

REFINITIV

DELTA REPORT

10-Q

ALG - ALAMO GROUP INC

10-Q - SEPTEMBER 30, 2023 COMPARED TO 10-Q - JUNE 30, 2023

The following comparison report has been automatically generated

TOTAL DELTAS 371

■ CHANGES 230

■ DELETIONS 77

■ ADDITIONS 64

Cost Trends and Profit Margin, as

Cost Trends and Profit Margin, as Percentages of Net Sales	Three Months Ended June September 30,		Six Nine Months Ended June September 30,	
	2023	2022	2023	2022
Gross profit	26.8 27.2 %	25.2 25.0 %	27.0 27.1 %	24.6 24.7 %
Income from operations	12.3 11.9 %	10.3 9.7 %	12.1 12.0 %	9.2 9.4 %
Income before income taxes	10.4 %	9.1 %	10.6 %	9.5 % 10.7 % 8.2 8.5 %
Net income	8.3 %	7.2 7.0 %	8.2 %	6.2 6.5 %

Overview

This report contains forward-looking statements that are based on Alamo Group's current expectations. Actual results in future periods may differ materially from those expressed or implied because of a number of risks and uncertainties which are discussed in the **SECURITIES AND EXCHANGE COMMISSION** section. Unless the context otherwise requires, the terms the "Company", "we", "our" and "us" means Alamo Group Inc.

WASHINGTON, D.C. 20549

FORM 10-Q

We experienced continued strong demand for our products. Margins improved due to price discipline over the past year, better manufacturing flows and improved capacity utilization. Alamo Group Inc. experienced more consistent deliveries of purchased products as our supply chain performance improved, which led to enhanced manufacturing performance. **FOR THE QUARTERLY PERIOD ENDED IN SEPTEMBER 30, 2023**

OR

For the first six nine months of 2023, the Company's net sales increased by 12% 13% and net income increased by 49% 44% compared to the same period in 2022. The increase in both net sales and net income was primarily due to continued strong customer demand for products compared to the prior year, positive pricing actions, and ongoing cost and expense discipline and a moderately improving supply chain. The year-to-date period from both net sales and net income was somewhat constrained by ongoing challenges in certain parts of our supply chain and tightness in the availability of skilled labor.

Commission file number 0-21220

The Company's Vegetation Management Division experienced a 9% increase in sales for the first six nine months of 2023 compared to the first six nine months of 2022 that was driven by strong shipments of forestry, tree care and governmental mowing products in both North America and Europe. The Division's backlog remained strong but incoming orders, specifically in the forestry and North American agricultural mowing soft end of the Division's pipeline for the first six nine months of 2023 was up 41% 31% versus the same period in 2022, due to increased demand, higher pricing and improving supply chain conditions, but offset by labor constraints and negative currency effects. 741621248

(State or other jurisdiction of incorporation or organization) The Company's Industrial Equipment Division sales increased in the first six nine months of 2023 by 19% 20% as compared to the first six nine months of 2022. Industrial Equipment sales were strong across all product lines with vacuum trucks, sweeper and debris collector and snow removal products increasing. (FBI Employer Identification Number) 1627 East Walnut, Seguin, Texas 78155

Consolidated income from operations was \$103.4 million \$153.2 million in the first six nine months of 2023 compared to \$70.0 million \$105.9 million in the first six nine months of 2022, an increase of 48% 45%. The Company's backlog of \$891.2 million \$890.9 million at the end of the first six nine months of 2023 was down slightly versus a backlog of \$894.0 million \$908.9 million at the end of the first six nine months of 2022. (Registrant's telephone number, including area code) 830-379-1480

(Address of principal executive offices, including zip code)

(Name of person(s) representing the registrant in the United States in accordance with Section 303A.4(e) of the Exchange Act)

Securities registered pursuant to Section 12(b) of the Act: While the supply chain issues we experienced over the last several quarters appear to be improving, we remain affected by inflationary impacts, negative currency exchange rates, and labor constraints. In addition, the Company may also be negatively affected by several other factors such as weakness in the overall U.S. or worldwide economy, further increases in interest rates, changes in tariff regulations and the imposition of new tariffs, ongoing trade disputes, a deterioration of our supply chain, changes in U.S. fiscal policy such as changes in the federal tax rate, significant changes in currency exchange rates, negative economic impacts resulting from geopolitical events such as the ongoing war in Ukraine, changes in trade policy, increased levels of government regulations, weakness in the agricultural sector, acquisition integration issues, budget constraints or revenue shortfalls in governmental entities, and other risks and uncertainties as described in "Risk Factors" section in our Annual Report on Form 10-K for the year ended December 31, 2022 (the "2022 Form 10-K"). Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Results of Operations

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (\$23.005 of the chapter) and Section 10(a) of the Exchange Act. Three Months Ended June 30, 2023 vs. Three Months Ended June 30, 2022 September 30, 2023 September 30, 2022 to submit such files). Yes No

Net sales for the second third quarter of 2023 were \$440.7 million \$419.6 million, an increase of \$44.5 million \$50.8 million or 11% 14% in comparison, \$396.2 million \$368.8 million compared to the second third quarter of 2022. Net sales increased for the second third quarter of 2023, primarily due to strong demand resulting in higher profit per unit. Products versus the second third quarter of 2022, as well as positive pricing actions. Also contributing to our sales were currency translation effects which had a favorable impact on the quarterly results. Negatively affecting the second third quarter of 2023 were ongoing labor constraints and disruptions in certain areas of our supply chain, although the supply chain moderately improved compared to previous quarters. Ongoing labor constraints and, to a lesser extent, negative currency translation effects also had an unfavorable impact on the quarterly results.

Emerging growth company

Net Vegetation Management sales increased by \$6.3 million \$18.4 million or 26% 8% to \$261.3 million \$246.9 million for the second third quarter of 2023 compared to \$255.0 million \$228.5 million during the same period in 2022. The increase was due to strong performance in forestry governmental and tree care and

governmental agricultural mowing equipment in both North America, Europe, and South America. If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

South America. Labor shortages and, to a lesser extent, supply chain issues, had an overall negative affect during the second third quarter of 2023.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Net Industrial Equipment sales were \$179.3 million \$172.7 million in the second third quarter of 2023 compared to \$141.2 million \$140.3 million for the same period in 2022, an increase of \$38.1 million \$32.4 million or 27% 23%. The increase was mainly due to solid results in all product lines, particularly vacuum trucks, sweeper, debris collector collectors and snow removal. This Division continued to be negatively impacted by supply chain disruptions, although improved from last quarter, and continued labor shortages and, to a lesser extent, currency translation effects.

Gross profit for the second third quarter of 2023 was \$118.1 million \$114.1 million (27% of net sales) compared to \$99.7 million \$92.4 million (25% of net sales) during the same period in 2022, an increase of \$18.4 million \$21.7 million. The increase in gross profit during the second third quarter of 2023 compared to the second third quarter of 2022 was primarily attributable to higher sales volume and positive pricing actions. Profitability in the quarter increased as supply chain conditions generally improved which led to higher efficiencies and better capacity utilization. This resulted in higher gross margins compared to the second third quarter of 2022.

Selling, general and administrative expenses ("SG&A") were \$59.9 million \$60.6 million (14% of net sales) during the second third quarter of 2023 compared to \$55.0 million \$52.7 million (14% of net sales) during the same period of 2022, an increase of \$4.9 million \$7.9 million. The increase in SG&A expense in the second third quarter of 2023 compared to the second third quarter of 2022 was attributable to higher marketing expenses related to sales promotions and commissions. Amortization expense in the second third quarter of 2023 was \$3.8 million compared to \$3.8 million in the same period in 2022. Item 1. [Interim Condensed Consolidated Financial Statements](#) (Unaudited)

Interest expense was \$6.8 million \$6.7 million for the second third quarter of 2023 compared to \$3.2 million \$3.7 million during the same period in 2022. The increase in interest expense in the second third quarter of 2023 was mainly due to higher interest rates compared to the second third quarter of 2022. Item 3. [Interim Condensed Consolidated Balance Sheets](#)

June September 30, 2023 and December 31, 2022

Other income (expense), net was \$1.0 million \$0.1 million of expense income for the second third quarter of 2023 compared to \$0.1 million \$1.4 million of expense income during the same period in 2022. The expense income in the second third quarter of 2023 2022 was from changes in currency exchange rates. Item 4. [Interim Condensed Consolidated Statement of Income](#)

Provision for income taxes was \$10.5 million (22% \$8.6 million (20% of income before income tax) in the second third quarter of 2023 compared to \$9.2 million (24% \$7.8 million (23% of income before income tax) during the same period in 2022. The decrease in the tax rate for the second third quarter of 2023 was a result of tax benefits associated with additional a return to provision adjustment largely driven by higher research and development credits of approximately \$0.9 million, and foreign tax credits. Item 5. [Interim Condensed Consolidated Statement of Stockholders' Equity](#)

Three and Six Nine Months Ended June 30, 2023 September 30, 2023 and June 30, 2022 September 30, 2022

The Company's net income after tax was \$36.4 million \$34.9 million or \$3.03 \$2.91 per share on a diluted basis for the second third quarter of 2023 compared to \$28.5 million \$25.8 million or \$2.39 \$2.16 per share on a diluted basis for the second third quarter of 2022. The increase of \$7.9 million \$9.1 million resulted from the factors described above. Item 6. [Interim Condensed Consolidated Statement of Stockholders' Equity](#)

Three and Six Nine Months Ended June 30, 2023 September 30, 2023 and June 30, 2022 September 30, 2022

Six Nine Months Ended June 30, 2023 September 30, 2023 vs. Six Nine Months Ended June 30, 2022 September 30, 2022

[Interim Condensed Consolidated Statements of Cash Flows](#)

Net sales for the first six nine months of 2023 were \$852.5 million \$1,272.1 million, an increase of \$94.3 million \$145.1 million or 12% 13% compared to \$758.2 million \$1,127.0 million for the first six nine months of 2022. The increase in net sales was attributable to continued strong customer demand for our products in both the Vegetation Management and Industrial Equipment Divisions and improved pricing. Negatively affecting the first six nine months of 2023 were ongoing disruptions in certain areas of our supply chain, although our supply chain moderately improved compared to previous quarters. Ongoing skilled labor shortages and negative currency translation effects also negatively impacted the first six nine months results of 2023. Item 8. [Notes to Interim Condensed Consolidated Financial Statements](#)

[Management's Discussion and Analysis of Financial Condition and Results of Operations](#)

Net Vegetation Management sales increased during the first six nine months by \$41.8 million \$60.2 million or 9% to \$517.8 million \$764.7 million for 2023 compared to \$476.0 million \$704.5 million during the same period in 2022. The increase was due to strong performance in all product lines particularly agricultural, forestry and tree care and governmental mowing equipment in both North America and Europe. Labor shortages had an overall negative affect during the first six months of 2023. Currency and to a lesser extent currency translation effects also negatively impacted net sales in this division during the first half nine months of 2023. Item 14. [Qualitative Disclosures About Market Risks](#)

[Controls and Procedures](#)

Net Industrial Equipment sales were \$334.7 million \$507.4 million during the first six nine months of 2023 compared to \$282.2 million \$422.5 million for the same period PART II. in 2022, an increase of \$52.5 million \$84.9 million or 19% 20%. The increase in sales for the first six nine months of 2023 compared to the first six nine months of 2022 was mainly due to the continued solid results in vacuum trucks, sweeper, debris collector collectors and snow removal, with modest support from excavators. Net sales in the first six nine months of 2023 were negatively affected by supply chain disruptions, although it improved from last few quarters, continued labor shortages and currency translation effects. Item 20. [Risk Factors](#)

Item 5. Gross profit for the first six nine months of 2023 was \$230.6 million \$344.7 million (27% of net sales) compared to \$186.4 million \$278.7 million (25% of net sales) during the same period in 2022, an increase of \$44.2 million \$66.0 million. The increase in gross profit was mainly attributable to higher sales volume and positive pricing actions. Profitability in the first six nine months of 2023 increased as supply chain conditions generally improved which led to higher efficiencies and better capacity utilization. This also led to a significantly higher gross margin percentage in the first six nine months of 2023 compared to the first six nine months of 2022. Item 5. [Mine Safety Disclosures](#)

[Other Information](#)

Item 6. [Exhibits](#) SG&A expenses were \$119.5 million \$180.1 million (14% of net sales) during the first six nine months of 2023 compared to \$108.6 million \$161.4 million (14% of net sales) during the same period of 2022, an increase of \$10.9 million \$18.7 million. The increase in SG&A expense in the first six nine months of 2023 compared to the first six nine months of 2022 was a result of higher marketing expenses related to commissions and sales promotions. Amortization expense in the first six nine months of 2023 was \$7.6 million \$11.5 million compared to \$7.7 million \$11.5 million in the same period in 2022. Item 14. [SIGNATURES](#)

[\\$0.1 million \\$0.0 million](#)

Alamo Group Inc. and Subsidiaries

Interest expense was \$12.8 million \$19.5 million for the first six nine months of 2023 compared to \$5.8 million \$9.6 million during the same period in 2022, an increase of \$7.0 million \$9.9 million. The increase in interest expense in the first six nine months of 2023 was mainly due to higher interest rates compared to the six first nine months of 2022. Item 10. [Unaudited](#)

(in thousands, except share amounts) Other income (expense), net was less than one hundred thousand dollars \$0.1 million of expense income during the first six nine months of 2023 compared to \$1.9 million \$0.5 million of expense in the first six nine months of 2022. The expense income in 2023 was a result from a gain of approximately \$1.7 million related to a sale of a manufacturing facility. Item 10. [ASSETS](#)

Offset by changes in currency exchange rates. The expense in 2022 is primarily from an excise tax audit and to a lesser extent, changes in exchange rates.

[Current assets:](#)

Provision for income taxes was \$21.6 million (24% \$30.2 million (22% of income before income taxes) in the first six nine months of 2023 compared to \$15.5 million (25% \$23.3 million (24% of income before income taxes) during the same period in 2022. The decrease in the tax rate for the first nine months of 2023 was a result of a return to provision adjustment largely driven by higher research and development and foreign tax credits.

Current assets:	Current assets:
Accounts receivable, net	Accounts receivable, net
378,675	317,581

The Company's net income after tax was \$69.7 million \$104.6 million or \$5.82 \$8.73 per share on a diluted basis for the first six nine months of 2023 compared to \$46.95 million \$72.8 million or \$3.94 \$6.10 per share on a diluted basis for the first six nine months of 2022. The increase of \$22.8 million \$31.8 million resulted from the factors described above.

Other current assets	Other current assets
10,979	9,144

Intangible and Capital Resources	Intangible and Capital Resources
receivable	receivable
937	916

Current assets:	Current assets:
Accounts receivable	Accounts receivable
9,226	9,144

Income tax receivable	Income tax receivable
750	916

In addition to normal operating expenses, the Company has ongoing cash requirements which are necessary to operate the business, including inventory purchases and capital expenditures. The Company's accounts receivable, inventory and accounts payable levels, particularly in its Vegetation Management Division, build in the first quarter and early spring and to a lesser extent in the fourth quarter in anticipation of the spring and fall selling seasons. Accounts receivable historically build in the first and fourth quarters of each year as a result of pre-season sales and year-round sales programs. These sales, primarily in the Vegetation Management Division, help balance the Company's production during the first and fourth quarters.					
Property, plant and equipment	352,233	335,078	Property, plant and equipment	357,234	335,078
As of June 30, 2023 September 30, 2023, the Company had working capital of \$657.1 million \$654.0 million, which represents an increase of \$120.4 million \$117.3 million from working capital of \$536.7 million at December 31, 2022. The increase in working capital was primarily a result of volume-driven and inflation-driven increases in accounts receivable and, to a lesser extent, an increase in inventory to support the Company's high backlog levels.		depreciation	(192,715)	(180,071)	
Total property, plant and equipment	163,434	162,434	Total property, plant and equipment	195,863	195,858
Intangible assets, net	\$15.3 million \$24.8 million during the first six nine months of 2023 compared to \$16.8 million \$25.0 million during the first six nine months of 2022.	Intangible assets, net	\$15.3 million \$24.8 million during the first six nine months of 2023 compared to \$16.8 million \$25.0 million during the first six nine months of 2022.	Intangible assets, net	\$15.3 million \$24.8 million during the first six nine months of 2023 compared to \$16.8 million \$25.0 million during the first six nine months of 2022.
Other non-current assets	\$110.4 million \$109.9 million in cash and cash equivalents held by foreign subsidiaries as of June 30, 2023 September 30, 2023. The majority of these funds are at our European and Canadian facilities. The Company will continue to repatriate European and Canadian cash and cash equivalents in excess of amounts needed to fund operating and investing activities in these locations, and will monitor exchange rates to determine the appropriate timing of such repatriation, given the current relative value of the U.S. dollar. Repatriated funds will initially be used to reduce funded debt levels under the Company's current credit facility and subsequently used to fund working capital, capital investments and acquisitions company-wide.	Other non-current assets	\$110.4 million \$109.9 million in cash and cash equivalents held by foreign subsidiaries as of June 30, 2023 September 30, 2023. The majority of these funds are at our European and Canadian facilities. The Company will continue to repatriate European and Canadian cash and cash equivalents in excess of amounts needed to fund operating and investing activities in these locations, and will monitor exchange rates to determine the appropriate timing of such repatriation, given the current relative value of the U.S. dollar. Repatriated funds will initially be used to reduce funded debt levels under the Company's current credit facility and subsequently used to fund working capital, capital investments and acquisitions company-wide.	Other non-current assets	\$110.4 million \$109.9 million in cash and cash equivalents held by foreign subsidiaries as of June 30, 2023 September 30, 2023. The majority of these funds are at our European and Canadian facilities. The Company will continue to repatriate European and Canadian cash and cash equivalents in excess of amounts needed to fund operating and investing activities in these locations, and will monitor exchange rates to determine the appropriate timing of such repatriation, given the current relative value of the U.S. dollar. Repatriated funds will initially be used to reduce funded debt levels under the Company's current credit facility and subsequently used to fund working capital, capital investments and acquisitions company-wide.
Other current assets	1,053	969	Taxes	904	969
Total assets	\$1,751,550	\$1,688,868	Total assets	\$1,755,022	\$1,688,868
Other non-current liabilities			Other non-current liabilities		
Accrued liabilities			Accrued liabilities		
Current maturities of long-term debt			Current maturities of long-term debt		
Long-term debt			Long-term debt		
Other long-term liabilities			Other long-term liabilities		
Deferred income taxes	19,128	18,250	Deferred income taxes	14,754	18,250
Critical Accounting Estimates			Stockholders'		
Stockholders' equity	1,196	1,191	Common stock, \$0.10 par value, 20,000,000 shares authorized		
Management's Stockholder's Analysis of Financial Condition and Results of Operations are based on our Consolidated Financial Statements, which have been prepared in accordance with GAAP. The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. Management bases its estimates on historical experience and on various other assumptions that it believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.			Other estimates about matters that are highly uncertain at the time the estimates are made, and if different estimates that reasonably could have been used, or changes in the accounting policies, which are set forth in Note 1 of the Notes to Consolidated Financial Statements in the 2022 Form 10-K, the policies relating to the business combinations involve a higher degree of judgment and complexity. There have been no material changes to the nature of estimates, assumptions and levels of subjectivity and judgment related to critical accounting estimates disclosed in Item 7 "Management's Discussion and Analysis of Financial Condition and Results of Operations" of the 2022 Form 10-K.		
Additional paid-in-capital	133,598	129,820	Additional paid-in-capital	135,571	129,820
There are no off-balance sheet arrangements that have or are likely to have a current or future material effect on our financial condition.					

Forward-Looking Information

Treasury stock, at cost; 82,600 shares at June 30, 2023	(\$4,566)	(\$4,566)
Quarterly Report contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. In addition, forward-looking statements may be made orally or in press releases, conferences, reports or other communications to investors, customers, suppliers, partners, or other third parties. The words "estimate," "anticipate," "expect," "believe," "intend," "will," "would," "should," "could" and similar expressions generally identify forward-looking statements made by or on behalf of the Company.		
cost; 82,600 shares at September 30, 2023		
Forward-looking statements involve risks and uncertainties. These uncertainties include factors that affect all businesses operating in a global market, as well as matters specific to the Company and the markets it serves. Particular risks and uncertainties facing the Company include changes in market conditions and a potential weakening of the markets we serve; supply chain disruptions; labor constraints; changes in tariff regulations and the imposition of new tariffs; a strong U.S. dollar; increased competition; negative economic impacts resulting from geopolitical events such as the war in Ukraine or trade wars; new or unanticipated effects of the COVID-19 pandemic; decreases in the prices of agricultural commodities, which could affect our customers' income levels; increases in input costs; our inability to increase profit margins through continuing production efficiencies and cost reductions; acquisition integration issues; budget constraints or income shortfalls which could affect the purchases of our type of equipment by governmental customers; credit availability for both the Company and its customers; adverse weather conditions such as droughts, floods, snowstorms, etc. which can affect buying patterns of the Company's customers and related contractors; the price and availability of raw materials and product components; energy costs; increased cost of governmental regulations which affect corporations including related fines and penalties (such as the European General Data Protection Regulation and the California Consumer Privacy Act); the potential effects on the buying habits of our customers due to animal disease outbreaks and other epidemics; the Company's ability to develop and manufacture new and existing products profitably; market acceptance of new and existing products; the Company's ability to maintain good relations with its employees; the Company's ability to successfully complete acquisitions and operate acquired businesses or assets; the ability to hire and retain quality skilled employees; cyber security risks affecting information technology or data security breaches; and the possible effects of events beyond our control, such as political unrest, acts of terror, natural disasters and pandemics, on the Company or its customers, suppliers and the economy in general.		
Retained earnings	(\$79,669)	(\$72,183)
Accumulated other comprehensive loss	(53,555)	(68,288)
Total	(\$133,224)	(\$140,471)
Stockholders' equity	(\$659,424)	(\$83,380)
Total	(\$833,648)	(\$887,734)
Customer and related contractors, the price and availability of raw materials and product components, energy costs, increased cost of governmental regulations which affect corporations including related fines and penalties (such as the European General Data Protection Regulation and the California Consumer Privacy Act); the potential effects on the buying habits of our customers due to animal disease outbreaks and other epidemics; the Company's ability to develop and manufacture new and existing products profitably; market acceptance of new and existing products; the Company's ability to maintain good relations with its employees; the Company's ability to successfully complete acquisitions and operate acquired businesses or assets; the ability to hire and retain quality skilled employees; cyber security risks affecting information technology or data security breaches; and the possible effects of events beyond our control, such as political unrest, acts of terror, natural disasters and pandemics, on the Company or its customers, suppliers and the economy in general.		
See accompanying notes.		

Alamo Group Inc. and Subsidiaries

In addition, the Company is subject to risks and uncertainties facing the industry, general, including changes in business and political conditions and the economy in general in both domestic and international markets; weather conditions affecting demand; slower growth in the Company's markets; financial market changes including increases in interest rates and fluctuations in foreign exchange rates; actions of competitors; the inability of the Company's suppliers, customers, creditors, public utility providers and financial service organizations to deliver or provide their products or services to the Company; seasonal factors in the Company's industry; regulatory government actions including budget levels, regulations and legislation, primarily relating to the environment, commerce, infrastructure spending, health and safety; and the price of materials.

(in thousands, except per share data) (in thousands, except per share data)

Interim Condensed Consolidated Statements of Income			Unaudited		
	Three Months Ended	Six Months Ended	Three Months Ended	Six Months Ended	September 30,
Three Months Ended	2023	2022	Three Months Ended	2023	September 30, 2023
Total net sales	440,694	396,214	852,465	758,219	1,127,012
Cost of sales	302,720	272,202	650,750	570,219	930,248
The Company is exposed to various market risks. Market risks are the potential losses arising from adverse changes in market prices and rates. The Company does not enter into derivative or other financial instruments for trading or speculative purposes.					
Gross profit	118,074	99,719	230,581	186,358	278,723
Selling, general and administrative expenses	59,858	55,009	119,526	108,644	161,367
Interest expense	(6,837)	(3,189)	(12,777)	(5,836)	(9,570)
Interest income	357	57	740	129	222
Other income (expense), net	104	15	154	10	123
The Company translates the assets and liabilities of foreign-owned subsidiaries at rates in effect at the balance sheet date. Revenues and expenses are translated at average rates in effect during the reporting period. Translation adjustments are included in accumulated other comprehensive income within the statement of stockholders' equity. The total foreign currency translation adjustment for the current quarter increased stockholders' equity by \$7.6 million.					
Income taxes	46,866	37,650	91,335	62,442	96,054
The Company's earnings are affected by fluctuations in the value of the U.S. dollar as compared to foreign currencies, predominately in Europe and Canada, as a result of the sales of its products in international markets. Forward currency contracts are used to hedge against the earnings effects of such fluctuations. The result of a uniform 10% strengthening or 10% decrease in the value of the dollar relative to the currencies in which the Company's sales are denominated would result in a change in gross profit of \$6.4 million.					
Income taxes	10,492	9,178	21,612	15,560	30,244
Interest income	8,632	7,791	14,244	13,291	
Interest expense	(6,729)	(3,734)	(19,506)	(9,570)	
Net income per common share	\$ 2.93	\$ 2.18	\$ 8.78	\$ 6.13	
Basic	\$ 3.05	\$ 2.39	\$ 5.85	\$ 3.95	
Diluted	\$ 3.03	\$ 2.39	\$ 5.82	\$ 3.94	
Interest Rate Risk					

Average common shares:	Average common shares:	Average common shares:
The Company's long-term debt bears interest at variable rates. Accordingly, the Company's net income is affected by changes in interest rates. Assuming the current level of borrowings at variable rates and a two percentage point change for the second quarter 2023 average interest rate under these borrowings, the Company's interest expense would have changed by approximately \$1.7 million or \$1.6 million. In the event of an adverse change in interest rates, management could take actions to mitigate its exposure.		
However, due to the uncertainty of the actions that would be taken and their possible effect, this analysis assumes no such actions. Further, this analysis does not consider the effects of the change in the level of overall economic activity that could exist in such an environment.		
Diluted 11,935	Diluted 11,938	Diluted 11,937
Dividends declared \$ 0.22	Dividends declared \$ 0.18	Dividends declared \$ 0.44

Item 4. Controls and Procedures

See accompanying notes.

Disclosure Controls and Procedures

Alamo Group Inc. and Subsidiaries

An evaluation was carried out under the supervision and with the participation of Alamo's management, including our President and Chief Executive Officer and Executive Vice President and Chief Financial Officer (Principal)

Interim Condensed Consolidated Statements of Comprehensive Income (Unaudited)

	Three Months Ended June 30, 2023	Six Months Ended June 30, 2023	2023	2022
Net income	\$ 36,374	\$ 28,472	\$ 69,723	\$ 46,942
Changes in Internal Control over financial reporting				
Other comprehensive income, net of tax:				
Foreign currency translation adjustments, net of tax expense of \$(241) and \$(654) and \$(414) and \$(904), respectively	7,616	(19,822)	12,162	(18,155)
Affect, our internal control over financial reporting.				
Recognition of deferred pension and other post-retirement benefits, net of tax (expense) and benefit of \$(99) and \$59, and \$(164) and \$314, respectively	283	205	565	411
PART II. OTHER INFORMATION				
Unrealized income (loss) on derivative instruments, net of tax benefit and (expense) of \$0 and \$(371), and \$59 and \$(738), respectively	—	1,045	(414)	2,897
Item 1. Legal Proceedings				
Other comprehensive income (loss), net of tax	7,899	(18,572)	12,313	(14,847)

For a description of legal proceedings, refer to the consolidated financial statements and footnotes thereto included in the Company's Form 10-K for the year ended December 31, 2022 (the "2022 10-K").

Item 1A. Risk Factors	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
There have not been any material changes from the risk factors previously disclosed in the 2022 Form 10-K for the year ended December 31, 2022.				
Net income	\$ 34,915	\$ 25,821	\$ 104,638	\$ 72,763
Item 2. Unregistered Sales of Equity Securities and Use of Proceeds				
Other comprehensive loss, net of tax:				
For the following transactions, the Company provides a summary of the company's repurchase activity for its common stock during the three months ended June 30, 2023: \$352 and \$1,685, respectively	(2,718)	(24,921)	(556)	(43,076)
Issuer Purchases of Equity Securities				
Recognition of deferred pension and other post-retirement benefits, net of tax (expense) and benefit of \$(83) and \$61, and \$(247) and \$375, respectively	282	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Dollar Value of Shares That May Yet Be Purchased Under the Plans or Programs	2,919
Unrealized income (loss) on derivative instruments, Total Number of Shares Purchased Period and \$66 and \$(745), respectively	Purchased Average Price Paid Per Share (36)	22	(454)	
April 1-30, 2023 Comprehensive loss	—	(\$472)	(24,693)	(159)
May 1-July 31, 2023 Comprehensive income	—	\$ 22,443	\$ 1,128	\$ 104,479
June 1-August 1-31, 2023	—	—	—	\$ 25,861,222
September 1-30, 2023	—	—	—	\$ 25,861,222

See accompanying notes.

(a) On December 13, 2018, the Board authorized a stock repurchase program of up to \$30.0 million of the Company's common stock. The program has a term of five (5) years, terminating on December 12, 2023.

Alamo Group Inc. and Subsidiaries

Item 3. Defaults Upon Senior Securities

Interim Condensed Consolidated Statements of Stockholders' Equity (Unaudited)

None.

For six months ended June 30, 2023

Item 4. Mine Safety Disclosures

or nine months

ended
Not Applicable
September 30,

2023 Item 5. Other Information

For nine months ended September 30, 2023

(a) Reports on Form 8-K

Common Stock	Additional Paid-in Capital	Treasury Stock	Retained Earnings	Accumulated Other	Total Stock-	Common Stock	Additional Paid-in Capital	Treasury Stock	Retained Earnings	Accumulated Other

(in thousands) Note	(in thousands)	Comprehensive Loss						(in thousands)	(in thousands)	Comprehensive Loss					
		Shares	Amount	holders' Equity						Shares	Amount	holders' Equity			
Balance at December 31, 2022	2022	11,831	\$ 1,191	\$ 129,820	\$ (4,566)	\$ 727,183	\$ (68,268)	2022	11,831	\$ 1,191	\$ 129,820	\$ (4,566)	\$ 727,183	\$ (68,268)	
Other comprehensive income	None.	Other	comprehensive	income	33,349	4,414	27,763	income	33,349	4,414	27,763	income	33,349	4,414	
Stock-based compensation expense	(C) During the period covered by this report, none of the Company's directors or executive officers has adopted or terminated a Rule 10b5-1 trading arrangement or a non- stock-based trading arrangement (each as defined in Item 408 of Regulation S-K under the Securities Exchange Act of 1934, as amended).	Stock-based compensation expense	—	—	1,699	—	—	Stock-based compensation expense	—	—	1,699	—	—	—	
Stock-based compensation transactions	Item 6. Exhibits	Stock-based compensation transactions	28	3	138	—	—	Stock-based compensation transactions	28	3	138	—	—	—	
Dividends paid (\$0.22 per share)	Dividends paid (\$0.22 per share)	Dividends paid (\$0.22 per share)	—	—	—	(2,615)	—	Dividends paid (\$0.22 per share)	—	—	(2,615)	—	Incorporated by Reference From the Following Documents	(2,615)	
Exhibits		Exhibit Title													
Balance at March 31, 2023	10.1 10.2 Other 10.3	Executive Change in Control Agreement by and between Alamo Group Inc. and Dan Malone Executive Change in Control Agreement by and between Alamo Group Inc. and Edward Rizzuti Executive Change in Control Agreement by and between Alamo Group Inc. and Richard Wehrle	Balance at March 31, 2023	11,831	\$ 1,194	\$ 131,657	\$ (4,566)	Filed Herewith	11,859	\$ 1,194	\$ 131,657	\$ (4,566)	\$ 757,917	\$ (63,844)	
Stock-based compensation expense	31.1 31.2 32.1 32.2	Certification by Jeffery A. Leonard under Section 302 of the Sarbanes-Oxley Act of 2002 Certification by Richard J. Wehrle under Section 302 of the Sarbanes-Oxley Act of 2002 Certification by Jeffery A. Leonard under Section 906 of the Sarbanes-Oxley Act of 2002 Certification by Richard J. Wehrle under Section 906 of the Sarbanes-Oxley Act of 2002	Stock-based compensation expense	31.1 31.2 32.1 32.2	—	—	—	Stock-based compensation expense	—	—	1,869	—	1,869	—	
Stock-based compensation transactions	33.1 33.2	XBRL Taxonomy Extension Document - the instance document does not appear in the Interactive XBRL Taxonomy Extension Document because its XBRL tags are embedded within the Inline XBRL document	Stock-based compensation transactions	33.1 33.2	—	—	—	Stock-based compensation transactions	17	2	72	—	72	—	
Dividends paid (\$0.22 per share)	101.SCH 101.CASH	Dividends paid (\$0.22 per share)	XBRL Taxonomy Extension Schema Document	101.SCH 101.CASH	—	(2,622)	XBRL Taxonomy Extension Calculation Linkbase Document	Dividends paid (\$0.22 per share)	—	—	(2,622)	—	Filed Herewith	(2,622)	
Balance at June 30, 2023	101.LAB	XBRL Taxonomy Extension Definition Linkbase Document	Balance at June 30, 2023	11,876	\$ 1,196	\$ 133,598	\$ (4,566)	Filed Herewith	11,880	\$ 1,196	\$ 135,571	\$ (4,566)	\$ 823,960	\$ (68,444)	
Other comprehensive income	101.PRE comprehensive	XBRL Taxonomy Extension Presentation Linkbase Document	Other comprehensive income	101.PRE comprehensive	—	—	—	Other comprehensive income	—	—	—	—	Filed Herewith	34,915	
Stock-based compensation expense	34.1 34.2	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101) Stock-based compensation expense	Stock-based compensation expense	34.1 34.2	—	—	—	Stock-based compensation expense	—	—	1,805	—	1,805	—	
Stock-based compensation transactions	35.1 35.2	XBRL Taxonomy Extension Document - the instance document does not appear in the Interactive XBRL Taxonomy Extension Document because its XBRL tags are embedded within the Inline XBRL document	Stock-based compensation transactions	35.1 35.2	—	—	—	Stock-based compensation transactions	—	—	—	—	(2,624)	—	
Dividends paid (\$0.22 per share)	101.AUG 101.NOV	Dividends paid (\$0.22 per share)	XBRL Taxonomy Extension Calculation Linkbase Document	101.AUG 101.NOV	—	(2,624)	XBRL Taxonomy Extension Definition Linkbase Document	Dividends paid (\$0.22 per share)	—	—	(2,624)	—	Filed Herewith	(2,624)	
Balance at September 30, 2023			Balance at September 30, 2023	11,880	\$ 1,196	\$ 135,571	\$ (4,566)	Filed Herewith	11,880	\$ 1,196	\$ 135,571	\$ (4,566)	\$ 823,960	\$ (68,444)	
/s/ Jeffery A. Leonard See accompanying exhibits.															
Alamo Group Inc.															
Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.															
Signature of Jeffery A. Leonard President & Chief Executive Officer															

For six months ended June 30, 2022

For nine months ended September 30, 2022	Accumulated (Prior) Financial Officer)						For nine months ended September 30, 2022					
	Common Stock (in thousands)	Additional Paid-in Capital (in thousands)	Treasury Stock (in thousands)	Retained Earnings (in thousands)	Other Comprehensive Loss (in thousands)	Stock- holders' Equity (in thousands)	Common Stock (in thousands)	Additional Paid-in Capital (in thousands)	Treasury Stock (in thousands)	Retained Earnings (in thousands)	Other Comprehensive Loss (in thousands)	
Balance at September 30, 2022	23	—	—	—	—	23	—	—	—	—	—	—

Balance at September 30, 2022	23	—	—	—	—	23	—	—	—	—	—	—
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December 31, 2021		Slide 1										December 31, 2021		Slide 1										
Other comprehensive income	Other comprehensive income	—	—	—	—	18,470	3,725	22,195	—	—	—	—	18,470	3,725	—	—	—	—	—	—	—	—	—	—
Stock-based compensation expense	Stock-based compensation expense	—	—	1,371	—	—	—	1,371	—	—	1,371	—	—	—	—	—	—	—	—	—	—	—	—	—
Stock-based compensation transactions	Stock-based compensation transactions	20	2	82	—	—	—	84	20	2	82	—	—	—	—	—	—	—	—	—	—	—	—	—
Dividends paid (\$0.18 per share)	Dividends paid (\$0.18 per share)	—	—	—	—	(2,133)	—	(2,133)	—	—	—	—	(2,133)	—	—	—	—	—	—	—	—	—	—	—
Balance at	Balance at											Balance at										Balance at		
March 31, 2022	March 31, 2022	11,811	\$ 1,189	\$ 125,681	\$ (4,566)	\$ 650,141	\$ (45,265)	\$ 727,180	March 31, 2022	11,811	\$ 1,189	\$ 125,681	\$ (4,566)	\$ 650,141	\$ (45,265)	\$ 727,180	March 31, 2022	11,811	\$ 1,189	\$ 125,681	\$ (4,566)	\$ 650,141	\$ (45,265)	
Other comprehensive income	Other comprehensive income	—	—	—	—	28,472	(18,572)	9,900	Other comprehensive income	—	—	—	—	—	—	—	28,472	(18,572)	9,900	Other comprehensive income	—	—	—	—
Stock-based compensation expense	Stock-based compensation expense	—	—	1,750	—	—	—	1,750	Stock-based compensation expense	—	—	1,750	—	—	—	—	Stock-based compensation expense	—	—	1,750	—	—	—	—
Stock-based compensation transactions	Stock-based compensation transactions	15	2	(251)	—	—	—	(249)	Stock-based compensation transactions	15	2	(251)	—	—	—	—	Stock-based compensation transactions	15	2	(251)	—	—	—	—
Dividends paid (\$0.18 per share)	Dividends paid (\$0.18 per share)	—	—	—	—	(2,139)	—	(2,139)	Dividends paid (\$0.18 per share)	—	—	—	—	(2,139)	—	—	Dividends paid (\$0.18 per share)	—	—	—	—	(2,139)	—	—
Balance at June 30, 2022	Balance at June 30, 2022	11,826	\$ 1,191	\$ 127,180	\$ (4,566)	\$ 676,474	\$ (63,837)	\$ 736,442	Balance at June 30, 2022	11,826	\$ 1,191	\$ 127,180	\$ (4,566)	\$ 676,474	\$ (63,837)	\$ 736,442	Balance at June 30, 2022	11,826	\$ 1,191	\$ 127,180	\$ (4,566)	\$ 676,474	\$ (63,837)	
Other comprehensive income	Other comprehensive income	—	—	—	—	—	—	—	Other comprehensive income	—	—	—	—	—	—	—	25,821	(24,646)	—	—	—	—	—	—
Stock-based compensation expense	Stock-based compensation expense	—	—	—	—	—	—	—	Stock-based compensation expense	—	—	—	—	—	—	—	1,508	—	—	—	—	—	—	—
Stock-based compensation transactions	Stock-based compensation transactions	—	—	—	—	—	—	—	Stock-based compensation transactions	1	—	—	92	—	—	—	—	—	—	—	—	—	—	—
Dividends paid (\$0.18 per share)	Dividends paid (\$0.18 per share)	—	—	—	—	—	—	—	Dividends paid (\$0.18 per share)	—	—	—	—	—	—	—	(2,139)	—	—	—	—	—	—	—
Balance at September 30, 2022	Balance at September 30, 2022	11,827	\$ 1,191	\$ 128,780	\$ (4,566)	\$ 700,156	\$ (63,837)	\$ 736,442	Balance at September 30, 2022	11,827	\$ 1,191	\$ 128,780	\$ (4,566)	\$ 700,156	\$ (63,837)	\$ 736,442	Balance at September 30, 2022	11,827	\$ 1,191	\$ 128,780	\$ (4,566)	\$ 700,156	\$ (63,837)	

See accompanying notes.

Alamo Group Inc. and Subsidiaries
Interim Condensed Consolidated Statements of Cash Flows
(Unaudited)

(in thousands)	(in thousands)	Six Months Ended June 30,		Nine Months Ended September 30,		
		2023	2022	(in thousands)	2023	2022
Operating Activities	Operating Activities			Operating Activities		
Net income	Net income	\$ 69,723	\$ 46,942	Net income	\$ 104,638	\$ 72,763
Adjustment to reconcile net income to net cash provided by (used in) operating activities:	Adjustment to reconcile net income to net cash provided by (used in) operating activities:			Adjustment to reconcile net income to net cash provided by (used in) operating activities:		
Provision for doubtful accounts	Provision for doubtful accounts	244	315	Provision for doubtful accounts	367	319

Depreciation - Property, plant and equipment	Depreciation - Property, plant and equipment	11,270	10,648	Depreciation - Property, plant and equipment	17,204	16,307
Depreciation - Rental equipment	Depreciation - Rental equipment	4,259	3,765	Depreciation - Rental equipment	6,470	5,665
Amortization of intangibles	Amortization of intangibles	7,639	7,679	Amortization of intangibles	11,465	11,481
Amortization of debt issuance	Amortization of debt issuance	351	354	Amortization of debt issuance	527	500
Stock-based compensation expense	Stock-based compensation expense	3,568	3,121	Stock-based compensation expense	5,373	4,629
Provision for deferred income tax	Provision for deferred income tax	105	349	Provision for deferred income tax	(3,971)	(4,029)
Gain on sale of property, plant and equipment	Gain on sale of property, plant and equipment	(2,058)	(69)	Gain on sale of property, plant and equipment	(2,204)	(156)
Changes in operating assets and liabilities:	Changes in operating assets and liabilities:			Changes in operating assets and liabilities:		
Accounts receivable	Accounts receivable	(57,260)	(74,024)	Accounts receivable	(60,885)	(74,884)
Inventories	Inventories	(13,273)	(37,185)	Inventories	(19,220)	(54,122)
Rental equipment	Rental equipment	(6,889)	(2,501)	Rental equipment	(11,176)	(6,416)
Prepaid expenses and other assets	Prepaid expenses and other assets	(415)	(2,992)	Prepaid expenses and other assets	1,535	(802)
Trade accounts payable and accrued liabilities	Trade accounts payable and accrued liabilities	17,435	2,263	Trade accounts payable and accrued liabilities	21,784	5,696
Income taxes payable	Income taxes payable	4,586	(1,028)	Income taxes payable	7,365	910
Long-term tax payable	Long-term tax payable	(1,317)	(1,972)	Long-term tax payable	(1,147)	(635)
Other assets and long-term liabilities, net	Other assets and long-term liabilities, net	(784)	966	Other assets and long-term liabilities, net	(1,094)	1,595
Net cash provided by (used in) operating activities	Net cash provided by (used in) operating activities	37,184	(43,389)	Net cash provided by (used in) operating activities	77,031	(21,179)
Investing Activities	Investing Activities			Investing Activities		
Acquisitions, net of cash acquired	Acquisitions, net of cash acquired	—	(2,000)	Acquisitions, net of cash acquired	—	(2,000)
Purchase of property, plant and equipment	Purchase of property, plant and equipment	(18,238)	(14,965)	Purchase of property, plant and equipment	(27,051)	(23,499)
Proceeds from sale of property, plant and equipment	Proceeds from sale of property, plant and equipment	2,931	181	Proceeds from sale of property, plant and equipment	3,094	527
Net cash used in investing activities	Net cash used in investing activities	(15,307)	(16,784)	Net cash used in investing activities	(23,957)	(24,972)
Financing Activities	Financing Activities			Financing Activities		
Borrowings on bank revolving credit facility	Borrowings on bank revolving credit facility	117,000	162,000	Borrowings on bank revolving credit facility	134,000	190,000
Repayments on bank revolving credit facility	Repayments on bank revolving credit facility	(64,000)	(53,000)	Repayments on bank revolving credit facility	(101,000)	(85,000)
Principal payments on long-term debt and finance leases	Principal payments on long-term debt and finance leases	(7,504)	(7,521)	Principal payments on long-term debt and finance leases	(11,256)	(11,277)
Dividends paid	Dividends paid	(5,237)	(4,272)	Dividends paid	(7,861)	(6,411)
Proceeds from exercise of stock options	Proceeds from exercise of stock options	1,204	547	Proceeds from exercise of stock options	1,417	639

Common stock repurchased	Common stock repurchased	(989)	(712)	Common stock repurchased	(1,034)	(712)
Net cash provided by financing activities	Net cash provided by financing activities	40,474	97,042	Net cash provided by financing activities	14,266	87,239
Effect of exchange rate changes on cash and cash equivalents	Effect of exchange rate changes on cash and cash equivalents	2,694	(3,090)	Effect of exchange rate changes on cash and cash equivalents	(822)	(7,895)
Net change in cash and cash equivalents	Net change in cash and cash equivalents	65,045	33,779	Net change in cash and cash equivalents	66,518	33,193
Cash and cash equivalents at beginning of the year	Cash and cash equivalents at beginning of the year	47,016	42,115	Cash and cash equivalents at beginning of the year	47,016	42,115
Cash and cash equivalents at end of the period	Cash and cash equivalents at end of the period	\$ 112,061	\$ 75,894	Cash and cash equivalents at end of the period	\$ 113,534	\$ 75,308
Cash paid during the period for:	Cash paid during the period for:			Cash paid during the period for:		
Interest	Interest	\$ 12,140	\$ 5,998	Interest	\$ 18,729	\$ 9,742
Income taxes	Income taxes	19,891	17,615	Income taxes	29,712	27,162

See accompanying notes.

Alamo Group Inc. and Subsidiaries

Notes to Interim Condensed Consolidated Financial Statements - (Unaudited)

June September 30, 2023

1. Basis of Financial Statement Presentation

General

The accompanying unaudited interim condensed consolidated financial statements of Alamo Group Inc. and its subsidiaries (the "Company") have been prepared in accordance with U.S. generally accepted accounting principles ("GAAP") for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulations S-X. Accordingly, they do not include all of the information and footnotes required by U.S. GAAP for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the periods presented are not necessarily indicative of the results that may be expected for the year ending December 31, 2023. The balance sheet at December 31, 2022 has been derived from the audited financial statements at that date but does not include all of the information and footnotes required by U.S. GAAP for complete financial statements. For further information, refer to the consolidated financial statements and footnotes thereto included in the Company's annual report on Form 10-K for the year ended December 31, 2022 (the "2022 10-K").

2. Accounts Receivable

Accounts receivable is shown net of sales discounts and the allowance for credit losses.

At June 30, 2023 September 30, 2023 the Company had \$24.0 million \$23.4 million in reserves for sales discounts compared to \$19.9 million at December 31, 2022 related to products shipped to our customers under various promotional programs.

3. Inventories

Inventories are stated at the lower of cost or net realizable value. Net inventories consist of the following:

(in thousands)	(in thousands)	June 30, 2023	December 31, 2022	(in thousands)	September 30, 2023	December 31, 2022
Finished goods	Finished goods	\$ 330,952	\$ 312,726	Finished goods	\$ 333,318	\$ 312,726
Work in process	Work in process	28,976	22,273	Work in process	29,844	22,273
Raw materials	Raw materials	9,391	17,554	Raw materials	8,586	17,554
Inventories, net	Inventories, net	\$ 369,319	\$ 352,553	Inventories, net	\$ 371,748	\$ 352,553

Inventory obsolescence reserves were \$9.4 million \$8.3 million at June 30, 2023 September 30, 2023 and \$13.2 million at December 31, 2022.

4. Rental Equipment

Rental equipment is shown net of accumulated depreciation of \$23.7 million \$24.3 million and \$22.3 million at June 30, 2023 September 30, 2023 and December 31, 2022, respectively. The Company recognized depreciation expense of \$2.2 million and \$1.9 million for the three months ended June 30, 2023 September 30, 2023 and 2022, respectively and \$3.3 million \$6.5 million and \$3.8 million \$5.7 million for the six nine months ended June 30, 2023 September 30, 2023 and 2022, respectively.

5. Fair Value Measurements

The carrying values of certain financial instruments, including cash and cash equivalents, accounts receivable, accounts payable, and accrued expenses, approximate their fair value because of the short-term nature of these items. The carrying value of our debt approximates the fair value as of **June 30, 2023** **September 30, 2023** and December 31, 2022, as the floating rates on our outstanding balances approximate current market rates. This conclusion was made based on Level 2 inputs.

6. Goodwill and Intangible Assets

The following is the summary of changes to the Company's Goodwill for the **six** **nine** months ended **June 30, 2023** **September 30, 2023**:

(in thousands)	(in thousands)	Vegetation Management	Industrial Equipment	Consolidated	(in thousands)	Vegetation Management	Industrial Equipment	Consolidated
Balance at December 31, 2022	Balance at December 31, 2022	\$ 127,562	\$ 68,296	\$ 195,858	Balance at December 31, 2022	\$ 127,562	\$ 68,296	\$ 195,858
Total adjustment	adjustment	1,223	364	1,587	adjustment	122	(117)	5
Balance at June 30, 2023		\$ 128,785	\$ 68,660	\$ 197,445				
Balance at September 30, 2023					slide2			
						Balance at September 30, 2023	\$ 127,684	\$ 68,179
							\$ 1	

The following is a summary of the Company's definite and indefinite-lived intangible assets net of the accumulated amortization:

(in thousands)	(in thousands)	Estimated Useful Lives	June 30, 2023	December 31, 2022	(in thousands)	Estimated Useful Lives	September 30, 2023	December 31, 2022
Definite:	Definite:				Definite:			
Trade names and trademarks	Trade names and trademarks	15-25 years	\$ 69,148	\$ 68,797	Trade names and trademarks	15-25 years	\$ 68,753	\$ 68,797
Customer and dealer relationships	Customer and dealer relationships	8-15 years	129,815	129,338	Customer and dealer relationships	8-15 years	129,395	129,338
Patents and drawings	Patents and drawings	3-12 years	28,517	28,437	Patents and drawings	3-12 years	28,394	28,437
Favorable leasehold interests	Favorable leasehold interests	7 years	4,200	4,200	Favorable leasehold interests	7 years	4,200	4,200
Total at cost	Total at cost		231,680	230,772	Total at cost		230,742	230,772
Less accumulated amortization	Less accumulated amortization		(72,804)	(64,931)	Less accumulated amortization		(76,358)	(64,931)
Total net	Total net		158,876	165,841	Total net		154,384	165,841
Indefinite:	Indefinite:				Indefinite:			
Trade names and trademarks	Trade names and trademarks		5,500	5,500	Trade names and trademarks		5,500	5,500
Total Intangible Assets	Total Intangible Assets		\$ 164,376	\$ 171,341	Total Intangible Assets		\$ 159,884	\$ 171,341

The Company recognized amortization expense of \$3.8 million and \$3.8 million for the three months ended **June 30, 2023** **September 30, 2023** and 2022, respectively, and **\$7.6 million** **\$11.5 million** and **\$7.7 million** **\$11.5 million** for the **six** **nine** months ended **June 30, 2023** **September 30, 2023** and 2022, respectively.

7. Leases

The Company leases office space and equipment under various operating and finance leases, which generally are expected to be renewed or replaced by other leases. The finance leases currently held are considered immaterial. The components of lease cost were as follows:

Components of Lease Cost

(in thousands)	(in thousands)	Three Months Ended June 30,		Six Months Ended June 30,		Three Months Ended September 30,		Nine Months Ended September 30,	
		2023	2022	2023	2022	2023	2022	2023	2022
						(in thousands)			
Finance lease cost:	Finance lease cost:					Finance lease cost:			
Amortization of right-of-use assets	Amortization of right-of-use assets	\$ 2	\$ 6	\$ 5	\$ 19	Amortization of right-of-use assets	\$ 2	\$ 6	\$ 7
Interest on lease liabilities	Interest on lease liabilities	—	—	—	1	Interest on lease liabilities	1	—	1
Operating lease cost	Operating lease cost	1,482	1,434	2,940	2,931	Operating lease cost	1,513	1,414	4,453
Short-term lease cost	Short-term lease cost	305	334	629	633	Short-term lease cost	306	320	935
Variable lease cost	Variable lease cost	75	103	151	212	Variable lease cost	69	56	220
Total lease cost	Total lease cost					Total lease cost			

Rent expense for the three and **six** nine months ended **June 30, 2023 September 30, 2023** and 2022 was immaterial.

Maturities of operating lease liabilities were as follows:

slide1

Future Minimum Lease Payments

(in thousands)	(in thousands)	June 30, 2023	December 31, 2022	(in thousands)	September 30, 2023	December 31, 2022
2023	2023	\$ 2,833	*	\$ 5,177	2023	\$ 1,432
2024	2024	4,666		4,099	2024	5,115
2025	2025	3,858		3,294	2025	4,094
2026	2026	2,962		2,728	2026	2,941
2027	2027	1,886		1,780	2027	1,882
Thereafter	Thereafter	1,748		1,743	Thereafter	1,747
Total minimum lease payments	Total minimum lease payments	\$ 17,953		\$ 18,821	Total minimum lease payments	\$ 17,211
Less imputed interest	Less imputed interest	(1,245)		(1,287)	Less imputed interest	(1,140)
Total operating lease liabilities	Total operating lease liabilities	\$ 16,708		\$ 17,534	Total operating lease liabilities	\$ 16,071
<small>*Period ended June 30, 2023 represents the remaining six months of 2023.</small>						
<small>*Period ended September 30, 2023 represents the remaining three months of 2023.</small>						

Future Lease Commencements

As of **June 30, 2023 September 30, 2023**, there are additional operating leases, primarily for buildings, that have not yet commenced in the amount of **\$3.4 million \$4.1 million**. These operating leases will commence in fiscal year **2023 2024** with lease terms of 2 to 3 years.

Supplemental balance sheet information related to leases was as follows:

Operating Leases		Operating Leases				Operating Leases			
(in thousands)	(in thousands)	June 30, 2023		December 31, 2022		(in thousands)	September 30, 2023		December 31, 2022
Other non-current assets	Other non-current assets	\$ 16,414		\$ 17,249		Other non-current assets	\$ 15,768		\$ 17,249
Accrued liabilities	Accrued liabilities	4,776		4,685		Accrued liabilities	4,877		4,685
Other long-term liabilities	Other long-term liabilities	11,932		12,849		Other long-term liabilities	11,194		12,849
Total operating lease liabilities	Total operating lease liabilities	\$ 16,708		\$ 17,534		Total operating lease liabilities	\$ 16,071		\$ 17,534
Weighted Average Remaining Lease Term	Weighted Average Remaining Lease Term	4.29 years		4.66 years		Weighted Average Remaining Lease Term	4.03 years		4.66 years
Weighted Average Discount Rate	Weighted Average Discount Rate	3.73 %		3.30 %		Discount Rate	3.85 %		3.30 %

Supplemental Cash Flow information related to leases was as follows:

(in thousands)	(in thousands)	Six Months Ended June 30,		Nine Months Ended September 30,	
		2023	2022	2023	2022
Cash paid for amounts included in the measurement of lease liabilities:	Cash paid for amounts included in the measurement of lease liabilities:			Cash paid for amounts included in the measurement of lease liabilities:	
Operating cash flows from operating leases	Operating cash flows from operating leases	\$ 2,639	\$ 2,651	Operating cash flows from operating leases	\$ 3,994
		slide2			\$ 3,971

8. Debt

The components of long-term debt are as follows:

(in thousands)	(in thousands)	June 30, 2023	December 31, 2022	(in thousands)	September 30, 2023	December 31, 2022
Current Maturities:	Current Maturities:			Current Maturities:		
Finance lease obligations	Finance lease obligations	\$ 8	\$ 9	Finance lease obligations	\$ 8	\$ 9
Term debt	Term debt	15,000	15,000	Term debt	15,000	15,000
		15,008	15,009		15,008	15,009
Long-term debt:	Long-term debt:			Long-term debt:		
Finance lease obligations	Finance lease obligations	11	15	Finance lease obligations	9	15
Term debt, net	Term debt, net	227,565	234,928	Term debt, net	223,883	234,928
Bank revolving credit facility	Bank revolving credit facility	105,000	52,000	Bank revolving credit facility	85,000	52,000
Total Long-term debt	Total Long-term debt	332,576	286,943	Total Long-term debt	308,892	286,943
Total debt	Total debt	\$ 347,584	\$ 301,952	Total debt	\$ 323,900	\$ 301,952

As of **June 30, 2023** **September 30, 2023**, \$2.8 million **\$2.4 million** of the revolver capacity was committed to irrevocable standby letters of credit issued in the ordinary course of business as required by vendors' contracts, resulting in **\$292.2 million** **\$312.6 million** in available borrowings.

9. Common Stock and Dividends

Dividends declared and paid on a per share basis were as follows:

	Three Months Ended				Six Months Ended				Three Months Ended				Nine Months Ended			
	June 30,		June 30,		September 30,		September 30,		2023		2022		2023		2022	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Dividends declared	Dividends declared	\$ 0.22	\$ 0.18	\$ 0.44	\$ 0.36	Dividends declared	\$ 0.22	\$ 0.18	\$ 0.66	\$ 0.54						
Dividends paid	Dividends paid	\$ 0.22	\$ 0.18	\$ 0.44	\$ 0.36	Dividends paid	\$ 0.22	\$ 0.18	\$ 0.66	\$ 0.54						

On **July 3, 2023** **October 2, 2023**, the Company announced that its Board of Directors had declared a quarterly cash dividend of \$0.22 per share, which was paid on **August 1, 2023** **October 31, 2023**, to shareholders of record at the close of business on **July 18, 2023** **October 16, 2023**.

10. Earnings Per Share

The following table sets forth the reconciliation from basic to diluted average common shares and the calculations of net income per common share. Net income for basic and diluted calculations do not differ.

(In thousands, except per share)	(In thousands, except per share)	Three Months Ended				Six Months Ended				Three Months Ended				Nine Months Ended			
		June 30,		June 30,		September 30,		September 30,		2023		2022		2023		2022	
Net Income	Net Income	\$ 36,374	\$ 28,472	\$ 69,723	\$ 46,942	Net Income	\$ 34,915	\$ 25,821	\$ 104,638	\$ 72,713	Average Common Shares:						
Average Common Shares:	Average Common Shares:					Average Common Shares:	Average Common Shares:	Average Common Shares:	Average Common Shares:	Average Common Shares:							
Basic (weighted-average outstanding shares)	Basic (weighted-average outstanding shares)	11,921	11,880	11,910	12,70	Basic (weighted-average outstanding shares)	11,928	11,883	11,916	11,875	Dilutive potential common shares from stock options						
Dilutive potential common shares from stock options	Dilutive potential common shares from stock options	72	58	67	57	Dilutive potential common shares from stock options	68	58	67	57							

Exhibit 31.1

I, Jeffrey A. Leonardo, certify that:

(weighted-average outstanding shares)

1. I have reviewed this quarterly report on Form 10-Q of Alamo Group Inc; outstanding shares) 11,993 11,938 11,977 11,927 Diluted (weighted-average outstanding shares) 11,996 11,941 11,983 11,932

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report; earnings per share) 11,993 11,938 11,977 11,927

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report; Diluted (weighted-average outstanding shares) 11,996 11,941 11,983 11,932

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

11. Revenue and Segment Information

a. Designed such disclosure controls and procedures or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

Disaggregation of revenue is presented in the tables below by product type and by geographical location. Management has determined that this level of disaggregation would be beneficial to users of the financial statements.

Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

Revenue by Product Type

		Three Months Ended June 30, 2023				Three Months Ended June 30, 2022			
(in thousands)		Entered into the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and				Entered into the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and			
Net Sales	Net Sales	Net Sales				Net Sales			
Wholegoods	Wholegoods	\$ 33,670 \$ 33,843 \$ 58,498 \$ 59,524				\$ 32,653 \$ 28,513 \$ 28,240 \$ 27,446			
Parts	Parts	72,959 70,825 142,333 138,797				78,739 76,047 221,071 214,844			
Other	a. All Other	11,065 11,525 26,694 24,595				10,602 10,927 19,757 19,723			
Consolidated	Consolidated	\$ 140,832 \$ 156,217 \$ 83,240 \$ 87,702				\$ 122,093 \$ 127,406 \$ 81,270 \$ 79,012			

Other includes rental sales, extended warranty sales and service sales as they are considered immaterial.

Revenue by Geographical Location

Date: August 2, 2023		Three Months Ended June 30,				Three Months Ended September 30,				/s/ Jeffery A. Leonard			
		Three Months Ended June 30,		Six Months Ended June 30,		Nine Months Ended September 30,		/s/ Jeffery A. Leonard		Three Months Ended September 30,		Nine Months Ended September 30,	
(in thousands)	(in thousands)	2023	2022	2023	2022	(in thousands)	2023	2022	2023	2022	(in thousands)	2023	
Net Sales	Net Sales					Net Sales					Net Sales		
United States	United States	\$ 312,314	\$ 283,102	\$ 603,893	\$ 538,289	United States	\$ 295,021	\$ 264,915	\$ 898,914	\$ 803,204	United States	\$ 295,021	\$ 264,915
Canada	Canada	37,464	23,276	64,329	43,729	Canada	37,720	24,753	102,049	68,482	Canada	37,720	24,753
France	France	25,163	23,671	49,365	46,717	France	20,959	18,369	70,324	65,086	France	20,959	18,369
United Kingdom	United Kingdom	20,385	17,395	41,989	35,069	United Kingdom	19,277	17,613	61,266	52,682	United Kingdom	19,277	17,613
Brazil	Brazil	12,519	14,109	24,032	27,203	Brazil	13,322	9,688	37,354	36,891	Brazil	13,322	9,688
I, Richard J. McHugh, certify that:	I, Richard J. McHugh, certify that:	9,091	3,862	18,883	7,342	Netherlands	7,720	8,570	26,603	15,912	Netherlands	7,720	8,570
Australia	Australia	7,768	5,785	15,550	12,941	Australia	6,332	7,513	21,882	20,454	Australia	6,332	7,513
Germany	Germany	3,103	1,427	5,572	1,758	Germany	3,754	2,757	9,326	4,515	Germany	3,754	2,757
Other	Other	12,887	28,587	28,855	45,171	Other	15,539	14,615	44,291	55,787	Other	15,539	14,615
Consolidated	Consolidated	\$ 449,664	\$ 396,213	\$ 739,245	\$ 682,249	Consolidated	\$ 449,664	\$ 396,213	\$ 739,245	\$ 682,249	Consolidated	\$ 449,664	\$ 396,213

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or is necessary to make the statements made, in light of the circumstances under which the statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

Segment Information

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rule 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

The following includes a summary of the unaudited financial information by reporting segment at **June 30, 2023** **September 30, 2023**:

(in thousands)	Three Months Ended June 30, 2023	Six Months Ended June 30, 2022	Three Months Ended September 30, 2023	Nine Months Ended September 30, 2022	/s/ Jeffery A. Leonard					
					(in thousands)	2023	2022	(in thousands)	2023	2022
Net Sales	Net Sales				Net Sales			Net Sales		
Vegetation Management	Vegetation Management	\$ 261,346	\$ 255,003	\$ 517,781	\$ 476,009	Vegetation Management	\$ 246,902	\$ 228,511	\$ 764,502	\$ 721,742
Industrial Equipment	Industrial Equipment	179,348	141,211	334,684	282,210	Industrial Equipment	172,742	140,282	507,502	459,720
Consolidated	Consolidated	\$ 440,684	\$ 396,211	\$ 852,411	\$ 759,219	Consolidated	\$ 440,684	\$ 396,211	\$ 852,411	\$ 759,219
Income from Operations	Income from Operations				Income from Operations			Income from Operations		
Vegetation Management	Vegetation Management	\$ 35,561	\$ 32,796	\$ 72,069	\$ 51,130	Vegetation Management	\$ 30,251	\$ 27,130	\$ 102,502	\$ 98,700
Industrial Equipment	Industrial Equipment	18,834	8,120	33,937	30,502	Industrial Equipment	18,834	8,120	33,937	30,502
Consolidated	Consolidated	\$ 54,392	\$ 40,916	\$ 103,416	\$ 70,035	Consolidated	\$ 49,753	\$ 35,840	\$ 153,502	\$ 138,700
(in thousands)	(in thousands)	June 30, 2023	December 31, 2022	(in thousands)	September 30, 2023	December 31, 2022				
Goodwill	Goodwill			Goodwill						
Vegetation Management	Vegetation Management	\$ 128,785	\$ 127,562	Vegetation Management	\$ 127,684	\$ 127,562				

Indefinite	August 2023	November 2023				/s/ Richard J. Wehrle	Richard J. Wehrle	
Equipment	Equipment		68,660			68,296	Equipment	68,179
Consolidated	Consolidated	\$	197,445	\$		195,858	Consolidated	195,863
Total Identifiable Assets	Total Identifiable Assets						Executive Vice President & Chief Financial Officer	\$ 195,858
Vegetation Management	Vegetation Management	\$	973,555	\$	866,974	Vegetation Management	\$ 941,288	\$ 866,974
Industrial Equipment	Industrial Equipment		484,204		441,534	Industrial Equipment	514,226	441,534
Consolidated	Consolidated	\$	1,457,759	\$	1,308,508	Consolidated	\$ 1,455,514	\$ 1,308,508

12. Accumulated Other Comprehensive Loss

Exhibit 32.1

Changes in accumulated other comprehensive loss by component, net of tax (in thousands):

After the interview follows a short T

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002												Three Months Ended Septe												
2023						2022						2023						2023						
Gains			Gains			Gains			Gains			Gains			Gains			Gains			Gains			
(in thousands)	(in thousands)	Foreign Defined (Losses) Currency Benefit on Cash	Defined (Losses) Currency Benefit on Cash	Translation Plans Flow	Plans Flow	Translation Plans Flow	Plans Flow	Translation Plans Flow	Plans Flow	Translation Plans Flow	Plans Flow	Translation Plans Flow	Plans Flow	Translation Plans Flow	Plans Flow	Translation Plans Flow	Plans Flow	Translation Plans Flow	Plans Flow	Translation Plans Flow	Plans Flow	Translation Plans Flow	Plans Flow	
In connection with the Quarterly Report of Alamo Group Inc. (the "Company") on Form 10-Q for the period ended June 30, 2023 September 30, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Jeffery A. Leonard , President & Chief Executive Officer of the Company, certify pursuant to 18 U.S.C. 1350, as adopted pursuant to ss. 906 of the Sarbanes-Oxley Act of 2002 that:																								
1. The Form 10-Q fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and																								
2. The information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.																								
Date: August 2, 2023																								
Other	Other	Jeffery A. Leonard	President & Chief Executive Officer	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other
comprehensive income (loss) before reclassifications	comprehensive income (loss) before reclassifications	7,616	—	—	7,616	(19,822)	—	1,380	(18,442)	reclassifications	(12,718)	—	(97)	(12,815)	(24,92									
Amounts reclassified from accumulated other comprehensive loss		—	283	—	283	—	205	(335)	(130)															
Amounts reclassified from accumulated other comprehensive (income) loss																								
Exhibit 32.2												Exhibit 32.2												
CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002												CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002												
Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other
In connection with the Quarterly Report of Alamo Group Inc. (the "Company") on Form 10-Q for the period ended June 30, 2023 September 30, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Richard J. Wehrle , Executive Vice President & Chief Financial Officer of the Company, certify pursuant to 18 U.S.C. ss. 1350, as adopted pursuant to ss. 906 of the Sarbanes-Oxley Act of 2002, that:																								
1. The Form 10-Q fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and																								
2. The information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.																								
Date: August 2, 2023																								
Six Months Ended June 30,												Nine Months Ended Septe												
Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other
comprehensive income (loss) before reclassifications	comprehensive income (loss) before reclassifications	7,616	—	—	7,616	(19,822)	—	1,380	(18,442)	reclassifications	(12,718)	—	(97)	(12,815)	(24,92									
Amounts reclassified from accumulated other comprehensive loss		—	283	—	283	—	205	(335)	(130)															
Amounts reclassified from accumulated other comprehensive (income) loss																								
Exhibit 32.2												Exhibit 32.2												
CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002												CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002												
Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other
In connection with the Quarterly Report of Alamo Group Inc. (the "Company") on Form 10-Q for the period ended June 30, 2023 September 30, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Richard J. Wehrle , Executive Vice President & Chief Financial Officer of the Company, certify pursuant to 18 U.S.C. ss. 1350, as adopted pursuant to ss. 906 of the Sarbanes-Oxley Act of 2002, that:																								
1. The Form 10-Q fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and																								
2. The information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.																								
Date: August 2, 2023																								
Exhibit 32.2												Exhibit 32.2												
CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002												CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002												
Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other
comprehensive income (loss) before reclassifications	comprehensive income (loss) before reclassifications	7,616	—	—	7,616	(19,822)	—	1,380	(18,442)	reclassifications	(12,718)	—	(97)	(12,815)	(24,92									
Amounts reclassified from accumulated other comprehensive loss		—	283	—	283	—	205	(335)	(130)															
Amounts reclassified from accumulated other comprehensive (income) loss																								
Date: August 2, 2023																								
Exhibit 32.2												Exhibit 32.2												
CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002												CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002												
Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other
comprehensive income (loss) before reclassifications	comprehensive income (loss) before reclassifications	7,616	—	—	7,616	(19,822)	—	1,380	(18,442)	reclassifications	(12,718)	—	(97)	(12,815)	(24,92									
Amounts reclassified from accumulated other comprehensive loss		—	283	—	283	—	205	(335)	(130)															
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Date: August 2, 2023																								
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CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002												CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002												
Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other
comprehensive income (loss) before reclassifications	comprehensive income (loss) before reclassifications	7,616	—	—	7,616	(19,822)	—	1,380	(18,442)	reclassifications	(12,718)	—	(97)	(12,815)	(24,92									
Amounts reclassified from accumulated other comprehensive loss		—	283	—	283	—	205	(335)	(130)															
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Date: August 2, 2023																								
Exhibit 32.2												Exhibit 32.2												
CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002												CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002												
Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other
comprehensive income (loss) before reclassifications	comprehensive income (loss) before reclassifications	7,616	—	—	7,616	(19,822)	—	1,380	(18,442)	reclassifications	(12,718)	—	(97)	(12,815)	(24,92									
Amounts reclassified from accumulated other comprehensive loss		—	283	—	283	—	205	(335)	(130)															
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Date: August 2, 2023																								
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CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002												CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002												
Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other	Other
comprehensive income (loss) before reclassifications	comprehensive income (loss) before reclassifications	7,616	—	—</td																				

Other comprehensive income (loss)	Other comprehensive income (loss)	Other comprehensive income (loss)
DISCLAIMER		
THE INFORMATION CONTAINED IN THE REFINITIV CORPORATE DISCLOSURES DELTA REPORT IS A COMPARISON OF TWO FINANCIALS PERIODIC REPORTS. THERE MAY BE MATERIAL ERRORS, OMISSIONS, OR INACCURACIES IN THE REPORT INCLUDING THE TEXT AND THE COMPARISON DATA AND TABLES. IN NO WAY DOES REFINITIV OR THE APPLICABLE COMPANY ASSUME ANY RESPONSIBILITY FOR ANY INVESTMENT OR OTHER DECISIONS MADE BASED UPON THE INFORMATION PROVIDED IN THIS REPORT. USERS ARE ADVISED TO REVIEW THE APPLICABLE COMPANY'S ACTUAL SEC FILINGS BEFORE MAKING ANY INVESTMENT OR OTHER DECISIONS.		
Amounts before reclassifications accumulated loss	Amounts before reclassifications accumulated loss	Amounts before reclassifications accumulated other
2023, Refinitiv. All rights reserved. Patents Pending.		
Other comprehensive income (loss)	Other comprehensive income (loss)	Other comprehensive income (loss)
12,162	565	(414)
11,222	(18,155)	3,876
(940)	(14,279)	(556)
12,313	411	(1,037)
(18,155)	2,897	(1,593)
	(14,847)	(43,071)
Balance as of end of period	Balance as of end of period	Balance as of end of period
\$ (53,267)	\$ (2,745)	\$ (65,985)
57	\$ (55,955)	\$ (2,463)
(60,552)	\$ (4,606)	\$ 21
1,321	\$ (63,837)	\$ (68,427)
		\$ (85,471)

13. Subsequent Events

On October 10, 2023, the Company announced that it acquired 100% of the outstanding equity capital of Royal Truck & Equipment, Inc. ("Royal Truck"). Royal Truck is a leading manufacturer of truck mounted highway attenuator trucks and other specialty trucks and equipment for the highway infrastructure and traffic control market. Royal Truck represents the Company's entry into the highway safety equipment market, a new platform for future opportunities. The purchase price was approximately \$28 million subject to post closing adjustments. The Company will include the operating results of Royal Truck in its consolidated financial statements as of December 31, 2023, these results are expected to be immaterial.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following tables set forth, for the periods indicated, certain financial data:

As a Percent of Net Sales	As a Percent of Net Sales	Three Months Ended June 30,				Six Months Ended June 30,				As a Percent of Net Sales	Three Months Ended September 30,				Nine Months Ended September 30,			
		2023	2022	2023	2022	2023	2022	2023	2022		2023	2022	2023	2022	2023	2022		
Vegetation Management	Vegetation Management	59.3	%	64.4	%	60.7	%	62.8	%	Vegetation Management	58.8	%	62.0	%	60.1	%	62.5	%
Industrial Equipment	Industrial Equipment	40.7	%	35.6	%	39.3	%	37.2	%	Industrial Equipment	41.2	%	38.0	%	39.9	%	37.5	%
Total sales, net	Total sales, net	100.0	%	100.0	%	100.0	%	100.0	%	Total sales, net	100.0	%	100.0	%	100.0	%	100.0	%