from 21.9% as lower sales outside the US resulted in a reduced foreign tax credit

FINANCIAL POSITION



US\$ MILLIONS	DECEMBER 31, 2020	DECEMBER 31, 2019
Cash	\$ 35.4	\$ 23.8
Accounts receivable, net	6.4	12.0
Inventory	11.1	12.3
Prepaid & other	<u>1.7</u>	<u>1.2</u>
Total current assets	54.6	49.3
Other assets	<u>24.2</u>	<u>22.2</u>
Total assets	<u>\$ 78.8</u>	<u>\$ 71.5</u>
Current liabilities	12.3	9.7
Other liabilities	<u>3.0</u>	<u>2.8</u>
Total liabilities	15.3	12.5
Stockholders' equity	<u>63.5</u>	<u>59.0</u>
Total liabilities & equity	<u>\$ 78.8</u>	<u>\$ 71.5</u>

Commentary:

- Cash increased by US\$ 11.6m from '19 due to strong operating cash flow, lower capital expenditures, and lower dividend payments in '20
- Accounts receivable decreased US\$ 5.6m from '19 due to strong, consistent '20 collections and to a higher level of customer advance payments to end '20 than '19
- Inventory decreased US\$ 1.2m due to increased trading volume in H2 '20, including a reduction in remanufactured inventory, offset partly by higher sales from new products
- Current liabilities increased US\$ 2.6m due in part to a higher level of customer equipment purchase deposits, and the timing of payments of operating expense liabilities

CASH FLOWS



US\$ MILLIONS	2020	2019
Net income	\$ 18.8	\$ 21.1
Adjustments to reconcile to cash provided by operating activities	2.8	2.4
Working capital changes	<u>9.0</u>	<u>(4.6)</u>
Net cash provided by operating activities	<u>30.6</u>	<u>18.9</u>
Net cash used in investing activities	(3.7)	(5.2)
Payment of dividends	(13.9)	(17.4)
Payment under financing leases	(0.2)	(0.2)
Share buy-back	(1.0)	-
Stock options and RSUs settled for cash	<u>(0.2)</u>	<u>(0.6)</u>
Net cash used in financing activities	(15.2)	(18.2)
Effect of exchange rates on cash	<u>(0.1)</u>	<u>0.1</u>
Net increase (decrease) in cash	<u>\$ 11.6</u>	<u>\$ (4.4)</u>

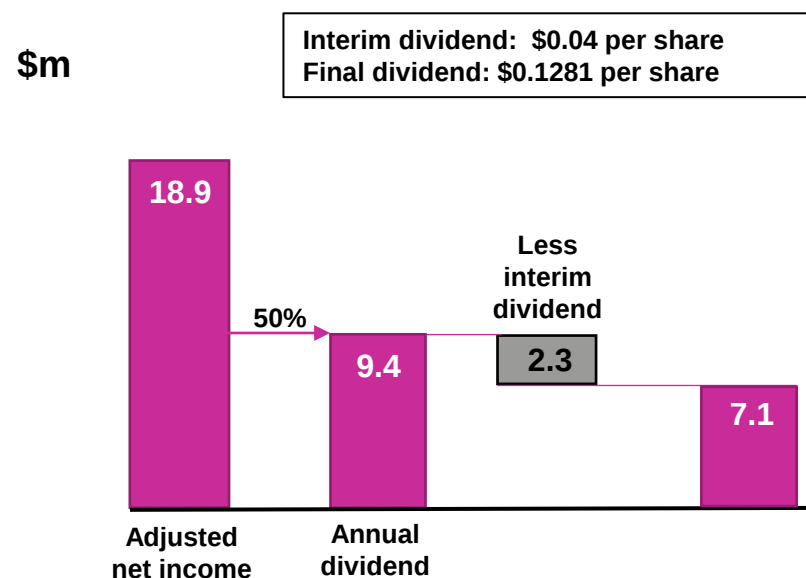
Commentary:

- Operating cash flow increased by US\$ 11.7m from '19 due to a one-time reduction in working capital associated strong collections, higher customer deposits than normal, and an inventory reduction due to strong H2 '20 trading
- Capital investment decreased US\$ 1.5m from '19 due to the completion expansion projects and a non-recurring cash acquisition of Line Dragon in '19
- '20 dividend payments of US\$ 13.9m were comprised of a US\$ 7.3m 2019 final ordinary dividend, a US\$ 4.3m 2019 supplemental dividend, and a US\$ 2.3m '20 interim dividend
- Substantially completed US\$ 1m share buy-back, as previously announced

DIVIDEND

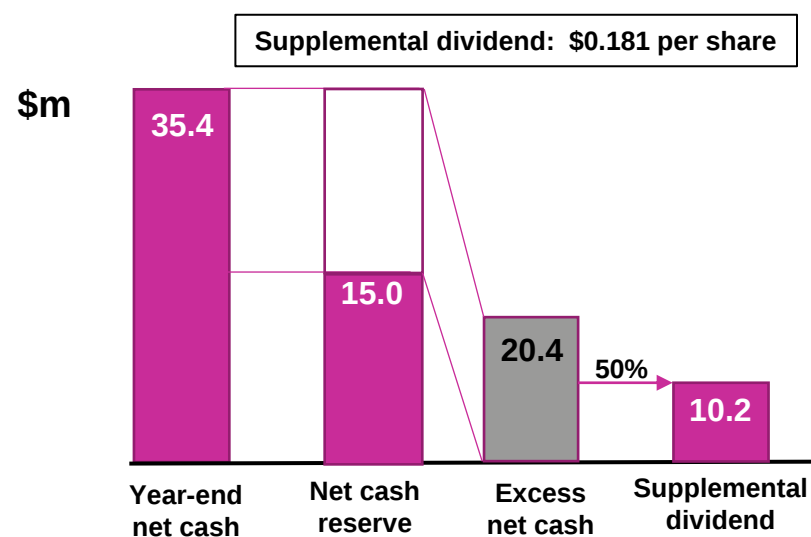
Ordinary Dividend:

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



Supplemental Dividend:

50% of year-end net cash balance in excess targeted reserve of at least US\$ 15.0m as of December 31, 2020 is paid as a supplemental dividend. Based on Board review, the required year-end net cash reserve will be US\$ 20.0m beginning December 31, 2021 and going forward due to increased size and complexity of the business.



STRATEGY UPDATE & OUTLOOK



SOMERO
ENTERPRISES, INC.

GLOBAL GROWTH STRATEGY

OUR VISION

For our innovative technology to be used wherever horizontal concrete slabs are placed. It is a vast opportunity, and we continue to develop customer solutions that expand the market segments and applications we address.

OUR STRATEGY

To deliver innovative, technology solutions to concrete flooring contractors that produce the highest quality results in the most efficient, cost-effective and safe manner possible. **Faster, Flatter, Fewer® and Safer.**

STRATEGIC OBJECTIVE



PRODUCT INNOVATION

To push the industry forward with innovative proprietary designs that enable customers to reduce manpower, increase speed and safety while producing the highest quality concrete slabs for building owners.

PROGRESS DURING THE YEAR

- Launched 3 new products: SkyScreed© 36, SRS-4 boomed-screed, Somero Broom + Cure™
- Portfolio expanded to 17 products

2020 New Product
Revenues

US\$ 7.4m

Current Patents &
Applications

87



INTERNATIONAL MARKETS

To deepen our global footprint through investment in adding resources internationally and promoting adoption of wide-placement theory and quality concrete flooring standards.

- Introduced SRS-4 to international markets, exploring opportunities for SkyScreed internationally
- Added direct resources to cover Australian market

% Non-Operational Staff
Located Internationally

24%

Countries with Somero
Equipment

93

NEW PRODUCTS

The **SRS-4** is a light weight, remote controlled, easy to transport boomed laser screed machine. The SRS-4 weighs just 4,440 lbs. and can be transported on a trailer, providing a solution for hard-to-reach job sites.



The **SkyScreed® 36**, is the next generation laser screed machine for structural high-rise applications, providing the operator with reach to screed an additional 1,000 square feet per placement on deck compared to the SkyScreed® 25.



The **Somero Broom+Cure™** provides an efficient alternative to manual application of curing agents and texture to exterior concrete slabs in accordance with American Concrete Institute standards.



PRODUCTS & APPLICATIONS

RELEASED	PRODUCTS		APPLICATIONS	MARKETS
BOOMED SCREEDS:				
2014	S-22EZ	  	25,000-50,000+ ft ² placements warehouses, manufacturing assembly plants, agricultural buildings	SLAB ON GRADE
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			
2018	S-158C			
WALK-BEHIND SCREEDS:				
2009	Mini Screed™	 	Small commercial, residential and multi-level placements	SLAB ON GRADE
2002	CopperHead® XD™ 3.0			
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			
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®			
STATIONARY SCREEDS:				
2019	SkyScreed® 25	 	Allows screeding on structural high-rise and slab-on grade applications	HIGH-RISE STRUCTURAL
2020	SkyScreed® 36			

TRAINING & EXPERTISE

Somero does more than sell equipment. The Company provides access to world class training & expertise that helps customers build more profitable businesses. In 2020, the Company invested to expand its training capabilities.

In-Person at the recently expanded the Somero Concrete Institute in Fort Myers, FL which has a 48-person multi-media classroom and a 10,000 ft² concrete placing center which is a controlled venue to place, screed, finish, test, and tear out concrete slabs on a daily basis



On-demand training through Somero's Learning Management System provides a vast catalogue of training materials and enables a trainee to accomplish fundamental training in the absence of a physical trainer in over 12 languages.



LESSON 8 – CONTROLES DE LOS SISTEMAS Y DEL OPERADOR



El primer subistema consiste en el transmisor de laser, los receptores de laser, el sensor de ángulo, la pantalla y los controladores, lo que se conoce como sistema de control

☒ COMPLETAR

[PREVIOUS LECCIÓN](#) [NEXT LECCIÓN](#)

Transcripts

COURSE PROGRESS

COURSE NAVIGATION

- Lesson 1 - SRS-4 Introducción
- Lesson 2 - Seguridad
- Lesson 3 - Vista General
- Lesson 4 - Las Estructuras
- Lesson 5 - Aguilón y múltiple hidráulico
- Lesson 6 - Cabezal de Enrasado
- Lesson 7 - Asiento del Operador
- Lesson 8 - Controles de los sistemas y del operador
- Lesson 9 - Control del Cabezal de Enrasado
- Lesson 10 - Arranque y Detención del Motor
- Lesson 11 - La Pantalla
- Lesson 12 - El Control Remoto
- Lesson 13 - Transporte

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



2021 OUTLOOK

We are confident in the health of the US non-residential construction market supported by customer project backlogs extending well into 2021

Outside the US, activity levels remain generally positive, and we anticipate solid opportunities for 2021 growth, exclusive of any unanticipated impact from COVID-19

We anticipate significant long-term growth opportunities from new products, including the SkyScreed and the unpenetrated high-rise structural market segment

The Company intends to accelerate hiring of field sales and support staff globally, increasing operating costs above amounts seen in recent years for benefit of global growth in core and new products in future years

The Board expects a profitable year with healthy cash generation in 2021, with revenue growth in the mid-single digit percentage range, EBITDA growing modestly tempered by plans to invest in additional field sales and support staff



BUSINESS MODEL



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 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?

- 01** How we pursue our mission makes us unique.
- 02** 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 equipment with unsurpassed quality and performance supported by 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.

Somero also sells parts and accessories and provides service and training to customers to keep their machines up and running and operating optimally.



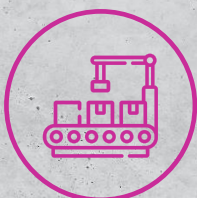
OUR MODEL

WHAT WE DO

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



Warehousing



Assembly plants



Commercial construction



Exterior paving



Parking structures



Retail centers

WHO WE WORK WITH

Somero operates in markets across the globe, selling products in 90+ countries with minimal direct competition.

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.

WHAT MAKES US DIFFERENT

INNOVATIVE PRODUCT LEADERSHIP

- Pioneered Laser
- Screed® machine market in 1986
- Product portfolio grown to 17 products
- Designs protected by 87 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 mins, all major languages)
- Overnight spare parts delivery, next day world travel
- Somero Concrete College & Institute

OUR BENEFICIARIES

KEY BENEFITS TO OUR CUSTOMERS

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

KEY BENEFITS TO OUR EMPLOYEES

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

KEY OUTCOMES FOR BUILDING OWNERS AND END-USERS

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

KEY BENEFITS TO OUR INVESTORS

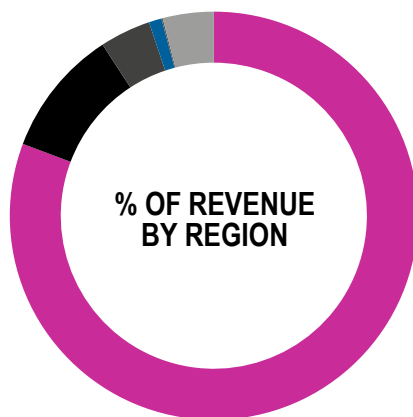
- Strong, consistent financial performance
- Significant growth opportunity in new and existing markets
- Strong, unleveraged financial position
- Disciplined return of cash to shareholders

GLOBAL REACH

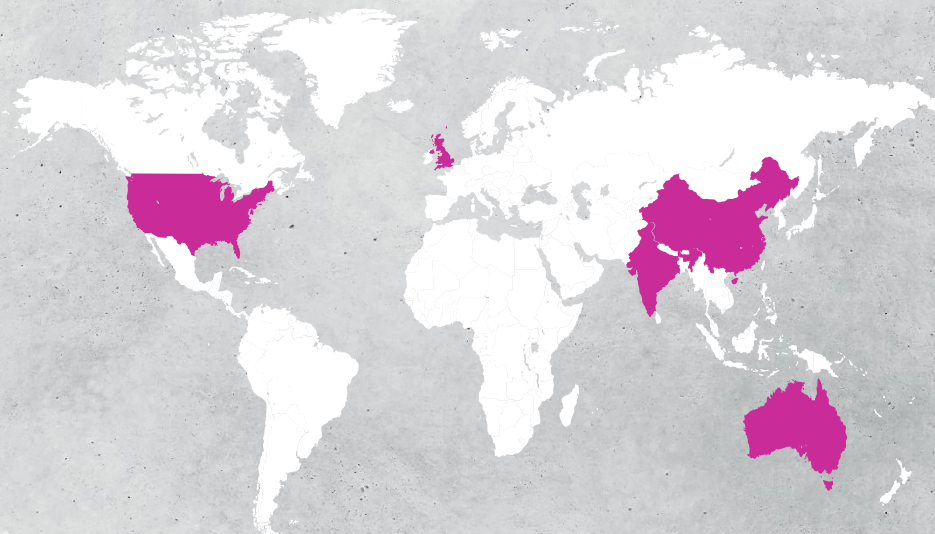
GLOBAL GROWTH OPPORTUNITY

We maintain a meaningful presence outside the US, with direct resources positioned across the globe that continue to work to deepen our footprint with new and existing products in the significantly under-penetrated international markets with new and existing products.

North America	80%	Middle East	01%
Europe	10%	Latin America	1%
China	4%	Rest of World	4%



CUSTOMERS IN
90+
COUNTRIES



LOCATIONS

NORTH AMERICA

FORT MYERS, FLORIDA:

Global headquarters & Somero Concrete Institute

HOUGHTON, MICHIGAN:

Production, operations and support

UK

CHESTERFIELD:

Sales and service office

INDIA

NEW DELHI:

Sales and service office

CHINA

SHANGHAI:

Sales, service and Somero Concrete College training facility

AUSTRALIA

MELBOURNE:

Sales and service office

APPENDIX



HISTORICAL RESULTS



	YEARS ENDED DECEMBER 31,													
<i>US\$ Millions (except per share data)</i>	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenue	66.4	51.9	24.2	21.0	21.9	32.2	45.1	59.3	70.2	79.4	85.6	94.0	89.3	88.6
Revenue growth	19%	-22%	-53%	-13%	4%	47%	40%	32%	18%	13%	8%	10%	-5%	-1%
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	40.4	38.6	39.8
Gross Profit	37.6	28.8	11.7	9.8	10.2	15.7	23.5	32.0	39.2	45.1	48.8	53.6	50.7	48.8
Gross profit %	57%	55%	48%	47%	47%	49%	52%	54%	56%	57%	57%	57%	57%	55%
SG&A	24.3	26.0	27.4	11.5	12.0	14.3	17.1	19.4	21.6	23.9	23.3	24.5	24.1	24.9
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	29.2	26.6	23.9
Interest expense	-1.5	-0.8	-1.0	-0.5	-0.4	-0.3	-0.2	-0.1	-0.2	-0.1	-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	-	0.4	0.7
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	29.1	27.0	24.6
Tax	3.8	0.5	-1.2	-0.2	-	0.2	1.1	-2.1	5.8	7.0	7.3	7.5	5.9	5.8
Net income	6.9	1.7	-15.4	-2.2	-2.3	1.0	5.4	14.5	11.6	14.3	18.4	21.5	21.1	18.8
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	30.8	28.7	26.1
Adjusted EBITDA margin	25%	12%	3%	5%	4%	13%	20%	25%	29%	31%	33%	33%	32%	29%
Depreciation & amortization	2.8	2.7	2.7	2.6	2.6	2.6	2.4	2.0	2.3	2.7	2.1	1.2	1.1	1.1
Capital expenditures	0.5	0.6	-	-	0.1	0.6	0.8	1.2	4.2	4.4	2.2	0.8	3.0	3.7

THANK YOU



SOMERO
ENTERPRISES, INC.