

INVESTOR PRESENTATION

Jefferies Industrial Conference
September 6, 2023



(NYSE: AZZ)

Disclaimers

Cautionary Statements Regarding Forward Looking Statements – Certain statements herein about our expectations of future events or results constitute forward-looking statements for purposes of the safe harbor provisions of The Private Securities Litigation Reform Act of 1995, including the statements regarding our strategic and financial initiatives. You can identify forward-looking statements by terminology such as “may,” “should,” “expects,” “plans,” “intends,” “anticipates,” “believes,” “estimates,” “predicts,” “potential,” “continue,” or the negative of these terms or other comparable terminology. Such forward-looking statements are based on currently available competitive, financial and economic data and management’s views and assumptions regarding future events. Such forward-looking statements are inherently uncertain, and investors must recognize that actual results may differ from those expressed or implied in the forward-looking statements. Certain factors could affect the outcome of the matters described herein. This presentation may contain forward-looking statements that involve risks and uncertainties including, but not limited to, changes in customer demand for our products and services, including demand by the power generation markets, electrical transmission and distribution markets, the industrial markets, and the metal coatings markets. In addition, within each of the markets we serve, we also continue to experience additional increases in labor costs, components, and raw materials including zinc and natural gas which are used in the hot-dip galvanizing process; supply-chain vendor delays; customer requested delays of our products or services; delays in additional acquisition or disposition opportunities; currency exchange rates; availability of experienced management and employees to implement the Company’s growth strategy; a downturn in market conditions in any industry relating to the products we inventory or sell or the services that we provide; economic volatility or changes in the political stability in the United States and other foreign markets in which we operate; acts of war or terrorism inside the United States or abroad; and other changes in economic and financial conditions. The Company has provided additional information regarding risks associated with the business in the Company’s Annual Report on Form 10-K for the fiscal year ended February 28, 2023, and other filings with the Securities and Exchange Commission (“SEC”), available for viewing on the Company’s website at www.azz.com and on the SEC’s website at www.sec.gov. You are urged to consider these factors carefully in evaluating the forward-looking statements herein and are cautioned not to place undue reliance on such forward-looking statements, which are qualified in their entirety by this cautionary statement. These statements are based on information as of the date hereof and the Company’s assumes no obligation to update any forward-looking statements, whether as a result of new information, future events, or otherwise.

Non-GAAP - Regulation G Disclosures – In addition to reporting financial results in accordance with Generally Accepted Accounting Principles in the United States (“GAAP”), AZZ has provided EBITDA and Adjusted EBITDA, which are non-GAAP measures. Management believes that the presentation of these measures provides investors with a greater transparency comparison of operating results across a broad spectrum of companies, which provides a more complete understanding of AZZ’s financial performance, competitive position and prospects for the future. Management also believes that investors regularly rely on non-GAAP financial measures, such as EBITDA and Adjusted EBITDA, to assess operating performance and that such measures may highlight trends in the Company’s business that may not otherwise be apparent when relying on financial measures calculated in accordance with GAAP.



Key Messages:



Differentiated, high value-add **metal coatings provider** with scale, expertise and customer centric technology uniquely positioned to serve the growing **North American** steel and aluminum market



Strong business foundation capable of **growing sales and margins** at or above market levels, supported by **multi-year secular growth drivers**; while **generating significant free cash flow**



Coil coating and hot dip galvanizing **provide environmentally friendly solutions** that reduce emissions and extend the life cycle of the coated materials



Focused capital allocation to **reduce debt** and **improve leverage** while supporting **high ROIC investments**, and **returning capital to shareholders**

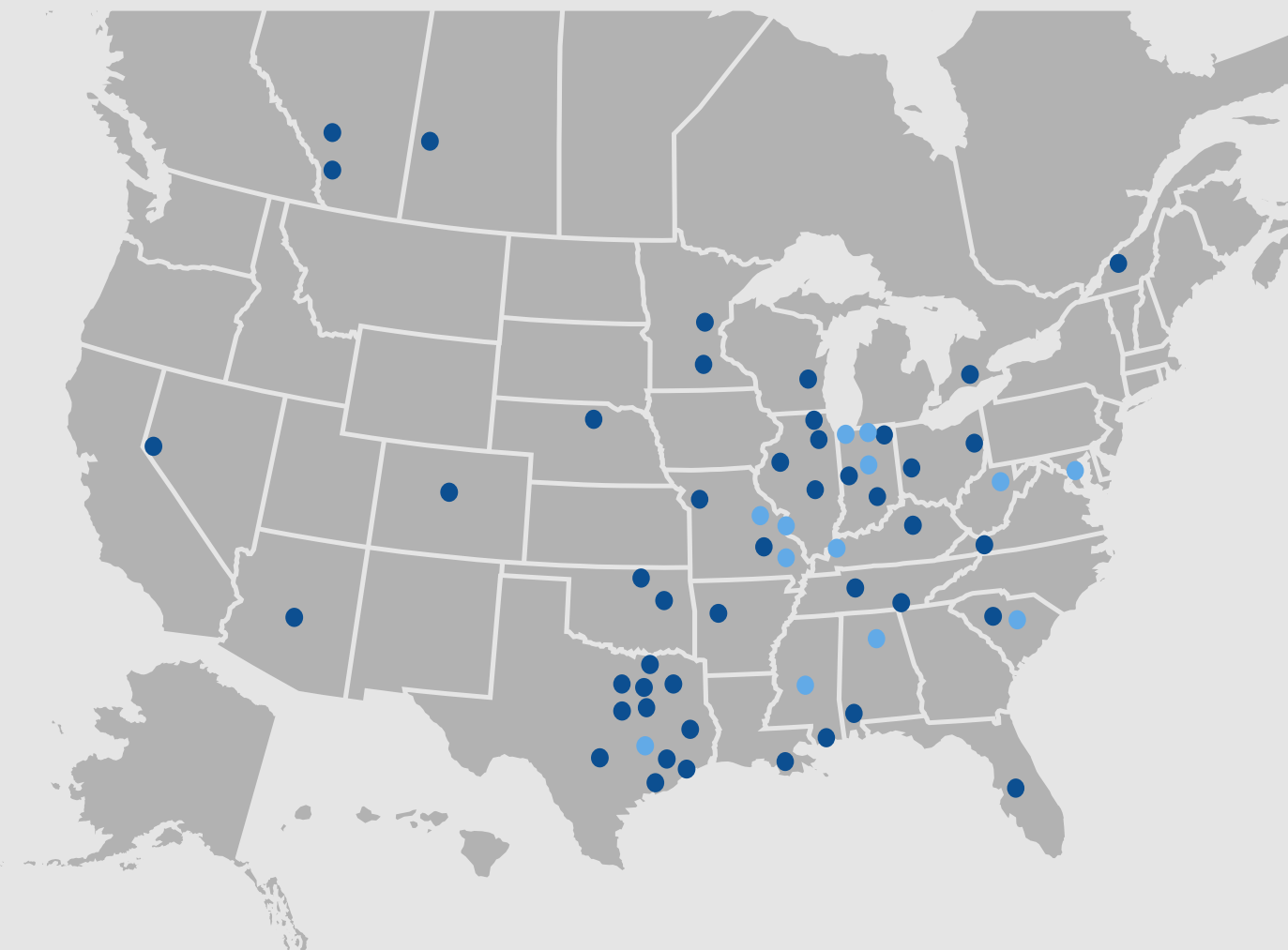


Commitment to EPS growth driven by **operational improvement and debt reduction** creates **compelling investment opportunity** and long-term shareholder value



AZZ Snapshot (NYSE: AZZ)

AZZ is North America's leading independent hot-dip galvanizing & coil coating solutions company with #1 positions in both markets

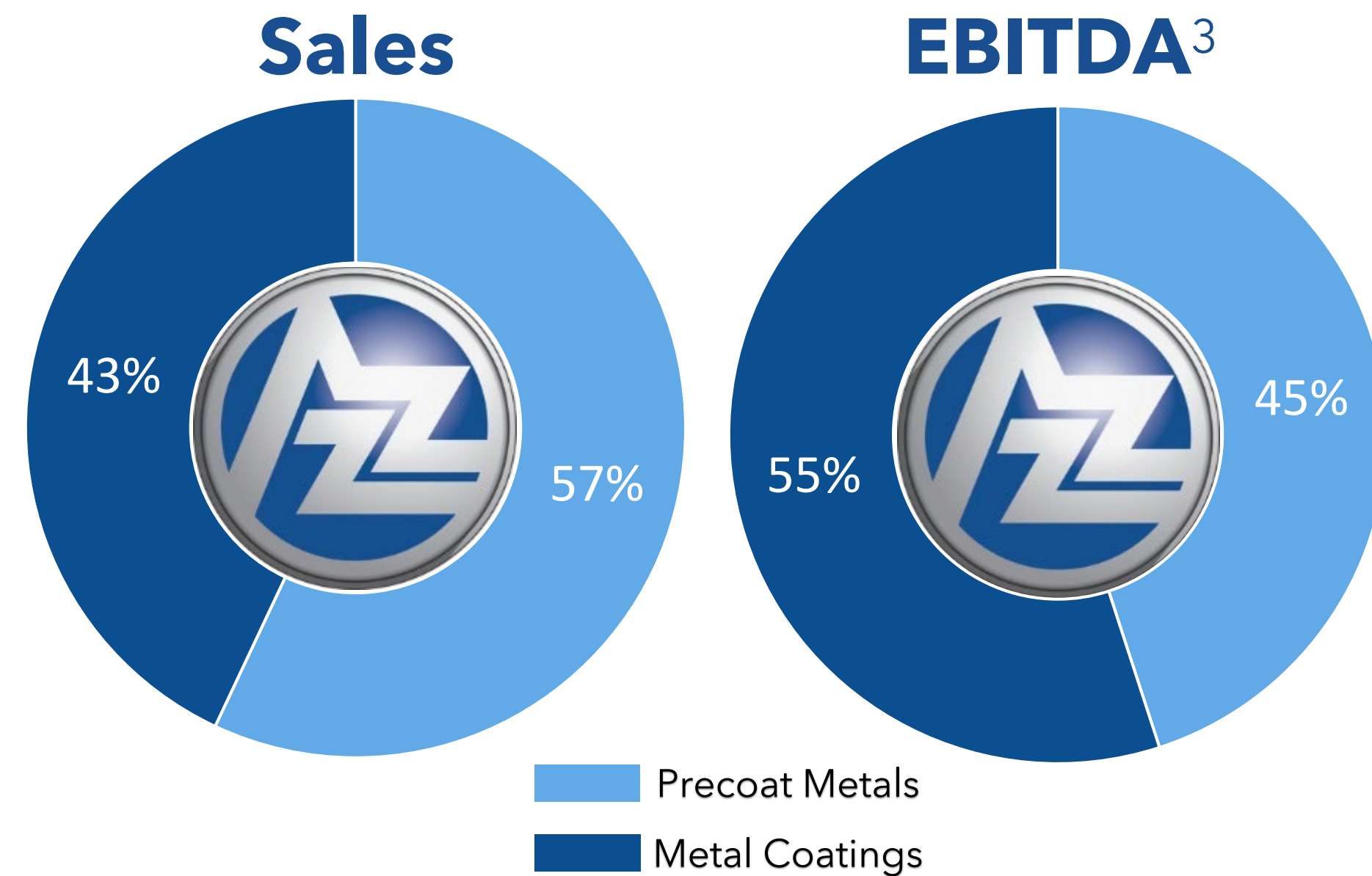


FORT WORTH, TEXAS
Headquarters:

3,900
Employees:

Metal Coatings locations¹: **47**

Coil Coating Locations: **13**



\$1.2B
Market Cap

\$1.5B²
Sales

\$341M²
Adj. EBITDA

22.6%
Adj. EBITDA Margin



(1) 41 galvanizing locations and 6 surface technologies locations
(2) Sales and Adjusted EBITDA based on results for last twelve months, ending May 31, 2023
(3) Adjusted EBITDA excludes corporate costs

AZZ's Strategic Journey

\$571 \$810 \$1,500 \$2,000+

Sales, in millions

2013-2018

Optimized Legacy Footprint

- Improved capabilities and profitability of Metal Coatings
- Combined Electrical and Industrial assets into one operating segment (infrastructure Solutions)

2019-2022

Strategic Transformation – Positioning for the future

- Divested nuclear related businesses
- Divested majority stake (60%) of non-core Infrastructure Solutions segment to a joint venture
- Acquired Precoat Metals
- Returned \$79 million to shareholders through stock repurchases FY2021-FY2022
- Reduced leverage from 4.2X to 3.5X

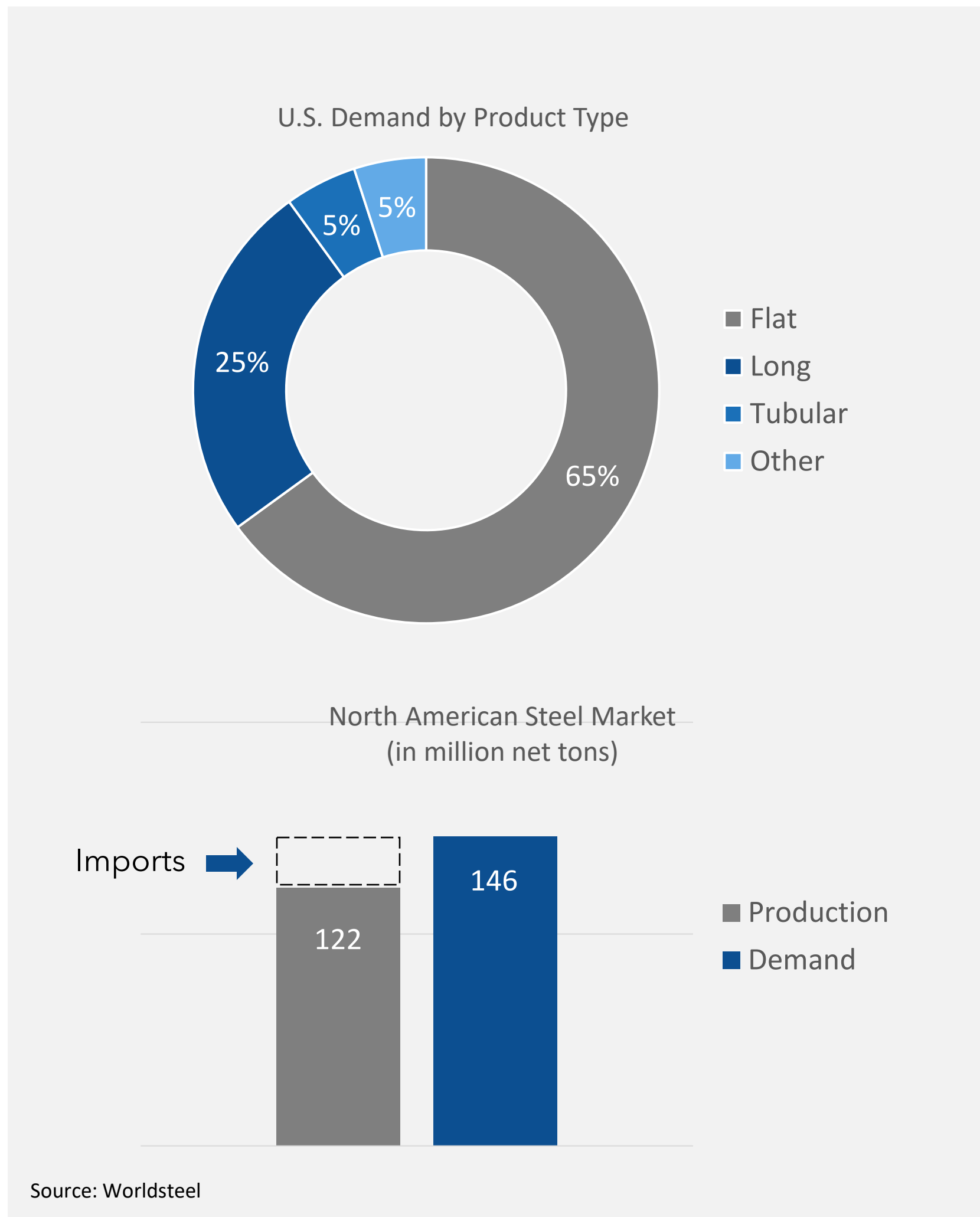
2023 +

Focused Metal Coatings Company

- Investing in our future - New aluminum coil coating facility; on-budget and on-track for full production in FY 2026
- Driving operational excellence with ESG focus
- Expanding use of customer-centric technology (DGS and Coil Zone)
- Capturing opportunities associated with long-term growth drivers in end markets
- Strategic acquisitions to support growth
- Reducing debt with leverage target of 2.5-3.0X



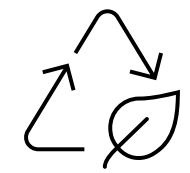
Why Our Focus is Coatings



Strategic acquisition of Precoat Metals creates new capability and allows AZZ to provide coatings solutions to the largest part of the market (flat steel) as well as the growing aluminum market



AZZ's independence provides customers complete flexibility in sourcing, uniquely positioning the company to coat domestic or imported steel and aluminum from any service center or mill



Steel and aluminum are essential to a sustainable future, highly recyclable, and enable critical green energy technologies like wind and solar



Hot-dip galvanizing and coil coating are environmentally friendly solutions that provide long-lasting corrosion and aesthetic benefits for steel and aluminum



Strong support for re-shoring, green manufacturing, infrastructure renewal and trade enforcement provides significant market tailwinds



Our Leading Segments

Operating Segment

Production Input

Production Route

Value-Added Capabilities

Market Size and Share

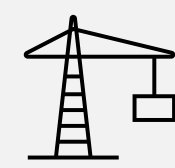
5-Year Historical EBITDA Performance

Metal Coatings

Sales \$642 million¹



Fabricated Steel

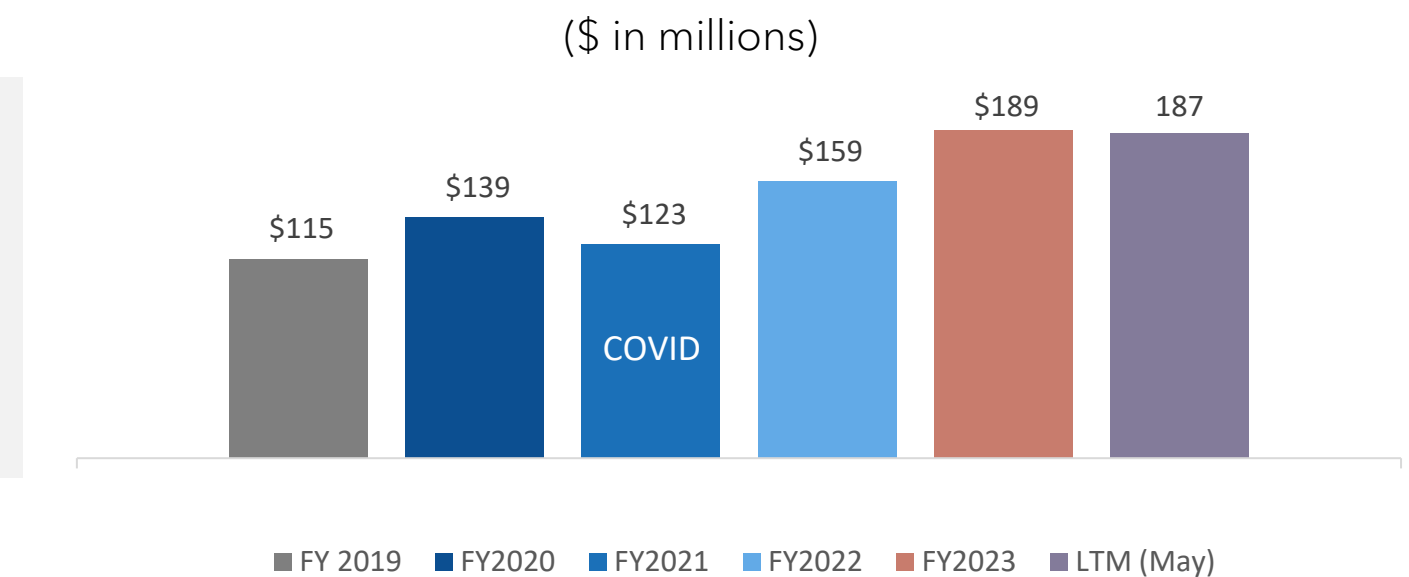


Batch Processing

Hot-Dip Galvanizing
Spin Galvanizing
Powder Coating
Plating
Anodizing

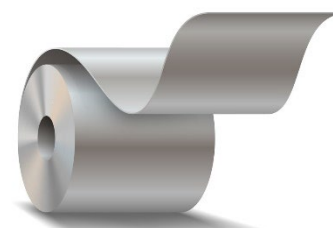
\$2.3B

~\$28% share; #1 market position

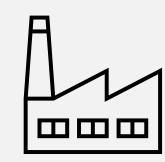


Precoat Metals

Sales \$865 million¹



Steel & Aluminum Coil

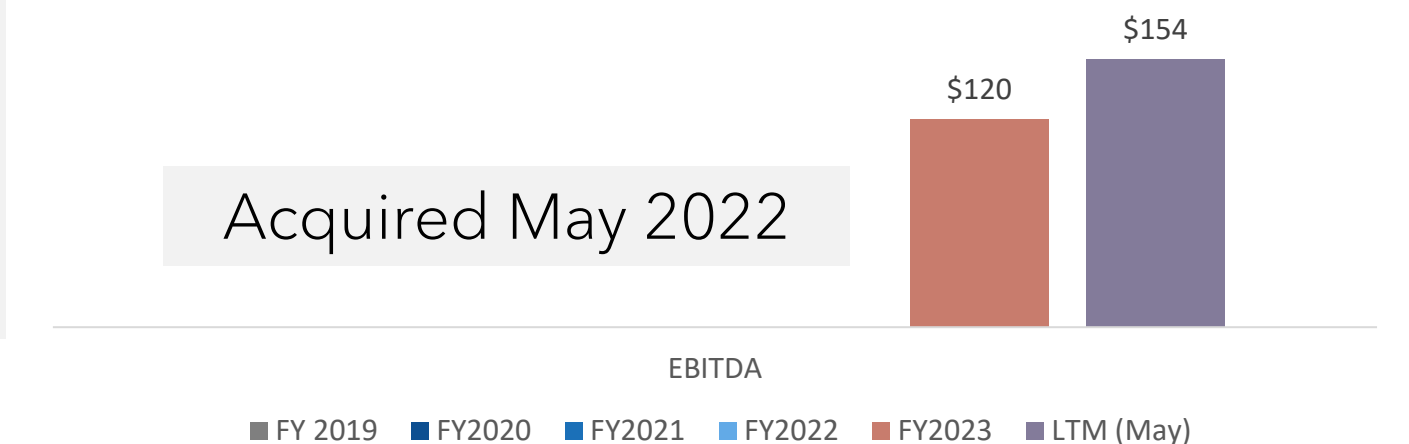


Continuous Processing

Coil Coating
Slitting
Embossing
Shape Correction
Blanking

\$3.7B

~23% share; #1 market position



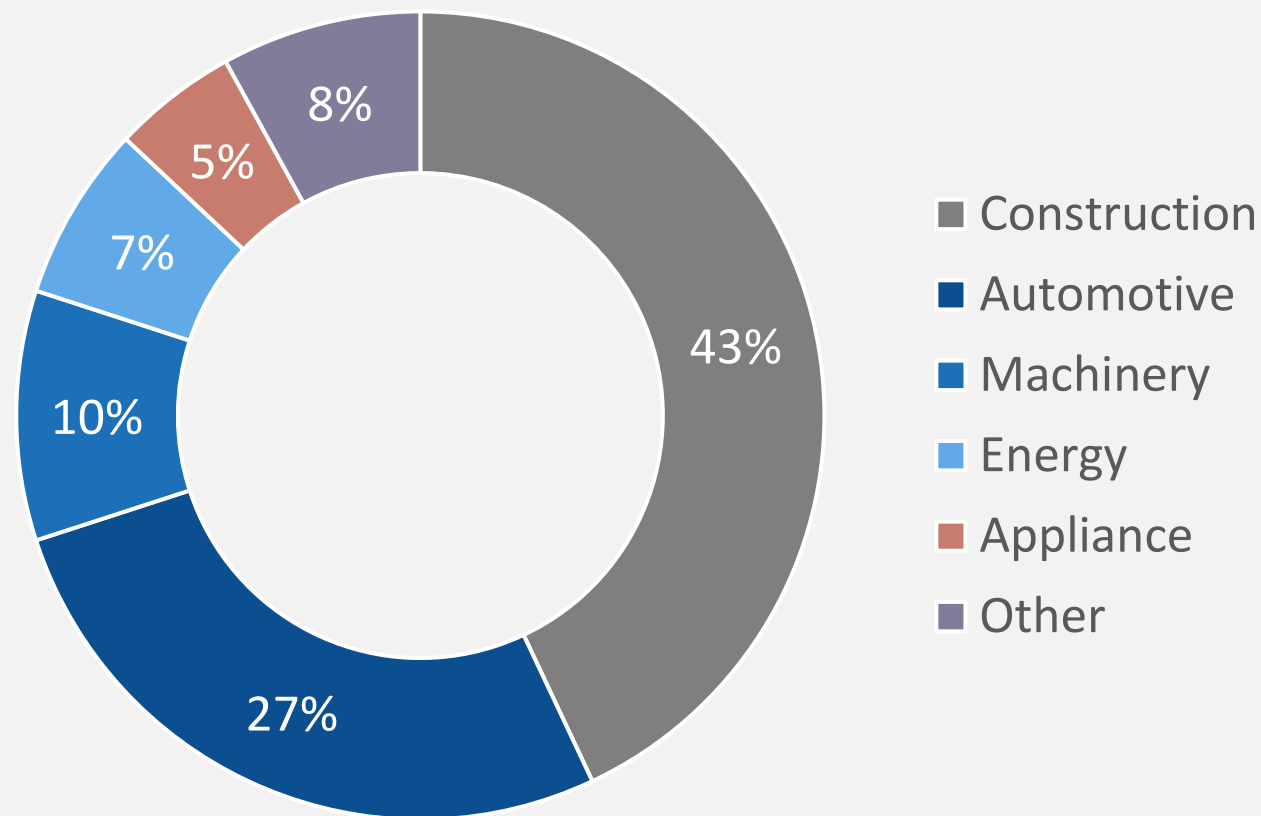
Value-added tolling model limits risk and exposure to metal price fluctuation

(1) Sales based on LTM ended May 31, 2023

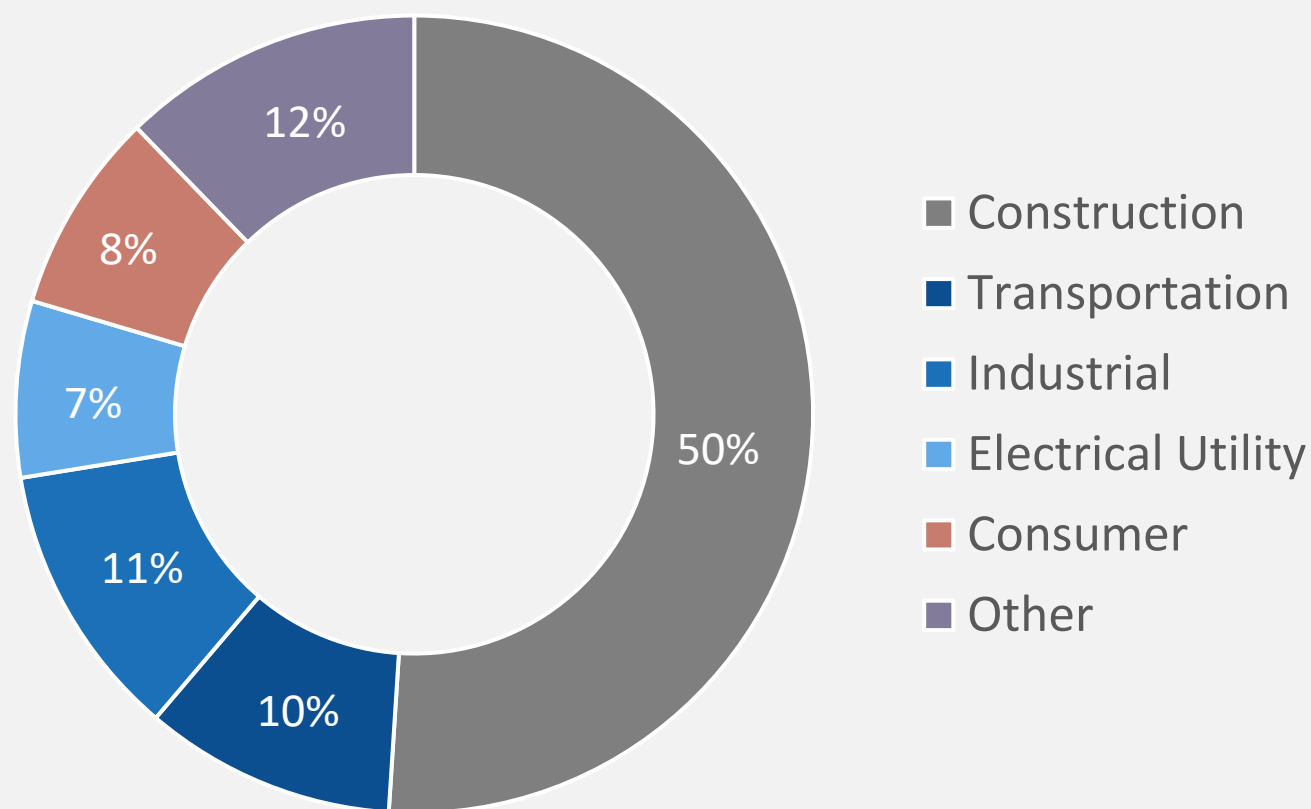


Diverse End Market Exposure

North American steel shipments by end-market²



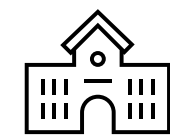
AZZ FY2023 Sales by end-market³



Total Construction starts are expected to rise by 2% in 2023, and 6% in 2024¹



Non-building (which includes sectors such as infrastructure) has more public funding, is more resilient, and has expected growth rates of 17% in 2023 and 8% in 2024



Institutional construction, including healthcare and education, expected to grow at 6% per year for the next two years



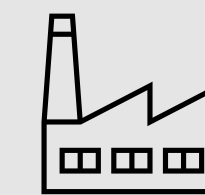
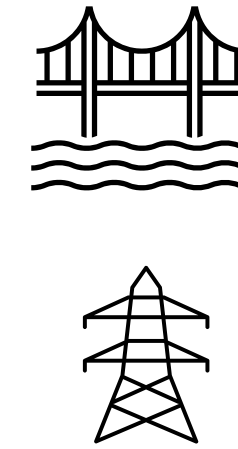
Residential construction expected to rise in 2024



1 Dodge Construction Network mid-year forecast July 2023
 2 Source: Worldsteel
 3 Source: AZZ FY2023 Fiscal Year End Financials

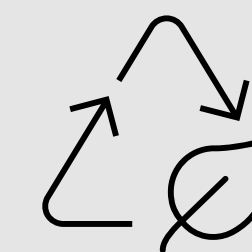
Secular Drivers Enhancing Outlook

Infrastructure and Renewables Investment



Reshoring Manufacturing

Pre-painted Steel and Aluminum Migration



Conversion from Plastics to Aluminum



Macro Tailwinds -American Infrastructure Investment and Jobs Act

Roads, Bridges and Major Projects

Investment: +\$110bn



Investment to repair over 45,000 bridges and 1 in 5 miles of highways which are in poor condition

Our Metal Coatings segment provides hot-dip galvanizing for many end uses including guardrails, signs, bridges and light poles



Clean Energy and Power

Investment: +\$65bn



Investment in clean energy transmission and grid by building thousands of miles of transmission lines

Our Metal Coatings segment provides hot-dip galvanizing for transmission, distribution and solar, including monopoles and lattice towers



Water, Airports and Other

Investment: +\$75bn



Investment to improve critical infrastructure for water including both waste and drinking water, airports and data centers among many other areas

Our Precoat Metals segment provides aesthetic coatings for the metal used in data centers, airports, and other critical infrastructure



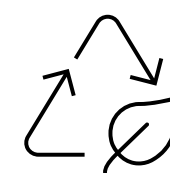

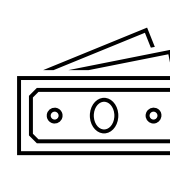

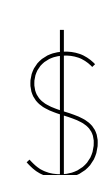
Investing in Future Growth

New aluminum coil coating line under construction in Washington, Missouri



Expected completion summer 2024

Compelling Strategic and Financial Investment

-  Enables AZZ to benefit from secular shift to aluminum cans
-  Run-rate sales of \$60+ million by FY 2026 at an EBITDA margin above Precoat overall margin
-  ROIC well in excess of cost of capital
-  Long-term contractual customer commitment for 75% of the new capacity
-  Total investment of \$110 million includes both capex and operating leases



Technology Transformation – A Key Differentiator



Digital Galvanizing System (DGS) is a distinct competitive advantage

- Near elimination of paper with proprietary, state-of-the-art tool linked to Oracle ERP system
- Fully integrated; Allows real-time decisions and enhanced customer experience
- Provides real-time order status updates, tracking and notifications
- Better visibility and decision making across the organization and with customers



CoilZone is the industry leading productivity and customer engagement platform

- Propriety system with best-in-class features and customer portal
- Real time access with foundation to easily and quickly add enhancements



Sustainability

We are essential and environmentally friendly

- Sustainability is intrinsic to hot-dip galvanized steel as both zinc and steel are 100% recyclable
- Hot-dip galvanized steel is an infinitely renewable building material and used in renewable energy projects such as wind and solar
- Utilizing hot-dip galvanized steel ensures that fewer natural resources are consumed, fewer emissions are produced in the future, and with minimal environmental impact over the life of a customer's project



We are committed to sustainability initiatives and reporting

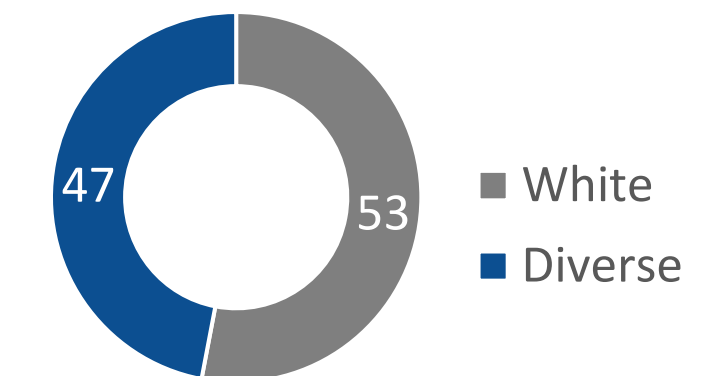
- Tracking and Reporting on Scope 1 and 2 consumption and intensity in our annual sustainability report
- Targeting a 10% reduction in Scope 1 and Scope 2 consumption and intensity
- Engaged a third-party vendor to assist with improving supply chain sustainability and developing Scope 3 emissions measurement and reporting



We recognize that diversity is key to sustainability

- We embrace the diversity of our employees, customers, vendors, suppliers, stakeholders and consumers, including their unique backgrounds, experiences, creative solutions, skills and talents.
- Everyone is valued and appreciated for their distinct contributions to the continued growth and sustainability of our business.
- AZZ's percentage of women in the global workforce increased over 106% from fiscal years 2020 to 2022

AZZ ethnicity demographics FY2020-FY2022



Mission-Driven, Experienced Management Team

Our Mission

Create superior value in a culture where people can grow and TRAITS matter.

We are diverse, collaborative, and service-minded, operating in a culture of TRAITS...**T**rust, **R**espect, **A**ccountability, **I**ntegrity, **T**eamwork, and **S**ustainability

Leadership Highlights

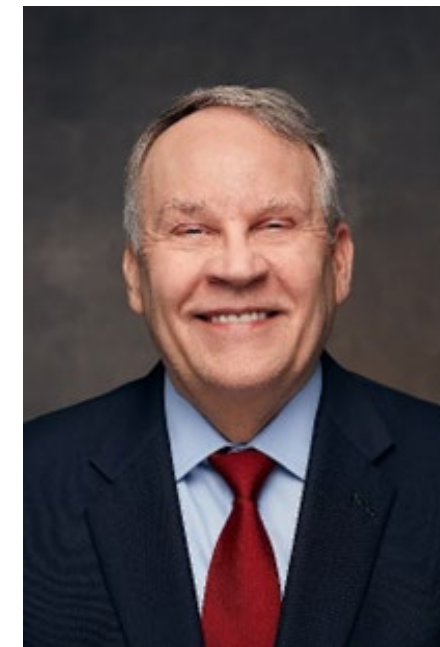
+200 years of combined industry experience

Senior corporate leadership with tenure and track record at AZZ

Proven industry leaders at respective coatings businesses

Executed and integrated multiple acquisitions, including transformational M&A

Track record of success



Tom Ferguson
President and Chief Executive Officer



Philip Schlom
Chief Financial Officer



Bryan Stovall
President & COO Metal Coatings



Kurt Russell
President & COO Precoat Metals



Tara Mackey
Chief Legal Officer



Matt Emery
Chief Information and Human Resources Officer



David Nark
SVP of Marketing, Communications and Investor Relations



Chris Bacius
Vice President Business Development

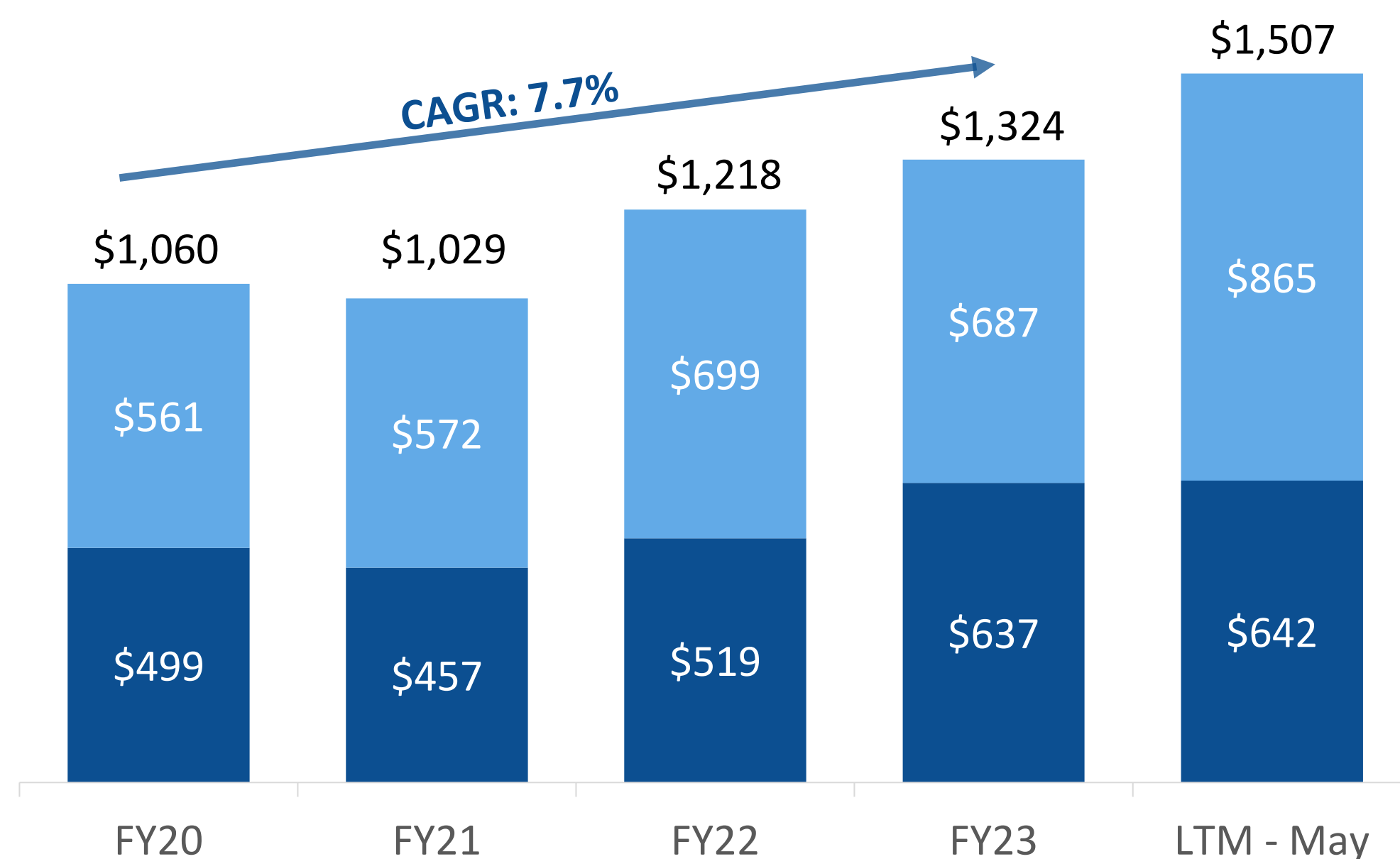


Consistent Top-line Growth and Profitability

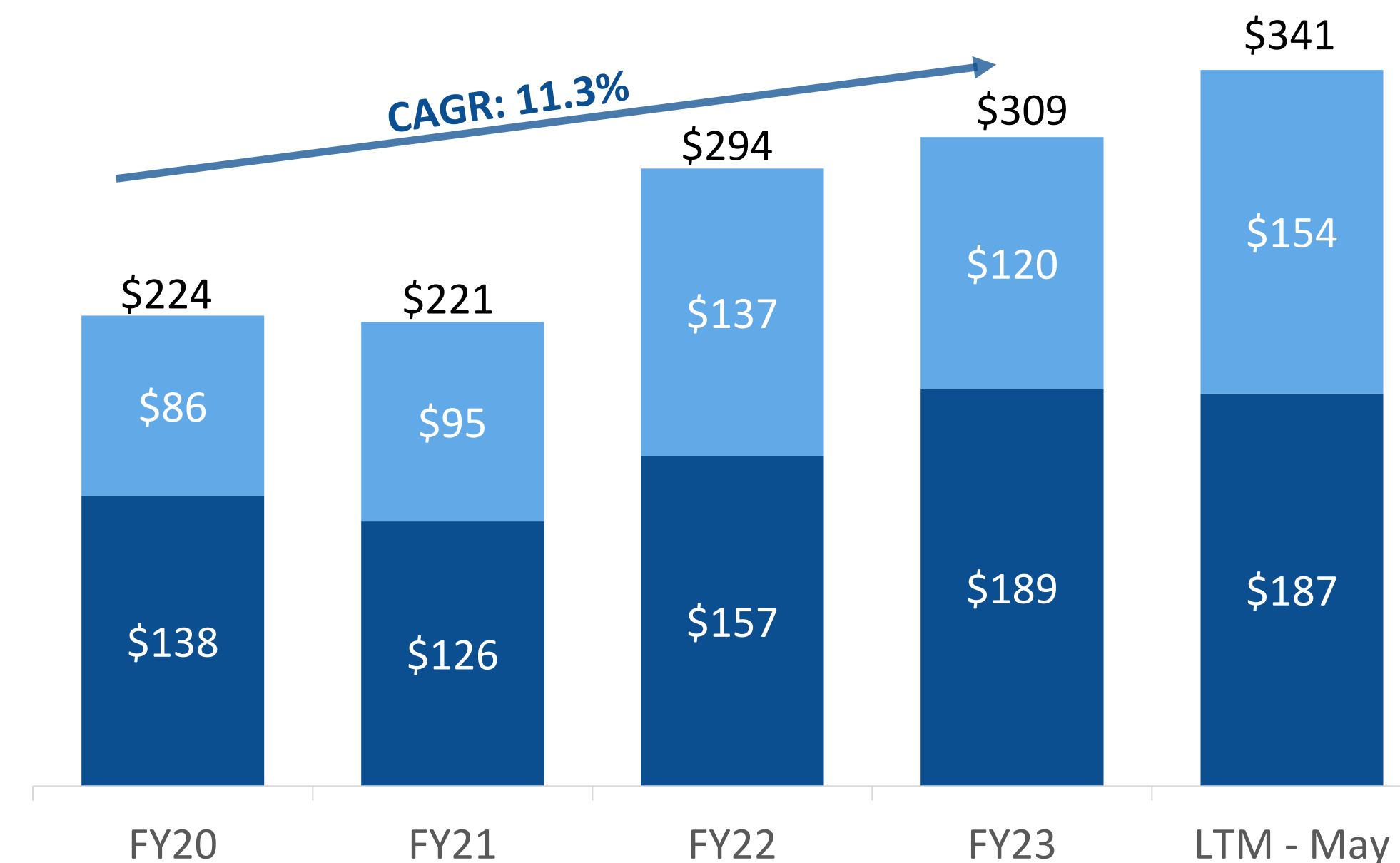
(\$ in millions)

Sales

Adj. EBITDA¹



Margin (%)¹ 21.1% 21.5% 24.2% 23.3% 22.6%



■ Metal Coatings ■ Precoat Metals



Note: Financials exclude AIS which was divested in September 2022; Financial metrics based on results from fiscal year 2023, ending February 28, 2023, that includes only 42 weeks of results from Precoat Metals acquisition; LTM results ending May 31, 2023
 (1) Excludes corporate cost for fiscal years 2020, 2021, 2022, 2023 and LTM respectively

AZZ - Proven Resilience Through Prior Cycles

Limited exposure to metal prices



Value-added pricing model

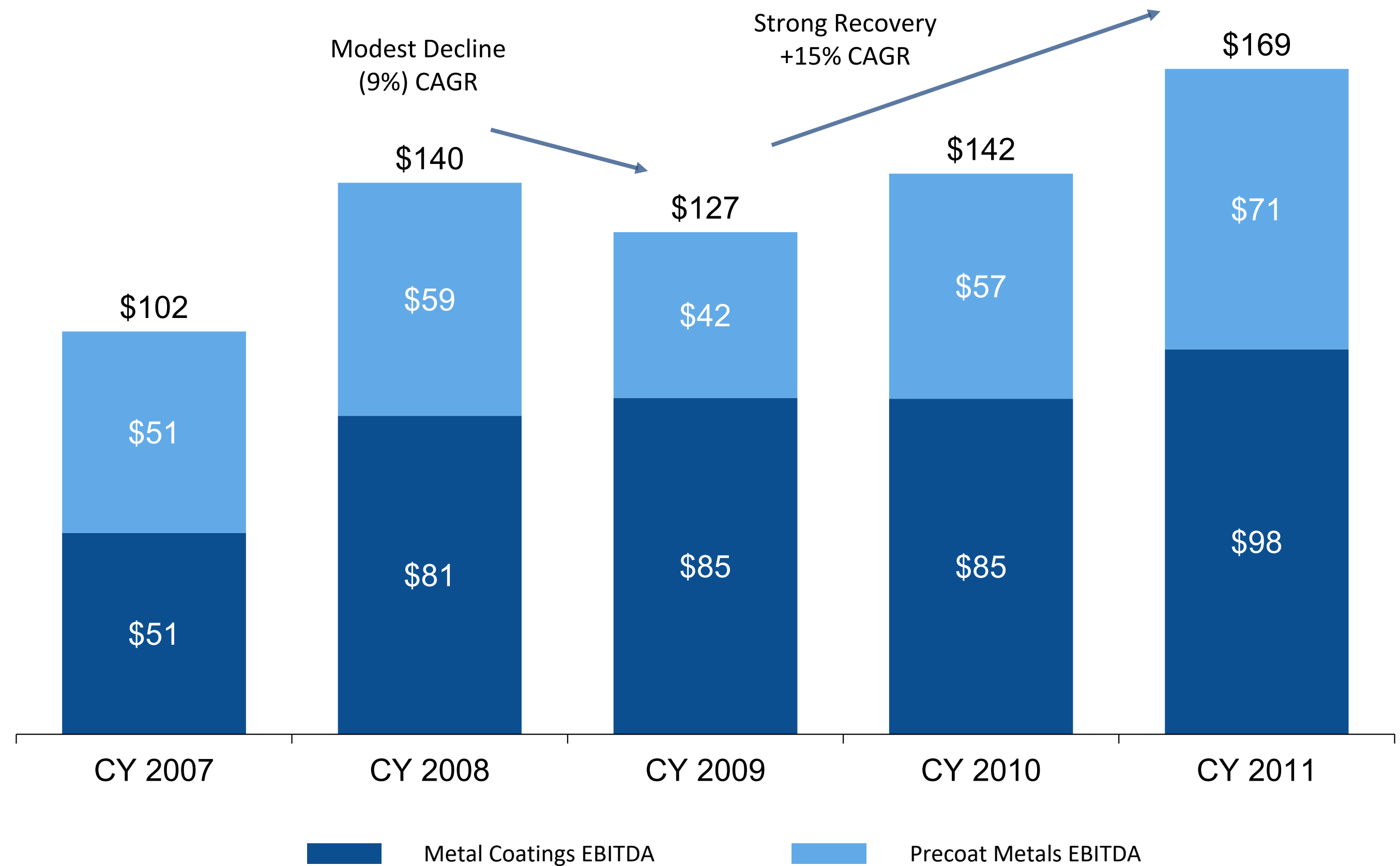


Highly variable cost structure with flexible operating model

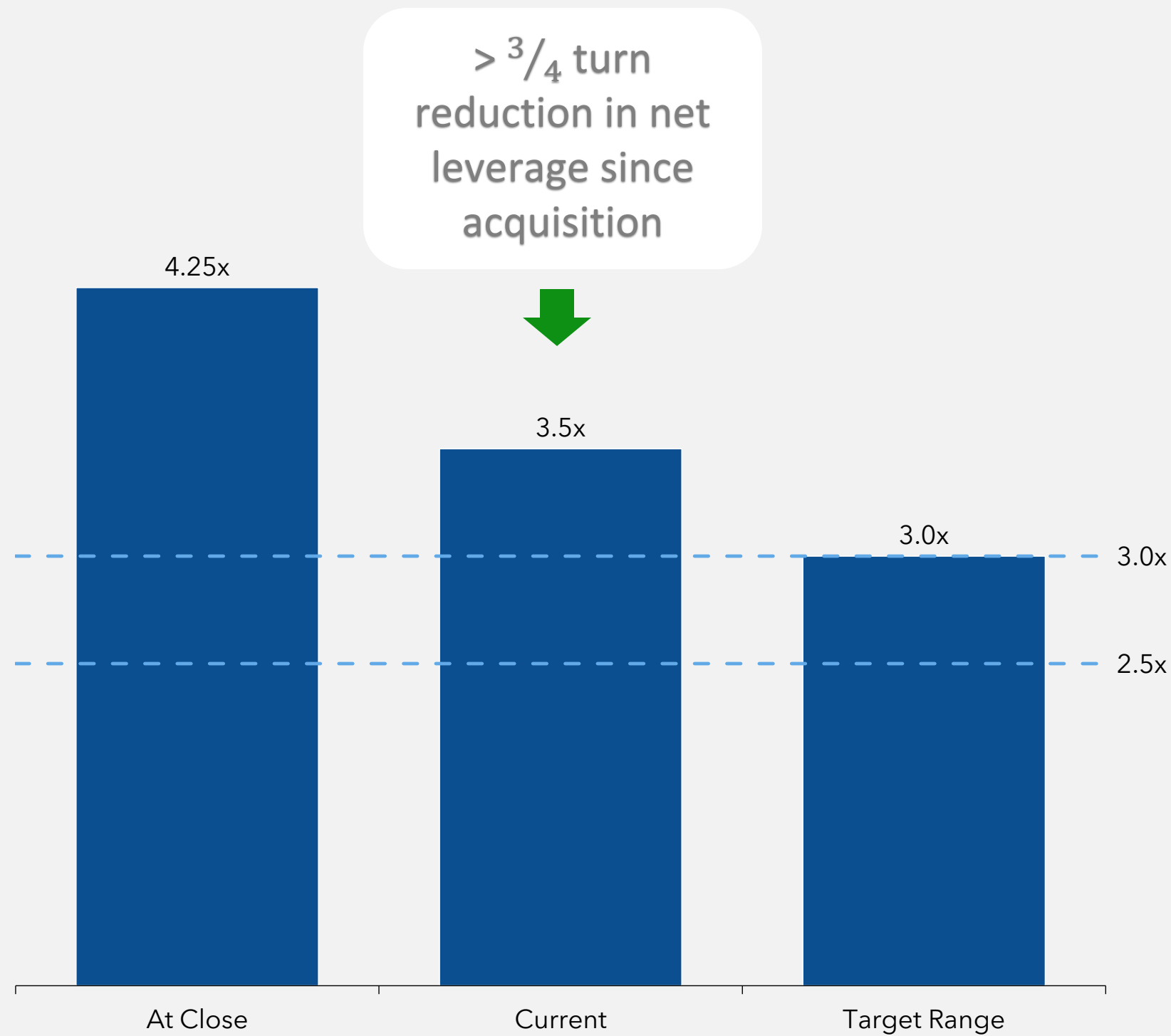


Consistent strong earnings and cash flow

(\$ in millions)



Balance Sheet and Liquidity



As of May 31, 2023:

Cash	\$3.9	Available Credit on Revolver	\$307.1
Total Long-Term Debt	\$1,040.8	Cash	\$3.9
Shareholders Equity	\$871	Total Available Liquidity	\$311

\$ in millions:

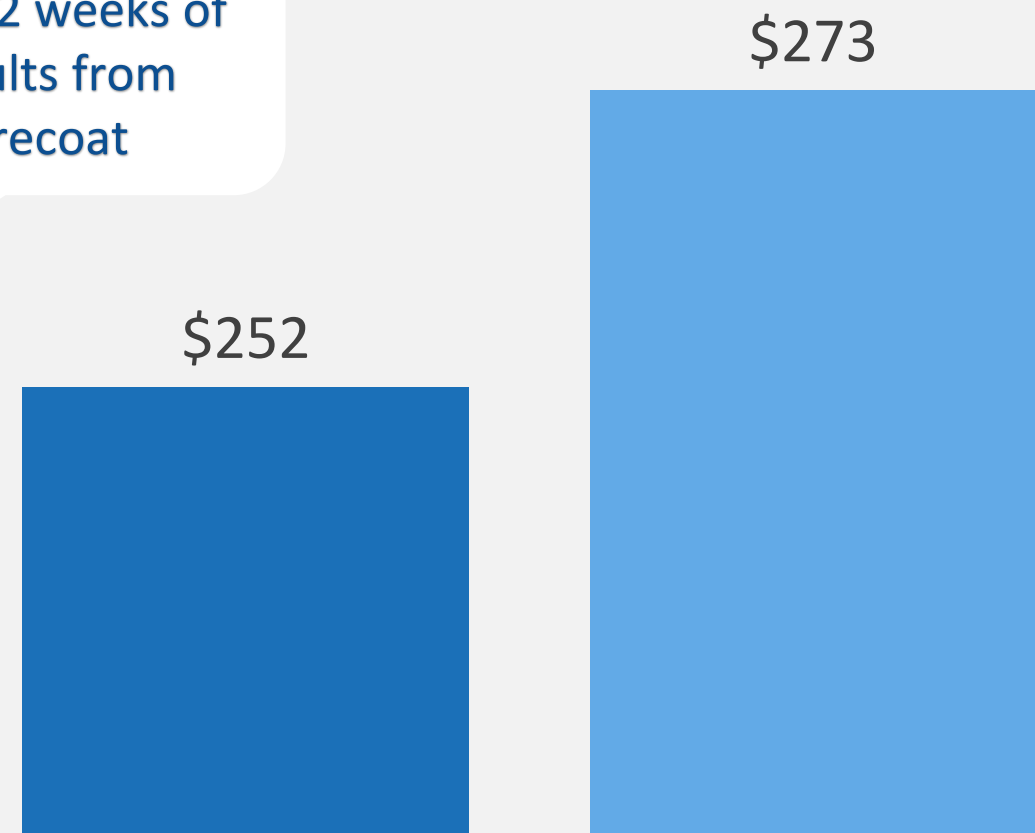
- Long term debt has no maturities until 2027
- Total debt to adjusted EBITDA 3.5X, on track to achieve our target of 3.0X in calendar year 2024
- \$400 million total revolving credit facility
- Acquisition tax attributes insures limited cash taxes



Strong Free Cash Flow¹

\$ In millions

FY2023 includes only 42 weeks of results from Precoat



ULFCF

Year	FY2023	TTM-May
Adjusted EBITDA	\$309	\$341
CapEx	\$57.1	\$67.7

- Focused on the cash conversion cycle
- Deploying capital on high ROIC investments
- Strong cash flow generation supports near-term deleveraging priorities



1. Defined as EBITDA from continuing operations less capex

Our Capital Allocation Priorities

Deploying Capital on High ROIC Investments

- Organic growth
- Strategic customer partnerships
- Productivity

Reduce Leverage

- At or below 3.0x leverage in calendar 2024

Return Capital

- Committed to sustaining dividends

Acquisitions

- Deferred



FY 2024 Guidance (reaffirmed July 10, 2023)

	FY2024 Guidance - Continuing Operations
Sales ⁽¹⁾	\$1,400 - \$1,550m Sales
Adjusted EBITDA	\$300 - \$325m Adjusted EBITDA
Adjusted EPS ⁽²⁾	\$3.85 - \$4.35 Adjusted EPS



Note: FY based on February year-end

1. FY2024 guidance excludes equity income from AZZ's minority interest in the AIS JV.. The AIS JV comprises the Company's Infrastructure Solutions segment. FY2024 guidance does not include the impact of any potential future acquisitions. Relative to mid-point of FY2023 guidance. Sales for all guidance presented includes continuing operations only.
2. Adjusted earnings and earnings per share include post-tax cash impact of amortization of acquisition-related intangibles

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Focused capital allocation to **reduce debt and improve leverage** while supporting **high ROIC investments**, and **returning capital to shareholders**



Commitment to EPS growth coupled with **multiple expansion** creates **compelling investment opportunity** and long-term shareholder value



Appendix



Reg “G” Tables

Non-GAAP Disclosure of Continuing Operations Adjusted EBITDA

	Three Months Ended May 31,	
	2023	2022
Net income from continuing operations	\$ 28,522	\$ 15,353
Interest expense	28,706	7,472
Income tax expense	9,650	5,111
Depreciation and amortization	18,523	11,973
Acquisition and transaction related-expenditures	—	12,614
Adjusted EBITDA from continuing operations	<u>\$ 85,401</u>	<u>\$ 52,523</u>

Continuing Operations Non-GAAP Disclosure

	Three Months Ended May 31,			
	2023		2022	
	Amount	Per Diluted Share ⁽¹⁾	Amount	Per Diluted Share ⁽¹⁾
Net income from continuing operations	\$ 28,522		\$ 15,353	
Less: preferred stock dividends	(3,600)		—	
Net income from continuing operations available to common shareholders	24,922		15,353	
Impact of after-tax interest expense for convertible notes	—		547	
Impact of preferred stock dividends	3,600		—	
Net income and diluted earnings per share from continuing operations	28,522	\$ 0.98	15,900	\$ 0.62
Adjustments:				
Acquisition and transaction related expenditures ⁽²⁾	—	—	12,614	0.49
Amortization of intangible assets	6,355	0.22	3,541	0.14
Subtotal	6,355	0.22	16,155	0.63
Tax impact ⁽³⁾	(1,525)	(0.05)	(3,877)	(0.15)
Total adjustments	4,830	0.17	12,278	0.48
Adjusted net income and adjusted earnings per share from continuing operations ⁽⁴⁾	\$ 33,352	\$ 1.14	\$ 28,178	\$ 1.10
Weighted average shares outstanding - Diluted		29,150		25,675

⁽¹⁾ Earnings per share amounts included in the table above may not sum due to rounding differences.

⁽²⁾ Includes expenses related to the Precoat Metals acquisition and the divestiture of 60% of the AVAIL joint venture.

⁽³⁾ The non-GAAP effective tax rate for each of the periods presented is estimated at 24.0%.

⁽⁴⁾ Adjusted net income from continuing operations includes \$1.4 million of equity in earnings for the three months ended May 31, 2023.

Non-GAAP Segment Disclosure from Continuing Operations (Metal Coatings and Precoat Metals)

	Three Months Ended May 31,	
	2023	2022
Metal Coatings		
Operating income	\$ 45,470	\$ 45,270
Depreciation and amortization expense	6,416	8,389
EBITDA	<u>\$ 51,862</u>	<u>\$ 53,669</u>
Precoat Metals		
Operating income	\$ 37,691	\$ 6,648
Depreciation and amortization expense	5,465	3,181
EBITDA	<u>\$ 43,156</u>	<u>\$ 9,829</u>
Infrastructure Solutions		
Operating loss	\$ (22)	\$ —
Equity in earnings of unconsolidated subsidiaries	1,420	—
EBITDA	<u>\$ 1,398</u>	<u>\$ —</u>
Corporate		
Operating loss	<u>\$ (17,643)</u>	<u>\$ (24,009)</u>
Consolidated operating income	<u>\$ 65,496</u>	<u>\$ 27,909</u>