



Nasdaq: ALNT

March 18, 2024

ROTH Conference

Dick Warzala
Chairman, President & CEO

Mike Leach
Senior Vice President & CFO

SAFE HARBOR STATEMENT

The statements in these slides 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 future goals and expected operating results, anticipated levels of capital expenditures, the Company’s belief that it has sufficient liquidity to fund its business operations and acquisitions, and opportunities to expand market share and addressable markets. 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 the Company’s actual results and financial condition to differ materially from those indicated today 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, the severity, magnitude and duration of any global pandemic, including impacts of governments’ responses to the pandemic on our operations and personnel and related impacts to commercial activity and demand across our and our customers’ businesses, and on global supply chains; our inability to predict the extent to which a pandemic and related impacts can continue to adversely impact our business operations, financial performance, results of operations, financial position, the prices of our securities and the achievement of our strategic objectives 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.

Non-GAAP Financial Measures and Forward-Looking Non-GAAP Financial Measures

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.

This presentation also contains forward-looking statements regarding non-GAAP adjusted EBITDA and adjusted EBITDA margin. The Company is unable to present a quantitative reconciliation of these forward-looking non-GAAP financial measures to their most directly comparable forward-looking GAAP financial measure because such information is not available, and management cannot reliably predict the necessary components of such GAAP measures without unreasonable effort largely because forecasting or predicting our future operating results is subject to many factors out of our control or not readily predictable. In addition, the Company believes that such reconciliations would imply a degree of precision that would be confusing or misleading to investors. The unavailable information could have a significant impact on the Company’s fiscal 2024 and future financial results. These non-GAAP financial measures are preliminary estimates and are subject to risks and uncertainties, including, among others, changes in connection with quarter-end and year-end adjustments. Any variation between the Company’s actual results and preliminary financial data set forth in this presentation may be material.

GLOBAL ENGINEERING & MANUFACTURING COMPANY

***A family of companies driven by the same goal:
To act as one team to Connect What Matters and
provide the most robust, reliable, and high-value products and systems in
Motion, Controls, and Power***

Founded: 1939		IPO: 1969		Nasdaq: ALNT	
Market Capitalization	\$545 million	AVG Daily \$ Volume (3 mos.)	\$2.0 million		
Recent Closing Price	\$32.86	Annual Dividend / Yield	\$0.12 / 0.36%		
52 Week Low-High	\$25.12 - \$40.59	Institutional Ownership	64%		
Shares Outstanding	16.6 million	Insider Ownership	16%		

Market data as of March 11, 2024, Source: S&P Global IQ; Shares Outstanding as of March 5, 2024; Ownership as of most recent filing.

VIA: DEFINES OUR CULTURE



DEVELOPED OUR STRATEGY

Aligned the entire company to achieve our strategic goals and objectives



A technology/know-how company that will drive long-term global growth, both organically and through complementary strategic acquisitions



Pursue “niche” target markets where we can achieve a leadership position



Innovate leading edge products and solutions to meet the emerging needs of our served target markets

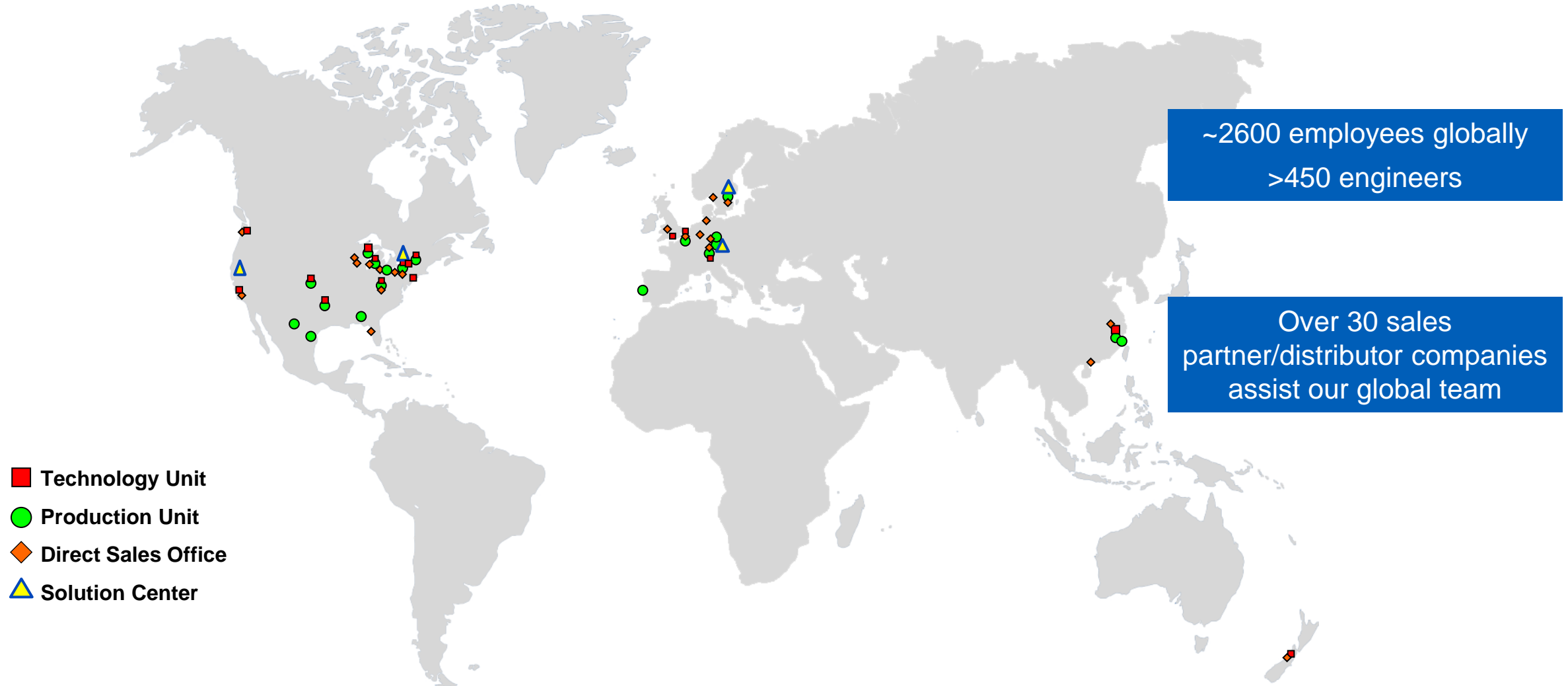


Develop a culture of lean (AST) to create value in everything we do to continuously improve company performance



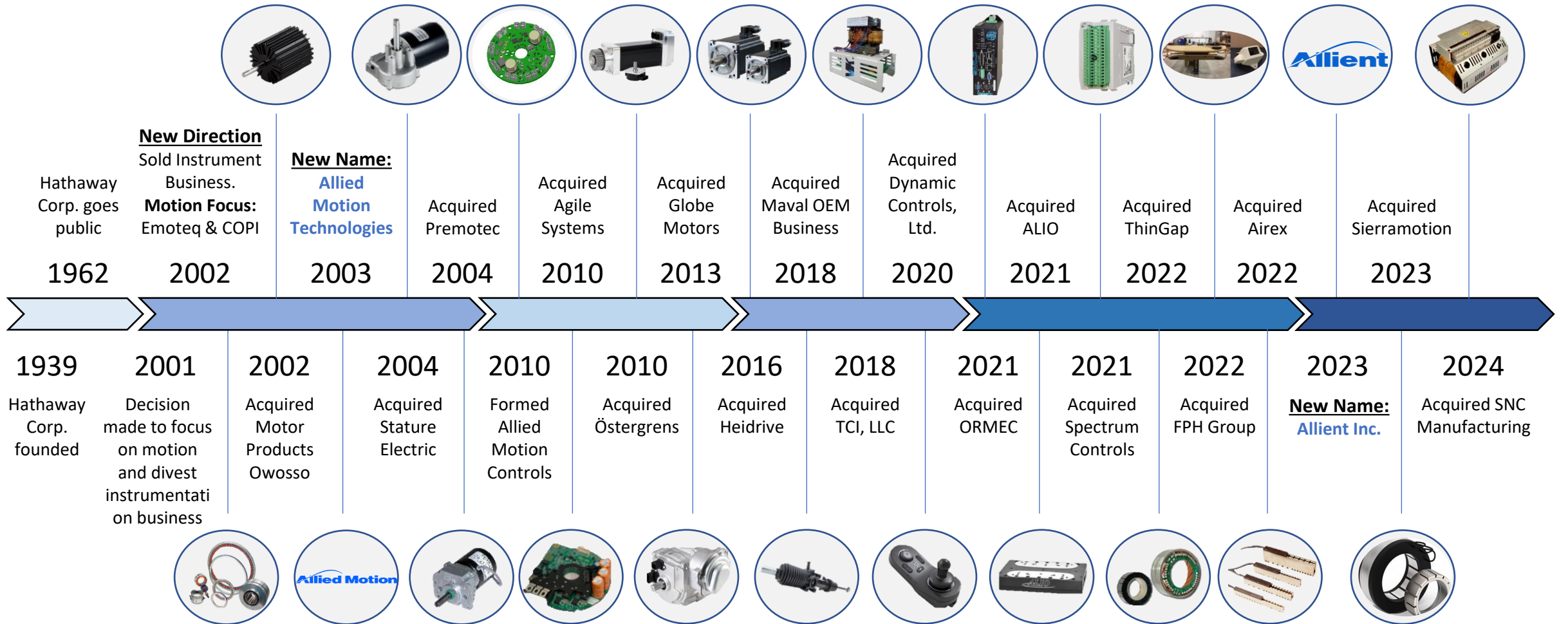
Train and develop our talent utilizing our AST tool kit and to help foster our One-Team approach to business

ONE-TEAM GLOBAL PRESENCE



M&A SUPPLEMENTED OUR GROWTH

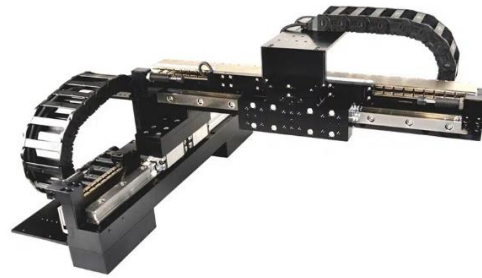
Completed 18 complementary acquisitions over 20+ years



COMPETITIVE ADVANTAGE THROUGH SYSTEM SOLUTIONS



Automated GPS-Guided Vehicle Steering Module with Torque Motor, Integrated Servo Drive with CAN Bus



Cartesian Robot Systems with Integrated Linear Motors, Single and Multi-Axis Drives and Controls



Synchronized Multi-axis Motion controllers, drives and actuation systems.



Lightweight composites, Electric Direct Drive Motors and Motor Systems for Ground Based Vehicles and Platforms



Hybrid Hexapod Systems with Integrated Linear Motors, Drives and Controls for multi-axis point precision



Highly Customized, customer specific, mission critical solutions - Custom Control, Drive, Software and Electromechanical Solutions

System capabilities evolve with strategic acquisitions

Building blocks include controls, drives, motors, gearing and feedback, light weighting and electrification technologies

System capabilities range from vehicle steering systems and motors with integrated drive electronics to nano-precision motion systems and ground-based vehicle electrification and light weighting

WHAT'S NEXT – THE NEW NEXUS

*Allied Nexus Technologies (Allient) - Captures the value opportunity that exists by **Connecting** our three technology pillars: Motion, Controls and Power*

Allient is a natural evolution of our company building on the success of our well-defined growth strategy

Environmental and **Social** responsibility built-in

Market Focus provides more comprehensive solutions for a rapidly expanding set of opportunities in our key target markets

Replicate our growth and success in the Motion industry to an even broader base within the Controls and Power industries

The Market Opportunity: Serviceable available market is double vs. Motion only



MARKET FOCUSED

Unique products and technologies in Motion, Controls and Power



Allient
CONNECTING what matters

Allied Motion
TAM: \$48.3 Billion
SAM: \$17.7 Billion

Allied Controls
TAM: \$26.8 Billion
SAM: \$7.25 Billion

Allied Power
TAM: \$23.9 Billion
SAM: \$6.5 Billion

Target Vertical Market Development

Utilize: Technology from several TU's

Maintain: TU integrity

Improve: Single point of contact for the customer

Create vertical leadership team

Assign program responsibility

Assign technical team

Develop dynamic tailored marketing materials

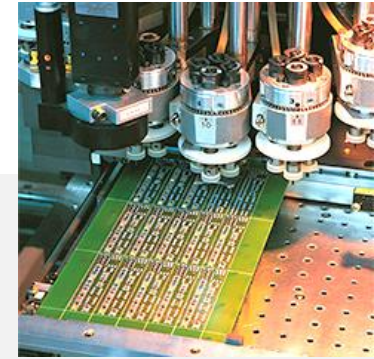
Each unit have P&L Responsibility – Ensures Ownership and Accountability

TARGET MARKET: INDUSTRIAL

44% of 2023 sales

Markets

Factory automation, material handling, robotics, industrial tools, semiconductor equipment, Oil & Gas



Applications

- Material handling including manned and unmanned vehicle steering and traction and conveyors
- Industrial and specialized robots
- Power quality and power conversion
- Welding wire feeders, conduit benders and a host of "jobsite" tools
- Handling, inspection and testing of components and final products, such as PCs and high resolution printers



TARGET MARKET: VEHICLE

23% of 2023 sales

Markets

Off- and on-road construction and agricultural equipment, trucks, buses, RVs, lift trucks, marine, recreational (ATVs) and utility vehicles



Applications

- Electronic power steering and drive-by-wire applications
- Traction / drive systems, pumps, automated and remotely guided power steering systems
- Actuation systems (e.g., lifts, slide-outs, covers, etc.)
- Mobile HVAC systems
- Alternative fuel systems such as LPG, fuel cell and hybrid vehicles

TARGET MARKET: MEDICAL

15% of 2023 sales

Markets

Medical devices and equipment, surgical robotics, patient handling and medical mobility



Applications

- Medical Instrumentation: Surgical robots, kidney dialysis machines, respiratory ventilators, heart pumps
- Programmable pumps to meter and administer infusions, pain control and antibiotics
- Advanced, autoclavable surgical handpiece motors
- Global leader for motors in prosthetics
- Patient Mobility: Wheel chairs, scooters, stair lifts, patient lifts, transport tables and hospital beds



TARGET MARKET: AEROSPACE & DEFENSE

14% of 2023 sales

Markets

Commercial aviation, aerospace systems, defense systems, unmanned aerial vehicles, NASA



Applications

- Inertial guided missiles, mid-range smart munitions systems
- Weapons systems, ramp, latch, seat and wiper control on armored personnel carriers
- Lightweight composites for ground based vehicles
- Security and access control, camera systems, door access control
- Airport screening and scanning devices



MEGA TECHNOLOGY TRENDS

Electrification



Electrification supplanting internal combustion engines and hydraulics systems

Global adoption of electrification for defense systems and land, sea and air transportation

Energy Efficiency

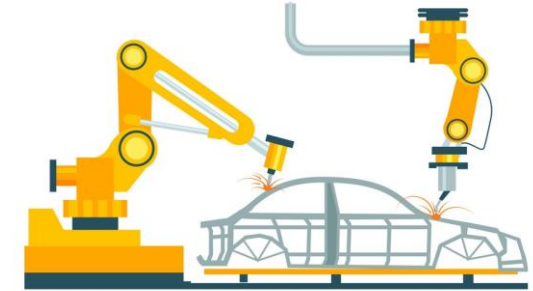


Massive effort to reduce energy consumption

Reduces operating costs

Minimizes carbon footprint

Industrial Automation



Addresses challenging labor environment

Advances reshoring efforts

Drives efficiency and productivity

SIMPLIFY TO ACCELERATE NOW



Centered on three high-level initiatives in 2024



1. Realign and right-size our footprint to better align with our markets and customers. Initiatives are already underway and are expected to continue with earnest throughout 2024 and beyond.
2. Reinforce lean manufacturing disciplines throughout the Company to accelerate margin expansion.
3. Focus on working capital reduction to drive additional cash generation and de-lever the balance sheet.

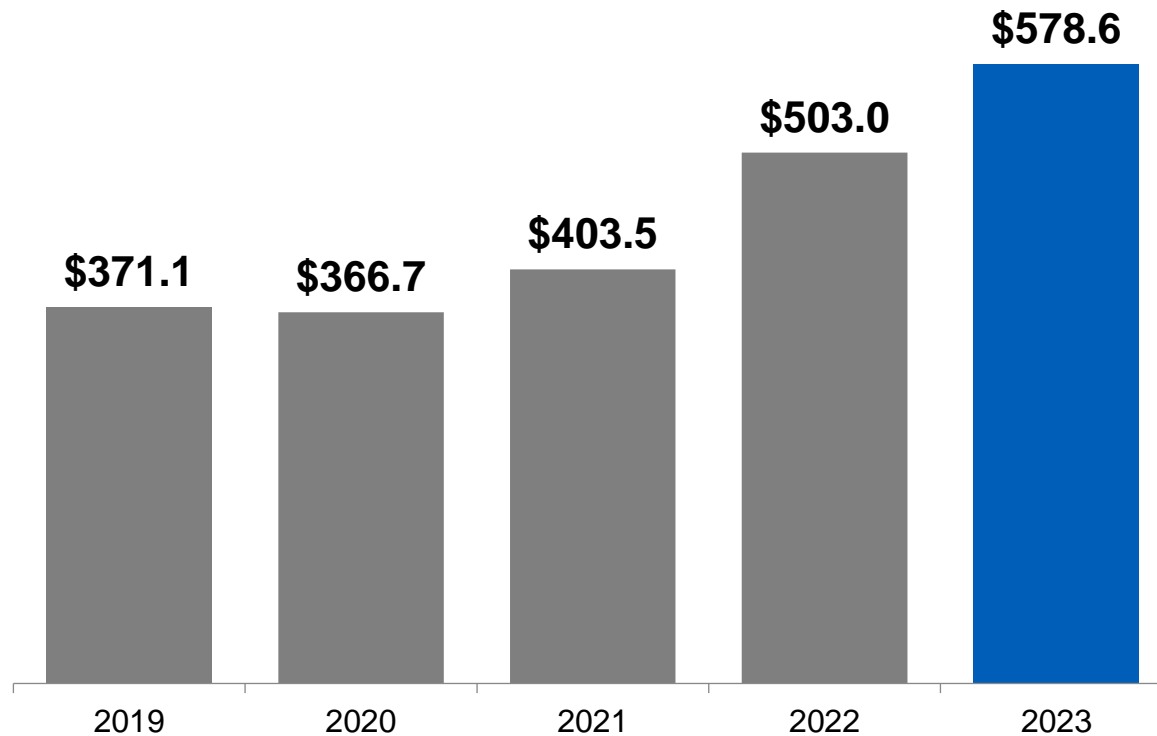


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Financial Highlights

RECORD REVENUE

(\$ in millions)



Strong execution driving organic and inorganic growth

2023 up \$75.6 million or 15%; organic growth of 13%¹

Acquisitions

SNC Manufacturing *Jan 2024*

Sierramotion *Sept 2023*

Airex *June 2022*

FPH *May 2022*

ThinGap *May 2022*

Spectrum Controls *Dec 2021*

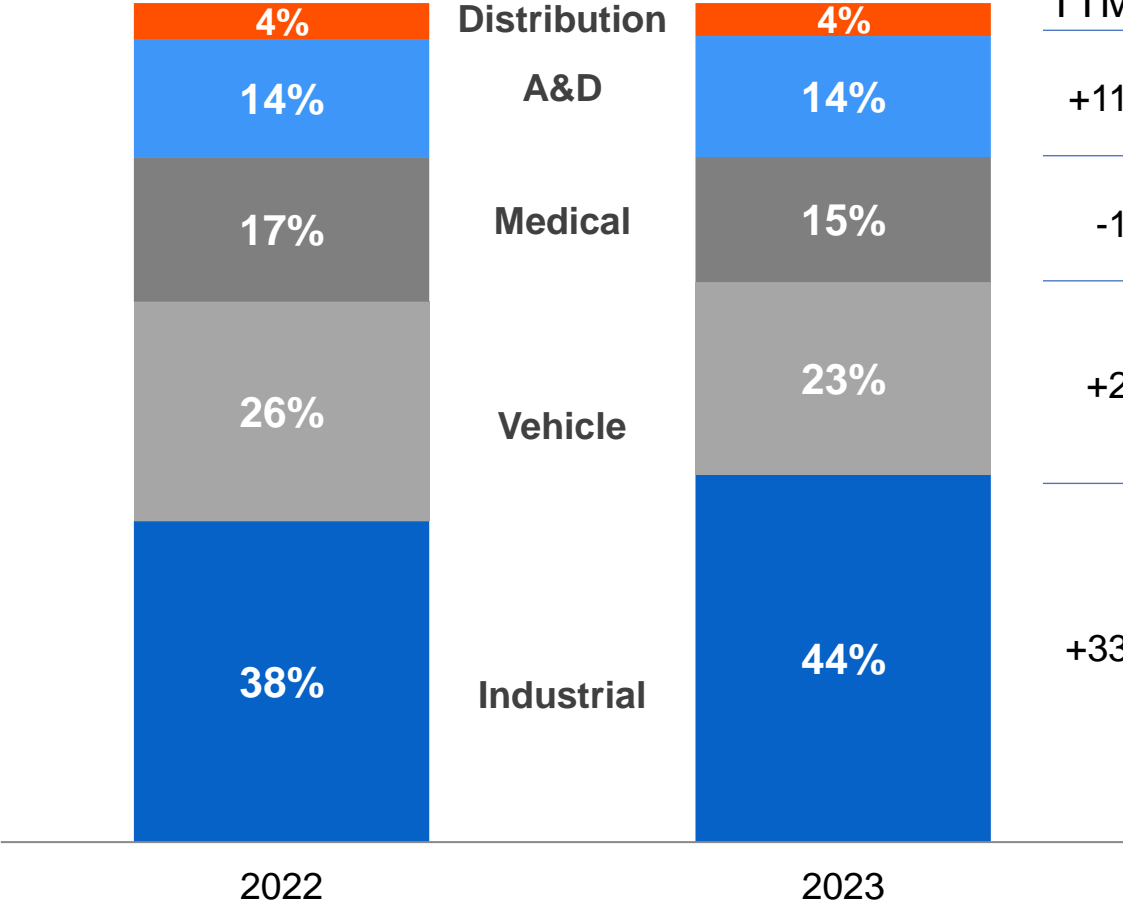
ALIO *Nov 2021*

ORMEC Systems *Nov 2021*

⁽¹⁾On a constant currency basis; See supplemental slides for the reconciliation of revenue excluding foreign currency exchange rate fluctuations and other important disclaimers.

DIVERSIFIED REVENUE MIX

Revenue by Market



2022 Rev: \$503.0 million

2023 Rev: \$578.6 million

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

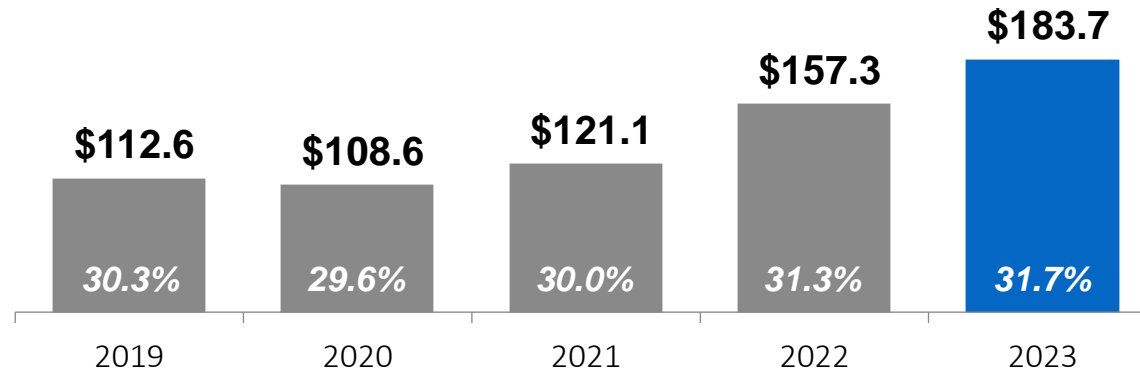
TTM Revenue Change and Market Drivers

+11%	Defense program timing and commercial aircraft demand
-1%	More normalized sales environment focused on surgical and instrumentation related end markets, offset by lower medical mobility demand
+2%	Commercial automotive and powersports demand partially offset by weaker agricultural demand
+33%	Strong end market demand within industrial automation, Oil & Gas, HVAC and material & vehicle handling

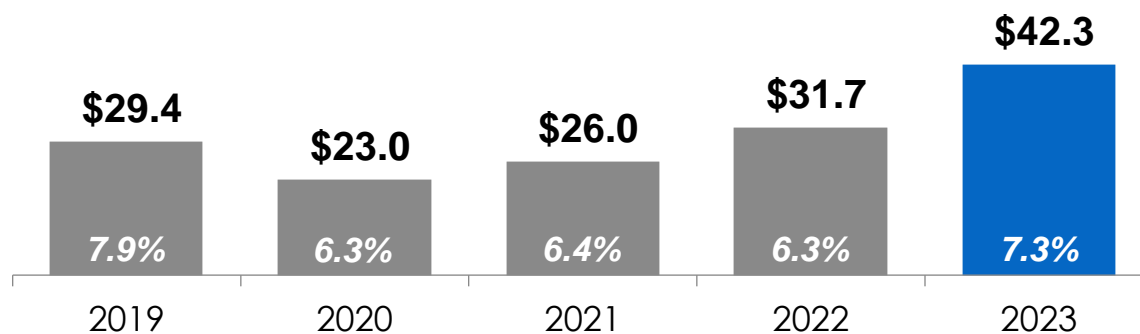
FOCUS ON MARGIN IMPROVEMENT

(\$ in millions)

Gross Profit & Margin



Operating Profit & Margin



Gross margin impacts

- + Volume
- + Lean tool kit (AST)
- + Favorable Mix
- Remaining supply chain disruptions
- Elevated raw material costs

Operating margin expansion reflects enhanced leverage

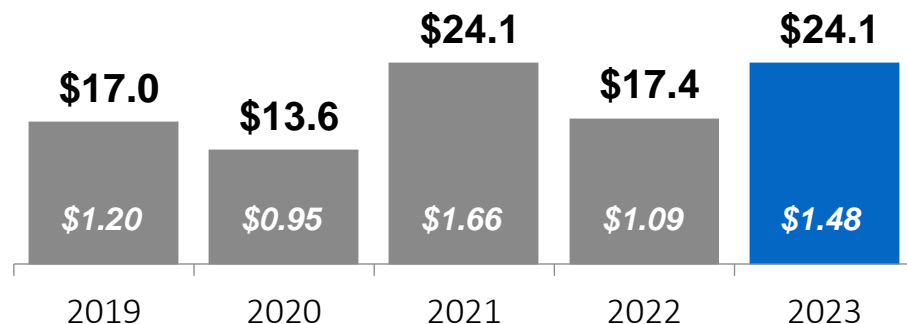
General & administrative 10.1%
of 2023 sales

Engineering & development 7.2%
of 2023 sales

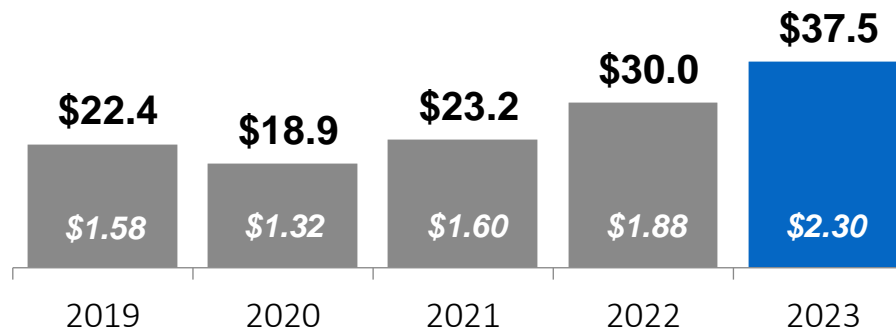
STRENGTHENED BOTTOM LINE PERFORMANCE

(\$ in millions, except per share data)

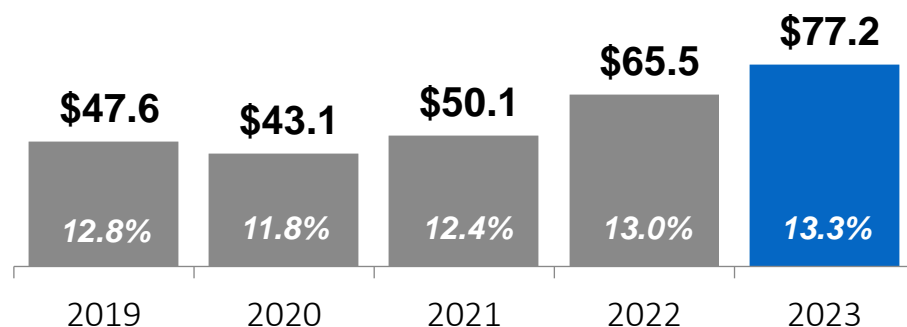
GAAP Net Income & EPS



Adjusted Net Income & Adjusted EPS¹



Adjusted EBITDA & Margin²



2021 GAAP net income reflects a net discrete tax benefit of \$7.4 million relating to legislation enacted in New Zealand

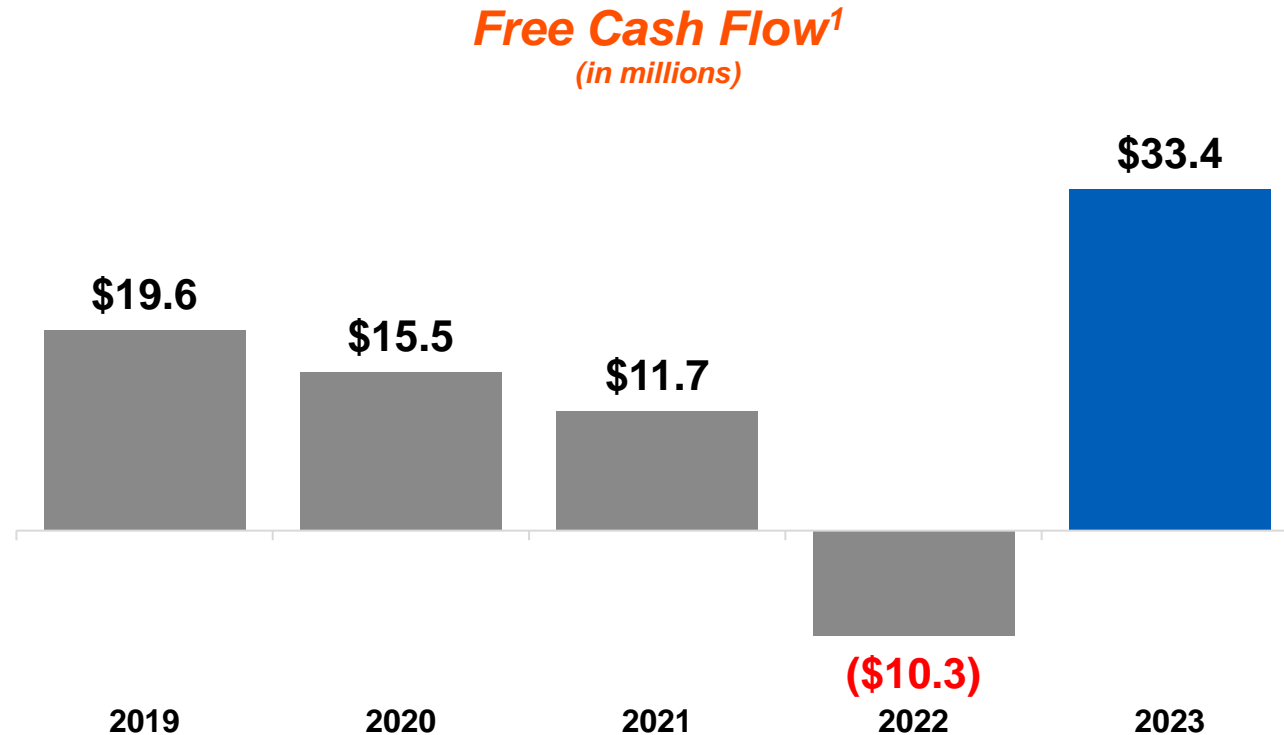
Adjusted net income excludes amortization of intangible assets related to acquisitions, business development costs and other non-recurring items

(1) See supplemental slide for Adjusted Net Income reconciliation and other important disclaimers regarding Adjusted Net Income.

(2) See supplemental slide for Adjusted EBITDA reconciliation and other important disclaimers regarding Adjusted EBITDA.

CASH GENERATION

Inventory turnover improved to 3.0x in 2023 vs 2.9x in 2022



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

(2) 2024 CapEx expectation provided on March 5, 2024

Initiatives driving FCF¹

Continue to drive free cash flow growth with revenue expansion

Improving supply chain to support cash flow generation

Improving inventory turns

Working capital improvements

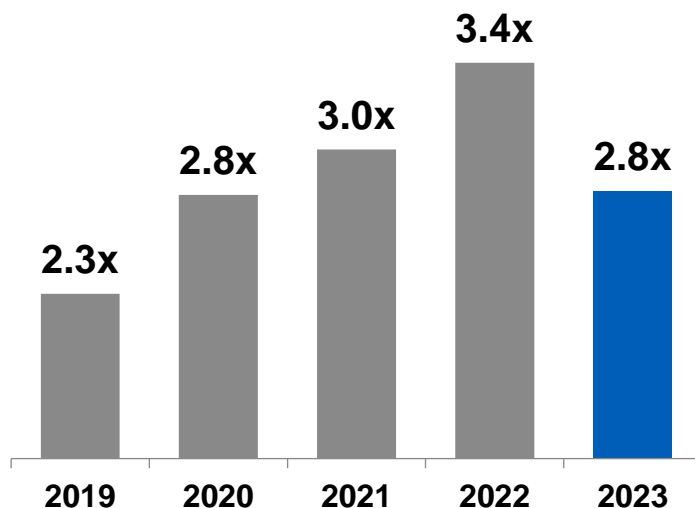
FY24 CapEx: \$16 million to \$20 million⁽²⁾

Expect maintenance and growth CapEx of approximately 3% to 4% of sales

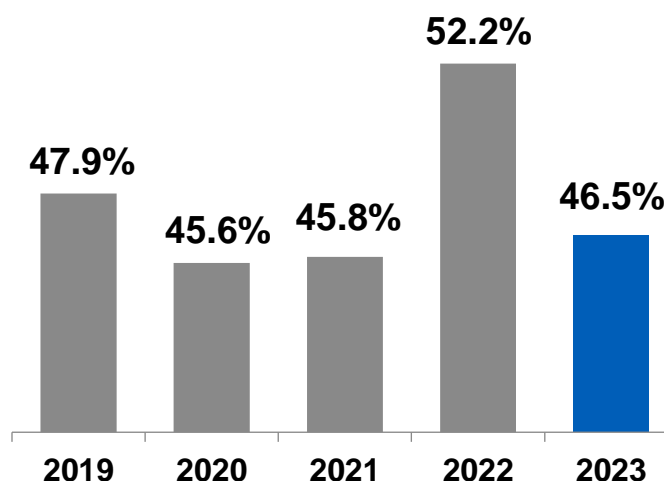
BALANCE SHEET STRATEGY

Focused on a disciplined long-term strategy

Leverage Ratio¹



Debt/Total Capitalization



⁽¹⁾Bank leverage ratio calculated in accordance with the Company's credit agreement

Driving Financial Flexibility

Strong cash generation enabled continued investments and debt paydown of \$17.1 million in 2023

Target 2.5x leverage ratio to provide dry powder for M&A

- Can flex up to 4.25x for acquisitions and quickly de-lever back to target levels

On March 1, 2024, extended maturity on existing \$280 million revolving credit facility for five years to 2029; Also entered into a \$150 million fixed rate private shelf facility

CAPITAL ALLOCATION PRIORITIES

Disciplined approach to capital allocation prioritizing growth

1

Organic growth and de-levering balance sheet

2

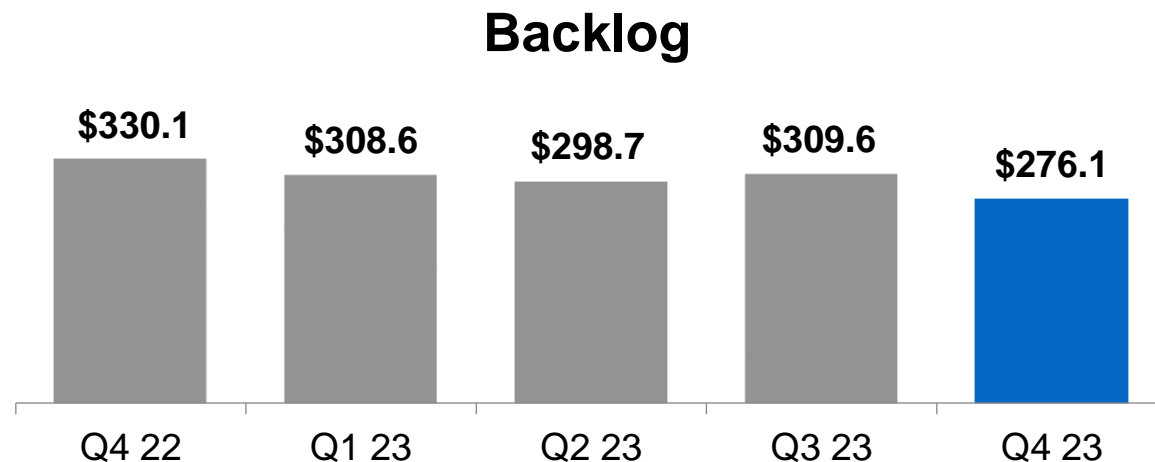
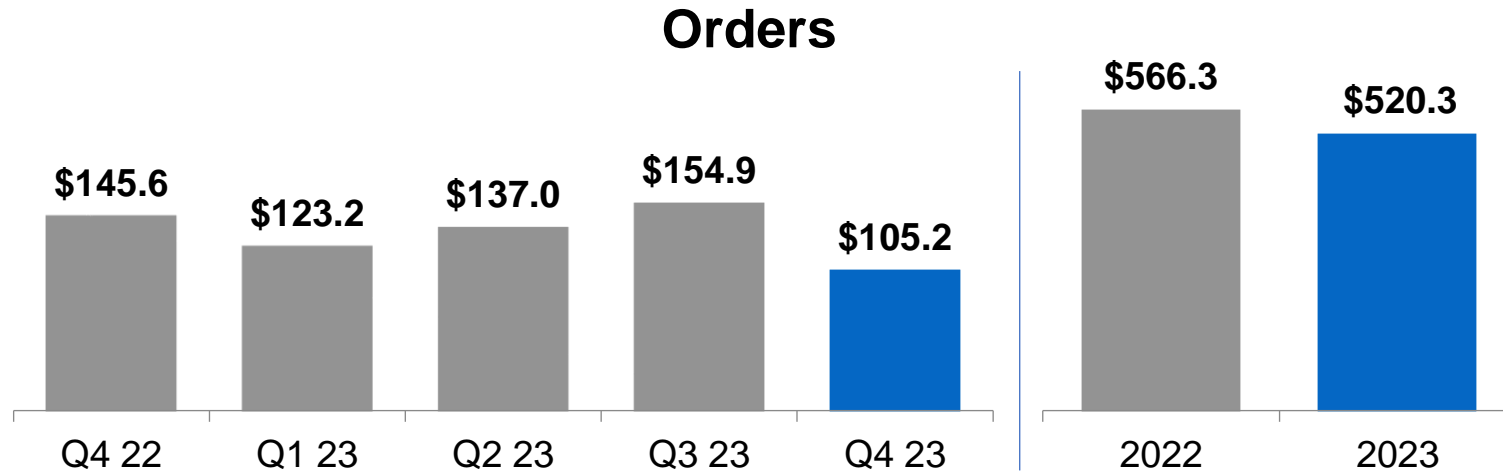
Strategic M&A

3

Return of capital through dividend

CUSTOMER ORDER PATTERNS RETURNING TO PRE-COVID ENVIRONMENT

(\$ in millions)



2023 Book:Bill 0.9x

Customer order patterns are normalizing

Backlog change reflects the continued improvements within the supply chain

Enabled the shipping of some long lead industrial market focused projects

Majority of backlog to ship in three to nine months

FUTURE GOALS

Today (2023)

Revenue: \$578.6M

Net Income: \$24.1M

Adj. EBITDA margin: 13.3%¹

Future

Expect to deliver:

- Revenue >\$1B
- 100 bps annual margin improvement
- Operating margin mid-teens
- Adj. EBITDA margin high-teens¹

Continue organic growth at rates faster than the industry

Acquisitions complement growth trajectory

⁽¹⁾See supplemental slides for Adjusted EBITDA reconciliation and other important disclaimers, and the Forward-Looking Non-GAAP Financial Measures on Slide 2 for more information



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Supplemental Information

WIDE BREADTH OF TECHNOLOGIES

Linear Motion Systems



Slotless Motor Kits



Brushless Drives



Universal Gateway



Wheelchair Control System



Active Harmonic Filter



Brushless Motor-Drives



Passive Harmonic Filter



Motion Controllers: single-axis & multi-axis

Drives: Integrated & Stand-Alone

Motors: Brushless and Brushed DC

Gearing: Parallel, Inline, Right Angle & Epicyclic

Encoders: Incremental & Absolute

Active (electronic) and passive (magnetic) filters for power quality and harmonic issues

Industrial safety rated I/O Modules, Universal Industrial Communications Gateways

Nano precision positioning systems



Brushless Servo Motors



Optical Encoders



Permanent-Magnet DC Motors



Brushless Torque Motors



Gear Motors

ALLIENT LOCATIONS

Amherst, NY	Worldwide Headquarters; Solution Center; Electronic Design & Manufacturing
Amherst, NY; Oakville, ON; Ferndown, England; Porto, Portugal	Global Engineering Team (GET) Design & Development Centers
Tulsa, OK (Emoteq Corp.)	Design & Manufacture: Motors and Optical Encoders
Owosso, MI (Motor Products Corp.)	Design & Manufacture: Motors
Watertown, NY (Stature Electric)	Design & Manufacture: Gearing and Geared Motion Solutions; Mechanical Steering System Components
Dordrecht, The Netherlands (Premotec)	Design & Manufacture: Motors
Stockholm, Sweden (Östergrens)	Market Based Engineering and Design Center, GET support, Solution Center
Changzhou, China	Production Center, Solution Center, Motor Design
Dayton, OH (Globe Motors)	Market Based Engineering and Design Center; GET support
Dothan, AL (Globe Motors)	Production Center
Reynosa, Mexico (Globe Motors)	Production Center
Porto, Portugal (Globe Motors)	Production Center, GET Location
Kelheim, Germany (Heidrive GmbH)	Designer and Manufacture: Motors and Motion systems, Solution Center
Mrakov, Czech Republic (Heidrive GmbH)	Production Center
Germantown, WI (TCI, LLC)	Design & Manufacture: Power Filter and Conversion Solutions
Christchurch, New Zealand (Dynamic Controls Group)	Design & Development Center
Kidderminster, England (Dynamic Controls Group)	Sales and Technical Support
Suzhou, China (Dynamic Controls Group)	Manufacturer: Control systems and components
Rochester, NY (ORMEC Systems Corp.)	Design & Manufacture: Electro-mechanical Automation Solutions
Arvada, CO (ALIO Industries)	Design & Manufacture: Nano-Precision Motion Systems
Bellevue, WA (Spectrum Controls)	Design & Manufacture: Industrial I/O and Universal Communications Gateway solutions
Camarillo, CA (ThinGap)	Design & Manufacture: Zero Cogging Slotless Motors
London, Ontario and Roseville, MI (FPH Group)	Design & Manufacture: Electrical Drive Systems and Light Weighting Technologies
Loomis, CA (Sierramotion)	Design & Manufacture: Motion Components and Mechatronic Solutions
Oshkosh, WI (SNC Manufacturing)	Design & Manufacture: Electromagnetic Components and Equipment
Acuna, Mexico (SNC Manufacturing)	Production Center

CORPORATE LEADERSHIP

Dick Warzala, *Chairman of the Board, President and CEO*

- Joined 2002, appointed CEO in 2009, Chairman in 2014
- Previously, President, Motion Components Group, Danaher Corporation; held various positions at American Precision Industries Inc., including Corporate Vice President and President, API Motion Division
- More than 32 years of motion industry experience

Michael Leach, *Senior Vice President & Chief Financial Officer*

Ashish Bendre, *Vice President & Group President*

Helmut Pirthauer, *Vice President & Group President*

Ken May, *Vice President and Chief Technology Officer*

Geoff Rondeau, *Vice President of Operational Excellence*

COMPETITION

Our products and solutions are sold into a global market with a large and diverse group of competitors that vary by product, geography, industry and application.

The motion control market is highly fragmented; some larger competitors include:

- Ametek
- Regal Rexnord (*acquired Altra Industrial Motion Corp – March 2023*)
- Parker Hannifin Corporation

Unlike many of our competitors, we are unique in our ability to provide custom-engineered solutions that integrate the products we manufacture.

ADJUSTED NET INCOME AND EPS RECONCILIATION (UNAUDITED)

(\$ in thousands, except per share data)

	For twelve months ended				
	Dec 31, 2019	Dec 31, 2020	Dec 31, 2021	Dec 31, 2022	Dec 31, 2023
Net income	\$ 17,022	\$ 13,643	\$ 24,094	\$ 17,389	\$ 24,097
Non-GAAP adjustments, net of tax (1)					
Discrete income tax benefit	-	-	(7,373)	-	-
Non-income based tax assessment	384	(424)	-	-	-
Amortization of intangible assets – net	4,380	4,541	4,938	9,812	9,752
Foreign currency gain/loss - net	79	760	18	228	223
Business development costs – net	81	338	998	2,542	3,386
Income tax valuation allowance	-	-	506	-	-
Income tax provision charge	433	-	-	-	-
Non-GAAP Adjusted Net Income	\$ 22,379	\$ 18,858	\$ 23,181	\$ 29,971	\$ 37,458
Average Diluted Shares Outstanding	14,192	14,333	14,517	15,951	16,272
Diluted earnings per share – GAAP	\$1.20	\$0.95	\$1.66	\$1.09	\$1.48
Diluted earnings per share – Non-GAAP	\$1.58	\$1.32	\$1.60	\$1.88	\$2.30

(1) Applies a blended federal, state, and foreign tax rate of 21% for 2023 and 23% for the other periods (2019 to 2022) applicable to the non-GAAP adjustments.

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

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

ADJUSTED EBITDA RECONCILIATION (UNAUDITED)

(\$ in thousands)

	For twelve months ended				
	Dec 31, 2019	Dec 31, 2020	Dec 31, 2021	Dec 31, 2022	Dec 31, 2023
Net income	\$ 17,022	\$ 13,643	\$ 24,094	\$ 17,389	\$ 24,097
Interest expense	5,134	3,716	3,236	7,692	12,383
Provision (benefit) for income taxes	6819	5,133	(981)	6,292	5,603
Depreciation and amortization	14,857	15,985	18,307	25,486	25,068
EBITDA	\$ 43,832	\$ 38,477	\$ 44,656	\$ 56,859	\$ 67,151
Stock compensation expense	3,203	3,550	4,161	5,073	5,477
Foreign currency loss	384	1,035	21	298	281
Business development costs	113	473	1,299	3,319	4,275
Non-income based tax assessment	-	(424)	-	-	-
Adjusted EBITDA	\$ 47,532	\$ 43,111	\$ 50,137	\$ 65,549	\$ 77,184
Revenue	\$ 371,084	\$ 366,694	\$ 403,516	\$ 502,988	\$ 578,634
Adjusted EBITDA Margin	12.8%	11.8%	12.4%	13.0%	13.3%

In addition to reporting net income, a U.S. generally accepted accounting principle (“GAAP”) measure, the Company presents Adjusted EBITDA (earnings before interest, income taxes, depreciation and amortization, stock compensation expense, foreign currency gains/losses, and business development costs), which is a non-GAAP measure. The Company believes Adjusted EBITDA is often a useful measure of a Company’s operating performance and is 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, business development 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. Adjusted EBITDA does 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 generally accepted accounting principles.

REVENUE EXCLUDING FOREIGN CURRENCY EXCHANGE AND CALCULATION OF ORGANIC GROWTH

(\$ in thousands)

	Twelve Months Ended December 31, 2023
Revenue as reported	\$ 578,634
Foreign currency impact	<u>258</u>
Revenue excluding foreign currency exchange impacts	<u><u>\$ 578,892</u></u>

	Twelve Months Ended December 31, 2023
Revenue increase year over year	15.0%
Less: Impact of acquisitions and foreign currency	<u>1.9%</u>
Organic growth	<u><u>13.1%</u></u>

In addition to reporting revenue and net income, which are U.S. generally accepted accounting principle (“GAAP”) measures, the Company presents Revenue excluding foreign currency exchange rate impacts, 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 growth is reported revenues adjusted for the impact of foreign currency and the revenue contribution from acquisitions.