


# B. RILEY ANNUAL INSTITUTIONAL INVESTOR CONFERENCE

**BEVERLY HILLS, CA**

**May 24-25, 2023**

ALTA EQUIPMENT GROUP

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This presentation includes non-GAAP financial measures, including Adjusted EBITDA, Economic EBIT, organic revenue, and various cash flow metrics. Alta believes that these non-GAAP measures are useful to investors for two principal reasons. First, Alta believes these measures may assist investors in comparing performance over various reporting periods on a consistent basis by removing from operating results the impact of items that do not reflect core operating performance. Second, these measures are used by Alta’s management to assess its performance and may (subject to the limitations described below) enable investors to compare the performance of Alta to its competition. Alta believes that the use of these non-GAAP financial measures provides an additional tool for investors to use in evaluating ongoing operating results and trends. These non-GAAP measures should not be considered in isolation from, or as an alternative to, financial measures determined in accordance with GAAP. Other companies may calculate Adjusted EBITDA, Economic EBIT, organic revenue, and free cash flow and other non-GAAP financial measures differently, and therefore Alta’s non-GAAP financial measures may not be directly comparable to similarly titled measures of other companies. With regard to our historical financial information, you can find the reconciliation of these non-GAAP financial measures to the most directly comparable GAAP measures in the Appendices at the end of this presentation. Alta is not providing a quantitative reconciliation of Non-GAAP Adjusted EBITDA guidance because certain financial information, the probable significance of which cannot be determined, is not available and cannot be reasonably estimated without unreasonable effort and expense. Specifically, Alta does not provide a reconciliation of forward-looking Non-GAAP Adjusted EBITDA to GAAP net income, due to the inherent difficulty in forecasting and quantifying certain items that are necessary for such reconciliation. Certain deductions for non-GAAP exclusions used to calculate projected GAAP net income may vary significantly based on actual events (including variations in acquired intangible asset amortization and stock compensation expense) and Alta is not able to forecast on a GAAP basis with reasonable certainty all deductions needed in order to provide a GAAP calculation of projected net income at this time. The amounts of these deductions may be material and, therefore, could result in projected GAAP net income being materially less than is indicated by projected Non-GAAP Adjusted EBITDA.

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# Alta Equipment Group Overview

| | Material Handling | Construction | E-mobility | Distribution |
|---|---|---|---|---|
| MARKET BRANDING | ALTA MATERIAL HANDLING; YIT AN ALTA COMPANY; PEAKLOGIX | ALTA EQUIPMENT COMPANY; MIDWEST MINE SERVICES; GINOP SALES Inc. | ALTA eMOBILITY | ECOVERSE |
| SELECT OEM/SUPPLIER RELATIONSHIPS | HYSTER; MOTREC; Yale; COMBILIFT; Bendi; Nilfisk; LANDOLL; SELLICK; VEGNA robotics | VOLVO; Kubota; TAKEUCHI; JCB; LeeBoy; SENNEBOGEN; ROADTEC; YANMAR; asv; NEW HOLLAND CONSTRUCTION; GEHL | NIKOLA; TRITIUM; blink; chargepoint; ONEH2 | BACKHUS; Doppstadt; BACKERS; CK; ECO SIFT; ECOSTACK; TIGER DEPACK |
| SELECT PRODUCT OFFERING |  |  |  |  |
| SELECT END MARKET COVERAGE | ▪ Manufacturing<br>▪ Biotech / Pharma<br>▪ Government Support<br>▪ Food and Beverage<br>▪ Forging and Stamping<br>▪ Iron and Steel Mills Manufacturing | ▪ Highway, Street, and Bridge Construction<br>▪ Scrap and Steel Processing<br>▪ Aggregate and Mining<br>▪ Commercial Construction<br>▪ Power Generation<br>▪ Landscaping / Snow Removal | ▪ General Freight Trucking, Local<br>▪ General Freight Trucking, Long-Distance<br>▪ Specialized Hauling<br>▪ On-site Charger Installation | ▪ Biofuel / Compost / Food Waste / Solid Waste<br>▪ Construction and Demolition<br>▪ Scrap Metal<br>▪ Land Clearing |

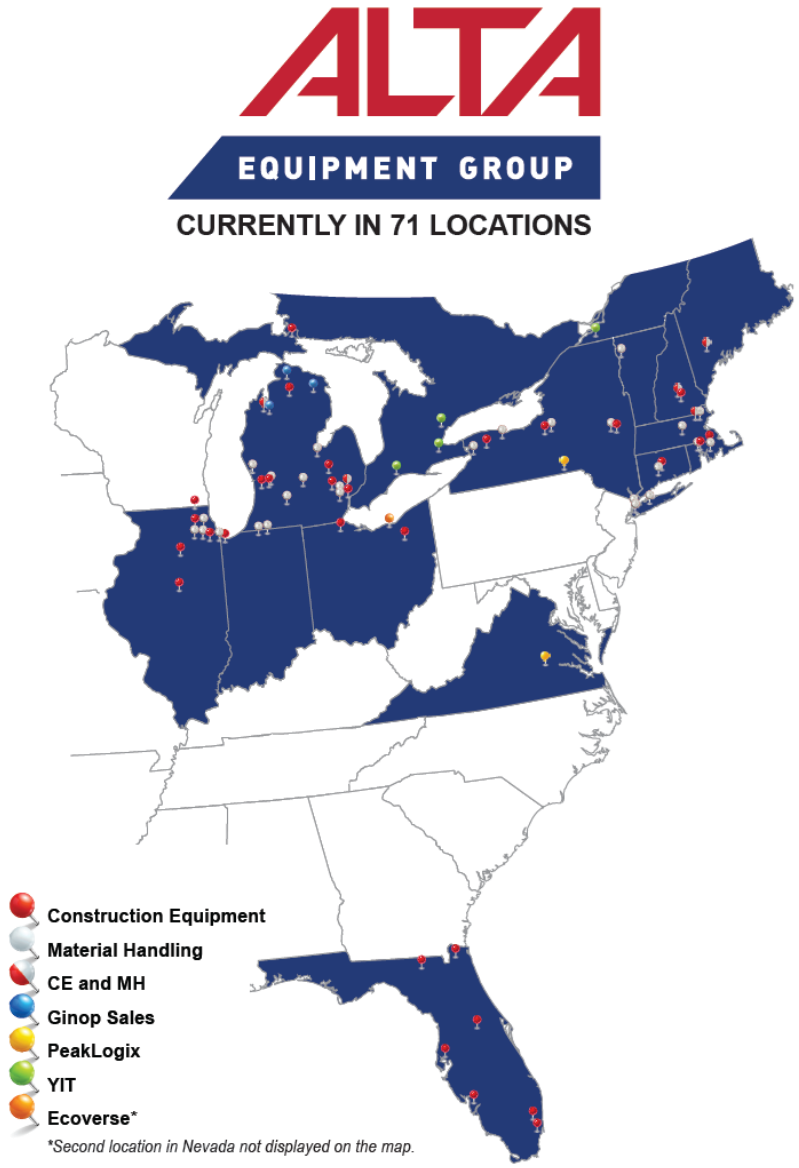
# Expanding Footprint in Key Geographic Markets

## Strategic Expansion

- 71 locations throughout Michigan, Indiana, Ohio, Illinois, Massachusetts, Maine, New Hampshire, Connecticut, New York, Vermont, Florida, Virginia, Rhode Island, Nevada, Ontario and Québec
- Dealership platform with parts and service capabilities drives recurring revenue from field population within Alta's territories
- Significant investment made in scalable infrastructure
- Complementary offerings in Design & Engineering
- Proven acquisition and integration track record
- Alta has a robust pipeline of accretive acquisitions

## M&A Objectives

- Consolidate independent dealers for key OEMs
- Target those with highly-skilled technicians
- Generate operating leverage by acquiring geographically contiguous businesses that can be improved by Alta's systems and processes
- Acquire new OEM relationships to offer additional brands and expand equipment product suite
- Expand selectively into complementary services to claim greater share of customer wallet



# Successful Acquisition Strategy Post IPO (2020-current)

***SINCE GOING PUBLIC ALTA HAS ACQUIRED OVER $446MM OF REVENUE AND $53MM OF EBITDA***

Dealerships
Complementary Service lines

**Jun-20** — PEAKLOGIX
**Revenue:** $25MM
**EBITDA:** $2.0MM
**Capability**: Warehousing/ Logistics

**Jul-20** — HILO EQUIPMENT & SERVICES
**Revenue:** $50MM
**EBITDA:** $3.0MM
**Geography**: New York City

**Sep-20** — MARTIN IMPLEMENT
**Revenue:** $28MM
**EBITDA:** $3.1MM
**Geography**: Illinois

**Oct-20** — HOWELL TRACTOR AND EQUIPMENT
**Revenue:** $33MM
**EBITDA:** $5.0MM
**Geography**: Illinois and Indiana

**Dec-20** — VANTAGE EQUIPMENT
**Revenue:** $41MM
**EBITDA:** $4.7MM
**Geography**: New York State

**Mar-21** — ScottTech Integrated Solutions
**Revenue:** $10MM
**EBITDA:** $0.7MM
**Capability**: Warehousing/ Logistics

**Sep-21** — BARON
**Revenue:** $6MM
**EBITDA:** $0.4MM
**Capability**: Dock and Door

**Oct-21** — GIBSON MACHINERY, LLC "Whatever it Takes..."
**Revenue:** $19MM
**EBITDA:** $3.2MM
**Geography**: Ohio

**Dec-21** — MIDWEST MINE SERVICES
**Revenue:** $17MM
**EBITDA:** $1.3MM
**Capability**: Fabrication of Mining Plants

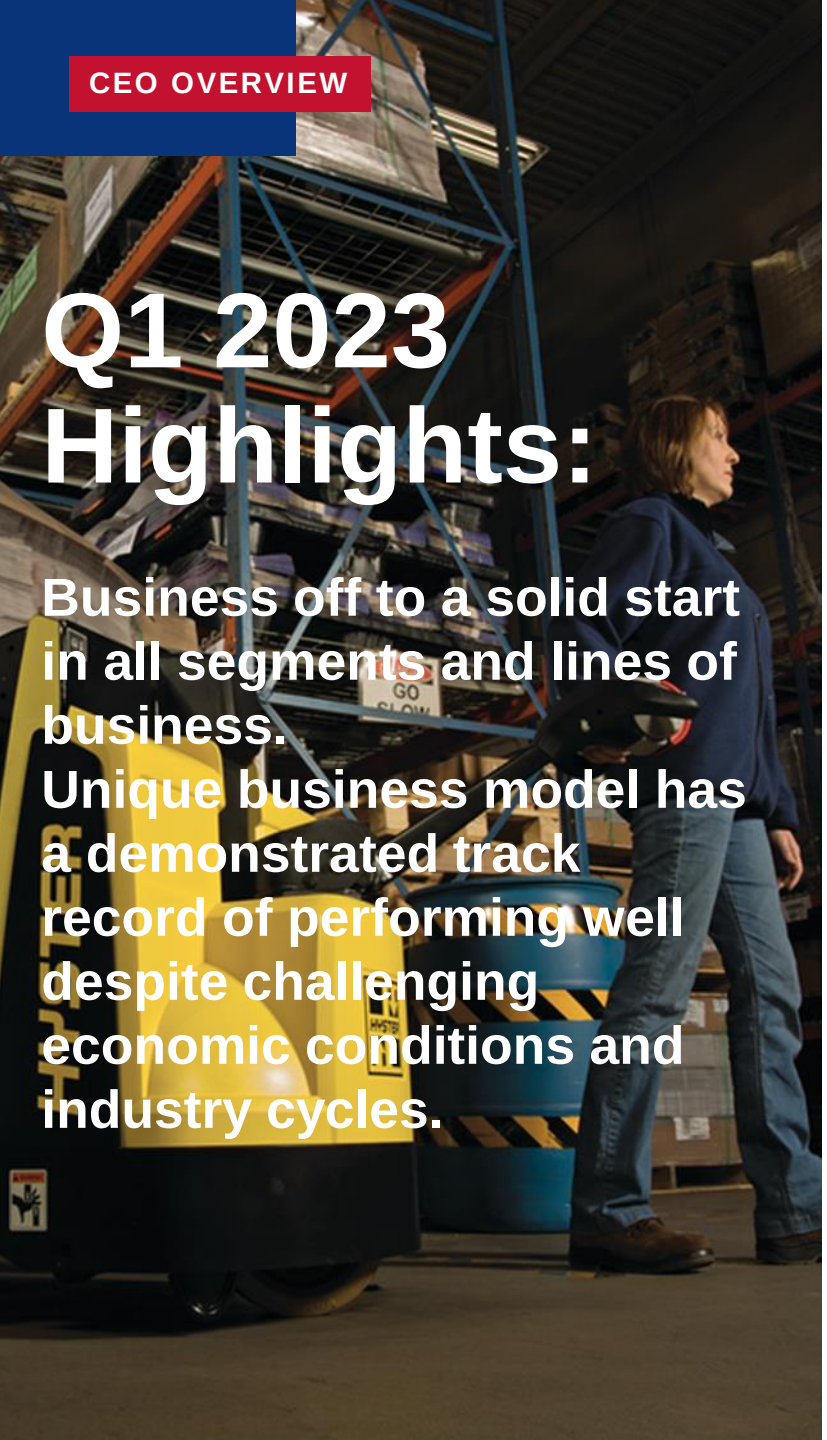
**Dec-21** — GINOP SALES Inc.
**Revenue:** $65MM
**EBITDA:** $6.5MM
**Geography**: Northern Michigan

**Dec-21** — AMBROSE
**Revenue:** $35MM
**EBITDA:** $3.1MM
**Geography**: New England

**Jul-22** — Yale Industrial Trucks Inc. Cameras Industrials Inc. "People Products Productivity."
**Revenue**: $47MM
**EBITDA**: $9.4MM
**Geography**: Ontario/Quebec

**Nov-22** — ECOVERSE
**Revenue**: $64MM
**EBITDA**: $10.1MM
**Capability**: Dealer Distribution

**Mar-23** — M&G MATERIALS HANDLING Co.
**Revenue**: $6MM
**EBITDA**: $0.8MM
**Capability**: Materials Handling



CEO OVERVIEW

# Q1 2023 Highlights:

**Business off to a solid start in all segments and lines of business.**
**Unique business model has a demonstrated track record of performing well despite challenging economic conditions and industry cycles.**

## Net Revenue Increased

26.8% to $420.7 million over the year ago quarter

## Construction and Material Handling Revenue Of

$233.1 million and $164.8 million, respectively; product support revenue increased in Q1 2023 over Q1 2022 by 26.6% with parts revenue growing to $68.4 million and service increasing to $60.2 million

## GAAP Income from Operations of

$12.1 million compared to $4.6 million in Q1 2022, and GAAP net income of $0.2 million compared to a loss of $(2.0) million a year ago

## Adjusted EBITDA Grew

36.0% to $40.8 million compared to $30.0 million last year

## Continued High Demand and Healthy Backlogs across both Construction and Material Handling Segments

and achieving significant organic growth as well as contributions from acquisitions

## Acquisition Pipeline Remains Robust as the Company

actively pursues synergistic opportunities that are accretive to ALTG shareholders




# Business Conditions:

**Remain favorable as demonstrated by our Q1 23 results. Equipment supply chain issues are subsiding and customer sentiment is positive.**

## Customer Demand is Strong

across all our end-user segments and regions

## Demand for Parts and Service

continues to be strong, with organic parts and service revenue up significantly from a year ago which is expected to continue with increasing new equipment sales and serviceable field population

## Both Material Handling and Construction Equipment Segments Well Positioned for Continued Growth

as demonstrated by organic growth as well as contributions from acquisitions. Material Handling segment is heavily embedded in high population centers which rely on our equipment for the distribution of mission-critical products for both businesses and society in general. Florida is an extremely robust market with significant increases in DOT and non-residential spending that are expected to benefit our Construction Equipment segment

## Supply Chain Headwinds Are Abating

## Governmental Initiatives (IIJA, Chips Act and IRA) will be an Incremental Benefit and Should Extend the cycle for ALTG




# Growth Strategy and Execution:

**Demonstrated ability to grow business both organically and through accretive acquisitions; additional M&A activity expected in 2023**

## M&A Activity Since Public Offering

demonstrates the success of our growth strategy, adding $446 million in total revenue value and $53.3 million in EBITDA at accretive valuation multiples

## Pipeline Remains Active for Accretive Deals

that compliment our business and increase long-term shareholder value

## Expand Geographic Reach and Product Portfolio in Existing Business Segments

by leveraging existing and developing new OEM relationships, integrating complementary business lines, and continuing to add skilled technicians to grow high-margin product support business

## Opportunistically Expand into New Business Segments

in tangential or complimentary equipment markets

## Expand Alternative Energy Related Opportunities

to promulgate existing knowledge and infrastructure in emerging markets

## Increased Full Year 2023 Adjusted EBITDA Guidance

to between $180.0 million and $188.0 million, from $177.0 million to $185.0 million previously, net of new equipment floorplan interest

# Q1 2023 Financial Summary

## Quarterly Comparisons

### Earnings Metrics

Adjusted EBITDA of $40.8MM versus $30.0MM in Q1 2022, a 36.0% increase

GAAP income from operations of $12.1MM compared to $4.6MM in Q1 2022



### Revenue Metrics

Total revenue growth of $89MM, or 26.8% from $331.7MM in Q1 2022 to $420.7MM in Q1 2023

New and used equipment sales totaled $219.6MM, a 44.9% increase from Q1 2022

## Quarterly Comparisons - Revenue

### Construction Segment

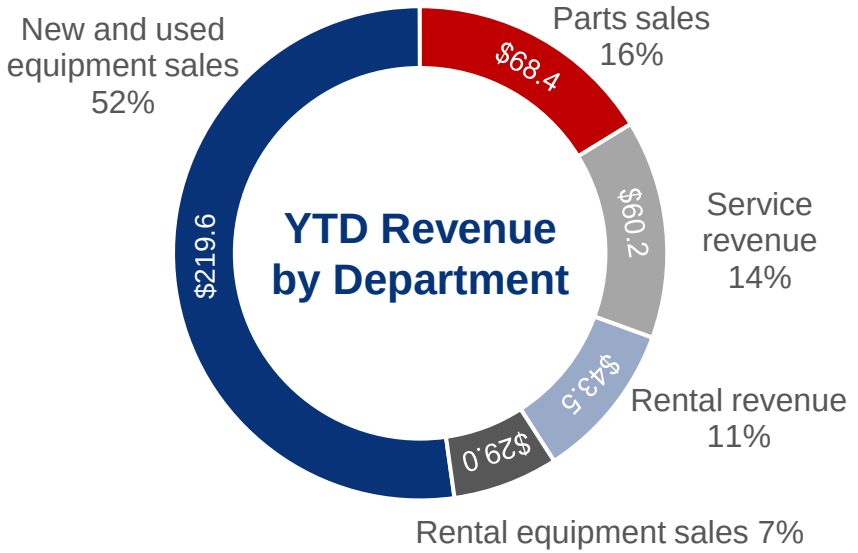
- Total revenue growth of $27.0MM, or 13.1%, from $206.1MM to $233.1MM
- Aftermarket revenue growth of $12.4MM, or 22.3% for a total of $68.1MM in Q1 2023
- New and Used Equipment sales growth of $27.4MM, or 32.3%, from $84.7MM to $112.1MM

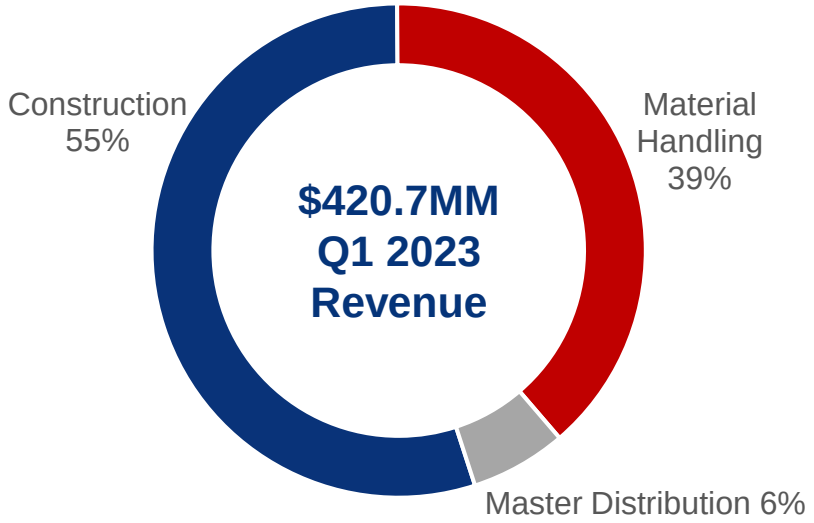
### Material Handling Segment

- Total revenue growth of $39.2MM, or 31.2%, from $125.6MM to $164.8MM
- Aftermarket revenue growth of $12.0MM for a total of $57.9MM to end Q1 2023
- Rental revenue growth of $5.2MM and rental equipment sales growth of $1.4MM

### Master Distribution Segment

- Newly introduced Segment of the business
- Total revenue of $26.7MM
- New & Used Equipment sales of $23.5MM
- Parts sales of $2.9MM

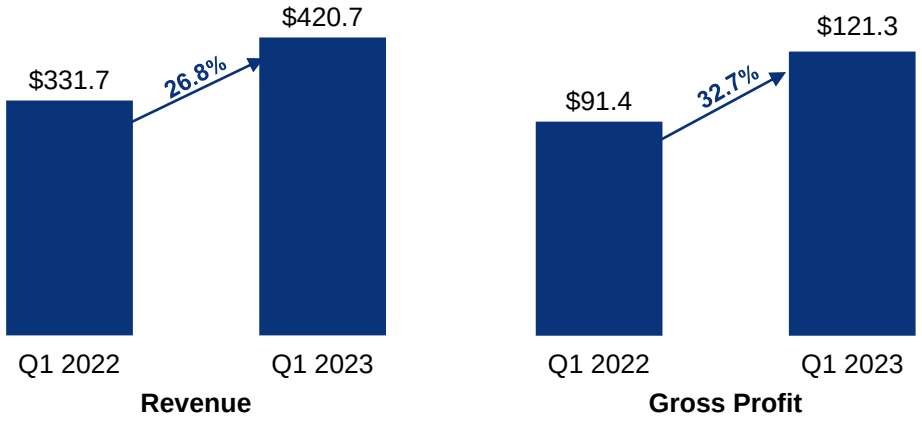


# Q1 2023 Financial Performance

## Q1 2023 Quarter over Quarter Revenue / Gross Profit

($MM)




## Summary

| ($MM) | 2020 | 2021 | 2022 | Q1 2022 | Q1 2023 |
|---|---|---|---|---|---|
| **Revenues:** | | | | | |
| New and used equipment sales | $410.3 | $568.8 | $817.2 | $151.6 | $219.6 |
| Parts sales | 129.6 | 178.5 | 234.8 | 53.4 | 68.4 |
| Service revenue | 128.5 | 165.5 | 206.6 | 48.2 | 60.2 |
| Rental revenue | 118.8 | 155.5 | 180.1 | 37.7 | 43.5 |
| Rental equipment sales | 86.4 | 144.5 | 133.1 | 40.8 | 29.0 |
| **Total Revenue** | **$873.6** | **$1,212.8** | **$1,571.8** | **$331.7** | **$420.7** |
| *% Growth* | | *38.8%* | *29.6%* | | *26.8%* |
| **Gross Profit:** | | | | | |
| New and used equipment gross profit | $53.9 | $90.8 | $134.0 | $27.7 | $40.6 |
| Parts gross profit | 40.5 | 55.1 | 77.4 | 16.7 | 23.0 |
| Service gross profit | 79.0 | 97.3 | 115.9 | 28.1 | 35.1 |
| Rental gross profit | 30.2 | 49.6 | 62.2 | 12.0 | 14.5 |
| Rental equipment gross profit | 10.9 | 21.6 | 30.1 | 6.9 | 8.1 |
| **Total Gross Profit** | **$214.5** | **$314.4** | **$419.6** | **$91.4** | **$121.3** |
| *% Growth* | | *46.6%* | *33.5%* | | *32.7%* |
| *% Margin* | *24.6%* | *25.9%* | *26.7%* | *27.6%* | *28.8%* |

## QUARTER-OVER-QUARTER – GROSS PROFIT

### Consolidated

- Organic revenue grew **$53.6MM**, or **16.2%**
- Total gross profit grew **$29.9MM** for a total of **$121.3MM**, a **32.7%** increase
- New and used equipment sales gross profit increase of **$12.9MM**, a **46.6%** increase
- Total organic product support revenue growth of **$19.3MM**, or **19.0%**

### Construction Segment

- Construction segment sales grew **$27.0MM** organically, or **13.1%**
- Parts sales increased **$6.7MM** organically, or **19.6%**, at a **30.1%** gross margin
- Service revenue increased **$5.7MM** organically, or **26.5%**, at a **59.9%** gross margin for Q1 23

### Material Handling Segment

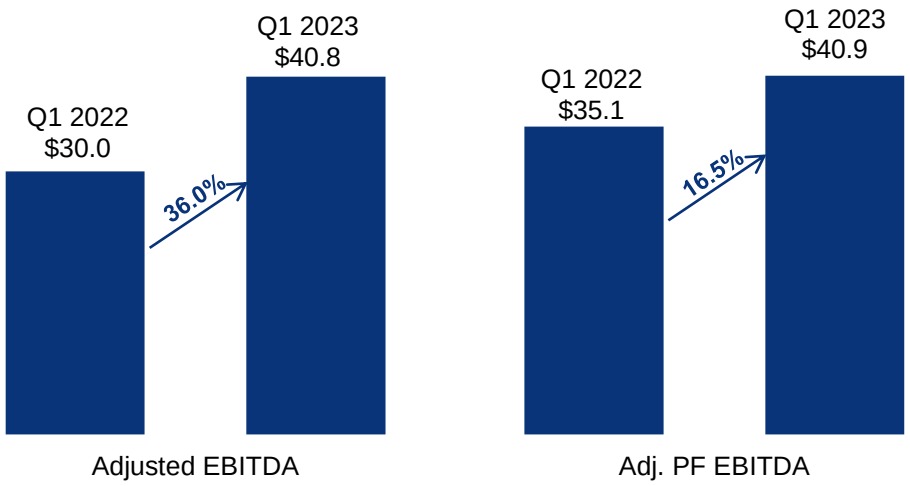
- Material Handling segment sales **increased $26.6MM** organically, or **21.2%**
- Parts sales **increased $3.4MM** organically, or **17.7%**
- Service revenue increased **$3.6MM** organically, or **13.5%**

### Master Distribution Segment

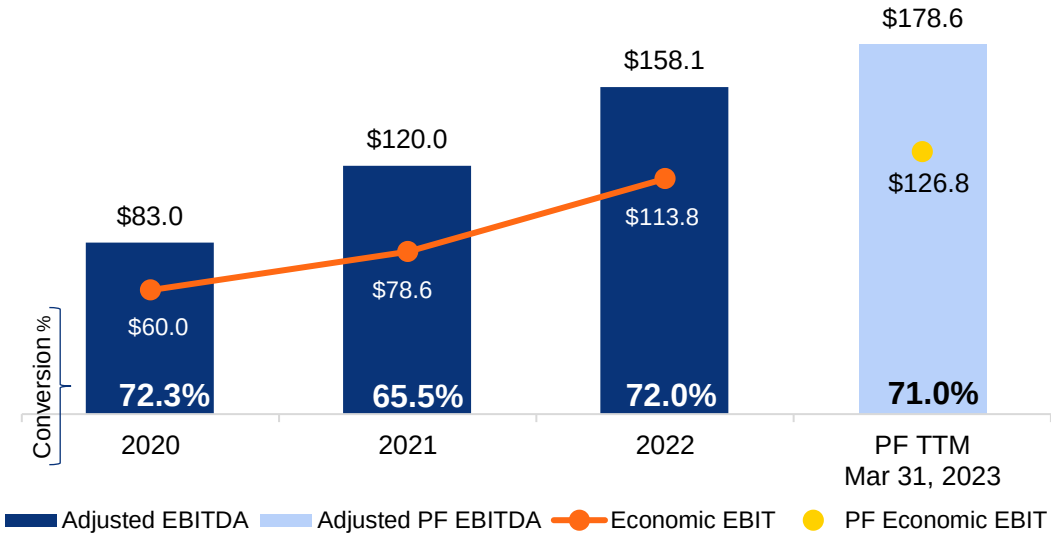
- New & Used Equipment sales of **$23.5MM**
- Parts sales of **$2.9MM**
- Overall GP for Distribution Segment of **$7.6MM**

# Q1 2023 Adjusted EBITDA / Economic EBIT

## Adj. EBITDA[1] / Adj. PF EBITDA[1]




## Adj. EBITDA[1] / Economic EBIT[1] ($MM) / TTM Pro Forma[2]




## QUARTERLY YEAR-OVER-YEAR

**Adjusted EBITDA / Economic EBIT**

- EBITDA grew **$12.1MM** from $28.3MM to **$40.4MM** in Q1 2023, or 42.8%
- Adjusted EBITDA improved by $10.8MM from $30.0MM to **$40.8MM**, or 36.0%, related to acquisitions and organic growth
- 2023 TTM Adjusted EBITDA of **$168.9MM**
- Pro Forma Economic TTM EBIT[2] of **$126.8MM**, a conversion ratio of 71.0% of Pro Forma Adjusted EBITDA of **$178.6MM**[2]
- Economic EBIT is a non-GAAP measure that adjusts EBITDA to remove the accounting impact of rental and fixed asset gains, and replaces with the cash (i.e. economic) impact of those activities, including maintenance capital expenditures

[1] See Appendix A and Appendix B for Non-GAAP measurement
[2] PF Economic EBIT and Adjusted PF EBITDA assumes all acquisition occurred 1/1/2022 for comparability purposes. See slide 13

# Alta Equipment Group Financial Profile

| ($MM) | 2021 | 2022 | 2022 Pro Forma[1] | Q1 2022 Pro Forma[1] | Q1 2023 Pro Forma[1] | TTM Mar 31, 2023 |
|---|---|---|---|---|---|---|
| Alta Revenue | $1,212.8 | $1,571.8 | $1,571.8 | $331.7 | $420.7 | $1,660.8 |
| Acquisitions Revenue | - | - | 86.6 | 29.2 | 1.0 | 58.4 |
| **Total Revenue** | **$1,212.8** | **$1,571.8** | **$1,658.4** | **$360.9** | **$421.7** | **$1,719.2** |
| **Alta Gross Profit** | **$314.4** | **$419.6** | **$419.6** | **$91.4** | **$121.3** | **$449.5** |
| Acquisition Gross Profit | - | - | 21.1 | 7.1 | 0.4 | 14.4 |
| **Total Gross Profit** | **$314.4** | **$419.6** | **$440.7** | **$98.5** | **$121.7** | **$463.9** |
| *% margin* | *25.9%* | *26.7%* | *26.6%* | *27.3%* | *28.9%* | *27.0%* |
| Alta Operating Expenses[2] | 296.4 | 378.8 | 378.8 | 86.8 | 109.2 | 401.2 |
| Acquisitions Operating Expenses | - | - | 14.1 | 4.9 | 0.3 | 9.5 |
| **Operating Expenses[2]** | **$296.4** | **$378.8** | **$392.9** | **$91.7** | **$109.5** | **$410.7** |
| Alta Adjusted EBITDA | 120.0 | 158.1 | 158.1 | 30.0 | 40.8 | 168.9 |
| Acquisitions Adjusted EBITDA | - | - | 14.7 | 5.1 | 0.1 | 9.7 |
| **Total Adjusted PF EBITDA [1]** | **$120.0** | **$158.1** | **$172.8** | **$35.1** | **$40.9** | **$178.6** |
| *% Margin* | *9.9%* | *10.1%* | *10.4%* | *9.7%* | *9.7%* | *10.4%* |
| Alta Gross Profit on Rental Equipment Sales | (21.6) | (30.1) | (30.1) | (6.8) | (8.1) | (31.4) |
| Acquisitions Gross Profit on Rental Equipment Sales | - | - | (0.5) | (0.2) | - | (0.3) |
| Rental Net Maintenance Capex | (16.0) | (5.9) | (5.9) | 1.3 | (2.7) | (9.9) |
| Non-Rental PP&E Maintenance Capex[3] | (3.8) | (8.3) | (8.3) | (1.7) | (2.0) | (8.6) |
| Acquisitions Rental Net Maintenance Capex | - | - | (2.3) | (1.0) | - | (1.3) |
| Acquisitions Non-Rental PP&E Maintenance Capex | - | - | (0.6) | (0.3) | - | (0.3) |
| **PF Economic EBIT [1]** | **$78.6** | **$113.8** | **$125.1** | **$26.4** | **$28.1** | **$126.8** |
| Cash Interest Expense, non-floorplan interest[4] | (22.3) | (29.1) | (34.2) | (5.8) | (10.5) | (38.9) |
| Working Capital Investment | (27.7) | (40.9) | (40.9) | (22.5) | (13.5) | (31.9) |
| Preferred Dividend | (2.6) | (3.0) | (3.0) | (0.8) | (0.8) | (3.0) |
| Advance on Net Maintenance Capex and Working Capital[5] | 18.9 | 14.6 | 26.6 | 11.0 | 8.8 | 24.4 |
| **Levered FCF to Common Equity, before Growth Capex [1]** | **$44.9** | **$55.4** | **$73.6** | **$8.3** | **$12.1** | **$77.4** |

[1] Non-GAAP measures

Note:
[1] Pro Forma incorporates the pro forma full period results of acquisitions as if they were completed at the beginning of the period presented (i.e. YIT, Ecoverse, and M&G assumed to have been acquired 1/1/2022 for better comparison to actual results)
[2] Alta operating expenses includes certain non-recurring and non-operational expenses which have been removed for purposes of calculating the Adjusted EBITDA. See Appendix A.
[3] Non-Rental PP&E Maintenance Capex does not include growth related extraordinary $2.0MM land purchase in 2021 and growth related extraordinary $3.0MM and $1.1MM hydrogen plant purchase in 2022 and 2023, respectively
[4] Adding $5.1MM of incremental cash interest expense into 2022 Pro Forma for acquisitions of YIT, Ecoverse, and M&G
[5] Assuming advance rates of approximately 75% and 50% on net maintenance capex and working capital components, respectively

# Product Support Yield Trends 2019-2022

## Parts and Service Sales ($MM)

| | 2019 | 2020 | 2021 | 2022 |
|---|---|---|---|---|
| **Parts** | $119.4 | $129.6 | $178.5 | $234.8 |
| **Service** | 116.3 | 128.5 | 165.5 | 206.6 |
| **Total** | **$235.7** | **$258.1** | **$344.0** | **$441.4** |

## Equipment Sales ($MM)

| | 2019 | 2020 | 2021 | 2022 |
|---|---|---|---|---|
| **New/Used/ Rental** | $425.5 | $496.7 | $713.3 | $950.3 |

## Parts and Service as a Percentage of New/Used/Rental

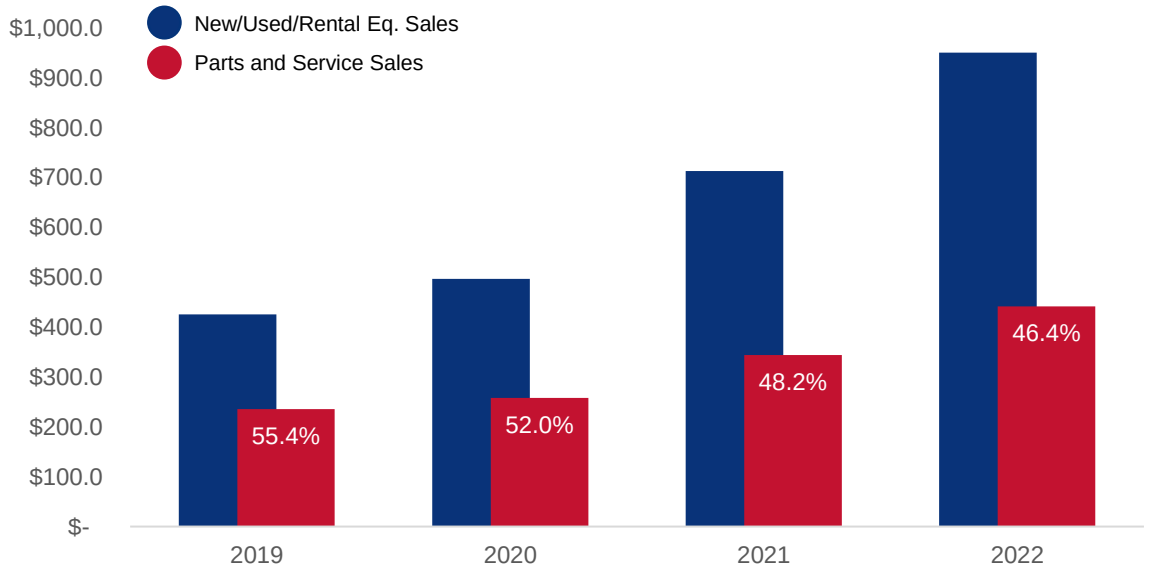
| 2019 | 2020 | 2021 | 2022 |
|---|---|---|---|
| 55.4% | 52.0% | 48.2% | 46.4% |



## Parts and Service Sales follow Equipment Sales

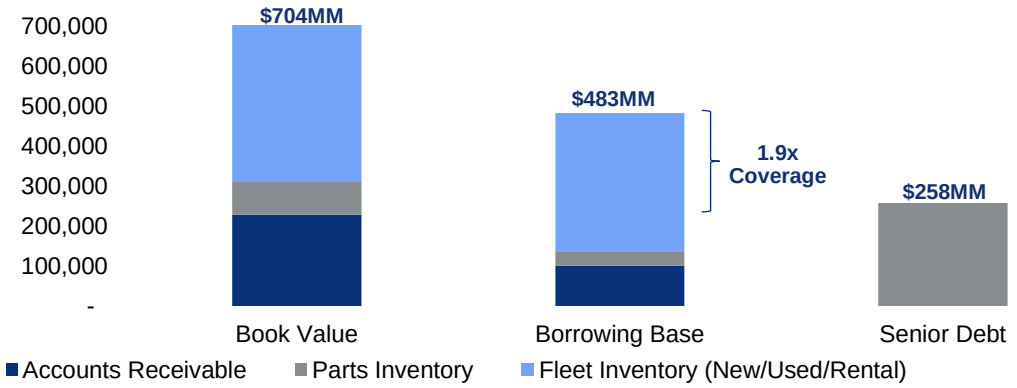
| New/Used/Rental Eq. Sales | |
|---|---|
| 2022 Q1 | 2023 Q1 |
| **$192.4MM** | **$248.6MM** |

**+$56.2MM** **=** **Future Parts and Service Sales**



# Capital Structure / Credit Profile

## Balance Sheet Strength / Liquidity[5]




*Excludes Equipment on Floorplan, WIP, PP&E, and long-term receivables

## Capital Structure ($MM)

| March 31, 2023 | $ Amount | EV/2023F EBITDA |
|---|---|---|
| Cash | $1.7 | |
| Debt:[1] | | |
| Lines of Credit (ABL)[2] | $257.8 | |
| Floor Plan – Used and Rental | 62.3 | |
| Finance Lease Liabilities | 22.4 | 1.9x |
| 2nd Lien Note[3] | 315.0 | 1.7x |
| **Total Debt** | **$657.5** | |
| **Net Debt: Total Debt minus Cash** | **$655.8** | **3.6x** |
| **Market Capitalization[4]** | **$541.4** | **2.9x** |
| **Enterprise Value** | **$1,197.2** | **6.5x** |

## CREDIT FACILITY

- Uncapped **Liquidity of $220.1MM**[8] as of March 31, 2023
- Collateral Value Increased $37.0MM vs Q4 2022
- ABL Draw increased of $38.3MM vs. Q4 2022, primarily related to seasonal increase in inventory and rental fleet to support organic growth
- $257.8MM outstanding balance under $430MM ABL facility as of March 31, 2023; ~$4.9MM of reserves and letters of credit

## LEVERAGE RATIO

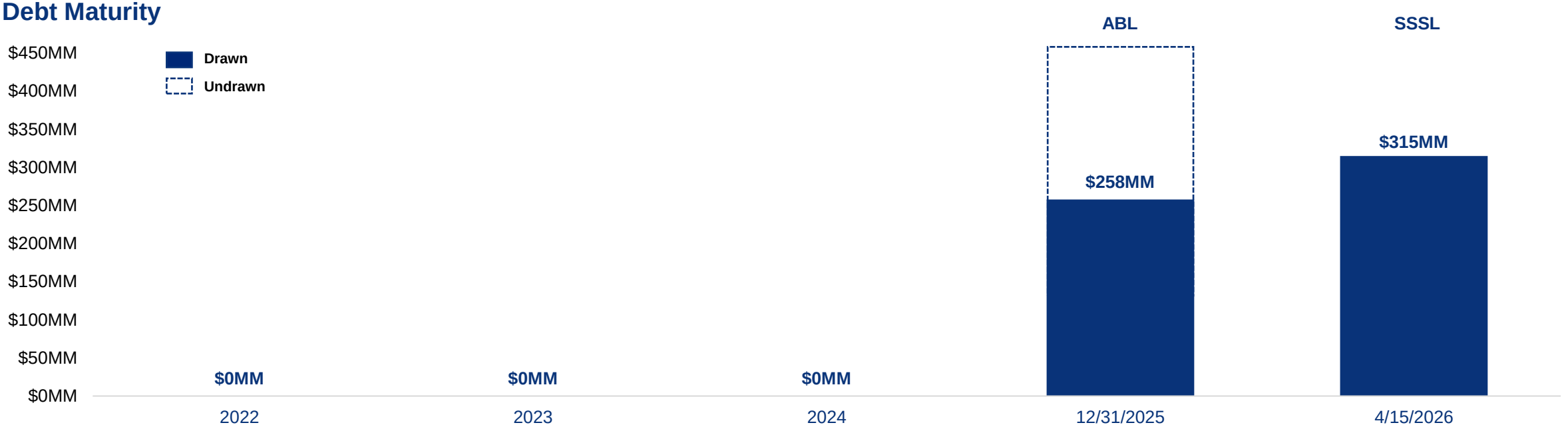
| | 2020 | 2021 | 2022 | 2023F |
|---|---|---|---|---|
| Total Net Debt / Adj. PF EBITDA [6] | 3.5x | 3.7x | 3.5x | 3.6x |
| Retained Cash Flow / Debt [7] | 13.2% | 18.9% | 17.9% | 14.8% |

- Maintained leverage by enhancing organic cash-flows while debt-financing approximately $245.3MM of strategic acquisitions since going public
- 2023F ratio based on midpoint of FY23 EBITDA guidance and current leverage profile

[1] Excluding Floor plan payable – new equipment
[2] ABL draw as of March 31, 2023; Excludes deferred financing costs
[3] Excludes original issue discount and deferred financing costs
[4] As of close of trading on March 31, 2023; $15.85 price per share with 32,368,112 common shares issued and outstanding; includes $28.4MM of preferred equity
[5] As of March 31, 2023, borrowing base of $430MM and NBV of $704MM excluding floorplan assets, WIP, PP&E and long-term receivables. ABL advance rates influenced by periodic 3rd party collateral appraisals.
[6] Per Total Net Debt / Adj. PF EBITDA ratios as contemporaneously reported in prior Earnings Presentations
[7] Net cash provided by operating activities before working capital items, less preferred and common stock dividends, divided by average Net Debt; 2023 based upon TTM RCF to Mar 31, 2023 Net Debt
[8] Net of reserves and letters of credit

# Debt Structure and Maturity Runoff

## Debt Maturity




## ABL

- $430MM facility committed for another 2.75 years[1]
- Interest Rate SOFR+175-225bps
- Provides liquidity for organic and M&A growth
- Conducive for acquiring asset-heavy companies
- Covenant free (springing only)
- Provides inexpensive capital for M&A

## SENIOR SECURED SECOND LIEN NOTE (SSSL)

- ~3.00 years from maturity date
- Coupon rate fixed at 5.625%
- No amortization
- Callable beginning April 2023
- Second lien security position

## INTEREST RATE CAP

- Entered November of 2022
- Protects cash flow from the risks associated with interest rate increases on variable rate debt
- Notional $200MM hedged at a strike rate of 4.5% on one-month SOFR

[1] Amended ABL credit facility July 6, 2022 raised committed level from $350 million to $430 million

# Capital Allocation Overview

## STRATEGIC M&A

Deal pipeline remains active, accretive, and actionable

Strategic opportunities with in-network dealerships and in emerging verticals

Yielding attractive value accretion and diversifying our offering portfolio and geographic scale

## ORGANIC GROWTH

Devoted to expansion, as YTD organic revenue growth was 16.2%

Market share growth in existing geographies, greenfield opportunity with e-Mobility, and expanding capabilities

## DIVIDEND

~$7.6MM annual dividend

Positive outlook on near-term and long-term cash flows, balancing growth with return to shareholders

## EXCESS CAPITAL

Initiated share repurchase program $12.5MM in July 2022, affording the flexibility to opportunistically repurchase undervalued stock

Manage leverage profile and interest rate risk by repaying debt with excess cash

## Supported By Strong Balance Sheet

**Optimal target leverage range through the cycle of 3.0x to 4.0x (currently at 3.6x 2023F Adjusted EBITDA).**
**Sufficient Uncapped Liquidity (~$220.1 million as of March 2023)**
**Accordion capacity on ABL credit facility up to $550MM, an incremental $120MM**

# Q1 2023 – Increasing FY 2023 Guidance

## FY 2023 GUIDANCE

**FY 2023 OUTLOOK ($ IN MM)**
**ADJUSTED EBITDA:**

**From: $177.0 - $185.0**
**To: $180.0 - $188.0**

(Net of New Equipment Floorplan Interest)

## 2023 GUIDANCE COMMENTARY: HIGHLIGHTS/RATIONALE

- Outperforming YTD expectations
- Strong fundamentals remain in core markets served
- End-market demand and pricing environment continues to be favorable
- Reduced volatility of new equipment deliveries from OEMs, with a strong backlog remaining
- Predicated on organically increasing technician headcount and maintaining strong rental utilization
- Outlook does not include any anticipated M&A activity beyond M&G acquisition (March 23)

CFO OVERVIEW

# Performance in Supply Chain Constrained Market

| Department | New Equipment Sales | Used Equipment Sales | Rental Equipment Sales | Rent-to Rent | Parts / Service |
|---|---|---|---|---|---|
| Supply Chain Constrained | Yes | Neutral | No | No | No |
| Impact on EBITDA | Low | Medium | Medium | High | High |
| Commentary | Supply chain constraints cause new equipment shortages and extended lead times, impacting Alta's ability to deliver new equipment to customers and drive new equipment revenue and gross profit | Supply chain constraints cause new equipment shortages, trickle-down effect to used equipment trade-ins<br>Lease-end returns support used equipment pipeline<br>Lightly used equipment fills the void left by new equipment shortages | Supply chain constraints cause heightened demand for lightly used equipment and therefore prompt an increase to rental equipment sales<br>Alta has option to continue to rent or sell its approximately $538MM high quality fleet at market highs | Supply chain constraints cause heightened demand for rental assets to fill gap caused by extended lead times<br>Increased rental demand spurs increase in utilization and rental rates<br>Alta's robust rental offering allows us to benefit from these conditions and meet customer demand | Customers awaiting new equipment continue to service their aging equipment in interim<br>Customers may opt to engage in higher-cost rebuilds such as engine or transmission repair to extend life of equipment rather than enter the new equipment queue<br>Warranty may expire while awaiting new equipment, providing for warranty extension opportunities or customer-pay work |



# Performance in Inflationary Environment

| Department | New Equipment Sales | Used Equipment Sales | Rental Equipment Sales | Rent-to Rent | Parts / Service | Replacement Capex |
|---|---|---|---|---|---|---|
| Impact on EBITDA | Neutral | Neutral | Positive | Positive | Positive | Negative |
| Commentary | Increases in input pricing able to be passed along to end customers through manufacturer suggested retail price (MSRP) | Increases in trade in values on equipment preempts higher used retail pricing along with demand scenario described earlier | Higher used retail pricing based upon the demand scenario described earlier, original equipment purchased at lower cost | Inflationary environment on equipment purchased at lower cost drives ROI on existing fleet | Increases in input pricing, including labor, able to be passed along to end customers. Inflationary environment on fixed cost platform yields positive EBITDA impact | Replacement of rental equipment sold occurs at higher pricing tiers |



# THANK YOU (NYSE:ALTG)

**Investor Relations Contact:**

**Kevin Inda**
**SCR Partners**
**M: (225) 772-0254**
**E: Kevin@scr-ir.com**



# APPENDICES

## Unaudited Reconciliation of Non-GAAP Financial Measures



APPENDIX A

# Adjusted EBITDA – GAAP Reconciliation

| ($MM) | 2020 | 2021 | 2022 | Three Mos Ended Mar 31, 2022 | Three Mos Ended Mar 31, 2023 | TTM Mar 31, 2023 |
|---|---|---|---|---|---|---|
| **Net income/(loss) available to common shareholders** | **$(24.0)** | **$(23.4)** | **$6.3** | **$(2.0)** | **$0.2** | **$8.5** |
| Depreciation and amortization | 75.0 | 95.8 | 112.0 | 24.2 | 28.1 | 115.9 |
| Interest expense | 23.8 | 24.0 | 31.8 | 6.1 | 12.0 | 37.7 |
| Income tax expense/(benefit) | (6.6) | 3.6 | 1.3 | - | 0.1 | 1.4 |
| **EBITDA [1]** | **$68.2** | **$100.0** | **$151.4** | **$28.3** | **$40.4** | **$163.5** |
| **Adjustments:** | | | | | | |
| Transaction costs[1] | 4.9 | 2.0 | 1.1 | - | 0.1 | 1.2 |
| Loan administration fees[2] | 0.4 | 0.4 | 0.1 | - | - | 0.1 |
| Non-cash adjustments[3] | 1.0 | 1.0 | - | - | - | - |
| Loss on debt extinguishment[4] | 7.6 | 11.9 | - | - | - | - |
| Share-based incentives[5] | 10.1 | 1.2 | 2.7 | 0.3 | 0.8 | 3.2 |
| Other expenses[6] | 0.9 | 2.3 | 2.5 | 0.9 | 0.2 | 1.8 |
| Insurance proceeds[7] | (8.0) | - | - | - | - | - |
| Preferred stock dividend[8] | - | 2.6 | 3.0 | 0.8 | 0.8 | 3.0 |
| Showroom-ready equipment interest expense[9] | (2.1) | (1.4) | (2.7) | (0.3) | (1.5) | (3.9) |
| **Adjusted EBITDA [1]** | **$83.0** | **$120.0** | **$158.1** | **$30.0** | **$40.8** | **$168.9** |
| Pro forma EBITDA-acquisitions[10] | | | 14.7 | 5.1 | 0.1 | 9.7 |
| **Adjusted pro forma EBITDA [1]** | | | **$172.8** | **$35.1** | **$40.9** | **$178.6** |

[1] Non-GAAP Measure
NOTES:

[1] Expenses related to acquisitions and capital raising activities and public company preparation costs
[2] Debt administration expenses associated with debt refinancing activities
[3] Non-cash GAAP based adjustments related to straight-line of rent expenses prior to adoption of ASC Topic 842 Accounting for Leases
[4] Represents debt extinguishments related to refinancing activities of the business combination in Q1 2020 and debt modification in Q2 2021
[5] Reflects non-cash equity-based compensation expenses
[6] Other non-recurring expenses inclusive of severance payments, greenfield startup, legal and consulting costs
[7] Key-man life insurance proceeds
[8] Expenses related to preferred stock dividend payments
[9] Represents interest expense associated with showroom-ready new equipment interest included in total interest expense above
[10] Pro Forma EBITDA of acquisitions completed within the year, assuming acquisitions occurred as of January 1, prorated through the actual date of acquisition

APPENDIX B

# Economic EBIT – GAAP Reconciliation

| ($MM) | 2020 | 2021 | 2022 | Three Mos Ended Mar 31, 2022 | Three Mos Ended Mar 31, 2023 |
|---|---|---|---|---|---|
| **Net income/(loss) available to common shareholders per GAAP** | **$(24.0)** | **$(23.4)** | **$6.3** | **$(2.0)** | **$0.2** |
| Depreciation and amortization | 75.0 | 95.8 | 112.0 | 24.2 | 28.1 |
| Interest expense | 23.8 | 24.0 | 31.8 | 6.1 | 12.0 |
| Income tax expense/(benefit) | (6.6) | 3.6 | 1.3 | - | 0.1 |
| **EBITDA** [1] | **$68.2** | **$100.0** | **$151.4** | **$28.3** | **$40.4** |
| Adjustments, net | 14.8 | 20.0 | 6.7 | 1.7 | 0.4 |
| **Adjusted EBITDA** [1] | **$83.0** | **$120.0** | **$158.1** | **$30.0** | **$40.8** |
| Rental equipment gain on sale | (10.9) | (21.6) | (30.1) | (6.8) | (8.1) |
| Rental net maintenance capex See schedule below | (9.1) | (16.0) | (5.9) | 1.3 | (2.7) |
| PP&E net capex[1], See schedule below | (3.0) | (3.8) | (8.3) | (1.7) | (2.0) |
| **Economic EBIT** [1] | **$60.0** | **$78.6** | **$113.8** | **$22.8** | **$28.0** |

| ($MM) | 2020 | 2021 | 2022 | Three Mos Ended Mar 31, 2022 | Three Mos Ended Mar 31, 2023 |
|---|---|---|---|---|---|
| Replacement of rental equipment sold at original cost | $95.5 | $160.5 | $139.0 | $39.5 | $31.7 |
| (less): Proceeds from sale of rental equipment | (86.4) | (144.5) | (133.1) | (40.8) | (29.0) |
| **Rental net maintenance capex** | **$9.1** | **$16.0** | **$5.9** | **$(1.3)** | **$2.7** |
| Expenditures for property and equipment [1] | 4.4 | 6.1 | 9.5 | 1.8 | 2.0 |
| (less): Proceeds from sale of property and equipment | (1.4) | (2.3) | (1.2) | (0.1) | - |
| **Total net maintenance capex** | **$12.1** | **$19.8** | **$14.2** | **$0.4** | **$4.7** |

[1] Non-GAAP Measure

NOTES:
[1] Excludes growth related extraordinary $2.0MM land purchase in Q4 2021 and growth related extraordinary $3.0MM and $1.1MM hydrogen facility purchase in Q4 2022 and Q1 2023, respectively

APPENDIX C

# Unlevered FCF before/after Growth Investments Reconciliation

| ($MM) | 2020 | 2021 | 2022 | Three Mos Ended Mar 31, 2022 | Three Mos Ended Mar 31, 2023 |
|---|---|---|---|---|---|
| **Economic EBIT** [1] | **$60.0** | **$78.6** | **$113.8** | **$22.8** | **$28.0** |
| Tax (expense)/benefit | 6.6 | (3.6) | (1.3) | - | (0.1) |
| **Unlevered FCF before growth related investments** [1] | **$66.6** | **$75.0** | **$112.5** | **$22.8** | **$27.9** |
| Working capital investment[1] | (3.9) | (27.7) | (40.9) | (22.5) | (13.5) |
| Rental discretionary growth capex | (43.8) | (35.1) | (32.3) | - | (21.2) |
| Growth PP&E[2] | - | (2.0) | (3.0) | - | (1.1) |
| Acquisition of business, net of cash[3] | (180.0) | (63.4) | (86.7) | (1.2) | (1.7) |
| **Unlevered FCF after growth related investments** [1] | **$(161.1)** | **$(53.2)** | **$(50.4)** | **$(0.9)** | **$(9.6)** |

[1] Non-GAAP Measure; see Appendix B

NOTES:
[1] Accounts receivable, inventories net of floorplan, prepaid expenses and other assets, accounts payable, accrued expenses, and other current liabilities; removing impact of any acquired working capital as part of an acquisition
[2] Land purchase in Q4 2021 for greenfield branch opportunity, and hydrogen plant purchase in Q4 2022 and Q1 2023
[3] Inclusive of purchase price adjustments made in the period for previous acquisitions