



TWIN DISC, INC

Investor Presentation



Safe Harbor Statement

This presentation contains statements that are forward-looking within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended. The words “anticipates,” “believes,” “intends,” “estimates,” and “expects,” or similar anticipatory expressions, usually identify forward-looking statements. These statements are based on management’s current expectations that are based on assumptions that are subject to risks and uncertainties. Actual results may vary because of variations between these assumptions and actual performance. Investors are referred to Twin Disc’s fiscal year 2023 Annual Report and Form 10-K under the caption “Risk Factors,” which outlines certain risks regarding the Company’s forward-looking statements, including but not limited to the impact of general economic conditions and the cyclical nature of many of the Company’s product markets; foreign currency risks and other risks associated with the Company’s international sales and operations; the ability of the Company to successfully implement price increases to offset increasing commodity costs; the ability of the Company to generate sufficient cash to pay its indebtedness as it becomes due; and the possibility of unforeseen tax consequences and the impact of tax reform in the U.S. or other jurisdictions. Copies of the Company’s SEC filings may be obtained from the SEC, and are available on Twin Disc’s web site (www.twindisc.com), or by request from the Investor Relations department at the Company. The Company assumes no obligation, and disclaims any obligation, to publicly update or revise any forward-looking statements to reflect subsequent events, new information, or otherwise.

Non-GAAP Financial Disclosures

Financial information excluding the impact of asset impairments, restructuring charges, foreign currency exchange rate changes and the impact of acquisitions, if any, in this press release are not measures that are defined in U.S. Generally Accepted Accounting Principles (“GAAP”). These items are measures that management believes are important to adjust for in order to have a meaningful comparison to prior and future periods and to provide a basis for future projections and for estimating our earnings growth prospects. Non-GAAP measures are used by management as a performance measure to judge profitability of our business absent the impact of foreign currency exchange rate changes and acquisitions. Management analyzes the company’s business performance and trends excluding these amounts. These measures, as well as EBITDA, provide a more consistent view of performance than the closest GAAP equivalent for management and investors. Management compensates for this by using these measures in combination with the GAAP measures. The presentation of the non-GAAP measures in this press release are made alongside the most directly comparable GAAP measures.

Definitions

Earnings before interest, taxes, depreciation and amortization (EBITDA) is calculated as net earnings or loss excluding interest expense, the provision or benefit for income taxes, depreciation and amortization expenses.

Net debt is calculated as total debt less cash.

Leverage Ratio is calculated as net debt divided by the sum of EBITDA over the last twelve months.



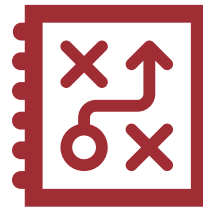
01.

Robust backlog supported by **healthy demand growth** across product groups



02.

Innovative technologies in **Marine and Industrial** scalable across attractive end markets



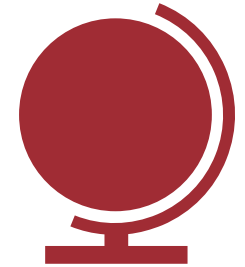
03.

Strategic playbook focused on margin expansion and cash generation



04.

Accelerating growth across end markets through Industrial and Marine Technology **M&A opportunities**



05.

Niche capabilities and specific product group offerings capitalize on **global demographic & secular tailwinds**



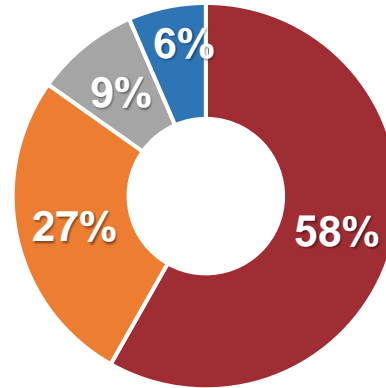
OVERVIEW



TWIN DISC®

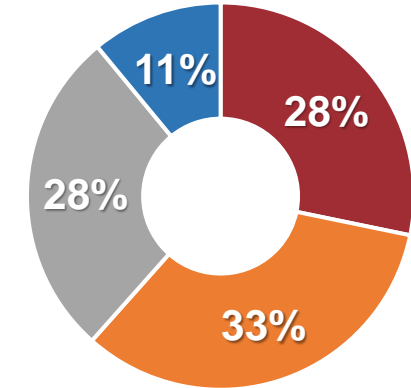
Founding Year	1918
Headquarters	Milwaukee, WI
Employees	~800
Reporting Segments	Manufacturing Distribution
Revenue	\$295.1M
EBITDA Margin	9.0%

FY24 Revenue by Product Group



■ Marine & Propulsion Systems ■ Land-Based Systems
■ Industrial ■ Other

FY24 Revenue by Geography

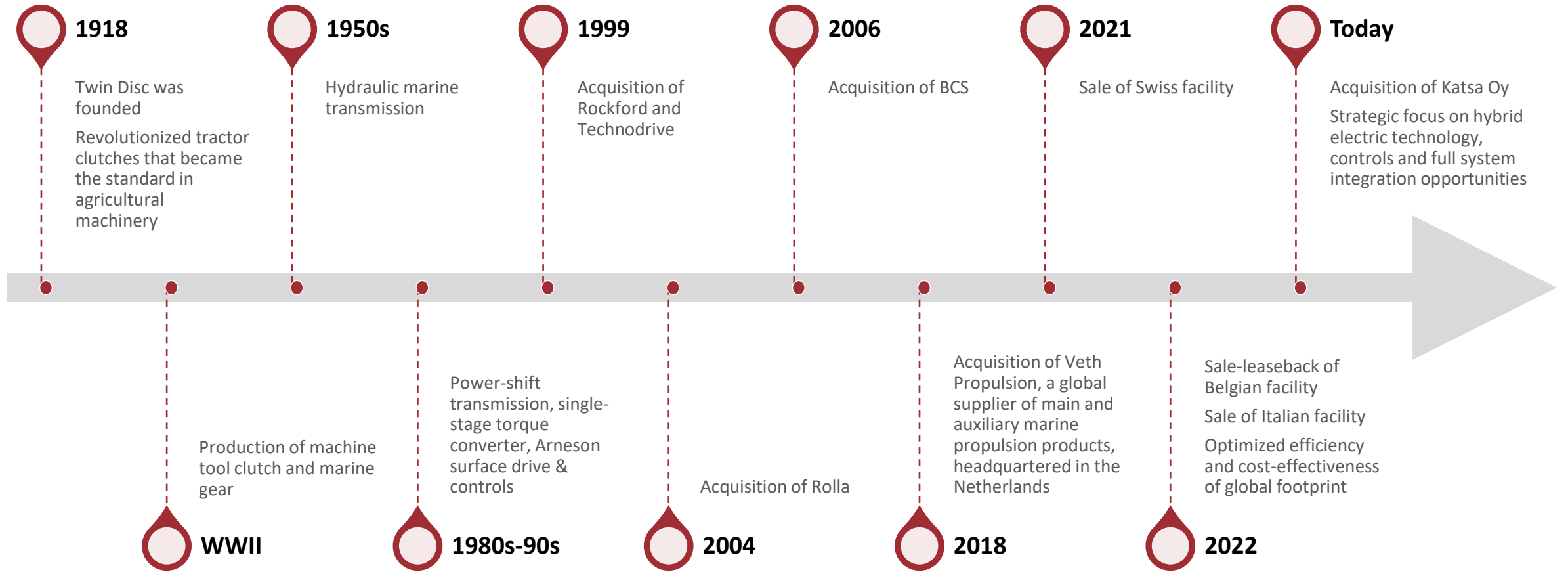


■ North America ■ Europe ■ Asia Pacific ■ Other

Key Market Differentiators

- ▶ A century of expertise putting horsepower to work and delivering world-class solutions to our global customer base
- ▶ Leveraging our leadership position in drive train technology to deliver solutions for today and tomorrow – i.e., traditional diesel, hybrid, and fully electric solutions
- ▶ Veth Propulsion provides an edge in Marine markets, with industry-leading technology known for innovation and reliability

TWIN DISC EVOLUTION



PRODUCT GROUP OVERVIEW



Marine & Propulsion Systems

Diesel powered planing & displacement vessels

- Positioned to capitalize on paradigm shifts in propulsion
- Robust, world-wide distribution network
- Strong opportunity for organic and inorganic growth



Land-Based Transmission

Diesel powered off-highway and all-terrain specialty vehicles

- Increasing global demand for Oil & Gas
- E-Frac and Hybrid solutions expand Twin Disc's addressable market
- Capability to rebuild transmissions when new engine availability is limited



Industrial

Heavy duty industrial disconnect applications

- Competitive advantage by focusing on full systems and technology for controllers
- R&D investments drive new product launches and increased customer applications

Leveraging Proprietary Offerings, Technology, In-House Expertise, and Scale Across Markets



STRATEGY



Leading Hybrid/Electric solution provider for niche marine and land-based applications

Continued expansion of Veth product to reach new markets and geographies

Rationalize global footprint for efficiency and customer response

Increased focus on controls and system integration rather than individual components

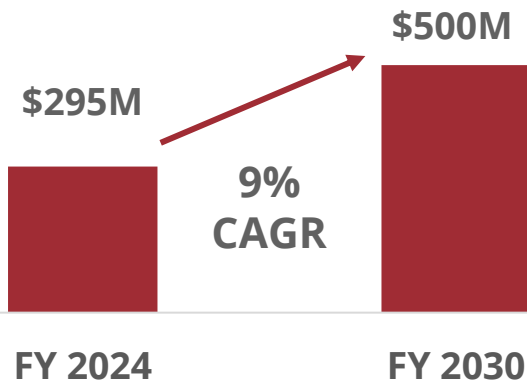
M&A priorities: Industrial and Marine Technology (Hybrid focus)

UPDATING MEDIUM-TERM TARGETS



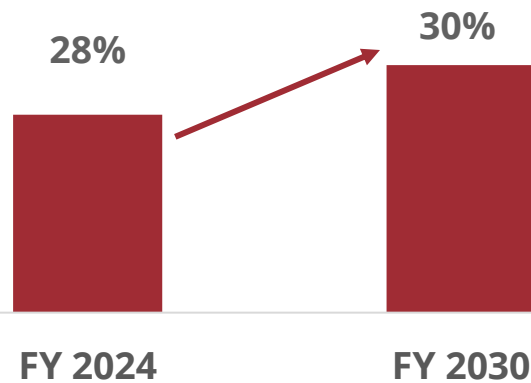
2030 TARGETS AND DRIVERS

Revenue



- Hybrid / Electric leadership
- Veth global expansion
- Industrial focus
- M&A

Gross Margin



- European cost structure
- Operational efficiencies
- Greater pass-through content

FCF Conversion

Maintain at least 60%

- Supply chain processes
- Manufacturing footprint
- Capital spending discipline