Nasdaq: ALNT

May 8, 2025

First Quarter 2025 Financial Results Call

Dick Warzala
Chairman, President & CEO

Jim Michaud
Chief Financial Officer

SAFE HARBOR STATEMENT

The statements in this presentation that relate to future plans, events or performance are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements include, without limitation, any statement that may predict, forecast, indicate, or imply future results, performance, or achievements. Examples of forward-looking statements include, among others, statements the Company makes regarding expected savings from restructuring and simplifying actions, the cost of implementing such actions, operating results, expectations for the level of sales for the next several quarters, the Company's belief that it has sufficient liquidity to fund its business operations, and expectations with respect to the conversion of backlog to sales. Forward-looking statements are neither historical facts nor assurances of future performance. Instead, they are based only on the Company's current beliefs, expectations and assumptions regarding the future of the Company's business, future plans and strategies, projections, anticipated events and trends, the economy and other future conditions. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict and many of which are outside of the Company's control. The Company's actual results and financial condition may differ materially from those indicated in the forward-looking statements. Therefore, you should not rely on any of these forward-looking statements. Important factors that could cause our actual results and financial condition to differ materially from those indicated in the forward-looking statements include, among others, general economic and business conditions, conditions affecting the industries served by the Company and its subsidiaries, conditions affecting the Company's customers and suppliers, competitor responses to the Company's products and services, the overall market acceptance of such products and services, the pace of bookings relative to shipments, the ability to expand into new markets and geographic regions, the success in acquiring new business, the impact of changes in income tax rates or policies, commercial activity and demand across our and our customers' businesses, global supply chains, the prices of our securities and the achievement of our strategic objectives, the ability to attract and retain qualified personnel, the ability to successfully integrate an acquired business into our business model without substantial costs, delays, or problems, and other factors disclosed in the Company's periodic reports filed with the Securities and Exchange Commission. Any forward-looking statement speaks only as of the date on which it is made. New risks and uncertainties arise over time, and it is not possible for us to predict the occurrence of those matters or the manner in which they may affect us. The Company has no obligation or intent to release publicly any revisions to any forward-looking statements, whether as a result of new information, future events, or otherwise.

This presentation will discuss some non-GAAP financial measures, which the Company believes are useful in evaluating our performance. You should not consider the presentation of this additional information in isolation or as a substitute for results prepared in accordance with GAAP. The Company has provided reconciliations of comparable GAAP to non-GAAP measures in tables found in the Supplemental Information portion of this presentation.

Q1 2025:
STRONG SEQUENTIAL IMPROVEMENT

Revenue **$132.8M** *+9% QoQ* *-9% YoY*	Net Income **$3.6M** *+18% QoQ* *-48% YoY*
Gross Margin **32.2%** *+70bps QoQ* *-10bps YoY*	Cash from Operations **$13.9M** *+12% QoQ* *+52% YoY*
Operating Margin **6.6%** *+130bps QoQ* *-160bps YoY*	Orders **$137.6M** *+17% QoQ* *+13% YoY*

Demonstrated strength of our diversified business model and the effectiveness of our strategic initiatives

Advanced operational efficiencies through Simplify to Accelerate NOW initiatives

Generated strong free cash flow, reinforcing financial discipline

Debt, net of cash, reduced $13.6M to $174.4M

SIMPLIFY TO ACCELERATE NOW

Cost reduction and profit enhancing initiatives to help offset top-line pressure

Key Strategic Actions

- Realign and right-size our footprint to better align with our markets and customers.
- Simplify customer interactions – make it easier for customers to do business with Allient.
- Reinforce lean manufacturing disciplines throughout the Company to accelerate margin expansion.
- Elevate our product development pace and reduce time to market.

Achieved $10 million in annualized savings in 2024

Goal is to reduce annualized costs another $6 to $7 million in 2025

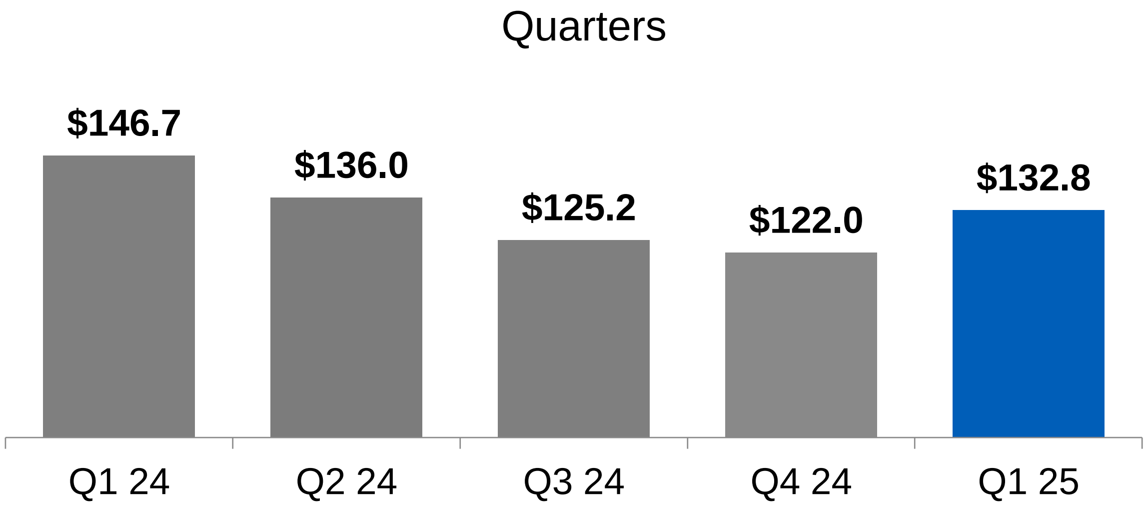
Announced the Dothan Machining Center of Excellence

Recognized $2.0M in restructuring and related charges in 2024; $1.5M in Q1 25

Continuing to identify new opportunities to enhance operational efficiency and cost structure

REVENUE

($ in millions; narrative compared with prior-year period unless otherwise noted)



Q1 25 market results:

- **+ 25% A&D** (program timing)
- **+ 0% Medical** (solid demand for surgical instruments)
- **- 10% Industrial** (strength in power quality sales to HVAC / data centers markets, offset by lower industrial automation demand)
- **- 34% Vehicle** (decline in powersports)

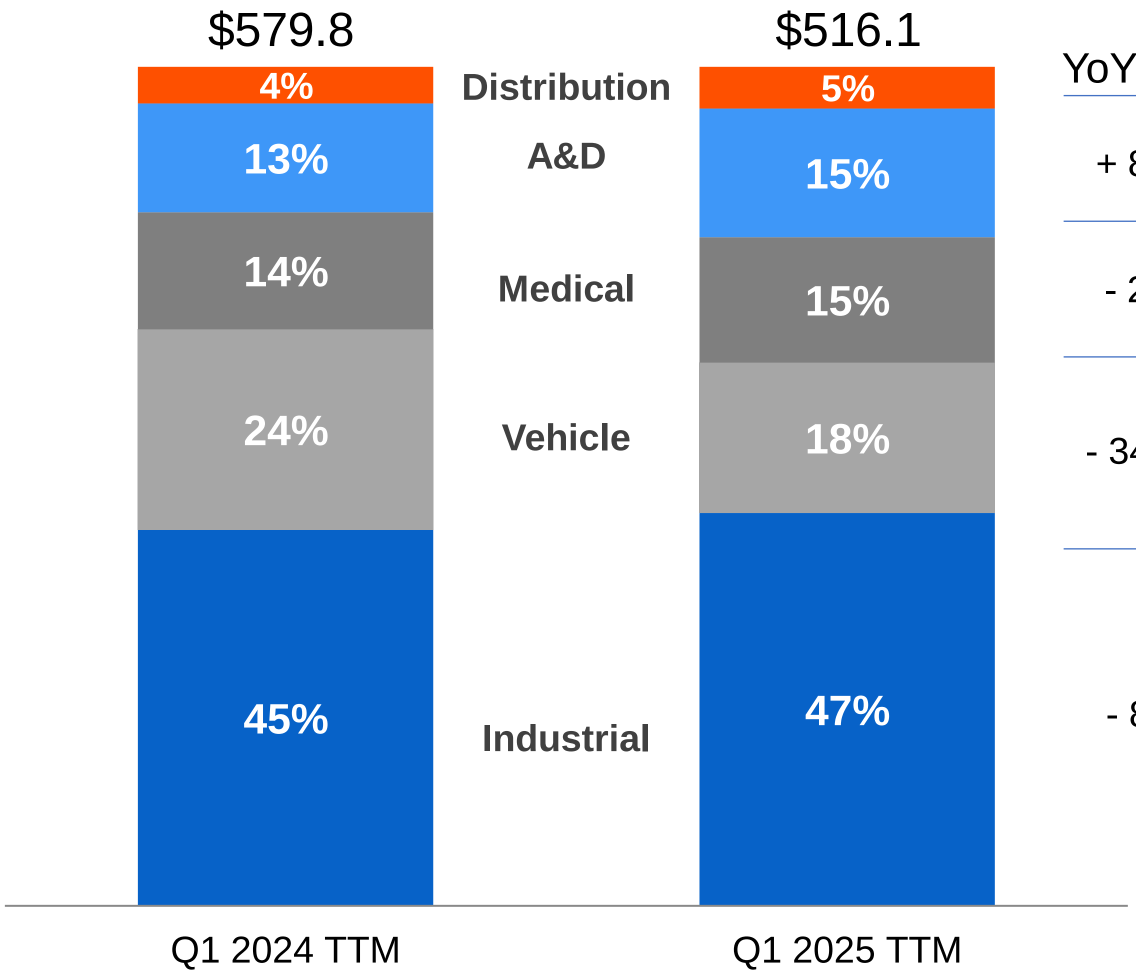
FX unfavorable $1.8M in Q1 25

52% of sales to U.S. customers for Q1 25 versus 58% for Q1 24

DIVERSIFIED REVENUE MIX (TTM)

($ in millions)

Revenue by Market



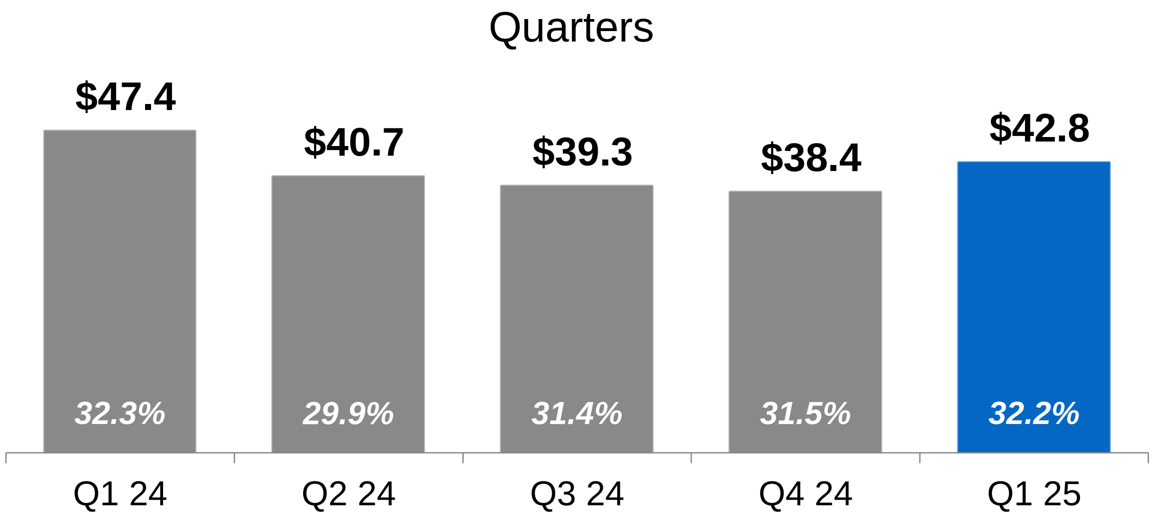
NOTE: Components may not add to totals due to rounding

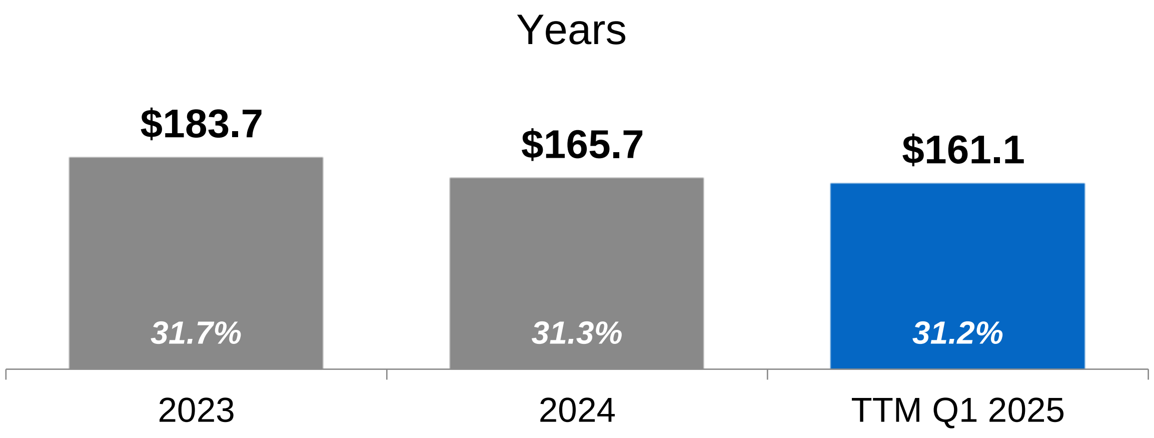
YoY Change and Market Drivers

+ 8%	Reflects defense and space program timing
- 2%	Higher surgical related demand offset by softness in pump-related products
- 34%	Reduced demand in powersports
- 8%	Higher demand for power quality solutions for HVAC / data center markets, material handling, and semiconductor equipment offset by lower industrial automation due to inventory destocking by our largest customer

GROSS PROFIT AND MARGIN

($ in millions; narrative compared with prior-year period unless otherwise noted)





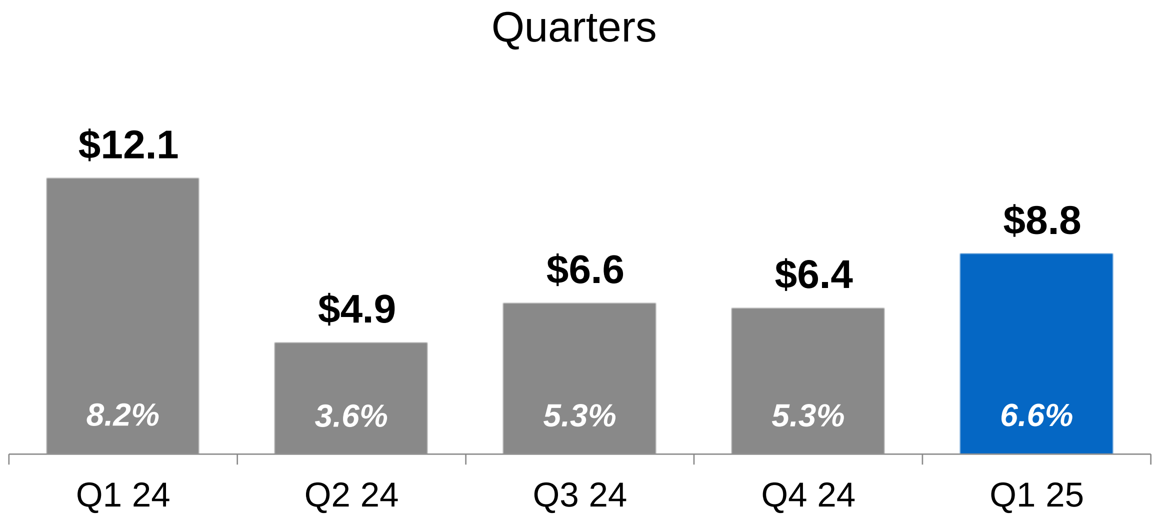
Third quarter of sequential margin improvement (up 230 bps since Q2 24 low point)

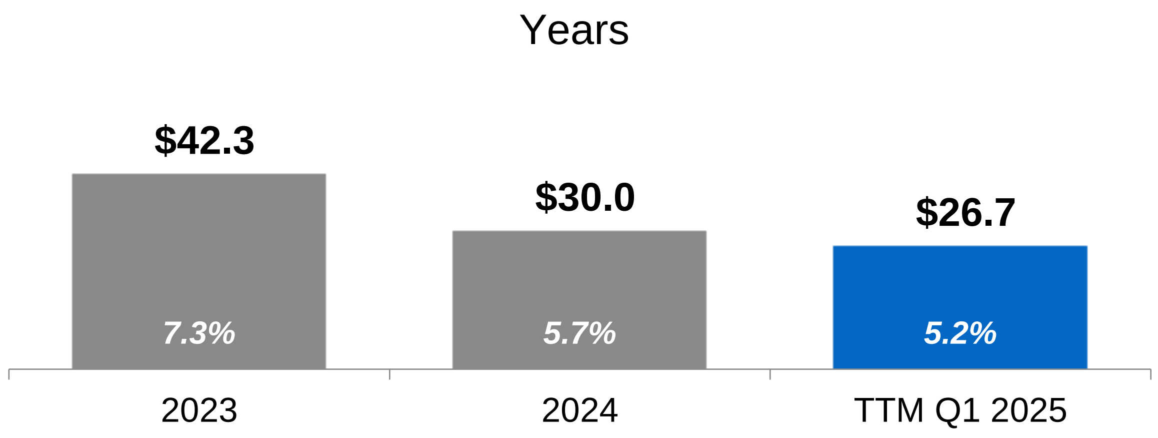
Q1 25 Gross margin impacts

+ Favorable Mix
+ Lean tool kit (AST)
+ Simplify to Accelerate NOW
- Lower volume

OPERATING INCOME AND MARGIN

($ in millions; narrative compared with prior-year period unless otherwise noted)





Q1 25 margin up 130 bps sequentially, due to favorable mix and Simplify to Accelerate NOW actions

Q1 25 SG&A was 14.9% of sales, down 90 bps sequentially

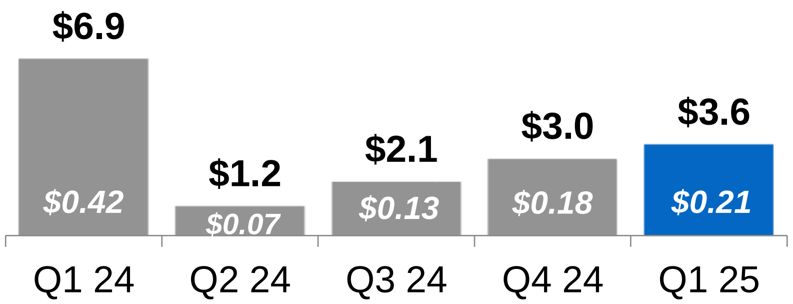
Restructuring and business realignment costs:

- $1.5M in Q1 25
- Minimal in Q4 24
- Minimal in Q1 24

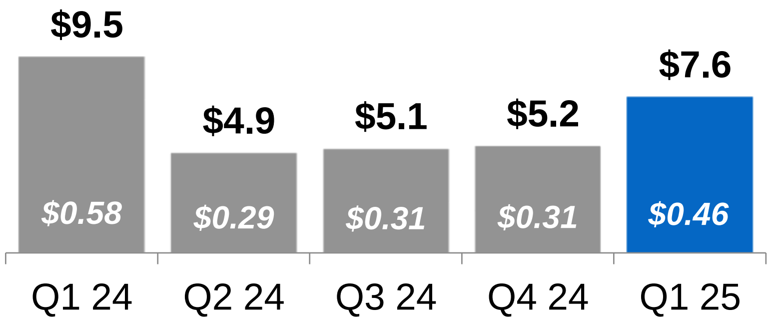
NET INCOME AND ADJUSTED EBITDA

($ in millions, except per share data)

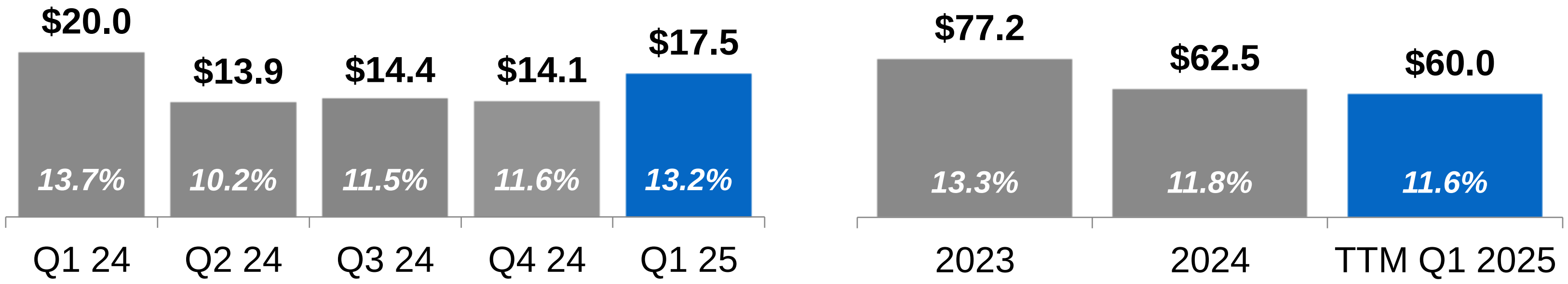
GAAP Net Income & EPS



Adjusted Net Income & Adjusted EPS[1]



Adjusted EBITDA[1] and Margin



Sequential growth:

Net income	+18%
Adj. Net income[(1)]	+46%
Adj. EBITDA[(1)]	+24%
Adj. EBITDA margin[(1)]	+160 bps

Expect income tax rate for full year 2025 to be ~21% to 23%

Adjusted net income excludes amortization of intangible assets related to acquisitions, acquisition and integration-related costs, restructuring and business realignment costs, and other non-recurring items

[(1)]See supplemental slides for Adjusted Net Income and Adjusted EBITDA reconciliations and other important disclaimers

NOTE: Components may not add up to totals due to rounding

CASH FLOW

($ in millions)

	Three Months Ended	
	3/31/25	3/31/24
Net cash provided by operating activities	$ 13.9	$ 9.2
Capital expenditures (CapEx)	(1.1)	(3.0)
Operating free cash flow (FCF)[1]	**$ 12.9**	**$ 6.2**

FY25 CapEx Expectation: $10 million – $12 million

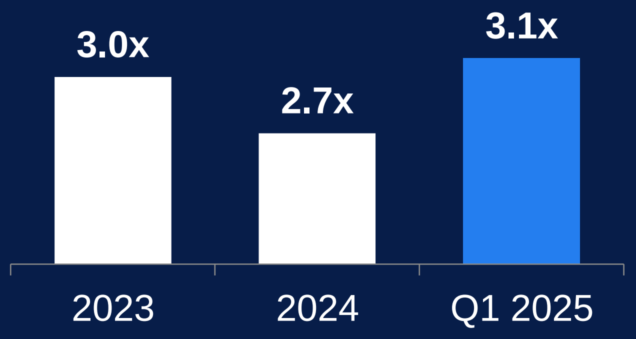
[1] *Free cash flow is a non-GAAP metric defined as cash flow from operations, less capital expenditures*

NOTE: Components may not add up to totals due to rounding

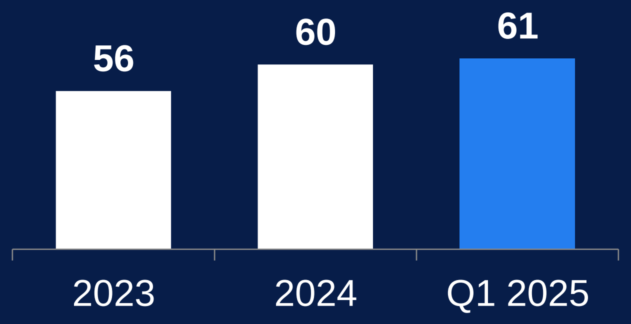
2025 Financial priorities:

1. Reduce inventory and strengthen working capital management
2. Take out costs
3. Reduce debt

Inventory Turnover



Days Sales Outstanding



BALANCE SHEET

($ in millions)

CAPITALIZATION		
	Mar 31, 2025	Dec 31, 2024
Cash and cash equivalents	$ 47.8	$ 36.1
Total debt	222.2	224.2
Total net debt	**174.4**	**188.1**
Shareholders' equity	272.8	264.9
Total capitalization	**$ 495.0**	**$ 489.0**
Debt/total capitalization	44.9%	45.8%
Net debt/net total capitalization	39.0%	41.5%
Leverage Ratio[1]	2.91x	3.01x

Cash balance up 32%

Debt down $2.0M sequentially

Net debt reduced $13.6M

Bank leverage ratio[2] of 3.56x at quarter end

[1] Leverage ratio calculated as total net debt divided by trailing twelve months of Adjusted EBITDA. See supplemental slides for reconciliations.

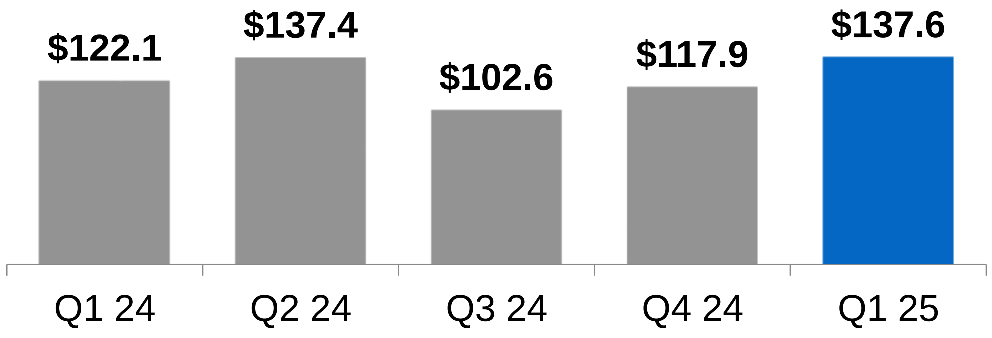
[2] Bank leverage ratio calculated in accordance with the Company's credit agreement, which amongst other items excludes foreign cash.

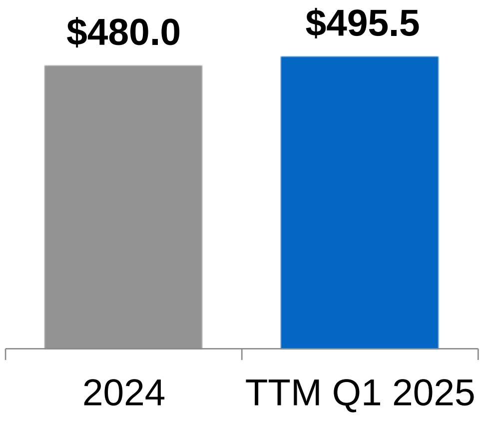
NOTE: Components may not add up to totals due to rounding

ORDERS AND BACKLOG

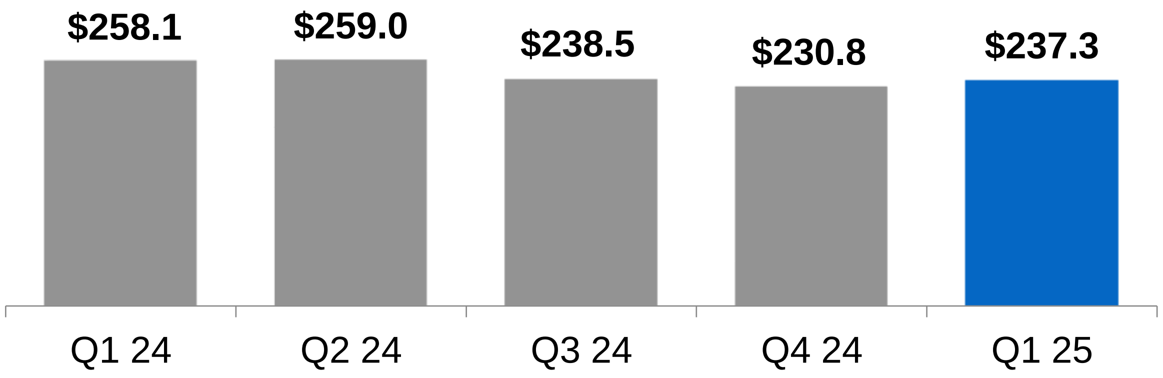
($ in millions)

Orders





Backlog



Q1 25 orders up 17% sequentially driven by strength in power quality and A&D; up 13% YoY

Q1 25 Book:Bill 1.04x

Backlog up 3% sequentially; YoY change reflects customer inventory rebalancing and adverse foreign currency exchange rate impacts

Majority of backlog to ship in three to nine months

OUTLOOK[1] - DRIVING GROWTH THROUGH STRATEGIC ALIGNMENT AND OPERATIONAL EXCELLENCE

Adapting to a Complex Global Landscape: Proactively managing risks tied to evolving tariffs and rare earth trade constraints with agile and resilient operations

Executing Simplify to Accelerate NOW Initiatives:

- Aligning operations more closely with customer needs
- Managing Dothan Machining Center transition complexities with focused execution; initial benefits expected late 2025

Driving Operating Leverage: Maintaining cost discipline and driving efficiency to enhance profitability and long-term performance

Market Outlook: Challenging conditions persist and anticipated through 1H 2025

Financial Priorities: Ongoing focus on cash conversion and debt reduction to strengthen financial flexibility

(1) *Outlook provided* on May 8, 2025

CONFERENCE CALL AND WEBCAST PLAYBACK

Replay Number: **412-317-6671** *passcode:* ***10198077***

Telephone replay available through Thursday, May 22, 2025

Webcast / Presentation / Replay available at
www.allient.com/investors

Transcript, when available, at
www.allient.com/investors

Nasdaq: ALNT

Supplemental Information

ADJUSTED NET INCOME RECONCILIATION

($ in thousands, except per share data)

	For the three months ended				
	Mar 31, 2024	**June 30, 2024**	**Sept 30, 2024**	**Dec 31, 2024**	**Mar 31, 2025**
Net income	$ 6,902	$ 1,150	$ 2,101	$ 3,013	$ 3,557
Non-GAAP adjustments, net of tax (1)					
Amortization of intangible assets - net	2,463	2,475	2,401	2,387	2,369
Foreign currency loss / (gain) – net	(92)	30	353	(355)	519
Acquisition and integration-related costs – net (2)	273	77	(154)	145	-
Restructuring and business realignment costs - net	-	1,125	367	18	1,148
Adjusted Net Income	**$ 9,546**	**$ 4,857**	**$ 5,068**	**$ 5,208**	**$ 7,593**
Average Diluted Shares Outstanding	16,497	16,540	16,605	16,608	16,638
Diluted earnings per share	$ 0.42	$ 0.07	$ 0.13	$ 0.18	$ 0.21
Adjusted diluted earnings per share	$ 0.58	$ 0.29	$ 0.31	$ 0.31	$ 0.46

(1) Applies a blended federal, state, and foreign tax rate of 23% applicable to the non-GAAP adjustments.
(2) Includes a Q3 2024 fair value measurement reduction of $270 due to acquisition-related contingent consideration.

Adjusted net income and diluted EPS are defined as net income as reported, adjusted for certain items, including amortization of intangible assets and unusual non-recurring items. Adjusted net income and diluted EPS are not a measure determined in accordance with GAAP in the United States, and may not be comparable to the measure as used by other companies. Nevertheless, the Company believes that providing non-GAAP information, such as adjusted net income and diluted EPS are important for investors and other readers of the Company's financial statements and assists in understanding the comparison of the current quarter's and current year's net income and diluted EPS to the historical periods' net income and diluted EPS.

NOTE: Components may not add up to totals due to rounding

ADJUSTED NET INCOME RECONCILIATION

($ in thousands, except per share data)

	For twelve months ended		
	Dec 31, 2023	Dec 31, 2024	Mar 31, 2025
Net income	$ 24,097	$ 13,166	$ 9,821
Non-GAAP adjustments, net of tax (1)			
Amortization of intangible assets - net	9,752	9,726	9,632
Foreign currency loss / (gain) – net	223	(64)	547
Acquisition and integration-related costs - net	2,344	341	68
Restructuring and business realignment costs - net	1,042	1,510	2,658
Non-GAAP Adjusted Net Income	**$ 37,458**	**$ 24,679**	**$ 22,726**
Average Diluted Shares Outstanding	16,272	16,608	16,638
Diluted earnings per share	$1.48	$0.79	$0.59
Adjusted diluted earnings per share	$2.30	$1.49	$1.37

(1) Applies a blended federal, state, and foreign tax rate of approximately 21% for 2023 and 23% for 2024 and TTM Q1 2025 applicable to the non-GAAP adjustments.

Adjusted net income and diluted EPS are defined as net income as reported, adjusted for certain items, including amortization of intangible assets and unusual non-recurring items. Adjusted net income and diluted EPS are not a measure determined in accordance with GAAP in the United States, and may not be comparable to the measure as used by other companies. Nevertheless, the Company believes that providing non-GAAP information, such as adjusted net income and diluted EPS are important for investors and other readers of the Company's financial statements and assists in understanding the comparison of the current quarter's and current year's net income and diluted EPS to the historical periods' net income and diluted EPS.

NOTE: Components may not add up to totals due to rounding

ADJUSTED EBITDA RECONCILIATION

($ in thousands)

	For the three months ended				
	Mar 31, 2024	June 30, 2024	Sept 30, 2024	Dec 31, 2024	Mar 31, 2025
Net income	$ 6,902	$ 1,150	$ 2,101	$ 3,013	$ 3,557
Interest expense	3,388	3,384	3,435	3,089	3,635
Provision for income taxes	1,919	299	612	862	903
Depreciation and amortization	6,385	6,416	6,447	6,643	6,281
EBITDA	**$ 18,594**	**11,249**	**12,595**	**13,607**	**14,376**
Stock compensation expense	1,211	1,073	1,098	765	920
Acquisition and integration-related costs [(1)]	357	100	(201)	189	-
Restructuring and business realignment costs	-	1,469	479	23	1,499
Foreign currency loss (gain)	(120)	40	461	(464)	677
Adjusted EBITDA	**$ 20,042**	**$ 13,931**	**$ 14,432**	**$ 14,120**	**$ 17,472**
Revenue	**$ 146,713**	**$ 136,032**	**$ 125,213**	**$ 122,010**	**$ 132,803**
Adjusted EBITDA Margin	**13.7%**	**10.2%**	**11.5%**	**11.6%**	**13.2%**

(1) Includes a Q3 2024 fair value measurement reduction of $270 due to acquisition-related contingent consideration.

In addition to reporting revenue and net income, which are U.S. generally accepted accounting principle (“GAAP”) measures, the Company presents EBITDA and Adjusted EBITDA (earnings before interest, income taxes, depreciation and amortization, stock-based compensation expense, acquisition and integration-related costs, restructuring and business realignment costs, and foreign currency gains/losses), which are non-GAAP measures. The Company believes EBITDA and Adjusted EBITDA are often a useful measure of a Company’s operating performance and are a significant basis used by the Company’s management to evaluate and compare the core operating performance of its business from period to period by removing the impact of the capital structure (interest), tangible and intangible asset base (depreciation and amortization), taxes, stock-based compensation expense, acquisition and integration-related costs, restructuring and business realignment costs, foreign currency gains/losses on short-term assets and liabilities, and other items that are not indicative of the Company’s core operating performance. EBITDA and Adjusted EBITDA do not represent and should not be considered as an alternative to net income, operating income, net cash provided by operating activities or any other measure for determining operating performance or liquidity that is calculated in accordance with GAAP.

ADJUSTED EBITDA RECONCILIATION

($ in thousands, except per share data)

	For twelve months ended		
	Dec 31, 2023	Dec 31, 2024	Mar 31, 2025
Net income	$ 24,097	$ 13,166	$ 9,821
Interest expense	12,383	13,296	13,543
Provision for income taxes	5,603	3,692	2,676
Depreciation and amortization	25,068	25,891	25,787
EBITDA	**$ 67,151**	**$ 56,045**	**$ 51,827**
Stock-based compensation expense	5,477	4,147	3,856
Acquisition and integration-related costs	2,959	445	88
Restructuring and business realignment costs	1,316	1,971	3,470
Foreign currency loss (gain)	281	(83)	714
Adjusted EBITDA	**$ 77,184**	**$ 62,525**	**$ 59,955**
Revenue	**$ 578,634**	**$ 529,968**	**$ 516,058**
Adjusted EBITDA Margin	**13.3%**	**11.8%**	**11.6%**

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REVENUE EXCLUDING FOREIGN CURRENCY EXCHANGE AND CALCULATION OF ORGANIC REVENUE

($ in thousands)

	Three Months Ended March 31, 2025
Revenue as reported	$ 132,803
Foreign currency impact	1,819
Revenue excluding foreign currency exchange impacts	$ 134,622

	Three Months Ended March 31, 2025
Revenue decrease year over year	(9.4%)
Less: Impact of acquisitions and foreign currency	0.3%
Organic revenue	(9.1%)

In addition to reporting revenue, which is a U.S. generally accepted accounting principle ("GAAP") measure, the Company presents Revenue excluding foreign currency exchange rate impacts and Organic growth, which are non-GAAP measures. The Company believes that Revenue excluding foreign currency exchange rate impacts is a useful measure in analyzing organic sales results. The Company excludes the effect of currency translation from revenue for this measure because currency translation is not fully under management's control, is subject to volatility and can obscure underlying business trends. The portion of revenue attributable to currency translation is calculated as the difference between the current period revenue and the current period revenue after applying foreign exchange rates from the prior period. Organic revenue is reported revenues adjusted for the impact of foreign currency and the revenue contribution from acquisitions.

TOTAL NET DEBT AND LEVERAGE RATIO RECONCILIATION

($ in thousands)

	March 31, 2025	December 31, 2024
Total debt	$ 222,202	$ 224,177
Less: cash and cash equivalents	$ 47,753	$ 36,102
Total net debt (Non-GAAP)	$ 174,449	$ 188,075
TTM Adjusted EBITDA (Non-GAAP)	$ 59,955	$ 62,525
Leverage Ratio (Non-GAAP)	2.91	3.01

We believe that total net debt and leverage ratio provide meaningful measures of liquidity and a useful basis for assessing our ability to fund our activities, including the financing of acquisitions and debt repayments. Total net debt is calculated as total debt less cash and cash equivalents. Leverage ratio is total net debt divided by adjusted EBITDA for the trailing twelve months.

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May 8, 2025

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Chairman, President & CEO

Jim Michaud
Chief Financial Officer