



Nasdaq: ALNT

November 6, 2025

Third 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.

Q3 2025:

DOUBLE-DIGIT GROWTH AND MARGIN EXPANSION DRIVE ENHANCED PROFITABILITY

Revenue	\$138.7M	-1% QoQ +11% YoY	Net Income	\$6.5M	+15% QoQ +208% YoY
Gross Margin	33.3%	+10bps QoQ +190bps YoY	YTD Cash from Operations	\$43.1M	+46% YoY
Operating Margin	8.8%	+40bps QoQ +350bps YoY	Debt, net of cash	\$150.8M	Down \$37.3M YTD

Continued momentum across revenue, margins, and earnings

Mix shift toward higher-margin end markets supporting profitability

Ongoing operational efficiency gains fueling leverage and cost discipline

YTD cash generation driving net debt reduction

Strategic initiatives advancing, reinforcing long-term growth and resilience

SIMPLIFY TO ACCELERATE NOW: UNLOCKING MARGIN EXPANSION AND AGILITY

Cost reduction and profit enhancing initiatives

- 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

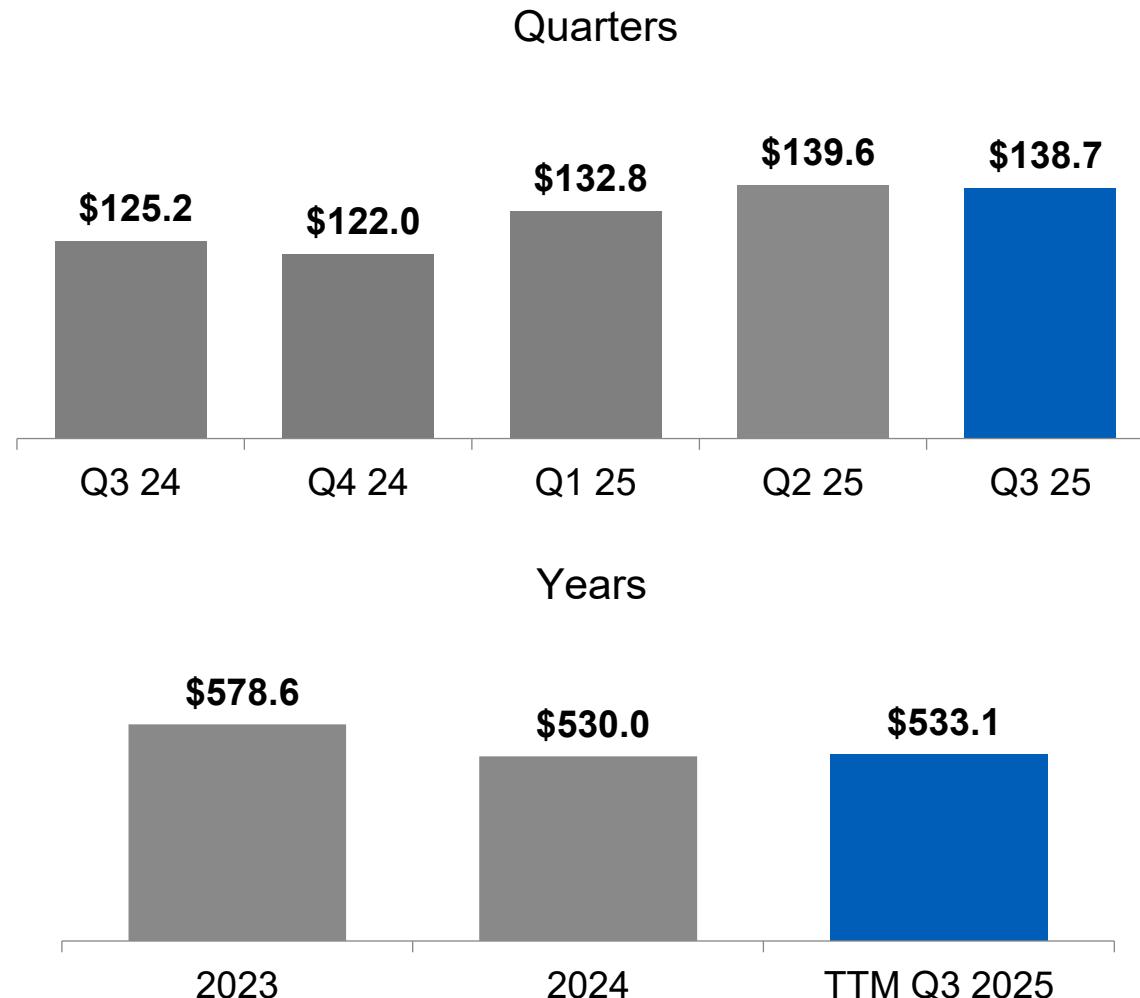
Goal is to reduce annualized costs another \$6 to \$7 million in 2025; largely supported by the Dothan Fabrication Center of Excellence

Recognized \$2.0M in restructuring and related charges in 2024; \$3.5M YTD 2025

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

REVENUE GROWTH ACROSS KEY MARKET VERTICALS

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



Q3 25 market results (YoY)

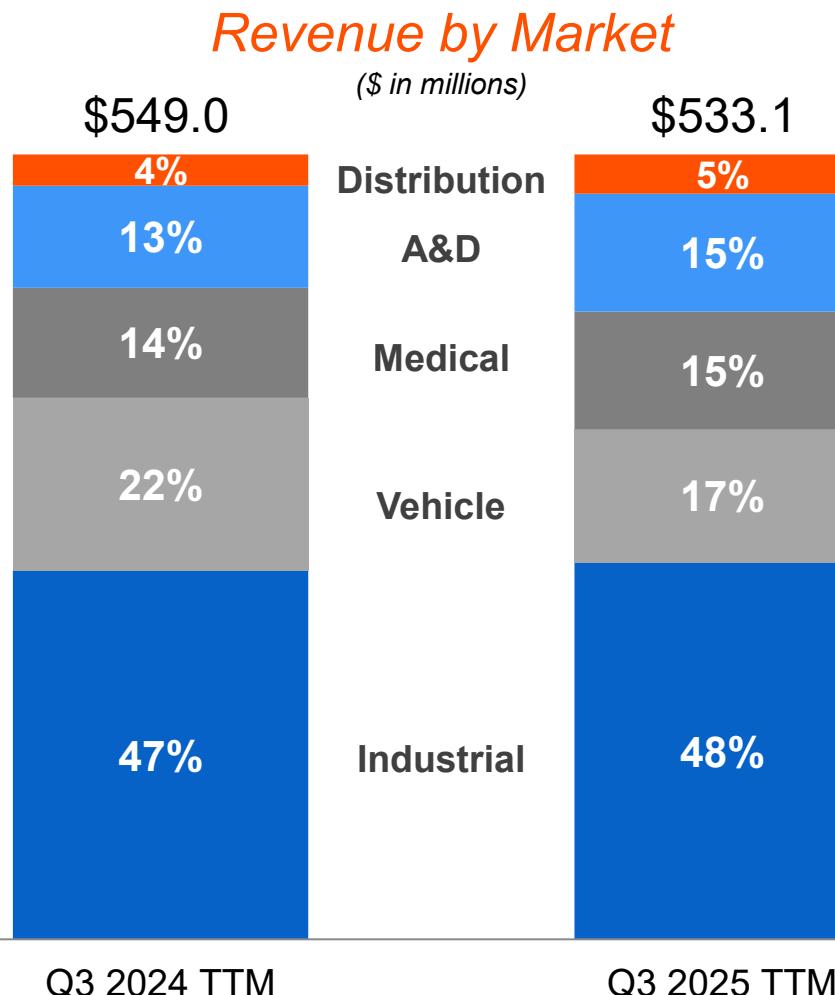
- + 20% **Industrial** (power quality solutions to data centers & solid industrial automation demand)
- + 6% **Medical** (surgical instrument demand)
- + 6% **Vehicle** (commercial automotive & construction)
- + 2% **A&D** (program timing, partially offset by short-term customer validation delays)

FX favorable \$2.3M in Q3 25; 9% organic growth on a constant currency basis

57% of Q3 25 sales to U.S. customers

Q2 25 included ~\$3M to \$4M in customer pull-ins from Q3 due to supply-related order acceleration

DIVERSIFIED MARKET MIX UNDERPINS RESILIENT PERFORMANCE



YoY Change and Market Drivers

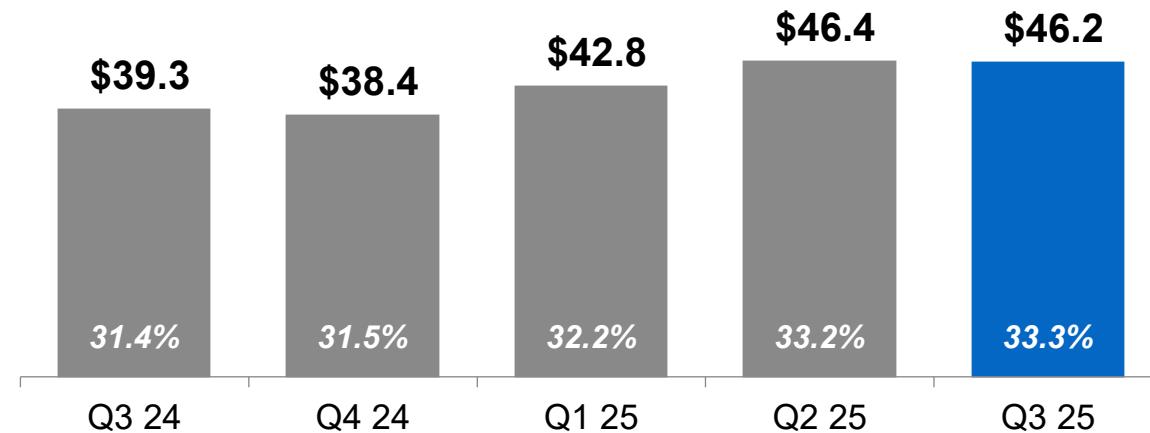
- +15% Reflects defense and space program timing as well as strong execution in expanding our defense business
- + 4% Higher surgical related demand offset by softness in pump-related products and medical mobility solutions
- 24% Reduced demand in powersports and truck applications
- 0% Higher demand for power quality solutions for HVAC / data center markets, as well as increased pumps, vehicle handling, and semiconductor equipment offset by lower demand for industrial automation due to inventory destocking by our largest customer, and lower oil & gas applications

NOTE: Components may not add to totals due to rounding

RECORD GROSS MARGIN

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

Gross Profit and Margin - Quarters

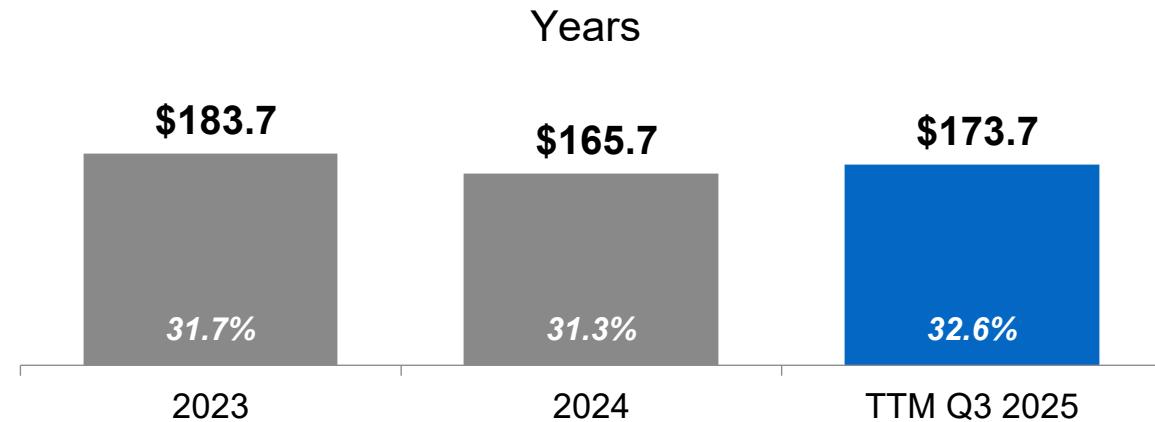


Fifth consecutive quarter of margin expansion

Q3 25 Gross margin impacts

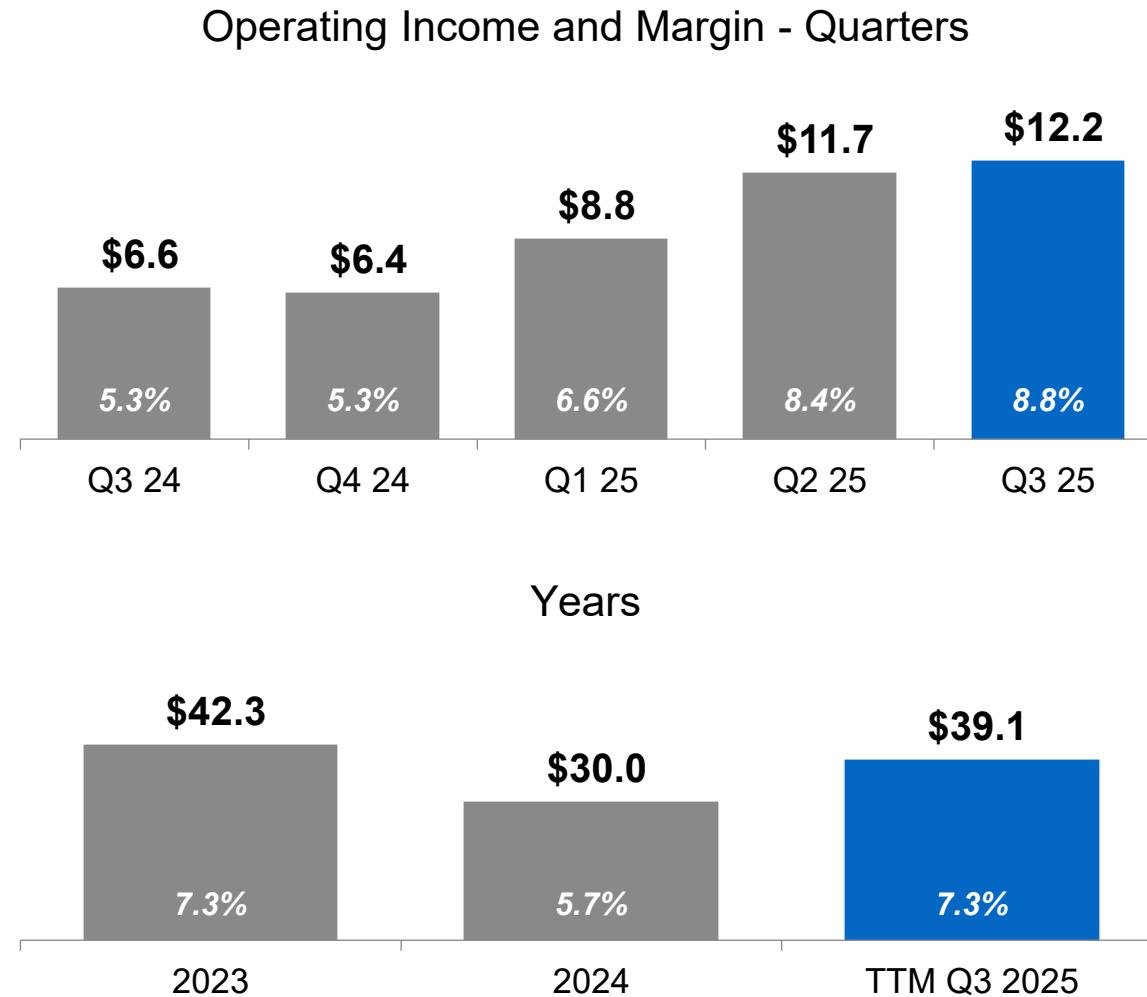
- + Favorable Mix
- + Increased volume
- + Lean tool kit (AST)
- + Simplify to Accelerate NOW

Years



COST TRANSFORMATION UNLOCKING OPERATING LEVERAGE

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



Q3 25 margin expansion of 350 bps YoY and 40 bps sequentially

Q3 25 SG&A was 14.7% of sales, an improvement of 140 bps YoY and flat sequentially

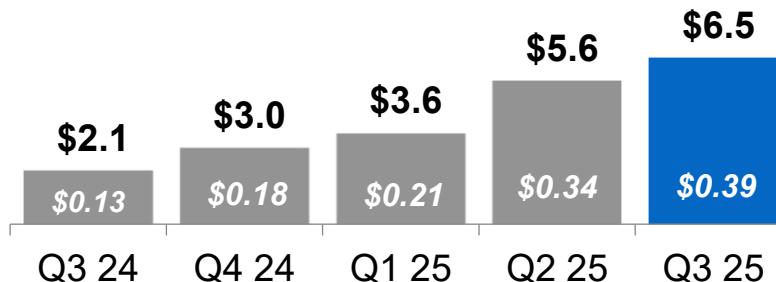
Restructuring and business realignment costs to support long-term efficiency:

- \$0.8M in Q3 25
- \$1.1M in Q2 25
- \$0.5M in Q3 24

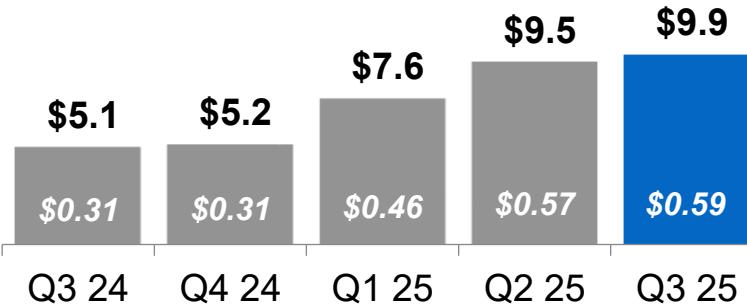
DISCIPLINED EXECUTION DRIVING EARNINGS MOMENTUM

(\$ in millions, except per share data)

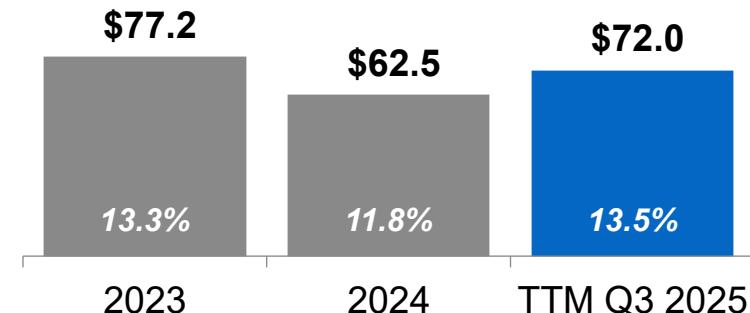
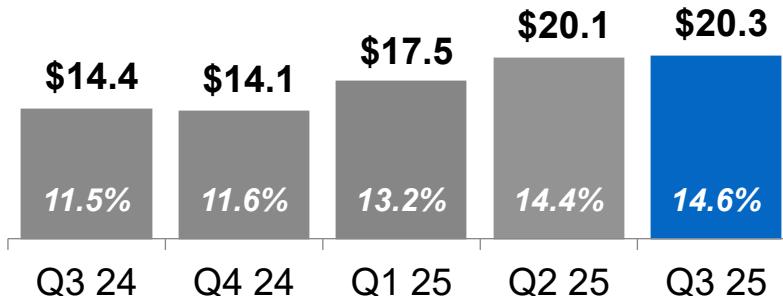
GAAP Net Income & EPS



Adjusted Net Income & Adjusted EPS¹



Adjusted EBITDA¹ and Margin



Sequential growth:

Net income	+15%
Adj. Net income ⁽¹⁾	+4%
Adj. EBITDA ⁽¹⁾	+1%
Adj. EBITDA margin ⁽¹⁾	+20 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

STRONG YEAR-TO-DATE CASH GENERATION ENHANCES FLEXIBILITY

(\$ in millions)

	Three Months Ended		Nine Months Ended	
	9/30/25	9/30/24	9/30/25	9/30/24
Net cash provided by operating activities	\$ 4.7	\$ 12.0	\$ 43.1	\$ 29.5
Capital expenditures (CapEx)	(1.9)	(1.6)	(5.1)	(6.9)
Operating free cash flow (FCF)⁽¹⁾	\$ 2.8	\$ 10.4	\$ 38.0	\$ 22.6

Q3 FCF impacted by ~\$5M temporary inventory build (magnets, Dothan transition), higher DSO from sales mix, and timing of insurance premium payments

FY25 CapEx Expectation: \$6.5 million – \$8.5 million

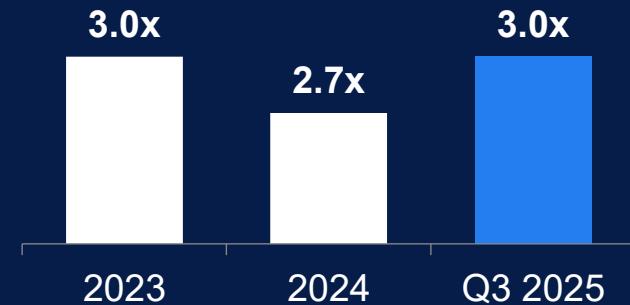
⁽¹⁾ Free cash flow is a non-GAAP metric defined as cash flow from operations, less capital expenditures

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

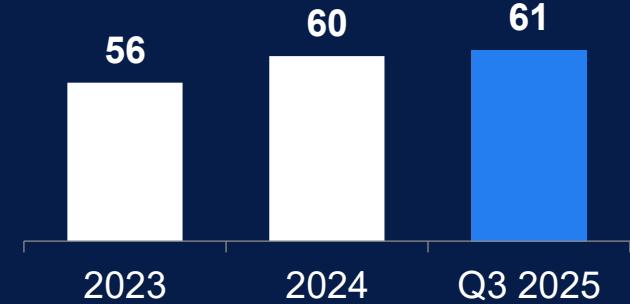
2025 Financial priorities:

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

Inventory Turnover



Days Sales Outstanding



CONTINUED BALANCE SHEET DELEVERAGING AND STRENGTH

(\$ in millions)

CAPITALIZATION		
	Sept 30, 2025	Dec 31, 2024
Cash and cash equivalents	\$ 39.5	\$ 36.1
Total debt	190.3	224.2
Total net debt	150.8	188.1
Shareholders' equity	294.2	264.9
Total capitalization	\$ 484.4	\$ 489.0
Debt/total capitalization	39.3%	45.8%
Net debt/net total capitalization	33.9%	41.5%
Leverage Ratio ¹	2.10x	3.01x

**Debt down \$12M in Q3 and
\$33.9M YTD**

Net debt reduced \$37.3M YTD

**Bank leverage ratio² of 2.59x at
quarter end**

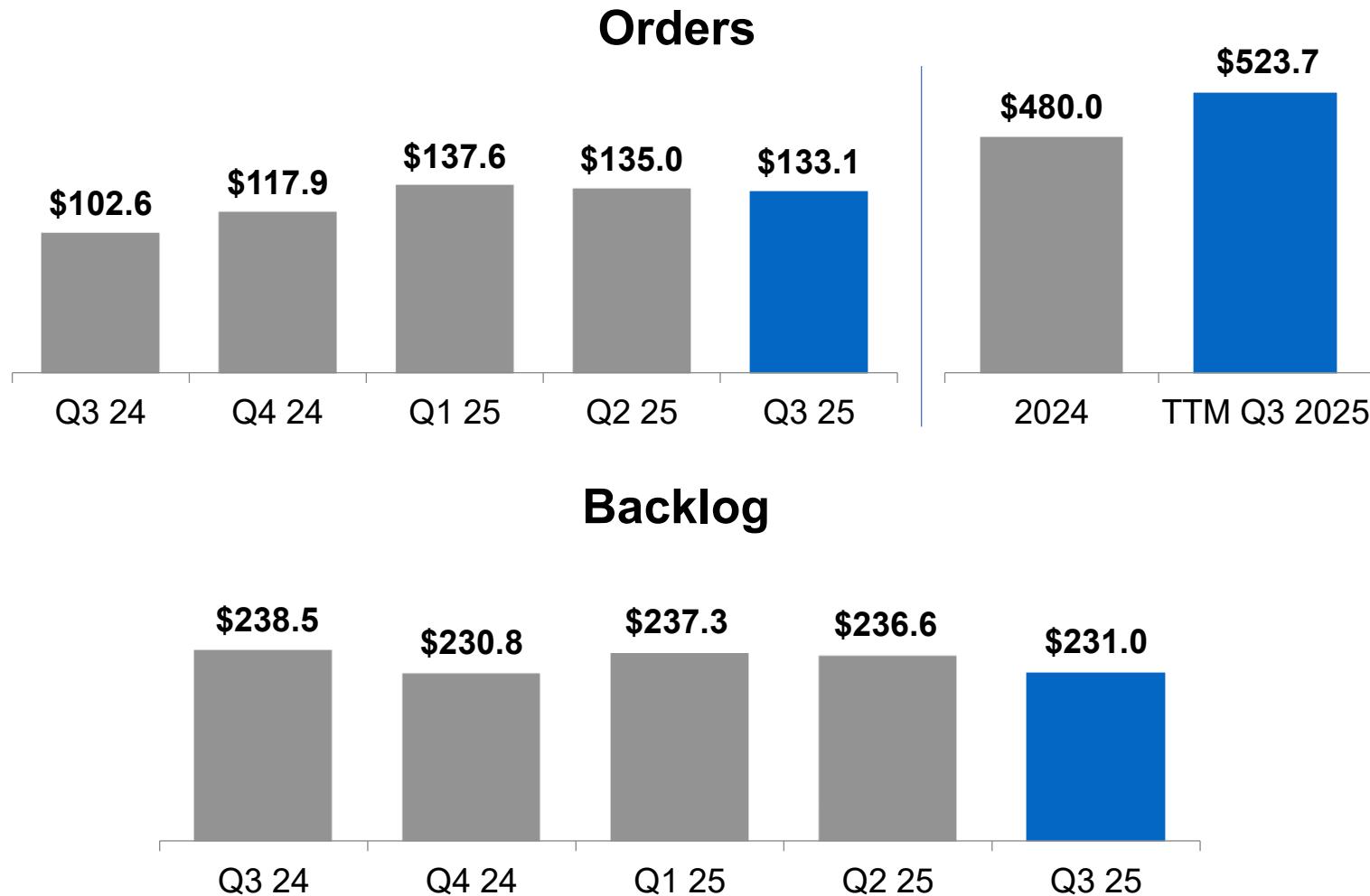
¹ Leverage ratio calculated as total net debt divided by trailing twelve months of Adjusted EBITDA. See supplemental slides for reconciliations.

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

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SOLID BACKLOG AND DEMAND TRENDS

(\$ in millions)



Q3 25 Book:Bill 0.96x

Demand healthy across Industrial applications, particularly power quality for data center infrastructure

Continued to execute on key defense programs despite isolated order cancellation; defense pipeline is strong

Majority of backlog to ship in three to nine months

POSITIONED TO DRIVE RESILIENT PERFORMANCE AND PROFITABILITY THROUGH VARYING MARKET CONDITIONS¹



Proactively Managing Market Challenges:

- Managing trade and rare earth supply risks through supplier diversification and alternative materials
- Dynamic inventory management and close customer collaboration to mitigate volatility

Driving Operational Leverage:

- Simplify to Accelerate NOW initiatives gaining traction, with early benefits from Dothan expected late 2025
- Focused execution delivering margin expansion and cost discipline

Solid Financial Foundation:

- Leverage ratio of 2.10x provides flexibility
- Ongoing emphasis on working capital efficiency and cost reduction

Strategic Outlook:

- Alignment with long-term secular growth drivers: electrification, automation, energy efficiency, and precision control
- Near-term cadence may reflect supply dynamics and typical year-end seasonality
- Confident in delivering sustainable, high-quality growth

⁽¹⁾ Outlook provided on November 6, 2025

CONFERENCE CALL AND WEBCAST PLAYBACK

Replay Number: **412-317-6671** passcode: **10202880**

Telephone replay available through Thursday, November 20, 2025

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

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



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Supplemental Information

ADJUSTED NET INCOME RECONCILIATION

(\$ in thousands, except per share data)

	For the three months ended				
	Sept 30, 2024	Dec 31, 2024	Mar 31, 2025	June 30, 2025	Sept 30, 2025
Net income	\$ 2,101	\$ 3,013	\$ 3,557	\$ 5,617	\$ 6,477
Non-GAAP adjustments, net of tax ⁽¹⁾					
Amortization of intangible assets - net	2,401	2,387	2,369	2,394	2,399
Foreign currency loss / (gain) – net	353	(355)	519	637	356
Acquisition and integration-related costs – net ⁽²⁾	(154)	145	-	18	13
Restructuring and business realignment costs - net	367	18	1,148	859	640
Adjusted Net Income	\$ 5,068	\$ 5,208	\$ 7,593	\$ 9,525	\$ 9,885
Average Diluted Shares Outstanding	16,605	16,608	16,638	16,713	16,780
Diluted earnings per share	\$ 0.13	\$ 0.18	\$ 0.21	\$ 0.34	\$ 0.39
Adjusted diluted earnings per share	\$ 0.31	\$ 0.31	\$ 0.46	\$ 0.57	\$ 0.59

(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 gross 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	Sept 30, 2025
Net income	\$ 24,097	\$ 13,166	\$ 18,664
Non-GAAP adjustments, net of tax ⁽¹⁾			
Amortization of intangible assets - net	9,752	9,726	9,549
Foreign currency loss / (gain) – net	223	(64)	1,157
Acquisition and integration-related costs – net ⁽²⁾	2,344	341	176
Restructuring and business realignment costs - net	<u>1,042</u>	<u>1,510</u>	<u>2,665</u>
Non-GAAP Adjusted Net Income	\$ 37,458	\$ 24,679	\$ 32,211
Average Diluted Shares Outstanding	16,272	16,608	16,671
Diluted earnings per share	\$1.48	\$0.79	\$1.12
Adjusted diluted earnings per share	\$2.30	\$1.49	\$1.93

(1) Applies a blended federal, state, and foreign tax rate of approximately 21% for 2023 and 23% for 2024 and TTM Q3 2025 applicable to the non-GAAP adjustments.

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

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ADJUSTED EBITDA RECONCILIATION

(\$ in thousands)

	For the three months ended				
	Sept 30, 2024	Dec 31, 2024	Mar 31, 2025	June 30, 2025	Sept 30, 2025
Net income	\$ 2,101	\$ 3,013	\$ 3,557	\$ 5,617	\$ 6,477
Interest expense	3,435	3,089	3,635	3,552	3,401
Provision for income taxes	612	862	903	1,685	1,845
Depreciation and amortization	6,447	6,643	6,281	6,401	6,423
EBITDA	12,595	13,607	14,376	17,255	18,146
Stock compensation expense	1,098	765	920	835	835
Acquisition and integration-related costs ⁽¹⁾	(201)	189	-	23	17
Restructuring and business realignment costs	479	23	1,499	1,122	836
Foreign currency loss (gain)	461	(464)	677	832	465
Adjusted EBITDA	\$ 14,432	\$ 14,120	\$ 17,472	\$ 20,067	\$ 20,299
Revenue	\$ 125,213	\$ 122,010	\$ 132,803	\$ 139,578	\$ 138,743
Adjusted EBITDA Margin	11.5%	11.6%	13.2%	14.4%	14.6%

(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	Sept 30, 2025
Net income	\$ 24,097	\$ 13,166	\$ 18,664
Interest expense	12,383	13,296	13,677
Provision for income taxes	5,603	3,692	5,295
Depreciation and amortization	25,068	25,891	25,748
EBITDA	\$ 67,151	\$ 56,045	\$ 63,384
Stock-based compensation expense	5,477	4,147	3,355
Acquisition and integration-related costs ⁽¹⁾	2,959	445	229
Restructuring and business realignment costs	1,316	1,971	3,480
Foreign currency loss (gain)	281	(83)	1,510
Adjusted EBITDA	<u>\$ 77,184</u>	<u>\$ 62,525</u>	<u>\$ 71,958</u>
Revenue	\$ 578,634	\$ 529,968	\$ 533,134
Adjusted EBITDA Margin	13.3%	11.8%	13.5%

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

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REVENUE EXCLUDING FOREIGN CURRENCY EXCHANGE AND CALCULATION OF ORGANIC REVENUE

(\$ in thousands)

	Three months ended September 30, 2025	Nine months ended September 30, 2025
Revenue as reported	\$ 138,743	\$ 411,124
Foreign currency impact	(2,259)	(2,822)
Revenue excluding foreign currency exchange impacts	<u>\$ 136,484</u>	<u>\$ 408,302</u>

	Three months ended September 30, 2025	Nine months ended September 30, 2025
Revenue change over prior year	10.8 %	0.8 %
Less: Impact of acquisitions and foreign currency	1.8	1.0
Organic revenue	<u>9.0 %</u>	<u>(0.2) %</u>

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)

	September 30, 2025	December 31, 2024
Total debt	\$ 190,259	\$ 224,177
Less: cash and cash equivalents	\$ 39,476	\$ 36,102
Total net debt (Non-GAAP)	\$ 150,783	\$ 188,075
TTM Adjusted EBITDA (Non-GAAP)	\$ 71,958	\$ 62,525
Leverage Ratio (Non-GAAP)	2.10	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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