



# JBT Q1 2021 Earnings Call

April 2021



# Forward-Looking and Non-GAAP Statements

These slides and the accompanying presentation contain “forward-looking” statements, including statements about management’s expectations regarding trends in the food and air transportation markets, strategic initiatives, acquisition strategies and long-term goals, which represent management’s best judgment as of the date hereof, based on currently available information. Actual results may differ materially from those contained in such forward-looking statements.

JBT Corporation’s (the “Company”) most recent Annual Report on Form 10-K and subsequent Quarterly Reports on Form 10-Q, filed with the Securities and Exchange Commission, include information concerning risks and uncertainties, including the factors set forth under “Item 1A. Risk Factors”, that may cause actual results to differ from those anticipated by these forward-looking statements. The Company undertakes no obligation to update or revise these forward-looking statements to reflect new events or uncertainties.

Non-GAAP financial measures are provided to enhance investors’ overall understanding of JBT’s financial performance by eliminating effects of certain items that are not comparable from one period to the next. In addition, this information is used by management as a basis for evaluating performance and for the planning and forecasting of future periods. This information is not intended to be a substitute for, nor should it be considered in isolation of, financial measures prepared in accordance with U.S. GAAP.

# CEO Messages from the First Quarter 2021



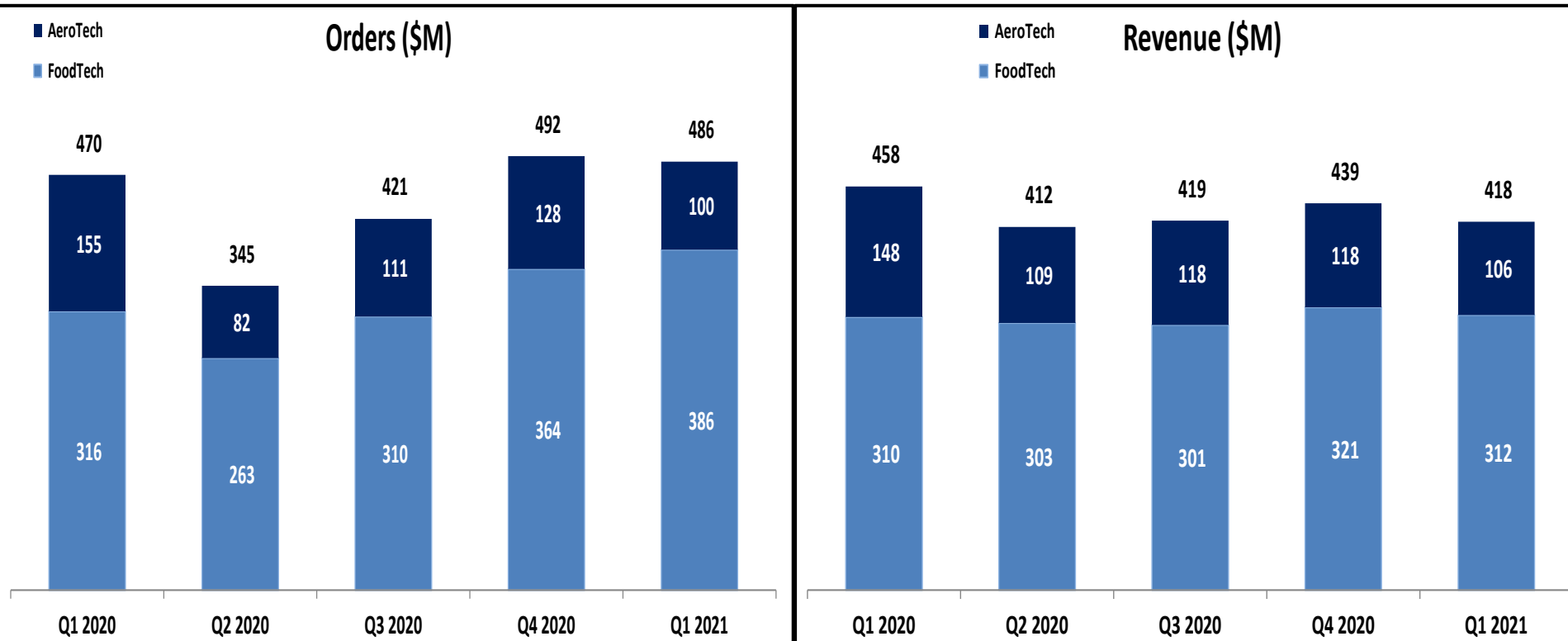
- Optimistic about demand environment. Robust FoodTech commercial activity. Indications that AeroTech demand is on the upswing, with recovery likely to happen gradually over the next 2 years.
- Regionally, most markets are showing some steady recovery, while Europe demand lags as the region works through pandemic challenges.
- Continued solid cash flow management.
- Tough operational environment; expect challenges with supply – demand imbalances to continue throughout 2021

Highly diversified customer base and food application opportunities...

*While poultry is still the only category >10% of orders, we have seen sustained growth in meat, seafood, alternative meats, and pet foods.*

...and a high percentage of recurring revenue provide stability

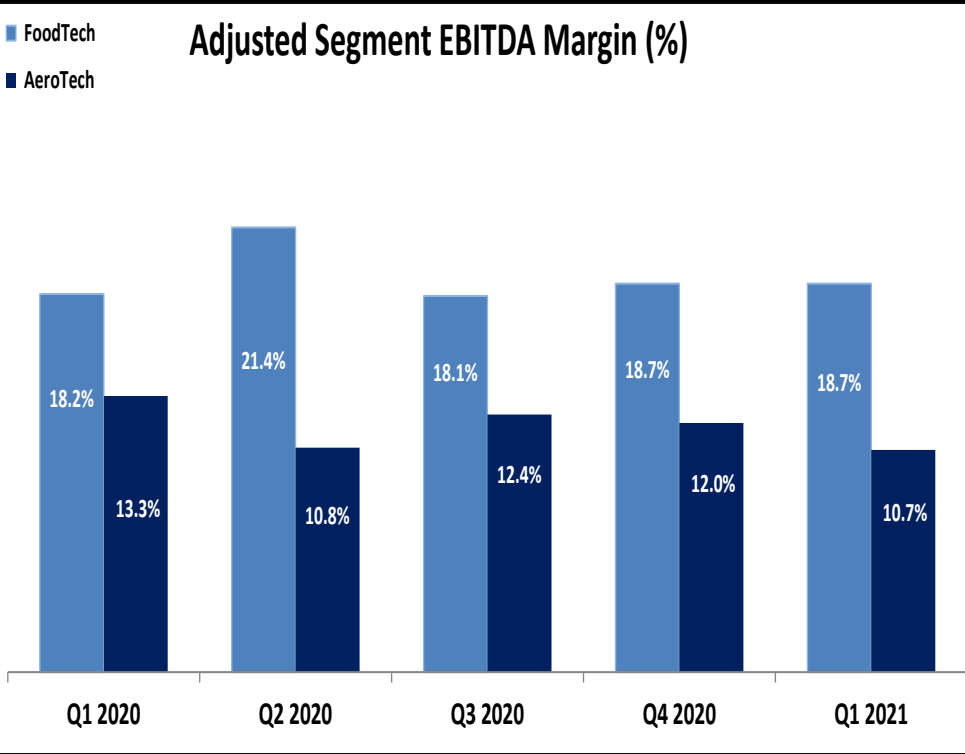
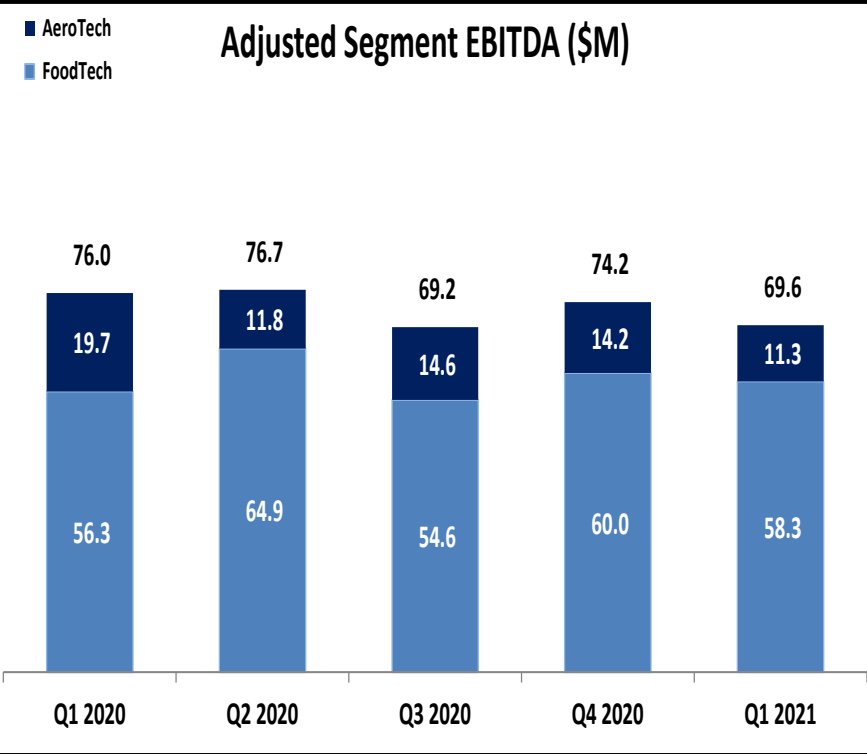
# Financial Performance – Orders and Revenue



**FoodTech order trends** – longer term certainty in the ‘eat-at-home’ market driving higher customer confidence to invest to support retail channel.

**AeroTech order trends** – passenger air travel remains low affecting mobile equipment demand, while demand for infrastructure, cargo and military remain promising

# Financial Performance - Segment EBITDA<sup>1</sup>



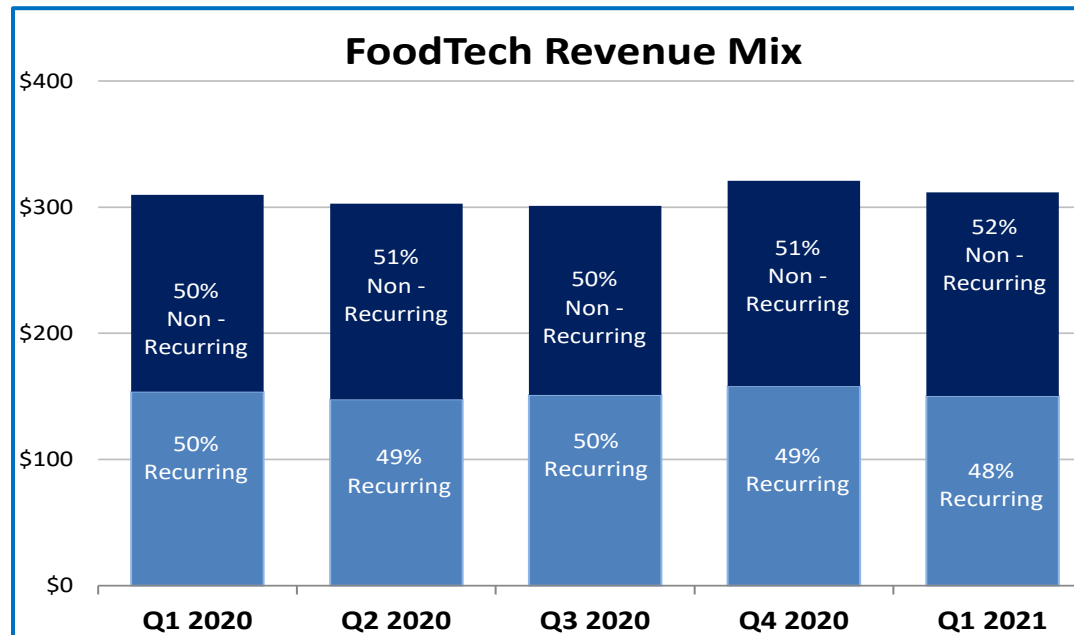
**Recent process optimization efforts implemented with the JBT Operating System, along with rapid cost-cutting efforts, temper margin declines in both segments.**

<sup>1</sup> Non-GAAP figure. Please see appendix for reconciliation.

# Growing FoodTech Recurring Revenue

## Stable and resilient revenue stream amplified by a broad and growing installed base

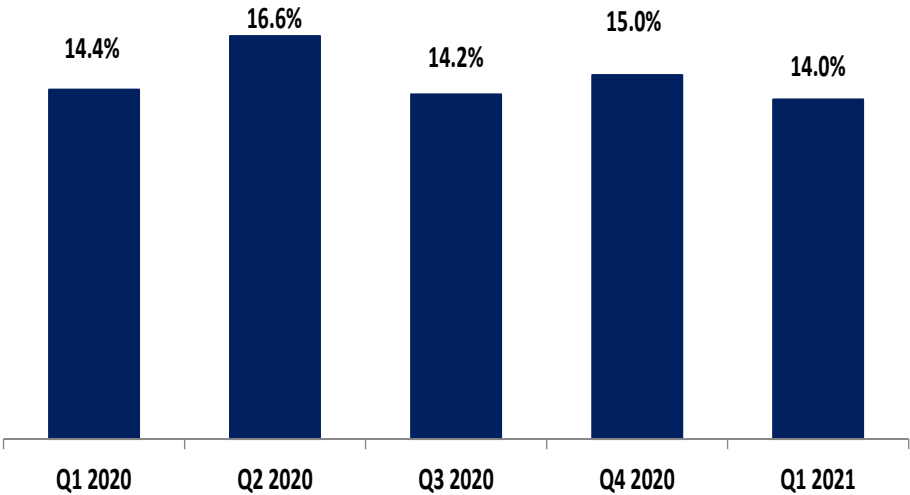
- Global sales and service network, with strategies to drive greater “share of wallet”
- Many customers looking to “outsource” more engineering and maintenance activities due to high turnover and lower skill levels
- JBT provides “PRoCARE powered by iOPS”, which supports our customers with dedicated project management, data analytics, weekly production reports, “behind the scenes” data monitoring, and cloud-based data collection / aggregation



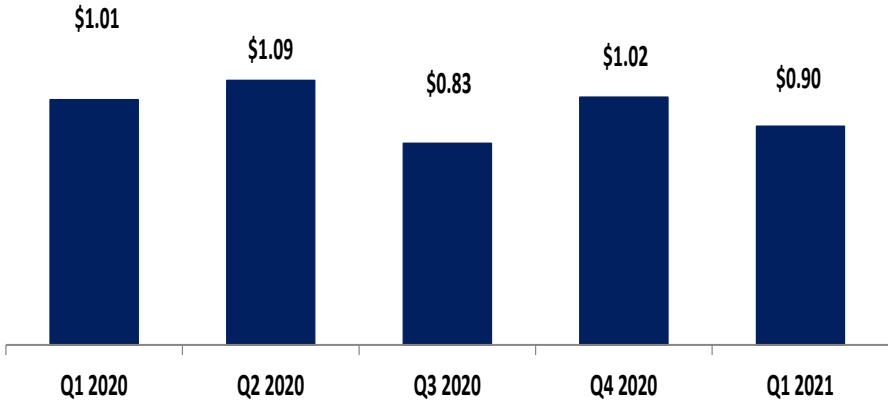
# Financial Performance - JBT Adjusted EBITDA<sup>1</sup> and Adjusted EPS<sup>1</sup>



JBT Adjusted EBITDA Margin (%)



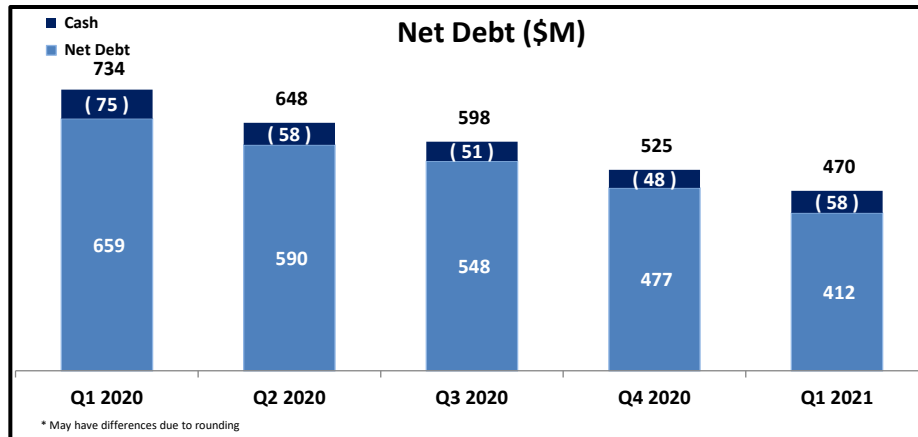
Quarterly Adjusted EPS (\$)



**Stable recurring revenue streams and solid operating discipline helps to offset fluctuations in end market equipment sales to deliver mid-teens margins**

<sup>1</sup> Non-GAAP figure. See appendix for reconciliation.

# Balance Sheet



## Key Metrics – as of March 31, 2021

**Net Debt / Adjusted EBITDA<sup>1</sup>** 1.6x

**Financial Liquidity<sup>2</sup>** \$496M

**Free Cash Flow - YTD** \$78M

## Capital Deployment Priorities

- Investing in high ROI new product development and growth initiatives
- Strategic acquisitions
- Quarterly dividends
- Debt reduction
- Share repurchases to offset dilution from management stock-based compensation

## Strong Balance Sheet to Support Growth

<sup>1</sup> Non-GAAP figure. See Appendix for reconciliation.

<sup>2</sup> Financial Liquidity is defined as cash plus borrowing capacity under our credit facilities.

# CFO Messages from the First Quarter 2021



- 1<sup>st</sup> quarter revenue consistent with our guidance
- 1<sup>st</sup> quarter earnings reflect higher AeroTech product revenue mix and lower interest expense than forecasted
- Continued strong free cash flow performance improves leverage ratio; revenue growth anticipated in 2H 2021 will require some expansion of the balance sheet during the rest of 2021
- Guidance considers seasonally slower 1H 2021 and impacts of inflation and COVID-related inefficiencies; more notably at AeroTech
- Company estimates as of April 26, 2021:

Q2 2021		FY 2021	
Revenue	\$435 - \$455 million	Revenue	<b>\$1,840 - \$1,890 million</b>
EPS	<b>\$0.80 - \$0.90</b>	EPS	<b>\$4.20 - \$4.40</b>
Adjusted EPS <sup>1</sup>	<b>\$0.90 - \$1.00</b>	Adjusted EPS <sup>1</sup>	<b>\$4.40 - \$4.60</b>

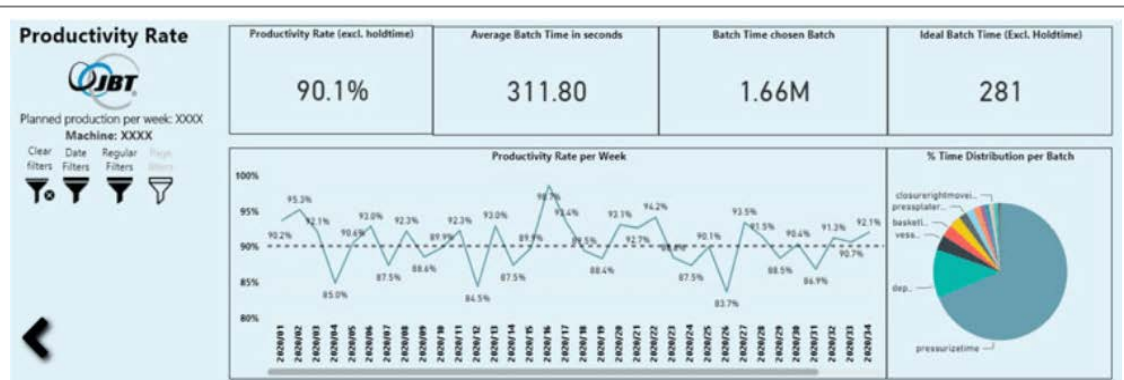
***Increased since February 2021 call***

<sup>1</sup> Non-GAAP figure. See appendix for reconciliation.

# CEO Comments on Growth

- JBT's portfolio supports the fastest growing food categories:
  - Plant-based meat
  - Plant-based and functional beverages
  - Pet food
  - Nutraceuticals and pharmaceuticals
  - Clean labels and healthy convenience foods
- Capitalizing on secular trend to support critical need for:
  - Labor-saving automation
  - Consumer demand for sustainability in packaging and processing

***Building intelligence  
into all products and  
services***



*ESG Website Update Launched February 2021*

- 1. Environmental and Social Impact of Products** – Managing and mitigating the impact products have on the environment and communities; strategy towards a more environmentally or socially beneficial product portfolio.
- 2. Climate Strategy** – JBT's approach to 1) reducing GHG emissions across operations and 2) managing physical and transition risks related to climate change.
- 3. Talent Attraction & Development** – Policies and practices that attract and develop high-quality talent with the right skills to deliver on current and future business needs.
- 4. Diversity, Equity & Inclusion** – Policies and practices that create a welcoming environment for all employees (regardless of differences in race, color, gender, backgrounds, beliefs, abilities, and experiences) to fulfill their potential.

[Downloadable PDF Brochure](#)



# Digital Focus – Our Customer First Approach



Technology is in the fabric of JBT Corporation, and we will be the best at enabling our customer success through continued investment in our Industry 4.0 Digital Platform. We will be at the forefront of the evolving digital ecosystem of the food industry.

IoT (iOPS – Smarter. Made Simpler.)  
'Smart' connected equipment to drive decision making  
*2016-present*

Food Digital Ecosystem:  
Participate, Drive, and Inform  
*2022-2025*

2016 2017 2018 2019 2020 2021 2022 2023 2024 2025

IoT Expansion in  
Installed Base  
And Full Line  
Deployment  
*2021-2022*

Our iOPS solution provides a number of very meaningful customer benefits: [Improving Yield, Throughput, Uptime and Quality](#) through data-drive management of maintenance and production processes.

Expanding IoT allows across our installed base unlocks the value of the data for our customers across their JBT machines. Expanding to full line operations with JBT or other machines allows comprehensive monitoring of production processes.

With significant expansion we enable our customers to participate in the evolving digital ecosystem of the entire food industry, meeting goals and compliance requirements for sustainability, traceability and quality and improving the food for the world and the footprint of our food manufacturing processes globally.

JBT is highly suited for a 'right to play' as a provider of solutions for the food industry very broadly across segments.



# JBT Q1 2021 Earnings Call – Appendix

Non-GAAP financial measures are provided to enhance investors' overall understanding of our financial performance by eliminating effects of certain items that are not comparable from one period to the next. In addition, this information is used by management as a basis for evaluating performance and for the planning and forecasting of future periods. This information is not intended to be a substitute for, nor should it be considered in isolation of, financial measures prepared in accordance with U.S. GAAP.



# Reconciliation of Operating Profit to Adjusted EBITDA

(In millions)

	JBT FoodTech				
	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020
Operating profit	\$ 41.5	\$ 43.0	\$ 37.9	\$ 49.0	\$ 40.7
Restructuring related costs					
Restructuring expense	-	-	-	-	-
Inventory impairment due to restructuring	-	-	-	-	-
M&A related cost	0.5	0.6	0.7	0.3	-
Management succession costs	-	-	-	-	-
Adjusted operating profit	42.0	43.6	38.6	49.3	40.7
Depreciation and amortization	16.3	16.4	16.0	15.6	15.6
Adjusted EBITDA	\$ 58.3	\$ 60.0	\$ 54.6	\$ 64.9	\$ 56.3
Total revenue	\$ 311.8	\$ 321.0	\$ 301.0	\$ 302.8	\$ 309.7
Operating profit %	13.3%	13.4%	12.6%	16.2%	13.1%
Adjusted operating profit %	13.5%	13.6%	12.8%	16.3%	13.1%
Adjusted EBITDA %	18.7%	18.7%	18.1%	21.4%	18.2%



# Reconciliation of Operating Profit to Adjusted EBITDA

(In millions)

	JBT AeroTech				
	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020
Operating profit	\$ 9.9	\$ 12.7	\$ 11.4	\$ 10.3	\$ 18.5
Restructuring related costs					
Restructuring expense	-	-	-	-	-
Inventory impairment due to restructuring	-	-	1.9	-	-
M&A related cost	-	-	-	-	-
Management succession costs	-	-	-	-	-
Adjusted operating profit	9.9	12.7	13.3	10.3	18.5
Depreciation and amortization	1.4	1.5	1.3	1.5	1.2
Adjusted EBITDA	\$ 11.3	\$ 14.2	\$ 14.6	\$ 11.8	\$ 19.7
Total revenue	\$ 106.0	\$ 118.4	\$ 118.2	\$ 108.7	\$ 148.0
Operating profit %	9.3%	10.7%	9.6%	9.5%	12.5%
Adjusted operating profit %	9.3%	10.7%	11.3%	9.5%	12.5%
Adjusted EBITDA %	10.7%	12.0%	12.4%	10.9%	13.3%



# Reconciliation of Operating Profit to Adjusted EBITDA

(In millions)

	JBT Consolidated				
	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020
Operating profit	\$ 37.8	\$ 43.5	\$ 28.3	\$ 47.6	\$ 43.7
Restructuring related costs					
Restructuring expense	1.0	0.9	7.1	2.1	2.0
Inventory impairment due to restructuring	-	-	1.9	-	-
M&A related cost	1.4	1.4	0.9	1.0	2.5
Management succession costs	-	1.3	3.5	-	-
Adjusted operating profit	40.2	47.1	41.7	50.7	48.2
Depreciation and amortization	18.3	18.6	18.0	17.7	17.5
Adjusted EBITDA	\$ 58.5	\$ 65.7	\$ 59.7	\$ 68.4	\$ 65.7
 Total revenue	 \$ 417.8	 \$ 439.4	 \$ 419.2	 \$ 411.5	 \$ 457.7
Operating profit %	9.0%	9.9%	6.8%	11.6%	9.5%
Adjusted operating profit %	9.6%	10.7%	9.9%	12.3%	10.5%
Adjusted EBITDA %	14.0%	15.0%	14.2%	16.6%	14.4%



# Reconciliation of Diluted Earnings Per Share to Adjusted Diluted Earnings Per Share

(In millions)

	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020
Income from continuing operations as reported	\$ 27.0	\$ 30.1	\$ 17.2	\$ 32.5	\$ 29.0
Non-GAAP adjustments					
Restructuring related costs					
Restructuring expense	1.0	0.9	7.1	2.1	2.0
Inventory impairment due to restructuring	-	-	1.9	-	-
M&A related cost	1.4	1.4	0.9	1.0	2.5
Management succession costs	-	1.3	3.5	-	-
Impact on tax provision from Non-GAAP adjustments	(0.6)	(1.1)	(4.0)	(0.7)	(1.1)
Impact on tax provision from repatriation	-	-	-	-	-
Adjusted income from continuing operations	\$ 28.8	\$ 32.6	\$ 26.6	\$ 34.9	\$ 32.4
Income from continuing operations as reported	\$ 27.0	\$ 30.1	\$ 17.2	\$ 32.5	\$ 29.0
Total shares and dilutive securities	32.1	32.1	32.1	32.0	32.1
Diluted earnings per share from continuing operations	\$ 0.84	\$ 0.94	\$ 0.54	\$ 1.01	\$ 0.90
Adjusted income from continuing operations	\$ 28.8	\$ 32.6	\$ 26.6	\$ 34.9	\$ 32.4
Total shares and dilutive securities	32.1	32.1	32.1	32.0	32.1
Adjusted diluted earnings per share from continuing operations	\$ 0.90	\$ 1.02	\$ 0.83	\$ 1.09	\$ 1.01



# Leverage Ratio Calculations

(In millions)

**As of  
March 31, 2021**

Total debt	\$ 469.8
Cash and cash equivalents	(57.5)
<b>Net debt</b>	<b>412.3</b>
Other items considered debt under the credit agreement	37.1
<b>Consolidated total indebtedness</b>	<b>\$ 449.4</b>
<b>Last four quarters Adjusted EBITDA</b>	<b>\$ 252.3</b>
Other adjustments net to earnings under the credit agreement	(20.1)
<b>Consolidated EBITDA</b>	<b>\$ 232.2</b>
<b>Bank leverage ratio (Consolidated Total Indebtedness / Consolidated EBITDA)</b>	<b>1.9x</b>
<b>Net debt to Adjusted EBITDA</b>	<b>1.6x</b>



# Reconciliation of Free Cash Flow

(In millions)

	YTD	TTM			
	Q1 2021	Q1 2021	FY 2020	FY 2019	FY 2018
<b>Cash provided by continuing operating activities</b>	\$ 85.7	\$ 323.9	\$ 252.0	\$ 110.6	\$ 154.6
Less: Capital expenditures	8.9	34.0	34.3	37.9	39.8
Plus: Proceeds from disposal of assets	0.6	1.3	1.5	2.1	2.9
Plus: Pension contributions	0.2	12.5	12.5	8.0	19.5
<b>Free cash flow</b>	<u>\$ 77.6</u>	<u>\$ 303.7</u>	<u>\$ 231.7</u>	<u>\$ 82.8</u>	<u>\$ 137.2</u>
<b>Net income</b>	\$ 27.0	\$ 106.8	\$ 108.8	\$ 129.0	\$ 104.1
<b>Free cash flow %</b>	287%	284%	213%	64%	132%

# Reconciliation of Segment Operating Profit to Adjusted EBITDA



## For the quarter ended March 31, 2021

(In millions)	FoodTech		AeroTech	
Operating profit	\$	41.5	\$	9.9
M&A related costs <sup>1</sup>		0.5		-
Adjusted operating profit		42.0		9.9
Depreciation and amortization		16.3		1.4
Adjusted EBITDA	\$	58.3	\$	11.3

## For the quarter ended March 31, 2020

(In millions)	FoodTech		AeroTech	
Operating profit	\$	40.7	\$	18.5
M&A related costs <sup>1</sup>		-		-
Adjusted operating profit		40.7		18.5
Depreciation and amortization		15.6		1.2
Adjusted EBITDA	\$	56.3	\$	19.7

<sup>1</sup> includes integration costs, amortization of inventory step-up, and transactions costs